



DECEMBER 31, 2019

**NEW MEXICO EDUCATIONAL RETIREMENT BOARD
INFRASTRUCTURE PROGRAM
FOURTH QUARTER REPORT**

CBRE
CALEDON

NEW MEXICO EDUCATIONAL RETIREMENT BOARD

FOURTH QUARTER REPORT

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EXECUTIVE SUMMARY

The following report presents a summary of the portfolio composition and returns for the infrastructure investment portfolio ("Portfolio") of the New Mexico Educational Retirement Board ("NMERB"). The Portfolio was established in July 2008. All data presented below are as of December 31, 2019.

PORTFOLIO SUMMARY

Portfolio Fair Value	\$455,571,036
Unfunded Commitments	\$175,183,204
Total Exposure (Fair Value plus Unfunded Commitments)	\$630,754,240
Portfolio Inception Date	July 2008
Total Number of Fund Investments	12
Total Number of Direct Investments ¹	18
Net Internal Rate of Return ("IRR") Since Inception ²	7.2%

CURRENT COMMITMENTS

Investment	Vintage Year	Fund Currency	Commitment (Local)	Commitment (USD)	Gross IRR ²	Net IRR ²
Gateway Infrastructure Investments	2008	USD	42,647,060	42,647,060	(2.0%)	(4.1%)
Alinda Infrastructure Fund II	2008	USD	50,000,000	50,000,000	6.5%	3.3%
Alterna Core Capital Assets Fund	2009	USD	55,000,000	55,000,000	7.7%	4.3%
Stonepeak Infrastructure Fund	2012	USD	40,000,000	40,000,000	14.7%	11.3%
EQT Infrastructure II ³	2012	EUR	30,000,000	35,460,919	22.8%	16.8%
Alterna Core Capital Assets Fund II	2012	USD	25,000,000	25,000,000	9.0%	4.5%
ISQ Global Infrastructure Fund	2014	USD	50,000,000	50,000,000	22.8%	17.4%
Stonepeak Infrastructure Fund II	2015	USD	50,000,000	50,000,000	16.9%	14.4%
ISQ Global Infrastructure Fund II	2018	USD	50,000,000	50,000,000	33.2%	17.9%
Stonepeak Infrastructure Credit Fund I	2018	USD	25,000,000	50,000,000	8.4%	8.4%
Stonepeak Infrastructure Fund III	2018	USD	50,000,000	50,000,000	35.6%	26.3%
Global Diversified Infrastructure Fund	2019	USD	40,000,000	40,000,000	NM	NM
TOTAL FUND COMMITMENTS				\$538,107,979	8.9%	5.8%
Caledon Andromeda Investments	2013	USD	85,000,000	85,000,000	14.4%	12.6%
Caledon Andromeda Investments II	2016	USD	100,000,000	100,000,000	17.2%	15.9%
TOTAL DIRECT COMMITMENTS				\$185,000,000	15.3%	13.7%
TOTAL PORTFOLIO				\$723,107,979	9.9%	7.2%

¹ Direct investments held through Caledon Andromeda Investments and Caledon Andromeda Investments II.

² Since inception Internal Rate of Returns are calculated using New Mexico Educational Retirement Board cash flows and prevailing foreign exchange rates at the time of contributions and distributions and may therefore be different than the return reported by the Manager.

³ EUR commitment comprised of drawn commitment at actual funded USD plus unfunded commitment converted to USD per Bloomberg December 31, 2019 closing rate (\$1.1213/EUR).

FUNDING STATUS

Investment	Commitment	Drawn Commitment ⁴	Unfunded Commitment ⁵	Distribution	Fees and Expenses
TOTAL PORTFOLIO	\$723,107,979	\$547,924,775	\$175,183,204	\$416,411,070	\$51,182,397

⁴Drawn commitment at actual funded USD amounts net of recallable distribution.

