

**Nevada System of Higher Education (“NSHE”)
Minutes of
Retirement Plan Advisory Committee Meeting
November 12, 2021**

The Retirement Plan Advisory Committee (“Committee”), the fiduciary committee for the Excess Benefit Plan of the Nevada System of Higher Education (the “415(m) Plan”), Nevada System of Higher Education Defined Contribution Retirement Plan Alternative (the “401(a) Plan”), Nevada System of Higher Education Medical Resident/Postdoctoral Scholar Retirement Plan (the “Medical Resident Plan”), Nevada System of Higher Education Supplemental 403(b) Plan (the “403(b) 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 November 12, 2021 via video conference. Present were voting members: Michelle Kelley (Chair), Amy Cavanaugh (Truckee Meadows Community College; “TMCC”), Kent Ervin (University of Nevada, Reno; “UNR”), Zarah Gayrama-Borines (Nevada State College; “NSC”), Liliana “Lily” Magana (Business Center South; “BCS”), Scott Nielsen (Great Basin College; “GBC”), Paul Thistle (University of Nevada, Las Vegas; “UNLV”), Migle Valunte (Business Center North; “BCN”), and Daniel Williams (Retiree), all being voting members of the Committee.

Voting Committee members Jennifer Schultz (Desert Research Institute; “DRI”), Jerry Lockhart (College of Southern Nevada; “CSN”), Brad Summerhill (Faculty Senate Chairs), and Bob Whitcomb (Western Nevada College; WNC) were unable to attend.

Attending the meeting by invitation were Dan Pawlisch and Leon Kung of Aon Investments USA Inc. (“Aon”).

Call to Order

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

Approval of Minutes from September 24, 2021 and September 28, 2021

The Committee reviewed the minutes from the previous Committee meeting held on September 24, 2021 and September 28, 2021. Valunte requested the minutes from September 28, 2021 Staff Reports discussion be modified from “two retirement weeks” to “two annual Retirement Weeks.” Kelley agreed to make the requested edits. Following discussion, the Committee approved the minutes from both the September 21, 2021 Committee meeting and the amended minutes from September 28, 2021 Committee meeting.

Executive Officer Report

Kelley informed the Committee that the administrative fee recommendation to change the structure of the participant fee for the RC/RCP contracts to a flat fee per unique participant charge of \$12.00/year plus 2.82 bps on the first \$300,000 (per plan) was submitted and approved by the Chief General Counsel.

Kelley noted the IRS Cost-of-Living Adjustments (COLA) limits were released and will be reflected in Workday at the beginning of 2022.

Kelley provided an update on TIAA's forced required minimum distribution (FRMD) process in the 401(a) Plan. She noted that TIAA sent FRMD letters to participants on November 2, 2021. There were approximately 3,000 participants that were identified as being terminated, some of whom may have been rehired into part-time positions. Kelley requested the Benefits Managers notify her or TIAA if a participant contacts them because they are still employed and should have the FRMD process stopped.

Kelley updated the Committee on the status of the Compliance Audit RFI. She noted that a vendor was selected and thanked the members of the subcommittee. The vendor will be introduced at the February 2022 meeting.

Staff Reports

North

Valunte informed the Committee that TIAA Financial Advisors will begin scheduling in-person participant meetings beginning in January 2022. Valunte noted that she recently met with the new TIAA Financial Advisors and Account Managers and that scheduling for January participant meetings are in progress.

In a settlor capacity, Valunte discussed retiree health insurance qualifications for participants. She noted that the Nevada Public Employees' Benefits Program (PEBP) and Nevada Administrative Code (NAC) documents have different qualification requirements. Kelley indicated that NAC represents state law and supersedes PEBP requirements.

Cavanaugh left the meeting.

South

Returning to fiduciary matters, Magana informed the Committee that in-person participant meetings are being scheduled with TIAA Financial Advisors.

In a settlor capacity, Magana discussed inquiries regarding Long Term Disability (LTD) insurance benefits for participants nearing retirement. She reached out to PEBP with minimal support response. Kelley agreed to discuss with Magana following the meeting.

Quarterly Investment Review

Pawlich joined the meeting.

Returning to fiduciary matters, Kung led a discussion regarding the contents of a previously distributed report titled "Nevada System of Higher Education Third Quarter 2021 Discussion Guide," (Discussion Guide)". A document titled "Nevada System of Higher Education Third Quarter 2021 Investment Review," was previously distributed 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 Third Quarter of 2021. Kung also discussed the Plans' asset allocation and participant contribution and transfer activity. During the course of Kung's review, he noted and discussed 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. After a thorough discussion and review of the materials provided, the Committee agreed to remove the William Blair Small/Mid Cap Growth Fund from the watch list. The Committee further agreed to add the Vanguard Emerging Markets Stock Index Fund to the watch list with a "yellow-level" status.

Kung reviewed the Plans' Annual Investment Fee Monitoring & Transparency, noting that the fees for all investments were reasonable relative to the medians of the applicable peer groups. Kung also reviewed the Plans' Morningstar Model Portfolios' allocations and performance as of September 30, 2021.

Kung noted changes announced by Vanguard regarding the merger of their "institutional" and "investor" Target Retirement Funds/ share classes. He also noted the introduction of a new Vanguard Target Retirement Income & Growth Trust (TRIGT) and participant tools to assist participants in modeling spending strategies. Following a thorough discussion and review of the material provided, the Committee requested additional information be provided at the May 2022 Committee meeting on the Vanguard Target Retirement Income & Growth Trust (TRIGT) and respective participant tools. Pawlich agreed to work with representatives from Vanguard and TIAA to obtain the requested information.

After a thorough discussion and review of the materials provided, the Committee agreed in the best interest of the Plans' participants and beneficiaries to make no changes, other than noted above, to the Plans' investment lineup at this time.

International Equity Search

As a follow-up to the September 28, 2021 meeting, Pawlich reviewed the contents in a section of the Discussion Guide titled "Non-U.S. Equity Search Follow-Up Items."

Kung led a discussion regarding the contents of the previously distributed report titled "Nevada System of Higher Education Second Quarter 2021 International Core Equity Search." He reviewed potential investment manager candidates that would replace the Plans' actively managed international growth equity (Harding Loevner) and international value equity (MFS) options. Following a thorough discussion and review of the materials provided, the Committee agreed to recommend to the Chief General Counsel that the Harding Loevner International Equity Fund and the MFS International Value Fund be terminated from

November 1, 2021

Page 4

the line-up and that the existing assets and ongoing contributions from both funds be mapped to the GQG Partners International Opportunities Fund (GSIYX), following appropriate notice to the Plans' participants. Kelley agreed to provide the Committee's recommendation to the Chief General Counsel.

A document titled "Nevada System of Higher Education Second Quarter 2021 International Value Equity Search," was previously distributed for reference by the Committee

Other Business

Kelley noted the next meeting will be held via video conference on February 11, 2022 from 9:00 a.m. – 1:00 p.m.

Adjournment

There being no further business before the Committee, the meeting adjourned at 2:30 p.m.


Michelle Kelley, Director Retirement Plan Administration

2/11/2022
Date Signed

Reviewed by:


James Martines, NSHE Chief General Counsel

5/16/2022
Date Signed