

New Mexico Public Employees Retirement Association

Board Meeting

Thursday, October 26, 2023

1. Call to Order

This monthly meeting of the Public Employees Retirement Board was called to order by Diana Rosales Ortiz, Chair at approximately 9:23am on the above-cited date at the PERA Building, 33 Plaza la Prensa, Senator Fabian Chavez, Jr. Board Room, Santa Fe, New Mexico.

2. Roll call

The meeting attendance met quorum with the following members present;

Board Members Present

Valerie Barela
Juan Diaz
Paula Fisher
Laura Montoya [out @ 12:50pm]
Loretta Naranjo Lopez
Francis Page
Shirley Ragin
Roberto Ramirez
Augustine Romero [out @ 12noon]
Diana Rosales Ortiz

Board Members Absent

Tony Garcia
Maggie Toulouse Oliver

Staff

Greg Trujillo, Executive Director
Trish Winter, Executive Assistant
Anna Williams, Deputy Director
Michael Shackelford, CIO
LeAnne Larranaga-Ruffy, Deputy CIO
Lynette Kennard, CFO
Anthony Montoya, General Counsel
Sara Hume, Director, Beta & Risk
Clayton Cleek, Investment Associate
Michael Killfoil, Investment Associate
German Gutierrez-Cardoza, Investments
Shaun Grady, Investments
Karyn Lujan, Deferred Compensation Plan Manager
Lesley Adams, Investments

Staff Present Virtually

Misty Schoeppner, Deputy Counsel
Ron Gallegos, CTO
Justin Deubel, Investments
Jessica Perea, Quality Control
Jessica Trujillo, HR Manager

Others in Attendance

Eileen Neill, Verus Advisory
Scott Whalen, Verus Advisory
James Walsh, Albourne
Mary Blanco, State Treasurer's Office
Kevin Geneiser, Antin Infrastructure Partners
Janie Shaw, GRS & Co.
Krysti Kiesel, GRS & Co.

Others Present Virtually

Kevin Balaod, Journalist
John Kreienkamp, State Treasurer's Office
Samantha Grant, Verus Advisory
Bela Kirpalani, Journalist
Patricia French, Retiree
Arlene Jacobius, Journalist

3. Approval of Agenda

Francis Page made a motion to approve the agenda. Second from Paula Fisher. Motion passed as follows:

Valerie Barela	Yes	
Juan Diaz	Yes	
Paula Fisher	Yes	
Laura Montoya	Yes	
Loretta Naranjo Lopez		No
Francis Page	Yes	
Shirley Ragin	Yes	
Roberto Ramirez	Yes	
Augustine Romero	Yes	
Diana Rosales Ortiz	Yes	

4. Approval of Meeting Minutes

Valerie Barela moved to approve the September 28, 2023 annual board minutes. Paula Fisher seconded. Motion passed with a roll call vote as follows;

Valerie Barela	Yes	
Juan Diaz	Yes	
Paula Fisher	Yes	
Laura Montoya	Yes	
Loretta Naranjo Lopez		No
Francis Page	Yes	
Shirley Ragin	Yes	
Roberto Ramirez	Yes	
Augustine Romero	Yes	
Diana Rosales Ortiz	Yes	

5. Approval of Consent Agenda *[Exhibit 1]*

Valerie Barela removed Item 4.A. from the consent agenda and moved it to Item 7.A. of the regular agenda. Francis Page made a motion to approve the amended consent agenda. Valerie Barela seconded. The motion passed with a unanimous roll call vote as follows:

Valerie Barela	Yes
Juan Diaz	Yes
Paula Fisher	Yes
Laura Montoya	Yes
Loretta Naranjo Lopez	Yes
Francis Page	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Augustine Romero	Yes
Diana Rosales Ortiz	Yes

6. Reports of Committees

A. Rules & Administration Committee; October 26, 2023. *[Exhibit 2]*

1. Approval of Committee Recommendation Regarding Proposed Rulemaking Schedule and Rule Change -

Francis Page made the motion to approve the committee recommendation to approve proposed rule changes. Shirley Ragin seconded the motion. Laura Montoya requested to amend the motion to update page 3, section D to incorporate that “the board shall fulfill a quorum with remaining board members.” Francis seconded the amendment. Motion passed as follows:

Valerie Barela	Yes	
Juan Diaz	Yes	
Paula Fisher	Yes	
Laura Montoya	Yes	
Loretta Naranjo Lopez		No
Francis Page	Yes	
Shirley Ragin	Yes	
Roberto Ramirez	Yes	
Augustine Romero	Yes	
Diana Rosales Ortiz	Yes	

1. Approval of Committee Recommendation Regarding Proposed Rulemaking Schedule and Rule Change – Subsection F

Francis Page made the motion to approve the committee recommendation to approve proposed rule changes, Subsection F. Shirley Ragin seconded the motion. Motion passed as follows:

Valerie Barela	Yes	
Juan Diaz	Yes	
Paula Fisher	Yes	
Laura Montoya		No
Loretta Naranjo Lopez		No
Francis Page	Yes	
Shirley Ragin	Yes	
Roberto Ramirez	Yes	
Augustine Romero	Yes	
Diana Rosales Ortiz	Yes	

2. Approval of Committee Recommendation Regarding Proposed Policy & Procedures Change

Francis Page moved to accept the committee proposal regarding Policy 7.71. Valerie Barela provided the second. Motion passed as follows:

Valerie Barela	Yes	
Juan Diaz	Yes	
Paula Fisher	Yes	
Laura Montoya	Yes	
Loretta Naranjo Lopez		No
Francis Page	Yes	
Shirley Ragin	Yes	
Roberto Ramirez	Yes	
Augustine Romero	Yes	
Diana Rosales Ortiz	Yes	

