ACTION SUMMARY

STATE INVESTMENT COUNCIL

May 27, 2025

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Old or new business

Next State Investment Council (SIC) meeting: Tuesday, June 24, 2025 9:00 a.m. Governor's Cabinet Room, State Capitol

MINUTES OF THE

NEW MEXICO STATE INVESTMENT COUNCIL MEETING

May 27, 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 State Investment Council Vice Chair, Commissioner Stephanie Garcia Richard on this date at 9:05 a.m.

Members Present:
The Honorable Stephanie Garcia Richard, Land Commissioner, Ex officio
The Honorable Laura Montoya, State Treasurer, 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

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. Nino Carpenito, Risk & Performance Officer
Ms. Dawn Iglesias, Chief Investment Operations Officer
Mr. Mikhail Kuznetsov, Investment Strategist
Mr. Keith Sabol, Director, Real Estate and Real Assets
Mr. Ryan McCauley, Senior Analyst, Debt Market Investments
Mr. Chris Cassidy, Director, Private Equity and Venture Capital
Mr. Bruce Brown, Portfolio Manager, Private Equity and Venture Capital
Mr. Keith Flynn, Analyst, Private Equity and Venture Capital
Mr. Greg Dunn, Director, Public Equity

Mr. Ryan Eustice, Senior Analyst, Public Equity
Mr. Chris Rodriguez, IT Network Administrator III
Mr. Leonard Granados, IT Systems Administrator II
Mr. Kevin Dominguez, Human Resources Manager

Guests Present:
Ms. Marcia Beard, RVK
Mr. Matthias Bauer, RVK
Mr. Matt Sturdivan, RVK
Mr. Richard Pugmire, Mercer
Ms. Amy Ridge, Mercer
Mr. Gurjeet Dosanjh, Mercer
Mr. Teddy Grendzynski, Townsend
Mr. Malcom Blake, Townsend
Mr. Rob Kochis, Townsend
Ms. Tricia Flynn, Advent International
Mr. Andrew Tour, Advent International
Mr. Suken Vakil, JMI Equity

b. Approval of agenda

At approximately 23:39 in the meeting recording, A motion was made by Councilor Sommer to approve the agenda as presented. The motion was seconded by Member Sánchez. Treasurer Montoya inquired whether public comment should be moved before the executive session, given that public commenters may not be able to stay for the entire meeting. To accommodate any potential speakers, the suggestion was made to move public comment (Item 7) ahead of the executive session (Item 5). A motion was made to amend the agenda by moving Item 7 (Public Comment) to follow Item 4, placing it before the executive session. There was no further discussion on the amendment.

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

c. Approval of minutes

At approximately 28:05 in the meeting recording, A motion was made by Councilor Sommer to approve April 22, 2025, NM State Investment Council (SIC) meeting minutes. The motion was seconded by Member Sánchez.

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

d. Approval of minutes

At approximately 10:09 in the meeting recording, A motion was made by Councilor Sommer to approve April 30, 2025, NM State Investment Council (SIC) meeting minutes.

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

2. INVESTMENT ACTIVITY & PERFORMANCE, CAPITAL MARKETS UPDATE

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

At approximately 29:44 in the meeting recording, Mr. Jon Clark welcomed two new staff members: Mr. Kevin Dominguez, who will lead the agency's HR functions, and Mr. Keith Flynn, who joins the investment team to support increased private equity pacing. Mr. Clark reported that implementation of the new exempt pay bands approved by the Council is underway, with final steps in progress with the Governor's Office. Mr. Clark thanked the Council for its support in improving the agency's ability to recruit talent and manage high asset loads. He also provided an update on collaboration with the Economic Development Department, noting new funding to support talent initiatives and innovation infrastructure. Mr. Clark highlighted ongoing coordination with Roadrunner Venture Studios on the upcoming Roadrunner Tech Forum. He concluded by recognizing Ms. Amy Ridge of Mercer for her service, with appreciation expressed by both Mr. Clark and the Council Chair.

