NEVADA PREPAID TUITION

NEVADA HIGHER EDUCATION
PREPAID TUITION PROGRAM

Investment Policy Statement and Comprehensive Investment Plan

Board of Trustees of the
College Savings Plans of Nevada

February 2020

A. ESTABLISHMENT AND AUTHORITY

Section 529 of the Internal Revenue Code, as amended (the "Code"), and Chapter 353B of the Nevada Revised Statutes (NRS) led to the creation of the Nevada Higher Education Prepaid Tuition Program (the "Prepaid Program"). Oversight of the Prepaid Program is provided by the Board of Trustees of the College Savings Plans of Nevada (the "Board").

NRS 353B.140 requires that the Trust Fund will consist of payments received pursuant to i) Prepaid Program contracts, ii) bequests, endowments, and grants from the federal government, and/or iii) any other publicly or privately sourced money. Money in the Trust Fund not spent during any biennium does not revert to the General Fund of the State of Nevada (State) or any other State-affiliated trust fund and is never commingled with the General Fund or any other State-affiliated trust fund.

B. PLAN PURPOSE

The purpose of the Prepaid Program is to allow Purchasers to "lock in" <u>future</u> tuition rates on behalf of Beneficiaries at favorable prices. The Investment Policy (the "Policy") supplements and clarifies many of the objectives, limitations, and responsibilities in the Prepaid Program, as described in NRS 353B.001 through NRS 353B.190, inclusive, with an emphasis on NRS 353B.160. In any instance where this Policy is either silent or less restrictive than what is dictated by NRS as it relates to Prepaid Program's investment-related activities (directly or indirectly), the NRS will supersede. (In this Policy document, "NRS" will include any new, or revisions to, regulations adopted as part of the Nevada Administrative Code – the "NAC.")

Many terms used in this Policy which may or may not be defined in the body of this document are defined in a Glossary section at the end.

This Policy is intentionally silent on many issues unrelated to investment activity in the Nevada Higher Education Prepaid Tuition Trust Fund ("Trust Fund"), such as Prepaid Program marketing, the design and pricing of Prepaid Program contracts, restrictions on Beneficiaries, etc., which are subject to restrictions imposed by NRS, NAC, the Master Agreement and/or separate policy documents.

This Policy will be reviewed and approved (with amendments, if any) by the Board no less frequently than once every two years, with more frequent reviews or amendments at the sole discretion of the Board.

C. INVESTMENT OBJECTIVES

The investment objectives in the administration of the Trust Fund assets are to:

1. Strive to achieve an investment rate of return no less than the rate of return required by the Board and used in the determination of the Prepaid Program contract prices by adhering to the following approach:
    (a) Maximize the fund's risk-adjusted return by maintaining a balanced portfolio of both equity and fixed income investments within the constraints of state law;
    (b) Regularly reviewing the asset allocation of the portfolio based on capital market expectations

2. Invest in a manner which is widely viewed as appropriate and prudent for the inherent risks and purpose for the Prepaid Program, which involves striving to maintain an optimal balance between risk and return.
3. Be able to accommodate reasonably anticipated liquidity needs in the administration of the program (as in the case of hardship withdrawal refunds to participants, contract cancellations, etc.).

D. RESPONSIBILITIES

1. Board: The Board will operate the College Savings Program in compliance with the Code, NRS, and, where more restrictive, any Investment Policy(ies). The Board will also ensure that the Program Administrator and Investment Manager(s) (both described below) are similarly in compliance with the Code, NRS, and any Investment Policy(ies). The Board will:

