



Nevada System of Higher Education

June 8, 2017

Discussion Materials

CAMBRIDGE



ASSOCIATES

Nevada System of Higher Education
June 8, 2017
Discussion Materials

Wendy Walker, CFA
Lindsay Van Voorhis, CFA
David Breiner
Maddie Ripley
Alagan Mohan

CAMBRIDGE



ASSOCIATES

Copyright © 2017 by Cambridge Associates LLC. All rights reserved.

This report may not be displayed, reproduced, distributed, transmitted, or used to create derivative works in any form, in whole or in portion, by any means, without written permission from Cambridge Associates LLC (“CA”). Copying of this publication is a violation of US and global copyright laws (e.g., 17 U.S.C. 101 et seq.). Violators of this copyright may be subject to liability for substantial monetary damages. The information and material published in this report is nontransferable. Therefore, recipients may not disclose any information or material derived from this report to third parties, or use information or material from this report, without prior written authorization. This report is provided for informational purposes only. The information presented is not intended to be investment advice. Any references to specific investments are for illustrative purposes only. The information herein does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction. Some of the data contained herein or on which the research is based is current public information that CA considers reliable, but CA does not represent it as accurate or complete, and it should not be relied on as such. Nothing contained in this report should be construed as the provision of tax or legal advice. Past performance is not indicative of future performance. Broad-based securities indexes are unmanaged and are not subject to fees and expenses typically associated with managed accounts or investment funds. Investments cannot be made directly in an index. Any information or opinions provided in this report are as of the date of the report, and CA is under no obligation to update the information or communicate that any updates have been made. Information contained herein may have been provided by third parties, including investment firms providing information on returns and assets under management, and may not have been independently verified.

Cambridge Associates, LLC is a Massachusetts limited liability company with offices in Arlington, VA; Boston, MA; Dallas, TX; and Menlo Park, CA. Cambridge Associates Fiduciary Trust, LLC is a New Hampshire limited liability company chartered to serve as a non-depository trust company, and is a wholly-owned subsidiary of Cambridge Associates, LLC. Cambridge Associates Limited is registered as a limited company in England and Wales No. 06135829 and is authorised and regulated by the Financial Conduct Authority in the conduct of Investment Business. Cambridge Associates Limited, LLC is a Massachusetts limited liability company with a branch office in Sydney, Australia (ARBN 109 366 654). Cambridge Associates Asia Pte Ltd is a Singapore corporation (Registration No. 200101063G). Cambridge Associates Investment Consultancy (Beijing) Ltd is a wholly owned subsidiary of Cambridge Associates, LLC and is registered with the Beijing Administration for Industry and Commerce (Registration No. 110000450174972).



Contents

1. C A Annual Trustee Conference	1
2. Operating Fund Action Items & Portfolio Update	3
3. Operating Fund Status	11
4. Endowment Fund OCIO Update	19
5. Appendix	
a. Capital Markets Returns	35
b. Custom Benchmark Compositions	38



1. C|A Annual Trustee Conference





Save the Date: 2017 Trustee Conference



The annual Trustee Conference will be held on September 14-15, 2017 in New York City. This educational event brings together trustees, board members and investment committee members of institutional investors. Over two days, industry thought leaders will address institutional governance while also discussing the current investment environment and the evolving global economic landscape.

When:

Thursday, September 14 – Friday, September 15

Where:

The Ritz-Carlton, New York Battery Park
2 West Street
New York, NY 10004

For more information and to register visit <http://caconferences.com/trustee2017/>
If you have any questions, email Emily Kruglik at ekruglik@cambridgeassociates.com.



Keynote Speaker:
Howard Marks, CFA
Co-Chairman, Oaktree
Capital Management



2. Operating Fund Action Items & Portfolio Update



Action Items and Executive Summary

ACTION ITEMS

We set forth rebalancing recommendations in the table following this summary. Our proposals reflect the following:

- 1) \$25.0 million trim from the Short-Term Pool, to bring the Cash allocation roughly in line with the 30% policy target.
- 2) \$25.0 million addition to the Long-Term Pool:
 - a) \$5.0 million addition to Vanguard Institutional Index
 - b) \$10.0 million addition to Manning & Napier
 - c) \$10.0 million addition to MFS International

EXECUTIVE SUMMARY

Operating Fund Performance and Asset Allocation as of March 31, 2017

The Operating Fund posted a return of 2.8% in the first quarter and performed broadly in line with the Policy Index. Global ex U.S. Equity led performance on an absolute basis for the quarter with a 7.8% return; the strongest relative performance came from the Opportunistic allocation, which outperformed its benchmark by 180 basis points during the quarter. For the trailing one-year period, the Operating Fund returned 5.9%, underperforming the Policy Index return of 6.5%. On a trailing five-year basis, the Operating Fund generated an annualized return of 4.5%, 10 basis points behind the Long-Term Policy Index; since inception, the Operating Fund has returned 4.9% annualized, in line with the Long-Term Policy Index.

As of March 31, 2017, adjusted for estimated returns and cash flows through April 30, 2017, the Operating Fund was underweight Long Term Bonds and TIPS, with offsetting overweights to Total Equities (including Opportunistic), Intermediate Term Bonds, and Short Term Bonds & Cash.



Rebalancing Recommendations

Estimated as of April 30, 2017

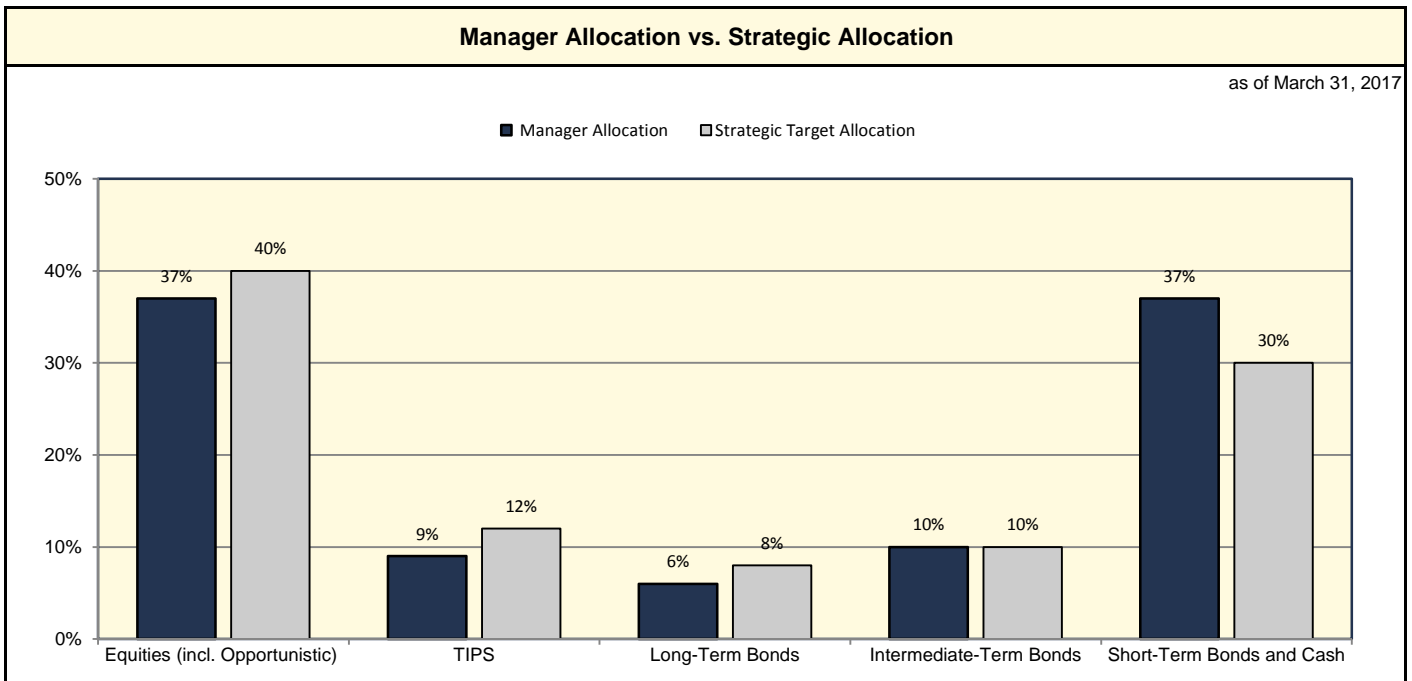
	Allocation as of Mar 31, 2017		Apr 1, 2017 - Apr 30, 2017 Est Perf (%)	Estimated Allocation as of Apr 30, 2017		Recommended Shifts		Pro Forma Allocation		Policy Targets (%)	Target Range (%)
	Assets (\$ mm)	(%) Allocation		Assets (\$ mm)	(%) Allocation	(\$ mm)	(%)	Assets (\$ mm)	(%) Allocation		
U.S. Equity											
Vanguard Institutional Index	\$183.9	20.8%	1.0%	\$185.8	22.4%	+\$5.0	0.6%	\$190.8	23.0%		
Total U.S. Equity	\$183.9	20.8%	1.0%	\$185.8	22.4%	\$5.0	0.6%	\$190.8	23.0%	24.0%	20%-30%
Global ex U.S. Equity											
Manning & Napier MFS International	55.5 60.2	6.3 6.8	3.8 3.7	57.6 62.4	6.9 7.5	+\$10.0 +\$10.0	1.2 1.2	67.6 72.4	8.2 8.7		
Total Global ex U.S. Equity	\$115.6	13.1%	3.8%	\$120.0	14.5%	\$20.0	2.4%	\$140.0	16.9%	16.0%	10%-20%
Marketable Alternatives											
Och-Ziff Overseas Farallon Capital	0.5 4.2	0.1 0.5	--- 0.2	0.5 4.2	0.1 0.5			0.5 4.2	0.1 0.5		
Total Marketable Alternatives	\$4.7	0.5%	0.2%	\$4.7	0.6%	---	---	\$4.7	0.6%	0.0%	
Opportunistic											
PIMCO All Asset All Authority	24.8	2.8	0.6	25.0	3.0			25.0	3.0		
Total Opportunistic	\$24.8	2.8%	0.6%	\$25.0	3.0%	---	---	\$25.0	3.0%	0.0%	0%-10%
TOTAL EQUITIES (incl. Opportunistic)	\$329.1	37.2%	1.9%	\$335.5	40.5%	\$25.0	3.0%	\$360.5	43.5%	40.0%	30%-50%
TIPS											
Vanguard Inflation-Protected Securities	82.4	9.3	0.5	82.8	10.0			82.8	10.0		
Total TIPS	\$82.4	9.3%	0.5%	\$82.8	10.0%	---	---	\$82.8	10.0%	12.0%	5%-15%
Long Term Bonds											
PIMCO Total Return	33.4	3.8	0.8	33.7	4.1			33.7	4.1		
Wells Capital Montgomery	17.8	2.0	0.7	17.9	2.2			17.9	2.2		
Total Long Term Bonds	\$51.3	5.8%	0.8%	\$51.7	6.2%	---	---	\$51.7	6.2%	8.0%	5%-15%
TOTAL LONG-TERM POOL	\$462.7	52.3%	1.6%	\$469.9	56.7%	---	---	\$494.9	59.7%	60.0%	
Intermediate Term Bonds											
WellsCap Short Duration	90.5	10.2	0.2	90.7	10.9			90.7	10.9		
Total Intermediate Term Bonds	\$90.5	10.2%	0.2%	\$90.7	10.9%	---	---	\$90.7	10.9%	10.0%	5%-15%
Short Term Bonds and Cash											
Short Term Bonds and Cash *	330.9	37.4	---	268.3	32.4	-\$25.0	-3.0	243.3	29.3		
Total Short Term Bonds and Cash	\$330.9	37.4%	0.1%	\$268.3	32.4%	-\$25.0	-3.0%	\$243.3	29.3%	30.0%	25%-40%
TOTAL ASSETS	\$884.1	100.0%	0.8%	\$828.9	100.0%	---	---	\$828.9	100.0%	100.0%	

Note: Market values as of 4/30/17 are estimated using manager preliminary or mutual fund returns or (if highlighted in peach) index proxies. Actual client-specific returns may ultimately differ from managers' fund-level preliminary estimates. Cash accounts assume a 0% return for the period.

* Estimated Short Term Bonds and Cash balance was provided by System Staff as of 5/19/17.