B. Investment Committee; October 26, 2023. [Exhibit 3]

1. Approval of Committee Recommendation Regarding Active Risk Budget

Francis Page made the motion to approve the committee recommendation. Paula Fisher seconded the motion. Motion passed as follows:

Valerie Barela	Yes
Juan Diaz	Yes
Paula Fisher	Yes
Laura Montoya	Yes
Loretta Naranjo Lopez	Yes
Francis Page	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Augustine Romero	Yes
Diana Rosales Ortiz	Yes

7. Unfinished Business

A. Item removed from the Consent Agenda

4. Educational Conferences

- a. Diana Rosales Ortiz - Association of Certified Fraud Examiners (ACFE) Virtual Seminar; Contract and Procurement Fraud; December 5-7, 2023; Registration to be paid by PERA.

Francis Page moved approval; Valerie Barela seconded. The motion passed as follows:

Valerie Barela	Yes	
Juan Diaz	Yes	
Paula Fisher	Yes	
Laura Montoya	Yes	
Loretta Naranjo Lopez		No
Francis Page	Yes	
Shirley Ragin	Yes	
Roberto Ramirez	Yes	
Augustine Romero	Yes	
Diana Rosales Ortiz	Yes	

8. New Business

A. Acceptance of FY23 Actuarial Valuations [Exhibit 4]

Janie Shaw, ASA; Krysti Kiesel, ASA; Gabriel, Roeder, Smith, and Company presented the FY23 Actuarial Valuations results. Diana Rosales Ortiz moved to approve but requested additional information added to the GRS presentation. Valerie Barela seconded the motion. Motion passed as follows:

Valerie Barela	Yes	
Juan Diaz	Yes	
Paula Fisher	Yes	
Loretta Naranjo Lopez		No
Francis Page	Yes	
Shirley Ragin	Yes	
Roberto Ramirez	Yes	
Augustine Romero	Yes	
Diana Rosales Ortiz	Yes	

F. CIO Report [Exhibit 5]

Michael Shackelford, CIO presented the CIO Report. This was an informational item; no action taken.

G. Executive Director's Report [Exhibit 6]

Greg Trujillo, Executive Director presented his report. This was an informational item; no action taken.

9. Public Comment [Exhibit 7]

Diana Rosales Ortiz had a statement for the Board.

10. Adjournment

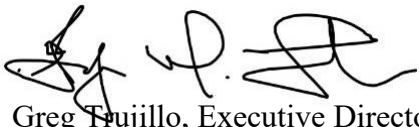
Francis Page moved to adjourn. Meeting adjourned the meeting at approximately 1:15pm with no other business to discuss.

Approved by:



Diana Rosales Ortiz, Board Chair

ATTEST:



Greg Trujillo, Executive Director

PERA Board Meeting
October 26, 2023
CONSENT AGENDA

- 1. Ratification of Retirements** - Benefits processed through: 10/1/2023
 - 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. Michael Gorbitz - 18 months
- 3. Affidavits for Free Military Service:**
 - a.
- 4. Educational Conferences**
 - a. **Diana Rosales Ortiz** - Association of Certified Fraud Examiners (ACFE) Virtual Seminar; Contract and Procurement Fraud; December 5-7, 2023; Registration to be paid by PERA
- 5. Setting of Meetings: November 2023**

a. Disability Review Committee	November 14, 2023	1:00pm
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- 6. Setting of Meetings: December 2023**

a. Legislative Committee	December 12, 2023	9:00am
b. Investment Committee	December 12, 2023	following Legislative
c. Board Meeting	December 12, 2023	following Investments
d. Disability Review Committee	December 12, 2023	1:00pm

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 505-476-9305 or patricia.b.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.



INVESTED IN TOMORROW.

Rules & Administration Committee Meeting
PERA Building • Senator Fabian Chavez, Jr. Board Room
33 Plaza La Prensa • Santa Fe, NM 87507

Thursday, October 26, 2023
following Investment Committee

Committee Members

Paula Fisher, *Chair*
Diana Rosales-Ortiz, *Vice Chair*
Valerie Barela

Francis Page
Shirley Ragin

AGENDA

1. **Call to Order**
 2. **Roll Call**
 3. **Approval of Agenda**
 4. **New Business**
 - A. **2023/2024 PERA Rulemaking**
 1. Board Memo Regarding Rule Change Informational Francis Page,
 2. Proposed Rule Changes Board Member;
a. 2.80.200 - Disqualifying Factors for Candidates for Election or Appointment to the Board and Anthony Montoya,
Technical Amendments General Counsel
 3. Approval of Proposed Rulemaking Schedule Action
 4. Approval of Notice of Proposed Rulemaking Action
 - B. **Proposed Changes to Board Policies & Procedures**
 1. Policy 7.71: Out-of-State Travel Timeframe Action Valerie Barela
 5. **Adjourn**
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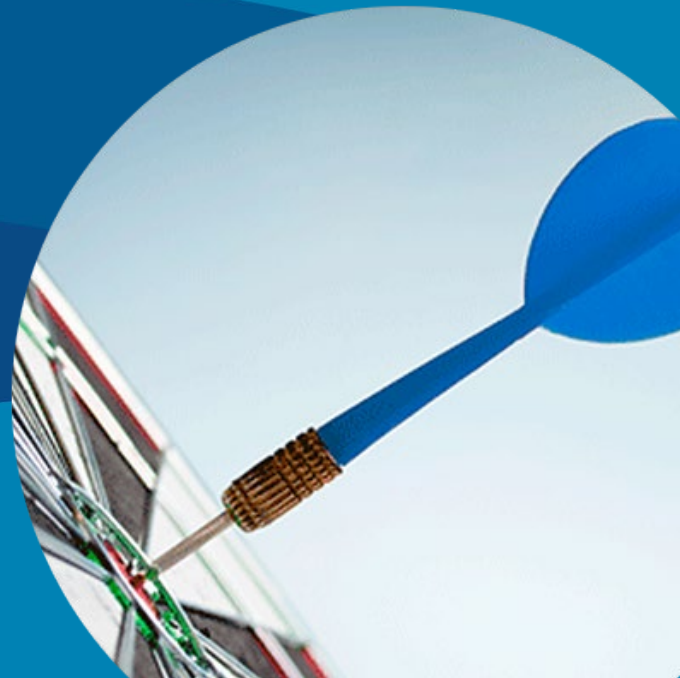


