

The Education Trust Board of New Mexico

THE HONORABLE MICHELLE LUJAN GRISHAM
GOVERNOR OF NEW MEXICO

STEPHANIE RODRIGUEZ, CABINET SECRETARY
NEW MEXICO HIGHER EDUCATION DEPARTMENT



BOARD MEMBERS
GARY L. GORDON, CHAIR
ROBERT J. DESIDERIO, VICE-CHAIR
DR. JOSE Z. GARCIA
LAWTON DAVIS
MONT GREEN

CAROLYN FITTIPALDI
ACTING EXECUTIVE DIRECTOR

Meeting Minutes of
February 2, 2022
1516 Paseo de Peralta
Santa Fe, New Mexico 87501

*Approved
Board Secretary -
Vera Lyons 4/27/22*

Board Members (all remote)

Gary L. Gordon, Chair
Robert Desiderio, Vice Chair
Dr. Jose Garcia, Member
Lawton Davis, Member
Mont Green, Member

ETB Staff (both remote)

Carolyn Fittipaldi, Acting Executive
Director

Vera Lyons, Board

Secretary

Hogan Lovells

(remote)

Helen Atkeson, Partner

SommerUdall

(remote)

Kurt Sommer, Partner

Morton Accounting Services

(remote)

Janet Pacheco-Morton,

CPA

CLA

Matt Bone, Principal

(remote)

Ascensus (both remote)

Tom Hewitt, VP Relationship Management

Tom Lowe, VP Investment Management

Principal (all remote)

Paul Schieber, Managing Director, 529
Distribution

Randy Welch, Managing Director,
Portfolio Manager

James Fennessey, Portfolio Manager,
Director of Research

Jori Horn, 529 Marketing Director

Meketa Investment Group (all remote)

Kay Ceserani, Managing Principal

Eric White, Principal

Nick Buckley, Investment Analyst

Sunny 505 (both remote)

Joanie Griffin, CEO

Dezaree Vega-Garcia, President

Esparza (all remote)

Del Esparza, CEO

Jamie Rushad-Gros, President of Innovation

Ashley Sterling, Senior Account Executive

EFL Associates (remote)

Dan Cummings, Senior VP & Managing
Director

1) CALL TO ORDER

The meeting was called to order at 8:30 AM. There was a quorum with all five board members present.

2) APPROVAL OF AGENDA

The agenda was approved unanimously.

3) APPROVAL OF MINUTES

Chairman Gordon called for a motion to approve minutes from October 7, 2021, November 12, 2021, December 7, 2021 and January 6-7, 2022. Mr. Green so moved. Vice Chair Desiderio seconded the motion. The vote to approve the motion was unanimous.

4) PUBLIC COMMENT

There were no members of the public present at the virtual meeting.

5) FY2021 ANNUAL AUDIT REPORT

Matt Bone, CLA presented the public annual audit report. Chairman Gordon called for a motion to accept the audit report as presented. Dr. Garcia so moved. Mr. Green seconded the motion. The vote to approve the motion was unanimous.

6)

a) FY2022 Q2 Financial Report – Ms. Pacheco-Morton presented the quarterly financial statements for The Education Plan and Scholar’s Edge. Chairman Gordon suggested a footnote be added to the fiduciary statements in reference to the discrepancy in subscriptions as a result of the conversion from Invesco to Ascensus. Ms. Pacheco-Morton agreed. Chairman Gordon called for a motion to accept the financial statements as presented. Vice Chair Desiderio so moved. Mr. Green seconded the motion. The vote to approve the motion was unanimous.

b) Other updates - Ms. Fittipaldi provided updates on outreach activities.

Dr. Garcia asked about tracking race and ethnicity of account holders. Ms. Fittipaldi confirmed that each month, the account data from Ascensus is reviewed and analyzed to track demographic data.

7) THE EDUCATION PLAN QUARTERLY MARKETING REPORT

Ms. Griffin presented the FY22 Q2 PR and traditional media report for TEP. Mr. Esparza, Mr. Rushad-Gros and Ms. Sterling presented the FY22 Q2 digital marketing and website report for TEP.

8) SCHOLAR'S EDGE MARKETING, SALES AND DISTRIBUTION REPORT

Ms. Horn presented the FY22 Q2 marketing report for SE and Mr. Schieber presented the FY22 Q2 sales and distribution report for SE.

9) PROGRAM MANAGER'S QUARTERLY OPERATIONS AND INVESTMENT REPORTS

Mr. Hewitt presented the FY22 Q2 program manager's operations report. Mr. Lowe presented the FY22 Q2 investment report for The Education Plan. Mr. Welch and Mr. Fennessy presented the FY22 Q2 investment report for Scholar's Edge.

Chairman Gordon requested a 3-minute break at 10:15 AM. The meeting reconvened at 10:18 AM

10) INVESTMENT CONSULTANT'S QUARTERLY REPORT AND WATCH LIST RECOMMENDATIONS

b) Ms. Cesarani presented **agenda item b** "the FY22 Q2 investment consultant's report and watch list recommendations" **prior to agenda item a**. Chairman Gordon requested a motion to accept the watch list recommendations that the three funds that are currently on the watch list stay on the watch list. Vice Chair Desiderio so moved. Mr. Davis seconded. The vote to approve the motion was unanimous.

a) Mr. White presented a report on inflation.

11) ANNUAL ASSET ALLOCATION REVIEW AND RECOMMENDATIONS

a) Mr. Welch presented Principal's asset allocation recommendations for SE.

b) Ms. Cesarani reviewed the proposed recommendations by Principal for SE.

Chairman Gordon requested a motion to accept Principal's recommendations for changes to asset allocations for SE. Dr. Garcia so moved. Vice Chair Desiderio seconded the motion. The vote to approve the motion was unanimous.

12) CLOSED SESSION PURSUANT TO SECTION 10-15-1(h) OF THE OPEN MEETINGSS ACT TO DISCUSS CONTRACT PERSONNEL MATTERS

Each member was polled and all agreed to be in closed session to discuss the search for Executive Director. The board went in to closed session at 11:51 AM

Each member was polled and all agreed in closed session to move back into open session. Chairman Gordon announced that discussion during the closed session was limited to the matter of the Executive Director search.

13) ADJOURNMENT

The Board unanimously agreed to adjourn the meeting at 12:40 PM.