

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

## MINUTES OF BOARD MEETING

Thursday, December 14<sup>th</sup>, 2023

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### Location:

Via videoconference at the following locations:

Old Assembly Chambers	Governor's Office Conference Room
Capitol Building, Second Floor	555 E Washington Avenue, Suite 5100
101 N. Carson Street	Las Vegas, NV 89101
Carson City, NV 89701	

### Board members present:

Chairman Treasurer Zach Conine – Las Vegas  
Michael Rankin – Carson City  
Robin Hager – Carson City  
Donna Stanfel – Virtual Teams  
Lisa Cano Burkhead – Virtual Teams

### Others present:

Kevin Doty, Deputy Attorney General  
Kirsten Van Ry, Chief of Staff  
Lori Hoover, Chief Deputy Treasurer  
Tya Mathis-Coleman, Deputy – College Savings  
Troy Watts, Treasurer's Office  
Blanca Platt, Treasurer's Office  
Ariel Luke, Treasurer's Office  
Naomi Nevers, Treasurer's Office  
Itzel Fausto, Treasurer's Office  
KC Simon, Wealthfront  
Christy Miller, Vanguard  
Jonathan Kahler, Vanguard  
Matthew Kurimay, Vanguard  
Kay Ceserani, Meketa Investment  
Kevin McLaughlin, Meketa Investment  
Aysun Kilic, Meketa Investment  
Christopher Catanese, Ascensus  
Mannik Dhillon, Victory Capital  
Lance Humphrey, Victory Capital  
Caroline Churchill, Victory Capital  
Shan Dagli, Victory Capital  
Jennifer Fuentes, Victory Capital

Philip Eichinger, Victory Capital  
Thomas Allman, Victory Capital  
Scott Kefer, Victory Capital  
Jessica Campbell, Victory Capital  
Andrea Feirnstein, AKF Consulting  
Tricia Scarlata, JP Morgan  
William Bishop, JP Morgan  
Douglas Polak, JP Morgan  
William Bishop, JP Morgan  
Liz Farrell, JP Morgan  
Nikki Williams, Wealthfront  
James Sparks, GRS Consulting  
Judy Minsk, Putnam  
Stewart Duffield

**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.

**Consent Agenda**

**3. For possible action to approve:** the minutes of the College Savings Board of Trustees meeting of September 21, 2023.

**4. For discussion and possible action:** the Ascensus program manager's report encompassing results for Vanguard, USAA, Future Path 529, and Wealthfront 529 plans for the quarter ended September 30, 2023

**5. For discussion and possible action:** the Putnam 529 for America program manager's report for the quarter ended September 30, 2023.

**6. For discussion and possible action:** the Nevada Prepaid Tuition Program activity report for the quarter ended September 30, 2023.

**Motion to approve the Consent Agenda from Member Cano Burkhead and a second from Member Hager. Motion passed unanimously.**

**Discussion Agenda**

7. **For discussion:** Staff updates
- a. Secure Act 2.0
  - b. Investment Consultant Contract
  - c. Marketing Contract

Chief of Staff Kirsten Van Ry provided a few staff updates. The first one references the Secure Act 2.0. The Secure Act 2.0 was enacted by Congress last year. Provisions of the Act allow for 529 Account funds to be rolled over into a Roth IRA. She noted that beginning next year, 529 account funds can be rolled into a Roth IRA and will not be subject to income tax or penalties as they would be today. There are a few restrictions on this new provision, which include: A \$35,000 lifetime limit of utilizing 529 account funds per Roth IRA; Funds can only be rolled over into a Roth if the beneficiaries of both accounts are the same; The 529 account must be at least 15 years old when the rollover occurs; Contributions and earnings made into the 529 account within the previous five years are not eligible to roll over into the Roth; and Rollovers are still subject to the annual maximum Roth IRA limit.

She then went over the Investment Consultant Contract noting pursuant to NRS 353B.370, this Board is responsible for awarding contracts for services supporting the College Savings Plans. The current investment consultant contract will expire come December of 2024. It was just reapproved and there was an optional one-year extension in the contract. She noted that BOE just approved it on Tuesday. Accordingly, they will be working with State Purchasing on publishing an RFP for those services early next year and keep the Board apprised of the progress.

The next update is regarding the Marketing Contract which expires January of 2024 which is currently being worked on. There's a number of state contracts that State Purchasing published in RFP. She noted earlier in the year for MSA, so there are some statewide contracts where they're working with those identified MSA holders to bring on a few new marketing firms to provide those services. She stated they will hopefully have someone on boarded early next year.

