# NEVADA SYSTEM OF HIGHER EDUCATION

## DISCUSSION MATERIALS — ENDOWMENT OCIO UPDATE

CAMBRIDGE ASSOCIATES

MARCH 20, 2025

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C|A CAMBRIDGE ASSOCIATES

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# 1. ENDOWMENT OCIO UPDATE

## Endowment OCIO Update – Executive Summary

### A. Performance:

- For the calendar year 2024, the Total Endowment returned a *preliminary* +9.9%, higher than long-term results but still representing 370bps of underperformance versus the Policy Benchmark. (Private Investments are still as of 9/30/2024, due to the manager reporting lag.)
  - The largest detractor from CY24 relative performance versus the Policy Benchmark was from Private Equity/Venture Capital lagging the strong rally in the global public equity benchmark (ACWI) component of the Policy, which detracted 250 basis points; this was only partially offset by strong contribution from Growth Marketable Alternatives (+40bps).
  - CY24 results are in contrast to NSHE's Managed PE/VC outperformance relative to ACWI from 2020-2022 of 24.7, 108.4, and 18.3 percentage points, respectively. Over the past 20+ years, PE/VC performance has been substantially stronger following calendar years where it lagged global equity returns.
- Following a +2.0 Total Endowment return in January, we currently estimate a -0.3% return for February.
- Over the full OCIO track record from April 1, 2017 (start of formal track record) through September 30, 2024 (lagged to include most recent Private Investment results), the Total Endowment has returned +8.9% annualized, outperforming the Policy Benchmark by 50 bps.
  - Strong contributors to results during this period include Managed Private Growth (+57bps), Marketable Diversifiers (+32bps), and US Equity (+28bps).
- Per the Endowment's Investment Policy Statement, it is important to *monitor* returns on an ongoing basis and *evaluate* portfolio returns and risk over time periods that are suitably long for the long-term investment strategy of this perpetual pool. The Total Endowment 10-year return through September 30, 2024, stands at 7.1%, in-line with the Policy Benchmark.

### B. Asset Allocation and Guideline Compliance:

- The Total Endowment is in compliance with all investment guidelines and restrictions.

## Endowment OCIO Update – Executive Summary *(cont'd)*

**C. Risk Profile Review:**

- At the Committee's request, we review the risk profile of the Endowment. Compared to similarly sized peers, the NSHE Endowment has slightly less exposure to traditional stocks and bonds, and is more diversified across Private Investments ("PI," e.g., private equity, venture capital), Diversifiers (e.g. hedge funds and private credit), and Real Assets (e.g., real estate, infrastructure).

- Our long-term asset class assumptions suggest that NSHE's passive policy portfolio has an expected real return of 5.9%, with comparable volatility to a 70% stock/30% bond index and to similarly sized peer institutions. While the Endowment's expected real return of 5.9% should comfortably support NSHE's 4.625% payout over the long term, the *range* of expected returns is significantly wider over the short term than over the long term.

- We believe that a 70% stock/30% bond volatility-equivalent index should continue to support the Endowment's objectives and recommend no change at this time.

**D. Diversifiers and Private Investments:**

- The hedge fund portfolio is well diversified across 12 managers.

- We have committed $87.4 million to 53 Private Investments ("PI") funds as we build toward the long-term policy targets approved by the Investment Committee in December 2016. The 17.2% PI return since inception has strongly outperformed the public market equivalent return of 9.4% over that time period.

**E. Legacy Assets:** Since inception through 9/30/24, NSHE's Legacy Private Investments program has returned 12.0%, outperforming public markets by 460 basis points. The Legacy Private Natural Resources funds have been particularly strong, with a 24.8% return since inception (15.2 percentage points ahead of public natural resource equities).

# 1. ENDOWMENT OCIO UPDATE
## A. PERFORMANCE

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# 12/31/2024 Performance

| Returns (%) | INCEPTION DATE | CURRENT MARKET VALUE | MONTH TO DATE | FISCAL YEAR TO DATE JUN | CALENDAR YEAR TO DATE | ANNUALIZED TRAILING 5 YEARS | ANNUALIZED SINCE 03/31/17 | ANNUALIZED SINCE INCEPTION |
|---|---|---|---|---|---|---|---|---|
| Total Endowment* | 6/30/1984 | $343,551,138 | -1.9 | 3.8 | 9.9 | 8.1 | 7.9 | 9.5 |
| *Policy Benchmark[3]* | *6/30/1984* | | *-1.6* | *5.1* | *13.6* | *7.5* | *7.7* | *9.4* |
| **Total C\|A Managed Assets Net of Fees*[1]** | **11/30/2016** | **$343,335,998** | **-1.9** | **3.7** | **9.7** | **8.4** | **8.1** | **8.7** |
| *C\|A Normalized Benchmark[3]* | *11/30/2016* | | *-1.6* | *5.1* | *13.7* | *7.6* | *7.9* | --- |
| *Value Add* | | | *-0.3* | *-1.4* | *-4.0* | *0.8* | *0.3* | --- |
| **Total Non-C\|A OCIO Assets** | **11/15/1998** | **$215,140** | **-1.9** | **-5.5** | **-6.3** | **3.1** | **4.6** | **9.4** |
| Total Russell Managed Assets | 1/31/2017 | $215,140 | -1.9 | -5.5 | -6.3 | 1.7 | 3.2 | 3.5 |
| *Russell Normalized Benchmark[3]* | *1/31/2017* | | *-1.9* | *-5.5* | *-6.3* | *2.2* | *4.3* | *4.6* |
| *Value Add* | | | *0.0* | *0.0* | *0.0* | *-0.5* | *-1.1* | *-1.1* |

Rows marked with "*" contain preliminary data.
[1] Net of Fees returns were previously misstated on the December 2024 report. This has since been corrected.
[3] For Benchmark details, please refer to the Custom Benchmark Compositions exhibit.

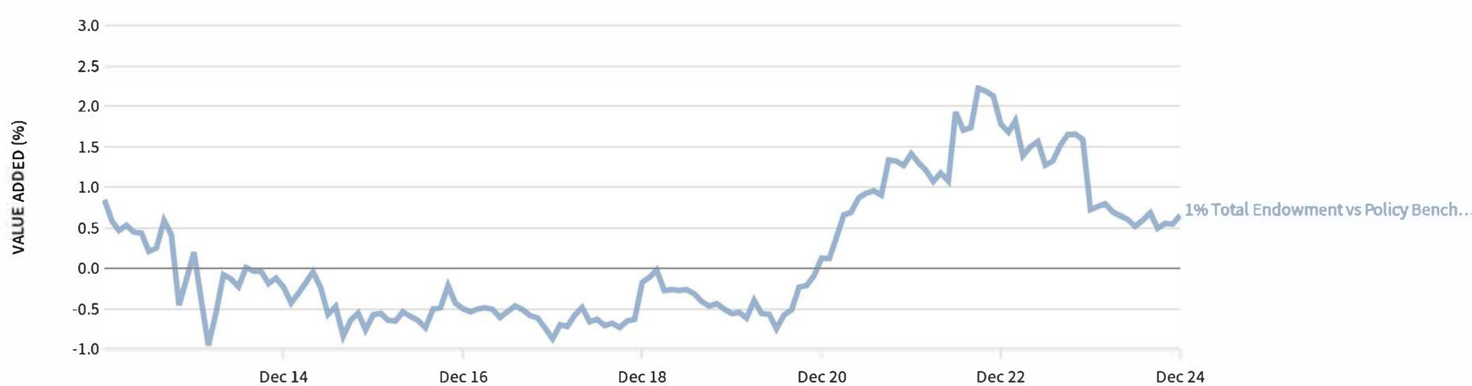
# Portfolio returns have trended upward since 2022 market selloff, albeit less than the benchmark

**ANNUALIZED RETURN (%)**

Rolling 5 Years • Jan 1, 2008 - Dec 31, 2024 • USD

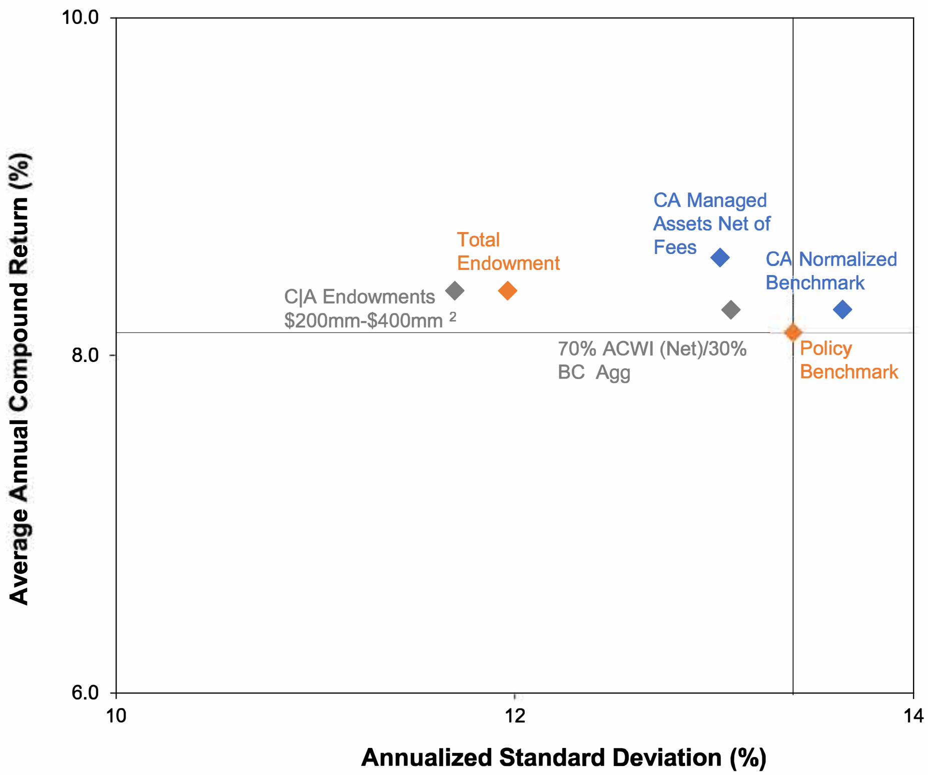

**VALUE ADDED (%) VS. POLICY BENCHMARK**

Rolling 5 Years • Jan 1, 2008 - Dec 31, 2024 • USD



# C|A Managed Assets has outperformed benchmark by 0.3% annualized over full OCIO track record

**Trailing 90 Months • Apr 1, 2017** ***(start of formal track record)*** **- Sep 30, 2024** ***(lagged to include most recent Private Investment results)***




| | Average Annual Compound Return (%) | Annualized Standard Deviation (%) | Sharpe Ratio[1] |
|---|---|---|---|
| **Total Endowment** | 8.4 | 12.0 | 0.59 |
| **Policy Benchmark** | 8.1 | 13.4 | 0.51 |
| **Total C\|A Managed Assets Net of Fees** | 8.6 | 13.0 | 0.55 |
| **C\|A Normalized Benchmark** | 8.3 | 13.6 | 0.51 |
| **C\|A Endowments $200mm-$400mm[2]** | 8.4 | 11.7 | 0.60 |
| **70% MSCI ACWI (Net)/30% Barclays Agg** | 8.3 | 13.1 | 0.53 |

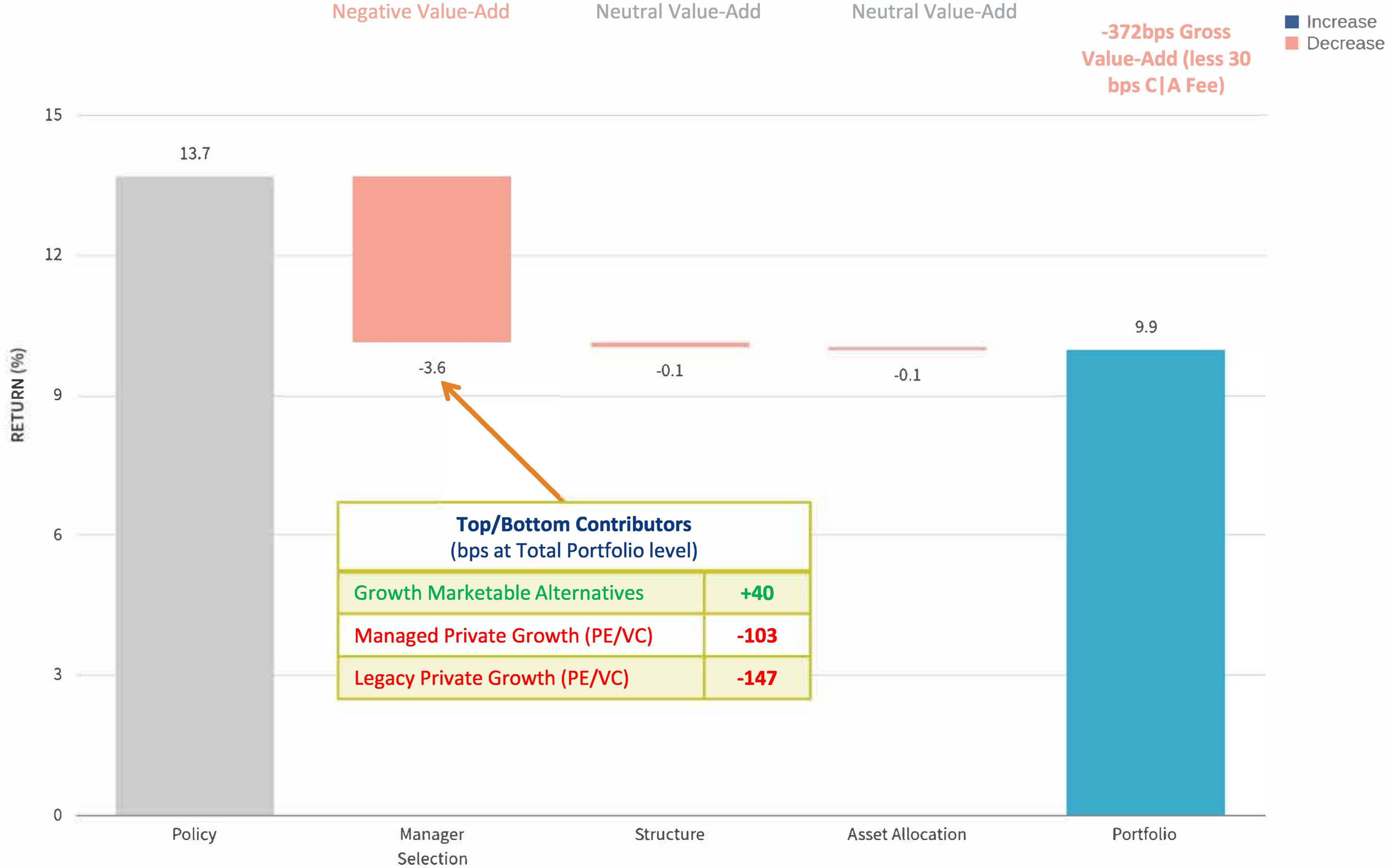
1. Sharpe Ratio: to calculate this number, subtract the average T-Bill return (risk free rate) from the manager's average return then divide by the manager's standard deviation. The amount of return over the risk-free rate that can be expected for each unit of risk accepted.
2. From 4/1/2017 to 9/30/2024, C|A Endowments $200-$400mm include 79 institutions. Data is as of 9/30/24.

