

The Board of Trustees of the West Virginia College and Jumpstart Savings Programs

Quarterly Board of Trustees Meeting

315 70th Street, SE – 2nd Floor Conference Room
Microsoft TEAMS Optional

September 3, 2025

10:00 a.m.

The Quarterly Meeting of the Board of Trustees of the West Virginia College and Jumpstart Savings Programs was called to order on Wednesday, September 3, 2025 at 10:00 a.m. A silent roll call was taken, and a quorum was established. The following members were present: Mr. Steve Bohman (Chair), Mr. Chris Heller, Mr. Phillip Uy, Dr. Bonny Copenhaver, Ms. Phyllis Arnold, Ms. Cleta Harless, Mr. Patrick Smith, Dr. Daniel Anderson, Justin Williams and Mr. Brian Weingart. Ms. Marguerite Horvath was not in attendance.

The following consultants were present: Mr. Chris Morvant, Mr. Jim Glendon, Ms. Allison Mortensen, and Mr. Rick Fuerman representing Hartford Funds; Ms. Tiffany Spudich, Ms. Susan Somers, and Mr. Corey Waddell representing Capital Cities, LLC; and Mr. Todd Erskine representing Dimensional Funds.

The following WVSTO staff members attended: Ms. Lindsay Marchio, Ms. Betsy Chapman, Mr. Karl Shanholtzer, Ms. Amy Hamilton, Ms. Gina Joynes, and Ms. Annie Norrod.

The agenda consisted of the following:

Call to Order – Silent Roll Call

- I. Consideration of the March 5, 2025 Quarterly Board Meeting Minutes
- II. Consideration of Contributions and Distributions Processing - Jumpstart Savings
- III. Audit Committee Report June 11, 2025
- IV. Investment Committee Report June 11, 2025
- V. Consideration of Final Closure of The Hartford SMART529 Class B Shares
- VI. Consideration of SMART529 Investment Consulting Services Contract
- VII. Consideration of the June 11, 2025 Quarterly Board Meeting Minutes
- VIII. Chairman's Report
 - a. Financial Update – Betsy Chapman, Assistant Treasurer
 - b. SMART529 Operational Update – Amy Hamilton, Director
 - c. Jumpstart Operational Update – Annie Norrod, Director
- IX. Investment Committee Report
- X. Consideration of the Repeal and Replacement of the Investment Policy Statement
- XI. Program Manager Quarterly Report- Hartford Funds
- XII. Investment Consultant Quarterly Report – Capital Cities
- XIII. Consideration of Funds for the Watch List
- XIV. Other Business

Adjournment

The Chair noted a silent roll call was taken and a quorum was established. The Chair announced the first portion of the meeting included revisiting the motions from the June 11, 2025 Board of Trustees regular meeting. The Chair noted reports, comments and discussion were heard during the June 11, 2025 meeting.

Agenda Item I. Consideration of the March 5, 2025 Quarterly Board Meeting Minutes

The Chair indicated the first order of business on the agenda was the approval of the regular meeting minutes from the March 5, 2025, quarterly Board meeting. The minutes were circulated as part of the Board packet. As there were no additions or corrections to the minutes, the Chair moved to accept the minutes. The motion was seconded by Patrick Smith. There being no discussion, the Chair polled the members, and the minutes were approved as presented.

Agenda Item II. Consideration of Contributions and Distributions Processing - Jumpstart Savings

Moving on to the next Agenda item, the Chair noted that on June 11, 2025, Andrea Herrick presented information on contributions and distributions processing for the Jumpstart Savings Program. The Chair moved to approve the transfer of \$20,000 from the Jumpstart Savings Program Trust Fund to seed reserve accounts managed by Catalis with Truist Bank for all incoming contributions and distribution requests for program participants and as part of the motion, include any meeting minutes related to the issue from June 11th, 2025 meeting. Chris Heller seconded the motion. Hearing no discussion, the members were polled and the motion carried.

Agenda Item III. Audit Committee Report June 11, 2025

The Chair noted Audit Committee Chair, Phil Uy, presented the Audit Committee Report on June 11, 2025. The Chair moved to accept the Audit Committee Report and it was seconded by Chris Heller. Hearing no discussion, the members were polled and the motion carried.

