AGENDA/TABLE OF CONTENTS ON PAGE 4

REGULAR MEETING

OF THE

BOARD OF DIRECTORS

NOVEMBER 3, 2026

9:30 AM

CNM Workforce Training Center

5600 Eagle Rock Ave NE, Albuquerque, NM 87113

Click here to join online at
https://meet.goto.com/NMRHCA/boardmeeting

To join via Telephone call 1-224-501-3412

and use access code 724-176-285

New Mexico Retiree Health Care Authority

Regular Meeting

BOARD OF DIRECTORS

ROLL CALL

NOVEMBER 3, 2026

Member in Attendance			
Dr. Lee Caruana, President			
Dr. Tomas Salazar, Vice President			
Lance Pyle, Secretary			
NM Treasurer Laura Montoya			
Dr. Gerry Washburn			
Donna Sandoval			
Therese Saunders			
Kate Brassington			
Renee Garcia			
Heather Vigil Clark			
JoLou Trujillo-Ottino			

NMRHCA BOARD OF DIRECTORS

NOVEMBER 2026

Dr. Lee Caruana, MD, President Retired Public Employees of NM leecaruana13@gmail.com	Donna Sandoval NM Municipal League 100 Marquette Ave City/County Building Albuquerque, NM 87102 donnasandoval@cabq.gov 505-768-2975
Dr. Tomas E. Salazar, PhD, Vice President NM Assoc. of Educational Retirees PO Box 66 Las Vegas, NM 87701 salazarte@plateautel.net 505-429-2206	Therese Saunders NEA-NM, Classroom Teachers Assoc., & NM Federation of Educational Employees 5811 Brahma Dr. NW Albuquerque, NM 87120 tsaunders3@mac.com 505-934-3058
Lance Pyle, Secretary NM Association of Counties Curry County Administration 417 Gidding, Suite 100 Clovis, NM 88101 lpyle@currycountynm.gov 575-763-6016	JoLou Trujillo-Ottino NM Health Care Authority 1474 Rodeo Road Santa Fe, NM 87505 jolou.trujillo-ottino@hca.nm.gov
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	Renee Garcia Alternate for ERB Executive Director Educational Retirement Board PO Box 26129 Santa Fe, NM 87502-0129 renee.garcia@erb.nm.gov 505-531-9885
Heather Vigil Clark State Personnel Office 2600 Cerillos Road Santa Fe, NM 87505 heather.vigilclark@spo.nm.gov 505-365-3300	Kate Brassington Alternate for PERA Executive Director Public Employees Retirement Association 33 Plaza La Prensa Santa Fe, NM 87507 kate.brassington@pera.nm.gov 505-309-1088
Dr. Gerry Washburn. Ed. D. Superintendents' Association of NM 408 N Canyon Carlsbad, NM 88220 gerry.washburn@carlsbadschools.net	

REGULAR MEETING OF THE NEW MEXICO RETIREE HEALTH CARE AUTHORITY BOARD OF DIRECTORS

November 3, 2026 at 9:30 AM

Meeting to Be Held at CNM Workforce Training Center
5600 Eagle Rock Ave NE, Alb. NM 87113

Click Here to Join Via Video Conference
To Join Via Telephone call 1-224-501-3412 and use access code 724-176-285

AGENDA

			PAGE
1.	Call to Order	Dr. Caruana, President	
2.	Roll Call to Ascertain Quorum	Ms. Beatty, Recorder	
3.	Pledge of Allegiance & Salute to New Mexico State Flag	Dr. Caruana, President	
4.	Approval of Agenda	Dr. Caruana, President	4
5.	Approval of Regular Meeting Minutes from August 25, 2026, and October 6, 2026	Dr. Caruana, President	6
6.	Public Forum and Introductions	Dr. Caruana, President	
7.	Committee Reports	Dr. Caruana, President	
8.	Staff Updates		
a.	Human Resources	Mr. Kueffer, Executive Director	
b.	2026 Open/Switch Enrollment	Mr. Kueffer, Executive Director	
i.	Communication: NMRHCA and External Sources		17
ii.	Meeting participation		21
c.	Request For Proposals	Mr. Kueffer, Executive Director	
i.	RFP # 27-343-0380-00007 IBAC Group Basic Life and AD&D, Group Voluntary		23

		Life and AD&D, and Group Short- and Long-Term Disability		
	ii.	RFP# 342-2027-04 Benefits Consultant and Actuarial Services		
d.		Legislative	Mr. Kueffer, Executive Director	
	i.	Investments Pension Oversight Committee		
	ii.	Legislative Finance Committee - Budget Hearing		39
9.		Meketa Presentations	Mr. Cowie & Mr. Pratt, Managing Principles, Consultants	
a.		Economic and Market Update and Quarterly Performance Overview		40
b.		Active and Passive Investment Strategy (Action Item)		95
10.		Disposal of IT and Office Equipment (Action Item)	Mr. Long, Chief Information Officer	112
11.		Other Business	Dr. Caruana, President	
12.		Date & Time of Next Board Meeting December 1, 2026 – 9:30AM CNM Workforce Training Center 5600 Eagle Rock Ave NE, Alb. NM 87113	Dr. Caruana, President	
13.		Adjourn		

MINUTES OF THE

NEW MEXICO RETIREE HEALTH CARE AUTHORITY/BOARD OF DIRECTORS

REGULAR MEETING

August 25, 2026

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. at the CNM Workforce Training Center, 5600 Eagle Rock Avenue, N.E., Albuquerque, New Mexico.

2. ROLL CALL TO ASCERTAIN A QUORUM

Members Present:
Dr. Lee Caruana, President
Dr. Tomas Salazar, Vice President
Mr. Lance Pyle, Secretary [virtual]
Dr. Gerry Washburn [virtual]
Ms. Kate Brassington
Ms. Reneé Garcia
Ms. Therese Saunders
Ms. Heather Vigil Clark
Ms. JoLou Trujillo-Ottino [virtual]

Members Excused:
The Hon. Laura Montoya, NM State Treasurer
Ms. Donna Sandoval

Staff Present:
Mr. Neil Kueffer, Executive Director
Ms. Linda Atencio, Deputy Director
Mr. Jess Biggs, Communications Director
Ms. Sherry Ayanniyi, Chief Investment Officer
Mr. Raymond Long, IT Director
Mr. Alexander George, Network Administrator
Ms. Judith Beatty, Recorder

3. PLEDGE OF ALLEGIANCE & SALUTE TO NEW MEXICO STATE FLAG

4. APPROVAL OF AGENDA

Dr. Salazar moved approval of the agenda, as published. Ms. Garcia seconded the motion, which passed unanimously.

5. APPROVAL OF MEETING MINUTES: July 16 & 17, 2026

Ms. Vigil Clark moved approval of the July 16 and 17 minutes. The motion was seconded by Dr. Salazar and approved unanimously.

6. PUBLIC FORUM AND INTRODUCTIONS

Attendees introduced themselves.

7. COMMITTEE REPORTS

- Ms. Brassington reported that the Finance Comm met August 20 with a quorum and approved the FY27 appropriation request to move to the full Board.
- Dr. Caruana reported that the Executive Committee met on the same day and approved today's agenda. The committee also reviewed a travel request item.

8. STAFF UPDATES

a. Human Resources & Operations

Ms. Atencio reported that staff are gearing up for the open and switch enrollment, The meetings will run from September 30 through October. All staff, including Finance, IT and the Customer Service Unit, will be meeting on September 18 for training. Those offices will be closed at noon on that day. Staff anticipates many questions regarding the term of the Presbyterian Medicare Advantage plan and will get the representatives ready for what transition of care means and how they can assist the NMRHCA members. Staff additionally had refresher training with Standard Insurance.

Ms. Atencio stated that NMRHCA continues its search for an in-house attorney. NMRHCA is running an ad in the State Law Bulletin and doing networking with people, as well as reaching out to contacts, as part of the search.

b. 2026 Open/Switch Enrollment Postcard & Newsletter

Mr. Biggs reviewed this year's schedule and agenda, with the different cities, locations, dates and times when NMRHCA will be in different communities to do the open and switch enrollment.

Mr. Biggs stated that a postcard has been mailed out to all of the members at this point. The next step will be to advertise the process through the August newsletter, which will be going out to mailboxes next week. He reviewed highlights from the newsletter.

c. Updated Solvency Model

Mr. Kueffer reviewed the updated solvency model following the Board's action taken at the annual meeting in July. Deficit spending is now projected to begin in FY36, however, in comparing the updated solvency model with the annual one, the deficit spending has decreased by about $3 million.

d. Legislative

Mr. Kueffer stated that LFC met in a joint meeting with LHHS the week after NMRHCA held its annual meeting. NMRHCA staff made a presentation during the meeting. He said he stressed the importance of not raising healthcare premiums so high that it creates an adverse effect by pricing out the healthy population and leaving more of the highest-risk users in the system. This is a topic that continues to come up in legislative committee hearings, and it will be important to keep legislators informed.

e. June 30 and July 31, 2026, SIC Report

Ms. Ayanniyi reported that the fund started the month of June with $2.105 billion. There was $65 million in contributions to the fund, which ended June with a total market value of $2.177 billion. At the end of July, total market value was $2.17 billion. There were no contributions during that month.

9. FY28 APPROPRIATION REQUEST

Mr. Kueffer stated that the proposed request for FY28 was a total of $442 million, an increase of about $15 million, or 3.5% from the prior year. He reviewed a breakdown of costs under Healthcare Benefits Administration, and Ms. Ayanniyi reviewed a breakdown of the costs under Program Support.

Following a question from Ms. Vigil Clark about performance measures, Chairman Caruana suggested that another column be added reflecting how long NMRHCA has been tracking individual performance measures. It was agreed that this would be particularly useful for the Wellness Committee.

Ms. Brassington moved to approve the FY28 appropriation request. Ms. Saunders seconded the motion, which passed unanimously.

10. DELTA DENTAL PRESENTATION

Anthony Moya, Strategic Account Manager, and Tina Tomlin, VP, Business Operations, made a presentation.

11. BCBS DENTAL PRESENTATION

Mohammad Abdul-Alim, Account Executive, made a presentation.

12. TRAVEL REQUEST

[Presenter: Linda Atencio]

Ms. Atencio stated that NMRHCA staff has been invited to attend the Public Sector HealthCare Roundtable Annual Conference scheduled on November 4-6, 2026, in Washington, D.C. This highly regarded annual conference provides members and guests a unique opportunity to hear presentations by high level government officials and key experts, including members of Congress and the Administration, academics, benefit consultants, plan administrators, advocates and industry leaders in an intimate dialogue-oriented setting. The conference brings together leaders from across the country to examine the most pressing challenges and emerging opportunities in public sector healthcare.

Ms. Atencio asked for board approval for two staff members and potentially one Board member to attend the conference on November 4-6, 2026.

Chairman Caruana said he attended the conference three years ago and found it very useful. He would encourage any interested Board members to consider attending. If more than one Board member is interested in attending, this should be brought up for discussion. Mr. Kueffer should be informed as soon as possible about possible attendees.

Dr. Salazar moved for approval. Ms. Garcia seconded the motion, which passed unanimously.

13. EXECUTIVE DIRECTOR REVIEW

Mr. Kueffer stated that these two action items relate to the board discussion at the annual meeting, when the Board evaluated his performance as Executive Director and provided very helpful feedback.

a. Compensation

Mr. Pyle moved to approve an increase in pay of 4.5%. Dr. Salazar seconded the motion, which passed, with Ms. Vigil Clark in abstention.

b. Effective Date

Ms. Garcia moved to approve an effective date of July 4, 2026. Dr. Salazar seconded the motion, which passed, with Ms. Vigil Clark in abstention.

14. OTHER BUSINESS

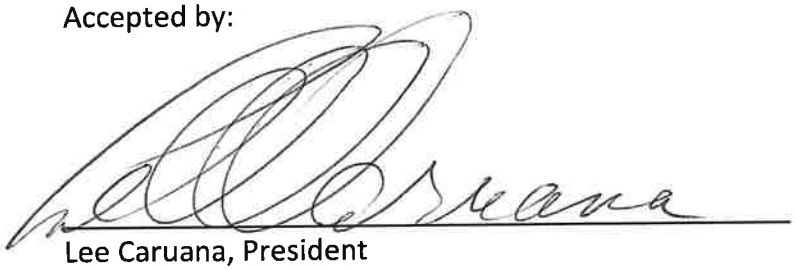
None.

15. DATE AND TIME OF NEXT BOARD MEETING

October 6, 2026, at 9:30 a.m.
CNM Workforce Training Center
5600 Eagle Rock Avenue, NE, Albuquerque, New Mexico 87113

16. ADJOURN: 11:46 a.m.

Accepted by:



Lee Caruana, President

MINUTES OF THE

NEW MEXICO RETIREE HEALTH CARE AUTHORITY/BOARD OF DIRECTORS

REGULAR MEETING

October 6, 2026

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. at the CNM Workforce Training Center, 5600 Eagle Rock Avenue, N.E., Albuquerque, New Mexico.

2. ROLL CALL TO ASCERTAIN A QUORUM

Members Present:
Dr. Lee Caruana, President
Dr. Tomas Salazar, Vice President
Mr. Lance Pyle, Secretary [virtual]
Ms. Christine Anaya, Deputy of New Mexico Treasurer Laura M. Montoya [virtual]
Ms. Kate Brassington
Ms. Reneé Garcia
Ms. Therese Saunders
Ms. Donna Sandoval
Ms. Heather Vigil Clark
Ms. JoLou Trujillo-Ottino

Members Excused:
Dr. Gerry Washburn

Staff Present:
Mr. Neil Kueffer, Executive Director
Ms. Linda Atencio, Deputy Director
Mr. Raymond Long, IT Director
Mr. Alexander George, Network Administrator
Ms. Judith Beatty, Recorder

3. PLEDGE OF ALLEGIANCE & SALUTE TO NEW MEXICO STATE FLAG

4. APPROVAL OF AGENDA

Mr. Kueffer stated that approval of the minutes on today's agenda would have to be deferred because publication of today's agenda failed to meet the 72-hour timeline. Legal counsel has stated that the Board may approve the agenda, but any other action items could not be voted on; however, all other items are informational.

Ms. Trujillo-Otino moved approval of the agenda, with the caveat that Item 5 will be voted on at the next meeting. Ms. Garcia seconded the motion, which passed unanimously.

5. APPROVAL OF MEETING MINUTES: August 26, 2026

Deferred.

6. PUBLIC FORUM AND INTRODUCTIONS

Attendees introduced themselves.

7. COMMITTEE REPORTS

- The Executive Committee met last week and reviewed the agenda and report items that will be coming up today. [Chairman Caruana]
- The Audit Committee met on September 14 and had the audit entrance with Baker Tilley.

8. STAFF UPDATES

a. Human Resources

Ms. Atencio said she was pleased to report that there were two successful interviews with attorney candidates last week. NMRHCA will proceed with next steps and report back. With the exception of a staff attorney, NMRHCA is fully staffed.

Ms. Atencio stated that NMRHCA had a full training for the entire staff in Santa Fe and Albuquerque on switch enrollment. The training was hosted by Blue Cross Blue Shield and took place in their conference room. Staff is now prepped and ready for the switch enrollment process.

b. 2026 Open/Switch Enrollment

Ms. Atencio reported that switch enrollment meetings began on Wednesday, September 30, in Española. That meeting was very well attended. Meetings took place in Farmington and Gallup last week, and today they are meeting in Raton. Tomorrow,

they meet in Las Vegas, followed by meetings in Santa Fe on Thursday and Friday. All of the meetings have been well attended. The agency is receiving a large number of phone calls, probably because of the changes that have occurred. Call volume is high in Santa Fe and Albuquerque, and the walk-ins are also higher.

Ms. Atencio reported that NMRHCA held its first virtual meeting yesterday, with about 275 people on the phone. The vendors were there to assist. About 485 questions were typed by attendees, which were answered during the presentation. She said some of the questions were obviously duplicates, but there was a lot of participation in the virtual call, and she thought it was very successful. NMRHCA got a lot of compliments from attendees about the coordination, the facilitation process, the information presented and the fact that a lot of unique questions were asked.

Ms. Atencio said switch enrollment continues to October 30, with a deadline of November 14.

Mr. Kueffer commented that one of the biggest changes involves the discontinuation of the Medicare Advantage plan. NMRHCA is doing its best to communicate with the members and offer them assurance about the process. Some members have expressed concern that they might not be able to continue seeing their doctor or provider. This question and others have been addressed in a color-coded document prepared by Jess Biggs and included in the switch enrollment packet.

Mr. Kueffer said he and Ms. Atencio attended the annual meeting of the NMAER during the switch enrollment process, which afforded NMRHCA a great opportunity to engage with the members, get some very good feedback, and respond to their questions.

c. Life Insurance RFP

Ms. Atencio said the Board will recall that NMRHCA is working with all three agencies in the IBAC: NM. Health Care Authority, New Mexico Public Schools, and APS. The latter two are combining, so New Mexico Public Schools is taking the lead on the RFP. NMRHCA will be collaborating with the State Purchasing Office on this procurement and will announce the release date once it gets the final scope of work, which should be within the next two weeks. NMRHCA is also seeking life insurance benefits and has engaged Segal to assist in preparing the RFP, with a proposed release date in February of 2027. The effective date of the benefits would be July 1, 2027.

d. Humana Network with OptumCare

With respect to Humana's exit from Medicare Advantage plans, Mr. Kueffer noted that OptumCare's presence is largely in the Albuquerque area. Humana's account manager is making efforts to reach out to members not only at the Albuquerque switch

enrollment meetings but is also attending meetings in the surrounding areas, as well as Santa Fe, to make sure they reach as many affected members as possible. About 158 people will be impacted out of the 20,000 members in Medicare Advantage plans. People seeing their doctor through OptumCare may want to consider looking at some other plans where they can keep some continuity.

Responding to Chairman Caruana, Mr. Kueffer stated that a letter from Humana stating that OptumCare is going to be dropped will be sent out to members and will provide a list of alternate providers. Although the letter does not indicate that they could stay with Optum but would have to switch carriers, the topic of other carriers is part of the current switch enrollment process, so the timing is helpful. Unfortunately, switch enrollment will not happen again until this time next year. He added that NMRHCA annually reminds all members to look at their plan and decide if that is the best one for them, particularly if they experience a change in their health.

e. Health Insurance Market and Premium Trends

Mr. Kueffer referred to an article about Humana's exit from Medicare Advantage, which will affect approximately 600,000 people nationwide. The article also states that Providence Health Plan is winding down its insurance operations, affecting more than 64,000 Medicare Advantage members, and Presbyterian Health Plan is discontinuing most of its Medicare Advantage plans.

Mr. Kueffer noted that New Mexico's health insurance marketplace, BeWell, will experience a 24.4% premium increase. The state's premiums have historically lower than the national average, and next year's boost will result in monthly healthcare payments that are more in line with the rest of the country.

Mr. Kueffer commented that NMRHCA members have been given a break this year with only a 5% increase on the pre-Medicare side and only 2% on the supplement side. He said he did not know whether NMRHCA could continue this next year but will continue monitoring the market and growth in costs.

f. August 31, 2026, SIC Report

Mr. Kueffer reported prior ending market value of $2.17 billion, with an increase during the month of $4.2 million for a total of $2.195 billion.

g. Legislative

Mr. Kueffer said NMRHCA continues to monitor the different committees and look at what its counterparts are discussing within their committees. There is discussion at the LFC and LESC about increases in healthcare costs.

Mr. Kueffer stated that he traveled to Las Cruces with Ms. Atencio and Mr. Romero, the NMRHCA's lobbyist, to attend the Legislative Health and Human Services Committee meeting. The discussion that took place on the topic of pharmaceutical trends, including GLP-1 drugs, was very interesting and important. This gave them an opportunity to try and talk with a couple of legislators. With respect to SB 51, regarding point-of-sale rebates, while it helps to offset some of the costs to NMRHCA members, there is concern about the way it is being offset, particularly with respect to generics and their prices. If one brand offers higher rebates, and a member has a choice and gets a brand drug, the cost is zero versus the cost of a generic. NMRHCA is starting to experience some impact as people migrate, and he believed some of its sister agencies in IBAC are seeing a little bit of this trend as well.

Mr. Kueffer said other concerns are the freestanding ERs in Albuquerque that are having a financial impact on NMRHCA and many outside employer groups, including outside of the IBAC. In many cases they are using tactics such as eliminating copays or co-insurance as a way of drawing them in and then turn around and charge a higher cost to the health plans. NMRHCA is considering sending a communication out to members cautioning them that while they may not have a copay in this case, it could come back through an increase in their premiums.

9. DAVIS VISION PRESENTATION

Davis Vision's state director, Sam Garcia, made a presentation.

10. STANDARD LIFE PRESENTATION

Representatives Jennifer Oswald and Nathan Briggs made a presentation.

11. OTHER BUSINESS

None.

12. DATE AND TIME OF NEXT BOARD MEETING

November 3, 2026, at 9:30 a.m.
CNM Workforce Training Center
5600 Eagle Rock Avenue, NE, Albuquerque, New Mexico 8

13. ADJOURN: 11:00 a.m.

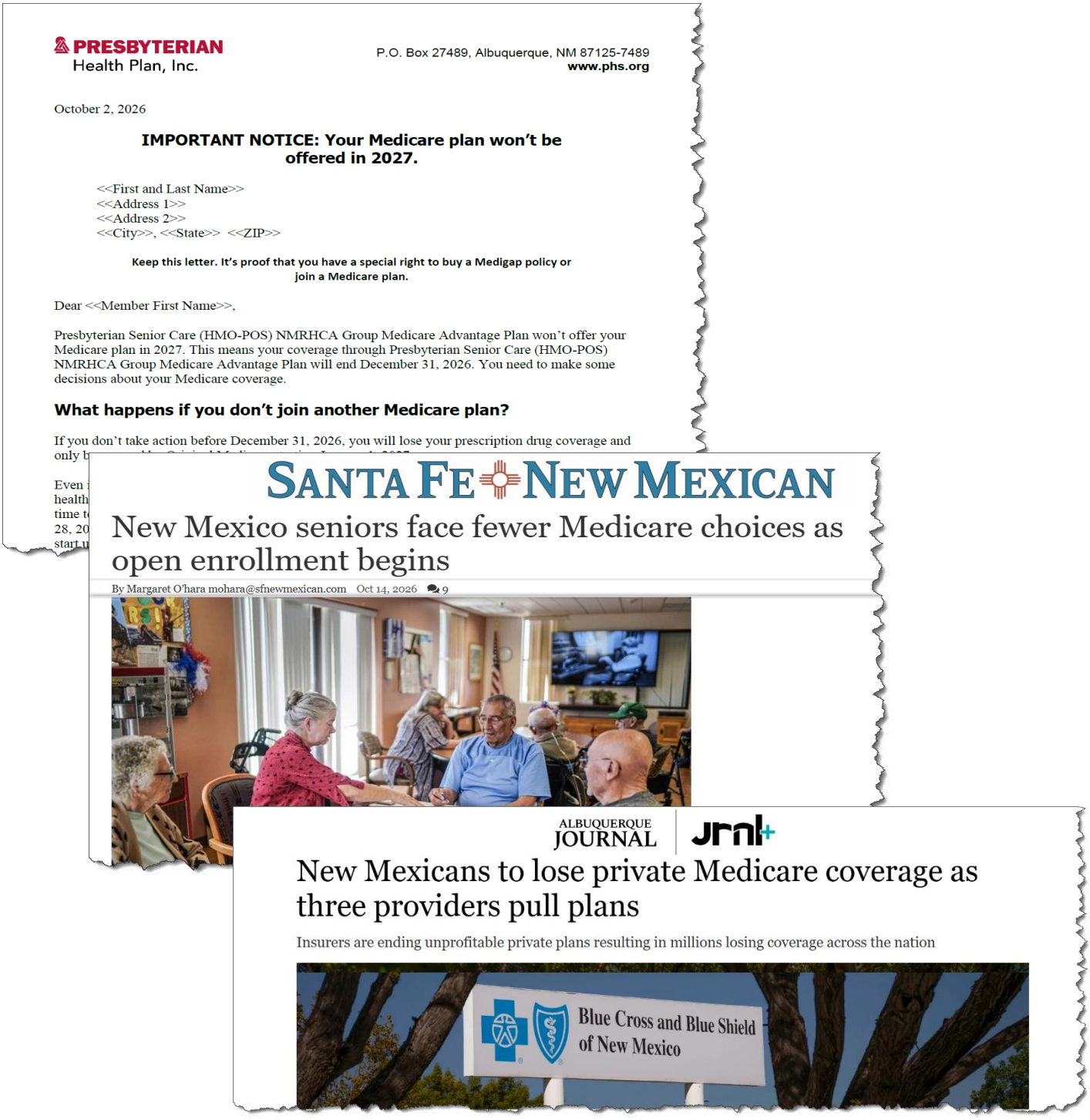
Accepted by:



Lee Caruana, President

External and Internal Communication Related to Medicare Advantage Plans

These examples represent a sample of the external communications from plans and the media that have provided incomplete or inaccurate information concerning the discontinuation of Medicare Advantage plans to New Mexico citizens leading to confusion and concern by NMRHCA members.



PRESBYTERIAN
Health Plan, Inc.

P.O. Box 27489, Albuquerque, NM 87125-7489
www.phs.org

October 2, 2026

IMPORTANT NOTICE: Your Medicare plan won't be offered in 2027.

<<First and Last Name>>
<<Address 1>>
<<Address 2>>
<<City>>, <<State>> <<ZIP>>

Keep this letter. It's proof that you have a special right to buy a Medigap policy or join a Medicare plan.

Dear <<Member First Name>>,

Presbyterian Senior Care (HMO-POS) NMRHCA Group Medicare Advantage Plan won't offer your Medicare plan in 2027. This means your coverage through Presbyterian Senior Care (HMO-POS) NMRHCA Group Medicare Advantage Plan will end December 31, 2026. You need to make some decisions about your Medicare coverage.

What happens if you don't join another Medicare plan?

If you don't take action before December 31, 2026, you will lose your prescription drug coverage and

SANTA FE NEW MEXICAN

New Mexico seniors face fewer Medicare choices as open enrollment begins

By Margaret O'hara mohara@sfnewmexican.com Oct 14, 2026 9

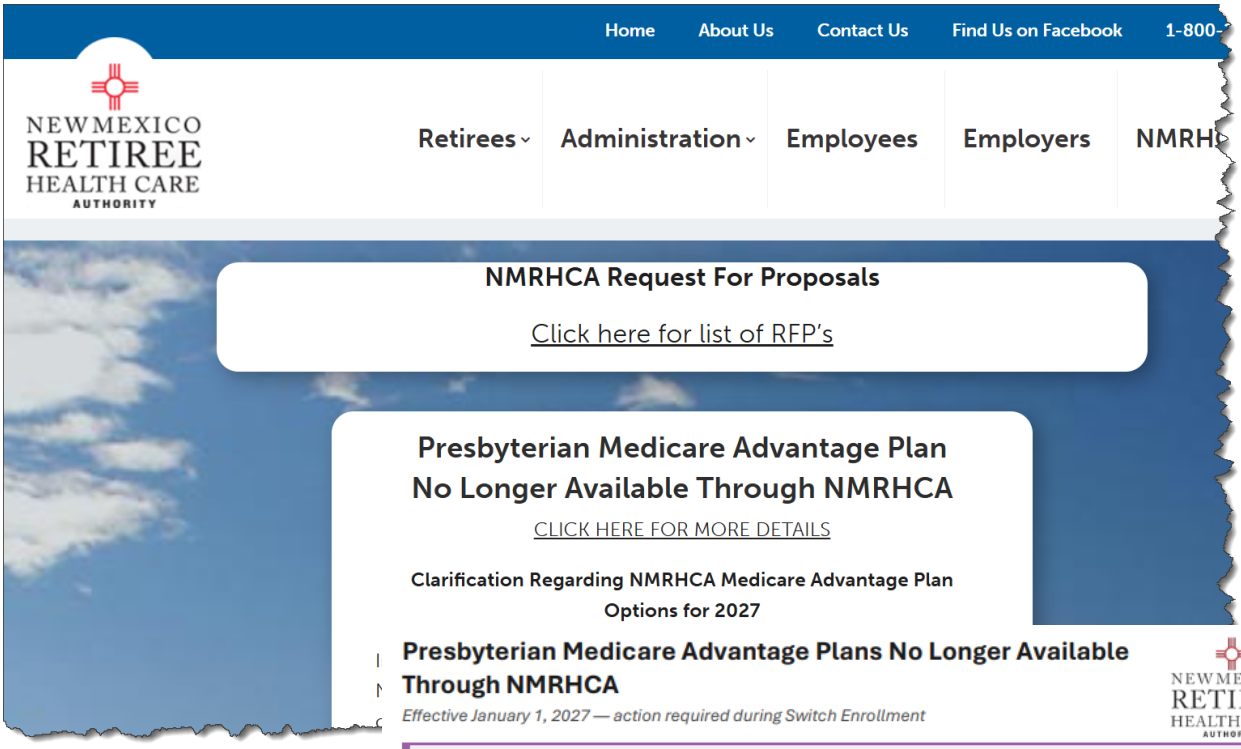
ALBUQUERQUE JOURNAL | jrnl+

New Mexicans to lose private Medicare coverage as three providers pull plans

Insurers are ending unprofitable private plans resulting in millions losing coverage across the nation

Blue Cross and Blue Shield of New Mexico

These examples represent NMRHCA communication of accurate information to members with specific options they have for continued coverage and the actions needed to ensure continuity.



