



NEW MEXICO STATE INVESTMENT COUNCIL

Investments & Pensions Oversight Committee

Representative Tomás E. Salazar, Chairman

Senator George K. Munoz, Vice-Chair

SIC overview of strategic goals, agency staff and structure

August 3, 2017

Steve Moise, NM State Investment Officer

Vince Smith, Deputy SIO



Assets Under Management: \$22.33B



- Fund values, June 30, 2017:

Land Grant

Permanent Fund:

\$16.27 billion

Severance Tax

Permanent Fund:

\$4.91 billion

Tobacco Settlement

Permanent Fund:

\$147 million

Governmental

Clients:

\$966 million

Water Trust

Permanent Fund:

\$45 million



FY 17 Fund Growth: \$2.12 billion



- Year-over-year valuation increases:

Land Grant

Permanent Fund:

+\$1.59 billion

Severance Tax

Permanent Fund:

+\$346.0 million

Tobacco Settlement

Permanent Fund:

-\$72.6 million

Governmental

Clients:

+\$156.0 million

Water Trust

Permanent Fund:

+\$512 thousand



Investment Returns as of 6/30/17



● Investment performance, net of fees:

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>7 Years</u>	<u>10 Years</u>
Land Grant Permanent Fund	12.96	5.38	8.85	9.40	4.81
LGPF Policy Benchmark	11.51	5.44	8.77	9.43	4.42
<i>Difference</i>	<i>1.45</i>	<i>-0.06</i>	<i>0.08</i>	<i>-0.03</i>	<i>0.39</i>
Peer Ranking *	38	40	39	38	72
Severance Tax Permanent Fund	12.80	5.29	8.60	9.16	4.17
STPF Policy Benchmark	11.67	5.49	8.80	9.45	4.37
<i>Difference</i>	<i>1.13</i>	<i>-0.20</i>	<i>-0.20</i>	<i>-0.29</i>	<i>-0.20</i>
Peer Ranking*	41	42	49	46	91

*RVK database, Public Funds >\$1B, preliminary



Mission Vision Values



NEW MEXICO STATE INVESTMENT COUNCIL

Mission:

“To protect and grow the state’s permanent endowment funds for current and future generations, through prudent, professional investment management”

Vision:

“To become one of the best performing, most respected sovereign wealth funds worldwide”

Values:

Accountability – Being: responsible, knowledgeable, trustworthy

Excellence – Possessing: skills, professionalism, quality

Integrity – Exhibiting: ethics, principles, honesty

Pride – Showing: leadership, ownership, commitment

Respect – Encouraging: teamwork, communication, collegiality

NEW MEXICO STATE INVESTMENT COUNCIL
 Governor, Commissioner of Public Lands, State Treasurer, Secretary of Dept. of Finance & Administration, CFO for a state university, 4 Public Members appointed by the Legislative Council, 2 Public Members appointed by the Governor

Steven K. Moise
 State Investment Officer

Robert "Vince" Smith,
 CFA Deputy State Investment Officer & CIO

Evan L. Land
 Chief Counsel

Charles Wollmann
 Dir. Communications, Legislative & Client Affairs

Brent H. Shipp,
 CPA, CFA, CAIA, Chief Financial Officer

Bruce Brown, CAIA
 Deputy Counsel / Compliance Officer

Kerri Segell
 Executive Assistant

Analyst Vacant Recruiting

Victoria Edwards
 Administrative Accountant

Nicole Gallegos, CPA
 Investment Accounting Manager

Arnold Sandoval
 Information Services Manager

Gordon Sellers
 Paralegal

Terrie Fajardo
 Administrative Assistant

Analyst Group

Nino Carpenito
 CAIA Analyst

Melanie Dubin
 Analyst

Chris Cassidy
 Analyst

Analyst Vacant Recruiting

Analyst Vacant

Investment Strategy & Research Group

Todd Frybarger
 Investment Strategist

Bart Stucky,
 CFA Investment Strategist

Investment Strategist Vacant

Asset Class Director Group

Paul Chapman
 Real Return Director

Starla Bennett
 Public Equity Director

Wade Franks
 Stable Value Director

David Lee,
 CFA Private Equity Acting Director



Agency Structure & Employees



- 31 FTEs
- 13 Investment
- 7 Accounting
- 3 Legal
- 8 Support

Name	State Investment Council Position	Position Mid-Point	Salary
Moise , Steven K.	Senior Investment Officer	\$ 332,800	\$ 260,075
Smith , Robert Vince	Deputy Dir. of Investments	\$ 239,200	\$ 250,000
Chapman , Paul	Real Return Group Director	\$ 131,030	\$ 150,010
Franks , Henry Wade	Stable Value Group Director	\$ 118,758	\$ 150,000
Classified Employee	SECURIT S/COMMDT S/FIN SRVS SUPV	\$ 105,674	\$ 133,868
Shipp , Brent	Investment CFO	\$ 93,049	\$ 131,597
Classified Employee	SECS/COMMDT S/FIN-A	\$ 91,525	\$ 116,230
Land , Evan L	General Counsel	\$ 97,698	\$ 114,432
Wollmann , Charles V	Director of Communications	\$ 84,906	\$ 111,160
Classified Employee	SECS/COMMDT S/FIN-A	\$ 91,525	\$ 111,104
Classified Employee	GEN I	\$ 79,649	\$ 91,288
Classified Employee	SECS/COMMDT S/FIN-A	\$ 91,525	\$ 90,626
Classified Employee	SECS/COMMDT S/FIN-A	\$ 91,525	\$ 80,527
Classified Employee	LAWYER-A	\$ 61,359	\$ 79,701
Classified Employee	SECS/COMMDT S/FIN-A	\$ 91,525	\$ 74,984
Classified Employee	SECS/COMMDT S/FIN-A	\$ 91,525	\$ 73,906
Classified Employee	IT NETWORK ADMINISTRATOR III	\$ 69,709	\$ 70,270
Classified Employee	IT NETWORK ADMINISTRATOR II	\$ 69,709	\$ 68,557
Classified Employee	FINANCIAL COORD-A	\$ 54,355	\$ 65,542
Classified Employee	FIN ANALYST-A	\$ 48,479	\$ 60,008
Classified Employee	LINE II	\$ 48,479	\$ 59,904
Classified Employee	FIN ANALYST-A	\$ 48,479	\$ 54,331
Classified Employee	PARALEGL& LGL ASST-A	\$ 39,413	\$ 50,045
Classified Employee	FIN ANALYST-O	\$ 43,549	\$ 45,328
Classified Employee	EXEC SEC& ADM ASST-O	\$ 32,215	\$ 40,914
*** VACANT ***	CERTIFIED PUBLIC ACCOUNTANT	\$ 69,709	
*** VACANT ***	FIN ANALYST-A	\$ 48,479	
*** VACANT ***	SECS/COMMDT S/FIN-A	\$ 91,525	
*** VACANT ***	SECS/COMMDT S/FIN-A	\$ 91,525	
*** VACANT ***	SECS/COMMDT S/FIN-A	\$ 91,525	



Council Planning and Reporting



- Strategic Planning
 - Long-term plan developed every 5 years
 - Full Council last planning session in 2013
- Asset Allocation Study
 - Every three years (or as appropriate)
 - Council to review & vote on allocation this month
- Annual Investment Plan
 - Council to review and discuss this month
 - Posted on SIC website: <http://sic.state.nm.us/annual-investment-plan-2016.aspx>
- Annual “Accomplishments and Goals” memorandum
- Monthly “Budget-to-Actual” & Investment Holdings reports