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my529 makes the grade for 2019

Morningstar analysts praise Utah's plan for low fees, stewardship, investments

(Salt Lake City) my529 again finds itself at the head of the class after earning top marks from Morningstar's annual breakdown of 529 plans published Tuesday. For the ninth year in a row, my529 has earned the coveted Morningstar Analyst Rating™ of Gold, and Utah's 529 plan was one of four plans to receive the Gold rating.

Morningstar Research Services LLC, a leading provider of independent investment research, is a subsidiary of Morningstar Inc.

The report by Morningstar's Manager Research Group is the equivalent of an industry report card for 529 plans. The analysts evaluated 62 plans nationwide for oversight, underlying investment quality, fees, performance and the asset allocation strategy for the age-based portfolios. Morningstar said that the Gold-rated plans, also hailed as "The Valedictorians," follow industry best practices, offer robust investment options and low fees, and satisfy residents and nonresidents.

"Utah's my529 is set up to serve investors well for the long haul," said Madeline Hume, Morningstar manager research analyst for multi-asset and alternative strategies, in her October 22, 2019, report.

Morningstar noted the recent change in my529 leadership, as former executive director Lynne Ward departed in early October, but called new executive director Richard Ellis an "experienced financial steward." Ellis, my529's senior director for compliance, finance and investments since 2015, previously served as Utah state treasurer for two terms.

"The Morningstar rating is a great accomplishment for our team," Ellis said. "It recognizes the hard work everyone at my529 puts in to provide a high-quality, low-cost savings plan. It's an honor to lead my529 and continue our commitment to excellence."

The report highlighted the amount of choice afforded to investors with my529's 13 investment options, as well as the "mix of proven strategies" in the customized investment options.

Morningstar also emphasized my529's consistent fee reductions and the tax benefits available to Utah residents for contributions.

"Utah frequently makes incremental improvements that result in small and steady fee reductions," Hume wrote. "For residents of the Beehive state the plan offers a tax credit ... adding to its appeal for those who qualify."

About my529

my529, Utah's official nonprofit 529 educational savings plan, is highly rated by Morningstar Inc.

Accounts are free to open, and my529 requires no minimum deposit or account balance. my529's user-friendly website, my529.org, makes it easy to open, manage and contribute to an account online.

To learn more, visit my529.org, call toll-free at 800.418.2551, or email info@my529.org.

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Investing is an important decision. Read the Program Description in its entirety for more information and consider all investment objectives, risks, charges, and expenses before investing. For a copy of the Program Description, call 800.418.2551 or visit my529.org.

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my529 was rated "Gold" or its equivalent by Morningstar 2004-2007, 2009, and 2011-2019; rated "Silver" or its equivalent in 2008 and 2010. The Morningstar Analyst Rating™ for 529 college savings plans is not a credit or risk rating. To determine an analyst rating, Morningstar's analysts consider five factors: the plan's strategy and investment process; the plan's risk-adjusted performance; an assessment of the individuals managing the plan's investment options (people); the stewardship practices of the plan's administration and parent firm (together, parent); and whether the plan's investment options are a good value proposition compared to its peers (price). Plans are then assigned forward-looking ratings of "Gold," "Silver," "Bronze," "Neutral," and "Negative." The top three ratings (Gold, Silver, and Bronze) indicate that Morningstar's analysts think highly of a 529 plan; the differences correspond to the level of analyst conviction in the ability of a plan's investment options to collectively outperform their respective benchmarks and peers through time, within the context of the level of risk taken. Morningstar does not rate all 529s every year; it rated just 62 of 92 plans in 2019.

Analyst ratings are subjective in nature and should not be used as the sole basis for investment decisions. Analyst ratings are based on Morningstar analysts' current expectations about future events and therefore involve unknown risks and uncertainties that may cause Morningstar's expectations not to occur or to differ significantly from what was expected. Morningstar does not represent its analyst ratings to be guarantees.

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