a) Establish and maintain an investment policy that specifies general guidelines for investment to which the State Treasurer will be bound in the administration of the Trust Fund, and which may be more restrictive than investments permitted in NRS 353B.160;
b) At its option, procure insurance against any loss in connection with the properties, assets, or activities of the Trust Fund, the State Treasurer, or the Board (per NRS 353B.110(4));
c) Ensure financial reporting and audit activities relating to the Trust Fund (per NRS 353B.170 and 180), including approval of the financial reporting and surveillance protocol initiated and administered by the State Treasurer. The audit, which will be conducted by a certified public accounting firm no less frequently than one time per every 12 months, will include an assessment of adherence to this Policy by all relevant parties;
d) Approve the asset allocation plan proposed by the State Treasurer.
e) Contract with a certified actuary of its choosing, to assess the actuarial soundness of the Trust Fund on an annual basis.
f) In conjunction with this study, the Board will approve a long-term investment rate of return and other actuarial modeling inputs, such as tuition increase assumptions as proposed by the State Treasurer, to determine the actuarial soundness of the Trust Fund. Each modeling input can be independently approved or disapproved by the Board. Each or any modeling input can be approved as a range of values rather than a single value, at the discretion of the Board.
g) On an annual basis, approve the pricing of Prepaid Program contracts as proposed by the State Treasurer. NRS 353B.160(10) dictates that the "actuarial soundness" of the Trust Fund at any point in time will greatly influence the pricing of Prepaid Program contracts going forward, and would also be integral to the Board's assessment of the Prepaid Program's viability. Neither NRS nor this Policy imposes rigid criteria for the assessment of "actuarial soundness," leaving that judgment to the Board. Any action taken or not taken as a result of the Trust Fund being perceived as deviating materially from the Board's criteria for "actuarial soundness" will be at the discretion of the Board.
h) Receive reports of the performance of investment manager(s) (or equivalent) based on industry benchmarks;

i) Contract with and engage the services of other qualified persons and entities for administrative and technical assistance in carrying out the responsibilities of the Prepaid Program. Qualified persons and entities engaged include, but are not limited to: an investment consultant, custodial banks, transition managers and an actuary.

2. **State Treasurer:** (which may include other members of the State Treasurer's Office, as delegated by the State Treasurer): The State Treasurer will administer the Prepaid Program, establish accounts as needed, and accept and expend on behalf of the College Savings Program any monies provided for expenses. The State Treasurer will:

    a) Recommend a proposed asset allocation plan to the Board periodically and as warranted;
    b) Either internally manage and/or hire investment manager(s) and/or select investment vehicles for the investment of Prepaid Program assets in accordance with the asset allocation plan approved by the Board. Such investment vehicles include but are not limited to mutual funds, common trust funds and exchange traded funds;
    c) Conduct reviews of the performance of investment manager(s) (or equivalent) based on industry benchmarks in association with the Investment Consultant;
    d) Conduct rebalancing of the assets in the Prepaid Program as appropriate and in accordance with Section I ("Asset Allocation Policy") of this Plan.
    e) Recommend pricing of Prepaid Program contracts;
    f) Maintain the financial records of the Trust Fund, which will include the reporting and surveillance protocol on behalf of the Board;
    g) Manage any bank or brokerage accounts associated with the Trust Fund;
    h) Maintain any instruments that evidence investments made with the property from the Trust Fund;
    i) Contract with vendors for any good or service that is necessary for carrying out any aspect of the Prepaid Program, except those contractual relationships specifically reserved for Board-level decision-making (as with the annual audit per NRS 353B.180 and the annual actuarial study per NRS 353B.190); and
    j) Hire employees as necessary to administer the Prepaid Program, in addition to an investment manager(s) (if any), all of whom must be paid out of the assets of the Trust Fund, subject to Board approval (per NRS 353B.110(3)). The Board will also give consideration to the perceived span of competencies and available resources of the direct managers of the Trust Fund assets.

3. **Investment Consultant:** The primary role of the investment consultant is to assist the State Treasurer and Board in fulfilling its responsibilities by providing information, analysis, and recommendations, and by assisting the Board in developing and implementing a prudent process for monitoring and evaluating the investment program to ensure the success of the program. The State Treasurer may also delegate certain responsibilities related to the investment of Prepaid Program assets including rebalancing functions and the preparation of recommendations for the asset allocation plan to the investment consultant.

4. **Custodian:** The custodian has three primary responsibilities: (1) safekeeping of assets – custody, valuation and accounting & reporting of assets owned by the program; (2) trade processing – track and reconcile assets that are acquired and disposed; and, (3) asset servicing – maintain all economic benefits of ownership such as income collection, corporate actions, and proxy notification issues.

5. **Investment Manager(s):** The investment manager(s) administer program assets in accordance with the guidelines and objectives contained in this Policy, manager specific guidelines, contract requirements, and consistent with each investment manager's stated investment philosophy and style as presented by the investment manager's representatives to the Board. If a single investment manager is used to manage all of the Prepaid Program's assets, the State Treasure may choose to delegate the rebalancing function to the investment manager.

