

**BOARD OF REGENTS* and its
INVESTMENT COMMITTEE
NEVADA SYSTEM OF HIGHER EDUCATION**

Student Union, Ballroom A
University of Nevada, Las Vegas
4505 S. Maryland Pkwy, Las Vegas
Thursday, December 1, 2016, 3:30 p.m.

BOARD

ROLL CALL:

Mr. Rick Trachok, Chairman	_____
Mr. Michael B. Wixom, Vice Chairman	_____
Dr. Andrea Anderson	_____
Mr. Cedric Crear	_____
Mr. Robert Davidson	_____
Dr. Mark W. Doubrava	_____
Dr. Jason Geddes	_____
Mr. Trevor Hayes	_____
Mr. James Dean Leavitt	_____
Mr. Sam Lieberman	_____
Mr. Kevin C. Melcher	_____
Mr. Kevin J. Page	_____
Ms. Allison Stephens	_____

COMMITTEE

ROLL CALL:

Mr. Kevin C. Melcher, Chair	_____
Mr. Robert Davidson, Vice Chair	_____
Mr. Cedric Crear	_____
Dr. Jason Geddes	_____
Mr. Trevor Hayes	_____

In addition to the Investment Committee, this meeting is noticed as a meeting of the Board of Regents to allow other Regents who may wish to attend to participate.

IMPORTANT INFORMATION ABOUT THE AGENDA AND PUBLIC MEETING

NOTE: Below is an agenda of all items scheduled to be considered. Notification is hereby provided that items on the agenda may be taken out of the order presented, including moving an item to a different day if the meeting is noticed for more than one day, two or more agenda items may be combined for consideration, and an agenda item may be removed from the agenda or discussion relating to an item on the agenda may be delayed at any time.

In accordance with the Board of Regents' Bylaws, Title I, Article V, Section 20, items voted on may be the subject of a motion to reconsider at this meeting. A motion to reconsider an item may be made at any time before adjournment of this meeting. Similarly, if an item is tabled at any time during the meeting, it may, by proper motion and vote, be taken from the table and thereafter be the subject of consideration and action at any time before adjournment of this meeting.

*The Board of Regents, at its regularly scheduled meetings, meets concurrently with its Committees (the Academic, Research and Student Affairs Committee; the Audit Committee; the Business, Finance and Facilities Committee; the Cultural Diversity and Title IX Compliance Committee; the Investment Committee; and the Health Sciences System Committee).

The Board's Committee meetings take place in accordance with the agendas published for those Committees. Regents who are not members of the Committees may attend the Committee meetings and participate in the discussion of Committee agenda items. However, action items will only be voted on by the members of each Committee, unless a Regent is temporarily made a member of that Committee under Board of Regents' Bylaws, Title 1, Article VI, Section 6. The full Board of Regents will consider Committee action items in accordance with the Board of Regents' agenda published for the current or for a subsequent meeting.

In accordance with the Board of Regents' Bylaws, Title 1, Art. V, Section 13, a quorum may be gained by telephonic hookup.

Some agenda items are noted as having accompanying reference material. Reference material may be accessed on the electronic version of the agenda by clicking the reference link associated with a particular item. The agenda and associated reference material may also be accessed on the Internet by visiting the Board of Regents' website at:

<http://system.nevada.edu/Nshe/index.cfm/administration/board-of-regents/meeting-agendas/>

Many public libraries have publicly accessible computer terminals. Copies of the reference material and any additional support materials that are submitted to the Board of Regents' Office and then distributed to the members of the Board of Regents after the mailing of this agenda but before the meeting, will be made available as follows: 1. Copies of any such materials are available at the Board of Regents' Office at 2601 Enterprise Road, Reno, Nevada and the Board of Regents' Office at 4300 S. Maryland Parkway, Las Vegas, Nevada. A copy may be requested by calling Winter Lipson at (702) 889-8426; 2. Copies of any such materials will also be available at the meeting site.

Reasonable efforts will be made to assist and accommodate physically disabled persons attending the meeting. Please call the Board office at (775) 784-4958 in advance so that arrangements may be made.

1. PUBLIC COMMENT

INFORMATION ONLY

Public comment will be taken during this agenda item. No action may be taken on a matter raised under this item until the matter is included on an agenda as an item on which action may be taken. Comments will be limited to three minutes per person. Persons making comment will be asked to begin by stating their name for the record and to spell their last name. The Committee Chair may elect to allow additional public comment on a specific agenda item when that agenda item is being considered.

In accordance with Attorney General Opinion No. 00-047, as restated in the Attorney General's Open Meeting Law Manual, the Committee Chair may prohibit comment if the content of that comment is a topic that is not relevant to, or within the authority of, the Board of Regents, or if the content is willfully disruptive of the meeting by being irrelevant, repetitious, slanderous, offensive, inflammatory, irrational or amounting to personal attacks or interfering with the rights of other speakers.

2. CONSENT ITEMS FOR POSSIBLE ACTION

Consent items will be considered together and acted on in one motion unless an item is removed to be considered separately by the Committee.

