



New Mexico Education Trust Board

Q3 2020 Program Management Report
November, 2020

Presented by:

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Vice President | Relationship Management

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Vice President | Investment Management



A hand holding a smartphone over a laptop keyboard, with the text "Executive Summary" overlaid in white. The background is a blurred image of a hand holding a smartphone over a laptop keyboard, with a blue tint.

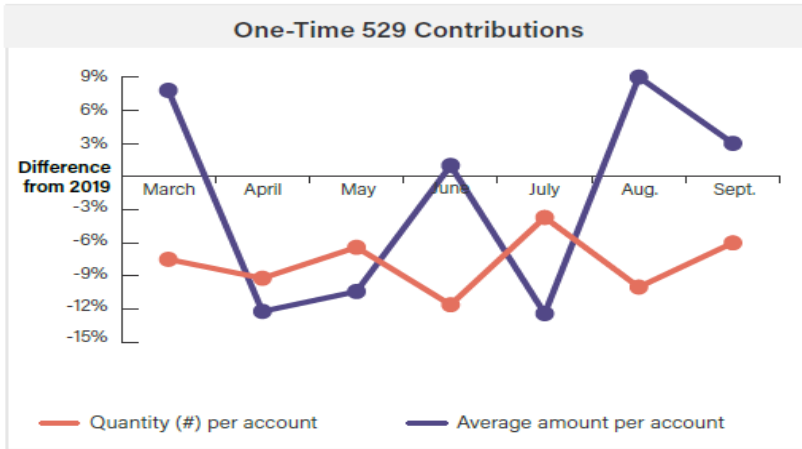
Executive Summary

Saver Trends – COVID Impact

From the last week of March through September 2020:



12.5% decrease in total amount of one-time 529 account contributions



- ▶ One-time contribution amounts to 529 accounts showed a small improvement in August and September, approaching 2019 levels. However, it still appears that the cumulative amount of one-time contributions will be below 2019 levels for the 2020 year.
- ▶ Since the COVID-19 pandemic hit the U.S. in March, the cumulative number of one-time contributions is 8.3% lower and the average contribution amount is 4.6% lower than 2019 levels.
- ▶ Alternatively, automated recurring 529 contributions have seen little change over this same period, affirming their benefits and the value of making savings automatic.



13.6% decrease in total amount of qualified 529 withdrawals



17.7% decrease in number of qualified 529 withdrawals

- ▶ This drop in the amount of dollars withdrawn from 529s may be tied to a 15% reduction in qualified withdrawals during 2020 "tuition season." Tuition season typically kicks off in late June and wraps in late September. However, this year, we saw tuition season withdrawal activity start two weeks later and end one week earlier than prior years.

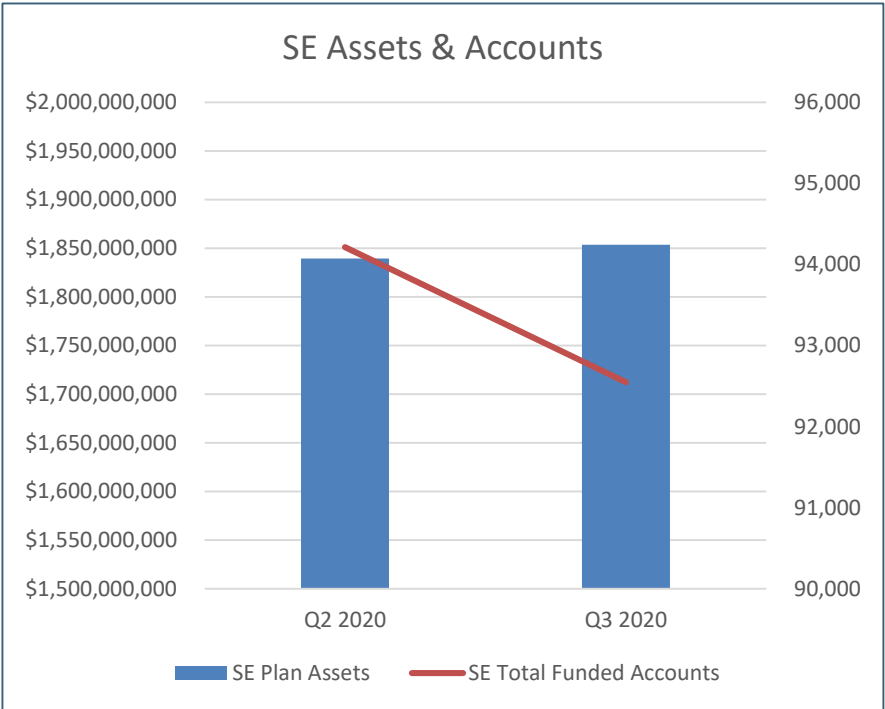
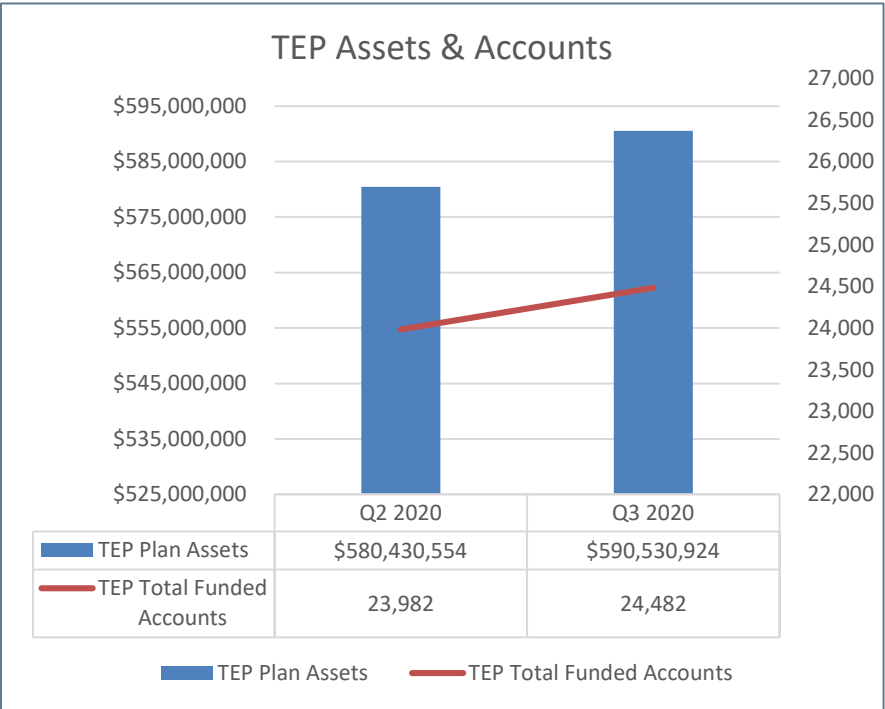
Executive Summary

