

**DISCUSSION DRAFT**  
**2010 WORK PLAN AND MEETING SCHEDULE**  
**for the**  
**INVESTMENTS OVERSIGHT COMMITTEE**

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**Work Plan**

During the 2010 interim, the committee will focus on the following activities.

1. Receive reports from State Investment Council (SIC), Educational Retirement Board (ERB) and Public Employees Retirement Association (PERA ) on their disagreement, agreement, and/or implementation of the findings of the EnnisKnupp fiduciary review regarding investment fund governance, process and policies, board composition, expertise and independence, staff expertise, overall investment policy setting, the selection of individual investments, selection and compensation of advisors, portfolio valuation, etc.

2. Receive reports from the investment funds, the attorney general's office and others regarding the progress of current litigation and of potential claims by the state and the funds regarding "pay-to -play" allegations, investment fraud, etc.

3. Examine the performance of the investment portfolios of the SIC, the PERA the ERB, and funds in the state treasury in absolute terms and compared to policy benchmarks and comparable funds. This would include the returns on the entire portfolio as well as the return on individual segments, including stocks, bonds, real estate and private equity.

4. Review the manner in which investment policy and associated earning benchmarks were set for the investment funds by the governing bodies and investigate how each agency

determines the proportional mix of types of investments, including mutual stock and bond funds, individual stocks and bonds, real estate, privacy equity, etc. The IOC will also review how investment policies for the retirement funds change in response to changes in projections regarding program solvency and unfunded liabilities.

5. Receive testimony on the potential costs and benefits of merging of the investment functions of the SIC, PERA, ERB, STO and NMFA into a single entity in order improve returns and reduce administrative costs through “economies of scale” and ability to hire and retain the most qualified investment staff and/or consultants at less cost.

6. Review the solvency plans for PERA, ERA, RHCA, which are to be produced and submitted to the IOC no later than October 1, 2010, by the Retirement Systems Solvency Task Force as mandated by House Bill 573 and propose IOC-sponsored legislative reforms based on the task force's deliberations and reports to the committee. The committee will also take testimony from PERA, ERB, RHCA and industry experts in advance of receipt of the Solvency Task Force Report to enable their policy deliberations to be better informed.

#### **TENTATIVE MEETING SCHEDULE**

<b><u>Date</u></b>	<b><u>Location</u></b>
June 14, 2010	Santa Fe
July 2, 2010	Santa Fe
August 16, 2010	Santa Fe
October 8, 2010	Santa Fe