**This is an informational item only and therefore did not require a vote of the members.**

8. **For discussion and possible action:** the Prepaid Tuition Program annual actuarial valuation report as of June 30, 2023.

Ms. Van Ry provided background on this item noting, each year the Board conducts an actuarial review of the Nevada Prepaid Tuition Program's Trust Fund. This review provides valuable insight for the Board into the financial health of the Program, as well as indicators for pricing and Program operations. This year, the review concluded that the Prepaid Tuition Trust Fund is currently funded at 227.5%. She noted representatives from GRS, who conducted the actuarial review, were on the line to answer any questions.

**Motion to approve the agenda item from Member Cano Burkhead and a second from Member Stanfel. Motion passed unanimously.**

9. **For discussion and possible action:** Annual marketing update and overview
- a. State Treasurer's Office
  - b. 529 Partners

- i. USAA 529 Savings Plan
- ii. Wealthfront 529 Plan
- iii. JP Morgan Future Path 529 Plan
- iv. Vanguard 529 College Savings Plan

Deputy Treasurer of College Savings Tya Mathis-Coleman provided an overview on the Treasurer's office marketing initiatives over the last year. Using the momentum of their successful social media and online presence in 2023, they focus on finally curated content and maximizing social media advertising. These efforts distinguished their target audience and increase engagement universally by 41% on Instagram and their website clicks are up to 40%. She reviewed for paid advertising they identified and focus on high performing topics across each platform and by focusing on the topics that created the most traction among users they continue to see growth across on all platforms. Impressions are up by 18% and engagement rose by over 1000% this year. They prioritize inclusivity and broadening their reach, and several programs were updated and successfully completed. They created assets for the Back-to-School and Winter Resource Fair, which will take place next Monday. They also worked on the Annual Art Contest, the upcoming Women and Money Summit, and their 25th anniversary for the prepaid campaign. She noted on page 131 on slide 4, the charts show the increase in their website traffic from 2022 to 2023 with heavy utilization during those back-to-school months. She reviewed the top chart is a fiscal year to date, year over year, and the bottom is calendar year to date, year over year. In the fiscal year, there is an increase of 12%, which is approximately 12,000 new visits, demonstrating the impact of their marketing and social media for the division. She stated they had great public relations performance this year, making nearly 7,000,000 total impressions and holding a sum value of more than \$350,000. KDC diligently drafted press releases, pitches, media alerts, event recaps, and captured event photos, and also secured several publications as well as locked interviews throughout the states, media outlets. She noted interviews, and articles are invaluable because as a division they are not only building relationships but are elevating overall brand visibility as they continue to increase brand awareness. They will continue to host both in person and virtual events that are both informative and engaging moving forward. In the spring, they will host their second Women Financial Summit in March of 2024. They will also celebrate their graduates, host their third back to school fair, and gear up for their 4th annual Art Contest. She expressed they are excited about their work and are optimistic about their marketing vision moving forward. They are in the process of reviewing presentations and proposals from various marketing vendors throughout the state and their division is working to identify which marketing vendor would best fit their needs moving forward. She noted in the future, if anyone has any questions, she encouraged to reach out to herself or their marketing coordinator, Troy Watts.

Head of Education Savings Scott Kiefer at Victory Capital noted he is joined by his colleague Jessica Campbell who leads their channel distribution on the marketing side, as well as members online representing sales and other leadership positions. He provided a couple of brief high-level overviews of the objectives of their 529 plan as well as some of the marketing and business goals. Ms. Campbell will then provide a little bit more detail on what they have accomplished in calendar year 2023 and what they look to accomplish in 2024. He referred to slide 137 in the materials and noted in terms of their objectives their primary goal is to provide access to Victory's institutional grade investment capabilities but combine that with high levels of service through a robust digital offering as well as access to licensed investment professionals who are there to provide guidance to their clients, answer questions and help them achieve their savings goals. He reviewed slide 138 noting their first goal is to drive new account growth and also look to deepen the relationship they have with existing clients. They accomplish that by providing the high level of service as well as

