Investment Policy Statement
For the Nevada System of Higher Education Defined Contribution Plans

Adopted February 23, 2012

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I. OVERVIEW AND PURPOSE

The Board of Regents of the Nevada System of Higher Education (the "Sponsor") maintains the following defined contribution retirement plans (herein collectively referred to as the "Plans"):

1. The Retirement Plan Alternative (RPA), a 401(a) plan with mandatory employer and employee contributions;
2. The Excess Benefit Plan, a 415(m) plan with supplemental employee and employer contributions;
3. The Tax Sheltered Annuity Plan (TSA), a 403(b) plan with voluntary employee contributions; and
4. The Medical Resident/Postdoctoral Scholar Plan, a 403(b) plan with mandatory employee and employer contributions.

The Plans are intended to provide eligible employees with long-term accumulation of retirement savings through a combination of employer and employee contributions to individual participant accounts.

The Sponsor may, from time to time, delegate the operation of the Plans to its Chancellor, who may in turn delegate certain responsibilities to an officer of the Sponsor. In that regard, the Chancellor has created the Retirement Plan Advisory Committee (the "RPAC") to advise on a range of matters relating to the Plans. Investment matters which are addressed by the RPAC are within the purview of a subcommittee, the Investment Management Subcommittee (the "Committee") of the RPAC.

Notwithstanding that certain provisions of 29 United States Code Sections 1001, *et seq.*, ("ERISA"), specifically Subchapter 1 thereof, are not applicable to the Plans, the Sponsor intends to be guided by the provisions of ERISA, including but not limited to Section 1104(c) thereof. Given the Plans intent to be guided by the provisions of ERISA, the Plans will provide a broad range of investment alternatives to reflect the different risk tolerances common among participants in retirement savings plans. The Plans are intended to provide participants the opportunity to save for retirement on a tax deferred basis and participants will be given the flexibility to alter their investment choices and the direction of existing and future contributions. Participants alone bear the risk of investment results from the investment alternatives and asset mixes that they select.

It is the intention of the Sponsor that the assets of the Plans shall be maintained in compliance with all applicable laws governing the operation of the Plans. Practices in this regard include, but are not limited to, the following:

- The investment alternatives offered to participants will be selected with the care, skill, and diligence that would be applied by a prudent person acting in a like capacity and knowledgeable in the investment of retirement funds.

- All transactions undertaken on behalf of the Plans shall be for the exclusive purposes of providing benefits to the Plans' participants and beneficiaries and defraying reasonable expenses of administering the Plans.

- Participants will be provided the opportunity to obtain sufficient information to make informed decisions with regard to investment alternatives available under the Plans.

The purpose of this Statement of Investment Policy ("Policy") is to record the investment goals and objectives that have been established for the Plans. This document also outlines various operational guidelines intended to assist the Committee in efficiently and effectively monitoring the investment alternatives available under the Plans. Specifically, this Policy is intended to:

- Outline by way of description and not as binding on the Committee, the overall structure of the investment program, the duties and responsibilities of the Committee, and the general policies and procedures under which the Committee operates;

- Establish guidelines and procedures to be followed in connection with the selection of investment funds to be offered as investment vehicles under the Plans; and

- Outline the criteria and procedures that the Committee intends to use in evaluating the performance of the investment funds in which the Plans invest.

This Policy does not apply to investments purchased through the Self-Directed Window, an individual brokerage account.

II. ROLES AND RESPONSIBILITIES

The following are the key responsibilities:

- The Sponsor, and settlor of the Plans, will be responsible for establishing the Plans, determining the terms and design features of the Plans, and terminating the Plans (if deemed appropriate).

- The RPAC, acting through the Committee, is responsible for advising the Sponsor or its delegated authority on the selection and monitoring of the investment alternatives and service providers of the Plans. The Committee is entitled, but not required, to use the services of an investment consultant ("Investment Consultant") or other professionals to assist in carrying out its responsibilities.

- If retained, the Investment Consultant will render their recommendations on policy regarding availability and oversight (monitoring) of the investment alternatives. This includes but is not limited to, providing formal reviews of the performance of the investment alternatives, conducting investment manager due-diligence, and assisting with investment manager searches and selection. The Investment Consultant will also aid the Committee in adhering to the guidelines of the Policy and making recommendations regarding changes should they need to be made. The Investment Consultant shall provide such additional services as may be appropriate subject to the terms of a written agreement between the Sponsor and the Investment Consultant.

- Participants are solely responsible for monitoring the return on their assets and moving assets to other available investment alternatives as they deem necessary to minimize aggregate risk and maximize aggregate return on their investments. Participants are also solely responsible for determining their voluntary contribution rates within the IRS limits and allocating their assets among the investment alternatives offered by the Plans.

- The investment managers for the Plans' investment alternatives have the responsibility for managing the underlying assets by making reasonable investment decisions consistent with the stated approach in the fund's prospectus.

- The Plans' Service Provider(s) shall be responsible for providing the Plans with the services deemed appropriate by the Committee, acting in compliance with state and federal laws governing those services, and acting as fiduciaries to the Plans and Participants when appropriate. Practices in this regard include, but are not limited to, the safekeeping of securities, settlement of trades, collection of income, reimbursement of revenue sharing to offset administrative costs, administrative reporting to the Committee, and providing information regarding the investment alternatives to participants.

III. INVESTMENT OBJECTIVES

The Committee believes long-term investment performance, in large part, is a function of asset class mix. The objective of the Committee is to offer a sufficient range of investment alternatives to allow participants to diversify their accounts and construct portfolios that reasonably span the risk/return spectrum.

While offering a variety of investment alternatives is important, efforts will be made to limit the total number to a prudent level that balances the benefits of broad diversification with the disadvantages of too much choice. At a minimum, the Plans shall offer enough investment alternatives so that participants can construct an investment program appropriate for their respective risk tolerances.

