November 25, 2024

Hal E. Greer, Director
Joint Legislative Audit and Review Commission
919 East Main Street
Suite 2101
Richmond, Virginia 23219

Dear Mr. Greer,

It is our pleasure to present the Annual Report (the Report) of the Virginia College Savings Plan for the fiscal year ended June 30, 2024, as required by Section 30-332 (A) and (B) of the Code of Virginia. On July 1, 2024, the Virginia College Savings Plan's official name was legally changed to the Commonwealth Savers Plan. After this letter, which pertains to information from June 30, 2024, future communications will use the new name.

The following documents provide information about planned or actual changes in asset allocation, investment performance of all asset classes and subclasses, investment policies and programs and some other information.

Report Contents

Within this submission, we are providing the following information:

- **Attachment A** - Audited Financial Statements for the year ended June 30, 2024
- **Attachment B** - Actuarial Valuation Report for the Defined Benefit 529 Program for the year ended June 30, 2024
- **Attachment C** - Asset Allocation and Performance of the Defined Benefit 529 Program for the fiscal year ended June 30, 2024
- **Attachment D** - Asset Allocation and Performance of the Invest529 Program for the fiscal year ended June 30, 2024
- **Attachment E** - Investment Policies and Guidelines for the Defined Benefit 529, Invest529, ABLEnow and RetirePath Programs

Sincerely,

Mary G. Morris

Attachments
pc: Commonwealth Savers Plan Board

Attachment A

Financial Statements
for the year ended June 30, 2024

Virginia College Savings Plan

An Enterprise Fund and Fiduciary Fund of the Commonwealth of Virginia
Annual Comprehensive Financial Report for the fiscal year ending June 30, 2024

Virginia529℠ ABLEnow® retirepath VA℠

Virginia College Savings Plan

AN INDEPENDENT AGENCY
OF THE COMMONWEALTH OF VIRGINIA

Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
An Enterprise Fund and Fiduciary Fund of the
Commonwealth of Virginia

Prepared by the Finance Division
of the Virginia College Savings Plan

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Statistical Section

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

November 17, 2024

Board of the Virginia College Savings Plan
9001 Arboretum Parkway
North Chesterfield, Virginia 23236

To Members of the VA529 Board, Customers and Commonwealth of Virginia Citizens:

It is our pleasure to present the *Annual Comprehensive Financial Report (the Report)* of the Virginia College Savings Plan (VA529) for the fiscal year ended June 30, 2024, as required by Section 23.1-709 of the *Code of Virginia*. This Report is delivered to the Governor, the Senate Committee on Finance and Appropriations, the House Committees on Appropriations and Finance, and the Joint Legislative Audit and Review Commission. The Report is also available on our website at Virginia529.com.

MISSION AND PROGRAMS

As an independent non-general fund agency, VA529 has multiple statutory mandates and missions, all centered on financial wellness and preparation for the future of Virginia citizens. The longest standing mandate centers on educational attainment, which VA529 has done since it opened in 1996 offering education savings programs to help make higher education more affordable and accessible. Those mature programs include the Defined Benefit 529 Program (legacy Prepaid529℠ and the Tuition Track Portfolio), Invest529℠ (which includes the Tuition Track Portfolio), and CollegeAmerica®. The results of operations of the Defined Benefit 529 (DB529) Program and Invest529℠ are reported in the financial statements. In addition to the savings programs, which are open to all Virginians and across the country, VA529 also meets its mission to help make college more affordable and accessible to all Virginians through its access initiatives, which started 13 years ago with SOAR Virginia®. This program focuses on three primary areas (mentoring and coaching, scholarships and workforce training) including its longest standing initiative SOAR Scholars, an early commitment scholarship program for students interested in continuing their education beyond high school. Expansion initiatives that began in 2021 closely align with administration and legislative priorities around access to higher education by funding a variety of mentoring, coaching, and scholarship programs. During 2023, in anticipation of further expansion of access initiatives, VA529 created an Access Fund with an initial allocation of $500 million from the DB529 fund. Throughout fiscal 2024, this fund accrued earnings and unrealized gains.

VA529's statutory mission was expanded in 2015 to establish programs to provide tax-advantaged savings options to individuals with disabilities, allowing them to save for qualified disability expenses without losing important federal and state means tested benefits. VA529 opened the ABLEnow program in 2016 and ABLEAmerica in 2019.

In 2021 VA529's statutory mission was expanded once more to include developing a workplace private retirement savings option for many working Virginians without access to retirement savings through their employers. VA529 launched RetirePath Virginia, an auto-enrollment individual retirement account (IRA) program, in June 2023.

FIDUCIARY RESPONSIBILITY OF THE BOARD

The Board, as trustee of the funds administered by VA529, has a fiduciary duty to its customers, to VA529 programs and to the Commonwealth. To assist in fulfilling its responsibility with respect to the investment of VA529 assets, the Board has appointed an Investment Advisory Committee (IAC). In addition, it has adopted various investment policies and guidelines for its programs. The assets of the DB529 program are invested in a prudent manner that is intended to provide for the adequate funding of the program's education benefit liability. To assist the Board in fulfilling its responsibilities relating to the integrity of VA529's financial statements, financial reporting processes and systems of internal and financial controls, the Board has appointed an Audit and Actuarial Committee (A&AC). The IAC and A&AC are permanent advisory committees of the Board pursuant to §23.1-702 of the Code of Virginia, as amended.

The Board has appointed a Retirement Program Advisory Committee (RetirePAC) to assist with fulfilling its responsibilities with respect to the auto-enrollment IRA savings program, and a Compensation Committee to oversee the compensation of VA529 employees. The Board has also appointed an Access Advisory Committee to assist in identifying opportunities to advance access, affordability and attainment of education through management of the SOAR Virginia program. In addition to these five standing committees, the Board has the authority to appoint other advisory committees and set forth the qualifications for those members by resolution. Charters have been adopted for committees to describe their purpose, composition, and how to conduct business, as well as their duties and responsibilities.

ACCOUNTING SYSTEM AND INTERNAL CONTROL

VA529's management assumes full responsibility for the accuracy, completeness and reliability of the information presented. The financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board (GASB). The financial statements contain a description of the accounting principles used in the preparation of the statements. In accordance with GASB principles per the Codification of Governmental Accounting and Financial Reporting Standards, the financial statements include Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it.

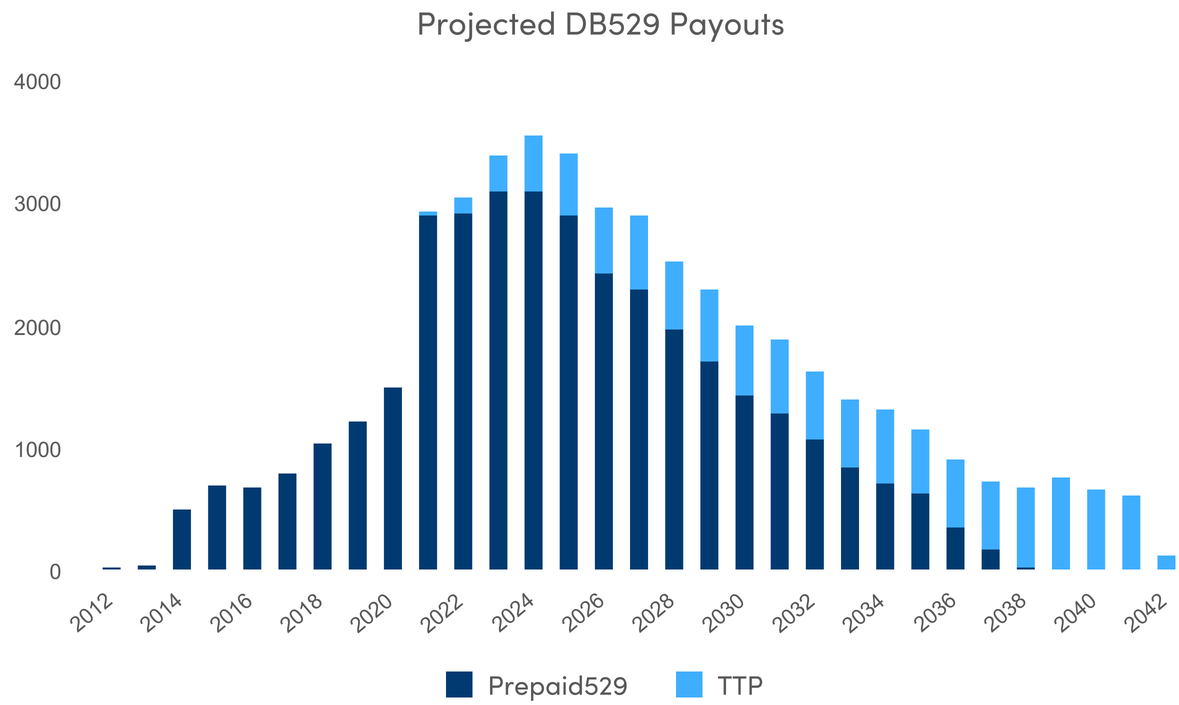
VA529's management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits that are likely to be derived from the control. The internal control system includes the organization plan, the appropriate segregation of duties and responsibilities and sound practices in the performance of duties, data security, and personnel with capabilities commensurate with their responsibilities.

ACTUARIAL VALUATION AND OUTLOOK - DEFINED BENEFIT 529 PROGRAM

VA529's most recent actuarial valuation report for the DB529 Program, which includes the legacy Prepaid529 Program and the Tuition Track Portfolio of Invest529, was prepared by VA529's actuary as of June 30, 2024. The actuarial report compares the value of the current and projected assets to the value of the expected future disbursements and program costs. The actuarial valuation was performed based upon generally accepted actuarial principles, which differ from GAAP due to the different purposes and uses of the information. The two most significant assumptions used to prepare the actuarial valuation report are the long-term rate of investment return and future tuition growth at Virginia public universities. Upon completion of an actuarial experience study in fiscal 2023, certain demographic assumptions were also updated for use in preparing the valuations.

The report indicates an increase in the DB529's actuarially determined funded position as of June 30, 2024 from the previous fiscal year. This was partially due to the decrease in liabilities as educational benefits were paid out throughout fiscal year 2024. Investment market performance during fiscal 2024 resulted in higher than expected overall fund performance during fiscal 2024. We are pleased to report that the Program was 192.8 percent funded on an actuarial basis as of June 30, 2024.

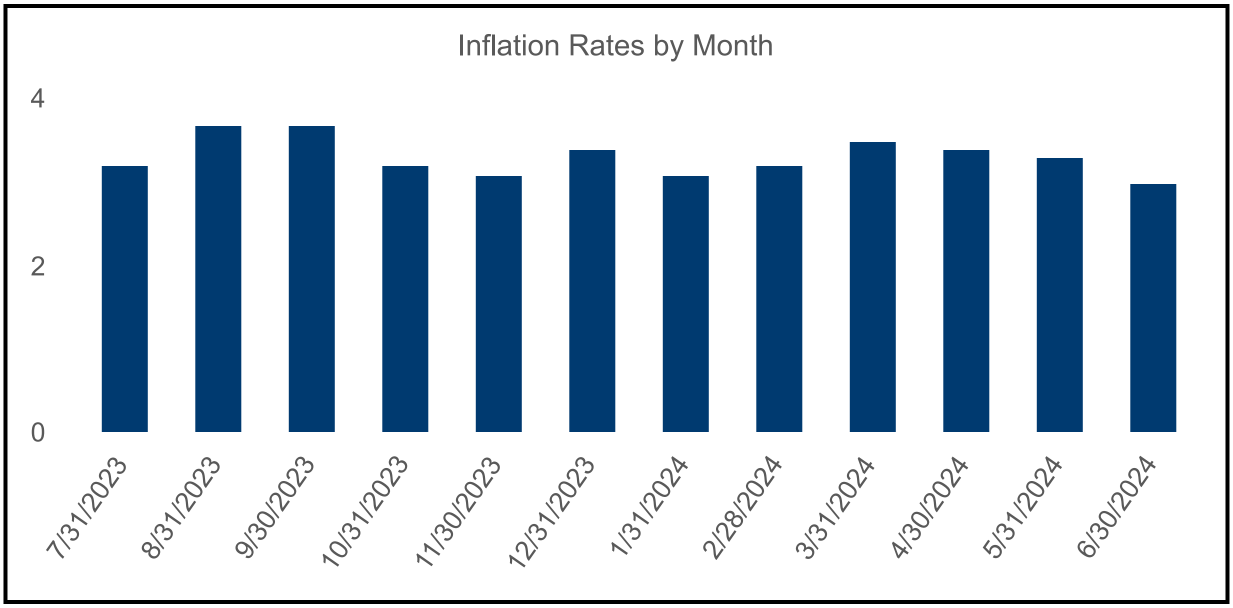
VA529 continues to remain optimistic that its asset allocation and investment strategies will result in the DB529 Program meeting or exceeding performance expectations over the long term. VA529 has an assumed rate of return of 5.75 percent on DB529 Program investments for future periods. As of June 30, 2024, the Total Fund returned 6.12 percent, net of fees, since inception and 7.6 percent, net of fees, for the fiscal year 2024. VA529 has adopted a long-term target asset allocation strategy for the DB529 as set forth within its Investment Policy and Guidelines. Below is a graph, which represents the projected future payouts of the DB529 Program based on units already sold as of fiscal year-end, 2024, with no additional sales.



Overall, global financial markets performed strongly over the course of the fiscal year. Despite continued international geopolitical uncertainties, the U.S. equity bull market continued in fiscal 2024 led by the Magnificent 7 - a collection of seven high performing, technology-centric stocks which lead the stock market. The S&P 500 gained 24.5% for the year and the Russell 2000 gained 10.0% reflecting significant dispersion between large and small cap stocks. International markets, both developed and emerging, fared well as reflected in the MSCI EAFE and MSCI emerging markets indices up 12.2 and 12.9 percent, respectively. Fixed Income markets posted slightly positive returns with credit spreads falling to a 2-year low and the Bloomberg Aggregate gaining 2.6%.

US economic growth continued to remain generally strong over the fiscal year 2024. Inflation has been gradually decelerating with headline CPI being 3% year-over-year through June 2024 while core CPI came in at 3.3%. The U.S. unemployment rate has slightly increased from 3.6% at the end of fiscal year 2023 to 4.1% by the end of the fiscal year 2024. The US' economic resilience and higher than target inflation led to the Fed remaining cautious and holding off on rate cuts.

Inflation rates are presented as percentages by month in the chart below.



Source: tradingeconomics.com | Bureau of Labor Statistics

These macroeconomic factors contributed to the returns of the DB529 Program, shown below:

DB529 Fund Returns (as of June 30, 2024)

Type of Investment	1 Year Return	1 Year Return Benchmark	Calendar YTD Return	Calendar YTD Benchmark
Total Fund	7.56 %	9.70 %	3.72 %	4.78 %
Total Equity	20.10 %	19.92 %	11.63 %	11.58 %
Total Fixed Income	8.11 %	7.46 %	2.68 %	1.73 %
Alternatives	(2.17)%	5.03 %	0.10 %	5.70 %

VA529 optimistically maintains its long-term asset allocation and return focus, designed to endure economic downturns and meet established expectations for the future.

The other significant factor in the DB529's ability to meet future contractual and account obligations is the future growth in tuition and mandatory fees at Virginia's public colleges and universities. Due to moderating tuition and fee increases at Virginia public institutions from FY2021 to FY2023, resulting from large investments by the state in higher education, the average increase assumption for the 2023-24 academic year was higher than the rates for those fiscal years. The increase rate for the 2024-25 academic year is lower than the average increase rate over the previous year.

Most Virginia institutions saw some form of tuition and/or fee increase for the 2024-25 academic year. Virginia's four-year institutions increased the total charge for tuition and all mandatory fees by an average of 3.05 percent from the previous academic year on an enrollment-weighted average basis, while the Virginia Community College System increased its total tuition and fee amounts by 3.0%. As the State Council of Higher Education for Virginia (SCHEV) highlighted in its 2024-25 Tuition and Fees report, Tuition and Mandatory Educational & General (E&G) Fees increased an average of 2.5 percent, across four-year institutions, with Mandatory Non-E&G Fees (those related to non-instructional activities) increasing 3.3 percent for the upcoming academic year. In aggregate, tuition and total mandatory fees rose 2.8 percent, or $419, across four-year Virginia public colleges and universities.

In its assessment of the Program's' financial condition, VA529 has forecasted tuition and fees at Virginia's public universities to increase annually at a rate of 4 percent for the academic year beginning in fall 2025 and a 6 percent increase thereafter. Tuition increases for community colleges are forecasted to increase annually at a rate of 3 percent for the academic year beginning in fall 2025 and 6 percent thereafter. Future budget shortfalls, spurred in part by a significant decrease in tax revenues, as well as increases or reductions in funding support to higher education institutions could possibly result in more volatile tuition rates in the coming years. A significant increase in these rates could negatively affect the Defined Benefit 529 Program's portfolio, and alter projected long-term obligations. As SCHEV is statutorily obligated to report such tuition and fee changes, VA529 remains in a strong position to stay informed and adjust accordingly.

LEGISLATIVE UPDATES

During fiscal 2024, several bills were introduced in the Virginia General Assembly and the U.S. Congress that could have impacted VA529's programs and operations. Of these, the only major state legislation that directly impacts the agency was House Bill 1133 which passed during the 2024 General Assembly session. The bill was introduced at the request of the agency and changed the statutory and legal name of the agency from "Virginia College Savings Plan" to "Commonwealth Savers Plan." The purpose of this change was to better reflect the growing mission of the agency beyond college savings to include ABLE disability savings, retirement savings, and access initiatives. The name change becomes effective July 1, 2024 and the agency anticipates a rebrand initiative to be completed by the end of fiscal 2025.

No federal legislation significantly affecting VA529 was enacted during 2024. VA529 worked to implement a new provision coming out of the retirement savings tax package, the SECURE 2.0 Act, which was passed during the previous fiscal year. This provision, effective January 1, 2024, provides a new opportunity to roll over unused funds in a 529 account to a Roth IRA owned by the beneficiary, subject to certain requirements. VA529 has taken steps to implement this provision by assessing operational needs, planning marketing and outreach initiatives, and establishing and adopting industry best-practices. Several pending federal proposals were introduced in fiscal 2024 which may impact VA529's program offerings. These include S. 4539, the ENABLE Act which removes statutory sunsets on several ABLE-related provisions, and HR 8438, the ACCESS Act which expands 529 qualified expenses to include reasonable transportation costs tied to a school's cost of attendance calculation.

2024 PROGRAM HIGHLIGHTS

Defined Benefit 529 Program

Collectively, the legacy Prepaid529 and Tuition Track Portfolio (TTP) programs are referred to as the DB529 Program.

VA529 continued to enhance its enterprise risk management (ERM) program via the work of its DB529 Risk Committee with specific focus on risk analysis, stress testing and further evaluation of the DB529 fund beyond that of the annual actuarial valuation. This committee continued the implementation of a comprehensive risk framework (framework), risk modeling process and enhanced reporting of information to the A&AC and Board. An independent risk consulting firm was engaged during the year to further evaluate the comprehensive risk framework and validate the risk modeling process with the anticipation of ongoing enhancements to the capital adequacy framework in fiscal 2025. During fiscal 2024, the Board approved a recommendation from the IAC to adopt the Access Fund Statement of Investment Policy and Guidelines, which outlines investment strategy, asset allocation and a spend policy for the funds allocated to the access fund in 2023, which remain invested alongside the assets of the DB529 Program. The Board also adopted a provisional plan for future access initiatives. This statement of policy, as well as, the provisional access plan would go into effect when legislative treatment of the DB529 Fund and authority to execute on the strategy and investment objectives are obtained.

The Tuition Track Portfolio (TTP) continued to grow during its third full year in operation during fiscal 2024. TTP is the successor defined benefit option to the legacy Prepaid529 program, which closed to new accounts in 2019, and has a primary goal of providing a savings vehicle that is affordable, flexible, and simple to expand the appeal and accessibility of the benefits of the program to a broader demographic across Virginia. The benefit design is enabled by legislation passed in 2019 by the Virginia General Assembly that included provisions for benefits for all accounts at maturity based on enrollment-weighted average tuition (Average Tuition) at Virginia's public higher education institutions as determined by the Board.

TTP allows participants to purchase a desired number of units toward tuition and other qualified higher education expenses. The value of purchased units will keep pace with average tuition inflation at Virginia's 4-year public universities. When distributed at maturity, each unit is valued at 1/100th or 1% of that year's Average Tuition, regardless of how much average tuition has increased since the purchase. TTP is only available for account owners or beneficiaries who are Virginia residents at the time of initial purchase. Units can be purchased up until June 30 of the beneficiary's high school graduation year. The TTP Unit Price and the value of previously purchased units adjust annually on or around July 15, based on changes in Average Tuition. There are no administrative or investment fees assessed against the TTP.

TTP reflected 11,072 unique active accounts and $125 million assets under management as of June 30, 2024. Since TTP is a continuation of the legacy prepaid program, funds are combined and invested with the Prepaid529 assets to meet future obligations of the DB529 Program.

Invest529 and CollegeAmerica Investment Updates

During fiscal 2023, the Invest529 2042 Portfolio was opened to investors as the newest 80/20 (Equity/Fixed Income) portfolio, in accordance with the Invest529 glide path. Fiscal 2024 was the first full fiscal year this portfolio was in existence and it experienced steady growth in accounts throughout the year.

The Invest529 program maintains a low-cost, tiered fee structure, which results in 6 basis points being charged on underlying assets up to $5 billion dollars and 3 basis points on underlying assets exceeding $5 billion. The blended effective rate as of June 30, 2024 was .045%. These fees are calculated and accrued daily by the investment custodian and redemption is made by VA529 on a quarterly basis. There is no administrative fee associated with TTP or the FDIC-Insured Portfolio of Invest529. VA529 performs regular due diligence reviews over its investment managers to ensure alignment and compliance with investment objectives and strategy. This occurs through regular in-person visits and interim calls and meetings as well as a review of documentation and inquiry responses.

During fiscal 2024, both Invest529 and CollegeAmerica received upgrades in medalist ratings from Bronze to Silver from Morningstar®, a provider of independent investment research and advice. Morningstar evaluated 529 education savings plans on four key pillars - Process, People, Parent, and Price. Morningstar reviewed 54 of the 92 open education savings plans in 2023. From this population, only 34 received a recommended rating in the form of Gold, Silver, or Bronze. Others received Neutral and Negative ratings. Medalist plans stand out and are noted for low costs, strong stewardship, and exceptional investment options.

VA529 has partnered with the Capital Group Companies (American Funds) for over 22 years to provide the CollegeAmerica 529 program. During this past year, joint efforts continued in improving marketing, education, and ongoing due diligence. Key leadership personnel from Capital Group meet at least annually with the VA529 IAC and Board. Capital Group and VA529 staff also continued their due diligence meetings to discuss ongoing operations, marketing, legislative, regulatory, and industry topics. Both organizations collaborate extensively on federal legislative initiatives, including work on federal-level advocacy towards passage of the ENABLE Act and the Freedom to Invest in Tomorrow's Workforce Act. Capital Group and VA529 staff continue working closely on soliciting regulatory enhancements and legislative guidance pertaining to the implementation of provisions of the SECURE Act 2.0, which was passed in fiscal 2023, as well as monitoring other legal and regulatory developments impacting 529 plan administrators. The Capital Group and VA529 teams continuing to hold key leadership positions within 529 industry organizations the College Savings Plans Network (CSPN) and the College Savings Foundation (CSF).

The CollegeAmerica program also assesses a low state administrative fee on a tiered structure, which equated to a blended effective rate across accounts of approximately 5 basis points (0.0547%) for fiscal 2024. The American Funds pays VA529 an annual fee equal to nine basis points (.09 percent) of the average daily net asset value of the underlying funds held in CollegeAmerica up to $20 billion; the fee is reduced to five basis points (.05 percent) for amounts in excess of $20 billion up to $75 billion with further reductions to three basis points (.03 percent) for amounts above $75 billion. This fee is calculated and accrued daily and paid to VA529 on a quarterly basis. As of June 30, 2024, the CollegeAmerica program offered 46 American Funds mutual funds, including its Portfolio Series and College Target Date Funds, and Invest529 offered 22 investment options, including its Target Enrollment Portfolios, FDIC=Insured Portfolio and Tuition Track Portfolio.

ABLE Program Updates

Fiscal 2024 brought continued growth in disability savings programs, ABLEnow and ABLEAmerica. VA529, through its partnership with PNC Bank, N.A., continued to focus on strategic initiatives to improve the overall customer experience and engagement with ABLEnow accounts. The enhanced group enrollment onboarding process implemented in fiscal 2023 contributed to the growth in accounts and assets of the program. ABLEnow continued to be supported by an internal program management team that provides ongoing due diligence and strategic partnering that impacts operational enhancements. As of June 30, 2024 ABLEnow had 18,408 active accounts and over $153.4 million in assets under management.

ABLEAmerica is offered through VA529's partnership with the Capital Group (American Funds) and it complements ABLEnow by giving those individuals and families who utilize financial advisors another means through which to access an ABLE plan. Investments are offered through seven approved American Funds mutual funds at the ABLE-A and ABLE F-2 share class levels. As of June 30, 2024, ABLEAmerica had 3,218 total accounts and over $57.3 million in assets under management.

RetirePath Virginia

The RetirePath Virginia program launched in June 2023 and experienced its first full fiscal year of operations.

The Virginia General Assembly passed legislation in 2021 directing Virginia529 to establish a state-facilitated retirement savings program to expand access to retirement savings in the workplace. Virginia businesses that do not already offer a qualified retirement plan, employ at least 25 eligible employees and have been operating for two or more years are required to register and facilitate the program. Employees are eligible if they are 18 years of age or older, currently employed at least 30 hours per week and receiving wages in the state of Virginia.

Eligible employees are enrolled in the program by employers but may opt out at any time. Participation for employees is voluntary. Accounts in the program offer tax advantages and are structured by default as Roth Individual Retirement Accounts (Roth IRAs), with the option for certain employees to direct contributions to a traditional IRA. The default contribution rate is 5% of wages, which automatically increase 1% up to a maximum 10% January of each year. Individuals who are self-employed or don't work for an employer registered with RetirePath Virginia can open an account and contribute on their own. For 2024, individuals can save up to $7,00 per year in an IRA ($8,00 if age 50 or older).

Virginia529 serves as program manager for RetirePath Virginia and has contracted with Vestwell State Savings, LLC (Vestwell) and The Bank of New York Mellon (BNY Mellon) and BNY Mellon Investment Servicing Trust Company (Trust Company) to provide program administration, record keeping, and custodial services for the program. RetirePath offers both employer and saver portals to manage accounts and offers employers an easy way to integrate with many payroll providers to facilitate automatic payroll deduction direct deposit of saver contributions. There are five mutual fund investment options, all of which are managed by BlackRock, including their LifePath® Index Retirement Funds. Launched in June 2023, RetirePath has grown to 9,445 total accounts and $4.1 million in assets under management as of June 30, 2024.

Account Growth and Transaction Volume

During fiscal 2024, VA529 experienced account growth by program as shown in the table below. Invest529's 6.4 percent growth rate depicts continued strong program satisfaction and corresponds to an additional net 30 thousand accounts opened during the fiscal year. Within the DB529 Program, Prepaid529 accounts decreased, as anticipated, as the program was closed to new enrollment in May 2019 and contracts/accounts are used for their intended purpose. The growth of TTP accounts, within the Invest529 program, will reduce the impact of the Prepaid529 account distributions and, over time, the total accounts are expected to again show year over year gains.

Fiscal 2024 Growth in Accounts[1]	
DB529 (includes TTP accounts[2])	(6.2)%
Invest529[2]	6.4%
CollegeAmerica	0.8%
ABLEnow	18.8%
ABLEAmerica	25.9%
RetirePath[3]	7,001.5%

[1] *New accounts opened during fiscal year net of account closures*
[2] *The Tuition Track Portfolio (TTP) is a defined benefit option within Invest529.*
[3] *RetirePath Launched in June of fiscal year 2023*

Transaction volume also continued to increase as participants utilized their education savings accounts. During fiscal 2024, the Plan processed 137,126 Invest529 distribution requests and 19,102 Prepaid529 payments to institutions, representing a 12 percent increase and an 8 percent decrease over the prior fiscal year, respectively. The decrease in Prepaid529 payouts is due to the closure of the program to new participants in 2019.

Operational and System Improvements

VA529 made improvements to its technology platforms to improve the customer experience and support agency and program operations. Other technology enhancements continued to focus on the safeguarding of customer identity and assets, web responsiveness, revamped customer enrollment application, and VA529 completed several internal projects, including an enhanced customer identification program, electronic signatures, customer identity and access management, and began working toward implementing a new knowledge management system.

Leadership and staff enhanced its agency strategic planning and innovation goals. To better manage major agency initiatives and align business processes, VA529 created a core innovation team supported by four spur teams. These teams focus on Process Inventory and Prioritization, Alternative Forms of Payment, Technical and Ethical Considerations for the use of Artificial Intelligence and People and Culture. Each team is supported by staff which span across all divisions within the organization.

As an additional measure of assurance, VA529 established an Internal Audit function. During fiscal 2024, an internal project team worked with an external provider of internal audit services to conduct a risk assessment and identify projects and processes for the Internal Audit function. Additionally, an Internal Audit charter was established to document the purpose and responsibilities of Internal Audit. Internal VA529 staff worked with an outsourced Internal Audit provider to develop a work plan for Internal Audit over the next few years. An Internal Audit Communication Plan was also established and implemented to prepare the organization for this newly established function.

Financial Operations teams continued efforts to improve accounting systems and replace legacy systems. The second and third phases of a multi-year project were completed to implement a new cloud-based accounting reconciliation solution that automates processes and enhances overall general ledger controls. This project began prior to fiscal 2023 and has continued through fiscal 2024. Financial Reporting staff also completed a project to implement a new cloud-based reporting solution to integrate data from disparate sources. This new solution has increased efficiency by automating the process of feeding and aggregating data directly into reports for analysts to review. This project began in fiscal 2023 and was completed by the middle of fiscal 2024.

Awards and Acknowledgments

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Virginia529 for its annual comprehensive financial report for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

We remain committed to providing the best possible customer service to our program participants and to the citizens of the Commonwealth, and to being responsible stewards of the funds in our care. We express our sincere thanks and appreciation to our outstanding staff and our business partners and for the guidance and dedication of our Board and Committee members.

Respectfully Submitted,

Mary G. Morris
Chief Executive Officer

Vivian L. Shields
Chief Finance Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Virginia College Savings Plan (Virginia529)

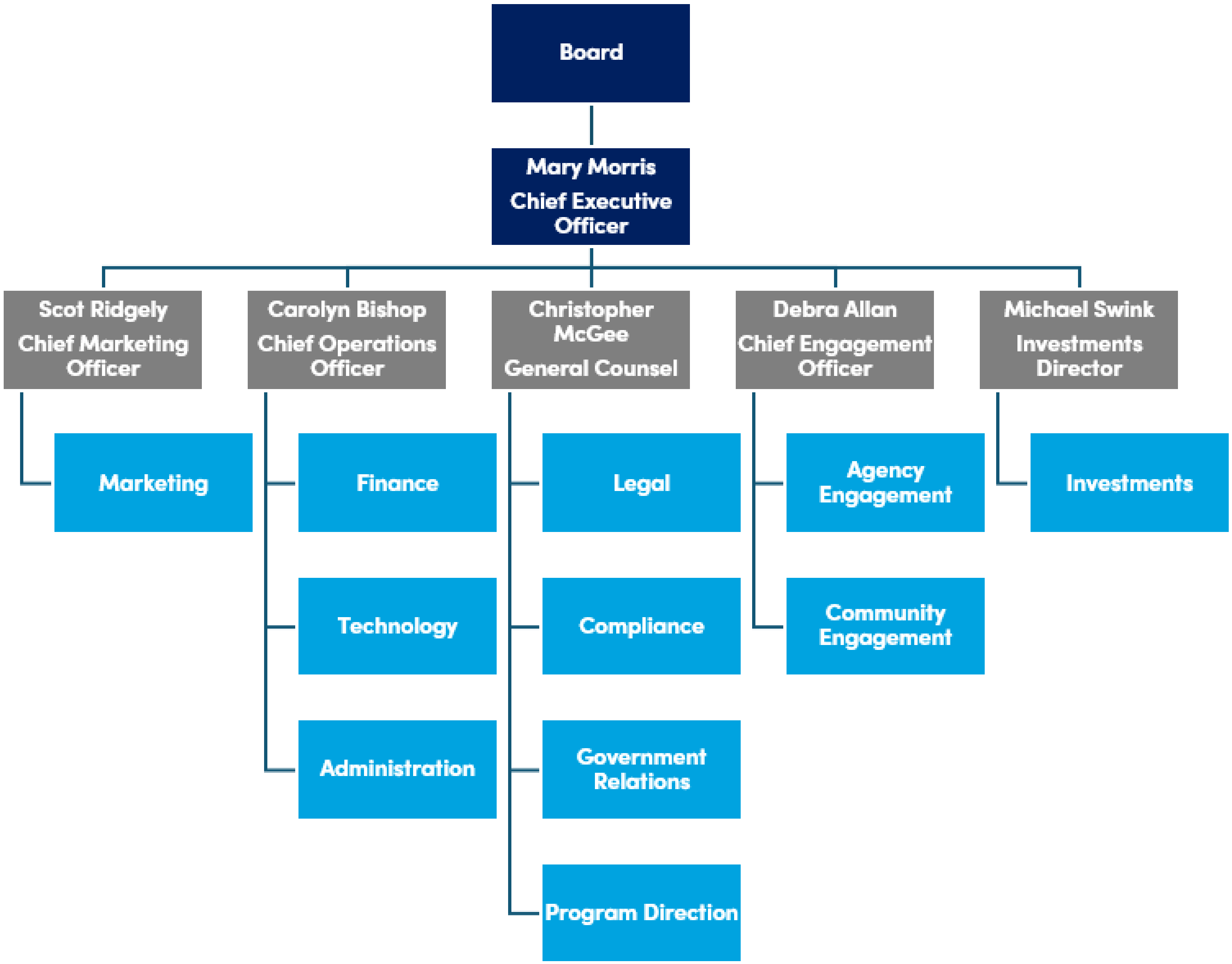
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

Virginia529 Organization



Virginia529 Leadership Team

Mary G. Morris
Chief Executive Officer

Vivian L. Shields
Chief Financial Officer

Elizabeth Dutton
Chief Administrative Officer

Carolyn Bishop
Chief Operations Officer

Michael Swink, CFA, CPA
Investments Director

Scott Ridgely
Chief Marketing Officer

Chris McGee
General Counsel

Michael Henry
Chief Technology Officer

Debra Allan, SPHR, SHRM-SCP
Chief Engagement Officer

Sherri Wyatt
Chief Compliance Officer

Professional Consultants

ACTUARIES

Alan S. Perry, FSA, MAAA, CFA
Principal and Consulting Actuary
Milliman, Inc.

Glenn Bowen, FSA, MAAA, EA
Principal and Consulting Actuary
Milliman, Inc.

AUDITORS

Staci Henshaw, CPA
Auditor of Public Accounts
Commonwealth of Virginia

Eide Bailly, LLP
Internal Audit

CONSULTANTS

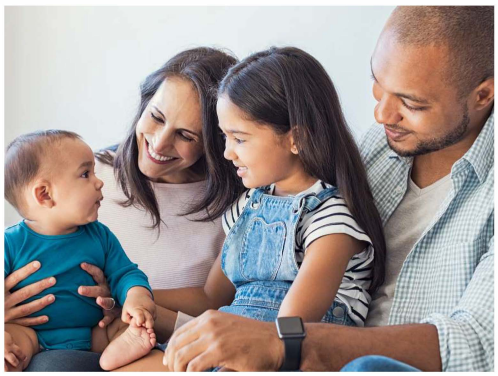
Nick Davies, CAIA
Partner
Mercer

Andrea Feirstein
Chief Executive Officer
AKF Consulting Group

MASTER CUSTODIAN

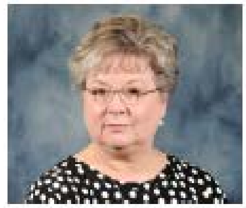
BNY Mellon

Board & Committee Members



Virginia529 Board as of June 30, 2024

Dante Jackson
Board Chair
Vice President
Atlantic Union Bank
Citizen Member
Gubernatorial Appointee
Appointed July 10, 2020



Lisa N. Jennings
Board Vice Chair
Chief Financial Officer,
Spirit of Virginia
Citizen Member
Gubernatorial Appointee
Appointed April 5, 2017

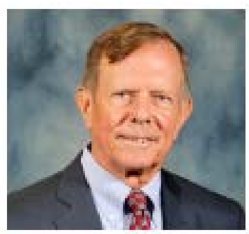
Ricardo Chamorro
Executive Vice President,
PenFed Credit Union
Citizen Member
Gubernatorial Appointee
Appointed July 1, 2023

Jessica Holte
Relationship Manager,
Blueprint Financial Group
Northwestern Mutual
Citizen Member
House Appointee
Appointed January 9, 2024

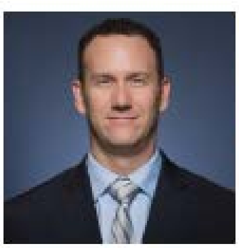
Dr. Elliott J. Dubin
Policy Research Director (ret),
Multi-State Tax Commission
Citizen Member
House Appointee
Appointed August 4, 2021

Sharon Lawrence, CPA, CGMA
Acting State Comptroller,
Virginia Department of Accounts
Ex-Officio Member

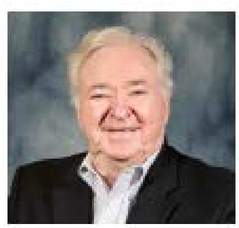
Susan Q. Ferguson, CPA
Senior Lecturer,
James Madison University
Citizen Member
Gubernatorial Appointee
Appointed July 1, 2023



David Richardson
Treasurer of Virginia
Ex-Officio Member

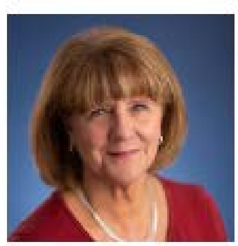


Scott Fleming
Director, State Council
of Higher Education
Ex-Officio Member



Hon. Walter A. Stosch
State Senator (ret) Citizen
Member
Senate Appointee
Appointed April 5, 2017

Dr. Craig Herndon
Senior Vice Chancellor, VCCS
(Designee for Dr. David
Doré, Chancellor, VCCS)
Ex-Officio Member



Mary G. Morris
CEO, Virginia529
Ex-Officio Member

Committee Assignments

as of June 30, 2024

Access Advisory Committee

Board Members:

- Dr. Craig Herndon, Chair (permanent designee for Dr. David Doré)
- Erin McGrath, Vice-Chair (permanent designee for Scott Fleming)
- Dante Jackson, Board Chair

Non-Board Members

- Jessica Costa
- Kirk Cox
- Elizabeth Creamer
- Melissa Goodrich
- Megan Healy
- Aaron Montgomery
- Lyons Sanchezconcha
- Regina Barnett-Tyler

Audit and Actuarial Committee

Board Members:

- Hon. Walter A. Stosch, Chair
- David L. Richardson, Vice Chair
- Susan Ferguson, CPA
- Scott Fleming
- Dr. Craig Herndon (permanent designee for Dr. David Doré)
- Lisa N. Jennings
- Sharon Lawrence, CPA

Compensation Committee

Board Members

- Dr. Craig Herndon, Chair (permanent designee for Dr. David Doré)
- Ricardo Chamorro
- Susan Ferguson, CPA
- Lisa N. Jennings

Investment Advisory Committee

Board Members

- Ricardo Charmorro
- Dr. Elliott J. Dubin
- David L. Richardson

Non-Board Members

- Timothy G. Berry, CFA, Chair
- Frederick Nolde, CFA, Vice Chair
- Kristina Alimard, CFA
- Chris Culbertson, CFA
- Farrah Holder

Ex Officio:

- Mary G. Morris, Chief Executive Officer

Retirement Program Advisory Committee

Board Members

- Dante D. Jackson, Chair
- Dr. Elliott J. Dubin
- Susan Ferguson, CPA
- David L. Richardson

Non-Board Members

- Evelyn Small Traub, Vice Chair
- Wendy Young Carter
- Michael L. Hadley
- Jessica Holte
- LaJuanna Russell

FINANCIAL SECTION

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Notes to Financial Statements

Required Supplementary Information

Supplementary Information

Other Information

Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

November 14, 2024

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Members of the Board
Virginia College Savings Plan

Mary Morris
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities (the Enterprise Fund) and the fiduciary activities (the Private Purpose Trust Fund) of the Virginia College Savings Plan (Virginia529), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Virginia529's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Enterprise Fund and the Private Purpose Trust Fund of Virginia529 as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Virginia529, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

Relationship to the Commonwealth of Virginia

As discussed in Note 1, the financial statements of Virginia529 are intended to present the financial position, the changes in financial position, and where applicable, cash flows of only that portion of the business-type activities and the aggregate remaining fund activities of the Commonwealth of Virginia that is attributable to the transactions of Virginia529. They do not purport to, and do not, present fairly the financial position of the Commonwealth of Virginia, as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Investments with Values that are not Readily Determined

As discussed in Notes 1 and 5, total Virginia529 investments include investments valued at $1.8 billion (57.5 percent of total assets) for the Enterprise Fund and $323.2 million (3.4 percent of total assets) for the Private Purpose Trust Fund, respectively, as of June 30, 2024, whose fair values have been estimated by management in the absence of readily determinable values. Management's estimates are based on information provided by the fund managers or the general partners. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Virginia529's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements: Management's Discussion and Analysis on pages 29 through 43; the Schedule of VA529's Share of Net Pension Liability, the Schedule of VA529 Pension Contributions, and the Notes to Required Supplementary Information – State Retirement Employment Plan; the Schedule of VA529's Share of Net OPEB Liability – GLIP, the Schedule of VA529 Contributions - GLIP, the Schedule of VA529's Share of Net OPEB Liability – HICP, the Schedule of VA529 Contributions – HICP, the Schedule of VA529's Share of Net OPEB Liability – VSDP, the Schedule of VA529 Contributions – VSDP, the Schedule of VA529's Share of Total OPEB Liability, and the Notes to Required Supplementary Information on pages 99 through 108. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Virginia529's basic financial statements. Appendix A, Appendix B, and Appendix C (supplementary information) are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section, Statistical Section, and Other Information within the Financial Section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2024, on our consideration of Virginia529's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. We anticipate releasing that report in December 2024. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Virginia529's internal control over financial reporting and compliance.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

ZLB/vks

Management's Discussion & Analysis

Virginia529℠ ABLEnow® retirepathVA℠

Management's Discussion and Analysis (Unaudited)

The Virginia College Savings Plan's (VA529's) Management's Discussion and Analysis is designed to assist the reader in focusing on significant financial issues and provides an overview of financial activity. This discussion includes an analysis of VA529's financial condition and results of operations for the fiscal year ended June 30, 2024. This presentation includes summarized data and should be read in conjunction with the accompanying financial statements and notes.

VA529 operates the Commonwealth of Virginia's (the Commonwealth's) Internal Revenue Code (IRC) Section 529 qualified tuition plan, which includes the Defined Benefit 529 Program, comprised of the legacy Prepaid529 program and the Tuition Track Portfolio (TTP), Invest529 (which includes TTP), and CollegeAmerica. In addition, VA529 administers access initiatives through its SOAR Virginia program that has been in existence since 2010 with its SOAR Scholars early commitment scholarship program, and an expanded access program that launched in 2021 and further expanded in 2023 for future initiatives.

The legacy Prepaid529 program is a defined benefit program, which closed to new participants in fiscal 2019. Contracts in this program are based on actuarially determined prices that provide the future payment of undergraduate tuition for the normal full-time course load for students enrolled in a general course of study at any Virginia public higher educational institution and all mandatory fees required as a condition of enrollment of all students, and differing payouts at private or out-of-state institutions. The Tuition Track Portfolio of Invest529 is also a defined benefit program, which opened in February of 2021 as the successor to Prepaid529. Units purchased in this program are based on the weighted average tuition costs (Average Tuition) of Virginia 4-year public higher educational institutions. The TTP unit price is solely based on Average Tuition and does not include any actuarial pricing reserve or additional load in the unit price. Benefits are paid out at Average Tuition at the time of maturity. Average Tuition includes tuition payments at the in-state undergraduate rates and all mandatory fees required as a condition of enrollment of all students. Annually, VA529's actuary determines the actuarial soundness of DB529. Key factors used in the actuarial analysis include anticipated tuition increases (both short- and long-term) as well as anticipated long-term investment performance. Collectively, the legacy Prepaid529 program and TTP are defined as VA529's Defined Benefit 529 Program (DB529).

Invest529, without TTP, is the Defined Contribution 529 Program (DC529). Participants can make contributions into selected investment portfolio(s) and those accounts are subject to market investment risks, including the possible loss of principal. The SOAR Scholars program exists within the Invest529 program and there is also a separate expanded access fund that comprise the Fiduciary Fund. Collectively, the DC529 Program (Invest529, including SOAR Scholars, but not TTP) and the expanded access fund comprise the overall Fiduciary Fund in the financial statements.

CollegeAmerica is also a defined contribution savings program. CollegeAmerica, a broker-sold program, which offers 46 different American Funds mutual fund products as investment options. CollegeAmerica participants bear all market risk for their investment, including the potential loss of principal. Capital Group (American Funds), acts as program manager for CollegeAmerica and provides all back office and operational services for the program.

VA529 also operates the Commonwealth's IRC Section 529A programs. The Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act authorized states to offer tax-advantaged savings programs for individuals with disabilities. ABLEnow® and ABLEAmerica®, both defined contribution plans, are VA529's tax-advantaged savings programs for people with disabilities. VA529 is the program sponsor for ABLEnow and provides customer service, investment management, and marketing services, however, PNC Bank, N.A. acts as the program administrator and is responsible for account management. The American Funds acts as program manager for ABLEAmerica and provides all back office and operational services for the program. Programs managed and administered by the American Funds and PNC, respectively, are presented in Other Information and are not included in the accompanying audited financial statements.

RetirePath Virginia (RetirePath) is a state-facilitated IRA savings program which VA529 administers. VA529 offers program oversight, investment management and marketing services for RetirePath. Vestwell State Savings, LLC and The Bank of New York Mellon provide program administration, record keeping and custodial services. Information related to RetirePath and its funds and activities can also be found in Other Information and are not included in the accompanying audited financial statements.

Overview

This discussion and analysis is an introduction to VA529's basic financial statements, which include VA529's business-type activities or Enterprise Fund, the Fiduciary or Private Purpose Trust Fund, and notes to the financial statements.

Business Type Activities – Enterprise Fund

An enterprise fund (a statutorily-created special nonreverting fund), is typically used to account for governmental operations that are financed and operated in a manner similar to a private sector business. Enterprise funds typically report activities that charge fees for supplies or services to the general public. This activity is reported on the full accrual basis of accounting; all revenue and expenses are reflected in the financial statements even if the related cash has not been received or paid as of the June 30th fiscal year-end. VA529's Enterprise Fund consists of multiple sub-funds, including the agency's administration & operations fund, the access fund and the Defined Benefit 529 Program (DB529 Program). The activity within the administration & operations fund relates to charges for services and expenses related to running the organization. The DB529 Program contains the commingled assets and activity of the Legacy Prepaid529 and TTP programs discussed above. The access fund contains amounts allocated from the DB529 Program in fiscal 2023 and subsequent investment earnings thereon. These funds remain invested alongside assets of the DB529 Program.

The Statement of Net Position presents information on the Enterprise Fund's assets and deferred outflows of resources as well as liabilities and deferred inflows of resources, with the difference between the two reported as total net position. Annually, VA529's actuary conducts a valuation that determines the actuarial soundness of the DB529 Program.

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year, including both actual and actuarially determined contributions and contract payments from participants and payments for higher education expenses.

In previous years, VA529 has reported the Operating Fund in a separate column from the DB529 Fund in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. However, these sub-funds are now combined in these statements as they collectively represent the Enterprise Fund.

The Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating, financing and investing activities.

Fiduciary Fund

The DC529 Program and a portion of VA529's expanded access programs are reported in the private purpose trust fund, which is a type of fiduciary fund. The portion of VA529's expanded access programs reported in the Fiduciary Fund are those which have already been expensed out of the Enterprise Fund as they have been appropriated. A private purpose trust fund accounts for transactions of trust arrangements in which the principal and income benefit individuals, private organizations or other governments, and uses the full accrual basis of accounting. Activities of both programs are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. The Statement of Fiduciary Net Position presents information on all assets and liabilities, with the difference between the two reported as net position held in trust for program participants. The Statement of Changes in Fiduciary Net Position presents the revenues earned and expenses incurred during the year.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements and are an integral part of the basic financial statements.

Required Supplementary Information

Management's Discussion and Analysis, the schedules of VA529's Share of Net Pension and Other Post-Employment Benefits (OPEB) Liability and Pension and OPEB Contributions, as well as the notes to the Required Supplementary Information are required by accounting principles generally accepted in the United States of America and are presented as Required Supplementary Information.

Supplementary Information

Within the Supplementary Information, VA529 presents a breakout schedule of each of the sub-funds that comprise the Enterprise Fund, the details of each investment held within each of the funds by manager and a schedule of investment-related expenses.

Other Information

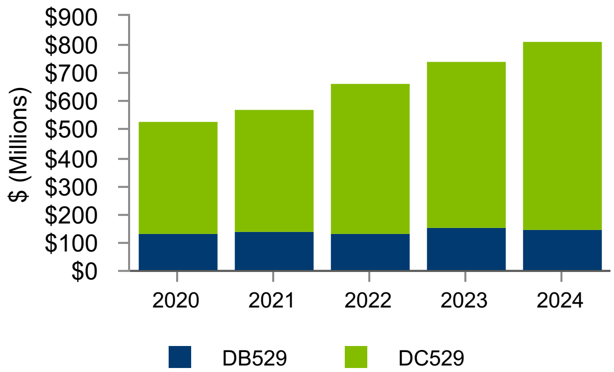
CollegeAmerica, ABLEnow and ABLEAmerica are defined contribution savings programs and are presented as Other Information. CollegeWealth, which closed to new participants in fiscal 2017, is also presented as Other Information. RetirePath is a state-facilitated private retirement savings program, which is presented as other information. Other Information is unaudited but presented as additional information.

Fiscal 2024 Financial Highlights

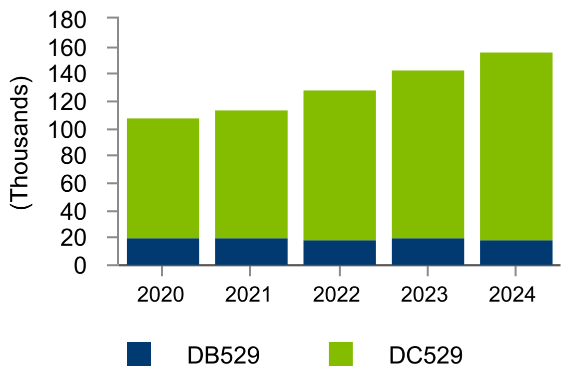
In aggregate, market movements had an overall net positive effect on fixed income and equity security prices in both the DB529 and DC529 Programs' portfolios for the fiscal year ended June 30, 2024. Transaction activity increased overall as customers continued to fund their education savings accounts and use them to pay higher education expenses. From the DB529 Program's perspective, the Prepaid529 program is closed to new participants and therefore, total Prepaid529 accounts under management and receipts from contract payments will continue to decline over time. However, growth in TTP accounts and activity will offset that decline over time and will increase as new TTP units are purchased.

The two following graphs represent Defined Benefit and Defined Contribution 529 program withdrawals since fiscal year 2020. This does not include rollovers to other qualified tuition plans.

Amounts Withdrawn per Fiscal Year

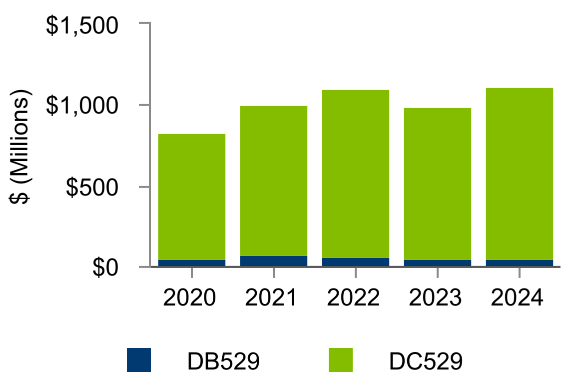


Number of Withdrawals on Behalf of Beneficiaries per Fiscal Year

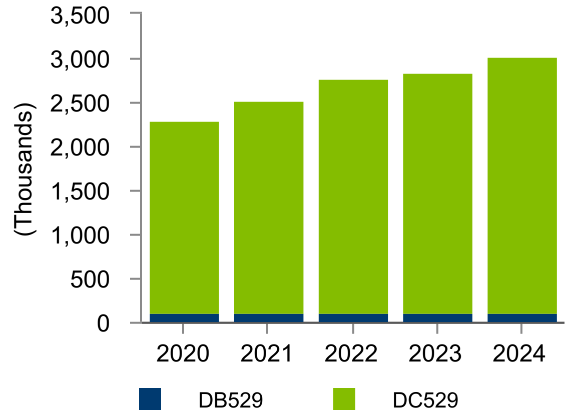


The two following graphs represent Defined Benefit and Defined Contribution 529 program contributions received since fiscal year 2020.