Presbyterian Medicare Advantage Plans No Longer Available Through NMRHCA

Effective January 1, 2027 — action required during Switch Enrollment

NEW MEXICO RETIREE HEALTH CARE AUTHORITY

SUMMARY **What You Need to Know**

- Presbyterian Health Plan (PHP) is ending its Medicare Advantage line of offerings, effective **January 1, 2027**. This includes the Medicare Advantage plan offered through NMRHCA.
- If you are currently on the Presbyterian Medicare Advantage plan, **you must choose a new plan during Switch Enrollment (September 30 – November 13)**.
- If you take no action, you will be automatically moved to UnitedHealthcare Medicare Advantage PPO + Prescription Drug Plan.
- If your current provider is a participating provider in your new plans' network, you only need to provide them with your new plan information or ID card.
- This does **not** affect Presbyterian's non-Medicare plans — those remain available.

ACTION REQUIRED **What You Need to Do**

During Switch Enrollment (**September 30 – November 13**), select a new plan to take effect January 1, 2027. The following options keep access to Presbyterian providers, though networks and benefits vary by plan — confirm your doctors, facilities, and prescriptions are covered before you choose:

- UnitedHealthcare Medicare Advantage PPO + Prescription Drug Plan (PDP)
- BCBS Medicare Advantage PPO
- BCBS Supplement

IF YOU DO NOTHING **If You Don't Select a Plan**

Members who take no action will be automatically defaulted to the **UnitedHealthcare Medicare Advantage PPO + PDP** plan, to prevent a gap in coverage, and will remain on this plan through 2027.

CONTINUITY OF CARE **If You're in Ongoing Treatment**

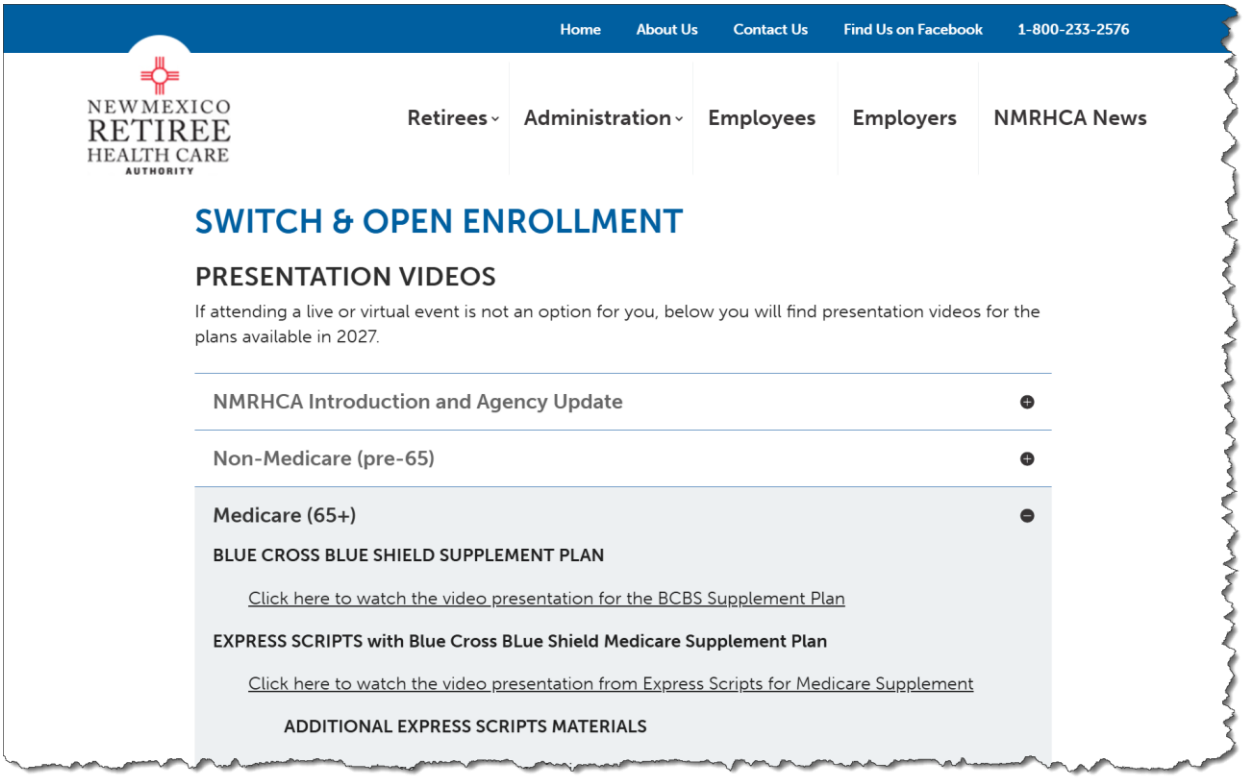
If you're currently receiving ongoing treatment or have scheduled services, contact your new plan directly to discuss continuity of care and coordinate any necessary authorizations. Presbyterian is also offering transition support for members moving off its Medicare Advantage plan.

Presbyterian transition support: **(505) 923-2000** (TTY 711)

NOT AFFECTED **Non-Medicare Presbyterian Plans Are Not Affected**

Presbyterian's non-Medicare plan options remain available to NMRHCA members who are not yet Medicare-eligible.

Video recordings from NMRHCA and each plan carrier were posted to the NMRHCA website to be viewed by members for accurate information regarding 2027 options and the actions needed to choose the best option for individual member selection.



MEDICARE ADVANTAGE UPDATES

PRESBYTERIAN MEDICARE ADVANTAGE IS NOT AVAILABLE STARTING JANUARY 1, 2027

Plan options with Presbyterian provider network access

- United HealthCare Medicare Advantage Plan + PDP
- BlueCross BlueShield Medicare Advantage PPO Plan
- BlueCross BlueShield Medicare Supplement Plan

Those on PHP MAPD in 2026 who do not elect a different plan option will be defaulted to United HealthCare Medicare Advantage Plan + PDP effective 1.1.2027

2027
PLAN YEAR

2026 Open Enrollment Attendance

Attendance reached **4,019**, up **2,120 (+112%)** from 2025. Albuquerque, Rio Rancho and Virtual account for 73% of the increase. Figures as of October 30, 2026.

Location	2026 event date(s)	2025	2026	Change	% Change
Albuquerque	Oct 29, Oct 30	450	1,100	+650	+144%
Carlsbad	Oct 21	35	45	+10	+29%
Clovis	Oct 23	60	70	+10	+17%
Española	Sep 30	60	150	+90	+150%
Farmington	Oct 1	100	100	0	0%
Gallup	Oct 2	45	55	+10	+22%
Las Cruces	Oct 12, Oct 13	230	250	+20	+9%
Las Vegas	Oct 7	80	140	+60	+75%
Raton	Oct 6	45	75	+30	+67%
Rio Rancho	Oct 19	125	600	+475	+380%
Roswell	Oct 22	90	100	+10	+11%
Santa Fe	Oct 8, Oct 9	240	550	+310	+129%
Silver City	Oct 14	30	45	+15	+50%
Virtual	Oct 5, Oct 16, Oct 28	309	739	+430	+139%
Total		**1,899**	**4,019**	**+2,120**	**+112%**

2025 figures are calculated from the reported 2026 counts and year-over-year changes. Multi-session locations show combined totals.

	2022		2023		CHANGE - PREVIOUS YEAR		2024		CHANGE - PREVIOUS YEAR		2025		CHANGE - PREVIOUS YEAR		2026		CHANGE - PREVIOUS YEAR	
Location	**Date**	**# of Attendees**	**Date**	**# of Attendees**	**Absolute**	**Percentage**	**Date**	**# of Attendees**	**Absolute**	**Percentage**	**Date**	**# of Attendees**	**Absolute**	**Percentage**	**Date**	**# of Attendees**	**Absolute**	**Percentage**
ABQ	10/19/2022	250	10/18/2023	230	-20	-8%	10/22/2024	320	90	39%	10/15/2025	290	-30	-9%	10/29/2026	650	360	124%
	10/20/2022	140	10/19/2023	160	20	14%	10/23/2024	200	40	25%	10/16/2025	160	-40	-20%	10/30/2026	450	290	181%
	Combined	*390*	*Combined*	*390*	*0*	*0%*	*Combined*	*520*	*130*	*33%*	*Combined*	*450*	*-70*	*-13%*	*Combined*	*1100*	650	144%
Clovis	10/14/2022	50	10/11/2023	35	-15	-30%	10/17/2024	60	25	71%	10/22/2025	60	0	0%	10/23/2026	70	10	17%
Espanola	11/2/2022	80	10/4/2023	80	0	0%	10/2/2024	105	25	31%	10/1/2025	60	-45	-43%	9/30/2026	150	90	150%
Farmington	11/3/2022	65	10/5/2023	55	-10	-15%	10/10/2024	125	70	127%	10/9/2025	100	-25	-20%	10/1/2026	100	0	0%
Gallup	11/4/2022	30	10/6/2023	25	-5	-17%	10/11/2024	55	30	120%	10/10/2025	45	-10	-18%	10/2/2026	55	10	22%
Hobbs	10/13/2022	40	10/13/2023	16	-24	-60%	10/16/2024	30	14	88%	NA							
Las Cruces	10/26/2022	120	10/25/2023	110	-10	-8%	10/30/2024	200	90	82%	10/29/2025	160	-40	-20%	10/12/2026	180	20	13%
	10/27/2022	75	10/26/2023	55	-20	-27%	10/31/2024	80	25	45%	10/30/2025	70	-10	-13%	12/13/2026	70	0	0%
	Combined	*195*	*Combined*	*165*	*-30*	*-15%*	*Combined*	*280*	*115*	*70%*	*Combined*	*230*	*-50*	*-18%*	*Combined*	*250*	*20*	9%
Las Vegas	10/7/2022	80	11/2/2023	60	-20	-25%	10/4/2024	110	50	83%	9/30/2025	80	-30	-27%	10/7/2026	140	60	75%
Raton	10/6/2022	35	11/1/2023	22	-13	-37%	10/3/2024	60	38	173%	10/2/2025	45	-15	-25%	10/6/2026	75	30	67%
Rio Rancho	10/18/2022	190	10/17/2023	85	-105	-55%	10/21/2024	210	125	147%	10/14/2025	125	-85	-40%	10/19/2026	600	475	380%
Roswell	10/12/2022	75	10/12/2023	60	-15	-20%	10/15/2024	110	50	83%	10/21/2025	90	-20	-18%	10/22/2026	100	10	11%
Santa Fe	10/5/2022	140	10/27/2023	175	35	25%	10/8/2024	190	15	9%	10/7/2025	170	-20	-11%	10/8/2026	350	180	106%
	10/21/2022	75	11/3/2023	52	-23	-31%	10/9/2024	120	68	131%	10/8/2025	70	-50	-42%	10/9/2026	200	130	186%
	Combined	*215*	*Combined*	*227*	*12*	*6%*	*Combined*	*310*	*83*	*37%*	*Combined*	*240*	*-70*	*-23%*	*Combined*	*550*	*310*	129%
Silver City	10/25/2022	35	10/24/2023	22	-13	-37%	10/29/2024	30	8	36%	10/31/2025	30	0	0%	10/14/2026	45	15	50%
Carlsbad											10/28/2025	35			10/21/2026	45	10	29%
Virtual	10/11/2022	62	10/10/2023	79	17	27%	10/18/2024	150	71	90%	10/6/2025	127	-23	-15%	10/5/2026	320	193	152%
	10/17/2022	80	10/20/2023	56	-24	-30%	10/24/2024	102	46	82%	10/17/2025	88	-14	-14%	10/16/2026	265	177	201%
	10/28/2022	92	10/31/2023	74	-18	-20%	11/1/2024	106	32	43%	10/23/2025	94	-12	-11%	10/28/2026	154	60	64%
	Combined	*234*	*Combined*	*209*	*-25*	*-11%*	*Combined*	*358*	*149*	*71%*	*Combined*	*309*	*-49*	*-14%*	*Combined*	*739*	*430*	*139%*
TOTAL		**1714**		**1451**				**2363**				**1899**				**4019**		
Change to previous Year	Absolute			-263				912				-464				2120		
	Pecentage			-15%				63%				-20%				112%		

Issued By:
The Interagency Benefits Advisory Committee (IBAC) consisting of:

New Mexico Health Care Authority (HCA)
New Mexico Public Schools Insurance Authority (NMPSIA)
New Mexico Retiree Health Care Authority (NMRHCA)

REQUEST FOR PROPOSALS (RFP)

Group Basic Life and AD&D, Group Voluntary Life and AD&D, and Group Short- and Long-Term Disability Coverage

RFP#27-343-0380-00007

RFP Release Date: October 21, 2026

Proposal Due Date: November 20, 2026

ELECTRONIC-ONLY PROPOSAL SUBMISSION

Version 1.8 2024-04

II. CONDITIONS GOVERNING THE PROCUREMENT

This section of the RFP contains the schedule of events, the descriptions of each event, and the conditions governing this procurement.

A. SEQUENCE OF EVENTS

The Procurement Manager will make every effort to adhere to the following schedule:

Action	Responsible Party	Due Dates
1. Issue RFP	NMRHCA	October 21, 2026
2. Acknowledgement of Receipt Form	Potential Offerors	November 2, 2026
4. Deadline to submit Written Questions	Potential Offerors	November 3, 2026
5. Response to Written Questions	Procurement Manager	November 10, 2026
6. Submission of Proposal	***Potential Offerors***	***November 20, 2026***
7.* Proposal Evaluation	Evaluation Committee	November 24, 2026-December 23, 2026
8.* Selection of Finalists	Evaluation Committee	December 23, 2026
9. * Oral Presentation(s)	Finalist Offerors	January 7th and 8th
10.* Best and Final Offers	Finalist Offerors	January 12, 2026
11.* Finalize Contractual Agreements	Agency/Finalist Offerors	TBD
12.* Contract Awards	Agency/ Finalist Offerors	February 2027
13.* Protest Deadline	NMRHCA	+15 days

*Dates indicated in Events 7 through 13 are estimates only, and may be subject to change without necessitating an amendment to the RFP.

B. EXPLANATION OF EVENTS

The following paragraphs describe the activities listed in the Sequence of Events shown in Section II.A., above.

1. Issue RFP

This RFP is being issued on behalf of the State of New Mexico IBAC on the date indicated in Section II.A, Sequence of Events.

2. Acknowledgement of Receipt Form

Potential Offerors may e-mail the Acknowledgement of Receipt Form (APPENDIX A), to the Procurement Manager Marisol Galvez, Marisol.galvez@rhca.nm.gov, to have their organization placed on the procurement Distribution List. The form must be returned to

IV. SPECIFICATIONS

A. DETAILED SCOPE OF WORK

Offerors must duplicate the current plan designs and grandfather all current policy certificates for NMPSIA as adopted and as described in the following Section 1, Current Plan Designs, but with any change in plan design and with any additional services as described in the following Section 2, Requested Plan Designs.

Offerors must also duplicate eligibility provisions, benefit amounts, underwriting rules, continuation rights, administrative practices, and other provisions described in Section IV.A.1 and the RFP attachments, except only for changes expressly requested in Section IV.A.2. An Offeror must clearly identify every proposed deviation, limitation, exclusion, or substituted provision. Silence will be treated as agreement to provide the current provision.

Rates must be quoted in accordance with RFP Attachment 3, Cost Proposal Workbook.

For NMRHCA and NMPSIA, member premium rates in effect immediately before July 1, 2027, must remain unchanged through December 31, 2027. Any awarded rate adjustment may first become effective January 1, 2028, subject to the final contract and agency approval.

NMRHCA and NMPSIA pricing must separately show: (1) the current member premium rates that the Offeror will honor from July 1 through December 31, 2027; and (2) the Offeror's quoted rates effective January 1, 2028, for the remaining guaranteed rate period.

All people insured immediately before July 1, 2027, must be accepted on a no-loss and no-gain basis at the class, coverage type, and benefit amount in force immediately before that date.

The awarded Offeror must continue all in-force coverage without new evidence of insurability, actively-at-work requirements, health statements, waiting periods, age limitations, or other underwriting solely because of implementation or carrier transition. Existing coverage may change after implementation only in accordance with the current plan rules and a valid member election, eligibility event, nonpayment, or other plan-authorized reason.

1. Current Plan Designs

Please refer to the charts below for an overview of each IBAC agency's current Life and LTD plan information. Detailed information regarding the plans may be found in the RFP Attachments that will be released upon receipt of the Non-Disclosure Agreement.

New Mexico Health Care Authority (HCA)

General Information

Definition of eligibility

- All Full-Time and Part-time Active Employees who are citizens or legal residents of the United States, it territories and protectorates working at least 20 hours weekly.

Ineligible individuals

- Seasonal employees
- Leased employees
- Temporary employees
- Independent contractors
- Full time member of the armed forces of any country
-

Class 1	Active Legislators
Class 2	Benefit eligible employees of the State
Class 3	Local Public Body (LPB) benefit eligible employees
Class 4	Benefit eligible employees classified by the Employer as law enforcement officer(s)
Class 5	Benefit eligible employees classified by the Employer as undercover agents
Class 6	Benefit eligible employees of New Mexico Public School Insurance Authority

Basic Life (Plan 1)

Class	Benefit Amount	Contribution
Class 1-5	1. $50,000 (Class 1, 2, 3 & 5) 2. $75,000 (Class 4) 3. *For all active state police and juvenile and adult correctional officers/specialists* – an additional $25,000, known as additional AD&D Line of Duty Coverage (Class 4) 4. *For undercover agents only* – an additional $250,000 AD&D Line of Duty Coverage (Class 5)	Class 1: Contributory Class 2-5: 100% Employer paid (non-contributory)

Additional Employee Life (Plan 2)

Class	Benefit Amount	Contribution
Class 1	$10,000 increments up to $400,000; GI: $150,000	100% paid by legislators
Class 2-6	$10,000 increments up to $500,000; GI $150,000	100% paid by employee

Basic Dependent Life (Plan 1)

Class	Benefit Amount	Contribution
Class 1	Spouse/Domestic Partner: $10,000 increments up to $250,000; GI $30,000.00 Child: $5,000 increments up to $15,000	100% paid by legislators

Class	Benefit Amount	Contribution
Class 2-5	Spouse/Domestic Partner: $10,000 increments up to $250,000; GI $30,000.00 Child: $5,000 increments up to $15,000	100% paid by employee

All levels of coverage come with matching Accidental Death and Dismemberment coverage.

EOI	Short Form required if application after first 31 days or coverage requested is over the GI

Short and Long Term Disability

The HCA self-administers their Disability plans, and is seeking quotations for Disability Coverage. HCA reserves the right to accept or reject bids for Short-Term Disability (STD) and Long-Term Disability (LTD). If a quotation is accepted, please note that HCA retains the right to implement the program at any time during the contract period.

No taxes will be withheld from the benefit payments due to the employee paying the full premium costs.

STD Benefit	60% of gross weekly earnings, less any deductible sources of income
Maximum	$500 per month
Elimination Period	28-day elimination period (maternity 4 week EP)
Maximum Benefit Period	26 weeks
Funding Mechanism	Contributory. Employees pay 100% of premium

LTD Benefit	40% of regular monthly earnings, less any deductible sources of income
Maximum	$2,000 per month
Maximum Benefit Period	18 months
Funding Mechanism	Contributory. Employees pay 100% of premium

New Mexico Public School Insurance Authority (NMPSIA)

General Information

Definition of eligibility

- An active benefits eligible employee of a New Mexico Public School Insurance Authority (NMPSIA) participating Employer that includes active benefits eligible employee of New Mexico Institute of Mining and Technology, regularly working at least 20 hours per week (unless the employer district has a NMPSIA Board approved annual part-time resolution for 14 or more hours worked per week). For Basic Life, the minimum eligibility is 14 hours per week for a benefits-eligible employee. The minimum hours quoted for benefits eligibility represent NMPSIA's Rules as of 7/1/2027. A participating employer may set higher thresholds for benefits eligibility but they are not allowed to set thresholds below the NMPSIA Rule.
- An actively serving school board member, governing body member of an Employer or retirees of an Employer. NOTE: There is a closed class of eight (8) Grandfathered School Board Members who are now retired, but are allowed to keep any Additional Voluntary Life coverage they had elected prior to retirement. They pay 100% of the cost on a direct-bill basis. Coverage for this Grandfathered group terminates upon death (or upon non-payment of premium).
- This group of retirees will become a closed class and life amounts will be grandfathered as of July 1, 2027. For purposes of continuing Additional Voluntary Life with NMPSIA upon retirement, on a self-pay basis, an employee of Clovis, Dora, or Portales School District who retired under their Employer's retirement program on or after January 1, 1990, and who is less than age 70.
- For purposes of continuing Additional Voluntary Life with NMPSIA upon retirement, on a self-pay basis, an employee of a NMPSIA participating employer, who retired under their Employer's retirement program on or after January 1, 1990, and who is less than age 65.
- An employee of New Mexico Institute of Mining and Technology who retired under your Employer's retirement program

Ineligible individuals

- Seasonal employees
- Leased employees
- Independent contractors, other than a single-bus owner operator
- Substitutes
- Full time member of the armed forces of any country

Class 1	Active School Board members or governing body members
Class 2	Active members other than elected School Board members or governing body members
Class 3	Retired Members
Class 4	Active Members of New Mexico Institute of Mining and Technology
Class 5	Retired Members of New Mexico Institute of Mining and Technology
Class 6	Superintendent of Albuquerque Public Schools

Class 7	Retired Members of Albuquerque Public Schools

Additional Retiree Life (Plan 1)

Class	Benefit Amount	Contribution
Classes 1, 3 & 7	None	N/A
Class 2	One of the following options as chosen by the participating employer: Option A: $10,000 Option B: $25,000 Option C: $50,000	100% employer paid
Class 4	$50,000	100% institute paid
Class 5	$10,000	100% employee paid
Class 6	$260,000	100% employer paid

Additional Voluntary Employee Life (Plan 2)

Class	Benefit Amount	Contribution
Class 1	One of the following options as chosen by the participating employer district: Option A: $10,000 Option B: $25,000 Option C: $50,000	100% active board or governing board member paid
Class 2 & 6	Employer offers additional life insurance. The benefit is: 1 to 3 times annual earnings, (earnings are rounded up to the next higher $1,000 to determine the benefit amount and premium), up to $600,000 maximum. (Evidence is required for amounts above $500,000 up to the maximum.)	100% employee paid
Class 3	The amount of additional retiree life insurance in force on the day before retirement, but not to exceed $300,000	100% retiree paid
Class 4	1 times your Annual Earnings, rounded to the next higher multiple of $1,000, if not already a multiple of $1,000, maximum amount is $600,000. (Evidence is required for amounts above $500,000 up to the maximum.)	100% employee paid
Class 5	None	N/A

Class	Benefit Amount	Contribution
Class 7	Life amounts equal to amounts in place on 6/30/2027	100% retiree paid

Additional Voluntary Dependent Life (Plan 2)

Additional Voluntary employee life (plan 2) must be elected in order to cover a spouse or child under the dependent life options.

Spouse Life:

Class	Benefit Amount	Contribution
Class 1	If the actively serving school board member or governing body member of an Employer elects to add Dependent Life Insurance, the spouse benefit is 50% of the additional participant life (Plan 2) insurance benefit.	100% actively serving school board member or governing body member paid
Classes 2, 3 & 6	If the active employee or retiree chooses to offer Dependent Life Insurance, the spouse benefit is the lesser of 50% of the additional employee or retiree life (Plan 2) insurance benefit amount OR 1 times annual earnings.	100% employee paid
Class 4	$30,000	100% employee paid
Class 5 & 7	None	N/A

Child Life

For all classes (except Class 5 & 7): If the employee/participant chooses to offer Dependent Life Insurance, the benefit amount is $10,000.

Basic and Additional Accidental Death and Dismemberment (Plan 1 and Plan 2)

Basic AD&D (Plan 1)

- Classes 1, 3 & 7: None
- Class 2, 4,& 6 (Noncontributory): The amount of Plan 1 AD&D insurance benefit is equal to the amount of the basic life (Plan 1) insurance benefit
- Class 5 (Contributory): The amount of Plan 1 AD&D insurance benefit is equal to the amount of the basic life (Plan 1) insurance benefit

Additional AD&D (Plan 2): Employee Only

- Class 5 & 7: None
- Class 1, 2, 3 and 4 (Contributory): The amount of Plan 2 Employee AD&D insurance benefit is equal to the amount of the additional life (Plan 2) insurance benefit
- Dependent AD&D – there is no AD&D benefit for spouses or children

See table below for details of AD&D benefits.

Description	**NMPSIA Benefit**
Life/AD&D Insurance As selected by schools or other educational entities. Refer to employer matrix in program guide or http://nmpsia.com.	Life/AD&D for Class 1 Option A $10,000/$10,000 Option B $25,000/$25,000 Option C $50,000/$50,000
Additional Voluntary Life/AD&D	Additional Voluntary AD&D for employee only 1, 2, or 3x annual earnings. Maximum $600,000 for Class 2, 4, & 6. Additional Voluntary AD&D for retiree only . Guarantee issue amount $300,000 for Class 3. For Class 5, Plan 1 is $10,000. Spouse (or Domestic Partner) Additional Voluntary Life limited to 1x employee's earnings or 50% of employee's amount, whichever is less for Classes 1, 2, 3, & 6 and for Class 4 amount is $30,000. No AD&D for spouse or domestic partner. Child from birth thru under age 26 $10,000
Waiver of Premium	Disability commences prior to age 60; Disability for 6 months; terminates at age 65 for Basic Life; no termination date for Additional Voluntary Life
Cost Basis Basic Life and AD&D Additional Voluntary Life and AD&D	Non-contributory for all benefits eligible employees working 14 or more hours per week Employee pay all
Guarantee Issue	Plan 2 guaranteed issue amount of $500,000, With EOI up to $600,000 Plan 2, Class 3 up to $300,000
EOI	Electronic Form required if application after first 60 days or increase over $500,000 up to $600,000.

Long Term Disability

Active, full-time (or part-time for certain employers) employees only. Each participating Employer pays a portion of LTD premium, based on the Employees' contract annual salary or state mandated contribution. The same employee eligibility rules apply to LTD as Additional Voluntary Life. LTD has a 12-month pre-existing condition clause.

Taxation of any LTD benefit paid will vary, based on the portion of premium paid by each participating employer.

LTD Benefit	66 2/3% of the first $7,500 of pre-disability earnings, reduced by deductible income
Maximum	$5,000 before reduction by deductible income
Minimum	$100
Assisted Living Benefit	An additional 13 1/3% of the first $7,500 of pre-disability earnings (not to exceed $1,000)
Elimination Period	Participating employer chooses: Option 1: 30 days Option 2: 60 days Option 3: 90 days
Own Occupation Period	The first 24 months for which LTD benefits are paid
Maximum Benefit Period	Social Security Normal Retirement Age (see schedule for disability occurring after age 55)
Funding Mechanism	Contributory by the employer and employee.

Please note that NMPSIA is not interested in receiving quotes for STD.

New Mexico Retiree Health Care Authority (NMRHCA)

General Information

Retirees may enroll for Life coverage with both NMRHCA, as well as with their former employer, if the former employer offers Retiree Life coverage.

Definition of eligibility

Retiree who participates under the New Mexico Retiree Health Care Authority.

Ineligible individuals

- Leased employees
- Independent contractors
- Full time member of the armed forces of any country

Class 1	Eligible members currently enrolled in any NMRHCA medical plan
Class 2	All other eligible members

Additional Retiree Life[1] (Plan 1)

[1] Prior to January 1, 2021, Plan 1 was referred to as Basic Life.

Class	Benefit Amount	Contribution
Class 1	For class 1 retirees prior to January 1, 2012: $6,000	100% retiree paid
Class 2	For class 1 retirees after January 1, 2012: None	N/A

Additional Retiree Life (Plan 2)

Class	Benefit Amount	Contribution
Classes 1 & 2	10 benefit amount options: ($2k, $4k, $6k, $8k, $10k, $15k, $20k, $40k, $46k, $60k)	100% retiree paid

Additional Dependent Life (Plan 2)

	Benefit Amount	Contribution
Spouse	10 benefit amount options: ($2k, $4k, $6k, $8k, $10k, $15k, $20k, $40k, $46k, $60k) Amount may not exceed 100% of the total amount of retiree life insurance under the basic and additional life plans	100% retiree paid
Child	3 benefit amount options ($2,500, $5,000, or $10,000) Amount may not exceed 100% of the total amount of retiree life insurance under the basic and additional life plans	100% retiree paid

Basic Accidental Death and Dismemberment (Plan 1)

The NMRHCA does not offer AD&D coverage.

Long Term Disability

The NMRHCA does not offer Long Term Disability coverage.