E. ASSET ALLOCATION POLICY

The overall Trust Fund portfolio design and asset allocation have been structured to provide the most appropriate structure and asset allocation from a risk and return perspective to meet the Trust Fund objectives. The Trust Fund shall be diversified both by asset class and within asset classes. The purpose of diversification is to reduce specific risk associated with any single security or class of securities. Asset allocation will be reviewed annually.

The Board hereby establishes the following asset allocation targets as presented in the following table. These targets may be adjusted annually as the Board deems appropriate.

Asset Class	Target Allocation	Policy Benchmark
Equities		
Large Capitalization Stocks	39%	S&P 500 Index
Mid-Capitalization Stocks	7%	S&P Midcap 400 Index
Small Capitalization Stocks	4%	S&P Small Cap 600 Index
Total Equities	50%	
Covered Calls	20%	CBOE BXM Index
Fixed Income		
Core Bonds	30%	Bloomberg Barclays Aggregate A or Better
Total Fund	100%	

*The total equity allocation benchmark is: 78% S&P 500 Index, 14% S&P 400 Index, and 7% S&P 600 Index.

These investment guidelines shall remain in effect until revoked or amended by written notice from the Board. At the Board's initiative, changes to the asset allocation method, and/or a reconsideration of actuarial modeling parameters, and/or an updated actuarial assessment, can take place at any time during the year, but a formal consideration of these factors must occur no less frequently than once every two years. The State Treasurer and the Investment Manager(s), if applicable, shall have a reasonable period of time after notice of any such change to implement the requested change in investment guidelines.

The above asset allocation will be net of cash equivalents, used as appropriate for distribution /liquidity needs. It is recognized that the actual asset allocation may deviate from the target allocation due to market movements. The fund will be rebalanced regularly to the target allocation. Market drift between rebalancings will not constitute a deviation from these investment guidelines. Portfolio rebalancing to accommodate cash flows and/or to re-align the fund to the above asset mix targets requires purchase and/or sale transactions to be performed. Out-of-policy conditions due to transaction processing will not constitute a deviation from these investment guidelines.

The State Treasurer is responsible for the rebalancing of assets based upon current market values of accounts. NRS 353B.160(j) (3) mandates that the maximum equity position held by the Program cannot exceed 60% of the Program's book value. As such, there may be times whereby the asset allocation of the Program as determined by current market value will not be in accordance with the target allocations described above because of the statutory requirement to be based upon book value.

To maintain asset allocation ranges, it is necessary to periodically rebalance the portfolio as a result of market value fluctuations. Small variances between actual and target allocations did not warrant rebalancing. In order to assume a rational, systematic, and cost-effective approach to rebalancing, the following "trigger points", as the maximum upper or lower limits for a specified asset class, shall be used. If the percentage of assets in a particular asset class deviates from the target beyond a target point, the State Treasurer shall rebalance the portfolio to bring all asset classes in line with the above asset allocation percentages. Rebalancing shall be conducted in such a manner that transaction costs and portfolio disruptions are minimal. The trigger points are as follows:

Asset Class	Target Allocation	Acceptable Variance	Lower Trigger Point	Upper Trigger Point
Equities	50%	5%	45%	55%**
Large Capitalization Stocks *	78%	5%	73%	83%
Mid Capitalization Stocks *	14%	5%	9%	19%
Small Capitalization Stocks *	7%	3%	4%	10%
Total Equities				
Covered Calls	20%	5%	15%	25%
Fixed Income	30%	5%	25%	35%

* Percentages indicated for these sub-asset classes reflect the percentages within the asset class of Equities (i.e., 78% of Equities is allocated to large cap stocks).

** Cannot exceed 60% by book value

If the State Treasurer has employed a single investment manager to manage the assets of the Trust Fund, the State Treasurer may delegate the above responsibilities to the Investment Manager.

F. PERMITTED INVESTMENTS

In accordance with and subject to restrictions imposed by the laws of the State of Nevada, the following list represents the entire range of investments which shall be authorized for the investments of funds. Unless expressly permitted below, the State of Nevada and its investment managers are prohibited from purchasing and owning any other type of security or asset class.

