

NORTH FORTY TWO

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The Oregon 529 Savings Board has enacted a number of meaningful changes to the Oregon College Savings Plan, centering around the assignment of the administration of the plan to Sunday Administration, LLC, a division of BNY Mellon. TIAA acted as the prior administrator of the program.

Key changes are as follows:

- Existing age-based portfolios will be transitioned into single-year target-date portfolios representing college enrollment years 2013-2036. Effectively, nine portfolio tranches will turn into 24. The all-in annual asset-based fee for the college enrollment year portfolios will be between 0.29-0.34%.
- The program assumes children will enroll at age 18 – so for instance, the account of a child born in the fall of 2010 and currently in the “5-8 Years” age-based portfolio would be placed in the “College Enrollment Year 2029 Fund”. Assets in the single-year portfolios will be automatically invested in an FDIC-Insured cash account with The Bank of New York Mellon at the specified college enrollment date.
- There will be 15 multi- and single-fund portfolios with the addition of a Short Term Fixed Income Index portfolio. The all-in annual asset-based fee for these options will range from 0.25-0.72%.
- The Social Choice option will become a Social Choice Balanced portfolio, and the allocation will move from 100% U.S. equities to a 50/50 mix of global equities and fixed income.
- The Money Market option will become an FDIC-insured cash portfolio. This fund is contracted to deliver the top end of the Target Fed Funds Rate less 0.15%. The top end of that range is currently 2.00%.
- Notably, the Principal Plus Interest option will be closed to new investments. The existing assets will be transitioned over a four-year period to the FDIC-Insured cash option.
- The Target Risk – Moderate portfolio will see a reduction in its equity exposure, with a move in its stock/bond mix to 50/50 from 60/40 previously.
- All portfolio sleeves managed by TIAA are being transitioned to corresponding Vanguard offerings, with the exception of TIAA Social Choice Equity and a new addition, TIAA Social Choice Bond (inside the Social Choice Balanced portfolio). DFA will also gain some representation in the program.

North Forty Two & Co. provides complimentary guidance on Oregon 529 plan investments, leveraging our unique proprietary analytics.