educational content and the ability for clients to reach them for questions about trying to navigate their savings goals around education. Lastly, they want to provide all of this with a particular focus on serving the military community both in the State of Nevada as well as throughout the country. Ms. Campbell stated she is the Head of Channel Marketing for Victory Capital and also leads the team that markets the USA 529 Education Savings Plan. She thanked the Board, Treasurer Conine, and staff for especially having them in person. She walked through 2023 marketing activities for the plan. She noted that the focus in the first half of the year was on deepening existing relationships, elevating the brand and enhancing the investor experience. They did this by focusing on their plan campaigns. In March they had their investor campaign, and also had their 529 campaign. On top of that they spent a lot of time and thought into revamping their 529 pages and the navigation on [vcm.com](https://vcm.com) to make it easier and faster for people to find what they're really looking for. She then reviewed they were certainly busy in the third quarter of doing a fully automated campaign around College Savings Month which was a bit new to them. In the past, they've leaned more heavily into back-to-school and did more of a social campaign around that. Their theme was to launch and boost education savings. She stated they executed on tactics like email, web, social, proactive outbound calls, but also worked collaboratively with the State of Nevada. Across their campaigns, they continue to see some great investor engagement. What they saw were upwards of 60% and opens in some segments, 80% opens and solid click through rates as well. One of their main calls to action for this College Savings Month Campaign was to increase (AIP) which is an automatic investment plan. During the life of the campaign, they saw about 1,500 new or increased AIP's. She noted their collaboration with the State of Nevada as social media is another great example where they've been able to partner together to reach more Nevada residents. Specifically, they did an Instagram and Facebook collaborative posts located on both the state's page and their own page. She stated this has increased their engagement with the state and look forward to more partnerships like that. She went over their in-person events that they've been able to attend in Nevada in August, which is one way for them to get their boots on the ground to further their commitment to the military community, particularly in this state. They look for these opportunities as a way to educate and personalize the experience for folks that they believe could benefit from a plan account like USA 529 Education Savings Plan. She noted they did web incentive programs where each of these efforts have been critical in the overall experience for their investors and for these campaigns that they do. She noted they haven't wrapped the fourth quarter yet. They are in the middle of one of their favorites and probably one of their most successful campaigns in the past and that is the holiday Ugift campaign. With this they complement the benefits of the USA 529 Education Savings Plan with the Ugift program and by doing so, they make it really easy for people to take action. With heartwarming imagery, they remind investors how important it is to save for loved ones. One thing they did differently in the fourth quarter before the holiday campaign is they warmed this audience with what they're calling the year-end review which is a mini-Fall themed campaign reminding current investors what they've achieved throughout the year. They did this through the AIP contributions that they made to stay on track with how many beneficiaries are using the 529 plans to achieve their educational goals to help them ease into the holiday season. She reviewed they have more in person events such as the Nellis Air Force Base Frost Fest, which was last week.

Mr. Kefer went over the Distinguished Valor Matching Grant Program which is one of the important ways they look to serve the military community here, particularly in the State of Nevada. He reviewed this is a matching gift program where Victory will contribute up to \$1,500 over 5 years in matching donations as members contribute to their own plan only to military here in the state. Last quarter the Board approved their recommendations to enhance that plan. Those enhancements are designed to make that grant available to more military members. They just began promoting it

in late November. The enhancements were promoted through email, paid social, and another example of collaboration with the state. They put together a joint press release and thanked Treasurer Conine for contributing to that shown on page 143 of the materials. That press release was able to be further amplified through Nevada media as well as through the military connections and social relationships that they have. He noted they are still collecting data on those campaign efforts and applications are not due back until later in the month, however they have already seen record numbers of unique visitors hitting the Distinguished Valor Matching Grant web page and look forward to sharing some updates in the future.

Ms. Campbell expressed that the Matching Grant Program is a great tool and big step with the expansion for all parties involved and importantly the Nevada military community. She stated they will continue to build upon the partnership with the state and continue monthly meetings to discuss and optimize marketing efforts with Mr. Watts and teams. They provide collateral for educational purposes and enjoy participating and attending in-person and virtual events. She noted they also send supplies to the state and staff to help advocate for their plan. For 2024, they've put together high-level tactics, maintaining their momentum where they think and feel impact is most successful will be the most important. This includes their fully integrated campaigns, events, their partnership with the state, and focus on their investor experience. She concluded the overview stating they look forward to growing their partnership and thanked everyone for listening.

