ACTION SUMMARY

STATE INVESTMENT COUNCIL

April 22, 2025

Item	Action	Page #
APPROVAL OF AGENDA	APPROVED	3
APPROVAL OF MINUTES	APPROVED	3
INVESTMENT ACTIVITY & PERFORMANCE UPDATES		
SIO Briefing	Reported by Jon Clark	3
CIO Briefing	Reported by Vince Smith	4
Performance Report: February 2025	Reported by Nino Carpenito, RVK	4
Total Portfolio Manager Exposure/Concentration	Reported by Nino Carpenito	4
INVESTMENT MATTERS: INFORMATIONAL ITEMS & PORTFOLIO RECOMMENDATIONS REQUIRING A VOTE		
Investment Committee Report	Reported by John Bingaman	5
VOTE: Public Debt: JPM Short Duration IG Contract Renewal	APPROVED	5
VOTE: Private Debt: Evolution Credit Opportunities Fund III	APPROVED	6
VOTE: Private Debt: Ares Sports, Media and Entertainment II	APPROVED	6
VOTE: Real Estate: Asana Partners Fund IV, LP	APPROVED	7
VOTE: Real Assets: iCON Infrastructure Partners VII	APPROVED	7
VOTE: Private Equity: Brightstar Horizon Fund I, L.P.)	APPROVED	8
VOTE: National Private Equity: Structure Study	APPROVED	9
VOTE: NMSIC Strategic Venture Capital Program: Structure Study	APPROVED	10
VOTE: National Private Equity & NMSIC Strategic Venture Capital Program: Investment Policy Statement Updates	APPROVED	10
VOTE: Strategy: Benchmarking Review	APPROVED	10
GOVERNANCE MATTERS: INFORMATIONAL REPORTS REQUIRING DISCUSSION/VOTE		
Governance Committee Report	Reported by Cathy Allen, Clark	11
FINANCE MATTERS		
CFO Report	Reported by Brent Shipp	11

CLOSING MATTERS

Old or new business

Next SIC meeting:

Wednesday, April 30, 2025, 3:00 p.m. NM State Treasurer's Office

Tuesday, May 27, 2025, Governor's Cabinet Room

PUBLIC COMMENT PERIOD

MINUTES OF THE

NEW MEXICO STATE INVESTMENT COUNCIL MEETING

April 22, 2025

Santa Fe, New Mexico

1. OPENING MATTERS

a. Roll call and introduction of guests: quorum present.

A regular meeting of the New Mexico State Investment Council was called to order by the Investment Committee Chair, Councilor John Bingaman on this date at 9:05 a.m.

Members Present:
The Honorable State Treasurer Laura Montoya, Ex officio
DFA Secretary Wayne Propst, Ex officio
Mr. Nicolas Telles, Ex officio
Mr. Allen Sánchez, Public Member
Mr. John Bingaman, Public Member
Ms. Catherine Allen, Public Member
Mr. Kurt Sommer, Public Member
Ms. Kelly O'Donnell, Public Member

Members Excused:
The Honorable Michelle Lujan Grisham, Governor
The Honorable Stephanie Garcia Richard, Land Commissioner

Staff Present:
Mr. Jon Clark, State Investment Office
Mr. Vince Smith, Chief Investment Officer
Mr. Brent Shipp, Chief Financial Officer
Mr. Charles Wollmann, Chief Communications Officer
Ms. Helen Calles, Investment Staff & Operations Manager
Mr. Evan Land, Chief Counsel
Ms. Amy Chavez-Romero, Deputy General Counsel & Compliance Officer
Mr. Tom Lofton, Director, Director, Debt Market Investments
Mr. Ryan McCauley, Senior Analyst, Debt Market Investments
Mr. Keith Sabol, Director, Real Estate and Real Assets
Mr. Juan Treviso, Analyst, Real Estate and Real Assets
Mr. Chris Cassidy, Director, Private Equity and Venture Capital
Mr. Bruce Brown, Portfolio Manager, Private Equity and Venture Capital
Ms. Dawn Iglesias, Chief Investment Operations Officer
Mr. Nino Carpenito, Risk & Performance Officer
Mr. Chris Rodriguez, IT Network Administrator III

