

**INVESTMENT PERFORMANCE ANALYSIS FOR
PERIOD ENDING MARCH 31, 2018**

**NEW MEXICO EDUCATIONAL
RETIREMENT BOARD**

May 2018

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BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | PORTLAND | SAN FRANCISCO

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MARKET ENVIRONMENT UPDATE AND OUTLOOK

NEPC, LLC

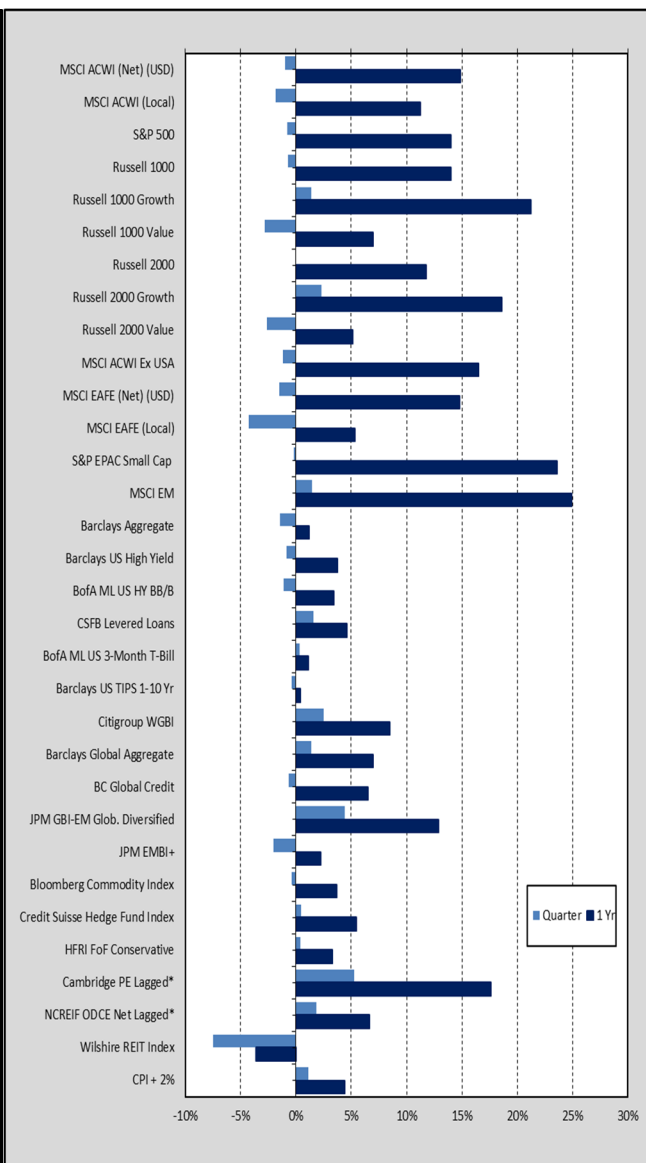
ECONOMIC ENVIRONMENT

- **First quarter GDP growth rate (advance estimate) increased at a moderate 2.3%.**
 - Retail sales ended February at +4.2% on a YoY basis. In the same period last year the YoY growth rate was 4.9%.
 - Corporate profits (ended October) as a percent of GDP decreased to 8.5% from 9.5% (in July) and remain elevated relative to historical levels.
 - The inventory-to-sales ratio ended February up at 1.4 from 1.3 and has remained relatively flat since early 2010.
 - The U.S. trade deficit widened by 1.6% ended February and is at its highest level in nearly 10 years.
- **The unemployment rate remained flat at 4.1% Q1; U-6, a broader measure of unemployment, decreased to 8.0% from 8.1% during the first quarter.**
- **The Case-Shiller Home Price Index (ended January) increased to 196.3 from 195.6 and remains at levels higher than that of pre-financial crisis levels of 150.9.**
- **Rolling 12-month seasonally-adjusted CPI saw an up-tick to 2.4% from 2.1% at the end of March; Capacity Utilization marginally increased to 78.0% from 77.9% in Q1.**
- **Fed Funds rate was increased 0.25% to a targeted range of 1.50% - to – 1.75%. The 10-year Treasury Yield (constant maturity) finished Q1 at 2.8% up from 2.4% in December.**
- **The Fed balance sheet decreased slightly during Q1 2018, while the European Central Bank balance sheet continues to increase.**
 - ECB held its benchmark refinance rate at 0%, deposit rates -0.4% and asset purchases would slow from €60 billion per month to €30 billion per month.
- **S&P valuations increased slightly in Q1, remaining above the 10-year and long-term averages.**
 - Cyclically adjusted Shiller PE ratio (32.6x) is above the long-term average of 16.9x and above the 10-year average of 23.5x.



MARKET ENVIRONMENT – Q1 2018 OVERVIEW

		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks						
MSCI ACWI (Net) (USD)	World	-1.0%	14.8%	8.1%	9.2%	5.6%
MSCI ACWI (Local)	World (Local Currency)	-1.9%	11.2%	7.3%	10.4%	6.6%
Domestic Equity Benchmarks						
S&P 500	Large Core	-0.8%	14.0%	10.8%	13.3%	9.5%
Russell 1000	Large Core	-0.7%	14.0%	10.4%	13.2%	9.6%
Russell 1000 Growth	Large Growth	1.4%	21.3%	12.9%	15.5%	11.3%
Russell 1000 Value	Large Value	-2.8%	6.9%	7.9%	10.8%	7.8%
Russell 2000	Small Core	-0.1%	11.8%	8.4%	11.5%	9.8%
Russell 2000 Growth	Small Growth	2.3%	18.6%	8.8%	12.9%	11.0%
Russell 2000 Value	Small Value	-2.6%	5.1%	7.9%	10.0%	8.6%
International Equity Benchmarks						
MSCI ACWI Ex USA	World ex-US	-1.2%	16.5%	6.2%	5.9%	2.7%
MSCI EAFE (Net) (USD)	Int'l Developed	-1.5%	14.8%	5.6%	6.5%	2.7%
MSCI EAFE (Local)	Int'l Developed (Local Currency)	-4.3%	5.3%	3.4%	8.5%	4.5%
S&P EPAC Small Cap	Small Cap Int'l	-0.2%	23.6%	12.0%	11.4%	6.3%
MSCI EM	Emerging Equity	1.4%	24.9%	8.8%	5.0%	3.0%
Domestic Fixed Income Benchmarks						
Barclays Aggregate	Core Bonds	-1.5%	1.2%	1.2%	1.8%	3.6%
Barclays US High Yield	High Yield	-0.9%	3.8%	5.2%	5.0%	8.3%
BofA ML US HY BB/B	High Yield	-1.1%	3.4%	4.7%	4.8%	7.4%
CSFB Levered Loans	Bank Loans	1.6%	4.6%	4.3%	4.2%	5.4%
BofA ML US 3-Month T-Bill	Cash	0.4%	1.1%	0.5%	0.3%	0.3%
Barclays US TIPS 1-10 Yr	Inflation	-0.4%	0.4%	1.2%	-0.1%	2.2%
Global Fixed Income Benchmarks						
Citigroup WGBI	World Gov. Bonds	2.5%	8.5%	3.5%	1.2%	2.0%
Barclays Global Aggregate	Global Core Bonds	1.4%	7.0%	3.1%	1.5%	2.6%
BC Global Credit	Global Bonds	-0.6%	6.5%	3.1%	2.4%	3.7%
JPM GBI-EM Glob. Diversified	Em. Mkt. Bonds (Local Currency)	4.4%	12.9%	5.4%	-0.7%	3.8%
JPM EMBI+	Em. Mkt. Bonds	-2.0%	2.2%	5.1%	3.6%	6.5%
Alternative Benchmarks						
Bloomberg Commodity Index	Commodities	-0.4%	3.7%	-3.2%	-8.3%	-7.7%
Credit Suisse Hedge Fund Index	Hedge Fund	0.5%	5.4%	1.8%	3.6%	3.5%
HFRI FoF Conservative	Fund of Hedge Funds	0.4%	3.3%	1.6%	2.9%	1.3%
Cambridge PE Lagged*	Private Equity	5.3%	17.6%	12.0%	13.6%	9.8%
NCREIF ODCE Net Lagged*	Real Estate	1.9%	6.7%	9.4%	10.5%	4.1%
Wilshire REIT Index	REIT	-7.5%	-3.6%	1.0%	6.1%	6.2%
CPI + 2%	Inflation/Real Assets	1.1%	4.4%	3.9%	3.5%	3.6%



* As of 12/31/2017



MARKET ENVIRONMENT

Global Equity

- **U.S. equities as measured by the S&P 500 posted a loss in the first quarter (-0.8%).**
- **Small cap stocks outperformed large cap stocks during the quarter, with the Russell 2000 Index returning -0.1% and the Russell 1000 Index returning -0.7%.**
- **International equities underperformed U.S. markets during the quarter, returning -1.2%, as measured by the MSCI ACWI ex-U.S. Index. Emerging markets returned 1.4% as measured by the MSCI Emerging Markets Index in U.S. dollar terms.**
 - Developed international markets returned -1.5% in USD terms, while in local currency terms returned -4.3% as measured by the MSCI EAFE Index.

Private Equity

- **Capital commitment momentum slowed to a level not seen since 2015 in Q1 2018.**
- **Private equity fundraising totaled \$80 billion in Q1 2018.**
 - North America focused private equity funds raised \$31.7 billion.
 - Asia focused private equity funds raised \$4.8 billion.
 - Europe focused private equity raised \$42.9 billion.
- **Private equity dry powder continued its increase to record levels and stands at \$1.09 trillion.**



MARKET ENVIRONMENT

Fixed Income

- **The nominal yield curve continued to flatten in Q1. Long term yields decreased 27 –to- 23 basis points across 20 to 30 year treasury bonds while short term yields increased 35 basis points for the 3 month and 33 basis points in the one year.**
- **The spread between two and 10 year rates decreased to 47 basis points from 51 basis points in Q1.**
- **Treasury Inflation-Protected Securities, or TIPS, returned -0.4% during the quarter, as measured by the BBg Barclays US TIPS 1-10 Yr Index.**
- **The BBg Barclays Long Duration Credit Index lost -3.8%.**
- **Long Treasuries lost -3.29% and investment-grade US corporate debt lost -1.5%.**
- **The BBg Barclays 1-3 year US Government/ Credit Index returned -0.20%. US high yield bonds lost -0.9% as spreads widened.**
- **Emerging markets debt had mixed results.**
 - US dollar-denominated debt, as measured by the JP Morgan EMBI Index, returned -2.0%; local currency debt gained 4.4%, according to the JP Morgan GBI-EM BD Index.



MARKET ENVIRONMENT

Real Assets/Inflation-Linked Assets

- **Energy remains attractive despite volatile oil prices.**
 - Private equity and debt opportunities are attractive.
 - Fire sale prices never materialized but focusing on assets outside of the hottest zip codes provides potential for strong returns as market normalizes.
- **Infrastructure – select opportunities to access growth markets.**
 - High quality assets are receiving premium bids from direct investors (Pension Funds and Sovereigns) with low costs of capital and long hold horizons; focus on mismanaged or niche opportunities.
- **Metals & Mining – have commodity prices bottomed?**
 - Improving Metals & Mining fundamentals but limited to assets near production
- **Timber – low return potential and limited opportunity for outperformance.**
- **Agriculture – near-term slowdown in price appreciation creates opportunity to invest in a strong (very) long term outlook supported by demographic trends.**



MARKET ENVIRONMENT

Commodities

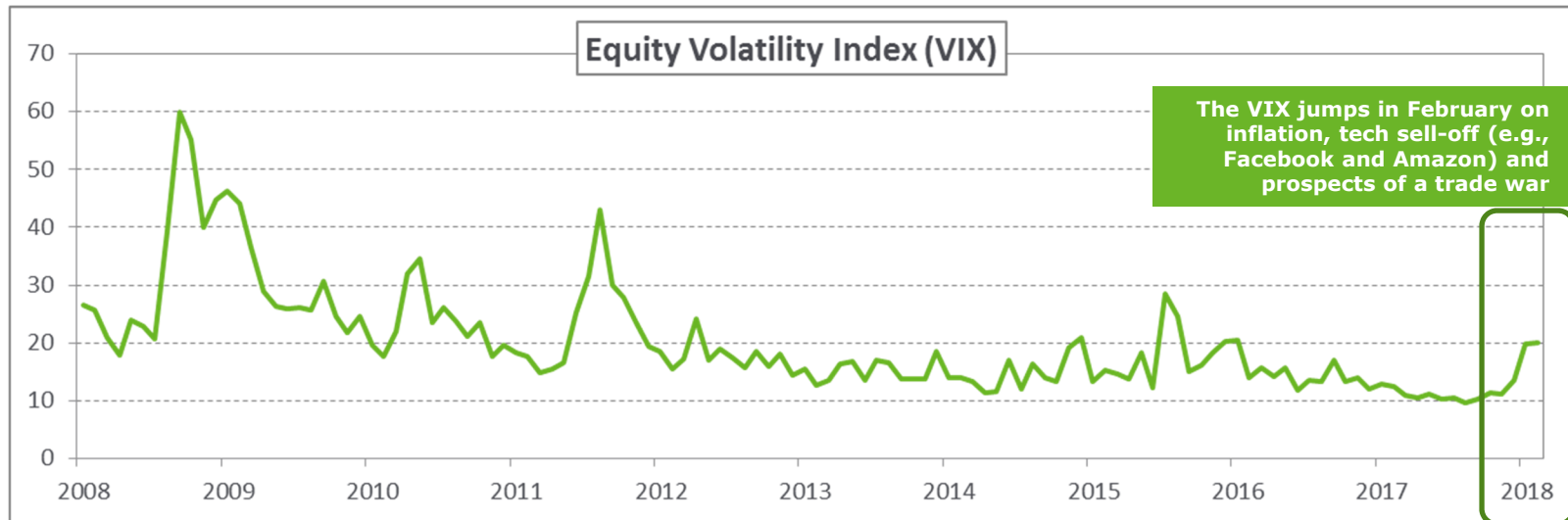
- **Commodities returned -0.4% as measured by the Bloomberg Commodity Index.**
 - Industrial metals led to the index's decline. US Dollar weakness led to increased oil prices.

Real Estate

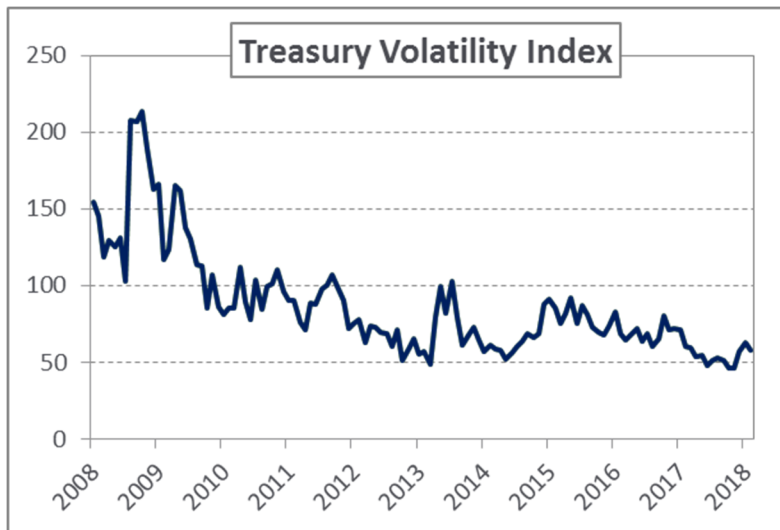
- **NEPC continues to be neutral on core real estate in the US and remains positive on non-core real estate, that is, value-add and opportunistic strategies.**
- **Real estate fundamentals (rent growth, occupancy, net absorption) remain strong; however, valuations are high on an absolute and relative basis.**
 - Rising interest rates have been baked into existing valuations but excess cap rate expansion (beyond general expectations) will reset valuations.
 - REIT sector has been volatile and remain at the high end of historical FFO multiple ranges
- **Overall, the non-core real estate investment environment in the U.S. is normalizing; however, select areas remain attractive.**
- **Europe is viewed as the best place for a marginal dollar of non-core real estate investment.**
- **Emerging markets in Latin America (Brazil) and Asia (China, India) may have strengthening opportunities.**



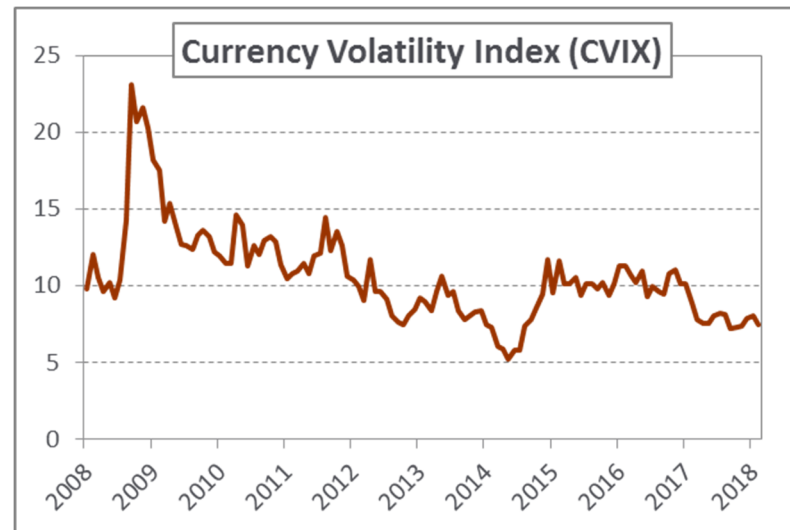
VOLATILITY



Source: CBOE, Bloomberg



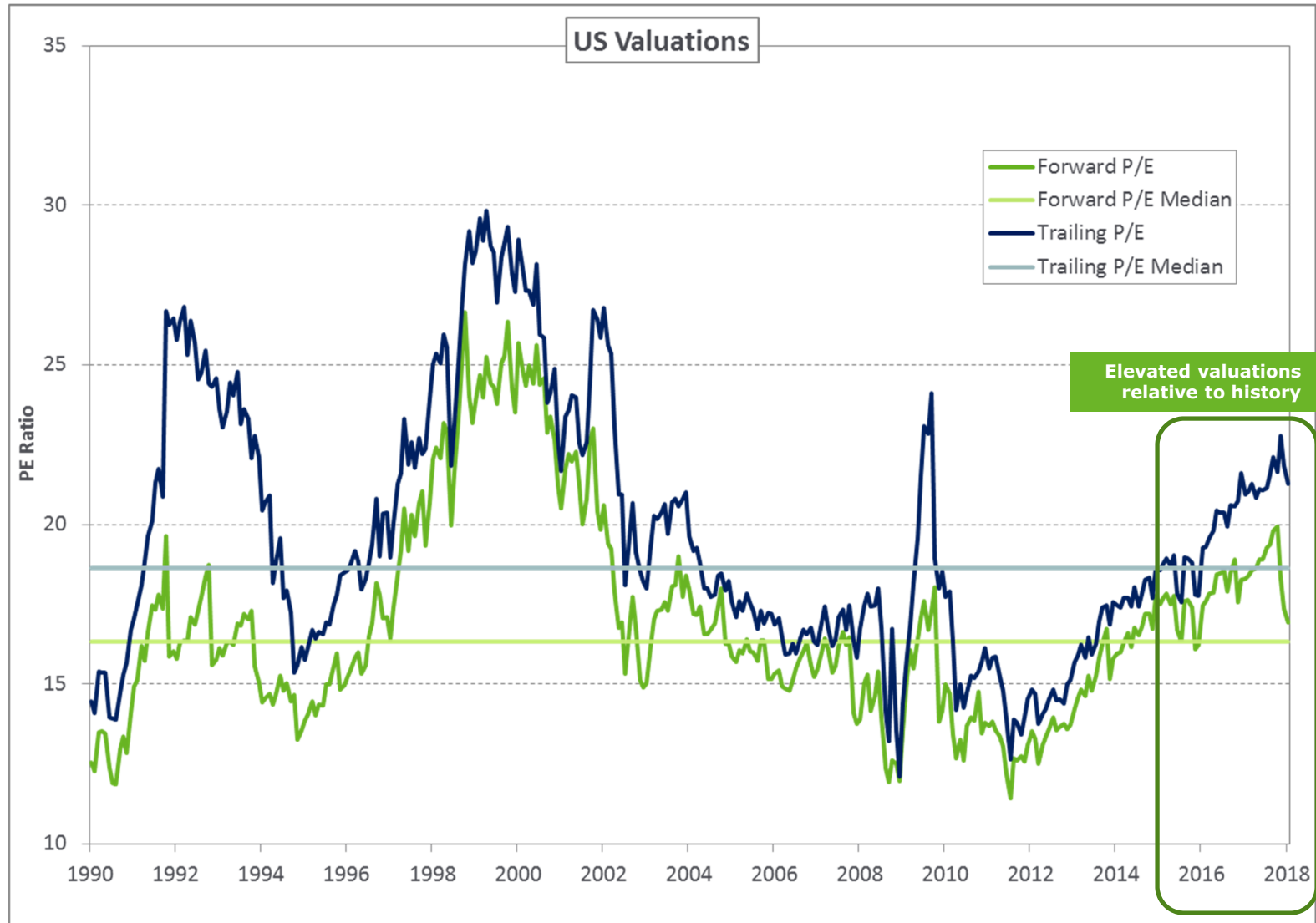
Source: Merrill Lynch, Bloomberg



Source: Deutsche Bank, Bloomberg



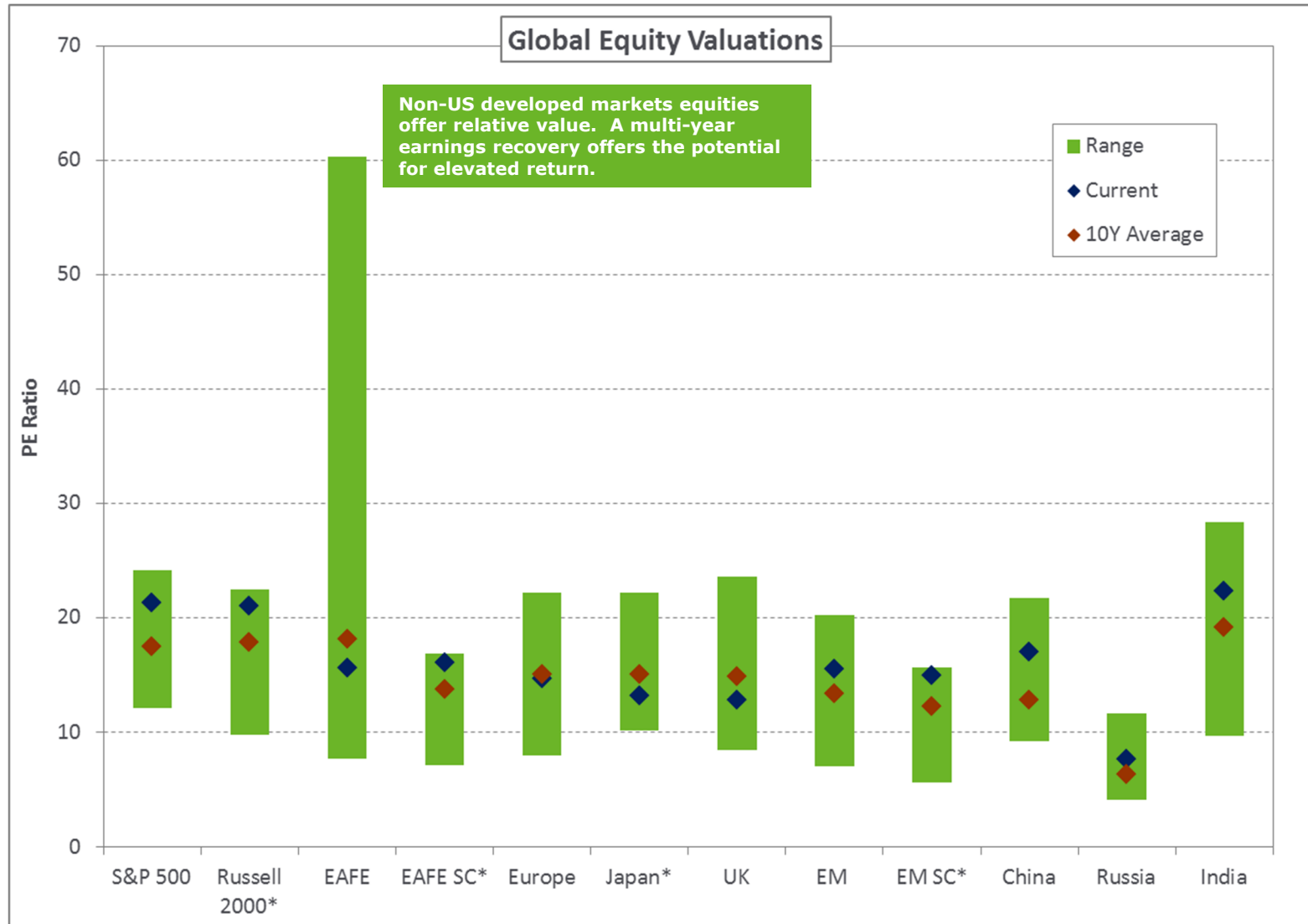
US EQUITY VALUATIONS



Source: S&P, Bloomberg
Medians calculated as of 01/31/1990



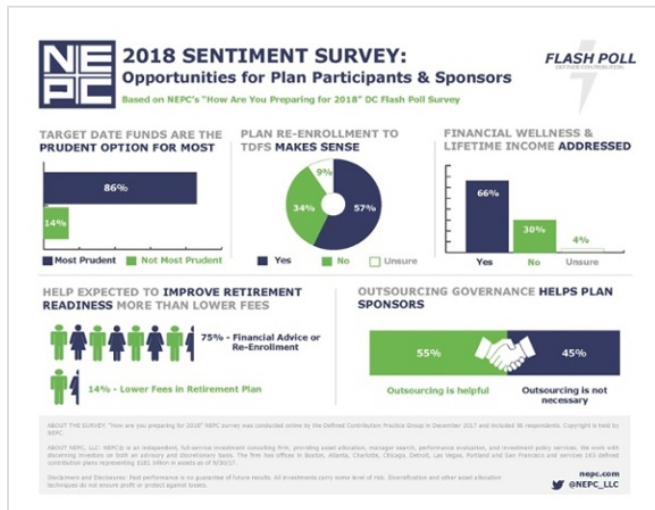
GLOBAL EQUITY VALUATIONS



Source: S&P, Russell, MSCI, Bloomberg, NEPC
 *Denotes the use of index-adjusted positive PE ratio
 Ranges calculated using trailing 10-year figures



HIGHLIGHTS OF FIRST QUARTER HAPPENINGS AT NEPC



NEPC INSIGHTS

- Taking Stock: Corporate Pension Plans: Is it Time to Play Defense?
- White Paper: The Curse of Greed
- Taking Stock: Solar Tariffs: Too Much Shade for Solar?
- 2018 Annual Asset Allocation Letter
- Fourth Quarter Market Thoughts
- Defined Contribution Infographic: How Are You Preparing for 2018?
- Taking Stock: Are CTAs Positioned to Protect Portfolios?
- Taking Stock: Last Week's Market Correction: A Short-Term Blip or a Long-Term Trend?
- Taking Stock: Corporate Pension Plans: Navigating Tax Reform and Q4 Liability Performance
- Taking Stock: Instability and Indecision Fuel Political Uncertainty
- Taking Stock: Italy's Instability and Indecision Fuel Political Uncertainty, Part Due
- March 2018 Endowment & Foundation Survey Results & Infographic
- Taking Stock: What's the Deal with the High Turnover at the Fed?
- Taking Stock: The Fed Sticks to Script; Ups 2019 Projections
- Taking Stock: Ten Years Since the Global Financial Crisis, Part 2: The Ides of March

WEBINAR REPLAYS

- 2018 Market Outlook Webinar Replay

To download NEPC's recent insights and webinar replays, visit: www.NEPC.com/insights

RECENT UPDATES

- Our team continues to grow: Please join us in welcoming back Kristen Colvin, Principal and Member of the Defined Contribution team.
- We have updated our manager rating system! NEPC clients will see these changes in 2018 materials. We transitioned from a qualitatively-named rating system to a numerically-named system.



HIGHLIGHTS OF FIRST QUARTER HAPPENINGS AT NEPC



REGISTER NOW!

We are looking forward to seeing you at NEPC's 23rd Annual Investment Conference next month in Boston. For those who have yet to register for the event, we hope that you will join us as we explore this year's theme of "Disruption" through many lenses.

Our accomplished external speakers and informational breakout sessions are a great opportunity to tune up your knowledge on the latest thinking and approaches to investing across the equity spectrum.

At the end of Day One we invite you to join us for dinner at some of Boston's finer restaurants, where you will have a great opportunity to meet and mingle with other NEPC clients. Please reach out to your NEPC representative with any questions.

To register, visit:

www.NEPC.com/insights/save-the-date-nepcs-23rd-annual-investment-conference



THIRD PARTY PLACEMENT AGENT DISCLOSURE

The New Mexico Educational Retirement Board Policy Regarding Placement Agent Disclosures requires that quarterly performance reports to the Board include information regarding any third-party marketers that were used by recipients of investments including any fee, commission or retainer paid by the hired fund to the third-party marketer for services rendered. These fees are not paid by NMERB but are paid by the hired funds for marketing services to the third-party.

The following investments were approved by the NMERB Investment Committee during the quarter, with disclosures made under the policy:

BlueBay Direct Lending Fund III/BlueBay Asset Management

The investment was approved for a \$100 million commitment on January 18, 2018 as part of the Fund's allocation to Opportunistic Credit.

BlueBay has provided documentation confirming RBC Global Asset Management and EverCore placement agent were used as placement agents in connection with NMERB's investment.

Additionally, BlueBay has completed the ERB Campaign Contribution Disclosure and reports no applicable campaign contributions.

Institutional Shareholder Services

The contract extension was approved on January 18, 2018 for continued use of proxy services and litigation filing services.

Additionally, ISS has completed the ERB Campaign Contribution Disclosure and reports no applicable campaign contributions.

Foster Pepper

The contract extension was approved on January 18, 2018 for continued use of investment legal services.

Additionally, Foster Pepper has completed the ERB Campaign Contribution Disclosure and reports no applicable campaign contributions.

K&L Gates

The contract extension was approved on January 18, 2018 for continued use of investment legal services.

Additionally, K&L has completed the ERB Campaign Contribution Disclosure and reports no applicable campaign contributions.

Five Point

The investment was approved for a \$20 million commitment on March 22, 2018 as part of the Fund's allocation to Real Assets.

Five Point has provided documentation confirming no placement agent was used in connection with NMERB's investment.

Additionally, Five Point has completed the ERB Campaign Contribution Disclosure and reports no applicable campaign contributions.



THIRD PARTY PLACEMENT AGENT DISCLOSURE

AE Industrial

The investment was approved for a \$60 million commitment on March 22, 2018 as part of the Fund's allocation to Private Equity.

AE Industrial has provided documentation confirming Eaton Partners was used as a placement agent in connection with NMERB's investment.

Additionally, AE Industrial has completed the ERB Campaign Contribution Disclosure and reports no applicable campaign contributions.

Aberdeen Standard

The investment was approved for a \$100 million commitment on March 22, 2018 as part of the Fund's allocation to Private Equity.

Aberdeen Standard has provided documentation confirming no placement agent was used in connection with NMERB's investment.

Additionally, Aberdeen Standard has completed the ERB Campaign Contribution Disclosure and reports no applicable campaign contributions.

RAM Realty V

The investment was approved for a \$40 million commitment on March 22, 2018 as part of the Fund's allocation to Real Estate.

RAM Realty has provided documentation confirming no placement agent was used in connection with NMERB's investment.

Additionally, RAM Realty has completed the ERB Campaign Contribution Disclosure and reports no applicable campaign contributions.

Sares Regis

The investment was approved for a \$30 million commitment on March 22, 2018 as part of the Fund's allocation to Real Estate.

Sares Regis has provided documentation confirming no placement agent was used in connection with NMERB's investment.

Additionally, Sares Regis has completed the ERB Campaign Contribution Disclosure and reports no applicable campaign contributions.

Taiga/Orchard Global Asset Management

The investment was approved for a \$50 million commitment on March 22, 2018 as part of the Fund's allocation to Opportunistic Credit.

Taiga has provided documentation confirming First Avenue Partners LLP, FAP USA L.P., Gallatin Capital LLC, ISP Securities AG, KHK and Partners Limited, and New World Capital have been engaged as placement agents for the fund but were not used in connection with NMERB's investment.

Additionally, Taiga has completed the ERB Campaign Contribution Disclosure and reports no applicable campaign contributions.



New Mexico Educational Retirement Board

TOTAL FUND PERFORMANCE SUMMARY (NET)

	Market Value	3 Mo Rank	Fiscal YTD Rank	1 Yr Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank	15 Yrs Rank	20 Yrs Rank	30 Yrs Rank	Inception	Inception Date									
Total Fund	\$12,812,028,104	0.4%	36	6.7%	75	9.7%	73	7.2%	24	7.8%	36	6.5%	25	8.3%	19	6.0%	43	8.9%	11	9.1%	Jul-83
Policy Index		0.7%	17	7.5%	41	10.4%	52	7.0%	31	7.3%	57	5.8%	54	8.0%	37	5.8%	57	7.8%	75	--	Jul-83
60% MSCI ACWI (Net) / 40% CITI WGBI		0.5%	33	8.3%	15	12.3%	11	6.4%	65	6.1%	89	4.4%	94	7.4%	64	5.4%	72	--	--	--	Jul-83
InvestorForce Public DB > \$1B Net Median		0.1%		7.2%		10.4%		6.6%		7.5%		5.9%		7.7%		5.9%		8.0%		8.6%	Jul-83

Over the past five years, the Fund returned 7.8% per annum, outperforming the policy index by 46 basis points and ranking in the 36th percentile of the InvestorForce Public Funds > \$1 Billion universe and outperforming the actuarial assumed rate of 7.25%. The Fund's volatility was 4.8%, which ranks in the 8th percentile of its peers over this period. The Fund's risk-adjusted performance, as measured by the Sharpe Ratio, ranks in the 6th percentile of its peers.

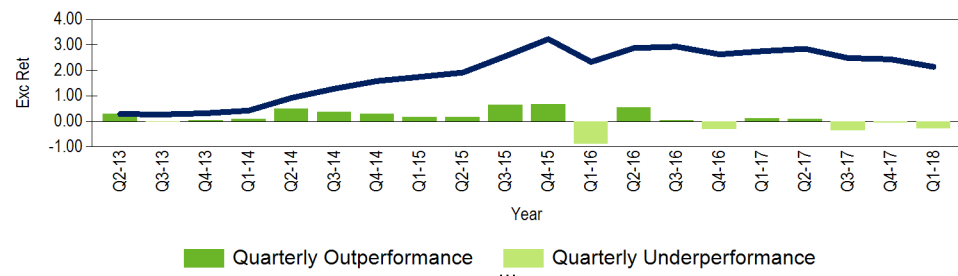
Over the past three years, the Fund returned 7.2% per annum, outperforming the policy index by 14 basis points and ranking in the 24th percentile of its peer group. Over the same period, the Fund's volatility ranks in the 10th percentile of its peers, resulting in a three-year Sharpe Ratio of 1.4, which ranks in the 7th percentile.

For the year ending March 31, 2018, the Fund experienced a net investment gain of \$1.17 billion, which includes a net investment gain of \$51.4 million during the quarter. Assets increased from \$12.1 billion twelve months ago to \$12.8 billion on March 31, 2018, with \$439 million in net distributions during the year. The Fund returned 9.7%, underperforming the policy index by 67 basis points and ranking in the 73rd percentile of its peers.

All asset classes were within policy range as of March 31, 2018.

The InvestorForce Public Funds >\$1 Billion Net Universe contains 60 observations for the period ending March 31, 2018, with total assets of \$606 billion.