Nevada System of Higher Education Operating Fund
Asset Allocation Policy as of March 31, 2017

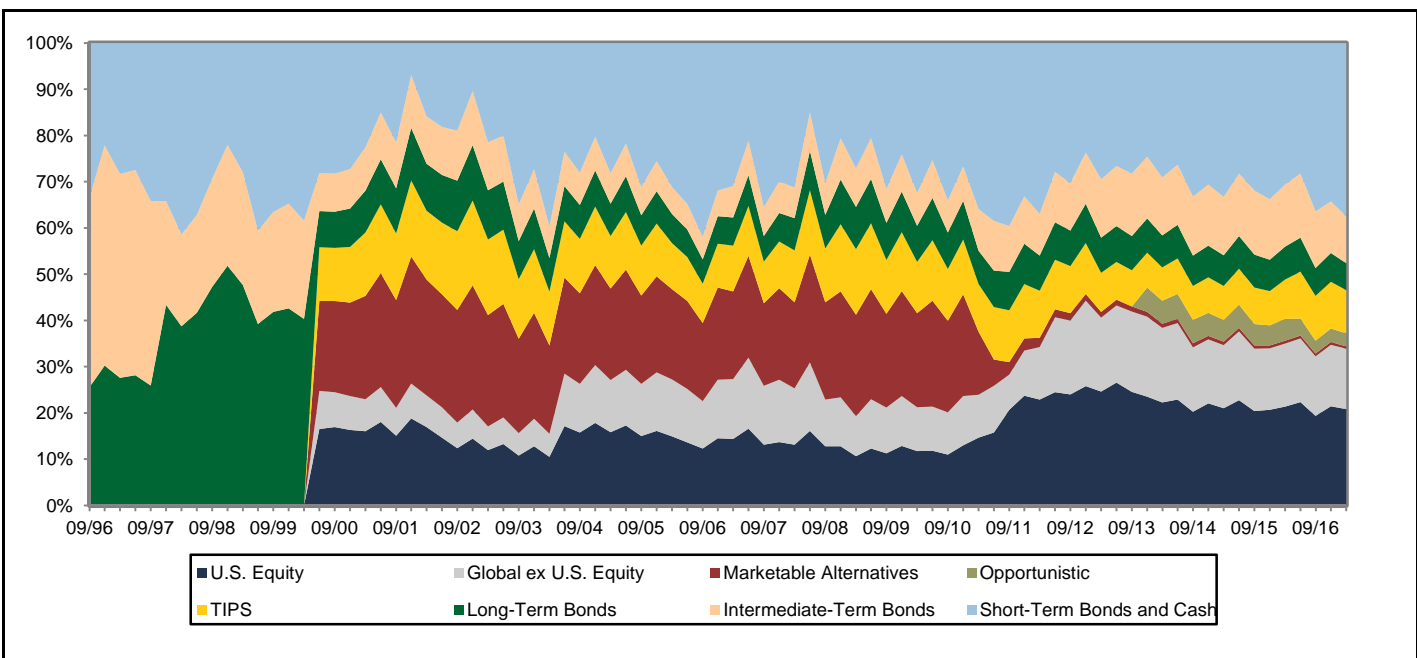
	Manager Allocation	Strategic Target Allocation	Strategic Target Range	Policy Variance (\$000)	%
Equities (incl. Opportunistic)	37.2%	40.0%		-\$24,554	-2.8%
U.S. Equity	20.8%	24.0%	20%-30%	-\$28,293	-3.2%
Global ex U.S. Equity	13.1%	16.0%	10%-20%	-\$25,812	-2.9%
Marketable Alternatives	0.5%	0.0%		\$4,703	0.5%
Opportunistic	2.8%	0.0%	0%-10%	\$24,847	2.8%
TIPS	9.3%	12.0%	5%-15%	-\$23,697	-2.7%
Long-Term Bonds	5.8%	8.0%	5%-15%	-\$19,476	-2.2%
Total Long-Term Pool	52.3%	60.0%		-\$67,727	-7.7%
Operating Liquidity Pools	47.7%	40.0%		\$67,727	7.7%
Intermediate-Term Bonds	10.2%	10.0%	5%-15%	\$2,084	0.2%
Short-Term Bonds and Cash	37.4%	30.0%	25%-40%	\$65,643	7.4%



Note: Manager Allocation includes discretionary cash held by individual managers.
Policy Variance equals the difference between Manager Allocation and Strategic Allocation.
Short-Term Bonds and Cash includes funds pending placement.

Nevada System of Higher Education Operating Fund
Asset Allocation Over Time as of March 31, 2017

	% of Portfolio				Market Value (\$)
	06/30/16	09/30/16	12/31/16	03/31/17	As Of 03/31/17
U.S. Equity	22.3%	19.4%	21.4%	20.8%	\$183,896,314
Global ex U.S. Equity	13.8	12.9	13.3	13.1	115,647,716
Marketable Alternatives	0.6	0.6	0.6	0.5	4,703,215
Opportunistic	3.7	2.8	2.9	2.8	24,846,806
TIPS	10.2	9.7	10.1	9.3	82,397,112
Long-Term Bonds	7.4	6.0	6.3	5.8	51,253,597
Total Long-Term Pool	57.9	51.3	54.6	52.3	462,744,759
Intermediate-Term Bonds	13.8	12.2	11.2	10.2	90,495,958
Short-Term Bonds and Cash	28.3	36.4	34.3	37.4	330,879,542
Total Operating Fund	100.0%	100.0%	100.0%	100.0%	\$884,120,259



Note: Actual Allocation is based on market value of assets at end of period. Values include discretionary cash held by managers. Short-Term Bonds and Cash includes funds pending placement.

Nevada System of Higher Education Operating Fund
Investment Manager Allocation Over Time as of March 31, 2017

Investment Manager	% of Portfolio					Market Value (\$) 03/31/17
	03/31/16	06/30/16	09/30/16	12/31/16	03/31/17	
U.S. Equity						
Vanguard Institutional Index	21.4%	22.3%	19.4%	21.4%	20.8%	\$183,896,314
Global ex U.S. Equity						
Manning & Napier	6.7	6.8	6.3	6.4	6.3	55,475,314
MFS International	7.0	7.0	6.6	6.9	6.8	60,172,402
Subtotal	13.6	13.8	12.9	13.3	13.1	115,647,716
Marketable Alternatives						
Och-Ziff Overseas ⁽¹⁾	0.1	0.1	0.1	0.1	0.1	480,357
Farallon Capital ⁽²⁾	0.6	0.6	0.5	0.6	0.5	4,222,858
Subtotal	0.6	0.6	0.6	0.6	0.5	4,703,215
Opportunistic						
PIMCO All Asset	4.7	3.7	2.8	2.9	2.8	24,846,806
TIPS						
Vanguard Inflation-Protected Securities	8.5	10.2	9.7	10.1	9.3	82,397,112
Long-Term Bonds						
PIMCO Total Return	4.8	5.0	3.9	4.1	3.8	33,435,220
Wells Capital Montgomery	2.3	2.4	2.1	2.2	2.0	17,818,378
Subtotal	7.1	7.4	6.0	6.3	5.8	51,253,597
Total Long-Term Pool	56.0%	57.9%	51.3%	54.6%	52.3%	\$462,744,759
Intermediate-Term Bonds						
WellsCap U.S. Short Duration Strategy	13.5	13.8	12.2	11.2	10.2	90,495,958
Short-Term Bonds and Cash						
State Street Inst Gov't MM	13.4	7.8	6.9	7.4	6.8	59,876,342
JP Morgan U.S. Treasury Plus MM	9.1	8.7	18.2	10.5	12.3	108,861,545
Wells Fargo Treasury Money Market	7.6	10.5	11.5	16.1	18.1	159,721,849
BofA Checking Account	0.4	1.2	-0.8	0.2	0.2	1,641,284
Funds Pending Placement ⁽³⁾	0.1	0.1	0.7	0.1	0.1	778,522
Subtotal	30.6	28.3	36.4	34.3	37.4	330,879,542
Total Operating Fund	100.0%	100.0%	100.0%	100.0%	100.0%	\$884,120,259

(1) Och-Ziff Overseas fully redeemed on 06/30/11. Market value represents holdback amount to be paid out after final audit and Special Situations Accounts.

(2) Farallon Capital fully redeemed on 12/31/10. Market value represents holdback amount to be paid out after final audit and Special Situations Accounts.

(3) Funds Pending Placement includes the value of liquidations from Och-Ziff awaiting cash distribution.

Nevada System of Higher Education Operating Fund
Investment Returns by Composite (net of fees) as of March 31, 2017

Composite (Inception Date)	Assets \$ mil	Total Return (%)					
		Qtr to Date 12/31/16- 03/31/17	FYTD 06/30/16- 03/31/17	Cumulative Trailing 1 Year	Annualized Trailing 5 Years	Annualized Trailing 10 Years	Annualized Since Inception
U.S. Equity (06/30/00)	183.9	6.1	14.4	17.2	13.3	7.2	5.2
S&P 500 Index (06/30/00)		6.1	14.4	17.2	13.3	7.5	5.0
Value Added		0.0	0.0	0.0	0.0	-0.3	0.3
Global ex U.S. Equity (06/30/00)	115.6	7.8	10.1	9.0	4.5	1.0	3.0
MSCI EAFE Index (N) (06/30/00)		7.2	13.3	11.7	5.8	1.1	3.0
Value Added		0.6	-3.2	-2.6	-1.3	-0.1	0.1
Marketable Alternatives (06/30/00)	4.7	2.6	8.8	10.3	3.2	3.3	6.7
HFRI Fund of Funds Diversified Index (06/30/00)		1.9	4.9	5.4	3.2	1.3	3.2
Value Added		0.6	3.9	4.9	0.0	2.0	3.5
BofA ML T-Bill + 6% (06/30/00)		1.6	4.7	6.4	6.1	6.7	7.7
Value Added		1.0	4.0	3.9	-3.0	-3.4	-1.0
Opportunistic (12/11/13)	24.8	4.6	7.8	12.7	---	---	0.7
Opportunistic Custom Benchmark (11/30/13) ⁽¹⁾		2.8	4.8	6.0	---	---	3.4
Value Added		1.8	2.9	6.7	---	---	-2.8
TIPS (06/30/00)	82.4	1.4	-0.3	1.4	1.0	4.1	5.6
BBG Barc US TIPS Index (06/30/00)		1.3	-0.2	1.5	1.0	4.2	5.7
Value Added		0.1	-0.1	0.0	0.0	-0.1	0.0
Long-Term Bonds (06/30/96)	51.3	1.3	-0.3	1.8	2.9	5.5	6.3
BBG Barc Aggregate Bond Index (06/30/96)		0.8	-1.7	0.4	2.3	4.3	5.4
Value Added		0.5	1.4	1.4	0.5	1.3	0.9
Total Long-Term Pool (06/30/96)	462.7	5.0	8.3	10.1	7.2	5.4	6.6
Intermediate-Term Bonds (06/30/96)	90.5	0.4	0.1	0.8	1.5	3.4	4.4
BofA ML 1-3 Yr Treasury Bond Index (06/30/96)		0.3	-0.3	0.2	0.6	2.0	3.5
Value Added		0.1	0.4	0.5	0.9	1.4	0.9
Short-Term Bonds and Cash (06/30/96)⁽²⁾	330.9	0.1	0.1	0.1	0.0	0.6	2.4
BofA ML 91-Day Treasury Bills (06/30/96)		0.1	0.3	0.4	0.1	0.7	2.3
Value Added		0.0	-0.1	-0.2	-0.1	-0.1	0.1

(1) For benchmark details, please refer to the Custom Benchmark Composition exhibit in the Reference section.

(2) Includes Funds Pending Placement.

Nevada System of Higher Education Operating Fund
Investment Returns by Composite (net of fees) as of March 31, 2017

Composite (Inception Date)	Assets \$ mil	Total Return (%)					
		Qtr to Date	FYTD	Cumulative	Annualized	Annualized	Annualized
		12/31/16- 03/31/17	06/30/16- 03/31/17	Trailing 1 Year	Trailing 5 Years	Trailing 10 Years	Since Inception
Total Operating Fund (06/30/96)	884.1	2.8	4.8	5.9	4.5	3.6	4.9
Policy Index (06/30/96) ⁽¹⁾		2.8	5.5	6.5	4.6	3.5	4.4
Value Added		0.1	-0.7	-0.5	-0.1	0.1	0.5
Long-Term Policy Index (06/30/96) ⁽¹⁾		2.8	5.5	6.5	4.6	4.1	5.0
Value Added		0.1	-0.7	-0.5	-0.1	-0.6	0.0

(1) For benchmark details, please refer to the Custom Benchmark Compositions exhibit in the Reference section.



3. Operating Fund Status





Reserve Account Analysis

April 2000 - March 2017

	<u>Operating Fund Market Value*</u>	<u>Investment Income Earned</u>	<u>Investment Income Distributed</u>	<u>Reserve Account Ending Balance</u>	<u>Deficit as % of Total Funds</u>
April [1]	190,603,064	131,861	- 3,012,039	- 2,880,266	-1.51
May	211,846,354	163,167	- 1,162,937	- 3,880,036	-1.83
June	205,824,654	2,542,870	- 939,750	- 2,276,916	-1.11
July	221,886,621	282,084	- 873,438	- 2,868,270	-1.29
August	224,788,824	4,493,952	- 904,024	721,658	0.32
September	210,004,756	- 1,229,654	- 1,231,755	- 1,739,751	-0.83
October [2]	207,797,786	1,506,098	- 1,164,746	- 1,398,399	-0.67
November	200,269,779	- 1,984,486	- 1,141,711	- 4,524,596	-2.26
December	208,182,114	2,418,755	- 1,049,935	- 3,155,776	-1.52
January 2001	217,937,307	3,123,733	- 1,167,002	- 1,199,045	-0.55
February	206,043,730	- 1,074,401	- 1,194,381	- 3,467,826	-1.68
March	194,803,547	- 1,391,260	- 1,114,499	- 5,973,585	-3.07
April	187,311,217	3,000,904	- 1,100,876	- 4,073,557	-2.17
May [3]	195,326,437	1,255,172	- 1,106,330	- 3,924,715	-2.01
June	181,680,689	- 742,900	- 1,102,094	- 5,769,709	-3.18
July	202,347,577	1,445,927	- 847,180	- 4,282,488	-2.12
August	209,448,723	- 1,130,375	- 859,295	- 6,299,894	-3.01
September	222,633,859	- 2,329,410	- 902,965	- 9,566,420	-4.30
October	221,768,653	1,000,136	- 829,611	- 9,427,304	-4.25
November	172,568,948	2,019,519	- 813,644	- 8,221,748	-4.76
December	167,605,959	329,048	- 781,211	- 8,673,911	-5.18
January 2002 [4]	202,807,058	529,077	- 740,482	- 8,885,317	-4.38
February	198,414,963	574,482	- 745,550	- 9,056,385	-4.56
March	187,854,679	1,267,945	- 715,383	- 8,503,822	-4.53
April	194,483,372	1,031,063	- 730,349	- 8,203,110	-4.22
May	199,428,572	1,470,532	- 739,859	- 7,472,437	-3.75
June	190,274,431	- 2,383,454	- 729,181	- 10,585,072	-5.56
July [5]	164,908,334	- 3,330,103	- 585,121	- 14,500,296	-8.79
August	200,314,802	- 25,511	- 591,599	- 15,117,406	-7.55
September	186,307,147	- 2,456,156	- 638,849	- 18,212,411	-9.78
October [6]	187,872,082	1,902,625	- 610,407	- 16,920,193	-9.01
November	199,286,311	2,082,786	- 581,252	- 15,132,310	-7.59
December	197,101,437	1,301,796	- 574,879	- 14,405,394	-7.31
January 2003	216,042,889	373,621	- 630,125	- 14,661,898	-6.79
February	223,873,793	913,271	- 652,965	- 14,401,592	-6.43

[1] New Board policy to distribute 5.0% of the average cash balance was approved at the March 2000 Investment Committee meeting, and made retroactive to January 2000. A special cash distribution was made in April to adjust the year to date campus investment income allocation.

