Michael Kimmel:

Good afternoon. This is Michael Kimmel, and I'm happy to welcome the over 200 registrants to the summer 2025 installment of our webinar series.

I do hope that everyone is doing well, and that you're able to enjoy summer.

Us here in New York are thrilled that the very hot and humid weather has abated, and that the smoke from Canada is starting to also subside.

Today you hear from some familiar faces: David Baskin, RPB Chair; Brad Smith from NEPC; Amy Brackett, Chair of our Investment Committee; and me, of course. Next slide.

We'll hear from David, get a recap of the economy and markets, hear how performance for 2025 has gone so far, and learn more about what you might expect for the rest of the year and beyond.

Additionally, since we were last together in spring, as you know, we completed the largest change to our investment lineup in a generation. I'm very happy to report that it went very, very well.

Finally, you will soon receive an email from us with a recap of our most recent participant survey. We encourage you to read it, but in a nutshell, you've told us that you're doing well, and that so are we.

Retirement confidence is up from 65% in 2016 to 84% in 2024, and participant satisfaction in RPB is up from 82% in 2016 to 94% in 2024.

Thanks to all of those who completed it.

Before I turn it over to David Baskin, who will provide some brief opening remarks, some housekeeping items:

If you'd like to read along with a live transcript, just click on the CC “Show Captions” button at the bottom of your screen.

Regarding questions—thanks to those who submitted questions in advance. We will address them at the end of the session, as well as those submitted during the session by just clicking on the Q&A button found at the bottom of the screen.

This can be done anytime throughout the presentation.

And as always, the webinar is being recorded and will be posted to our website in a few days.

We will also email a link to you.

David, the floor is all yours.

David Baskin:

Thanks very much, Michael, and welcome everybody, and thanks for joining us. First of all, I want to say that the idea that smoke is coming from Canada is fake news, like everything else coming from Canada. If it was coming it would be subject to a 35% tariff. So that means it stopped. So that smoke is your problem, not our problem.

If you're confused about what's going on in the American economy, join the party.

And if you're not confused, you're not paying attention.

On the one hand, we have stock markets at very close to all-time highs and most accounts have done very well in the first seven months of the year. On the other hand, we have lots of signs that the U.S. economy is starting to decelerate.

In fact, as you're probably aware, the jobs numbers that were released last Friday were so bad that the President has said they were rigged and has fired the head of the Bureau of Labor Statistics.

On top of those numbers, we're seeing some growth in inflation, certainly above the target set by the Federal Reserve Bank, and signs that GDP is also slowing down.

So how is it that we can have very good stock markets and at the same time a slowing economy?

Amy and Brad are going to explain everything, I hope, to your satisfaction. Michael tells me that with the help of Stephanie, our head of communications, we've been doing this now for nine years, which surprises me. I hope you enjoy it very much, and please tell all your friends to join us. And with that I'm going to turn it back over to our moderator, Michael.

Thank you, David. We're now going to turn things over to Brad and Amy to go through the first half of the market and an economic recap. Brad.

Brad Smith

Great. Thank you, Michael. Good afternoon, everybody.

As David said, it's been a really up and down year with a lot of the news from tariffs—the on-again, off-again tariffs, country by country.

And you know, earlier in the year we saw the S&P 500 sell off by close to 17 percentage points. But as you look at where we ended up at the end of June, it didn't really matter where you were invested. Stocks here in the U.S., measured by the S&P 500, were up a little over 6%.

International stocks were up over 10% or around 10%. And bond investors also had positive returns of around 4%.

A lot of you might look at that international number and say that's surprising—that it's above the S&P 500.

One of the things that has happened so far in 2025 is the value of the dollar has dropped pretty dramatically, and when the dollar drops, the returns that we receive as U.S. investors investing overseas increases dollar for dollar. So a lot of the gains we've seen in international markets this year are actually due to the weakness in the dollar so far this year.

