

**NEW MEXICO**  
**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**  
**SMARTSAVE**  
**COMMITTEE MEETING**

**March 12, 2019**

This meeting of the Public Employees Retirement Board SmartSave Committee was called to order by Vice Chair Lawrence Davis at approximately 9:25 a.m. on the above-cited date at the PERA Building, Senator Fabian Chavez, Jr. Board Room, 33 Plaza La Prensa, Santa Fe, New Mexico.

Roll Call confirmed a quorum with the following members present:

**Members Present:**

Lawrence Davis, Vice Chair  
Jackie Kohlasch  
Dan Mayfield [appointed]

**Member(s) Absent:**

Claudia Armijo, Chair

**Other Member(s) Present:**

None

**Staff Members Present:**

Wayne Propst, Executive Director  
Susan Pittard, Chief of Staff/General Counsel  
Greg Trujillo, Deputy Director/Chief Information Officer  
Renada Peery-Galon, Administrator Services Director  
Dana David, Assistant General Counsel  
Trish Winter, Executive Assistant  
Karyn Lujan, Smart Save Plan Manager  
Anna Williams, Chief Financial Officer

**Others Present:**

Paul Lium, Nationwide  
Paul Cowie, Meketa  
Jessica Bundy, REDW  
Cait Gutierrez, REDW

**2. APPROVAL OF AGENDA**

Mr. Mayfield moved to approve the agenda as presented. His motion was seconded by Vice Chair Davis and passed by unanimous voice vote.

**3. APPROVAL OF CONSENT AGENDA**

Mr. Mayfield moved approval. Dr. Kohlasch seconded and the motion passed.

**4. CURRENT BUSINESS**

**A. Q2 FY19 Plan Activity Review**

It was noted that Dominic Garcia, CIO, was at the legislature and would not be attending today's meeting.

Karyn Lujan, SmartSave Plan Manager, provided an overview of the plan's quarterly (October – December 2018) activity. She highlighted that there are a total of 22,296 participants, current assets of \$575,277,686, a median account balance \$5,853, there were 595 new participants enrolled during the quarter and Nationwide held 190 workshops. As of January 2019, the plan was at \$604.6 million.

Ms. Lujan noted that, during National Save for Retirement Week, which occurred in October, Nationwide coordinated an email campaign to participants. Also, a new employer, the South Regional Transit District in Doña Ana County, joined the plan.

Paul Lium, Nationwide, said that last year's new enrollment exceeded 2,700, they held 900 workshops and the plan grew about 5.5 percent.

Ms. Lujan identified two major employers not participating in PERA's SmartSave, Los Alamos County and the City of Rio Rancho.

**B. Q2 FY19 Investment Performance Review**

Paul Cowie, Meketa, provided an update of the plan for the current quarter, showing this first quarter was much better than last year.

Mr. Cowie reminded the Committee that the plan is organized by tiers: Tier 1, lifecycle funds, Tier II, core array/passive, Tier III, Core array/Active and Tier IV extended choice array. The LifeCycle Portfolios represents 26 percent of the plan's assets while Tier III, represents 52 percent. Tier II is 17 percent and Tier IV is 2 percent. The plan was down from the previous quarter by \$50 million, driven by negative market performance. He mentioned the rise in interest rates, the China trade issue and the government shutdown as components that dragged the market performance was close to the respective benchmarks for the quarter.

Mr. Cowie reviewed the performance of different funds. REITs had negative

returns. The strongest performer in the plan for the year was the Prudential Retirement Real Estate Fund which replaced the Invesco Global REITs, and is only held in the LifeCycle Portfolios.

Mr. Cowie reviewed the expense ratio of all the underlying fund options compared to the median. SmartSave is typically below the median for the peer group of each fund, adding that they were very competitive fees.

Mr. Cowie noted that as of Friday, March 8<sup>th</sup>, the assets were up to \$6.11 million. He noted there was an impressive rally, with most of the domestic equity funds up from 8.5 percent to 13-14 percent. Fixed income and international funds have had good returns.

**C. 2019 PERA SmartSave Work Plan**

Ms. Lujan reviewed the plan which schedules meetings on June 11<sup>th</sup>, September 11<sup>th</sup> and December 11<sup>th</sup>. The RFP recommendation for the third party administrator is slated to be presented to the PERA Board on March 28<sup>th</sup>. The third party administrator will drive the timeline for the 2019 initiatives which include online/enrollment and contribution changes, re-enrollment for stable value fund participants, explore auto enrollment, review of plan's fund line up, FY19 audit, engagement with NM public schools and outreach for financial wellness.


**5. OTHER BUSINESS**

None was presented.

**6. ADJOURNMENT**

Having completed the agenda, Vice Chair Davis adjourned this meeting at approximately 9:55 a.m.

Approved by:

  
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Lawrence Davis, Vice Chair  
SmartSave Committee

ATTEST:

  
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Wayne Propst, Executive Director