

**INVESTMENT PERFORMANCE ANALYSIS FOR
PERIOD ENDING SEPTEMBER 30, 2018**

NEW MEXICO EDUCATIONAL RETIREMENT BOARD

November 2018

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MARKET ENVIRONMENT UPDATE AND OUTLOOK

NEPC, LLC

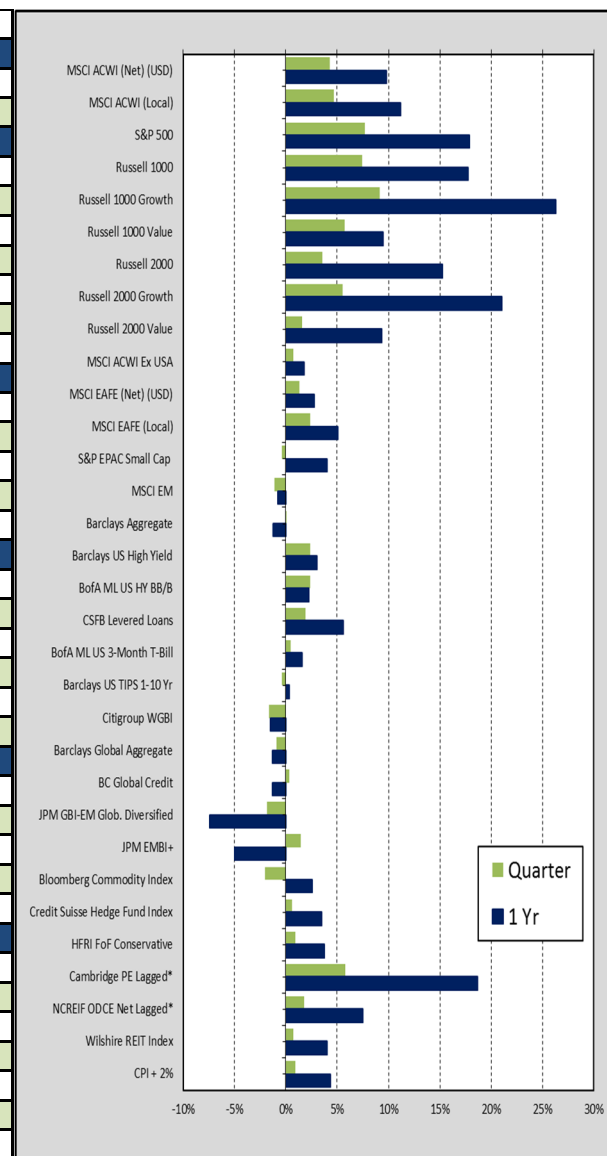
ECONOMIC ENVIRONMENT

- **Real GDP (third quarter) increased at an annual rate of 3.5% (advance estimate).**
 - Retail sales ended August at +4.0% on a YoY basis. In the same period last year the YoY growth rate was 3.6%.
 - Corporate profits (ended April) as a percent of GDP increased to 9.6% from 9.5% (in January) and remain elevated relative to historical levels.
 - The inventory-to-sales ratio ended August flat at 1.3 and has remained relatively constant since early 2010.
 - The U.S. trade deficit widened 6.4% as exports fell.
- **The unemployment rate decreased to 3.7% from 4.0% ended Q3; U-6, a broader measure of unemployment, decreased to 7.5% from 7.8% during the third quarter.**
- **The Case-Shiller Home Price Index (ended July) increased to 205.4 from 200.9 and remains at levels higher than that of pre-financial crisis levels of 150.9.**
- **Rolling 12-month seasonally-adjusted CPI saw a down-tick to 2.3% from 2.9% ended September; Capacity Utilization increased to 78.1% from 78.0% in Q3.**
- **Fed Funds rate was increased 0.25% to a targeted range of 2.00% - to – 2.25%. The 10-year Treasury Yield (constant maturity) finished Q3 at 3.0% up from 2.9%.**
- **The Fed balance sheet decreased slightly during Q3 2018, while the European Central Bank balance sheet continues to increase.**
 - ECB held its benchmark refinancing rate at 0%, deposit rates -0.4% and reaffirmed that asset purchases may end in December.
- **S&P valuations increased slightly in Q2, remaining above the 10-year and long-term averages.**
 - Cyclically adjusted Shiller PE ratio (32.8x) is above the long-term average of 16.6x and above the 10-year average of 23.95x.



MARKET ENVIRONMENT – Q3 2018 OVERVIEW

		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks						
MSCI ACWI (Net) (USD)	World	4.3%	9.8%	13.4%	8.7%	8.2%
MSCI ACWI (Local)	World (Local Currency)	4.7%	11.2%	13.3%	10.4%	8.9%
Domestic Equity Benchmarks						
S&P 500	Large Core	7.7%	17.9%	17.3%	14.0%	12.0%
Russell 1000	Large Core	7.4%	17.8%	17.1%	13.7%	12.1%
Russell 1000 Growth	Large Growth	9.2%	26.3%	20.6%	16.6%	14.3%
Russell 1000 Value	Large Value	5.7%	9.5%	13.6%	10.7%	9.8%
Russell 2000	Small Core	3.6%	15.2%	17.1%	11.1%	11.1%
Russell 2000 Growth	Small Growth	5.5%	21.1%	18.0%	12.1%	12.7%
Russell 2000 Value	Small Value	1.6%	9.3%	16.1%	9.9%	9.5%
International Equity Benchmarks						
MSCI ACWI Ex USA	World ex-US	0.7%	1.8%	10.0%	4.1%	5.2%
MSCI EAFE (Net) (USD)	Int'l Developed	1.4%	2.7%	9.2%	4.4%	5.4%
MSCI EAFE (Local)	Int'l Developed (Local Currency)	2.4%	5.1%	9.4%	7.9%	6.7%
S&P EPAC Small Cap	Small Cap Int'l	-0.4%	4.0%	12.2%	8.3%	9.3%
MSCI EM	Emerging Equity	-1.1%	-0.8%	12.4%	3.6%	5.4%
Domestic Fixed Income Benchmarks						
Barclays Aggregate	Core Bonds	0.0%	-1.2%	1.3%	2.2%	3.8%
Barclays US High Yield	High Yield	2.4%	3.1%	8.2%	5.5%	9.5%
BofA ML US HY BB/B	High Yield	2.4%	2.3%	7.3%	5.4%	8.6%
CSFB Levered Loans	Bank Loans	1.9%	5.6%	5.4%	4.4%	5.9%
BofA ML US 3-Month T-Bill	Cash	0.5%	1.6%	0.8%	0.5%	0.3%
Barclays US TIPS 1-10 Yr	Inflation	-0.4%	0.3%	1.7%	0.9%	2.5%
Global Fixed Income Benchmarks						
Citigroup WGBI	World Gov. Bonds	-1.6%	-1.5%	1.7%	0.2%	2.2%
Barclays Global Aggregate	Global Core Bonds	-0.9%	-1.3%	2.0%	0.8%	2.9%
BC Global Credit	Global Bonds	0.3%	-1.3%	2.9%	2.0%	4.5%
JPM GBI-EM Glob. Diversified	Em. Mkt. Bonds (Local Currency)	-1.8%	-7.4%	5.2%	-1.7%	2.7%
JPM EMBI+	Em. Mkt. Bonds	1.5%	-5.0%	4.8%	4.2%	6.8%
Alternative Benchmarks						
Bloomberg Commodity Index	Commodities	-2.0%	2.6%	-0.1%	-7.2%	-6.2%
Credit Suisse Hedge Fund Index	Hedge Fund	0.6%	3.5%	3.1%	3.4%	4.5%
HFRI FoF Conservative	Fund of Hedge Funds	0.9%	3.8%	2.9%	3.0%	2.2%
Cambridge PE Lagged*	Private Equity	5.8%	18.7%	12.7%	13.8%	10.8%
NCREIF ODCE Net Lagged*	Real Estate	1.8%	7.5%	8.4%	10.0%	4.3%
Wilshire REIT Index	REIT	0.7%	4.0%	7.1%	9.3%	7.4%
CPI + 2%	Inflation/Real Assets	1.0%	4.3%	4.0%	3.6%	3.5%