PERMISSIBLE INVESTMENTS				
Security Type	**Maximum Allocation***	**Minimum Credit Quality ** **	**Other Purchase Restrictions**	**NRS 353B.160.2 Reference**
FIXED INCOME SECURITIES				
US Treasury bonds, notes or other obligations	N/A	None	None, may include TIPS	(d)
US Agency securities				
Bonds, notes, and debentures	N/A	None	May only be issued by FFCB, FHLB, FHLMC, GNMA or FNMA. May include zero coupon or discounted securities.	(e)
US Agency mortgage-backed securities (MBS)	N/A	None	May only be issued by FHLMC, GNMA or FNMA	(e)
US Agency collateralized mortgage obligations (CMO's)	N/A	"AAA" by at least two NRSRO's	May only be issued by FHLMC, GNMA or FNMA. IO's, PO's and CDO's are prohibited.	(g)
Municipal bonds, notes or other obligations	N/A	None	Only issued by State of Nevada, or of a county, city, general improvement district or school district of the State of Nevada.	(a)
Corporate Bonds	50%	"A" by at least one NRSRO's	Only issued in the United States by a foreign institution ("AA"), corporation or government and denominated in US dollars. Convertible issues, structured notes and surplus notes are prohibited. Up to 20% of Yankee corporates Up to 10% of 144(a) securities	(b) and (h)
International Development Bonds	15%	"AA" by at least one NRSRO	Up to 15% in issues guaranteed by International Bank for Reconstruction and Development, the International Finance Corporation or the Inter-American Development Bank.	(g)
Commercial Paper	N/A	Top tier (min. A-1, P-1, F-1) by at least one NRSRO's	Only issued by or existing under US law, including US subsidiaries of foreign corporations	(c)
Non-Agency Commercial Mortgage-Backed Securities (CMBS)	10%	"AAA" by at least one NRSRO's	None	(h)
Asset-backed Securities (ABS)	5%	"AAA" by at least one NRSRO's	Only ABS financing credit cards, auto, manufactured housing, student loans	(h)
Money-market Mutual Funds	20% of Trust Fund assets	"A" by at least one NRSRO's	Must be registered with SEC May only invest in securities issued by US Treasury or US Agencies or repurchase agreements collateralized by the same	(i)
NOTE: For non-US Treasury and non-Agency securities, the maximum allocation per issuer is 3%.				

EQUITY SECURITIES				
Common or preferred stock of US corporations	N/A	None	Must be listed on a national stock exchange Must be traded in over-the-counter market Total market value must be at least $50 million Maximum allocation per issuer is 3% of total Trust Fund assets May not own more than 5% of outstanding stock of issuer ADR's of foreign corporations are prohibited	(j)
COVERED CALLS				
Covered Calls	N/A	None	Underlying securities must be traded on one or more of the regulated exchanges in the United States	(k)

* When allocation limits or maximum allowances are referenced above, these apply to the total book value of fixed income securities unless otherwise noted.

Investment managers will manage the portfolio in accordance with the contractually agreed upon investment management agreement or formal contract, when applicable.

In the case of mutual funds and common trust funds, NRS and Policy constraints will be based on a “look-through” to the underlying asset holdings, as if the underlying assets were being held directly by the Trust Fund.

G. PERFORMANCE REPORTING AND MONITORING

The Investment Manager(s) will prepare quarterly reports of the investment portfolio structure and performance.

To ensure that the State Treasurer and the Board have the necessary information to properly exercise their oversight responsibility, the quarterly reports will include the following:

1. Performance Measurement and Attribution

   Performance measurement of the Prepaid Program shall be reported each quarter for the most recent completed quarter, fiscal year-to-date, most recent twelve-month period and cumulatively from inception showing returns on the assets compared to returns on the customized benchmark index, which approximates the Program’s liability requirements. Returns will be reported on a time-weighted basis.

   a) The performance of the total Fund will be compared against a benchmark comprised of market portfolios representing the underlying investment strategies and weighted in accordance with the Program’s asset allocation policy.

   b) Performance of each asset class will be shown along with an appropriate index and peer group.

c) The performance of each manager will be evaluated relative to an appropriate benchmark as well as a universe of its peers managing similar portfolios and following a similar investment style.

d) Returns for each manager and the overall Trust Fund will also be evaluated on a risk-adjusted basis.

- For individual managers, the risk measurement will be expressed relative to appropriate benchmarks.
- For each asset class and the overall Trust Fund, the risk measurement will take into consideration any deviation from asset allocation policy and the impact on the funded status of the Program’s liabilities.

