



**MINUTES
PUBLIC MEETING
April 19, 2023
3:00 p.m.
IGCS – Wabash Hall, Rooms 1 and 2**

I. Call to Order/Roll Call

State Auditor Tera Klutz called the meeting to order at 3:00 p.m. Committee members present were Mike Frick (Appointee, Treasurer of State), Joseph Habig (Appointee, Governor), and Nancy Marsh (Appointee, Board of Finance). Courtney Schaafsma, Emily Boesen, and Britton Stucker (Auditor of State); Mike Paton (Barnes & Thornburg, Counsel to the Committee and the Administrator); Kevin Mitchell, Michael Burkhart, and Mike Studebaker (Nationwide, Third-Party Administrator to the Plans); Sean Ball and Gregory Irving (Charles Schwab & Co., Inc.); and Tiffany Spudich and Susan Somers (Capital Cities, L.L.C., Investment Consultant to the Committee) were also present.

II. Live-Streaming Disclaimer

The meeting was live streamed. Ms. Somers, of Capital Cities, provided the live-streaming disclaimer.

III. Self-Directed Brokerage Account Discussion

Ms. Spudich provided a recap of the Self-Directed Brokerage Account Education presentation given to the Committee during the February meeting. Ms. Spudich highlighted the current investment menu and indicated that an additional investment tier, a Self-Directed Brokerage Account window, could be considered. Self-Directed Brokerage Accounts are designed for investment-savvy participants who are looking to invest outside of a Plan's investment menu.

Charles Schwab & Co., Inc. would serve as the Plans' Self-Directed Brokerage Account provider through Nationwide, if added to the Plans. Mr. Ball and Mr. Irving discussed Schwab's Personal Choice Retirement Account (PCRA) option, highlighting that Schwab currently has \$78 billion in Self-Directed Brokerage Account assets, with over 390,000 participants utilizing the service (totals represent Schwab and TD Ameritrade).

Schwab discussed how the PCRA complements a Plan's core investment menu; however, plan sponsors may elect to allow or restrict the following types of investments:

- Taxable Funds
- Tax-Exempt Mutual Funds
- Equities
- Publicly Traded Limited Partnerships
- Taxable Fixed Income
- Tax-Exempt Fixed Income
- Foreign Securities (not ADRs)
- Options/Contracts
- Leveraged/Inverse Exchange Traded Funds

Schwab provided an overview of each potential investment restriction. In addition, Schwab and Nationwide gave statistics regarding the restrictions other plan sponsors have made.

Self-Directed Brokerage Account fees were also discussed with the Committee. Schwab offers \$0 commissions for all listed ETFs, stocks and base options on the U.S. exchanges and across all mobile, automated phone and web trading channels, along with thousands of mutual funds without transaction fees. Transaction fee mutual funds have a charge of \$49.95 for the buy side only. Trades placed with a Schwab representative or a financial advisor will incur additional fees.

Schwab discussed their reporting, fee disclosures and dedicated staff who would support the State of Indiana. An overview on marketing and communications support was also provided. In addition, Schwab gave a demonstration of their website and the participant experience, highlighting resources for participants, including account holdings and activity, research options, and trading.

The Committee will review the information provided and discuss the service at the next meeting.

IV. Adjournment

With no further business before the Committee, the meeting was adjourned at 4:33 p.m. The next quarterly meeting is scheduled for Thursday, May 11, 2023, at 9:00 a.m.