TREASURY ANNOUNCES INITIAL TRUMP ACCOUNT INVESTMENT OPTIONS

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On July 1, 2026, the Treasury Department announced the investment options for initial Trump account contributions.

In the One Big Beautiful Bill Act (OBBBA), Congress imposed strict investment restrictions on Trump account contributions made before the year the child turns age 18 (i.e., during the "growth period"). Before that year, Trump accounts must be invested in an "eligible investment." An eligible investment is a low-cost mutual fund or exchange-traded fund (ETF) that tracks the S&P 500 index or any other "qualified index" comprised of stocks in primarily U.S. companies, and that does not use leverage.

The IRS has said that a mutual fund or ETF will be considered "low cost" if the sum of its annual fees and its annual expenses is less than 0.1% of the value of the fund's net assets. A "qualified index" does not include any industry or sector-specific index but may include an index based on market capitalization. Therefore, a mid-cap or small-cap U.S. stock fund or ETF would qualify. Under a safe-harbor rule, an index will be treated as comprised of "primarily" U.S. companies if those companies represent at least 90 percent of the index based on their weighting in the index.

The Treasury Department selected the State Street SPDR Portfolio S&P 500 ETF (SPYM) as the initial Trump account investment. According to the July 1 announcement: "The fund was selected to provide broad exposure to the U.S. stock market while maintaining expenses well below the statutory fee limitation."

The Treasury also said that in the coming months, parents will be able to allocate funds among four other options:

- *iShares Core S&P 500 ETF (IVV)*
- *Vanguard Total Stock Market ETF (VTI)*
- *State Street SPDR Portfolio S&P 1500 Composite Stock Market ETF (SPTM)*
- *iShares Core S&P Total U.S. Stock Market ETF (ITOT).*

If no investment is elected, SPYM will be the default investment.

At some point, parents (or other persons responsible for Trump accounts) also will be able to roll over funds to another approved custodian offering different investment options.