Director of Product Marketing KC Simon with Wealthfront provided a brief background of their marketing strategy which is to attract new clients through broad cash management advertising for their various investing accounts. In 2024, in today's high interest rate environment, the vast majority of advertising has been focused on their cash management account and have seen a lot of success bringing people in the door as well front clients with high interest rates and the cash management features that clients love. She noted that their target audience is more of a digital native millennial audience. They are delighted by the user experience and all the product functionality that they have; therefore, the rest of their strategy is to introduce them to additional services as their needs expand. This age group is planning for college top of mind and 529 fit directly into their current set of financial needs. All of investing products introduced to them to 529s primarily, through life cycle content and educational content after they've joined for one of the cash management accounts. Whether saving for the near term or investing for future, they use technology to help build wealth on your own part. She noted a few examples of their top of funnel advertising strategies. The channels they show up include podcasts, affiliates, paid social, paid search on Google which leads with a very high API. That's been an effective strategy on channels like paid social to grab the attention of people who are not actively looking for financial solutions at that time. Once clients are more engaged with Wealthfront as a brand and their content then they were able to introduce them higher complexity and consideration products such as investment accounts. For the 529 account specifically, their strategy is to use fairly targeted paid and organic content. They rely heavily on paid search and folks that are actively shopping for 529 accounts. In 2024, their plan is to have a refreshed college savings page. She reviewed over the last three months; the performance is fairly low balance rate and healthy duration of engagement with that landing page and lifecycle content. They'll continue to deepen and expand their relationships with new clients, introduce them to other offerings, including the college account. She expressed they are excited about the opportunity to grow account adoption in 2024. They are responsive to what clients are out there looking for in different macroeconomic environments.

Member Hager inquired about how many new clients this is driving and what they are getting out of these marketing campaigns.

Ms. Simon stated she is happy to follow up on those numbers. She restated that bringing new clients in right now has been focused primarily on cash management in 2023 and driving new investing account adoption has been primarily with existing clients who are coming through the cash management account.

Mr. Kefer noted in general they are seeing their efforts on a gross account basis which drives about 1,000 new accounts every month. Each of those campaigns would be contributing a different portion to that. He noted that overall, that's about the average gross on new accounts that they see on a monthly basis.

They continued on to the JP Morgan presentation. Tricia Scarlata stated they are ready to turn six months old with Future Path at the end of the month. She noted they are a little too early in the game to determine the number of new clients. Their current focus for marketing is brand awareness by getting the word out internally to their sales force training, but also externally to their broker dealer partner firms and the advisors across all three channels being banking, independent broker dealer, and wealth management channel. Their focus is getting out there as much as possible, whether it be through social, web, advertising, and leadership. She noted they certainly hope as time goes on, they'll be able to share more of that information. She stated she is joined by Liz Farrell who runs their marketing for the Future Path Plan. Ms. Farrell stated it's been an exciting six months since the launch of the Future Path Plan. She provided a review of the marketing that they've done since that time and a preview of what to expect moving into 2024. She reviewed their primary goal from a marketing standpoint is building the Future Path and generating that awareness among financial advisors. As part of the launch, they've developed the name, the logo, the creative look and feel of Future Path. They have created both consumer and advisor materials for the launch. She noted they have a consumer brochure and have a shortened version of that brochure for people who don't want to go into too many details. She noted they have promoted this among their eligible financial advisor audience, and she announced with excitement that they've had 90,000 marketing engagements since launch across their digital components. They have a fast fax document which provides a more in depth look at planning components. They have created presentations and resources for the JP Morgan Asset Management Sales Team to have conversations with those financial advisors. They have a wealth of resources to talk to the advisor audience and clients. They have their website destination and a hub on [jpmorganfunds.com](https://jpmorganfunds.com), a 529 hub, and a Nevada landing page. Under [jpmorgan.com/future-path](https://jpmorgan.com/future-path), is the destination. At launch come last June, early July, they had PR promoting the introduction of the plan, promotion on [jpmorganfunds.com](https://jpmorganfunds.com) homepage, on their app, and also had posts on their JP Morgan Asset Management LinkedIn handle which has half a million followers. On a firm-by-firm basis, they now have a digital launch toolkit and have been using this with firms as they've been on boarded to the plan and this includes a series of emails. They have an on-demand webcast that they've recorded and are promoting which feature Tricia Scarlata and Doug Polak. They also have paid search on. She noted that their thought leadership program is centered around college planning essentials which is a guide and is updated annually with a series of charts. They are approved for consumers but meant to be used by financial advisors to have conversations with their consumers to talk about the importance of saving for college and but also starting to save for college early. She expressed it is a great resource that helps financial advisors have those conversations with their clients. They have an article called the Latest Developments in College Planning that was very successful and launched last month. The article is on [jpmorgan.com/collegesavings](https://jpmorgan.com/collegesavings). This piece broke down some of the changes that are taking place in the college planning space and simplified what it means to consumers so most notably, restarting of student loans, which

