



PERA

Public Employees
Retirement Association
of New Mexico

PERA Board Meeting
via Zoom

Thursday, October 27, 2022

9:00am

INVESTED IN TOMORROW.

AGENDA

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Approval of Agenda**
5. **Approval of Meeting Minutes**
 - A. Approval of September 29, 2022 Board Meeting Minutes Claudia Armijo, Board Chair
6. **Approval of Consent Agenda**
7. **Reports of Committees**
 - A. Investment Committee; September 29, 2022 Steve Neel, Committee Chair
 1. Approval of Strategic Asset Allocation Recommendation Action
 2. Approval of Benchmarking Recommendation Action
 3. Approval of Investment Policy Statement Appendix Amendment Action
 - B. Rules & Administration Committee; October 11, 2022 Paula Fisher, Committee Chair
 1. Approval of the Notice of Proposed Rulemaking and Draft Rule Timeline Regarding Hybrid Meetings Action
 - C. SmartSave Committee; October 11, 2022 Lawrence Davis, Committee Chair
 1. Approval to Adopt PERA SmartSave Deferred Compensation Plan Fee Policy Statement, including the Action
 - D. Governance Committee; October 11, 2022 Claudia Armijo, Committee Chair
 1. Approval of Fiduciary Counsel Quote and Contract Action
8. **Unfinished Business**
 - A. **Items removed from Consent Agenda if necessary** Action Claudia Armijo, Board Chair
9. **New Business**
 - A. Acceptance of FY22 Actuarial Valuations Action Gabriel, Roeder, Smith & Company
 - B. CIO Report Informational Michael Shackelford, CIO
 - C. Executive Director's Report Informational Greg Trujillo, Executive Director
10. **Public Comment**

Board will Recess to Executive Session NMSA 1978, §10-15-1 (H) (7)

Presentation of Securities Litigation

Brian McMath; Cholla Koury;
Attorney General's Office

Board Executive Session NMSA 1978, §10-15-1 (H) (2)

Executive Director Evaluation

Claudia Armijo, Board Chair

Board will Convene to Regular Session

11. Adjournment

Any person with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact Trish Winter at 505-795-0712 or patriciab.winter@pera.nm.gov at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact Ms. Winter if a summary or other type of accessible format is needed.



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**PERA Board Meeting
October 27, 2022
CONSENT AGENDA**

- 1. Ratification of Retirements** - Benefits processed through: 10/1/2022
 - a. Normal
 - b. Deferred
 - c. Reciprocity to ERA
 - d. Non-Duty Death
 - e. Non-Duty Disability
 - f. Reciprocity to PERA
- 2. Duty & Non Duty Deaths**
 - a.
 - b.
- 3. Affidavits for Free Military Service:**
 - a. Domenic Thornok - 9 months
- 4. Resolutions**
 - a. The City of Bayard adopted Resolution No. 26-2022 to offer the PERA SmartSave Deferred Compensation Plan to its employees.
- 5. Setting of Meetings: November 2022**

a. SmartSave Committee	November 8, 2022	9:00am
b. Legislative Committee	November 8, 2022	following SmartSave Committee
c. Board Meeting	November 8, 2022	following Legislative Committee
d. Disability Review Committee	November 8, 2022	1:00pm

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City of Bayard

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Bayard, New Mexico 88023

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cityofbayard@cityofbayardnm.com

RESOLUTION 26-2022

CITY OF BAYARD

A RESOLUTION TO ADOPT THE STATE PLAN FOR DEFERRED COMPENSATION

Whereas, the State of New Mexico has enacted the Deferred Compensation Act (NMSA 1978 Section 10-7A-1 et seq.) which permits any local public employer to adopt the Deferred Compensation Plan as approved, pursuant to NMSA 1978 Section 10-7A-8 by the Public Employees Retirement Board, and

WHEREAS, the State of New Mexico by the Public Employees Retirement Board has established and maintains the Deferred Compensation Plan ("Plan") for participation by state employees and by local employees, and

WHEREAS, the City of Bayard, New Mexico, (hereinafter referred to as the "Participating Employer") desires to adopt the plan for participation by its employees;

WHEREAS, the Participating Employer has also determined that it wishes to encourage employee's savings for retirement by offering salary reduction contributions;

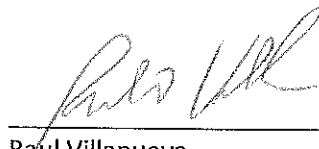
WHEREAS, the Participating Employer has reviewed the Plan;

By adopting the Plan, the City of Bayard adopts the investments and services selected by the Public Employees Retirement Board; to include the Roth investment option

1. The Employer shall abide by the terms of the plan, including amendments to the Plan made by the Public Employees Retirement Board, all investment, administrative, and other service agreements of the Plan, and all applicable provisions of the Internal revenue Code and other applicable law.
2. The employer may terminate its participation in the Plan, if it takes the following actions:
 - a. A resolution must be adopted terminating its participation in the Plan
 - b. The resolution must be filed with the Deferred Compensation Manager and the Public Employees Retirement Board within 15 working days of approval by the governing body of the local public body.
 - c. The resolution must be filed not less than two years after the date the Employer's participation became effective.

The City of Bayard Mayor has authority to execute on behalf of the City of Bayard documents to implement the Plan for the Employer, and to take action to correctly maintain the Plan under this Resolution.

PASSED, APPROVED, AND ADOPTED THIS 26TH DAY OF SEPTEMBER, 2022, by the Governing Body of the City of Bayard, Grant County, New Mexico.



Raul Villanueva
Mayor Pro-tem

ATTEST:



Kristina Ortiz, MMC
Clerk Treasurer

Wilshire

Public Employees Retirement Association of New Mexico

Investment Retreat
Asset Allocation Review

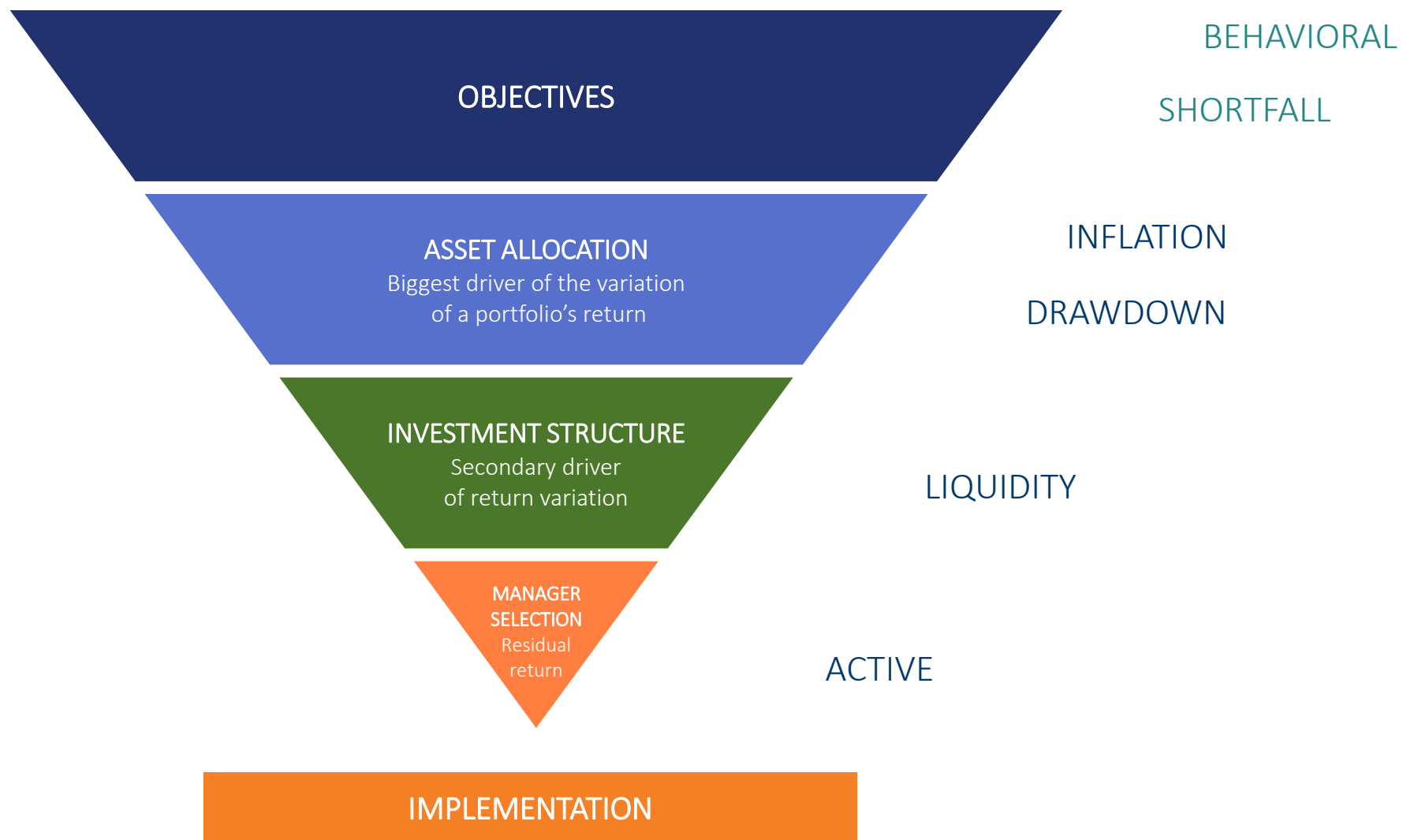
September 2022

Agenda

- Asset Allocation Process
- Assumptions
- Custom Illiquidity Analysis
- Portfolio Options
- Appendix

Asset Allocation Process

Focus on Decisions that Matter



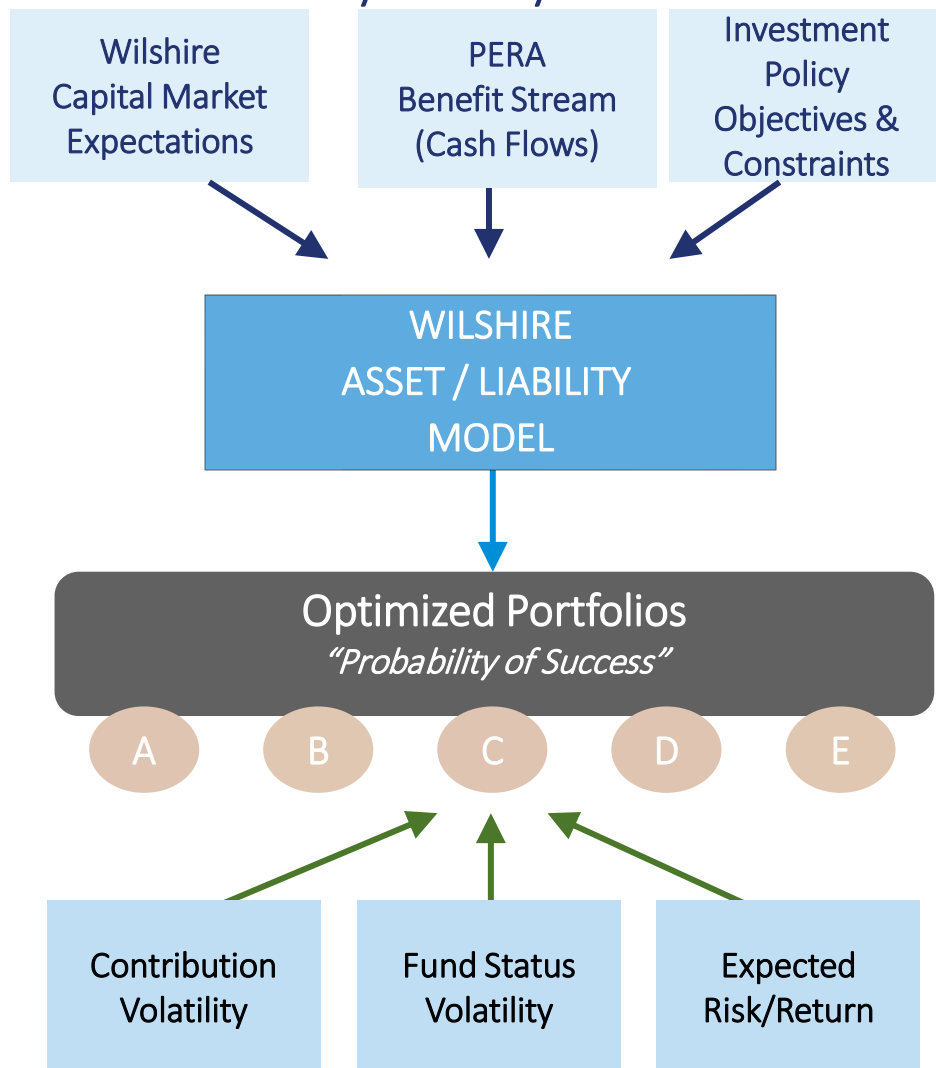
Risk Assessment Framework

Wilshire's multi-dimensional view of risk integrates organizational and investment considerations into a comprehensive framework for evaluating strategic decisions.

- **Shortfall:** Support distributions and long-term growth
- **Behavioral:** Instill strong governance
- **Drawdown:** Limit portfolio losses
- **Inflation:** Preserve long-term purchasing power
- **Liquidity:** Balance near-term needs, long-term opportunities
- **Active:** Ensure unique exposures
- **Emerging & Long-Term:** Environmental, Social & Governance risks, such as externalities, intangibles and reputation may be linked to various risk lenses



Asset Liability Analysis Model



- Wilshire believes the mission of a defined benefit plan is to fund benefits promised to participants
- The role of asset allocation is to manage risk in order to fulfill that core mission
 - **Maximize safety** of promised benefits
 - **Minimize cost** of funding these benefits
- Wilshire's Asset Liability Model provides methodology for selecting a target portfolio that considers both goals
- Rigorously developed capital market assumptions for risk and return (see appendix)
- Given that short-term volatility is also important, we identify the impact of the asset allocation decision on funded ratios, annual contribution requirements, and other metrics
- Strategic asset allocation is not a guide to outperforming in every market ... but it should provide a roadmap for success over a market cycle

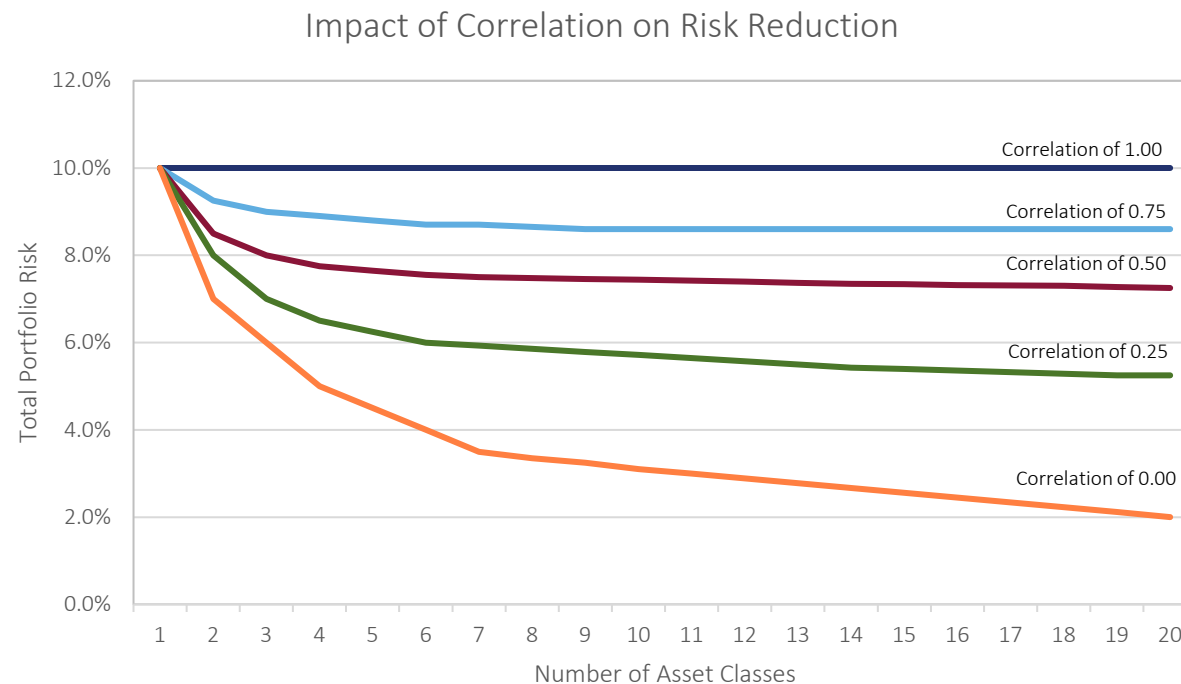
Benefits & Challenges of Diversification

Investors must take a thoughtful approach to diversification

- DINO (Diversification in name only)
- Diminishing marginal benefit by simply adding asset classes, even with uncorrelated assets

Utilize a factor-based and bucketing approach to asset allocation decisions

- Concept of grouping asset classes together that perform similarly in various market environments
- Emphasize asset class economic factors



Asset-Only Mean Variance Optimization

Role of asset allocation:

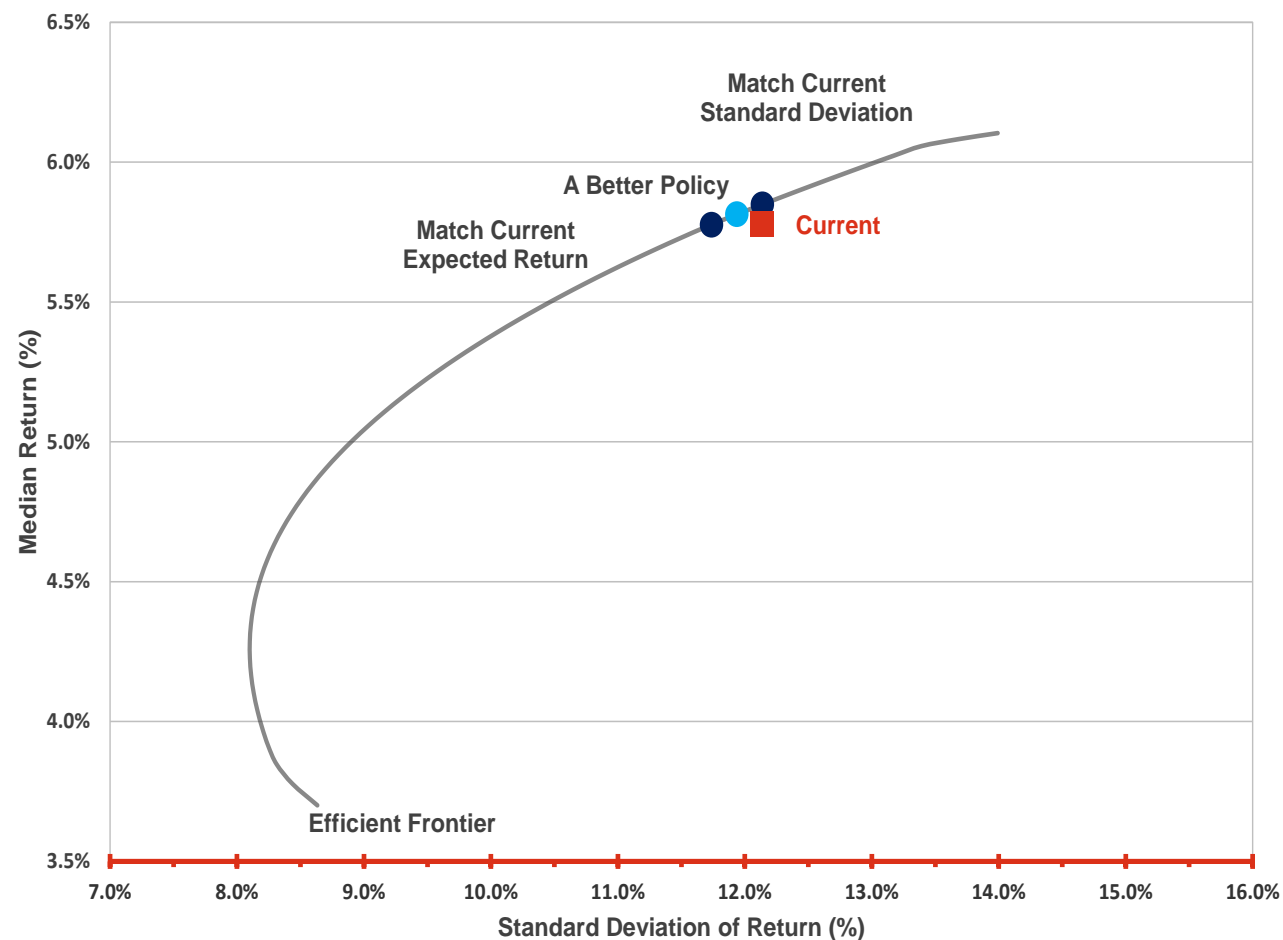
- To maximize return
- To minimize risk

Traditional mean-variance optimization considers the relationship of assets to each other when analyzing portfolios.

- Consider the relationship of asset classes and the role each asset class plays in a portfolio
 - Return, risk and correlation assumptions

Optimal portfolio is a balance of trade-offs.