* As of 6/30/2018



PERFORMANCE OVERVIEW

Q3 Market Summary

Macro			Equity			Credit			Real Assets		
US Dollar	VIX	US 10-Yr	S&P 500	MSCI EAFE	MSCI EM	US Agg.	High Yield	Dollar EMD	Oil	Gold	REITS
											
0.7%	-4.0	20 bps	7.7%	1.4%	-1.1%	0.0%	2.4%	1.9%	-1.2%	-4.8%	0.7%

- **US equities increased during the quarter, supported by strong macroeconomic data and a tight labor market**
- **Emerging market equities broadly declined with ongoing currency weakness and trade tensions weighing on sentiment**
- **The Federal Reserve hiked rates for the third time this year and is expected to hike rates again in December**

Market segment (index representation) as follows: US Dollar (DXY Index), VIX (CBOE Volatility Index), US 10-Year (US 10-Year Treasury Yield), S&P 500 (US Equity), MSCI EAFE Index (International Developed Equity), MSCI Emerging Markets (Emerging Markets Equity), US Agg (Barclays US Aggregate Bond Index), High Yield (Barclays US High Yield Index), Dollar EMD (JPM Emerging Market Bond Index), Crude Oil (WTI Crude Oil Spot), Gold (Gold Price Spot), and REITs (NAREIT Composite Index).



MACRO PERFORMANCE OVERVIEW

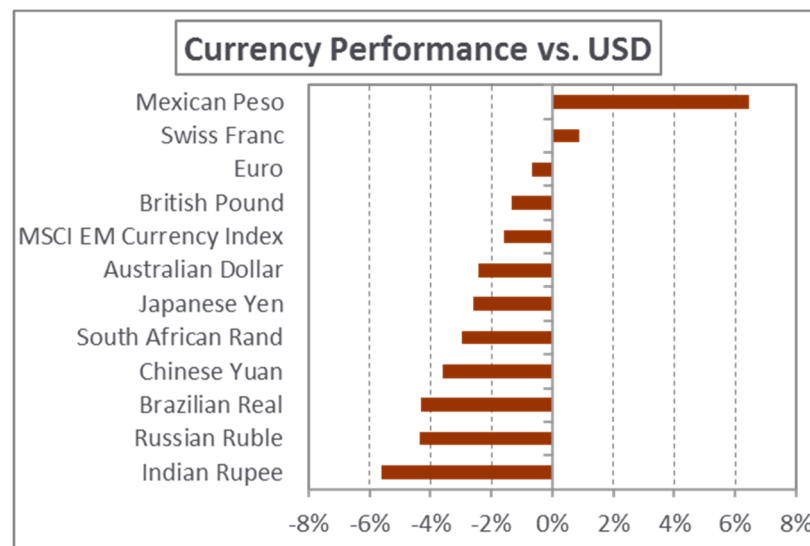
Q3 Macro Market Summary

- The global growth outlook remains in tact, despite trade policy issues
- Global bond yields increased as central banks transition toward tighter monetary policy
- Higher rates in the US supported the dollar – adding further pressure to emerging market currencies

	Yield 06/30/18	Yield 09/30/18	Δ
US 10-Yr	2.86%	3.06%	0.20%
US 30-Yr	2.99%	3.21%	0.22%
US Real 10-Yr	0.74%	0.92%	0.18%
German 10-Yr	0.30%	0.47%	0.17%
Japan 10-Yr	0.04%	0.13%	0.09%
China 10-Yr	3.48%	3.63%	0.15%
EM Local Debt	6.59%	6.62%	0.03%

Source: Bloomberg

Central Banks	Current Rate	CPI YOY	Notes from the Quarter
Federal Reserve	2.00% - 2.25%	2.7%	The Fed increased its benchmark interest rate to 2.00% - 2.25% in September and is expected to hike rates one more time in 2018
European Central Bank	0.0%	2.1%	The ECB maintained its current benchmark interest rate, but continues its plan to scale back its QE Program
Bank of Japan	-0.1%	1.3%	The BoJ will continue its ultra-easy QE program with inflation remaining well below target



Source: Bloomberg

EQUITY PERFORMANCE OVERVIEW

Q3 Equity Market Summary

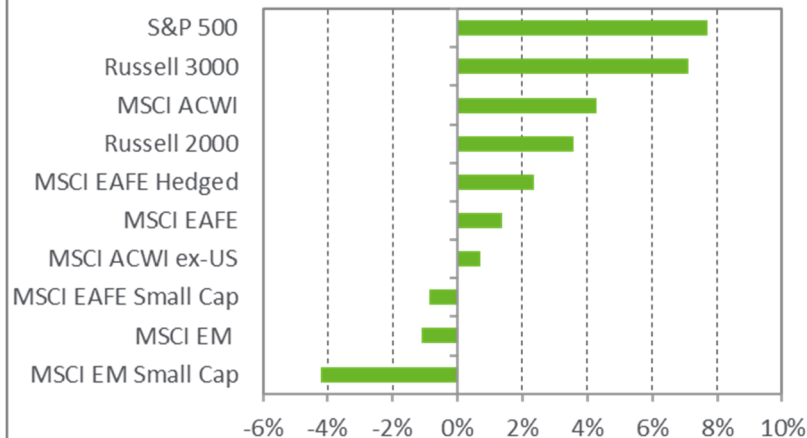
- **Strong economic data and positive sentiment helped US equities to outperform global equities**
- **Trade-sensitive economies disproportionately declined as escalating trade tensions and currency weakness weighed on returns**

