## ACTION SUMMARY
### STATE INVESTMENT COUNCIL
#### August 28, 2018

<table>
<thead>
<tr>
<th>Item</th>
<th>Action</th>
<th>Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>APPROVAL OF AGENDA</strong></td>
<td>Approved</td>
<td>2</td>
</tr>
<tr>
<td><strong>APPROVAL OF MINUTES</strong></td>
<td>June 26, 2018</td>
<td>Approved</td>
</tr>
<tr>
<td><strong>INVESTMENT MATTERS REQUIRING VOTE</strong></td>
<td>Investment Committee Report</td>
<td>Reported by Linda Eitzen</td>
</tr>
<tr>
<td></td>
<td>Private Equity: Hellman &amp; Friedman Capital Partners IX, L.P.</td>
<td>Approved</td>
</tr>
<tr>
<td></td>
<td>Burgiss Portfolio Management System Contract</td>
<td>Approved</td>
</tr>
<tr>
<td><strong>INVESTMENT MATTERS</strong></td>
<td>SIC Investment Performance Reporting</td>
<td>Informational</td>
</tr>
<tr>
<td></td>
<td>Real Estate: 2018 Q1 Performance Report</td>
<td>Informational</td>
</tr>
<tr>
<td></td>
<td>Real Return: 2018 Q1 Performance Report</td>
<td>Informational</td>
</tr>
<tr>
<td></td>
<td>Private Equity: 2018 Q1 Performance Report</td>
<td>Informational</td>
</tr>
<tr>
<td></td>
<td>NM Private Equity 2018 Q1 Performance Report</td>
<td>Informational</td>
</tr>
<tr>
<td></td>
<td>Private Equity Quarterly Reporting Items</td>
<td>Informational</td>
</tr>
<tr>
<td><strong>STATE INVESTMENT OFFICER’S REPORT</strong></td>
<td>Reported by Steve Moise</td>
<td>5</td>
</tr>
<tr>
<td><strong>FINANCE MATTERS</strong></td>
<td>Audit Committee Report</td>
<td>Reported by Peter Frank</td>
</tr>
<tr>
<td></td>
<td>CFO Report</td>
<td>Reported by Brent Shipp</td>
</tr>
<tr>
<td></td>
<td>FY 20 Appropriation Request</td>
<td>Approved</td>
</tr>
<tr>
<td><strong>COVERNANCE MATTERS</strong></td>
<td>HM Capital Partners and Related Parties Settlement</td>
<td>Approved</td>
</tr>
<tr>
<td></td>
<td>Cabrera Capital Markets Settlement</td>
<td>Approved</td>
</tr>
<tr>
<td></td>
<td>Governance Committee Report</td>
<td>Reported by Lynn Hoffman</td>
</tr>
<tr>
<td><strong>CLOSING MATTERS</strong></td>
<td>Old or New Business</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Next meeting date: 9/25/18 at 9:00 am</td>
<td>9</td>
</tr>
<tr>
<td><strong>PUBLIC COMMENT</strong></td>
<td>None</td>
<td>9</td>
</tr>
</tbody>
</table>
MINUTES OF THE
NEW MEXICO STATE INVESTMENT COUNCIL MEETING
August 28, 2018
Santa Fe, New Mexico

1. OPENING MATTERS
   a. Roll call and introduction of guests: quorum present

A regular meeting of the New Mexico State Investment Council was called to order by Peter Frank, Vice-Chair, on this date at 9:00 a.m. in the Governor's Cabinet Room of the State Capitol Building, Santa Fe, New Mexico. A quorum was declared:

Members Present:
Mr. Peter Frank, Public Member
Ms. Linda Eitzen, Public Member
Ms. Lynn Hoffman, Public Member
Mr. Scott Smart, Public Member
The Honorable Tim Eichenberg, State Treasurer
Ms. Duffy Rodriguez, Secretary of Finance & Administration
Mr. Leonard Lee Rawson, Public Member
Mr. Tim Jennings, Public Member (by phone)
The Honorable Aubrey Dunn, Land Commissioner
Mr. Harold Lavender, Public Member

Members Absent:
The Honorable Susana Martinez, Governor

Staff Present:
Mr. Steven K. Moise, State Investment Officer
Mr. Vince Smith, Deputy State Investment Officer
Mr. Brent Shipp, Chief Financial Officer
Mr. Evan Land, Chief Counsel
Mr. Charles Wollmann, Director of Communications, Legislative Affairs, & Client Relations
Ms. Kerri Segell, Executive Assistant, Recorder

Guests Present:
[See Sign-in Sheet.]
b. **Approval of agenda**

Ms. Eitzen moved approval of the agenda as presented. Mr. Smart seconded the motion, which passed unanimously by voice vote.

c. **Approval of minutes: June 26, 2018**

Ms. Eitzen moved approval of the minutes of the June 26, 2018 SIC meeting, as submitted. Mr. Smart seconded the motion, which passed unanimously by voice vote.

