New Hampshire College Tuition Savings Plan Advisory Commission
Minutes of the Meeting of August 19, 2013

The August 19, 2013 meeting of the New Hampshire College Savings Plan Advisory Commission (Advisory Commission), held at the offices of the New Hampshire Higher Education Assistance Foundation in Concord, was called to order at 10:00 a.m. by Dr. Edward MacKay, Advisory Commission Chair.

Members present, constituting a quorum, were:

Edward MacKay (Chair)	Chancellor (Retired), University System of New Hampshire
Michael Cryans	Public Member, appointed by the Governor
Ross Gittell	Chancellor, Community College System of New Hampshire
Martha Gooze	Public Member, appointed by the Governor
Linda Hodgdon	Commissioner of Administrative Services Dept., representing the Governor
Thomas Horgan	President & CEO, representing the New Hampshire College and University Council
David Mahoney	Representing the Higher Education Commission – Dept. of Education
Tara Payne	Vice President, representing the NH Higher Education Assistance Foundation Organizations
Catherine Provencher	State Treasurer

Members absent were:

Jeanie Forrester	State Senator
Sylvia Larsen	State Senator
H. Robert Menear	State Representative
Lynne Ober	State Representative

Also present at the meeting were Chris Sharpe, Peter Walsh, Allan Telenko, Keith Bernhardt, Kyla Doyle, and Matt Golden from Fidelity Investments (Fidelity), Richard Gustafson, Director of the Division of Higher Education, and Bill Dwyer from the State Treasury.

Review of Prior Meeting Minutes

Minutes of both the May 20, 2013 regular meeting and non-public session were reviewed and presented for approval by Dr. MacKay. Approval was moved by Ms. Gooze and seconded by Mr. Cryans. The motion passed unanimously.

Old Business

a) Dr. MacKay reviewed the impacts of the recently-passed 2014-15 State budget on the operation of the UNIQUE scholarship programs for the current biennium. The legislature has restored the programs to the manner in which they historically operated prior to the 2012-13 biennium. As a result, there was a $1 million UNIQUE Annual Award Allocation distributed to the participating public and private institutions in July, and beginning in August, qualified public and non-profit private institutions will receive monthly distributions under the UNIQUE Endowment Allocation Program ("UAEP") equal to 80% of monthly management fee income received.

b) Treasurer Provencher noted that on June 19 the Executive Council approved amendments to both the Investment Management Agreement and the Management & Administrative Services Agreement that reduce the administrative fee on index portfolios from 15 basis points ("bp") to 9bp, with the State to receive a 5bp share and Fidelity to retain 4bp. The change is expected to reduce revenue by approximately $300,000 annually at current asset levels, but is designed to increase the competitiveness of the Plan in the national marketplace, which could result in Plan asset growth and therefore mitigate the revenue impact.

<u>Summary of Investment Committee Meeting</u>

Dr. MacKay presented an overview of the Investment Committee meeting with the Fidelity team (which preceded the general meeting), highlighting the fact that the funds are now performing well relative to their benchmarks. He noted that the markets appear to be entering a cycle in which actively managed funds may outperform index funds. He also summarized a proposal presented by Fidelity known as active asset allocation, which would allow Fidelity to leverage its capital market expertise in order to introduce greater flexibility around the college savings "glide path". This strategy would allow a portion of the funds invested in primary asset classes (U.S. and non-U.S. equity, investment grade debt, and short-term debt) to be invested in to the extended asset classes, such as commodities, high-yield debt, real estate debt, floating rate debt, and inflation-protected debt. The expected parameters would allow no more than 25% of assets to be allocated to the extended classes in the aggregate and no more than 10% to be allocated to any single extended asset class. The goal of this initiative would be to achieve 50-100bp of enhanced returns.