Russell 3000 QTD Sector Return Contribution

Information Technology	1.7%
Consumer Discretionary	0.3%
Financials	0.5%
Industrials	1.4%
Consumer Staples	0.0%
Energy	0.4%
Materials	0.0%
Health Care	0.5%
Real Estate	0.6%
Communication Services	-1.0%
Utilities	0.1%

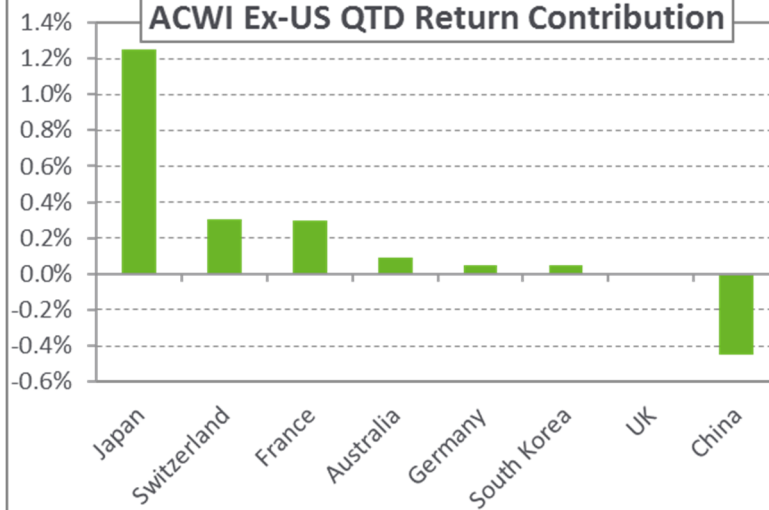
Source: Russell, Bloomberg

QTD Equity Index Returns



Source: MSCI, Russell, S&P, Bloomberg

ACWI Ex-US QTD Return Contribution



Source: MSCI, Bloomberg. QTD top country contributors to index return



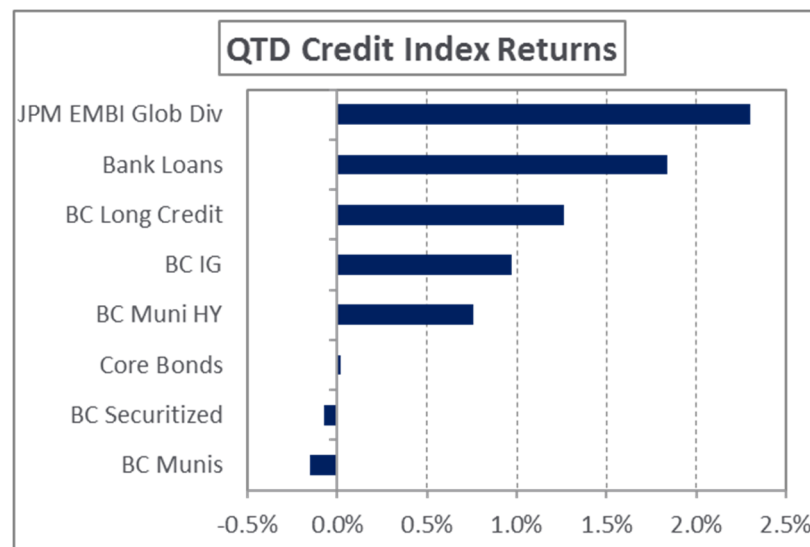
CREDIT PERFORMANCE OVERVIEW

Q3 Credit Market Summary

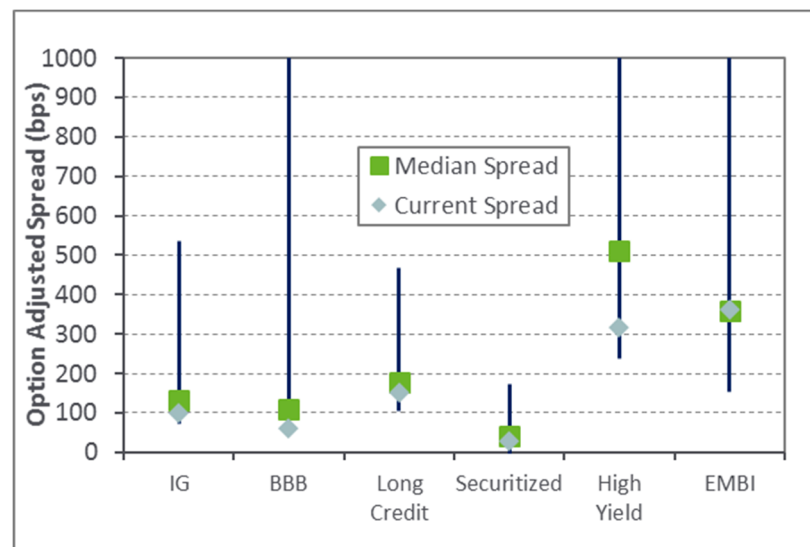
- **Credit spreads broadly declined and remain below medians in most areas of the credit market**
- **Dollar-denominated emerging market debt increased by 2.3% as spreads tightened**

Credit Spread (Basis Points)	06/30/18	09/30/18	Δ
BC IG Credit	116	100	-16
BC Long Credit	174	153	-21
BC Securitized	28	28	0
BC High Yield	363	316	-47
Muni HY	253	198	-55
JPM EMBI	388	362	-26
Bank Loans - Libor	303	281	-22

