

**Nevada System of Higher Education (“NSHE”)
Minutes of
Retirement Plan Advisory Committee Meeting
May 23, 2019**

The Retirement Plan Advisory Committee (“Committee”), the fiduciary committee for the Nevada System of Higher Education Defined Contribution Retirement Plans (“Plans”), met on May 22-23, 2019 at the System Administration Office in Las Vegas, NV. Present were voting members: Michelle Kelley (Chair), Paul Thistle (University of Nevada, Las Vegas; “UNLV”), Lilliana “Lily” Magana (Business Center South; “BCS”), Zarah Gayrama-Borines (Nevada State College; “NSC”), Amy Cavanaugh (Truckee Meadows Community College; “TMCC”), Daniel Williams (Retiree), Jennifer Schultz (Desert Research Institute; “DRI”), Migle Valunte (Business Center North; “BCN”), Kent Ervin (University of Nevada, Reno; “UNR”), Brad Summerhill (Faculty Senate Chairs), Scott Nielsen (Great Basin College; “GBC”), and Bob Whitcomb (Western Nevada College; WNC), all being voting members of the Committee.

Voting Committee member Jerry Lockhart (College of Southern Nevada; “CSN”) was unable to attend.

Attending the meeting by invitation were Daniel Pawlisch, Leon Kung, and Joe Steen of Aon Hewitt Investment Consulting (“AHIC”); and Raymond Bellucci, Michelle Buckalew, Tyler Clark, Seamus Ewing, David Martinez, and Cindy Wilson of TIAA.

Call to Order

The meeting was called to order on May 23, 2019 at 8:10 a.m. by Kelley.

Executive Officer Report

Kelley summarized the prior day’s meeting. She introduced TIAA’s upcoming presentation to the Committee and summarized the topics of discussion. She noted that TIAA is working to implement a change to an “opt-in” approach for participant marketing materials. She indicated that TIAA will address this topic in their presentation. Kelley discussed TIAA’s recent failure to properly load year-end data and assess fees and revenue credits, which resulted in a service level failure. Kelley also noted that Patty Harte retired from TIAA. Raymond Bellucci has taken over her role. During a recent conversation with Doug Chittenden from TIAA regarding the organizational changes, Kelley requested additional information on the changes, including an organizational chart, and information about diversity. Kelley indicated there will be no financial advisors in attendance from TIAA during the Committee meeting. However, Cindy Wilson from TIAA is attending as the face of TIAA’s financial consultant and wealth management advisory services. Valunte noted that TIAA’s wealth management manager, Michael Phung, had recently visited the UNR campus with TIAA advisors without letting her know.

TIAA Presentation

Referencing a previously distributed report titled "TIAA May 23, 2019 NSHE RPAC Presentation," Martinez introduced the TIAA team. He noted that Tyler Clark is the new Client Service Manager for NSHE, replacing Nancy Brandt on the day-to-day administration tasks for the Plans. He also mentioned two other new team members not in attendance, financial consultants Domingo Belen and Shanna Wexelblatt.

Bellucci introduced himself to the Committee and provided a brief history of his experience at TIAA and involvement with the NSHE account. He also provided a TIAA organizational update.

Wilson discussed the results of surveys and scorecards on participant satisfaction with TIAA's financial consultant and wealth management advisors. Kelley asked about the number of participants surveyed and details on the results; Wilson agreed to provide additional follow-up information. Wilson also discussed compensation for TIAA financial consultant and wealth management advisors. Bellucci noted that he would follow-up with more details on the bonus structure and estimated bonus ranges as a percentage of compensation.

Kelley questioned Wilson regarding the recent RMD project and communications with participants by TIAA financial consultants. Whitcomb indicated that he had been told by a financial consultant, Bradley Berk, that RMDs could be aggregated across plans, which was not accurate. Wilson indicated she would follow-up with Berk on the issue. Magana discussed the employee RMD issue raised during the prior day Committee meeting. Wilson and Ewing noted that they were aware of the specific participant concern and asserted that the financial consultant provided correct information and confirmed that termination dates must be verified by Kelley. They also indicated that there may have been some 'cherry picking' of the recount of the discussion by the participant as the participant in question did not want to take an RMD. Wilson indicated that the financial consultant told the participant to contact their tax advisor. Valunte indicated that she will be reviewing wealth management advisor activity in the north. Bellucci stated that he would like to be personally involved in addressing any issues, as necessary.

