(PLEASE FIND THE AGENDA/TABLE OF CONTENTS ON PAGE 4.)

REGULAR MEETING
OF THE
BOARD OF DIRECTORS

October 1, 2024
9:30 AM

CNM WORKFORCE TRAINING CENTER
5600 Eagle Rock Ave NE, Alb. NM 87113

Online: https://meet.goto.com/NMRHCA/boardmeeting
Telephone: 1-224-501-3412 / Access Code: 724-176-285

New Mexico Retiree Health Care Authority
Regular Meeting

BOARD OF DIRECTORS

ROLL CALL

October 1, 2024

	Member in Attendance		
Ms. Saunders, President			
Mr. Salazar, Vice President			
Ms. Larranaga-Ruffy, Secretary			
Mr. Archuleta			
Ms. Montoya			
Mr. Washburn			
Ms. Sandoval			
Mr. Pyle			
Ms. Alirez			
Mr. Caruana			
Ms. Castillo Smith			
Ms. Angela Medrano			

NMRHCA BOARD OF DIRECTORS
October 2024

Ms. Therese Saunders, President
NEA-NM, Classroom Teachers Assoc., &
NM Federation of Educational Employees
5811 Brahma Dr. NW
Albuquerque, NM 87120
tsaunders3@mac.com
505-934-3058

Mr. Tomas E. Salazar, PhD, Vice President
NM Assoc. of Educational Retirees
PO Box 66
Las Vegas, NM 87701
salazarte@plateautel.net
505-429-2206

Ms. Leanne Larranaga-Ruffy, Secretary
Alternate for PERA Executive Director Public
Employees Retirement Association
33 Plaza La Prensa
Santa Fe, NM 87507
leanne.larranaga@pera.nm.gov
505-476-9332

Ms. Donna Sandoval
NM Municipal League
100 Marquette Ave
City/County Building
Albuquerque, NM 87102
donnasandoval@cabq.gov
505-768-2975

Mr. Gerry Washburn
Superintendents' Association of NM
408 N Canyon
Carlsbad, NM 88220
gerry.washburn@carlsbadschools.net

The Honorable Ms. Laura M. Montoya
NM State Treasurer
2055 South Pacheco Street
Suite 100 & 200
Santa Fe, NM 87505
laura.montoya@sto.nm.gov
505-955-1120

Mr. David Archuleta
ERB Executive Director
Educational Retirement Board
PO Box 26129
Santa Fe, NM 87502-0129
david.archuleta@erb.nm.gov
505-476-6152

Mr. Lance Pyle
NM Association of Counties
Curry County Administration
417 Gidding, Suite 100
Clovis, NM 88101
lpyle@currycounty.org
575-763-3656

Ms. Raquel Alirez
Classified State Employee
401 Broadway NE
Albuquerque, NM 87102
raquel.alirez@dws.nm.gov
505-365-3474

Mr. Lee Caruana, MD
Retired Public Employees of NM
leecaruana13@gmail.com

Ms. Alex Castillo Smith
Deputy Cabinet Secretary
NM Health Care Authority
PO Box 2348
Santa Fe, NM 87504
alex.castillosmith@hca.nm.gov
505-629-8652

Ms. Angela Medrano
Governor Appointee
acmedrano505@gmail.com

Regular Meeting of the
NEW MEXICO RETIREE HEALTH CARE AUTHORITY
BOARD OF DIRECTORS

October 1, 2024
9:30 AM
CNM Workforce Training Center
5600 Eagle Rock Ave NE, Alb. NM 87113
Online: https://meet.goto.com/NMRHCA/boardmeeting
Telephone: 1-224-501-3412 / Access Code: 724-176-285

AGENDA

1. Call to Order	Ms. Saunders, President	Page
2. Roll Call to Ascertain Quorum	Ms. Beatty, Recorder	
3. Pledge of Allegiance	Ms. Saunders, President	
4. Approval of Agenda	Ms. Saunders, President	4
5. Approval of Regular Meeting Minutes August 27, 2024	Ms. Saunders, President	5
6. Public Forum and Introductions	Ms. Saunders, President	
7. Committee Reports	Ms. Saunders, President	
8. Staff Updates		
a. HR Updates b. 2024 Switch Enrollment Updates	Ms. Atencio, Deputy Director	 9
c. Legislative Updates d. August 31, 2024, SIC Reports e. Investment Performance Report – June 2024	Mr. Kueffer, Executive Director	 18 19
9. Meketa a. Investments Overview, Reporting, & Policies b. Investment Rebalancing (Action Item)	Mr. Cowie, Mr. Benedict, & Mr. Pratt	 22
10. Medicare Medical Default Strategy (Action Item)	Mr. Kueffer, Executive Director	67
11. Other Business	Ms. Saunders, President	
12. Date & Location of Next Board Meeting November 5, 2024 – 9:30AM CNM Workforce Training Center 5600 Eagle Rock Ave NE, Alb. NM 87113	Ms. Saunders, President	
13. Adjourn		

MINUTES OF THE

NEW MEXICO RETIREE HEALTH CARE AUTHORITY/BOARD OF DIRECTORS

REGULAR MEETING

August 27, 2024

1. CALL TO ORDER

A Regular Meeting of the Board of Directors of the New Mexico Retiree Health Care Authority was called to order on this date at 9:30 a.m. in Room 207, CNM Workforce Training Center, 5600 Eagle Rock Avenue, NE, Albuquerque, New Mexico.

2. ROLL CALL TO ASCERTAIN A QUORUM

A quorum was present.

Members Present:
Ms. Therese Saunders, President
Dr. Tomas Salazar, Vice President
Ms. Christine Anaya, designee of Hon. Laura M. Montoya, NM State Treasurer [virtual]
Ms. Rachel Alirez [virtual]
Mr. David Archuleta
Dr. Lee Caruana
Ms. Donna Sandoval
Dr. Gerry Washburn [virtual]
Ms. Alex Castillo Smith

Members Excused:
Ms. LeAnne Larrañaga-Ruffy, Secretary
Mr. Lance Pyle

Staff Present:
Mr. Neil Kueffer, Executive Director
Mr. Mark Hayden, General Counsel
Ms. Sheri Ayanniyi, Chief Investment Officer
Mr. Jess Biggs, Communications Director
Mr. Raymond Long, IT Director
Mr. Alexander George, Network Administrator
Ms. Judith Beatty, Recorder

3. PLEDGE OF ALLEGIANCE

Chair Saunders led the Pledge.

4. APPROVAL OF AGENDA

Ms. Alirez moved approval of the agenda. Mr. Archuleta seconded the motion, which passed unanimously.

5. APPROVAL OF REGULAR MEETING MINUTES JULY 11 & 12, 2024, AND SPECIAL MEETING MINUTES JULY 18, 2024

Dr. Salazar moved approval of the meeting minutes of July 11, July 12, and July 18, 2024. Ms. Sandoval seconded the motion, which passed unanimously by roll call vote.

6. PUBLIC FORUM AND INTRODUCTIONS

Attendees introduced themselves.

7. COMMITTEE REPORTS

- Audit Committee held its entrance meeting with Kory Hoggan (Moss Adams). The exit meeting will be scheduled some time in November.
- The Finance Committee met last week and voted on certain items scheduled for action on today's agenda.
- The Executive Committee met and approved today's agenda.

8. STAFF UPDATES

a. 2024 Switch Enrollment Postcard & Update

Mr. Biggs reported on the annual switch enrollment schedule and marketing campaign, which begins this month. Postcards will hit mailboxes this week, followed by the newsletter in the next week or so. The switch packets will be mailed in the next three or four weeks.

b. HR Updates

Mr. Kueffer presented updates.

Mr. Kueffer stated that CFO Sherry Ayanniyi plans to depart the NMRHCA on August 30 to take a position with another state agency. In addition, the candidate for Deputy Director has accepted the NMRHCA's offer.

c. Independent Pharmacies Update

Mr. Kueffer referred to a KUNM article titled "Pharmacy deserts may grow as independent stores struggle with Medicare reimbursements." The article stated that a change meant to save patients money has caused community pharmacies to shut their doors across the country because they are making less profit and sometimes are losing money when filling some prescriptions. Communities in rural areas face the highest cost. He said NMRHCA is communicating with independent pharmacies in the state to see what their concerns are and how those might be addressed. NMRHCA is also working with its consultants in exploring options, including Express Scripts. The article states that Pharmacy Benefit Managers who manage prescriptions for the NMRHCA were reimbursing at such a low rate that one pharmacy has stopped serving them.

d. Updated Solvency Projection

Mr. Kueffer reported that, following action taken by the board during the annual meeting last month to increase premium rates, along with solidifying the Medicare Advantage rates, the solvency projections now reflect that deficit spending has been pushed out from FY2033 to FY2035.

e. June 30 & July 31, 2024, SIC Reports

Mr. Kueffer reported that June balances totaled $1.504 billion, increasing in July to $1.523 billion, a $19.2 million increase. This represents an all-time high for the trust fund.

9. FY26 APPROPRIATION REQUEST (ACTION ITEM)

Mr. Kueffer reviewed this request and requested approval.

Chair Saunders stated that the Audit Committee approved this request, and that the Finance Committee has recommended approval.

Dr. Caruana seconded the motion, which passed unanimously by roll call vote.

10. TRAVEL REQUEST (ACTION ITEM)

Mr. Kueffer stated that this is a request to attend the Public Sector HealthCare Roundtable Annual Conference scheduled for November 6-8, 2024, in Washington, D.C. NMRHCA staff as well as an NMRHCA board member have attended this conference in the past. The Roundtable provides in-depth policy analysis and a forum that allows engagement with key experts and decision-makers.

Chair Saunders stated that the Executive Committee approved this request. Dr. Salazar seconded, and the motion passed unanimously by roll call vote.

11. OTHER BUSINESS

None.

12. EXECUTIVE SESSION: 10:28 a.m.

- **Pursuant to NMSA 1978, Section 10-15-1(H)(6): Regarding contents of competitive sealed proposal solicited on contracted rate negotiations. Discussion with Presbyterian Health Plan President Brandon Fryar and VP of Sales & Marketing, Brian Brown, regarding confidential and strategic plans.**

Mr. Archuleta moved to enter executive session pursuant to NMSA 1978, Section 10-15-1(H)(6). Dr. Salazar seconded the motion, which passed unanimously by roll call vote.

[The board came out of executive session at 11:00 a.m.]

Mr. Archuleta moved to come out of executive session. The only matter discussed was the contents of a competitive sealed proposal solicited on contracted rate negotiations with Presbyterian Health Plan. Dr. Caruana seconded the motion, which passed unanimously by roll call vote.

13. DATE AND LOCATION OF NEXT BOARD MEETING

October 1, 2024 – 9:30 AM
CNM Workforce Training Center
5600 Eagle Rock Ave NE, Albuquerque NM 87113

14. ADJOURN: 11:05 a.m.

Accepted by:

____

Therese Saunders, President

New Mexico Retiree Health Care Authority
2024 Switch Enrollment Meeting Schedule

October 2, 2024 Northern NM College Event Center & AD 101/102 921 Paseo de Oñate Española, NM 87532 **10:30 AM – 12:35 PM** Medicare Medical/RX **12:35 PM – 1:15 PM** Voluntary Coverage **1:15 PM – 2:30 PM** Non-Medicare Medical/RX	**October 3, 2024** Raton Convention Center 901 S. 3rd St. Raton, NM 87740 **9:30 AM – 11:35 AM** Medicare Medical/RX **11:35 AM – 12:15 PM** Voluntary Coverage **12:15 PM – 1:30 PM** Non-Medicare Medical/RX	**October 4, 2024** NM Highlands Univ. Student Center 800 National Ave. Las Vegas, NM 87701 **9:30 AM – 11:35 AM** Medicare Medical/RX **11:35 AM – 12:15 PM** Voluntary Coverage **12:15 PM – 1:30 PM** Non-Medicare Medical/RX	**October 8 & 9, 2024** Santa Fe Community College Jemez Room 6401 Richards Ave. Santa Fe, NM 87508 **9:30 AM – 11:35 AM** Medicare Medical/RX **11:35 AM – 12:15 PM** Voluntary Coverage **12:15 PM – 1:30 PM** Non-Medicare Medical/RX
October 10, 2024 San Juan College Henderson Fine Arts Building Room 9008 4601 College Blvd Farmington, NM 87402 **9:30 AM – 11:35 AM** Medicare Medical/RX **11:35 AM – 12:15 PM** Voluntary Coverage **12:15 PM – 1:30 PM** Non-Medicare Medical/RX	**October 11, 2024** UNM - Gallup Student Services & Tech Center Room 200 705 Gurley Ave Gallup, NM 87301 **9:30 AM – 11:35 AM** Medicare Medical/RX **11:35 AM – 12:15 PM** Voluntary Coverage **12:15 PM – 1:30 PM** Non-Medicare Medical/RX	**October 15, 2024** NM Military Institute Daniels Leadership Center 101 West College Blvd Roswell, NM 88201 **9:30 AM – 11:35 AM** Medicare Medical/RX **11:35 AM – 12:15 PM** Voluntary Coverage **12:15 PM – 1:30 PM** Non-Medicare Medical/RX	**October 16, 2024** NM Junior College LHWD 103 High Bay 5317 N. Lovington Hwy. Hobbs, NM 88240 **9:30 AM – 11:35 AM** Medicare Medical/RX **11:35 AM – 12:15 PM** Voluntary Coverage **12:15 PM – 1:30 PM** Non-Medicare Medical/RX
October 17, 2024 Clovis Community College Town Hall Auditorium 417 Schepps Blvd Clovis, NM 88101 **9:30 AM – 11:35 AM** Medicare Medical/RX **11:35 AM – 12:15 PM** Voluntary Coverage **12:15 PM – 1:30 PM** Non-Medicare Medical/RX	**October 21, 2024** Rio Rancho Events Center 3001 Civic Center Cir. NE Rio Rancho, NM 87144 **9:30 AM – 11:35 AM** Medicare Medical/RX **11:35 AM – 12:15 PM** Voluntary Coverage **12:15 PM – 1:30 PM** Non-Medicare Medical/RX	**October 22 & 23, 2024** CNM Main Campus Smith Brasher Hall 717 University Blvd. SE Albuquerque, NM 87106 **9:30 AM – 11:35 AM** Medicare Medical/RX **11:35 AM – 12:15 PM** Voluntary Coverage **12:15 PM – 1:30 PM** Non-Medicare Medical/RX	**October 29, 2024** Western NM University Besse Ford Global Resource Center Corner of 12th & Kentucky Silver City, NM 88061 **9:00 AM – 11:05 AM** Medicare Medical/RX **11:05 AM – 11:45 AM** Voluntary Coverage **11:45 AM – 1:15 PM** Non-Medicare Medical/RX
October 30 & 31, 2024 NM Farm & Ranch Heritage Museum 4100 Dripping Springs Rd. Las Cruces, NM 88011 **9:30 AM – 11:35 AM** Medicare Medical/RX **11:35 AM – 12:15 PM** Voluntary Coverage **12:15 PM – 1:30 PM** Non-Medicare Medical/RX	**October 18 & 24, 2024** Virtual **9:30 AM – 11:30 AM** **November 1, 2024** Virtual **1:30 PM – 3:30 PM** Registration required: www.nmrhca.org/switch-open-enrollment	**Wellness Services at IN PERSON Switch Enrollment Meetings** • Flu Shots (subject to serum availability) * • Pneumococcal vaccine* • COVID-19 Vaccine ** • Blood Pressure Check • Massage Chairs (available at most locations) • Cognivue cognitive test for brain health scores • Rewind Your Age Longevity Resources ○ ZZZ zone ○ Muscle Matters ○ Protein Punch • Social Connection Resources *Availability at all locations may vary **Vaccinations dependent on availability at time of event	

DEADLINE FOR CHANGES: MUST BE POSTMARKED NO LATER THAN NOVEMBER 15, 2024

SCHEDULE OF SPEAKERS (MEDICARE ADVANTAGE PRESENTATIONS WILL PRECEDE MEDICARE SUPPLEMENT)

