



PERA

Investments and Pensions Oversight Committee

Representative Tomás E. Salazar, Chair

Senator George K. Muñoz, Vice-Chair

June 20, 2017

Dan Mayfield, Board Chair, PERA

Wayne Propst, Executive Director, PERA

PERA Fund Performance

- As of April 30, 2017, the PERA Fund was \$14.9 billion
- Fiscal YTD, the Fund returned 9.24% (net of fees)
- Fiscal YTD, the Fund paid \$924 million in pension benefits
- As of April 30, 2017 The PERA Smart Save Deferred Compensation Plan (457b) fund balance was \$558 million with 20,334 participants

As of 04/30/2017	Fiscal YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 6/30/1985
PERA Total Fund Returns (Net of Fees)*	9.24%	9.88%	5.00%	7.70%	3.99%	9.04%
Policy Benchmark*	9.71%	11.82%	5.68%	7.62%	4.91%	9.00%
Tracking Error**	-0.47%	-1.94%	-0.68%	0.08%	-0.92%	0.04%

* Annualized returns

**Discrepancy based upon new Strategic Asset Allocation, which was adopted in April of 2016. May take up to 18-24 months to implement.

Asset Allocation Implementation Update

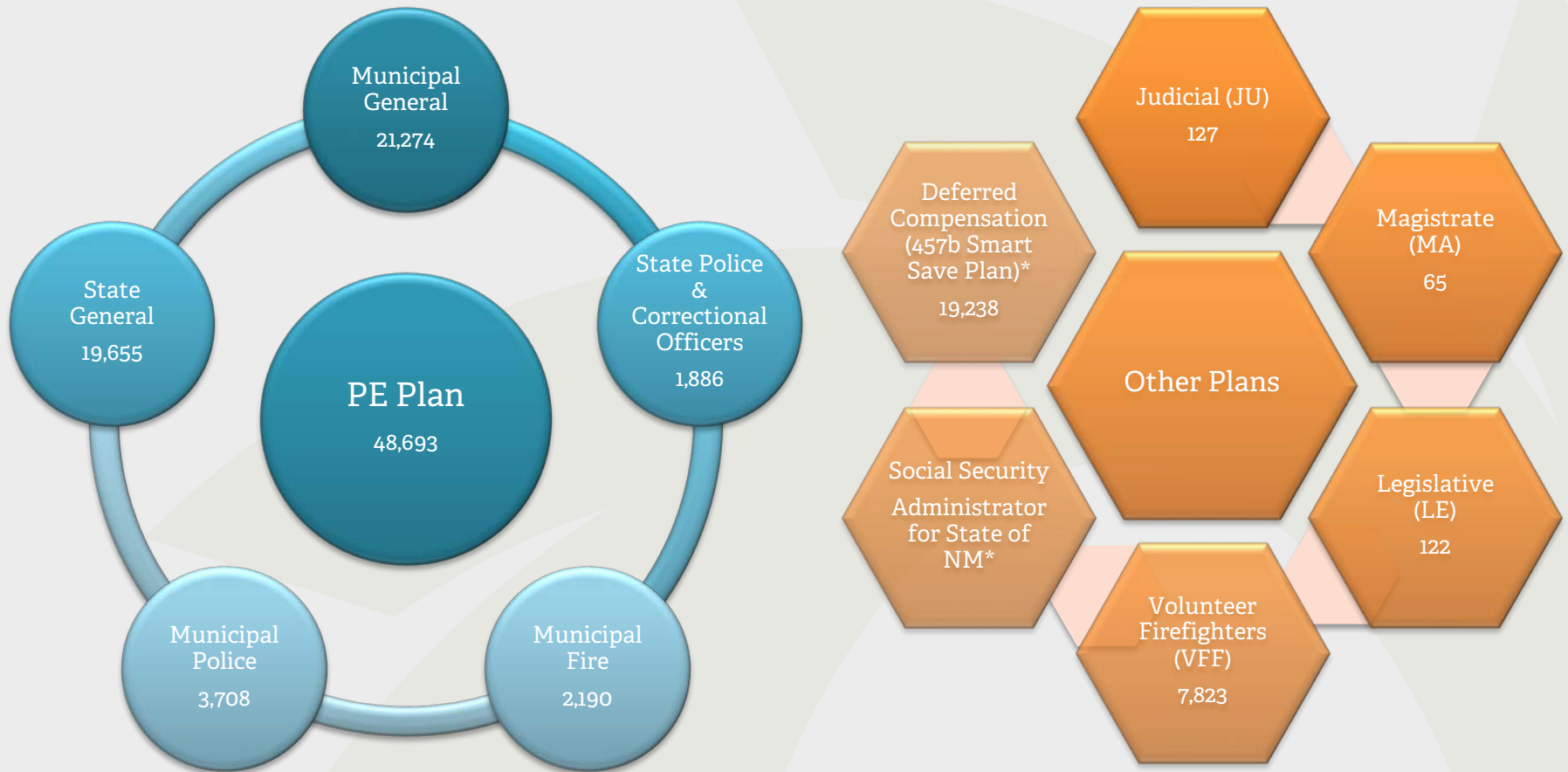
Asset Category -Purpose	Asset Classes	Current*	Target	Legacy
Global Equity - Economic Growth	Global Public Equity Global Low Volatility Equity Hedged Equity Private Equity	47.7%	43.5%	54.3%
Risk Reduction/ Mitigation - Safety and Liquidity	Core Fixed Income Global Core Fixed Income Long Duration Core Fixed Income Cash / STO	25.1%	21.5%	26.1%
Credit Oriented - Hybrid Exposure to Growth & Income	Liquid Credit Strategies Emerging Market Debt Illiquid Credit Strategies	12.8%	15.0%	6.3%
Real Assets - Inflation Protection	Liquid Real Estate Illiquid Real Estate Liquid Real Assets Illiquid Real Assets Market Neutral Hedge Funds	14.3%	20.0%	13.3%

