

NSHE Investment and Facilities Committee
Endowment Comparative Data for Period Ending 6/30/2017

A. <u>Asset Allocation - Actual Allocations as of 6/30/2017</u>	<u>NSHE</u>	<u>UNLVF</u>	<u>UNRF</u>
US Equity	10.9%	33.4%	24.5%
Global Equity	19.3%	0.0%	0.0%
International Developed Equity	13.8%	24.5%	12.1%
Emerging Markets Equity	4.8%	0.0%	5.1%
Marketable Alternatives/Diversifiers	14.1%	8.1%	8.4%
Private Equity/Venture Capital - NAVs as of 6/30/17	9.0%	0.0%	6.0%
Marketable Real Assets (<i>includes REITS, commodities, natural resource equities & TIPS</i>)	7.2%	0.0%	10.3%
Private Real Assets (<i>includes real estate, energy & natural resources</i>) - NAVs as of 6/30/17	3.9%	10.1%	11.1%
Fixed Income (Bonds & Cash)	17.0%	23.9%	22.5%
	100.0%	100.0%	100.0%

B. <u>5 Years of Historical Returns</u>	<u>NSHE</u>	<u>UNLVF</u>	<u>UNRF</u>
FY 16-17 ¹	12.3%	11.4%	9.3%
FY 15-16	-2.8%	0.3%	2.2%
FY 14-15	0.5%	0.9%	1.9%
FY 13-14	15.5%	17.3%	15.2%
FY 12-13	11.1%	12.5%	9.6%

C. <u>Average Annual Compound Rate of Return¹</u>	<u>NSHE</u>	<u>UNLVF</u>	<u>UNRF</u>
3 Years Ended 6/30/2017	3.1%	4.1%	4.4%
5 Years Ended 6/30/2017	7.1%	8.3%	7.5%
10 Years Ended 6/30/2017	4.8%	4.2%	3.8%

D. <u>Annualized Standard Deviation (Volatility) of Quarterly Returns¹</u>	<u>NSHE</u>	<u>UNLVF</u>	<u>UNRF</u>
3 Years Ended 6/30/2017	6.5%	5.4%	4.4%
5 Years Ended 6/30/2017	6.1%	5.4%	4.3%
10 Years Ended 6/30/2017	11.2%	11.5%	10.8%

E. <u>Sharpe Ratio²</u>	<u>NSHE</u>	<u>UNLVF</u>	<u>UNRF</u>
3 Years Ended 6/30/2017	0.48	0.74	0.88
5 Years Ended 6/30/2017	1.14	1.41	1.71
10 Years Ended 6/30/2017	0.43	0.42	0.40

¹ All data for FYE 6/30/2017 include private investment NAVs as of and returns through 6/30/2017.

² Sharpe Ratio: The amount of return over the risk-free rate that can be expected for each unit of risk accepted. To calculate this number, the formulas in section E subtract the average T-bill return (risk free return) from the portfolio's average return and then divide by the portfolio's standard deviation. The average risk-free rate for the time periods shown above were 0.06% for trailing 3 years, 0.04% for trailing 5 years and 0.14% for trailing 10 years, all ended 6/30/2017.

F. Spending/Mgmt Fee Rates FYE 06/30/2017

	<u>NSHE</u>	<u>UNLVF</u>	<u>UNRF</u>
Target Spending/Dividend Rate	4.75% ⁴	3.50%	4.50%
Management Fee	1.50% ⁴	1.35%	0.75%
System Administration Management Fee	0.125%		

G. Effective Annual Payout Calculation - FYE 6/30/2016

	<u>NSHE</u>	<u>UNLVF</u>	<u>UNRF</u>
Spending/Dividend Distributions (7/1/16-6/30/17) - \$ in '000s	\$7,897,656	\$5,326,094	\$7,969,039
+ Other Withdrawals ³ (7/1/16-6/30/17) - \$ in '000s	<u>\$1,514,046</u>	<u>\$1,653,164</u>	<u>\$202,814</u>
= Total Withdrawals (7/1/16-6/30/17) - \$ in '000s	\$9,411,702	\$6,979,258	\$8,171,853
÷ Starting Endowment Value as of 6/30/16 - \$ in '000s	<u>\$221,372,106</u>	<u>\$183,750,373</u>	<u>\$171,709,215</u>
= Effective Annual Payout Rate - FYE 6/30/2017	<u>4.3%</u>	<u>3.8%</u>	<u>4.8%</u>