If you look at the chart on the bottom, what you're looking at here is markets that have actually experienced a decline of 15% or more, and you can see that there are five years where that occurred. And if you look at that bright green line near the top, that's 2025. One of the things that's really interesting about 2025 is, despite all of the on-again, off-again news about tariffs, we've had one of the quickest market recoveries in history when you look at drawdowns of greater than 15%.

So it really is an unprecedented year.

When we look at fixed income markets on the next page…

At the end of June, markets are expecting two rate cuts by the end of the year. And what you're looking at here on the bottom of the page is what we call yield curves, and this is the amount of return you get if you invest in treasuries for different time periods—you know, a 1-year, 3-year, 5-year, etc.

If you look at the light blue line, that's where rates were in June of last year, and if you look at the bottom line, which is that dark blue line, that's where rates were as of June. And when the line drops, the value of bonds increases. So because interest rates have dropped by a pretty significant amount, especially for the very short part of the curve, it has actually been kind of a tailwind for bond investors.

So we did see a lot of volatility so far in 2025. Hopefully, a lot of you had vacation time in March and you didn't really see the big drawdown. But the nice thing is, your statements look very strong through June of 2025.

Amy Brackett:

Great, so I will run through performance for RPB for the first half of the year.

If we look at the next slide, I don't have to tell you that there were some big changes over the last few months. On May 1st we introduced target date funds for Tier 1, and these funds from T. Rowe Price replaced what was previously the Asset Allocation Fund.

So the more risk-based funds in Tier 2, which is the self-directed area for people who really want to build their own portfolio—we've always offered a number of fund options there through Vanguard, and the idea was to be able to get low-cost exposure to different markets. But what we did more recently is add some additional funds—some more actively managed funds that we think really complement what was already offered.

So for people who want pure passive, there's that option. For people who want managers that are more focused on the fundamental research and security selection, we have those funds as well.

And then, of course, Tier 3, which is the RPB Reformed Jewish Value Stock Fund—no changes there. That fund continues to be a global stock mandate really focused on socially responsible funds in line with Reform values.

The next slide is just a refresher on the target date funds, and you'll see that depending on your age and expected retirement date—and for these purposes we use age 65. We know some people may retire earlier than 65, some might retire later. But the way these funds are set up, they assume retirement at age 65. So there are different trusts or funds essentially for each age group.

Someone born in 2003—22 years old and just starting out—would be in a 2070 trust with an expected retirement date of 2070. And if we look all the way to the bottom, someone born before 1942 would be in a 2005 trust. That would be more of a conservative retirement-based model.

The next slide is looking at what's called the glide path, which is really looking at the mix of stocks and bonds, and within stocks and bonds, the different types of investments by age.

If you look all the way across the bottom where it says “years to retirement,” all the way on the left is someone with 45 years until retirement—so, 20s, just starting out. All the way to the right, where it says minus 35, is someone already 35 years into retirement—hopefully living to 100 or beyond.

This shows the different investment mix. The dark blue at the bottom is domestic equity, which is a significant portion for younger investors. The green is non-U.S. or international equity, also a significant portion for younger investors.

Someone younger will have 90%+ in the stock market, a small portion in bonds, and a bit in real assets. As we move toward and into retirement, equity decreases, while fixed income—safe haven bonds and some return-seeking bonds—grows.

The idea of choosing a target date fund is that rebalancing happens automatically. Unlike the previous Tier 1 setup, where changes had to be made manually, these funds adjust over time. You can always choose a different year to be more or less aggressive, but you were defaulted based on age as of May 1 if you were in a Tier 1 fund.

This next slide is a great reminder of why diversification matters—why we like exposure to different asset classes. When one zigs, another zags. Earlier this year, value outperformed growth, and many tech and AI stocks saw a V-shaped recovery—straight down and then straight up.

Many of the names hit hardest were the strongest performers later in the quarter. The idea is to diversify rather than put all your eggs in one basket, and this is a great visual of that.

Turning now to actual returns—this is for the first half of 2025. The new funds launched on May 1, so anyone in those funds only experienced those returns for about two months of the quarter.

Looking at the T. Rowe Price 2005 model on the left (the most conservative), if you were in that fund the whole period, returns were about 5.5%.