Amounts Received per Fiscal Year

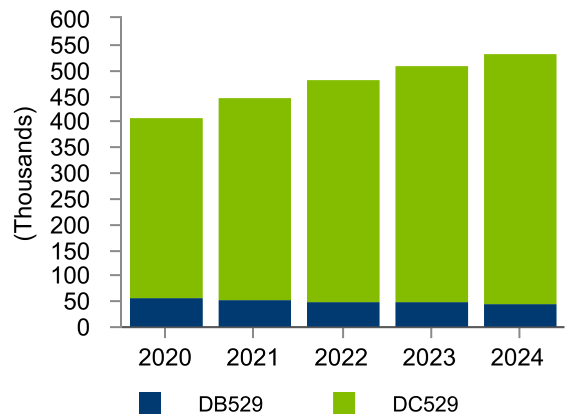


Number of Contributions per Fiscal Year



The graph below represents the Defined Benefit and Defined Contribution 529 Program's active accounts under management at fiscal year-end since fiscal year 2020.

Growth in Accounts Under Management per Fiscal Year



Virginia Tech

Table 1 demonstrates the numbers of students served, the amounts paid from the DB529 program, directly to Virginia public universities and community colleges, and the amounts paid from the DC529 program on behalf of beneficiaries associated with the respective university or community college during fiscal year 2024. Actual DC529 payments may have been issued to account owners, beneficiaries, or the respective institution.

Table 1
Defined Benefit and Defined Contribution Program Payments to or Associated with Virginia Public Universities and Community Colleges (dollars shown in thousands*)
Fiscal Year 2024

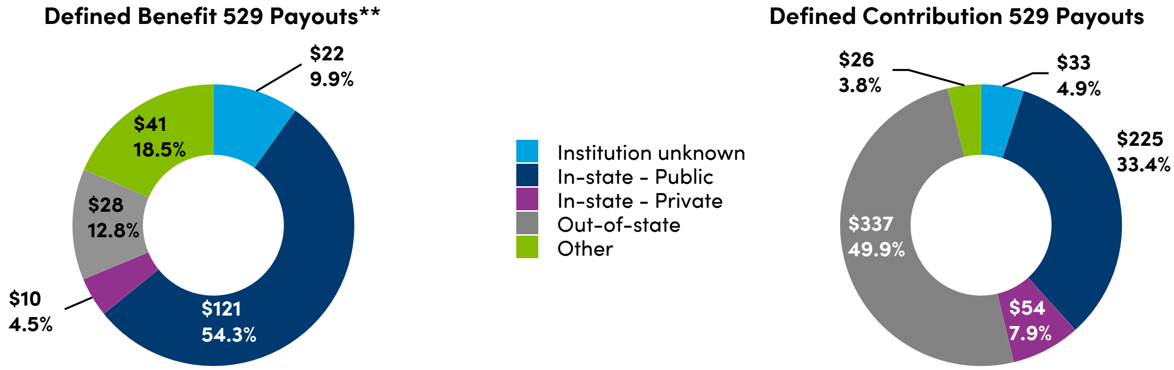
	DB529**		DC529	
Public Universities	**Number of Students with Contracts**	**Payments to Universities**	**Number of Students with Accounts**	**Payments Associated with Universities**
University of Virginia	1,348	$ 25,645	2,521	$ 47,847
Virginia Tech University	1,481	22,021	2,996	46,183
James Madison University	1,018	14,117	2,294	32,130
College of William & Mary	529	12,331	1,723	22,304
Virginia Commonwealth University	783	10,659	1,777	21,739
George Mason University	729	9,428	973	18,768
Christopher Newport University	282	4,443	558	8,495
University of Mary Washington	170	2,260	379	4,722
Old Dominion University	200	2,045	535	4,536
Longwood University	122	1,603	237	2,716
Radford University	111	1,297	262	2,420
Virginia Military Institute	40	758	86	1,079
University of Virginia's College at Wise	17	244	23	239
Norfolk State University	6	41	24	85
Virginia State University	6	33	46	262
Total Universities	**6,842**	**$ 106,924**	**14,434**	**$ 213,524**

	DB529**		DC529	
Community Colleges* **	**Number of Students with Contracts**	**Payments to Community Colleges**	**Number of Students with Accounts**	**Payments Associated with Community Colleges**
Northern Virginia Community College	276	$884	1,497	$6,098
Brightpoint Community College	75	180	198	764
Tidewater Community College	59	178	214	742
J Sargeant Reynolds Community College	52	136	200	1,014
Germanna Community College	40	112	180	643
Richard Bland College	13	88	25	145
Laurel Ridge Community College	21	71	124	430
Virginia Western Community College	23	57	83	313
Virginia Peninsula Community College	24	53	86	375
Blue Ridge Community College	14	47	52	237
Piedmont Virginia Community College	15	39	128	404
Rappahannock Community College	9	34	30	58
New River Community College	9	23	60	229
Paul D Camp Community College	5	19	3	12
Central Virginia Community College	7	18	46	145
Virginia Highlands Community College	4	16	8	11
Eastern Shore Community College	4	12	4	11
Patrick Henry Community College	1	6	4	15
Mountain Gateway Community College	2	6	5	26
Southside Virginia Community College	3	4	12	52
Southwest Virginia Community College	2	3	9	36
Wytheville Community College	2	3	4	9
Danville Community College	1	3	8	24
Mountain Empire Community College	—	—	2	4
Total Community Colleges* *	**661**	**$ 1,991**	**2,982**	**$ 11,800**

*Amounts may not sum due to rounding
**Includes the Tuition Track Portfolio (TTP)
***Includes Richard Bland College; Virginia's only 2-year junior college

Chart 1 below reflects the types of institutions to which benefits are paid. From the DB529 Program, roughly 81 percent of payouts are payments on behalf of students for higher education purposes. This includes $121.0 million for students attending Virginia public institutions and community colleges and $28.4 million for students attending out-of-state institutions. Benefits may also be paid to in-state private institutions. "Other" DB529 payouts represents rollovers to Invest529 by account owners who desire to use more than the allowable semester under their contract for out-of-state payouts or transfers to Invest529 for accounts which reached their expiration period of ten years past high school graduation. This category may also include voluntary rollovers by account owners to other VA529 programs or external programs/trustees for various reasons. The majority of DC529 Program payments are made directly to account owners or beneficiaries for expenses paid to institutions, including out-of-state institutions. "Other" DC529 payments reflected in Chart 1 include rollovers to other states' plans, rollovers/transfers to other VA529 programs, other withdrawals made by account owners and beneficiaries, and refunds to the account owner. Beginning in fiscal 2024, participants have the ability to roll over certain qualified funds to a Roth Individual Retirement Account (IRA). These are included in the "Other" category for each fund.

Chart 1
2024 Program Payouts by Institution Type (in millions)*



*Amounts may not sum due to rounding
**Includes TTP

Analysis of Enterprise Fund Financial Activities

The Enterprise Fund includes the activities of the DB529 Program, the access fund and VA529's general operating activities. The access fund is part of the SOAR Virginia program expansion in fiscal 2023. The Enterprise Fund ended the year with net position of $1,818.4 million, which is an increase of $160.8 million from fiscal 2023. The operating gain in fiscal 2024 exceeds the amount of the previous year's operating gain primarily due to an increase in investment income from fiscal 2023.

Table 2 – Enterprise Fund
Summary of Net Position (in millions)*

As of JUNE 30,	2024	2023	$ CHANGE	% CHANGE
Assets and deferred outflows:				
Current assets	$ 210.0	$ 198.8	$ 11.2	5.6 %
Investments	2,917.2	2,843.4	73.9	2.6 %
Capital assets, net	6.5	2.6	4.0	155.7 %
Other noncurrent assets	39.6	52.4	(12.8)	(24.4)%
Total assets	3,173.3	3,097.1	76.3	2.5 %
Total deferred outflows	4.7	4.1	0.6	14.8 %
Assets and deferred outflows	3,178.1	3,101.2	76.9	2.5 %
Liabilities and deferred inflows:				
Current liabilities	219.6	225.7	(6.0)	(2.7)%
Noncurrent liabilities	1,138.0	1,214.5	(76.5)	(6.3)%
Total liabilities	1,357.6	1,440.2	(82.5)	(5.7)%
Total deferred inflows	2.1	3.5	(1.4)	(40.7)%
Liabilities and deferred inflows	1,359.7	1,443.7	(84.0)	(5.8)%
Net Position				
Net investment in capital assets	3.9	1.0	2.9	275.1 %
Restricted	0.7	0.4	0.3	89.8 %
Unrestricted	1,813.7	1,656.1	157.6	9.5 %
Total net position	$ 1,818.4	$ 1,657.5	$ 160.8	9.7 %

*Amounts may not sum due to rounding

In the above table, the ending net position of fiscal 2023 does not agree to the beginning net position in the financial statements due to the implementation of GASB's Implementation Guide 2021-1, paragraph 5.1. Please see Notes 1R & 2 for information on this.

Assets - Current assets increased by $11.2 million in fiscal 2024. This is attributable to investment managers' decisions to hold a larger portion of assets in cash equivalent positions, which is at their discretion. Long-term investments increased by $73.9 million, primarily attributable to overall market increases throughout fiscal 2024. Other noncurrent assets decreased by $12.8 million for fiscal 2024 and primarily represent the noncurrent portion of tuition contributions receivable. This represents the decrease in the actuarially determined amount expected to be collected from contract holders of record in future years. This decrease is primarily due to the closure of the Prepaid529 program to new participants in fiscal 2019. There is no contract receivable associated with Prepaid529's successor program, TTP.

Liabilities - Current liabilities decreased by $6.0 million, primarily attributable to a decrease in the current portion of educational expense benefits payable. This is due to the closure of the Prepaid529 program in 2019. As sales of TTP units continue to increase, this will cause the overall liability of the DB529 to increase in future years. Noncurrent liabilities decreased by $76.5 million. This decrease is due to the change in the actuarial present value of the future tuition obligations. Changes in the present value of the future tuition benefit obligation can be attributed to the passage of time, unit payouts, differences between actual experience and the actuarial assumptions used, and changes to the actuarial assumptions. A decrease of $1.4 million in deferred inflows contributed to the increase in net position as well, which is the result of a change in VA529's share of the net pension liability.

Table 3 is a summary comparison of the Enterprise Fund's Statement of Revenues, Expenses, and Changes in Net Position for fiscal 2024 as compared to the prior year. The table reflects the change in the Enterprise Fund's net position. While the net position increased, the overall change, compared to the previous year decreased by 20.4 percent for fiscal 2024.

Table 3 – Enterprise Fund
Changes in Net Position (in millions)*

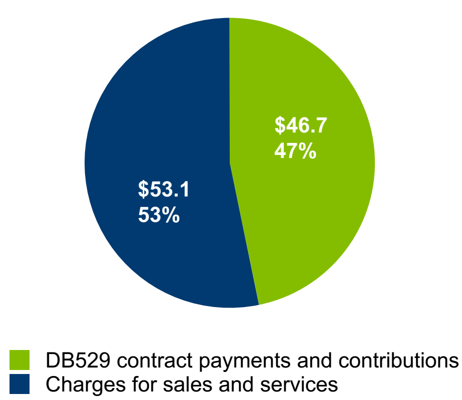
YEARS ENDED JUNE 30	2024	2023	$ CHANGE	% CHANGE
Operating revenues				
Charges for sales and services	$ 53.1	$ 50.0	$ 3.1	6.2 %
Net increase (decrease) in investment income	216.9	112.9	104.0	92.1 %
Contributions	46.7	50.2	(3.5)	(7.0)%
Net actuarial gain/(loss)	66.1	208.6	(142.5)	(68.3)%
Net operating revenues	382.8	421.7	(38.9)	(9.2)%
Operating expense				
Educational benefits expense	180.3	181.2	(0.9)	(0.5)%
Other operating expenses	41.9	39.4	2.5	6.5 %
Net operating expenses	222.3	220.6	1.7	0.8 %
Operating income (loss)	160.5	201.1	(40.6)	(20.2)%
Non-operating revenue (expense) net	(0.1)	0.4	(0.5)	
Income (loss) before transfers	160.5	201.6	(41.1)	(20.4)%
Non-operating revenues (expenses)	(0.3)	(0.3)		
Change in net position	160.2	201.3	(41.1)	(20.4)%
Net position, beginning**	1,658.1	1,456.3	201.8	13.8 %
Net position, ending	$ 1,818.4	$ 1,657.5	$ 160.9	9.7 %

*Amounts may not sum due to rounding

**Beginning net position was re-stated due to the implementation of GASB's Implementation Guide 2021-1, paragraph 5.1. Please see Notes 1R & 2 for information on this.

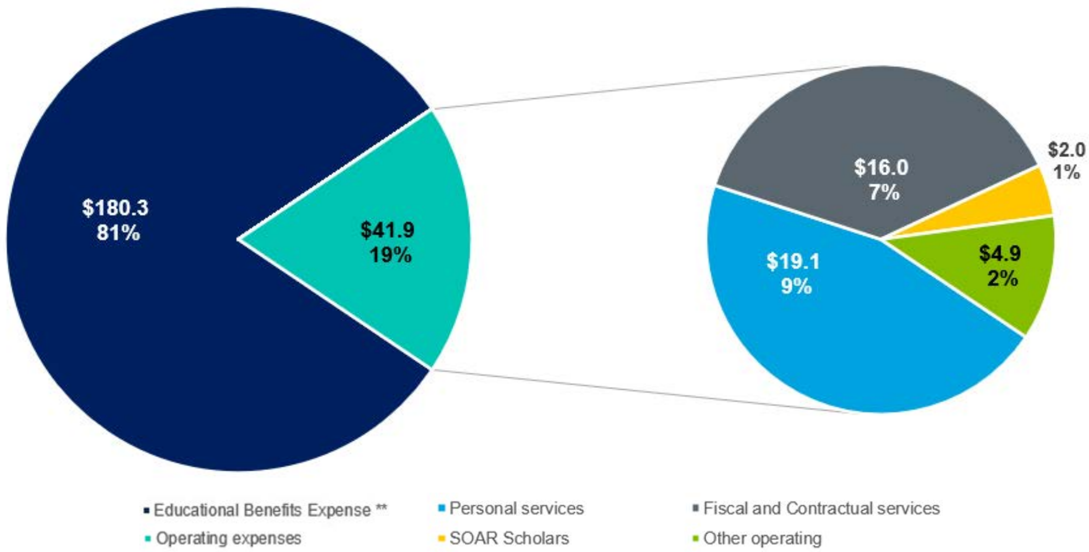
Revenues - For the fiscal year ended June 30, 2024, a net increase is reflected in the market value of investments of approximately $216.9 million, versus the increase in the prior fiscal year of $112.9 million. The market values of investment securities change on a daily basis depending upon market conditions. This number will fluctuate from year to year, depending upon market conditions as of June 30th, or the last business day of the fiscal year. The DB529 Program's asset allocation had positive performance in fiscal 2024, which was higher than the performance of the previous fiscal year. Contributions from customers make up a large portion of revenues and decreased by 7.0 percent from 2023. Participant contributions include actual Prepaid529 contract payments as well as purchases of TTP units, and represent approximately 47 percent of enterprise fund revenue. The decrease of $3.5 million in contributions is due to the closure of the Prepaid529 program in 2019. This decrease in contributions toward Prepaid529 will be offset by purchases of TTP units in future years. The actuarial gain decreased by 68.3 percent. In the previous year, the gain was increased due to an experience study being performed and assumptions updated. In fiscal 2024, the actuarial gain returned to a smaller amount based on investment performance slightly exceeding the investment return actuarial assumption as well as a tuition increase which was less than the tuition increase actuarial assumption. Receipts for charges for sales and services increased during fiscal 2024 by $3.1 million. These revenues represent administrative fees collected on VA529's programs outside the DB529 Program. The increase in these fees is attributable to increased market values of the CollegeAmerica and Invest529 Programs, based on account growth and positive investment performance. Chart 2 shows a breakdown of the Enterprise Fund's main revenue streams.

Chart 2
2024 Enterprise Fund Revenue (in millions)



Expenses - Educational benefits expenses were consistent from fiscal 2023 and only decreased by 0.5 percent or $0.9 million. This decrease is mainly due to the closure of the Prepaid529 program in 2019, resulting in less payouts as accounts close. In future years, TTP benefits will offset this decrease as more accounts in this program reach maturity and results in payouts. There are no significant withdrawals from TTP as most of these accounts did not have mature units for utilization. The remaining operating expenses increased by 6.5 percent from the previous year. Chart 3 below provides a breakdown of the Enterprise Fund's main expenses and these expenses are explained further below in Table 4.

Chart 3
2024 Enterprise Fund Expenses
in millions



**Does not include actuarial tuition benefits
Amounts may not exactly agree to the table below due to rounding

As shown in Chart 3, educational benefits payments represent 81 percent of actual expenses of the Enterprise Fund. Of the $41.9 million expended for plan administration and operations expenses, 84 percent were for personal and contractual services.

Table 4 – Enterprise Fund
Plan Administration and Operations Expenses (in thousands)*

YEARS ENDED JUNE 30,	2024	2023	CHANGE	% CHANGE
Personal services	$ 19,115	$ 17,520	$ 1,595	9.1 %
Actuarial pension expense	1,711	1,453	258	17.8 %
Fiscal and contractual services	15,957	16,601	(644)	(3.9)%
Supplies and materials	87	64	23	35.8 %
Depreciation and amortization	1,818	1,062	757	71.3 %
Expendable equipment	330	416	(86)	(20.7)%
SOAR Virginia	2,000	2,000	—	— %
Other	926	282	644	228.1 %
Administration and Operations Expenses	$ 41,945	$ 39,399	$ 2,546	6.5 %

* Amounts may not sum due to rounding

Administrative expenses of fiscal 2023 have not been re-stated to reflect the implementation of GASB's Implementation Guide 2021-1, paragraph 5.1. See Note 1R for information on this.

Table 4 provides a comparison of administration and operations expenses between fiscal years 2024 and 2023, which increased by 6.5 percent.

Personal services expense increased by $1.6 million, or 9.1 percent, over the prior year's amount. The increase is attributable to hiring additional staff, paying out benefits for those who retired or voluntarily terminated employment, and salary and incentive increases as provided in VA529's Compensation Plan approved by the General Assembly. Increased labor costs due to market conditions also contributed to this increase. Actuarial Pension expense increased by 17.8 percent. This expense is a function of the annual pension obligation recognition. Information on this expense can be found in Footnote 12 - Retirement and Pension Plan. Expenses for fiscal and contractual services represent about 38.0 percent of fiscal 2024 administrative expenses and decreased by 3.9 percent from the previous year. This decrease was due to the capitalization of a large portion of these expenses. A portion of these expenses were capitalized as part of a software in development project and another portion capitalized as part of SBITA agreements per GASB 96. Depreciation and amortization increased by $1 million in fiscal 2024, largely due to the implementation of GASB IG2021-1, which required the capitalization of additional assets purchased in groups.

Actuarial Soundness

VA529's statute requires that it annually determine the actuarial soundness of the DB529 Program; which means the actuary's projection that the Program will have the funds needed to pay future obligations. The purpose of VA529's actuarial valuation is to calculate the actuarial present value of the obligations under the DB529 program's accounts purchased through June 30, 2024 and compare the value of those obligations with the DB529 program's assets as of that date. Funds allocated from the DB529 fund into the access fund in FY2023 are separate from the DB529 fund even though they are commingled for investment purposes and both funds are part of the enterprise special nonreverting fund. Therefore, the access fund is not included in the DB529 fund for purposes of calculating the actuarial valuation. The Board adopted provisional plans for the investment, distribution and allocation to future access initiatives; however, the provisional plan will not go into effect until authority to execute on strategy and investment objectives is obtained. This structure, with both funds in the Enterprise Fund, allows assets in the access fund to be re-allocated back to the DB529 Fund in the future, if needed.

During fiscal year 2024, the DB529 program's actuarial reserve position, as calculated by VA529's actuary and reported in the 2024 Actuarial Valuation Report, increased from an actuarial reserve of $1,099.8 million in fiscal year 2023, to $1,207.6 million in fiscal 2024. The primary driver of the increase in actuarial reserves was investment returns which exceeded expectations in fiscal year 2024. Future sales of TTP units will offset the decrease in contributions and liabilities from the Legacy Prepaid 529 program. Actuarial assumptions are discussed in Note 11 in the Notes to the Financial Statements.

The overall effect of the changes on the actuarial reserve is summarized in Table 5. This table reflects the actuarial gains and losses and the actuarial reserve as of June 30, 2024 as calculated by VA529's actuary using preliminary financial statements developed and provided by VA529 as reflected in the draft Actuarial Valuation Report as of October 29, 2024. The final report is expected to be completed no later than mid-December 2024. Any adjustments to the final Actuarial Reserve and the estimated valuation will be reflected and disclosed in the subsequent year's financial statements. A copy of the 2024 Actuarial Valuation Report may be obtained from VA529.

Table 5 – DB529 Program

Statement of Changes in Actuarial Reserve (dollars in millions)

Actuarial reserve / (deficit) as of June 30, 2023	$ 1,099.8
Interest on the reserve at 5.75%	63.2
New TTP unit sales	(0.9)
Investment return during 2023-2024 higher than expected	40.8
Change to reasonable rate and actual account balances	(0.6)
Tuition increases for 2024-2025 lower than expected	4.7
Account maintenance expenses paid by Operating Fund	3.6
Update to bias assumption	(0.5)
Change to investment and tuition volatility assumptions	2.1
Change to reasonable rate assumption	(15.0)
Change to tuition growth assumption	5.3
Other experience	5.1
Total changes to the actuarial reserve	107.8
Actuarial reserve / (deficit) as of June 30, 2024	$ 1,207.6

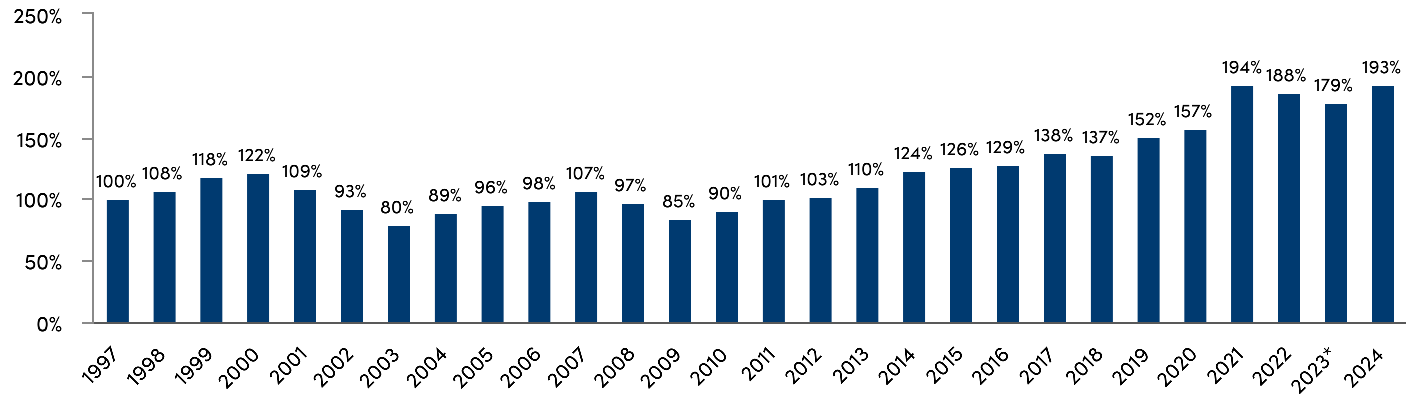
The DB529 Program's overall actuarial funded status, as calculated by the actuary, as of June 30, 2024 was 193 percent (rounded). Chart 4 below provides the DB529 Program's funded status since inception. The funded status is a result of the combination of market returns and tuition increase assumptions and generally follows the overall macro-economic environment. As shown in the chart below, the DB529 Program has experienced funded statuses from a low of 80% to a high of 194% with several periods of ups and downs in between.

Capital Assets and Long-Term Debt Activity

In order to support its operations, VA529 invests in capital assets. VA529 continues to maintain and upgrade its current infra-structures and pursues opportunities for future equipment and facilities improvements as well as information technology. During fiscal 2024, VA529 increased capital assets by 155.7 percent. This increase is attributable to an increase in right-to-use assets related to service-based IT arrangements as well as newly identified capital assets based on the implementation of updated guidance in GASB Implementation Guide 2021-1. There was also a long-term capital project in progress during fiscal 2024, which increased the capital assets balance. Please see Notes 7 & 10 for information on VA529's capital asset and long-term liabilities activity, respectively.

VA529 does not have any long-term debt.

Chart 4
DB529 Programs Actuarially Funded Percentage as of June 30th (rounded)



*A Board-approved allocation of $500M was made in fiscal year 2023 for use toward future access initiatives, which reduced the funded percentage in that year and going forward. See Note 16 for more information on this.

Defined Benefit 529 Program's Asset Allocation and Investments

Chart 5 illustrates the target asset allocation of the DB529 program, as approved by the VA529 Board, as well as the actual asset allocations as of fiscal year-end. Each asset class is within its allowable range approved by the Board.

In fiscal year 2024, several investment manager changes were made to meet various mandates within the existing target asset allocation, which was approved by the VA529 Board in August, 2021 and reaffirmed by the Board in June 2023. The strategic asset allocation policy was not changed from the previous fiscal year. The allocation is designed to meet performance objectives while reflecting a proper balance between program needs for liquidity and return on assets, combined with an appropriate level of risk. Hamilton Lane was engaged for a custom private equity separately managed account in fiscal 2021 and VA529 continued to leverage this relationship in fiscal 2024 by increasing these positions. Within this private markets mandate to Hamilton Lane, several additional general partnerships were hired. A complete list of DB529 Program's managers as of June 30, 2024 may be found in Appendix B.

Chart 5
DB529 Program's Asset Allocation as of June 30, 2024

*Amounts may not sum due to rounding

Analysis of Fiduciary Fund Financial Activities

The Fiduciary Fund includes the activities of VA529's Invest529 (excluding TTP), SOAR Scholars, as well as the portion of VA529's access programs, which have been expensed out of the Enterprise Fund in previous years. Table 6 presents a summary of the assets and liabilities for fiscal 2024 and 2023. Cash and cash equivalents increased by $139.3 million from fiscal year 2023, which is the result of strong growth in the FDIC-Insured portfolio. The competitive rate on this portfolio, combined with the FDIC insured protection has increased consumer demand. This portfolio also received inflows from the Prepaid529 program as expired accounts were transferred to the FDIC-insured portfolio for future usage by these customers. VA529 engages various investment managers to invest the funds of the programs. The cash and cash equivalents position fluctuates as these managers purchase and sell investments. Overall positive market conditions partially contributed to a 15.9 percent increase in investments. Also contributing to this increase was steady account growth as the Invest529 program remains an attractive option to customers. Growth in accounts has led to higher portfolio balances from which to derive interest and dividend income. The 110.8 percent increase in receivables is the result of trading activity at year-end and the accrual of greater amounts owed to VA529 for the sale of securities, but not yet received at fiscal year-end. Similarly, the 30.0 percent increase in liabilities is comprised of amounts owed for the purchase of securities as well as fees payable to investment managers. Both of these increased from the previous year as a result of increased trading activity at fiscal year-end.

Table 6 - Statement of Fiduciary Net Position (in millions)*

Fiscal year ended June 30	2024	2023	$ Change	% Change
Assets:				
Cash	$ 476.6	$ 337.3	$ 139.3	41.3 %
Receivables	$ 31.5	$ 15.0	16.6	110.8 %
Investments	$ 8,863.8	$ 7,647.5	1,216.3	15.9 %
Total Assets	$ 9,371.9	$ 7,999.7	1,372.2	17.2 %
Liabilities	$ 15.9	$ 12.2	3.7	30.0 %
Net position held in trust, ending	$ 9,356.1	$ 7,987.5	$ 1,368.5	17.1 %

*Amounts may not sum due to rounding

Table 7 reflects the change in the Fiduciary Fund's net position for fiscal 2024. Additions to the fiduciary net position held in trust include contributions from participants as well as net investment income. Investment income increased $312.2 million from fiscal 2023, which is ultimately attributable to the overall market performance during the year as well as account growth. Participant contributions, which include payments from customers and rollovers into the Invest529 program increased by $120.9 million, or 13 percent from the prior year as a result of strong consumer demand. This drove both the opening of new accounts as well as the rate of customers making contributions into existing accounts. DC529 Program deductions consist of educational expense benefit payments and shares redeemed, which represent rollovers to other programs. As anticipated, the overall disbursements to DC529 Program account owners, beneficiaries, and institutions increased over the prior year. The increase of approximately 15.4 percent is the result of participants withdrawing funds for higher education expenses.

Table 7 - Change in Fiduciary Net Position (in millions)*

Fiscal year ended June 30	2024	2023	$ Change	% Change
Additions	$ 2,068.4	$ 1,635.2	$ 433.2	26.5 %
Deductions	699.9	606.7	93.2	15.4 %
Net Increase (decrease)	1,368.5	1,028.6	340.0	33.1 %
Net position held in trust, beginning	7,987.5	6,959.0	1,028.6	14.8 %
Net position held in trust, ending	$ 9,356.1	$ 7,987.5	$ 1,368.5	17.1 %

*Amounts may not sum due to rounding

In November 2023, the Invest529 Program received a Silver medal rating from Morningstar, Inc, which was an upgrade from the previous year. Morningstar is a provider of independent investment research in North America, Europe, Australia, and Asia. Morningstar offers an extensive line of products and services for individual investors, financial advisors, asset managers, and retirement plan providers and sponsors. Morningstar introduced its ratings on 529 plans in 2010 and evaluates college savings plans on four key pillars – Process, People, Parent, and Price. Morningstar evaluated the majority of 529 plans in calendar year 2023. Morningstar's ratings from highest to lowest are Gold, Silver, Bronze, Neutral and Negative. Invest529 was one of 15 plans to receive a Silver rating.

In fiscal 2024, the Invest529 target enrollment portfolios evolved in accordance with the rebalancing policy along their scheduled glide paths, which emphasizes more income and preservation of capital as the portfolios proceed toward their final evolution. The portfolios are rebalanced quarterly to move towards triennial target allocations.

Administrative fees charged to the Invest529 Program (other than the TTP and FDIC-Insured Portfolios) are calculated and accrued daily by the investment custodian and redemption is made by VA529 on a quarterly basis. The fee is then collected as revenue into the Enterprise Fund and reduces investment balances within the DC529 Program. Invest529 utilizes a tiered fee structure, which results in 6 basis points being charged on underlying assets up to $5 billion dollars and 3 basis points on underlying assets exceeding $5 billion. The FDIC-Insured Portfolio and TTP of Invest529 are not charged administrative or other investment management fees.

Economic Factors and Outlook

VA529 continues to remain optimistic that its asset allocation and investment strategies will result in the DB529 Program meeting or exceeding performance expectations over the long term. VA529 has assumed a long-term rate of return of 5.75 percent on the DB529 Program's investments. As of June 30, 2024, the total return since inception was about 6.12 percent net of fees and reflected DB529 Program's 7.56 percent investment performance during fiscal 2024. Domestic equity, developed and emerging equity markets, as well as well as both core and non-core fixed income markets continued to perform well in 2024, which had a positive impact on performance. Portfolio performance through fiscal 2025 will depend on many factors.

In assessing the DB529 Program's financial condition, VA529 has projected that tuition and fees at Virginia's four-year public higher education institutions will increase by approximately 4.0 percent for the academic year beginning fall 2025 and will increase by 6.0 percent each year thereafter. Virginia's community colleges and two-year institutions are projected to increase by 3.0 percent for the upcoming academic year beginning fall 2025 and to increase 6.0 percent for each year thereafter. These long-term tuition and fee increase projections were established for the June 30, 2024 DB529 Program's actuarial valuation.

The actuarial valuation reflects the DB529 Program's portion of the Enterprise Fund. This includes the market value of DB529 Program's assets and cash flows from program operating and investing activities.

Changes in public education funding that result in tuition increases above VA529's projections would have an immediate, detrimental impact on VA529's outstanding long-term DB529 Program's obligations. With the statutory requirement that institutions provide updated, long-term tuition projections, VA529 remains in a position to be informed of future tuition and fee increases.

All Virginia529 savings programs will depend on many of the same investment factors as those impacting the DB529 program. In the education savings, disability savings, and retirement savings program, the participants, rather than VA529, bear the risk of portfolio declines as a result of the market or other factors.

Basic Financial Statements

Virginia529[SM] ABLEnow® retirepathVA[SM]

VIRGINIA529 STATEMENT OF NET POSITION
ENTERPRISE FUND as of June 30, 2024 (amounts in thousands)

	Enterprise Fund
Assets and Deferred Outflows of Resources	
Current assets:	
Cash and cash equivalents (Note 1D, 3 and 6)	$ 158,212
Investments (Note 1D, 3, 4, 5 and 8)	3,310
Interest receivable	9,434
Prepaid529 contract payments receivable (Note 1F and 11)	13,832
Pending trade receivables	7,331
Prepaid and other assets (Note 1H)	3,953
Accounts receivable (Note 1G)	13,900
Total current assets	209,972
Noncurrent assets:	
Investments (Note 1D, 3, 4, 5 and 8)	2,917,219
Other post-employment benefits, net (Note 13)	773
Prepaid529 contract payments receivable (Note 1F and 11)	38,848
Non-depreciable capital assets (Note 1K and 7)	1,930
Depreciable and amortizable capital assets, net (Note 1K and 7)	4,600
Total noncurrent assets	2,963,369
Total assets	3,173,342
Deferred Outflows of Resources:	
Pension contributions made after measurement date (Note 12)	1,817
Pension Related (Note 12)	1,854
Other post-employment benefits related (Note 13 and 14)	1,062
Total deferred outflows	4,733
Total Assets and Deferred Outflows of Resources	3,178,074
Liabilities and Deferred Inflows of Resources	
Current liabilities:	
Accounts payable (Note 1L)	3,616
Treasury loan payable (Note 1M)	6,000
Pending trades payable	25,813
Accrued interest payable	84
Obligations under lease agreements (Note 10C)	40
Obligations under SBITA agreements (Note 10D)	1,317
Obligations under securities lending (Note 6)	1,967
Educational benefits payable (Note 11)	179,762
Compensated absences (Note 1N and 10B)	990
Net other post-employment benefits liability (Note 14)	47
Total current liabilities	219,636
Noncurrent liabilities:	
Obligations under lease agreements (Note 10C)	32
Obligations under SBITA agreements (Note 10D)	1,213
Educational benefits payable (Note 10A and 11)	1,122,019
Compensated absences (Note 1N and 10B)	145
Net pension liability (Note 12)	12,166
Net other post-employment benefits liability (Note 13 and 14)	2,415
Total noncurrent liabilities	1,137,990
Total liabilities	1,357,627
Deferred inflows of resources:	
Pension related (Note 12)	1,214
Other post-employment benefits related (Note 13 and 14)	862
Total deferred inflows	2,076
Total Liabilities and Deferred Inflows of Resources	1,359,702
Net position	
Net investment in capital assets	3,926
Restricted for net other postemployment asset (Note 13)	726
Unrestricted	1,813,720
Total net position	$ 1,818,372

Amounts may not sum due to rounding
The notes to financial statements are an integral part of this statement

VIRGINIA529
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ENTERPRISE FUND
For the Year Ended June 30, 2024 (amounts in thousands)

	Enterprise Fund
Operating revenues:	
Charges for sales and services (Note 1C)	$ 53,127
Investment Income, net	216,901
Participant contributions (Note 1F)	46,681
Net actuarial gain (Note 11)	66,100
Other revenue	4
Total operating revenues	382,813
Operating expenses:	
Personal services (Note 12, 13 and 14)	19,115
Actuarial pension expense (Note 12)	1,711
Fiscal and contractual services	15,957
Supplies and materials	87
Depreciation and amortization (Notes 1K and 7)	1,818
Educational benefits expense	180,323
Expendable equipment	330
SOAR Virginia (Note 16)	2,000
Scholarship and Awards (Note 17)	926
Total operating expenses	222,268
Operating income/(loss)	160,545
Nonoperating Revenues/(Expenses)	
Interest expense	(160)
Other nonoperating income	217
Loss on disposal of capital asset	(50)
Operating income/(deficit) before transfers	160,552
Transfers:	
Transfers to the General Fund of the Commonwealth	(292)
Change in net position	160,259
Net position - July 1, 2023	1,657,527
Adjustment to beginning net position (Note 2)	586
Re-stated net position - June 30, 2023	1,658,113
Net position - June 30, 2024	$ 1,818,372

Amounts may not sum due to rounding
The notes to financial statements are an integral part of this statement.

VIRGINIA529
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
For the Year Ended June 30, 2024 (in thousands)

Cash flows from operating activities:		
Receipts for sales and services	$	52,105
Contributions and contract payments received		46,428
Other operating revenue		4
Payments to suppliers for goods & services		(873)
Payments to employees		(21,293)
Payments for contractual services		(12,976)
Payments for educational benefits		(180,323)
Other operating expenses		(2,926)
Net cash provided by (used for) operating activities		(119,854)
Cash flows from noncapital financing activities:		
Increase in Treasury Loan		2,000
Transfer to the General Fund of the Commonwealth		(292)
Net cash provided by (used for) noncapital financing activities		1,708
Cash flows from capital and related financing activities:		
Acquisition and development of capital assets		(2,219)
Payments of principal and interest on lease obligations		(38)
Payments of principal and interest on SBITA obligations		(1,532)
Net cash provided by (used for) capital and related financing activities		(3,789)
Cash flows from investing activities:		
Purchases of investments		(2,065,723)
Proceeds from sales or maturities of investments		2,071,465
Interest and dividend income on cash, cash equivalents, and investments		144,053
Net cash provided by (used for) investing activities		149,795
Net change in cash and cash equivalents		27,860
Cash and cash equivalents - Beginning		128,385
Cash and cash equivalents - Ending	$	156,245
Reconciliation of cash and cash equivalents:		
Per the Statement of Net Position:		
Cash and cash equivalents	$	158,212
Less:		
Securities lending cash equivalents		(1,967)
Cash and cash equivalents per the Statement of Cash Flows	$	156,245

Amounts may not sum due to rounding.
The notes to financial statements are an integral part of this statement.

For the Year Ended June 30, 2024 (in thousands)

Reconciliation of operating income to net cash provided by operating activities:		
Operating income/(deficit)	$	160,545
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation and amortization		1,818
Interest, dividends, rents and other investment income, net		(216,901)
Changes in assets, liabilities, and deferred inflows and outflows:		
(Increase) decrease in receivables		(1,274)
(Increase) decrease in Prepaid 529 contract payments receivable		16,818
(Increase) decrease in prepaid and other assets		(456)
(Increase) decrease in other post-employment benefits asset		(66)
(Increase) decrease in deferred outflows of resources - pension related		(699)
(Increase) decrease in deferred outflows of resources - OPEB related		91
Increase (decrease) in accounts payable		1,836
Increase (decrease) in accrued interest payable		48
Increase (decrease) in current educational benefits payable		(4,257)
Increase (decrease) in current compensated absences		146
Increase (Decrease) in current long-term lease liabilities		2
Increase (Decrease) in current long-term SBITA liabilities		420
Increase (decrease) in current obligations in net OPEB liability		(18)
Increase (decrease) in noncurrent educational benefits payable		(78,661)
Increase (decrease) in noncurrent compensated absences		(46)
Increase (Decrease) in noncurrent long-term lease liabilities		(40)
Increase (Decrease) in noncurrent long-term SBITA liabilities		714
Increase (decrease) in net pension liability		1,475
Increase (decrease) in net OPEB liability		66
Increase (decrease) in total OPEB liability		12
Increase (decrease) in deferred inflows of resources - pension related		(1,057)
Increase (decrease) in deferred inflows of resources - OPEB related		(370)
Net cash provided by (used for) operating activities	$	(119,854)
Noncash investing, capital, and financing activities:		
The following transaction occurred prior to the statement of net position date:		
Change in fair value of investments	$	84,058
SBITA obligations related to right-to-use asset		3,040

Amounts may not sum due to rounding.
The notes to financial statements are an integral part of this statement.

VIRGINIA529
STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUND
as of June 30, 2024 (in thousands)

	Fiduciary Fund
Assets:	
Cash and cash equivalents (Note 1D and 3)	$ 476,577
Receivables:	
Interest and dividends	30,769
Accounts receivable	1
Pending trades receivable	768
Investments (Notes, 3, 4 and 5):	
Treasury & agency securities	10,922
Bonds	524,651
Mutual funds - non-index	675,324
Mutual funds - index	5,487,022
Stable value	1,841,137
Equities	249,218
Real estate	75,543
Total investments	8,863,818
Total assets	9,371,933
Liabilities:	
Accounts payable	962
Pending trades payable	6,930
Due to program participants (Note 1L)	1,616
Program distributions payable	6,370
Total liabilities	15,877
Net position held in trust for program participants	$ 9,356,055

Amounts may not sum due to rounding
The notes to financial statements are an integral part of this statement.

VIRGINIA529
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUND
For the Year Ended June 30, 2024 (amounts in thousands)

		Fiduciary Fund
ADDITIONS		
Contributions:		
From participants	$	1,063,749
Total contributions		1,063,749
Investment income:		
Total investment earnings	$	1,013,495
Less investment management expense		(4,934)
Less program and administrative expense		(3,925)
Total investment costs		(8,859)
Net investment income		1,004,636
Total additions		2,068,385
DEDUCTIONS		
Educational expense benefits	$	653,978
Shares redeemed		45,882
Total deductions		699,861
Changes in net position		1,368,524
Net position held in trust for program participants:		
Beginning		7,987,531
Ending	$	9,356,055

The notes to financial statements are an integral part of this statement.

Notes to the Financial Statements



Virginia529℠ ABLEnow® retirepath VA℠

1. Summary of Significant Accounting Policies

The Virginia College Savings Plan (VA529), a body politic and corporate and an independent agency of the Commonwealth of Virginia, was created in 1994 by the Virginia General Assembly, and its enabling legislation is codified at §23.1-700 through §23.1-713 of the Code of Virginia, as amended. VA529 operates the Commonwealth of Virginia's Internal Revenue Code (IRC) §529 qualified tuition plan, which includes its Defined Benefit 529 Program (legacy Prepaid529SM and the Tuition Track Portfolio), Invest529SM (Invest529), and CollegeAmerica®. The results of the operations of the Defined Benefit 529 Program and Invest529 are included in the financial statements. In addition, VA529 administers access initiatives through its SOAR Virginia program. VA529 also operates the Commonwealth's IRC §529A disability savings plans through the ABLEnow and ABLEAmerica programs, and the RetirePath state-facilitated IRA savings program. However, information pertaining to ABLE and Retirement savings programs can be found in Other Information and are not in the financial statements.

DB529 Program: Prepaid529 is a defined benefit program, which closed to new participants in fiscal 2019. Contracts in this program were based on actuarially determined prices that provide the future payment of undergraduate tuition for the normal full-time course load for students enrolled in a general course of study at any Virginia public higher educational institution and all mandatory fees required as a condition of enrollment of all students. The contract provisions also allow benefits to be used at in-state private or out-of-state institutions with payouts based on earnings and the amounts charged by Virginia's public higher education institutions. Calculations and payouts differ between in-state private and out-of-state institutions. Approximately 133,951 accounts were opened throughout the program's history, with 36,583 contracts remaining active at fiscal year-end. VA529 will continue to service existing contracts for this legacy program. The program invests contract payments to meet future obligations and had total assets invested of approximately $2.3 billion as of June 30, 2024. The Tuition Track Portfolio (TTP), a principal protected portfolio offered as part of the Invest529 program, is also a defined benefit program, which sells units of the portfolio equal to all or a portion of the cost of tuition based on the weighted average tuition cost across all Virginia's public higher education institutions at the time of purchase. TTP benefits are based on the weighted average tuition cost of Virginia's public higher education institutions at the time of withdrawal. TTP ended fiscal 2024 with 11,072 active accounts and $124.9 million in assets under management. Collectively, the Prepaid529 and TTP programs are referred to as the Defined Benefit 529 Program or the DB529 Program.

SOAR Virginia Program: This includes the SOAR Scholars early commitment scholarship program and an expanded access and affordability program that launched in 2021. This program further expanded in fiscal 2023 with the creation of a new fund, which will support future access initiatives. This new fund, referred to as the access fund exists within VA529's Enterprise Fund. Funding for SOAR Scholars and the funds from the initial launch of the access program expansion in 2021 exist within VA529's Fiduciary Fund as they were expensed out of the Enterprise Fund.

In fiscal 2023, VA529 allocated $500 million from the actuarially-determined reserve amounts of the DB529 Program to the access fund. The VA529 Board approved this allocation in May of 2023 and the funds remained invested alongside the assets of the DB529 Program at the end of fiscal 2024. These funds continue to accrue investment earnings until they are spent in future periods and totaled $537.7 million as of June 30, 2024. Legislative or budgetary authority is required to spend any funds from the access fund. In addition, funds can be returned to the DB529 Program in the event they are needed.The DB529 Program and the access fund, along with the administrative and operating funds make up the Enterprise Fund (a statutorily-created special nonreverting fund) within the financial statements.

VA529 does not receive any general fund appropriations to cover its program or agency operating costs. VA529's enabling legislation provides that all moneys remaining in its Enterprise Fund at the end of a biennium shall not revert to the Commonwealth's general fund. Funds remaining may be used to pay VA529's obligations, including those of the DB529 Program. VA529's assets and income are exempt from federal, state, and local income taxation, except for taxes on unrelated business income. VA529's enabling legislation also provides that a sum sufficient appropriation be included by the Governor in his budget to cover current obligations of VA529, including the obligations of the Defined Benefit 529 Program in the event of a funding shortfall.

DC529 Program: With the exception of TTP, Invest529 is a defined contribution savings program. The portfolios which make up the defined contribution program of Invest529 (collectively referred to as the Defined Contribution 529 Program or DC529 Program) allow participants of all ages to save for qualified higher education expenses, including tuition and fees, at any qualified higher education institution or primary and secondary school by making contributions into the investment portfolio(s) of their choice. Participants are allowed to select from among 22 investment portfolios. One additional portfolio remains open but is closed to new participants. The DC529's accounts are subject to investment risks, including the possible loss of principal. The DC529 Program is open year round and has no age or residency restrictions. Invest529 began operations in December 1999. The program has had 708,822 open accounts since inception and 486,896 accounts remain active at fiscal year-end. These accounts had assets invested of approximately $9.4 billion as of June 30, 2024. The DC529 Program's investment management fees and administrative fees are paid on a pro-rata basis by each account owner and vary according to the portfolio selected. DC529 Program accounts provide investors with the same federal and state tax benefits available to participants in the DB529 Program. The SOAR Scholars Program maintains an Invest529 account within the DC529 Program.

Expanded Access Program: Expenditures out of the Enterprise Fund in fiscal years 2021 and 2022 toward access initiatives are invested alongside the DC529 Program. Collectively, the expanded access fund and the DC529 Program make up the Fiduciary Fund.

An eleven-member governing Board administers VA529, consisting of four ex-officio members and seven non-legislative citizens. Four members are appointed by the Governor, one is appointed by the Senate Committee on Rules, and two are appointed by the Speaker of the House of Delegates. The ex-officio members are the Director of the State Council on Higher Education for Virginia, the Chancellor of the Virginia Community College System, the State Treasurer, and the State Comptroller. The non-legislative citizen members shall have significant experience in finance, accounting, law, investment management, higher education, disability advocacy, or defined contribution retirement plans. In order to assist the Board in fulfilling its fiduciary duty with the investment of VA529 assets, the Board has appointed an Investment Advisory Committee (IAC). To assist the Board in fulfilling its responsibilities relating to VA529's financial reporting processes and internal and financial controls, the Board has appointed an Audit and Actuarial Committee (A&AC). The IAC and A&AC are permanent advisory committees of the Board pursuant to §23.1-702 of the *Code of Virginia*, as amended. The Board has appointed a Compensation Committee to review matters relating to and/or affecting personnel and compensation policies and plans and to make recommendations to the Board regarding those matters. The Board has also appointed a RetirePath Advisory Committee (RPAC) to assist it with fulling its responsibilities relating to providing a private retirement IRA savings option for working Virginians without access to retirement savings through their employers. Additionally, the Board has appointed an Access Advisory Committee to advise the Board on matters relating to the development and administration of initiatives to increase the access and affordability of post-secondary education to all Virginians.

The Board has adopted charters that describe the purpose of the committees as well as their duties and responsibilities, composition and conduct of business. Pursuant to the Virginia College Savings Plan Act of the General Assembly, the Joint Legislative Audit and Review Commission (JLARC) provides oversight and evaluation of VA529 on an ongoing basis and also performs special studies of VA529 as requested by the General Assembly.

A separate report is prepared for the Commonwealth of Virginia, which includes all agencies, boards, commissions, and authorities over which the Commonwealth exercises, or has the ability to exercise, oversight authority. VA529 is an integral part of the reporting entity of the Commonwealth of Virginia and is included in the Commonwealth's basic financial statements.

The following is a summary of significant accounting policies employed by VA529.

A. Basis of Presentation

The accompanying financial statements have been prepared in conformance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

B. Reporting Entity

The accompanying financial statements report the financial position, changes in financial position, cash flows, fiduciary net position and changes of fiduciary net position of VA529 as of and for the fiscal year ended June 30, 2024. For financial reporting purposes, VA529 includes all funds and entities over which VA529 is financially accountable and exercises oversight authority, which includes the Enterprise Fund and Fiduciary Fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

VA529 reports its administrative and operating activity, the DB529 Program and an additional fund for the access program as a single Enterprise Fund, which is a type of proprietary fund. Enterprise funds typically account for transactions related to resources received and used for financing self-supporting entities that offer products and services for a fee to external users. All operating expenses and revenue collected to support VA529 operations, including administrative fee revenue and expenses of all VA529 college and disability savings programs are reflected in the Enterprise Fund. There are also funds allocated to access initiatives, which exist within the Enterprise Fund. VA529's Enterprise Fund is a proprietary fund of the Commonwealth of Virginia.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and/or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating activities. The principal Enterprise Fund revenues of VA529 are program participants' contributions toward the DB529 Program and investment income. Other operating revenues include administrative and other fees received from VA529 programs. VA529's primary Enterprise Fund expenses include tuition benefits expenses as well as contractual and personal services.

VA529 reports the activity of the DC529 and the expanded access programs as private-purpose trust funds, which is a type of fiduciary fund. This activity primarily consists of contributions from customers into their accounts and withdrawals made for qualified education expenses. Private-purpose trust funds account for transactions of trust arrangements in which the principal and income benefit individuals, private organizations, or other governments.

The financial statements of the proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

D. Cash Equivalents and Investments

Money market investments of VA529, which are deemed short-term, highly liquid investments, are reported at amortized cost. Long-term investments of VA529 are reported at fair value primarily based upon quoted market prices, except for stable value investments, which are reported at contract value. Cash equivalents are investments with an original maturity of three months or less. Investments are reported on a trade date basis. Trade date accounting accurately depicts VA529's financial position as of fiscal year-end, as all securities pending settlements at June 30, 2024 are incorporated in the reported values.

VA529 also participated in the Commonwealth's General Account pool, which is managed by the State Treasurer. These pooled investments are valued on an amortized cost basis. VA529 receives no additional distribution of unrealized gains or losses in the fair values of the pool's investments.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The fair value estimation methodology used to value private equity, private debt and private real estate investments is one significant estimate used. As capital statements are not always available through fiscal year-end, to value these investments, the most recent capital statements available are adjusted for cash flow transactions within the investments through fiscal year-end. Additional estimates used are transactions related to certain capital assets, such as right-of-use assets and the associated amortization and liability amounts, discussed in Notes 7 & 10, pension and other post-employment benefits, discussed in Notes 12 - 14 and actuarially determined amounts, discussed in Note 11.

F. Contributions and Contract Payments

Prepaid529 contract purchasers had the option to pay their contract in full via a lump sum payment or over a period of time. Customized financing options were available for purchasers by allowing payments to be spread over a period of time determined by the contract purchaser. However, contracts must be paid in full prior to drawing benefits; therefore the maximum number of years available for those purchasers electing to pay over time is approximately equal to the number of years between the beneficiary's current age and their expected college entrance date. Prepaid529 contract payments receivable represent the actuarially determined present value of future payments due from contract holders.

Approximately 47.4 percent of contract holders of outstanding (active) contracts as of June 30, 2024 had elected to pay over time. Prepaid529 is closed to new participants.

Customers make payments to purchase units of TTP, which are based on the weighted average tuition costs of Virginia's 4-year public higher educational institutions. The weighted average tuition costs include tuition at the in-state undergraduate rates and all mandatory fees required as a condition of enrollment of all students.

G. Accounts Receivable

Accounts receivable reflected in VA529's enterprise fund reflect amounts due to VA529 at June 30th for administrative and other services provided. These amounts include any second calendar quarter administrative fees assessed on behalf of VA529 for the Invest529, CollegeAmerica, CollegeWealth, RetirePath and ABLEnow programs not yet collected.

Invest529, excluding TTP and the FDIC-Insured Portfolio, pays VA529 an annual fee equal to six basis points (.06 percent) of the underlying assets held in the Invest529 market investment portfolios up to $5 billion. The fee is reduced to three basis points (.03 percent) for amounts above $5 billion. These fees are calculated and accrued daily by the investment custodian and redemption is made by VA529 on a quarterly basis.

The American Funds pays VA529 an annual fee equal to nine basis points (.09 percent) of the average daily net asset value of the underlying funds held in CollegeAmerica up to $20 billion. The fee is reduced to five basis points (.05 percent) for amounts in excess of $20 billion up to $75 billion with further reductions to three basis points (.03 percent) for amounts above $75 billion. This fee is calculated and accrued daily and paid to VA529 on a quarterly basis.

