



State of New Mexico
Educational Retirement Board

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**MINUTES OF THE
NEW MEXICO EDUCATIONAL RETIREMENT BOARD
INVESTMENT COMMITTEE MEETING**

October 13, 2023

1. a. CALL TO ORDER

A meeting of the New Mexico Educational Retirement Board Investment Committee was called to order on this date at 8:15 a.m. in the Rio Bravo Room at the Albuquerque Public Schools Headquarters, 6400 Uptown Boulevard, N.E., Albuquerque, New Mexico. A quorum was present.

Members Present:

Mr. Larry Magid, Chair
Mr. Russell Goff

Members Excused:

Dr. Matias Fontela

Board Members Present:

Mr. Max Baca

Staff Present:

Mr. David Archuleta, Executive Director
Mr. Lawrence Esquibel, Deputy Director
Mr. Rick Scroggins, Assistant Director
Mr. Bob Jacksha, CIO
Mr. Steve Neel, Deputy CIO, Alternative Assets
Mr. Mark Canavan, Investment Officer, Real Estate & Natural Resources
Mr. Randall Cherry, Deputy General Counsel
Ms. Ariana Wakefield, Executive Assistant

Others Present:

Ms. Judith Beatty, Board Recorder

b. Approval of Agenda

Mr. Goff moved approval of the agenda, as published. Chairman Magid seconded the motion, which passed unanimously.

c. Approval of Minutes: 08/25/2023

Mr. Goff moved approval of the minutes of the August 25, 2023, meeting. Chairman Magid seconded the motion and it passed unanimously.

d. Introduction of Guests

None.

2. INVESTMENT POLICY STATEMENT DRAFT

Mr. Jacksha stated NEPC is recommending that the NMERB replace the existing LIBOR + 200 benchmarks for Global Tactical Allocation and Other Diversifying Assets with the Secured Overnight Financing Rate (SOFR) + 200 basis points as an alternative reference rate to USD LIBOR. LIBOR is being phased out by regulators as of June 30, 2023. NMERB and NEPC thinks this substitute benchmark is the right choice.

Mr. Baca noted NEPC's statement that SOFR may be slightly lower over time, so an additional premium could be considered. He asked Mr. Jacksha if he had any sense of what that could be. Mr. Jacksha responded that a graph prepared by NEPC showed the two together, and the difference averaged about 20 basis points, so it was not significant.

Mr. Jacksha also stated that the Core Bonds benchmark the NMERB uses (Barclay's Capital Aggregate Bond Index) is now called the Bloomberg Aggregate Bond Index. Bloomberg purchased the Index a while ago and have decided to monetize it and are charging \$45,000 a year. They are looking to implement that right now. The NMERB was going to adopt another benchmark, but plan to wait until the end of the year and do more research on alternate benchmarks in the interim.

Mr. Goff moved that the Investment Committee recommend that the Board approve the revised Investment Policy Statement and the revised Core Fixed Income Policy as presented by staff today. Chairman Magid seconded the motion, which passed unanimously.

3. Q3 2023 PROXY VOTING REPORT

Mr. Jacksha presented the Proxy Voting Report.

Mr. Goff moved acceptance of the Proxy Voting Report. Chairman Magid seconded the motion, which passed unanimously.

4. Q3 2023 COMMISSION REPORTS

[Informational.]

5. DERIVATIVES REPORT

Mr. Jacksha stated that the NMERB was within policy guidelines.

6. OTHER REPORTS AND DISCUSSION

None.

7. ADJOURN: 8:35 a.m.



Larry Magid, Chair

