THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA

MINUTES OF BOARD MEETING
Thursday, June 25th, 2026

==

Location:
Via videoconference at the following locations:

Capitol Building
Old Assembly Chambers 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
Robin Hager

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
Cindy Mora, Treasurer's Office
Jody Jensen, Treasurer's Office
Fatima Gonzalez, Treasurer's Office
Leslie Milton, Treasurer's Office
Itzel Fausto, Treasurer's Office
Travis Fosse, Treasurer's Office
Kay Ceserani, Meketa Investments
Aysun Kilic, Meketa Investments
Henry Lopez, Meketa Investments
Gregory Starita, JP Morgan
Doug Polak, JP Morgan
Elizabeth Farrell, JP Morgan
Scott Kefer, Victory Capital
Christa Diserio, Victory Capital
Colleen Leahy, Victory Capital
Lela Dunlap, Victory Capital

Adriana Luna, Victory Capital
Thomas Allman, Victory Capital
James Sparks, GRS Consulting
Soohyang Lee, AKF Consulting
Chris Catanese, Ascensus
Gretchen Marcum, Ascensus
Jennifer Walker, Vanguard
Gavin Rodefer, Wealthfront
Justin Luna, LCB

1. **<u>Roll Call</u>**
   Chief of Staff Kirsten Van Ry received written designation giving permission to perform Chairman Treasurer Conine's duties until he arrives at the meeting. Chief Van Ry called the meeting to order at 10:00 am, and determined a quorum was present. She noted that Member Cano Burkhead and Member Rankin are absent, excused. She also acknowledged that Deputy Attorney General Nicole Ting is on the line.

2. **<u>Public Comment.</u>**
   There was no public comment.

<u>Consent Agenda</u>

3. **<u>For possible action to approve</u>:** the minutes of the College Savings Board of Trustees meeting of February 26, 2026.

4. **<u>For possible action to approve</u>:** the Ascensus program manager's report encompassing results for Vanguard, Victory, Future Path, and Wealthfront 529 plans for the quarter ended March 31, 2026.

5. **<u>For possible action to approve</u>:** the Nevada Prepaid Tuition Program activity report for the quarter ended March 31, 2026.

Motion to approve the Consent Agenda from Member Velez and second from Member Hager. Motion passed unanimously.

<u>Discussion Agenda</u>

6. **<u>For discussion only</u>:** Staff Updates
   a. Vanguard 2025 Investment Review changes
   b. Meketa Annual Game Plan Memo

Chief of Staff Kirsten Van Ry presented the staff updates. She noted that during the October 2025 board meeting, the board approved changes to the Vanguard plans investment lineup. She reported that the changes were completed in May of this year.

The second staff update she shared was the annual game plan memo where Meketa, the investment consultant, has put together that document which outlines the work and activities that the team will undertake for their programs throughout the next fiscal year.

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

Chief Van Ry moved to Agenda Item 12 and came back to the next agenda item from the top of the remaining items.

7. **<u>For discussion and for possible action</u>:** Nevada Prepaid Tuition Trust Fund Fiscal Year 2024 Audited Financial Statements.

Chief of Staff Van Ry presented this agenda item. She reviewed that during the February 2025 board meeting, it was noted that the Prepaid Tuition Trust Fund Audit still had not been completed, given the delay in issuing the ACFER and the documents necessary for the auditors being inaccessible in the state financial system. They received the final FY24 audit in March and have included it in the meeting materials. On March 31st, 2025, an annual report was due to the Governor's Office and the State Legislature. Upon advice of counsel, they submitted the annual report by the due date with a cover memo explaining the background as to why the annual report did not include the audit. There are two findings for the fiscal year 2024 audit of which management agrees. She noted if this item is approved, they will forward the final audit to the Governor and the legislature as an addendum to the FY24 Annual Report per the memo that was previously sent.

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

8. **<u>For discussion and for possible action</u>:** Nevada Prepaid Tuition 2026 contract prices, open enrollment dates, and fee schedule.

