

**Nevada System of Higher Education (“NSHE”)
Minutes of the
Retirement Plan Advisory Committee Meeting
May 30, 2024**

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 30, 2024 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”), Brian Frost (University of Nevada, Reno; “UNR”), Zarah Gayrama-Borines (Nevada State University; “NSU”), 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) being all the voting members of the Committee.

Attending the meeting by invitation were David Montes of the Nevada System of Higher Education (NSHE); and Leon Kung and Dan Pawlisch of Aon Investments USA Inc. (“Aon”).

Call to Order

The meeting was called to order at 9:05 a.m. by Kelley.

Approval of Minutes from February 22, 2024

The Committee reviewed the minutes from the February 22, 2024 Committee meeting. Schultz motioned to approve the minutes, seconded by Cavanaugh. The motion passed unanimously.

Chair’s Report

Kelley informed the Committee of two projects underway to analyze and clean-up data within the NSHE retirement plans. The first project is reviewing procedures relating to notifying TIAA of termination dates for participants in the 415(m) Plan. An internal review of the data showed that there was no conformity across campuses about how termination dates were being provided to TIAA, especially as it related to participants of the 415(m) Plan. Beginning in April 2024, NSHE’s Retirement Administration Office will provide monthly termination date updates to TIAA, thus allowing participant distributions in a more timely manner (within 60 days per the Plan document). The second project relates to participants who have multiple NSHE retirement accounts at TIAA under their correct name, but different social security numbers. An internal review conducted by Kelley determined this situation occurs when foreign nationals (primarily post-doctoral fellow and medical residents) who have not yet been issued a social

security number are hired and paid by NSHE. On payday, NSHE's payroll transmits data instructing TIAA to enroll employees in the mandatory retirement plan using their NSHE employee ID as a temporary placeholder for their social security number. Once the employee provides their social security number to NSHE, Workday gets updated. However, there is no automated way to provide this updated information to TIAA. As a result, a second account gets established at TIAA for that employee using their social security number. Kelley reminded the Committee that TIAA's recordkeeping fees are based upon the number of participant accounts. Having duplicative accounts erroneously increases participant recordkeeping costs. Beginning in April 2024, NSHE's Retirement Administration Office is conducting monthly reconciliations utilizing various Workday reports (e.g., National ID & Employee Termination) to identify participants with multiple accounts and merging those accounts under each participant's social security number. This will allow participants to more easily access and manage their NSHE retirement accounts going forward.

Kelley informed the Committee that she is developing educational materials for participants who have legacy accounts at Corebridge. These materials will compare investment fees and performance of Corebridge's legacy investment options to the Plans existing investment options. Kelley hopes these efforts will encourage participants to consolidate their legacy accounts at Corebridge to the Plans' existing investment options.

Kelley provided an update on recent conferences she attended, including the TIAA Forum and the State and Local Government Benefits Association annual conference (SALGBA) for the Public Employees' Benefits Program (PEBP). She noted that many of the plan sponsors in attendance face similar issues and highlighted the lack of a wellness program in PEBP compared to other state and local government programs, which are investing in preventive medicine, web applications, and surveys.

Quarterly Investment Review

Kung led a discussion regarding the contents of a previously distributed report titled "Nevada System of Higher Education, First Quarter 2024 Discussion Guide, May 30, 2024 (Discussion Guide)." Kung noted that a previously distributed document titled "Nevada System of Higher Education, First Quarter 2024 Investment Review" was provided for the Committee's reference.

Kung provided an overview of the topics to be addressed during upcoming meetings.

Kung reviewed the current state of the overall economy, the domestic and international equity markets, and the bond markets during the first quarter of 2024. Kung discussed the Plans' asset allocation and 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 remove the William Blair Small/Mid Cap Growth Fund from the "watch list" and to maintain the Vanguard Federal Money Market Fund and T. Rowe Price Stable Value Fund on the "watch list." Due to its "red" watch list designation, the Committee requested Aon provide a stable value manager search at the next regularly scheduled Committee meeting. Kung agreed to provide the requested information.