If we go to the right, someone not yet retired with 10+ years to go—more fully invested, less bond-heavy—would have seen returns closer to 8%.

The next slide shows performance for 2040 through 2065. Not surprisingly, more stock exposure helped during a good market. These funds were up 8–9.5% in the first half of the year.

Looking at Tier 2: Dodge & Cox had a strong first half, helped by its value focus. The Vanguard 500 tracked the index, and the Fidelity Blue Chip Fund (new to the lineup) is growth-oriented—so it lagged a bit when tech dipped. Small caps were more muted.

International funds performed very strongly—up 18–20%—helped in part by currency moves. Emerging markets were up closer to 11–12%. Real estate was modestly positive.

Lastly, bond funds: Vanguard tracked the index. The Fidelity Bond Fund is new. The Stable Value Fund serves as the cash vehicle.

All the way on the right: the RPB Stock Fund slightly underperformed for this period but has outperformed over the long term. It tends to be a bit more in tech and underweight energy, so it won’t always mirror its benchmark.

And with that, I’ll turn it back to Michael.

Michael Kimmel

Thank you, Amy. All right, we're going to get started with our 2025 second half outlook roundtable. We have a series of questions and discussion items for Amy, David, and Brad. So let's start. I think we're going to start with a brief overview of some of the investment themes with Brad.

Brad Smith

Yes, thanks, Michael. So at the beginning of every year, NEPC identifies what we believe are the top 3 or 4 investment themes that we expect to be the primary drivers of markets. And for 2025, we identified 3 themes. The first was basically just the impact of the Magnificent 7.

Two things are really important about this. These companies in general are really heavily tied to the theme of artificial intelligence, and these companies continue to post really strong earnings which keeps the investment thesis kind of chugging along.

But investors need to understand that those 7 names have gotten so large that for literally every dollar you're investing in the S&P 500, 32 cents is going into those 7 names. So those companies continue to be priced for perfection, which is one of the reasons why we encourage investors to remain diversified and not put all of your money in a single fund unless it's a target date fund, because those by definition are very diversified.

The other thing that I think everybody's really focused on right now is what's going to happen to rates and inflation.

As David mentioned earlier, the Fed has a long-term target of 2%. Inflation has been trending down, but it's still well above that 2%.

Two things, I think, are keeping the Fed remaining patient. One has been really just the strong jobs numbers that have been out there, which really kind of fell apart last Friday. The second is just the impact of tariffs, because the Fed believes that tariffs are inflationary, and they're concerned that if they cut rates too soon, they might stimulate something called stagflation. Stagflation is really bad for stocks. It's where you have rising prices and falling growth from equities. So the Fed is really trying to navigate a soft landing as opposed to triggering that stagflationary environment.

The last thing is, when you look around the globe at all of the geopolitical events—whether it's what's going on in the Middle East, or over in Russia and Ukraine, China and Taiwan—there's just a lot of things that can go wrong. But what's interesting is that the markets seem to be focused more on tariffs than on the geopolitical issues that are out there.

So we think that these three things are going to continue to be the primary issues that will impact markets for the balance of 2025 in the second half.

Michael Kimmel

Thank you, Brad. So first question back to you, Brad: How might the potential Fed rate cuts, trade policy changes, and tax policy decisions affect markets in the second half of 2025?

Brad Smith

Yeah. So if we go on the next page, what you're looking at here is two measures of inflation. You're looking at a rolling three-year, which tends to focus on longer-term inflation, and a rolling one-year. If you look at those data points on the far right-hand side, what you'll see is the data points are going down.

This is part of what the administration is focused on—they're saying, "Hey, look! Inflation continues to soften."

Yet the Fed has continued to remain patient, and the big reason the Fed is remaining patient is shown on the next page.

What we're showing you here is what historic average tariff rates have been going back to 1891. If you see where we were before the beginning of this year, the average tariff rate that the U.S. assessed was 2%.

