

# NEVADA SYSTEM OF HIGHER EDUCATION

## SUPPLEMENTAL DISCUSSION MATERIALS - ENDOWMENT



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Wendy Walker, CFA

Ijeh Ogbechie

Lindsay Van Voorhis, CFA

David Breiner

Alfonso Diaz

Amanda Soto

Gregory Lewis



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# 1. OVERVIEW & PERFORMANCE



## Supplemental Materials – Overview

- On the following pages we present updated performance through August 31, 2024.
  - For the calendar year to date ending 8/31/2024, the Total Endowment returned 8.6%, lagging the Policy Benchmark by 190 bps.
  - Despite shorter-term underperformance, over the full OCIO track record from April 1, 2017 (start of formal track record) through 8/31/2024, the Total Endowment has generated an 8.4% return, outperforming the Policy Benchmark by 50 bps.
- We have also compiled comparative *preliminary* FY24 performance data and asset allocation data for NSHE and 127 college/university peers and offer the following takeaways:
  - NSHE's FY24 return of 11.0% was ahead of the median C&U return of 10.1% and mean C&U return of 10.3%.
  - NSHE's 2<sup>nd</sup> quartile ranking in FY24 peer median results was helped in part by a below-average allocation to Private Investments (PI), as recent PI results have lagged the very strong public market rebound from 2022 market lows.
  - In contrast to the FY24 performance story, NSHE's below-average allocation to PI has detracted relative to C&U peers over longer term periods.

## 8/31/2024 Performance

Returns (%)	INCEPTION DATE	CURRENT MARKET VALUE	MONTH TO DATE	FISCAL YEAR TO DATE JUN	CALENDAR YEAR TO DATE	ANNUALIZED TRAILING 3 YEARS	ANNUALIZED SINCE 03/31/17	ANNUALIZED SINCE INCEPTION
Total Endowment <sup>†</sup>	6/30/1984	\$342,894,935	1.7	3.1	8.8	4.1	8.2	9.6
<i>Policy Benchmark<sup>2</sup></i>	<i>6/30/1984</i>		<i>1.7</i>	<i>3.0</i>	<i>10.5</i>	<i>4.4</i>	<i>7.7</i>	<i>9.4</i>
<b>Total C A Managed Assets Net of Fees<sup>†</sup></b>	<b>11/30/2016</b>	<b>\$342,670,016</b>	<b>1.7</b>	<b>3.1</b>	<b>8.6</b>	<b>4.0</b>	<b>8.4</b>	<b>8.9</b>
<i>C A Normalized Benchmark<sup>2</sup></i>	<i>11/30/2016</i>		<i>1.7</i>	<i>3.0</i>	<i>10.5</i>	<i>4.5</i>	<i>7.8</i>	<i>---</i>
<i>Value Add</i>			<i>0.0</i>	<i>0.1</i>	<i>-1.9</i>	<i>-0.4</i>	<i>0.5</i>	<i>---</i>
<b>Total Non-C A OCIO Assets*</b>	<b>11/15/1998</b>	<b>\$224,919</b>	<b>0.0</b>	<b>-1.3</b>	<b>-2.0</b>	<b>-1.5</b>	<b>5.4</b>	<b>9.7</b>
Total Russell Managed Assets*	1/31/2017	\$224,919	0.0	-1.3	-2.0	-1.4	4.0	4.2
<i>Russell Normalized Benchmark<sup>2</sup></i>	<i>1/31/2017</i>		<i>0.0</i>	<i>-1.3</i>	<i>-2.0</i>	<i>-1.2</i>	<i>5.1</i>	<i>5.4</i>
<i>Value Add</i>			<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-0.2</i>	<i>-1.1</i>	<i>-1.2</i>