Quarterly and Cumulative Excess Performance



5 Years Ending March 31, 2018								
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	7.8%	36	4.8%	8	1.6	6	2.7	7
Policy Index	7.3%	57	5.0%	11	1.4	21	2.5	18
InvestorForce Public DB > \$1B Net Median	7.5%	--	5.7%	--	1.2	--	2.1	--

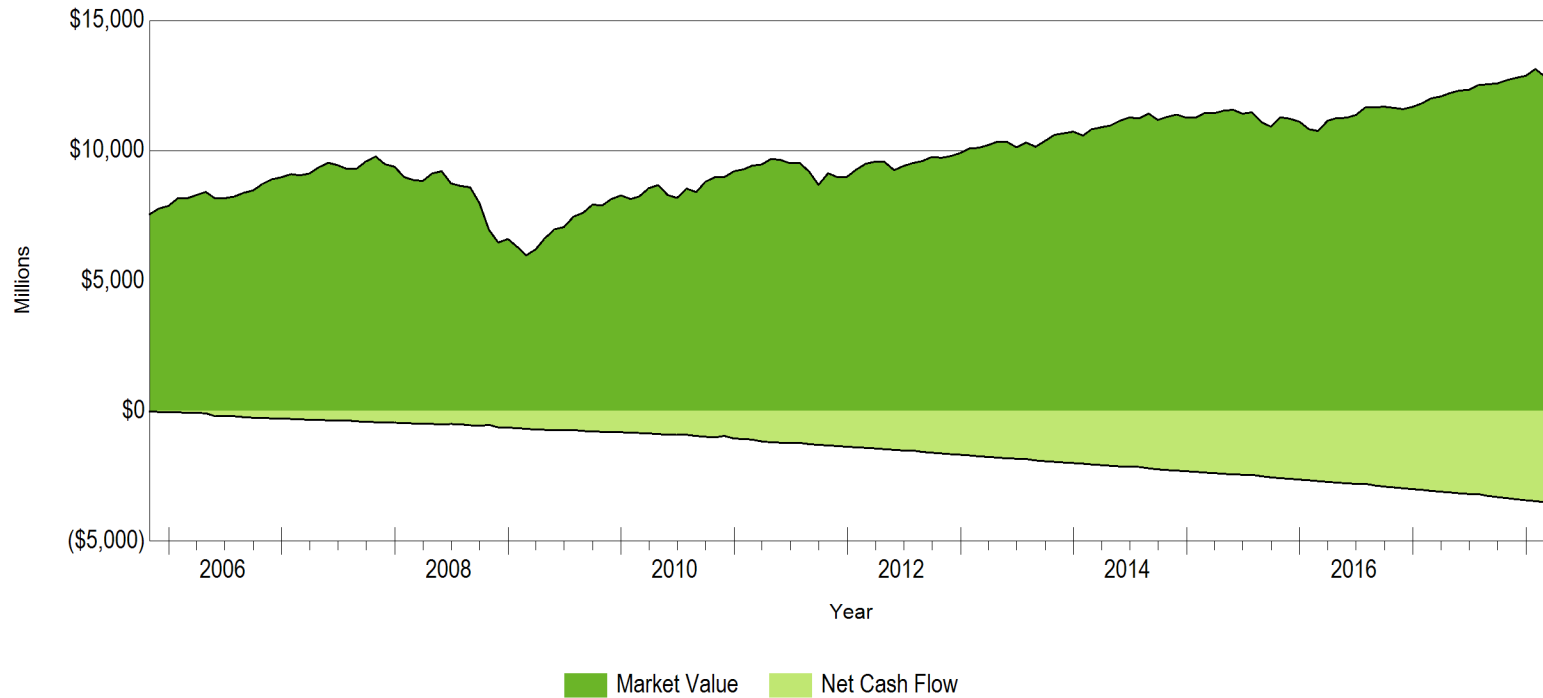
3 Years Ending March 31, 2018								
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	7.2%	24	4.9%	10	1.4	7	2.2	9
Policy Index	7.0%	31	5.3%	27	1.2	25	1.9	17
InvestorForce Public DB > \$1B Net Median	6.6%	--	5.8%	--	1.0	--	1.5	--



New Mexico Educational Retirement Board

TOTAL FUND ASSET GROWTH SUMMARY

Market Value History
Since NEPC began tracking performance, October 1, 2005 thru March 31, 2018

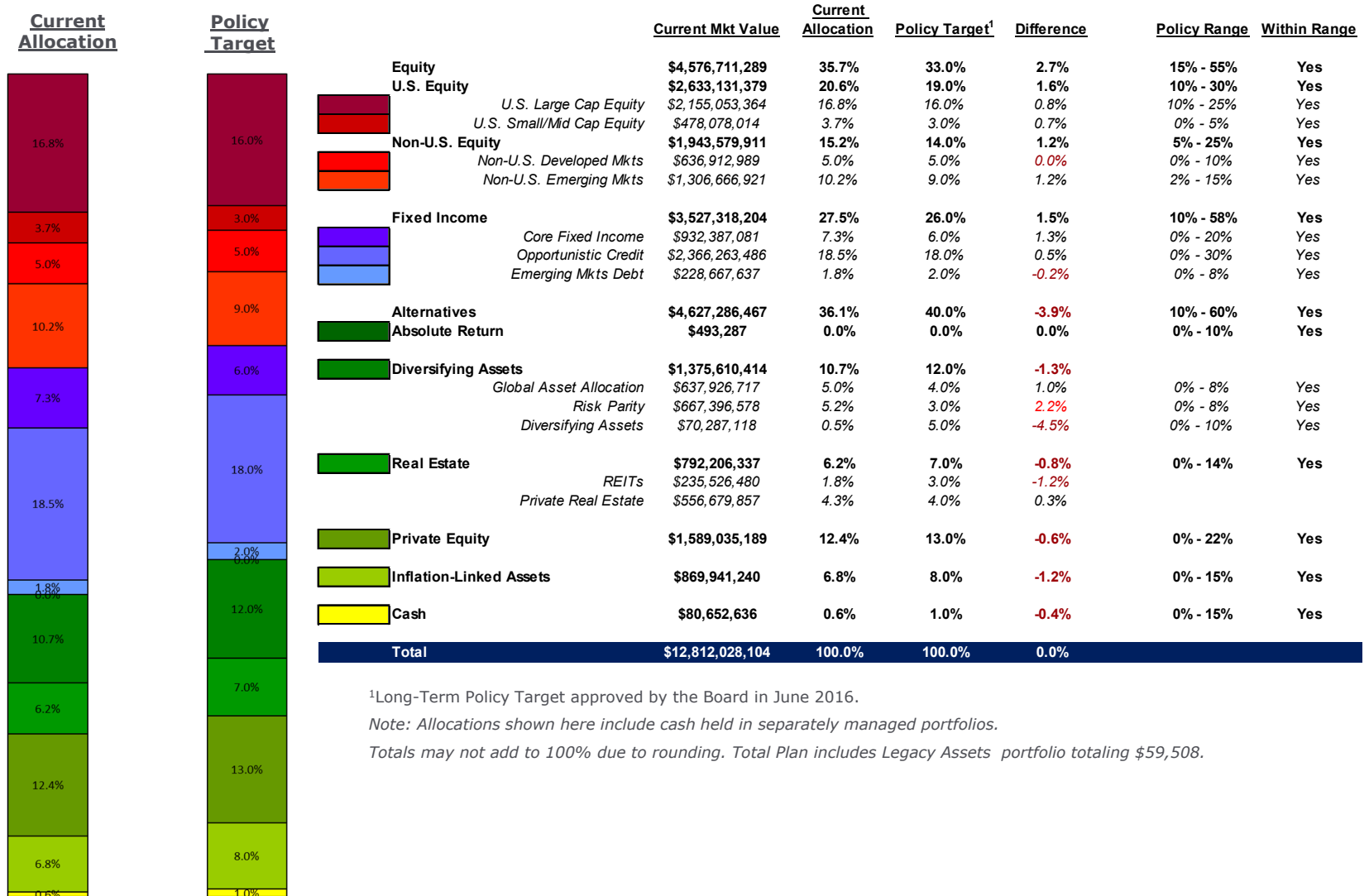


	Last Three Months	Fiscal Year-To-Date	One Year	Three Years	Five Years	Since 10/1/05
Beginning Market Value	\$12,873,637,262	\$12,333,534,379	\$12,076,800,316	\$11,437,383,160	\$10,212,011,352	\$7,694,652,364
Net Cash Flow	-\$113,065,446	-\$354,327,820	-\$438,770,581	-\$1,154,042,926	-\$1,777,553,902	-\$3,530,565,194
Net Investment Change	\$51,456,289	\$832,821,545	\$1,173,998,369	\$2,528,687,870	\$4,377,570,654	\$8,647,940,935
Ending Market Value	\$12,812,028,104	\$12,812,028,104	\$12,812,028,104	\$12,812,028,104	\$12,812,028,104	\$12,812,028,104



New Mexico Educational Retirement Board

TOTAL FUND ASSET ALLOCATION VS. POLICY



¹Long-Term Policy Target approved by the Board in June 2016.

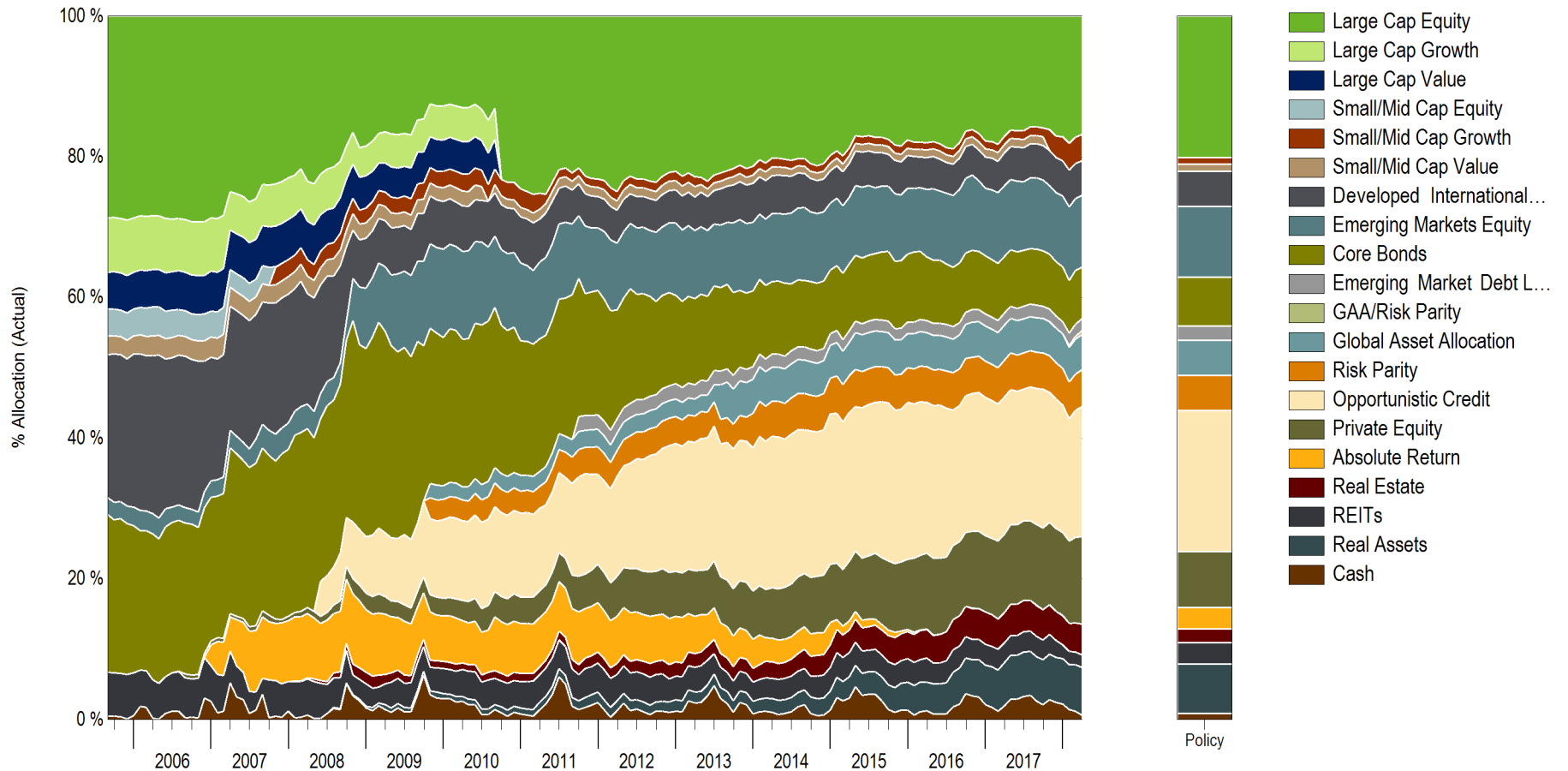
Note: Allocations shown here include cash held in separately managed portfolios.

Totals may not add to 100% due to rounding. Total Plan includes Legacy Assets portfolio totaling \$59,508.



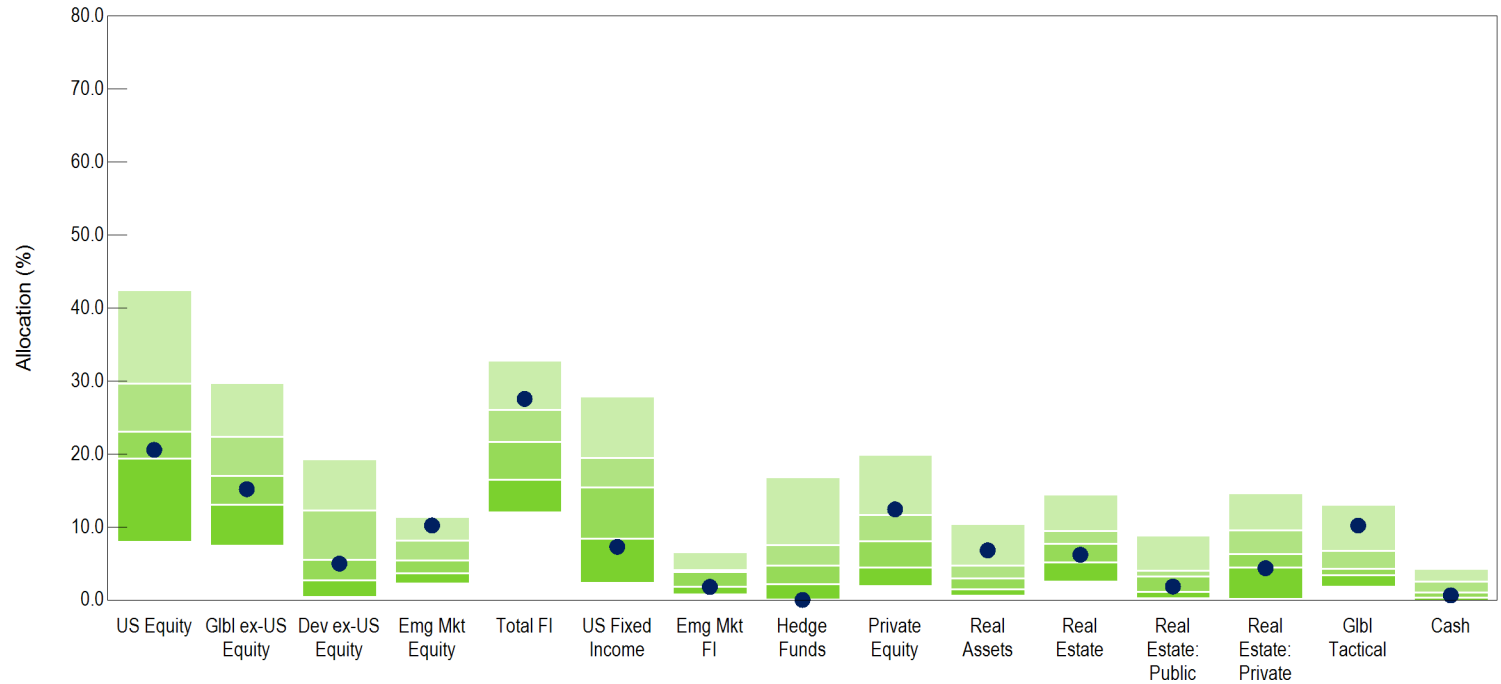
TOTAL FUND ASSET ALLOCATION HISTORY

Quarterly Asset Allocation History
September 2005 - Present



TOTAL FUND ALLOCATIONS VS. PEER UNIVERSE

Total Plan Allocation vs. InvestorForce Public DB > \$1B Net



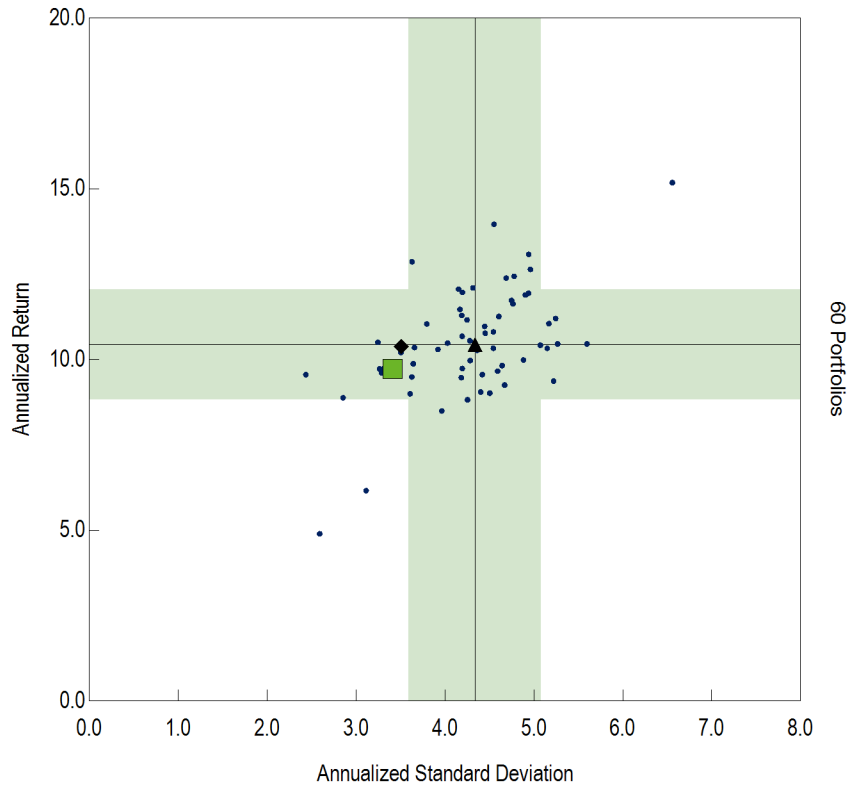
	Allocation (Rank)															
5th Percentile	42.4	29.7	19.3	11.3	32.8	27.8	6.6	16.8	19.9	10.4	14.4	8.8	14.6	13.0	4.3	--
25th Percentile	29.7	22.4	12.3	8.2	26.1	19.5	4.2	7.6	11.7	4.8	9.6	4.1	9.6	6.8	2.6	--
Median	23.1	17.1	5.6	5.5	21.8	15.5	3.9	4.8	8.1	3.0	7.7	3.3	6.4	4.3	1.1	--
75th Percentile	19.4	13.2	2.8	3.8	16.5	8.5	1.9	2.2	4.6	1.5	5.2	1.2	4.5	3.5	0.4	--
95th Percentile	8.0	7.6	0.5	2.3	12.1	2.4	0.9	0.2	2.0	0.6	2.6	0.3	0.3	1.9	0.0	--
# of Portfolios	47	50	30	42	56	50	26	38	48	27	46	17	43	18	53	--
● Total Fund	20.6 (70)	15.2 (64)	5.0 (63)	10.2 (10)	27.5 (21)	7.3 (80)	1.8 (81)	0.0 (99)	12.4 (17)	6.8 (17)	6.2 (65)	1.8 (63)	4.3 (80)	10.2 (11)	0.6 (64)	--



New Mexico Educational Retirement Board

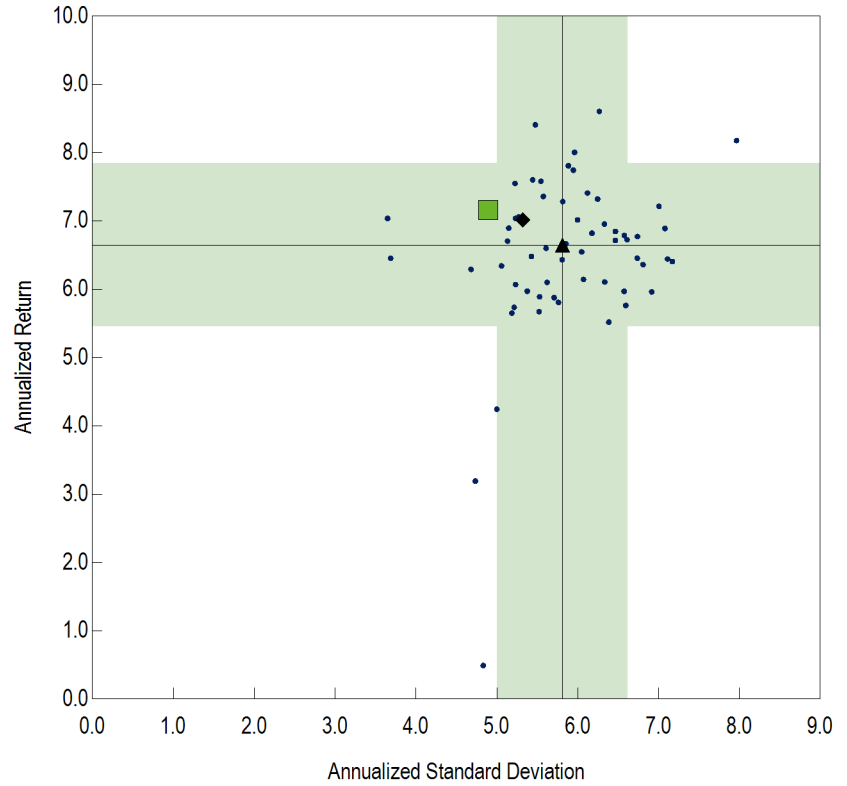
TOTAL FUND RISK/RETURN

1 Year Ending March 31, 2018



- Total Fund
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

3 Years Ending March 31, 2018



- Total Fund
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

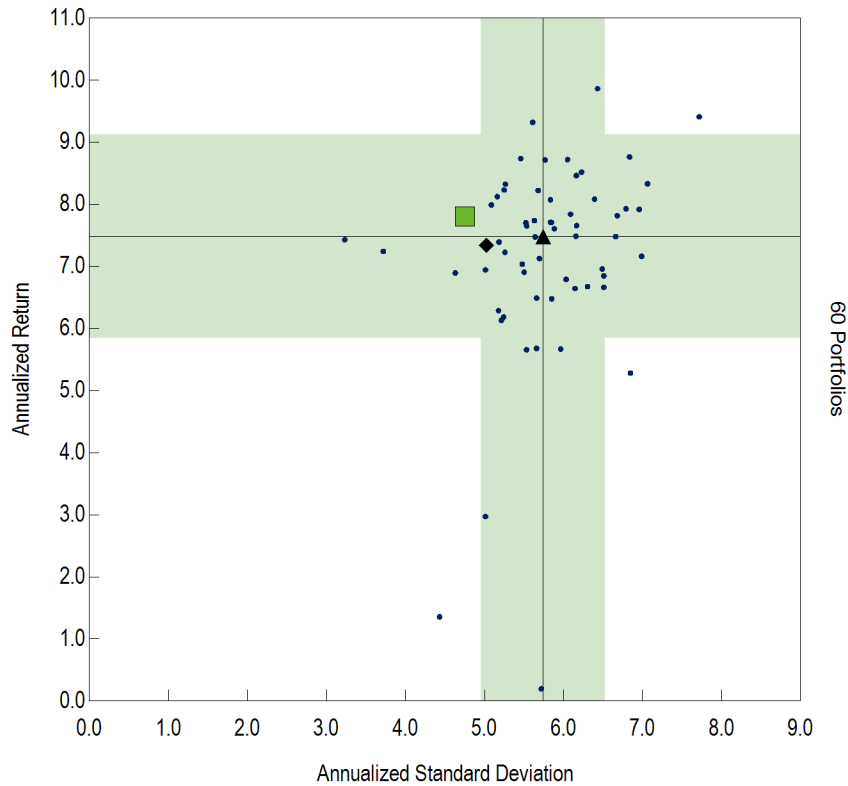
Note: Ranks are based on net returns.



New Mexico Educational Retirement Board

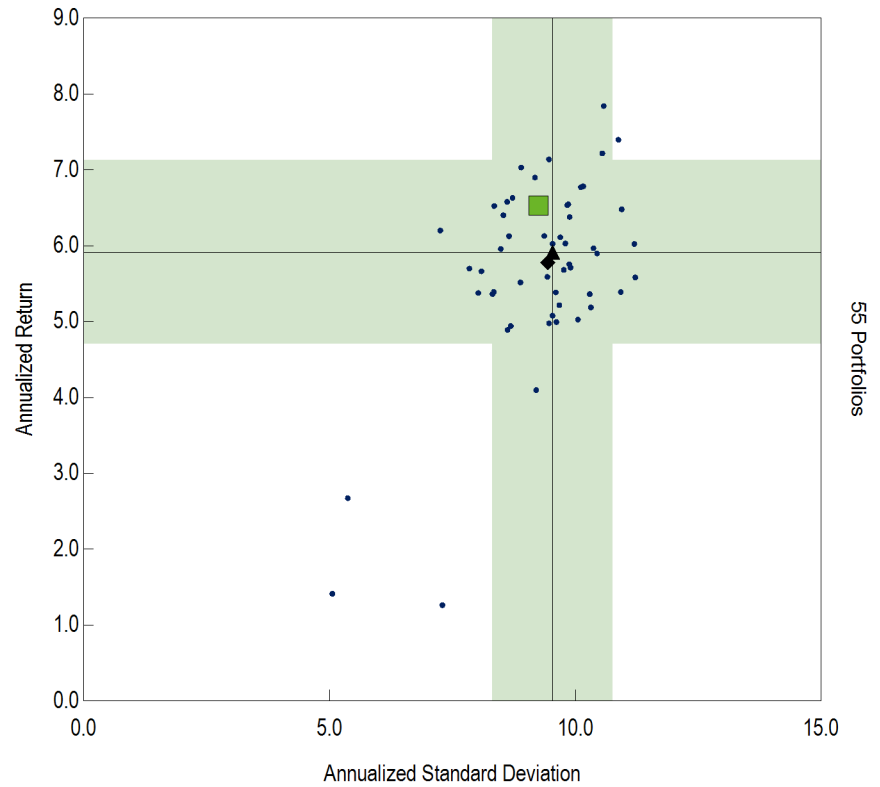
TOTAL FUND RISK/RETURN

5 Years Ending March 31, 2018



- Total Fund
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

10 Years Ending March 31, 2018



- Total Fund
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

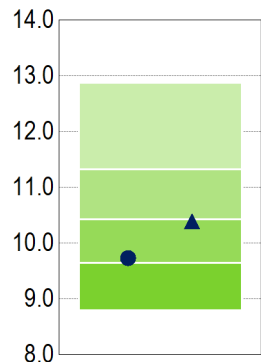
Note: Ranks are based on net returns.



TOTAL FUND RISK STATISTICS VS. PEER UNIVERSE

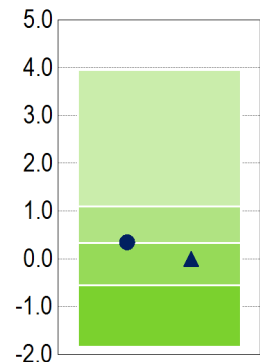
Total Fund vs. InvestorForce Public DB > \$1B Net (USD) (peer)
1 Year

Anlzd Return



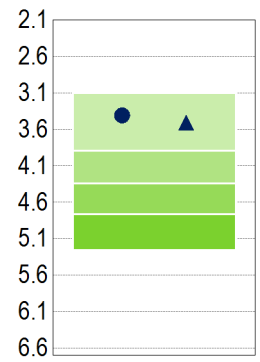
● Total Fund	
Value	9.7
Rank	73
▲ Policy Index	
Value	10.4
Rank	52
Universe	
5th %tile	12.9
25th %tile	11.3
Median	10.4
75th %tile	9.6
95th %tile	8.8

Anlzd Alpha



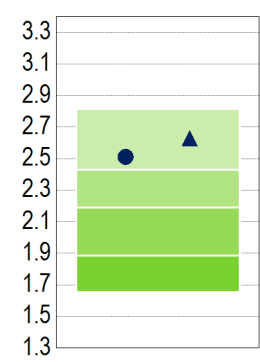
● Total Fund	
Value	0.3
Rank	52
▲ Policy Index	
Value	0.0
Rank	55
Universe	
5th %tile	4.0
25th %tile	1.1
Median	0.3
75th %tile	-0.5
95th %tile	-1.8

Anlzd Standard Deviation



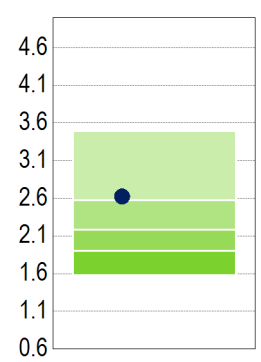
● Total Fund	
Value	3.4
Rank	13
▲ Policy Index	
Value	3.5
Rank	14
Universe	
5th %tile	3.1
25th %tile	3.9
Median	4.3
75th %tile	4.8
95th %tile	5.2

Sharpe Ratio



● Total Fund	
Value	2.5
Rank	23
▲ Policy Index	
Value	2.6
Rank	9
Universe	
5th %tile	2.8
25th %tile	2.4
Median	2.2
75th %tile	1.9
95th %tile	1.7

Sortino Ratio



● Total Fund	
Value	2.6
Rank	23
▲ Policy Index	
Value	--
Rank	--
Universe	
5th %tile	3.5
25th %tile	2.6
Median	2.2
75th %tile	1.9
95th %tile	1.6

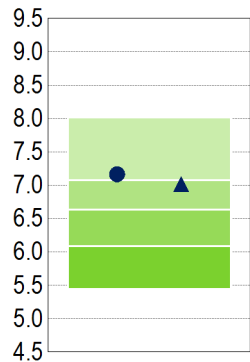
Note: Ranks are based on net returns. Universe contains 60 observations with total assets of \$606 billion. Sortino ratio needs two negative periods to populate.



TOTAL FUND RISK STATISTICS VS. PEER UNIVERSE

Total Fund vs. InvestorForce Public DB > \$1B Net (USD) (peer) 3 Year

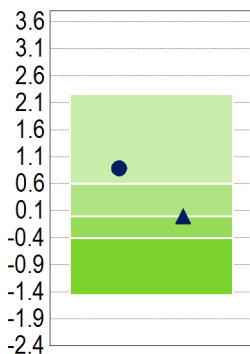
Anlzd Return



● Total Fund	
Value	7.2
Rank	24
▲ Policy Index	
Value	7.0
Rank	31

Universe	
5th %tile	8.0
25th %tile	7.1
Median	6.6
75th %tile	6.1
95th %tile	5.5

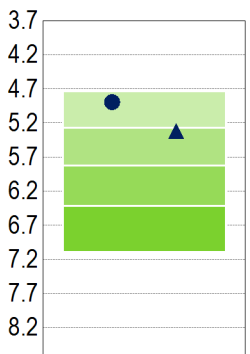
Anlzd Alpha



● Total Fund	
Value	0.9
Rank	19
▲ Policy Index	
Value	0.0
Rank	51

Universe	
5th %tile	2.3
25th %tile	0.6
Median	0.0
75th %tile	-0.4
95th %tile	-1.4

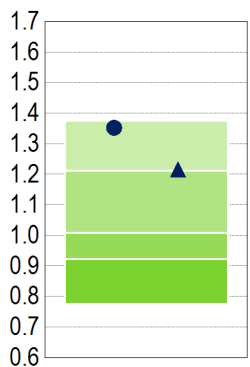
Anlzd Standard Deviation



● Total Fund	
Value	4.9
Rank	10
▲ Policy Index	
Value	5.3
Rank	27

Universe	
5th %tile	4.7
25th %tile	5.3
Median	5.8
75th %tile	6.4
95th %tile	7.1

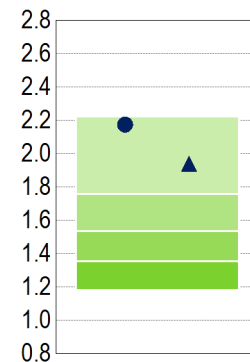
Sharpe Ratio



● Total Fund	
Value	1.4
Rank	7
▲ Policy Index	
Value	1.2
Rank	25

Universe	
5th %tile	1.4
25th %tile	1.2
Median	1.0
75th %tile	0.9
95th %tile	0.8

Sortino Ratio



● Total Fund	
Value	2.2
Rank	9
▲ Policy Index	
Value	1.9
Rank	17

Universe	
5th %tile	2.2
25th %tile	1.8
Median	1.5
75th %tile	1.4
95th %tile	1.2

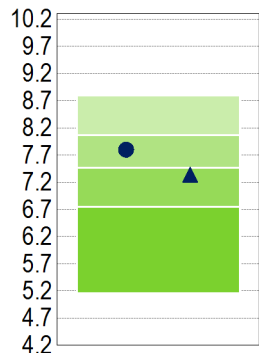
Note: Ranks are based on net returns. Universe contains 60 observations with total assets of \$606 billion. Sortino ratio needs two negative periods to populate.



TOTAL FUND RISK STATISTICS VS. PEER UNIVERSE

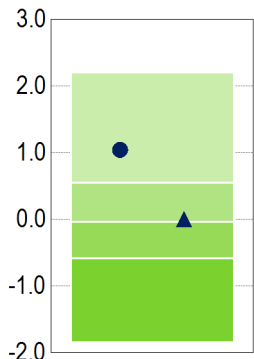
Total Fund vs. InvestorForce Public DB > \$1B Net (USD) (peer) 5 Year

Anlzd Return



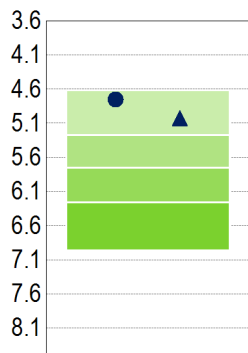
● Total Fund	
Value	7.8
Rank	36
▲ Policy Index	
Value	7.3
Rank	57
Universe	
5th %tile	8.8
25th %tile	8.1
Median	7.5
75th %tile	6.8
95th %tile	5.2

Anlzd Alpha



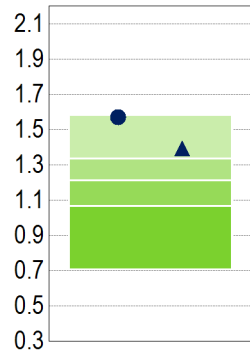
● Total Fund	
Value	1.0
Rank	15
▲ Policy Index	
Value	0.0
Rank	48
Universe	
5th %tile	2.2
25th %tile	0.6
Median	0.0
75th %tile	-0.6
95th %tile	-1.8

Anlzd Standard Deviation



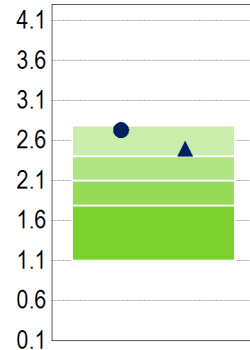
● Total Fund	
Value	4.8
Rank	8
▲ Policy Index	
Value	5.0
Rank	11
Universe	
5th %tile	4.6
25th %tile	5.3
Median	5.7
75th %tile	6.2
95th %tile	7.0

Sharpe Ratio



● Total Fund	
Value	1.6
Rank	6
▲ Policy Index	
Value	1.4
Rank	21
Universe	
5th %tile	1.6
25th %tile	1.3
Median	1.2
75th %tile	1.1
95th %tile	0.7

Sortino Ratio



● Total Fund	
Value	2.7
Rank	7
▲ Policy Index	
Value	2.5
Rank	18
Universe	
5th %tile	2.8
25th %tile	2.4
Median	2.1
75th %tile	1.8
95th %tile	1.1

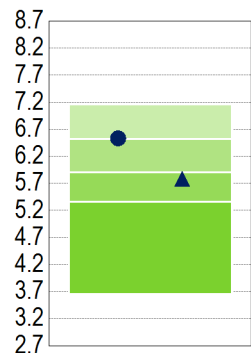
Note: Ranks are based on net returns. Universe contains 60 observations with total assets of \$606 billion. Sortino ratio needs two negative periods to populate.



TOTAL FUND RISK STATISTICS VS. PEER UNIVERSE

Total Fund vs. InvestorForce Public DB > \$1B Net (USD) (peer) 10 Year

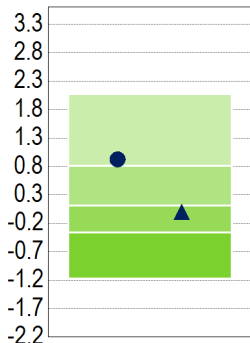
Anlzd Return



● Total Fund	
Value	6.5
Rank	25
▲ Policy Index	
Value	5.8
Rank	54

Universe	
5th %tile	7.2
25th %tile	6.5
Median	5.9
75th %tile	5.4
95th %tile	3.7

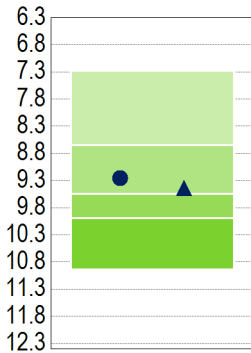
Anlzd Alpha



● Total Fund	
Value	0.9
Rank	21
▲ Policy Index	
Value	0.0
Rank	54

Universe	
5th %tile	2.1
25th %tile	0.8
Median	0.1
75th %tile	-0.3
95th %tile	-1.2

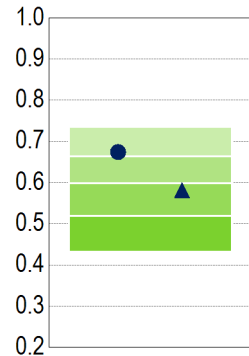
Anlzd Standard Deviation



● Total Fund	
Value	9.3
Rank	40
▲ Policy Index	
Value	9.4
Rank	45

Universe	
5th %tile	7.3
25th %tile	8.6
Median	9.5
75th %tile	10.0
95th %tile	10.9

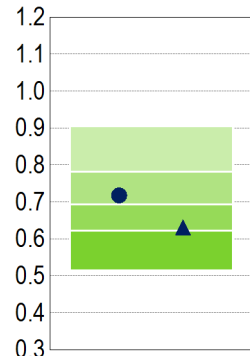
Sharpe Ratio



● Total Fund	
Value	0.7
Rank	21
▲ Policy Index	
Value	0.6
Rank	56

Universe	
5th %tile	0.7
25th %tile	0.7
Median	0.6
75th %tile	0.5
95th %tile	0.4

Sortino Ratio



● Total Fund	
Value	0.7
Rank	43
▲ Policy Index	
Value	0.6
Rank	72

Universe	
5th %tile	0.9
25th %tile	0.8
Median	0.7
75th %tile	0.6
95th %tile	0.5

Note: Ranks are based on net returns. Universe contains 60 observations with total assets of \$606 billion. Sortino ratio needs two negative periods to populate.



