

**NEW MEXICO
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

REQUEST FOR PROPOSALS (RFP)

FOR

**INVESTMENT CONSULTATION SERVICES
457(b) DEFERRED COMPENSATION PLAN**



RFP NO. NM DC-001-FY23

May 3, 2023

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PART I. INTRODUCTION AND GENERAL INFORMATION

The Public Employees Retirement Association of New Mexico (PERA) operates under the authority of the Public Employees Retirement Act, NMSA 1978, Sections 10-11-1 to 10-11-142, as amended, the Volunteer Firefighters Retirement Act, NMSA 1978, Sections 10-11A-1 to 10-11A-7, as amended, the Judicial Retirement Act, NMSA 1978, Sections 10-12B-1 to 10-12B-19, as amended, the Magistrate Retirement Act, NMSA 1978, Sections 10-12C-1 to 10-12C-18, as amended, and the Public Employees Reciprocity Act, NMSA 1978, Sections 10-13A-1 to 10-13A-4, as amended.

In conjunction with these duties, the New Mexico Legislature approved implementation of a Deferred Compensation Plan (Plan) for participation by state and local public employees. The Plan was established in 1981 and derives its statutory authority from NMSA 1978, Sections 10-7A-1 through 10-7A-12. A copy of the New Mexico Deferred Compensation Act is included at Appendix G of this Request for Proposals (RFP).

A. Purpose of RFP

The purpose of this Request for Proposals is to invite responsible Offerors to submit competitive sealed proposals to provide investment consultation services to the PERA Board on behalf of the Plan. Offerors interested in providing these services cannot be an existing or future product provider of investment options available to participants in the PERA Deferred Compensation Plan.

This RFP is governed by PERA Procurement Policy for Investment-Related Services for the Deferred Compensation Plan (PERA Procur Policy) which can be found at: <https://www.nmpera.org/investments/policies/>. This RFP may be cancelled and any and all proposals may be rejected in whole or in part when it is in the best interests of PERA. This RFP shall not be modified except by written amendment, in accordance with the procedures set forth in the PERA Procur Policy. In no event shall PERA be responsible for any costs of an Offeror incurred in the preparation, submission or modification of a proposal, or for costs incurred for travel to Santa Fe, New Mexico to make an oral presentation or to participate in contract negotiations; or for Offeror's expenses in connection with a due diligence visit by PERA. PERA shall pay PERA's expenses associated with a due diligence visit.

B. Plan Summary

IRC Section	457(b)
Deferrals	Fixed dollar amount of at least \$10 per pay-period, up to allowable limits
Employer Contributions	None
Vesting Schedule	100% full and immediate
Annual Participant Recordkeeping Fee	\$40 + .135% of balance capped at \$104
Periodic PERA SmartSave Administrative Fee	\$2.96

Core Investment Options (Funds to which participants can direct current contributions)

Vanguard Real Estate Index Fund
Vanguard Total Bond Index Fund
Vanguard Institutional Index Fund
Vanguard TIPS Fund
Vanguard Total International Stock Index Fund
Fidelity Small Cap Fund
Fidelity Emerging Markets Index Fund
Dodge & Cox Stock Fund
Fidelity Diversified International Fund
American Funds EuroPacific Growth Fund
Principal MidCap Fund
T. Rowe Price Mid Cap Growth Fund
Fidelity Low-Priced Stock Fund
Wellington Emerging Market Debt Fund
Principal Diversified Real Asset Fund

New Mexico
Stable Value Fund

Galliard Capital Management

Asset Allocation -
Target Date Funds:

Conservative LifeCycle Portfolio
LifeCycle Portfolios: 2025, 2030, 2035, 2040, 2045, 2050, 2055, 2060

In-Service Withdrawals

Yes, if:

- unforeseeable emergency as defined under IRC Section 457b
- account is \$5,000 or less and no contributions or deferrals were made in the last two (2) years.
- if participant is age 59½

Loans

Yes, one loan permitted at any given time

Self-directed Brokerage Option

Yes, via Schwab Personal Choice Account®

Optional Investment Advisory
Services

Yes, through recordkeeper via Financial Engines; or through recordkeeper managed account options, at an additional fee

C. Plan Eligibility and Participation

The Plan is a voluntary, supplemental 457b Plan offered to PERA's approximately 63,480 eligible employees. There are 258 state and local governments, all state agencies that participate in the Plan. As of 03/31/2023 there are 23,281 participants.

D. Plan Assets

A listing of the amount of Plan assets by investment option, percentage of assets and number of participants in each option, is provided in Appendix H of this RFP.

PART II. SUBMISSION OF PROPOSALS AND TIMETABLE

A. General Information

In order to be considered, all proposals must be received by Karyn Lujan, Deferred Compensation Plan Manager, the Procurement Manager for this RFP, no later than 3:00 p.m., Mountain Daylight Time, on June 16, 2023.

Proposals shall be submitted via email to: PERA-SmartSave@state.nm.us. Proposals shall not be opened publicly and shall not be available for public inspection until after contract award. All proposals shall become the property of PERA. As required by the PERA Investment Procurement Policy, PERA shall have no responsibility or obligation to accept responses to this RFP that are not submitted in accordance with the solicitation or to provide for redelivery of the same.

Any proposal received by PERA after the time and date established for receipt of proposals shall be considered late. Such late proposals can only be considered under very limited circumstances, in accordance with the provisions of the PERA Procur Policy.

A proposal may be withdrawn or modified prior to the time and date established above for PERA's receipt of proposals, in accordance with the requirements of the PERA Procur Policy. Any withdrawal, or modification of proposal received after the established time and date for delivery of proposals to PERA shall be considered late. Offerors shall bear in mind that such late withdrawals or modifications can only be considered under very limited circumstances, in accordance with the provisions of the PERA Procur Policy.

B. Timetable For The Procurement

PERA intends that the following schedule govern the procurement under this RFP. However, the exact dates for items No. 5-9 shall be set at PERA's discretion without the need to amend the RFP.

<u>Action</u>	<u>Responsibility</u>	<u>Date</u>
1. Release of RFP	PERA	05/03/23
2. Return Acknowledgment of Receipt Form (Appendix A) and Deadline for Submission of Written Questions	Offerors	05/19/23
3. Response to Written Questions	PERA	05/26/23

4. Deadline for Submission of Proposals	Offerors	06/16/23
5. Evaluation of Proposals and Selection of Finalists	Evaluation Committee	To be set
6. Oral Presentations of Finalists	Evaluation Committee	To be set
7. On-site Due Diligence (if any)	PERA	To be set
8. Contract Award Recommendation	PERA SmartSave Committee	To be set
9. Contract Award	PERA Board	08/31/23
10. New Contract Effective Date		10/01/15

C. Delivery Information

1. Release of RFP. The RFP will be released on May 3, 2023. The website link of the RFP page will be provided only to PERA's contact list of potentially interested firms or to firms that submit a request to Karyn Lujan, Deferred Compensation Plan Manager, by email to PERA-SmartSave@state.nm.us. Notice shall also be made as required by the PERA Procur Policy.
2. Return of Acknowledgment of Receipt Form (Appendix A) and Offerors Submission of Written Questions. Offerors who intend to respond to the RFP should complete, sign, and deliver the Acknowledgment of Receipt Form to PERA by 3:00 p.m. Mountain Daylight Time, on Friday, May 19, 2023. Offerors must address their Acknowledgment of Receipt Form (Appendix A) to Karyn Lujan, Deferred Compensation Plan Manager, by email to PERA-SmartSave@state.nm.us.

Offerors may submit written questions to PERA concerning this RFP, no later than 3:00 p.m., Mountain Daylight Time, on Friday, May 19, 2023. Offerors must clearly label their questions by referring to the appropriate section and/or paragraph and page of the RFP that is related to the Offeror's particular question. PERA is not obligated to answer questions received after the deadline stated above. Offerors must address their written questions to Karyn Lujan, Deferred Compensation Plan Manager, by email to PERA-SmartSave@state.nm.us.

NO ORAL OR WRITTEN QUESTIONS CONCERNING THIS RFP SHALL BE DIRECTLY ADDRESSED BY OFFERORS OR POTENTIAL OFFERORS TO ANY OTHER MEMBER OF THE PERA STAFF OR TO PERA BOARD MEMBERS UNTIL CONTRACTS HAVE BEEN AWARDED AND THE PROTEST PERIOD HAS EXPIRED. AN OFFEROR'S FAILURE TO COMPLY WITH THIS RESTRICTION MAY RESULT IN DISQUALIFICATION OF THE OFFEROR.

DURING THE PROCESS LEADING TO AN AWARD OF ANY CONTRACT BY PERA, NO MEMBER OF THE BOARD OR PERA EMPLOYEE SHALL KNOWINGLY COMMUNICATE CONCERNING ANY MATTER RELATING TO THE CONTRACT OR SELECTION PROCESS WITH ANY PARTY FINANCIALLY INTERESTED IN THE CONTRACT, OR AN OFFICER OR EMPLOYEE OF THAT PARTY, UNLESS THE COMMUNICATION IS: (1) PART OF THE PROCESS EXPRESSLY DESCRIBED IN THE REQUEST FOR PROPOSAL OR OTHER SOLICITATION INVITATION; OR

(2) PART OF A NOTICED BOARD MEETING; OR (3) AS PROVIDED BELOW. ANY APPLICANT OR BIDDER WHO KNOWINGLY PARTICIPATES IN A COMMUNICATION THAT IS PROHIBITED BY THIS PARAGRAPH SHALL BE DISQUALIFIED FROM THE CONTRACT AWARD.

THE PROCEDURES AND PROHIBITIONS PRESCRIBED BY THIS SECTION SHALL NOT APPLY TO: (1) COMMUNICATIONS THAT ARE INCIDENTAL, EXCLUSIVELY SOCIAL, AND DO NOT INVOLVE PERA OR ITS BUSINESS, OR THE BOARD OR PERA EMPLOYEE'S ROLE AS A PERA OFFICIAL; OR (2) COMMUNICATIONS THAT DO NOT INVOLVE PERA OR ITS BUSINESS AND THAT ARE WITHIN THE SCOPE OF THE BOARD OR PERA EMPLOYEE'S PRIVATE BUSINESS OR PUBLIC OFFICE WHOLLY UNRELATED TO PERA."

3. Response to Written Questions. PERA will provide responses to all Offerors' written questions by 3 pm MT on May 26, 2023. All responses will be posted to PERA's website, <https://www.nmpera.org/financial-overview/rfps/>. No posted response shall be construed as a modification of the RFP unless PERA amends the RFP in accordance with the PERA Procur Policy. Nothing stated by PERA orally or in writing shall operate to amend this RFP unless such statements are reduced to a written amendment in accordance with the regulations noted above.
4. Deadline for Submission of Proposal. Proposals must be submitted to and received by PERA, no later than 3:00 p.m. Mountain Daylight Time, June 16, 2023. (See Part VII)
5. Evaluation of Proposals and Selection of Finalists. The evaluation of proposals and selection of finalists is more fully described in Part V of this RFP and will commence on a date to be set.
6. Oral Presentations by Finalists. Finalists may be requested to make oral presentations to the Evaluation Committee on a date to be set. PERA may require additional hard copies of the proposal from Offerors selected for oral presentation. The oral presentations shall include a question and answer period. Limited visual aid equipment associated with oral presentations may be supplied by PERA. PERA shall not be responsible for any costs or expenses incurred by an Offeror to travel to Santa Fe, New Mexico to make an oral presentation.
7. On-site Due Diligence. At PERA's discretion, PERA Board members, PERA staff, or other PERA representatives may make on-site due diligence visits to the offices of Finalists. PERA will pay for its own travel related expenses and finalists shall not pay for any of PERA's expenses incurred or associated with an on-site due diligence visit. Finalists are responsible for any on-site related expenses they incur.
- 8-9. Contract Recommendation and Award. The RFP evaluation committee intends to make the contract award recommendation to the PERA SmartSave Committee on a date to be set; and the PERA Board intends to make the contract award at its regularly scheduled meeting on August 31, 2023, subject to satisfactory completion of a due diligence visit by PERA, if appropriate, and further subject to negotiation of a final contract on terms acceptable to PERA.

