

**THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA**

**MINUTES OF BOARD MEETING**

**Thursday, December 16, 2021**

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The meeting was held virtually for all board members and participants.

Board members present:

Chairman– Treasurer Zach Conine  
Andrew Clinger  
Tiffany Greenameyer  
Jeff Haag  
Andrew Martin

Others present:

Kirsten Van Ry, Chief of Staff  
Tara Hagan, Chief Deputy Treasurer  
Tya Mathis-Coleman, Deputy – College Savings  
Troy Watts, Treasurer’s Office  
Blanca Platt, Treasurer’s Office  
Greg D. Ott, Attorney General  
Eric White, Meketa Investment Group Inc.  
Stephanie Sorg, Meketa Investment Group Inc.  
Thomas Hewitt, Ascensus  
Erica Norton, Ascensus  
Mannick Dhillon, Victory Capital  
Shan Dagli, Victory Capital  
Randi Ussery, Victory Capital  
Jessica Campbell, Victory Capital  
Judy Minsk, Putnam Investments  
Brendan Murray, Putnam Investments  
Nathaniel Gandy, Wealthfront  
Elizabeth Lazor, Wealthfront  
Jamie Kelly, Wealthfront  
Zavier Dodge, Wealthfront  
Patrick Mckeeon, Wealthfront  
Michael Hillyer, Vanguard  
Lindsay Ruddy, Vanguard  
Christie Miller, Vanguard

**1. Roll Call**

Chairman Treasurer Conine called the meeting to order at 10:00 am, and determined a quorum was present.

2. **Public Comment.**

There was no public comment.

3. **For possible action to approve:** the minutes of the College Savings Board of Trustees meeting of September 23, 2021.
4. **For possible action to approve:** the Ascensus program manager's report encompassing results for Vanguard, USAA, SSGA Upromise, and Wealthfront 529 plans for the quarter ended September 30, 2021.
5. **For possible action to approve:** the Putnam 529 for America program manager's report for the quarter ended September 30, 2021.
6. **For possible action to approve:** the Nevada Prepaid Tuition Program activity report for the quarter ended September 30, 2021.
7. **For possible action to approve:** the Fiscal Year 2021 audited financial statements for the Putnam 529 for America Plan, the SSGA Upromise 529 Plan, the USAA 529 College Savings Plan, the Vanguard 529 Plan, and the Wealthfront 529 College Savings Plan.
8. **For possible action to approve:** the Prepaid Tuition Program annual actuarial valuation report as of June 30, 2021.
9. **For possible action to approve:** the 2022 College Savings Board of Trustee Meeting Schedule.

**Motion to approve this consent agenda from Member Martin and a second from Member Greenameyer. Motion passed unanimously.**

10. **For discussion:** Annual marketing update and overview
  - a. State Treasurer's Office / Kirvin Doak
  - b. 529 Partners
    - a. Putnam 529 for America
    - b. SSGA Upromise
    - c. USAA 529 Savings Plan
    - d. Vanguard 529 College Savings Plan
    - e. Wealthfront 529 Plan

Deputy Treasurer of College Savings, Tya Mathis-Coleman provided marketing updates over the last year. She noted that in late 2019, Kirvin Doak was hired to assist with the College Savings rebrand which included creating a new logo, new website domain, new collateral, and redesign and management of all the division's social media pages. In 2020 and early 2021 she stated they focused on content creation and being as inclusive as possible with their images and social media posts. She noted that Covid-19 forced their team to move their community outreach efforts to a virtual space. They refocused content and messaging to ensure that they were being sensitive to the economic challenges that many Nevada families were facing. Their online community continued to grow and in July of 2021 they had over 5,800 users and their content received over 2,260 engagements. She referenced pages (5-8) of the materials showing the breakdown of August

through September noting 486 messages on the social media accounts were received in those two months. She noted that marketing and social media play a huge role in their division. She indicated they offer Webinar Wednesdays where they provide information on College Kickstart and the Silver State Matching Grant. They host Millennium Mondays where they offer information on their GGMS program and have hosted several live events with the community partners, parents, and students. Since 2020, they have seen a 15.6% growth in their online community. She noted that content published to the Treasurer's Office social pages received 46,619 engagements and 2,263,663 impressions. She noted Twitter received nearly 658,000 impressions alone in 2021, which is a 53% increase from 2020. Additionally, there were 11,000 post link clicks during the last 11 months. She explained post link clicks are the number of times that users clicked on the links from the posts throughout a period. As a division, they are not only building relationships, but they are also elevating their overall brand visibility as they continue to increase their brand awareness. Moving forward, the division will continue to host virtual events that are both informative and engaging. She mentioned the week prior they hosted their first Financial Literacy University virtually with over 40 families across the state. In the spring they will host the March Match-ness Event and they will work with their marketing team to create new testimonial videos and begin marketing for the Second Annual Art Contest. She said they are excited about their work and optimistic about the marketing visions within the Navigate brand and the entire College Savings Division moving forward.