2. Requested Plan Designs

New Mexico Health Care Authority (HCA)

1. Quote Life and Disabilty on a Fully Insured basis, duplicating current benefits as closely as possible. Any deviation from the current plan not specifically requested below should be clearly identified in your proposal.

Basic Life must NOT exclude Suicide.

Currently:

- Benefit eligible employees are automatically covered for $50,000 Basic Life and AD&D coverage.
- The employee is given the option to election additional supplemental coverage – in

increments of $10,000.00; GI $150,000 at time of hire, at a maximum of $500,000

- The employee is given the option to elect additional dependent life & AD&D coverage for family:
- Spouse/Domestic Partner: increments of $10,000; GI $30,000 at first-time introduction to the program, at a maximum of $250,000
- Dependent children (married up to the age of 26) GI: increments of $5,000.00 at a maximum of $15,000.00; Enrollment at any time. No EOI required.

Your quote should reflect the following changes:

a) Quote Spouse/Domestic Partner and Child coverage only as a Dependent Additional ("Additional" meaning voluntary coverage paid 100% by the Employee) Life and AD&D plan. Do not quote any Spouse/Domestic Partner and Child coverage under the Basic Life and AD&D plan.
b) Current Spouse/Domestic Partner and Child coverage MUST be extended/grandfathered. Employees who wish to have Spouse/Domestic Partner and/or Child coverage will be required to make new elections under the Dependent Additional Life and AD&D plan.
c) Quote Spouse/Domestic Partner and Child coverage as separate elections.
d) Quote Spouse/Domestic Partner coverage on an age-rated basis.
e) Quote the following benefit options for the Spouse/Domestic Partner: Increments of $10,000 up to $250,000. $30,000 highest Guarantee Issue amount
f) Quote the following Child(ren) coverage. $5,000 per Child, effective on date of birth. Include the current disabled dependent provisions. Maximum $15,000. Premium should be the same for one or multiple children.
g) Quote Portability on the Basic Life and AD&D (Portability is already included in Voluntary Life and AD&D contract).

Employees currently enrolled in Additional Life and AD&D and Disability must be allowed to Grandfather their coverage at existing amounts, with no Evidence of Insurability.

VERY IMPORTANT SPECIFICATIONS REGARDING ADMINISTRATION OF THE LIFE AND DISABILITY PLANS:

Offerors are being asked to propose options for Basic, Dependent Additional, and Employee Additional Life and AD&D and Disability coverage that are fully administered by the Contractor, as follows.

Basic (Employer Paid) Benefits:

a) The HCA will send a monthly file of eligible employees (State and LPBs) and the corresponding premium for the Basic (employer paid) benefits, including premiums for the additional $25,000 AD&D Line of Duty benefit. These reports will also provide dependent coverage amounts.
b) The insurance carrier will retain the files to verify eligibility in the case of a claim.
c) The insurance carrier will collect and maintain beneficiary information for all eligible employees.
d) At the time of claim, the Contractor should not require intervention from HCA.
e) Coverage for undercover agents will continue to be coordinated directly between the

insurance carrier and the agency or LPB covering those individuals. The insurance carrier will work independently with the agency or LPB employing the undercover agent(s) to maintain eligibility, collect premiums, and file claims.

Employee and Dependent Additional (Employee Paid) Benefits:

The member's coverage will be maintained in the State's and State's Third-Party Administrator (TPA), EASI Gov, Inc.'s Eligibility Systems.

a) The TPA will submit requests for additional coverage. The Contractor would process any required Evidence of Insurability issues/applications directly with the participant. The HCA would not facilitate EOI communication, including approval/denial, on behalf of the vendor. Once approved the Contractor will notify TPA of the approved amount in order to start/adjust premium deductions.
b) The State will maintain enrollment site.
c) The TPA would receive other eligibility documentation (such as birth or marriage certificates) and Beneficiary Forms.

NOTE: Please provide a quotation, and explicitly state if you are not able to provide the administrative services as requested by the HCA. Vendors must complete RFP Attachment 2, confirming which of the administration services requested can be provided. If vendors are able to provide some, but not all of, the administrative services requested, please explicitly describe what services can and cannot be provided. For HCA, preference will be given to vendors that can provide the administrative services being requested.

New Mexico Public School Insurance Authority (NMPSIA)

1. NMPSIA is adding Class 6 for Active Superintendent Plan 1 and Plan 2 with AD&D, Plan 2 spouse and child life.
2. NMPSIA will be grandfathering all current members on life, AD&D and Long Term Disability effective 7/1/2027.
3. NMPSIA will be grandfathering all APS retiree life classes into a new Class 7 for Plan 2 for life amounts in effect on 6/30/2027.
4. NMPSIA will be offering a full open enrollment for benefits eligible members who are not enrolled, to be effective 7/1/2027.
5. NMPSIA will be grandfathering Long Term Disability Pre-existing condition clause for existing employees with Long Term Disability as of 6/30/2027.
6. NMPSIA will be incorporating a Rule change to extend the timeline to enroll in Additional Voluntary Life and Long Term Disabilty from 31 days to 60 days effective 7/1/2027.
7. NMPSIA will be incorporating a Rule change for minimum hours worked per week to 14 for Plan 1 Basic Life and Plan 2 Additional Voluntary Life part-time employees with a NMPSIA Board approved part-time resolution.
8. Quote only the current Basic Life and AD&D, Additional Life and AD&D, and Long Term Disability plan designs, on a Fully Insured basis. Duplicate the current plan designs and NMPSIA policy certificates as written.
9. Duplicate the current Basic Life and AD&D Specified Disease benefit.
10. Duplicate the current Plan 2 Life Accelerated Benefit for covered employee and covered spouse.
11. Basic Life must NOT exclude Suicide.

12. Additional Voluntary Life includes a suicide exclusion of 2 years.
13. NMPSIA will be grandfathering life eligibility for Class 3 Retirees enrolled for Plan 2 who are less than age 70 at Clovis, Dora, and Portales effective 7/1/2027.
14. NMPSIA will be offering life eligibility for Class 3 Retiree Plan 2 life to all retirees through age 65 effective 7/1/2027.
15. NMPSIA will be adding AD&D to Class 1 Plan 2 eligible participants effective 7/1/2027.

New Mexico Retiree Health Care Authority (NMRHCA)

1. Quote the current NMRHCA Plan 1 Basic Life, Plan 2 Additional Retiree Life, spouse or domestic partner life, dependent child life, and survivor life plan designs on a fully insured basis. The Additional Life plan does not have AD&D benefits. Duplicate the current Life plan design as closely as possible.
2. Effective January 1, 2021, the Basic Life coverage was fully converted to a 100% paid benefit by members, with no future enrollees into this class. Coverage amounts under the Basic Life plan were added to any existing Additional Life elections, and must be Grandfathered, with no Evidence of Insurability requirements.
3. NMRHCA is seeking competitive rates and administration of the current benefits and the quoted plan must closely meet the current coverage as described in this RFP, the current group policy and certificate, eligibility and enrollment files, current rate schedules, and other RFP attachments.
4. The NMRHCA premium rate schedule in effect on June 30, 2027, must remain unchanged from July 1 through December 31, 2027. The awarded rate schedule may first become effective January 1, 2028. No implementation fee, transition surcharge, load, or other charge may be included in or added to a member's premium during the six-month hold period. Any separately proposed agency-level implementation charge must be clearly disclosed and will apply only if expressly accepted in the resulting contract.

3. Administrative Services

- Offeror must provide a detailed implementation plan with complete timeline for each of the IBAC agencies (HCA, NMRHCA, NMPSIA) for the services requested in this RFP, including any specific transition issues. The implementation plan must identify the required involvement of IBAC personnel. Also provide an organization chart of all personnel to be involved in the implementation. This should be provided in the section indicated in Part III. Response Format and Organization.
- Offeror must provide electronic samples of your standard reporting package. This should be provided in the section indicated in Part III. Response Format and Organization.
- **Enrollment and Agency Meeting Requirements**: 12 IBAC meetings per year.

New Mexico Health Care Authority (HCA)

1. **Enrollment and Agency Meeting Requirements**: Offeror would be required to attend a one hour video-taping for training purposes, and each vendor will be responsible for their portion of the cost of video-taping carrier overviews of benefit plan information. May also be requested to attend on-site training twice a year. Other meeting needs include attendance at approximately at 8 health fairs, 12 statewide annual open/switch enrollment meetings, and 4 group benefit committee meetings (the number of actual meetings may vary).
2. **Administrative Services for the Basic (Employer Paid) plan**:
    a. The HCA will send a monthly file of eligible employees (State and LPBs) and the corresponding premium for the Basic (employer paid) benefits, including premiums for the additional $25,000 AD&D Line of Duty benefit. These reports will also provide dependent coverage amounts.
    b. The insurance carrier will retain the files to verify eligibility in the case of a claim.
    c. The insurance carrier will collect and maintain beneficiary information for all eligible employees.
    d. At the time of claim, the Contractor should not require intervention from HCA.
    e. Coverage for undercover agents will continue to be coordinated directly between the insurance carrier and the agency or LPB covering those individuals. The insurance carrier will work independently with the agency or LPB employing the undercover agent(s) to maintain eligibility, collect premiums, and file claims.
3. **Administrative Services for the Employee and Dependent Additional (Employer Paid) plan**:
    a. The TPA will submit requests for additional coverage. The Contractor would process any required Evidence of Insurability issues/applications directly with the participant. The HCA would not facilitate EOI communication, including approval/denial, on behalf of the vendor. Once approved the Contractor will notify TPA of the approved amount in order to start/adjust premium deductions.
    b. The State will maintain enrollment site.
    c. The TPA would receive other eligibility documentation (such as birth or marriage certificates) and Beneficiary Forms.
4. **Payment Terms and Conditions:** The IBAC agencies cannot pay premium in advance. HCA will pay within 30 days following the month of service for fully insured contracts.

New Mexico Public School Insurance Authority (NMPSIA)

1. **Enrollment and Agency Meeting Requirements**: 10 BAC/Board meetings (2 days each) plus approximately 6 regional participating employer meetings (mostly in June) each contract year. New hire, health fair attendance and other meetings throughout each contract year as requested.

2. **Quarterly Update Meeting Requirements;** Meet quarterly with NMPSIA to discuss any updates and share quarterly data.
3. **Annual Reporting Review**: Provide annual reports and data to support the status of the policies and present information to NMPSIA and at scheduled monthly Benefits Advisory Committee and Board of Directors meetings.
4. **Payment Terms and Conditions:** The IBAC agencies cannot pay premium in advance. NMPSIA will pay within the first 10 days of the month of service for fully insured contracts.

New Mexico Retiree Health Care Authority (NMRHCA)

1. **Enrollment and Agency Meeting Requirements:** 12 Agency/board meetings, 1 health fair, 4 group training sessions, and approximately 20 statewide annual switch enrollment meetings each contract year.
2. **Payment Terms and Conditions:** The IBAC agencies cannot pay premium in advance. NMRHCA will pay within the first 10 days of the month of service for fully insured contracts.

An electronic copy of your presentation must be sent prior to the meeting to: lfc@nmlegis.gov. In addition, please provide 40 hard copies for the committee.

TENTATIVE AGENDA
Legislative Finance Committee
State Capitol, Room 307-Santa Fe, New Mexico
October 20-22, 2026

Tuesday, October 20

8:30 -- Oversight of Information Technology Projects in New Mexico and National Best Practices -- John Valdez, Program Evaluator, Legislative Finance Committee; Waldo Jaquith, US Digital Response;

10:00 -- Progress Report: Internal Audit and Office of Inspector General Functions -- Guillermo Caraveo, Program Evaluator, Legislative Finance Committee

11:00 -- Mortgage Finance Authority -- Isidoro Hernandez, Director, MFA

11:30 -- New Mexico Finance Authority -- Marquita Russel, CEO, NMFA

12:00 -- Working Lunch: Results for America New Mexico State Standard of Excellence

1:00 -- Veterans' Services Department (670) -- Brigadier General Jamison Herrera, Secretary, Veterans' Services Department

2:00 -- State Personnel Office (378) -- Dylan Lange, Director, State Personnel Office

3:00 --

Subcommittee A (Room 307)

Staff Reports

1. Public School Insurance Authority (342) --Hernandez
2. Retiree Health Care Authority (343) -- Hernandez
3. Ethics Commission (410) -- Hernandez
4. Indian Affairs Department (609) -- Hatfield
5. Workers' Compensation Administration (632) -- Malone
6. Developmental Disabilities Council (647) – Malone
7. Office of Family Representation and Advocacy (680) -- Malone
8. Public School Facilities Authority (940) -- Carswell

Subcommittee B (Room 309)

Staff Reports

1. New Mexico Compilation Commission (208) -- Jacobs
2. Judicial Standards Commission (210) – Jacobs
3. New Mexico Sentencing Commission (354) -- Sanchez
4. State Board of Licensure for Professional Engineers and Professional Surveyors (464) -- Davidson
5. Board of Veterinary Medicine (479) -- Montano
6. Livestock Board (508) -- Sanchez
7. Department of Wildlife (516) -- Davidson
8. Department of Military Affairs (705) -- Sanchez
9. Crime Victims Reparation Commission (780) -- Sanchez

5:00 -- Adjourn

MEKETA

New Mexico Retiree Health Care Authority

November 3, 2026

Meeting Materials

Table of Contents

1. Executive Summary
2. Economic and Market Update
3. September 2026 Quarterly Performance Review
4. Non-US Active/Passive Equities Overview

Executive Summary

Current Status

→ As of September 30, 2026, the Fund was valued at $2.19 billion. For the quarter-to-date period as of September 30, 2026, the Fund returned 0.5%, which brought the YTD return to 6.4%.

- Strong YTD returns have been driven primarily by global public equities.

→ All asset classes were within 0.7% of their policy targets as of September 30, 2026.

Next Steps

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

- Evaluate the SIC's options for passive and active strategies within public Non-US equity asset classes and offer implementation considerations to the Board.

Economic and Market Update

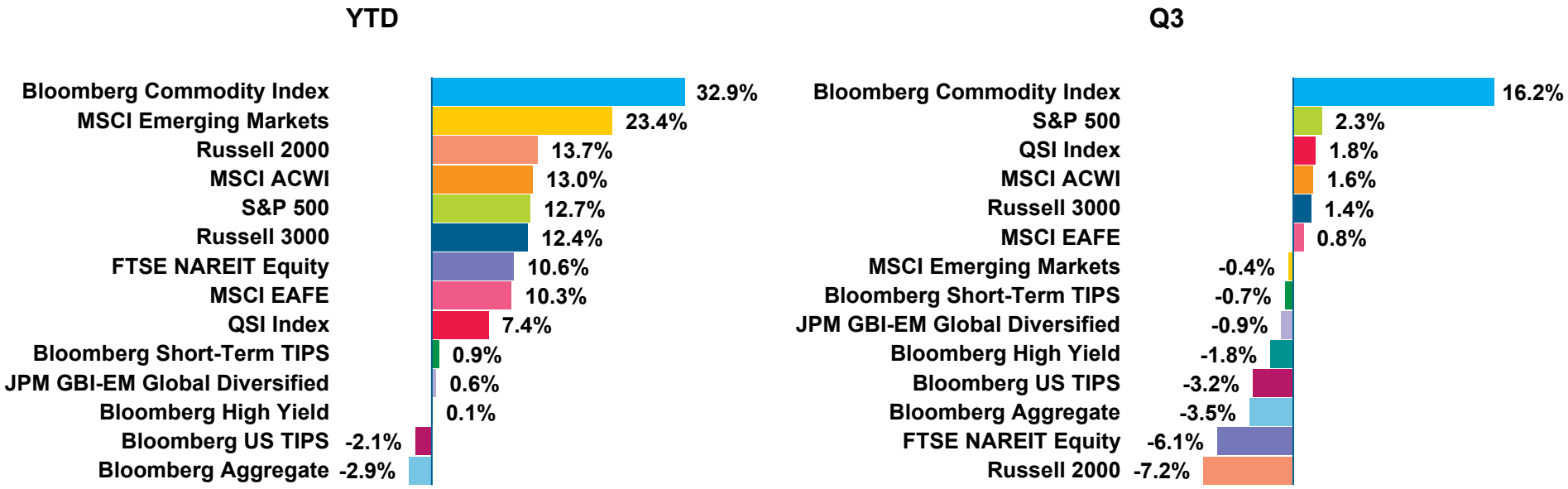
Data as of September 30, 2026

Commentary

Global markets were mixed in the third quarter of 2026. Renewed Middle East tensions stoked inflation fears, lifting commodities while pushing yields higher and weighing on bonds. Equities largely looked past the noise, driven by strong earnings and the AI buildout.

- → US equities (Russell 3000) rose 1.4% in the third quarter despite a September decline, bringing the index's year-to-date gain to 12.4%. Value stocks led for the quarter, with the Russell 1000 Value Index advancing 2.6% versus 0.9% for the Russell 1000 Growth Index. Small caps lagged given their higher interest rate sensitivity, as the Russell 2000 Index fell 7.2% while large-cap names (Russell 1000) gained 1.8%.
- → Developed international markets (MSCI EAFE: +0.8%) edged higher in the quarter, trailing the US but outperforming emerging markets (MSCI Emerging Markets: -0.4%). China (+3.7%) advanced, while emerging markets ex-China (-1.3%) declined, pressured by weakness in Taiwanese and Korean semiconductor stocks amid concerns over the sustainability of AI-related spending. A stronger US dollar in September weighed on international equity results for US-based investors, particularly in developed markets.
- → Fixed income declined during the third quarter as Treasury yields rose across the curve. The Bloomberg Universal Index fell 3.4%, bringing its year-to-date return to -2.6%. Longer maturity bonds fell the most (Bloomberg US Long Treasury: -8.0%), while high yield bonds (Bloomberg High Yield: -1.8%) and emerging market debt (JPM GBI-EM: -0.9%) also declined as credit spreads widened in September.
- → Looking ahead, investors will be focused on the path of monetary policy, whether Treasury yields stabilize after breaking above 5%, how the conflict in the Middle East progresses, and earnings durability.

Index Returns[1]



- In the third quarter of 2026, commodities led all asset classes (Bloomberg Commodity Index: +16.2%) given the surge in oil prices, remaining the top performer year-to-date (+32.9%).
- Except for emerging markets, stocks broadly rose for the quarter led by the US (Russell 3000: +1.4%) as investors looked past the geopolitical tensions and rising rates and focused on resilient earnings and AI themes. Rate-sensitive areas like small caps (Russell 2000: -7.2%) and REITs (FTSE NAREIT Equity: -6.1%) lagged in the rising rate environment.
- The bond market declined as yields rose (Bloomberg Aggregate: -3.5%), influenced by concerns over inflationary pressures, growing fiscal deficits, and the significant bond issuance coming from the AI sector.

[1] Source: Bloomberg. Data is as of September 30, 2026.

Domestic Equity Returns[1]

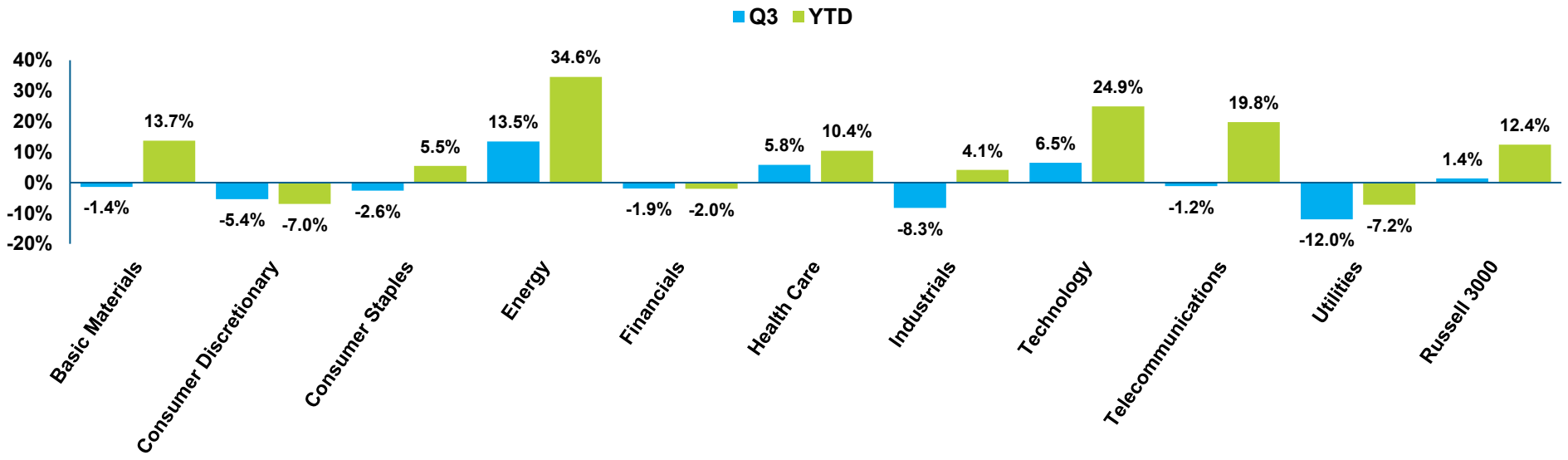
Domestic Equity	September (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-0.3	2.3	12.7	15.7	22.9	13.8	15.3
Russell 3000	-0.8	1.4	12.4	15.1	22.3	12.6	14.7
Russell 1000	-0.6	1.8	12.3	15.0	22.5	13.0	15.0
Russell 1000 Growth	2.2	0.9	6.3	7.5	24.3	13.7	18.2
Russell 1000 Value	-3.1	2.6	19.3	23.8	20.1	11.9	11.4
Russell MidCap	-4.2	-3.0	11.8	12.0	17.2	8.0	11.2
Russell MidCap Growth	-1.8	-5.8	1.0	-2.7	15.4	4.9	11.9
Russell MidCap Value	-5.0	-2.0	15.3	16.9	17.5	9.3	9.9
Russell 2000	-5.3	-7.2	13.7	16.2	17.7	6.3	9.8
Russell 2000 Growth	-5.3	-9.4	10.7	12.1	17.6	4.7	9.9
Russell 2000 Value	-5.2	-4.9	17.0	20.8	17.9	7.8	9.4
QSI Index	-2.6	1.8	7.4	8.3	15.1	8.7	11.8

US Equities: The Russell 3000 index rose 1.4% in the third quarter of 2026, despite losses in September driven by rising interest rates and oil prices, bringing the year-to-date return to 12.4%.

- → Value outpaced growth in the third quarter across market capitalizations and retains a wide year-to-date lead. Small caps lagged given their sensitivity to interest rates (Russell 2000: -7.2%).
- → The “Magnificent Seven” gained 11.1% in the third quarter, including 4.2% in September. Performance was mixed across the companies, but the group’s net gain helped offset broader weakness given its weight in the index.

[1] Source: Bloomberg. Data is as of September 30, 2026.

Russell 3000 Sector Returns[1]



Sector performance was mixed in the third quarter, with energy leading the market and utilities the weakest performing sector.

- → Energy led all sectors in the third quarter by a wide margin, rising 13.5% given the surge in oil prices and strong earnings outlook. Technology (+6.5%) benefited from demand for AI-related semiconductors, and health care (+5.8%) also gained.
- → Utilities (-12.0%) was the weakest sector as dividend income looked less attractive given the rise in yields. Industrials (-8.3%) and consumer discretionary (-5.4%) also fell for the quarter.
- → On a year-to-date basis, energy (+34.6%) and technology (+24.9%) remain the top performers, followed by telecommunications (+19.8%) and basic materials (+13.7%).

[1] Source: Bloomberg. Data is as of September 30, 2026.

Foreign Equity Returns[1]

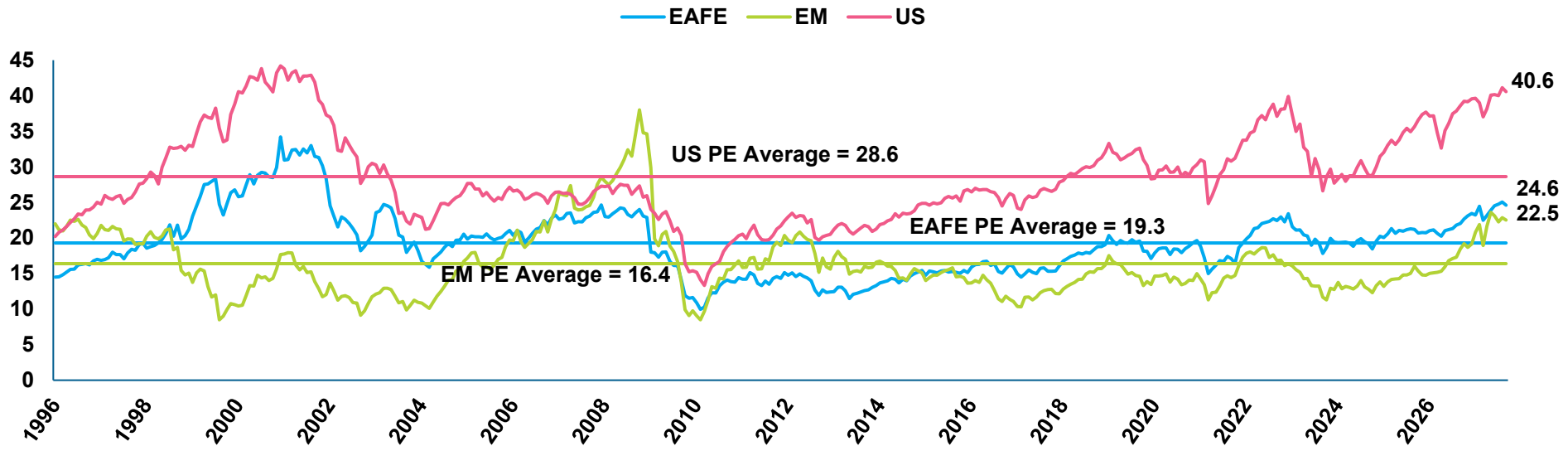
Foreign Equity	September (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	-2.4	0.5	14.2	20.0	20.5	9.6	9.2
MSCI EAFE	-3.1	0.8	10.3	15.7	18.4	9.3	9.1
MSCI EAFE (Local Currency)	-1.7	0.6	12.4	19.3	16.6	11.1	10.1
MSCI EAFE Small Cap	-2.8	2.9	10.8	13.7	18.2	5.8	8.0
MSCI Emerging Markets	-0.6	-0.4	23.4	29.2	24.1	8.9	9.1
MSCI Emerging Markets (Local Currency)	-0.4	-2.9	23.1	30.0	24.5	10.9	10.7
MSCI EM ex China	0.5	-1.3	36.9	50.9	29.2	13.4	11.5
MSCI China	-4.6	3.7	-11.9	-18.4	9.8	-2.1	3.4

Developed international equities (MSCI EAFE) returned 0.8% in the third quarter of 2026 while emerging markets equities (MSCI Emerging Markets) fell 0.4%, though performance varied significantly by region.

- → Developed market equities edged higher over the quarter but declined in September. Energy stocks rallied on higher oil prices as the Middle East conflict flared up again, and financials gained on strong bank earnings and rising rates, especially in Japan. Those gains were largely given back in September, when the index fell over 3% as the USD strengthened and energy-driven inflation pushed the ECB to raise rates to 2.5% and the Bank of England to signal it may follow.
- → Emerging markets trailed developed peers over the quarter but outperformed in September, led by strength outside China. Emerging markets outside China fell 1.3% for the quarter as AI-related concerns drove Korea and Taiwan lower and higher oil prices and rising rate expectations weighed on India. Chinese equities were a bright spot, rising 3.7% in the third quarter given policy support and the rotation out of Korea and Taiwan, although the gains faded later in the quarter on weak economic activity.

[1] Source: Bloomberg. Data is as of September 30, 2026.