2. Compliance and Monitoring

a) Asset allocation of the Fund and diversification within each asset class will be reported to ensure allocation guidelines are met.

b) Investment asset holdings will be reported and monitored monthly to ensure investment only in authorized vehicles.

c) Investment asset holdings will be reported and monitored monthly to ensure investment only in authorized vehicles.

d) Each manager will be monitored based upon the performance objectives outlined in this Policy.

e) Each manager shall immediately disclose to the Board in writing any instance which a member of the investment manager’s Board of Directors, an officer of the investment management firm, or a member of the portfolio management staff is also a member of the Board of Directors, an officer of, or a significant shareholder of 5% or more in stocks of a company in which they propose to invest Board funds. In addition, the Board’s investment consultant and the trustee/custodian shall annually certify that no conflicts of interest exist with respect to the services they provide to the Program and shall annually provide the Board with a copy of the firm’s policy governing conflicts of interest. The requirements of this paragraph do not apply with respect to the common stock of the manager responsible for investment of the large capitalization core domestic equity portfolio (or the common stock of the manager's holding company) when the manager's common stock (or that of its holding company) is included in the S&P 500; provided that, prior to the initial purchase of the manager’s common stock (or that of its holding company), the manager notifies the Board in writing that the manager's common stock (or that of its holding company) is included or has been included, in the S&P 500.

H. WATCH LIST

In addition to the quarterly investment reports prepared by the Investment Manager(s), the Investment Consultant shall also prepare quarterly reports of the investment portfolio structure and performance for review by the Board. These reports will include the same performance measurement statistics of each Investment Manager as described in Section G.1. of this policy.

The quarterly investment reports provided by the Investment Consultant will rate all individual fund portfolios using a Watch List approach. The objective of the Watch List is to monitor each externally managed portfolio to ensure achievement of strategic return and risk objectives set by the Plan. The Investment Consultant, working with Staff, will review this list quarterly with the Board. Organizations or products placed on the Watch List will be closely scrutinized and monitored by Staff and the Consultant. Organizational issues that have been resolved in a satisfactory manner and improved performance relative to an index and or peers will be used as an indicator to remove a given manager from the Watch List. Watch Lists will be maintained that focus on organizational and performance related issues.

Quantitative criteria for placement of actively managed portfolios on the Watch List are:

1. Peer Group relative measures: performance below the median (50^{th} percentile) of the peer group over rolling three-year periods. Performance below the bottom quartile (75^{th} percentile) of the peer group over an annual period;
2. Relative to index measure: returns (net of fees) should capture a minimum of 90% of the return of the benchmark over rolling three-year periods;
3. Investment style should be consistent with the stated strategy; and
4. Risk should be within a reasonable range based on the asset class and style of the portfolio.

Passively managed portfolios will be measured by tracking error relative to an appropriate benchmark.

Qualitative criteria for placement of all portfolios on the Watch List include:
1. Major organizational changes, including change in professionals;
2. Significant account losses;
3. Change in ownership;
4. Regulatory issues; or
5. Evidence of wrongdoing.

Organizational or performance related issues that have been satisfactorily resolved will result in the portfolio being removed from the Watch List. If a portfolio is not released from Watch status within an appropriate period of time, (generally 9 to 18 months), corrective action may be necessary. In such a situation, the Investment Consultant will conduct an analysis and provide the Board with options and a recommendation for action including the replacement of the portfolio manager consistent with the terms of the portfolio manager's contract.

I. SALE OF SECURITIES WITHIN FIXED INCOME PORTFOLIO

The Investment Manager shall evaluate the sectors and securities that are held in the portfolio daily, working toward developing the most attractive portfolio possible given the State's investment guidelines.

The Investment Manager is authorized to sell a security if any of the following conditions are met:

1. They believe the existing holding trades "rich" from a valuation standpoint, and prefer to sell the position in favor of another
2. Another sector or security becomes relatively more attractive in their judgment, even though they continue to like the existing holding
3. They expect security fundamentals to deteriorate
4. They seek to restructure the portfolio in the context of a change in their belief regarding preferred yield curve exposure or duration positioning. Typically, this relates to Treasury securities.

The Investment Manager is not required to receive authorization from the State prior to the execution of trades subject to the above criteria.

J. FIXED INCOME PORTFOLIO SECURITY DOWNGRADE

NRS 353B.160 provides criteria for investment of the Trust Fund's assets, including minimum ratings for securities.