2. **INVESTMENT MATTERS: INVESTMENT MATTERS REQUIRING A VOTE**

a. **Investment Committee Report (Linda Eitzen)**

Ms. Eitzen reported on the August CIC meeting during which the Committee voted unanimously to recommend to the SIC a commitment to Hellman & Friedman Capital Partners.


Presenters: David Lee, Director of Private Equity; Pavilion consultant Richard Pugmire; and Erik Ragatz of Hellman and Friedman.

Staff and Pavilion recommended a commitment up to $100 million to Hellman & Friedman Capital Partners IX, a buyout strategy fund with a specific focus on large-cap investments primarily in North America and Europe. Mr. Lee provided details on the proposed $15B fund, focusing on an overview of the firm, their owner/operator model, track record, General Partner commitment, and reputation in the marketplace. The SIC is one of a few new L.P.s being considered for Fund IX.

Mr. Pugmire reviewed Pavilion’s recommendation of the fund. He described Hellman and Friedman as having a successful singular focus on their large buyout strategy, generating consistently strong returns with limited losses. Mr. Pugmire discussed the risk analysis portion of Pavilion’s presentation, considering matters of the transition of leadership, fund size, and fund terms. He reviewed the G.P.s’ $1 billion commitment to Fund IX, saying that this large commitment enhances alignment with limited partners.

Mr. Ragatz began his overview of Hellman and Friedman by defining the factors that differentiate the firm from other private equity firms. He spoke to the fund’s specific focus, investment philosophy, the alignment of interests with both L.P.s and the companies in which they invest, and the firm’s culture and confidence in its investment approach.

Based on the recommendations of the Council Investment Committee, private equity advisor Pavilion, SIC staff, and the general fiduciary oversight of RVK, Ms. Eitzen moved that the State Investment Council approve up to a $100 Million commitment to Hellman & Friedman Capital Partners IX, L.P., subject to and contingent upon New Mexico legal requirements, New Mexico State Investment Council policies, negotiation of final terms and conditions, and completion of appropriate paperwork. Mr. Lavender seconded the motion.

The Council discussed the commitment size of up to $100 million, and Hellman and Friedman’s capacity constraints.

A vote was taken and the motion to approve passed unanimously by voice vote.

In response to an observation by Ms. Eitzen, Mr. Pugmire commented on Pavilion’s recent acquisition by Mercer, subject to regulatory approval. He does not expect there to be any negative impact for the SIC; he and Mr.
Waldrop will remain involved with the Council. Mr. Pugmire remarked on the additional resources that will be available to Pavilion because of this acquisition.

c. **Vote: Burgiss Portfolio Management Subscription Service (Smith)**

Presenters: Chris Cassidy, Private Equity Analyst, and Clayton Camper and Nino Carpenito, Real Estate and Real Return Analysts.

SIC staff recommended a subscription to the Burgiss alternative investment database and analytics platform to enhance staff’s due diligence and portfolio monitoring abilities for the private equity, real return and real estate investments.

Staff presented the software product, describing Burgiss as a research tool that will provide comprehensive data-driven investment decision support to staff. The intended use of the platform and the depth of analysis it will provide was discussed, as well as how the Burgiss product will be able to help staff accurately monitor, measure, and report on the SIC’s portfolio and associated investment activity. Burgiss is often viewed as the industry leader when it comes to providing peer comparisons, benchmarking, vintage analysis, and cash flow forecasting. The pricing of the product is based on a small fixed amount but is largely based on underlying fund count and AUM.

Based upon the recommendation of the SIC staff, Ms. Etizen moved that the SIC approve a three (3) year contract with The Burgiss Group, LLC to provide portfolio management analytic services under terms and conditions discussed and reviewed by the Council today. Mr. Lavender seconded the motion, which passed unanimously by voice vote.

