



Minutes of the Ohio Tuition Trust Authority Investment Board Regular Meeting

OTTA Investment Board Meeting – Thursday, February 12, 2026
Vern Riffe Center, 77 S. High St., 19th Floor, Room 1948, Columbus, OH 43215

CALL TO ORDER: 10:00 AM

Chair Jim Benson brought the meeting to order. Ms. Amy Lyle conducted a roll call and announced a quorum was present.

Best of Luck & THANK YOU.

BOARD MEMBERS PRESENT:

Executive Investment Board Members: James Benson, Charles See, Scott Brihn, and Mick Zwayer.

Legislative Investment Board Members: Representative Heidi Workman and Representative Beryl Brown Piccolantonio.

Ohio Tuition Trust Authority (OTTA) Staff: Trisha Good, Executive Director; Amy Manett, Chief Financial Officer; Dave Kemp, Director of Customer Service and Operations; Ben Gibbons, Director of Marketing; Shreekanth Chutkay, Director of Information Technology; James Fellrath, IT Manager; Mark Smith, OH-TECH; and Amy Lyle, Board Secretary.

Others present: In person: Julia Ward and Jonathan Kahler, Vanguard; Stephen DiGirolamo, Wilshire; Erin Kelley, Ohio Attorney General; Daija Kidd, Senior Legislative Aide to Senator Catherine Ingram, and Naraah Mulenge, Legislative Service Commission Fellow with Senator Catherine Ingram. Online: Ryan Barksdale, Vanguard; Judy Cunningham, and Jyothi Vasamsetty, OTTA.

This meeting was properly noticed in accordance with the provisions of Ohio Administrative Code §3334-1-02, adopted in accordance with Section 111.1.15 of the Ohio Revised Code.

EXECUTIVE DIRECTOR AGENDA AND MEETING OVERVIEW

Ms. Trisha Good welcomed the Board, then reviewed the agenda. The Vanguard team will share their annual presentation and their recommendations. Mr. Stephen DiGirolamo will then present Wilshire’s quarterly updates on Direct and Advisor Plans’ performances and how the current markets are affecting the Direct and Advisor 529 plans. Then Ms. Good will give the Executive Director update, followed by Ms. Amy Manett who will provide the program’s quarterly financial update. Mr. Dave Kemp will give an update on a customer matter. Ms. Good then reminded the Board that the next meeting will be held May 14 and that Board will need to file their financial disclosure statements by May 15.

APPROVAL OF MINUTES

OTTA Investment Board (Board) Chair James Benson asked for any questions or comments on the Board minutes of the November 13, 2025, Board meeting. There were none. Mr. Benson called for a vote to approve the minutes. Rep. Brown Piccolantonio made a motion to approve. Mr. Scott Brihn seconded the motion. The motion was unanimously approved.

VANGUARD ANNUAL PRESENTATION

Ms. Julia Ward introduced herself and the Vanguard team of Mr. Jonathan Kahler and Mr. Ryan Barksdale. She then shared the highlights for Vanguard, its partners, and customers this past year. As of the close of 2025, Vanguard had just over \$12 trillion in Assets Under Management (AUM) and the cash flow was \$382 billion. On Feb. 2, Vanguard instituted a major cost reduction in expense ratios, representing nearly \$250 million in value returning to the funds, and therefore, the customers. The average expense ratio across the products is now six basis points. In the education savings business, Vanguard is still one of the largest with \$212 million AUM and with Vanguard investment options used in 44 529 plans across 41 states. In the past year, Vanguard transitioned to an automated trading platform. This allows better management of the cash flows

for the glide paths and reduce costs. Vanguard has added market proxies, which adjusts prices intraday and improves tracking. This also gives Vanguard the flexibility to adjust rebalancing policies as the markets and Ohio 529 plan dynamics evolve. Vanguard expanded the 529 investment products team this year, which will allow Mr. Kahler more capacity to deliver additional research on 529 investors behavior and investment trends.

