



Request for Proposal for Investment Consulting

Issued on: March 1, 2017

Responses due: March 31, 2017

I. Purpose

The Ohio Tuition Trust Authority (OTTA) is looking for a nationally recognized investment consulting provider interested in partnering with OTTA to provide investment philosophy, strategic direction and oversight of program investments, managers, investment options (including searches and gap analysis), and quarterly performance reporting to CollegeAdvantage, Ohio's 529 College Savings Program. Section 3334.08(A)(12) of the Ohio Revised Code (ORC) authorizes OTTA to contract with financial consultants, actuaries, auditors, and other consultants as necessary to carry out its statutory responsibilities and functions. State of Ohio procurement and bidding requirements do not apply to this RFP or any resulting contract (ORC 3334.08(C)).

II. Background and Plan Summary

Ohio Tuition Trust Authority Overview

The OTTA, a state agency within the office of the Chancellor of the Ohio Department of Higher Education, sponsors and administers the CollegeAdvantage 529 Savings Program (CollegeAdvantage) for the state of Ohio. OTTA was established as a state agency by the Ohio legislature under ORC Chapter 3334 in 1989 to administer Ohio's college savings program in order to help prepare families financially for the cost of higher education. The agency receives no General Revenue Funds from the state. A small fee assessed to College Advantage participants and revenue sharing agreements with investment managers are used to fund OTTA program administration.

The investments of the program are governed by the Ohio Tuition Trust Authority Investment Board (Board), which is comprised of 11-members appointed pursuant to ORC Section 3334.03. OTTA staff oversees marketing, customer service, operations, information systems, administration, investments and all financial aspects of CollegeAdvantage.

Program Summary

CollegeAdvantage is the program sponsor of three separate plans:

- Direct 529 Savings Plan (Direct Plan)
- Advisor 529 Savings Plan (Advisor Plan)
- Guaranteed Savings Plan (GSP)

The Direct Plan, managed by OTTA, has approximately 277,300 accounts and \$4.85 billion in assets under management as of December 31, 2016. Direct Plan customers can select to invest in 24 investment options, including mutual fund investment options and banking options. The mutual fund investment options are comprised of:

- 4 Age-Based Investment Portfolios
- 5 Risk Based/Static Investment Portfolios
- 13 Individual Investment Options

The Direct Plan offers customers the opportunity to invest in two banking options which carry FDIC insurance (a savings accounts option and a certificate of deposit (CD) option).

Current investment managers in the Direct Plan include: The Vanguard Group, Dimensional Fund Advisors, and Fifth Third Bank.

The Advisor Plan, managed by BlackRock, has approximately 329,900 accounts and \$4.82 billion in assets under management as of December 31, 2016. The 23 investment options available for participants and their financial advisors to choose from include:

- 3 Age-Based Investment Portfolios
- 3 Risk Based/Static Investment Portfolios
- 17 Individual Investment Options

Current investment managers in the Advisor Plan include: BlackRock, iShares, Rainier, Wells Fargo and Voya.

The GSP is managed by OTTA and has been closed to new funds since December 31, 2003. This GSP is not included as part of the RFP.

III. Objective of Request for Proposal (RFP)

OTTA's goal is to partner with a nationally recognized investment consulting provider experienced in the 529 industry to provide investment consulting services to OTTA's CollegeAdvantage Direct and Advisor Plans. The selected investment consulting firms will report directly to OTTA staff and work closely with staff and the Board. The incumbent investment consulting firms are being invited to participate in this RFP.

The successful firm will demonstrate superior experience and capability in the areas of manager performance evaluations, manager searches, investment direction and policies and 529 savings plans. The firm will serve in a fiduciary capacity and will acknowledge in writing the firm's fiduciary status, without qualification. In all cases, the firm and their consultants will offer their advice to the OTTA solely in the best interest of the organization and the stakeholders served by the agency.

Current services for both the Direct and Advisor Plans include:

- Provide, within six weeks of the end of the previous quarter, and present a quarterly review on the performance of the options and portfolios within the Direct and Advisor Plans to the staff and Board. This performance review must be in accordance with the Investment Policies. It should include, at a minimum, analysis, evaluation and commentary of the overall and individual performance of the each investment option and portfolio as it relates to the benchmark comparison, Lipper peer comparison and comparison of performance to other 529 programs in the country.
- Assist with the evaluations of the relationships with the Direct and Advisor Plan providers per the terms of each respective contract. Conduct manager searches, if necessary, in time to allow for a smooth transition from existing manager to another manager(s) or the addition of another manager(s) at the end of the contract period for each manager.
- Assist with review of option platform and strategic product direction as needed or as requested. OTTA looks to all partners to be innovative with the design of the Direct and Advisor Plans. We would expect the consultant to provide insight and analysis into new strategies and/or investment options that are suitable for college savers in a college-saving environment. Assist staff with evaluation and implementation of removing, adding, or replacing funds in the Direct and Advisor Plans.
- Review Investment Policies annually. Recommend changes and help implement changes as necessary.

In addition, specific to the Direct Plan:

- Provide, within six weeks of the end of the previous quarter, and present a quarterly analysis of the interest rates offered for the savings and CD Options in the Direct Plan to 1) Fifth Third standard rates offered in the Cincinnati region and 2) regional banking rates offered in the Cincinnati area.

Other General Services include:

- Provide access to investment firm's resources and research.
- Be available to answer general and specific investment questions from the OTTA staff and/or Board as they relate to OTTA and the 529 Industry.
- As part of this consulting assignment, provide education to the OTTA staff and Board as necessary.
- Be available to attend quarterly Board meetings. These meetings are generally scheduled for the 7th Thursday after quarter end in Columbus, Ohio.
- Be available, if requested, to attend and participate in the annual Morningstar 529 meeting, generally in late August/early September in Chicago, Illinois.

The consulting firm selected will be required to present the fourth quarter and fiscal year end results, for the period ending June 30, 2017, at the August 2017 OTTA Investment Board meeting.

OTTA shall have the sole responsibility for determining whether to implement any recommendations made by investment consulting firm and for implementing such recommendations, including without limitation, the review and negotiation of any agreements or other documents required. Other services may be added over the term of the contract as the 529 Industry and OTTA matures and evolves. The investment consulting services do not include legal, tax or accounting advice.

IV. State Requirements and/or OTTA preferences

OTTA values the relationships the State of Ohio has created with various firms. We are interested in partnering with firms that have a major Ohio presence in terms of location, economic value and employment.

The firm selected by the Board, and any resulting contract between OTTA and the selected firm, is subject to all applicable federal, state and local laws governing the performance of the consulting services. The selected firm must accept full responsibility for compliance with all applicable laws. The selected firm will also be required to certify in the contract, among other things, that the firm does not owe any delinquent taxes or money to the state or a political subdivision of the state whether the amounts owed are being contested in a court of law or not.

OTTA is subject to Executive Order 2011-12K, which governs the Expenditure of Public Funds for Offshore Services.

V. Term of Agreement

The Contract will become effective July 1, 2017 and will remain in effect for an initial five year term (July 1, 2017 – June 30, 2022) with the option to renew for one additional five-year term

(July 1, 2022 – June 30, 2027), unless and until terminated by either party in accordance with the termination provisions detailed in the contract.

The consulting firm selected will be required to present the fourth quarter and fiscal year end results, for the period ending June 30, 2017, at the August 2017 OTTA Investment Board meeting.

VI. Attachments to the RFP

This is a request for proposals from parties interested in providing investment consulting services to OTTA. Attached are the following exhibits:

- EXHIBIT A: Direct Plan Investment Policy
- EXHIBIT B: Advisor Plan Investment Policy

Other general information regarding CollegeAdvantage is available on our website: www.collegeadvantage.com.

VII. Proposal Content

At a minimum, the proposal must include the following information. Proposals should be clear and concise while providing the details listed below.

A. Understanding of project

State your understanding of services required by this RFP. Sufficient yet concise description should be provided so the agency will be convinced that the desired services are understood and will be provided in a high quality, and professional manner.

B. Work plan

Set forth a work plan specific to the stated responsibilities of the contract. Please include a description of how the firm will consult with staff and the Board during the work and make presentation(s) to the staff and Board. The proposal should identify and describe any anticipated potential problems, the firm's approach to resolving these problems, and any special assistance that will be requested from OTTA. The proposal should address similar services provided to other clients.

Any special procedures, approaches or methodologies should be highlighted in this section.