Agenda Item IV. Investment Committee Report June 11, 2025

The Chair noted Investment Savings Committee Chair, Chris Heller, presented the Investment Committee Report on June 11, 2025. The Chair moved to accept the Investment Committee Report and it was seconded by Patrick Smith. Hearing no discussion, the members were polled and the motion carried.

Agenda Item V. Consideration of Final Closure of The Hartford SMART529 Class B Shares

The Chair noted on June 11, 2025, the Board heard a report from Hartford Funds' Chris Morvant recommending the final closure of The Hartford SMART529 Class B Shares. The Chair moved to authorize Hartford Funds to convert the Hartford SMART529 Class B Shares to lower cost Class A Share positions and close the B Share class portfolios and as part of the motion, include any meeting minutes related to the issue from June 11th, 2025 meeting. Patrick Smith seconded the motion. Hearing no discussion, the members were polled and the motion carried.

Agenda Item VI. Consideration of SMART529 Investment Consultant Services Contract

The next item on the agenda was the Consideration of the SMART529 Investment Consulting Services Contract. In April, the WVSTO issued an RFP for Investment Consulting Services. As bylaws state, purchases over \$25,000 must be approved by the Board of Trustees. During the June 11, 2025 meeting, the Board moved to Executive Session to address this matter which involved commercial competition. No action was

taken. The Chair moved to award a contract, pursuant to successful negotiations, to the highest overall-scoring vendor recommended by the evaluation committee for investment consulting services for the SMART529 Savings Program and as part of this motion, to include any meeting minutes related to the issue from the June 11, 2025 meeting. The motion was seconded by Patrick Smith. Hearing no discussion, the members were polled and the motion carried.

Agenda Item VII. Consideration of the June 11, 2025 Quarterly Board Meeting Minutes

The Chair indicated the next order of business on the agenda was the approval of the minutes from the June 11, 2025, regular quarterly Board meeting. The minutes were circulated as part of the Board packet. As there were no additions or corrections to the minutes, a motion to accept the minutes was made by Chris Heller and seconded by Clea Harless. There being no discussion, the Chair polled the members, and the minutes were approved as presented.

Agenda Item VIII. Chairman’s Report

Continuing to the Chairman’s Report, the Chair introduced Betsy Chapman, the new Assistant Treasurer of Savings Programs and Annie Norrod, the new Jumpstart Savings Program Director. The Chair turned the meeting over to Betsy Chapman.

Ms. Chapman gave an update on the Morningstar ratings process and noted the analyst meeting was scheduled for September 15th. She continued with the Chairman’s report noting key fund balances:

College and Jumpstart Savings Administrative Fund	\$5,372,569
Prepaid Tuition Trust Escrow Fund	\$1,157,914
Jumpstart Savings Trust Fund (Invested with WV BTI)	\$2,007,174
Jumpstart Savings Trust Fund (Individual Accts. With United Bank)	\$ 58,552

Ms. Chapman anticipated the program financials being complete the first part of October and the ACFR to be submitted in December. She turned the meeting over to Amy Hamilton for the SMART529 update.

Ms. Hamilton noted the quarterly status report was filed with the Legislative Librarian in August and has been posted on the Treasurer’s website. During the quarter, the SMART529 Savings Plan added 1,300 accounts, ending the period with over 108,000 active nationwide accounts. The assets were valued at just over \$3.1 billion. Of the nationwide accounts, there is a total of nearly 40,000 West Virginia resident accounts with a total value just over \$907,000,000. The Community Outreach section features key events and activities. Ms. Hamilton turned the meeting over to Annie Norrod for the Jumpstart update.

Ms. Norrod stated the contract with Catalis Recordkeeping Services commenced on January 1, 2025, to implement enhancements to the Jumpstart savings program, aimed at offering greater functionality and flexibility for account holders. However, Catalis was unable to deliver all required components in time for the original launch date of August 4, 2025. The revised launch date is now set for October 1, 2025. Key deliverables that were delayed included the Business Rules, Disclosure Document, prepaid card functionality, and gifting options for non-account holders. As of now, the Business Rules have been finalized, the Disclosure Document is nearing completion, prepaid card features are in the testing phase, and the gifting portal has been established, with testing scheduled to align with the new launch timeline.

