Minutes of the Ohio Tuition Trust Authority Investment Board Regular Meeting

OTTA Investment Board Meeting – Thursday, May 14, 2026
State Education Building, 25 S. Front St., 1st Floor, Innovation Room, 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.

BOARD MEMBERS PRESENT:

Executive Investment Board Members: James Benson, Charles See, Ann Womer Benjamin, Scott Brihn, Benedict Weissenrieder, 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; Jeff Fogel, Assistant General Counsel Ohio Department of Higher Education (ODHE); Shreekanth Chutkay, Director of Information Technology; James Fellrath, IT Manager; Mark Smith, OH-TECH; and Amy Lyle, Board Secretary.

Others present: In person: Dan Beck, Fifth Third; and Heather Buchanan, Ohio Attorney General. Online: Stephen DiGirolamo, Wilshire; 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.

APPROVAL OF MINUTES

OTTA Investment Board (Board) Chair James Benson asked for any questions or comments on the Board minutes of the April 12, 2026, Board meeting. There were none. Mr. Benson called for a vote to approve the minutes. Mr. Mick Zwayer made a motion to approve. Mr. Scott Brihn seconded the motion. Ms. Ann Womer Benjamin and Mr. Benedict Weissenrieder abstained. The motion was approved.

EXECUTIVE DIRECTOR AGENDA AND MEETING OVERVIEW

Ms. Trisha Good welcomed the Board, then reviewed the agenda. Mr. Dan Beck will give Fifth Third's annual presentation. There are two voting items. One is new asset allocations and name change for Vanguard's risk-based portfolios. Mr. Stephen DiGirolamo will share Wilshire's recommendation on the proposal. The second item is approval of Guaranteed Savings Plan Actuarial Assumptions; Ms. Amy Manett will present OTTA's recommendations. Mr. DiGirolamo will then present Direct and Advisor Plans' performances and how the current markets are affecting 529 program. Then Ms. Good will give the Executive Director update, followed by Ms. Manett who will provide the program's quarterly financial update. Mr. Jeff Fogel will present on any legislative items and ethics filing reminders.

FIFTH THIRD ANNUAL PRESENTATION

Mr. Beck greeted the Board then shared the year's highlights for Fifth Third and its partners. In February, Fifth Third acquired Comerica, which now makes Fifth Third the ninth largest bank in country. Comerica is a great fit and strengthens Fifth Third's position in the Midwest. There is overlap with Comerica in Michigan and Florida, but the acquisition opens new markets in Texas, Arizona, California, and Southeast America for Fifth Third.

Fifth Third has increased its investment in Cincinnati, Dayton, Central Ohio, Cleveland, Akron, and Toledo, as well as launched its small towns and cities initiative, starting in Lima.

Fifth Third offers two banking products to the Ohio 529 program: savings accounts and CDs at various terms, which are all FDIC insured. A 529 CD will roll over into 529 savings account as it is a single maturity. With this feature, families have access to the funds to quickly pay for qualified higher education expenses at the end of the CD term.

Mr. Beck then shared the CD rates available by term as of March 2026. The highest rate is usually coupled with the longest term. Ohio is only one of two states that offer CDs, with more terms offered with more aggressive rates. The tiers of competitive CD rates allow families to align term maturities with withdrawal events. When 529 CD is set to roll over to a 529 savings account, OTTA will send a maturity notice to the account owner. Discussion ensued.

Currently, Fifth Third's plan is not to change the CD rates in 2026. Current forecasts show stable federal fund rates throughout 2026. Inflationary trends, economic shocks, and geopolitical risk influence rate policy. Fifth Third rates are priced competitively to Ohio bank competition. Mr. Beck shared that Fifth Third is working to accelerate their joint outreach and marketing initiatives with Ohio 529. If there are any appropriate regional programs, Fifth Third will bring in Ohio 529. In 2026, Fifth Third is celebrating 21 years of partnership with OTTA and are pleased to continue the collaboration.