The work plan should include a proposed detailed time schedule that would assure timely and accurate completion of requested services: e.g., visits to OTTA, report drafts, presentations, etc.

C. Firm Qualifications

1. Provide a brief history of your firm.

2. Describe the nature of the firm's ownership and provide specific details with regard to any affiliated companies or joint ventures (an organizational chart would be helpful).
3. Describe your firm's comprehensive scope of business and the approximate contribution of each line of business to the organization's total revenues. If you are an affiliate or subsidiary of an organization, what percentage of the parent firm's total revenue does your firm generate?
4. Explain any organizational affiliation your firm has to any other firm in the investment or financial industry.
5. Provide a list of all the firm's offices and their locations and indicate which office will have primary responsibility for this requested work. If other offices will also conduct aspects of the work, indicate which offices and what aspects.
6. Indicate whether, over the past five years, your organization or any of its affiliates, parent, or any officer/principal, has been involved in any business litigation or other legal proceedings related to your investment consulting activities. If so, provide a brief explanation and indicate the current status.
7. Does your firm carry any type of fiduciary/liability coverage? If so, list the insurance carrier(s) supplying the coverage and indicate amount(s) of coverage.
8. Describe the value your firm would add to OTTA as compared to your peers in eliciting the requirements as outlined in this RFP. How would you add value to OTTA in the services you would deliver pursuant to this RFP?
9. Provide a list of all existing and former relationships your firm has had with other 529 College Savings Programs (prepaid and/or savings) in the country. This list should include program name, mailing address, contact person, person's title or relationship to the program, dates of affiliation with program and type of work completed for the state. If appropriate, include samples of your work/reports.

D. Human Resources

1. Identify the lead person, backup person, and any other key personnel who would be assigned contract work by name, with a brief biographical description of their qualifications for each.
2. State whether the individuals to be assigned to the work have any responsibilities other than providing consulting services, and if so, specify such responsibilities.
3. Provide information on any professional staff turnover with your firm. Have key senior personnel left or joined your firm in the last three years? If so, indicate when and why. In what capacity did they serve? (For personnel who have left, indicate job titles, years with the firm and who replaced them.)
4. Describe your firm's backup procedures in the event that designated consulting personnel assigned to OTTA would leave the firm.

5. Discuss your firm's compensation package that is available to professional staff, including any incentive bonuses and how they are awarded. Be specific as to how the compensation package might be relevant to selecting investment managers. What programs are employed to retain key professionals?

E. References

Provide a statement of similar work performed in the last five years for college savings programs, institutional clients or public retirement systems. Information should include the type of plan, asset size, length of relationship, and size of active and retired membership or liabilities. The list should include each client's name, address, telephone number, and name of responsible official who may be contacted as a reference.

F. Conflict of Interest

Provide a statement that no officer of, Board member of, employee of, or consultant to OTTA has any known personal or pecuniary interest, direct or indirect, in this contract or in the proceeds thereof.

List and describe the firm's professional relationships for the past five years involving OTTA or any investment or financial firm which provides services to OTTA, together with a statement explaining why such relationships do not constitute a potential conflict of interest relative to performing the proposed study.

G. Special Assistance Required of OTTA

Describe any special assistance required of staff or Board necessary to complete the assignment.

H. Fees/Cost of Services Requested

Provide your best retainer relationship quote. Please state whether the proposed cost is subject to negotiation. Certify that the fee schedule prepared is the most favorable fee schedule the firm offers for accounts with similar guidelines and mandates.

I. Additional information

Provide any other information believed to be relevant to this assignment. If additional services are deemed essential to this assignment, separately state what those services are and provide a cost estimate for each.

J. Educational Services/Products

Outline any special educational services your firm may have and indicate whether staff and board members would be able to utilize the services.

VIII. Selection Criteria

The OTTA staff and Board will evaluate proposals. OTTA staff and the Board reserves the right to contact any reference to assist in the evaluation of the proposal, to verify information contained

in the proposal, and to discuss the firm's qualifications with any person or entity not affiliated with OTTA or the Board. During the selection process, the Board may, at its discretion, request an oral presentation, either in person or via conference call. Such presentation will provide a firm with an opportunity to give a summary of the written proposal and to answer questions the Board may have on a firm's proposal. Not all firms may be asked to make an oral presentation to the Board.

Proposals will be evaluated based on the following primary criteria:

- Understanding of project scope;
- Detailed, yet concise, well-organized work plan meeting RFP objectives;
- Soundness of approach and quality of work plan;
- Firm qualifications;
- Individual qualifications of assigned staff; and
- Overall cost.

State of Ohio procurement and bidding requirements do not apply to this RFP or any resulting contract (ORC 3334.08(C)). Because OTTA is not required to award a contract to the lowest bidder, cost is not intended to be the primary deciding factor in awarding a contract

IX. Legal Notices and Disclaimers

All information submitted in response to this RFP become property of the OTTA and is public information unless a statutory exception exists that exempts it from public release under the Ohio Public Records Act, as defined in ORC Section 149.43.

The OTTA and the Board reserves the right to request or use additional information to assist in the review process, to require new proposals from interested parties, to reject any and all proposals responding to this RFP, and to re-issue, modify or cancel the RFP if it is determined that it is in the best interest of OTTA and the Board. Issuing this RFP does not bind the OTTA and Board to issuing a contract. The OTTA and Board reserves the right to adjust the dates for this process for whatever reasons deemed appropriate. The decision of the OTTA and Board is final.

X. Instructions for Submitting Intent-to-Bid, Clarification Questions and Proposals

If you intend to bid on this proposal, please provide your intent via email to OTTA. This simply identifies you as an interested party stating your desire to be included in the group of firms that plan to bid on these services. Include in your intent email specific contact information OTTA will use to notify firms of any changes or provide additional information related to the RFP.

The OTTA contact and email address for all communications including intent-to-bid, clarification questions and proposals is:

Trisha A. Good, CFO/CIO
tgood@collegeadvantage.com

OTTA reserves the right without prejudice to reject any or all proposals submitted. There is no expressed or implied obligation of OTTA to reimburse responding firms for any expenses incurred in preparing or presenting proposals in response to this request.

XI. Proposed Schedule of Events

Date	Event
March 1, 2017	Mail RFP to investment consultants and Post RFP on OTTA website
March 10, 2017	Return Intent to Bid to OTTA
March 17, 2017	Clarification questions due from investment consultants
March 22, 2017	Answers provided to all consultants
March 31, 2017	RFP Response due to OTTA
Week of April 10, 2017	Notify consultants selected for oral presentations, if necessary
Week of April 24, 2017	Oral presentations to staff and/or Board, if necessary
May 18, 2017 (tentative date)	Make recommendation to Board of Final Candidates
May 19, 2017	Notify consultants of results
June 15, 2017	Contracts Executed
July 1, 2017	New contract terms begin
August 17, 2017 (tentative date)	4 th Quarter/Fiscal Year 2017 results presented at Board meeting

EXHIBIT A



Ohio Tuition Trust Authority CollegeAdvantage Direct 529 Savings Plan Investment Policy Effective June 19, 2015

INTRODUCTION

The Ohio Tuition Trust Authority (“OTTA”) is the administrator of CollegeAdvantage, Ohio’s 529 College Savings Program (the “Program”). CollegeAdvantage is a "qualified State tuition program" in accordance with Section 529 of the Federal Internal Revenue Code. It was established to provide families with an opportunity to invest toward future college education expenses. The activities of OTTA in regard to the administration of the Program are governed by Chapter 3334 of the Ohio Revised Code, as they may be amended from time to time.

OTTA has adopted the following mission and vision statements for the Program:

MISSION STATEMENT: We empower generations of families in Ohio and throughout the nation to achieve college savings goals for their loved ones by investing with the CollegeAdvantage 529 Savings Program.

VISION STATEMENT: We envision a nation where families enjoy the peace of mind of being better able to afford college dreams.

OTTA’s Board has the responsibility to select financial institution(s) to act as manager(s) of the investment options. The ongoing monitoring of the performance of the financial institution(s) so selected is the responsibility of the Board, with advice from staff and outside Investment Consultants. The Board and OTTA each act in a fiduciary capacity with respect to the administration of the Program. Specific duties and responsibilities are articulated within this Investment Policy.

The Program has three unique Plans, 1) CollegeAdvantage Direct 529 Savings Plan, 2) CollegeAdvantage Advisor 529 Savings Plan and 3) CollegeAdvantage Guaranteed 529 Savings Plan. Each Plan has its own Investment Policy.