- Return vs. risk
- Liquidity
- Diversification



Need for Constraints

Practical diversification

- Optimizer will not differentiate between public and private markets / factor exposure / role in portfolio
- Asset class roles (growth, defensive, inflation mitigation) are examples of practical portfolio considerations

Liquidity

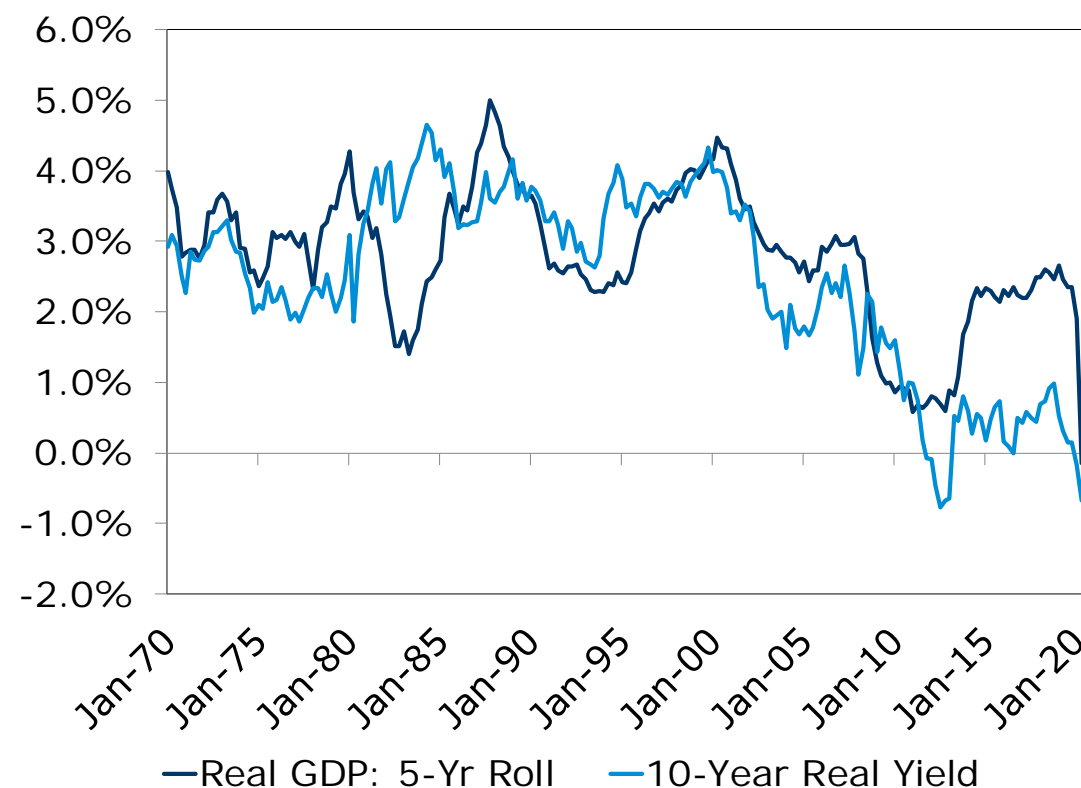
- Private markets tend to have higher return expectations partially due to illiquidity premium
- In an optimization framework, private asset classes are very attractive based on risk/return inputs
- However, mean-variance optimization ignores the need for liquidity

Investability

- Investments in private market strategies take time to fully implement
- Implementation challenges in some sectors to deploy significant portion of the portfolio

Economic Factor Exposure - Growth Proxy

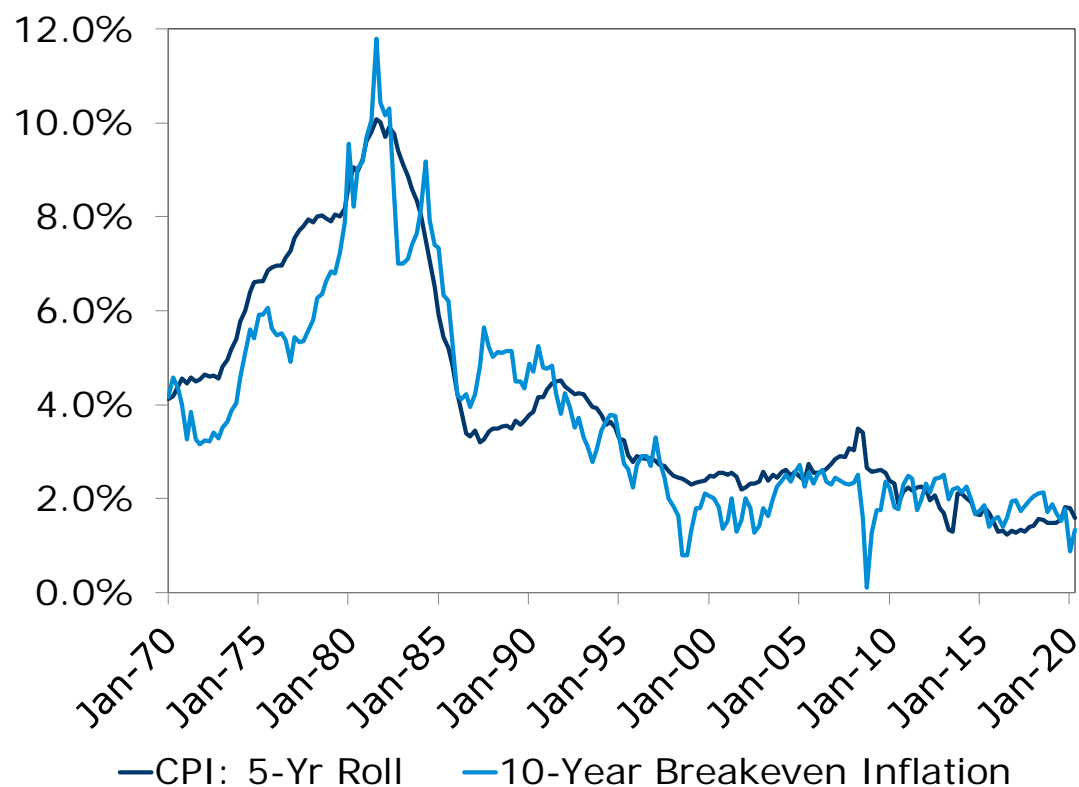
- Interest rates contain information and can reflect economic factors
- Nominal yields aggregate two important and distinct sources of economic information – real yields and expected inflation
- Disaggregating these factors should prove beneficial in developing a set of factors with improved explanatory power



Data Source: Federal Reserve, Bridgewater

Economic Factor Exposure - Inflation Proxy

- Breakeven inflation is the market's expectation for inflation
- Tends to follow closely with actual, recent inflation and can act as a timely signal of trends in consumer prices



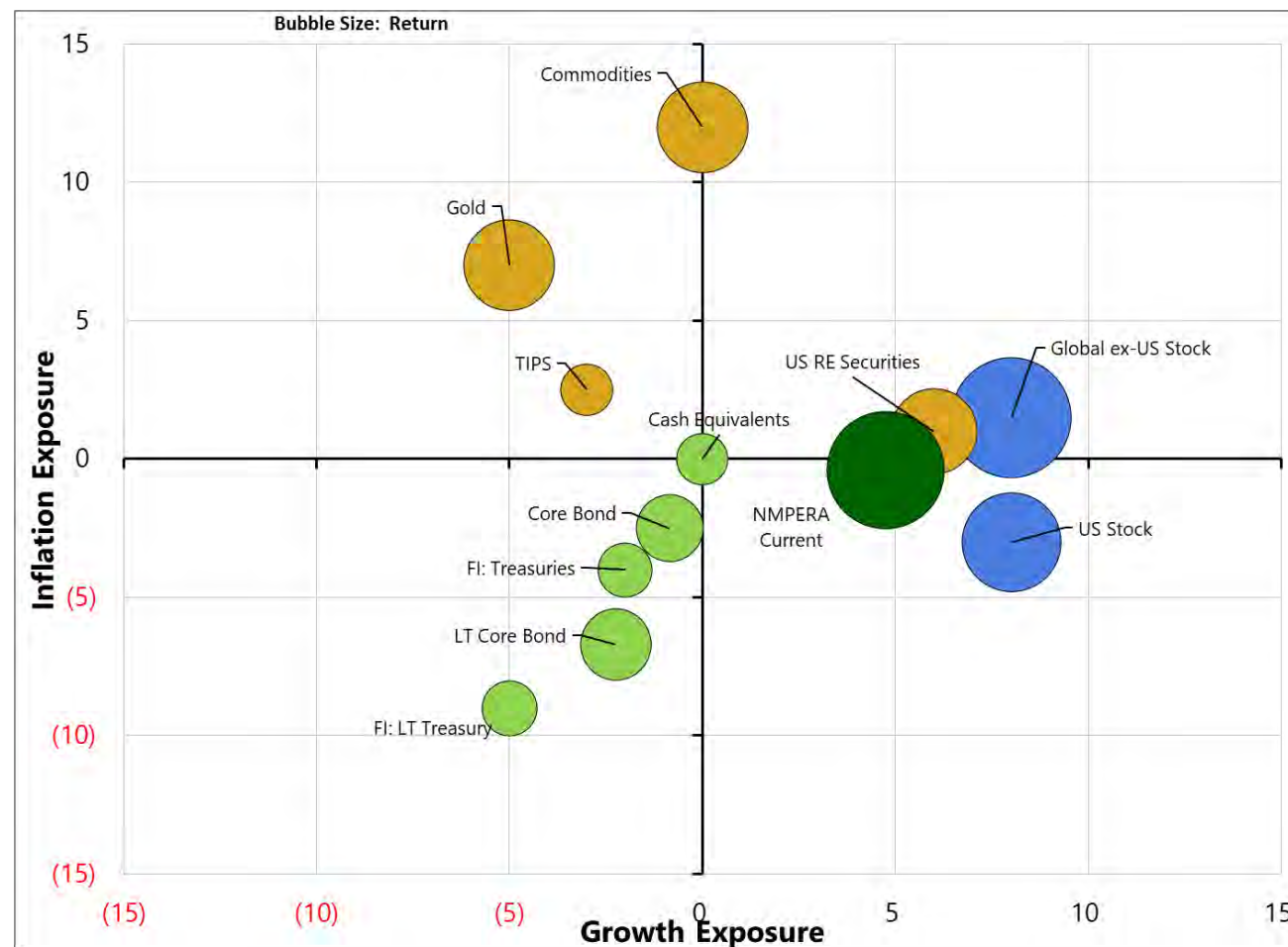
Data Source: Federal Reserve, Bridgewater

Why Introduce Factors?

- **Risk Assessment:** Including factors within the asset allocation process provides an opportunity to measure asset class (and portfolio) exposures to key economic factors
- **Economic Efficiency:** If the underlying economic activity that drives asset performance can be identified, perhaps it can be used to assist in building economically-efficient portfolios
- **Portfolio Stability:** Macroeconomic risk factors – when separated from the valuation component inherent in investment pricing – may exhibit more stable correlations and, therefore, can better inform the allocation process

Economic Factor Model

- Employ a 2-factor regression model (growth and inflation) to formulate factor assumptions



Assumptions

Capital Markets Assumptions – June 30,2022

	Public Equity - Global	Public Equity - Global Low Volatility	Private Equity	Core US Bond	Core Global Bond (Hedged)	Global High Yield (Hedged)	Emerging Market Debt	Alternative Credit	Private Credit (Blend)	Global Real Estate Securities	Global Listed Infrastructure	Private Real Estate (Blend)	Private Real Assets (Blend)	Risk Parity (15% Volatility)
Return - 10-Year (%)	6.60	6.65	10.24	4.05	2.97	6.50	5.89	6.65	7.49	5.35	5.25	5.89	6.65	7.69
Return - 20-Year (%)	6.98	7.02	10.43	4.24	3.42	6.68	6.11	6.58	7.44	5.86	5.99	6.25	7.41	8.46
Return - 30-Year (%)	7.35	7.38	10.62	4.43	3.86	6.87	6.34	6.50	7.39	6.38	6.73	6.60	8.17	9.22
Risk (%)	17.10	13.54	30.43	4.25	3.88	9.75	6.98	5.82	7.74	16.45	17.00	12.71	20.43	15.00
Correlations														
Public Equity - Global	1.00													
Public Equity - Global Low Volatility	0.97	1.00												
Private Equity	0.72	0.75	1.00											
Core US Bond	0.20	0.20	0.31	1.00										
Core Global Bond (Hedged)	0.21	0.20	0.29	0.87	1.00									
Global High Yield (Hedged)	0.51	0.51	0.31	0.25	0.28	1.00								
Emerging Market Debt	0.48	0.58	0.36	0.41	0.39	0.57	1.00							
Alternative Credit	0.56	0.52	0.28	0.29	0.29	0.70	0.61	1.00						
Private Credit (Blend)	0.57	0.54	0.27	0.16	0.16	0.82	0.59	0.95	1.00					
Global Real Estate Securities	0.65	0.73	0.57	0.17	0.10	0.61	0.49	0.63	0.68	1.00				
Global Listed Infrastructure	0.74	0.73	0.58	0.12	0.05	0.58	0.44	0.56	0.63	0.72	1.00			
Private Real Estate (Blend)	0.53	0.65	0.49	0.18	0.11	0.58	0.43	0.59	0.63	0.81	0.50	1.00		
Private Real Assets (Blend)	0.71	0.70	0.57	0.14	0.06	0.60	0.45	0.61	0.66	0.74	0.85	0.55	1.00	
Risk Parity (15% Volatility)	0.72	0.71	0.60	0.60	0.54	0.54	0.60	0.55	0.52	0.55	0.63	0.50	0.65	1.00

Current Portfolio

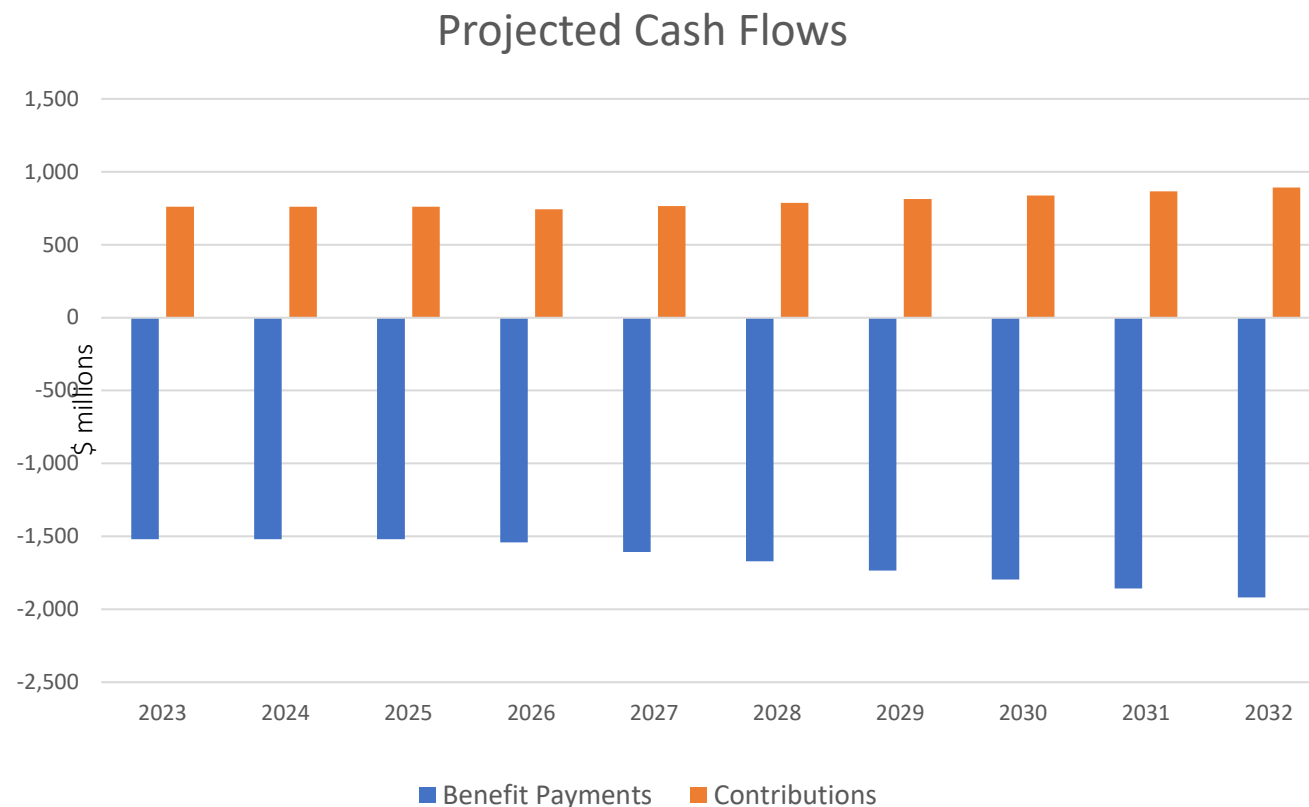
Asset Class	Current Policy
Global Equity	35.50%
Risk Reduction & Mitigation	19.50%
Credit Oriented Fixed Income	15.00%
Real Assets	20.00%
Multi-Risk Allocation	10.00%
Total Assets	100.00%
<i>Expected Beta Return - 10 Years (%)</i>	7.11
<i>Expected Beta Return - 20 Years (%)</i>	7.46
<i>Expected Beta Return - 30 Years (%)</i>	7.82
<i>Standard Deviation of Return (%)</i>	11.43
<i>Sharpe Ratio</i>	0.35

Asset Class	Current Portfolio
Public Equity - Global	16.50%
Public Equity - Global Low Volatility	7.00%
Private Equity	12.00%
Core US Bond	17.00%
Core Global Bond (Hedged)	2.50%
Global High Yield (Hedged)	2.00%
Emerging Market Debt	3.00%
Alternative Credit	4.00%
Private Credit (Blend)	6.00%
Global Real Estate Securities	0.00%
Liquid Real Assets	5.00%
Private Real Estate (Blend)	7.00%
Private Real Assets (Blend)	8.00%
Risk Parity (15% Volatility)	10.00%
Total Assets	100.0%
<i>Expected Beta Return - 10 Years (%)</i>	7.11
<i>Expected Beta Return - 20 Years (%)</i>	7.46
<i>Expected Return - 30 Years (%)</i>	7.82
<i>Standard Deviation of Return (%)</i>	11.43
<i>Sharpe Ratio (10 Year)</i>	0.35

Based on Wilshire's June 30, 2022 capital markets assumptions

Custom Illiquidity Analysis

Cash Flow Projection



- Annual benefit payments are projected to increase faster than annual contributions
- The plan will remain cash flow negative over the foreseeable future
- The extent of illiquidity exposure for PERA must consider the extent of liquid assets to cover cash flow shortfall

Liquid Portfolio Value Simulation

Assumptions

- Simulation was run for 10 years using PERA projected benefit payments and contributions
- One time 20% / 30% / 40% drawdown in liquid assets assumed for one year starting year 2
- Liquid asset return assumption based on Wilshire CMA = 6.1%
- Then calculated the maximum allocation to private assets before depleting liquid assets

Caveats

- Simulation assumes you can get these exposure to private markets instantaneously – this is not realistic
- The plan has more than 10 years of benefits to payout
- Host of actuarial assumptions go into the cash flow projections. If any of these assumptions change, the results will change
- It would be prudent to apply qualitative adjustments to factor in these uncertainties

Max Private Assets Allocation – 20% Drawdown Scenario

Market Value of PERA Liquid Assets (Simulation)										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Simulation 1	7,699	7,385	7,053	6,700	6,285	5,801	5,244	4,615	3,909	3,125
Simulation 2	7,699	5,479	5,030	4,554	4,008	3,385	2,681	1,895	1,024	64
Simulation 3	7,699	7,385	5,229	4,765	4,231	3,622	2,932	2,162	1,307	364
Simulation 4	7,699	7,385	7,053	4,963	4,441	3,845	3,169	2,412	1,573	646
Simulation 5	7,699	7,385	7,053	6,700	4,645	4,061	3,398	2,655	1,831	920
Simulation 6	7,699	7,385	7,053	6,700	6,285	4,275	3,625	2,897	2,086	1,191
Simulation 7	7,699	7,385	7,053	6,700	6,285	5,801	3,850	3,135	2,340	1,460
Simulation 8	7,699	7,385	7,053	6,700	6,285	5,801	5,244	3,371	2,590	1,725
Simulation 9	7,699	7,385	7,053	6,700	6,285	5,801	5,244	4,615	2,835	1,985
Simulation 10	7,699	7,385	7,053	6,700	6,285	5,801	5,244	4,615	3,909	2,239

- **Max allocation to private assets is 54% before depleting liquid assets in year 10**

Max Private Assets Allocation – 30% Drawdown Scenario

Market Value of PERA Liquid Assets (Simulation)										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Simulation 1	8,703	8,451	8,183	7,900	7,558	7,151	6,677	6,135	5,522	4,836
Simulation 2	8,703	5,456	5,006	4,529	3,981	3,356	2,650	1,862	989	27
Simulation 3	8,703	8,451	5,280	4,819	4,289	3,683	2,997	2,230	1,380	441
Simulation 4	8,703	8,451	8,183	5,093	4,579	3,991	3,324	2,577	1,747	831
Simulation 5	8,703	8,451	8,183	7,900	4,861	4,290	3,641	2,913	2,104	1,210
Simulation 6	8,703	8,451	8,183	7,900	7,558	4,586	3,955	3,247	2,458	1,585
Simulation 7	8,703	8,451	8,183	7,900	7,558	7,151	4,266	3,577	2,808	1,957
Simulation 8	8,703	8,451	8,183	7,900	7,558	7,151	6,677	3,902	3,154	2,323
Simulation 9	8,703	8,451	8,183	7,900	7,558	7,151	6,677	6,135	3,493	2,683
Simulation 10	8,703	8,451	8,183	7,900	7,558	7,151	6,677	6,135	5,522	3,035

- **Max allocation to private assets is 48% before depleting liquid assets in year 10**

Max Private Assets Allocation – 40% Drawdown Scenario

	Market Value of PERA Liquid Assets (Simulation)									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Simulation 1	10,209	10,049	9,879	9,699	9,466	9,176	8,826	8,414	7,941	7,403
Simulation 2	10,209	5,537	5,092	4,619	4,077	3,458	2,759	1,977	1,111	156
Simulation 3	10,209	10,049	5,441	4,990	4,470	3,875	3,201	2,447	1,609	685
Simulation 4	10,209	10,049	9,879	5,339	4,840	4,268	3,618	2,889	2,078	1,183
Simulation 5	10,209	10,049	9,879	9,699	5,200	4,649	4,022	3,318	2,534	1,666
Simulation 6	10,209	10,049	9,879	9,699	9,466	5,028	4,424	3,744	2,985	2,145
Simulation 7	10,209	10,049	9,879	9,699	9,466	9,176	4,821	4,166	3,433	2,620
Simulation 8	10,209	10,049	9,879	9,699	9,466	9,176	8,826	4,581	3,874	3,088
Simulation 9	10,209	10,049	9,879	9,699	9,466	9,176	8,826	8,414	4,307	3,547
Simulation 10	10,209	10,049	9,879	9,699	9,466	9,176	8,826	8,414	7,941	3,995

- **Max allocation to private assets is 39% before depleting liquid assets in year 10**

Portfolio Options

Portfolio Options – Max Private Markets 35%

Asset Class	Current	Constraints	11.5% Risk	12% Risk	12.5% Risk
Public Equity - Global	16.5%	15-100% ¹	15.0%	22.0%	27.0%
Public Equity - Global Low Volatility	7.0%	5-15% ¹	10.0%	5.0%	5.0%
Private Equity	12.0%	12-100% ¹	13.5%	14.0%	14.0%
Global Equity	35.5%		38.5%	41.0%	46.0%
Core US Bond	17.0%	15-100% ²	15.0%	15.0%	15.0%
Core Global Bond (Hedged)	2.5%	0-100% ²	0.0%	0.0%	0.0%
Risk Reduction & Mitigation	19.5%		15.0%	15.0%	15.0%
Global High Yield (Hedged)	2.0%	0-5%	5.0%	3.0%	0.0%
Emerging Market Debt	3.0%	0.0%	0.0%	0.0%	0.0%
Alternative Credit	4.0%	0-10%	10.0%	10.0%	8.0%
Private Credit (Blend)	6.0%	6-100%	6.5%	6.0%	6.0%
Credit Oriented Fixed Income	15.0%		21.5%	19.0%	14.0%
Global Real Estate Securities	0.0%	0-100% ³	2.0%	2.0%	2.0%
Liquid Real Assets	5.0%	0-100% ³	0.0%	0.0%	0.0%
Private Real Estate (Blend)	7.0%	7-100%	7.0%	7.0%	7.0%
Private Real Assets (Blend)	8.0%	8-100%	8.0%	8.0%	8.0%
Real Assets	20.0%		17.0%	17.0%	17.0%
Risk Parity (15% Volatility)	10.0%	0-8%	8.0%	8.0%	8.0%
Multi-Risk	10.0%		8.0%	8.0%	8.0%
Total Assets	100.0%		100.0%	100.0%	100.0%
Expected Beta Return - 10 Years (%)	7.11		7.36	7.39	7.38
Expected Beta Return - 20 Years (%)	7.46		7.66	7.69	7.70
Expected Return - 30 Years (%)	7.82		7.96	8.00	8.02
Standard Deviation of Return (%)	11.43		11.53	11.98	12.54
Sharpe Ratio	0.35		0.37	0.35	0.34
Total Private Markets (%)	33%		35%	35%	35%
Contribution to Asset Volatility (%)					
Global Equity	57.6		61.9	64.9	68.8
Risk Reduction & Mitigation	2.7		2.0	1.9	1.8
Credit Oriented Fixed Income	5.9		8.6	6.9	4.5
Real Assets	22.9		19.1	18.1	17.1
Multi-Risk	10.9		8.5	8.1	7.7
Factor Exposure_Growth	4.74		5.11	5.33	5.58
Factor Exposure_Inflation	-0.39		-0.59	-0.64	-0.67

¹ Total Growth Assets Max = 50%

² Total Risk Mitigation Assets Max = 20%

³ Global REIT and Global Listed Infrastructure together has a minimum of 2%

Portfolio Options – Max Private Markets 40%

Asset Class	Current	Constraints	11.5% Risk	12% Risk	12.5% Risk
Public Equity - Global	16.5%	15-100% ¹	15.0%	15.0%	16.5%
Public Equity - Global Low Volatility	7.0%	5-15% ¹	5.0%	5.0%	5.0%
Private Equity	12.0%	12-100% ¹	15.0%	17.5%	19.0%
Global Equity	35.5%		35.0%	37.5%	40.5%
Core US Bond	17.0%	15-100% ²	15.0%	15.0%	15.0%
Core Global Bond (Hedged)	2.5%	0-100% ²	0.0%	0.0%	0.0%
Risk Reduction & Mitigation	19.5%		15.0%	15.0%	15.0%
Global High Yield (Hedged)	2.0%	0-5%	5.0%	5.0%	3.5%
Emerging Market Debt	3.0%	0.0%	0.0%	0.0%	0.0%
Alternative Credit	4.0%	0-10%	10.0%	10.0%	10.0%
Private Credit (Blend)	6.0%	6-100%	10.0%	7.5%	6.0%
Credit Oriented Fixed Income	15.0%		25.0%	22.5%	19.5%
Global Real Estate Securities	0.0%	0-100% ³	2.0%	2.0%	2.0%
Liquid Real Assets	5.0%	0-100% ³	0.0%	0.0%	0.0%
Private Real Estate (Blend)	7.0%	7-100%	7.0%	7.0%	7.0%
Private Real Assets (Blend)	8.0%	8-100%	8.0%	8.0%	8.0%
Real Assets	20.0%		17.0%	17.0%	17.0%
Risk Parity (15% Volatility)	10.0%	0-8%	8.0%	8.0%	8.0%
Multi-Risk	10.0%		8.0%	8.0%	8.0%
Total Assets	100.0%		100.0%	100.0%	100.0%
Expected Beta Return - 10 Years (%)	7.11		7.48	7.58	7.63
Expected Beta Return - 20 Years (%)	7.46		7.76	7.87	7.93
Expected Return - 30 Years (%)	7.82		8.04	8.16	8.23
Standard Deviation of Return (%)	11.43		11.47	12.01	12.49
Sharpe Ratio	0.35		0.38	0.37	0.36
Total Private Markets (%)	33%		40%	40%	40%
Contribution to Asset Volatility (%)					
Global Equity	57.6		60.1	63.6	66.8
Risk Reduction & Mitigation	2.7		2.1	2.0	1.9
Credit Oriented Fixed Income	5.9		10.2	8.4	6.6
Real Assets	22.9		19.2	18.0	17.1
Multi-Risk	10.9		8.5	8.1	7.7
Factor Exposure_Growth	4.74		5.13	5.39	5.61
Factor Exposure_Inflation	-0.39		-0.63	-0.71	-0.76