3. **INVESTMENT MATTERS: REPORTING, INVESTMENT PERFORMANCE & MARKET UPDATES**

a. **SIC Investment Performance Reporting (Smith & RVK)**

Mr. Smith directed the Council’s attention to the handout distributed to each Member. The first page contained a table of LGPF and STPF returns and peer rankings as measured and reported by InvestorForce for the 1 through 10-year time periods. This is the performance measurement and reporting tool that the LFC utilizes in their quarterly reports. The report is based on net of fee returns, unlike TUCS and other peer comparison reports.

Mr. Smith reviewed the return numbers and associated peer ranking percentiles, remarking that over time the SIC consistently ranks in the top third percentile against peers. He discussed the difference between net of fee peer rankings versus gross of fee rankings, and the reasons for the difference.

To further illustrate relative returns, an additional chart had been included in the handout showing the SIC’s returns relative to fund-level benchmarks. The LGPF is at or above the benchmark for all time frames except for the 10-year which lags by 13 bps. The STPF’s performance against its benchmark was slightly behind that of the LGPF, which was mainly associated with NM private equity performance.

The final page of the handout included Mr. Smith’s “black dot” chart. Inputting the asset allocations of thirty-seven peer public funds into RVK’s long-run risk/return correlation assumptions, staff has developed a monitoring methodology that allows comparison related to the risk and returns expected from a particular fund’s portfolio mix. The chart provides the SIC’s positioning in terms of expected rate of return and risk relative to its peer group. Mr. Smith discussed the inferences of the graph, and peer portfolio positioning.

Ms. Beard reviewed the June monthly performance report as well as the June 30, 2018 Executive Summary. She began with general commentary on capital markets and performance attribution for the time period. Investment policy objectives were reviewed, with both the LGPF and STPF returns exceeding their policy index on both a gross-of-fees and
net-of-fees basis over a trailing three-year period. Ms. Beard analyzed performance attribution. The LGPF’s interim strategic asset allocation had provided a positive return, and manager outperformance, particularly within Real Return and non-US developed equity, contributed positively to outperformance. Similar performance was demonstrated in the STPF, with strategic asset allocation and manager performance both providing positive performance.

Ms. Beard reviewed the schedule of investable assets, total fund performance versus peers, asset allocation versus peers, and risk-adjusted returns, among other performance metrics. She led the Council through a more detailed look at FYTD asset class performance. The top three performing asset classes were U.S. equities, private equity and real estate, in that order, with most asset classes outperforming their benchmark. Asset class policy objectives were reviewed, including commentary on manager hires, notable events, terminations expectations, and performance analysis.

b. Real Estate: 2018 Q1 Performance Report

Presenters: Paul Chapman, Director of Real Estate and Real Return; Seth Marcus, Townsend

Mr. Marcus presented portfolio highlights for 2018 Q1. The real estate portfolio continues to grow and provide positive outperformance. As of 1Q18, NMSIC outperformed the NFI-ODCE Index on a net basis over all standard measurement periods. The 1-year net return was 11.3%, 420 bps of outperformance over its benchmark. Two significant deals drove this outperformance for the year, a portfolio sale by Exeter Industrial Fund and Jamestown.

The Real Estate portfolio represents 9% of current plan assets versus the 12% target allocation. Commitments already made this year, and additional commitments per the current pacing model, should continue to bring the plan closer to the 12% target. The rebalanced portfolio now represents 96% of real estate investments, leaving under $90 million in legacy assets spread among six positions, most of which are in liquidation.

Mr. Marcus reviewed several performance attribution tables, including analysis of the portfolio private market equivalency. Performance of the rebalanced portfolio and corresponding commitments made since 2011 have outperformed the public index by approximately 650 bps.

The Council discussed the success of the asset class, particularly for the past five years, and the strong returns real estate has provided.

c. Real Return: 2018 Q1 Performance Report

Presenters: Paul Chapman, Director of Real Estate and Real Return; Seth Marcus, Townsend

Mr. Marcus provided a portfolio status. The SIC began investing in real assets in 2011, and through the end of Q1 2018 there has been approximately $2.2B committed across thirty funds with managers. As of 1Q18, 38% of committed capital remains unfunded and many individual funds remain in their respective j-curve’s. Long-term performance is expected to become less volatile as the portfolio matures, becomes income producing, funded capital increases, and new commitments are made.