<table>
<tr>
<td>OCT. 2 – ESPANOLA
SPEAKER LIST
10:30 a.m. — NMRHCA
ADVANTAGE PLANS
11:00 a.m. — PHP
11:15 a.m. — Humana
11:30 a.m. — UHC
11:45 a.m. — BCBS
SUPPLEMENT
12:05 p.m. — BCBS
12:20 p.m. — ESI
VOLUNTARY
12:35 p.m. — Delta
12:45 p.m. — BCBS
12:55 p.m. — Davis
1:05 p.m. — Standard
NON-MEDICARE
1:15 p.m. — NMRHCA
1:45 p.m. — PHP
2:00 p.m. — BCBS
2:15 p.m. — ESI</td>
<td>OCT. 3 – RATON
SPEAKER LIST
9:30 a.m. — NMRHCA
ADVANTAGE PLANS
10:00 a.m. — Humana
10:15 a.m. — UHC
10:30 a.m. — PHP
10:45 a.m. — BCBS
SUPPLEMENT
11:05 a.m. — BCBS
11:20 a.m. — ESI
VOLUNTARY
11:35 a.m. — Davis
11:45 a.m. — Standard
11:55 a.m. — BCBS
12:05 p.m. — Delta
NON-MEDICARE
12:15 p.m. — NMRHCA
12:45 p.m. — BCBS
1:00 p.m. — ESI
1:15 p.m. — PHP</td>
<td>OCT. 4 – LAS VEGAS
SPEAKER LIST
9:30 a.m. — NMRHCA
ADVANTAGE PLANS
10:00 a.m. — UHC
10:15 a.m. — PHP
10:30 a.m. — Humana
10:45 a.m. — BCBS
SUPPLEMENT
11:05 a.m. — BCBS
11:20 a.m. — ESI
VOLUNTARY
11:35 a.m. — Standard
11:45 a.m. — BCBS
11:55 a.m. — Delta
12:05 p.m. — Davis
NON-MEDICARE
12:15 p.m. — NMRHCA
12:45 p.m. — ESI
1:00 p.m. — PHP
1:15 p.m. — BCBS</td>
<td>OCT. 8 & 9 – SANTA FE
SPEAKER LIST
9:30 a.m. — NMRHCA
ADVANTAGE PLANS
10:00 a.m. — PHP
10:15 a.m. — Humana
10:30 a.m. — UHC
10:45 a.m. — BCBS
SUPPLEMENT
11:05 a.m. — BCBS
11:20 a.m. — ESI
VOLUNTARY
11:35 a.m. — Delta
11:45 a.m. — BCBS
11:55 a.m. — Davis
12:05 p.m. — Standard
NON-MEDICARE
12:15 p.m. — NMRHCA
12:45 p.m. — PHP
1:00 p.m. — BCBS
1:15 p.m. — ESI</td>
</tr>
<tr>
<td>OCT. 10 – FARMINGTON
SPEAKER LIST
9:30 a.m. — NMRHCA
ADVANTAGE PLANS
10:00 a.m. — Humana
10:15 a.m. — UHC
10:30 a.m. — PHP
10:45 a.m. — BCBS
SUPPLEMENT
11:05 a.m. — BCBS
11:20 a.m. — ESI
VOLUNTARY
11:35 a.m. — Davis
11:45 a.m. — Standard
11:55 a.m. — BCBS
12:05 p.m. — Delta
NON-MEDICARE
12:15 p.m. — NMRHCA
12:45 p.m. — BCBS
1:00 p.m. — ESI
1:15 p.m. — PHP</td>
<td>OCT. 11 – GALLUP
SPEAKER LIST
9:30 a.m. — NMRHCA
ADVANTAGE PLANS
10:00 a.m. — UHC
10:15 a.m. — PHP
10:30 a.m. — Humana
10:45 a.m. — BCBS
SUPPLEMENT
11:05 a.m. — BCBS
11:20 a.m. — ESI
VOLUNTARY
11:35 a.m. — Standard
11:45 a.m. — BCBS
11:55 a.m. — Delta
12:05 p.m. — Davis
NON-MEDICARE
12:15 p.m. — NMRHCA
12:45 p.m. — ESI
1:00 p.m. — PHP
1:15 p.m. — BCBS</td>
<td>OCT. 15 - ROSWELL
SPEAKER LIST
9:30 a.m. — NMRHCA
ADVANTAGE PLANS
10:00 a.m. — PHP
10:15 a.m. — Humana
10:30 a.m. — UHC
10:45 a.m. — BCBS
SUPPLEMENT
11:05 a.m. — BCBS
11:20 a.m. — ESI
VOLUNTARY
11:35 a.m. — Delta
11:45 a.m. — BCBS
11:55 a.m. — Davis
12:05 p.m. — Standard
NON-MEDICARE
12:15 p.m. — NMRHCA
12:45 p.m. — PHP
1:00 p.m. — BCBS
1:15 p.m. — ESI</td>
<td>OCT. 16 – HOBBS
SPEAKER LIST
9:30 a.m. — NMRHCA
ADVANTAGE PLANS
10:00 a.m. — Humana
10:15 a.m. — UHC
10:30 a.m. — PHP
10:45 a.m. — BCBS
SUPPLEMENT
11:05 a.m. — BCBS
11:20 a.m. — ESI
VOLUNTARY
11:35 a.m. — Davis
11:45 a.m. — Standard
11:55 a.m. — BCBS
12:05 p.m. — Delta
NON-MEDICARE
12:15 p.m. — NMRHCA
12:45 p.m. — BCBS
1:00 p.m. — ESI
1:15 p.m. — PHP</td>
</tr>
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NEW MEXICO RETIREE HEALTH CARE AUTHORITY – NMRHCA
BLUE CROSS BLUE SHIELD OF NEW MEXICO – BCBS
PRESBYTERIAN HEALTH PLAN – PHP
UNITED HEALTHCARE – UHC
EXPRESS SCRIPTS – ESI
NMRHCA PRESENTATION INCLUDES SUMMARY OF PLAN CHANGES FOR 2025

OCT. 17 – CLOVIS SPEAKER LIST 9:30 a.m. — NMRHCA **ADVANTAGE PLANS** 10:00 a.m. — UHC 10:15 a.m. — PHP 10:30 a.m. — Humana 10:45 a.m. — BCBS **SUPPLEMENT** 11:05 a.m. — BCBS 11:20 a.m. — ESI **VOLUNTARY** 11:35 a.m. — Standard 11:45 a.m. — BCBS 11:55 a.m. — Delta 12:05 p.m. — Davis **NON-MEDICARE** 12:15 p.m. — NMRHCA 12:45 p.m. — ESI 1:00 p.m. — PHP 1:15 p.m. — BCBS	**OCT. 21 – RIO RANCHO SPEAKER LIST** 9:30 a.m. — NMRHCA **ADVANTAGE PLANS** 10:00 a.m. — PHP 10:15 a.m. — Humana 10:30 a.m. — UHC 10:45 a.m. — BCBS **SUPPLEMENT** 11:05 a.m. — BCBS 11:20 a.m. — ESI **VOLUNTARY** 11:35 a.m. — Delta 11:45 a.m. — BCBS 11:55 a.m. — Davis 12:05 p.m. — Standard **NON-MEDICARE** 12:15 p.m. — NMRHCA 12:45 p.m. — PHP 1:00 p.m. — BCBS 1:15 p.m. — ESI	**OCT. 22 & 23 – ALBUQUERQUE SPEAKER LIST** 9:30 a.m. — NMRHCA **ADVANTAGE PLANS** 10:00 a.m. — Humana 10:15 a.m. — UHC 10:30 a.m. — PHP 10:45 a.m. — BCBS **SUPPLEMENT** 11:05 a.m. — BCBS 11:20 a.m. — ESI **VOLUNTARY** 11:35 a.m. — Davis 11:45 a.m. — Standard 11:55 a.m. — BCBS 12:05 p.m. — Delta **NON-MEDICARE** 12:15 p.m. — NMRHCA 12:45 p.m. — BCBS 1:00 p.m. — ESI 1:15 p.m. — PHP	**OCT. 29 – SILVER CITY SPEAKER LIST** 9:00 a.m. — NMRHCA **ADVANTAGE PLANS** 9:30 a.m. — UHC 9:45 a.m. — PHP 10:00 a.m. — Humana 10:15 a.m. — BCBS **SUPPLEMENT** 10:35 a.m. — BCBS 10:50 a.m. — ESI **VOLUNTARY** 11:05 a.m. — Standard 11:15 a.m. — BCBS 11:25 a.m. — Delta 11:35 a.m. — Davis **NON-MEDICARE** 11:45 a.m. — NMRHCA 12:15 p.m. — ESI 12:30 p.m. — PHP 12:45 p.m. — BCBS
OCT. 30 & 31 – LAS CRUCES SPEAKER LIST 9:30 a.m. — NMRHCA **ADVANTAGE PLANS** 10:00 a.m. — Humana 10:15 a.m. — UHC 10:30 a.m. — PHP 10:45 a.m. — BCBS **SUPPLEMENT** 11:05 a.m. — BCBS 11:20 a.m. — ESI **VOLUNTARY** 11:35 a.m. — Davis 11:45 a.m. — Standard 11:55 a.m. — BCBS 12:05 p.m. — Delta **NON-MEDICARE** 12:15 p.m. — NMRHCA 12:45 p.m. — BCBS 1:00 p.m. — ESI 1:15 p.m. — PHP	**OCT. 18, 24 & NOV. 1 – VIRTUAL** **Oct 18 & 24** **9:30 – 11:30 AM** 9:30 a.m. — NMRHCA 10:00 a.m. – Q&A **Nov 1** **1:30 – 3:30 PM** 1:30 p.m. – NMRHCA 2:00 p.m. – Q&A		

NEW MEXICO RETIREE HEALTH CARE AUTHORITY – NMRHCA
BLUE CROSS BLUE SHIELD OF NEW MEXICO – BCBS
PRESBYTERIAN HEALTH PLAN – PHP
UNITED HEALTHCARE – UHC
EXPRESS SCRIPTS – ESI
NMRHCA PRESENTATION INCLUDES SUMMARY OF PLAN CHANGES FOR 2025

BENEFITS MESSENGER

The NMRHCA Newsletter

EXECUTIVE DIRECTOR'S MESSAGE

Time flies! Benefits Switch & Open enrollment is approaching in October, and this year, several changes will be made to Medicare plans. The Inflation Reduction Act has made various adjustments over the past couple of years, but the most significant change will happen this year.

Due to this federal law, the cap on prescription drugs covered through Medicare will be reduced from $8,000 to $2,000. Plans with coverage gaps, known as the donut hole, will no longer be available. The impacted plans are today's plan II options through Humana, Presbyterian, and United Healthcare. To mitigate the impact, we will offer a new PPO plan through Blue Cross and Blue Shield of NM, that has the lowest premium among our PPO plans submitted through the Request for Proposal process.

Other changes will result from our Medical, Dental, and Vision RFP. We are pleased to offer a new dental plan through Blue Cross Blue Shield as an alternative to Delta Dental, providing more options to our members and empowering you to choose the plan that best suits your needs. Davis Vision will continue to be the vision service provider, with an enhanced benefit of a greater frame allowance of $150 or $200 at participating Visionworks providers, giving you more value for your vision care.

I strongly encourage you to review all the changes to ensure you make the best choices for you and your family members. The newsletter contains more information about these changes, so please read it thoroughly. Health plan representatives will be available to address your questions and provide additional information to help you choose. We are here to support you and ensure you feel confident in your decisions. We will also discuss the program's current funding status, legislative initiatives, changes affecting healthcare costs, and information about health and wellness plans.

Anticipated legislation for 2025 is aiming to propose protecting the trust fund, similar to this year's request. We assure you that we are committed to securing the future of our benefits program and providing peace of mind to all our members and stakeholders. Stay tuned for more communication as we approach the session.

NMRHCA staff and I look forward to seeing you at our upcoming switch meetings. Please refer to the schedule for a meeting near you or join us for a virtual option. We are excited to assist you.

Neil Kueffer, Executive Director

IN THIS ISSUE

ANNUAL BOARD MEETING

The New Mexico Retiree Health Care Authority (NMRHCA) held its Annual Board of Directors Meeting in Taos, NM on July 11 & 12, 2024. During the meeting, officer elections took place, and there were no changes to the existing leadership. Ms. Therese Saunders continues in her role as the Board President, Mr. Tomas Salazar as Vice President, and Ms. LeAnne Larranaga-Ruffy as Secretary. Plan providers discussed participation outcomes and potential changes for the upcoming calendar year. Actuarial consultants presented financial outcomes for the past year and future projections. These presentations, along with analysis and recommendations from NMRHCA staff, laid the foundation for decisions regarding plan changes for 2025. These changes will be summarized in this newsletter under "2025 PLAN CHANGES." For additional information and details, please visit our website under Administration/Board of Directors and review the presentations from the annual meeting held on July 11 and 12 in the corresponding board books. The meeting notes from the July board meeting will be in the August board book.

NEW BOARD MEMBER

The NMRHCA is pleased to announce the appointment of Ms. Alex Castillo-Smith to the Board of Directors. Ms. Castillo-Smith, who currently serves as the Deputy Cabinet Secretary of the recently formed New Mexico Health Care Authority (HCA), has been selected by the HCA to join the NMRHCA Board. This decision follows the implementation of recent legislation during the 2024 regular session, which included additional legislation to the bill passed in the 2023 regular session. The official transition of the new agency, HCA, from the Human Services Department and other related transitions became effective on July 1, 2024. The NMRHCA appreciates Ms. Castillo-Smith's dedicated service to the State of New Mexico.

2025 PLAN CHANGES

These tables summarize the plan changes for 2025. Contact NMRHCA for more details or attend one of the Switch & Open Enrollment meetings listed in the schedule in this newsletter or go to www.nmrhca.org/switch-open-enrollment.

	CARRIER	PLAN	PLAN CHANGE	PREMIUM CHANGE		
				PERCENT CHANGE	AMOUNT OF MONTHLY CHANGE*	NEW MONTHLY PREMIUM*
PRE-MEDICARE PLANS	**PRE-MEDICARE PLANS**					
PRE-MEDICARE PLANS	Presbyterian & Blue Cross Blue Shield	Value Plan	No medical or Rx changes	2% increase for retiree & spouse 3% increase for dependent children	$5.30 Retiree $10.06 Spouse $7.70 Child	$270.19 Retiree $512.80 Spouse $264.38 Child
		Premier Plan		2% increase for retiree & spouse 3% increase for dependent children	$6.78 Retiree $12.87 Spouse $9.87 Child	$345.90 Retiree $656.51 Spouse $339.03 Child

MEDICARE PLANS					
Blue Cross Blue Shield	Supplement	No medical changes. Rx change per IRA** of $2,000 annual out-of-pocket max.	2% increase	$4.82 Retiree $7.22 Spouse $9.63 Child	$245.61 Retiree $368.42 Spouse $491.23 Child
Blue Cross Blue Shield	Medicare Advantage Plan I (New name is Medicare Advantage HMO)	No medical changes. Rx change per IRA** of $2,000 annual out-of-pocket max.	0% increase	$0.00 Retiree $0.00 Spouse $0.00 Child	$0.00 Retiree $0.00 Spouse $0.00 Child
Blue Cross Blue Shield	Medicare Advantage PPO	New Plan Option	Not Applicable	Not Applicable	$22.50 Retiree $33.75 Spouse $45.00 Child
United HealthCare	Medicare Advantage Plan I (New name is Medicare Advantage PPO)	No medical changes. Rx change per IRA** of $2,000 annual out-of-pocket max.	42% increase	$20.70 Retiree $ 31.05 Spouse $41.40 Child	$70.50 Retiree $105.75 Spouse $141.00 Child
United HealthCare	Medicare Advantage Plan II	No longer available			
Humana	Medicare Advantage Plan I (New name is Medicare Advantage PPO)	No medical changes. Rx change per IRA** of $2,000 annual out-of-pocket max.	17% increase	$5.26 Retiree $7.88 Spouse $10.51 Child	$36.61 Retiree $54.92 Spouse $73.23 Child
Humana	Medicare Advantage Plan II	No longer available			
Presbyterian	Medicare Advantage Plan I (New name is Medicare Advantage PPO)	Various changes in co-pays and co-insurance. Rx change per IRA** of $2,000 annual out-of-pocket max.	7% increase	$6.53 Retiree $9.78 Spouse $13.04 Child	$99.74 Retiree $149.62 Spouse $199.49 Child
Presbyterian	Medicare Advantage Plan II	No longer available			
VOLUNTARY BENEFITS					
Delta Dental	Basic	No change	22.5% increase	$4.42 Single $8.41 2-Party $12.60 Family	$24.04 Single $45.68 2-Party $68.51 Family
Delta Dental	Comprehensive	No change	9% increase	$3.67 Single $6.99 2-Party $10.52 Family	$43.70 Single $83.05 2-Party $124.57 Family
Blue Cross Blue Shield Dental	Basic	New Plan Option	Not Applicable	Not Applicable	$19.98 Single $37.95 2-Party $56.93 Family
Blue Cross Blue Shield Dental	Comprehensive	New Plan Option	Not Applicable	Not Applicable	$38.46 Single $73.07 2-Party $109.56 Family
Davis Vision	Vision Plan	Increase frame allowance up to $150 or $200 if at Visionworks	6% increase	$0.29 Single $0.53 2-Party $0.78 Family	$4.91 Single $9.24 2-Party $13.61 Family
The Standard Life	Multiple Levels of Coverage Available	No change			

* Amounts listed are based on retiree premiums who are receiving maximum subsidy.