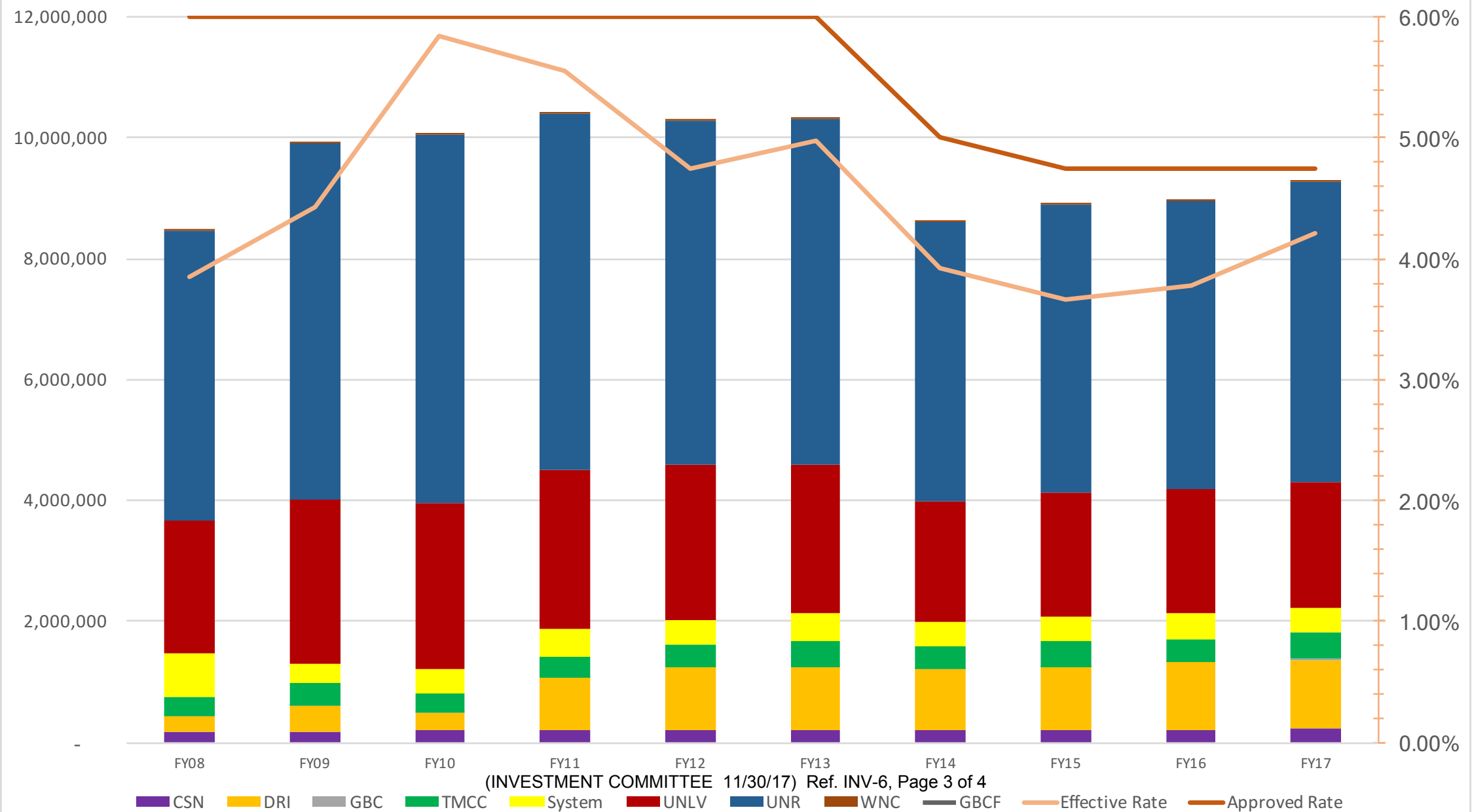
H. Net Inflow/(Outflow) Calculation - FYE 6/30/2016

	<u>NSHE</u>	<u>UNLVF</u>	<u>UNRF</u>
Gifts & Other Additions to Pool (7/1/16-6/30/17) - \$ in '000s	\$7,904,387	\$4,962,857	\$12,147,512
Less: Total Withdrawals (from G above) - \$ in '000s	<u>-\$9,411,702</u>	<u>-\$6,979,258</u>	<u>-\$8,171,853</u>
= Net Inflows/(Outflows) (7/1/16-6/30/17) - \$ in '000s	-\$1,507,315	-\$2,016,401	\$3,975,660
÷ Starting Endowment Value as of 6/30/16 - \$ in '000s	<u>\$221,372,106</u>	<u>\$183,750,373</u>	<u>\$171,709,215</u>
= Net Inflow/(Outflow) Rate - FYE 6/30/2017	<u>(0.7%)</u>	<u>(1.1%)</u>	<u>2.3%</u>

³ Other Withdrawals include administrative/oversight costs paid directly out of the Endowment pool excluding investment manager fees already deducted from portfolio returns. Examples include internal Foundation/System management fees, investment advisor/consultant fees and custody fees.

⁴ Effective July 1, 2015, the Committee recommended a total spending rate reduction from 5 percent to 4.75 percent. Within the 4.75 percent spending rate, the institution will have the discretion to allocate proceeds between spending and management fee, of which a maximum of 1.5 percent may be allocated to the management fee and a maximum of 4.5% may be allocated to spending.

10 Year Endowment Spending and Management Fee Distribution Analysis



	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
CSN	174,622	162,819	193,314	197,566	194,479	197,151	193,905	200,426	213,402	228,052
DRI	265,288	436,611	289,306	870,917	1,052,962	1,033,693	1,013,181	1,043,610	1,110,038	1,134,704
GBC	7,799	8,504	8,787	8,510	8,349	8,189	8,013	8,242	7,591	21,077
TMCC	315,892	363,107	327,117	348,901	371,035	449,529	380,568	429,140	383,322	427,403
System	718,672	327,610	399,679	457,391	409,557	447,473	384,855	402,943	414,046	402,727
UNLV	2,184,003	2,709,430	2,738,988	2,631,983	2,547,778	2,467,870	1,995,371	2,044,941	2,058,858	2,105,429
UNR	4,807,635	5,903,863	6,093,594	5,884,930	5,698,695	5,701,750	4,636,771	4,761,558	4,783,129	4,955,698
WNC	8,226	8,290	10,788	10,691	10,443	10,256	8,137	9,361	8,696	8,938
GBCF										127,675
	8,482,137	9,920,235	10,061,572	10,410,890	10,293,299	10,315,912	8,620,800	8,900,221	8,979,082	9,284,028
Effective Rate	3.85%	4.43%	5.84%	5.56%	4.74%	4.98%	3.92%	3.66%	3.78%	4.21%
Approved Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	5.00%	4.75%	4.75%	4.75%