

**Nevada System of Higher Education (“NSHE”)  
Minutes of  
Retirement Plan Advisory Committee Meeting  
February 11, 2022**

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 11, 2022 via video conference. Present were voting members: Michelle Kelley (Chair), Amy Cavanaugh (Truckee Meadows Community College; “TMCC”), Kent Ervin (University of Nevada, Reno; “UNR”), Jerry Lockhart (College of Southern Nevada; “CSN”), Scott Nielsen (Great Basin College; “GBC”), Jennifer Schultz (Desert Research Institute; “DRI”), Brad Summerhill (Faculty Senate Chairs), Paul Thistle (University of Nevada, Las Vegas; “UNLV”), Bob Whitcomb (Western Nevada College; WNC), and Daniel Williams (Retiree), all being voting members of the Committee.

Voting Committee member Zarah Gayrama-Borines (Nevada State College; “NSC”) was unable to attend.

Attending the meeting by invitation were Cheri Carley (University of Nevada, Las Vegas; “UNLV”), Kim Dawes (University of Nevada, Las Vegas; “UNLV”), Lisa Taylor (University of Nevada, Reno; “UNR”) of NSHE; and 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.

### **Committee Update**

Kelley informed the Committee that Migle Valunte and Liliana Magana left NSHE. As a result, they are no longer Committee members. Kelley noted that the NSHE is looking to fill the open Business Center North and South positions. In the interim, Lisa Taylor (University of Nevada, Reno; “UNR”), Cheri Carley (University of Nevada, Las Vegas; “UNLV”), and Kim Dawes (University of Nevada, Las Vegas; “UNLV”) will be attending meetings to provide staff updates for the North and South campuses, respectively.

Ervin reviewed recent actuarial result for the Nevada Public Employees Retirement System (PERS), noting the effect they may have on the Plans and the Committee.

## **Approval of Minutes from November 12, 2021**

The Committee reviewed and approved the minutes from the November 12, 2021 Committee meeting.

## **Executive Officer Report**

Kelley informed the Committee that the GQG Partners International Opportunities Fund (GSIYX) will replace the MFS International Value Fund and the Harding Loevner International Equity Fund on March 22, 2022 as recommend by the Committee and approved by NSHE's Chief General Counsel.

Kelley provided an update regarding changes to recordkeeping and administrative fees that will be assessed to participant account(s). Beginning January 1, 2022, the Plans will be reducing the Annual Plan Servicing Fee from 3.45 basis points to 2.82 basis points. This fee will be deducted proportionally from participant investments in TIAA's RC/RCP contracts, up to a maximum account balance cap of \$300,000. In addition, participant accounts will be assessed an annual per-participant fee of \$12 (\$3 per quarter) regardless of the total number of accounts a participant has. For assets in TIAA's legacy contracts, Kelley noted that the annual per-participant fee of \$12 (\$3 per quarter) and the fee cap does ***not*** apply.

Kelley provided an update regarding the upcoming Retirement Planning week in March. She noted that TIAA will hold two seminars on Monday, Wednesday, and Friday with an interactive panel scheduled for Tuesday and Thursday. Representatives from TIAA will be hosting all the seminars as a result of the open Business Center positions in the North and South.

Kelley updated the Committee on the status of the Compliance Audit RFI. She noted that the previously selected vendor has been unresponsive to her inquiries. As a result, the statement of work has not been finalized. Kelley indicated that the Compliance Audit has been put on hold because of the upcoming administrative recordkeeper Request for Proposal (RFP).

Kelley provided an update on the administrative recordkeeper RFP. She indicated that Betsy Brownfield will be the purchasing agent assisting with the project. Kelley will work with representatives from Aon to prepare the RFP. The RFP is expected to be released in March.

## **Staff Reports**

### North

Taylor's presentation was delayed due to audio difficulties.

### South

Dawes provided an update regarding one-on-one participant meetings and difficulties with loans. She noted that she has received feedback regarding issues with scheduling meetings with TIAA's Financial Consultants. In addition, TIAA's recent transition to Retirement Plan Loans has created participant confusion regarding TIAA's \$50 loan fee and NSHE's \$50 processing fee.

