

FORTY-SIXTH LEGISLATURE  
SECOND SESSION, 2004

SB 316/a

February 8, 2004

Madam President:

Your **FINANCE COMMITTEE**, to whom has been referred

**SENATE BILL 316, as amended**

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. Strike all senate corporations and transportation committee amendments.

2. On page 4, line 2, after "that" insert a colon, the subparagraph designation "(a)" and the following:

"investments in hedge funds that invest primarily in real estate investment trusts may be made pursuant to this paragraph only if the fund advisors: 1) provide audited financial statements to the state investment officer; 2) agree to provide regular reports detailing underlying fund investment holdings and transactions to the state investment officer and a third party risk assessment firm designated by the state investment officer; 3) possess a three-year performance record that has been reviewed by the state investment officer; and 4) manage a minimum of fifty million dollars (\$50,000,000) of investments in the investment strategy to be used for the investment made pursuant to this subparagraph; and

(b)".

3. On page 6, after line 25 insert the following new subparagraph:

"(b) the hedge fund advisors: 1) provide audited financial statements to the state investment officer; 2) agree to provide regular reports detailing underlying fund investment holdings and transactions to the state investment officer and a third party risk assessment firm designated by the state investment officer; 3) possess a three-year performance record that has been

**FORTY-SIXTH LEGISLATURE  
SECOND SESSION, 2004**

SFC/SB 316/a

Page 2

reviewed by the state investment officer; and 4) manage a minimum of one hundred million dollars (\$100,000,000) of investments in the investment strategy to be used for the investment made pursuant to this paragraph;".

4. Reletter the succeeding subparagraph accordingly.

5. On page 10, line 7, after "that" insert a colon, the subparagraph designation "(a)" and the following:

"investments in hedge funds that invest primarily in real estate investment trusts may be made pursuant to this paragraph only if the fund advisors: 1) provide audited financial statements to the state investment officer; 2) agree to provide regular reports detailing underlying fund investment holdings and transactions to the state investment officer and a third party risk assessment firm designated by the state investment officer; 3) possess a three-year performance record that has been reviewed by the state investment officer; and 4) manage a minimum of fifty million dollars (\$50,000,000) of investments in the investment strategy to be used for the investment made pursuant to this subparagraph; and

(b)".

6. On page 16, between lines 17 and 18, insert the following new subparagraph:

"(b) the hedge fund advisors: 1) provide audited financial statements to the state investment officer; 2) agree to provide regular reports detailing underlying fund investment holdings and transactions to the state investment officer and a third party risk assessment firm designated by the state investment officer; 3) possess a three-year performance record that has been reviewed by the state investment officer; and 4) manage a minimum of one hundred million dollars (\$100,000,000) of investments in the investment strategy to be used for the investment made pursuant to this paragraph;".

**FORTY-SIXTH LEGISLATURE  
SECOND SESSION, 2004**

SFC/SB 316/a

Page 3

7. Reletter the succeeding subparagraph accordingly.

Respectfully submitted,

\_\_\_\_\_  
Ben D. Altamirano, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 6 For 0 Against

Yes: 6

No: 0

Excused: Beffort, Jennings, Rawson, Tsosie

Absent: None

SB0316FC1

.150940.1

.150805.2