

Minutes approved by the Board of Regents at the December 4-5, 2025, meeting.

**BOARD OF REGENTS and its
INVESTMENT COMMITTEE
NEVADA SYSTEM OF HIGHER EDUCATION**
System Administration, Las Vegas
4300 South Maryland Parkway, Board Room
Thursday, March 20, 2025

Video Conference Connection from the Meeting Site to:
System Administration, Reno
2601 Enterprise Road, Conference Room
and
Great Basin College, Elko

Members Present: Regents' Committee
Mr. Byron Brooks, Chair
Mr. Carlos D. Fernandez
Ms. Jennifer J. McGrath

Members Absent: Regents' Committee
Mr. Joseph C. Arrascada, Vice Chair
Ms. Stephanie Goodman

Other Regents Present: Mr. Pete Goicoechea

Members Present: Advisory Committee
Mr. Randy Garcia, UNLV Foundation
Mr. Mark Denzler, UNR Foundation

Other Present: Ms. Patricia Charlton, Interim Chancellor
Mr. Chris Viton, Vice Chancellor of Budget and Finance/
 Chief Financial Officer
Mr. Chris Nielsen, Special Counsel to the Board of Regents
Mr. Rhett Vertrees, Assistant Chief Financial Officer
Dr. Amber Donnelly, GBC Interim President

NSHE Classified Council member in attendance: Stacy Wallace, Sergeant at Arms.

Chair Byron Brooks called the meeting to order at 10:05 a.m. with all Regents' Committee members present except Vice Chair Arrascada and Regent Goodman. Regent McGrath led the Pledge of Allegiance.

1. Information Only-Public Comment – None.

2. Approved-Minutes – The Committee recommended approval of the minutes from the September 26, 2024, meeting. *(Ref. INV-2 on file in the Board Office)*

Regent McGrath moved approval of the minutes from the September 26, 2024, meeting. Regent Fernandez seconded. Motion carried. Vice Chair Arrascada and Regent Goodman were absent.

3. Information Only-Chair's Report – Chair Byron Brooks welcomed the new Regents to the Investment Committee and thanked those present for their participation. He also announced that agenda items 5 and 7 will be switched.
4. Information Only-Investment Committee Orientation and Duties – System staff provided the Committee with relevant background material and an overview of the duties of the Nevada System of Higher Education in relation to governance and oversight of its investment activities. *(Refs. INV-4a and INV-4b on file in the Board Office)*

Mr. Chris Viton, Vice Chancellor of Budget and Finance/ Chief Financial Officer, provided a brief orientation and overview of the Investment Committee which included: the mission statement; Committee membership; the Committee Charter; the NSHE Finance and Administration Charter; and Board policy *(Title 4, Chapter 10, Sections 5 and 6)* for the Endowment Fund and Operating Fund.

Regent Goicoechea and Chief Financial Officer Viton discussed how the Operating Pool funds are distributed on a proportional basis among the campuses monthly. The amount of the monthly distributions is determined by each institution's cash balance in the respective operating funds. They further discussed current market shifts and how those changes may affect the monthly distributions made to campuses.

5. Information Only-Endowment Pool Performance, Cambridge Associates *(Agenda Item 6)* – Staff from Cambridge Associates presented a report on asset allocation and investment returns for the Pooled Endowment Fund as of December 31, 2024. *(Ref. INV-6 on file in the Board Office)*

Mr. Ijeh Ogbechie, Cambridge Associates, presented the Endowment OCIO Update which included: performance; asset allocation and guidelines compliance; risk profile review; Cambridge Associates diversifiers and private investments; legacy assets; and supplemental portfolio details.

Regent McGrath, Mr. Ogbechie and Ms. Wendy Walker (Cambridge Associates) discussed possible immediate effects for the private equity/venture capital portfolio based on current market volatility. Ms. Walker added that they believe we are at an inflection point as the December 2024 quarter results for private investments are still pending, only a small minority of managers have already reported, but those results are expected to be coming in a slightly positive territory. Once the results are in, the expectation is the performance

5. Information Only-Endowment Pool Performance, Cambridge Associates (Agenda Item 6) – (continued)

differential for 2024 between public and private markets will narrow – private investments would come in slightly higher whereas public markets will come down slightly.