PURPOSE OF THIS DIRECT PLAN INVESTMENT POLICY

The purpose of this document (this “Policy”) is to establish the objectives, policies, and responsibilities that govern the Investment Managers and investment options of CollegeAdvantage 529 Direct Savings Plan (the “Direct Plan”). The policies stated herein should not be construed as absolutes but as guidelines to be used in a thoughtful process. This

Policy will be reviewed annually by the staff and the investment consultants. Any changes deemed necessary will be recommended to the Board for its approval.

It is the intention of the Board that the investment options in the Direct Plan shall be maintained in compliance with all applicable laws governing the operation of the Program. The Board, in consultation with staff and the investment consultants, will formulate policies and objectives for prudently selecting, monitoring and evaluating appropriate investment manager(s) and investment options within the framework of the Policy.

INVESTMENT PHILOSOPHY AND OBJECTIVES

OTTA and its Board believe that a variety and wide range of options should be available to customers of the Direct Plan to allow each customer to participate as actively or passively as the customer would like, given his or her investment experience and knowledge. Specifically, the Board shall consider the following investment strategies when making decisions about the options offered within the Direct Plan:

- Offering a sufficient range of actively and passively managed options including, but not limited to, age-based, static, and individual options with various degrees of risk/reward profiles.
- Offering an investment option structure to focus on diversification, low cost and simplicity while minimizing possible duplication.
- Since savings for college is generally a longer term investment, decisions regarding the options will be evaluated over a longer-term time horizon (3 to 5 years) and will be evaluated based on multiple criteria.

Participants in the Direct Plan bear the investment risk and reap the rewards in respect to the returns credited to their investment options. Fluctuations in investment returns directly affect investment benefits accruing to participants. Investment risk to the participants may be limited by appropriate diversification both within and between asset classes.

POLICY

Investment managers and investment options in the Direct Plan shall be selected and managed in accordance with the prudent investor rule set forth in Ohio Revised Code Section 3334.11(K)(1), that is with the same degree of care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise with a like character and with like aims. In accordance with this rule, it is the intention of the Board to provide participants with a reasonable opportunity to choose investment alternatives, which have different risk and return characteristics.

The determination of the investment parameters of each investment option will take into account the financial characteristics of the investment options in the Direct Plan, particularly risk vs. return, so that individual participants who seek investments materially different from those offered through one of the options will have the ability to select other alternatives. In accomplishing this goal, due consideration is to be given to the fact that the investment horizon for participants will vary from a few months to more than twenty years.

BENCHMARKS

Three measures will be used to analyze performance of the investment options:

1. 529 Peer Universe rankings (custom comparison against 529 peers as determined by OTTA; net of all fees)
 2. Custom benchmarks (net of all fees)
- Lipper Peer Universe rankings (net of all fees)

DUTIES AND RESPONSIBILITIES

The Board

The Board, in consultation with OTTA staff and investment consultants, is responsible for the overall management of the Direct Plan's investments. In its fiduciary capacity, the Board is committed to discharge its duties with the care, skill, prudence and diligence of a prudent person, in the best interest of Direct Plan participants.

The Board is responsible for monitoring all investment activity of the Direct Plan. It evaluates OTTA staff and consultants' proposals and recommendations, manager hiring and termination decisions requiring Board action and makes investment-related recommendations for consideration by the Board.

Executive Director

The Executive Director shall be authorized and accountable to the Board for implementing and administering the investments of the Direct Plan. The Executive Director shall be authorized to recommend investment policies and practices to the Board and to monitor investment activity in accordance with this Statement and any policy interpretations rendered by the Board.

OTTA Investment Staff

The role of the investment staff is to assist the Board in managing the Direct Plan's investments. The Board expects to rely on staff to assist it in discharging its fiduciary responsibilities and in managing OTTA's investments successfully, efficiently and in the best interest of the Direct Plan participants. This includes, but is not limited to:

- Advise the Board when the staff believes action relative to investment policy is required by the Board.
- Inform the Board of any and all matters that staff believes to be of sufficient materiality as to warrant the Board's attention.
- Establish and conduct an appropriate process for monitoring the Direct Plan's investments.
- Be responsible for the day-to-day management of this Policy and communicating with investment managers to accomplish objectives set by the Board.
- Proxy voting is an integral component of the investment process. The OTTA investment staff will be responsible for voting all proxies after careful consideration of the issues. Proxy voting decisions will be made solely in the best interest of the Direct Plan participants.

External Investment Managers

External investment managers shall be responsible for managing the Direct Plan's investment portfolios in accordance with the investment guidelines and, further, within the boundaries of any governing contracts entered into with OTTA. The investment managers are responsible for immediately communicating to staff any material changes in the process, philosophy, management and performance of the underlying investment options and voting all proxies in the best interests of the Direct Plan's participants.

Investment Advisor or Investment Consultant

The Board may contract with an investment advisor or investment consultant to advise it on various aspects of the investment options in the Direct Plan. Such advisor or consultant's duties shall include, but not be limited to:

- Responsible for assisting the staff and Board in establishing and monitoring investment policy and strategy.
- Conduct and/or assist with manager searches, critically evaluate investment proposals that come to staff and the Board and advise the staff and the Board accordingly.
- Recommend and monitor the investment options and investment managers. Report all material investment option and/or manager issues to the staff and the Board and recommend appropriate changes.
- Conduct periodic and special studies on behalf of the staff and Board, assist and support the staff in various projects.

THE INVESTMENT MANAGERS, OPTIONS AND BENCHMARKS

While the investment parameters for each of the investment options offered under the Direct Plan are selected by the Board, participants bear the risk of investment results derived from the funds they select. The appropriate investment option for each participant is a function of multiple factors, including age, income, length of time before the money is to be used and tolerance for investment risk.

The administration of the Direct Plan by the Board and offering of investments as well as the dissemination of information concerning the investment options should not be relied upon as a guarantee to participants. The Board expects each participant to seek appropriate investment/tax advice as he or she deems necessary.

See www.collegeadvantage.com for current investment options.

Among other investment options, the Direct Plan also includes a custom designed portfolio, the Advantage Age-Based Portfolio.

THE ADVANTAGE AGE-BASED PORTFOLIO

The Advantage Age-Based Portfolio (the "AABP") is a unique, custom portfolio designed to take into account a beneficiary's age and investing time horizon. The AABP invests in four distinct asset-class portfolios made up of individual Direct Plan stock, bond and cash equivalent investment options from multiple Investment Managers to build a custom age-based solution. Each portfolio combines actively managed and passively managed investment options to reduce fees and relative risk, while enhancing performance potential. The asset allocation is based on

the age of the beneficiary. As the beneficiary gets closer to college age, the investment mix gradually shifts from mostly equity investments to more conservative bond and money market investments. OTTA will automatically exchange assets from one portfolio to another as the beneficiary ages, on or about the 5th day of the month for Beneficiaries who had a birthday in the prior month.

MANAGEMENT OF THE ADVANTAGE AGE-BASED PORTFOLIO

The Board has appointed a manager, Wilshire Associates (the “Manager”), to set and implement the investment policies of the AABP, which policies shall be attached hereto as Appendix A, to establish the Manager Portfolios, to educate the Board, and to provide quarterly reports to the Board with respect to the AABP. In its capacity as Manager, Wilshire acknowledges that it has a fiduciary relationship to OTTA, its Board and the Trust.

The Manager is authorized by the Board to determine and direct OTTA with regard to the investment, reinvestment, and liquidation of the assets of each Manager Portfolio in accordance with the specified policy. The Manager will be responsible for determining and directing such changes at the policy level with appropriate notification to OTTA. OTTA is responsible for the implementation of such changes including reallocations, rebalancing, and manager changes. In addition, the Board has the ability to remove any fund options included within the fund line-up. OTTA will provide appropriate notification to the Manager to allow for any potential restructuring.

See Appendix A for the Target Glidepath, Asset Allocation, Rebalancing Policy and Benchmarks specific to the AABP.

GOVERNANCE

In order for the Direct Plan to be managed effectively and efficiently, it is critical that sound governance structures are in place and vigorous disciplines exist for carrying out investment activities. Governance standards have been established as follows:

Manager and Fund Option Selection

The Board will hire competent registered professional investment managers to manage the investments in the Direct Plan. The Board, staff and investment consultants will conduct thorough due diligence before the hiring of all investment managers. To be considered investment managers shall demonstrate, by their record and experience, their fiduciary responsibility, their investment expertise and experience, and their capacity to undertake the mandate for which they are being considered.

