


Permissible Investments

AND THE INDIANA CODE



Office of the Indiana
Treasurer of State

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LEGAL ASPECTS OF PUBLIC INVESTING

Goals for investment of public funds:		
Safety, Liquidity and Yield	Diversification of Investments	Legally eligible investments that comply with the Indiana Code (IC 5-13 et. Seq)

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INDIANA CODE 5-13: INVESTMENT OF PUBLIC FUNDS

- Chapter 4: Definitions
- Chapter 7: Local Boards of Finance
- Chapter 8: Designation of Depositories
- Chapter 9: Deposit and Investment Powers
- Chapter 11: Investment Cash Management System

3

PDIF INSURED ACCOUNTS

Make sure your deposits are PDIF insured
<ul style="list-style-type: none">▪ Are they Public Funds? (IC 5-13-4-20)<ul style="list-style-type: none">▪ Fees and funds in the possession of a "Public Officer" by virtue of that office.<ul style="list-style-type: none">▪ Public Officer defined in IC 5-13-4-21▪ Is the financial institution an approved depository? www.in.gov/tos/deposit/files/approveddepositories.pdf
PDIF covers losses <u>above</u> FDIC limits
<ul style="list-style-type: none">▪ FDIC coverage of \$250,000 per depositor

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HOW TO MAXIMIZE YOUR FDIC INSURANCE COVERAGE

See IC 5-13-9-5.3

- Needs authorization by the board of county commissioners, or fiscal body of each political subdivision to invest in these interest bearing deposit accounts. Examples of this product are Certificate of Deposit Registry Service (CDARS) or Insured Cash Sweeps (ICS)
- Funds initially invested through an approved depository that is a participating depository in the CDARS or ICS programs
- Funds placed in a CDARS or ICS depository are then exchanged with other participating depositories via reciprocating agreements in lots up to \$250,000 to maximize FDIC coverage
- Public funds invested in this manner are not subject to any collateral requirements

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AUTHORIZED BANK PRODUCTS (DEPOSIT ACCOUNTS)

See IC 5-13-4-7

- DDA Checking Accounts
- Negotiable order of withdrawal (NOW) accounts
- Passbook savings accounts
- Certificates of Deposits (CDs)
- Money Market Accounts
- Any interest bearing account that is authorized and offered by a financial institution in the course of its respective business

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TRANSACTION ACCOUNTS:
Any deposit account other than a certificate of deposit
See IC 5-13-4-24

- | Special rules for political subdivisions |
|--|
| <ul style="list-style-type: none"> ▪ See IC 5-13-9-4(a) ▪ Must establish transaction accounts in depositories with branches within political boundaries, subject to restrictions in IC 5-13-8-9(a) through IC 5-13-8-9(e). ▪ Exception for political subdivisions that cross county lines or those without a depository within its boundaries (or only one), or if no depository will offer a transaction account |

Does not apply to county hospitals

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CERTIFICATE OF DEPOSIT REQUIRED PROCEDURES

See IC 5-13-9-

- | ^{4(b)} Every investing officer must obtain 3 quotes on the specific rate of interest for the term of the certificate of deposit |
|--|
| <ul style="list-style-type: none"> ▪ The quote may be taken by phone ▪ The quote must be recorded in a memorandum ▪ The quote must be retained as a public record ▪ If the deposit is not placed in the institution quoting the highest rate, the fiscal officer must note the reason why ▪ Can invest in CDs from any depository on state's approved list if county commissioners or political subdivision's fiscal body passes resolution authorizing it (expires on a date no later than one year after ordinance or resolution is adopted) See IC 5-13-9-5 (a) |

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MONEY MARKET MUTUAL FUNDS

See IC 5-13-9-2.5

Money Market Mutual Fund requirements:

- Must be rated AAA, or its equivalent, by Standard & Poors or Aaa, or its equivalent, by Moody's
- Portfolio of direct obligations of the United States Treasury or other obligations issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise or repurchase agreements with collateral of similar eligible securities.
- Must be purchased through an institution on the state's approved depository list
- Considered to have a final stated maturity of one day

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INVESTMENTS IN ELIGIBLE SECURITIES

See IC 5-13-9-2

Securities backed by the full faith and credit of the United States Treasury or fully guaranteed and issued by any of the following:

- The United State's Treasury (Notes and t-bills)
- Federal agency
- Federal Instrumentality
- Federal government sponsored enterprise (Federal Home Loan Bank)
- Certain municipal securities - **See IC 5-13-9-2 (a)(3)**