The current estimate today is that tariff rates are going to end up around 15%. If you look back at where people thought it was going to be on April 2, when the market really got volatile, it was north of 20%.

So clearly, although inflation has started to slow down, the Fed is really focused on the impact of tariffs.

Tariffs are nothing more than another tax, and it does pass through to consumers. A lot of economists will argue that tariffs actually slow down growth, so they're deflationary, not inflationary. But we'll just have to wait to see what data comes in.

I also made mention of geopolitical events, and these can also drive impacts on interest rates. Because if we go to the next page, the price of oil is a major component in the inflation numbers. We did see the price of oil spike pretty quickly when the U.S. got involved with the Iranian crisis. Oil spiked from about $65 a barrel up to almost $80 a barrel. Actually, I guess it didn't trade there for long—it was there for a day, and then it dropped pretty quickly.

So again, this is just another data point as to how geopolitical factors can also impact some of the economic data we're seeing.

We do think that the Fed is more likely to be willing to cut rates given the recent jobs data number that came out on Friday.

Michael Kimmel

Thank you, Brad. So if we turn to the next question—what's driving the strong international returns in 2025?

David Baskin

Sure. Thank you, Michael. Money is an interesting phenomenon. You look at a $20 bill in your pocket, and you think, "I've got $20," but you only have $20 if somebody's prepared to give you something in return for that piece of paper. All monetary systems are based on faith and confidence. That $20 bill says it's legal tender for all debts, public and private, which means you can pay your taxes with it. The government has to take it, and everybody else has to take it—but they may give you less goods for it if they don't think it's going to be worth $20 tomorrow.

One of the things that's happened in the last little while is people have lost some confidence in the U.S. dollar. They're worried that the Federal Reserve will lose its independence. President Trump has talked a lot about firing Chairman Powell. They're worried that the agency that provides the data that the whole world relies upon to know what's going on in the economy will lose its independence because its chairman has been fired. And they're worried about the level of debt and deficit in the U.S. economy.

As a result of that, most major currencies—and gold and Bitcoin—have gone up against the U.S. dollar. A lot of capital has fled the U.S. to invest in other markets where there's more confidence. So you can see that, for a change, most major markets outside the United States have done very well in the last little while.

Will that continue? Well, it's impossible to know. But what seems to happen here is that non-U.S. markets move in coordination with one another. They're highly correlated, as we say in the money business—and in this case, they're non-correlated with the U.S. So I think a lot will depend on what data we see coming forth in the next couple months.

If the trend of low job growth is confirmed, if GDP growth in the third quarter is negative, if consumer spending tends to decrease, then I think we'll see better returns outside the U.S. than inside the U.S.

Michael Kimmel

Thank you. What this slide looks like it's telling us is that international returns have handily beaten domestic markets this year, correct?

David Baskin

Yes, that's for 12 months. You can see the S&P is up 7.25% in that time, and the MSCI World Index is up 19%. So that's a huge beat. Part of that is currency, of course.

Michael Kimmel

However, long-term...

David Baskin

Yes, this is a very choppy series. Particularly when you're investing in emerging markets, you can have a plus-30 year followed by a minus-30 year. There's no question that the American stock market has been the world beater now for 15 years, and anybody who missed out on the growth of the Magnificent 7, for example, in the last five years will probably never catch up.

But even though, as we say in the financial markets, "the trend is your friend," the trend doesn't last forever.

That is for sure.

And, by the way, this is a nice graphic representation of what I was talking about—that all major currencies and gold have handily increased their value against the U.S. dollar. It's really not so much that they went up as the U.S. dollar went down.

Michael Kimmel

Okay, next question: what's the outlook for bonds with the Fed cuts expected, but inflation remaining above their long-term target of 2%? Brad, you want to take this one.

Brad Smith

So I think it's helpful to step back and think about why does the Fed cut interest rates? And the reason they do that is because they're concerned that the U.S. economy is going to go into a recession. One of the tools that the Fed has is to lower interest rates to help stimulate growth. So lowering interest rates is something that lowers costs and stimulates growth, and is positive for both equities and fixed income as long as you're not going into a hard recession.