James Sparks with GRS Consulting presented this agenda item and provided a summary of the demographic and economic assumptions. He noted the first step is to come up with a price inflation assumption that is then used to develop those economic assumptions. For the price inflation, the current assumption is 2 1/2. The next assumption that they set and the one that might have the most discussion is the assumed rate of investment return for the plan. This is what they assume the plan is going to own on the assets so when they sell a contract, the member pays-in either a lump sum or maybe a monthly amount. Therefore, the money must then be owned to be able to pay out the benefits when they come due. The current assumption they have for that is 5.5%. They developed that based upon taking the asset allocation that the plan has after the consultation with the investment consultants and then they saw investment consultants on their own. They surveyed about 12 investment consultants, two of which are JP Morgan and Meketa. Part of that process is putting in the capital market assumptions that they had for the upcoming and use a 10-year period for this process as they compare them to what the assumed rate of return was. They then normalize all of the investment consultants. After that process they review what the forward-looking 10-year expectations are for each of the 12 investment consultants that were surveyed. They see it range from 4.94 to as high as 6.77 with an average of about 6% and their current assumptions are at 5.5. The board has the option to choose between either 5.5 or increase a bit to 5.75. The tuition growth assumptions for the short term of the plan are going to be increasing significantly from last year. The Board of Regents has a unique process in Nevada where they approve multiple years of tuition rates. It's usually a three-to-four-year period that's already pre-known. He shared the prior 2025-2026 pricing assumptions. They noted for those, they knew that the 2025 tuition rate for universities was $288.50 which was going to increase by about 5.2% in 2026, 4% in 2027, and then the assumption would be 3.4% in 2028. In January, the Board of Regents adopted additional increases in addition to this schedule which included another 3% in 2026, 4% in 2027, and 5% in 2028. That's in addition to those rates previously said and are subject to change. He went over the schedule that's been approved for the next four years in Nevada. When they set the pricing for this plan, if tuition goes up, the prices have to go up and there's no way around that. Over the last five years, they have removed a lot of conservatism in pricing because it is so well funded and they give a lot of value to Nevadans when they buy these contracts. They also don't have much room to change other assumptions, other than that assumed rate of investment return. That is one of the reasons that they are proposing that option B of increasing the assumed rate of return is going to help to mitigate some of those tuition increases. Those are the short-term of the tuition increases assumptions. A long-term assumption is a 4.25% increase which is 1.75% above price inflation. Tuition increases have been steadily remaining above inflation. They continue to see that and have that built into the assumption too. They are not recommending any changes to that long-term assumption of 4.25%. Looking at Nevada over longer time horizons, those 10 to 20 years, and that 4.25% is right in line with those figures as well.

Member Hager noted the short-term numbers below for the university and the community college, reflecting that the universities voted for a 3, 4, and 5% plus Nevada State. The community colleges were 2, 3, and 4% each year. She inquired if these numbers came from the Board of Regents website.

Mr. Sparks noted that they come straight from the Board of Regents and it is the true penny amount that was adopted.

Mr. Sparks continued the presentation, showing option A and option B for pricing to help with making the decision between the two. The schedule for the pricing shows the step-by-step process used in developing the pricing. Step one is taking all those assumptions discussed, rolling forward to the current tuition rate of the plan. This would be out all the way for about 20 to 25 years, because that's the length that a newborn contract will be in the plan, ultimately. They then discount back the tuition payments out there, back to present day to come up with that present value of what they think a contract is worth. He provided a detailed outlook on the reasonable options.

Member Hager asked for clarification on if staff is recommending option B.

Ms. Van Ry noted that the team has worked with GRS and thanked Mr. Sparks for working with them. She stated that after much discussion, staff recommends option B. As far as open enrollment dates, those dates proposed are November 1st, 2026, through April 30th, 2027. These dates are consistent with the program's open enrollment dates observed in the past. No changes are recommended to the existing program fees.