Guests Present:
Ms. Marcia Beard, RVK
Mr. Matthias Bauer, RVK
Mr. Matt Sturdivan, RVK
Mr. Richard Pugmire, Mercer
Ms. Amy Ridge, Mercer
Ms. Mary Bates, Meketa
Mr. Andrew Weinberg, Brightstar Capital Partners
Mr. Charles Yoon, Brightstar Capital Partners
Mr. Peter Smith, Brightstar Capital Partners
Mr. Rene Canezin, Evolution Credit Partners
Ms. Mary Parinelli, Evolution Credit Partners
Mr. Mark Affolter, Ares Management
Ms. Damayra Cacho, Ares Management
Ms. Avni Gandhi, Ares Management
Mr. Michael Chambers, Oaktree Power Opportunities Fund VII
Mr. Jimmy Lee, Oaktree Power Opportunities Fund VII
Mr. Greg Fowler, FPA Apartment Opportunity Fund IX
Mr. Iain Macleod, iCON Infrastructure Fund VII
Mr. Jason Tompkins, Asana Partners Fund IV
Mr. Sam Judd, Asana Partners Fund IV

b. Approval of agenda

At approximately 9:29 in the meeting recording, Councilor Sommer moved to approve the agenda. Member Allen seconded the motion. The following members voted in favor: Treasurer Montoya, Secretary Propst, Councilor Telles, Councilor Allen, Councilor Bingaman, Councilor O' Donnell, Councilor Sánchez and Councilor Sommer. There were no opposing votes. With eight votes in favor, the motion was approved.

c. Approval of minutes

At approximately 10:09 in the meeting recording, Councilor Sánchez moved to approve February 25, 2025, NMSIC meeting minutes. Member Sommer seconded the motion. The following members voted in favor: Treasurer Montoya, Secretary Propst, Councilor Telles, Councilor Allen, Councilor Bingaman, Councilor O' Donnell, Councilor Sánchez and Councilor Sommer. There were no opposing votes. With eight votes in favor, the motion was approved.

2. INVESTMENT ACTIVITY & PERFORMANCE, CAPITAL MARKETS UPDATE

a. **SIO Briefing (Jon Clark)**

At approximately 10:45 in the meeting recording, State Investment Officer Jon Clark thanked the council for last month's vote to authorize updated staff pay bands, noting that he spent the past few weeks meeting individually with each team member. He shared that the entire team is extremely grateful for the council's support, which not only boosts morale but also strengthens their ability to recruit and retain talent. Mr. Clark announced two new hires: Mr. Craig Johnson, joining as a strategist, and Ms. Amy Pompeo, joining the Investment Accounting team. He also reported that the governor recently signed two bills creating new funds to be managed by the SIC: Senate Bill 1 establishes the Behavioral Health Trust Fund, which has been initially funded, and Senate Bill 88 creates the Medicaid Trust Fund, which will receive annual agency reversions exceeding $110 million until it reaches $2 billion.

Finally, Clark addressed concerns about market volatility. He noted that the fund's net asset value decreased slightly from $60.4 billion at the end of March to $59.6 billion as of the previous Friday, emphasizing that the drop was minor and that the fund remains well-positioned to handle market downturns and volatility.

b. **CIO Briefing (Vince Smith)**

At approximately 13:23 in the meeting recording, Vince Smith addressed the ongoing volatility across equity, currency, and bond markets, noting that much of it is driven by conflicting news and information. He emphasized three key points: First, the current environment was largely anticipated. Over the past several years, Smith said our annual investment plans have discussed risks such as rising inflation, higher interest rates, federal deficits, deglobalization, regionalization, and heightened geopolitical tensions, all signaling a shift from the post-financial crisis environment. Second, Smith stressed that short-term market fluctuations are mostly "noise" and that maintaining a long-term perspective is critical for both achieving strong returns and preserving peace of mind. Our investment approach—structured through the annual investment plan and macroeconomic framework—supports this longer-term focus. The investment team is currently finalizing the latest macro package and annual plan, which will be presented in June. Third, he reassured the council that the portfolio is well-positioned to handle the current challenging environment, citing high levels of liquidity, strong awareness of global events, and a disciplined investment process. He also mentioned that net capital draws continue to be favorable due to the effective work of asset class directors. Additionally, the strategy group is evaluating a potential new portfolio completion strategy that could prudently increase investments in risk assets, with more details to be presented for consideration soon. Treasurer Montoya noted SIC's strong liquidity but asked if there had been any discussions about the state using portfolio funds should funding cuts be severe. SIO Clark responded that while the topic arose at the end of the legislative session, Senator George Munoz, Chair of the Legislative Finance Committee, stated any budget adjustments would target agency budgets, not SIC funds. Council discussion continued around economic concerns, tariffs, oil prices and potential impact of government funding cutbacks on the markets.