**Inflation Reduction Act

SWITCH & OPEN ENROLLMENT

Switch Enrollment happens each year from early October to mid-November which allows current NMRHCA members to ***switch*** health plans. In late September/early October depending on location, members will receive a Switch Packet in the mail that includes information about their existing plan and the form to make any desired changes. The form for changes must be postmarked to NMRHCA by November 15, 2024. The changes will take effect on January 1st of the new year. This is the time of year, outside of a qualifying event, members have the option to change their plan, if they choose. If members do not want to make any changes to their plan, they do not have to take any action as their current plan will automatically be renewed for the upcoming year.

Open Enrollment is the period when members who are eligible to receive NMRHCA benefits who are not currently enrolled can enroll in a health plan. For members who voluntarily chose not to originally enroll during their initial eligibility period or cancelled their health plan with NMRHCA, this is when they can enroll. These members are welcome to come back to NMRHCA for benefits; however, they can only enroll during Open Enrollment. Open Enrollment for medical plans is in January of every odd year (2025, 2027, 2029 and so forth). **This is an Open Enrollment year and the time for those eligible for medical benefits but not currently on a plan with NMRHCA to enroll.** Dental and vision benefits are open for members who have never enrolled or after four years of not being enrolled in the plan.

To help you make decisions regarding what plan options are available to you, NMRHCA holds a series of in-person and virtual meetings during the months of October and early November throughout the state. At these meetings, NMRHCA staff and plan providers will present the details of your options so you are informed and can make the best decision for you. Specific wellness activities, such as flu shots, blood pressure checks and other screenings and services, will also be available to in-person attendees.

You can find the Switch Enrollment Meeting Schedule on the next page, or by visiting www.nmrhca.org/switch-open-enrollment, or by looking in your switch packet.

Summary of Actions You Need to Take

- Check your mail for your Switch Packet to arrive late September to early October.
- Attend a Switch Enrollment meeting according to the schedule and your desired location to learn the details about your options.
- If you want to make a change to your existing plan, complete the paperwork and return by the deadline. THIS YEAR THE DEADLINE IS NOVEMBER 15, 2024. If you do not want to make any changes to your benefits, do nothing and your current benefits will roll over into 2025.
- If you are currently on a Medicare Advantage Plan II, use the Switch packet to designate your 2025 plan choice since Plan II options are no longer available. If you do not make a designation, you will be defaulted into a plan so that you do not have a lapse in coverage and will have to wait until the next Switch Enrollment (fall of 2025) to switch to a different plan.
- If you are eligible for benefits but not currently enrolled in a medical plan you are able to enroll in medical benefits by submitting a General Enrollment Packet by the November 15th deadline in order for your Benefits to take effect January 1, 2025.
- If you miss this deadline only for medical open enrollment, you do have through the end of January to enroll but your corresponding start date will depend on when your enrollment is received.

SWITCH & OPEN ENROLLMENT MEETING SCHEDULE

Attend any of the following Switch Enrollment Meetings that are convenient to you. Virtual meetings require registration by using the link provided.

ESPANOLA: *October 2 @ 10:30 AM*
Northern NM College
Event Center & AD 101/102
921 Paseo de Oñate
Española, NM 87532

HOBBS: *October 16 @ 9:30 AM*
NM Junior College
LHWD 103 High Bay
5317 N. Lovington Hwy.
Hobbs, NM 88240

RATON: *October 3 @ 9:30 AM*
Raton Convention Center
901 S. 3rd St.
Raton, NM 87740

CLOVIS: *October 17 @ 9:30 AM*
Clovis Community College
Town Hall Auditorium
417 Schepps Blvd
Clovis, NM 88101

LAS VEGAS: *October 4 @ 9:30 AM*
New Mexico Highlands Univ. Student Center
800 National Ave.
Las Vegas, NM 87701

RIO RANCHO: *October 21 @ 9:30 AM*
Rio Rancho Events Center
3001 Civic Center Cir. NE
Rio Rancho, NM 87144

SANTA FE: *October 8 & 9 @ 9:30 AM*
Santa Fe Community College - Jemez Room
6401 Richards Ave.
Santa Fe, NM 87508

ALBUQUERQUE: *October 22 & 23 @ 9:30 AM*
CNM Main Campus Smith Brasher Hall
717 University Blvd., SE
Albuquerque, NM 87106

FARMINGTON: *October 10 @ 9:30 AM*
San Juan College
Henderson Fine Arts Building Room 9008
4601 College Blvd
Farmington, NM 87402

SILVER CITY: *October 29 @ 9:00 AM*
WNMU – Silver City
Besse-Forward Global Resource Center
Corner of 12th and Kentucky
Silver City, NM 88061

GALLUP: *October 11 @ 9:30 AM*
UNM - Gallup
Student Services & Tech Center
705 Gurley Ave
Gallup, NM 87301

LAS CRUCES: *October 30 & 31 @ 9:30 AM*
NM Farm & Ranch Heritage Museum
4100 Dripping Springs Rd.
Las Cruces, NM 88011

ROSWELL: *October 15 @ 9:30 AM*
NM Military Institute
Jack Daniels Leadership Center
101 West College Blvd
Roswell, NM 88201

VIRTUAL: *October 18 & 24 @ 9:30 AM*
November 1 @ 1:30 PM
Registration required:
www.nmrhca.org/switch-open-enrollment

For more detailed information go to:
www.nmrhca.org/switch-open-enrollment

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Insurer Contact Information

Blue Cross Blue Shield (BCBS) www.bcbsnm.com/nmrhca	800-788-1792
BCBS Medicare Advantage www.bcbsnm.com/nmrhca	877-299-1008
Express Scripts Medicare www.express-scripts.com	800-551-1866
Humana Medicare Advantage https://your.humana.com/nmrhca.html	866-396-8810
Delta Dental www.deltadentalnm.com	877-395-9420
Standard Insurance https://sites.standard.com/mybenefits/newmexico_rhca2	888-609-9763
Presbyterian Health Plan www.phs.org	888-275-7737
Presbyterian Medicare Advantage www.phs.org	800-797-5343
Express Scripts Non-Medicare www.express-scripts.com	800-501-0987
United Healthcare Medicare Advantage https://retiree.uhc.com/nmrhca	866-622-8014
Davis Vision www.davisvision.com	800-999-5431

NMRHCA Contact Information

Albuquerque Office:	6300 Jefferson St. NE, Suite 150 Albuquerque, NM 87109-3392
Website:	www.nmrhca.org
Facebook:	www.facebook.com/nmrhca
Email:	customerservice@rhca.nm.gov
Santa Fe Office:	33 Plaza La Prensa Santa Fe, NM 87507
Telephone:	800-233-2576
Fax:	505-884-8611
Hours:	Monday-Friday 8:00AM – 5:00PM

New Mexico Retiree Health Care Authority (CP)
Change in Market Value
For the Month of Aug 2024
(Report as of September 16, 2024)

Investment Name	Prior Ending Market Value	Contributions	Distributions	Fees	Income	Gains - Realized	Gains - Unrealized	Gains - Realized & Unrealized	Market Value
Core Bonds Pool	239,922,500.91	-	-	-	637,152.93	781,759.77	1,983,954.21	2,765,713.98	243,325,367.82
NM Retiree Health Care Authority Cash Account	-	-	-	-	-	-	-	-	-
Non-US Developed Markets Index Pool	206,886,146.91	-	-	-	441,692.37	343,589.91	4,872,291.41	5,215,881.32	212,543,720.60
Non-US Emerging Markets Active Pool	119,495,560.31	-	-	-	258,834.68	(482,100.86)	3,420,626.44	2,938,525.58	122,692,920.57
Private Debt Market Pool	220,545,368.70	-	-	-	686,624.82	14,986.37	(352,999.60)	(338,013.23)	220,893,980.29
Private Equity Pool	208,192,501.70	-	-	-	251,051.49	512,222.11	(604,344.20)	(92,122.09)	208,351,431.10
Real Estate Pool	135,443,756.69	-	-	-	(4,247.14)	51,551.47	161,122.97	212,674.44	135,652,183.99
Real Return Pool	75,827,862.23	-	-	-	170,760.74	159,179.32	(85,083.94)	74,095.38	76,072,718.35
US Large Cap Index Pool	283,051,667.88	-	-	-	390,327.22	15,305.53	6,295,411.65	6,310,717.18	289,752,712.28
US SMID Cap Alternative Weighted Index Pool	34,490,629.23	-	-	-	60,481.61	23,739.04	(578,847.91)	(555,108.87)	33,996,001.97
Sub - Total New Mexico Retiree Health Care	1,523,855,994.56	-	-	-	2,892,678.72	1,420,232.66	15,112,131.03	16,532,363.69	1,543,281,036.97
Total New Mexico Retiree Health Care A	**1,523,855,994.56**	**-**	**-**	**-**	**2,892,678.72**	**1,420,232.66**	**15,112,131.03**	**16,532,363.69**	**1,543,281,036.97**

Retiree Health Care Authority

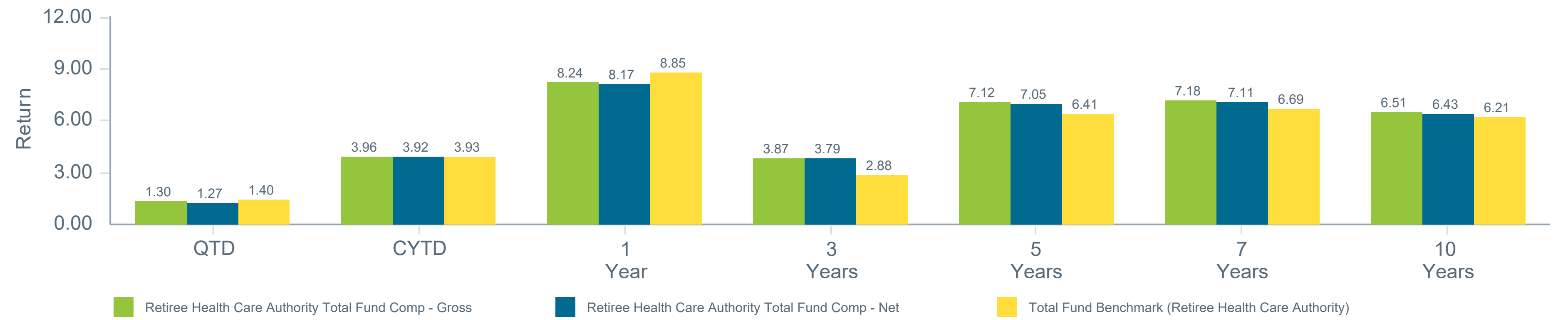
Overview

The New Mexico Retiree Health Care Authority (NMRHCA) was established in 1990 to provide health care coverage to retirees of state agencies and eligible participating public entities. Approximately 300 public entities including cities, counties, universities and charter schools participate in NMRHCA. The agency provides medical plans for both non Medicare and Medicare eligible retirees and their dependents as well as dental, vision and life insurance. The Authority currently provides coverage to approximately 58,000 retirees and their dependents.

Asset Allocation vs. Target Allocation

	Market Value ($)	Allocation (%)	Target (%)	Difference (%)
US Large Cap Index	278,988,768	18.54	14.00	4.54
US Small/Mid Cap Alt Wtd Index	31,130,897	2.07	2.00	0.07
Non-US Developed Markets Index	199,772,118	13.28	14.00	-0.72
Non-US Emerging Markets Active	120,677,930	8.02	10.00	-1.98
US Core Bonds	234,425,209	15.58	20.00	-4.42
Private Debt Market	220,689,012	14.67	15.00	-0.33
Real Return	75,595,637	5.02	5.00	0.02
Real Estate	135,333,894	8.99	10.00	-1.01
Private Equity	208,026,378	13.83	10.00	3.83
Total Fund	1,504,639,843	100.00	100.00	0.00

Comparative Performance



Comparative Performance

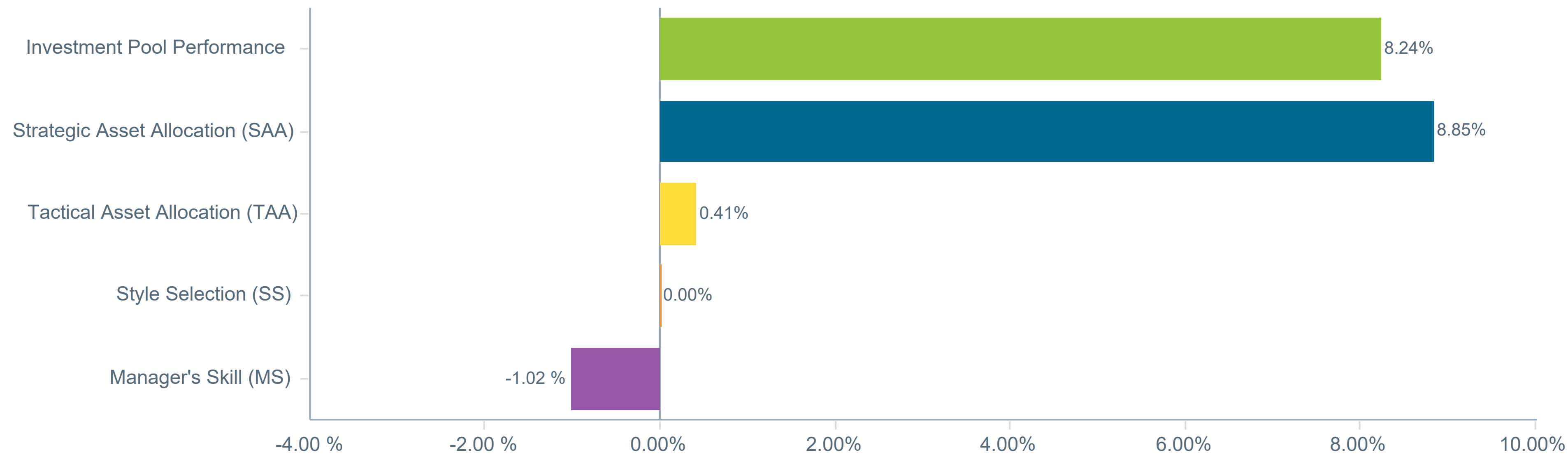
	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021
Retiree Health Care Authority Total Fund Comp - Gross	**1.30**	**3.96**	**8.24**	**3.87**	**7.12**	**7.18**	**6.51**	**9.39**	**-6.98**	**15.61**
Total Fund Benchmark (Retiree Health Care Authority)	*1.40*	*3.93*	*8.85*	*2.88*	*6.41*	*6.69*	*6.21*	*9.85*	*-8.54*	*12.90*
Difference	-0.10	0.03	-0.61	0.99	0.71	0.49	0.30	-0.46	1.56	2.71
Retiree Health Care Authority Total Fund Comp - Net	**1.27**	**3.92**	**8.17**	**3.79**	**7.05**	**7.11**	**6.43**	**9.32**	**-7.05**	**15.51**
Total Fund Benchmark (Retiree Health Care Authority)	*1.40*	*3.93*	*8.85*	*2.88*	*6.41*	*6.69*	*6.21*	*9.85*	*-8.54*	*12.90*
Difference	-0.13	-0.01	-0.68	0.91	0.64	0.42	0.22	-0.53	1.49	2.61

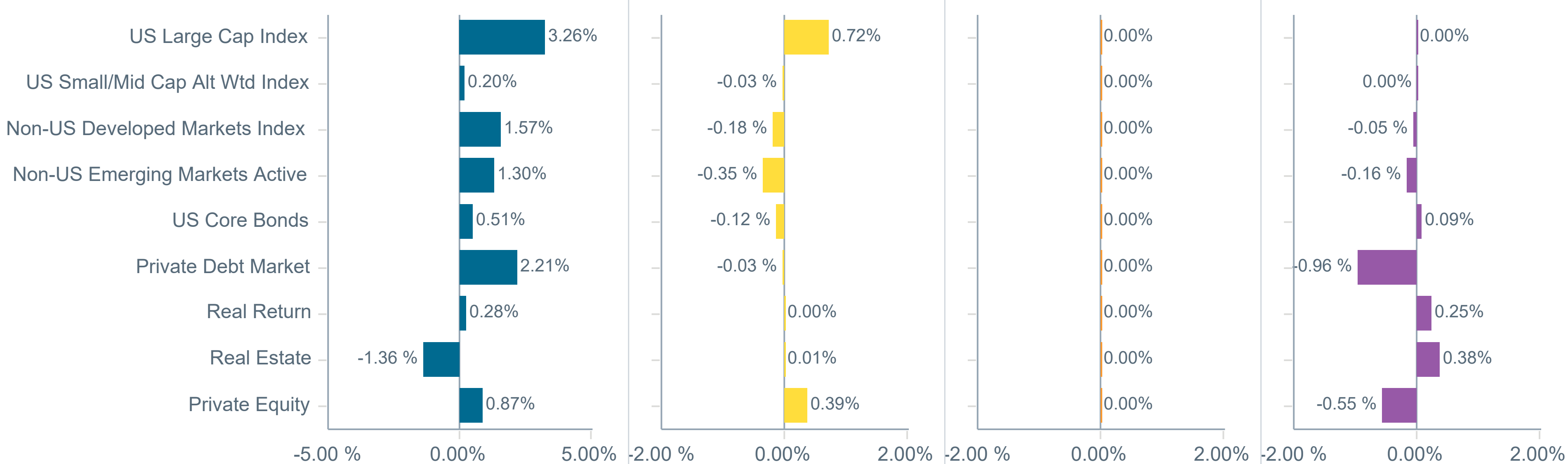
Schedule of Investable Assets

Periods Ending	Beginning Market Value ($)	Net Cash Flow ($)	Gain/Loss ($)	Ending Market Value ($)	% Return
CYTD	**1,339,917,477**	**110,000,000**	**54,722,366**	**1,504,639,843**	**3.92**

Allocations shown may not sum up to 100% exactly due to rounding. Performance shown is net of fees, except where noted otherwise. Performance includes receipt of additional units of the US Large Cap Index Pool effective July 1, 2020.