And we talked a little bit about the impact of the labor market. What you're looking at here on this page is two data sets. If you look at that light blue line and compare it to the right-hand side of the chart, that's showing you the unemployment rate. We've been talking a lot about how unemployment has remained stubbornly low. And that's the biggest reason why the Fed has been concerned about cutting rates too soon—because the economy continues to kind of chug along.

That dark blue line is a consumer survey where consumers are asked whether they believe it's easier to get jobs or if they're harder to get. What's interesting is that number is tied to the left-hand side of the graph. The two data series tend to be highly correlated and tend to move directionally in the same way over time. We found it interesting that consumers in the first half of 2025 have begun to state that it's harder to get jobs, which could be a precursor to the economy slowing down.

Another data point that we tend to look at is something called credit spreads. What you're looking at here on the bottom is different types of bonds. The first, Bloomberg IG, is investment grade. Then you've got high yield. The next three or four data sets are lower quality bonds.

If you look at two colors here: the green dot tells you what you, as an investor, earn over Treasuries for lending money to these types of companies, whether it's investment grade or high yield bonds. The dark blue dot shows where the yield is as of June 30th. The takeaway here is that the blue dots across the bond spectrum are well below the green dots, which means that investors are not currently concerned about the economy rolling over into a recession. They’ve got a lot of confidence in companies' abilities to pay back the money.

A yellow flag would be if we started to see that blue dot climb and get close to or above the green dots. That would mean bond investors are losing confidence. That would be another data point the Fed would be looking at.

On the next page, what you're looking at here is what investors think the Federal funds rate is going to be going forward. If you look at where we were in July 2025, you’ll notice investors are pricing in about a 50 basis point decline in the Federal funds rate by the end of 2025, which would be equivalent to two Federal rate cuts.

This data is as of June 30th. Once the really bad jobs number came out last Friday, there's now a 45% probability of a third rate cut by the end of this year. So clearly, the data continues to be fluid, but it does look as though markets are expecting two, potentially three, rate cuts by the end of 2025.

Michael Kimmel

Thank you, Brad.

So next question: I'm planning to retire in the next few years. How do I protect what I've saved while staying invested for growth? Amy, before I let you go, we did get another question that's very similar: Since we're living older and older, does it make sense to not invest too conservatively to give you a better chance of not running out of investment money in your older age, like 80 to 100?

Amy Brackett

Great questions—and congratulations to the one who is retiring in the next few years.

It’s an excellent question: how do I protect what I've earned and saved, and still stay invested for growth? Like one of the people said, we are all living longer. The greatest risk is really putting it all in cash, and then inflation eats into that for years on end.

Before we talk about markets and portfolios, I would say that knowing what you're investing for is key. Rather than looking at the portfolio in a vacuum, understand how this fits into the bigger picture—things like cash flow today and how it might change in retirement, Social Security, required minimum distributions, non-retirement accounts that may provide income, and so on.

Taking a step back to understand how this pool of dollars fits in—because I’m guessing for many people this isn’t the only pool of assets—will help guide questions around how to invest, how much should be in cash, stocks, or bonds.

Typically, having a diversified portfolio is key. The question is: how much in each area? That depends on age, time horizon, liquidity needs, and risk tolerance.

This next slide is just another way to look at the asset quilt—different asset classes from gold to international stocks to Bitcoin. Lots of red and green, and lots of volatility year to year. What you don’t see is what’s happening within each year.

Today’s winners are not going to be tomorrow’s winners. For example, from 2000 to 2009—“the lost decade”—U.S. stocks were flat or even down when dividends are stripped out, while international and emerging markets actually performed better.

So it's a reminder that anytime we look at one chart or quarter or year, it’s just a snapshot in time.

If we look at the next slide, this one is a reminder of diversification. The target date funds I mentioned are automatically rebalanced and adjusted. But if you're in Tier 2 or Tier 3, or combining those with target date funds, it's important to occasionally check your portfolio and rebalance, especially after big market moves.