Exhibit 3

PERA Valuation Results as of June 30, 2023

Janie Shaw, ASA, EA, MAAA
Krysti Kiesel, ASA, MAAA

October 26, 2023



Agenda

- 2023 Actuarial Valuation Results
 - Highlights/Summary
 - Sources of Changes
 - Assets
 - Membership
- Additional Retirement Funds
- Outlook

Actuarial Valuation

- Prepared as of June 30, 2023, using member data, financial data, benefit and contribution provisions, actuarial assumptions and methods
 - No changes to actuarial assumptions or methods since prior valuation
 - HB106: increased maximum pension benefit from 90% to 100% of final average salary
 - SB145: provided 20% enhanced service credit to certain state police members who had not previously been eligible
- 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

2023 Valuation Highlights – PERA Divisions

- Significant salary increases increased the unfunded liability and decreased the funded ratio
 - Higher projected payroll equates to more projected contributions, which decreased the amortization period
- Asset returns resulted in an asset loss
- Most of the funds require additional contributions
 - **Municipal General** and **Municipal Police** outside of 25-year funding policy
 - Contributions to **State General** and **Municipal Fire** are not expected to accumulate sufficient assets in order to pay all of the currently scheduled benefits when due
- **State Police** remains over-funded

Results Summary for PERA Divisions

	2023 Valuation	2022 Valuation
Unfunded Liability	\$8.1 billion	\$7.2 billion
Funded Ratio	67.7%	70.0%
Member Contribution*	13.54%	12.99%
Employer Contribution*	16.66%	16.18%
Amortization Period**	53 years	59 years
Actuarially Determined Contribution (25 year)	36.27%	36.57%
Shortfall	6.07%	7.40%

** Contributions scheduled to increase to 14.09% for members and 17.20% for employers by FY2026*

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

Results Summary by PERA Division

	State General	State Police	Muni General	Muni Police	Muni Fire
Unfunded Liability (billion)	\$4.4	(\$0.3)	\$2.1	\$1.0	\$0.9
Funded Ratio	57.6%	124.9%	73.6%	70.9%	55.5%
Member Contribution*	10.92%	9.06%	14.60%	18.37%	20.02%
Employer Contribution*	19.24%	25.65%	11.06%	20.00%	22.80%
Amortization Period**	N/A	0 years	28 years	61 years	N/A
Actuarially Determined Contribution (25 year)	41.51%	7.19%	28.03%	47.45%	58.08%
Shortfall	11.35%	(27.52%)	2.37%	9.08%	15.26%

** For Municipal plans, employee and employer rates will increase by 0.5% of payroll effective July 1, 2024 and July 1, 2025.*

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



Sources of Change in Funded Status

- Salary increases were the biggest factor in the increase in the unfunded liability and decrease of the funded status

	UAAL (Billions)	Funded Status
June 30, 2022 Valuation	\$7.2	70.0%
Expected Increase	+0.2	0.0%
Actual Contributions	-0.1	+0.2%
Investment Returns	+0.2	-0.9%
Demographic Experience	+0.6	-1.6%
Plan Change	+<0.1	-0.1%
June 30, 2023 Valuation	\$8.1	67.6%