TEP

- Assets up 1% from 9/30/2019; 2,189 new accounts in 2020.
- Average account size is \$24,121
- YTD Net Cash flow: (\$10,561,323.57)

SE

- Assets up 1% from 9/30/2019; 2,268 new accounts in 2020.
- Average account size is \$20,029
- YTD Net Cash flow: (\$86,821,192)



A hand holding a smartphone over a laptop keyboard, with the text "Education Plan" overlaid. The image has a blue tint and is slightly blurred.

Education Plan

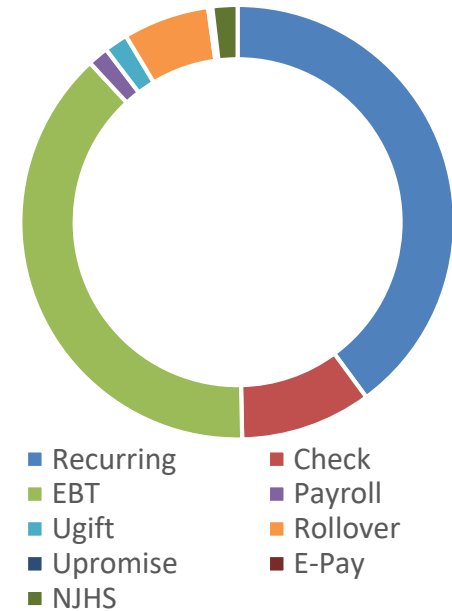
Contribution Summary

Q3 2020



Contribution Type	Total Amount
Recurring Contribution	\$4,981,014.55
NJHS Award	\$233,000.00
Contribution Check	\$1,218,022.34
Contribution EBT	\$4,798,223.49
Contribution E-Pay	\$33,505.50
Rollover Contribution	\$801,434.12
Payroll Contribution	\$192,090.81
Ugift Contribution	\$219,461.24
Upromise Contribution	\$5,194.09
Total Contributions	\$12,481,946.14