Mr. Sharpe stated that Dr. MacKay's overview was very accurate and thorough and added that an added objective of active asset allocation would be adding to returns on the upside and minimizing downside returns. Mr. Cryans asked whether Fidelity does backward-looking analysis and modeling in order to quantify how the funds would have performed in prior periods under this approach. Mr. Sharpe replied that with a robust research team of approximately 70 analysts, Fidelity does conduct this type of analysis and is able to share the results with the Advisory Commission if requested. Mr. Horgan asked what the suggested allocation bands would be during the glide path or roll-down. Dr. MacKay explained that there are currently prescriptive levels for each component of each portfolio at a particular time, and it is likely broader allocation "bands" that provide flexibility to respond to market conditions at any given time. Since the Fidelity proposal is to launch this program in early 2014, the team expects to provide more details to the Advisory Commission at the November 25 meeting. Mr.

Horgan asked whether any of the UNIQUE Plan's competitors are using this approach, and Mr. Bernhardt responded that some competitors presently are. Lastly, Dr. MacKay noted that the implementation of active asset allocation would require contract amendments, which are subject to approval by the Executive Council. Therefore depending on how the Advisory Commission votes at the November meeting, Treasurer Provencher would be authorized to seek those amendments.

UNIQUE 2013-14 Annual Allocation Program Scholarship Award Decisions

As a reminder for Advisory Commission members, Dr. MacKay reviewed the Annual Award scholarship and distribution criteria for the 2013-14 academic year, which were approved at the May 20 meeting:

1. Initial Allocation Amount - $1 million, with a refund to the Endowment Trust from any college that does not distribute its initial allocation amount;
2. Expected Family Contribution (EFC) Cap – the EFC cap is zero;
3. Individual Scholarship Award - $300 maximum per full-time student;
4. Guarantee for Reimbursement of Awards – guaranteed reimbursement to participating institutions for any amounts awarded in excess of the original allocation; and
5. Deadline for filing the federal Free Application For Student Aid (FAFSA) – To be eligible for a student award for the 2013-14 academic year, a FAFSA for the student has to be received on or before December 31, 2013.

In mid-July and early August the State Treasurer distributed a communication to all participating institutions regarding the approved UNIQUE Annual Awards criteria, and all initial allocation payments have now been distributed.

Dashboard Review as of June 30, 2013

Dr. MacKay provided the semi-annual review of the College Savings Plan Dashboard Report as of June 30. This report presents the 529 Plan's historical and forecasted account management fees, actual fee revenue received, and projected participant account balances, as well as a historical analysis of the Endowment Trust Fund and scholarship information. Dr. MacKay described the various historic trends and future projections that inform the Advisory Commission in its decision-making capacity, particularly with respect to scholarships.

In the course of reviewing the report, Dr. MacKay highlighted that at the time the Annual Awards criteria were approved by the Advisory Commission on May 20, the draft biennial budget had an allocation of only $1 million for direct scholarship aid to financially-needy students. However, as noted earlier, the final budget signed by Governor Hassan in early July restores the UNIQUE Annual and Endowment programs to their historical method of operation. As a result, and based on anticipated management fee income of approximately $11.7 million for fiscal year 2014, there is now a total of approximately $2.25 million available for direct scholarships under the Annual Award program. Therefore Dr. MacKay asked the Advisory Commission to re-visit the Annual

Award criteria approved on May 20 to determine whether it was appropriate to revise any based on the final State budget. As a specific point of consideration, he asked whether it would be reasonable to increase the individual scholarship award amount for full-time students to $700-$750.

A lively and robust discussion ensued among Advisory Commission members, with Mr. Cryans and Dr. Gittell both pointing out that since the legislature liquidated most of the UNIQUE Endowment Trust Fund in 2011, it would be better to distribute funds today for the benefit of students rather than build up a large Trust Fund balance that might once again be depleted to benefit the General Fund. Ms. Gooze expressed her agreement that it would be preferable to get the funds to needy students now. Treasurer Provencher offered that one way to view the approximately $3 million Trust Fund is as a type of reserve or "rainy day fund" to be used whenever management fee income and fund earnings are insufficient to fund Annual Awards. Following this discussion, Mr. Cryans moved that the Advisory Commission increase the amount of individual scholarship awards for full-time students from $300 to $700. Ms. Gooze seconded the motion, and Dr. Gittell modified the motion to include maintaining the expected family contribution at zero. The Advisory Commission then voted and passed the motion unanimously. The State Treasury will distribute communications to participating colleges and universities regarding the revised Annual Award scholarship amount.