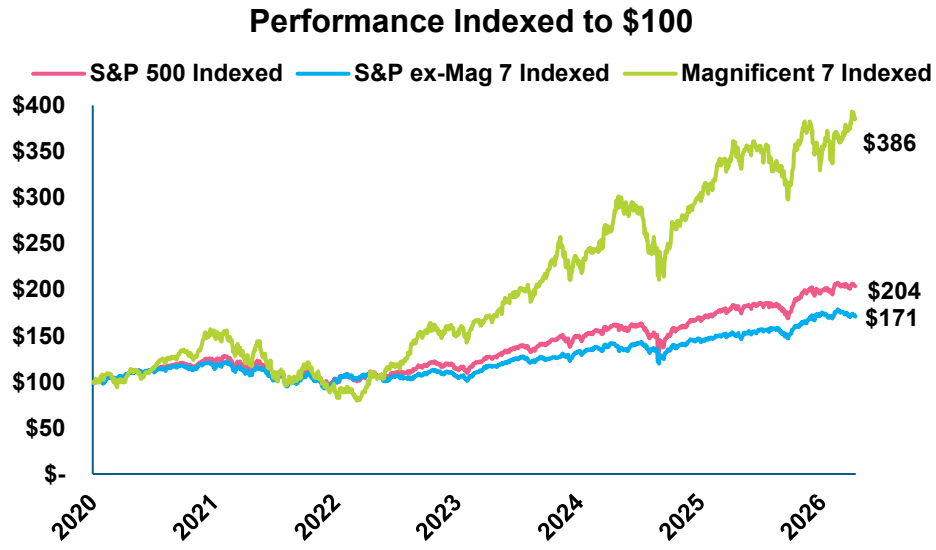
Equity Cyclically Adjusted P/E Ratios[1]

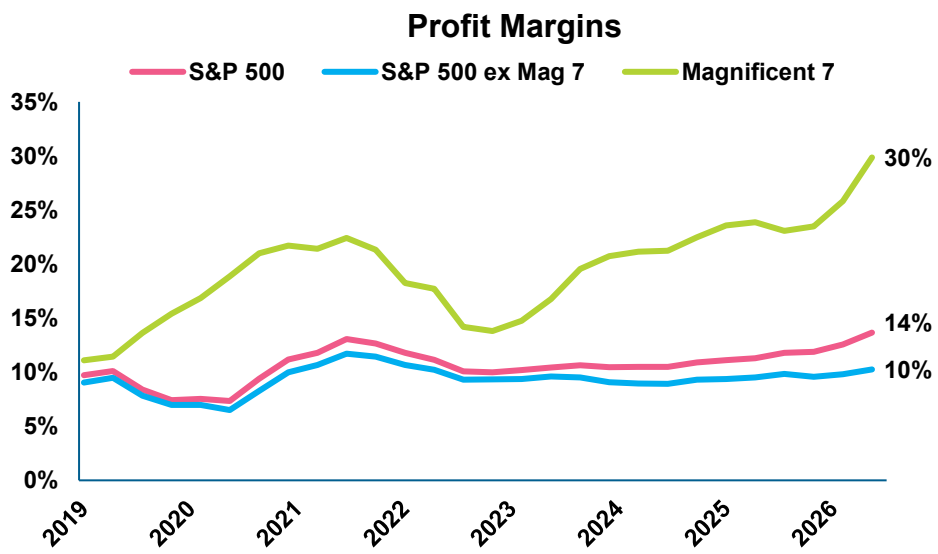


- → Cyclically adjusted US equity valuations rose over the quarter (39.7 to 40.6) with the US CAPE still far above its long-run average of 28.6.
- → Non-US developed market (EAFE) valuations rose slightly since the end of June from 24.5 to 24.6 versus a long-run average of 19.3. Despite trading above historical norms, EAFE valuations remain considerably lower than those in the US.
- → Emerging market valuations fell slightly over the quarter (23.1 to 22.5) but remain elevated relative to the long-run average of 16.4.

[1] 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 September 2026. 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.

Performance and Profit Margins: S&P 500 and "Magnificent 7"[1]





- → The "Magnificent Seven" extended their outperformance in the third quarter, rising 11.1% compared to a 2.4% decline for the S&P 500 excluding the group, leaving overall market returns still dependent on a handful of companies.
- → The group's profitability continues to differentiate it from the broader market. Average profit margins for the "Magnificent Seven" rose to 30%, compared to 14% for the S&P 500, and 10% for the S&P 500 excluding the "Magnificent Seven".

[1] Source: Bloomberg. Data is as of September 30, 2026.

Fixed Income Returns[1]

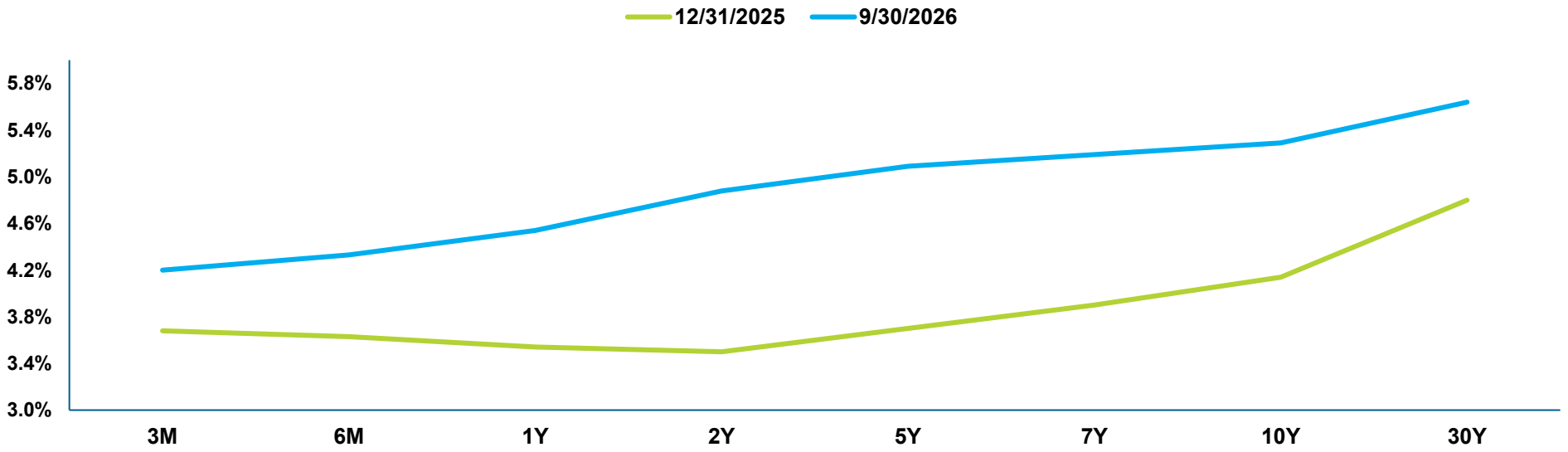
Fixed Income	September (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-2.6	-3.4	-2.6	-1.5	4.5	-0.3	1.5	5.8	5.6
Bloomberg Aggregate	-2.6	-3.5	-2.9	-1.8	4.1	-0.6	1.1	5.6	5.8
Bloomberg US TIPS	-2.6	-3.2	-2.1	-2.0	3.8	0.0	2.1	5.2	6.3
Bloomberg Short-term TIPS	-0.9	-0.7	0.9	1.3	4.8	2.9	3.0	4.9	2.3
Bloomberg US Long Treasury	-5.0	-8.0	-7.6	-7.7	1.0	-7.3	-2.1	5.6	13.7
Bloomberg High Yield	-2.5	-1.8	0.1	1.4	8.0	3.6	5.0	8.4	3.6
JPM GBI-EM Global Diversified (USD)	-2.1	-0.9	0.6	3.9	8.2	2.6	2.3	--	--

Fixed Income: The Bloomberg Universal index fell 3.4% in the third quarter of 2026, bringing the year-to-date return to -2.6%.

- → Fixed income declined over the third quarter as Treasury yields rose across the curve, with losses concentrated in September given the Federal Reserve's first rate increase since 2023, higher oil prices, and weak demand at Treasury auctions. The Bloomberg US Long Treasury index fell 8.0% for the quarter given its higher interest rate sensitivity.
- → The broad TIPS index declined like nominal bonds (Bloomberg US TIPS: -3.2%), while short-term TIPS (-0.7%) held up better given their lower duration (interest rate sensitivity).
- → Riskier sectors also experienced losses, with high yield bonds (Bloomberg High Yield: -1.8%) and emerging market debt (JPM GBI-EM: -0.9%) falling as credit spreads widened and a stronger US dollar weighed on local-currency emerging market debt in September.

[1] Source: Bloomberg. Data is as of September 30, 2026. 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[1]

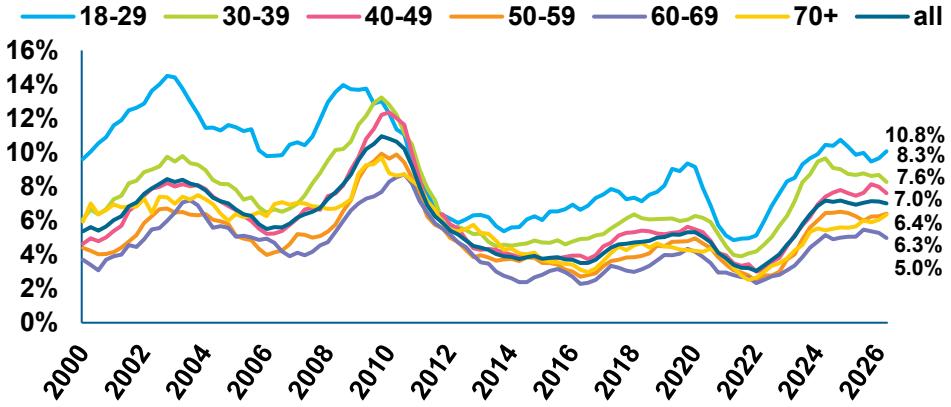


- → Treasury yields rose sharply in the third quarter driven by higher oil prices, the Fed's rate increase, heavy debt issuance, and weak demand.
- → The policy-sensitive 2-year Treasury yield rose from 3.48% at the end of 2025 to 4.89% at the end of September. The 10-year Treasury yield rose from 4.17% to 5.29% (the first time above 5.0% since 2007), while the 30-year Treasury yield increased from 4.79% to 5.63%.
- → The spread between the 2-year and 10-year Treasury rose from 29.5 basis points to 40.2 basis points over the quarter as longer dated yields increased more. Overall, the curve has flattened this year because energy-driven inflation pushed markets to stop pricing Fed rate cuts and start pricing hikes, which lifted 2-year yields more than 10-year yields.

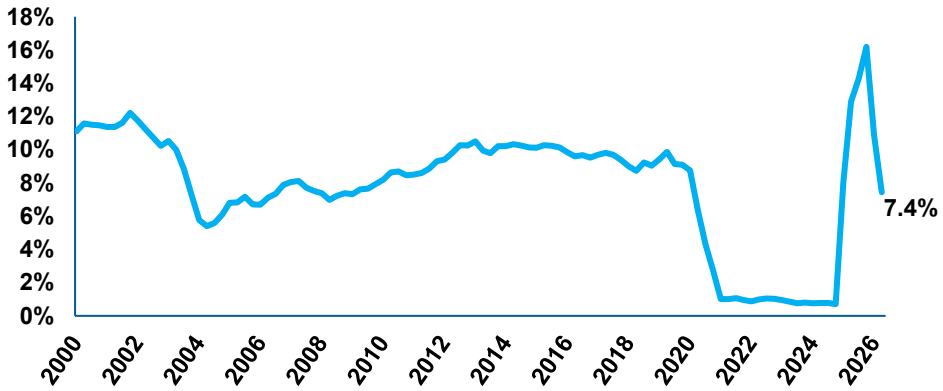
[1] Source: Bloomberg. Data is as of September 30, 2026.

Stress is Building Among Some US Consumers[1]

Transition into Serious Delinquency for Credit Cards by Age



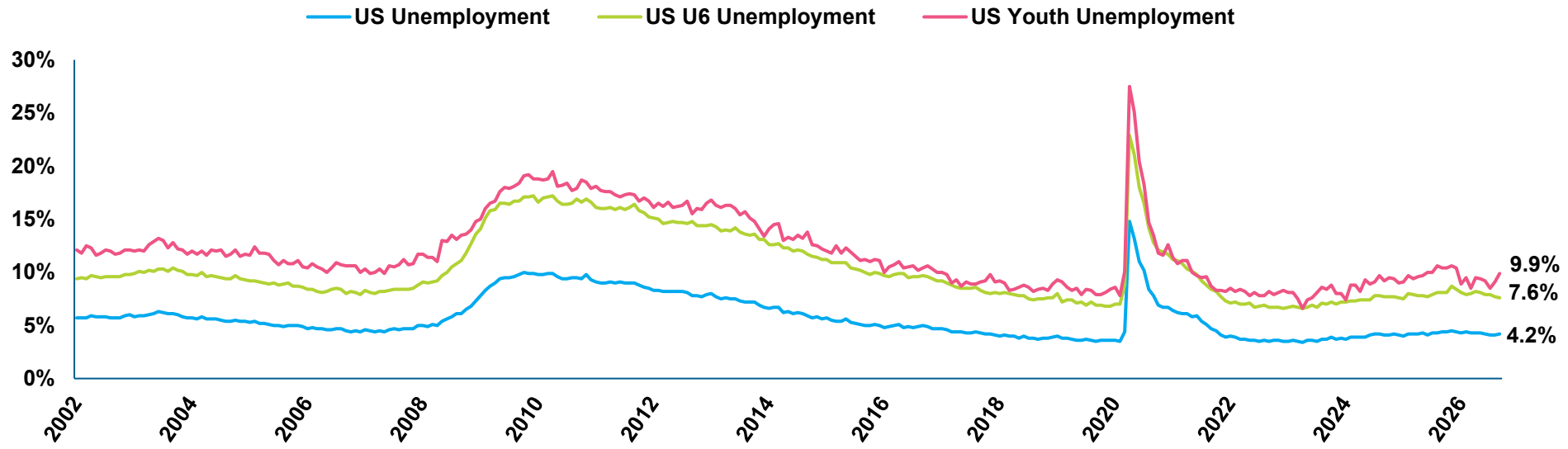
Transition Into Serious Delinquency (90+ Days) for Student Loans[2]



- → US consumer trends remain increasingly K-shaped: higher-income households show resilience, while younger, rate-sensitive borrowers face mounting pressure from elevated borrowing costs and inflation that remains above the Federal Reserve's target.
- → Delinquencies are still elevated relative to pandemic lows, particularly among younger cohorts. While overall delinquency rates remain below levels seen during prior economic downturns, differences in household financial health have continued to widen.
- → Student loan repayment also remains a pressure point for some households. The serious delinquency rate decline from 16.2% to 7.4% does not represent an improvement but a fading of the initial post-pandemic one-time spike caused by a backlog of old unpaid loans all hitting credit reports at once.

[1] Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. See also FRED. Data is as of June 30, 2026.
[2] Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. Percent of student loan holders transitioning into serious default (90-days or more) based on four quarter moving average. Delays in reporting may cause fluctuations. Data is as of June 30, 2026.

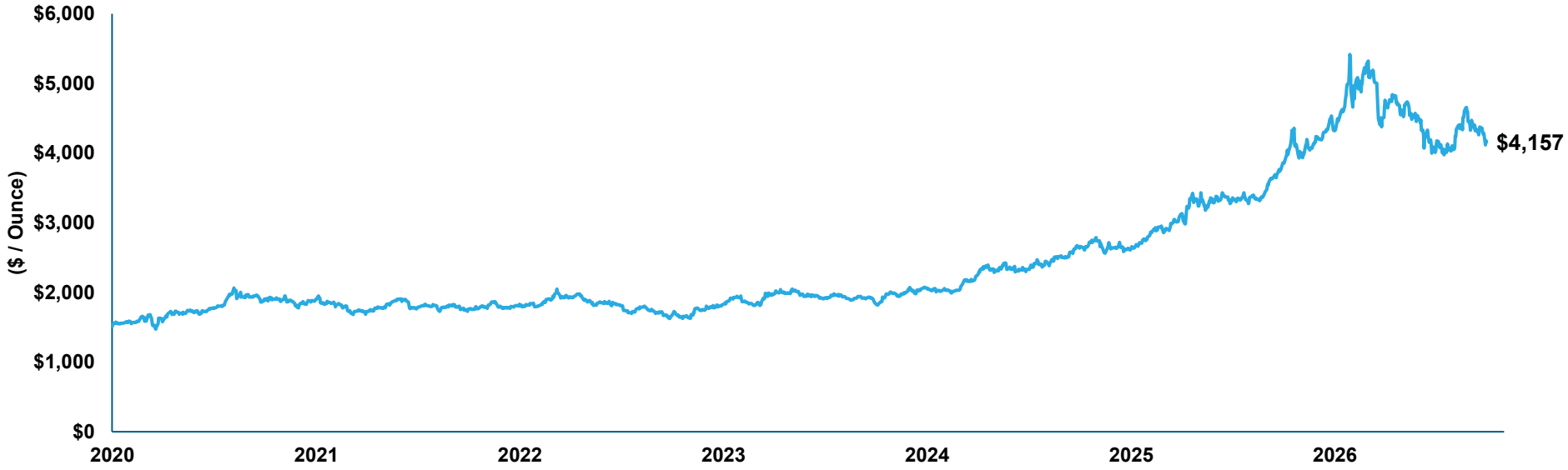
US Unemployment[1]



- → The US economy added 29,000 jobs in September, well below expectations for 90,000. Payrolls for July (-10,000) and August (133,000) were also revised down by a combined 60,000 jobs. Health care, construction, and manufacturing added jobs, while government, financial activities, information and professional, and business services cut them. The unemployment rate finished the quarter at the same level it started (4.2%).
- → Broader labor market indicators were mixed, with the U-6 underemployment rate easing to 7.6% while youth unemployment rose to 9.9%.
- → Generally, the labor market remains in a low hire/low fire environment. Wage growth has slowed to 3% year-over-year, down from its post-pandemic peak of close to 6%.

[1] Source: FRED and BLS. Data is as of September 30, 2026. U-3: Total unemployed, as a percent of the civilian labor force (official unemployment rate), U-6: Total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers. Youth: Total unemployed between the ages of 16 and 24, as a percent of civilian labor force.

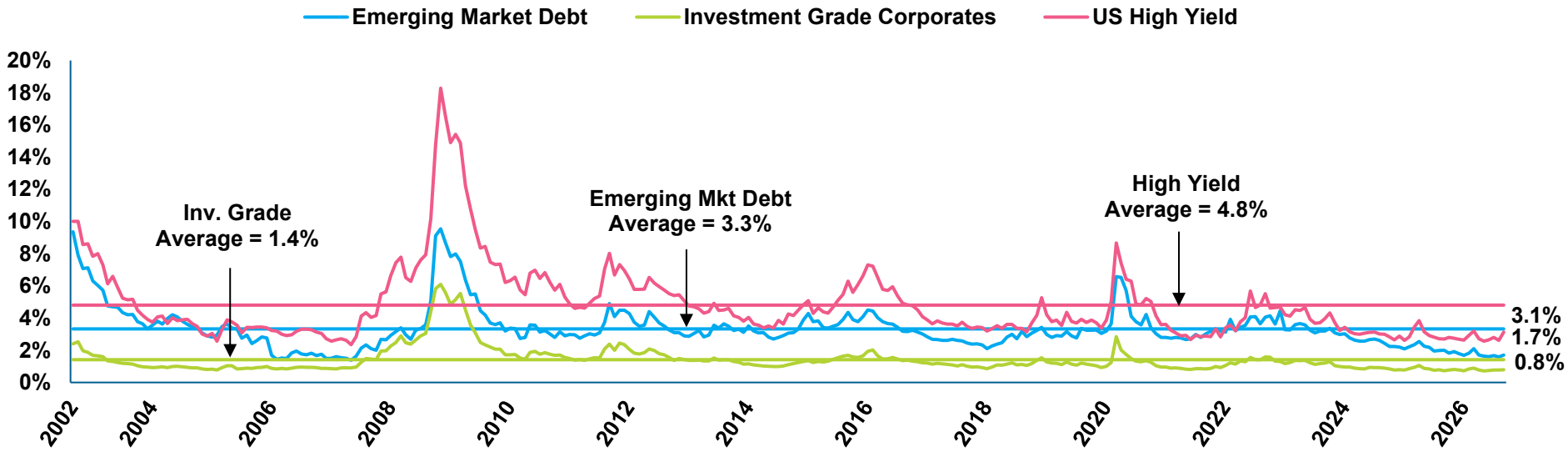
Gold[1]



- → Gold fell 6.3% in September to $4,157 per ounce, giving back most of August's gain but finishing above its $4,008 level at the start of the quarter. The metal remains well below its record high of over $5,400/oz reached in January.
- → Rising real yields, the Fed's rate increase, and a stronger US dollar weighed on the non-yielding metal. However, persistent inflation concerns, large fiscal deficits, and ongoing central bank reserve diversification may continue to provide structural support going forward.

[1] Source: Bloomberg. Data is as of September 30, 2026. Gold Spot Price is quoted as US Dollars per Troy Ounce.

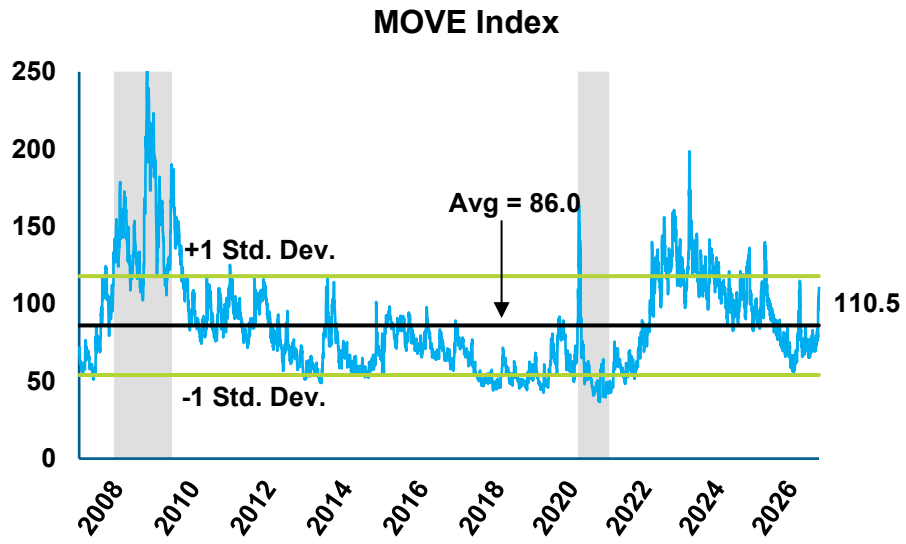
Credit Spreads vs. US Treasury Bonds[1]

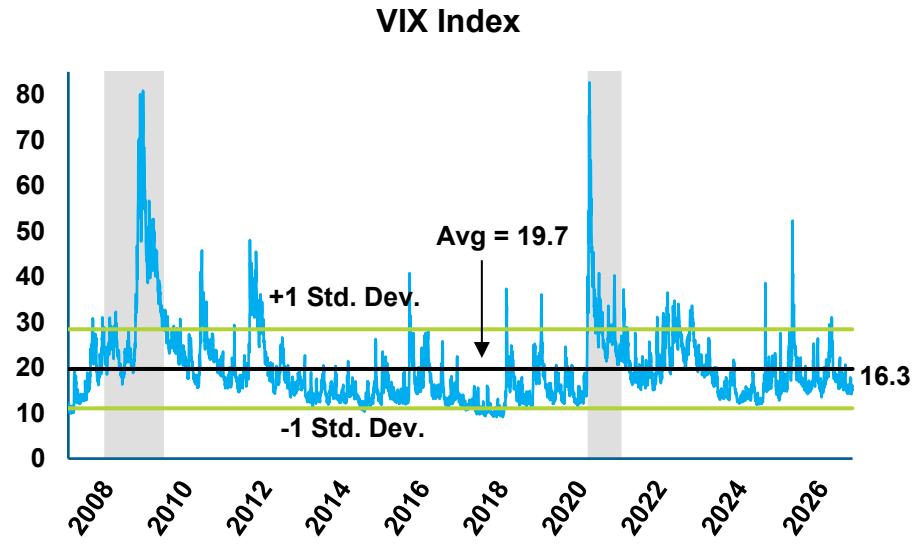


- → Credit spreads widened through the quarter, concentrated in September and led by high yield as higher rates and heavy issuance weighed on risk assets.
- → Investment grade spreads were little changed over the quarter (0.7% to 0.8%) and remain well inside the 1.4% long-run average.
- → High yield spreads widened to 3.1% (from 2.6% at the end of June), versus a 4.8% long-run average. Emerging market debt spreads widened to 1.7% (from 1.6% at the end of June), versus a 3.3% long-run average.
- → Despite widening, all spreads remain well below their respective long-run averages, as many investors continue to be attracted to their higher relative yields compared to Treasuries.

[1] Source: Bloomberg. Data is as of September 30, 2026. 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[1]

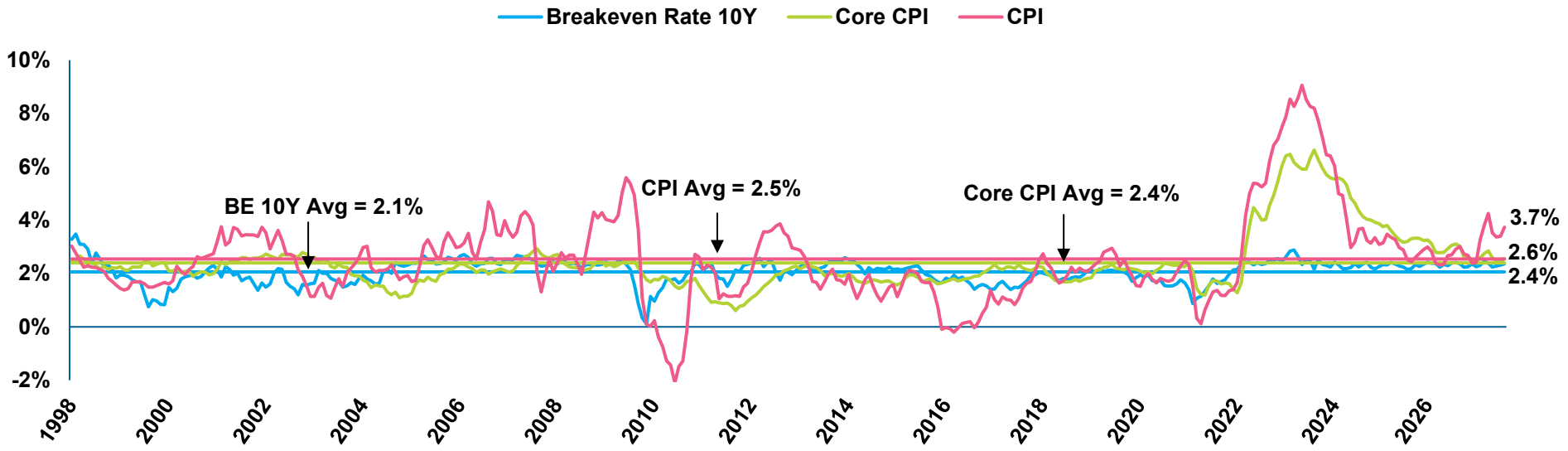




- → In the third quarter, the MOVE index of bond volatility jumped, exceeding 100 in September, while the VIX stayed more stable and below the long-term average.
- → The split reflects how the same mix of strong nominal growth, energy-driven inflation, and a renewed Fed hiking cycle favored corporate earnings but weighed on long-duration bonds.

[1] 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 September 30, 2026. The average line indicated is the average of the VIX and MOVE values between January 2007 and September 2026.

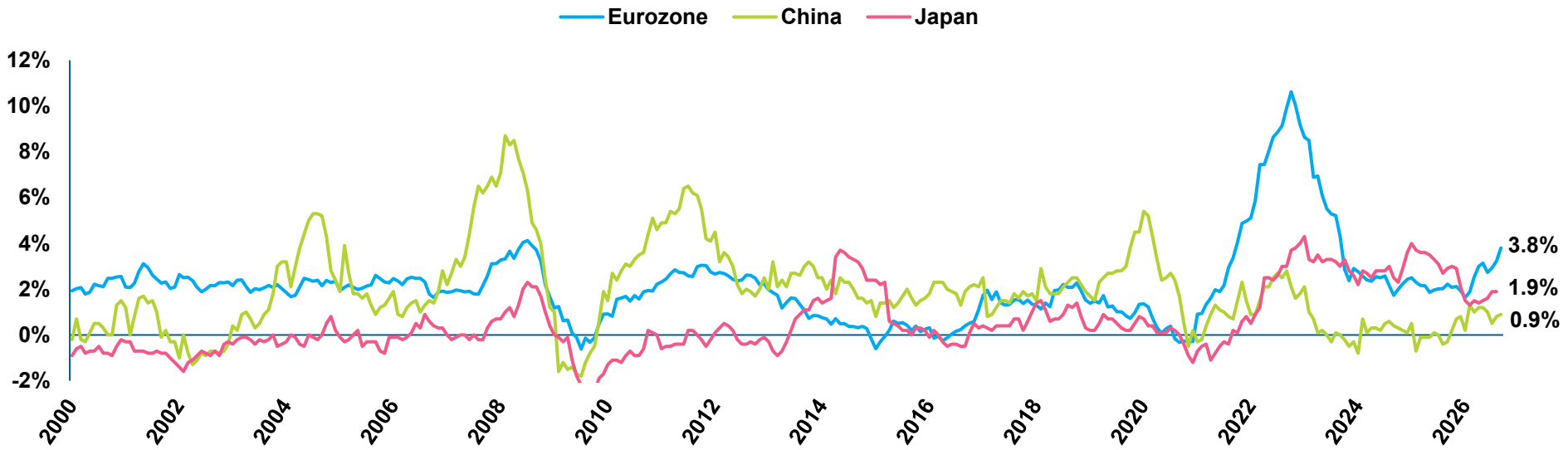
US Inflation[1]



- For the quarter, MoM inflation accelerated, rising 0.1%, 0.4%, and 0.6%, largely on higher gasoline and heating oil prices. The annual inflation rate rose over the quarter (3.5% to 3.7%) remaining above the Fed's target level.
- Given energy dynamics, core inflation remains below headline (2.6% at the end of September), with the MoM rate holding relatively steady through the quarter. Energy has started to feed into core prices however, with fuel-sensitive categories such as airline fares, car and truck rentals, and delivery services rising sharply in September.
- Long-term inflation expectations were stable over the quarter, with 10-year breakevens finishing September at 2.4%.