Note: Based on quarterly data to incorporate peer data and Private Investments. With only quarterly data points, standard deviation and Sharpe metrics have statistical limitations.

## PE/VC has detracted over the trailing year…

Calendar Year 2024
*(Preliminary – Private Investments as of 9/30/2024)*

| Policy | Manager Selection | Manager Structure | Asset Allocation | Portfolio |
|---|---|---|---|---|
| | *Manager performance vs. their respective benchmarks* | *Performance of manager benchmarks vs. the asset class benchmark* | *Asset class over-/ underweights vs. policy targets* | |
| | Negative Value-Add | Neutral Value-Add | Neutral Value-Add | **-372bps Gross Value-Add (less 30 bps C\|A Fee)** |




| **Top/Bottom Contributors** (bps at Total Portfolio level) | |
|---|---|
| Growth Marketable Alternatives | **+40** |
| Managed Private Growth (PE/VC) | **-103** |
| Legacy Private Growth (PE/VC) | **-147** |

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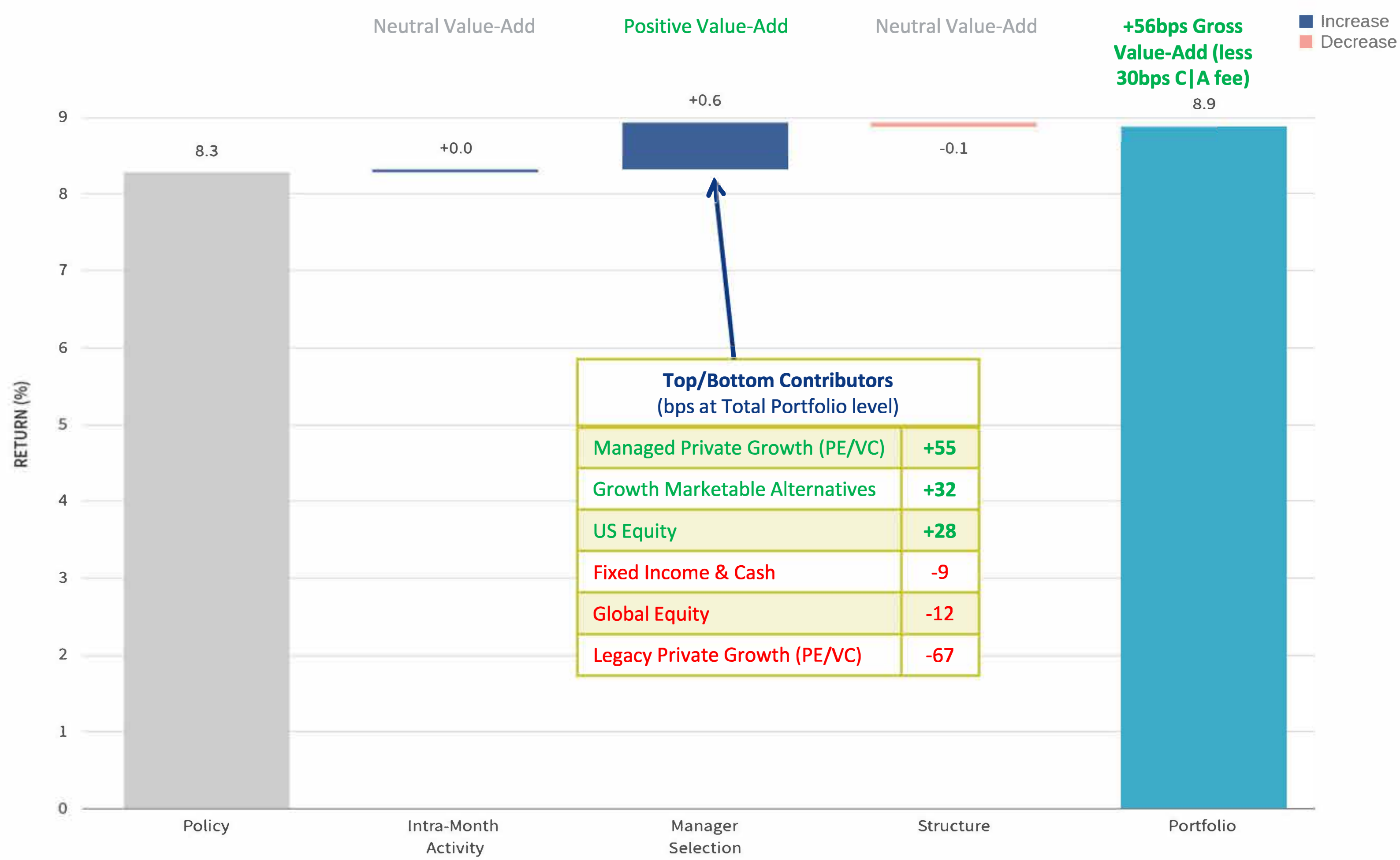
## ...but Managed PE/VC has been the strongest contributor to longer-term returns

4/1/2017 – 9/30/2024 (Full OCIO track record - *Lagged to include most recent Private Investment results)*

| Policy | Intra-month Activity | Manager Selection | Manager Structure | Portfolio |
|---|---|---|---|---|
| | *Effects of cash flows during a month – should "wash out" over time* | *Manager performance vs. their respective benchmarks* | *Performance of manager benchmarks vs. the asset class benchmark* | |
| | Neutral Value-Add | Positive Value-Add | Neutral Value-Add | **+56bps Gross Value-Add (less 30bps C\|A fee)** |



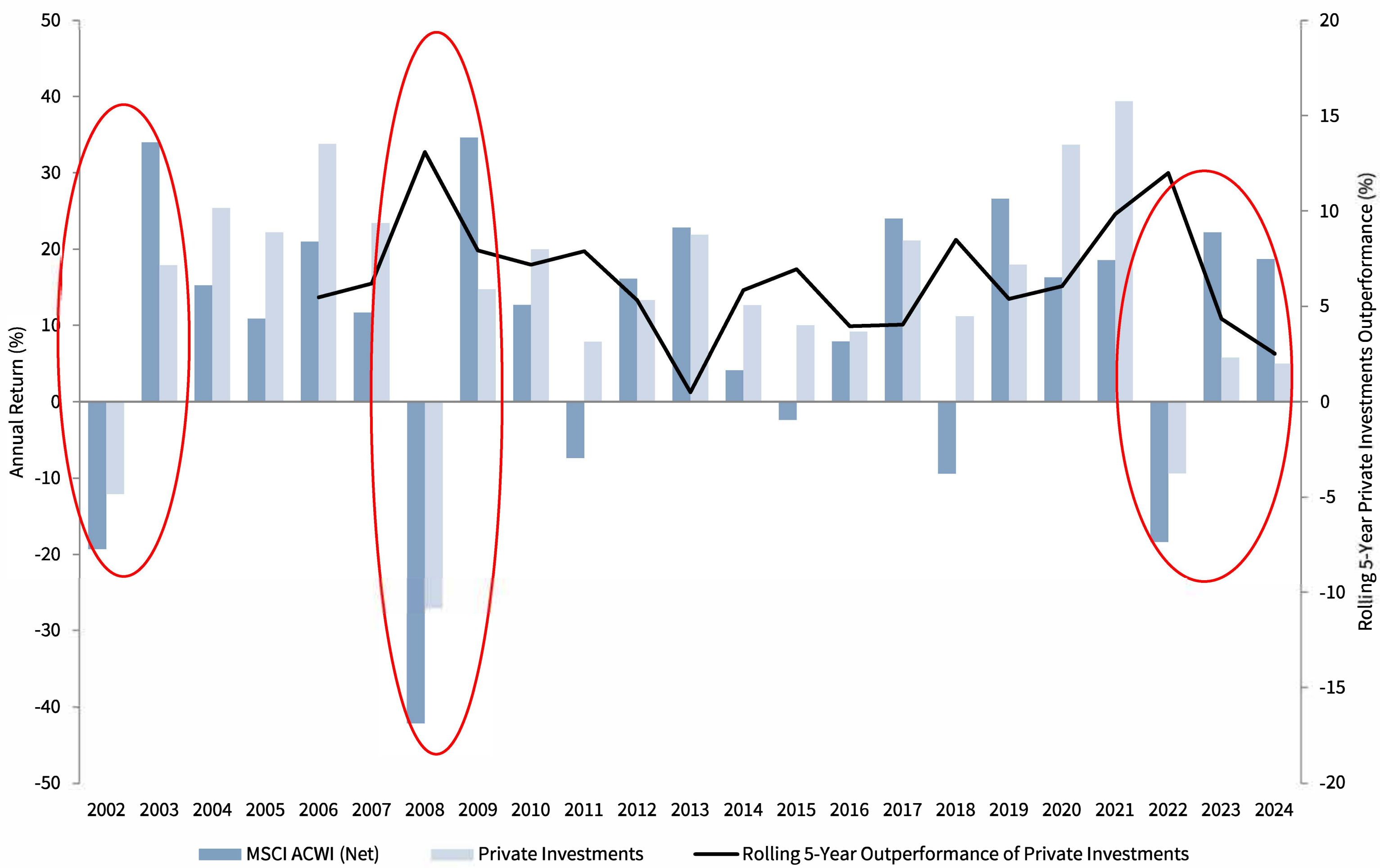

**Top/Bottom Contributors**
(bps at Total Portfolio level)

| | |
|---|---|
| Managed Private Growth (PE/VC) | +55 |
| Growth Marketable Alternatives | +32 |
| US Equity | +28 |
| Fixed Income & Cash | -9 |
| Global Equity | -12 |
| Legacy Private Growth (PE/VC) | -67 |

# Timing mismatch for public and private markets

Because private investments are valued less frequently than public equities, there can be a significant disconnect between the two when there are extreme moves in the public markets like 2022 (down) and 2023-2024 (up). Over rolling 5-year periods (black line), PI has always outperformed.

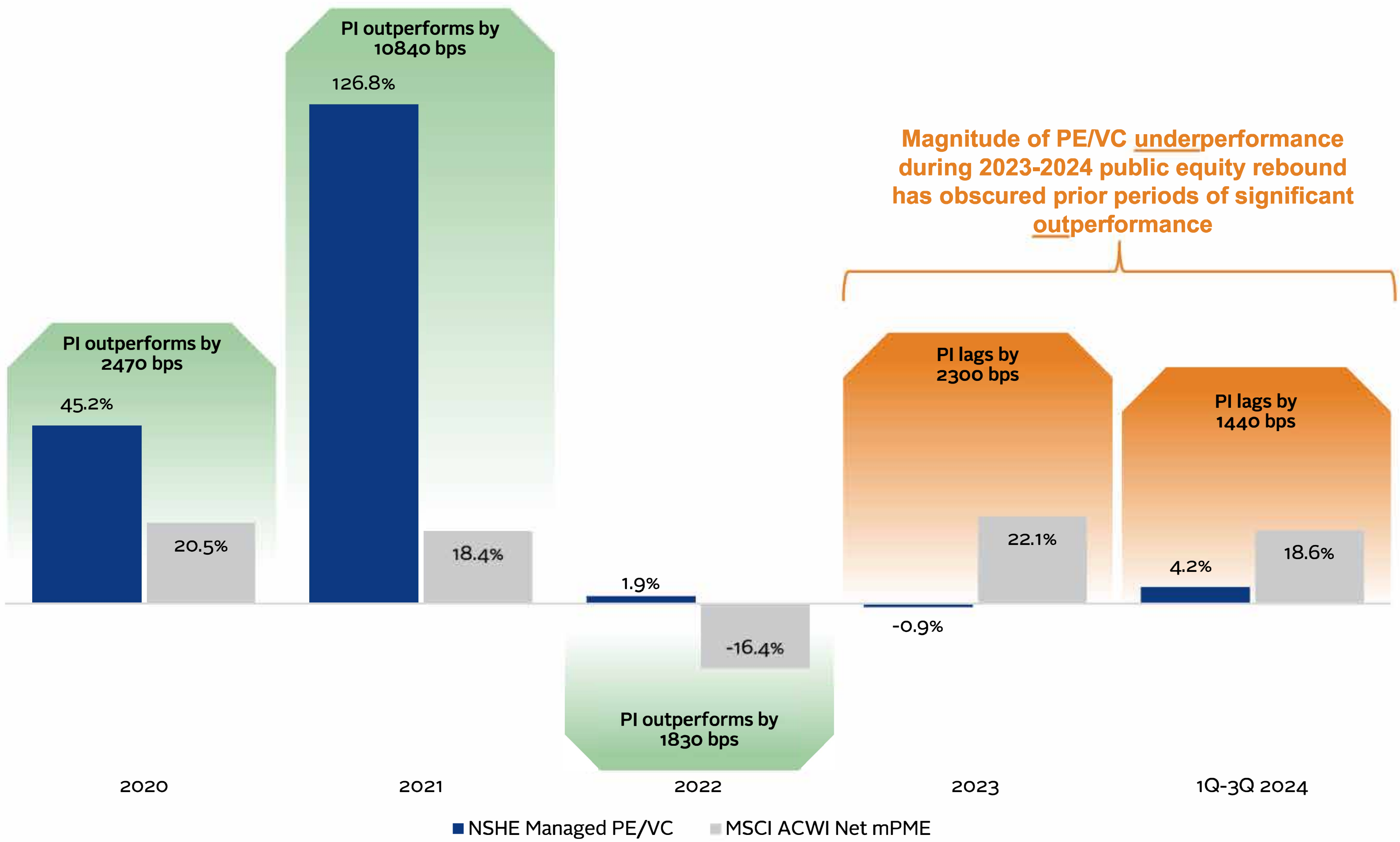
**ANNUAL RETURNS OF PUBLIC EQUITY AND PRIVATE INVESTMENTS**
As of September 30, 2024




Note: Private Investment performance calculated using the Cambridge Associates Global Private Equity & Venture Capital Index.

