

# COMPREHENSIVE INVESTMENT PLAN STANLEY G. TATE FLORIDA PREPAID COLLEGE FOUNDATION

*Effective Date: December 2025*

## OVERVIEW

### **Stanley G. Tate Florida Prepaid College Foundation**

The Stanley G. Tate Florida Prepaid College Foundation is a nonprofit organization that supports the Florida Prepaid College Program by providing prepaid college tuition scholarships to low-income and at-risk students across the state. Established to expand access to higher education, the Foundation partners with businesses, community groups, and other nonprofits to fund scholarships, often matching donor contributions, to maximize impact. The Foundation collects and invests funds from donations, application fees, and interest income to cover administrative expenses.

Investments are made under the authority granted to the Foundation by the Florida Prepaid College Board and Section 1009.983, Florida Statutes.

### **Comprehensive Investment Plan (CIP)**

The Foundation has established this CIP, subject to approval by the Florida Prepaid College Board. The CIP for the Foundation specifies the investment policies to be used in its administration of the Foundation's programs.

### **Investment Guidelines**

In addition to the CIP, Investment Guidelines are also established and are provided in a separate document. Investment Guidelines shall be established by the Board of Directors of the Foundation and approved by the Florida Prepaid College Board and shall comply within the framework of the CIP.

Investment Guidelines more specifically set forth the investment options, allocations, and monitoring requirements. Investment Guidelines may be updated more or less frequently than the CIP.

### **Limitation on Use**

The CIP and Investment Guidelines are intended to guide the Foundation in their duty of administering the investment of the Foundation. These documents shall be available publicly to ensure transparency.

## GOVERNANCE

### **Florida Prepaid College Board (Prepaid Board)**

Pursuant to Section 1009.983, Florida Statutes, the Prepaid Board may authorize the Foundation to use board property, except money, and use facilities and personal services.

In addition, the Prepaid Board may invest funds of the Foundation which have been allocated for the purchase of advance payment contracts for scholarships with receipts for advance payment contracts.

### **Stanley G. Tate Florida Prepaid College Foundation (Foundation)**

The Foundation is a 501(c)(3) direct support organization of the Prepaid Board and was created pursuant to Section 1009.983, Florida Statutes. The Foundation administers the Florida Prepaid Tuition Scholarship Program, more commonly known as the Stanley G. Tate Project STARS [Scholarship Tuition

for At-Risk Students] (Project STARS), which provides economically disadvantaged youth with prepaid postsecondary tuition scholarships, pursuant to Section 1009.984, Florida Statutes.

### **Board of Directors of the Foundation (Foundation Board)**

Section 1009.983(5), Florida Statutes, establishes the Foundation Board.

The chair of the Prepaid Board, or his designee as permitted by law, shall serve on the Foundation Board. The chair and the Executive Director of the Prepaid Board shall jointly name, at a minimum, four other individuals to serve as directors of the organization.

Florida's "Sunshine Law" requires that Foundation Board members only discuss and make decisions affecting the investments in public meetings, ensuring process transparency and accountability.

## **ROLES AND RESPONSIBILITIES**

### **Prepaid Board**

The Prepaid Board has the authority and responsibility to:

- Approve the CIP, and any changes thereto, for the Foundation
- Respond to requests from the Foundation Board made in accordance with the provisions of the CIP
- Solicit proposals, to contract, subcontract, or amend contractual service agreements of the Prepaid Board for the benefit of the Foundation
- Offer a rate of return utilized by the Prepaid Board in relation to the Prepaid Program for assets invested with the Prepaid Board

### **Foundation Board**

The Foundation Board has the authority and responsibility to:

- Establish and maintain the CIP for the Foundation
- Request the Prepaid Board to solicit proposals, to contract or subcontract, or to amend contractual service agreements for the benefit of the Foundation
- Review the investment options and fees on a periodic basis
- Review periodically the performance of investment managers/investment options
- Ensure that investment policies are strictly followed and that investment procedures are in place and properly followed
- Utilize the services of a professional investment consultant for advice in the pursuit of investment objectives

### **Prepaid Board Staff**

The primary duties of the Board Staff are:

- Overseeing the investment lineup, performance, and fees for the Foundation
- Monitoring investment selection and performance to ensure Investment Managers conform with CIP and Investment Guidelines requirements, including the receipt of Investment Manager reports
- Engaging Investment Consultants, Custodian Banks, and Investment Managers to identify and draft investment policy and guideline enhancements
- Recommending enhancements to the CIP and Investment Guidelines
- Monitoring and advising about the impact on the Foundation's investment policies as a result of rules and guidance issued by regulatory agencies