[2] Annual distribution rate increased to 6.2%.

[3] Annual distribution rate cut to 5.0%, effective July 2001.

[4] Annual distribution rate cut to 4.0%, effective January 1, 2002.

[5] Annual distribution rate cut to 3.5%, effective July 1, 2002. July numbers are preliminary.

[6] At the Oct 2002 mtg, the Committee established a "trigger" point for the Operating Fund. The distribution rate would be automatically reduced to 1.8% should the reserve account deficit exceed \$20M.



Reserve Account Analysis

April 2000 - March 2017

	<u>Operating Fund Market Value*</u>	<u>Investment Income Earned</u>	<u>Investment Income Distributed</u>	<u>Reserve Account Ending Balance</u>	<u>Deficit as % of Total Funds</u>
March	227,320,382	- 504,203	- 663,018	- 15,568,813	-6.85
April	225,055,464	3,621,910	- 656,412	- 12,603,315	-5.60
May	218,291,356	6,046,346	- 636,683	- 7,193,530	-3.30
June	235,523,055	1,647,556	- 686,942	- 6,232,829	-2.65
July	225,061,174	- 1,305,304	- 674,445	- 8,212,420	-3.65
August	241,526,531	2,223,696	- 719,494	- 6,707,917	-2.78
September	284,905,882	3,067,753	- 835,773	- 4,475,866	-1.57
October	284,905,882	3,463,060	- 815,074	- 1,827,815	-0.64
November	267,256,457	2,085,338	- 785,343	- 527,777	-0.20
December	270,053,685	3,621,731	- 792,490	2,301,522	0.85
January 2004	304,898,705	3,239,296	- 899,911	4,641,067	1.52
February	306,353,392	2,786,761	- 925,891	6,501,985	2.12
March	334,140,321	880,979	- 959,699	6,423,321	1.92
April	323,733,799	- 3,271,914	- 935,653	2,215,804	0.68
May	310,820,065	2,978,607	- 884,508	4,308,156	1.39
June	319,089,113	1,756,998	- 924,163	5,141,050	1.61
July	276,525,679	- 3,003,616	- 853,527	1,284,158	0.46
August	300,350,870	1,787,372	- 878,380	2,193,830	0.73
September	329,175,987	3,970,031	- 946,862	5,217,350	1.58
October	325,280,731	2,674,159	- 906,294	6,985,541	2.15
November	325,501,494	4,944,533	- 927,189	11,003,523	3.38
December	317,086,382	6,159,801	- 863,703	16,300,918	5.14
January 2005	358,775,910	- 1,537,890	- 1,012,932	13,752,561	3.83
February	368,348,060	4,214,824	- 1,034,309	16,933,741	4.60
March	368,184,915	- 1,390,602	- 998,491	14,545,251	3.95
April	322,747,036	- 373,270	- 997,321	13,175,791	4.08
May	351,522,927	3,172,862	- 986,250	15,968,809	4.54
June	350,676,848	1,881,696	- 980,355	16,872,276	4.81
July	324,372,566	2,325,199	- 894,849	18,303,775	5.64
August	336,278,510	2,577,885	- 935,037	19,950,951	5.93
September	380,767,534	2,845,247	- 1,022,572	21,774,810	5.72
October	382,463,815	- 2,503,281	- 1,031,408	18,241,926	4.77
November	370,575,423	2,876,089	- 1,026,612	20,092,768	5.42
December	362,198,735	3,886,306	- 996,500	22,984,930	6.35
January 2006	400,119,473	6,214,511	- 1,101,206	28,104,444	7.02
February [7]	363,661,874	2,407,655	- 1,158,882	14,359,096	3.95
March	421,741,479	1,870,205	- 1,104,085	14,862,142	3.52
April	412,409,442	4,126,708	- 1,189,962	17,807,634	4.32
May	428,050,405	- 2,712,303	- 1,229,022	13,874,468	3.24

[7] Includes \$15M distribution to the iNtegrate project.



Reserve Account Analysis

April 2000 - March 2017

	<u>Operating Fund Market Value*</u>	<u>Investment Income Earned</u>	<u>Investment Income Distributed</u>	<u>Reserve Account Ending Balance</u>	<u>Deficit as % of Total Funds</u>
June	397,038,132	759,423	- 1,472,632	13,168,597	3.32
July	426,778,295	3,170,187	- 1,232,828	15,016,412	3.52
August	446,949,399	4,809,494	- 1,280,842	18,545,951	4.15
September	485,309,106	3,886,176	- 1,339,432	21,098,900	4.35
October	491,077,464	5,745,522	- 1,336,522	25,515,258	5.20
November	479,641,782	5,384,183	- 1,357,014	29,564,126	6.16
December	469,227,138	3,423,923	- 1,349,797	31,627,934	6.74
January 2007	476,690,202	3,514,501	- 1,309,708	33,761,919	7.08
February	463,957,730	1,793,443	- 1,376,674	34,183,412	7.37
March	456,916,695	4,250,674	- 1,339,581	37,099,388	8.12
April	447,774,841	6,834,702	- 1,300,756	42,652,711	9.53
May	443,169,778	4,304,247	- 1,283,507	45,557,251	10.28
June	429,014,210	1,318,682	- 1,276,064	45,562,802	10.62
July	422,800,379	978,076	- 1,294,859	45,256,506	10.70
August [8]	463,287,774	1,141,142	- 1,327,393	33,468,232	7.22
September	503,693,516	6,725,006	- 1,471,903	38,732,523	7.69
October [9]	532,953,405	8,939,371	- 1,484,274	36,196,965	6.79
November	524,833,392	- 474,987	- 1,455,000	34,269,215	6.53
December	488,058,329	- 163,714	- 1,438,155	32,669,497	6.69
January 2008	498,662,871	- 7,274,704	- 1,525,533	23,871,592	4.79
February	522,429,681	1,770,738	- 1,538,431	24,110,273	4.62
March [10]	508,017,279	- 3,288,747	- 1,483,288	14,100,201	2.78
April	480,885,277	3,415,203	- 1,461,259	16,054,657	3.34
May	461,741,980	3,456,286	- 1,382,621	18,150,032	3.93
June	429,413,850	- 8,450,547	- 1,386,824	8,313,390	1.94
July	410,663,405	- 4,628,107	- 1,344,792	2,340,375	0.57
August	475,058,191	- 725,811	- 1,301,470	313,725	0.07
September	528,357,492	- 24,682,230	0	- 24,368,505	-4.61
October	499,948,331	- 22,338,217	0	- 46,706,721	-9.34
November	384,017,951	- 10,810,207	0	- 62,831,615	-16.36
December	365,149,131	7,289,401	0	- 55,562,986	-15.22
January 2009	395,078,444	- 8,312,962	0	- 63,898,394	-16.17
February	412,489,609	- 11,778,961	0	- 75,700,296	-18.35
March	394,110,706	9,195,194	0	- 66,527,948	-16.88
April	385,281,546	9,210,151	0	- 57,339,861	-14.88
May	386,438,273	10,367,154	0	- 46,963,715	-12.15
June	388,504,496	8,396,302	0	- 38,691,756	-9.96
July	379,884,652	8,920,793	0	- 29,791,574	-7.84

[8] Includes a distribution of \$10.0 mm to the campuses, \$1.5 mm to Health Science, and \$107,000 to WNC for Athletic Fee Waiver.

[9] Includes a distribution of \$10.0 mm to the campuses.

[10] Includes a distribution of \$5.2 mm to integrate.



Reserve Account Analysis

April 2000 - March 2017

	<u>Operating Fund Market Value*</u>	<u>Investment Income Earned</u>	<u>Investment Income Distributed</u>	<u>Reserve Account Ending Balance</u>	<u>Deficit as % of Total Funds</u>
August	417,718,890	7,745,266	0	- 22,211,230	-5.32
September	476,920,474	11,390,789	0	- 10,848,845	-2.27
October	478,206,217	- 1,260,470	0	- 12,134,968	-2.54
November	467,981,428	7,816,435	0	- 4,339,904	-0.93
December	460,887,939	978,601	0	- 3,386,044	-0.73
January 2010	494,113,754	- 536,799	0	- 3,954,220	-0.80
February	536,415,257	2,629,875	0	- 1,350,564	-0.25
March	529,962,831	7,950,695	0	6,592,916	1.24
April	505,028,620	3,769,231	0	10,366,971	2.05
May	495,723,958	- 8,178,556	0	2,164,107	0.44
June	483,015,094	- 3,741,998	0	- 1,715,881	-0.36
July	454,152,490	8,216,789	0	6,477,955	1.43
August	478,983,837	- 954,095	0	5,493,768	1.15
September	531,289,764	11,065,950	0	16,376,944	3.08
October	545,098,997	8,352,517	0	24,701,594	4.53
November [11]	537,632,325	- 1,485,861	0	3,191,638	0.59
December	526,037,834	7,596,878	0	10,761,836	2.05
January 2011	543,100,034	4,427,520	0	15,156,209	2.79
February	584,582,290	7,036,994	0	22,226,373	3.80
March	602,634,879	168,183	0	22,316,281	3.70
April	602,899,146	8,660,352	0	30,976,656	5.14
May	600,527,414	- 1,003,816	0	30,000,368	5.00
June	584,153,071	- 2,244,871	0	27,687,521	4.74
July	553,620,075	383,544	- 909,098	27,161,999	4.91
August	550,357,944	- 11,607,805	- 902,641	14,651,568	2.66
September	580,320,257	- 16,972,235	- 1,011,187	- 3,331,839	-0.57
October	616,014,627	19,660,977	- 1,022,377	15,306,775	2.48
November	614,641,484	- 2,138,517	- 1,051,805	12,116,473	1.97
December	570,282,703	1,812,147	- 1,017,403	12,758,773	2.24
January 2012	588,887,714	12,029,128	- 1,001,701	23,759,216	4.03
February	640,696,614	10,597,480	- 1,075,899	33,258,187	5.19
March [12]	665,476,106	6,211,504	- 1,076,596	8,322,216	1.25
April	675,583,556	- 46,605	- 1,088,493	7,168,811	1.06
May	650,891,109	- 14,138,289	- 1,072,313	- 8,061,857	-1.24
June	651,130,437	10,716,945	- 1,037,938	1,471,157	0.23
July	646,978,870	5,879,922	- 998,094	6,258,602	0.97
August	649,388,408	7,839,154	- 970,634	13,104,020	2.02
September	696,232,882	8,049,795	- 1,050,089	21,081,049	3.03

[11] The reserve balance was decreased by \$20,000,000 to fund the Integrate Project. This reduction was approved by the Investment Committee at the December 2010 meeting.

[12] At the March 2012 meeting, the committee approved to decrease the account by \$30,000,000 and deposit the funds in the Market Fluctuation account.

