



State of New Mexico
STATE INVESTMENT COUNCIL

41 Plaza La Prensa
Santa Fe, New Mexico 87507
Phone: (505) 476-9500
Fax: (505) 424-2510

STEVEN K. MOISE
STATE INVESTMENT OFFICER

MICHELLE LUJAN GRISHAM
GOVERNOR

ROBERT "VINCE" SMITH, CFA
DEPUTY STATE INVESTMENT OFFICER
CHIEF INVESTMENT OFFICER

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Contact: Charles Wollmann
(505) 231-3334

State Investment Officer Steve Moise to Step Down after 13 years; Council to Launch Nationwide Search for New Director

Moise oversaw governance reforms, legal recoveries & and unprecedented growth of New Mexico's investment funds & the ~\$1.8 billion in benefits those funds produce every year.

Santa Fe, New Mexico – The New Mexico State Investment Council (NMSIC) today voted to authorize a nationwide search for a new State Investment Officer, following Steve Moise's announcement he will be retiring as SIO as of October 1 this year. Moise has led the Council since 2010, overseeing a period where NMSIC assets under management have more than tripled in size to \$44.6 billion.

"When the Council appointed me in 2010, the SIC was under a dark cloud, embroiled in a pay-to-play scandal and worries that our second largest fund – the Severance Tax Permanent Fund might in fact not be 'permanent'," said Moise. "Today, our Council is highly engaged, we embrace governance and operational best practices, our permanent funds are growing and our assets are well-positioned to be long-term revenue generators for New Mexicans today and tomorrow. Our distributions are at a record high and our governor and legislature have embraced investing some of today's excess oil and gas dollars to plan for the uncertainty of the future. Supporting the permanent funds and creating new endowments to help New Mexicans puts us all on a path toward success. These actions make me proud to be a New Mexican and give me hope for the future of our state."

The Council met for today's special meeting to discuss and authorize the hiring of a search firm to lead the vetting and selection of a new State Investment Officer. The Council's Governance Committee Charter directs the committee to control the process, and to bring finalists to the full Council for final approval. The Council agreed today to hire Hudepohl and Associates, a leading national search firm, which previously facilitated the hiring of NM State Investment Council Chief Investment Officer Robert "Vince" Smith in 2010. Smith will continue as the Council's CIO. Hudepohl has helped public investment funds make top hires for more than two decades and has 45 institutional clients that oversee \$600 billion in assets. The Council has directed Hudepohl to be extremely thorough in its process, which often takes several weeks. Potential candidates can contact the search firm and send letters of interest to info@Hudepohl.com

The legal efforts that the Council undertook following the pay-to-play scandal have wound down in recent years, after netting the state more than \$60 million in recoveries from bad actors, while sending a clear message to political operators that future attempts to hijack New Mexico's investment process would be both painful and costly.

"You always want to do more, but I'm thrilled with all that we have accomplished at the SIC and for the permanent funds in just 13 years," said Moise. "I am in good health, I'm not running for office, and I'm not going to slow down – but I will be 79 this year, and I recognize that if I am going to accomplish the other things I want to here in New Mexico, now is the time to begin this next chapter. I am so very proud of the SIC's professional investment, accounting and support

teams and all that we have done over the years. I know I am leaving our Council and the state in excellent hands moving forward.”

Distributions from the state’s primary permanent and endowment funds – the Land Grant & Severance Tax Permanent Funds, and the Early Childhood Education and Care Fund – will deliver \$1.78 billion dollars to beneficiaries and the general fund in the current fiscal year 2024. The impact is the equivalent benefit of more than \$2000 per household for New Mexicans via lower taxes and improved government services.

The total amount of dollars and the number of funds being managed by the SIC have grown dramatically in recent years, as summarized below:

Fund Valuations (\$Millions)	12/31/2019	12/31/2020	12/31/2021	12/31/2022	6/30/2022
Land Grant Permanent Fund (LGPF)	\$ 19,724.2	\$ 21,599.2	\$ 25,766.2	\$ 25,770.5	\$ 28,012.1
Severance Tax Permanent Fund (STPF)*	\$ 5,630.3	\$ 5,849.5	\$ 6,733.8	\$ 7,644.0	\$ 8,368.3
Tobacco Settlement	\$ 237.0	\$ 262.2	\$ 298.1	\$ 306.1	\$ 329.6
Water Trust Fund*	\$ 41.7	\$ 39.7	\$ 43.9	\$ 41.3	\$ 42.6
Tax Stabilization Reserve	\$ 538.6	\$ 1,768.2	\$ 1,856.5	\$ 2,304.4	\$ 2,329.4
Rural Libraries Endowment*	\$ 1.0	\$ 3.1	\$ 3.3	\$ 13.4	\$ 13.4
Early Childhood Ed. & Care	\$ -	\$ 306.1	\$ 314.1	\$ 3,462.0	\$ 3,569.5
Opioid Settlement Restricted*	\$ -	\$ -	\$ -	\$ -	transfer pending
Conservation Legacy Perm. Fund*	\$ -	\$ -	\$ -	\$ -	transfer pending
Government Clients	\$ 1,272.0	\$ 1,515.6	\$ 1,814.5	\$ 1,709.7	\$ 1,902.3
Total Assets under management	\$ 27,444.8	\$ 31,344.0	\$ 36,830.3	\$ 41,251.3	\$ 44,567.2

*Appropriations/transfers pending in FY24: STPF: \$475M; Water: \$100M; Conservation: \$50M; Rural Libraries: \$15M; Opioid: ~\$200M

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