CollegeWealth's banking partner, Truist pays VA529 an annual fee equal to ten basis points (.10 percent) of the average daily assets held in 529 bank accounts under the Program. These fees are calculated, accrued and paid to VA529 on a quarterly basis.

PNC Bank pays VA529 an annual fee equal to ten basis points (.10 percent) of the assets held in the ABLEnow program's investment options. This fee is calculated and accrued daily and paid to VA529 on a quarterly basis. PNC Bank also pays VA529 a portion of its monthly account management fee equal to 30 percent of the fee for up to 25,000 accounts, 50 percent for 25,001 - 75,000 accounts and 70 percent for over 75,000 accounts.

ABLEAmerica fees have been waived until assets under management reach $300 million or June 2028; whichever is earlier.

RetirePath officially launched In June of 2023. Vestwell pays VA529 an annual fee equal to .05% of the assets held in the RetirePath program's investment options. This fee is calculated and accrued daily and paid to

VA529 on a quarterly basis. Vestwell also pays VA529 a portion of its monthly account management fee. VA529's portion totals $3 per account and is paid in quarterly installments of $0.75 per account throughout the year.

H. Prepaid and other assets

VA529's prepaid expenses include membership dues, subscriptions, maintenance and support, insurance payments and estimated payments for future tax obligations for future fiscal years that were paid in advance as of June 30, 2024. These amounts are recorded as assets within VA529's statement of net position.

I. Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources are a consumption of assets by VA529 that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of assets by VA529 that is applicable to a future reporting period. VA529 reported deferred inflows and outflows for the fiscal year relating to pensions and other post-employment benefits (OPEB) in accordance with GASB Statements 68 and 75, respectively.

Changes in net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Changes in net OPEB liability or asset not included in personal services expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the liabilities or assets are reported as deferred outflows of resources. For additional information, see Note 12, Retirement and Pension Plan; Note 13, Group Life Insurance Program, Virginia Sickness and Disability Plan and State Employee Health Insurance Credit Program; and Note 14, Healthcare Plan for Pre-Medicare Retirees.

J. Administrative Expenses and Budget

VA529 is an independent state agency that does not receive a general fund appropriation from the Commonwealth of Virginia. However, VA529's operating expenditures, funded with non-general fund revenues, are included in the Commonwealth's Appropriation Acts and accordingly are subject to approval by the General Assembly and the Governor. The Board annually reviews and approves an operating budget. Operating expenses are primarily funded from administrative fee revenue. VA529 prepares and submits a biennial budget to the Commonwealth in compliance with biennial budgetary requirements (cash basis). Also, in accordance with its fiduciary responsibility, the Board reviews a comparison of actual versus budgeted expenses each quarter.

K. Capital Assets

Tangible capital assets are recorded at cost at the time of acquisition and are reported net of accumulated depreciation. VA529 capitalizes all property, plant, and equipment that has a cost or value greater than $5,000 and an expected useful life greater than two years. Depreciation is computed on a straight-line basis over the estimated useful life of the property. Intangible assets with a value of $100,000 or greater are capitalized, except for internally generated software and right-to-use assets. Internally generated software with a value of $1,000,000 or greater and right-of-use assets with values of $50,000 or greater are capitalized. Intangible assets with definite useful lives are amortized over the shorter of the term of the related contract or the useful life. Capitalization of internally developed software begins when the asset is considered identifiable, which is usually at the application development stage. This stage consists of the design, coding, installation and testing of the software and interfaces.

The estimated useful lives of tangible capital assets which VA529 currently owns are as follows:

	Years
Equipment	5-20
Software	10

Intangible assets are nonfinancial in nature, lack physical substance and have an initial useful life extending beyond a single reporting period. These assets may be acquired by purchase or license, through non-exchange transactions, or internally generated. Intangible assets are also capital assets and adhere to the same policies of other property, plant and equipment. There are three types of intangible assets which VA529 evaluates for capitalization: purchased, internally generated computer software and right-to-use assets associated with either lease or subscription-based information technology contractual agreements. If it is determined that VA529 has any of these categories of intangible assets, they will all be reported in Note 7 - Capital Assets.

Right-to-use assets, which represent intangible assets resulting from lease and/or subscription-based information technology arrangements (SBITA) agreements are valued using the total future payments over the contract term discounted to present value plus any implementation costs. If the interest rate is not implicit in the lease or SBITA agreements, the interest rate used in these calculations is the published prime interest rate at the beginning of the contract term. This is because VA529 does not have any comparable borrowings for which to determine an incremental borrowing rate and the prime rate reflects the low risk which a borrower such as VA529 would represent with 100% collateral. These assets are amortized on a straight-line basis over the shorter of the contract term or the useful life of the underlying asset.

L. Amounts Due To Program Participants

Amounts due to program participants is included within accounts payable in the financial statements and reflects accrued amounts due and payable at June 30, 2024 for distributions to other qualified tuition programs, to participants for cancelled or overpaid prepaid contracts or savings accounts. A liability to the beneficiary is recognized when an event has occurred that compels a disbursement of resources. In the Fiduciary Statement of Net Position, Due to Program Participants also includes contributions received for participants that have yet to settle to the customer's selected portfolio. These funds are classified as a liability until the settlement process is complete.

M. Treasury Loan Payable

In fiscal 2021, the mandate for VA529 to develop and administer a state-facilitated private retirement program became law. In order to establish this program, a loan from the Treasurer of Virginia (Treasury Loan) was issued to VA529 in the amount of $2 million. Additional draw-downs of $2 million occurred during fiscal years 2023 and 2024 for a total outstanding balance of $6 million after re-negotiations of this loan. Unless the terms are renegotiated in advance, this loan becomes due and payable after one year of issuance. Funds from this loan will be used during the planning, implementation and administration phases of this program until the program becomes cash flow positive. The state-facilitated private retirement program launched in June of 2023.

N. Accrued Leave Policy

VA529 administers a Paid Time Off (PTO) Policy with a defined leave year of January 1 through December 31. VA529 provides a bank of PTO that employees may use at their discretion for absences, including vacation, sick, community service, and various other leave types. The Policy applies to all leave-eligible employees including regular full-time and regular part-time employees.

When the PTO Policy became effective in 2016, employees' existing annual leave balances converted to an annual bank up to the maximum carryover amount as dictated by VA529's previous annual leave policy. This bank will be available for employees' use throughout their remaining tenure with VA529 and will pay out upon termination according to the provisions below. While employees may use this time in lieu of or in addition to their PTO, they do not accrue time in the annual bank.

Full-time salaried employees accrue PTO at a rate of 8.3 to 13.3 hours semi-monthly, depending on their length of service. The maximum accumulation within the year is dependent upon years of service, but in no case may it exceed 40 days at the end of the calendar year. Regular part-time employees who retain eligibility for benefits receive a pro-rated accrual of PTO based on the number of regularly scheduled hours and state tenure. Employees may carryover up to 80 hours of unused PTO each year.

Employees are eligible annually for a partial payout of PTO time that was accrued but not used in the previous year. The payout of unused leave will occur automatically after the end of the plan year, by February 1 of the subsequent plan year, provided certain conditions are met as specified in the PTO Policy. Eligible accrued but unused PTO will be paid out at 50 percent of the employee's current salary up to a maximum of three to ten days based on total state tenure. Employees have the option to receive a taxable cash payment or they may defer their payment to their 457(b) deferred compensation retirement account.

All employees leaving the agency are paid for accrued unused leave up to a maximum limit, not to exceed 36 days for 15-19 years of service and 42 days for 20 or more years of service, at their current earnings rate. Employees having a negative PTO balance must pay VA529 the value of the borrowed leave as described in the PTO Policy.

In conformance with Section C60 of the GASB *Codification*, the monetary value of accumulated leave payable upon termination is included in the accompanying financial statements. The liability at June 30, 2024, was computed using salary rates effective at that date and represents annual bank, PTO bank, overtime and disability credits held by employees up to the allowable ceilings, including the liability for VA529's share of Social Security and Medicare taxes on leave balances for which employees will be compensated.

O. Other Postemployment Benefits

Eligible VA529 employees participate in postemployment benefit programs that are sponsored by the Commonwealth and administered by the Virginia Retirement System (VRS). These programs include the Group Life Insurance Program (GLIP), Virginia Sickness and Disability Program (VSDP), and the Retiree Health Insurance Credit Program (HICP).

The GLIP is a multiple-employer, cost-sharing, defined benefit plan that provides members basic group life insurance upon employment. The VSDP is a single employer plan that is presented as a multiple-employer, cost-sharing plan that, in addition to sick, family and personal leave and short-term and long-term disability benefits provided to active members during employment, provides inactive members with long-term disability and long-term care benefits. The HICP is a single employer plan that is presented as a multiple-employer, cost-sharing plan that provides member retirees who have at least 15 years of service health insurance credits to offset their monthly health insurance premiums. GLIP, VSDP and HICP benefit payments are recognized when due and payable in accordance with benefit terms and investments are reported at fair value. The GLIP liability, VSDP asset, HICP liability, deferred outflows and inflows of resources are determined on the same basis as reported by VRS. The VSDP asset, net of deferred inflows and outflows is presented as a restricted portion of net position. See Note 13 Group Life Insurance Program, Virginia Sickness and Disability Plan and State Employee Health Insurance Credit Program for additional information on these VRS benefit programs.

VA529 also participates in the postemployment Pre-Medicare Retiree Healthcare Plan (PMRHP), which is sponsored by the Commonwealth and administered by the Department of Human Resources Management (DHRM). This program was established by Title 2.2, Chapter 28 of the *Code of Virginia* for retirees who are not yet eligible to participate in Medicare. The plan provides the option for retirees who are not eligible to participate in Medicare to participate in the Commonwealth's healthcare plan for its active employees. VA529 does not pay a portion of the retirees' healthcare premium because both active employees and retirees are included in the same pool for purposes of determining health insurance rates. This generally results in a higher rate for active employees. Therefore, VA529 effectively subsidizes the costs of the participating retirees' healthcare through payment of the employer's portion of premiums for active employees.

The PMRHP is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes. The PMRHP is reported as part of the Commonwealth's Healthcare Internal Service Fund. There are no assets accumulated in a trust to pay benefits. Benefit payments are recognized when due and payable in accordance with the benefit terms. The PMRHP liability, deferred outflows and inflows of resources are determined on the same basis as reported by DHRM. See Note 14 Healthcare Plan for Pre-Medicare Retirees for additional information. Additional information related to all of these programs or plans is available at the state-wide level in the Commonwealth's Annual Comprehensive Financial Report, available at doa.virginia.gov.

P. Defined Benefit 529 Program – Investment in Real Estate

In 2008, VA529 established Aventura Holdings LLC (Aventura), a limited liability company, to purchase a 48,500 square foot office building in Chesterfield County, Virginia; such purchase was funded by the Prepaid529 program, which was the only defined benefit program at the time. The investment in Aventura is reflected in the Defined Benefit 529 Program's assets at 7.5 million as of fiscal year-end. The value was determined by a professional real estate appraisal in June 2024.

VA529 is the sole member of Aventura and VA529's Chief Executive Officer, Chief Operations Officer, Chief Financial Officer and Chief Administrative Officer are its only non-equity managers. VA529 contracts with Aventura to maintain and operate the building. The building is held as an investment for the benefit of customers in the DB529 program. As the only value derived from Aventura is the building itself, which is held as an investment to generate a return for VA529 customers, it is valued at fair value within the Enterprise Fund financial statements to reflect the value which would be received upon liquidation to fund customers' benefits if this were ever necessary. Aventura has also established a renewal and replacement reserve funded from the annual contractual payments received from VA529 to cover capital improvements to the building.

Q. Pensions

The VRS's State Employee Retirement Plans are single employer pension plans that are treated like cost-sharing plans.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the VRS State Employee Retirement Plan; and the additions to/deductions from the VRS State Employee Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 12, Retirement and Pension Plan for additional information.

R. Implementation of GASB Standards

During fiscal 2024, VA529 implemented new guidance from GASB's Implementation Guide 2021-1, paragraph 5.1 (IG2021-1, 5.1). This updated guidance indicates that governments should capitalize the cost of assets where individual acquisition costs are less than the capitalization threshold, but are significant in the aggregate, whereas previous guidance from GASB Implementation Guide 2015-1 allowed governments to determine whether the capitalization of group assets was appropriate or not. To implement IG2021-1, 5.1, VA529 performed a review of historical asset purchases over the past five fiscal periods which had individual costs below the capitalization threshold, but were significant in the aggregate and recorded these purchases, along with accumulated depreciation, as capital assets in the Statement of Net Position and note disclosure related to capital assets.

GASB Statement No. 99, which was an omnibus statement, required VA529 to assess the requirements of the standard, but ultimately determined that no action was necessary as new requirements from this standard were not applicable to the assets nor activity of VA529's funds. The most notable portion of this standard, relevant to VA529, created a new category of investments in derivative instruments. However, VA529 determined its only derivative instruments continued to be held as investment derivatives per GASB 53.

As of July 1, 2023, VA529 adopted GASB Statement No. 100, Accounting Changes and Error Corrections. The implementation of this standard updates accounting and financial reporting requirements for accounting changes and the correction of errors in previously issued financial statements. The implementation of GASB's IG2021-1, 5.1, mentioned previously, resulted in changes to the way that VA529 capitalizes its group assets and required an adjustment to the beginning net position of the enterprise fund. VA529 considers this to be a change in accounting principle as it results from implementing the new authoritative pronouncement (IG2021-1, 5.1). This adjustment is shown in Note 2 to the financial statements and was prepared in accordance with GASB Statement No. 100.

2. Beginning Net Position Restatement

The Enterprise Fund's 2023 beginning net position of $1,658.1 million differs from the previous fiscal year's ending balance of $1,657.5 million as reported in VA529's fiscal 2023 financial statements. The difference of $585 thousand resulted from the implementation of new guidance within GASB's Implementation Guide 2021-1, paragraph 5.1 (IG2021-1, 5.1), which required the capitalization of additional capital assets which VA529 had not previously capitalized. VA529 considers this to be a change in accounting principle, which requires retroactive application and the re-statement of the beginning balance of the enterprise fund. The values of these asset purchases were previously expensed out of the enterprise fund, so recording them as capital assets results in a difference in the beginning net position. The restatement of the June 30, 2023 net position related to IG2021-1, 5.1 is summarized below (in thousands):

	06/30/2023 As Previously Reported	Change in Accounting Principle	06/30/2023 As Restated
Assets and Deferred Outflows of Resources:			
Current assets	$ 198,767		$ 198,767
Investments	2,843,363		2,843,363
Other post-employment benefits, net	706		706
Prepaid529 contract payments receivable	51,670		51,670
Capital assets, net	2,554	585	3,139
Total noncurrent assets	2,898,293		2,898,878
Total assets	3,097,060		3,097,645
Deferred Outflows of Resources	4,124		4,124
Total Assets and Deferred Outflows of Resources	3,101,184		3,101,769
Total Liabilities and Deferred Inflows of Resources	$ 1,443,656		$ 1,443,656
Net position			
Investment in capital assets	1,047	585	1,632
Restricted for net other postemployment asset	382		382
Unrestricted	1,656,098		1,656,098
Total net position	$ 1,657,527		$ 1,658,112

*Amounts may not sum due to rounding

See Notes 1K, 1R and 7 for additional information on the implementation of IG2021-1, 5.1 and capital assets.

3. Cash, Cash Equivalents, and Investments

VA529's Board has established Statements of Investment Policy and Guidelines for its investment programs in accordance with §23.1-706 of the *Code of Virginia*, as amended. This section of the *Code* requires the Board to discharge its duties in a manner which will provide the investment return and risk level consistent with the actuarial return requirements and cash flow demands of VA529 and conforming to all statutes governing the investment of VA529 funds. The Board shall exercise the judgment of care under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but to the permanent disposition of funds, considering the probable income as well as the probable safety of their capital when investing funds. In order to meet the return requirements, VA529's portfolio shall be invested in a broadly diversified investment portfolio including, but not limited to, domestic and foreign stocks, bonds, mutual funds, collective trust funds, hedge funds, private equity funds and cash equivalent investments, which are defined as investments with an original maturity of three months or less. The Board's allocation target for the Enterprise Fund's portfolio, at fair value, is 22 percent equities, 55 percent fixed income, and 23 percent alternatives. The Board's allocation targets for the DC529 program vary according to the investment objective of each portfolio.

To assist the Board in fulfilling its fiduciary duty with the investment of VA529 assets, the Board-appointed IAC provides objective and prudent investment advice on all matters related to the management of investments, within the parameters set by the Board's Statements of Investment Policy and Guidelines and the IAC's Charter. The Board has also selected a group of external managers. Complete lists of investment managers are located in Appendix B in Supplemental Information. In addition, the Enterprise Fund's contributions are considered Commonwealth revenue and as a result must pass through the State Treasury. Prior to being moved to VA529's custodian, these monies along with other minor balances may be invested with the State Treasurer as part of the Commonwealth's General Account. The Appropriation Act includes a provision for the allocation of interest on balances held at the State Treasury to VA529 and certain other agencies. Accordingly, VA529 receives interest earnings on a quarterly basis from the Commonwealth based on its relative participation during the quarter.

Fiduciary Fund contributions are excluded as Commonwealth revenue and accordingly are deposited directly with VA529's financial institution, Wells Fargo Bank N.A.

Private Debt & Equity Investment Commitments

In fiscal 2024, VA529 extended investment commitments under limited partnership agreements for private equity and debt investments in the DB529 Program. At June 30, 2024, VA529's investment unfunded commitments amounted to $330.0 million to managers whose investments were funded prior to June 30, 2024.

Custodial Credit Risk

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, VA529's deposits may not be returned to it. All deposits of the Enterprise and Fiduciary Funds, except those accounts in the FDIC-Insured Omnibus Account up to $250,000 per account, are secured in accordance with the provisions of the Virginia Security for Public Deposits Act, §2.2-4400, of the *Code of Virginia,* which means they are collateralized through the pledging of securities by the financial institution.

Custodial Credit Risk – Investments: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, VA529 will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2024, all investments of the Enterprise and Fiduciary Funds, except those investments in open-end mutual funds, certain collective trusts, or private equity, were held in VA529's name by VA529's custodian, BNY Mellon. Approximately 65.5 percent of total Enterprise Fund investments and 73.5 percent of total Fiduciary Fund investments are invested in vehicles that are not held in VA529's name by its custodian. All investments of the CollegeAmerica and ABLEAmerica programs are invested in mutual funds managed by the American Funds. Investments in open-end mutual funds, collective trusts, and private equity are not directly exposed to custodial credit risk because their existence is not evidenced by individual securities held by the custodian.

Interest Rate Risk – Fixed Income Securities

As of June 30, 2024, VA529 had fixed income investment securities held in the Enterprise and Fiduciary Funds with the following effective durations. Effective duration is a measure of interest rate and price sensitivity that takes into account options, such as early call provisions, embedded in the securities. It is widely used in the management of fixed income portfolios as it quantifies the risk of interest rate changes.

Enterprise Fund			
Investment Type		**Fair Value (thousands)**	**Effective Duration**
Agency Mortgage Backed Securities[1]	$	161,351	5.67
Asset Backed Securities[1]		151,918	1.83
Convertible Bonds & Notes[2]		258	4.05
Corporate Bonds & Notes		428,002	3.68
Fixed Income & Commingled Funds		661,957	5.97
Money Market Funds		134,851	0.08
Non-U.S. Government Bonds & Notes		48,087	5.22
U.S. Treasury & Agency Securities		77,547	11.64
Total	**$**	**1,663,971**	**4.74**

Fiduciary Fund			
Investment Type		**Fair Value (thousands)**	**Effective Duration**
Mutual & Money Market Funds	$	98,101	0.08
Asset Backed Securities[1]		22,318	0.06
Corporate Bonds & Notes		309,811	3.83
Fixed Income & Commingled Funds		1,094,764	6.20
Stable Value[3]		1,841,137	3.49
U.S. Treasury Notes		10,922	0.98
Non-U.S. Government Bonds		192,522	6.94
Total	**$**	**3,569,575**	**4.41**

[1]Assets in this category may be subject to prepayment risk and may be highly sensitive to interest rate changes.
[2]Effective duration for convertible bonds and convertible bond funds is calculated using a methodology that takes into account the duration impact of equity warrants and rate-sensitive instruments.
[3]Reported at contract value.

VA529's Statements of Investment Policy and Guidelines do not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Although not an explicit requirement, duration of fixed income portfolios, if applicable, is expected to be within +/-20 percent of each portfolio's designated benchmark.

Concentration of Credit Risk

At June 30, 2024, VA529 had no investment securities held in separately managed accounts in the Enterprise and Fiduciary Funds in any one issuer that represented 5 percent or more of total investments. Thus limiting the concentration of credit risk to which each program is exposed.

Mutual Fund Risks

At June 30, 2024, VA529 participated in a number of open-end domestic and foreign equity and fixed income mutual funds and collective trusts in the Enterprise and Fiduciary Funds. These funds are subject to various investment risks, including the possibility that the value of the fund's portfolio holdings may fluctuate in response to events specific to the companies in which the fund invests, as well as economic, political or social events in the United States and abroad. Certain mutual funds may be subject to additional risks due to investments in a more limited group of sectors and industries than the broad market. Those funds with holdings issued by entities based outside the United States are subject to foreign securities risks, including currency fluctuations.

The value of and the income generated by fixed income securities held by certain mutual funds in which VA529 participates, may be affected by changing interest rates and credit risk assessments. Lower quality or longer maturity bonds may be subject to greater price volatility than higher quality or shorter maturity bonds.

Prospectuses for each of the mutual funds in which VA529 participates may be requested from VA529, 9001 Arboretum Parkway, North Chesterfield, VA 23236, or at Virginia529.com. A prospectus may also be requested directly from each of the underlying fund managers. Please see Supplementary Information for a listing of investment managers for the Defined Benefit and Defined Contribution 529 programs.

Foreign Currency Risk

Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value, in U.S. dollars (USD), of non-USD denominated securities. At June 30, 2024, VA529 had indirect exposure to this risk through its investments in certain investments, including mutual funds, other pooled vehicles and others. More information relating to currency risk in VA529's mutual fund investments can be found in each fund's prospectus.

Within the Enterprise Fund, VA529 has direct exposure to foreign currency risk through investments held in accounts managed by Acadian Asset Management, LLC (Acadian), Hamilton Lane, Loomis, Sayles and Company, LP (Loomis) and Prudential Investment Management (PGIM) Fixed Income. Acadian invests in international equity with a mandate benchmarked against the MSCI EAFE. Loomis uses a multi-asset credit strategy to invest in a wide variety of fixed income instruments globally. PGIM uses a strategy of diversifying within investment-grade fixed income securities. All three managers use currency forward contracts to hedge portfolio risks associated with currency fluctuations. The table below shows exposures to non-USD denominated currencies by asset class.

A similar exhibit showing non-USD denominated currency exposure associated with the forward contracts is included in Note 4 - Investment Derivative Instruments and Stable Value Investments. Foreign currency gains and losses are recorded in net investment income in the financial statements.

Enterprise Fund Foreign Currency Exposures by Asset Class (thousands)								
Currency	Asset Backed Securities	Cash and Short-Term Investments	Common & Preferred Stock	Corporate Bonds & Notes	Futures	Non-U.S. Government Bonds and Notes	Other - Equity Securities	Total
Australian Dollar		$ 4	$ 10,583					$ 10,587
Brazil Real		242				$ 1,315		1,557
Chilean Peso								—
Colombian Peso		155				1,327		1,482
Danish Krone			9,224					9,224
Egyptian Pound		2,344						2,344
Euro Currency Unit	$ 5,667	1,388	39,622	$ 5,106	$ (5)	1,709	$ 2,762	56,249
Hong Kong Dollar		4	2,977					2,981
Indonesian Rupiah		164				1,375		1,539
Israeli Shekel			2					2
Japanese Yen		142	26,380					26,522
Mexican Peso		112				2,043		2,155
Norwegian Krone			1,022					1,022
Polish Zloty		26						26
Pound Sterling		26	8,871	192			2,761	11,850
Singapore Dollar			3,411					3,411
South African Rand		82				1,612		1,694
Swedish Krona			2,864					2,864
Swiss Franc			17,100					17,100
Turkish Lira						1,430		1,430
Uruguayan Peso						527		527
Total	**$ 5,667**	**$ 4,689**	**$ 122,056**	**$ 5,298**	**$ (5)**	**$ 11,338**	**$ 5,523**	**$ 154,566**

Note: Amounts shown in U.S. dollars using June 30, 2024 foreign exchange rates.

Investments within the Fiduciary Fund have direct exposure to foreign currency risk through assets managed by emerging markets debt manager, Neuberger Berman and high-yield fixed income manager, PGIM. The table below shows exposures to non-USD denominated currencies by asset class.

Fiduciary Fund Foreign Currency Exposures by Asset Class (thousands)				
Currency	Cash & Short-Term Investments	Fixed Income Securities	Futures	Total
Euro	$ 10,087	$ 45,974	$ (247)	$ 55,814
Pound Sterling	6	512		518
Total	**$ 10,093**	**$ 46,486**	**$ (247)**	**$ 56,332**

Note: Amounts shown in U.S. dollars using June 30, 2024 foreign exchange rates.

Counterparty Risk

Counterparty risk is the risk of loss arising from the failure of one party to a transaction to fulfill its contractual obligation to the other. VA529 has a minimal amount of exposure to counterparty risk through its investments. Potential examples of risk for over-the-counter transactions may include transaction costs/inefficiencies/errors, fraud or reputation risk. As of June 30, 2024 less than 1 percent of the VA529's investments were invested in investment vehicles exposed to this type of risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to VA529. VA529's Statements of Investment Policy and Guidelines require its fixed income securities managers to invest in holdings which, on average, are comprised of high quality securities and may not include securities deemed to be below investment grade. Investment grade is generally defined as a rating of BBB or above by one of the three major rating agencies (Standard & Poor's, Fitch or Moody's). This requirement does not apply to VA529's managers who are instructed to manage a specific investment strategy (e.g., high-yield fixed income), whether in a separate account or as a dedicated allocation within a broader fixed income portfolio. Many of VA529's fixed income investment securities held in the Enterprise and Fiduciary Funds as of June 30, 2024 were rated by nationally recognized rating organizations as reported by VA529's custodian. In the tables below, the most conservative rating available is shown across each asset class subject to credit risk disclosure per GASB No. 40 (GASB 40).

Enterprise Fund Credit Quality by Investment Type (thousands)

Credit Rating	Agency Mortgage Backed Securities	Asset Backed Securities	Convertible Bonds & Notes	Corporate Bonds & Notes	Fixed Income & Commingled Funds	Mutual & Money Market Funds	Non-U.S. Government Bonds and Notes	Total
Aaa/AAA	–	$ 124,620	–	$ 1,990	–	$ 132,865	$ 5,630	$ 265,105
Aa/AA		4,047	–	3,351	–	–	4,724	12,122
A	–	7,895	–	50,752	–	–	2,055	60,702
Baa/BBB	–	8,323	–	108,437	–	–	7,310	124,070
Ba/BB and Below	–	3,533	–	257,945	–	–	22,396	283,874
Unrated[1]	$ 161,351	3,500	$ 258	5,525	$ 661,957	1,986	5,971	840,548
Total	$ 161,351	$ 151,918	$ 258	$ 428,000	$ 661,957	$ 134,851	$ 48,086	$ 1,586,421

[1]Securities have not been rated by Standard & Poor's, Fitch or Moody's

In addition to the above investments, there were $77.5 million in U.S. Treasury and Agency Securities which are not required to be reported as a part of credit quality risk disclosure.

Fiduciary Fund Credit Quality by Investment Type (thousands)

Credit Rating	Asset Backed Securities	Corporate Bonds & Notes	Fixed Income & Commingled Funds	Mutual & Money Market Funds	Non-U.S. Government Bonds & Notes	Stable Value[2]	Total
Aaa/AAA	$ 22,318	–	–	$ 97,717	–	–	$ 120,035
Aa/AA	–	$ 4,966	–	–	$ 5,722	–	10,688
A	–	5,645	–	–	8,940	–	14,585
Baa/BBB	–	27,388	–	–	30,385	–	57,773
Ba/BB and Below	–	266,817	–	–	146,979	–	413,796
Unrated[1]	–	4,996	$ 1,094,764	384	497	$ 1,841,137	2,941,778
Total	$ 22,318	$ 309,812	$ 1,094,764	$ 98,101	$ 192,523	$ 1,841,137	$ 3,558,655

[1]Securities have not been rated by Standard & Poor's, Fitch or Moody's.

[2]Stable Value Contracts (which include the Access Program) are not rated directly by S&P, Fitch or Moody's, however the underlying investments weighted average credit quality rating is AA

In addition to the above investments, there were $10.9 million in U.S. Treasury and Agency Securities which are not required to be reported as a part of credit quality risk disclosure

4. Investment Derivative Instruments and Stable Value Investments

GAAP requires that VA529 disclose its exposure to investment derivative instruments and certain investments described as synthetic guaranteed investment contracts.

A. Investment Derivatives:

Pursuant to the Statements of Investment Policy and Guidelines established for VA529's investment programs, investments in derivative instrument securities are prohibited except where specifically permitted in the investment manager agreement for a separate account or prospectus for a fund. The Board may permit managers in certain asset classes to use derivative instruments consistent with the overall investment guidelines and objectives of that asset class. Synthetic positions are not allowed and the use of derivative instruments should not be considered as an alpha generator.

All derivative instruments held by VA529 are considered investments. The fair value of all derivative financial instruments is reported on a net basis on the Statement of Net Position and the Statement of Fiduciary Net Position. The derivative instruments are either subject to an enforceable master netting arrangement or similar agreement. The master netting arrangements allow VA529 to net applicable liabilities or prepayment obligations to counterparties to the derivative contracts against amounts owed to VA529 by the counterparties. As of June 30, 2024, four separate account managers, in the asset classes shown below, were permitted to use derivative instruments as shown in the tables that follow.

Fund	Manager	Asset Class
Enterprise	**Acadian Asset Management, LLC**	**Developed Markets International Equity**
Enterprise	**Loomis, Sayles & Company, L.P.**	**Multi-Asset Credit**
Fiduciary	**Neuberger Berman**	**Emerging Markets Debt**
Enterprise	**Neuberger Berman**	**Core Bond Fixed Income**
Fiduciary	**PGIM Fixed Income**	**High-yield Fixed Income**
Enterprise	**PGIM Fixed Income**	**High-yield Fixed Income**
Fiduciary	**PGIM Fixed Income**	**Core Bond Fixed Income**
Enterprise	**PGIM Fixed Income**	**Core Bond Fixed Income**

(i) Derivative Instruments Summary

Derivative instruments are financial instruments whose values are derived from the value of underlying assets. The summary of VA529's derivative instruments at June 30, 2024 are shown in the table below (amounts expressed in thousands).

Investment Derivative Instruments	Changes in Fair Value		Fair Value at June 30, 2024		
Enterprise Fund	**Classification**	**Amount**	**Classification**	**Amount**	**Net Notional Amount**
Credit Default Swaps	Revenue	$ (2)	Investment	$ 160	$ 2,555
Futures Contracts	Revenue	221	Investment	221	86,411
Total Return Swaps	Revenue	(1,200)	Investment	(1,200)	25,968
Zero Coupon Swap	Revenue	(25)	Investment	184	$ 35,907
Total		$ (1,006)		$ (635)	
Fiduciary Fund					
Credit Default Swaps	Revenue	$ (540)	Investment	$ 683	$ 23,425
Futures Contracts	Revenue	571	Investment	571	96,916
Total Return Swaps	Revenue	273	Investment	273	8,599
Total		$ 304		$ 1,527	

Pursuant to their investment management agreements, PGIM High Yield Fixed Income, PGIM Core Bond Fixed Income, Loomis, Sayles & Company, Neuberger Berman Emerging Markets Debt and Neuberger Core Bond may invest in derivative instruments for hedging, cash management and/or duration management.

Each portfolio's exposure to derivative instruments, as measured on a net market value basis, is limited to 10 percent of the market value of the accounts, with the exception of futures contracts, which are excluded from the 10 percent limit.

Within the Enterprise Fund at June 30, 2024, the Neuberger Berman and PGIM Core Bond portfolios, as well as the PGIM High Yield Fixed Income accounts each held futures contracts. Futures contracts are contracts to deliver or receive securities at a specified future date and at a specified price or yield. The PGIM Core Bond and High Yield Fixed Income accounts each held total return swaps and credit default swaps. The PGIM Core Bond account also held zero coupon swaps. Swaps are negotiated contracts between two counterparties for the exchange of payments at certain intervals over a predetermined timeframe. The payments are based on a notional principal amount and calculated using either fixed or floating interest rates or total returns from certain instruments or indexes. Swaps are, therefore, sensitive to interest rate changes and are incorporated into the Interest Rate Risk note disclosure in Note 3 above.

Within the Fiduciary Fund at June 30, 2024, the Neuberger Berman Emerging Markets Debt and PGIM High Yield accounts each held futures contracts and credit default swaps. The PGIM High Yield Fixed Income account also held total return swaps.

Futures contracts are permissible to hedge duration while total return swaps are held to gain exposure to assets with minimal cash outlay. Credit risk is mitigated with credit default swaps and zero coupon swaps as they are each centrally cleared derivative instruments.

(ii) Forward Foreign Exchange Contracts

Pursuant to their investment management agreements, Loomis, Sayles & Company, the PGIM High Yield Fixed Income and Core Bond accounts as well as Acadian may invest in foreign exchange forward contracts for hedging purposes or for efficient portfolio management within the Enterprise Fund. PGIM High Yield and Neuberger Berman Fixed Income accounts invest in foreign exchange forward contracts for the same purposes within the Fiduciary Fund's investment portfolio. Each of these managers primarily uses forward foreign exchange contracts to hedge the value of investments denominated in non-U.S. dollar currencies. Credit risk of exchange traded currency contracts lies with the clearinghouse of the exchange at which the contracts are traded, while credit risk of currency contracts traded over the counter lies with the counterparty. Counterparty risk exposure is generally equal to the unrealized gain on in-the-money contracts. The following table contains a breakdown of these forward contracts by currency.

Enterprise Fund Foreign Currency Forwards (thousands)				
Currency	Cost	Foreign Exchange Purchases	Foreign Exchange Sales	Market Value
Brazil Real	$ (1,367)	$ —	$ (1,326)	$ (1,326)
Colombian Peso	$ (1,392)	$ —	$ (1,329)	$ (1,329)
Euro Currency Unit	$ (12,478)	$ 5,839	$ (18,198)	$ (12,359)
Hong Kong Dollar	$ (1)	$ —	$ (1)	$ (1)
Indian Rupee	$ (2)	$ 1,409	$ (1,409)	$ —
Indonesian Rupiah	$ (1,386)	$ —	$ (1,383)	$ (1,383)
Japanese Yen	$ (48)	$ 2,014	$ (2,074)	$ (60)
Mexican Peso	$ (1,988)	$ —	$ (2,015)	$ (2,015)
Pound Sterling	$ (190)	$ 189	$ (378)	$ (189)
South African Rand	$ (1,473)	$ —	$ (1,517)	$ (1,517)
South Korean Won	$ —	$ 1,388	$ (1,388)	$ —
U.S. Dollar	$ 20,324	$ 31,247	$ (10,923)	$ 20,324
Total	**$ —**	**$ 42,086**	**$ (41,941)**	**$ 145**

Note: Amounts shown in U.S. dollars using June 30, 2024 foreign exchange rates.
Amounts may not sum due to rounding.

Fiduciary Fund Foreign Currency Forwards (thousands)				
Currency	Cost	Foreign Exchange Purchases	Foreign Exchange Sales	Market Value
Euro Currency Unit	$ (56,347)	$ 4,513	$ (60,204)	$ (55,691)
Pound Sterling	$ (507)	$ 504	$ (1,008)	$ (504)
U.S. Dollar	$ 56,855	$ 61,932	$ (5,078)	$ 56,855
Total	**$ —**	**$ 66,949**	**$ (66,290)**	**$ 660**

Note: Amounts shown in U.S. dollars using June 30, 2024 foreign exchange rates.
Amounts may not sum due to rounding.

B. Stable Value:

GASB Statement No. 53 defines stable value investment vehicles as synthetic guaranteed investment contracts. Stable value funds are invested in a high quality, diversified, intermediate term, fixed income portfolio that is protected against interest rate volatility by wrap or investment contracts from banks and insurance companies that guarantee the payment of benefits at book value (cost plus accrued interest), which enables the entire investment to be carried at its book value. VA529 utilizes stable value investments in the Fiduciary Fund. VA529's stable value investments meet the definition of fully benefit-responsive synthetic guaranteed investment contracts and are reported at contract value. At June 30, 2024, VA529 had the following stable value investments outstanding as shown in the table below.

Fund	Wrap Provider	Notional Amount (Thousands)	Effective Date	Maturity Date	Crediting Rate
Fiduciary	American General Life	$ 306,074	1/16/2014	Open ended	3.04%
	Nationwide Life Insurance	310,447	1/29/2018	Open ended	3.73%
	Prudential Retirement Ins. & Annuity	306,345	1/30/2014	Open ended	3.05%
	RGA	306,056	8/28/2015	Open ended	3.04%
	State Street Bank	306,057	5/1/2002	Open ended	3.04%
	Voya Retirement & Annuity	306,157	10/05/2012	Open ended	3.05%
	Total	$ 1,841,136			

At June 30, 2024, the fair value of the underlying investments for the Fiduciary Fund was less than the book value (notional amount) of the wrap contracts. The book value of the wrap contracts provides a guaranteed minimum value that program participants would receive upon liquidation, and therefore has a separate fair value only in the circumstance that the fair value of the associated underlying investment pool is below the book value of the wrap contracts. The fair value of the wrap contracts is the amount required to bring the total value of the stable value investments up to the book value of the wrap contracts. In the Fiduciary Fund, the fair value of the wrapped stable value investments at June 30, 2024, was $1.73 billion.

5. Fair Value Measurement and Application

GAAP prescribes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes inputs of valuation techniques used to determine fair value. The hierarchy gives highest priority to valuations maximizing observable inputs and lowest priority to those utilizing unobservable inputs. The three levels of the fair value hierarchy are described below:

Level 1: Quoted prices in active markets for identical assets or liabilities
Level 2: Quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active or inputs other than quoted prices that are observable for the asset or liability
Level 3: Unobservable inputs

GAAP also permits certain investments that do not have a readily determinable fair value to be reported at the investment's Net Asset Value (NAV). As the NAV is not as readily determinable as the fair value, it is likely that upon liquidation, these investments would sell for amounts different than the reported NAV. These investments are excluded from the fair value hierarchy below and accordingly are reported in a separate table. The following exhibits represent VA529's investments and related disclosures in accordance with GAAP by program.

Enterprise Fund investments measured at fair value as of June 30, 2024 (thousands):

		Fair Value Measurements Using:		
Investments By Fair Value Level	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
Asset Backed Securities	$ 151,918	—	$ 151,918	—
Agency Mortgage Backed Securities	161,351	—	161,351	—
Convertible Bonds & Notes	258	—	258	—
Corporate Bonds & Notes	428,001	$ (5)	428,006	—
Fixed Income and Commingled Funds	1,527	1,527	—	—
Non-U.S. Government Bonds and Notes	48,087	—	48,087	—
U.S. Treasury and Agency Securities	77,547	77,547	—	—
Total Debt Securities	$ 868,689	$ 79,069	$ 789,620	$ —
Equity Securities				
Equities	$ 133,855	$ 134,640	$ (785)	—
Equity Real Estate	7,525	—	—	$ 7,525
International & Emerging Markets Funds	85,259	85,259	—	—
Other Equity Securities	455	—	455	—
Total Equity Securities	$ 227,094	$ 219,899	$ (330)	$ 7,525
Total Investments at Fair Value	$ 1,095,783	$ 298,968	$ 789,290	$ 7,525

Note: Cash equivalent investments, in the amount of $137.2 million, that are measured at amortized cost are not classified in the fair value hierarchy and as a result, are not included in the above table.

Enterprise Fund's investments measured at NAV (thousands):

Investments Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency* (if Currently Eligible)	Redemption Notice Period
Equity Index and Pooled Funds	$ 371,531		Daily	5 Business Days
Fixed Income and Commingled Funds	660,430	$ 72,351	Monthly - Quarterly	None, 10 - 60 Days
Other Equity Securities - Private Equity	553,523	189,898	Monthly	None, 10 Business Days
Real Estate	239,261	67,720	Quarterly	None, 90 Days
Total Investments Measured at the NAV	$ 1,824,745	$ 329,969		

*See descriptions below for details related to redemption frequency and eligibility, if applicable.

Description of Enterprise Fund investments measured at NAV:

1. Equity Index and Pooled Funds: This investment type includes one index fund. The fair value of investments in this type have been determined using the NAV per share of the investments. The following table provides information for this investment type by investment manager, fund name and underlying investments.

Investment Manager	Fund Name(s)	Invests In
BlackRock, Inc.	MSCI U.S. Equity Index Fund	The index fund invests in U.S. equity securities whose total rates of return will approximate the capitalization weighted total rates of return of the markets for equity securities in the U.S.

2. Fixed Income and Commingled Funds: This investment type includes seven limited partnerships and two investments in collective trusts. The fair value of investments in this type have been determined using the NAV per share of the investments. For Ares Global, Brigade and Wellington, capital representing 71.3 percent of the fair value in this investment type, can be redeemed subject to the fund redemption terms shown in the ranges in the table above. The remaining 28.7 percent of the fair value of this asset class is generally expected to be called during the initial four to five years and is expected to be returned through liquidations of underlying fund investments during the 3rd through 15th years. The following table provides information for this investment type by investment manager, fund name and underlying investments.

Investment Manager	Fund Name(s)	Invests In
Ares Management	Ares Pathfinder Fund, LP	Private debt
Ares Global Multi-Asset Credit	Ares Global Multi-Asset Credit	Multi-asset credit securities
Brigade Capital Management	Brigade Credit Fund II, LP	Multi-asset credit securities
Chorus Capital	Chorus Capital Credit V	Private debt (non-core)
Golub Capital	Golub Capital Partners 11 & 12, LP	Private debt - U.S. middle markets, senior secured, low / floating rate loans
Monarch Alternative Capital	Monarch Capital VI, LP	Private debt (non-core)
Schroder	Schroder Focus II Fund	Private debt
Wellington	Emerging Market Debt Common Trust Fund	Securities, derivatives, private placements or other pooled vehicles in order to generate excess returns over the J.P. Morgan Emerging Markets Bond Index Plus.
Wellington	Multi-Sector Credit Portfolio	Multi-asset credit securities

3. Other Equity Securities: This investment type includes private equity funds of funds managed by 12 managers and several different funds. These investments cannot be redeemed from the fund. With the exception of Sands, capital representing 93.6 percent of the fair value in this investment type is generally expected to be called during the initial four to five years and is expected to be returned through liquidations of underlying fund investments during the 3rd through 15th years. Secondary funds of funds may have an accelerated capital call and return of capital profile. Capital representing approximately 6.4 percent of the fair value in this investment type invested with Sands can be redeemed subject to the 10 business day fund redemption term. VA529 invests in multiple funds with twelve of its private equity investment managers and is also diversified by vintage year with respect to these investments. The fair values of investments in this type have generally been determined using the March 31, 2024 NAV of VA529's ownership of the partnership, adjusted for cash flows (capital calls and distributions) through June 30, 2024. The following table provides information for this investment type by investment manager, fund name and underlying investments.

Investment Manager	Fund Name(s)	Invests In
Adams Street Partners	Multiple U.S./Non-U.S. Centric Buyout Funds	Emerging markets, U.S. and non-U.S. developed markets funds
Adams Street Partners	Venture Innovation Funds I, II & III	Venture
Adams Street Partners	Leaders Fund	Private equity
Aether Investment Partners, LLC	Real Assets III, IV & V LP Funds	Natural resources
Asia Alternatives	Asia Alternatives Capital Partners VI, L.P.	Private equity
Carlyle	Carlyle Credit Opportunities Fund II, L.P.	Private debt
Commonfund	Capital Natural Resources Fund IX, LP	Natural resources
Eagle Point	Eagle Point Defensive Income M L.P.	Private debt
Hamilton Lane	Multiple U.S./Non-U.S. Private Equity and Venture Capital Funds	Private equity
Horsley Bridge Partners	XII Growth Buyout, LP	U.S. small company buyout (Growth)
LGT Capital Partners	Crown Global Secondaries Fund IV, plc	Private equity secondaries (Global)
Neuberger Berman	Crossroads Fund XXI - Asset Allocation, LP	Asset allocation fund of funds; diversified geographically and strategically
Private Advisors, LLC	Multiple small company buyout/private equity funds	U.S. small company growth equity/ buyout, distressed and turnaround, and opportunistic funds
Sands	Capital Emerging Markets Growth Feeder Fund, LP	Emerging markets

4. Real Estate: For Morgan Stanley, capital representing approximately 31.6 percent of the fair value in this investment type is generally contributed up front and can be redeemed as requested according to the redemption frequency. For the remaining investments in this type, capital is generally expected to be called during the initial four to five years of the investment period and is expected to be returned through liquidations of underlying fund investments during the 3rd through 15th years. As distributions from the funds in this asset type are received through income as well as the liquidation of the underlying assets of the fund, there are limitations on the timing of withdrawals which can be taken. The fair value of investments in this type have been determined using the NAV per share of the investments. The following table provides information for this investment type by investment manager, fund name and underlying investments.

Investment Manager	Fund Name(s)	Invests In
Bain Capital Real Estate	Bain Capital Real Estate Fund II	Direct equity-owned real estate assets
Related Real Estate	Related Real Estate Fund III, LP	Direct equity-owned real estate assets
Morgan Stanley Prime	JP Morgan Prime Property Fund, LLC	Direct equity-owned real estate assets
Starwood Capital	Starwood Distressed Opportunity Fund, XII	Direct equity-owned real estate assets
Stockbridge Real Estate	Stockbridge Smart Markets Fund	Direct equity-owned real estate assets
UBS Trumbull	UBS Trumbull Property Fund	Direct equity-owned real estate assets

Description of Fiduciary Fund investments measured at fair value:

1. Debt and equity securities classified in level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in level 2 of the fair value hierarchy utilize dealer quotes for similar securities traded in active markets.

2. Stable Value investments are held at contract value and are thus excluded from this exhibit.

Fiduciary Fund investments measured at fair value as of June 30, 2024 (thousands):

		Fair Value Measurements Using		
Investments By Fair Value Level	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
US Treasury & Agency Securities	$ 10,922	$ 10,922	—	—
Corporate Bonds & Notes	309,811	571	$ 309,240	—
Non-U.S. Government Bonds & Notes	192,522	—	192,522	—
Asset Backed Securities	22,318	—	22,318	—
Fixed Income & Commingled Funds	1,094,764	1,094,764	—	—
Total Debt Securities	$ 1,630,337	$ 1,106,257	$ 524,081	$ —
Equity Securities				
Common & Preferred Stocks	$ 1,593	$ 874	$ 719	—
Equity Index Funds	4,392,258	4,392,258	—	—
Equity Mutual Funds	331,623	331,623	—	—
International and Emerging Markets Funds	343,701	343,701	—	—
Total Equity Securities	$ 5,069,175	$ 5,068,456	$ 719	$ —
Total Investments by Fair Value Level	$ 6,699,512	$ 6,174,713	$ 524,800	$ —

Amounts may not sum due to rounding.
Note: Cash equivalent investments, in the amount of $108.2 million, that are measured at amortized cost are not classified in the fair value hierarchy and as a result, are not included in the above table.

Fiduciary Fund investments measured at NAV (thousands):

Investments Measured at the NAV	Fair Value	Redemption Frequency* (if Currently Eligible)	Redemption Notice Period
Equity Index and Pooled Funds	$ 247,626	Daily	
Real Estate	75,543	Quarterly	60- 90 Days
Total Investments Measured at the NAV	$ 323,169		

*See descriptions below for details related to redemption frequency and eligibility, if applicable.

Description of Fiduciary Fund investments measured at NAV

1. Equity Index and Pooled Funds: This investment type includes one common trust fund. The Wellington Management Co., LLP invests in developed markets' international equities through the Wellington International Contrarian Value Fund. The fair value of investments in this type have been determined using the NAV per share of the investments.

2. Real Estate: This investment type includes two limited partnerships. The UBS Trumbull Property Fund's investment strategy is to invest primarily through direct equity-owned real estate assets and represents approximately 25.7 percent of the fair value in this investment type. The fund also has flexibility to invest in joint venture and debt investments. Investments are generally acquired on an all-cash basis, however debt may be used where UBS determines leverage is prudent and is expected to enhance total return without undue risk. Blackstone Property Partners, which represents approximately 74.3 percent of the fair value in this investment type, is an open ended commingled fund seeking core plus real estate investments in the U.S. and Canada. As distributions from the funds in this asset type are received through income as well as the liquidation of the underlying assets of the fund, there are limitations on the timing of withdrawals which can be taken. The fair values of investments in this type have been determined using the NAV per share of VA529's ownership of the partnership.

6. Securities Lending Transactions

As of June 30, 2024, there was $2.0 million in investments and cash equivalents held by the Treasurer of Virginia that represent VA529's allocated share of cash collateral received and reinvested and securities received for the State Treasury's securities lending program. The Treasurer of Virginia is authorized to enter into securities lending transactions – loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future – for a fee. The Commonwealth's policy is to record unrealized gains and losses on the State Treasury's securities lending program in the General Fund in the Commonwealth's basic financial statements. When gains or losses are realized, the actual gains and losses are recorded by the affected agencies. Accordingly, VA529 recorded interest of $1 thousand for securities lending transactions in fiscal year 2024. Information related to the State Treasury's securities lending program is available on a statewide level in the Commonwealth of Virginia's Annual Comprehensive Financial Report found at doa.virginia.gov/.

7. Capital Assets

The following schedule presents capital asset activity of VA529 for the year ended June 30, 2024 (amounts shown in thousands).

Enterprise Fund	Balance* June 30, 2023	Increases	Decreases	Balance June 30, 2024
Non-depreciable capital assets:				
Software in development	—	$ 1,930	—	$ 1,930
Total non-depreciable capital assets:	—	1,930	—	1,930
Depreciable capital assets:				
Equipment	$ 3,300	289	—	3,590
Software	1,012	—	$ 13	999
Right-to-use assets				
Equipment leases	138	—	—	138
Service-based IT arrangements	2,693	3,040	151	5,582
Total depreciable capital assets:	7,143	3,329	164	10,308
Total capital assets:	7,143	5,259	164	12,238
Less accumulated depreciation for:				
Equipment	2,132	133	—	2,264
Software	1,032	—	13	1,019
Total accumulated depreciation	3,164	133	13	3,283
Less accumulated amortization for:				
Equipment leases	28	39	—	67
Service-based IT arrangements	812	1,647	101	2,358
Total accumulated amortization	840	1,686	101	2,425
Total accumulated depreciation and amortization	4,004	1,818	114	5,708
Net depreciable and amortizable capital assets	3,139	1,511	50	4,600
Total net capital assets	$ 3,139	$ 3,441	$ 50	$ 6,529

*Restated
Amounts may not sum due to rounding.

8. Commitments

Investment-related commitments are discussed in Note 3. Commitments related to leases for business equipment which qualify as either leases under GASB 87 or SBITAs under GASB 96 are discussed in Note 8. The remaining commitment is related to the agreement to manage the office building which VA529 occupies.

On July 1, 2018, VA529 entered into a 10-year extension of its contract with Aventura Holdings, LLC under which it maintains the 48,500 square foot headquarters office building through June 30, 2028. As VA529 reports this as a real estate investment and reports the asset at market value as it is held for a profit within the enterprise fund, this contract does not qualify as a lease. Information related to the market value of this asset is reported within Note 5, but information related to the scheduled payments for maintenance of this building are discussed here.

Pursuant to this agreement, VA529 will make payments as reflected below on an annual basis in advance, and will make additional payments on a quarterly basis in advance in an amount sufficient to pay building operating costs for the next quarter. Aventura has entered into an agreement with a property management company for the purpose of providing facilities maintenance, grounds keeping, custodial services, etc. Any additional payments made to Aventura by VA529 will cover operating costs incurred by Aventura under the property management agreement. At the end of each quarter, VA529 and Aventura reconcile expenses before funding operating expenses for the subsequent quarter.

Base Rent Periods (Fiscal Year)		Annual Payment Due (Thousands)
2025	$	757
2026		776
2027		796
2028		815
Total Aventura future minimum rental payments	$	3,144

Aventura has also established a renewal and replacement reserve funded from a portion of the annual payments received from VA529 to cover capital improvements to the building. The total reserve funding expense for the fiscal year ending 2024 was $111 thousand. The reserve funding schedule for future periods is set forth below.

Base Reserve Periods		Annual Reserve Funding (Thousands)
2025	$	114
2026		116
2027		119
2028		122
Total Aventura future reserve funding	$	471

9. Unrelated Business Income Tax

During fiscal year 2024, VA529 paid $3 million in combined Federal and Virginia State tax due to unrelated business income. This includes payments totaling $0.8 million toward the previous tax year's combined federal and state tax liabilities. The remaining $2.2 million represents estimated payments toward the next tax year's federal and state tax liabilities and accrued as prepaid expenses for fiscal 2024.

10. Long-Term Liabilities

Long-term liabilities include educational benefits payable, compensated absences and obligations toward lease and SBITA agreements.