Reserve Account Analysis

April 2000 - March 2017

	<u>Operating Fund Market Value*</u>	<u>Investment Income Earned</u>	<u>Investment Income Distributed</u>	<u>Reserve Account Ending Balance</u>	<u>Deficit as % of Total Funds</u>
October	710,358,991	- 1,197,576	- 1,067,091	18,810,096	2.65
November	691,059,345	5,398,282	- 1,042,304	23,118,256	3.35
December	676,084,453	5,351,934	- 1,023,111	27,408,223	4.05
January 2013	698,562,775	12,404,710	- 1,017,830	38,765,511	5.55
February	734,583,537	2,136,815	- 1,110,373	39,781,379	5.42
March	741,356,785	7,909,680	- 1,118,897	46,560,042	6.28
April	746,499,564	8,176,059	- 1,098,001	33,597,353	4.50
May	749,121,650	- 232,068	- 1,086,419	32,122,561	4.29
June	730,655,804	- 11,399,623	- 1,070,174	18,372,158	2.51
July	699,864,927	17,517,869	- 995,266	35,972,372	5.14
August	722,698,696	- 10,850,330	- 1,017,100	24,104,402	3.34
September	757,589,559	16,932,055	- 1,113,457	24,944,753	3.29
October	773,300,230	13,389,288	- 1,110,570	37,198,388	4.81
November	782,311,772	7,133,796	- 1,126,357	43,114,980	5.51
December	766,348,636	3,839,932	- 1,096,572	45,808,074	5.98
January 2014	794,356,651	- 10,323,902	- 1,103,315	34,364,198	4.33
February	832,429,376	17,369,351	- 1,199,782	50,609,052	6.08
March	827,743,406	658,708	- 1,232,998	29,973,696	3.62
April	811,778,308	5,011,098	- 1,192,620	33,733,052	4.16
May	802,766,371	9,865,028	- 1,167,436	42,329,115	5.27
June	796,867,536	5,137,303	- 1,132,848	44,988,631	5.65
July	769,443,193	- 7,085,988	- 1,088,507	37,893,670	4.92
August	768,458,918	9,717,438	- 1,074,041	46,500,161	6.05
September	799,195,918	- 12,343,439	- 1,174,737	32,956,777	4.12
October	809,138,417	3,728,437	- 1,179,110	35,489,183	4.39
November	803,360,295	7,715,321	- 1,179,110	42,007,603	5.23
December	787,894,117	- 8,447,678	- 1,162,452	32,373,324	4.11
January 2015	817,081,803	- 76,950	- 1,146,238	31,126,582	3.81
February	861,706,208	14,825,760	- 1,173,599	44,758,231	5.19
March	846,665,997	- 6,106,183	- 1,266,477	37,276,172	4.40
April	816,988,387	8,550,962	- 1,236,365	44,571,763	5.46
May	800,253,288	878,840	- 1,180,152	44,251,472	5.53
June	775,206,818	- 8,971,779	- 2,277,378	32,851,768	4.24
July	741,262,295	3,882,734	0	36,716,269	4.95
August	730,652,584	- 21,602,156	- 1,044,825	14,046,895	1.92
September	743,692,218	- 9,918,574	- 1,053,121	2,945,392	0.40
October	763,715,634	22,165,405	- 1,145,809	23,945,040	3.14



Reserve Account Analysis

April 2000 - March 2017

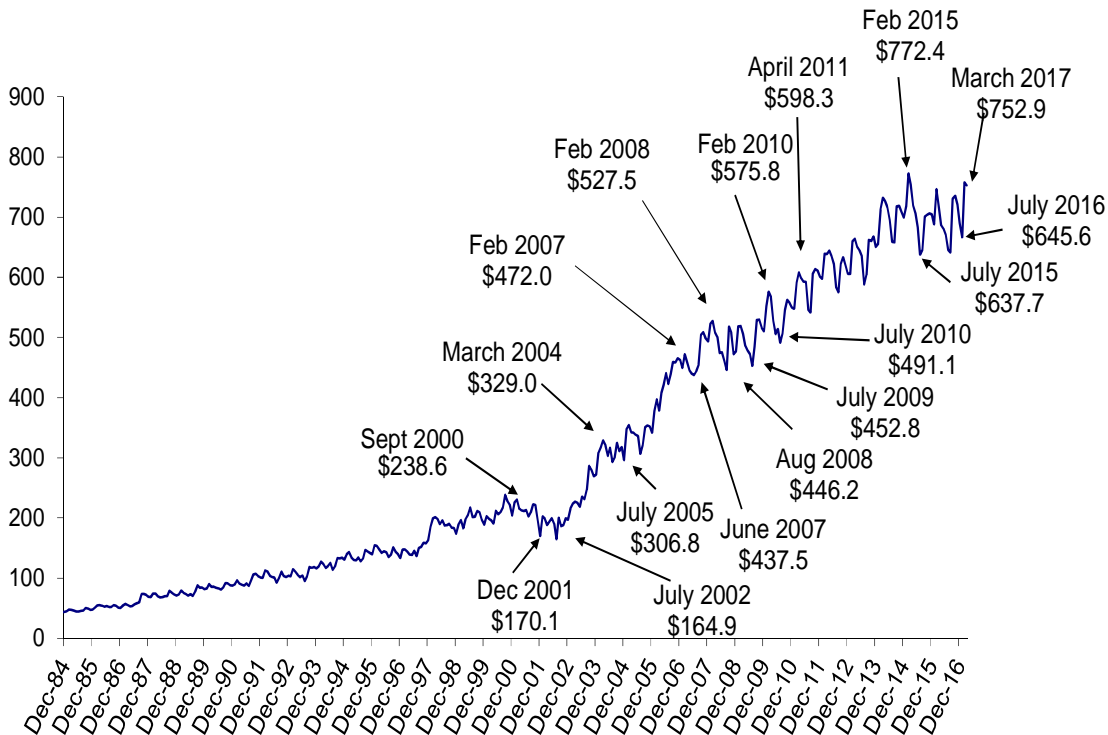
	<u>Operating Fund Market Value*</u>	<u>Investment Income Earned</u>	<u>Investment Income Distributed</u>	<u>Reserve Account Ending Balance</u>	<u>Deficit as % of Total Funds</u>
November	773,032,685	- 1,931,303	- 1,153,337	20,734,926	2.68
December	757,261,248	- 6,511,571	- 1,159,535	12,989,860	1.72
January 2016	753,972,401	- 11,441,815	- 1,155,539	370,580	0.05
February	790,998,777	- 681,126	- 1,124,930	- 1,455,417	-0.18
March	797,575,047	21,771,860	- 1,224,413	18,964,772	2.38
April	766,518,822	3,441,429	- 1,170,933	21,216,478	2.77
May	757,996,550	701,573	- 1,125,582	20,774,029	2.74
June	755,484,888	3,775,103	- 1,098,587	23,146,343	3.06
July	733,302,986	11,461,092	- 1,059,136	33,491,949	4.57
August	766,724,276	- 2,118,513	- 1,045,608	25,041,315	3.27
September	842,005,030	5,780,022	- 1,194,237	29,752,500	3.53
October	862,418,660	- 6,852,761	- 1,202,643	21,682,310	2.51
November	845,771,679	- 741,201	- 1,181,669	19,718,479	2.33
December	817,936,437	6,570,718	- 1,128,775	25,086,318	3.07
January	830,799,148	9,054,706	- 1,084,201	32,985,285	3.97
February	880,425,266	10,058,347	- 1,242,283	41,938,224	4.76
March	893,424,246	3,300,433	- 1,232,302	43,973,971	4.92

*Average Market Value for the month.



Operating Fund Average Daily Cash Balances

January 1985 through March 2017



	<u>\$ (mm)</u>	<u>Date</u>
Largest Monthly Decline	-46.9	July 2013
Largest Quarterly Decline	-70.9	Second Quarter 2015
Largest Peak to Valley	-134.7	February 2015 - July 2015



4. Endowment Fund OCIO Update



OCIO Update – Executive Summary

◆ Performance

- ◆ Performance has been strong since the inception of the OCIO relationships, with a 5.2% Total Endowment return for the first four months of 2017, 70bps ahead of the Policy Benchmark.
- ◆ The C | A portfolio has returned 6.9% CYTD, with asset class returns ranging from 14.5% for Emerging Markets down to 1.2% for Fixed Income & Cash. Real Assets delivered the strongest relative performance in the C | A portfolio, 5.2 percentage points ahead of the asset class benchmark.
- ◆ Per the Statement of Investment Objectives and Policies for the Endowment Fund,

“the long-term investment objective of the Fund is to achieve an average annual real total return at least equal to the contemplated distribution rate... over ten-year periods, net of fees. It is recognized that the real return objective may be difficult to attain in every ten-year period, but the Fund will seek to achieve the objective over a series of ten-year periods... It is also recognized that given the static nature of this objective, it is not directly related to market performance; this reinforces the view that success or failure in achieving this objective should be evaluated in the context of the prevailing market environment and over the long term.”

While the 2008 Global Financial Crisis has dragged down the trailing 10-year inflation-adjusted return, the long-term objective has been achieved over other meaningfully long time periods (as shaded in green):

<u>Current distribution policy</u>	< or > than	<u>Annualized returns through 4/30/17</u>				
		<u>8-Yr</u>	<u>10-Yr</u>	<u>20-Yr</u>	<u>Since 6/30/84</u>	
Distributions to campuses	4.500%	9.2%	4.9%	7.5%	9.9%	Nominal return
System administration fee	<u>0.125%</u>	<u>1.7%</u>	<u>1.7%</u>	<u>2.1%</u>	<u>2.6%</u>	CPI-U adjustment
All-in distribution rate	4.625%	7.3%	3.1%	5.3%	7.1%	<u>Real return</u>

◆ The OCIO portfolio transition continues to proceed according to plan:

- ◆ Effective March 31, the final tranche of liquid Legacy Assets were redeemed for redeployment in the OCIO pools;
- ◆ The remaining illiquid Legacy Assets (\$29.6 million as of April 30) will continue to be monitored and administered by C | A (free of an OCIO fee). Ongoing cash distributions from the illiquid Legacy Assets during the balance of the respective fund lives will be redeployed in equal share into the C | A and Russell portfolios.
- ◆ Throughout the transition, C | A has maintained market exposures via index funds pending investment in any long-only funds with monthly entry. The C | A cash balance now stands at less than 1% of the C | A portfolio.



OCIO Update – Executive Summary (*cont'd*)

◆ Asset Allocation and Guideline Compliance:

- ◆ The Total Endowment (encompassing C|A, Russell and Legacy Assets) is in compliance with all investment guidelines and restrictions.
- ◆ Within the C|A Portfolio, we remain close to policy targets, with modest tilts toward asset classes for which current valuations suggest more robust returns looking ahead (e.g., emerging markets and natural resource equities, including MLPs). We also remain keenly focused on liquidity to take advantage of opportunities as market conditions unfold.



Results Have Been Strong Since Inception of C|A & Russell Relationships

Composite (Inception Date)	Assets \$ mil	Latest Month 03/31/17- 04/30/17	CYTD 12/31/16- 04/30/17	Total Return (%)			
				FYTD	Annualized	Annualized	Annualized
				06/30/16- 04/30/17	Trailing 3 Years	Trailing 5 Years	Since Inception
Total C A Managed Assets (11/30/16)	108.9	1.2	6.9	---	---	---	8.2
C A Normalized Benchmark (03/31/17) ⁽¹⁾		1.0					
Value Added		0.2					
Total Russell Managed Assets (12/31/16)	105.8	1.0	5.7	---	---	---	5.7
Russell Normalized Benchmark (03/31/17) ⁽¹⁾		1.0					
Value Added		0.0					
Legacy Assets							
Legacy Private Growth (11/15/98) ⁽²⁾	20.6	---	---	3.3	9.4	9.7	10.6
Legacy Private Natural Resources (11/15/98) ⁽²⁾	4.8	---	---	30.5	1.0	10.1	16.2
Other Legacy Assets (11/30/12) ⁽³⁾	4.2	0.1	0.7	9.5	6.8	---	5.9
Total Endowment (06/30/84)	244.4	1.0	5.2	9.9	3.5	6.2	9.9
Policy Benchmark (06/30/84) ⁽¹⁾		0.9	4.5	9.4	4.1	6.7	9.8
Value Added		0.1	0.7	0.5	-0.6	-0.5	0.1
MSCI ACWI (N) 70%/BBG Barc Agg 30% (06/30/84) ⁽⁴⁾		1.3	6.4	10.5	4.6	7.1	9.3
Value Added		-0.3	-1.2	-0.5	-1.1	-0.8	0.7

Note: Returns are net of fees and as of 4/30/17.

(1) For benchmark details, please refer to the Custom Benchmark Compositions exhibit in the Appendix.

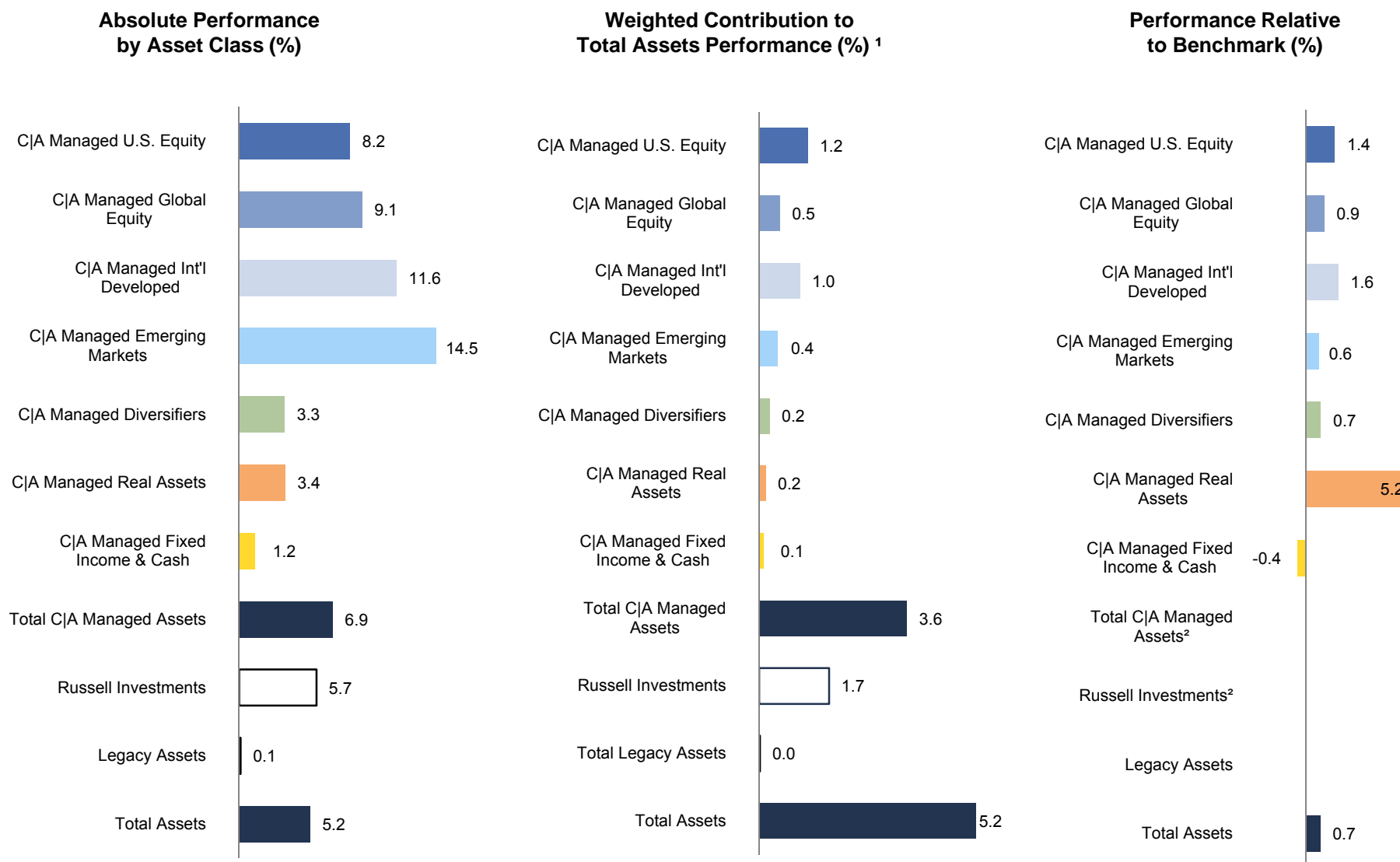
(2) Market values and returns are as of 12/31/16 plus capital drawdowns less distributions through the current period. A 0% return is used for the current quarter to allow calculation of composite.