¹ Total Growth Assets Max = 50%

² Total Risk Mitigation Assets Max = 20%

³ Global REIT and Global Listed Infrastructure together has a minimum of 2%

Portfolio Options – Max Private Markets 45%

Asset Class	Current	Constraints	11.5% Risk	12% Risk	12.5% Risk
Public Equity - Global	16.5%	15-100% ¹	15.0%	15.0%	15.0%
Public Equity - Global Low Volatility	7.0%	5-15% ¹	5.0%	5.0%	5.0%
Private Equity	12.0%	12-100% ¹	15.5%	17.5%	20.0%
Global Equity	35.5%		35.5%	37.5%	40.0%
Core US Bond	17.0%	15-100% ²	15.0%	15.0%	15.0%
Core Global Bond (Hedged)	2.5%	0-100% ²	0.0%	0.0%	0.0%
Risk Reduction & Mitigation	19.5%		15.0%	15.0%	15.0%
Global High Yield (Hedged)	2.0%	0-5%	0.0%	0.0%	0.0%
Emerging Market Debt	3.0%	0.0%	0.0%	0.0%	0.0%
Alternative Credit	4.0%	0-10%	10.0%	10.0%	10.0%
Private Credit (Blend)	6.0%	6-100%	14.5%	12.5%	10.0%
Credit Oriented Fixed Income	15.0%		24.5%	22.5%	20.0%
Global Real Estate Securities	0.0%	0-100% ³	2.0%	2.0%	2.0%
Liquid Real Assets	5.0%	0-100% ³	0.0%	0.0%	0.0%
Private Real Estate (Blend)	7.0%	7-100%	7.0%	7.0%	7.0%
Private Real Assets (Blend)	8.0%	8-100%	8.0%	8.0%	8.0%
Real Assets	20.0%		17.0%	17.0%	17.0%
Risk Parity (15% Volatility)	10.0%	0-8%	8.0%	8.0%	8.0%
Multi-Risk	10.0%		8.0%	8.0%	8.0%
Total Assets	100.0%		100.0%	100.0%	100.0%
Expected Beta Return - 10 Years (%)	7.11		7.54	7.62	7.72
Expected Beta Return - 20 Years (%)	7.46		7.82	7.90	8.00
Expected Return - 30 Years (%)	7.82		8.09	8.18	8.29
Standard Deviation of Return (%)	11.43		11.53	11.96	12.53
Sharpe Ratio	0.35		0.38	0.37	0.36
Total Private Markets (%)	33%		45%	45%	45%
Contribution to Asset Volatility (%)					
Global Equity	57.6		61.0	63.9	67.0
Risk Reduction & Mitigation	2.7		2.0	2.0	1.9
Credit Oriented Fixed Income	5.9		9.4	8.0	6.4
Real Assets	22.9		19.1	18.1	17.1
Multi-Risk	10.9		8.5	8.1	7.7
Factor Exposure_Growth	4.74		5.16	5.37	5.63
Factor Exposure_Inflation	-0.39		-0.62	-0.69	-0.77

¹ Total Growth Assets Max = 50%

² Total Risk Mitigation Assets Max = 20%

³ Global REIT and Global Listed Infrastructure together has a minimum of 2%

Options to Consider

Asset Class	Current	38% Private Assets	40% Private Assets	42% Private Assets
Public Equity - Global	16.5%	16.0%	16.0%	16.0%
Public Equity - Global Low Volatility	7.0%	7.0%	5.0%	6.0%
Private Equity	12.0%	15.0%	17.0%	17.0%
Global Equity	35.5%	38.0%	38.0%	39.0%
Core US Bond	17.0%	18.0%	17.0%	15.0%
Core Global Bond (Hedged)	2.5%	0.0%	0.0%	0.0%
Risk Reduction & Mitigation	19.5%	18.0%	17.0%	15.0%
Global High Yield (Hedged)	2.0%	5.0%	4.0%	0.0%
Emerging Market Debt	3.0%	0.0%	0.0%	0.0%
Alternative Credit	4.0%	6.0%	7.0%	10.0%
Private Credit (Blend)	6.0%	8.0%	8.0%	10.0%
Credit Oriented Fixed Income	15.0%	19.0%	19.0%	20.0%
Global Real Estate Securities	0.0%	0.0%	0.0%	0.0%
Liquid Real Assets	5.0%	2.0%	3.0%	3.0%
Private Real Estate (Blend)	7.0%	7.0%	7.0%	7.0%
Private Real Assets (Blend)	8.0%	8.0%	8.0%	8.0%
Real Assets	20.0%	17.0%	18.0%	18.0%
Risk Parity (15% Volatility)	10.0%	8.0%	8.0%	8.0%
Multi-Risk	10.0%	8.0%	8.0%	8.0%
Total Assets	100.0%	100.0%	100.0%	100.0%
Expected Beta Return - 10 Years (%)	7.11	7.38	7.49	7.56
Expected Beta Return - 20 Years (%)	7.46	7.69	7.80	7.86
Expected Return - 30 Years (%)	7.82	7.99	8.11	8.15
Standard Deviation of Return (%)	11.43	11.69	12.07	12.14
Sharpe Ratio	0.35	0.36	0.36	0.36
Total Private Markets (%)	33%	38%	40%	42%
Contribution to Asset Volatility (%)				
Global Equity	57.6	62.8	63.5	64.2
Risk Reduction & Mitigation	2.7	2.4	2.2	1.9
Credit Oriented Fixed Income	5.9	7.7	7.1	6.8
Real Assets	22.9	18.7	19.2	19.1
Multi-Risk	10.9	8.4	8.1	8.0
Factor Exposure_Growth	4.74	5.15	5.34	5.39
Factor Exposure_Inflation	-0.39	-0.67	-0.66	-0.60

- Simplify portfolio
- Take advantage of additional illiquidity premium opportunities
- Modest increase in risk profile with opportunity to increase return potential
- Increasing risk-adjusted return potential (higher Sharpe Ratio)

Wilshire's Asset Allocation Committee (WAAC) maintains standard asset allocation parameters which reflect generally observed market practices for institutional asset owners (a table of these ranges is provided in the Appendix). While we expect most client portfolios will fall within these asset allocation ranges, Wilshire recognizes and occasionally recommends portfolio allocations that may diverge from these general ranges based on a client's particular circumstances, goals or needs.

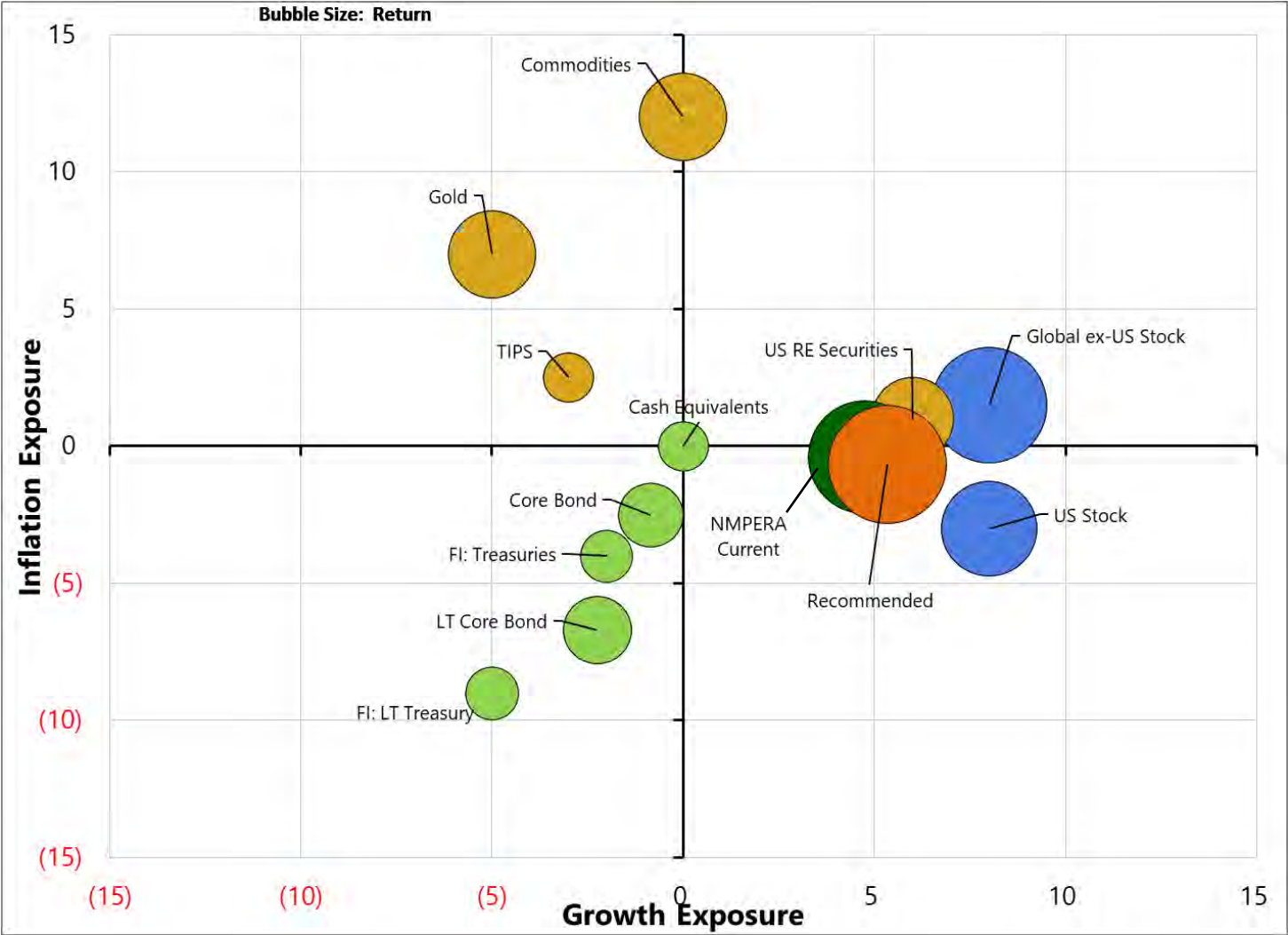
Recommended Policy Portfolio

Asset Class	Current Policy	Recommended
Global Equity	35.50%	38.00%
Risk Reduction & Mitigation	19.50%	17.00%
Credit Oriented Fixed Income	15.00%	19.00%
Real Assets	20.00%	18.00%
Multi-Risk Allocation	10.00%	8.00%
Total Assets	100.00%	100.00%
Expected Beta Return - 10 Years (%)	7.11	7.49
Expected Beta Return - 20 Years (%)	7.46	7.80
Expected Beta Return - 30 Years (%)	7.82	8.11
Standard Deviation of Return (%)	11.43	12.07
Sharpe Ratio	0.35	0.36

Wilshire's Asset Allocation Committee (WAAC) maintains standard asset allocation parameters which reflect generally observed market practices for institutional asset owners (a table of these ranges is provided in the Appendix). While we expect most client portfolios will fall within these asset allocation ranges. Wilshire recognizes and occasionally recommends portfolio allocations that may diverge from these general ranges based on a client's particular circumstances, goals or needs.

Asset Class	Current	40% Private Assets
Public Equity - Global	16.5%	16.0%
Public Equity - Global Low Volatility	7.0%	5.0%
Private Equity	12.0%	17.0%
Global Equity	35.5%	38.0%
Core US Bond	17.0%	17.0%
Core Global Bond (Hedged)	2.5%	0.0%
Risk Reduction & Mitigation	19.5%	17.0%
Global High Yield (Hedged)	2.0%	4.0%
Emerging Market Debt	3.0%	0.0%
Alternative Credit	4.0%	7.0%
Private Credit (Blend)	6.0%	8.0%
Credit Oriented Fixed Income	15.0%	19.0%
Global Real Estate Securities	0.0%	0.0%
Liquid Real Assets	5.0%	3.0%
Private Real Estate (Blend)	7.0%	7.0%
Private Real Assets (Blend)	8.0%	8.0%
Real Assets	20.0%	18.0%
Risk Parity (15% Volatility)	10.0%	8.0%
Multi-Risk	10.0%	8.0%
Total Assets	100.0%	100.0%
Expected Beta Return - 10 Years (%)	7.11	7.49
Expected Beta Return - 20 Years (%)	7.46	7.80
Expected Return - 30 Years (%)	7.82	8.11
Standard Deviation of Return (%)	11.43	12.07
Sharpe Ratio	0.35	0.36
Total Private Markets (%)	33%	40%
Contribution to Asset Volatility (%)		
Global Equity	57.6	63.5
Risk Reduction & Mitigation	2.7	2.2
Credit Oriented Fixed Income	5.9	7.1
Real Assets	22.9	19.2
Multi-Risk	10.9	8.1
Factor Exposure_Growth	4.74	5.34
Factor Exposure_Inflation	-0.39	-0.66

Factor Exposure Comparison



Takeaways

- Simplify portfolio – consolidate where reasonable to have impact on total fund level
 - Eliminate Core Global Bond (2.5% allocation), EM Debt (3%)
 - Increase Global HY from 2% to 4%
 - Increase Alt Credit from 4% to 7%
- Take advantage of additional illiquidity premium opportunities
 - Increase PE from 12% to 17%
 - Increase Private Credit from 6% to 8%
- Decrease Liquid Real Assets from 5% to 3%
- Modest increase in risk profile with opportunity to increase return potential
- Increasing risk-adjusted return potential (higher Sharpe Ratio)
- Total private markets allocation target = 40%

Appendix – Asset Allocation Ranges

Efficient Frontier Portfolios

Asset Class	Current Policy	Optimization Constraints	Minimum Risk	Portfolio 1	Portfolio 2	Portfolio 3	Portfolio 4	Portfolio 5	Portfolio 6	Portfolio 7	Portfolio 8	Maximum Risk
Public Equity - Global	16.5%	15-100% ¹	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	17.8%	26.0%
Public Equity - Global Low Volatility	7.0%	5-15% ¹	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Private Equity	12.0%	12-100% ¹	12.0%	12.0%	12.0%	12.0%	13.5%	15.0%	16.5%	18.0%	19.0%	19.0%
Global Equity	35.5%		32.0%	32.0%	32.0%	32.0%	33.5%	35.0%	36.5%	38.0%	41.8%	50.0%
Core US Bond	17.0%	15-100% ²	15.0%	19.1%	17.1%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Core Global Bond (Hedged)	2.5%	0-100% ²	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Risk Reduction & Mitigation	19.5%		20.0%	19.1%	17.1%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Global High Yield (Hedged)	2.0%	0-5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	2.2%	4.0%
Emerging Market Debt	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Alternative Credit	4.0%	0-10%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	0.0%
Private Credit (Blend)	6.0%	6-100%	13.0%	13.0%	13.0%	13.0%	11.5%	10.0%	8.5%	7.1%	6.0%	6.0%
Credit Oriented Fixed Income	15.0%		28.0%	28.0%	28.0%	28.0%	26.5%	25.0%	23.5%	22.1%	18.2%	10.0%
Global Real Estate Securities	0.0%	0-100% ³	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Global Listed Infrastructure	5.0%	0-100% ³	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Private Real Estate (Blend)	7.0%	7-100%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Private Real Assets (Blend)	8.0%	8-100%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Real Assets	20.0%		17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%
Risk Parity (15% Volatility)	10.0%	0-8%	3.0%	0.0%	5.9%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Multi-Risk	10.0%		3.0%	3.9%	5.9%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Total Assets	100.0%		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Expected Beta Return - 10 Years (%)	7.11		7.12	7.20	7.27	7.35	7.41	7.47	7.54	7.59	7.63	7.93
Standard Deviation of Return (%)	11.43		10.30	10.40	10.62	10.84	11.14	11.46	11.78	12.11	12.62	14.26
Sharpe Ratio	0.35		0.39	0.39	0.39	0.39	0.38	0.38	0.37	0.37	0.35	0.34
Total Private Markets (%)	33%		40%	40%	40%	40%	40%	40%	40%	40%	40%	40%

¹ Total Growth Assets Max = 50%

² Total Risk Mitigation Assets Max = 20%

³ Global REIT and Global Listed Infrastructure together has a minimum of 2%

Allowable Asset Allocation Ranges

Wilshire's Asset Allocation Committee (WAAC) maintains standard asset allocation parameters which reflect generally observed market practices for institutional asset owners. While Wilshire expects most client portfolios will fall within these asset allocation ranges. Wilshire recognizes and occasionally recommends portfolio allocations that may diverge from these general ranges based on a client's particular circumstances, goals or needs.

Asset Segment	Corporate DB	Public DB	E&F
Total Equity (Public+Private)	0% - 80%		
Private Equity (Aggregate)	0% - 15%	0% - 20%	0% - 30%
Fixed Income (Core/High-quality - Liquid IG)	10% - 100%	10% - 50%	
Other Fixed Income/Credit (Aggregate)	0% - 25%		
Private/Illiquid Credit (Aggregate)	0% - 15%		
High Yield	0% - 10%		
Other: EMD, Loans, Convertibles	0% - 7.5%		
Total Real Assets (Public + Private)	0% - 25%		
Total Real Estate (Public + Private)	0% - 25%		
RA Other: Commodities, Gold, Infra, GLI, MLPs, O&G, Timber	0% - 5%		
Marketable Alternatives (Aggregate)	0% - 12.5%		0% - 20%
Cash	0% - 5%		
Leverage	0% - 20%		
Total Private/Illiquid	0% - 25%	0% - 35%	0% - 50%

These thresholds were informed by allocation information from Greenwich Associates, and Wilshire Advisors, LLC, universe data and will be reviewed for reasonableness from time to time.

**Last Updated 12/2021*

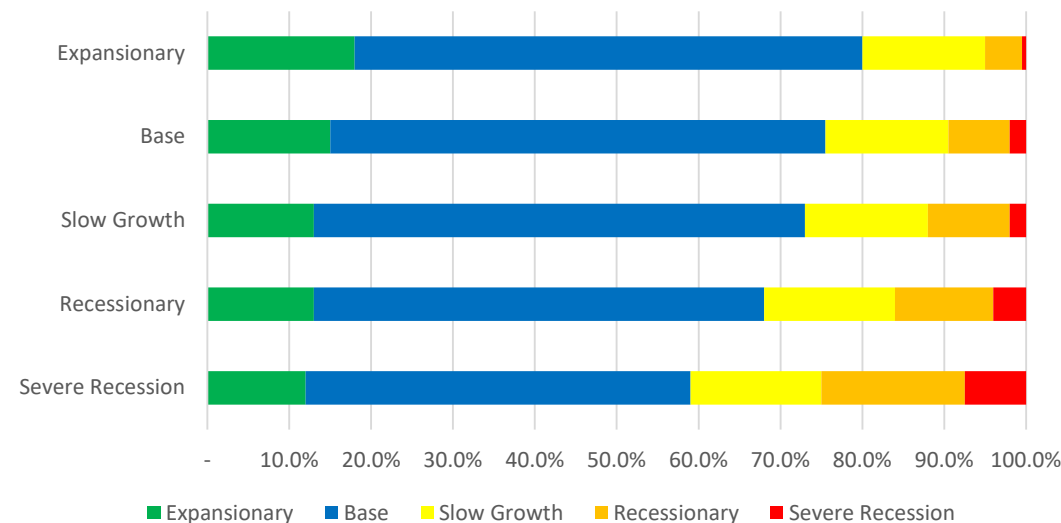
Appendix – Regimes

Efficient Frontier Portfolios

Managing drawdown risk –
the “uncertainty around
the uncertainty”

- Most simulation models assume returns are log-normally distributed
- Though reasonable in most years, left-tail events occur more frequently than predicted
- A regime switching model can help us pre-experience uncomfortable return paths that fall outside a normal distribution’s field of view

	expansionary	base	slow growth	recessionary	severe recession
expansionary	18.0%	62.0%	15.0%	4.5%	0.5%
base	15.0%	60.5%	15.0%	7.5%	2.0%
slow growth	13.0%	60.0%	15.0%	10.0%	2.0%
recessionary	13.0%	55.0%	16.0%	12.0%	4.0%
severe recession	12.0%	47.0%	16.0%	17.5%	7.5%



Stress Testing: Regime Assumptions

- In below trend and worse environments, the portfolio's return expectations is materially lower and the volatility is materially higher
- Volatility in the below trend and worse environments are left-skewed, i.e. negative-skewed

	US Stocks	Dev xUS Stocks	EM Stocks	Prvt Mkts	Cash	Core Bonds	LT Bonds	US TIPS	HY	US RES	Private RE	Commodities		Current Policy
Expansionary/Above Trend Growth														
Return (%)	9.75	10.75	10.75	14.65	1.50	1.55	2.10	1.20	5.90	10.15	11.00	6.70		8.96
Risk (%)	12.00	13.00	21.00	20.50	1.00	4.80	9.85	6.50	8.00	13.00	11.00	15.00		8.27
Baseline/Trend Growth														
Return (%)	4.75	5.75	5.75	7.15	1.25	2.05	2.60	1.70	3.90	5.15	6.00	3.70		5.46
Risk (%)	17.00	18.00	26.00	28.00	0.75	4.30	8.85	6.00	10.00	17.00	14.00	15.00		11.27
Slow Growth/Below Trend														
Return (%)	2.75	3.75	3.75	4.15	1.00	3.05	4.10	2.20	2.90	3.15	4.00	2.70		4.37
Risk (%)	22.00	23.00	31.00	35.50	1.00	5.30	10.85	7.00	12.00	21.00	17.00	17.00		14.56
Recessionary/Negative Growth														
Return (%)	(5.25)	(4.25)	(4.25)	(7.85)	0.75	4.05	5.60	3.20	(0.10)	(4.85)	(4.00)	(0.30)		(1.08)
Risk (%)	27.00	28.00	36.00	43.00	1.00	6.30	12.85	8.00	15.00	25.00	20.00	20.00		17.93
Severe Recession/Deflation														
Return (%)	(45.25)	(44.25)	(44.25)	(42.85)	0.25	14.55	22.60	11.70	(16.10)	(44.85)	(44.00)	(3.30)		(23.33)
Risk (%)	42.00	43.00	51.00	53.00	1.00	14.30	18.85	16.00	20.00	42.00	34.00	25.00		25.74

Stress Testing: Regime Descriptions

Regime Descriptions

- **Expansionary/Above Trend Growth** – Regime when the economy is coming out of a recession or the economy is running above long-run capacity. Wilshire does not project the economy to remain in this regime over longer periods.
- **Baseline/Trend Growth** – The long term expected state of the economy. Wilshire's capital market assumptions are based on this regime.
- **Slow Growth/Below Trend** – Regime when the economy is running at less than full capacity.
- **Recessionary/Negative Growth** – Regime when the economy has below zero growth. Wilshire expects the economy would be in a recession.
- **Severe Recession/Deflation** – Regime when the economy defined by significantly negative growth. Wilshire does not project the economy to remain in this regime over longer periods.