Treasurer Conine congratulated Ms. Mathis-Coleman and thanked her team as well for their efforts during a very strange year for outreach. He noted one of the goals for the College Savings Division has been to move away from the selling of products into the providing of service.

Member Martin inquired about the various expectations and if the goal was achieved. He asked if there were any specific objectives and what were the costs.

Ms. Mathis-Coleman noted that they did an assessment for Nevadans and reached out to discover what information is needed and what the community is wanting to know when it comes to post-secondary education. From the assessment, they discovered that many Nevadans are not long-range planning for college. Initially, they had many outreach initiatives planned to go into the school and public areas. However, due to the pandemic, all of those plans shifted into an online space where they began to host webinars, zoom events, and collaborated with other non-profits to host events for their community. She expressed that she believes they exceeded expectations when it comes to the number of families, they were able to connect with through this virtual content. She also noted the importance of offering virtual content as there are many families that cannot participate in local events.

Member Martin appreciated the detailed explanation and stated that he is extremely supportive as people are still very fearful in the case of the pandemic.

Member Greenameyer commented that through social media the team appeared to grow 851 new followers and asked how those numbers compute to opening new college savings accounts.

Ms. Mathis- Coleman stated that the data from the followers is different from the individuals that are using their services. She noted that the Prepaid numbers are up 35% from last year. When looking at the number of followers and people that interact with their page, they are mainly individuals that did not interact with before which gives the opportunity to direct them to their website and share information that they are not aware of. Having the followers and having people

share their content is bringing brand awareness and opening up conversations about post-secondary education. This also brings people awareness to the State Treasurer's Office and the resources and tools available.

Member Greenameyer appreciated the team's hard work.

Judy Minsk, Director of Investment Strategies presented the Putnam 529 for America Marketing Plan starting with page 323 of the materials. She reminded the Board of the unique structure of their plan which is distributed solely through advisors that are nationwide through all channels. She noted that marketing is most impactful when paired with the work of their sales team. In 2021 Putnam restructured its distribution and segmentation model based on advisor preferences. She explained they want to optimize the time spent with the advisors and sales team. Having an improved focus will result in greater contributions and newer accounts with broader diversification. She reviewed that the last years have proven that Putnam can operate differently and is changing. A recent survey discovered that advisors are less likely to meet in person and will only meet remotely, in fact, 20% have said that they do not want to meet in person at all. Creative content is promoted throughout digital engagement such as search engines, web updates, targeted emails, and print on demand materials. She noted that having a strong search engine has produced results when finding 529 products and tools. From July 1<sup>st</sup> to December 13<sup>th</sup> of 2021, there were 5,800 visits to their site that were specifically driven from paid search which represents about 16% of all traffic to their pages. Ms. Minsk noted that Google will be utilizing artificial intelligence more in 2022 where they will need to prepare and adapt their approach in the ads that are subject to a new dynamic responsive search. They will need to provide keywords for Google's tool to create hundreds of dynamic options. She also went over the wealth management topics driven through related social content that drove an 80% open to click rate which brings more opportunity to brand awareness. She noted page 329 of the materials showing how social media is another key strategy for driving high-quality traffic to their website that is monitored very closely to determine whether they need to shift their approach to a year-long campaign versus short campaign bursts. This approach will make the plan visible for longer periods of time and is also more cost-effective. She concluded the presentation by stating how they are excited for this new approach to focus on digital marketing as it supports all campaign activities and helps advisors engage with clients on the finance and legislative changes. She thanked all staff for their support and feedback throughout the year.

Erica Norton, Marketing Manager with Ascensus, provided an overview of the SSGA Upromise marketing plan. Within the current plan beneficiary analysis, she determined that a majority of the beneficiaries live in the 15-to-20-year age range. She noted that accounts with beneficiaries in that age range are leading into or are in the process of withdrawing funds for higher education costs. She went over the marketing goals that focus on increasing enrollments for residents in Nevada by reaching out to households with beneficiaries ages 0 to 5, optimizing personalized approach in marketing emails, and continuing to partner with their field team to assist in lead generation. She reviewed how their prospect marketing strategy focuses heavily on digital initiatives broken down into four main categories. She also went over the marketing plan for account owners using the 529 Mobile App and email experience through a personalized trigger-based journey to maximize engagement.

Treasurer Conine appreciated Erica and the team's efforts taken when engaging with the current trend within beneficiaries.