Vanguard did their annual review of the Target-Enrollment Portfolios (TEP) glide paths, including stress tests, updated investor personas, thousands of models testing, and more. Based on this year's findings, Vanguard recommends no changes to the glide paths. Discussion ensued.

Next, Ms. Ward and Mr. Kahler shared Vanguard's standalone recommendations. Ohio 529 already has a diverse menu of investment options; however, Vanguard has some value-added suggestions for this year.

The first recommendation is to make minor asset allocation adjustments and name changes in static multi-assets portfolios based on risk level. The drivers for these recommendations are to bring these portfolios closer to industry standards and to acknowledge SEC concerns with naming conventions on multi-asset portfolios. The latter is to make sure that an average investor can understand what the underlying asset allocation and risk will be within a certain portfolio. Discussion ensued.

The second recommendation is to add then Total International Bond Market Index. The addition of this index should then cover the entirety of all asset classes for Ohio 529 customers. Discussion ensued.

The third recommendation is to add Vanguard bank savings products, which can provide short-term transactional needs for families with multiple education savings goals with the added feature of FDIC insurance. Vanguard is not recommending this product as a substitution to the OTTA's banking partner, Fifth Third, but as an additive. Discussion ensued.

Mr. Benson asked about next steps regarding Vanguard's recommendations. Ms. Good said that the OTTA and Wilshire will review the three suggestions and will present the evaluations and recommendations at the May 14 Board meeting.

Mr. Barksdale then discussed recent sub-advisor changes within the Vanguard Windsor II and Vanguard U.S. Growth Fund, which are two standalone investment options in Ohio's Direct 529 Plan. The Windsor II Fund, which is a large-cap value fund, recently made an advisor change. The new advisor offers the potential for improved performance and a value-style profile more consistent with investor expectations. The target allocations within the Windsor II Fund are set at 25% for each of the four sub-advisors. Discussion ensued. Additionally, the Vanguard U.S. Growth Fund has three sub-advisors; two have had recent portfolio manager successions. Vanguard has no concerns about these changes.

WILSHIRE QUARTERLY UPDATE

Mr. DiGirolamo stated that Wilshire will be evaluating Vanguard recommendations and will share their findings at the May Board meeting. Mr. DiGirolamo added that the recommendations show all careful calculations that Vanguard does to best support its partners. Wilshire supports the sub-advisor change to the Vanguard Windsor II Fund.

The U.S. equity markets ended 2025 with strong gains despite the government shutdown, increased volatility, and rising job cuts. One of the factors why is that the markets has responded favorably to interest rate cuts. The GDP growth is still ongoing with the AI, IT, and tech-related sectors driving the markets. International equities also had a strong year. Overall, there are no negative results in any asset class allocations for 2025. Discussion ensued.

Direct Plan Performance

The Advantage Age-Based Portfolio (AABP) had strong results in the past quarter. The funds which have more equity outperformed the ones with less equity. The Vanguard Ohio TEP had a great quarter. All portfolio performances are positive. As for the risk-based funds, the more aggressive funds, which have more equity in them, outperformed the portfolios with less risk, which has less equity. Mr. DiGirolamo pointed out that the Vanguard Windsor II Fund performed well, showing its value manager approach is working. The Vanguard Wellington Fund, which traditionally has held a lot of assets for OTTA, had a little pullback for quarter but overall has performed well for the year.

Advisor Plan Performance

The glide path products have done very well this quarter as the portfolios have more risk than their peers, so their universe ranking is higher. As for the individual investment options, the higher risk-based funds have outperformed the moderate ones. Global Allocation Fund, a multi-asset class which is popular with advisors, holds a lot of Ohio 529 funds. With this fund, advisors try to get equity-like returns with fixed-income risk. Overall, the Advisor Plan had a good 2025 and a good start to 2026. There are no BlackRock funds on Wilshire watch list. Discussion ensued.