In that regard, the Plans shall be comprised of at least one investment alternative from each of the following categories:

- Capital Preservation
- Diversified Fixed Income
- U.S. Stock
- Non-U.S. Stock

Within these categories, the types of investment alternatives may include active or passive alternatives, low to high risk alternatives, and specialized styles of investment management.

In addition, at participants' discretion, some of the participants' assets in the Plans may be invested in loans to themselves.

Qualified Default Investment Alternative

Target Date Retirement Funds will be utilized as the Plans' default investment alternative. It is the Committee's intent that these funds serve as a "Qualified Default Investment Alternative" pursuant to regulations issued by the U.S. Department of Labor. Each fund is designed to provide varying degrees of long-term appreciation and capital preservation through a mix of equity and fixed income exposure based on the participant's age and target retirement date.

IV. INVESTMENT GUIDELINES

The Committee acknowledges that fluctuating rates of return characterize the securities markets, particularly during short-term periods. Recognizing that short-term fluctuations may cause variations in performance, the Committee intends to evaluate performance from a long-term perspective.

On a periodic basis, but not less than annually, the Committee will evaluate the performance of the Plans' investment alternatives on a net-of fee basis relative to (1) the return of an appropriate market index(es) and (2) the returns of a universe of comparable funds, where applicable, over a full market cycle (typically three to five years) or such other period determined by the Committee. In the case of pre-mixed investment alternatives, performance objectives will be based upon a custom benchmark composed of weighted market indices.

Investment Selection

The Committee will apply the following due diligence criteria when selecting an investment alternative:

- **Regulatory oversight:** The investment manager should be a regulated bank, an insurance company, a mutual fund organization, or a registered investment advisor.
- **Minimum track record:** The investment alternative's inception date should be at least three years; a shorter track record may be used when the investment professionals of a new organization have a well established and recognized track record at a previous organization.
- **Assets under management:** The portfolio manager should have a sufficient and appropriate asset base; in general, the Plans' portfolio should make up no more than 25% of the manager's total asset base, exceptions may be made on a case-by-case basis.
- **Stability of organization:** The portfolio manager should have at least a two-year tenure, as well as a record of managing asset growth effectively, both in gaining and retaining clients. For any passively-managed (index) funds, manager tenure of at least two years is not a requirement.
- **Performance:** The portfolio manager's performance should be evaluated against appropriate index and peer group returns over a trailing three- and five-year cumulative period; past performance should not, however, be the primary basis for selecting investment managers.
- **Holdings consistent with style:** A minimum of 80% of the investment alternative's securities should be consistent with the stated investment discipline.
- **Fees:** The investment alternative should be available at a reasonable cost.

In rare cases, some of the above criteria can be waived as approved by the Committee if few investment products are available related to a specific search.

Investment Monitoring

The Committee will examine each investment alternative on a regular basis to ensure that the investment style and other relevant investment criteria are acceptable, given the purpose of each investment alternative. Investment vehicles that do not meet the Committee's expectations may be placed on watch.

The Committee may place an investment manager/alternative on a "Watch List" and conduct a thorough review and analysis of the investment if and when (but not limited to) any of the following occurs:

- Material changes to investment philosophy and objectives;
- Substantial change in assets under management (track substantial changes in total assets);
- Underperformance relative to benchmarks and peer groups;
- Lack of adherence to the investment alternative's stated investment discipline and style; and
- Significant organization instability and personnel turnover.

Funds repeatedly or consistently "on watch" may be candidates for replacement.

Investment Termination

Unless contractually obligated, the Committee has the authority to remove or replace an investment alternative if, in the opinion of the Committee, the investment alternative does not, or is not expected to meet the specified criteria, or is no longer suited to the Plans and its participants. Grounds for termination may include, but are not limited to, the following:

- Failure to comply with stated guidelines;
- Significant deviation from the manager's stated investment philosophy and/or process;
- Loss of key personnel;
- Evidence of illegal or unethical behavior by the investment management firm;
- Loss of confidence by the Committee in the investment manager; or
- Failure to achieve performance objectives specified in the manager's guidelines over reasonable measurement periods.

Investment Mapping

Generally, when the Committee recommends terminating an investment manager/alternative in the Plans, participants will be granted an opportunity to direct their assets to the Plans' remaining investment fund alternatives prior to termination. If the Committee has the authority, assets that are not directed by participants will be transferred or "mapped" to an investment alternative(s) that the Committee deems appropriate.

Fee Structure

The Committee will review, at least annually, all costs associated with the management of the Plans' investment program, including, but not limited to:

- Costs to administer the Plans, including recordkeeping:
- Expense ratios of each investment option against the appropriate peer group;
- Sales loads including front-end or back-end sales charges; and
- Revenue sharing, including 12b-1 fees.

V. REVIEW AND AMENDMENT OF THE POLICY

The Committee will periodically review this Policy to determine if it continues to reflect the Plans' objectives and meet the needs of the Plans' participants. Changes to this Policy are expected to be infrequent, as they will reflect long-term considerations, rather than short-term changes in the financial markets. However, the Committee retains authority to make interim changes to the Policy.

The criteria used to evaluate this Policy may include, but not limited to, consideration of: (1) demographics of the workforce, (2) growth of the Plans, and (3) changes in the legal or regulatory requirements of the Plans.

The Committee will communicate any modification on a timely basis to the Plans' other fiduciaries and any other interested parties.

Certification by Delegated Authority:

I hereby certify that the foregoing is an accurate and complete copy of the Investment Policy Statement adopted by the Committee effective as of (date)

By: ______________________
Henry Stone NSHE System Counsel

Date: 3/28/12