Dr. MacKay then turned the floor over to Dr. Gustafson to address the issue of administrative reporting support previously provided to the UNIQUE Plans by the former Postsecondary Education Commission ("PEC"). Such administrative support includes reporting essential enrollment and tuition/fee data required under Administrative Rules (Csp), as well as data collection and compliance monitoring of scholarship reporting from the colleges and universities. In 2011 the legislature eliminated the PEC, terminating half of the staff and shifting the other half to the newly-formed Higher Education Commission ("HEC") under the Department of Education. During the 2012 and 2013 fiscal years, the HEC was able to leverage existing federal funding in order to continue providing this administrative support to the UNIQUE Plans. However continued federal support is now in jeopardy, meaning that HEC would not likely be able to continue providing such support, unless a "maintenance of effort" appeal filed at the federal level by HEC is accepted. Dr. Gustafson went on to explain that with an approximately $36,000 per year reimbursement from the UNIQUE program, the administrative support from HEC could continue beyond 2013. Dr. Gustafson agreed that if the maintenance of effort appeal is successful then it would not be necessary for the UNIQUE program to provide the reimbursement at this time. Treasurer Provencher added that the State Treasury has neither the resources nor the expertise to perform these administrative functions. Dr. MacKay then asked the Advisory Commission for a motion relative to this request. Mr. Horgan moved that, subject to the maintenance of effort appeal outcome, the Advisory Commission provide the requested $36,000 reimbursement to HEC out of the annual operating budget. Ms. Gooze seconded the motion, and the Advisory Commission voted unanimously to approve the motion.

Update of Endowment Trust Fund and Scholarship Disbursements

The Endowment Trust Fund and scholarship update report, for the quarter ended June 30, 2013, was submitted by Treasurer Provencher. The Endowment Trust Fund had a balance of $3.166 million as of quarter-end, slightly higher than the $3.043 million fund balance at the beginning of the fiscal year due to interest, dividend earnings, and net market gains/losses in the fund during the current fiscal year of approximately $140,000. Fee revenues for fiscal year 2013 totaled $10.7 million, exceeding budgeted revenue by $500,000. Reimbursements to the General Fund (out of management fees received) for appropriation payments made to USNH and CCSNH, pursuant to 2011 HB 2, totaled approximately $9.92 million. As approved by the Commission at the July 25, 2011 meeting, a $500,000 UNIQUE Endowment Allocation to the State's private colleges and universities was distributed on December 15, 2012. Administrative expenses for the fiscal year totaled approximately $282,000, reflecting $242,400 for the annual audit of the Plans by PricewaterhouseCoopers, Treasury overhead allocations of nearly $29,000, annual membership dues for the College Savings Plan Network and College Savings Foundation of $6,500, and $4,700 of net Endowment Trust Fund management fees.

Treasury Provencher also presented a memorandum from herself and Chairman MacKay describing the use of just over $400,000 in UNIQUE Endowment funds returned by Chester College in June. Chester ceased operations in 2012 and under the provisions of the UAEP Application and Agreement was therefore required to return all funds in its endowment established in accordance with the agreement. Unfortunately both statute and Administrative Rules (Csp) are silent regarding how returned endowment funds are to be treated therefore the Treasurer and Chair determined that a reasonable solution was to use the funds to provide full reimbursement to the four institutions that distributed Annual Awards to students during the 2012-13 academic year, in the absence of sufficient trust earnings.

Maximum Participant Contribution

Mr. Golden from Fidelity described contribution limit trends and related developments in the 529 industry. He noted that at $350,000 the UNIQUE 529 Plan ranks 17thhighest nationally in terms of Plan Maximum Contribution limit, with a ranking of 15th highest taking into account instances of multiple state plans at the same contribution limit. The State of Florida 529 plan currently has the highest limit at $418,000, while 23 states have a limit lower than $350,000.