⁵Unfunded commitment includes recyclable capital and may therefore not equal commitment minus capital contribution. While Gateway Infrastructure's investment period has ended, it can continue to call capital for follow-on investments and management fees.

MANAGEMENT FEES

Investment	Since Inception Through Q3 – 2019	Q4 – 2019 QTD	Since Inception Through Q4 – 2019
Gateway Infrastructure Investments	4,128,664	49,998	4,178,662
Alinda Infrastructure Fund II	7,502,878	32,932	7,535,810
Alterna Core Capital Assets Fund	6,784,422	108,995	6,893,417
Stonepeak Infrastructure Fund	3,103,899	69,525	3,173,424
EQT Infrastructure II	3,795,689	144,017	3,939,706
Alterna Core Capital Assets Fund II	2,682,150	67,285	2,749,435
ISQ Global Infrastructure Fund	2,496,104	266,928	2,763,032
Stonepeak Infrastructure Fund II	1,620,599	109,036	1,729,635
ISQ Global Infrastructure Fund II	893,784	288,738	1,182,522
Stonepeak Infrastructure Credit Fund I	-	-	-
Stonepeak Infrastructure Fund III	925,919	162,383	1,088,302
Global Diversified Infrastructure Fund	-	-	-
TOTAL FUND INVESTMENTS	\$33,934,108	\$1,299,837	\$35,233,945
Caledon Andromeda Investments	2,098,350	96,798	2,195,148
Caledon Andromeda Investments II	1,092,345	100,822	1,193,167
TOTAL DIRECT INVESTMENTS	3,190,695	197,620	3,388,315
TOTAL PORTFOLIO	\$37,124,803	\$1,497,457	\$38,622,260

PORTFOLIO CASH FLOWS AND PERFORMANCE

TOTAL PORTFOLIO INVESTMENT ACTIVITY STATEMENT

Period	Beginning Valuation	Total Contribution	Return of Capital	Capital Gain/ (Loss)	Dividends/ Income	Total Distribution	Change in NAV	Ending Valuation	Management Fees	Other Expenses	Total Fee/Exp
2008	-	15.8	0.1	-	-	0.1	(1.2)	14.5	0.6	0.4	1.0
2009	14.5	47.8	12.4	-	0.4	12.8	1.8	51.3	2.3	0.5	2.8
2010	51.3	19.5	3.3	-	0.7	4.0	2.5	69.3	2.3	0.3	2.6
2011	69.3	46.8	12.2	-	1.5	13.7	3.0	105.4	2.8	0.2	3.0
2012	105.4	20.1	5.0	0.4	4.3	9.7	(4.4)	111.4	2.5	0.8	3.3
2013	111.4	27.6	8.7	-	6.3	15.0	0.9	124.9	3.9	0.4	4.3
2014	124.9	31.6	14.5	9.2	3.5	27.2	10.4	139.7	3.4	1.4	4.8
2015	139.7	78.6	11.5	1.2	6.0	18.7	9.6	209.2	4.2	1.7	5.9
2016	209.2	112.0	31.3	15.0	7.9	54.2	32.3	299.3	3.7	1.5	5.2
2017	299.3	90.6	43.3	13.6	9.3	66.2	29.0	352.7	3.7	1.0	4.7
2018	352.7	91.7	47.6	12.9	9.0	69.5	25.7	400.6	4.9	2.0	6.9
Q1 – 19	400.6	20.3	19.9	8.5	2.4	30.8	22.8	412.9	0.7	0.4	1.1
Q2 – 19	412.9	28.2	15.0	6.1	1.3	22.4	3.4	422.1	0.9	0.7	1.6
Q3 – 19	422.1	26.7	16.4	1.9	1.9	20.2	9.2	437.8	1.3	0.3	1.6
Q4 – 19	437.8	56.3	24.4	25.7	1.8	51.9	13.4	455.6	1.5	0.9	2.4
TOTAL		713.6	265.6	94.5	56.3	416.4	158.4	455.6	38.7	12.5	51.2