6. Information Only-Endowment Pool Performance Comparison, NSHE/UNLV/UNR (Agenda Item 7) – Staff from Cambridge Associates presented a comparison report of the endowment pool performance for the Nevada System of Higher Education, University of Nevada, Las Vegas, and University of Nevada, Reno as of June 30, 2024. *(Ref. INV-7 on file in the Board Office)*

Ms. Walker provided the report which included: asset allocation – actual allocations as of June 30, 2024; 5 years of historical returns; average annual compound rate of return; annualized standard deviation (volatility) of quarterly returns; and the sharpe ratio.

The meeting recessed at 10:51 a.m. and reconvened at 10:55 a.m. with all members present except Vice Chair Arrascada and Regent Goodman.

In response to an inquiry from Regent Goicoechea, Ms. Walker clarified that Russell Investments used to manage half of the NSHE portfolio before the dual mandate was terminated approximately three years ago and consolidated under the leadership of Cambridge Associates. In addition, Ms. Walker confirmed for Regent Goicoechea that their fee is 0.3 percent of the managed assets.

7. Approved-Operating Pool Performance Discussion and Recommendations (Agenda Item 5) – The Committee recommended approval of the following rebalancing actions: 1) \$5.0 million trim from Vanguard Developed Markets Index; and 2) \$5.0 million add to Vanguard Short-Term Inflation-Protected Securities. *(Ref. INV-5 on file in the Board Office)*

Ms. Walker presented a report on asset allocation and investment returns for the Pooled Operating Fund as of December 31, 2024.

Chief Financial Officer Viton clarified for Regent Goicoechea that the \$840 million represents the entirety of the Operating Pool and it is on that value that the 2.75 percent is calculated as an annual amount and 1/12 of that annual amount is distributed monthly, proportional to each institution's share of the \$840 million. The \$250 million represents the short-term component of the Operating Pool and that is the portion that the daily deposits and disbursements flow through that allow the campuses to maintain daily operations. The actual earning distribution is based on the entirety of the Operating Pool.

Chair Brooks and Ms. Walker discussed the following: the lower equity percentages in the Operating Fund vs. the asset allocations for the Endowment Fund; the total Operating Fund is allocated much more towards fixed income than the Endowment Fund – both of which are excluded from the asset allocation percentages; the primary purpose for the Operating Fund is to support cash needs for the campuses and System staff monitors a minimum threshold (approximately \$150 million in cash) which supports the ins and outs

7. Approved-Operating Pool Performance Discussion and Recommendations (Agenda Item 5) –

of the portfolio; the short-term fixed income (intermediate-term bonds) serves as a backstop for the liquidity needs of the institutions; and the percentage of the long-term bonds and inflation-linked bonds in the Operating Fund accounts for approximately 60 percent of the overall Operating Fund.

In response to an inquiry from Chair Brooks, Chief Financial Officer Viton said there have been periods of time where the Committee has considered more risk-taking in the Operating Pool and balancing that with concerns that it is the campuses' operating cash; however, because there is a significant portion of the pool that is not needed on a daily basis, that portion is taking somewhat of a more aggressive stance for operating funds. On the short-term component, Chief Financial Officer Viton stated he is not in favor of additional risk-taking because that does represent more of the daily functions for the campuses being able to manage the disbursements. Index funds are the primary driver for the more risk-tolerant/long-term component of the Operating Pool.

Chair Brooks requested staff present some alternative investment options to the Committee, such as cryptocurrency, regarding the long-term operating funding. Ms. Walker added that Cambridge Associates will bring that information to the Committee at a future meeting.

Regent McGrath moved approval of the rebalancing actions recommended by Cambridge Associates. Regent Fernandez seconded. Motion carried. Vice Chair Arrascada and Regent Goodman were absent.

8. Information Only-New Business – None.

9. Information Only-Public Comment – None.

The meeting adjourned at 11:41 a.m.

Prepared by: Winter M.N. Lipson
Manager of Board Operations

Submitted for approval by: Keri D. Nikolajewski
Chief of Staff to the Board of Regents