c. **Performance Report: December 2024 (Smith, Nino Carpenito, RVK)**

At approximately 39:18 in the meeting recording, Risk Performance Officer Nino Carpenito updated the council on their collaboration with RVK to improve performance reporting. They are re-envisioning the first quarter reports and are making good progress, with meaningful changes expected soon. Mr. Carpenito encouraged council members to provide feedback throughout the process, highlighting their essential role. Ms. Marcia Beard (RVK) noted that despite market volatility since February, the Land Grant Permanent Fund is outperforming its benchmark, and most SIC funds are near interim targets. She emphasized that SIC is better positioned than many peers to withstand the downturn, highlighting key differences: a balanced domestic and international equity allocation, a greater emphasis on private credit over public fixed income, and a strong focus on inflation protection. These strategic choices are helping the portfolio perform relatively well in the current environment.

d. **Total Portfolio Manager Exposure/Concentration (Carpenito)**

At approximately 43:15 in the meeting recording, Mr. Carpenito presented the portfolio manager exposure analysis, noting that the report covered all asset classes. For public markets, exposure was broken down into active and passive mandates. For private markets, passive mandates were not applicable; the analysis reflected both market value and unfunded commitments. He explained that the report included all subsequent commitments made to date. The right-hand side of the report showed total exposure to each firm, with active exposure highlighted. Active exposure was defined in the investment policy and subject to a 10% exposure limit. Mr. Carpenito noted that several managers listed in the top 20 exposures were on the day's agenda. He stated that JP Morgan was up for renewal, with no new capital involved. Additionally, a private credit commitment with Aries, the 12th largest manager, was included for consideration. He added that this type of report would be presented quarterly moving forward, as part

of a larger reporting package. Future reports will also include additional exposure analyses examining asset classes, sectors, industries, geography, and countries.

3. INVESTMENT MATTERS: PORTFOLIO RECCOMENDATIONS REQUIRING A VOTE

a. **Investment Committee Report (John Bingaman)**

At approximately 45:25 in the meeting recording, Investment Committee Chair John Bingaman reported that the Investment Committee met last week and achieved quorum, with member Nick Telles, advisory member John Ulrich, and the State Treasurer in attendance. The committee unanimously recommended for approval all investment voting items being presented to the Council today. Mr. Bingaman noted that the committee discussed the Ares Sports, Media and Entertainment Fund II, raising questions about the valuation of those assets and the potential impact of a recession. Ultimately, the committee felt comfortable recommending the investment, primarily because the structure is debt-based. As such, asset valuation was considered less critical than the expected cash flow, in which the committee expressed confidence. He added that the committee also reviewed the Strategic Venture Capital Program, which includes a thoughtful and comprehensive analysis that he believes Council members will find valuable during today's presentation.

b. **VOTE: Public Debt: JPM Short Duration IG Contract Renewal (Tom Lofton, Ryan McCauley, RVK)**

At approximately 46:46 in the meeting recording, Debt Market Investment Director Tom Lofton reported that over the past two years, the Council had focused on shorter-duration and more flexible strategies. He noted that credit spreads and interest rates had risen, leading to negative returns across public debt over the past 30 days and since "Liberation Day." Despite this, both investment-grade and below-investment-grade short-duration strategies performed as expected and showed resilience compared to longer-duration core-plus strategies. He expressed hope this trend would continue through the month. Senior Debt Analyst Ryan McCauley recommended renewing the Council's contract with JP Morgan Investment Management for the Short Duration Investment Grade Strategy for four years, expiring April 30, 2029. The contract could be exited with 30 days' notice and would retain the current fee schedule and most-favored-nation status. He noted JP Morgan's satisfactory performance and confirmed, after consultation with RVK, that fees remained competitive. Mr. McCauley outlined proposed changes to the investment guidelines: revising the objective to outperform the benchmark by 50 basis points over a rolling three-year period; lowering the minimum weighted average credit quality from single A-minus to triple B-plus; reducing the issuer limit from 5% to 3%; and permitting U.S. Treasury futures to aid portfolio construction and duration management. He added that guideline updates would also improve clarity, regulatory compliance, and definition of the investable universe. Councilor Sánchez moved to approve the recommendation. Treasurer Montoya seconded the motion.