## NSHE's Managed PE/VC portfolio valuations remain very close to 2021 highs, while the public equity benchmark plummeted in 2022 and then rebounded in 2023-2024

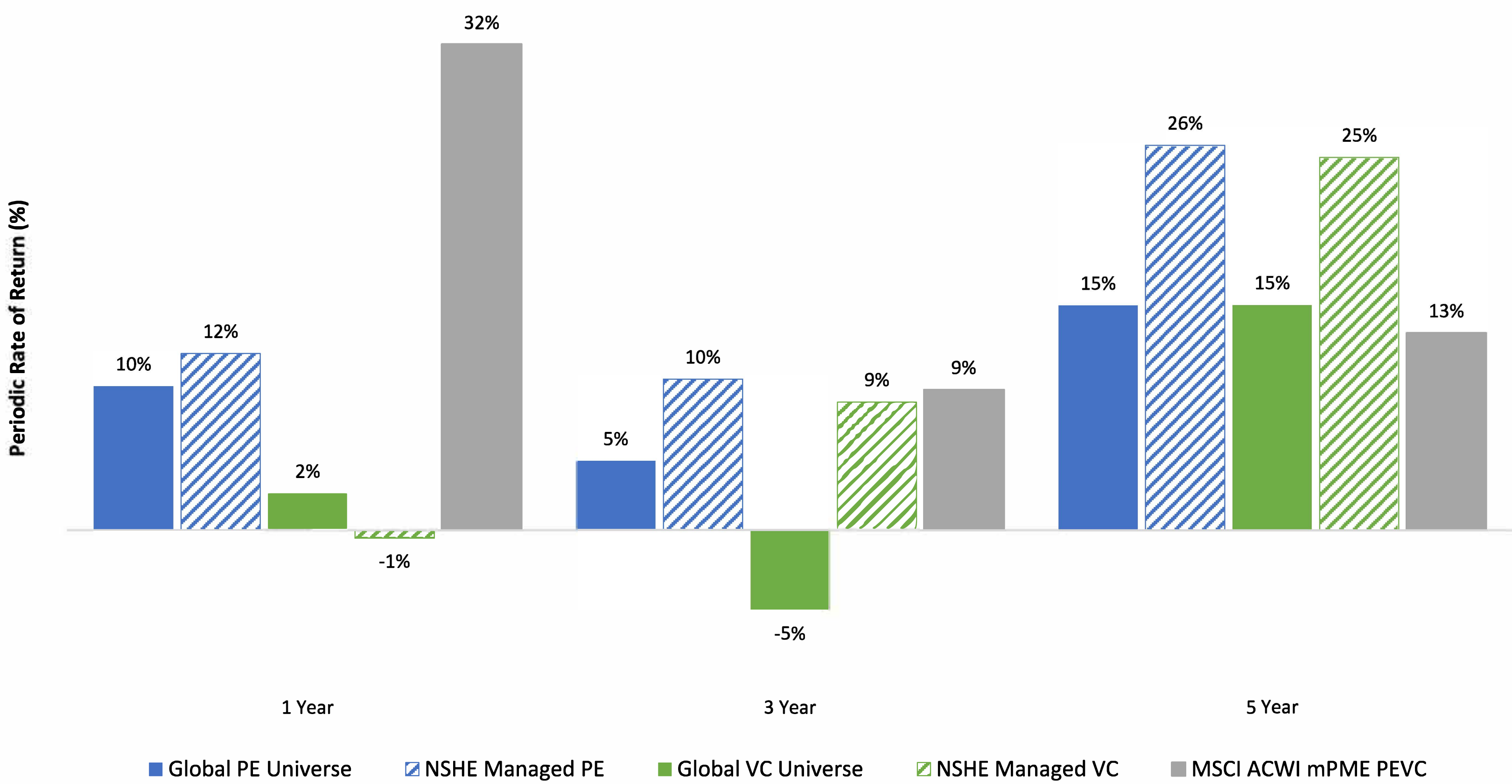
**NSHE ENDOWMENT**
As of September 30, 2024




Notes: CA Modified Public Market Equivalent (mPME) replicates private investment performance under public market conditions. The public index's shares are purchased and sold according to the private fund cash flow schedule, with distributions calculated in the same proportion as the private fund, and mPME NAV is a function of mPME cash flows and public index returns.

## Managed Private Growth (PE/VC) has significantly outperformed benchmarks over 3- and 5-year time periods

**PRIVATE EQUITY & VENTURE CAPITAL: PERIODIC RETURNS VS MSCI ACWI MPME**
As of September 30, 2024




Sources: Cambridge Associates LLC, MSCI, Inc. and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: Pooled private investment periodic returns are net of fees, expenses and carried interest. Private equity includes buyouts and growth equity. NSHE PI data as of 9/30/24 and exclude Legacy Private Investments.

## PE/VC Performance After Prior Lags

Over the past 20+ years, PE/VC performance has been substantially stronger following calendar years where it lagged global equity returns.

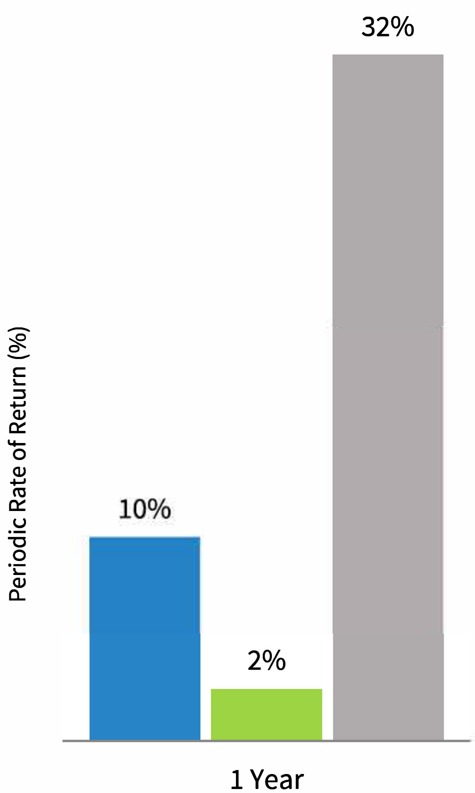
| Greatest Calendar Year Return Deltas | | | | Subsequent 3-Year Annual Returns | | |
|---|---|---|---|---|---|---|
| **Year** | **PEVC** | **ACWI** | **Δ** | **PEVC** | **ACWI** | **Δ** |
| 2009 | 14.7% | 34.6% | **-19.9%** | 13.6% | 6.6% | **+7.0%** |
| **2023** | **5.8%** | **22.2%** | **-16.4%** | - | - | - |
| 2003 | 17.9% | 34.0% | **-16.1%** | 27.0% | 15.6% | **+11.4%** |
| **1Q-3Q 2024** | **5.0%** | **18.7%** | **-13.7%** | - | - | - |
| 2019 | 17.9% | 26.6% | **-8.7%** | 19.1% | 4.0% | **+15.1%** |
| 2001 | -21.2% | -16.2% | **-5.0%** | 9.1% | 7.6% | **+1.5%** |
| 2017 | 21.1% | 24.0% | **-2.8%** | 20.6% | 10.1% | **+10.5%** |
| 2012 | 13.3% | 16.1% | **-2.8%** | 14.7% | 7.7% | **+7.0%** |
| 2013 | 21.9% | 22.8% | **-0.9%** | 10.6% | 3.1% | **+7.5%** |
| **Average** | **10.7%** | **20.3%** | **-9.6%** | **16.4%** | **7.8%** | **+8.6%** |

## Despite near-term underperformance,
## Private Equity and Venture Capital have generated strong long-term outperformance

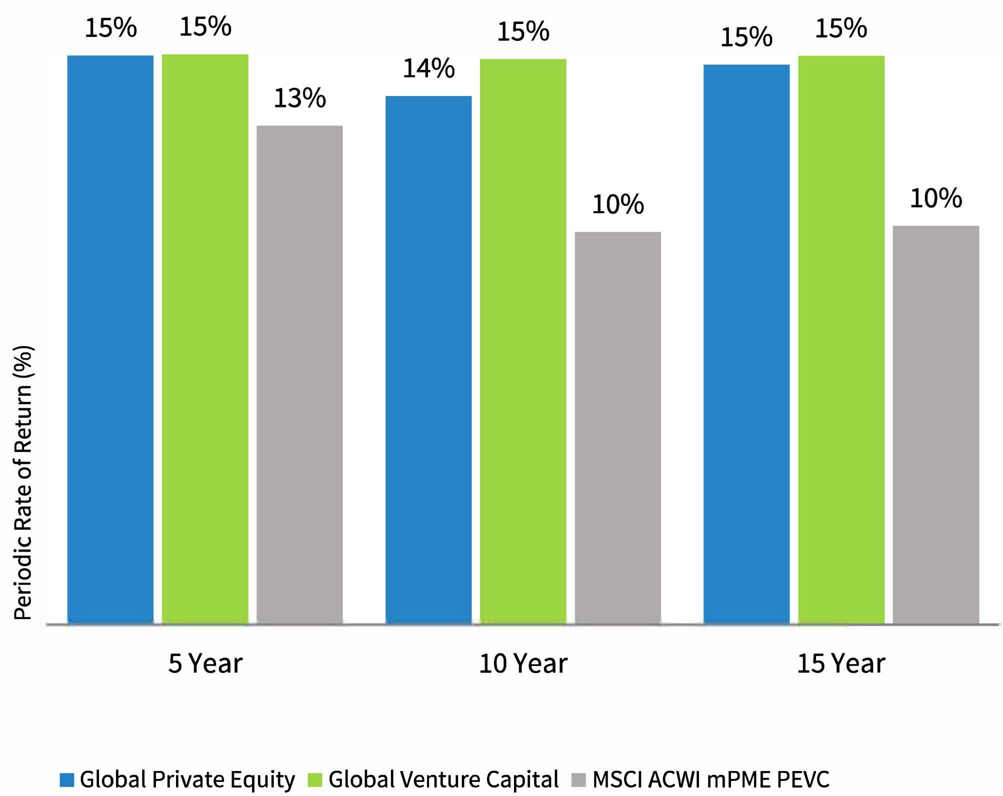
**PRIVATE EQUITY AND VENTURE CAPITAL: PERIODIC RETURNS VS MSCI ACWI MPME**

As of September 30, 2024

**1 YEAR PERFORMANCE COMPARISON**




**5, 10, and 15 YEAR PERFORMANCE COMPARISON**

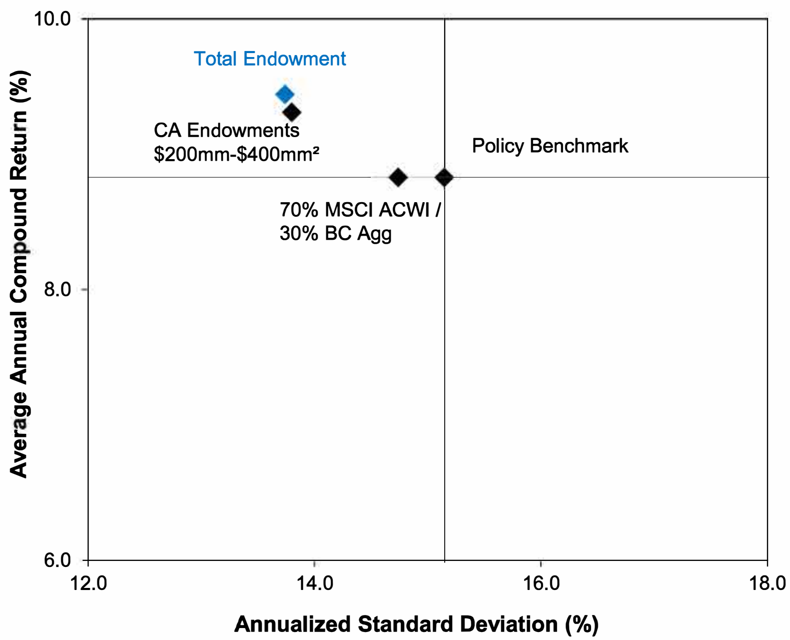



Sources: Cambridge Associates LLC, MSCI, Inc. and Thomson Reuters DataStream. MSCI data provided "as is" without any express or implied warranties. All financial investments involve risk. Depending on the type of investment, losses can be unlimited. Past performance is not a reliable indicator of future results. Notes: Pooled private investment periodic returns are net of fees, expenses and carried interest. Private equity includes buyouts and growth equity. 

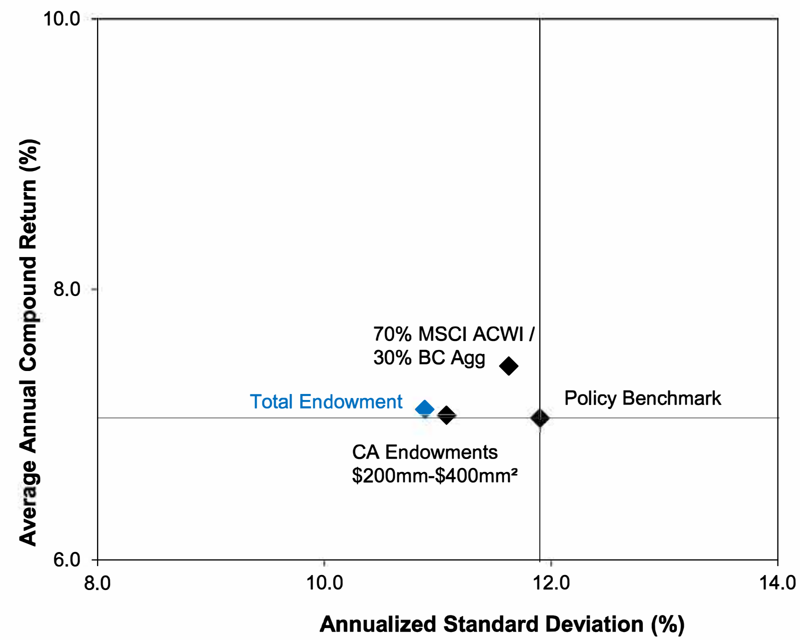
## Risk/Return Analyses

As of September 30, 2024 – *lagged to include most recent Private Investment results*

Trailing 5Y – October 01, 2019 – September 30, 2024




Trailing 10Y – October 01, 2014 – Sep 30, 2024




| | Average Annual Compound Return (%) | Annualized Standard Deviation (%) | Sharpe Ratio[1] |
|---|---|---|---|
| **Total Endowment** | **9.4** | **13.7** | **0.52** |
| Policy Benchmark | 8.8 | 15.1 | 0.43 |
| CA Endowments $200mm-$400mm² | 9.3 | 13.8 | 0.52 |
| 70% MSCI ACWI / 30% BC Agg | 8.8 | 14.7 | 0.44 |

| | Average Annual Compound Return (%) | Annualized Standard Deviation (%) | Sharpe Ratio[1] |
|---|---|---|---|
| **Total Endowment** | **7.1** | **10.9** | **0.50** |
| Policy Benchmark | 7.1 | 11.9 | 0.45 |
| CA Endowments $200mm-$400mm² | 7.1 | 11.1 | 0.50 |
| 70% MSCI ACWI / 30% BC Agg | 7.4 | 11.6 | 0.50 |

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1. Sharpe Ratio: to calculate this number, subtract the average T-Bill return (risk free rate) from the manager's average return then divide by the manager's standard deviation. The amount of return over the risk-free rate that can be expected for each unit of risk accepted.
2. From 10/01/2014 to 9/30/2024, CA Endowments $200mm-$400mm include 72-76 institutions over time. Data is as of 9/30/24.