DIRECT PLAN INVESTMENT OPTION RECOMMENDATION

Mr. Stephen DiGirolamo shared Wilshire's recommendation on Vanguard proposed asset allocation adjustments and increase the line-up for its risk-based portfolios. The reasons for these changes are: to add another layer of risk options, decrease the step-down equity risk between funds, and rename the funds to align with the new allocations. There will be no changes to the expense ratios or the fees for each fund.

Mr. DiGirolamo stated that Wilshire evaluated and agree with Vanguard recommendations. Peer median 529 programs offer five risk options, so OTTA will be offering more choices with six risk-based options.

Ms. Good added that if the Board approves the resolution, OTTA will work with Vanguard and Ascensus, OTTA's recordkeeping partner, implement these changes as soon as operationally feasible, which will be in the fall or winter.

Mr. Benson called for a vote to approve the Resolution FY-02. Mr. Zwayer made a motion to approve. Mr. Brihn seconded the motion. The motion was unanimously approved.

GUARANTEED SAVINGS PLAN ACTUARIAL ASSUMPTIONS

Ms. Amy Mannett stated that each year OTTA engages with Milliman, an actuarial consultant, to provide an annual evaluation of the financial position of the Guaranteed Savings Plan (GSP). To give Milliman the tuition inflation assumptions and the investment return assumptions to be used in the analysis, the Board will need to approve the assumptions.

OTTA works with ODHE to calculate what percentage the thirteen Ohio public universities will increase their tuition rates. Currently, the Ohio Revised Code (ORC) says that state colleges cannot go over 3% increase over the prior year's cohort. OTTA is recommending 4% tuition inflation assumption, which is the same amount as the past five years. Over 99% of Guaranteed Savings Plan beneficiaries are over 17 years old. With this assumption, OTTA is ensuring that there is the appropriate amount of funding for these beneficiaries. At the end of April, there are just over 2,500 GSP accounts remaining.

To determine the investment return assumption, OTTA will use its investment consultant NEPC's Forward Looking Expected Risk and Expected Returns, as well as the Investment Return Assumption used in the actuarial valuation since the end of Fiscal Year 2022. The current asset allocation policy is 29% fixed income and 71% cash. In 2025, the board adopted a further reduction in risk by eliminating equity exposure from the asset allocation consistent with the overall strategy to continue to de-risk the portfolio and protect the remaining assets of the GSP. Discussion ensued.

Mr. Benson called for a vote to approve the Resolution FY-03. Mr. Zwayer made a motion to approve. Ms. Ann Womer Benjamin seconded the motion. The motion was unanimously approved.

WILSHIRE QUARTERLY UPDATE

Mr. DiGirolamo shared that in this past quarter, the markets have been very volatile with a stable first half then geopolitical issues which pulled the markets down in the second half. U.S. equities were down 4 % for the quarter. Information technology and financial sectors pulled back while energy, utilities, and materials sectors did well. International markets also pulled back, with emerging markets doing better than developed markets. U.S. fixed income was flat. For 2026 YTD, the asset class return that are doing best are commodities and REITS.

Wilshire are not expecting federal rate cuts this year and markets are expecting higher inflation due to geopolitical pressures. Discussion ensued.

Direct Plan Performance

The Advantage Age-Based Portfolio (AABP) performed as expected based on market volatility. The funds that have less equity, which are the ones closest to time of enrollment, outperformed the ones with more equity for the quarter. AABP tends to be more conservative than other 529 peers. All funds in the Vanguard Ohio TEP outperformed benchmarks. Performance aligned with expectations based on the amount of risk in each portfolio. For the risk-based funds, the more conservative portfolios outperformed the more aggressive ones. For the individual funds, the ones that were overweight in technology - Vanguard Windsor II and Vanguard U.S. Growth Fund - underperformed this past quarter. Discussion ensued.

Advisor Plan Performance

The glide path products that are closer to time of enrollment did better than those further from enrollment as they have more equity in them. All the funds outperformed benchmarks; however, they underperformed compared to peers as BlackRock has more equity in these portfolios. For the individual options, the more moderately conservative funds outperformed the aggressive ones for the quarter. The BlackRock Global Allocation fund underperformed its benchmarks based on its equity positioning in the information technology sector. Wilshire is comfortable with the positioning and the performance of the funds as most of them did well in protecting their assets in a down market.