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

At approximately 36:37 in the meeting recording, Mr. Vince Smith, Chief Investment Officer, provided an overview of current market conditions, noting increased volatility and media attention to the markets, but emphasized that underlying economic fundamentals remain stable and do not warrant significant concern. He reported limited portfolio activity due to elevated asset prices, aside from modest rebalancing and a recent bond sale to support liquidity needs tied to rising capital costs. Mr. Smith explained that higher long-term interest rates have eased pressure on the Federal Reserve to cut rates, with inflation trending lower. He previewed the upcoming annual investment plan, which will feature an expanded macroeconomic outlook, and outlined three forthcoming agenda items: a peer comparison showing the State Investment Council (SIC) remains positioned relatively far out on the risk curve; updated interim asset allocation targets for major funds; and public market strategy options under review.

c. **Performance Report: March 2025** (Nino Carpenito, RVK)

At approximately 40:39 in the meeting recording, Mr. Nino Carpenito, Risk & Performance Officer, reported on enhancements to the monthly performance report developed in collaboration with RVK, highlighting a clearer focus on net performance, reduced redundancy, and a streamlined layout, with detailed commentary moved to the appendix to improve transparency. Mr. Matthias Bauer of RVK presented the revised First Quarter Executive Summary, noting improved readability and a market overview that showed early gains followed by a March decline due to tariff concerns; non-U.S. equities outperformed, and debt portfolios remained resilient. Ms. Marcia Beard reviewed the structure and key highlights of the quarterly performance report, confirming that the format remains consistent—beginning with asset allocation, followed by asset class performance, and then manager-level data. She explained that funds are now ordered by size rather than inception date and emphasized upcoming changes to interim targets for the Land Grant, Severance Tax, and Early Childhood funds, effective June 1. The report now includes a more detailed breakdown of cash flows, separating contributions and distributions. Ms. Beard also highlighted peer comparisons, noting that Land Grant performance was above median for most time periods. She added that the SIC may consider refining its peer group to better reflect its objectives by including endowments and foundations. Finally, she noted that economically targeted investments have underperformed benchmarks and referenced new reporting visuals that group funds by growth orientation to reflect varying objectives and liquidity needs.

d. <u>Inflows and Total Fund Growth Update</u> (Dawn Iglesias)

At approximately 1:04:36 in the meeting recording, Ms. Dawn Iglesias, Chief Investment Operations Officer, presented an overview of how fund inflows—primarily driven by oil and gas revenues and governed by statutory rules—inform net asset growth and strategic investment pacing. She noted that the agency has experienced substantial growth in recent years and anticipates continued strong inflows. Ms. Iglesias highlighted new revenue sources for the Behavioral Health and Medicaid Trust Funds, both set to receive portions of oil and gas tax and federal royalty revenues over the next few years, with the Medicaid Trust Fund also supported by state agency budget reversions. She also addressed the potential implications of the Royalty Resiliency Act, which could temporarily reduce federal royalty revenues due to a backlog of communalization agreements, potentially affecting future distributions to several trust funds, though the General Fund is expected to remain stable.

e. **<u>Strategy: Black Dot Peer Analysis</u>** (Smith, Mikhail Kuznetsov, RVK)

At approximately 2:00:37 in the meeting recording, Mr. Mikhail Kuznetsov, Strategist, presented the annual Black Dot Peer Analysis, comparing the State Investment Council (SIC)'s three largest permanent funds to a group of 35 peer institutions, primarily public pension plans. He explained that the Land Grant, Severance Tax, and Early Childhood funds—representing the vast majority of State Investment Council (SIC) assets—remain well-positioned along the efficient frontier, reflecting strong risk-adjusted return expectations. Compared to peers, State Investment Council (SIC) maintains median U.S. equity exposure, higher international equity allocations, and relatively low core fixed income exposure. The agency ranks in the top quartile for real assets and real estate, though private equity allocations remain at or below the peer median, which was noted as surprising given broader peer movement toward increased private equity exposure in recent years. Mr. Kuznetsov and Mr. Bauer of RVK discussed how the State Investment Council (SIC)'s strong funding position and flexible distribution policy allow for a more strategic and measured pacing approach. They also noted that peer comparisons may be refined in the future by incorporating endowments and foundations, given similarities in objectives and fewer structural constraints compared to traditional pension plans.