Should a security be downgraded by a nationally recognized rating service acceptable to the State to a level below investment guideline minimums, and the Investment Manager's analysis reveals that underlying fundamentals have deteriorated to support the downgrade, the Manager will the sell security. The Investment Manager will have up to 90 days within which to sell the security.

There may be instances when the Investment Manager believes underlying fundamentals are strong or atypical market conditions are unnecessarily precipitating the downgrade, and the Investment Manager wishes to continue to hold the security. In this case, the Investment Manager will provide a detailed, written rationale outlining the reasons for which it is recommended the security be retained in the portfolio to the Nevada State Treasurer's Office. This communication will occur within three to five business days of the security downgrade. The security will then remain in the portfolio until such time the Investment Manager feels the security should be sold (if Investment Manager's research and analysis concludes fundamentals have in fact deteriorated) or the security reaches maturity. Until the security is sold or matures, the manager will continue to monitor the security closely, including communication with the State Treasurer, to ensure there is no further deterioration.

K. Public Equity Investment Objective

The primary investment objective of the equity investment in the portfolio is to provide capital appreciation, growth of income, and current income. Although this asset class carries greater market volatility and increased risk of loss, it provides the potential for increased returns. The Trust Fund seeks to mitigate the risk of loss with the use of diversified, highly liquid holdings with a minimum market capitalization requirement at the time of initial investment. The Trust Fund invests in passively managed investment options, such as institutional mutual funds or commingled trust funds which seek to track the performance of the requisite benchmark. Decisions as to individual security selection, number of holdings, sector allocation, current income levels and turnover ratios are at the investment manager's discretion.

State Treasurer staff monitors the underlying holdings, cash amounts, turnover ratios, investment management fees and performance against the assigned benchmark(s), in conjunction with the investment consultant.

L. Covered Calls Investment Objective

Covered calls should be viewed as a distinct asset class for the Trust Fund. While 'equity like', covered calls are less dependent on the equity market risk premium and returns are generated through an option's premium (price paid for option). The Fund invests in a passively managed institutional mutual fund which tracks the CBOE S&P BuyWrite Index (BXM). The BXM is designed to track performance of a hypothetical covered call strategy: 1) Purchase and hold an S&P 500 stock index portfolio, and 2) sell (or write) one(1)-month, at-the-money S&P 500 call options against the S&P stock index portfolio that are systematically replaced in the following month with a new one (1)-month option. The covered calls strategy helps mitigate risk and volatility in the Fund. Decisions on the buy-write strategy is at the investment manager discretion.

State Treasurer staff monitors the investment's cash amounts, strategy, investment management fees and performance against the assigned benchmark, in conjunction with the investment consultant.

M. MANAGER SELECTION AND EVALUATION

When the State Treasurer uses an Investment Manager(s), the State Treasurer shall evaluate manager performance over a sufficient time horizon, and in the context of the prevailing market environment, in order to properly assess each manager's contribution to the overall portfolio. In general, a three year or longer period of time will be used to evaluate a manager's success or failure at attaining agreed-upon goals. On an interim basis, portfolio risk and investment performance will be monitored continually to ensure that the management of Prepaid Program assets remains consistent with the style and objective for which the manager was retained.

At a minimum, investment manager reviews will include a quarterly quantitative performance review conducted by the Investment Consultant. As necessary, the evaluation may also include al biennial site visit to review each portfolio manager's operations.

N. IMPLEMENTATION

All money invested for the Trust Fund by its investment manager(s) after the adoption of this Investment Policy shall conform to this Policy.

The following guidelines have been established: (1) to ensure that the manager continually adheres to all regulations administered by any regulatory authority charged with oversight responsibility; (2) to limit the Fund's exposure to unintended risk; (3) to ensure that the manager maintains the style of management for which they were retained; and (4) to provide objective, reasonable criteria to the manager adhering to Board expectations.

O. PROXY VOTING

By virtue of owning shares of underlying mutual funds and other similar products, the Prepaid Program receives proxy voting materials periodically, which range from the election of board members for mutual funds to requests to modify a fund's fee structure or investment guidelines. Consistent with its fiduciary responsibilities, the Prepaid Program has developed the following guidelines in order to manage the exercise of proxy voting rights for the Prepaid Program investment options. These guidelines recognize that generally our Program represents a very small share of voting shares for a fund, and the frequency of regular Board meetings may prevent the Program from entering votes by funds' deadlines.