- The current strategic asset allocation (SAA) was approved by the PERA Board in April 2016
- The SAA simplified asset categories based on their respective roles in a broader portfolio
 - *Global Equity reduced from 54.3% to 43.5%*
 - *Risk Reduction/Mitigation reduced from 26.1% to 21.5%*
 - *Credit Oriented Fixed Income increased from 6.3% to 15%*
 - *Real Assets increased from 13.3% to 20%*
- The transition began in July 2016 and is 85% complete, with the equity and fixed income asset categories on target and within approved ranges
- The Real Asset allocation is anticipated to be on target by September 2017

*Current % of PERA Portfolio vs. Target SAA

PERA – Who We Serve

Active Membership

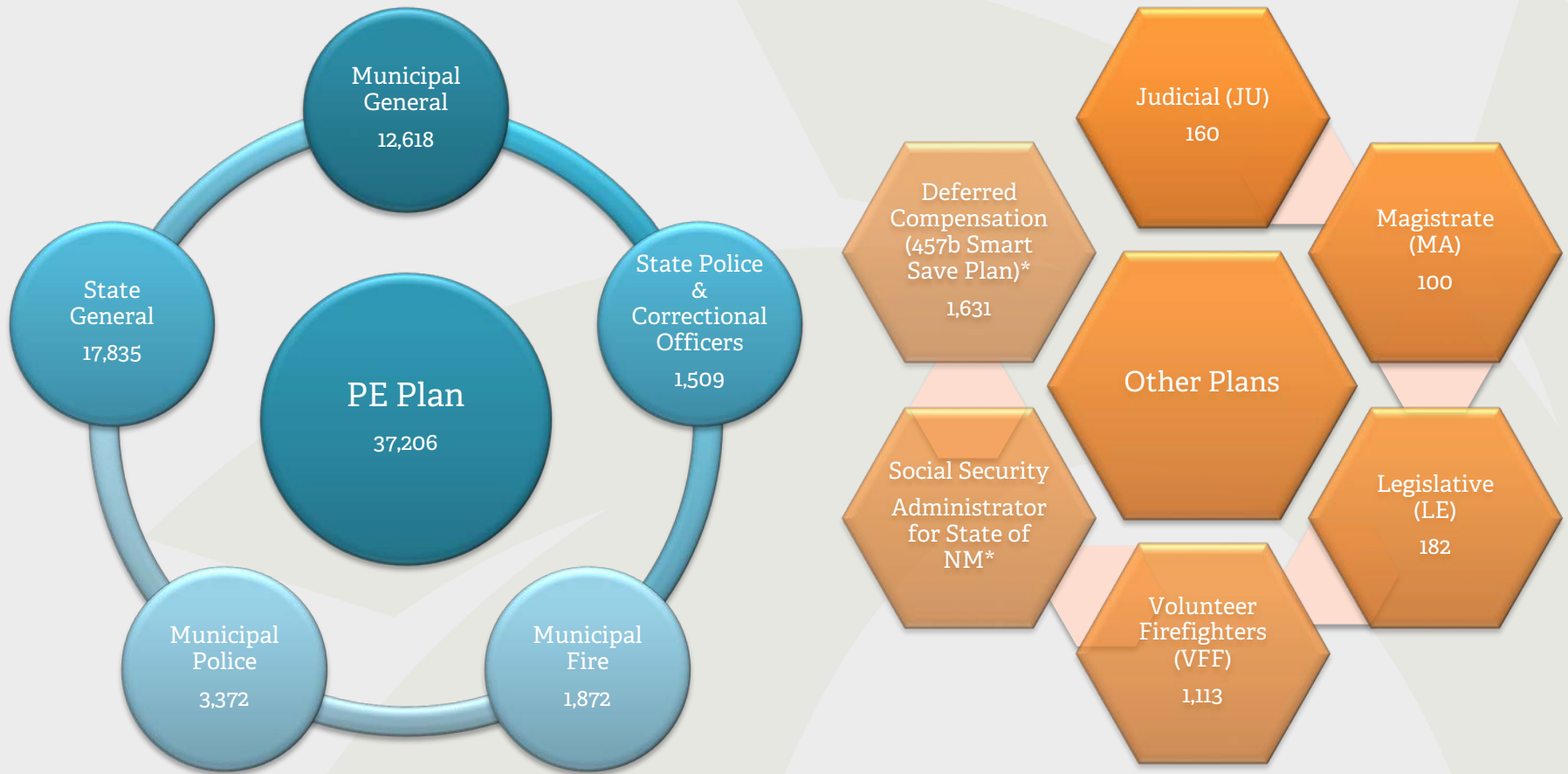


Active membership as of 6/30/2016

* Social Security Administrator status ends 6/30/2017

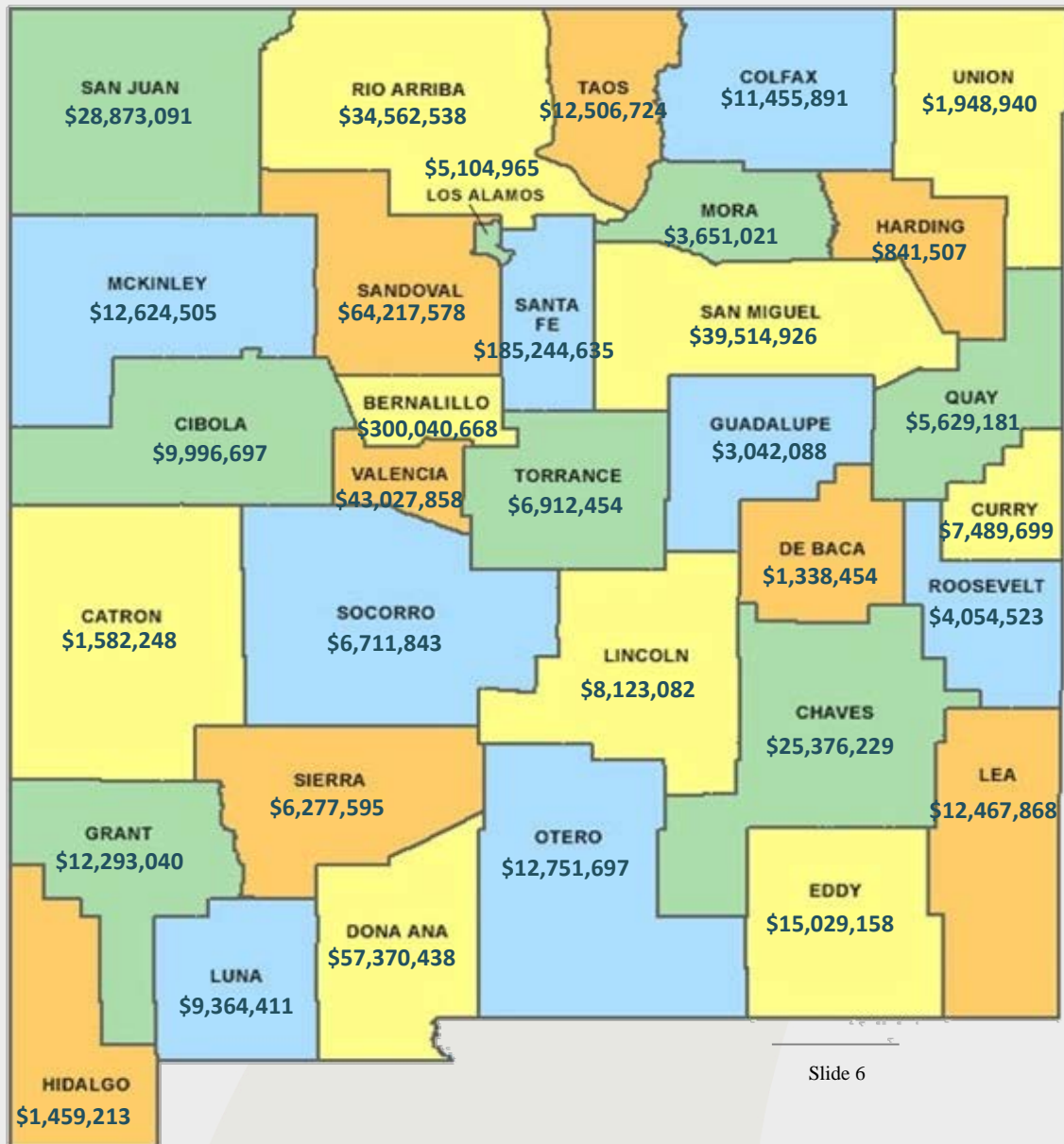
PERA – Who We Serve

Retired Membership



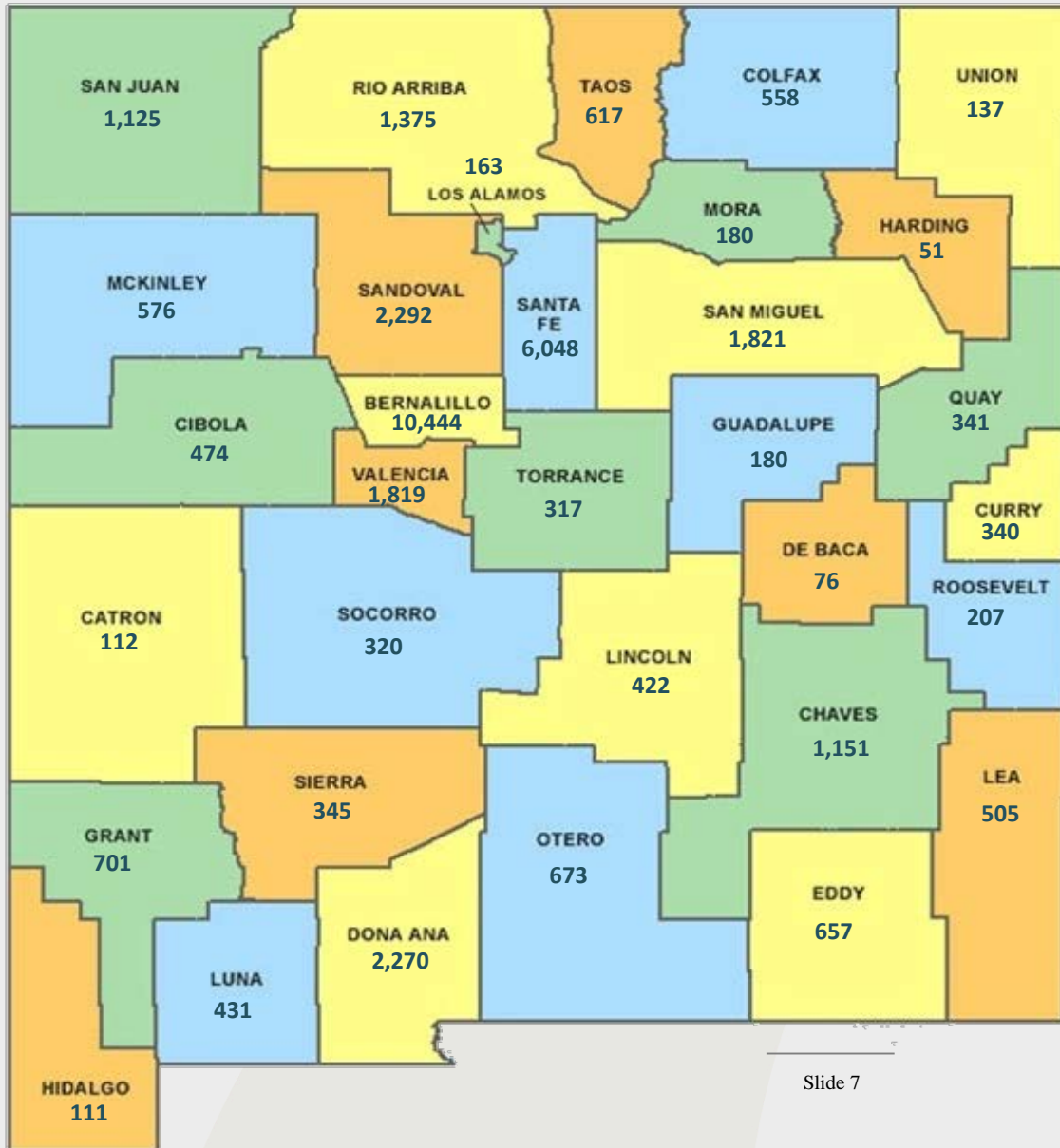
Retired membership as of 6/30/2016
** Social Security Administrator status ends 6/30/2017*

