

THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA

MINUTES OF BOARD MEETING

July 25, 2019

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The meeting was held by video conference from the Nevada Capitol Building, 101 N. Carson Street, Carson City, Nevada to the Grant Sawyer Building, 555 East Washington Avenue, Suite 5100, Las Vegas, Nevada. Other attendees participated by conference call.

Board members present:

Chairman Jeff Haag – Carson City
Andrew Clinger – Carson City
Tiffany Greenameyer - Excused
Andrew Martin – Excused
Treasurer Zach Conine – Carson City, Ex-Officio Non-Voting Board Member

Others present:

Miles Dickson, Chief of Staff, Treasurer's Office
Tara Hagan, Chief Deputy Treasurer
Holly Shrum, Treasurer's Office
Beth Yeatts, Senior Deputy Treasurer – South
Sheila Salehian, Deputy Treasurer – South
Blanca Platt, Treasurer's Office
Iben Patino, Treasurer's Office
Tom Hewitt, Vanguard
Christy Erickson, Vanguard
Scott Donaldson, Vanguard
Sue Hopkins, Ascensus
Jay Candelfmo, Ascensus
Ardie Hollingsworth, Ascensus
Judy Minsk, Putnam
Jen Sansone, Putnam
Leah Mullen, Putnam
Salma Meraz, USAA
Dan Cahill, SSGA
Kelly Ryan, SSGA
Brittany Resendes, SSGA
Ashley Johnson, Wealthfront
Greg Ott, Deputy Attorney General

1. Roll Call

Chairman Haag called the meeting to order at 10:04 am. Secretary Beth Yeatts took roll and it was determined a quorum was present. Ms. Yeatts indicated the meeting had been properly noticed and the agenda was posted in both Carson City and Las Vegas in accordance with the Nevada Open Meeting Law.

2. Public Comment

There was no public comment in Carson City, Las Vegas or on the telephone.

Consent Agenda

3. **For possible action to approve:** the minutes of the College Savings Board of Trustees meeting of June 20, 2019.
4. **For possible action to approve:** the annual marketing plan for the Nevada College Savings' USAA 529 Plan

Treasurer Conine motioned to approve Agenda Items 3 - 4. Member Clinger seconded the motion. Motion passed unanimously.

Discussion Agenda

5. **For discussion and possible action:** on the annual marketing plan for the Nevada College Savings' Putnam 529 for America Plan.

Judy Minsk, Senior Manager of Investment Strategies at Putnam, presented the annual marketing plan for the Nevada College Savings' Putnam 529 for America Plan. Ms. Minsk outlined the goals and timeline of activities, for the current year, in order to drive sales and growth into the plan. She stated that the goals include increasing the number of participants and the number of advisors doing business with the plan. She noted growth opportunities will be identified by: focusing on key states, channels, and internal audiences; cross-selling with Putnam's Client Engagement Center pillars (investment management, wealth management, and practice management); and targeting firms and advisors with new content and prospecting ideas. Leah Mullen, Business Development Manager, detailed the advisor marketing strategies.

Ms. Minsk explained that Putnam recognizes the importance of social media and utilizes several different social media sites to communicate with advisors. She stated that over the course of 2020 they will focus on four campaign's which include: Back to School/College Savings Month, Year-End Planning and Gift Giving, Tax Season, and 529 Awareness.

Treasurer Conine asked how much of the spend, in terms of social targeting, is on end users versus advisors.

Ms. Minsk stated that because they solely distribute through advisors, the majority of what Putnam does is for the advisors and they do not directly reach out to shareholders. They do have content on their shareholders site and the pieces they develop are always with the end user in mind.

Treasurer Conine asked what makes an advisor sell Putnam's product and what is the differentiation you're able to push in order to pull on more advisors.