Changes in long-term liabilities are shown below (thousands):

		Beginning Balance		Increases		Decreases		Ending Balance		Due Within One Year
Compensated Absences	$	1,034	$	1,041	$	940	$	1,135	$	990
Educational Benefits Payable		1,384,699		97,405		180,323		1,301,781		179,762
Lease Liability		110		—		38		73		40
Service-based IT arrangements		1,397		2,638		1,504		2,531		1,317
Total	$	1,387,240	$	101,084	$	182,805	$	1,305,519	$	182,109

*Amounts may not sum due to rounding

A. Educational Benefits Payable

This liability represents the actuarially determined present value of future obligations anticipated for payment of benefits and administrative expenses for the enterprise fund.

B. Compensated Absences

Compensated Absences represent the estimated leave liability for accrued Paid-Time-Off (PTO), or disability credits, compensatory, overtime, on-call, and other leave for all leave-eligible employees employed on June 25, 2024. This liability is further apportioned as current or noncurrent based on whether they are estimated to be due within one year or due greater than one year, respectively.

C. Lease Liabilities

GASB Statement Number 87, Leases, (GASB 87), requires VA529 to disclose the present value of its obligations under all agreements which contain a lease or a lease element. Lessee is required to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate as the discount for the lease. Generally VA529 cannot determine the implicit interest rate as this is not a common term spelled out in the lease agreements. Additionally, VA529's incremental borrowing rate is indeterminable as the only debt which VA529 has historically ever had is the current interest-free loan from the Department of Treasury. Since it is unlikely that VA529 could obtain similar terms to pay for its leases, VA529 utilizes the prime interest rate at the time of the lease's inception to discount its lease agreements as VA529 would be a low risk borrower with over 100% collateral on its obligations.

As noted in Note 7, as of June 30, 2024, VA529 recognized a right-to-use asset of $70,653, net of accumulated amortization and a lease liability of $72,504 relating to lease agreements. During the fiscal year, VA529 recorded $38,959 in amortization expense and $5,743 in interest expense relating to the contracts. In addition, VA529 paid $7,711 in variable costs toward these agreements. The future minimum lease obligations based on the net present value as of June 30, 2024 were as follows (in thousands):

Year Ending June 30	Principal	Interest	Total
2025	$ 40	$ 3	$ 43
2026	32	1	33
Total	$ 72	$ 4	$ 76

Amounts may not sum due to rounding.

D. Subscription-based IT Arrangements Liabilities

GASB Statement Number 96, SBITAs, requires VA529 to disclose the present value of its obligations under all agreements which contain a SBITA. During the fiscal year 2024, VA529 entered into multiple agreements where VA529 paid for the right to use a vendor's information technology (IT) software for a pre-determined period of time. VA529 is required to make principal and interest payments through the end dates for each of these contracts.

The liabilities for each of these contracts were valued using the present value of the total payments owed throughout the terms of each of the contracts. Similar to leases under GASB 87, VA529 has determined that when the implicit rate of the lease is unavailable or indeterminable, the prime interest rate at the time of each SBITA agreement's inception is used to discount the liability to present value.

As noted in Note 7, as of June 30, 2024, VA529 recognized a right-to-use SBITA asset of $3.22 million, net of accumulated amortization and a SBITA liability of $$2.53 million relating to license agreements. During the fiscal year, VA529 recorded $1.69 million in amortization expense and $141,416 in interest expense relating to the contracts. In addition, VA529 paid $51,042 in variable costs toward these agreements. The future minimum SBITA obligations based on the present value as of June 30, 2024 were as follows (in thousands):

Year Ending June 30	Principal	Interest	Total
FY2025	$ 1,317	$ 143	$ 1,460
FY2026	1,063	47	1,110
FY2027	150	4	155
Total	$ 2,531	$ 194	$ 2,725

Amounts may not sum due to rounding.

11. Defined Benefit 529 Program - Summary of Actuarial Assumptions and Methods

VA529's statute requires that it annually determine the actuarial soundness of the DB529 Program, which includes Prepaid529 and the Tuition Track Portfolio (TTP). VA529 has assumed that the term "actuarially sound," when applied to the DB529 Program, means that VA529 has sufficient assets (including the value of future installment payments due under current Prepaid529 contracts) to cover the actuarially estimated value of the tuition obligations of programs, including any administrative costs associated with Prepaid529 contracts and TTP accounts.

The two most significant assumptions used to prepare the actuarial valuation report are the rates of investment return and future tuition growth. In addition, there are other assumptions the actuary employs in the actuarial valuation. In August 2024, VA529's Board reviewed the rates of investment return and future tuition growth assumptions. The following assumptions were used in the actuarial valuation for June 30, 2024:

Investment Rate of Return: 5.75 percent per annum.

Projected Tuition Increase: The current year's assumed tuition increase rates used in the current year's valuation are outlined in the table below.

Academic Year Beginning	Universities	Community Colleges
Fall 2025	4.0%	3.0%
Fall 2026 and thereafter	6.0%	6.0%

In addition to the investment rate of return and the projected tuition increase assumptions, additional assumptions affecting the valuation include forfeiture, attendance, utilization and demographic assumptions. In 2023, an experience study was performed to update these assumptions based on recent historical experience of the DB529 Program's activities. The updated assumptions are described below.

Forfeiture: It is assumed that 0.75 percent of DB529 Program's accounts will be cancelled or otherwise forfeited each year for beneficiaries ages 0 through 17 (prior to the year of matriculation).

Attendance and Bias: It is assumed that, starting in the year of matriculation, 75.1 percent of beneficiaries will attend a public university in Virginia, 5.7 percent will attend a private university in Virginia, 14.3 percent will attend a university in another state, and 5 percent will request a cancellation, transfer, or rollover to a savings plan. These are summarized in the table below.

Institution Type	Actuarial Assumption	Cancellation Assumption	Remaining Assumed to Attend
Virginia Public	79%	4.0%	75.0%
Virginia Private	6%	0.3%	5.7%
Out-of-State	15%	0.7%	14.3%

Weighted average tuition for four-year public universities and two-year community colleges in Virginia was adjusted with 110.0 percent and 1 percent loads, respectively, to add a bias for attendance at more expensive schools. The highest tuition for a public university in Virginia was assumed to be 166 percent of weighted average tuition (\$25,734/\$15,544). Out-of-state students and contracts requesting a rollover are assumed to receive a benefit equal to the payments made on the contract plus interest at the composite reasonable rate of return. All TTP accounts are assumed to be paid out at weighted average tuition for units redeemed after reaching the expected enrollment year.

Reasonable Rate: The reasonable rate tracks the quarterly performance of the Institutional Money Funds Index as reported in the Money Fund Monitor by iMoneyNet. For Prepaid529 accounts, the account holder has the option of transferring the total of their payments, accumulated at the reasonable rate of return over to a savings program, such as Invest529. The accumulation of this reasonable rate also serves as the minimum benefit in the event that the Prepaid529 benefit is lower than the reasonable rate. For beneficiaries attending an out-of-state public or private college or university, Prepaid529 will pay the lesser of 1) the payments made on the contract plus interest at the composite reasonable rate of return or 2) the Average Tuition of in-state schools.

For TTP accounts, if TTP units are redeemed prior to the beneficiary's high school graduation, they will receive the purchase price of their units plus the Tuition Track Interest, which is the reasonable rate.

In the past year, the reasonable rate balance has increased from 4.71% in the first quarter to 5.08% during the fourth quarter compared to the assumption that it would remain at 4.71% during the full year. The assumption for reasonable rate is 5.0% for the current fiscal year, 3.75% in fiscal 2025 and 3.25% thereafter. For purposes of the valuation, each of Virginia's public university projected tuition and fee amounts are compared to the projected reasonable rate account balance, and the higher of the two is assumed to be paid.

Utilization: It is assumed that participants will begin utilizing their DB529 Program's accounts at actuarially determined rates. Most will redeem up to two semesters of tuition per year until the account is depleted, but some may redeem up to seven or more units per year until depleted. While some participants redeem accounts and utilize benefits in the year of expected matriculation, many delay redeeming units until later years. In addition, it is assumed that TTP accounts with fewer than five semesters will eventually purchase five units.

Expenses: The expenses included in the present value of future obligations are those relating to the Annual Maintenance Expense per Legacy Prepaid529 contract and TTP account, which are \$85.07 and \$22.69, respectively. These expenses were developed by VA529 staff and are assumed to increase annually at the rate of general price inflation plus 0.50 percent.

Receivables and Payables: At June 30, 2024, the accrual of the actuarially determined Prepaid529 contract payments receivable decreased over the prior year, primarily because the Prepaid529 program is closed to new participants. TTP has no receivable as payment is received at the time of purchase for TTP units. The accrual of the educational benefits payable decreased over the prior year, resulting in a decrease in actuarial Prepaid529 tuition benefit expenses. This is primarily attributable to payments of educational expense benefits in the current fiscal year and changes in actuarial assumptions in the previous year. The net of the change in these estimates is reported as net actuarial gain/(loss) within the statement of revenues, expenses, and changes in net position and is summarized below (in thousands):

	2024	2023	Change
Prepaid529 contract payments receivable	\$ 52,681	\$ 69,499	\$ (16,818)
DB529 Educational benefits payable	\$ 1,301,781	\$ 1,384,699	\$ (82,918)
Net actuarial gain/(loss)*			\$ 66,100

*Net actuarial gain/(loss) is the negative amount of the decrease in receivables, plus the absolute value of decrease in payables

12. Retirement and Pension Plan

Plan Description and Eligibility

VA529 employees are employees of the Commonwealth of Virginia. As such, all full-time, salaried permanent employees are automatically covered by one of two defined benefit pension plans or a hybrid retirement plan. Each of these plans, along with plans for other employer groups in the Commonwealth of Virginia, are administered by the Virginia Retirement System (VRS or System). Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service. The VRS State Employee Retirement Plan is a single employer pension plan that is treated like a cost-sharing plan.

The first defined benefit plan (Plan 1) includes members who became eligible for VRS prior to July 1, 2010 and vested as of January 1, 2013, and have not taken a refund. Otherwise, Plan 1 is a closed plan. Plan 2 is a defined benefit plan for employees who became eligible on or after July 1, 2010 or whose membership date was before July 1, 2010 but they were not vested as of January 1, 2013, and have not taken a refund. The hybrid retirement plan combines the features of a defined benefit plan and a defined contribution plan and is open to members hired on or after January 1, 2014, as well as other members who were eligible and opted into this plan. Eligibility is determined by the *Code of Virginia*, as may be amended from time to time. In addition, certain members are eligible for an optional retirement plan (ORP), having service under Plans 1 or 2 and are not eligible to elect the hybrid retirement plan option.

Benefits provided

Plan 1's and Plan 2's members are eligible for benefits based on a formula adjusting for age, creditable service and average final compensation. The hybrid retirement plan contains a similar formula to the defined benefit plans, but incorporates a defined contribution (DC) component. The DC element depends on the member and VA529's contributions made to the plan and the investment performance of those contributions, net of any required fees.

Benefit provisions, including vesting requirements, creditable service multipliers, retirement eligibility, cost of living adjustments and disability retirement, based on the Plans are detailed in the VRS annual report found at https://www.varetire.org. The following paragraphs provide information specific to VA529 employees.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each state agency's contractually required employer contribution for the fiscal year 2024 was 14.46 percent of covered employee compensation for employees in the VRS State Employee Retirement Plan. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from VA529 to the VRS State Employee Retirement Plan were 1,816,754 and $1,631,388 for the years ending June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately $73.0 million to the VRS State Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. VA529's proportionate share for the VRS State Plan is reflected in non-operating income in the Statement of Revenues, Expenses, and changes in Net Position.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2024, VA529 reported a liability of $12,165,545 for its proportionate share of the VRS Net Pension Liability (NPL). The NPL was measured as of June 30, 2023 and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. VA529's proportion of the NPL was based on a projection of VA529's actuarially-determined long-term share of contributions to the pension plan for the year ended June 30, 2023 relative to the projected contributions of all participating employers. At June 30, 2023, VA529's proportion of the VRS State Employee Retirement Plan was 0.24044 percent as compared to 0.23555 percent at June 30, 2022.

For the year ended June 30, 2024, VA529 recognized pension expense of $1,711,228 for the VRS State Employee Retirement Plan. Due to the change in proportionate share from June 30, 2022 to June 30, 2023, a portion of the pension expense relates to deferred amounts from changes in proportion and differences between VA529's contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2024, VA529 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,181,665	$ 351,423
Net difference between projected and actual earnings on pension plan investments	—	851,425
Change in assumptions	160,714	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	511,886	10,782
Employer contributions subsequent to the measurement date	1,816,754	—
Total	$ 3,671,019	$ 1,213,630

VA529 reported $1,816,754 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date, which will be recognized as a reduction of the NPL in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year ended June 30	Pension Expense
2025	141,743
2026	(486,594)
2027	954,689
2028	30,797

Actuarial Assumptions

The total pension liability in the VRS State Employee Retirement Plan's actuarial valuation as of June 30, 2022, using Entry Age Normal actuarial cost method and the following assumptions applied to periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

Inflation	2.5 percent
Salary increases, including inflation	3.5 percent – 5.35 percent
Investment rate of return	6.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on:

Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years

Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years

Beneficiaries and Survivors: Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females

Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective July 1, 2021. The following adjustments were made as a result of the Study and VRS Board action:

Mortality Rates (Pre-retirement, post-retirement health, and disabled	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Net Pension Liability

The net pension liability (NPL) is calculated separately for each plan and represents that particular plan's total pension liability determined in accordance with GASB Statement No. 67, less that plan's fiduciary net position. As of June 30, 2023, NPL amounts for the VRS State Employee Retirement Plan are as follows (amounts expressed in thousands):

	State Employee Retirement Plan
Total Pension Liability	$ 28,411,528
Plan Fiduciary Net Position	23,351,827
Employers' Net Pension Liability (Asset)	$ 5,059,701
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.19 %

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Estate	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi -Asset Public Strategies	4.00%	4.50%	0.18%
PIP- Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.25%

*The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%

.Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by the state agency for the VRS State Employee Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 102% of the actuarially determined contribution rate. From July 1, 2023, on, all agencies are assumed to continue to contribute 102% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of VA529's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents VA529's proportionate share of the VRS State Employee Retirement Plan's NPL using the discount rate of 6.75 percent, as well as what VA529's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
VA529's proportionate share of the VRS State Employee Retirement Plan Net Pension Liability	$ 20,272,764	$ 12,165,545	$ 5,380,427

Pension Plan Fiduciary Net Position

Detailed information about the VRS's fiduciary net position is available in the separately issued VRS Annual Comprehensive Financial Report found at https://www.varetire.org.

Payables to the Pension Plan

As of June 30, 2024, VA529 reported payables to VRS in the amount of $105,536. This amount is comprised of payments due to the VRS that were not made until after the fiscal year-end through the normal course of business.

13. Group Life Insurance Program, Virginia Sickness and Disability Plan and State Employee Health Insurance Credit Program

Eligibility and Plan Descriptions

VA529 employees are employees of the Commonwealth of Virginia and are eligible for programs provided separately from the Virginia Retirement System's (VRS's) pension plans but administered by the VRS. The VRS administers the Group Life Insurance Program (GLIP), Disability Insurance Program (Virginia Sickness and Disability Program or VSDP) and the State Employee Health Insurance Credit Program (HICP).

Details as to eligibility, the benefit provisions, and contribution requirements for each of these programs may be found in the VRS annual report found at https://www.varetire.org. The programs and eligibility for each plan, as they pertain to VA529, are summarized in the paragraphs below.

Group Life Insurance Program: VA529's full-time, salaried, permanent employees are automatically covered by the GLIP. The GLIP is a defined benefit plan that provides a basic group life insurance benefit. In addition to the basic group life insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program, which is a separate and fully insured program, and it is not included as part of the GLIP. The GLIP is a multiple employer, cost-sharing plan.

Virginia Sickness and Disability Program: The VSDP is a single employer plan that is presented as a multiple-employer, cost-sharing plan. VA529's full-time and part-time, salaried, permanent employees hired on or after January 1, 1999 are automatically covered by the VSDP. The VSDP also covers state employees hired before January 1, 1999 who elected to transfer to VSDP rather than retain their eligibility to be considered for disability retirement. All VA529 employees participate in the VSDP. The VSDP is a managed care program that provides sick, family and personal leave and short-term and long-term disability benefits for non-work-related and work-related disabilities.

State Employee Health Insurance Credit Program: VA529's full-time, salaried, permanent employees are automatically covered by the HICP. The HICP is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired state employees who retire with at least 15 years of service credit. The HICP is a single employer plan that is presented as a multiple-employer, cost-sharing plan. Employees earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

Benefits for each of the programs include as follows:

GLIP	VSDP	HICP
The benefits payable under the GLIP include natural death and accidental death benefits and additional benefits provided under specific circumstances. The benefit amounts provided to members are double the employee's rounded covered compensation for natural death and quadrupled for accidental death and are subject to a reduction factor. The benefit amount reduces by 25 percent on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25 percent on each subsequent January 1 until it reaches 25 percent of its original value. For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLIP of $8,000. This amount is increased annually based on a cost-of-living adjustment and is currently $9,254 as of June 30, 2024.	Leave and short-term disability benefits under the VSDP are paid by the employer. The short-term and long-term disability benefits include income replacement up to certain levels and for certain time periods based on the employee's disability period and length of service. Short-term are paid by VA529 and begin at 100% of the employee's pre-disability income and reduces to 80% and then 60% based on the period of the disability and length of service. Long-term disability benefits are paid from the VSDP and range from 60% - 80% of pre-disability income. Depending on the type of long-term benefit received, the employee's benefit or creditable compensation may be increased annually by an amount recommended by VRS's actuary and approved by the VRS Board.	The monthly benefit payable to retired VA529 employees under the HICP is $4.00 per year of service per month with no cap on the benefit amount. For VA529 employees who retire on disability or go on long-term disability under the Virginia Sickness and Disability Program, the monthly benefit is $120.00 or $4.00 per year of service, whichever is higher.

Contributions

The contribution requirements for the GLIP, VSDP and HICP are governed by the *Code of Virginia*, as amended, but may be impacted as a result of funding provided by the General Assembly. Contribution provisions are summarized as follows:

GLIP	VSDP	HICP
The total rate for the GLIP was 1.34 percent of covered employee compensation. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 and was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80 percent (1.34 percent X 60 percent) and the employer component was 0.54 percent (1.34 percent X 40 percent). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. VA529's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54 percent of covered employee compensation based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. VA529's contributions were $76,625 and $67,053 for the years ended June 30, 2024 and June 30, 2023, respectively. In June 2023, the Commonwealth made a special contribution of approximately $10.1 million to the Group Life Insurance plan. Authorized by Chapter 2 of the Acts of Assembly of 2022 Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, this payment is classified as a special employer contribution. Our proportionate share is reflected in Other nonoperating revenue in our financial statements.	VA529's contractually required contribution rate for the VSDP for the year ended June 30, 2024 was 0.61 percent of covered employee compensation. This rate was approved by the General Assembly which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits payable during the year, with an adjustment to amortize the accrued OPEB assets. VA529's contributions to the VSDP were $85,915 and $75,592 for the years ended June 30, 2024 and June 30, 2023, respectively.	VA529's contractually required contribution rate for the year ended June 30, 2024 was 1.12% of covered employee compensation. This rate was approved by the General Assembly which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. VA529's contributions were $157,746 and $138,792 for the years ended June 30, 2024 and June 30, 2023, respectively. In June 2023, the Commonwealth made a special contribution of approximately $8.5 million which was applied to the Health Insurance Credit Plan for state employees. Authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, this payment is classified as a special employer contribution. Our proportionate share is reflected in Other nonoperating revenue in our financial statements.

OPEB Liabilities (Assets), OPEB Expense (Gain), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the VRS OPEB Plan

At June 30, 2024, VA529 reported the following liabilities (assets) and expenses for its proportionate share of these programs:

Total activity related to all OPEB plans is summarized in the following table:

Program	OPEB Net Assets Related to:	Deferred OPEB Outflows:	OPEB Liabilities Related to:	Deferred OPEB Inflows:	OPEB Expenses Related to:
GLI		$ 237,301	$ 632,158	$ 88,552	$ 61,572
HIC		336,179	1,241,141	80,341	255,054
VSDP	772,575	144,249	—	190,994	1,924
Pre-Medicare		343,857	588,095	502,243	(124,271)
Totals	$ 772,575	$ 1,061,586	$ 2,461,394	$ 862,130	$ 194,279

GLIP OPEB Liabilities, GLIP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLIP OPEB

At June 30, 2024, VA529 reported a liability $632,158 for its proportionate share of the VRS Net GLIP OPEB Liability. The Net GLIP OPEB Liability was measured as of June 30, 2023 and the total GLIP OPEB liability used to calculate the Net GLIP OPEB Liability was determined by an actuarial valuation as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. VA529's proportion of the Net GLIP OPEB Liability was based on VA529's actuarially determined employer contributions to the GLIP for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, VA529's proportion was 0.05271% as compared to 0.05083% at June 30, 2022.

For the year ended June 30, 2024, VA529 recognized GLIP OPEB expense of $61,572. Since there was a change in proportionate share between measurement dates, a portion of the GLIP OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, VA529 reported deferred outflows of resources and deferred inflows of resources related to the GLIP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 63,137	$ 19,189
Net difference between projected and actual earnings on GLIP OPEB program investments	—	25,404
Change in assumptions	13,513	43,798
Changes in proportionate share	84,027	161
VA529 contributions subsequent to the measurement date	76,625	—
Total	$ 237,301	$ 88,552

VA529 reported $76,625 of deferred outflows of resources related to the GLIP OPEB resulting from contributions subsequent to the measurement date, which will be recognized as a reduction of the Net GLIP OPEB Liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLIP OPEB will be recognized in the GLIP OPEB expense in future years as follows:

Fiscal Year ended June 30	GLIP OPEB Expense
2025	$ 25,359
2026	215
2027	28,340
2028	8,053
2029	10,158
Thereafter	—

VSDP OPEB Liabilities, VSDP Net OPEB Assets, VSDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the VSDP OPEB

At June 30, 2024, VA529 reported an asset of $772,575 for its proportionate share of the Net VSDP OPEB Asset. The Net VSDP OPEB Asset was measured as of June 30, 2023 and the total VSDP OPEB liability used to calculate the Net VSDP OPEB Asset was determined by an actuarial valuation as of June 30, 20222, and rolled forward to the measurement date of June 30, 2023. VA529's proportion of the Net VSDP OPEB Asset was based on VA529's actuarially determined employer contributions to the VSDP OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, VA529's proportion was 0.24458% as compared to 0.23924% at June 30, 2022.

For the year ended June 30, 2024, VA529 recognized VSDP OPEB expense of $1,924. Since there was a change in proportionate share between measurement dates, a portion of the VSDP OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, VA529 reported deferred outflows of resources and deferred inflows of resources related to the VSDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 55,683	$ 106,301
Net difference between projected and actual earnings on VSDP OPEB plan investments	—	21,182
Change in assumptions	2,651	8,495
Changes in proportionate share	—	55,016
VA529 contributions subsequent to the measurement date	85,915	—
Total	$ 144,249	$ 190,994

VA529 reported $85,915 as deferred outflows of resources related to the VSDP OPEB resulting from contributions subsequent to the measurement date, which will be recognized as an adjustment of the Net VSDP OPEB Asset in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VSDP OPEB will be recognized in VSDP OPEB expense in future years as follows:

Fiscal Year ended June 30	VSDP OPEB Expense
2025	$ (51,396)
2026	(57,388)
2027	(9,627)
2028	(7,414)
2029	(623)
Thereafter	(6,214)

HICP OPEB Liabilities, HICP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HICP OPEB

At June 30, 2024, VA529 reported a liability of $1,241,141 for its proportionate share of the VRS HICP Net OPEB Liability. The Net HICP OPEB Liability was measured as of June 30, 2023 and the total HICP OPEB liability used to calculate the Net HICP OPEB Liability was determined by an actuarial valuation as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. VA529's proportion of the Net HICP OPEB Liability was based on VA529's actuarially determined employer contributions to the HICP OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, VA529's proportion of the HICP was 0.15106% as compared to 0.14588% at June 30, 2022.

For the year ended June 30, 2024, VA529 recognized HICP OPEB expense of $255,054. Since there was a change in proportionate share between June 30, 2022 and June 30, 2023 a portion of the HICP Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, VA529 reported deferred outflows of resources and deferred inflows of resources related to the HICP OPEB from the following sources:

	Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 29	$ 79,284
Net difference between projected and actual earnings on State HICP OPEB plan investments	3,239	—
Change in assumptions	29,328	—
Changes in proportionate share	145,836	1,057
VA529 contributions subsequent to the measurement date	157,746	—
Total	$ 336,179	$ 80,341

VA529 reported $157,746 as deferred outflows of resources related to the HICP OPEB resulting from VA529's contributions subsequent to the measurement date, which will be recognized as a reduction of the Net HICP OPEB Liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HICP OPEB will be recognized in the HICP OPEB expense in future years as follows:

Fiscal Year ended June 30	HICP OPEB Expense
2025	$ 41,846
2026	29,978
2027	21,702
2028	3,583
2029	982
Thereafter	—

Actuarial Assumptions

The various total OPEB liabilities were based on an actuarial valuation for all programs as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023. The actuarial valuation for OPEB programs was based on assumptions related to the Commonwealth as a whole. Information related to these assumptions can be found within the Virginia Retirement System's Annual Comprehensive Financial Report, available at varetire.org. The information below is limited to information and assumptions specific to VA529 employees.

Assumptions	Provisions
Inflation	2.5 percent
Salary increases, including inflation (General state employees only)	3.5 percent – 5.35 percent
Investment rate of return	6.75 Percent, net of investment expenses, including inflation
Mortality rates:	
Pre-Retirement	Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years
Post-Retirement	Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years
Beneficiaries and Survivors	Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except for the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study are as follows:

Assumptions	Changes
Mortality Rates (Pre-retirement, post retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year of age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Net OPEB Liability (Asset)

The net OPEB Liability (NOL) for the GLI program, the net OPEB asset (NOA) for the VSDP and the NOL for the HIC programs each represent the respective program's total OPEB Liability/(Asset) determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, NOL amounts for each of these programs are as follows (amounts expressed in thousands):

Net GLI OPEB Liability (Asset)

	GLI OPEB Program
Total GLI OPEB Liability	$ 3,907,052
Plan Fiduciary Net Position	2,707,739
Net GLI OPEB Liability (Asset)	$ 1,199,313
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	69.30 %

Net VSDP OPEB Liability (Asset)

	VSDP OPEB Program
Total VSDP OPEB Liability	$ 318,901
Plan Fiduciary Net Position	634,779
Net VSDP OPEB Liability (Asset)	$ (315,878)
Plan Fiduciary Net Position as a Percentage of the Total VSDP OPEB Liability	199.05 %

Net HIC OPEB Liability (Asset)

	HIC OPEB Plan
Total State Employee HIC OPEB Liability	$ 1,102,220
Plan Fiduciary Net Position	280,599
Net HIC OPEB Liability (Asset)	$ 821,621
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	25.46 %

The total GLI, VSDP & HIC OPEB Liabilities (Assets) are calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net OPEB Liabilities (Assets) are disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on the System’s investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of the System’s investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

** The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.*

On June 15 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the various total OPEB liabilities was 6.75 percent, determined as follows:

Program	Method
GLIP	Projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by VRS Board of Trustees.
VSDP	Projection of cash flows used to determine the discount rate assumed that employer contributions will be made per VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by VRS Board of Trustees.
HICP	Projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with VRS funding policy at rates equal to the actuarially determined contribution rates adopted by VRS Board of Trustees.

Through the fiscal year ending June 30, 2023, VA529 contributed 113% of the actuarially determined rate to the HICP, 109% to the VSDP, and 108% to the HICP. A portion of the rates for each programs was funded by an appropriation from the Commonwealth. From July 1, 2023, all agencies are assumed to continue to contribute 100 percent of the actuarially determined contribution rates. VRS's fiduciary net position for the GLIP, VSDP and HICP programsis projected to be available to make all projected future benefit payments for eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the respective liability.

Sensitivity of VA529's Proportionate Share of the Net OPEB Liabilities (Asset) to Changes in the Discount Rate

The following table presents VA529's proportionate share of the net GLIP OPEB liability, net VSDP OPEB asset and net HICP OPEB liability using the discount rate of 6.75% percent, as well as what VA529's proportionate share of the net GLIP OPEB liability, net VSDP OPEB asset, and net HICP OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

VA529's proportionate share of the VRS:	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLIP Net OPEB Liability	$ 937,056	$ 632,158	$ 385,646
VSDP Net OPEB Asset	$ (714,972)	$ (772,575)	$ (823,353)
HICP Net OPEB Liability	$ 1,401,507	$ 1,241,141	$ 1,103,627

GLIP, VSDP and HICP Fiduciary Net Position

Detailed information about the VRS GLIP, VSDP and HICP's fiduciary net positions is available in the separately issued VRS Comprehensive Annual Financial Report found at https://www.varetire.org.

Payables to the VRS GLIP, VSDP and HICP

As of June 30, 2024, VA529 reported payables to VRS in the amount of $10,878.55 for GLIP. This amount is comprised of payments due to the VRS that were not made until after the fiscal year-end through the normal course of business.

As of June 30, 2024, VA529 reported payables to VRS in the amount of $4,863.17 for VSDP. This amount is comprised of payments due to the VRS that were not made until after the fiscal year-end through the normal course of business.

As of June 30, 2024, VA529 reported payables to VRS in the amount of $9,412.43 for HICP. This amount is comprised of payments due to the VRS that were not made until after the fiscal year-end through the normal course of business.

14. Healthcare Plan for Pre-Medicare Retirees

Eligibility and Plan Description

Commonwealth employees who retire from state service and receive VRS monthly benefits or periodic benefits from another qualified vendor, and who are not eligible to participate in Medicare because of their age, are eligible to participate in the Pre-Medicare Retiree Healthcare Plan (PMRHP) administered by the Commonwealth's Department of Human Resource Management (DHRM). For a retiree to participate in the Plan, the participant must be eligible for a monthly benefit from the VRS, and:

- be receiving (not deferring) the periodic benefit immediately upon retirement;
- have the individual's last employer before retirement be the Commonwealth of Virginia;
- be eligible for coverage as an active employee in the State Health Benefits Program until his or her retirement date (not including Extended Coverage); and,
- have submitted an Enrollment Form to the individual's Benefits Administrator within 31 days of retirement date.

Effective January 1, 2017**, the participant must be a terminating state employee who participates in one of the qualified Optional Retirement Plans (ORPs), and

- the last employer before termination was the Commonwealth of Virginia, and
- was eligible for (even if you were not enrolled in) coverage in the State Employee Health Benefits Program for active employees at the time of termination, and
- has met the age and service requirements for an immediate retirement benefit under the non-ORP Virginia Retirement System plan that the participant would have been eligible for on the date of hire had the participant not elected the ORP, and
- was enrolled in the State Retiree Health Benefits Program no later than 31 days from the date that coverage (or eligibility for coverage) in the State Health Benefits Program for active employees was lost due to termination of employment.

**This change applies to ORP terminations effective January 1, 2017, or later. Eligibility for those who terminated employment prior to January 1 should be determined based on the policy in place at the time of their termination.

Benefits

VA529 effectively subsidizes the costs of the participating retirees' healthcare through payment of its portion of the premiums for active employees.

Contributions

VA529 does not pay a portion of the retirees' healthcare premium; however, since both active employees and retirees are included in the same pool for purposes of determining health insurance rates, this generally results in a higher rate for active employees.

Actuarial Assumptions and Discount Rate

The Total PMRHP OPEB liability was based on an actuarial valuation with a valuation date of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions. DHRM selected the economic, demographic and healthcare claim cost assumptions. DHRM's actuary provided guidance with respect to these assumptions. Initial healthcare costs trend rates used were 7.75 percent for medical and pharmacy and 4.0 percent for dental. The ultimate trend rates used were 4.50 percent for medical and pharmacy and 4.0 percent for dental.

Assumptions –PMRHP	Provisions – PMRHP
Valuation Date	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.
Measurement Date	June 30, 2023 (one year prior to the end of the fiscal year)
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Closed.
Effective Amortization Period	5.80 years
Discount Rate	3.65%
Projected Salary Increases	5.35% to 3.5% based on years of service from 1 year to 20 years or more
Medical Trend Under 65	Medical & Rx: 7.75% to 4.50% Dental: 4.00%
Year of Ultimate Trend	2033
Mortality:	Mortality rates vary by participant status and gender
Pre-Retirement:	Pub-2010 Benefits Weighted General Employee Rates projected generationally with a Modified MP-2021 Improvement Scale; females set forward 2 years
Post-Retirement:	Pub-2010 Benefits Weighted General Healthy Retiree Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for females
Post-Disablement:	Pub-2010 Benefits Weighted General Disabled Rates projected generationally with a Modified MP-2021 Improvement Scale; males and females set forward 3 years.
Beneficiaries and Survivors:	Pub-2010 Benefits Weighted General Contingent Annuitant Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for males and females

The discount rate was based on the Bond Buyers GO 20 Municipal Bond Index as of the measurement date which is June 30, 2023.

Changes of Assumptions

There were not any changes in assumptions since the June 30, 2022 measurement date. The following remained constant since the prior measurement date:

- Spousal Coverage – rate remained at 20 %
- Retiree Participation – rate remained at 35 %

Retiree participation was based on a blend of recent experience and the prior year assumptions.
The trend rates were updated based on economic conditions as of June 30, 2023. Additionally, the discount rate was increased from 3.54% to 3.65% based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2023.
There were no plan changes in the valuation since the prior year.

Total PMRHP OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2024, VA529 reported $588,095 as VA529's proportionate share of the PMRHP's Total OPEB liability of $351.9 million. The PMRHP OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023. VA529's proportionate amount of the PMRHP OPEB liability was based on each employer's healthcare premium contributions, as a percentage of the total employer's healthcare premium contributions for all participating employers. At June 30, 2023, VA529's proportion was 0.167110% as compared to 0.16343% at June 30, 2022. For the year ended June 30, 2024, VA529 recognized PMRHP OPEB expense of $(189,211).

At June 30, 2024, VA529 reported deferred outflows of resources and deferred inflows of resources related to PMRHP OPEB comprised of the following elements:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 15,085	$ 142,163
Change in assumptions	—	360,080
Change in proportion	282,148	—
Subtotal	297,233	502,243
VA529 contributions subsequent to the measurement date	46,624	
Total	$ 343,857	$ (502,243)

VA529 reported $46,624.01 as deferred outflows of resources related to PMRHP OPEB resulting from amounts associated with transactions subsequent to the measurement date, which will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the PMRHP OPEB will be recognized as part of PMRHP OPEB expense in future years as follows:

Fiscal Year Ended June 30	PMRHP OPEB Expense
2025	$ (129,362)
2026	(42,329)
2027	(21,855)
2028	(14,083)
2029	2,624
Thereafter	—

Sensitivity of the Employer's Proportionate Share of the OPEB Liability to Changes in the Discount Rate

The following presents VA529's proportionate share of the PMRHP OPEB liability using the discount rate of 3.65 percent, as well as what VA529's proportionate share of the PMRHP OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65 percent) or one percentage point higher (4.65 percent) than the current rate:

	1.00% Decrease (2.65%)	Current Discount Rate (3.65%)	1.00% Increase (4.65%)
VA529's proportionate share of the total PMRHP liability	$ 622,862	$ 588,095	$ 554,911

Sensitivity of VA529's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents VA529's proportionate share of the PMRHP OPEB liability using a healthcare cost trend rate of 7.75 percent decreasing to 4.50 percent, as well as what VA529's proportionate share of the PMRHP OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (6.75 percent decreasing to 3.50 percent) or one percentage point higher (8.75 percent decreasing to 5.50 percent) than the current rate:

	1.00% Decrease 6.75% decreasing to 3.50%	Trend Rate (7.75% decreasing to 4.50%)	1.00% Increase 8.75% decreasing to 5.50%
VA529's proportionate share of the total PMRHP liability	$535,001	$588,095	$649,689

Detailed information about the Commonwealth's PMRHP, including the OPEB liability, OPEB expense, and deferred outflows and inflows of resources as well as actuarial assumptions, can be found in the separately issued Commonwealth's Annual Comprehensive Financial Report found at https://www.doa.virginia.gov, where this program is included within the Commonwealth's Healthcare Internal Service Fund.

15. Risk Management

VA529 is exposed to various risks of loss related to torts; theft or, damage to, and destruction of assets; errors and omissions; non-performance of duty; injuries to employees; and natural disasters. VA529 participates in insurance plans maintained by the Commonwealth of Virginia. The state employee health care and worker's compensation plans are administered by the Department of Human Resource Management and the risk management insurance plans are administered by the Department of Treasury, Division of Risk Management. At present, most insurance coverage is obtained from the Division of Risk Management including property, general liability, faithful performance of duty bond, automobile, and airplanes.

In addition VA529 maintains cyber security liability coverage with other carriers. VA529 pays premiums to each of these entities for its insurance coverage. Information relating to the Commonwealth's insurance plans is available at the statewide level in the Commonwealth of Virginia's Annual Comprehensive Financial Report.

16. SOAR Virginia

VA529's access initiatives are administered through the SOAR Virginia program, which includes the SOAR Scholars early commitment scholarship program and external partnerships which provide educational opportunities to Virginians.

SOAR Scholars

SOAR Scholars® is an early commitment scholarship program created to inspire and assist high school students to reach their post-secondary education goals. To participate, eligible students pledge to meet program requirements. In return, participating students receive a range of assistance and accumulate scholarship support up to $2,000 to apply toward their post-secondary education expenses. SOAR Scholars is a unique program created by VA529 to further its mission to make college more affordable and accessible to all Virginians and is offered in partnership with local Virginia college access providers.

VA529's Board (Board) has funded an Invest529 account in the name of VA529 for the program. Amounts deposited, plus earnings thereon, remain in the account until distributed. Amounts are allocated to students once awarded pursuant to program rules. VA529 will not commit support in excess of amounts on-hand in the SOAR Virginia account. As of June 30, 2024, the SOAR Virginia account had a balance of $22.1 million. During fiscal year 2024, $1,150,908 was distributed to institutions on behalf of SOAR Scholars. Details as to the number of students enrolled in the program and amounts committed as of June 30, 2024 are shown below.

Number of Students Enrolled (1)		9,987
Award Amounts Allocated to Enrolled Students	$	12,999,835
Additional Awards Enrolled Students May Receive	$	3,355,750
Total SOAR Commitment	$	16,355,585

(1) Number of students that have completed a SOAR application and pledge, and have been admitted to and are currently enrolled in the program

Access and Affordability Expansion

The Board approved the expansion of VA529's existing access programs in fiscal 2021. This program, under the umbrella of SOAR Virginia, is designed to partner with organizations who already administer programs which align with the three pillars of the initiatives. These pillars are: scholarships, workforce/ middle-skill development, and mentoring/coaching. VA529 identifies these programs and their partners and makes annual awards to each based on overall funding levels approved by the Board. After the programs and partners are identified and funding is approved, agreements are established to outline how VA529 will fund the initiatives. Disbursement to respective partners is made via funding requests in accordance with these agreements.

In fiscal years 2021 and 2022, the Board approved allocations of net operating income for a combined total of $15.5 million. Since this initial allocation in fiscal 2021, VA529 has identified partners and begun to provide awards according to existing partnership agreements toward access initiatives. The table below provides the amounts committed to access initiatives by year.

Commitments to Partners*			
Year 1	Year 2	Year 3	Total
$4,301,838	$4,666,088	$4,502,074	$13,470,000

* Funding of future commitments are subject to annual funding to the Master account per Board approval and operating budget expenditure authority.

To account for this program, funds have been authorized and expensed from the enterprise fund to the fiduciary fund. As of June 30, 2024, funding amounts totaling $15.5 million had been deposited into a master access program account within the fiduciary fund. After making $6.8 million in disbursements to access partners based on the above commitments since fiscal 2021 and moderate earnings on the investment account, this expanded access fund has a balance of $7.7 million at the end of fiscal 2024.The funds will remain in the master account and invested within the stable value investment portfolio until subsequent allocations to partner sub-accounts and subsequent disbursements to respective partners begin.

In May of 2023, the VA529 Board approved an allocation of $500 million be made from the actuarial reserve amounts from the DB529 fund into a separate fund. A portion of this was intended for access initiatives under the SOAR Virginia program as well as potential other initiatives. As of June 30, 2024, this fund remains invested alongside DB529 assets, accruing interest and other investment earnings. A schedule showing this fund broken out from the DB529 fund is found within the Supplementary Information section.

17. Scholarship Program And Promotional Accounts

The VA529 scholarship program consists of the Defined Benefit 529 and Defined Contribution 529 Programs' third party scholarship accounts (excluding SOAR Virginia) established to provide a range of benefits to future beneficiaries. The purpose of the program is to enable individuals, organizations, community groups, corporations, and trusts to make qualified charitable contributions, which are used to purchase accounts for beneficiaries. The mission of VA529's scholarship program is to work with community partners to make the dream of college a reality for deserving youth in Virginia.

In addition to scholarship accounts, VA529 awards promotional accounts that do not specifically qualify as scholarships as defined by federal law. Like scholarship accounts, these accounts are funded by VA529, individuals, organizations, school groups, or other entities.

Active scholarship (excluding SOAR) and promotional accounts at June 30, 2024:

	Scholarship		Promotional	
Program	Accounts	Value	Accounts	Value
DC529[1]	207	$775,627	147	$1,012,410
DB529[2]	7	$115,582	7	$95,222

[1] DC529 Program value represents the cancellation value of Invest529 accounts at June 30, 2024.

[2] DB529 Program's value represents the aggregate market value of Prepaid529 accounts at June 30,2024.

Required Supplementary Information



Schedule of VA529's Share of Net Pension Liability
VRS State Employee Retirement Plan
For the Annual Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
VA529's Proportion of the Net Pension Liability (Asset)	0.24044 %	0.23555 %	0.22967 %	0.21124 %	0.19588 %	0.18750 %	0.18062 %	0.17742 %	0.17215 %	0.15817 %
VA529's Proportionate Share of the Net Pension Liability (Asset)	12,165,545	10,690,248	8,330,659	15,304,038	12,379,092	10,150,000	10,526,000	11,693,000	10,540,000	$ 8,855,000
VA529's Covered Payroll	$12,392,101	$11,053,824	$10,264,022	$9,502,561	$8,268,139	$7,816,602	$7,274,947	$7,018,667	$6,633,764	$ 6,108,107
VA529's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	98.17 %	96.71 %	81.16 %	161.05 %	149.72 %	129.85 %	144.69 %	166.60 %	158.88 %	144.97 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.19 %	83.26 %	86.44 %	72.15 %	75.13 %	77.39 %	75.33 %	71.29 %	72.81 %	74.28 %

See notes to RSI

Schedule of VA529 Pension Contributions
VRS State Employee Retirement Plan
For the Years Ended June 30, 2015 through 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	$2,036,619	$2,036,619	$—	$14,084,499	14.46%
2023	$1,791,898	$1,791,898	$—	$12,392,101	14.46%
2022	$1,598,383	$1,598,383	$—	$11,053,824	14.46%
2021	$1,484,178	$1,484,178	$—	$10,264,022	14.46%
2020	$1,284,746	$1,284,746	$—	$9,502,561	13.52%
2019	$1,117,852	$1,117,852	$—	$8,268,139	13.52%
2018	$1,054,460	$1,054,460	$—	$7,816,602	13.49%
2017	$981,390	$981,390	$—	$7,274,947	13.49%
2016	$981,917	$981,917	$—	$7,018,667	13.99%
2015	$817,943	$817,943	$—	$6,633,764	12.33%

Notes to Required Supplementary Information
State Retirement Employment Plan

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions for the VRS - State Employee Retirement Plan as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year of age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

VA529 OPEB Liability

Schedule of VA529's Share of Net OPEB Liability
Group Life Insurance Program (GLIP)
For the Annual Measurement Dates of June 30, 2017 through June 20, 2023

	2023	2022	2021	2020	2019	2018	2017
VA529's Proportion of the Net GLIP OPEB Liability (Asset)	0.05271%	0.05083%	0.04971%	0.04617%	0.04218%	0.04111%	0.03944%
VA529's Proportionate Share of the Net GLIP OPEB Liability (Asset)	$632,158	$612,042	$578,759	$770,501	$686,381	$624,000	$593,000
VA529's Covered Payroll	$12,417,224	$11,057,324	$10,264,022	$9,502,561	$8,268,139	$7,816,602	$7,274,947
VA529's Proportionate Share of the Net GLIP OPEB Liability (Asset) as a Percentage of its Covered Payroll	5.09%	5.54%	5.64%	8.11%	8.30%	7.98%	8.15%
Plan Fiduciary Net Position as a Percentage of the Total GLIP OPEB Liability	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2023 is the seventh year for this presentation, only 7 years of data is available. However,additional years will be included as they become available.

See notes to RSI

Schedule of VA529 Contributions - GLIP

For the Years Ended June 30, 2015 through 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	$ 76,625	$ 76,625	$ —	$ 14,189,792	0.54%
2023	$ 67,053	$ 67,053	$ —	$ 12,417,224	0.54%
2022	$ 59,710	$ 59,710	$ —	$ 11,057,324	0.54%
2021	$ 55,426	$ 55,426	$ —	$ 10,264,022	0.54%
2020	$ 49,413	$ 49,413	$ —	$ 9,502,561	0.52%
2019	$ 42,994	$ 42,994	$ —	$ 8,268,139	0.52%
2018	$ 40,646	$ 40,646	$ —	$ 7,816,602	0.52%
2017	$ 37,830	$ 37,830	$ —	$ 7,274,947	0.52%
2016	$ 33,690	$ 33,690	$ —	$ 7,018,667	0.48%
2015	$ 31,842	$ 31,842	$ —	$ 6,633,764	0.48%

Schedule of VA529's Share of Net OPEB Liability
Health Insurance Credit Program (HICP)
For the Annual Measurement Dates of June 30, 2017 through June 30, 2023

	2023	2022	2021	2020	2019	2018	2017
VA529's Proportion of the Net HICP OPEB Liability (Asset)	0.15106%	0.14588%	0.14243%	0.13190%	0.12133%	0.11609%	0.11259%
VA529's Proportionate Share of the Net HICP OPEB Liability (Asset)	$1,241,141	$1,195,009	$1,202,879	$1,210,850	$1,119,962	$1,059,000	$1,025,000
VA529's Covered Payroll	$12,392,101	$11,053,824	$10,264,022	$9,502,561	$8,268,139	$7,816,602	$7,274,947
VA529's Proportionate Share of the Net HICP OPEB Liability (Asset) as a Percentage of its Covered Payroll	10.02%	10.81%	11.72%	12.74%	13.55%	13.55%	14.09%
Plan Fiduciary Net Position as a Percentage of the Total HICP OPEB Liability	25.46%	21.52%	19.75%	12.02%	10.56%	9.51%	8.03%

Schedule is intended to show information for 10 years. Since 2023 is the seventh year for this presentation, only 7 years of data is available. However,additional years will be included as they become available.

See notes to RSI

Schedule of VA529 Contributions - HICP

For the Years Ended June 30, 2015 through 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	$ 157,746	$ 157,746	$ —	$ 14,084,499	1.12%
2023	$ 138,792	$ 138,792	$ —	$ 12,392,101	1.12%
2022	$ 123,803	$ 123,803	$ —	$ 11,053,824	1.12%
2021	$ 114,957	$ 114,957	$ —	$ 10,264,022	1.12%
2020	$ 111,180	$ 111,180	$ —	$ 9,502,561	1.17%
2019	$ 96,737	$ 96,737	$ —	$ 8,268,139	1.17%
2018	$ 92,236	$ 92,236	$ —	$ 7,816,602	1.18%
2017	$ 85,844	$ 85,844	$ —	$ 7,274,947	1.18%
2016	$ 73,696	$ 73,696	$ —	$ 7,018,667	1.05%
2015	$ 69,655	$ 69,655	$ —	$ 6,633,764	1.05%

Schedule of VA529's Share of Net OPEB Liability
Virginia Sickness and Disability Program (VSDP)
For the Annual Measurement Dates of June 30, 2017 through June 30, 2023

	2023	2022	2021	2020	2019	2018	2017
VA529's Proportion of the Net VSDP OPEB Liability (Asset)	0.24458%	0.23924%	0.23622%	0.21806%	0.20299%	0.19690%	0.19152%
VA529's Proportionate Share of the Net VSDP OPEB Liability (Asset)	$(772,575)	$(706,123)	$(814,299)	$(481,233)	$(398,256)	$(444,000)	$(393,000)
VA529's Covered Payroll	$12,392,101	$11,011,878	$10,209,579	$9,449,285	$8,216,289	$7,765,006	$7,225,108
VA529's Proportionate Share of the Net VSDP OPEB Liability (Asset) as a Percentage of its Covered Payroll	(6.23)%	(6.41)%	(7.98)%	(5.09)%	(4.85)%	(5.72)%	(5.44)%
Plan Fiduciary Net Position as a Percentage of the Total VSDP OPEB Liability	199.05%	195.9%	229.01%	181.88%	167.18%	194.74%	186.63%

Schedule is intended to show information for 10 years. Since 2023 is the seventh year for this presentation, only 7 years of data is available. However,additional years will be included as they become available.

See notes to RSI

Schedule of VA529 Contributions - VSDP
For the Years Ended June 30, 2015 through 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	$ 85,915	$85,915	$ —	$14,084,499	0.61%
2023	$ 75,592	$75,592	$ —	$12,392,101	0.61%
2022	$ 67,172	$67,172	$ —	$11,011,878	0.61%
2021	$ 62,278	$62,278	$ —	$10,209,579	0.61%
2020	$ 58,586	$58,586	$ —	$9,449,285	0.62%
2019	$ 50,941	$50,941	$ —	$8,216,289	0.62%
2018	$ 51,249	$51,249	$ —	$7,765,006	0.66%
2017	$ 47,686	$47,686	$ —	$7,225,108	0.66%
2016	$ 45,996	$45,996	$ —	$6,969,031	0.66%
2015	$ 43,462	$43,462	$ —	$6,585,143	0.66%

Notes to Required Supplementary Information
Commonwealth of Virginia GLIP, VSDP, and HICP

Details as to the actuarial assumptions for each of these programs may be found in the VRS annual report found at https://www.varetire.org. The actuarial assumptions, as they pertain to VA529, are summarized below.

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Schedule of VA529's Share of Total OPEB Liability
Pre-Medicare Retirees
For the Annual Measurement Dates of June 30, 2017 through June 30, 2023

	2023	2022	2021	2020	2019	2018	2017
VA529's proportion of the collective total OPEB liability	0.16711 %	0.16343 %	0.15748 %	0.14497 %	0.12625 %	0.12019 %	0.11627 %
VA529's proportionate share of the collective total OPEB liability	$588,095	$ 593,911	$706,935	$ 824,639	$ 857,063	$ 1,208,717	$ 1,510,217
VA529's covered employee payroll	$12,392,101	$11,053,824	$10,264,022	$9,502,561	$8,268,139	$ 7,816,602	$ 7,274,947
VA529's proportionate share of the collective total OPEB liability as a percentage of its covered payroll	4.75 %	5.37 %	6.89 %	8.68 %	10.37 %	15.46 %	20.76 %

Schedule is intended to show information for 10 years. Since 2023 is the seventh year for this presentation, only 7 years of data is available. However,additional years will be included as they become available.

Notes to Required Supplementary Information
Commonwealth of Virginia State Health Plans Program
for Pre-Medicare Retirees

There are no assets accumulated in a trust to pay related benefits.

Changes of benefit terms – There have been no changes to the benefit provisions since the prior actuarial valuation.

Changes of assumptions – There were not any changes in assumptions since the June 30, 2022, measurement date. The following remained constant since the prior measurement date:

- Spousal Coverage - rate remained at 20%
- Retiree Participation - rate remained at 35%

Retiree participation was based on a blend of recent experience and the prior year assumptions.

The trend rates were updated based on economic conditions as of June 30, 2023. Additionally, the discount rate was increased from 3.54% to 3.65% based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2023.

Supplementary Information

ADDITIONAL FINANCIAL INFORMATION

The following schedules provide additional information not included in the Basic Financial Statements:

- Appendix A - Breakout of Enterprise Fund
- Appendix B - Investment Details by Program
- Appendix C - Schedule of Investment Expenses

Appendix A - Breakout of Enterprise Fund - Summary Net Position (millions)

as of June 30, 2024	Administration and Operations	Defined Benefit 529	Access Program	Total Enterprise Fund
Assets and deferred outflows:				
Current assets	$ 91.4	$ 118.6	$ —	$ 210.0
Investments	—	2,379.5	537.7	2,917.2
Capital assets, net	6.1	0.4	—	6.5
Other noncurrent assets	0.8	38.8	—	39.6
Total assets	98.2	2,537.4	537.7	3,173.3
Total deferred outflows	4.7	—	—	4.7
Assets and deferred outflows	103.0	2,537.4	537.7	3,178.1
Liabilities and deferred inflows:				
Current liabilities	12.2	207.4	—	219.6
Noncurrent liabilities	15.7	1,122.3	—	1,138.0
Total liabilities	27.9	1,329.7	—	1,357.6
Total deferred inflows	2.1	—	—	2.1
Liabilities and deferred inflows	30.0	1,329.7	—	1,359.7
Net position				
Investment in capital assets	3.9	—	—	3.9
Restricted	0.7	—	—	0.7
Unrestricted	68.3	1,207.7	537.7	1,813.7
Total net position	$ 72.9	$ 1,207.7	$ 537.7	$ 1,818.4

Breakout of Enterprise Fund – Changes in Net Position (millions)

as of June 30, 2024	Administration and Operations	Defined Benefit 529	Access Program	Total Enterprise Fund
Operating revenues				
Charges for sales and services	$ 53.1	$ —	$ —	$ 53.1
Investment income, net	3.7	175.5	37.7	216.9
Prepaid529 contract payments	—	46.7	—	46.7
Net actuarial gain/(loss)	—	66.1	—	66.1
Other revenue	—	—	—	—
Net operating revenues	56.8	288.3	37.7	382.8
Operating expense	41.9	—	—	41.9
Educational benefits expense	—	180.3	—	180.3
Total operating expenses	41.9	180.4	—	222.3
Operating income (loss)	14.9	107.9	37.7	160.5
Non operating revenue (expense) net	—	—	—	—
Income (loss) before transfers	14.9	107.9	37.7	160.6
Transfer	(0.3)	—	—	(0.3)
Change in net position	14.6	107.9	37.7	160.3
Restated net position, beginning	$ 58.3	$ 1,099.8	$ 500.0	$ 1,658.1
Net position, ending	$ 72.9	$ 1,207.7	$ 537.7	$ 1,818.4

Amounts may not sum due to rounding.