Mr. Golden explained that at public 4-year colleges in New England, expenses, including tuition, fees, room, and board, average approximately $21,000 per year, while the costs total over $49,000 at private New England 4-year colleges. Advisory Commission members were also provided with an updated version of the Dartmouth College contribution determination analysis, which is based on 7 years of matriculation (undergraduate and graduate combined) at the current tuition and fee rate. The current total under this approach is $429,000.

With a total of only 159 participant accounts combined (direct and advisor-sold) currently above the $350,000 limit, Fidelity's recommendation was to either maintain the limit at the current level or increase it to $375,000. Mr. Golden noted that when an account reaches the Maximum Contribution Limit, additional contributions are suspended, although the account can continue to grow through earnings. In response to a question from a member of the Advisory Commission, Mr. Golden stated that a higher maximum contribution limit is not a particular sales feature or competitive advantage and that Fidelity is truly neutral with respect to both recommendations.

Following the presentation, Mr. Cryans moved to increase the limit to $375,000 and Mr. Horgan seconded the motion. During the ensuing discussion, Dr. Gittell expressed a concern that raising the limit could result in decreased tax revenue for the State Treasury. In contrast, Ms. Gooze indicated that having the UNIQUE Plan ranked among the top 10 for maximum contribution limits nationally would have some appeal (the increased limit would place UNIQUE in a 7th place tie with NY). As the discussion continued it became very evident that the Advisory Commission was divided on this issue. Following the conclusion of a very thoughtful assessment by Advisory Commission members Dr. MacKay asked for a vote on the motion. Four members opposed the motion (Dr. Gittell, Commissioner Hodgdon, Treasurer Provencher, and Mr. Mahoney) while four others supported it (Mr. Horgan, Ms. Gooze, Mr. Cryans, and Ms. Payne), leaving Dr. MacKay to cast the deciding vote. He voted in favor of the motion to increase the maximum contribution limit to $375,000. Based on this outcome, Mr. Golden stated that the change would be announced and implemented via the year-end 2013 offering statement.

New Hampshire's 529 Program & 529 Plan Industry Update

Mr. Golden then presented the second quarter 2013 program and industry update. Total 529 Plan market-value industry assets as of June 30, 2013 increased 1.8% from the previous quarter and 16.6% year over year, while New Hampshire's UNIQUE and FA 529 plans combined increased by 1.1% for the quarter and 12.5% year over year. The rate at which state 529 plans grow or decline in any given quarter is largely determined by asset mix, which accounts for the varying growth rates among the top ten plans, and Mr. Golden explained that the slower growth in the NH Plan relative to other state plans was due to it's being a more mature plan with higher weightings in fixed income funds as well as higher volumes of redemptions for those beneficiaries now attending college. He went on to say that the State of Nevada is Vanguard's national plan, combined with 3 other plans (distributed by USAA, State Street, and Putnam) operating in that state, helped propel Nevada's plans to a faster growth rate in the quarter.

On a combined basis, the New Hampshire Programs remained the 3rd largest in the country in asset value as of June 30, with over $12 billion in assets (at market value) and approximately 6.6% of the industry's market share. New Hampshire followed Virginia ($41.4 billion in assets) and New York ($15.8 billion in assets) and was ahead of 4th place Nevada ($11.3 billion in assets). In the direct-sold segment, the UNIQUE Plan remains in second place with an 8.8% market share, trailing New York's 14% share and slightly ahead of Nevada's 8.7% share. On the advisor-sold side, the FA 529 Plan ranks fifth with a 4.2% market share, trailing Virginia, Rhode Island, Maine, and Ohio. The Nevada plan solidified its position in the overall rankings as a result of its low-cost, index plan administered by Vanguard.