Performance Attribution





Performance shown is gross of fees. Calculation is based on monthly periodicity. See Glossary for additional information regarding the Total Fund Attribution - IDP calculation.

MEKETA

New Mexico Retiree Health Care Authority

October 1, 2024

Meeting Materials

Agenda

1. Corporate Update
2. Executive Summary
3. Economic and Market Update
4. 2Q 2024 Performance Review
5. Memorandum: Investment Policy Statement Review

Corporate Update

MEKETA

Corporate Update | 2Q.2024

BOSTON CHICAGO LONDON MIAMI NEW YORK PORTLAND SAN DIEGO

MEKETA.COM

7
Offices

240+
Employees

250+
Clients

$2T
Assets Under Advisement

$340B
Assets in Alternative Investments

98%
Client Retention Rate

5:1
Client | Consultant Ratio

Meketa Investment Group is proud to work for over 25 million American families everyday!

UPCOMING EVENTS

Q3 Investment Perspectives Webcast
October 2024

Evolving Asia: Japan, India and EM Ex-China
September 2024

Client and employee counts as of June 30, 2024; assets as of December 31, 2023.
Client retention rate is one minus the number of clients lost divided by the number of clients at prior year-end.

THOUGHT LEADERSHIP

Read our Research Note "Exploring the Backbone of Digital Communications: Towers"

Digital infrastructure refers to the robust communications system of assets that connect, transmit, process, and store data.

There are three primary subsectors: wireless, wired fiber networks, and data centers. This research note, focuses on the wireless sector, specifically the macro cell tower subsector of the digital infrastructure environment.

Read more here:
https://meketa.com/leadership/exploring-the-backbone-of-digital-communications-towers/

Read our recent primer on "Growth Equity"

Growth equity is often overshadowed by its cousins in buyouts and venture capital, but it should not be overlooked.

This paper discusses the characteristics of the asset class and reasons for investing in growth equity. It presents an analysis of major return, risk, and implementation considerations for institutional investors..

Read more here:
https://meketa.com/leadership/growth-equity-primer/

Cash balance comeback

There has been recent news of a plan sponsor announcing a new cash balance provision for their active employees. This bucks the trend of the last few decades when it was common for companies to announce pension plan closures and freezing future benefit accruals.

This has resulted in many companies asking the following questions:

What is a cash balance pension plan?

Why would a plan sponsor have interest in implementing a new cash balance provision in the existing defined benefit plan?

Should other companies with frozen pension plans consider this approach?

What are some investment considerations for any cash balance pension plan?

Read more here:
https://meketa.com/leadership/cash-balance-comebacks/

MEKETA VALUES COMMUNITY AND SERVICE

Brad Walker, the head of technology at Meketa, recently gave the keynote address to graduates of Per Scholas Boston.

These hardworking students completed a 13-week intensive training to kick-start their tech careers. Brad shared insights from his experiences in the Marine Corps and working in the IT field.

Per Scholas, a non-profit organization, offers free IT training for careers in IT support, cybersecurity, cloud engineering, and software development. Their mission is to advance economic equity through rigorous training for tech careers and to connect skilled talent to leading businesses.

CELEBRATING THIS QUARTER

Meketa employees take part in Habitat for Humanity Build Days on both coasts!

As part of Meketa's volunteer opportunities, each employee is given 8 hours to volunteer in their local communities. During the summer, our Carlsbad office in San Diego and our Boston office in Westwood hosts Habitat for Humanity Build Days.

In Carlsbad, employees traveled to San Diego to help a homeowner with repairs on a home that had suffered from fire damages.

In Boston, our employees traveled to Malden, MA to help with the Greater Boston Build Day.

MEKETA IN THE NEWS

Infrastructure Investor

As GP consolidation wave grows, LPs brace for impact

By Zak Bently | 4.2.24

Read full article here

A fear of the unknown will be prevalent for many LPs across private markets, but it may be that conservative infrastructure investors are the most cautious in this respect.

"In all cases, there's a little bit of trepidation about what it means, whether there'll be pressure to launch bigger funds or charge higher fees or go into riskier assets to target more carry," outlines Lisa Bacon, managing principal of Meketa's infrastructure programme.

PERE Credit

Brookfield's Brian Kingston: The future is debt

Randy Plavajka and Samantha Rowan | 6.3..24

Read full article here

Meketa Investment Group, a Westwood, Massachusetts-based advisory, has indeed seen more of its clientele shifting toward real estate private credit as part of their overall strategy.

"Real estate credit investments potentially offer a very good risk-adjusted return and now, as property values have come down and traditional lenders are capital-constrained, it is possible to earn attractive returns," says Colin Hill, managing principal.

Investors include large credit funds [like those offered by Brookfield] within their debt allocations, Hill notes.

The shift toward private real estate credit has been happening gradually over the past 18 to 24 months, Hill adds. "We have seen some investors moving out of equities and moving into debt as a way to better match liabilities and get returns with lower volatility and more current income. I wouldn't say it is a pendulum swing, but there has been a shift for a lot of our clients to take a couple of points out of equity and reallocate to fixed income," Hill says.

WSJ PRO PRIVATE EQUITY

Venture Capital

The Search for Venture Funds That Don't Do AI

By YULIYA CHERNOVA | 2024

Read full article here

"They "talk about AI 90% of the time now," said Ethan Samson, managing principal and private markets consultant and counsel at Meketa Investment Group, referring to venture fund managers that are pitching their funds. Meketa advises large institutional investors such as endowments and pension funds on making venture-fund and other investments.

Samson said Meketa is considering venture funds that specialize in defense, consumer products and life sciences to reach sectors with less generative AI reliance.

"We want to be sure we are not overexposed in that area," Samson said.

Executive Summary

Current Status

→ As of June 30, 2024, the Fund was valued at $1.5 billion. During the second quarter, the Fund returned 1.3%, which brings the YTD return to 4.0%.

→ All asset classes were within 5% of their respective policy targets at quarter-end.

- US Large Cap Equity is overweight its target by 4.5%, while Core Bonds is underweight its target by 4.4%. Meketa recommends rebalancing between these two asset classes.

Next Steps

→ At this meeting, we plan to address the following topics:

- Review Meketa's observations regarding the Investment Policy Statement and discuss any potential changes. Meketa and Staff will then discuss recommended changes with the SIC before returning to the Board for approval.
- Discuss a potential policy for Staff authority on portfolio rebalancing.

→ At future meetings, we plan to address the following topics:

- Conduct an initial review of the Plan's asset allocation and return expectations and gauge the Board's risk appetite. We will use this feedback to present a detailed review of alternative asset allocation policies.

Economic and Market Update

Data as of August 31, 2024

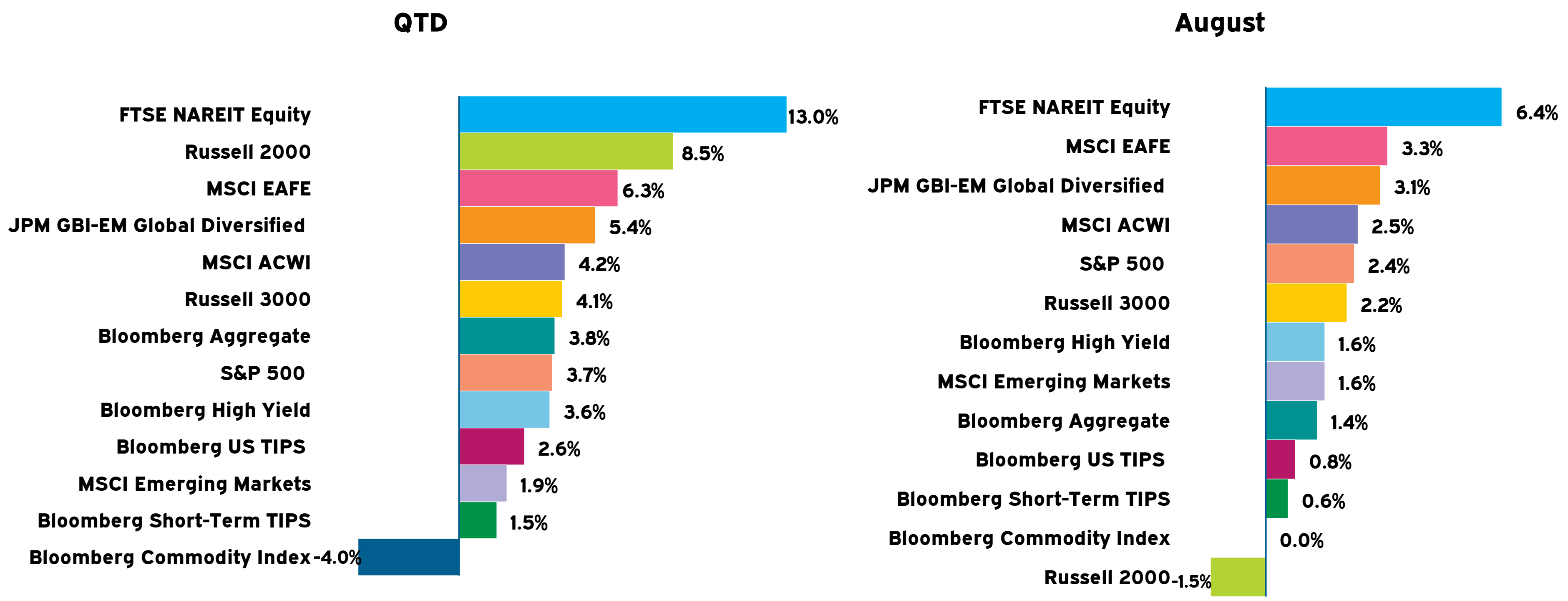
Commentary

→ After a very volatile start to the month, most asset classes posted gains in August.

- Weak US jobs data caused speculation that the Fed might have waited too long to cut interest rates increasing the risk of a "hard landing" for the US economy. This and pressure from the Bank of Japan raising rates on the yen carry trade drove the equity market volatility at the start of the month.
- Subsequent data was more reassuring though, including an above expectations retail sales report, and the equity market was able to recover for the month. The Bank of Japan also calmed markets with dovish comments to stabilize the unwinding of the yen carry trade.
- From Jackson Hole, Chair Powell indicated that improvements in inflation and a balancing labor market provided justification for rate cuts soon. At their subsequent September meeting they reduced rates by 0.50%.
- In August, the broad market (Russell 3000) returned +2.8%. Large cap stocks (+2.4%) outperformed small cap (-1.5%). For the month healthcare, utilities, and consumer staples took over leadership from technology.
- Non-US developed equity markets outperformed the broad US market in August (+3.3%). A weakening US dollar was a key driver of results.
- Emerging market equities (+1.6%) lagged developed markets with China gaining +1.0%.
- Fixed income markets posted positive returns on expectations for policy rate cuts this fall as inflation pressures recede, and the economy slows.

→ Looking ahead, the paths of inflation, labor markets, and monetary policy, China's economic disorder and slowing economic growth, the yen-carry trade, and the looming US election will be key factors.

Index Returns[1]



→ August was positive for most asset classes, but the month started off very volatile given concerns over weak economic data and an unwinding of the yen carry trade due to a rate increase by the Bank of Japan. Eventually things settled down though as additional economic data was released, and corporate earnings remained strong.

→ As we approach the end of the third quarter, US stocks have significantly outperformed other asset classes.

[1] Source: Bloomberg. Data is as of August 31, 2024.

Domestic Equity Returns[2]

Domestic Equity	August (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	2.4	3.7	19.5	27.1	9.4	15.9	13.0
Russell 3000	2.2	4.1	18.2	26.1	7.9	15.2	12.3
Russell 1000	2.4	3.9	18.6	26.6	8.3	15.5	12.6
Russell 1000 Growth	2.1	0.3	21.1	30.8	8.9	19.1	16.0
Russell 1000 Value	2.7	7.9	15.1	21.1	7.3	11.2	8.8
Russell MidCap	2.0	6.8	12.1	20.2	3.5	11.2	9.6
Russell MidCap Growth	2.5	3.1	9.3	19.1	-0.5	10.5	10.6
Russell MidCap Value	1.9	8.0	13.0	20.2	5.4	10.8	8.3
Russell 2000	-1.5	8.5	10.4	18.5	0.6	9.7	8.0
Russell 2000 Growth	-1.1	7.0	11.7	17.7	-2.1	8.3	8.2
Russell 2000 Value	-1.9	10.1	9.1	19.2	3.1	10.4	7.5

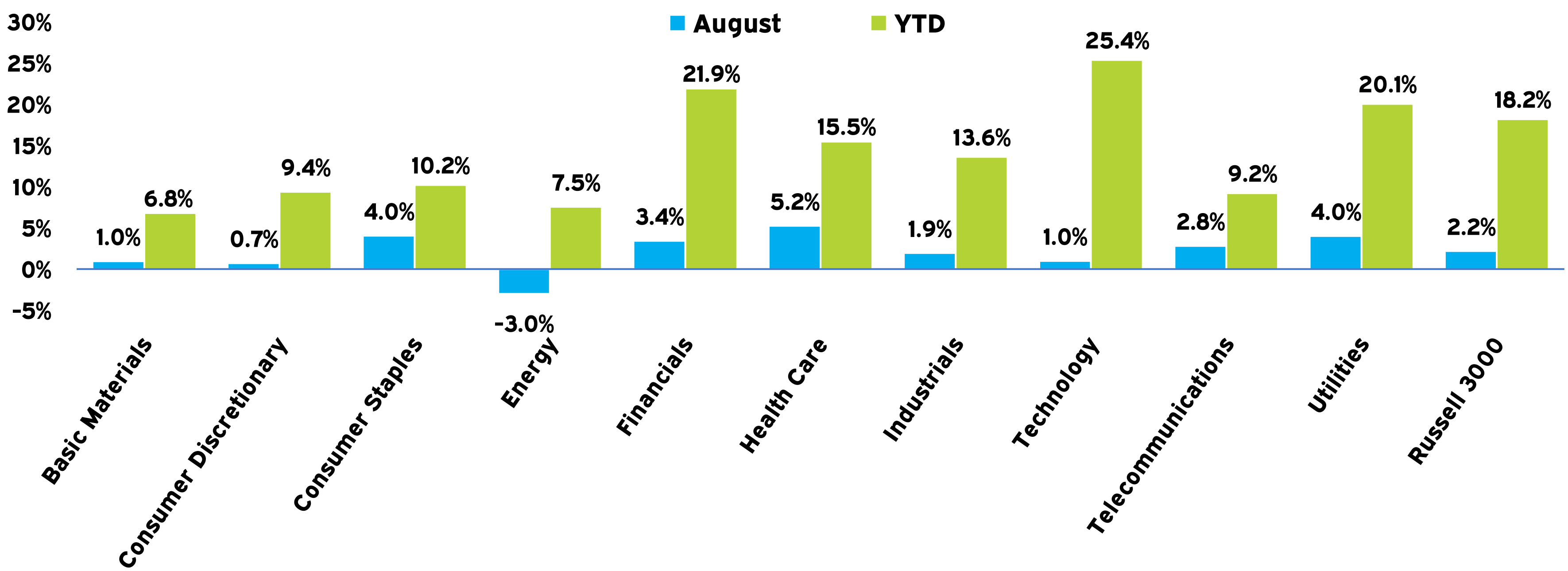
US Equities: The Russell 3000 rose +2.2% in August, bringing the year-to-date results to +18.2%.