Appendix B
Investment Details by Program as of June 30, 2024
Defined Benefit 529 and Access and Affordability Programs (thousands)

Investment Manager	Asset Class/Strategy	Mutual Fund(s) (if applicable)	Aggregate Fair Value	% of Total Fund[1]
Equities				
Acadian Asset Management, LLC	Developed Markets International Equity	N/A	$ 133,974	4.46 %
BlackRock MSCI Equity Index	US All Cap Equity	N/A	371,531	12.38 %
Capital Research & Management Co.	International Growth	American Funds EuroPacific Growth	54,710	1.82 %
Dimensional Fund Advisors, LP	Emerging Market Equity	Emerging Markets Core Equity	30,549	1.02 %
Sands Capital Management , LLC	Emerging Market Growth	N/A	35,623	*1.19 %*
Total Equities			*626,387*	*20.82 %*
Alternative Investments				
Adams Street Partners	Private Equity Fund of Funds	N/A	224,272	7.47 %
Aether Investment Partners, LLC	Private Equity Fund of Funds	N/A	37,568	1.25 %
Apogem Capital	Private Equity Fund of Funds	N/A	25,994	0.87 %
Asia Alternatives Management, LLC	Private Equity Fund of Funds	N/A	13,485	0.45 %
Aventura Holdings, LLC	Private Real Estate	N/A	8,203	0.27 %
Bain Capital Real Estate	Private Real Estate	N/A	20,035	0.67 %
Commonfund	Private Equity Fund of Funds	N/A	13,651	0.45 %
Hamilton Lane	Private Equity Fund of Funds	N/A	107,384	3.58 %
Horsley Bridge Partners	Private Equity Fund of Funds	N/A	21,551	0.72 %
LGT Capital Partners	Private Equity Secondaries	N/A	7,020	0.23 %
Morgan Stanley Real Estate Advisor, Inc.	Private Real Estate	N/A	75,548	2.52 %
Neuberger Berman Investment Advisers	Private Equity Fund of Funds	N/A	27,906	0.93 %
Related Fund Management, LLC	Private Real Estate	N/A	24,488	0.82 %
Starwood Capital Group, LLC	Private Real Estate	N/A	16,534	0.55 %
Stockbridge Capital Group, LLC	Private Real Estate	N/A	60,487	2.02 %
UBS Realty Investors, LLC	Private Real Estate	N/A	42,169	1.41 %
Total Alternative Investments			*726,295*	*24.14 %*
Fixed Income				
Ares Capital Management	Multi Asset Credit	N/A	78,428	2.61 %
Ares Capital Management	Private Debt	N/A	40,001	1.33 %
Brigade Capital Management, LP	Multi Asset Credit	N/A	72,523	2.42 %
The Carlyle Group	Private Debt	N/A	18,576	0.62 %
Chorus Capital Management, LTD	Private Debt	N/A	3,603	0.12 %
Dreyfus Cash Investment Strategies[2]	Cash Equivalents	Dreyfus Cash Management	43,994	1.47 %
Eagle Point Credit Management, LLC	Private Debt	N/A	20,493	0.68 %
Golub Capital	Private Debt	N/A	62,125	2.07 %
Loomis, Sayles & Company, LP	Multi Asset Credit	N/A	144,973	4.83 %
Monarch Alternative Capital, LP	Private Debt	N/A	12,443	0.41 %
Neuberger Berman Investment Advisers	Core Bonds	N/A	285,510	9.51 %
PGIM, Inc.	Core Bonds	N/A	286,239	9.54 %
PGIM, Inc.	High Yield Bonds	N/A	101,415	3.38 %
Schroders Investment Management, Inc.	Private Debt	N/A	71,170	2.37 %
Shenkman Capital Management, Inc.	Senior Secured Bank Loans	N/A	81,234	2.71 %
Wellington Management Co., LLP	Emerging Market Debt	N/A	174,522	5.81 %
Wellington Management Co., LLP	Multi Asset Credit	N/A	145,615	4.85 %
Treasurer of Virginia[3]	Cash Equivalents	N/A	5,761	0.19 %
VA529 Transition Account	Fixed Income (Core)	N/A	19	0.00 %
Total Fixed Income			1,648,644	54.93 %
Grand Total			$ 3,001,325	100.00 %

[1]May not sum to 100% due to rounding. [2]Operating Cash of $62.2 million is not included in the total above. [3]Funds of $2.3 million in the disbursement account with Wells Fargo not included in total above.

Appendix B
Investment Details by Program as of June 30, 2024
Fiduciary Fund (thousands)

Investment Manager	Asset Class / Strategy	Mutual Fund (if applicable)	Aggregate Fair Value[1]
Atlantic Union Bank	FDIC - Insured (Cash & Equivalents)	N/A	$ 368,980
Blackstone Property Partners	Private Real Estate	N/A	56,098
Capital Research & Management Co.	Global Small-Cap	American Funds SMALLCAP World Fund	2,473
Capital Research & Management Co.	International Growth	American Funds EuroPacific Growth	248,329
Dimensional Fund Advisors, LP	Emerging Market Equity	Emerging Markets Core Equity	92,899
Invesco Advisers, Inc.[3]	Stable Value	N/A	1,917,108
Neuberger Berman Investment Advisers	Emerging Market Debt	N/A	283,497
Parnassus Investments	Socially Targeted Large Cap Core Equity	Core Equity Fund	241,068
PGIM Fixed Income	High Yield Bonds	N/A	284,379
Rothschild Asset Management[4]	Small/Mid Cap Domestic Equity	N/A	28
The Vanguard Group, Inc.	Domestic Equity Blend	Total Stock Market Index Fund	2,819,126
The Vanguard Group, Inc.	Inflation Protected Securities	Inflation-Protected Securities Fund	38,130
The Vanguard Group, Inc.	Intermediate Core Fixed Income	Total Bond Market Index Fund	909,981
The Vanguard Group, Inc.	International Equity	Total International Stock Index Fund	641,431
The Vanguard Group, Inc.	International Fixed Income	Total International Bond Index Fund	146,653
The Vanguard Group, Inc.	Large-Cap Domestic Equity Blend	Institutional Index Fund	612,587
The Vanguard Group, Inc.	Small Cap Domestic Equity Blend	Small Cap Index Fund	65,715
The Vanguard Group, Inc.	U.S. Real Estate	Real Estate Index Fund	253,399
Touchstone Investments[2]	International/Global Equity	Emerging Markets Growth Fund	90,555
UBS Trumbull Property	Private Real Estate	N/A	19,445
Wellington Management Co., LLP	International Equity	N/A	247,626
Grand Total			***$ 9,339,507***

[1]Cash net of distributions liability held with Wells Fargo as well as with BNY Mellon (custodian) in the amount of $602,130 is not included in the total above.
[2]Sub-Advised by Sands Capital Management, LLC.
[3]Includes funds from expanded access program.
[4]Investment Manager terminated; funds in transition.

APPENDIX C

SCHEDULE OF INVESTMENT EXPENSES FOR THE YEAR ENDING JUNE 30, 2024		
Enterprise Fund[1]		
Management Fees:		
Domestic Equity	$	55,730
International Equity		1,437,011
Domestic Fixed Income		1,445,750
International Fixed Income		890,061
Multi Asset Credit		4,344,861
Private Equity		4,607,007
Private Debt		1,993,459
Private Real Estate		2,584,437
Other Investment-Related Expenses[2]		5,227,638
Total Management Fees	**$**	**22,585,954**
Fiduciary Fund		
Management Fees:		
Domestic Equity[3]	$	(182,737)
Domestic Fixed Income		1,394,234
International Equity		1,669,511
International Fixed Income		1,142,101
Real Estate		500,277
Total Management Fees	**$**	**4,523,386**
Total Administrative Fees		3,925,395
Total Investment Expenses[4]	**$**	**8,448,780**

Amounts may not sum due to rounding

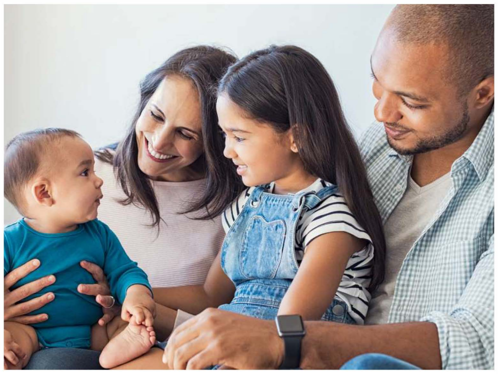
[1]Manager fees include fees that are charged directly on separately managed accounts and management fees that are implicit within a pooled vehicle's net asset value.

[2]Other Investment-Related Expenses include custodial and other services (actuarial, proxy voting, investment consultant, taxes on UBTI and others). These types of expenses, are charged directly to the investments of the enterprise fund as a fee is already charged to the Invest529 program.

[3]Domestic Equity manager provided a rebate resulting in a negative fee amount.

[4]Total Investment Expenses may not exactly agree to the Statement of Changes in Fiduciary Net Position due to accrual entries posted in the financial statements

Other Information


Virginia529[SM] ABLEnow® retirepathVA[SM]

CollegeAmerica®

CollegeAmerica, a broker-sold IRC §529 college savings option, was launched on February 15, 2002. CollegeAmerica is a defined contribution savings program administered by Capital Research and Management Company, American Funds Distributors, Inc., and American Funds Service Company, Inc. (together, the American Funds) pursuant to a contract. The American Funds acts as program manager and provides all back office and operational services for the program. As a result of this structure, VA529 is responsible for program oversight and review; however, VA529's staff does not manage the day-to-day operations of the CollegeAmerica program. VA529 has contracted these services with the American Funds through February 15, 2050.

CollegeAmerica is available year round and has no age or residency restrictions. Accounts are subject to market risk, including the possible loss of principal. As of June 30, 2024, approximately 2.6 million unique active accounts were open with net assets in excess of $93.2 billion. American Funds defines unique active accounts as unique open account numbers at period end. Fees and expenses of the program are also paid on a pro-rata basis by each account owner and vary according to the fund and share class selected.

As of June 30, 2024, the CollegeAmerica program offered 46 American Funds mutual funds, offering six share classes. The six share classes offered are as follows: 529-A, 529-C, 529-E, 529-F-1, 529-F-2 and the 529-F-3. A complete list of approved and available funds is shown in the tables on the following pages.

A separate audited report for each of the 46 funds available for investment in the CollegeAmerica program is published annually by the American Funds. Each of the funds has a different year ending date, so these audited reports are published throughout the year. An individual fund audit report includes that fund's results for all share classes offered in the fund, including the IRC §529 share classes created for the CollegeAmerica program. The individual fund reports are available in their entirety from the American Funds. A summary of the 529 Share Class Net Assets as of Fund Fiscal Year-End and at June 30, 2024 for each fund are presented in the following charts.

CollegeAmerica
529 Share Class Net Assets as of Fund Fiscal Year-End (dollars and shares in thousands)

Fund	Shares	Net Assets	Fiscal Year-End
Growth funds			
AMCAP Fund®	73,469	$ 2,962,017	02/29/24
American Funds Global Insight Fund℠	812	15,467	10/31/23
American Funds International Vantage Fund℠	678	9,814	10/31/23
EuroPacific Growth Fund®	28,390	1,644,830	03/31/24
The Growth Fund of America®	217,211	13,297,007	08/31/23
The New Economy Fund®	19,839	1,038,533	11/30/23
New Perspective Fund®	59,860	3,117,607	09/30/23
New World Fund®	14,587	988,441	10/31/23
SMALLCAP World Fund®	30,846	1,783,037	09/30/23
Growth-and-income funds			
American Mutual Fund®	33,897	1,590,466	10/31/23
Capital World Growth and Income Fund®	67,851	3,941,780	11/30/23
American Funds Developing World Growth and Income Fund℠	4,944	49,413	11/30/23
Fundamental Investors®	57,991	4,137,203	12/31/23
International Growth and Income Fund℠	6,192	213,599	06/30/23
The Investment Company of America®	76,973	3,866,108	12/31/23
Washington Mutual Investors Fund℠	63,989	3,816,409	04/30/24
Equity-income funds			
Capital Income Builder®	38,623	2,330,122	10/31/23
The Income Fund of America®	89,131	2,066,165	07/31/23
Balanced funds			
American Balanced Fund®	195,030	6,227,060	12/31/23
American Funds Global Balanced Fund℠	10,581	344,038	10/31/23
Bond funds			
American High-Income Trust®	38,413	346,771	09/30/23
American Funds Inflation Linked Bond Fund®	7,172	64,428	11/30/23
The Bond Fund of America®	123,725	1,421,720	12/31/23
Capital World Bond Fund®	14,846	247,470	12/31/23
Intermediate Bond Fund of America®	41,552	510,748	08/31/23
Short-Term Bond Fund of America®	66,580	625,919	08/31/23
American Funds Strategic Bond Fund℠	13,104	121,613	12/31/23
U.S. Government Securities Fund®	16,021	191,042	08/31/23
American Funds Mortgage Fund®	3,203	28,016	08/31/23
American Funds Corporate Bond Fund®	7,492	69,561	05/31/23
American Funds Emerging Markets Bond Fund®	2,114	16,997	12/31/23
American Funds Multi-Sector Income Fund℠	2,518	23,464	12/31/23
Money market fund			
American Funds U.S. Government Money Market Fund℠	3,114,722	3,115,276	09/30/23
American Funds College Target Date Series funds			
American Funds College 2024 Fund®	258,395	2,781,287	10/31/23
American Funds College 2027 Fund®	257,330	2,858,987	10/31/23
American Funds College 2030 Fund®	276,422	3,255,219	10/31/23
American Funds College 2033 Fund®	234,737	2,516,703	10/31/23
American Funds College 2036 Fund®	170,858	1,789,756	10/31/23
American Funds College 2039 Fund®	69,625	628,870	10/31/23
American Funds College Enrollment Fund®	181,959	1,637,712	10/31/23
American Funds Portfolio Series℠ funds			
American Funds Global Growth Portfolio℠	42,558	757,179	10/31/23
American Funds Growth Portfolio℠	120,943	2,331,868	10/31/23
American Funds Growth and Income Portfolio℠	81,868	1,275,396	10/31/23
American Funds Moderate Growth and Income Portfolio℠	45,561	690,142	10/31/23
American Funds Conservative Growth and Income Portfolio℠	29,922	350,658	10/31/23
American Funds Preservation Portfolio℠	24,299	222,586	10/31/23

Data compiled from American Funds audited fund statements. Funds listed are those open as of June 30, 2024.

CollegeAmerica

529 Share Class Net Assets as of June 30, 2024 (dollars and shares in thousands)

Fund	Shares	Net Assets
Growth funds		
AMCAP Fund®	74,055	$ 3,074,356
American Funds Global Insight Fund℠	858	19,617
American Funds International Vantage Fund℠	820	13,927
EuroPacific Growth Fund®	28,578	1,610,792
The Growth Fund of America®	227,227	16,455,559
The New Economy Fund®	20,131	1,240,109
New Perspective Fund®	60,812	3,726,542
New World Fund®	14,185	1,124,648
SMALLCAP World Fund®	29,756	1,943,475
Growth-and-income funds		
American Mutual Fund®	33,752	1,831,233
Capital World Growth and Income Fund®	66,250	4,320,535
American Funds Developing World Growth and Income Fund℠	4,750	49,869
Fundamental Investors®	57,332	4,643,062
International Growth and Income Fund℠	5,999	223,618
The Investment Company of America®	75,998	4,330,098
Washington Mutual Investors Fund℠	66,781	4,022,004
Equity-income funds		
Capital Income Builder®	37,332	2,546,705
The Income Fund of America®	84,928	2,040,980
Balanced funds		
American Balanced Fund®	193,735	6,681,467
American Funds Global Balanced Fund℠	10,181	381,039
Bond funds		
American High-Income Trust®	39,164	374,407
American Funds Inflation Linked Bond Fund®	5,989	54,786
The Bond Fund of America®	129,796	1,449,826
Capital World Bond Fund®	14,448	228,778
Intermediate Bond Fund of America®	41,313	509,877
Short-Term Bond Fund of America®	68,079	643,070
American Funds Strategic Bond Fund℠	13,410	120,301
U.S. Government Securities Fund®	15,908	187,357
American Funds Mortgage Fund®	3,068	26,519
American Funds Corporate Bond Fund®	7,517	70,055
American Funds Emerging Markets Bond Fund®	2,122	16,357
American Funds Multi-Sector Income Fund℠	3,674	34,059
Money market fund		
American Funds U.S. Government Money Market Fund℠	3,543,548	3,543,548
American Funds College Target Date Series funds		
American Funds College 2027 Fund®	279,876	3,325,052
American Funds College 2030 Fund®	299,903	3,904,808
American Funds College 2033 Fund®	257,633	3,175,241
American Funds College 2036 Fund®	193,472	2,449,128
American Funds College 2039 Fund®	97,999	1,097,513
American Funds College 2042 Fund®	4,380	45,602
American Funds College Enrollment Fund®	464,030	4,302,897
American Funds Portfolio Series℠ funds		
American Funds Global Growth Portfolio℠	43,243	973,457
American Funds Growth Portfolio℠	129,561	3,244,334
American Funds Growth and Income Portfolio℠	85,793	1,610,046
American Funds Moderate Growth and Income Portfolio℠	46,437	824,096
American Funds Conservative Growth and Income Portfolio℠	32,297	417,847
American Funds Preservation Portfolio℠	25,077	233,750
Total Assets		$ 93,142,345

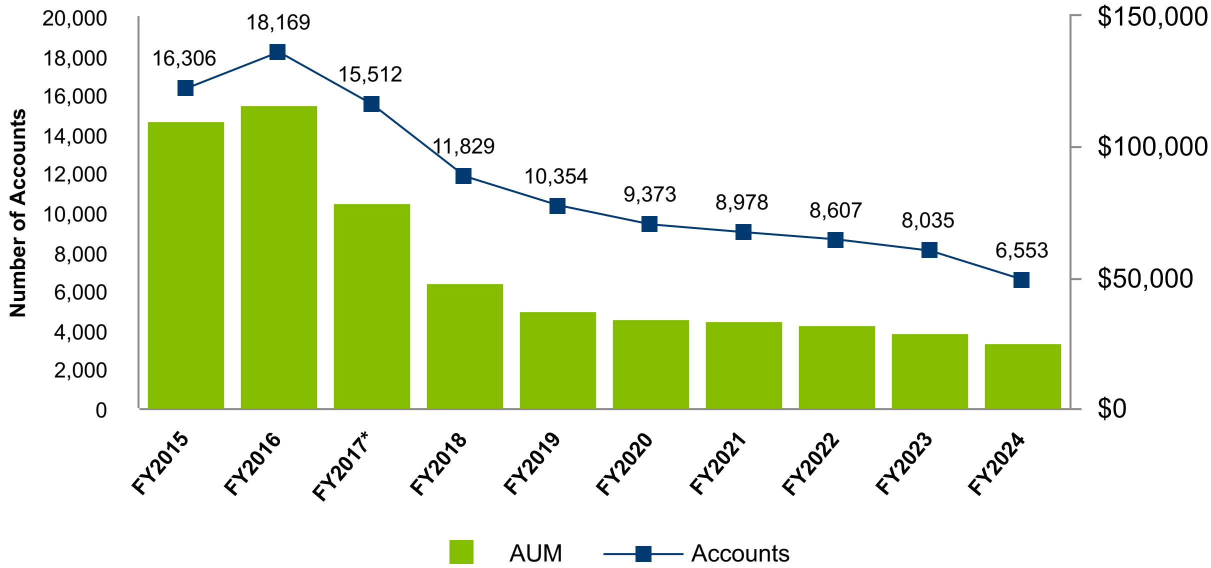
Data compiled from American Funds reports. Figures may not sum foot due to rounding.

CollegeWealth®

CollegeWealth is VA529's FDIC-insured, defined contribution, 529 college savings program, which closed to new participants in fiscal 2017. Each CollegeWealth college savings account with a value up to $250,000 (when combined with any other holdings of an individual at the bank) is FDIC insured. CollegeWealth began in the autumn of 2007 with Atlantic Union Bank (AUB) as VA529's first banking partner. In the autumn of 2009, VA529 added Branch Banking and Trust (BB&T) Corporation, which is now Truist, as a banking partner in an effort to significantly expand the availability of CollegeWealth within and outside of the Commonwealth.

In January 2017, VA529 introduced an FDIC-Insured Portfolio option within the Invest529 program through an omnibus account with AUB. With this offering VA529 terminated the existing CollegeWealth offering through AUB and transferred those remaining assets to the Invest529 FDIC-Insured Portfolio. On April 23, 2017, the CollegeWealth program offered through BB&T was closed to new participants. As of June 30, 2024, there were 6,553 unique active accounts with net assets of $25.5 million remaining in the program. Unique active accounts represent all active accounts at period end. The net assets represented amounts held in savings instruments at the participating banks and were thus not subject to market value adjustments at year-end.

Assets and Accounts Under Management as of Fiscal Year-End



* On April 3, 2017, $33.9 million representing 3,350 accounts was transferred from the CollegeWealth offering through Atlantic Union Bank to the Invest529 FDIC-Insured Portfolio.

ABLE Programs

ABLE accounts were made possible by the federal Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act, which authorized states to establish tax-advantaged savings programs for individuals with disabilities and their families to save for "qualified disability expenses" without losing certain federal means-tested benefits. The Virginia ABLE Act of the 2015 Virginia Acts of Assembly amended VA529's enabling legislation, adding the development and implementation of ABLE program(s) to its statutory mission. Accordingly, VA529 established two IRC §529A savings options, ABLEnow and ABLEAmerica.

For 2024, individuals can save up to $18,000 per year in an ABLE account. Earnings grow free of federal taxation and may be free of state taxation if benefits are used for qualified disability expenses.

ABLEnow®

ABLEnow launched in December 2016, and is a direct-sold defined contribution savings program. VA529 is the program sponsor and manager, providing customer service for the program. VA529 has contracted with PNC Bank, N.A. (PNC) to offer the ABLEnow program through November 2025 with provision for automatic two year extensions. The terms of the current restated agreement was negotiated in FY23.

The first $2000 in an ABLEnow account is automatically allocated to the PNC FDIC Insured Deposit Account. Once the balance in the ABLEnow Deposit Account exceeds $2,000 the additional contributions may be used to invest in one or more investment portfolios offered. There are four mutual funds open; three Vanguard LifeStrategy® Funds and a Fidelity® Money Market Fund, as investment options administered through PNC. Eligible individuals can start their ABLEnow account with no enrollment fee and no minimum contribution.

As of June 30, 2024, 18,408 accounts were open with more than $153.4 million in assets under management. More information on ABLEnow can be found at www.ablenow.com. The following below outlines the shares and net assets for the ABLEnow portfolios as of June 30, 2024.

Shares and Net Assets as of June 30, 2024
(dollars and shares in thousands)

Fund	Shares		Net Assets[1]
Money market fund			
Fidelity® Investments Money Market Government Portfolio	11,445	$	11,445
LifeStrategy funds			
Vanguard LifeStrategy® Growth Fund	820		36,322
Vanguard LifeStrategy® Moderate Growth Fund	405		12,911
Vanguard LifeStrategy® Income Fund	282		4,273
Total Assets		$	64,950

[1]PNC Bank NA, FDIC Insured Deposit Account of $88.4 million is not included in the value above.

ABLEAmerica®

ABLEAmerica launched in July 2018, and is a broker-sold defined contribution savings program. The program is administered by American Funds pursuant to a contract with VA529. The American Funds acts as program manager and provides all back office and operational services for the program. As a result of this structure, VA529 is responsible for program oversight and review; however, VA529's staff does not manage the day-to-day operations of this program. VA529 has contracted these services with the American Funds through February 15, 2050.

Accounts are subject to market risk, including the possible loss of principal. As of June 30, 2024, approximately 3,218 unique active accounts were open with net assets in excess of $57.3 million. American Funds defines unique active accounts as unique open account numbers at period end. Fees and expenses of the program shall be waived until June 30, 2024 or until assets in the program exceed $300 million, whichever occurs first.

There are two ABLE share classes offered the ABLE-A and ABLE F-2 share class. A separate audited report for each of the seven (7) funds available for investment in the ABLEAmerica program is published by the American Funds. Each of the funds may have a different year ending date, so these audited reports are published throughout the year. An individual fund audit report includes that fund's results for all share classes offered in the fund, including the IRC §529 share classes created for the ABLEAmerica program. The individual fund reports are available in their entirety from the American Funds. A summary of the 529 Share Class Net Assets as of Fund Fiscal Year-End and at June 30, 2024 for each fund are presented in the following charts.

529 Share Class Net Assets as of Fund Fiscal Year-End
(dollars and shares in thousands)

Fund	Shares	Net Assets	Fiscal Year-End
Money market fund			
American Funds U.S. Government Money Market Fund℠	3,191	$ 3,191	9/30/2023
American Funds Portfolio Series℠ funds			
American Funds Global Growth Portfolio℠	179	3,187	10/31/2023
American Funds Growth Portfolio℠	574	11,073	10/31/2023
American Funds Growth and Income Portfolio℠	561	8,743	10/31/2023
American Funds Moderate Growth and Income Portfolio℠	488	7,408	10/31/2023
American Funds Conservative Growth and Income Portfolio℠	325	3,810	10/31/2023
American Funds Preservation Portfolio℠	143	1,312	10/31/2023

ABLEAmerica

529 Share Class Net Assets as of June 30, 2024
(dollars and shares in thousands)

Fund	Shares	Net Assets
Money market fund		
American Funds U.S. Government Money Market Fund℠	4,458	$ 4,458
American Funds Portfolio Series℠ funds		
American Funds Global Growth Portfolio℠	212	4,779
American Funds Growth Portfolio℠	728	18,229
American Funds Growth and Income Portfolio℠	680	12,792
American Funds Moderate Growth and Income Portfolio℠	596	10,593
American Funds Conservative Growth and Income Portfolio℠	383	4,960
American Funds Preservation Portfolio℠	166	1,549
Total Assets		**$ 57,359**

RetirePath

In June of 2023, VA529 launched the Commonwealth's new state-facilitated IRA savings program, RetirePath Virginia. The program is an automatic enrollment Individual Retirement Account (IRA) savings program for private-sector workers. Eligible employers that do not offer a qualified retirement plan, employ at least 25 eligible employees, and have been operating for at least two years are required to facilitate the program for their eligible employees. Employees are eligible if they are 18 years of age or older, currently employed at least 30 hours per week and receiving wages in the state of Virginia. Participation is voluntary. Employees can opt out or back in at any time. Once enrolled, employees have 30-days to make changes or opt out. If no action is taken, employees will be automatically enrolled in RetirePath. After a successful pilot launch in February of 2023, RetirePath had only officially launched ten days prior to the end of fiscal 2023. At the end of fiscal 2024, there were 8,931 funded RetirePath accounts with $4.1 million in assets under management across a combination of Blackrock target date series portfolios and index portfolios which customers can choose.

RetirePath

Share Class Net Assets as of June 30, 2024
(dollars and shares in thousands)

Fund	Shares	Net Assets	
Blackrock Bond Index Fund℠	—	$	2
Blackrock Capital Preservation Fund℠	19		202
Blackrock International Stock Index Fund℠	1		10
Blackrock U.S. Stock Index Fund℠	2		29
Blackrock Target Retirement 2025 Fund℠	17		196
Blackrock Target Retirement 2030 Fund℠	32		372
Blackrock Target Retirement 2035 Fund℠	31		371
Blackrock Target Retirement 2040 Fund℠	30		376
Blackrock Target Retirement 2045 Fund℠	32		399
Blackrock Target Retirement 2050 Fund℠	34		442
Blackrock Target Retirement 2055 Fund℠	39		503
Blackrock Target Retirement 2060 Fund℠	35		455
Blackrock Target Retirement 2065 Fund℠	32		412
Blackrock Target Retirement 2070 Fund℠	9		112
Blackrock Target Retirement Fund℠	15		170
Total Assets		**$**	**4,051**

Statistical Section

Statistical Section

The Statistical Section presents detailed historical information related to the financial trends, revenue capacity, demographic and economic information, and operating information about education saving programs including VA529's Defined Benefit 529 program, Invest529, and CollegeAmerica.

The following schedules provide additional information not included in the Basic Financial Statements:

Changes in Net Position (Enterprise and Fiduciary)

Net Position by component

Revenues by source

Actuarial Information

Investment return rates

Weighted average tuition and fees

Customers by Program - Active Accounts

Operating expense as a percentage of net position

Financial Trends

These schedules contain trend information to assist the reader in understanding and assessing how VA529's financial position has changed over time.

Changes in net position for the past ten fiscal years (dollars in millions)

Enterprise Fund

Fiscal Year	2015*	2016	2017	2018*	2019	2020	2021	2022	2023**	2024*
Net Position - Beginning of year	$ 513.6	$ 546.3	$ 589.7	$ 783.8	$ 784.6	$ 1,029.4	$ 1,068.2	$ 1,650.9	$ 1,456.3	$ 1,658.1
Revenues										
Charges for sales and services and other	48.6	48.7	41.0	45.8	46.7	48.1	54.5	55.4	50.0	53.1
Net investment income/(loss)	27.5	0.6	255.6	135.2	131.1	43.6	624.1	(164.7)	112.9	216.9
DB529 contributions	111.7	97.2	107.4	114.4	128.6	3.6	28.3	38.1	50.2	46.7
Net actuarial gain/(loss)	—	—	—	—	—	—	—	—	208.6	66.1
Total Revenues	$ 187.8	$ 146.5	$ 404.0	$ 295.4	$ 306.4	$ 95.3	$ 706.9	$ (71.2)	$ 421.7	$ 382.8
Expenses										
Operating expenses	154.6	102.5	206.1	291.3	61.2	56.1	123.9	123.4	220.6	222.3
Non-operating expenses and transfers	0.5	0.6	0.9	3.4	0.4	0.4	0.4	0.4	0.1	(0.2)
Total expenses	$ 155.1	$ 103.1	$ 207.0	$ 294.7	$ 61.6	$ 56.5	$ 124.3	$ 123.8	$ 220.7	$ 222.1
Net Increase/(decrease) in net positions	32.7	43.4	197.0	0.7	244.8	38.8	582.6	(195.0)	201.0	160.3
Net Position - End of year	$ 546.3	$ 589.7	$ 786.8	$ 784.6	$ 1,029.4	$ 1,068.2	$ 1,650.9	$ 1,455.9	$ 1,657.3	$ 1,818.4

**Beginning balance was re-stated*

***Beginning balance was re-stated; additionally, the total net position includes an allocation of $500 million, which was made from the DB529 fund into a separate fund in support of potential access initiatives of the SOAR Virginia Program.*

Amounts may not sum due to rounding

Source : Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports from the relevant year.

Financial Trends

These schedules contain trend information to assist the reader in understanding and assessing how VA529's financial position has changed over time.

Changes in net position for the past ten fiscal years (dollars in millions)

Fiduciary Fund

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net assets held in trust for program participants - Beginning of Year	$ 2,810.7	$ 3,072.4	$ 3,329.0	$ 3,944.5	$ 4,521.7	$ 5,103.4	$ 5,626.0	$ 7,318.4	$ 6,958.7	$ 7,987.5
Additions										
Contributions	400.4	433.8	551.7	666.7	708.6	780.6	935.7	1,042.9	942.8	1,063.7
Net investment income/(loss)	54.8	51.0	328.0	239.6	270.4	166.5	1,235.7	(833.4)	692.4	1,004.6
Total additions:	455.2	484.8	879.7	906.4	979.0	947.0	2,171.4	209.5	1,635.2	2,068.4
Deductions	193.4	228.2	264.2	329.1	397.3	424.5	479.1	569.1	606.7	699.9
Net increase/(decrease)	261.7	256.6	615.5	577.2	581.7	522.6	1,692.4	(359.6)	1,028.6	1,368.5
Net assets held in trust for program participants - End of Year	$ 3,072.4	$ 3,329.0	$ 3,944.5	$ 4,521.7	$ 5,103.4	$ 5,626.0	$ 7,318.4	$ 6,958.7	$ 7,987.3	$ 9,356.1

Amounts may not sum due to rounding

Source : Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports from the relevant year.

Financial Trends

These schedules contain trend information to assist the reader in understanding and assessing how VA529's financial position has changed over time.

Net Position by component for the past ten fiscal years (dollars in millions)

Enterprise Fund

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023*	2024
Net Position -										
Net investment in capital assets	$ 3.4	$ 3.3	$ 3.3	$ 0.8	$ 1.0	$ 0.7	$ 0.7	$ 0.6	$ 1.0	$ 3.9
Restricted for net OPEB asset	-	-	-	-	0.4	0.3	0.3	0.5	0.4	0.7
Unrestricted	542.9	586.4	783.5	783.9	1,028.0	1,067.2	1,649.9	1,454.8	1,656.1	1,813.7
Total Enterprise Fund Net Position	$ 546.3	$ 589.7	$ 786.8	$ 784.6	$ 1,029.4	$ 1,068.2	$ 1,650.9	$ 1,455.9	$ 1,657.5	$ 1,818.4
Percent Change	4.4 %	7.9 %	33.4 %	(0.3)%	31.2 %	3.8 %	54.5 %	(11.8)%	13.8 %	9.7 %

Fiduciary Fund

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fiduciary Net Position										
Net position held in trust for program participants	$ 3,072.6	$ 3,329.2	$ 3,944.7	$ 4,521.9	$ 5,103.6	$ 5,626.2	$ 7,318.5	$ 6,958.9	$ 7,987.5	$ 9,356.1
Percent Change	9.3 %	8.4 %	18.5 %	14.6 %	12.9 %	10.2 %	30.1 %	(4.9)%	14.8 %	17.1 %

Amounts may not sum due to rounding

**Includes an allocation of $500 million, which was made from the DB529 fund into a separate fund in support of potential access initiatives of the SOAR Virginia Program.*

Source : Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports from the relevant year.

Revenue Capacity

These schedules contain information to assist the reader in understanding and assessing VA529's revenue sources.

Revenues by source for the past ten fiscal years (dollars in millions)

Enterprise Fund

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Charges for sales and services	$ 48.6	$ 48.7	$ 41.0	$ 45.8	$ 46.7	$ 48.1	$ 54.5	$ 55.4	$ 50.0	$ 53.1
Net investment income	27.5	0.6	255.6	135.2	131.2	43.6	624.1	(164.7)	112.9	216.9
Contributions from customers	120.3	107.7	111.6	114.8	113.2	49.0	72.1	68.7	50.2	46.7
Actuarial contributions from customers	(8.6)	(10.5)	(4.2)	(0.3)	15.4	(45.4)	(43.8)	(30.6)	—	—
Net actuarial gain/(loss)*	—	—	—	—	—	—	—	—	208.6	66.1
Total Revenues	$ 187.9	$ 146.5	$ 404.0	$ 295.4	$ 306.4	$ 95.3	$ 706.9	$ (71.1)	$ 421.7	$ 382.8
Percent Change	(53.9)%	(22.0)%	175.9 %	(26.9)%	3.7 %	(68.9)%	641.7 %	(110.1)%	692.9 %	9.2 %

Fiduciary Fund

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Participant contributions	$ 400.4	$ 433.8	$ 551.7	$ 666.7	$ 708.6	$ 780.6	$ 935.7	$ 1,042.9	$ 943.2	$ 1,063.7
Net investment income	54.9	50.9	328.0	239.6	270.4	166.4	1,235.8	(833.5)	696.0	1,008.6
Total additions:	$ 455.3	$ 484.7	$ 879.7	$ 906.3	$ 979.0	$ 947.0	$ 2,171.5	$ 209.4	$ 1,639.2	$ 2,072.3
Percent Change	(32.7)%	6.5 %	81.5 %	3.0 %	8.0 %	(3.3)%	129.3 %	(90.4)%	682.6 %	26.4 %

*Through fiscal 2022, changes in actuarial receivables and payables were reported as decreases in revenues and expenses, respectively. In fiscal 2023, the amounts are net and reported as one line item entitled "net actuarial gain/(loss)."

Source : Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports from the relevant year.

Actuarial Information

These schedules contain information to assist the reader in understanding and assessing VA529's Defined Benefit 529 program..

Actuarial Information for the past ten fiscal years (dollars in millions)

Enterprise Fund

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023*	2024
Value of DB529 assets	$ 2,663.2	$ 2,625.3	$ 2,835.0	$ 2,919.9	$ 3,020.9	$ 2,881.2	$ 3,354.5	$ 3,025.3	$ 2,484.5	$ 2,509.4
Present value of DB529 obligations	2,116.8	2,035.6	2,048.2	2,135.3	1,991.5	1,831.0	1,734.0	1,613.8	1,384.7	1,301.8
Actuarial reserve/(deficit)	$ 546.4	$ 589.7	$ 786.8	$ 784.6	$ 1,029.4	$ 1,050.2	$ 1,620.5	$ 1,411.5	$ 1,099.8	$ 1,207.6
Actuarial funded status	125.8 %	129.0 %	138.4 %	136.7 %	151.7 %	157.4 %	193.5 %	187.5 %	179.4 %	192.8 %

Investment return rates for the past ten fiscal years

Time-weighted average rates, net of fees

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
DB529 Program	1.16%	0.10%	10.70%	5.18%	4.92%	1.64%	23.63%	(5.35)%	4.00%	5.75%

**Actuarial valuation amount does not include the $500 million allocation from the DB529 fund to support access initiatives under the SOAR Virginia as this is no longer part of DB529 assets.*

Source : Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports from the relevant year.

Revenue Capacity

These schedules contain information to assist the reader in understanding and assessing VA529's revenue sources.

Investment return rates for the past ten fiscal years, continued
Time-weighted average rates, net of fees

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
DC529 Program										
2042 Portfolio *										13.36 %
2039 Portfolio							33.16 %	(14.55)%	11.03 %	12.73 %
2036 Portfolio				7.26 %	4.81 %	(0.08) %	30.43 %	(14.13)%	10.91 %	12.06 %
2033 Portfolio	1.38 %	(0.66)%	13.81 %	6.86 %	4.77 %	0.77 %	26.22 %	(13.03)%	9.77 %	10.97 %
2030 Portfolio	1.68 %	(0.39)%	12.40 %	6.24 %	4.97 %	1.47 %	22.12 %	(12.01)%	9.03 %	9.60 %
2027 Portfolio	1.23 %	0.34 %	10.71 %	5.38 %	5.08 %	2.18 %	18.34 %	(9.78)%	6.38 %	7.07 %
2024 Portfolio	1.32 %	0.94 %	9.26 %	4.69 %	4.75 %	3.00 %	12.64 %	(6.44)%	3.82 %	4.55 %
2021 Portfolio	1.19 %	1.33 %	7.12 %	3.65 %	4.27 %	3.81 %	4.47 %	(1.84)%	2.25 %	2.97 %
2018 Portfolio **	0.77 %	2.21 %	3.74 %	1.93 %	3.37 %	2.73 %	1.71 %	1.42 %		
ESG Core Equity Portfolio	4.50 %	4.03 %	14.38 %	11.77 %	17.33 %	6.78 %	42.65 %	(11.31)%	18.15 %	21.39 %
Global Equity Portfolio						0.67 %	46.13 %	(18.63)%	18.08 %	16.91 %
Aggressive Growth Portfolio	3.17 %	(0.61)%	14.83 %	9.34 %	6.21 %	3.66 %	31.93 %	(14.87)%	12.98 %	15.15 %
Moderate Growth Portfolio	2.94 %	1.32 %	10.84 %	7.15 %	6.75 %	4.95 %	23.17 %	(13.64)%	9.57 %	12.10 %
Conservative Income Portfolio	2.36 %	4.72 %	3.05 %	2.76 %	7.53 %	6.90 %	7.08 %	(11.32)%	2.80 %	6.12 %
Active Aggressive Portfolio			14.12 %	7.30 %	5.01 %	(0.71) %	33.14 %	(14.98)%	11.59 %	13.45 %
Active Moderate Portfolio			9.99 %	5.06 %	5.39 %	1.66 %	21.41 %	(12.32)%	9.45 %	10.89 %
Active Conservative Portfolio			5.77 %	3.08 %	5.18 %	2.88 %	11.19 %	(7.57)%	5.27 %	6.84 %
Total Stock Market Index Portfolio	7.04 %	1.95 %	18.42 %	14.74 %	8.90 %	6.31 %	44.26 %	(14.30)%	18.89 %	23.15 %
Total Bond Market Index Portfolio	1.60 %	5.99 %	(0.54)%	(0.61)%	7.77 %	8.93 %	(0.49)%	(10.43)%	(0.93)%	2.73 %
Total International Stock Portfolio	(4.75)%	(9.26)%	19.98 %	7.03 %	0.50 %	(4.13) %	36.43 %	(18.97)%	12.29 %	10.96 %
Total Inflation-Protected Securities	(1.95)%	4.59 %	(0.88)%	1.83 %	4.61 %	8.05 %	6.41 %	(5.05)%	(1.88)%	2.71 %
REIT Index Portfolio	3.70 %	23.74 %	(1.95)%	2.22 %	12.14 %	(7.06) %	34.29 %	(8.09)%	(3.96)%	4.75 %
Stable Value Portfolio	1.45 %	1.57 %	1.69 %	1.95 %	2.34 %	2.39 %	1.72 %	1.42 %	2.23 %	2.97 %
FDIC-Insured Portfolio				0.63 %	1.87 %	2.00 %	0.99 %	0.80 %	3.95 %	5.44 %

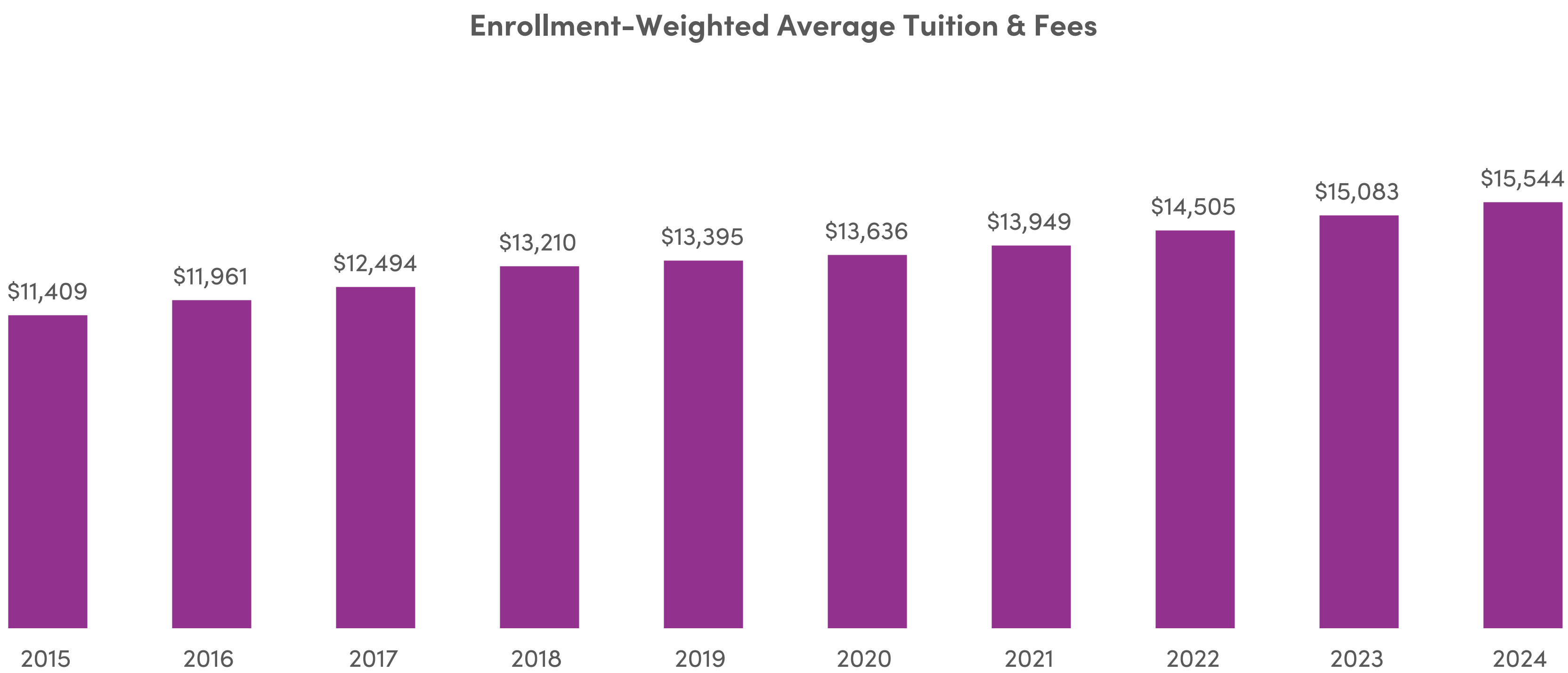
** 2042 Portfolio was launched in December 2022*
*** Assets of the 2018 Portfolio were transferred to the Stable Value in December 2022 as the 2018 Portfolio was closed.*

Demographic and Economic Information

These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which VA529's financial activities take place.

Schedule of Weighted Average Tuition (WAT)

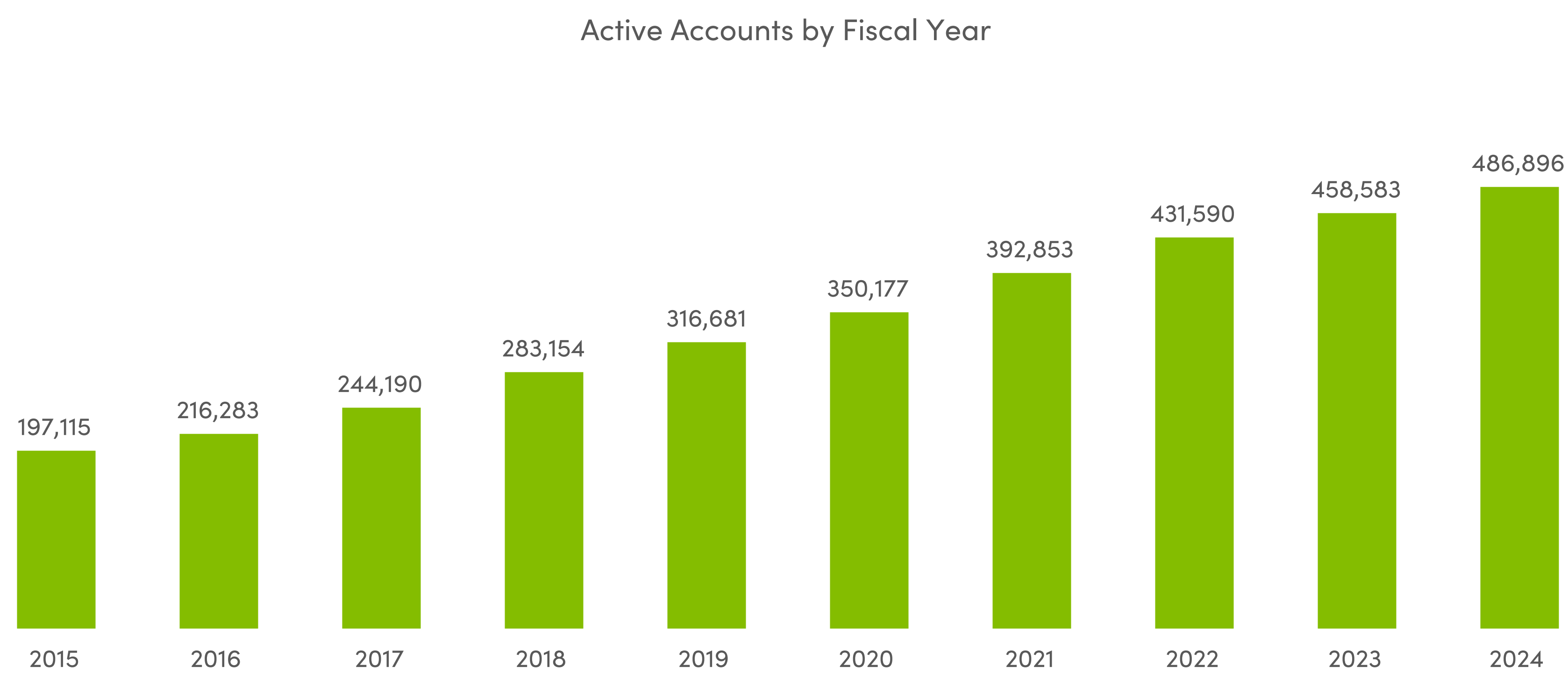
Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
WAT	$ 11,409	$ 11,961	$ 12,494	$ 13,210	$ 13,395	$ 13,636	$ 13,949	$ 14,505	$ 15,083	$ 15,544
Increase from previous year	5.7%	4.8%	4.5%	5.7%	1.4%	1.8%	2.3%	4.0%	4.0%	3.1%



Includes tuition rates plus fees required of all in-state, undergraduate full-time students as a condition of enrollment at Virginia's 4-year institutions
Full-time in-state undergraduate tuition and all mandatory fees and enrollment statistics obtained from: schev.edu

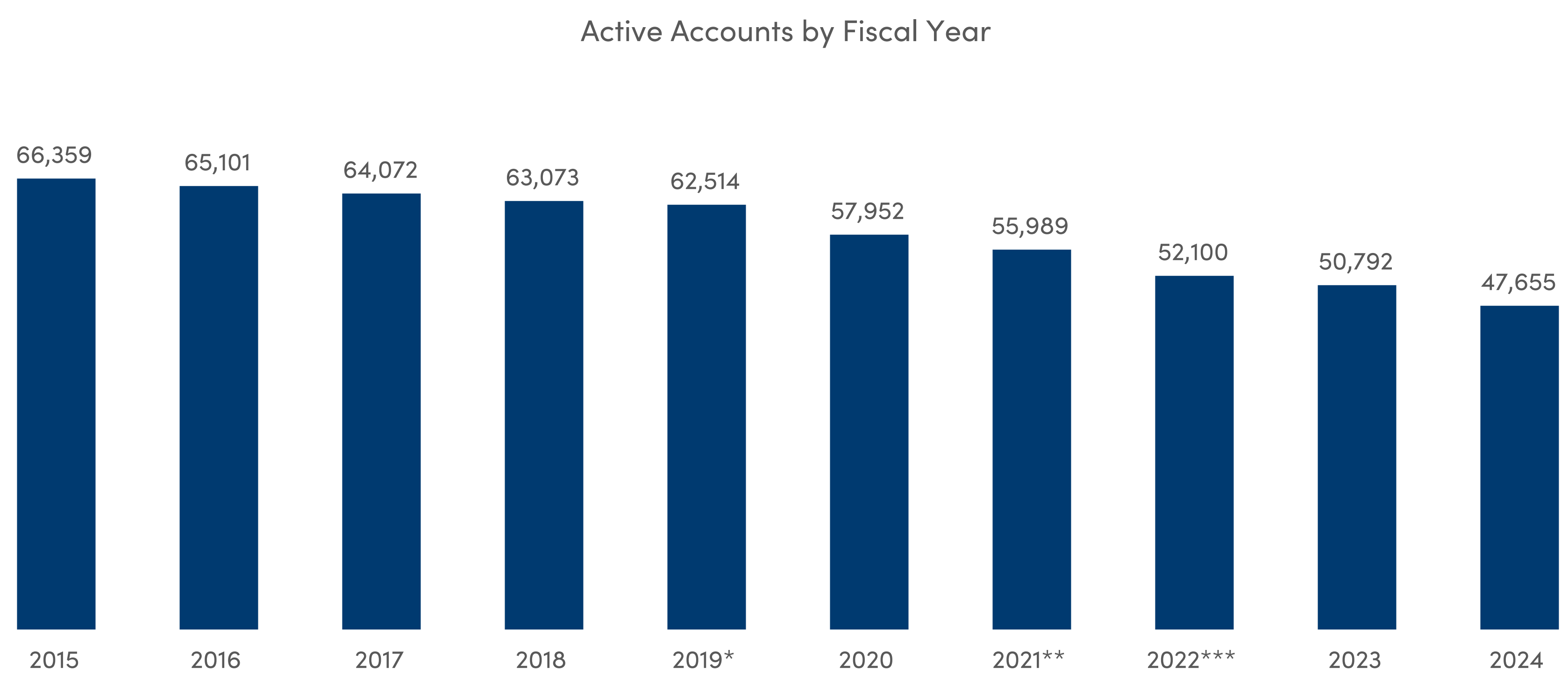
Customers by Program

invest529®



Customers by Program

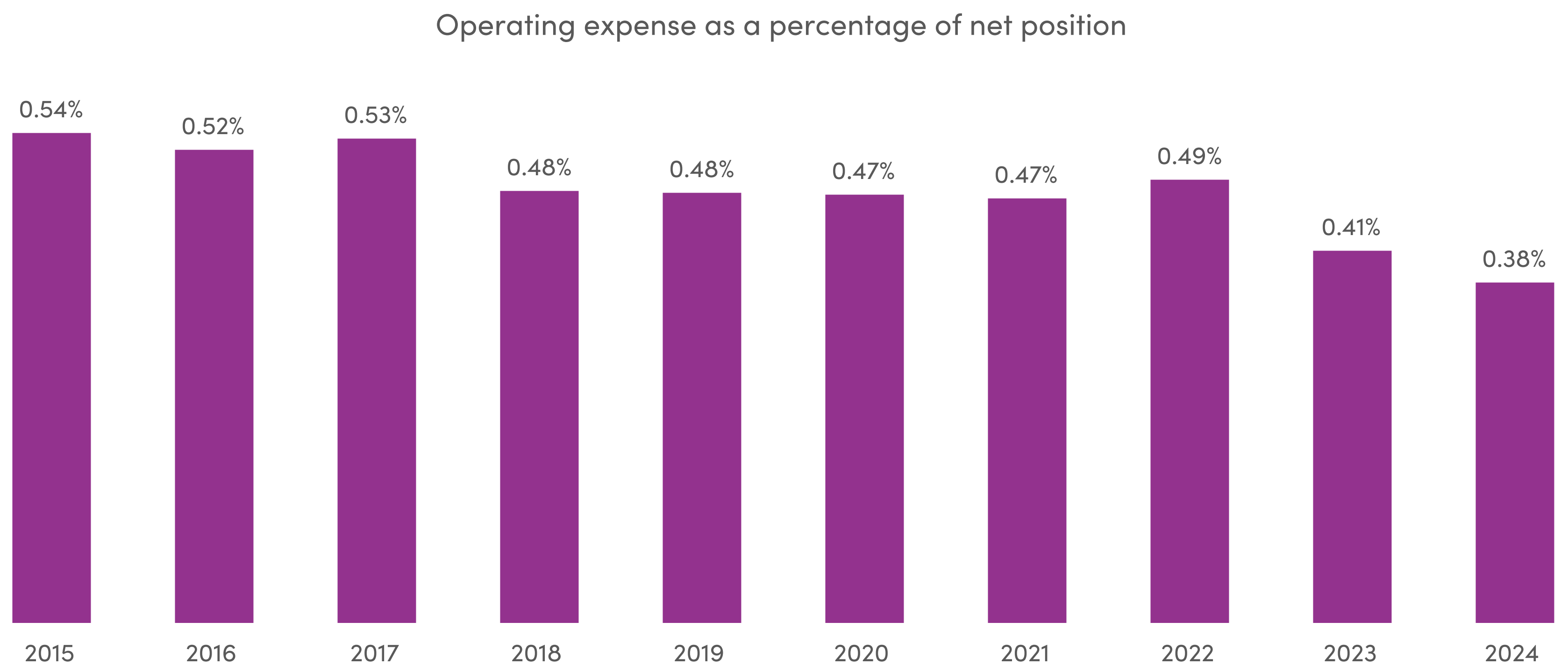
Defined Benefit 529 Program



*Prepaid529 was closed to new participants in fiscal 2019
**Tuition Track Portfolio was opened as the successor program to Prepaid529 in fiscal 2021

Operating Information

This graph shows VA529's operating expenses as a percentage of its net position to assist the reader in understanding how VA529's financial information relates to the activities it performs.



