



Investment Policy Statement
for the
NEVADA COLLEGE SAVINGS PROGRAM

Board of Trustees
College Savings Plans of Nevada

March 2018

A. PLAN PURPOSE

The Nevada College Savings Program (the "College Savings Program") is administered by the Board of Trustees (the "Board") of the College Savings Plans of Nevada, which was established under the Nevada Revised Statutes ("NRS") Chapter 353B, and Section 529 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). There are four distinct 529 plans (the "Plans") operating under the College Savings Program: the Vanguard 529 College Savings Plan, the SSgA Upromise 529 Plan, the USAA College Savings Plan, and the Putnam 529 for America plan. The Program was established to provide families with an opportunity to invest toward future qualified higher education expenses, and is administered separately from the Nevada Higher Education Prepaid Tuition Program ("Prepaid Program"), which is also a part of the collective College Savings Plans of Nevada.

This investment policy statement is intended to:

1. Articulate the objectives of the College Savings Program;
2. Identify the roles of specific entities having program management and fiduciary responsibilities in administering the College Savings Program;
3. Include policies regarding permitted investments, benchmarks, asset allocation strategies, etc.;
4. Establish the reporting requirements mandated by the Board;
5. Establish objectives for the process of prudently monitoring and evaluating the performance of investments and of contractors that provide investment management services to the College Savings Program;
6. Establish objectives for structuring investment options offered in the College Savings Program; and,
7. Formulate policies for selecting appropriate investment managers and the use of specific investment vehicles ("Underlying Investments") in the Portfolios within the framework of the structure as stated in this Policy.

B. ESTABLISHMENT AND AUTHORITY

NRS Chapter 353B establishes the College Savings Plans, which includes the College Savings Program. At the Board's discretion, the administration of the College Savings Program can be delegated to the State Treasurer, per NRS 353B.310 and NRS 353B.320. NRS 353B.370 grants the Board latitude in dictating how College Savings Program assets are to be invested, which may include the selection of an Investment Manager(s) and/or mutual funds, and the selection of a Program Administrator(s). The Program Administrator, who may contract directly with Investment Manager(s), shall report directly to the State Treasurer in the administration of the College Savings Trust Fund, but otherwise to the Board in the administration of the College Savings Program as a whole.

To the extent that there is any conflict between i) this Investment Policy Statement (including any attached documents) and ii) any contractual relationships among any Program Administrator, any Investment Manager, and/or the Board, such contractual relationship(s) will take precedence.

At the discretion of the Program Administrator and with the approval and consent of the Board, College Savings Program investments may be sold directly to account owners, or indirectly through financial advisors, or both.

C. RESPONSIBILITIES

1. Board: The Board will operate the College Savings Program in compliance with the Code, NRS, and, where more restrictive, any Investment Policy(ies). The Board will also ensure that the Program Administrator and Investment Manager(s) (both described below) are similarly in compliance with the Code, NRS, and any Investment Policy(ies). The Board will:

1. Implement a comprehensive investment plan for the College Savings Program;
2. Establish criteria and select an Investment Manager(s), mutual funds, or other such entities or vehicles for investing College Savings Program assets;
3. Employ personnel and contract for goods and services necessary for the effective operation of the College Savings Program;
4. Review, approve, and/or modify the Program Administrator's annual investment review;
5. Review the investment performance of the Investment Manager(s) or equivalent, and review any changes in benchmarking;
6. Develop appropriate college savings investment options and programs for account owners/beneficiaries;
7. Reaffirm all investment options in the Program no less frequently than annually.

2. State Treasurer: (which may include other members of the State Treasurer's Office, as delegated by the State Treasurer): The State Treasurer will administer the College Savings Program, establish accounts as needed, and accept and expend on behalf of the College Savings Program any monies provided for expenses. The State Treasurer will:

1. Conduct reviews of proposed actions and requests from the Program Administrator and Investment Manager(s) (or equivalent), and present recommendations to the Board;
2. Review Investment Manager(s) (or equivalent) reports with a special consideration of benchmarking (i.e., performance relative to benchmarks and the appropriateness of the benchmarks);
3. In conjunction with the Investment Consultant, review recommendations regarding any items being presented to the Board by the Program Administrator or Investment Manager with respect to asset allocation, age bands, underlying funds, benchmarks, etc.;
4. Review the Investment Consultant's recommendations for funds to be placed on or removed from "Watch" status prior to such recommendations being presented to the Board; and
5. Work with the Program Administrator and Investment Manager(s) to identify alternative investment solutions when investment options are recommended for replacement in the Program.