→ US stocks experienced a sharp drawdown in early August, driven by the unwinding of the yen carry trade and a disappointing July jobs report. However, subsequent encouraging data on jobless claims and retail sales caused investors to be less concerned as the month wore on.

→ Apple, Nvidia, and Microsoft now constitute 18% of the Russell 1000 Index (large cap). Taken together they drove the outperformance of the large cap index (+2.4%) over the small cap Russell 2000 index (-1.5%) for the month. The decline in energy prices also contributed to the underperformance as small cap energy companies were more impacted than their large cap peers.

[2] Source: Bloomberg. Data is as of August 31, 2024.

Russell 3000 Sector Returns[3]



→ In August, economically sensitive energy stood out with negative returns, while other sectors posted positive results.

→ Health care (+5.2%) led the way for the month driven by strong results from Eli Lilly related to its weight loss drug. Consumer staples (+4.0%) and utilities (+4.0) also posted strong gains for the month.

→ All sectors have positive returns for the year-to-date period. Technology stocks (+25.4%) continue to lead the broader market, followed by financials (+21.9%), and utilities (+20.1%).

[3] Source: Bloomberg. Data is as of August 31, 2024.

Foreign Equity Returns[4]

Foreign Equity	August (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	2.8	5.2	11.2	18.2	2.1	7.6	4.4
MSCI EAFE	3.3	6.3	12.0	19.4	4.1	8.6	5.2
MSCI EAFE (Local Currency)	0.4	1.2	12.4	16.7	7.6	9.6	7.4
MSCI EAFE Small Cap	2.0	7.8	8.3	15.1	-2.4	6.4	5.3
MSCI Emerging Markets	1.6	1.9	9.5	15.1	-3.1	4.8	2.6
MSCI Emerging Markets (Local Currency)	0.4	1.0	12.1	16.3	0.1	6.6	5.4
MSCI EM ex. China	1.8	2.7	11.3	22.6	1.8	8.7	3.9
MSCI China	1.0	-0.3	4.4	-2.8	-13.6	-3.4	0.6

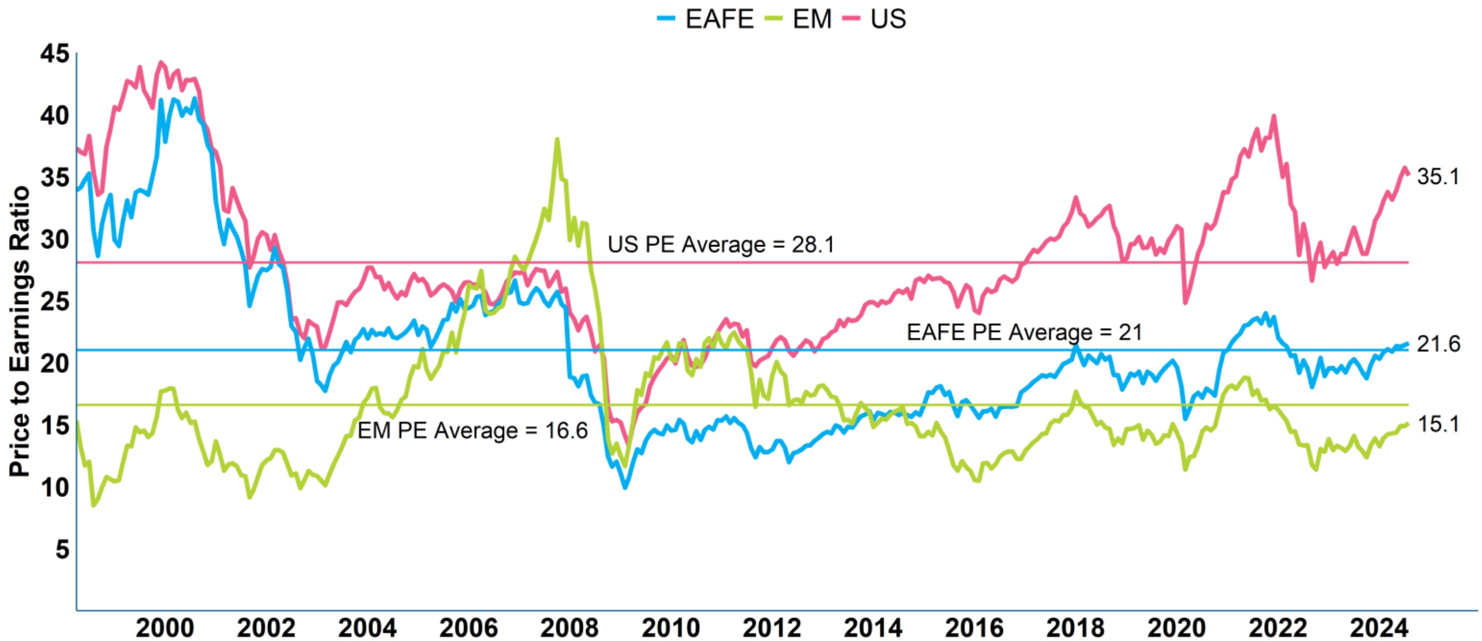
Foreign Equity: Developed international equities (MSCI EAFE) rose +3.3% in August, while emerging market equities (MSCI Emerging Markets) gained just +1.6%.

→ After a sell-off early in the month, developed market equities saw solid returns in August outpacing US equities. The weakening dollar was a major contributor to results with local currency returns much lower (+0.4% versus +3.3%). Europe led global returns for the month following promising inflation news and bolstered by spending around the Paris Olympics. UK returns were positive but comments that tax hikes and spending cuts were on the horizon weighed on relative returns. After initial significant volatility related to the strengthening yen, the Japanese TOPIX ended the month down -2.9%.

→ Emerging market equities saw positive returns but lagged its developed peers. Smaller Asian markets saw the greatest returns, due to currency appreciation against the US dollar. China and India saw slight gains but lagged the broad index, while Korea saw losses as tech stocks experienced a correction.

[4] Source: Bloomberg. Data is as of August 31, 2024.

Equity Cyclically Adjusted P/E Ratios[5]



→ In August, the US price to earnings ratio fell slightly to 35.1 it still remains well above its 21st century average (28.1).

→ Non-US developed market valuations have increased to slightly above their long-term average while emerging market stocks remain well below their long-term average price-to-earnings ratio.

[5] US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of August 2024. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end respectively.

Fixed Income Returns[6]

Fixed Income	August (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	1.5	3.8	3.5	7.9	-1.8	0.3	1.9	4.7	6.0
Bloomberg Aggregate	1.4	3.8	3.1	7.3	-2.1	0.0	1.6	4.4	6.2
Bloomberg US TIPS	0.8	2.6	3.3	6.2	-1.3	2.0	2.1	4.0	6.9
Bloomberg Short-term TIPS	0.6	1.5	3.8	6.3	2.2	3.3	2.2	4.1	2.5
Bloomberg High Yield	1.6	3.6	6.3	12.6	2.5	4.5	4.6	7.3	3.5
JPM GBI-EM Global Diversified (USD)	3.1	5.4	1.5	6.0	-1.7	0.1	-0.3	--	--

Fixed Income: The Bloomberg Universal index rose +1.5% in August, bringing the year-to-date return to +3.5%.

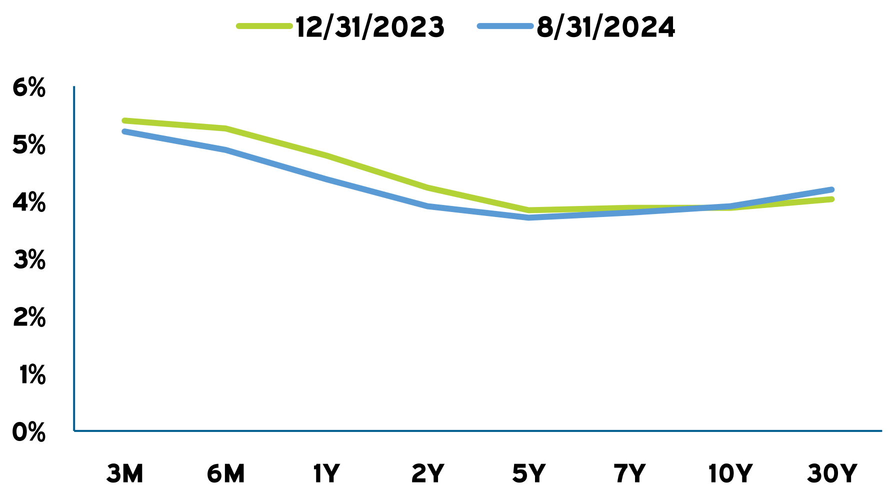
→ Fixed income indexes rose in August, driven by market participants' expectations for a shift towards more accommodative monetary policy in the coming months largely due to continued easing of inflationary pressures and heighted concerns regarding a weakening labor market.

→ The broad US bond market (Bloomberg Aggregate) rose +1.4% over the month, with the broad TIPS market gaining +0.8%. The less interest rate sensitive short-term TIPS index increased +0.6%.

→ Riskier bonds led the way during the month, as risk appetite remains strong with emerging market and high yield bonds gaining +3.1% and +1.6%, respectively.

[6] Source: Bloomberg. Data is as of August 31, 2024. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.

US Yield Curve[7]



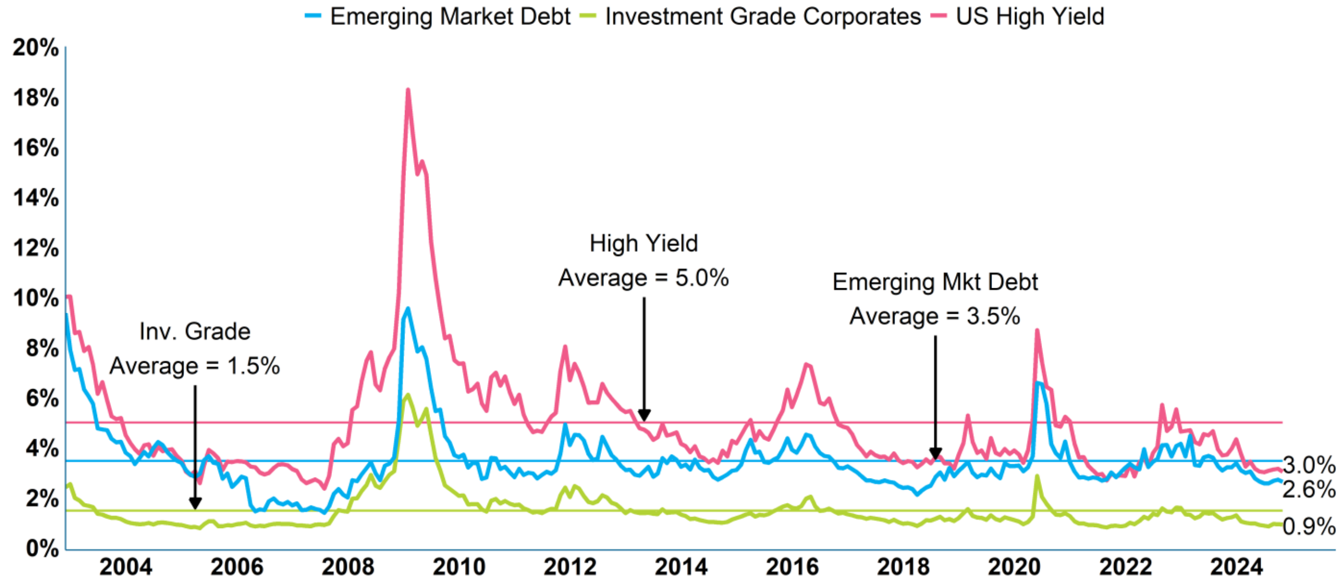
→ Weaker economic data and comments from Chair Powell in August that rate cuts were likely coming in September supported a bond rally for the month.

→ Interest rates finished the month lower but largely off the levels reached during the start of the month volatility. The more policy sensitive 2-year Treasury yield declined from 4.26% at the end of July to 3.92% in August. The 10-year Treasury yield fell less in August declining from 4.03% to 3.90%.

→ The yield curve was relatively flat at month-end after a long period of inversion, as shorter-dated yields declined the most over the month.

[7] Source: Bloomberg. Data is as of August 31, 2024.

Credit Spreads vs. US Treasury Bonds[8]



→ Corporate bonds, particularly high yield, generally outperformed government bonds for the month given the prospective for materially lower interest rates.

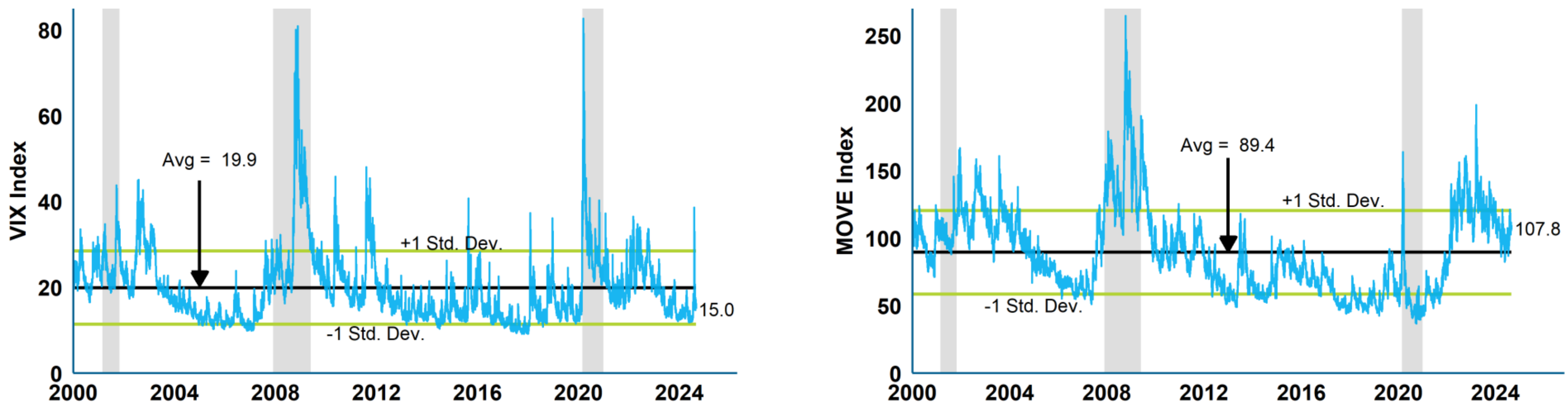
→ Spreads (the yield above a comparable maturity Treasury) widened significantly at the start of the month in the volatile environment but declined after.

→ Overall spreads finished largely where they started the month despite the volatility. All spreads remained below their respective long-run averages, particularly high yield.

→ Although spreads are relatively tight, yields remain at above-average levels compared to the last two decades, particularly for short-term issues.

[8] Source: Bloomberg. Data is as of August 31, 2024. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

Equity and Fixed Income Volatility[9]

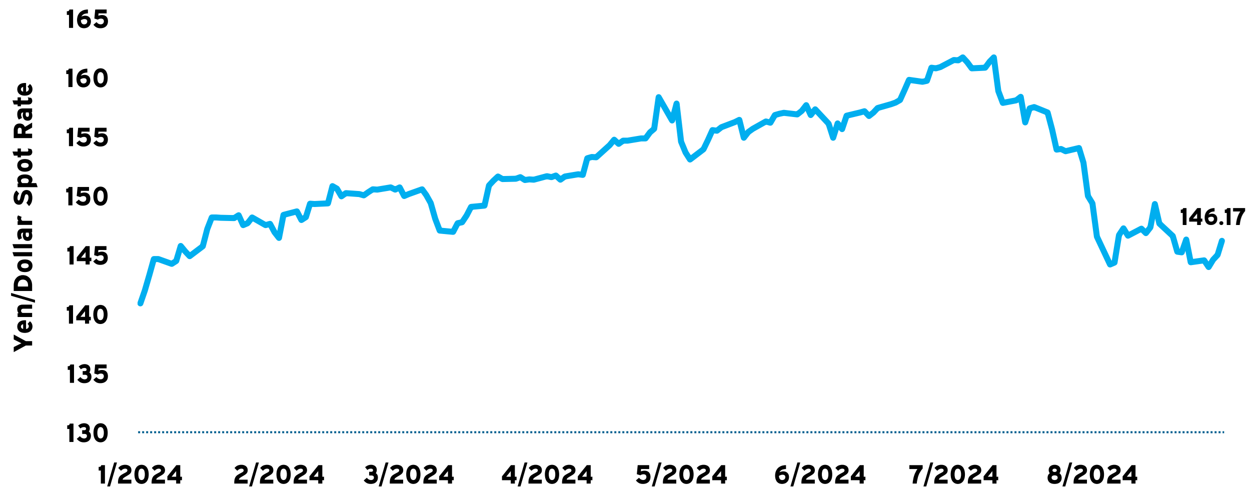


→ Equity market volatility fell slightly overall in August but this masks the significant volatility in the first part of the month related to the weaker than expected labor report in the US and pressures on the yen carry trade.

