
SEPTEMBER 22, 2025

AGENDA ITEM 6
ACTION ITEM

SCHOLARSHARE INVESTMENT BOARD

Resolutions to Approve:

- *Removal of T. Rowe Price Floating Rate Fund and Metropolitan West Total Return Fund from Watch Status*
- *Placement of T. Rowe Price Large Cap Value Fund on Watch Status*

Recommendation

ScholarShare Investment Board (SIB or Board) staff recommends the Board:

- Adopt Resolution No. 2025-06 approving the removal of T. Rowe Price Floating Rate Fund from Watch Status
- Adopt Resolution No. 2025-07 approving the removal of Metropolitan West Total Return Fund from Watch Status
- Adopt Resolution No. 2025-08 approving the placement of T. Rowe Price Large Cap Value Fund on Watch Status

Background

SIB and its investment consultant, Meketa Investment Group, Inc. (Meketa), monitor all portfolios in ScholarShare 529 (Plan) in accordance with the ScholarShare Monitoring Procedures and Criteria (Procedures) adopted by the Board. In April 2024, the Board approved changes to the Procedures, which consisted of modifications to the framework for monitoring the underlying investments (mutual funds) utilized within the Plan as well as the investment performance criteria.

Following the review of the Plan's investment performance for first and second quarters 2025, Meketa has provided its memos analyzing the underlying funds that qualify for watch status as of first quarter 2025 and second quarter 2025 (Exhibits A and B, respectively) under the Procedures approved by the Board in April 2024.

As outlined in its memo, as of second quarter 2025,

- Two (2) funds, the Nuveen Large Cap Responsible Equity Fund and Vanguard High-Yield Corporate Fund, continue to qualify for watch status and remain on watch status;
- Two (2) funds, the T. Rowe Price Floating Rate Fund and Metropolitan West Total Return Bond Fund, are currently on watch status, however, no longer qualify for watch status; and
- One (1) fund, T. Rowe Price Large Cap Value Fund, qualifies for placement on watch status.

Presenters

Stanley Zeto, Deputy Executive Director, ScholarShare Investment Board
Kay Ceserani, Managing Principal / Consultant, Meketa Investment Group, Inc.
Aysun Kilic, Managing Principal / Consultant, Meketa Investment Group, Inc.

**SCHOLARSHARE INVESTMENT BOARD
RESOLUTION NO. 2025-06**

**RESOLUTION OF THE SCHOLARSHARE INVESTMENT BOARD
APPROVING THE REMOVAL OF THE T. ROWE PRICE
FLOATING RATE FUND FROM WATCH STATUS**

WHEREAS, the ScholarShare Investment Board (“SIB” or the “Board”) was created under Education Code section 69980 et seq. (the “Golden State ScholarShare Trust Act” or “Act”);

WHEREAS, the Board has a fiduciary responsibility on behalf of the ScholarShare 529 (“Plan”) participants and beneficiaries to monitor the investment manager’s mutual funds and investment performance;

WHEREAS, the Board adopted the Golden State ScholarShare College Savings Trust Monitoring Procedures and Criteria (the “Procedures”) to provide guidelines for monitoring the investment manager’s mutual funds and investment performance as part of its fiduciary responsibility on behalf of the Plan participants and beneficiaries;

WHEREAS, at the April 16, 2024 SIB meeting, the Board approved changes to the Procedures reflecting revisions to the framework for monitoring underlying investments in the Plan;

WHEREAS, the SIB staff and the Board’s investment consultant (the “Consultant”) have reviewed and analyzed the investment performance of the portfolios and funds in the Plan through the end of second quarter 2025;

WHEREAS, pursuant to the Procedures, the Board may place underlying funds on watch status, and SIB staff and the Consultant have provided their recommendations, as outlined in the Consultant’s memo dated September 22, 2025; and

WHEREAS, under the Procedures, the T. Rowe Price Floating Rate Fund (the “Fund”) met at least three (3) of the four (4) performance evaluation criteria and therefore, it no longer qualifies for placement on watch status pursuant to the Procedures.

NOW, THEREFORE, BE IT RESOLVED, that the Board approves the removal of the Fund from watch status;

BE IT FURTHER RESOLVED, that this Resolution becomes effective upon its adoption by the Board.