Support will be provided to participants transitioning their Jumpstart savings accounts from United Bank's basic savings product to the new investment platform. The Board of Treasury Investments (BTI) will assume management of individual accounts, and participants will be able to manage all aspects of their accounts through a dedicated online portal connected to the recordkeeping system. STO staff continue to prepare for the platform's rollout. Program updates are currently being communicated as "coming soon" through newsletters, flyers, emails, and traditional mail. In collaboration with the Treasurer's communications team, a media campaign is planned to promote the new features to the public between October 16-26.

Feedback from events and current Jumpstart participants has been overwhelmingly positive, particularly regarding the investment platform, prepaid cards, and gifting options. Future marketing efforts will include outreach to businesses that offer monthly stipends to trade professionals, highlighting the benefits of the program for employers and their staff.

Agenda Item IX. Investment Committee Report

The Chair recognized Chris Heller to give the Investment Committee Report. Mr. Heller stated the Investment Committee met this morning at 9:00 a.m. and first approved the minutes from the June 11, 2025, meeting.

The Committee performed an annual review of the Investment Committee Charter language and noted no proposed changes to the existing charter language. In addition, the Committee approved a motion to confirm the responsibilities outlined in the Investment Committee Charter were carried out for the fiscal year ending June 30, 2025.

The Committee heard a presentation from Capital Cities regarding the Quarterly Investment Report for the quarter ended June 30, 2025 from Capital Cities, the new Investment Consultant. Based on the information presented from Capital Cities, the Investment Committee had no recommendation to escalate any of the investment options on the to the Watchlist at this time.

The Committee also reviewed changes to the West Virginia Savings Plan Trust Fund Investment Policy Statement. After review and discussion, the Committee voted to recommend the full Board repeal and replace the West Virginia Savings Plan Trust Fund Investment Policy Statement from August 2024 with the new draft version proposed by Capital Cities.

Agenda Item X. Consideration of the Repeal and Replacement of the Investment Policy Statement

Next, the Chair introduced the team from Capital Cities, the new Investment Consultant from Indianapolis, Indiana-Tiffany Spudich, Principal and Chief Investment Officer, Susan Somers, Consultant-Plan Operations and Corey Waddell, Principal and Director of Consulting.

The Chair recognized the Capital Cities team to provide an overview of suggested changes to the West Virginia Savings Plan Trust Fund Investment Policy Statement. The Chair asked for a motion to repeal the existing West Virginia Savings Plan Trust Fund Investment Policy Statement adopted in August 2024 and replace it with the draft version explained by Capital Cities and recommended for adoption by the Investment Committee. The Chair asked for any questions. Hearing none, Justin Williams moved the motion and Patrick Smith seconded the motion.

Agenda Item XI. Program Manager Quarterly Report

Moving on to the Program Manager's Report, the Chair recognized Chris Morvant, Hartford Funds. Mr. Morvant noted as of June 30, 2025, SMART529 program assets were \$3.2 billion. This was up 4.4% from the same period last year and 6% from the end of the first quarter. The second quarter of the market opened with a sharp market sell off that corresponded with tariff announcements, but as tariff tensions deescalated quickly, the markets rebounded sharply in April, May and June. Mr. Morvant noted that seasonally, trends in the second quarter of last year were very similar in the market downturn in April, followed by a market rebound in May. Total program sales of \$39.7 million during the second quarter were down 1.2% vs. second quarter 2024. Total new accounts were nearly flat relative to last year (1,300 vs. 1,307, down 0.5%) with April representing a more challenging month on a year-over-year basis amidst market volatility. June was a strong month year-over-year for account growth (+7.6%). May was down 1.8%.

Continuing with the Call Center Metrics, Mr. Morvant explained it was a normal quarter for the Call Center with over 7,200 calls handled across all three SMART529 plans. The average speed to answer was very strong at 8 seconds and well below the second average speed to answer. The client satisfaction score was also very strong for the quarter with a Participant Satisfaction Score of 90% and a Net Promotor Score of 69. All distribution requests were processed on time.

Mr. Morvant detailed the final closure of the Class B shares were completed on August 21, 2025. Impacted shareholders are now benefiting from lower cost Class A shares. Next, he mentioned that Hartford Funds and WVSTO staff completed the annual review of the SMART529 Program Manual and have no suggested changes. He noted the West Virginia Savings Plan Trust Fund Investment Policy Statement is an exhibit to the manual and any approved updates will be incorporated into the document.