Source : Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports from the relevant year.

Attachment B

Actuarial Valuation Report
Defined Benefit 529 Program
for the year ended June 30, 2024

Milliman

Virginia 529 Defined Benefit 529 Program

2024 Actuarial Valuation Report

Prepared by:

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Executive Summary

A. Summary of Key Valuation Results

Actuarial Valuation as of:	June 30, 2023 $millions	June 30, 2024 $millions
Program Assets		
Invested Assets at Fair Market Value	$2,415.0	$2,456.7
Present Value of Projected Installment Payments*	69.5	52.7
Total Assets	$2,484.5	$2,509.4
Program Obligations		
Present Value of Projected Future Benefits	$1,355.8	$1,275.4
Present Value of Future Administrative Expenses	28.9	26.4
Total Liability for Obligations	$1,384.7	$1,301.8
Actuarial Reserve		
Actuarial Reserve	$1,099.8	$1,207.6
Actuarial Reserve as a % of Total Liability for Obligations	79.4%	92.8%
Key Assumptions		
Annual Tuition Growth:		
VA Public Universities in Year 1	4.00%	4.00%
VA Public Universities in Year 2 and Beyond	6.00%	6.00%
VA Public Community Colleges in Year 1	3.00%	3.00%
VA Public Community Colleges in Year 2 and Beyond	6.00%	6.00%
Expected Return on Investments	5.75%	5.75%

* For Legacy Prepaid Accounts

B. Actuarial Discussion and Analysis

An actuarial valuation of the Virginia529 Defined Benefit 529 Program (the "Program") is conducted annually to analyze the ability of projected Program resources to fully meet projected Program contract obligations and Program expenses. The actuarial reserve is the amount, stated in present value terms, by which the expected value of Program assets (resources) exceeds the expected value of Program liabilities, including expenses (obligations). The calculation is done as of a single point in time, using a single set of actuarial assumptions and methods approved by the Virginia529 Board.

While the actuarial valuation uses a single set of actuarial assumptions, actual future Program experience will differ from the assumptions used in the valuation's calculations. The tuition growth and investment return assumptions were provided by the Board. The other assumptions used for this report were based on an experience study completed by Milliman in 2023, with an updated assumption for the reasonable rate of interest.

As of June 30, 2024 the Program has assets of $2,509.4 million and obligations of $1,301.8 million. The difference in values creates an actuarial reserve of $1,207.6 million. The ratio of assets to obligations, known as the funded ratio, is 192.8%. This means that on June 30, 2024 the assets were worth $1,207.6 million (or 92.8%) more than the amount deemed necessary, based on the actuarial assumptions. This provides that, if all actuarial assumptions are realized, the Program will have enough money to pay all the future projected obligations when due.

C. Program Experience

"Experience" encompasses the performance of the Program during the year, including investment performance, along with the effects of changes to tuition and fees, the reasonable rate of interest, and the Program's account data.

The Program experience during the year is quantified through changes in the actuarial reserve. The year-to-year changes in the reserve are detailed in Exhibit 4 of the report. The actuarial reserve increased by $107.8 million during the year. As noted in Exhibit 4, several factors impacted the reserve level over the past year:

- $63.2 million increase – interest earned on the reserve at 5.75%
- $40.8 million increase – investments earned 7.5% which is higher than the 5.75% assumption
- $4.7 million increase – tuition and fee increases were 3.1% which is lower than the 4.0% assumption
- $3.6 million increase – account maintenance expenses paid by the Operating Fund
- $0.9 million decrease – sales of 212,606 TTP units
- $0.6 million decrease – the reasonable rate of interest increased from 4.71% in the first quarter to 5.08% in the fourth quarter compared to the assumption of 5.00% for the entire year and the actual account balances increased by 7.5% compared to the assumption of 5.75%

D. Changes in Actuarial Assumptions and Methods

The actuarial assumptions and methods used in this valuation are the same as those used in the valuation conducted as of June 30, 2023 with the exception of the following:

- The tuition and fee growth assumptions for the 2025-2026 academic year were decreased from 6% to 4% for universities and from 6% to 3% for community colleges
- The assumption for the reasonable rate of interest was changed from 4% in the first year and 3% thereafter to 5% in the first year, 3.75% in the second year, and 3.25% thereafter
- Additionally, there were very minor changes made to the bias factors to account for the expectation that beneficiaries will, on average, attend Virginia public institutions with higher tuition and fees than the enrollment-weighted average, and to the volatility assumption for annual tuition increases and the return on the investment portfolio
- Please see Appendix C for a more detailed summary of this valuation's actuarial assumptions and methods.

E. Changes in Program Provisions

There have been no changes in Program provisions that affect actuarial calculations since the prior valuation. Please see Appendix D for a summary of principal Program provisions.

Exhibits

Exhibit 1

Market Value of Investments

The fair market values of investments as of June 30, 2023 and June 30, 2024 are shown below and were provided by VA529 administrative staff.

	June 30, 2023	June 30, 2024
1. Equities	$ 1,111,495,827	$ 993,875,148
2. Fixed Income including Accrued Interest	1,132,695,105	1,247,393,560
3. Futures, REIT Fund, and Real Estate	99,171,648	201,531,776
4. Cash and Cash Equivalents	68,440,031	82,528,651
5. Pending Trade Receivables	25,517,770	7,330,874
6. Accounts Receivable	474,047	258,292
7. Prepaid Expenses	1,598,511	2,186,788
8. Other Receivables	8,964,429	9,166,309
9. Accounts Payable	(831,902)	(1,711,388)
10. Pending Trades Payable	(32,527,733)	(25,813,020)
11. Total Market Value of Investments	$2,414,997,733	$2,456,746,990

Exhibit 2

Change in Market Value of Investments

The change in the market value of investments from June 30, 2023 to June 30, 2024 is shown below and was provided by VA529 administrative staff.

1.	Market Value of Assets as of June 30, 2023	$2,414,997,733
2.	TTP Unit Purchases	28,056,915
3.	Legacy Prepaid Plan Installment Payments	18,623,755
4.	Disbursements	
	a. Tuition Benefits Paid	(139,028,313)
	b. Refunds Paid	(10,245,948)
	c. Net Rollovers (Internal & External)	(31,048,712)
	Total Disbursements	(180,322,973)
5.	Investment performance	
	a. Interest and Dividends	124,070,938
	b. Change in Fair Value of Investments	69,242,679
	c. Investment Management Fees	(17,906,908)
	Total investment performance	175,406,709
6.	Net Effect of Changes in Accruals	(15,149)
7.	Net increase / (decrease) in market value of assets [(2) + (3) + (4) + (5) + (6)]	41,749,257
8.	Market value of assets as of June 30, 2024 [(1) + (6)]	$2,456,746,990

Exhibit 3

Actuarial Reserve as of June 30, 2024

The actuarial reserve is the amount, stated in present value terms, by which the expected value of Program assets (resources) exceeds the expected value of Program liabilities, including expenses (obligations). The calculation is done as of a single point in time, using a single set of actuarial assumptions and methods, and assumes that no additional tuition units are sold.

1.	Invested Assets at Fair Market Value as of June 30, 2024	$2,456,746,990
2.	Present Value of Projected Installment Payments	52,680,754
3.	Total assets: [(1) + (2)]	$2,509,427,744
4.	Present Value of Projected Future Benefits	$1,275,361,570
5.	Present Value of Future Administrative Expenses	26,419,184
6.	Total Liability for Obligations: [(4) + (5)]	$ 1,301,780,754
7.	Actuarial Reserve as of June 30, 2024: [(3) - (6)]	$ 1,207,646,990
8.	Actuarial Reserve as a Percentage of Total Liability: [(7) ÷ (6)]	92.8%

Expected Cash Flows in 2024-2025:

Installment Payments	$13,832,478
Tuition, Rollover, and Refund Payments	$179,761,733

Exhibit 4

Change in Actuarial Reserve from June 30, 2023 to June 30, 2024

A number of factors contributed to the year-to-year change in the Actuarial Reserve, as quantified below.

		($millions)
1.	Actuarial Reserve as of June 30, 2023	$1,099.8
Increase/(decrease) in Reserve from June 30, 2023 to June 30, 2024 due to:		
2.	Interest on the Reserve at 5.75%	63.2
3.	New TTP Sales	(0.9)
4.	Investment return during 2023-2024 higher than expected	40.8
5.	Change to Reasonable Rate and Actual account balances	(0.6)
6.	Tuition increases for 2024-2025 lower than expected	4.7
7.	Account maintenance expenses paid by Operating Fund	3.6
8.	Update to bias assumption	(0.5)
9.	Change to investment and tuition volatility assumptions	2.1
10.	Change to Reasonable Rate assumption	(15.0)
11.	Change to tuition growth assumption	5.3
12.	Other experience	5.1
13.	Total increase/(decrease) in Actuarial Reserve during the year	$107.8
14.	Actuarial Reserve as of June 30, 2024	$1,207.6

Exhibit 5

Projected Cash Flows Under the Valuation Assumptions* ($Millions)

Year Ending June 30:	Beginning Market Value of Investments	Expected Installment Payments	Expected Tuition, Rollover, & Refund Payments	Expected Account Expenses	Expected Investment Earnings	Ending Market Value of Investments
2025	$2,456.7	$13.8	$179.8	$3.4	$129.1	$2,416.4
2026	2,416.4	11.4	170.3	3.3	127.1	2,381.3
2027	2,381.3	9.3	159.2	3.2	125.6	2,353.8
2028	2,353.8	7.5	151.0	3.1	124.2	2,331.4
2029	2,331.4	5.7	142.6	2.9	123.3	2,314.9
2030	2,314.9	4.4	131.2	2.8	122.9	2,308.2
2031	2,308.2	3.5	118.6	2.6	122.9	2,313.4
2032	2,313.4	2.6	106.9	2.5	123.8	2,330.4
2033	2,330.4	1.9	94.5	2.2	125.1	2,360.7
2034	2,360.7	1.3	82.4	2.0	127.4	2,405.0
2035	2,405.0	0.8	73.1	1.7	130.1	2,461.1
2036	2,461.1	0.4	66.3	1.5	133.5	2,527.2
2037	2,527.2	0.1	56.5	1.3	137.6	2,607.1
2038	2,607.1	0.0	47.8	1.1	142.4	2,700.6
2039	2,700.6	0.0	38.2	0.9	148.0	2,809.5
2040	2,809.5	0.0	29.5	0.8	154.4	2,933.6
2041	2,933.6	0.0	22.4	0.6	161.4	3,072.0
2042	3,072.0	0.0	17.5	0.5	169.4	3,223.4
2043	3,223.4	0.0	13.0	0.4	178.0	3,388.0
2044	3,388.0	0.0	9.0	0.3	187.3	3,566.0
2045	3,566.0	0.0	6.1	0.2	197.2	3,756.9
2046	3,756.9	0.0	4.5	0.2	208.0	3,960.2
2047	3,960.2	0.0	2.8	0.1	219.2	4,176.5
2048	4,176.5	0.0	1.7	0.1	231.2	4,405.9
2049	4,405.9	0.0	0.9	0.1	244.0	4,648.9
2050	4,648.9	0.0	0.7	0.0	257.5	4,905.7
2051	4,905.7	0.0	0.5	0.0	271.6	5,176.8
2052	5,176.8	0.0	0.3	0.0	286.8	5,463.3
2053	5,463.3	0.0	0.0	0.0	302.5	5,765.8

* The annual investment return in the cash flow exhibit is 5.54%. This is the investment return assumption that produces the same actuarial reserve under a deterministic projection of tuition, rollovers, refunds, and expenses as the reserve developed from the fully stochastic projections used as the basis for the actuarial valuation.

Exhibit 6

Valuation Basis and Probability of Sufficiency for Different Funding Levels

Percentage of Best Estimate Reserve	Probability of Funds Exceeding Obligations	Total Defined Benefit 529 Assets at June 30, 2024	
100.0%	50.0%	$1,302	*best estimate of obligations*
102.9%	60.0%	1,339	
105.6%	70.0%	1,375	
111.2%	80.0%	1,448	
116.4%	90.0%	1,516	
121.8%	95.0%	1,586	
125.7%	97.5%	1,637	
131.3%	99.0%	1,709	
134.8%	99.5%	1,755	
192.8%	99.9%	2,509	*current Fund position*

Valuation Basis

The assumptions selected for this report are intended to be "best estimates". The method for determining the “best estimate” liability for the Program reflects the possible variability of inflation, tuition, and investment returns and the correlation between each of these variables. The present values of the obligations shown in this report were based on assumptions which represent an estimate of anticipated experience under the Fund that are reasonably related to past educational cost and investment data. Differences between those projections and actual amounts will depend on the extent to which future experience conforms to the assumptions made for this analysis. A prime source of variation will be normal fluctuations that occur in the rate of increase in tuition, investment returns, and expense inflation. To estimate the range of possible outcomes we stochastically modeled the financial operation of the Program using “Monte Carlo” techniques. This approach involves preparing 1,000 projections of financial results under randomly derived scenarios of tuition growth, investment returns, and expense inflation. Each of these scenarios is based on statistical factors such as standard deviation and correlation that were estimated by reviewing historical results adjusted where appropriate to reflect current conditions. By tabulating the results under all of these projections we estimated the probability that current assets, along with the expected remaining legacy contract payments plus investment returns, will be sufficient to cover the obligations of the DB529 Program.

The “best estimate” value of obligations for future payments ($1,302 million) shown in this report is the amount of assets necessary to have a 50% probability of meeting all program obligations, including administrative costs, associated with current accounts. The actual Defined Benefit 529 fund balance at June 30, 2024 of $2,509 million is 192.8% of the actuarially determined best estimate amount. As indicated in the above table, this fund balance is estimated to have a 99.9% probability of being adequate to satisfy all of the Program’s obligations using current assumptions.

Note that while we believe this methodology is sound and appropriate for developing the “best estimate” of the obligations, it may not be as appropriate for developing estimates of the probabilities of extreme outcomes such as those shown near the bottom of the table above.

Certification

Caveats and Limitations of Use

The actuarial valuation of the Virginia529 Defined Benefit 529 Program as of June 30, 2024 has been completed in accordance with our understanding of Program provisions using assumptions and methods as described in this report. It also has been completed in accordance with our understanding of any applicable guidance or interpretations provided by Virginia529. The valuation results contained in this report are based on the actuarial assumptions and methods (Appendix C), principal Program provisions (Appendix D), and contract data (Appendix B) summarized in the appendices.

Purpose of the Valuation

The actuarial reserve portion of the actuarial valuation assesses, as of a single point in time, the estimated sufficiency of Program assets (investments currently held and estimated future installment payments for contracts currently in force) to satisfy Program obligations (estimated future Program benefit payments and administrative expenses).

Assumptions and Methods

All liabilities shown in this report have been determined on the basis of actuarial assumptions and methods set forth in Appendix C. The assumptions and methods used in this valuation, other than the annual tuition growth and investment return assumptions, are based on an experience study completed by Milliman in 2023, with an updated reasonable rate of interest assumption.

Limited Use

We believe the assumptions and methods used in this report for purposes of calculating the actuarial reserve are reasonable for the purposes of the measurements. The results of this report are dependent upon future experience conforming to the assumptions disclosed in this report. Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: Program experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in Program provisions and/or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements. Determinations for purposes other than meeting those requirements referenced above may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Reliance

In preparing our report we relied, without audit, on information (some oral and some written) supplied by Virginia529. This information includes, but is not limited to, statutory provisions, contract data, and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

This actuarial valuation was prepared and completed by us and those under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our professional opinion, the techniques and assumptions used are reasonable. To the best of our knowledge, there is no benefit provision or related expense to be provided by the Program and/or paid from the Program's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation, and there were no known events that were not taken into account in the valuation.

Milliman's work product was prepared exclusively for the internal business use of the Program, for a specific and limited purpose. It is a complex technical analysis that assumes a high level of knowledge concerning the Program's operations and uses Program data which Milliman has not audited. To the extent that Milliman's work is not subject to disclosure under applicable public record laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

(a) The Program may provide a copy of Milliman's work, in its entirety, to the Program's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Program.

(b) The Program may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the Program sponsor. We are not aware of any relationship that would impair the objectivity of our work.

Certification

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with Actuarial Standards of Practice, the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Glenn D. Bowen, FSA, EA, MAAA
Principal & Consulting Actuary

Alan H. Perry, FSA, CFA, MAAA
Principal & Consulting Actuary

Jill M. Stanulis EA, MAAA
Actuary

Appendices

Appendix A – Average Tuition

Derivation of Average Tuition at Four Year Universities

Based on Fall 2023 Full-Time Equivalent Enrollment

School	Tuition and Fees 2024-2025	Fall 2023 FTE for In-State Undergraduates	Percent Distribution
Christopher Newport	$16,828	4,082	3.23%
George Mason	14,220	20,138	15.95%
James Madison	13,966	15,261	12.09%
Longwood	15,740	2,692	2.13%
Mary Washington	14,905	2,843	2.25%
Norfolk State	10,180	3,660	2.90%
Old Dominion	12,750	13,270	10.51%
Radford	12,548	4,828	3.82%
University of Virginia (2022, 2023)*	19,422	5,748	4.55%
University of Virginia (2020, 2021)	22,424	5,748	4.55%
UVA - Wise	11,780	1,143	0.91%
Virginia Commonwealth	16,720	17,762	14.07%
Virginia Military Institute	21,046	1,026	0.81%
Virginia Tech	15,950	20,354	16.12%
Virginia State	10,048	3,367	2.67%
William & Mary	25,734	4,328	3.43%
Total		126,250	100.00%
Average Tuition**	**$15,544**		

* Assumes that 2022 and 2023 students are 50% of total FTE for University of Virginia.

**The Board rounded to $15,500 for purposes of determining the 2024-2025 TTP unit value.

Appendix A – Average Tuition (continued)

Derivation of Enrollment-Weighted Average Tuition and Mandatory Fees at Community Colleges Based on Fall 2023 Full-Time Equivalent Enrollment

School	Tuition and Fees 2024-2025	Fall 2023 FTE for In-State Undergraduates	Percent Distribution
Blue Ridge	$6,022	1,974	2.50%
Central Virginia	5,501	1,925	2.43%
Mountain Gateway (formerly Dabney Lancaster)	5,357	543	0.69%
Danville	5,325	1,432	1.81%
Eastern Shore	5,421	389	0.49%
Germanna	5,606	4,195	5.30%
J Sargeant Reynolds	5,632	4,201	5.31%
Brightpoint (formerly John Tyler)	5,421	4,408	5.57%
Laurel Ridge (formerly Lord Fairfax)	5,410	3,430	4.34%
Mountain Empire	5,341	1,321	1.67%
New River	5,310	2,397	3.03%
Northern Virginia	6,284	24,614	31.11%
Patrick & Henry	5,335	1,381	1.75%
Paul D. Camp	5,346	639	0.81%
Piedmont Virginia	5,410	2,540	3.21%
Rappahannock	5,442	1,529	1.93%
Richard Bland	9,093	1,301	1.64%
Southside Virginia	5,341	1,882	2.38%
Southwest Virginia	5,413	1,466	1.85%
Virginia Peninsula (formerly Thomas Nelson)	5,427	3,180	4.02%
Tidewater	6,248	8,529	10.78%
Virginia Highlands	5,341	1,214	1.53%
Virginia Western	5,760	3,289	4.16%
Wytheville	5,341	1,332	1.68%
Total		79,111	100.00%
Weighted Average Tuition and Fees	**$5,877**		

Appendix A – Average Tuition (continued)

Academic Year	University Tuition and Fees	% Increase	Community College Tuition and Fees	% Increase
1989-1990	2,544		798	
1990-1991	2,702	6.2%	894	12.0%
1991-1992	2,985	10.5%	1,050	17.4%
1992-1993	3,357	12.5%	1,230	17.1%
1993-1994	3,659	9.0%	1,320	7.3%
1994-1995	3,789	3.6%	1,359	3.0%
1995-1996	3,949	4.2%	1,445	6.3%
1996-1997	4,002	1.3%	1,445	0.0%
1997-1998	4,095	2.3%	1,445	0.0%
1998-1999	4,217	3.0%	1,445	0.0%
1999-2000	3,721	(11.8%)	1,159	(19.8%)
2000-2001	3,793	1.9%	1,159	0.0%
2001-2002	3,843	1.3%	1,159	0.0%
2002-2003	4,122	7.3%	1,671	44.3%
2003-2004	5,033	22.1%	1,882	12.6%
2004-2005	5,559	10.5%	2,006	6.5%
2005-2006	5,990	7.8%	2,135	6.4%
2006-2007	6,529	9.0%	2,269	6.3%
2007-2008	6,966	6.7%	2,404	5.9%
2008-2009	7,562	8.6%	2,584	7.5%
2009-2010	7,912	4.6%	2,781	7.6%
2010-2011	8,803	11.3%	3,285	18.1%
2011-2012	9,507	8.0%	4,179*	27.2%*
2012-2013	9,856	3.7%	4,426	5.9%
2013-2014	10,225	3.7%	4,619	4.4%
2014-2015	10,797	5.6%	4,835	4.7%
2015-2016	11,409	5.7%	5,101	5.5%
2016-2017	11,961	4.8%	5,263	3.2%
2017-2018	12,494	4.5%	5,439	3.3%
2018-2019	13,210	5.7%	5,569	2.4%
2019-2020	13,395	1.4%	5,572	0.1%
2020-2021	13,636	1.8%	5,531	(0.7%)
2021-2022**	13,949	2.3%	5,542	0.2%
2022-2023**	14,505	4.0%	5,550	0.1%
2023-2024**	15,083	4.0%	5,700	2.7%
2024-2025**	15,544	3.1%	5,877	3.1%

* Starting with the 2011-2012 year, Community College Tuition and Fees is measured as an enrollment-weighted average. Prior to that, a non-enrollment-weighted average was used. Enrollment numbers taken from SCHEV's website.

** The Average Tuition for purposes of determining the 2021-2022 TTP unit value was $13,884.
** The Average Tuition for purposes of determining the 2022-2023 TTP unit value was $14,500.
** The Average Tuition for purposes of determining the 2023-2024 TTP unit value was $15,100.
** The Average Tuition for purposes of determining the 2024-2025 TTP unit value was $15,500.

Appendix A – Average Tuition (continued)

Annualized Increase in Average Tuition and Fees

	University	Community College
Over last 5 years:	3.0%	1.1%
Over last 10 years:	3.7%	2.0%
Over last 15 years	4.6%	5.1%
Over last 20 years:	5.3%	5.5%
Over last 25 years:	5.9%	6.7%
Over last 30 years:	4.8%	5.0%
Over last 35 years:	5.3%	5.9%

Appendix B – Contract Data as of June 30, 2024

Contract Data as of June 30, 2024 – Contracts Purchasing Tier I Units Only - Number of Contracts

Matriculation Year	Total Years of Community College Purchased / Total Years of University Purchased										Total by Payout Year	Percent of Total
	0	0	0	0	0	0	0	0	0	0		
	0.5	1	1.5	2	2.5	3	3.5	4	4.5	5		
2000-2001	0	0	0	0	0	0	0	1	0	0	1	0.0%
2001-2002	0	0	0	0	0	0	0	0	0	0	0	0.0%
2002-2003	0	0	0	0	0	0	0	0	0	0	0	0.0%
2003-2004	0	0	0	0	0	0	0	0	0	0	0	0.0%
2004-2005	0	0	0	0	0	0	0	0	0	0	0	0.0%
2005-2006	0	0	0	0	0	0	0	4	0	0	4	0.0%
2006-2007	0	0	0	0	0	0	0	1	0	0	1	0.0%
2007-2008	0	0	0	1	0	0	0	3	0	0	4	0.0%
2008-2009	0	1	0	2	0	0	0	6	0	0	9	0.0%
2009-2010	0	2	0	1	0	0	0	11	0	1	15	0.0%
2010-2011	0	4	0	2	0	1	0	6	0	0	13	0.0%
2011-2012	0	2	0	0	0	1	0	19	0	2	24	0.1%
2012-2013	0	2	0	4	0	1	0	21	0	2	30	0.1%
2013-2014	0	2	0	4	0	0	0	27	0	3	36	0.1%
2014-2015	0	35	0	35	0	9	0	322	0	30	431	1.3%
2015-2016	1	57	0	64	1	19	2	415	0	47	606	1.8%
2016-2017	2	56	2	64	0	24	0	414	0	41	603	1.8%
2017-2018	2	58	1	84	2	22	3	454	0	67	693	2.0%
2018-2019	6	96	4	103	2	18	0	638	0	83	950	2.8%
2019-2020	14	100	3	119	2	26	1	730	1	90	1,086	3.2%
2020-2021	32	141	5	142	7	32	4	924	0	88	1,375	4.0%
2021-2022	103	286	32	277	12	89	8	1,812	2	121	2,742	8.0%
2022-2023	212	378	43	374	28	136	6	1,510	2	61	2,750	8.0%
2023-2024	287	508	47	481	22	113	13	1,372	1	52	2,896	8.4%
2024-2025	423	596	66	465	23	111	4	1,174	3	70	2,935	8.5%
2025-2026	468	589	48	446	27	79	11	1,023	1	57	2,749	8.0%
2026-2027	449	517	54	354	16	75	6	805	3	42	2,321	6.8%
2027-2028	421	482	50	375	15	72	8	727	3	38	2,191	6.4%
2028-2029	394	401	53	294	20	52	8	617	1	26	1,866	5.4%
2029-2030	423	356	49	237	8	33	3	493	1	27	1,630	4.7%
2030-2031	382	290	41	221	13	44	3	349	1	15	1,359	4.0%
2031-2032	413	282	27	153	12	20	4	300	2	13	1,226	3.6%
2032-2033	341	214	27	147	6	27	5	240	1	20	1,028	3.0%
2033-2034	271	176	29	104	10	19	3	181	1	12	806	2.3%
2034-2035	229	150	18	112	9	17	2	153	0	10	700	2.0%
2035-2036	183	136	19	100	13	27	5	142	1	11	637	1.9%
2036-2037	74	83	10	55	1	13	2	111	0	10	359	1.0%
2037-2038	31	35	4	45	2	6	0	46	0	7	176	0.5%
2038-2039	0	8	0	7	0	0	0	22	0	2	39	0.1%
2039-2040	0	4	0	3	0	0	0	13	0	1	21	0.1%
2040-2041	0	1	0	1	1	0	0	6	0	0	9	0.0%
2041-2042	0	1	0	1	0	0	0	7	0	0	9	0.0%
2042-2043	0	0	0	1	0	0	0	1	0	1	3	0.0%
Total	5,161	6,049	632	4,878	252	1,086	101	15,100	24	1,050	34,333	
Percent of Total	15.0%	17.6%	1.8%	14.2%	0.7%	3.2%	0.3%	44.0%	0.1%	3.1%		

Appendix B – Contract Data as of June 30, 2024 (continued)

Contract Data as of June 30, 2024 – Contracts Purchasing Tier II Units Only - Number of Contracts

Matriculation Year	Total Years of Community College Purchased / Total Years of University Purchased														Total by Payout Year	Percent of Total
	0.5 / 0	1 / 0	1.5 / 0	2 / 0	2.5 / 0	3 / 0	3.5 / 0	4 / 0	4.5 / 0	5 / 0	5.5 / 0	6 / 0	8 / 0	10 / 0		
2000-2001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2001-2002	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2002-2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2003-2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2004-2005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2005-2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2006-2007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2007-2008	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0.1%
2008-2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2009-2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2010-2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2011-2012	0	0	0	1	0	1	0	0	0	0	0	0	0	0	2	0.2%
2012-2013	0	0	0	3	0	0	0	0	0	0	0	0	0	0	3	0.2%
2013-2014	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0.1%
2014-2015	0	9	0	31	0	3	0	0	0	0	0	0	0	0	43	3.5%
2015-2016	0	9	0	40	0	1	0	0	0	0	0	0	0	0	50	4.1%
2016-2017	0	8	0	27	0	0	0	0	0	0	0	0	0	0	35	2.9%
2017-2018	1	12	0	31	0	4	0	0	0	0	0	0	0	0	48	3.9%
2018-2019	1	5	0	26	2	6	0	0	0	0	0	0	0	1	41	3.4%
2019-2020	2	12	0	40	0	11	0	0	0	0	0	0	0	0	65	5.3%
2020-2021	1	9	0	45	0	5	0	0	0	0	0	0	0	0	60	4.9%
2021-2022	1	12	1	42	1	4	0	0	0	0	0	0	0	0	61	5.0%
2022-2023	6	24	0	49	1	2	0	1	0	0	0	0	0	0	83	6.8%
2023-2024	6	25	0	59	2	3	0	2	0	0	0	0	0	1	98	8.1%
2024-2025	9	34	2	45	1	4	0	1	0	0	0	0	0	0	96	7.9%
2025-2026	10	27	1	42	0	2	0	1	0	1	0	0	0	2	86	7.1%
2026-2027	5	13	0	40	0	6	0	1	1	0	0	0	0	0	66	5.4%
2027-2028	10	18	0	32	0	3	0	0	0	1	0	0	0	1	65	5.3%
2028-2029	10	18	1	35	1	2	0	1	0	0	0	0	0	0	68	5.6%
2029-2030	10	12	0	38	0	3	0	1	1	0	0	0	0	0	65	5.3%
2030-2031	17	11	0	20	0	2	1	3	0	0	0	0	0	1	55	4.5%
2031-2032	18	7	2	15	0	1	0	0	0	0	0	0	0	0	43	3.5%
2032-2033	11	10	1	12	0	1	0	0	0	0	0	0	0	0	35	2.9%
2033-2034	11	4	0	8	0	1	0	3	0	0	0	0	0	0	27	2.2%
2034-2035	3	4	0	5	0	0	0	0	0	0	0	0	0	0	12	1.0%
2035-2036	0	2	0	1	0	0	0	0	0	0	0	0	0	0	3	0.2%
2036-2037	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0.1%
2037-2038	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2038-2039	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2039-2040	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0.1%
2040-2041	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0.1%
2041-2042	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0.1%
2042-2043	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Total	132	287	8	691	8	65	1	14	2	2	0	0	0	6	1,216	
Percent of Total	10.9%	23.6%	0.7%	56.8%	0.7%	5.3%	0.1%	1.2%	0.2%	0.2%	0.0%	0.0%	0.0%	0.5%		

Appendix B – Contract Data as of June 30, 2024 (continued)

Contract Data as of June 30, 2024 – Contracts Purchasing Tier I and Tier II Units - Number of Contracts

Total Years of Community College Purchased / Total Years of University Purchased

Matriculation Year	0.5 / 0.5	0.5 / 1	0.5 / 1.5	0.5 / 2	0.5 / 2.5	0.5 / 3.5	1 / 0.5	1 / 1	1 / 1.5	1 / 2	1 / 2.5	1 / 3	1 / 4	1 / 5	1.5 / 0.5	1.5 / 1	1.5 / 1.5	1.5 / 2	1.5 / 2.5	1.5 / 3	2 / 0.5	2 / 1	2 / 1.5	2 / 2	2 / 3	2 / 4	2 / 5	2.5 / 1.5	2.5 / 2.5	3 / 1	3 / 2	3 / 3	3 / 5	Total by Payout Year	Percent of Total
2000-2001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2001-2002	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2002-2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2003-2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2004-2005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2005-2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2006-2007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2007-2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2008-2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2009-2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	2	0.2%
2010-2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2011-2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	0.1%
2012-2013	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	2	0.2%
2013-2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	3	0	0	0	0	0	0	0	0	0	4	0.4%
2014-2015	0	0	0	0	0	0	0	0	0	1	0	4	0	0	0	0	0	0	0	0	0	1	0	30	1	0	0	0	0	0	0	0	0	37	3.6%
2015-2016	0	0	0	0	0	0	1	3	0	0	0	3	0	0	0	0	0	0	0	0	0	3	0	33	0	1	0	0	0	1	0	0	0	45	4.4%
2016-2017	0	0	0	0	0	0	1	2	0	1	0	3	1	0	0	0	0	0	0	0	0	1	0	28	0	1	0	0	0	0	0	0	2	40	3.9%
2017-2018	0	0	0	1	0	0	1	6	0	1	0	2	0	0	0	0	0	0	0	0	0	3	0	36	1	0	0	0	0	0	0	0	0	51	4.9%
2018-2019	0	0	0	0	0	0	0	3	0	1	0	4	2	0	0	0	0	0	0	0	0	0	0	43	0	0	0	0	0	0	0	2	1	56	5.4%
2019-2020	1	0	1	0	0	0	0	6	0	2	0	5	0	0	0	0	0	0	0	0	0	4	1	51	1	0	0	0	0	0	0	0	0	72	7.0%
2020-2021	1	0	2	0	0	1	0	3	0	2	0	1	0	0	0	0	0	0	0	0	0	5	0	52	2	0	0	0	0	0	0	0	1	70	6.8%
2021-2022	0	1	0	0	0	0	0	5	0	2	1	6	2	0	0	0	0	0	0	0	0	4	0	74	0	0	0	0	0	2	0	1	1	99	9.6%
2022-2023	0	0	0	0	0	0	1	3	1	4	1	5	1	1	0	0	0	0	0	0	0	2	0	57	5	0	0	0	1	2	0	0	0	84	8.1%
2023-2024	2	0	0	0	0	0	1	2	0	4	0	8	1	0	0	1	0	0	1	0	2	8	0	65	3	1	0	0	0	1	0	0	2	102	9.9%
2024-2025	0	0	0	0	0	0	1	1	1	2	0	6	0	1	0	0	0	1	0	0	0	7	0	53	0	0	1	0	0	0	0	0	0	74	7.2%
2025-2026	1	0	0	0	0	1	1	2	2	6	0	2	0	0	0	0	0	0	0	0	0	4	0	38	4	0	0	0	1	0	0	0	1	63	6.1%
2026-2027	0	0	1	0	0	0	1	3	0	2	1	4	2	0	0	0	0	0	0	0	0	3	0	25	0	0	0	0	0	0	0	0	0	42	4.1%
2027-2028	1	1	0	0	0	0	1	4	0	2	0	2	1	0	0	0	0	0	0	0	0	4	0	25	1	0	0	0	0	0	1	0	1	44	4.3%
2028-2029	7	1	0	0	0	0	0	4	0	2	0	3	1	0	0	0	0	0	0	0	0	4	0	22	0	0	0	1	0	0	0	0	0	45	4.4%
2029-2030	0	1	0	0	0	0	1	2	0	1	0	1	0	0	0	0	0	0	0	0	0	1	0	18	0	0	0	0	0	0	0	0	0	25	2.4%
2030-2031	0	0	1	0	0	0	0	2	0	2	0	1	0	0	0	0	0	0	0	0	0	2	0	10	0	1	0	0	0	0	0	0	0	19	1.8%
2031-2032	2	0	0	1	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9	0	0	0	0	0	0	0	0	0	14	1.4%
2032-2033	1	1	0	1	0	0	0	1	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	6	0	0	0	0	0	0	0	0	1	14	1.4%
2033-2034	4	0	2	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	1	0	6	0	0	0	0	0	0	0	0	0	15	1.5%
2034-2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	0	0	0	0	0	0	0	0	4	0.4%
2035-2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	2	0.2%
2036-2037	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0.1%
2037-2038	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	2	0.2%
2038-2039	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	0.1%
2039-2040	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	2	0.2%
2040-2041	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2041-2042	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	0.1%
2042-2043	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	0.1%
Total	20	5	7	3	0	2	12	54	5	36	3	62	11	2	1	1	0	1	1	0	3	60	1	698	18	4	1	1	2	6	1	3	10	1,034	
Percent of Total	1.9%	0.5%	0.7%	0.3%	0.0%	0.2%	1.2%	5.2%	0.5%	3.5%	0.3%	6.0%	1.1%	0.2%	0.1%	0.1%	0.0%	0.1%	0.1%	0.0%	0.3%	5.8%	0.1%	67.5%	1.7%	0.4%	0.1%	0.1%	0.2%	0.6%	0.1%	0.3%	1.0%		

Appendix B – Contract Data as of June 30, 2024 (continued)

Tuition Track Portfolio Account Data as of June 30, 2024

Projected Enrollment Year	Number of Accounts	Total Units Remaining	Average Number of Units
2021-2022	31	1,596	51
2022-2023	140	11,749	84
2023-2024	299	23,522	79
2024-2025	453	56,107	124
2025-2026	515	61,895	120
2026-2027	538	69,073	128
2027-2028	617	69,765	113
2028-2029	556	56,343	101
2029-2030	590	59,124	100
2030-2031	578	44,266	77
2031-2032	614	53,259	87
2032-2033	560	43,600	78
2033-2034	554	38,223	69
2034-2035	602	38,956	65
2035-2036	526	31,364	60
2036-2037	546	26,859	49
2037-2038	560	30,465	54
2038-2039	647	37,576	58
2039-2040	739	31,542	43
2040-2041	662	25,865	39
2041-2042	614	14,636	24
2042-2043	131	1,514	12
Total	11,072	827,299	75

Appendix C – Actuarial Assumptions and Methods

Investment / Economic Assumptions for Stochastic Simulation Model:

The standard deviation and correlation assumptions are based on actual historical returns and tuition growth. Expected return assumptions are based on Milliman's capital market assumptions but are adjusted so that the expected annualized return on the portfolio is 5.75%, which is the assumption set by the Board.

	Inflation	Reasonable Rate	Public Equity	Non-Core Fixed	Core Fixed	Private Equity	Real Estate	University Tuition	Community College Tuition
Expected Arithmetic Mean Annual Return	2.50%	3.25%	7.12%	5.47%	3.67%	9.02%	6.37%	6.06%	6.10%
Standard Deviation	1.85%	2.20%	15.90%	7.60%	4.90%	18.00%	11.25%	4.10%	6.25%
Correlation:									
Inflation	1.00	0.11	0.17	-0.19	-0.53	0.28	0.49	0.02	-0.14
Reasonable Rate		1.00	0.08	0.22	0.36	0.08	-0.01	-0.33	-0.27
Public Equity			1.00	0.54	-0.21	0.86	0.30	-0.09	-0.17
Non-Core Fixed				1.00	0.46	0.48	0.04	0.32	0.07
Core Fixed					1.00	-0.14	-0.11	0.12	0.21
Private Equity						1.00	0.49	-0.03	-0.18
Real Estate							1.00	0.06	-0.02
University Tuition								1.00	0.60
CC Tuition									1.00

Based on the economic assumptions above, the expected long-term annualized rate of return on investments is 5.75%. The expected annualized rate of tuition growth for universities is 4.00% for the next year and then 6.00% thereafter. The expected annualized rate of tuition growth for community colleges is 3.00% for the next year and then 6.00% thereafter. The Reasonable Rate was fixed at 5.00% for the first year and a mean yield of 3.75% for the second year and a mean yield of 3.25% thereafter.

Appendix C – Actuarial Assumptions and Methods (continued)

Matriculation and Bias:

Starting in the year of matriculation, it is assumed that contracts will either use benefits for tuition or will request a cancellation, transfer, or rollover to a savings plan. If they use the benefits towards tuition, it is assumed that 79% of beneficiaries will attend a public university in Virginia, 6% will attend a private university in Virginia, and 15% will attend a university in another state.

For legacy Prepaid529 contracts, we compare each of the Virginia public university projected tuition and fee amounts to the account's projected Reasonable Rate account balance, paying the higher of the two amounts, and calculate a probability weighted payout based on the trailing 5-year average distribution of unit redemptions at each of the schools. Before reflecting the account balances, the probability weighted average payout is 10% higher than enrollment-weighted Average Tuition.

Weighted average tuition for two-year community colleges in Virginia was adjusted with a 1.0% load to add a bias for matriculation at more expensive schools. The highest tuition for a public university in Virginia was assumed to be 166% of weighted average tuition ($25,734/$15,544) as shown in Appendix D).

Out-of-state students and contracts requesting a rollover are assumed to receive a benefit equal to the payments made on the contract plus interest at the composite reasonable rate of return. All TTP accounts are assumed to receive weighted average tuition for units redeemed after reaching their expected enrollment year.

Combination Contracts:

For combination contracts a portion of the remaining university and community college years are assumed to be paid each year. For combination contracts currently in payout with only university years or community college years remaining, the applicable remaining years are assumed to be paid.

Appendix C – Actuarial Assumptions and Methods (continued)

Utilization:

It is assumed that participants will utilize their accounts at the following rates:

Percentage of total units redeemed each year

Year:	Matric	M+1	M+2	M+3	M+4	M+5	M+6	M+7	M+8	M+9	M+10	Total
1 - 2 Units												
Tuition:	27.5%	15.6%	11.2%	10.5%	2.2%	0.9%	0.7%	0.5%	0.4%	0.3%	0.2%	70.0%
Cancel / rollover:	11.0%	4.1%	2.7%	2.1%	1.5%	0.8%	0.8%	0.6%	0.7%	0.7%	5.0%	30.0%
Total:	38.5%	19.7%	13.9%	12.6%	3.7%	1.7%	1.5%	1.1%	1.1%	1.0%	5.2%	100.0%
3 - 6 Units												
Tuition:	17.6%	20.0%	15.7%	11.4%	2.4%	1.1%	0.7%	0.4%	0.3%	0.2%	0.2%	70.0%
Cancel / rollover:	8.8%	5.1%	3.2%	2.4%	1.5%	1.1%	0.8%	0.9%	0.7%	0.6%	4.9%	30.0%
Total:	26.4%	25.1%	18.9%	13.8%	3.9%	2.2%	1.5%	1.3%	1.0%	0.8%	5.1%	100.0%
7 or More Units												
Tuition:	17.2%	17.8%	17.8%	17.0%	2.7%	1.0%	0.6%	0.4%	0.2%	0.2%	0.1%	75.0%
Cancel / rollover:	6.4%	3.5%	2.9%	2.6%	1.3%	0.9%	0.7%	0.6%	0.5%	0.6%	5.0%	25.0%
Total:	23.6%	21.3%	20.7%	19.6%	4.0%	1.9%	1.3%	1.0%	0.7%	0.8%	5.1%	100.0%

For utilization, we assume that TTP accounts with fewer than 5 semesters of units will eventually purchase 5 units.

Forfeiture: It is assumed that contracts and accounts will be forfeited prior to the year of matriculation at a rate of 0.75% per year.

Expenses:

Expenses: The expenses included in the present value of future obligations are those relating to:

Annual Maintenance Expense per Legacy Prepaid529 Contract = $85.07

Annual Maintenance Expense per TTP Account = $22.69

The expense assumptions were developed from a cost analysis performed in 2021 by Virginia College Savings Plan staff. These expenses are assumed to increase annually at the rate of general price inflation plus 0.50%.

Legacy Prepaid529 contracts behind in their monthly payments: The monthly scheduled payment amount is increased by an amount that allows for the full payment under the contract by June of the year of expected matriculation.

Appendix C – Actuarial Assumptions and Methods (continued)

Rational for Assumptions:

All of the actuarial assumptions with the exception of the investment return, the tuition growth rate, the reasonable rate, and the bias were based on the results of an experience study performed by Milliman in 2023 (see the Experience Study report dated August 2023).

The reasonable rate assumption was based on the current money market yield used to set the rate and forecasts of future short-term interest rates from a survey of economists published in the *June 2024 Blue Chip Financial Forecasts.*

The investment return assumption is set by the Board based on recommendations from Virginia529's investment consultant.

The tuition growth assumptions are also set by the Board. Milliman assisted Virginia529 staff in 2015 with a historical analysis of long-term tuition growth at public colleges in Virginia.

The bias assumption for Virginia public universities was increased from 10.0% to 10.1% based on the distribution of unit redemptions at the universities over the past 5 years and the relative tuition and fee amounts at these schools in 2024-2025.

Appendix D – Prepaid Plan Benefits

Prepaid Plan Benefits:

For beneficiaries attending a Virginia public college, university, or community college, Prepaid529 will pay the full amount of in-state undergraduate tuition and all mandatory fees for a normal full-time course load for a general course of study on a semester-by-semester basis for the type of school and number of years purchased. Prepaid529 payments to in-state public schools will not exceed the actual cost of the in-state undergraduate tuition and mandatory fees. In 2019, the Virginia General Assembly passed legislation that included provisions for Prepaid529 contracts entered into prior to July 1, 2019. These provisions allow for payment of the "Minimum Benefit" (contract payments, accumulated at the reasonable rate of return), on a semester by semester basis, directly from Prepaid529 to qualified higher education institutions when it exceeds the normal payout from the program. The contract-holder also has the option to transfer the total amount of all payments, accumulated at the reasonable rate of return, to a Virginia529 savings program, and request a withdrawal from the respective program to pay for qualified higher education expenses.

For beneficiaries attending a Virginia independent (private) college or university, Prepaid529 will pay to the Virginia private school, including certain private career schools, the lesser of 1) the payments made on the contract plus the actual rate of return earned on the Fund or 2) the highest in-state undergraduate tuition and mandatory fees at a Virginia public school in the same academic year the benefits are used. All payments will be made directly to the school on a semester-by-semester basis following the school's add-drop period. The student or his or her family is responsible for any additional expenses not covered by Prepaid529. The contract-holder has the option to transfer the total amount of all payments, accumulated at the reasonable rate of return, to a Virginia529 savings program and request a withdrawal from the respective program to pay for qualified higher education expenses.

For beneficiaries attending an out-of-state public or private college or university, Prepaid529 will pay the lesser of 1) the payments made on the contract plus interest at the composite reasonable rate of return or 2) the average in-state undergraduate tuition and mandatory fees at Virginia public schools for the same academic year the benefits are used. Payments will be made on a semester-by-semester basis from Prepaid529. The student or his or her family is responsible for any additional expenses not covered by Prepaid529. The contract-holder has the option to transfer the total amount of all payments, accumulated at the reasonable rate of return, to a Virginia529 savings program and request a withdrawal from the respective program to pay for qualified higher education expenses.

The reasonable rate of return tracks the quarterly performance of the Institutional Money Funds Index as reported in the Money Fund Monitor by iMoneyNet.

Appendix E – Program Background

The Virginia College Savings Plan ("VA529" or "the Plan"), a body politic and corporate and an independent agency of the Commonwealth of Virginia was created in 1994 by the Virginia General Assembly to enhance the accessibility and affordability of higher education for all citizens of the Commonwealth. The longest standing mandate centers on educational attainment, on which VA529 has focused since opening its first program in 1996 by offering education savings programs to help make higher education more affordable and accessible for all citizens of the Commonwealth. VA529's mature programs are comprised of prepaid and education savings programs, including the legacy Prepaid529 (a defined benefit option), Invest529 and CollegeAmerica programs.

The legacy Prepaid529 program was closed to new participants after its final enrollment period in 2019. A successor program was opened in February 2021. This program is known as the Tuition Track Portfolio (TTP) and is offered as a defined benefit option within the Invest529 program. VA529 continues to service existing customers in the Prepaid529 program. Together Prepaid529 and TTP are known as the Defined Benefit 529 Program ("DB529" or "the Program"). Since TTP is a continuation of the legacy prepaid program, funds are combined and invested in the Program Fund to meet future obligations.

The Program Fund consists of payments received pursuant to legacy Prepaid529 contracts, purchases of TTP units, bequests, endowments or grants from the United States government, its agencies and instrumentalities, and any other available sources of funds, public or private, allocated to the Program Fund. Any moneys remaining in the Program at the end of a biennium shall remain in the Fund, including interest and income earned from the investment of such funds.

In 1998, the Virginia General Assembly passed legislation that requires the Governor to include in each year's state budget an amount to cover the Plan's obligations, in the event "the Plan is unable to meet its current obligations." The Governor has included the provision in subsequent budget submissions to meet the obligations of the Program, and the General Assembly has included the provision in subsequent Appropriation Acts, including Chapter 2 of the Virginia Acts of Assembly, 2024 Special Session I.

<u>Program Design</u>

VA529 is the program sponsor for the DB529 Program and other education savings programs. The DB529 Program is a prepaid program with defined benefits and no market risk to participants. The other education savings programs, including Invest529 (excluding TTP accounts) and CollegeAmerica, are offered directly from VA529 (Invest529) or through financial advisors (CollegeAmerica) and are subject to market and other risks to the participants.

<u>VA529's Defined Benefit 529 Program</u>

Prepaid529 closed to new participants in 2019. Benefits in this program cover tuition and mandatory fees at Virginia's public higher educational institutions. At redemption, the contract pays the current tuition and mandatory fees at the Virginia public institution that the beneficiary attends. The benefits vary if the beneficiary does not attend a Virginia public institution. With the establishment of Invest529 and other savings programs, contract holders have the option of rolling over the value of their Prepaid529 contract into a savings account. The value of the Prepaid529 contract for such rollovers is the accumulated contributions plus the reasonable rate of interest set by Virginia529. This option to roll over the contract has effectively added a minimum benefit to the Program.

In 2019, The Virginia General Assembly passed legislation that included provisions for Prepaid529 contracts entered prior to July 1, 2019. These provisions allow for the "Minimum Benefit" payout directly from Prepaid529 to qualified higher education institutions when the accumulated contributions at the reasonable rate of interest set by Virginia529 exceeds the normal payout from the program. To address significant increases in higher education tuition, increasing disparity in tuition policies at Virginia's 15 public universities and a desire to make the defined benefit program more affordable and more accessible to more Virginians, the Board permanently closed Prepaid529 to new enrollments as of May 1, 2019 and began to develop its successor defined benefit prepaid program.

In February 2021, TTP was launched as the successor defined benefit option to Prepaid529. This resulted from legislation passed in 2019 by the Virginia General Assembly that included provisions for payments to any qualified higher education institutions based on enrollment-weighted average tuition (Average Tuition) at Virginia's public higher education institutions as determined by the Board.

TTP allows participants to purchase a desired number of units toward tuition and other qualified higher education expenses. The purchased units will keep pace with average tuition inflation at Virginia public universities. When withdrawn, participants will receive one year of then-current Average Tuition for every 100 units purchased (one TTP unit = 1/100 of Average Tuition), regardless of how much Average Tuition has increased since purchase.

TTP is only available for account owners or beneficiaries who are Virginia residents at the time of initial purchase. TTP units can be purchased up until June 30 of the beneficiary's high school graduation year. A maximum of 1,000 Tuition Track units can be held at any one time for a beneficiary. If units are redeemed, more units can be purchased to reach the 1,000-unit cap.