[1] Source: FRED. Data is as of September 30, 2026.

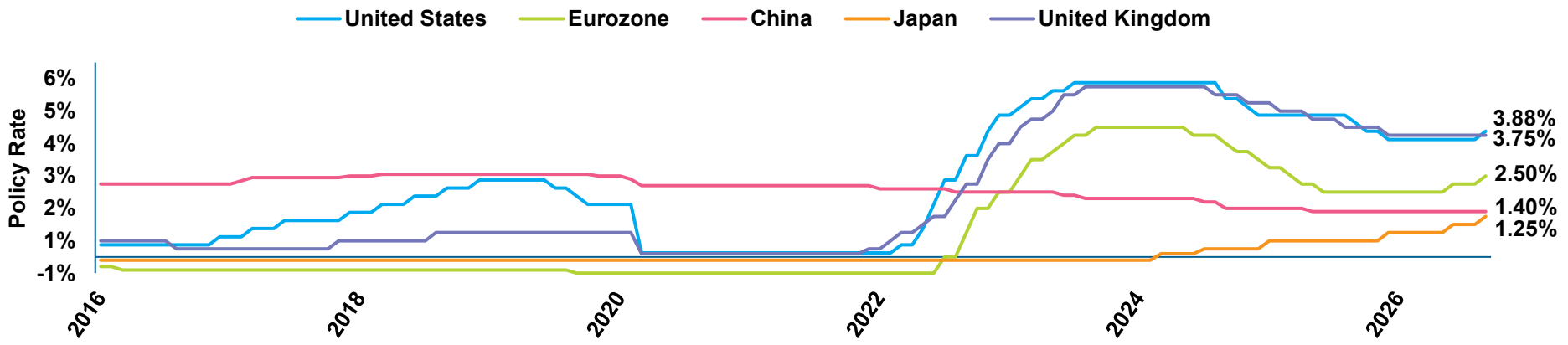
Global Inflation (CPI Trailing Twelve Months)[1]



- → Eurozone inflation rose by 1% over the quarter (2.8% YoY to 3.8%), further above the ECB's 2.0% target. Energy remained the driver, as the Middle East conflict pushed oil costs higher.
- → Japan's annual inflation held at 1.9% in August (slightly below the BOJ's 2.0% target), matching July's rate, the highest since December 2025. Firmer prices for household goods (4.9%), healthcare (3.0%), and recreation (2.2%) offset slower food and transport inflation and a steeper subsidy-driven fall in electricity prices (-2.4%).
- → China's inflation rate finished the quarter close to where it started (1.0% to 0.9%) after readings of 0.5% in July and 0.8% in August. Demand remains weak in China though, given continued issues in the property sector, a weak labor market especially among young people, and a focus on savings given the uncertainties.

[1] Source: Bloomberg. Data is as of September 2026 except for Japan which is as of August 2026.

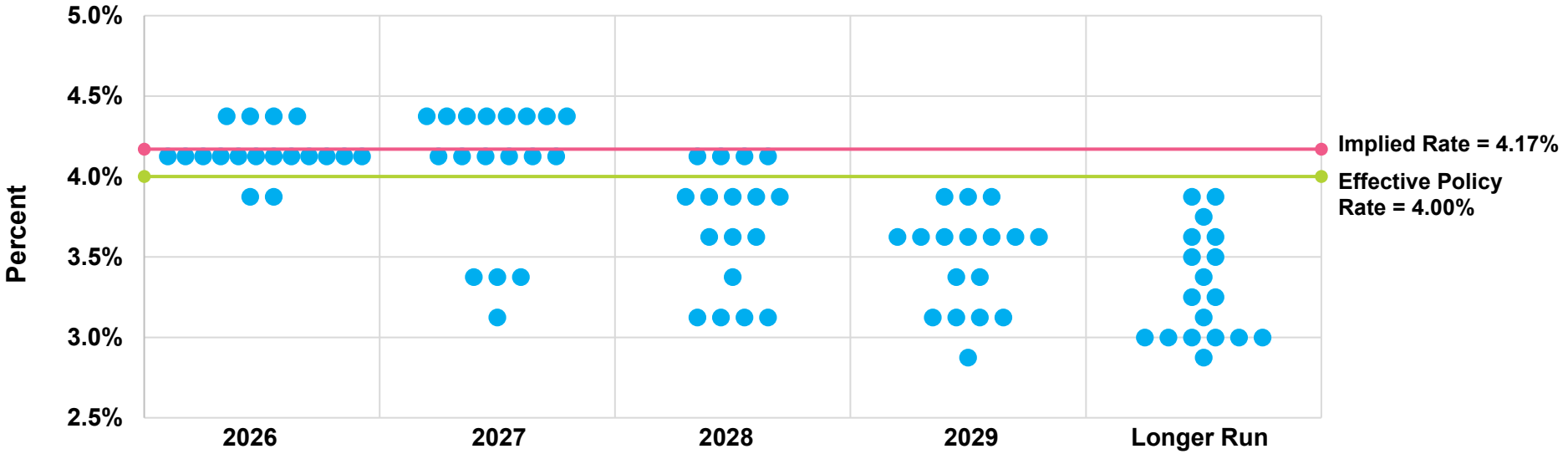
Global Policy Rates[1]



- → Global monetary policy tightened in the third quarter, as the Federal Reserve, the European Central Bank (ECB), and the Bank of Japan (BOJ) each raised rates by 0.25% in September.
- → The Federal Reserve raised its policy rate to 3.75%–4.00%, its first increase since 2023, as inflation remained above target. Markets are assigning a high probability of an additional rate hike in December and possibly two more next year.
- → The ECB raised its deposit rate to 2.50%, citing the Middle East conflict, while the Bank of England (BOE) held at 3.75%. Both economies are expected to continue to raise rates through next year, particularly the ECB.
- → The BOJ raised its policy rate to 1.25%, the highest since 1995, given imported inflation risks from higher oil prices and a weak yen. It is also expected to continue to increase interest rates next year.
- → China is expected to remain accommodative, with the 7-day reverse repo rate held at a record-low 1.40% since May 2025 as subdued inflation and weak domestic growth point to further easing ahead. The central bank continues to support bank liquidity with renewed liquidity injections.

[1] Source: Bloomberg. Data is as of September 30, 2026. 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 PBOC 7-day Reverse Repo Rate. UK rate is the UK Bank of England Official Bank Rate.

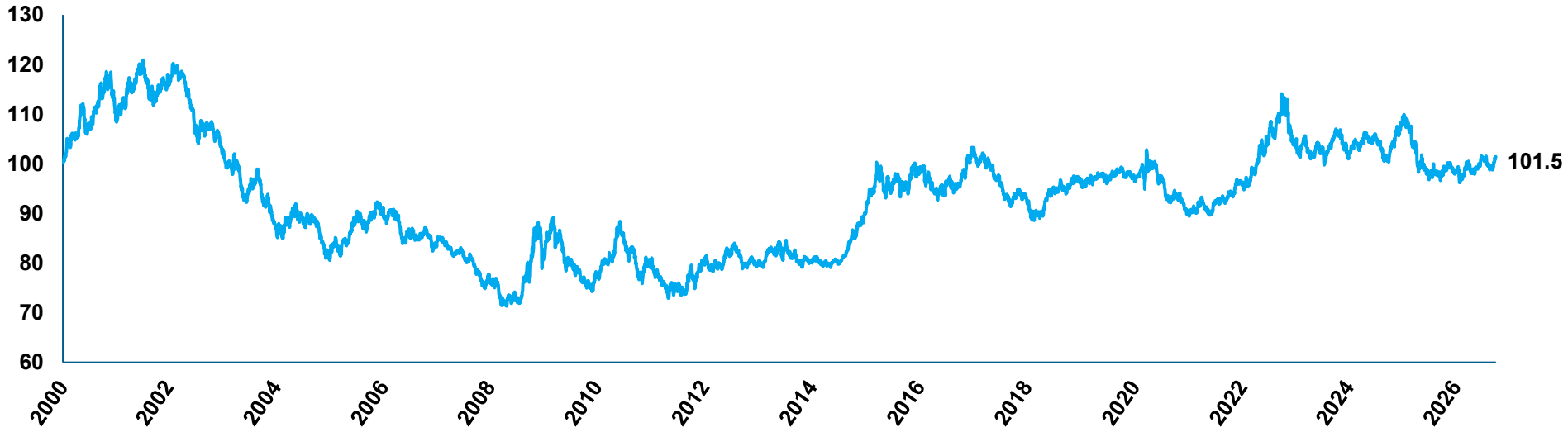
Federal Reserve Dot Plot[1]



- → The Federal Reserve's dot plot reflects expectations for interest rates by each member across various periods. The September projections shifted higher, with no participant anticipating cuts in 2026.
- → The median projection for 2026 rose to 4.125% (from 3.75% in June), implying one additional 0.25% increase this year, with dots ranging from 3.875% to 4.375%. The market-implied rate of 4.17% is broadly in line with the median.
- → The median policy rate holds at 4.125% in 2027 before declining to 3.875% in 2028 and 3.625% in 2029, implying a slow path of easing. The longer-run median rose to 3.25% from June, though the wide dispersion of forecasts suggests policymakers remain divided on the pace and timing of future rate changes.

[1] Source: September 16, 2026, FOMC Summary of Economic Projections. Implied Rate and Effective Policy Rate are as of September 30, 2026, from Bloomberg.

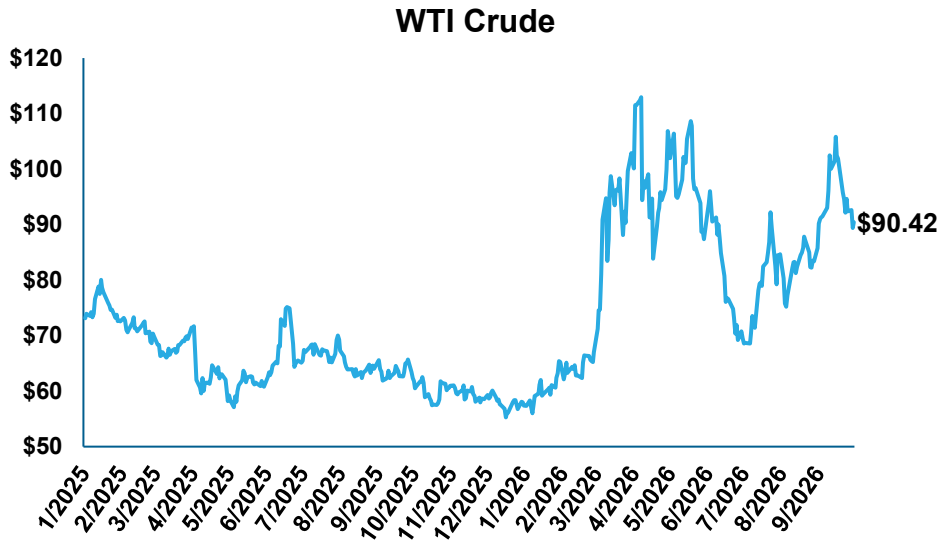
US Dollar vs. Broad Currencies[1]

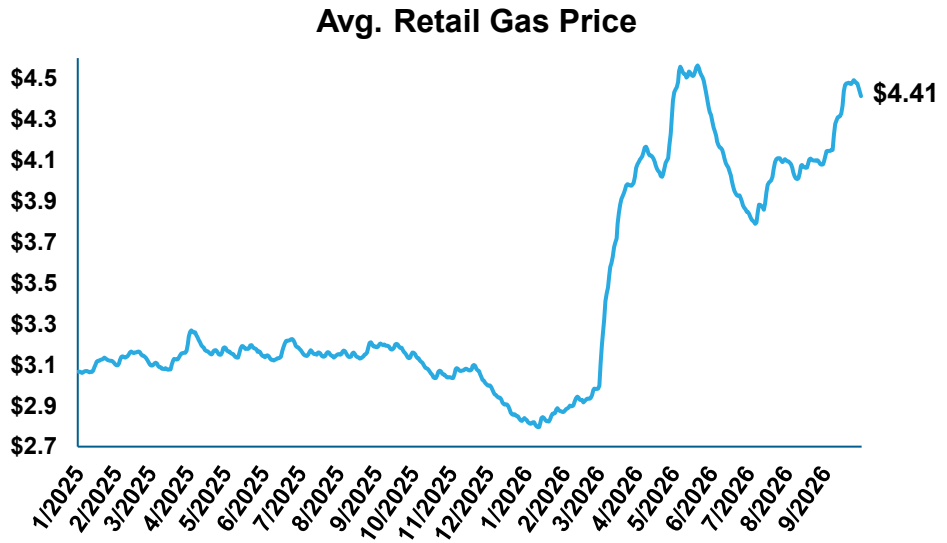


- → The US dollar finished the quarter close to where it started with declines in July and August balanced by a rally in September.
- → The Federal Reserve's rate increase and the rise in Treasury yields to their highest levels since 2007 supported the dollar later in the quarter.
- → Stronger relative growth, the rise in yields, AI optimism, and safe haven flows given geopolitical tensions could all act as further tailwinds to the dollar going forward.

[1] Source: Bloomberg. Data is as of September 30, 2026.

Gas and Oil[1]

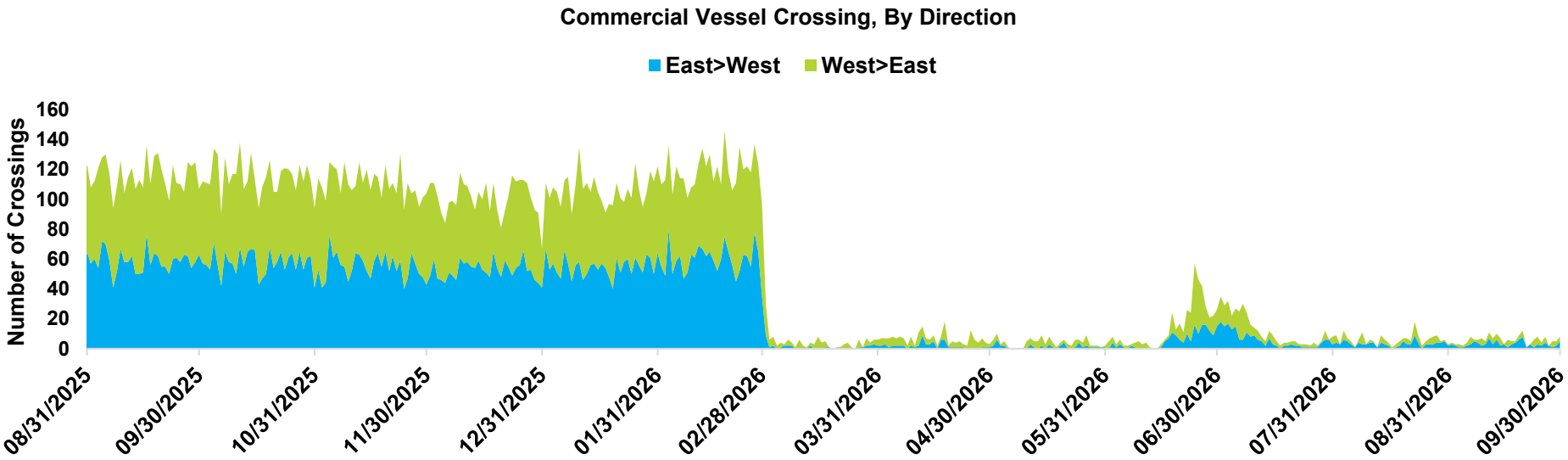




- → Oil prices rose close to 32% over the quarter given renewed tensions in the Middle East, with WTI crude increasing from $68.68 to $90.42/barrel after briefly topping $100 in the middle of September.
- → US retail gasoline prices rose from $4.10 to $4.41/gallon, nearing their May peak of $4.56. Diesel prices used heavily in transportation also remain elevated over $6.00/gallon. Higher fuel costs continue to weigh most on lower-income households, where fuel and other essential expenses represent a larger share of spending.

[1] Source: Bloomberg. Data is as of September 30, 2026.

Daily Traffic Through the Strait of Hormuz[1]



- → The Strait of Hormuz is a key channel for the global distribution of oil with roughly 20% of global oil consumption (~20 million barrels a day, plus a comparable share of seaborne LNG) previously moving through the narrow channel.
- → Commercial traffic through the Strait of Hormuz dramatically fell at the end of February following the escalation of the US-Iran conflict and Iran's closure of the waterway, with vessel volume crossings falling from well over 100/day to under 10/day.
- → Activity rebounded briefly in June following the ceasefire but has since remained depressed through September, near the lows seen after the start of the conflict, given continued hostilities between the US and Iran.

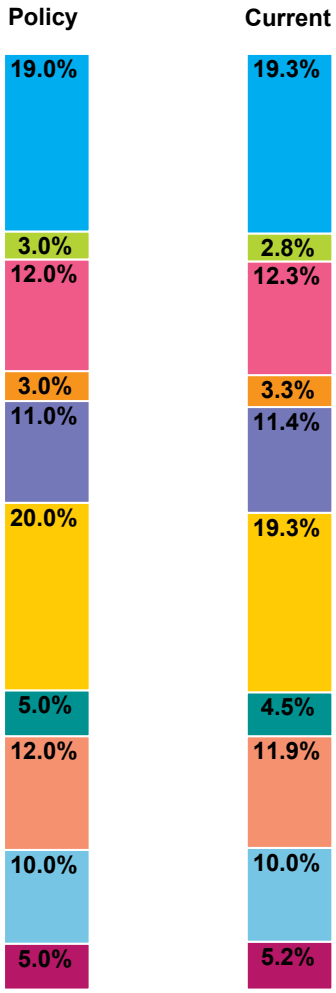
[1] Source: Bloomberg. Data is as of September 30, 2026.

Key Trends

- Global growth expectations remain fragile but broadly stable. The IMF projects global growth of 3.0% in 2026 (down from 3.1% in the April 2026 outlook) and 3.4% in 2027, as stronger AI-driven activity largely offsets the drag from the Middle East conflict. Global inflation is expected to rise to 4.7% in 2026 (from 4.1% in 2025) before easing to 3.9% in 2027, suggesting the disinflation trend has stalled. The IMF continues to view renewed Middle East escalation as the primary downside risk.
- Tighter monetary policy became a key theme in the third quarter, as the Fed, ECB, and BOJ all raised rates in September in response to energy-driven inflation pressures. The Fed entered 2026 expecting to cut rates and has instead begun hiking, a shift that helped push long-term yields to multi-decade highs. Chair Warsh continues to withhold forward guidance, leaving investors to infer the Fed's tolerance for inflation from incoming data, an ambiguity that is itself a source of volatility. Other key issues related to rates include growing fiscal deficits and the increased supply of corporate debt, particularly from AI-related companies.
- US consumers continue to show strain at the lower end, with gasoline above $4/gallon, higher borrowing costs, and a rising share of younger, rate-sensitive borrowers at risk of falling behind on debt. Wage growth has slowed to below the inflation rate, adding to pressures. The employment market seems stable for now but a pick-up in unemployment could add further pressures to the already very fragile situation.
- US equity leadership narrowed in the third quarter, with the "Magnificent Seven" rising 11.0% while the rest of the S&P 500 declined 2.4%. The divergence leaves index returns increasingly concentrated in a handful of names, and into the fourth quarter that concentration remains a principal risk, with scrutiny centered on whether AI-related revenues can keep pace with the scale of capital spending.

September 2026 Quarterly Performance Review

Asset Allocation vs. Target Allocation | As of September 30, 2026



Allocation vs. Targets

	Balance ($)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Large Cap Equity	421,671,717	19.3	19.0	0.3	14.0 - 24.0	Yes
US Small/Mid Cap Equity	60,963,551	2.8	3.0	-0.2	0.0 - 8.0	Yes
Non-US Equity Large Cap	268,941,624	12.3	12.0	0.3	7.0 - 17.0	Yes
Non-US Equity SMID Cap	72,348,069	3.3	3.0	0.3	0.0 - 8.0	Yes
Private Equity	249,418,517	11.4	11.0	0.4	6.0 - 16.0	Yes
Core Bonds	421,079,066	19.3	20.0	-0.7	15.0 - 25.0	Yes
Public Credit	99,428,285	4.5	5.0	-0.5	0.0 - 10.0	Yes
Private Debt	261,305,494	11.9	12.0	-0.1	7.0 - 17.0	Yes
Real Estate	217,861,500	10.0	10.0	0.0	5.0 - 15.0	Yes
Real Assets	113,964,076	5.2	5.0	0.2	0.0 - 10.0	Yes
Total	**2,186,981,898**	**100.0**	**100.0**	**0.0**		

Trailing Net Performance | As of September 30, 2026

	Market Value ($)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	**2,186,981,898**	**100.0**	**0.5**	**6.4**	**8.9**	**11.2**	**6.7**	**8.3**	**7.6**	**Jul-92**
Total Fund Benchmark			*1.6*	*7.3*	*10.3*	*11.9*	*6.4*	*8.1*	*7.9*	
Global Public Equity	**823,924,961**	**37.7**	**0.6**	**12.8**	**16.4**	**20.8**	**10.0**	**11.2**	**8.9**	**May-11**
MSCI AC World Index			*1.7*	*13.4*	*17.2*	*22.3*	*12.1*	*12.9*	*10.4*	
US Equity	**482,635,268**	**22.1**	**0.4**	**12.6**	**15.2**	**21.6**	**12.2**	**14.4**	**12.6**	**May-11**
Russell 3000 Index			*1.4*	*12.4*	*15.1*	*22.3*	*12.6*	*14.7*	*13.4*	
US Large Cap Index Pool	421,671,717	19.3	1.8	12.3	15.0	22.5	13.0	15.0	13.6	May-11
Russell 1000 Index			*1.8*	*12.3*	*15.0*	*22.5*	*13.0*	*15.0*	*13.7*	
US SMID Cap Alternative Weighted Index Pool	60,963,551	2.8	-7.9	14.1	16.0	14.7	6.1	--	7.6	Feb-21
S&P SmallCap 600 Index			*-7.9*	*14.1*	*16.0*	*14.8*	*6.2*	*--*	*7.8*	
Non-US Equity	**341,289,693**	**15.6**	**0.8**	**13.0**	**18.2**	**18.9**	**7.5**	**8.3**	**5.0**	**May-11**
MSCI AC World ex USA (Net)			*0.5*	*14.2*	*20.0*	*20.5*	*9.6*	*9.2*	*6.1*	
Non-US Large Cap Active Pool	117,390,303	5.4	0.5	11.6	17.1	--	--	--	20.9	Aug-25
MSCI AC World ex USA (Net)			*0.5*	*14.2*	*20.0*	*--*	*--*	*--*	*24.1*	
Non-US Large Cap Passive Pool	151,551,321	6.9	0.5	13.8	19.4	--	--	--	23.2	Aug-25
MSCI AC World ex USA (Net)			*0.5*	*14.2*	*20.0*	*--*	*--*	*--*	*24.1*	
Non-US SMID Cap Active Pool	28,657,617	1.3	1.6	17.5	22.1	--	--	--	25.2	Aug-25
MSCI AC World ex USA Small Cap (Net)			*2.1*	*11.4*	*14.7*	*--*	*--*	*--*	*18.7*	
Non-US SMID Cap Passive Pool	43,690,452	2.0	1.8	10.7	14.1	--	--	--	18.2	Aug-25
MSCI AC World ex USA Small Cap (Net)			*2.1*	*11.4*	*14.7*	*--*	*--*	*--*	*18.7*	

Performance returns are all net of fees throughout the report.

Trailing Net Performance | As of September 30, 2026

	Market Value ($)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Equity	**249,418,517**	**11.4**	**5.0**	**8.0**	**11.8**	**7.7**	**7.8**	**13.0**	**12.0**	**Apr-15**
Private Equity Pool	249,418,517	11.4	5.0	8.0	11.8	7.7	7.8	13.0	12.0	Apr-15
MSCI ACWI +3% (1Q Lag)			*15.7*	*17.5*	*27.3*	*23.2*	*14.3*	*16.1*	*14.2*	
Fixed Income	**781,812,844**	**35.7**	**-1.4**	**0.1**	**1.6**	**5.8**	**2.7**	**4.0**	**4.3**	**May-11**
Blmbg. U.S. Universal Index			*-3.4*	*-2.6*	*-1.5*	*4.5*	*-0.3*	*1.5*	*2.4*	
Core Bonds Pool	421,079,066	19.3	-3.5	-2.9	-1.9	4.3	-0.6	--	1.8	Oct-18
Blmbg. U.S. Aggregate Index			*-3.5*	*-2.9*	*-1.8*	*4.1*	*-0.6*	*--*	*1.6*	
Credit Plus Pool	99,428,285	4.5	-2.2	-0.5	--	--	--	--	0.2	Nov-25
Blmbg. U.S. Universal Index			*-3.4*	*-2.6*	*--*	*--*	*--*	*--*	*-2.1*	
Private Debt Pool	261,305,494	11.9	2.4	5.5	7.7	8.5	7.2	7.1	6.5	Apr-15
S&P UBS Leveraged Loan +2% 1Q Lag			*2.4*	*4.0*	*6.3*	*9.7*	*8.0*	*7.6*	*7.2*	
Real Estate	**217,861,500**	**10.0**	**0.8**	**1.8**	**2.5**	**-0.7**	**3.2**	**5.1**	**5.8**	**May-14**
Real Estate Pool	217,861,500	10.0	0.8	1.8	2.5	-0.7	3.2	5.1	5.8	May-14
Real Estate Custom Index			*1.5*	*3.6*	*4.4*	*-1.0*	*2.2*	*3.9*	*5.4*	
Real Assets	**113,964,076**	**5.2**	**2.7**	**10.9**	**13.2**	**11.6**	**12.0**	**--**	**7.9**	**Oct-18**
Real Assets Pool	113,964,076	5.2	2.7	10.9	13.2	11.6	12.0	--	7.9	Oct-18
Real Assets Custom Index			*2.1*	*6.2*	*7.9*	*6.9*	*5.6*	*--*	*5.8*	

Real Estate Custom Index is comprised of 100% NCREIF ODCE (Net) (1 Qtr Lag) through 09/2024, and 100% NCREIF ODCE+0.75% (Net) (1 Qtr Lag) thereafter.
Real Assets Custom Index is comprised of 35% Bloomberg US Treasury: US TIPS Index, 25% Bloomberg Commodity Index (TR), 20% NCREIF Timberland Index, and 20% CPI+3% through 03/2024, and the CPI+4% thereafter.

Calendar Year Performance | As of September 30, 2026

	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)
Total Fund	**13.7**	**7.6**	**9.3**	**-7.1**	**15.5**	**9.8**	**13.2**	**-1.3**	**17.3**	**8.0**
Total Fund Benchmark	*14.9*	*7.0*	*9.7*	*-8.5*	*12.9*	*10.3*	*14.3*	*-1.8*	*17.0*	*8.4*
Global Public Equity	**24.8**	**13.1**	**18.8**	**-18.4**	**14.0**	**16.0**	**24.8**	**-10.4**	**26.1**	**9.6**
MSCI AC World Index	*22.9*	*18.0*	*22.8*	*-18.0*	*19.0*	*16.8*	*27.3*	*-8.9*	*24.6*	*8.5*
US Equity	**15.9**	**22.6**	**25.4**	**-18.8**	**26.5**	**20.0**	**31.5**	**-6.0**	**20.6**	**13.1**
Russell 3000 Index	*17.1*	*23.8*	*26.0*	*-19.2*	*25.7*	*20.9*	*31.0*	*-5.2*	*21.1*	*12.7*
US Large Cap Index Pool	17.4	24.5	26.6	-19.1	26.5	20.4	31.3	-4.8	21.7	12.1
Russell 1000 Index	*17.4*	*24.5*	*26.5*	*-19.1*	*26.5*	*21.0*	*31.4*	*-4.8*	*21.7*	*12.1*
US SMID Cap Alternative Weighted Index Pool	6.0	8.5	16.0	-16.3	--	--	--	--	--	--
S&P SmallCap 600 Index	*6.0*	*8.7*	*16.1*	*-16.1*	*--*	*--*	*--*	*--*	*--*	*--*
Non-US Equity	**29.2**	**5.0**	**13.2**	**-18.1**	**4.8**	**13.1**	**20.5**	**-14.9**	**31.6**	**6.2**
MSCI AC World ex USA (Net)	*32.4*	*5.5*	*15.6*	*-16.0*	*7.8*	*10.7*	*21.5*	*-14.2*	*27.2*	*4.5*
Non-US Large Cap Active Pool	--	--	--	--	--	--	--	--	--	--
MSCI AC World ex USA (Net)	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
Non-US Large Cap Passive Pool	--	--	--	--	--	--	--	--	--	--
MSCI AC World ex USA (Net)	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
Non-US SMID Cap Active Pool	--	--	--	--	--	--	--	--	--	--
MSCI AC World ex USA Small Cap (Net)	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
Non-US SMID Cap Passive Pool	--	--	--	--	--	--	--	--	--	--
MSCI AC World ex USA Small Cap (Net)	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
Private Equity	**9.0**	**5.9**	**5.8**	**2.4**	**49.4**	**12.4**	**9.6**	**14.1**	**15.8**	**7.4**
Private Equity Pool	9.0	5.9	5.8	2.4	49.4	12.4	9.6	14.1	15.8	7.4
MSCI ACWI +3% (1Q Lag)	*20.7*	*35.6*	*24.4*	*-18.2*	*31.2*	*13.7*	*4.4*	*13.0*	*22.2*	*15.3*

Returns for Non-US Large Cap Active Pool, Non-US Large Cap Passive Pool, Non-US SMID Cap Active Pool, and Non-US SMID Cap Passive Pool will begin after the first full year of performance.

