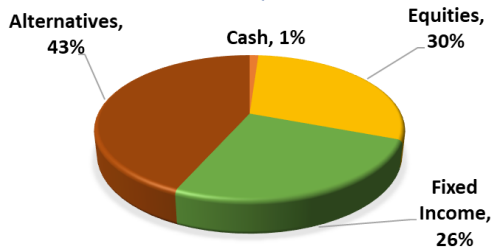


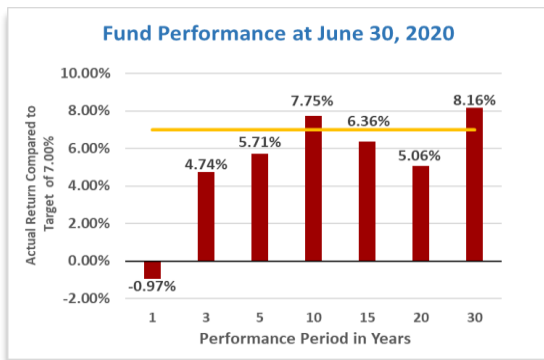
INVESTMENTS

NMERB invests for the long term. Its **well-diversified portfolio**, especially in times of investment market volatility, is the best way to ensure a secure retirement for NMERB's members.

ACTUAL INVESTMENT ALLOCATION
JUNE 30, 2020



In the challenging and volatile environment of fiscal year 2020, the Fund experienced a net investment unrealized loss of 0.97% (\$76 million). This compares to a 7.3% (\$1 billion) gain in fiscal year 2019. The results for 2020 were below the Fund's long-term actuarial annual return assumption of 7.00%. However, consistent with the Fund's long-term investment strategy, the Fund's risk-adjusted performance, as measured by the Sharpe Ratio, ranks the Fund in the top 4th percentile of its peers over the year. Also, consistent with the Fund's strategy, from July 1, 1983 through June 30, 2020, NMERB's investment return, net of fees, was 8.75%.



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Toll free number: (866) 691-2345

FINANCIAL RESULTS

The Fund's *Summary Statements of Fiduciary Net Position* show what NMERB owned (assets) and owed (liabilities) at the end of a fiscal year.

Summary Statements of Fiduciary Net Position (thousands)			
	2020	2019	2018
Assets	\$13,147,762	\$ 13,879,362	\$ 13,106,033
Liabilities	128,565	334,671	135,732
Net Position	<u>\$ 13,019,197</u>	<u>\$ 13,544,691</u>	<u>\$ 12,970,301</u>

The *Fund's Summary Statements of Changes in Net Position* show the financial activity occurring during a fiscal year.

Summary Statements of Changes in Net Position (thousands)			
	2020	2019	2018
Additions:			
Contributions	\$ 781,281	\$ 709,991	\$ 676,048
Net investment income	(75,878)	1,037,882	900,131
Other income	241	488	2,116
Total additions	<u>705,644</u>	<u>1,748,361</u>	<u>1,578,295</u>
Deductions:			
Benefit payments and refunds	1,220,260	1,164,645	1,107,442
Administrative expenses	10,878	9,326	9,908
Total deductions	<u>1,231,138</u>	<u>1,173,971</u>	<u>1,117,350</u>
Net increase	<u>(525,494)</u>	<u>574,390</u>	<u>460,945</u>
Net position			
Beginning of the year	13,544,691	12,970,301	12,509,356
End of the year	<u>\$ 13,019,197</u>	<u>\$ 13,544,691</u>	<u>\$ 12,970,301</u>

Summary of Actuarial Information:

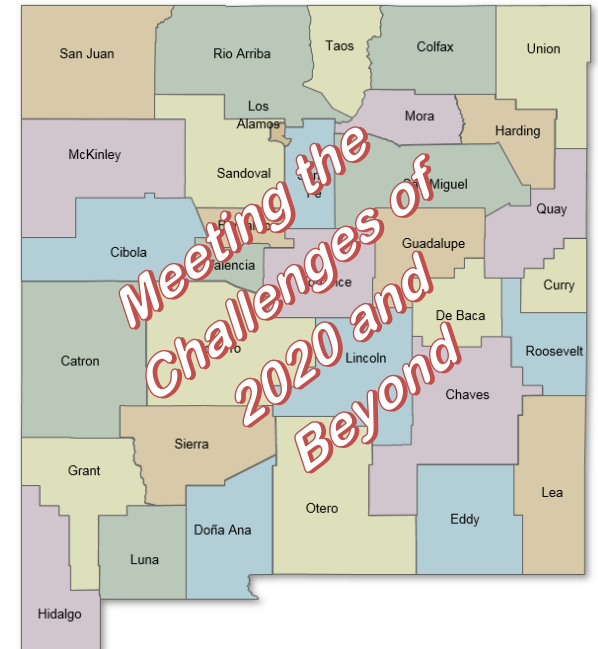
Year	Unfunded Actuarial Accrued Liability (millions), Funded Ratio, Funding Period		
	UAAL	Funded Ratio	Funding Period
2020	\$ 9,004	60.4%	Infinite
2019	\$ 7,904	62.9%	47 yrs
2018	\$ 7,461	63.5%	70 yrs
2017	\$ 7,363	62.9%	61 yrs
2016	\$ 6,631	64.2%	46 yrs