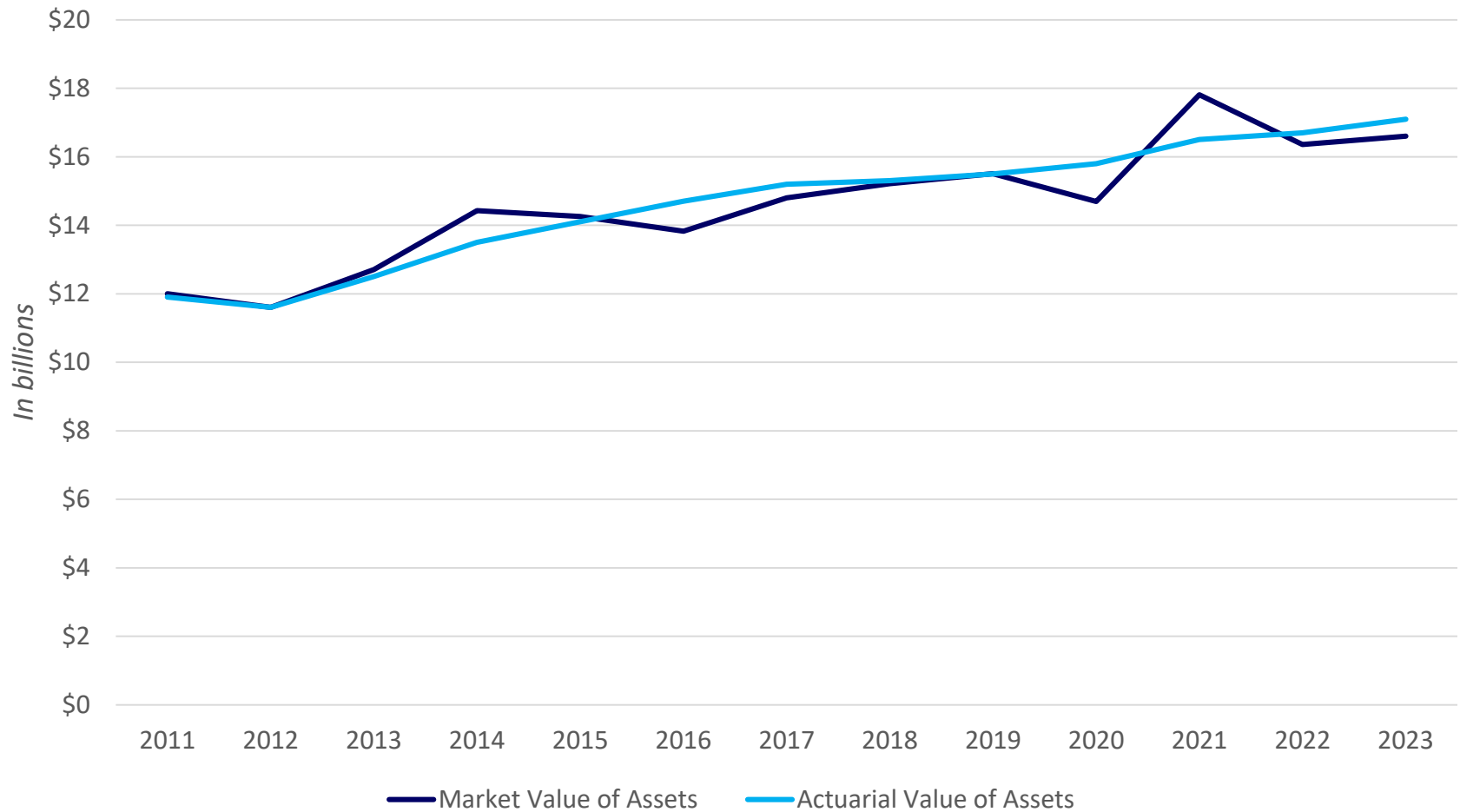
Market Value of Assets

- Fair market value increased from \$16.3 billion to \$16.6 billion as of June 30, 2023
- Approximate return of 5.6% on market value of assets for FY2023
 - \$292 million less in assets than expected

Actuarial Value of Assets

- Actuarial calculations primarily based on actuarial value of assets (AVA), not market value
- AVA recognizes the difference between the expected and actual return on the market value of assets over a four-year period
- Return on AVA was 6.0% in FY 2023
 - \$213 million actuarial asset loss
- \$506 million in net deferred losses
 - Will be recognized over next three years

Actuarial and Market Values of Assets



AVA is 103.0% of MVA
\$506 million in net deferred losses

Census – Actives

- Changes in active membership

	Active Headcount	Change	Annual Payroll	Change
State General	18,570	↑ 1.3%	\$1,134 million	↑ 12.6%
State Police	2,239	↓ 1.5%	\$135 million	↑ 11.3%
Municipal General	20,758	↑ 2.8%	\$1,094 million	↑ 15.2%
Municipal Police	3,645	↑ 1.0%	\$259 million	↑ 13.1%
Municipal Fire	2,643	↑ 6.0%	\$181 million	↑ 16.0%
TOTAL	47,855	↑ 2.0%	\$2,804 million	↑ 13.8%

Census – Annuitants

- Changes in annuitant membership

	Annuitant Headcount	Change	Annuitant Benefits	Change
State General	20,824	↑ 1.8%	\$631 million	↑ 2.9%
State Police	1,798	↑ 2.5%	\$62 million	↑ 3.6%
Municipal General	16,085	↑ 3.2%	\$443 million	↑ 3.7%
Municipal Police	4,228	↑ 2.8%	\$177 million	↑ 4.0%
Municipal Fire	2,281	↑ 2.9%	\$102 million	↑ 4.1%
TOTAL	45,216	↑ 2.5%	\$1,414 million	↑ 3.4%

Legislative Division

	2023 Valuation	2022 Valuation
Unfunded Liability	(\$7.7) million	(\$8.9) million
Funded Ratio	119.6%	123.5%
Member Contribution	\$1,000	\$1,000
Employer Contribution	N/A*	N/A*
Actuarially Determined Contribution (25 years)	\$1.1 million	\$1.0 million

- Decrease in the funded ratio primarily due to no contributions being made during FY2023
- If contributions are not increased, the funded status is expected to continue to decrease

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

Judges Fund

	2023 Valuation	2022 Valuation
Unfunded Liability	\$76 million	\$73 million
Funded Ratio	60.5%	61.2%
Member Contribution	10.50%	10.50%
Employer Contribution	15.00%	15.00%
Annual Appropriation	\$1.2 million	\$1.2 million
Assumed Docket Fees	\$2.5 million	\$2.5 million
Amortization Period	N/A	107 years
Actuarially Determined Contribution (25 years)	43.87%	44.01%

- Decrease in the funded ratio primarily due to asset losses on the actuarial value of assets
- Currently scheduled contributions are not expected to accumulate sufficient assets in order to pay all of the currently scheduled benefits

Magistrates Fund

	2023 Valuation	2022 Valuation
Unfunded Liability	\$30 million	\$30 million
Funded Ratio	53.1%	52.9%
Member Contribution	10.50%	10.50%
Employer Contribution	15.00%	15.00%
Annual Appropriation	\$1.2 million	\$1.2 million
Assumed Docket Fees	\$364,000	\$364,000
Amortization Period	53 years	N/A
Actuarially Determined Contribution (25 years)	49.12%	48.27%

- Increase in the funded ratio primarily due to higher rates of termination than expected among the active members during the year
- Assumed docket fees based on FY2020. Docket fees in FY2023 were \$265,000
- If future docket fees remain at their current level, the amortization period will be over 100 years.

