

Please read carefully.
Changes are coming to your Deferred Compensation Plan.

As part of its routine fund maintenance, the PERA Smart Save Deferred Compensation Plan must remove the 2015 LifeCycle Portfolio from the Plan’s fund option lineup because 2015 has passed. As plan sponsor, New Mexico PERA has directed Nationwide to implement this change in order to accurately provide participants with a diversified set of investment options that are appropriate for long-term retirement saving.

Please carefully review the information on these pages and decide for yourself whether you want to later make changes to your individual investment strategy.

Fund mapping: After the market closes on February 16, 2016, the fund listed in the left column of the table will no longer be available for participant investing and all assets and deferrals will automatically be moved to the fund listed on the right.

From Fund:	To Fund:
<p>New Mexico LifeCycle 2015 Portfolio</p>  <ul style="list-style-type: none"> ■ Stable Value = 16% ■ Bonds = 32% ■ US Large Cap Stocks = 13% ■ US Small/Mid-Cap Stocks = 6% ■ International Stocks = 18% ■ Global Real Estate = 8% ■ Real Assets = 7% 	<p>New Mexico Conservative Portfolio</p>  <ul style="list-style-type: none"> ■ Stable Value = 25% ■ Bonds = 34% ■ US Large Cap Stocks = 9% ■ US Small/Mid-Cap Stocks = 4% ■ International Stocks = 13% ■ Global Real Estate = 8% ■ Real Assets = 7%

You are not required to take any action, however all investment decisions are your choice. Investment elections can be changed to other funds available in the plan at any time. Please be aware that your assets and deferrals will remain in the Conservative Portfolio until you initiate efforts to change your investment election. You may change your investment election by logging on to your account at www.newmexico457dc.com or by contacting Nationwide Customer Service at 1-866-827-6639.

You may also contact your regional Nationwide Retirement Specialist:

- Santa Fe and Northern New Mexico: Jocelyn Hodes (505) 321-2239
- Albuquerque and Central New Mexico: Clayton Puckett (505) 362-8814
- Southern New Mexico: Linda Miller (575) 520-2660

The LifeCycle portfolios are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying investment strategies that are made available in the Plan on a stand-alone basis. There are no additional fees associated with the LifeCycle portfolios, but you are indirectly paying a proportionate share of the applicable fees and expenses of the underlying investment strategies in each LifeCycle portfolio.

For more information on this change, please email PERA-smartsave@state.nm.us.

Investing involves market risk, including possible loss of principal. Actual investment results will vary depending on your investment and market experience, and there is no guarantee that fund objectives will be met.

Before investing, consider the fund's investment objectives, risks, and charges and expenses carefully. The underlying fund prospectuses contain this and other important information, and are available by download at www.nrsforu.com or by calling 877-677-3678. Read carefully before investing

Understanding Investment Types

International / emerging market funds involves additional risks, including currency fluctuations, political instability, differences in accounting standards and foreign regulations.

Real estate funds are sensitive to economic and business cycles, changing demographic patterns and government actions.

Small-cap funds typically involve increased market risk and volatility, and may include assets of limited liquidity.

Mid-cap funds are subject to market risk generally perceived to be greater than large-cap stock funds, but less so than small-cap funds.

Large-cap funds are subject to market risk generally perceived to be less than with mid- and small-cap funds.

Bond funds have the same interest rate, inflation and credit risks associated with the underlying bonds owned by the fund.

High-yield bond securities are typically subject to greater risk and price volatility than funds that invest in higher rated debt securities.

Stable value funds primarily invest in guaranteed investment contracts (GICs) issued by insurance companies or banks, synthetic GICs, or in a common collective trust or mutual fund which invests in these securities.

Fixed account guarantees are subject to the claims-paying ability of the issuing life insurance company.

Asset allocation funds are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, in addition to the expenses of the portfolio, investors indirectly pay a proportionate share of the applicable fees and expenses of the underlying funds.

Target date funds are designed for people who plan to retire during or near a specific year, by investing in underlying funds. In addition to the target date funds' expenses, investors indirectly pay a proportionate share of applicable fees and expenses of the underlying funds. The funds become more conservative as an investor approaches the selected fund date. However, no strategy can assure a profit or prevent a loss in a declining market, nor do target date funds guarantee an investor will have enough assets to last through retirement.



The PERA Smart Save Deferred Compensation Plan is administered by Nationwide Retirement Solutions.

Nationwide Retirement Specialists are Registered Representatives of Nationwide Investment Services Corporation, member FINRA. Retirement Specialists cannot offer investment, tax or legal advice. Consult your own counsel before making decisions about participation in the Deferred Compensation Plan.

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