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

9. **For discussion and for possible action:** Nevada Prepaid Tuition Investment Monitoring Report prepared by Meketa Investment Group Inc for the quarter ending March 31, 2026.

Aysun Kilic with Meketa Investment presented this agenda item. She began with page 116 showing the economic and market updates. They look at the economic indicators as they help gauge the health and growth of the economy. What they are seeing is the most widely watched for macroeconomic indicators, including the GDP, unemployment, inflation, and the US yield curve. The key takeaway is that the economy has been resilient, showing some signs of moderation. Starting specifically with GDP, it remains positive, but slightly lower than last year. The most revised number was also slightly up, but still moderate compared to last year. Unemployment has been steady, hovering around 4.3%. Inflation has taken more attention most recently with the geopolitical tensions, and it is at a three-year high, with the latest number in May being 4.2%. At this stage, the US yield curve remains positively sloped, which gives some comfort. Going forward, the monetary decisions, the geopolitical tensions, and the inflation concerns will help shape and monitor the markets. They look at the economic indicators because they help shape the market returns, which then helps understand the platform returns, especially in the sense of underlying fund returns. They see several major market indices from domestic to international equity and fixed income, including some diversifying asset classes, such as real estate and commodities. They look at them through several investment periods, including the quarter and longer terms going to 10 years. She reviewed on page 117 they saw strong positive numbers across many market environments. The quarter was negative, given the geopolitical concerns and inflation spikes. What they saw for the quarter was within the US, small caps outperformed large caps. Valley outperformed growth and more regionally speaking, emerging markets performed the best, followed by developed international, which together outperformed the domestic equities. Fixed income had some mixed results where they saw TIPS performing the best. Commodities had one of the best returns for the quarter, given the energy concerns. She went over page 118 showing the overall portfolio in terms of various comments. They look at the performance from multiple perspectives, and they see the total portfolio, gross of fees, which had excellent returns for the long period. Given the market environment, the quarter was negative. All annualized periods are one year and longer where they see strong, absolute positive returns. Then they look at the relative performance to the policy benchmark. For the quarter, they see a slight underperformance of 20 basis points, which is smaller than 1%. For the longer-term periods, they see the portfolio as a net basis after fees either matched or outperformed its policy benchmark for all annualized periods. They also want to see a broader perspective in terms of peers, so they look at the performance of other public DP plans with similar assets. The portfolio outperformed net of fees within all the peer groups for all periods measured. She noted lastly that they want to have a gauge of how the portfolio did in terms of assumed rate, and it outperformed for all annualized periods as well. She noted that page 120 has more information about performance underlying components and attribution. She reminded that the portfolio is in passive mutual funds for the equity exposures, where the performance has been in line with expectations for all three underlying funds. The fixed income is where they use active separate account. This manager has completed one year and has started adding alpha. The role for the Covered Calls of this allocation is for downside protection, which given the very strong markets, couldn’t show much presence in the past. For this quarter, they're happy to report that the fund outperformed both its benchmark and the S&P 500, adding some relative value. She went over page 123 showing the policy and the actual allocation to the underlying asset classes where a number of them are in line with the policy ranges. Large cap has the largest overweight compared to the current policy allocation. They regularly talk with staff, and they have confirmed that they're usually correcting for this overweight through organic cash flows. She explained it is important to keep in mind the allocations versus the cost of trading as well. Overall, it is a good place to be for the prepaid plan as it is well funded with strong performance in all annualized investment periods.

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

10. **<u>For discussion and for possible action</u>:** Nevada 529 College Savings Plans Investment Monitoring Report prepared by Meketa Investment Group Inc for the quarter ending March 31, 2026