Q3 Contribution Methods

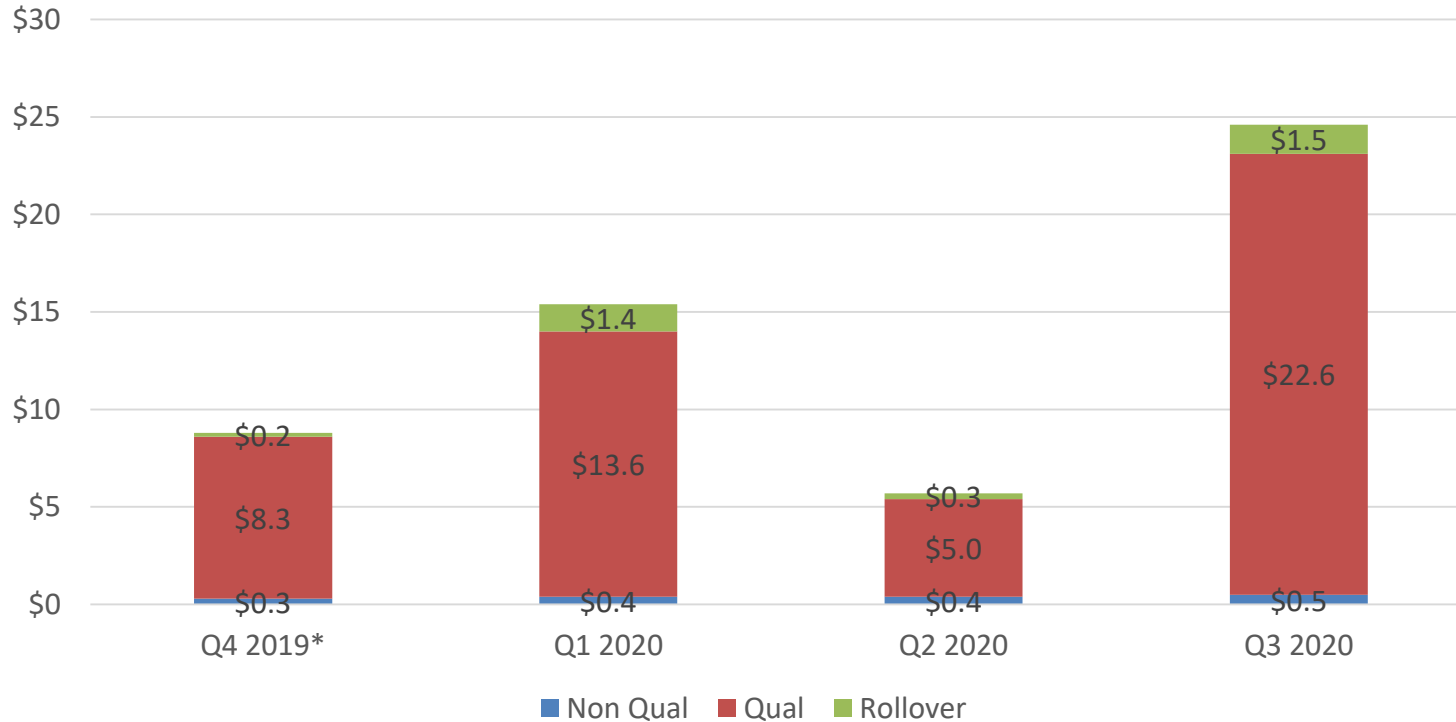


Redemption Summary

Q3 2020



Redemption Total Detail



*Represents activity from 12/6/19 -12/31/19 due to conversion

Redemption Summary

Q3 2020



Redemption Type Totals	Q3 2020	Q2 2020	Q1 2020	Q4 2019*
Qualified	\$22,625,289	\$5,099,328	\$13,649,040	\$8,124,0061
Non-Qualified	\$510,248	\$424,379	\$487,853	\$291,809
Rollover Out	\$1,562,787	\$358,093	\$1,430,818	\$226,637
Totals	\$24,698,324	\$5,881,800	\$15,567,711	\$8,798,616

*Represents activity from 12/6/19 -12/31/19 due to conversion

Rollover Out Detail

Q3 2020



Top Destinations for Rollover Out	Number of Rollovers	Total Dollar Amount
Fidelity - Multiple Plans	13	\$475,156
TD Ameritrade 529 (NE)	11	\$64,175
My 529 (UT)	10	\$465,212
Scholar's Edge	4	\$338,027
Ed Jones – Multiple Plans	3	\$37,919
All Other	14	\$182,298

Account Statistics by State

Q3 2020



	Q3 2020	Q2 2020	% of Q/Q
Funded Accounts			
In State	12,644	12,285	3%
Out of State	11,838	11,696	1%
Funded Unique Account Owners			
In State	7,210	6,772	6%
Out of State	8,263	7,814	6%
Funded Unique Beneficiaries			
In State	12,484	12,063	3%
Out of State	11,796	11,639	1%
New Accounts			
In State	513	375	37%
Out of State	113	596	-81%
Total*	626	971	-36%
Closed Accounts			
In State	147	89	65%
Out of State	322	205	57%
Total	469	294	60%

- *Q2 NJHS 465
- *Q3 NJHS 9

Account Demographics

Q3 2020

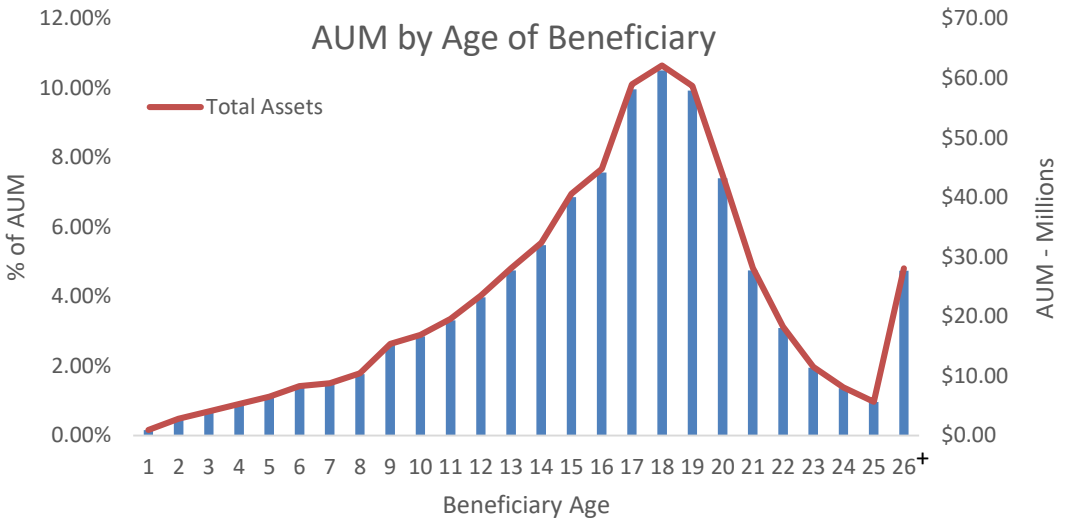


New Mexico Resident Accounts

- Funded Accounts
12,644
- Average Funded Acct Size
\$24,042.58
- Average Bene Age
13.56
- Funded Accounts with AIP
5,296