Appendix – Liquidity Metric

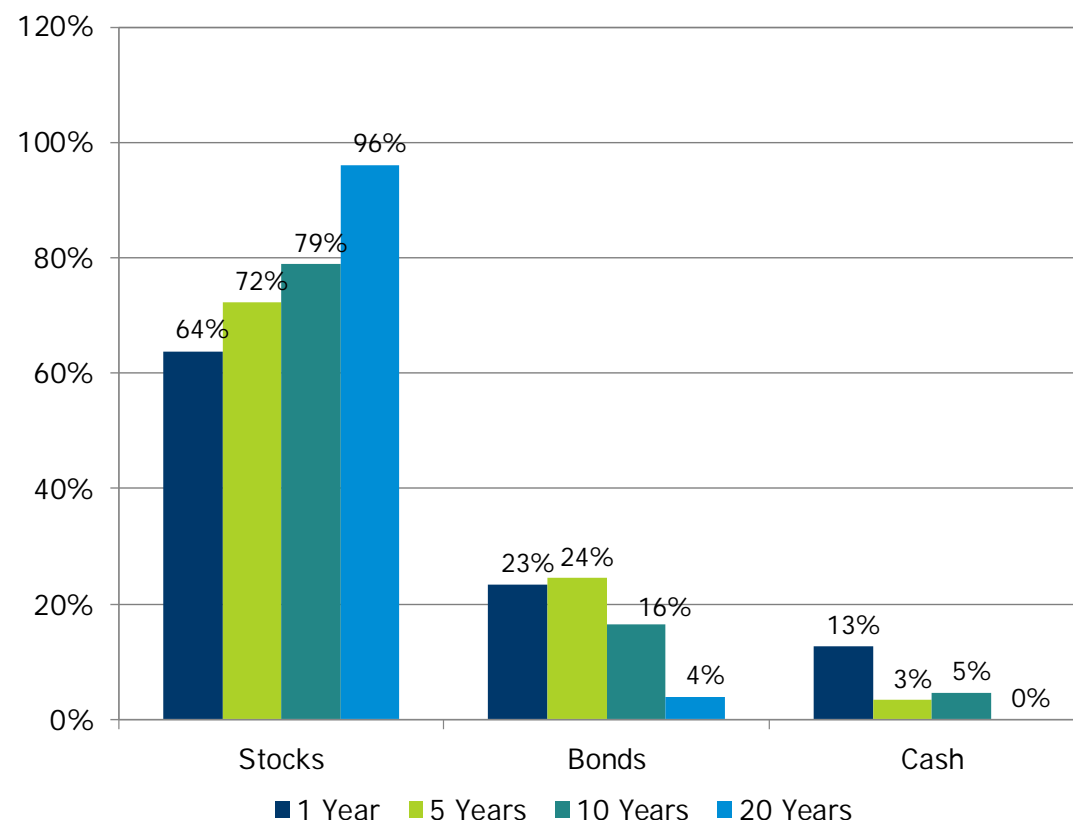
Liquidity Risk: What Are The Consequences?

Default/Insolvency is the most severe outcome from having insufficient liquidity, but...

There are many other, more likely, disruptive impacts that a lack of liquidity can impose on an investment portfolio

- Liquidity breaches can rob an investor of their biggest advantage: a long-term investment horizon
- The timing and price of such sales dictated by liquidity needs rather than by explicit investment rationale
- Can destroy portfolio value and effectively strip a portfolio from its ability to recover from market sell-offs

ASSET CLASS WINNING PERCENTAGES (1926-2019)



Wilshire Liquidity Metric

Wilshire's Liquidity Metric framework has two levels:

- **Market Level of Liquidity**
- **Overall Level of Liquidity**

Market Level of Liquidity

- Quantified on scale from 0% (low liquidity) to 100% (high liquidity)
- Designed to capture general notion of marketable versus private/off-market transactions
 - Marketable asset classes typically reflect a 90% or 100%
 - Private asset classes reflect 0%
- Goal is to reflect the tradability of assets, which is helpful in connecting these values back to our definitional framework (i.e., to quantify the differences between Convertible Liquidity and Delayed Liquidity)

Wilshire Liquidity Metric

Wilshire's Liquidity Metric framework has two levels:

- **Market Level of Liquidity**
- **Overall Level of Liquidity**

Overall Liquidity Metric

Includes a penalty process to reflect the loss in practical liquidity due to asset class volatility and sensitivity to particular economic environments

Penalty components:

1. **Growth Penalty:**
 - Impacts asset classes with vulnerability to slowing growth
 - Recognizes the hit to liquidity that can occur during growth related bear markets
2. **Inflation Penalty:**
 - Impacts asset classes with vulnerability to rising inflation
 - Recognizes the hit to liquidity that can occur during inflation driven bear markets
3. **Volatility Penalty:**
 - Impacts higher volatility asset classes
 - Recognizes the hit to liquidity that can occur from any form of volatility

Wilshire Stressed Liquidity Metric

Stressed Level of Liquidity Metric

Asset Class	Market Liquidity	Liquidity Penalty Components			Applied Penalty	Stressed Liquidity
		Growth	Inflation	Volatility		
US Equity	100	50		24	50	0
Dev ex-US Equity	100	50		26	50	0
EM Equity	90	50		40	50	0
Private Equity	0	50		40	0	0
Cash Equivalents	100				0	100
Core Bonds	100		8		8	86
High Yield Bonds	80	40		10	40	0
US Real Estate Securities	90	50		24	50	0
Private Real Estate	0	50		18	0	0
Commodities	90			20	20	55

Applied Penalty = Min(Max(Growth + Inflation, Volatility), Market Liquidity)

Stressed Liquidity * = Market Liquidity - (1.75 x Applied Penalty)

** If less than 20, Stressed Liquidity is assumed to be 0*

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Wilshire

Public Employees Retirement Association of New Mexico

Benchmarking Education

September 2022

Purpose of Benchmarking

Serves as a clear and objective means of evaluating performance

Benchmarks provide investors a realistic and achievable starting point – i.e., the passive portfolio held in the absence of a view on any given security

The purpose of benchmarking can be summarized as follows:

Performance Attribution

Decomposition of sources of return, such as asset allocation, active vs. passive management, manager skill, etc.

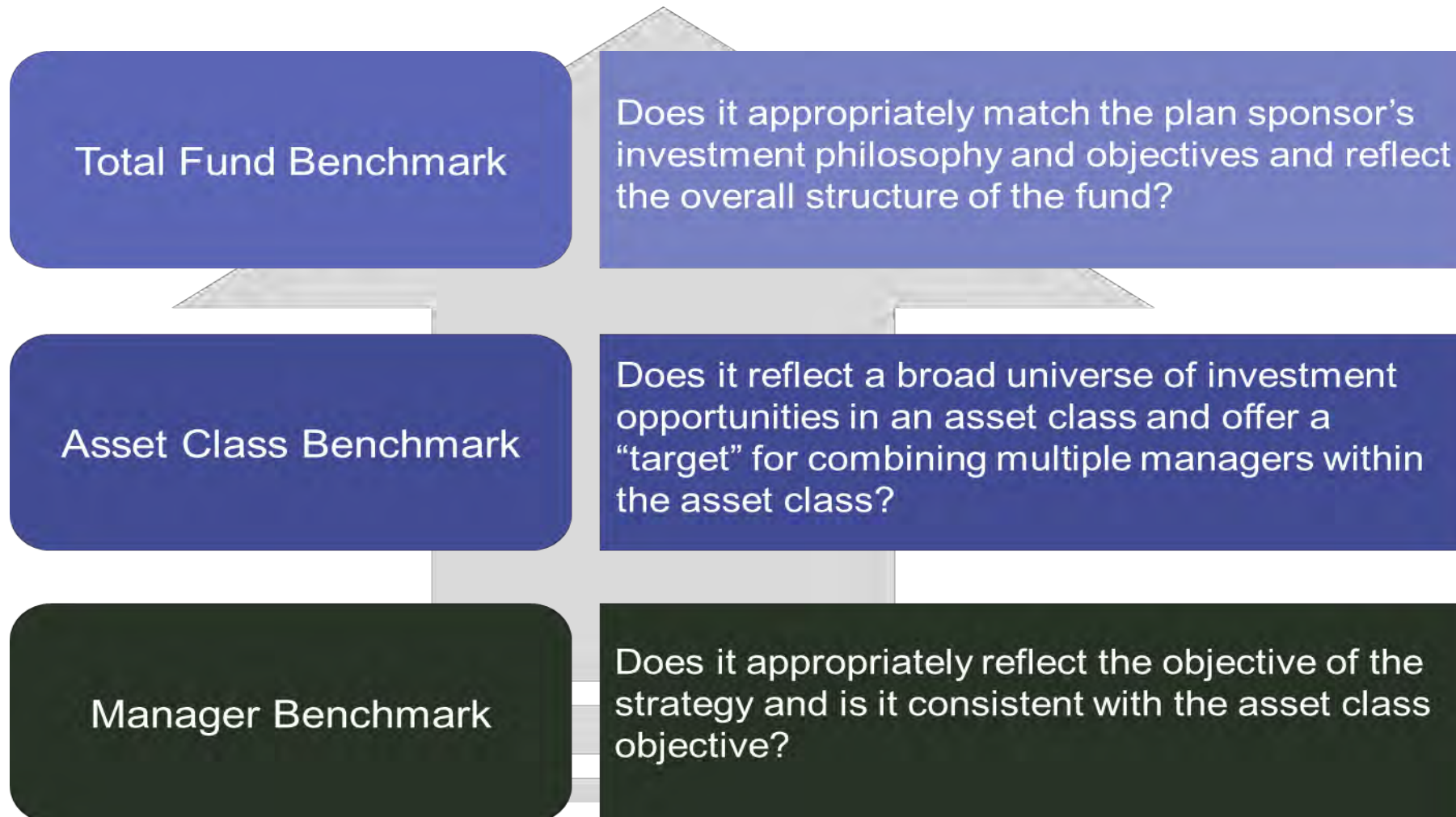
Insight on Risk/Returns

Insight into level of risk being taken to generate return and the volatility of return over time

Manager Evaluation

Measure against which manager performance can be evaluated to assist in retention / termination decisions

Benchmark Selection Considerations



Ideal Benchmark Characteristics

Unambiguous

Benchmark components and construction methodology are clearly identifiable.

Investable

It is possible to replicate and simply hold the benchmark.

Measurable

The benchmark's return is readily calculable on an on-going basis.

Appropriate

The benchmark is consistent with the composite's objective or manager's investment style.

Reflective of current investment options

The manager is knowledgeable of the securities or factor exposures within the benchmark.

Pre-specified

The benchmark is agreed upon prior to the start of the monitoring period.

Appropriate Benchmarks

- The appropriate benchmark is a function of the return and risk characteristics of the asset class or portfolio being measured
- Benchmarks may be published market benchmarks or custom benchmarks
 - Published benchmarks are preferable; however, custom benchmarks may be optimal for some portfolio strategies such as Multi-Asset Risk Allocation
 - Generally, asset class benchmarks are published market indices which represent a broad investment opportunity set
 - E.g., Wilshire 5000, Bloomberg U.S. Aggregate
- Objective of benchmark selection process is to minimize benchmark “misfit” risk, which is uncompensated risk
 - “Misfit” risk is the return difference attributable to the benchmark characteristics that are not reflected in the portfolio and vice versa
 - E.g., All cap equity portfolio benchmarked to the S&P 500 Index or a Core Plus bond portfolio benchmarked to the Bloomberg U.S. Aggregate

Total Fund Benchmarking

- **Policy Portfolio Benchmark**
 - Weighted blend of diversified asset class portfolios
 - Used as a benchmark to measure effective implementation, across a diversified portfolio of defined systematic exposures (i.e., the benefit of portfolio implementation decisions)
 - Policy portfolio concept meets the objectives of a good benchmark
 - Does present mismatch for illiquid/alternative investments
 - Targets the same diversified beta exposures as adopted in SAA
 - Serves as a clear and objective means of evaluating total fund performance over a long-term time horizon

- **Current Weightings**

PERA - Total Fund Benchmark					
Global Equity		35.50%	Real Assets		20.00%
	MSCI ACWI IMI (\$N)	28.50%		Wilshire Global REIT	7.00%
	MSCI ACWI Minimum Volatility (\$N)	7.00%		Alerian - MLP Index	2.00%
Risk Reduction & Mitigation		19.50%	Multi Risk	DJB Global Infrastructure	3.00%
	Bloomberg U.S. Aggregate	17.00%		Bloomberg - U.S. TIPS	3.00%
	Bloomberg Global Aggregate Hedged	2.50%		Bloomberg Commodity Index (TR)	5.00%
Credit Oriented Fixed Income		15.00%			10.00%
	Bloomberg Global High Yield	12.00%		Wilshire Risk Parity - 15%	10.00%
	50% JP Morgan EMBI (\$)/ 50% JP Morgan GBI (\$)	3.00%			

Total Fund Benchmarking – Proposed Changes

1. Adjust Measurements

- **Policy Portfolio Benchmark Changes:** targets asset allocation changes from pending Asset Allocation review recommendation
- Global Equity composite increases from 35.5% to 38.0%
 - MSCI ACWI IMI Index increases from 28.5% to 33.0%
 - MSCI ACWI Minimum Volatility Index decreases from 7.0% to 5.0%
- Risk Reduction & Mitigation composite decreases from 19.5% to 17.0%
 - Bloomberg Global Aggregate Hedged Index decreases from 2.5% to 0.0%
- Credit Oriented Fixed Income composite increases from 15.0% to 19.0%
 - Bloomberg Global High Yield Index increases from 12.0% to 19.0%
 - Custom Emerging Market Debt Blended Index decreases from 3.0% to 0.0%
- Real Assets composite decreases from 20.0% to 18.0%
- Multi Risk composite decreases from 10.0% to 8.0%

Policy Portfolio Benchmark	Current Target	Proposed Target
Global Equity	35.50%	38.00%
MSCI ACWI IMI (\$N)	28.50%	33.00%
MSCI ACWI Minimum Volatility (\$N)	7.00%	5.00%
Risk Reduction & Mitigation	19.50%	17.00%
Bloomberg Barclays U.S. Aggregate	17.00%	17.00%
Bloomberg Barclays Global Aggregate (Hedged)	2.50%	0.00%
Credit Oriented Fixed Income	15.00%	19.00%
Bloomberg Barclays Global High Yield (Hedged)	12.00%	19.00%
50% JPM EMBI (\$) / 50% JPM GBI (\$)	3.00%	0.00%
Real Assets	20.00%	18.00%
Wilshire Global REITs	7.00%	7.00%
Dow Jones - Brookfield Global Infrastructure Index	3.00%	9.00%
Bloomberg Commodity Index (TR)	5.00%	2.00%
Alerian MLP Index	2.00%	0.00%
Bloomberg Barclays - U.S. TIPS	3.00%	0.00%
Multi-Risk Allocation	10.00%	8.00%
Wilshire Risk Parity - 15%	10.00%	8.00%

Total Fund Benchmarking – Proposed Changes

2. Simplify Measurements

- **Reference Portfolio Benchmark Changes:** eliminate utilization of Reference Portfolio Benchmark, effective Q1 Fiscal Year 2023.
- **History:**
 - Originally adopted on May 31, 2018
 - Intended to be used as a benchmark to measure the value of complexity and diversification
 - Modeled to reflect PERA's targeted risk only, not its optimized asset mix
 - Current weight: 58% MSCI ACWI IMI / 42% Barclays U.S. Agg
- **Reason for Elimination:**
 - Simplify measurement mechanism to a single Total Fund Benchmark that is prudent and appropriate
 - Eliminate benchmark that does not appropriately reflect PERA's diversified strategic asset allocation
 - Utilization of a reference benchmark is not industry standard, and typically not utilized as a key strategic measure across the peer universe
 - Accessibility to a concentrated/simple benchmark that comparatively reflects PERA's targeted risk profile will remain available for internal review purposes, and ad-hoc quantitative analyses

Appendix

Benchmarking Private Assets

Benchmarking private assets is not as straightforward as public assets

- Available private asset “benchmarks” from multiple providers are actually universe comparisons, either of private market funds or other plan sponsor private programs
 - Not Investable in the same manner as public indexes
 - Underlying constituents can shift depending on data availability
 - Data availability is limited to quarterly periodicity

Considerations:

- PERA currently utilizes public market benchmarks to most appropriately define investable market beta. Benchmarking challenges include:
 - Valuation and pricing of private assets occurs quarterly vs. daily for public assets
 - Timing mismatch leads to higher levels of measured active risk (tracking error) on a short-term basis; will normalize over longer-term periods
 - Valuation availability lags that of public assets, typically by one to three months, due to the time it takes to compile and translate financial statement information into an estimate of fair market value
 - Public market appraisals adjust much more quickly (both up and down) than private market appraisals
 - Potential future enhancement could include adjustment to index timing to align with the valuation of less liquid assets (i.e., quarterly lagged)

Benchmarking Portable Alpha

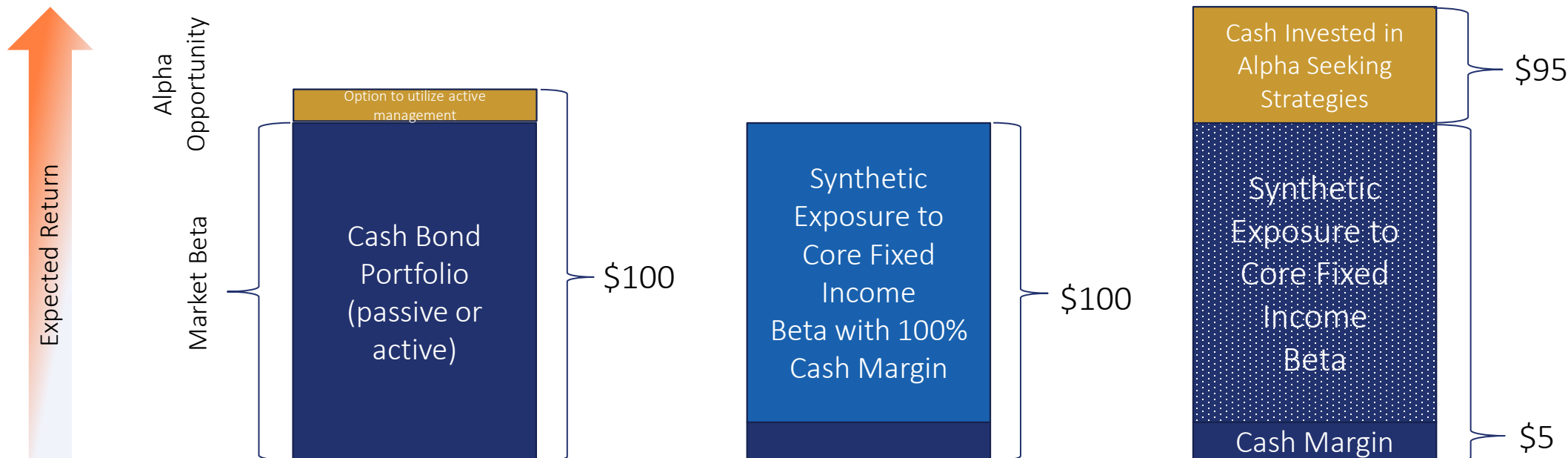
Portable Alpha benchmark is based on the market beta over which the alpha portfolio is ported

- PERA Bonds Plus portfolio asset class benchmark is the Bloomberg U.S. Aggregate, which is the most widely used U.S. investment grade bond index

Differentiate between the strategy's benchmark index and the active return target over and above that benchmark

- PERA risk budget sets active risk budgets for Actionable (Public Markets) and Non-Actionable (Private Markets) assets
- Actionable (Public Markets) Active Risk: 1.25%
- Non-Actionable (Private Markets) Active Risk: 2.25%

Portable Alpha Program Components of Return



Considerations

- Straightforward investment structure
- Reasonably liquid
- Low to moderate management fees
- Market exposure
- Passive or active implementation

- More complex structuring with derivative counterparties
- Cash margin enhances liquidity of Total Fund
- Lower management fees
- Market only exposure

- Most complex with derivative counterparties and hedge fund structures
- Least liquid
- Higher management fees
- Market exposure
- Potential alpha generation

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APPENDIX A. ASSET ALLOCATION TARGETS AND REBALANCING RANGES

Effective ~~July 26, 2018~~ January 1, 2023

Asset Class	Lower Limit	Strategic Asset Allocation Target	Upper Limit
Global Equity	30.5 <u>33.0</u> %	35.5 <u>38.0</u> %	40.5 <u>43.0</u> %
Risk Reduction and Mitigation	16.5 <u>14.0</u> %	19.5 <u>17.0</u> %	22.5 <u>20.0</u> %
Credit Oriented Fixed Income	11.0 <u>15.0</u> %	15.0 <u>19.0</u> %	19.0 <u>23.0</u> %
Real Assets	16.0 <u>14.0</u> %	20.0 <u>18.0</u> %	24.0 <u>22.0</u> %
Multi-Risk Allocation	06.0 <u>04.0</u> %	10.0 <u>08.0</u> %	14.0 <u>12.0</u> %

Adopted: ~~July 26, 2018~~ October 27, 2022

By:

~~James Maxon~~, Claudia Armijo, Board Chair
Public Employees' Retirement Association of New Mexico

APPENDIX A. ASSET ALLOCATION TARGETS AND REBALANCING RANGES

Effective January 1, 2023

Asset Class	Lower Limit	Strategic Asset Allocation Target	Upper Limit
Global Equity	33.0%	38.0%	43.0%
Risk Reduction and Mitigation	14.0%	17.0%	20.0%
Credit Oriented Fixed Income	15.0%	19.0%	23.0%
Real Assets	14.0%	18.0%	22.0%
Multi-Risk Allocation	04.0%	08.0%	12.0%

Adopted: October 27, 2022

By:

Claudia Armijo, Board Chair
Public Employees' Retirement Association of New Mexico

APPENDIX B. BENCHMARKS

Effective: January 1, ~~2019~~2023

Global Equity	Custom Blend<u>Weighted</u> Benchmark
Global Public Stock	MSCI ACWI IMI (\$net)
Global Low Volatility Equity	MSCI ACWI Minimum Volatility (\$net)
Hedged Equity	MSCI ACWI Minimum Volatility (\$net)
Private Equity	MSCI ACWI IMI (\$net)
Risk Reduction & Mitigation	Custom Blended<u>Weighted</u> Benchmark
Core Fixed Income	Bloomberg Barclays U.S. Aggregate
Global Core Fixed Income	Bloomberg Barclays Global Aggregate (Hedged)
Credit Oriented Fixed Income	Custom Blended<u>Weighted</u> Benchmark
Liquid Credit	Bloomberg Barclays Global High Yield (Hedged)
Emerging Market Debt	50% JP Morgan EMBI Global Diversified (\$) 50% JP Morgan GBI (\$)
Illiquid Credit	Bloomberg Barclays Global High Yield (Hedged)
Credit Oriented Hedge Funds <u>Alternative Liquid Credit</u>	Bloomberg Barclays Global High Yield (Hedged)
Real Assets	Custom Blended<u>Weighted</u> Benchmark
Liquid Real Estate	Wilshire Global REITs
Illiquid Real Estate	Wilshire Global REITs
Liquid Real Assets	Alerian MLP Index / Dow Jones – Brookfield Global Infrastructure Index / Bloomberg Barclays – U.S. TIPS / Bloomberg Commodity – Commodity Index (TR)
Illiquid Real Assets	Dow Jones – Brookfield Global Infrastructure Index Bloomberg Commodity – Commodity Index (TR)
Multi-Risk Allocation	Custom Blended<u>Weighted</u> Benchmark
Risk Balance	Custom Blended Benchmark <u>Wilshire Risk Parity Index – 15% Volatility</u>

Adopted: ~~November 29, 2018~~ October 27, 2022

By: _____

~~James Maxon~~ Claudia Armijo, Board Chair
Public Employees' Retirement Association of New Mexico

APPENDIX B. BENCHMARKS

Effective: January 1, 2023

Global Equity	Weighted Benchmark
Global Public Stock	MSCI ACWI IMI (\$net)
Global Low Volatility Equity	MSCI ACWI Minimum Volatility (\$net)
Private Equity	MSCI ACWI IMI (\$net)
Risk Reduction & Mitigation	Weighted Benchmark
Core Fixed Income	Bloomberg Barclays U.S. Aggregate
Credit Oriented Fixed Income	Weighted Benchmark
Liquid Credit	Bloomberg Barclays Global High Yield (Hedged)
Illiquid Credit	Bloomberg Barclays Global High Yield (Hedged)
Alternative Liquid Credit	Bloomberg Barclays Global High Yield (Hedged)
Real Assets	Weighted Benchmark
Illiquid Real Estate	Wilshire Global REITs
Liquid Real Assets	Dow Jones – Brookfield Global Infrastructure Index
Illiquid Real Assets	Dow Jones – Brookfield Global Infrastructure Index Bloomberg Commodity – Commodity Index (TR)
Multi-Risk Allocation	Weighted Benchmark
Risk Balance	Wilshire Risk Parity Index – 15% Volatility

Adopted: October 27, 2022

By: _____

Claudia Armijo, Board Chair
Public Employees' Retirement Association of New Mexico



PERA

Public Employees
Retirement Association
of New Mexico

Claudia Armijo
Chair, State Member
Greg Trujillo
Executive Director

Phone: (505) 476-9300
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Website: www.nmpera.org

INVESTED IN TOMORROW.