## Monitor Performance Regularly, while Evaluating over Relevant Time Periods

Per Investment Policy Statement, several benchmarks assess different measures of performance and risk over varying time periods relevant to the long-term investment strategy of this perpetual pool

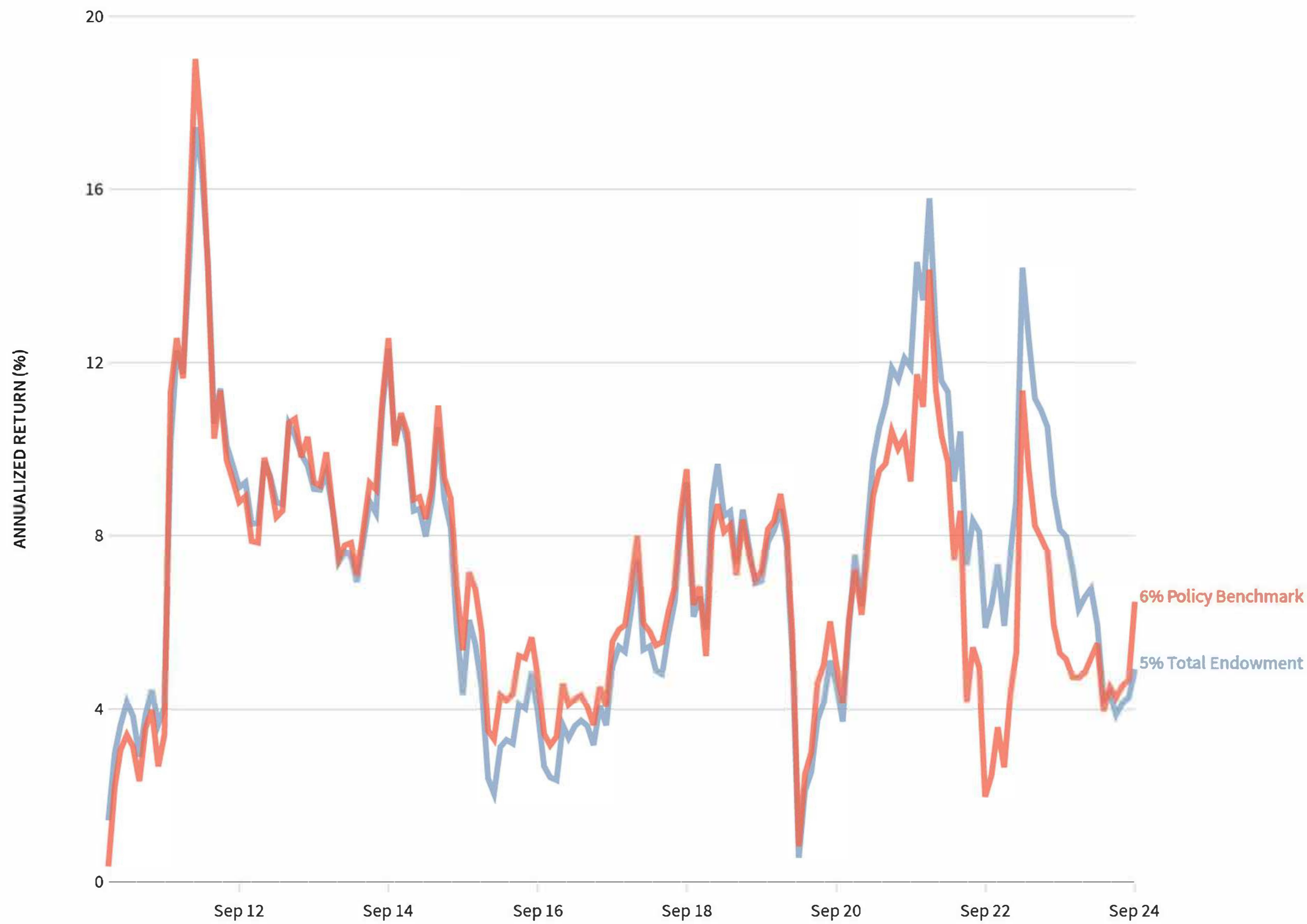
| | Benchmark | Description | Question Answered | Expectation | Evaluation Period |
|---|---|---|---|---|---|
| 1 | Policy Benchmark | Weighted blend of benchmarks for each role in portfolio category | Have manager selection and tactical asset allocation been additive relative to the strategic target policy? | Outperform with comparable volatility | Rolling 3-year periods |
| 2 | Simple Risk-Equivalent Benchmark<br><br>70% MSCI ACWI Index (net) / 30% Bloomberg Barclays Aggregate | Weighted blend of global equities (MSCI All Country World Index) and U.S. fixed income (Bloomberg Barclays Aggregate Bond Index) | Have asset allocation and implementation been additive relative to simple, passive alternatives; has risk profile been consistent with expectations? | Outperform with equal or less volatility | Rolling 5- to 10-year periods *(full equity market cycle)* |
| 3 | Long-Term Objective<br><br>All-in Distribution Policy (4.625%) + Inflation (CPI-U) | Static benchmark not directly related to market performance | Is the portfolio meeting NSHE's financial objectives to support a 4.625% payout and maintain purchasing power? | Outperform | Rolling 10-year periods |

CA

# Policy Benchmark Analysis: Rolling 3-Year Average Annualized Compound Returns

As of September 30, 2024 – *lagged to include most recent Private Investment results*

**Rolling 3 Years • Jan 1, 2008 - Sep 30, 2024 • USD**



## Simple Benchmark Analysis: Rolling 5-Year Average Annualized Compound Returns

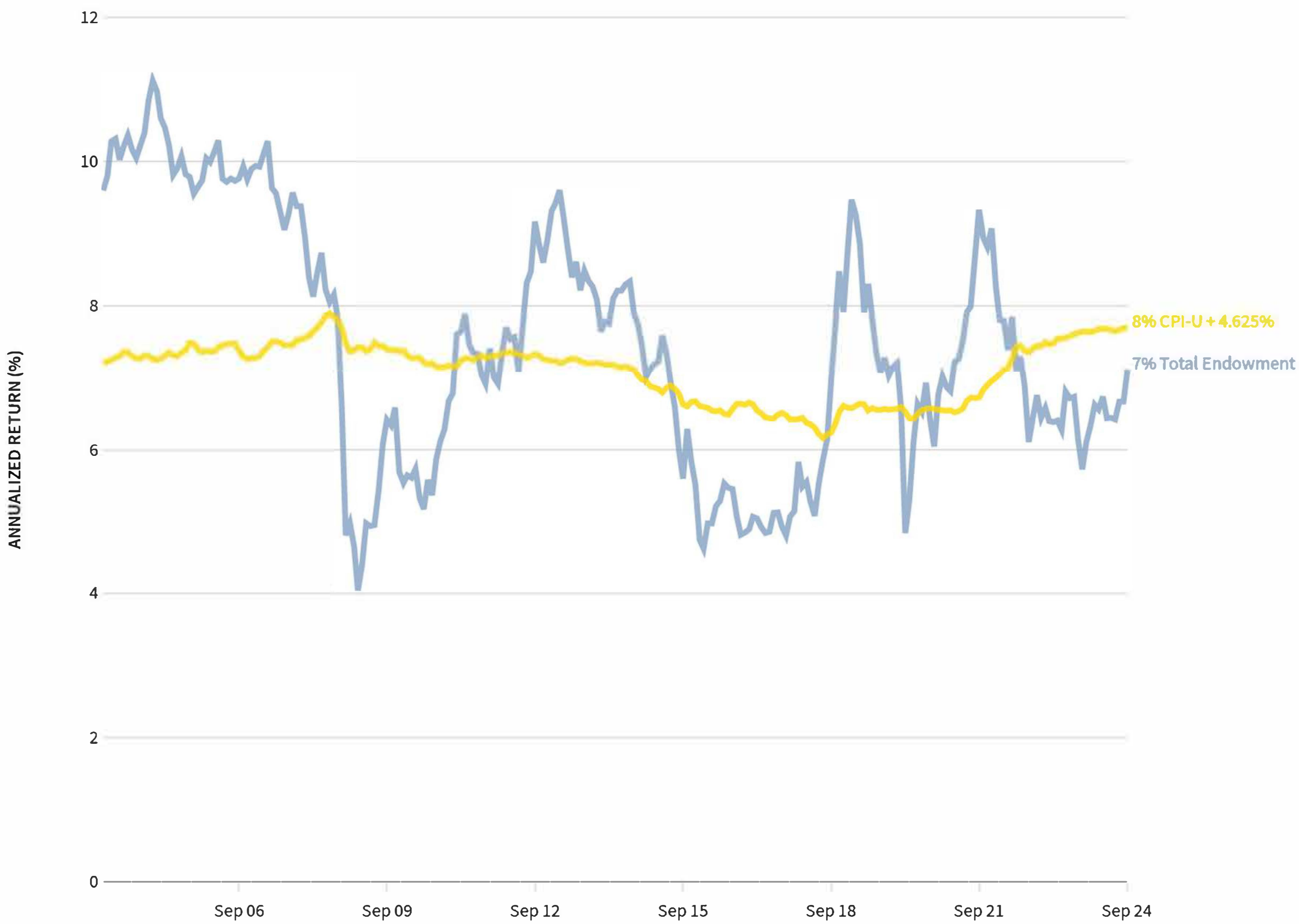
As of September 30, 2024 – *lagged to include most recent Private Investment results*

**Rolling 5 Years • Jan 1, 2008 - Sep 30, 2024 • USD**

## Long-Term Financial Objective: Rolling 10-Year Average Annualized Compound Returns

As of September 30, 2024 – *lagged to include most recent Private Investment results*

**Rolling 10 Years • Jan 1, 1994 - Sep 30, 2024 • USD**



# 1. ENDOWMENT OCIO UPDATE
## B. ASSET ALLOCATION AND GUIDELINE COMPLIANCE

CAMBRIDGE ASSOCIATES

## Total Endowment Asset Allocation Is Well Within Policy Ranges

| Portfolio Role | 12/31/2024 Asset Allocation | Total Endowment Long-Term Policy Targets | Total Endowment Allowable Range |
|---|---|---|---|
| **Growth** | **61.2%** | **62.0%** | **50% - 70%** |
| Public Growth | 46.5% | 45.0% | |
| Private Growth | 14.7% | 17.0% | |
| **Diversifiers** | **16.7%** | **18.0%** | **5% - 25%** |
| Liquid Diversifiers (liquidity w/in 3 years) | 13.4% | 13.0% | |
| Private Diversifiers | 3.3% | 5.0% | |
| **Real Assets** | **9.8%** | **10.0%** | **5% - 20%** |
| Public Real Assets | 3.8% | 2.0% | |
| Private Real Assets | 6.0% | 8.0% | |
| **Fixed Income & Cash** | **12.3%** | **10.0%** | **5% - 25%** |
| Fixed Income | 8.4% | 10.0% | |
| Cash | 3.9% | 0.0% | |

# Endowment Liquidity Is Well Within Guidelines

**Endowment Portfolio Liquidity Summary**
Market values estimated as of 12/31/2024

| Managers | 12/31/2024 MV ($ mm) | Exit Terms | Daily | Weekly/ Monthly | Quarterly | Semiannual/ Annual | Biennial | Illiquid |
|---|---|---|---|---|---|---|---|---|
| | | | Dollar Liquidity | | | | | |
| ***U.S. Equity*** | ***84.9*** | | ***11.1*** | ***36.4*** | ***4[illegible]*** | ***13.2*** | | |
| U.S. Equity | 84.9 | Daily; monthly; quarterly; annually | 11.1 | | 24.2 | | | |
| ***Global Equity*** | ***32.7*** | | | ***32.7*** | | | | |
| Global Equity | 32.7 | Weekly; monthly | | 32.7 | | | | |
| ***International Developed Equity*** | ***25.8*** | | ***2.2*** | ***23.5*** | | | | |
| International Developed Equity | 25.8 | Daily; weekly; monthly | 2.2 | 23.5 | | | | |
| ***Emerging Markets Equity*** | ***16.1*** | | | ***9.0*** | ***7.1*** | | | |
| Emerging Markets Equity | 16.1 | Weekly; monthly; quarterly | | 9.0 | 7.1 | | | |
| ***Diversifiers*** | ***57.4*** | | | ***5.5*** | ***26.5*** | ***12.9*** | ***0.5*** | ***12.0*** |
| Marketable Alternatives | 57.4 | Daily; monthly; quarterly; semi-annual; annual; biennial; illiquid | | 5.5 | 26.5 | 12.9 | 0.5 | |
| Managed Private Diversifiers | 11.4 | Illiquid | | | | | | 11.4 |
| ***Private Growth*** | ***50.5*** | ***Illiquid*** | | | | | | ***50.5*** |
| Managed Private Equity/Growth | 11.4 | Illiquid | | | | | | 11.4 |
| Managed Venture Capital | 13.7 | Illiquid | | | | | | 13.7 |
| Legacy Private Equity** | 18.8 | Illiquid | | | | | | 18.8 |
| Legacy Venture Capital** | 6.5 | Illiquid | | | | | | 6.5 |
| ***Real Assets*** | ***33.7*** | | ***5.0*** | ***8.1*** | | | | ***20.6*** |
| Real Assets | 27.0 | Daily; monthly; illiquid | 5.0 | 8.1 | | | | 13.9 |
| Legacy Natural Resources | 6.7 | Illiquid | | | | | | 6.7 |
| ***Fixed Income*** | ***29.0*** | | ***25.2*** | | ***3.8*** | | | |
| Fixed Income | 29.0 | Daily | 25.2 | | | | | |
| ***Cash and Cash Equivalents*** | ***13.3*** | ***Daily*** | ***13.3*** | | | | | |
| **TOTAL ASSETS** | **343.3** | | **56.8** | **115.3** | **61.5** | **26.1** | **0.5** | **83.1** |
| **PERCENT OF TOTAL ASSETS** | **100%** | | **17%** | **34%** | **18%** | **8%** | **0%** | **24%** |

| **Liquidity Guidelines - C\|A Managed Assets:**<br>*No new commitments while:* | **Guideline Compliance?** |
|---|---|
| *(1) Private Investment NAV > 39%* | **Yes** |
| *(2) Private Investment NAV + Unfunded Commitments > 54%* | **Yes** |

** Legacy assets are excluded from OCIO performance but are considered for purposes of asset allocation & guideline compliance.

