

# UTAH EDUCATION SAVINGS BOARD OF TRUSTEES

MINUTES OF THE SEPTEMBER 11, 2025, MEETING

Utah Board of Higher Education Building, The Gateway  
my529 Conference Room  
60 South 400 West  
Salt Lake City, UT 84101-1248

## Trustees Present

Mr. Arthur Newell, Chair  
Ms. Lori Chillingworth  
Mr. Palmer DePaulis  
Mr. Richard K. Ellis  
Mr. John Lunt  
Dr. Stephen Nadauld

Mr. Todd Mortensen  
Ms. Kristie Pederson  
Mr. Troy Runnells  
Mr. Paul Smith  
Ms. Katie Turner  
Ms. Mollie Weisman  
Mr. Randall Willardsen

## Staff Present

Mr. Mark M. Cain, Executive Director  
Ms. Camille Anthony  
Ms. Dorothy Bailey  
Mr. Greg Dyer  
Ms. Jillian Jensen  
Commissioner Geoffrey Landward

## Others Present

Mr. David Berg, PIMCO  
Mr. James Duffy, CAPTRUST  
Mr. Henry Kao, PIMCO  
Mr. Michael Sanders, CAPTRUST  
Mr. Jeremy Shaw, Assistant Attorney General  
Ms. Emily Wrightson, CAPTRUST

Chair Newell called the Utah Education Savings Board of Trustees ("the board" or "UESB") meeting to order at approximately 10 a.m. Chair Newell declared the presence of a quorum, noting Mr. Ellis will join the meeting later. Ms. Ugaki is excused from the meeting.

## TAB 1 – Resolution of Appreciation for Lisa Michele Church

It was moved by Dr. Nadauld and seconded by Ms. Chillingworth to approve the resolution of appreciation for Lisa Michele Church. The motion passed unanimously.

## TAB 2 – UESB meeting minutes

It was moved by Mr. DePaulis and seconded by Dr. Nadauld to approve the minutes for the Utah Education Savings Board of Trustees meeting held on June 11, 2025. The motion carried unanimously.

## TAB 3 – Audit Committee report

Mr. Lunt summarized the Audit Committee meeting. He reviewed the Annual Red Flags Report. Mr. Lunt highlighted the internal audit reports. The following internal audits closed: Data Center Operations Review, Administrative Fee Review and Call Center Review. Mr. Lunt indicated that the Purchasing Review remains open with a low-risk recommendation. Dr. Nadauld noted that the Audit Committee discussed information security and the risks for my529.

It was moved by Dr. Nadauld and seconded by Ms. Chillingworth to approve the Audit Committee report including the Annual Red Flags Report as presented. The motion carried unanimously.

#### **TAB 4 – my529 Executive Director’s report**

Mr. Cain provided a report on my529. As of July 31, 2025, total assets under management (AUM) were \$27.5 billion with 598,358 open accounts. He highlighted the results of the most recent account owner Net Promoter Score (NPS) and employee NPS. Mr. Cain highlighted the FY 2025 budget results, noting it ended up in a strong position. The board discussed the variance between budget to actuals for the deductions.

Dr. Nadauld asked how much of the \$27.5 billion is from market appreciation. Mr. Mortensen responded that 46% of the AUM is from earnings as of June 30, 2025.

Dr. Nadauld requested an in-depth discussion about how my529 can use the Endowment Fund money in the next board meeting.

Mr. DePaulis inquired if my529 staff analyzes the impacts that a downturned market can have on the plan such as how many nonqualified withdrawals are taken. Mr. Runnells responded that my529 has the data. Mr. Mortensen added that recently CAPTRUST performed a three-year review on the Target Enrollment Date (TED) portfolios, and nine of the eleven portfolios outperformed their peers. Mr. Cain concluded that the TED portfolios are built for all seasons.

Mr. Cain reported that H.R. 1, passed by the 119<sup>th</sup> Congress, was signed into law on July 4, 2025. It contains provisions that impact 529 plans. Mr. Dyer highlighted the changes, including: (1) changes to K-12 expenses, (2) allowance for 529 funds to be used on qualified postsecondary credentialing expenses, and (3) the removal of the sunset provision on rollovers from 529 accounts to ABLE accounts.

