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For Immediate Release
August 15, 2011

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State Permanent Fund Investments Post Record Returns for 2011

Fiscal Year Investment Returns of 22.5% Highest Since Fund Inception

(Santa Fe) – The State Investment Council (NMSIC) today announced record returns of 22.5% for the fiscal year ending June 30, 2011. The investment returns helped grow the total funds managed by the NMSIC more than \$2.5 billion year-over-year, and placed it in the top third among peer funds of more than \$1 billion.

“The State Investment Council was well positioned for the bull market we experienced for much of the year,” said State Investment Officer Steve Moise. “The Council is also working diligently to diversify its assets, and create a balanced portfolio of quality investments that will be less vulnerable to the volatility we have seen recently on Wall Street.”

The Council in July voted to take steps to reduce overall exposure to the public equities (stock) market from a target of 60% to 46%. New long-term investment targets include increased allocations to core real estate and real return assets such as timber and infrastructure.

The 22.5% investment performance for the year marks the highest returns experienced by the permanent funds since the legislature voted to allow greater exposure to the stock market back in the late 1980s. The previous investment returns peak of 21.5% came in 1998, in the middle of the internet “dot-com” stock bubble.

For the fiscal year ending June 30, the Permanent Funds were valued at \$15.35 billion. The Funds also distributed \$763 million over the past 12 months. Permanent Fund distributions continue to be a vital source of revenue for New Mexico, directly benefitting public schools and universities, and reducing the tax burden on our citizens.

To see a SIC investment performance report and peer comparison, as well as other SIC information, visit the SIC website: <http://www.sic.state.nm.us>