

The Education Trust Board of New Mexico

THE HONORABLE MICHELLE LUJAN
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CABINET SECRETARY
NEW MEXICO HIGHER EDUCATION DEPARTMENT



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LAWTON DAVIS
CHAMIZA PACHECO DE ALAS
VALERIE VALLES-PEDROZA

EXECUTIVE DIRECTOR
NATALIE CORDOVA

**Meeting Minutes
of
February 4, 2026
33 Plaza La Prensa
Santa Fe, New Mexico 87507**

Board Members

Gary L. Gordon, Chair
Mont Green, Member
Chamiza Pacheco de Alas, Member
(remote)

ETB Staff

Natalie Cordova, Executive Director
Jeff Turcotte, Director of Outreach and
Marketing
Natalie Jones, Financial Analysis
Specialist

Meketa Investment Group

Kay Ceserani, Managing Principal
Aysun Kilic, Managing Principal/Consultant

Hogan Lovells

Helen Atkeson, Partner

Sommer, Udall

Kurt Sommer, Partner

Ascensus

Tom Lowe, VP Investment Management
Khalel Pritchard, Director, Relationship
Management

Morton Accounting Services

Janet Pacheco-Morton, CPA

Esparza Advertising

Del Esparza, CEO
Lindsey Lubenow, VP of Accounts & Media

Sunny505

Dezaree Vega-Garcia, CEO
Jerry Matthews, Senior Account Executive

Principal

James Fennessey, Portfolio Manager, Director of
Research

Chad Severin, Asset Allocation Analyst

Jori Horn, 529 Marketing Director

Brandon Miller, Director of Operations

CliftonLarsonAllen (CLA)

Victor Kraft, CPA, Engagement Director

1) CALL TO ORDER

The meeting was called to order at 9:02 AM by Mr. Gordon. Mr. Gordon and Mr. Green were present. Ms. Pacheco de Alas joined via zoom at 9:06 AM.

2) APPROVAL OF AGENDA

The agenda was approved unanimously.

3) APPROVAL OF MINUTES 11/5/2025 and 12/18/2025

There were no changes to the minutes from 11/5/2025 and 12/18/2025, both were approved unanimously.

4) PUBLIC COMMENT

There was no public comment.

5) EXECUTIVE DIRECTOR'S REPORT – Natalie Cordova, Executive Director

Ms. Cordova provided updates of the 30-day New Mexico legislative session, including a memorial/certificate reading on February 9th on the Senate Floor to celebrate 30 years of 529 plans, sponsored by Senator Wirth.

Ms. Cordova provided an update on proposed federal legislation that would further expand the uses of 529 plans and an update on escheatment. Final updates were regarding program manager quarterly interest float and legal services request for proposal. Mr. Gordon noted the FY 2026 audit will be the last year with CLA as the auditor; after which ETB will request proposals for auditors.

a) FY 2025 Annual Audit Report – Victor Kraft, CLA – informational

Mr. Kraft began the FY 2025 Audit Report presentation by noting that there are three groups/parties involved and discussed their responsibilities. He noted that CLA performs a risk-based audit approach. They audit our financials as presented by management including Morton Accounting Services. He discussed the timeline of fieldwork and final report submission on October 29, 2025, prior to the due date. The State Auditor released the audit on December 8, 2025. Mr. Gordon thanked Mr. Kraft, Ms. Cordova, Ms. Jones, Ms. Pacheco-Morton, and Mr. Pritchard for working to get everything submitted in a timely manner.

Mr. Kraft noted the ETB received an unmodified (clean opinion) and there were no audit findings reported. There was a motion called to accept the audited financials and the motion was accepted unanimously.

Mr. Gordon noted that himself and Ms. Cordova requested permission to have CLA perform ETB's audit for another year allowed by the RFP, which the State Auditor approved.

b) FY 2026 Q2 Quarter Financial Report -- Janet Pacheco-Morton, CPA, Morton Accounting Services - discussion and possible action

Ms. Pacheco-Morton provided a review of the administrative fund financial statements for the 2nd quarter. Mr. Gordon asked about the investment earnings budget to actual amounts in the admin fund. Ms. Cordova explained the timing component related to the rate of return and the time the budget is adopted.

Ms. Pacheco-Morton provided the review of the fiduciary fund financial statements. There was a motion to accept the unaudited financial statements. The motion was approved unanimously.

c) ETB Rule Update - discussion and possible action

Ms. Cordova reviewed the proposed update to the ETB Administrative Rule, noting that Mr. Sommer and his firm reviewed it as well. Ms. Cordova noted that the last update to the Rule appeared to be in 2017. Mr. Gordon noted these changes were made to reflect how we operate in today's world. A motion was called to accept the ETB Rule Update, and the motion was approved unanimously.

