

TITLE 2 PUBLIC FINANCE
CHAPTER 80 PUBLIC EMPLOYEES RETIREMENT
PART 300 INVESTMENT POLICIES AND PRACTICES

2.80.300.1 ISSUING AGENCY: Public Employees Retirement Association, P. O. Box 2123, Santa Fe, New Mexico 87504-2123
[10-15-97; 2.80.300.1 NMAC - Rn, 2 NMAC 80.300.1, 12-28-00]

2.80.300.2 SCOPE: This rule applies to the public employees retirement board and its investment managers and brokerage firms.
[10-15-97; 2.80.300.2 NMAC - Rn, 2 NMAC 80.300.2, 12-28-00]

2.80.300.3 STATUTORY AUTHORITY: This rule is authorized by NMSA 1978, Sections 10-11-130, 10-11-132, 10-11-133 and 10-11-133.1, as amended.
[10-15-97; 2.80.300.3 NMAC - Rn, 2 NMAC 80.300.3, 12-28-00; A, 9-30-10]

2.80.300.4 DURATION: Permanent.
[10-15-97; 2.80.300.4 NMAC - Rn, 2 NMAC 80.300.4, 12-28-00]

2.80.300.5 EFFECTIVE DATE: May 4, 1994 unless a different date is cited at the end of a section.
[10-15-97; 2.80.300.5 NMAC - Rn, 2 NMAC 80.300.5, 12-28-00]

2.80.300.6 OBJECTIVE: The objective of this rule is to set the public employees retirement board's investment policy for investments of funds under NMSA 1978, Sections 10-11-132 and 10-11-133, as amended.
[10-15-97; 2.80.300.6 NMAC - A, 2 NMAC 80.300.6, 12-28-01; A, 8-15-01]

2.80.300.7 DEFINITIONS: [Reserved]
[2.80.300.7 NMAC - A, 2 NMAC 80.300.7, 12-28-00]

2.80.300.8 - 9 [Reserved]

2.80.300.10 INVESTMENT COMMITTEE: [Reserved]
[2.80.300.10 NMAC - A, 2 NMAC 80.300.10, 12-28-00]

2.80.300.11 - 19 [Reserved]

2.80.300.20 MANAGEMENT AND PHILOSOPHY: [Reserved]
[2.80.300.20 NMAC - A, 2 NMAC 80.300.20, 12-28-00]

2.80.300.21 - 29 [Reserved]

2.80.300.30 BEST EXECUTION AND BEST PRICE

A. Statement of policy: The New Mexico public employees retirement board adopts the following statement as its policy with respect to securities transactions of the PERA investment funds.

(1) The board serves as trustee of the retirement funds created under the Public Employees Retirement Act, NMSA 1978, Section 10-11-1 et seq.; the Judicial Retirement Act, NMSA 1978, Section 10-12B-1 et seq.; the Magistrate Retirement Act, NMSA 1978, Section 10-12C-1 et seq.; and the Volunteer Firefighters Retirement Act, NMSA 1978, Section 10-11A-1 et seq.

(2) As trustee of these funds, the board has a fiduciary responsibility to invest these funds solely in the interest of the members, retirees, and beneficiaries and exclusively to provide benefits to the members, retirees, and beneficiaries and to pay reasonable administrative costs. The board also has a fiduciary obligation to give primacy to the preservation of trust funds and to insure the procurement of a reasonable income while avoiding undue investment risks.

(3) The board has delegated the investment of the funds under its jurisdiction to external investment managers.

(4) By contractual agreement, the board has delegated to its investment managers full discretion with regard to securities transactions so long as they conform to New Mexico state statutes, the PERA investment policy and the specific PERA investment objectives and guidelines for each particular investment portfolio.

(5) Both by contract and by virtue of common law trust principles, the investment managers serve as fiduciaries to PERA and must at all times act in a fiduciary capacity to PERA and the investment accounts assigned to them.

(6) As fiduciaries of the funds, both the board and its investment managers are obligated to require that all securities transactions be made on the basis of best execution under the circumstances at the lowest available price.

(7) The board's policy is that all securities transactions shall be executed on the basis of best execution under the circumstances at the lowest available price and that all investment decisions shall be made solely for the benefit of the members, retirees and their beneficiaries.

B. [Reserved]

[10-15-97; 2.80.300.30 NMAC - Rn & A, 2 NMAC 80.300.30, 12-28-00; A, 8-15-01, A, 9-30-10]

HISTORY of 2.80.300 NMAC:

Pre-NMAC History: The material in this part was derived from the previously filed with the State Records Center and Archives under: Rule 300.00, Investment Policies and Practices, filed on 10-4-79; PERA Rule 300.00, Investment Policies and Practices, filed on 11-19-81; PERA Rule 300, Investment Policies and Practices, filed on 7-1-91; PERA Rule 300, Investment Policies and Practices, filed on 5-4-94.