Thistle noted a complaint he received from a UNLV retiree who wanted monthly withdrawals from their 403(b) plan account and was sent in a single check at the end of the year. Kelley indicated that she would work with Thistle to investigate the issue.

### **Quarterly Investment Review**

Kung led a discussion regarding the contents of a previously distributed report titled "Nevada System of Higher Education Fourth Quarter 2021 Discussion Guide," (Discussion Guide)". Kung noted that a previously distributed document titled "Nevada System of Higher Education Fourth Quarter 2021 Investment Review" was 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 2021. Kung also discussed the Plans' asset allocation and participant contribution and transfer activity. During 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 Vanguard Emerging Markets Stock Index Fund from the watch list. Kelley requested that the GQG Partners International Opportunities Fund (GSIYX) be added to the watch list going forward.

Kung informed the Committee that the Vanguard Target Retirement 2015 Fund will be merging into the Target Retirement Income Fund on or about July 8, 2022. He also noted the launch of the Target Retirement 2070 by mid-2022 and recommended that the Committee add the Vanguard Target Retirement 2070 Trust Plus (CUSIP 92202M831) to the 401(a) Plan and the Vanguard Target Retirement 2070 Fund (VSVNX) to the 415(m), 403(b), Medical Resident, and Pre-99 Plans. After a thorough discussion and based upon the information provided, the Committee agreed to recommend that the Vanguard Target Retirement 2070 Fund be added to the Plans as soon as administratively feasible, following appropriate notice to participants. Kelley agreed to provide the Committee's recommendation to NSHE's Chief General Counsel.

Kung informed the Committee the due to sizeable asset growth, the Plans are now eligible to transition to the lower cost "Institutional" class shares of the Vanguard Total International Bond Index Fund (VTIFX). Following thorough discussion, and based upon information provided, the Committee agreed to recommend that the Vanguard Total International Bond Index Fund be transitioned from the "Admiral" to "Institutional" class shares as soon as administratively feasible, following appropriate notice to

participants. Kelley agreed to provide the Committee's recommendations to NSHE's Chief General Counsel.

Kung reviewed the Plans' Annual Investment Fee Monitoring & Transparency, noting that the fees for all the Plans' investments were reasonable relative to the medians of applicable peer groups. Kung also reviewed the Plans' Morningstar Model Portfolios' allocations and performance as of December 31, 2021. Ervin requested that Morningstar's more contemporary advice engine be reviewed as part of the upcoming administrative recordkeeper RFP.

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 recommend changes to NSHE'S Chief General Counsel, other than noted above, to the Plans' investment lineup at this time.

## **Staff Reports**

### North

Taylor indicated she was seeing an increase in Mistake of Fact (MOF) cases due to the recent transition to Workday. In addition, Taylor noted that meetings with TIAA's Financial Consultants are still being conducted virtually.

## **Legacy Defined Contribution Plan Review**

Kung led a discussion of a previously distributed document titled "Nevada System of Higher Education Fourth Quarter 2021 Legacy Defined Contribution Plan Review." He discussed the asset allocation for the Plans' legacy vendors (TIAA and AIG) noting that the investment options were no longer open for participant contributions. Kung also reviewed the fund performance and expense ratios by vendor.

## **Other Business**

Kelley indicated that she shared an updated copy of TIAA's Compensation Plan that now includes TIAA's Financial Consultants and their new advisory phone center representatives. Kelley indicated that compensation, including variable compensation, will be included in the administrative recordkeeper RFP.

Referencing Nevada statute 286.82 – 84, Ervin discussed the availability of long-term disability insurance available through Nevada PERS and the Nevada Public Employees' Benefits Program (PEBP).

Kelley noted the next meeting will be held via video conference in May 2022.

## **Adjournment**

There being no further business before the Committee, the meeting adjourned at 12:05 p.m.

February 11, 2022

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Michelle Kelley, Director Retirement Plan Administration

8/31/2022

Date Signed

Reviewed by:



Andrew Clinger, Chief Financial Officer

11/21/2022

Date Signed