TTP units are eligible for use at Average Tuition value after the units have been held for three years or more and when the beneficiary graduates from high school or begins taking eligible post-secondary courses, whichever comes first. If units are redeemed prior to the beneficiary's high school graduation, they will receive the purchase price plus Tuition Track Interest (same as the reasonable rate of interest for Prepaid529), assuming the units have been held for three or more years. Units that are redeemed before being held for at least three years will be returned at purchase price.

<u>Statutory Requirements</u>

The Code of Virginia, Title 23.1, Subtitle II, Chapter 7 provides limited guidance for establishing the actuarial basis to evaluate VA529's DB529 Program. The Code requires an annual audit of the Program and states in part that if the annual accounting and audit reveal that there are insufficient funds to ensure the "actuarial soundness" of the Program, the "Board may adjust the terms of subsequent prepaid tuition contracts, arrange refunds for current purchasers to ensure actuarial soundness, or take such other action the Board deems appropriate."

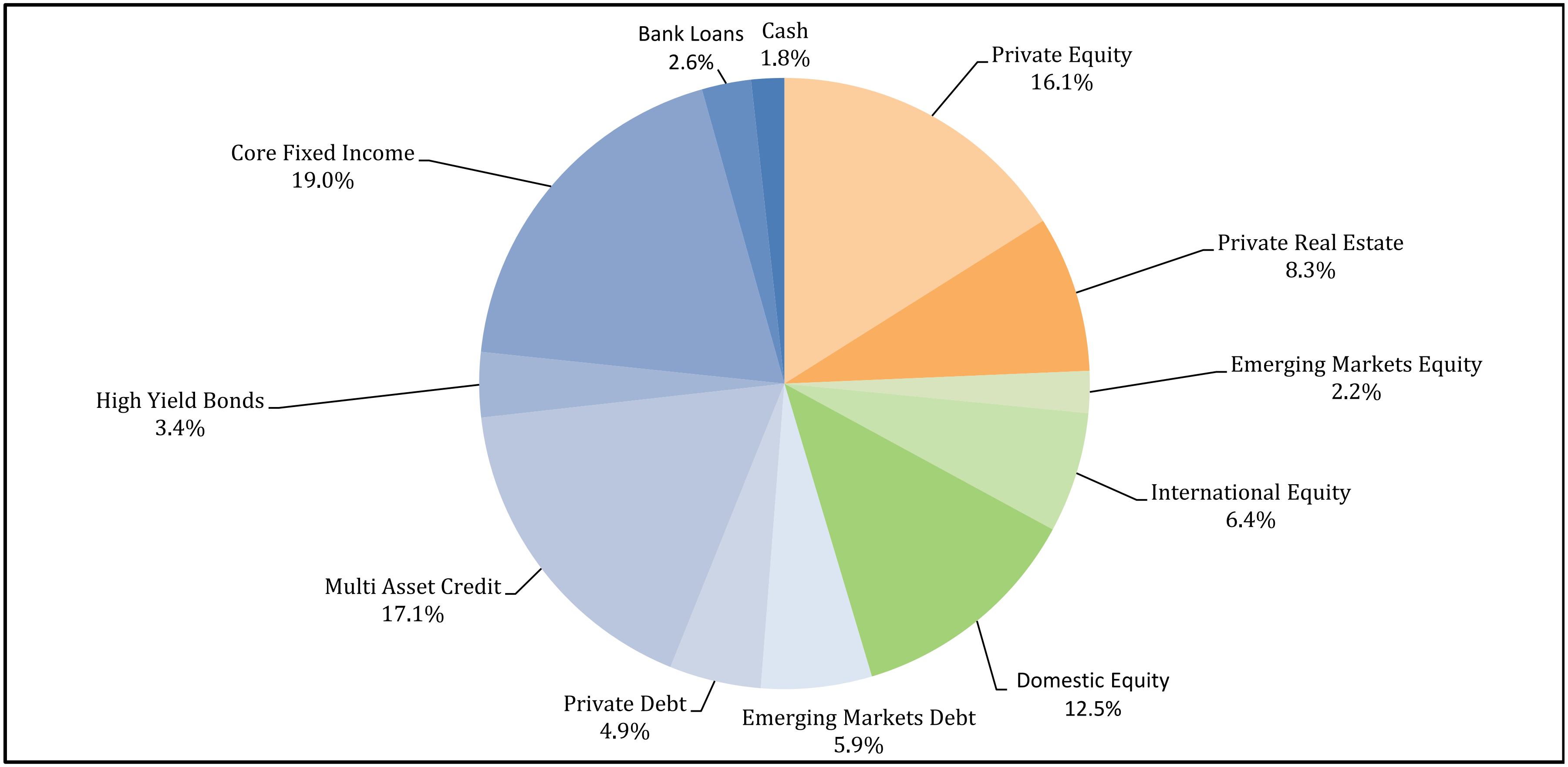
Attachment C

Performance and Asset Allocation
Defined Benefit 529 Program
June 30, 2024

Defined Benefit 529 Program
Investment Performance Summary Results
as of June 30, 2024
Net of Fees

Name	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Calendar YTD	3 Month	Inception Date
Total Fund	**6.12%**	**5.11%**	**5.88%**	**1.92%**	**7.56%**	**7.56%**	**3.72%**	**1.15%**	**Oct-97**
Total Fund Benchmark [1]	*5.81%*	*5.85%*	*6.67%*	*3.09%*	*9.70%*	*9.70%*	*4.78%*	*1.72%*	*Oct-97*
Total Equity	**7.51%**	**7.52%**	**10.79%**	**3.69%**	**20.10%**	**20.10%**	**11.63%**	**2.67%**	**Oct-97**
Total Equity Benchmark [2]	*6.66%*	*8.50%*	*10.73%*	*5.12%*	*19.92%*	*19.92%*	*11.58%*	*3.01%*	*Oct-97*
Domestic Equity	**8.89%**	**10.27%**	**14.11%**	**8.33%**	**24.47%**	**24.47%**	**14.68%**	**4.04%**	**Oct-97**
Domestic Equity Benchmark [3]	*8.67%*	*12.21%*	*14.27%*	*8.26%*	*24.11%*	*24.11%*	*14.64%*	*3.94%*	*Oct-97*
Developed Market Equity	**6.09%**	**4.63%**	**7.20%**	**0.40%**	**14.84%**	**14.84%**	**7.32%**	**-0.25%**	**Oct-97**
MSCI EAFE Index	*5.19%*	*4.84%*	*6.98%*	*3.43%*	*12.09%*	*12.09%*	*5.75%*	*-0.17%*	*Oct-97*
Emerging Market Equity	**5.10%**	**3.17%**	**4.00%**	**-7.63%**	**10.12%**	**10.12%**	**6.25%**	**3.77%**	**Oct-97**
MSCI Emerging Markets Index	*4.02%*	*3.18%*	*3.49%*	*-4.68%*	*12.97%*	*12.97%*	*7.68%*	*5.12%*	*Oct-97*
Total Fixed Income	**4.89%**	**2.93%**	**2.50%**	**0.56%**	**8.11%**	**8.11%**	**2.68%**	**0.99%**	**Oct-97**
Total Fixed Income Benchmark [4]	*4.73%*	*3.20%*	*2.96%*	*0.33%*	*7.46%*	*7.46%*	*1.73%*	*0.72%*	*Oct-97*
Non-Core Fixed Income	**4.83%**	**3.74%**	**3.70%**	**2.11%**	**10.69%**	**10.69%**	**4.10%**	**1.32%**	**May-05**
Non-Core Fixed Income Benchmark [5]	*5.48%*	*4.50%*	*4.71%*	*2.31%*	*10.29%*	*10.29%*	*3.13%*	*1.09%*	*May-05*
Core Fixed Income	**3.94%**	**1.43%**	**0.48%**	**-1.78%**	**3.84%**	**3.84%**	**0.30%**	**0.41%**	**Oct-97**
Core Fixed Income Benchmark [6]	*3.55%*	*1.10%*	*-0.21%*	*-3.13%*	*2.63%*	*2.63%*	*-0.71%*	*0.07%*	*Oct-97*
Total Alternatives	**6.69%**	**8.92%**	**10.22%**	**6.37%**	**-2.17%**	**-2.17%**	**0.10%**	**0.36%**	**May-05**
Alternatives Benchmark [7]	*6.70%*	*8.41%*	*9.73%*	*7.01%*	*5.03%*	*5.03%*	*5.70%*	*2.83%*	*May-05*

Investment Details as of June 30, 2024
Defined Benefit 529 Program



Asset Category	% of Fund	% Target
Alternatives	24.2%	23.0%
Equities	21.0%	22.0%
Fixed Income	54.8%	55.0%

[1]May not total 100% due to rounding

Investment Details as of June 30, 2024
Defined Benefit 529 Program

Investment Manager/Fund	Asset Class	Mutual Fund Ticker (if applicable)		Aggregate Fair Value	% of Total Fund[1]
Equities					
BlackRock MSCI Equity Index	US All Cap Equity		$	371,530,832	12.4%
American Funds EuroPacific Growth	International Growth	RERGX		54,710,223	1.8%
Acadian Asset Mgmt Non-US Equity	International Equity			135,345,873	4.5%
DFA Emerging Markets Core Equity	Emerging Market Equity	DFCEX		30,549,162	1.0%
Sands Capital Emerging Markets Growth	Emerging Market Equity			35,622,840	1.2%
Total Equities			$	627,758,929	*21.0%*
Fixed Income					
VA529 Transition Account	N/A		$	19,236	0.0%
Shenkman Capital Management, Inc.	Senior Secured Bank Loans			77,573,283	2.6%
Neuberger Berman Core Bond	Core Fixed Income			282,620,441	9.4%
PGIM Core Bond	Core Fixed Income			283,574,558	9.5%
Dreyfus Cash Management Fund	Cash Equivalents	DICXX		44,172,447	1.5%
Wells Fargo Bank	Cash Equivalents			2,342,322	0.1%
Treasurer of Virginia	Cash Equivalents			5,760,858	0.2%
Schroder Focus II	Multi Asset Credit			71,169,516	2.4%
Ares Global Multi Asset Credit	Multi Asset Credit			78,428,231	2.6%
Brigade Capital Multi Asset Credit	Multi Asset Credit			72,522,854	2.4%
Wellington Global Multi Asset Credit	Multi Asset Credit			145,615,437	4.9%
Loomis Multi Asset Credit	Multi Asset Credit			142,682,661	4.8%
PGIM High Yield	High Yield Bonds			102,668,323	3.4%
Ares Pathfinder	Private Debt			40,000,761	1.3%
The Carlyle Group	Private Debt			18,576,360	0.6%
Chorus Capital Credit	Private Debt			3,603,343	0.1%
Eagle Point Credit Management LLC	Private Debt			20,492,935	0.7%
Golub Capital Partners	Private Debt			62,125,000	2.1%
Monarch Capital Partners	Private Debt			12,443,233	0.4%
Wellington Management Co LLP	Emerging Markets Debt			174,521,836	5.8%
Total Fixed Income			$	1,640,913,635	*54.8%*
Alternative Investments					
Aventura Holdings, LLC[2]	Private Real Estate		$	7,561,056	0.3%
Bain Capital Real Estate	Private Real Estate			20,035,096	0.7%
Morgan Stanley Real Estate	Private Real Estate			75,547,533	2.5%
Related Real Estate	Private Real Estate			24,487,704	0.8%
Starwood Real Estate	Private Real Estate			16,534,231	0.6%
Stockbridge Smart Markets	Private Real Estate			60,486,944	2.0%
UBS Trumbull Fund	Private Real Estate			42,169,230	1.4%
Adams Street Partners	Private Equity Fund of Funds			224,271,924	7.5%
Aether Investment Partners, LLC	Private Equity Fund of Funds			37,567,557	1.3%
Asia Alternatives Management LLC	Private Equity Fund of Funds			13,485,162	0.5%
Commonfund Capital, Inc.	Private Equity Fund of Funds			13,651,104	0.5%
Hamilton Lane, Inc.	Private Equity			107,383,991	3.6%
Horsley Bridge Partners	Private Equity Fund of Funds			21,551,289	0.7%
LGT Capital Partners	Private Equity Fund of Funds			7,020,038	0.2%
Neuberger Berman	Private Equity Fund of Funds			27,905,734	0.9%
Apogem Capital, LLC	Private Equity Fund of Funds			25,994,271	0.9%
Total Alternative Investments			$	725,652,865	*24.2%*
Grand Total			$	2,994,325,429	*100.0%*

[1]May not total 100% due to rounding

[2]Aventura Holdings, LLC is a limited liability company formed in 2008 by Virginia529 for the purpose of aquiring and owning real estate. The Plan is the sole member of Aventura. Aventura's sole investment is an office building in Chesterfield County, VA, occupied by Virginia529.

Attachment D

Performance and Asset Allocation
Invest529 Program
June 30, 2024

Virginia529℠

Defined Contribution 529 Program
Monthly Portfolio Performance Summary
as of June 30, 2024

	Inception Ending	10 Year Ending	5 Year Ending	3 Year Ending	1 Year Ending	Cal Year Ending	3 Months Ending	Current Month	Inception Date
TARGET ENROLLMENT PORTFOLIOS									
2042 Portfolio	15.59				13.36	6.19	0.96	1.03	Jan-23
2042 Benchmark	14.53				12.58	6.39	1.53	1.28	
2039 Portfolio	6.78			2.27	12.73	5.84	0.96	0.98	Jan-20
2039 Benchmark	6.37			2.42	12.06	6.03	1.50	1.22	
2036 Portfolio	7.42		6.82	2.20	12.06	5.46	0.92	0.91	Jan-17
2036 Benchmark	7.62		6.74	2.43	11.76	5.74	1.50	1.17	
2033 Portfolio	6.00	5.63	6.15	1.94	10.97	4.83	0.87	0.86	Jan-14
2033 Benchmark	6.07	5.68	6.02	2.16	10.80	5.11	1.40	1.08	
2030 Portfolio	6.25	5.16	5.43	1.69	9.60	3.98	0.78	0.77	Jan-11
2030 Benchmark	6.24	5.13	5.30	1.97	9.80	4.40	1.31	0.99	
2027 Portfolio	4.85	4.46	4.44	0.91	7.07	2.47	0.62	0.65	Feb-08
2027 Benchmark	4.78	4.42	4.31	1.25	7.59	2.99	1.07	0.80	
2024 Portfolio	4.77	3.74	3.33	0.52	4.55	1.22	0.56	0.45	Aug-05
2024 Benchmark	4.48	3.69	3.27	1.00	5.61	1.85	0.94	0.57	
2021 Portfolio	4.75	2.90	2.31	1.10	2.97	1.51	0.77	0.25	Jan-02
2021 Benchmark	4.43	2.85	2.36	1.88	5.08	2.49	1.24	0.41	
TARGET RISK PORTFOLIOS									
Aggressive Growth Portfolio	**6.75**	**7.55**	**8.66**	**3.46**	**15.15**	**7.83**	**1.80**	**1.39**	Jan-02
Aggressive Growth Benchmark	7.01	7.61	8.76	3.59	15.45	8.06	1.87	1.59	
Moderate Growth Portfolio	**5.96**	**6.13**	**6.52**	**1.98**	**12.10**	**5.69**	**1.33**	**1.26**	Jan-02
Moderate Growth Benchmark	6.15	6.08	6.58	2.07	12.35	5.86	1.39	1.40	
Conservative Income Portfolio	**3.86**	**3.06**	**2.06**	**-1.10**	**6.12**	**1.46**	**0.38**	**0.98**	Jan-02
Conservative Income Benchmark	3.88	2.84	2.07	-1.07	6.26	1.55	0.42	1.04	
Active Aggressive Portfolio	8.01		7.31	2.48	13.45	6.28	0.98	1.05	Oct-15
Active Aggressive Benchmark	8.24		7.19	2.61	12.58	6.39	1.53	1.28	
Active Moderate Portfolio	6.24		5.60	2.09	10.89	4.90	0.89	0.86	Oct-15
Active Moderate Benchmark	6.17		5.34	2.24	10.72	5.11	1.40	1.08	
Active Conservative Portfolio	4.18		3.53	1.30	6.84	2.65	0.67	0.68	Oct-15
Active Conservative Benchmark	3.98		3.29	1.52	7.33	2.99	1.07	0.80	
INDEX PORTFOLIOS									
Total Stock Market Portfolio	**10.01**	**12.01**	**13.99**	**7.86**	**23.15**	**13.09**	**3.24**	**3.14**	Aug-05
Ttl Stock Mkt Benchmark	10.01	12.01	14.00	7.85	23.11	13.55	3.24	3.13	
Total Bond Market Portfolio	**2.80**	**1.26**	**-0.24**	**-3.04**	**2.73**	**-0.63**	**0.17**	**0.94**	Sep-05
Ttl Bond Mkt Benchmark	2.80	1.29	-0.25	-3.04	2.68	-0.67	0.06	0.91	
Ttl International Stock Portfolio	**4.80**	**3.95**	**5.72**	**0.32**	**10.96**	**5.33**	**0.79**	**-0.88**	Sep-05
Ttl Int'l Stock Benchmark	4.77	4.33	6.12	0.75	11.98	5.43	0.98	-0.28	
Inflation-Protected Securities Portfolio	3.05	1.77	1.93	-1.46	2.71	0.77	0.95	0.74	Sep-05
Inflation-Protected Benchmark	3.14	1.82	2.00	-1.38	2.66	0.68	0.78	0.78	
REIT Portfolio	**6.12**	**5.23**	**2.91**	**-2.58**	**4.75**	**-4.20**	**-1.92**	**1.95**	Sep-05
REIT Benchmark	5.63	4.58	1.92	-3.55	3.62	-3.57	-2.18	1.76	
SPECIALTY PORTFOLIOS									
ESG Core Equity Portfolio	13.54	12.19	14.14	8.35	21.39	12.15	1.92	4.07	Nov-09
ESG Core Equity Benchmark	14.06	12.76	14.97	9.96	24.50	15.26	4.27	3.58	
Global Equity Portfolio	11.10		10.56	3.95	16.91	8.61	1.09	0.61	Feb-19
Global Equity Benchmark	10.54		9.97	4.14	17.27	9.25	1.63	1.11	
PRINCIPAL-PROTECTED PORTFOLIOS									
Stable Value Portfolio	3.16	1.97	2.14	2.20	2.97	1.51	0.77	0.25	Jan-00
Stable Value Benchmark	2.36	1.48	1.89	2.83	5.08	2.49	1.24	0.41	
FDIC-Insured Portfolio	**2.10**		**2.62**	**3.38**	**5.44**	**2.72**	**1.39**	**0.42**	Jan-17
FDIC-Insured Benchmark	1.94		2.11	3.10	5.30	2.60	1.30	0.43	

Note: Performance Returns are calculated by BNY Mellon Asset Servicing. They are presented net of management fees and administrative fees.

Defined Contribution 529 Program
Individual Manager Investment Performance
as of June 30, 2024
Net of Fees

	Inception Ending	10 Year Ending	5 Year Ending	3 Year Ending	1 Year Ending	Cal Year Ending	Quarter Ending	Month Ending	Inception Date
TARGET ENROLLMENT PORTFOLIOS - Underlying Managers									
Large Cap Domestic Equity									
Vanguard Institutional Index	**7.52**	**12.87**	**15.03**	**9.98**	**24.53**	**15.28**	**4.28**	**3.59**	**Jan-00**
S&P 500	*7.51*	*12.86*	*15.05*	*10.01*	*24.56*	*15.29*	*4.28*	*3.59*	
Small/Mid Cap Domestic Equity									
Vanguard Small Cap Index	**8.41**	**8.03**	**8.22**	**0.46**	**11.53**	**1.95**	**-4.09**	**-1.34**	**Jan-00**
Custom Small Cap Index [1]	*8.36*	*8.05*	*8.40*	*0.46*	*11.45*	*3.05*	*-4.15*	*-1.34*	
International Equity									
Am. Funds Euro-Pacific Growth	**8.28**	**5.29**	**6.06**	**-2.45**	**10.82**	**7.19**	**-0.24**	**-0.88**	**Jan-03**
MSCI ACWI Ex US	*7.24*	*3.84*	*5.55*	*0.46*	*11.62*	*5.69*	*0.96*	*-0.10*	
Wellington International Contrarian Value	**12.09**			**6.65**	**12.68**	**3.04**	**-1.06**	**-3.53**	**Mar-20**
MSCI EAFE	*9.27*			*3.43*	*12.09*	*5.75*	*-0.17*	*-1.59*	
Sands Emerging Markets Growth	**1.63**			**-13.46**	**6.51**	**5.14**	**1.87**	**2.37**	**Mar-20**
MSCI Emerging Markets	*4.78*			*-4.68*	*12.97*	*7.68*	*5.12*	*4.01*	
DFA Emerging Markets Core	**7.13**		**5.90**	**-0.45**	**14.82**	**8.09**	**5.57**	**2.36**	**Apr-16**
MSCI Emerging Markets	*6.17*		*3.49*	*-4.68*	*12.97*	*7.68*	*5.12*	*4.01*	
Private Real Estate									
UBS Trumbull Fund (1Q in Arrears)	**-0.15**		**-1.47**	**0.04**	**-11.21**	**-6.09**	**-1.93**	**-4.58**	**Apr-18**
NCREIF NFI ODCE (1Q in Arrears)	*3.41*		*2.56*	*2.47*	*-12.00*	*-7.45*	*-2.58*	*-0.87*	
Blackstone Property Partners	**3.70**		**3.30**	**3.42**	**-3.82**	**-5.43**	**-5.43**	**0.00**	**Jun-18**
NCREIF NFI ODCE (1Q in Arrears)	*3.28*		*2.56*	*2.47*	*-12.00*	*-7.45*	*-2.58*	*-0.87*	
Fixed Income									
Invesco Advisers	**3.45**	**2.07**	**2.21**	**2.26**	**3.02**	**1.54**	**0.78**	**0.26**	**Jan-00**
iMoneyNet Taxable Index	*1.60*	*1.30*	*1.96*	*2.89*	*5.14*	*2.52*	*1.25*	*0.41*	
Neuberger Berman Emerging Market Debt	**0.48**				**13.07**	**4.18**	**-0.87**	**0.60**	**Feb-22**
JP Morgan EMBI Global Diversified	*-1.58*				*9.23*	*2.34*	*0.30*	*0.62*	
PGIM High Yield Bond Fund	**5.31**	**4.65**	**3.79**	**1.31**	**9.66**	**2.65**	**0.92**	**1.10**	**Jan-11**
Bloomberg Barclays US HY Ba/B 1% Issuer	*5.54*	*4.27*	*3.84*	*1.64*	*10.04*	*2.50*	*1.18*	*1.00*	

Virginia529℠

Defined Contribution 529 Program
Individual Manager Investment Performance
as of June 30, 2024
Net of Fees

	Inception Ending	10 Year Ending	5 Year Ending	3 Year Ending	1 Year Ending	Cal Year Ending	Quarter Ending	Month Ending	Inception Date
STATIC PORTFOLIOS - Underlying Funds									
Parnassus Core Equity	**13.68**	**12.30**	**14.22**	**8.41**	**21.45**	**12.17**	**1.93**	**4.07**	**Nov-09**
S&P 500	*14.19*	*12.86*	*15.05*	*10.01*	*24.56*	*15.29*	*4.28*	*3.59*	
Van. Total Stock Market Fund	**10.19**	**12.12**	**14.09**	**7.92**	**23.21**	**13.12**	**3.25**	**3.14**	**Aug-05**
Custom Total Stock Index [2]	*10.18*	*12.11*	*14.07*	*7.91*	*23.17*	*13.58*	*3.25*	*3.14*	
Van. Total Bond Market Fund	**2.96**	**1.37**	**-0.17**	**-2.97**	**2.78**	**-0.60**	**0.17**	**0.94**	**Sep-05**
Custom Total Bond Index [3]	*2.96*	*1.38*	*-0.18*	*-2.99*	*2.73*	*-0.64*	*0.08*	*0.92*	
Van. Total Int'l Equity Fund	**4.95**	**4.04**	**5.76**	**0.38**	**11.01**	**5.35**	**0.80**	**-0.87**	**Sep-05**
Custom Int'l Stock Index [4]	*4.93*	*4.43*	*6.19*	*0.81*	*12.03*	*5.45*	*0.99*	*-0.28*	
Van. Infl. Protected Sec. Fund	**3.20**	**1.86**	**2.00**	**-1.40**	**2.76**	**0.80**	**1.12**	**0.74**	**Sep-05**
Bloomberg Barclays Cap. Treas Infl. Note	*3.29*	*1.91*	*2.07*	*-1.33*	*2.71*	*0.70*	*0.79*	*0.78*	
Van. Real Estate Index	**6.29**	**5.33**	**2.98**	**-2.52**	**4.80**	**-4.18**	**-1.91**	**1.96**	**Sep-05**
Custom Real Estate Index [5]	*5.80*	*4.67*	*1.99*	*-3.50*	*3.67*	*-3.55*	*-2.17*	*1.77*	
Van. International Bond Index Fund	**1.16**		**-0.38**	**-1.99**	**4.43**	**-0.48**	**-0.72**	**0.61**	**Feb-18**
Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged)	*1.30*		*-0.25*	*-1.87*	*4.69*	*-0.31*	*-0.39*	*0.73*	
Am. Funds SMALLCAP World Fund	**8.41**		**6.99**	**-5.74**	**7.10**	**0.61**	**-2.79**	**-0.70**	**Feb-19**
MSCI All Country World Small Cap	*7.64*		*7.31*	*-0.75*	*10.64*	*2.29*	*-1.56*	*-1.20*	

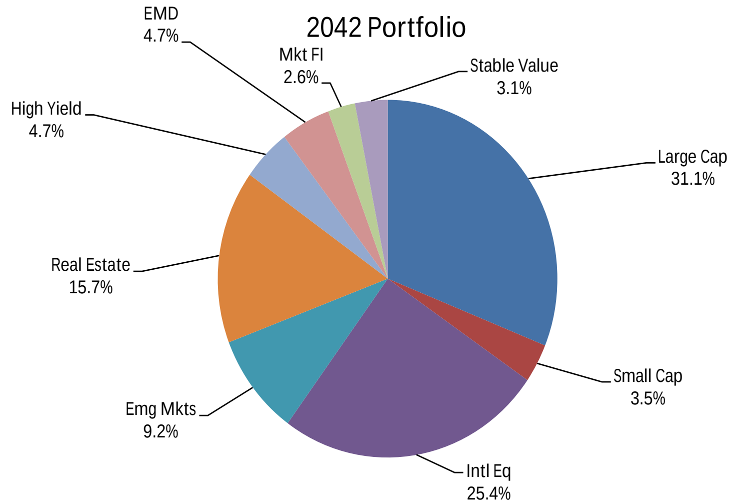
Notes: Performance Returns are calculated by BNY Mellon Asset Servicing. They are presented net of fees for separate account asset management services.

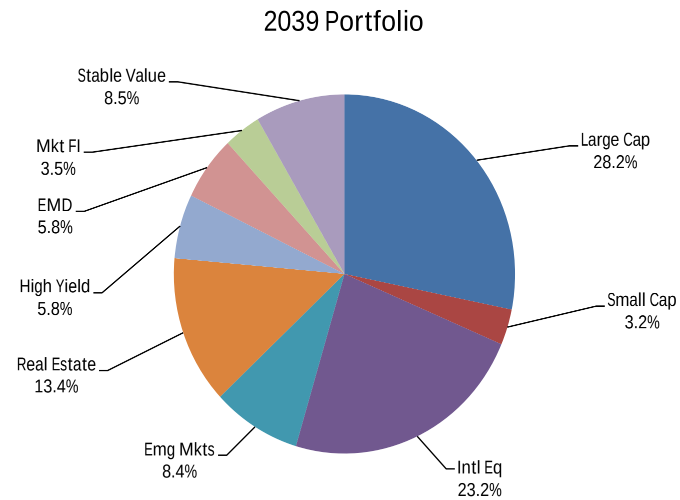
1. Russell 2000 Index through May 2003; MSCI US Small Cap 1750 Index through June 2013; CRSP US Small Cap Index thereafter.
2. MSCI US Broad Market Index through June 2013; and CRSP US Total Market Index thereafter.
3. Barclays U.S. Aggregate Bond Index through December 31, 2009; Bloomberg Barclays U.S. Aggregate Float Adjusted Index thereafter.
4. MSCI ACWI ex USA IMI Index through June 2013 and FTSE Global All Cap ex US Index thereafter.
5. MSCI US REIT through February 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

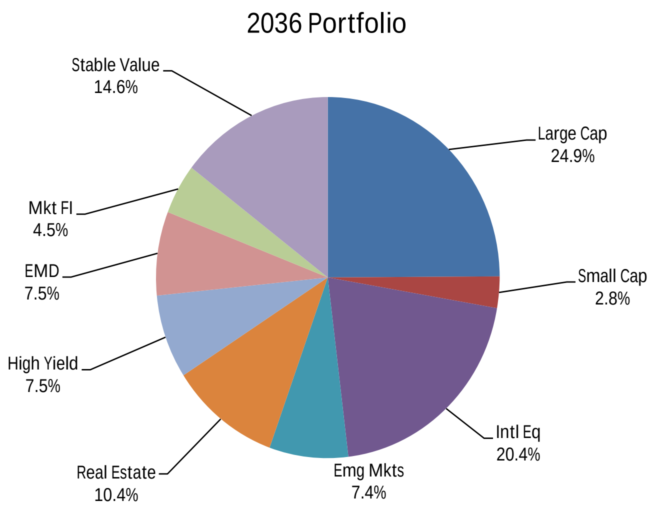
Defined Contribution 529 Program

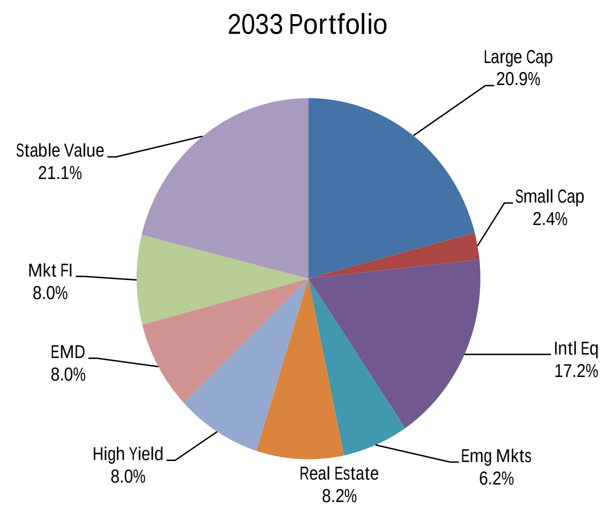
Fund Profile - Target Enrollment Portfolio

June 30, 2024

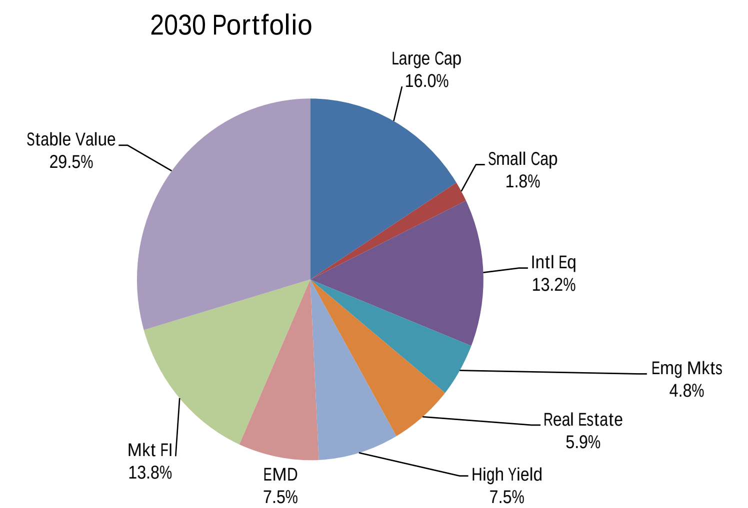


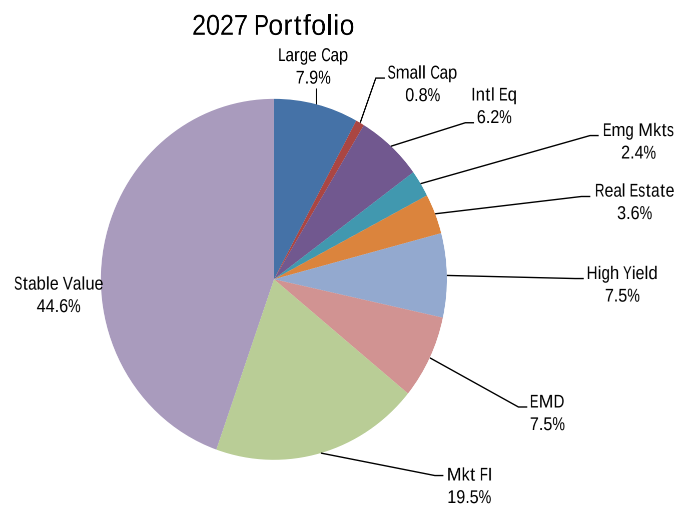


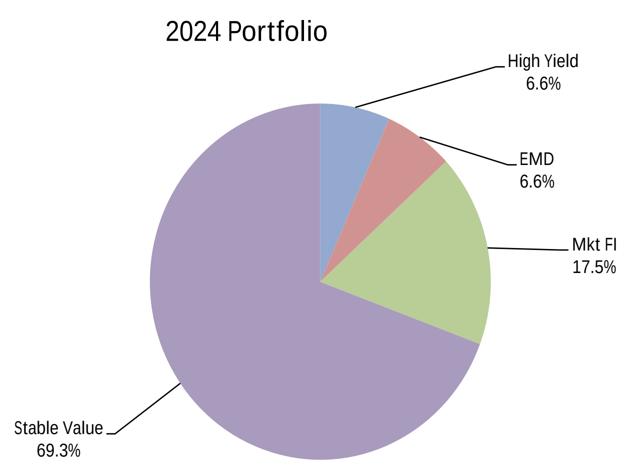


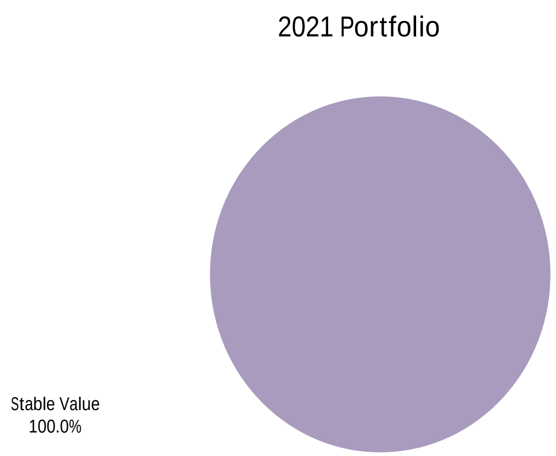


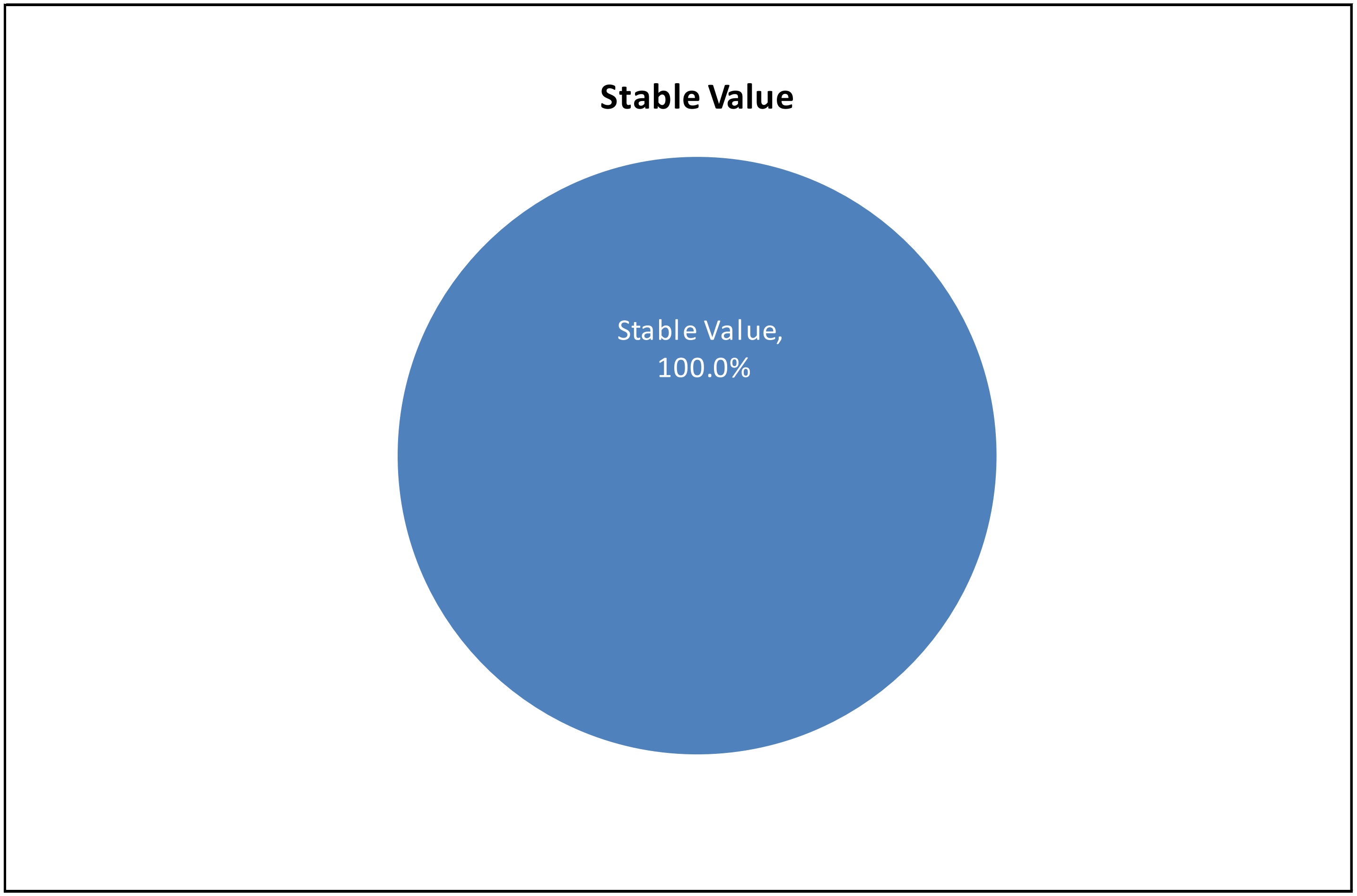
Defined Contribution 529 Program
Fund Profile - Target Enrollment Portfolio
June 30, 2024

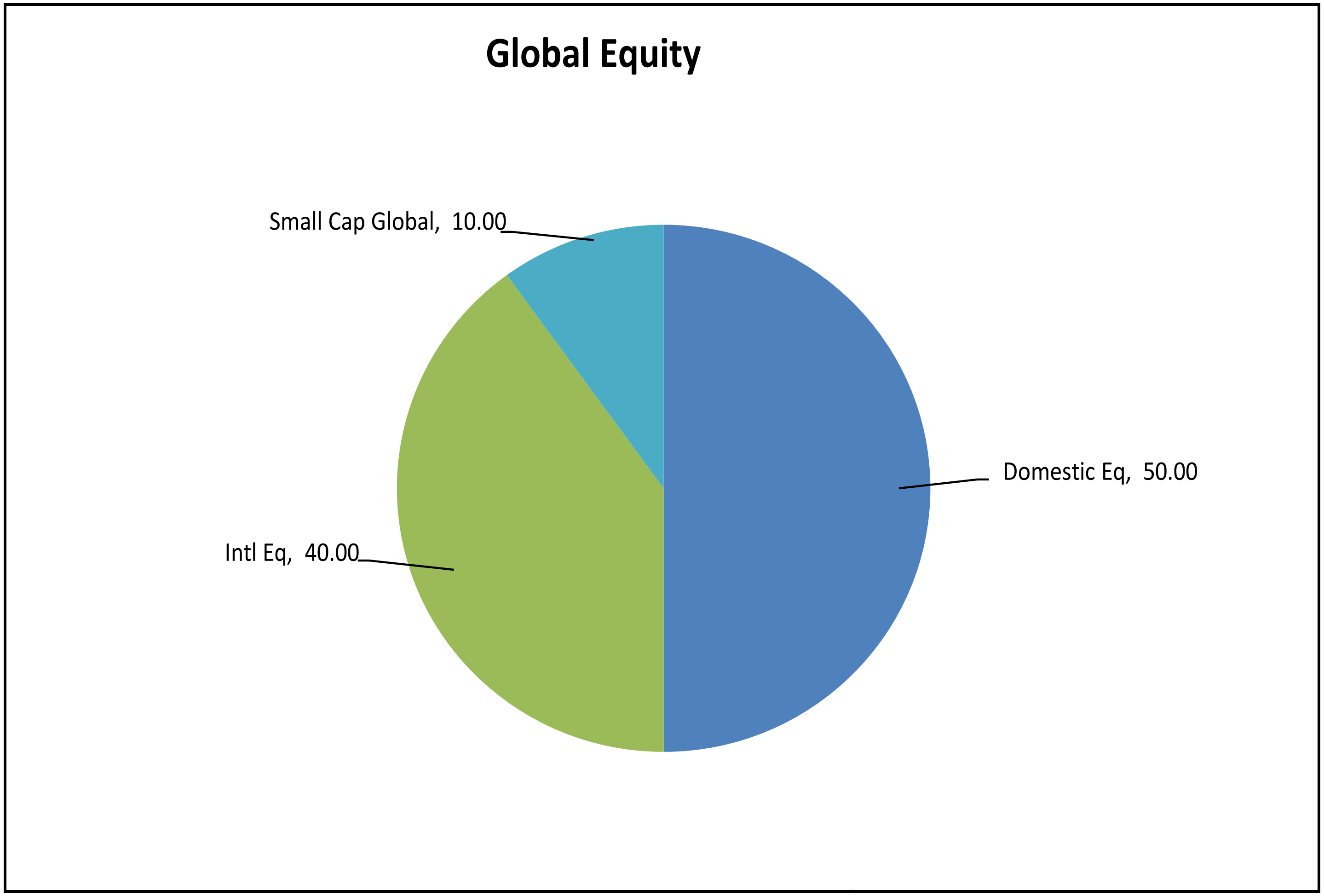






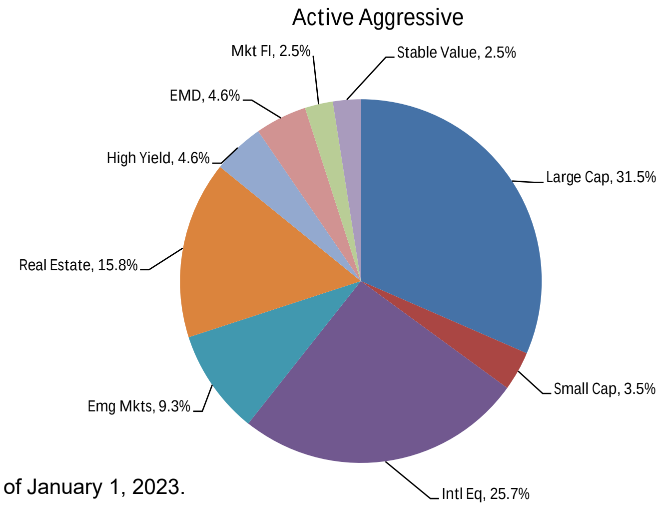



Stable Value
Stable Value,
100.0%

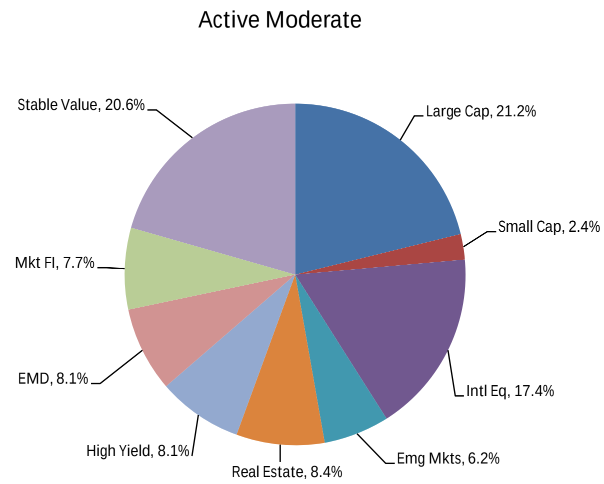


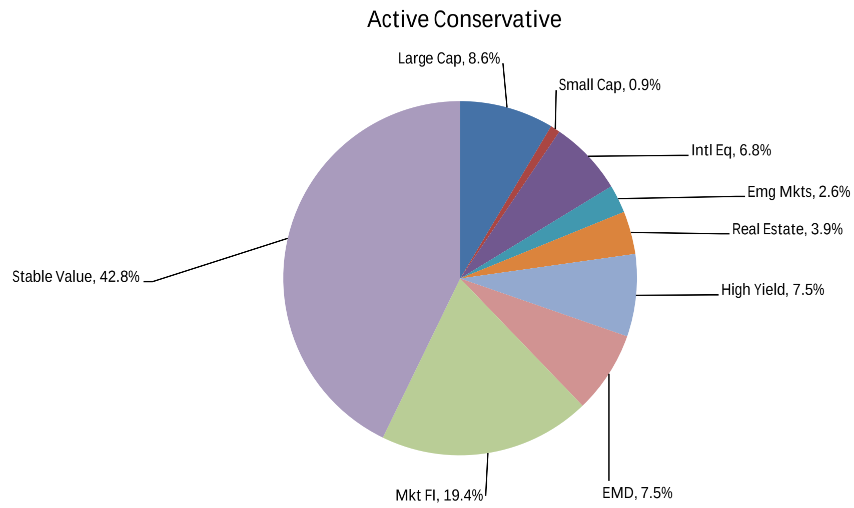
Global Equity
Small Cap Global, 10.00
Domestic Eq, 50.00
Intl Eq, 40.00

Defined Contribution 529 Program
Fund Profile - Target Risk Portfolio
June 30, 2024



*As of January 1, 2023.



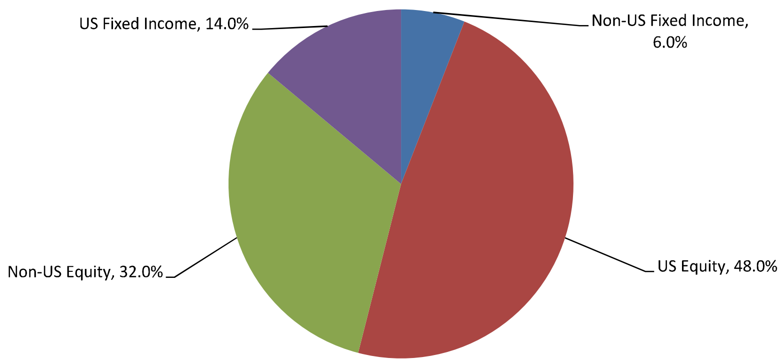


Defined Contribution 529 Program

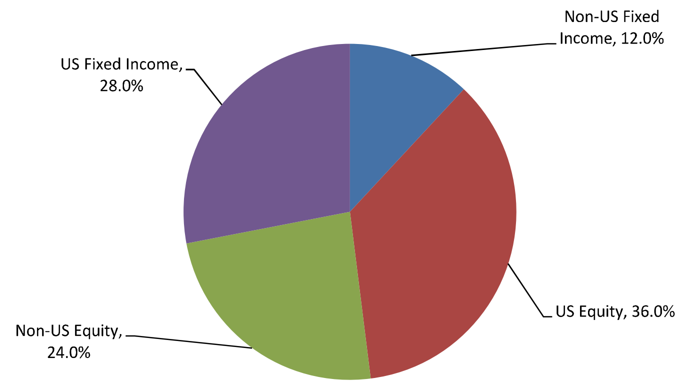
Fund Profile - Target Risk Portfolio

June 30, 2024

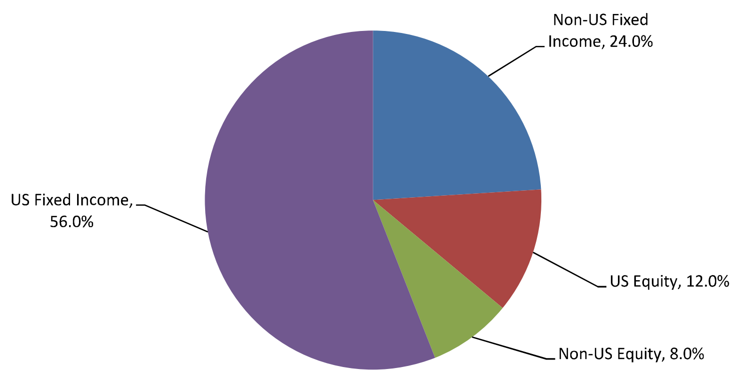
Aggressive Growth



Moderate Growth



Conservative Income



Attachment E

Investment Policies and Guidelines for the Defined Benefit 529, Invest529, ABLEnow, and RetirePath Programs

PURPOSE

The purpose of this Statement of Investment Policy and Guidelines ("Statement") is to identify a set of investment objectives, guidelines and performance standards for the Defined Benefit 529 program (which includes Prepaid529, the Tuition Track Portfolio as well as the Access and Affordability fund) and will be referred to going forward as the "Program". This Statement represents the formal investment policy document for the Program and is to be communicated to the investment managers for their use in developing appropriate investment portfolios. This document will also be used by the Board of the Commonwealth Savers Plan ("Board") as the basis for future investment management decisions, measurement and evaluation of investment performance of the Program.

This Statement will be reviewed at least annually by the Board to ensure that it is consistent with the investment needs of the Program.

RESPONSIBILITIES

Standard of Care

Pursuant to § 23.1-706 of the Code of Virginia ("Code"), the Board, and any person, investment manager, or committee to whom the board delegates any of its investment authority, shall act as trustee and shall exercise the judgment of care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but to the permanent disposition of funds, considering the probable income and the probable safety of their capital.

Board

Pursuant to § 23.1-704 of the Code of Virginia (the "Code"), the Board shall administer the Commonwealth Savers Plan ("Plan") and shall develop and implement programs for (i) the prepayment of undergraduate tuition, as defined in § 23.1-700 of the Code, at a fixed, guaranteed level for application at a public institution of higher education and (ii) contributions to college savings trust accounts established on behalf of a qualified beneficiary in order to apply distributions from the account toward qualified higher education expenses at eligible educational institutions, as both such terms are defined in § 529 of the Internal Revenue Code of 1986, as amended, or other applicable federal law. In addition, pursuant to § 23.1-704 of the Code, the Board shall invest moneys in the Plan in any instruments, obligations, securities, or property deemed appropriate by the Board.

The Board is authorized to delegate certain responsibilities to qualified agents to assist them in properly meeting the overall Board responsibilities as outlined above. Specifically, the Board relies on the advice, guidance and actions of Commonwealth Savers Plan ("Management"), the Investment Advisory Committee, a custodian, investment managers, an investment consultant, legal counsel and an actuary to perform various functions.

Management

Commonwealth Savers management, comprised of the Chief Executive Officer ("CEO") and such other senior officers as may be appointed by the CEO, shall implement decisions approved by the Board and/or Investment Advisory Committee. Management shall (i) oversee the development, structure, evaluation and implementation of the Program's strategic goals and objectives and (ii) with the assistance of the Investment Advisory Committee, and investment consultants, will direct, manage and administer the Program's assets and programs, and (iii) report periodically and as requested to the Board.

Investment Advisory Committee

According to § 23.1-702 of the Code, the Board of Commonwealth Savers Plan shall appoint an Investment Advisory Committee ("Committee"), the purpose of which is to assist the Board in fulfilling its fiduciary duty as trustee of the Plan and to assist Management in directing, managing, and administering Plan assets, and to provide the Board with sophisticated, objective and prudent investment advice and direction on all matters related to the management of investments, within the parameters set by the Statement, as it may be amended from time to time. While this Statement refers to the responsibilities and duties of the Board, some of these responsibilities and duties may be delegated to the Committee via the Committee Charter.

The Committee shall be comprised and administered in accordance with the Committee Charter, as it may be amended from time to time by the Board. The Committee is authorized to make decisions with regard to investment managers. The Committee is further authorized to take any additional action specifically authorized in other Board actions. Recommendations are not binding upon the Board.

The Committee shall report any action taken to the Board at the Board's next meeting.

INVESTMENT OBJECTIVES

The Defined Benefit 529 program includes both Prepaid529 (*closed to new investors*) and the Tuition Track Portfolio (*established in 2021*). Prepaid529 contracts cover the future in-state undergraduate tuition and mandatory fees assessed to all students for the normal full-time course load at Virginia public colleges and universities. Tuition Track Portfolio units provide a benefit when distributed of 1/100 of the calculated weighted average tuition of Virginia public colleges and universities as most recently calculated. 100 units is designed to provide this average calculated tuition to program beneficiaries. Tuition Track Portfolio benefits may be applied toward the cost of tuition and fees at Virginia public and private colleges as well as at eligible educational institutions nationwide, and in certain cases, at schools around the world. Given this mission, the primary investment objectives are outlined below.

- The Defined Benefit 529 investment portfolio shall be allocated and managed with the objective of attaining an investment return which equals or exceeds the actuarial return assumptions, throughout the majority of economic cycles, taking into consideration cash flow demands and investment risks.
- The investment portfolio shall be invested and managed to provide sufficient liquidity to meet all reasonably anticipated operational requirements.
- The investment portfolio shall be invested prudently with a goal to meet or exceed the assumed targeted rate of return as determined by the Board.