(3) Market value represents illiquid sidepockets related to the Och-Ziff Overseas & Farallon Capital investments as well as the Forester Audit Holdback & Maverick Audit Holdback. Market value also represents the cash account related to the legacy PI funds.

(4) From 01/31/88 to 01/31/01 benchmark consists of 70% MSCI ACWI (G) & 30% BBG Barc Agg. Prior to 01/31/88 benchmark consists of 70% MSCI World Index (N) & 30% BBG Barc Agg.



CYTD through 4/30: Which Assets Drove Performance?



Notes: Analysis trailing four months as of 4/30/17. Private investments are reported on a quarter-lagged basis and have a 0% return for the quarter.

¹ (Asset Class Return) x (Weight in Portfolio) = Weighted Contribution to Total Assets Performance. Totals may not sum due to rounding.

² Formal track record for C|A and Russell began only on April 1, following a 3-month portfolio transition period.

Nevada System of Higher Education Endowment Flash Investment Returns by Composite (net of fees) as of April 30, 2017

Composite (Inception Date)	Assets \$ mil	Total Return (%)					
		Latest Month 03/31/17- 04/30/17	CYTD 12/31/16- 04/30/17	FYTD 06/30/16- 04/30/17	Annualized Trailing 3 Years	Annualized Trailing 5 Years	Annualized Since Inception
CJA Managed Public Growth (06/30/84)	66.8	2.1	10.0	15.9	5.3	9.4	10.4
MSCI ACWI Index (N) (06/30/84) ⁽¹⁾		1.6	8.6	15.7	5.3	9.0	9.6
Value Added		0.5	1.4	0.2	0.1	0.4	0.7
CJA Managed U.S. Equity (06/30/84)	22.3	1.1	8.2	16.7	10.9	14.5	11.4
Wilshire 5000 Total Market Index (06/30/84)		1.0	6.7	16.4	10.3	13.6	11.2
Value Added		0.0	1.4	0.4	0.6	0.9	0.2
CJA Managed Global Equity (01/03/17)	15.7	2.8	---	---	---	---	9.1
MSCI ACWI Index (N) (01/03/17)		1.6	---	---	---	---	8.1
Value Added		1.3	---	---	---	---	0.9
CJA Managed Int'l Developed (12/31/85)	21.0	2.9	11.6	13.9	0.4	5.7	8.0
MSCI EAFE Index (N) (12/31/85)		2.5	10.0	16.2	0.9	6.8	7.4
Value Added		0.4	1.6	-2.3	-0.4	-1.1	0.6
CJA Managed Emerging Markets (01/31/95)	7.8	1.1	14.5	20.5	1.0	0.8	5.2
MSCI Emerging Markets Index (N) (01/31/95) ⁽²⁾		2.2	13.9	19.0	1.8	1.5	6.1
Value Added		-1.1	0.6	1.5	-0.7	-0.7	-0.8
CJA Managed Diversifiers (11/30/99)	19.3	1.2	3.3	8.7	2.4	5.5	7.9
Managed Diversifiers Benchmark (11/30/99) ⁽³⁾		0.5	2.6	5.2	2.0	3.3	3.8
Value Added		0.7	0.7	3.5	0.3	2.2	4.1
CJA Managed Real Assets (12/31/04)	10.5	-1.2	3.4	8.1	-9.1	-5.1	1.9
Real Assets Benchmark (12/31/04) ⁽⁴⁾		-1.3	-1.8	5.3	-2.6	1.6	5.8
Value Added		0.0	5.2	2.9	-6.5	-6.7	-3.9
CJA Managed Fixed Income & Cash (06/30/84)	12.4	0.2	1.2	1.1	2.0	2.3	7.6
BBG Barc Aggregate Bond Index (06/30/84)		0.8	1.6	-1.0	2.7	2.3	7.4
Value Added		-0.6	-0.4	2.1	-0.7	0.0	0.2
CJA Managed Fixed Income (06/30/84)	9.9	0.5	2.2	2.2	2.5	2.6	8.0
Fixed Income Benchmark (06/30/84) ⁽⁴⁾		0.8	1.6	-0.9	1.9	1.8	7.4
Value Added		-0.3	0.6	3.1	0.5	0.8	0.6
CJA Managed Cash (06/30/87)	2.4	0.0	0.1	0.2	0.1	0.1	3.5

Note: Since Inception returns are cumulative for investments with less than one full year of performance history.

(1) From 01/31/88 to 01/31/01 benchmark consists of the MSCI ACWI (G). Prior to 01/31/88 benchmark consists of the MSCI World Index (N).

(2) Prior to 02/01/01, benchmark consists of MSCI Emerging Markets Index.

(3) From 12/01/16 to present the benchmark consists of the lagged 0.3 beta-adjusted MSCI ACWI (N). Prior to 12/01/16 benchmark consists of HFRI Fund of Funds Diversified Index.

(4) For benchmark details, please refer to the Custom Benchmark Compositions exhibit in the Reference section.

Nevada System of Higher Education Endowment
Flash Investment Returns by Composite (net of fees) as of April 30, 2017

Composite (Inception Date)	Assets \$ mil	Total Return (%)					
		Latest Month	CYTD	FYTD	Annualized	Annualized	Annualized
		03/31/17- 04/30/17	12/31/16- 04/30/17	06/30/16- 04/30/17	Trailing 3 Years	Trailing 5 Years	Since Inception
Total C A Managed Assets (11/30/16)	108.9	1.2	6.9	---	---	---	8.2
C A Normalized Benchmark (03/31/17) ⁽⁴⁾		1.0					
Value Added		0.2					
Russell Managed Growth (12/31/16)	76.8	1.4	6.8	---	---	---	6.8
MAC+ Custom Benchmark (12/31/16) ⁽⁴⁾		1.3	6.6	---	---	---	6.6
Value Added		0.1	0.2	---	---	---	0.2
Russell Managed Diversifiers (03/01/17)	11.9	-0.8	---	---	---	---	-0.6
LIBOR + 4% (1 mo lag) (03/01/17)		0.4	---	---	---	---	0.8
Value Added		-1.1	---	---	---	---	-1.4
Russell Managed Real Assets (03/31/17)	1.4	0.0	---	---	---	---	0.0
NFI-ODCE-EQ-E&F (03/31/17) ⁽⁵⁾		0.0	---	---	---	---	0.0
Value Added		0.0	---	---	---	---	0.0
Russell Managed Fixed Income & Cash (12/31/16)	15.6	0.5	1.2	---	---	---	1.2
BBG Barc Aggregate Bond Index (12/31/16)		0.8	1.6	---	---	---	1.6
Value Added		-0.2	-0.4	---	---	---	-0.4
Total Russell Managed Assets (12/31/16)	105.8	1.0	5.7	---	---	---	5.7
Russell Normalized Benchmark (03/31/17) ⁽⁴⁾		1.0					
Value Added		0.0					
Legacy Assets							
Legacy Private Growth (11/15/98) ⁽⁶⁾	20.6	---	---	3.3	9.4	9.7	10.6
Legacy Private Natural Resources (11/15/98) ⁽⁶⁾	4.8	---	---	30.5	1.0	10.1	16.2
Other Legacy Assets (11/30/12) ⁽⁷⁾	4.2	0.1	0.7	9.5	6.8	---	5.9
Total Endowment (06/30/84)	244.4	1.0	5.2	9.9	3.5	6.2	9.9
Policy Benchmark (06/30/84) ⁽⁴⁾		0.9	4.5	9.4	4.1	6.7	9.8
Value Added		0.1	0.7	0.5	-0.6	-0.5	0.1
MSCI ACWI (N) 70%/BBG Barc Agg 30% (06/30/84) ⁽⁸⁾		1.3	6.4	10.5	4.6	7.1	9.3
Value Added		-0.3	-1.2	-0.5	-1.1	-0.8	0.7

Note: Since Inception returns are cumulative for investments with less than one full year of performance history.

(4) For benchmark details, please refer to the Custom Benchmark Compositions exhibit in the Reference section.

(5) NCREIF Fund Index Open-End Diversified Core Equity-Equal Weight-Endowment & Foundation Eligible (NFI-ODCE-EQ-E&F).

(6) Market values and returns are as of 12/31/16 plus capital drawdowns less distributions through the current period. A 0% return is used for the current quarter to allow calculation of composite.

(7) Market value represents illiquid sidepockets related to the Och-Ziff Overseas & Farallon Capital investments as well as the Forester Audit Holdback & Maverick Audit Holdback. Market value also represents the cash account related to the legacy PI funds.

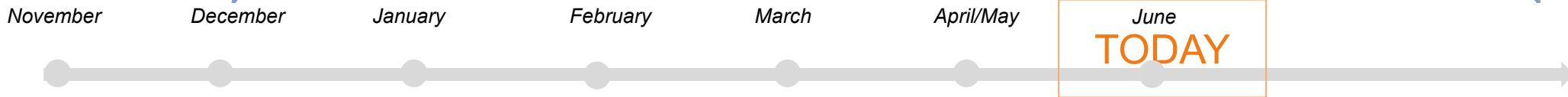
(8) From 01/31/88 to 01/31/01 benchmark consists of 70% MSCI ACWI (G) & 30% BBG Barc Agg. Prior to 01/31/88 benchmark consists of 70% MSCI World Index (N) & 30% BBG Barc Agg.



Endowment Transition Is Proceeding According to Plan

NSHE Staff and C|A Work in Partnership

NSHE IC Oversight of C|A



Policy Setting and Investment Agreement (C|A & NSHE)

- Investment team drafts new Investment Policy Statement in collaboration with NSHE staff (*approved by IC on December 1*)
- Investment Management Agreement negotiated (*executed effective December*)

Operational Onboarding (C|A & NSHE Staff)

- C|A Operations contacts all managers to compile requirements for discretionary mandate
 - Dec. 22: US Bank agreement completed and custody account opened
 - Late Dec./early Jan: C|A submits redemption notices to Adage & Maverick effective March 31
 - Dec. 30: C|A executes 50% trims from liquid managers to fund Russell mandate
 - Jan. 5: \$67.18mm cash sent to Russell Investments
 - Feb. 1: C|A assumes Legacy Assets capital call and distribution responsibilities
 - Feb. 8: \$0.96mm cash sent to Russell Investments
 - Throughout February: C|A transferred all mutual fund holdings to custody account at US Bank
 - April 3: \$16.6 mm of Adage proceeds sent to Russell Investments
 - April 24: \$7.8 mm of Maverick proceeds sent to Russell Investments

Portfolio Management (C|A)

- December 1: C|A assumes OCIO responsibilities for C|A sleeve of NSHE Endowment
- C|A begins transitioning C|A sleeve toward new policy targets; new liquid managers implemented between Jan. 1 & Feb. 1
 - Feb. 3: Forester proceeds received; C|A share redeployed between Mar. 1 & Apr. 1
 - April 1: OCIO track records formally begin
 - April 3: Adage proceeds received
 - April 20: Maverick proceeds received; C|A share redeployed between April 26 & June 1
- Ongoing: C|A manages C|A sleeve of Endowment according to approved guidelines and provides updates to NSHE as desired
- Ongoing: C|A investment team monitors Legacy Assets and provides updates to NSHE as desired
- Ongoing: C|A reports to NSHE on guideline compliance of consolidated Endowment (C|A, Russell & Legacy Assets)
- Ongoing: NSHE Staff & IC communicate any changes that may impact investment policy
- Ongoing: IC oversees OCIO & evaluates OCIO performance



Blended Total Endowment Policy Adopted in December 2016

	Proposals by each Fund Manager				Blended Total Assets Policy	
	CA Capital		Russell		Blended Total Assets	
	Proposed Long-Term Targets (%)	Normalized Benchmark Weights (%)	Proposed Portfolio (%)	Normalized Benchmark Weights (%)	Proposed Policy Targets (%)	Proposed Policy Ranges (%)
<i>NSHE Legacy Asset Values a/o 4/30/2017</i>						
Growth	62.0%		61.0%		61.5%	50% - 70%
Public Growth	45.0%		51.0%		48.0%	
Private Growth*	17.0%		10.0%		13.5%	
Less: Legacy Private Growth	-9.5%		-9.8%			
Total <u>Managed</u> Growth	52.5%	60.8%	51.2%	59.6%		
Diversifiers	18.0%		12.0%		15.0%	5% - 25%
Diversifiers with liquidity within 3 years	13.0%		12.0%		12.5%	
Private Diversifiers*	5.0%		0.0%		2.5%	
Less: Legacy Liquidating Sidepockets	-0.5%		-0.5%			
Total <u>Managed</u> Diversifiers	17.5%	20.3%	11.5%	13.4%		
Real Assets	10.0%		12.0%		11.0%	5% - 20%
Public Real Assets	2.0%		7.0%		4.5%	
Private Real Assets*	8.0%		5.0%		6.5%	
Less: Legacy Private Real Assets	-2.2%		-2.3%			
Total <u>Managed</u> Real Assets	7.8%	9.0%	9.7%	11.3%		
Fixed Income & Cash	10.0%		15.0%		12.5%	5% - 25%
Less: Cash reserved for Legacy Audit Holdbacks	-0.9%		-0.9%			
Less: Cash reserved for Legacy Assets	-0.6%		-0.6%			
Total <u>Managed</u> Fixed Income	8.5%	9.9%	13.5%	15.7%		
TOTAL ENDOWMENT	100.0%		100.0%		100.0%	
Managed OCIO Sleeves excl. Legacy Assets	86.4%	100.0%	86.0%	100.0%		

* Liquidity Guidelines: No new Private Investment (PI) commitments while:

(1) Total PI NAV > 1.3x respective Fund Manager's PI target

(2) Total PI NAV + unfunded commitments > 1.8x respective Fund Manager's PI target

Per Section 5.4.d of NSHE IPS: For the purpose of gauging compliance with asset allocation policy ranges and liquidity guidelines, 50% of Legacy Assets shall be attributed to each Fund

Per Section 6.d of NSHE IPS: For purposes of assessing Fund Manager performance, the System agrees that the official Fund Manager track record will begin April 1, 2017, after which the Fund Manager will be responsible for the Fund's performance relative to the previously stated return and risk objectives.

