

**SPECIAL MEETING**  
**BOARD OF REGENTS**  
**NEVADA SYSTEM OF HIGHER EDUCATION**

System Administration, Las Vegas  
4300 South Maryland Parkway, Board Room  
Friday, August 1, 2014, 12:00 p.m.

Video or Telephone 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 125

Members Present: Mr. Kevin J. Page, Chairman  
Mr. Rick Trachok, Vice Chairman *{Reno}*  
Dr. Andrea Anderson *{via telephone}*  
Mr. Robert J. Blakely  
Mr. Cedric Crear  
Dr. Mark W. Doubrava  
Dr. Jason Geddes *{Reno}*  
Mr. Ron Knecht *{Reno}*  
Mr. James Dean Leavitt  
Mr. Kevin C. Melcher *{Reno}*  
Dr. Jack Lund Schofield  
Ms. Allison Stephens  
Mr. Michael B. Wixom

Others Present: Mr. Daniel J. Klaich, Chancellor  
Dr. Constance Brooks, Vice Chancellor, Govt. and Community Affairs  
Ms. Brooke Nielsen, Vice Chancellor, Legal Affairs  
Mr. Vic Redding, Vice Chancellor, Finance and Administration  
Dr. Marcia Turner, Vice Chancellor, Health Sciences System  
Mr. Scott G. Wasserman, Chief of Staff and Special Counsel to the Board  
Dr. Steven Zink, Vice Chancellor, Information Technology  
Mr. Chet Burton, President, WNC  
Dr. Marc A. Johnson, President, UNR  
Mr. Bart J. Patterson, President, NSC  
Mr. Donald D. Snyder, President, UNLV

Also present were faculty senate chairs Professor Jodie D. Mandel, College of Southern Nevada (CSN); Mr. Eric March, System Administration (SA); and Mr. Chuck Price, University of Nevada, Reno (UNR).

Chairman Kevin J. Page called the meeting to order at 12:02 p.m. with all members present except Regent Stephens.

Regent Schofield led the Pledge of Allegiance.

1. Information Only-Public Comment (Agenda Item #1) – Mr. David Howard, Las Vegas resident and an investment professional for 31 years, commended the Regents on the work they do and expressed interest in providing investment management services to the Board.
2. Approved-NSHE Fund Managers and Asset Allocation (Agenda Item #2) – The Board took action to fully liquidate the Nevada System of Higher Education's (NSHE) position in the EII Global Real Estate Fund (Fund) and hold the proceeds in cash pending a further recommendation for reinvestment at the September Board meeting.

Regent Kevin C. Melcher, Chair of the Investment and Facilities Committee, led a discussion on the System's fund managers. Chair Melcher introduced Cambridge Associates representatives Mr. David Breiner and Ms. Wendy Walker and asked them to present a report on recent changes at one of the System's managers, EII Capital Management, Inc. Cambridge Associates provided specific recommendations on EII as outlined in the Cambridge memorandum dated July, 24, 2014 (*Handout BOR-2 on file in Board office*). Mr. Breiner recommended the Board fully liquidate the NSHE position in the Fund. The NSHE Endowment Fund had \$4.36 million invested in the Fund as of June 30, 2014. Mr. Breiner's recommendations included holding the proceeds in cash pending a further recommendation for reinvestment at the September Board meeting. Mr. Breiner provided information and background in arriving at this recommendation, including concerns over EII organizational changes, as provided in the memorandum.

Regent Knecht asked how many of NSHE's funds are vulnerable to the departure of key managers, or similar events, to the extent the change would necessitate a special Board meeting being called.

Mr. Breiner, referencing the EII organizational changes, explained any turnover of this nature for an actively managed fund may necessitate Board direction.

Regent Knecht mentioned PIMCO as an example and stated smaller organizations may be more susceptible to turn-over of this nature.

Regent Knecht moved acceptance of the Cambridge Associates recommendation to fully liquidate the Nevada System of Higher Education's (NSHE) position in the EII Global Real Estate Fund and hold the proceeds in cash pending a further recommendation for reinvestment at the September Board meeting. Regent Trachok seconded.

2. NSHE Fund Managers and Asset Allocation-Continued

Committee Chair Melcher stated he met with Cambridge Associates in July. Regent Wixom and Vice Chancellor for Finance and Administration Mr. Vic Redding were also at the meeting. An item for the September Investment and Facilities Committee agenda is being developed to further review the outcomes of the meeting and provide additional information regarding endowment management.

Regent Leavitt asked if there would be any liquidity charges associated with this change. Mr. Breiner stated there would not be any charges.

Regent Blakely stated David Howard, the gentleman who spoke under public comment, offered help in relation to this item. Regent Blakely asked if Mr. Breiner ever works with smaller local investment management and financing businesses. Mr. Breiner explained Cambridge Associates does not have business relationships with any of the fund managers. Cambridge Associates is completely agnostic and no money changes hands with any of the investment managers Cambridge Associates recommends.

Upon a roll call vote, Regents Crear, Doubrava, Geddes, Knecht, Leavitt, Melcher, Schofield, Trachok, Wixom, Anderson, and Blakely voted yes. Motion carried. Regent Page abstained. Regent Stephens was absent.

3. Information Only-New Business (Agenda Item #3) – There was no new business.

4. Information Only-Public Comment (Agenda Item #4) – There was no public comment.

The meeting adjourned at 12:20 p.m.

Prepared by: Patricia Rogers  
Special Assistant and Coordinator to the Board of Regents

Submitted for approval by: Scott G. Wasserman  
Chief of Staff and Special Counsel to the Board of Regents  
and  
R. Scott Young  
Deputy Chief of Staff to the Board of Regents

*Approved by the Board of Regents at the December 4-5, 2014, meeting.*