Other eligible securities

- Securities issued, assured, or guaranteed by the IBRD or African Development Bank – See IC 5-13-9-3.3

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SECURITIES – CRITICAL CRITERIA

- Use of a broker-dealer that is SEC licensed;
<https://www.finra.org/>
- Use of a custodial bank that is on the state's approved depository list or has combined capital and surplus of at least \$10 million
- Securities may have a maximum maturity of 2 years unless authorized (up to 5 years) by a properly adopted investment policy under 5-13-9-5.7

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REPURCHASE AGREEMENTS

See IC 5-13-9-3

- An agreement involving the purchase and guaranteed resale of securities
- Can be a one time commitment or an ongoing commitment
- Must have a final stated maturity of one day (overnight), rate renewed each day
- Must be fully collateralized; daily determination
- Must be made through a depository on the state's approved depository list

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LOCAL GOVERNMENT INVESTMENT POOL

See IC 5-13-9-11

- Established within the office and custody of the treasurer of state
- An officer may pay any funds held by the officer into the investment pool for the purpose of deposit, investment, and reinvestment of the funds by the Treasurer of State on behalf of the unit of government paying the funds into the investment pool

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POLITICAL SUBDIVISION INVESTMENT POLICY

See IC 5-13-9-5.7

- | |
|--|
| The fiscal body of a subdivision may adopt an investment policy authorizing the investment of public funds of the political subdivision for more than 2 years and not more than five years. |
| The policy must: |
| <ul style="list-style-type: none"> ▪ Be in writing ▪ Be adopted at a public meeting ▪ Provide for investment of public funds with the approval of the investment officer ▪ Provide that the investments must be made in accordance with this article ▪ Limit the total investments outstanding under this section to not more than 25% of the total portfolio of public funds invested by the political subdivision including balances in transaction accounts AND ▪ State a date on which the policy expires, which may not exceed four years ▪ An investing officer may contract with an investment advisor or other institutional money manager to make investments under this section |

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INVESTMENT CASH MANAGEMENT SYSTEM

See IC 5-13-11

County Board of Finance or the fiscal body for any other political subdivision and the investing officer of a political subdivision may contract with a depository for the operation of an investment cash management system

The contract must:

1. Be in writing;
2. Provide for the investment of funds by the depository with the approval of the investing officer;
3. Provide that the depository keep those records concerning the cash management system that would be required by the state board of accounts;
4. Provide that investments will be made in accordance with this article;
5. Provide that the depository may invest funds in the same investments and for the same terms as the treasurer of state may invest under this article;
6. Not have a term of more than two years;
7. Be awarded under the bidding provisions of IC 5-22.

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PERMISSIBLE INVESTMENTS SUMMARY

An officer designated in IC 5-13-9-1 may invest any funds held by the officer in and of the following:

1. Transactions accounts, Certificate of Deposits accounts C 5-13-9-4 and IC 5-13-9-5;
2. Interest bearing deposit accounts with full FDIC coverage: IC 5-13-9-5.3;
3. United States Treasuries: IC 5-13-9-2(a)(1);
4. Federal agencies, instrumentalities, or government sponsored enterprises (GSE's): IC 5-13-9-2(a)(1) and (2);
5. Supranational issuers - IBRD and African Development Bank: IC 5-13-9-3.3;
6. Municipal securities issued by an Indiana entity that has not defaulted in the preceding 20 years from the date of purchase with a final stated maturity of not more than 10 years: IC 5-13-9-2(a)(3);

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PERMISSIBLE INVESTMENTS SUMMARY

An officer designated in IC 5-13-9-1 may invest any funds held by the officer in and of the following:

- 7. Money market mutual funds, purchased through an approved depository, that are AAA rated with a portfolio limited to obligations of the U.S. Government and U.S. agencies, instrumentalities, and GSE's, and/or repurchase agreements fully collateralized with these like securities: IC 5-13-9-2.5;
- 8. Repurchase agreements, entered into with an approved depository, for the purchase and resale of any obligation issued by U.S., or a U.S. agency, instrumentality, or GSE: IC 5-13-9-3;
- 9. Local government investment pool: IC 5-13-9-11;
- 10. Investment Cash Management System: IC 5-13-11

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QUESTIONS OR COMMENTS

Mike Frick
Deputy Treasurer

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200 W. Washington St., 242
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317-232-0140