2a. MINUTES FOR POSSIBLE ACTION

Request is made for approval of the minutes from the September 8, 2016, meeting. ([Ref. INV-2a](#))

**2b. CAMBRIDGE ASSOCIATES FOR POSSIBLE ACTION
OPERATING FUND
ADVISORY AGREEMENT**

Request is made for approval of an amendment to the Cambridge Associates Advisory Services Agreement which removes advisory services for the Endowment Fund and extends the terms of the agreement through December 31, 2017. ([Ref. INV-2b](#))

ESTIMATED TIME: 5 mins.

**3. POOLED ENDOWMENT AND FOR POSSIBLE ACTION
OPERATING FUNDS;
OPERATING POOL RESERVE**

Staff from Cambridge Associates and System Administration will present a report on asset allocation and investment returns for the pooled Endowment and pooled Operating Funds for the quarter ended September 30, 2016. NSHE staff will also provide an update on the status of the Operating Pool Reserve. Cambridge Associates and System Administration staff may also provide specific recommendations on fund managers which may include hiring, terminating or changing managers. The Committee may take action based on the report and recommendations, including making recommendations to the Board to change the asset allocation, fund managers and/or strategic ranges for the pooled funds.

ESTIMATED TIME: 15 mins.

4. ENDOWMENT POOL INVESTMENT POLICY GUIDELINES DISCUSSION AND RECOMMENDATIONS **FOR POSSIBLE ACTION**

Representatives from Cambridge Associates and Russell Investments will present information and analyses related to the Endowment Fund asset allocation policy targets, ranges, benchmarks and other guidelines. They will recommend updates to the Statement of Investment Objectives and Policies for the Endowment Fund (*Handbook, Title 4, Chapter 10, Section 5*) under the OCIO model. ([Ref. INV-4](#))

ESTIMATED TIME: 90 mins.

5. DISTRIBUTION FROM THE ENDOWMENT FUND **FOR POSSIBLE ACTION**

The Investment Committee will discuss current NSHE distributions from the Endowment Fund, including the net 4.75 percent spending rate/management fee in relation to current investment allocation, projected returns and Board policy (*Handbook, Title 4, Chapter 10, Section 5*). The Committee will also review past performance of the NSHE endowment and the university foundations. The Committee will review how changes to the policy on distribution may impact long-term objectives and may approve a revision to the distribution rate or the spending rate/management fee. ([Ref. INV-5](#))

ESTIMATED TIME: 10 mins.

6. OUTSOURCED CHIEF INVESTMENT OFFICER PROCESS AND IMPLEMENTATION **FOR POSSIBLE ACTION**

The Committee will receive an update from the Vice Chancellor of Finance and the Senior Director of Finance regarding the Outsourced Chief Investment Officer (OCIO) implementation and structure for the management of the System's Endowment Fund, including status of the contracts and funds. Committee Chair Melcher will lead a discussion regarding the establishment of an OCIO monitoring and reporting structure. The Committee may provide direction to staff regarding future monitoring and reporting.

ESTIMATED TIME: 15 mins.

7. NEW BUSINESS

INFORMATION ONLY

Items for consideration at future meetings may be suggested. Any discussion of an item under "New Business" is limited to description and clarification of the subject matter of the item, which may include the reasons for the request.

8. PUBLIC COMMENT

INFORMATION ONLY

Public comment will be taken during this agenda item. No action may be taken on a matter raised under this item until the matter is included on an agenda as an item on which action may be taken. Comments will be limited to three minutes per person. Persons making comment will be asked to begin by stating their name for the record and to spell their last name. The Committee Chair may elect to allow additional public comment on a specific agenda item when that agenda item is being considered.

In accordance with Attorney General Opinion No. 00-047, as restated in the Attorney General's Open Meeting Law Manual, the Chair may prohibit comment if the content of that comment is a topic that is not relevant to, or within the authority of, the Board of Regents, or if the content is willfully disruptive of the meeting by being irrelevant, repetitious, slanderous, offensive, inflammatory, irrational or amounting to personal attacks or interfering with the rights of other speakers.

POSTED ON THE NEVADA SYSTEM OF HIGHER EDUCATION WEBSITE
(<http://system.nevada.edu/>) AND ON THE NEVADA PUBLIC NOTICE WEBSITE PURSUANT TO
NRS 232.2175 (<http://notice.nv.gov/>),
AT THE SYSTEM ADMINISTRATION BUILDINGS AND E-MAILED FOR POSTING AT THE EIGHT
NSHE INSTITUTIONS:

CSN, Building D, 1st Floor, 6375 W. Charleston Boulevard, Las Vegas, NV 89146
DRI, Maxey Building, 2215 Raggio Parkway, Reno, NV 89512
DRI, Southern Nevada Science Center, 755 E. Flamingo Road, Las Vegas, NV 89119
GBC, Berg Hall, 1500 College Parkway, Elko, NV 89801
NSC, Great Hall, 1125 Nevada State Drive, Henderson, NV 89015
TMCC, Red Mountain Building (RDMT 200), 7000 Dandini Boulevard, Reno, NV 89512
UNLV, Flora Dungan Humanities Building (FDH), 1st & 7th Floors, 4505 Maryland Pkwy, Las Vegas, NV
89154
UNR, Clark Administration, University of Nevada, Reno, Reno, NV 89557
WNC, Bristlecone Building Lobby, 2201 W. College Parkway, Carson City, NV 89703
System Administration, 4300 South Maryland Parkway, Las Vegas, NV 89119
System Administration, 2601 Enterprise Road, Reno, NV 89512