PART III. SCOPE OF SERVICES TO BE PROVIDED

PERA wishes to retain investment consultation services for the State of New Mexico Deferred Compensation Plan. The Offeror selected shall be a fiduciary to PERA and the PERA Board and shall be subject to the indemnification and other provisions of Appendix E to the RFP. The scope of work covers each year of the contract.

As further described in Appendix E, Form of Professional Services Agreement, such services include, but are not limited to:

Investment Policy Recommendations

- Review and make recommendations regarding the written investment policy guidelines for the Plan. These guidelines shall include, but not be limited to, new core investment options, on-going fund performance standards applicable to each fund category and the criteria for selection and de-selection of funds. A copy of the Investment Policy Statement is included at Appendix I of this RFP.
- Present findings and recommendations in a written report to be presented periodically during regularly a scheduled meeting time and place of the PERA Board or staff.
- Present a preliminary report of findings and recommendations to PERA staff.
- Periodically assess current participant fee structure and provide recommendations for potential fee restructuring based on industry trends and the best interest of the Plan and its participants.

On-going Performance Monitoring

- Conduct on-going performance monitoring. Performance measurement must have specific reference to each fund's objectives, selected comparison indices and peer group universes.
- Provide a written quarterly performance review. Measurement periods should be at least 1, 3, and 5 years. Present the written quarterly performance review to the PERA Board at one of its regular meetings at least once a quarter or as determined by PERA.
- Notify PERA immediately of any changes in firm organization, fund management style and personnel, including changes in fund investment guidelines, as well as detailed attribution for fund performance results and make recommendations that might affect the future performance of core investment options in the Plan.

Investment Fund Selection Process

- Assist PERA with the process of selecting any new or replacement funds needed as the result of fund performance monitoring and evaluation.
- Assist PERA with the process of selecting a stable value fund manager during the normal PERA RFP process, which includes preparation of proposal, evaluation of responses, meeting with PERA to select finalists, conducting finalist interviews and negotiating contracts and agreements.

Ad-hoc Consulting

- Provide requested ad-hoc consulting services.
- Provide PERA Board and staff with informational and educational sessions on topical investment issues affecting deferred compensation plans.
- Assist PERA with RFP evaluation of Plan administrator.

Asset Allocation Portfolios

- In consultation with the PERA Board, CIO and the Plan Manager, compose, evaluate and periodically rebalance custom asset allocation portfolios, currently comprised of most of the Plan's existing core investment options from which participants may choose in order to simplify their asset allocation decisions.

PART IV. MINIMUM QUALIFICATIONS

Each Offeror must certify that it meets all of the following minimum qualifications. In order to so certify, Offerors shall complete, sign, and submit all forms required by this RFP, including Appendix B, Company Questionnaire; Appendix C, Minimum Qualifications Compliance; Appendix D, Cost Proposal Form; and Appendix F, Warranties. In addition, Offerors shall provide all information and attachments called for by Appendices B, C, D, and F. (Also see Part VII, Form of Proposal, for additional instructions.)

FAILURE TO MEET AND CERTIFY TO THE FOLLOWING SHALL RESULT IN THE REJECTION OF THE PROPOSAL FOR NONRESPONSIVENESS:

- A. Offeror must be an SEC-registered investment advisor or exempt from registration; please explain your exemption from registration, if applicable. (Offerors shall respond to question A in Appendix C. Offerors must be prepared to submit Form ADV, Parts I and II, if selected as a Finalist.)
- B. The Offeror has provided the subject product to a U.S. tax exempt client for a minimum of five years prior to the date that proposals are due under the RFP.
- C. The Offeror has at least three (3) major public retirement plan clients at the state, city, or county level. A major public retirement plan client is as one whose:
 - Defined benefit plan assets exceed \$1 billion, or
 - Defined contribution plan assets exceed \$250 million.

(Offerors shall respond to question C in Appendix C.)

- D. Offerors must have positive net worth as of the date of its proposal and shall maintain a positive net worth for the duration of any contract entered into with PERA. The Offeror must respond to Item D in Appendix C and provide its audited financial statement as of December 31, 2022, or more recently if available, as required by such question. Firms that do not provide this information will not meet the minimum qualification requirements of this RFP and will be disqualified without further consideration. Offerors shall note that no exceptions will be made for

providing this information conditioned upon being selected as a finalist. If confidentiality is requested, the Offeror must include in its response to this RFP such confidentiality request in writing. (See Part VII, Paragraph E of the RFP, for instructions on confidentiality requests.)

- E. Offeror agrees to incorporate the warranties contained in Appendix F into any contract entered into as a result of a contract award made under this RFP. (Offeror also shall respond to question E in Appendix C, and must complete, sign, and attach the form at Appendix F, pertaining to warranties.)
- F. Investment advisory and consultation services are a primary source (i.e., at least 50%) of revenue for the Offeror. (Offerors shall respond to question F in Appendix C.)
- G. The Offeror warrants that it currently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of services required under any professional services agreement entered into by PERA and the Offeror. (Offerors shall respond to question G in Appendix C and should review Paragraph 12, Conflict of Interest of Appendix E to the RFP.)
- H. The Offeror warrants that it agrees to the terms, conditions and warranties contained in Appendix E. Any exceptions to Appendix E must be included in the proposal, as well as any proposed language.

PART V. EVALUATION OF PROPOSALS

Contract award shall be made to the responsible Offeror whose proposal is most advantageous to PERA, taking into consideration the applicable evaluation factors set forth below. Please note, however, that the listing of fees as an evaluation factor does not require PERA to select the Offeror with the lowest fee proposal.

Proposals will be evaluated on the basis of their written responses to this Proposal. Additional written information as requested and oral interviews, if any, will be considered against criteria that include the following evaluation factors:

- Offeror's background, general description and organizational structure.
- Offeror's investment philosophy and analytic procedures.
- Offeror's experience in providing investment advisory consultant services, which includes consideration of references and experience with public sector participant-directed defined contribution plans.
- Fees. (see appendix D)
- Delivery of client services.

The evaluation of proposals and selection of finalists will be conducted by an evaluation committee comprised of staff and at least one Board member appointed by the PERA Board Chair. However, any PERA Board member will be allowed to attend and participate as a committee member in any proceedings, meetings, and deliberations of the evaluation committee, including but not limited to oral presentations of the Finalists and preparation of the final evaluation report.

Proposals that are nonresponsive because of the failure to meet the minimum qualifications (See Part IV) or otherwise shall be eliminated from further consideration. The evaluation committee shall rank the proposals in accordance with the evaluation criteria and select the highest ranked proposals as Finalists.

Finalists may be requested to make oral presentations to the evaluation committee. The final contract award shall be made by the PERA Board, subject to such conditions as the PERA Board deems appropriate.

PART VI. CONTRACTUAL REQUIREMENTS

The Agreement between PERA and the successful Offeror shall contain substantially the terms and conditions in the sample contract attached to this RFP at Appendix E, as well as the Offeror's fee proposal, including the best and final offer, if applicable. Included in Appendix E is an outline of many of the activities that the Investment Consultant will be required to provide as part of its contract for services. Any exceptions an Offeror has to these services or any of the terms contained in Appendix E must be provided in your company's proposal. Your proposal must include any alternative language proposed for inclusion in Appendix E. **Failure to include exceptions to and proposed language for Appendix E may result in no deviation by PERA from Appendix E as currently written.** Any additional terms and conditions that PERA may accept, in PERA's sole discretion, will be incorporated into any final contract. The contract also shall incorporate the warranties that appear at Appendix F.

While Offerors may suggest additional contractual terms and conditions, PERA may not accept any terms and conditions that change the terms and conditions set forth by PERA in the sample contract attached hereto at Appendix E. Any additional terms and conditions that PERA may, at PERA's sole discretion, accept will be incorporated into any final contract.

No contract between the Offeror and PERA shall be effective or binding until approved in writing by PERA. The term of any contract shall be for eight (8) years and is intended to commence on or about October 1, 2023.

PERA may, in its sole discretion, conduct discussions or negotiations with Offerors, in accordance with the requirements of the PERA Procur Policy. It should be clearly understood, however, that PERA reserves the right to accept proposals and make contract awards without conducting such discussions or negotiations. Furthermore, as a condition of submitting a proposal, all Offerors shall agree to provide the services required by this RFP and to adhere to all the requirements, specifications, terms, and conditions of this RFP. For these reasons, PERA strongly recommends that Offerors review the RFP with their corporate counsel in advance of submitting a proposal. (Also see Part VII, Form of Proposal and page 1 of Appendix B, Company Questionnaire.)

If PERA elects to conduct discussions or negotiations with Offerors, PERA may establish a common date for submissions of best and final offers, if appropriate. Offerors shall bear any and all costs incurred by them in the conduct of any discussions or negotiations, including travel to New Mexico, if requested by PERA. Any additional terms and conditions which may be the subject of negotiation will be discussed only between PERA and the Offeror who suggests them and shall not be deemed an opportunity to amend the Offeror's proposal in any other respect.

PART VII. FORM OF PROPOSAL

Offerors shall submit one (1) electronic copy of their proposal by email to PERA-SmartSave@state.nm.us with subject line:

**SEALED PROPOSAL
INVESTMENT CONSULTANT SERVICES PROCUREMENT
RFP NO. NM DC-001-FY23**

Each proposal submitted in response to this RFP must be organized and submitted in the format described below, using the applicable forms attached hereto and following the instructions in such forms. All proposals must be able to be printed/formatted on standard 8½ x 11 paper. Within each section of the proposal, Offeror should address the items in the RFP in the order in which they appear in the RFP. Furthermore, for each form that is required to be attached, each question should be repeated in its entirety before the answer. Proposals should stress completeness, clarity, and succinctness.

ANY PROPOSAL THAT DOES NOT STRICTLY ADHERE TO THE FOLLOWING FORMAT AND DOES NOT ADDRESS EACH SPECIFICATION AND REQUIREMENT WITHIN THE RFP AND THE APPLICABLE FORMS MAY BE DEEMED NONRESPONSIVE:

- A. Each proposal shall contain an index or table of contents near the front of the proposal, listing the materials submitted in the proposal.
- B. Offerors shall complete, sign and attach to the proposal Appendix B (the Company Questionnaire), Appendix C (Minimum Qualifications Compliance), Appendix D (Cost Proposal Form), and Appendix F (Warranties). Page 1 of the Company Questionnaire must be signed by a signatory with the authority to bind the Offeror and contain the following statement appearing on Page 1 of the Company Questionnaire: “By signing this Company Questionnaire, through the undersigned representative who has the authority to bind the Offeror, and by submitting a proposal in response to RFP NO. NM DC-001-FY23, Offeror agrees to perform the services required by such RFP and to adhere to all requirements, specifications, terms and conditions of the RFP.” (Offerors must be prepared to submit Form ADV, Parts I and II, if selected as a Finalist.)
- C. Any proposals not bearing the appropriate signatures on Appendix B, C, D, and F, referenced above, will not meet the minimum qualifications requirements of the RFP and will not be considered further in the evaluation process.

Offerors may also include the following in their proposals:

- D. The Offeror may attach such other supplementary material as it sees fit to explain its proposal and any additional contractual terms and conditions that the Offeror may suggest. (See Part VI)
- E. Offerors may request in writing the nondisclosure of confidential information contained in the proposal. Such confidential information shall be clearly marked and identified and shall be easily separable from the proposal in order to facilitate any eventual public inspection of the non-confidential portions of the proposal. After contract award, each proposal, except those portions for which the Offeror has made a valid written request for confidentiality, shall be open to public inspection. PERA reserves the right to review the appropriateness and validity of a request for confidentiality. PERA also reserves the right to request that any Offeror provide a redacted copy of the proposal to facilitate public inspection at no additional cost to PERA.

ACKNOWLEDGMENT OF RECEIPT FORM

The undersigned firm hereby acknowledges that it has received a complete copy of the above-referenced RFP for Investment Consultation Services for the New Mexico Deferred Compensation Plan, which begins with a cover page and ends with Appendix I.