Mr. Marcus reviewed performance attribution with the real assets portfolio generating a 7.8% net return over the one-year period ending March 31, 2018. Infrastructure remains the top performer with a 13.9% return. Performance was broad across all infrastructure managers. Energy remains volatile, although volatility is decreasing as the portfolio matures and is no longer in a j-curve.

d. Private Equity: 2018 Q1 Performance Report

Presenters: David Lee, Director of Private Equity; Richard Pugmire, Pavilion
Richard Pugmire presented Pavilion’s 2018 first quarter performance report, commenting that for the first-time private equity net asset value is above $2B. Contributions outpaced distributions for the quarter and Mr. Pugmire reviewed which funds provided top quarterly net gains, net losses, contributions and distributions. Vintage year performance relative to benchmarks was analyzed, as was public market equivalent performance. Private equity performed below public markets indices over the past 10 years, in part due to the very strong performance of public markets, and in part due a drag from the legacy portfolio, especially 2004 through 2009.

Mr. Pugmire reviewed the current portfolio versus the private equity strategy targets approved in January 2018, covering the status of the annual commitment range, strategy, geography, concentration, and exposure. Staff continues to decrease the number of managers.

Additional discussion took place regarding venture capital in the national program.

e. **New Mexico Private Equity: 2018 Q1 Performance Report (Sun Mountain)**

Presenters: David Lee, Director of Private Equity; Brian Birk, Sally Corning and Lee Rand, Sun Mountain

Mr. Birk began by providing a program status, highlighting key aspects of the NM private equity program. As of March 31, 2018, the program had $288.9 million in net deployed capital (5.7% of the STPF), with a statutory cap of $456.2 million. The SIC has added eight funds to the NM private equity program over the past three years, highlighting an increase in activity in New Mexico investing due in part to productive statutory changes.

The financial performance of the program continues to be adversely impacted by investments made before Sun Mountain began serving as program advisor. As shown in the report, the performance of legacy funds was negative for all reporting periods. Since Sun Mountain began its role as advisor, program performance has been positive and in line with national benchmarks. Mr. Birk commented on the large difference in legacy portfolio performance and Sun Mountain portfolio performance over the 1, 3, and 5 year periods.

Mr. Birk provided a pacing update, explaining that since 2014 when the SIC approved a pacing plan towards a long-term allocation of 5% of the STPF, the average annual deployment of capital has been $35.5 million, in line with its approved strategy. The program is on pace to achieve its 5% allocation given anticipated distributions and forecasted commitments. There are currently four prospective funds progressing through the due diligence process.

As was customary in the NM private equity report, Mr. Birk reviewed the significant positive economic impact of the program to the state.

The Council discussed the legacy portfolio, the $48 million the portfolio represents, and progress towards liquidation.

f. **NM Private Equity Required Reporting Items**

The reports were accepted by the Council.

4. **STATE INVESTMENT OFFICER’S REPORT (Steve Moise)**

**Investment Matters:** Mr. Moise reported that the current estimated intra-month NAV, as reported by JP Morgan, is $24.415B, approaching the all-time high NAV. Distributions to the State over the past twelve months from the LGPF and STPF totaled $911M. The price of WTI oil yesterday was $68.92.

**Council Matters:** The September meeting dates are listed on Mr. Moise’s report.
Mr. Moise commented on the State’s recently reported new revenue estimates for the fiscal year beginning July 1, 2018 predicting revenue will outpace spending obligations by $1.2 Billion. In addition, the Tax Stabilization Reserve Fund (“rainy-day fund”) was also expected to see inflows in FY19 of $135 to $180 million. Mr. Moise questioned whether consideration should be given to a longer investment horizon for the fund, under SIC management. Currently the fund is to be held at the State Treasurer’s office. Dawn Iglesias, a Legislative Finance Committee economist, was in attendance and provided additional details on the Tax Stabilization Reserve Fund and offered to facilitate a meeting between the SIC and Legislators to initiate discussions of long-term investment of the fund. The Council discussed operating reserves, recurring and non-recurring revenue, and the purpose, funding sources, and expectations of the Tax Stabilization Revenue Fund.

Operations: An offer will be made soon for an IT Network Administrator. Mr. Moise directed the Council’s attention the Land Grant Fund inflow graphic found in his report, commenting on the increase in inflows. July’s inflows were $72 million, near the all-time high of $73.9 in October of 2014. Mr. Moise invited Commissioner Dunn to comment.

Commissioner Dunn noted that state trust lands are producing more oil than at any other previous time, approaching 7 million barrels per month. He provided data including rig counts, production numbers, state lease sale bonus amounts, fracking, pipeline constraints, and other infrastructure issues, particularly roads.