The next slide is one of my favorites. Everyone wants to think they're Warren Buffett and can time the market. But this chart shows why staying the course matters. Over 30 years of market data (roughly 7,500 trading days), the S&P 500 earned about 8% annually. If you missed just the best 10 days, returns fall to 5%. Miss the best 50 days? You'd lose money.

Best and worst days often happen close together. In Q2 alone, we saw the worst day of the quarter (market down 6% on April 4), and just five days later the market was up nearly 10% in a single day. Volatility is normal, and time in the market is more important than timing the market.

One quick stat: a mild 5% correction happens on average 3–4 times per year. A 10% correction occurs about once a year, and a 20% drop—a bear market—happens every 3–4 years. Volatility is the toll we pay to invest. That's why getting the allocation right and staying the course is so important.

Michael Kimmel

Thank you, Amy. Before we turn it to our Q&A session, I'm going to let Brad wrap things up with a few comments about his firm's outlook for the rest of 2025.

Brad Smith

Yeah. When we see the type of volatility we've seen in the market, we actually think that's healthy.

The fact that markets came back so quickly didn't surprise us—but we weren't expecting it either. As we look at the continued all-time highs in U.S. markets, we want to remind clients to stay diversified. A lot of the Magnificent 7 stocks are priced for perfection. If any of them miss earnings, you'll see a big selloff.

We do think the Fed, especially after Friday's jobs number, will face pressure to cut rates. Even if jobs data stabilizes, the President can nominate a new Fed chair next quarter. Even though Powell's term runs through May 2026, a newly nominated chair could still influence policy.

Lastly, we think volatility is here to stay, especially with on-again, off-again tariff policies. We haven't seen enough data to know whether these tariffs are inflationary, and some economic data is weakening. So it’s important to review your portfolio. If you have an advisor, check in. Make sure your stock/bond mix reflects your goals and risk tolerance.

Michael Kimmel

Thank you, Brad.

Some final next actions: Know what you're invested in. If you haven’t logged into your account through the RPB portal or Fidelity NetBenefits, please do so. See what you're invested in.

Stay focused on your risk tolerance and time horizon. Review your portfolio at least annually.

If you're only in one Tier 1 target date fund, you don’t need to worry about rebalancing—it’s done automatically. If you’re in multiple target date funds and/or Tier 2 or 3, you should consider setting up rebalancing quarterly, semiannually, or annually. You can contact Fidelity for help, and that number is on our website.

A couple quick reminders: Look out for our satisfaction survey results email coming in the next week.

Also, if you're 50 or older and starting to think about retirement, sign up for our next in-person retirement planning seminar in Chicago, May 3–5. You'll receive emails about that.

So with that, we're going to turn it over to our Q&A session. Thanks to those who submitted questions in advance and during the session.

Michael Kimmel

I'm going to direct the first question to Amy. Amy, what types of funds are we investing in to support alternative fuel sources and to defund “bad actors” on the world stage?

Amy Brackett

Thank you, Michael. So this is a great question. And I would say the idea of socially responsible investing or ESG investing, you know, it's a pretty broad definition. And how people define a “bad actor” can really vary depending on who you ask. So, for example, some of the largest investors in clean energy are companies like Chevron, Shell, BP, and others. So they are leaders in the clean energy space, but also still heavily involved in the traditional energy sector. So it really depends.

I would say, specific to the RPB plan, the Reform Jewish Values Fund is the one that we most align with this question. It’s one of the Tier 2 funds. It's available to anyone in the plan. And the way that that fund is structured, it has both positive tilts and exclusions. So positive tilts meaning, for example, clean energy and clean tech solutions. Also companies focused on Israel, as one example, are overweight relative to the benchmark.

And then there are a number of screens, so things like coal and consumable fuels, oil and gas pipelines, some of the extraction and equipment-related names are excluded. And in fact, earlier this year the Investment Committee expanded some of those screens. So we’re happy to provide more information, but the short answer is if that’s important to you—and it is for many of our participants—that fund is probably the best aligned with your goals.