Attest: _____
Chairperson

Date of Adoption: _____

**SCHOLARSHARE INVESTMENT BOARD
RESOLUTION NO. 2025-07**

**RESOLUTION OF THE SCHOLARSHARE INVESTMENT BOARD
APPROVING THE REMOVAL OF THE METROPOLITAN WEST
TOTAL RETURN FUND FROM WATCH STATUS**

WHEREAS, the ScholarShare Investment Board (“SIB” or the “Board”) was created under Education Code section 69980 et seq. (the “Golden State ScholarShare Trust Act” or “Act”);

WHEREAS, the Board has a fiduciary responsibility on behalf of the ScholarShare 529 (“Plan”) participants and beneficiaries to monitor the investment manager’s mutual funds and investment performance;

WHEREAS, the Board adopted the Golden State ScholarShare College Savings Trust Monitoring Procedures and Criteria (the “Procedures”) to provide guidelines for monitoring the investment manager’s mutual funds and investment performance as part of its fiduciary responsibility on behalf of the Plan participants and beneficiaries;

WHEREAS, at the April 16, 2024 SIB meeting, the Board approved changes to the Procedures reflecting revisions to the framework for monitoring underlying investments in the Plan;

WHEREAS, the SIB staff and the Board’s investment consultant (the “Consultant”) have reviewed and analyzed the investment performance of the portfolios and funds in the Plan through the end of second quarter 2025;

WHEREAS, pursuant to the Procedures, the Board may place underlying funds on watch status, and SIB staff and the Consultant have provided their recommendations, as outlined in the Consultant’s memo dated September 22, 2025; and

WHEREAS, under the Procedures, the Metropolitan West Total Return Fund (the “Fund”) met at least three (3) of the four (4) performance evaluation criteria and therefore, it no longer qualifies for placement on watch status pursuant to the Procedures.

NOW, THEREFORE, BE IT RESOLVED, that the Board approves the removal of the Fund from watch status;

BE IT FURTHER RESOLVED, that this Resolution becomes effective upon its adoption by the Board.

Attest: _____
Chairperson

Date of Adoption: _____

**SCHOLARSHARE INVESTMENT BOARD
RESOLUTION NO. 2025-08**

**RESOLUTION OF THE SCHOLARSHARE INVESTMENT BOARD
APPROVING THE PLACEMENT OF THE T. ROWE PRICE
LARGE CAP VALUE FUND ON WATCH STATUS**

WHEREAS, the ScholarShare Investment Board (“SIB” or the “Board”) was created under Education Code section 69980 et seq. (the “Golden State ScholarShare Trust Act” or “Act”);

WHEREAS, the Board has a fiduciary responsibility on behalf of the ScholarShare 529 (“Plan”) participants and beneficiaries to monitor the investment manager’s mutual funds and investment performance;

WHEREAS, the Board adopted the Golden State ScholarShare College Savings Trust Monitoring Procedures and Criteria (the “Procedures”) to provide guidelines for monitoring the investment manager’s mutual funds and investment performance as part of its fiduciary responsibility on behalf of the Plan participants and beneficiaries;

WHEREAS, at the April 16, 2024 SIB meeting, the Board approved changes to the Procedures reflecting revisions to the framework for monitoring underlying investments in the Plan;

WHEREAS, the SIB staff and the Board’s investment consultant (the “Consultant”) have reviewed and analyzed the investment performance of the portfolios and funds in the Plan through the end of second quarter 2025;

WHEREAS, pursuant to the Procedures, the Board may place underlying funds on watch status, and SIB staff and the Consultant have provided their recommendations, as outlined in the Consultant’s memo dated September 22, 2025; and

WHEREAS, the T. Rowe Price Large Cap Value Fund (the “Fund”) did not meet two (2) or more of the four (4) performance evaluation criteria and therefore, it qualifies for placement on watch status pursuant to the Procedures.

NOW, THEREFORE, BE IT RESOLVED, that the Board approves the placement of the Fund on watch status.

BE IT FURTHER RESOLVED, that this Resolution becomes effective upon its adoption by the Board.

Attest: _____
Chairperson

Date of Adoption: _____