f. <u>Performance: Real Estate PMR – Q4 2024</u> (Sabol, Townsend)

At approximately 2:14:30 in the meeting recording, Mr. Keith Sabol, Real Estate and Real Asset Director, introduced the Q4 2024 Real Estate PMR, noting modest underperformance for the quarter, though long-term returns remain solid and above benchmark. He was joined remotely by Mr. Rob Kochis of the Townsend Group, who reviewed year-end data and emphasized that recent negative returns were largely attributable to currency fluctuations, given the portfolio's notable international exposure. Mr. Kochis summarized the Council's current portfolio and its positioning. The real estate allocation remains underweight relative to target, though over $3 billion in recent commitments position the portfolio to grow once broader real estate market activity resumes and capital calls increase. The portfolio continues to shift toward more growth-oriented strategies, with non-core investments showing strong historical performance. Diversification remains robust across sectors and geographies, with industrial and niche sectors expected to drive growth. Despite the current underweight, the portfolio is in compliance with all investment policy guidelines, and managers anticipate more capital deployment as market conditions improve.

g. <u>Performance: Real Return PMR – Q4 2024</u> (Sabol, Mercer)

At approximately 2:28:45 in the meeting recording, Mr. Keith Sabol opened the Q4 2024 Real Return PMR by expressing deep appreciation for Ms. Amy Ridge, who is departing Mercer after a long partnership with the State Investment Council (SIC). He praised her expertise, integrity, and collaboration, and introduced her successor, Mr. Gurjeet Dosanjh, noting his strong background and promising start. Ms. Ridge also offered farewell remarks, expressing gratitude for her longstanding relationship with the Council. Ms. Ridge then presented the portfolio update, reporting flat performance for the quarter but positive returns across all measured periods. She highlighted a particularly active year with significant commitments and top-ups that drove increased contributions. While distributions have slowed across private markets, the portfolio still saw meaningful activity. The largest quarterly gain came from MLP holdings, while minor losses were attributed to early-stage

investments in the J-curve. She also reviewed the updated performance benchmark (CPI + 4%), portfolio diversification across strategies, geography, and sectors, and affirmed that current allocations align with targets. Additional details, including manager rankings and GP exposures, were provided in the appendix.

h. <u>Performance: Private Debt PMR – Q4 2024</u> (Tom Lofton, Meketa)

At approximately 2:38:48 in the meeting recording, Ms. Mary Bates of Meketa presented the Q4 2024 Private Debt PMR via Zoom, noting the report reflects both legacy and new program performance as the portfolio continues its restructuring. She reported that the total program includes over 60 investments, with a net IRR of approximately 6%, increasing to nearly 10% when excluding legacy and liquidating positions tied to the former hedge fund program. Ms. Bates emphasized a strategic shift toward more income-oriented, yield-focused strategies—particularly within the asset-based segment—which now accounts for a growing share of the portfolio and delivered the strongest returns. She noted the underperformance of legacy components continues to weigh negatively on overall results but represents a declining portion of market value. The program saw significant commitment activity in 2024, with strong pacing expected to continue. Ms. Bates highlighted horizon IRR trends, showing improved performance in recent vintages and reaffirmed the program's focus on building a more resilient, cash-flow-driven portfolio moving forward. A revised reporting format is in development to better reflect the program's evolving structure and enhance transparency for council members and trustees.

i. <u>Performance: National Private Equity PMR – Q4 2024</u> (Chris Cassidy, Mercer)