Volunteer Firefighters Fund

	2023 Valuation	2022 Valuation
Unfunded Liability	\$(34) million	\$(31) million
Funded Ratio	167.7%	161.5%
Fire Protection Fund Contribution	\$750,000	\$750,000
Actuarially Determined Contribution (25 years)	\$0	\$0

- Increase in the funded ratio primarily due to active members accruing less service during the year than expected
- \$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
- Actuarial assumptions to be reviewed before the next valuation during the experience study



INVESTED IN TOMORROW.

Chief Investment Officer Update

Reporting: August 31, 2023

Presentation Date: October 26, 2023

Investment Principles:

- Achieve a steady, compounding return that minimizes uncompensated risk
- Focus on allocating risk
- 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:

Fiscal Year-to-Date, the Fund has experienced a decline of \$2.5 Million in its net asset value (NAV); investment gains were about \$85 Million, less paying out \$87.5 Million in benefit payments (this amount represented 36% of the monthly benefit payment).

Change in NAV (FYTD)	
as of: August 31, 2023	
July 1, 2023 Beginning Market Value	16,657,781,731
August 31, 2023 Ending Market Value	16,655,276,659
Market Value Change	(2,505,072)
FYTD Benefit Payments	(87,578,830)
Investment Gain/Losses	85,073,758

At month-end Fund held 15% of tier 1 (liquidity) assets and remains in compliance with the IPS minimum of 10%.

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

Asset Allocation			
as of: August 31, 2023	Target	Actual	Range
Global Equity	38.0%	39.0%	+/- 5%
Risk Reduction	17.0%	16.9%	+/- 3%
Credit	19.0%	18.8%	+/- 4%
Real Assets	18.0%	17.3%	+/- 4%
Multi Risk	8.0%	8.1%	+/- 4%



Implementation Update:

In August, one proposal was presented to PRISM and moved forward to receive unanimous agreement by our Portfolio Fit and Process Review Team:

- The Resolute Fund VI is a private equity fund, which will primarily target control investments and strive to create a diversified portfolio of established, well managed, profitable businesses located principally in the U.S. TJC (the manager) primarily targets the following industries: industrials, technology, telecom, power, logistics, consumer, and healthcare.

General Update:

- We are reviewing our strategic asset allocation with our new investment consultant Verus and will make recommendations at the December Investment Committee and Board meetings.
- We are unwinding the portable alpha program due to implementation costs and transparency issues.

Market Summary:

While US and International stocks started the fiscal year up on hopes central banks were done raising rates and economies were rebounding; stock markets have since begun to trade down. US bonds on the other hand started the fiscal year down and continue to trade down as investors demand more yield on longer dated bonds due to more debt issuance from the US Treasury and the biggest buyers, the Fed and banks, becoming net sellers.

On the economy, data remains mixed around whether the US will enter recession in late 2023 or early 2024. Loose fiscal policy and tight monetary policy is a tricky combination for the US, with the Fed minutes indicating the committee is still worried about inflation. However, the tight labor market, and declining inflation, points to a higher probability that the Fed might engineer a much-desired soft landing of the US economy.

Yet, credit conditions are as tight as 2008, and corporate defaults and consumer delinquencies are both rising. Less credit availability and higher interest rates will continue to be a drag on the economy. Further, most economists agree monetary policy acts with a considerable lag (18 to 24 months), and as past rate hikes continue to work through the economy a recession is not out of the question. Thus, capital markets will likely remain vulnerable in late 2023 and early 2024, and volatility will likely continue with downside risk to markets until there is more visibility into the economy.

Performance Summary:

When measuring success in implementation against key strategic goals, PERA's experience is favorable on a relative basis, while lagging on an absolute. First, long-term absolute net returns have fallen below the 7.25% assumed rate of return for most short and intermediate time periods, producing 6.51%, 5.51%, 6.36% and 6.48% for the 3-, 5-, 7-, and 10-year periods. However, when measuring long-term results, the fund remains above this targeted return producing 7.57% and 8.55% for the 30-year and since inception periods. Second, relative results have been significantly favorable, exceeding PERA's diversified Policy Benchmark across most measurable time horizon. Most notably, outpacing the benchmark by 2.77%, 1.46%, 1.07% and 0.73% for the 3-, 5-, 7- and 10-year periods, respectively; displaying strong asset allocation and manager selection attribution. Finally, when measuring PERA's portfolio against national pension peers, on an absolute and risk-adjusted basis, PERA's Sharpe Ratio or risk adjusted returns have been in the top third for most time periods.

Major 1-Year Contributors: Global Public Stock was up 14.26% net and outperformed its benchmark by 0.93%; Active US Equity was up 21.63% net, exceeding its benchmark by 8.30%; Liquid Credit was up 9.19% and outperformed its benchmark by 0.91%; Illiquid Real Assets returned 9.28% and outperformed its benchmark by 17.24%.

Major 1-Year Detractors: Domestic Core Fixed Income was down -1.66% and underperformed its benchmark by -0.47%; and Bonds Plus was down -1.51%, underperforming its benchmark by -0.32%; Liquid Real Assets was down -2.64%, although outperformed its benchmark by 0.99%; and Illiquid Real Estate was down -2.12%, although outperformed its benchmark by 0.46%.

