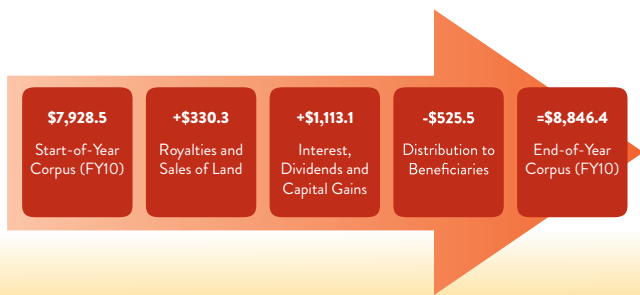




# How the Land Grant Permanent Fund Works

LGPF SAMPLE YEAR ILLUSTRATION: FY10



## MONEY IN:

On average: Royalties and Land Sales bring in 4.5% of the corpus value

+

On average: Interest, Dividends and Capital Gains bring in 6.5% of the corpus value

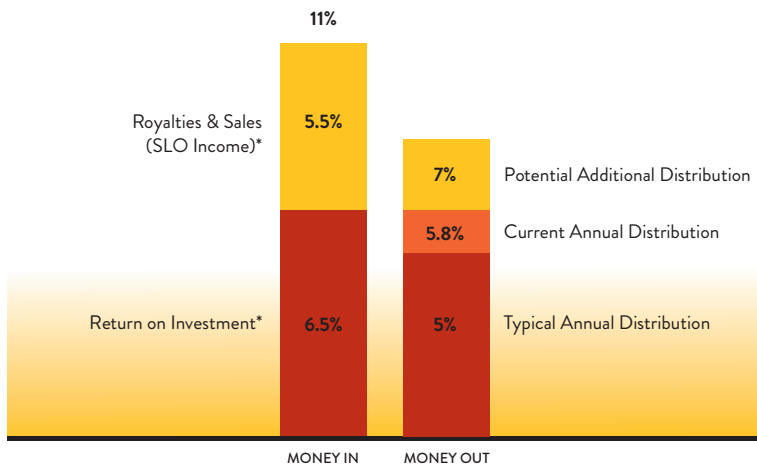
= Money in averages 11%

## MONEY OUT:

Under current law: 5.8% of the corpus is distributed to beneficiaries (will be reduced to 5.5% in 2013 and 5.0% in 2017)

- 7.0% distribution will not reduce the principal – the fund will continue to grow.
- New Mexico’s Land Grant Permanent Fund is the 2nd highest in the Country. Meanwhile New Mexico ranks 49th in 4th grade reading levels.

AVERAGE ANNUAL GROWTH and DISTRIBUTION of NM’S LGPF



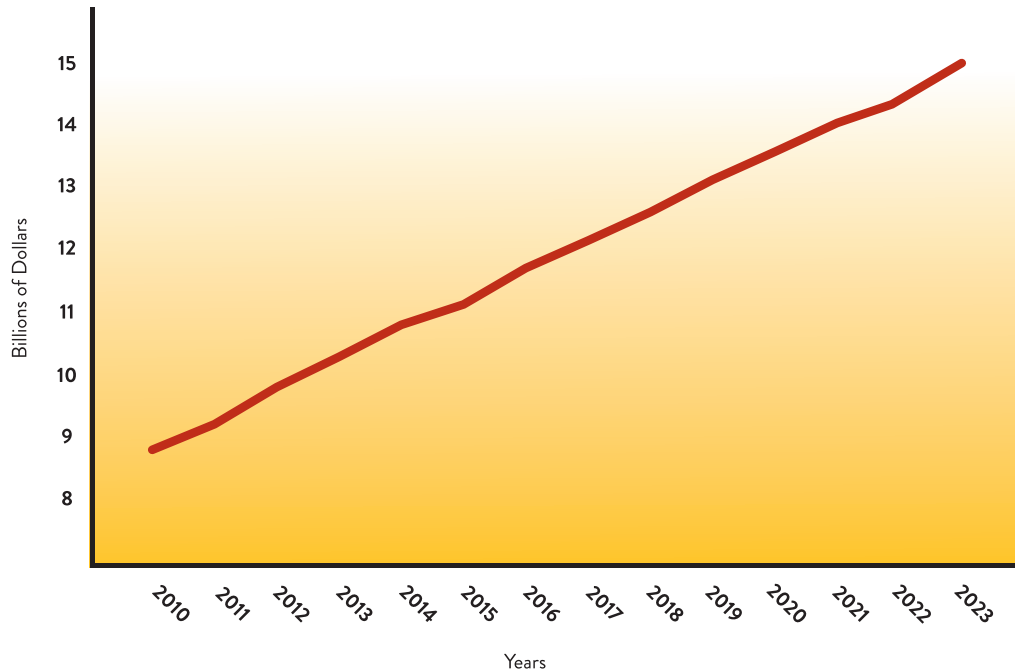
\*Source: State Investment Council

Visit [www.InvestInKidsNow.org](http://www.InvestInKidsNow.org) for more info.



# The Fund will Continue to Grow

GROWTH with 7% DISTRIBUTION



## FUND GROWTH

Expected Growth Rate **11 - 12%**  
 Distribution Rate **7%**  
 Growth After Distribution **4 - 5%**

Expected 2014 fund balance: **\$10,400,000,000**  
 Expected 10 years **Balance** w/ Distribution **\$15,000,000,000**  
 Expected 10 years **Growth** w/ Distribution **\$7,000,000,000**

Yr	Principle	Net Growth	Total
2010	\$7,928,500,000	\$917,900,000	\$8,846,400,000
2011	\$8,846,400,000	\$476,000,000	\$9,322,400,000
2012	\$9,322,400,000	\$494,500,000	\$9,816,900,000
2013	\$9,816,900,000	\$548,700,000	\$10,365,600,000
2014	\$10,365,600,000	\$448,700,000	\$10,814,300,000
2015	\$10,814,300,000	\$464,900,000	\$11,279,200,000
2016	\$11,279,200,000	\$470,400,000	\$11,749,600,000
2017	\$11,749,600,000	\$464,600,000	\$12,214,200,000
2018	\$12,214,200,000	\$459,200,000	\$12,673,400,000
2019	\$12,673,400,000	\$454,200,000	\$13,127,600,000
2020	\$13,127,600,000	\$451,200,000	\$13,578,800,000
2021	\$13,578,800,000	\$450,200,000	\$14,029,000,000
2022	\$14,029,000,000	\$446,600,000	\$14,475,600,000
2023	\$14,475,600,000	\$443,400,000	\$14,919,000,000

Source: FY2010 end year report State Investment Council. Forecast based on continued 15 year average returns.

Visit [www.InvestInKidsNow.org](http://www.InvestInKidsNow.org) for more info.