SUMMARY OF PERFORMANCE

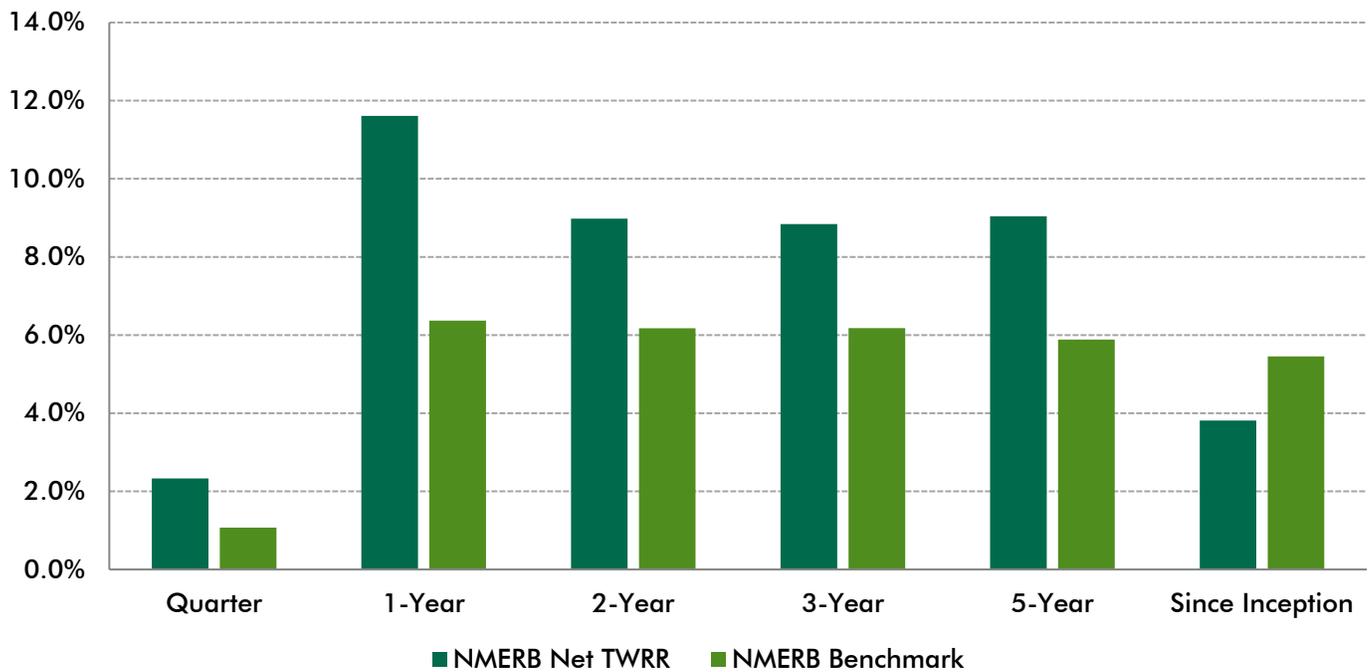
	Quarter	1-Year	2-Year	3-Year	5-Year	Since Inception
Time-Weighted						
Total Net Return	2.3%	11.6%	9.0%	8.8%	9.0%	3.8%
Dollar-Weighted						
Total Net IRR						7.2%

Note: Time-weighted net returns provided by NEPC, LLC

PORTFOLIO RETURN VS. BENCHMARK

	NMERB Net TWRR	CPI + 400 bps	Outperformance/ (Underperformance)
Time-Weighted			
Quarter	2.3%	1.1%	1.2%
1-Year	11.6%	6.4%	5.2%
2-Year	9.0%	6.2%	2.8%
3-Year	8.8%	6.2%	2.6%
5-Year	9.0%	5.9%	3.1%
Since Inception	3.8%	5.5%	(1.7%)