Also, the Investment Managers are responsible for adopting written proxy voting policies and procedures as required by Rule 206 (4)-6 under the Investment Advisers Act of 1940. The Policy is generally adopted by each Fund, series of Funds or Investment Management Firm. These policies and procedures will cover the voting of the underlying equity securities and may also apply to voting and/or consent rights of the underlying fixed income securities in funds, separately managed accounts and other similar products. These policies should be designed and implemented in a manner to ensure voting is exercised in the best interest of Fund shareholders.

1. Upon receipt of proxy voting materials, the Investment Manager will forward all materials to the State Treasurer's Office. The Investment Manager will attempt to direct that proxy voting materials be mailed or sent electronically directly to the State Treasurer's Office.
2. Upon receipt of the proxy, staff at the State Treasurer's Office will carefully analyze the implications of proxy proposals. Based on the guidelines below, staff will determine whether it shall administratively vote on a proxy or forward the proxy vote to the Board for a decision. This helps ensure the Prepaid Program (1) always votes the proxies it is entitled to vote; (2) votes after careful consideration of the issues; and (3) always casts votes in the best interest of Prepaid Program beneficiaries. These guidelines are intended to provide general direction on particular issues. They are not meant as a substitute for careful review of ballot proposals.
3. The Board has delegated the following types of votes to the State Treasurer:
    a. Election of Board(s)Trustees
        i. The Board(s) of Trustees must be an independent force in fund affairs and manage on behalf of shareholders. In 2004, The Securities and Exchange Commission adopted amendments to rules under the Investment Company Act of 1940 which help to ensure trustees remain independent and make decisions in the best interest of shareholders. Due to this, the State Treasurer will generally vote for trustee nominees recommended by the Investment Manager.
    b. Increases in Expenses of the Investment Option

i. Staff will vote against proposals which will increase investment option expenses.
ii. A situation in which staff is supportive of a fee increase will require the item to be submitted to the Board for affirmative action.

c. Distribution Agreements
   i. Staff will vote on distribution agreements on a case-by-case basis.

4. The following types of proxies will be placed on the Board's next regularly scheduled agenda or in extraordinary cases, may merit a special Board meeting:
   a. Amendments to Investment Options' Fundamental Policies[1]
      i. Votes on amendments to funds' fundamental policies will be made on a case-by-case basis.
   b. Amendments to Fundamental Investment Restrictions
      i. Votes on amendments to fundamental investment restrictions will be made on a case-by-case basis.
   c. Social and Environmental Issues
      i. Votes on social and environmental issues will be made on a case-by-case basis.
5. Other Items
   a. On other items that are deemed routine by staff (such as those which do not change the fundamentals of the fund), staff will generally vote in the manner recommended by the Investment Manager.
   b. On other items that are deemed non-routine by staff, proxy votes will be placed on the Board's next regularly scheduled agenda or in extraordinary cases, may merit a special Board meeting.

These guidelines are intended to provide general direction on particular issues. Staff will provide the Board with a report of any missed votes at the next regularly scheduled Board meeting with an analysis of the reason(s). The Board will receive a proxy voting summary report annually.

The above guidelines apply to proxy votes for underlying mutual funds or other types of investment options, but do not apply to proxy votes for companies for which these funds own shares or debt of.

P. ADOPTION AND REVIEW OF POLICY

The Board will review this Policy at least once every two years. Changes can be made at any time to this Policy to the extent such changes would be in the best interest of the Account Owners and beneficiaries; however changes are expected to be infrequent, as they will reflect long-term considerations, rather than short-term changes in the financial markets. The State Treasurer will communicate any proposed modifications in writing on a timely basis to interested

[1] The 1940 Investment Act requires each fund adopt fundamental policies with respect to certain activities, and effectively provides that such policies may not be changed except by a majority of shareholder votes. These activities include, but are not limited to, underwriting securities issued by other persons, purchasing or selling real estate, issuing senior securities, borrowing money, making loans, purchasing or selling commodities, and the concentration of investments in a particular industry(ies).

parties, including the Investment Manager(s), who shall have a reasonable amount of time to respond to such proposals.

Adopted this 24h day of February 2020.

BOARD OF TRUSTEES, COLLEGE SAVINGS PLANS OF NEVADA

____

Zach Conine, State Treasurer and Chair of Board of Trustees