New Mexico Educational Retirement Board

3 YEAR RISK/RETURN PROFILE

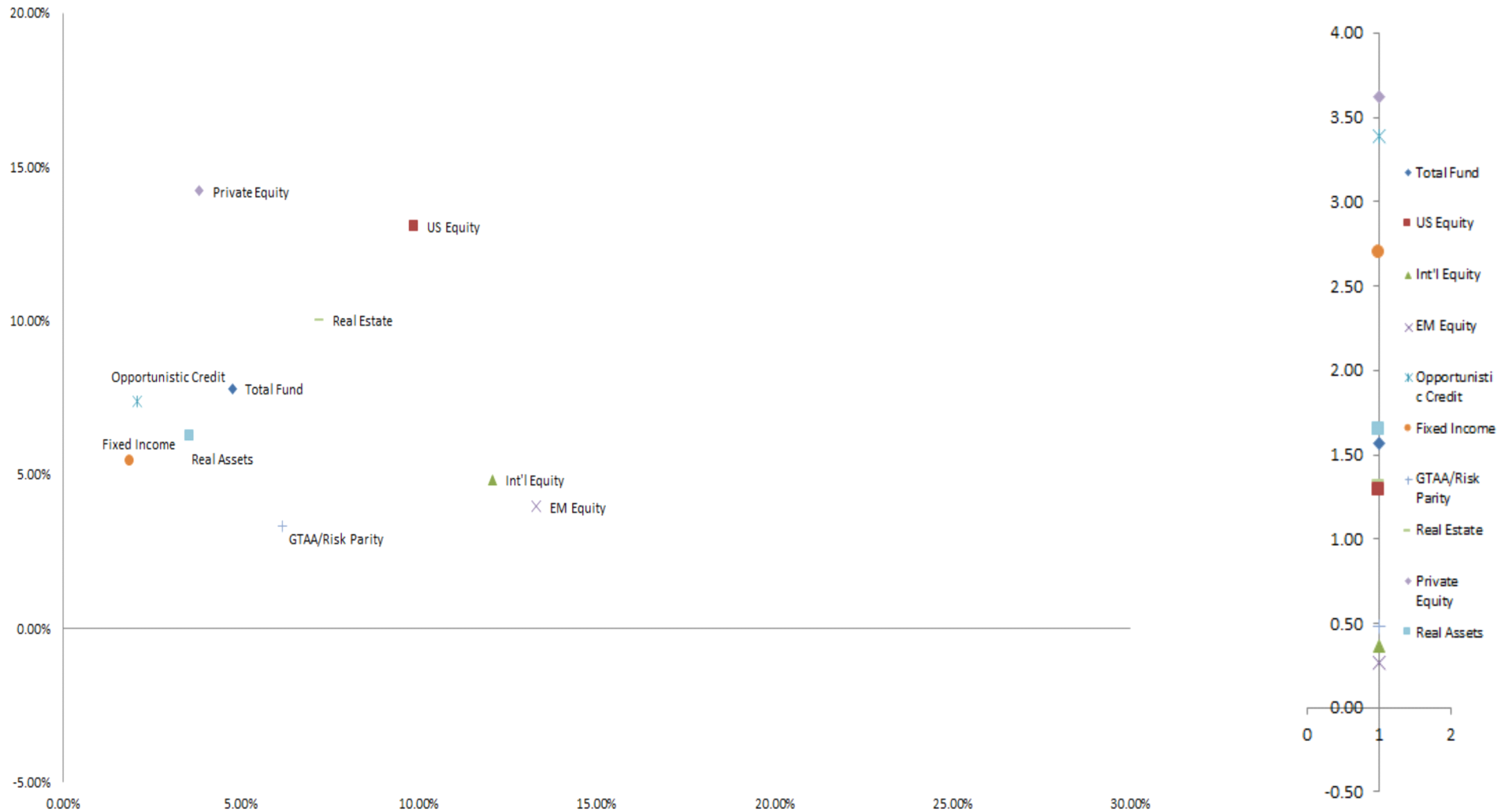


Note: Returns are net of fees. The graph on the right side shows composite level sharpe ratios.



New Mexico Educational Retirement Board

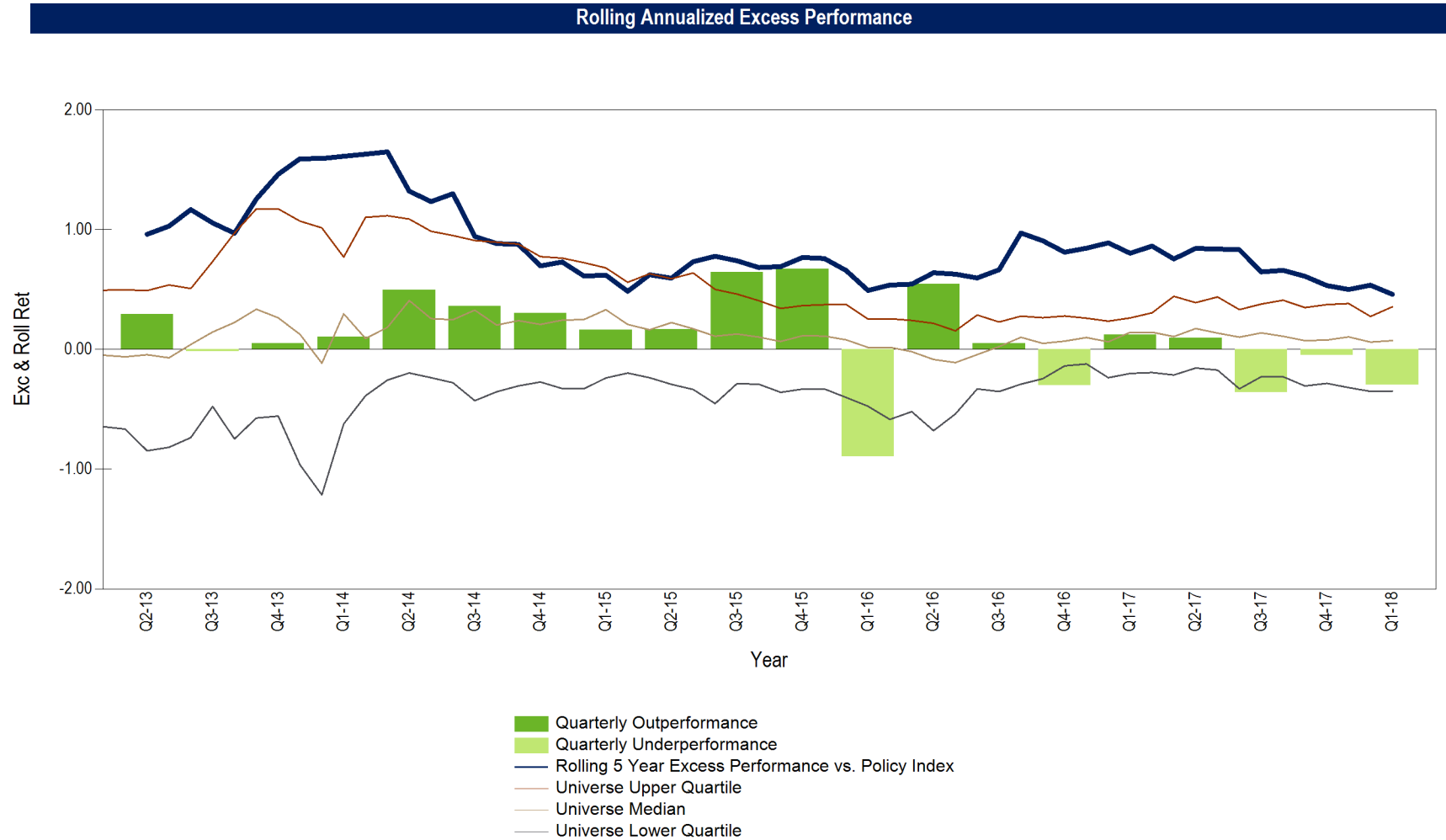
5 YEAR RISK/RETURN PROFILE



Note: Returns are net of fees. The graph on the right side shows composite level sharpe ratios.



ROLLING 5 YEAR EXCESS RETURNS - NET

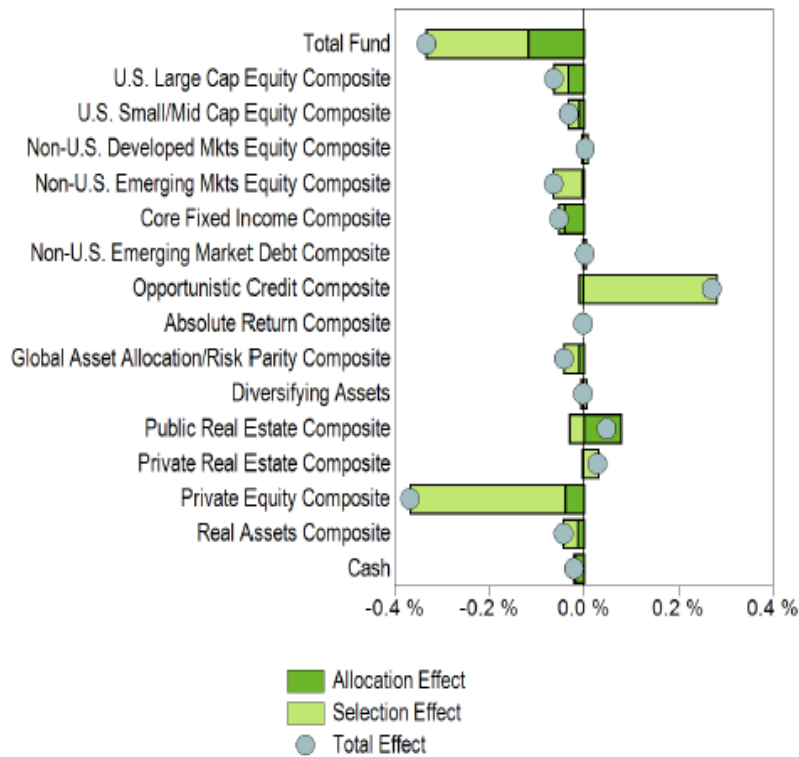


TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Effects
3 Months Ending March 31, 2018

3 Month Excess Return: -0.30%

- Allocation Effect: -0.09%
 - Public Real Estate underweight (+0.08%)
- Manager Selection Effect: -0.21%
 - Opportunistic Credit outperformed (+0.28%)
 - Non-U.S. Emerging Mkts Equity underperformed (-0.06%)
 - Private Equity underperformed (-0.33%)
- Residual: 0.00%



The Brinson-Fachler Attribution model explains excess return by identifying the size of contributors or detractors from excess return based on the three effects defined below:

Allocation Effect: Measures the impact of the decision to over/under weight asset classes relative to Interim SAAP benchmark weights. $(\text{Return Asset Class Index} - \text{Total Interim Policy Index Return}) \times (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Interim Policy Index})$.

Manager Selection Effect: Measures the impact of over/under performance of asset classes in the portfolio relative to the asset class benchmarks in the Interim SAAP benchmark. $[\text{Weight Asset Class Benchmark} \times (\text{Return Portfolio Asset Class} - \text{Return Asset Class in Interim Policy Index})]$ + **Interaction Effect:** Measures the impact of over/under weighting decisions and over/under performance. $(\text{Return Asset Class Portfolio} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Policy Index})) - (\text{Return Asset Class Index} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Index}))$.

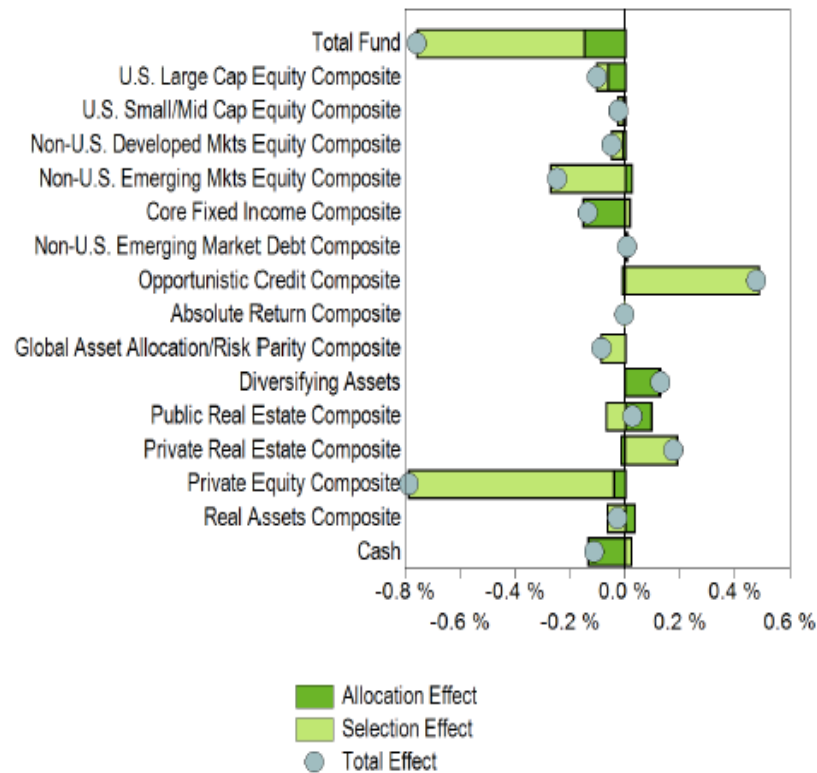
Residual: Contribution to excess return not captured in Allocation Effect and Manager Selection Effect.



TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Effects
FYTD Ending March 31, 2018

Fiscal YTD Excess Return: -0.74%



- Allocation Effect: -0.13%
 - Diversifying Assets underweight (+0.12%)
 - Cash overweight (-0.13%)
 - Core Fixed Income overweight (-0.15%)
- Manager Selection Effect: -0.61%
 - Opportunistic Credit outperformed (+0.49%)
 - Private Real Estate outperformed (+0.19%)
 - Real Assets underperformed (-0.06%)
 - Public Real Estate underperformed (-0.07%)
 - Global Asset Allocation/Risk Parity underperformed (-0.09%)
 - Non-U.S. Emerging Mkts Equity underperformed (-0.27%)
 - Private Equity underperformed (-0.75%)
- Residual: 0.00%

The Brinson-Fachler Attribution model explains excess return by identifying the size of contributors or detractors from excess return based on the three effects defined below:

Allocation Effect: Measures the impact of the decision to over/under weight asset classes relative to Interim SAAP benchmark weights. $(\text{Return Asset Class Index} - \text{Total Interim Policy Index Return}) \times (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Interim Policy Index})$.

Manager Selection Effect: Measures the impact of over/under performance of asset classes in the portfolio relative to the asset class benchmarks in the Interim SAAP benchmark. $[\text{Weight Asset Class Benchmark} \times (\text{Return Portfolio Asset Class} - \text{Return Asset Class in Interim Policy Index})]$ + **Interaction Effect:** Measures the impact of over/under weighting decisions and over/under performance. $(\text{Return Asset Class Portfolio} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Policy Index})) - (\text{Return Asset Class Index} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Index}))$.

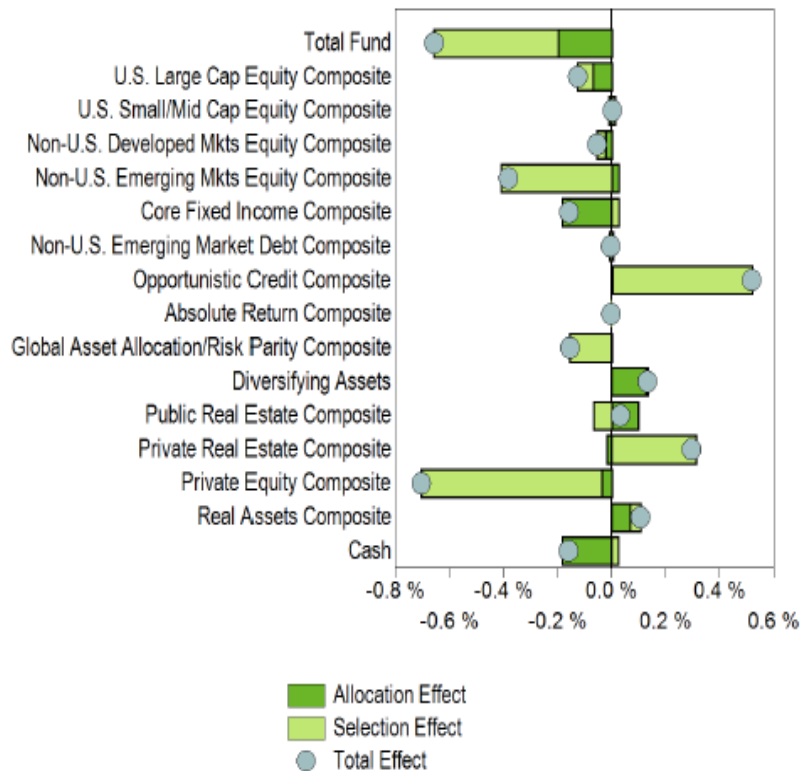
Residual: Contribution to excess return not captured in Allocation Effect and Manager Selection Effect.



TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Effects
1 Year Ending March 31, 2018

1 Year Excess Return: -0.65%



- Allocation Effect: -0.19%
 - Diversifying Assets underweight (+0.12%)
 - Public Real Estate underweight (+0.10%)
 - Real Assets underweight (+0.07%)
 - U.S. Large Cap Equity underweight (-0.05%)
 - Core Fixed Income overweight (-0.18%)
 - Cash overweight (-0.19%)
- Manager Selection Effect: -0.46%
 - Opportunistic Credit outperformed (+0.52%)
 - Private Real Estate outperformed (+0.31%)
 - U.S. Large Cap Equity underperformed (-0.05%)
 - Public Real Estate underperformed (-0.07%)
 - Global Asset Allocation/Risk Parity underperformed (-0.15%)
 - Non-U.S. Emerging Mkts Equity underperformed (-0.40%)
 - Private Equity underperformed (-0.68%)
- Residual: 0.00%

The Brinson-Fachler Attribution model explains excess return by identifying the size of contributors or detractors from excess return based on the three effects defined below:

Allocation Effect: Measures the impact of the decision to over/under weight asset classes relative to Interim SAAP benchmark weights. $(\text{Return Asset Class Index} - \text{Total Interim Policy Index Return}) \times (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Interim Policy Index})$.

Manager Selection Effect: Measures the impact of over/under performance of asset classes in the portfolio relative to the asset class benchmarks in the Interim SAAP benchmark. $[\text{Weight Asset Class Benchmark} \times (\text{Return Portfolio Asset Class} - \text{Return Asset Class in Interim Policy Index})]$ + **Interaction Effect:** Measures the impact of over/under weighting decisions and over/under performance. $(\text{Return Asset Class Portfolio} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Policy Index})) - (\text{Return Asset Class Index} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Index}))$.

Residual: Contribution to excess return not captured in Allocation Effect and Manager Selection Effect.

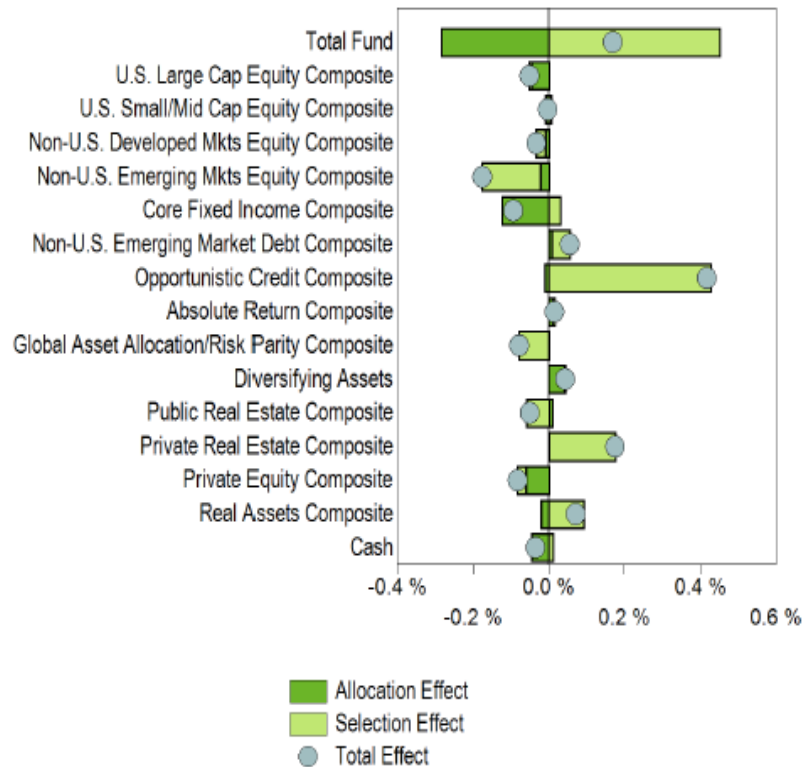


TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Effects

3 Years Ending March 31, 2018

3 Year Excess Return: +0.15%



- Allocation Effect: -0.31%
 - Private Equity underweight (-0.06%)
 - Cash overweight (-0.06%)
 - Core Fixed Income overweight (-0.12%)
- Manager Selection Effect: +0.46%
 - Opportunistic Credit outperformed (+0.43%)
 - Private Real Estate outperformed (+0.17%)
 - Real Assets outperformed (+0.09%)
 - Non-U.S. Emerging Market Debt outperformed (+0.05%)
 - Public Real Estate underperformed (-0.06%)
 - Global Asset Allocation/Risk Parity underperformed (-0.08%)
 - Non U.S. Emerging Mkts Equity underperformed (-0.15%)
- Residual: 0.00%

The Brinson-Fachler Attribution model explains excess return by identifying the size of contributors or detractors from excess return based on the three effects defined below:

Allocation Effect: Measures the impact of the decision to over/under weight asset classes relative to Interim SAAP benchmark weights. $(\text{Return Asset Class Index} - \text{Total Interim Policy Index Return}) \times (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Interim Policy Index})$.

Manager Selection Effect: Measures the impact of over/under performance of asset classes in the portfolio relative to the asset class benchmarks in the Interim SAAP benchmark. $[\text{Weight Asset Class Benchmark} \times (\text{Return Portfolio Asset Class} - \text{Return Asset Class in Interim Policy Index})]$ + **Interaction Effect:** Measures the impact of over/under weighting decisions and over/under performance. $(\text{Return Asset Class Portfolio} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Policy Index})) - (\text{Return Asset Class Index} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Index}))$.

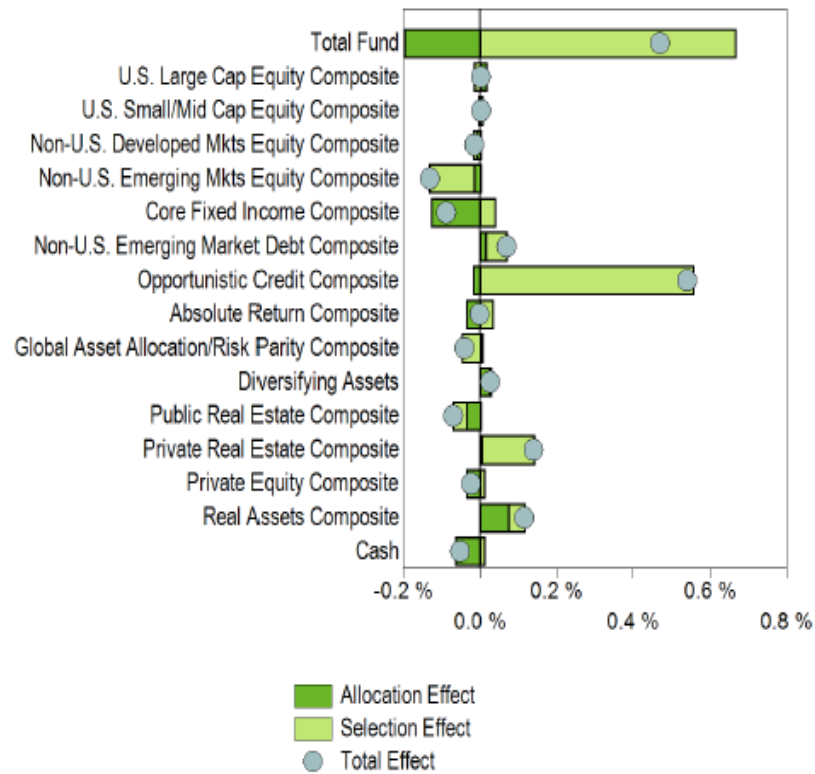
Residual: Contribution to excess return not captured in Allocation Effect and Manager Selection Effect.



TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Effects
5 Years Ending March 31, 2018

5 Year Excess Return: +0.47%



- Allocation Effect: -0.20%
 - Real Assets underweight (+0.07%)
 - Cash overweight (-0.06%)
 - Core Fixed Income overweight (-0.13%)
- Manager Selection Effect: +0.66%
 - Opportunistic Credit outperformed (+0.56%)
 - Private Real Estate outperformed (+0.13%)
 - Real Assets outperformed (+0.09%)
 - Non-U.S. Emerging Market Debt outperformed (+0.05%)
 - Global Asset Allocation/Risk Parity underperformed (-0.05%)
 - Non-U.S. Emerging Mkts Equity underperformed (-0.11%)
- Residual: 0.00%

The Brinson-Fachler Attribution model explains excess return by identifying the size of contributors or detractors from excess return based on the three effects defined below:

Allocation Effect: Measures the impact of the decision to over/under weight asset classes relative to Interim SAAP benchmark weights. $(\text{Return Asset Class Index} - \text{Total Interim Policy Index Return}) \times (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Interim Policy Index})$.

Manager Selection Effect: Measures the impact of over/under performance of asset classes in the portfolio relative to the asset class benchmarks in the Interim SAAP benchmark. $[\text{Weight Asset Class Benchmark} \times (\text{Return Portfolio Asset Class} - \text{Return Asset Class in Interim Policy Index})]$ + **Interaction Effect:** Measures the impact of over/under weighting decisions and over/under performance. $(\text{Return Asset Class Portfolio} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Policy Index})) - (\text{Return Asset Class Index} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Index}))$.

Residual: Contribution to excess return not captured in Allocation Effect and Manager Selection Effect.



New Mexico Educational Retirement Board

TOTAL FUND RISK STATISTICS

3 Years Ending March 31, 2018												
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Info Ratio	Rank	Beta
U.S. Large Cap Equity Composite	16.8%	10.8%	7	10.2%	36	0.0%	23	0.2%	1	-0.1	--	1.0
S&P 500	--	10.8%	7	10.3%	41	0.0%	27	0.0%	1	--	--	1.0
U.S. Small/Mid Cap Equity Composite	3.7%	8.4%	94	12.1%	99	0.6%	4	3.3%	93	0.1	15	1.0
NMERB Small/Mid Cap Equity Blended Index	--	8.2%	95	12.2%	99	0.0%	27	0.0%	1	--	--	1.0
Non-U.S. Developed Mkts Equity Composite	5.0%	5.1%	55	11.8%	69	-0.3%	60	1.2%	3	-0.4	--	1.0
MSCI EAFE	--	5.6%	42	12.3%	76	0.0%	48	0.0%	1	--	--	1.0
Non-U.S. Emerging Mkts Equity Composite	10.2%	7.5%	67	13.9%	21	0.1%	58	3.7%	48	-0.3	--	0.8
MSCI Emerging Markets	--	8.8%	28	16.5%	94	0.0%	60	0.0%	1	--	--	1.0
Core Fixed Income Composite	7.3%	1.5%	87	2.8%	47	0.3%	87	0.4%	11	0.9	42	1.0
BBgBarc US Aggregate TR	--	1.2%	99	2.7%	41	0.0%	99	0.0%	1	--	--	1.0
Non-U.S. Emerging Market Debt Composite	1.8%	6.8%	34	5.9%	30	4.2%	1	3.8%	78	0.8	17	0.6
Non-U.S. EMD Custom Benchmark	--	3.8%	88	8.9%	67	0.0%	62	0.0%	1	--	--	1.0

3 Years Ending March 31, 2018												
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Info Ratio	Rank	Beta
Opportunistic Credit Composite	18.5%	6.8%	--	2.2%	--	4.6%	--	2.8%	--	0.8	--	0.4
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index	--	4.5%	--	3.6%	--	0.0%	--	0.0%	--	--	--	1.0
Global Asset Allocation/Risk Parity Composite	10.2%	3.0%	62	5.7%	16	-1.2%	28	4.4%	50	-0.8	--	0.6
GAA/Risk Parity Custom Index	--	6.3%	1	7.0%	86	0.0%	12	0.0%	1	--	--	1.0

1 - Performance for Equity, Fixed Income, and Emerging Mkt Debt, Opportunistic Credit and GAA/Risk Parity composites are net of fees.
 Note: Percent of Total equals 97.9% because Absolute Return Composite and Cash Composite are not included.



New Mexico Educational Retirement Board

TOTAL FUND RISK STATISTICS

	3 Years Ending March 31, 2018						
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank
Real Estate Composite	6.2%	7.0%	88	6.7%	96	4.1%	30
NCREIF Property Index	--	8.7%	80	3.7%	36	0.0%	93
Private Equity Composite	12.4%	12.5%	44	3.3%	6	14.0%	5
Cambridge Associates US All PE (1 Qtr Lag)	--	12.0%	54	6.2%	78	0.0%	89
Real Assets Composite	6.8%	8.1%	27	3.0%	15	3.5%	34
CPI + 4% (Seasonally Adjusted)	--	5.9%	39	0.7%	1	0.0%	95

1 - Performance for Equity, Fixed Income, and Emerging Mkt Debt, Opportunistic Credit and GAA/Risk Parity composites are net of fees.
 Note: Percent of Total equals 97.9% because Absolute Return Composite and Cash Composite are not included.



New Mexico Educational Retirement Board

TOTAL FUND RISK STATISTICS

5 Years Ending March 31, 2018												
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Info Ratio	Rank	Beta
U.S. Large Cap Equity Composite	16.8%	13.2%	16	9.8%	14	0.0%	21	0.2%	1	-0.4	--	1.0
S&P 500	--	13.3%	12	9.9%	22	0.0%	21	0.0%	1	--	--	1.0
U.S. Small/Mid Cap Equity Composite	3.7%	11.8%	82	12.0%	98	0.8%	3	3.2%	95	0.1	20	1.0
NMERB Small/Mid Cap Equity Blended Index	--	11.5%	86	12.1%	98	0.0%	21	0.0%	1	--	--	1.0
Non-U.S. Developed Mkts Equity Composite	5.0%	6.4%	51	11.6%	73	0.1%	51	1.2%	3	-0.1	--	1.0
MSCI EAFE	--	6.5%	50	11.9%	92	0.0%	54	0.0%	1	--	--	1.0
Non-U.S. Emerging Mkts Equity Composite	10.2%	3.9%	61	13.3%	23	-0.4%	51	3.2%	46	-0.3	--	0.9
MSCI Emerging Markets	--	5.0%	20	15.0%	88	0.0%	37	0.0%	1	--	--	1.0
Core Fixed Income Composite	7.3%	2.2%	70	3.0%	51	0.4%	74	0.4%	4	0.9	27	1.0
BBgBarc US Aggregate TR	--	1.8%	92	2.9%	36	0.0%	92	0.0%	1	--	--	1.0
Non-U.S. Emerging Market Debt Composite	1.8%	1.6%	39	6.5%	29	2.4%	1	4.1%	82	0.8	1	0.6
Non-U.S. EMD Custom Benchmark	--	-1.6%	78	10.0%	57	0.0%	44	0.0%	1	--	--	1.0

5 Years Ending March 31, 2018												
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Info Ratio	Rank	Beta
Opportunistic Credit Composite	18.5%	7.4%	--	2.1%	--	5.4%	--	2.6%	--	1.1	--	0.4
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index	--	4.5%	--	3.4%	--	0.0%	--	0.0%	--	--	--	1.0
Global Asset Allocation/Risk Parity Composite	10.2%	3.3%	71	6.2%	19	-1.1%	30	4.6%	59	-0.6	--	0.7
GAA/Risk Parity Custom Index	--	6.3%	1	6.7%	45	0.0%	13	0.0%	1	--	--	1.0

1 - Performance for Equity, Fixed Income, and Emerging Mkt Debt, Opportunistic Credit and GAA/Risk Parity composites are net of fees.

Note: Percent of Total equals 97.9% because Absolute Return Composite and Cash Composite are not included.



New Mexico Educational Retirement Board

TOTAL FUND RISK STATISTICS

	5 Years Ending March 31, 2018						
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank
Real Estate Composite	6.2%	10.0%	66	7.2%	96	10.8%	5
NCREIF Property Index	--	10.0%	66	4.2%	36	0.0%	95
Private Equity Composite	12.4%	14.2%	35	3.8%	14	14.6%	11
Cambridge Associates US All PE (1 Qtr Lag)	--	13.6%	42	6.7%	82	0.0%	90
Real Assets Composite	6.8%	6.2%	43	3.6%	15	4.0%	47
CPI + 4% (Seasonally Adjusted)	--	5.5%	54	0.7%	1	0.0%	93

1 - Performance for Equity, Fixed Income, and Emerging Mkt Debt, Opportunistic Credit and GAA/Risk Parity composites are net of fees.

Note: Percent of Total equals 97.9% because Absolute Return Composite and Cash Composite are not included.



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - TOTAL FUND & U.S. EQUITY

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Total Fund	12,812,028,104	100.0	0.4	36	6.7	75	9.7	73	7.2	24	7.8	36	6.5	25	9.1	Jul-83
Policy Index			<u>0.7</u>	17	<u>7.5</u>	41	<u>10.4</u>	52	<u>7.0</u>	31	<u>7.3</u>	57	<u>5.8</u>	54	--	Jul-83
Over/Under			-0.3		-0.8		-0.7		0.2		0.5		0.7			
60% MSCI ACWI (Net) / 40% CITI WGBI			0.5	33	8.3	15	12.3	11	6.4	65	6.1	89	4.4	94	--	Jul-83
InvestorForce Public DB > \$1B Net Median			0.1		7.2		10.4		6.6		7.5		5.9		8.6	Jul-83
U.S. Equity Composite	2,633,131,379	20.6	-0.9	86	10.2	60	13.6	55	10.5	11	13.1	21	9.4	54	11.3	Jan-85
Russell 3000			<u>-0.6</u>	65	<u>10.5</u>	49	<u>13.8</u>	47	<u>10.2</u>	20	<u>13.0</u>	24	<u>9.6</u>	29	<u>11.2</u>	Jan-85
Over/Under			-0.3		-0.3		-0.2		0.3		0.1		-0.2		0.1	
InvestorForce Public DB > \$1 Billion US Equity Net Median			-0.4		10.4		13.8		9.8		12.7		9.4		11.3	Jan-85
U.S. Large Cap Equity Composite	2,155,053,364	16.8	-0.9	86	10.3	53	13.7	54	10.8	7	13.2	16	9.3	63	6.4	Aug-99
S&P 500			<u>-0.8</u>	75	<u>10.6</u>	44	<u>14.0</u>	41	<u>10.8</u>	7	<u>13.3</u>	12	<u>9.5</u>	44	<u>5.8</u>	Aug-99
Over/Under			-0.1		-0.3		-0.3		0.0		-0.1		-0.2		0.6	
InvestorForce Public DB > \$1 Billion US Equity Net Median			-0.4		10.4		13.8		9.8		12.7		9.4		6.5	Aug-99
S&P 500 Index Fund	2,155,053,364	16.8	-0.9	54	10.3	55	13.7	53	10.8	17	13.2	27	9.2	48	5.2	Jan-00
S&P 500			<u>-0.8</u>	50	<u>10.6</u>	52	<u>14.0</u>	49	<u>10.8</u>	16	<u>13.3</u>	25	<u>9.5</u>	38	<u>5.3</u>	Jan-00
Over/Under			-0.1		-0.3		-0.3		0.0		-0.1		-0.3		-0.1	
eV US Large Cap Core Equity Net Median			-0.8		10.6		13.9		9.3		12.3		9.1		6.5	Jan-00
U.S. Small/Mid Cap Equity Composite	478,078,014	3.7	-0.8	82	9.6	90	13.2	66	8.4	94	11.8	82	9.6	35	7.6	Aug-99
NMERB Small/Mid Cap Equity Blended Index			<u>-0.2</u>	37	<u>10.0</u>	70	<u>12.3</u>	88	<u>8.2</u>	95	<u>11.5</u>	86	<u>10.0</u>	9	<u>8.4</u>	Aug-99
Over/Under			-0.6		-0.4		0.9		0.2		0.3		-0.4		-0.8	
InvestorForce Public DB > \$1 Billion US Equity Net Median			-0.4		10.4		13.8		9.8		12.7		9.4		6.5	Aug-99
S&P 400 Mid-Cap	478,075,666	3.7	-0.8	56	--	--	--	--	--	--	--	--	--	--	3.1	Nov-17
Russell 2500			<u>-0.2</u>	45	<u>10.0</u>	46	<u>12.3</u>	51	<u>8.2</u>	47	<u>11.5</u>	54	<u>10.3</u>	50	<u>3.4</u>	Nov-17
Over/Under			-0.6												-0.3	
eV US Mid Cap Equity Net Median			-0.5		9.3		12.3		7.9		11.7		10.3		3.6	Nov-17

1 - U.S. Small/Mid Cap Equity Composite includes the performance history of the U.S. Small Cap Equity Composite through November 2011.

