Utah Education Savings Board of Trustees
Minutes of June 11, 2026, meeting

Utah Board of Higher Education Building
Lobby Large Conference Room
60 South 400 West
Salt Lake City, Utah 84101

Trustees Present
Mr. Arthur Newell, Chair
Dr. Stephen Nadauld, Vice Chair
Mr. Palmer DePaulis
Mr. Richard K. Ellis
Mr. John Lunt
Ms. Janice Ugaki

Staff Present
Mr. Mark M. Cain, Executive Director
Ms. Rachel Adams
Ms. Camille Anthony
Ms. Dorothy Bailey
Mr. Greg Dyer
Mr. Wesley Miller
Mr. Todd Mortensen
Mr. Ryan Nilsen
Ms. Kristie Pederson
Mr. Scott Pettett
Mr. Bruce Probst
Ms. Bryn Ramjoué
Mr. Troy Runnells
Ms. Jenny Sass
Mr. Scott Watts
Ms. Mollie Weisman
Mr. Randall Willardsen

Others Present
Mr. James Duffy, CAPTRUST
Mr. Michael Sanders, CAPTRUST
Ms. Madalin Rooker, Assistant Attorney General
Ms. Sakina Steflik, AG Office Intern

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 Ms. Ugaki is attending the meeting remotely. Ms. Chillingworth is excused from the meeting.

TAB 1 – Resolution of appreciation for Lori Chillingworth

It was moved by Vice Chair Nadauld and seconded by Mr. Lunt to approve the resolution of appreciation for Lori Chillingworth as presented. The board members in attendance voted unanimously in favor, and the motion passed. Ms. Chillingworth was absent for this vote.

TAB 2 – UESB meeting minutes

It was moved by Vice Chair Nadauld and seconded by Mr. Lunt to approve the minutes for the Utah Education Savings Board of Trustees meeting and workshop held on March 31, 2026. The board members in attendance voted unanimously in favor, and the motion passed. Ms. Chillingworth was absent for this vote.

TAB 3 – Audit Committee report

Mr. Lunt summarized the Audit Committee meeting, noting that my529 received the FY 2026 financial statements audit engagement letter from Eide Bailey. He said that for the next fiscal year, the state of Utah will conduct a request for proposals ("RFP"), since this is the last year of the contract.

He discussed the quarterly information security report, stating that there are no incidents to report. Mr. Lunt added that the Audit Committee reviewed and approved the Audit Committee and the my529 Internal Audit charters. He indicated that both the Audit Committee and my529 internal audit are functioning as outlined in the charters.

Mr. Lunt highlighted the internal audit reports. The following internal audits closed: my529 EthicsPoint Program Review and my529 Account Maintenance Review. Mr. Lunt indicated that the my529 Document Retention Review remains open.

<u>It was moved by Mr. Ellis and seconded by Mr. DePaulis to approve the Audit Committee report as presented. The board members in attendance voted unanimously in favor, and the motion passed. Ms. Chillingworth was absent for this vote.</u>

TAB 4 – my529 Executive Director's report

Mr. Cain provided an update on my529. As of April 30, 2026, total assets under management ("AUM") were $31.2 billion, covering over 650,000 accounts. He continued his report by stating that new funded accounts for nonresidents were 50,931, which is tracking 77% higher than the last three-year average as of April 30, 2026. For Utah residents, the total of new funded accounts was 11,590, tracking 44% higher than the last three-year average as of April 30, 2026. He attributed the increase in new accounts to an overall increase in awareness of 529 plans and my529 brand reputation.

The board discussed Trump accounts and impacts these accounts may have on 529 plans. Mr. Dyer stated that withdrawals from Trump accounts will be taxed if the funds are used for educational costs, concluding that 529 accounts have a clear advantage for saving for educational costs.

Mr. Cain provided an update of FY 2026 budget to actuals, saying that my529 is projected to be under budget by $1.1 million. Mr. Cain stated that my529 sponsors the Olene S. Walker Transition to Adult Living Scholarship, noting that the student recipients are transitioning out of foster care systems with limited support or are refugees that are first generation students. He said that four recipients graduated from their respective programs.

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. Ellis and seconded by Mr. DePaulis to approve the my529 investment reports for February 2026, March 2026, and April 2026, as presented. The board members in attendance voted unanimously in favor, and the motion passed. Ms. Chillingworth was absent for this vote.

TAB 6 – incentiFive℠ Program update

Ms. Sass updated the trustees on the progress of the incentiFive Program ("program"), which is designed to help Utah families establish an education savings habit over time by incentivizing their contributions for the first five years of their child's life. As of June 10, 2026, there are over 640 incentiFive accounts and about $558,000 in contributions.