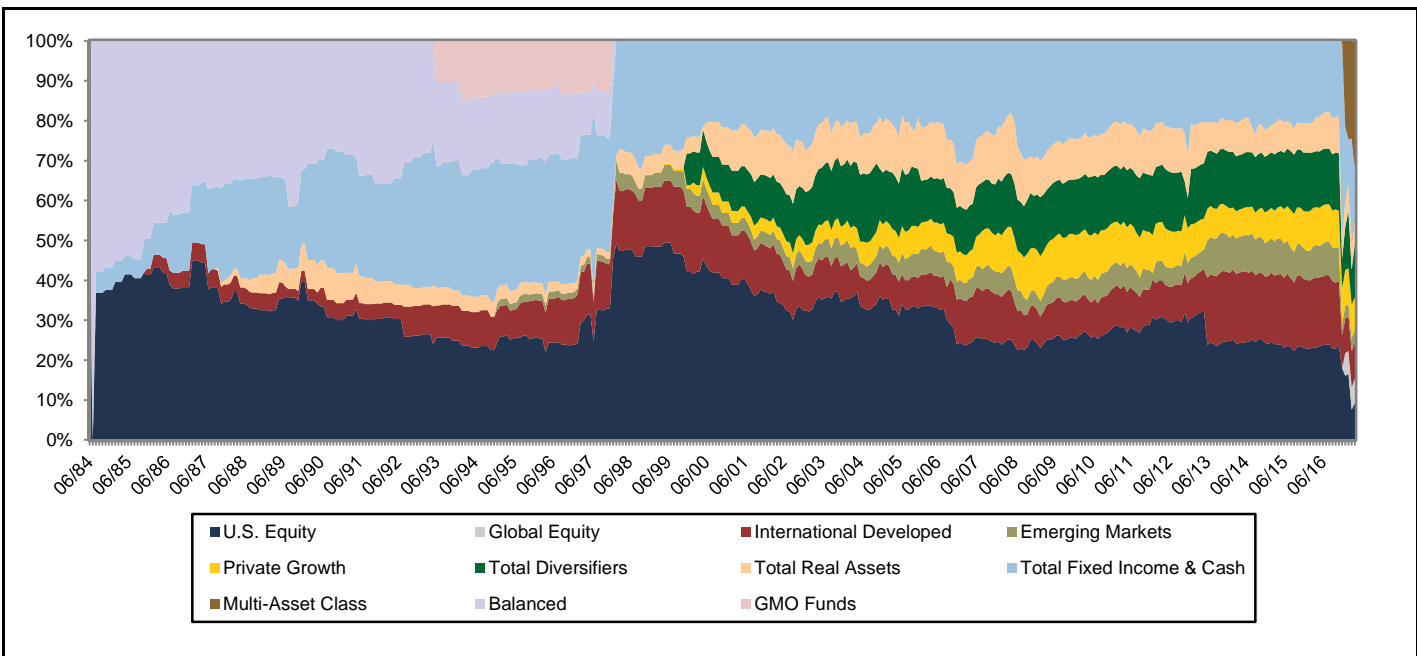
Endowment Asset Allocation Is Well Within Policy Ranges

Portfolio Role	4/30/2017 Asset Allocation	Total Endowment Long-Term Policy Targets	Total Endowment Allowable Range
Growth	55.9%	61.5%	50% - 70%
Public Growth	46.5%	48.0%	
Private Growth	8.4%	13.5%	
Diversifiers	13.2%	15.0%	5% - 25%
Liquid Diversifiers (liquidity w/in 3 years)	12.9%	12.5%	
Private Diversifiers	0.3%	2.5%	
Real Assets	13.4%	11.0%	5% - 20%
Public Real Assets	7.0%	4.5%	
Private Real Assets	6.4%	6.5%	
Fixed Income & Cash	18.5%	12.5%	5% - 25%
Fixed Income	13.5%	12.5%	
Cash	5.0%	0.0%	

Notes: Russell Multi-Asset Core Plus Fund (MAC+) look-through exposures estimated using 4/30/2017 MAC+ asset allocation provided by Russell Investments.
Totals may not sum due to rounding.

Nevada System of Higher Education Endowment
Asset Allocation Over Time as of April 30, 2017

	% of Portfolio				Market Value (\$)
	09/30/16	12/31/16	03/31/17	04/30/17	As Of 04/30/17
Total Public & Private Growth	57.6%	38.1%	34.0%	35.8%	\$87,393,139
U.S. Equity	22.9	18.0	7.6	9.1	22,299,992
Global Equity	---	---	5.7	6.4	15,651,845
International Developed	16.8	8.2	9.0	8.6	20,960,697
Emerging Markets	8.5	2.8	3.2	3.2	7,840,067
Private Growth	9.3	9.2	8.5	8.4	20,640,537
Total Diversifiers	14.0	7.3	8.6	13.2	32,294,839
Total Real Assets	9.1	5.4	6.7	6.8	16,699,928
Total Fixed Income & Cash	19.3	49.1	26.2	12.8	31,170,012
Multi-Asset Class	---	---	24.5	31.4	76,831,080
Total Endowment	100.0%	100.0%	100.0%	100.0%	\$244,388,998



Note: Actual Allocation is based on market value of assets at end of period. Values include discretionary cash held by managers.



Endowment Liquidity Is Well Within Guidelines

Market Values as of 4/30/2017, pro forma for pending C|A transactions

Managers	Pro Forma (\$ mm)	Exit Terms	Daily	Weekly/ Monthly	Dollar Liquidity Quarterly	Semiannual/ Annual	Biennial	Illiquid
U.S. Equity	22.6		7.2	3.0	12.4			
C A U.S. Equity	22.6	Daily; monthly; quarterly	7.2	3.0	12.4			
Global Equity	63.9		59.9	4.0				
C A Global Equity	15.9	Daily; monthly	11.9	4.0				
<i>RIFL Multi-Asset Core+ Fund - Growth *</i>	47.9	Daily	47.9					
International Developed Equity	21.8		7.2	14.6				
C A International Developed Equity	21.8	Daily; monthly	7.2	14.6				
Emerging Markets Equity	8.0		1.8	6.3				
C A Emerging Markets Equity	8.0	Daily; weekly; monthly	1.8	6.3				
Diversifiers	35.5		1.5	6.9	6.8	16.6	2.0	1.7
C A Marketable Alternatives	22.5	Daily; monthly; quarterly; semi-annual; annual; biennial	1.5	3.9	2.3	12.0	2.0	0.7
Farallon Capital Illiquid Sidepocket**	0.9	Illiquid						0.9
Och-Ziff Overseas Illiquid Sidepocket**	0.1	Illiquid						0.1
<i>Russell Hedge Funds*</i>	12.0	37.5% quarterly, with 90 days' notice (hard lock expires early 2018); 37.5% quarterly, with 60 days' notice; 25% monthly, with 30 days' notice		3.0	4.5	4.5		
Private Growth	20.6	Illiquid						20.6
Legacy Private Equity**	13.1	Illiquid						13.1
Legacy Venture Capital**	7.6	Illiquid						7.6
<i>Russell Private Growth*</i>	0.0	Illiquid						0.0
Real Assets	33.1		18.5	3.3	10.7			0.6
C A Real Assets	10.9	Daily; monthly	7.0	3.3				0.6
Legacy Private Natural Resources**	4.8	Daily	4.8					
<i>RIFL Multi-Asset Core+ Fund - Real Assets*</i>	5.2	Daily	5.2					
<i>Russell Real Estate Equity Fund*</i>	1.4	Daily	1.4					
<i>Russell Private Real Assets Allocation*</i>	10.7	Quarterly, with 110 days' notice			10.7			
Fixed Income	31.3		29.2	2.1				
C A Fixed Income	8.2	Daily; monthly	6.1	2.1				
<i>RIFL Multi-Asset Core+ Fund - Fixed Income*</i>	7.4	Daily	7.4					
<i>RIFL Core Bond Fund*</i>	10.8	Daily	10.8					
<i>RIFL Absolute Return Fixed Income Fund*</i>	4.9	Daily, with 3 days' notice	4.9					
Cash and Cash Equivalents	10.6	Daily	10.6					
TOTAL ASSETS	247.4		135.8	40.2	30.0	16.6	2.0	23.0
PERCENT OF TOTAL ASSETS	100%		55%	16%	12%	7%	1%	9%
<i>Unfunded C A PI Commitments as % of Total Assets</i>								6%
<i>Total Illiquids + Unfunded C A PI Commitments</i>								15%

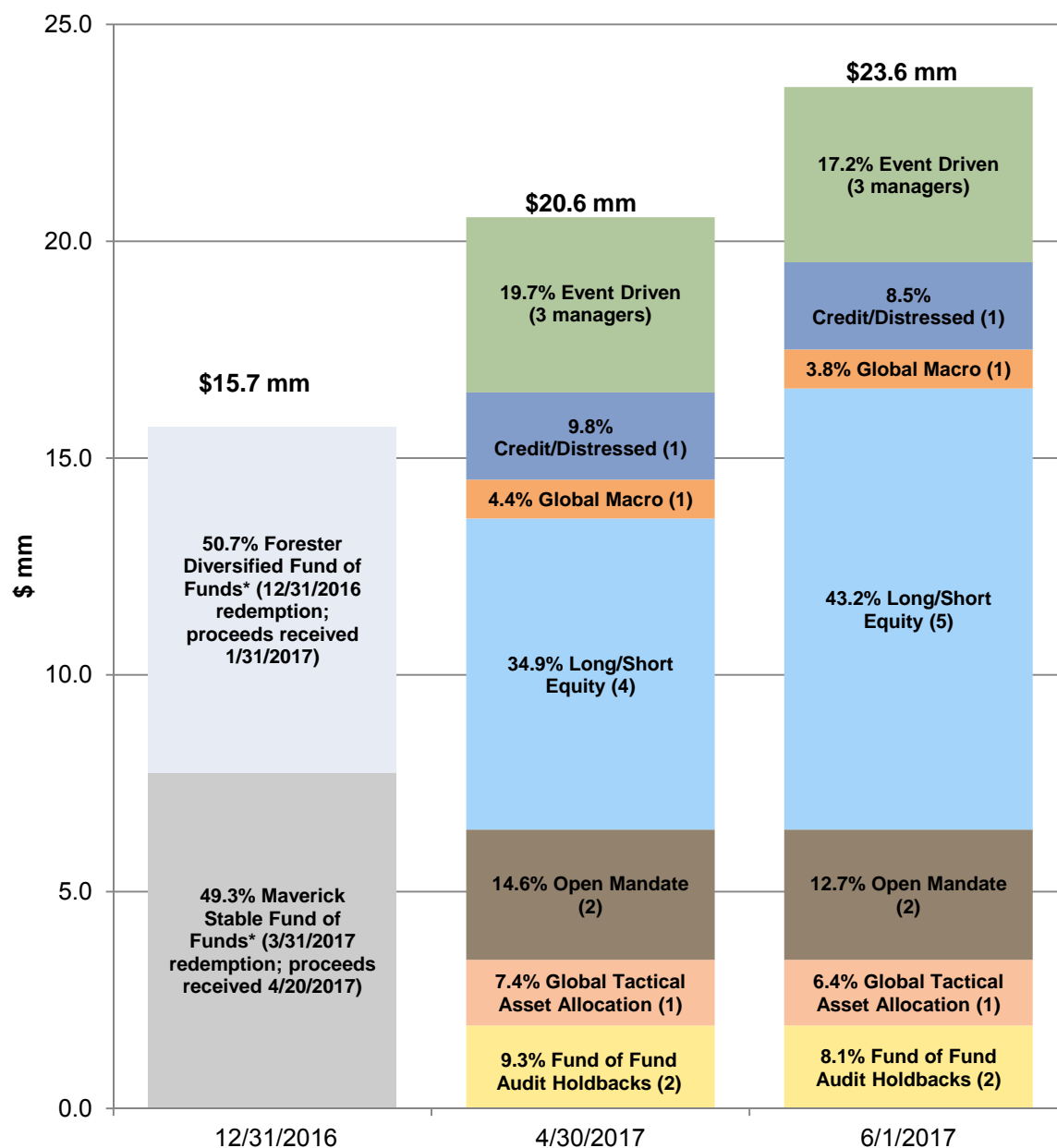
Liquidity Guidelines:	Guideline Compliance?
No new commitments while:	
(1) Private Investment NAV > 1.3x respective Fund Manager's PI target	Yes
(2) Private Investment NAV + Unfunded Commitments > 1.8x respective Fund Manager's PI target	Yes

* *Italicized assets are excluded from C|A mandate.*

** *Legacy assets are excluded from OCIO performance but are attributed 50/50 to each OCIO for purposes of asset allocation & guideline compliance.*



C|A Diversifiers Implementation Is on Track



*Represents 50% of total exposure to be redeployed in C|A OCIO Mandate.