At approximately 2:49:36 in the meeting recording, Mr. Richard Pugmire of Mercer presented the Q4 2024 National Private Equity PMR, highlighting strong long-term performance, particularly for the post-2011 portfolio, which continues to outperform private equity benchmarks. He noted that short-term results have been more modest, reflecting broader trends across the private equity industry and the natural performance lag from recent commitments made in 2023 and 2024. For the quarter, the portfolio experienced a small loss largely attributed to currency fluctuations, though year-to-date distributions have remained strong and offset new capital calls. Buyout and growth strategies remain the portfolio's strongest drivers, while newer commitments continue to ramp. Benchmarking shows that most vintage years exceed median returns, with private equity outperforming broader global benchmarks like the MSCI ACWI and the Russell 2000, though underperforming the tech-heavy Russell 3000. The portfolio is well diversified by strategy, geography, and industry, with major exposure in North America and to the information technology and industrials sectors.

j. <u>Performance: New Mexico Private Equity PMR – Q4 2024</u> (Cassidy, Mercer)

At approximately 3:05:15 in the meeting recording, Mr. Richard Pugmire of Mercer presented the Q4 2024 New Mexico Private Equity PMR, noting flat performance for the quarter with continued exposure to co-investment funds, which comprise about a quarter of the portfolio and contribute to heightened volatility due to their limited diversification. While overall the program has a cumulative loss of approximately $84 million, newer fund commitments from 2016 onward show positive momentum, generating a 6.6% return to date. Mr. Pugmire emphasized progress in diversifying the portfolio, reducing a historically concentrated portfolio, and thereby reducing the excess concentration of top holdings. Quarter-over-quarter net asset value increased due to higher contributions from recent commitments, though gains and losses were effectively neutral. The program now includes investments in 128 New Mexico-based companies, with nearly $20 million invested in the past year. Efforts are underway to expand economic impact reporting to include companies building significant operations in New Mexico, even if headquartered elsewhere. Finally, Mr. Pugmire acknowledged that while 12 funds reported gains, 24 reported net losses—largely due to legacy positions and early J-curve effects in newer venture capital commitments

3. INVESTMENT MATTERS: PORTFOLIO RECCOMENDATIONS REQUIRING A VOTE

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

At approximately 3:09:51 in the meeting recording, Investment Committee Chair Mr. John Bingaman reported that the Committee met the previous week with a quorum present. He was joined by Councilor Telles and Advisory Member Mary Rohman. The Committee unanimously recommended approval of all investment voting items presented to the Council for consideration.

b. **VOTE: Severance Tax Permanent Fund Asset Allocation** (Iglesias)

At approximately 3:10:35 in the meeting recording, Ms. Dawn Iglesias and Mr. Mathias Bauer presented an updated asset allocation for the Severance Tax Permanent Fund (STPF), prompted by structural changes to the New Mexico private equity program. The revision formally distinguishes the 9% allocation to the Strategic Venture Capital Program from the 3% statutory allocation to Economically Targeted Investments (ETIs), which includes required commitments to the Small Business Investment Corporation (SBIC) and the state-administered COVID-era small business loan program. To reflect the non-discretionary nature of the ETI allocation, the revised model reduces private credit, real return, and real estate targets by 1% each. Mr. Bauer explained that, while the overall exposure remains unchanged, this adjustment improves modeling accuracy by aligning asset class assumptions with actual mandates. He noted only a modest decrease in projected returns and risk, due to the lower expected performance of ETIs, but highlighted an overall increase in long-term return expectations compared to the previous year—attributable to the reclassification of the Strategic Venture Capital Program as a market-rate investment. The Council was asked to formally approve the revised allocation. Councilor Bingaman moved for approval, and Treasurer Montoya seconded the motion.

> **Based on the recommendations of the Council Investment Committee,** advisor RVK and State Investment Council (SIC) Staff, I move that the State Investment Council approve the updated Asset Allocation for the Severance Tax Permanent Fund, as discussed and memorialized at today's meeting.