Non-New Mexico Resident Accounts

- Funded Accounts
11,838
- Average Funded Acct Size
\$24,204.81
- Average Bene Age
17.2
- Funded Accounts with AIP
3,809



AO Relationship to Bene	% of Accounts	% of Assets
Parent	67%	62%
Grandparent	14%	12%
Other	12%	17%
Aunt/Uncle	3%	1%
Self	1%	5%
Friend	>1%	>1%
None Selected	3%	3%

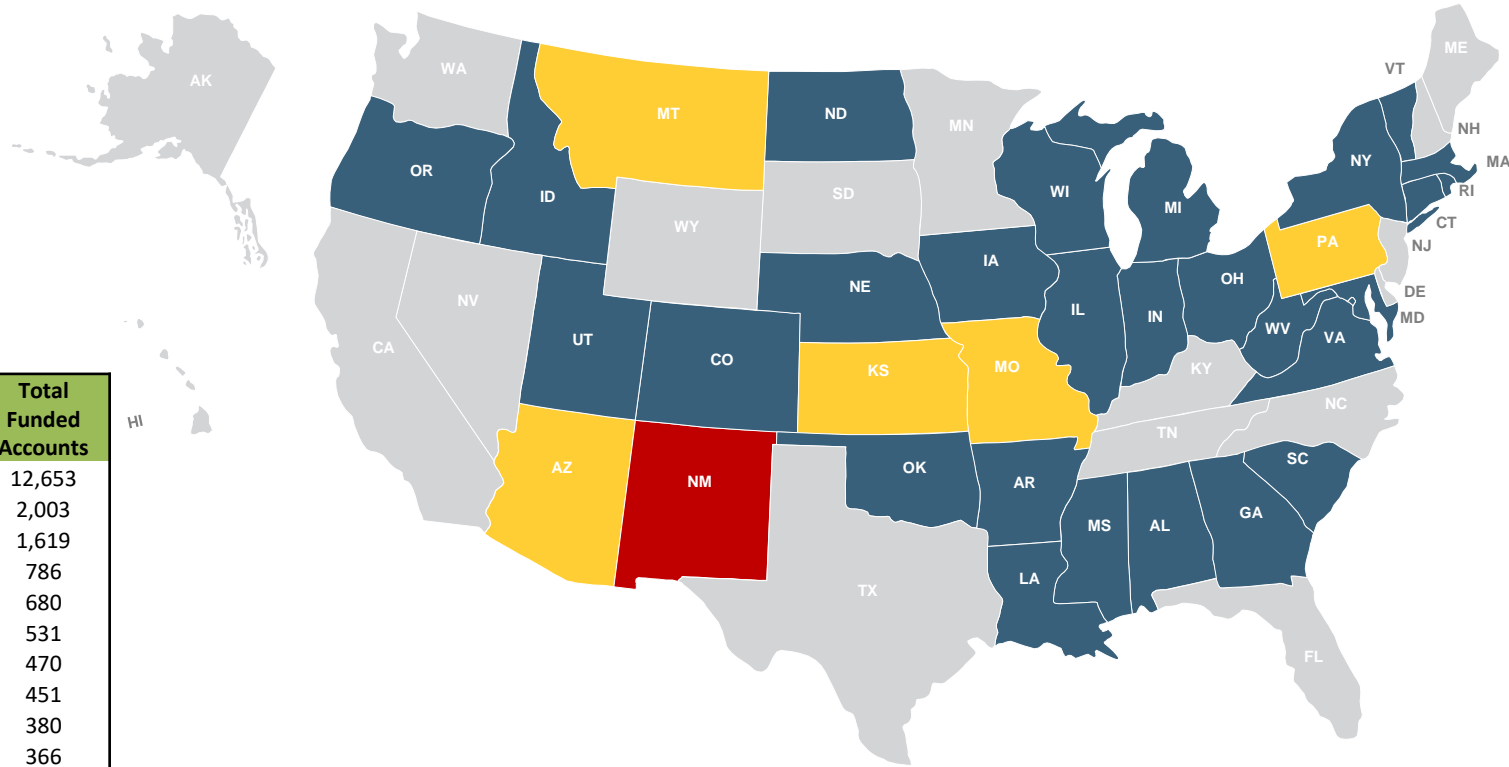
Account Statistics by State

Top 10 states by funded accounts




The Education Plan®

Save today for your child's tomorrow



Account Owner State	Total Assets	Total Funded Accounts
NM	\$304,145,764.49	12,653
CA	\$62,025,836.63	2,003
TX	\$42,602,465.10	1,619
FL	\$14,721,743.93	786
MA	\$18,618,740.51	680
NJ	\$15,475,161.36	531
VA	\$10,182,660.24	470
CO	\$11,376,486.95	451
NY	\$7,204,168.78	380
AZ	\$5,318,129.99	366

A hand holding a smartphone over a laptop keyboard, with the text "Scholar's Edge" overlaid. The image is a close-up, slightly blurred, and has a blue tint. The hand is holding the phone, and the laptop keyboard is visible in the background. The text "Scholar's Edge" is centered in the middle of the image.

