

ITEM 175-101-C0517

Request for changes to 529 College Savings Plan: Achieve Montana Investment Change and Conversion

THAT

The Board of Regents of Higher Education hereby approves the recommended change to the Achieve Montana investment line-up and the conversion of a portion of the assets from the Achieve Montana and the Montana Family Education Savings Program Bank Plan.

EXPLANATION

As the trustee of Achieve Montana, Montana's 529 college savings plan, the Board of Regents oversees the investment lineup and underlying funds for the program. The Board also oversees the Montana Family Education Savings Program Bank Plan (Bank Plan), which is closed to new contributions, but remains open to current participants invested in Certificates of Deposit (CD) and the savings account.

At the request of the Achieve Montana Oversight Committee (OSC), Achieve Montana's staff and 529 college savings plan consultant, Mary Anne Busse of Great Disclosure, reviewed the assets in the Bank Plan to determine if transferring Bank Plan assets to Achieve Montana would be beneficial to Bank Plan participants. Staff concluded if Achieve Montana offered a comparable option to the Bank Plan's investment options it would be beneficial to transfer assets in the Bank Plan savings account and, based on rate of return, potentially a limited number of CollegeSure CDs.

Achieve Montana's recordkeeper and investment manager, Ascensus College Savings Recordkeeping Services, LLC (Ascensus), reviewed several comparable investment options with similar risk profiles and returns to the Bank Plan's investments. These options were presented to the OSC during their March 21, 2017 meeting. Achieve Montana's staff and consultant, and Ascensus, recommended to the OSC that the current Achieve Montana savings account be replaced with the New York Life Guaranteed Interest Account, a Stable Value investment, and this would provide a similar alternative to the Bank Plan investments.

The OSC unanimously recommends to the Board of Regents that Achieve Montana replace the First National Bank of Omaha savings account with the New York Life Guaranteed Interest Account and convert available assets in the Bank Plan based on specific criteria to Achieve Montana. Achieve Montana and the OSC believe this change is in the best interest of the program and the investors it serves.

ATTACHMENTS

- Attachment #1: Achieve Montana Cash Replacement Grid
- Attachment #2: Guaranteed Interest Account Fact Sheet