

THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA

MINUTES OF BOARD MEETING

Friday, May 19th, 2023

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

Board members present:

Chairman Treasurer Zach Conine
Andrew Clinger
Robin Hager
Donna Stanfel
Lisa Cano Burkhead

Others present:

Kirsten Van Ry, Chief of Staff
Lori Hoover, Chief Deputy Treasurer
Tya Mathis-Coleman, Deputy – College Savings
Kevin Doty, Deputy Attorney General
Itzel Fausto, Treasurer's Office
Naomi Nevers, Treasurer's Office
Eric White, Meketa Investment Group Inc.
Thomas Hewitt, Ascensus
Nikhil Sudan, Victory Capital
Mannik Dhillon, Victory Capital
Lance Humphrey, Victory Capital
Caroline Churchill, Victory Capital
Shan Dagli, Victory Capital
Randi Ussery, Victory Capital
Jessica Campbell, Victory Capital
Andrea Feirnstien, AKF Consulting
Johnny Saldana, Ascensus
Brian Gikes, JP Morgan
Douglas Polak, JP Morgan
Michelle Cardone, Ascensus
Thomas Allman, Victory Capital
Phil Eichiger

1. Roll Call

Chairman Treasurer Conine called the meeting to order at 9:00 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 February 23, 2023.

Motion to approve the meeting minutes from Member Clinger and a second from Member Cano Burkhead. Motion passed unanimously.

Discussion Agenda

4. For discussion and possible action: Review and approval of the SSGA / JP Morgan Plan transition plan and timeline.

Chief of Staff Kirsten Van Ry presented a brief overview of the SSGA and JP Morgan Plan transition and timeline. She referenced the April 2022 board meeting where staff reported that the SSGA Upromise 529 operational agreement between the State Street Global Advisors and Ascensus was extended to October 31, 2022, where Treasurer Conine, staff, and AFK Consulting has solicited various investment firms in the general 529 Plan community to gage interest in creating a new 529 Plan to specifically target the RIA market. She noted during the August 2022 board meeting the Board approved JP Morgan as the firm to provide investment management in nationwide distribution in marketing services for new 529 Plan. Following the August 2022 board meeting staff has worked to negotiate and finalize the facilitation and transition between SSGA and JP Morgan.

Tom Hewitt with Ascensus provided a quick overview of the conversion within the project standpoint and for future they will discuss the launch of the plan and key points within the account owner perspective. He noted they began working on this project late 2022 for preparation in planning scope documents. They have been working across channels in order to launch this June. He noted they want this to be a seamless and easy transition from the account owner/client perspective to appear as a rebranding and new investment lineup whereas the backend is a big transition since they are going from a direct sold plan to an advisor plan and is also moving from one system to another. Through this conversion they will move all existing account owners and their investments to new investments where they'll run transactions and have everything tested to ensure all data matches. He noted they are feeling that the conversion event is going to go well as they have already done two smaller scale mocks and haven't had any issues.

Treasurer Conine asked what they are learning so far throughout these mocks and how they are going.

Mr. Hewitt stated its going very well although it can be complicated converting to another company's platform since coding and terms differ. They must ensure that they convert the proper vernacular to match during these mocks in order to convert the right data, but this process has been smoother as its already on their system, so they don't have to struggle with naming conventions and such. However, it is an older plan so some of the data in the beneficiary standpoint wasn't as

clean which led to research to ensure they have the correct data. They have also found a few exceptions that will flag those accounts and after conversion they will fix them but otherwise has been a very clean process.

He continued with his presentation and discussed the event where they will move all assets from the current investments to the new ones, there will be a period of time over the weekend of the 22nd where account owners won't have access to their accounts and won't be able to do any transactions or activity. They will send communications detailing the changes of the plan and what to expect within the timeline. They'll do all the events over the weekend of the 22nd and then Sunday afternoon will turn it back on and will be active on the clients plans and access the new website. In the meantime, they will provide them an overview of the new plan, what's changing, and all the new investments. They will emphasize on what will stay the same. He noted that account owners will be able to keep their same account number and log in information on the website and all direct deposits or automatic contributions will be transferred over. He expressed they are feeling positive within the transition and do not expect many hiccups or questions as they expect this to be well received and feel like a refreshed look.

He went on to explain the highlights of the supplement for approval. He reviewed the formal document which is a supplement to the program description that outlines the timing, the new costs, and investments relative to the transition.

Motion to approve this agenda item and direct staff to works with Ascensus, JP Morgan, and Board Consultants on any outstanding items from Member Cano Burkhead and a second from Member Clinger. Motion passed unanimously.

- 5. For discussion and possible action:** Review and approval of the JP Morgan marketing and distribution of the Nevada Future Path 529 Plan and direct staff as appropriate.

Tricia Scarlata with JP Morgan provided an overview of the Future Path 529 Plan. She noted their team is always looking to achieve the best outcomes possible for each client's goals. They are proud of the name and the simplicity in representing the plan and their firm. There is a seamless integration with JP Morgan Asset Management branding in Guide to Markets and Guide to Retirement. She reviewed the timeline within the launch. They have a web page on their site dedicated to the Future Path 529 plan with information about the plan benefits, investment choices, literature, forms, and FAQs. They also have a one-page fact sheet, press release, announcements, and advisor emails. She expressed their excitement within this plan.

