



NEW MEXICO
EDUCATIONAL RETIREMENT BOARD

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MINUTES OF THE

NEW MEXICO EDUCATIONAL RETIREMENT BOARD

INVESTMENT COMMITTEE

December 13, 2024

1. PROCEDURAL ITEMS

a. Roll Call/Ascertain Quorum

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 [virtual]
Dr. Matias Fontenla
Mr. Russell Goff, Acting Chair

NMERB Board Members Present:

Mr. Max Baca

Staff Present:

Mr. David Archuleta, Executive Director
Mr. Lawrence Esquibel, Deputy Director
Mr. Bob Jacksha, Chief Investment Officer
Mr. Steve Neel, Deputy CIO, Alternative Assets
Mr. Ian Padilla-Salazar, Executive Assistant

Others Present:

Mr. Sam Austin, NEPC
Ms. Judith Beatty, Board Recorder

b. Approval of Agenda

Dr. Fontenla moved for approval. Mr. Goff seconded the motion, which passed unanimously.

c. Approval of Committee Meeting Minutes: October 25, 2024

Dr. Fontenla moved for approval of the October 25, 2024, minutes. Mr. Goff seconded the motion, which passed unanimously.

d. Introduction of Guests

No guests.

2. Q2 2024 PRIVATE EQUITY REPORT

Mr. Neel presented this report.

Mr. Neel explained that the private equity asset allocation has been about 21.5 percent versus a 17 percent goal. In Q2 2021, the 1-year lag performance was 60 percent (mostly on paper, not distributed), and this runup in values pushed the portfolio out of par. As a result, performance has basically gone sideways for the 3-year mark, as reflected in this report at below 6 percent. As noted, the portfolio is well into the double digits at the 5- and 10-year mark.

3. Q2 2024 REAL ESTATE AND NATURAL RESOURCES REPORT

Mr. Jacksha stated that interest rates have had an effect on real estate because most of the mortgages of properties are floating rate. Cap rates have also gone up, which has brought prices down.

Mr. Neel stated that since-inception returns in real estate are 11% net IRR and in natural resources are about 9%.

Mr. Neel noted that the real estate portfolio has very little office exposure, with most of it in comingled structures, so the impact is relatively minimal.

4. Q3 2024 DERIVATIVES REPORT

[No report.]

5. OTHER REPORTS AND DISCUSSIONS

None.

6. NEXT COMMITTEE MEETING: FRIDAY, FEBRUARY 28, 2025 – ALBUQUERQUE

7. ADJOURN: 8:55 a.m.

A handwritten signature in blue ink, appearing to be 'M. Fontenla', written over a horizontal line.

Dr. Matias Fontenla, Chairman