> **Based on the recommendations of the Council Investment Committee, advisor RVK and SIC Staff,** I move that the State Investment Council approve a contract renewal with JP Morgan Investment Management for short duration investment grade strategy, under terms and conditions discussed and memorialized for the Council at today's meeting. The agreement is subject to and contingent upon New Mexico legal requirements, New Mexico State Investment Council policies, negotiation of final terms and conditions and completion of appropriate paperwork.

The following members voted in favor: Treasurer Montoya, Secretary Propst, Councilor Telles, Councilor Allen, Councilor Bingaman, Councilor O' Donnell, Councilor Sánchez and Councilor Sommer. There were no opposing votes. With eight votes in favor, the motion was approved.

c. **VOTE: Private Debt: Evolution Credit Opportunities Fund III (Lofton, Meketa**

At approximately 52:46 in the meeting recording, Mr. Lofton recommended investing in Evolution Credit Opportunities Fund III, noting it provides differentiated financing solutions beyond traditional lending. He highlighted growing demand for customized financing and the Evolution team's expertise in capital and working capital solutions. The investment would fall under the special situations allocation within the private debt portfolio. Ms. Mary Bates from Meketa described Evolution Credit Partners as a private credit specialist spun out of the Harvard Management Company, managing $3 billion in assets. She noted the firm's focus on capital, working capital, and opportunistic credit solutions, and highlighted its flexibility and appropriate fund size. Ms. Bates acknowledged the firm's limited track record and some employee turnover but expressed confidence in the experienced senior team. Mr. Rene Canezin, Co-Founder and Managing Partner of Evolution, provided an overview of the firm's opportunistic credit strategy, emphasizing its focus on U.S. developed markets and flexible, multi-asset lending across capital solutions, working capital, and opportunistic solutions. He noted the fund's short-duration investments enable adaptability in volatile markets. Councilor Sánchez moved to approve the recommendation. Councilor Allen seconded the motion.

> **Based on the recommendations of the Council Investment Committee, advisor Meketa, SIC Staff and general fiduciary oversight from RVK,** I move that the State Investment Council approve a commitment of up to $150 million to Evolution Credit Opportunities Fund III, L.P., subject to and contingent upon New Mexico legal requirements, New Mexico State Investment Council policies, negotiation of final terms and conditions and completion of appropriate paperwork.

The following members voted in favor: Treasurer Montoya, Secretary Propst, Councilor Telles, Councilor Allen, Councilor Bingaman, Councilor O' Donnell, Councilor Sánchez and Councilor Sommer. There were no opposing votes. With eight votes in favor, the motion was approved.

d. **VOTE: Private Debt: Ares Sports, Media and Entertainment II (Lofton, Meketa)**

At approximately 1:04:45 in the meeting recording, Director Tom Lofton recommended the investment, explaining it focused on credit opportunities in the sports, media, and entertainment sectors, targeting a net IRR of 15% or higher. He noted two-thirds of the portfolio would be in sports-related companies, with the rest in media and entertainment. Lofton described the strategy's flexibility across the capital structure, funding growth, acquisitions, and refinancing. He emphasized that while some deals may include equity or upside, most returns were expected from income tied to contractual cash flows. Ms. Mary Bates from Meketa highlighted the strategy's high barriers to entry, limited competition, and strong downside protections. She noted Ares was one of six firms approved to invest in NFL-related opportunities and praised their scale, resources, and debt-focused approach. Bates acknowledged concerns about valuation risk, limited realization history, and exclusivity but said Meketa was comfortable with the manager's experience and track record. Mr. Mark Affolter, Ms. Damayra Cacho, and Ms. Avni Gandhi from Ares Management provided an overview of the firm's $530 billion platform, emphasizing its global scale, origination capabilities, and leadership in private markets. They highlighted Ares's $10 billion in sports, media, and entertainment investments, strong downside protections, and use of their team and advisory board to access unique opportunities. Councilor Allen asked about women's sports, philanthropy, gaming, e-sports, and AI. Treasurer Montoya raised concerns about Ares's portfolio concentration and requested clarification on risk. The discussion continued. Councilor Sánchez moved to approve the recommendation. Treasurer Montoya seconded the motion.

