



PERA

Update from PERA

May 19, 2016

Senator George Muñoz, Chairman

Representative Monica Youngblood, Vice-Chair

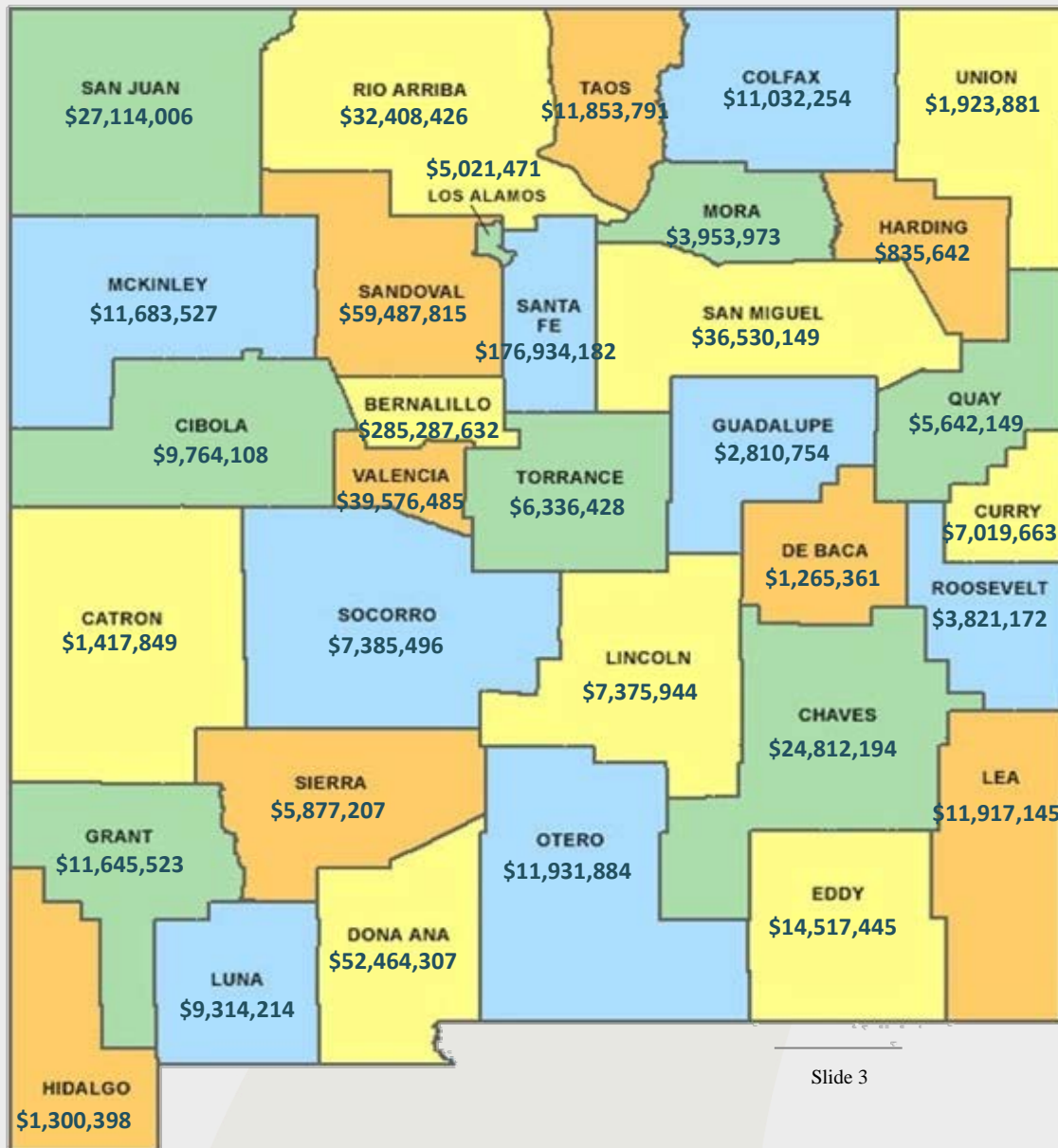
PERA – Who We Serve



Active membership as of 6/30/2015

Slide 2

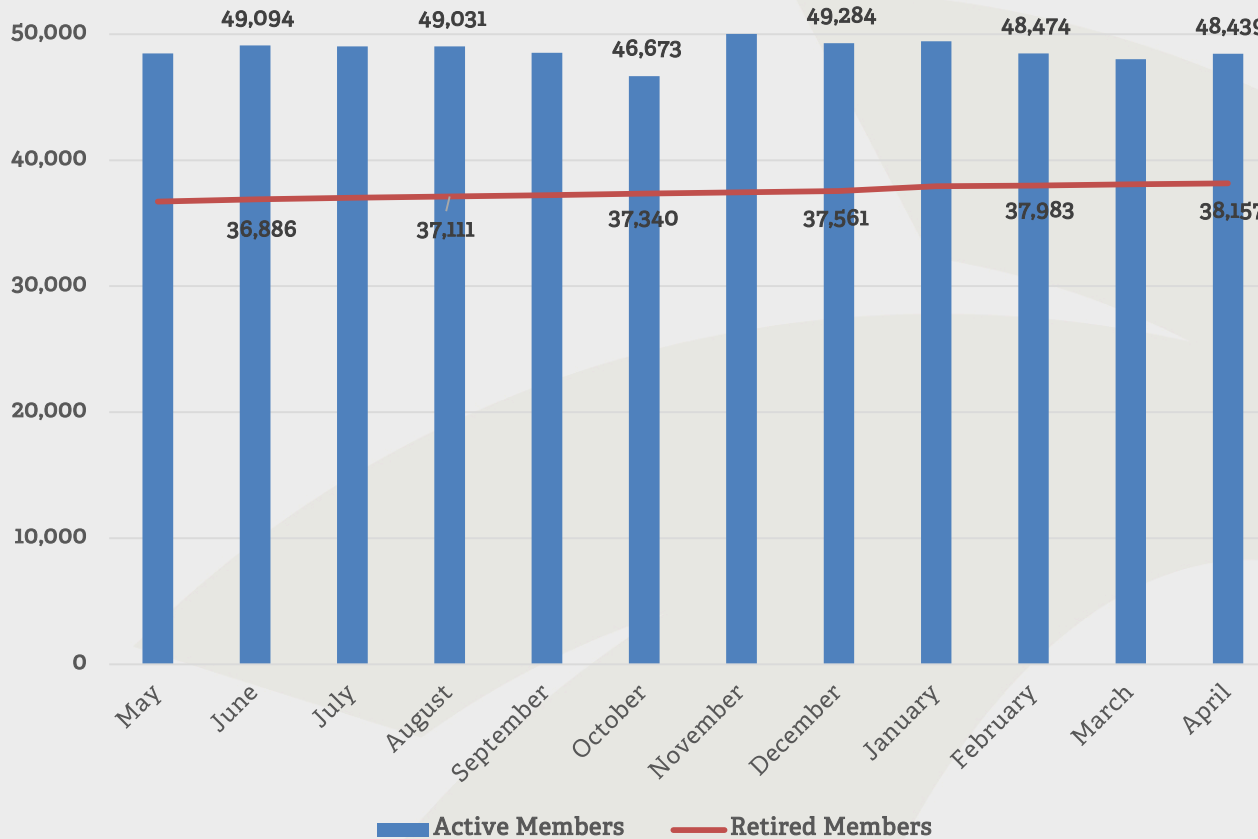
Benefit Payments Fiscal Year 2015



- Fiscal Year 2015 benefit payments totaled ***\$975,052,950***
- ***\$900,262,477*** in benefit payments were paid to retired members that reside in NM
- ***\$74,790,474*** in benefit payments were paid to retired members that reside outside of NM
- ***\$46,055,312*** in refunded member contributions was also paid out in FY15
- ***\$1,021,108,262*** in total payments were made by PERA in FY15

