THE HONORABLE MICHELLE LUJAN GRISHAM
Governor of New Mexico

STEPHANIE RODRIGUEZ
Cabinet Secretary, New Mexico Higher Education Department

Date/Time: 8/5/2026, 9:00 AM
Location: 33 Plaza La Prensa, Santa Fe, NM 87507

BOARD MEMBERS
GARY L. GORDON, CHAIR
MONT GREEN
LAWTON DAVIS
CHAMIZA PACHECO DE ALAS
VALERIE VALLES-PEDROZA

EXECUTIVE DIRECTOR
NATALIE CORDOVA

Board Members
Gary L. Gordon, Chair
Mont Green, Member
Lawton Davis, Member
Chamiza Pacheco de Alas, Member
Valerie Valles-Pedroza, Member

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

Kutak Rock, LLC
William C. McCartney, 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
Jerry Matthews, Senior Account Executive

Principal
Scott Smith, Managing Director, Portfolio Manager
Chad Severin, Asset Allocation Analyst
Jori Horn, 529 Marketing Director (remote)
Brandon Miller, Director of Operations
Rob Tirrell, 529 Sales Director

1) CALL TO ORDER

The meeting was called to order at 9:01 AM by Mr. Gordon. Mr. Gordon, Mr. Green, Mr. Davis, Ms. Pacheco de Alas, and Ms. Valles-Pedroza were present.

2) APPROVAL OF AGENDA

The agenda was approved unanimously.

3) APPROVAL OF MINUTES 5/13/2026

There were no changes to the minutes from 5/13/2026 and they were approved unanimously.

4) PUBLIC COMMENT

There was no public comment.

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

Ms. Cordova discussed a finalized staff policy manual and its purpose. Mr. Gordon added commentary on the staff policy manual. Ms. Cordova noted that ETB participated in the State's summer intern program. She also noted that her and Mr. Turcotte attended the National Association of State Treasurer's 529 Conference in Oklahoma City with robust 529 training content, including discussions on Trump Accounts. In terms of legislation, there continues to be proposals to expand the use of 529 plans in initial legislative status. She noted upcoming due diligence visits for program funds Vanguard and NY Life in October. An update was made to ETB's Inspection of Public Records notice on ETB's website. Ms. Cordova noted that the FY26 audit is underway. Mr. Gordon mentioned ETB's recent article on The Education Plan website with helpful comparison of different savings accounts, including Trump Accounts and 529 savings plans.

a) FY 2026 Q4 Financial Report - Janet Pacheco-Morton, Morton Accounting Services discussion and possible action

Ms. Pacheco-Morton presented the administrative fund financial statements for the 4th quarter.

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

6) SCHOLAR'S EDGE MARKETING, SALES AND DISTRIBUTUION REPORT and FY 2027 MARKETING PLAN REVIEW - Jori Horn, Brandon Miller and Rob Tirrell, Principal -discussion and possible action

Ms. Horn began the presentation for the Principal team and noted there were three different campaigns running; Evergreen Campaign, the Tax Campaign, and the Soccer Campaign (to coincide with the FIFA World Cup). She provided a snapshot of the year over year website metrics, and they are down from the previous year. She discussed the impact of paid search and tax advantage key words. Mr. Green asked about this impact on next quarter. She went over a breakdown of website traffic and metrics, including "student" search. Ms. Horn discussed the calculator activity.

Ms. Horn noted they released two new marketing pieces; connecting with digital first clients; and how AI is impacting education savings. She provided the final budget for FY26 and noted that they did meet their contractual obligation. Ms. Horn also included the FY27 approved budget for reference. Their social media presence is continuing to grow. All FY27 campaigns have been filmed

and Ms. Horn showed one of the videos with a Principal Sales Representative. Ms. Pacheco de Alas noted that she felt that the video did a great job of showing how quickly time moves, and also asked about Spanish translation. Ms. Valles-Pedroza echoed Ms. Pacheco de Alas's comments. Ms. Horn discussed Spanish language documents and translation requirements. Ms. Pacheco de Alas added potential positives for Spanish translation for New Mexico and neighboring states as well. Mr. Gordon also voiced the importance of these items being discussed. Ms. Valles-Pedroza asked about changes to website views, Ms. Horn noted they are digging more into the analytics, and they will be looking at all of the paid search terms. She noted they may shift some of their paid media away from the tax key terms. There will be a plan in place when that time comes around.