Source: Barclays, Merrill Lynch, JPM, Bloomberg, NEPC



Source: Barclays, JPM, S&P, Bloomberg



Source: Barclays, JPM, S&P, Bloomberg; as of 01/31/2000



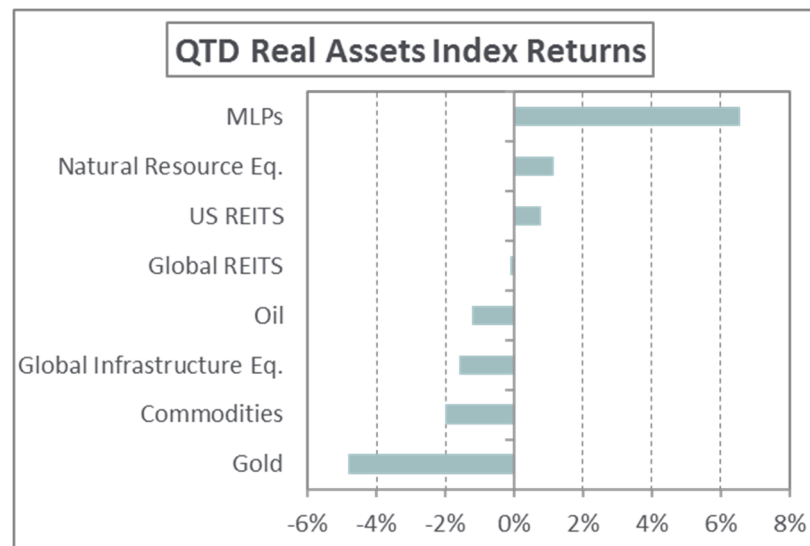
REAL ASSETS PERFORMANCE OVERVIEW

Q3 Real Assets Market Summary

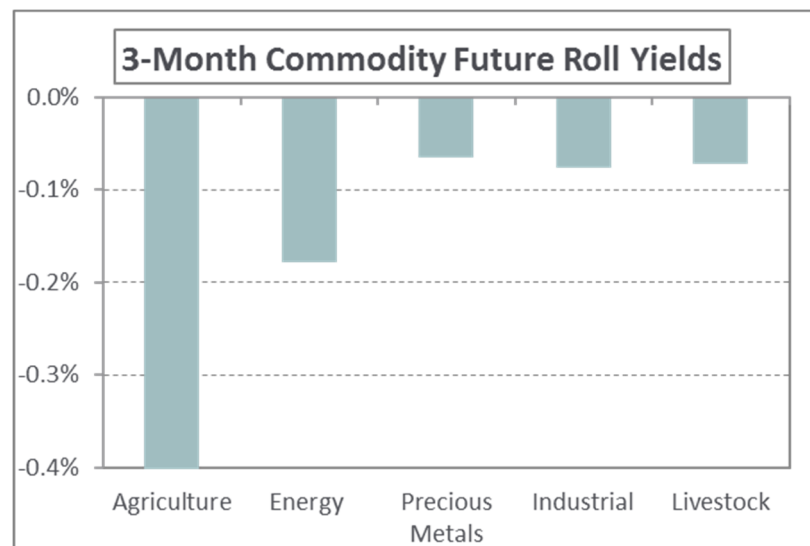
- **Oil declined 1.2% for the quarter, but is up 41.8% for the year**
- **Agricultural commodities declined substantially due to robust supply and trade war-related concerns**
- **MLP's increased 6.6%, supported by rising commodity prices and ongoing industry simplification**

Real Asset Yields	06/30/18	09/30/18
MLPs	8.1%	8.0%
Core Real Estate	4.2%	4.4%
US REITs	4.4%	4.2%
Global REITs	3.7%	3.7%
Global Infrastructure Equities	4.4%	4.5%
Natural Resource Equities	3.5%	3.5%
US 10-Yr Breakeven Inflation	2.1%	2.1%
Commodity Index Roll Yield	0.1%	-1.2%

Source: NCREIF, Alerian, NAREIT, S&P, Bloomberg



Source: S&P, NAREIT, Alerian, Bloomberg



Source: Bloomberg, NEPC Calculated as of 09/28/2018



THE END OF FEDERAL RESERVE GRADUALISM

Key Market Themes Change

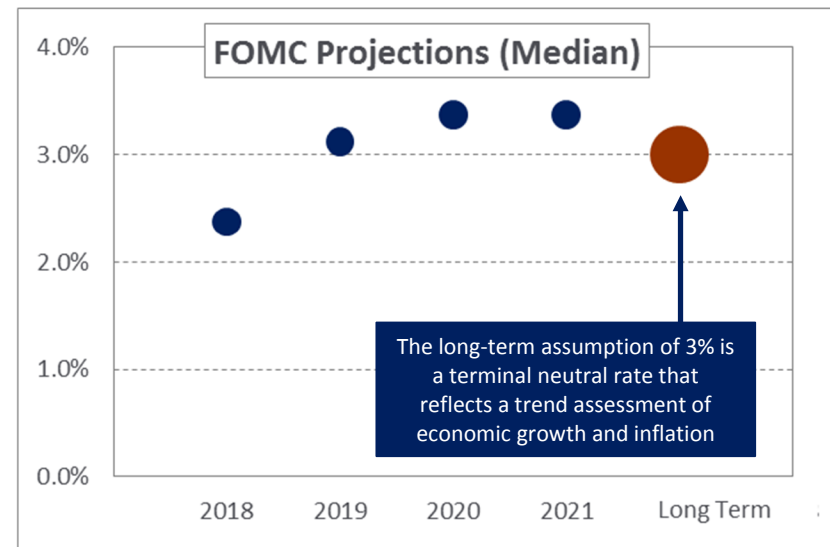
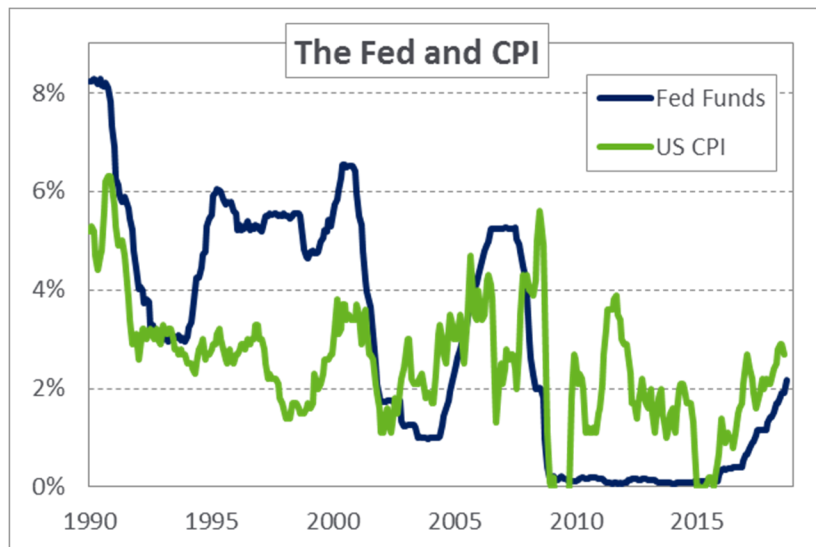
The end of Fed Gradualism: The Fed has shifted from a “lower for longer” policy to a more balanced posture of raising rates in-line with higher inflation

The Fed appears less willing to accept some inflation to repair the past deflationary impact of the 2008 financial crisis and is now looking to manage inflation closer to its target range

Based on the FOMC projections, the Fed is communicating a tightening path as their forecast for interest rate hikes moves beyond the long-term neutral rate