C|A

# 1. ENDOWMENT OCIO UPDATE
## C. RISK PROFILE REVIEW

CAMBRIDGE ASSOCIATES

## Risk Profile Review – Overview

- At the Committee's request, we review the risk profile of the Endowment. Per the Statement of Investment Objectives and Policies for the Endowment Fund:

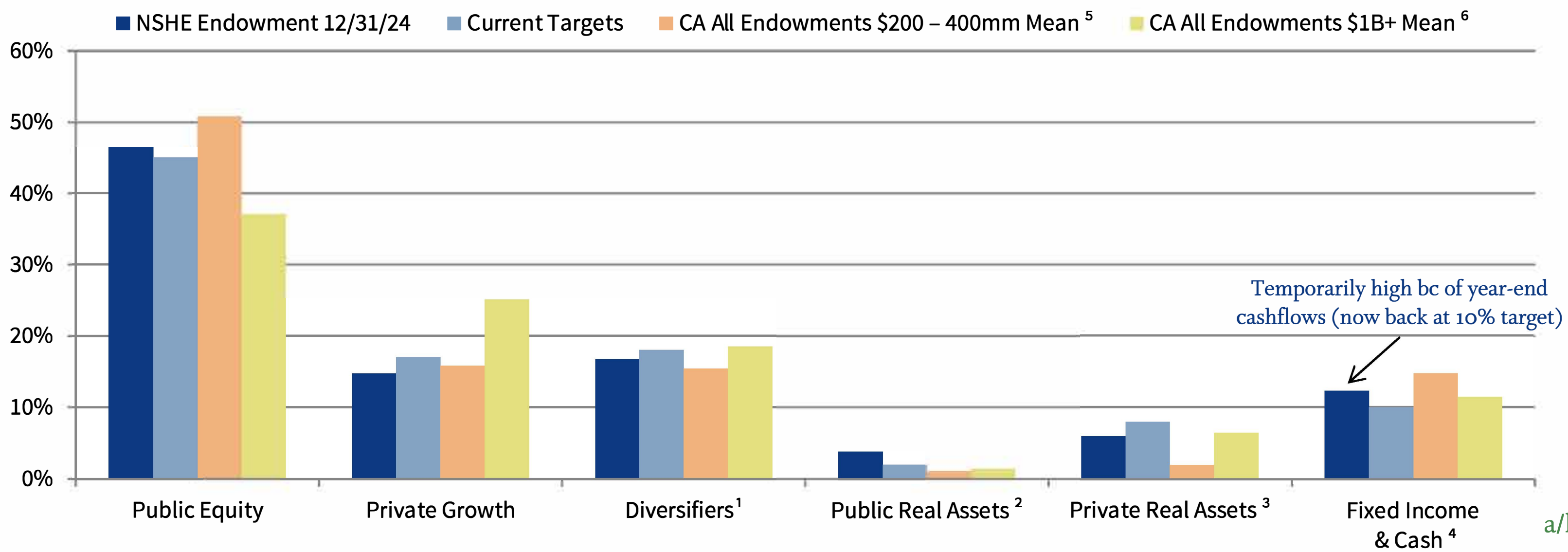
  *The Fund will be invested in a manner that is expected to maximize the long-term total return with reasonable and acceptable levels of investment risk. Investment risk is defined in two ways: (1) the possibility of investments declining in value, and (2) the expected performance volatility of the investments in the portfolio. The Fund aims to achieve the stated return objective with a targeted annualized standard deviation similar to a simple blend of 70% global stocks (MSCI All Country World Index)/30% Bonds (Barclays Aggregate) portfolio over rolling five- to ten-year periods (or a full equity market cycle).*

- Compared to similarly sized peers, the NSHE Endowment has slightly less exposure to traditional stocks and bonds, and is more diversified across Private Investments ("PI," e.g., private equity, venture capital), Diversifiers (e.g. hedge funds and private credit), and Real Assets (e.g., real estate, infrastructure). These less efficient asset classes have enhanced risk-adjusted returns over the long term, particularly during periods of market stress.

- Our long-term asset class assumptions suggest that NSHE's passive policy portfolio has an expected real return of 5.9% over the long term, with comparable volatility to a 70% stock/30% bond index.
  - While our forward-looking models assume that portfolios with larger PI implementation have higher implied volatility, realized volatility for PI has actually been lower, due to accounting practices. (We would also highlight that Private Investment managers have a broader set of opportunities to add value to their underlying investments, versus traditional stock and bond managers, who tend to drive returns simply through buying and selling securities.)
  - While the Endowment's expected real return of 5.9% should comfortably support NSHE's 4.625% payout over the long term, the *range* of expected returns is significantly wider over the short term than over the long term. Current valuations look likely to challenge intermediate-term asset class returns, but the NSHE portfolio should hold up better than a simple stock/bond index not only because of broader asset class diversification, but also because of greater potential for manager value-add in less efficient asset classes.
  - Although NSHE portfolio would be expected to experience meaningful short-term declines in stress environments, it is expected to materially reduce the long-term risk of failing to keep pace with the Endowment payout while maintaining purchasing power in inflation-adjusted terms.

- We believe that a 70% stock/30% bond volatility-equivalent index should continue to support the Endowment's objectives and recommend no change at this time.

# NSHE's asset allocation has a more diversified portfolio – with slightly less traditional stock/bond exposure – than similarly sized peers



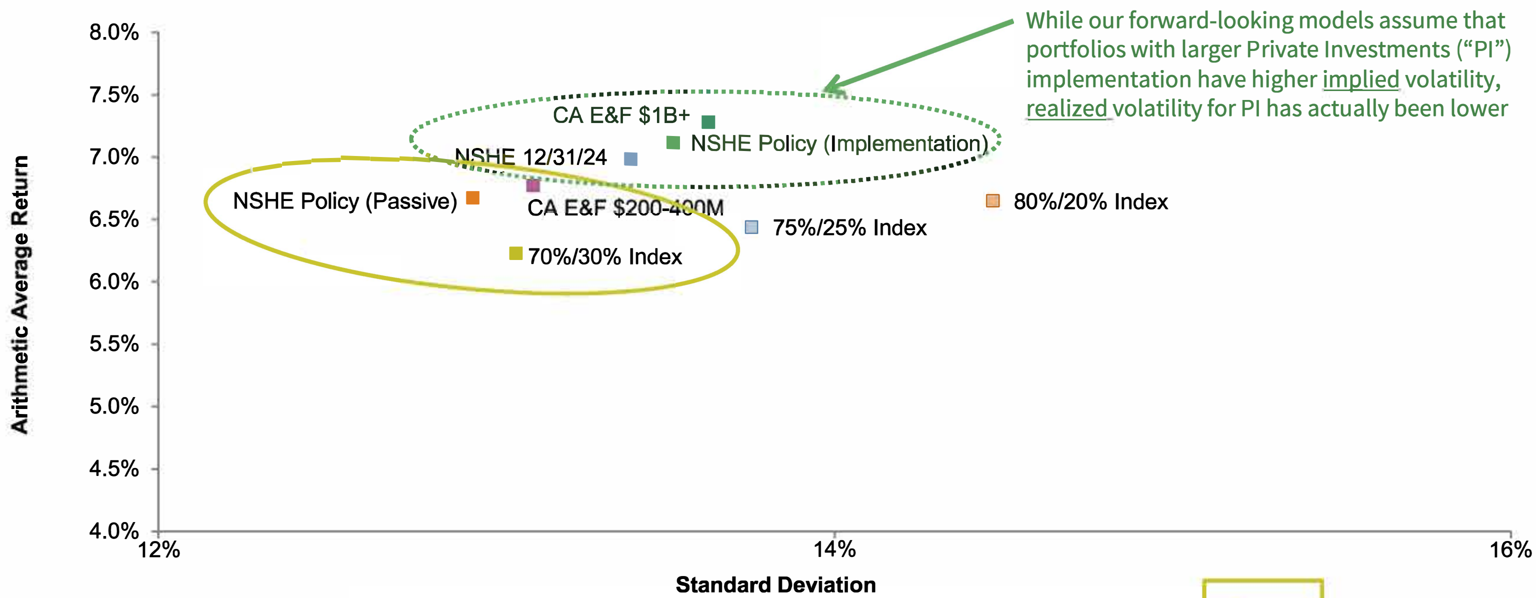

a/k/a stocks

a/k/a bonds & cash

| | Public Equity | Private Growth | Diversifiers[1] | Public Real Assets [2] | Private Real Assets [3] | Fixed Income & Cash [4] |
|---|---|---|---|---|---|---|
| **NSHE Endowment 12/31/24** | **46.4%** | **14.7%** | **16.7%** | **3.8%** | **6.0%** | **12.3%** |
| **Long-Term Policy Targets** | 45.0 | 17.0 | 18.0 | 2.0 | 8.0 | 10.0 |
| CA All Endowments $200 – 400mm Mean [5] | 50.8 | 15.8 | 15.4 | 1.1 | 2.0 | 14.7 |
| CA All Endowments $1B+ Mean [6] | 37.1 | 25.1 | 18.5 | 1.4 | 6.5 | 11.4 |

[1] Diversifiers include equity hedge funds, arbitrage, liquidating managers, other marketable alternatives (including private diversifiers), and others.
[2] Public Real Assets includes public real estate, public energy/natural resources, inflation-linked bonds, commodities.
[3] Private Real Assets includes private real estate, private energy/natural resources, oil & gas partnerships, timber.
[4] Fixed Income include U.S. bonds, global ex U.S. bonds, emerging markets bonds, and high-yield bonds.
[5] CA All Endowments $200–400mm universe includes 79 institutions with results as of 9/30/24.
[6] CA All Endowments $1B+ universe includes 123 institutions with results as of 9/30/24.

## NSHE passive policy portfolio & similarly sized peers have comparable volatility to a 70% stock/30% bond index



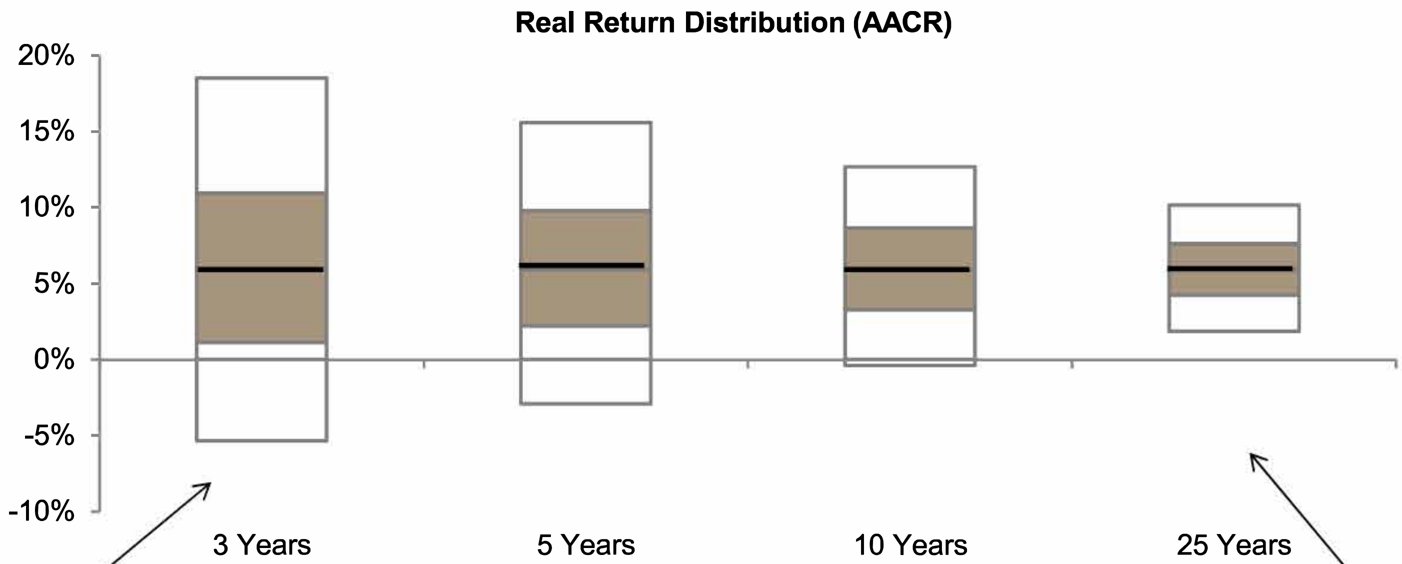

| RISK AND RETURN | NSHE 12/31/24 | NSHE POLICY (PASSIVE) | NSHE POLICY (IMPLEMENTATION) | CA E&F $200-400M | CA E&F $1B+ | 70%/30% INDEX | 75%/25% INDEX | 80%/20% INDEX |
|---|---|---|---|---|---|---|---|---|
| Real Arithmetic Return (%) | 7.0 | 6.7 | 7.1 | 6.8 | 7.3 | 6.2 | 6.4 | 6.7 |
| Real Compound Return (%) | 6.1 | 5.9 | 6.3 | 6.0 | 6.4 | 5.4 | 5.6 | 5.7 |
| Standard Deviation (%) | 13.4 | 12.6 | 13.6 | 13.2 | 13.7 | 13.1 | 13.8 | 14.5 |
| Sharpe Ratio | 0.45 | 0.45 | 0.45 | 0.44 | 0.46 | 0.40 | 0.39 | 0.39 |
| **UNCERTAINTY OF EXPECTATIONS** | | | | | | | | |
| Range of Expected Real Compound Return (%)[1] | 4.4 - 8.0 | 4.2 - 7.6 | 4.5 - 8.1 | 4.2 - 7.7 | 4.6 - 8.3 | 3.7 - 7.2 | 3.7 - 7.4 | 3.8 - 7.6 |
| Probability of achieving at least a 0.0% Real AACR over 5 years | 86% | 86% | 86% | 85% | 86% | 83% | 83% | 82% |
| Probability of achieving at least a 4.6% Real AACR over 5 years | 60% | 59% | 61% | 59% | 62% | 56% | 56% | 57% |

[1] Returns are expected to fall within range 50% of the time over a 25 year period. They will fall above the range 25% of the time and or below the range 25% of the time.
Notes(s): Based on Cambridge Associates equilibrium (25+ year) asset class assumptions for return, volatility, and correlation. Assumptions to not include any alpha component.
CA E&F $200-400M peer data is as of 9/30/2024 and contains 79 institutions. CA E&F $1B+ peer data is as of 9/30/2024 and contains 123 institutions.

