July 2, 2026

Mr. Matt Clark
South Dakota Investment Council
4009 West 49 Street, Suite 300
Sioux Falls, SD 57106

Dear Mr. Clark,

As Program Manager for the CollegeAccess 529 Plan, VP Distributors, LLC would like to recommend a series of proposals to enhance the investment profile of the Plan. The recommendations, which are attached for your consideration, were developed by Virtus Multi-Asset, a division of Virtus Advisers, LLC.

A summary of the proposed changes is provided below:

ASSET ALLOCATION SUMMARY

- The portfolios are aligned with the SAA and continue to have modest overweights to global equities and real assets (ranging from 2% to 5%), funded by underweights to nominal bonds (on an exposure basis) and cash and ultrashort bonds.

FUND LEVEL CHANGES	**Age-Based & Static Portfolios** *(Advisor Sold and South Dakota Direct Programs)* The effect of underlying fund changes is to: ▪ Remove two funds (KAR Mid-Cap Core Fund and Virtus SGA International Growth Fund). ▪ Add two new funds (Virtus Small-Cap Fund and Virtus International Small-Cap Fund). ▪ Reincorporate one passive fund (Vanguard Pacific Stock Index), which is currently held as an individual investment option. ▪ The age-based and static portfolios have 16 underlying funds.	**Individual Investment Options** *(Advisor Sold Only. No Change to South Dakota Direct Program)* The effect of underlying fund changes is to: ▪ Replace one individual investment option, KAR Mid-Cap Core Fund with Silvant Mid-Cap Growth Fund. ▪ Rebalance the three blended strategies to reflect the updated asset allocation views. ▪ Add the same two funds (Virtus Small-Cap Fund and Virtus International Small-Cap Fund) added to the age-based & static portfolios to the blended strategies. ▪ In total, three funds will be removed from the blended strategies: KAR Mid-Cap Core Fund, SGA International Growth Fund, and KAR International Small-Mid Cap Fund.
FEE IMPACT	▪ The weighted average fees for all portfolios are below the 65-basis point (bps) cap. ▪ Diversified Equity portfolio - weighted average fee decreases by 3 bps. ▪ Bond-heavy portfolios - weighted average fee increases by 1 or 2 bps. ▪ Equity-heavy portfolios - fees are unchanged or decrease.	▪ Blended International Equity Strategy - weighted average fee decreases by 10 bps. ▪ Blended U.S. Equity Strategy - weighted average fee decreases by 4 bps. ▪ Blended All Asset Strategy - weighted average fee increases by 2 bps.

Subject to your approval and the approval of the Council, these changes would take effect on or about September 17, 2026.

Thank you for considering our recommendations for the CollegeAccess 529 Plan. VP Distributors, in collaboration with our colleagues at Virtus Multi-Asset, would be pleased to answer any questions you or your staff may have.

Regards,

Michael G. Sebesta, CFA (404-845-7664)
Managing Director
Virtus Investment Partners

cc:
Heather Bergman (646-923-9784)
Paul Pietranico (646-923-9782)
Michael Rothstein (860-560-8747)

COLLEGEACCESS 529 PLAN
2026-27 UPDATE PROPOSAL

Paul Pietranico, CFA, Virtus Multi-Asset

Heather Bergman, Ph.D., Virtus Multi-Asset

Michael Rothstein, CFA, FRM, CAIA, Virtus Multi-Asset

July 2026

Indicated portfolios are preliminary and subject to change

AGE-BASED AND STATIC PORTFOLIOS PROPOSAL

UPDATE AGE-BASED AND STATIC PORTFOLIO

OUTCOMES OF PROPOSED CHANGES

VIRTUS
VP DISTRIBUTORS

Strategic Asset Allocation (SAA) Tilts

- Our process, which is based on a 12–18 month time horizon for macro fundamentals and market implications, favors global equities over fixed income generally and within global equities, we prioritize emerging markets and developed Asia, with underweights for Canada and Europe.
- Within US equities, we favor a tilt toward small cap equities and reduce an overweight to growth equites.
- In fixed income, we favor maintaining a modest overweight in duration versus the strategic asset allocation at about one-half year in the near college and diversified bond portfolios.
- We fund an overweight to global equities and real assets ranging from 2% to 5% across the portfolios with an underweight to cash and core bonds (in exposure terms).

Underlying Fund Changes

- In the age-based portfolio, two new underlying funds to be added: Virtus Small-Cap Fund and Virtus International Small-Cap Fund and adding back one passive equity fund currently in the program, Vanguard Pacific Stock Index, to the age-based and static portfolios.
- Two Funds will be removed: KAR Mid-Cap Core Fund and Virtus SGA International Growth Fund.