Ms. Ceserani began this agenda item on page 134 which gives a review of the direct plan of the Vanguard Fund. 94% of the funds are within good standing. One fund, the Vanguard Windsor, has been on the watch list for two months. She reminded that it's a fund-to-funds approach that's made up of two underlying investment managers. It is a value manager. The two underlying managers are Wellington and Pzena. It's split 70-30 between those two mandates. The Pzena Fund has a higher focus on dividends than the Vanguard Fund. The real contributor to underperformance this quarter, which lagged by about 3%, was due to the allocation to some of the Magnificent Seven Securities, which of those, all of them underperformed, but the biggest laggard was Microsoft. It had a 1.4% weight to that allocation. It also had exposure to Amazon and Alphabet. With those altogether, those were the primary detractors. She went over the Victory program where 88% of those funds were in good standing. There was one fund that no longer qualifies for watch, which is the Vanguard Income Fund. That one outperformed, which was 4.2 versus 2.1 for the quarter. There are two funds that remain on the list. The Victory Small Cap Fund and it too has been on the watch list for 15 months. The Victory Treasury Money Market Fund has been on watch for six months. The Small Cap Fund outperformed by 10 basis points over the quarter, and the money market fund matched the index for the quarter. Like the Vanguard Fund, the Victory Small Cap Fund is also made up of multiple underlying funds that consist of four strategies, which are a mix of growth value and core. That fund has really struggled more in 2024 and 2025, which continues to bring down the longer-term performance. She went over the advisor plan of the JP Morgan funds showing 85% of them were in the positive category. There's one new fund, which is the JP Morgan Value Advantage Fund, and then two other funds, which are the Growth Advantage and Sustainable Leaders. Those were newly added six months ago. She then went over the Wealthfront program showing 100% of those funds are in the positive range. At the end of the quarter, one fund no longer qualifies, the Victory Income Stock Fund, and then one new fund's being added, which is the JP Morgan Value Advantage. She noted they added the dollar amounts this quarter and can see the exposures as well as show how they're being utilized within the program. The Windsor Fund, for example, is just used as an individual option whereas the JP Morgan Value Advantage is used more across the platform and not just in one of the different types of options.

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

11. **<u>For discussion and for possible action:</u>** Victory Capital presentation on the 2026 Annual Investment Review.
    a. Victory Capital Presentation
    b. Meketa Analysis

Head of Education Savings Scott Kefer began the presentation for Victory Capital. He is joined by two of the portfolio managers for the plan. He introduced Lela Dunlap who is also Head of their portfolio implementation team. He noted that Ms. Dunlap has been involved in the plan for over a decade dating back to days at USAA as well. He also introduced Thomas Allman as an associate portfolio manager on the plan, and he has been involved for the last five years. They don't have any investment recommendations to make and are primarily focused on providing an investment overview and updating the plan. The content begins on page 191 in the meeting materials.

Mr. Allman provided an overview of the Victory Capital review for their 529 Education Savings plan. The quick summary is that they feel like the plan is in a good place, reflected both by allocations, updated capital market assumptions, and then the realized performance that they've seen. They are not going to be making any recommendations to make changes this year. They did recommend adding two new funds to the plan last year. Those were added in October of 2025, and it is a relatively recent addition to the plan. They start with their capital market assumptions and simulate different wealth outcomes. They didn't find any material changes and are prepared to go through those capital market assumptions. Then they look at what are the asset classes that they want exposure to. In the past, they have made some additions. They look at trying to balance a portfolio over the appropriate time horizons and adding different risks. Last year, they had different funds that they wanted to add, which was the Pioneer Strategic Income. and Pioneer International Equity. They think those have been additive to the plan and are happy with where it is. They make continual adjustments and would come back to if they felt there were any material changes. He reviewed that their glide path is in line with the age-based average from Morningstar starting at 96% down to 16%. He noted they agree with JP Morgan as they believe earlier in the participants planned investment horizons that they think taking more equity risk is appropriate. They try to build this plan to be as robust in all-weather as possible. They think these results show that over the trailing one, three, and five years, they can see both on an asset weighted and an average weighting, the plan is performed in the top quintile relative to its Morningstar peers. From there, they have a couple slides showing what the underlying allocation is. The most recent additions were Pioneer International and Pioneer Strategic Income. For all those reasons stated, they are not recommending any changes to the plan this year.