3. Investment Consultant: The Board has determined that it is necessary and reasonable to retain a professional investment consultant (the "Investment Consultant") to advise the Board with regard to the investments of the Trust. Under the College Savings Program, the investment consultant has certain fiduciary responsibilities as defined by its contract with the Board and by law. Under this policy, the Investment Consultant will generally be responsible for the following:

1. Providing general investment advice to the Board and State Treasurer;

2. Develop and maintain criteria for the determination of "Watch" status in conjunction with the Board and State Treasurer Staff ;
3. Make recommendations on investment options, policies, objectives, and strategies, including asset allocation and compliance monitoring, all consistent with the objectives of the College Savings Program;
4. Review and provide recommendations regarding any items being presented to the Board by the Program Administrator or Investment Manager with respect to asset allocation, age bands, underlying funds, benchmarks, etc.;
5. Monitor the Program Manager and portfolio and underlying investment fund or vehicle performance as detailed in Monitoring Procedures and Criteria;
6. Determine when any investment qualifies to be placed on or removed from "Watch" status, using criteria detailed in Monitoring Procedures and Criteria and recommend such action to the Board;
7. Maintain the list of investments on "Watch" status and provide updated reports to the State Treasurer and the Board no less frequently than quarterly;
8. As quickly as reasonably possible, notify the State Treasurer and the Board of any adverse changes which may require immediate action in any of the investments options in the Program; and,
9. Monitor the Investment Manager(s), their investment performance, and their adherence to the requirements imposed by the NRS, the Board, and any relevant policies which shall have been made fully available to the Investment Managers(s).

4. Program Administrator: The Board has determined that it is necessary and reasonable to retain professional program administrators to manage the College Savings Program and contract with Investment Managers with the consent of the Board. Under the College Savings Program, a Program Administrator and/or Investment Manager has certain fiduciary responsibilities as defined by its contract with the Board and by applicable law. A Program Administrator (which may by current contract be referred to as "Program Manager") and any of its affiliates (taken as a whole) will:

1. No less frequently than annually, in concert with each Investment Manager independently, prepare an investment review, which shall include an asset allocation review and any proposed changes to the underlying investments, benchmarks, etc.;
2. Inform the Board of any changes to any benchmarks or material changes in objectives by any underlying mutual funds of which it is aware, ETFs or separate accounts in the College Savings Program that aren't directly voted on by the Board, in a reasonable time after the Program Administrator learns of such changes;
3. No less frequently than quarterly, along with each Investment Manager, collect performance data for the investments and present a performance report of individual plans available to account owners/beneficiaries, in a format acceptable to the Board;
4. No less frequently than quarterly, provide reports to the Board and State Treasurer, all as contemplated by the contractual relationship and in a format acceptable to the Board and reasonably agreed to by the Program Administrator;
5. Coordinate, manage, and oversee the Investment Manager relationship(s), which will include performing due diligence and advising the Board of issues and concerns.;
6. Review, analyze, and develop guidelines in the College Savings Program, relating to asset mix, age bands, etc., and recommend changes (if any) in individual plans for the Board's review and approval, no less frequently than annually;
7. Provide any additional customized reports as contractually permitted and as reasonably requested by the Board or State Treasurer in consultation with the Program Administrator and relevant Investment Manager(s);

8. Employ a qualified Investment Manager(s) to manage investments in the College Savings Trust Fund;
9. Review investment proposals from the Investment Manager(s), as applicable to ensure compliance with contractual obligations as well as Code, NRS, and any Investment Policy-related constraints;
10. Monitor ongoing adherence to Code, NRS, and any Investment Policy-related constraints;
11. Develop appropriate college savings investment options and programs for account owners / beneficiaries for consideration by the Board, and manage those programs as directed by the Board; and
12. Take action as directed by the Board to modify the College Savings Program, which may include (but not be limited to) the termination or hiring of an Investment Manager or the elimination or addition of an investment option, all consistent with constraints imposed by the Code, NRS, any contractual relationship(s) with the Program Administrator, any relevant policy(ies), and/or any contractual relationship between the Program Administrator and the Investment Manager(s).