Mr. Golden stated that as a result of low market interest rates, the money market portfolios' returns were, at times, exceeded by portfolio fees and expenses. The Advisory Commission therefore authorized Fidelity, at its request, to waive certain fees for both the UNIQUE direct and the FA 529 Advisory plans to prevent negative returns on each plan's money market portfolio. This practice has been in effect since late 2009 due to the historically low interest rate environment. Total waived fees through the second quarter of 2013 totaled $387,000.

On the national legislative front, Ms. Doyle reported that in the second quarter there has been no movement on H.R. 529 (enhancing college savings plans in terms of investment flexibility, qualified expenses, and tax treatment), which was assigned to a congressional committee in early February for consideration before possibly being referred to the entire House or Senate. It is estimated there is only a 2% chance that the bill will move beyond the committee and virtually no likelihood of its ultimate passage. There was also no progress on "ABLE" Act legislation, which was reintroduced in the Senate in February, includes tax-advantaged savings accounts under Section 529 for individuals with disabilities and allows the savings to be used to fund both college-related expenses and "quality-of-life" support. This bill was also assigned to a congressional committee and faces a similar fate to H.R. 529. Lastly, H.R. 2006, the "Helping Families Save for Education Act", was introduced and assigned to a legislative committee on May 15. Provisions of the bill include an increase in the beneficiary age limit from 18 to 22 and an increased maximum contribution limit in any taxable year from $2,000 to $10,000. This bill faces the same low likelihood of passage as the previous two.

Key program enhancements to the New Hampshire plans for the second quarter 2013, as summarized by Ms. Doyle, include ongoing industry and legislative/regulatory updates as described above. Improved customer experience initiatives have been completed in the areas of FDIC service communication, standing check payment instructions (allowing account owners to phone Fidelity to request redemptions for tuition payments by check), trading authority communication, and Bill Pay enhancements. During the second quarter, the retail plan added the Fidelity Series Commodity Strategy Fund and removed the Fidelity Commodity Strategy Fund and the Fidelity Disciplined Equity Fund. The advisor-sold plan made identical changes to the Fidelity commodity funds. In addition, the Intermediate Bond Portfolio will be renamed the Limited Term Bond Portfolio in October. Lastly, the FA 529 omnibus recordkeeping/networking initiative with Ameriprise remains on track to launch in 2014, with the goal of having two partners in place by the end of next year.

UNIQUE College Investing Plan Review

Since there was not sufficient time to review the Competitive Analysis during the Investment Committee meeting, Mr. Telenko presented it at this time, providing several illustrative examples of competitors and Fidelity. The review compared age based products looking at performance of funds with similar equity allocation. It was noted that the review is not an attribution analysis but rather, provides a general overview of performance based on publically available data and general observations were made about the asset allocation of competitors and Fidelity products.

In the 1-year time horizon for active age-based portfolios, Fidelity broadly outperformed competitors T. Rowe Price, USAA, Schwab (Moderate Aggressive Portfolio), and Franklin

Templeton (Moderate Portfolio), in addition to the Fidelity multi-firm portfolios. In the 3-year segment Fidelity consistently outperformed USAA and Franklin Templeton (Moderate), while performing in line with Schwab (Moderate Aggressive), and generally underperforming against T. Rowe Price. In the 5-year timeframe Fidelity underperformed against all four competitors, including Franklin Templeton Growth.

In terms of 1-year results in the age-based index segment, Fidelity largely outperformed Oppenheimer, while generally performing in line with both Vanguard portfolios (NY Moderate Portfolio and NV Moderate Portfolio). In the 3-year timeframe Fidelity outperformed Oppenheimer and Vanguard (NV Moderate) with mixed results against Vanguard (NY Moderate). Lastly, Fidelity underperformed all four competitors in the 5-year horizon in its index portfolios.

Ms. Doyle reported to the Advisory Commission that as of June 30, 2013 UNIQUE retail plan assets totaled $8.30 billion in market value, consisting of 481,294 participant accounts and maintaining an 8.8% market share, second among plans in the direct-sold segment. She noted that the 50% share of industry assets in age-based portfolios registers significantly lower than Fidelity's 81% at the end of the second quarter. The UNIQUE Plan also exceeds the industry average at 57% of participant accounts enrolled in automatic contributions at year end, compared to 38% of industry accounts.