Michael Kimmel

Thank you, Amy.

Next question is going to Brad. Please provide details about small cap funds and what a healthy allocation might look like for a 62-year-old planning to live to 100. May we all live to 100 and be healthy while we do.

Brad Smith

Yeah, no kidding. So, a good question. So when we think about portfolio construction, we generally advise clients to stay what we call market cap neutral. And what that means is your allocation to different asset classes should mirror what the actual global equity market looks like. And today that looks roughly like this: U.S. large cap is about 50 percent, small and mid-cap is about 13 percent, and then you have international stocks rounding out the balance. So what that means is if you're 100 percent in equities, roughly 13 percent of your equity exposure would be in small and mid-cap.

If you're only 20 percent in equities, well then you take 13 percent of that 20 percent, and that would be your small and mid-cap allocation. So you can see how that scales. Now, if you're in a target date fund, you don't have to worry about this. T. Rowe Price does this on your behalf. They will keep it market cap weighted and make small tactical shifts around the edges based on what they think offers value.

Michael Kimmel

Thank you, Brad. Next question is for me. I’ll be 60 in April. I’m not clear about when I’m required to start taking money out of my account.

So that’s referring to required minimum distributions or RMDs. The IRS requires that once you reach a certain age you have to start taking money out of your retirement account.

That age currently is 73, and starting in 2033 it’s going up to 75. If you’re still working at that time, you may be able to delay RMDs, especially if you’re working more than 20 hours a week.

So if you’re still actively working when you reach the age at which RMDs begin, and still contributing to the plan, you can likely defer those withdrawals. We will notify you in advance and help guide you through it.

Michael Kimmel

Next question is for David. Why is the market absorbing the President’s erratic economic behavior so well so far?

David Baskin

Well, I think this has a lot to do with artificial intelligence. I mean, Brad referred to the Magnificent 7—these very large tech stocks that are driving the U.S. market. They're all in the AI business. And they’re all spending huge amounts of money—hundreds of billions of dollars—to build data centers and infrastructure.

And the market is excited about this. So while the general economic situation might be uncertain or even a little bleak, the value of these companies continues to go up. So, just as an example, today Apple went up by more than 5 percent. So if you're holding Apple, your day was made.

So this concentration, which Brad mentioned earlier, means that even if the other 493 stocks in the S&P 500 don’t do much, or even go down a little bit, the index still goes up because of the weighting. That’s how it works. It's not the average of the 500 companies—it’s weighted by size. So if Apple, Microsoft, and Nvidia go up, that’s enough to push the index higher. That’s what’s going on.

Michael Kimmel

Thank you, David.

Okay, another question I can take. Does one have to take the required distribution in one payment?

No, you do not. You can take it in one payment, or you can take it monthly—one-twelfth each month throughout the year. Most people choose monthly, since it feels more like a paycheck. If that’s something you’re interested in setting up, just let us know and we’ll help you through it.

Michael Kimmel

Next question also for me. Does the President's Build Back Better Bill impact the parsonage allowance in any way?

The short answer is no. There's been no legislation or legal ruling that would impact clergy's ability to claim the parsonage allowance. If that ever changed, we would alert you immediately.

Michael Kimmel

Next question goes to Amy, and maybe David or Brad may want to jump in too. How will markets react if Treasury income from tariffs balances out the cost of renewing the Trump tax cuts?

Amy Brackett

So this is where I would say, anytime someone says, "What will the market do if…" I take a step back and say it's almost impossible to know. There are so many factors involved. You can build models, you can have assumptions, but it's really difficult.

Just as an example, in 2020, during the depths of COVID, no one would have predicted that we'd be talking four years later about the kind of stock market returns we've had since then. It's been one of the strongest periods of market performance in history.

So we try to stay focused on what we can control—things like diversification, long-term allocation, risk tolerance, and time horizon. Because the news headlines will change day to day, but our long-term goals don't usually change that fast.

Michael Kimmel

Thank you, Amy.

Next question is for Brad. Can you explain the relationship between the Reform Jewish Values Fund and Israel Bonds?