> **Based on the recommendations of the Council Investment Committee, advisor Meketa, SIC Staff and general fiduciary oversight from RVK,** I move that the State Investment Council approve a commitment of up to $150 million to Ares Sports Media & Entertainment Fund II, L.P., subject to and contingent upon New Mexico legal requirements, New Mexico State Investment Council policies, negotiation of final terms and conditions and completion of appropriate paperwork.

The following members voted in favor: Treasurer Montoya, Councilor Telles, Councilor Allen, Councilor Bingaman, Councilor O' Donnell, Councilor Sánchez and Councilor Sommer. There were no opposing votes. With seven votes in favor, the motion was approved.

e. <u>VOTE: Real Estate: Asana Partners Fund IV, LP</u> (Keith Sabol, Townsend)

At approximately 1:49:44 in the meeting recording, Mr. Keith Sabol, Real Assets & Real Estate Director, provided an overview and recommendation to invest in Asana Partners IV. Mr. Sabol reported that Asana focuses on street retail and neighborhood centers in walkable areas, with strong retail-specific performance that has exceeded benchmarks by over 300 basis points. While overall sector performance has been mixed, Asana remains a top retail manager, supporting SIC's goal of maintaining portfolio diversification despite staying underweight in retail. Mr. Rob Kochis, Townsend, noted this is a re-up with a strong-performing manager whose retail focus offers valuable diversification and favorable pricing. He emphasized Asana's experienced team, niche focus on necessity-based retail (excluding malls and big-box stores), and strong alignment of interests, while acknowledging typical retail sector challenges, with recent improvement in asset sales. Mr. Jason Tompkins with Asana thanked the SIC for its long partnership and presented Fund IV, highlighting strong retail supply-demand dynamics, competitive pricing, and high investor demand for stabilized assets. He emphasized Asana's unique, vertically integrated value-add retail strategy and expressed confidence in continuing to deliver strong performance. Councilor Allen highlighted concerns about economic headwinds, including recession risks, tariffs, and layoffs among high-earning professionals, which could affect mixed-use retail fundamentals. She stressed the importance of tracking these trends and noted potential short-term buying opportunities. Further discussion followed. Councilor Sánchez moved to approve the recommendation. Councilor Allen seconded the motion.

> **Based on the recommendations of the Council Investment Committee, advisor Townsend, SIC Staff and general fiduciary oversight from RVK,** I move that the State Investment Council approve a commitment of up to $150 million to Asana Partners IV, L.P., subject to and contingent upon New Mexico legal requirements, New Mexico State Investment Council policies, negotiation of final terms and conditions and completion of appropriate paperwork.

The following members voted in favor: Treasurer Montoya, Councilor Telles, Councilor Allen, Councilor Bingaman, Councilor O' Donnell, Councilor Sánchez and Councilor Sommer. There were no opposing votes. With seven votes in favor, the motion was approved.

f. <u>VOTE: Real Assets: iCON Infrastructure Partners VII</u> (Sabol, Mercer)