TO: Paula Fisher, Rules and Administration Committee Chair
Claudia Armijo, PERA Board Chair
Greg Trujillo, Executive Director

FROM: Geraldine Garduno, Assistant General Counsel

RE: PERA Proposed Rule Changes 2022

DATE: October 7, 2022

At its next meeting, the Rules and Administration Committee will vote on recommending to the Board to open a rulemaking to amend Rule 2.80.200 to authorize virtual or telephonic participation by Board members at Board and Committee meetings after Executive Order 2020-04 is lifted. This memo outlines Staff's recommendation for its proposed amendment to Rule 2.80.200, excerpted below. Included with this memo is Staff's proposed schedule for the rulemaking, and a full copy of Rule 2.80.200 with Staff's recommended changes.

Rule 2.80.200.40 (B) "Board Meetings"

Rule 2.80.200.40¹ requires amendment to provide for virtual or telephonic participation by Board members at Board meetings. Section 10-15-1 (C) of the OMA states "[i]f otherwise allowed by law or rule of the public body, a member of a public body may participate in a meeting of the public body by means of a conference telephone or other similar communications equipment when it is otherwise difficult or impossible for the member to attend the meeting in person..."

Therefore, to satisfy the requirements of the OMA for virtual participation by Board members, staff recommends that paragraph "B" of the current rule be amended and reformatted as follows:

"B. A board member may participate in a board or committee meeting by means of a conference telephone or other similar communications equipment after receiving written approval by the board or committee chair when it is otherwise difficult or impossible for the member to attend the meeting in person. Participation by such means shall constitute presence in person at a meeting. Each

¹ Rule 2.80.200.40 currently reads as follows:

"2.80.200.40 BOARD MEETINGS:

A. The board shall hold regular meetings on the last Thursday of each month, unless otherwise established by resolution of the board. The board may establish by resolution a different meeting schedule for regular meetings of the board.

B. A majority of the board members shall constitute a quorum at any meeting of the board and each attending member, including the chair, shall be entitled to one vote on each issue.

C. No "proxy" votes shall be allowed.

[2.80.200.40 NMAC - Rp, 2.80.200.40 NMAC, 12/30/2015]"



member participating must be identified prior to speaking and, if participating virtually, shall remain on camera throughout the meeting. All participants shall be able to hear any other participant who speaks during the meeting at the same time, and members of the public shall be able to hear any member who speaks during the meeting.”

The Open Meetings Act does not define “difficult” or “impossible.” Accordingly, the PERA Board may make its own determination of when a member may participate virtually, keeping in mind the requirements of the OMA.

NOTICE OF PERA RULEMAKING

The Public Employees Retirement Association (“PERA”) will consider changes to its rules promulgated under the Public Employees Retirement Act (“PERA Act”). Changes are proposed for the following rule:

1. Rule 2.80.200.40 “Board Meetings”

Rule 200 would be amended to allow for and to describe the requirements for virtual participation by PERA Board members at PERA Board and committee meetings. The rule would be reformatted as necessary.

A formal rulemaking hearing will be held on December [after the 8th], 2022, at 9:00 a.m. in the Fabian Chavez Jr. Board Room of the PERA Building, 33 Plaza La Prensa, Santa Fe, New Mexico, 87507. The rulemaking hearing will also be accessible through Zoom. The Zoom access link will be published on PERA’s website listed below prior to the hearing. Oral comments will be taken at the public hearing. Final action on the rules will occur at the January 2023 special Board meeting of the PERA Board which will be held in the Fabian Chavez Jr. Board Room of the PERA Building, 33 Plaza La Prensa, Santa Fe, New Mexico at a date and time specified in the Board’s Public Meeting Notice. The purpose of the rulemaking hearing is to obtain public input on the proposed amendment to the above-referenced rule. The public hearing allows members of the public an opportunity to submit data, testimony, and arguments on the proposed rule change.

The purpose of the proposed rule change is to allow for and to describe the requirements for virtual participation by PERA Board members at PERA Board and committee meetings.

The authority for the proposed rule changes is NMSA 1978, Section 10-11-130 of the PERA Act and Rule 20.80.200.10 NMAC, which authorize the adoption and promulgation of rules and regulations necessary to carry out the purposes of the PERA Act.

Copies of the draft rules are available in PERA’s Office of General Counsel. Written comments, inquiries or requests for copies should be directed to Geraldine Garduno at PERA’s Office of General Counsel, 33 Plaza La Prensa, Santa Fe, N.M., 87507, or geraldine.garduno@pera.nm.gov or 505-476-9351 or 1-800-342-3422. Written comments should be submitted by the close of business on December [after the 8th], 2022. The full text of the proposed rule changes, as well as the Zoom access link for the public hearing, can be found here: [LINK].

Any person with a disability who needs a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact Patricia Winter at 505-795-0712 or patriciab.winter@pera.nm.gov at least one week prior to the public hearing, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact Ms. Winter if a summary or other type of accessible format is needed.

PROPOSED RULEMAKING TIMELINE

Draft rule amendments	September 2022
Memo to Rules and Administration Committee (RAC) re rule amendments	October 7, 2022
Agenda for RAC Posted	October 7, 2022
RAC action by vote to recommend to Board to initiate rulemaking	October 11, 2022
Memo to Board re rule amendments	October 15, 2022
Agenda for Board meeting posted	October 24, 2022
Draft rule amendments presented at Board meeting	October 27, 2022
Board action taken by vote on initiating rulemaking	October 27, 2022
Proposed rule and notice of rulemaking submitted to NM Register	October 27, 2022
Proposed rule and notice of rulemaking published in NM Register	November 8, 2022
Proposed rule and notice of rulemaking *also posted on agency website, sunshine portal, PERA offices, and as otherwise required	November 8, 2022
Public comment period	Starts on November 8, 2022
Posting of written comments	Starts on November 8, 2022
Public hearing held by RAC	On or after December 8, 2022
Close of rulemaking record	On December 8, 2022
Compile rulemaking record	After December 8, 2022
Concise explanatory statement and final rule docs prepared agenda for next Board meeting*	After December 8, 2022 but before
Agenda for Board meeting posted (Special Board Meeting)	January 4, 2023
Board adopts, amends or rejects proposed rule (Special Board meeting)	January 8, 2023*

*there is a Board Meeting scheduled for December 13, but if the public hearing is held the 8th or the 9th there is no time to prepare the record, concise explanatory statement and final rule submission and docs before the next agenda posted on December 9 at 5pm for the Board Meeting on December 13th.

Concise explanatory statement provided to public	January 8, 2023
Transmit rule to the State Records Center and Archives	January 19, 2023
Submission due date for publication in NM Register	January 19, 2023
Final regulation published; rule effective date of publication	January 31, 2023

*there is a Board Meeting scheduled for December 13, but if the public hearing is held the 8th or the 9th there is no time to prepare the record, concise explanatory statement and final rule submission and docs before the next agenda posted on December 9 at 5pm for the Board Meeting on December 13th.

TITLE 2 PUBLIC FINANCE
CHAPTER 80 PUBLIC EMPLOYEES RETIREMENT
PART 200 ORGANIZATION AND OPERATION OF THE PUBLIC EMPLOYEES RETIREMENT BOARD

2.80.200.1 ISSUING AGENCY: Public Employees Retirement Association (PERA), 33 Plaza La Prensa, Santa Fe, New Mexico 87507.

[2.80.200.1 NMAC - Rp, 2.80.200.1 NMAC, 12/30/2015]

2.80.200.2 SCOPE: This rule affects the members, former members, retirees, beneficiaries, public employers, retirement board and the association under the Public Employees Retirement Act.

[2.80.200.2 NMAC - Rp, 2.80.200.2 NMAC, 12/30/2015]

2.80.200.3 STATUTORY AUTHORITY: This rule is authorized by Sections 10-11-130, 10-11A-4, 10-12B-3, 10-12C-3 NMSA 1978, as amended.

[2.80.200.3 NMAC - Rp, 2.80.200.3 NMAC, 12/30/2015]

2.80.200.4 DURATION: Permanent.

[2.80.200.4 NMAC - Rp, 2.80.200.4 NMAC, 12/30/2015]

2.80.200.5 EFFECTIVE DATE: December 30, 2015, unless a different date is cited at the end of a section.

[2.80.200.5 NMAC - Rp, 2.80.200.5 NMAC, 12/30/2015]

2.80.200.6 OBJECTIVE: The objective of this rule is to establish procedures for the organization and operation of the retirement board.

[2.80.200.6 NMAC - Rp, 2.80.200.6 NMAC, 12/30/2015]

2.80.200.7 DEFINITIONS: [RESERVED]

2.80.200.8 - 9 [RESERVED]

2.80.200.10 RULES AND REGULATIONS:

A. Except as otherwise provided in the Public Employees Retirement Act and rules and regulations periodically adopted in accordance therewith, the board may provide for its organization, operation and procedures by vote of the board at any meeting of the board.

B. The board may promulgate rules and regulations for the administration of the Public Employees Retirement Act, Judicial Retirement Act, Magistrate Retirement Act, Volunteer Firefighters Retirement Act and Deferred Compensation Act.

(1) Prior to the adoption, amendment or repeal of any rule, the board shall, at least 30 days prior to its proposed action:

(a) publish notice of its proposed action in a newspaper with a general statewide circulation; the notice shall:

(i) give the time and place of any public hearing and state the manner in which data, views or arguments may be submitted to the board by any interested person;

(ii) describe the substance of the proposed action, or state the subjects and issues involved;

(iii) include any additional matter required by any law, together with specific reference to the statutory authority under which the rule is proposed; and

(b) afford all interested persons reasonable opportunity to submit data, views or arguments orally or in writing; if the board finds that oral presentation is unnecessary or impracticable, it may require that presentation be made in writing; the board shall consider fully all written and oral submissions addressing the proposed rule; upon adoption of a rule contested at hearing or otherwise, the board shall issue a concise statement of its principal reasons for adoption of the rule; all persons heard or represented at any hearing, or who submit any writing to be considered in connection with the proposed rule, shall promptly be given a copy of the rule, by mail or otherwise, if such persons so request in writing.

(2) If the board finds that immediate adoption, amendment or suspension of a rule is necessary for the preservation of the soundness of the fund or general welfare of the association, or if the board for good cause finds that observance of the requirements of notice and public hearing would be contrary to the interests of the association, the board may dispense with such requirements and adopt, amend or suspend the rule as an emergency. The board's finding and a brief statement of the reasons for its finding shall be incorporated in the emergency rule, amendment or suspension. No emergency rule, amendment or suspension shall remain in effect for longer than 60 days, unless notice shall be given within 15 days of the adoption of the emergency rule and a hearing held as provided in this section within 90 days of the notice.
[2.80.200.10 NMAC - Rp, 2.80.200.10 NMAC, 12/30/2015]

2.80.200.11 ACTUARIAL ASSUMPTIONS AND USE OF TRUST FUND:

A. Whenever the amount of any benefit is to be determined on the basis of actuarial assumptions, the assumptions shall be specified by the board in a manner that precludes employer discretion.

B. No part of the corpus or income of the fund may be used for or diverted to a purpose other than the exclusive benefit of the members and their beneficiaries.

C. The board may not engage in a transaction prohibited by Section 503(b) of the Internal Revenue Code.
[2.80.200.11 NMAC - Rp, 2.80.200.11 NMAC, 12/30/2015]

2.80.200.12 - 19 [RESERVED]

2.80.200.20 OFFICERS:

A. At the first regular meeting of each calendar year, the board shall elect a chair and a vice-chair. The duties of the officers shall include the following.

(1) The chair shall preside at all regular and special meetings of the board.

(2) The vice-chair shall serve as chair in the absence of the chair.

B. In the absence of the chair and vice-chair, the board may elect a temporary chair to preside at a meeting from which both officers are absent.
[2.80.200.20 NMAC - Rp, 2.80.200.20 NMAC, 12/30/2015]

2.80.200.21 BOARD TRAINING AND EDUCATION:

A. New board members shall attend a new board member orientation within two months of being elected or appointed to office. New board member orientation shall be provided by PERA staff and shall include fiduciary responsibility, investing principles, an actuarial primer and an overview of the operations of the association.

B. Each board member shall annually certify his or her compliance with the statutory requirements of Subsection F of Section 10-11-133 NMSA 1978 on the form prescribed by the association on or before December 31st of each calendar year.
[2.80.200.21 NMAC - Rp, 2.80.200.21 NMAC, 12/30/2015]

2.80.200.22 - 29 [RESERVED]

2.80.200.30 VACANCY ON THE BOARD:

A. In the event any member of the PERA board retires from his or her job, resigns from the board or dies, except the ex-officio members of the board, that member shall be considered to have resigned from the board and the board shall, by resolution, declare that office vacant as of the date of the adoption of such resolution. Such resolution shall be adopted within 30 days after the board member's retirement, resignation or death. Members of the retirement board shall serve until their successors have qualified.

B. In the event any member of the PERA board, except the ex-officio members of the board, ceases employment with an affiliated public employer, and is not reemployed by an affiliated public employer from the same membership (state, county or non-county municipal) group from which that member was elected within 30 days, that member shall be considered to have resigned from the board. For purposes of 2.80.200.30 NMAC, the term "ceases employment" shall include leave without pay status that extends for more than 12 weeks.

C. The resolution declaring the vacancy shall be publicized immediately in conjunction with a notice inviting eligible individuals to apply for appointment to the position within 30 days of the publication of notice of vacancy. Publication shall be, at the minimum, by special notice to employees in the affected membership group

through their employers. The board shall select the new member from among the interested persons who apply pursuant to the publication of the notice of vacancy. If no applications are received, the board shall entertain nominations by the members present.

D. Any vacancy of member, except ex-officio member, occurring on the board shall be filled by the remaining board members, even though a quorum not be present, at a regularly scheduled board meeting within 90 days after the adoption of the resolution declaring the vacancy. The member selected to fill the vacancy shall be selected from the membership group, whether state, county or non-county municipal or retired member, which experienced the vacancy. If a vacancy in the municipal membership group is that of a county member, the replacement member shall be a county employee. The selected member shall be appointed to serve for the remainder of the vacated term.

[2.80.200.30 NMAC - Rp, 2.80.200.30 NMAC, 12/30/2015]

2.80.200.31 - 39 [RESERVED]

2.80.200.40 BOARD MEETINGS:

A. The board shall hold regular meetings on the last Thursday of each month, unless otherwise established by resolution of the board. The board may establish by resolution a different meeting schedule for regular meetings of the board.

B. A board member may participate in a board or committee meeting by means of a conference telephone or other similar communications equipment after receiving written approval by the board or committee chair when it is otherwise difficult or impossible for the member to attend the meeting in person. Participation by such means shall constitute presence in person at a meeting. Each member participating must be identified prior to speaking and, if participating virtually, shall remain on camera throughout the meeting. All participants shall be able to hear any other participant who speaks during the meeting at the same time, and members of the public shall be able to hear any member who speaks during the meeting.

~~[B]~~ **C.** A majority of the board members shall constitute a quorum at any meeting of the board and each attending member, including the chair, shall be entitled to one vote on each issue.

~~[C]~~ **D.** No "proxy" votes shall be allowed.

[2.80.200.40 NMAC - Rp, 2.80.200.40 NMAC, 12/30/2015; A, XX/XX/2023]

2.80.200.41 - 49 [RESERVED]

2.80.200.50 COMMITTEES:

A. The chair shall appoint no more than six board members to each of the following standing committees: rules and administration, audit and budget, legislative, investments, deferred compensation, investment plan, and governance. The disability review committee shall have at least three but no more than five board members. The chair of the board shall appoint the chair of each committee. Though the board shall have standing committees, the board chair reserves the right to cancel any committee meeting and allow the entire board to discuss and act on matters that may be within the subject matter of standing committees.

(1) The rules and administration committee shall consider and recommend to the board new rules and amendments to or repeal of existing rules governing the organization and operation of the board and the association. Administrative matters requiring specific direction from the board may also be considered by the committee.

(2) The audit and budget committee shall provide policy assistance to the board and the executive director of PERA in fulfilling PERA's responsibilities for accounting, auditing, budgeting, and the quality and integrity of the financial reports of the association.

(3) The legislative committee shall consider and recommend to the board proposals for new statutes and amendments to or repeal of existing statutes. The committee shall also monitor the introduction and progress of proposed legislation affecting the board or association and report this information to the board.

(4) The disability review committee is described in 2.80.1000.20 NMAC.

(5) The investment committee shall review and monitor the administration of the investment policy adopted by the board.

(6) The deferred compensation committee shall review and monitor the administration of the deferred compensation plan investment policy adopted by the board.

(7) The governance committee shall develop, review and monitor compliance with the board's policies and procedures, code of conduct, and board complaint procedure and recommend to the board proposed board disciplinary actions.

B. The chair, with the advice and consent of the board, may appoint an election committee to consist of nine members of the association: four members from state departments, two members from non-county municipal employers, one member from a county employer and two retired members.

(1) The election committee shall serve until replaced by the chair and shall receive no compensation other than that authorized by the Per Diem and Mileage Act.

(2) The duties of the election committee are described in 2.80.200.60, 2.80.200.70 and 2.80.200.80 NMAC.

C. From time to time, the board may authorize, and the chair may appoint, such ad hoc committees as the board finds necessary.

D. Board members appointed to committees shall adhere to the standards set forth in and be subject to the enforcement provisions of the New Mexico Governmental Conduct Act.
[2.80.200.50 NMAC - Rp, 2.80.200.50 NMAC, 12/30/2015; A, 12/28/2021]

2.80.200.51 - 59 [RESERVED]

2.80.200.60 ELECTION OF RETIRED BOARD MEMBERS:

A. During the January monthly meeting, the retirement board shall adopt a resolution specifying when nominating petitions are due to be returned to PERA or an independent contractor hired by PERA to assist with the election. These nominating petitions are due not earlier than six months prior and not later than one month prior to the election for the position of retired board member. The resolution shall also specify whether the method of voting shall include mailed paper ballots, online electronic ballots or other method approved by the board.

B. Any retired member who is receiving a disability or normal retirement pension under the Public Employees Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act is eligible for election to a retired board member position.

C. Nominating petitions shall be signed only by retired members under the Public Employees Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act. To be eligible, a candidate must have a minimum of 50 nominations. A valid nomination shall include a signature, legible printing of the retiree's name, and one of the following:

(1) the last four digits of the retiree's social security number;

(2) the retiree's date of birth;

(3) the retiree's PERA identification number. A nomination that does not include at least one of these elements may not be counted. For purposes of this subsection, "signature" shall include an electronic signature, in any digital format, from a single identifiable e-mail address. A retired member may sign more than one nominating petition for different candidates. The five candidates with the highest number of nominations shall be included on the ballot and the other or others shall be eliminated. The names of the five retired members receiving the highest number of nominations shall be placed on the election ballot in descending order according to the number of signatures received. In case of a nominating tie, the election committee shall determine the names and order in which they are placed on the ballot by lottery or similar method.

D. In the event any nominee is unable or unwilling to accept a nomination, that nominee's name shall be removed from the ballot and the resulting vacancy on the ballot shall not be filled. If the inability or unwillingness to accept a nomination occurs after the ballots have been printed the election committee shall treat all votes cast for that nominee as void.

E. If only one retiree is nominated for a retired board member position, the election shall be cancelled and that retiree shall automatically be declared the winner for the retired board member position pursuant to 2.80.200.80 NMAC.

F. Only retired members under the Public Employees Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act shall be eligible to participate in the election of retired board members.

G. The campaign contribution limit of \$25.00 contained in Subsection B of Section 10-11-130.1 NMSA 1978 (2000) shall apply to each four year term retired board member election.

[2.80.200.60 NMAC - Rp, 2.80.200.60 NMAC, 12/30/2015; A, 3/14/2017; A, 12/28/2021]

2.80.200.61 - 69 [RESERVED]

2.80.200.70 ELECTION OF NON-RETIRED BOARD MEMBERS:

A. During the January monthly meeting, the retirement board shall adopt a resolution specifying when nominating petitions are due to be returned to PERA or an independent contractor hired by PERA to assist with the election. These nominating petitions are due not earlier than six months prior and not later than one month prior to the election for the position of non-retired board member. The resolution shall also specify whether the method of voting shall include mailed paper ballots, online electronic ballots or other method approved by the board.

(1) Candidates nominated for any non-retired board member position shall be vested members under the Public Employees Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act.

(2) Only state members, including members under the Judicial Retirement Act or the Magistrate Retirement Act, may nominate candidates for state board member positions. Only county members may nominate candidates for the county board member position. Only non-county municipal members may nominate candidates for the remaining municipal board member positions.

(3) To be eligible, a candidate must have a minimum of 150 valid nominations of non-retired PERA members from the candidate's membership group on his or her nominating petition. A valid nomination shall include a signature, a legible printing of the member's name, the member's current employer and one of the following:

- (a) the last four digits of the member's social security number;
- (b) the member's date of birth; or
- (c) the member's PERA identification number.

A nomination that does not include at least one of these elements may not be counted. For purposes of this subsection, "signature" shall include an electronic signature, in any digital format, from a single identifiable e-mail address. A member may sign more than one nominating petition for different candidates.

(4) The five candidates with the highest number of nominations for each non-retired position shall be included on the ballot and the other or others shall be eliminated. The names of the five non-retired members receiving the highest number of nominations for a position shall be placed on the election ballot in descending order according to the number of signatures received. In case of a nominating tie, the election committee shall determine the names and order in which they are placed on the ballot by lottery or similar method.

(5) In the event any nominee is unable or unwilling to accept the nomination, his or her name shall be removed from the ballot and the vacancy on the ballot shall not be filled. If such a vacancy occurs after the ballots have been printed, the election committee shall treat all votes cast for that candidate as void.

(6) If only one member is nominated for a non-retired board member position, the election shall be cancelled and that member shall automatically be declared the winner for the non-retired board member position pursuant to 2.80.200.80 NMAC.

(7) All members of record of the membership group for which the election is held shall be eligible to receive a ballot as provided in Subparagraph (a) of Paragraph (8) below, except that only county members shall vote in elections for the county member position, and shall not be eligible to vote in elections for non-county municipal positions. The applicable membership group for any member who is no longer a currently employed, contributing employee of an affiliated public employer shall be determined as of the last date on which the member was a currently employed, contributing employee of an affiliated public employer.

(8) For purposes of the election of non-retired board members, "member of record" shall mean the following:

(a) all persons listed in PERA electronic membership history records as members, including members covered under the Public Employees Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act, no more than 60 days prior to the date of mailing ballots;

(b) all persons who have filed with PERA a valid application for membership form 60 days or more prior to the date of mailing ballots;

(c) while members of record shall qualify to receive a ballot, in the case of those new members listed in Subparagraph (b) of Paragraph (8) of Subsection A of 2.80.200.70 NMAC, a written request for a ballot must be made to PERA.

(9) For purposes of the election of non-retired board members:

(a) ballots shall be mailed to all non-county municipal members of record in the case of an election of a non-county municipal board position;

(b) ballots shall be mailed to all county municipal members of record in the case of an election of the county municipal board position; and

(c) ballots shall be mailed to all state members of record in the case of an election of a state board position.

B. The campaign contribution limit of \$25.00 contained in Subsection B of Section 10-11-130.1 NMSA 1978 (2000) shall apply to each four-year term non-retired board member election.
[2.80.200.70 NMAC - Rp, 2.80.200.70 NMAC, 12/30/2015; A, 3/14/2017; A, 12/28/2021]

2.80.200.71 - 79 [RESERVED]

2.80.200.80 ELECTIONS: The call of the annual meeting and secret election ballots shall be mailed at least 30 days prior to the annual meeting of the association. Mailed ballots shall be returned to a designated United States post office locked box and picked up by the election committee or an independent contractor hired by PERA to assist with the election. To be counted, ballots must be returned to the designated United States post office locked box by 12:00 noon on the date set by the association. The call of the annual meeting and secret election ballots may also be made available at least 30 days prior to the annual meeting of the association online via a secure website maintained by an independent contractor hired by PERA to assist with the election or by another method specified in the resolution adopted by the board each January. To be counted, online ballots or votes cast by another approved method must be received by 12:00 noon on the date set by the association. An independent contractor hired by PERA to assist with the election shall assign unique identifiers to members to prevent voting more than one ballot per eligible member.