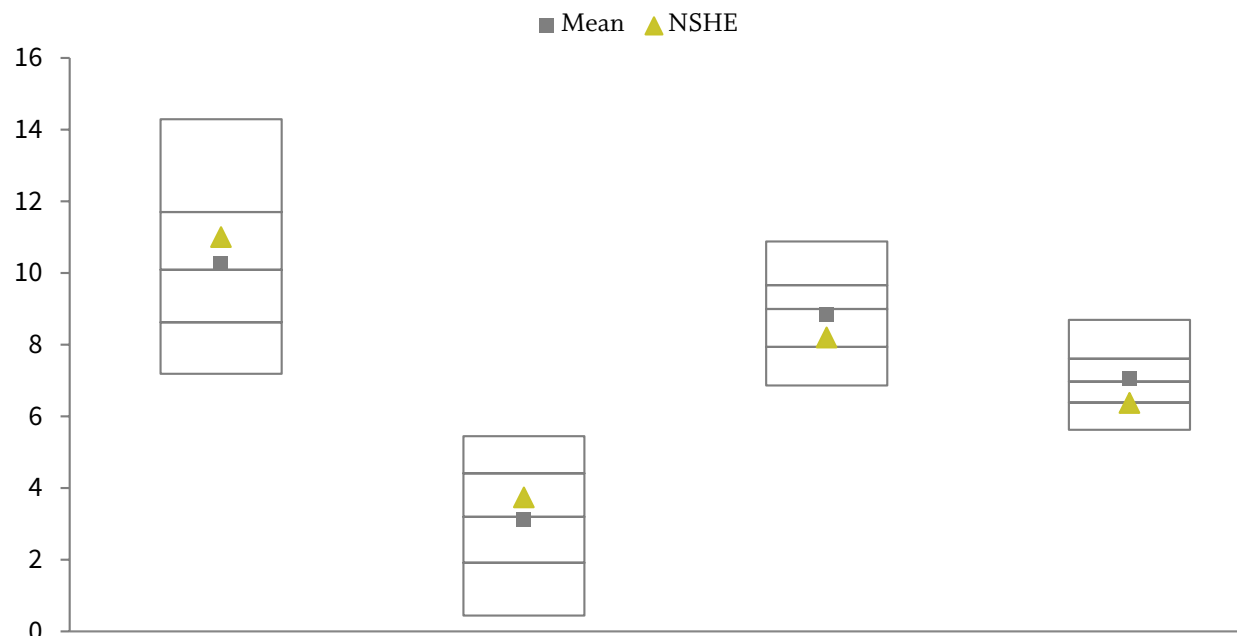
Rows marked with “\*” contain preliminary data.

<sup>2</sup> For Benchmark details, please refer to the Custom Benchmark Compositions exhibit.

## Summary of C&U Preliminary Peer Returns

NSHE's FY24 return of 11.0% was ahead of the median C&U return of 10.1% and mean C&U return of 10.3%.

AS OF JUNE 30, 2024



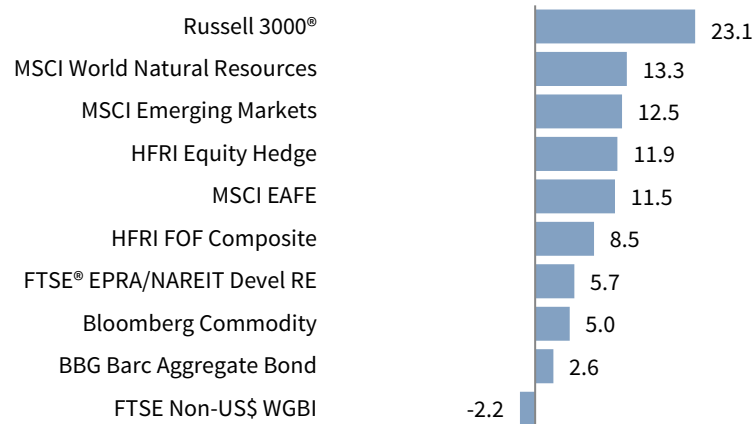
	1-Year	3-Year	5-Year	10-Year
5th %ile	14.3	5.4	10.9	8.7
25th %ile	11.7	4.4	9.7	7.6
Median	10.1	3.2	9.0	7.0
75th %ile	8.6	1.9	7.9	6.4
95th %ile	7.2	0.4	6.9	5.6
Mean	10.3	3.1	8.8	7.1
<i>n</i>	127	126	124	122
NSHE	11.0	3.7	8.2	6.4

