
DECEMBER 18, 2025

**AGENDA ITEM 6
ACTION ITEM**

SCHOLARSHARE INVESTMENT BOARD

Annual Investment Review of ScholarShare 529

- *Asset Allocation Recommendation for 2026*
- *Sustainability Review*
- *Resolution to Approve Replacement of Nuveen Large Cap Responsible Equity Fund*

Recommendation

ScholarShare Investment Board (SIB or Board) staff recommends the Board approve Resolution No. 2025-11, authorizing the replacement of the Nuveen Large Cap Responsive Equity Fund (Nuveen Fund) with the Vanguard FTSE Social Index Fund (Vanguard Fund) within ScholarShare 529 (Plan).

Background

Asset Allocation Recommendation for 2026

Each year, the ScholarShare Investment Board (SIB or Board) and the program manager, TIAA-CREF Tuition Financing, Inc. (TFI), review the asset allocation of the investment portfolios for the Plan to determine if any changes are necessary to continue to meet its investment objectives.

TFI has provided its “Asset Allocation Recommendation for 2026” (Exhibit A), which highlights the analysis completed for their recommendation for no changes for 2026. Their asset allocation study for the Plan was completed with a primary focus on:

- Changes in Capital Market Assumptions
- Manager Implementation Analysis
- Enrollment Year Portfolio and Static Portfolio Construction
- Simulated Probability of Outpacing Tuition Inflation
- Continued Enhancement of Research Process
- Investment Research Topics

The Board’s investment consultant, Meketa Investment Group (Meketa), reviewed and analyzed TFI’s recommendation and provided its Annual Review memo (Exhibit B) accepting TFI’s recommendation of no changes to the Plan’s asset allocation for 2026. Within their analysis, Meketa included a review of the glidepath asset allocation and gap analysis, both outlined in the memo.

Sustainability Review

In its investment line-up, the Plan offers various portfolios that allocate investments to underlying funds that consider certain environmental, social, and governance (ESG) criteria in connection with the investments. The Plan's ESG portfolios include enrollment year portfolios and single-fund portfolios. Over the last year, during various Board meetings, an increase in public comments were received to facilitate discussion around the Plan's ESG portfolios, specifically consideration for the Plan to reduce its investments in fossil fuels. In May 2025, the Board reviewed information on the Plan's ESG portfolios, including highlights on the team and processes at Nuveen, strategies of each underlying fund, and portfolio asset allocation, as well as details about Nuveen's ESG guidelines, components, and considerations. In addition, at that meeting, the Board approved changes to the ScholarShare Statement of Investment Policy (Investment Policy) which included additional details and clarity on the Annual Review process and references to the Board's process for considering new investments. Over the last several months, as directed by SIB staff, Meketa and TFI conducted a review and research on sustainable investments which would fall under the Plan's ESG portfolio, including those that are fossil fuel free, as outlined in TFI's Exhibit A and Meketa's Sustainability Review presentation (Exhibit C).

Fund on Watch Status

As outlined in the information provided and specific to Agenda Item 5, the Nuveen Large Cap Responsive Equity Fund (Nuveen Fund) remains on watch status through third quarter 2025 pursuant to the Board's Monitoring Procedures and Criteria. As the Nuveen Fund has been on watch for an extended period, SIB staff directed Meketa to identify a shortlist of funds for the Board's consideration for potential replacement. As a result, Meketa worked closely with TFI to identify and review these funds which included those with fossil fuel free objectives, as outlined in TFI's Exhibit A and Meketa's Exhibit C. In its review, Meketa took into consideration various factors such as sustainability mandate, organizational stability, assets under management, performance, and fossil fuel free rating. With the identified candidates, Meketa reviewed additional metrics for comparison, including fees, performance and Morningstar rating, as summarized below.

Following a review and presentation of options for the Board's consideration, Meketa recommends proceeding with the option to replace the Nuveen Fund with the Vanguard Fund within the Plan's enrollment year portfolios and the single fund portfolio.