THIS FIRM INTENDS AT THIS TIME TO RESPOND TO RFP NO. NM DC-001-FY23.

This Acknowledgment of Receipt Form should be completed, signed and returned to the Procurement Manager (see below) by 3:00 p.m., Mountain Daylight Time, on May 19, 2023.

FIRM: _____

REPRESENTED BY: _____

TITLE: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

FAX NUMBER: _____

PHONE NUMBER: _____

EMAIL ADDRESS: _____

SIGNATURE: _____ DATE: _____

RETURN THIS FORM TO VIA EMAIL TO: **PERA-SmartSave@state.nm.us**

REQUEST FOR PROPOSALS
FOR INVESTMENT CONSULTATION SERVICES
457(b) DEFERRED COMPENSATION PLAN

SIGNATURE PAGE AND COMPANY QUESTIONNAIRE

FIRM/OFFEROR NAME: _____

ADDRESS: _____

TELEPHONE #: _____

FACSIMILE #: _____

EMAIL ADDRESS: _____

FEDERAL EMPLOYER IDENTIFICATION #: _____

NEW MEXICO TAX # (if any): _____

CONTACT PERSON FOR PROPOSAL:
(Name and Title) _____

BY SIGNING THIS COMPANY QUESTIONNAIRE, THROUGH THE UNDERSIGNED REPRESENTATIVE WHO HAS THE AUTHORITY TO BIND THE OFFEROR, AND BY SUBMITTING A PROPOSAL IN RESPONSE TO RFP NO. NM DC-001-FY15, OFFEROR AGREES TO PERFORM THE SERVICES REQUIRED BY SUCH RFP AND TO ADHERE TO ALL REQUIREMENTS, SPECIFICATIONS, TERMS AND CONDITIONS OF THE RFP.

SIGNED BY: _____

Name (print): _____

Title: _____

Date: _____

A. COMPANY BACKGROUND, GENERAL DESCRIPTION AND ORGANIZATIONAL STRUCTURE

1. Indicate your firm's fiduciary classification:

_____	Bank
_____	Insurance Company
_____	Registered Investment Advisor (Investment Advisors Act of 1940)
_____	Affiliate of Fiduciary (Name & Classification): _____
_____	Other: _____

2. Give a brief history of the firm, including, but not limited to:

- the month and year of SEC 1940 Act registration,
- the month and year the firm began offering investment consulting services to tax-exempt clients.

3. Please describe the ownership of the firm, including but not limited to:

- ownership structure,
- affiliated companies or joint ventures,
- if an affiliate, designate percent of parent firm's total revenue generated by your organization,
- if the firm is a joint venture partner, identify the percentage of ownership and revenues recognized by each partner to the combined association.

4. Provide an organizational chart diagramming the relationships between the professional staff as well as the parent-subsidary, affiliate, or joint venture entities.

5. List the total number of persons employed by discipline, and also provide a separate breakdown of the numbers involved in investment consulting services.

6. Please provide the location and function of each of your firm's offices:

<u>Location</u>	<u>Function</u>	<u>No. of Professionals</u>
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7. Please provide details on the financial condition of your firm. The most recent annual reports filed with the SEC will be acceptable, but any recent material changes should be included. Indicate revenue, expenses, and net income for 2020, 2021, and 2022 (if available).

8. Describe the levels (U.S. dollar amounts) of coverage for SEC-required (17g-1) fidelity bonds, errors and omissions coverage and any other fiduciary coverage, which your firm carries. List the insurance carriers supplying the coverage.
9. Discuss the overall business objectives of your firm with respect to future growth. Comment on any present or planned areas of emphasis over the near future. Be sure to include in your response by product (including the subject product):
 - total number of clients which will be accepted;
 - future staffing requirements as it relates to growth.
10. Over the past five years has your organization or any of its affiliates or parent, or any officer or principal, been involved in any business litigation, regulatory or legal proceedings? If so, provide an explanation and indicate the current status.
11. Describe any potential conflicts of interest your firm may have in the handling of this account. Describe any and all services provided to investment management organizations. If your firm or its parent or affiliate is an investment manager, does your firm include this manager in manager searches it conducts for clients? What are your reasons for this approach? (Offeror should review Part IV of the RFP and Paragraph 12, Conflict of Interest of Appendix E to the RFP.)
12. Describe the material developments in your organization (changes in ownership, personnel, business, etc.) over the past three years.
13.
 - a. List all principal officers, consultants, and client service officers involved with the subject product and provide appropriate biographical information. Highlight the person(s) who would be responsible for this account. Also indicate whether the individual has responsibilities for services other than the subject product. This information must be provided in the following format:

<u>Name</u>	<u>Title</u>	<u>Responsibilities</u>	<u>Total Years of Experience</u>	<u>Years with Firm</u>	<u>Education:</u>		
					<u>School</u>	<u>Degree</u>	<u>Year</u>
 - b. Provide no more than a one page biographical summary on each of the key professionals in the subject product.
 - c. Include an organizational chart of your consulting unit.
14. Provide a brief description of your firm's compensation arrangements for senior management including incentives, profit sharing, and other bonuses.
15. Provide detail on the professional staff and senior personnel that have left your firm during the past three years. Include the position/function, date terminated, reason (voluntary/involuntary) and indicate if the position was refilled.
16. Describe your firm's backup procedures in the event the key consultant professional assigned to this account should leave the firm or be transferred to other accounts or duties.

17. Please describe your hiring procedures for client consultants and analysts.
18. What specific incentives are employed to ensure key professionals/staff do not leave the firm either as a group or individually? Does staff participate in equity ownership?
19. What policies are in effect to control workload? Is there a limit on the number of accounts a consultant may handle?

B. INVESTMENT PHILOSOPHY AND ANALYTIC PROCEDURES

20. Please describe your investment consulting philosophy as it applies to participant-directed defined contribution plans, particularly plans of public sector sponsors. Include the approach to the development of a plan-appropriate investment offering, an investment policy and ongoing performance measurement and monitoring. Please address the decision-making process and the titles and responsibilities of the various individuals involved at each stage of the process.
21. How does your firm implement this philosophy?
22. How would you implement this philosophy with respect to PERA's DC Plan?
23. Plan assets are currently invested in products offered by mutual funds. What services are your firm's special strengths?
24. Summarize your firm's philosophy relating to the investment advisor's relationship with governing boards (i.e., PERA), staff, investment providers, etc. Describe any services your firm provides that might not be offered by other investment advisory firms.
25. Performance Measurement Analytics
 - a. Describe briefly your performance measurement and analytics process.
 - b. Does your firm's performance measurement methodology conform to Association for Investment Management & Research (AIMR) guidelines and/or Investment Management Consultants Association's (IMCA) Performance Reporting Standards?
 - c. What publicly available databases do you use? What type of custom reporting capabilities can you provide?
 - d. Do you provide universe comparison services based on internally developed universes, an outside universe, or both? What is the source of performance data for your universe comparison?
 - e. Describe the performance attribution services you offer. Is it based on internally captured information, or do you subscribe to an outside vendor's service? Is performance attribution available for both equity and fixed income funds?

26. Investment Policy

- a. Describe your experience and approach in developing investment policy and objectives for a participant-directed defined contribution plan.
- b. Describe your process for analyzing a plan's investment structure and for recommending modifications.
- c. Describe the way you assist participant-directed defined contribution plans in monitoring investment policy, strategy, and asset mix.
- d. What does your firm consider to be the most crucial issues regarding an investment policy for a participant-directed defined contribution plan?

27. Manager Search

- a. Describe your experience and capabilities in conducting searches for other mutual fund managers as well as a stable value fund manager.
- b. Explain your view on alternative assets in DC plans. Describe your experience and capabilities in conducting searches for alternative assets in deferred compensation plans.
- c. How many searches have been conducted for clients with more than \$250 million in assets during calendar years 2021 and 2022?
- d. Do you maintain your own database? How many funds/managers do you track?
- e. What criteria do you use in evaluating funds and managers? How do you verify information?
- f. How often are managers in your database visited, reviewed, or their data updated?
- g. What fees or other considerations do you receive from managers who wish to be maintained in your database?

28. Stable Value Services

- a. Describe your methodology for analyzing and monitoring the diversification or allocation of assets in a stable value fund.
- b. Describe the approach and benchmarks used to compare and evaluate stable value fund performance.
- c. Describe your approach for selecting/recommending other stable value fund options such as money market funds, cash equivalents, and/or other comparable products.

29. Asset Allocation Portfolio Models

- a. Describe your methodology for establishing progressively more aggressive portfolio models composed of existing investment options in the Plan.
- b. Describe your methodology for analyzing and monitoring the diversification or allocation of assets in asset allocation portfolio models.
- c. Describe the approach and benchmarks used to compare and evaluate the funds used in each model and the methodology for rebalancing the asset allocation portfolio models.

C. INVESTMENT ADVISORY CONSULTANT SERVICES EXPERIENCE AND REFERENCES

30. Provide the sponsor name, address, phone number, contact name, and title for five references that are currently using your investment advisory services. For each reference, detail the investment advisory services performed for these references in relation to the six tasks as described in the Scope of Services to be Provided (Part III of the RFP). These plans should be participant-directed defined contribution plans, preferably governmental IRC Section 457 plans. Also indicate the length of your relationship and amount of plan assets for each reference.
31. Identify all clients that have terminated investment advisory and consultant services with your organization over the past three years. Provide the firm name, contact person and title, phone number, fund account value, and reason for termination.

D. FEES

All proposed fees relating to this RFP must be stated in a signed, completed Appendix D, Cost Proposal Form.

E. DELIVERY OF CLIENT SERVICES

32. Which of your firm's offices would service this account? What services would specifically be provided by which office?
33. Who will be the client service officer or consultant? How often could this person be available for client meetings?
34. Provide samples of client reports and indicate their frequency.
35. How soon after the end of the period will you provide performance evaluation reports for the Plan's funds?
36. What other communication is provided to clients (including description and/or samples of newsletters, seminars, research, etc.)? What distinguishes your firm's client service program for a retirement board, which is comprised of non-investment professionals? Please be specific.

37. Describe the last two fund evaluations and investment policy projects that you have conducted for public retirement plan clients, the actions taken by the clients in response to the study and copies of the reports.
38. Discuss in detail how you would provide the services requested in the RFP:
- a. Investment Fund Evaluation, Search and RFP Process – Assist PERA with the RFP process to select a new stable value fund manager and the search process for any new or replacement funds needed as a result of the Fund Evaluation as described in the Scope of Services to be Provided.
 - b. Investment Policy Recommendations – Prepare a draft of written recommendations to the investment policy guidelines for the Plan as described in the Scope of Services to be Provided.
 - c. On-going Performance Monitoring – Conduct on going performance monitoring as described in the Scope of Services to be Provided.
 - d. Ad-hoc consulting – Provide PERA with requested ad-hoc-consulting services and informational/educational sessions on topical investment issues as described in the Scope of Services to be Provided, including assistance as needed in the areas of investment legislation and any other issues that may arise from time to time during the contract.
 - e. Asset Allocation Portfolio Models – Assist PERA to analyze asset allocation portfolio models composed of most of the Plan’s existing investment options and periodically rebalance the portfolio models as described in the Scope of Services to be Provided.
39. The current investment offering of the Plan was indicated in Part I of the RFP. What changes would your firm suggest that we consider in this plan in the next year and longer term?

MINIMUM QUALIFICATIONS COMPLIANCE

THE OFFEROR HEREBY CERTIFIES THAT IT MEETS ALL OF THE FOLLOWING MINIMUM QUALIFICATIONS. THE OFFEROR ALSO SHALL ANSWER ALL QUESTIONS AND SUBMIT ALL ATTACHMENTS REQUESTED BELOW.

A. The Offeror is a SEC-registered investment advisor or an advisor exempt from registration (please explain exemption, if applicable). Offeror must be prepared to submit Form ADV, Parts I and II, if selected as a finalist.