Fee Changes

- The weighted average fees for all portfolios are below the 65-basis point (bps) cap.
- In the Diversified Equity portfolio, the fees decrease by 3 bps.
- In the bond-heavy portfolios, fees increase by 1 to 2 bps.
- In the equity-heavy portfolios, fees are unchanged or decrease.

UPDATE AGE-BASED AND STATIC PORTFOLIO

PROPOSED STRATEGIC ASSET ALLOCATION

VIRTUS VP DISTRIBUTORS

	AGE BASED PORTFOLIOS										STATIC PORTFOLIOS		
	0-9	10	11	12	13	14	15	16	17-18	19+	Diversified Equity	Diversified Bond	UltraShort Bond
STRATEGIC ASSET ALLOCATION (CURRENT)													
Cash & Short-Term Bonds	0%	0%	0%	0%	8%	17%	22%	32%	38%	50%	0%	5%	100%
Nominal Bonds	10%	17%	27%	37%	39%	40%	45%	45%	45%	40%	0%	95%	0%
Global Equities	83%	77%	68%	58%	49%	40%	31%	21%	17%	10%	95%	0%	0%
Real Assets	7%	6%	5%	5%	4%	3%	2%	2%	0%	0%	5%	0%	0%
CURRENT POSITIONING													
Cash & Short-Term Bonds					6%	15%	19%	29%	35%	47%		5%	100%
Nominal Bonds	8%	15%	24%	34%	38%	39%	44%	44%	43%	38%		95%	
Global Equities	85%	79%	71%	61%	52%	43%	34%	24%	20%	13%	95%		
Real Assets	7%	6%	5%	5%	4%	3%	3%	3%	2%	2%	5%		
PROPOSED POSITIONING													
Cash & Short-Term Bonds					7%	16%	20%	29%	35%	47%		5%	100%
Nominal Bonds	8%	15%	25%	35%	38%	39%	44%	44%	43%	38%		95%	
Global Equities	84%	78%	69%	59%	50%	41%	33%	24%	20%	13%	95%		
Real Assets	8%	7%	6%	6%	5%	4%	3%	3%	2%	2%	5%		
CHANGE IN POSITIONING													
Cash & Short-Term Bonds					1%	1%	1%						
Nominal Bonds			1%	1%									
Global Equities	-1%	-1%	-2%	-2%	-2%	-2%	-1%						
Real Assets	1%	1%	1%	1%	1%	1%							

Exposure weights are rounded to the nearest whole percent in the above tables

UPDATE AGE-BASED AND STATIC PORTFOLIO

PROPOSED EXPOSURES

VIRTUS VP DISTRIBUTORS

			Expense Ratio	0-9	10	11	12	13	14	15	16	17-18	19+	Div. Equity	Div. Bond	UltraShort Bond
Cash & Short-Term Bonds	VMSSX	Virtus Newfleet Multi-Sector Short	0.52%					1%	2%	3%	4%	5%	7%		1%	15%
	SIGZX	Virtus Seix U.S. Govt Ultra Short	0.26%					6%	14%	17%	25%	30%	40%		4%	85%
Nominal Bonds	STGZX	Virtus Seix Core Bond	0.36%		2%	7%	12%	13%	13%	17%	21%	21%	18%		52%	
	FNBGX	Fidelity Long-Term Treasury	0.03%			2%	3%	4%	4%	4%	5%	5%	5%		13%	
	VMFRX	Virtus Newfleet Multi-Sector Intermedi	0.60%		1%	4%	7%	8%	9%	10%	11%	12%	11%		30%	
	AGASX	*Virtus Global Allocation–Bond (40%)*	0.47%	8%	12%	12%	13%	13%	13%	13%	7%	5%	4%			
Global Equities	*AGASX*	*Virtus Global Allocation – Eq (60%)*	0.47%	13%	18%	18%	19%	19%	19%	19%	11%	7%	6%			
	AFGFX	Virtus Silvant Focused Growth	0.62%	17%	14%	12%	10%	8%	5%	3%	3%	3%	3%	23%		
	STVZX	Virtus Ceredex Large-Cap Value	0.72%	11%	9%	8%	6%	4%	3%	2%	2%	2%	1%	14%		
	VCGRX	Virtus KAR Capital Growth	0.73%	4%	4%	3%	3%	2%	2%	1%	1%	1%		6%		
	VRMCX	Virtus KAR Mid-Cap Core	0.87%													
	ASCFX	Virtus Small Cap	0.77%	4%	4%	3%	2%	2%	1%	1%	1%	1%		6%		
	SCIZX	Virtus SGA International Growth	0.95%													
	AIISX	Virtus International Small Cap	1.00%	5%	4%	4%	3%	2%	1%	1%	1%			7%		
	TISPX	Nuveen S&P 500 Index	0.05%	7%	7%	5%	3%	3%	2%	1%	1%	1%	1%	10%		
	TCIEX	Nuveen International Equity Index	0.05%	9%	7%	6%	5%	4%	3%	2%	2%	2%	1%	11%		
	VPKIX	Vanguard Pacific Stock Index	0.07%	5%	4%	4%	3%	2%	2%	1%	1%	1%		7%		
	AEMOX	Virtus Emerging Markets Opportunities	0.89%	9%	7%	6%	5%	4%	3%	2%	1%	2%	1%	11%		
		Total Global Equities		**84%**	**78%**	**69%**	**59%**	**50%**	**41%**	**33%**	**24%**	**20%**	**13%**	**95%**		
Real Assets	VAABX	Virtus Duff & Phelps Real Asset	1.03%	8%	7%	6%	6%	5%	4%	3%	3%	2%	2%	5%		
		Total Real Assets		**8%**	**7%**	**6%**	**6%**	**5%**	**4%**	**3%**	**3%**	**2%**	**2%**	**5%**		
		Weighted Average Fees		**0.57%**	**0.55%**	**0.53%**	**0.52%**	**0.49%**	**0.46%**	**0.44%**	**0.41%**	**0.40%**	**0.38%**	**0.57%**	**0.39%**	**0.30%**