5. Investment Manager(s) (if any): The Investment Manager will manage assets of the College Savings Trust Fund, on a non-commingled basis across various individual College Savings Program plans, in a manner consistent with Code, NRS, and/or any relevant policy(ies). This will include:

1. Providing a range of investment options for account owners and beneficiaries, and also provide support relating to administration, distribution and customer service, per the terms of any contracts with the Program Administrator or the Board, as appropriate and as approved by the Board;
2. Managing College Savings Trust Fund assets in a manner consistent with criteria established by the Board and any written communications to the Investment Manager;
3. Investing, monitoring, and rebalancing College Savings Trust Fund assets as needed to ensure consistency with any target allocations;
4. Providing performance reports to the Board no less frequently than quarterly or as requested by the Board;
5. Developing proprietary policies for reviewing, monitoring, and refining investment performance to meet Board objectives; and
6. Employing qualified fund managers, securities custodians, and investment advisors.

D. INVESTMENT OBJECTIVES

The primary goal of the College Savings Program is to provide eligible participants with a range of investment options for accounts held in the College Savings Trust Fund, and to employ a qualified Investment Manager(s) to administer the investments. The investment options made available to beneficiaries and account owners shall be selected and managed in accordance with the contracts between the Investment Manager(s) and/or Program Administrator and the Board, the Code, NRS, and any applicable policies. As such, the College Savings Program taken as a whole shall seek to achieve the following objectives:

1. Meet the various educational savings needs of account owners and beneficiaries;
2. Provide at least one Direct Plan and one Advisor Plan to accommodate account owners' different preferences for either managing their own investments or using a financial advisor to manage their account;

3. Provide investment options which, first and foremost, are consistent with the objectives of the College Savings Program, and within that constraint, encompass a range of expected risk and return opportunities, to allow for an expected rate of return commensurate with an expected level of risk to meet the investment goals of account owners and beneficiaries. Investment options must have a minimum performance track record of at least three years, and the managers should have a minimum of three years managing the proposed asset class with a verifiable track record (composites are acceptable). The three-year requirement helps to ensure that the manager has had enough time to manage the strategy in a variety of market conditions. While a complete market cycle (between five and seven years) is preferable when analyzing a fund's past performance, a three-year track record will generally provide enough history to perform a reasonable assessment;
4. Provide flexibility for the College Savings Program by providing a range of investment options that take into consideration risk tolerances, investment objectives, the age of the account owner, the age of the beneficiary, etc.;
5. Strive to include "low-cost" funds within the Program, and in general assess the relative operating costs of a fund against the relative benefit of utilizing that specific fund in the College Savings Program;
6. Consider and potentially include investment vehicles which are not mutual funds; and
7. Strive to be competitive with alternative investment options, and with terms and investment choices which are easily communicated to, and understood by, account owners.

E. PERMITTED INVESTMENTS

The underlying investments in the College Savings Trust Fund shall draw from the following broad asset classes:

1. Short-term marketable debt securities
2. Fixed-income securities
3. U.S. equity securities
4. International equity securities
5. Bank certificates of deposit
6. Stable value investments
7. Real estate investments/real estate investment trusts (REITS)
8. Real or absolute return investment options
9. Natural resource investment options

The underlying investment vehicles of the College Savings Trust Fund shall be limited to mutual funds, exchange-traded funds, stable value investments, direct holdings of bank certificates of deposit, FDIC-insured savings accounts, or in separately managed accounts with similar investment strategies. Investment instruments or asset classes which differ materially from these broad categories would necessitate a revision to this Policy. The Board may establish guidelines for the development and structuring of the College Savings Program investment alternatives, which may include specific prohibitions on certain investments, limits on asset or asset class exposures, various risk constraints, benchmarks, and investment return objectives.

There will be no categorical prohibition against the use of derivatives and/or other forms of leverage in mutual funds or exchange-traded funds. However the Board will consider a particular fund's policies and activities in these areas as part of a more general screening and surveillance of mutual funds and other investment vehicles. Where the Board permits the use of derivatives instruments, the Investment Manager shall be permitted, in connection with the exercise of its power and authority hereunder, as agent of the Board, to post securities, cash or other property

of the applicable fund or other investment vehicle as margin or collateral with any counterparty, clearing broker or clearing or settlement agent in connection with transactions in derivatives contracts entered into on behalf of the applicable fund or other investment vehicle in accordance with this Investment Policy Statement, which securities, cash or other property shall be subject to a general lien and security interest to secure the performance of the applicable fund or other investment vehicle under such derivatives contracts. In connection with the preceding sentence, the Board agrees that it will not cause or allow any such fund or other investment vehicle to be or become subject to liens, security interests, mortgages or encumbrances of any kind. Similarly, "funds of funds" and short-selling will not be categorically prohibited. To the extent that less conventional activities or instruments or techniques are permitted in the College Savings Trust Fund, the Board in its discretion will apply special surveillance to protect against abuse, all in the interest of ensuring a continuing appropriateness for College Savings Program objectives.