Event-Driven

- Goal is to identify companies that are likely to experience a select event
 - Buying stock in acquisition targets, shorting acquirers
 - Other events: spin-offs, divestitures, reorganization, and restructuring

Credit / Distressed

- Goal is to identify credit opportunities
 - Invest long and short in bonds and structured credit products
 - Distressed debt, convertible bond arbitrage, capital structure arbitrage

Global Macro – Systematic

- Goal is to be a pure-play trend follower.
 - Invests in a portfolio of futures contracts, futures-related instruments, and equity swaps

Long/Short Equity

- Goal is to limit exposure to “beta” and add meaningful “alpha”
 - Short positions to generate returns (alpha) and reduce market risk (beta)
 - Fundamental analysis identifies attractive companies (alpha)

Open Mandate

- Flexible mandate that targets the most attractive return opportunities across capital markets and geographies

Global Tactical Asset Allocation (4%)

- Goal is consistent (albeit modest) positive returns while limiting downside risk



CJA Private Investments Implementation Is on Track

As of April 30, 2017

Current Allocation (\$mm) as of April 30, 2017 ¹							Target Commitment by Strategy (\$mm)				
	NAV		Unfunded		Total		Annual Targets	Annual Range	2017 Actual Commitments	Long-Term Targets	
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(\$)	(%)	
Venture / Growth Capital	3.8	3.1%	2.4	2.0%	6.2	5.1%	2.0	\$0 - \$4	---	7.0%	
Private Equity / Distressed	6.5	5.4%	4.6	3.8%	11.1	9.1%	2.5	\$0 - \$5	---	10.0%	
Total VC & PE	\$10.3	8.5%	\$7.0	5.7%	\$17.3	14.2%	\$4.5	\$0 - \$9	---	17.0%	
Total Private Diversifiers	\$0.7	0.6%	\$1.3	1.1%	\$2.0	1.6%	\$1.5	\$0 - \$3	\$3.5	5.0%	
Private Real Estate	0.0	0.0%	1.0	0.8%	1.0	0.8%	1.0	\$0 - \$3	1.0	4.0%	
Private Natural Resources	2.4	2.0%	6.1	5.0%	8.5	7.0%	1.0	\$0 - \$3	3.0	4.0%	
Total Private RE & NR	\$2.4	2.0%	\$7.1	5.8%	\$9.5	7.8%	\$2.0	\$0 - \$6	\$4.0	8.0%	
Total	\$13.4	11.0%	\$15.4	12.6%	\$28.8	23.7%	\$8.0	\$0 - \$18	\$7.5	30.0%	

¹ Current allocation based on net asset values (NAV) as of 12/31/16 and adjusted for capital calls and distributions through 4/30/17. Asset allocation percentages incorporate CJA Managed Assets (\$108.9mm), plus 50% of Legacy Private Investments (\$12.7mm) as of 4/30/17.

Asset Class	1999-2006 (Legacy)		2010-2014 (Legacy)		2015 (Legacy)		2017 (CJA Capital)	
	Fund	Commit Amt. (\$mm)	Fund	Commit Amt. (\$mm)	Fund	Commit Amt. (\$mm)	Fund	Commit Amt. (\$mm)
Venture / Growth Capital	Endowment Venture IV	\$5.0	Commonfund VC X	\$5.0				
	Endowment Venture V	\$2.6	Commonfund VC XI	\$5.0				
Sub-Total		\$7.6		\$10.0				
Private Equity / Distressed	Dover Street IV	\$8.0	Dover Street VIII	\$5.0	Dover Street IX	\$5.0		
	Endowment Private Equity IV	\$5.0	Blackstone Strategic VI	\$5.0				
	Commonfund Int'l IV	\$4.0						
	Commonfund PE V	\$4.0						
	Drum Capital SS II	\$10.0						
Sub-Total		\$31.0		\$10.0		\$5.0		
Total VC & PE		\$38.6		\$20.0		\$5.0		
Private Diversifiers								
Total Private Diversifiers							Two Funds	\$3.5
Private Real Estate								
Private RE Sub-Total							One Fund	\$1.0
Private Natural Resources	Endowment Energy IV	\$4.0	Commonfund NR IX	\$5.0	Commonfund NR X	\$5.0		
Private NR Sub-Total		\$4.0		\$5.0		\$5.0	Two Funds	\$3.0
Total Private RE & NR		\$4.0		\$5.0		\$5.0		\$4.0
Total Privates		\$42.6		\$25.0		\$10.0		\$7.5

FUNDING STATUS & PERFORMANCE OVERVIEW

As of December 31, 2016, Nevada System of Higher Education Endowment had committed \$83.6 million to 19 private investment partnerships, of which \$56.1 million had been drawn down. Distributions of \$66.8 million at market value, or 119% of paid-in capital, had been received. The total program return of 11.9% is net of fees, expenses, and carried interest associated with each partnership and is weighted according to the amount that has been drawn down from each partnership as of December 31, 2016.

Reporting Currency: U.S. Dollars (\$), in millions									
<u>Asset Classes</u>	<u>Commitment(s)</u>	<u>Paid-In Capital</u>	<u>Unfunded Commitment(s)</u>	<u>Distributions at Market</u>	<u>Current Net Asset Value (NAV)</u>	<u>Total Value/ Paid In Multiple</u>	<u>Asset Class IRR</u>	<u>CA Median</u>	<u>mPME IRR</u>
Legacy Private Equity	46.0	36.2	9.4	44.5	13.8	1.6	11.2%	14.6%	5.7%
Legacy Venture Capital	17.6	12.6	5.1	7.6	7.3	1.2	3.3%	1.5%	3.8%
Total Private Growth	63.6	48.8	14.4	52.2	21.1	1.5	8.9%	11.2%	5.1%
Managed Private Diversifiers	2.0	0.0	2.0	0.0	0.0	NA	NA	NA	NA
Legacy Private Natural Resources	14.0	7.4	6.6	14.6	4.4	2.6	25.5%	14.1%	4.0%
Managed Private Natural Resources	3.0	0.0	3.0	0.0	0.0	NA	NA	NA	NA
Managed Real Estate	1.0	0.0	1.0	0.0	0.0	NA	NA	NA	NA
Total Private Real Assets	18.0	7.4	10.6	14.6	4.4	2.6	25.5%	14.1%	4.0%
TOTAL PORTFOLIO	83.6	56.1	27.1	66.8	25.5	1.6	11.9%	11.6%	5.0%

Paid-In Capital: Capital paid in to the partnership, which includes fees and capital for investments.

Distributions at Market: Capital distributed to an investor from the partnership.

Current Net Asset Value (NAV): The residual value of an investor's interest, which is reported by the partnership in its financial statements.

IRR: The investor's return on its investment in the partnership, net of fees, expenses, and carried interest received by the general partners.

Total Value: Total value is calculated by adding the NAV and Distributions at Market.



5. Appendix





a. Capital Markets Returns



Daily YTD Total Return

U.S. Dollars

As of 05/29/2017 (Close)

	Total Return(%)				Date of:	
	Month To Date	Quarter To Date	Year To Date	YTD Max To Close	YTD Maximum	YTD Minimum
Global Equities						
MSCI ACWI Index (G)	2.37	4.01	11.34	-0.11	05/25/2017	01/01/2017
MSCI EAFE Index (N)	3.29	5.92	13.59	-0.47	05/22/2017	01/03/2017
MSCI EAFE Small Cap Index (N)	3.12	7.54	16.11	-0.35	05/25/2017	01/03/2017
MSCI World Small Cap Index (N)	0.85	2.88	8.28	-0.19	05/25/2017	01/01/2017
MSCI World Index (N)	2.09	3.60	10.20	-0.14	05/25/2017	01/01/2017
MSCI ACWI ex US Index (G)	3.37	5.65	14.08	-0.28	05/25/2017	01/03/2017
MSCI ACWI Index (N)	2.29	3.89	11.06	-0.11	05/25/2017	01/01/2017
MSCI ACWI ex US Index (N)	3.28	5.49	13.78	-0.29	05/25/2017	01/03/2017
U.S. Equities						
S&P 500 Index	1.54	2.59	8.81	0.00	05/26/2017	01/01/2017
Russell Top 200® Index	1.57	2.76	9.31	0.00	05/26/2017	01/01/2017
Russell 1000® Index	1.43	2.50	8.68	0.00	05/26/2017	01/01/2017
Russell 1000® Growth Index	2.51	4.86	14.20	0.00	05/26/2017	01/01/2017
Russell 1000® Value Index	0.30	0.11	3.38	-2.36	03/01/2017	01/01/2017
Russell 2000® Index	-1.20	-0.12	2.35	-2.52	04/26/2017	01/19/2017
Russell 2000® Growth Index	-0.24	1.60	7.03	-1.19	04/27/2017	01/01/2017
Russell 2000® Value Index	-2.12	-1.73	-1.86	-4.51	03/01/2017	05/17/2017
Russell 3000® Index	1.23	2.30	8.17	0.00	05/26/2017	01/01/2017
Russell Microcap® Index	-1.38	-0.37	0.01	-2.96	04/26/2017	03/22/2017
European Equities						
FTSE® All-Share Index	3.95	7.15	12.80	-0.65	05/22/2017	01/03/2017
MSCI Europe Small Cap Index (N)	3.77	10.76	20.13	-0.42	05/25/2017	01/03/2017
MSCI Europe ex UK Index (N)	4.51	8.80	17.96	-0.77	05/23/2017	01/03/2017
MSCI UK Index (N)	4.45	6.62	11.99	-0.72	05/22/2017	01/03/2017
Asian Equities						
MSCI AC Asia ex Japan (G)	4.79	7.08	21.43	---	05/29/2017	01/01/2017
MSCI Japan Index (N)	2.54	3.62	8.27	-0.37	05/17/2017	01/03/2017
MSCI Pacific ex Japan Index (N)	-1.36	-0.89	10.76	-2.17	05/02/2017	01/01/2017
MSCI AC Asia Pacific (G)	2.80	4.20	14.09	-0.09	05/25/2017	01/03/2017
TOPIX Small Index	3.65	4.87	13.48	-0.26	05/23/2017	01/03/2017
MSCI AC Asia ex Japan (N)	4.78	7.06	21.39	---	05/29/2017	01/01/2017
MSCI AC Asia Pacific (N)	2.79	4.19	14.00	-0.09	05/25/2017	01/03/2017
Emerging Market Equities						
MSCI Emerging Markets Index (G)	3.97	6.26	18.47	-0.17	05/26/2017	01/02/2017
MSCI EM Asia Index (G)	5.16	7.42	21.82	-0.03	05/26/2017	01/01/2017
MSCI EM Latin America (G)	-1.06	-1.01	10.99	-6.99	05/16/2017	01/02/2017
MSCI South Africa Index (G)	5.52	11.33	16.40	-1.22	05/26/2017	01/01/2017
MSCI EM Europe & Middle East Index (G)	0.40	4.01	5.59	-1.16	05/16/2017	03/09/2017
MSCI Emerging Markets Index (N)	3.95	6.22	18.38	-0.17	05/26/2017	01/02/2017
MSCI EM Small Cap Index (G)	0.38	1.53	14.78	-1.15	05/16/2017	01/01/2017
MSCI Frontier Markets Index (G)	4.12	5.38	14.92	-0.21	05/26/2017	01/02/2017
MSCI Frontier Markets (N)	4.07	5.28	14.64	-0.21	05/26/2017	01/02/2017
MSCI EM Small Cap Index (N)	0.36	1.49	14.71	-1.16	05/16/2017	01/01/2017
MSCI EM Latin America (N)	-1.12	-1.12	10.81	-7.02	05/16/2017	01/02/2017
MSCI EM Asia Index (N)	5.14	7.40	21.77	-0.03	05/26/2017	01/01/2017
MSCI South Africa Index (N)	5.52	11.26	16.12	-1.22	05/26/2017	01/01/2017
MSCI EM Europe & Middle East Index (N)	0.37	3.91	5.48	-1.16	05/16/2017	03/09/2017
Real Estate						
FTSE® NAREIT All Equity REITs Index	0.29	0.72	3.29	-2.56	04/18/2017	03/10/2017
FTSE® EPRA/NAREIT Europe RE Index	4.75	10.74	13.89	-0.56	05/22/2017	01/19/2017
FTSE® EPRA/NAREIT Developed RE Index	0.88	2.04	4.39	-1.39	04/18/2017	03/10/2017
FTSE® EPRA/NAREIT Asia RE Index	1.16	2.51	8.70	-1.24	04/17/2017	01/01/2017
FTSE® EPRA/NAREIT Developed ex N. Am RE	2.49	5.49	10.68	-0.06	05/26/2017	01/03/2017
Commodities and Natural Resources						
S&P GSCI	0.44	-1.67	-6.64	-7.07	02/10/2017	05/04/2017
S&P 500 Energy	-1.78	-4.62	-10.99	-12.01	01/03/2017	05/04/2017
Bloomberg Commodity Total Return Index	0.06	-1.45	-3.74	-5.78	02/10/2017	05/09/2017
MSCI World Energy Index (N)	0.06	-2.22	-7.06	-8.08	01/05/2017	05/04/2017
MSCI World Natural Resources (N)	-0.03	-2.19	-4.99	-7.18	01/25/2017	05/04/2017
S&P NA Natural Resources Index	-1.89	-4.88	-8.92	-10.86	01/05/2017	05/04/2017
Fixed Income and Cash						
BBG Barc Aggregate Bond Index	0.47	1.25	2.08	-0.14	05/17/2017	03/13/2017
BBG Barc Long-Term Govt/Credit Bond	1.17	2.74	4.36	-0.24	05/17/2017	03/13/2017
BBG Barc Long-Term Govt Bond Index	0.91	2.47	3.96	-0.80	04/18/2017	03/13/2017
BBG Barc Municipal Bond Index	1.28	2.01	3.62	0.00	05/26/2017	01/01/2017
BBG Barc US TIPS Index	-0.45	0.14	1.40	-0.69	04/13/2017	03/14/2017
BofA ML 91-Day Treasury Bills	0.07	0.14	0.24	---	05/29/2017	01/01/2017
Citigroup 10 Yr Treasury Bond Index	0.40	1.59	2.39	-0.41	04/18/2017	03/13/2017
BofA ML U.S. High Yield Master II	0.87	1.98	4.74	---	05/29/2017	01/01/2017
BBG Barc Long-Term Credit Corp Bond	1.40	3.05	4.45	-0.31	05/17/2017	03/13/2017
JPM Global Govt Bond Index	1.07	2.37	3.85	-0.10	05/22/2017	01/03/2017
BBG Barc US Long Credit Index	1.36	2.93	4.64	-0.29	05/17/2017	03/13/2017
Master Limited Partnerships						
Alerian MLP	-2.56	-3.81	-0.01	-7.93	02/15/2017	05/04/2017
S&P MLP Index	-2.44	-3.98	-0.43	-7.43	02/15/2017	05/04/2017

