

THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA

MINUTES OF BOARD MEETING

Thursday, October 23rd, 2025

Location:

Via videoconference at the following locations:

State Capitol Building, Guinn Room
101 N. Carson Street, 2nd Floor
Carson City, NV 89701

Governor's Office Conference Room
1 State of Nevada Way, 4th Floor
Las Vegas, NV 89119

Board members present:

Chairman Treasurer Zach Conine
Michael Rankin
Donna Velez
Lisa Cano Burkhead

Others present:

Nicole Ting, Deputy Attorney General
Kirsten Van Ry, Chief of Staff
Lori Hoover, Chief Deputy Treasurer
Tya Mathis-Coleman, Deputy Treasurer– College Savings
Sandra Diaz, Treasurer's Office
Troy Watts, Treasurer's Office
Blanca Platt, Treasurer's Office
Sandra Diaz, Treasurer's Office
Naomi Nevers, Treasurer's Office
Kristina Ramirez, Treasurer's Office
Saleena Stanbra, Treasurer's Office
Itzel Fausto, Treasurer's Office
Aysun Kilic, Meketa Investments
Kay Ceserani, Meketa Investments
Henry Lopez, Meketa Investments
Caroline Churchill, Victory Capital
Jennifer Walker, Vanguard
Chris Catanese, Ascensus
Tricia Scarlata, JP Morgan
Doug Polak, JP Morgan
Jacklyn Tarapacki, JP Morgan
Elizabeth Farrell, JP Morgan
Gregory Starita, JP Morgan
Nikki Williams, Wealthfront

Jonathan Kahler, Vanguard
Alex Michalka, Wealthfront
Jessica Campbell, Victory Capital
Christa Diserio, Victory Capital
Lela Dunlap, Victory Capital
Scott Kefer, Victory Capital
James Sparks, GRS Consulting
Sabrina Schnur
Thomas Allman
Carlie Cope

1. Roll Call

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

Member Hager is absent excused.

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 July 10, 2025.
- 4. For possible action to approve:** the Ascensus program manager's report encompassing results for Vanguard, Victory, Future Path, and Wealthfront 529 plans for the quarter ended June 30, 2025.
- 5. For possible action to approve:** the Nevada Prepaid Tuition Program activity report for the quarter ended June 30, 2025.

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

Discussion Agenda

- 6. For information:** Staff updates
- a. Big Beautiful Bill
 - b. Victory investment changes implementation
 - c. Vanguard 500 Index

Chief of Staff Kirsten Van Ry provided some staff updates noting a few changes to 529 plans that occurred as a result of the passage of the federal Big Beautiful Bill. Specifically, to K12 expenses the legislation expands the use of 529 plan accounts to include ancillary K12 education expenses

to items such as tutoring textbooks test fees etc. This is applicable to distributions after July 4th of 2025 and then likewise beginning in January, the allowable annual limit for K12 expenses will increase from \$10,000.00 to \$20,000.00. The legislation also expanded the use of 529 plan accounts to include expenses related to post-secondary credentialing programs such as skilled trades and professional licensure exam courses. Finally, the bill removes the December 31st, 2025, set date for tax free rollovers from 529 accounts to able accounts ensuring these benefits remains in place permanently.

She reviewed that during the July 10th meeting; the board approved two changes to the Victory 529 plans investment lineup specifically the addition of the Pioneer International Equity fund and the Pioneer Strategic Income fund. She noted that the trades were placed on Tuesday of this week and everything was executed without issue.

Regarding the Vanguard 500 Index portfolio, she updated that during the board 's April meeting they approved the move from the Vanguard Institutional Index fund to the Vanguard 500 Index fund which resulted in a one-basis point fee reduction and this change was also recently implemented without issue.

This agenda item is informational only and therefore does not require a vote of members.