The unfunded actuarial accrued liability (UAAL) is the excess of the actuarial accrued liability over the actuarial value of assets. The funding period is a theoretical calculation of the length of time required for the UAAL to be completely paid off.

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New Mexico Educational Retirement Board

A Pension Trust Fund of the State of New Mexico



Popular Annual Financial Report

For the Fiscal Year Ended June 30, 2020

*For five consecutive years, NMERB has received GFOA's **Award for Outstanding Achievement in Popular Annual Reporting**. NMERB believes this current PAFR also meets the criteria for the prestigious annual award.*

ABOUT THIS REPORT

This report is a summary of NMERB's services, membership, investments, and financial results, as reported in its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. All funds administered by NMERB and presented in the CAFR are included in this report.

The 2020 CAFR is presented in conformity with generally accepted accounting principles (GAAP) and, therefore, includes more detailed information than this summary, including management's discussion and analysis of financial results. The CAFR can be viewed online at:

https://www.nmerb.org/Annual_reports.html.

NMERB's SERVICES

NMERB provides retirement benefit services to over 163,000 members and 216 educational employers. NMERB was created by the New Mexico Educational Retirement Act to administer the Educational Employees' Retirement Plan and to provide retirement and disability benefits for public schools, institutions of higher learning, and state agencies providing educational programs. NMERB has managed the retirement assets of New Mexico's educational employees since 1957.

Pension benefit payments made by NMERB significantly contribute to New Mexico's economy. In fiscal year 2020, gross benefit payments paid to retirees living in New Mexico's 33 counties were \$975,857,607.



MANAGING THE RETIREMENT ASSETS OF NEW MEXICO'S
EDUCATIONAL EMPLOYEES SINCE 1957

Retirement Benefits by New Mexico County

County	Amount (thousands)
Bernalillo	\$357,661
Doña Ana	126,524
Sandoval	55,303
Santa Fe	51,944
San Juan	43,553
Valencia	33,830
Chaves	27,814
Eddy	25,015
San Miguel	22,493
Rio Arriba	22,479
Otero	20,549
Curry	19,525
Grant	19,048
Lea	18,454
McKinley	17,533
Socorro	16,074
Taos	15,612
Roosevelt	13,693
Lincoln	11,320
Cibola	7,931
Los Alamos	7,341
Luna	6,933
Colfax	6,499
Torrance	5,036
Mora	4,731
Quay	4,557
Sierra	4,214
Guadalupe	2,682
Union	2,138
Hidalgo	1,948
De Baca	1,298
Catron	1,280
Harding	846
Total	\$975,858

MEMBERS AND EMPLOYERS

Total Membership Status by Year

Status	2020	2019	2018
Retirees and beneficiaries	51,397	50,197	48,919
Active working	61,091	60,197	60,358
Inactive, vested	11,513	11,436	10,621
Inactive, nonvested	39,401	39,703	36,891
Total	163,402	161,533	156,789

Schedule of Contributing Employers by Year

Employer Category	2020	2019
Charter schools	97	98
Public schools	89	89
Special schools	4	4
State agencies	11	11
Universities and colleges	15	15
Total	216	217

Fiscal Year 2020 Contribution Rates

Wages	Member	Employer	Total
Over \$24,000	10.70%	14.15%	24.85%
\$24,000 or less	7.90%	14.15%	22.05%

Board of Trustees

The Board of Trustees provides policy guidance and direction to NMERB. It also appoints NMERB's executive director. In 2008, the board appointed the current executive director, Jan Goodwin. The board is comprised of seven elected, appointed, and ex-officio members:

Mary Lou Cameron, Chair, NEA Appointee
H. Russell Goff, Vice-Chair, NMAER Appointee
Larry Magid, Secretary, Governor Appointee
Donald Duszynski, Member, AAUP Appointee
Steven Gluckstern, Member, Governor Appointee
Tim Eichenberg, Ex-Officio Member, State Treasurer
Dr. Ryan Stewart, Ex-Officio Member, Public Education Department (PED) Secretary
Adán Delgado, Designate for Secretary of PED

Board membership is established by the New Mexico Educational Retirement Act.