Mr. DiGirolamo stated that Wilshire has no major concerns for either 529 program.

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 $20.44 billion Assets Under Management (AUM) as of March 31, 2026. The performance was slightly below other state programs. The Ohio Direct 529 Plan is seventh in the nation out of 61 other Direct Plans, with $12.91 AUM, and decrease of 1.0% quarter over quarter due to market impact. The BlackRock Ohio Advisor Plan is the fifth largest in the nation with $7.5 billion AUM with an 10.8% increase from 2025.

Upcoming investment-related activities include the reprinting of the Direct Plan Offering Statement, which is scheduled to be delivered to account owners the week of May 18. Also, the Guaranteed Plan is continuing to wind down. Communications to account owners with beneficiaries 28 and over or small balances will go out later in May. The new AABP asset allocation mix will go into effect on July 9. The new 2046/2047 AABP fund will be launched in the summer with the 2026/2027 fund rolling over to the Graduate fund. Ms. Good thanked the Board for their vote on the Vanguard risk-based asset allocation changes, which will be rolled out later this fall.

Financial update

Ms. Manett shared the AUM percentage change for the Direct Plan was 14.2% from March 2026 over March 2025. 0.8% of the increase is attributed to new flows, and 13.4% is due to market performance. For the Advisor Plan, the increase was 10.8%, with 13.4% attributed to market performance and a decrease of 2.7% in net flows. For the Direct Plan, contributions were up 5.1% YOY and the Advisor Plan was up 3.6%. Direct Plan distributions were 11.7% higher from 2025 and the Advisor Plan was 0.6% higher. The age of the Direct and Advisor Plans means that many of the beneficiaries are reaching the age of redemption. OTTA has seen a 50% uptick from last year in the number of Roth IRA rollovers from the Direct Plan; however, these rollovers are still less than 2% of the total distributions.

For the Guaranteed 529 Plan, there is S119.8 million in AUM, with an actuarial obligation of $28 million. The plan is very well funded. OTTA is currently serving just over 2,500 accounts as the end of April 2026.

Legislative updates

Mr. Jeff Fogel stated that there was not much movement legislatively at state and federal level that would concern 529 programs. He is still tracking State House Bill 48, which is more of a tax department issue. Mr. Fogel thanked the executive Board members for completing their financial disclosure statements. He reminded the Board members that their annual ethics training is due by the end of the year.

NEW BUSINESS

Ms. Good shared with the Board that she has submitted her notice of retirement to ODHE. Her last day will be June 30, 2026. She stated that she has had a fantastic 30-year career with OTTA and worked 33 years in total for the State of Ohio. She said that it's truly been her pleasure to serve the agency and its customers, as well as to serve as OTTA's executive director. She thanked the Board for all its support of OTTA. She is so proud of OTTA and its Board's work and accomplishments. It has truly been a team effort, and she gives full credit to the past and present agency staff, Board members, and ODHE for the success of the Ohio 529 program. She looks forward, as a customer, to watch what happens next for the program.

Speaking for the Board, Mr. Benson expressed its appreciation for Ms. Good's dedication and leadership for the past 30 years. Mr. Benson then asked Mr. Charles See what next steps will be. Mr. See shared that OTTA is an agency within ODHE, which is a cabinet agency. Therefore, the filling of OTTA's executive director position falls under the jurisdiction of Governor's Office of Boards and Commissions. This office is working with Chancellor Mike Duffey to chart the path forward. Discussion ensued.

PUBLIC PARTICIPATION

There was no public participation.

ADJOURN

Mr. Zwayer made a motion to adjourn. Mr. Brihn seconded the motion. A unanimous voice vote was taken. The meeting was adjourned at 11:18 a.m.

Signed by:

Print name: JAMES D. BENSON

Date: 8/13/26