Furthermore, SIB reviewed TFI's and Meketa's analyses including the metrics for comparison in Meketa's review for the identified candidates as summarized in the table below, as well as the Board's options for moving forward, and concurs with Meketa's recommendation to proceed with the option to replace the Nuveen Fund with the Vanguard Fund.

Fund	Fossil Fuel Exposure < 1.0%	Fund AUM > \$1 B	Low Fee	Passive Index Fund	Medal Rated by Morningstar	Lowest Risk Strategy By Std Dev	Passes Watch Criteria
Vanguard FTSE Social Index	•	•	•	•	•		•
Calvert Equity	•	•				•	
Green Century Equity	•			•	•		•
Nuveen LC Responsive		•	•		•		

If approved by the Board, SIB staff will work with Meketa and TFI to implement this fund replacement process and the transfer of funds from the Nuveen Fund to the Vanguard Fund at an appropriate time or as market conditions permit as agreed upon by SIB staff, Meketa, and TFI. Updates on the implementation process will be provided at subsequent Board meetings.

Presenters

Jeremy Thiessen, Managing Director, Head of Investment Strategy,
TIAA-CREF Tuition Financing, Inc.

Jordan Jones, CFA, Director, TIAA-CREF Tuition Financing, Inc.

Aysun Kilic, Managing Principal / Consultant, Meketa Investment Group, Inc.

**SCHOLARSHARE INVESTMENT BOARD
RESOLUTION NO. 2025-11**

**RESOLUTION OF THE SCHOLARSHARE INVESTMENT BOARD
APPROVING THE REPLACEMENT OF THE
NUVEEN LARGE CAP RESPONSIBLE EQUITY FUND WITH
THE VANGUARD FTSE SOCIAL INDEX FUND
IN THE SCHOLARSHARE 529 PLAN**

WHEREAS, the ScholarShare Investment Board (“SIB” or the “Board”) was created under Education Code section 69980 et seq. (the “Golden State ScholarShare Trust Act” or “Act”);

WHEREAS, the Board has a fiduciary responsibility on behalf of the ScholarShare 529 (“Plan”) participants and beneficiaries to monitor the investment manager’s mutual funds and investment performance;

WHEREAS, the Board adopted the Golden State ScholarShare College Savings Trust Monitoring Procedures and Criteria (the “Procedures”) to provide guidelines for monitoring the investment manager’s mutual funds and investment performance as part of its fiduciary responsibility on behalf of the Plan participants and beneficiaries;

WHEREAS, at the April 16, 2024 SIB meeting, the Board approved changes to the Procedures reflecting revisions to the framework for monitoring underlying investments in the Plan and subsequently at the July 29, 2024 SIB meeting, the Board approved the placement of the Nuveen Large Cap Responsible Equity Fund (the “Nuveen Fund”) on watch status pursuant to the Procedures;

WHEREAS, the investment consultant (the “Consultant”) have reviewed and analyzed the investment performance of the portfolios and funds in the Plan through the end of third quarter 2025, and the Nuveen Fund continues to qualify for watch status pursuant to the Procedures;

WHEREAS, pursuant to the Procedures, the Board may replace underlying funds on watch status as part of its fiduciary responsibility to monitor and take corrective action, and the Consultant has provided its recommendation as outlined in its Sustainability Review presentation dated December 18, 2025; and

WHEREAS, SIB staff reviewed the Consultant’s research and analysis, which included comparison metrics, as well as its recommendation for the identified fund replacement candidates. SIB staff concurs with the Consultant’s recommendation to proceed with the option to replace the Nuveen Fund with the Vanguard FTSE Social Index Fund (the “Vanguard Fund”).

NOW, THEREFORE, BE IT RESOLVED, that the Board approves the replacement of the Nuveen Fund with the Vanguard Fund pursuant to the Procedures, and will work closely with the Consultant and Plan Manager to implement this process and the transfer of funds from the Nuveen Fund to the Vanguard Fund as promptly as possible in consideration of administrative timelines, including the permissibility of market conditions, which will be coordinated and agreed upon by SIB staff, the Consultant, and the Plan Manager.

BE IT FURTHER RESOLVED, that this Resolution becomes effective upon its adoption by the Board.

Attest: _____
Chairperson

Date of Adoption: _____