

New Mexico Public Employees Retirement Association

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**INVESTMENTS AND PENSIONS OVERSIGHT
COMMITTEE**

REPRESENTATIVE JIM R. TRUJILLO, CHAIR

JULY 10, 2013

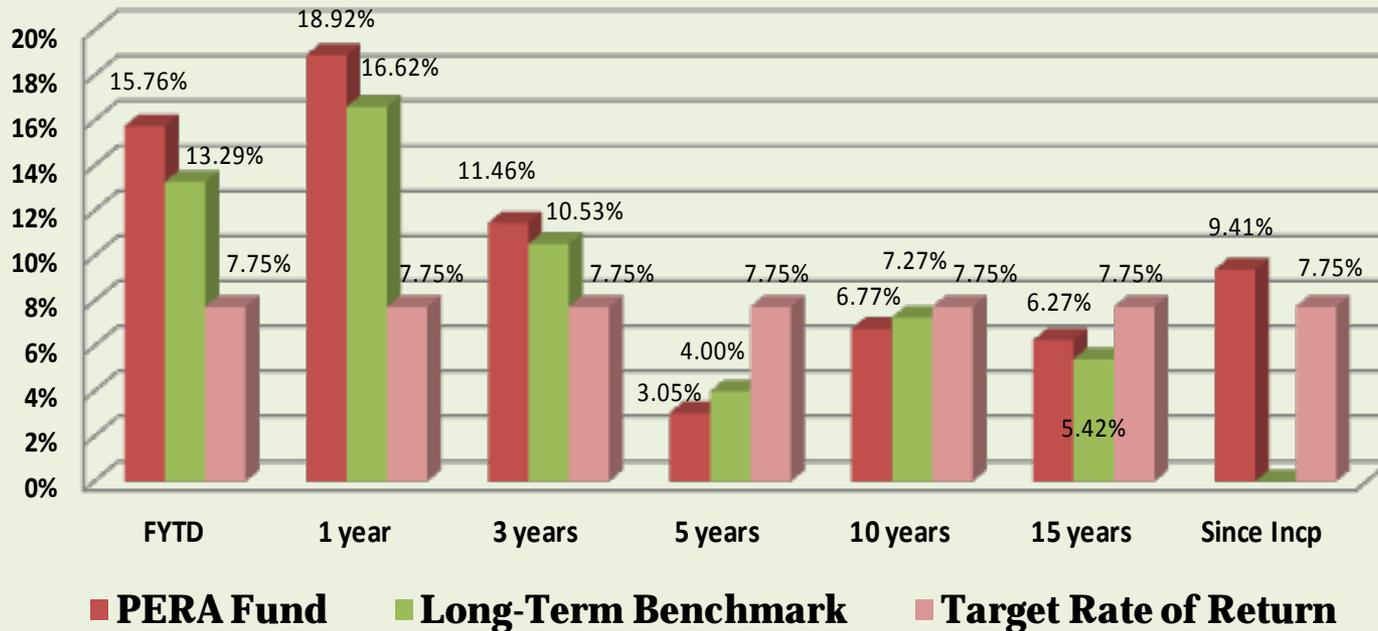
PATRICIA (PATTY) FRENCH, BOARD CHAIR
JOELLE MEVI, CGFM
CHIEF INVESTMENT OFFICER

NM PERA

Fund Performance through May 31, 2013

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Performance Comparison - Actual to Benchmark FY13 through May 31, 2013

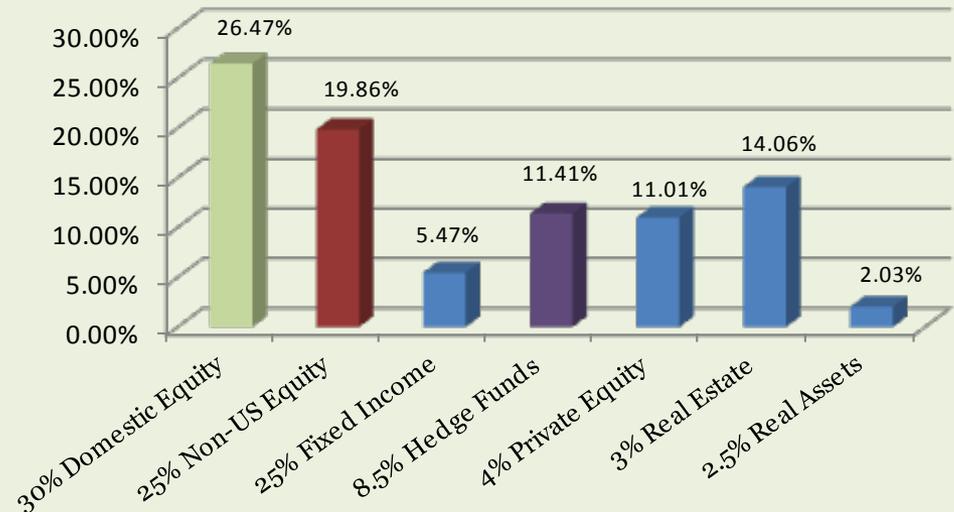


Contributors to FYTD Investment Performance

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- The PERA Fund began FY13 with a 51% actual allocation to equities.
- As of May 2013, the actual allocation had grown to 55%.
- The growth in the equity allocation and the Fund is due to strength in the global equity markets. Through May 31:
 - S&P 500 is up 22.2%
 - Russell 3000 is up 23.0%
 - MSCI EAFE is up 23.5%
 - MSCI EM is up 10.2%
 - The HFRI Fund weighted Index is up 12.5%
 - Dow Jones REIT Index is up 9.6%
- PERA's performance is also attributable to investment manager value added.
- The PERA Fund has grown from \$11.7 billion at June 30, 2012 to \$13.268 billion at May 31, 2013.

**NM PERA Returns by Asset Class
July 2012 - May 2013**



NM PERA

Strategic Asset Allocation

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- “The Board has chosen to adopt a re-balancing policy that is governed by allocation ranges rather than time periods. Upper and lower allocation limits have been established for each asset class.”

Strategic Asset Allocation and Re-Balancing Ranges

Asset Class	Lower Limit	Strategic Asset Allocation Target	Upper Limit
Domestic Equity	24.0%	29.0%	34.0%
International Equity	15.0%	20.0%	25.0%
Fixed Income	23.0%	26.0%	29.0%
Liquid Alpha	0.0%	5.0%	7.0%
Private Equity	3.0%	5.0%	7.0%
Absolute Return	5.0%	7.0%	9.0%
Real Estate	1.0%	3.0%	5.0%
Real Assets	3.0%	5.0%	7.0%

Source: Public Employees Retirement Association of New Mexico Investment Policy

NM PERA Asset Manager Fees

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- **“The primary fiduciary responsibility of the Board is to ensure prudent investment and expenditure of the Fund’s assets. It is the responsibility of the Board to administer the investments of PERA at reasonable cost, being careful to avoid diminishing quality. These costs include, but are not limited to, management and custodial fees, consulting fees, transaction costs and other administrative costs chargeable to PERA.”**

NM PERA
Asset Manager Fees – FY13
(in \$000's)

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	Budgeted	FY13
Traditional Assets	Yes	\$ 22,740
Hedge Funds	No	\$ 28,663
Private Assets	No	\$ 13,299
Total Mgr Fees		\$ 64,702
<i>Preliminary June 2013 Results</i>		
Total Fund Mkt Value - FYE		\$ 12,993,830
Total Fund Performance - FY		13.72%
Y-O-Y Change in Mkt Value		\$ 1,249,523
Manager Fees in Percentage - FY		0.50%