

July 18 – 19, 2016

ITEM 172-101-R0716

Achieve Montana underlying investment fund change

THAT

The Board of Regents of Higher Education hereby approves the investment change to one of the underlying funds utilized in the Achieve Montana investment lineup.

EXPLANATION

As the trustee of Achieve Montana, Montana's 529 college savings plan, the Board of Regents oversees the investment lineup and underlying funds for the program. Achieve Montana's recordkeeper and investment manager, Ascensus College Savings, recommends that Achieve Montana replace the Vanguard Prime Money Market fund with the Vanguard Federal Money Market fund. Ascensus is recommending this change based on recent money market reforms which were put in place in order to prevent investors from "putting a run" on money market funds. The SEC allows investment managers of certain money market funds to implement liquidity fees and redemption gates. This change will eliminate the potential participant access to fund from fees and gates and maintain the equivalent risk profile. The Achieve Montana Oversight Committee met May 12, 2016 to review Ascensus's recommendation and recommend to the Board of Regents that the investment fund change be approved.

Achieve Montana and the Oversight Committee believes this change is in the best interest of the program and the investors it serves.

ATTACHMENTS

None