

Minutes are intended to note: (a) the date, time and place of the meeting; (b) those members of the public body who were present and those who were absent; and (c) the substance of all matters proposed, discussed and/or action was taken on. Minutes are not intended to be a verbatim report of a meeting. An audio recording of the meeting is available for inspection by any member of the public interested in a verbatim report of the meeting. These minutes are not final until approved by the Board of Regents at its June 2026 meeting.

**BOARD OF REGENTS and its
INVESTMENT COMMITTEE
NEVADA SYSTEM OF HIGHER EDUCATION**
System Administration, Las Vegas
4300 South Maryland Parkway, Board Room
Tuesday, September 30, 2025

Video Conference Connection from the Meeting Site to:
System Administration, Reno
2601 Enterprise Road, Conference Room
and
Great Basin College, Elko
1500 College Parkway, McMullen Hall Room 102

Members Present: Dr. Jeffrey S. Downs, Chair
 Mr. Joseph C. Arrascada, Vice Chair
 Mrs. Amy J. Carvalho
 Ms. Stephanie Goodman
 Ms. Jennifer J. McGrath

Other Regents Present: Mr. Patrick J. Boylan
 Ms. Heather Brown
 Mrs. Carol Del Carlo
 Mr. Pete Goicoechea

Others Present: Mr. Matt McNair, 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 President
 Dr. Amber Lopez Lasater, NSU Officer in Charge
 Mr. Mark Denzler, UNR Foundation

Chair Jeffrey S. Downs called the meeting to order at 10:00 a.m. with all members present.

1. Information Only-Public Comment – None.
2. Approved-Minutes – The Committee recommended approval of the minutes from the March 20, 2025, meeting (*Ref. INV-2 on file in the Board Office*).

Vice Chair Arrascada moved approval of the minutes from the March 20, 2025, meeting. Regent McGrath seconded. Motion carried.

3. Information Only-Chair's Report – Chair Downs noted positive engagement with the Committee and helpful meetings with Cambridge Associates representatives.
4. Approved-Outsourced Chief Investment Officer Services – Chris Viton, Vice Chancellor of Budget and Finance/Chief Financial Officer, provided a summary of the recently completed Request for Proposals (RFP) solicitation for Outsourced Chief Investment Officer (OCIO) services, and requested that the Committee accept the recommendation of the RFP evaluation committee, approve the award for OCIO Services for the Endowment Fund to Cambridge Associates, and authorize the Chancellor to execute the services agreement (*Ref. INV-4 on file in the Board Office*).

Mr. Rob Rodgers, Head of Client Solutions for endowment and foundations at Cambridge Associates, emphasized his role in ensuring appropriate services and fees. Ms. Wendy Walker, Chief Investment Officer, highlighted Cambridge Associates' pride in the outperformance delivered to NSHE. She also noted that the turnover of NSHE CFOs and Investment Committee chairs over 14 years is significantly higher compared to institutional peers. Ms. Walker added that the endowment portfolio remained in the top quartile of similarly sized peers, with significant value-add despite the 2022 market sell-off. Her concerns for the future include volatile state appropriations, the impact of leadership turnover, and possible lower market returns from traditional stocks and bonds. Ms. Walker proposed maintaining a strong and stable partnership, and optimizing portfolios including long-term growth, high-conviction private investments, and diversified assets.

Regent Carvalho inquired about private markets. Mr. Ijeh Ogbechie, Director of Investments, explained that the strategy leans into private growth and real assets expecting 300 to 500 basis points of outperformance over a full market cycle. Mr. Ogbechie also highlighted exceptional past performance of private investments; further, he stressed that Cambridge Associates' research and selection process focuses on top-quartile performance.

Vice Chair Arrascada questioned the disparity between UNLV and UNR Foundations performance. Mark Denzler, UNR Foundation Chief Investment Officer, clarified that UNR's previous strategy was risk-averse; in recent years they have targeted value-added approaches through active management with significant progress. Mr. Denzler also noted their divestment from commodities and real estate due to anticipated poor performance.

Ms. Walker confirmed for Regent Carvalho that Cambridge Associates' fee schedule has remained the same since 2016.

Regent Carvalho moved approval of awarding OCIO Services for the Endowment Fund to Cambridge Associates and authorizing the Chancellor to execute the services agreement. Vice Chair Arrascada seconded. Motion carried.

5. Approved-Operating Pool Performance Discussion and Recommendations – The Committee recommended approval of the following rebalancing items: 1) \$23.0 million trim from Vanguard Institutional Index; 2) \$9.0 million add to Vanguard Developed Markets Index; and 3) \$14.0 million add to Vanguard Short-Term Inflation-Protected Securities (*Ref. INV-5 on file in the Board Office*).

Ms. Wendy Walker, Chief Investment Officer, Cambridge Associates, shared an update on the market as of August 31, 2025, highlighting strong recovery since March. Global stock markets rose 17.9%, with US stocks up 14%, developed international markets over 24%, and emerging markets up 26.9% driven by China; fixed income investments increased by 6.2%. Despite on-going global issues, there is a positive market outlook due to interest rate cuts influenced by unexpectedly low inflation and a weak job market. Ms. Walker recommended reducing US stock holdings and increasing investments in developed international markets, aligning with endowment strategy. Specifically, she suggested trimming \$23 million from the Vanguard Institutional Index, and adding \$9 million to the Vanguard Developed Markets Index. Additionally, she recommended adding \$14 million to Vanguard Short-Term Inflation Protected Securities (TIPS) over regular bonds. Ms. Walker clarified for Vice Chair Arrascada that an increased TIPS investment would benefit if inflation rises higher than expected.