Note: Time-weighted NMERB net returns provided by NEPC, LLC



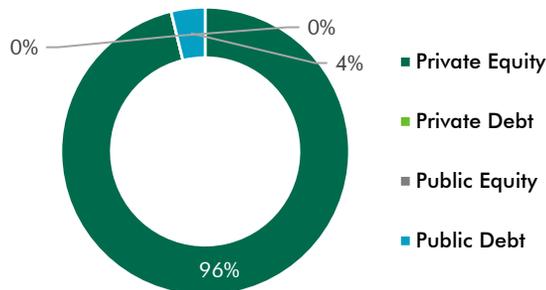
INVESTMENT POLICY GUIDELINES

The NMERB adopted an Infrastructure Policy Statement in September 2007 and subsequently updated, most recently in March 2019. The policy statement sets out the investment guidelines and ranges that have been adopted by NMERB and to which the infrastructure portfolio must adhere. The guidelines have been adopted to ensure appropriate risk-adjusted returns are targeted and adequate diversification exists within the Portfolio.

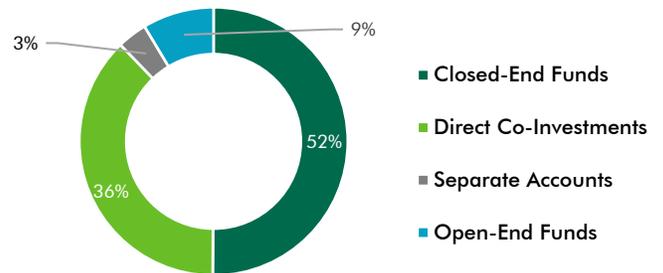
PORTFOLIO INVESTMENT POLICY GUIDELINES

	Policy Guideline	Portfolio Actual
INVESTMENT STRUCTURE		
Private Equity	40% - 100%	95.8%
Private Debt	0% - 60%	0.4%
Public Equity	0% - 30%	-
Public Debt	0% - 20%	3.8%
INVESTMENT VEHICLE		
Open-End Funds	0% - 100%	8.7%
Closed-End Funds	20% - 100%	52.0%
Separate Accounts	0% - 30%	3.6%
Direct Co-Investments	0% - 50%	35.7%
ASSET TYPE		
Energy	0% - 60%	45.2%
Transportation	0% - 60%	13.7%
Utilities	0% - 60%	10.9%
Social Infrastructure	0% - 60%	1.0%
Other	0% - 40%	29.2%
GEOGRAPHY		
United States	0% - 100%	65.0%
Western Europe	0% - 70%	12.5%
Australia / NZ	0% - 50%	1.6%
Other OECD	0% - 50%	11.6%
Non-OECD	0% - 20%	9.3%

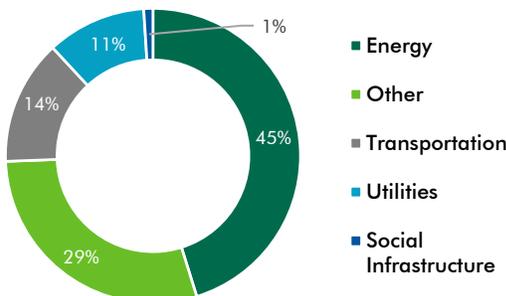
INVESTMENT STRUCTURE



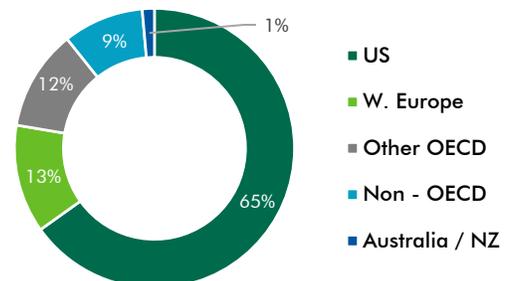
INVESTMENT VEHICLE



ASSET TYPE



GEOGRAPHY





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