PERFORMANCE

Performance Summary								
as of: August 31, 2023								
	MTD	3M	FYTD	1-Year	3-Year	5-Year	7-Year	10-Year
Total Fund	-0.8%	2.3%	0.5%	4.5%	6.5%	5.5%	6.4%	6.5%
Policy Index	-2.1%	3.4%	0.1%	4.8%	3.7%	4.0%	5.3%	5.7%
Value Add	1.3%	-1.0%	0.4%	-0.3%	2.8%	1.5%	1.1%	0.7%
Global Equity	-1.1%	5.2%	1.4%	8.7%	10.1%	8.7%	10.4%	9.5%
Policy Index	-2.7%	6.1%	0.7%	12.3%	6.8%	6.6%	8.8%	8.8%
Value Add	1.7%	-0.9%	0.7%	-3.6%	3.2%	2.1%	1.6%	0.7%
Risk Reduction	-0.3%	-0.5%	-0.3%	-0.6%	-3.1%	1.0%	0.7%	2.0%
Policy Index	-0.6%	-1.1%	-0.7%	-1.2%	-4.3%	0.5%	0.3%	1.5%
Value Add	0.3%	0.6%	0.4%	0.5%	1.2%	0.5%	0.4%	0.5%
Credit	0.5%	2.7%	1.8%	6.2%	5.3%	4.0%	4.4%	4.0%
Policy Index	-0.2%	3.8%	1.6%	8.4%	0.0%	2.3%	2.9%	3.5%
Value Add	0.6%	-1.0%	0.2%	-2.2%	5.3%	1.7%	1.4%	0.5%
Real Assets	-0.6%	-0.4%	-0.7%	0.9%	11.5%	6.2%	6.0%	6.0%
Policy Index	-3.5%	2.9%	-0.9%	-4.7%	8.5%	4.2%	5.1%	4.5%
Value Add	2.9%	-3.2%	0.3%	5.5%	3.0%	2.0%	0.9%	1.5%
Multi-Risk	-3.2%	-0.1%	-2.4%	0.3%	2.5%			
Policy Index	-3.2%	0.0%	-2.3%	-0.2%	2.4%			
Value Add	0.0%	-0.1%	-0.1%	0.5%	0.1%			

Risk Summary						
as of: August 31, 2023	Std Dev.	Sharpe	Beta	Alpha	IR	TE
1-Year						
Total Fund	8.0%	0.1%	0.6%	-0.3%	-0.2%	5.5%
Policy Index	13.3%	0.1%	1.0%	0.0%		0.0%
3-Year						
Total Fund	7.8%	0.6%	0.6%	3.3%	0.5%	4.7%
Policy Index	11.8%	0.2%	1.0%	0.0%		0.0%
5-Year						
Total Fund	8.1%	0.5%	0.6%	2.1%	0.2%	5.0%
Policy Index	12.4%	0.2%	1.0%	0.0%		0.0%
7-Year						
Total Fund	7.1%	0.7%	0.6%	2.2%	0.2%	4.3%
Policy Index	10.7%	0.4%	1.0%	0.0%		0.0%
10-Year						
Total Fund	6.9%	0.8%	0.7%	2.0%	0.1%	3.7%
Policy Index	9.5%	0.5%	1.0%	0.0%		0.0%

Staffing Update

- New Investment Account Manager Lesley Adams has joined PERA.

Vacancies:

- Investment Associate (Gov. Ex. FTE)



PERA

Public Employees
Retirement Association
of New Mexico

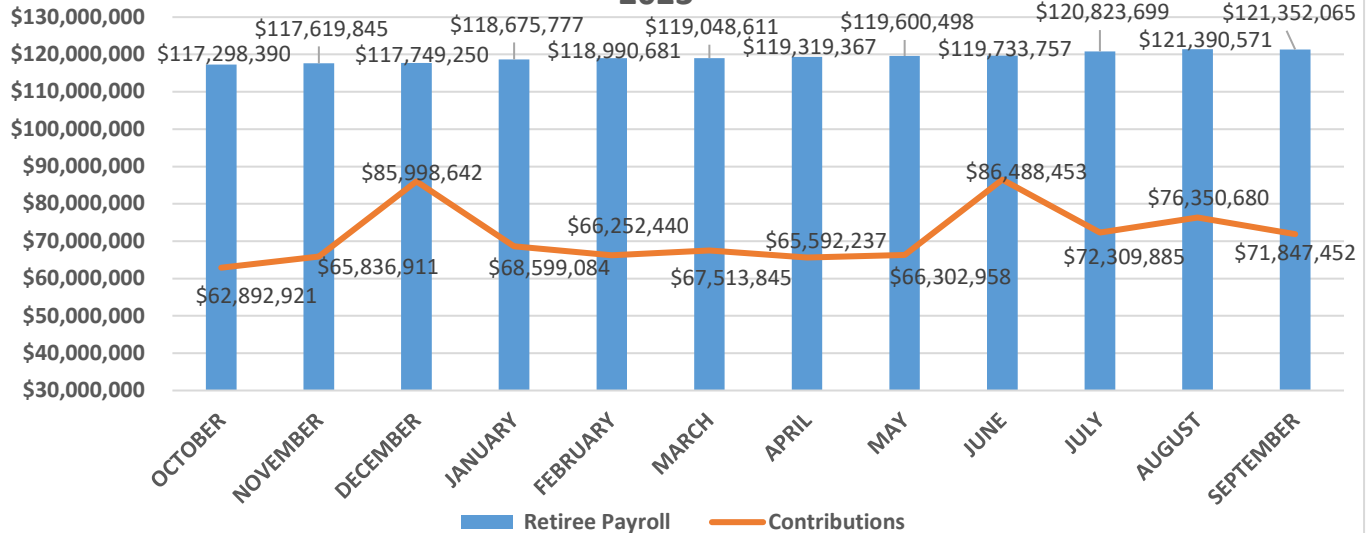
Exhibit 5

**EXECUTIVE DIRECTOR'S REPORT
PERA BOARD MEETING – October 26, 2023**

INVESTED IN TOMORROW.