A. Each ballot shall contain an affirmation of the member's eligibility to vote.

B. Ballots shall be self-proving and shall be counted by the election committee or an independent contractor hired by PERA to assist with the election. The candidate receiving the greatest number of votes shall be declared the winner for each position. In the event of a tie, the election committee shall select by lottery or similar method the name of the winner. The election committee or an independent contractor hired by PERA to assist with the election shall report the results of the election to the membership at the annual meeting.

C. Members whose ballots have not been delivered to them may request and receive another ballot if the original ballot is returned by the United States post office undelivered to PERA or an independent contractor hired by PERA to assist with the election prior to the close of the election. Members whose ballots have been mutilated or spoiled may request and receive another ballot when, prior to the close of the election, the original mailed ballot is returned by the member to PERA or an independent contractor hired by PERA to assist with the election. In addition, PERA or an independent contractor hired by PERA to assist with the election may assign unique identifiers to members and issue replacement ballots using procedures to prevent voting more than one ballot per eligible member.

D. If the election committee or an independent contractor hired by PERA to assist with the election recommends for good cause that the results of the election be invalidated, and the board adopts such recommendation, a new election shall be held as soon as possible thereafter and the annual meeting at which the election results are announced shall be continued until completion of the new election.

E. Insignificant departures from the requirements set forth in these regulations pertaining to the conduct of elections shall not invalidate the election unless the results of the election are proven to have been substantially affected.

F. A member shall be considered to be "qualified" for office pursuant to Subsection D of Section 10-11-130 NMSA 1978 when the board has accepted the election results and the newly-elected member has been sworn into office.

[2.80.200.80 NMAC - Rp, 2.80.200.80 NMAC, 12/30/2015; A, 3/14/2017]

2.80.200.81 - 89 [RESERVED]

2.80.200.90 BUILDING AND LAND USE: Restrictions on building and land use shall be provided for by the executive director as needed subject to the advice and consent of the board.

[2.80.200.90 NMAC - Rp, 2.80.200.90 NMAC, 12/30/2015]

HISTORY of 2.80.200 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center and Archives under: PERA 68-1, (Rule No. 2) Election of Board Members, filed on 7/8/1968; PERA 69-1, (Rule No. 2) Election of Board Members, filed on 6/17/1969; Rule 200.00, Organization and Operation of the Public Employees Retirement Board, filed on 10/4/1979; PERA Rule 200.00 Organization and Operation of the Public Employees' Retirement Board, filed on 11/19/1981; PERA Rule 200.00, Organization and Operation of the Public Employees' Retirement Board, filed on 7/1/1987; PERA Rule 200, Organization and Operation of the Public

Employees Retirement Board, filed on 10/21/1988; PERA Rule 200, Organization and Operation of the Public Employees Retirement Board, filed on 7/1/1991; PERA Rule 200, Organization and Operation of the Public Employees Retirement Board, filed on 7/1/1993; PERA Rule 200, Organization and Operation of the Public Employees Retirement Board, filed on 11/1/1994; PERA Rule 200, Organization and Operation of the Public Employees Retirement Board, filed on 12/1/1995.

History of Repealed Material:

2 NMAC 80.200, Paragraph 60.5, 60.6, 60.7 - Repealed, 11/15/1997.

2 NMAC 80.200, Paragraph 70.2.1, 70.2.2 - Repealed, 11/15/1997.

2 NMAC 80.200, Paragraph 70.2, 70.2.3, 70.2.4, 70.2.5, 70.2.6, 70.2.7, 70.2.8 - Repealed, 12/15/1999.

2.80.200 NMAC, Organization and Operation of the Public Employees Retirement Board, filed 12/28/2000 - Repealed effective 12/30/2015.



PERA SmartSave Plan Fee Policy Statement Draft

October 27, 2022

Lawrence Davis, PERA SmartSave Committee Chair

Michael Shackelford, PERA CIO

Karyn Lujan, PERA SmartSave DC Plan Manager

Fee Policy Statement Draft - Recap

March 2022:

- The SmartSave Committee (SSC) agreed that continued use of the Plan's Mutual Fund Revenue (MFR) is no longer an effective way to offset Plan Expenses.
- Introducing a new "Plan operating fee" would be more effective to:
 - Assess fees across all participant balances instead of only to a certain population.
 - Enable the Plan to make necessary fund changes without being reliant on the MFR.
 - Allow the plan to be more conducive with industry best practices.

June 2022:

- PERA staff notified the SSC that a Fee Policy Statement was being drafted to serve as official guidance on how the Plan is to assess fees to cover Plan expenses.
- The recommendation to adopt the Fee Policy Statement would be scheduled for a future SSC meeting.

Fee Policy Statement Draft – Recap

September 2022:

- The SSC reviewed the draft fee policy statement.
- Committee members provided feedback on content.

October 11, 2022:

- The SSC formally adopted the Fee Policy Statement.

Fee Policy Statement Draft – Review

Section I: Scope

Provides a summary of what the policy applies to, which is payment of plan expenses.

Section II: Definitions

- Account
- the Act
- the Board
- the Code
- Fee(s)
- Fee holiday
- Investment Consultant
- Investment Option
- Mutual Fund Revenue
- Plan
- Plan Document
- Plan Expense(s)
- Plan Expense Reimbursement Account
- Participant
- SmartSave Committee
- Third Party Administrator

Fee Policy Statement Draft – Review

Section III: Legal Authority

References the Plan's applicable governing documents as they relate to the policy

- Deferred Compensation Act
 - Section 10-7A-10 states that expenditures shall be charged to participating employees
- The Plan Document
 - Section 4.1 states that reasonable fees and expenses may be incurred on behalf of the Plan.
 - Section 5.3(a) states that the expenses of administering the Plan shall be deducted from the Plan Accounts.

Fee Policy Statement Draft – Review

Section IV: Purpose of the Policy

Acknowledges the intent to implement Section 10-7A-10 of the Deferred Compensation Act and Sections 4.1 and 5.3 of the Plan Document; and references the Uniform Prudent Investor Act.

Section V: Policies for Fee Remittances

- Fees are to be deducted from participant accounts on a quarterly basis.
- Fee amount is to be sufficient only enough to sustain the Plan's expense account.
- Fees are to be routinely reviewed and approved by the SSC/Board.
- Acknowledges the Plan's fee waiver for new participants.

Fee Policy Statement Draft – Review

Section VI: Procedures for Plan Expense Reimbursement Account

- The Plan's TPA shall deduct the necessary fees from participant accounts on a quarterly basis
- The fees are to be held in the expense account until utilized for plan expenses
- The *minimum* amount held shall be 150% of one FY's budget, plus the investment consultant's fee; the *maximum* shall be 250% of one FY's budget, plus the investment consultant's fee.
- If the account goes above the maximum, a fee holiday shall be implemented for a future quarter

Section VII: Mutual Fund Revenue

Indicates that MFR will be applied back to applicable participant accounts that generate the MFR.

Fee Policy Statement Draft - Review

Appendix

Per participant fees	Service
\$10 + 0.135% of balance; capped at \$104/year	Third Party Administrator Fee through 9/30/2027
\$100,000/year	Investment Consultant Fee through 9/30/2023
\$145,500/FY23	PERA's Projected Internal Operating Fee/One Full Time Employee: <ul style="list-style-type: none"> • Personnel Services and Employee Benefits \$116,400 • Contractual Services \$10,000 • Other \$19,100
Total: \$245,500	Breakdown of per participant PERA internal operating fee: <ul style="list-style-type: none"> • 22,701 average chargeable participants from FY22 • \$245,500 / 22,701 = \$10.82/year • \$10.82 / 4 quarters = \$2.70/quarter • Final operating fee smoothing rate = \$3/participant/quarter

STATE OF NEW MEXICO

**PUBLIC EMPLOYEES
RETIREMENT ASSOCIATION
OF NEW MEXICO**

FEE POLICY STATEMENT

for the

PERA *SmartSave*

Deferred Compensation Plan 

October 11, 2022

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I. SCOPE

This Fee Policy (“Policy”) applies to payment of Plan expenses for administration of the State of New Mexico’s 457b PERA SmartSave Deferred Compensation Plan (“the Plan”) administered by the Public Employees Retirement Association of New Mexico (“PERA”).

II. DEFINITIONS

As used in this Policy:

“Account” means the account established and maintained on behalf of a Participant, Alternate Payee or Designated Beneficiary pursuant to Section 5.1(a). The Account shall include all Amounts Deferred, designated Roth 457 (b) contributions and Section 457 Transfers;

“the Act” means the State of New Mexico Deferred Compensation Act, Sections 10-7A-1 through 10-7A-12 NMSA 1978, as it may be amended from time to time;

“Board” means the New Mexico Public Employees Retirement Board, established by NMSA 1978, Section 10-11-130 (1995) of the Public Employees Retirement Act;

“the Code” means the Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered;

“Fee(s)” means the specified dollar amount collected from participant Accounts on a quarterly basis to cover Plan Expense(s);

“Fee Holiday” means a period in which a fee is not collected from participant Accounts;

“Investment Consultant” means the principal investment consultant selected by the Board from time to time to advise the Board about the investment functions of the Plan;

“Investment Option” means one of the available alternatives for crediting investment earnings to a Participant’s Account, which shall be based upon the performance of one or a combination of the investment portfolios maintained under the Trust Fund;

“Mutual Fund Revenue” means payments made back to the Plan from certain investment options that can be used to offset Plan expenses;

“Plan” means the State of New Mexico Deferred Compensation Plan, as amended from time to time;

“Plan Document” means the governing document of the same name that the Board adopted for the Plan in compliance with the Code and the Act, as it may be amended from time to time;

“Plan Expense(s)” means the items in the budget used for PERA’s internal operating costs for Plan oversight and the cost of contractual services for the Plan’s Investment Consultant and Third Party Administrator, all of which are approved by the PERA Board;

“Plan Expense Reimbursement Account” means the account held in custody by the Third Party Administrator that is used for the sole purpose of paying Plan Expenses;

“Participant” means an Employee or former Employee who has given an investment direction under Section 4 and who continues to have an Account or Rollover Account under the Plan;

“SmartSave Committee” means the committee established by the Board to review and monitor the administration of the deferred compensation plan; and

“Third Party Administrator” means the contract administrator that performs record keeping, enrollment, education services and other administrative duties for the Plan.

III. LEGAL AUTHORITY

The Board administers the Plan under the authority of the Act and the Plan Document. For the purposes of this Policy, Section 10-7A-10 of the Act governs the expenditures necessary to implement and maintain the Deferred Compensation Act and states that expenditures shall be charged to participating employees or to deferred compensation carriers including those submitting proposals.

Section 4.1 of the Plan Document states that reasonable fees and expenses may be incurred on behalf of the Plan.

Section 5.3(a) states that the expenses of administering the Plan, including (i) the fees and expenses of the Deferred Compensation Carriers and Third Party Administrator for the performance of their duties under the Plan, (ii) the fees and expenses, if any, incurred by Public Employees Retirement Association in the performance of its duties under the Plan (including reasonable compensation for any legal counsel, settlements of claims or legal actions approved by counsel to the Plan, certified public accountants, consultants, and agents and cost of services rendered in respect of the Plan and the Trust Declaration (as provided therein), and (iii) all other proper charges and disbursements of the Deferred Compensation Carriers, Third Party Administrator, shall be paid out of the Trust Fund, and allocated to and deducted from the Accounts, Rollover Accounts, and Alternate Payee Accounts as of each Valuation Date.

IV. PURPOSE OF THE POLICY

In administering the Plan, the Board acts as a trustee for the exclusive benefit of the Participants and their beneficiaries by providing a voluntary, participant-directed, supplemental, eligible 457b retirement program that is understandable, transparent, and offers competitive fees. The Board further established the SmartSave Committee to assist the Board in administering the Plan. This Policy shall complement the Act, the Plan Document, and other applicable laws.

Accordingly, the Board adopts this Policy to implement Section 10-7A-10 of the Act and Sections 4.1 and 5.3(a) of the Plan Document as they relate to Plan fees and expense remittances and to comply with its responsibilities to Participants under applicable provisions of the Uniform Prudent Investor Act, Sections 45-7-601 through 45-7-612 NMSA 1978.

V. POLICIES FOR FEE REMITTANCES

Fees for Plan Expenses, as detailed in the Appendix, shall be deducted pro rata from the Investment Options of participant Accounts on a quarterly basis. The total amount deducted

from participant Accounts shall be sufficient to sustain the needs and parameters of the Plan Expense Reimbursement Account.

To ensure proper alignment with plan expenses, fee amounts shall be reviewed and approved by the Board annually prior to the start of the new fiscal year, and when the Plan experiences a service contract renewal cycle. Fees shall be adjusted and reassessed as necessary, based on the review.

For new participants, fees (as defined in this policy) shall be waived for the first two quarters or until the account balance reaches \$1,000, whichever occurs first.

VI. PROCEDURES FOR PLAN EXPENSE REIMBURSEMENT ACCOUNT

The Third Party Administrator shall deduct the necessary fees from each participant account on a quarterly basis. The fees shall be held in the Plan Expense Reimbursement Account until withdrawn in accordance with this policy; except the Third Party Administrator Fee which can be applied immediately in accordance with the contractual agreement.

To maintain sustainability, the minimum amount retained in the Plan Expense Reimbursement Account shall be 150% of the current fiscal year approved budget, plus the Plan's investment consultant contract fee. The maximum amount of the Plan Expense Reimbursement Account shall be 250% of the current year approved budget, plus the Plan's investment consultant contract fee.

If the Plan Expense Reimbursement Account balance exceeds the maximum amount, PERA is to direct the Third Party Administrator to implement a fee holiday for an upcoming quarter(s), until compliance with this policy is achieved.

VII. MUTUAL FUND REVENUE

Mutual fund revenue shall be applied to the respective participant accounts that generate the revenue. Such revenue shall include 12b 1 revenue and sub transfer agency fees, and any administrative services fees paid to the Third Party Administrator by the mutual fund companies.

By signing this Fee Policy, the Board has approved this policy by majority vote and authorizes the Chair to adopt this Policy along with the Appendix.

Adopted On: _____

By: _____
Claudia Armijo, PERA Board Chair

APPENDIX — FEE STRUCTURE

Per participant fees	Service
\$10 + 0.135% of balance; capped at \$104/year	Third Party Administrator Fee through 9/30/2027
\$100,000/year	Investment Consultant Fee through 9/30/2023
\$145,500/FY23	PERA's Projected Internal Operating Fee/One Full Time Employee: <ul style="list-style-type: none"> • Personnel Services and Employee Benefits \$116,400 • Contractual Services \$10,000 • Other \$19,100
Total: \$245,500	Breakdown of per participant PERA internal operating fee: <ul style="list-style-type: none"> • 22,701 average chargeable participants from FY22 • \$245,500 / 22,701 = \$10.82/year • \$10.82 / 4 quarters = \$2.70/quarter • Final operating fee smoothing rate = \$3/participant/quarter



PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

P: (505) 476-9300

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1(800) 342-3422

MEMORANDUM

DATE: October 11, 2022

TO: Governance Committee

THROUGH: Greg Trujillo, Executive Director

FROM: Anna Williams, CPA, Deputy Director

SUBJECT: Fiduciary Counsel

The Public Employees Retirement Association (PERA) issued an RFP in April of 2018 for a fiduciary counsel for the board of directors. Based on the RFP a four-year contract was awarded to Reed Smith LLP. The Reed Smith contract expired on June 30, 2022 and there was a request from the board chair and members to obtain a fiduciary counsel that was licensed to practice in New Mexico. As such, the staff reached out to several local attorneys for a quote based on a scope of work for fiduciary counsel. Currently, only one attorney has submitted a proposal for services which is Slate Stern.



July 8, 2022

ELECTRONIC MAIL

Ms. Anna Williams, CPA
Deputy Director
Public Employees Retirement Association (PERA)
33 Plaza La Prensa
Santa Fe, New Mexico 87507

RE: **PROPOSAL FOR LEGAL SERVICES**

Dear Ms. Williams:

Thank you for the opportunity to provide a proposal for legal services to the PERA related to fiduciary and governance advice and recommendations, including, but not limited to, the application of Article XX Section 22 of the New Mexico Constitution, trust law principles generally, the Public Employees Retirement Act, the Governmental Conduct Act, and New Mexico law applicable to the PERA retirement systems. I can say unequivocally that I would have a distinct interest in providing fiduciary and governance advice to PERA, not so much because of any financial remuneration I may receive for that work but because it is an area of law wherein I have a distinct interest.

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Deputy Director
Public Employees Retirement Association (PERA)
July 8, 2022
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About Slate Stern:

Slate Stern Law was founded 20 years ago. Slate has previously served as General Counsel to northern New Mexico's largest private conglomerate with more than a 100 subsidiaries. Slate is AV rated by Martindale-Hubbell. He has also been awarded the Judicial Edition AV Preeminent award from Martindale-Hubbell®'s. It is its highest available rating. Slate's legal ability and ethical standards were evaluated by members of the bar and judiciary in a confidential assessment. The Judicial Award of the Martindale-Hubbell® AV Preeminent™ is especially noteworthy because it is based on the confidential opinions and recommendation of members of the judiciary familiar with Slate as a practicing attorney. The Judicial Edition award indicates that judges before whom Slate practices have given him the highest ratings available on his legal ability and ethical standards. Slate is recognized in the top 5% of attorneys in New Mexico by SuperLawyers, is ranked as one to the Top Attorneys in the Southwest and as one an America's Most Honored Lawyers, which is a distinction given to 1% of the lawyers in the United States.



At Slate Stern Law, we know that every trusted relationship begins with understanding. That is why I take the time to listen critically, learn the unique attributes of each client's business, and work together to build a foundation for success that goes beyond providing legal services. While doing so, I draw upon an exceptionally broad base of experienced of colleagues and a deep knowledge of the industries and sectors I serve. This blend of active understanding grounded by informed perspective equips Slate Stern Law to deliver uniquely creative, yet efficient, legal counsel. By consistently offering our clients cost-effective and innovative legal counsel, we have established ourselves as trusted advisors. My firm's Client Service Standards, upheld to by my staff, affirm our commitment to put the needs of our clients first and to pursue excellence in all that we do. Slate Stern Law meets the ever-evolving needs of today's business with innovation, focus and commitment. I am dedicated to providing accessible, responsive service. Slate Stern Law serves as a counselor to corporations, financial institutions, family-owned businesses, exempt organizations and individuals. Throughout our history, we have relied on entrepreneurship, teamwork and dedicated service to help our clients achieve their business

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goals. Our client-driven approach is firmly rooted in creative thinking, intelligent advice and conscientious service, no matter what area of business law our clients require.

For almost two decades Slate served as a members of the State Bar Ethics Committee and currently serves as Assistant Disciplinary Counsel to the New Mexico Supreme Court's Disciplinary Committee.

Slate Stern Service Standards: Our Commitments; Your Assurances

Understand your business

We know our success depends on achieving cost-effective, practical results for our clients. Accordingly, we will make every effort to understand the business or personal circumstances that gave rise to the legal matters you bring us and to represent you and your interests as aggressively as we would our own. Protecting and advancing your best interests as a client is our most important service.

Understand your needs

At all times, we will seek to fully understand what your needs are, what you expect from us and when you expect it. If we feel that another service provider is in a better position to meet your needs or expectations, we will tell you and help you find the best resource for your needs.

Respond promptly to your communications

We will respond to your phone calls and e-mails as quickly as possible and no later than one business day after you contact us. However, every client has a different definition of "responsiveness." Slate and his staff will go out of their way to understand how you define the term, and will then make every effort to meet or exceed your expectations.

Be accessible when needed

Slate and staff check their voice mail and e-mail regularly, whether or not they are in the office.. When Slate is traveling, working outside the office or otherwise unavailable, his secretary,

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assistant or another lawyer familiar with you and your needs will make every effort to assist you until such time that Slate personally gets back to you.

Set and meet deadlines toward the completion of your work

We will seek to understand your timetable for getting projects done, set specific deadlines for getting work back to you and then meet or beat those deadlines. If we ever feel that your timetable will compromise our ability to provide you with a quality work product, we will tell you and work with you to find a way to meet your needs.

Avoid surprises

Different clients have different information needs. At the outset of a matter, we will ask you the extent to which and how often you want to be kept informed. Thereafter, according to your wishes, we will keep you informed of your work-in-progress, send you copies of all relevant paperwork and notify you promptly of meaningful developments.

Respect your finances

We will strive to be efficient and cost effective in our delivery of services. We will:

- Promptly send you our bills
- Ensure our bills are clear and easy to understand
- Notify you promptly when we encounter or anticipate unexpected costs
- Resolve any billing questions or issues promptly and fairly

Staff your matters cost-effectively

Our objective in representing you is not to bill hours; rather, it is to help you resolve your legal-related business and personal matters as quickly, as successfully and as cost-effectively as possible. This may involve having different, paralegals or staff within the firm work on your matters. We will, if you wish, discuss with you how we plan to staff your matter and why.

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Welcome your ideas, your resources and your feedback

Since our success depends on your success, we welcome your ideas and suggestions. We also welcome any resources you can provide to help us resolve your legal matters as quickly and cost-effectively as possible, including in-house legal resources and any prior work product that will help us avoid a duplication of effort on your behalf. Most importantly, we want your feedback – positive or negative – because it is the only way that we can improve. We want you always to feel free to communicate your ideas, suggestions or dissatisfaction with Slate.

Resolve your concerns

Slate believes in the value of the legal work and the client service that we provide our clients. As a client of our firm – and the only person whose evaluation of our work matters to us – these Client Service Standards reflect my commitment to you to put your needs first. Your complete satisfaction and respect are the ultimate goals of our relationship.

Charge for Legal Services

Slate Stern Law will charge for its services at an hourly rate matching any other competitive proposal submitted to PERA in response to its Request for Proposal.