- Performing the competitive procurement, and ongoing due diligence, of Investment Consultants, Custodian Banks, and Investment Managers
- Executing contracts and amendments and serving as the contract manager and primary point of contact for the competitively selected Investment Advisor, Consultants, Custodian Banks, and Investment Managers
- Reviewing the investment policies and guidelines, investment lineup, program structure, and fees for the Foundation
- Providing subject matter expertise for, and resolution of, policy questions, escalated matters, and changes to the Foundation

## **Consultants**

### Investment Consultant

The Investment Consultant advises the Foundation Board on portfolio design and structure, asset allocation, investment fees, and investment policy, including the contents of this CIP and the Investment Guidelines.

The Investment Consultant duties also include:

- Measuring investment performance results and advising the Foundation Board, at least annually, as to the performance and continued appropriateness of each Investment allocation and related Manager
- Providing sophisticated, objective, and prudent investment advice and direction on all matters related to the management of investments
- Advising the Foundation Board on investment management selection and termination decisions
- Guiding the Foundation Board in the monitoring and negotiation of competitive investment management fees

### Other 529 Industry Consultants

From time to time, the Foundation Board may employ other consultants for the following, but not limited to, services:

- Performing studies of industry best practices relating to investments
- Providing objective insight on key investment decisions such as asset allocations and investment option offerings

## **Investment Managers**

The Investment Managers shall invest assets with care, skill, prudence, and diligence. The Investment Managers shall evidence superior performance while maintaining strict compliance with all applicable provisions of law and may exercise discretion within the bounds of this CIP and the Investment Guidelines.

Pursuant to Section 1009.971(5)(d), Florida Statutes, the Investment Managers shall:

- Be limited to authorized insurers as defined in Section 624.09, banks as defined in Section 658.12, associations as defined in Section 665.012, authorized Securities and Exchange Commission investment advisers, and investment companies as defined in the Investment Company Act of 1940
- Have their principal place of business and corporate charter located and registered in the United States

## **Other Vendors**

### Custodian/Trustee

The Custodian/Trustee is responsible for the safekeeping of the investment assets by holding them in trust. These duties include:

- Receiving and validating instructions from Investment Managers to purchase and sell various securities
- Executing trades upon proper documentation and reconciliation
- Calculating the daily Net Asset Value of each investment option
- Performing the rebalancing of the static and age-based investment options as provided for in the Investment Guidelines

### Record Keeper

The Record Keeper performs the daily operational functions of the Prepaid Board's programs including receiving and disbursing participant funds, maintaining participant account balances, and customer service.

### Independent Auditor

The Independent Auditor performs an annual financial statement audit and presents the audited financial statements to the Foundation Board. In addition, they provide review services as requested.

### Bank

The Bank receives and disburses funds. In addition, the Bank provides other services such as wires, ACH processing, and fraud prevention. To ensure the protection of the funds on deposit, only qualified public depositories approved by the State's Chief Financial Officer shall be eligible to provide these services.

## **PROCUREMENT**

### **Competitive Procurement Requirement**

Pursuant to Section 1009.971, Florida Statutes, the Prepaid Board is required to solicit proposals and contracts for Investment Consultant, Trustee, and Investment Management services. These services are solicited through a competitive process pursuant to Section 287.057, Florida Statutes, and may result in more than one provider for each service.

### **Procurement Teams**

Procurement Teams shall be responsible for completing the procurement process and shall consist of Prepaid Board staff and/or other individuals that have a strong working knowledge of the requested service and shall be appointed by the Executive Director. Evaluation and Negotiation Teams are typically used for the process. The Executive Director is responsible for approving the final selection(s) of the Procurement Teams. Procurement Team members must certify that they are independent of each procurement respondent.

### **Procurement Strategy**

Unless otherwise approved by the Executive Director, Procurement Teams shall use the Invitation to Negotiate (ITN) process, as provided for in Section 287.057, Florida Statutes, to select vendors for the Foundation. The ITN is a multi-phase competitive procurement process. The phases include:

- Evaluation – Result in a shortlist of respondents to continue in the process.

- Negotiation – Results in a greater understanding of the shortlisted respondents, their proposed services and contractual terms.
- Recommendation of Award – The vendor(s) determined to provide the best value is recommended to the Executive Director for final approval.

