

Agency 75 - Nebraska Investment Council

Statutory Authority:

The Nebraska Investment Council (the "Council" or the "Agency" or "NIC") was established under 1967 and 1969 laws as a centralized state investment agency. The Council provides investment management services for the State of Nebraska (the "State"). Most provisions governing its activities are contained in the Nebraska State Funds Investment Act, 72-1237 through 72-1260 and the Nebraska Capital Expansion Act, 72-1261 through 72-1269.

Vision Statement:

To achieve superior returns for the portfolios we manage, while maintaining prudent levels of risk.

Mission Statement:

The Council has adopted a mission statement which applies to all of its activities:

"It is the mission of the Nebraska Investment Council to prudently manage the funds entrusted to us by the people of the State of Nebraska. We deliver investment management services to provide direct financial benefit exclusively to the owners of these funds. We are committed to thorough, sound, and informed analysis in order to achieve superior returns while maintaining prudent levels of risk."

Goals:

The goals of the Council and Agency staff are:

1. To achieve long-term rates of return on investments that meet or exceed the required rate of return on liabilities or other fund objectives and that meet or exceed market-based performance benchmarks after expenses, without taking imprudent risk.
2. To determine and implement investment management strategies that fulfill the investment responsibilities created by the Legislature.
3. To maintain a high level of professional competence and conduct due diligence in the dynamic financial markets, so that decisions are made with a sound and prudent understanding of the relevant issues.
4. To regularly review and revise, as needed, the Investment Policy Statements and Governance Policies approved by the Council. The Investment Policy Statements represent the Council's determination of the asset allocation, implementation strategy, investment managers, and benchmarks for the funds entrusted to it by the State of Nebraska.
5. To operate the Agency efficiently and accurately, and with unquestioned integrity.

Financial Data:

	Actual FY06	Approp FY07	Request FY08	Recom FY08	Request FY09	Recom FY09
General Fund	0	0	0	0	0	0
Cash Fund	1,133,700	793,127	1,391,870	1,227,659	1,304,216	1,222,743
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Agency	1,133,700	793,127	1,391,870	1,227,659	1,304,216	1,222,743

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Program 610 - Investment Administration

Program Objectives:

1. Portfolio Performance for Nebraska Investment Council
 - a. Total return of the investments supporting the Defined Benefit Plans over a rolling five year period > 8%
 - b. Actual risk within ranges established in Council's Risk Budgeting Policy
 - c. Achieve performance in the top 1/2 of the Peer Group of Public Retirement plans
 - d. Meet or exceed performance benchmarks established the Council

2. Financial Goals for Nebraska Investment Council
 - a. Operate NIC within approved budget

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Performance Measures:

1. Portfolio performance
 - a. Actual portfolio performance as calculated by an independent party (i.e. consultant or custodian bank).
 - b. Actual risk vs. target risks - calculated by the investment consultant annually.
 - c. Actual performance vs. Peer Group - calculated by Pension Fund Data Exchange or by the investment consultant.
 - d. Actual performance compared to benchmarks - calculated by an independent third party.
 - e. To review past performance of the investment accounts please go to the NIC website at <http://www.nic.ne.gov/>.

2. Financial Goals
 - a. Actual expenses vs. budget - measured by standard monthly budget variance report.