Calendar Year Performance | As of September 30, 2026

	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)
Fixed Income	**8.3**	**4.8**	**6.9**	**-6.7**	**4.9**	**7.0**	**6.3**	**2.2**	**7.0**	**6.4**
Blmbg. U.S. Universal Index	*7.6*	*2.0*	*6.2*	*-13.0*	*-1.1*	*7.6*	*9.3*	*-0.3*	*4.1*	*3.9*
Core Bonds Pool	7.8	1.7	6.0	-13.9	-1.4	9.0	8.8	--	--	--
Blmbg. U.S. Aggregate Index	*7.3*	*1.3*	*5.5*	*-13.0*	*-1.5*	*7.5*	*8.7*	*--*	*--*	*--*
Credit Plus Pool	--	--	--	--	--	--	--	--	--	--
Blmbg. U.S. Universal Index	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
Private Debt Pool	9.0	8.7	8.0	2.5	14.2	4.1	3.1	4.5	9.0	6.9
S&P UBS Leveraged Loan +2% 1Q Lag	*9.2*	*11.8*	*14.7*	*-0.7*	*10.6*	*2.9*	*5.2*	*7.7*	*7.5*	*7.4*
Real Estate	**3.3**	**-5.8**	**-9.4**	**18.8**	**20.8**	**-0.6**	**5.4**	**10.2**	**7.9**	**10.6**
Real Estate Pool	3.3	-5.8	-9.4	18.8	20.8	-0.6	5.4	10.2	7.9	10.6
Real Estate Custom Index	*4.0*	*-7.9*	*-12.9*	*21.0*	*13.6*	*0.5*	*4.6*	*7.7*	*6.7*	*9.1*
Real Assets	**9.6**	**11.9**	**9.4**	**15.0**	**16.0**	**-7.6**	**4.1**	**--**	**--**	**--**
Real Assets Pool	9.6	11.9	9.3	15.0	16.0	-7.6	4.1	--	--	--
Real Assets Custom Index	*6.8*	*6.1*	*2.5*	*4.2*	*12.7*	*4.3*	*6.3*	*--*	*--*	*--*

Returns for Credit Plus Pool will begin after the first full year of performance.
Real Estate Custom Index is comprised of 100% NCREIF ODCE (Net) (1 Qtr Lag) through 09/2024, and 100% NCREIF ODCE+0.75% (Net) (1 Qtr Lag) thereafter.
Real Assets Custom Index is comprised of 35% Bloomberg US Treasury: US TIPS Index, 25% Bloomberg Commodity Index (TR), 20% NCREIF Timberland Index, and 20% CPI+3% through 03/2024, and the CPI+4% thereafter.

Cash Flow Summary | Quarter To Date Ending September 30, 2026

Cash Flow Summary	Beginning Market Value ($)	Contributions ($)	Distributions ($)	Net Cash Flows ($)	Net Investment Change ($)	Ending Market Value ($)
US Large Cap Index Pool	434,288,947	-	-20,000,000	-20,000,000	7,382,770	421,671,717
US SMID Cap Alternative Weighted Index Pool	76,404,457	-	-10,000,000	-10,000,000	-5,440,906	60,963,551
Non-US Large Cap Active Pool	116,753,004	-	-	-	637,300	117,390,303
Non-US Large Cap Passive Pool	165,753,282	-	-15,000,000	-15,000,000	798,040	151,551,321
Non-US SMID Cap Active Pool	28,197,442	-	-	-	460,175	28,657,617
Non-US SMID Cap Passive Pool	42,912,387	-	-	-	778,065	43,690,452
Private Equity Pool	237,604,934	-	-	-	11,813,582	249,418,517
Core Bonds Pool	405,897,930	30,000,000	-	30,000,000	-14,818,864	421,079,066
Credit Plus Pool	101,709,107	-	-	-	-2,280,822	99,428,285
Private Debt Pool	255,146,973	-	-	-	6,158,521	261,305,494
Real Estate Pool	201,133,321	15,000,000	-	15,000,000	1,728,179	217,861,500
Real Assets Pool	110,949,901	-	-	-	3,014,175	113,964,076
Total	**2,176,751,684**	**45,000,000**	**-45,000,000**	**-**	**10,230,214**	**2,186,981,898**

Benchmark History

From Date	To Date	Benchmark
Total Fund		
10/01/2025	Present	19.0% Russell 1000 Index, 3.0% S&P SmallCap 600 Index, 20.0% Blmbg. U.S. Aggregate Index, 12.0% S&P UBS Leveraged Loan +2% 1Q Lag, 5.0% Real Assets Custom Index, 11.0% MSCI ACWI +3% (1Q Lag), 12.0% MSCI AC World ex USA (Net), 3.0% MSCI AC World ex USA Small Cap (Net), 10.0% NCREIF ODCE +0.75% Net (1Q Lag), 5.0% Blmbg. U.S. Universal Index
07/01/2025	09/30/2025	14.0% Russell 1000 Index, 2.0% S&P SmallCap 600 Index, 20.0% Blmbg. U.S. Aggregate Index, 15.0% S&P UBS Leveraged Loan +2% 1Q Lag, 5.0% Real Assets Custom Index, 10.0% MSCI ACWI +3% (1Q Lag), 19.0% MSCI AC World ex USA (Net), 5.0% MSCI AC World ex USA Small Cap (Net), 10.0% NCREIF ODCE +0.75% Net (1Q Lag)
10/01/2024	06/30/2025	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% S&P UBS Leveraged Loan +2% 1Q Lag, 5.0% Real Assets Custom Index, 10.0% NCREIF ODCE +0.75% Net (1Q Lag), 10.0% MSCI ACWI +3% (1Q Lag)
07/01/2023	09/30/2024	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% S&P UBS Leveraged Loan +2% 1Q Lag, 5.0% Real Assets Custom Index, 10.0% NCREIF ODCE Net 1 Qtr Lag, 10.0% MSCI ACWI +3% (1Q Lag)
02/01/2021	06/30/2023	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 Assets Custom Index
11/01/2018	01/31/2021	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 Assets Custom Index
10/01/2018	10/31/2018	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 Assets Custom Index
05/01/2018	09/30/2018	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	04/30/2018	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)

During the period 7/1/25-09/30/25, the total fund benchmark reflects targets of 19% Non-US Large and 5% Non-US SMID. This is to align with the underlying SIC non-US equity investment pool change implemented on 7/1/25.

Benchmark History | As of September 30, 2026

From Date	To Date	Benchmark
05/01/2017	03/31/2018	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	04/30/2017	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	10/31/2015	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)
12/01/2011	03/31/2015	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	11/30/2011	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	10/31/2011	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	03/31/2011	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	11/30/2010	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	10/31/2007	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	07/31/2005	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	06/30/2005	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	02/28/2002	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	12/31/2000	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	07/31/2000	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	04/30/1999	45.0% S&P 500 Index, 40.0% Blmbg. U.S. Aggregate Index, 15.0% MSCI EAFE (Net)
12/01/1995	02/28/1999	60.0% S&P 500 Index, 40.0% Blmbg. U.S. Aggregate Index
06/01/1992	11/30/1995	40.0% S&P 500 Index, 60.0% Blmbg. U.S. Aggregate Index

Benchmark History | As of September 30, 2026

From Date	To Date	Benchmark
Real Assets Custom Index		
04/01/2024	Present	100.0% CPI +4% (Seasonally Adjusted)
10/01/2018	03/31/2024	35.0% Blmbg. U.S. TIPS Index, 25.0% Bloomberg Commodity Index Total Return, 20.0% NCREIF Timberland, 20.0% CPI +3% (Seasonally Adjusted)

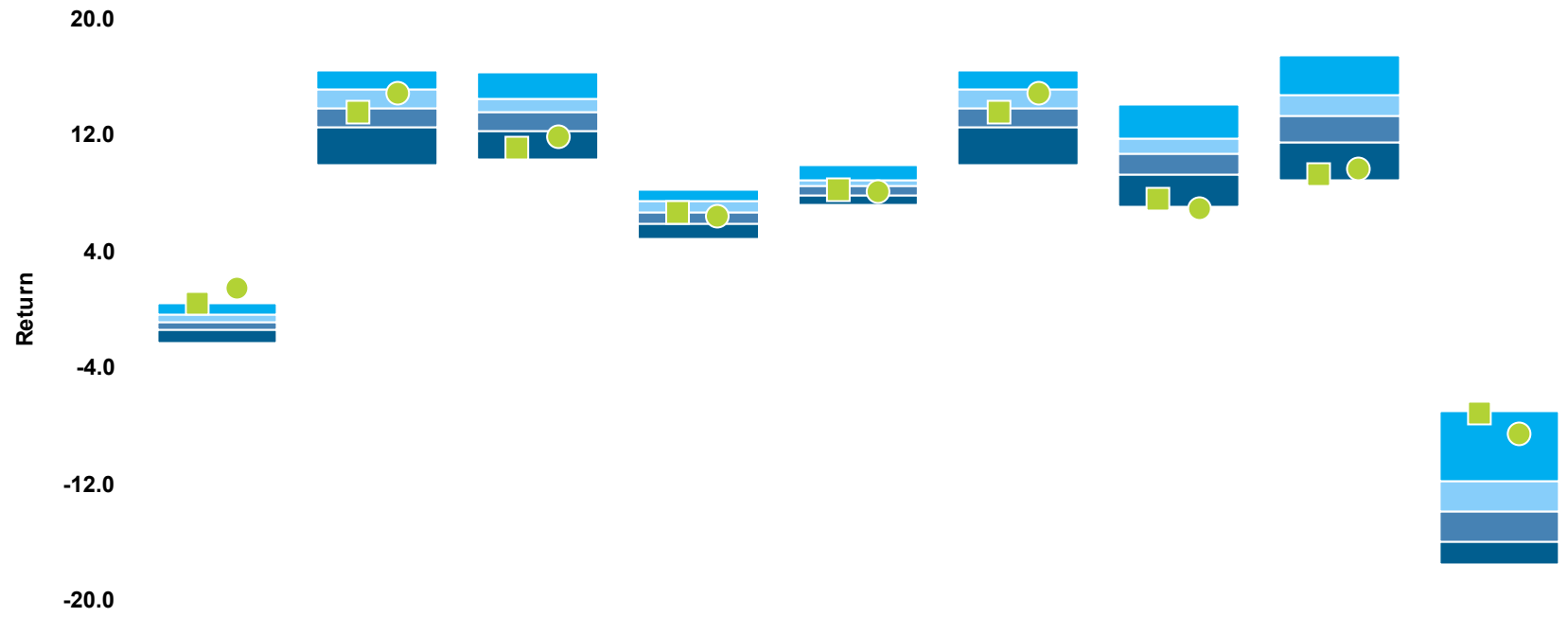
Fee Schedule | As of September 30, 2026

Annual Investment Expense Analysis

	Fee Schedule	Market Value ($)	Expense Ratio (%)	Estimated Expense ($)
Total Fund		**2,186,981,898**	**0.40**	**8,699,794**
Global Public Equity		**823,924,961**	**0.08**	**692,022**
US Equity		**482,635,268**	**0.01**	**60,456**
US Large Cap Index Pool	0.01 % of Assets	421,671,717	0.01	42,167
US SMID Cap Alternative Weighted Index Pool	0.03 % of Assets	60,963,551	0.03	18,289
Non-US Equity		**341,289,693**	**0.19**	**631,565**
Non-US Large Cap Active Pool	0.35 % of Assets	117,390,303	0.35	410,866
Non-US Large Cap Passive Pool	0.03 % of Assets	151,551,321	0.03	45,465
Non-US SMID Cap Active Pool	0.52 % of Assets	28,657,617	0.52	149,020
Non-US SMID Cap Passive Pool	0.06 % of Assets	43,690,452	0.06	26,214
Private Equity		**249,418,517**	**1.35**	**3,367,150**
Private Equity Pool	1.35% + Incentive Fee	249,418,517	1.35	3,367,150
Fixed Income		**781,812,844**	**0.25**	**1,936,406**
Core Bonds Pool	0.10 % of Assets	421,079,066	0.10	421,079
Credit Plus Pool	0.21 % of Assets	99,428,285	0.21	208,799
Private Debt Pool	0.50% + Incentive Fee	261,305,494	0.50	1,306,527
Real Estate		**217,861,500**	**0.76**	**1,655,747**
Real Estate Pool	0.76% + Incentive Fee	217,861,500	0.76	1,655,747
Real Assets		**113,964,076**	**0.92**	**1,048,469**
Real Assets Pool	0.92% + Incentive Fee	113,964,076	0.92	1,048,469

Fee information is based on RVK's State Investment Council Third Party Investors Report as of June 30, 2026.

Peer Group Analysis All Public DB Plans



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)
Total Fund	0.5 (4)	13.7 (55)	11.2 (91)	6.7 (51)	8.3 (59)	13.7 (55)	7.6 (92)	9.3 (93)	-7.1 (6)
Total Fund Benchmark	1.6 (1)	14.9 (29)	11.9 (81)	6.4 (59)	8.1 (67)	14.9 (29)	7.0 (96)	9.7 (91)	-8.5 (8)
5th Percentile	0.4	16.5	16.3	8.3	10.0	16.5	14.2	17.5	-7.0
1st Quartile	-0.3	15.1	14.5	7.4	8.9	15.1	11.7	14.7	-11.8
Median	-0.9	13.8	13.6	6.7	8.5	13.8	10.8	13.3	-13.9
3rd Quartile	-1.4	12.6	12.3	6.0	7.9	12.6	9.3	11.6	-15.9
95th Percentile	-2.3	10.0	10.4	4.8	7.2	10.0	7.1	9.0	-17.5
Population	276	989	252	244	214	989	1,025	1,066	1,073

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Non-US Active/Passive Equities Overview

Agenda

1. Introduction
2. Active vs. Passive Investing
3. Assessment of NM SIC Non-US Active Equity Pools
4. Non-US Equity Implementation Options to Consider

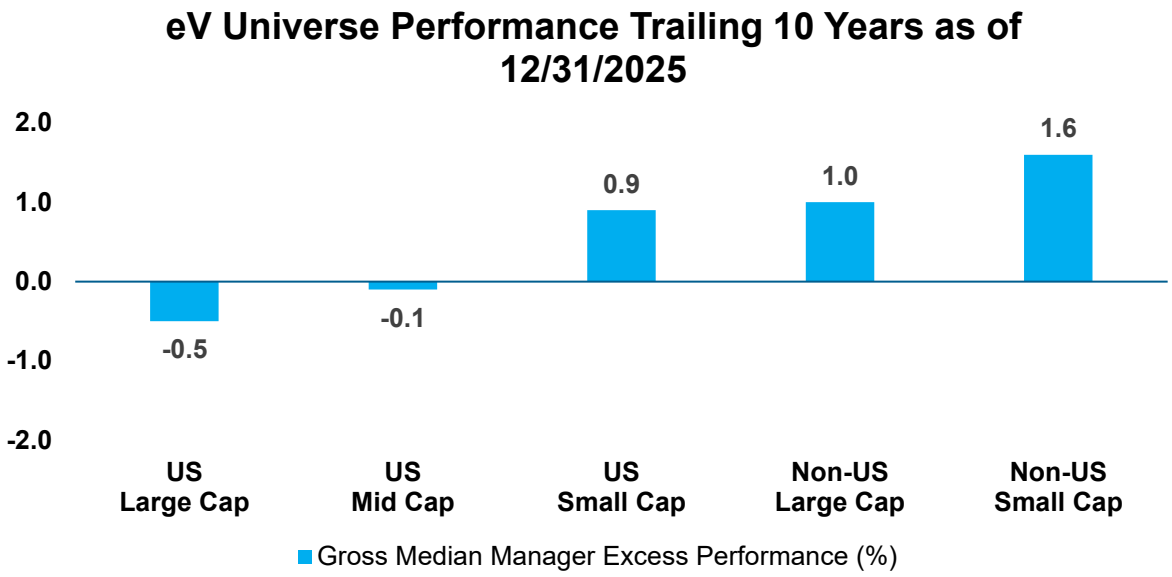
Introduction

- The Board of NMRHCA adopted new asset allocation targets in July of 2025. For most asset classes, the NM SIC only offers one investment pool, making asset allocation implementation straightforward.
- The exception is in public equities, where the NM SIC offers a choice between active and passive implementation options:
  - Active investment management seeks to outperform (or reduce risk relative to) broad market indexes.
  - Passive investment management seeks to closely track broad market indexes.
- Currently, the NMRHCA invests in public equities as follows:
  - US Equity
    - Large Cap: 100% Passive (Large Cap Index Pool)
    - SMID Cap: 100% Passive (SMID Cap Alternative Weighted Index Pool)
  - Non-US Equity
    - Large Cap: 59% Passive (Large Cap Passive Pool) and 41% Active (Large Cap Active Pool)
    - SMID Cap: 60% Passive (SMID Cap Passive Pool) and 40% Active (SMID Cap Active Pool)
    - Current non-US equity weights are a result of maintaining the existing passive and active exposure prior to the NM SIC's non-US equity structure change in 2025.
- This document offers an overview of active vs passive investment management and also details various non-US implementation options for the Board's consideration at a future meeting.
  - The NM SIC is contemplating changes to its US equity pools. When a decision is made by the SIC, Meketa will present a similar US-focused analysis to the NMRHCA Board.

Active vs. Passive Investing

- Active management aims to add value by achieving higher returns or reducing risk compared to market benchmarks. Active managers try to outperform by selecting specific securities, strategies, or sectors. However, this approach carries risks, including the potential for underperformance, unintentionally large bets, personnel issues, and challenges in managing large asset pools.
- Market efficiency varies, with some markets being more efficient than others based on the value added by active managers, on average. Superior manager selection can add value across asset classes, but it's unrealistic to expect all managers to achieve top quartile returns. In highly efficient markets, passive management is more likely to succeed due to its low fees and ability to replicate market segment returns. Passive strategies are ideal for achieving broad diversification at very low costs.
- Some areas of the global equity universe tend to be more conducive to passive management (Large cap US stocks), while others may be more conducive to active management (Small/Mid cap non-US stocks). However, it is challenging to identify persistent long-term outperforming managers before the fact in all areas.

Active vs. Passive Investing (continued)



→ In most public asset classes outside of the US, the median manager's "alpha" is positive, before fees.

- NM SIC pool expense ratios as of 6/30/2026: Non-US Large Active: 0.35%, Non-US SMID Active: 0.52%
- The median fee for similar strategies for an investor of RHCA's size is 0.62% and 0.89%, respectively[1]

→ The asset classes with the highest median outperformance were US small cap equity, Non-US large cap equity, and Non-US small cap equity.

→ The highest outperforming asset classes are those considered to be less efficient, though they often tend to be associated with higher fees.

[1] Source: eVestment

Active vs. Passive Investing (continued)

- Consistently outperforming the market is difficult, and many active managers fail to do so over the long term. Studies have shown that a significant percentage of active funds underperform their benchmarks, especially after accounting for fees and expenses.
- However, some areas of the public equity universe have shown more persistent success of active managers:
  - US Small/Mid Cap:
    - Small/mid cap stocks have more limited analyst coverage, creating opportunities for active managers to uncover undervalued companies.
  - Non-US:
    - Active managers can navigate political, economic, and currency risks more effectively in these markets.
    - In addition, emerging markets are characterized by higher volatility and diverse economic conditions, where local knowledge and active management can add significant value.
- However, it would be prudent to understand drawbacks of active management, which include higher costs and inconsistent results:
  - Active funds typically have higher expense ratios compared to passive funds due to the costs associated with research, analysis, and portfolio management. Portfolio turnover is also typically higher, adding to overall costs.
  - These higher costs can erode returns over time, making it more challenging for active managers to consistently outperform their benchmarks net of fees and adjusted for risk.

Assessment of NM SIC Non-US Active Equity Pools

- The NM SIC redesigned their Non-US Equity pools in 2025. Both of their active pools (Non-US Large and Non-US SMID) have displayed outperformance utilizing historical manager information vs. applicable benchmarks, while maintaining broad diversification.
- Portfolio Makeup:

Non-US Large Cap Active	Manager Weight (%)
LSV International Large Cap Value Equity	12.5
Arga International Large Cap Value	12.5
Brandes International Large Cap Value	12.5
MFS International Growth Equity	12.5
Lazard International Large Cap Growth	12.5
Hardman Johnston International Large Cap Growth	12.5
Acadian International Large Cap Core	12.5
C WorldWide International Large Cap Growth	12.5

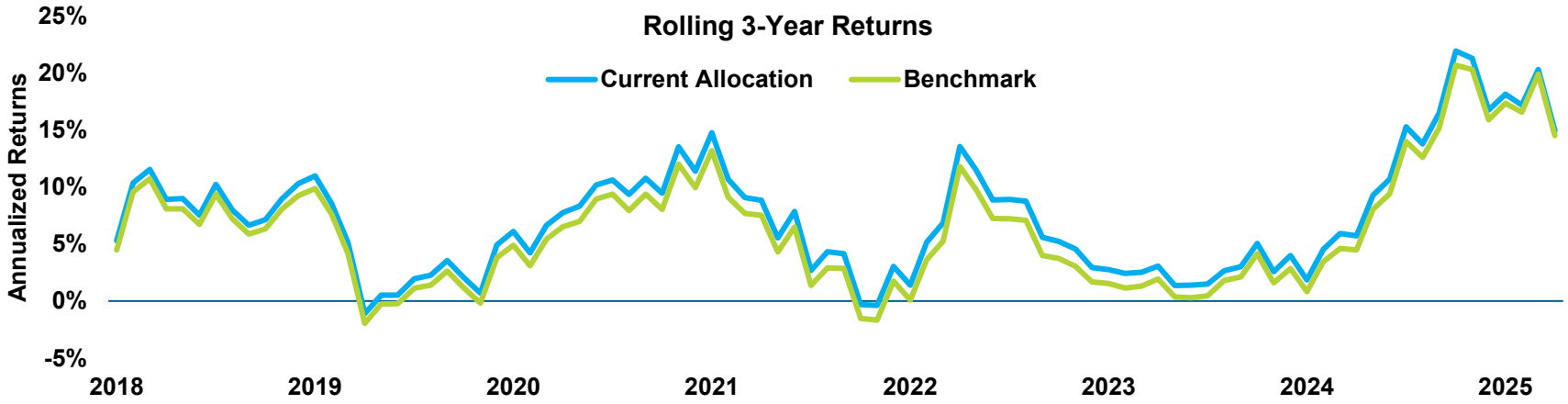
Non-US SMID Cap Active	Manager Weight (%)
DFA International SMID Cap Value	16.7
Cedar Street International Small Cap Value	16.7
Informed Momentum Int'l Small Cap Growth	16.7
Driehaus International Small Cap Growth	16.7
Causeway International Small Cap Core	16.7
Man Numeric Intl SMID Cap Core	16.7

Assessment of NM SIC Non-US Active Equity Pools: Large Cap

→ Non-US Large Cap Active returns:

Trailing Period Returns as of 6/30/2026[2]	Non-US Large Cap Active Returns (%)	Benchmark Return (%)
YTD 2026	10.8	13.7
1 Year	22.9	27.7
3 Year	18.8	18.8
5 Year	10.4	8.8
7 Year	12.9	10.2
10 Year	12.5	9.9

Calendar Year Returns[2]	Non-US Large Cap Active Returns (%)	Benchmark Return (%)
2025	32.2	32.4
2024	8.0	5.5
2023	19.3	15.6
2022	-13.2	-16.0
2021	11.8	7.8
2020	15.9	10.7



[2] Hypothetical Historical Returns (gross of fees), based on eVestment Data. Benchmark represented by MSCI ACWI ex USA TR

Assessment of NM SIC Non-US Active Equity Pools: Large Cap (continued)

→ Non-US Large Cap Active characteristics[3]:

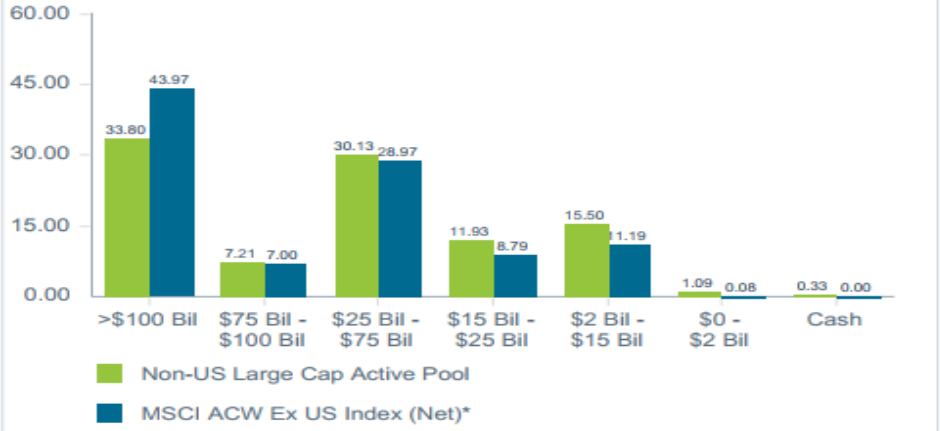
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semiconductor Mfg	3.32	5.05	-1.73	37.79
ASML Holding NV	2.26	2.07	0.19	52.95
Astrazeneca PLC	1.53	0.77	0.76	-3.39
SAP AG Systeme Anwendungen	1.21	0.43	0.78	-7.97
Samsung Electronics Co Ltd	1.20	2.73	-1.53	97.71
Novartis AG	1.12	0.78	0.34	4.33
Prosus NV	1.10	0.15	0.95	-3.29
Schneider Electric S E	0.97	0.48	0.49	25.50
Rheinmetall AG	0.96	0.14	0.82	-31.26
Novo Nordisk A/S	0.94	0.42	0.52	35.15
% of Portfolio	14.61	13.02	1.59	

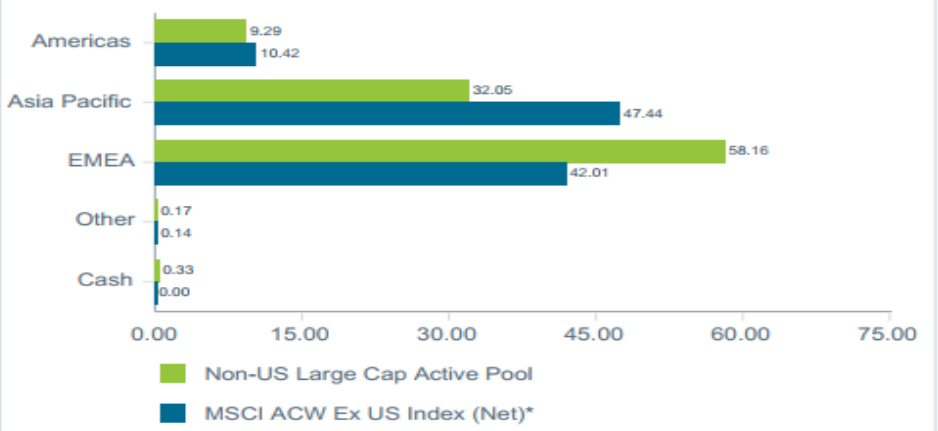
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	193,590	273,968
Median Mkt. Cap ($M)	4,456	13,898
Price/Earnings Ratio	16.82	18.11
Price/Book Ratio	2.81	2.95
5 Yr. EPS Growth Rate (%)	15.54	17.82
Current Yield (%)	2.52	2.38
Beta (5 Years, Monthly)	0.93	1.00
Number of Securities	1,244	1,934

Distribution of Market Capitalization (%)



Region Weights (%)