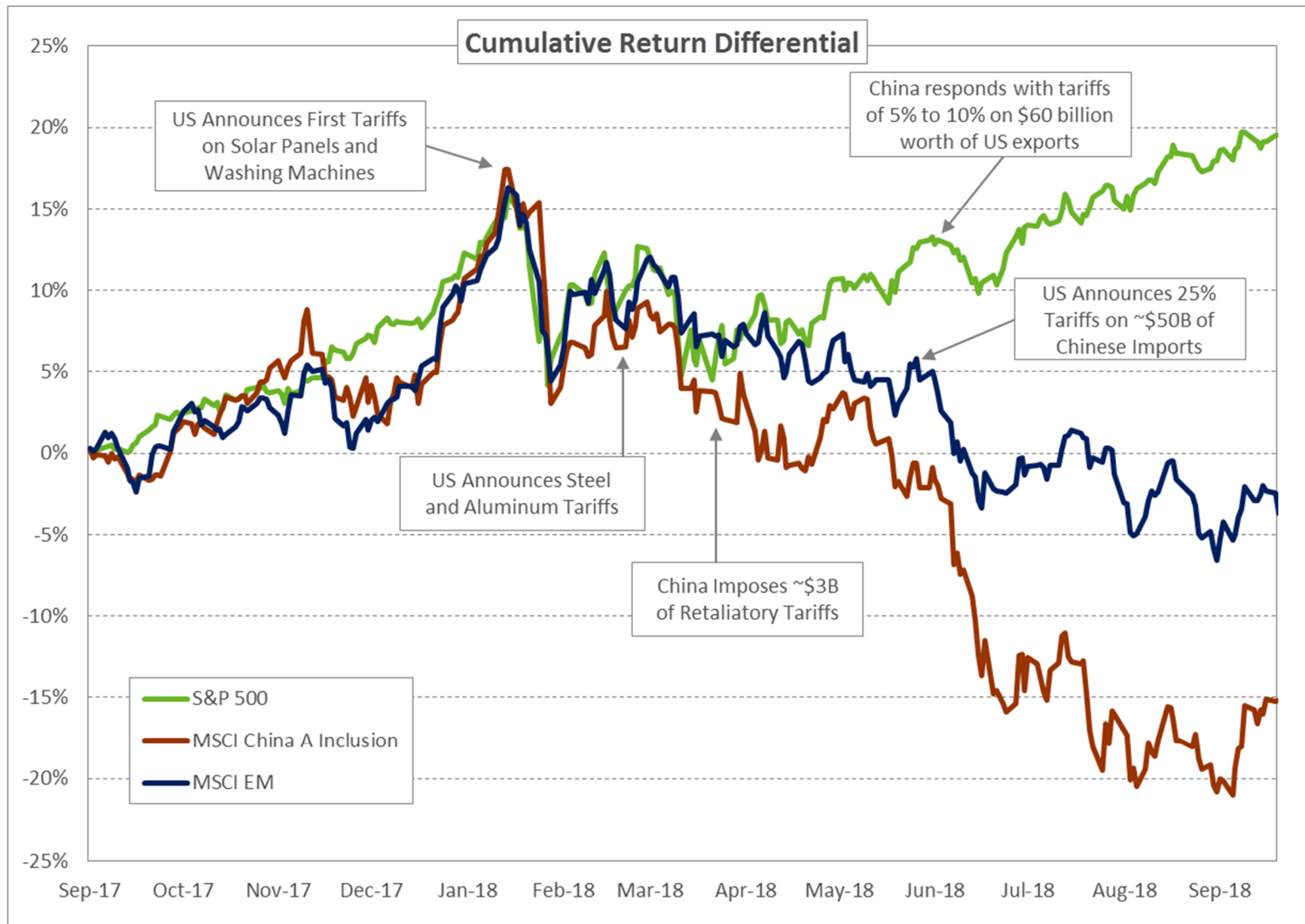
Markets are discounting a more muted pace of rate hikes relative to Fed projections, which increases the potential of a “Fed surprise” disrupting equity, fixed income, and currency markets

Fed is expected to be careful and data dependent when assessing the timing of interest rate increases relative to changes in inflation levels



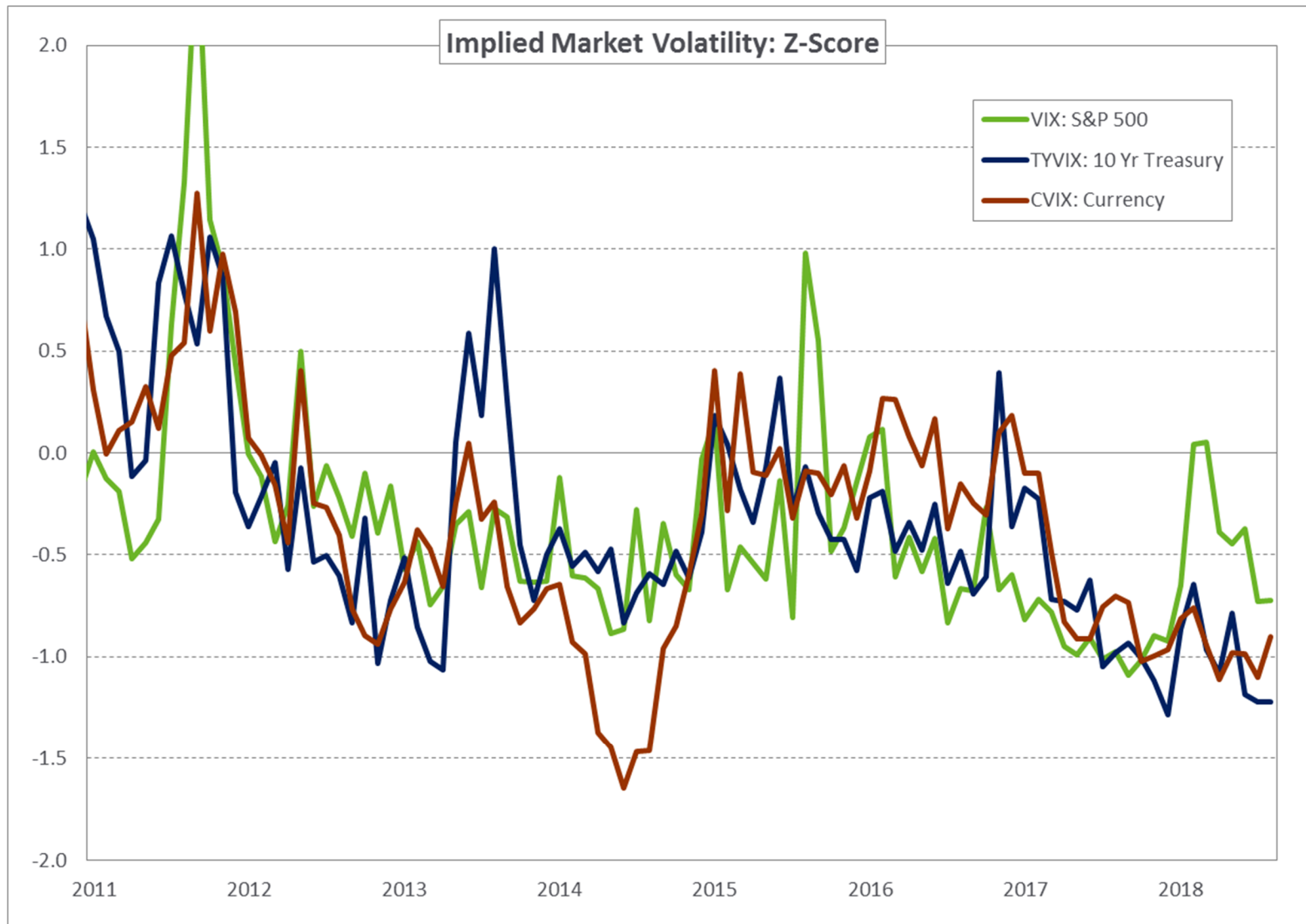
Source: (Left) Bloomberg
Source: (Right) FOMC