YES NO

B. The Offeror has provided the subject product to a U.S. tax exempt client for a minimum of five years prior to the date that proposals are due under the RFP.

YES NO

C. The Offeror has at least three (3) major public retirement plan clients at the state, city or county level. A major public retirement plan client is as one whose:

- Defined benefit plan assets exceed \$1 billion, or
- Defined contribution plan assets exceed \$250 million.

YES NO

D. The Offeror has a positive net worth as of the date of its proposal and shall maintain a positive net worth for the duration of any contract entered into with PERA. The Offeror has disclosed its financial condition by enclosing as an attachment its most recent financial report audited by an independent CPA firm. If the Offeror wishes its financial information to be treated as confidential, it has advised PERA accordingly by providing the information as required in Part IV, Paragraph D, of the RFP.

YES NO

E. Offeror agrees to incorporate the warranties contained in Appendix F into any contract entered into as a result of a contract award made under this RFP. Offeror must attach the complete and signed form at Appendix F, pertaining to Warranties.

YES NO

F. Investment advisory and consultation services are a primary source (*i.e.*, at least 50%) of revenue for the Offeror.

YES

NO

G. The Offeror warrants that it currently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of services required under any professional services agreement entered into by PERA and the Offeror. Offeror should review Paragraph 12, Conflict of Interest, of Appendix E to the RFP.

YES

NO

Name of Offeror/Firm:

Authorized Signature:

Name (print)/Title:

Date:

STATE OF NEW MEXICO
RFP NO. NM DC-001-FY23

INVESTMENT CONSULTATION SERVICES
COST PROPOSAL FORM
457(b) DEFERRED COMPENSATION PLAN

Proposed Fee

Provide your fee proposal for the subject product. The price quoted should assume the provision of all the activities outlined in RFP No. NM DC-001-FY23. The fee proposal shall include all charges whatsoever that Contractor intends to charge PERA for providing the services specified in the Scope of Services to be Provided (Part III of the RFP) and other services specified in Appendix E to the RFP, including New Mexico gross receipts taxes or other taxes, research, travel, and incidental and out-of-pocket expenses of any kind. PERA shall pay no amounts that are not included in the fee proposal. **POINTS AWARDED FOR THE COST PROPOSAL (See Part V) WILL BE BASED ON THE TOTAL COST PROPOSAL FOR THE SIX-YEAR PERIOD.** The cost proposal must be based on at least two (2) searches completed per year and at least four (4) mutual funds per search. One of the two searches completed in year one (1) may include the search for a stable value fund manager. Identify separately the costs for additional searches provided.

The Offeror is responsible for fully describing and noting any exceptions or qualifications to the services requested.

CONTRACT YEAR	EXPECTED HOURS	TOTAL NOT-TO-EXCEED FEE
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		
Year 6		
Year 7		
Year 8		

Pricing Assumptions

No representations or warranties of any type or kind are made as part of this RFP as to the specific type or kind of product providers or the specific type or kind of investment products, which may in the future be approved by the Board.

Cost Proposals must assume that no other agreements for compensation and reimbursements other than those disclosed will be established for payment to the Offeror or any third party for the State of New Mexico's account.

Rate Guarantee

Indicate for what period of time your fee proposal is available. The minimum offer period accepted will be three (3) months. If you are able to offer a longer rate guarantee, please indicate.

Conditions or Exceptions

Describe any conditions or exceptions that your company must impose. Note that it is not expected that any significant required conditions or exceptions to the services required under the RFP will be accepted.

APPENDIX E
SAMPLE AGREEMENT
RFP NO. NM DC-001-FY23

STATE OF NEW MEXICO

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
PROFESSIONAL SERVICES CONTRACT NO. _____

THIS AGREEMENT is made and entered into by and between the State of New Mexico, **Public Employees Retirement Association**, hereinafter referred to as (the "Agency") and **NAME OF CONTRACTOR**, hereinafter referred to as (the "Contractor"), and is effective as of the date set forth below upon which it is executed by the Parties.

IT IS AGREED BETWEEN THE PARTIES:

1. Scope of Work.

A. Contractor shall perform the following work:

Contractor shall be a fiduciary to PERA and the PERA Board. Services to be performed by Contractor shall include, but are not limited to the following:

Investment Policy Recommendations

- Review and make recommendations regarding written investment policy guidelines for the Plan. These guidelines shall include, but not be limited to, new core investment options, on-going fund performance standards applicable to each fund category and the criteria for selection and de-selection of funds. A copy of the Investment Policy Statement is included at Appendix I of this RFP.
- Present findings and recommendations in a written report to be presented periodically during a regularly scheduled meeting time and place of the PERA Board or staff.
- Present a preliminary report of findings and recommendations to PERA staff.
- Periodically assess current participant fee structure and provide recommendations for potential fee restructuring based on industry trends and the best interest of the Plan and its participants.

On-going Performance Monitoring

- Conduct on-going performance monitoring. Performance measurement must have specific reference to each fund's objectives, selected comparison indices and peer group universes.
- Provide a written quarterly performance review. Measurement periods should be at least 1, 3, and 5 years. Present the written quarterly performance review to the PERA Board at one of its regular meetings at least once a quarter or as determined by PERA.
- Notify PERA immediately of any changes in firm organization, fund management style and personnel, including changes in fund investment guidelines, as well as detailed

attribution for fund performance results and make recommendations that might affect the future performance of core investment options in the Plan.

Investment Fund Selection Process

- Assist PERA with the process of selecting any new or replacement funds needed as the result of fund performance monitoring and evaluation.
- Assist PERA with the process of selecting a stable value fund manager during the normal PERA RFP process, which includes preparation of proposal, evaluation of responses, meeting with PERA to select finalists, conducting finalist interviews and negotiating contracts and agreements.

Ad-hoc Consulting

- Provide requested ad-hoc consulting services.
- Provide PERA Board and staff with informational and educational sessions on topical investment issues affecting deferred compensation plans.
- Assist PERA with RFP evaluation of Plan administrator.

Asset Allocation Portfolios

- In consultation with the PERA Board, CIO and Staff, compose, evaluate and periodically custom rebalance asset allocation portfolios, currently comprised of most of the Plan's existing core investment options from which participants may choose in order to simplify their asset allocation decisions.

2. Compensation.

A. The Investment Consultant shall receive no compensation or remuneration from the Agency (Public Employees Retirement Association) for its performance under this Contract. Pursuant to NMSA 1978, Section 10-7A-10, any expenditure necessary for performing the services described herein shall be charged to participating employees or to deferred compensation product providers. Payment shall be made quarterly in arrears based on an invoice received and approved by PERA. The Investment Consultant shall have no other agreements for compensation and reimbursement for services rendered to the New Mexico Deferred Compensation plan other than those provided in this Agreement.

B. Payment is subject to availability of funds pursuant to the Appropriations Paragraph set forth below.

C. Contractor must submit a detailed invoice accounting for all services performed and expenses incurred. If the Agency finds that the services are not acceptable, it shall provide the Contractor with a letter of exception explaining the defect or objection to the services, and outlining steps the Contractor may take to provide remedial action. The agency shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

3. Term.

This Agreement shall be effective _____ and shall terminate on September 30, 2031, unless terminated pursuant to paragraph 4, infra, or paragraph 5 of this Agreement.

4. Termination.

A. Termination. This Agreement may be terminated by either of the parties hereto upon written notice delivered to the other party at least ten (10) days prior to the intended date of termination. By such termination, neither party may nullify obligations already incurred for performance or failure to perform prior to the date of termination. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor if the Contractor becomes unable to perform the services contracted for, as determined by the Agency or if, during the term of this Agreement, the Contractor or any of its officers, employees or agents is indicted for fraud, embezzlement or other crime due to misuse of state funds or due to the Appropriations paragraph herein.

B. Liability. Except as otherwise expressly allowed or provided under this Agreement, the Agency's sole liability upon termination shall be to pay for acceptable work performed prior to the Contractor's receipt or issuance of a notice of termination; provided, however, that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. *THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE STATE'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.*

C. Termination Management. Immediately upon receipt by either the Agency or the Contractor of notice of termination of this Agreement, the Contractor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this Agreement without written approval of the Agency; 2) comply with all directives issued by the Agency in the notice of termination as to the performance of work under this Agreement; and 3) take such action as the Agency shall direct for the protection, preservation, retention or transfer of all property titled to the Agency and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by the Contractor with contract funds shall become property of the Agency upon termination and shall be submitted to the agency as soon as practicable. On the date the notice of termination is received, the Contractor shall furnish to the Agency a complete, detailed inventory of non-expendable personal property purchased with funds provided under the existing and previous PERA agreements with the Contractor; the property listed in the inventory report shall include any financial records and books of accounts which were required to be kept by the Contractor by this Agreement.

5. Appropriations.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Legislature, this Agreement shall terminate immediately upon written notice being given by the Agency to the Contractor. The Agency's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the Agency proposes an amendment to the Agreement to unilaterally reduce funding, the Contractor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

6. Status of Contractor.

The Contractor and its agents and employees are independent contractors performing professional services for the Agency and are not employees of the State of New Mexico. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles, or any other benefits afforded to employees of the State of New Mexico as a result of this Agreement. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation, self-employment and business income tax. The Contractor agrees not to purport to bind the State of New Mexico unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

7. Assignment.

The Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the Agency.

8. Subcontracting.

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the Agency. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the Agency.

9. Release.

Final payment of the amounts due under this Agreement shall operate as a release of the Agency, its officers and employees, and the State of New Mexico from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

10. Confidentiality.

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the Agency.

11. Product of Service -- Copyright.

All materials developed or acquired by the Contractor under this Agreement shall become the property of the State of New Mexico and shall be delivered to the Agency no later than the termination date of this Agreement. Nothing developed or produced, in whole or in part, by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

12. Conflict of Interest; Governmental Conduct Act.

A. The Contractor represents and warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement. The Contractor further represents and warrants that the requirements of the Governmental Conduct Act, Sections 10-16-1 through 10-16-18, NMSA 1978, regarding contracting with a public officer or state employee or former state employee have been followed and that the Contractor will continue to comply with that act during the term of this Agreement.

B. Contractor's representations and warranties in Paragraphs A of this Article 12 are material representations of fact upon which the Agency relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to the Agency if, at any time during the term of this Agreement, Contractor learns that Contractor's representations and warranties in Paragraphs A of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations and warranties in Paragraphs A of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the Agency and notwithstanding anything in the Agreement to the contrary, the Agency may immediately terminate the Agreement.

13. Gratuities and Campaign Contributions.

The Contractor and its officers and employees are prohibited from soliciting or receiving campaign contributions, for or on behalf of any PERA Board member, or any political candidate in the State of New Mexico within the twelve (12) month period prior to the date of submittal of materials under the solicitation document that governs this Agreement. In addition, The Contractor shall comply with the prohibitions and restrictions upon making campaign contribution to PERA Board members and

candidates for the position of PERA Board member and giving gratuities to PERA Board members and PERA employees, contained in NMSA 1978, § 10-11-130.1. The Contractor shall annually certify to PERA compliance with NMSA 1978, § 10-11-130.1, regarding restrictions on gratuities to PERA Board members and PERA employees. Violation of this Paragraph constitutes a breach by the Contractor of its Agreement with PERA."

14. Amendment.

This Agreement shall not be altered, changed, or amended except by instrument in writing executed by the parties hereto.

15. Merger.

This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

16. Notice of Criminal Penalties.

The New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities, and kickbacks.

17. Equal Opportunity Compliance.

The Contractor agrees to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

18. Applicable Law.

The laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with Section 38-3-1 (G) NMSA 1978. By execution of this Agreement, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

19. Workers Compensation.

The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the Agency.

20. Records and Financial Audit.

The Contractor shall maintain detailed time and expenditure records that indicate the date; time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by the Agency, the Department of Finance and Administration and the State Auditor. The

Agency shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the Agency to recover excessive or illegal payments.

21. Indemnification.

The Contractor shall defend, indemnify and hold harmless the Agency and the State of New Mexico from all actions, proceeding, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, or if caused by the actions of any client of the Contractor resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the Agency and the Risk Management Division of the New Mexico General Services Department by certified mail.