Ms. Ceserani went over the memo for Meketa's analysis, and they agree with Victory and found they expect outcomes to continue to produce long-term results that align with tuition inflation. They do not think any changes are necessary at this time.

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

Chairman Conine noted they are moving on to Agenda Item 13 as they have already completed Agenda Item 12.

12. **<u>For discussion and for possible action:</u>** JP Morgan presentation on the 2026 Annual Investment Review.

   a. JP Morgan Presentation
   b. Meketa Analysis

Greg Starita presented the JP Morgan 2026 Annual Investment Review. They expressed that they are thrilled that tomorrow marks three-year anniversary of Future Path with JP Morgan.

They thanked the board, the Treasurer, Ms. Van Ry, and the entire staff, as well as Ascensus and Meketa for their great partnerships. It's important for Future Path to investigate the best possible outcomes for every shareholder in the plan and the best outcomes for the office and the state. With JP Morgan, they are always bringing their best thinking, and insights and want to make sure that they're implementing a lot of that into the plan as much as possible. He acknowledged that Morgan Moriarty is present in the room. She is their lead portfolio manager and the brains behind this operation. He noted that Doug Polak is present as he is their investment specialist who's out there representing it, as well as Liz Farrell, who's the head of their marketing. He went over the current portfolios and their recommendations. When they look at these plans, they look at 18 to 22 plus years, and they ensure that the asset allocation is continuous and being used. They must make sure they are taking the appropriate amount of risk with these portfolios and using the right vehicles.

Mr. Polak began the presentation on page 210 of the meeting materials. He reviewed that they get to visit formally once a year and discussed what they want to show with their advisor clients and current investors in the plan, cover performance, and current events going on.

Ms. Moriarty provided a recap on how JP Morgan approaches 529 investing. She noted there are three pillars that inform the design of their glide path and the investment offering for families. One is about tuition inflation with annual college costs increasing and having an outlook for that in the future. Two, they incorporate behavioral research looking at how real families are engaging with these plans and third, they also incorporate their long-term capital market assumptions, which are JP Morgan's outlook for a variety of global markets over a 10-to-15-year time horizon. They use all of that to inform both the shape and the slope of the glide path. Then they have to determine how they are going to execute upon that glide path such as what managers and alpha strategies they are going to incorporate to help add value for plan participants. They also look into how they can effectively utilize passive to blend that all together for a successful outcome. Afterwards, they can look at how their own asset allocation views over the short to medium term, and how they can adjust portfolio positioning to be reflective of the market environment. She reviewed that tuition inflation has averaged about 5.5% since 1983. That contrasts to broad inflation, which has come in much lower and on a forward-looking basis, it's argued that inflation will be kind of in of the 2% to 3% range on a go-forward basis and expect tuition inflation and college costs to outpace that. Second, behavioral research is where they look how actual families are utilizing 529 plans to save for college. She noted that families save regularly, they save early, tend to start the plans when their children are young, and contribute regularly. She noted it is critical with pre-college withdrawals where families do not touch the money until it is time to use it. She stated that as investors, they should all adopt this kind of behavior because as asset allocators, if families are not actually tapping this pool of savings until it's time to use it, then they don't have to think about cash flow volatility in quite the same way as one might for a 401k plan where they see similar research in that space. People may touch that balance much more actively throughout their savings time horizon. She explained that this enables them to benefit from the power of compounding in their glide path design and generally have a bias towards equities and return generating assets over the life of the glide path. She noted their long-term capital market assumptions which is a senior group of investors across the JP Morgan Asset Management Organization. They come together every year to frame out their expectations for capital market returns across equities, fixed income, currencies on a global basis, and that helps inform the returns that they think that they can achieve for investors. She went over the result of this whole body of comprehensive work which is their glide path and how they divide it into 3 phases. The start is the first five years. They believe that when families are early, they can benefit from a very high allocation to equities. For the first five years, they keep that consistent at 95% and then begin rolling down the glide path, adjusting it, and making it more conservative over time before they get to enrollment where they introduce allocation to cash to help minimize volatility as families are getting very close to their spend down period. They can see at the enrollment period, that's where allocation to equities levels out and the predominant exposure and the glide path is fixed income and cash as they have become very focused on capital preservation. Importantly, they do maintain an allocation to equities while they are in the enrollment period, because they believe that if they go back to that tuition inflation as costs keep going up, they make sure that there is a degree of return generating assets in the glide path that can help keep pace with tuition inflation while also managing for the downside.