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www.in.gov/tos/

Portfolio Manager
Chief Deputy Treasurer



Office of the Indiana
Treasurer of State

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Banking Services



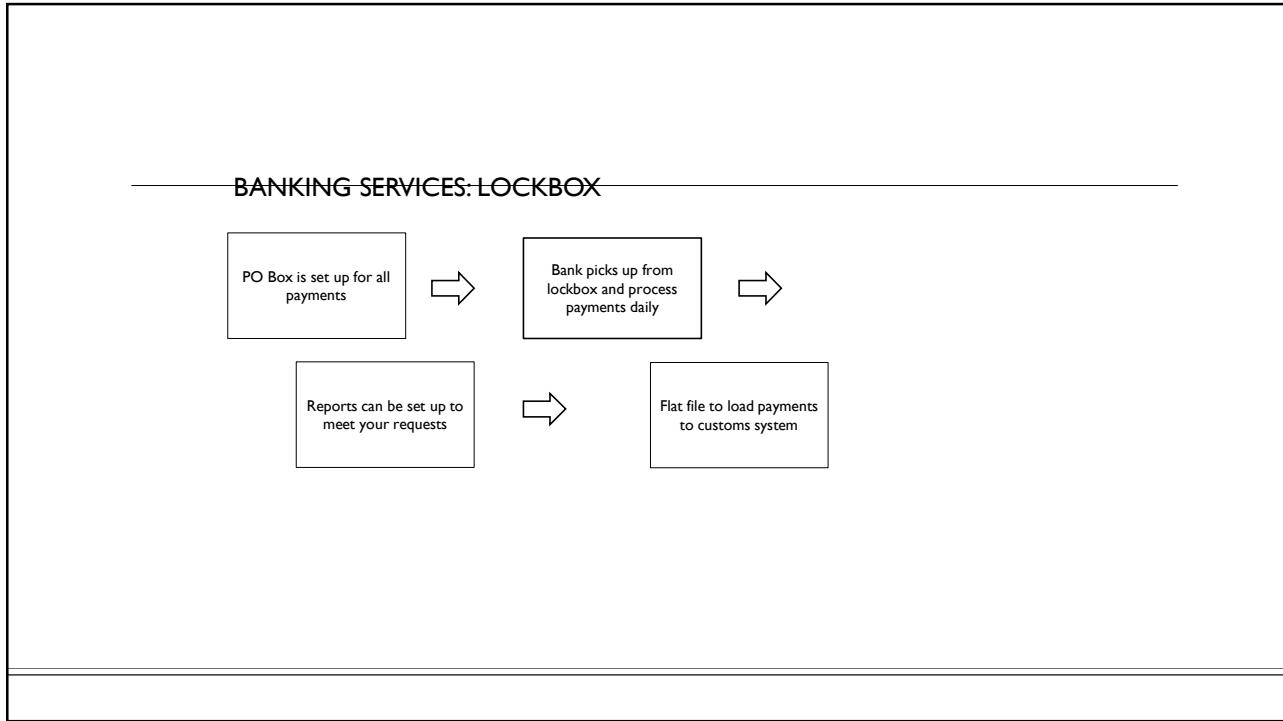
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Treasurer of State

