

**Nevada System of Higher Education (“NSHE”)
Minutes of the
Retirement Plan Advisory Committee Meeting
August 16, 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 August 16, 2024 at the NSHE System Offices in Las Vegas, Nevada. Present were voting members: Michelle Kelley (Chair via webcast), Kim Beers (Business Center North, University of Nevada, Reno “UNR”), Amy Cavanaugh (Truckee Meadows Community College; “TMCC”), Brian Frost (University of Nevada, Reno; “UNR”), 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 member Zarah Gayrama-Borines (Nevada State University; “NSU”) was unable to attend.

Attending the meeting by invitation were David Montes of the Nevada System of Higher Education (NSHE); Leon Kung and Dan Pawlisch of Aon Investments USA Inc. (“Aon”); John Almasan, Alexi Mavrellis, Michael McCulloch, and Jim Mullery of TIAA.

Call to Order

The meeting was called to order at 9:45 a.m. by Kelley.

Kelley welcomed the members of the Retirement Plan Advisory Committee to Las Vegas and thanked all members for attending the meeting. She reviewed the agenda for the day, highlighting the various topics to be discussed.

Preparation for TIAA Presentation

Kelley informed the Committee of a retired participant of the 403(b) Plan who brought forth an allegation of a TIAA financial consultant providing bad advice when they recommended an investment in the illiquid version of TIAA Traditional without informing the participant that it had liquidity restrictions. The participant also complained that TIAA’s investment advice is conflicted because financial consultants receive rewards based on cash flows into TIAA Traditional. Kelley indicated she requested a transcript of the participant interaction from TIAA but was told advice sessions are not recorded. As a result, the interaction has become a “he said, she said” situation. Summerhill indicated that authorizations to invest in the illiquid version of TIAA Traditional were previously recorded by TIAA. Frost emphasized the

need to review TIAA's compensation model and complaint resolution procedures. Kelley mentioned that TIAA would be prepared to discuss these topics during the session.

TIAA Presentation

Almasan, Mavrellis, McCulloch, and Mullery joined the meeting.

Mavrellis and Mullery led a discussion of an NBC news article regarding a whistleblower complaint alleging TIAA mislead clients by pushing them into pricier investment products that boost the firm's bottom line. They also addressed a class action lawsuit from Schlichter alleging that participants were directed into retirement advice sessions that led to participants to invest in TIAA annuity investments. Similarities and differences between the previously discussed participant complaint and the misconduct alleged in the NBC news article and Schlichter lawsuit were discussed by TIAA and the Committee. Mavrellis also discussed how TIAA consultants are compensated when investors change their portfolios based on investment advice recommendations generated by the Morningstar model.

Almasan led a discussion on generative AI and TIAA's efforts to improve recordkeeping system efficiencies.

Mullery discussed TIAA's mission to provide guaranteed lifetime income to participants. He also discussed how TIAA was innovating in the market by providing access to the guaranteed asset class in target date funds and a recent partnership with another major recordkeeper (Empower) to make TIAA's Secure Income Account, a guaranteed lifetime income solution similar to TIAA Traditional, available to investors outside of TIAA.

Almasan, Mavrellis, McCulloch, and Mullery left the meeting.

Designated Investment Option Benchmarks

Referring to a previously distributed report titled "Nevada System of Higher Education, Discussion Guide, August 16, 2024 (Discussion Guide)," Pawlisch reviewed a newly created document, NSHE Retirement Program Designated Investment Benchmarks, which includes a listing of designated investment options and benchmarks for the plan as of August 16, 2024. After discussion, Whitcomb motioned to accept the designated options and benchmarks as provided. Thistle seconded, and the motion passed unanimously. Kelley agreed to present the listing to CFO Chris Viton and publish it on the website.

Investment Structure Review

Referring to the section of the Discussion Guide titled "Investment Structure Review," Kung led the Committee in a discussion of the various asset classes, types, and number of funds currently offered in the Plan. He recommended the Committee consider streamlining the number of investment options from 24 to 17 by making the following modifications:

- Consolidate the Vanguard Institutional Index Fund and the Vanguard Extended Market Index Fund into the Vanguard Total Stock Market Index Fund.

- Consolidate the Vanguard Developed Market Index Fund and the Vanguard Emerging Market Index Fund into the Vanguard Total International Stock Index Fund.
- Consolidate the American Century High Income Fund into the Loomis Core Plus Fixed Income Fund.
- Consolidate the DFA U.S. Targeted Value and William Blair Small/Mid Cap Growth Funds into a single active U.S. SMID cap "core" equity option.
- Consolidate the DFA Inflation Protected Securities Fund and the Cohen & Steers Inst. Realty Shares Fund into a single active multi-asset inflation fund.

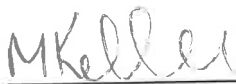
After thorough discussion and based upon information contained in the report, Thistle motioned to initiate a small/mid cap core and multi-asset inflation fund searches. Whitcomb seconded. The motion passed unanimously. Kung agreed to provide a small/mid cap core and multi-asset inflation fund manager search at a future Committee meeting.

Stable Value Competitive Review

Kung noted that during the May 30, 2024 meeting, the Committee requested that Aon perform a competitive review of the T. Rowe Price Stable Value Fund. Referring to the section of the Discussion Guide titled "Stable Value Investment Manager Search," Kung led a discussion of alternatives investment manager candidate that could serve as a replacement to the T. Rowe Price Stable Value. After discussion and review of the materials provided, Schultz motioned to retain the T. Rowe Price Stable Value Fund. Beers seconded. The motion passed unanimously.

Adjournment

There being no further business before the Committee, the meeting adjourned at 3:00 p.m.



Michelle Kelley
Chair



Chris Viton
Vice Chancellor of Budget and Finance