Scholar's Edge

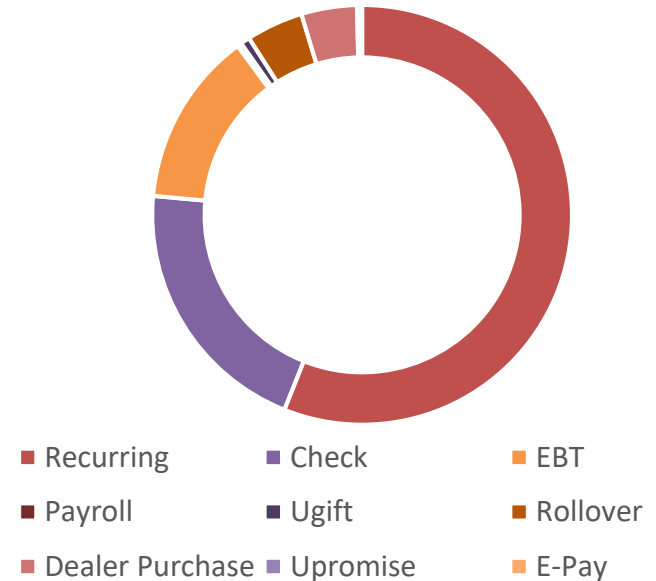
Contribution Summary

Q3 2020



Contribution Type	Total Amount
Recurring Contribution	\$13,166,488.80
Contribution Check	\$4,791,790.39
Contribution EBT	\$3,159,248.16
Contribution E-Pay	\$79,351.00
Rollover Contribution	\$1,030,009.58
Payroll Contribution	\$78,186.85
Ugift Contribution	\$168,689.33
Upromise Contribution	\$12,549.60
Dealer Purchase Contribution	\$1,005,737.34
Total Contributions	\$23,492,051.05

Q3 Contribution Methods

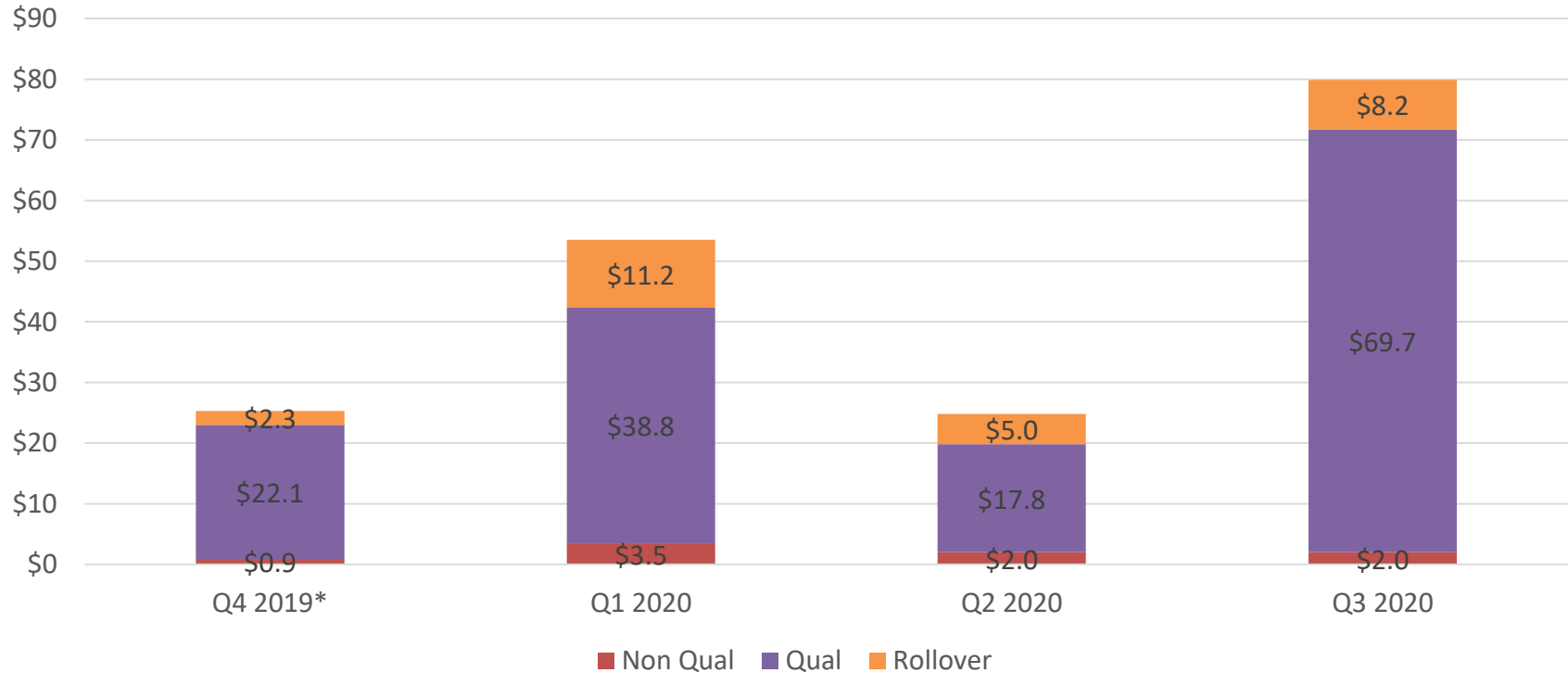


Redemption Summary

Q3 2020



Redemption Total Detail



*Represents activity from 12/6/19 -12/31/19 due to conversion

Redemption Summary

Q3 2020



Redemption Type Totals	Q3 2020	Q2 2020	Q1 2020	*Q4 2019
Qualified	\$69,747,641	\$17,863,787	\$38,895,973	\$22,186,163
Non-Qualified	\$2,045,893	\$2,083,640	\$3,509,544	\$901,281
Rollover Out	\$8,255,583	\$5,076,629	\$11,222,974	\$2,309,398
Totals	\$80,049,117	\$25,024,056	\$53,628,491	\$25,396,842