Summary: Total number of Funds is 16; Proposal adds two new Funds and incorporates one Fund currently used as an Individual Investment Option

Additions
Deletions

Note that for asset class totals, Virtus Global Allocation splits 60% equity and 40% nominal bonds.

UPDATE AGE-BASED AND STATIC PORTFOLIO

DIFFERENCES FROM CURRENT 2026 PORTFOLIOS

			Expense Ratio	0-9	10	11	12	13	14	15	16	17-18	19+	Div. Equity	Div. Bond	UltraShort Bond
Cash & Short-Term Bonds	VMSSX	Virtus Newfleet Multi-Sector Short	0.52%													
	SIGZX	Virtus Seix U.S. Govt Ultra Short	0.26%					1%	1%	1%						
		Total Cash & Short-Term Bonds						**1%**	**1%**	**1%**						
Nominal Bonds	STGZX	Virtus Seix Core Bond	0.36%			1%	1%									
	FNBGX	Fidelity Long-Term Treasury	0.03%													
	VMFRX	Virtus Newfleet Multi-Sector Intermedi	0.60%													
	AGASX	*Virtus Global Allocation–Bond (40%)*	0.47%													
		Total Nominal Bonds				**1%**	**1%**									
Global Equities	*AGASX*	*Virtus Global Allocation – Eq (60%)*	0.47%													
	AFGFX	Virtus Silvant Focused Growth	0.62%	-3%	-3%	-3%	-2%	-1%	-3%	-1%	-1%	-1%		-4%		
	STVZX	Virtus Ceredex Large-Cap Value	0.72%		-1%	-1%	-1%	-1%						-2%		
	VCGRX	Virtus KAR Capital Growth	0.73%	-6%	-4%	-4%	-3%	-3%	-2%	-1%	-1%	-1%	-1%	-7%		
	VRMCX	Virtus KAR Mid-Cap Core	0.87%	-4%	-3%	-2%	-2%	-2%	-1%	-1%				-5%		
	ASCFX	Virtus Small Cap	0.77%	4%	4%	3%	2%	2%	1%	1%	1%	1%		6%		
	SCIZX	Virtus SGA International Growth	0.95%	-5%	-4%	-3%	-3%	-2%	-2%	-1%	-1%	-1%		-6%		
	AIISX	Virtus International Small Cap	1.00%	5%	4%	4%	3%	2%	1%	1%	1%			7%		
	TISPX	Nuveen S&P 500 Index	0.05%	3%	3%	1%			-1%	-2%	-1%	-1%		5%		
	TCIEX	Nuveen International Equity Index	0.05%	-5%	-5%	-4%	-2%	-1%	1%	1%	1%	1%		-7%		
	VPKIX	Vanguard Pacific Stock Index	0.07%	5%	4%	4%	3%	2%	2%	1%	1%	1%		7%		
	AEMOX	Virtus Emerging Markets Opportunities	0.89%	5%	4%	3%	3%	2%	2%	1%		1%	1%	6%		
		Total Global Equities		-1%	-1%	-2%	-2%	-2%	-2%	-1%						
Real Assets	VAABX	Virtus Duff & Phelps Real Asset	1.03%	1%	1%	1%	1%	1%	1%							
		Total Real Assets		1%	1%	1%	1%	1%	1%							
		Change in Fees		**0.00%**	**-0.01%**	**0.00%**	**0.01%**	**0.01%**	**0.02%**	**0.02%**	**0.02%**	**0.01%**	**0.02%**	**-0.03%**	**0.01%**	**0.00%**