Ms. Minsk stated that it's up to the advisor to decide the direction they want to go. If the advisor wants to talk about the investment options, Putnam will highlight the options available and talk about key highlights of the plan. Ms. Minsk stated the resources provided to the advisors are very important in terms of how the advisers reach their clients and Putnam provides a lot of training devoted to the needs-based approach.

Chair Haag asked what their advisors report as to the reason(s) why the Putnam plan isn't selected.

Ms. Minsk stated the number one reason is due to in-state tax deductions and pointed out that the advisors complete suitability forms and that would cause this reason to rise to the top of the list.

Member Clinger motioned to approve Agenda Item #5. Treasurer Conine seconded the motion. Motion passed unanimously.

6. For discussion and possible action: on the annual marketing plan for the Nevada College Savings' SSGA Upromise 529 Plan.

Dan Cahill, Client Relationship Manager of SSGA, presented the annual marketing plan for the Nevada College Savings' SSGA Upromise 529 Plan. He stated SSGA's objective is to build a dedicated presence with Registered Investment Advisors (RIA) and Investment Broker Dealers (IBD) in Nevada and nationally. The target audience is the advisors who are having conversations with their clients about managing wealth and tasked with plugging in the appropriate investment product while looking for college savings. Mr. Cahill explained that they are looking for opportunities to drive engagement through a process of education, dispelling myths around 529s and helping clients understand the benefits. Mr. Cahill stated that their goals are to increase the number of accounts sold annually, increase the assets within existing accounts and expand the number of RIAs and IBDs selling the 529 plans to clients. Mr. Cahill reviewed the SSGA 2020 Marketing Plan which includes: building on the Google paid search program by using tracking pixels on an advisor site to track keywords and groups; improving content by emailing advisors with up-to-date material they can utilize in meetings with clients; and improving social media by promoting the Upromise 529 site and newly developed content.

Chair Haag asked for an understanding of what is meant by "building a dedicated presence" with Nevada RIAs and IBDs; and, is that not in existence today.

Kelly Ryan, Managing Director with SSGA, explained that SSGA has divided the country into sixteen territories with external regional consultants in the field to educate advisors, specifically in the RIA and IBD space on exchange traded funds. She explained that resources are dedicated specifically to each state in terms of individual coverage. The State of Nevada has a dedicated consultant who resides in California but is here on a regular rotation schedule and who has many different support personnel. such as: an individual on the internal sales desk, dedicated investment analysts, and marketing staff..

Chair Haag asked how the consultant's performance is measured.

Ms. Ryan stated that this individual is measured on a quarterly score card using both qualitative and quantitative metrics. Scored items include activities, face-to-face and virtual meetings, conference calls, sales numbers, assets and revenue.

Chair Haag asked Ms. Ryan to speak to the impact of the new K-12 regulations for 529 plans.

Ms. Ryan replied that the target audience is mostly made up of registered advisors working with ultra-high net worth individuals that don't normally identify the need for a 529 plan. SSGA is working to educate advisors that private elementary and high schools are now eligible for payments from the 529 plans.

Treasurer Conine motioned to approve Agenda Item #6. Member Clinger seconded the motion. Motion passed unanimously.

7. For discussion and possible action: on the annual marketing plan for the Nevada College Savings' Vanguard 529 College Savings Plan.

Tom Hewitt, Vanguard Relationship Manager, presented the annual marketing plan for the Nevada College Savings' Vanguard 529 College Savings Plan. Mr. Hewitt provided background information and differentiated Vanguard by stating that it is one of the lowest cost plans in the 529 space and that it has created a client 529 experience with Ascensus that closely resembles the Vanguard retail experience. He then turned the marketing presentation over to Lindsey Ruddy, Senior Marketing Manager.