22. Invalid Term or Condition.

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

23. Enforcement of Agreement.

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless expressed and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

24. Notices.

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To the Agency:

Karyn Lujan, Deferred Compensation Plan Manager
New Mexico Public Employees Retirement Association
33 Plaza La Prensa
Santa Fe, NM 87507

To the Contractor:

[insert name, address and email].

25. Authority.

If Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of Contractor represent and warrant that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the last date of signature by the parties below.

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO

By: _____ Date: _____
GREG TRUJILLO
Executive Director

CONTRACTOR NAME

By: _____ Date: _____
Title: _____

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

By: _____ Date: _____
ANTHONY MONTOYA
General Counsel

The records of the Taxation and Revenue Department reflect that the Contractor is registered with the Taxation and Revenue Department of the State of New Mexico to pay gross receipts and compensating taxes.

STATE OF NEW MEXICO
TAXATION & REVENUE DEPARTMENT

Tax I.D. NO.: 00-000000-00-0

By: _____ Date: _____

**WARRANTIES
FOR
INVESTMENT CONSULTATION SERVICES**

Offeror agrees to the incorporation of the following warranties in any Professional Services Agreement entered into with PERA:

- A. Offeror warrants that it is registered as an investment advisor under the Investment Advisors Act of 1940 and that it shall maintain such registration at all times during the term of the Professional Services Agreement **(unless exempt and an explanation of exemption is attached)**.
- B. Offeror warrants that it meets or will meet before the award of a Professional Services Agreement the bonding requirement provided by Section 412 of the Employment Retirement Income Security Act of 1974 (ERISA) or that it carries at least an equivalent fidelity bond applicable to Contractor's actions under the Professional Services Agreement **(unless exempt and an explanation of exemption is attached)**.
- C. Offeror warrants to PERA that the Contractor serves as a fiduciary to PERA as that term is defined by the laws and rules governing the Board and that it will not delegate its fiduciary responsibilities assumed pursuant to the Professional Services Agreement.
- D. Offeror warrants that it has completed, obtained, and performed all registrations, filings, approvals, authorizations, consents or examinations, required by a government or governmental authority, including the State of New Mexico, for acts contemplated by the Professional Services Agreement.

Name of Offeror/Firm: _____

Authorized Signature: _____

Name (print)/Title: _____

Date: _____

ARTICLE 7A Deferred Compensation

10-7A-1. Short title.

Sections 1 through 10 [10-7A-1 through 10-7A-10 NMSA 1978] of this act may be cited as the "Deferred Compensation Act".

History: Laws 1981, ch. 155, § 1.

10-7A-2. Definitions.

As used in the Deferred Compensation Act:

- A. "board" means the public employees retirement board;
- B. "local public body" means all political subdivisions of the state, their agencies, instrumentalities and institutions;
- C. "local public employee" means any officer or employee to whom a local public body pays a salary for services rendered;
- D. "deferred compensation carriers" means any corporation, partnership or persons providing administrative, recordkeeping or investment consulting services to participants in deferred compensation plans pursuant to funding agreements; and
- E. "state employee" means any officer or employee to whom the state pays a salary for services rendered.

History: Laws 1981, ch. 155, § 2; 1985, ch. 161, § 1; 2017, ch. 20, § 1.

10-7A-3. Deferred compensation plan; state and local public employees.

A. After the effective date of the Deferred Compensation Act, the board shall review and approve deferred compensation plans for participation by state and local public employees. A deferred compensation plan shall provide for the method of transfer of funds to a plan through written or electronic salary reduction agreements with state and local public employees and shall provide for deferral of only those salary amounts upon which income taxes are eligible for deferral pursuant to federal law.

B. Compensation deferred under any deferred compensation plan shall be included with current income for purposes of computing retirement contributions and benefits.

C. Amounts by which salary is reduced shall be transmitted to the approved deferred compensation carrier.

D. Local public employees may participate in a deferred compensation plan selected by their local public body employer after it takes formal action conforming to board requirements. If the plan selected is different from the plan approved by the board, the board shall have no responsibility concerning the plan. If the plan selected is that approved by the board pursuant to Section [10-7A-5](#) NMSA 1978, the provisions of Section [10-7A-8](#) NMSA 1978 shall apply.

History: 1978 Comp., § 10-7A-3, enacted by Laws 1984, ch. 127, § 988.1; 1985, ch. 161, § 2; 2017, ch. 20, § 2.

10-7A-4. Deferred compensation plan; other participants.

The deferred compensation plan may allow persons other than public employees, who provide services to the state or any local public body, to participate in the plan to the extent permitted by federal law.

History: Laws 1981, ch. 155, § 4.

10-7A-5. Deferred compensation plan; approval.

A. The board shall review proposals providing investment options to participants of a deferred compensation plan submitted by deferred compensation carriers that have been engaged for a minimum of three years in the business of funding public employee deferred compensation plans authorized by 26 U.S.C. Section 457 and approve proposals that are consistent with the goals of providing state or local public employees with an investment that, in the opinion of the board, is safe and will provide a reasonable return to the employees upon their reaching the appropriate age or date at which they may begin receiving funds from the deferred compensation plan.

B. The type of deferred compensation investment options that may be approved include mutual funds, including stock, bond or capital preservation funds or any other investments determined by the board to fulfill the goals of providing viable deferred compensation for state or local public employees.

History: 1978 Comp., § 10-7A-5, enacted by Laws 1984, ch. 127, § 988.2; 1985, ch. 161, § 3; 2017, ch. 20, § 3.

10-7A-6. Deferred compensation plans; investment options.

The board may select a deferred compensation plan that offers varied investment options to participating employees.

History: Laws 1981, ch. 155, § 6; 1985, ch. 161, § 4.

10-7A-7. Deferred compensation plan; state tax deferral.

Income deferred pursuant to the Deferred Compensation Act and any gains arising from such income, shall be subject to New Mexico income tax and other applicable taxes in the same year or years in which the income is subject to federal income tax pursuant to federal law.

History: Laws 1981, ch. 155, § 7.

10-7A-8. Deferred compensation plan; local public employee participation.

A. Local public employees shall be eligible to participate in a deferred compensation plan approved by the board upon the filing of a local public body's participation agreement, conforming to board requirements, applicable to its local public employees and such other participants permitted by the plan as the local public body may elect. Such filing shall be made at such dates and places and in such manner as the board requires.

B. A local public body may terminate its local public employees' and other qualified participants' future participation in a board-approved plan any time not less than two years after the date participation has become effective, upon the local public body's filing of written or electronic notice conforming to board requirements.

History: Laws 1981, ch. 155, § 8; 1985, ch. 161, § 5; 2017, ch. 20, § 4.

10-7A-9. Existing deferred compensation plans.

Any state or local public body deferred compensation plan in existence on the effective date of the Deferred Compensation Act shall not be affected and may be made available to employees and other persons of the state agency or local public body which had adopted said deferred compensation plan on the same basis as on the effective date of the Deferred Compensation Act. Funds of existing plans may be invested in all or any combination of the investments set forth in Subsection B of Section 10-7A-5 NMSA 1978.

History: Laws 1981, ch. 155, § 9; 1983, ch. 251, § 3.

10-7A-10. Expenditure.

Any expenditure necessary to implement the Deferred Compensation Act shall be charged to participating employees or to deferred compensation carriers including those submitting proposals.

History: Laws 1981, ch. 155, § 10; 1985, ch. 161, § 6.

10-7A-11. Rulemaking; agreements.

The board may adopt such rules and enter into such agreements as may be necessary to implement the Deferred Compensation Act; provided, however, that any expenditures associated therewith are charged as provided in Section 10-7A-10 NMSA 1978.

History: 1978 Comp., § 10-7A-11, enacted by Laws 1985, ch. 161, § 7.

10-7A-12. Division of funds as community property; notice requirement.

A court of competent jurisdiction, solely for the purposes of effecting a division of community property, may provide by appropriate order for a determination and division of a community interest in the deferred compensation plan provided for in the Deferred Compensation Act. Pursuant to such a court order a deferred compensation administrator shall provide notice, within ten days after a participating public employee files an application for a disbursement from the deferred compensation plan, to a former spouse who has a court-determined interest in a participating public employee's deferred compensation plan. The notice shall be sent to the last name and address the former spouse has filed with the administrator of the deferred compensation plan and shall include the schedule for and amounts of the disbursement and the address to which the participating public employee's disbursement will be sent.

History: 1978 Comp., § 10-7A-12, enacted by Laws 1991, ch. 22, § 1.

Balances by Investment

As of March 31st, 2023

PERA SMARTSAVE

Investment	Investment Category	Number of Participants	Percentage of Plan Assets	Investment Balance
Vanguard Instl 500 Index Fund	Large Cap Growth	5,656	23.47%	\$176,701,872.54
Vanguard Inflation Protected	Bonds	1,232	1.58%	\$11,906,678.24
EuroPacific Growth Fund	Global/International	873	1.10%	\$8,248,163.72
Invesco Global Real Estate Fun	Small/Mid/Specialty	306	0.15%	\$1,148,336.64
Principal MidCap Fund Institut	Small/Mid/Specialty	1,074	1.72%	\$12,976,686.87
Dodge & Cox Stock Fund	Large Cap Value	2,055	4.57%	\$34,399,623.26
Principal Diversified Real Ass	Small/Mid/Specialty	162	0.10%	\$763,916.45
T. Rowe Price MidCap Equity Gr	Small/Mid/Specialty	2,094	3.77%	\$28,414,754.07
Oakmark Equity and Income Fund	Balanced	0	0.00%	\$0.00
Vanguard Total Bond Market Ind	Bonds	3,112	5.26%	\$39,565,221.75
Aberdeen Emerging Markets Equi	Global/International	362	0.24%	\$1,789,586.91
Fidelity Small Cap Index Fund	Global/International	2,988	2.14%	\$16,141,334.50
Vanguard Total Intl Stock Inde	Global/International	2,366	3.25%	\$24,461,975.44
New Mexico Conservative Portfo	Asset Allocation	2,158	6.55%	\$49,317,176.85
New Mexico LifeCycle 2025 Port	Asset Allocation	2,559	7.23%	\$54,405,209.32
New Mexico LifeCycle 2030 Port	Asset Allocation	1,057	1.89%	\$14,210,716.48
New Mexico LifeCycle 2035 Port	Asset Allocation	2,842	5.81%	\$43,722,698.52
New Mexico LifeCycle 2040 Port	Asset Allocation	1,157	1.24%	\$9,334,313.47
New Mexico LifeCycle 2045 Port	Asset Allocation	2,324	3.40%	\$25,580,874.33
New Mexico LifeCycle 2050 Port	Asset Allocation	1,414	1.20%	\$9,033,588.26
New Mexico LifeCycle 2055 Port	Asset Allocation	3,142	2.31%	\$17,388,623.56
New Mexico LifeCycle 2060 Port	Asset Allocation	355	3.94%	\$684,352.27
New Mexico Stable Value Fund	Stability of Principal	5,269	17.33%	\$130,452,207.72
Fidelity Low-Priced Stock Fund	Small/Mid/Specialty	875	1.26%	\$9,512,181.62
Fidelity Contrafund	Lap Cap Growth	0	0.00%	\$0.00
Fidelity Diversified Internati	Global/International	1,100	1.36%	\$10,257,057.31
Schwab Personal Choice Retirem	Self Directed Brokerage	80	1.36%	\$10,225,360.35
LOAN FUND	Loan Fund	1,822	1.41%	\$10,646,694.66
Welngtn CIF II Opp Em Mk Dbt 1	Bonds	277	0.20%	\$1,521,268.17

Total Investment Balance:

\$752,810,473.28

Total Deemed

Loan Fund:

\$3,934,897.01

STATE OF NEW MEXICO

**PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION OF NEW MEXICO**

INVESTMENT POLICY

for the

PERA *SmartSave*
Deferred Compensation Plan 

Revised July 26, 2018

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I. SCOPE

This Investment Policy (“Policy”) applies to investment of the income deferred and any gains arising from such income entrusted to the State of New Mexico SmartSave Deferred Compensation Plan (“the Plan”) administered by the Public Employees Retirement Association of New Mexico (“PERA”).