*Represents activity from 12/6/19 -12/31/19 due to conversion

Rollover Out Detail

Q3 2020



Top Destinations for Rollover Out	Number of Rollovers	Total Dollar Amount
College America (VA)	68	\$1,995,554
Collegebound 529 (RI)	47	\$785,950
The Education Plan	33	\$399,798.
Fidelity – Multiple Plans	26	\$632,284
Putnam 529	18	\$526,936
All Other	121	\$3,915,061

Account Statistics By State

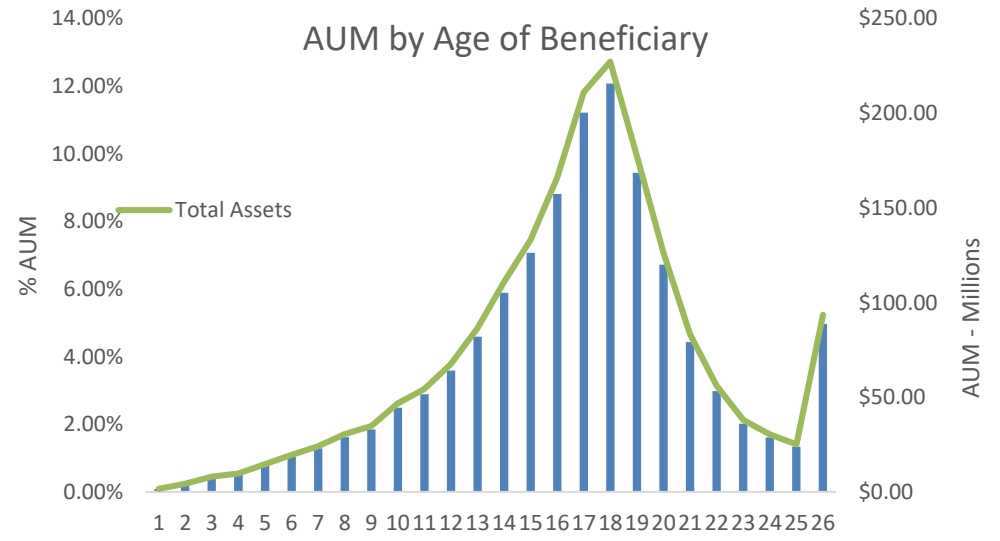
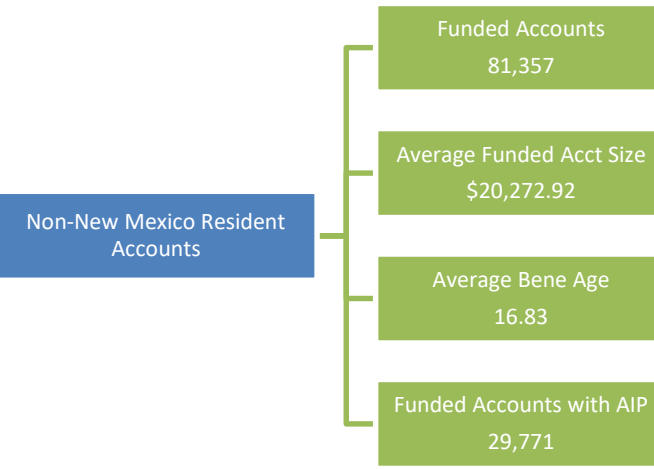
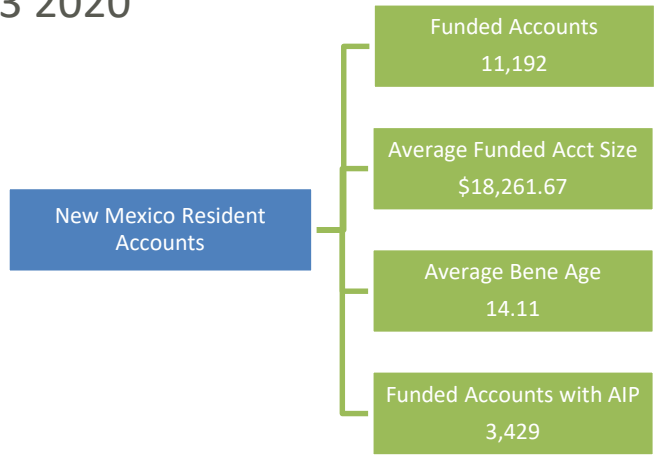
Q3 2020