Mr. Miller introduced a member of their 529 sales team, Rob Tirrell. Mr. Miller then went over the new account growth, AUM, net cash flow, and average account balance. He discussed the quarterly rollovers and breakdown. Mr. Green asked a question about a few of the firms and where they are located.

Mr. Tirrell discussed top activity amongst firms. They have had great success with independent firms. They are doing a national call for retirement and 529s combined. They are also doing a New Mexico specific call and a Merrell Lynch call as well. The overall sentiment in the field is that most people are pretty positive and have great things to say about the state. He hopes to get it to larger companies to help them get it pushed out to their employees. Mr. Davis noted that the amount of the rollouts is up and asked what's causing this. Mr. Davis asked about redemption requests possibly impacting rollovers out of SE. Mr. Gordon noted that this would be an issue on the Ascensus side. Mr. Davis is concerned that this may be related to the large number of rollouts. Ms. Pacheco de Alas commented on looking into incentives for employers.

7) THE EDUCATION PLAN MARKETING REPORT and FY 2027 MARKETING PLAN REVIEW – Jerry Matthews, Sunny 505 – Del Esparza and Lindsey Lubenow, Esparza Advertising -- discussion and possible action

Mr. Turcotte began his marketing presentation and stressed the importance of outreach. He noted we finished FY26 with a strong quarter, especially with the "On The Road" Tour. Mr. Turcotte traveled to various events and locations in New Mexico, including, Clovis, Farmington, Cuba, Grants, and many others. Mr. Turcotte also talked about the NAST Conference and their presentation. They attended fifty-five events and he thanked Sunny 505 and Esparza for their efforts in helping promote the "On The Road" Tour. Outreach has various cities on the route for the fall. He noted record-breaking account opening numbers in July. Mr. Turcotte noted that he will be attending a conference in Nashville this fall. Mr. Davis noted the importance of relationships and thanked Mr. Turcotte for his efforts. Ms. Pacheco de Alas mentioned that Gallup has a new children's museum, and another is the NB3 foundation, and she noted these may be places to consider visiting. Mr. Davis asked if he has thought of some small inexpensive gifts to bring to these places. Mr. Turcotte discussed some of the items they have and noted that the Teppie Turtle stickers are very effective.

Mr. Matthews began the Sunny 505 presentation and discussed FY26 outcomes. He noted that Albuquerque accounted for 48% of all new accounts. With the FY26 budget for Public Relations (PR), they helped promote the Road Show. He discussed the impression amounts and totals and incorporating UTM and QR codes. Mr. Matthews noted that there were radio ad efforts during the rural outreach visits. He then went over the budget and strategy for FY27 and discussed some opportunities to help educate people on 529 plans. They want to foster awareness of 529 plans and work to grow accounts. Ms. Pacheco de Alas discussed Spanish content and future possibilities in addition to current Spanish literature.

Mr. Matthews noted that their emphasis is going to be on television and radio. They want to work to remind people that The Education Plan is New Mexico's 529 Plan. They are looking at three windows, the On The Road Tour, holiday gifting, and towards the end of the school year. Mr. Matthews then went over their PR plan. They are working to continue building relationships with journalists across the state. Mr. Davis noted a good job of doing more with less budget.

Mr. Gordon called for a brief recess at 10:50 AM and the meeting resumed at 10:55 AM.

Mr. Esparza began the Esparza presentation with an overview of the Goals and Marketing Objectives for FY26. He then noted that Q4 FY26 had 48% more new accounts than Q4 FY25. Ms. Lubenow went over the details of the opened and closed accounts for the year. She also went over details on the new accounts by source. Mr. Esparza and Ms. Lubenow talked about the current and future impact of AI of organic and paid searches. Ms. Lubenow discussed the net promoter score results and FY26 creatives. Their top email was the "Graduation Season is Here" email. She then went on to discuss the FY27 strategy and the four areas of focus.