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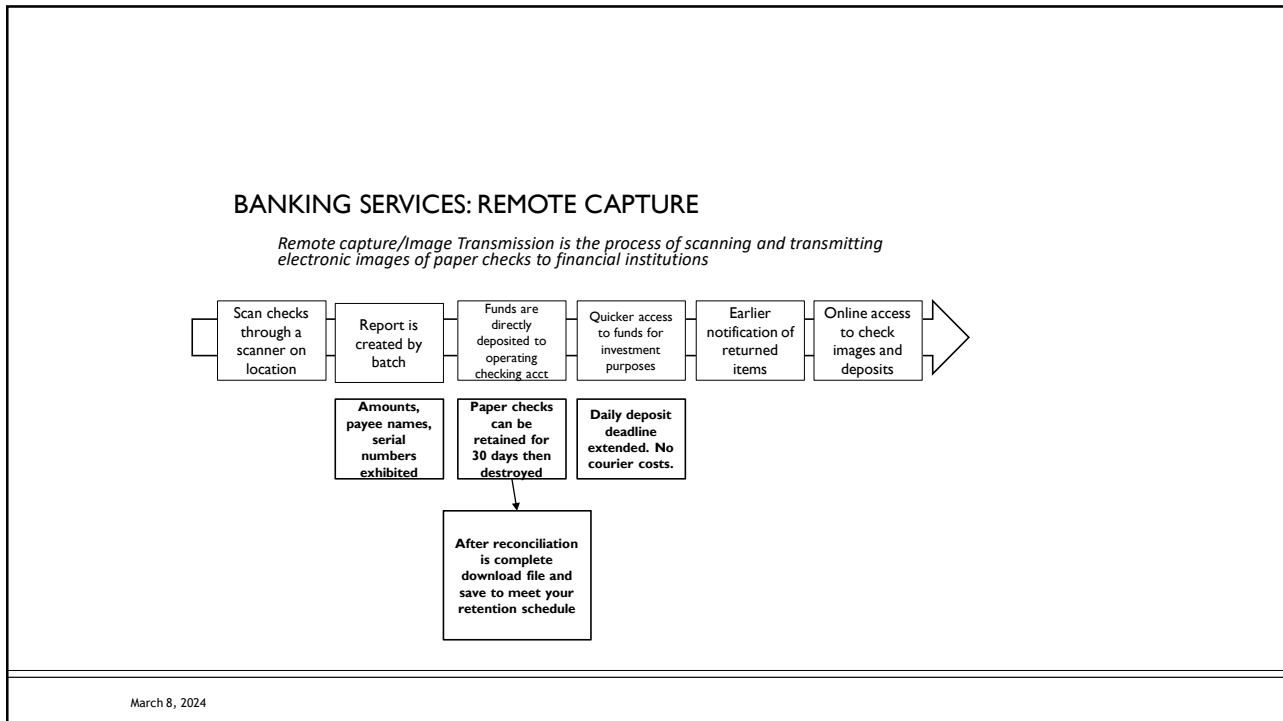
BANKING SERVICES & TREASURY MANAGEMENT

- Questions on banking services:
 - Deposit accounts
 - Lockbox
 - Remote capture
 - Positive pay
 - ACH and wire transfers
 - Charge Cards processing
 - E-Check payments
 - Direct deposit
- Suggestions on improving the processing of revenue or payments. Ways to decrease bank fees. Possibly earn interest on checking accounts to help offset fees.
- General operation questions both for accounts receivable and accounts payable.
- Contact Kim Logan at 317-233-0921 or email Klogan@tos.in.gov

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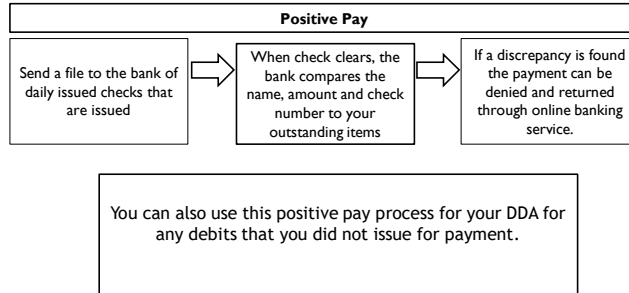
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March 8, 2024

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BANKING SERVICES: POSITIVE PAY FOR ISSUED CHECKS



March 8, 2024

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BANKING SERVICE: CHARGE CARD PROCESSING

Is an accepted form of payment for any local unit of government and can use State of Indiana's current contract to process charge cards

Contact:
 Michael White
 Deputy CTO
 IN.Gov Program and Payment Processing
 Phone: 317-649-5872
 Email: MWhite@l@iot.in.gov

Local units of government can also use WEX card, T-card and P-card services under the State of Indiana's current contract.

Contact:
 Team Lead – Vendor Contract Manager
 Indiana Department of Administration
 Indiana Government Center South
 402 W.Washington St., RM W468

March 8, 2024

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QUESTIONS OR COMMENTS

Kim Logan
Deputy Treasurer Of Operations

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Klogan@tos.in.gov
www.in.gov/tos/

Treasury management , Banking
products and services, or general
operational questions.



Office of the Indiana
Treasurer of State



Investing for Indiana Local Units of Government


DISCLOSURE

This presentation is for informational purposes only. All information is assumed to be correct, but the accuracy has not been confirmed and therefore is not guaranteed to be correct. Information is obtained from third party sources that may or may not be verified. The information presented should not be used in making any investment decisions and is not a recommendation to buy, sell, implement, or change any securities or investment strategy, function, or process. Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. All comments and discussion presented are purely based on opinion and assumptions, not fact. These assumptions may or may not be correct based on foreseen and unforeseen events. All calculations and results presented are for discussion purposes only and should not be used for making calculations and/or decisions. The data in this presentation is unaudited.