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

c. **VOTE: Interim Asset Allocation Target Changes** (Kuznetsov)

At approximately 3:24:37 in the meeting recording, Mr. Mikhail Kuznetsov presented proposed adjustments to interim asset allocation targets for four permanent funds, building on the framework established in June 2023 and following the path toward long-term tactical investment allocation targets. The original interim targets were introduced in response to unprecedented inflows and Council direction to adopt a more conservative, risk-aware portfolio posture. Key components included the creation of interim targets, the introduction of dedicated cash allocations ranging from 5% to 10%, and expanded flexibility in core fixed income allocations by suspending upper and lower bounds. Mr. Kuznetsov reported that current positions are now at or near their long-term lower limits, and the proposed changes are designed to further narrow the gap toward long-term targets. The revised targets would bring U.S. and international public equity exposures closer to their strategic weights, while preserving the flexibility to capitalize on future market dislocations. The proposal also sets the stage for reallocating excess capital from cash and fixed income into higher-return asset classes. Councilor Bingaman moved for approval, with Members Telles and Sommer both seconding the motion.

> **Based on the recommendations of the Council Investment Committee,** advisor RVK and State Investment Council (SIC) Staff, I move that the State Investment Council approve the interim asset allocation target changes, as discussed and memorialized at today's meeting.

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

d. **VOTE: US Public Equity: Structure Study** (Greg Dunn, Ryan Eustice, RVK)

At approximately 3:34:40 in the meeting recording, Mr. Greg Dunn, Public Equity Director, and Mr. Matt Sturdivan of RVK presented the U.S. Public Equity Structure Study, recommending updates to portfolio construction and risk guidelines in response to shifting market dynamics and revised long-term return assumptions. The portfolio, which aims to provide liquidity, broad economic exposure, and returns aligned with the Russell 3000 Index, has delivered strong results—posting nearly 18% annualized returns over the past five years. However, structural challenges, including elevated valuations and increased concentration in large-cap equities, have limited the effectiveness of active management, particularly in the growth segment. To enhance return potential, the presenters proposed increasing the portfolio's excess return target from 20 to 35 basis points and rebalancing the current 68% passive/32% active allocation to an even 50/50 split. This change would modestly increase the tracking error range to 0.75–1.5 percent while maintaining a beta target of 1.0. The shift reflects a strategic emphasis on active management within small and mid-cap segments, where manager outperformance has been more consistent and meaningful. The team stressed the importance of broadening manager representation to reduce concentration risk and improve flexibility. Next steps include issuing an open RFP, conducting a five-step due diligence process, and returning to the Council with a proposed lineup of managers across market caps and styles. Member Sánchez moved for approval, and Councilor Sommer seconded the motion.

> **Based on the recommendations of the Council Investment Committee,** advisor RVK and State Investment Council (SIC) Staff, I move that the State Investment Council approve the findings and adopt the strategic recommendations of the US Public Equity Structure Study, as discussed and memorialized at today's meeting.

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

e. **VOTE: National Private Equity: Advent International GPE XI** (Cassidy, Mercer)

At approximately 4:45:40 in the meeting recording, Mr. Richard Pugmire presented a re-up recommendation to Advent International GPE XI, highlighting the firm's strong historical performance and long-standing relationship with the State Investment Council (SIC) through multiple prior fund commitments. Advent is a global private equity firm with over 40 years of experience and $86 billion in assets under management, employing a flexible, control-oriented strategy focused on both growth acceleration and transformational investments across North America, Europe, and Asia. The firm is sector-focused, targeting industrials, business and financial services, consumer, healthcare, and technology, and operates with a decentralized sourcing model that leverages regional expertise and deep sector knowledge. Advent's team includes 13 managing partners, 300 investment professionals, and 45 portfolio support specialists dedicated to value creation. The State Investment Council (SIC)'s previous commitments to Advent have delivered a net IRR of 14.3% as of year-end, with performance consistency across vintages. The recommendation includes a $150 million commitment to the main fund and a $150 million no-fee, no-carry sidecar co-investment vehicle. Advent Managing Partner Ms. Tricia Glynn, provided additional

commentary on the firm's investment approach, governance structure, and alignment with limited partners. No changes to fund terms were proposed. Councilor Bingaman moved for approval, with Councilor Sommer seconding the motion.