	Q3 2020	Q2 2020	% of Q/Q
Funded Accounts			
In State	11,192	11,170	0%
Out of State	81,357	83,070	-2%
Funded Unique Account Owners			
In State	6,291	6,096	3%
Out of State	54,771	54,536	0%
Funded Unique Beneficiaries			
In State	11,039	10,958	1%
Out of State	80,608	81,903	-2%
New Accounts			
In State	234	141	66%
Out of State	524	403	30%
Total	758	544	39%
Closed Accounts			
In State	179	124	44%
Out of State	2,285	1,296	76%
Total	2,464	1,420	74%

Account Demographics

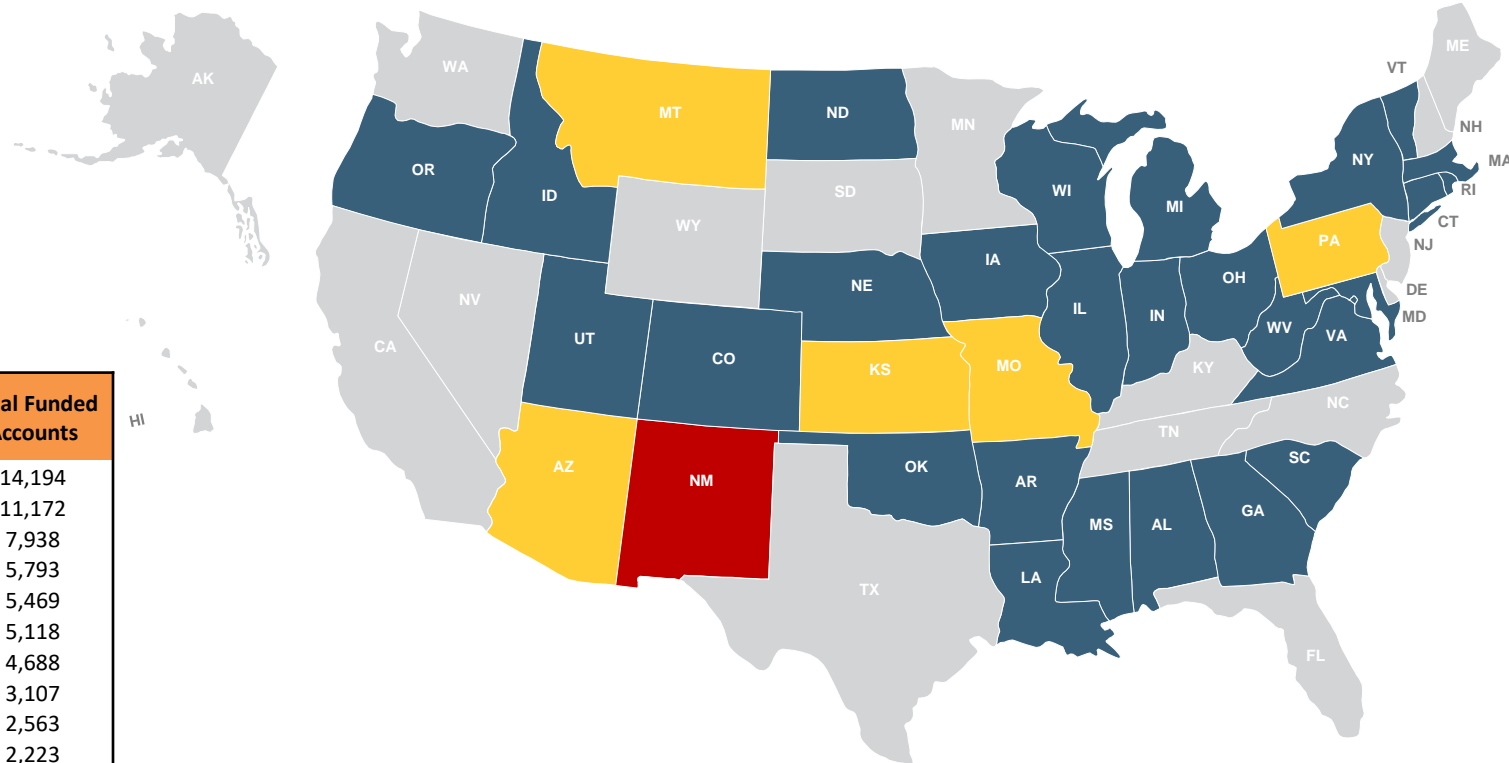
Q3 2020



AO Relationship to Bene	% of Accounts	% of Assets
Parent	3%	4%
Grandparent	2%	1%
Other	93%	92%
Friend	>1%	>1%
Aunt/Uncle	>1%	>1%
Self	2%	3%
None Selected	>1%	>1%

State Statistics

Top 10 states by funded accounts



Account Owner State	Total Assets	Total Funded Accounts
CA	\$305,372,654.36	14,194
NM	\$204,551,522.72	11,172
TX	\$162,201,926.33	7,938
NJ	\$140,111,623.71	5,793
NY	\$107,098,933.74	5,469
FL	\$100,760,081.88	5,118
PA	\$93,332,273.17	4,688
MA	\$82,455,986.48	3,107
MN	\$45,152,373.92	2,563
WA	\$45,571,467.42	2,223

A hand holding a smartphone over a laptop keyboard, with the word 'Appendix:' overlaid in white text.