New accounts grew by 9,153 in the second quarter, with the number of new accounts increasing by 22% compared to the second quarter of 2012. Much of the growth resulted from a significant increase in May that appeared to be in response to specific marketing activities noted below. The average account size of a UNIQUE portfolio was $22,479 as of June 30, compared to the average account size in the industry of $15,669. Contributions for the second quarter of 2013 totaled over $223 million and exceeded second quarter 2012 contributions by 15%. The average monthly new account and existing account contributions in the second quarter were $3,719 and $136 respectively, with the same metrics for NH residents registering $1,984 and $230 respectively.

Participants residing in New Hampshire are 5th out of all states at 4.95% of total accounts in the retail Plan and follow Texas (12.31%), California (11.62%), New Jersey (7.92%), and Florida (5.87%). The average balance of a UNIQUE participant residing in New Hampshire is $16,070. With respect to assets under management in the UNIQUE Plan, New Hampshire ranked 7th, trailing California, Texas, New Jersey, Florida, Illinois, and Pennsylvania.

At the end of the second quarter of 2013, 81% of the UNIQUE retail participant assets were held in age-based portfolios with 13% in static portfolios, and the remaining 6% in individual and bank deposit portfolios. During the second quarter, 84% of net flows were into age-based portfolios (including 13% for multi-firm portfolios), 9% into static portfolios, and the remaining 7% into individual and bank deposit portfolios on a net basis. On a year-to-date basis through the second quarter of 2013, the College aged-based portfolio, both actively managed and index portfolios, experienced negative net cash flows at the rate of 12.87% and 0.60% of all portfolio cash flows respectively as funds were redeemed to pay college costs. This was also the case for the 2012 active age-based portfolio, with outflows constituting 8.52% of all cash flows. The Money Market portfolio experienced cash outflows at the rate of 0.61% of all portfolio cash flows, while the Bank

Deposit portfolio has undergone cash outflows at 0.76% of total portfolio activity, both caused by investor confidence returning and funds moving to higher-return investments.

Ms. Doyle also presented both nationwide and local marketing efforts completed in the second quarter of 2013, including television advertising on NH Public Television, print advertising in local newspapers and magazines with both local and national circulation such as Parenting Magazine, and the annual UNIQUE event at Story Land on June 1. In addition, Fidelity recently issued a press release highlighting a survey of recent college graduate sentiment regarding college debt, with several quotes from Mr. Bernhardt. Outreach initiatives scheduled for the third quarter include the August 18th UNIQUE Kids day at the New Hampshire Fisher Cats (with Treasurer Provencher throwing out the first pitch), summer UNIQUE Peek Into Books children's literacy events taking place throughout the state, and the 7th annual nationwide College Savings Indicator Study. The yearlong partnership with Jump $tart, a financial literacy collaboration with elementary school students in several locations, is also ongoing.

Ms. Doyle reported that Fidelity Investments American Express credit card rebates for the second quarter 2013 totaled over $5.2 million in rewards flows deposited into the UNIQUE Plan, with $25.1 million in rewards to 529 participants and non-participants over the past 15 months.

<u>Fidelity Advisor 529 Plan Review</u>

Mr. Golden reported that the Fidelity Advisor 529 Plan ("FA 529 Plan") had $3.79 billion in market-valued assets under management at June 30, distributed over nearly 200,000 participant accounts. Using the second quarter 2011 as a basis for comparison, 1% fewer new accounts were opened in the second quarter of 2013, with 11.8% more in relative contributions for these same periods. The metrics for the second quarter 2012 were inflated due to a large volume of one-time rollovers from other state plans, as noted in prior meetings.