### **Use of Prepaid Board Resources**

Evaluation and Negotiation Teams should consider information from the Investment Consultant in addition to the vendor responses. Information provided by the Investment Consultant will be based on the response to the solicitation and information possessed through its normal course of business.

The Evaluation and Negotiation Teams should also consult with the legal vendor throughout the procurement process to ensure compliance with Florida Statutes.

### **Selection**

Contract awards will be based on the respondent that provides the best value to the various programs. Best value will be based on all components of the response such as demonstrated ability to successfully perform the requested service, alignment with the overall strategy, and fees.

Final vendor selection is subject to the approval of the Prepaid Board's Executive Director.

## **CONFLICTS OF INTEREST**

The Foundation Board, its designees, and any service provider operating on behalf of the Foundation Board have a duty to avoid any actual, potential, or perceived material conflicts of interest in connection with investment decisions. No Board Member, designee, or service provider shall participate in, influence, or vote on any investment decision in which they have a material direct or indirect personal, professional, or financial interest.

Any actual, potential, or perceived material conflict of interest that may arise between the Foundation Board, its members, service providers, potential service providers, current or prospective investments, or any other related entities or transactions must be disclosed to the Foundation Board promptly upon identification and prior to any related deliberation or action.

## **INVESTMENT OBJECTIVE, STRATEGY, AND STANDARD OF CARE**

### **Investment Objective**

The principal objective of the Foundation is to give aspiring students the opportunity to build a better future for themselves by providing college scholarships funded through partnerships with individuals, businesses, educational foundations, and the Florida Legislature. The investment objective is to maximize earnings on investments within appropriate risk levels.

### **Investment Strategy**

The CIP has been structured in a way that allows flexibility in meeting potentially diverse investment needs of the Foundation's various funding sources and scholarship programs. As a result, the investment strategy for the Foundation is to provide a range of investment options that can meet these diverse investment needs.

### **Standard of Care and Evaluation of Investments**

It is the commitment of the Foundation Board to only invest in a manner that prioritizes the highest return on investments, within appropriate risk levels, without consideration for nonpecuniary beliefs or political factors:

- The evaluation of an investment decision related to these designed investment options must be based only on pecuniary factors. As used in this section, “pecuniary factor” means a factor that the Foundation Board prudently determines is expected to have a material effect on the risk and return of an investment based on appropriate investment horizons consistent with the designed investment option’s investment objectives. Pecuniary factors do not include the consideration of the furtherance of social, political, or ideological interests.
- The Foundation Board may not subordinate the interests of the designed investment options to other objectives and may not sacrifice investment return or take on additional investment risk to promote any non-pecuniary factors. The weight given to any pecuniary factor by the Foundation Board should appropriately reflect a prudent assessment of its impact on risk and returns.
- In the case of a conflict with this section and any other provision of Florida law, Florida law shall prevail.

### **Proxy Voting**

When deciding whether to exercise shareholder rights and when exercising such rights, including the voting of proxies, the Foundation Board:

- Must act prudently and solely in the interests of the Foundation
- May not subordinate the interests of the Foundation to other objectives and may not sacrifice investment return or take on additional investment risk to promote non-pecuniary factors.
- In the case of a conflict with this section and any other provision of Florida law, Florida law shall prevail.

## **AUTHORIZED INVESTMENTS**

The Foundation Board intends to offer investment options utilizing a diverse selection of authorized investments. Each investment option shall be assigned a benchmark in the Investment Guidelines. Investment Managers may invest in the securities of the specified benchmark as well as other authorized investments provided they comply with the Investment Guidelines and are consistent with the stated strategy.

### **Cash or Cash Equivalent**

- FDIC Funds
- 2a7 (actual or like) money market funds
- Stable value, guaranteed investment contracts, or similar investment products utilizing insurance-based wrappers or guarantees

### **Commingled Investment Funds**

- Commingled investment funds and mutual funds which are primarily invested in investment vehicles for the approved investment option’s benchmark

### **Prepaid Program’s Liability Driven Investment Program**

- The Foundation may invest funds in the liability-driven investment program administered by the Florida Prepaid College Board. Under this program, the Board credits the Foundation with a

quarterly return equal to the discount rate adopted by the Board for that quarter, as calculated by the Board's consulting actuary.

If the Prepaid Board utilizes the same investment option as the Foundation, then the Foundation will use the Prepaid Board's investment manager for that investment option unless the Prepaid Board approves otherwise in advance.