Appendix:

Appendix

Q3 TEP: Account owner and assets by state

Account Owner State	Total Assets	Total Funded Accounts
New Mexico	\$304,145,764.49	12,653
California	\$62,025,836.63	2,003
Texas	\$42,602,465.10	1,619
Florida	\$14,721,743.93	786
Massachusetts	\$18,618,740.51	680
New Jersey	\$15,475,161.36	531
Virginia	\$10,182,660.24	470
Colorado	\$11,376,486.95	451
New York	\$7,204,168.78	380
Arizona	\$5,318,129.99	366
Illinois	\$8,750,732.92	352
Washington	\$11,706,215.09	349
North Carolina	\$6,725,676.29	329
Pennsylvania	\$8,317,146.05	300
Georgia	\$5,669,504.18	245
Michigan	\$2,996,954.76	242
Maryland	\$3,955,497.79	207
Ohio	\$2,450,520.67	196
Minnesota	\$4,569,904.93	185
Connecticut	\$4,621,124.07	153
Indiana	\$2,645,877.76	139
Tennessee	\$4,213,592.96	138
Missouri	\$1,607,028.12	137
Wisconsin	\$1,585,680.21	129
Oregon	\$2,766,898.96	127
Utah	\$1,326,252.40	114
Idaho	\$1,226,457.12	108
New Hampshire	\$2,074,315.22	88
Nevada	\$1,963,372.35	84
South Carolina	\$2,095,469.67	82

Account Owner State	Total Assets	Total Funded Accounts
Kentucky	\$3,020,403.43	74
Kansas	\$1,206,985.16	65
Alabama	\$986,322.47	59
Oklahoma	\$1,117,475.35	58
Hawaii	\$1,546,230.99	55
Louisiana	\$890,219.21	53
Arkansas	\$416,492.15	50
Montana	\$1,311,662.99	46
Delaware	\$641,141.79	35
APO Military	\$372,535.75	34
District of Columbia	\$161,797.25	31
Iowa	\$564,599.21	31
Alaska	\$1,088,518.94	28
Maine	\$894,142.19	27
Rhode Island	\$106,754.92	26
South Dakota	\$198,900.30	25
Nebraska	\$201,077.53	24
Mississippi	\$322,543.29	21
Puerto Rico	\$84,501.92	20
Vermont	\$638,406.42	17
West Virginia	\$171,003.16	12
Wyoming	\$76,110.64	8
Guam	\$3,866.92	7
FPO Military	\$91,363.87	6
North Dakota	\$270,044.50	6
APO Military	\$2,764.97	5
Nothern Mariana Islands	\$528.82	1
Virgin Islands	\$20,908.43	1

Appendix

Q3 SE: Account owner and assets by state

Account Owner State	Total Assets	Total Funded Accounts
California	\$305,372,654.36	13,946
New Mexico	\$204,551,522.72	11,200
Texas	\$162,201,926.33	7,799
New Jersey	\$140,111,623.71	5,634
New York	\$107,098,933.74	5,308
Florida	\$100,760,081.88	5,045
Pennsylvania	\$93,332,273.17	4,598
Massachusetts	\$82,455,986.48	3,023
Minnesota	\$45,152,373.92	2,523
Washington	\$45,571,467.42	2,196
Georgia	\$38,620,279.52	2,130
Arizona	\$32,951,579.97	2,030
North Carolina	\$33,904,951.27	1,782
Connecticut	\$40,648,164.99	1,744
Michigan	\$27,025,443.76	1,611
Colorado	\$27,151,243.41	1,459
Ohio	\$25,545,366.92	1,440
Hawaii	\$29,989,250.39	1,366
Illinois	\$24,695,926.78	1,261
Virginia	\$22,952,176.94	1,207
Louisiana	\$21,859,448.28	1,051
Tennessee	\$20,928,337.26	1,045
Maryland	\$20,339,444.02	1,043
Missouri	\$14,877,841.48	979
Nevada	\$19,249,940.84	942
South Dakota	\$12,960,808.72	827
Kentucky	\$13,377,321.95	763
South Carolina	\$8,664,202.27	619
Kansas	\$9,023,847.06	615
New Hampshire	\$11,129,115.00	536
Iowa	\$7,678,375.69	534

Account Owner State	Total Assets	Total Funded Accounts
Indiana	\$8,829,957.38	532
Oklahoma	\$9,550,914.89	512
Alabama	\$9,257,074.74	511
Wisconsin	\$7,179,523.16	494
Oregon	\$7,551,758.22	460
Utah	\$4,628,218.46	365
Delaware	\$7,324,532.17	349
Wyoming	\$5,199,892.87	300
Idaho	\$3,826,812.97	297
Montana	\$3,507,778.29	295
Mississippi	\$4,841,318.70	262
Rhode Island	\$3,391,166.01	244
Nebraska	\$4,016,272.15	229
Maine	\$4,061,548.47	204
Guam	\$2,428,080.90	196
Alaska	\$2,527,525.74	190
Arkansas	\$3,903,350.24	186
North Dakota	\$2,353,981.35	173
West Virginia	\$2,220,917.73	162
Vermont	\$2,169,801.13	140
District of Columbia	\$1,543,351.29	55
APO Military	\$663,270.58	29
Virgin Islands	\$151,317.22	23
FPO Military	\$148,028.37	11
APO Military	\$382,454.56	7
Puerto Rico	\$26,468.93	4
Nothern Mariana Islands	\$71,855.40	2