

**BOARD OF REGENTS and its  
INVESTMENT COMMITTEE  
NEVADA SYSTEM OF HIGHER EDUCATION**  
System Administration, Las Vegas  
4300 South Maryland Parkway, Board Room  
Friday, September 30, 2022

Video Conference Connection from the Meeting Site to:  
System Administration, Reno  
2601 Enterprise Road, Conference Room  
and  
Great Basin College, Elko  
1500 College Parkway, Berg Hall Conference Room

Members Present:           Mr. John T. Moran, Chair  
                                  Mr. Joseph C. Arrascada, Vice Chair  
                                  Mr. Patrick J. Boylan  
                                  Mr. Byron Brooks  
                                  Dr. Patrick R. Carter  
                                  Ms. Amy J. Carvalho

Other Regents Present:   Mrs. Cathy McAdoo, Board Chair  
                                  Mrs. Carol Del Carlo  
                                  Dr. Jason Geddes  
                                  Mr. Donald Sylvantee McMichael Sr.  
                                  Ms. Laura E. Perkins  
                                  Dr. Lois Tarkanian

Members Present:         Advisory Members  
                                  Mr. Randy Garcia, UNLV Foundation  
                                  Mr. Mark Denzler, UNR Foundation

Others Present:           Mr. Dale A.R. Erquiaga, Acting Chancellor  
                                  Mr. Robert G. Kilroy, Chief of Staff & Special Counsel to the Board  
                                  Mr. Andrew Clinger, Chief Financial Officer

Ed Boog, Faculty Senate Chair for System Administration; and NSC Student Body President Tessa Espinosa were in attendance.

Chair John T. Moran called the meeting to order at 10:00 a.m. with all members present. Regent Carvalho led the Pledge of Allegiance and Chair Moran provided the Land Acknowledgement.

1.     Information Only-Public Comment – Brian Miller expressed concerns regarding the lack of inclusion of classified staff in negotiating/bargaining for pay that is competitive in the public sector market and education field. He hopes that the Regents will ensure classified staff be included in these types of conversations going forward.

2. Approved-Minutes – The Committee recommended approval of the minutes from the March 25, 2022, meeting. (*Ref. INV-2 on file in the Board office*)

Chair Moran stated he would abstain from voting on the March 25, 2022, Investment Committee meeting minutes as he was not on the Committee at that time.

Vice Chair Arrascada moved approval of the minutes from the March 25, 2022, meeting. Regent Boylan seconded. Motion carried. Chair Moran abstained.

3. Information Only-Chair's Report – Chair John T. Moran discussed the direction of the Investment Committee; his appointment as Chair of the Committee; and thanked Chief Financial Officer Andrew Clinger and Executive Assistant Melissa Glenn for their work on the agenda.
4. Information Only-Investment Committee Orientation and Duties – Chief Financial Officer Andrew Clinger provided the Committee with relevant background material and an overview of the duties of the Nevada System of Higher Education in relation to governance and oversight of its investment activities. (*Ref. INV-4 on file in the Board office*)

Chief Financial Officer Clinger provided background and an overview of the Investment Committee duties which included: the mission statement; Investment Committee membership and charter; NSHE Finance and Administration Charter; *Handbook*, Title 4, Chapter 10; NSHE Operating Fund; NSHE Endowment OCIO Update; 2021 and 2022 Investment Committee agendas and minutes; articles on recent issues; and the Investment Committee meeting schedule.

5. Approved-Operating Pool Performance Discussion and Recommendations – The Committee recommended approval of the following rebalancing actions: \$7 million addition to Vanguard Developed Markets Index; \$2 million trim from Vanguard Inflation-Protected Securities; \$5 million trim from Vanguard Short-Term Inflation-Protected Securities; and updating the benchmark calculation to dynamic (actual) weights to better reflect the System's liquidity management practices adopted in 2019. (*Ref. INV-5 on file in the Board office*)

Ms. Wendy Walker, Cambridge Associates, presented a report on asset allocation and investment returns for the Pooled Operating Fund as of August 31, 2022.