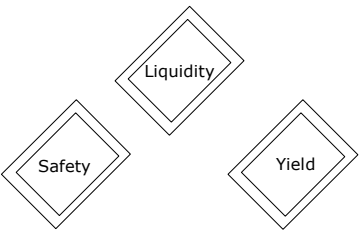

Performance results for TrustINDiana are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. NYCLASS is not a bank. An investment in TrustINDiana is not insured by the Federal Deposit Insurance Corporation or any other government agency. Although TrustINDiana seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. Please review the TrustINDiana Information Statement before making an investment decision. **Past performance is not an indicator of future performance or results. Any financial and/or investment decision may incur losses.**

The benchmark, the S&P US AAA & AA Rated GIP All 30 Day Net Yield (LGIP30D) is a performance indicator of rated GIPs that maintain a stable net asset value of \$1.00 per share and is an unmanaged market index representative of the LGIP universe. The S&P benchmark utilized in this comparison is a composite of all rated stable net asset value pools. GIPs in the index include only those rated based on S&P's money market criteria. Pools rated 'AAAm' provide excellent safety and a superior capacity to maintain principal value while those rated 'AAm' offer very good safety and a strong capacity to maintain principal value (Source: [S&P Global Ratings](#)). The comparison between this index and the portfolio may differ in holdings, duration, fees, and percentage composition of each holding. Such differences may account for variances in yield. An investor cannot invest directly in an index.

Calculation methodology for the LGIP30D is the monthly average of the each week's seven day average rate as provided by Bloomberg.


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<h3 style="margin-top: 0;">PURPOSE</h3> <p>The purpose of TrustINDiana is to provide Indiana local units of government with a convenient, short-term investment opportunity designed to optimize dividend earnings while striving to maximize safety and liquidity.</p> <p style="text-align: center; margin-top: 20px;">TrustINDiana was created by and for Indiana local units of government.</p> <p style="font-size: small; margin-top: 20px;">Please refer to the disclosure slide for additional information regarding this presentation.</p>	<h3 style="margin-top: 0;">STRUCTURE</h3> <p>Authorized by General Assembly's passage of Indiana Code 5-13-9-11(b), the State of Indiana created the TrustINDiana local government investment pool within the office and custody of the Indiana Treasurer of State.</p> <div style="text-align: center; margin-top: 20px;">  </div>
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INDIANA TREASURER OF STATE


TrustINDiana is overseen by the Indiana Treasurer of State. The Office of the State Treasurer administers the affairs of TrustINDiana, entering into contracts and agreements on behalf of the program.




Daniel Elliott
Indiana Treasurer of State




Mike Frick
Chief Deputy Treasurer & Portfolio Manager




Duane Jasheway
Assistant Portfolio Manager



Cindy Burres Barger
Director of TrustINDiana



As of December 31, 2023. Please refer to the disclosure slide for additional information regarding this presentation.



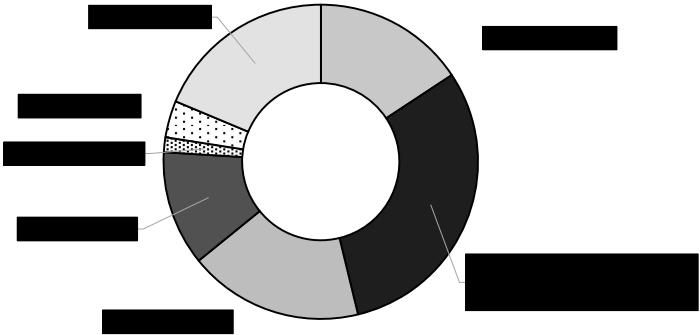
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PARTICIPANT BREAKDOWN


Participant Breakdown by Balance



Source: Public Trust Advisors, LLC. Data as of December 31, 2023 and is unaudited. Charts may not equal 100% due to rounding. Please refer to the disclosure slide for additional information regarding this presentation.