happened in October, and the introduction of the revised form. She expressed it is great information for financial advisors and consumers. They held a webcast featuring Ms. Scarlata earlier this month and had nearly 1,100 financial advisors on that call. They have had a tremendous response which speaks to the importance of being timely and when these confusing things are happening, financial advisors are turning to JP Morgan Asset Management which allows them to them talk to them about future plan. Looking forward to 2024, they plan to continue to broaden awareness of Future Path among financial advisors. They are planning to ramp up marketing touch points, in particular when college planning is top of mind. As firms are onboarded, they will continue to promote the launch of the plan, promote that on demand webcast, and the other elements that they have on Future Path. Lastly, she went over the breakdown of some of the marketing levers at disposal that they will be using. College Planning Essentials launches in February, so they are working on the marketing campaign to promote that. They are also working closely this year and into next year with their Retirement Insights Program. They have The Guide to Retirement and Retirement Insights is another flagship program that JP Morgan Asset Management has and wanted to take advantage of those opportunities where they have the attention of a like-minded audience to talk about the importance of saving for both retirement, education, and college. They are looking for ways they can integrate the conversation more and more moving into 2024. From a digital event standpoint, this is something that's a key mechanism for them to reach financial advisors. They get on average around 400 advisors on these calls, even more if it's a timely topic and this is something they plan to implement during those timely college savings seasons of the year along with their own digital components that they have.

Doug Polak with JPM noted that when they are doing the webcasts, when they are out in the field talking with advisors, they are being very commercial around how the investment proposition is very distinguished in the marketplace. He reviewed when they took over all passive plan of SSGA, they added some active management at the same fee level, restructured the glide path to be more appropriate to how participants are investing, also adding a degree of active allocation in their vernacular that is lowering risk. They are trying to de-risk the plan and even in the short period of time, maintaining capital visa vie the benchmarks. He noted in November, markets boomed and the same thing happened where positive returns. That first portfolio, the most aggressive portfolio was actually up mid 4%, well above of the benchmark. When going out and talking about the plan, they are talking about broad diversification, active asset allocation, talking about the introduction to active management, which makes a difference in both returns as well as risk management. Advisors like to hear that they are tuning the portfolio and all the participants that are in this portfolio to market conditions. He noted that markets are booming and want to make sure they are making those adjustments. They will continue to provide these kind of themes and updates for the portfolio every quarter.

Christy Miller with Vanguard is the lead of their State Relations Team and Education Savings. She expressed they are grateful for this partnership and the opportunity to have this plan available to their investors to help them meet their education savings goals and a big part of that is ensuring that they are making that awareness known to them about the need that they have as well as the solutions that they can afford to them.

Matthew Kurimay leads their marketing efforts on the 529 side at Vanguard. He provided a quick overview into the year from the past fiscal year and then discussed more about what their strategies are for the coming year. They are excited to see the growth and the continued commitment from Nevadans and those across the country and thinking about their education savings. They think about growth of the plan in a couple of different ways. One, there's the organic growth and what's



coming into the plan. They saw about 42,000 new accounts come into the plan during the year. On the marketing strategy end they drove just under 10,000 new accounts into the plan during the year and beat their internal goal by about 10% and made up about 23% of the total growth. The growth numbers and the strong results that they've seen is largely due to their strong conviction in that awareness and education focus helping people make that decision, giving them the right pieces of information through a full suite of tactics and marketing campaigns is really helping drive those outcomes. Within the 2023 themes, they continue to see strong results from their spend. Approximately a little over half of their new accounts come from the paid space, mostly in the paid search and savingforcollege.com banner space. They have an opportunity to continue to enhance the journey and the content that people are going through when they're thinking about a 529 plan. They worked on a road map earlier this year. They want to make sure that they are providing the right info, tools, and the proper support to make sure people are making the right decision on their education savings goals. He noted they have spent a lot of time thinking about how to better target clients and how to send them the right types of content where they are in their journey. They are also starting to use more of proprietary research to help support decision making, help support what the goals are for saving, and really making sure that clients, prospects and the clients feel supported by that. One of the things they are most excited about within this section is the use of their proprietary propensity model. This propensity model ranks current Vanguard clients without a 529, have a presence of a child in the household, and who's most likely to convert in the next six months. They are currently testing messages to increase that higher than average conversion rate by data and experimentation to better understand those populations. He noted from their last 2023 theme was around continuing to build the foundation and this theme surrounds how to automate messages, how to make sure they always have on content when going to the Vanguard site, and how to nudge them. They ensure to focus more time and attention on the targeted messages and audiences that are put into market. He reviewed there are more than 22 million of millennial parents and that number continues to grow. They have about a 1.5 million cross cell population within Vanguard that are currently retail or personal investor clients. The second audience he discussed was the grandparent audience in which they will be diving into further in 2024. They're spending \$180 billion on their grandchildren year and not a lot of that is going towards education, so it is a huge opportunity. He noted they will need to consider the feelings of the Gen Z parent side as well which is an emerging group. They are taking quite a bit of the insights to take the differences into consideration when thinking about what they're putting into market. They are trying to make sure they are being as proactive as possible in these spaces to help them make that decision to help them meet their journey. They want to be present across multiple platforms, whether that be through paid spend or through [vanguard.com](https://vanguard.com). He noted that the expansion of the automation is very important because as they continue to meet for information, it provides that opportunity to make sure that they are fully supporting the client and helping them meet their goal, whether it be opening a new account or whether it be contributing more to an account. He stated they are working on refreshing the digital experience. He noted they have a team that has made quite a heavy investment in thinking about the journey from prospects and account owners. It's called the Client Experience and Digital Team, and they're solely focused building intuitive interactions to help people meet their goals and be able to complement marketing strategy by streamlining the experience. This investment is in its early stages and have begun with their account owner hub and the real benefit to clients are to centralize the education savings content, actions and information. As they move forward and beyond MVP, it's really about helping them set goals and can do a better job helping them determine what those goals are. With the different types of hubs, it's a better way to know who they are because they'll be logged into their experience and can support them with content or custom pieces of information that will help them