7. For information: 2026 Prepaid Tuition Program Incentive

Deputy Treasurer of College Savings Tya Mathis-Coleman presented the upcoming open-enrollment season incentive campaign noting the College Savings Division is launching a targeted referral initiative aimed at driving program growth and to reward both their current members and any new participants. Under this structure, current members will receive a \$100 incentive for each successful referral, and newly referred participants will also receive a \$100 reward for opening a new account using the referral code during the campaign period. This dual incentive structure is expected to increase engagement, expand outreach, and reinforce the value of their prepaid program. They anticipate this approach will not only boost enrollment numbers but also strengthen community ties by encouraging word of mouth participation. They look forward to seeing the positive impact this campaign will have and will continue to monitor its performance closely throughout the enrollment period. At this time, they are not requesting any additional funding for this referral campaign as it will be supported through their existing marketing resources.

This agenda item is informational only and therefore does not require a vote of members.

8. For discussion and for possible action: Nevada Prepaid Tuition 2026 Master Agreement amendments.

Chief of Staff Van Ry provided a brief overview of this agenda item beginning on page 65 of your board materials. She noted this is the annual master contract for the Prepaid Tuition program. Staff have gone through and updated the pricing, any relevant dates, and other small cleanup items. There are no substantive changes in this document aside from the updated pricing approved by the board during the July meeting.

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

9. For discussion and for possible action: Fiscal Year 2024 Nevada Prepaid Tuition Actuarial Report.

James Sparks with GRS Consulting provided a high-level summary of the June 30, 2024 actuarial valuation beginning on page 104 of the materials. He noted the delay in finalizing financials, with the 2025 valuation expected within the next few months. The key highlights as of June 2024, are that the plan has approximately 10,500 active contracts, continuing a long-term trend of declining new contract sales. Plan assets total slightly above \$400 million, plus approximately \$25 million in future contract payments, for a total asset value of \$430 million. Liabilities total \$190 million, resulting in a surplus of \$240 million and a funded ratio of 226% (compared to 228% the prior year). He explained that strong investment performance, slower-than-assumed tuition growth, and slower-than-expected contract utilization have contributed to consistently rising funded status over the past decade. The plan realized a \$13 million investment gain above assumptions and a \$7 million loss related to tuition and fee inflation following a one-time tuition increase in December 2023. He noted that beginning this year, administrative expenses are now paid directly from the trust rather than the endowment fund, creating a one-time actuarial loss of approximately \$8 million representing the present value of all future expenses. Mr. Sparks reviewed that utilization of contracts has been slower than expected, consistent with national trends, possibly influenced by pandemic-related shifts in education timing and decisions. Tuition didn't grow as fast they would have assumed and people have not used their contracts as quickly, however, they are very strongly funded. He noted they are having conversations with staff about potential ways to maybe use some of the surplus and how they are able to better serve all Nevadans.

Member Rankin asked why contracts aren't being used as quickly as they thought.

Mr. Sparks noted it's not specific to Nevada as they have seen this with other prepaid claims as well. He explained that the utilization has been lower, they have been seeing higher refunding of contracts, and there are many numbers of reasons that it could be such as the pandemic. They think the cause was a large chunk of people reconsidering how they were going to college and when they went to college which threw a bit of a short-term shock into the system.

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

10. For discussion and for possible action: Nevada Prepaid Tuition Investment Monitoring Report prepared by Meketa Investment Group Inc for the quarter ending June 30, 2025.

Aysun Kilic with Meketa Investment group presented the quarterly report for the second quarter of 2025 noting the economic analysis, market and plan performance. She went over the key points stating the U.S. economy remains resilient with some signs of weakening which show US Unemployment in August was 4.3% and inflation was 2.9%. Markets experienced strong returns across most major indices. The prepaid portfolio increased in value for both the quarter and the year. Performance was strong across short, medium, and long-term periods and generally in line

with or above policy benchmarks and peer medians. She reviewed that Covered Call strategies provided modest downside support amid tariff-related volatility. Asset allocation remained within or near policy ranges. She noted that Vanguard fee reductions earlier in the year positively affected mid-cap and small-cap fund expenses. She also had a discussion regarding timelines for rebalancing out-of-range allocations and explained that staff and Meketa review allocations monthly.

Member Velez asked when they will expect a rebalancing with the allocations out of policy range in those sections.

Ms. Ceserani noted they work with staff on that and since it is a moving target, they do meet monthly and review things although she is not sure if they've rebalanced it or not. They will be looking at it again and they're not so far adrift that it's of major concern.