2 - NMERB Small/Mid Cap Equity Blended Benchmark is the Russell 2000 Index through November 2011 and the Russell 2500 Index from December 2011 - forward.

3 - Total Fund market value includes \$59,508 from Legacy Assets.

4 - U.S. Small/Mid Cap Equity Composite includes \$2,348 from Pinnacle.

Note: Performance shown is net of fees. Fiscal year ends June 30.



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - NON-U.S. EQUITY

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Non-U.S. Equity Composite	1,943,579,911	15.2	0.2	16	12.3	22	18.4	32	6.8	72	4.8	95	1.9	91	6.8	Jul-95
MSCI ACWI ex USA			-1.2	77	10.2	57	16.5	66	6.2	84	5.9	82	2.7	72	--	Jul-95
Over/Under			1.4		2.1		1.9		0.6		-1.1		-0.8			
InvestorForce Public DB > \$1 Billion Global ex-US Equity Net Median			-0.6		10.5		17.6		7.3		7.0		3.3		6.3	Jul-95
Non-U.S. Developed Mkts Equity Composite	636,912,989	5.0	-1.4	79	7.4	88	14.2	84	5.1	55	6.4	51	1.7	93	6.3	Sep-95
MSCI EAFE			-1.5	81	8.2	81	14.8	74	5.6	42	6.5	50	2.7	67	5.2	Sep-95
Over/Under			0.1		-0.8		-0.6		-0.5		-0.1		-1.0		1.1	
InvestorForce Public DB Dev Mkt ex-US Eq Net Median			-0.4		9.2		15.5		5.2		6.4		3.5		6.4	Sep-95
Pyramis	307,941,292	2.4	-1.2	53	6.5	83	13.3	81	4.2	91	5.8	88	2.3	90	7.7	Jun-03
MSCI EAFE			-1.5	64	8.2	65	14.8	68	5.6	72	6.5	72	2.7	86	7.6	Jun-03
Over/Under			0.3		-1.7		-1.5		-1.4		-0.7		-0.4		0.1	
eV All EAFE Equity Net Median			-1.0		9.6		16.4		6.7		7.5		4.1		8.5	Jun-03
BlackRock MSCI EAFE	328,971,697	2.6	-1.6	66	8.2	65	15.0	66	5.9	65	--	--	--	--	6.3	Aug-13
MSCI EAFE			-1.5	64	8.2	65	14.8	68	5.6	72	6.5	72	2.7	86	6.0	Aug-13
Over/Under			-0.1		0.0		0.2		0.3						0.3	
eV All EAFE Equity Net Median			-1.0		9.6		16.4		6.7		7.5		4.1		6.9	Aug-13

1 - InvestorForce Public DB > \$1B Dev Mkt ex-US Eq Net is unavailable, universe includes all public funds.
 Note: Performance shown is net of fees. Fiscal year ends June 30.



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - EMERGING MARKET EQUITY

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Non-U.S. Emerging Mkts Equity Composite	1,306,666,921	10.2	1.0	60	14.9	51	20.7	43	7.5	67	3.9	61	1.6	84	7.3	Sep-00
MSCI Emerging Markets			1.4	42	17.6	15	24.9	17	8.8	28	5.0	20	3.0	42	8.5	Sep-00
Over/Under			-0.4		-2.7		-4.2		-1.3		-1.1		-1.4		-1.2	
InvestorForce Public DB > \$1 Billion Emg Mkt Eq Net Median			1.0		14.9		20.1		8.1		4.3		2.9		7.6	Sep-00
Robeco	363,759,007	2.8	0.6	69	16.9	51	24.3	47	9.7	42	5.6	47	--	--	10.4	Nov-08
MSCI Emerging Markets			1.4	50	17.6	45	24.9	42	8.8	54	5.0	59	3.0	75	10.5	Nov-08
Over/Under			-0.8		-0.7		-0.6		0.9		0.6				-0.1	
eV Emg Mkts Equity Net Median			1.4		17.0		24.0		9.0		5.3		3.9		11.4	Nov-08
Neuberger Berman Emerging Markets	383,437,759	3.0	1.4	50	20.1	20	27.8	25	11.8	16	--	--	--	--	8.5	Aug-13
MSCI Emerging Markets			1.4	50	17.6	45	24.9	42	8.8	54	5.0	59	3.0	75	7.0	Aug-13
Over/Under			0.0		2.5		2.9		3.0						1.5	
eV Emg Mkts Equity Net Median			1.4		17.0		24.0		9.0		5.3		3.9		7.2	Aug-13
Mondrian Emerging Markets Small Cap	269,642,586	2.1	-0.2	82	7.7	94	11.1	99	1.7	99	--	--	--	--	3.2	Aug-13
MSCI Emerging Markets Small Cap			0.2	78	15.6	50	18.6	70	7.2	69	4.6	69	4.4	99	6.5	Aug-13
Over/Under			-0.4		-7.9		-7.5		-5.5						-3.3	
eV Emg Mkts Small Cap Equity Net Median			1.2		15.5		23.2		9.5		6.4		7.8		8.0	Aug-13
Parametric Emerging Markets Equity	289,827,570	2.3	1.9	38	14.2	69	18.7	80	--	--	--	--	--	--	7.1	Jun-15
MSCI Emerging Markets			1.4	50	17.6	45	24.9	42	8.8	54	5.0	59	3.0	75	8.1	Jun-15
Over/Under			0.5		-3.4		-6.2								-1.0	
eV Emg Mkts Equity Net Median			1.4		17.0		24.0		9.0		5.3		3.9		8.2	Jun-15

1 - Parametric Emerging Markets Equity was funded in May, 2015 with \$232.8 M.
Note: Performance shown is net of fees. Fiscal year ends June 30.



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - TOTAL FI AND CORE FI

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Fixed Income Composite	3,527,318,204	27.5	0.8	24	3.7	11	5.4	24	5.3	7	5.4	7	7.0	1	3.0	Jan-85
<i>BBgBarc US Aggregate TR</i>			<u>-1.5</u>	98	<u>-0.2</u>	99	<u>1.2</u>	98	<u>1.2</u>	98	<u>1.8</u>	90	<u>3.6</u>	97	<u>6.9</u>	<i>Jan-85</i>
Over/Under			2.3		3.9		4.2		4.1		3.6		3.4		-3.9	
<i>InvestorForce Public DB > \$1 Billion Fixed Income Net Median</i>			-0.2		2.0		3.9		3.2		2.8		5.0		7.4	<i>Jan-85</i>
Core Fixed Income Composite	932,387,081	7.3	-1.6	94	-0.1	91	1.5	87	1.5	87	2.2	70	4.6	60	5.2	Dec-99
<i>BBgBarc US Aggregate TR</i>			<u>-1.5</u>	82	<u>-0.2</u>	99	<u>1.2</u>	99	<u>1.2</u>	99	<u>1.8</u>	92	<u>3.6</u>	96	<u>4.9</u>	<i>Dec-99</i>
Over/Under			-0.1		0.1		0.3		0.3		0.4		1.0		0.3	
<i>InvestorForce Public DB > \$1 Billion US Fixed Income Net Median</i>			-0.8		0.9		2.5		2.4		2.6		4.8		5.5	<i>Dec-99</i>
Core Fixed Income	932,387,081	7.3	-1.6	80	-0.1	43	1.5	41	1.5	37	--	--	--	--	1.5	Apr-15
<i>BBgBarc US Aggregate TR</i>			<u>-1.5</u>	57	<u>-0.2</u>	61	<u>1.2</u>	66	<u>1.2</u>	71	<u>1.8</u>	61	<u>3.6</u>	80	<u>1.2</u>	<i>Apr-15</i>
Over/Under			-0.1		0.1		0.3		0.3						0.3	
<i>eV US Core Fixed Inc Net Median</i>			-1.4		-0.1		1.4		1.4		1.9		4.0		1.4	<i>Apr-15</i>

Note: Performance shown is net of fees. Fiscal year ends June 30.



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - EMERGING MARKET DEBT

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Non-U.S. Emerging Market Debt Composite	228,667,637	1.8	1.6	42	5.7	53	8.2	53	6.8	34	1.6	39	--	--	2.3	Sep-11
<i>Non-U.S. EMD Custom Benchmark</i>			<u>1.3</u>	45	<u>5.5</u>	54	<u>8.6</u>	49	<u>3.8</u>	88	<u>-1.6</u>	78	--	--	<u>-0.4</u>	<i>Sep-11</i>
Over/Under			0.3		0.2		-0.4		3.0		3.2				2.7	
<i>InvestorForce All DB Emg Mkt Fix Inc Net Median</i>			1.2		5.9		8.4		5.9		0.6		--	--	2.2	<i>Sep-11</i>
EMSO	105,815,864	0.8	1.3	40	4.7	48	6.1	61	8.4	9	5.1	7	--	--	5.4	Sep-11
<i>JP Morgan GBI - EM Global Diversified Index</i>			<u>4.4</u>	14	<u>9.0</u>	13	<u>13.0</u>	7	<u>5.4</u>	60	<u>-0.7</u>	84	<u>3.8</u>	81	<u>0.3</u>	<i>Sep-11</i>
Over/Under			-3.1		-4.3		-6.9		3.0		5.8				5.1	
<i>eV All Emg Mkts Fixed Inc Net Median</i>			-0.2		4.3		6.7		5.7		2.9		6.2		4.2	<i>Sep-11</i>
Prudential	122,832,228	1.0	1.8	35	6.6	35	10.1	26	--	--	--	--	--	--	13.3	Feb-16
<i>50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified</i>			<u>1.3</u>	40	<u>5.5</u>	43	<u>8.6</u>	38	<u>5.7</u>	53	<u>2.0</u>	59	<u>5.5</u>	67	<u>11.2</u>	<i>Feb-16</i>
Over/Under			0.5		1.1		1.5								2.1	
<i>eV All Emg Mkts Fixed Inc Net Median</i>			-0.2		4.3		6.7		5.7		2.9		6.2		11.9	<i>Feb-16</i>

1 - Non-U.S. Emerging Market Debt Composite market value includes \$19,545 in terminated manager account.

2 - InvestorForce Public DB > \$1B Emerging Mkt Fixed Income unavailable, universe includes all DB plans.

3 - Non-U.S. EMD Custom Benchmark Composition from 9/1/2011-1/31/2016: JP Morgan GBI-EM Diversified. 2/1/2016 - Current: 50% JPM EMBI Global Diversified / 50% JPM GBI-EM Global Diversified.

Note: Performance shown is net of fees. Fiscal year ends June 30.



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - OPPORTUNISTIC FI

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Opportunistic Credit Composite	2,366,263,486	18.5	1.8	--	5.1	--	6.8	--	6.8	--	7.4	--	--	--	8.7	May-08
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			0.2	--	2.5	--	4.0	--	4.5	--	4.5	--	6.4	--	6.1	May-08
Over/Under			1.6		2.6		2.8		2.3		2.9				2.6	
ICE BofAML BB-B US High Yield Constrained TR			-1.1	--	1.2	--	3.4	--	4.7	--	4.9	--	7.4	--	7.1	May-08
Beachpoint Combined	587,276,136	4.6	1.1	--	5.1	--	6.2	--	5.8	--	6.3	--	7.7	--	7.0	Mar-04
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			0.2	--	2.5	--	4.0	--	4.5	--	4.5	--	6.4	--	5.8	Mar-04
Over/Under			0.9		2.6		2.2		1.3		1.8		1.3		1.2	
Beachpoint Total Return	587,276,136	4.6	1.1	--	5.1	--	6.2	--	5.8	--	6.3	--	--	--	7.3	Jun-08
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			0.2	--	2.5	--	4.0	--	4.5	--	4.5	--	6.4	--	6.1	Jun-08
Over/Under			0.9		2.6		2.2		1.3		1.8				1.2	
Pimco Disco Combined	144,687,117	1.1	2.5	--	8.3	--	13.0	--	10.2	--	9.2	--	--	--	12.3	Jul-08
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			0.2	--	2.5	--	4.0	--	4.5	--	4.5	--	6.4	--	6.3	Jul-08
Over/Under			2.3		5.8		9.0		5.7		4.7				6.0	
Pimco Disco II	144,687,117	1.1	2.5	--	8.3	--	13.0	--	10.2	--	9.2	--	--	--	14.2	Oct-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			0.2	--	2.5	--	4.0	--	4.5	--	4.5	--	6.4	--	6.4	Oct-11
Over/Under			2.3		5.8		9.0		5.7		4.7				7.8	
GoldenTree Combined	184,733,210	1.4	2.8	--	6.2	--	7.9	--	5.7	--	7.4	--	--	--	9.3	Oct-09
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			0.2	--	2.5	--	4.0	--	4.5	--	4.5	--	6.4	--	6.7	Oct-09
Over/Under			2.6		3.7		3.9		1.2		2.9				2.6	
Goldentree II	184,733,210	1.4	2.8	--	6.2	--	7.9	--	5.7	--	7.4	--	--	--	8.9	Sep-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			0.2	--	2.5	--	4.0	--	4.5	--	4.5	--	6.4	--	6.0	Sep-11
Over/Under			2.6		3.7		3.9		1.2		2.9				2.9	
Medley Capital	90,927,385	0.7	-4.1	--	-4.4	--	-3.8	--	2.7	--	5.8	--	--	--	5.8	Aug-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			0.2	--	2.5	--	4.0	--	4.5	--	4.5	--	6.4	--	5.4	Aug-11
Over/Under			-4.3		-6.9		-7.8		-1.8		1.3				0.4	

Note: Performance shown is net of fees. Fiscal year ends June 30.



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - OPPORTUNISTIC FI

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Waterfall - Eden	286,322,743	2.2	3.0	--	7.0	--	10.2	--	6.6	--	8.3	--	--	--	10.2	Aug-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>0.2</u>	--	<u>2.5</u>	--	<u>4.0</u>	--	<u>4.5</u>	--	<u>4.5</u>	--	<u>6.4</u>	--	<u>5.4</u>	Aug-11
BB-B Rated Constrained Index																
Over/Under			2.8		4.5		6.2		2.1		3.8				4.8	
Waterfall - Victoria	80,585,477	0.6	3.6	--	15.8	--	17.4	--	11.2	--	10.8	--	--	--	10.6	Aug-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>0.2</u>	--	<u>2.5</u>	--	<u>4.0</u>	--	<u>4.5</u>	--	<u>4.5</u>	--	<u>6.4</u>	--	<u>5.4</u>	Aug-11
BB-B Rated Constrained Index																
Over/Under			3.4		13.3		13.4		6.7		6.3				5.2	
Elegantree Fund	27,184,343	0.2	1.9	--	4.9	--	5.3	--	8.6	--	9.3	--	--	--	10.2	Mar-12
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>0.2</u>	--	<u>2.5</u>	--	<u>4.0</u>	--	<u>4.5</u>	--	<u>4.5</u>	--	<u>6.4</u>	--	<u>5.4</u>	Mar-12
BB-B Rated Constrained Index																
Over/Under			1.7		2.4		1.3		4.1		4.8				4.8	
Gramercy Distressed Opp II	106,507,296	0.8	-2.5	--	-7.5	--	-8.0	--	-0.2	--	4.5	--	--	--	3.3	Jul-12
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>0.2</u>	--	<u>2.5</u>	--	<u>4.0</u>	--	<u>4.5</u>	--	<u>4.5</u>	--	<u>6.4</u>	--	<u>5.4</u>	Jul-12
BB-B Rated Constrained Index																
Over/Under			-2.7		-10.0		-12.0		-4.7		0.0				-2.1	
ICE Canyon	68,894,673	0.5	-3.9	--	1.4	--	4.6	--	6.4	--	1.6	--	--	--	2.8	Jun-12
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>0.2</u>	--	<u>2.5</u>	--	<u>4.0</u>	--	<u>4.5</u>	--	<u>4.5</u>	--	<u>6.4</u>	--	<u>5.6</u>	Jun-12
BB-B Rated Constrained Index																
Over/Under			-4.1		-1.1		0.6		1.9		-2.9				-2.8	
Lone Star VIII	26,550,315	0.2	2.2	--	2.1	--	2.1	--	0.3	--	--	--	--	--	10.6	Oct-13
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>0.2</u>	--	<u>2.5</u>	--	<u>4.0</u>	--	<u>4.5</u>	--	<u>4.5</u>	--	<u>6.4</u>	--	<u>4.8</u>	Oct-13
BB-B Rated Constrained Index																
Over/Under			2.0		-0.4		-1.9		-4.2						5.8	
Marathon European Credit Opportunity I	34,210,734	0.3	4.0	--	11.6	--	12.3	--	10.1	--	8.1	--	--	--	8.7	Oct-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>0.2</u>	--	<u>2.5</u>	--	<u>4.0</u>	--	<u>4.5</u>	--	<u>4.5</u>	--	<u>6.4</u>	--	<u>6.4</u>	Oct-11
BB-B Rated Constrained Index																
Over/Under			3.8		9.1		8.3		5.6		3.6				2.3	
Marathon European Credit Opportunity II	116,262,812	0.9	5.3	--	14.1	--	16.5	--	9.8	--	--	--	--	--	8.4	Mar-14
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>0.2</u>	--	<u>2.5</u>	--	<u>4.0</u>	--	<u>4.5</u>	--	<u>4.5</u>	--	<u>6.4</u>	--	<u>4.1</u>	Mar-14
BB-B Rated Constrained Index																
Over/Under			5.1		11.6		12.5		5.3						4.3	

1 - Gramercy was funded in June 2012 with \$9.4 M.

2 - ICE Canyon was funded in June 2012 with \$45 M.

3 - Marathon European Credit Opportunity II was funded in March 2014.

Note: Performance shown is net of fees. Fiscal year ends June 30.



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - OPPORTUNISTIC FI

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Lone Star IX	58,660,504	0.5	8.9	--	9.6	--	9.3	--	-19.4	--	--	--	--	--	-19.4	Apr-15
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			<u>0.2</u>	--	<u>2.5</u>	--	<u>4.0</u>	--	<u>4.5</u>	--	<u>4.5</u>	--	<u>6.4</u>	--	<u>4.5</u>	Apr-15
Over/Under			8.7		7.1		5.3		-23.9						-23.9	
Kildare European Partners I LP	33,471,802	0.3	4.7	--	13.6	--	18.8	--	13.6	--	--	--	--	--	11.0	May-14
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			<u>0.2</u>	--	<u>2.5</u>	--	<u>4.0</u>	--	<u>4.5</u>	--	<u>4.5</u>	--	<u>6.4</u>	--	<u>4.1</u>	May-14
Over/Under			4.5		11.1		14.8		9.1						6.9	
Black Forest	75,485,086	0.6	1.7	--	5.7	--	8.1	--	9.8	--	--	--	--	--	7.6	Aug-14
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			<u>0.2</u>	--	<u>2.5</u>	--	<u>4.0</u>	--	<u>4.5</u>	--	<u>4.5</u>	--	<u>6.4</u>	--	<u>4.2</u>	Aug-14
Over/Under			1.5		3.2		4.1		5.3						3.4	
Gramercy Distressed Opp III	75,758,343	0.6	-1.2	--	-1.8	--	-2.0	--	--	--	--	--	--	--	-1.2	Jan-16
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			<u>0.2</u>	--	<u>2.5</u>	--	<u>4.0</u>	--	<u>4.5</u>	--	<u>4.5</u>	--	<u>6.4</u>	--	<u>8.0</u>	Jan-16
Over/Under			-1.4		-4.3		-6.0								-9.2	
GSO Capital Opp III	32,387,951	0.3	4.0	--	9.2	--	11.7	--	--	--	--	--	--	--	7.2	Oct-16
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			<u>0.2</u>	--	<u>2.5</u>	--	<u>4.0</u>	--	<u>4.5</u>	--	<u>4.5</u>	--	<u>6.4</u>	--	<u>5.1</u>	Oct-16
Over/Under			3.8		6.7		7.7								2.1	
Cross Ocean ESS II	66,234,700	0.5	2.8	--	9.3	--	--	--	--	--	--	--	--	--	20.2	May-17
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			<u>0.2</u>	--	<u>2.5</u>	--	<u>4.0</u>	--	<u>4.5</u>	--	<u>4.5</u>	--	<u>6.4</u>	--	<u>3.2</u>	May-17
Over/Under			2.6		6.8										17.0	

1 - Lone Star IX funded in March 2015 with \$1.5 M.

2 - Kildare European Partners I LP funded in May 2014 with \$17.2M.

3 - Black Forest funded in July 2014 with \$14.5M.

4 - Gramercy Distressed Opp III was funded with \$40 M in mid-December 2015.

5 - GSO Capital Opps III was funded with \$2.05 M in mid-September 2016.

6 - Cross Ocean ESS II funded with \$30 M in late-April 2017.

Note: Performance shown is net of fees. Fiscal year ends June 30.



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - OPPORTUNISTIC FI

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
OWS CREDIT OPPORTUNITY FD	108,979,700	0.9	4.1	--	9.0	--	--	--	--	--	--	--	--	--	9.0	Jul-17
50% CS Leveraged Loan / 50% ICE BofA ML US HY			0.2	--	2.5	--	4.0	--	4.5	--	4.5	--	6.4	--	2.5	Jul-17
BB-B Rated Constrained Index																
Over/Under			3.9		6.5										6.5	
TAIGA SPECIAL OPP DAC LP	68,550,295	0.5	1.8	--	--	--	--	--	--	--	--	--	--	--	10.0	Aug-17
50% CS Leveraged Loan / 50% ICE BofA ML US HY			0.2	--	2.5	--	4.0	--	4.5	--	4.5	--	6.4	--	1.6	Aug-17
BB-B Rated Constrained Index																
Over/Under			1.6												8.4	
Sutherland Asset Management	64,735,689	0.5	2.5	--	-6.9	--	--	--	--	--	--	--	--	--	-6.9	Jul-17
50% CS Leveraged Loan / 50% ICE BofA ML US HY			0.2	--	2.5	--	4.0	--	4.5	--	4.5	--	6.4	--	2.5	Jul-17
BB-B Rated Constrained Index																
Over/Under			2.3		-9.4										-9.4	
OHA Strategic Credit II	5,503,310	0.0	21.1	--	--	--	--	--	--	--	--	--	--	--	16.8	Dec-17
50% CS Leveraged Loan / 50% ICE BofA ML US HY			0.2	--	2.5	--	4.0	--	4.5	--	4.5	--	6.4	--	0.5	Dec-17
BB-B Rated Constrained Index																
Over/Under			20.9												16.3	
Lone Star X	22,353,865	0.2	-51.1	--	--	--	--	--	--	--	--	--	--	--	-51.1	Jan-18
50% CS Leveraged Loan / 50% ICE BofA ML US HY			0.2	--	2.5	--	4.0	--	4.5	--	4.5	--	6.4	--	0.2	Jan-18
BB-B Rated Constrained Index																
Over/Under			-51.3												-51.3	

1 - OWS Credit Opportunity funded in July 2017 with \$50M.

2 - TAIGA Special OPP DAC funded in July 2017 with \$18.5M.

3 - Sutherland funded in July 2017 with \$74.8M.

4 - OHA Strategic Credit II funded in Nov 2017 with \$5M.

5 - Lone Star X funded in Dec 2017 with \$2.9M.

Note: Performance shown is net of fees. Fiscal year ends June 30.



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - GAA/RISK PARITY

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Absolute Return Composite	493,287	0.0														
Global Asset Allocation/Risk Parity Composite	1,305,323,296	10.2	0.1	17	6.1	62	6.4	73	3.0	62	3.3	71	--	--	7.5	Oct-09
<i>GAA/Risk Parity Custom Index</i>			<u>0.3</u>	11	<u>7.8</u>	14	<u>11.6</u>	1	<u>6.3</u>	1	<u>6.3</u>	1	<u>4.9</u>	52	<u>6.7</u>	<i>Oct-09</i>
<i>Over/Under</i>			-0.2		-1.7		-5.2		-3.3		-3.0				0.8	
<i>InvestorForce Public DB > \$1 Billion Global Tactical Net Median</i>			-1.1		6.5		7.7		3.3		3.6		4.9		7.1	<i>Oct-09</i>
Global Asset Allocation Composite	637,926,717	5.0	1.6	9	6.0	63	5.5	84	2.5	67	2.9	84	--	--	2.7	Nov-12
<i>Credit Suisse Hedge Global Macro</i>			<u>0.6</u>	11	<u>4.3</u>	90	<u>2.5</u>	96	<u>0.6</u>	91	<u>1.8</u>	99	<u>3.5</u>	99	<u>2.4</u>	<i>Nov-12</i>
<i>Over/Under</i>			1.0		1.7		3.0		1.9		1.1				0.3	
<i>InvestorForce Public DB > \$1 Billion Global Tactical Net Median</i>			-1.1		6.5		7.7		3.3		3.6		4.9		4.3	<i>Nov-12</i>
Bridgewater Pure Alpha	295,139,103	2.3	3.4	1	6.6	38	3.5	82	0.8	88	3.6	59	--	--	6.8	Oct-09
<i>Credit Suisse Hedge Global Macro</i>			<u>0.6</u>	18	<u>4.3</u>	66	<u>2.5</u>	91	<u>0.6</u>	89	<u>1.8</u>	86	<u>3.5</u>	89	<u>4.4</u>	<i>Oct-09</i>
<i>Over/Under</i>			2.8		2.3		1.0		0.2		1.8				2.4	
<i>eV Global TAA Net Median</i>			-0.7		6.1		8.7		3.9		4.1		5.2		6.2	<i>Oct-09</i>
PIMCO All Asset All Authority	342,787,614	2.7	0.1	28	5.5	62	7.3	64	4.1	48	--	--	--	--	2.1	Jul-13
<i>Credit Suisse Hedge Global Macro</i>			<u>0.6</u>	18	<u>4.3</u>	66	<u>2.5</u>	91	<u>0.6</u>	89	<u>1.8</u>	86	<u>3.5</u>	89	<u>2.1</u>	<i>Jul-13</i>
<i>Over/Under</i>			-0.5		1.2		4.8		3.5						0.0	
<i>eV Global TAA Net Median</i>			-0.7		6.1		8.7		3.9		4.1		5.2		5.1	<i>Jul-13</i>
Risk Parity	667,396,578	5.2	-1.4	75	6.2	58	7.2	53	3.5	32	4.1	42	--	--	4.3	Nov-12
<i>GAA/Risk Parity Custom Index</i>			<u>0.3</u>	11	<u>7.8</u>	14	<u>11.6</u>	1	<u>6.3</u>	1	<u>6.3</u>	1	<u>4.9</u>	52	<u>7.1</u>	<i>Nov-12</i>
<i>Over/Under</i>			-1.7		-1.6		-4.4		-2.8		-2.2				-2.8	
<i>InvestorForce Public DB > \$1 Billion Global Tactical Net Median</i>			-1.1		6.5		7.7		3.3		3.6		4.9		4.3	<i>Nov-12</i>
Bridgewater All Weather	447,851,521	3.5	-1.3	71	6.4	47	7.1	64	3.0	63	3.1	65	--	--	8.0	Oct-09
<i>60% MSCI World (Gross) / 40% CITI WGBI</i>			<u>0.3</u>	25	<u>8.0</u>	30	<u>12.0</u>	26	<u>6.7</u>	11	<u>6.7</u>	17	<u>5.0</u>	57	<u>6.9</u>	<i>Oct-09</i>
<i>Over/Under</i>			-1.6		-1.6		-4.9		-3.7		-3.6				1.1	
<i>eV Global TAA Net Median</i>			-0.7		6.1		8.7		3.9		4.1		5.2		6.2	<i>Oct-09</i>
PanAgora	219,545,058	1.7	-1.6	84	5.8	56	7.5	64	4.7	36	--	--	--	--	8.5	Dec-13
<i>GAA/Risk Parity Custom Index</i>			<u>0.3</u>	26	<u>7.8</u>	33	<u>11.6</u>	30	<u>6.3</u>	12	<u>6.3</u>	22	<u>4.9</u>	57	<u>5.2</u>	<i>Dec-13</i>
<i>Over/Under</i>			-1.9		-2.0		-4.1		-1.6						3.3	
<i>eV Global TAA Net Median</i>			-0.7		6.1		8.7		3.9		4.1		5.2		4.0	<i>Dec-13</i>
Diversifying Assets	70,287,118	0.5														
<i>Diversifying Assets</i>	<i>70,287,118</i>	<i>0.5</i>														

1 - Absolute Return Composite includes \$493,287 in liquidating assets.

2 - PanAgora was funded in December 2013.

3 - GAA/Risk Parity Custom Index: 60% MSCI World Half Hedged/ 40% CITI WGBI Half Hedged Inception - 6/30/2014; 60% MSCI World/ 40% CITI WGBI from 7/1/2014 - present.

Note: Performance shown is net of fees. Fiscal year ends June 30.



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - REAL ESTATE

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Real Estate Composite	792,206,337	6.2	-1.3	99	3.3	92	6.8	71	7.0	88	10.0	66	7.9	1	9.8	Dec-03
NCREIF Property Index			1.7	67	5.3	68	7.1	60	8.7	80	10.0	66	6.1	11	9.1	Dec-03
Over/Under			-3.0		-2.0		-0.3		-1.7		0.0		1.8		0.7	
Wilshire REIT			-7.5	99	-5.3	99	-3.6	99	1.0	98	6.1	94	6.2	10	8.6	Dec-03
InvestorForce Public DB > \$1 Billion Real Estate Net Median			2.0		5.6		7.9		9.7		10.9		4.7		7.5	Dec-03
Public Real Estate Composite	235,526,480	1.8	-9.0	99	-8.0	99	-6.2	99	-1.1	99	4.9	95	5.8	13	8.3	Dec-03
Wilshire REIT			-7.5	99	-5.3	99	-3.6	99	1.0	98	6.1	94	6.2	10	8.6	Dec-03
Over/Under			-1.5		-2.7		-2.6		-2.1		-1.2		-0.4		-0.3	
InvestorForce Public DB > \$1 Billion Real Estate Net Median			2.0		5.6		7.9		9.7		10.9		4.7		7.5	Dec-03
Brookfield	235,526,480	1.8	-9.0	95	-8.1	92	-6.3	92	-2.0	98	4.7	85	--	--	7.7	Jul-11
MSCI US REIT			-8.4	91	-6.9	87	-5.6	86	-0.4	90	4.5	89	4.9	98	6.5	Jul-11
Over/Under			-0.6		-1.2		-0.7		-1.6		0.2				1.2	
eV US REIT Net Median			-6.9		-3.6		-2.3		1.6		6.6		7.0		8.1	Jul-11
Private Real Estate Composite	556,679,857	4.3	2.5	3	9.6	3	14.4	1	13.1	1	14.2	1	8.3	1	8.1	Jan-08
NCREIF Property Index			1.7	72	5.3	61	7.1	61	8.7	64	10.0	71	6.1	12	6.1	Jan-08
Over/Under			0.8		4.3		7.3		4.4		4.2		2.2		2.0	
InvestorForce Public DB Real Estate Priv Net Median			1.9		5.7		7.5		9.3		10.7		4.0		4.0	Jan-08
U.S. Private Real Estate	556,679,857	4.3	2.5	--	9.6	--	14.3	--	13.1	--	14.4	--	8.9	--	8.7	Jan-08
NCREIF Property Index			1.7	--	5.3	--	7.1	--	8.7	--	10.0	--	6.1	--	6.1	Jan-08
Over/Under			0.8		4.3		7.2		4.4		4.4		2.8		2.6	

1 - InvestorForce Public DB > \$1B Real Estate Private is unavailable, universe includes all public funds.
 Note: Performance is shown net of fees. Fiscal year ends June 30.



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - PE & RA

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Private Equity Composite	1,589,035,189	12.4	2.6	68	7.0	80	12.2	65	12.5	44	14.2	35	9.6	25	6.7	Jun-06
Cambridge Associates US All PE (1 Qtr Lag)			<u>5.3</u>	14	<u>13.2</u>	20	<u>17.6</u>	29	<u>12.0</u>	54	<u>13.6</u>	42	<u>9.8</u>	18	<u>12.2</u>	Jun-06
Over/Under			-2.7		-6.2		-5.4		0.5		0.6		-0.2		-5.5	
InvestorForce Public DB > \$1 Billion Private Equity Net Median			3.3		10.6		14.8		12.4		12.6		8.3		10.7	Jun-06
Real Assets Composite	869,941,240	6.8	1.2	32	4.5	57	7.1	38	8.1	27	6.2	43	--	--	2.0	Jul-08
CPI + 4% (Seasonally Adjusted)			<u>1.6</u>	29	<u>5.4</u>	51	<u>6.5</u>	48	<u>5.9</u>	39	<u>5.5</u>	54	<u>5.6</u>	1	<u>5.5</u>	Jul-08
Over/Under			-0.4		-0.9		0.6		2.2		0.7				-3.5	
InvestorForce Public DB > \$1 Billion Real Assets/Commodities Net Median			-0.2		5.4		6.3		4.8		6.2		-0.3		0.8	Jul-08
Infrastructure Composite	377,116,764	2.9	1.6	--	4.4	--	8.0	--	9.4	--	7.3	--	--	--	2.8	Jul-08
Infrastructure	346,689,392	2.7	1.2	--	3.2	--	6.5	--	6.5	--	6.1	--	--	--	2.3	Jul-08
CPI + 4% (Seasonally Adjusted)			<u>1.6</u>	--	<u>5.4</u>	--	<u>6.5</u>	--	<u>5.9</u>	--	<u>5.5</u>	--	<u>5.6</u>	--	<u>5.5</u>	Jul-08
Over/Under			-0.4		-2.2		0.0		0.6		0.6				-3.2	
International Infrastructure	30,427,372	0.2	5.2	--	21.3	--	30.2	--	54.7	--	22.7	--	--	--	-0.8	Jan-13
CPI + 4% (Seasonally Adjusted)			<u>1.6</u>	--	<u>5.4</u>	--	<u>6.5</u>	--	<u>5.9</u>	--	<u>5.5</u>	--	<u>5.6</u>	--	<u>5.5</u>	Jan-13
Over/Under			3.6		15.9		23.7		48.8		17.2				-6.3	
Natural Resources	492,824,476	3.8	0.9	--	4.4	--	6.3	--	7.1	--	5.4	--	--	--	3.2	Mar-09
Harvest Fund	45,047,787	0.4	-9.3	--	-11.7	--	-17.8	--	--	--	--	--	--	--	-6.2	Aug-16
Alerian MLP Index			<u>-11.1</u>	--	<u>-14.6</u>	--	<u>-20.1</u>	--	<u>-11.2</u>	--	<u>-5.8</u>	--	<u>5.6</u>	--	<u>-9.2</u>	Aug-16
Over/Under			1.8		2.9		2.3								3.0	
Energy	165,906,212	1.3	1.7	--	8.8	--	18.9	--	11.7	--	--	--	--	--	-3.6	Jan-14
91 Day T-Bills			<u>0.4</u>	--	<u>0.9</u>	--	<u>1.2</u>	--	<u>0.5</u>	--	<u>0.3</u>	--	<u>0.3</u>	--	<u>0.4</u>	Jan-14
Over/Under			1.3		7.9		17.7		11.2						-4.0	
Agriculture Composite	94,304,190	0.7	-0.5	--	0.1	--	1.2	--	3.1	--	4.1	--	--	--	3.6	Aug-12
NCREIF Farmland			<u>1.3</u>	--	<u>5.4</u>	--	<u>7.1</u>	--	<u>7.6</u>	--	<u>10.4</u>	--	<u>12.1</u>	--	<u>12.3</u>	Aug-12
Over/Under			-1.8		-5.3		-5.9		-4.5		-6.3				-8.7	
Timber Composite	94,222,978	0.7	5.8	--	7.8	--	7.8	--	6.8	--	6.5	--	--	--	4.1	Mar-09
NCREIF Timberland Index			<u>0.9</u>	--	<u>3.1</u>	--	<u>3.8</u>	--	<u>3.5</u>	--	<u>6.1</u>	--	<u>4.1</u>	--	<u>4.0</u>	Mar-09
Over/Under			4.9		4.7		4.0		3.3		0.4				0.1	

1 - Harvest Fund was funded in July 2016 with \$50 M.

2 - Energy funded in January 2014. Composite includes Five Point Cap, Lime Rock, Enervest, BP Natural Gas, and Bluescape Energy.

3 - Agriculture Composite contains Halderman Farm Mgmt Services, Hancock Agriculture, and Blue Road Capital L.P.