All option selections will result from a targeted search process in conjunction with staff and the investment consultant searches and evaluations. The following search criteria will be used in evaluating an option for inclusion in the Direct Plan.

- **People & Organization:** Demonstrate longevity and stability in the investment management team at the fund level and stability in the top management positions. The management team should have a demonstrated five year track record of performance results for the mandate being considered. Maintain appropriate governance practices

such as board oversight, relative transparency and appropriate incentives for key talent. Exhibit compelling aspects from a talent, process, trading, size, product fit, ownership and organizational perspective.

- **Philosophy & Process:** Management should have a commitment to offering the best investment options available at acceptable levels of risk. The management team should have personal investments in the options being considered. Demonstrate a thorough investment process that is deemed to be consistent and repeatable throughout different market cycles.
- **Performance:** College savings investments are a long-term investment strategy, therefore longer term (3-5 year) annualized performance will be reviewed when evaluating new options.
- **Price (Fees):** OTTA is committed to offering low-cost options within its product line. The options, regardless of active or passive management, should be very competitive from a total fund expense ratio (customers out-of-pocket cost).
- **Operational Considerations:** Able to interface with OTTA and its third party partners to provide the customer with a seamless and streamlined college investment experience from the beginning to the end of their investment horizon.

Manager Monitoring & Reporting

The objective of the monitoring process is to identify on a timely basis signs of adverse changes in a manager's organization or investment process. Staff and the investment consultants will monitor the investment managers on a regular basis. The on-going monitoring of investment managers by the staff and investment consultants will include both qualitative and quantitative analysis.

Each manager will be evaluated at least annually by staff and the investment consultants. The results will be documented in a report to the Board. Due diligence meetings will be conducted by staff and/or the investment consultants by phone or in person (either at the manager's location or at OTTA) at least annually or more frequently, as needed. The Board may request a minimum of one presentation per year to review strategies recently employed; the purpose and effectiveness of those strategies and an update on the current strategy and outlook.

Managers shall provide regular reporting information to OTTA. All managers shall provide a monthly update on sales, redemptions, assets under management, actual performance, various benchmark performance and fees. The reporting shall include actual performance over various timeframes, including but not limited to: monthly, quarterly, calendar year-to-date, fiscal year-to-date, one, two, three, five and ten year periods and since inception (annualized and cumulative, where appropriate). The manager shall provide performance compared to all benchmarks, including the asset class benchmark, the style specific benchmark and the Lipper averages. All managers shall provide a written quarterly report to OTTA which shall include details describing market conditions, performance returns and performance attribution including commentaries regarding investment strategies and active deviations from benchmarks.

Manager and Fund Monitoring Reviews

The Board acknowledges that, from time to time, there may be the need to replace an existing option with a new investment option. The Board has developed the following "Fund

Monitoring” methodology to aid this process.

The Board’s considerations will be based on the joint recommendation of staff and the investment consultants and may include the following key criteria:

- People & Organization: Change in the fund’s portfolio talent, senior management at the firm or overall organizational structure
- Process: The fund’s investment strategy and/or portfolio characteristics have materially diverged from its designated style
- Philosophy: The overall investment philosophy of the investment management team and/or organization has materially changed from its original intent
- Performance: Sustained long term (3-5 years) underperformance compared to the applicable benchmarks including custom, Lipper and 529 peer universe; rolling 3-year returns that are below any benchmark for 4 consecutive quarters
- Price (Fees): The cost of the options within the Direct Plan are not competitive in the 529 marketplace
- Operational Considerations: Significant changes to processes have occurred that are damaging to the customer experience with the Direct Plan.
- Weak Due Diligence Analysis rating: An annual process that includes site visits to major managers to meet with senior management to review strategic direction and overall organizational issues reveals a significant failure to adhere to good due diligence principles.

The table below summarizes the status classifications that will be applied in this methodology:

Color Code	# of Criteria Met	Status	Generally Indicated Action
GREEN	Less than 2	“Active”	no action required
YELLOW	2 to 3	“Watch”	still accepts contributions; closely monitored
ORANGE	4	“Suspended”	All new contributions to the fund must be stopped but accumulated balances may remain invested and a future closed status decision will be made in the near term
RED	Greater than 4	“Closed”	All invested balances must be moved to another available option in the near term

- The “Active Status” indicates a level of satisfaction with the manager and options.
- The “Watch Status” indicates a mild to moderate level of concern that is unique to each situation and shall quantified by the staff and the investment consultant to the Board. A recommendation for Watch Status shall designate a period of time to assess the capabilities and quality of a manager’s operations and include more frequent contact with the firm to monitor the conditions that led to the Watch Status. Managers placed on Watch Status may be requested to submit a plan of action to address the deficiencies and shall typically remain on Watch Status for performance–related issues or organizational changes for up to one year to ensure that all outstanding issues are resolved. Managers who do not correct outstanding issues in a timely manner shall be considered for Suspended Status or Closed Status.
- The “Suspended Status” indicates a heightened level of concern that requires suspension of new contributions by participants into the option. A manager that has been placed on

Suspended Status most likely has not resolved the issues which originally determined placement on Watch Status. Options and/or managers in this category have a critical concern that needs to be addressed immediately. Managers placed on Suspended Status must submit a plan of action to address the deficiencies immediately or shall be considered for Closed Status.

- The “Closed Status” indicates the options and/or managers have a fatal process or concern that staff, the investment consultants and the Board do not feel can be corrected. All participants will be moved out of the options and mapped to similar options with like investment characteristics.

The Board retains the discretion to review options and/or managers in any status and determine if accelerated (or decelerated) status changes may be warranted and recommended. The Board reserves the right to direct the Executive Director, the Investment Staff and the Investment Consultants to conduct an extensive due diligence review of an investment manager for any reason. Reviews may be based on, but not be limited to, recommendations from staff and investment consultants based on their various analysis and research processes.

Manager Terminations

The OTTA staff and investment consultant shall recommend termination of a manager to the Board for any reason including, but not limited to:

- If adequate improvement in the areas outlined in the plan of action has not been made
- The manager has committed a significant or intentional breach of its mandate or directive; has experienced the loss of key personnel, has breached its fiduciary duty, or it has lost the confidence of the Board.
- The manager’s performance has not met with the expectations of the Board.
- The manager’s performance has not been acceptable compared to the benchmarks. Generally, decisions based on performance will be made only after a full market cycle (3 to 5 years), although the period may be shorter when severe underperformance or other evidence exists that suggests inconsistencies between the investment manager’s stated style and the characteristics of the investments actually made.
- Low and/or declining contributions by participants as well as low and/or declining assets under management within the option.

The Board also shall retain the right to terminate any investment manager at any time for any reason at the Board’s sole discretion.

Fund Mapping

When the Board decides to terminate an investment option in the Direct Plan, the mapping will not be counted as a participant directed reallocation, which is consistent with Federal 529 regulations. Participants will be given the opportunity to direct their investment to the Direct Plan’s other investment options prior to the investment fund termination. If participants elect to reallocate their investments, it will count as one of their two times per year reallocations. Assets that are not directed by participants will be transferred or “mapped” to the investment fund(s) that the Board deems appropriate. The mapping factors that the Board will consider include, but

are not limited to, alignment of the investment fund type and strategy.

REVIEW AND REPORTING

The investment consultants will monitor the Direct Plan's options on an ongoing basis and will provide the Board with a quarterly, independent written review of the performance of each of the options. Performance will be evaluated on both a risk and return basis compared to the appropriate benchmarks. In addition, a review of the manager's style and performance relative to its peer-group will be provided. Other factors which will be considered as part of the review include the fund's adherence to the guidelines established for it in this Statement and material changes in the fund's organization, investment style and/or personnel.

EXPENSE RATIO FOR MOST RECENT FISCAL YEAR

See www.collegeadvantage.com for current expense ratios.

ADOPTIONS AND MODIFICATION

The Policy will be reviewed annually by the staff and the investment consultants. Any changes deemed necessary will be recommended to the Board for its approval. The Board adoption and revision schedule is below.