TrustINDiana Participants

-
- Serving 557
Indiana Local
Governments
- 88**
Counties
- 164**
Municipalities
- 147**
School Districts
- 53**
Libraries
- 43**
Townships
- 60**
Other Entities



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PORTFOLIO FEATURES

Features	TrustINDiana
Portfolio Type	✓ Prime-style fund
Purpose	✓ Short-term liquidity
Liquidity Offered	✓ Daily
Minimum Investment	✓ None
Withdrawals	✓ Unlimited
Accounts	✓ Unlimited
Dividends	✓ Applied Daily
WAM	✓ ≤ 60 Days
Net Asset Value (NAV)	✓ Stable \$1.00 per share

Please refer to the disclosure slide for additional information regarding this presentation. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. TrustINDiana is not a bank. An investment in TrustINDiana is not insured by the Federal Deposit Insurance Corporation or any other government agency. Although TrustINDiana seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. Please review the TrustINDiana Information Statement before making an investment decision. For risks associated with investing in prime-style local government investment pool, please visit www.wyomingclass.com/rates-disclaimer/.

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SAMPLE PORTFOLIO COMPOSITION

More than **50%** of the portfolio is deposited in Indiana banks in accordance with Indiana Code 5-13-9-11.

Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.
Source: Public Trust Advisors. *As of December 31, 2023. Please refer to the disclosure slide for additional information regarding this presentation.

Trust

Investment strategy based on Indiana Statutes and TrustINDiana Investment Policy.

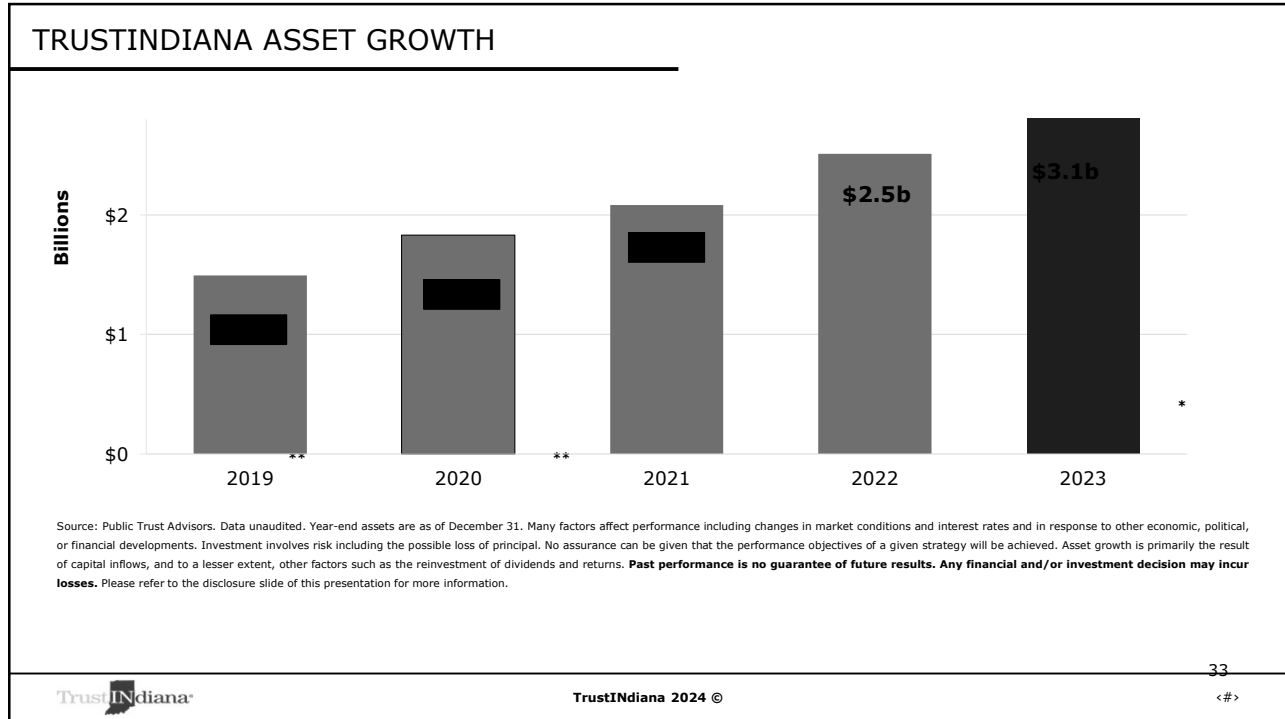
The TrustINDiana portfolio is marked-to-market daily and seeks to maintain a stable NAV of \$1.00 per share.