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

11. For discussion and for possible action: Nevada 529 College Savings Plans Investment Monitoring Report prepared by Meketa Investment Group Inc for the quarter ending June 30, 2025.

Kay Ceserani with Meketa Investments provided an overview of the 529 Investment Monitoring report as of June 30, 2025, starting on page 166 noting a good quarter. She provided a report for the direct and advisor plans. Over 90% of funds in both the Vanguard and Victory direct-plan programs are outperforming or positively rated. Three funds are recommended for removal from the watch list which are the Vanguard U.S. Growth Fund, Victory High Income Fund, and Victory Market Neutral Income Fund. Three funds will remain on the watch list due to continued underperformance that includes the Vanguard Windsor Fund, Victory Small Cap Fund, and JPMorgan ActiveBuilders Fund. She reviewed on the JP Morgan side, the JP Morgan ActiveBuilders Fund that has been on the watchlist for nine months did outperform over the quarter at 12.6 versus 12.0 and ranked in the 43rd percentile of its peer group showing improvement. JP Morgan has done well over the short-term, but the long-term criteria are holding it back. She reviewed the Vanguard Windsor Fund and the Victory Small CAP Stock Fund are both fund-of-fund approaches, meaning they have more than one asset manager managing portions of the fund. The Windsor Fund is managed by two funds, Wellington and Pzena. Wellington has the largest share with 70% of the assets showing it underperformed over the quarter by 40 basis points. The Pzena portion outperformed by 50 which caused it to underperform the position with Wellington. The Victory Fund is the one that underperformed the most. That one has five different underlying funds and four of the five underperformed over the quarter. The one that did outperform is Graham, which had strong performance, although it was the biggest laggard in 2024. She noted that Small-Cap underperformance is attributed to market conditions favoring large-cap and higher-quality assets amid tariff-driven volatility

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

12. For discussion and for possible action: Wealthfront 2025 Annual Investment Review.

- a. Wealthfront Presentation
- b. Meketa Commentary

Alex Michalka who is the VP of Research at Wealthfront, began the presentation by introducing himself and stated he has been running the Investments Research team for about six and a half years now. Before that he spent about six years at AQR Capital Management in New York. He has a PhD in Operations Research and also started his career in the fintech space at a very early stage startup. He noted that Nikki Williams is also present on the line, and she stated she is a manager on the Brokerage Operations team. She leads the 529 plan from outside and has been with Wealthfront for about six years now where prior to that was at Vanguard for eight years. Mr. Michalka provided a refresher and went over their investment review and recommendation to change one of the funds that they've been using. He noted they attract high-performing engineers, data scientists, and investment professionals. They focus on digital natives, which are the younger generations that are more comfortable with technology and prefer using an app rather than talking to a live person on the phone. They projected the wealth of digital natives which are considered millennials and GenZ, is estimated to grow at an annual rate of 11.3% from \$12 trillion in 2022 to \$140 trillion in 2045. This approach has been successful as they have over \$1.3 million clients have entrusted over \$90 billion of their savings. He went over the onboarding process through the program within the glide paths and asset allocations changing over time. He reviewed the investment selection where asset classes are diverse and global. They use a selection of equities and ETFs and track benchmarks closely. They also use mean-variance optimization to construct portfolios. Inputs are long-term expected returns and covariances derived from econometric analysis, historical volatilities, and factor-based models. Each portfolio maximizes expected return for a given risk budget with constraints to ensure diversification. He noted each glide path sequence is determined through Monte-Carlo simulations. Chosen sequence maximizes the expected utility of final balance.

Ms. Williams went over the 529 plan metrics for quarter noting across the board they are seeing growth and increases. Their number of accounts is at 24,166 now and their total AUM has grown as well with about 60 million from Q1 where they see that increase in their net deposits with about 18 million net deposits. The average recurring deposit amount has grown from quarter to quarter. They have also seen increases with their accounts for Nevada showing this quarter the average account size has increased from 21,000 last quarter to about 23,000 this quarter.

Mr. Michalka continued the presentation noting Wealthfront recommends replacing the current Emerging Markets Bond ETF with the lower-cost VWOB, citing similar characteristics, improved diversification, and a 24-basis-point expense-ratio reduction.