Investment Policy Adoption, Review and Revision Schedule:

Adopted December 4, 2008

Revised February 19, 2015 – for an effective date of June 19, 2015

Revised May XX, 2015 – for an effective date of June 19, 2015 (to include Proxy Voting Policy and consolidate the Advantage Age=Based Portfolio Investment Policy into the Direct Plan Investment Policy)

APPENDIX A

ADVANTAGE AGE-BASED PORTFOLIO (AABP)

Target Glidepath

Age of Beneficiary	Age of Participants				
	0 - 5	6 - 9	10 - 12	13 - 16	17+
U.S. Equity	35%	27%	21%	12%	2%
Non U.S. Equity	35%	27%	21%	12%	2%
Total Equity	70%	54%	42%	24%	4%
Core Fixed Income	21%	29%	37%	36%	30%
TIPS	0%	0%	0%	3%	14%
High Yield	9%	12%	16%	17%	12%
Total Fixed Income	30%	41%	53%	56%	56%
Short Term	0%	5%	5%	20%	40%
Total Short-Term Portfolio	0%	5%	5%	20%	40%
Grand Totals	100%	100%	100%	100%	100%

(Effective 6/19/15)

Asset Allocation and weightings of Underlying Funds in the Advantage Age-Based Portfolio

Asset allocation refers to the strategic deployment of assets among the major classes of investments such as U.S. or international equity, fixed income and cash equivalents. The asset allocation decision reflects the Fund's return requirements as well as the Fund's tolerance for return variability (risk) within the context of the expected liabilities of the fund. Asset allocation policy is widely recognized and accepted as the primary source of return and risk for the investment program.

Age of Beneficiary	Age of Participants				
	0 - 5	6 - 9	10 - 12	13 - 16	17+
U.S. Equity Portfolio					
Vanguard 500 Index Option	17.50%	13.50%	10.50%	6.00%	1.00%
Vanguard Windsor II Option	5.85%	4.51%	3.51%	2.00%	0.33%
Vanguard Morgan Growth Option	5.85%	4.51%	3.51%	2.00%	0.33%
Vanguard Extended Market Index Option	2.90%	2.24%	1.74%	1.00%	0.17%
Vanguard Strategic Equity Option	2.90%	2.24%	1.74%	1.00%	0.17%
Total U.S. Equity Portfolio	35.00%	27.00%	21.00%	12.00%	2.00%
Non U.S. Equity Portfolio					
Dimensional Fund Advisors World Ex. U.S. Core Equity Option	13.13%	10.13%	7.87%	4.50%	0.75%
Vanguard Total Markets International Stock Index Option	21.87%	16.87%	13.13%	7.50%	1.25%
Total Non U.S. Equity Portfolio	35.00%	27.00%	21.00%	12.00%	2.00%
Fixed Income Portfolio					
Dimensional Fund Advisors U.S. Investment Grade Option	18.90%	26.10%	33.30%	32.40%	27.00%
Vanguard Total Bond Market II Index Option	2.10%	2.90%	3.70%	3.60%	3.00%
Total Core Fixed Income Portfolio	21.00%	29.00%	37.00%	36.00%	30.00%
Other Fixed Income Portfolio					

Vanguard Short-Term Inflation-Protected Bond Index Option	0.00%	0.00%	0.00%	3.00%	14.00%
Vanguard Corporate High Yield Option	9.00%	12.00%	16.00%	17.00%	12.00%
Total Other Fixed Income Portfolio	9.00%	12.00%	16.00%	20.00%	26.00%
Short-Term Portfolio					
Vanguard Prime Money Market Option	0.00%	5.00%	5.00%	20.00%	40.00%
Total Short-Term Portfolio	0.00%	5.00%	5.00%	20.00%	40.00%
Grand Totals	100.00%	100.00%	100.00%	100.00%	100.00%

(effective 6/19/15)

The asset allocation mix illustrated above is the target mix at the inception of the fund. The actual asset allocation will fluctuate and may drift within a range defined in the rebalancing policy. The fund will be actively monitored and managed to ensure the appropriateness of each investment option. As such the target asset allocation mixes as well as the weightings of the underlying fund options are expected to change over time. The Manager has the ability to include or exclude any of the listed underlying fund options.

Rebalancing Policy

Asset Class	Age 0-5 Asset Class		Age 6-9 Asset Class		Age 10-12 Asset Class		Age 13-16 Asset Class		Age 17 + Asset Class	
	Target		Target		Target		Target		Target	
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
Total US Equity Portfolio	35.00%		27.00%		21.00%		12.00%		2.00%	
	30.00%	40.00%	22.00%	32.00%	18.00%	24.00%	9.00%	15.00%	0.00%	4.00%
Total Non-US Equity Portfolio	35.00%		27.00%		21.00%		12.00%		2.00%	
	30.00%	40.00%	22.00%	32.00%	18.00%	24.00%	9.00%	15.00%	0.00%	4.00%
Total Core Fixed Income Portfolio	21.00%		29.00%		37.00%		36.00%		30.00%	
	18.00%	24.00%	24.00%	34.00%	32.00%	42.00%	31.00%	41.00%	25.00%	35.00%
Total Other Fixed Income Portfolio	9.00%		12.00%		16.00%		20.00%		26.00%	
	6.00%	12.00%	9.00%	15.00%	13.00%	19.00%	18.00%	24.00%	21.00%	31.00%
Total Short-Term Portfolio	0.00%		5.00%		5.00%		20.00%		40.00%	
	0.00%	3.00%	2.00%	8.00%	2.00%	8.00%	17.00%	23.00%	35.00%	45.00%
Grand Totals	100.00%		100.00%		100.00%		100.00%		100.00%	

(effective 6/19/15)

A Rebalancing Policy is designed to provide a disciplined approach to control the risk exposure of the Fund to the investment categories that have deviated from the established target policy weights. Rebalancing parameters are addressed at the asset class level. The Rebalancing Policy requires a reallocation to be made whenever the quarter-end allocations exceed the minimum or maximum allocations specified above. OTTA will have discretion to rebalance at more frequent intervals. Significant deviations from the target investment structure (e.g. large cap vs. small cap, active vs. passive, core fixed vs. high yield, etc.) may also warrant periodic rebalancing.

BENCHMARKS

The performance objectives for the overall fund options are measured relative to total fund benchmarks designed to reflect the asset allocation policy for each fund.

The objective results in a comparative index that reflects the Funds' unique asset allocation policies (see example in Table 1). Exceeding this objective indicates that the active management of the various portfolio components has added value over a passively-managed portfolio with a similar asset mix. Individual portfolio components also have performance objectives reflecting the unique investment style of each category. The investment style and performance benchmarks are also shown in Table 1.

**TABLE 1 -
Five-Year Performance Objectives**

Methodology

- | | | | |
|----|--|---|-------------------------------|
| 1. | Relative to asset allocation targets, indexes that represent appropriate asset classes | | |
| | Target Portfolio Weight | x | Broad US Equity index |
| | Target Portfolio Weight | x | International equity index |
| | Target Portfolio Weight | x | Custom fixed income benchmark |
| | Target Portfolio Weight | x | Cash / Short Term index |
| | 100% | | Total Fund Benchmark |

Investment Policy Adoption, Review and Revision Schedule for AABP only:

Adopted February 2009

Revised April 2011

Revised August 2013

Revised November 4, 2013

Revised February 19, 2015 – for an effective date of June 19, 2015

EXHIBIT B

Ohio Tuition Trust Authority CollegeAdvantage Investment Policy Statement For BlackRock CollegeAdvantage 529 Plan

Effective September 3, 2009 (revised and effective October 8, 2010 and June 18, 2014)

The Ohio Tuition Trust Authority (“Tuition Trust”) is the administrator of CollegeAdvantage, a 529 College Savings Plan. The activities of the Tuition Trust in regard to the administration of CollegeAdvantage are governed by Chapter 3334 of the Ohio Revised Code, as they may be amended from time to time. The Tuition Trust operates in accordance with certain amended and restated bylaws adopted by the Board of Directors (“Board”) of the Tuition Trust. The Board serves as trustee of all assets, establishes investment policies and objectives for operation of the investment program, and either exercises or designates the exercise of the investment powers of Tuition Trust. The Board may, at any time and in its sole discretion, delegate the responsibility of investment oversight to the Finance and Investment Subcommittee.

Background & History

CollegeAdvantage is a “qualified State tuition program” in accordance with Section 529 of the Federal Internal Revenue Code. It was established in 1989 to provide families with an opportunity to invest towards future college education expenses. Tuition Trust currently administers three programs: The Guaranteed Savings Plan (suspended to new sales since January 2004), CollegeAdvantage Direct 529 Savings Plan and BlackRock CollegeAdvantage 529 Plan (the “Advisor Plan”).