Kung reviewed participant contribution and transfer activity during the first quarter of 2024. Following discussion, Kung agreed to work with representatives from TIAA to identify reasons for participant-initiated transfer activity. He also reviewed the investment management fees for the investments in the

Plans, comparing them to the applicable peer groups. He also reviewed the Plans' Morningstar Model Portfolios' allocations and performance as of March 31, 2024.

Kung led a discussion on the Morningstar Stable Value Index, the benchmark for the T. Rowe Price Stable Value Fund. He noted that the Morningstar Stable Value Index is a composite of actual stable value funds which is reported net of investment management fees, but gross of wrap fees. He recommended the Committee modify the benchmark for evaluating the T. Rowe Price Stable Value Fund's performance to the Morningstar Stable Value Index net the average wrap provider fee (15 basis points). Following discussion, the Committee requested that Aon report performance for the Morningstar Stable Value Index using both gross and net of 15 basis points. Whitcomb motioned to approve the change, seconded by Raschke. The motion passed unanimously. Kung agreed to update the benchmark for evaluating the T. Rowe Price Stable Value Fund's performance.

Kelley informed the Committee that she is working with Pawlisch to review and negotiate TIAA's administrative fee formula effective January 1, 2025. She indicated the results will be reviewed by the Committee at a regularly scheduled meeting once they are available.

Lowest Cost Share Class Analysis

Pawlisch informed the Committee that Aon had performed a review of the fund lineup and identified opportunities to move to lower cost share class options of the following funds:

- Vanguard Total International Bond Index Fund – Institutional shares (VTIFX) from Admiral shares
- Vanguard Developed Market Index Fund – Institutional Plus shares (VDIPX) from Institutional shares
- American Century High Income Fund – R6 shares (AHIDX) from Y shares

Pawlisch also identified the Vanguard Cash Reserves Federal Money Market Fund (VMRXX) as a lower cost replacement to the Vanguard Federal Money Market Fund (VMFXX). After discussion and review of the materials provided, Schultz motioned to recommend to the Chancellor that NSHE implement the proposed share class/fund changes outlined by Pawlisch following appropriate notice to participants. Thistle seconded. The motion passed unanimously.

Pawlisch informed the Committee that assets in the Vanguard Total Stock Market Index Fund were nearing the required \$100 million to be eligible to transition to the "Institutional Plus" share class. Following a discussion and based on historical cash flows, Schultz motioned to recommend to the Chancellor that NSHE transition to the Institutional Plus shares (VSMPX) of the Vanguard Total Stock Market Index Fund as soon as administratively practicable, following appropriate notice to participants. Thistle seconded. The motion passed unanimously.

Kelley agreed to present the recommendations to the Chancellor for approval.

Kelley requested the Committee delegate authority for the Chair to automatically initiate recommendations to the Chancellor for any lower cost share class transitions as soon as the required asset minimums have been met. Kelley noted this would shorten the time required to implement share class changes, which have historically taken 12 weeks once TIAA is notified. Kelley also indicated she would provide the Committee with advance e-mail notification before presenting any recommendation to the Chancellor for approval. Following discussion, Cavanaugh motioned to delegate authority to the

Chair to automatically initiate transitions to lower cost share class options as soon as the required asset minimums have been met. Thistle seconded. The motion passed unanimously.

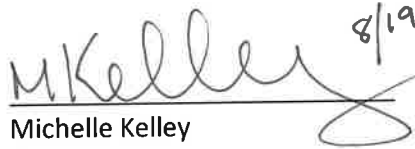
Other Business


Gayrama-Borines joined the meeting.

Kelley reviewed the various forms of distribution from the 401(a) Plan along with the preservation clause related to "Article X – Distributions" under the Plan Document. She indicated that TIAA was allowing participants to initiate Transfer Payout Annuities (TPA) from TIAA Traditional to gain access to distribution of employer contribution accounts prior to age 55. She also discussed the impact of the "windfall elimination" on participants as the primary rationale for the preservation clause. After discussion and review of the materials provided, the Committee agreed to table the discussion to the next regularly scheduled Committee meeting.

Adjournment

There being no further business before the Committee, the meeting adjourned at 11:50 a.m.

 8/19/2024
Michelle Kelley
Chair


Chris Viton
NSHE Vice Chancellor