Ewing indicated that TIAA will soon be conducting its semi-annual financial consultant summit with NSHE's Executive Officer to review services delivered. The next meeting is scheduled for the Fall of 2019. Bellucci noted that he will attend the next summit meeting.

Pawlisch inquired about the high level of rollover activity into TIAA Traditional. Ewing indicated that participants may park money there and decide to reallocate later.

Buckalew reviewed TIAA's communication, education, and advice results and initiatives for NSHE.

Wilson provided a financial counselor update and reviewed current plan disclosures on marketing, products, and fees. She reviewed the new process for TIAA marketing material "opt-in" scheduled for implementation by July 1, 2019. Ewing indicated that he will check to ensure current participants are being reset to be opted out of marketing. They will need to opt back in if they want to receive marketing

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materials from TIAA. Kelley indicated she will follow up with TIAA on what constitutes NSHE service communications, versus products NSHE may not want to receive unless they opt in.

Valunte noted a situation in which a participant was outreached by a TIAA wealth management advisor from another geographic region who the participant has no previous relationship with. Ewing requested that Valunte provide specific information regarding the situation. Valunte agreed to provide additional follow-up details to Ewing.

Kelley inquired about TIAA's wealth management advisors not being subject to NSHE's contract with TIAA. Kelley's concern is that due to the organizational arrangement NSHE has no input over their activities even though they are providing services to NSHE participants on the NSHE plans. Kelley indicated that she wants wealth management advisors to be subject to oversight and control by the NSHE contract. Ewing confirmed that TIAA's wealth management advisors proactively reach out to high net worth participants in the NSHE plans. Kelley expressed the Committee's understanding, and TIAA's agreement in May 2018, that all NSHE participants would be funneled through a TIAA financial consultants first, and that if a need is identified then the participant would be referred to a wealth management advisor. Wilson and Ewing agreed to follow up with Kelley regarding how best to facilitate initiating participant contact with a TIAA financial counselor without direct contact by a wealth management advisor. Wilson also highlighted various financial consultant case studies with NSHE participants.

Ewing provide a summary of accomplishments for the Plans and next steps. Kelley requested a meeting be scheduled to review follow ups on financial counselors and wealth management advisor issues and other outstanding items. Ewing agreed to coordinate a discussion with Kelley

Representatives from TIAA and Steen left the meeting.

Investment Structure Review

Referencing a previously distributed report titled "Nevada System of Higher Education Investment Structure Review," Pawlisch led the Committee in a discussion of the asset classes, types, and number of funds currently offered in the Plans. He recommended that the Committee consider consolidating the Plans' passive U.S. and non-U.S. equity options to total U.S. equity and total non-U.S. equity options along with adding an international fixed income and multi-asset inflation hedging asset categories. After thorough discussion and review of the information contained in the report, the Committee agreed to table the discussion regarding investment structure changes until the next regularly scheduled Committee meeting.

International Bond Index Fund Manager Search

During the February 12, 2019 meeting, the Committee asked Mr. Pawlisch to provide an investment manager search report for an international bond index fund manager for the Plans. Referencing a previously distributed report titled "Nevada System of Higher Education International Bond Index Fund Manager Search," Pawlisch led a discussion of the information contained in the report. After thorough

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discussion, and based upon information contained in the report, the Committee agreed to table its decision regarding international bond index fund managers.

There being no further business before the Committee, the meeting was adjourned at 12:00 p.m.


Michelle Kelley, RPA Executive Officer

8/16/19
Date Signed

Reviewed by:


Joe Reynolds, NSHE General Counsel

9-11-19
Date Signed