Additions
Deletions

Note that for asset class totals, Virtus Global Allocation splits 60% equity and 40% nominal bonds.

UPDATE AGE-BASED AND STATIC PORTFOLIO

SUMMARY OF PROPOSED FUND CHANGES

VIRTUS
VP DISTRIBUTORS

Proposed Fund Additions				
	Ticker	**Fund name**	**Fee**	**Rationale**
Global Equities	ASCFX	Virtus Small-Cap	0.77%	Incorporating the Fund into the age-based and static portfolios offers exposure to small cap U.S. equities with a balanced set of factor exposures, including overweights in growth, value & quality and neutral on momentum. The Fund also has a managed volatility sub-strategy.
Global Equities	AIISX	Virtus International Small-Cap	1.00%	Incorporating the Fund into the age-based and static portfolios enables additional flexibility in gaining exposure to small cap international equities with a balanced set of factor exposures, that includes growth, value, quality and neutral on momentum.

Proposed Fund Deletions				
	Ticker	**Fund name**	**Fee**	**Rationale**
Global Equities	VRMCX	Virtus KAR Mid-Cap Core	0.87%	This Fund was substituted for a combination of funds, including the Virtus Small-Cap Fund, in part based on considerations of expected tracking error compared to the program benchmark (and strategic asset allocation). This Fund is heavily tilted toward quality with underweights on growth, value and momentum, which has been detrimental in the current environment in which quality companies are often viewed negatively due to potential disruption from AI.
Global Equities	SCIZX	Virtus SGA International Growth	0.95%	This Fund’s weight was previously reduced in the last rebalance and is now replaced by a combination of funds, including the Vanguard Pacific Stock Index and the Virtus International Small Cap Fund. Removing this Fund also enabled increased exposure to the Virtus Emerging Markets Opportunities Fund in line with our asset allocation views.

2026-27 AGE-BASED, STATIC PORTFOLIO PROPOSAL

ASSET ALLOCATION POSITIONING

VIRTUS
VP DISTRIBUTORS

Allocation Change	Rationale
A modest overweight to Global Equities and Real Assets is funded by an underweight in Cash and Nominal Bonds.	The overall asset allocation reflects our view that (1) nominal GDP growth will remain resilient and continue to outperform aggregated expectations, (2) inflation will only moderate gradually and will likely remain slightly above pre-pandemic era levels and (3) policy rates will remain restrictive, but not sufficiently restrictive to push the global economy into recession. We expect the environment to generally be *broadly supportive of risk assets*, while longer-term US Treasuries will trade in a relatively tight range and carry is the primary driver of returns. Given that resilient growth may underpin moderately sticky inflation, the overweight to real assets is expected to provide a hedge, as well as attractive returns from positive trends in energy and datacenter infrastructure.
An underweight to Cash and Short-Term Bonds, relative to benchmarks is maintained	We see less value in ultra-short bond strategies if, over the medium to long term, rates stabilize, and inflation continues to trend moderately above target. Therefore, we are modestly underweight ultra short-term bonds in the near-college portfolios to fund diversification into real assets and equities.
Maintain an underweight to Nominal Bonds (core U.S. Bonds) in exposure terms. Maintain a slight overweight to U.S. duration using a long-term Treasury index Fund	While we remain close to the strategic benchmark, we acknowledge that there is some advantage to being modestly long duration via longer-term rates given attractive current yield levels. At the same time, we maintain exposure to spread sectors, including investment grade and high yield bonds to take advantage of opportunities if growth remains resilient in the longer term. We expect that the combination of spread exposures and a small overweight to duration may continue to offer an attractive balance of risks for a range of market outcomes.
Maintain an overweight to Global Equities, relative to the benchmark. Within Global Equities, include a modest overweight to Developed Asia (Japan) and Emerging Markets, and exposure to both growth and value in terms of style.	We expect equities to continue to benefit from the stable, albeit slower, growth backdrop globally, as well as the A.I. buildout, productivity gains, further deregulation and potentially supportive monetary policy. In terms of regional exposures, the overweight to Japan contributes to diversification versus the US and is also supported by ongoing structural reforms in the Japanese corporate sector and attractive relative valuations. We also favor emerging market equities based on strong earnings growth momentum since many key inputs into datacenter construction are produced by EM companies, among other factors. We proportionally reduce the exposure to US growth equities, increase the exposure to US value and shift from using US mid-cap to US small-cap, within the US equity allocation.
Increase exposure to Real Assets, including Global REITs and Commodities through the Virtus Duff & Phelps Real Asset Fund.	We maintain an overweight to Real Assets in the bond heavy portfolios and add a small overweight in the equity heavy portfolios, given that the inflation outlook is less certain given the current pressure on oil prices that has resulted from the war in Iran. We use the actively managed Duff & Phelps Real Asset Fund to gain exposure to global real estate, global infrastructure, natural resources, and TIPS. We expect the Commodities and energy-related equities to perform well in an environment characterized by sticky inflation and stable economic growth.