External Relations: Mr. Moise and Mr. Wollmann intend to travel to Southeastern New Mexico this fall, and Commissioner Dunn encouraged them to visit an oil field and offered to set up a visit. The purpose of the trip, and of all external contacts, is to continue to better educate New Mexicans about the Permanent Funds. One of the tools that will be used is the 60th Anniversary Report. All Council Members should have received a copy of the report. The document, produced internally, captures significant history and milestone events of the SIC.

Mr. Moise and Mr. Wollmann had a productive meeting with the Albuquerque Journal editorial board on August 22. Bernalillo County Republican Party and a Los Alamos presentation are also being planned.

5. FINANCE MATTERS: DISCUSSION & VOTE

a. Audit Committee Report (Peter Frank)

Mr. Frank reported that the Committee had met the day prior and among items considered were a review of the current financials, a discussion of the appropriation request for FY 20, and a review of the status of the compliance program including the progress of the Colmore fee verification project.

b. CFO Report (Brent Shipp)

Mr. Shipp reviewed the July budget schedule, discussing budget sufficiency in the 200 and 300 categories. The SIC currently has five unfilled positions, and due to the reduced FY 19 appropriation in this category there is not adequate budget to fill the vacant positions. It may be necessary to request a BAR for the 300 contractual services category, if market conditions and performance produce higher SIC portfolio performance and thus increased external management fees.

Brent reviewed the IHR, commenting on the total NAV at the end of July of $24.3B. Client assets continue to grow, and now stand at over $1B. July’s monthly contribution to the LGPF was over $72 million, in contrast to July 2017 inflows of $42 million

c. Vote: FY20 Appropriation Request (Shipp)

The FY20 appropriation request had been emailed previously to the Council and had also been distributed this morning in hard copy. The appropriation request was due on September 4th. Mr. Shipp pointed out that the document contained columns that included the FY18 operating budget, FY18 actuals, FY19 operating budget, and the proposed FY20
request, for comparison. He referred to the final page of the document that detailed the external investment management fee estimates. The estimate is based on calculation assumptions within two standard deviations of the mean - approximately $48 million in public market fees for FY20. This is an increase over the current year. The request also showed an increase in the amount for salaries and benefits year-over-year, anticipating that some of the five vacant staff positions will be funded and filled.

Mr. Shipp reported that a DFA interim deadline of October 15 for the submission of audited financial statements is no longer applicable to the SIC. The due date for the audit report is November 21st. The next Audit Committee meeting is scheduled for November 1 to review the draft audit report and hold the required exit conference with auditors.

Mr. Moise commented on the thorough job that Mr. Shipp does in preparing the appropriation request, stating that thoughtful and careful consideration should be given to the request to adequately fund the SIC.

Mr. Lavender complemented Mr. Shipp and recognized his efforts and success in having clean financial statement audits since he came onboard as CFO. The Council concurred.

The Council questioned Mr. Shipp on various expenditure line items on the appropriation request and the percentage of the overall budget increase. Mr. Shipp remarked that in comparing FY19 to FY20 the Council needed to consider that the SIC’s FY19 approved budget was significantly less than requested, and a BAR of an additional $3 to $4 million will likely be needed. External management fees are calculated using an estimated portfolio value. Any unused budget reverts to the funds.

Mr. Rawson questioned the increased line items for both classified and governor-exempt staff and a discussion ensued regarding the number of FTEs, unfilled positions, and the number of exempt versus classified employees. It was clarified that no governor-exempt employees are transferring to classified positions. Mr. Shipp will provide Mr. Rawson additional underlying detail.

Based on the recommendations of the SIC Audit Committee, Mr. Frank moved that the State Investment Council approve the Fiscal Year 2020 appropriation request for the SIC, as presented and memorialized to the Council today. Mr. Smart seconded the motion which passed by voice vote, with Mr. Rawson, Treasurer Eichenberg and Commissioner Dunn opposed.

6. **GOVERNANCE MATTERS: DISCUSSION & VOTE**

Ms. Hoffman asked permission to first take up the HM Capital Partners and Cabrera Capital Markets settlement matters. It was agreed, and Ms. Hoffman asked Bruce Brown to provide details on the settlements. She affirmed that the settlement information to be discussed today is information that the SIC is permitted to discuss in open session.

Mr. Brown began by stating the two settlements arise from transactions that occurred during the 2005-2007 time period. The settlements have been signed but will not be effective until the Council approves them. Information on the settlements had been provided in the Council’s meeting materials.