DISCLAIMER: The Plan is a voluntary, participant-directed, deferred compensation plan. The Plan Participants are responsible for developing and monitoring a strategy for the investment of their accounts. Nothing in this Policy is intended to or should be understood as a guarantee of returns or protection of losses by PERA from participation in the Investment Options selected for the Plan under authority of this Policy.

II. DEFINITIONS

As used in this Policy:

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

“Board” means the same as the term defined in the Act, and refers to the PERA Board;

“CIO” means the PERA Chief Investment Officer;

“the Code” means section 457 of the Internal Revenue Code and its implementing regulations, as they may be amended from time to time;

“Deferred Compensation Carrier” means the same as the term defined in the Act;

“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 Manager” means an entity that offers or manages one or more Investment Options proposed or selected for the Plan.

“Investment Option” means an investment, including a Core Investment Option, available to Plan Participants with specific investment objectives, targeted returns, and risk parameters;

“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 Participant” means a person who is eligible and has elected to invest through the Plan;

“Structure” means the composition of Investment Options for the Plan; and,

“Third-Party Administrator” is a Deferred Compensation Carrier that performs recordkeeping and other functions of the Third-Party Administrator described in the Plan Document.

III. LEGAL AUTHORITY AND PURPOSE OF THE PLAN

The Board administers the Plan under the authority of the Act. For the purposes of this Policy, section 10-7A-3 of the Act authorizes the Board to “review and approve deferred compensation plans for participation by state and local public employees” in accordance

with the Code, as amended, and other federal laws. The Board adopts this Policy, in part, to comply with its responsibilities to Plan Participants under applicable provisions of the Uniform Prudent Investor Act, NMSA 1978, § 5-7-601 to 45-7-612.

The Board established the SmartSave Committee to assist the Board in administering the Plan.

This Policy shall compliment the Act, the Plan Document, and other applicable laws. The PERA Investment Procurement Policy governs selection of the Investment Consultant, Investment Managers, the Third-Party Administrator, and such other consultants as may be necessary from time to time, that are delegated authority to advise the Board and administer the Plan and the Investment Options made available through the Plan.

IV. PURPOSE OF THE POLICY

In administering the Plan, the Board acts as a trustee for the exclusive benefit of the Plan Participants and their beneficiaries by providing a voluntary, participant-directed, supplemental, eligible tax-deferred retirement program that is understandable, transparent, and offers competitive fees. Accordingly, the Board adopts this Policy to implement section 10-7A-8(A) of the Act which authorizes the Board to review proposals providing Investment Options to participants of a deferred compensation plan and approve proposals that are consistent with the goals of providing state or local public employees with an investment that is safe and will provide a reasonable return to the employees upon their reaching the appropriate age or date at which they may begin receiving funds from the deferred compensation plan.

This Policy describes the relative responsibilities and processes for structuring investment opportunities for the Plan as well as selection of the Investment Options that the Plan makes available to participants. This Policy shall guide the Board, the SmartSave Committee, the CIO, and contractors in their mission to ensure that these objectives will be met in a prudent manner and consistent with governing rules and regulations.

V. ROLES AND RESPONSIBILITIES

A. The PERA Board

The Board relies on the SmartSave Committee, the CIO, the Investment Consultant, and the Third-Party Administrator to administer the Plan. As described below, the Board sets forth their respective roles and responsibilities in accordance with the Plan Document, applicable rules, and the SmartSave Committee Charter. The Board oversees administration of the Plan as described in this Policy in accordance with its fiduciary duty to Plan Participants.

The Board has the final authority to:

1. approve revisions and amendments to this Policy, including, but not limited to:
 - a. the Structure of the investments available through the Plan;
 - b. the qualifications and selection criteria for Investment Managers and Investment Options;

- c. the considerations for monitoring the performance of the investment Structure, Investment Options, the Investment Consultant, Investment Managers, the Third-Party Administrator, and other consultants;
2. select the Investment Consultant and other consultants;
3. select the Third-Party Administrator; and
4. establish and reestablish schedules for reporting and recommendation under this Policy.

B. SmartSave Committee

The Board adopted NMAC Rule 2.80.200.50(A) to establish the PERA SmartSave Committee to “review and monitor the administration of the deferred compensation plan investment policy adopted by the Board.” Accordingly, the PERA SmartSave Committee shall periodically report and recommend to the Board about:

1. improvements to the Structure of the investments in the Plan that will optimize the potential deferred compensation benefits available to Plan Participants;
2. the performance of Investment Managers and the Investment Options selected for the Plan including comparative performance against applicable benchmarks and other investments, and the competitiveness of their fees to Plan Participants;
3. the market for Investment Options appropriate for deferred compensation plans that may be beneficial to Plan Participants;
4. the selection process and recommendation to the Board of the Investment Consultant and the Third-Party Administrator based on the selection procedures administered under the authority of the CIO;
5. monitoring the performance of the Investment Consultant and the Third-Party Administrator; and,
6. monitoring the Structure of investments and the Investment Options for compliance with the Code and IRS guidelines, the Act, and other applicable law, this Policy, the Plan Document, and industry best practices.

C. CIO

The CIO is responsible for implementing the policies and objectives established by the Board and the SmartSave Committee. Specifically, the CIO is responsible for and shall periodically report to the SmartSave Committee about:

1. selection and termination of Investment Managers and specific Investment Options that shall be made available to Plan Participants through the Plan with the advice of the Investment Consultant and in consultation with the Third-Party Administrator;
2. monitoring the performance of consultants and Investment Managers and the Investment Options selected for the Plan including comparative performance against applicable benchmarks and other investments, and the competitiveness of their fees;

3. changes in the market for Investment Options appropriate for deferred compensation plans;
4. administration of selection procedures for the Investment Consultant, the Third-Party Administrator, and other consultants in accordance with the PERA Investment Procurement Policy for recommendation to the SmartSave Committee and approval by the Board;
5. whether investment objectives and guidelines remain appropriate and effective for the Plan;
6. whether other revisions or amendments to this Policy are prudent and consistent with industry best practices; and,
7. action taken and the progress made to achieve the directions of the SmartSave Committee and the Board about the Structure of the investments and Investment Options provided by the Plan.

D. The Investment Consultant

The Investment Consultant advises and reports to the SmartSave Committee, the Board, and the CIO on the investment Structure and Investment Options provided to Plan Participants.

1. Specifically, the Investment Consultant periodically advises the SmartSave Committee and the Board in conjunction with the CIO about:
 - (a) the performance of Investment Managers and the individual Investment Options selected for Plan Participants including the objectives of the Investment Option, comparative performance against applicable benchmarks and other investments, and the competitiveness of their fees as compared to comparable investment strategies;
 - (b) evaluation of the investment Structure and asset allocation portfolios including the Plan's existing Investment Options from which participants may choose in order to in order to optimize, on a risk-adjusted basis, the potential benefits available to Plan Participants;
 - (c) the market for Investment Options appropriate for deferred compensation plans;
 - (d) selection of any new or replacement Investment Manager or Investment Option;
 - (e) whether investment objectives and guidelines remain appropriate and effective for the Plan;
 - (f) annual rebalancing recommendations for the asset allocation (mixes) of the Target Date Maturity Lifecycle Funds; and,
 - (g) the Plan's compliance with this Policy and industry best practices.
2. In rendering advice and other services to the Plan, the Investment Consultant shall:

- (a) act in a fiduciary capacity to PERA with respect to those services for which it exercises discretion and with respect to investment advice that is fiduciary in nature under ERISA; and,
- (b) exercise skill superior to that of an ordinary person.

E. Investment Managers

An Investment Manager provides one or more Investment Options to Plan Participants in accordance with its contractual agreement and the requirements of the Third-Party Administrator. In rendering services to the Plan, an Investment Manager shall:

1. serve as a fiduciary to the Plan as required by law;
2. manage their Investment Options according to the requirements of applicable securities laws, the terms and conditions of their contracts, the relevant prospectuses, and other offering materials;
3. report investment performance and fees as directed by the Investment Consultant, the CIO, the SmartSave Committee, and the Board; and,
4. promptly notify the Investment Consultant and the CIO in writing of any changes in an Investment Option, an Investment Manager's strategy, operation, organization, or personnel that may materially, adversely impact the performance of an Investment Option provided by the Investment Manager for the Plan.

F. The Third-Party Administrator

The responsibilities of the Third-Party Administrator are described in the Plan Document and its contract with PERA and principally involves record keeping, enrollment, education services, and other administrative duties for the Plan as required by section 457(b) of the Code and applicable regulations.

VI. POLICIES FOR INVESTMENTS

A. Considerations and Criteria for Structuring of Investment Options

The Board recognizes that the appropriate investment strategy for an individual Plan Participant is a function of multiple personal factors, including age, income, time horizon, risk tolerance, return and accumulation objectives, and the availability of assets outside of the Plan. In order to provide participants with the opportunity to identify investment alternatives that meet their individual needs, the Plan shall provide a tiered Structure of Investment Options in which participants may invest. The Structure of investments approved by the Board is memorialized in Appendix A of this Policy.

The Board relies on the Investment Consultant and the CIO to identify and recommend for consideration by the SmartSave Committee and the Board an investment Structure tailored to meet a reasonably inclusive, representative menu of the multiple personal factors identified in the previous paragraph. The Investment Consultant and the CIO shall consult and coordinate with the Third-Party Administrator to ensure that the investment Structures recommended to the SmartSave Committee and the Board are compatible with the Code, the Act, and the duties of the Third-Party Administrator based on its contract and the Plan Document.

B. ERISA Considerations

Although the Plan is not subject to the Employee Retirement Income Security Act of 1974 (“ERISA”), the Board recognizes that ERISA section 404(c) provides, in principal part, the appropriate criteria for evaluating the investment Structure of the Plan for the purpose of protecting Plan Participants and allowing PERA and other fiduciaries to minimize potential liability arising from administering Investment Options under the Plan. Accordingly, the following considerations are appropriate to the determination and reconsideration of the investment Structure for the Plan:

1. There should be at least three diversified Core Investment Options representing a broad range of investment alternatives.
2. Each Investment Option identified as a Core Investment Option must itself be a diversified portfolio of investments.
3. The Plan should provide participants with the opportunity to switch investments as frequently as “appropriate in light of the market volatility of the investment alternatives.”
4. The Plan should permit transfers of the Investment Options identified as Core Investment Options on a quarterly basis, meaning at least once in any three-month period.
5. The Plan should ensure Plan Participants may readily obtain information sufficient to permit efficient and confident investment decisions about each Investment Option, including fees.
6. The Plan should ensure that Plan Participants are notified of the Board’s intention to comply with ERISA section 404(c).

In addition to the foregoing, in the event that a Plan Participant fails to provide investment instructions regarding either his or her balance in or future contributions to the Plan, such balances and contributions shall be invested in a Qualified Default Investment Alternative (QDIA). The QDIA selected for a Plan Participant shall be the Target Maturity Lifecycle Fund (*see* the references to Target Maturity Lifestyle Fund in Appendices A, B, and C) that is identified for the period of time remaining before Plan Participant’s 65th birthday.

C. Selection of Investment Managers and Investment Options for the Plan

Investment Options must advance the purpose of this Policy and fit the investment Structure adopted by the Board as set forth in Section V (A), above. The Board identifies the following additional qualifications and criteria to be considered by the Investment Consultant and the CIO when evaluating proposals for Investment Managers and Investment Options for the Plan.

1. General Selection Criteria

- (a) An Investment Manager must have all necessary licenses and have been engaged in the business of managing institutional assets.