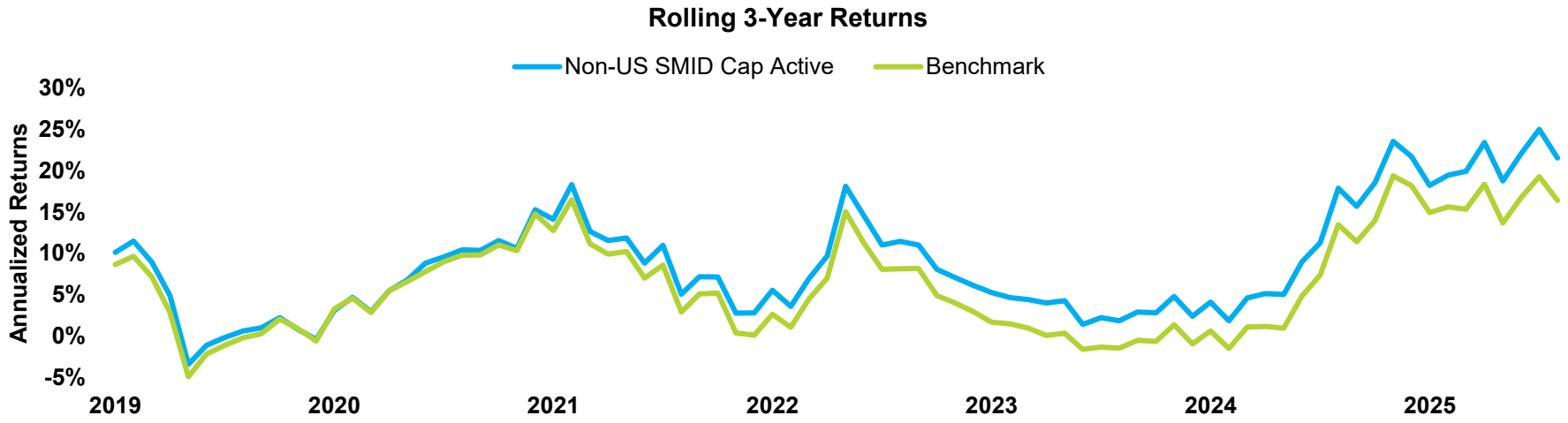
[3] Source: NMSIC RVK Third Party Investors Report as of 6/30/2026

Assessment of NM SIC Non-US Active Equity Pools: SMID Cap

→ Non-US SMID Cap Active returns:

Trailing Period Returns as of 6/30/2026[4]	Non-US SMID Cap Active Returns (%)	Benchmark Return (%)
YTD 2026	14.6	9.1
1 Year	26.4	19.8
3 Year	21.5	16.4
5 Year	10.5	6.3
7 Year	13.3	9.7
10 Year	N/A	N/A

Calendar Year Returns[4]	Non-US SMID Cap Active Returns (%)	Benchmark Return (%)
2025	35.2	29.3
2024	7.3	3.4
2023	17.4	15.7
2022	-16.1	-20.0
2021	16.4	12.9
2020	13.9	14.2



[4] Hypothetical Historical Returns (gross of fees), based on eVestment Data. Benchmark represented by MSCI ACWI ex USA Small Cap TR

Assessment of NM SIC Non-US Active Equity Pools: SMID Cap (continued)

→ Non-US SMID Cap Active characteristics[5]:

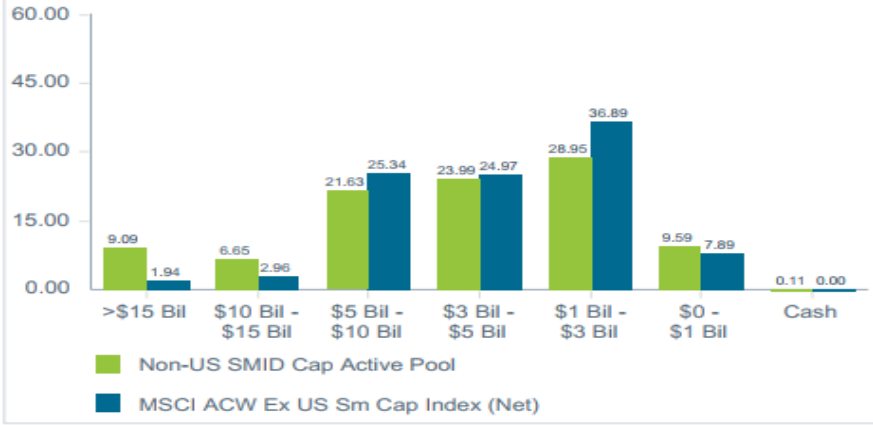
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
iShares MSCI India Sm Cap ETF	3.21	0.00	3.21	17.96
AT&S	0.68	0.11	0.57	304.97
iShares MSCI India ETF	0.64	0.00	0.64	5.44
Resonac Holdings Corporation	0.52	0.00	0.52	76.76
Synnex Technology Int'l Corp	0.52	0.06	0.46	20.61
Toyoda Gosei Co Ltd	0.51	0.05	0.46	24.87
Aixtron SE	0.48	0.12	0.36	60.11
Aalberts NV	0.48	0.08	0.40	35.17
RS Group plc	0.44	0.06	0.38	6.93
IG Group Holdings PLC	0.42	0.14	0.28	30.17
% of Portfolio	7.90	0.62	7.28	

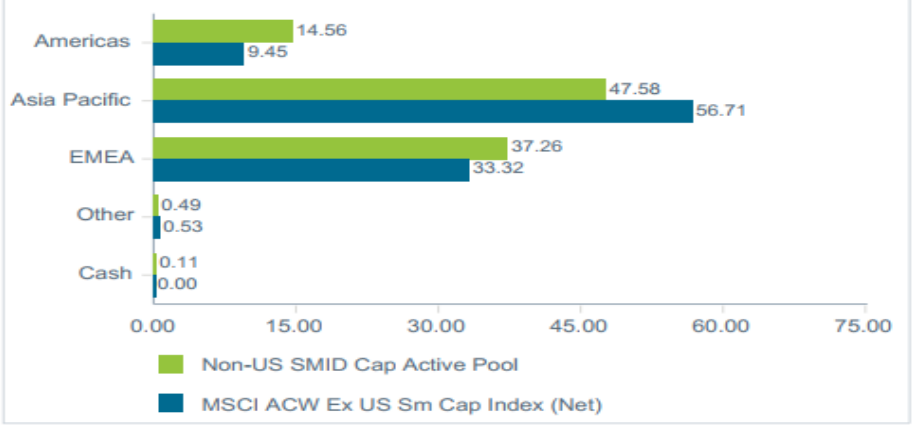
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	6,581	4,298
Median Mkt. Cap ($M)	1,285	1,606
Price/Earnings Ratio	15.15	16.10
Price/Book Ratio	2.28	2.40
5 Yr. EPS Growth Rate (%)	13.85	13.76
Current Yield (%)	2.78	2.66
Beta (5 Years, Monthly)	0.98	1.00
Number of Securities	4,159	4,084

Distribution of Market Capitalization (%)



Region Weights (%)



[5] Source: NMSIC RVK Third Party Investors Report as of 6/30/2026

Non-US Equity Implementation Options to Consider[6]

Non-US Large Cap Pool[7]	RHCA Current Target Weight (%)	NM SIC Target Weight (%)	Option 1: Status Quo Target Weight (%)	Option 2: Replicate SIC Target Weight (%)	Option 3: All Passive Target Weight (%)	Option 4 (NEW): Passive Tilt Target Weight (%)
Active	41	75	40	75		30
Passive	59	25	60	25	100	70
Expense Ratio	0.16	0.27	0.16	0.27	0.03	0.13

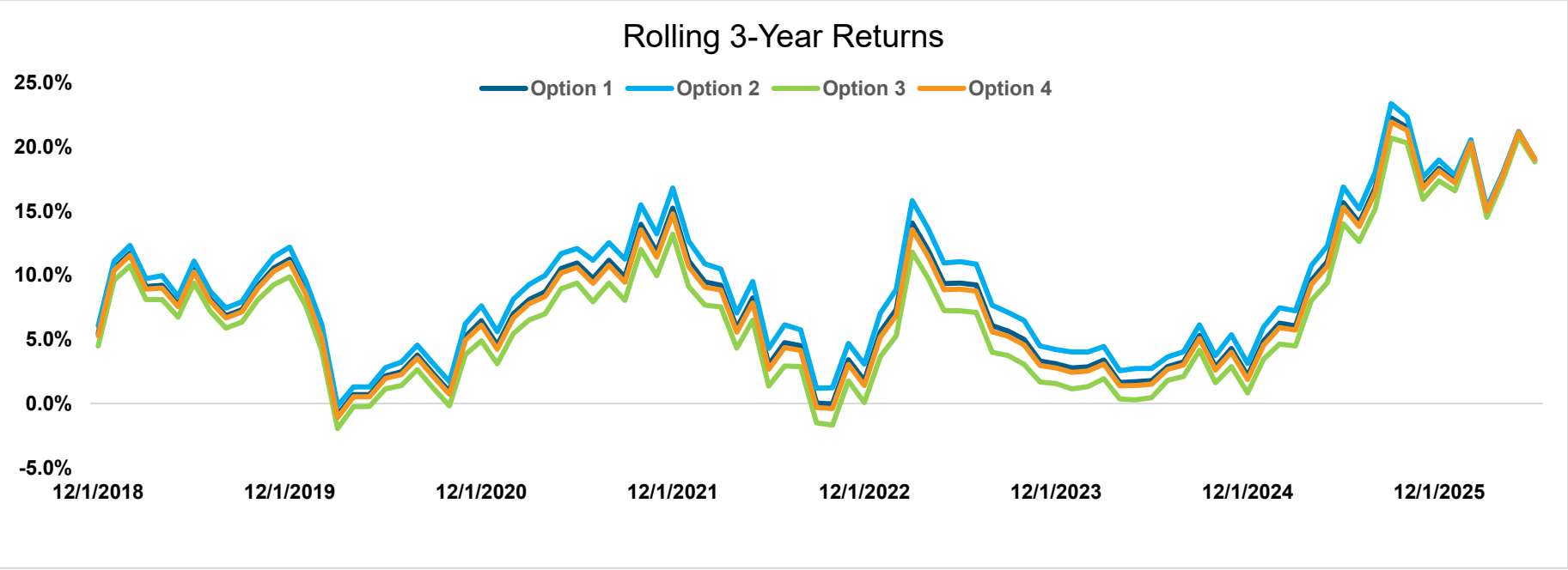
Non-US SMID Cap Pool[8]	RHCA Current Target Weight (%)	NM SIC Target Weight (%)	Option 1: Status Quo Target Weight (%)	Option 2: Replicate SIC Target Weight (%)	Option 3: All Passive Target Weight (%)	Option 4: All Active Target Weight (%)	Option 5 (NEW): Passive Tilt Target Weight (%)
Active	40	75	40	75		100	30
Passive	60	25	60	25	100		70
Expense Ratio	0.24	0.41	0.24	0.41	0.06	0.52	0.20

[6] Pool expense ratios as of 6/30/2026: Non-US Large Active: 0.35%, Non-US Large Passive: 0.03%, Non-US SMID Active: 0.52%, Non-US SMID Passive: 0.06%.
[7] Non-US Large Cap Target Weight is 12%.
[8] Non-US SMID Cap Target Weight is 3%.

Historical Performance Comparison of Large Cap Implementation Options

→ Risk/Return as of 6/30/2026[9]:

Trailing Periods:	3 Yr Return	3 Yr Std Dev	5 Yr Return	5 Yr Std Dev	7 Yr Return	7 Yr Std Dev	10 Yr Return	10 Yr Std Dev
Option 1 (Status Quo)	19.0	13.6	9.6	15.6	11.4	16.5	11.1	15.1
Option 2 (Replicate SIC)	18.9	13.5	10.1	15.6	12.3	16.7	11.9	15.3
Option 3 (All Passive)	18.8	13.9	8.8	15.6	10.2	16.4	9.9	15.0
Option 4 (Passive Tilt)	19.0	13.7	9.5	15.6	11.2	16.5	10.9	15.1

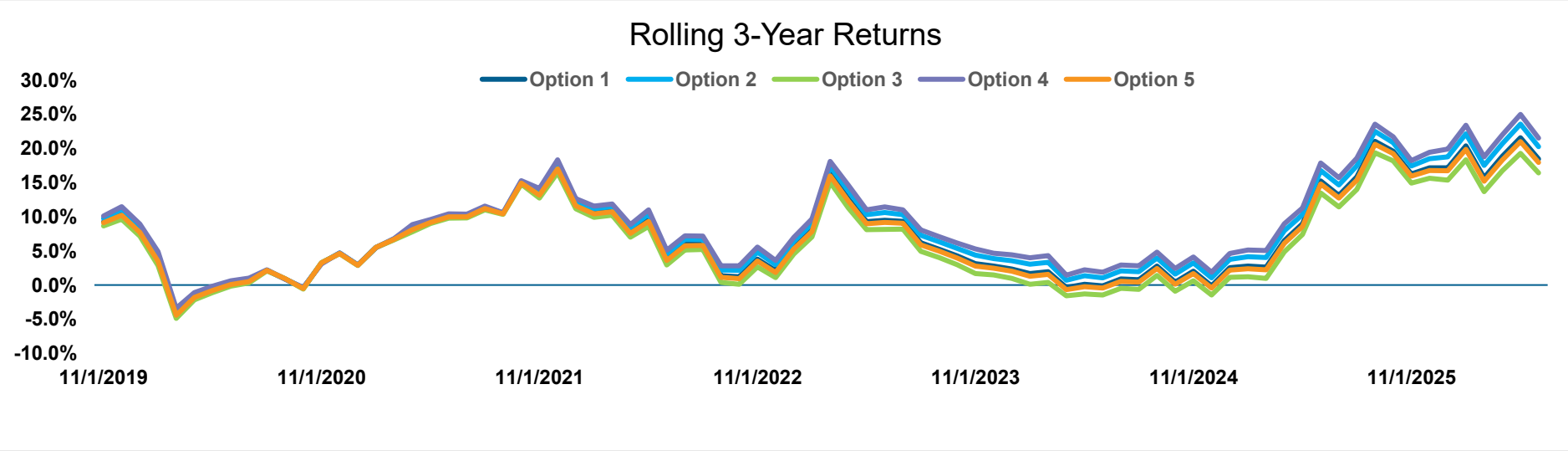


[9] Hypothetical Historical Returns (gross of fees), based on eVestment Data.

Historical Performance Comparison of SMID Cap Implementation Options

→ Risk/Return as of 6/30/2026[10]:

Trailing Periods:	3 Yr Return	3 Yr Std Dev	5 Yr Return	5 Yr Std Dev	7 Yr Return	7 Yr Std Dev	Since Incep[11] Return	Since Incep Std Dev
Option 1 (Status Quo)	18.5	15.2	8.0	16.4	11.2	18.4	10.5	16.9
Option 2 (Replicate SIC)	20.2	15.3	9.5	16.5	12.4	18.4	11.6	17.0
Option 3 (All Passive)	16.4	15.2	6.3	16.4	9.7	18.5	9.3	16.9
Option 4 (All Active)	21.5	15.4	10.5	16.6	13.3	18.5	12.4	17.0
Option 5 (Passive Tilt)	17.9	15.2	7.6	16.4	10.8	18.4	10.2	16.9



[10] Hypothetical Historical Returns (gross of fees), based on eVestment Data.

[11] Begins 12/1/2016 based on oldest available track record of the 6 underlying active strategies (Cedar Street).

Summary

- The SIC's non-US active pools are both very diversified portfolios that have been designed to achieve a similar risk profile as their respective markets and passive counterparts. This is achieved by investing across manager types (fundamental and quantitative) and styles (value, core, and growth).
- Based on the historical performance of the underlying strategies, long-term excess performance of between ~2 to 4% (before fees) would have been achieved. The SIC has stated a more modest objective of 0.5% outperformance (after fees) for the non-US equity portfolio, which is a reasonable target.
- The very competitive fees that the SIC has negotiated (0.35% for Non-US Large Cap and 0.52% for Non-US SMID Cap), make the active pools relatively more attractive.

Disclaimer

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.

THE INFORMATION USED TO PREPARE THIS REPORT MAY HAVE BEEN OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. SOME OF THIS REPORT MAY HAVE BEEN PRODUCED WITH THE ASSISTANCE OF ARTIFICIAL INTELLIGENCE (“AI”) TECHNOLOGY. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY, ADEQUACY, VALIDITY, RELIABILITY, AVAILABILITY, OR COMPLETENESS OF ANY INFORMATION CONTAINED HEREIN, WHETHER OBTAINED EXTERNALLY OR PRODUCED BY THE AI.

THE RECIPIENT SHOULD BE AWARE THAT THIS REPORT MAY INCLUDE AI-GENERATED CONTENT THAT MAY NOT HAVE CONSIDERED ALL RISK FACTORS. THE RECIPIENT IS ADVISED TO CONSULT WITH THEIR MEKETA ADVISOR OR ANOTHER PROFESSIONAL ADVISOR BEFORE MAKING ANY FINANCIAL DECISIONS OR TAKING ANY ACTION BASED ON THE CONTENT OF THIS REPORT. WE BELIEVE THE INFORMATION TO BE FACTUAL AND UP TO DATE BUT DO NOT ASSUME ANY RESPONSIBILITY FOR ERRORS OR OMISSIONS IN THE CONTENT PRODUCED. UNDER NO CIRCUMSTANCES SHALL WE BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES OR ANY DAMAGES WHATSOEVER, WHETHER IN AN ACTION OF CONTRACT, NEGLIGENCE, OR OTHER TORT, ARISING OUT OF OR IN CONNECTION WITH THE USE OF THIS CONTENT. IT IS IMPORTANT FOR THE RECIPIENT TO CRITICALLY EVALUATE THE INFORMATION PROVIDED.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE “FORWARD-LOOKING STATEMENTS,” WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS “MAY,” “WILL,” “SHOULD,” “EXPECT,” “AIM,” “ANTICIPATE,” “TARGET,” “PROJECT,” “ESTIMATE,” “INTEND,” “CONTINUE,” OR “BELIEVE,” OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS REPORT ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS REPORT.

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

MEKETA

New Mexico Retiree Health Care Authority

Non-US Active/Passive Equities Overview

Agenda

1. Introduction
2. Active vs. Passive Investing
3. Assessment of NM SIC Non-US Active Equity Pools
4. Non-US Equity Implementation Options to Consider

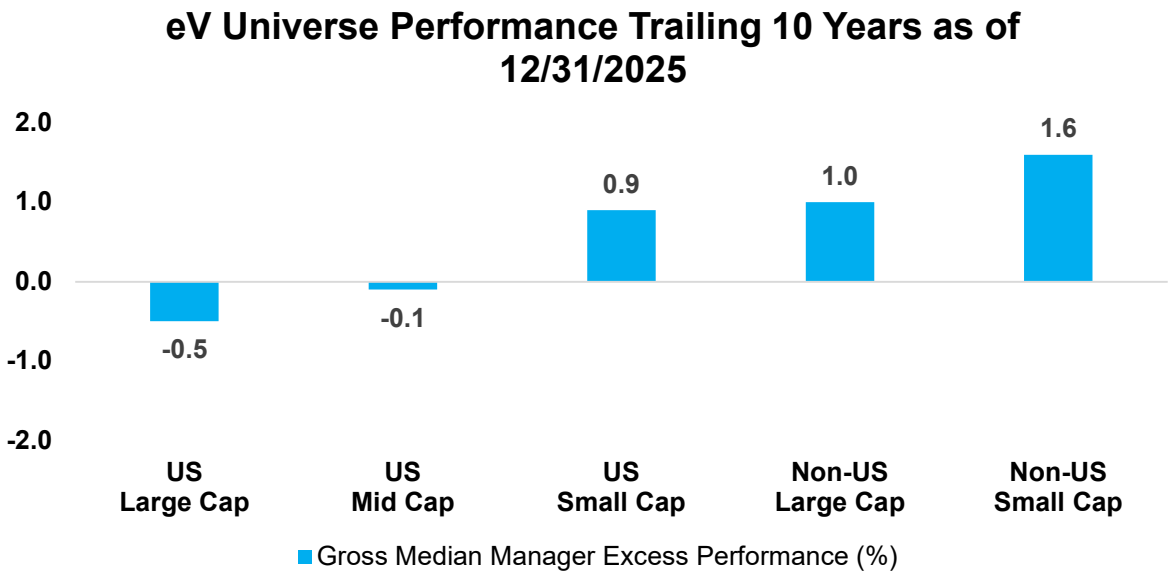
Introduction

- The Board of NMRHCA adopted new asset allocation targets in July of 2025. For most asset classes, the NM SIC only offers one investment pool, making asset allocation implementation straightforward.
- The exception is in public equities, where the NM SIC offers a choice between active and passive implementation options:
  - Active investment management seeks to outperform (or reduce risk relative to) broad market indexes.
  - Passive investment management seeks to closely track broad market indexes.
- Currently, the NMRHCA invests in public equities as follows:
  - US Equity
    - Large Cap: 100% Passive (Large Cap Index Pool)
    - SMID Cap: 100% Passive (SMID Cap Alternative Weighted Index Pool)
  - Non-US Equity
    - Large Cap: 59% Passive (Large Cap Passive Pool) and 41% Active (Large Cap Active Pool)
    - SMID Cap: 60% Passive (SMID Cap Passive Pool) and 40% Active (SMID Cap Active Pool)
    - Current non-US equity weights are a result of maintaining the existing passive and active exposure prior to the NM SIC's non-US equity structure change in 2025.
- This document offers an overview of active vs passive investment management and also details various non-US implementation options for the Board's consideration at a future meeting.
  - The NM SIC is contemplating changes to its US equity pools. When a decision is made by the SIC, Meketa will present a similar US-focused analysis to the NMRHCA Board.

Active vs. Passive Investing

- Active management aims to add value by achieving higher returns or reducing risk compared to market benchmarks. Active managers try to outperform by selecting specific securities, strategies, or sectors. However, this approach carries risks, including the potential for underperformance, unintentionally large bets, personnel issues, and challenges in managing large asset pools.
- Market efficiency varies, with some markets being more efficient than others based on the value added by active managers, on average. Superior manager selection can add value across asset classes, but it's unrealistic to expect all managers to achieve top quartile returns. In highly efficient markets, passive management is more likely to succeed due to its low fees and ability to replicate market segment returns. Passive strategies are ideal for achieving broad diversification at very low costs.
- Some areas of the global equity universe tend to be more conducive to passive management (Large cap US stocks), while others may be more conducive to active management (Small/Mid cap non-US stocks). However, it is challenging to identify persistent long-term outperforming managers before the fact in all areas.

Active vs. Passive Investing (continued)



- → In most public asset classes outside of the US, the median manager's "alpha" is positive, before fees.
  - NM SIC pool expense ratios as of 6/30/2026: Non-US Large Active: 0.35%, Non-US SMID Active: 0.52%
  - The median fee for similar strategies for an investor of RHCA's size is 0.62% and 0.89%, respectively[1]
- → The asset classes with the highest median outperformance were US small cap equity, Non-US large cap equity, and Non-US small cap equity.
- → The highest outperforming asset classes are those considered to be less efficient, though they often tend to be associated with higher fees.

[1] Source: eVestment

Active vs. Passive Investing (continued)

- Consistently outperforming the market is difficult, and many active managers fail to do so over the long term. Studies have shown that a significant percentage of active funds underperform their benchmarks, especially after accounting for fees and expenses.
- However, some areas of the public equity universe have shown more persistent success of active managers:
  - US Small/Mid Cap:
    - Small/mid cap stocks have more limited analyst coverage, creating opportunities for active managers to uncover undervalued companies.
  - Non-US:
    - Active managers can navigate political, economic, and currency risks more effectively in these markets.
    - In addition, emerging markets are characterized by higher volatility and diverse economic conditions, where local knowledge and active management can add significant value.
- However, it would be prudent to understand drawbacks of active management, which include higher costs and inconsistent results:
  - Active funds typically have higher expense ratios compared to passive funds due to the costs associated with research, analysis, and portfolio management. Portfolio turnover is also typically higher, adding to overall costs.
  - These higher costs can erode returns over time, making it more challenging for active managers to consistently outperform their benchmarks net of fees and adjusted for risk.

Assessment of NM SIC Non-US Active Equity Pools

- The NM SIC redesigned their Non-US Equity pools in 2025. Both of their active pools (Non-US Large and Non-US SMID) have displayed outperformance utilizing historical manager information vs. applicable benchmarks, while maintaining broad diversification.
- Portfolio Makeup:

Non-US Large Cap Active	Manager Weight (%)
LSV International Large Cap Value Equity	12.5
Arga International Large Cap Value	12.5
Brandes International Large Cap Value	12.5
MFS International Growth Equity	12.5
Lazard International Large Cap Growth	12.5
Hardman Johnston International Large Cap Growth	12.5
Acadian International Large Cap Core	12.5
C WorldWide International Large Cap Growth	12.5

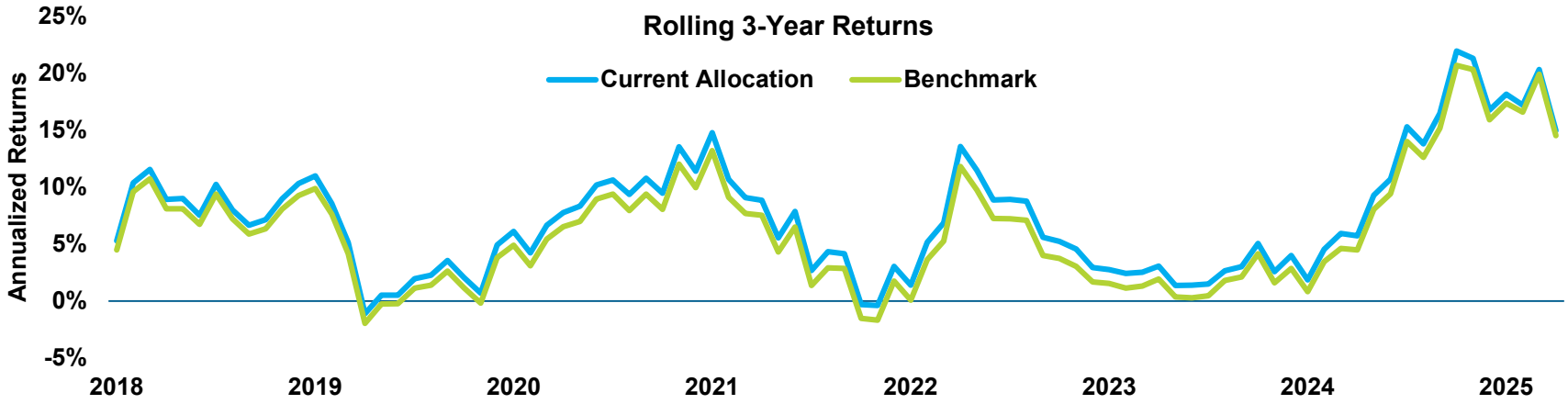
Non-US SMID Cap Active	Manager Weight (%)
DFA International SMID Cap Value	16.7
Cedar Street International Small Cap Value	16.7
Informed Momentum Int'l Small Cap Growth	16.7
Driehaus International Small Cap Growth	16.7
Causeway International Small Cap Core	16.7
Man Numeric Intl SMID Cap Core	16.7

Assessment of NM SIC Non-US Active Equity Pools: Large Cap

→ Non-US Large Cap Active returns:

Trailing Period Returns as of 6/30/2026[2]	Non-US Large Cap Active Returns (%)	Benchmark Return (%)
YTD 2026	10.8	13.7
1 Year	22.9	27.7
3 Year	18.8	18.8
5 Year	10.4	8.8
7 Year	12.9	10.2
10 Year	12.5	9.9

Calendar Year Returns[2]	Non-US Large Cap Active Returns (%)	Benchmark Return (%)
2025	32.2	32.4
2024	8.0	5.5
2023	19.3	15.6
2022	-13.2	-16.0
2021	11.8	7.8
2020	15.9	10.7



[2] Hypothetical Historical Returns (gross of fees), based on eVestment Data. Benchmark represented by MSCI ACWI ex USA TR

Assessment of NM SIC Non-US Active Equity Pools: Large Cap (continued)

→ Non-US Large Cap Active characteristics[3]:

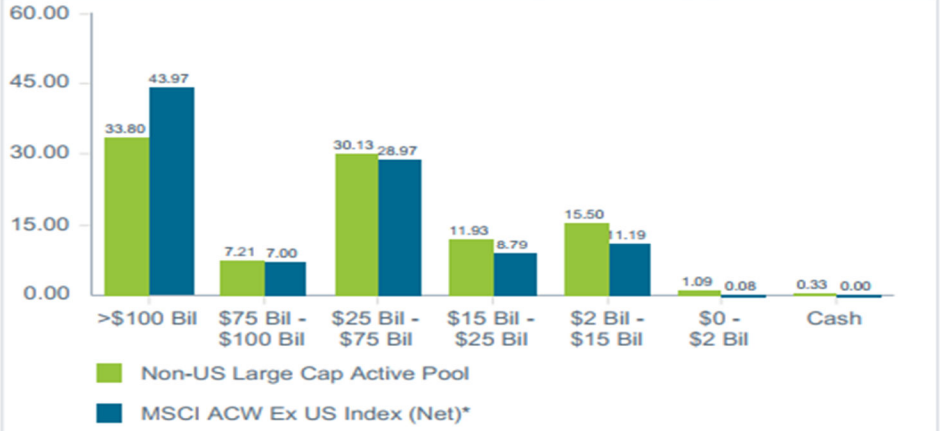
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semiconductor Mfg	3.32	5.05	-1.73	37.79
ASML Holding NV	2.26	2.07	0.19	52.95
Astrazeneca PLC	1.53	0.77	0.76	-3.39
SAP AG Systeme Anwendungen	1.21	0.43	0.78	-7.97
Samsung Electronics Co Ltd	1.20	2.73	-1.53	97.71
Novartis AG	1.12	0.78	0.34	4.33
Prosus NV	1.10	0.15	0.95	-3.29
Schneider Electric S E	0.97	0.48	0.49	25.50
Rheinmetall AG	0.96	0.14	0.82	-31.26
Novo Nordisk A/S	0.94	0.42	0.52	35.15
% of Portfolio	14.61	13.02	1.59	