TRADE TENSIONS WEIGHED ON RETURNS

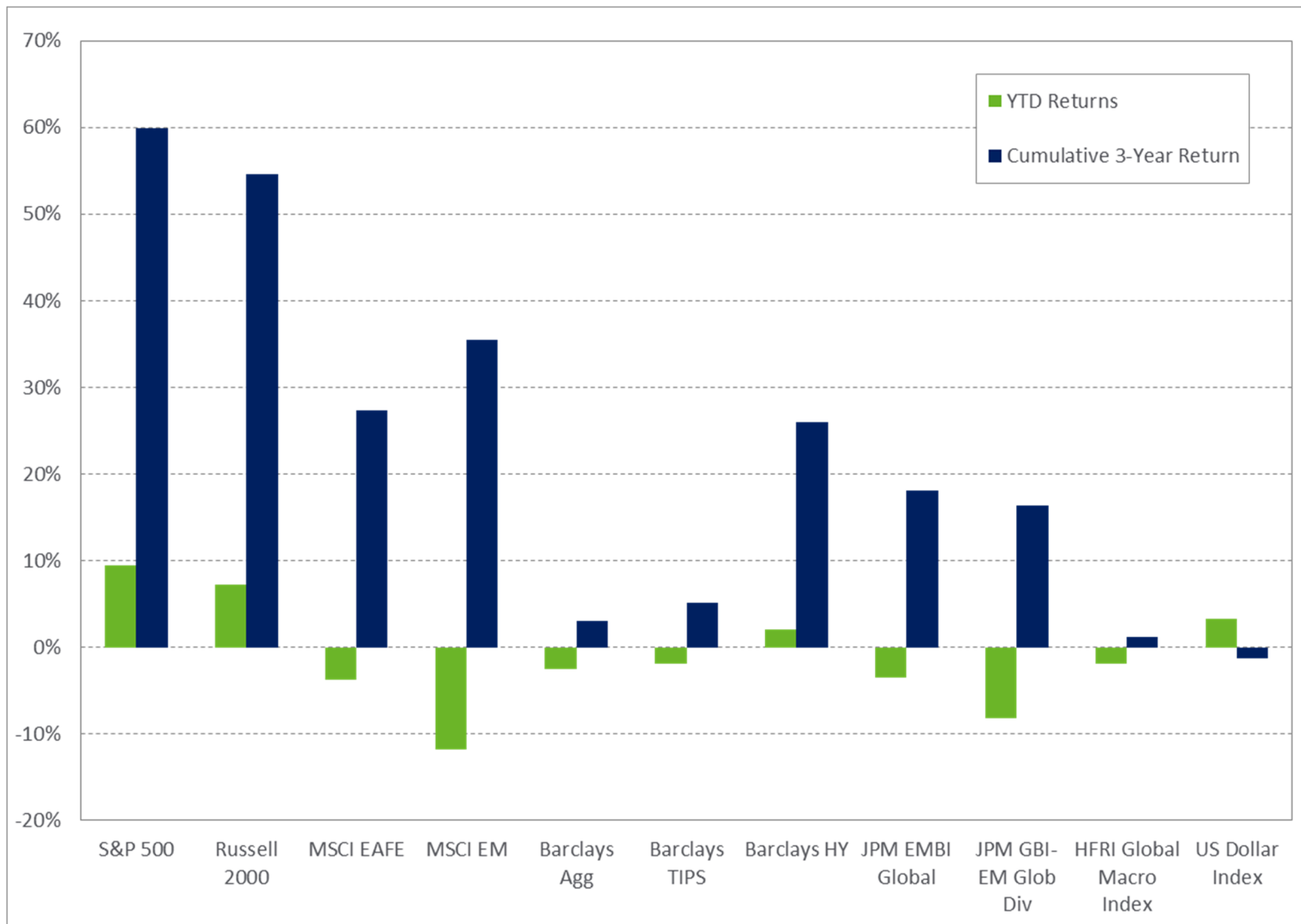


Source: S&P, MSCI, Bloomberg, NEPC

MARKET VOLATILITY IS WELL BELOW AVERAGE