Retiree Payroll vs: Total Contributions - October 2022 - September

2023

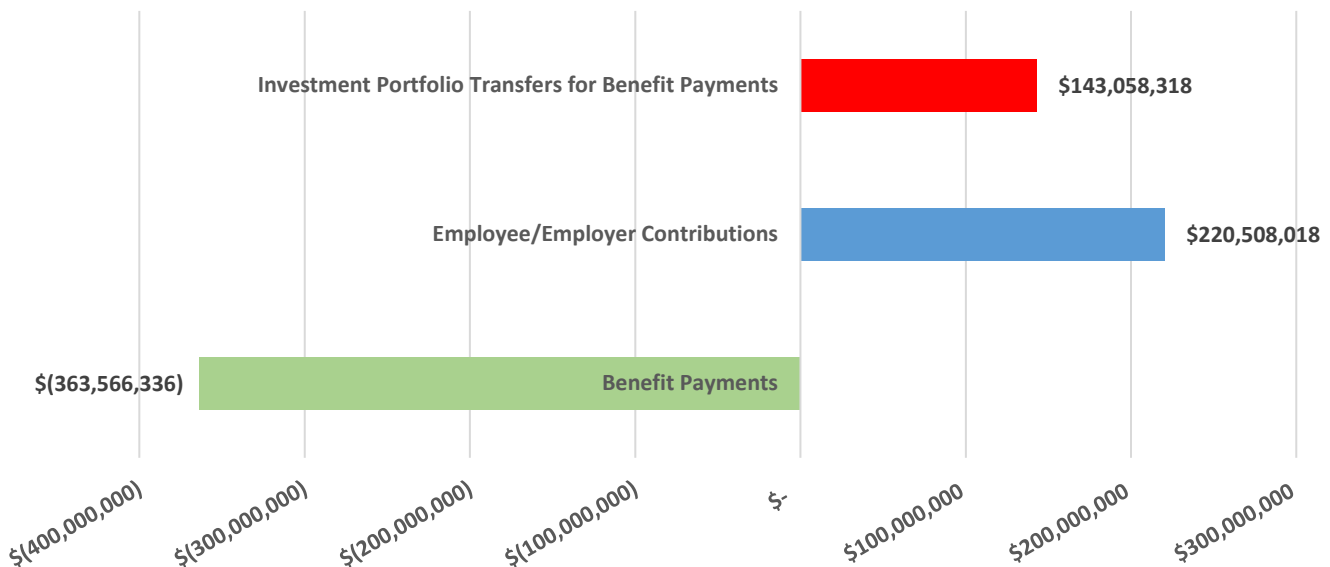


Total Retiree Payroll = \$1,431,602,511

Total Contributions: \$ 855,985,508

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

FY24 Contributions: Investment Income & Contributions thru September 2023



**** Total Refunds Paid during this period was \$14,699,903**

VACANCY REPORT			
Position	Division	Date Vacated	Status
Facility Manager	ASD	9/16/2023	Interviewing
Retirement Specialist I	Member Services	9/16/2023	Interviewing
Public Relations Coordinator-Advanced	Outreach	10/20/2023	Interviewing
Retirement Specialist II	Member Services	10/28/2023	Interviewing

PERA has 87 authorized FTE and currently has 4 vacancies.

ADDITIONS/DEPARTURES/PROMOTIONS			
Employee	Position/Division	Date Started/Vacated	Status
Victoria Chavez	Public Relations Coordinator-Advanced /Outreach	10/28/2023	Promotion
Natalie Padilla	Public Relations Coordinator-Advanced /Outreach	10/20/2023	Departure

2023 AIRTIME PURCHASES	
Plan Type	October Purchases
State Plan 3	7
Municipal Plan 1	0
Municipal Plan 2	2
Municipal Plan 3	2
Municipal Plan 4	0
Municipal Detention Plan 1	0
Municipal Fire Plan 5	4
Municipal Police Plan 3	0
Municipal Police Plan 4	0
Municipal Police Plan 5	4
State Police/Corrections Plan	<u>4</u>
TOTAL:	23

2023 AIRTIME PURCHASES	
No. of Months	October Purchases
1	0
2	1
3	0
4	1
5	0
6	2
7	3
8	4
9	1
10	0
11	0
12	<u>11</u>
TOTAL:	24

PERA SmartSave Items of Interest – September 2023		
<u>County by Region North – Peter Rappmund</u>	<u>In-Person Individual and Group Meetings</u>	<u>Virtual Individual and Group Meetings</u>
Bernalillo		4
Colfax		1
Harding		1
McKinley		1
Mora		1
Rio Arriba	2	4
San Juan	161	14
San Miguel		6
Santa Fe	32	53
Statewide	3	28
Taos		5
<u>County by Region Central - Paul Lium</u>	<u>In-Person Individual and Group Meetings</u>	<u>Virtual Individual and Group Meetings</u>
Bernalillo	71	
Cibola	18	
McKinley	4	
Torrance	8	
Valencia	2	
<u>County by Region South - Linda Miller</u>	<u>In-Person Individual and Group Meetings</u>	<u>Virtual Individual and Group Meetings</u>
Catron		1
Chaves	12	17
Dona Ana	7	39
Eddy		4
Grant		7
Lea		8
Lincoln	10	6
Luna	4	11
Otero	2	2
Sierra	5	
Statewide		11
SmartSave Assets as of 9/30/2023 - \$784,289,560		
SmartSave Participants as of 9/30/2023 – 23,415		