At approximately 2:14:41 in the meeting recording, Director Sabol reported that if approved, today's recommended commitment to iCON Infrastructure Fund VII would mark SIC's third investment with the firm, following prior commitments of $75M and $100M in previous vintage funds. He described iCON as a leading core/core-plus infrastructure manager focused on diversified brownfield mid-market assets across North America and Europe, aiming for stable, growing cash yields over 6–10 years. Sabol highlighted strong performance in earlier funds, solid LP support, and emphasized iCON's sourcing capabilities, investor alignment, and portfolio diversification benefits. Ms. Amy Ridge, Mercer, noted that this is a re-up opportunity

with iCON, whose existing funds continue to deliver positive returns for SIC. She confirmed the investment aligns with SIC's infrastructure allocation and diversification goals, with remaining capacity toward the target allocation. Ridge underscored iCON's consistent strategy, experienced team, and solid track record, highlighting thoughtful succession planning to maintain leadership continuity. Mr. Iain Macleod, iCON, provided an update on the firm's $4 billion fundraise, noting a single closing scheduled for May 14. He emphasized iCON's established mid-market strategy, disciplined sourcing, value-add approach, and prudent levels of leverage. Macleod highlighted the firm's strong leadership, alignment with investors, and healthy investment pipeline, expressing confidence in Fund VII's ability to deliver a high-quality, diversified portfolio with attractive returns. Treasurer Montoya inquired about the status of iCON's previous investments, seeking insight into the full realizations of two previous funds in the series and the outlook for the remainder. Mr. Macleod responded that funds III and IV were likely to be fully realized by next year, while funds V and VI are still creating value. Investment Committee Chair Bingaman referenced the challenges faced by Thames Water (unrelated to iCON's fund) and asked Mr. Macleod to discuss key learnings and their relevance to iCON's infrastructure strategy. Member Allen asked about ESG considerations and regulatory factors. Discussion continued. Councilor Sommer moved to approve the recommendation. Councilor Allen seconded the motion.

> **Based on the recommendations of the Council Investment Committee, advisor Mercer, SIC Staff and general fiduciary oversight from RVK,** I move that the State Investment Council approve a commitment of up to $200 million to iCON Infrastructure Partners VII, L.P., subject to and contingent upon New Mexico legal requirements, New Mexico State Investment Council policies, negotiation of final terms and conditions and completion of appropriate paperwork.

The following members voted in favor: Treasurer Montoya, Councilor Telles, Councilor Allen, Councilor Bingaman, Councilor O' Donnell, Councilor Sánchez and Councilor Sommer. There were no opposing votes. With seven votes in favor, the motion was approved.

g. <u>VOTE: Private Equity: Brightstar Horizon Fund I, L.P.</u> (Chris Cassidy, Mercer)

At approximately 2:46:30 in the meeting recording, Private Equity and Venture Capital Director Chris Cassidy recommended a new commitment for the national private equity program: Brightstar Horizon Fund I, a lower middle market fund designed to complement SIC's prior commitment to Brightstar's main fund last year. As part of this investment, Brightstar is offering a no-fee, no-carry co-investment vehicle to further enhance cost efficiency. Cassidy noted this is the third lower market buyout fund the Council has added this year, aligning with SIC's strategy to expand exposure in the lower middle market and reduce overall fee load through co-investments. **Mr. Pugmire, Mercer,** explained that the fund extends Brightstar's existing strategy to smaller, lower middle market investments, with a focus on business, industrial, and closely held family-owned companies. He highlighted Brightstar's strong national sourcing network, which allows the firm to build early relationships with target businesses, and its active role in supporting portfolio companies post-investment through strategy development, growth initiatives, and financial structuring. Pugmire also emphasized the manager's solid track record, favorable early-investor terms, and the additional benefit of the no-fee, no-carry co-investment vehicle. **The Brightstar team** expressed appreciation for SIC's ongoing partnership and reported positive performance in their flagship fund. They reiterated the firm's focus on sourcing and investing in family-owned businesses, leveraging a strong operational value-creation model and deep team experience. The Horizon Fund was established to address the significant number of lower middle market opportunities that were too small for their main fund and is led by a dedicated team with extensive expertise in this segment of the market. The team emphasized their commitment to disciplined investing, operational improvement, and efficient return of capital to investors. Councilor Sommer moved to approve the recommendation. Treasurer Montoya seconded the motion.

> **Based on the recommendations of the Council Investment Committee, advisor Mercer, SIC Staff and general fiduciary oversight from RVK,** I move that the State Investment Council approve a commitment of up to $50 million to Brightstar Horizon Fund I, L.P., and a commitment of up to $25 million to Brightstar Horizon Co-Invest Opportunities I, L.P., subject to and contingent upon New Mexico legal requirements, New Mexico State Investment Council policies, negotiation of final terms and conditions and completion of appropriate paperwork.