As of June 2026.
Note: Positioning descriptions are in relation to the program benchmark, which is static.

INDIVIDUAL INVESTMENT OPTIONS

INDIVIDUAL INVESTMENT OPTIONS

APPROACH

Multi-manager (blended) standalone portfolios have replaced some of the existing single-manager options

- This provides advisors core investment options to build portfolios for their clients that do not rely on a single active manager, while maintaining the opportunity to benefit from active management.
- Each portfolio is offered as a multi-manager strategy and will include a blend of mutual funds with exposures that remain constant between program updates.

A Multi-Manager approach enables the Virtus Multi Asset Team to:

Management of Active Risk	▪ Combine strategies of different styles, which should decrease active risk and lead more reliable outcomes compared to benchmarks
Flexibility	▪ Adjust weights of actively managed strategies to align with macro and market views using the same process applied to the age-based and static portfolios
Stability	▪ Potentially lower turnover over time in the list of investment options in the advisor-sold program
Robust Portfolio Construction	▪ Leverage the Virtus Multi Asset team’s approach to portfolio construction
Best of Virtus	▪ Harvest selection benefits of specialist managers within equities and fixed income

INDIVIDUAL INVESTMENT OPTIONS

PROPOSED CHANGES

Ticker	Asset Class	Name	Structure[1]
AGASX	Multi-Asset	Virtus Global Allocation	Mutual Fund
ANDVX	US Equity	Virtus NFJ Dividend Value	Mutual Fund
VVERX	US Equity	Virtus Ceredex Small-Cap Value	Mutual Fund
AFGFX	US Equity	Virtus Silvant Focused Growth	Mutual Fund
RMDZX	US Equity	Virtus Silvant Mid-Cap Growth	Mutual Fund
VRMCX	US Equity	Virtus KAR Mid-Cap Core	Mutual Fund
VMFRX	Core Bond – Multisector	Virtus Newfleet Multi-Sect Intermediate	Mutual Fund
STGZX	Core Bond	Virtus Seix Core Bond	Mutual Fund
Blend	International Equity	Virtus Blended International Equity Strategy	Multi Manager
Blend	US Equity	Virtus Blended U.S. Equity Strategy	Multi Manager
Blend	All Asset	Virtus Blended All Asset Strategy	Multi Manager
Blend	Ultrashort Bond	Virtus Blended UltraShort Bond	Multi Manager

Additions
Deletions

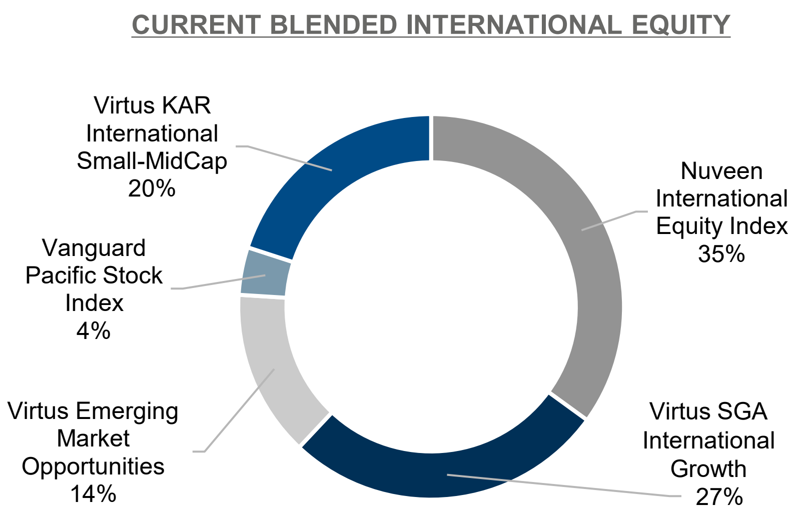
[1]Multi manager strategies structured as municipal fund securities holding more than one mutual fund with static weights between rebalances.

