**NEVADA COLLEGE SAVINGS PROGRAM**

**PROGRAM MANAGER ANNUAL REVIEW GUIDELINES**

**Updated March 2023**

**Annual Review:** The Annual Review is a report which outlines the Investment Manager’s investment performance during the prior 12 months, and any recommendations for changes to the lineup of investment options or construction of the portfolios of the respective Nevada College Savings Program. The Annual Review will further provide for any other actions or considerations germane to the proactive management and success of the Program. It also documents the reasons for the particular courses of action to be taken, and importance of items under consideration.

The State Treasurer’s Office and Investment Consultant shall evaluate the Annual Review responses and host a call to discuss the Review with each Investment Manager. Any proposed changes will require a presentation and approval by the Board of Trustees of the College Savings Plans of Nevada.

All sections should be as brief as possible using a format as follows:

## PROGRAM REVIEW

1. **Risk Allocation**
   1. Describe the investment environment over the last 12-month period.
   2. Describe your expectations for the investment environment in the coming 12-month period.
      1. Please provide 10-year capital market expectations for the following categories at minimum:
         1. Domestic Equities
         2. International Equities
         3. Emerging Markets
         4. Fixed Income – Government
         5. Fixed Income – International
         6. Fixed Income – High Yield
         7. Fixed Income – Credit
   3. What are the most relevant investment risks the Program will face in the next 12 months?
   4. How will these risks specifically impact your 529 College Savings Program(s)?
   5. How is the Program designed to prepare for those risks?
2. **Asset Allocation**
   1. How have you integrated the notion of those risks to the Program within your asset allocation decision?
   2. What are the most important factors utilized in your decision to allocate to different asset classes?
   3. Provide details on whether, over the last 12-month period, each asset class has met your firm’s expectations?
3. **Performance Issues**
   1. Review of Age-Based options’ returns
   2. Review of Goal-Based options’ returns
   3. Review of each underlying individual fund on either “Caution” or “Watch” status
   4. Detail any organizational changes or items of interest as it relates to each underlying fund (i.e., fund manager changes, etc.).
   5. Discuss/highlight any changes to the fund management or other organizational items to any underlying fund
   6. Review of any issues which you have been asked to specifically address by the State Treasurer’s Office (e.g., level of international exposure in age-based/goal-based portfolios)
4. **Proposed Changes**
   1. Detail any proposed changes to the asset class structure (i.e. allocation changes, new asset classes, etc.) for the age-based/goal-based options.
   2. Describe how these changes will impact/improve the Program based on your views of Risk Allocation and Asset Allocation as detailed earlier.
   3. Detail any proposed underlying fund changes.
   4. Describe why is the change being proposed, and how will it improve the Program.

# Appendix Items

1. **Age-Based Attribution Associated with the performance of the underlying funds within these Options**
   1. Provide attribution analysis for age-based options based on performance of underlying fund which includes the fund’s average portfolio weighting versus total return, custom benchmark average portfolio weighting versus total return, average weight difference versus total return difference and the allocation effect, selection/interaction effect and total effect.
2. **Age-Based/Goal-Based Underlying Fund Performance Review:**
   1. Review of each underlying fund within each Age-Based/Goal-Based Option versus their respective benchmarks
   2. Include annualized performance periods (1 year, 3 years, 5 years, Since Inception)
   3. Include trailing 12-month performance periods
   4. Include analysis of risks to each option including volatility (standard deviation)
3. **Individual Stand-Alone Fund Performance Review:**
   1. Review of each stand-alone fund versus their respective benchmarks
      1. Include annualized performance periods (1 year, 3 years, 5 years, Since Inception)
      2. Include trailing 12-month performance periods
4. **Include analysis of risks to each option including volatility (standard deviation)**
5. **Operational Risk Management (ORM)**
   1. Please provide a copy of your firm’s risk management statement/policy. The policy should cover market, credit, core business (strategic risk) and model risk whether models are developed internally or procured from third-party providers.
6. **Other Items:**
   1. Please use this space within the Appendix to add additional items for consideration including:
   2. Firm overview/history
   3. Investment philosophy/process
   4. Growth of the program in terms of total market value and number of accounts
   5. Any other items of interest