

MINUTES OF THE
NEW MEXICO EDUCATIONAL RETIREMENT BOARD
INVESTMENT COMMITTEE

August 26, 2022

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 of the Albuquerque Public Schools Headquarters, 6400 Uptown Boulevard, N.E., Albuquerque, New Mexico. A quorum was present.

Members Present:

Mr. Russell Goff, Vice Chair
Dr. Matías Fontenla

Members Excused:

Mr. Larry Magid, Chair

Staff Present:

Mr. Bob Jacksha, CIO

Others Present:

Mr. Allan Martin, NEPC
Ms. Judith S. Beatty, Recorder

b. Approval of Agenda

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

c. Approval of Minutes: June 24, 2022

Dr. Fontenla moved approval of the June 24 minutes, as presented. Mr. Goff seconded the motion, which passed unanimously.

d. Introduction of Guests

There were no guests present.

2. Q2 2022 PROXY VOTING REPORT

Mr. Goff moved to accept the Q2 Proxy Voting Report. Dr. Fontenla seconded the motion, which passed unanimously.

3. Q2 COMMISSION REPORTS

[Informational.]

4. Q4 2021 PRIVATE EQUITY REPORT

Mr. Neel reported that the NMERB made a couple of policy changes this year, both around benchmarks. After ILPA discontinued the ILPA Private Markets Benchmark last year, the NMERB switched to State Street's private equity benchmark. Also, the NMERB moved from a purely domestic public equity benchmark to a global public equity benchmark, the MSCI ACWI.

Mr. Neel presented highlights from the report, stressing that 2021 was an unprecedented year in terms of returns, and Q1 returns are expected to break even.

- Q4 net IRR 6.34%, versus State Street benchmark of 5.74; YTD 42.8%, versus State Street benchmark of 37.4%
- About 27% of the PE portfolio is made up of defensive strategy: secondaries, mezzanine, and distressed.
- Pacing has been about \$475 million since 2018, but will be less robust going forward.
- Net benefit of the program since inception (2006) is about \$2.9 billion in added value, with \$1+ billion added just over the last year.

5. DERIVATIVES REPORT

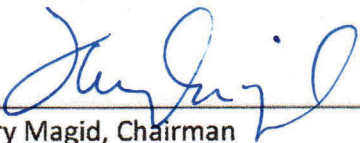
[Informational.]

6. OTHER REPORTS AND DISCUSSION

None.

ADJOURN

The meeting adjourned at 8:55 a.m.


Larry Magid, Chairman