4 - Timber Composite contains Brookfield Brazil Timber, Conservation Forestry II, Conservation Forestry IV, and ETO II Operating Partnership, which was funded in August 2014.

Note: Performance shown is net of fees. Fiscal year ends June 30.



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - CASH

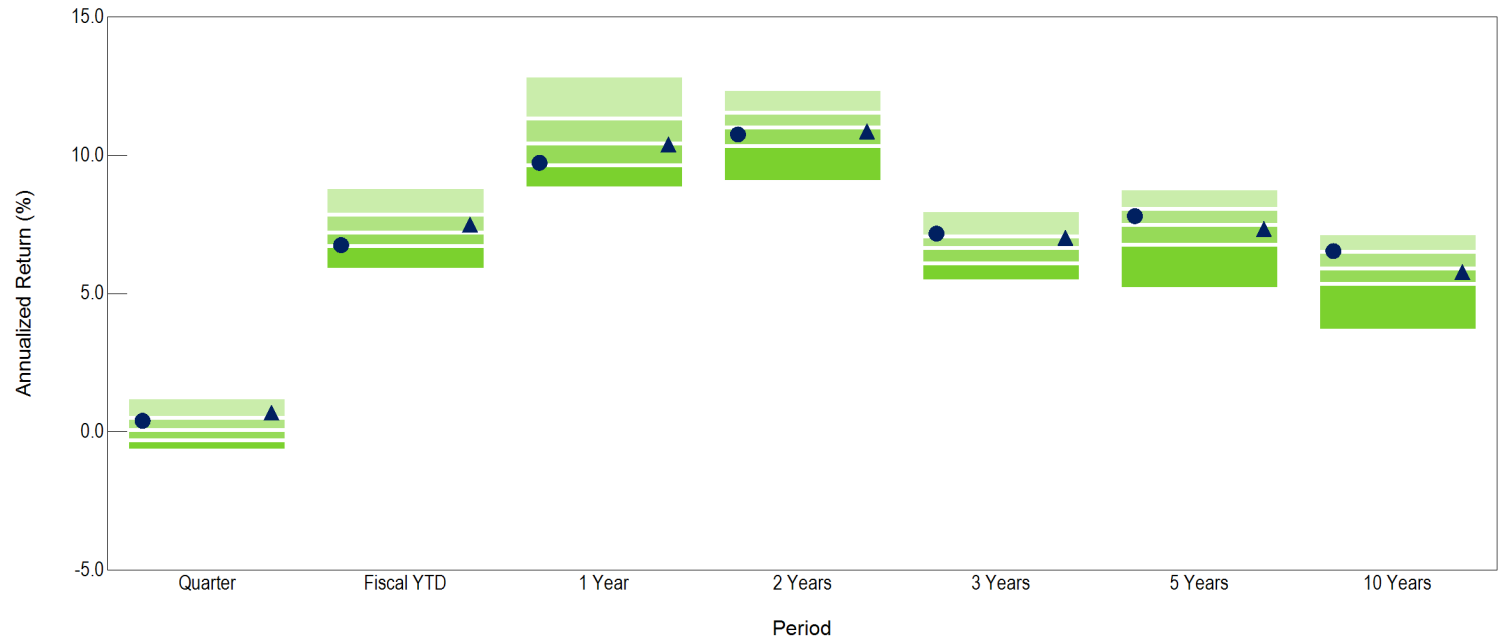
	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Mitigation Banking	46,919,604	0.4	0.0	--	12.4	--	10.3	--	14.9	--	11.4	--	--	--	1.2	Mar-11
CPI + 4% (Seasonally Adjusted)			<u>1.6</u>	--	<u>5.4</u>	--	<u>6.5</u>	--	<u>5.9</u>	--	<u>5.5</u>	--	<u>5.6</u>	--	<u>5.7</u>	Mar-11
Over/Under			-1.6		7.0		3.8		9.0		5.9				-4.5	
Water Property Investor, L.P.	46,423,705	0.4	3.0	--	2.5	--	2.3	--	-0.2	--	--	--	--	--	4.8	Jan-15
CPI + 4% (Seasonally Adjusted)			<u>1.6</u>	--	<u>5.4</u>	--	<u>6.5</u>	--	<u>5.9</u>	--	<u>5.5</u>	--	<u>5.6</u>	--	<u>5.8</u>	Jan-15
Over/Under			1.4		-2.9		-4.2		-6.1						-1.0	
Cash	80,652,636	0.6														
Cash	78,258,668	0.6	0.4	--	1.9	--	2.1	--	1.1	--	0.8	--	0.8	--	1.1	Dec-99
91 Day T-Bills			<u>0.4</u>	--	<u>0.9</u>	--	<u>1.2</u>	--	<u>0.5</u>	--	<u>0.3</u>	--	<u>0.3</u>	--	<u>1.6</u>	Dec-99
Over/Under			0.0		1.0		0.9		0.6		0.5		0.5		-0.5	
NM ERB Cash	2,292,138	0.0	0.1	--	0.2	--	0.2	--	0.1	--	0.8	--	0.6	--	1.0	Jun-00
91 Day T-Bills			<u>0.4</u>	--	<u>0.9</u>	--	<u>1.2</u>	--	<u>0.5</u>	--	<u>0.3</u>	--	<u>0.3</u>	--	<u>1.5</u>	Jun-00
Over/Under			-0.3		-0.7		-1.0		-0.4		0.5		0.3		-0.5	
Local Government Investment Pool (LGIP) at STO	101,830	0.0	0.3	--	0.6	--	0.8	--	--	--	--	--	--	--	0.4	Jul-15
91 Day T-Bills			<u>0.4</u>	--	<u>0.9</u>	--	<u>1.2</u>	--	<u>0.5</u>	--	<u>0.3</u>	--	<u>0.3</u>	--	<u>0.6</u>	Jul-15
Over/Under			-0.1		-0.3		-0.4								-0.2	

Note: Performance is shown net of fees. Fiscal year ends June 30.



TOTAL FUND RETURN SUMMARY VS. PEER UNIVERSE

Total Fund vs. InvestorForce Public DB > \$1B Net



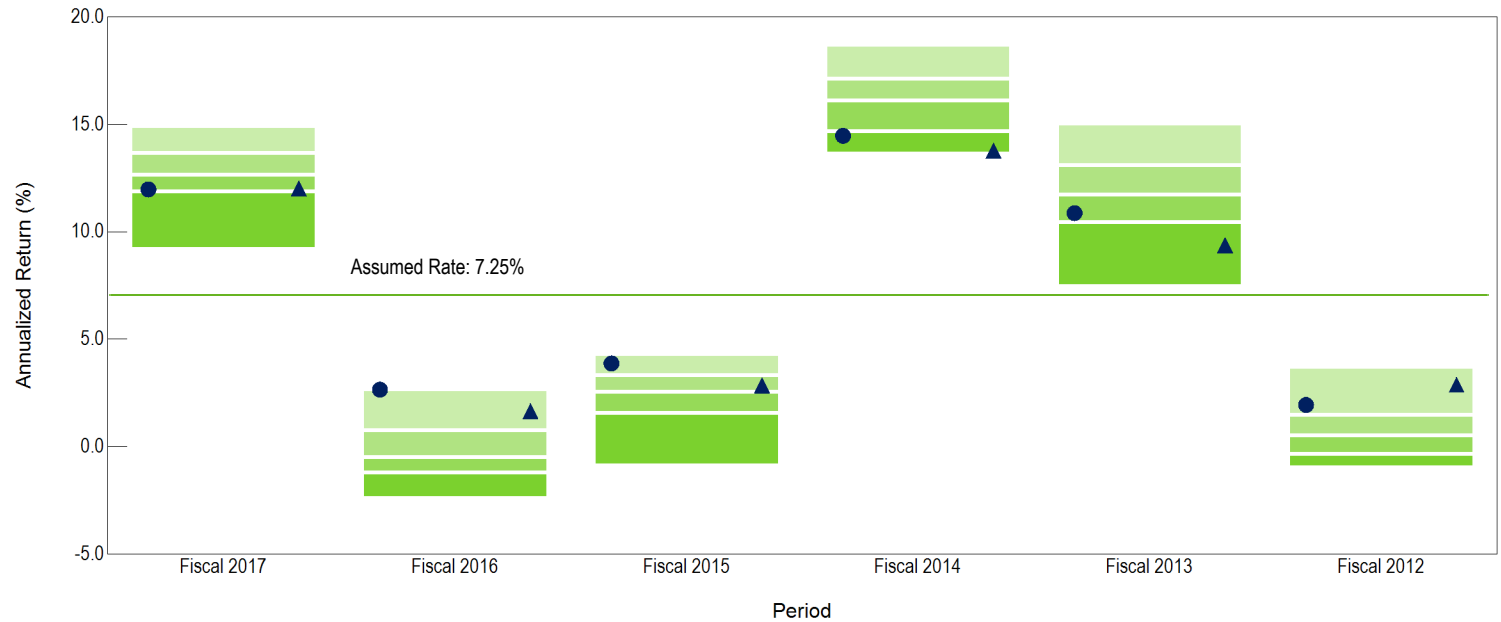
	Quarter		Fiscal YTD		1 Year		2 Years		3 Years		5 Years		10 Years	
	Return	(Rank)	Return	(Rank)	Return	(Rank)	Return	(Rank)	Return	(Rank)	Return	(Rank)	Return	(Rank)
5th Percentile	1.2		8.8		12.9		12.4		8.0		8.8		7.2	
25th Percentile	0.5		7.9		11.3		11.5		7.1		8.1		6.5	
Median	0.1		7.2		10.4		11.0		6.6		7.5		5.9	
75th Percentile	-0.3		6.7		9.6		10.3		6.1		6.8		5.4	
95th Percentile	-0.7		5.9		8.8		9.0		5.5		5.2		3.7	
# of Portfolios	60		60		60		60		60		60		55	
● Total Fund	0.4	(36)	6.7	(75)	9.7	(73)	10.8	(63)	7.2	(24)	7.8	(36)	6.5	(25)
▲ Policy Index	0.7	(17)	7.5	(41)	10.4	(52)	10.9	(61)	7.0	(31)	7.3	(57)	5.8	(54)

Note: Ranks are based on net returns.



TOTAL FUND RETURN SUMMARY VS. PEER UNIVERSE

Total Fund vs. InvestorForce Public DB > \$1B Net



	Return (Rank)					
	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012
5th Percentile	14.9	2.7	4.3	18.7	15.0	3.7
25th Percentile	13.7	0.8	3.3	17.2	13.1	1.5
Median	12.7	-0.5	2.6	16.1	11.8	0.5
75th Percentile	11.9	-1.2	1.6	14.7	10.5	-0.3
95th Percentile	9.2	-2.4	-0.9	13.6	7.5	-0.9
# of Portfolios	65	55	53	43	56	41
● Total Fund	12.0 (71)	2.6 (6)	3.9 (16)	14.5 (79)	10.9 (69)	1.9 (16)
▲ Policy Index	12.0 (68)	1.6 (9)	2.8 (47)	13.8 (91)	9.4 (86)	2.9 (7)

Note: Ranks are based on net returns.



New Mexico Educational Retirement Board

TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Summary						
3 Months Ending March 31, 2018						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Large Cap Equity Composite	-0.9%	-0.8%	-0.2%	0.0%	0.0%	-0.1%
U.S. Small/Mid Cap Equity Composite	-0.8%	-0.2%	-0.6%	0.0%	0.0%	0.0%
Non-U.S. Developed Mkts Equity Composite	-1.4%	-1.5%	0.1%	0.0%	0.0%	0.0%
Non-U.S. Emerging Mkts Equity Composite	1.0%	1.4%	-0.5%	-0.1%	0.0%	-0.1%
Core Fixed Income Composite	-1.6%	-1.5%	-0.1%	0.0%	0.0%	-0.1%
Non-U.S. Emerging Market Debt Composite	1.6%	1.3%	0.2%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	1.8%	0.2%	1.6%	0.3%	0.0%	0.3%
Absolute Return Composite	-0.2%	0.8%	-1.1%	0.0%	0.0%	0.0%
Global Asset Allocation/Risk Parity Composite	0.1%	0.3%	-0.2%	0.0%	0.0%	0.0%
Diversifying Assets	4.0%	1.0%	3.1%	0.0%	0.0%	0.0%
Public Real Estate Composite	-9.0%	-7.5%	-1.5%	0.0%	0.1%	0.0%
Private Real Estate Composite	2.5%	1.7%	0.8%	0.0%	0.0%	0.0%
Private Equity Composite	2.6%	5.3%	-2.7%	-0.3%	0.0%	-0.4%
Real Assets Composite	1.2%	1.6%	-0.4%	0.0%	0.0%	0.0%
Cash	0.3%	0.4%	0.0%	0.0%	0.0%	0.0%
Total	0.4%	0.7%	-0.3%	-0.2%	-0.1%	-0.3%

Attribution Summary						
FYTD Ending March 31, 2018						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Large Cap Equity Composite	10.3%	10.6%	-0.2%	0.0%	-0.1%	-0.1%
U.S. Small/Mid Cap Equity Composite	9.6%	10.0%	-0.4%	0.0%	0.0%	0.0%
Non-U.S. Developed Mkts Equity Composite	7.4%	8.2%	-0.8%	0.0%	0.0%	0.0%
Non-U.S. Emerging Mkts Equity Composite	14.9%	17.6%	-2.7%	-0.3%	0.0%	-0.2%
Core Fixed Income Composite	-0.1%	-0.2%	0.2%	0.0%	-0.2%	-0.1%
Non-U.S. Emerging Market Debt Composite	5.7%	5.5%	0.2%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	5.1%	2.5%	2.6%	0.5%	0.0%	0.5%
Absolute Return Composite	-0.4%	2.4%	-2.8%	0.0%	0.0%	0.0%
Global Asset Allocation/Risk Parity Composite	6.1%	6.8%	-0.7%	-0.1%	0.0%	-0.1%
Diversifying Assets	--	--	--	0.0%	0.1%	0.1%
Public Real Estate Composite	-8.0%	-5.3%	-2.6%	-0.1%	0.1%	0.0%
Private Real Estate Composite	9.6%	5.3%	4.3%	0.2%	0.0%	0.2%
Private Equity Composite	7.0%	13.2%	-6.2%	-0.7%	0.0%	-0.8%
Real Assets Composite	4.5%	5.4%	-0.9%	-0.1%	0.0%	0.0%
Cash	1.5%	0.9%	0.6%	0.0%	-0.1%	-0.1%
Total	6.7%	7.5%	-0.8%	-0.6%	-0.1%	-0.8%



New Mexico Educational Retirement Board

TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Summary						
1 Year Ending March 31, 2018						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Large Cap Equity Composite	13.7%	14.0%	-0.3%	-0.1%	-0.1%	-0.1%
U.S. Small/Mid Cap Equity Composite	13.2%	12.3%	0.9%	0.0%	0.0%	0.0%
Non-U.S. Developed Mkts Equity Composite	14.2%	14.8%	-0.6%	0.0%	0.0%	-0.1%
Non-U.S. Emerging Mkts Equity Composite	20.7%	24.9%	-4.3%	-0.4%	0.0%	-0.4%
Core Fixed Income Composite	1.5%	1.2%	0.3%	0.0%	-0.2%	-0.2%
Non-U.S. Emerging Market Debt Composite	8.2%	8.6%	-0.4%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	6.8%	4.0%	2.7%	0.5%	0.0%	0.5%
Absolute Return Composite	-2.4%	3.1%	-5.5%	0.0%	0.0%	0.0%
Global Asset Allocation/Risk Parity Composite	6.4%	7.7%	-1.4%	-0.2%	0.0%	-0.2%
Diversifying Assets	--	--	--	0.0%	0.1%	0.1%
Public Real Estate Composite	-6.2%	-3.6%	-2.6%	-0.1%	0.1%	0.0%
Private Real Estate Composite	14.4%	7.1%	7.3%	0.3%	0.0%	0.3%
Private Equity Composite	12.2%	17.6%	-5.4%	-0.7%	0.0%	-0.7%
Real Assets Composite	7.1%	6.5%	0.6%	0.0%	0.1%	0.1%
Cash	1.7%	1.2%	0.6%	0.0%	-0.2%	-0.2%
Total	9.7%	10.4%	-0.7%	-0.5%	-0.2%	-0.7%

Attribution Summary						
3 Years Ending March 31, 2018						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Large Cap Equity Composite	10.8%	10.8%	0.0%	0.0%	0.0%	-0.1%
U.S. Small/Mid Cap Equity Composite	8.4%	8.2%	0.2%	0.0%	0.0%	0.0%
Non-U.S. Developed Mkts Equity Composite	5.1%	5.6%	-0.5%	0.0%	0.0%	0.0%
Non-U.S. Emerging Mkts Equity Composite	7.5%	8.8%	-1.3%	-0.2%	0.0%	-0.2%
Core Fixed Income Composite	1.5%	1.2%	0.3%	0.0%	-0.1%	-0.1%
Non-U.S. Emerging Market Debt Composite	6.8%	3.8%	3.0%	0.0%	0.0%	0.1%
Opportunistic Credit Composite	6.8%	4.5%	2.2%	0.4%	0.0%	0.4%
Absolute Return Composite	1.0%	2.5%	-1.5%	0.0%	0.0%	0.0%
Global Asset Allocation/Risk Parity Composite	3.0%	3.7%	-0.7%	-0.1%	0.0%	-0.1%
Diversifying Assets	--	--	--	0.0%	0.0%	0.0%
Public Real Estate Composite	-1.1%	1.0%	-2.1%	-0.1%	0.0%	-0.1%
Private Real Estate Composite	13.1%	8.7%	4.4%	0.2%	0.0%	0.2%
Private Equity Composite	12.5%	12.0%	0.5%	0.0%	-0.1%	-0.1%
Real Assets Composite	8.1%	5.9%	2.2%	0.1%	0.0%	0.1%
Cash	0.9%	0.5%	0.3%	0.0%	0.0%	0.0%
Total	7.2%	7.0%	0.2%	0.5%	-0.3%	0.2%



New Mexico Educational Retirement Board

TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Summary						
5 Years Ending March 31, 2018						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Large Cap Equity Composite	13.2%	13.3%	-0.1%	0.0%	0.0%	0.0%
U.S. Small/Mid Cap Equity Composite	11.8%	11.5%	0.3%	0.0%	0.0%	0.0%
Non-U.S. Developed Mkts Equity Composite	6.4%	6.5%	-0.1%	0.0%	0.0%	0.0%
Non-U.S. Emerging Mkts Equity Composite	3.9%	5.0%	-1.0%	-0.1%	0.0%	-0.1%
Core Fixed Income Composite	2.2%	1.8%	0.4%	0.0%	-0.1%	-0.1%
Non-U.S. Emerging Market Debt Composite	1.6%	-1.6%	3.2%	0.1%	0.0%	0.1%
Opportunistic Credit Composite	7.4%	4.5%	2.9%	0.6%	0.0%	0.5%
Absolute Return Composite	2.3%	2.3%	-0.1%	0.0%	0.0%	0.0%
Global Asset Allocation/Risk Parity Composite	3.3%	4.3%	-1.0%	0.0%	0.0%	0.0%
Diversifying Assets	--	--	--	0.0%	0.0%	0.0%
Public Real Estate Composite	4.9%	6.1%	-1.2%	0.0%	0.0%	-0.1%
Private Real Estate Composite	14.2%	10.0%	4.2%	0.1%	0.0%	0.1%
Private Equity Composite	14.2%	13.6%	0.6%	0.0%	0.0%	0.0%
Real Assets Composite	6.2%	5.5%	0.7%	0.0%	0.1%	0.1%
Cash	0.8%	0.3%	0.4%	0.0%	-0.1%	-0.1%
Total	7.8%	7.3%	0.5%	0.7%	-0.2%	0.4%



APPENDIX: MARKET ENVIRONMENT

NEPC, LLC

CALENDAR YEAR INDEX PERFORMANCE

	2010	2011	2012	2013	2014	2015	2016	2017	Jan	Feb	Mar	Q1	YTD
US Large Cap	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	5.7%	-3.7%	-2.5%	-0.8%	-0.8%
US Small/Mid Cap	26.7%	-2.5%	17.9%	36.8%	7.1%	-2.9%	17.6%	16.8%	3.0%	-4.1%	1.0%	-0.2%	-0.2%
Int'l Developed Equity	7.8%	-12.1%	17.3%	22.8%	-4.9%	-0.8%	1.0%	25.0%	5.0%	-4.5%	-1.8%	-1.5%	-1.5%
Emerging Market Equity	18.9%	-18.4%	18.2%	-2.6%	-2.2%	-14.9%	11.2%	37.3%	8.3%	-4.6%	-1.9%	1.4%	1.4%
US Aggregate	6.5%	7.8%	4.2%	-2.0%	6.0%	0.5%	2.6%	3.5%	-1.2%	-0.9%	0.6%	-1.5%	-1.5%
US High Yield	15.1%	5.0%	15.8%	7.4%	2.5%	-4.5%	17.1%	7.5%	0.6%	-0.8%	-0.6%	-0.9%	-0.9%
US Long Treasuries	9.4%	29.9%	3.6%	-12.7%	25.1%	-1.2%	1.3%	8.5%	-3.2%	-3.0%	3.0%	-3.3%	-3.3%
EM Local Credit	15.7%	-1.8%	16.8%	-9.0%	-5.7%	-14.9%	9.9%	15.2%	4.5%	-1.0%	1.0%	4.4%	4.4%
Global Credit	-5.3%	-5.3%	-4.1%	2.7%	-0.6%	3.3%	2.1%	7.4%	1.2%	-0.9%	1.1%	1.4%	1.4%
Commodities	16.8%	-13.3%	-1.1%	-9.5%	-17.0%	-24.7%	11.8%	1.7%	2.0%	-1.7%	-0.6%	-0.4%	-0.4%

Source: Bloomberg, Barclays, S&P, Russell, MSCI, JP Morgan, Credit Suisse

S&P 500 = US Large Cap
 Russell 2500 = US Small/Mid Cap
 MSCI EAFE = International Developed Equity
 MSCI EM = Emerging Market Equity
 Barclays Aggregate = US Aggregate
 Barclays Long Treasury = US Long Treasuries
 Barclays High Yield = US HY
 Barclays Global Aggregate = Global Credit
 GBI-EM Global Diversified = EM Local Credit
 Bloomberg Commodity = Commodities



CALENDAR YEAR INDEX PERFORMANCE

	2009	2010	2011	2012	2013	2014	2015	2016	2017	Jan	Feb	Mar	Q1	YTD
S&P 500	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	5.7%	-3.7%	-2.5%	-0.8%	-0.8%
Russell 1000	28.4%	16.1%	1.5%	16.4%	33.1%	13.2%	0.9%	12.1%	21.7%	5.5%	-3.7%	-2.3%	-0.7%	-0.7%
Russell 2000	27.2%	26.9%	-4.2%	16.3%	38.8%	4.9%	-4.4%	21.3%	14.6%	2.6%	-3.9%	1.3%	-0.1%	-0.1%
Russell 2500	34.4%	26.7%	-2.5%	17.9%	36.8%	7.1%	-2.9%	17.6%	16.8%	3.0%	-4.1%	1.0%	-0.2%	-0.2%
MSCI EAFE	31.8%	7.8%	-12.1%	17.3%	22.8%	-4.9%	-0.8%	1.0%	25.0%	5.0%	-4.5%	-1.8%	-1.5%	-1.5%
MSCI EM	78.5%	18.9%	-18.4%	18.2%	-2.6%	-2.2%	-14.9%	11.2%	37.3%	8.3%	-4.6%	-1.9%	1.4%	1.4%
MSCI ACWI	34.6%	12.7%	-7.3%	16.1%	22.8%	4.2%	-2.4%	7.9%	24.0%	5.6%	-4.2%	-2.1%	-1.0%	-1.0%
Private Equity*	13.7%	19.7%	7.9%	12.5%	20.6%	12.7%	9.6%	8.3%	13.7%*	-	-	-	-	-
BC TIPS	11.4%	6.3%	13.6%	7.0%	-8.6%	3.6%	-1.4%	4.7%	3.0%	-0.9%	-1.0%	1.1%	-0.8%	-0.8%
BC Municipal Bond	12.9%	2.4%	10.7%	6.8%	-2.6%	9.1%	3.3%	0.2%	6.2%	-1.2%	-0.3%	0.4%	-1.1%	-1.1%
BC Muni High Yield	32.7%	7.8%	9.2%	18.1%	-5.5%	13.8%	1.8%	3.0%	9.7%	-0.9%	0.1%	1.5%	0.6%	0.6%
BC US Corp High Yield	58.2%	15.1%	5.0%	15.8%	7.4%	2.5%	-4.5%	17.1%	7.5%	0.6%	-0.8%	-0.6%	-0.9%	-0.9%
BC US Aggregate	5.9%	6.5%	7.8%	4.2%	-2.0%	6.0%	0.5%	2.6%	4.2%	-1.2%	-0.9%	0.6%	-1.5%	-1.5%
BC Global Aggregate	-6.5%	-5.3%	-5.3%	-4.1%	2.7%	-0.6%	3.3%	2.1%	7.4%	1.2%	-0.9%	1.1%	1.4%	1.4%
BC Long Treasuries	-12.9%	9.4%	29.9%	3.6%	-12.7%	25.1%	-1.2%	1.3%	8.5%	-3.2%	-3.0%	3.0%	-3.3%	-3.3%
BC US Long Credit	16.8%	10.7%	17.1%	12.7%	-6.6%	16.4%	-4.6%	10.2%	13.7%	-1.3%	-3.3%	0.7%	-3.8%	-3.8%
BC US STRIPS 20+ Yr	-36.0%	10.9%	58.5%	3.0%	-21.0%	46.4%	-3.7%	1.4%	10.7%	-4.2%	-4.6%	4.4%	-4.6%	-4.6%
JPM GBI-EM Glob Div	22.0%	15.7%	-1.8%	16.8%	-9.0%	-5.7%	-14.9%	9.9%	14.6%	4.5%	-1.0%	1.0%	4.4%	4.4%
JPM EMBI Glob Div	29.8%	12.2%	7.3%	17.4%	-5.3%	7.4%	1.2%	10.2%	12.2%	0.0%	-2.0%	0.3%	-1.7%	-1.7%
CS Leveraged Loan	44.9%	10.0%	1.8%	9.4%	6.2%	2.1%	-0.4%	9.9%	5.2%	1.1%	0.2%	0.3%	1.6%	1.6%
CS Hedge Fund	18.6%	10.9%	-2.5%	7.7%	9.7%	4.1%	-0.7%	1.2%	7.1%	2.7%	-2.1%	-	0.5%	0.5%
BBG Commodity	18.9%	16.8%	-13.3%	-1.1%	-9.5%	-17.0%	-24.7%	11.8%	0.8%	2.0%	-1.7%	-0.6%	-0.4%	-0.4%
Alerian MLP	76.4%	35.9%	13.9%	4.8%	27.6%	4.8%	-32.6%	18.3%	-6.5%	5.8%	-9.7%	-6.9%	-11.1%	-11.1%
FTSE NAREIT Eqy REITs	28.0%	28.0%	8.3%	18.1%	2.5%	30.1%	3.2%	8.5%	3.5%	-4.2%	-7.7%	3.8%	-8.2%	-8.2%

Source: Bloomberg, Barclays, Alerian, Nareit, MSCI, JP Morgan, Credit Suisse, Thomson One
 *Private Equity return represents calendar year pooled IRR and is subject to a one quarter lag



TRAILING ANNUAL INDEX PERFORMANCE

Equity						
	Mar-18	YTD	1 YR	3 YR	5 YR	10 YR
Global Equity	-2.1%	-1.0%	14.8%	8.1%	9.2%	5.6%
US Large Cap	-2.5%	-0.8%	14.0%	10.8%	13.3%	9.5%
US Small/Mid Cap	1.0%	-0.2%	12.3%	8.1%	11.6%	10.3%
Int'l Developed Equity	-1.8%	-1.5%	14.8%	5.6%	6.5%	2.7%
Emerging Market Equity	-1.9%	1.4%	24.9%	8.8%	5.0%	3.0%

Rates/Credit						
	Mar-18	YTD	1 YR	3 YR	5 YR	10 YR
Global Aggregate	1.1%	1.4%	7.0%	3.1%	1.5%	2.6%
US Aggregate	0.6%	-1.5%	1.2%	1.2%	1.8%	3.6%
US Credit	0.3%	-2.1%	2.6%	2.2%	2.8%	5.1%
US High Yield	-0.6%	-0.9%	3.8%	5.2%	5.0%	8.3%
EM Local Debt	1.0%	4.4%	13.0%	5.4%	-0.7%	3.8%

Real Assets						
	Mar-18	YTD	1 YR	3 YR	5 YR	10 YR
Commodities	-0.6%	-0.4%	3.7%	-3.2%	-8.3%	-7.7%
MLPs	-6.9%	-11.1%	-20.1%	-11.2%	-5.8%	5.5%

Source: Bloomberg, Barclays, MSCI, S&P, Russell, JP Morgan, Alerian



TRAILING ANNUAL INDEX PERFORMANCE

Equity						
	Mar-18	YTD	1 YR	3 YR	5 YR	10 YR
MSCI ACWI	-2.1%	-1.0%	14.8%	8.1%	9.2%	5.6%
S&P 500	-2.5%	-0.8%	14.0%	10.8%	13.3%	9.5%
Russell 1000	-2.3%	-0.7%	14.0%	10.4%	13.2%	9.6%
Russell 2000	1.3%	-0.1%	11.8%	8.4%	11.5%	9.8%
Russell 2500	1.0%	-0.2%	12.3%	8.1%	11.6%	10.3%
MSCI EAFE	-1.8%	-1.5%	14.8%	5.6%	6.5%	2.7%
MSCI Emerging Markets	-1.9%	1.4%	24.9%	8.8%	5.0%	3.0%

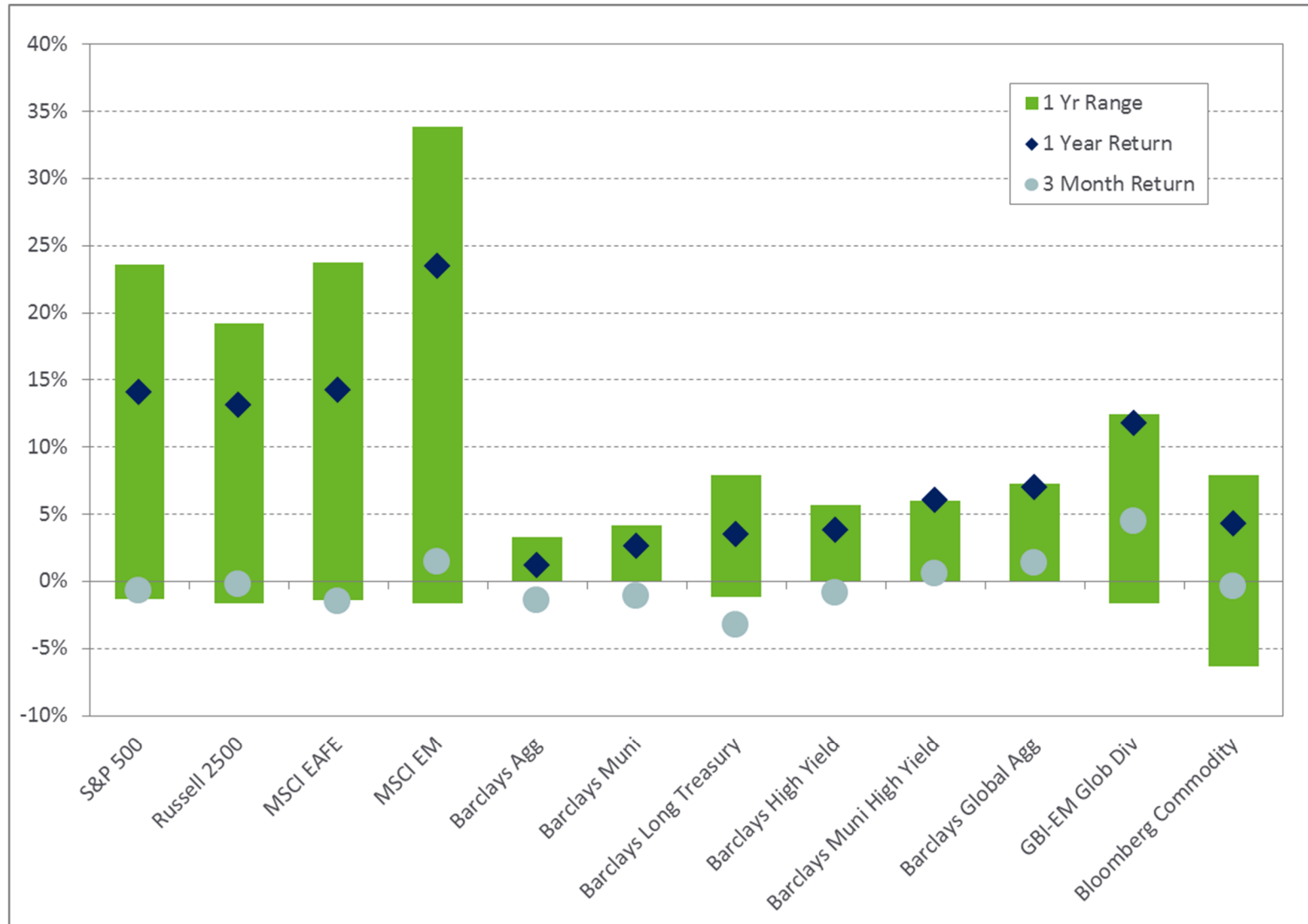
Rates/Credit						
	Mar-18	YTD	1 YR	3 YR	5 YR	10 YR
BC Global Aggregate	1.1%	1.4%	7.0%	3.1%	1.5%	2.6%
BC US Aggregate	0.6%	-1.5%	1.2%	1.2%	1.8%	3.6%
BC Credit	0.3%	-2.1%	2.6%	2.2%	2.8%	5.1%
BC US High Yield	-0.6%	-0.9%	3.8%	5.2%	5.0%	8.3%
BC Municipal Bond	0.4%	-1.1%	2.7%	2.3%	2.7%	4.4%
BC Municipal High Yield	1.5%	0.6%	6.0%	4.6%	4.1%	5.6%
BC TIPS	1.1%	-0.8%	0.9%	1.3%	0.0%	2.9%
BC 20+ STRIPS	4.4%	-4.6%	6.6%	0.1%	5.3%	8.2%
BC Long Treasuries	3.0%	-3.3%	3.5%	0.4%	3.3%	5.8%
BC Long Credit	0.7%	-3.8%	6.2%	3.3%	4.7%	7.5%
BC Gov/Credit 1-3 Yr	0.2%	-0.2%	0.2%	0.7%	0.8%	1.6%
CS Lev Loan	0.3%	1.6%	4.6%	4.3%	4.2%	5.4%
JPM EMBI Glob Div	0.3%	-1.7%	4.3%	5.8%	4.7%	7.0%
JPM GBI-EM Glob Div	1.0%	4.4%	13.0%	5.4%	-0.7%	3.8%

Real Assets						
	Mar-18	YTD	1 YR	3 YR	5 YR	10 YR
BBG Commodity	-0.6%	-0.4%	3.7%	-3.2%	-8.3%	-7.7%
Alerian MLP	-6.9%	-11.1%	-20.1%	-11.2%	-5.8%	5.5%
FTSE NAREIT Equity REITs	3.7%	-6.7%	-1.1%	2.9%	6.7%	6.9%

Source: Bloomberg, Barclays, S&P, Russell, MSCI, JP Morgan, Credit Suisse, Alerian, NAREIT



SHORT-TERM PERFORMANCE SUMMARY



Source: Bloomberg, Standard and Poors, Russell, MSCI, Barclays, JP Morgan
 *1 Yr Range: Represents range of cumulative high/low daily index returns for an investment made one year ago