With thanks for your courtesies,

I am respectfully,

SLATE STERN LAW



By, _____
Slate Stern

Enclosures

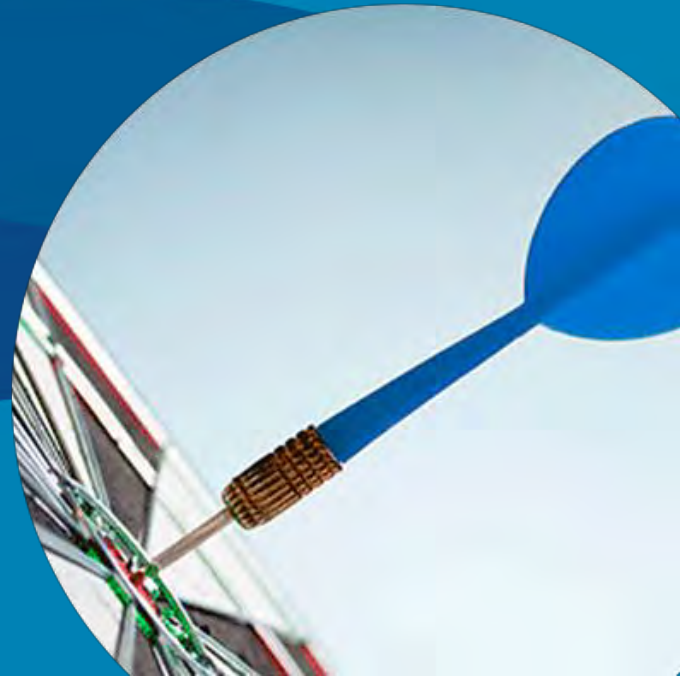




PERA Valuation Results as of June 30, 2022

R. Ryan Falls, FSA, EA, MAAA
Janie Shaw, ASA, EA, MAAA

October 27, 2022



Agenda

- 2022 Actuarial Valuation Results
 - Highlights/Summary
 - Assets
 - Membership
 - Sources of Changes
- Additional Retirement Funds
- Outlook

Actuarial Valuation

- Prepared as of June 30, 2022, using member data, financial data, benefit and contribution provisions, actuarial assumptions and methods
- Purposes:
 - Measure the PERA's actuarial liabilities
 - Determine adequacy of current contribution commitments
 - Explain changes in the actuarial condition of PERA
 - Track changes over time
 - Provide outlook on future challenges and issues
 - Prepare GASB 67/68 information and exhibits for PERA ACFR

2022 Valuation Highlights

- Overall health of PERA is largely the same as last year
- Most of the funds require additional contributions
 - **Municipal General, Municipal Police, and Judicial Fund** outside of 25-year funding policy
 - Contributions to **State General, Municipal Fire, and Magistrate Fund** not expected to accumulate sufficient assets in order to pay all of the currently scheduled benefits when due
- **State Police, Legislative, and Volunteer Fire** remain over-funded
- Asset returns resulted in an actuarial loss
 - Asset smoothing limited the actuarial impact of volatile two years in the market

Results Summary for PERA Divisions

	2022 Valuation	2021 Valuation
Unfunded Liability	\$7.2 billion	\$6.6 billion
Funded Ratio	70.0%	71.4%
Member Contribution*	12.99%	12.41%
Employer Contribution*	16.18%	15.73%
Amortization Period	59 years	72 years
Actuarially Determined Contribution (25 year)	36.57%	34.01%
Shortfall	7.40%	5.87%

** Contributions scheduled to increase to 14.01% for members and 17.20% for employers by FY2026*

Results Summary by PERA Division

	State General	State Police	Muni General	Muni Police	Muni Fire
Unfunded Liability (billion)	\$4.0	(\$0.3)	\$1.8	\$0.8	\$0.8
Funded Ratio	60.0%	127.1%	75.9%	73.4%	57.5%
Member Contribution	10.42%	9.01%	13.97%	17.83%	19.53%
Employer Contribution	18.74%	25.65%	10.47%	19.47%	22.26%
Amortization Period*	N/A	0 years	32 years	59 years	N/A
Actuarially Determined Contribution (25 year)	41.94%	5.49%	28.47%	46.93%	59.23%
Shortfall	12.78%	(29.17%)	4.03%	9.63%	17.44%

** Amortization period incorporates scheduled contribution rate increases. Does not incorporate increasing membership in Tier 2.*

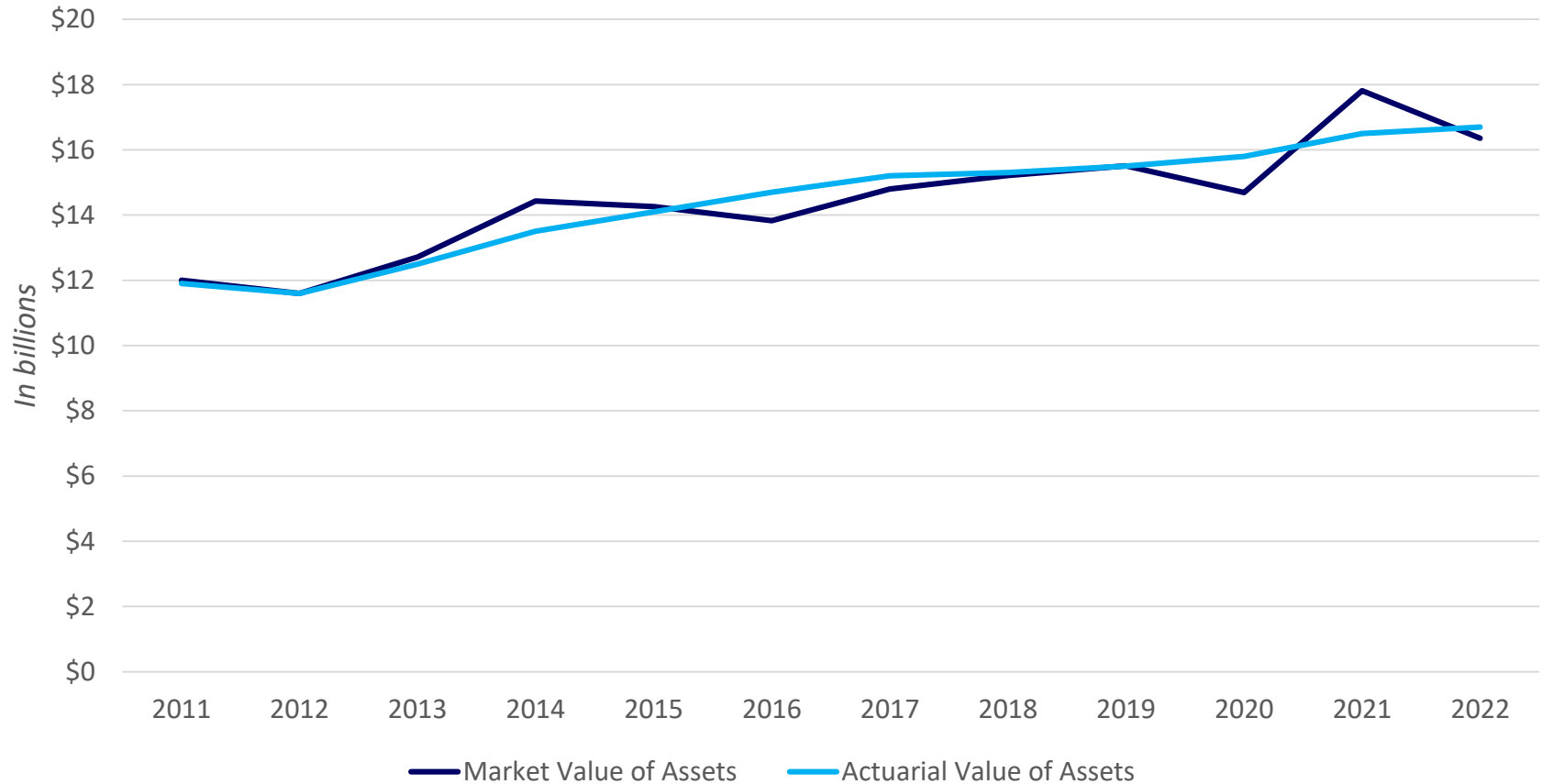
Market (Fair) Value of Assets

- Fair market value decreased from \$17.8 billion to \$16.3 billion as of June 30, 2022
- Approximate return of -4.3% on market value of assets for FY2022
 - 11.6% lower than expected return of 7.25%
- 26.5% return in FY 2021
 - 19.3% more than expected

Actuarial Value of Assets

- Actuarial calculations primarily based on actuarial value of assets (AVA), not market value
- AVA reflects the difference between the prior year's expected return on market and the actual return over a four-year period
- Return on AVA was 6.1% in FY 2022
- \$426 million in net deferred losses, not yet recognized
- Will be recognized over next three years

Actuarial and Market Values of Assets



AVA is 102.6% of MVA
Deferred asset loss of \$0.4 billion

Census – Actives

- Changes in active membership

	Active Headcount	Change	Annual Payroll	Change
State General	18,330	↓ 1.8%	\$1,007 million	↑ 1.7%
State Police	2,273	↓ 0.2%	\$121 million	↑ 3.6%
Municipal General	20,196	↓ 1.9%	\$950 million	↑ 4.1%
Municipal Police	3,608	↓ 3.1%	\$229 million	↓ 0.1%
Municipal Fire	2,494	↑ 3.3%	\$156 million	↑ 11.4%
TOTAL	46,901	↓ 1.6%	\$2,463 million	↑ 3.1%

Census – Annuitants

- Changes in annuitant membership

	Annuitant Headcount	Change	Annuitant Payroll	Change
State General	20,452	↑ 0.4%	\$613 million	↑ 1.6%
State Police	1,754	↑ 7.9%	\$60 million	↑ 9.0%
Municipal General	15,580	↑ 5.3%	\$427 million	↑ 5.5%
Municipal Police	4,113	↑ 6.4%	\$170 million	↑ 7.0%
Municipal Fire	2,216	↑ 6.6%	\$98 million	↑ 7.4%
TOTAL	44,115	↑ 3.2%	\$1,367 million	↑ 4.2%

Sources of Change in Funded Status

- Multiple events during the 2022 fiscal year contributed to the decrease in the UAAL and increase in the funded status

	UAAL (Billions)	Funded Status
June 30, 2021 Valuation	\$6.6	71.4%
Expected Increase	+0.2	0.0%
Actual Contributions	-0.1	+0.1%
Investment Returns	+0.2	-0.7%
Demographic Experience	+0.3	-0.8%
June 30, 2022 Valuation	\$7.2	70.0%

Sources of Change in Liabilities

- Salary increases were the primary source of demographic losses
 - \$29 million loss for State General
 - \$60 million for Municipal General
 - \$31 million for Municipal Fire
 - Primarily due to the inclusion of scheduled overtime
 - Change included contribution increase for members

Additional Retirement Funds

	Legislative	Judicial	Magistrate	Volunteer Fire
Unfunded Liability (billion)	(\$9) million	\$73 million	\$30 million	(\$31) million
Funded Ratio	123.5%	61.2%	52.9%	161.5%
Member Contribution	\$1,000*	10.5%	10.5%	N/A
Employer Contribution	N/A**	15.0%***	15.0%***	\$750,000
Amortization Period	25 years	107 years	N/A	0 years
Actuarially Determined Contribution (25 year)	\$1 million	44.01%	48.27%	\$0

* Per member

** Legislative Fund scheduled to receive a minimum of \$75,000 every month starting July 2025

*** Plus \$100,000 every month until fully funded and a portion of docket fees.

17.3% of pay for Judicial and 21.7% for Magistrates

Additional Retirement Funds

- Legislative
 - Benefit enhancement for actives
 - Contribution now required
- Judicial and Magistrates
 - Significant increases in pay
 - Both plans need additional contributions
- Volunteer Fire
 - Plan is over-funded
 - Current \$750,000 contribution still sufficient

Outlook

- Most funds need additional contributions
- Current amortization period calculations for PERA divisions do not include the impact of an increasing number of Tier 2 members in the future
- As number of Tier 2 members grows, PERA amortization period should improve an additional 10-15 years over time

Investment Principles:

- Achieve a steady, compounding return that minimizes uncompensated risk
- Focus on allocating risk
- Separate Alpha and Beta
- Effectively manage costs
- Institute comprehensive risk management
- Keep long term view

Key Strategic Goals:

- Sustain the Trust Fund for current and future retirees
- Set Strategic asset allocation to meet the actuarial assumed return over the long run
- Produce returns that meet or exceed benchmarks
- Be cost-efficient

Asset Allocation & Cash Activity:

For the month of August, the Fund's market value declined by \$423m. FYTD, the Fund has experienced a gain of \$47m in its market value, after paying monthly benefit payments.

Change in NAV (FYTD)	
as of: August 31, 2022	
July 1, 2022 Beginning Market Value	16,628,855,798
August 31, 2022 Ending Market Value	16,577,023,097
Market Value Change	(51,832,701)
FYTD Benefit Payments	(99,290,143)
Investment Gain/Losses	47,457,442

For the month of August, PERA transferred \$36m from the investment portfolio to the operating account (STO) for beneficiary payments and operating expenses. This amount represents 31% of the monthly benefit payment.

The Fund held 16% of tier 1 (liquidity) assets and remains in compliance with IPS guidelines.

Asset weights at the end of August were within policy ranges, and in compliance with IPS guidelines:

Asset Allocation			
as of: August 31, 2022	Target	Actual	Range
Global Equity	35.5%	34.7%	+/- 5%
Risk Reduction	19.5%	19.3%	+/- 3%
Credit	15.0%	14.8%	+/- 4%
Real Assets	20.0%	22.4%	+/- 4%
Multi Risk	10.0%	8.9%	+/- 4%

Implementation Update:

On September 30, 2022, three proposals were presented to PRISM and moved forward to receive unanimous agreement by our Portfolio Fit and Process Review Team on October 7, 2022:

- **PERA Chimayo Kelso Co-Investment:** commitment of up to \$15m to PERA Chimayo Kelso Co-Invest, L.P. an evergreen, fund of one, co-investment vehicle, providing guideline-based and diversified co-investment capital alongside existing investment in Kelso Investment Associates Fund XI, L.P. This vehicle will focus on middle-market buyout private equity targeting financial services, business services, healthcare services, and consumer, across North America. This will be a follow-on investment, with current commitments in KIA VIII (\$30 m), IX (\$60 m), X (\$60 m), and XI (\$60 m).
- **Antin Infrastructure Partners V:** commitment of up to €100m to Antin Infrastructure Partners Fund V, an illiquid real asset partnership focused on acquiring and operating high-quality infrastructure assets across diversified subsectors including Energy and Environment, Telecom, Transport, and Social Infrastructure. Geographies for investment will focus on Europe and North America. This will be a follow-on investment, with a current commitment in Antin Infrastructure III (€65 m) .
- **Managing Partner Replacement:** removal of managing partner for the NM NP GP LLC, and replacement of said managing partner with Ellington Management Group, an established manager in good standing within the PERA Alternative Credit Portfolio. This action is intended to effectuate timely liquidation of existing account holdings, to be reinvested in future Credit opportunities.

Note: All completed opportunities are subject to satisfactory legal review, prior to final execution.

Market Summary:

The stock market began a rally in early July; however, it peaked in mid-August and sold-off for the rest of the quarter ending September down about -5%. Similarly, the bond market rallied early in the quarter, but gave up after it became clear the Federal Reserve (Fed) would continue raising rates. Core bonds ended the quarter down -5% as well. With high inflation and continued rate hikes we continue to see both stock and bond markets falling.

The Fed's goal of bringing down inflation has not yet materialized, and the market expects at least one more rate hike through year-end. While product sector inflation has cooled, service sector inflation continues to rise. The Fed has succeeded in slowing economic activity in some sectors, namely housing. Mortgage applications have fallen by 85% to a 25-year low. In addition, home sales have fallen for the eighth straight month. Home buying typically leads to durable goods purchases, so the fall in home sales explains the drop in product inflation. We also see shipping rates falling and inventory build up in the manufacturing sector. Nevertheless, the Fed will continue raising rates until service sector inflation comes down as well.

Performance Summary:

August experienced a fund decline of 2.5%. The Fund's implementation did well in preserving capital in the month and outpaced the benchmark by 90bps. However, the first two months of the fiscal year now reflect a near flat (30bps) return, and a short-term underperformance (-1.6%) against Policy benchmarks. Given that this period measures a short time horizon, and continued volatility is anticipated in PERA's liquid market benchmarks, it is expected that this underperformance will erode as our defensive portfolio mitigates losses. The Fund is still achieving a long-term return (30-year and ITD) that exceeds PERA's 7.25% assumed rate of return, while also exceeding liquid market benchmarks across all periods (1-year or longer), with every asset class in the Fund contributing to this positive value added.

1-Year Contributors: Active U.S. Equity 8.38% excess return, Private Equity 24.77% excess return; Bonds Plus 3.76% excess return; Alternative Liquid Credit 10.88% excess return; Illiquid Credit, 8.28% return 22.14% excess return; Liquid Real Asset Commodities 40.33% return and 12.61% excess return; Illiquid Real Estate 21.67% return and 34.88% excess return. Notable contributors represent approximately 39% of total fund NAV.

1-Year Detractors: Active non-US developed equity underperformed by 5.91% and Active emerging market equity underperformed by 8.51%. Staff are aware of the volatility occurring in non-U.S. equity markets and will continue to monitor the space for active risk considerations. And finally, liquid real assets underperformed by 5.52%. This underperformance is attributable to underweight that the Fund holds in master limited partnerships. This underweight is intentional and staff maintains conviction in this elimination. Notable detractors represent approximately 10% of total fund NAV.

Performance Summary							
as of: August 31, 2022	MTD	3M	FYTD	1-Year	3-Year	5-Year	7-Year
Total Fund	-2.5%	-3.3%	0.3%	-5.4%	6.1%	6.0%	6.7%
Policy Index	-3.4%	-5.0%	1.9%	-11.0%	3.6%	4.3%	5.6%
Value Add	0.9%	1.7%	-1.6%	5.6%	2.5%	1.8%	1.1%
Global Equity	-3.6%	-4.8%	-0.2%	-8.6%	11.0%	9.4%	10.3%
Policy Index	-3.3%	-5.1%	2.8%	-14.8%	7.0%	6.6%	8.1%
Value Add	-0.3%	0.4%	-3.1%	6.3%	4.0%	2.8%	2.2%
Risk Reduction	-2.9%	-1.9%	-0.5%	-10.6%	-1.4%	1.0%	1.8%
Policy Index	-2.8%	-2.0%	-0.4%	-11.3%	-2.0%	0.6%	1.3%
Value Add	-0.1%	0.0%	-0.1%	0.8%	0.6%	0.4%	0.5%
Credit	-0.1%	-3.9%	-0.3%	-6.8%	3.0%	3.5%	4.2%
Policy Index	-1.0%	-4.0%	2.9%	-14.7%	-1.5%	0.5%	2.6%
Value Add	0.9%	0.1%	-3.1%	7.9%	4.4%	3.0%	1.6%
Real Assets	0.2%	1.0%	2.5%	13.9%	9.2%	7.3%	6.4%
Policy Index	-2.7%	-5.2%	3.9%	4.4%	7.8%	6.2%	5.8%
Value Add	3.0%	6.1%	-1.5%	9.5%	1.4%	1.1%	0.6%
Multi-Risk	-7.5%	-9.3%	-0.3%	-19.1%	-1.1%		
Policy Index	-7.6%	-9.5%	-0.4%	-19.0%	-0.8%		
Value Add	0.1%	0.1%	0.1%	-0.1%	-0.3%		

Risk Summary						
as of: August 31, 2022	Std Dev.	Sharpe	Beta	Alpha	IR	TE
1-Year						
Total Fund	7.1%	-0.8%	0.6%	1.2%	1.1%	5.1%
Policy Index	11.6%	-1.0%				
3-Year						
Total Fund	8.5%	0.7%	0.6%	3.6%	0.4%	5.3%
Policy Index	12.9%	0.3%				
5-Year						
Total Fund	7.4%	0.7%	0.7%	3.1%	0.3%	4.4%
Policy Index	11.0%	0.3%				
7-Year						
Total Fund	7.0%	0.8%	0.7%	2.8%	0.2%	3.8%
Policy Index	9.7%	0.5%				

September Estimated Performance:

- Significant month of volatility driven by concerns of a global recession and monetary tightening
- Fund's NAV declined to \$15.7b
- Internal Fund estimates reflect a monthly return of -4.7% and a FYTD return of -4.4%.
- Comparisons: Global equities -9%, Core bonds -4%, PERA Policy Benchmark -7.7%

Note: Estimated and subject to change.

Staffing Update

Vacancies:

- Investment Associate, Alpha (Gov. Ex. FTE)

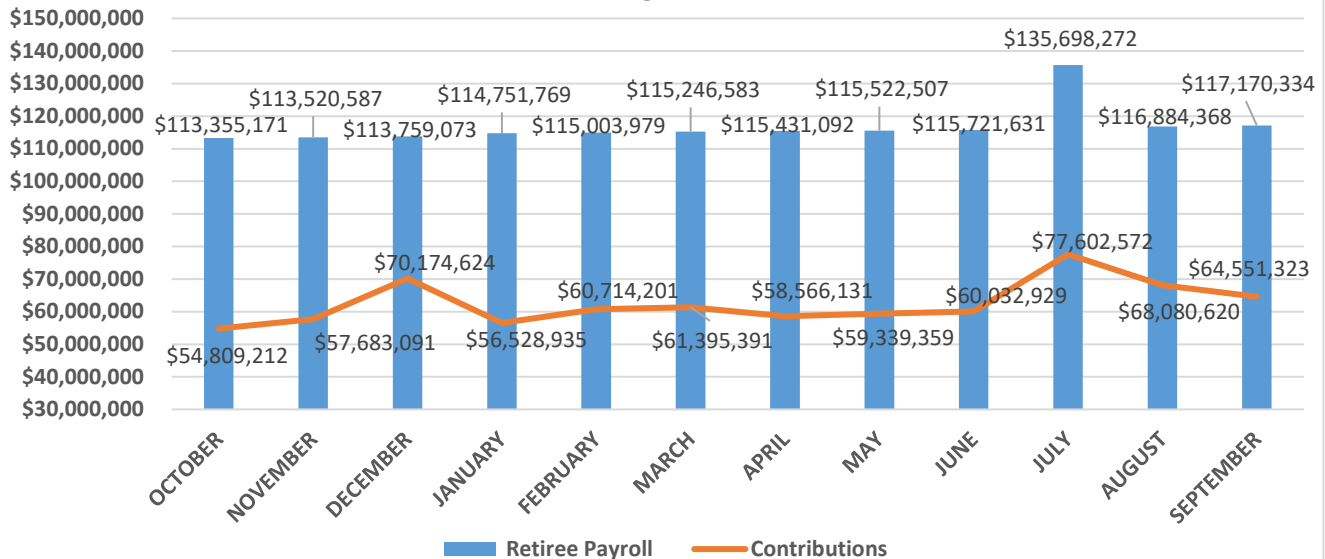


PERA

Public Employees
Retirement Association
of New Mexico

EXECUTIVE DIRECTOR'S REPORT PERA BOARD MEETING – October 27, 2022

Retiree Payroll vs: Total Contributions - October 2021 - September 2022

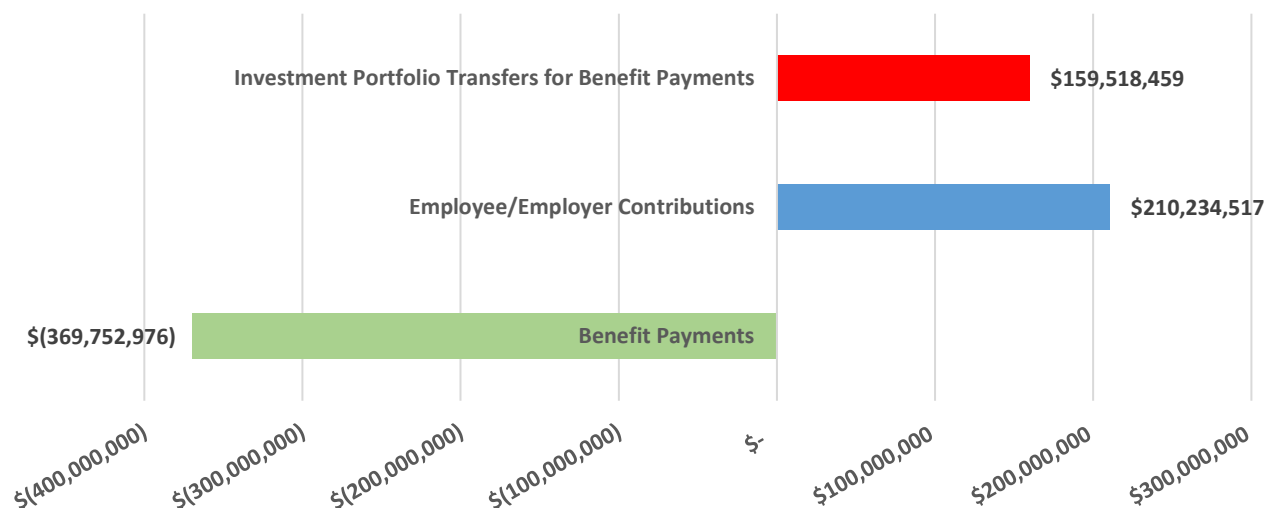


Total Retiree Payroll = \$1,402,065,366

Total Contributions: \$ 749,478,388

**** Due to adjustments to Employer reports contributions amounts are subject to change**

FY22 Contributions: Investment Income & Contributions thru September 2022



**** Total Refunds Paid during this period was \$15,001,210**

VACANCY REPORT			
Position	Division	Date Vacated	Status
IT Database Administrator II	IT	5/29/2021	On Hold
Investment Associate	Investments	8/11/2021	
General Counsel	Legal	9/10/2021	
ASD Director	ASD	10/16/2021	
Accountant and Auditor-Advanced	Member Services	10/15/2022	Pending Interviews
Public Relations Coordinator	Outreach Division	10/29/2022	Posted
Retirement Specialist 2	Member Services	10/29/2022	Posted

PERA has 87 authorized FTE and currently has 7 vacancies

ADDITIONS/DEPARTURES/PROMOTIONS			
Employee	Position/Division	Date Started/Vacated	Status
Greg Holmes	Death & Disability Manager/Member Services	10/1/2022	Promotion
Anita Valdez	Paralegal/Legal Assistant	10/1/2022	Re-Hire
Marshall Romero	Customer Service Manager	10/15/2022	Promotion
Rosemary Rodriguez	Accountant & Auditor-Operational/ASD	10/29/2022	Promotion
Jose Trujillo	Public Relations Coordinator/Outreach	10/29/2022	Departure
Karen Morales-Ortiz	Retirement Specialist 2/Member Services	10/29/2022	Departure
Tammy Kessler	Financial Coordinator-Advanced/ASD	10/29/2022	New Hire