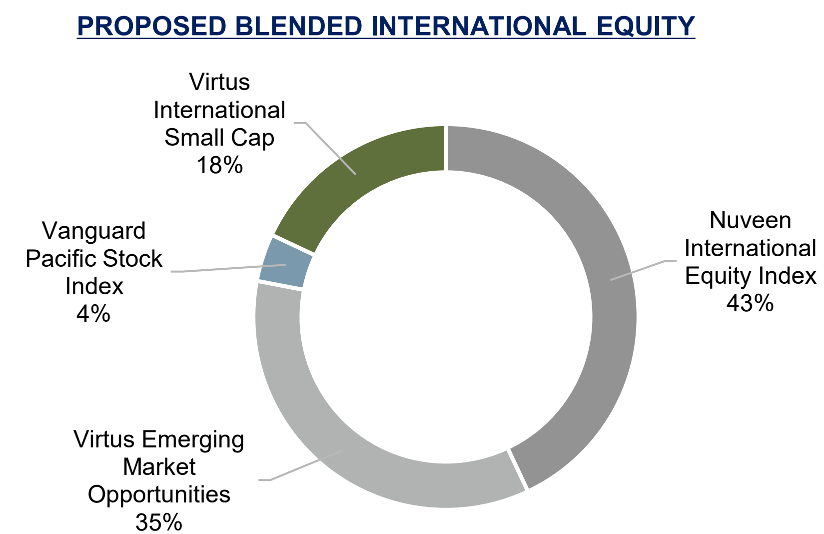
UPDATE INDIVIDUAL INVESTMENT OPTIONS

PROPOSED BLENDED STRATEGY

VIRTUS VP DISTRIBUTORS

The construction of the multi-manager strategies adheres to the same process as is used in the age-based and static portfolio construction



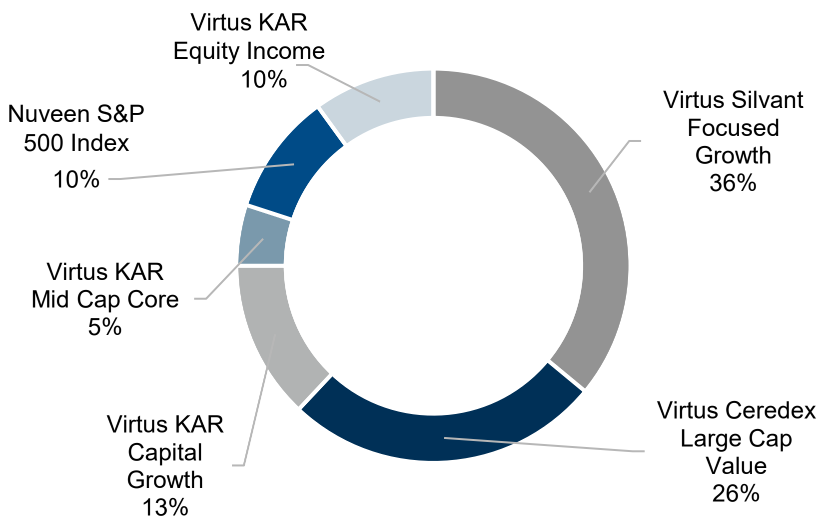


Ticker	Fund Name	Current Exposure (%)	Proposed Exposure (%)
TCIEX	Nuveen International Equity Index	35	43
SCIZX	Virtus SGA International Growth	27	0
AEMOX	Virtus Emerging Markets Opps	14	35
VPKIX	Vanguard Pacific Stock Index	4	4
VRISX	Virtus KAR Intl Small-MidCap	20	0
AIISX	Virtus International Small-Cap	0	18
	Weighted average fee	**0.62%**	**0.52%**