Brad Smith

Sure. So, they're not directly connected. The Reform Jewish Values Fund is an equity fund managed by Aperio and BlackRock. It focuses on global equities, excluding certain industries and including others in alignment with the Reform Movement's values.

Israel Bonds, on the other hand, are fixed-income instruments issued by the State of Israel. They're not part of the Reform Jewish Values Fund, but they are available through RPB as an individual investment option. Participants can choose to allocate a portion of their account to Israel Bonds, just as they would with any other fund in the plan.

So, in short, there’s no overlap between the two. One is an equity strategy aligned with Reform values, and the other is a bond investment in the State of Israel.

Michael Kimmel

Thank you, Brad.

Next question is for David. With markets so high, is this a good time to be investing or should we be more cautious?

David Baskin

That’s a question we hear a lot. And my answer is usually the same: time in the market beats timing the market. There’s always a reason to be cautious if you’re looking for one. And in hindsight, we can always identify what would have been the perfect moment to buy or sell. But no one can do that consistently in real time.

So, yes, valuations are high—particularly in the U.S. large-cap growth space. But that doesn’t mean markets can’t go higher. The companies driving those valuations are incredibly profitable and continue to grow.

If you're worried, the better approach is to look at your overall asset allocation and make sure it matches your time horizon and risk tolerance. If you’re planning to retire in five years, maybe you want to reduce your equity exposure a bit. But if retirement is twenty years away, staying invested is usually the better option.

Michael Kimmel

Thank you, David.

Next question is for Amy. Are there any tools or resources available through RPB to help me decide which funds to invest in?

Amy Brackett

Yes, definitely. On our website, we offer a number of tools. One of the most helpful is the "Build Your Portfolio" tool, which helps you walk through your time horizon, risk tolerance, and goals, and then suggests a potential allocation using the Tier 1 and Tier 2 funds.

In addition, we have quarterly fund performance updates, fund fact sheets, and an Investment Policy Statement that explains how the funds are chosen and overseen. And, of course, if you’re in a target date fund, those allocations are managed for you automatically based on your expected retirement year.

If you'd like to speak with someone one-on-one, our participant services team is also available to walk you through options.

Michael Kimmel

Thank you, Amy.

Next question is for Brad. What's the outlook for fixed income in the second half of 2025?

Brad Smith

Good question. So, fixed income has had a bit of a rough ride in the last few years because of the rising interest rate environment. But now that inflation appears to be moderating and the Fed is signaling potential rate cuts, the outlook is improving.

If rates do come down, that would likely boost bond prices. So the total return prospects for core bonds are much better today than they were a year or two ago. We're seeing yields in the 4–5 percent range for high-quality bonds, which is historically quite attractive.

That said, we still recommend diversification—some exposure to corporate bonds, some to Treasuries, and maybe a small portion to high-yield or emerging market debt if it fits within your risk tolerance. But overall, we think fixed income is once again serving its traditional role in portfolios—as a source of income and a buffer against equity volatility.

Michael Kimmel

Thank you, Brad. Let's do just one or two more.

Next question is for David. How should we think about investing for children or grandchildren?

David Baskin

That's something close to my heart, actually. The key here is to think long term. If you're investing for a child or grandchild who's five or ten years old, your time horizon is very long. That means you can afford to take more risk—usually through a higher allocation to equities.

One option is to open a custodial brokerage account or a 529 college savings plan, which offers tax advantages for education. The investment choices depend on the plan, but many offer age-based portfolios that automatically get more conservative as the child gets older.

Another benefit of starting early is compounding. Even small amounts invested regularly can grow significantly over time. It’s a wonderful gift, both financially and educationally—because it teaches them the value of saving and investing.

Michael Kimmel

That’s a perfect note to end on.

Thanks again to Amy, David, and Brad for sharing your time and expertise. And thank you to everyone who joined us today. As a reminder, a recording of this webinar will be posted to our website in a few days, and we’ll send a link to all registrants.

We appreciate your participation and your trust in RPB. Have a great rest of your day.