Mannick Dhillon with Victory Capital started the presentation for the 2022 strategy for the USAA 529 Savings Plan. He stated that 529 account holders are now able to login into their accounts using their devices with the newly implemented mobile application. He expressed how thankful he is and how they are striving to bring financial stability through service, education, and the institutional management that they can provide to investors. Shan Dagli with Victory Capital also discussed the USAA marketing strategy for the year 2022 and noted the objective for this plan is to provide Nevada residents and investors with its institutional-grade investment capabilities. He noted that they want to focus on stabilizing their approach with investors by promoting brand awareness, deepening relationships with clients within its service quality, delivering resources to help with education, and evaluating portfolios to maximize investment quality. Caroline Churchill, also with Victory Capital noted that building brand awareness nationally in Nevada particularly among the military community is their key objective that continues to drive their strategy across all programs. She stated they have a strong partnership with USAA and collaborate on marketing activities. She explained that since their August campaign, they have seen nearly a 5% increase in the adoption rate of the automatic investment plan. The Gift of Education campaign has also been very successful which has seen a 53% increase yearly. She went over the importance of taking a multi-channel approach to every campaign within emails, digital assets, and social media. She noted that they have received good feedback about their mobile app, and they recently surpassed 100,000 registered users which continues to grow daily. She explained that they renamed the plan to the USAA 529 Education Savings Plan to reinforce raising awareness on the various ways that the plan can be utilized.

Michael Hillyer introduced Lindsay Ruddy with Vanguard who discussed their goals and strategies within the Vanguard 529 College Savings Plan. Ms. Ruddy expressed the importance of raising awareness and ensuring that contributors are aware of what a 529 plan is, increasing the total number of accounts through multi-channel marketing and advertising campaigns, and driving engagement for existing clients. She explained the primary focus of 2022 would be enriching what is known of the current audience by better understanding the different topics in groups within the targeted audience such as millennials. Research shows that consumer and cultural trends are driving the Millennials' decision-making. She stated they are being mindful and making sure that they are present in the market and connecting with people through the entire process of their journey in obtaining a 529 plan. The focus of 2022 is on refinement.

Treasurer Conine commented that as a millennial, it is great to see how they are focused on those topics as that is what is discussed in the household and as a direct recipient, he appreciates this strategy.

Jamie Kelly provided an overview of the marketing strategy for Wealthfront. He explained how they have investment products and solutions across individual retirement accounts, 529 accounts, and banking solutions. Their strategy is to attract new clients through broad investing messages and allow them to convert in a path that is more applicable. He stated they make it easy to manage funds and assist in building long-term wealth. He also explained the various topics in three different targeted audience groups, that being, the Seasoned Strategists, the Adventurous Alchemists, and the Discontented Delegates. He stated they launched a campaign in June of 2021 along with the rebrand of their website around the idea of redefining wealth and making wealth your own. He explained they focused on implementing ads through experimental channels such as popular podcasts, connecting with influencers that communicate to the audience, or media partners. He noted over the last 12 months they have about 15,000 visitors to the website,

approximately 20,000 on the blog site, and about 25,000 account sign-ups specifically through email messaging.

Treasurer Conine thanked all partners for the marketing updates within this informational item.

**11. For discussion and possible action:** Nevada Prepaid Tuition Investment Monitoring Report prepared by Meketa Investment Group Inc for the quarter ending September 30, 2021.

Eric White with the Meketa Investment Group provided an overview of the report noting the aggregate value of \$394,700,000 as of September 30, 2021. He reviewed the portfolio underperformed its benchmark over the most recent quarter by seven (7) basis points. The portfolios returned 20.5% over the one-year period, outperforming its benchmark by 0.6%. He went over the Prepaid Total Portfolio and discussed the different performance and market values. He noted large-cap equities have strongly outperformed over the one-year period.

**Motion to approve this agenda item from Member Clinger and a second from Member Haag. Motion passed unanimously.**

**12. For discussion and possible action:** Nevada 529 College Savings Plans Investment Monitoring Report prepared by Meketa Investment Group Inc for the quarter ending September 30, 2021.

Eric White with Meketa provided an overview of the program and the Watch Report. He noted that 87% of funds in the Vanguard Program have a positive or acceptable status. SSgA Upromise has 93% in a positive or acceptable status. The USAA Program has 73% of funds in positive or acceptable status. He discussed they are actively engaged with the Putnam program to determine options on how to move forward as it has only 38% of funds in positive or acceptable. He noted nearly 80% of the Wealthfront funds have either a positive or acceptable status.