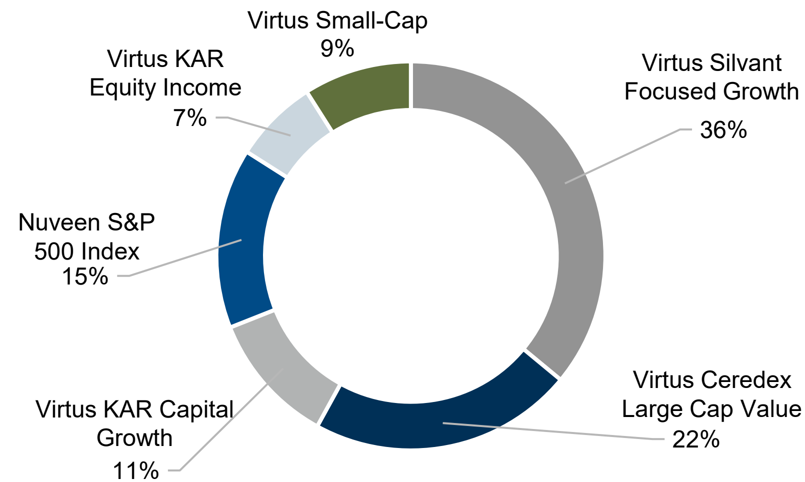
Additions
Deletions

The construction of the multi-manager strategies adheres to the same process as is used in the age-based and static portfolio construction

CURRENT BLENDED U.S. EQUITY



PROPOSED BLENDED U.S. EQUITY



Ticker	Fund Name	Current Exposure (%)	Proposed Exposure (%)
AFGFX	Virtus Silvant Focused Growth	36	36
STVZX	Virtus Ceredex Large-Cap Value	26	22
VCGRX	Virtus KAR Capital Growth	13	11
VRMCX	Virtus KAR Mid-Cap Core	5	0
TISPX	Nuveen S&P 500 Index	10	15
VECRX	Virtus KAR Equity Income	10	7
ASCFX	Virtus Small-Cap	0	9
	Weighted average fee	**0.63%**	**0.59%**

Additions
Deletions

UPDATE INDIVIDUAL INVESTMENT OPTIONS

UPDATE BLENDED STRATEGY

VIRTUS VP DISTRIBUTORS

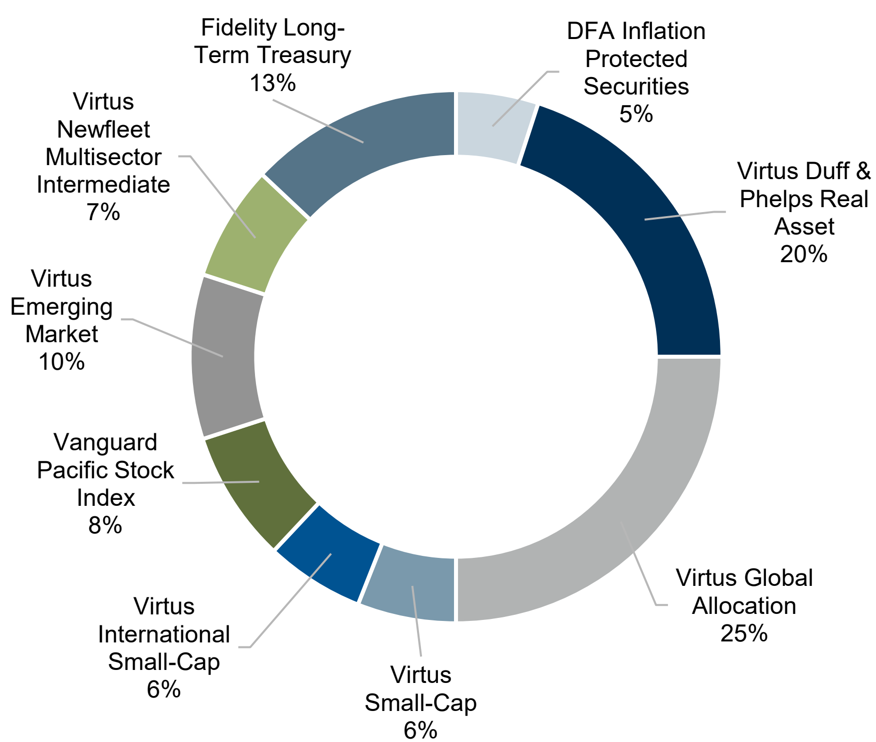
Objective
- Deliver attractive real returns, provide inflation protection and diversify away from core equity risk

Implementation
- Exposure to real assets, diversifiers, core equities, and core bonds

Universe
- Comprised of mutual funds already in the CollegeAccess 529 Program

Process
- Risk budgeted process that prioritizes allocations to real assets and value-oriented asset classes