The remainder of this document sets forth the policies, objectives, and guidelines that govern the investment of the BlackRock CollegeAdvantage 529 Plan assets. The policies, objectives, and guidelines should not be construed as absolutes that will result in returns or outcomes but rather as benchmarks to be used in a thoughtful process.

I. Purpose of This Statement

The purpose of this Investment Policy Statement (this “Investment Policy”) is to:

- Articulate the Board’s objectives for structuring the investments offered under the BlackRock CollegeAdvantage 529 Plan.
- Formulate policies for selecting appropriate investment managers and mutual funds within the framework of the structure. See Appendix A.
- Establish objectives for prudently monitoring and evaluating the performance of the Investment Options. See Appendix A.

II. Investment Objectives

CollegeAdvantage’s overall investment program and the individual investment options listed in Appendix B hereto (those investment options being referred to herein individually as an “Investment Option” and collectively as the “Investment Options”) among which the participants’ investments shall be allocated shall seek to achieve the following long-term investment objectives:

- An investment program flexible enough to meet the varying needs of participants and to invest each individual’s contributions in a manner that is consistent with their risk tolerance and investment horizon.
- For the Investment Options that invest in actively managed mutual funds: a long-term rate of return on investments that is equal to or exceeds a blended return equal to the applicable benchmarks selected by the Board (as set forth on Appendix C).
- For the Investment Options that invest in passively managed mutual funds: a long-term rate of return that tracks its applicable benchmarks selected by the Board (as set forth on Appendix C).
- Offer an investment option structure with an open architecture to provide diversification, at a cost competitive with other 529 programs, while minimizing possible duplication.

III. Policy

Investments in CollegeAdvantage shall be selected and managed in accordance with the prudent investor rule set forth in the Ohio Revised Code Chapter 3334, that is with the same degree of care and skill under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise with a like character and with like aims. Consistent with the above, the Board will determine from time to time suitable investment parameters for CollegeAdvantage which seeks to control risk through portfolio diversification. In accordance with these requirements, it is the intention of the Board to provide participants with a reasonable opportunity to choose investment alternatives, which have different risk and return characteristics.

The determination of the investment parameters of each Investment Option will take into account the financial characteristics of the investment options in CollegeAdvantage, particularly risk vs. return, so that individual participants and/or their advisors who seek investments materially different from those offered through one of the options may select another alternative. In accomplishing this goal, due consideration is to be given to the fact that the investment horizon for participants will vary from a few months to more than twenty years.

The holdings of the Investment Options are to be limited to the funds listed or defined in Appendix B hereto (collectively the “Underlying Funds”), which are mutual funds and exchange-traded funds, registered under the Investment Company Act of 1940, as amended, investing in the following broad asset categories:

- Short-term Investments
- Fixed Income Securities
- US Equity Securities
- Non-US Equity Securities
- Other Diversifying Asset Classes (i.e., REITs, Commodities)

IV. The Investment Options

While the investment parameters for each of the Investment Options offered under CollegeAdvantage are developed by the Board, participants bear the risk of investment results derived from the funds they choose. The appropriate Investment Option for each participant is a

function of multiple factors, including beneficiary age, income, length of time before money is used, and tolerance for investment risk.

The administration of CollegeAdvantage by Tuition Trust and offering of Investment Options as well as the dissemination of information about the Investment Options should not be relied upon as a guarantee to participants. Tuition Trust expects each participant to seek appropriate advice as he or she deems necessary. See Appendix B for Current Investment Options.

V. Benchmarks

The primary benchmark for each Investment Option will be the benchmark set forth opposite the name of the Investment Option in Appendix C. The Investment Options will be measured against the Benchmarks gross of any fees paid by a participant, Tuition Trust or any underlying fund. See Appendix C for current Benchmarks.

VI. Expense Ratio of Funds for Most Recent Fiscal Year

See Appendix D for Expense Ratios.

VII. Target Asset Allocations as of June 18, 2014*

BlackRock CollegeAdvantage Conservative Age-Based Option

Asset Allocations	Age 0-5	Age 6-9	Age 10-12	Age 13-16	Age 17+
Domestic Equity	63%	31%	16%	13%	11%
International Equity	16	8	4	3	3
Sub-total	79	39	20	16	14
Fixed Income	21	57	31	23	20
Money Market	0	4	49	61	66
Sub-total	21	61	80	84	86
TOTALS	100.00	100.00	100.00	100.00	100.00

BlackRock CollegeAdvantage Moderate Age-Based Option

Asset Allocations	Age 0-5	Age 6-9	Age 10-12	Age 13-16	Age 17+
Domestic Equity	63%	60%	36%	23%	18%
International Equity	16	15	9	6	5
Sub-total	79	75	45	29	23
Fixed Income	21	25	55	43	34
Money Market	0	0	0	28	43
Sub-total	21	25	55	71	77
TOTALS	100.00	100.00	100.00	100.00	100.00

BlackRock CollegeAdvantage Aggressive Age-Based Option

Asset Allocations	Age 0-5	Age 6-9	Age 10-12	Age 13-16	Age 17+
Domestic Equity	63%	63%	52%	38%	31%
International Equity	16	16	13	9	8
Sub-total	79	79	65	47	39
Fixed Income	21	21	35	53	58
Money Market	0	0	0	0	3
Sub-total	21	21	35	53	61
TOTALS	100.00	100.00	100.00	100.00	100.00

* The charts above show target asset allocations as of June 18, 2014. Since the Underlying Funds, asset allocations and the allocations among the Underlying Funds, may be changed to reflect the current market environment, the actual Underlying Funds, asset allocations and allocation among the Underlying Funds will vary.

Target Asset Allocations as of June 18, 2014 of Target-Risk Investment Options*

Asset Allocations	Aggressive Growth	Growth	Moderate
Domestic Equity	80%	64%	48%
International Equity	20	16	12
Sub-total	100	80	60
Fixed Income	0	20	40
Money Market	0	0	0
Sub-total	0	20	40
TOTALS	100.00	100.00	100.00

* The chart above shows target asset allocations as of June 18, 2014. Since the Underlying Funds, asset allocations and the allocations among the Underlying Funds may be changed to reflect the current market environment, the actual Underlying Funds, asset allocations and allocation among the Underlying Funds will vary.

VIII. Adjustments to Underlying Funds

If the investment objective or any investment policy of a mutual fund or exchange traded fund in which an Investment Portfolio or Option invests is amended in a material way and the Tuition Trust reasonably believes that such amendment renders the fund inappropriate for use as set forth in this Investment Policy, then the Tuition Trust may require any investment manager to substitute one or more of its other mutual funds for the amended funds. This Investment Policy

is intended to operate in conjunction with that certain Section 529 Plan Portfolio Services Agreement, dated as of June 18, 2014 (as may be amended from time to time, the “Contract”), but is not intended to amend or modify the terms of the Contract.

With respect to the Age-Based Investment Options and Target-Risk Investment Options, BlackRock may, in its discretion, adjust the asset allocations, the Underlying Fund allocations and the Underlying Funds at any time, and from time to time provided that BlackRock only uses the current Underlying Funds, other open-end management investment companies that are advised by BlackRock or one of its affiliates (“BlackRock Funds”) and/or iShares exchange traded funds; provided that variations in the percentage allocation between Underlying Funds that invest primarily in domestic and international equity securities and Underlying Funds that invest primarily in fixed income securities & money market securities are permitted up to +/- 10% of the target allocations individually within each asset class relative to the disclosed glidepath in effect at such time, and +/-10% of the target allocations within the equity totals and within the fixed income/money market totals relative to the disclosed glidepath in effect at such time.

IX. Review and Reporting

The Board will review this Statement at least annually. The investment consultant engaged by the Tuition Trust will monitor the selected funds on an ongoing basis and will provide the Board with a quarterly, independent written review of the performance of each of the options. Performance will be evaluated on both a risk and return basis compared to the appropriate benchmark. In addition, a review of the manager’s style and performance relative to its peer-group will be provided. Other factors which will be considered as part of the review include the fund’s adherence to the guidelines established for it in this Statement and material changes in the fund’s organization, investment style and/or personnel.

X. Adoptions and Modifications

The Board shall review this Policy as necessary to determine if modifications are necessary, and if so, take appropriate action. The Board adopted this Policy at its meeting of June 18, 2014.