F. PERFORMANCE MONITORING

The Board determined it is necessary and reasonable to develop an investment monitoring program and has delegated such a role to the State Treasurer and Staff and Investment Consultant to advise the Board with regard to investment and compliance issues. The Investment Consultant is charged with the goal of monitoring and reporting to the State Treasurer and Staff on issues directly affecting the prudent administration of the College Savings Program, on behalf of the Board and other College Savings Program stakeholders, and will perform in a manner consistent with generally accepted standards of fiduciary responsibility.

The investment options will be selected and monitored with the skill, care, and diligence of a prudent person acting in a like capacity, familiar with such matters and in accordance with all applicable laws and policies of the Board. All decisions made on behalf of the College Savings Program will be for the sole benefit of the account owners and beneficiaries. The Investment Consultant will monitor the investments and may make informal recommendations to add, remove, or change the investment options to the State Treasurer and Staff as may be appropriate, and as detailed in Section A above, and the Monitoring Procedures and Criteria.

1. Benchmarks

The Board shall evaluate investment performance relative to an assigned benchmark. The Program Administrator shall at all times seek to provide performance consistent with performance criteria as shown in the Monitoring Procedures and Criteria. When evaluating investment performance, a benchmark will be used to provide relative results with the following stipulations:

1. Evaluations shall be against an industry standard benchmark;
2. Program Investment Portfolios are to be displayed against an appropriate benchmark or policy benchmark as outlined in the College Savings Plans of Nevada Monitoring Procedures and Criteria; and,
3. All Underlying Investments and Investment Portfolios shall be considered against their respective benchmarks over an identical time period.

Each of the benchmarks to be utilized in performance evaluation are identified in the Monitoring Procedures and Criteria.

2. Investment Status Report

The Investment Consultant shall prepare a separate evaluation, no less frequently than quarterly, which shall review the performance and status of all underlying investment options and multi-fund portfolios. The quarterly investment reports provided by the Investment Consultant will rate all individual fund portfolios and every multi-fund portfolio as either Positive, Acceptable, Caution or Watch. Additionally, the Investment Consultant may determine that an Investment Manager, across the College Savings Program, merits "Watch" status. The quarterly status report will also recommend changes in "Watch" status, and will include the timing of any status change and the reason for the change. Any investment or Investment Manager on "Watch" status may have unique reporting requirements while it is on "Watch" status as reasonably requested by the Board. This "Watch" status reporting shall be provided to the Board.

The Investment Consultant, State Treasurer and Staff have jointly determined the criteria for an investment fund or Investment Manager to be placed on, or removed from, "Watch" status as detailed in a separate document entitled the Monitoring Procedures and Criteria for the Nevada College Savings Program.

G. ANNUAL INVESTMENT REVIEW

The Investment Manager(s) and the Program Administrator will jointly present investment reviews for each of the Investment Manager's segment of the College Savings Program, on an annual basis or more frequently as requested by the Board, in accordance with contractual requirements, if all parties consider it to be prudent and reasonable. These reviews will include any proposed (by any party) changes to approved benchmarks, the investment menu, asset mix, fees, etc. Proposed changes will be reviewed by the Investment Consultant and the State Treasurer and Staff prior to presentation to the Board, and this review may result in changes to the presentation, any proposals, etc. However the Board will retain the final decision-making authority to accept, reject, request modification, or defer any recommendations. Updates to all disclosure and customer documents to reflect approved changes will be reviewed and approved as appropriate by the State Treasurer or designee.

H. PROXY VOTING

By virtue of owning shares of underlying mutual funds and other products, the Program receives proxy voting materials periodically, which range from the election of board members for mutual funds to requests to modify a fund's fee structure or investment guidelines. Consistent with its fiduciary responsibilities, the Program has chosen not to delegate these votes to the Program Managers, but has developed the following guidelines in order to manage the exercise of proxy voting rights for the Program investment options. These guidelines recognize that generally our Program represents a very small share of voting shares for a fund, and the frequency of regular Board meetings may prevent the Program from entering votes by funds' deadlines.