Mr. Cain indicated that in October, the my529 management team will be reviewing the current strategic plan and its metrics to evaluate potential changes to address future needs of the organization.

Mr. Cain summarized the investment presentation to Morningstar that occurred the previous day indicating that it went well. He concluded by stating the governance presentation is scheduled for the day following the board meeting.

#### **TAB 5 – Reports and Information**

Chair Newell turned over the time to Mr. Runnells, who reviewed the most recent my529 investment reports with the board.

It was moved by Mr. Lunt and seconded by Mr. Palmer to approve the my529 investment reports for May 2025, June 2025, and July 2025, as presented. The motion carried unanimously.

#### **TAB 6 – Report from PIMCO**

Chair Newell welcomed the PIMCO representatives: Mr. Berg and Mr. Kao. Mr. Berg provided an economic outlook and discussed the key macro themes, the investment implications and how it could impact stable value.

Mr. Kao highlighted the characteristics of the my529's PIMCO Interest Income Fund. Mr. Berg said that the market-to-contract ratio is 96.6% with an increase in average credit quality to AA+ as of July 31, 2025. Mr. Kao explained that the increase in average credit quality is due to the increased uncertainty in terms of policy, geopolitics, and market volatility. Mr. Kao reviewed the fund's performance, stating it performing well and outperforming its benchmarks as of July 31, 2025.

#### **TAB 7 – Report from CAPTRUST**

Chair Newell welcomed the CAPTRUST representatives, Mr. Duffy, Mr. Sanders, and Ms. Wrightson. The CAPTRUST representatives presented the Investment Program Analysis for Q2 2025. Ms. Wrightson provided an executive summary of the report. She stated that the Target Enrollment Date portfolios outperformed peers during the second quarter, with 10 out of 12 vintages outperforming their respective category averages. Regarding the PIMCO Interest Income Fund, the PAPs' Moderate and Low Duration strategies outperformed their benchmarks during Q2 2025.

Mr. Duffy highlighted the performance of the Target Enrollment Date portfolios for Q2 2025. He said that there was a steep fall at the start of April, but U.S. equity markets recover by the end of the quarter. He noted that the Vanguard Total International Stock Index performed well, thus helping the Target Enrollment Date portfolios have a strong performance.

Mr. Duffy provided an economic outlook on the macro headwinds and tailwinds.

Mr. Duffy reviewed the Q2 2025 scorecard for the underlying investments, stating overall, the underlying investments are in good standing. He pointed out that the DFA Real Estate Securities Fund has a score of 79 and is being monitored. He explained that the first half of 2020 performance was strong for the DFA fund and its strategy; however, it has dropped off the five-year performance, causing the decrease in score.

#### **TAB 8 – Closed Session**

It was moved by Mr. Lunt and seconded by Mr. Ellis to convene in closed session for the purpose of discussing fiduciary or commercial information as authorized in Utah Code Section 52-4-205. The motion carried unanimously.

It was moved by Mr. DePaulis and seconded by Mr. Lunt to reconvene the Utah Education Savings Board of Trustees in open session. The motion carried unanimously.

Ms. Chillingworth was excused for the remainder of the meeting.

#### **TAB 9 – Addition of two DFA funds**

It was moved by Mr. DePaulis and seconded by Dr. Nadauld to table the discussion on the addition of two DFA funds with an understanding that my529 staff will review any legal or compliance issues and report back to the board.

Dr. Nadauld was excused for the remainder of the meeting.

**TAB 10 – Other items**

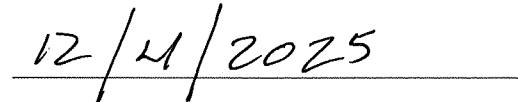
Chair Newell announced that Janice R. Ugaki is the newest board member. Chair Newell noted that the next UESB meeting is scheduled for December 4, 2025.

It was moved by Mr. Lunt and seconded by Mr. Ellis to adjourn the meeting. The motion carried unanimously.

The meeting was adjourned at 1 p.m.

A handwritten signature in black ink, appearing to read "Mr. Lunt", is written above a horizontal line.

Executive Director, my529

The date "12/4/2025" is handwritten in black ink above a horizontal line.

Date