Sources: Alerian, Barclays, Bloomberg L.P., Bloomberg L.P., BofA Merrill Lynch, Citigroup Global Markets, Dow Jones Indexes, Frank Russell Company, FTSE International Limited, FTSE International, EPRA, NAREIT, J.P. Morgan Securities, Inc., MSCI Inc., Standard & Poor's, Thomson Reuters Datastream.

Notes: Total returns for MSCI developed markets indices are net of dividend taxes. Total returns for MSCI Emerging Markets and MSCI All Country indices returns are gross of dividend taxes.

*Capital change only.

Copyright © 2017 CAMBRIDGE ASSOCIATES LLC. All rights reserved.



C|A Current Valuations Summary

As of May 5, 2017

Very Overvalued	Overvalued	Fairly Valued	Undervalued	Very Undervalued
US Small-Cap Equities Euro-Denominated Credits Core EMU Sovereign Bonds <i>US Venture Capital (late stage)</i> <i>US Private Equity</i> <i>European Private Equity</i>	Developed Markets Equities Developed ex US Small-Cap Equities US Equities US Growth Equities US Value Equities US High-Quality Equities New Zealand Equities (<) UK Sterling-Denominated Credits Leveraged Loans US Bonds** US High-Yield Bonds US Corporate Bonds Global Inflation-Linked Bonds US Inflation-Linked Bonds UK Gilts Canadian Govt Bonds Australian Govt Bonds New Zealand Govt Bonds (<) US REITs Distressed Investing (Non-Control) USD vs DM Currencies <i>US Private Property</i> <i>UK Private Property</i> <i>Asian Private Property</i> US Venture Capital <i>US Venture Capital (expan stage)</i>	Developed ex US Equities UK Equities Europe ex UK Equities EMU Equities Japanese Equities Asia ex Japan Equities Canadian Equities Australian Equities Emerging Markets Equities EM Small-Cap Equities EM Equities Asia EM Equities Latin America Chinese A-Share Equities Frontier Markets Equities EM Debt (Local Currency)*** EM Debt (USD Corporate) EM Debt (USD Sovereign) US Treasuries US Tax-Exempt Bonds Commodities Natural Resources Equities Energy Master Limited Partnerships Developed Markets Property Securities Convertible Arbitrage Event-Driven Investing Emerging Markets Currencies <i>Europe ex UK Private Property</i> <i>Private Oil, Gas, & Other Energy</i> <i>Private Infrastructure</i> <i>US Venture Capital (early stage)</i> <i>European Venture Capital</i> <i>Asian Private Equity</i> <i>Latin American Private Equity</i>	EM Equities EMEA <i>Private Metals and Mining</i>	

Notes: Data on fundamental valuations do not provide forecasts of expected returns; they reflect the vulnerability of a given asset class to disappointing economic and profit developments. Therefore, valuations may not necessarily correspond to short-term or even intermediate-term returns. For example, asset classes and investment strategies can be fairly valued yet still retain a negative outlook due to deteriorating fundamentals. Asset class and investment strategy valuations do not reflect currency valuations. Bold type represents the **aggregate** of asset classes for which we show valuation ratings for underlying strategies. Italic type represents *non-marketable asset classes*. Valuations of such investments are based on our views on prospects for new commitments made today, which are informed by recent transactions, as well as consideration of near-term trends and intermediate-term expectations such as supply and demand factors, exit opportunities, and expectations of conditions that will influence risk and return over the life of a fund. Private equity includes buyouts and growth equity. (<) Indicates a recent move in the direction of more overvalued. (>) Indicates a recent move in the direction of more undervalued.

* For more detail on our views, read our monthly Asset Class Views, available on our client website.

** Reflects a broad-based US bonds allocation similar to the Bloomberg Barclays Aggregate Bond Index.

*** Currency is considered against the US dollar.

044x



b. Custom Benchmark Compositions



Nevada System of Higher Education Operating
Custom Benchmark Compositions

Policy Index

	Wilshire 5000 Total Market Index	MSCI EAFE Index (N)	HFRI FOF Diversified Index	ML T-Bill Index	ML Short-Term U.S. Treasuries Index	BBG Barc Aggregate Bond Index	BBG Barc U.S. TIPS Index
Inception to 06/30/00:	X	X	X	30%	20%	50%	X
07/01/00 to 03/31/11:	15%	9%	21%	30%	7%	7%	11%
04/01/11 to Present:	24%	16%	X	30%	10%	8%	12%

Long-Term Policy Index

	Wilshire 5000 Total Market Index	MSCI EAFE Index (N)	ML T-Bill +6% Index	ML T-Bill Index	ML Short-Term U.S. Treasuries Index	BBG Barc Aggregate Bond Index	BBG Barc U.S. TIPS Index
Inception to 06/30/00:	X	X	X	30%	20%	50%	X
07/01/00 to 03/31/11:	15%	9%	21%	30%	7%	7%	11%
04/01/11 to Present:	24%	16%	X	30%	10%	8%	12%

Opportunistic Custom Benchmark

	MSCI World Index	BBG Barc Aggregate Bond Index	ML T-Bill Index
Inception to Present:	40%	30%	30%

Nevada System of Higher Education Endowment
Custom Benchmark Compositions

Policy Benchmark

	CJA Normalized Benchmark	Russell Normalized Benchmark	Wilshire 5000 Total Market Index	MSCI EAFE Index (N)	MSCI ACWI ex U.S. Index (N)	MSCI Emerging Markets Index (G)	MSCI Emerging Markets Index (N)	Adjusted MSCI ACWI (N) ⁽²⁾	CA Global Private Equity & Venture Capital Benchmark	HFRI FOF Diversified Index	0.3 beta- adjusted MSCI ACWI (N)
Inception to 03/31/96:	X	X	60%	10%	X	X	X	X	X	X	X
04/01/96 to 09/30/99:	X	X	45%	15%	X	5%	X	X	X	X	X
10/01/99 to 06/30/00:	X	X	42%	15%	X	5%	X	X	X	8%	X
07/01/00 to 03/31/06:	X	X	42%	10%	X	X	3%	X	X	12%	X
04/01/06 to 06/30/13:	X	X	38%	X	17%	X	X	X	X	12%	X
07/01/13 to 11/30/16:	X	X	24%	16%	X	X	8%	X	10%	14%	X
12/01/16 to Present:	ACB ⁽⁴⁾	ACB ⁽⁴⁾	X	X	X	X	X	ACB ⁽⁴⁾	X	X	ACB ⁽⁴⁾

	FTSE NAREIT All Equity REITs Index	FTSE EPRA- NAREIT Global RE Index ⁽³⁾	BBG Barc U.S. TIPS Index	Wellington DIH Benchmark	S&P NA Natural Resources Index ⁽³⁾	S&P GSCI ⁽³⁾	Alerian MLP Index ⁽³⁾	CA Private Natural Resources Benchmark	BBG Barc Government/Credit Bond Index	BBG Barc Aggregate Bond Index	JP Morgan Global Government Bond Index	Citigroup 3 - Month T-Bill Index
Inception to 03/31/96:	X	X	X	X	X	X	X	X	30%	X	X	X
04/01/96 to 09/30/99:	5%	X	X	X	X	X	X	X	X	30%	X	X
10/01/99 to 06/30/00:	5%	X	X	X	X	X	X	X	X	25%	X	X
07/01/00 to 03/31/06:	5%	X	5%	X	X	X	X	X	X	23%	X	X
04/01/06 to 06/30/13:	3%	X	X	7%	X	X	X	X	X	23%	X	X
07/01/13 to 11/30/16:	X	2%	X	X	5%	X	X	1%	X	14%	2%	4%
12/01/16 to Present:	X	X	X	X	ACB ⁽⁴⁾	X	X	X	X	X	X	ACB ⁽⁴⁾

CJA Normalized Benchmark

	Adjusted MSCI ACWI (N) ⁽¹⁾⁽²⁾	0.3 beta- adjusted MSCI ACWI (N) ⁽¹⁾	S&P NA Natural Resources Index ⁽¹⁾⁽³⁾	FTSE EPRA- NAREIT Global RE Index ⁽¹⁾⁽³⁾	S&P GSCI ⁽¹⁾⁽³⁾	Alerian MLP Index ⁽¹⁾⁽³⁾	BBG Barc Aggregate Bond Index ⁽¹⁾
12/01/16 to Present:	62%	18%	2.5%	2.5%	2.5%	2.5%	10%

Russell Normalized Benchmark

	MAC+ Custom Benchmark ⁽¹⁾⁽⁵⁾	BBG Barc 3M USD LIBOR Cash Index ⁽¹⁾	Bloomberg Barclays US Aggregate Bond Index ⁽¹⁾	LIBOR + 4% ⁽¹⁾	Bloomberg Barclays US 1-3M T-Bill Index ⁽¹⁾
01/05/17 to 01/31/17:	73%	5%	10%	X	12%
02/01/17 to Present:	73%	5%	10%	12%	X

(1) Adjusted by 50% of Legacy Assets per Section 5.4.d of NSHE IPS.

(2) Beginning 12/01/16, benchmark consists of two parts: (1) the MSCI All Country World Index (N) weighted by the Public Growth's actual allocation and (2) the Private Growth's actual return weighted by the Private Growth's actual allocation. Private investments will be self-benchmarked for the first 5 years of each fund's life. After the fifth year, private investments will be retroactively benchmarked to the MSCI All Country World Index (N) to reflect any value that has been added over this timeframe.

(3) Beginning 12/01/16, benchmark consists of two parts: (1) the Real Assets Benchmark weighted by the Public Real Assets' actual allocation and (2) the Private Real Assets' actual return weighted by the Private Real Assets' actual allocation. Private investments will be self-benchmarked for the first 5 years of each fund's life. After the fifth year, private investments will be retroactively benchmarked to the Real Assets Benchmark to reflect any value that has been added over this timeframe.

(4) Benchmark is dynamically adjusted on a monthly basis to reflect the Average Capital Base weightings of CJA Managed Assets, Russell Assets and Legacy Assets.

(5) Benchmark consists of a custom blend of the Russell Global Index (N) 50% Hedged, Bloomberg Commodity Index, FTSE EPRA/NAREIT Developed RE Index (N), S&P Global Infrastructure Index (N), BofAML Developed HY Constrained Bond Index USD Hedged, JP Morgan EMBI Global Diversified Index, and BBG Barc US 1-3 month Treasury Bill Index provided by Russell Investments.

Nevada System of Higher Education Endowment
Custom Benchmark Compositions

CJA Managed Diversifiers Benchmark

	HFRI FOF Diversified Index	0.3 beta- adjusted MSCI ACWI (N)
Inception to 11/30/16:	100%	X
12/01/16 to Present:	X	100%

CJA Managed Real Assets Benchmark⁽³⁾

	FTSE NAREIT All Equity REITs Index	Wellington DIH Benchmark	S&P NA Natural Resources Index	FTSE EPRA- NAREIT Global RE Index	S&P GSCI	Alerian MLP Index
Inception to 11/30/04:	100%	X	X	X	X	X
12/01/04 to 03/31/06:	65%	35%	X	X	X	X
04/01/06 to 06/30/13:	30%	70%	X	X	X	X
07/01/13 to 11/30/16:	X	X	70%	30%	X	X
12/01/2016 to Present	X	X	25%	25%	25%	25%

CJA Managed Fixed Income Benchmark

	BBG Barc Aggregate Bond Index	JP Morgan Global Government Bond Index	Citigroup 3 - Month T-Bill Index
Inception to 06/30/13:	100%	X	X
07/01/13 to 11/30/16:	70%	10%	20%
12/01/16 to Present:	100%	X	X

(3) Beginning 12/01/16, benchmark consists of two parts: (1) the Real Assets Benchmark weighted by the Public Real Assets' actual allocation and (2) the Private Real Assets' actual return weighted by the Private Real Assets' actual allocation. Private investments will be self-benchmarked for the first 5 years of each fund's life. After the fifth year, private investments will be retroactively benchmarked to the Real Assets Benchmark to reflect any value that has been added over this timeframe