The following members voted in favor: Treasurer Montoya, Councilor Telles, Councilor Allen, Councilor Bingaman, Councilor O' Donnell, Councilor Sánchez and Councilor Sommer. There were no opposing votes. With seven votes in favor, the motion was approved.

h. <u>VOTE: National Private Equity: Structure Study</u> (Cassidy, Bruce Brown, Mercer)

At approximately 2:59:28 in the meeting recording, Director Chris Cassidy presented the National Private Equity Structure Study, the NMSIC Strategic Venture Capital Program Structure Study, and related Investment Policy Statement updates collectively, noting that they fall within the same asset class and are closely interrelated. He explained that while the two strategies operate side by side, the main differences are sector focus and benchmarks: the National Private Equity Program is a diversified portfolio covering buyout, growth, and special situations, whereas the Strategic Venture Capital Program is more narrowly focused on U.S. venture investments. Mr. Cassidy introduced the proposed evolution of the New Mexico Private Equity Program into the NMSIC Strategic Venture Capital Program, highlighting the collaborative effort behind the initiative. He noted that venture capital is a complex asset class with high return potential and significant performance variability. The revamped program aligns with New Mexico's strengths—such as deep tech, hard science research from the national labs, and climate technologies—aiming to generate strong financial returns while promoting economic growth to the state through job creation. Cassidy emphasized recent market-rate commitments with top-tier managers and recommended formalizing this approach under an SIC-approved investment policy to modernize the program while maintaining its original mission of fostering innovation and commercialization. Treasurer Montoya asked whether the proposed changes remain compliant with state statute. Portfolio Manager Bruce Brown confirmed compliance, explaining that while the original statute allowed differential rate investments to promote economic development, the updated strategy focuses on market-rate investments that support sustainable local growth. Mr. Cassidy underscored the importance of diversification, noting that both the national and New Mexico venture portfolios are designed to minimize reliance on any single investment, which is essential given the variability in fund performance. Mr. Pugmire added that since 2019, the team has focused on addressing gaps in early-stage capital, particularly pre-seed and seed funding. The strategy seeks managers who bring not only capital but also operational expertise and extensive networks. It prioritizes sectors where New Mexico has competitive advantages—such as deep tech, climate tech, and aerospace—and supports local venture studios and accelerators to expand the pipeline of investable companies. The Council and NMSIC staff engaged actively, reflecting strong interest in the program's success and broader impact. The redline version of the Structure Study was also reviewed collectively as part of the presentation. Councilor Sommer moved to approve the recommendation, and Treasurer Montoya seconded the motion.

> **Based on the recommendations of the Council Investment Committee, advisor Mercer, SIC Staff and general fiduciary oversight from RVK,** I move that the State Investment Council approve the National Private Equity Structure study, as discussed and memorialized for the Council at today's meeting.

The following members voted in favor: Treasurer Montoya, Councilor Telles, Councilor Allen, Councilor Bingaman, Councilor Sánchez and Councilor Sommer. There were no opposing votes. With six votes in favor, the motion was approved.

i. **VOTE: NMSIC Strategic Venture Capital Program: Structure Study (Cassidy, Brown, Mercer)**

At approximately 4:03:04 in the meeting recording, The redline version of the Structure Study was reviewed and discussed collectively. Council members and staff referred back to the detailed information and context provided in Mr. Cassidy's earlier comprehensive presentation, which outlined the rationale, strategic objectives, and key changes proposed. The discussion ensured that members fully understood the updates and how they aligned with the broader goals of the NMSIC Strategic Venture Capital Program and the National Private Equity Program. **Councilor Sommer** moved to approve the recommendation, and Councilor Sánchez seconded the motion.

> **Based on the recommendations of the Council Investment Committee, advisor Mercer, SIC Staff and general fiduciary oversight from RVK,** I move that the State Investment Council approve the NMSIC Strategic Venture Capital Program Structure Study, as discussed and memorialized for the Council at today's meeting.