Regent Goodman requested information on the specific stocks in the fund; Ms. Walker confirmed the information is publicly available and Cambridge Associates can share stock tickers and links to the Vanguard website. Further, she explained that the account uses public index funds that simply reflect the market rather than picking individual stocks; this method aims to match market returns at a low cost, keeping liquidity and stability as the System's "checkbook."

Vice Chair Arrascada moved approval of the rebalancing actions recommended by Cambridge Associates. Regent McGrath seconded. Motion carried.

6. Approved-Operating Fund Distribution Rate – The Committee recommended approval of maintaining the distribution rate from the Operating Fund at 2.75 percent (*Ref. INV-6 on file in the Board Office*).

The Committee discussed NSHE distributions from the Operating Fund and the current monthly distribution rate of 2.75 percent. The Committee also reviewed the past performance of the Operating Fund, the balance in the Operating Fund reserve account, and how changes to the monthly Operating Fund distribution rate impact the long-term objectives.

Chief Financial Officer Chris Viton provided an update on operating fund performance, citing an 11% increase for fiscal year end, in line with the benchmark. Mr. Viton noted the calendar year-to-date performance was 12.4% as of August 31, 2025, with an estimated

13.9% year-to-date return projected for September; this may trigger distributions due to strong reserve account

6. Approved-Operating Fund Distribution Rate - (continued)

balances. Further, he confirmed the business officers are not recommending any change to the current 2.75 percent distribution rate.

Ms. Wendy Walker, Chief Information Officer, Cambridge Associates, added that the portfolio is expected to deliver a 3.8% return over the long term; however, she cautioned against increasing the distribution which may hinder reserve growth due to market dynamics. Vice Chair Arrascada noted Cambridge Associates' careful and thoughtful wording in their assessment.

Regent Goicoechea expressed caution amid a declining dollar and rising inflation. Regent Boylan inquired about Nevada-specific investments. Ms. Walker cited \$23.5 million invested in Access Community Investment Fund which focuses on mortgage-backed securities in Nevada; additionally, Mr. Ogbechie confirmed funding in gaming investments. CFO Viton directed attention to the endowment which has more discretion to invest in specific entities.

Regent Carvalho moved approval of maintaining the distribution rate from the Operating Fund at 2.75 percent. Vice Chair Arrascada seconded. Motion carried.

7. Information Only-Endowment Pool Performance, Cambridge Associates – Staff from Cambridge Associates presented a report on asset allocation and investment returns for the Pooled Endowment Fund as of June 30, 2025 (*Ref. INV-7 on file in the Board Office*).

Mr. Ijeh Ogbechie, Director of Investments, Cambridge Associates, reported on early results for fiscal year 2025, showing a return of 10.3%, under the benchmark; the calendar year-to-date return is 5.9%, slightly lower than the 6.3% benchmark. Additionally, he highlighted that since Q1 2017, the investment fund has averaged an 8.2% return each year, better than the benchmark. Further, Mr. Ogbechie emphasized that the fund has managed to perform well and weathered the challenging 2022 market conditions. He also added that the portfolio experienced less volatility due to private equity and venture capital investments.

Vice Chair Arrascada inquired into asset classes to target for outperformance. Mr. Ogbechie indicated a strong belief that private equity and venture capital should generate good returns in the long run, based upon historical data.

8. Approved-Endowment Pool Distribution Rate and Policy – The Committee recommended approval of maintaining the distribution rate from the Endowment Fund at 4.5 percent (*Refs. INV-8a and INV-8b*).

The Committee discussed NSHE distributions from the Endowment Fund and the current rate which is set at a 4.5 percent spending/management fee in relation to current investment allocation, projected returns and Board of Regents policy (*Title 4, Chapter 10,*

8. Approved-Endowment Pool Distribution Rate and Policy

Section 5). The Committee also reviewed past performance of the NSHE Endowment Fund and the university foundation funds.

Mr. Ijeh Ogbechie, Director of Investments, Cambridge Associates, presented a review of the Endowment's spending policy, comparing it to peer institutions. The current spending rate of 4.625% is aligned with over 60% of similarly sized peers. Trends over the past five years indicate more institutions are decreasing their spending rates. An illustrative analysis demonstrated that higher spending rates lead to lower overall market values and lower spending values over the long term. Mr. Mark Denzler, UNR Foundation Chief Investment Officer added that the foundation's distribution rate of 4.5% is not under review. Further, CFO Viton clarified that the recommendation is for no change to the current distribution rate.

Regent Carvalho moved approval of maintaining the distribution rate from the Endowment Fund at 4.5 percent. Vice Chair Arrascada seconded. Motion carried.

9. Information Only-New Business – Vice Chair Arrascada requested a UNLV Foundation representative to be present at future meetings for on-going discussion. Chair Downs suggested exploring the consolidation of the Investment Committee with the Budget, Finance, Facilities Committee to streamline business, given the anticipated reduction in the number of Board members and infrequent meeting schedule.

10. Information Only-Public Comment – None.

The meeting adjourned at 11:37 a.m.

Prepared by: Klaas H. Van Der Wey
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Submitted for approval by: Keri D. Nikolajewski
Chief of Staff to the Board of Regents