

**Nevada System of Higher Education (“NSHE”)
Minutes of the
Retirement Plan Advisory Committee Meeting
May 22, 2023**

The Retirement Plan Advisory Committee (“Committee”), the fiduciary committee for the Nevada System of Higher Education Defined Contribution Retirement Plan Alternative (the “401(a) Plan”), Nevada System of Higher Education Supplemental 403(b) Plan (the “403(b) Plan”), Nevada System of Higher Education Medical Resident/Postdoctoral Scholar Retirement Plan (the “Medical Resident Plan”), the Excess Benefit Plan of the Nevada System of Higher Education (the “415(m) Plan”), and University of Nevada System Defined Contribution Retirement Plan Education (the “Pre-99 Plan”) (collectively referred to as the “Plans”), met, pursuant to notice, on May 22, 2023 via webcast. Present were voting members: Michelle Kelley (Chair), Kim Beers (Business Center North, University of Nevada, Reno “UNR”), Amy Cavanaugh (Truckee Meadows Community College; “TMCC”), Zarah Gayrama-Borines (Nevada State College; “NSC”), Ayla Koch (College of Southern Nevada; “CSN”), Julie Konkol (Director, Benefits and HR Operations, UNLV), Scott Nielsen (Great Basin College; “GBC”), Robyn Raschke (University of Nevada, Las Vegas; “UNLV”), Jennifer Schultz (Desert Research Institute; “DRI”), Brad Summerhill (Faculty Senate Chairs), Paul Thistle (Retiree), and Bob Whitcomb (Western Nevada College; WNC), all being voting members of the Committee.

Voting Committee members Kent Ervin (University of Nevada, Reno; “UNR”) was unable to attend.

Attending the meeting by invitation were David Montes (NSHE) along with Dan Pawlisch and Cynthia Zaleta of Aon Investments USA Inc. (“Aon”).

Call to Order

The meeting was called to order at 9:02 a.m. by Kelley.

Approval of Minutes from February 13, 2023

Summerhill made a motion to approve the minutes from the February 13, 2023 meeting. Schultz seconded the motion, and the motion passed unanimously.

Fiduciary Training

Referring to a previously distributed presentation titled “ERISA Fiduciary Briefing, Presentation to Nevada System of Higher Education Retirement Plan Advisory Committee, May 22, 2023,” Zaleta led the Committee in a discussion of fiduciary obligations, using the Employee Retirement Income Security Act as a framework for fiduciary best practices.

Kelley discussed and answered questions regarding the structure of the Plans and reporting process for new committee members.

Quarterly Investment Review

Pawlich led a discussion regarding the contents of a previously distributed report titled “Nevada System of Higher Education, First Quarter, 2023 Discussion Guide (Discussion Guide).” Pawlich noted that a previously distributed document titled “Nevada System of Higher Education, First Quarter, 2023 Investment Review” was for the Committee’s reference. Pawlich reviewed the current state of the overall economy, the domestic and international equity markets, and the bond markets during the first quarter of 2022.

Pawlich discussed the Plans’ asset allocation and noted situations in which there were exceptions to, or comments on, the targeted performance, company structure, or other relevant aspects of the funds offered against the Plans’ Investment Policy Statement. After a thorough discussion and review of the materials provided, the Committee agreed to keep the T. Rowe Price Instl. Large Cap Growth Fund on the watch list and add the T. Rowe Price Stable Value Common Trust to the watch list.

Kelley reviewed the definitions of key acronyms, including the following:

- Qualified Default Investment Alternative (QDIA) – If a participant contributes to a defined contribution retirement plan, like the 401(a), and does not specify how they want their money invested, it is automatically invested in a default investment chosen by the plan administrator. For NSHE, the Plans’ default investment is a Vanguard Target Date Fund, assuming a retirement age of 65.
- Pension Protection Act 2006 (PPA) – Provides clarity with respect to fund mapping and fiduciary relief under ERISA 404(c) when a “qualified” change occurs. Fund mapping refers to the process where assets are sold and the proceeds are invested with a new investment provider/manager, at the direction of the plan fiduciaries.
- Request for Proposals (RFPs) – RFPs are used when a service is needed or a contract for service is set to expire. The needs are described to vendors, and vendors apply with their qualifications, capabilities, and cost of services. After all the information is reviewed, a decision is made about which vendor is the best candidate.
- Required Minimum Distributions (RMDs) – The amount of money that must be withdrawn from an employer-sponsored retirement plan by participants. In 2023, the age at which a participant must begin taking RMDs changed to age 73. Therefore, participants must start withdrawing from a retirement account by April 1, following the year they reach age 73. A participant who is 73 years old and still working for NSHE is not subject to an RMD.

Pawlich discussed participant contribution and transfer activity. He also reviewed the investment management fees for the investments in the Plans, comparing them to the medians of the applicable peer groups.

Pawlich provided an update regarding portfolio manager changes to Vanguard’s Target Retirement Funds and several equity index funds. He noted that Aon’s Global Investment Management Research Team views the developments positively and recommended the Committee take no action.

Pawlich provided an overview of recent regulatory policies regarding environmental, social and governance (ESG) investing, noting a recent Congressional Review Act challenging of the DOL’s “Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights.” He discussed

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the need to periodically document the Committee's rational for offering a designated ESG options (e.g., Vanguard FTSE Social Index Fund) and the need to monitor the fund in the same prudent fashion that is applied to all the funds in the Plans.

Pawlisch also reviewed the allocations and performance of the Morningstar Model Portfolios as of March 31, 2023.

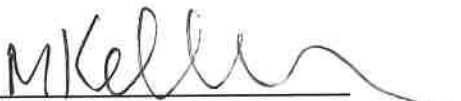
After a thorough discussion and review of the materials provided, the Committee concluded that it would be in the best interest of the Plans' participants and beneficiaries to make no changes to the investment lineup at this time.

Other Business

Kelley informed the Committee that an RFP for investment consulting services had been completed and Aon was selected. She is working with Pawlisch on a new contract. Kelley also noted that the next Committee meeting will be held on June 1, 2023 in Las Vegas (in-person). In addition to TIAA Team being invited to attend, Pawlisch will review alternative investment manager candidates that could serve as a potential replacement to the T. Rowe Price Instl. Large Cap Growth Fund and provide an overview of recommended changes to the Plans Investment Policy Statement. Montes will also provide an update regarding participant education and communication efforts.

Adjournment

There being no further business before the Committee, the meeting adjourned at 12:00 p.m.



Michelle Kelley, Director Retirement Plan
Administration

8/25/2023

Date Signed

