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Permanent Fund Investment Returns Show Strong Performance in Fiscal Year 2013

Land Grant Permanent Fund returns 13.28% for year & ranks in top third among peers; SIC assets grow by $1.74 billion in FY2013

(Santa Fe) – The New Mexico State Investment Council (NMSIC) today announced it achieved investment returns of 13.28% for the year ending June 30, nearly double its 7.5% investment target for the year, and placing it in the top third among public funds $1 billion or larger in the Wilshire Trust Universe Comparison Service (TUCS).

The Council has managed to produce these improved investment returns while at the same time undergoing a massive multi-billion dollar reorganization of its portfolio, shifting away from an abundance of volatile & risky assets, towards more stable, income-producing strategies.

"I am very pleased with the progress the Investment Council has made in the past three years," said Governor Susana Martinez, Chair of the NMSIC. "By raising the level of ethics, professionalism and transparency in its investment process, the Council has taken great steps toward regaining the trust of the New Mexicans – all of us – who benefit from this permanent endowment."

The New Mexico Permanent Funds will contribute nearly $750 million towards funding New Mexico public schools, universities, and other government services during the next fiscal year. In addition to the significant benefits it provides to state schools, permanent fund distributions help keep state taxes low, with an average annual tax savings of $1,070 for every New Mexico household.

TUCS rankings place the flagship $12.1 billion Land Grant Permanent Fund's investment performance in the 19th percentile for the quarter, and among the top third or above median for 1, 2, 3 & 4 year time spans. Longer-term performance for five and ten year periods continue to improve, but still rank 75th and 76th percentile respectively, against New Mexico's investment peers across the country.

Specific FY13 investment returns and comparative performance for the Land Grant Permanent Fund & Severance Tax Permanent Fund is attached below.

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State Investment Council investment performance through 6/30/13
Based on Wilshire Trust Universe Comparison Service, public funds >$1B

Time Period:	1 Quarter	1 year	2 years	3 years	4 years	5 years	10 years
LGPF % Inv. Return/(peer ranking)	0.96 (19)	13.28 (32)	6.83 (36)	11.79 (41)	12.44 (36)	4.47 (75)	6.93 (76)
STPF % Inv. Return/(peer ranking)	0.80 (28)	12.14 (56)	5.99 (75)	11.27 (58)	11.50 (63)	3.37 (94)	6.27 (95)
Tot. Fund % Inv Ret./(peer ranking)	0.92 (23)	13.07 (38)	6.66 (46)	11.63 (48)	12.18 (48)	4.26 (81)	6.78 (81)

Yearly returns are annualized, performance gross of fees excluding alternative assets

LGPF & STPF annual return target is 7.5%
STPF allocation identical to LGPF, but includes Economically Targeted Investments (ETIs)
Peer rankings are percentile-based, 1 being top and 100 being bottom

SIC Holdings Overview, as of June 30, 2013:

		Fund Value 6/30/2012
Total Fund		
Assets under management (AUM):	$17,088,723,725	$15,351,185,490
Fund distributions for FY13:	$746,322,560	
Land Grant Permanent Fund		
AUM:	$12,136,626,050	$10,752,102,456
Fund distributions for FY13:	$526,846,546	
Severance Tax Permanent Fund		
AUM:	$4,147,267,914	$3,866,060,873
Fund distributions for FY13:	$176,172,687	
Tobacco Settlement Permanent Fund		
AUM:	$170,165,575	$148,977,604
Fund distributions for FY13:	$39,303,327	
Water Trust Permanent Fund		
AUM:	$46,558,192	$44,886,463
Fund distributions for FY13:	$4,000,000	