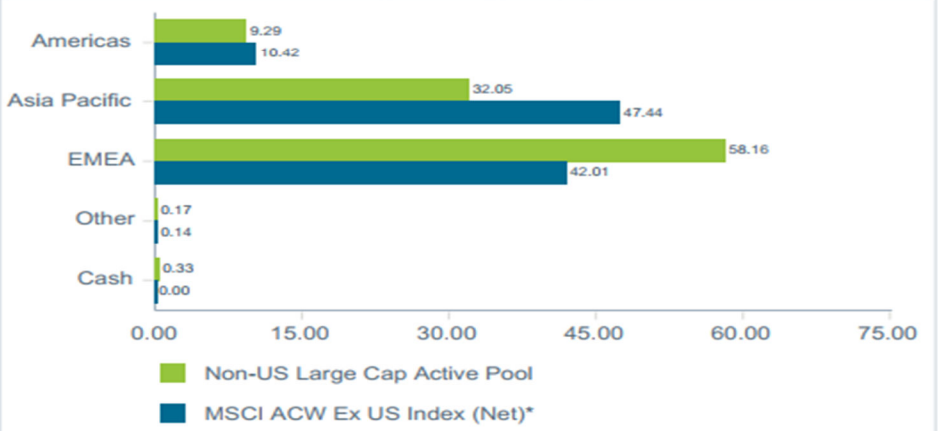
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	193,590	273,968
Median Mkt. Cap ($M)	4,456	13,898
Price/Earnings Ratio	16.82	18.11
Price/Book Ratio	2.81	2.95
5 Yr. EPS Growth Rate (%)	15.54	17.82
Current Yield (%)	2.52	2.38
Beta (5 Years, Monthly)	0.93	1.00
Number of Securities	1,244	1,934

Distribution of Market Capitalization (%)



Region Weights (%)



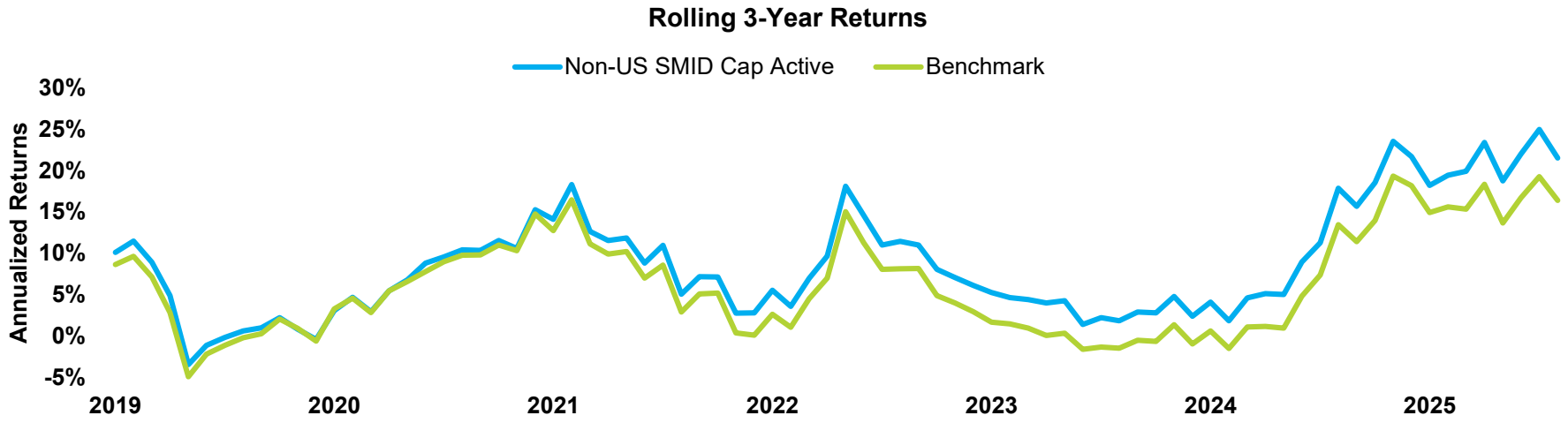
[3] Source: NMSIC RVK Third Party Investors Report as of 6/30/2026

Assessment of NM SIC Non-US Active Equity Pools: SMID Cap

→ Non-US SMID Cap Active returns:

Trailing Period Returns as of 6/30/2026[4]	Non-US SMID Cap Active Returns (%)	Benchmark Return (%)
YTD 2026	14.6	9.1
1 Year	26.4	19.8
3 Year	21.5	16.4
5 Year	10.5	6.3
7 Year	13.3	9.7
10 Year	N/A	N/A

Calendar Year Returns[4]	Non-US SMID Cap Active Returns (%)	Benchmark Return (%)
2025	35.2	29.3
2024	7.3	3.4
2023	17.4	15.7
2022	-16.1	-20.0
2021	16.4	12.9
2020	13.9	14.2



[4] Hypothetical Historical Returns (gross of fees), based on eVestment Data. Benchmark represented by MSCI ACWI ex USA Small Cap TR

Assessment of NM SIC Non-US Active Equity Pools: SMID Cap (continued)

→ Non-US SMID Cap Active characteristics[5]:

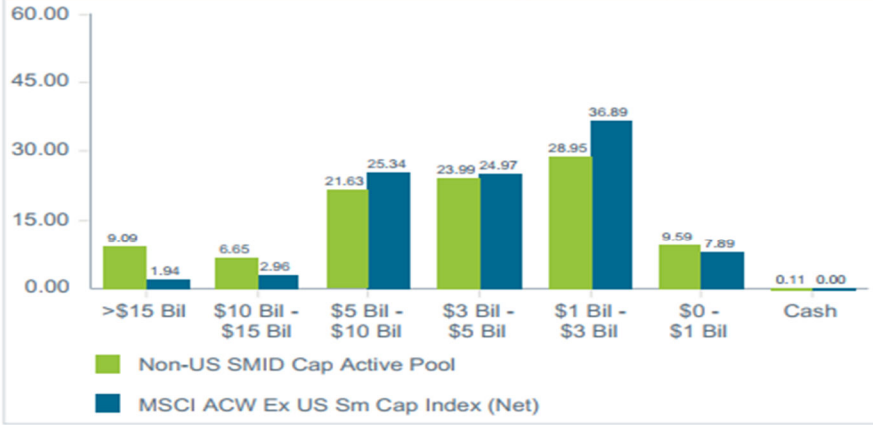
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
iShares MSCI India Sm Cap ETF	3.21	0.00	3.21	17.96
AT&S	0.68	0.11	0.57	304.97
iShares MSCI India ETF	0.64	0.00	0.64	5.44
Resonac Holdings Corporation	0.52	0.00	0.52	76.76
Synnex Technology Int'l Corp	0.52	0.06	0.46	20.61
Toyoda Gosei Co Ltd	0.51	0.05	0.46	24.87
Aixtron SE	0.48	0.12	0.36	60.11
Aalberts NV	0.48	0.08	0.40	35.17
RS Group plc	0.44	0.06	0.38	6.93
IG Group Holdings PLC	0.42	0.14	0.28	30.17
% of Portfolio	7.90	0.62	7.28	

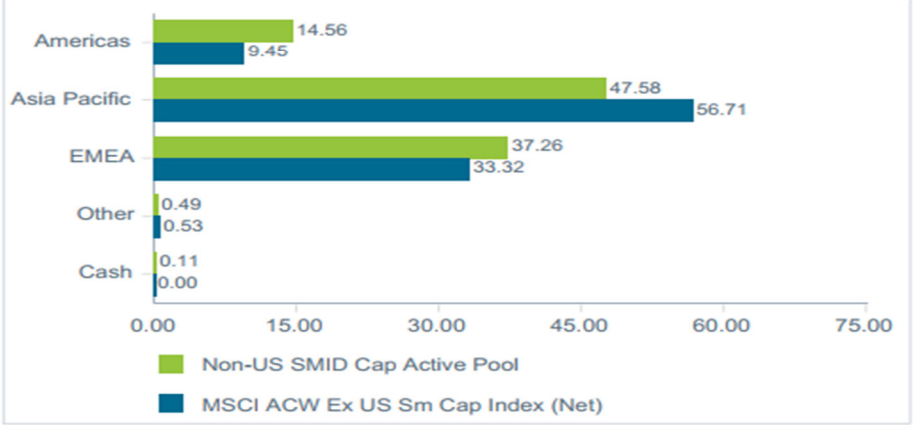
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	6,581	4,298
Median Mkt. Cap ($M)	1,285	1,606
Price/Earnings Ratio	15.15	16.10
Price/Book Ratio	2.28	2.40
5 Yr. EPS Growth Rate (%)	13.85	13.76
Current Yield (%)	2.78	2.66
Beta (5 Years, Monthly)	0.98	1.00
Number of Securities	4,159	4,084

Distribution of Market Capitalization (%)



Region Weights (%)



[5] Source: NMSIC RVK Third Party Investors Report as of 6/30/2026

Non-US Equity Implementation Options to Consider[6]

Non-US Large Cap Pool[7]	RHCA Current Target Weight (%)	NM SIC Target Weight (%)	Option 1: Status Quo Target Weight (%)	Option 2: Replicate SIC Target Weight (%)	Option 3: All Passive Target Weight (%)	Option 4 (NEW): Passive Tilt Target Weight (%)
Active	41	75	40	75		30
Passive	59	25	60	25	100	70
Expense Ratio	0.16	0.27	0.16	0.27	0.03	0.13

Non-US SMID Cap Pool[8]	RHCA Current Target Weight (%)	NM SIC Target Weight (%)	Option 1: Status Quo Target Weight (%)	Option 2: Replicate SIC Target Weight (%)	Option 3: All Passive Target Weight (%)	Option 4: All Active Target Weight (%)	Option 5 (NEW): Passive Tilt Target Weight (%)
Active	40	75	40	75		100	30
Passive	60	25	60	25	100		70
Expense Ratio	0.24	0.41	0.24	0.41	0.06	0.52	0.20

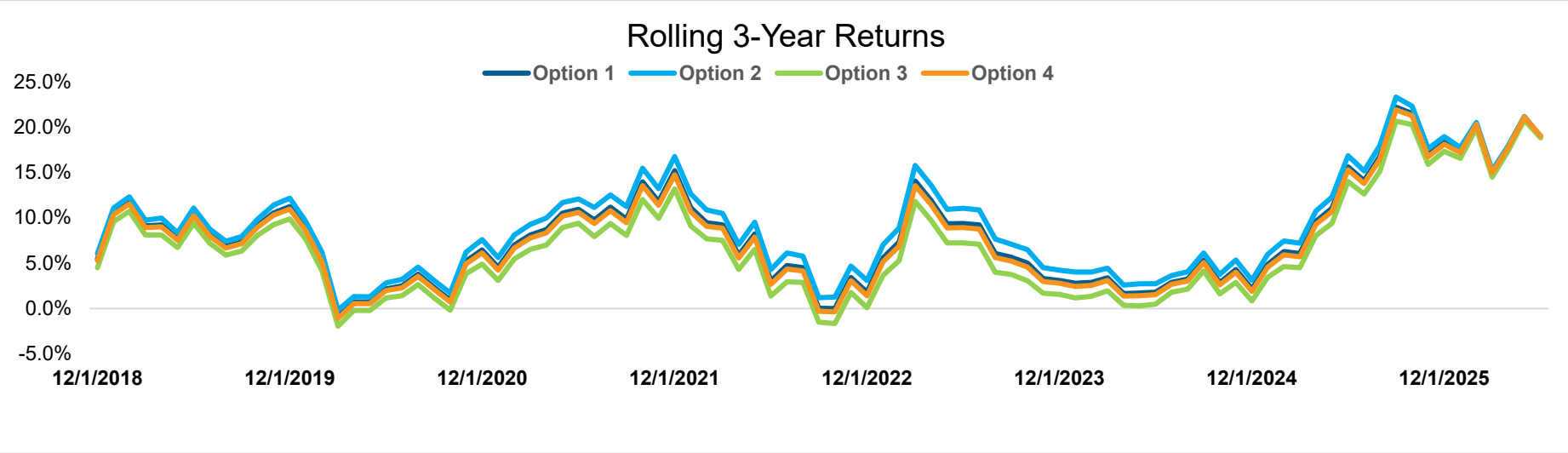
[6] Pool expense ratios as of 6/30/2026: Non-US Large Active: 0.35%, Non-US Large Passive: 0.03%, Non-US SMID Active: 0.52%, Non-US SMID Passive: 0.06%.
[7] Non-US Large Cap Target Weight is 12%.
[8] Non-US SMID Cap Target Weight is 3%.

Historical Performance Comparison of Large Cap Implementation Options

→ Risk/Return:

Trailing 3 Year Period as of 6/30/2026[9]	Return	Standard Deviation
Option 1 (Status Quo)	19.0	13.6
Option 2 (Replicate SIC)	18.9	13.5
Option 3 (All Passive)	18.8	13.9
Option 4 (Passive Tilt)	19.0	13.7

Trailing 5 Year Period as of 6/30/2026[9]	Return	Standard Deviation
Option 1	9.6	15.6
Option 2	10.1	15.6
Option 3	8.8	15.6
Option 4	9.5	15.6



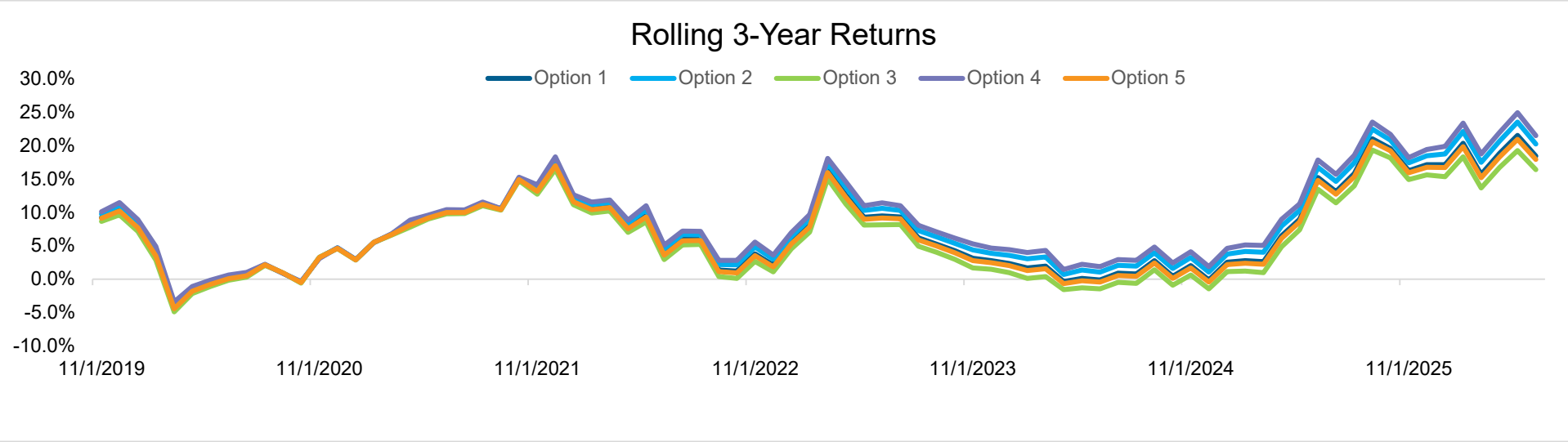
[9] Hypothetical Historical Returns (gross of fees), based on eVestment Data.

Historical Performance Comparison of SMID Cap Implementation Options

→ Risk/Return:

Trailing 3 Year Period as of 6/30/2026[10]	Return	Standard Deviation
Option 1 (Status Quo)	18.5	15.2
Option 2 (Replicate SIC)	20.2	15.3
Option 3 (All Passive)	16.4	15.2
Option 4 (All Active)	21.5	15.4
Option 5 (Passive Tilt)	17.9	15.2

Trailing 5 Year Period as of 6/30/2026[10]	Return	Standard Deviation
Option 1	8.0	16.4
Option 2	9.5	16.5
Option 3	6.3	16.4
Option 4	10.5	16.6
Option 5	7.6	16.4



[10] Hypothetical Historical Returns (gross of fees), based on eVestment Data.

Summary

- The SIC's non-US active pools are both very diversified portfolios that have been designed to achieve a similar risk profile as their respective markets and passive counterparts. This is achieved by investing across manager types (fundamental and quantitative) and styles (value, core, and growth).
- Based on the historical performance of the underlying strategies, long-term excess performance of between ~2 to 4% (before fees) would have been achieved. The SIC has stated a more modest objective of 0.5% outperformance (after fees) for the non-US equity portfolio, which is a reasonable target.
- The very competitive fees that the SIC has negotiated (0.35% for Non-US Large Cap and 0.52% for Non-US SMID Cap), make the active pools relatively more attractive.

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.

THE INFORMATION USED TO PREPARE THIS REPORT MAY HAVE BEEN OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. SOME OF THIS REPORT MAY HAVE BEEN PRODUCED WITH THE ASSISTANCE OF ARTIFICIAL INTELLIGENCE (“AI”) TECHNOLOGY. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY, ADEQUACY, VALIDITY, RELIABILITY, AVAILABILITY, OR COMPLETENESS OF ANY INFORMATION CONTAINED HEREIN, WHETHER OBTAINED EXTERNALLY OR PRODUCED BY THE AI.

THE RECIPIENT SHOULD BE AWARE THAT THIS REPORT MAY INCLUDE AI-GENERATED CONTENT THAT MAY NOT HAVE CONSIDERED ALL RISK FACTORS. THE RECIPIENT IS ADVISED TO CONSULT WITH THEIR MEKETA ADVISOR OR ANOTHER PROFESSIONAL ADVISOR BEFORE MAKING ANY FINANCIAL DECISIONS OR TAKING ANY ACTION BASED ON THE CONTENT OF THIS REPORT. WE BELIEVE THE INFORMATION TO BE FACTUAL AND UP TO DATE BUT DO NOT ASSUME ANY RESPONSIBILITY FOR ERRORS OR OMISSIONS IN THE CONTENT PRODUCED. UNDER NO CIRCUMSTANCES SHALL WE BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES OR ANY DAMAGES WHATSOEVER, WHETHER IN AN ACTION OF CONTRACT, NEGLIGENCE, OR OTHER TORT, ARISING OUT OF OR IN CONNECTION WITH THE USE OF THIS CONTENT. IT IS IMPORTANT FOR THE RECIPIENT TO CRITICALLY EVALUATE THE INFORMATION PROVIDED.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE “FORWARD-LOOKING STATEMENTS,” WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS “MAY,” “WILL,” “SHOULD,” “EXPECT,” “AIM,” “ANTICIPATE,” “TARGET,” “PROJECT,” “ESTIMATE,” “INTEND,” “CONTINUE,” OR “BELIEVE,” OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS REPORT ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS REPORT.

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

New Mexico Retiree Health Care Authority (CP)
Change in Market Value
For the Month of Sep 2026
(Report as of October 15, 2026)

Investment Name	Prior Ending Market Value	Contributions	Distributions	Fees	Income	Gains - Realized	Gains - Unrealized	Gains - Realized & Unrealized	Market Value
Core Bonds Pool	432,437,530.67	-	-	-	2,293,579.28	(2,223,682.32)	(11,428,361.85)	(13,652,044.17)	421,079,065.78
Credit Plus Pool	101,588,056.59	-	-	-	473,211.02	(125,063.54)	(2,507,919.20)	(2,632,982.74)	99,428,284.87
NM Retiree Health Care Authority Cash Account	-	-	-	-	-	-	-	-	-
Non-US Large Cap Active Pool	121,541,300.13	-	-	-	273,102.23	94,807.89	(4,518,906.87)	(4,424,098.98)	117,390,303.38
Non-US Large Cap Passive Pool	155,156,989.22	-	-	-	431,155.23	6,515.21	(4,043,338.55)	(4,036,823.34)	151,551,321.11
Non-US SMID Cap Active Pool	29,149,115.80	-	-	-	107,507.29	205,876.38	(804,882.39)	(599,006.01)	28,657,617.08
Non-US SMID Cap Passive Pool	44,961,747.55	-	-	-	165,310.79	32,576.87	(1,469,183.69)	(1,436,606.82)	43,690,451.52
Private Debt Market Pool	255,553,206.62	-	-	-	712,165.18	25,756.61	5,014,365.28	5,040,121.89	261,305,493.69
Private Equity Pool	237,967,917.85	-	-	-	59,950.17	1,079,035.15	10,311,613.46	11,390,648.61	249,418,516.63
Real Estate Pool	216,471,052.43	-	-	-	566,723.01	435,487.90	388,237.00	823,724.90	217,861,500.34
Real Return Pool	112,143,156.14	-	-	-	486,698.39	256,756.74	1,077,464.40	1,334,221.14	113,964,075.67
US Large Cap Index Pool	424,417,279.90	-	-	-	448,383.26	250,085.15	(3,444,031.12)	(3,193,945.97)	421,671,717.19
US SMID Cap Alternative Weighted Index Pool	64,558,434.86	-	-	-	108,216.08	312,339.63	(4,015,439.75)	(3,703,100.12)	60,963,550.82
Sub - Total New Mexico Retiree Health Care Authority (CP)	2,195,945,787.76	-	-	-	6,126,001.93	350,491.67	(15,440,383.28)	(15,089,891.61)	2,186,981,898.08
Total New Mexico Retiree Health Care Authority (CP)	**2,195,945,787.76**	**-**	**-**	**-**	**6,126,001.93**	**350,491.67**	**(15,440,383.28)**	**(15,089,891.61)**	**2,186,981,898.08**

Disposal of IT and Office Equipment – Action Item*

Background: Pursuant to Section 13-6-1 NMSA 1978, the New Mexico Retiree Health Care Authority (NMRHCA) may dispose of tangible personal property determined to be obsolete, worn out, or unusable, provided the applicable statutory requirements are satisfied. The NMRHCA Information Technology (IT) Department has reviewed the computer and electronic equipment identified in the attached inventory and determined that the equipment is outdated, nonfunctional, or no longer economical for continued use. The inventory also includes office chairs that are broken, worn out, or otherwise unsuitable for continued use.

NMRHCA staff has reviewed the proposed disposition with the Executive Committee and is requesting Board authorization to proceed in accordance with Section 13-6-1 NMSA 1978.

Statutory Requirements and Disposal Procedures

13-6-1. Disposition of obsolete, worn-out or unusable tangible personal property.
A. The governing authority of each state agency, local public body and school district may dispose of any item of tangible personal property belonging to that authority and delete the item from its public inventory upon a specific finding by the authority that the item of property is:

(1) of a current resale value of thirty thousand dollars ($30,000) or less; and

(2) worn out, unusable or obsolete to the extent that the item is no longer economical or safe for continued use by the body.

B. The governing authority shall, as a prerequisite to the disposition of any items of tangible personal property:

(1) designate a committee of at least three officials of the governing authority to approve and oversee the disposition; and

(2) give notification at least thirty days prior to its action making the deletion by sending a copy of its official finding and the proposed disposition of the property to the state auditor and the appropriate approval authority designated in Section 13-6-2 NMSA 1978, duly sworn and subscribed under oath by each member of the authority approving the action.

C. A copy of the official finding and proposed disposition of the property sought to be disposed of shall be made a permanent part of the official minutes of the governing authority and maintained as a public record subject to the Inspection of Public Records Act [Chapter 14, Article 3 NMSA 1978].

D. The governing authority shall dispose of the tangible personal property by negotiated sale to any governmental unit of an Indian nation, tribe or pueblo in New Mexico or by negotiated sale or donation to other state agencies, local public bodies, school districts or municipalities or through the central purchasing office of the governing authority by means of competitive sealed bid or public auction or, if a state agency, through the surplus property bureau of the transportation services division of the general services department.

E. A state agency shall give the surplus property bureau of the transportation services division of the general services department the right of first refusal when disposing of obsolete, worn-out or unusable tangible personal property of the state agency.

F. If the governing authority is unable to dispose of the tangible personal property pursuant to Subsection D or E of this section, the governing authority may sell or, if the property has no value, donate the property to any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986.

G. If the governing authority is unable to dispose of the tangible personal property pursuant to Subsection D, E or F of this section, it may order that the property be destroyed or otherwise permanently disposed of in accordance with applicable laws.

H. If the governing authority determines that the tangible personal property is hazardous or contains hazardous materials and may not be used safely under any circumstances, the property shall be destroyed and disposed of pursuant to Subsection G of this section.

I. No tangible personal property shall be donated to an employee or relative of an employee of a state agency, local public body or school district; provided that nothing in this subsection precludes an employee from participating and bidding for public property at a public auction.

J. This section shall not apply to any property acquired by a museum through abandonment procedures pursuant to the Abandoned Cultural Properties Act [18-10-1 to 18-10-5 NMSA 1978].

K. Notwithstanding the provisions of Subsection A of this section, the department of transportation may sell through public auction or dispose of surplus tangible personal property used to manage, maintain or build roads that exceeds thirty thousand dollars ($30,000) in value. Proceeds from sales shall be credited to the state road fund. The department of transportation shall notify the department of finance and administration regarding the disposition of all property.

L. If the secretary of public safety finds that a K-9 dog presents no threat to public safety, the K-9 dog shall be released from public ownership as provided in this subsection. The K-9 dog shall first be offered to its trainer or handler free of charge. If the trainer or handler does not want to accept ownership of the K-9 dog, then the K-9 dog shall be offered to an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 free of charge. If both of the above fail, the K-9 dog shall only be sold to a qualified individual found capable of providing a good home to the animal.

History: 1953 Comp., § 6-1-7.1, enacted by Laws 1961, ch. 100, § 1; 1979, ch. 195, § 2; 1984, ch. 47, § 1; 1987, ch. 15, § 1; 1989, ch. 211, § 6; 1995, ch. 181, § 1; 1998, ch. 16, § 1; 2001, ch. 317, § 1; 2007, ch. 57, § 4; 2012, ch. 10, § 1; 2013, ch. 9, § 1; 2025, ch. 76, § 1.

NMRHCA will provide the General Services Department's Surplus Property Bureau the required right of first refusal for eligible equipment. Any remaining property will be handled through an authorized disposition method consistent with applicable law. For electronic equipment containing sensitive or confidential information, NMRHCA will ensure that all data-bearing storage devices are securely sanitized or destroyed, as appropriate, before final disposition. A qualified electronics recycling and data destruction vendor will provide documentation verifying the completed disposition and applicable data destruction. NMRHCA will provide the required notice to the Office of the State Auditor (OSA) and other applicable authorities in accordance with Section 13-6-1 NMSA 1978 and applicable Audit Rule requirements. NMRHCA will maintain the required documentation and update its inventory and accounting records upon completion of the disposition process.

Action Item Request: NMRHCA staff respectfully requests authorization to proceed with the required notifications, General Services Department coordination, and legally authorized disposition procedures of the attached list of items including workstations, printers, monitor, laptops, tablets, servers, network equipment, and office chairs.

Brand	Model	Type	Serial #
Dell	PowerEdge R640	Server	9S72G43
HPE	HP StoreEasy 1430 8TB SATA Storage	Server	MX2303001X
Dell	Dell PowerConnect 5224	Switch	2BP5631
Dell	Optiplex 7450	PC	49HMQP2
Dell	OptiPlex 7470	PC	C7GH673
Dell	Optiplex 7470	PC	1MDH853
HP	HP 255 G7 Notebook PC	Laptop	CND01048FJ
Dell	XPS 13 7390 2-in-1	Laptop	7S4C473
Sony	Vaio laptop	Laptop	3103830
Apple	iPad	Tablet	DMQKLXAUF182
Apple	iPad	Tablet	DMPKQDJLF182
Apple	iPad	Tablet	DMPKQCC6F182
Apple	iPad	Tablet	DMPKQ88CF182
Apple	iPad	Tablet	DMPKQ8NAF182
Apple	iPad	Tablet	DMPKQNZ7F182
Apple	iPad	Tablet	DMPKQPNCF182
Apple	iPad	Tablet	DMQKLSUXF182
Apple	iPad	Tablet	DMQKLS2TF182
Microsoft	Surface Pro (5th Gen) with LTE Advanced	Tablet	46784674553
Microsoft	Surface Pro (5th Gen) with LTE Advanced	Tablet	24380474853
HP	MFP M283fdw	Printer	VNBRQ1V7D1
HP	MFP M283fdw	Printer	VNBRR8756X
ViewSonic	VS16422	Monitor	UW4182461744
HON	F3 Series	Office Chair	F800000749
VIA	N/A	Office Chair	N/A
VIA	Insight Midnight	Office Chair	223122
HON	Model HIWM3	Office Chair	8V34B5
VIA	N/A	Office Chair	N/A
VIA	WAHINE RED	Office Chair	210128
VIA	Insight Midnight	Office Chair	223122