**a. Vote: HM Capital Partners and Related Parties Settlement**

Mr. Brown provided brief background details on the SIC’s complaint against HM Capital Partners. He related a similar settlement that the New York Common Retirement Fund agreed to with HM Capital. The settlement is considered reasonable and is recommended by both SIC Staff (State Investment Officer Steve Moise, Chief Counsel Evan Land and Deputy Chief Counsel Bruce Brown) and special litigation counsel, Day Pitney, based upon their review of the facts and the law relevant to this case. The Council discussed management fees which had been paid and other matters surrounding the settlement.

State Investment Council Meeting: August 28, 2018
Ms. Hoffman moved that the Council approve the settlement related to HM Capital Partners and related parties, as set forth in the public meeting materials and as discussed by the Council today. Ms. Eitzen seconded the motion.

It was again clarified that the signed settlement was subject to Council approval, and would not be effective until the Council had approved. Paragraph 2 of the Settlement Agreement was referenced: “This Agreement shall become effective if and when approved by NMSIC in accordance with the Open Meetings Act.”

Chair Frank called for the vote, which passed unanimously by voice vote.

b. **Vote: Cabrera Capital Markets Settlement**

Mr. Brown reviewed the details of the Cabrera Capital Markets settlement. Cabrera Capital Markets (CCM) was a broker-dealer that had a business arrangement with Marc Correra. The SIC had not filed an action against the firm and Mr. Brown explained the circumstances whereby CCM has agreed to sign an affidavit and make a payment to the SIC. It was again explained that the settlement agreement will become effective only if and when approved by the Council. The settlement is recommended by both SIC Staff (State Investment Officer Steve Moise, Chief Counsel Evan Land and Deputy Chief Counsel Bruce Brown) and special litigation counsel, Day Pitney.

It was clarified that the SIC did not have a direct relationship with the SIC, and the SIC did not incur a loss. The substance of the affidavit and CCM’s fee arrangement with Marc Correra were explained.

Ms. Hoffman moved that the Council approve the settlement related to Cabrera Capital Markets, as set forth in the public meeting materials and as discussed by the Council today. Ms. Eitzen seconded the motion, which passed by voice vote with Commissioner Dunn voting no.

c. **Governance Committee Report (Lynn Hoffman)**

Ms. Hoffman remarked that the Committee would be meeting immediately following the Council meeting and all Members were welcomed to attend.

Ms. Hoffman reviewed the matters considered at the Committee’s last meeting of June 26 including endorsement of a 3-year strategic plan, which she distributed to the Council. She summarized the efforts leading up to the development of the strategic plan, including the prior development and distribution of an annual Accomplishments and Goals document by staff. Ms. Hoffman discussed the goals, objectives, and key results presented in the plan for the July 1, 2018 through June 30, 2019 fiscal year. The Governance Committee asked for a shared consensus of Council goals, and agreement to the framework within which to achieve the goals. The strategic plan will eventually encompass a full three years, but currently focuses on the upcoming year. As this was the first opportunity for the Council to review the document, Ms. Hoffman stated that no endorsement was expected at today’s meeting, and she welcomed a review of the document, solicited comments, and suggested there be further dialogue and endorsement at a future Council meeting.

The Governance Committee also reviewed an updated CIC Charter and Investment Policy Statement. Ms. Hoffman related the Committee’s efforts at updating all the Council’s Charters, including the development of a Council Charter, and she related the recent work done by the CIC, in conjunction with the Governance Committee, in revising its Charter and as a result also revising the Council’s Investment Policy Statement.

The Governance Committee had recommended revising the CIC Charter to adhere to the legal framework that gives the SIO authority to make investment decisions. The CIC will reconsider the matter at its next meeting, and it will be brought back to the Council for endorsement at a later meeting. No decision was to be made at today’s meeting; however, Ms. Hoffman reviewed staff’s extensive review of the SIC’s investment authority framework as mandated in

State Investment Council Meeting: August 28, 2018
both statute and in the State Constitution. She also reviewed the current practices of the Council as compared to these legal provisions and discussed oversight by the Council.

The Council discussed the matter, with various opinions being expressed.

7. **CLOSING MATTERS**

   a. **Old or new business:**

      None.

   b. **Next SIC meeting date:** Tuesday, September 25, 2018, 9:00 am, Santa Fe, NM.

8. **PUBLIC COMMENT PERIOD**

   None.

9. **ADJOURNMENT**

   As SIC business was completed, Mr. Smart moved to adjourn. The motion was seconded by Secretary Rodriguez and the meeting adjourned at 12:40 p.m.

   Approved:

   [Signature]

   Peter Frank, Vice-Chair