Chair Moran, Vice Chair Arrascada, Regent Boylan, Regent Geddes, Regent McMichael, Chief Financial Officer Clinger and Ms. Walker addressed and discussed the following topics: the global equities performance between August 2022 through September 2022; Operating Fund benchmark composition; exploring portfolio diversification with cryptocurrency investments; campus distributions entailing, per policy, the 2.75 percent monthly distribution from the reserve pool, excess funds being distributed to the campuses if the reserve pool is

5. Approved-Operating Pool Performance Discussion and Recommendations –  
(continued)

over 8 percent, and the suspension of distributions if the reserve pool balance is below a certain number, and the monthly communications from the Chief Financial Officer's office to the campuses regarding the distributions and appropriate budgeting; market indicator for the System to withdraw minimal savings to sustain during volatile times; and the Global Index providers having removed Russia from the indexes.

Ms. Walker provided an overview of the benchmark recommendations.

Regent Perkins, Mr. Randy Garcia, UNLV Foundation; Mr. Mark Denzler, UNR Foundation and Ms. Walker discussed and addressed the following topics: the pros and cons of investing in cryptocurrency (at this time, cryptocurrency is highly speculative and not yet a mature asset class); factors that constitute extreme care before seriously investing in cryptocurrency and the Department of Labor being the final judge in terms of meeting the standard for fiduciary conduct; the equities implementation being 100 percent indexed in both US and non-US equities; investment decisions guided by asset allocation policy targets within the Long-term Pool and the benchmarks for the Short-term, Intermediate and Long-term pools.

Regent Carter exited the meeting.

Vice Chair Arrascada moved approval of the following rebalancing actions: \$7 million addition to Vanguard Developed Markets Index; \$2 million trim from Vanguard Inflation-Protected Securities; \$5 million trim from Vanguard Short-Term Inflation-Protected Securities; and updating the benchmark calculation to dynamic (actual) weights to better reflect the System's liquidity management practices adopted in 2019. Regent Carvalho seconded. Motion carried. Regent Carter was absent.

6. Information Only-Endowment Pool Performance, Cambridge Associates – Staff from Cambridge Associates presented a report on asset allocation and investment returns for the Pooled Endowment Fund as of August 31, 2022.  
(Ref. INV-6 on file in the Board office)

Regent Carter entered the meeting.

Ms. Walker provided the Endowment OCIO update which included: performance; asset allocation and guideline compliance; risk/return characteristics – Cambridge Associates Portfolio; Cambridge Associates diversifiers and private investments; legacy assets; and annual spending review.

6. Information Only-Endowment Pool Performance, Cambridge Associates –  
(continued)

Mr. Garcia and Mr. Denzler discussed the following topics: the Legacy PI Program outperforming Public Markets and the selection of superior managers (if available) in this space; and differences between investing in cryptocurrency and blockchain technology.

7. Information Only-Endowment Pool Performance Comparison, NSHE/UNLV/UNR – Staff from Cambridge Associates and System Administration presented a comparison report of the endowment pool performance for the Nevada System of Higher Education; University of Nevada, Las Vegas and University of Nevada, Reno as of March 31, 2022.  
(Ref. INV-7 on file in the Board office)

Chief Financial Officer Clinger provided an overview of the Endowment Comparative Data for the period ending March 31, 2022 which included: asset allocation – actual allocations as of March 31, 2022; five years of historical returns; average annual compound rate of return; annualized standard deviation (volatility) of quarterly returns; and Sharpe ratio.

Regent Geddes asked if the Endowment Comparative Data report indicates taking a different direction with the endowment pools, or if it should remain the same as it currently is. Chief Financial Officer Clinger confirmed leaving the endowment pools as they currently are would be most beneficial at this time.

Mr. Denzler shared that the UNR Foundation is in the process of submitting a new Investment Policy Statement.

8. Information Only-New Business – None.

9. Information Only-Public Comment – Regent Geddes encouraged exercising great caution when considering cryptocurrency.

The meeting adjourned at 11:30 a.m.

Prepared by: Winter M.N. Lipson  
Special Assistant and Coordinator to the Board of Regents

Submitted for approval by: Keri D. Nikolajewski  
Interim Chief of Staff to the Board of Regents

**Approved by the Board of Regents at its June 9, 2023, meeting.**