**MINUTES OF THE MEETING**

**Arkansas Section 529 Plan Review Committee**

Tuesday, November 6, 2018 at 9:00am

Victory Building Conference Room, Suite 275 -- Little Rock, AR 72201

A meeting of the Arkansas Section 529 Plan Review Committee (“Committee”) was held on Tuesday, November 6, 2018 at 9:00am in the Victory Building Conference Room, Suite 275. Present at the meeting were Grant Wallace, serving as the voting representative for Treasurer Dennis Milligan; Rod Graves, serving as the voting representative for Director George Hopkins of the Arkansas Teacher Retirement System; Jonathan Coleman, serving as the voting representative for Dr. Maria Markham of the Arkansas Department of Higher Education; Director of 529 Programs and Financial Education Emma Willis; AR 529 Assistant Chris Scott;; Dave Ponder with Ascensus College Savings; John Peace with Dover Dixon Horne; John Park with BlackRock; Mary Ryan with Vanguard; Greg Walker and Pattie Weed with Landmark (formerly known as Thomas and Thomas).

Grant Wallace called the meeting to order at 9:00 am and asked for a motion to approve the minutes of the July 31st, 2018 meeting, Jonathan Coleman moved to approve, Rod Graves seconded the motion, and the minutes were approved.

Emma Willis made an executive summary report highlighting the progress on the mobile app, assets under management, a strategic plan for 2019, AR Finance AR Future, various partnerships, and the k-12 changes made in March of 2018.

John Peace with Dover Dixon Horne reported on the budget, pointing out the $116,000 transfer from First Security to Southern Bancorp. He noted that an expected payment of $150,000 from iShares in January will help the income, and that the mobile application insurance line item was not budgeted but required.

Emma Willis also presented checks and invoices for the fourth quarter of fiscal year 2019 for approval. Jonathan Coleman moved to approve. Rod Graves seconded the motion, and the motion carried.

Emma Willis provided an update on the administrative accounts for the Committee, stating that completing a wire transfer from Bank OZK that had previously been authorized by the committee was proving to be challenging and presented the opportunity to have a discussion on moving the funds from the account at Bank OZK to another Arkansas based bank.

A report on the Ascensus College Savings was presented by Dave Ponder which detailed assets, contributions, withdrawals, funded accounts, average funded account size, iShares 529 assets, U-gift and U-promise. Before beginning his report, he mentioned that the glide path changes were complete. Dave stated that there had been market volatility since the last presentation. As of the end of October, the total GIFT assets under management were $393,123,637. The presentation also reflected $35.4 million in year to date contributions, 27,638 funded accounts, with an average account size of $14,224. Dave also reported on the iShares Plan, stating that there was $423,306,853 in assets, 11,916 funded accounts, and an average account size of $35,524. Emma asked if Ascensus is tracking the average age of the account owner, Dave stated that they are tracking that internally and could provide that figure after the meeting.

John Park then made a report on the iShares Plan. The iShares report went on to highlight broadening iShares plan availability, product structure and price review, as well as marketing strategy. He mentioned some personnel changes within BlackRock that took place, including Tarun Garg now being the Director for 529 operations at BlackRock. Marketing and Investment management also saw changes. John went on to say that there was no shift in strategy from BlackRock while the continue to try to increase the availability of the plan with more firms. He stated that Merrill Lynch should be set up to sell the plan in four to six weeks.

Mary Ryan with Vanguard made a report highlighting the Portfolio and underlying fund performance, Vanguard’s economic market outlook, and underlying fund details. Mary began her report by also extending congratulations on a successful glide path transition. Mary went on to echo John’s comments on market volatility and that markets will always go up and down and that is why the portfolios were structured the way they are to protect the account owner. She stated that at this time no changes are recommended for the 2019 investment recommendations. Mary also spoke about the k-12 changes, clarifying Vanguard’s recommendation. Vanguard’s recommendation is that a stand-alone option would be best, with account owners being able to dictate the allocation of the funds, allowing them to save for k-12 expenses as well as higher education simultaneously.

Greg Walker and Pattie Weed with Landmark (formerly known as Thomas and Thomas) reported that they are beginning the annual audit process and wanted to make a due diligence visit and explain the scope of the work. Pattie went on to detail the scope of the work which includes gathering financial data from Ascensus, Vanguard, and iShares and tested samples to assure accuracy while maintaining confidentiality.

The date for the 1st Quarter meeting of 2019 will be determined at a later time.

There being no further business, Grant Wallace moved to adjourn the meeting and the meeting adjourned at 9:52am.

Respectfully submitted,

Emma Willis, Director of 529 Programs and Financial Education