ALLOWABLE INVESTMENTS

Pursuant to § 23.1-706 of the Code, as amended, the Board is authorized to acquire and retain every kind of property and any kind of investment, and to retain property properly acquired, without time limitation and without regard to its suitability for original purpose, specifically including but not limited to:

- Debentures and other corporate obligations of foreign or domestic corporations;
- Common or preferred stocks traded on foreign or domestic stock exchanges;
- Not less than all of the stock or 100 percent ownership of a corporation or other entity organized by the Board under the laws of the Commonwealth for the purpose of acquiring and retaining real property that the Board is authorized to acquire and retain;

- Unregistered securities, often referred to as letter stock or private placements, including limited partnerships and 144A securities;
- Securities of any open-end or closed-end management type investment company or investment trust registered under the federal Investment Company Act of 1940, as amended, including such investment companies or investment trusts which, in turn, invest in the securities of such investment companies or investment trusts. Also permitted are pooled investments, including collective trusts and similar commingled fund vehicles, which may be used as an alternative to a mutual fund investment; and
- Bonds, notes or other obligations of the Commonwealth or its agencies and instrumentalities.

General Restrictions/Guidelines

The Board requires that all investment managers comply with the following limitations and restrictions on their investment activities and holdings:

- Unless granted permission by the Board in writing, investment managers shall not engage in short sales or margin purchases and all accounts shall be free of leverage.
- Unless granted permission by the Board in writing, commodities or commodity contracts are not allowed.
- Derivative securities are prohibited except where specifically permitted in the investment manager agreement, subscription agreement, or prospectus. Specific asset classes may be permitted to make use of derivatives consistent with the overall investment guidelines and objectives of that asset class.
- The individual managers are expected to be fully invested at all times, with cash accounting for no more than 10% of the portfolio's market value.

Individual Portfolio Guidelines - Equity

- Securities of any one issuer are limited to 5% (at market) of the individual portfolio.
- Portfolios should be diversified by sector, with sector allocations limited to a maximum of 200% of the weight of the sector in the benchmark (see Appendix for the benchmark assigned to each asset class), or 25%, whichever is greater, with the exception of sectors whose benchmark allocation is less than 5%, where the maximum allocation shall be 15%.
- No quantitative guidelines are given as to industry diversification. However, the investment manager is expected to develop and apply prudent standards.

Individual Portfolio Guidelines – Fixed Income

- While no specific ranges are required, it is expected that the average duration of the portfolio will be within +/- 20% of its designated benchmark (see Appendix for the benchmark assigned to each asset class).
- For the core fixed income portfolios, which are primarily invested in U.S. investment grade debt securities, the average quality of the total account should be A-rated or higher. Only investment grade securities, as defined as BBB-rated or higher by Standard & Poor's, or the equivalent rating by Moody's or Fitch may be purchased, unless the Board grants specific exceptions in writing. For bonds with split ratings, the higher rating will apply. In cases where securities were purchased and were subsequently downgraded, the manager will immediately notify Management and outline the course of action anticipated for the security.
- For the non-core fixed income portfolios, which can hold non-investment grade debt securities, the portfolio is expected to maintain an overall average quality rating of BBB or higher.

- Securities of any one issuer, with the exception of the U.S. Government and its agencies and instrumentalities, are limited to 5% (at market) of the individual portfolio.

Exceptions Allowed

On a case-by-case basis, the Board may grant the investment manager a special exception to the foregoing restrictions where such exceptions are deemed appropriate and prudent. Specific guidelines applicable to each individual investment manager will be recorded in the manager's investment management agreement with the Plan or in a letter to the manager signed by the CEO of the Plan.

Commingled Funds, Collective Trusts and Mutual Funds

The guidelines in this Statement have been established to ensure that the investments of each investment manager are in keeping with the return and risk objectives of the Program. However, in attempting to meet these objectives, it may be advantageous for a portion of portfolio assets to be placed in a pooled, commingled, collective trust, or mutual fund which may have specific restrictions, policies, or guidelines that conflict from time-to-time with those outlined in this Statement. The restrictions, policies and guidelines in the funds' prospectus or offering statement shall take precedence over those stated in this Statement.

INVESTMENT MANAGER SELECTION, MONITORING AND TERMINATION

The Board reserves the right to hire, terminate or replace investment managers in order to meet performance guidelines outlined in this policy or other factors affecting the continuing viability of the portfolio. The Board has delegated to the Staff, principally the CEO and Investment Director, the authority to select, contract, hire, and terminate individual investment managers that satisfy the requirements of the Board approved asset allocation.

SELECTION – GENERAL CRITERIA

When selecting investment managers for the Program, six broad categories should be considered including economies of scale, organizational strength, diversification, performance consistency, transparency and risk/reward. Managers should be of institutional quality based on metrics such as assets under management and offer reasonable fees compared to an appropriate peer group. Likewise, appropriate risk controls may be outlined in each investment manager agreement with respect to sector and industry weightings relative to benchmark. The strategy should be supported by qualified personnel with sufficient resources and have at least three years of verifiable investment performance. Returns versus benchmark and peer group should be competitive. Staff or managers may consider ESG issues when selecting certain investment strategies. Evaluation of strategies is not adjusted based on ESG factors and should be compared to the appropriate benchmark and universe for the asset class as stipulated in the Appendix. For avoidance of doubt, any incorporation of ESG factors into investment analysis must be done through a lens of being additive to pecuniary factors (risk and return). The Board is committed to seeking diversity in the ownership, management, and staffing of firms with which the Plan does business, including investment managers. Each firm's commitment to diversity shall be considered in evaluating potential investment managers, with the primary criteria remaining those outlined in this section, in accordance with the fiduciary obligations of the Board.

PERFORMANCE MONITORING

The Board shall periodically, but not less than quarterly, evaluate investment managers. Each actively managed investment option will be measured against its benchmark and peer group for the measurement periods outlined below. The ability to meet the benchmark comparison on a net of fees basis will be a primary measure of performance. In addition to monitoring performance, consideration will be given to risk adjusted metrics.

Measurement Period	Benchmark Comparison	Peer Group Comparison
Multiple rolling 3-year periods	The total rate of return should exceed the return of the benchmark index over most rolling periods.[1]	The total rate of return should exceed the median return of the fund's peer group over most rolling periods.

For the managers that do not have a 3-year track record with the Program, the manager's separate account composite or mutual fund performance will be used for evaluation. The manager may also be placed on watch within a lesser period if the strategy deviates from the universe and benchmark dramatically and in a manner that would not have been expected given the tracking error expectations of the strategy.

If the investment manager utilizes a passively managed strategy, the portfolio will be monitored on its ability to successfully track the risk and return characteristics of the stated benchmark. Peer group comparisons will not be required for passive strategies.

In addition to monitoring investment performance results, staff may periodically evaluate the investment managers on the basis of the following factors to ascertain whether they should continue to be utilized in Program:

- the stability and depth of the investment professionals responsible for the management of this strategy;
- the suitability of its investment approach for the Program;
- its management fees; and
- any other measures staff deems useful and relevant.

Watch List Status & Termination

If an investment manager fails to meet the minimum standards of investment performance outlined in this document, staff may place the manager on a watch list for up to one year. Staff maintains a manager dashboard that evaluates managers across areas of performance, team, process, strategy, capacity and firm and develops watch statuses based on this analysis. Significant changes or weakness in any of these areas can be cause for termination.

ACCEPTANCE AND ADOPTION

The Board of Commonwealth Savers Plan has approved and adopted this amended and restated Statement of Investment Policy and Guidelines as of August 28, 2024.

[1] Measured over the latest 12 quarters available for review.

APPENDIX - TARGET ASSET ALLOCATION

The target asset mix, consistent with the achievement of the long-term objective of the Plan, is as follows. This Allocation was recommended by the Investment Advisory Committee and approved by the Board on June 27, 2023.

	Target	Allowable Range
Equities	**22.0%**	**14.5% - 29.5%**
Global All Cap Equity	22.0%	
Fixed Income	**55.0%**	**50.0% - 60.0%**
U.S. Aggregate FI	20.0%	
Multi-Asset Credit	35.0%	
Alternatives	**23.0%**	**15.0% - 31.0%**
Real Estate - Core	10.0%	
Private Equity	13.0%	

APPENDIX – COMPOSITE BENCHMARKS

The composite benchmarks are intended to reflect the target asset allocation and do change from time to time. Below are the current composite benchmarks for the Defined Benefit 529 portfolio.

Total Fund Benchmark		
Public Equity	MSCI All Country World Index	22.0%
Core Real Estate	NCREIF NFI ODCE Net (1Q in Arrears)	10.0%
Private Equity	Private Equity Custom Benchmark*	13.0%
Non-Core Fixed Income	Multi-Asset Credit Benchmark	35.0%
Core Fixed Income	Bloomberg US Aggregate Bond Index	20.0%

Total Fixed Income Benchmark		
Non-Core Fixed Income	Non-Core Fixed Income Benchmark	63.6%
Core Fixed Income	Core Fixed Income Benchmark	36.4%

Non-Core Fixed Income / Multi-Asset Credit Benchmark		
High Yield	Bloomberg US Corp High Yield	33.3%
Leverage Loans	Credit Suisse Leverage Loan Index	33.3%
Emerging Markets Debt	JPMorgan EMBI Global Diversified	33.4%

Core Fixed Income Benchmark		
Core Bonds	Bloomberg US Aggregate Bond Index	100.0%

Alternatives Benchmark		
Core Real Estate	NCREIF ODCE (1Q in Arrears)	43.5%
Private Equity	Private Equity Custom Benchmark*	56.5%

** Private Equity Custom Benchmark is defined as the actual partnership returns for the first 4 years and MSCI ACWI + 300 thereafter.*

PURPOSE

The purpose of this Statement of Investment Policy and Guidelines ("Statement") is to identify a set of investment objectives, guidelines and performance standards for Invest529. This Statement represents the formal investment policy document for Invest529 and is to be communicated to the investment managers for their use in developing an appropriate investment portfolio. This document will also be used by the Board as the basis for future investment management decisions, measurement, and evaluation of investment performance of Invest529.

This Statement will be reviewed at least annually by the Board to ensure that it is consistent with the investment needs of Invest529.

RESPONSIBILITIES

Standard of Care

Pursuant to § 23.1-706 of the Code of Virginia ("Code"), the Board, and any person, investment manager, or committee to whom the board delegates any of its investment authority, shall act as trustee and shall exercise the judgment of care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but to the permanent disposition of funds, considering the probable income and the probable safety of their capital.

Board

Pursuant to § 23.1-704 of the Code of Virginia ("Code"), the Board shall administer the Commonwealth Savers Plan ("Plan") and shall develop and implement programs for (i) the prepayment of undergraduate tuition, as defined in § 23.1-700 of the Code, at a fixed, guaranteed level for application at a public institution of higher education and (ii) contributions to college savings trust accounts established on behalf of a qualified beneficiary in order to apply distributions from the account toward qualified higher education expenses at eligible educational institutions, as both such terms are defined in § 529 of the Internal Revenue Code of 1986, as amended, or other applicable federal law. In addition, pursuant to § 23.1-704 of the Code, the Board shall invest moneys in the Plan in any instruments, obligations, securities, or property deemed appropriate by the Board.

The Board is authorized to delegate certain responsibilities to qualified agents to assist them in properly meeting the overall Board responsibilities as outlined above. Specifically, the Board relies on the advice, guidance and actions of Commonwealth Savers Plan management ("Management"), the Investment Advisory Committee, a custodian, investment managers, an investment consultant and legal counsel to perform various functions.

Management

Commonwealth Savers management, comprised of the Chief Executive Officer ("CEO") and such other senior officers as may be appointed by the CEO, shall implement decisions approved by the Board and/or Investment Advisory Committee. Management shall (i) oversee the development, structure, evaluation and implementation of Invest529's strategic goals and objectives and (ii) with the assistance of the Investment Advisory Committee, and investment consultants, will direct, manage and administer Invest529's assets and programs, and (iii) report periodically and as requested to the Board.

Investment Advisory Committee

According to § 23.1-702 of the Code, the Board of Commonwealth Savers Plan shall appoint an Investment Advisory Committee ("Committee"), the purpose of which is to assist the Board in fulfilling its fiduciary duty as trustee of the Plan and to assist Management in directing, managing, and administering Plan assets, and to provide the Board with sophisticated, objective and prudent investment advice and direction on all matters related to the management of investments, within the parameters set by the Statement, as it may be amended from time to time. While this Statement refers to the responsibilities and duties of the Board, some of these responsibilities and duties may be delegated to the Committee via the Committee Charter.

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The Committee shall report any action taken to the Board at the Board's next meeting.

ALLOWABLE INVESTMENTS

Pursuant to § 23.1-706 of the Code, as amended, the Board is authorized to acquire and retain every kind of property and any kind of investment, and to retain property properly acquired, without time limitation and without regard to its suitability for original purpose, specifically including but not limited to:

- Debentures and other corporate obligations of foreign or domestic corporations;
- Common or preferred stocks traded on foreign or domestic stock exchanges;
- Not less than all of the stock or 100 percent ownership of a corporation or other entity organized by the Board under the laws of the Commonwealth for the purpose of acquiring and retaining real property that the Board is authorized to acquire and retain;
- Unregistered securities, often referred to as letter stock or private placements, including limited partnerships and 144A securities;
- Securities of any open-end or closed-end management type investment company or investment trust registered under the federal Investment Company Act of 1940, as amended, including such investment companies or investment trusts which, in turn, invest in the securities of such investment companies or investment trusts. Also permitted are pooled investments, including collective trusts and similar commingled fund vehicles, which may be used as an alternative to a mutual fund investment;
- Bonds, notes or other obligations of the Commonwealth or its agencies and instrumentalities.

General Restrictions/Guidelines

The Board requires that all investment managers comply with the following limitations and restrictions on their investment activities and holdings:

- Unless granted permission by the Board in writing, investment managers shall not engage in short sales or margin purchases and all accounts shall be free of leverage.
- Unless granted permission by the Board in writing, commodities or commodity contracts are not allowed.
- Derivative securities are prohibited except where specifically permitted in the investment manager agreement, subscription agreement or prospectus. Specific asset classes may be

permitted to make use of derivatives consistent with the overall investment guidelines and objectives of that asset class.

- The individual managers are expected to be fully invested at all times, with cash accounting for no more than 10% of the portfolio's market value.

Individual Portfolio Guidelines - Equity

- Securities of any one issuer are limited to 5% (at market) of the individual portfolio.
- Portfolios should be diversified by sector, with sector allocations limited to a maximum of 200% of the weight of the sector in the benchmark (see the Appendix for the benchmark assigned to each asset class), or 25%, whichever is greater, with the exception of sectors whose benchmark allocation is less than 5%, where the maximum allocation shall be 15%.
- No quantitative guidelines are given as to industry diversification. However, the investment manager is expected to develop and apply prudent standards.

Individual Portfolio Guidelines – Fixed Income

- While no specific ranges are required, it is expected that the average duration of the account will be within +/- 20% of the designated benchmark (see Appendix for the benchmark assigned to each asset class).
- For the Core Fixed Income portfolios, the average quality of the total account should be A- or higher. Only investment grade securities defined as BBB-rated or higher by Standard & Poor's or the equivalent rating by Moody's or Fitch, may be purchased, unless the Board grants specific exceptions in writing. For bonds with split ratings, the higher rating will apply. In cases where securities were purchased and were subsequently downgraded, the manager will immediately notify Management and outline the course of action anticipated for the security.
- Core Plus Fixed Income portfolios can hold non-investment grade securities and have an overall average quality rating of BBB or higher.
- Securities of any one issuer, with the exception of the U.S. Government and its agencies and instrumentalities, are limited to 5% (at market) of the individual portfolio.

Individual Portfolio Guidelines – Fixed Income, Stable Value

- While no specific ranges are required, it is expected that the average duration of the account will be between two and four years.
- The average quality of the total account should be AA- or higher. Only investment grade securities defined as BBB-rated or higher by Standard & Poor's or the equivalent rating by Moody's or Fitch, may be purchased, unless the Board grants specific exceptions in writing. For bonds with split ratings, the higher rating will apply. In cases where securities were purchased and were subsequently downgraded, the manager will immediately notify Management and outline the course of action anticipated for the security.
- Securities of any one issuer, with the exception of the U.S. Government and its agencies and instrumentalities, are limited to 5% (at market) of the individual portfolio.
- Stable Value portfolios cannot hold non-dollar denominated securities.

Exceptions Allowed

On a case-by-case basis, the Board may grant the investment manager a special exception to the foregoing restrictions where such exceptions are deemed appropriate and prudent. Specific guidelines applicable to each individual investment manager may be recorded in the manager's investment management agreement with the Plan or in a letter to the manager signed by the CEO of the Plan.

Commingled Funds, Collective Trusts and Mutual Funds

The guidelines in this Statement have been established to ensure that the investments of each investment manager are in keeping with the return and risk objectives of Invest529. However, in attempting to meet these objectives, it may be advantageous for a portion of portfolio assets to be placed in a pooled, commingled, collective trust, or mutual fund which may have specific restrictions, policies, or guidelines that conflict from time-to-time with those outlined in this Statement. The restrictions, policies and guidelines in the funds' prospectus or offering statement shall take precedence over those stated in this Statement.

INVESTMENT OPTION STRUCTURE

Invest529 offers individual tax-advantaged Internal Revenue Code Section 529 savings accounts with a variety of investment options from which a participant may choose. The Board determines the investment options to be offered in Invest529. Invest529 has no state residency requirements, no age limits and is open year round. The risk of investment losses in Invest529 accounts rests with the participant. The primary investment objectives of Invest529 are to offer a set of investment options that:

- allow Invest529 participants to build portfolios consistent with their desired investment risk and return;
- provide a risk profile consistent with its position in the overall structure; and
- are managed so as to implement the desired risk profile and other investment characteristics.

In seeking to achieve diversity among the investment options offered, Invest529 has established certain criteria to determine the material differences in investment options. The following technical factors should be used to classify and differentiate potential investment options:

- A distinct definable market and the availability of a widely used and understood benchmark;
- A distinct risk and return profile as exhibited by historical return analysis; and
- Use of a distinct management style that is definable in terms of the investment strategies/methodologies utilized (e.g., passive versus active management, growth vs. value).

TARGET ENROLLMENT PORTFOLIOS

Asset Allocation

Each target enrollment portfolio is designed to take into account the beneficiary's age and account owner's investment time horizon or the number of years before the beneficiary is expected to need funds from the account for higher education expenses.

The appropriateness of the asset allocation for each portfolio will be examined by the Board at least every five years. At a minimum, the portfolios will be diversified across the following asset classes:

- U.S. Equity
- International Equity
- U.S. Fixed Income
- U.S. Stable Value

ACTIVELY MANAGED BALANCED PORTFOLIOS

The actively-managed balanced portfolios will be constructed based on the risk orientation of the individual investor rather than the investor's time horizon. These portfolios may invest in a mix of actively-managed and passively-managed assets.

PASSIVELY MANAGED BALANCED PORTFOLIOS

The passively managed balanced portfolios will be constructed based on the risk orientation of the individual investor rather than the investor's time horizon.

STATIC SINGLE ASSET CLASS PORTFOLIOS

These portfolios will be offered such that they along with other Invest529 and Plan programs, will provide sufficient investment options such that a Plan investor/participant could construct a portfolio to meet their college savings goals based on the individual investor's risk orientation and time horizon.

Rebalancing

Rebalancing will occur as needed according to the Rebalancing Policy. For the Target Enrollment portfolios this provides for a smooth transition on the glide path towards the next target asset allocation stage. For the balanced portfolios this ensures the allocation remains consistent over time. Staff certifies and reports to management on a monthly basis whether portfolio components are properly balanced according to asset allocation parameters.

INVESTMENT MANAGER SELECTION, MONITORING AND TERMINATION

The Board reserves the right to hire, terminate or replace investment managers based upon inability to meet performance guidelines outlined in this policy or other factors affecting the continuing viability of the portfolio. The Board has delegated to the Staff, principally the CEO and Investment Director, the authority to select, contract, hire, and terminate individual investment managers that satisfy the requirements of the Board approved investment lineup.

SELECTION – GENERAL CRITERIA

When selecting investment managers for Invest529, six broad categories should be considered including economies of scale, organizational strength, diversification, performance consistency, transparency and risk/reward. Managers should be of institutional quality based on metrics such as assets under management and offer reasonable fees compared to an appropriate peer group. Likewise, appropriate risk controls may be outlined in each investment manager agreement with respect to sector and industry weightings relative to benchmark. The strategy should be supported by qualified personnel with sufficient resources and have at least three years of verifiable investment performance. Returns versus benchmark and peer group should be competitive. Staff or managers may consider ESG issues when selecting certain investment strategies. Evaluation of strategies is not adjusted based on ESG factors and should be compared to the appropriate benchmark and universe for the asset class as stipulated in the Appendix. For avoidance of doubt, any incorporation of ESG factors into investment analysis must be done through a lens of being additive to pecuniary factors (risk and return). The Board is committed to seeking diversity in the ownership, management, and staffing of firms with which the Plan does business, including investment managers. Each firm's commitment to diversity shall be considered in evaluating potential investment managers, with the primary criteria remaining those outlined in this section, in accordance with the fiduciary obligations of the Board.

PERFORMANCE MONITORING

The Board shall periodically, but not less than quarterly, evaluate investment managers. Each actively-managed investment option will be measured against its benchmark and peer group for the measurement periods outlined below. The ability to meet the benchmark comparison on a net of fees basis will be a primary measure of performance. In addition to monitoring performance, consideration will be given to risk adjusted metrics.

Measurement Period	Benchmark Comparison	Peer Group Comparison
Multiple rolling 3-year periods	The total rate of return should exceed the return of the benchmark index over most rolling periods.[1]	The total rate of return should exceed the median return of the fund's peer group over most rolling periods.

For the managers that do not have a 3-year track record with Invest529, the manager's separate account composite or mutual fund performance will be used for evaluation. The manager may also be placed on watch within a lesser period if the strategy deviates from the universe and benchmark dramatically and in a manner that would not have been expected given the tracking error expectations of the strategy.

If the investment manager utilizes a passively-managed strategy, the portfolio will be monitored on its ability to successfully track the risk and return characteristics of the stated benchmark. Peer group performance will not be required for passive strategies.

In addition to monitoring investment performance results, staff may periodically evaluate the investment managers on the basis of the following factors to ascertain whether they should continue to be utilized in Invest529:

- the stability and depth of the investment professionals responsible for the management of this strategy;
- the suitability of its investment approach for Invest529;
- its management fees; and
- any other measures staff deems useful and relevant.

Watch List Status & Termination

If an investment manager fails to meet the minimum standards of investment performance outlined in this document, staff has the discretion to place the manager on a watch list for up to a year. Staff maintains a manager dashboard that evaluates managers across areas of performance, team, process, strategy, capacity and firm and develops watch statuses based on this analysis. Significant changes or weakness in any of these areas can be cause for termination.

ACCEPTANCE AND ADOPTION

The Board of the Commonwealth Savers Plan has approved and adopted this restated Statement of Investment Policy and Guidelines as of August 28, 2024.

[1] Measured over the latest 12 quarters available for review.

APPENDIX: BENCHMARKS & PEER GROUPS

The table below reflects target allocations as of July 1, 2024. Benchmarks are updated quarterly to reflect the allocation changes to the portfolios as a result of the quarterly asset allocation shift.

Portfolio	Category	Benchmark	Peer Group
84.00% Equity / 16.00% Fixed Income	Target Enrollment Portfolios	30.70% S&P 500 / 3.50% CRSP US Small Cap Index / 12.50% MSCI ACWI ex US / 12.50% MSCI EAFE / 9.20% MSCI Emerging Markets / 15.60% NCREIF NFI ODCE / MSCI US IM RE 25/50 / 4.80% Bloomberg Barclays U.S. High Yield Ba/B 1% Issuer Cap Index / 4.80% JP Morgan Emerging Bond Market Index Global Diversified / 2.70% Bloomberg Barclays U.S. Aggregate Float Adjusted / 3.70% iMoneyNet Taxable Index	NA
75.70% Equity / 24.30% Fixed Income	Target Enrollment Portfolios	28.00% S&P 500 / 3.20% CRSP US Small Cap Index / 11.50% MSCI ACWI ex US / 11.50% MSCI EAFE / 8.40% MSCI Emerging Markets / 13.10% NCREIF NFI ODCE / MSCI US IM RE 25/50 / 6% Bloomberg Barclays U.S. High Yield Ba/B 1% Issuer Cap Index / 6% JP Morgan Emerging Bond Market Index Global Diversified / 3.60% Bloomberg Barclays U.S. Aggregate Float Adjusted / 8.70% iMoneyNet Taxable Index	NA
64.80% Equity / 35.20% Fixed Income	Target Enrollment Portfolios	24.40% S&P 500 / 2.80% CRSP US Small Cap Index / 10.10% MSCI ACWI ex US / 10.10% MSCI EAFE / 7.20% MSCI Emerging Markets / 10.20% NCREIF NFI ODCE / MSCI US IM RE 25/50 / 7.70% Bloomberg Barclays U.S. High Yield Ba/B 1% Issuer Cap Index / 7.70% JP Morgan Emerging Bond Market Index Global Diversified / 4.70% Bloomberg Barclays U.S. Aggregate Float Adjusted / 15.10% iMoneyNet Taxable Index	NA
54.20% Equity / 45.80% Fixed Income	Target Enrollment Portfolios	20.60% S&P 500 / 2.40% CRSP US Small Cap Index / 8.50% MSCI ACWI ex US / 8.50% MSCI EAFE / 6.20% MSCI Emerging Markets / 8% NCREIF NFI ODCE / MSCI US IM RE 25/50 / 7.90% Bloomberg Barclays U.S. High Yield Ba/B 1% Issuer Cap Index / 7.90% JP Morgan Emerging Bond Market Index Global Diversified / 8.30% Bloomberg Barclays U.S. Aggregate Float Adjusted / 21.70% iMoneyNet Taxable Index	NA
40.00% Equity / 60.00% Fixed Income	Target Enrollment Portfolios	15.30% S&P 500 / 1.70% CRSP US Small Cap Index/ 6.30% MSCI ACWI ex US / 6.30% MSCI EAFE / 4.60% MSCI Emerging Markets / 5.80% NCREIF NFI ODCE / MSCI US IM RE 25/50 / 7.50% Bloomberg Barclays U.S. High Yield Ba/B 1% Issuer Cap Index / 7.50% JP Morgan Emerging Bond Market Index Global Diversified / 14.60% Bloomberg Barclays U.S. Aggregate Float Adjusted / 30.40% iMoneyNet Taxable Index	NA
19.00% Equity / 81.00% Fixed Income	Target Enrollment Portfolios	7.20% S&P 500 / 0.70% CRSP US Small Cap Index / 2.80% MSCI ACWI ex US / 2.80% MSCI EAFE / 2.20% MSCI Emerging Markets / 3.30% NCREIF NFI ODCE / MSCI US IM RE 25/50 / 7.50% Bloomberg Barclays U.S. High Yield Ba/B 1% Issuer Cap Index / 7.50% JP Morgan Emerging Bond Market Index Global Diversified / 19.60% Bloomberg Barclays U.S. Aggregate Float Adjusted / 46.40% iMoneyNet Taxable Index	NA
100% Fixed Income (Transition)	Target Enrollment Portfolios	5.70% Bloomberg Barclays U.S. High Yield Ba/B 1% Issuer Cap Index / 5.70% JP Morgan Emerging Bond Market Index Global Diversified / 15% Bloomberg Barclays U.S. Aggregate Float Adjusted / 73.60% iMoneyNet Taxable Index	NA
100% Fixed Income	Target Enrollment Portfolios	100% iMoneyNet Taxable Index	NA
100% Fixed Income (Stable Value)	Static, Single Asset Class Portfolio	100% iMoneyNet Taxable Index	NA

APPENDIX: BENCHMARKS & PEER GROUPS (CONTINUED)

Portfolio	Category	Benchmark	Peer Group
Conservative Portfolio	Static, Balanced	56% Bloomberg Barclays U.S. Aggregate Float Adjusted / 12% CRSP US Total Market / 8% FTSE Global All Cap ex US / 24% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped	NA
Moderate Portfolio	Static, Balanced	36% CRSP US Total Market / 28% Bloomberg Barclays U.S. Aggregate Float Adjusted / 12% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped / 24% FTSE Global All Cap ex US	NA
Aggressive Portfolio	Static, Balanced	48% CRSP US Total Market / 14% Bloomberg Barclays U.S. Aggregate Float Adjusted / 6% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped / 32% FTSE Global All Cap ex US	NA
Total Stock Index Portfolio	Static, Single Asset Class	CRSP US Total Market Index	NA
Total Bond Index Portfolio	Static, Single Asset Class	Bloomberg Barclays U.S. Aggregate Float Adjusted Index	NA
International Stock Index Portfolio	Static, Single Asset Class	FTSE Global All Cap ex US Index	NA
Inflation Protected Securities Portfolio	Static, Single Asset Class	Bloomberg Barclays Capital US Treasury Inflation Protected Index	NA
REIT Index Portfolio	Static, Single Asset Class	MSCI US Investable Market Real Estate 25/50 Index	NA
FDIC-Insured Savings Account	Static, Single Asset Class	Federal Reserve Bank of New York Overnight Bank Funding	NA
ESG Core Equity Portfolio	Static, Single Asset Class	S&P 500	NA
Global Equity Portfolio	Static, Equity	50% CRSP US Total Market / 20% MSCI ACWI ex US / 20% MSCI EAFE / 10% MSCI ACWI Small Cap	NA
Active Conservative Portfolio	Static, Balanced	8.6% S&P 500 / 0.90% CRSP US Small Cap Index/ 3.40% MSCI ACWI ex US / 3.40% MSCI EAFE / 2.60% MSCI Emerging Markets / 3.90% NCREIF NFI ODCE / MSCI US IM RE 25/50 / 7.50% Bloomberg Barclays U.S. High Yield Ba/B 1% Issuer Cap Index / 7.50% JP Morgan Emerging Bond Market Index Global Diversified / 19.40% Bloomberg Barclays U.S. Aggregate Float Adjusted / 42.80% iMoneyNet Taxable Index	NA
Active Moderate Portfolio	Static, Balanced	21.2% S&P 500 / 2.40% CRSP US Small Cap Index/ 8.70% MSCI ACWI ex US / 8.70% MSCI EAFE / 6.20% MSCI Emerging Markets / 8.40% NCREIF NFI ODCE / MSCI US IM RE 25/50 / 8.05% Bloomberg Barclays U.S. High Yield Ba/B 1% Issuer Cap Index / 8.05% JP Morgan Emerging Bond Market Index Global Diversified / 7.70% Bloomberg Barclays U.S. Aggregate Float Adjusted / 20.60% iMoneyNet Taxable Index	NA
Active Aggressive Portfolio	Static, Balanced	31.5% S&P 500 / 3.5% CRSP US Small Cap Index / 12.85% MSCI ACWI ex US / 12.85% MSCI EAFE / 9.3% MSCI Emerging Markets / 15.8% NCREIF NFI ODCE / MSCI US IM RE 25/50 / 4.6% Bloomberg Barclays U.S. High Yield Ba/B 1% Issuer Cap Index / 4.6% JP Morgan Emerging Bond Market Index Global Diversified / 2.5% Bloomberg Barclays U.S. Aggregate Float Adjusted / 2.5% iMoneyNet Taxable Index	NA

APPENDIX: BENCHMARKS & PEER GROUPS (CONTINUED)

Asset Class	Benchmark	Peer Group
Stable Value	iMoneyNet Taxable Index	Stable Value Funds
U.S. Core Fixed Income/Passively-Managed	Bloomberg Barclays U.S. Aggregate Float Adjusted Index	NA
U.S. Large Cap Equity/Passively-Managed	S&P 500 Index	NA
U.S. Small Cap Equity/Passively-Managed	CRSP US Small Cap Index	NA
Emerging Markets Debt/Actively-Managed	JP Morgan EMBI Global Diversified	Emerging Markets Debt Mutual Funds
Emerging Markets Equity/Actively-Managed	MSCI Emerging Markets Index	Emerging Markets Equity Mutual Funds
U.S. High Yield Fixed Income/Actively-Managed	Bloomberg Barclays U.S. High Yield Ba/B 1% Issuer Cap Index	U.S. High Yield Fixed Income Managers
Private Real Estate/Actively-Managed	NCREIF NFI ODCE / MSCI US IM RE 25/50	Private Real Estate
International Equity/Actively-Managed	MSCI ACWI ex US	International Equity Mutual Funds
Global Small Cap Equity	MSCI All Country World Small Cap Index	Global Small Cap Equity Mutual Funds

PURPOSE

The purpose of this Statement of Investment Policy and Guidelines ("Statement") is to identify a set of investment objectives, guidelines and performance standards for ABLEnow. This Statement represents the formal investment policy document for ABLEnow and is to be communicated to the investment managers for their use in developing an appropriate investment portfolio. This document will also be used by the Board as the basis for future investment management decisions, measurement, and evaluation of investment performance of ABLEnow.

This Statement will be reviewed at least annually by the Board to ensure that it is consistent with the investment needs of ABLEnow.

RESPONSIBILITIES

Standard of Care

Pursuant to § 23.1-706 of the Code of Virginia ("Code"), the Board, and any person, investment manager, or committee to whom the board delegates any of its investment authority, shall act as trustee and shall exercise the judgment of care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but to the permanent disposition of funds, considering the probable income and the probable safety of their capital.

Board

Pursuant to § 23.1-704 of the Code of Virginia ("Code"), the Board shall administer the Commonwealth Savers Plan ("Plan") and shall develop and implement a program for contributions to ABLE savings trust accounts established pursuant to this chapter on behalf of a qualified beneficiary in order to apply distributions from the account toward qualified disability expenses for an eligible individual, as both such terms are defined in § 529A of the Internal Revenue Code of 1986, as amended, or other applicable federal law. In addition, pursuant to § 23.1-704 of the Code, the Board shall invest moneys in the Plan in any instruments, obligations, securities, or property deemed appropriate by the Board.

The Board is authorized to delegate certain responsibilities to qualified agents to assist them in properly meeting the overall Board responsibilities as outlined above. Specifically, the Board relies on the advice, guidance and actions of Commonwealth Savers management ("Management"), the Investment Advisory Committee, third party administrator, investment managers, an investment consultant and legal counsel to perform various functions.

Management

Commonwealth Savers management, comprised of the Chief Executive Officer ("CEO") and such other senior officers as may be appointed by the CEO, shall implement decisions approved by the Board and/or Investment Advisory Committee. Management shall (i) appoint a third party administrator (ii) oversee the development, structure, evaluation and implementation of ABLEnow's strategic goals and objectives and (iii) with the assistance of the Investment Advisory Committee, and investment consultants, will direct and manage ABLEnow's assets and programs, and (iv) report periodically and as requested to the Board.

Investment Advisory Committee

According to § 23.1-702 of the Code, the Board of Commonwealth Savers Plan shall appoint an Investment Advisory Committee ("Committee"), the purpose of which is to assist the Board in fulfilling its fiduciary duty as trustee of the Plan and to assist Management in directing, managing, and administering Plan assets, and to provide the Board with sophisticated, objective and prudent investment advice and direction on all matters related to the management of investments, within the parameters set by the Statement, as it may be amended from time to time. While this Statement refers to the responsibilities and duties of the Board, some of these responsibilities and duties may be delegated to the Committee via the Committee Charter.

The Committee shall be comprised and administered in accordance with the Committee Charter, as it may be amended from time to time by the Board. The Committee is authorized to make decisions with regard to investment managers. The Committee is further authorized to take any additional action specifically authorized in other Board actions. Recommendations are not binding upon the Board.

The Committee shall report any action taken to the Board at the Board's next meeting.

ALLOWABLE INVESTMENTS

Pursuant to § 23.1-706 of the Code, as amended, the Board is authorized to acquire and retain every kind of property and any kind of investment, and to retain property properly acquired, without time limitation and without regard to its suitability for original purpose, specifically including but not limited to:

- Debentures and other corporate obligations of foreign or domestic corporations;
- Common or preferred stocks traded on foreign or domestic stock exchanges;
- Not less than all of the stock or 100 percent ownership of a corporation or other entity organized by the Board under the laws of the Commonwealth for the purpose of acquiring and retaining real property that the Board is authorized to acquire and retain;
- Unregistered securities, often referred to as letter stock or private placements, including limited partnerships and 144A securities;
- Securities of any open-end or closed-end management type investment company or investment trust registered under the federal Investment Company Act of 1940, as amended, including such investment companies or investment trusts which, in turn, invest in the securities of such investment companies or investment trusts. Also permitted are pooled investments, including collective trusts and similar commingled fund vehicles, which may be used as an alternative to a mutual fund investment;
- Bonds, notes or other obligations of the Commonwealth or its agencies and instrumentalities.

Commingled Funds, Collective Trusts and Mutual Funds

The guidelines in this Statement have been established to ensure that the investments of each investment manager are in keeping with the return and risk objectives of ABLEnow. However, in attempting to meet these objectives, it may be advantageous for a portion of portfolio assets to be placed in a pooled, commingled, collective trust, or mutual fund which may have specific restrictions, policies, or guidelines that conflict from time-to-time with those outlined in this Statement. The restrictions, policies and guidelines in the funds' prospectus or offering statement shall take precedence over those stated in this Statement.

INVESTMENT OPTION STRUCTURE

ABLEnow offers individual tax-advantaged Internal Revenue Code Section 529A disability savings accounts with a variety of investment options from which a participant may choose. The Board determines the investment options to be offered in ABLEnow. The risk of investment losses in ABLEnow accounts rests with the participant. The primary investment objectives of ABLEnow are to offer a set of investment options that:

- allow ABLEnow participants to build portfolios consistent with their desired investment risk and return;
- provide a risk profile consistent with its position in the overall structure; and
- are managed so as to implement the desired risk profile and other investment characteristics.

In seeking to achieve diversity among the investment options offered, ABLEnow has established certain criteria to determine the material differences in investment options. The following technical factors should be used to classify and differentiate potential investment options:

- A distinct definable market and the availability of a widely used and understood benchmark;
- A distinct risk and return profile as exhibited by historical return analysis; and
- Use of a distinct management style that is definable in terms of the investment strategies/methodologies utilized (e.g., passive versus active management, growth vs. value).

STATIC PASSIVELY-MANAGED BALANCED PORTFOLIOS

These balanced portfolios will be constructed based on the risk orientation of the individual investor rather than the investor's time horizon.

At a minimum, the following risk-based portfolios will be offered:

- Aggressive Growth (equity allocation greater than 70%)
- Moderate Growth (equity allocation between 40% and 70%)
- Conservative Income (equity allocation less than 40%)

MONEY MARKET PORTFOLIO

The money market portfolio seeks to provide current income and preserve the principal investment by maintaining a share price of $1. The portfolio invests in short-term money market instruments, which may include short-term securities issued by the U.S. government and its agencies and instrumentalities.

INVESTMENT MANAGER SELECTION, MONITORING AND TERMINATION

The Board reserves the right to add, delete or replace investment managers based upon inability to meet performance guidelines outlined in this policy or other factors affecting the continuing viability of the portfolio. **Either separately managed portfolios, commingled funds or mutual funds may be used in ABLEnow.** The Board has delegated to the Staff, principally the CEO and Investment Director, the authority to select, contract, hire, and terminate individual investment managers that satisfy the requirements of the Board approved investment lineup.

SELECTION – GENERAL CRITERIA

When selecting funds for ABLEnow, six broad categories should be considered including economies of scale, organizational strength, diversification, performance consistency, transparency and risk/reward. Managers should be of institutional quality based on metrics such as assets under management and offer reasonable fees compared to an appropriate peer group. Likewise, appropriate risk controls may be outlined in each investment manager agreement with respect to sector and industry weightings relative to benchmark. The strategy should be supported by qualified personnel with sufficient resources and have at least three years of verifiable investment performance. Returns versus benchmark and peer group should be competitive. Staff or managers may consider ESG issues when selecting certain investment strategies. Evaluation of strategies is not adjusted based on ESG factors and should be compared to the appropriate benchmark and universe for the asset class as stipulated in the Appendix. For avoidance of doubt, any incorporation of ESG factors into investment analysis must be done through a lens of being additive to pecuniary factors (risk and return). The Board is committed to seeking diversity in the ownership, management, and staffing of firms with which the Plan does business, including investment managers. Each firm's commitment to diversity shall be considered in evaluating potential investment managers, with the primary criteria remaining those outlined in this section, in accordance with the fiduciary obligations of the Board.

PERFORMANCE MONITORING

The Board shall periodically, but not less than quarterly, evaluate investment managers. Each actively-managed investment option will be measured against its benchmark and peer group for the measurement periods outlined below. The ability to meet the benchmark comparison on a net of fees basis will be a primary measure of performance. In addition to monitoring performance, consideration will be given to risk adjusted metrics.

Measurement Period	Benchmark Comparison	Peer Group Comparison
Multiple rolling 3-year periods	The total rate of return should exceed the return of the benchmark index over most rolling periods.[1]	The total rate of return should exceed the median return of the fund's peer group over most rolling periods.

For the managers that do not have a 3-year track record with ABLEnow, the manager's separate account composite or mutual fund performance will be used for evaluation. The manager may also be placed on watch within a lesser period if the strategy deviates from the universe and benchmark dramatically and in a manner that would not have been expected given the tracking error expectations of the strategy.

If the investment manager utilizes a passively-managed strategy, the portfolio will be monitored on its ability to successfully track the risk and return characteristics of the stated benchmark. Peer group performance will not be required for passive strategies.

[1] Measured over the latest 12 quarters available for review.

In addition to monitoring investment performance results, staff may periodically evaluate the investment managers on the basis of the following factors to ascertain whether they should continue to be utilized in ABLEnow:

- the stability and depth of the investment professionals responsible for the management of this strategy;
- the suitability of its investment approach for ABLEnow;
- its management fees; and
- any other measures staff deems useful and relevant.

Watch List Status & Termination

If an investment manager fails to meet the minimum standards of investment performance outlined in this document, staff has the discretion to place the manager on a watch list for up to one year. Staff maintains a manager dashboard that evaluates managers across areas of performance, team, process, strategy, capacity and firm and develops watch statuses based on this analysis. Significant changes or weakness in any of these areas can be cause for termination.

ACCEPTANCE AND ADOPTION

The Board of the Commonwealth Savers Plan has approved and adopted this restated Statement of Investment Policy and Guidelines as of August 28, 2024.

APPENDIX: BENCHMARKS

The table below outlines the target benchmarks for the ABLEnow portfolios.

Manager/Portfolio	Category	Benchmark
Conservative Income Portfolio	Static, Balanced	56% Bloomberg U.S. Aggregate Float Adjusted Index / 24% Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index / 12% CRSP US Total Market Index / 8% FTSE Global All Cap ex US Index
Moderate Growth Portfolio	Static, Balanced	36% CRSP US Total Market Index / 28% Bloomberg U.S. Aggregate Float Adjusted Index / 24% FTSE Global All Cap ex US Index / 12% Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index
Aggressive Growth Portfolio	Static, Balanced	48% CRSP US Total Market Index / 32% FTSE Global All Cap ex US Index / 14% Bloomberg U.S. Aggregate Float Adjusted Index / 6% Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index
Money Market Portfolio	Static, Balanced	Citigroup 3-Month Treasury Bill Index

PURPOSE

The purpose of this Statement of Investment Policy and Guidelines ("Statement") is to identify a set of investment objectives, guidelines and performance standards for the State-Facilitated Private Retirement Program ("Private Retirement Program"). This Statement represents the formal investment policy document for Private Retirement and is to be communicated to the investment managers for their use in developing an appropriateinvestment portfolio. This document will also be used by the Board as the basis for future investment management decisions, measurement, and evaluation of investment performance of the Private Retirement Program.

This Statement will be reviewed at least annually by the Board to ensure that it is consistent withthe investment needs of the Private Retirement Program.

RESPONSIBILITIES

Standard of Care

Pursuant to § 23.1-706 of the Code of Virginia ("Code"), the Board, and any person, investment manager, or committee to whom the board delegates any of its investment authority, shall act as trustee and shall exercise the judgment of care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but to the permanent disposition of funds, considering the probable income and the probable safety of their capital.

Board

Pursuant to § 23.1-701 of the Code of Virginia ("Code"), the Board shall administer the Commonwealth Savers Plan ("Plan") and shall develop and implement the Private Retirement Program as a state-facilitated IRA savings program for private-sector workers to promote greater voluntary retirement savings in a convenient and portable manner in accordance with this chapter. In addition, pursuant to § 23.1-704 of the Code, the Board shall invest moneys in the Plan in any instruments, obligations, securities, or property deemed appropriate by the Board.

The Board is authorized to delegate certain responsibilities to qualified agents to assist them in properly meeting the overall Board responsibilities as outlined above. Specifically, the Board relies on the advice, guidance and actions of Commonwealth Savers management ("Management"), the Investment Advisory Committee, an administrator, investment managers, an investment consultant and legal counsel to perform various functions.

Management

Commonwealth Savers management, comprised of the Chief Executive Officer ("CEO") and such other senior officers as may be appointed by the CEO, shall implement decisions approved by the Board and/or Investment Advisory Committee. Management shall (i) oversee the development, structure, evaluation and implementation of the Private Retirement Program's strategic goals and objectives and (ii) with the assistance of the Investment Advisory Committee, and investment consultants, will direct, manage and administer the Private Retirement Program's assets and programs, and (iii) report periodically and as requested to the Board.

Investment Advisory Committee

According to § 23.1-702 of the Code, the Board of Commonwealth Savers Plan shall appoint an Investment Advisory Committee ("Committee"), the purpose of which is to assist the Board in fulfilling its fiduciary duty as trustee of the Plan and to assist Management in directing, managing, and administering Plan assets, and to provide the Board with sophisticated, objective and prudent investment advice and direction on all matters related to the management of investments, within the parameters set by the Statement, as it may be amended from time to time. While this Statement refers to the responsibilities and duties of the Board, some of these responsibilities and duties may be delegated to the Committee via the Committee Charter.

The Committee shall be comprised and administered in accordance with the Committee Charter, as it may be amended from time to time by the Board. The Committee is authorized to make decisions with regard to investment managers. The Committee is further authorized to take any additional action specifically authorized in other Board actions. Recommendations are not binding upon the Board.

The Committee shall report any action taken to the Board at the Board's next meeting.

ALLOWABLE INVESTMENTS

Pursuant to § 23.1-706 of the Code, as amended, the Board is authorized to acquire and retain every kind of property and any kind of investment, and to retain property properly acquired, without time limitation and without regard to its suitability for original purpose, specifically including but not limited to:

- Debentures and other corporate obligations of foreign or domestic corporations;
- Common or preferred stocks traded on foreign or domestic stock exchanges;
- Not less than all of the stock or 100 percent ownership of a corporation or other entity organized by the Board under the laws of the Commonwealth for the purpose of acquiring and retaining real property that the Board is authorized to acquire and retain;
- Unregistered securities, often referred to as letter stock or private placements, including limited partnerships and 144A securities;
- Securities of any open-end or closed-end management type investment company or investment trust registered under the federal Investment Company Act of 1940, as amended, including such investment companies or investment trusts which, in turn, invest in the securities of such investment companies or investment trusts. Also permitted are pooled investments, including collective trusts and similar commingled fund vehicles, which may be used as an alternative to a mutual fund investment;
- Bonds, notes or other obligations of the Commonwealth or its agencies and instrumentalities.

Commingled Funds, Collective Trusts and Mutual Funds

The guidelines in this Statement have been established to ensure that the investments of each investment manager are in keeping with the return and risk objectives of the Private Retirement Program. However, in attempting to meet these objectives, it may be advantageous for a portion of portfolio assets to be placed in a pooled, commingled, collective trust, or mutual fund which may have specific restrictions, policies, or guidelines that conflict from time-to-time with those outlined in this Statement. The restrictions, policies and guidelines in the funds' prospectus or offering statement shall take precedence over those stated in this Statement.

INVESTMENT OPTION STRUCTURE

The Private Retirement Program will ensure that all Virginias have an easy way to save a portion of their pay in a professionally managed Individual Retirement Account (IRA) with a variety of investment options from which a participant may choose. The Board determines the investment options to be offered in the Private Retirement Program. The Private Retirement Program has no state residency requirements, no age limits, and is open year round. The risk of investment losses in the Private Retirement Program accounts rests with the participant. The primary investment objectives of the Private Retirement Program are to offer a set of investment options that:

- allow Private Retirement Program participants to build portfolios consistent with their desired investment risk and return;
- provide a risk profile consistent with its position in the overall structure; and
- are managed so as to implement the desired risk profile and other investment characteristics.

In seeking to achieve diversity among the investment options offered, RetirePath has established certain criteria to determine the material differences in investment options. The following technical factors should be used to classify and differentiate potential investment options:

- A distinct definable market and the availability of a widely used and understood benchmark;
- A distinct risk and return profile as exhibited by historical return analysis; and
- Use of a distinct management style that is definable in terms of the investment strategies/ methodologies utilized (e.g., passive versus active management, growth vs. value).

TARGET DATE PORTFOLIOS

Asset Allocation

Each target date portfolio is designed to take into consideration the account owner's age and investment time horizon or the number of years before funds are expected to be needed from the account for retirement.

The appropriateness of the asset allocation for each portfolio will be examined by the Board periodically. At a minimum, the portfolios will be diversified across the following asset classes:

- U.S. Equity
- International Equity
- Global Fixed Income

STATIC SINGLE ASSET CLASS PORTFOLIOS

These portfolios will be offered such that they along with other offerings, will provide sufficient investment options such that an investor/participant could construct a portfolio to meet their retirement savings goals based on the individual investor's risk orientation and time horizon.

MONEY MARKET PORTFOLIO

The money market portfolio seeks to provide current income and preserve the principal investment by maintaining a share price of $1. The portfolio invests in short-term money market instruments, which may include short-term securities issued by the U.S. government and its agencies and instrumentalities.

INVESTMENT MANAGER SELECTION, MONITORING AND TERMINATION

The Board reserves the right to hire, terminate or replace investment managers based upon inability to meet performance guidelines outlined in this policy or other factors affecting the continuing viability of the portfolio. The Board has delegated to the Staff, principally the CEO and Investment Director, the authority to select, contract, hire, and terminate individual investment managers that satisfy the requirements of the Board approved investment lineup.

SELECTION – GENERAL CRITERIA

When selecting funds for RetirePath, six broad categories should be considered including economies of scale, organizational strength, diversification, performance consistency, transparency and risk/reward. Managers should be of institutional quality based on metrics such as assets under management and offer reasonable fees compared to an appropriate peer group. Likewise, appropriate risk controls may be outlined in each investment manager agreement with respect to sector and industry weightings relative to benchmark. The strategy should be supported by qualified personnel with sufficient resources and have at least three years of verifiable investment performance. Returns versus benchmark and peer group should be competitive. Staff or managers may consider ESG issues when selecting certain investment strategies. Evaluation of strategies is not adjusted based on ESG factors and should be compared to the appropriate benchmark and universe for the asset class as stipulated in the Appendix. For avoidance of doubt, any incorporation of ESG factors into investment analysis must be done through a lens of being additive to pecuniary factors (risk and return). The Board is committed to seeking diversity in the ownership, management, and staffing of firms with which the Plan does business, including investment managers. Each firm's commitment to diversity shall be considered in evaluating potential investment managers, with the primary criteria remaining those outlined in this section, in accordance with the fiduciary obligations of the Board.

PERFORMANCE MONITORING

The Board shall periodically, but not less than quarterly, evaluate investment managers. Each actively-managed investment option will be measured against its benchmark and peer group for the measurement periods outlined below. The ability to meet the benchmark comparison on a net of fees basis will be a primary measure of performance. In addition to monitoring performance, consideration will be given to risk adjusted metrics.

Measurement Period	Benchmark Comparison	Peer Group Comparison
Multiple rolling 3-year periods	The total rate of return should exceed the return of the benchmark index over most rolling periods.[1]	The total rate of return should exceed the median return of the fund's peer group over most rolling periods.

For the managers that do not have a 3-year track record with the Private Retirement Program, the manager's separate account composite or mutual fund performance will be used for evaluation. The manager may also be placed on watch within a lesser period if the strategy deviates from the universe

[1] Measured over the latest 12 quarters available for review.

and benchmark dramatically and in a manner that would not have been expected given the tracking error expectations of the strategy.

If the investment manager utilizes a passively-managed strategy, the portfolio will be monitored on its ability to successfully track the risk and return characteristics of the stated benchmark. Peer group performance will not be required for passive strategies.

In addition to monitoring investment performance results, staff may periodically evaluate the investment managers on the basis of the following factors to ascertain whether they should continue to be utilized in the Private Retirement Program:

- the stability and depth of the investment professionals responsible for the management of this strategy;
- the suitability of its investment approach for the Private Retirement Program;
- its management fees; and
- any other measures staff deems useful and relevant.

Watch List Status & Termination

If an investment manager fails to meet the minimum standards of investment performance outlined in this document, staff has the discretion to place the manager on a watch list for up to a year. Staff maintains a manager dashboard that evaluates managers across areas of performance, team, process, strategy, capacity and firm and develops watch statuses based on this analysis. Significant changes or weakness in any of these areas can be cause for termination.

ACCEPTANCE AND ADOPTION

The Board of the Commonwealth Savers Plan has approved and adopted this restated Statement of Investment Policy and Guidelines as of August 28, 2024.

APPENDIX: BENCHMARKS

Manager/Portfolio	Category	Benchmark
Target Date Funds	Target Date Funds	Target Date Fund provider's custom benchmark
U.S. Aggregate Bond Index Portfolio	Static	Bloomberg Barclays US Aggregate Index
U.S. Stock Market Index Portfolio	Static	Russell 3000 Index
International Developed Markets Portfolio	Static	MSCI EAFE