Benefit Payments Fiscal Year 2016



- Fiscal Year 2016 benefit payments totaled ***\$1,034,659,654***
- ***\$951,300,842*** in benefit payments were paid to retired members that reside in NM
- ***\$83,358,812*** in benefit payments were paid to retired members that reside outside of NM
- ***\$44,998,075*** in refunded member contributions were paid out in FY16
- ***\$1,079,657,729*** in total payments were made by PERA in FY16

Number of Benefit Payments Fiscal Year 2016



# of Retired Members as of 6/30/2016	38,856
# that reside in NM	34,994
# that reside outside of NM	3,862

PERA at A Glance – FY16

	Average Annual Pension - FY16	Average Age at Retirement - FY16	Average Annual Pension - Total	Average Age at Retirement - Total
PERA Total	\$ 29,700	58.55	\$ 24,936	55.90
State General	\$ 28,812	59.85	\$ 23,580	57.39
State Police/Corrections	\$ 31,380	51.54	\$ 27,864	51.16
Municipal General	\$ 25,104	60.85	\$ 22,656	57.78
Municipal Police	\$ 44,028	49.11	\$ 33,900	47.62
Municipal Fire	\$ 46,944	49.11	\$ 34,536	47.84
Judicial	\$ 74,100	65.58	\$ 63,348	61.82
Magistrates	\$ 13,380	63.08	\$ 34,704	61.43
Legislative	\$ 17,160	60.67	\$ 7,356	64.58
Volunteer Firefighters	\$ 1,896	62.33	\$ 1,560	60.90

PERA Initiatives

- **Retirement Information Online (RIO) Strategic Enhancement Project**
 - ✓ *Data Remediation & Governance*
 - ✓ *Business Process Improvements and Enhancements to RIO pension application*
 - ✓ *Multi-year project with targeted completion date June 2018*
- **PERA Board's Long-term Pension Solvency Education & Planning**
 - ✓ *Actuarial Deconstruction of PERA's Unfunded Actuarial Liability*
 - ✓ *Actuarial Modeling of Cost of PERA's Benefit Components*
 - ✓ *Examine Solvency Measures for Future Retirement Sustainability*
- **Research & Polling**
 - ✓ *Member survey to be conducted in the fall*
 - ✓ *Objective of continually improving service to our members*