→ Volatility levels (MOVE) in the bond market also fluctuated through the month finishing off their peak but at a level higher than where they started. Uncertainty in bond markets remain above the long-run average as markets continue to reprice interest rate cuts for the rest of 2024.

[9] Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of August 2024. The average line indicated is the average of the VIX and MOVE values between January 2000 and August 2024.

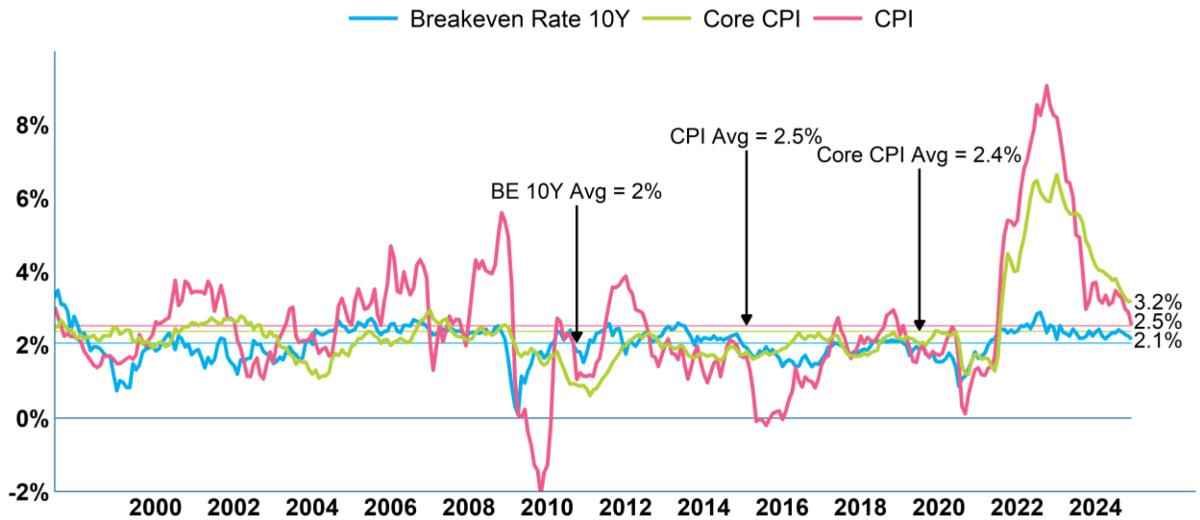
Recent Market Volatility: US Dollar versus Japanese Yen[10]



- → Given relatively lower interest rates in Japan many have entered the so-called "yen carry trade" borrowing cheaply in Japan and investing in other areas with perceived higher returns.
- → This has traditionally involved taking the borrowed proceeds and investing them in Treasuries, but recently has expanded to investing in the US stock market particularly the technology sector.
- → When the Bank of Japan signaled, it would continue to increase interest rates with expectations growing for the Fed to cut rates, many unwound this trade contributing to the significant market volatility (in addition to the unemployment miss) at the start of the month.
- → With expectations for significant rate cuts ahead in the US the yen has further strengthened after month-end.

[10] Source: Bloomberg. Data as of August 31, 2024.

US Ten-Year Breakeven Inflation and CPI[11]



→ Year-over-year headline inflation continued to fall in August (2.9% to 2.5%), coming in at expectations.

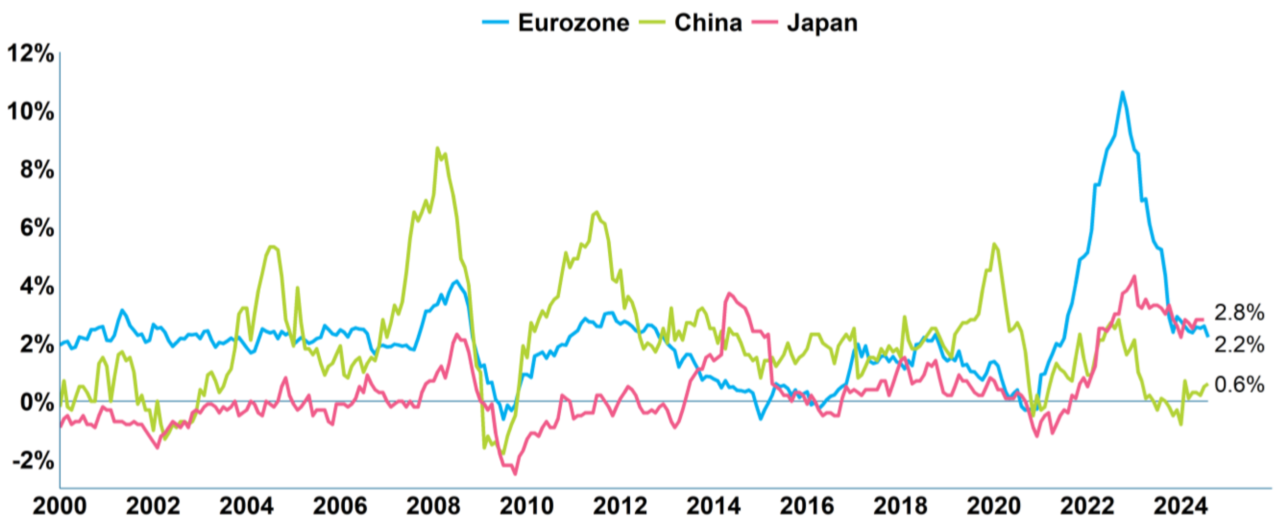
→ Month-over-month inflation increased 0.2% in August the same as in July. Shelter and transportation costs posted the largest gains rising 0.5% and 0.9%, respectively. Energy prices (-0.8%) fell for the month while food prices increased (0.1%).

→ Core inflation (excluding food and energy) rose 0.3% (slightly above expectations) in August and 3.2% (at expectations) from a year prior.

→ Inflation expectations (breakevens) have been relatively stable over the last several years. They remain below current inflation levels.

[11] Source: FRED. Data is as August 2024. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.

Global Inflation (CPI Trailing Twelve Months)[12]



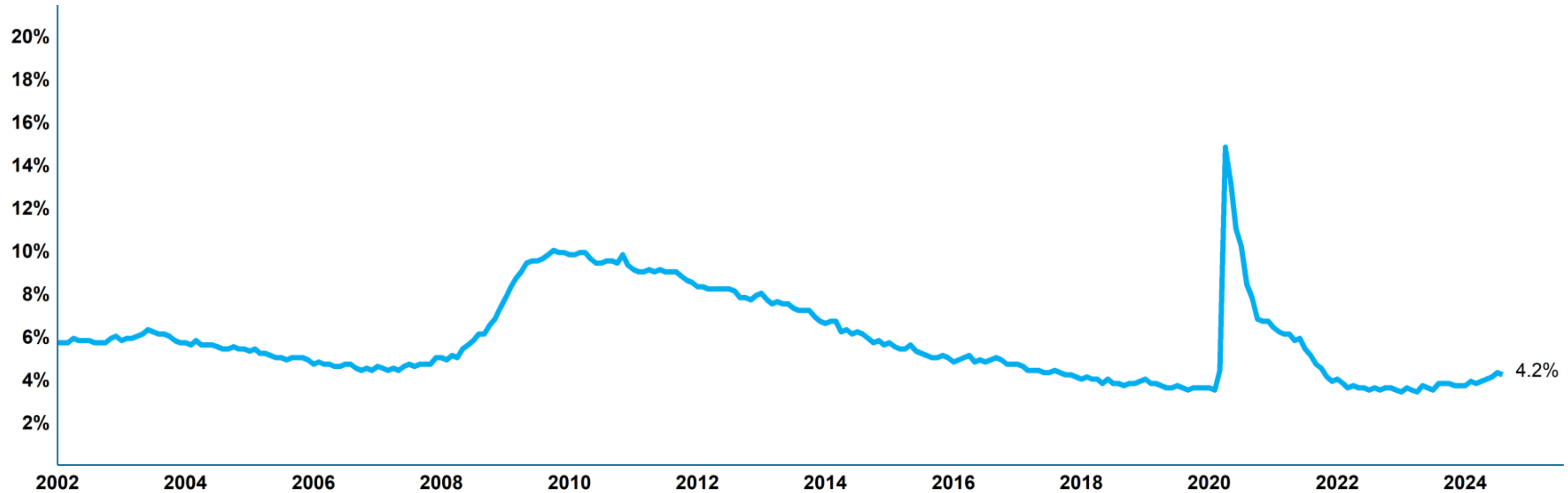
→ In the eurozone, inflation fell from 2.5% to 2.2% in August, potentially clearing the way for further rate cuts from the ECB.

→ Inflation in Japan remained steady at 2.8% in August for the third straight month. The Bank of Japan made some dovish comments in early August to calm markets, but in early September they signaled a willingness to raise interest rates in the future given inflation levels.

→ In China, inflation was slightly up compared to last month representing the seventh straight month of positive price increases after declines late last year. Recent extreme weather has caused supply issues and contributed to higher prices. Inflation in China remains much lower than other countries though due to weak consumer spending and as issues in the real estate sector continue to weigh on sentiment.

[12] Source: Bloomberg. Data is as of August 31, 2024, except Japan which is as of July 31, 2024.

US Unemployment[13]



→ The unemployment rate fell slightly from 4.3% to 4.2% as the number of people on temporary layoff declined. Compared to a year ago the rate increased by 0.4% (3.8% to 4.2%).

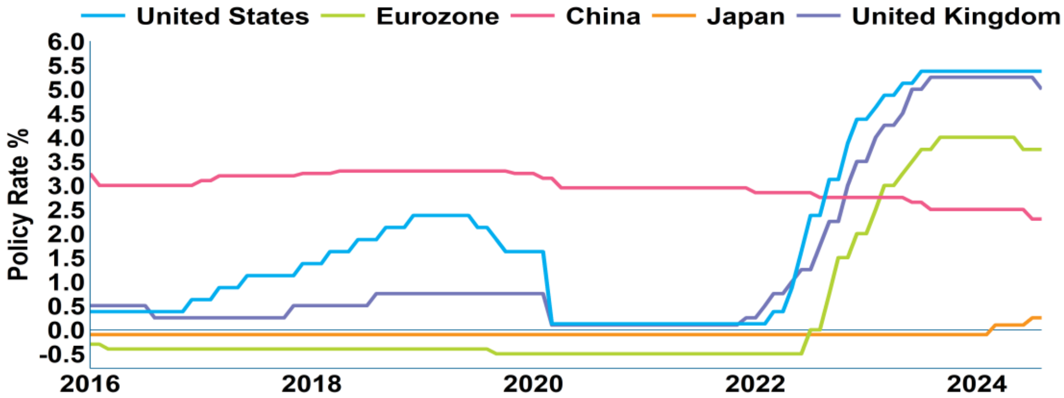
→ Construction (+34K), healthcare (+31K), and social services (+13K) sectors added jobs in August while manufacturing reduced jobs (-24k). The total number of jobs created was 142,000 compared to estimates of 165,000.

→ The US labor market continues to show signs of slowing with the number of job openings falling to 7.7 million (the peak was over 12 million) and the rate of people quitting jobs is falling.

→ The change in average hourly earnings from a year prior remains strong though (around 3.8%), and initial jobless claims are subdued.

[1] Source: FRED. Data is as August 31, 2024.

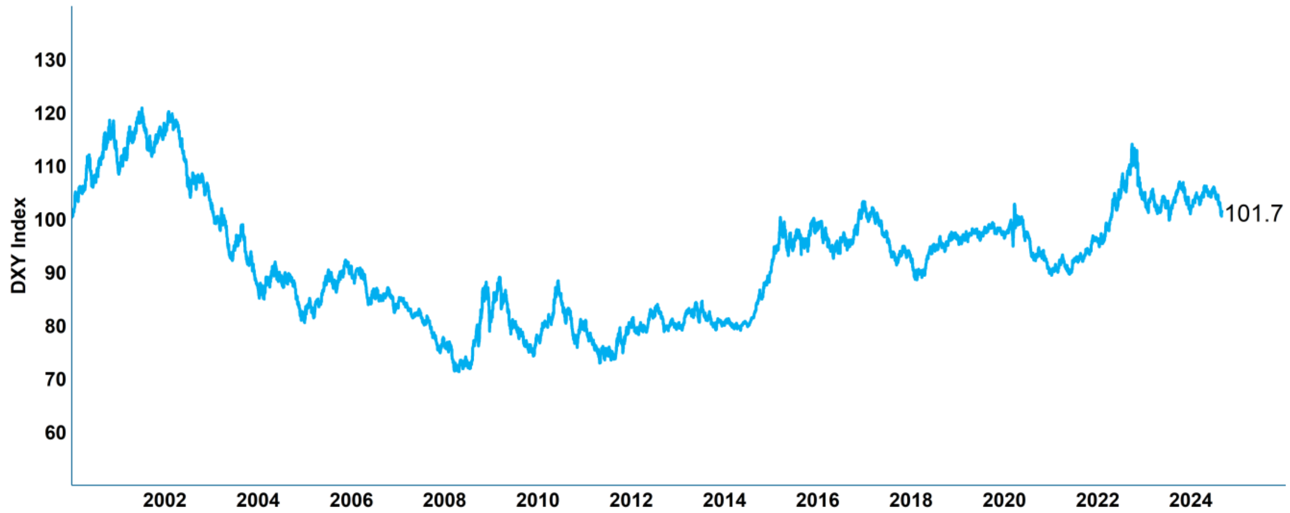
Policy Rates[14]



- In the US, the Fed reduced interest rates by 0.5% after holding them at a 5.25%-5.50% level for over a year. Chair Powell cautioned though against assuming that the 0.5% initial cut would be the pace that policymakers would continue at. In their statement they highlighted that they would make additional interest rate cut decisions based on incoming data. Market participants are pricing in two to three additional cuts in 2024.
- The Bank of England (BoE) and European Central Bank (ECB) by contrast have both already started cutting rates. The BoE made a 25 basis points interest rate cut in July while the ECB made two similar cuts in June and September.
- Inflation in Japan remains elevated, prompting Bank of Japan officials to raise the policy rate 0.15% to 0.25% after decades at near-zero rates.
- China's central bank continues to pursue an easing policy given slowing economic growth and low inflation.

[14] Source: Bloomberg. Data is as of August 31, 2024. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.

US Dollar vs. Broad Currencies[15]



→ The US dollar weakened by over 2% in August on weak economic data and the prospect of rate cuts from the Fed later this year.

→ Looking ahead, the track of policy rates across major central banks will be key for the path of the US dollar from here. If the US economy slows more than expected and the Fed relatedly lowers rates at a faster pace, we could see the dollar weaken.

[15] Source: Bloomberg. Data as of August 31, 2024.

Summary

Key Trends:

→ According to the International Monetary Fund's (IMF) July report, global growth this year is expected to match the 2023 estimate at around 3.2% with most major economies predicted to avoid a recession.

→ Key economic data in the US has largely weakened and come in below expectations, causing markets to expect an additional two to three rate cuts this year after the Fed's initial 0.5% reduction. Uncertainty remains though regarding the timing and pace of interest rate cuts in the coming year.

→ We have started to see divergences in monetary policy. Some central banks, such as the European Central Bank and the Bank of England have started to cut interest rates and others, like the Bank of Japan, have increased interest rates, while the Fed appears on the verge of starting rate cuts. This disparity will likely influence capital flows and currencies.