The following members voted in favor: Treasurer Montoya, Councilor Telles, Councilor Allen, Councilor Bingaman, Councilor Sánchez and Councilor Sommer. There were no opposing votes. With six votes in favor, the motion was approved.

j. **VOTE: National Private Equity & NMSIC Strategic Venture Capital Program: Investment Policy Statement Updates (Cassidy, Brown, Mercer)**

At approximately 4:15:13 in the meeting recording, Investment Committee Chair John Bingaman moved to approve the recommendation, and Councilor Sommer seconded the motion.

> **Based on the recommendations of the Council Investment Committee, advisor Mercer, SIC Staff and general fiduciary oversight from RVK,** I move that the State Investment Council approve the Private Equity Investment Policy Statement updates, as discussed and memorialized for the Council at today's meeting.

The following members voted in favor: Treasurer Montoya, Councilor Telles, Councilor Allen, Councilor Bingaman, Councilor Sánchez and Councilor Sommer. There were no opposing votes. With six votes in favor, the motion was approved.

k. **VOTE: Strategy: Benchmarking Review (Smith, RVK)**

At approximately 45:16:25 in the meeting recording, Mr. Bauer presented the benchmarking review, explaining that comprehensive reviews are periodically conducted to ensure benchmarks remain aligned with both individual funds and overall asset class objectives. He emphasized that these reviews are essential for the Council to effectively measure performance and noted that, as best practice, such reviews are formally documented every few years. Most benchmarks remain current, but one change was recommended for private equity. Given the program's broader global and sector diversification, he proposed updating the private equity benchmark from a U.S.-focused index to a more globally diversified Cambridge index, better reflecting the evolving portfolio. Mr. Bauer reviewed a comparative table illustrating current targets, exposures, and the alignment of the proposed benchmark with SIC's private equity strategy. Treasurer Montoya moved to approve the recommendation, and Councilor Sommer seconded the motion.

> **Based on the recommendations of the Council Investment Committee, SIC staff and Advisor RVK** I move that the State Investment Council approve updated portfolio benchmarks, as discussed and memorialized for the Council at today's meeting.

The following members voted in favor: Treasurer Montoya, Councilor Telles, Councilor Allen, Councilor Bingaman, Councilor Sánchez and Councilor Sommer. There were no opposing votes. With six votes in favor, the motion was approved.

4. GOVERNANCE MATTERS: INFORMATIONAL REPORTS REQUIRING DISCUSSION/VOTE

a. Governance Committee Report (Cathy Allen)

At approximately 4:22: 01 in the meeting recording, Governance Committee Chair Catherine Allen announced that a special Council meeting is scheduled for April 30 at 3:00 p.m. at the State Treasurer's Office. The meeting and its executive session will focus on personnel matters, specifically the evaluation and compensation of the State Investment Officer (SIO). The agenda includes the SIO's self-evaluation, a discussion guided by a committee-approved format of questions, and further evaluation and compensation discussion with the Council. Chair Allen noted that the Governance Committee met several times to refine the evaluation format, incorporating input from consultants and reviewing evaluation models from other organizations.

5. FINANCE MATTERS: Informational Reports Requiring Discussion/Vote

a. CFO Report (Brent Shipp)

At approximately 4:23:52 in the meeting recording, CFO Brent Shipp reviewed key budget and investment holdings updates. He noted that the budget schedule through March reflects no anticipated issues for the remainder of the fiscal year, though a budget adjustment request was submitted as a precaution to ensure sufficient funding, particularly in the 300 category which relates to manager fees. Shipp highlighted the investment holdings report for the quarter ending March 31, which includes a detailed roll-forward of fund positions. He also presented the preliminary FY26 budget, noting no significant changes except for a successful reallocation of funds between categories. The budget is due May 1, with minor adjustments possible before submission. Mr. Shipp informed the Council that recent legislative changes eliminated language allowing budget adjustment requests above 5%, which will require legislative action for future adjustments exceeding that threshold. Finally, he noted one contract over $250,000 related to the continuation of a prior workshop engagement with Dr. Ashby Monk and the Ascension Team.

6. CLOSING MATTERS

a. Old or new business:

None.

b. **Next SIC meeting date:** Wednesday, April 30, 2025, 3:00 p.m. NM State Treasurer's Office

7. PUBLIC COMMENT PERIOD

There were no public comments this month.

8. ADJOURNMENT

a. The meeting was adjourned at 1:29 p.m.