Also, the Investment Managers are responsible for adopting written proxy voting policies and procedures as required by Rule 206 (4)-6 under the Investment Advisers Act of 1940. The Policy is generally adopted by each Fund, series of Funds or Investment Management Firm. These policies and procedures will cover the voting of the underlying equity securities and may also apply to voting and/or consent rights of the underlying fixed income securities in funds,

separately managed accounts and other similar products. The Board specifically delegates to each Investment Management Firm, the responsibility to vote each of the securities listed in the immediately preceding sentence. These policies should be designed and implemented in a manner to ensure voting is exercised in the best interest of Fund shareholders.

1. Upon receipt of proxy voting materials, the Program Manager or Investment Manager will forward all materials to the State Treasurer's Office. The Program Manager and Investment Manager will attempt to direct that proxy voting materials be mailed or sent electronically directly to the State Treasurer's Office.
2. Upon receipt of the proxy, staff at the State Treasurer's Office will carefully analyze the implications of proxy proposals. Based on the guidelines below, staff will determine whether it shall administratively vote on a proxy or forward the proxy vote to the Board for a decision. This helps ensure the Program (1) always votes the proxies it is entitled to vote; (2) votes after careful consideration of the issues; and (3) always casts votes in the best interest of Program beneficiaries. These guidelines are intended to provide general direction on particular issues. They are not meant as a substitute for careful review of ballot proposals.
3. The Board has delegated the following types of votes to the State Treasurer's Office:
 - a. Election of Board(s) Trustees
 - i. The Board(s) of Trustees must be an independent force in fund affairs and manage on behalf of shareholders. In 2004, The Securities and Exchange Commission adopted amendments to rules under the Investment Company Act of 1940 which help to ensure trustees remain independent and make decisions in the best interest of shareholders. Due to this, the State Treasurer and Staff will generally vote for trustee nominees recommended by the Investment Manager.
 - b. Increases in Expenses of the Investment Option
 - i. Staff will vote against proposals which will increase investment option expenses.
 - ii. A situation in which staff is supportive of a fee increase will require the item to be submitted to the Board for affirmative action.
 - c. Distribution Agreements
 - i. Staff will vote on distribution agreements on a case-by-case basis.
4. The following types of proxies will be placed on the Board's next regularly scheduled agenda or in extraordinary cases, may merit a special Board meeting:
 - a. Amendments to Investment Options' Fundamental Policies¹
 - i. Votes on amendments to funds' fundamental policies will be made on a case-by-case basis.
 - b. Amendments to Fundamental Investment Restrictions

¹ The 1940 Investment Act requires each fund adopt fundamental policies with respect to certain activities, and effectively provides that such policies may not be changed except by a majority of shareholder votes. These activities include, but are not limited to, underwriting securities issued by other persons, purchasing or selling real estate, issuing senior securities, borrowing money, making loans, purchasing or selling commodities, and the concentration of investments in a particular industry(ies).

- i. Votes on amendments to fundamental investment restrictions will be made on a case-by-case basis.
 - c. Social and Environmental Issues
 - i. Votes on social and environmental issues will be made on a case-by-case basis.
- 5. Other Items
 - a. On other items that are deemed routine by staff (such as those which do not change the fundamentals of the fund), staff will generally vote in the manner recommended by the Investment Manager.
 - b. On other items that are deemed non-routine by staff, proxy votes will be placed on the Board's next regularly scheduled agenda or in extraordinary cases, may merit a special Board meeting.

These guidelines are intended to provide general direction on particular issues. Staff will provide the Board with a report of any missed votes at the next regularly scheduled Board meeting with an analysis of the reason(s). The Board will receive a proxy voting summary report annually.

The above guidelines apply to proxy votes for underlying mutual funds or other types of investment options, but do not apply to proxy votes for companies for which these funds own shares or debt of.

J. ADOPTION AND REVIEW OF POLICY

The Board will review this Policy at least once every two years. Changes can be made at any time to this Policy to the extent such changes would be in the best interest of the Account Owners and beneficiaries; however changes are expected to be infrequent, as they will reflect long-term considerations, rather than short-term changes in the financial markets. The State Treasurer's Office will communicate any proposed modifications in writing on a timely basis to interested parties, including the Program Administrator and Investment Managers, who shall have a reasonable amount of time to respond to such proposals.

Adopted this 22nd day of March 22, 2018

BOARD OF TRUSTEES, COLLEGE SAVINGS PLANS OF NEVADA



Bob Seale, Chair