

March 5-6, 2015

ITEM 166-101-R0315

Montana Family Education Savings Program Investment Plan investment line-up change

THAT

The Board of Regents of Higher Education hereby approves the new investment line-up for the Montana Family Education Savings Program (MFESP) Investment Plan.

EXPLANATION

The MFESP is in the process of entering into a program manager agreement with Ascensus College Savings Recordkeeping Services, LLC (“Ascensus”) formerly Upromise, as approved by the Board of Regents at the May, 2014 meeting. During the on-going contract negotiations, Ascensus recommended changing the MFESP Investment Plan fund line-up from the current five investment options (three risk-based allocation portfolios and two stand-alone portfolios) to six new investment options consisting of five risk-based allocation portfolios, one age-based track (based on the five risk-based portfolios), and one savings portfolio. Ascensus made these recommendations to accommodate the MFESP's request to add an age-based product to the line-up to provide participants with another option. Additionally, the new investment line-up will lower fees. The MFESP oversight committee met February 18, 2015 to review Ascensus' proposal and recommend to the Board of Regents to approve the new investment line-up.

The MFESP and oversight committee believe this change is in the best interest of the program and the investors it serves.

ATTACHMENTS

Attachment #1: Montana – Investment Proposal