- (b) An Investment Manager must be a well-established firm with a history of running its business in the interest of its investors.
- (c) An Investment Manager must demonstrate a well-defined investment process compatible with the investment objectives of the Plan.
- (d) An Investment Manager must demonstrate a verifiable track record of consistent adherence to the stated objectives and restrictions of an Investment Option that has been offered generally for at least three years.
- (e) An Investment Manager, or as appropriate and an Investment Option, shall have sufficient assets under management to maintain the Investment Manager's commitment to supporting the strategy and avoid exposure of the Plan to an unreasonable risk of loss,
- (f) An Investment Option must be managed by an investment team with the capacity and resources to implement a proven, consistent, and repeatable investment process.
- (g) An Investment Option must be available through an investment vehicle that is appropriate for the Plan with competitive fees charged to the Plan Participants.
- (h) An Investment Option must demonstrate historical risk and return characteristics that are consistent with the specified role of the Investment Option in the Structure the Plan.

2. Selection criteria for actively managed Investment Options

- (a) An Investment Option must demonstrate a record of net-of-fee excess performance relative to the strategy's stated benchmark and/or peer group over a period of 3 to 5 years or greater, unless the Investment Manager can justify, to the satisfaction of the Investment Consultant and the CIO, that this criteria is not applicable due to unique circumstances or objectives.
- (b) An Investment Option must demonstrate risk-adjusted performance that is superior to the benchmark and/or peer group as judged by the strategy's Return/Risk Ratio or Information Ratio (average annualized excess return divided by annualized standard deviation of excess returns) over a period of 3 to 5 years or greater, unless the Investment Manager can justify, to the satisfaction of the Investment Consultant and the CIO, that this criteria is not applicable due to unique circumstances or objectives.

3. Selection criteria for passively managed Investment Options

- (a) A passively managed Investment Option must demonstrate a tracking history against its stated benchmark within a reasonable range.
- (b) A passively managed Investment Option must demonstrate competitive costs relative to comparable investments.

4. Selection Process

- (a) The Investment Consultant is responsible for initial screening of potential Investment Options against the aforementioned selection criteria and selects no less than two finalists for referral to the CIO, if there are at least two suitable candidates that meet the selection criteria.
- (b) The CIO with the advice of the Investment Consultant, selects one or more Investment Options that are appropriate for the investment Structure adopted by the Board, other provisions of this Policy.
- (c) The CIO and the Investment Consultant shall report selection of Investment Managers and Investment Options to the SmartSave Committee and the Board.

Individual Investment Options are listed in Appendix B, brief explanatory profiles of those Investment Options are listed in Appendix C, and target maturities and the asset allocation for the LifeCycle Funds are set forth in Appendix D.

VII. MONITORING INVESTMENT OPTIONS

As directed by the Board, the Investment Consultant and the CIO shall report to the SmartSave Committee and the Board the results of monitoring of the Investment Managers and the Investment Options based on quantitative and qualitative criteria set forth below. The Investment Consultant and the CIO shall explain to the SmartSave Committee and the Board whether Investment Managers and Investment Options are retained or terminated based on the results of monitoring and the condition of the markets.

It is expected that an Investment Option designated for an investment category will meet or exceed the following considerations:

A. Considerations for Qualitative Monitoring

- 1. In the case of separate accounts, compliance of the Investment Manager and the Investment Option with stated investment guidelines, contract terms, and/or state and applicable federal laws and rules.
- 2. Adherence to stated investment style and philosophy.
- 3. Ownership stability and alignment of interests with investors.
- 4. Retention and attraction of key investment professionals associated with the management of the Investment Option.
- 5. Absence of litigation or regulatory action that may have a material adverse effect on future investment performance and investor confidence.
- 6. Disclosure of relevant information that may have a material adverse impact on performance.

B. Considerations for Quantitative Monitoring

- 1. Evaluation of total time-weighted rates of return of the Investment Option net of investment management fees and all Investment Option expenses, but gross of

Plan expenses (based on an explicit statement of fees or other Plan costs to participants).

2. Evaluation of performance of the option against a respective market index and peer group median over a rolling three- and five-year periods. Volatility will be measured by the standard deviation of quarterly returns and should be reasonably comparable to each Investment Option's respective market index and the respective peer group averages. Investment Options with greater volatility than their indices should earn higher returns than those indices.

By signing this Investment Policy, the Board through its Chair, adopts this revised Policy along with Appendices A, B, C, and D, that are attached to this Policy.

Adopted: June 24, 2004
Revised: August 2010
Revised: August 2012
Revised: April 2015
Revised: July 2018

By: 
James Maxon, Chair

APPENDIX A—INVESTMENT STRUCTURE

The Board has approved the following investment Structure for the Plan:

Tier	Philosophy
Tier 1 – Target Maturity Lifecycle Funds	Allows participants to choose the diversified investment portfolio that best fits their time horizon, risk tolerance and investment goals. As the target date of each fund approaches, the asset allocation progresses to a more conservative risk-return profile. Designed for investors who want a ‘streamlined’ approach to investing and a professionally managed asset allocation.
Tier 2 – Core Fund Array (Passive)	Allows participants to create their own portfolios without active management risk based on the asset classes (or types of investments) that best fit their time horizon, risk tolerance and investment goals.
Tier 3 – Core Fund Array (Active)	Allows participants to create and complement their portfolios using active managers based on the asset classes (or types of investments) that best fit their time horizon, risk tolerance and investment goals.
Tier 4 – Extended Choice Array	Affords participants with diversification opportunities outside the traditional asset classes of stocks, bonds, and cash. Participants may use Tier 4 options to further diversify their holdings in other investment Tiers.
Tier 5 – Brokerage Window	Allows participants to supplement Tier 1, 2, 3, and/or 4 investments with additional mutual funds or other diversified investments based on their time horizon, risk tolerance, investment goals and/or fund manager preferences.

APPENDIX B— INVESTMENT OPTIONS

The following Investment Options have been approved for Plan Participant-directed investment:

Investment Option	Comparative Manager Peer Group Universe Median 3 and 5 Years	Relative Market Index 3 and 5 Years
Target Maturity Lifecycle Funds	Target Date Fund Universe	Each Option Will Be Evaluated Compared to Customized Indices Based on Asset Allocation Mixes
Stable Value Fund	Stable Value Fund Universe	3-year Constant Maturity Treasury yield over a full interest rate/market cycle
Inflation Protected Bond	Inflation Protected Mutual Fund Universe	Barclays Capital US TIPS Index
Diversified Inflation Hedge	Diversified Inflation Hedge Mutual Fund Universe	Customized Indices Based on Asset Allocation
Market Duration Bond Fund (Passive)	Core Fixed Income Mutual Fund Universe	Barclays Capital Aggregate Bond Float Adjusted Index (Tracking Error +/- 20 basis points) ††
Global Bond Fund	Global Fixed Income Mutual Fund Universe	Citigroup World Gov't Bond Index
Real Estate Investment Trust Fund (Passive)	Real Estate Mutual Fund Universe	MSCI US Market Real Estate 25/50 Index
Large Capitalization Core Equity Fund (Passive)	Large Cap Core Equity Mutual Fund Universe	S&P 500 Index (Tracking Error +/- 30 basis points) ††
Large Capitalization Growth Equity Fund	Large Cap Growth Equity Mutual Fund Universe	Russell 1000 Growth Index
International Equity Fund (Passive)	International (All Country World ex-US) Equity Index Mutual Fund Universe	FTSE Global All Cap ex US Index (Tracking Error +/- 30 basis points) ††
International Large Cap Equity Fund (Active)	International Equity Mutual Fund Universe	MSCI EAFE (Net) Index
Mid Capitalization Core Equity Fund	Mid Cap Core Equity Mutual Fund Universe	Russell Midcap Index
Mid Capitalization Growth Equity Fund	Mid Cap Growth Equity Mutual Fund Universe	Russell Midcap Growth Index
Small+Mid Capitalization Value Equity Fund	Small+Mid Cap Value Equity Mutual Fund Universe	Russell 2500 Value Index
Small Capitalization Core Equity Fund	Small Cap Core Equity Mutual Fund Universe	Russell 2000 Index
Emerging Markets Equity Fund (Passive)	Emerging Markets Equity Mutual Fund Universe	MSCI EM (Net) Index
Self-Directed Brokerage Account	N/A	N/A

† Target Maturity Lifecycle Funds will also be evaluated based on their asset allocation mixes, ability to span the risk/return spectrum, and the underlying funds that comprise each lifecycle fund.

†† Tracking error is defined as the return of the Fund minus the return of the index. When evaluating the performance of the Fund relative to the respective index, the tracking error should fall within the stated amount of basis points relative to the index on an annualized basis over the 3 and 5 year periods.

APPENDIX C— INVESTMENT OPTION PROFILES

Appendix C provides brief profiles of each Investment Option offered by the Plan.

Option	Targeted Maturity Lifecycle Funds
Objectives	<ul style="list-style-type: none"> ▪ Provide an array of Investment Options diversified by varying asset allocation mixes (between stocks, bonds and cash) for participants who wish to accumulate wealth based on their risk tolerances and time horizons through single Investment Options. The asset allocation of each Investment Option shall become more conservative as the target date nears. ▪ Total return of each target maturity lifecycle fund shall correspond to the asset allocation (between stocks, bonds, cash, and other asset classes) at any given point time. ▪ Offset the higher volatility of stock returns with the stability of income-generating bonds and cash
Primary Investments	<p>Asset Allocation:</p> <p>The asset allocation mix of each target maturity fund shall be determined by the Board based on direction from the Investment Consultant, Plan Administrator and Trustee. It is expected, however, that each target maturity fund will be appropriately diversified among various asset classes based on the fund's stated investment objectives. It is also expected that the entire array of targeted maturity funds will be differentiated by asset allocation so that each fund has its own differentiated risk/return characteristics. Please refer to Appendix D for the current allocation targets</p> <p>Equity Segment:</p> <p>The equity portfolio shall be invested in a diversified array of US and international equity mutual/commingled funds that are differentiated by investment objective, security selection methodology, style (value, core and growth) and market capitalization (large, medium and small), as appropriate.</p> <p>Fixed Income Segment:</p> <p>The fixed income portfolio shall be invested in a diversified array of fixed income mutual/commingled funds. These funds shall be differentiated by investment objective, security selection methodology, maturity focus (long, intermediate and short), sector concentration and quality, as appropriate.</p> <p>Stable Value Segment:</p> <p>The stable value segment shall be invested in a high quality stable value fund(s) with an average yield consistent with the 3-year Constant Maturity Treasury over a full interest rate/market cycle.</p> <p>Other asset classes:</p> <p>The Plan may elect to use other asset classes within the funds. The alternative assets section shall be invested in asset classes that offer relatively low correlation of returns relative to the stocks, bonds, and cash.</p>
Source of Return	<ul style="list-style-type: none"> ▪ Interest and dividend income ▪ Capital appreciation/(depreciation)
Expected Return	Low to high based on asset allocation mix/time horizon
Expected Risk	Low to high based on asset allocation mix/time horizon
Investment Vehicle	Unitized fund of funds

APPENDIX C— INVESTMENT OPTION PROFILES

Option	Stable Value Fund
Objectives	<ul style="list-style-type: none"> No principal loss Provide a stable crediting rate with an average yield consistent with the 3-year Constant Maturity Treasury yield over a full interest rate/market cycle
Primary Investments	Traditional investment contracts issued by banks and insurance companies, synthetic contracts, money market instruments, short-duration fixed income securities or commingled vehicles investing in such securities, and separate account contracts.
Source of Return	<ul style="list-style-type: none"> Contract income Interest income
Expected Return	Low
Expected Risk	Low
Investment Vehicle	Separately managed account

Option	Inflation Protected Bond
Objectives	<ul style="list-style-type: none"> Interest Income Capital Appreciation in inflationary conditions Total return equal to or greater than inflation
Primary Investments	Treasury inflation-protected securities. May also invest in nominal treasury bonds, international inflation protected bonds, and other types of fixed income securities with a modest portion of the Portfolio. Typically, the dollar-weighted average maturity of the portfolio will be five to 10 years.
Source of Return	<ul style="list-style-type: none"> Interest income Capital appreciation through inflation step-up of TIPS
Expected Return	Low/Moderate
Expected Risk	Low/Moderate
Investment Vehicle	Mutual Fund