Information was given on the federal legislation H.R. 1 also known as the One Big Beautiful Bill Act which includes expansion of qualified higher education expenses for K-12 grades, expenses for job training programs outside of the traditional college or university settings, expenses for non-degree programs for recognized postsecondary credential programs and rollovers to ABLE accounts which were originally set to expire at the end of 2025 were made permanent. An Offering Statement Supplement is being created to disseminate the information to account owners and information will be added to plan websites.

Mr. Morvant turned the meeting over to Rick Fuerman, SMART529 marketing lead at Hartford Funds, to give the marketing update.

Mr. Fuerman gave an overview of website activity noting there was a noticeable drop off across the board on the SMART529 website traffic. This is happening to all websites due to the introduction of Google's AI overview. Hartford Funds is working with Digital Relativity (their contracted marketing agency) to determine the best plan of action.

Mr. Fuerman noted the West Virginia University Mini Mountaineer Sweepstakes ran for two weeks on the university's Instagram and Facebook accounts. There were over 147,000 impressions (100k was the goal) and it generated 470 email addresses for sending SMART529 marketing messages. The Fund the Future Sweepstakes was also promoted during the quarter.

Mr. Fuerman noted that Jorn Otte was at a conference. His outreach report is on the last page of the Program Manager's Report. It has been modified to show unique entities he has presented to this year.

Mr. Fuerman turned the meeting over to Chris Morvant. Mr. Morvant reported information on the SMART529 In-State Impact Review. This annual update will provide a graphic snapshot of SMART529 accounts. Based on census data, West Virginia has a total population of 1,769,979, of which SMART529 accounts represent 2.3%. The total state population under age 18 is 359,411 of which SMART529 accounts represent 7.9%.

Additional information included:

- SMART529 hit a new high-water mark for total West Virginia accounts in 2025.
- The average age of account opening is age 10.
- SMART529 WV Direct is averaging 1,900 new accounts per year since 2022.
- A chart of Bright Babies accounts by county lists penetration by population.
- A list of new SMART529 WV Direct accounts by month and county for 2024. Of note,
 - Total number of accounts and State penetration rate are impacted by the ongoing closure of accounts.
 - Average account balance is negatively impacted by the greater success with opening new accounts.
 - The account metrics have been observed to be significantly influenced by markets and the state of the economy.

Mr. Morvant stated Hartford Funds will continue to execute and evolve market strategies to grow the number of new accounts in the SMART529 WV Direct Plan by various marketing efforts including- digital advertising, events marketing, field engagement, advertising sponsorship with WVU, Bright Babies incentive along with digital engagement and marketing collateral.

Continuing, Mr. Morvant reported on the Growth Rate Comparison. The five- and seven-year growth rates of the SMART529 WV Direct Plan exceed that of the entire direct-sold 529 industry. He noted the three-year rate slightly lags. The SMART529 WV Direct Plan has a 5.77% five-year annual total account growth rate amidst a shrinking state population. Finally, Mr. Morvant provided the average account balance in SMART529 WV Direct as \$21,000, which exceeds 27 of 62 other direct sold plans.

The Chair asked if there were any questions for the Hartford team. Question and discussion included efforts to increase contributions for current and new account owners, gifting, marketing to preschool and kindergarten students, reaching counties with smaller populations of account owners, encouraging SMART529 as a gift for expecting parents and looking to see if alumni associations might be a beneficial partner. The Chair moved to the next agenda item.

Agenda Item XII. Investment Consultant Quarterly Report

The Chair recognized Capital Cities for the quarterly investment report. Ms. Spudich highlighted the first 3 sections of the report which include Considerations and Observations, Market Review and Program Summary which provides market values, performance and how Capital Cities evaluates each investment option from both a qualitative and quantitative perspective. In addition, there are full quarterly performance and evaluation reports for the three SMART529 plans which include much more detailed information including individual manager pages with more description. The report also features an Appendix section.

