



NEW MEXICO
EDUCATIONAL RETIREMENT BOARD

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MINUTES OF THE

NEW MEXICO EDUCATIONAL RETIREMENT BOARD

INVESTMENT COMMITTEE

SPECIAL MEETING

VIRTUAL ATTENDANCE

November 25, 2025

1. PROCEDURAL ITEMS

a. Roll Call/Ascertain Quorum

A special meeting of the New Mexico Educational Retirement Board Investment Committee was called to order on this date at 12:00 p.m. A quorum was present.

Members Present:

Dr. Matias Fontenla, Chair
Mr. Max Baca
Mr. Russell Goff

Staff Present:

Mr. David Archuleta, Executive Director
Mr. Bob Jacksha, Chief Investment Officer
Mr. Steve Neel, Deputy CIO, Alternative Assets
Mr. Evan Cochnar, Deputy General Counsel
Mr. Ian Padilla-Salazar, Executive Assistant

Others Present:

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

b. Approval of Agenda

Mr. Baca moved for approval of the agenda. Mr. Goff seconded the motion, which passed unanimously.

2. ASSET ALLOCATION RECOMMENDATION

Mr. Austin reviewed a table of asset mixes, reflecting the current asset allocation policy and five additional mixes (Proposals I, II and III and Mixes A and B).

- All of the scenarios are increasing Diversifying Assets, which has been very successful since being added to the portfolio in 2018. It seeks to achieve at least a 7% return. “Diversifying Assets” is an NMERB creation and most closely tracks with the Hedge Fund-Credit category in the Asset Allocation scenarios.
- All of the scenarios eliminate the Global Asset Allocation Strategy, which has not been very successful.
- All of the scenarios reflect a reduction in Private Equity.

Mr. Austin said the recommendation is to consider Proposal I:

- 1% reduction in Emerging Markets Equity, 1% reduction in Private Equity, and elimination of Global Asset Allocation
- 3% increase in Diversifying Assets (Hedge Fund-Credit), 1% increase in Private Equity Real Assets.
- These changes take the expected return over 10 years from 7.23% to 7.26%. The fact that these numbers move only a very small amount indicates that NMERB is already very close to the efficient frontier. The Standard Deviation (volatility) goes down from 15.1% to 14.8%, which is desirable.

Mr. Neel commented that most the scenarios reflect a shift away from equity and to strategies that are more agnostic to equity.

Mr. Baca noted that the Hedge Fund-Credit allocation increases from 8% to 11% in Proposal 1 and from 8% to 9% in Mix A, and there is no change in Private Debt in Proposal I and an increase from 18% to 20% in Mix A. The 10-year expected return, however, increases from 7.23% to 7.29%. He asked why Mix A wasn't being recommended instead.

Mr. Jacksha responded that he was not a strong believer in Private Debt, so was not in favor of increasing it at this point. Mr. Austin added that Proposals I, II and III were developed by staff and Mixes A and B were developed by NEPC. This was a collaborate effort. Proposal I and Mix A have almost identical Sharpe Ratios. He said NEPC could have come up with dozens of scenarios but chose to show just a few with slightly different perspectives and different beliefs about Private Debt, for instance. He said NEPC was very comfortable with Proposal I and particularly liked the reduction in the Standard Deviation. Mr. Jacksha added that the statistics at the bottom of the page were only estimates.

Mr. Baca asked staff to prepare a memo clarifying that the recommended changes do not result in a deviation from current target policy ranges.

Responding to Dr. Fontenla, Mr. Jacksha said staff was waiting to see if further changes would be made at the board meeting before determining whether policy ranges would be affected.

Mr. Baca moved to recommend to the Board of Trustees changes to the NMERB asset allocation consisting of Proposal I as provided by staff and articulated and supported by NEPC. Mr. Goff seconded the motion, which passed unanimously.

3. NEXT COMMITTEE MEETING: FRIDAY, DECEMBER 5, 2025

4. ADJOURN: 12:50 p.m.

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

Matias Fontenla, Chairman