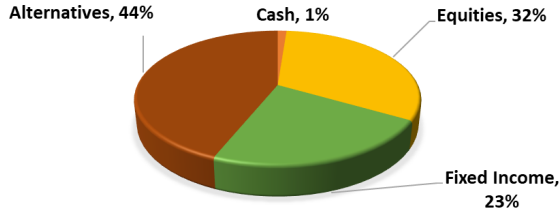


INVESTMENTS

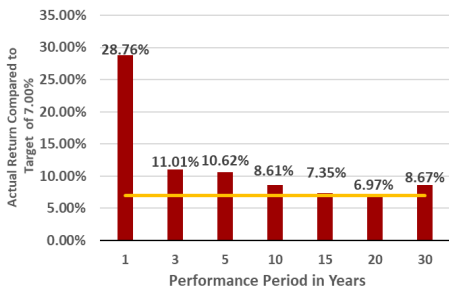
NMERB invests for the long term. Its **well-diversified portfolio**, especially in times of investment market volatility, is the best way to ensure a secure retirement for NMERB's members.

**ACTUAL INVESTMENT ALLOCATION
JUNE 30, 2021**



For the year ending June 30, 2021, the Fund experienced a net investment gain of \$3.8 billion. It is the highest dollar amount of returns for any year in the history of the Fund and translates to a return of 28.8% for the year. This return compares to a net unrealized loss of 0.97% in fiscal year 2020. Assets increased from \$13.1 billion twelve months ago to \$16.5 billion on June 30, 2021, with \$519.6 million in net distributions during the year. Ranking in the top 27% percentile of its peers, the Fund outperformed the policy index by 448 basis points. From July 1, 1983 through June 30, 2021, NMERB's annualized investment return, net of fees, was 9.24%.

Fund Performance at June 30, 2021



Santa Fe (Main) Office: 701 Camino de los Marquez
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Toll free number: (866) 691-2345

FINANCIAL RESULTS

The Fund's *Summary Statements of Fiduciary Net Position* illustrates NMERB assets and liabilities at the end of a fiscal year.

Summary Statements of Fiduciary Net Position (thousands)			
	2021	2020	2019
Assets	\$16,514,019	\$13,147,762	\$13,879,362
Liabilities	152,495	128,565	334,671
Net Position	<u>\$16,361,524</u>	<u>\$13,019,197</u>	<u>\$13,544,691</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)			
	2021	2020	2019
Additions:			
Contributions	\$ 782,939	\$ 781,281	\$ 709,991
Net investment	3,833,449	(75,878)	1,037,882
Other income	1,092	241	488
Total additions	4,617,480	705,644	1,748,361
Deductions:			
Benefit payments and refunds	1,263,064	1,220,260	1,164,645
Administrative	12,088	10,878	9,326
Total deductions	1,275,152	1,231,138	1,173,971
Net increase	3,342,327	(525,494)	574,390
Net position			
Beginning of the year	13,019,197	13,544,691	12,970,301
End of the year	<u>\$16,361,524</u>	<u>\$13,019,197</u>	<u>\$13,544,691</u>

Summary of Actuarial Information:

Year	Unfunded Actuarial Accrued Liability (millions), Funded Ratio, Funding Period	
	UAAL	Funded Ratio Funding Period
2021	\$ 8,666	62.8% 42 yrs
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

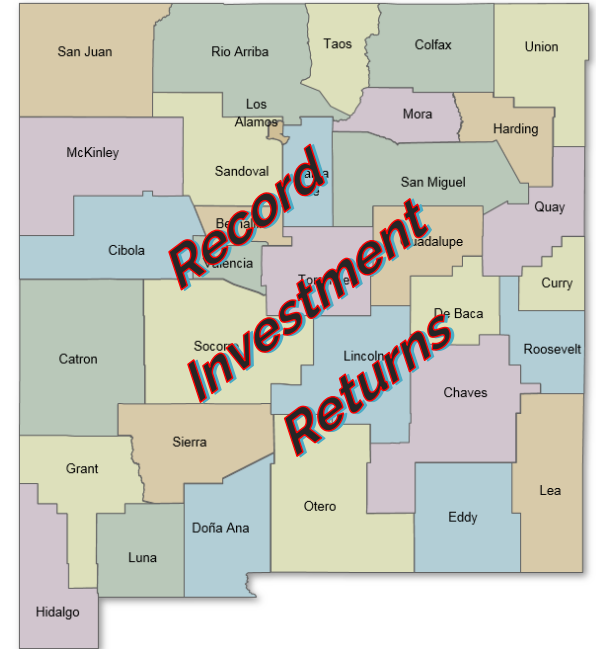
The unfunded actuarial accrued liability (UAAL) is the excess of the actuarial accrued liability over the actuarial value of assets. The funding period is a theoretical calculation of the length of time required for the UAAL to be completely paid off.

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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, 2021

For six 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 Annual Comprehensive Financial Report (Annual Report) for the fiscal year ended June 30, 2021. All funds administered by NMERB and presented in the Annual Report are included in this report.

The 2021 Annual Report 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 Annual Report 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 employees of New Mexico's 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 2021, gross benefit payments paid to retirees living in New Mexico's 33 counties were \$1,014,933,931.



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

Retirement Benefits by New Mexico County

County	Amount (thousands)
Bernalillo	\$373,994
Doña Ana	133,005
Sandoval	58,698
Santa Fe	53,708
San Juan	44,954
Valencia	36,178
Chaves	28,390
Eddy	25,038
San Miguel	23,343
Rio Arriba	22,820
Otero	21,222
Curry	19,731
Grant	19,620
Lea	18,947
McKinley	19,422
Socorro	16,096
Taos	16,092
Roosevelt	13,879
Lincoln	11,721
Cibola	7,797
Los Alamos	7,441
Luna	7,308
Colfax	6,668
Torrance	5,288
Mora	4,507
Quay	4,483
Sierra	4,471
Guadalupe	2,724
Union	1,993
Hidalgo	1,971
De Baca	1,262
Catron	1,277
Harding	886
Total	\$1,014,934

MEMBERS AND EMPLOYERS

Total Membership Status by Year

Status	2021	2020	2019
Retirees and beneficiaries	52,790	51,397	50,197
Active working	58,988	61,091	60,197
Inactive, vested	12,215	11,513	11,436
Inactive, nonvested	39,321	39,401	39,703
Total	163,314	163,402	161,533

Schedule of Contributing Employers by Year

Employer Category	2021	2020
Charter schools	97	96
Public schools	89	89
Special schools	4	4
State agencies	11	11
Universities and colleges	15	15
Total	216	215

Fiscal Year 2021 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. On March 3, 2021, the Board appointed the current executive director, Rick Scroggins, CPA. The board is comprised of nine elected, appointed, and ex-officio members:

- H. Russell Goff**, Vice-Chair, NMAER Appointee
- Larry Magid**, Secretary, Governor Appointee
- Mary Lou Cameron**, Member, NEA Appointee
- Donald Duszynski**, Member, AAUP Appointee
- Matias Fontela**, Member, AFT Appointee
- Tim Eichenberg**, Ex-Officio Member, State Treasurer
- Adán Delgado**, Ex-Officio Designate for Secretary of PED
- Mario Suazo**, Ex-Officio Designate for Secretary of NMHED
- Vacant**, Governor Appointee

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