ACTION SUMMARY

STATE INVESTMENT COUNCIL

March 24, 2026

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MINUTES OF THE

NEW MEXICO STATE INVESTMENT COUNCIL MEETING

March 24, 2026

Santa Fe, New Mexico

OPENING MATTERS

Roll call and Introduction of Guests: Quorum Present.

A regular meeting of the New Mexico State Investment Council was called to order by Member and Acting Chair John Bingaman, on March 24, 2026, at approximately 9:00 a.m. Roll call was taken.

Members Present:

Treasurer Laura M. Montoya
Mr. Allen Sánchez
Ms. Catherine Allen
Mr. John Bingaman
Dr. Kelly O'Donnell
Mr. Kurt Sommer
Ms. Mary Rohman

Members Excused:

Governor Michelle Lujan Grisham
Commissioner Stephanie Garcia Richard
DFA Secretary Wayne Propst
Mr. Nicolas Telles

Staff Present:

Mr. Jon Clark, State Investment Officer
Ms. Amy Chavez-Romero, Deputy General Counsel & Compliance Officer
Ms. Dawn Iglesias, Chief Investment Operations Officer
Mr. Evan Land, Chief Counsel
Mr. Greg Dunn, Director, Public Equity
Ms. Helen Calles, Chief of Staff & Business Operations
Ms. Katrina Rose, Executive Administrative Assistant
Mr. Keith Sabol, Director, Real Estate and Real Assets
Mr. Leonard Granados, IT Systems Administrator II
Mr. Nino Carpenito, Risk & Performance Officer
Ms. Molly Callaghan, Communications, Public Affairs and Marketing Manager
Mr. Tom Lofton, Director, Debt Market Investments
Ms. Katrina Rose, Executive Administrative Assistant
Mr. Brent Shipp, Chief Financial Officer

Mr. Bruce Brown, Head of Strategic Climate Initiatives
Mr. Charles Wollmann, Chief Communications Officer
Mr. Chris Cassidy, Director, Private Equity and Venture Capital
Mr. Chris Rodriguez, IT Network Administrator

Guests Present:

Dr. Ashby Monk, Stanford
Ms. Avni Gandhi, Ares
Mr. Ben Gulliver, Pemberton
Mr. Cedric Van Cauwenbergher, Waterland
Mr. Gurjeet Dosanjh, Mercer
Ms. Kahena Joubert, Ares
Mr. Madison Gesser, Fram
Ms. Marcia Beard, RVK
Ms. Mary Bates, Meketa
Mr. Matthias Bauer, RVK
Mr. Richard Pugmire, Mercer
Mr. Scott Hamilton, Pemberton
Mr. Joel Hosinger, Ares

Approval of Agenda

At approximately 08:13 in the meeting recording, Member Sommer made a motion to approve the agenda as presented which was seconded by Member Allen.

The following members voted in favor: Treasurer Montoya, Cathy Allen, John Bingaman, Kelly O' Donnell, Allen Sánchez, Mary Rohman, and Kurt Sommer. There were no opposing votes. With seven votes in favor, the motion was approved.

Approval of SIC Minutes

At approximately 08:58 in the meeting recording, Member Sommer made a motion to approve the agenda as presented which was seconded by Treasurer Montoya.

The following members voted in favor: Treasurer Montoya, Cathy Allen, John Bingaman, Kelly O' Donnell, Allen Sánchez, Mary Rohman, and Kurt Sommer. There were no opposing votes. With seven votes in favor, the motion was approved.

INVESTMENT ACTIVITY & PERFORMANCE, CAPITAL MARKETS UPDATE

SIO Briefing (Jon Clark)