drive that experience. From a 2024 standpoint, they feel confident that continuing and building on this excessive 2023 will give a real strong head start to the 2024 year.

Treasurer Conine inquired about the 77% of accounts that were coming from places other than the marketing channels.

Ms. Miller responded that they are coming from organic growth from their existing client base and some from peer prospects as well, but mostly from existing clients.

Ms. Van Ry reviewed that Putnam is merging with Franklin Templeton Investments and decided to roll their marketing update to an overall 529 update after the merger with Franklin to the February board meeting.

**Motion to approve the agenda item from Member Stanfel and a second from Member Hager. Motion passed unanimously.**

**10. For discussion and possible action:** the Nevada Prepaid Tuition Investment Monitoring Report prepared by Meketa Investment Group for the quarter ended September 30, 2023.

Kay Ceserani with Meketa introduced Aysun Kilic who will also be joining the Meketa team along with Kevin to support going forward. Ms. Kilic began on page 173 of the materials. She stated she looks forward to getting to know all and provided an update on the economic and market environment. She started with the key market indicators and noted they watch these because they help gauge the overall health and the growth of the economy, which in turn can help can determine some of the policies and the market behavior. Some of the most commonly utilized indicators include the quarterly real GDP which helps measure the rate of economic growth. She noted that the US economy has been more resilient than expected, posting positive numbers. The US unemployment is a number they measure and gauge closely because it can predict rising inflation. US unemployment remains strong, and it is one of the key indicators being watched by the Feds and the market for what will likely unfold in 2024. US inflation has been on a downward trend, that appeared to affect the fit decision of keeping the rates constant. Lastly, the US yield curve looks at the yield versus the maturities of various debt instruments, the most closely watched part is 2 versus 10 and that part remains inverted but often an inversion in the yield curve can mean an upcoming recession. She expressed going into 2024, it's been a tug of war between inflation versus economic resilience and will see more of that unfold next year. In terms of the market update the markets were between equities and fixed income, and a lot of components were down for the third quarter. In terms of a quick summary, the quarter started strong with July more pivoting to a soft landing and then later in July, the Fed raised for the last time this year another 5% range, which seemed to take a toll on the markets in terms of shifting from soft-landing to higher for longer. This caused a broad sell off in the markets in August and September, causing the overall quarter to be negative in terms of returns, both equity and fixed income, which is not a correlation they like seeing and one diversifier was commodity index, which is not as commonly utilized that was benefiting from the energy spike. She went over some common themes, no emerging markets outperformed US that outperform developed non-US and then year to date growth and especially large cap growth has been very dominant in the markets. For the quarter value had a brief comeback, particularly in the mid and the small CAP segment of the market.