New Hampshire residents maintained a ranking of 20th in the number of accounts in the advisor-sold plan at approximately 1.48% of all accounts. Residents from California (13.33%), Texas (7.88%), Massachusetts (7.01%), Pennsylvania (5.76%), and Florida (5.41%) constituted the top 5 in the plan at the end of the second quarter. The average account size in the advisor-sold plan was $18,977, with New Hampshire residents averaging $18,366 in account balances.

For the second quarter 2013, net outflows occurred in the age-based College Portfolio resulting in a drop of 3.9% from the prior quarter, as participants began and continued their redemptions for college expenses. Seventy-two percent of all FA 529 assets were held in age-based portfolios, with 20% in individual portfolios, and the remaining 8% in static portfolios. Portfolio activity through the second quarter saw nearly 76% of net flows directed to the age-based segment, with nearly over 22% of net flows into the individual portfolios and 2% into the static.

Mr. Golden presented a summary regarding the proposed repositioning of the FA 529 Intermediate Bond Portfolio. In an effort to reduce the portfolio's sensitivity to changes in interest rates and accommodate the expectation of higher interest rates in the future, Fidelity recommends reducing the duration and weighted average maturity of the portfolio respectively from approximately 4 years to less than 3 years and from 3-10 years to 2-5 years. The portfolio would increase its emphasis on credit-oriented strategies, all of these changes culminating in the change of the portfolio's name to FA 529 Limited Term Bond Portfolio. Following this recommendation, Ms. Gooze moved to approve the requested changes to the portfolio and Mr. Mahoney seconded the motion. The Advisory Commission voted unanimously to approve the changes.

Mr. Golden also submitted an overview of the anticipated integrated marketing efforts on the part of the FA 529 Plan throughout the year. The initiatives combine elements such as e-mail surveys and direct mail informational communications, statement stuffers, and back-to-school and holiday gifting outreach, with Fidelity sales support, website promotion, client meetings, marketing promotion, and sales interaction augmenting these efforts. The "Celebrate 529 Day" and "529 Opportunity" e-mail campaigns were launched in May and June respectively, with Mr. Golden presenting detailed results. In the May campaign nearly 43,000 e-mails were distributed to financial advisors, with 5,980 e-mails opened (14% open rate), and 74 "click-throughs" (1.2% click-through rate). Since the click-through rate was lower than normal, the campaign was re-launched under a different subject line to those who did not open the first e-mail. In this instance, over 40,000 e-mails were distributed, with 4,767 e-mails opened (11.7% open rate), and 70 "click-throughs" (1.5% click-through rate). An open rate of greater than 10% is considered successful for these types of campaigns. There was also a "School's Out" direct mailer distributed in early June to more than 80,000 prospects and current 529 holders.

Other state plans continue to utilize Fidelity funds on an investment-only basis, with $13.6 million in market-value assets as of June 30, 2013:

Nevada (Putnam - $3.6 million since inception in October 2010)
South Carolina (Columbia - $10 million since inception in October 2012)

<u>Review of Other Items</u>

Dr. MacKay noted that the appointment terms for the two public members appointed by the Governor will expire on September 4. He also explained that new USNH Chancellor Todd Leach or his designee will assume the USNH appointee slot on the Advisory Commission effective September 1, replacing Dr. MacKay. Ms. Gooze announced that she will not seek reappointment to the Advisory Commission from Governor Hassan as one of the public members and will further recommend to the Governor that Dr. MacKay be nominated so that he can continue to serve the Advisory Commission and advocate for New Hampshire college students, as well as continue to provide his investment expertise to the Commission. Dr. MacKay and members of the Commission thanked Ms. Gooze for her dedication and valuable service since the inception of the UNIQUE programs. Mr. Cryans then indicated that he would seek reappointment to the Advisory Commission to take effect September 5.

Hearing no additional new business, Dr. MacKay adjourned the meeting at 12:10 p.m.

NOTE: The next regular meeting is scheduled for Monday, November 25, 2013 beginning at 10:00 a.m. at the New Hampshire Higher Education Assistance Foundation in Concord. There will be no Investment Committee meeting.