LONG-TERM PERFORMANCE SUMMARY



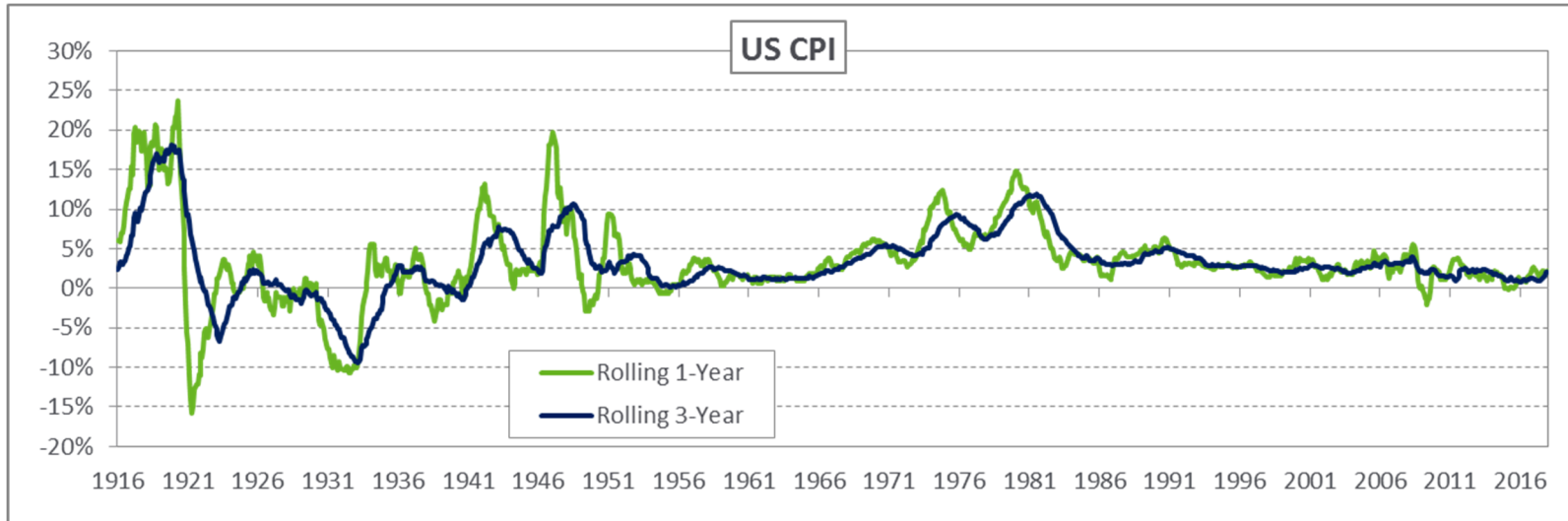
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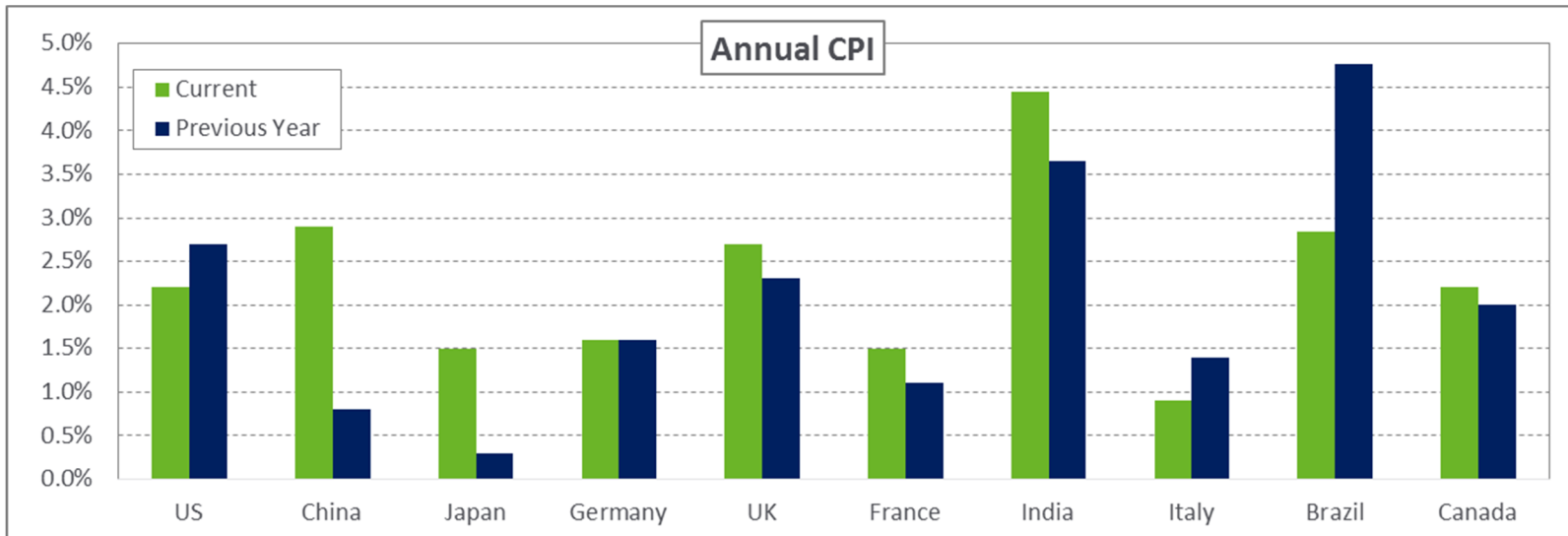
MACRO

NEPC, LLC

INFLATION



Source: Bureau of Labor Statistics, Bloomberg, NEPC



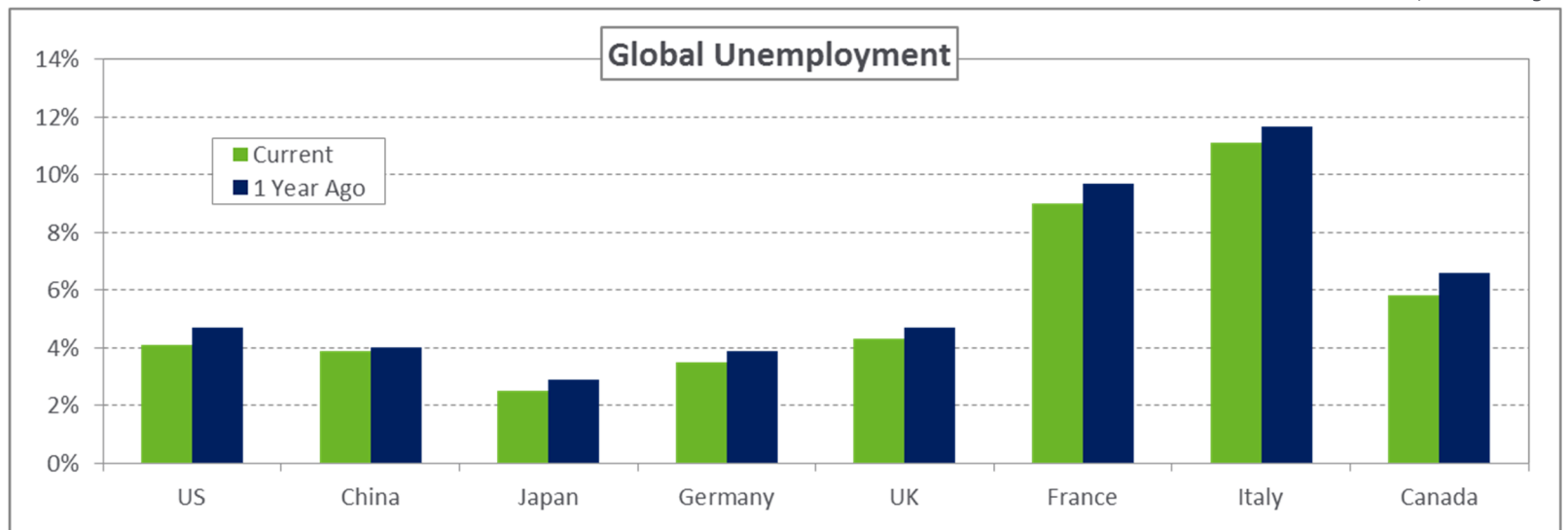
Source: Bureau of Labor Statistics, National Bureau of Statistics of China, Ministry of Internal Affairs and Communications (Japan), German Federal Statistics Office, UK Office for National Statistics, National Statistics Office of France, India Central Statistical Organization, ISTAT, IBGE, STCA, Bloomberg



UNEMPLOYMENT



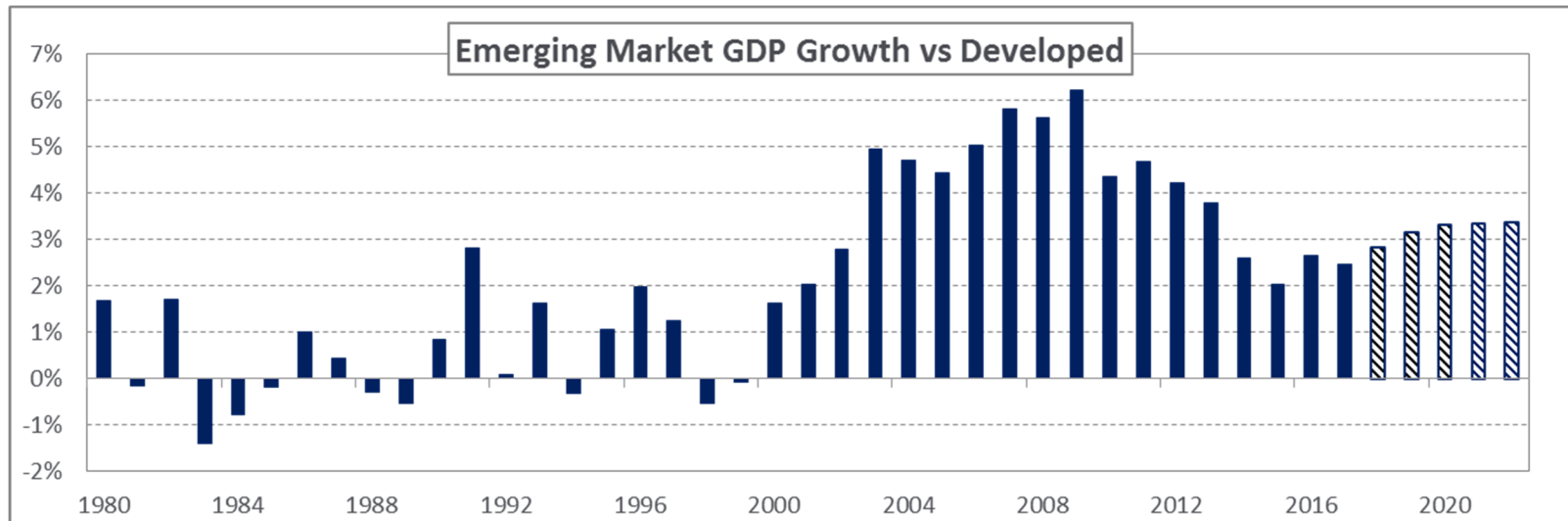
Source: Bureau of Labor Statistics, Bloomberg



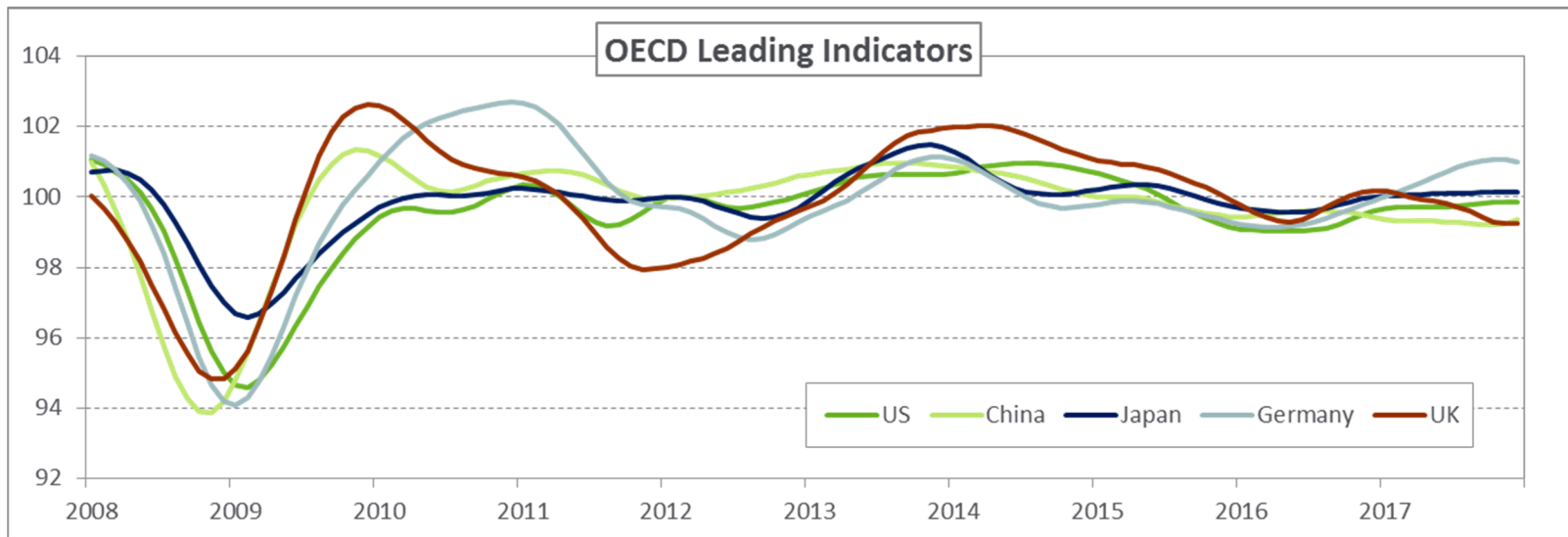
Source: Bureau of Labor Statistics, STA, National Bureau of Statistics of China, Ministry of Internal Affairs and Communications (Japan), German Federal Statistics Office, UK Office for National Statistics, National Statistics Office of France, ISTAT, IBGE, Bloomberg



ECONOMIC INDICATORS



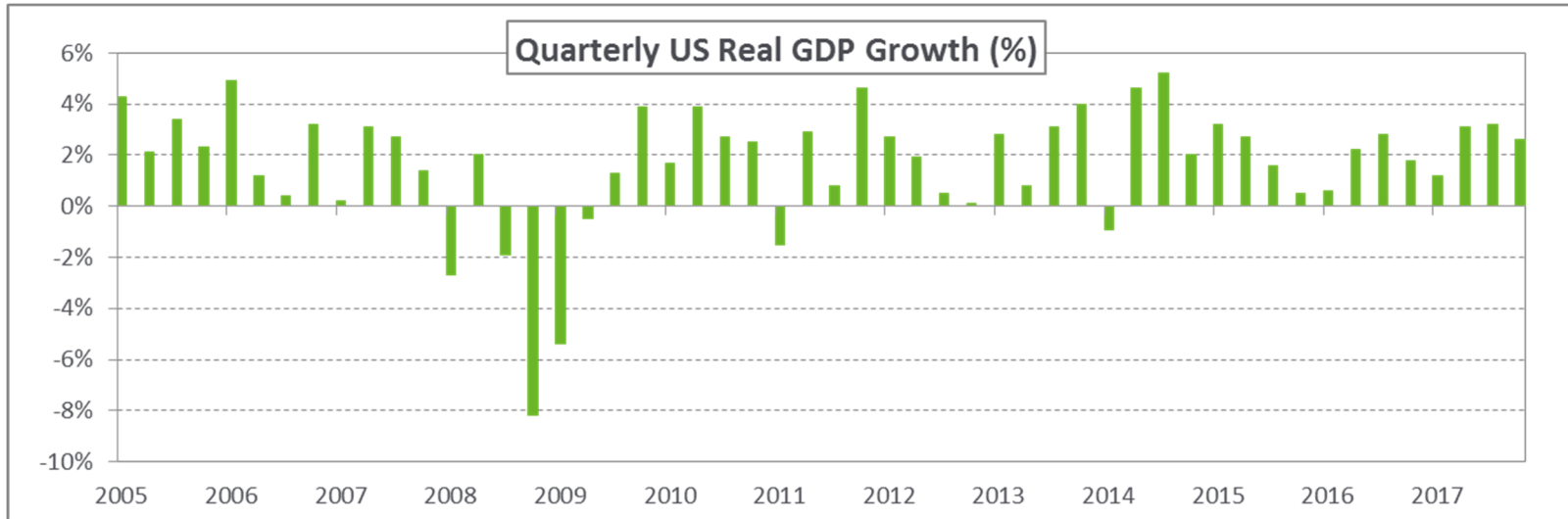
Source: IMF



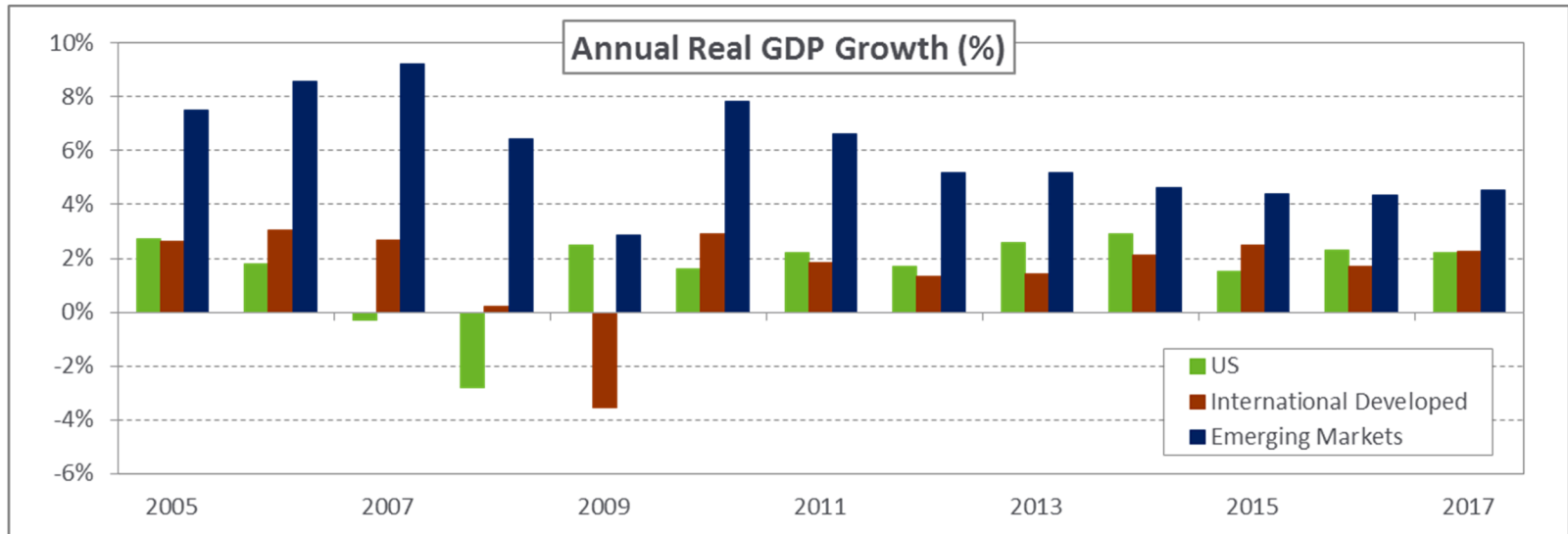
Source: OECD, Bloomberg



GROSS DOMESTIC PRODUCT



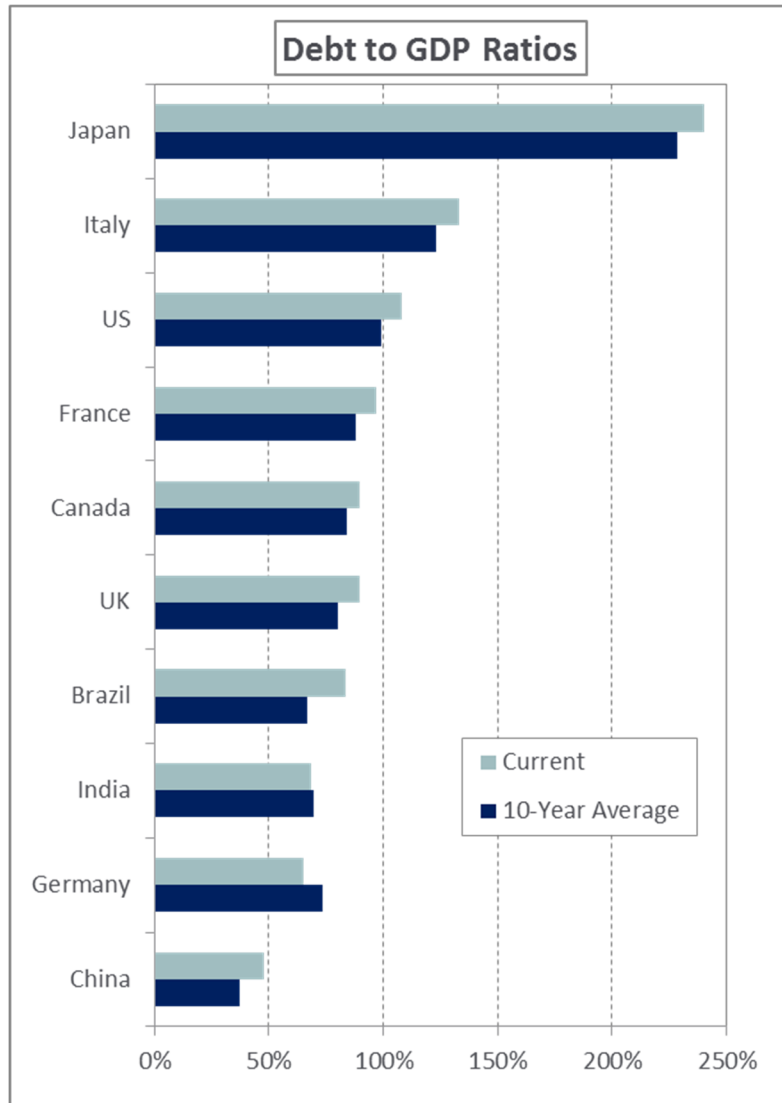
Source: Bloomberg



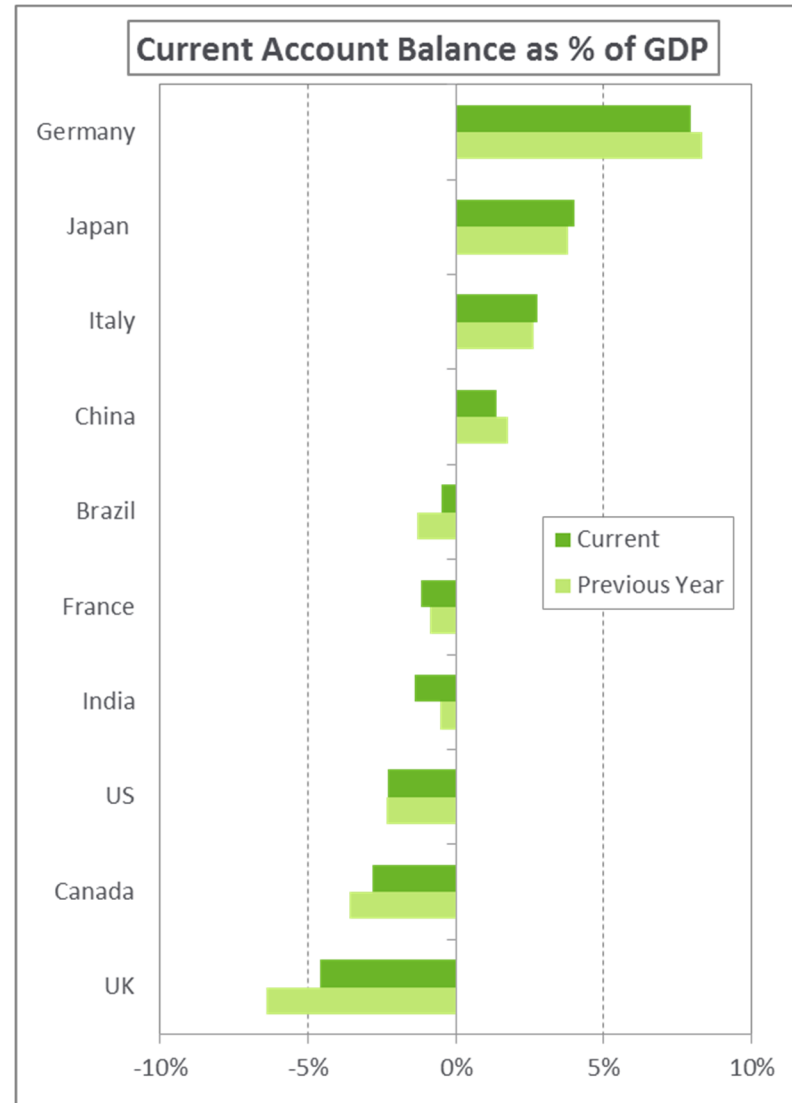
Source: Bloomberg



GROSS DOMESTIC PRODUCT METRICS



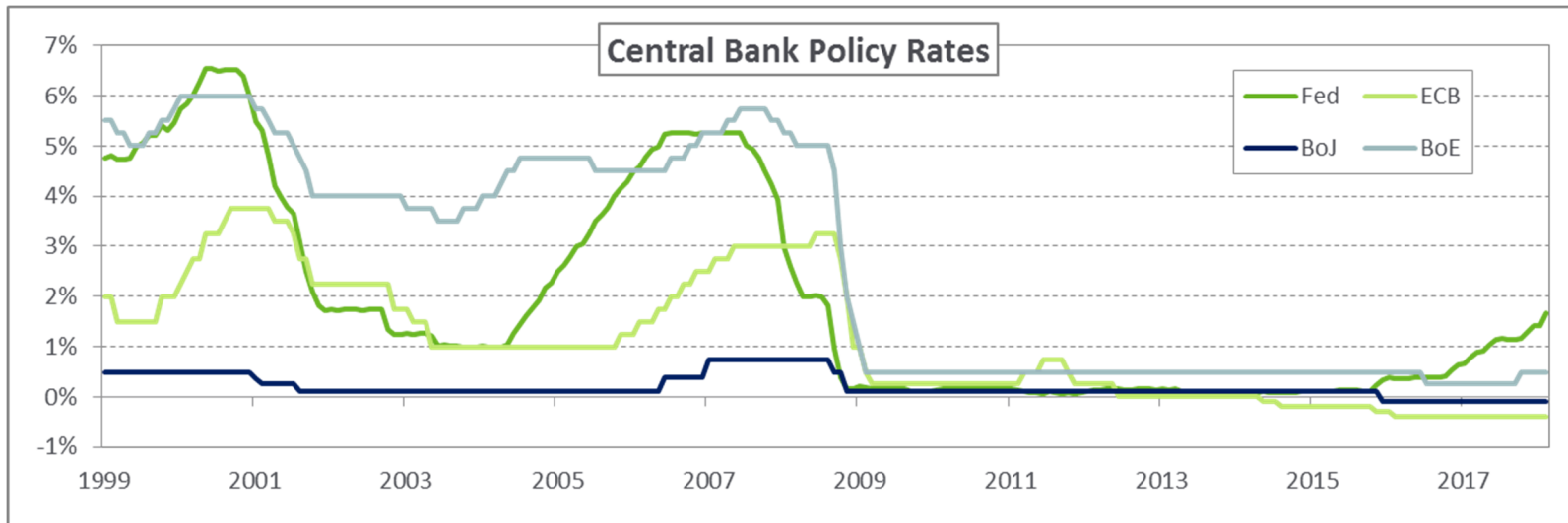
Source: IMF, Bloomberg



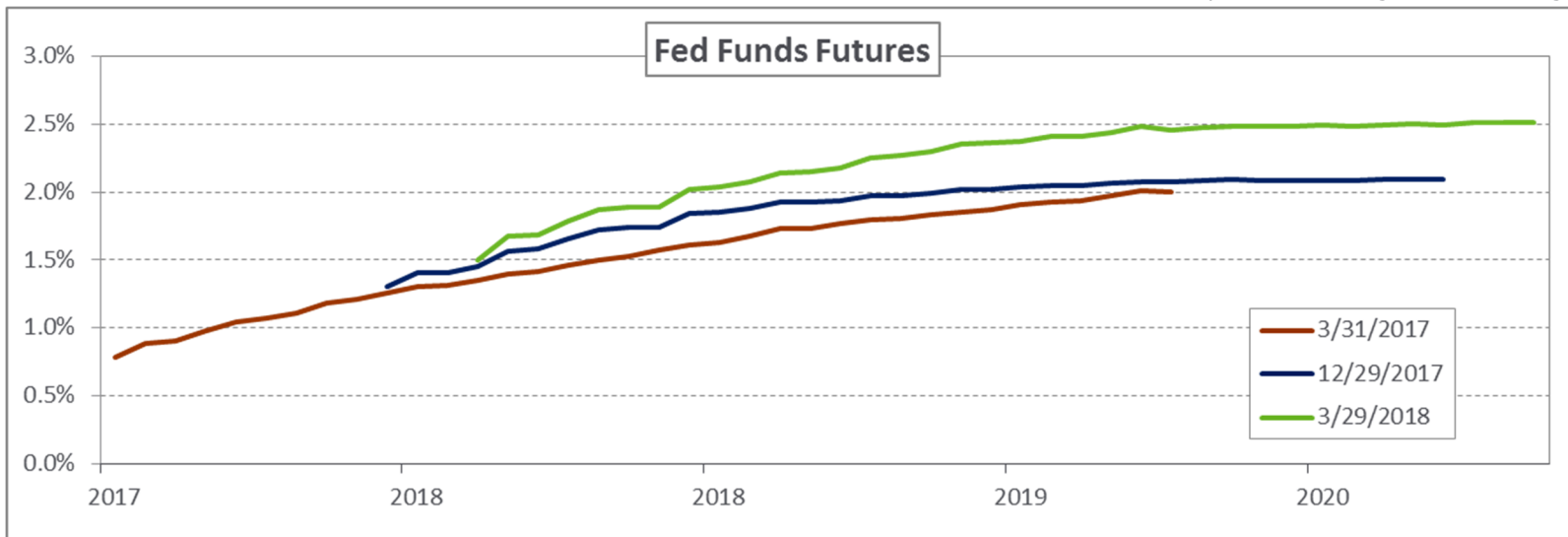
Source: Bloomberg



CENTRAL BANK RATES



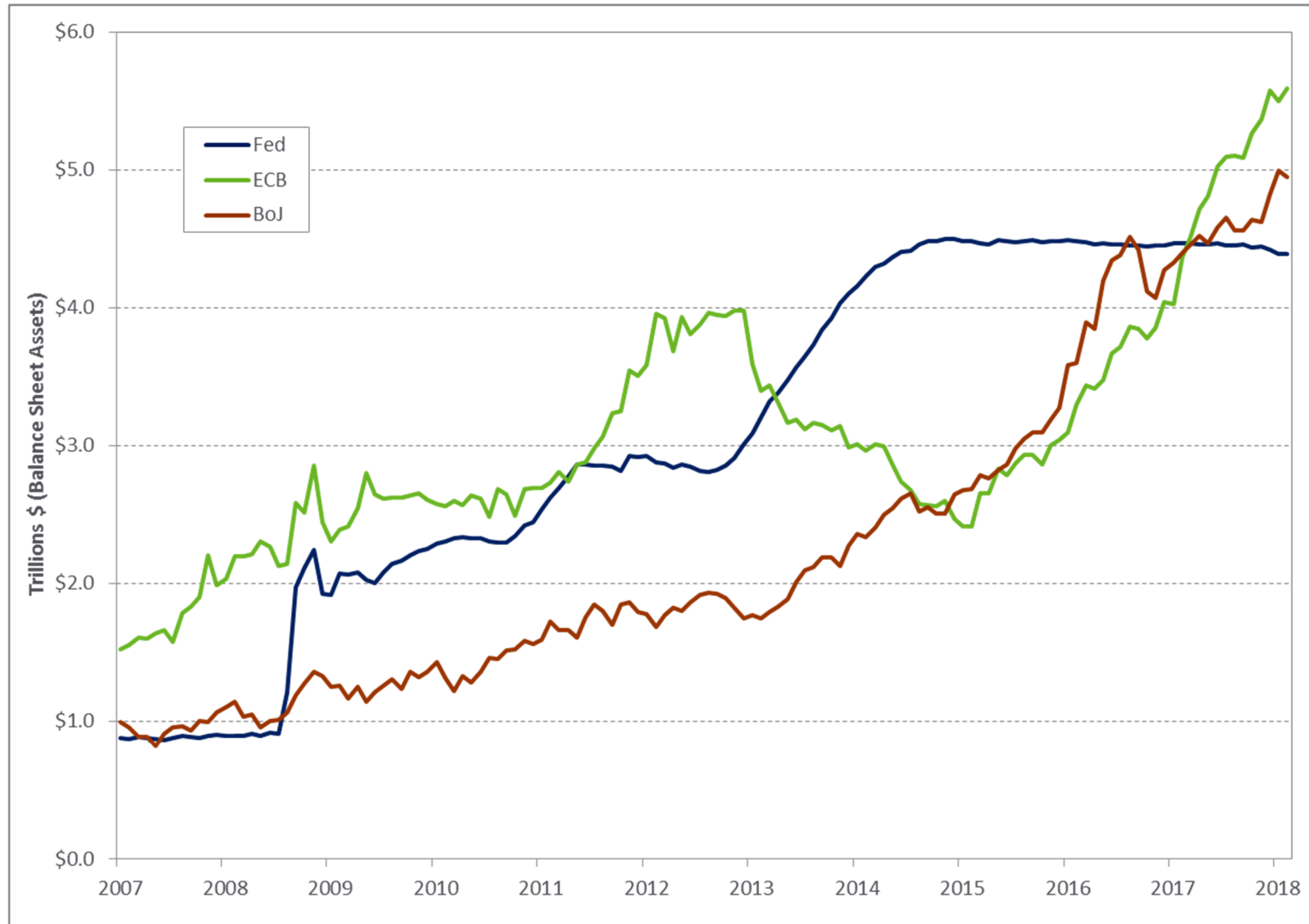
Source: Federal Reserve, ECB, Bank of Japan, Bank of England, Bloomberg



Source: Bloomberg



CENTRAL BANK BALANCE SHEETS



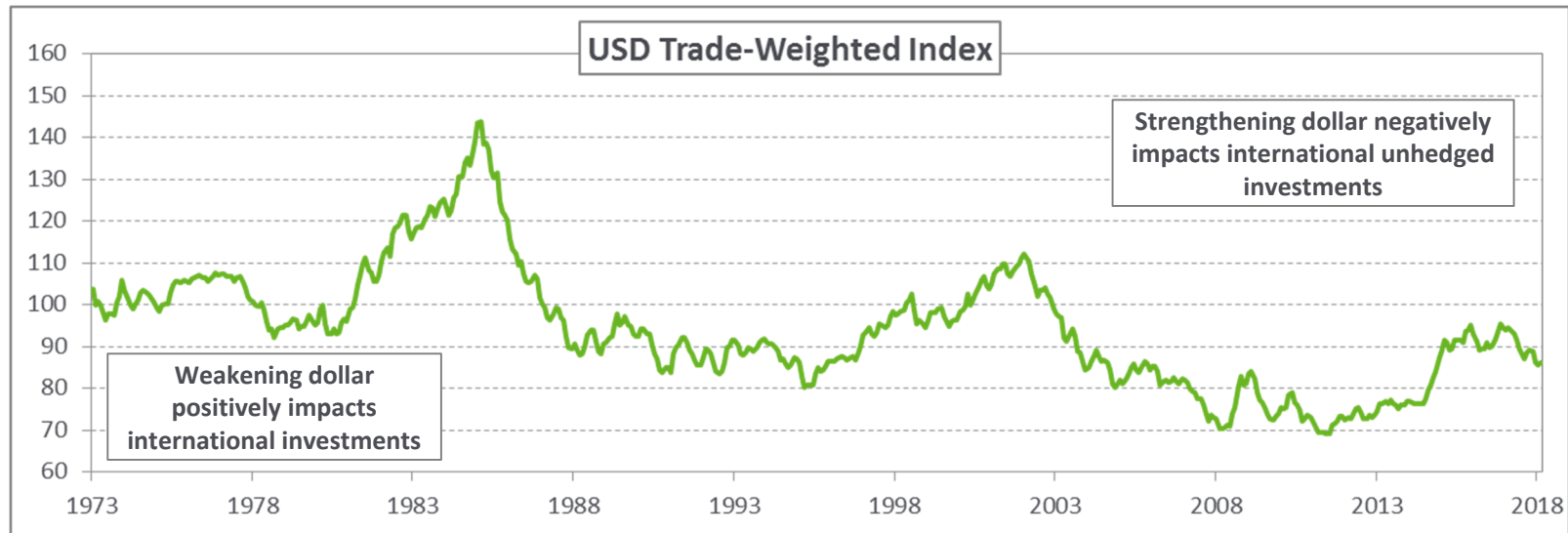
Source: Federal Reserve, Bank of Japan, ECB, Bloomberg, NEPC



CURRENCIES

Currencies	% Change Relative to USD			
	Spot	1 Month	YTD	1 Year
Euro	1.23	1.1%	2.7%	15.7%
British Pound	1.40	1.9%	3.7%	11.7%
Japanese Yen	106.28	0.4%	6.0%	4.8%
Swiss Franc	0.95	-1.0%	2.1%	5.1%
Australian Dollar	0.77	-1.1%	-1.7%	0.7%
Chinese Yuan	6.29	0.6%	3.4%	9.3%
Brazilian Real	3.31	-2.0%	0.2%	-5.6%
Russian Ruble	57.34	-1.7%	0.6%	-1.9%
Indian Rupee	65.08	0.3%	-1.9%	-0.4%
Mexican Peso	18.18	3.6%	8.1%	3.0%
South African Rand	11.84	-0.4%	4.5%	13.4%

