

**Nevada System of Higher Education ("NSHE")
Minutes of the
Retirement Plan Advisory Committee Meeting
February 10, 2025**

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 February 10, 2025 via teleconference. Present were voting members: Michelle Kelley, 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), and Bob Whitcomb (Western Nevada College; WNC) all being voting members of the Committee.

Voting member Paul Thistle (Retiree) was unable to attend.

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 Investments").

Call to Order

The meeting was called to order at 9:00 a.m. by Kelley.

Approval of Minutes from December 5, 2024

The Committee reviewed the previously distributed minutes from the December 5, 2024 meeting. Whitcomb motioned to approve the minutes. Koch seconded. Summerhill and Gayrama-Borines abstained. The motion passed unanimously.

Chair's Report

Kelley provided an update on the implementation of the Institutional Plus share class of the Vanguard Extended Market Index Fund and Vanguard Total Bond Market funds. She indicated that TIAA completed the implementation on January 3, 2025, and the investment management fees for the new share class options is 0.04% for the Extended Market Index and 0.03% for the Total Bond Index.

Kelley noted that a new, lower administrative fee of 2.1 bps will be collected from participants beginning March 31, 2025, in addition to an annual per-participant fee of \$12 (\$3 per quarter).

Kelley informed the Committee that Vanguard lowered the expense ratios for several index funds options currently available within the Plans effective February 1, 2025.

In a settlor capacity, Kelley led a discussion of the existing Preservation Clause language, noting the distribution requirements for employer contributions under section 10.02.(b) and (c) of the Retirement Plan Alternative. She indicated that the current preservation requirement was added in 1990 in place of annuitization. The Committee discussed whether the five-year participation threshold was appropriate given the tenure track for faculty (e.g., seven- to ten-years). Kelley also discussed various distribution features available to participants under Nevada Public Employees Retirement System (PERS) and Nevada Public Employees Benefits Program (PEBP). Following discussion, Whitcomb motioned to maintain the current Preservation Clause language. Summerhill seconded. The motioned passed unanimously. The Committee agreed to periodically revisit the Preservation Clause language.

Kelley led a discussion on the 401(a) Plan, noting the recent repeal of the Windfall Elimination Provision (WEP) under the Social Security Fairness Act.

In a settlor capacity, Kelley led a discussion of de-minimis account distributions for former employees with small account balances in the Plans. She discussed a trailing dividend solution being developed by TIAA that would minimize small account balances going forward. Following discussion, Schultz motioned to recommend to the Chancellor to update the Plan Document to allow for de-minimis account distributions of less than \$1,000 from the 401(a) Plan and Medical Resident Plan with 90 days advance notice. Whitcomb seconded. The motioned passed unanimously. Kelley agreed to make the recommendation to the Chancellor and share a sample communication with the Committee. The Committee agreed to visit de minimis account distributions for the 403(b) Plan a year following the initial round of cashouts from the 401(a) Plan and Medical Resident Plan.

Cavanaugh left the meeting.

Campus Updates

Konkol informed the Committee that UNLV is hosting a benefits fair on May 13, 2025. Schultz indicated that DRI will also promote the UNLV benefits fair. Konkol noted that TIAA will be a participant at the fair. Kelley and Montes also requested to be in attendance.

Quarterly Investment Review

Returning to fiduciary matters, Kung led a discussion regarding the contents of a previously distributed report titled "Nevada System of Higher Education, Fourth Quarter 2024 Discussion Guide, February 10, 2025 (Discussion Guide)." Kung noted that a previously distributed document titled "Nevada System of Higher Education, Fourth Quarter 2024 Investment Review" was provided for the Committee's reference.

Kung reviewed the current state of the overall economy, the domestic and international equity markets, and the bond markets during the fourth quarter of 2024 and the trailing one-year periods.

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. In a discussion of Aon Investments' Watch List, which reflects any funds on "watch" for the quarter, Kung indicated that the following funds registered on the watch list for the fourth quarter of 2024.

- T. Rowe Price Large Cap Growth Fund – "Yellow" status
- Dodge & Cox Global Stock Fund – "Yellow" status

Kung reviewed participant contribution and transfer activity during the fourth quarter of 2024. He also reviewed the management fees for the investments in the Plans, comparing them to the medians of the applicable peer groups.

Pawlisch reviewed the allocations and performance for Morningstar Model Portfolios as of December 31, 2024.

Pawlisch provided an overview of recent litigation regarding the use of environmental, social and governance (ESG) funds in defined contribution plans and outlined considerations and potential next steps for the Committee.

After discussion and based on the materials provided, the Committee concluded it would be in the best interest of the Plans' participants and beneficiaries, to make no changes to the investment lineups at this time.

Legacy Defined Contribution Plan Review

Kung led a discussion of a previously distributed document titled "Quarterly Investment Review, Legacy Vendors, Nevada System of Higher Education, Fourth Quarter 2024," as prepared by Aon. Kung noted that the report was provided for the Committee's reference as the legacy assets with American Century, Corebridge, and TIAA are under participant control. The Committee does not have the ability to make changes to these assets.

Retirement Income Introduction

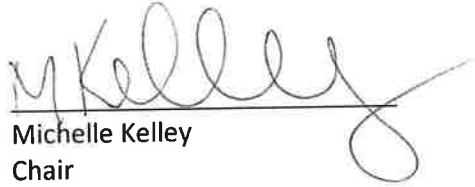
Pawlisch led an educational discussion of the potential role of retirement income solutions in the Plans. He noted that fiduciary concerns and structural complexities have limited the use of these options. He also described how these issues are being addressed and agreed to keep the Committee updated on any new marketplace solutions as they become available. Following discussion, the Committee requested meeting with investment managers that offer a retirement income solution imbedded within a target date fund offering. Pawlisch agreed to coordinate manager interviews at future Committee meetings. Kelley also agreed to coordinate with TIAA to include retirement income as a topic at the next Financial Wellness Week.

February 10, 2025


Page | 4

Adjournment

There being no further business before the Committee, the meeting adjourned at 11:55 a.m.



Michelle Kelley
Chair



Chris Viton
Vice Chancellor of Budget and Finance