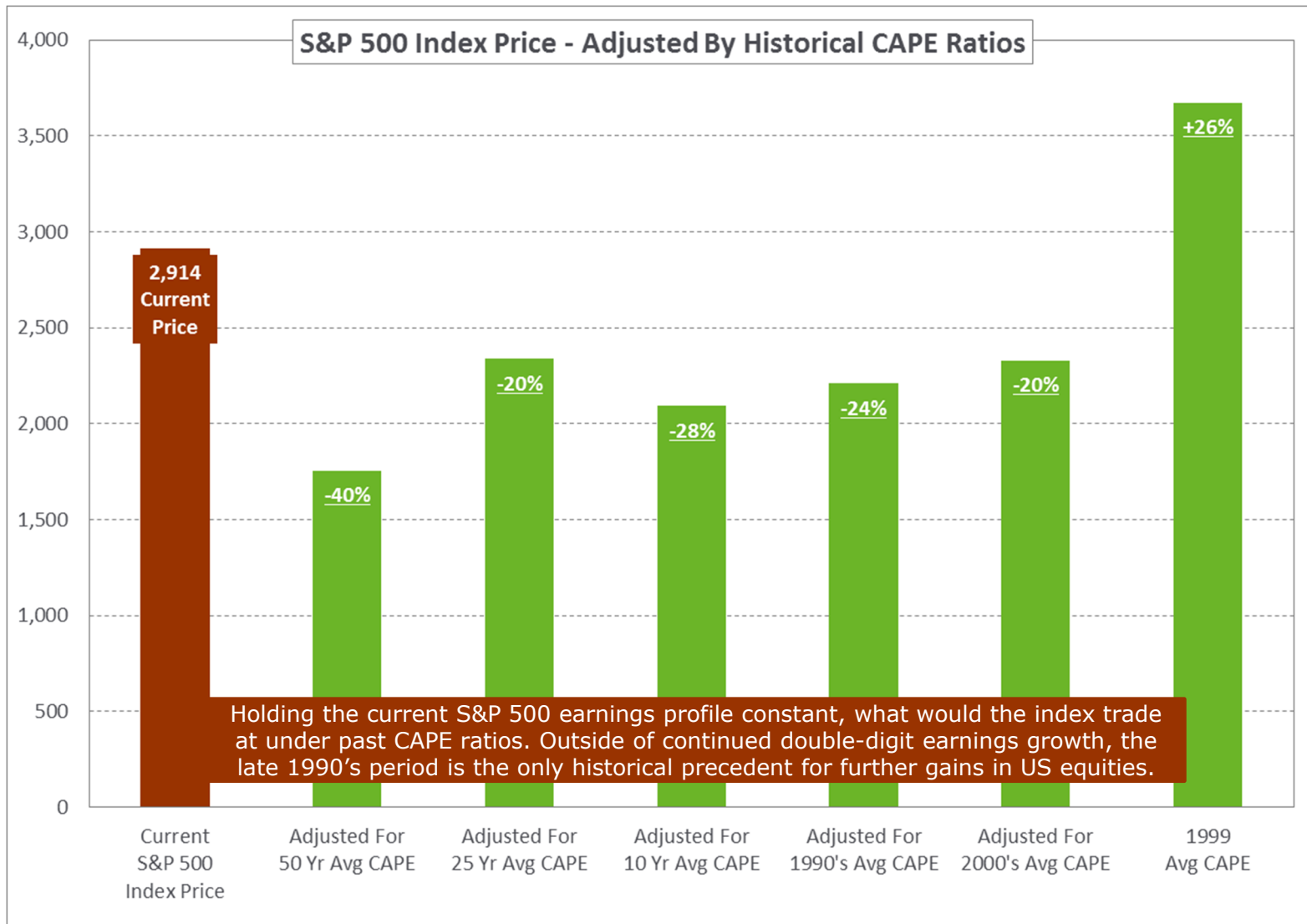
US EQUITIES ARE THE OUTLIER IN 2018



Source: Bloomberg

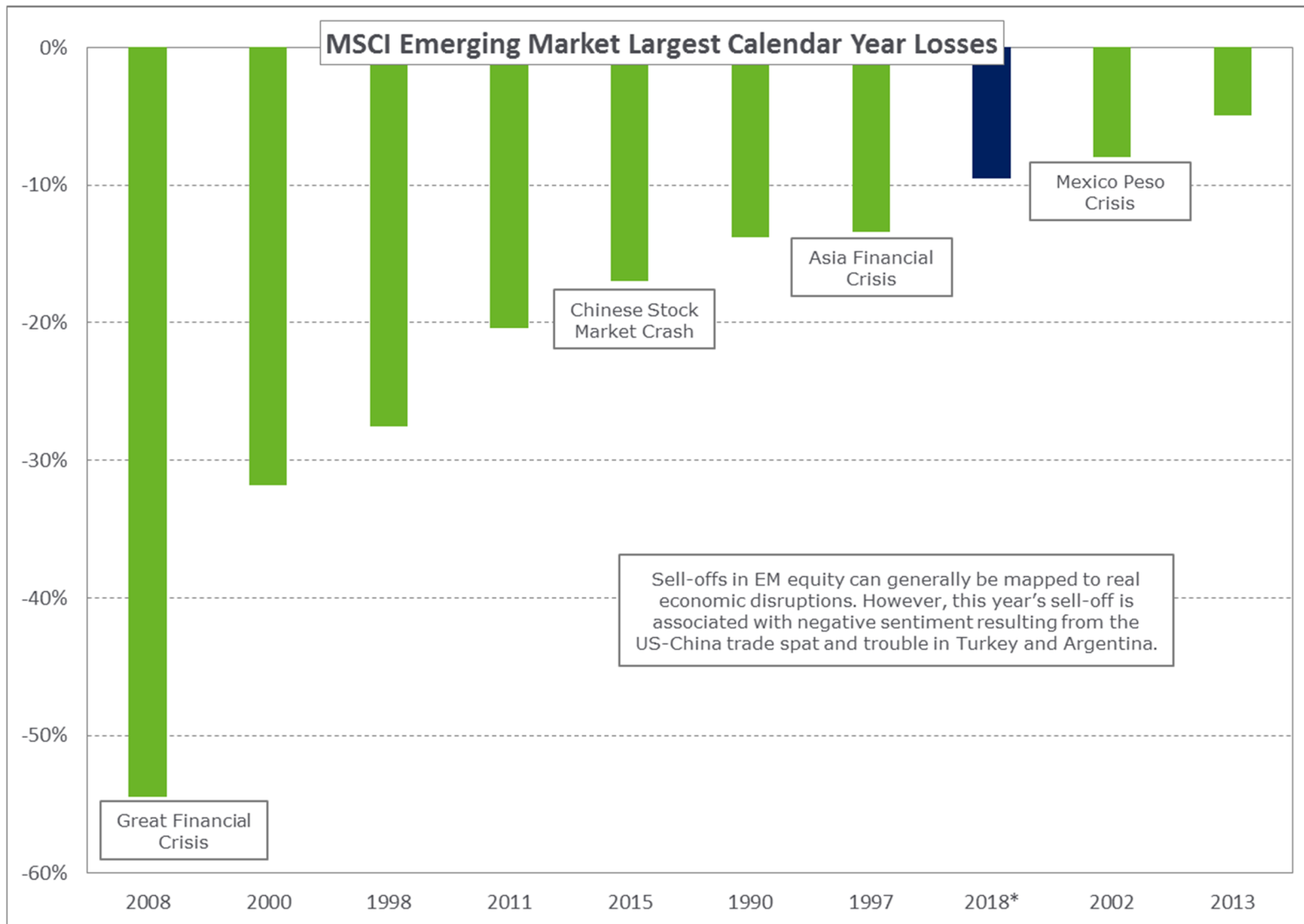


CAN VALUATIONS SUPPORT FURTHER GAINS?