Ms. Ceserani with Meketa confirmed that Wealthfront's glide path remains appropriate, with expected long-term portfolio outcomes ranging from 6.9% to 7.8%, exceeding tuition inflation assumptions. She noted that Meketa supports the proposed transition to the Vanguard Emerging Markets Bond fund and indicated no recommended changes to the glide path at this time.

Mr. Michalka noted they have to work with Ascensus to change the municipal security that wraps around the Emerging Market Bonds fund and are considering some more conceptual changes to the way they build the portfolios. He asked the Treasury if they should wait until next July or the next review to do that, if they need to do it sooner when ready to make the changes, and if they should contact the state.

Ms. Van Ry stated that Wealthfront and staff will coordinate with Ascensus regarding required implementation steps and timing. They can discuss the cycle changes and how that timing will work.

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

13. For discussion and for possible action: Vanguard 2025 Annual Investment Review.

- a. Vanguard Presentation
- b. Meketa Commentary

Jen Walker, Senior Relationship Manager with Vanguard presented the annual investment review for Vanguard and introduced Christy Miller who is the Head of State Relations and Jonathan Kahler who is the Senior Investment Analyst. On behalf of Vanguard, she thanked the Treasurer, staff, and the board for the long-standing partnership and the continued commitment. She went over their target enrollment portfolios, their standalone portfolios, and recommendations. She began on slide 250 of the materials showing a snapshot of the portfolios within the plan. She reviewed the Bank Savings Portfolio is more aligned to short-term yields where the stable value portfolio is tied a little bit more closely to the long-term yields. They recommend adding a Bank Savings Portfolio, providing a short-term, FDIC-insured option that complements the existing stable value option and aligns with increased K-12 use cases under the Big Beautiful Bill. They also recommend adding the Strategic Equity Portfolio which is a U.S. small/mid-cap as an active standalone option. The International Core Portfolio is non-U.S. mid- to large cap, managed by Wellington.

Mr. Kahler elaborated with regard to the trading platform enhancements and annual review. He noted it is a big project and investment to improve their existing internal portfolio management processes. The 529 portfolios are able to fully take advantage of that, and they are widening out the rebalancing bands but not all the way back to targets, which limits how much transaction they're doing and when they do need to rebalance in a volatile marketplace. This allows them to keep transaction costs contained for these portfolios, ultimately providing better performance in the long run. He gave an overview of the process they use for evaluating the glide path on an annual basis and validating that. It is a glide path that they've used in the plan since 2020 and they do an annual validation each year looking at any updates to their capital market assumptions, any changes to the models itself, or to the investor persona that they are using and optimizing. They found that the original design is very robust for a college savings goal. He explained when you have a relatively short investment horizon within the 18 years of accumulation, specifically the drawdown period that they assume is over a traditional four-year period does limit outcomes to be robust. Each year they go through that rapidization exercise with additional input, using their goals-based utility model. This loads fees onto the reoptimize glide path until they get an equivalent outcome. In a utility space for their target investor, they need to see at least 10 basis points of value of that reoptimized glide path before they would investigate going further by making a recommendation to change the glide path as they recognize that it is somewhat a disruptive event. They don't want to make suggestions just based off of minor potential enhancements or noise they are getting from their model. With this validation this year, they're only seeing 8 basis points of that certainty fee equivalent metric so they are not seeing justification for changing the glide path in its current structure given current constraints, but they will continue to look at in future years. He went over

the framework for evaluating options across the broader portfolio lineup. They look beyond just the client path options and any additional options that they could consider for inclusion into the plan. They include a suite of options that are consistent with caller savings objectives and provide investors with appropriate levels of optionality which are part of their annual process as well.

Ms. Ceserani reviewed that they support all recommendations, noting that the additional standalone active options enhance flexibility and remain consistent with offerings in comparable state plans. She noted a lot of states that have been either adding active or adding passive in a specific asset class which is smart doing it now and providing that additional choice. The two active funds are both of quality and are rated highly by Morningstar as they have been around and have really good performance. Meketa also noted administrative considerations regarding equity wash rules when pairing stable value and bank savings options but did not view this as a barrier.

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

14. Public Comment.

There was no public comment.

15. ADJOURNMENT.

Meeting adjourned at 11:11am.