Ms. Spudich continued explaining the Considerations and Observations section is a quick snapshot of the areas of focus and recommended actions. She noted the first project is generally the fiduciary project. It is designed to align the Board's fiduciary responsibilities every quarter in addition to performance and

management updates. Items included a portfolio manager change and the closure of Class B Shares. Ms. Spudich turned the meeting over to Mr. Waddell.

Mr. Waddell began the Market Overview describing the Equity Market and Fixed Income Returns. There was positive performance across all time periods within the Equity Markets. The second quarter experienced volatility in the U.S. The broad proxy is the Large Cap Core, the S&P 500, which ended the quarter up nearly 11%. There were several days in April that it traded negative, down 10%. Some positive news, related to trade deals, created rising tides as it relates to equity markets. He noted Large Cap Growth is where the Mag 7 or AI related names reside. Momentum drove equity returns for the quarter. The Large Cap Growth index was up almost 18%. This is where the Magnificent 7 and AI driven names reside creating a rising tide for overall markets over the last several years.

Looking at international returns, the Emerging and Developed were both strong performers. The bottom of page 3 focuses on Fixed Income results. The broad proxy used for US Fixed Income is the Aggregate column. It was up 1.25% for the period, now over the trailing one-year time period, it is up 6%. Mr. Waddell noted Fixed Income is the broad proxy for U.S. Fixed Income is the Aggregate Index. More recently the Federal Reserve held interest rates steady and commentary has led us to believe the market will see interest rate cuts in September. Mr. Waddell asked for questions. None were heard and he turned the meeting over to Ms. Spudich.

Ms. Spudich reviewed assets and diversification of The Hartford SMART529¹ on page 7. She noted the Hartford MidCap 529 Fund is being reviewed as well as several funds for short- or long-term performance. She stated Capital Cities is not recommending a change in investment options, swapping an option or adding an option to the Watchlist but wanted to note these funds are having underperformance relative to their benchmark or their peers. Moving to performance, she noted the Age-Based Portfolio 18+ had a return of 2.1% and the Age-Based Portfolio 0-3 had a return of 10.28%.

Ms. Spudich reviewed plan assets and diversification of SMART529 Select² on page 15. She noted that all funds are in good standing. The Age-Based Portfolio 19+ had a return of 3.14% and the Age-Based Portfolio 0-3 had a return of 10.62%.

Ms. Spudich reviewed plan assets and diversification of SMART529 WV Direct³ on page 20. She noted all funds have green lights and are closely mimicking their benchmarks at a very low cost. The Age-Based Portfolio 18+ had a return of 2.12% and the Age-Based Portfolio 0-3 had a return of 10.61%.

The following update provides details on plan assets and the Stoplight status of each portfolio and their corresponding Stoplight status.

The Hartford SMART529¹

Assets: \$1,881,623,859

Fund Name	Color	Stoplight Status
Hartford Checks & Balances	Yellow	Short-Term Performance, Long-term Performance
Hartford Equity Income 529 Fund	Yellow	Short-Term Performance
Hartford MidCap 529 Fund	Black	Qualitative Review, Short-Term Perf., Long-Term Perf.
Hartford MFS Global Equity 529 Fund	Yellow	Short-Term Performance, Long-Term Performance
Hartford Equity Income F	Yellow	Short-Term Performance
Hartford Small Cap Growth F	Yellow	Short-Term Performance, Long-Term Performance
Hartford Capital Appreciation F	Yellow	Short-Term Performance, Long-Term Performance

SMART529 Select²

Assets: \$732,880,478

All funds in good standing.

SMART529 WV Direct³

Assets: \$571,235,960

All funds in good standing.

Agenda Item XIII. Consideration of Funds for the Watch List

Moving to the next agenda item, the Chair asked if any members wish to recommend an investment option be added to the Watch List. No recommendations were heard at this time.

Agenda Item XIV. Other Business

The Chair asked if there was any further business to be brought before the Board and none was heard. The next regularly scheduled meeting is scheduled for Wednesday, December 3rd. Patrick Smith moved the meeting to be adjourned. The motion was seconded by Chris Heller. Hearing no discussion, the members were polled, and the motion carried. The Chair declared the meeting adjourned at 11:22 a.m.

Prepared by Amy Hamilton
Board Approval Date: 12/3/25

Submitted by:



Stephen J. Bohman, Deputy State Treasurer