

**MINUTES OF THE  
OREGON 529 COLLEGE SAVINGS BOARD  
MEETING OF February 18, 2016**

Members Present: Peter Angstadt  
Jennifer Cooperman  
Brent Wilder

Network Staff: Michael Parker, Executive Director  
Lynn Nagasako, Legal Counsel  
Stephanie Swetland, College Savings Specialist  
John Valley, Outreach Director

Treasury Staff: Karl Hausafus, Investment Officer  
Tom Lofton, Investment Officer  
Paola Nealon, Investment Officer  
Jennifer Peet, Legal Counsel  
James Sinks, Communications Director

Others Present: Kerry Alexander, TIAA  
Tim Findlay, TGF Productions, Inc.  
Kathy Griffin, TIAA  
Ryan Harvey, Sellwood Consulting  
Anthony Poto, MFS Investment Management  
Kevin Raymond, Sellwood Consulting  
Jeremy Thiessen, TIAA

The meeting was called to order at 1:02 p.m. by Chair Jennifer Cooperman.

Board Member Peter Angstadt moved to approve the November 19, 2015 minutes, seconded by Board Member Brent Wilder. All approved.

Executive Director Michael Parker introduced the Board's new Board Member, Brent Wilder, who comes from the Oregon Alliance of Independent Colleges and Universities. Mr. Parker provided the Board with an update on progress that's being made by members of the ABLE working group that was formed, as well as ongoing conversations with TIAA regarding management of the plan. Anthony Poto has assumed Colleen Rooney's role as representative for the MFS 529 Savings Plan, as Colleen has moved into a different position in the company. Lastly, Lynn Nagasako will be retiring in May and has worked with the Network since the launch of the Oregon College Savings Plan (OCSP). Jennifer Peet of Oregon State Treasury will be assisting the Network going forward.

John Valley of the 529 Network updated the Board regarding the Be College Ready program. During the 2015-16 school year, the Network partnered with five school districts across the state and worked with the elementary schools in those districts to educate parents about the benefits of the OCSP. The Network also partnered with other members of the communities of each school district, working with cities in the school districts to declare September "Be College Ready Month," and giving OCSP presentations to rotary clubs and chambers of commerce. An overview of the results of the first year of the program, as well as improvements to the program for the 2016-17 school year are detailed in the Be College Ready handout, which is part of the Network's records for this Board meeting.

Ryan Harvey of Sellwood presented the year-end Investment Performance Review and Report, copies of which are part of the Network's records for this Board meeting. Risk was not rewarded much in 2015, so most asset classes turned in a negative return, and those that were positive were not very much so. It

was a disappointing year in absolute terms and an especially disappointing year to be diversified. Mr. Harvey gave a very high level overview of the returns in both the OCSP and MFS plans, noting that none were out of the ordinary, given market conditions. He also reviewed the portfolio manager changes throughout the year for both plans, stating that no fund changes are recommended due to manager changes. Mr. Harvey then spoke to the specific market conditions that drove the returns, noting that only U.S. Stocks, U.S. Bonds and cash had positive returns. The performance of the individual portfolios in each plan were reviewed, with explanations of how market conditions drove the performance.

Anthony Poto of MFS presented the MFS quarterly report, a copy of which is part of the Network's records for this meeting. Mr. Poto noted that there were almost 78,000 accounts in the MFS plan. During the 4<sup>th</sup> quarter of 2015, in-state assets increased by about \$15 million and out-of-state assets increased by approximately \$20 million, with a year-end total of \$1.1 billion in assets in the plan. Mr. Poto also covered sales information, broken down by states and top selling firms, as well as regions of the country. Lastly, Mr. Poto informed the Board that the Barrons rankings for mutual fund family performance had just come out, and MFS ranked 5<sup>th</sup> out of 67 firms for 1-year returns, 1<sup>st</sup> out of 58 firms for 5-year returns and 2<sup>nd</sup> out of 52 firms for 10-year returns.

Kerry Alexander of TIAA presented the TIAA quarterly report, a copy of which is part of the Network's records for this meeting. Mr. Alexander discussed assets and accounts, noting that year-end assets were approximately \$1.2 billion, with over 86,000 accounts. Accounts continue to grow, though the rate of growth decreased by about 15% when compared to 4<sup>th</sup> quarter growth in 2014. This decrease is being seen across the country due to the economy and market conditions. Contributions were down by about 3.8% from the same quarter in 2014, and redemptions increased 15.4%. Mr. Alexander noted that contributions for all of 2015 were up by 5.4% and redemptions were up by 13.6% when compared to 2014 as a whole. Qualified redemptions were at 88% for 2015, non-qualified withdrawals were at 3.9% and outbound rollovers were at 7.2%. Also, TIAA recently won the Lipper Award as the best overall large fund company for the third year in a row.

The meeting was adjourned at 2:40 p.m.