Ms. Ruddy explained the investor life cycle with the traditional sales funnel is looked at by her team with a seasonal approach. That is, their goals, strategies and tactics, throughout the plan, start with an awareness phase to ensure as many investors are informed of the existence and benefits of the 529. Once awareness is in play, her team strives to provide enough information for investors to decide to commit and convert to the plan by opening and funding the account. Once an account has been opened, the investor will receive plan communications regarding logistics and regulatory updates. The marketing goals for the 2019/2020 year are to increase the total number of accounts in the 529 plan by: raising awareness as the plan of choice for Nevadans, Vanguard clients, and education savers nationwide; acquiring new accounts through

paid advertising and prospect email campaigns; and increasing engagement and research on the positive outcomes for existing 529 plan clients. It is Vanguard's intent to establish benchmarks for the 529 space this year and to meet people where they are.

Treasurer Conine asked if Ms. Ruddy's team has found a difference in the types of marketing between the different generations and what is resonating with whom.

Ms. Ruddy acknowledged that they have found differences in the prospecting emails to the existing retail client base. The older and high net worth audiences have responded very positively to some of the messages, so they are targeting them with estate planning, gifting, and fitting in with a larger portfolio while the millennial audience is more motivated by loss aversion.

Treasurer Conine asked what kind of nudges are most successful in encouraging auto deposits in their client bases.

Ms. Ruddy replied that the most successful messages are not related to the message content but rather on time of year with January/February emails getting the best call to action responses; but, she also noted that this was a pilot year, so they still are learning.

Member Clinger motioned to approve Agenda Item #7. Treasurer Conine seconded the motion. Motion passed unanimously.

8. For discussion and possible action: on the annual marketing plan for the Nevada College Savings' Wealthfront 529 Plan.

Ashley Johnson, Chief Financial Officer and Chief Operating Officer from Wealthfront, presented the annual marketing plan for the Nevada College Savings' Wealthfront 529 Plan. Ms. Johnson explained that Wealthfront is the only 529 robo-advisor plan with a fully automated solution – both web and robo applications. Wealthfront's offering is heavily based on data research to provide a rich advisory resource and a pleasant user experience targeted to the millennial audience. The client base is broken down and marketed to two buckets: savvy advocates and responsible delegators.

Ms. Johnson stated that Wealthfront tends to market nationally but does focus some funds directly on Nevada. Up until October they were not spending much on advertising while they grappled with how to engage their audience. As a result, Wealthfront now offers a free app which messages, "try us before you buy us" and based on this response, they then implement nurture, lifestyle and seasonal campaigns. This year Wealthfront has invested heavily in a content team who are creating in-depth content to incorporate the 529 and college planning education in the financial blog, the IPO & Equity Guide, and Guide to Financial Health applications. Ms. Johnson explained that they are now heavily investing in marketing for Cash Account. They are also optimizing and growing Facebook and Instagram channels as well as exploring opportunities to merchandise 529 to new cash clients.

Treasurer Conine asked what has the most effect in terms of data driven marketing

Ms. Johnson stated the recent increase in content marketing has Wealthfront looking into which of the channels is most effective in converting clients into opening investment accounts. Currently there is about a 20% conversion rate from the cash accounts

Treasurer Conine motioned to approve Agenda Item #8. Member Clinger seconded the motion. Motion passed unanimously.

9. For discussion and possible action: Board members will designate one of its members to serve as Chair.

Chair Haag informed the Board that recent changes had occurred to NRS 353B in the 2019 legislative session due to Senate Bill 82. The bill has re-established the Treasurer as a voting member of the Board. Chair Haag then called for nominations for the Board Chair.

Member Clinger motioned to appoint Treasurer Zach Conine to serve as future Chair. Chair Haag seconded the motion. Motion passed unanimously.

10. Public Comment

Treasurer Conine thanked everyone for coming and talking about their marketing plans and thanked Chair Haag for his level of dedication and the passion that he has shown to the Board and f his leadership.

There was no public comment in Carson City, Las Vegas or on the telephone.

Member Clinger motioned to adjourn at 11:30am. Treasurer Conine seconded the motion. The motion passed unanimously.