EXECUTIVE DIRECTOR UPDATE

Ms. Good presented that Ohio maintains its position as the seventh largest 529 state-sponsored program in the nation with total assets of \$20.69 billion Assets Under Management (AUM) as of December 31, 2025. The performance was in line with other state programs. The Ohio Direct 529 Plan is seventh in the nation out of 61 other Direct Plans, with \$13.04 AUM, with a 15.3% increase year over year (YOY). The BlackRock Ohio Advisor Plan is the fifth largest in the nation with \$7.6 billion AUM with an 11.3% increase YOY. The Advisor Plan performance was in line with other advisor programs.

OTTA is doing a comprehensive review of the Direct Plan Offering Statement with an external 529 expert. All plan partners have reviewed the first draft. It will be published in May. The Guaranteed Plan is continuing to wind down. Recent communications were sent to account owners with beneficiaries 28 and over or small balances. OTTA is continuing to research its options for settling uncashed checks in the Guaranteed program and finding lost account owners. OTTA is working with legal counsel to see if the Ohio Revised Code (ORC) can be changed to allow the agency to escheat funds.

Ms. Good next shared that on at the end of March, the new asset allocation mix for the AABP will go into effect. The Board approved the reweighting at the November 2025 meeting. The new 2046/2047 AABP age band age will be launched in the summer with the 2026/2027 fund rolling over to the Graduate fund. The last item is regarding the communications the Board members received from the Ohio Auditor of the State. The complaint has been reviewed and addressed by OTTA. Mr. Kemp shared that the agency reached out to its recordkeeping partner, Ascensus, to research the entire plan, not just the one account owner, to verify that it was not a systematic issue. It was determined to be technical issue for just this individual. The situation has been resolved with the customer, and the communications have been sent to state auditor.

Financial update

Ms. Manett shared the AUM percentage change for the Direct Plan was 15.3% from December 2025 over December 2024. For the Advisor Plan, the increase was 11.3%. She also pointed out that both plans have maturing beneficiaries, so the marketing department is focused on bringing in new accounts and contributions. Ms. Manett showed how the increases can be broken down based on net flows and then on market performance. For the Direct Plan, contributions were up 4.1% YOY and the Advisor Plan was up 2.9%. Direct Plan distributions were 10.1% higher YOY and the Advisor Plan was 0.9% higher. OTTA has seen a 25% uptick from last year in the number of Roth IRA rollovers from the Direct Plan; however, these rollovers are still less than 1% of the total distributions.

For the Guaranteed 529 Plan, there is \$120.7 million in AUM, with the most current interim valuation of \$30 million. The plan is very well funded. OTTA is currently serving 2,792 accounts as of December 2025. As the Guarantee Plan continues to wind down, so do the number of distributions.

There are no concerns regarding revenue. The Direct Plan is on track to receive the next fee break point after the AUM stays at \$13 billion for six consecutive months. The fee reduction will be passed down to the customers.

Legislative updates

Ms. Good stated that OTTA is monitoring what is going on in Washington as well as the Ohio Statehouse. She then said the new qualified expenses that are drawing attention from prospects and media. There are no new legislative updates. Discussion ensued.

NEW BUSINESS

There was no new business.

PUBLIC PARTICIPATION

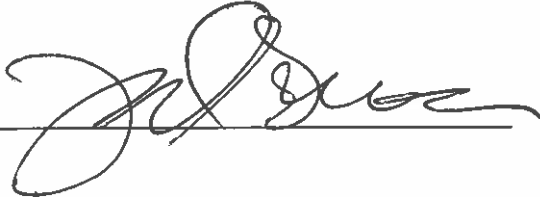
There was no public participation.

ADJOURN

Mr. Zwayer made a motion to adjourn. Rep. Brown Piccolantonio seconded the motion. A unanimous voice vote was taken. The meeting was adjourned at 11:14 a.m.

Signed by:

Print name: _____



Date: _____

5/14/26