6) SCHOLAR'S EDGE MARKETING, SALES AND DISTRIBUTION PLAN – Jori Horn and Brandon Miller, Principal - discussion and possible action

Ms. Horn presented the holiday campaigns for Scholar's Edge. They provided the year over year website metrics for Scholar's Edge, all of which improved from previous year. Ms. Horn reviewed the website statistics and provided a highlight over some of their paid media. Paid search is predominately the main driver that brings people to the website. She noted that a lot of the well performing key words involve the word "calculator". She provided an overview of creative development and a case study in development. Ms. Horn also discussed the budget review during the quarter.

Mr. Miller noted that Mr. Friedman was no longer with Principal. Robert Tirrell, another designated Scholar's Edge advisor rep, stepped in to cover more of the national footprint for support with the departure. He noted new accounts were off to a strong start in the quarter. Mr. Miller noted that Mr. Tirrell was invited to the College Savings Foundation Conference to present. He then went on to discuss material on AUM, net cash flow, and average account balances. Mr. Miller then went on to discuss the quarterly rollovers. He noted that the rollovers out continue to be the challenge. Mr. Gordon noted the need for ETB to consider the survival ability of advisor sold plans and in the era of subscribers being so accustomed to online professional services.

7) ECONOMIC UPDATE AND CAPITAL MARKET EXPECTATIONS – Aysun Kilic, Meketa Consulting – informational

Ms. Kilic went over Meketa's economic updates and a summary of some of the key observations of the market over the last year. The markets remain very resilient and positive for the 4th quarter and the year. There is strength in equities and fixed income. In the fourth quarter, except for REITs, markets delivered positive returns. She also went over some of Meketa's Capital Market Expectations (CME).

Ms. Kilic provided an overview of the 2026 CME. She noted these are general expectations and not precise. The numbers are not exact, but help to give them a sense of direction. Mr. Green asked Ms. Kilic about the strength of the dollar. She noted that the dollar has been losing strength and provided some additional information.

Mr. Gordon called for a brief recess at 10:15 AM and the meeting resumed at 10:22 AM.

8) PROGRAM MANAGER'S QUARTERLY OPERATIONS AND INVESTMENT REPORTS – Khalel Pritchard and Tom Lowe, Ascensus – James Fennessey and Chad Severin, Principal -- discussion and possible action

Mr. Pritchard provided an overview of each plan during the quarter, including discussion on rollovers out. Regarding Scholar's Edge and advisor sold plans nationally, paper systems has been the biggest

hurdle with the advisor side. He noted they are working on increased electronic submission. He also noted they are working on a secure encrypted email.

Mr. Lowe began the investment review for TEP and noted that it was a strong quarter in Q4. He noted that international did better than the United States, primarily because of the weakening dollar. He then discussed the TEP Q4 Performance Summary. Passive YOE portfolios were in line with the custom benchmark for the quarter. Mr. Green and Mr. Lowe discussed de-dollarization of the world economy.

Principal began the investment review on Scholar's Edge and Mr. Severin discussed absolute and relative performance on year of enrollment strategies, nothing funds have caused a drag on overall performance.

Mr. Fennessey added Principal is recommending removing Blue Chip. He noted there is some underperformance in the McKay High Yield this quarter as well. Blue Chip is on Principal's watch list while McKay is not.

9) ANNUAL ASSET ALLOCATION REVIEW AND RECOMMENDATIONS –Tom Lowe, Ascensus and James Fennessey and Chad Severin, Principal, Kay Ceserani, Meketa -discussion and possible action

Ms. Ceserani gave an overview of the annual asset allocation review and how the process works.

a) The Education Plan – Ascensus and c) Meketa Analysis

Mr. Lowe presented Ascensus's annual asset allocation review and recommendations, noting it has been a strong last three years in the U.S. market. Ascensus proposed updates to equity and fixed income. Ms. Ceserani noted they concur with their recommendations and noted Meketa's CME's were just released late last week. The expected returns may be a little lower if they had used the 2026 data. She noted Meketa recommends that the Board accepts the Ascensus proposal. Mr. Gordon called for a motion to accept Ascensus's recommendation. The motion was accepted unanimously.

b) Scholar's Edge – Principal and c) Meketa Analysis

Mr. Fennessey began the review of Principal's annual asset allocation recommendations. Mr. Severin noted they are recommending a change in the glidepath and changes to US Equity, Fixed Income, and Stand-Alone Option. Ms. Ceserani added some additional commentary. Mr. Fennessey provided some additional information on the recommendation. Principal recommends addition of the T Rowe Price Large Cap Growth fund to replace the Blue Chip stand-alone investment option. Mr. Fennessey raised a very recent development with the T Rowe fund's management that requires additional evaluation. Mr. Gordon requested Principal and Meketa update the board if the T Rowe Price Fund is no longer a consideration after further review of the recent development. Ms. Ceserani reiterated this further review impacts the stand-alone option only. Mr. Gordon called for a motion for approval of the recommendations, contingent on further review of the recent change of management at T Rowe Price fund. The motion was approved unanimously.