At approximately 09:40 in the meeting recording, State Investment Officer Jon Clark announced the completion of the national CIO search and introduced Ms. Kristen Varela as the new Chief Investment Officer. Mr. Clark described the extensive search effort, emphasizing the focus for recruiting for a leader capable of elevating SIC into a world-class sovereign wealth fund. He highlighted Ms. Varela's New Mexico roots, her leadership at the Hawaii Employees' Retirement System, and her prior service at New Mexico PERA. Executive search partners Mr. Madison Gessler and Dr. Ashby Monk discussed their 18-month relationship with the SIC, including the development of SIC's organizational identity. They presented an overview of the recruitment and discussed the national and international caliber of applicants. They reported that more than 500 potential candidates were screened, over 100+ engaged, and 50 individuals were deeply evaluated. Ms. Varela introduced herself to the Council including her multigenerational New Mexican heritage, investment philosophy, and commitment to strong council relationships. Council members expressed strong support and Treasurer Montoya noted the historic significance of her appointment

Short Staff Briefing (Greg Dunn, Tom Lofton)

At approximately 44:52 in the meeting recording, Public Equity Director Greg Dunn briefed the Council on the economic and market impacts of the Iran conflict, noting modest equity declines, significant oil price increases, and historical patterns of market behavior during geopolitical shocks. He highlighted mixed economic indicators, rising consumer stress, and the risk of stagflation. Public Debt Director Tom Lofton reported that credit markets remain orderly but are pricing in persistent inflation risk. Treasury yields have risen, spreads have widened modestly, and dispersion across credit quality has increased. He emphasized that markets currently reflect inflation concerns rather than recession fears

Performance Report: January 2026 (RVK)

At approximately 01:26:52 in the meeting recording, Mr. Nino Carpenito Risk Officer provided brief comments on market conditions. Mr. Matthias Bauer, expanded on performance drivers, benchmark comparisons, and asset-class level results. Ms. Marcia Beard added additional context regarding short-term variability, private market pacing, and the importance of maintaining disciplined adherence to the Council's long-term strategic asset allocation. RVK emphasized that while January performance preceded the recent geopolitical volatility, the portfolio remains aligned with long-term objectives and appropriately diversified for a range of economic outcomes.

INVESTMENT MATTERS: ITEMS FOR DISCUSSION OR VOTE

Investment Committee Report (John Bingaman)

At approximately 01:35:41 in the meeting recording, Investment Committee Chair John Bingaman informed the council that the Investment Committee met the previous week with a quorum and recommended approval of all voting items on the agenda. The Committee also discussed adding a new advisory member and will conduct an open RFI process.

VOTE: SVCP – National Private Equity - Waterland Private Equity Fund X, C.V. and Waterland Partnership Fund II C.V., (Existing Relationship, 125€) (Chris Cassidy, Mercer)

At approximately 01:37:30 in the meeting recording, Private Equity Director Chris Cassidy recommended a re-up commitment to Waterland's flagship Fund X and its associated Partnership Fund II. Director Cassidy described Waterland as a long-standing, high-performing European private equity manager with a disciplined buy-and-build strategy and a strong track record of value creation across mid-market platforms. He emphasized Waterland's consistent performance, deep sector specialization, and demonstrated ability to execute operational improvements across portfolio companies. Director Cassidy noted that the proposed €125 million commitment aligns with SIC's pacing model and continues a successful relationship with a manager that has delivered strong risk-adjusted returns. He highlighted Waterland's sourcing advantages, repeatable investment process, and the firm's ability to deploy capital effectively in fragmented European markets. Following discussion and no further questions, Member Sommer made the following motion, which was seconded by Treasurer Montoya.

> **Based on the recommendations of the Council Investment Committee, advisor Mercer, and SIC Staff, and general fiduciary oversight of RVK**, I move that the State Investment Council approve a total commitment of €125 million (125 million Euros, or ~$144.25 million dollars) to Waterland Private Equity Fund X and Waterland Partnership Fund II, subject to and contingent to 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, Cathy Allen, John Bingaman, Kelly O' Donnell, Allen Sánchez, Mary Rohman, and Kurt Sommer. There were no opposing votes. With seven votes in favor, the motion was approved.

