

**Missouri Higher Education Savings Program
Minutes of the MOST Board Meeting**

State Capitol Building, Senate Committee Room 1
Jefferson City, MO
December 11, 2008

Item I: Call to Order

Chairperson Gaston called the meeting to order at 1:35 p.m.

Item II: Roll Call

MOST Board Members present were Doug Gaston (proxy for Sarah Steelman), Leroy Wade (proxy for Robert Stein), Rhonda Meyer (Proxy for Greg Steinhoff), Thomas Baumgardner, and Rep. Sally Faith.

State Treasurer's Office (STO) staff present were: Mark Mathers, Tommy Robbins and Denise Chapel.

Upromise/Vanguard Staff present were: Jeff Howkins, Alba Martinez, Stewart Duffield, Patricia Brady and Temeka Easter.

Item III: Approval of Minutes

Rep. Faith moved to approve the minutes from the previous Board meeting held on September 23, 2008. Mr. Baumgardner seconded the motion, and the motion passed unanimously.

Item IV: Review of Follow-up Items from Last Meeting

Ms. Brady reviewed information on the amount of rollovers into and out of the MOST Plan for 2007 and 2008 YTD. She also reviewed the memo provided on the number of active firms in the Advisor Plan. There were no questions.

Item V: Quarterly Report

The quarterly report was presented by Ms. Brady and Mr. Duffield. This included a summary of the MOST Direct and Advisor statistics through June 30, 2008. Due to the declines in the stock market, total assets in the plan actually declined in the third quarter. There was discussion regarding the average assets in the plan compared to national averages, the Spring 2008 direct mail campaign and changes to the programming of the MOST website.

Mr. Wade asked for a breakdown of the \$69 million in YTD withdrawals indicated on page 4 of the report and specifically how many withdrawals were qualified withdrawals. Rep. Faith also inquired how this compared to last year. Ms. Brady indicated that she would provide that information at the next Board meeting.

Mr. Baumgardner inquired whether any cost analysis had been done with regards to the third quarter direct marketing efforts. Mr. Howkins responded that Upromise would be making more rigorous efforts in the future in analyzing marketing strategies.

Item VI: Fund Performance Monitoring Report

Mr. Mathers reviewed the Watch status criteria and gave an overview of the current funds on WATCH status. There are currently five funds out of 21 total funds in the Advisor Plan on “WATCH” status. Mr. Mathers reported that the Van Kampen Comstock fund has been released from “WATCH” status but that Hartford Small Company fund has been placed on WATCH status. The following funds remain on WATCH status: Legg Mason Value, T. Rowe Price Growth, T. Rowe Price International Growth and Templeton Growth.

The meeting was adjourned.