Mr. Polak went over the chart on page 213 of the materials depicting Morningstar peer performance, and it shows the enrollment type portfolios inclusive of the Future Path Plan. This is 3 years less a month and since inception peer performance, the lower numbers are better. He noted that they examine all the things they could be doing as part of this leads to the recommendations that they're making to just allow a few more tools in the toolkit to manage what they'll call an all-weather portfolio accounting for the various environments that they may see during this very long journey that college savers have. He reviewed that slide 216 shows where they are and how they are preparing on conflicts, inflation, oil prices, and a lot of other factors, but ultimately, they're watching data and macroeconomic trends, which then get reflected in the portfolio.

Ms. Moriarty reviewed that as Mr. Polak noted, the past year has had no shortage of volatility and headline driving events for markets. However, when they look through all of that, and the impact of the conflict in Iran that they saw beginning in March, growth remains very strong globally and particularly in the US. This morning, GDP was revised up and it's their outlook for the remainder of the year that they expect growth to remain very strong, led by a resilient US consumer and very strong company earnings. They believe that the Fed will remain on hold through the end of the year. There is a new Fed president and expect that the Federal Reserve will be closely monitoring any impacts to inflation from higher oil prices that they saw this spring, but don't believe that those will necessitate a hike. They see that the Fed is on hold which leaves them comfortable with an overweight to global equities and a small position in high yield, which they believe can add some carry to portfolios. All of that is being funded from investment grade fixed income. Within equities, they are believers in the transformative power of AI for US corporations and global corporations and what that has the potential to mean for equity earnings, so they have preferred growth-oriented equities, which tend to represent those technology companies that are leading the AI transformation. More recently, they have shifted some of that exposure into emerging markets equity. They also continue to prefer Japanese equities as there's a very big effort in Japan right now to undergo corporate governance reform, which they believe should be accretive to equity investors in the long term.

Mr. Polak noted that they took a hard look at the data, and knew that typically in conflicts, they tend to be short-lived. The markets tend to move past, and as discussed in terms of consumer company earnings, the government spending was all supported by economic activity, which has proved to be resilient. In April, May, and now even June, the markets are driving this and the overweight of equities is adding to the green numbers that they've already witnessed. He went over slide 222 showing the annual recommendations for the plan. He stated that Mr. Starita began with this process and they are very grateful and admire the governance structure that he has set up. He noted there's a lot of constituents and they never take their recommendations lightly, but this process has been around nine months, and they're grateful to Ms. Ceserani, the Meketa team, as well as Ms. Feirstein to press and ask a ton of questions to help make them better and more thoughtful. Not only does it help in understanding the demographics of who is investing and how they're investing but the importance of making sure that these outcomes are there. He noted that these recommendations come with a modest fee increase. When the plan was adopted three years ago and took over duties from State Street, it was an all-passive plan at 17 basis points. Given the fee budget, they were able to add active management. What they have seen over the last year is that the plan could benefit from two elements of the plan and they are very happy with the glide path and not making any changes there. There is an opportunity to add active equities that are diversifying and create this sort of all-weather portfolio in every environment and a bit of active fixed income. One of the ways that they have added value, particularly over these three years, is managing the risks and credit and interest rate sensitivity within the fixed income portfolio. It's also very important because it's a big part of where the glide path is. At the end, they are working with a lot of fixed income and having those extra tools to protect risks, given that they're increasing active management, and they recognize fees are important and are continuing to be passive with a mix of active. He mentioned that JP Morgan has one of the largest active research teams and research budgets. That's over 150 million and they want to tap into a couple of more strategies that they think will be complementary. At a high level, they'll be focusing on enhancing returns, more consistency of how the returns are over time, and having a great deal of attention in the toolkit that will protect risk, particularly at the later part of the glide path.