2022 AIR TIME PURCHASES	
Plan Type	October Purchases
State Plan 3	6
Municipal Plan 1	0
Municipal Plan 2	0
Municipal Plan 3	1
Municipal Plan 4	0
Municipal Detention Plan 1	0
Municipal Fire Plan 5	6
Municipal Police Plan 3	0
Municipal Police Plan 4	0
Municipal Police Plan 5	4
State Police/Corrections Plan	<u>2</u>
TOTAL:	19

2022 AIR TIME PURCHASES	
No. of Months	October Purchases
1	0
2	2
3	3
4	0
5	0
6	1
7	1
8	2
9	0
10	2
11	1
12	<u>7</u>
TOTAL:	19

PERA SmartSave Items of Interest – October 2022			
<u>County by Region North – Peter Rappmund</u>	<u>Individual Meetings</u>	<u>Tele-outreach</u>	<u>In Person</u>
Bernalillo		1	1
San Juan		4	23
Sandoval		1	
San Miguel		1	
Santa Fe	3	1	6
Socorro	1	1	
Statewide	4		3
Taos		1	1
<u>County by Region Central - Paul Lium</u>	<u>Individual Meetings</u>	<u>Tele-outreach</u>	<u>In Person</u>
Bernalillo	11	12	16
McKinley	8	3	11
Valencia	2	8	10
<u>County by Region South - Linda Miller</u>	<u>Individual Meetings</u>	<u>Tele-outreach</u>	<u>In Person</u>
Chaves		4	
Dona Ana		22	40
Eddy		5	
Grant		3	40
Lea		6	
Luna		3	
Otero		7	
Sierra		2	
Socorro		1	
Statewide		10	
SmartSave Assets as of 9/30/2022 - \$687,805,603.93			
SmartSave Participants as of 9/30/2022 – 23,093			

Outreach Seminar Calendar – October 2022	
Monday, October 3, 2022	City of Santa Fe NEO
Wednesday, October 5, 2022	City of Rio Rancho Benefits Fair
Wednesday, October 5, 2022	HSD General Seminar
Thursday, October 6, 2022	75 th Anniversary Seminar
Tuesday, October 11, 2022	City of ABQ Seminar
Wednesday, October 12, 2022	Socorro VFD Chiefs Conference
Wednesday, October 12, 2022	State Police Retirement Seminar
Monday, October 17, 2022	City of Santa Fe NEO
Tuesday, October 18, 2022	Town of Vaughn VF Seminar
Thursday, October 20, 2022	PERA Seminar (in person @ SF Office)
Thursday, October 20, 2022	PERA Seminar (in person @ ABQ Office)
Tuesday, October 25, 2022	PERA Retirement Seminar
Friday, October 28, 2022	City of ABQ Benefits Fair



SOCIAL MEDIA INSIGHT

November 17, 2022–October 17, 2022

FACEBOOK

- 1,260 followers
- 1,140 people reached
- Top Posts: Navigating Retirement Racetrack (520 reached) & Annual Member Statement FAQs (494 reached)

TWITTER

- 122 followers
- 169 impressions
- Top Posts: National Indigenous Peoples Day Closure (11 impressions)

INSTAGRAM

- 248 followers
- 131 accounts reached
- Top Posts: Annual Board Meeting (14 likes) & Navigating Retirement Racetrack (5 likes)

Google Analytics Behaviors Overview

Continent

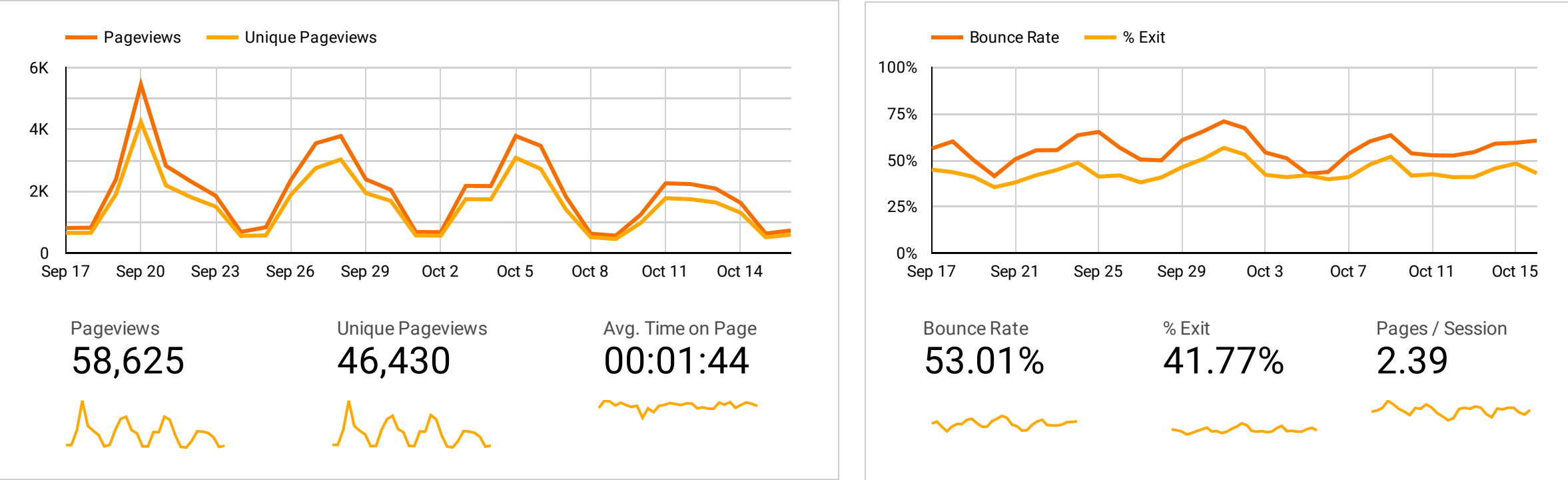
Region

Channel

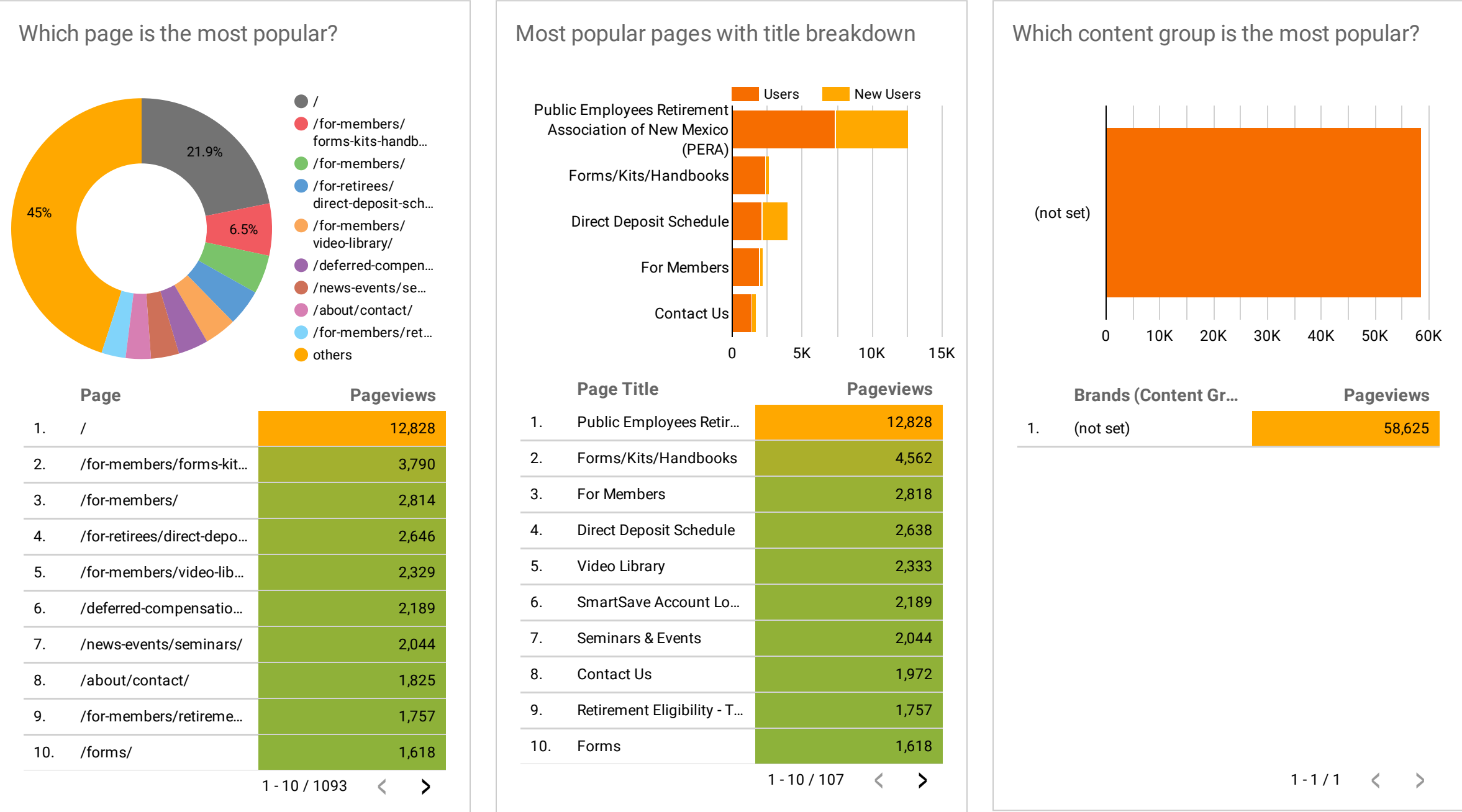
Device

Sep 17, 2022 - Oct 16, 2022

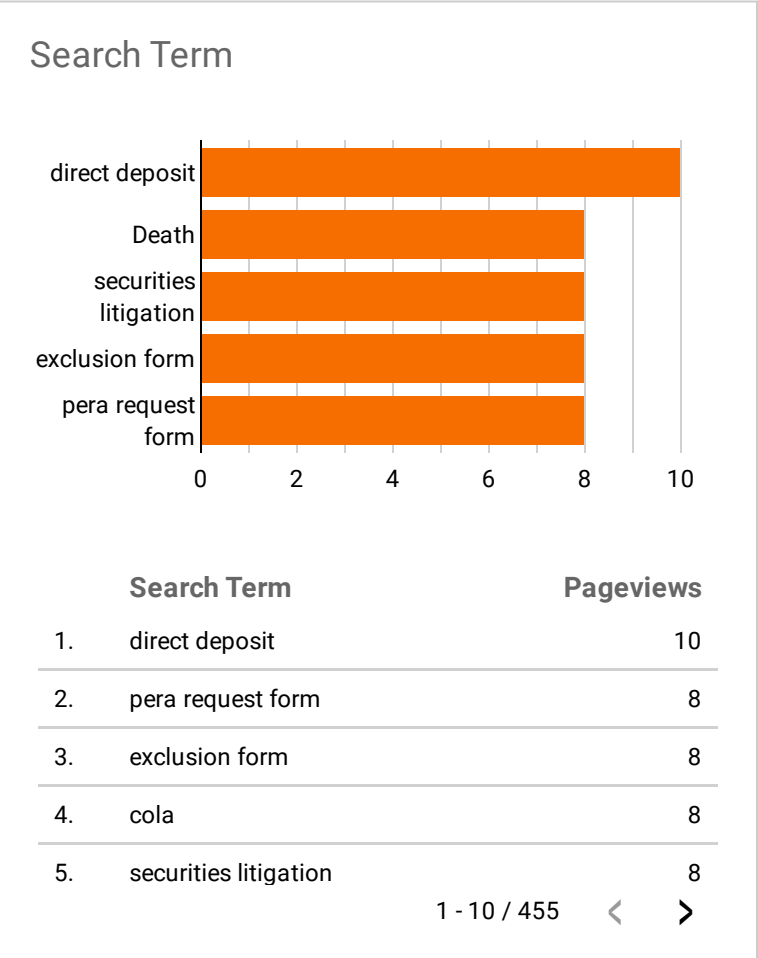
Overview of your user behaviors



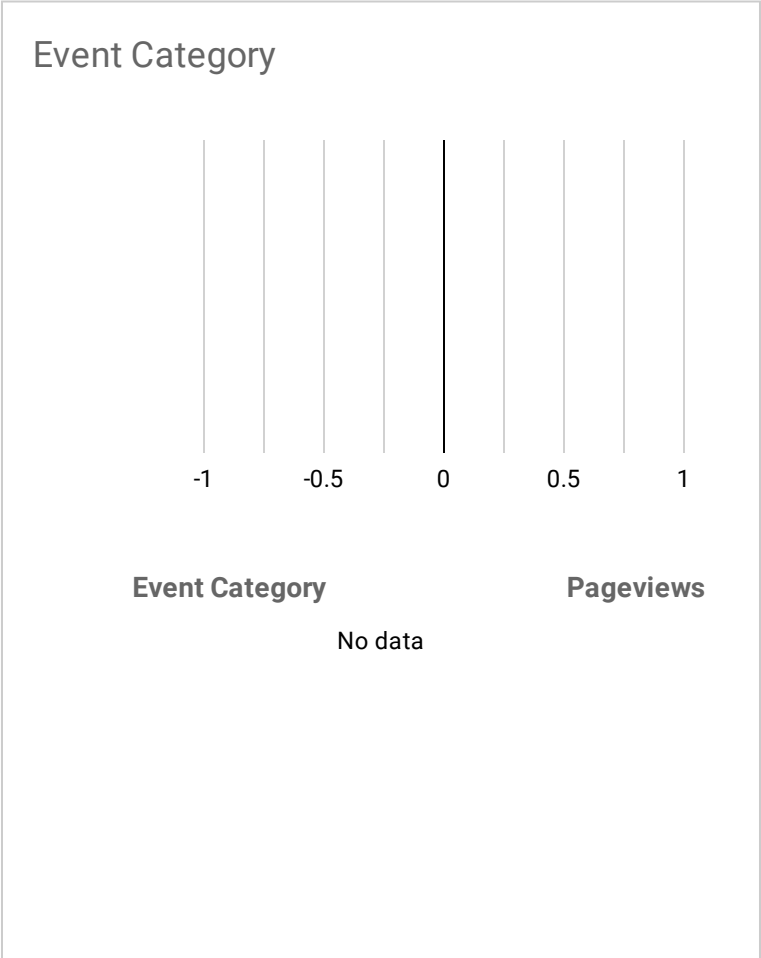
What do users see when they are in your website?



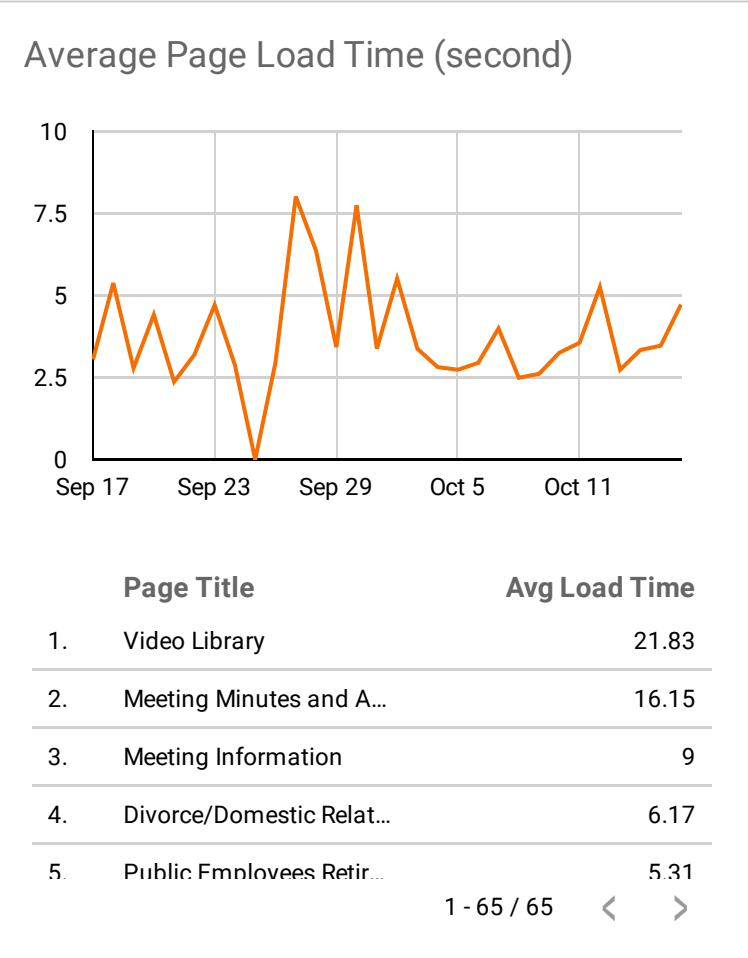
What do users search on the site?



Event category breakdown



How does your website perform?



Google Analytics Acquisition Overview

Continent

Region

Channel

Device

Sep 17, 2022 - Oct 16, 2022

Users

17,027

Sessions

24,488

Bounce Rate

53.01%

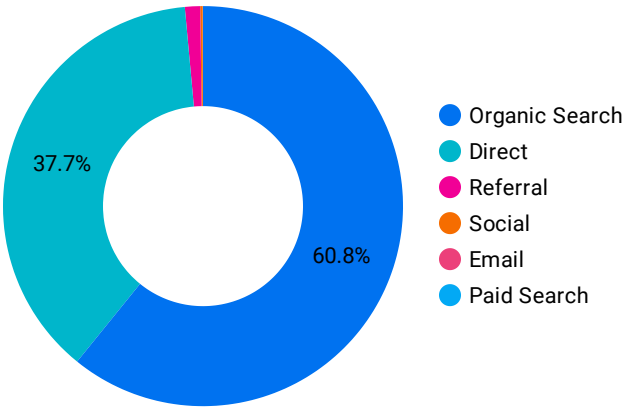
Goal Completions

No data

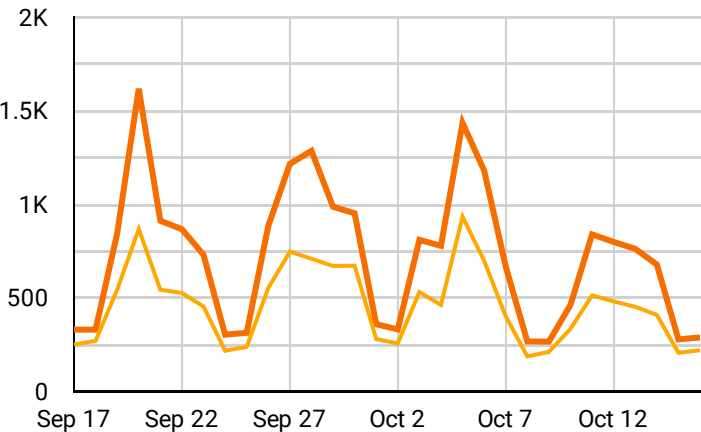
Avg. Time on Page

00:01:44

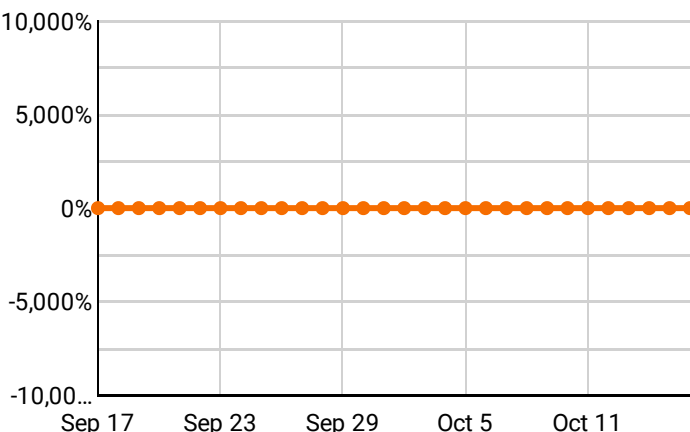
Top Acquisition Channels



Users (vs. New Users)



Conversions



	Acquisition			Behavior			Conversions		
	Sessions	Users	New Users	Bounce Rate	Pages / Session	Avg. Session Duration	Goal Conversion Rate	Goal Completions	Goal Value
	24.5K	17.0K	13.8K	53.0%	2.4	02:25	0.0%	No data	No data
Source / Medium	Sessions	Users	New Users	Bounce Rate	Pages / Session	Avg Session Duration	Goal Conversion ...	Goal Completions	Goal Value
google / organic	12,155	8,686	6,938	57.01%	2.33	00:02:27	0%	0	\$0
(direct) / (none)	8,990	6,511	5,558	49.94%	2.33	00:02:01	0%	0	\$0
bing / organic	2,457	1,480	846	45.05%	2.88	00:03:40	0%	0	\$0
yahoo / organic	348	258	197	51.72%	2.39	00:02:39	0%	0	\$0
duckduckgo / organic	148	108	93	47.97%	2.72	00:03:52	0%	0	\$0
chilenet / referral	57	34	22	45.61%	2.58	00:01:57	0%	0	\$0
evestment.lightn...	45	8	2	66.67%	1.69	00:01:38	0%	0	\$0
nmrhca.org / referral	24	22	15	50%	2.79	00:02:35	0%	0	\$0
m.facebook.com...	19	19	18	78.95%	1.26	00:00:19	0%	0	\$0
mail.minershop...	16	11	9	43.75%	2.25	00:01:26	0%	0	\$0

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Google Analytics Audience Overview

Continent

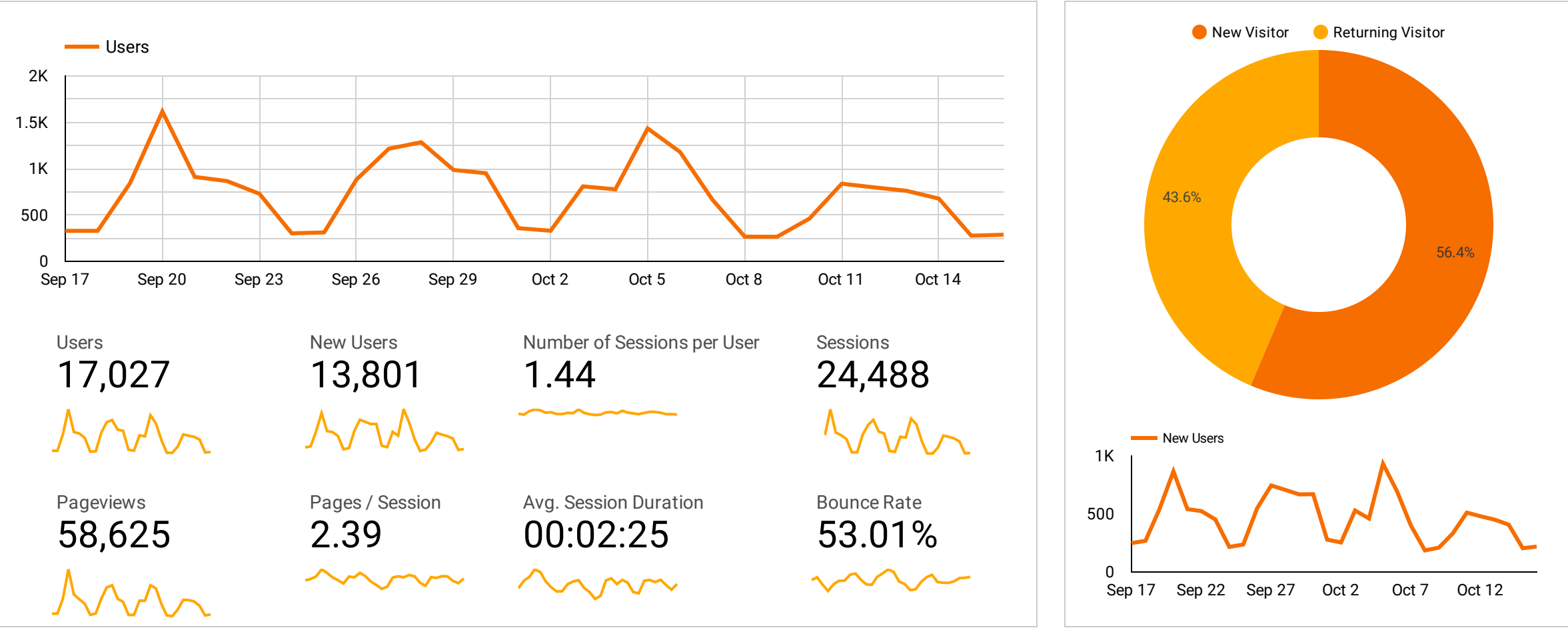
Region

Channel

Device

Sep 17, 2022 - Oct 16, 2022

Your audience at a glance



Let's learn a bit more about your users!