Ms. Ceserani went over the performance for the quarter of the total portfolio gross and net of fees versus its benchmark as well as versus its peer group. At the end of the quarter, there was about \$378 million in the portfolio that was slightly down from last quarter where it was \$392 million. Year to date, the portfolio was still up from a dollar perspective, it's up \$39 million. Performance was -3.3% gross of fees, -3.4% net of fees which slightly underperformed the benchmark for the quarter and then looking out over long periods, the performance is quite strong in the double digits over one year, 12.9 net of fees outperforming the benchmark of 12.8 by 10 basis points or .1%, and the outperformance grows by ten basis points over each of the different periods. The performance is driven by active managers, where in this case there are two within an active manager in the fixed income space and then an active covered calls manager. Those two managers really dictate how the fund does versus its policy benchmark. This quarter the Fixed Income Manager Garcia Hamilton underperformed by 1.6% and the Covered Call Manager Glenmede outperformed by 1.6%. The fixed income manager has a slightly higher allocation of the portfolio at 27%, while the covered calls at 20%. This caused the deviation from the benchmark this quarter. Moving forward though, past the quarter performance improved, they're now closer in range. They've closed that gap to 50 basis points or .5% but still underperforming, therefore they will be continuing to monitor them. She went over the attribution that shows how the portfolios have done based on the managers that are held in the portfolio and it considers the weighting of each of the managers versus their policy benchmark and then determines how much of the over underperformance is due to being in line with the policy index versus security selection. She reviewed that Garcia Hamilton detracted 50 basis points and Glenmede added 30. She noted they are in line with the policy benchmark, with the exception of cash they have about \$2,000,000. The policy doesn't allow for any cash, which appears to be a common theme. Overall, even though the performance was down, the long-term performance continues to be strong and above the actual rate of return of 5.25%. She noted they are on the top of the heap in terms of funding ratio.

**Motion to approve the agenda item from Member Cano Burkhead and a second from Member Rankin. Motion passed unanimously.**

**11. For discussion and possible action:** the Nevada 529 College Savings Plans Investment Monitoring Report prepared by Meketa Investment Group for the quarter ended September 30, 2023.

Ms. Cesarani presented this agenda item and began on page 186 of the materials. She provided some high-level comments about the collective group of the five plans. There are about 60 funds in college savings program, 59 that they monitor and of those funds, 90% of them are in the positive or acceptable range. She expressed this is phenomenal as they don't typically see that across their other client base. She gave kudos to all and partners with that regard. She also noted there are a few in the caution and watch categories. Over half of the ones that fall into the caution or watch are either passively managed international funds, international equities or international bonds and those type of funds will hit either the caution or the watch list due to some operational issues in terms of how they're managed and fair value pricing for the international equity. For bond funds, those tend to deviate from they're tracking and tends to be a little bit higher due to the way they're put together, which is called a sampling approach because the bond markets so big, it's hard for bond managers to go out and buy every single security. They are buying securities at a lower number to replicate the index that they invest or that they're trying to match which can cause some deviations as well. She noted that this leaves with only three funds that hit the watch list. For Vanguard, there's 15 funds in the program, 80% of those are either positive or acceptable. With

the three funds that fall into that caution or watch list, only one of them, is an actively managed fund, the Vanguard US Growth Fund. That's been on the list for 21 months and last quarter took off one fund that being the STAR fund. Mr. McLaughlin spent time talking about the US Growth Fund. He also went over the USAA fund which are all in positive or acceptable status and three of the funds improved over the quarter. They all improved to positive for the Putnam Fund where there's 14 funds of the 14 to qualify for watch. the Putnam Large CAP Growth fund and then the Federated Hermes Short-Int. Government Bond fund is newly qualifying this quarter and as shown in their memo. She noted the Wealthfront and the JP Morgan programs are doing really well. The Wealthfront fund that's on the caution list is one of those international equity funds she mentioned and same for JP Morgan, the one that technically qualifies for watch is the same situation with that fair value pricing that impacts the tracking error. On page 203 it lists all the funds for reference. They have an age-based universe and a year of enrollment universe, where they divide those up into nine different groups based on the age or vintage of the portfolio. The goal is to have a high return with a low level of risk, but mostly have a better return than the median because everybody has a slightly different risk profile depending on how much equity they have. She stated that they portfolios look real good during the different time periods.

Mr. Kevin McLaughlin went over the three funds that are on the watch list starting with page 220 of the materials. At the end of the third quarter, two funds remained on watch status. One fund is being recommended to be removed from watch status and another fund is being recommended to be added to watch status. The one that remains on watch is the Vanguard US Growth Admiral Fund, which continues to qualify for watch as its 36-month access return has been below the -1.5% threshold for six or more consecutive months. Year to date, poor stock selection within the communication services, financials, healthcare and consumer discretionary sectors has all been detractors from performance. The next one that continues to qualify for watch status is Putnam CAP Growth Fund and this fund has been on watch status for about six months and continues to qualify for watch status as its 36-month access return has been below the -1.5% threshold for six or more consecutive months. The next fund they are recommending from the Putnam program to be added to watch status and is the Federated Hermes Short Intermediate Government Fund and this qualifies for watch status because it's 12-month access return has been below the -.75% threshold for six or more consecutive months and a little bit about the performance on that. Throughout the third quarter and the start of 2023, the fund's longer duration stance relative to its benchmark has been a key detractor from performance therefore, they are recommending that it be added to watch status. Lastly, they are recommending that the Putnam Income Fund program be removed from watch status. This fund no longer qualifies for watch status as both its short- and medium-term performance are above their respective thresholds. The fund has outperformed its benchmark, the Bloomberg US aggregate by .4 and .6%, respectively over the latest quarter and one-year period. He summarized that the only changes they are recommending are the addition of the Federated Hermes Short Int. Government Fund and the removal of the Putnam Income Fund from watch status.