## Short-term expected returns have a significantly wider range than long-term expectations

While the Policy Benchmark has a 5.9% expected real compound return over the long term (i.e. 25+ years), there is a wide range of potential outcomes, particularly over shorter time periods.

***Real Return Expectations***



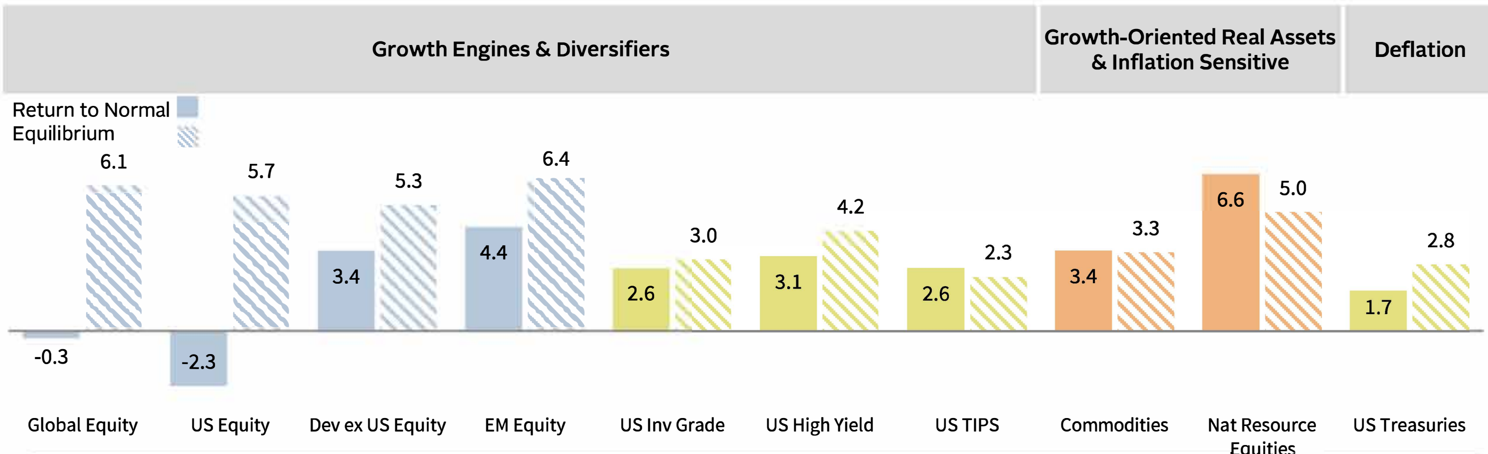

Over any given 3-year period the Policy Benchmark has a 50% likelihood of a real return between 1.2% and 10.9%

| | 3 Years | 5 Years | 10 Years | 25 Years |
|---|---|---|---|---|
| *5th* | *18.5%* | *15.6%* | *12.7%* | *10.1%* |
| 25th | 10.9% | 9.8% | 8.6% | 7.6% |
| 50th | 5.9% | 5.9% | 5.9% | 5.9% |
| 75th | 1.2% | 2.2% | 3.3% | 4.2% |
| *95th* | *-5.3%* | *-2.9%* | *-0.4%* | *1.9%* |

Over any given 25-year period the Policy Benchmark has a 50% likelihood of a real return between 4.2% and 7.6%

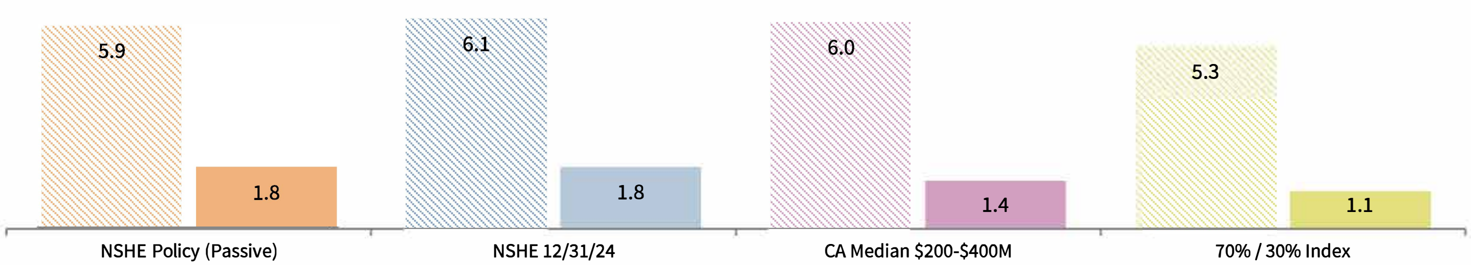
## Current valuations look likely to challenge intermediate-term asset class returns, but NSHE's diversified allocation should hold up better than simple stock/bond index

**INTERMEDIATE-TERM (10-YEAR) "RETURN TO NORMAL" SCENARIO, ASSUMING VALUATIONS NORMALIZE OVER NEXT 10 YEARS**
**LONG-TERM (25-PLUS YEAR) STEADY STATE "EQUILIBRIUM" ASSUMPTIONS: REAL RETURNS (ADJUSTED FOR INFLATION)**
Based on Current Market Valuations as of December 31, 2024 (3.0% Inflation)




### Comparative Return Analysis

**LONG-TERM "EQUILIBRIUM" REAL RETURNS**
**INTERMEDIATE-TERM "RETURN TO NORMAL" REAL RETURNS**
(10-Yr/25Yr Horizon, 3.0% Inflation)




**Key Assumptions: Inflation: 3%; Real EPS Growth: 2% for US and Dev ex US, 3% for EMs; Ending 10-Yr US Treasury Yield: 5.0%, Ending 10-Yr US TIPS yield: 2.0%**

Sources: Barclays, Cambridge Associates LLC, Global Financial Data, Inc., MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

## Historical Stress Scenarios

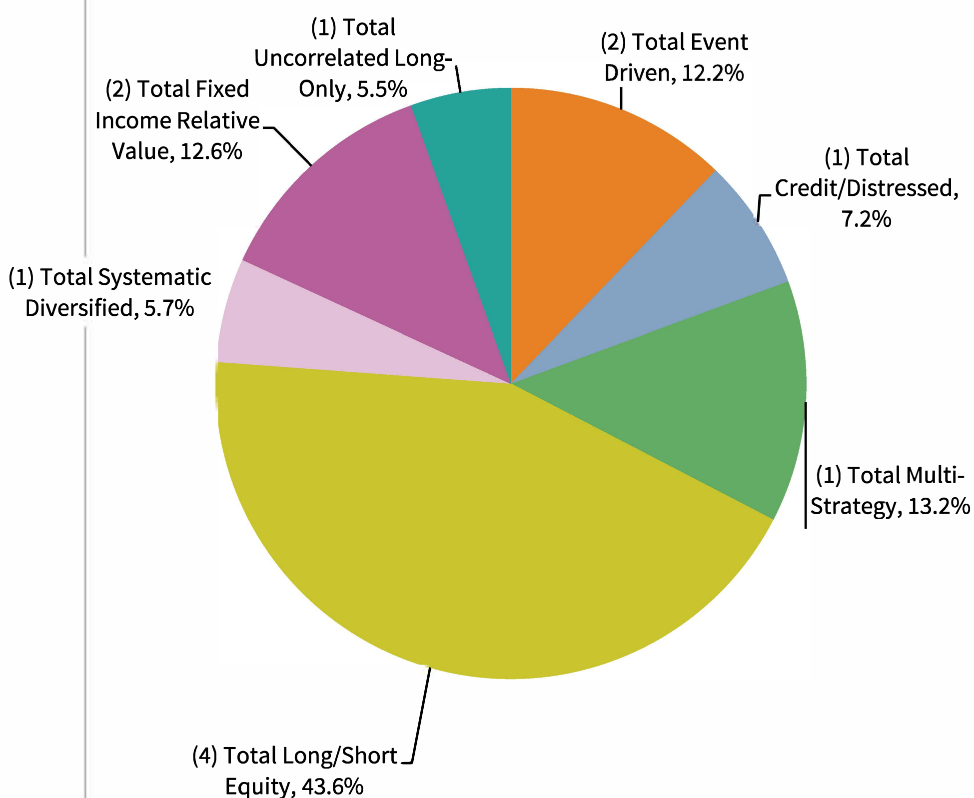
| Stress Name | Dates | Length of Period (Months) | Stress Period Estimates Cumulative Returns - Real | | | |
|---|---|---|---|---|---|---|
| | | | *NSHE Policy (Passive)* | *NSHE 12/31/24* | *CA E&F $200-400M* | *70%/30% Index* |
| Oil Shock | January 1, 1973 - September 30, 1974 | 21 | -41.5 | -44.5 | -45.1 | -45.1 |
| Energy Crisis/Stagflation | September 1, 1979 - March 31, 1980 | 7 | -8.4 | -9.3 | -9.2 | -10.0 |
| Energy Crisis/Stagflation | March 1, 1980 - March 31, 1980 | 1 | -9.1 | -8.1 | -7.8 | -6.4 |
| Interest Rate Hikes | July 1, 1980 - September 30, 1981 | 15 | -6.5 | -4.7 | -4.5 | -4.0 |
| Interest Rate Hikes | August 1, 1981 - July 31, 1982 | 12 | -14.2 | -13.3 | -12.8 | -10.0 |
| Stock Market Crash | September 1, 1987 - November 30, 1987 | 3 | -17.6 | -21.6 | -21.6 | -18.5 |
| Japan Market Collapse | January 1, 1990 - September 30, 1990 | 9 | -11.9 | -16.3 | -16.8 | -22.0 |
| Mexican Peso Crisis | February 1, 1994 - January 31, 1995 | 12 | -5.5 | -7.1 | -6.5 | -9.9 |
| Russian Debt Default | August 1, 1998 - September 30, 1998 | 2 | -10.2 | -8.7 | -8.7 | -9.3 |
| Tech Bubble Burst | April 1, 2000 - September 30, 2002 | 30 | -28.4 | -31.2 | -32.1 | -27.0 |
| Credit Crisis/Great Recession | November 1, 2007 - February 28, 2009 | 16 | -37.7 | -42.4 | -39.9 | -35.7 |

# 1. ENDOWMENT OCIO UPDATE
## D. CA DIVERSIFIERS & PRIVATE INVESTMENTS

CAMBRIDGE ASSOCIATES

# Diversifiers Program Snapshot

**Manager Percentages of Total Hedge Funds as of December 31, 2024**




**Event-Driven**

- Goal is to profit from mispricings in the capital structures of companies subject to corporate events
  - Buying stock in acquisition targets, shorting acquirers
  - Other events: spin-offs, divestitures, reorganization, and restructuring

**Credit / Distressed**

- Goal is to identify credit opportunities
  - Invest long and short in bonds, loans, credit default swaps and other credit markets.
  - Stressed and distressed debt, capital structure arbitrage, post-reorg equities.

**Multi-Strategy**

- Goal is to generate meaningful alpha through a variety of trading strategies

**Long/Short Equity**

- Goal is to limit exposure to "beta" and add meaningful "alpha"
  - Short positions to generate returns (alpha) and reduce market risk (beta)
  - Fundamental analysis identifies attractive companies (alpha)

**Systematic Diversified**

- Goal is to implement systematic investment processes that identify momentum or trending characteristics across an individual instrument or asset class
  - Typically avoid overexposure to single commodity/currency

**Fixed Income Relative Value**

- Goal is to generate uncorrelated returns from price inconsistencies among related government bond and rates markets and instruments. Trade strategies implemented through cash bonds, futures and swaps instruments.

**Uncorrelated Long-Only**

- Goal is to provide uncorrelated returns and inflation sensitivity through exposure to the California Carbon Allowance Market

Note: Percentages may not add to 100% due to rounding

# Private Investment Snapshot

| Current Allocation ($mm) as of December 31, 2024[1] | NAV | | Unfunded | | Total | | Target Commitment by Strategy ($mm): Annual Targets | Annual Range | 2025 Actual Commitments | LT Targets |
|---|---|---|---|---|---|---|---|---|---|---|
| | ($) | (%) | ($) | (%) | ($) | (%) | ($) | ($) | ($) | (%) |
| Venture / Growth Capital | 32.6 | 9.5% | 12.5 | 3.7% | 45.1 | 13.1% | 4.0 | $0 - $8 | 2.0 | 7.0% |
| Private Equity / Distressed | 17.9 | 5.2% | 13.7 | 4.0% | 31.7 | 9.2% | 7.0 | $0 - $10 | — | 10.0% |
| **Total VC & PE** | **$50.5** | **14.7%** | **$26.3** | **7.7%** | **$76.8** | **22.4%** | **$11.0** | **$0 - $18** | **$2.0** | **17.0%** |
| **Total Private Diversifiers** | **$11.4** | **3.3%** | **$12.2** | **3.6%** | **$23.6** | **6.9%** | **$4.0** | **$0 - $7** | **$5.0** | **5.0%** |
| Private Real Estate | 6.3 | 1.8% | 6.6 | 1.9% | 12.9 | 3.8% | 3.0 | $0 - $6 | 4.0 | 4.0% |
| Private Natural Resources | 13.6 | 4.0% | 7.5 | 2.2% | 21.1 | 6.2% | 3.0 | $0 - $6 | — | 4.0% |
| **Total Private RE & NR** | **$19.9** | **5.8%** | **$14.1** | **4.1%** | **$34.1** | **9.9%** | **$6.0** | **$0 - $12** | **$4.0** | **8.0%** |
| **Total** | **$81.9** | **23.8%** | **$52.6** | **15.3%** | **$134.5** | **39.2%** | **$21.0** | **$0 - $37** | **$11.0** | **30.0%** |

[1] Current allocation based on net asset values (NAV) and Total Endowment market value of $343.3 million as of 12/31/24.

| Asset Class | 2022 (C\|A Capital) | | 2023 (C\|A Capital) | | 2024 (C\|A Capital) | | 2025 (C\|A Capital) | |
|---|---|---|---|---|---|---|---|---|
| | Number of Funds | Commit. Amt. ($mm) | Number of Funds | Commit. Amt. ($mm) | Number of Funds | Commit. Amt. ($mm) | Number of Funds | Commit. Amt. ($mm) |
| Venture / Growth Capital | | | | | | | | |
| **Sub-Total** | 3 | $2.2 | 1 | $2.0 | 1 | $2.0 | 3 | $6.0 |
| Private Equity / Distressed | | | | | | | | |
| **Sub-Total** | 3 | $7.5 | 2 | $6.0 | 0 | --- | 0 | --- |
| **Total VC & PE** | 6 | $9.7 | 3 | $8.0 | 1 | $2.0 | 3 | $6.0 |
| Private Diversifiers | | | | | | | | |
| **Total Private Diversifiers** | 1 | $2.0 | 2 | $5.3 | 2 | $5.0 | 0 | --- |
| Private Real Estate | | | | | | | | |
| **Private RE Sub-Total** | 0 | --- | 1 | $2.5 | 2 | $4.0 | 0 | --- |
| Private Natural Resources | | | | | | | | |
| **Private NR Sub-Total** | 0 | --- | 1 | $2.0 | 0 | --- | 1 | $2.0 |
| **Total Private RE & NR** | 0 | --- | 2 | $4.5 | 2 | $4.0 | 1 | $2.0 |
| **Total Privates** | 7 | $11.7 | 7 | $17.8 | 5 | $11.0 | 4 | $8.0 |

C|A

## FUNDING STATUS & PERFORMANCE OVERVIEW

As of September 30, 2024, Nevada System of Higher Education had committed $165.0 million to 68 private investment partnerships, of which $121.3 million had been drawn down. Distributions of $125.9 million at market value, or 103.7% of paid-in capital, had been received. The total program return of 12.4% is net of fees, expenses, and carried interest associated with each partnership and is weighted according to the amount that has been drawn down from each partnership as of September 30, 2024.