- Investment options, benchmarks, objectives and target allocations are set forth in the Investment Guidelines.

## **COMPLIANCE**

The Executive Director shall be responsible for ensuring that compliance with the CIP and Investment Guidelines is regularly monitored.

Each commingled account shall provide a current prospectus, outlining the pertinent information related to the fund such as investment objective, fees, and performance.

## **PERFORMANCE MEASUREMENT**

Official performance shall be calculated monthly, pursuant to the recommended guidelines of the CFA Institute, currently Global Investment Performance Standards (GIPS), where applicable, and in accordance with the Investment Guidelines.

## **REPORTING**

The Foundation Director shall report interest earnings quarterly to the Foundation Board. At the request of the Executive Director or Foundation Board, other investment matters can be presented such as, but not limited to, asset allocations and rebalancing.

## **ANNUAL REVIEW**

The Foundation Board shall conduct an annual review of the CIP and Investment Guidelines. The review shall be done in partnership with the Investment Consultant.

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# INVESTMENT GUIDELINES

## STANLEY G. TATE FLORIDA PREPAID COLLEGE FOUNDATION

*Effective Date: December 2025*

### OVERVIEW

The Stanley G. Tate Florida Prepaid College Foundation (Foundation) has established the following Investment Guidelines, subject to approval by the Florida Prepaid College Board (Prepaid Board), to support implementation of the objective and strategy set forth in the Comprehensive Investment Plan (CIP) for the Foundation.

#### Limitation on Use

The CIP and Investment Guidelines are intended to guide the Foundation Board in their duties of administering the investments. The CIP and Investment Guidelines should not be construed as investment advice.

### INVESTMENT OPTIONS AND BENCHMARKS

To meet the Foundation's investment strategy of providing a range of investment options that can meet the Foundation's diverse investment needs, the Foundation has selected the following investment options and related benchmarks:

Investment Option	Benchmark
Interest Earning Bank Account	Rate Set by Bank
Money Market	3-Month Treasury Bill
Prepaid Program's LDI Strategy	Rate determined by the Board's Actuary

### ASSET ALLOCATION TARGETS

The Foundation establishes target allocation ranges for the investment options. The actual allocations may fluctuate within the allowable ranges. The target allocation ranges are as follows:

Investment Option	Target	Investment Manager
Interest Earning Bank Account	Up to two months of annual operating budget	Truist
Money Market	Up to two months of annual operating budget	Florida PRIME
Prepaid Program's LDI Strategy	Funds not allocated to the Interest Earning Bank Account and Money Market	Florida Prepaid College Board

Actual allocations shall be reviewed at least quarterly and rebalanced as needed.



## INVESTMENT PERFORMANCE EVALUATION AND MONITORING

Investment Manager performance will be evaluated using the following metrics:

### **Interest Earning Bank Account:**

- Performance shall equal the bank rate.

### **Money Market Type Funds:**

- Performance, net of fees, shall exceed the applicable benchmark for the rolling 1 year period.

### **Prepaid Program:**

- Performance shall equal the actuarial calculated discount rate.

Several non-performance factors may prompt the Foundation to re-evaluate a manager's retention. Any of the following may warrant immediate termination or further review:

- Significant changes in firm ownership and/or structure
- Loss of one or more key personnel
- Significant loss of clients and/or assets under management
- Shifts in the firm's philosophy or process
- Significant and persistent lack of responsiveness to client requests

If an Investment Manager fails to meet any of these performance objectives, the Investment Consultant will review the situation and make a recommendation as to any action the Foundation and Board should take. Investment Managers serve at the pleasure of the Board and may be terminated or have their funds reduced at the Foundation's discretion due to any qualitative or quantitative factor listed or not listed above.

Additionally, the Board may terminate any investment manager or investment option available to the Foundation at any time.

## EXCEPTIONS TO INVESTMENT GUIDELINE REQUIREMENTS

Occasionally, in the day-to-day administration of the investments, events may occur that may require exceptions to Investment Guideline requirements. The Executive Director has the authority to grant exceptions to the Investment Guidelines provided the following:

- Does not violate the Comprehensive Investment Plan
- The exception is in the best interest of the Foundation
- Consideration has been given to transaction costs, market environments, and/or other pertinent information
- The exception is recommended by the Investment Consultant

Any exceptions granted must be presented to the Foundation Board at the next scheduled meeting.