VOTE: Private Debt - Ares Pathfinder III (Existing Relationship, $300M) (Lofton, Meketa)

At approximately 01:49:51 in the meeting recording, Debt Market Investments Director Tom Lofton recommended a commitment up to $300 million to Ares Pathfinder III, including a $50 million co-investment sleeve. He described Pathfinder as an opportunistic,

asset-based credit strategy focused on collateral-backed lending with strong downside protection. Ares representatives Ms. Avni Gandhi and Mr. Joel Holsinger provided an overview of the fund's structure, sourcing advantages, and historical performance. They emphasized the strategy's ability to capitalize on market dislocations and stressed Ares' disciplined underwriting approach. Ms. Kahena Joubert discussed Ares' diversity equity and inclusion efforts, noting that the Pathfinder team includes women and minority professionals in senior investment roles, an alignment with SIC's governance values and long-term organizational priorities. Following discussion and no further questions, Acting Chair Bingaman made the following motion, which was seconded by Member Sommer.

> **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 $400 million to Ares Pathfinder III Fund, L.P., with a minimum of at least 16.67% of the total commitment to be allocated to a companion no-fee, no-carried-interest co-investment structure. This commitment is subject and contingent to 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, Cathy Allen, John Bingaman, Kelly O' Donnell, Allen Sánchez, Mary Rohman, and Kurt Sommer. There were no opposing votes. With seven votes in favor, the motion was approved.

VOTE: Private Debt - Pemberton Structured Credit Fund IV, $100M) (Lofton, Meketa)

At approximately 02:26:22 in the meeting recording, Debt Market Investments Director Lofton recommended an upsize to SIC's current commitment to Pemberton Structured Credit Fund IV of $100 million, structured as a fee-free co-investment. He noted that Pemberton continues to deliver strong performance driven by senior-secured lending to high-quality European borrowers. Pemberton representatives Mr. Scott Hamilton and Mr. Ben Gulliver joined the discussion, outlining the fund's conservative underwriting, strong covenant protections, and sourcing advantages across European private credit markets. They emphasized that bank retrenchment continues to create attractive opportunities for non-bank lenders with deep regional presence. Ms. Mary Bates with Meketa added that the strategy remains complementary to SIC's broader private debt portfolio, offering diversification by geography, borrower type, and collateral structure. Following discussion and no further questions, Acting Chair Bingaman made the following motion, which was seconded by Member Allen.

> **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 follow-on commitment of up to $100 million to Pemberton Structured Credit Fund IV, L.P. This "top-up" commitment is to be allocated to a no-fee, no-carried interest co-investment structure. This commitment is subject and contingent to 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, Cathy Allen, John Bingaman, Kelly O' Donnell, Allen Sánchez, Mary Rohman, and Kurt Sommer. There were no opposing votes. With seven votes in favor, the motion was approved.

RVK Capital Market Assumptions

At approximately 02:49:00 in the meeting recording, Mr. Matthias Bauer presented the updated long-term capital market assumptions, noting modest downward adjustments, year-over-year, to align with expected returns across most asset classes due to elevated market valuations. He emphasized that SIC's portfolios remain efficiently positioned and recommended revisiting asset allocation later in the year after the new CIO is onboarded.

Inflows, Fund Growth & Beneficiary Distribution Update

At approximately 03:04:51 in the meeting recording, Chief Investment Operations Officer Ms. Dawn Iglesias provided the updated inflow projections reflecting significant upside risk due to elevated oil prices and revised long-term production forecasts. Under current assumptions, SIC assets could reach $100 billion by 2030 or earlier. Over the next decade, SIC expects to distribute approximately $42 billion to beneficiaries, an estimated increase of $4 billion since last year's estimate. Ms. Iglesias discussed geopolitical risks, supply-chain vulnerabilities, and scenario analyses for oil price trajectories.

FINANCE MATTERS

a. **CFO Report** (Brent Shipp)

At approximately 03:34:50 in the meeting recording, CFO Brent Shipp reported that SIC will submit a Budget Adjustment Request of up to $24 million to support staffing and operational needs driven by rapid asset growth. An RFP for external audit services will be issued shortly. Updated budget schedules and holdings reports were provided.

CLOSING MATTERS

a. **Old or New Business**

None.

b. **Public Comment**

None.

c. **Next State Investment Council (SIC) meeting date:** April 28, 2026 (MDT) Governor's Cabinet Room

ADJOURNMENT

Treasurer Montoya moved to adjourn the meeting, and all members voted in favor. The meeting was adjourned at 12:50 p.m.