It was moved by Vice Chair Nadauld and seconded by Mr. Lunt to approve the my529 incentiFive Program through December 2030 as presented. The board members in attendance voted unanimously in favor, and the motion passed. Ms. Chillingworth was absent for this vote.

TAB 7 – FY 2027 operating budget

Mr. Cain presented the proposed FY 2027 my529 operating budget to the board. He reviewed the flow of funds for the my529 trust. Mr. Cain stated that my529 changed its methodology for estimating Administrative Asset Fee revenue, noting that it will no longer forecast mid-to-large market losses. Instead, my529 will forecast on zero market losses, helping leadership to better approximate the Administrative Asset Fees collected and transfer amount to the Endowment Fund. The board discussed increasing the Administrative Fund reserve from six months of annual expenses to 12 months, thus better helping my529 weather potential economic downturns. The board decided not to increase the reserve to 12 months.

Mr. Cain proposed a one-basis-point Administrative Asset Fee reduction for all investment options. He continued his presentation by highlighting the expenditure side of the FY 2027 budget, which includes the addition of seven new full-time employees. Vice Chair Nadauld requested my529 to explore additional programs that can help Utah residents save for educational costs.

It was moved by Ms. Ugaki and seconded by Mr. DePaulis to approve the FY 2027 my529 operating budget including an Administrative Asset Fee reduction by one basis point for all investment options effective July 1, 2026. The board members in attendance voted unanimously in favor, and the motion passed. Ms. Chillingworth was absent for this vote.

TAB 8 – Report from CAPTRUST

Chair Newell welcomed the CAPTRUST representatives, Mr. Duffy and Mr. Sanders. The CAPTRUST representatives presented the Investment Program Analysis for Q1 2026. Mr. Sanders provided an executive summary of the report. He stated that the Target Enrollment Date portfolios lagged peers during the first quarter with two of 12 vintages outperforming their benchmarks. He added that the glidepath's higher tilt towards equities led to increased downside exposure as markets sold off in March. Nonetheless, during this period of volatility, the enrollment portfolio maintained positive absolute returns, helping to insulate account owners with the most liquidity risk. He concluded the executive summary by noting that the PIMCO Interest Income Fund's gross crediting rate increased from 3.50% to 3.66% from last quarter's end.

Mr. Duffy provided a market overview, stating that 2026 began strong and S&P 500 reached all-time highs; however, due to a series of geopolitical shocks, markets turned more volatile and responded unevenly across asset classes and regions mostly because of differences in energy reliance. Mr. Duffy indicated that there was a 10% decrease in the S&P 500 during that period, which was followed by a relatively rapid recovery over the past two months. At the beginning of June, there was a stark reversal in the Target Enrollment Date performance. The majority of the Target Enrollment Date portfolios are now performing well on a year-to-date basis because of how quickly the markets bounced back. Mr. Duffy indicated that this year, the Target Enrollment Date option will reach its five-year mark. CAPTRUST and my529 staff will do a deeper dive later this year, including a review of the risk modeling and statistical analysis to confirm if the portfolios are performing as expected, especially when volatility comes up in environments like this.

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

Mr. Duffy reviewed the Q1 2026 scorecard for the underlying investments, stating overall, the underlying investments are in good standing. He pointed out that the Vanguard International Growth fund scored 69 and was recommended to be placed on watch. Mr. Duffy explained that in addition to the weak performance in 2025, CAPTRUST has broader concerns about Baillie Gifford and other active international managers with high-growth oriented strategies that continue to struggle as global markets adapt to higher interest rates and slower growth.

TAB 9 – Closed Session

<u>It was moved by Mr. DePaulis and seconded by Mr. Ellis to move into closed session for the purpose of discussing fiduciary or commercial information as authorized in Utah Code Section 52-4-205. The motion passed 6-0-1.</u>

Yeas - 6	Nays - 0	Absent - 1
Mr. DePaulis		Ms. Chillingworth
Mr. Ellis		
Mr. Lunt		
Vice Chair Nadauld		
Chair Newell		
Ms. Ugaki		

<u>It was moved by Mr. DePaulis and seconded by Vice Chair Nadauld to reconvene the Utah Education Savings Board of Trustees in open session. The motion carried unanimously. The board members in attendance voted unanimously in favor, and the motion passed. Ms. Chillingworth and Ms. Ugaki were absent for this vote.</u>

Adjournment

It was moved by Vice Chair Nadauld and seconded by Mr. Ellis to adjourn the meeting. The board members in attendance voted unanimously in favor, and the motion passed. Ms. Chillingworth and Ms. Ugaki were absent for this vote.

Chair Newell noted that the next UESB meeting is scheduled for September 17, 2026.

The meeting was adjourned at 1:15 p.m.

Executive Director, my529

9/17/2026
Date