Total Assets*

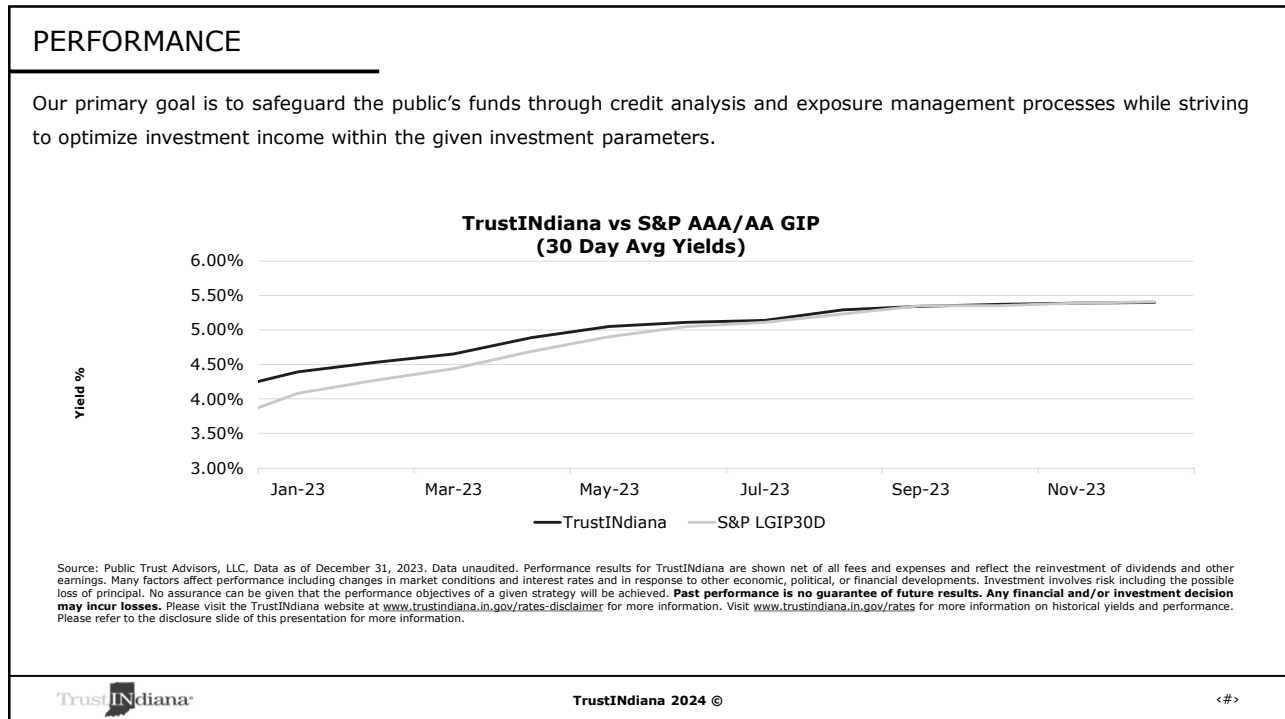
Total Assets
\$3.09 billion*

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PERFORMANCE

2023 TrustINDiana Average Monthly Yields					
Dec.	2023	5.3972%	Jun.	2023	5.1084%
Nov.	2023	5.3902%	May	2023	5.0476%
Oct.	2023	5.3669%	Apr.	2023	4.8860%
Sep.	2023	5.3439%	Mar.	2023	4.6472%
Aug.	2023	5.2909%	Feb.	2023	4.5427%
Jul.	2023	5.1409%	Jan.	2023	4.3873%

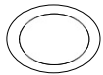
Annualized Performance as of December 31, 2023	
Inception Date	05/01/2015
1 Year	5.3015%
3 Years	2.2653%
5 Years	1.9083%
10 Years	N/A
Since Inception	1.4901%

Benchmark: ICE BofA US 3 Month Treasury Index as of December 31, 2023	
1 Year	5.0155%
3 Years	2.1518%
5 Years	1.8789%
10 Years	1.2508%

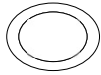
Source: Public Trust Advisors. Performance results for TrustINDiana are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. The ICE BofA ML 3-Month T-Bill Index is an unmanaged index that measures the returns of three-month U.S. Treasury Bills. Investors cannot purchase the index directly. Fees will reduce returns. Returns for periods greater than 1 year are annualized. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.** Please visit the TrustINDiana website at www.trustindiana.in.gov/rates-disclaimer for more information. Visit www.trustindiana.in.gov/rates for more information on historical yields and performance. Please refer to the disclosure slide of this presentation for more information.