> **Based on the recommendations of the Council Investment Committee,** advisor Mercer, State Investment Council (SIC) Staff and general fiduciary oversight from RVK, I move that the State Investment Council approve a commitment of up to $150 million to Advent International GPE XI, L.P., and an additional commitment of up to $150 million to the related Advent "Co-Investment" fund, 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: Commissioner Garcia Richard, 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.

f. **VOTE: National Private Equity: JMI Equity Fund XII** (Cassidy, Mercer)

At approximately 4:55:04 in the meeting recording, Mr. Richard Pugmire and Mr. Chris Cassidy presented a re-up recommendation to JMI Equity Fund XII, representing the State Investment Council (SIC)'s fifth commitment to the firm. JMI is a long-standing and high-performing partner within the State Investment Council (SIC)'s private equity portfolio, focused exclusively on growth-stage, business-to-business software companies. The firm has delivered consistently strong results for the State Investment Council (SIC) while maintaining low loss ratios, and its flexible investment approach—targeting both minority and control positions as the first institutional capital—allows it to identify promising opportunities beyond traditional tech hubs. Founded in 1992, JMI is led by nine investment partners averaging 18 years at the firm and has successfully transitioned leadership through a multi-year succession plan. Notably, the firm achieved meaningful realizations in 2023 and 2024 despite challenging market conditions. The recommended $75 million commitment reflects confidence in JMI's disciplined strategy, operational rigor, and strong alignment through a substantial general partner commitment. Mr. Suken Vakil, General Partner at JMI, reinforced the firm's deep domain expertise, structured operational support, and emphasis on helping portfolio companies scale rapidly and sustainably. Councilor Sommer moved for approval, with Treasurer Montoya seconding the motion.

> **Based on the recommendations of the Council Investment Committee,** advisor Mercer, State Investment Council (SIC) Staff and general fiduciary oversight from RVK, I move that the State Investment Council approve a commitment of up to $75 million to JMI Equity Fund XII, 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: Commissioner Garcia Richard, Treasurer Montoya, Secretary Propst, Councilor Telles, Councilor Allen, Councilor O' Donnell, Councilor Sánchez and Councilor Sommer. There were no opposing votes. With eight votes in favor, the motion was approved.

g. **VOTE: Real Assets: Hull Street Energy Partners III – Co-investment SMA** (Sabol, Mercer)

At approximately 5:00:48 in the meeting recording, Director Keith Sabol presented a $75 million co-investment recommendation to accompany the State Investment Council (SIC)'s existing $150 million commitment to Hull Street Energy Partners III, a fund focused on acquiring and operating renewable and conventional power assets. The firm, led by founder Sarah Wright and fully employee-owned, was previously assessed as lacking a sufficiently robust pipeline to justify a dedicated co-investment vehicle; however, market conditions have since shifted significantly. Ms. Amy Ridge noted that Hull

Street's pipeline has grown meaningfully, warranting a fee- and carry-free co-investment structure that would allow the State Investment Council (SIC) to deploy capital alongside the main fund in a more targeted manner. The proposal was also initiated by Hull Street, who proactively reached out to offer the State Investment Council (SIC) priority participation—reflecting a strong partnership. Ms. Wright, speaking via Zoom, emphasized that power sector demand growth is accelerating, while political and financial constraints have tempered new development, creating a favorable environment for strategic acquisitions. The co-investment vehicle would allow the State Investment Council (SIC) to capitalize on these evolving opportunities within a constrained supply environment. Councilor Bingaman moved for approval, with Councilor Telles seconding the motion.

> **Based on the recommendations of the Council Investment Committee,** advisor Mercer, State Investment Council (SIC) Staff and general fiduciary oversight from RVK, I move that the State Investment Council approve a commitment of up to $75 million to a co-Investment separately managed account with Hull Street Energy 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: Commissioner Garcia Richard, Treasurer Montoya, Secretary Propst, Councilor Telles, Councilor Allen, Councilor Bingaman, Councilor O' Donnell, Councilor Sánchez and Councilor Sommer. There were no opposing votes. With nine votes in favor, the motion was approved.