Legacy PI have outperformed public markets by 460 bps

Reporting Currency: U.S. Dollars ($), in millions

| Asset Classes | Commitment(s) | Paid-In Capital | Unfunded Commitment(s) | Distributions at Market | Current Net Asset Value (NAV) | Total Value/ Paid In Multiple | Asset Class IRR | mPME IRR |
|---|---|---|---|---|---|---|---|---|
| **Legacy Private Equity** | **46.0** | **41.9** | **2.4** | **64.1** | **6.4** | **1.7** | **11.0%** | **5.9%** |
| **Legacy Venture Capital** | **17.6** | **17.2** | **0.3** | **19.5** | **19.6** | **2.3** | **8.4%** | **7.6%** |
| **Legacy Private Natural Resources** | **14.0** | **13.3** | **0.6** | **21.9** | **6.9** | **2.2** | **24.8%** | **9.6%** |
| **TOTAL LEGACY** | **77.6** | **72.4** | **3.3** | **105.5** | **32.9** | **1.9** | **12.0%** | **7.4%** |
| **Managed Private Equity/Distressed** | **22.6** | **12.0** | **12.4** | **6.8** | **11.3** | **1.5** | **23.4%** | **14.4%** |
| **Managed Venture Capital** | **14.2** | **7.4** | **6.9** | **1.0** | **13.2** | **1.9** | **23.9%** | **8.3%** |
| **Managed Private Diversifiers** | **26.6** | **15.2** | **12.3** | **8.1** | **10.4** | **1.2** | **11.0%** | **5.0%** |
| **Managed Private Natural Resources** | **10.5** | **6.7** | **5.1** | **2.6** | **7.4** | **1.5** | **15.8%** | **14.7%** |
| **Managed Real Estate** | **13.5** | **7.6** | **6.8** | **1.9** | **7.1** | **1.2** | **9.2%** | **6.7%** |
| **TOTAL MANAGED** | **87.4** | **48.9** | **43.4** | **20.4** | **49.5** | **1.4** | **17.2%** | **9.4%** |
| **TOTAL PORTFOLIO** | **165.0** | **121.3** | **46.7** | **125.9** | **82.4** | **1.7** | **12.4%** | **7.2%** |

Managed PI have outperformed public markets by 780 bps

C|A

# 1. ENDOWMENT OCIO UPDATE
## E. LEGACY ASSETS

CAMBRIDGE ASSOCIATES

## Legacy PI Program Returned 12.0% Annualized Since Inception (vs. 7.4% for public markets)

Multi-year performance detail as of 9/30/2024

Reporting Currency: U.S. Dollars ($)

| Private Investments Partnerships | Vintage Year | IRR (%)[1] Current Quarter | Current Quarter TVC[2] | 1 Year | 1 Year TVC[2,3] | 3 Years | 5 Years | 10 Years | Inception to Date |
|---|---|---|---|---|---|---|---|---|---|
| Legacy Private Equity | | | | | | | | | |
| Drum Capital Management SS Partners II, L.P. | 2006 | -1.6 | -45,576 | -9.4 | -293,478 | -9.2 | 9.3 | 4.6 | 7.1 |
| Dover Street VIII, L.P. | 2012 | 0.0 | 0 | -13.5 | -52,064 | -12.1 | 7.5 | 14.0 | 18.4 |
| Blackstone Strategic Partners VI, L.P. | 2014 | -1.0 | -5,967 | -0.6 | -4,100 | -7.6 | 3.2 | 10.9 | 12.0 |
| Dover Street IX, L.P. | 2016 | -3.0 | -86,820 | -4.8 | -143,485 | -3.3 | 11.0 | — | 18.6 |
| **Total Legacy Private Equity** | | **-2.1** | **-138,363** | **-6.8** | **-493,127** | **-7.0** | **8.2** | **9.5** | **11.0** |
| ***mPME Benchmark: MSCI World Index (Net)*** | | ***6.4*** | | ***32.6*** | | ***7.6*** | ***13.4*** | ***9.1*** | ***5.9*** |
| Legacy Venture Capital | | | | | | | | | |
| Commonfund Capital Venture Partners X, L.P. | 2012 | 1.4 | 133,399 | 5.0 | 472,250 | -3.9 | 18.6 | 18.9 | 19.4 |
| Commonfund Capital Venture Partners XI, L.P. | 2015 | 2.2 | 214,650 | 0.8 | 78,851 | -7.1 | 16.3 | — | 19.8 |
| **Total Legacy Venture Capital** | | **1.8** | **348,049** | **2.8** | **551,101** | **-5.6** | **17.3** | **18.0** | **8.4** |
| ***mPME Benchmark: Russell 2000® Index*** | | ***9.3*** | | ***26.9*** | | ***1.3*** | ***10.1*** | ***8.9*** | ***7.6*** |
| Legacy Private Natural Resources | | | | | | | | | |
| Commonfund Capital Natural Resources IX, L.P. | 2012 | -1.5 | -48,834 | 10.2 | 336,649 | 14.4 | 7.6 | 6.9 | 6.4 |
| Commonfund Capital Natural Resources X | 2015 | 0.9 | 35,134 | 5.8 | 237,589 | 9.8 | 6.3 | — | 9.9 |
| **Total Legacy Private Natural Resources** | | **-0.2** | **-13,700** | **7.8** | **574,238** | **11.9** | **7.0** | **6.9** | **24.8** |
| ***mPME Benchmark: S&P North American Natural Resources Sector Index*** | | ***1.0*** | | ***9.5*** | | ***19.7*** | ***14.3*** | ***7.1*** | ***9.6*** |
| **TOTAL LEGACY** | | **0.6** | **195,986** | **1.8** | **632,212** | **-2.7** | **12.3** | **12.2** | **12.0** |
| ***mPME Benchmark: Total Portfolio Blend*** | | ***6.2*** | | ***23.8*** | | ***7.4*** | ***11.8*** | ***8.4*** | ***7.4*** |

NSHE's Total Legacy Assets have delivered 4.6% excess return over public market equivalents

[1] IRR calculations are based on a stream of quarterly cash flows; including NAV, paid-in capital, and distributions. The multi-year return calculation assumes the starting period NAV is the first contribution in the stream of cash flows used to calculate the IRR. Liquidated investments are only included in the total returns for each asset class and the total portfolio.

# Legacy PI Program Has Meaningfully Outperformed Public Markets

Funding status and performance summary:
Inception through 9/30/2024

- Notable contributors: Commonfund Venture X and XI, Dover Street IX, Endowment Energy IV
- Notable detractors: Endowment Venture V

Reporting Currency: U.S. Dollars ($)

| | | Cash Flow & Valuation | | | | | | Multiples | | | | | IRR | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Private Investments Partnerships | Vintage Year | Commit-ment | Paid-In Capital | Unfunded Commit-ment | Distributions at Market | Current Net Asset Value (NAV) | Total Value Creation | Distributed / Paid In[2] Fund | Distributed / Paid In[2] CA[4] | Total Value / Paid In[2] Fund | Total Value / Paid In[2] CA[4] | Fund Quartile Rank | Fund IRR[3] | CA Median[4] | Fund Quartile Rank |
| **Legacy Private Equity** | | | | | | | | | | | | | | | |
| Dover Street IV, L.P. | 1999 | 8,000,000 | 7,560,000 | 0 | 10,532,539 | 0 | 2,972,539 | 1.39 | 1.42 | 1.39 | 1.42 | NA | 8.6% | 11.4% | NA |
| Endowment Private Equity Partners IV, L.P. | 2000 | 5,000,000 | 4,880,000 | 0 | 10,261,639 | 0 | 5,381,639 | 2.10 | 1.68 | 2.10 | 1.89 | 2 | 16.6% | 15.2% [5] | 2 |
| Commonfund International Partners IV, L.P. | 2001 | 4,000,000 | 3,912,000 | 0 | 7,215,395 | 0 | 3,303,395 | 1.84 | 1.77 | 1.84 | 1.83 | 2 | 12.9% | 14.9% [6] | 3 |
| Commonfund Private Equity Partners V, L.P. | 2002 | 4,000,000 | 3,860,000 | 0 | 6,951,781 | 0 | 3,091,781 | 1.80 | 1.77 | 1.80 | 1.80 | 2 | 10.8% | 12.4% [5] | 3 |
| Drum Capital Management SS Partners II, L.P. | 2006 | 10,000,000 | 9,112,118 | 887,881 | 12,550,602 | 2,765,391 | 6,203,875 | 1.38 | 1.47 | 1.68 | 1.53 | 2 | 7.1% | 9.6% [7] | 3 |
| Dover Street VIII, L.P. | 2012 | 5,000,000 | 4,600,000 | 400,000 | 7,317,006 | 302,626 | 3,019,632 | 1.59 | 1.35 | 1.66 | 1.58 | 2 | 18.4% | 12.2% | 1 |
| Blackstone Strategic Partners VI, L.P. | 2014 | 5,000,000 | 3,409,246 | 663,809 | 4,432,246 | 580,420 | 1,603,420 | 1.30 | 1.39 | 1.47 | 1.70 | 4 | 12.0% | 14.0% | 4 |
| Dover Street IX, L.P. | 2016 | 5,000,000 | 4,550,000 | 450,000 | 4,805,041 | 2,777,083 | 3,032,124 | 1.06 | 0.98 | 1.67 | 1.68 | 3 | 18.6% | 14.3% | 2 |
| **Total Legacy Private Equity** | | **46,000,000** | **41,883,364** | **2,401,690** | **64,066,249** | **6,425,520** | **28,608,405** | **1.53** | | **1.68** | | | **11.0%** | | |
| *mPME Benchmark: MSCI World Index (Net)* | | | | | | | | | | *1.37* | | | *5.9%* | | |
| **Legacy Venture Capital** | | | | | | | | | | | | | | | |
| Endowment Venture Partners IV, L.P. | 1998 | 5,000,000 | 4,912,500 | 0 | 5,412,554 | 0 | 500,054 | 1.10 | 0.85 | 1.10 | 0.86 | 2 | 1.5% | -1.8% | 2 |
| Endowment Venture Partners V, L.P. | 2000 | 2,640,000 | 2,571,881 | 0 | 2,509,800 | 0 | -62,081 | 0.98 | 0.95 | 0.98 | 0.95 | 2 | -0.3% | -0.7% | 2 |
| Commonfund Capital Venture Partners X, L.P. | 2012 | 5,000,000 | 4,675,000 | 125,000 | 7,851,448 | 9,602,262 | 12,578,710 | 1.61 | 1.22 | 3.58 | 2.36 | 2 | 19.4% | 14.6% | 2 |
| Commonfund Capital Venture Partners XI, L.P. | 2015 | 5,000,000 | 4,860,000 | 140,000 | 3,710,479 | 9,957,427 | 8,807,906 | 0.76 | 0.61 | 2.81 | 2.19 | 2 | 19.8% | 14.4% | 2 |
| **Total Legacy Venture Capital** | | **17,640,000** | **17,219,381** | **265,000** | **19,484,281** | **19,559,689** | **21,824,589** | **1.13** | | **2.27** | | | **8.4%** | | |
| *mPME Benchmark: Russell 2000® Index* | | | | | | | | | | *1.71* | | | *7.6%* | | |
| **Legacy Private Natural Resources** | | | | | | | | | | | | | | | |
| Endowment Energy Partners IV, L.P. | 1997 | 4,000,000 | 3,910,228 | 0 | 14,825,504 | 0 | 10,915,276 | 3.79 | 2.20 | 3.79 | 2.20 | 1 | 25.7% | 19.1% | 2 |
| Commonfund Capital Natural Resources IX, L.P. | 2012 | 5,000,000 | 4,775,000 | 225,000 | 4,102,681 | 3,082,367 | 2,410,048 | 0.86 | 0.68 | 1.50 | 1.09 | 2 | 6.4% | 1.5% | 2 |
| Commonfund Capital Natural Resources X | 2015 | 5,000,000 | 4,612,500 | 387,500 | 2,973,250 | 3,832,687 | 2,193,437 | 0.64 | 0.76 | 1.48 | 1.40 | 2 | 9.9% | 7.9% | 2 |
| **Total Legacy Private Natural Resources** | | **14,000,000** | **13,297,728** | **612,500** | **21,901,435** | **6,915,054** | **15,518,761** | **1.65** | | **2.17** | | | **24.8%** | | |
| *mPME Benchmark: S&P North American Natural Resources Sector Index* | | | | | | | | | | *1.53* | | | *9.6%* | | |
| **TOTAL LEGACY** | | **77,640,000** | **72,400,473** | **3,279,190** | **105,451,965** | **32,900,263** | **65,951,755** | **1.46** | | **1.91** | | | **12.0%** | | |
| *mPME Benchmark: Total Portfolio Blend* | | | | | | | | | | *2.08* | | | *7.4%* | | |

NSHE's Legacy Private Equity has delivered 5.1% excess return over public equities

NSHE's Legacy Private Natural Resources have delivered 15.2% excess return over public natural resources equities.