Source: Bloomberg



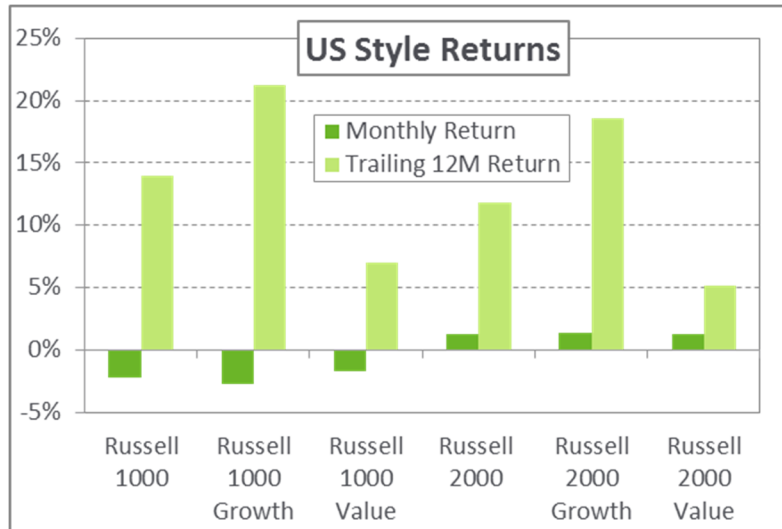
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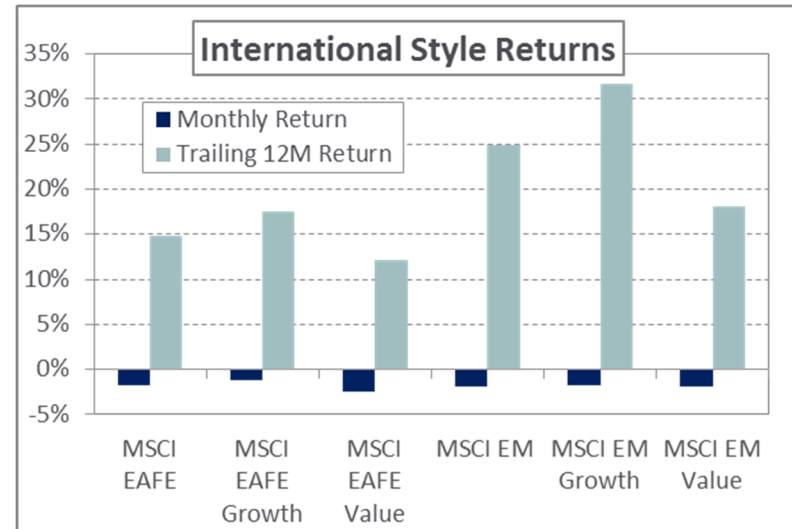
EQUITY

NEPC, LLC

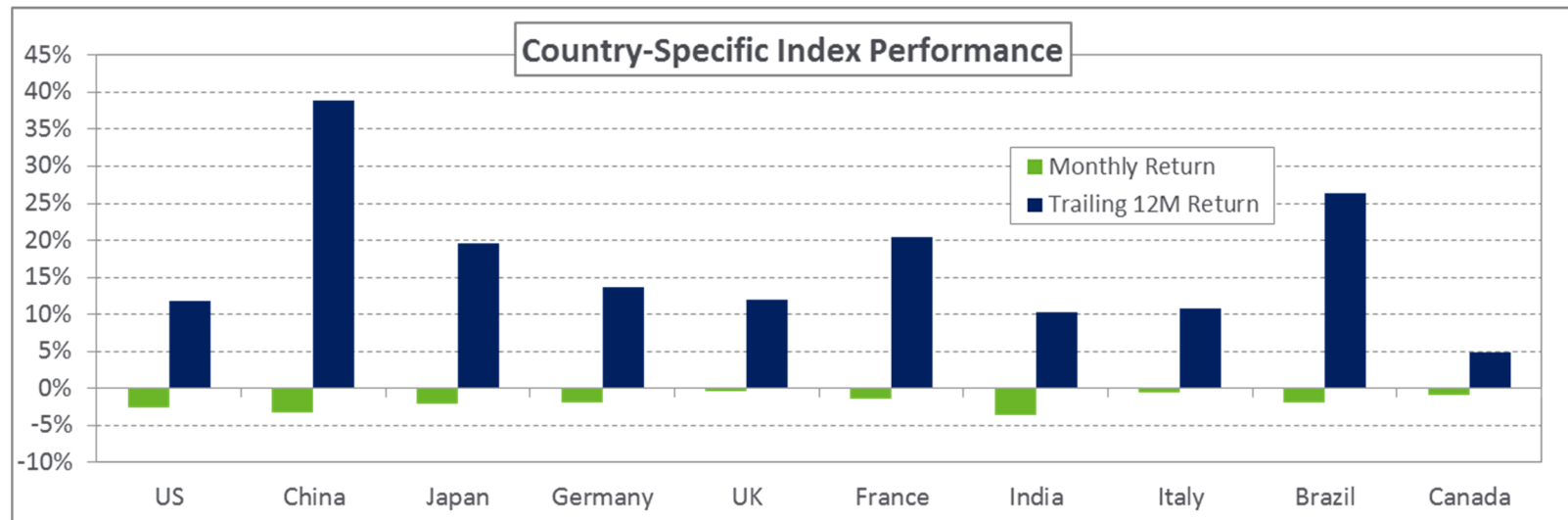
EQUITY INDEX PERFORMANCE



Source: Russell, Bloomberg



Source: MSCI, Bloomberg



Source: MSCI, Bloomberg
Represents returns in USD

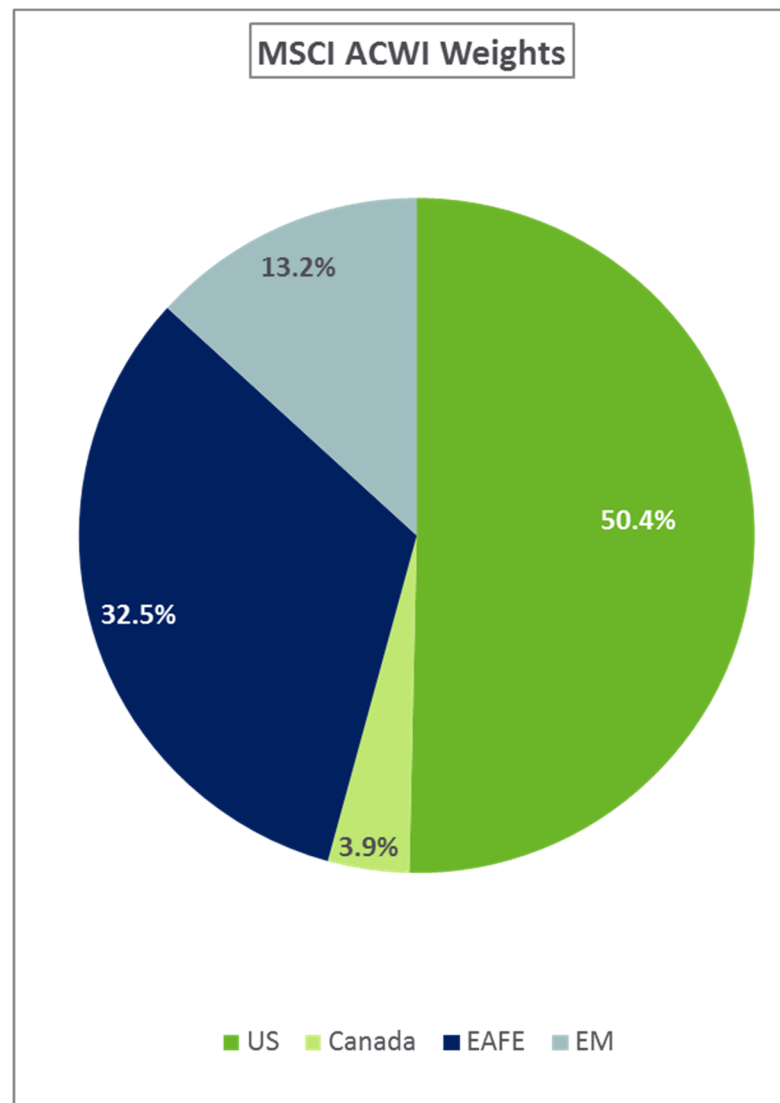


INDEX COMPOSITION

	MTD	QTD	YTD	Index Weight
S&P 500	-2.5%	-0.8%	-0.8%	100%
Cons Disc	-2.4%	3.0%	3.0%	12.7%
Cons Staples	-1.0%	-7.3%	-7.3%	7.7%
Energy	1.6%	-6.1%	-6.1%	5.8%
Financials	-4.4%	-1.1%	-1.1%	14.2%
Health Care	-3.1%	-1.3%	-1.3%	13.9%
Industrials	-2.7%	-1.7%	-1.7%	10.3%
Info Tech	-3.9%	3.4%	3.4%	24.8%
Materials	-4.3%	-5.7%	-5.7%	2.9%
Real Estate	3.6%	-5.3%	-5.3%	2.8%
Telecom	-1.0%	-7.8%	-7.8%	2.0%
Utilities	3.7%	-3.6%	-3.6%	2.9%

	MTD	QTD	YTD	Index Weight
MSCI ACWI	-2.1%	-0.9%	-0.9%	100%
Cons Disc	-2.7%	1.0%	1.0%	12.0%
Cons Staples	0.1%	-4.9%	-4.9%	8.0%
Energy	0.7%	-3.8%	-3.8%	6.3%
Financials	-3.8%	-1.0%	-1.0%	18.5%
Health Care	-2.0%	-1.0%	-1.0%	10.6%
Industrials	-2.4%	-1.6%	-1.6%	11.1%
Info Tech	-3.0%	3.2%	3.2%	18.9%
Materials	-3.6%	-3.7%	-3.7%	5.4%
Real Estate	2.1%	-3.6%	-3.6%	3.2%
Telecom	-1.5%	-5.4%	-5.4%	3.1%
Utilities	3.8%	-1.3%	-1.3%	2.9%

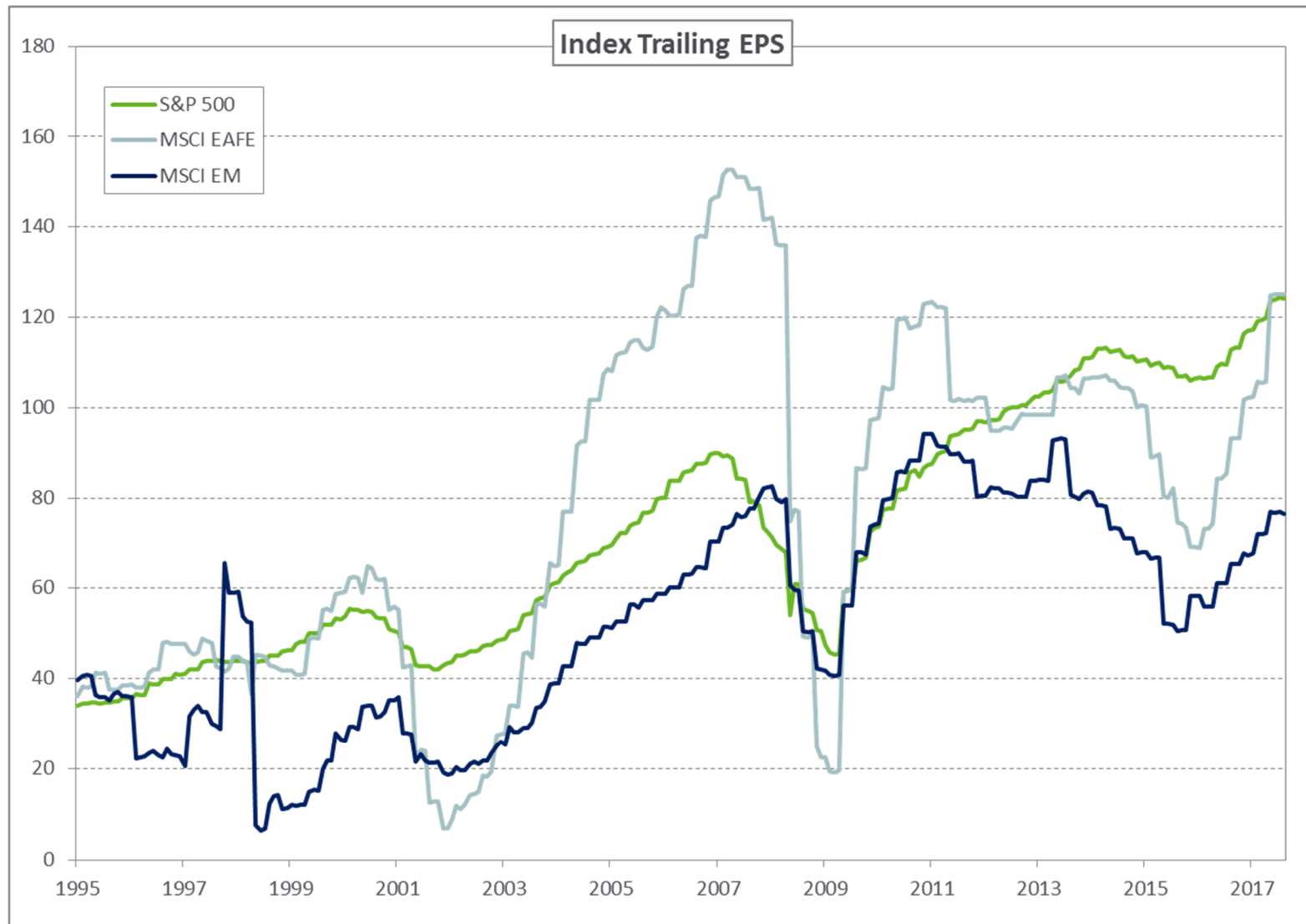
Source: S&P, MSCI, Bloomberg



Source: MSCI, Bloomberg



EARNINGS



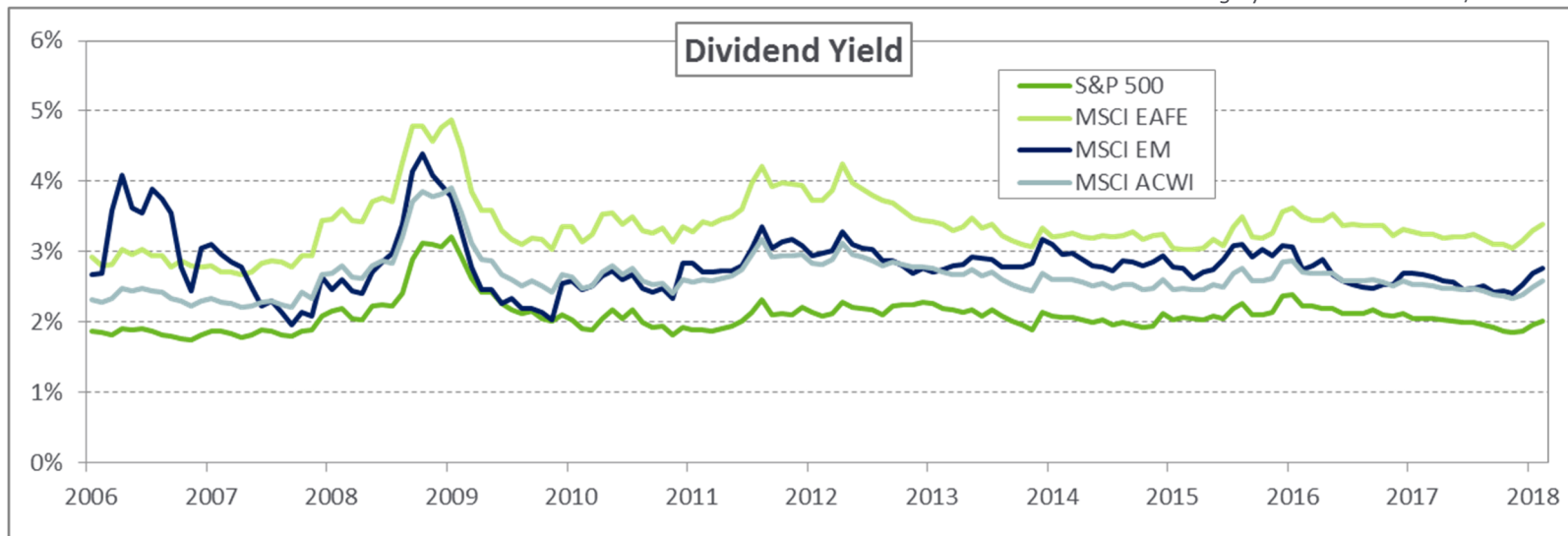
Source: S&P, MSCI, Bloomberg



YIELDS



Source: S&P, MSCI, Bloomberg
Earnings yield calculated as 1/PE Ratio



Source: S&P, MSCI, Bloomberg



CREDIT

NEPC, LLC

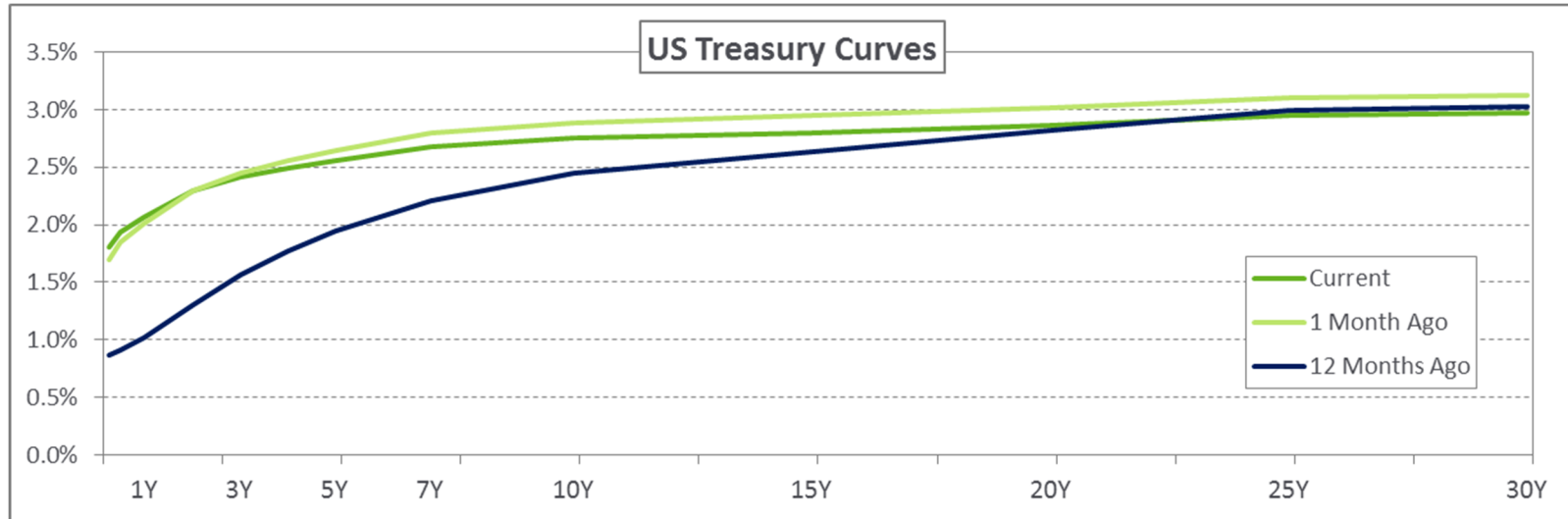
FIXED INCOME CHARACTERISTICS

	Averages			Total Returns (%)		
	Yield to Worst	Spread (bps)	Duration (Years)	1-Month	YTD	1-Year
Barclays Aggregate	3.1%	41	6.1	0.6%	-1.5%	1.2%
Barclays Treasury	2.6%	-	6.1	0.9%	-1.2%	0.4%
Barclays Agency	2.6%	12	3.9	0.6%	-0.5%	0.8%
Barclays MBS	3.3%	29	5.1	0.6%	-1.2%	0.8%
Barclays ABS	2.8%	43	2.3	0.2%	-0.5%	0.5%
Barclays CMBS	3.3%	67	5.4	0.4%	-1.3%	1.1%
Barclays Corp IG	3.8%	109	7.5	0.3%	-2.3%	2.7%
Barclays Muni	2.7%	-	6.0	0.4%	-1.1%	2.7%
Barclays HY Muni	5.3%	-	8.1	1.5%	0.6%	6.0%
Barclays TIPS	2.8%	-	5.0	1.1%	-0.8%	0.9%
Barclays HY	6.2%	354	4.1	-0.6%	-0.9%	3.8%
Barclays Global Agg	1.8%	38	7.1	1.1%	1.4%	7.0%
JPM EMBI Glob Div	5.9%	326	7.4	0.3%	-1.7%	4.3%
JPM CEMBI Broad	4.6%	244	4.7	-0.2%	-1.1%	3.7%
JPM GBI - EM	6.0%	-	5.2	1.0%	4.4%	13.0%

Source: Barclays, JPM, Bloomberg



TREASURIES



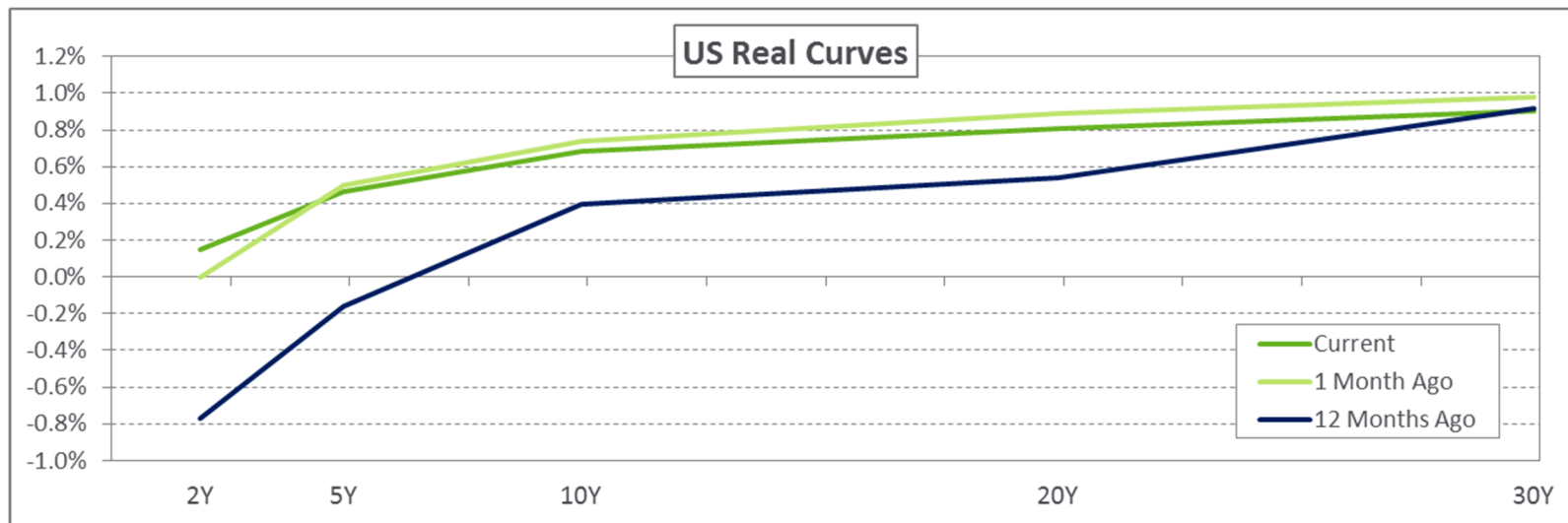
Source: Bloomberg

	Yield (%)			Total Return (%)	
	Current	1 Month Ago	12 Months Ago	1 Month	12 Months
3M Treasury	1.81%	1.70%	0.86%	0.13%	1.05%
6M Treasury	1.94%	1.85%	0.91%	0.14%	1.07%
2Y Treasury	2.30%	2.29%	1.31%	0.17%	-0.17%
5Y Treasury	2.56%	2.65%	1.94%	0.65%	-0.81%
10Y Treasury	2.75%	2.89%	2.45%	1.32%	-1.09%
30Y Treasury	2.98%	3.13%	3.03%	3.37%	3.54%

Source: Barclays, Bloomberg



REAL YIELDS



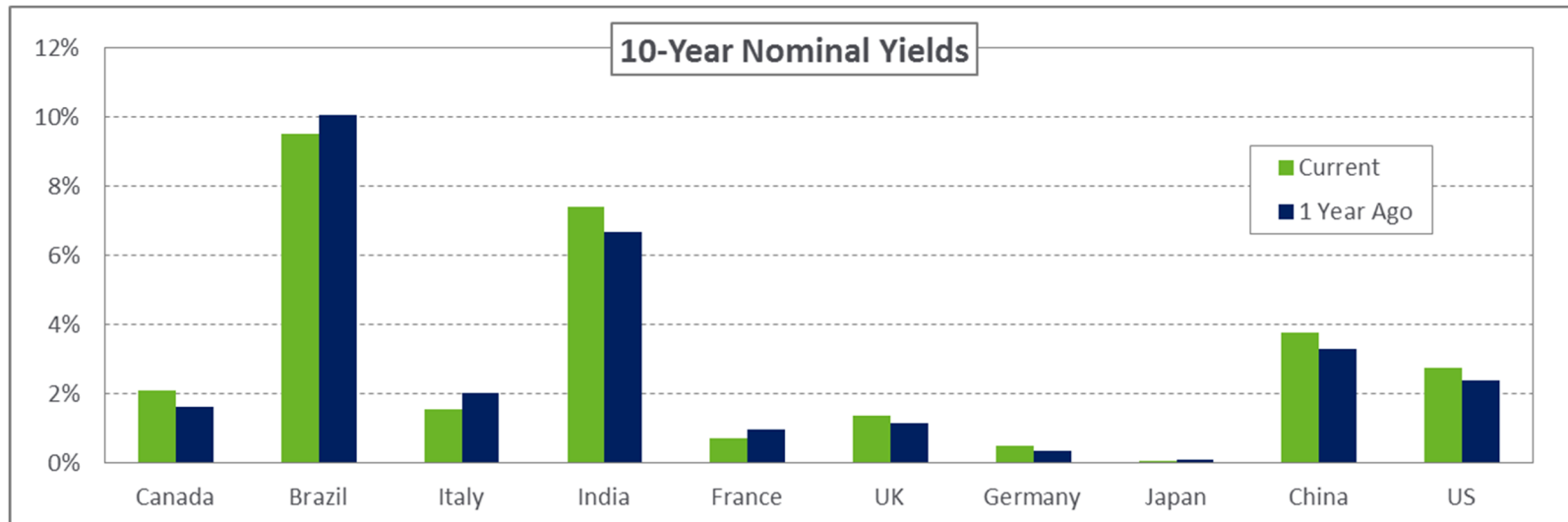
Source: Bloomberg

	Real Rates			Breakeven Rates	
	Current	1 Month Ago	12 Months Ago	Current	12 Months Ago
2Y Treasury	0.15%	0.00%	-0.77%	1.98%	1.82%
5Y Treasury	0.47%	0.50%	-0.16%	2.04%	1.95%
10Y Treasury	0.68%	0.74%	0.40%	2.06%	1.98%
20Y Treasury	0.81%	0.89%	0.54%	2.00%	1.94%
30Y Treasury	0.90%	0.98%	0.91%	2.07%	2.09%

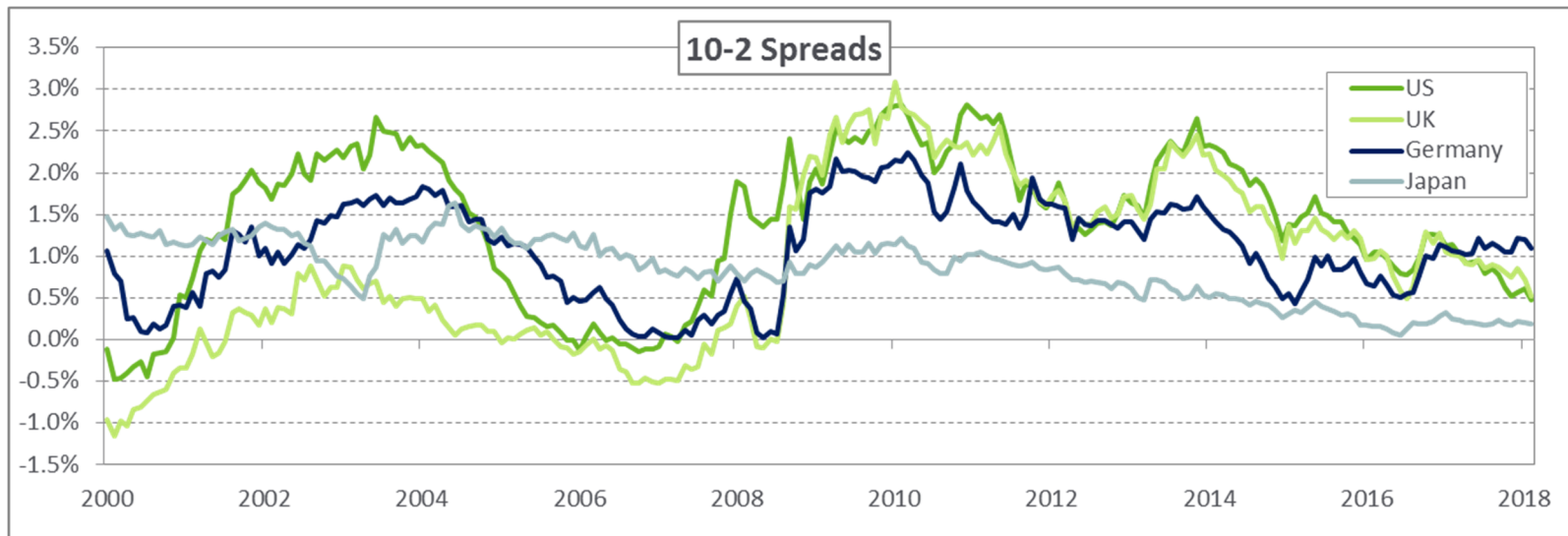
Source: Barclays, Bloomberg



NOMINAL YIELDS



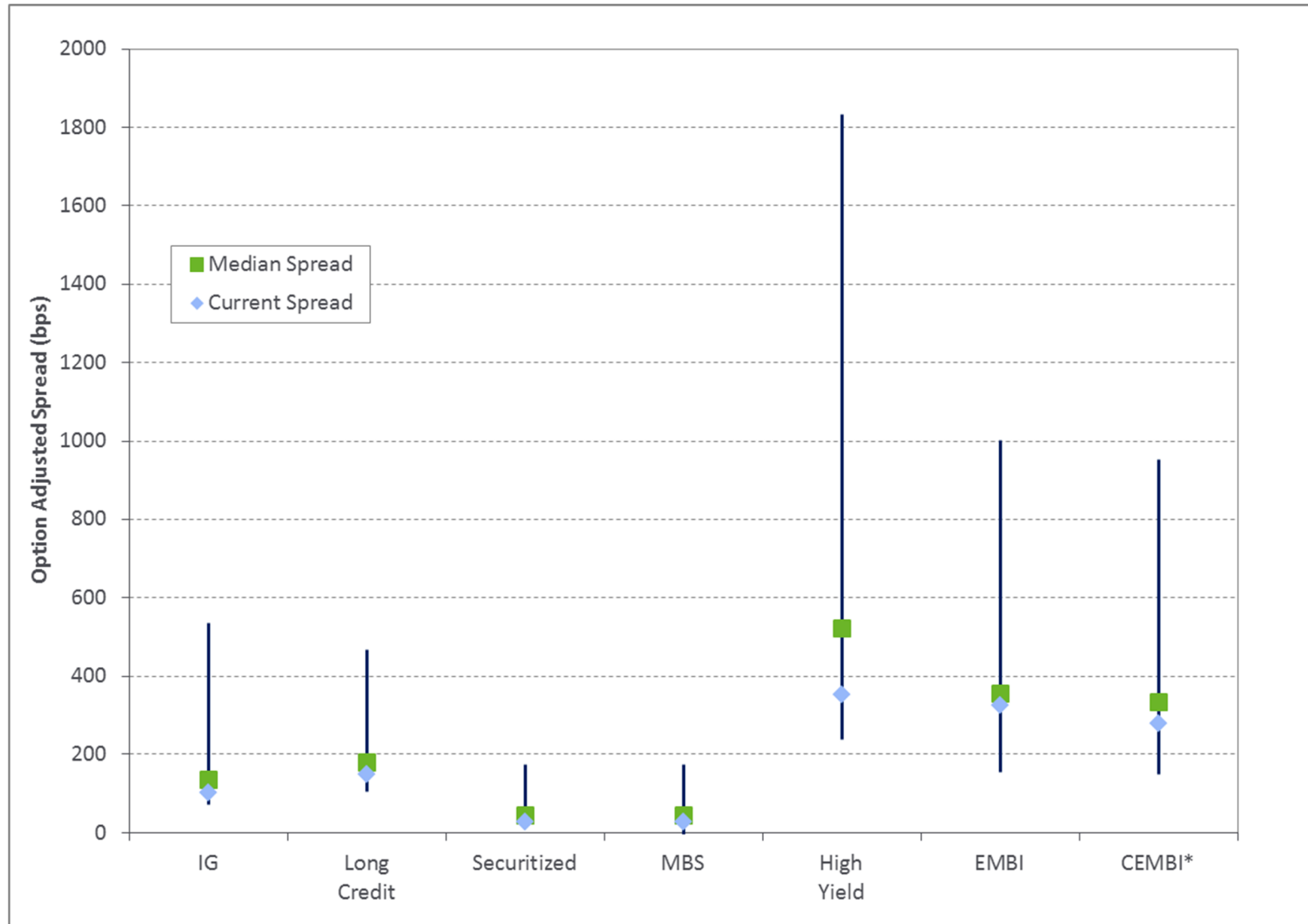
Source: Bloomberg



Source: Bloomberg



CREDIT SPREADS



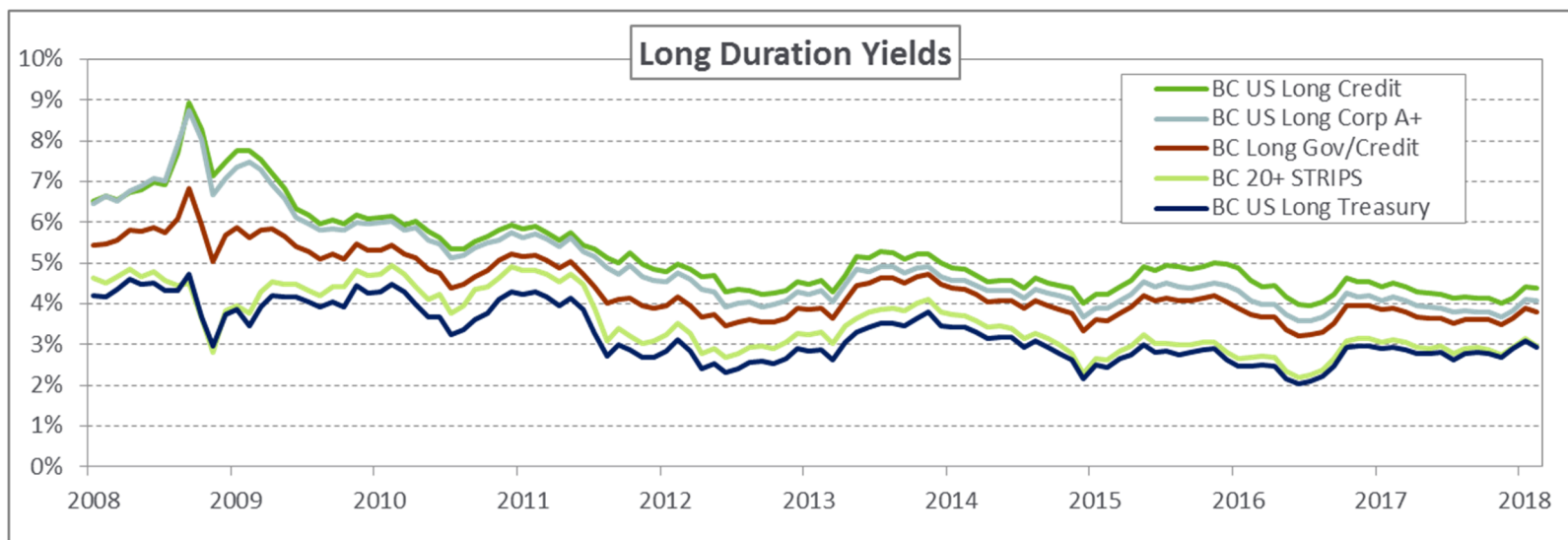
Source: Barclays, JPM, Bloomberg
Ranges calculated since 01/31/2000
*JPM CEMBI calculated as of 12/31/2001



LONG DURATION

Index	Month-End Yield	1 Month Prior Yield	1 Year Prior Yield	Duration
Barclays Long Treasury	2.9%	3.1%	3.0%	17.3
Barclays 20+ STRIPS	3.0%	3.2%	3.1%	25.5
Barclays Long Gov/Credit	3.8%	3.9%	3.9%	15.2
Barclays Long Credit	4.4%	4.4%	4.5%	13.8
Barclays Long Corp A+	4.1%	4.1%	4.2%	14.4