Option	Inflation Hedge Fund
Objectives	<ul style="list-style-type: none"> Interest Income Inflation protection Capital appreciation/(depreciation)
Primary Investments	The Fund may invest in inflation-indexed bonds, real estate investment trusts, commodities, fixed income securities, securities of natural resource companies, and master limited partnerships.
Source of Return	<ul style="list-style-type: none"> Interest income adjusted for inflation Dividend Income Capital appreciation/(depreciation)
Expected Return	Moderate
Expected Risk	Moderate/High
Investment Vehicles	Mutual Funds, Collective Trusts or Separately Managed Accounts

APPENDIX C— INVESTMENT OPTION PROFILES

Option	Market Duration Bond (Passive) Fund
Objectives	<ul style="list-style-type: none"> Principal preservation Modest total return that outpaces inflation
Primary Investments	Government, corporate and mortgage-backed fixed income securities with a average portfolio duration between three and six years; high-yield and international issues may be used opportunistically up to 15% and 20%, respectively, in each asset class.
Source of Return	<ul style="list-style-type: none"> Interest income Capital appreciation/(depreciation)
Expected Return	Low/Moderate
Expected Risk	Low/Moderate
Investment Vehicle	Mutual fund

Option	Global Bond
Objectives	<ul style="list-style-type: none"> Geographical diversification Capital preservation Current income
Primary Investments	Foreign-developed, foreign non-developed and domestic investment grade and non-investment grade sovereign and corporate debt securities. Currency exposure may be hedged or unhedged versus the domestic currency.
Source of Return	<ul style="list-style-type: none"> Interest income Capital appreciation/(depreciation)
Expected Return	Moderate
Expected Risk	Moderate
Investment Vehicle	Mutual fund

Option	Balanced Fund
Objectives	<ul style="list-style-type: none"> Moderate total return Offset the higher volatility of stock returns with the stability of Income-generating bonds
Primary Investments	<p>Asset Allocation:</p> <p>Invests approximately 60% of assets in domestic equity and the remainder in fixed income debt securities.</p> <p>Equity Segment:</p> <p>Predominantly US stocks with a modest amount of total assets (generally not in excess of 20%) possibly allocated to non-US stocks.</p> <p>Fixed Income Segment:</p> <p>Government, corporate and mortgage-backed fixed income securities with an average portfolio duration between three and six years; high-yield and international issues may be used opportunistically in each asset class.</p>
Source of Return	<ul style="list-style-type: none"> Interest and Dividend Income Capital Appreciation/(Depreciation)
Expected Return	Moderate
Expected Risk	Moderate
Investment Vehicle	Mutual Fund

APPENDIX C— INVESTMENT OPTION PROFILES

Option	Global Real Estate Securities Fund
Objectives	<ul style="list-style-type: none"> ▪ High total return ▪ Asset class diversification ▪ REIT diversification across the US and non-US markets
Primary Investments	Global stocks of entities that own, operate, develop or manage real estate. These stocks span small, mid and large market capitalizations.
Source of Return	<ul style="list-style-type: none"> ▪ Dividend income ▪ Capital appreciation/(depreciation)
Expected Return	Very High
Expected Risk	Very High
Investment Vehicle	Mutual fund

Option	Large Capitalization Value Equity Fund
Objectives	<ul style="list-style-type: none"> ▪ High total return ▪ Diversification within the large cap equity market segment
Primary Investments	Domestic stocks with market capitalizations that are similar to those of stocks found in Russell 1000 Index. The total portfolio should exhibit characteristics representative of a value equity investment style, including price/earnings and price/book ratios less than the Russell 1000 Index.
Source of Return	<ul style="list-style-type: none"> ▪ Dividend income ▪ Capital appreciation/(depreciation)
Expected Return	High
Expected Risk	High
Investment Vehicle	Mutual fund

Option	Large Capitalization Core Equity (Passive) Fund
Objectives	<ul style="list-style-type: none"> ▪ Track the return of the S&P 500 Index ▪ High total return
Primary Investments	All the stocks comprising the S&P 500 Index and in the same proportion as the Index.
Source of Return	<ul style="list-style-type: none"> ▪ Dividend income ▪ Capital appreciation/(depreciation)
Expected Return	High
Expected Risk	High
Investment Vehicle	Mutual fund

Option	Large Capitalization Growth Equity Fund
Objectives	<ul style="list-style-type: none"> ▪ High total return ▪ Diversification within the large cap equity market segment
Primary Investments	Domestic stocks with market capitalizations that are similar to those of stocks found in Russell 1000 Index. The total portfolio should exhibit characteristics representative of a growth equity investment style, including price/earnings and price/book ratios greater than the Russell 1000 Index.
Source of Return	<ul style="list-style-type: none"> ▪ Capital appreciation/(depreciation) ▪ Dividend income (modest or none)
Expected Return	High
Expected Risk	High
Investment Vehicle	Mutual fund

APPENDIX C— INVESTMENT OPTION PROFILES

Option	International Equity Fund (Passive)
Objectives	<ul style="list-style-type: none"> ▪ Track the return of the MSCI ACWI ex US IMI Net Index ▪ High total return ▪ Provide non-U.S. equity exposure thereby enhancing participant diversification opportunities
Primary Investments	All the stocks comprising the MSCI ACWI ex US IMI Net Index and in the same proportion as the Index.
Source of Return	<ul style="list-style-type: none"> ▪ Capital appreciation/(depreciation) ▪ Dividend income
Expected Return	High
Expected Risk	Very High
Investment Vehicle	Mutual fund

Option	International Large Cap Equity Fund (Active)
Objectives	<ul style="list-style-type: none"> ▪ High total return ▪ Provide non-U.S. equity exposure thereby enhancing participant diversification opportunities
Primary Investments	International stocks with market capitalizations that are similar to those of stocks found in the MSCI ACWI ex US Index.
Source of Return	<ul style="list-style-type: none"> ▪ Capital appreciation/(depreciation) ▪ Dividend income
Expected Return	High
Expected Risk	Very High
Investment Vehicle	Mutual fund

Option	Mid Capitalization Core Equity Fund
Objectives	<ul style="list-style-type: none"> ▪ High total return ▪ Diversification within the mid/small cap equity market segment
Primary Investments	Domestic stocks with market capitalizations that are similar to those of stocks found in Russell Midcap Index. The total portfolio should exhibit characteristics representative of a core equity investment style, including price/earnings and price/book ratios in line with that of the Russell Midcap Index.
Source of Return	<ul style="list-style-type: none"> ▪ Dividend income ▪ Capital appreciation/(depreciation)
Expected Return	Very High
Expected Risk	Very High
Investment Vehicle	Mutual fund

Option	Mid Capitalization Growth Equity Fund
Objectives	<ul style="list-style-type: none"> ▪ High total return ▪ Diversification within the mid/small cap equity market segment
Primary Investments	Domestic stocks with market capitalizations that are similar to those of stocks found in Russell Midcap Index. The total portfolio should exhibit characteristics representative of a growth equity investment style, including price/earnings and price/book ratios greater than the Russell Midcap Index.
Source of Return	<ul style="list-style-type: none"> ▪ Dividend income ▪ Capital appreciation/(depreciation)
Expected Return	Very High
Expected Risk	Very High
Investment Vehicle	Mutual fund

APPENDIX C— INVESTMENT OPTION PROFILES

Option	Small Capitalization Core Equity Fund
Objectives	<ul style="list-style-type: none"> ▪ High total return ▪ Diversification within the mid/small cap equity market segment
Primary Investments	Domestic stocks with market capitalizations that are similar to those of stocks found in Russell 2000 Index. The total portfolio should exhibit characteristics representative of a growth equity investment style, including price/earnings and price/book ratios in line with the Russell 2000 Index.
Source of Return	<ul style="list-style-type: none"> ▪ Dividend income ▪ Capital appreciation/(depreciation)
Expected Return	Very High
Expected Risk	Very High
Investment Vehicle	Mutual fund

Option	Emerging Markets Equity Fund
Objectives	<ul style="list-style-type: none"> ▪ High total return ▪ Diversification among international markets
Primary Investments	Emerging market stocks invested in companies that are domiciled in or derive the majority of their revenue from emerging market countries.
Source of Return	<ul style="list-style-type: none"> ▪ Dividend Income ▪ Capital appreciation/(depreciation)
Expected Return	Very High
Expected Risk	Very High
Investment Vehicle	Mutual fund

Option	Self-Directed Brokerage Account
Objectives	Provide participants with an additional Investment Options beyond the lifecycle funds and core option array.
Primary Investments	Mutual funds or other diversified investments with varying risk/return characteristics accessed through a self-directed brokerage account.
Source of Return	<ul style="list-style-type: none"> ▪ Interest and/or dividend income ▪ Capital appreciation/(depreciation)
Expected Return	Varies
Expected Risk	Varies

APPENDIX D—TARGET MATURITY LIFECYCLE FUNDS

Asset Allocation as of 12/31/2023

	2060 Portfolio (%)	2055 Portfolio (%)	2050 Portfolio (%)	2045 Portfolio (%)	2040 Portfolio (%)	2035 Portfolio (%)	2030 Portfolio (%)	2025 Portfolio (%)	Conservative Portfolio (%)
Total Fixed Income	8.0	10.5	13.4	16.9	22.6	31.6	42.8	57.3	66.0
Total Stable Value	0.0	0.0	0.4	1.4	2.6	4.1	8.4	16.9	22.0
New Mexico Stable Value Fund (Galliard)	0.0	0.0	0.4	1.4	2.6	4.1	8.4	16.9	22.0
Total Investment Grade Bonds	3.1	4.6	6.1	7.4	10.6	17.1	23.0	28.0	31.0
Vanguard Inflation-Protected Securities	0.4	1.2	1.9	2.7	3.4	4.4	6.4	9.9	12.0
Vanguard Total Bond Market Index	2.7	3.4	4.2	4.7	7.2	12.7	16.6	18.1	19.0
Total Global Credit	4.9	5.9	6.9	8.1	9.4	10.4	11.4	12.4	13.0
Wellington Opportunistic Emerging Markets Debt	2.2	2.7	3.2	3.7	4.2	4.7	5.0	5.0	5.0
Columbia High Yield Bonds	2.7	3.2	3.7	4.4	5.2	5.7	6.4	7.4	8.0
Total Equity	72.4	70.9	68.7	65.1	60.2	53.2	43.4	29.1	21.0
Total Domestic Equity	35.8	35.3	34.5	32.9	30.8	27.8	23.0	15.5	11.0
Vanguard Institutional Index Fund	25.3	24.6	23.6	22.6	21.4	19.7	16.3	11.0	8.0
Principal Mid Cap Equity	3.5	3.6	3.7	3.5	3.3	2.8	2.3	1.6	1.0
T. Rowe Price Mid Cap Growth	3.5	3.6	3.7	3.5	3.3	2.8	2.3	1.6	1.0
Fidelity Small Cap Index	3.5	3.5	3.5	3.3	2.8	2.5	2.1	1.3	1.0
Total International Equity	36.6	35.6	34.2	32.2	29.4	25.4	20.4	13.6	10.0
Vanguard Total International Stock Index	19.6	18.6	17.6	16.6	15.2	13.2	10.6	7.1	5.0
American Fund EuroPacific Growth	7.0	7.0	6.6	5.8	5.3	5.0	4.2	2.6	2.0
Fidelity Emerging Markets Index	10.0	10.0	10.0	9.8	8.9	7.2	5.6	4.2	3.0
Total Other	19.6	18.6	18.0	18.0	17.2	15.2	13.8	13.3	13.0
Total Core Private Real Estate	11.8	11.3	11.0	11.0	10.6	9.6	8.8	8.3	8.0
Prudential Retirement Real Estate Fund II	11.8	11.3	11.0	11.0	10.6	9.6	8.8	8.3	8.0
Total Diversified Inflation Hedge	7.8	7.3	7.0	7.0	6.6	5.6	5.0	5.0	5.0
Principal Diversified Real Asset Fund	7.8	7.3	7.0	7.0	6.6	5.6	5.0	5.0	5.0