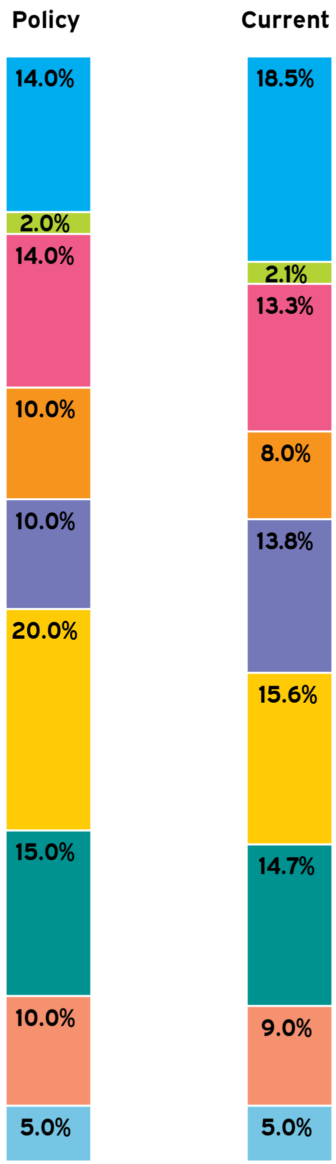
→ US consumers could feel pressure as certain components of inflation (e.g., shelter) remain high, borrowing costs are elevated, and the job market may weaken further.

→ A focus for US equities going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will be important.

→ Equity valuations remain lower in emerging and developed markets, but risks remain, including China's economic uncertainty and ongoing weakness in the real estate sector. Japan's recent tightening of monetary policy along with changes in corporate governance in the country could influence relative results.

2Q 2024 Performance Review

Asset Allocation vs. Target Allocation | As of June 30, 2024



	Current Balance ($)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Large Cap Equity	278,988,768	18.5	14.0	4.5	0.0 - 100.0	Yes
US Small/Mid Cap Equity	31,130,897	2.1	2.0	0.1	0.0 - 100.0	Yes
Non-US Developed Markets Equity	199,772,118	13.3	14.0	-0.7	0.0 - 100.0	Yes
Non-US Emerging Markets Equity	120,677,930	8.0	10.0	-2.0	0.0 - 100.0	Yes
Private Equity	208,026,378	13.8	10.0	3.8	0.0 - 100.0	Yes
Core Bonds	234,425,209	15.6	20.0	-4.4	0.0 - 100.0	Yes
Private Debt	220,689,012	14.7	15.0	-0.3	0.0 - 100.0	Yes
Real Estate	135,333,894	9.0	10.0	-1.0	0.0 - 100.0	Yes
Real Assets	75,595,637	5.0	5.0	0.0	0.0 - 100.0	Yes
Total	**1,504,639,843**	**100.0**	**100.0**	**0.0**		

Asset Allocation & Performance | As of June 30, 2024

	Market Value $	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	**1,504,639,843**	**100.0**	**1.3**	**4.0**	**8.2**	**3.8**	**7.1**	**6.4**	**7.4**	**Jul-92**
Total Fund Benchmark			*1.2*	*3.7*	*8.6*	*2.8*	*6.4*	*6.2*	*7.6*	
Global Public Equity	**630,569,713**	**41.9**	**2.0**	**8.5**	**15.9**	**2.4**	**8.6**	**7.2**	**7.3**	**May-11**
MSCI AC World Index			*3.0*	*11.6*	*19.9*	*5.9*	*11.3*	*9.0*	*9.0*	
US Equity	**310,119,665**	**20.6**	**2.9**	**12.6**	**22.2**	**7.7**	**14.1**	**11.6**	**11.9**	**May-11**
Russell 3000 Index			*3.2*	*13.6*	*23.1*	*8.1*	*14.1*	*12.1*	*12.7*	
US Large Cap Index Pool	278,988,768	18.5	3.6	14.2	23.9	8.8	14.5	12.5	13.0	May-11
Russell 1000 Index			*3.6*	*14.2*	*23.9*	*8.7*	*14.6*	*12.5*	*13.0*	
US SMID Cap Alternative Weighted Index Pool	31,130,897	2.1	-3.1	-0.9	8.5	-0.4	--	--	4.1	Feb-21
S&P SmallCap 600 Index			*-3.1*	*-0.7*	*8.7*	*-0.3*	*8.1*	*8.2*	*4.3*	
Non-US Equity	**320,450,048**	**21.3**	**1.0**	**4.7**	**10.2**	**-2.1**	**4.3**	**3.3**	**2.8**	**May-11**
MSCI AC World ex USA index			*1.2*	*6.0*	*12.2*	*1.0*	*6.1*	*4.3*	*4.4*	
Non-US Developed Markets Index Pool	199,772,118	13.3	-0.5	3.7	10.4	1.6	6.1	4.3	4.7	May-11
Non US Developed Markets Passive Custom Index			*-0.7*	*4.4*	*10.8*	*2.0*	*6.3*	*4.2*	*4.7*	
Non-US Emerging Markets Active Pool	120,677,930	8.0	3.6	6.2	10.0	-7.5	--	--	-5.9	Jan-21
MSCI Emerging Markets (Net)			*5.0*	*7.5*	*12.5*	*-5.1*	*3.1*	*2.8*	*-2.4*	

Performance returns are all net of fees throughout the report.
The Non US Developed Markets Passive Custom Index is composed of 100% MSCI EAFE Index (USD) (Net) through 04/2017, the MSCI World Ex US IM Index (USD) (Net) through 07/2022 and is calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return thereafter.

	Market Value $	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Equity	**208,026,378**	**13.8**	**1.4**	**2.4**	**4.7**	**10.7**	**14.4**	**--**	**12.7**	**Apr-15**
Private Equity Pool	208,026,378	13.8	1.4	2.4	4.7	10.6	14.4	--	12.7	Apr-15
MSCI ACWI + 2%			*3.4*	*12.4*	*21.7*	*7.5*	*13.0*	*10.6*	*11.3*	
Fixed Income	**455,114,221**	**30.2**	**1.1**	**1.5**	**5.5**	**1.2**	**3.0**	**3.6**	**4.2**	**May-11**
Blmbg. U.S. Universal Index			*0.2*	*-0.3*	*3.5*	*-2.7*	*0.1*	*1.6*	*2.3*	
Core Bonds Pool	234,425,209	15.6	0.3	-0.4	3.1	-3.1	0.0	--	1.4	Oct-18
Blmbg. U.S. Aggregate Index			*0.1*	*-0.7*	*2.6*	*-3.0*	*-0.2*	*1.3*	*1.1*	
Private Debt Market Pool	220,689,012	14.7	1.9	3.5	8.1	6.4	6.7	--	6.0	Apr-15
Credit Suisse Leveraged Loan +2%			*2.4*	*5.5*	*13.2*	*8.1*	*7.5*	*6.7*	*6.9*	
Real Estate	**135,333,894**	**9.0**	**-1.6**	**-5.4**	**-8.7**	**5.4**	**4.7**	**6.5**	**6.6**	**May-14**
Real Estate Pool	135,333,894	9.0	-1.5	-5.3	-8.7	5.4	4.7	6.5	6.6	May-14
NCREIF ODCE Net 1 Qtr Lag			*-2.6*	*-7.4*	*-12.0*	*2.5*	*2.6*	*5.8*	*6.0*	
Real Assets	**75,595,637**	**5.0**	**2.1**	**5.3**	**10.4**	**11.8**	**7.1**	**--**	**6.4**	**Oct-18**
Real Return Pool	75,595,637	5.0	2.0	5.3	10.3	11.8	7.1	--	6.3	Oct-18
CPI+3%			*1.3*	*3.9*	*6.1*	*8.1*	*7.3*	*5.9*	*7.0*	

Calendar Year Performance

	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)
Total Fund	**9.3**	**-7.1**	**15.5**	**9.8**	**13.2**	**-1.3**	**17.3**	**8.0**	**-1.0**	**4.5**
Total Fund Benchmark	*9.8*	*-8.5*	*12.9*	*10.3*	*14.3*	*-1.8*	*17.0*	*8.4*	*-0.8*	*4.9*
Global Public Equity	**18.8**	**-18.4**	**14.0**	**16.0**	**24.8**	**-10.4**	**26.1**	**9.6**	**-4.9**	**3.6**
MSCI AC World Index	*22.8*	*-18.0*	*19.0*	*16.8*	*27.3*	*-8.9*	*24.6*	*8.5*	*-1.8*	*4.7*
US Equity	**25.4**	**-18.8**	**26.5**	**20.0**	**31.5**	**-6.0**	**20.6**	**13.1**	**-0.5**	**8.6**
Russell 3000 Index	*26.0*	*-19.2*	*25.7*	*20.9*	*31.0*	*-5.2*	*21.1*	*12.7*	*0.5*	*12.6*
US Large Cap Index Pool	26.6	-19.1	26.5	20.4	31.3	-4.8	21.7	12.1	1.0	13.2
Russell 1000 Index	*26.5*	*-19.1*	*26.5*	*21.0*	*31.4*	*-4.8*	*21.7*	*12.1*	*0.9*	*13.2*
US SMID Cap Alternative Weighted Index Pool	16.0	-16.3	--	--	--	--	--	--	--	--
S&P SmallCap 600 Index	*16.1*	*-16.1*	*26.8*	*11.3*	*22.8*	*-8.5*	*13.2*	*26.6*	*-2.0*	*5.8*
Non-US Equity	**13.2**	**-18.1**	**4.8**	**13.1**	**20.5**	**-14.9**	**31.6**	**6.2**	**-8.1**	**-4.2**
MSCI AC World ex USA index	*16.2*	*-15.6*	*8.3*	*11.1*	*22.1*	*-13.8*	*27.8*	*5.0*	*-5.3*	*-3.4*
Non-US Developed Markets Index Pool	16.3	-15.0	12.7	8.4	22.9	-14.4	25.8	1.1	-0.1	-5.6
Non US Developed Markets Passive Custom Index	*17.2*	*-15.3*	*12.4*	*8.3*	*22.9*	*-14.7*	*25.8*	*1.0*	*-0.8*	*-4.9*
Non-US Emerging Markets Active Pool	8.0	-22.8	-8.7	--	--	--	--	--	--	--
MSCI Emerging Markets (Net)	*9.8*	*-20.1*	*-2.5*	*18.3*	*18.4*	*-14.6*	*37.3*	*11.2*	*-14.9*	*-2.2*
Private Equity	**5.8**	**2.4**	**49.4**	**12.4**	**9.6**	**14.1**	**15.8**	**7.4**	**--**	**--**
Private Equity Pool	5.8	2.4	49.4	12.4	9.6	14.1	15.8	7.4	--	--
MSCI ACWI + 2%	*24.6*	*-16.7*	*20.9*	*18.6*	*29.1*	*-7.6*	*26.4*	*10.0*	*-0.4*	*6.2*

	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)
Fixed Income	**6.9**	**-6.7**	**4.9**	**7.0**	**6.3**	**2.2**	**7.0**	**6.4**	**0.4**	**6.4**
Blmbg. U.S. Universal Index	*6.2*	*-13.0*	*-1.1*	*7.6*	*9.3*	*-0.3*	*4.1*	*3.9*	*0.4*	*5.6*
Core Bonds Pool	6.0	-13.9	-1.4	9.0	8.8	--	--	--	--	--
Blmbg. U.S. Aggregate Index	*5.5*	*-13.0*	*-1.5*	*7.5*	*8.7*	*0.0*	*3.5*	*2.6*	*0.5*	*6.0*
Private Debt Market Pool	8.0	2.5	14.2	4.1	3.1	4.5	9.0	6.9	--	--
Credit Suisse Leveraged Loan +2%	*15.3*	*0.9*	*7.5*	*4.8*	*10.3*	*3.2*	*6.3*	*12.1*	*1.6*	*4.1*
Real Estate	**-9.4**	**18.8**	**20.8**	**-0.6**	**5.4**	**10.2**	**7.9**	**10.6**	**10.4**	**--**
Real Estate Pool	-9.4	18.8	20.8	-0.6	5.4	10.2	7.9	10.6	10.4	--
NCREIF ODCE Net 1 Qtr Lag	*-12.9*	*21.0*	*13.6*	*0.5*	*4.6*	*7.7*	*6.7*	*9.1*	*13.9*	*11.4*
Real Assets	**9.4**	**15.0**	**16.0**	**-7.6**	**4.1**	**--**	**--**	**--**	**--**	**--**
Real Return Pool	9.3	15.0	16.0	-7.6	4.1	--	--	--	--	--
CPI+3%	*6.5*	*9.6*	*10.2*	*4.4*	*5.4*	*5.0*	*5.2*	*5.1*	*3.8*	*3.8*

Financial Reconciliation | 1 Quarter Ending June 30, 2024

	Beginning Market Value	Contributions	Distributions	Net Cash Flow	Net Investment Change	Ending Market Value
US Large Cap Index Pool	262,413,025	7,000,000	-6,422	6,993,578	9,582,165	278,988,768
US SMID Cap Alternative Weighted Index Pool	31,126,214	1,000,000	-2,759	997,241	-992,558	31,130,897
Non-US Developed Markets Index Pool	193,795,244	7,000,000	-22,126	6,977,874	-1,001,000	199,772,118
Non-US Emerging Markets Active Pool	111,515,853	5,000,000	-140,646	4,859,354	4,302,723	120,677,930
Private Equity Pool	200,162,752	5,000,000	-12,382	4,987,618	2,876,008	208,026,378
Core Bonds Pool	223,692,818	10,000,000	-47,536	9,952,464	779,927	234,425,209
Private Debt Market Pool	209,151,121	7,500,000	-	7,500,000	4,037,892	220,689,012
Real Estate Pool	132,415,262	5,000,000	-	5,000,000	-2,081,368	135,333,894
Real Return Pool	71,624,524	2,500,000	12,382	2,512,382	1,458,731	75,595,637
Total	**1,435,896,812**	**50,000,000**	**-219,490**	**49,780,510**	**18,962,521**	**1,504,639,843**