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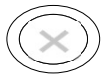
PARTICIPANT BENEFITS



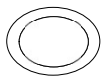
Dividends accrue and pay daily, not monthly



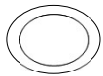
Same-day liquidity (2:00 p.m. ET wire cut-off)



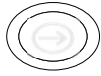
No transaction fees, no minimum investment*



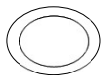
Competitive daily yields and unlimited transactions



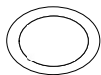
Dual authorization available on transactions



Direct investment of state payments



Professional credit research team



Professionally managed portfolio

*You may incur fees associated with wires and/or ACH transactions by your bank, but there will be no fees charged from TrustINDiana for such transactions. TrustINDiana is not a bank. An investment in TrustINDiana is not insured by the Federal Deposit Insurance Corporation or any other government agency. Although TrustINDiana seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. Please review the TrustINDiana Information Statement before making an investment decision. Please refer to the disclosure slide for additional information regarding this presentation.

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PORTAL BENEFITS

Transparent Reporting


- Monthly statements (by end of first business day)
- Transaction confirmations
- On-demand reports

Built for Ease-of-Use


- Contributions/redemptions
- Future-dated (up to 1 year)
- Participant-to-participant transfers

24/7 Online Access

- Historical fund information & balances
- Add/remove contacts
- Add/remove bank details



Please refer to the disclosure slide for additional information regarding this presentation.


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YOUR RESOURCES

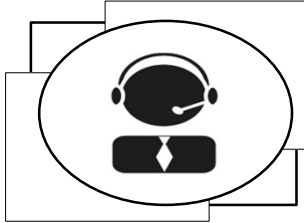
Our team is available online, via email, and over the phone to help with any questions you may have. For example, we can help with:


- 1 New accounts
- 2 Adding subaccounts
- 3 Changes to existing accounts


TrustINDiana Client Services Hours of Operation:
Monday – Friday 8:00 a.m. – 5:00 p.m. ET


Daily Cut-Off Time for Transactions:
2:00 p.m. ET


Please refer to the disclosure slide of this presentation for more information.





(888) 860-6242


www.trustindiana.in.gov/client-services/


clientservices@trustindiana.in.gov


717 17th St. Suite 1850
Denver, CO 80202


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HOW TO JOIN

Enrolling in TrustINDiana is simple. Visit the www.trustindiana.in.gov/document-center to download the enrollment documentation needed.

- 1 Read the TrustINDiana Information Statement.
- 2 Complete the TrustINDiana Account Registration Form.
- 3 Submit the TrustINDiana Account Registration Form to the TrustINDiana Client Service Team.

Please refer to the disclosure slide of this presentation for more information.

After the approval of the above documents, your local unit of government will receive confirmation that your account has been accepted as a TrustINDiana Participant.

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INVESTMENT INCOME

If you were to invest any of the following amounts TrustINDiana for the entire year of 2023, here is what you could have earned on your investment:






2023 Investment	TrustINDiana
\$10,000	\$519.32
\$100,000	\$5,193.24
\$1,000,000	\$51,932.43
\$10,000,000	\$519,324.27

Investment Income Earned for 2023

\$146m

Source: www.trustindiana.in.gov. Data unaudited. Data as of December 31, 2023. Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Values presented may not add up precisely to absolute figures due to rounding. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. The income earned is by the entire TrustINDiana and TrustINDiana Prime portfolios. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.** Please visit the TrustINDiana website at www.trustindiana.in.gov/rates-disclaimer for more information. Visit www.trustindiana.in.gov/rates for more information on historical yields and performance. Please refer to the disclosure slide of this presentation for more information.

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	CONTACT	
		<p data-bbox="837 464 1105 491">Cindy Burres Barger</p> <p data-bbox="781 508 1008 531">Director of TrustINDiana</p> <p data-bbox="781 562 1052 596"> Phone: (866) 860-6242</p> <p data-bbox="781 625 1052 659"> Mobile: (317) 519-9845</p> <p data-bbox="781 688 1016 722"> cbarger@tos.in.gov</p> <p data-bbox="781 743 1219 795"> 200 W. Washington Street, 242 State House Indianapolis, IN 46204</p> <p data-bbox="794 915 1154 930"><small>Please refer to the disclosure slide of this presentation for more information.</small></p>