Retirements

Active Members vs: Retired Members - May 2015 - April 2016



Retirements through FY 2016	
ERB	70
Beneficiary/Co-Payees	18
Judicial	3
Legislative	1
Magistrate	3
Municipal General	647
Municipal Fire	67
Municipal Police	120
State General	718
State Police/Adult Correction Officers	47
Volunteer Firefighter	110
Total:	1,809

- ❖ Final Phase in Year for increased Cost of Living Eligibility (COLA) period

FY 2015 Schedule of Employer Allocations

NET PENSION LIABILITY			
Fund	FY 2014 NPL	FY 2015 NPL	Difference
PERA	\$3,319,394,159	\$4,260,526,331	\$941,132,172
Judicial	\$41,310,273	\$ 48,049,718	\$6,739,445
Magistrate	\$21,216,149	\$ 30,348,921	\$ 9,132,772
Volunteer FF	(\$21,042,172)	(\$17,625,607)	\$3,416,565
<i>*Schedule of Employer Allocations submitted to OSA for review on 4/22/2016, 4 months earlier than FY14, release date of 5/22/2016</i>			

FY 2015 Financial Audit Report:

- *Unmodified opinion issued with no findings*

Accomplishments

INTERNAL AUDIT FOCUS	
Census Data & Employer Payroll Information	Completed
Custodial Bank Transfer Process	Completed
Benefit Payments & Member Refunds	Completed
Investment Policy Statement Compliance	Completed
Governance, Fiduciary Responsibility and Training	Completed
Years of Service & Wage Eligibility	Planned in FY17
Accounts Payable & 1099 Reporting	Planned in FY17
Recurring Census & Benefit Payment Testing	Planned in FY17

FY 2017 Operating Budget:

- 6.2% decrease as a result of renegotiated money manager fees

FY 2017 Special Appropriation:

- \$4.2 Million for RIO Strategic Enhancement Project

Custody Bank:

- Transitioned to BNY Mellon

PERA Rebranding:

- Updated look and website

Deferred Compensation Plan:

- Better alignment with PERA

Renewed Focus on Member Service:

- Expansion of Albuquerque Office
- Co-location of Retiree Healthcare in PERA SF Office

PERA SmartSave
Deferred Compensation Plan 



PERA 2016 Strategic Asset Allocation Process



		Current*	Target
Global Equity - Economic Growth	<ul style="list-style-type: none"> Global Public Equity Global Low Volatility Equity Hedged Equity Private Equity 	54.3%	43.5%
Risk Reduction/ Mitigation - Safety and Liquidity	<ul style="list-style-type: none"> Core Fixed Income Global Core Fixed Income Long Duration Core Fixed Income Cash 	26.1%	21.5%
Credit Oriented - Hybrid Exposure to Growth and Income	<ul style="list-style-type: none"> Liquid Credit Strategies Emerging Market Debt Illiquid Credit Strategies 	6.3%	15.0%
Real Assets - Inflation Protection	<ul style="list-style-type: none"> Liquid Real Estate Illiquid Real Estate Liquid Real Assets Illiquid Real Assets Market Neutral Hedge Funds 	13.3%	20.0%

Current % of PERA Portfolio vs. Target SAA

PERA Fund Performance

- The PERA Fund balance was \$14 billion on March 31, 2016
- For the Fiscal Year to date, the Fund returned -1.33% (net of fees)
- PERA Fund paid out benefits of \$1.01 billion during 2015
- PERA Smart Save (457b) balance was \$494 million on March 31, 2016 with 19,054 participants

As of 3/31/2016	Fiscal YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 6/30/1985
PERA Total Fund Returns (Net of Fees)*	-1.33%	-1.60%	5.45%	5.91%	4.30%	8.99%
Policy Benchmark*	-1.90%	-0.40%	5.44%	5.57%	5.15%	8.91%
Value Add	-0.41%	-1.20%	0.01%	0.34%	-0.84%	0.08%

*Annualized returns