**Motion to approve the agenda item from Member Hager and a second from Member Stanfel. Motion passed unanimously.**

**12. For discussion and possible action:** Vanguard presentation on the 2023 investment review and recommended changes.

- a. Vanguard Presentation
- b. Meketa Presentation

Ms. Miller provided an overview of both the glide path as well as the standalone investment options which are the single asset portfolios and then the multi asset class portfolios. On page 240 she noted the layout of framework through which they considered the standalone options in the plan. About 50% of the plan is in the glide path and the other half they have static multi asset class portfolios. They offer the building blocks of those portfolios as individual options for folks that want to build their own, and they also have supplemental options. They are looking at a size and style coverage since they do not have the age base glide path any longer. They are looking at multi asset class products in alignment to Life Strategy Funds, which is their other multi asset quest products that are available more broadly across Vanguard. They recommend a few additions to add a short-term bond index lineup to help folks that want to build their own portfolio and have a little more influence over their iteration. They also want to add a Core Bond fund, to give a bit of a complement to broader total bond market index offering, adding an ESG screen product for additional core equity exposure that would be their FTSE social. They are also recommending removing a couple of products such as the High Yield Bond as well as Inflation Protected Securities as part of historical glide path builds that were never a retired. They don't see a high amount of usage and think the other short-term options that are available in the plan are more effective. As far as multi asset portfolio recommendations, it is a bit hard for individuals to reconcile now since there's no anchor and will make changes to the lineup. One is reducing equity steps, so as opposed to having 25% changes, making that a 20% change, they are making sure that no one experiences a change of more than 5%. She noted within their life strategy products, these allocations will now bring these portfolios in line in terms of naming convention as well as allocations to those other Vanguard products. They are recommending removal of the STAR fund portfolio and focusing on the revised multi asset lineup for the future. She noted they generate, between 40,000 and 60,000 new accounts a year. They are shy of 600,000 accounts in there, so while 60,000 is a very high number in the context of the broader plan, the impact is limited much more than their glide path change. They are taking all the current speed impacted portfolios and showing what the assets are in accounts and considering the changes to come. She stated they have a very thorough communication plan to all account owners, not just those that are impacted so that everyone would be aware of what the new offerings will look like. They have thoughtfully built in opportunities for engagement with the staff around approvals as well as abilities to validate what's happening which enables oversight, provides a clear road map, have regular check-ins throughout, and then also include data sharing. This will provide good oversight and documentation of who's moving from where and confirming that they landed at the conclusion of the product where they would were supposed to be. They will offer this multiple times throughout the project and as well as the conclusion. She mentioned Jonathan Keller was on the line at the meeting and his team will be involved throughout this. These points of validation happening with staff they'll also be doing that internally.

Ms. Cesarani reviewed they met with Vanguard to go through the changes and walk through in detail the similar report as discussed to allow to ask their questions and get some understanding of what they're proposing. She noted that the line of the different static options makes a lot of sense and think it's a good one in terms of making the changes so that the equity changes between each of those options is closer than it was now. They provided a memo that writes up their analysis on page 266 of the report. With the data given they then push it through their asset allocation model and see what do with the changes proposed. She noted they also have the information in a table form on page 267 and then have a write up in terms of conclusion, which is to agree with the recommendation from Vanguard as presented to remove the STAR fund and make the changes to the single funds and the static options.

**Motion to approve the agenda item from Member Rankin and a second from Member Stanfel. Motion passed unanimously.**

**13. For discussion and possible action:** Calendar year 2024 College Savings Board of Trustees Meeting Schedule

**Motion to approve the agenda item from Member Cano Burkhead and a second from Member Stanfel. Motion passed unanimously.**

**14. Public Comment.**

There was no public comment.

**15. ADJOURNMENT.**

**Meeting adjourned at 11:37 am.**