## 1-Year C&U Heat Map Analysis

NSHE's 2<sup>nd</sup> quartile ranking in FY24 peer median results was helped in part by a below-average allocation to Private Investments (PI), as recent PI results have lagged the very strong public market rebound from 2022 market lows.

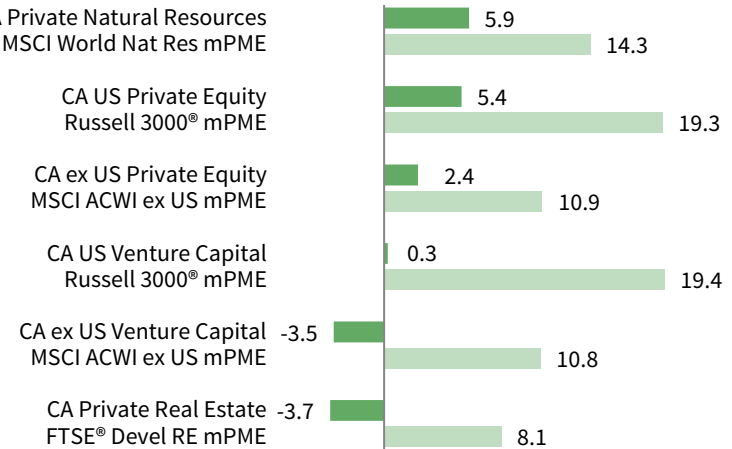
### PUBLIC INDEX RETURNS

Trailing 1-years as of June 30, 2024



### PRIVATE INDEX IRRs and mPME IRRs

Trailing 9-months as of March 31, 2024



### MEAN ASSET ALLOCATION BY PERFORMANCE QUARTILE

June 30, 2023 to June 30, 2024

Quartile	Marketable Assets						Private Investments					
	Total Mktbl Assets	Public Equity	Hedge Funds	Public Real Assets	Fixed Income	Cash & Other	Total Private Inv	Non-Venture PE	Venture Capital	Other PI	Private Real Assets	Private Credit
Top Quartile	80.6	51.4	14.1	2.0	8.9	4.2	19.5	6.9	4.8	2.7	3.4	1.7
2nd Quartile	70.7	43.0	14.7	1.9	8.1	3.0	29.3	9.7	9.0	3.4	5.1	2.1
3rd Quartile	67.1	39.0	14.6	1.1	9.5	2.8	33.0	11.6	9.6	2.6	6.7	2.5
Bottom Quartile	61.3	31.3	18.6	1.5	5.8	4.1	38.7	12.4	14.6	2.6	6.9	2.3
Peer Group Mean	69.9	41.2	15.5	1.6	8.1	3.5	30.1	10.1	9.5	2.8	5.5	2.1
NSHE as of 6/30/24	75.7	45.9	15.1	3.8	7.4	3.5	24.3	5.2	9.9	0.0	6.3	2.8

Divergence of Asset Allocation from Peer Group Mean



Source: College and university data as provided to Cambridge Associates, LLC.  
Note: Analysis includes data for the 127 institutions that provided asset allocation data for each June 30 from 2023 to 2024.