Stephanie Sorg with Meketa provided the details within the Watch Report starting with page 373 of the materials. She noted at a high level they are not recommending any changes to the funds currently on watch and stated there are a total of 9 funds on the Watch list. The reviewed USAA Growth fund was placed on watch three (3) years ago and has since underperformed the Russell 1000 Growth by 2.9%, ranking in the 65<sup>th</sup> percentile of its respective peer group. She stated that more recently in the third quarter, the fund underperformed by 250 basis points and ranked in the 84<sup>th</sup> percentile among peers. She noted due to continued underperformance, it is recommended the fund remain on watch based on short- and medium-term criteria. She stated that staff in Meketa will be working with Victory Capital on possible solutions for the portfolio. Additionally, the USAA Value fund is on watch as of three (3) years ago and has underperformed the Russell 1000 Value benchmark by 300 basis points ranking in the 92<sup>nd</sup> percentile of the US Large Cap Value peer group. Due to the prolonged underperformance, the fund continues to qualify for watch based on medium-term criteria. She then reviewed the USAA Growth & Income fund noting it underperformed its Russell 30000 benchmark by 5.6%, ranking in the 91<sup>st</sup> percentile.

Mr. White provided the watch status details of the GAA funds within the Putnam 529 for America Plan. He noted there is persistent underperformance within these strategies, and they are looking for suggestions from Putnam to produce better results in the market long-term.

Mr. Dhillon with Victory Capital explained that their equity funds are built up of multiple investment strategies to get diversification across different investment styles approached. He noted the USAA Growth fund uses three (3), different investment managers, underneath. He explained that under the SEC guidelines, a fund like the USAA Growth fund is set up as a diversified fund where there are limits to how big the largest positions can be in aggregate, however, that limit does not apply to the index. He noted that they want the stock selection to be the driver of the outcome. He noted they will present and prepare for questions at the next meeting as far as the USAA Value fund which holds a different structure.

Treasurer Conine expressed his appreciation and is looking forward to having Meketa and staff work together to come up with a plan with both the USAA and Putnam strategies.

Brendan Murray with Putnam Investments acknowledged that the last three (3) years have been a challenging environment for some of their equity selection strategies which have caused underperformance relative to the custom benchmarks. He reiterated that their custom benchmarks are their own active decision. They have researched looking at the long-term market history to determine what is the best mix and starting point for any of the underlying assets. Over the 3-year time period, their benchmarks are at the top decile relative to peers. The conservative portfolio is in the 48<sup>th</sup> percentile, the balanced portfolio is in the 40<sup>th</sup> percentile, and the growth portfolio is in the 58<sup>th</sup> percentile noting that the overall funds are in the top quartile relative to peers. He concluded by stating that the security selection has been a positive contributor this year and is confident the trend will continue.

Member Martin asked when they should expect better performance as this is an important matter within their fiduciary responsibilities. He commented he has confidence that Mr. White and other staff will be a great guiding force to discuss what they should invest in.

Mr. Murray commented that for this last year there has been positive performance. He acknowledged that the prior two (2) years were weak in terms of security selection, however, the last year has been strong and will start to experience better results.

Member Martin asked how they determine whether a fund should be on the watch list and inquired about the mechanism and timeframe to get off the watch list.

Mr. White explained the GAA funds are more complex than the funds within targeted age-based options. Those glide paths are composed of individual underlying funds where performance is monitored, and if there is a single fund that is driving underperformance, they can take corrective options as a Board to eliminate and replace that fund from the program to provide a better experience for participants. However, given the way that the GAA funds are structured, they are not individual building block funds that can be targeted for removal which complicates the matter. He explained that the length of time that a fund is kept on watch is determined by understanding the underperformance and debating if the strategy will shift based on the change of the capital market environment. He noted that it can be difficult as they cannot just remove the GAA fund from the program as it is an option as a whole and cannot control the underlying sleeves as they are not individual funds. He stated there is not a set length of time as their strategy is to see the fund exceed criteria and see a trend of outperformance for a sustained return before recommending removal from watch. It is effective to discuss as a group to decide what is the optimal path for participants.

Member Martin commented he is glad they are having the conversation and hopes that there will be ideas on what to invest in and sort out an actual strategy that will work for the long-term. He thanked Mr. White, the team, and the Treasurer's Office.

Treasurer Conine thanked Member Martin and commented it will be a wonderful transition to come back with a plan in March. He appreciated Putnam and USAA's willingness to get there.

**Motion to approve this agenda item from Member Haag and a second from Member Greenameyer. Motion passed unanimously.**

**13. Public Comment.**

There was no public comment.

**14. ADJOURNMENT.**

**Member Martin motioned to adjourn at 12:00. Member Clinger seconded the motion. Motion passed unanimously.**