CA

## Legacy Assets Summary

As of December 31, 2024

| Fund | Vintage Year | Current Net Asset Value (NAV) ($mm) | % of Total Endowment | Manager | Strategy/Portfolio Description |
|---|---|---|---|---|---|
| **Legacy Private Equity** | | | | | |
| Dover Street VIII | 2011 | 0.2 | 0.1% | HarbourVest Partners LLC | **Global secondaries manager** that will pursue three types of private equity/venture capital secondary transactions:<br>- LP Interest: HarbourVest purchases one or more interests in existing private equity and venture capital funds from an institutional investor.<br>- Synthetic: HarbourVest purchases a portfolio of direct company interests typically from a bank or large corporation. At purchase, the portfolio's management team usually agrees to continue managing the portfolio independent from its former employer.<br>- Structured: HarbourVest purchases a large LP interest portfolio and sets up a structure such as a joint venture to accommodate the seller's liquidity needs. |
| Dover Street IX | 2015 | 2.3 | 0.7% | | |
| Drum Capital Management Special Situations Partners II | 2006 | 2.8 | 0.8% | Drum Capital Management LLC | **Fund of Funds manager** focused on distressed debt, turnarounds, and restructuring partnerships. As of 3/31/18, SSP was invested with about two-thirds of the portfolio in 11 partnerships across various US & European strategies (e.g., control, trading, turnarounds, arbitrage) and almost a third in three co-investments. In December 2018, the manager's second 1-year extension of the Partnership is scheduled to end, and the fund will enter the orderly liquidation period pursuant to its Limited Partnership Agreement. |
| Strategic Partners VI | 2013 | 0.5 | 0.2% | The Blackstone Group | **Secondaries manager** that purchases primarily North American/European leveraged buyout funds that are 75% to 85% funded at purchase. The manager will also purchase LP interests in mezzanine, venture capital, fund of funds, and real assets funds. |
| **Legacy Venture Capital** | | | | | |
| Endowment Venture Partners V | 2000 | 0.0 | 0.0% | Commonfund Capital Inc. | **Venture Capital Fund of Funds manager** that commits capital to a diverse set of venture capital and growth funds, mostly in China, Europe, Israel, and India. These investments range from early-stage funds to later-stage funds. |
| Commonfund Capital Venture Partners X | 2012 | 9.4 | 2.7% | | |
| Commonfund Capital Venture Partners XI | 2014 | 9.5 | 2.8% | | |
| **Legacy Private Natural Resources** | | | | | |
| Commonfund Capital Natural Resources IX | 2011 | 3.0 | 0.9% | Commonfund Capital Inc. | **Natural Resources Fund of Funds manager** that focuses on a diversified group of natural resources-focused private equity funds in North America. A portion of investments are held in the gas and oil sector while also including other sectors such as clean energy, agriculture, and timber. A majority of investments are seen in primary commitments with secondary and direct coinvestments taking a smaller role. |
| Commonfund Capital Natural Resources X | 2014 | 3.7 | 1.1% | | |
| **Legacy Liquidating Positions** | | | | | |
| Farallon Capital Sidepocket | 2012 | 0.0 | 0.0% | Farallon Capital Management | **Special Situations account** established prior to 2010 holding liquidating assets in real estate (75%) and illiquid equity/debt (25%) |

# 1. ENDOWMENT OCIO UPDATE
## F. SUPPLEMENTAL PORTFOLIO DETAILS

CAMBRIDGE ASSOCIATES

## PORTFOLIO PERFORMANCE NOTES

[2]The Distributed / Paid In Multiple is calculated by dividing the total distributions from the fund by the total paid into the fund. The Total Value / Paid In Multiple is calculated by dividing the sum of the remaining investment NAV and total distributions from the fund by the total paid into the fund.

[3]Fund internal rate of return includes the cash-on-cash return net of fees, expenses, and carried interest, as well as the net asset value of Nevada System of Higher Education's interest in the partnership.

[4]CA vintage year benchmarks are as of September 30, 2024. All benchmarks are in U.S. Dollars. Legacy Private Equity utilizes the Secondary Funds benchmark. Legacy Venture Capital utilizes the U.S. Venture Capital benchmark. Legacy Private Natural Resources utilizes the Natural Resources benchmark. Managed Private Equity/Distressed utilizes the Private Equity benchmark. Managed Venture Capital utilizes the U.S. Venture Capital benchmark. Managed Private Diversifiers utilizes the Private Credit benchmark. Managed Private Natural Resources utilizes the Natural Resources benchmark. Managed Real Estate utilizes the Real Estate benchmark.

[5]Endowment Private Equity Partners IV, L.P. and Commonfund Private Equity Partners V, L.P. utilize the U.S. Private Equity benchmark.

[6]Commonfund International Partners IV, L.P. utilizes the Ex U.S. Private Equity & Venture Capital benchmark.

[7]Drum Capital Management SS Partners II, L.P. utilizes the Distressed Securities benchmark.

Cambridge Associates' portfolio benchmark medians are calculated using the middle breakpoints fund in each asset class vintage year.

Funds with NA (not applicable) are too young to have produced meaningful returns or have not yet commenced operations. Analysis and comparison of partnership returns to benchmark statistics may be irrelevant. Benchmarks with NA have an insufficient number of funds in the vintage year sample to produce a meaningful return.

Fund vintage year is determined based on the fund's first cash flow, defined as the year of the fund's first drawdown or capital call from its investors. In instances where a fund has not yet called capital, the vintage year shown is based on the legal inception date as noted in the fund's closing documents and financial statements.

Rows marked with * contain preliminary data

# END NOTES



Due to the nature of Exchange Traded Funds (ETFs), passive index funds, and futures, options and other derivatives, these investments/contracts are not subject to the same monitoring or due diligence requirement as active managers. A list of investments in this portfolio that are excluded from monitoring can be provided upon request.

1. Net of Fees returns were previously misstated on the December 2024 report. This has been corrected for this report.
2. Performance and market values are as of 9/30/24, all adjusted with cash flows through the current period.
3. For benchmark details, please refer to the Custom Benchmark Compositions exhibit.
4. From 01/31/88 to 01/31/01 benchmark consists of the MSCI ACWI (G). Prior to 01/31/88 benchmark consists of the MSCI World Index (N).
5. Performance, when denoted as preliminary (*) for this manager, utilizes a gross return figure.
6. Prior to 02/01/01, benchmark consists of MSCI Emerging Markets Index.
7. Prior to 04/01/19 this benchmark consisted of 100% CSI 300 Index.
8. From 12/01/16 to present the benchmark consists of the lagged 0.3 beta-adjusted MSCI ACWI (N). Prior to 12/01/16 benchmark consists of HFRI Fund of Funds Diversified Index.

10. Benchmark since 06/30/18. The previous benchmark was FTSE Developed Core Infrastructure 50/50 Hedged Index.

# BENCHMARK END NOTES



**Policy Benchmark**

| | C\|A Normalized Benchmark | Russell Normalized Benchmark | Wilshire 5000 Total Market Index | MSCI EAFE Index (N) | MSCI ACWI ex U.S. Index (N) | MSCI Emerging Markets Index (G) | MSCI Emerging Markets Index (N) | Adjusted MSCI ACWI (N)[2] | CA Global Private Equity & Venture Capital Benchmark | HFRI FOF Diversified Index | 0.3 beta-adjusted MSCI ACWI (N) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Inception to 03/31/96:** | X | X | 60% | 10% | X | X | X | X | X | X | X |
| **04/01/96 to 09/30/99:** | X | X | 45% | 15% | X | 5% | X | X | X | X | X |
| **10/01/99 to 06/30/00:** | X | X | 42% | 15% | X | 5% | X | X | X | 8% | X |
| **07/01/00 to 03/31/06:** | X | X | 42% | 10% | X | X | 3% | X | X | 12% | X |
| **04/01/06 to 06/30/13:** | X | X | 38% | X | 17% | X | X | X | X | 12% | X |
| **07/01/13 to 11/30/16:** | X | X | 24% | 16% | X | X | 8% | X | 10% | 14% | X |
| **12/01/16 to Present:** | ACB[4] | ACB[4] | X | X | X | X | X | ACB[4] | X | X | ACB[4] |

| | FTSE NAREIT All Equity REITs Index | FTSE EPRA NAREIT Global RE Index | BBG Barc U.S. TIPS Index | Wilshire DIH Benchmark | S&P NA Natural Resources Index | S&P GSCI | Alerian MLP Index | CA Private Natural Resources Benchmark | BBG Barc Government / Credt Bond Index | BBG Barc Aggregate Bond Index | JP Morgan Global Govt Bond Index | Citigroup 3-Month T- Bill Index |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Inception to 03/31/96:** | X | X | X | X | X | X | X | X | 30% | X | X | X |
| **04/01/96 to 09/30/99:** | 5% | X | X | X | X | X | X | X | X | 30% | X | X |
| **10/01/99 to 06/30/00:** | 5% | X | X | X | X | X | X | X | X | 25% | X | X |
| **07/01/00 to 03/31/06:** | 5% | X | 5% | X | X | X | X | X | X | 23% | X | X |
| **04/01/06 to 06/30/13:** | 3% | X | X | 7% | X | X | X | X | X | 23% | X | X |
| **07/01/13 to 11/30/16:** | X | 2% | X | X | 5% | X | X | 1% | X | 14% | 2% | 4% |
| **12/01/16 to Present:** | X | X | X | X | ACB[4] | X | X | X | X | X | X | ACB[4] |

**C|A Normalized Benchmark**

| | Adjusted MSCI ACWI (N) [1][2] | Adjusted Diversifiers Benchmark[1][7] | Adjusted Real Assets Benchmark [1][3] | BBG Barc Aggregate Bond Index [1] |
|---|---|---|---|---|
| **12/01/16 to Present:** | 62% | 18% | 10% | 10% |

**Russell Normalized Benchmark**

| | MAC + Custom Benchmark [1][5] | Bloomberg Barclays US 1-3M T-Bill index [1] | LIBOR + 4% [1] | 0.3 beta-adjusted MSCI ACWI (N) [1] | NCREIF[6] | BBG Barc Aggregate Bond Index | BBG Barc 3M USD LIBOR Cash Index[1] | Actual Portfolio Returns During Portfolio Liquidation Period |
|---|---|---|---|---|---|---|---|---|
| **01/05/17 to 01/31/17:** | 73% | 12% | X | X | X | 10% | 5% | X |
| **02/01/17 to 03/31/17** | 73% | X | 12% | X | X | 10% | 5% | X |
| **04/01/17 to 09/30/20:** | 68% | X | 12% | X | 5% | 10% | 5% | X |
| **10/01/20 to 11/30/2021:** | 68% | X | X | 12% | 5% | 10% | 5% | X |
| **12/01/2021 to Present** | X | X | X | X | X | X | X | 100% |

(1) Adjusted by 50% of Legacy Assets per Section 5.4.d of NSHE IPS.

(2) Adjusted Managed Growth Benchmark consists of two parts: (1) MSCI All Country World Index (N) weighted by the actual Public Growth allocation & (2) MSCI All Country World Index (N) weighted by the actual Private Growth allocation (updated on a lagged quarterly basis to match Private Investments reporting), this has been historically done.

(3) Adjusted Managed Real Assets Benchmark consists of three parts: (1) C|A Managed Real Assets benchmark weighted by the actual Public Real Assets allocation, (2) FTSE EPRA-NAREIT Developed RE Index (N) weighted by the actual Private Real Estate allocation & (3) S&P Global Natural Resources Index (N) weighted by the actual Private Natural Resources allocation (with 2 & 3 updated on a lagged quarterly basis to match Private Investments reporting).

(4) Benchmark is dynamically adjusted on a monthly basis to reflect the Average Capital Base weightings of C|A Managed Assets, Russell Assets and Legacy Assets.

(5) Benchmark consists of a custom blend of the Russell Global Index (N) 50% Hedged, Bloomberg Commodity Index, FTSE EPRA/NAREIT Developed RE Index (N), S&P Global Infrastructure Index (N), BofAML Developed HY Constrained Bond Index USD Hedged, JP EMBI Diversified Index, and BBG Barc US 1-3 month Treasury Bill Index provided by Russell Investments.

(6) NCREIF Fund Index Open-End Diversified Core Equity-Equal Weight-Endowment & Foundation Eligible (NFI-ODCE-EQ-E&F).

(7) Adjusted Managed Diversifiers Benchmark consists of two parts: (1) 0.3 Beta-Adjusted MSCI ACWI (N) weighted by the actual Public Diversifiers allocation & (2) MSCI All Country World Index (N) weighted by the actual Private Growth allocation (updated on a lagged quarterly basis to match Private Investments reporting), this has been historically done.

# BENCHMARK END NOTES

**C|A Managed Diversifiers Benchmark[7]**

| | HFRI FOF Diversified Index | 0.3 beta- adjusted MSCI ACWI (N) |
|---|---|---|
| **Inception to 11/30/16:** | 100% | X |
| **12/01/16 to Present:** | X | 100% |

**C|A Managed Real Assets Benchmark[3]**

| | FTSE NAREIT All Equity REITs Index | Wellington DIH Benchmark | S&P NA Natural Resources Index | S&P Global Natural Resources Index | FTSE EPRA NAREIT Global RE Index | S&P GSCI | Alerian MLP Index | MSCI World Core Infrastructure Index |
|---|---|---|---|---|---|---|---|---|
| **Inception to 11/30/04:** | 100% | X | X | X | X | X | X | X |
| **12/01/04 to 03/31/06:** | 65% | 35% | X | X | X | X | X | X |
| **04/01/06 to 06/30/13:** | 30% | 70% | X | X | X | X | X | X |
| **07/01/13 to 11/30/16:** | X | X | 70% | X | 30% | X | X | X |
| **12/01/16 to 09/30/20:** | X | X | 25% | X | 25% | 25% | 25% | X |
| **10/01/20 to Present:** | X | X | X | 33% | 33% | X | X | 33% |

**C|A Managed Fixed Income Benchmark**

| | BBG Barc Aggregate Bond Index | JP Morgan Global Government Bond Index | Citigroup 3 - Month T-Bill Index |
|---|---|---|---|
| **Inception to 06/30/13:** | 100% | X | X |
| **07/01/13 to 11/30/16:** | 70% | 10% | 20% |
| **12/01/16 to Present:** | 100% | X | X |

**Legacy Benchmark**

| | MSCI ACWI (N | S&P NA Natural Resources Index | 0.3 beta-adjusted MSCI ACWI (N) | 91-Day T-Bill Index |
|---|---|---|---|---|
| **Inception to Present:** | ACB | ACB | ACB | ACB |

(3) Adjusted Managed Real Assets Benchmark consists of three parts: (1) C|A Managed Real Assets benchmark weighted by the actual Public Real Assets allocation, (2) FTSE EPRA-NAREIT Developed RE Index (N) weighted by the actual Private Real Estate allocation & (3) S&P Global Natural Resources Index (N) weighted by the actual Private Natural Resources allocation (with 2 & 3 updated on a lagged quarterly basis to match Private Investments reporting).

(7) Adjusted Managed Diversifiers Benchmark consists of two parts: (1) 0.3 Beta-Adjusted MSCI ACWI (N) weighted by the actual Public Diversifiers allocation & (2) MSCI All Country World Index (N) weighted by the actual Private Growth allocation (updated on a lagged quarterly basis to match Private Investments reporting), this has been historically done.