Ms. Moriarty noted they believe all of these will lead to better outcomes and this is an effort to run a Monte Carlo simulation, which simply means that they're looking at thousands of different outcomes to reflect these changes in the glide path and how that could impact on the distribution of outcomes that might expect for plan participants. There are two key takeaways when it comes to the simulation and the first is that 50th percentile, showing the median outcome for families is an additional $4,000 in their college savings at age 18 by affecting these changes. The second key takeaway is that they're reducing the probability of drawdown or loss while a family is in their spend down period in college. There is probability of loss over three and five years and by adding additional active management into the portfolio, particularly in the fixed income space, they believe it will introduce some resiliency to outcomes for investors. They think about the value this will add by introducing a diversified series of equity strategies into the portfolio. As Mr. Polak noted, they do have some active equities in the portfolio today and it is heavily reliant on one alpha engine within JP Morgan. They believe that by adding in a few additional strategies, particularly a few that have a more systematic approach to active management, that will help by having strategies that have different processes for making decisions. It would also help add value and make a more resilient alpha profile for the portfolio over the life cycle of saving for college. She reviewed they would also use these changes to introduce additional active fixed income exposure which is very critical in today's market environment. When thinking back prior to COVID, there was really the key driver of fixed income markets with the re-emergence of inflation. Post-COVID, they believe that there will be more inflation volatility going forward, which is another driver of interest rates in fixed income markets. She explained the importance of having active fixed income managers who can navigate not only where the economic growth is at any given point, but also where inflation is at any point in the cycle. They believe this will be very important and very additive for investors, especially once they get to kind of that 18-to-22-year period in the glide path in the very end. That’s where they become much more heavily allocated towards fixed income and inflationary pressures which could be potentially something that they would want as an active manager to be much more engaged in making decisions.

Mr. Polak concluded by inviting any questions and noted that accompanying this presentation is a detailed memorandum that they shared with the board. They ask to adopt the proposed portfolios on slide 235 in the appendix, as well as 239 for the risk based.

Member Hager asked what they are proposing as far as costs and how often this increase would be for participants.

Mr. Polak reviewed their plan demographics and went over the impact. There was a particular request and focus on Nevada residents and overall, the blue box on the impact is driven by the analysis that on average, a participant might see a $10 to $15 fee increase annually. That would come with an expected return of $54 of a cost-benefit analysis debt in a dollar impact as opposed to a basis point impact. Where the Nevadan population lives are focused on certain portfolios, particularly in the later stages of the glide path so they are nearer towards their successful savings and entering the college years. They're also in the more conservative portfolios. The impact on the local population, and Nevadans are much smaller. $7 with an expected return of 20 and they want to make sure everybody benefits. He thanked Member Hager for asking this question, because this had extensive research to understand where people are they in terms of A class, C class, and Z class shares. They also analyze whether they come in directly into the legacy plan that was overseen by State Street or if they are the new investors here. As they are trying to design a successful program for the 20 to 22 years that people are in this, they are excited to see new investors coming in at the beginning of the glidepath which is important to have that 20-year experience.

Ms. Ceserani went over their final proposal for the current program and how they expect changes to take place. They look at the underlying funds and the impact on fees as well. She went over a snapshot visually of what the program is today. Currently, they have seven enrollment portfolios, three static portfolios, and eighteen individual portfolios. None of that is changing and all are staying the same. She went over two building blocks, that have different types of funds that they can use. One is for strategic allocation investments which are the core ones. They have this toolkit and then within those, they can make some allocation shifts based on their views. Right now, they have 10 in the strategic bucket and 22 funds in the toolkit. There are four new funds to the toolkit and six new funds to the underlying funds. There are six new strategies in the strategic and four in the toolkit and then they did their own review. Their assumptions are slightly different than JP Morgan's and once they carve up all the sub-asset classes, it makes the returns a little bit different. She noted the returns are the same, but it makes the risk a little bit different. Overall, they are not changing anything in the big building blocks and believe it makes a lot of sense to shift the portfolio to where they're more actively managed. They think it aligns more with the channel that they're in, and it gives the opportunity for outperformance. The more passive management there is, it makes less of that opportunity for outperformance.