2023 Independent Contracts Reviews	
Entity	# of Contracts Reviewed September 2023
NM Aging & Long-Term Services Department	3
Village of Cimarron	1
NM Department of Cultural Affairs	1
NM 2nd Judicial District Attorney's Office	1
NM 9 th Judicial District Attorney's Office	1
NM Taxation & Revenue Department	1
NM Department of Health	1
NM Department of Public Safety	1
NM Administrative Office of the Courts	1
Village of Bosque Farms	1
NM State Land Office	1
NM Regulation & Licensing Department	1
Rio Arriba County (LDWI Program)	<u>1</u>
SubTotal:	15
<u>Reviewed, but "Not in Pay Status"</u>	
NM Office of the State Engineer	2
NM Office of the Superintendent of Insurance	1
NM Aging & Long-Term Services Department	1
NM Corrections Department	<u>1</u>
SubTotal:	5
Total:	20

- Securities Litigation Update: Seeking Lead Plaintiff Status – Verizon Communications Inc. Securities Class Action Litigation

I would like to make a public comment to address the unfounded accusations stated at the Annual Board Meeting dated September 28, 2023.

On the recording of the meeting, at approximately minute 20:16sec, Board member Naranjo-Lopez made the motion to remove a new business agenda item regarding the 2023 Board Election followed by her personal opinion stating that she wanted the election results denied, and then I quote "The Board Chair denied me the right under the Board Policy to have New Mexico PERA publish an article in La Voz. She unreasonable denied me once and ignored my second request. That is election tampering, that is grounds to investigate the election and the Chair's conduct, and if necessary sanction Chair Rosales-Ortiz."

And then again, she made a statement for the record at approximately minute 46:16sec after the election results were presented, opening with the previous statement and further adding that she proposed a whistleblowing article about her opponent, and the article, and requested for an investigation from a third party to whether she had a right on submitting such article, and review the election results. Member Naranjo-Lopez speaks of how things were done in the past.

As an Active contributing member, as a steward of the fund, vested as a Co-Trustee – elected by my peers, and as the Chair of the Board, I would like to state the following:

Member Naranjo-Lopez is once again being vindictive against the sitting Chair of the Board, like she usually does when she is disciplined for violating Board policies or acting in a manner inconsistent with the high standards expected as a Co-Trustee of the PERA Board.

In her statement, Member Naranjo-Lopez conveniently left out the fact that I initiated a request from ALL Board members to contribute any input on La Voz Election Edition in an email dated Sunday, June 18, 2023 with the subject line "Your input is required – DO NOT "REPLY ALL" utilizing the official email platform and the official email address assigned to me through PERA, I provided ALL Board members including member Naranjo-Lopez with the DRAFT of La Voz as it was provided to me by the staff.

Member Naranjo Lopez failed to respond to my requested or chose to ignore that timely email. I am providing such email with the headers for the record.

Member Naranjo Lopez is now blaming her failure to keep her Retiree Board elected position on me.

Actions speak for themselves, Member Naranjo-Lopez clearly lost the election. Member Naranjo-Lopez has caused the fund tens of thousands of dollars while sitting on this Board by submitting numerous IPRA requests to the extent that a new position had to be added to the Budget. That is not counting the costly increases in Risk Management fees for her lawsuits and the hundreds of hours of PERA staff at all levels to meet her sole demands. Her demand to review the election ballots will cost the PERA fund thousands of dollars for contractor hours. The results on the Retiree election speak for themselves. Maybe the retiree membership finally realized the financial damage Member Naranjo-Lopez is causing to the fund, and preventing those funds from generating a higher COLA benefit.

Thank you.

Diana Rosales Ortiz

PERA Active State Member

Roundcube Webmail :: Your input is required - DO NOT "REPLY ALL"

webmail.nmpera.org/cpsess6919976688/3rdparty/roundcube/index.php?_task=mail&_extwin=1&_uid=249&_mbox=INBOX.S...

Reply Reply all Forward Delete Print Archive Junk Mark More Previous Next

Your input is required - DO NOT "REPLY ALL"

 **From** drosalesortiz@nmpera.org

To carmijo@nmpera.org, vbarela@nmpera.org, pfisher@nmpera.org, tgarcia@nmpera.org, lharanjolopez@nmpera.org, fpage@nmpera.org, sragin@nmpera.org, rramirez@nmpera.org, aromero@nmpera.org, laura.montoya@sto.nm.gov, 1 more...

Bcc Drosalesortiz <drosalesortiz@nmpera.org>, lawgirl505@aol.com, vbarela16@gmail.com, paula.fisher@cyfd.nm.gov, tonygarcia2217@gmail.com, ljlopez@msn.com, sirknightacepage@hotmail.com, sragin@bernco.gov, robram505@gmail.com, augustineromero@cabq.gov

Date 2023-06-18 17:20

 Summary  Headers  Plain text

 Election Edition_2023_mailing.pdf (~414 KB) ▼

Good afternoon Board members -

Your volunteer service in the PERA Board is sincerely appreciated. It takes time from your personal and work schedule to fulfill the duties of the Board. As such, your feedback is requested for the PERA LaVoz newsletter Elections edition which will be going out within the next few weeks.

Attached please find the DRAFT as it was provided to me by the staff. Please review and provide your input by no later than Wednesday, June 21st by COB (5:00pm MST). In the same manner, should you decide NOT to provide any input, please indicate so in your response.

To submit your response, please use the "REPLY" feature of the email to me only and I will consolidate in the best manner possible your feedback.

With gratitude for your support and service,

Chair Diana Rosales Ortiz