Benchmark History

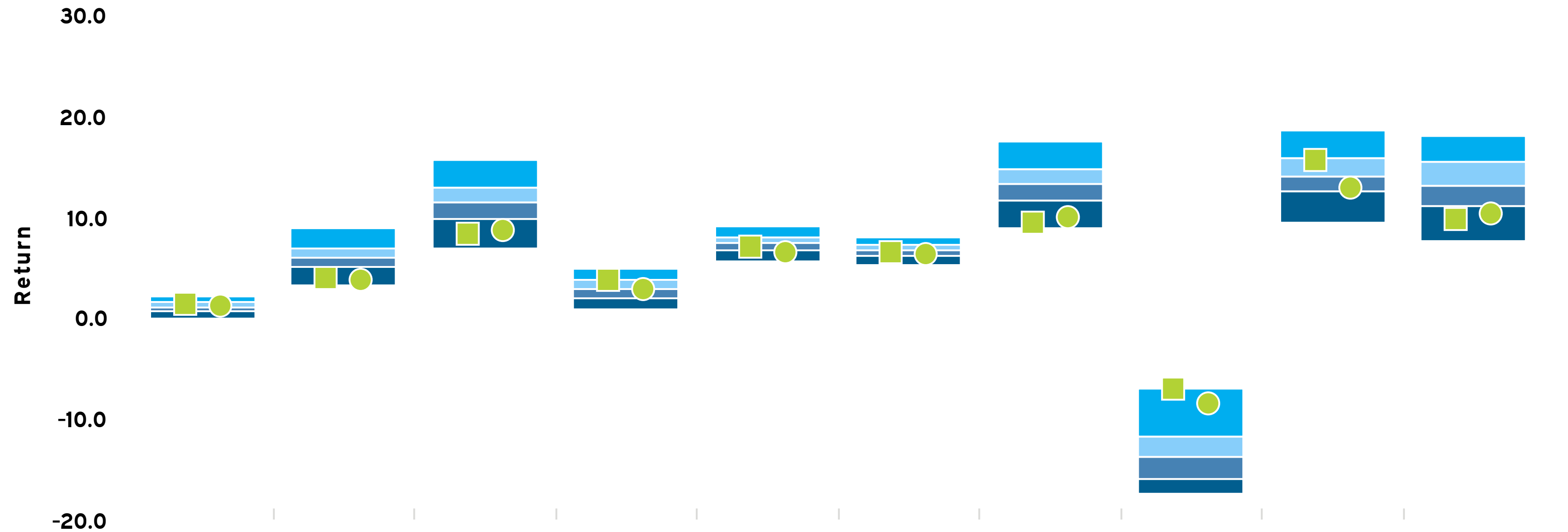
From Date	To Date	Benchmark
Total Fund		
07/01/2023	Present	14.0% Russell 1000 Index, 2.0% S&P SmallCap 600 Index, 14.0% Non US Developed Markets Passive Custom Index, 10.0% MSCI Emerging Markets (Net), 20.0% Blmbg. U.S. Aggregate Index, 15.0% Private Market Fixed Income Custom Index, 5.0% Real Return Custom Index, 10.0% NCREIF ODCE Net 1 Qtr Lag, 10.0% CA U.S. Private Equity Index (Legacy)
02/01/2021	07/01/2023	14.0% Russell 1000 Index, 14.0% Non US Developed Markets Passive Custom Index, 10.0% MSCI Emerging Markets (Net), 2.0% S&P SmallCap 600 Index, 15.0% Private Market Fixed Income Custom Index, 10.0% Cambridge Associates US PE 1Q Lagged, 10.0% NCREIF ODCE Index (AWA) (Net) (Monthly), 20.0% Blmbg. U.S. Aggregate Index, 5.0% Real Return Custom Index
11/01/2018	02/01/2021	14.0% Russell 1000 Index, 14.0% Non US Developed Markets Passive Custom Index, 10.0% MSCI Emerging Markets (Net), 2.0% US Small/Mid Cap Equity Custom Index, 15.0% Private Market Fixed Income Custom Index, 10.0% Cambridge Associates US PE 1Q Lagged, 10.0% NCREIF ODCE Index (AWA) (Net) (Monthly), 20.0% Blmbg. U.S. Aggregate Index, 5.0% Real Return Custom Index
10/01/2018	11/01/2018	14.0% Russell 1000 Index, 14.0% Non US Developed Markets Passive Custom Index, 10.0% MSCI Emerging Markets (Net), 2.0% US Small/Mid Cap Equity Custom Index, 15.0% Private Market Fixed Income Custom Index, 10.0% Cambridge Associates US PE 1Q Lagged, 10.0% NCREIF ODCE Index (AWA) (Net) (Monthly), 20.0% Blmbg. U.S. Aggregate Index, 5.0% Real Return Custom Index
05/01/2018	10/01/2018	20.0% Russell 1000 Index, 12.0% Non US Developed Markets Passive Custom Index, 15.0% MSCI Emerging Markets (Net), 3.0% US Small/Mid Cap Equity Custom Index, 25.0% US Core Bonds Pool Blended Index, 10.0% Private Market Fixed Income Custom Index, 10.0% Cambridge Associates US PE 1Q Lagged, 5.0% NCREIF ODCE Index (AWA) (Net) (Monthly)
04/01/2018	05/01/2018	20.0% Russell 1000 Index, 12.0% Non US Developed Markets Passive Custom Index, 15.0% MSCI Emerging Markets (Net), 3.0% US Small/Mid Cap Equity Custom Index, 25.0% US Core Bonds Pool Blended Index, 10.0% Private Market Fixed Income Custom Index, 10.0% Cambridge Associates US PE 1Q Lagged, 5.0% NCREIF ODCE Index (AWA) (Net) (Monthly)
05/01/2017	04/01/2018	20.0% Russell 1000 Index, 12.0% MSCI EAFE (Net), 15.0% MSCI Emerging Markets (Net), 3.0% US Small/Mid Cap Equity Custom Index, 20.0% US Core Bonds Pool Blended Index, 10.0% Private Market Fixed Income Custom Index, 5.0% HFRI FOF Composite (1-qtr lagged), 10.0% Cambridge Associates US PE 1Q Lagged, 5.0% NCREIF ODCE Index (AWA) (Net) (Monthly)
11/01/2015	05/01/2017	20.0% Russell 1000 Index, 12.0% MSCI EAFE (Net), 15.0% MSCI Emerging Markets (Net), 3.0% US Small/Mid Cap Equity Custom Index, 20.0% US Core Bonds Pool Blended Index, 10.0% Private Market Fixed Income Custom Index, 5.0% HFRI FOF Composite (1-qtr lagged), 10.0% Cambridge Associates US PE 1Q Lagged, 5.0% NCREIF ODCE Index (AWA) (Net) (Monthly)
04/01/2015	11/01/2015	20.0% Russell 1000 Index, 12.0% MSCI EAFE (Net), 15.0% MSCI Emerging Markets (Net), 3.0% US Small/Mid Cap Equity Custom Index, 20.0% US Core Bonds Pool Blended Index, 10.0% Private Market Fixed Income Custom Index, 5.0% HFRI Fund of Funds Composite Index, 10.0% CA U.S. Private Equity Index (Legacy), 5.0% NCREIF ODCE Index (AWA) (Net) (Monthly)

From Date	To Date	Benchmark
12/01/2011	04/01/2015	25.0% Russell 1000 Index, 15.0% MSCI EAFE (Net), 15.0% MSCI Emerging Markets (Net), 10.0% US Small/Mid Cap Equity Custom Index, 35.0% US Core Bonds Pool Blended Index
11/01/2011	12/01/2011	25.0% S&P 500 Index, 15.0% MSCI EAFE (Net), 15.0% MSCI Emerging Markets (Net), 10.0% US Small/Mid Cap Equity Custom Index, 35.0% US Core Bonds Pool Blended Index
04/01/2011	11/01/2011	25.0% S&P 500 Index, 15.0% MSCI EAFE (Net), 15.0% MSCI Emerging Markets (Net), 10.0% US Small/Mid Cap Equity Custom Index, 35.0% US Core Bonds Pool Blended Index
12/01/2010	04/01/2011	38.0% S&P 500 Index, 20.0% MSCI EAFE (Net), 5.0% MSCI Emerging Markets (Net), 9.0% US Small/Mid Cap Equity Custom Index, 28.0% US Core Bonds Pool Blended Index
11/01/2007	12/01/2010	38.0% S&P 500 Index, 28.0% Blmbg. U.S. Aggregate Index, 20.0% MSCI EAFE (Net), 5.0% MSCI Emerging Markets (Net), 9.0% Russell 2500 Index
08/01/2005	11/01/2007	38.0% S&P 500 Index, 25.0% Blmbg. U.S. Aggregate Index, 20.0% MSCI EAFE (Net), 5.0% MSCI Emerging Markets (Net), 9.0% Russell 2500 Index, 3.0% ICE BofA High Yield BB-B Constrained Index
07/01/2005	08/01/2005	38.0% S&P 500 Index, 25.0% Blmbg. U.S. Aggregate Index, 20.0% MSCI EAFE (Net), 5.0% MSCI Emerging Markets (Net), 9.0% Russell 2500 Index, 3.0% ICE BofA High Yield BB-B Constrained Index
03/01/2002	07/01/2005	38.0% S&P 500 Index, 25.0% Blmbg. U.S. Aggregate Index, 20.0% MSCI EAFE (Net), 5.0% MSCI Emerging Markets (Net), 9.0% Russell 2500 Index, 3.0% ICE BofA U.S. High Yield, BB-B Rated Index
01/01/2001	03/01/2002	40.0% S&P 500 Index, 25.0% Blmbg. U.S. Aggregate Index, 22.0% MSCI EAFE (Net), 3.0% MSCI Emerging Markets (Net), 10.0% Russell 2500 Index
08/01/2000	01/01/2001	40.0% S&P 500 Index, 25.0% Blmbg. U.S. Aggregate Index, 22.0% MSCI EAFE (Net), 3.0% MSCI Emerging Markets Index, 10.0% Russell 2500 Index
05/01/1999	08/01/2000	45.0% S&P 500 Index, 40.0% Blmbg. U.S. Aggregate Index, 13.0% MSCI EAFE (Net), 2.0% MSCI Emerging Markets Index
03/01/1999	05/01/1999	45.0% S&P 500 Index, 40.0% Blmbg. U.S. Aggregate Index, 15.0% MSCI EAFE (Net)
12/01/1995	03/01/1999	60.0% S&P 500 Index, 40.0% Blmbg. U.S. Aggregate Index
06/01/1992	12/01/1995	40.0% S&P 500 Index, 60.0% Blmbg. U.S. Aggregate Index

Annual Investment Expense Analysis			
	Market Value	Expense Ratio (%)	Estimated Expense
Total Fund	**1,504,639,843**	**0.42**	**6,287,192**
Global Public Equity	**630,569,713**	**0.12**	**779,830**
US Equity	**310,119,665**	**0.01**	**40,351**
US Large Cap Index Pool	278,988,768	0.01	27,899
US SMID Cap Alternative Weighted Index Pool	31,130,897	0.04	12,452
Non-US Equity	**320,450,048**	**0.23**	**739,479**
Non-US Developed Markets Index Pool	199,772,118	0.05	99,886
Non-US Emerging Markets Active Pool	120,677,930	0.53	639,593
Private Equity	**208,026,378**	**0.80**	**1,664,211**
Private Equity Pool	208,026,378	0.80	1,664,211
Fixed Income	**455,114,221**	**0.35**	**1,601,323**
Core Bonds Pool	234,425,209	0.09	210,983
Private Debt Market Pool	220,689,012	0.63	1,390,341
Real Estate	**135,333,894**	**1.07**	**1,448,073**
Real Estate Pool	135,333,894	1.07	1,448,073
Real Assets	**75,595,637**	**1.05**	**793,754**
Real Return Pool	75,595,637	1.05	793,754

Fee information is based on RVK's State Investment Council Third Party Investors Report as of March 31, 2024.

Peer Group Analysis All Public DB Plans



	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2023	2022	2021	2020
Total Fund	1.3 (36)	4.0 (91)	8.2 (90)	3.8 (20)	7.1 (63)	6.4 (60)	9.3 (93)	-7.1 (5)	15.5 (27)	9.8 (86)
Total Fund Benchmark	1.2 (43)	3.7 (92)	8.6 (88)	2.8 (51)	6.4 (82)	6.2 (70)	9.8 (91)	-8.5 (8)	12.9 (67)	10.3 (84)
5th Percentile	2.1	8.8	15.5	4.9	9.0	7.9	17.4	-7.1	18.5	17.9
1st Quartile	1.5	6.9	12.8	3.6	8.0	7.1	14.7	-11.8	15.7	15.4
Median	1.0	6.0	11.4	2.8	7.3	6.6	13.3	-13.9	13.9	13.0
3rd Quartile	0.6	5.1	9.7	2.0	6.6	6.1	11.5	-15.9	12.4	11.1
95th Percentile	-0.1	3.2	6.9	0.9	5.6	5.2	8.8	-17.4	9.4	7.6
Population	620	620	616	594	577	483	1,040	1,058	1,107	1,153

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Memorandum: Investment Policy Statement Review

MEKETA

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MEMORANDUM

TO: Board of Directors, New Mexico Retiree Health Care Authority
FROM: Paul Cowie, Jared Pratt, Ted Benedict, Meketa Investment Group
CC: Neil Kueffer, Executive Director
DATE: October 1, 2024
RE: Investment Policy Statement Review

Background

Meketa has conducted an initial review of the Retiree Health Care Authority Reserve Fund's Investment Policy dated August 3, 2010 (attached at the end of this memo). While we believe the general structure and content of the document is sound, we are recommending several updates which are detailed below. We intend to discuss the proposed updates with the SIC before bringing a final version to the Board.

Section II. Functional Organization and Responsibilities, C. General Investment Consultant

The general investment consultant is currently only assigned the task of *"Performing asset allocation studies and recommending asset allocation strategies to the Board at least annually."* Meketa's retainer contract details several other ongoing services, several of which we believe should be outlined in the Investment Policy. These items include:

→ Quarterly performance reporting and analysis.

→ Monitor portfolio positioning and recommend rebalancing as needed.

→ Providing liquidity analysis as needed.

→ Oversee and advise on the utilization of investments provided by the SIC on behalf of the Fund.

Section III. General Objectives, A. General Objectives of Fund

This section references a "Fund Policy Index" for performance evaluation purposes that is contained in "Appendix II", which is missing from the current document. Meketa has recreated Appendix II on the following page, which also includes the Fund's target asset allocation and permissible ranges. We note that we have not found any detail of the target ranges and have proposed our standard methodology of +/-5% for each asset class.

Appendix II
Asset Allocation Targets and Policy Benchmark

Asset Class	Target (%)	Range (%)	Policy Benchmark
Total Equity	***50***	***45-55***	
US Equity	*16*	*11 – 21*	*Russell 3000*
Non-US Developed Markets Equity	*14*	*9 – 19*	*MSCI World ex. US IMI*
Non-US Emerging Markets Equity	*10*	*5 – 15*	*MSCI Emerging Markets*
Private Equity	*10*	*5 – 15*	*MSCI ACWI +2%*
Total Fixed Income	***35***	***30 – 40***	
Investment Grade (Core) Bonds	*20*	*15 – 25*	*Bloomberg US Aggregate*
Private Debt	*15*	*10 – 20*	*Credit Suisse Leverage Loan +2%*
Total Real Assets/Real Estate	***15***	***10 – 20***	
Real Assets	*5*	*0 – 10*	*CPI +3%*
Real Estate	*10*	*5 – 15*	*NCREIF ODCE (1 Qtr Lag)*

The above asset allocation targets are designed to achieve an actuarial assumed investment return of 7.0%.

The Fund's Policy Index will be a weighted average of each asset class's policy benchmark based on the above target weights. The Policy Index is dynamic and will be adjusted over time to reflect any changes to the targets or underlying policy benchmarks.

V. Investment Program Implementation, A. Manager and Advisor Policy

The first sentence states: *"The SIC (or if appropriately determined, any external money managers) will have full discretionary investment authority over the assets it is responsible for managing…"* If the Fund does have the ability to select external money managers (this needs to be confirmed), the Policy should include a detailed criteria for evaluating and selecting those managers.

VI. Performance Measurement and Review

This section states *"The Plan's investment returns should meet or exceed the designated benchmark plus expenses over the long term (defined as rolling fifteen year horizons)."* We recommend shortening this to 10 years, as it is a more standard time period that is easier to track in performance reporting.

VII. Rebalancing

We recommend adding the following additional clarification for less liquid asset classes: *"The Board recognizes that certain alternative asset classes (e.g., private equity, real estate, real assets, private debt) may have limited or no liquidity. In these cases, adjusting future contributions will be the preferred rebalancing mechanism."* In addition, we recommend clarifying that Staff, in consultation with the General Investment Consultant, has the authority to implement rebalancing within the specified target ranges.

VIII. Review and Modification of Investment Plan

First, we recommend replacing "Plan" with "Policy" in the above section title for consistency. Item #2 in this section states, *"The SIC will meet at least quarterly with the Board to review the Fund portfolio activity, investment performance, and economic market analysis in the context of this Investment Policy."* We recommend that the SIC be replaced with the General Investment Consultant (i.e., Meketa).

PC/lv

THIS REPORT (THE "REPORT") HAS BEEN PREPARED FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT, AND IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. THE INFORMATION CONTAINED HEREIN, INCLUDING ANY OPINIONS OR RECOMMENDATIONS, REPRESENTS OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND IS SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK, AND THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Medicare Default Strategy 2025 – Action Item

Summary: New Mexico Retiree Health Care Authority (NMRHCA) has had in place a default strategy for retirees and dependents becoming Medicare eligible when failing to elect a Medicare Advantage Prescription Drug (MAPD) Plan or Medicare Supplement plan with NMRHCA. As recommended by staff and approved by the Board, as of May 2, 2023, the current default strategy enrolls individuals into the United Healthcare's MAPD Plan 1 if no plan election is made by Presbyterian Health Plan (PHP) pre-Medicare enrolled members. For members on a pre-Medicare plan with Blue Cross Blue Shield (BCBS) enrolled members are defaulted into Humana's MAPD Plan 1. At the time, this strategy provided access to similar networks and providers locally and access to a nationwide network at the lowest member out of pocket expense. The goal of this strategy was to eliminate member disruption and dissatisfaction related to losing access to an established provider or preferred hospital system.

With this goal in mind, the new BCBS MAPD PPO Plan provides in-network access to both Presbyterian and Lovelace physicians/hospitals which also includes a nationwide network of providers at a lower cost to members and the program.

To provide the highest level of service to our Medicare eligible members, staff proposes updating the default strategy as outlined below:

- For members enrolled in a pre-Medicare PHP Plan or BCBS Plan who becomes Medicare Eligible and does not make a plan selection:
    - The new default strategy will be BCBS MAPD PPO Plan effective January 1, 2025, which will provide access to a broad network while being the most cost-effective option for members.

Action Item Request: NMRHCA staff respectfully requests approval to update the agency default strategy for retirees and dependents currently enrolled in either the pre-Medicare BCBS or PHP Plans that do not select a Medicare plan option when becoming eligible for Medicare. If no election is received, Medicare eligible retirees and dependents will be defaulted into the BCBS MAPD PPO Plan effective January 1, 2025.