

**Comparative Analysis: NM and Other Large Trusts or Endowments**

<u>Fund</u>	<u>Size</u>	<u>Governance/Decision-maker</u>	<u>Outside Advisors</u>	<u>Performance</u>
<b>Harvard University Endowment</b>	\$30 B	<p>The board of directors is governed/appointed by the elected board (chosen by alumni at large) of the Harvard Corporation.</p> <p>This board then makes management decisions for the fund. Under the HMC board is a CEO and executive staff that are responsible for the daily operations of the fund.</p> <p>Under the executive are a number of committees (Ex. Investment Management). The committees are filled with experts in their respective aspects of finance. How often the board meets was not readily available.</p>	Yes and no. HMC directly manages a majority of the endowment (60%) using in-house analysts. The rest is managed by working closely with outside fund managers. This is primarily the responsibility of the CEO of HMC.	<p>10 yr. = 14%</p> <p>5 yr. = 17.5%</p> <p>1 yr. = 8.6%</p> <p>(As of 6/30/08)</p>
<b>California Public Employee Retirement System (CalPERS)</b>	\$237 B	<p>13-member board: 6 are elected, 3 are governor-appointed, 4 are ex-officio. Underneath the board are the executive officers. The executive staff is responsible for implementing board initiatives and decisions along with the day-to-day operations of the fund.</p> <p>Board committee meetings (including investment) are staggered throughout the month, with full board meetings near the end of each month.</p>	Yes. Wilshire Associates is the main consultant for CalPERS.	<p>10 yr. = 6.5%</p> <p>5 yr. = 10.7%</p> <p>1 yr. = -5.1%</p> <p>(As of 6/30/08)</p>
<b>Alaska Permanent Fund</b>	\$30 B	<p>6-member board appointed by the governor. These members have 4-year terms. The board then appoints an executive director who manages an executive staff of about 35 who are responsible for the daily operations of the fund. The board makes most of the investment decisions under advisement of the ED and outside consultants. Board holds 6-8 meetings a year.</p>	Yes and no. AK Perm Fund employs many (dozens of) outside fund managers to diversify its holdings. The fund assigns each manager an index composed of securities representing a certain market segment: the index becomes a manager's benchmark. This benchmark is how the fund measures performance. Also, the fund employs in-house money managers.	<p>5 yr. = .59%</p> <p>1-yr. period = -25.7%</p> <p>(As of 3/31/09)</p>

<b>Arizona State Retirement System (ASRS)</b>	\$19 B	The board is the governing body of the fund. Members are nominated by the governor subject to statutory limitation proscribing makeup of the board, term limits and compensation. There is an ED who is responsible for the daily operations. The board makes most of the investment decisions under advisement of the ED and outside consultants. The board meets 10 times a year. The investment subcommittee meets monthly (except in June).	Yes and no. ASRS uses external consultants for about two-thirds of the fund management function, and the remaining one-third is done in-house — all with board approval.	5 yr. = 1.2% 1-yr. period = -27.9%  (As of 3/31/09)
<b>American Funds: Capital World Growth and Income (Class A shares)</b>	\$65 B (net assets)	14-member board of directors is elected to determine long-term direction of the fund. There is also a president of the fund and portfolio managers that have discretion to shift assets within their assigned portion of the total fund's assets.	No	5 yr. = 2.3% 1 yr. = -41.92%  (As of 12/31/08)
<b>New Mexico Severance Tax Permanent Fund (STPF)/Land Grant Permanent Fund (LGPF)</b>	\$11 B	The council is a non-cabinet level agency reporting to the governor. It is headed by the state investment officer. There are a number of agency members who gather in meetings to discuss the direction of the funds. Most were appointed by the governor. The day-to-day operations are primarily the responsibility of the SIO and staff. Board meets monthly in the governor's cabinet room.	Yes and no, The SIO manages a portion of the fund's assets. However, there are also outside managers employed by the SIC who are charged with managing fund investments. NEPC is one outside advisor.	<b>STPF:</b> 5 yr. = 0.0% YTD = -25.7%  <b>LGPF:</b> 5 yr. = 0.7% YTD = -23.8%
<b>New Mexico Public Employees Retirement Association (PERA)</b>	\$12.2 B	12-member board: 4 state employees, 4 municipal employees and 2 elected retirees govern the long-term composition of the fund. Under the board, there is an executive infrastructure that includes an investment division. This executive arm makes many of the day-to-day decisions regarding fund management. The board meets monthly and has the investment committee provide status updates and other matters (allocation adjustments, etc.).	Yes. PERA has two main consultants (RV Kuhns and Cliffwater) with investments spread out among dozens of funds. (Barclays is the biggest with a little more than \$1B invested.)	5 yr. = -1.90% 1 yr. = -32.67%  (As of 3/31/09)
<b>New Mexico Educational Retirement Board (ERB)</b>	\$6.6 B	Governed by a board of directors that includes appointed members (mostly by the governor). Directly underneath the board is the executive director. Under the director are two divisions: investments and the office of the director. Of interest is the investments division. It makes investment decisions in accordance with the board and ED. The board meets 6 times a year. The investments committee under the board meets monthly.	Yes. NEPC (Mass.) consults with the investment arm of the ERB, the ED and the board in order to balance risk and identify various investment opportunities. The extent of this influence might be of interest. The ERB does employ financial analysts.	5 yr. = -.4% 1 yr. = -28.2%  (As of 3/31/09)