

MINUTES OF THE
NEW MEXICO EDUCATIONAL RETIREMENT BOARD
INVESTMENT COMMITTEE
TELEPHONIC/VIRTUAL MEETING

August 20, 2021

1. a. CALL TO ORDER

A meeting of the New Mexico Educational Retirement Board Investment Committee was called to order on this date at 8:25 a.m. via teleconference. A quorum was established following roll call.

Members Present:

Mr. Russell Goff, Chair
Ms. Mary Lou Cameron
Mr. Larry Magid

Members Excused:

None.

Staff Present:

Mr. Bob Jacksha, CIO
Mr. Rick Scroggins, Acting Deputy Executive Director
Mr. Steve Neel, Deputy CIO, Alternative Assets
Ms. Kay Chippeaux, Deputy CIO, Public Markets & Credit
Mr. Mark Canavan, Investment Officer, Real Estate & Natural Resources
Mr. Nathan Sax, Fixed Income Portfolio Manager

Others Present:

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

b. Approval of Agenda

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

c. Approval of Minutes: June 25, 2021

Ms. Cameron moved approval of the June 25, 2021, minutes, as submitted. Mr. Magid seconded the motion, which passed unanimously.

d. Introduction of Guests

Chairman Goff welcomed attendees.

2. Q4 2020 PRIVATE EQUITY REPORT

Noting that this is the December report, Mr. Neel commented that the results this quarter are very good and reflect the hard work of the entire team, including BlackRock, staff, and NEPC.

Mr. Neel presented the following highlights:

- This is the best single quarter the Private Equity program has had in the history of the program, at a net IRR of 16.73 percent and beating the ILPA benchmark by 200 basis points.
- A good portion of the portfolio is more risk-averse, which hasn't done as well as the riskier strategies.
- To date, the NMERB has committed about \$4.5 billion to the program and has created about \$1.8 billion in net benefit to the pensioners. This is expected to reach \$2 billion by Q1.
- Since inception IRR is 13.53 percent. This is expected to reach 15 percent in Q1.

Mr. Gill referred to vintage year performance vs. the ILPA and noted that, in virtually every vintage year the ERB has invested, it has been above median except in one year and in the first quartile in about half of those vintage years. This reflects the ability to not just generate total return, but also to generate cash back into the program to redeploy it, reinvest it, and/or pay beneficiaries in a timely manner.

Mr. Jacksha added that, once the NMERB gets the Q1 valuations rolled into this, in the full quarterly report for June, the private equity program was up more than 50 percent for the year. He added that the co-investment program is also working very well and adding value.

3. Q2 2021 PROXY VOTING REPORT

Mr. Goff moved for approval. Ms. Cameron seconded the motion, which passed unanimously.

4. Q2 2021 COMMISSION REPORTS

[Informational.]

5. OTHER REPORTS AND DISCUSSION

None.

ADJOURN

The meeting adjourned at 8:45 a.m.



H. Russell Goff, Chairman