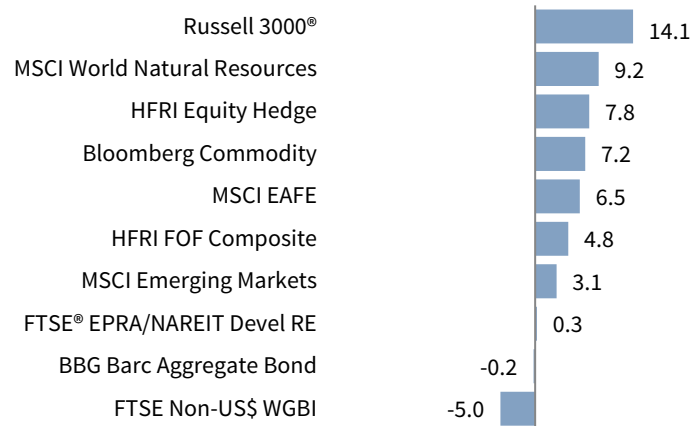


## 5-Year C&U Heat Map Analysis

In contrast to the FY24 performance story, NSHE's below-average allocation to PI has detracted relative to C&U peers over longer term periods.

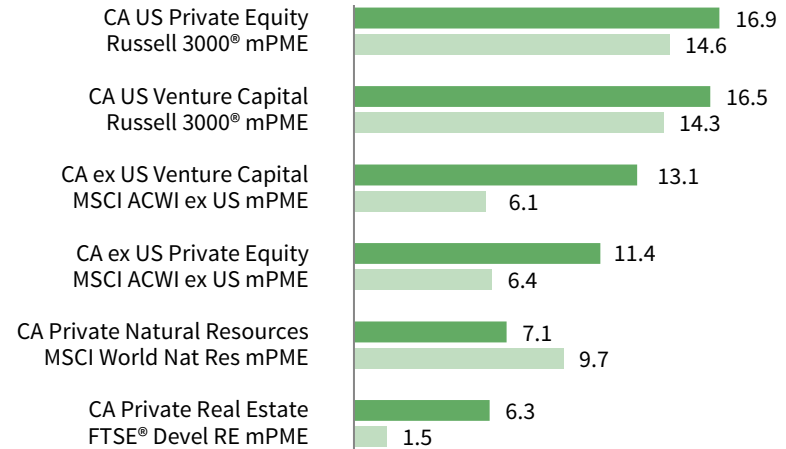
### PUBLIC INDEX RETURNS

Trailing 5-years as of June 30, 2024



### PRIVATE INDEX IRRs and mPME IRRs

Trailing 4-75-years as of March 31, 2024



### MEAN ASSET ALLOCATION BY PERFORMANCE QUARTILE

June 30, 2019 to June 30, 2024

Quartile	Marketable Assets						Private Investments					
	Total Mktbl Assets	Public Equity	Hedge Funds	Public Real Assets	Fixed Income	Cash & Other	Total Private Inv	Non-Venture PE	Venture Capital	Other PI	Private Real Assets	Private Credit
Top Quartile	65.7	37.9	16.2	1.9	6.3	3.3	34.3	10.9	14.6	1.0	6.3	1.5
2nd Quartile	69.8	41.0	15.3	2.3	7.5	3.7	30.2	9.8	9.8	2.4	6.2	2.1
3rd Quartile	75.9	44.1	16.8	2.3	9.1	3.6	24.2	8.3	7.0	2.3	4.7	1.9
Bottom Quartile	80.7	47.1	16.0	2.0	10.6	5.1	19.3	6.1	4.6	2.5	4.5	1.5
Peer Group Mean	72.9	42.5	16.0	2.1	8.3	3.9	27.1	8.8	9.0	2.1	5.4	1.8
NSHE as of 6/30/24	75.7	45.9	15.1	3.8	7.4	3.5	24.3	5.2	9.9	0.0	6.3	2.8

Divergence of Asset Allocation from Peer Group Mean



Source: College and university data as provided to Cambridge Associates, LLC.  
Note: Analysis includes data for the 115 institutions that provided asset allocation data for each June 30 from 2019 to 2024.