Motion to approve this agenda item and direct staff to works with Ascensus, JP Morgan, and Board Consultants on any outstanding items from Member Clinger and a second from Member Cano Burkhead. Motion passed unanimously.

- 6. For discussion and possible action:** Review and approval of the JP Morgan investment lineup of the Nevada Future Path 529 Plan and direct staff as appropriate.
- a. JP Morgan Presentation
 - b. Meketa Investment Group Commentary

Doug Polak with JP Morgan reviewed the investment lineup of the Future Path 529 Plan. He went over the enrollment portfolios and the asset allocation portfolios. They have observed that people

are very disciplined around investing. He reviewed that tuition inflation isn't going away but want to ensure that the return of the portfolios will provide the best outcomes for success which drive their diversification. He noted they use a passive and active blend within the lineup to provide additional alpha and category which is important to drive the returns that investors need to pay for education. In addition, they have been adjusting each of these portfolios to the current market condition. They will make the Board aware of the quarterly review and reports as it is important for the success of the plan.

Eric White with Meketa provided their analysis on this transition and noted that JP Morgan has done a good job in maintaining participants risk return profiles through the mapping process and feel confident.

Motion to approve this agenda item and direct staff to works with Ascensus, JP Morgan, and Board Consultants on any outstanding items from Member Stanfel and a second from Member Hager. Motion passed unanimously.

- 7. For discussion and possible action:** Review and approval of the Services Agreement in partnership with JP Morgan, the Board, and Ascensus and direct staff as appropriate.

Andrea Feirstein with AKF Consulting presented the Services Agreement and expressed their gratitude within the partnership with JP Morgan, the Board, and Ascensus. She noted that the agreement reflects their understanding in years of experience they've had advising entities on how to move forward with a contractual relationship. She discussed the Core Services noting that Ascensus would be the program manager entailing record keeping, custody, and administration for day-to-day operations whereas JP Morgan are the investment advisors/managers and handle the Distribution Services. She continued with the key components of the agreement. She noted they have decades of state-run investment program experience such as 529 and ABLE Plans. They understand program structure and Board oversight which is reflected in the contract. She noted the Board oversees all policy matters and provide strategic direction and delegate the day-to-day operations with staff. She went over the Legal Protections for services to be delivered with the law as fiduciaries. Conditions to launch, representations and warranties, and liability and indemnification are all part of the Legal Protections. They are confident that this contract reflects industry standards which puts everyone in a good position.

Motion to approve this agenda item and direct staff to works with Ascensus, JP Morgan, and Board Consultants on any outstanding items from Member Hager and a second from Member Clinger. Motion passed unanimously.

- 8. For discussion and possible action:** Direct Nevada State Treasurer staff to instruct SSGA in writing to liquidate all Program Assets and to send such assets to Ascensus on Monday, June 26, 2023 pursuant to the Services Agreement.

Ms. Van Ry presented this item. She referenced Agenda Item #7 and stated pursuant to Section 15 of the Services Agreement, certain transitional tasks must be completed prior to JP Morgan replacing SSGA, including the notification from the Board to SSGA to liquidate existing assets. She noted the recommendation to approve directing the Treasurer's Office staff to instruct SSGA in writing to liquidate all Program Assets.

Motion to approve this agenda item and direct staff to instruct SSGA in writing to liquidate all Program Assets from Member Clinger and a second from Member Cano Burkhead. Motion passed unanimously.

9. For discussion and possible action: Review and approval of the Future Path 529 Plan Program Description and Participant Agreement.

Ms. Van Ry presented this item and noted what Ms. Feirstein outlined in Agenda Item #7 is the legal offering document. She noted that the Treasurer's Office has worked closely with JP Morgan, consultants, and Ascensus to finalize this document which they are still working on some minor modifications but will present to the Board once finalized.

Motion to approve this agenda item and direct staff to works with Ascensus, JP Morgan, and Board Consultants on any outstanding items from Member Stanfel and a second from Member Hager. Motion passed unanimously.

10. For discussion and possible action: Delegation to Nevada State Treasurer staff on any final tasks and items for review and approval to facilitate the transition from SSGA to JP Morgan and the Nevada Future Path 529 Plan launch.

Ms. Van Ry presented this agenda item and stated that there are outstanding tasks and collateral that will need to be reviewed and approved. The team will work directly with the JP Morgan, Ascensus, and consultants on finalizing any of those outstanding documents in order to proceed with the transition from SSGA to JP Morgan.

Motion to approve this agenda item and direct staff to works with Ascensus, JP Morgan, and Board Consultants on any outstanding items from Member Cano Burkhead and a second from Member Stanfel. Motion passed unanimously.

11. Public Comment.

There was no public comment.

12. ADJOURNMENT.

Meeting adjourned at 9:50 am.