



STATE OF NEW MEXICO
Educational Retirement Board
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PUBLIC COMMENT PERIOD
ERB RULE 1.14 – INVESTMENT COMMITTEE (2.82.1.14 NMAC)
AND
ERB RULE 8.8 – INVESTMENT COMMITTEE (2.82.8.8 NMAC)

The Educational Retirement Board (the “Board”) is asking for public comment on the attached draft revision to ERB Rule 1.14 (formally Rule 1.13) and Rule 8.8. Both revisions relate to the composition of the New Mexico Educational Retirement Board’s Investment Committee (“the Investment Committee”).

Currently the Investment Committee is made up of the NMERB Executive Director, the Chairman of the New Mexico Educational Retirement Board and two members of the Board, appointed by the Chairman. The proposed changes would remove the Executive Director from the Investment Committee, but retain the other members.

This proposed change is supported by the findings of the EnnisKnupp Report of February 10, 2010 which noted that NMERB’s current practice of placing its Executive Director as a voting member of the Board’s Investment Committee blurred the line between Board governance and management and, as such, was not recommended.

The proposed change also sets forth the manner in which vacancies on the Investment Committee are to be filled. The current rule does not provide guidelines for filling such vacancies.

The ERB looks forward to receiving your comments on the revised Rule 1.14 and Rule 8.8. Comments should be e-mailed to rulechange@nmerb.org by close of business on Wednesday, December 5, 2012.