Source: Barclays, Bloomberg



Source: Barclays, Bloomberg



REAL ASSETS

NEPC, LLC

REAL ASSETS INDEX PERFORMANCE

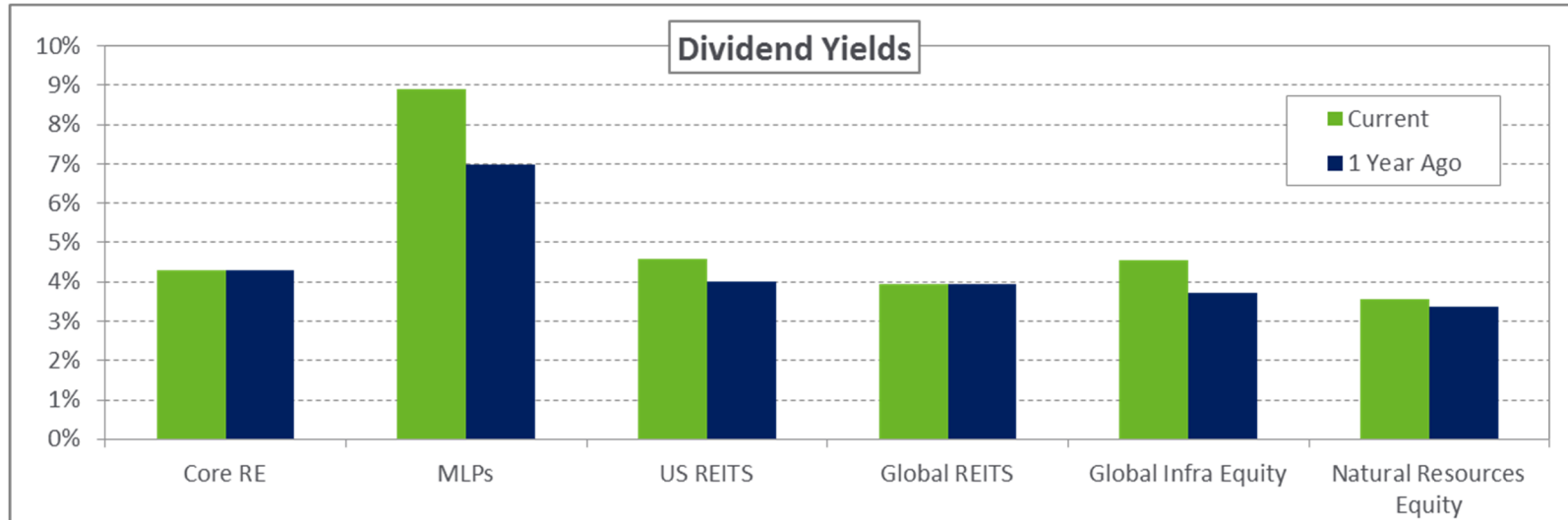
Index	1 Month	3 Month	YTD	1 Year	3 Year	5 Year
Bloomberg Commodity Index	-0.6%	-0.4%	-0.4%	3.7%	-3.2%	-8.3%
Bloomberg Sub Agriculture Index	-2.8%	3.1%	3.1%	-5.4%	-4.6%	-8.7%
Coffee	-3.0%	-7.6%	-7.6%	-22.5%	-12.6%	-11.7%
Corn	1.6%	8.7%	8.7%	-5.9%	-9.1%	-15.8%
Cotton	-1.6%	2.6%	2.6%	7.0%	8.0%	-0.6%
Soybean	-1.0%	7.5%	7.5%	4.9%	0.3%	-0.2%
Soybean Oil	-1.1%	-4.8%	-4.8%	-3.5%	-2.7%	-11.8%
Sugar	-7.6%	-17.9%	-17.9%	-28.8%	-4.5%	-15.2%
Wheat	-8.8%	3.2%	3.2%	-11.3%	-15.0%	-16.7%
Bloomberg Sub Energy	4.9%	1.8%	1.8%	9.9%	-9.0%	-16.2%
Brent Crude	7.2%	5.4%	5.4%	30.5%	-3.2%	-14.6%
Heating Oil	6.2%	-0.3%	-0.3%	27.7%	-2.9%	-11.7%
Natural Gas	1.5%	-6.9%	-6.9%	-28.6%	-23.9%	-24.3%
Unleaded Gas	4.3%	0.9%	0.9%	18.1%	-1.5%	-12.2%
WTI Crude Oil	5.8%	8.8%	8.8%	25.7%	-7.1%	-16.4%
Bloomberg Sub Industrial Metals	-4.4%	-6.2%	-6.2%	12.7%	4.0%	-1.5%
Aluminum	-6.2%	-12.0%	-12.0%	0.0%	0.6%	-3.7%
Copper	-3.3%	-8.6%	-8.6%	12.0%	1.8%	-3.4%
Nickel	-3.6%	4.2%	4.2%	31.3%	1.0%	-5.8%
Zinc	-4.9%	-0.8%	-0.8%	19.7%	15.3%	9.3%
Bloomberg Sub Precious Metals	0.2%	-0.5%	-0.5%	0.5%	1.8%	-6.1%
Gold	0.4%	1.0%	1.0%	5.2%	3.1%	-4.2%
Silver	-0.7%	-5.2%	-5.2%	-12.0%	-2.0%	-11.7%
Bloomberg Sub Livestock	-7.1%	-10.0%	-10.0%	-4.4%	-6.7%	-3.4%
Lean Hogs	-0.6%	-10.7%	-10.7%	-1.4%	-4.8%	-7.6%
Live Cattle	-10.4%	-10.4%	-10.4%	-7.0%	-7.9%	-1.0%

Source: Bloomberg

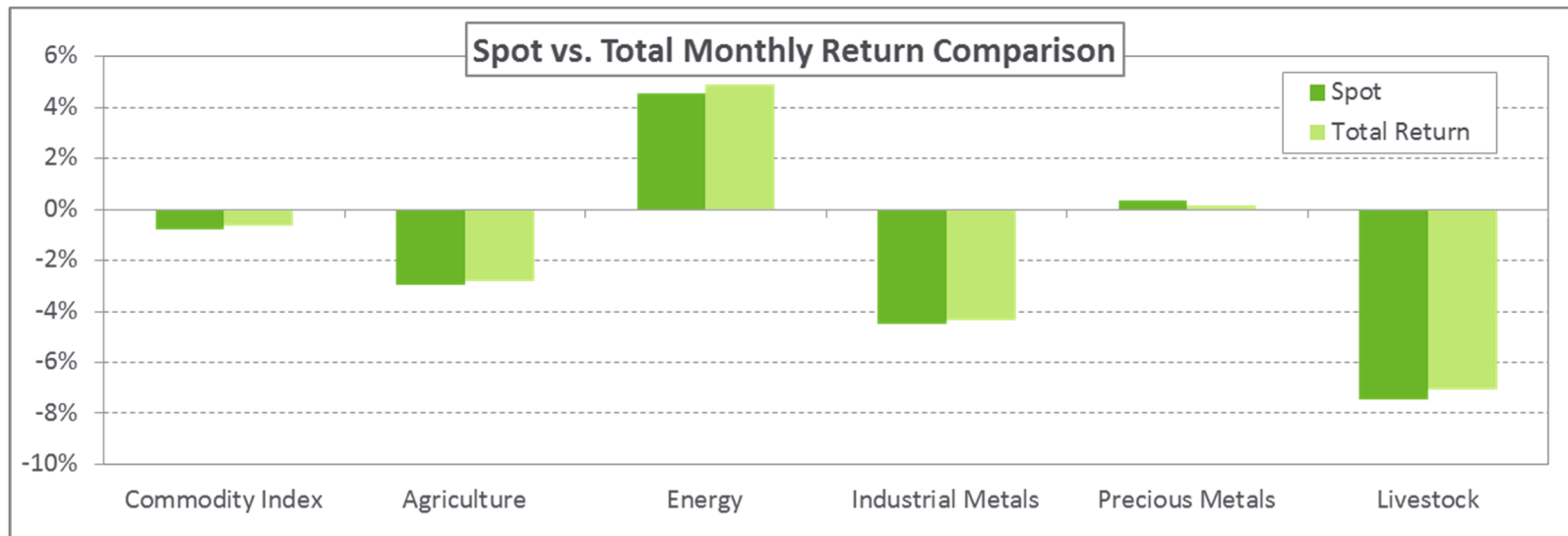
Bloomberg subindex total return indices reflects the return of the underlying one month commodity futures price movements



INCOME YIELD



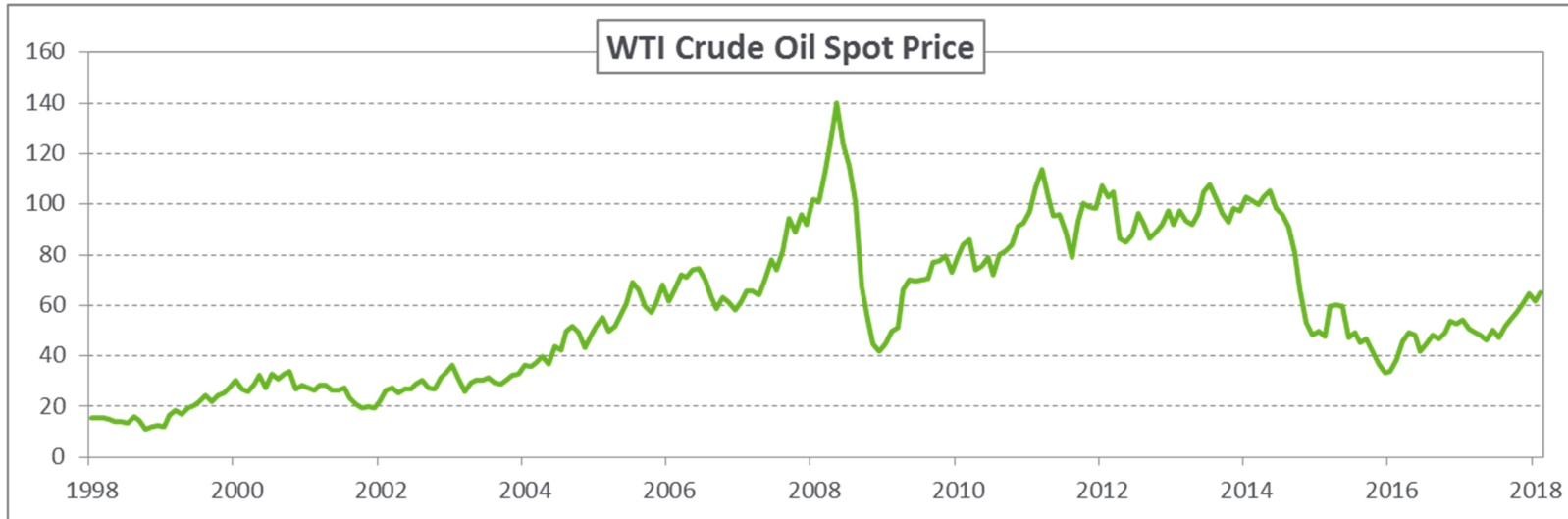
Source: Alerian, NAREIT, S&P, Bloomberg



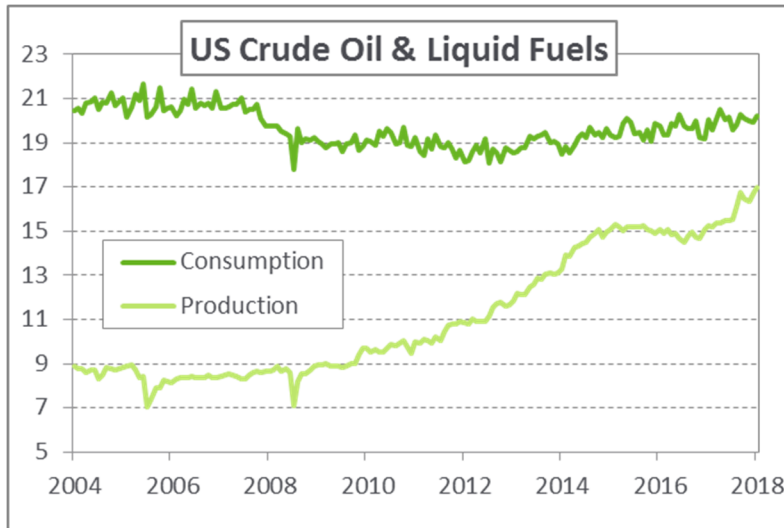
Source: Bloomberg, NEPC



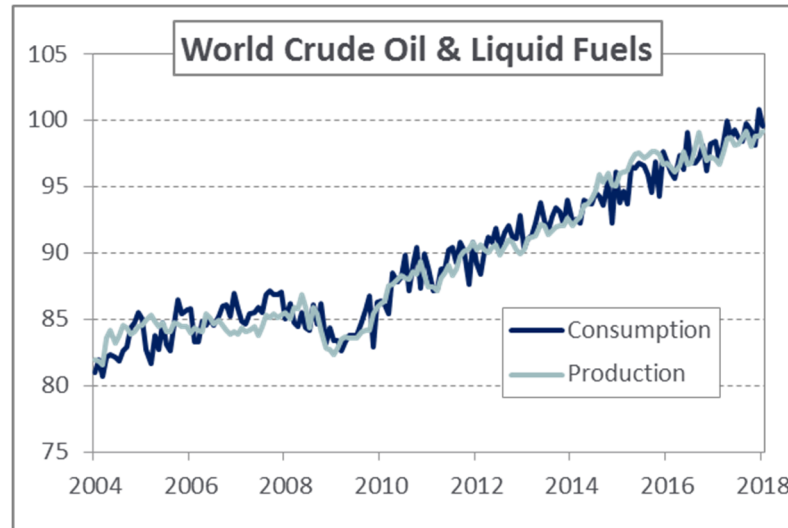
OIL MARKETS



Source: New York Mercantile Exchange, Bloomberg



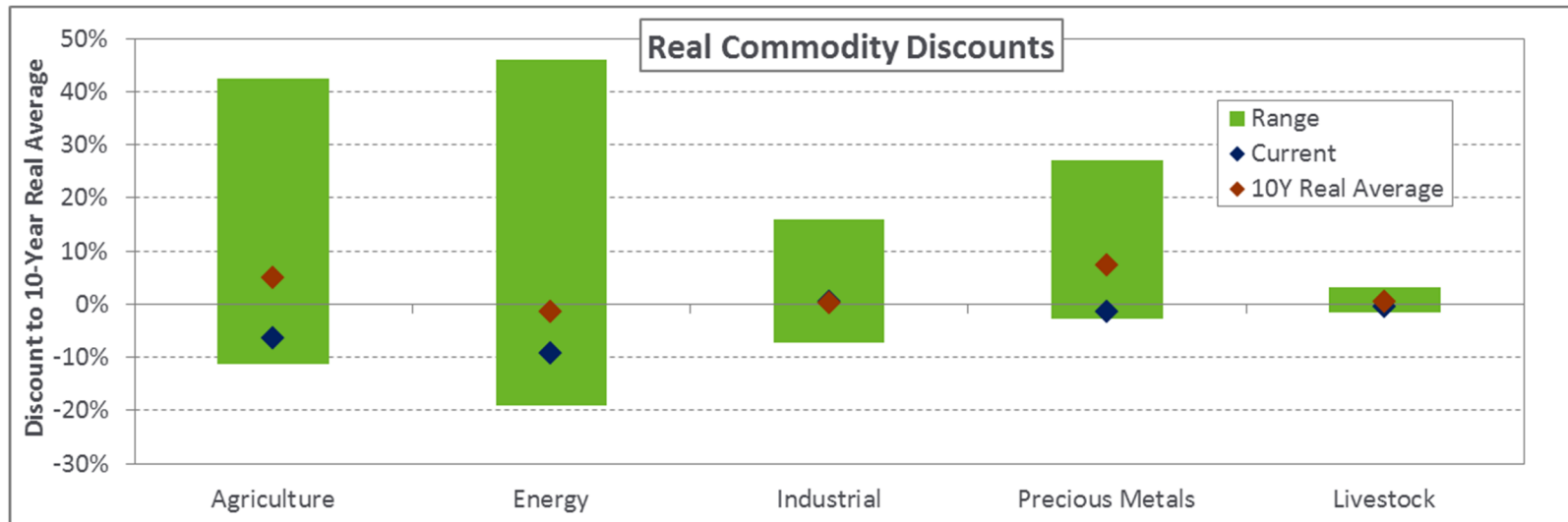
Source: US Department of Energy, Bloomberg



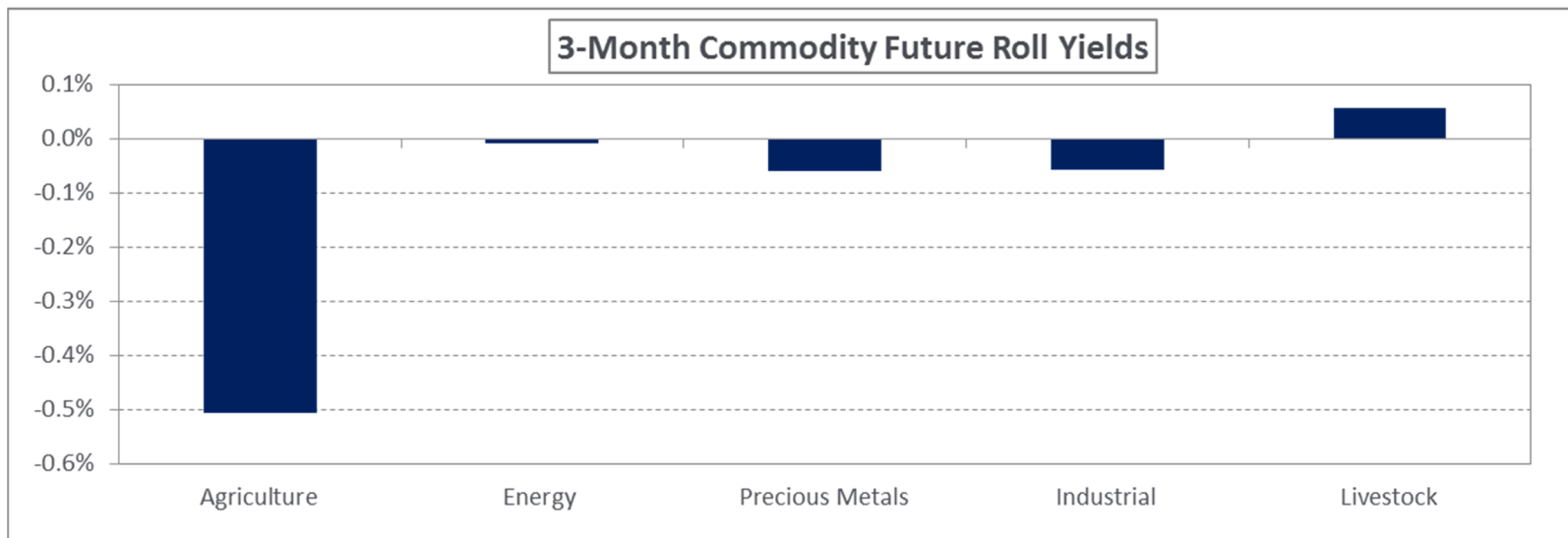
Source: OECD, Bloomberg



VALUATIONS



Source: Bloomberg, NEPC



Source: Bloomberg



POLICY INDEX HISTORY

- **4/1/2012 – 6/30/2012:** 23% S&P 500 Index, 2% Russell 2500 Index, 5% MSCI EAFE Index, 10% MSCI Emerging Markets Index, 18% Barclays Aggregate, 15% Bank of America Merrill Lynch US High BB-B Constrained Index, 2% JP Morgan GBI – EM Global Diversified Index, 5% (60% MSCI World HH / 40% CITI WGBI HH), 8% (90 Day T-Bill + 2%), 3% Wilshire REIT, 2% NCREIF Property Index, 5% Cambridge Associates US All PE 1 Quarter Lag, 1% (CPI + 4% Seasonally Adjusted), 1% 90 Day T-Bill.
- **7/1/2012 – 6/30/2013:** 23% S&P 500 Index, 2% Russell 2500 Index, 5% MSCI EAFE Index, 10% MSCI Emerging Markets Index, 18% Barclays Aggregate Index, 15% (50% Credit Suisse Leveraged Loan Index / 50% Bank of America Merrill Lynch US HY BB-B Rated Constrained Index), 2% JP Morgan GBI – EM Global Diversified Index, 5% (60% MSCI World HH / 40% CITI WGBI HH), 3% Wilshire REIT, 2% NCREIF Property Index, 8% (91 Day T-Bill + 2% 1 month lag), 5% Cambridge Associates All US PE 1 Quarter Lag, 1% (CPI + 4% Seasonally Adjusted), 1% 91 Day T-Bill.
- **7/1/2013 – 6/30/2014:** 20% S&P 500 Index, 2% Russell 2500 Index, 5% MSCI EAFE Index, 10% MSCI Emerging Markets Index, 7% Barclays Aggregate Index, 20% (50% Credit Suisse Leveraged Loan Index / 50% Bank of America Merrill Lynch US HY BB-B Rated Constrained Index), 2% JP Morgan GBI – EM Global Diversified Index, 5% (60% MSCI World HH / 40% CITI WGBI HH), 5% Credit Suisse Hedge Global Macro Index, 3% Wilshire REIT Index, 2% NCREIF Property Index, 3% (91 Day T-Bill + 2% 1 Month Lag), 8% Cambridge Associates US All PE 1 Quarter Lag, 7% (CPI + 4% Seasonally Adjusted), 1% 91 Day T-Bill.
- **7/1/2014 – 9/30/2014:** 20% S&P 500 Index, 2% Russell 2500 Index, 5% MSCI EAFE Index, 10% MSCI Emerging Markets Index, 7% Barclays Aggregate Index, 20% (50% Credit Suisse Leveraged Loan Index / 50% Bank of America Merrill Lynch US HY BB-B Rated Constrained Index), 2% JP Morgan GBI – EM Global Diversified Index, 5% (60% MSCI World / 40% CITI WGBI), 5% Credit Suisse Hedge Global Macro Index, 3% Wilshire REIT Index, 2% NCREIF Property Index, 3% (91 Day T-Bill + 2% 1 Month Lag), 8% Cambridge Associates US All PE 1 Quarter Lag, 7% (CPI + 4% Seasonally Adjusted), 1% 91 Day T-Bill.



POLICY INDEX HISTORY

- **10/1/2014 – 1/31/2016:** 18% S&P 500 Index, 2% Russell 2500 Index, 5% MSCI EAFE Index, 10% MSCI Emerging Markets Index, 6% Barclays Aggregate Index, 20% (50% Credit Suisse Leveraged Loan Index / 50% Bank of America Merrill Lynch US HY BB-B Rated Constrained Index), 2% JP Morgan GBI – EM Global Diversified Index, 5% (60% MSCI World / 40% CITI WGBI), 5% Credit Suisse Hedge Global Macro Index, 4% Wilshire REIT Index, 3% NCREIF Property Index, 11% Cambridge Associates US All PE 1 Quarter Lag, 8% (CPI + 4% Seasonally Adjusted), 1% 91 Day T-Bill.
- **2/1/2016 – 12/31/2016:** 18% S&P 500 Index, 2% Russell 2500 Index, 5% MSCI EAFE Index, 10% MSCI Emerging Markets Index, 6% Barclays Aggregate Index, 20% (50% Credit Suisse Leveraged Loan Index / 50% Bank of America Merrill Lynch US HY BB-B Rated Constrained Index), 2% (50% JP Morgan EMBI Global Diversified Index / 50% JP Morgan GBI – EM Global Diversified Index), 5% (60% MSCI World / 40% CITI WGBI), 5% Credit Suisse Hedge Global Macro Index, 4% Wilshire REIT Index, 3% NCREIF Property Index, 11% Cambridge Associates US All PE 1 Quarter Lag, 8% (CPI + 4% Seasonally Adjusted), 1% 91 Day T-Bill.
- **1/1/2017 – Current:** 18% S&P 500 Index, 2% Russell 2500 Index, 5% MSCI EAFE Index, 10% MSCI Emerging Markets Index, 6% Barclays Aggregate Index, 20% (50% Credit Suisse Leveraged Loan Index / 50% Bank of America Merrill Lynch US HY BB-B Rated Constrained Index), 2% (50% JP Morgan EMBI Global Diversified Index / 50% JP Morgan GBI – EM Global Diversified Index), 5% (60% MSCI World / 40% CITI WGBI), 5% Credit Suisse Hedge Global Macro Index, 3% Wilshire REIT Index, 4% NCREIF Property Index, 11% Cambridge Associates US All PE 1 Quarter Lag, 8% (CPI + 4% Seasonally Adjusted), 1% 91 Day T-Bill.
- **10/1/2017 – Current:** 16% S&P 500 Index, 3% Russell 2500 Index, 5% MSCI EAFE Index, 9% MSCI Emerging Markets Index, 6% Barclays Aggregate Index, 18% (50% Credit Suisse Leveraged Loan Index / 50% Bank of America Merrill Lynch US HY BB-B Rated Constrained Index), 2% JP Morgan GBI – EM Global Diversified Index, 7% (60% MSCI World / 40% CITI WGBI), 5% Libor + 2%, 3% Wilshire REIT Index, 4% NCREIF Property Index, 13% Cambridge Associates US All PE 1 Quarter Lag, 8% (CPI + 4% Seasonally Adjusted), 1% 91 Day T-Bill.



GLOSSARY OF INVESTMENT TERMINOLOGY

Alpha - Measures the relationship between the fund performance and the performance of another fund or benchmark index and equals the excess return while the other fund or benchmark index is zero.

Alpha Jensen - The average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return. Also known as the abnormal return or the risk adjusted excess return.

Annualized Excess Return over Benchmark - Annualized fund return minus the annualized benchmark return for the calculated return.

Annualized Return - A statistical technique whereby returns covering periods greater than one year are converted to cover a 12 month time span.

Beta - Measures the volatility or systematic risk and is equal to the change in the fund's performance in relation to the change in the assigned index's performance.

Information Ratio - A measure of the risk adjusted return of a financial security, asset, or portfolio.

Formula: (Annualized Return of Portfolio - Annualized Return of Benchmark)/Annualized Standard Deviation(Period Portfolio Return - Period Benchmark Return). To annualize standard deviation, multiply the deviation by the square root of the number of periods per year where monthly returns per year equals 12 and quarterly returns is four periods per year.

R-Squared - Represents the percentage of a fund's movements that can be explained by movements in an index. R-Squared values range from 0 to 100. An R-Squared of 100 denotes that all movements of a fund are completely explained by movements in the index.

Sharpe Ratio - A measure of the excess return or risk premium per unit of risk in an investment asset or trading strategy.

Sortino Ratio - A method to differentiate between good and bad volatility in the Sharpe Ratio. The differentiation of up and down volatility allows the calculation to provide a risk adjusted measure of a security or fund's performance without upward price change penalties.

*Formula: Calculation Average (X-Y)/Downside Deviation (X-Y) * 2 Where X=Return Series X Y = Return Series Y which is the risk free return (91 day T-bills)*

Standard Deviation - The standard deviation is a statistical term that describes the distribution of results. It is a commonly used measure of volatility of returns of a portfolio, asset class, or security. The higher the standard deviation the more volatile the returns are.

Formula: (Annualized Return of Portfolio - Annualized Return of Risk Free) / Annualized Standard Deviation (Portfolio Returns)

Tracking Error - Tracking error, also known as residual risk, is a measure of the degree to which a portfolio tracks its benchmark. It is also a measure of consistency of excess returns. Tracking error is computed as the annualized standard deviation of the difference between a portfolio's return and that of its benchmark.

*Formula: Tracking Error = Standard Deviation (X-Y) * $\sqrt{(\# \text{ of periods per year})}$ Where X = periods portfolio return and Y = the period's benchmark return For monthly returns, the periods per year = 12 For quarterly returns, the periods per year = 4*

Treynor Ratio - A risk-adjusted measure of return based on systematic risk. Similar to the Sharpe ratio with the difference being the Treynor ratio uses beta as the measurement of volatility.

Formula: (Portfolio Average Return - Average Return of Risk-Free Rate)/Portfolio Beta

Up/Down Capture Ratio - A measure of what percentage of a market's re-turns is "captured" by a portfolio. For example, if the market declines 10% over some period, and the manager declines only 9%, then his or her capture ratio is 90%. In down markets, it is advantageous for a manager to have as low a capture ratio as possible. For up markets, the higher the capture ratio the better. Looking at capture ratios can provide insight into how a manager achieves excess returns. A value manager might typically have a lower capture ratio in both up and down markets, achieving excess returns by protecting on the downside, whereas a growth manager might fall more than the overall market in down markets, but achieve above-market returns in a rising market.

UpsideCapture = TotalReturn(FundReturns)/TotalReturns(BMReturn) when Period Benchmark Return is > = 0

UpsideCapture = TotalReturn(FundReturns)/TotalReturns(BMReturn) when Period Benchmark Return is > = 0



GLOSSARY OF INVESTMENT TERMINOLOGY

Of Portfolios/Observations¹ - The total number of data points that make up a specified universe

Allocation Index³ - The allocation index measures the value added (or subtracted) to each portfolio by active management. It is calculated monthly: The portfolio asset allocation to each category from the prior month-end is multiplied by a specified market index.

Asset Allocation Effect² - Measures an investment manager's ability to effectively allocate their portfolio's assets to various sectors. The allocation effect determines whether the overweighting or underweighting of sectors relative to benchmark contributes positively or negatively to the overall portfolio return. Positive allocation occurs when the portfolio is over weighted in a sector that outperforms the benchmark and underweighted in a sector that underperforms the benchmark. Negative allocation occurs when the portfolio is over weighted in a sector that underperforms the benchmark and under weighted in a sector that outperforms the benchmark.

Agency Bonds (Agencies)³ - The full faith and credit of the United States government is normally not pledged to payment of principal and interest on the majority of government agencies issuing these bonds, with maturities of up to ten years. Their yields, therefore, are normally higher than government and their marketability is good, thereby qualifying them as a low risk-high liquidity type of investment. They are eligible as security for advances to the member banks by the Federal Reserve, which attests to their standing.

Asset Backed Securities (ABS)³ - Bonds which are similar to mortgage-backed securities but are collateralized by assets other than mortgages; commonly backed by credit card receivables, auto loans, or other types of consumer financing.

Attribution³ - Attribution is an analytical technique that allows us to evaluate the performance of the portfolio relative to the benchmark. A proper attribution tells us where value was added or subtracted as a result of the manager's decisions.

Average Effective Maturity⁴ - For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer.

For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called. In a pool of mortgages, this would also account for the likelihood of prepayments on the mortgages.

Batting Average¹ - A measurement representing an investment manager's ability to meet or beat an index.

Formula: Divide the number of days (or months, quarters, etc.) in which the manager beats or matches the index by the total number of days (or months, quarters, etc.) in the period of question and multiply that factor by 100.

Brinson Fachler (BF) Attribution¹ - The BF methodology is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance. The main advantage of the BF methodology is that rather than using the overall return of the benchmark, it goes a level deeper than BHB and measures whether the benchmark sector, country, etc. outperformed/or underperformed the overall benchmark.

Brinson Hood Beebower (BHB) Attribution¹ - The BHB methodology shows that excess return must be equal to the sum of all other factors (i.e., allocation effect, selection effect, interaction effect, etc.). The advantage to using the BHB methodology is that it is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance.

Corporate Bond (Corp)⁴ - A debt security issued by a corporation and sold to investors. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. In some cases, the company's physical assets may be used as collateral for bonds.

Correlation¹ - A range of statistical relationships between two or more random variables or observed data values. A correlation is a single number that describes the degree of relationship between variables.

Data Source: ¹InvestorForce, ²Interaction Effect Performance Attribution, ³NEPC, LLC, ⁴Investopedia, ⁵Hedgeco.net



GLOSSARY OF INVESTMENT TERMINOLOGY

Coupon⁴ – The interest rate stated on a bond when it is issued. The coupon is typically paid semiannually. This is also referred to as the "coupon rate" or "coupon percent rate."

Currency Effect¹ – Is the effect that changes in currency exchange rates over time affect excess performance.

Derivative Instrument² – A financial obligation that derives its precise value from the value of one or more other instruments (or assets) at the same point of time. For example, the relationship between the value of an S&P 500 futures contract (the derivative instrument in this case) is determined by the value of the S&P 500 Index and the value of a U.S. Treasury bill that matures at the expiration of the futures contract.

Downside Deviation¹ – Equals the standard deviation of negative return or the measure of downside risk focusing on the standard deviation of negative returns.

Formula:

Annualized Standard Deviation (Fund Return - Average Fund Return) where average fund return is greater than individual fund returns, monthly or quarterly.

Duration³ – Duration is a measure of interest rate risk. The greater the duration of a bond, or a portfolio of bonds, the greater its price volatility will be in response to a change in interest rates. A bond's duration is inversely related to interest rates and directly related to time to maturity.

Equity/Debt/Cash Ratio¹ – The percentage of an investment or portfolio that is in Equity, Debt, and/or Cash (i.e. A 7/89/4 ratio represents an investment that is made up of 7% Equity, 89% Debt, and 4% Cash).

Foreign Bond³ – A bond that is issued in a domestic market by a foreign entity, in the domestic market's currency. A foreign bond is most often issued by a foreign firm to raise capital in a domestic market that would be most interested in purchasing the firm's debt. For foreign firms doing a large amount of business in the domestic market, issuing foreign bonds is a common practice.

Hard Hurdle⁵ – is a hurdle rate that once beaten allows a fund manager to charge a performance fee on only the funds above the specified hurdle rate.

High-Water Mark⁴ – The highest peak in value that an investment fund/account has reached. This term is often used in the context of fund manager compensation, which is performance based. Some performance-based fees only get paid when fund performance exceeds the high-water mark. The high-water mark ensures that the manager does not get paid large sums for poor performance.

Hurdle Rate⁴ – The minimum rate of return on an investment required, in order for a manager to collect incentive fees from the investor, which is usually tied to a benchmark.

Interaction Effects² – The interaction effect measures the combined impact of an investment manager's selection and allocation decisions within a sector. For example, if an investment manager had superior selection and over weighted that particular sector, the interaction effect is positive. If an investment manager had superior selection, but underweighted that sector, the interaction effect is negative. In this case, the investment manager did not take advantage of the superior selection by allocating more assets to that sector. Since many investment managers consider the interaction effect to be part of the selection or the allocation, it is often combined with the either effect.

Median³ – The value (rate of return, market sensitivity, etc.) that exceeds one-half of the values in the population and that is exceeded by one-half of the values. The median has a percentile rank of 50.

Modified Duration³ – The percentage change in the price of a fixed income security that results from a change in yield.

Mortgage Backed Securities (MBS)³ – Bonds which are a general obligation of the issuing institution but are also collateralized by a pool of mortgages.

Municipal Bond (Muni)⁴ – A debt security issued by a state, municipality or county to finance its capital expenditures.

Net Investment Change¹ – Is the change in an investment after accounting for all Net Cash Flows.

Performance Fee⁴ – A payment made to a fund manager for generating positive returns. The performance fee is generally calculated as a percentage of investment profits, often both realized and unrealized.

Data Source: ¹InvestorForce, ²Interaction Effect Performance Attribution, ³NEPC, LLC, ⁴Investopedia, ⁵Hedgeco.net



GLOSSARY OF INVESTMENT TERMINOLOGY

Policy Index³ - A custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation targets set forth in this investment policy statement.

Price to Book (P/B)⁴ - A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share, also known as the "price-equity ratio".

Price to Earnings (P/E)³ - The weighted equity P/E is based on current price and trailing 12 months earnings per share (EPS).

Price to Sales (P/S)⁴ - A ratio for valuing a stock relative to its own past performance, other companies, or the market itself. Price to sales is calculated by dividing a stock's current price by its revenue per share for the trailing 12 months.

Return on Equity (ROE)⁴ - The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

Selection (or Manager) Effect² - Measures the investment manager's ability to select securities within a given sector relative to a benchmark. The over or underperformance of the portfolio is weighted by the benchmark weight, therefore, selection is not affected by the manager's allocation to the sector. The weight of the sector in the portfolio determines the size of the effect—the larger the sector, the larger the effect is, positive or negative.

Soft Hurdle rate⁵ - is a hurdle rate that once beaten allows a fund manager to charge a performance fee based on the entire annualized return.

Tiered Fee¹ - A fee structure that is paid to fund managers based on the size of the investment (i.e. 1.00% fee on the first \$10M invested, 0.90% on the next \$10M, and 0.80% on the remaining balance).

Total Effects² - The active management (total) effect is the sum of the selection, allocation, and interaction effects. It is also the difference between the total portfolio return and the total benchmark return. You can use the active management effect to determine the amount the investment manager has added to a portfolio's return.

Total Return¹ - The actual rate of return of an investment over a specified time period. Total return includes interest, capital gains, dividends, and distributions realized over a defined time period.

Universe³ - The list of all assets eligible for inclusion in a portfolio.

Upside Deviation¹ - Standard Deviation of Positive Returns

Weighted Avg. Market Cap.⁴ - A stock market index weighted by the market capitalization of each stock in the index. In such a weighting scheme, larger companies account for a greater portion of the index. Most indexes are constructed in this manner, with the best example being the S&P 500.

Yield (%)³ - The current yield of a security is the current indicated annual dividend rate divided by current price.

Yield to Maturity³ - The discount rate that equates the present value of cash flows, both principal and interest, to market price.

Data Source: ¹InvestorForce, ²Interaction Effect Performance Attribution, ³NEPC, LLC, ⁴Investopedia, ⁵Hedgero.net



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- Past performance is no guarantee of future results.
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- The client's custodian bank is NEPC's preferred data source unless otherwise directed. NEPC generally reconciles custodian data to manager data. If the custodian cannot provide accurate data, manager data may be used.
- Trailing time period returns are determined by geometrically linking the holding period returns, from the first full month after inception to the report date. Rates of return are annualized when the time period is longer than a year. Performance is presented gross and/or net of manager fees as indicated on each page.
- For managers funded in the middle of a month, the "since inception" return will start with the first full month, although actual inception dates and cash flows are taken into account in all Composite calculations.
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