EXHIBIT B

Appendix A Governance Standards

In order for the Program to be managed effectively and efficiently, it is critical that sound governance structures are in place and vigorous disciplines exist for carrying out investment activities. Governance standards have been established as follows:

Manager and Fund Option Selection

The Board will hire competent registered professional investment managers to manage the investments in the Program. The Board, staff and investment consultants will conduct thorough due diligence before the hiring of all investment managers. To be considered investment managers shall demonstrate, by their record and experience, their fiduciary responsibility, their investment expertise and experience, and their capacity to undertake the mandate for which they are being considered.

All option selections are made in conjunction with staff and the investment consultant searches and evaluations. The following search criteria will be used in evaluating an option for inclusion in the Program.

- **People & Organization:** Demonstrate longevity and stability in the investment management team at the fund level and stability in the top management positions. The management team should have a demonstrated three to five year track record of performance results for the mandate being considered. Maintain appropriate governance practices such as board oversight, relative transparency and appropriate incentives for key talent. Exhibit compelling aspects from a talent, process, trading, size, product fit, ownership and organizational perspective.
- **Philosophy & Process:** Management should have a commitment to offering the best investment options available at acceptable levels of risk. The management team should have personal investments in the options being considered. Demonstrate a thorough investment process that is deemed to be consistent and repeatable throughout different market cycles.
- **Performance:** College savings investments are a long-term investment strategy, therefore longer term (3-5 year) annualized performance will be reviewed when evaluating new options.
- **Price (Fees):** The Authority is committed to offering competitively priced options within the 529 college savings programs throughout the country. The options, regardless of active or passive management, should be competitive from a total fund expense ratio (customers out-of-pocket cost).
- **Operational Considerations:** Able to interface with the Authority to provide the customer with a seamless and streamlined college investment experience from the beginning to the end of their investment horizon.

- Marketing Considerations: Demonstrate a commitment to marketing the Advisor Plan on a national level.

Manager Monitoring & Reporting

The objective of the monitoring process is to identify on a timely basis signs of adverse changes in a manager's organization or investment process. Staff and the investment consultants will monitor the investment options on a regular basis. The on-going monitoring of investment options by the staff and investment consultants will include both qualitative and quantitative analysis.

Each manager will be evaluated at least annually by staff and the investment consultants. The results will be documented in a report to the Board. Due diligence meetings will be conducted by staff and/or the investment consultants by phone or in person (either at the manager's location or at the Authority) at least annually or more frequently, as needed. The Board may request a minimum of one presentation per year to review strategies recently employed; the purpose and effectiveness of those strategies and an update on the current strategy and outlook.

Managers shall provide regular reporting information to the Authority. All managers shall provide a monthly update on sales, redemptions, assets under management, actual performance, various benchmark performance and fees. The reporting shall include actual performance over various timeframes, including but not limited to: monthly, quarterly, calendar year-to-date, fiscal year-to-date, one, two, three and five year periods and since inception (annualized and cumulative, where appropriate). The manager shall provide performance compared to all applicable benchmarks, including the asset class benchmark and the style specific benchmark. All managers shall provide a written quarterly report to the Authority which shall include a narrative with graphics describing market conditions, performance returns and performance attribution including commentaries regarding investment strategies and active deviations from benchmarks.

Manager and Fund Monitoring Reviews

The Board acknowledges that, from time to time, there may be the need to replace an existing option with a new investment option. The Board, and not BlackRock, has developed the following "Fund Monitoring" methodology to aid this process.

The Board's considerations will be based on the joint recommendation of staff and the investment consultants and may include the following key criteria:

- People & Organization: Change in the fund's portfolio talent, senior management at the firm or overall organizational structure
- Process: The fund's investment strategy and/or portfolio characteristics have materially diverged from its designated style
- Philosophy: The overall investment philosophy of the investment management team and/or organization has materially changed from its original intent

- Performance: Sustained long term (3-5 years) underperformance compared to the applicable benchmarks including custom, Lipper and 529 peer universe; rolling 3-year returns that are below any benchmark for 4 consecutive quarters
- Price (Fees): The cost of the options within the Advisor Plan are not competitive in the 529 marketplace
- Operational Considerations: Significant changes to processes have occurred that are damaging to the customer experience with the Advisor Plan.
- Weak Product Review & Analysis rating: A quarterly process that uses a weighted point system to evaluate the options and portfolios reveals a poor rating.
- Weak Due Diligence Analysis rating: An annual process that includes site visits to major managers to meet with senior management to review strategic direction and overall organizational issues reveals a significant failure to adhere to good due diligence principles.

The table below summarizes the status classifications that will be applied in this methodology:

Color Code	# of Criteria Met	Status	Generally Indicated Action
GREEN	Less than 2	“Active”	no action required
	2 to 3	“Watch”	still accepts contributions; closely monitored
ORANGE	4	“Suspended”	All new contributions to the fund must be stopped but accumulated balances may remain invested and a future closed status decision will be made in the near term
RED	Greater than 4	“Closed”	All invested balances must be moved to another available option in the near term

- The “Active Status” indicates a level of satisfaction with the manager and options.
- The “Watch Status” indicates a mild to moderate level of concern that is unique to each situation and shall be quantified by the staff and the investment consultant to the Board. A recommendation for Watch Status shall designate a period of time to assess the capabilities and quality of a manager’s operations and include more frequent contact with the firm to monitor the conditions that led to the Watch Status. Managers placed on Watch Status may be requested to submit a plan of action to address the deficiencies and shall typically remain on Watch Status for performance—related issues or organizational changes for up to one year to ensure that all outstanding issues are resolved. Managers who do not correct outstanding issues in a timely manner shall be considered for Suspended Status or Closed Status.
- The “Suspended Status” indicates a heightened level of concern that requires suspension of new contributions by participants into the option. A manager that has

been placed on Suspended Status most likely has not resolved the issues which originally determined placement on Watch Status. Options and/or managers in this category have a critical concern that needs to be addressed immediately. Managers placed on Suspended Status must submit a plan of action to address the deficiencies immediately or shall be considered for Closed Status.

- The “Closed Status” indicates the options and/or managers have a fatal process or concern that staff, the investment consultants and the Board do not feel can be corrected. All participants will be moved out of the options and mapped to similar options with like investment characteristics.

The Board retains the discretion to review options and/or managers in any status and determine if accelerated (or decelerated) status changes may be warranted and recommended. The Board reserves the right to conduct an extensive due diligence review of an investment manager for any reason. Reviews may be based on, but not be limited to, recommendations from staff and investment consultants based on their various analysis and research processes.

Removal of a Portfolio or Option

The staff and investment consultant shall recommend removal of a portfolio or option to the Board for any reason including, but not limited to:

- If adequate improvement in the areas outlined in the plan of action has not been made
- The manager has committed a significant or intentional breach of its mandate or directive; has experienced the loss of key personnel, has breached its fiduciary duty, or it has lost the confidence of the Board.
- The portfolio or option’s performance has not met with the expectations of the Board.
- The portfolio or option’s performance has not been acceptable compared to the benchmarks. Generally, decisions based on performance will be made only after a full market cycle (3 to 5 years), although the period may be shorter when severe underperformance or other evidence exists that suggests inconsistencies between the investment manager’s stated style and the characteristics of the investments actually made.
- The Board also shall retain the right to remove any investment portfolio or option at any time for any reason at the Board’s sole discretion.

Fund Mapping

When the Board decides to terminate an investment option in the Program, participants will be given the opportunity to direct their investment to the Program’s other investment options prior to the investment fund termination. If participants elect to reallocate their investments, it will count as their one time per year reallocation. Assets that are not directed by participants will be transferred or “mapped” to the investment fund(s) that the Board deems appropriate. The

mapping factors that the Board will consider include, but are not limited to, alignment of the investment fund type and strategy.

EXHIBIT B

Appendix B

Age Based Options

The BlackRock Age-based Options are designed to take into account a Beneficiary's age and the Account Owner's investing time horizon (i.e., the number of years before the Beneficiary is expected to attend college or an Eligible Educational Institution). In general, for younger Beneficiaries, the BlackRock Age-based Options will be invested in allocations more heavily weighted in stocks to capitalize on the longer investment timeframe and to try to maximize returns. The Advisor Plan will automatically adjust assets from one asset allocation to another as the Beneficiary ages.