PROPOSED VIRTUS BLENDED ALL ASSET STRATEGY



Additions
Deletions

PORTFOLIO STRUCTURE

Asset Class	Current	Proposed	Target Range	Asset Classes
Real Assets	25%	25%	0-35%	Infrastructure, REITs, commodity equities, TIPS
Diversifiers	0%	0%	0-25%	EM Debt, HY bonds, loans, convertible bonds, liquid alts
Core Bonds	35%	30%	10-50%	Core bonds, incl. positioning on duration and spread
Core Equity	40%	45%	15-50%	Tilt towards equity asset classes and regions with attractive valuations

Ticker	Fund Name	Current Exposure (%)	Proposed Exposure (%)
DIPSX	DFA Inflation Protected Securities	3	5
VAABX	Virtus Duff & Phelps Real Asset	22	20
AGASX	Virtus Global Allocation	25	25
VRMCX	Virtus KAR Mid Cap Core	8	0
ASCFX	Virtus Small-Cap	0	6
AIISX	Virtus International Small-Cap	0	6
VPKIX	Vanguard Pacific Stock Index	7	8
AEMOX	Virtus Emerging Market	10	10
VMFRX	Virtus Newfleet Multi-Sector Intermediate	7	7
FNBGX	Fidelity Long-Term Treasury	18	13
	Weighted average fee	**0.56%**	**0.58%**

UPDATE INDIVIDUAL INVESTMENT OPTIONS

SUMMARY OF PROPOSED FUND CHANGES

VIRTUS VP DISTRIBUTORS

Proposed Fund Additions				
	Ticker	Fund name	Fee	Rationale
Global Equities	ASCFX	Virtus Small-Cap	0.77%	Incorporating the Fund offers exposure to small cap U.S. equities with a balanced set of factor exposures, including overweights in growth, value & quality and neutral on momentum. The Fund also has a managed volatility sub-strategy.
	AIISX	Virtus International Small-Cap	1.00%	Incorporating the Fund enables additional flexibility in gaining exposure to small cap international equities with a balanced set of factor exposures, that includes growth, value, quality and neutral on momentum.
	RMDZX	Virtus Silvant Mid-Cap Growth Fund	0.67%	Silvant is familiar to 529 program participants and as a manager, has demonstrated its capacity for managing US growth equity strategies. The addition of the Fund complements the other offerings in the individual investment lineup, including the Ceredex Small Cap Value Fund.

Proposed Fund Deletions				
	Ticker	Fund name	Fee	Rationale
Global Equities	VRMCX	Virtus KAR Mid-Cap Core	0.87%	This Fund is replaced with a small-cap growth fund that complements that other offerings in the individual investment options and, while active, maintains a tracking error of roughly 3-6%.
	SCIZX	Virtus SGA International Growth	0.95%	This Fund's weight was previously reduced in the last rebalance and is now replaced by a combination of funds, including the Vanguard Pacific Stock Index and the Virtus International Small Cap Fund. Removing this Fund also enabled increased exposure to the Virtus Emerging Markets Opportunities Fund
	VRISX	Virtus KAR Intl Small-MidCap	1.08%	This Fund was replaced by a combination of new and existing funds, including the Virtus International Small Cap Fund and the Nuveen International Equity Index Fund.

Program Changes

Glidepath Update	▪ No Change
Strategic Asset Allocation	▪ No Change

Allocation Changes

Asset Allocation	▪ The portfolios are aligned with the SAA and continue to have modest overweights to global equities and real assets, funded by underweights to nominal bonds (on an exposure basis) and cash and ultrashort bonds. ▪ In fixed income, we favor maintaining an overweight in duration versus the strategic asset allocation at about one-half year in the near college and diversified bond portfolios. ▪ We fund a modest overweight to global equities and real assets ranging from 2% to 5% across the portfolios with an underweight to cash and core bonds (in exposure terms).
Fund Level Changes	**Age-Based and Static Portfolios** ▪ The net effect of underlying fund changes is to remove two funds, add two new funds and reincorporate in the age-based portfolios, one passive fund currently held in the individual investment options. ▪ The age-based and static portfolios have 16 underlying funds. **Individual Investment Options** ▪ One individual investment option, KAR Mid-Cap Core Fund, will be replaced by Silvant Mid-Cap Growth Fund ▪ Three blended strategies will be rebalanced to reflect the updated asset allocation views. ▪ The same two funds added to the age-based portfolios will also be added to the blended portfolios. ▪ In total, three funds will be removed from the blended strategies: KAR Mid-Cap Core Fund, SGA International Growth Fund and KAR International Small-Mid Cap Fund
Fees	▪ As of 5/31/26, the overall the asset-weighted fee for the age-based program is 44 basis points.

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