8) INVESTMENT CONSULTANT'S ECONOMIC AND MARKET UPDATE -- informational – Aysun Kilic and Kay Ceserani, Meketa

Ms. Kilic started her presentation and discussed the economic and market update. Going forward, some things to keep in mind are inflation, unemployment and Fed policy. She reviewed domestic equity returns and the sector returns. Technology has been the main driver of returns. Ms. Kilic also referenced Meketa's mid-year update newsletter provided to the Board in the materials.

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

Mr. Pritchard started his presentation and addressed points Mr. Davis raised earlier in the meeting that were relevant to Ascensus operations. He went over the distribution process with focus on processing and timing, types of distributions, risk management and controls, and other membership experience considerations.

Mr. Pritchard then went over the plan snapshot for The Education Plan (TEP) and Scholar's Edge (SE) and provided business updates. He noted they are taking an Evergreen approach and making information available to their members on what a 529 plan is. They are hoping to have something available in Q4 to members. Ms. Pacheco de Alas thanked them for their efforts in reaching Spanish speaking individuals. Their third New York Life rate increase is occurring in August. TMTS 2026 took place in mid-June and Khalel noted his panel featuring an expert regarding honoring identity with Native American people. The team is working on universal withdrawals with a goal to provide a more modern experience.

Mr. Lowe began his presentation for The Education Plan. The performance summary reviewed plan growth, passive YOE Portfolios, Asset Allocation Portfolios, and Underlying Funds. He had some comments on some of the funds falling behind in the year compared to peers. Mr. Green noted that there is a new Fed chair and asked what impact this may have and Mr. Lowe provided some of his insights.

Mr. Smith began his presentation for Scholar's Edge and began going over the market review. He noted there have been positive returns on an absolute basis. He noted that active management did struggle in the quarter. He then went over fund performance.

Mr. Severin continued the presentation and discussed underlying strategy performance for YOE portfolios. He noted this is the last quarter that we will see the Blue Chip fund on the reports. Mr. Green asked about return on invested capital and how these items are impacted. Mr. Severin provided some additional commentary.

a. NYLI MacKay High Yield Corporate Bond Fund Review: – Scott Smith and Chad Severin, Principal and Kay Ceserani, Meketa - discussion and possible action

Mr. Severin discussed the purpose of the NYLI MacKay High Yield and total amounts allocated, noting a recommendation to retain the fund. Potential alternative funds were included in the materials. Ms. Ceserani noted the Board may consider eliminating the option from the program and a good time to review will be in the upcoming annual review, and recommended retaining the fund for now. Mr. Green made a motion to hold the fund and keep it on the watch list. 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. Kilic discussed the quarterly report during her earlier Economic and Market update. Ms. Ceserani reviewed the watch list funds, noting the Board has already taken action to replace Principal Blue Chip, but it remains on the watch list until replaced. Mr. Green made a motion to adopt the watch list as presented. Motion passed unanimously.

11) FY 2028 BUDGET APPROPRIATION REQUEST – Natalie Cordova, Executive Director – discussion and possible action

Ms. Cordova began her presentation on the Fiscal Year 2028 budget appropriation request. September 1st is the deadline to submit the budget to DFA and LFC. The overview shows a comparison of the FY28 request compared to the prior two budgets. She then went over a detailed breakdown of the budget projected revenue, use of fund balance and budgeted expenditures. Mr. Green asked if a stress test has been done to see what impact there may be on the funds. Ms. Cordova noted the amounts budgeted and reserve balance are looked at least annually to ensure operational support for any future unexpected downturns. Mr. Gordon called for a motion to approve the proposed FY2028 budget. The motion was accepted unanimously.

12) ADJOURNMENT

The Board unanimously adjourned the meeting at 12:29.