Below are the three Advisor Plan Age-Based Options:

BlackRock CollegeAdvantage Conservative Age-Based Option
BlackRock CollegeAdvantage Moderate Age-Based Option
BlackRock CollegeAdvantage Aggressive Age-Based Option

Target-Risk Options

The Moderate, Growth and Aggressive Growth Portfolio Investment Options, like the Age-Based Options, offer investment in diversified Underlying Funds that invest in equities, fixed income securities and money market instruments. However, asset allocations under each of the Target-Risk Investment Options are the same for all Account Owners and do not vary based on the age of the Beneficiary. Unlike the Age-Based Investment Options, these options are designed to have a relatively constant exposure to equities, fixed income and money market securities throughout the life of the Account, rather than a decreasing exposure to equities and an increasing exposure to fixed income and money market securities as the Beneficiary gets older.

The three Target-Risk Investment Options are:

BlackRock CollegeAdvantage Moderate Portfolio Option
BlackRock CollegeAdvantage Growth Portfolio Option
BlackRock CollegeAdvantage Aggressive Growth Portfolio Option

Single Strategy Options

Whereas portions of the Account Owner's contributions are allocated across a number of underlying funds with the Age-based Options, the Advisor Plan allocates 100% of the contributions made to each Individual Option listed below to respective underlying fund.

Equity Options

- BlackRock Equity Dividend Option
- BlackRock Large Cap Core Option
- iShares S&P 500 Index Option
- BlackRock Capital Appreciation Option
- iShares Russell 2000 Index Option

- BlackRock International Opportunities Option
- iShares MSCI EAFE Index Option
- Rainier Mid Cap Equity Option
- Voya Small Company Option

Fixed Income/Cash Options

- BlackRock Money Market Option
- BlackRock GNMA Option
- BlackRock Inflation Protected Bond Option
- BlackRock High Yield Bond Option
- BlackRock Strategic Income Opportunities Option*
- Wells Fargo Advantage Total Return Bond Option

Balanced Option

- BlackRock Global Allocation Option
- BlackRock Multi-Asset Income Option*

* The BlackRock Strategic Income Opportunities Option and the BlackRock Multi-Asset Income Option have not yet been established but will become available upon the submission by BlackRock to the MSRB of an updated Program Description and Participation Agreement reflecting such investment options.

Additional Underlying Funds available for use within Age-Based Options or Target-Risk Options

All BlackRock Funds and iShares funds are considered Underlying Funds available for use within the Age-Based Options and Target-Risk Options, even if they are not existing Underlying Funds as of the date of the Contract.

EXHIBIT B

Appendix C Benchmarks

CollegeAdvantage Option	Benchmark
BlackRock Conservative Age-Based Investment Options	Blend of the Russell 3000 Index, MSCI EAFE Index, Barclays US Aggregate Index, and ML 3-month T-bill Index weighted by the asset allocation for the age-based options.
BlackRock Moderate Age-Based Investment Options	Blend of the Russell 3000 Index, MSCI EAFE Index, Barclays US Aggregate Index, and ML 3-month T-bill Index weighted by the asset allocation for the age-based options.
BlackRock Aggressive Age-Based Investment Options	Blend of the Russell 3000 Index, MSCI EAFE Index, Barclays US Aggregate Index, and ML 3-month T-bill Index weighted by the asset allocation for the age-based options.
BlackRock Moderate Portfolio Option	Blend of the Russell 3000 Index, MSCI EAFE Index and Barclays US Aggregate Index weighted by the asset allocation for the target-risk options.
BlackRock Growth Portfolio Option	Blend of the Russell 3000 Index, MSCI EAFE Index and Barclays US Aggregate Index weighted by the asset allocation for the target-risk options.
BlackRock Aggressive Growth Portfolio Option	Blend of the Russell 3000 Index, MSCI EAFE Index and Barclays US Aggregate Index weighted by the asset allocation for the target-risk options.
BlackRock Equity Dividend Option	Russell 1000 Value Index
BlackRock Large Cap Core Option	Russell 1000 Index
iShares S&P 500 Index Option	S&P 500 Index
BlackRock Capital Appreciation Option	Russell 1000 Growth Index
Rainier Mid Cap Equity Option	Russell MidCap Index
Voya Small Company Option	Russell 2000 Index
iShares Russell 2000 Index Option	Russell 2000 Index
BlackRock International Opportunities Option	MSCI All Country World ex US Index
iShares MSCI EAFE Index Option	MSCI EAFE Index
BlackRock Global Allocation Option	36% S&P 500 Index, 24% FTSE World ex US Index, 24% Merrill Lynch 5-yr Treasury Index, and 16% Citigroup World Government Bond Non-US Index
BlackRock Multi-Asset Income Option*	50% MSCI World Index and 50% Barclays US Aggregate Bond Index
BlackRock Inflation Protected Bond Option	Barclays Capital US TIPS Index

College Advantage Option	Benchmark
BlackRock GNMA Option	Barclays Capital Fixed-Rate GNMA MBS Index
BlackRock High Yield Bond Option	Barclays Capital High Yield 2% Issuer Capped Index
BlackRock Strategic Income Opportunities Option*	Barclays US Universal Index
Wells Fargo Advantage Total Return Bond Option	Barclays Capital US Aggregate Index
BlackRock Money Market Option	BofA ML 3 Month Treasury Bill Index

* The BlackRock Strategic Income Opportunities Option and the BlackRock Multi-Asset Income Option have not yet been established but will become available upon the submission by BlackRock to the MSRB of an updated Program Description and Participation Agreement reflecting such investment options.

**Appendix D
Expense Ratios**

Investment Options	Estimated Underlying Fund Expense Ratio*
BlackRock Capital Appreciation Option	0.72%
BlackRock Equity Dividend Option	0.70%
BlackRock Large Cap Core Option	0.88%
iShares S&P 500 Index Option	0.07%
Rainier Mid Cap Equity Option	1.05%
Voya Small Company Option	1.04%
iShares Russell 2000 Index Option	0.20%
BlackRock International Opportunities Option	1.21%
iShares MSCI EAFE Index Option	0.34%
BlackRock Global Allocation Option	0.78%
BlackRock Multi-Asset Income Option**	0.55%
Wells Fargo Advantage Total Return Bond Option	0.70%
BlackRock GNMA Option	0.56%
BlackRock High Yield Bond Option	0.57%
BlackRock Inflation Protected Bond Option	0.46%
BlackRock Strategic Income Opportunity Option**	0.87%
BlackRock Money Market Option	0.24%
Conservative Age-Based: Newborn through 5	0.72%
Conservative Age-Based: Ages 6 through 9	0.63%
Conservative Age-Based: Ages 10 through 12	0.41%
Conservative Age-Based: Ages 13 through 16	0.37%
Conservative Age-Based: Ages 17+	0.34%
Moderate Age-Based: Newborn through 5	0.72%
Moderate Age-Based: Ages 6 through 9	0.70%
Moderate Age-Based: Ages 10 through 12	0.67%
Moderate Age-Based: Ages 13 through 16	0.53%
Moderate Age-Based: Ages 17+	0.45%
Aggressive Age-Based: Newborn through 5	0.72%
Aggressive Age-Based: Ages 6 through 9	0.72%
Aggressive Age-Based: Ages 10 through 12	0.70%
Aggressive Age-Based: Ages 13 through 16	0.68%
Aggressive Age-Based: Ages 17+	0.64%
BlackRock Moderate Portfolio Option	0.68%
BlackRock Growth Portfolio Option	0.72%
BlackRock Aggressive Growth Portfolio Option	0.77%

* The Underlying Fund expense ratios represent estimates of the net annual operating expenses of the Underlying Fund(s) that each Investment Option bears indirectly, based on the expense ratio of the applicable Underlying Fund(s) for the most recent audited fiscal year or most recent six month unaudited period for such Underlying Fund, whichever period is more current, and in the case of each Age-Based Investment Option and Target-Risk Investment Option, based on projected expenses assuming a projected allocation of the Investment Option's assets among the

applicable Underlying Funds. The Underlying Fund expense ratios above are as of June 18, 2014 and will change over time. Actual expenses may be higher or lower. Current Underlying Fund expense ratios may be found of the BlackRock website.

** The BlackRock Strategic Income Opportunities Option and the BlackRock Multi-Asset Income Option have not yet been established but will become available upon the submission by BlackRock to the MSRB of an updated Program Description and Participation Agreement reflecting such investment options.