10) INVESTMENT CONSULTANT'S QUARTERLY REPORT AND WATCH LIST RECOMMENDATIONS – Kay Ceserani, and Aysun Kilic Meketa Consulting-- discussion and possible action

Ms. Ceserani reviewed Meketa's quarterly report and watch list recommendations. Mr. Gordon called for a motion to accept the watch list recommendation report. The motion was approved unanimously.

11) THE EDUCATION PLAN QUARTERLY MARKETING PLAN – Jeff Turcotte, ETB– Dezaree Vega-Garcia and Jerry Matthews, Sunny 505 – Del Esparza and Lindsey Lubenow, Esparza Advertising -- discussion and possible action

Mr. Turcotte thanked everyone for their assistance in helping him during his first months with the Education Trust Board. He discussed highlights from the quarter, including 65 outreach events. Two of the larger events were the State Treasurer’s Financial Summit, where Ms. Cordova presented, in addition to the NM Public Charter School’s Convention.

Mr. Turcotte noted that he visited various counties/cities in NM such as Gallup and Grants. He then went on to discuss the UNM Athletic Department Partnership. Data reviewed from the partnership shows many individuals outside of the metro area participated in the sponsored events. Mr. Turcotte also participated in interviews on radio stations. He noted that Q2 was a record quarter in new account openings.

Mr. Matthews began the Sunny 505 presentation and noted that Q2 was a great quarter. Ms. Vega-Garcia went on to discuss PR Activity. Sunny presented the “On the Road Campaign” and the UNM Sports Partnership. Mr. Matthews noted that the Kid’s Club starts all of their spring camps soon and include an opportunity to table. Mr. Matthews then discussed the FY26 creative and the FY26 media plan overview. He noted that broadcast TV is a focus and discussed other forms of advertising, including print and streaming. Mr. Matthews also reviewed Google Analytics.

Mr. Esparza began the Esparza presentation with an overview of the Goals and Marketing Objectives for FY26. He noted that they want to establish trust and credibility in The Education Plan. He then went on to discuss the new accounts and the trends associated. Ms. Lubenow also went over detail of the open and closed accounts for the year. Ms. Lubenow noted they have been working on building tools to help track where new accounts are coming from and discussed paid ad data. Ms. Lubenow discussed AI visibility, noting the TEP website visibility has been great with AI search. Ms. Lubenow also went on to discuss email, social media and influencer campaigns. Lastly, Esparza will continue to optimize and refine their digital strategy.

12) CLOSED EXECUTIVE SESSION PURSUANT TO NMSA 10-15-1(H)(6) AND (7) TO DISCUSS CONTRACT AND LEGAL MATTERS

A motion was made to move into closed session at 11:53 A.M. The motion was approved unanimously by a roll call. All members agreed to be in closed session

13) CONTRACT MATTERS – discussion and possible action

Each member was polled declaring that only legal contract matters were discussed, no action was taken in the closed session, and each member agreed to return to open session at 12:10 PM.

Mr. Green moved: (1) to approve the proposed Extension Amendment to 529 Program Management Agreement and Amended and Restated 529 Program Management Agreement among the Board, Ascensus College Savings Recordkeeping Services, LLC and Ascensus Investment Advisors, LLC, in substantially the forms presented to the Board at this meeting;
(2) to approve the proposed Extension Amendment to Services Agreement and Amended and Restated Services Agreement among Ascensus College Savings Recordkeeping Services, LLC, Principal Global Investors, LLC and Principal Funds Distributor, Inc., in substantially the forms presented to the Board at this meeting;
(3) to accept the Amended and Restated Guaranty provided by Ascensus Group, LLC in favor of the

Board, in substantially the form presented to the Board at this meeting; and
(4) to authorize the Executive Director of the Board, in the name of and on behalf of the Board, to execute all such documents referred to in (1), (2) and (3), with such changes and provisions therein as are deemed appropriate by her, and to take such steps and do such acts as may be necessary, desirable or appropriate to carry out the terms and provisions of the documents referred to in (1), (2) and (3).
The motion was approved unanimously.

14) ADJOURNMENT

The Board then unanimously adjourned the meeting at 12:13 PM.