4. FINANCE MATTERS: Informational Reports Requiring Discussion/Vote

a. CFO Report (Brent Shipp)

At approximately 5:00:48 in the meeting recording, Chief Financial Officer Mr. Brent Shipp provided a brief report, highlighting two key updates. First, he informed the Council that Moss Adams has merged with Baker Tilly, effective June 1, and noted that this change will affect the agency's audit engagements. While Moss Adams completed and delivered the third quarter agreed-upon procedures report, the fiscal year 2025 annual audit will be signed by Baker Tilly. Mr. Shipp confirmed that the Office of the State Auditor has been consulted and supports the transition, although a formal name change submission is still pending. Second, he confirmed that the standard budget-to-actual schedules and investment holdings report remain consistent with prior reporting.

5. **PUBLIC COMMENT PERIOD**

At approximately 5:10:04 in the meeting recording, During the public comment period, Mr. Carlton Byrd, Managing Director at American Triple I Partners (ATI), introduced the firm to the Council. ATI is a U.S.-based infrastructure fund manager focused on the lower middle market, with a mission to address overlooked opportunities—particularly in minority, rural, and underserved communities. Founded by Henry Cisneros, former HUD Secretary and two-time Mayor of San Antonio, the firm aims to deliver infrastructure solutions where public funding is limited. Mr. Byrd highlighted ATI's role in the $4.2 billion public-private redevelopment of JFK Terminal 6, one of the largest transportation PPPs in U.S. history, as an example of its stakeholder-driven approach. He emphasized ATI's strategic positioning in less competitive markets and noted that the firm manages approximately $830 million in assets, including separate accounts with the City of New York and a major European infrastructure investor. ATI is currently raising its first commingled infrastructure fund with a $500 million target, leveraging its existing relationships and investment track record to offer co-investment opportunities to its limited partners.

6. GOVERNANCE MATTERS: INFORMATIONAL REPORTS REQUIRING DISCUSSION/VOTE

a. Governance Committee Report (Cathy Allen)

At approximately 5:14:54 in the meeting recording, Governance Committee Chair Allen made the following motion with Councilor Sommer seconding.

> **Pursuant to New Mexico's Open Meetings Act, NMSA 1978 Chapter 10, Article 15, et seq. and in accordance with the NM Attorney General's Open Meetings Compliance Guide,** I move that by a majority vote of a quorum of the State Investment Council that the Council enter closed session today solely for "discussion of limited personnel matters," pursuant to Section 10-15-1(H)(2) NMSA 1978, specifically regarding the job performance of State Investment Officer Jon Clark. (THIS REQUIRES A ROLL CALL VOTE).

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

The Council resigned to Executive Session at 1:40 p.m.

At approximately 0:02 in Part 2 of the meeting recording, upon exiting executive session, Member Allen stated: "Let the minutes of the Council's April 30, 2025 special meeting reflect that, as required by Section 10-15-1(J) of the Open Meetings Act of the Open Meetings Act, the matters discussed during today's closed session were limited to those specified in the motion for closure—specifically, personnel matters related to State Investment Officer Jon Clark. No public policy matters were formulated or discussed."

b. Public Session Vote: Consideration of SIO compensation (Cathy Allen)

At approximately 1:02 in Part 2 of the meeting recording, Ms. Cathy Allen moved that, in recognition of Mr. Jon Clark's exceptional service during his first year and a half as State Investment Officer—including his leadership in agency management, successful engagement with the Legislature, implementation of revised employee pay bands to support recruitment and retention, integration of strategic planning into Council activities, and commitment to transparency—the State Investment Council approve a 5 percent increase to Mr. Clark's gross annual compensation, effective July 1, 2025. The motion was seconded by Treasurer Montoya.

> I move that the State Investment Council approve a 5 percent increase to the gross annual compensation for the State Investment Officer Jon Clark, to become effective as of July 1, 2025.

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

7. CLOSING MATTERS

a. Old or new business:

None.

b. Next State Investment Council (SIC) meeting date: Tuesday, June 24, 2025 9:00 a.m. Governor's Cabinet Room, State Capitol

8. ADJOURNMENT

a. The meeting was adjourned at 2:00 p.m.