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

Treasurer Conine closed this agenda item and moved back up to Agenda Item 7.

13. **<u>For discussion and for possible action:</u>** 2026 Kenny C. Guinn Memorial Millennium Scholarship applications and selection of:
    a. Two (2) recipients in Northern Nevada
    b. Two (2) recipients in Southern Nevada

Deputy Treasurer of College Savings, Tya Mathis-Coleman presented this agenda item. She reviewed that in 2011 Senate Bill 2020 established the Kenny C. Guinn Memorial Millennium Scholarship was signed into law. Since then, the committee has selected 2 qualified college students entering their senior year, majoring in elementary or secondary education with the intent of teaching in Nevada. In 2019, the Nevada legislature passed Senate Bill 414, which increased the number of award recipients each year and the amount of the scholarship for each recipient. The Kenny C. Guinn Memorial Scholarship now awards four scholarships in the amount of $5,000 each to two students in Northern Nevada and two students in Southern Nevada. This year, they are excited to award four amazing students with the Kenny C. Gwinn Memorial Scholarship. The Memorial Scholarship requires that the awardees be recipients of the original Millennium Scholarship and are entering their senior year at a NSHE institution. They also make sure that they maintain a 3.5 GPA, have a commendable record of community service, and ensure that they have made a commitment to teaching in Nevada upon graduation. The scholarship can be used to help students pay for costs incurred during their senior year of college that were not met with the Millennium Scholarship. They are excited to continue the tradition and select this year's Forum Memorial Scholarship recipients. She thanked the Guinn family for their consistent support and dedication. She also gave a special thank you to the team at the Treasury, Leslie Milton, and Naomi Nevers who work behind the scenes to make both the Millennium, and the Memorial Scholarship programs run seamlessly. This year, they had a total of 14 applications across four schools, and six of the applications were eligible. They received two applications from students attending the University of Nevada, Reno, two applications from students attending the University of Nevada, Las Vegas. Three applications from students attending Great Basin College, and two applications from students attending Nevada State University. These students' areas of study included elementary education, secondary education, and integrated elementary teaching programs. She noted they even received an application from Nevada Tech Biology Program. She made the following recommendations for the 2026 Memorial Scholarship recipients. Izelleh Hernandez, who is studying early childhood education at Nevada State University. She also works as a student mentor for our Teacher Academy Pipeline Project and is a published author. They would also like to recommend Jason Canella Lopez, who is a secondary education student studying at Nevada State University. He is a dedicated academic excellence student, and he has been recognized on the dean's list at Nevada State University. He has also dedicated a significant amount of time to community service volunteering at Three Square, the Las Vegas Library District, and St. Anne Catholic Church. Their third recommendation is Kaya Cronin, who attends the University of Nevada, Reno, and is enrolled in the Integrated Elementary Teaching Program. She has had several volunteer experiences, leadership roles, and she currently works as a substitute teacher. Their final recommendation is Ronald Bennett, who attends Great Basin College. He is majoring in secondary education. Ronald wishes to apply his future education degree to implementing metacognitive thinking techniques and graphic organized style notes into his classrooms and wish him the best.

Treasurer Conine stated the applications are always inspiring. He expressed that the Memorial Scholarship has brought to light a bunch of great Nevadans who have made the state amazing so far and will continue to do so. He thanked Ms. Mathis-Coleman for mentioning how much work the staff does to keep the Millenium and Memorial Scholarship moving forward each year.

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

14. Public Comment.
There was no public comment.

15. ADJOURNMENT.

Meeting adjourned at 11:21am.