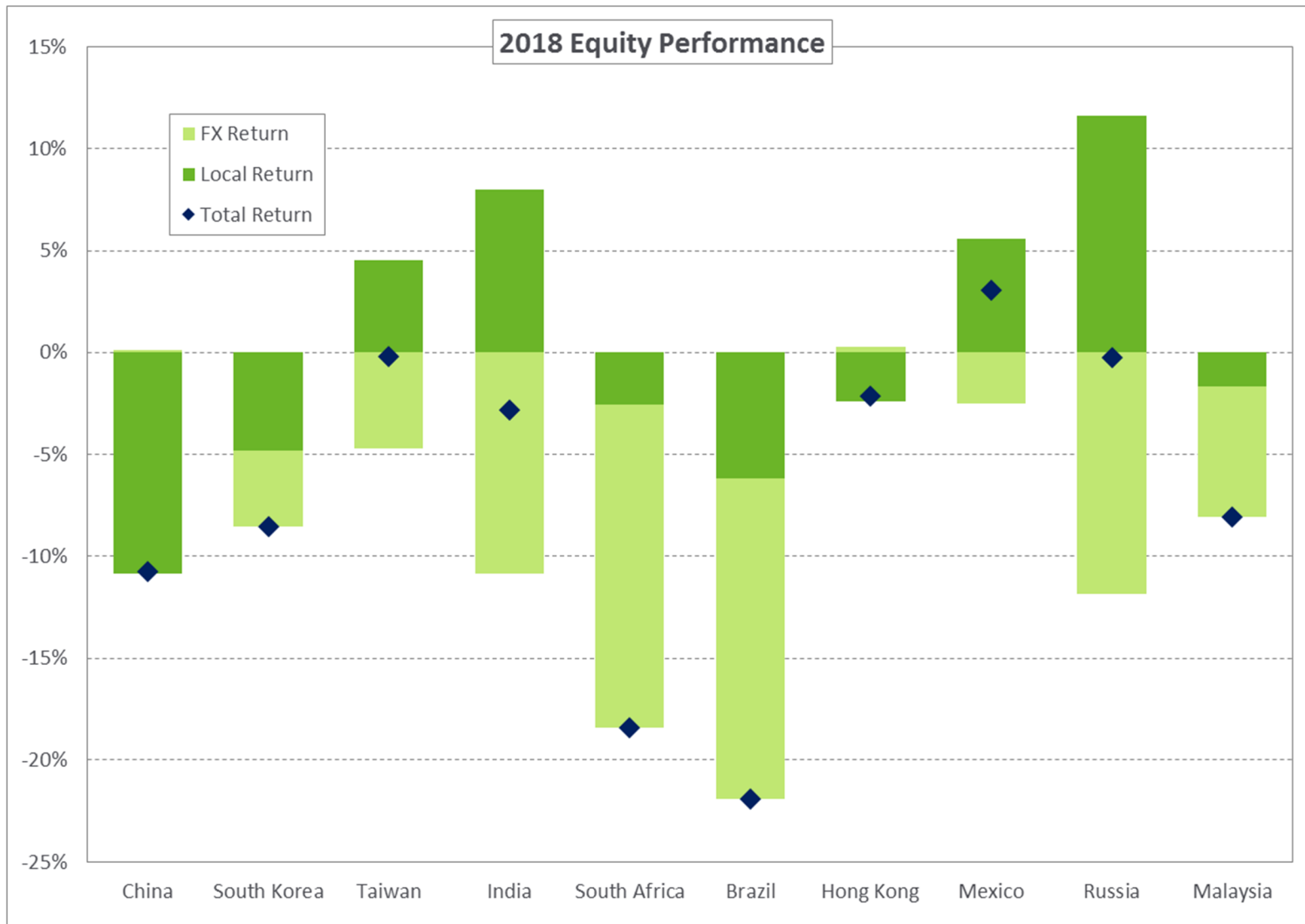
Source: Bloomberg, Yale, Robert Shiller

EM HAS DECLINED, BUT IT COULD BE WORSE



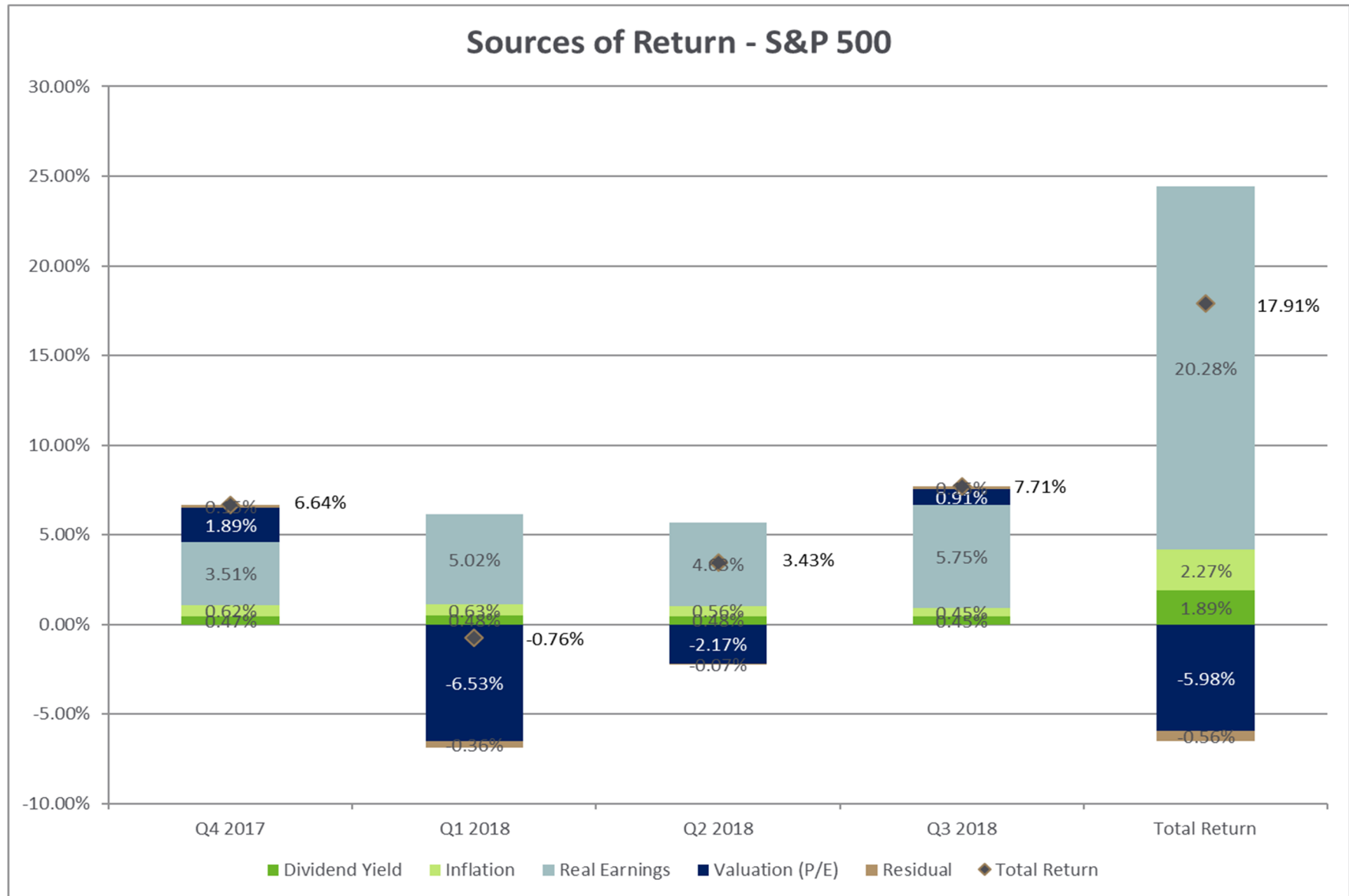
Data Source: MSCI, Bloomberg, NEPC
2018 represents returns for 12/29/2017-09/30/2018

CURRENCY DETRACTED FROM TOTAL RETURNS

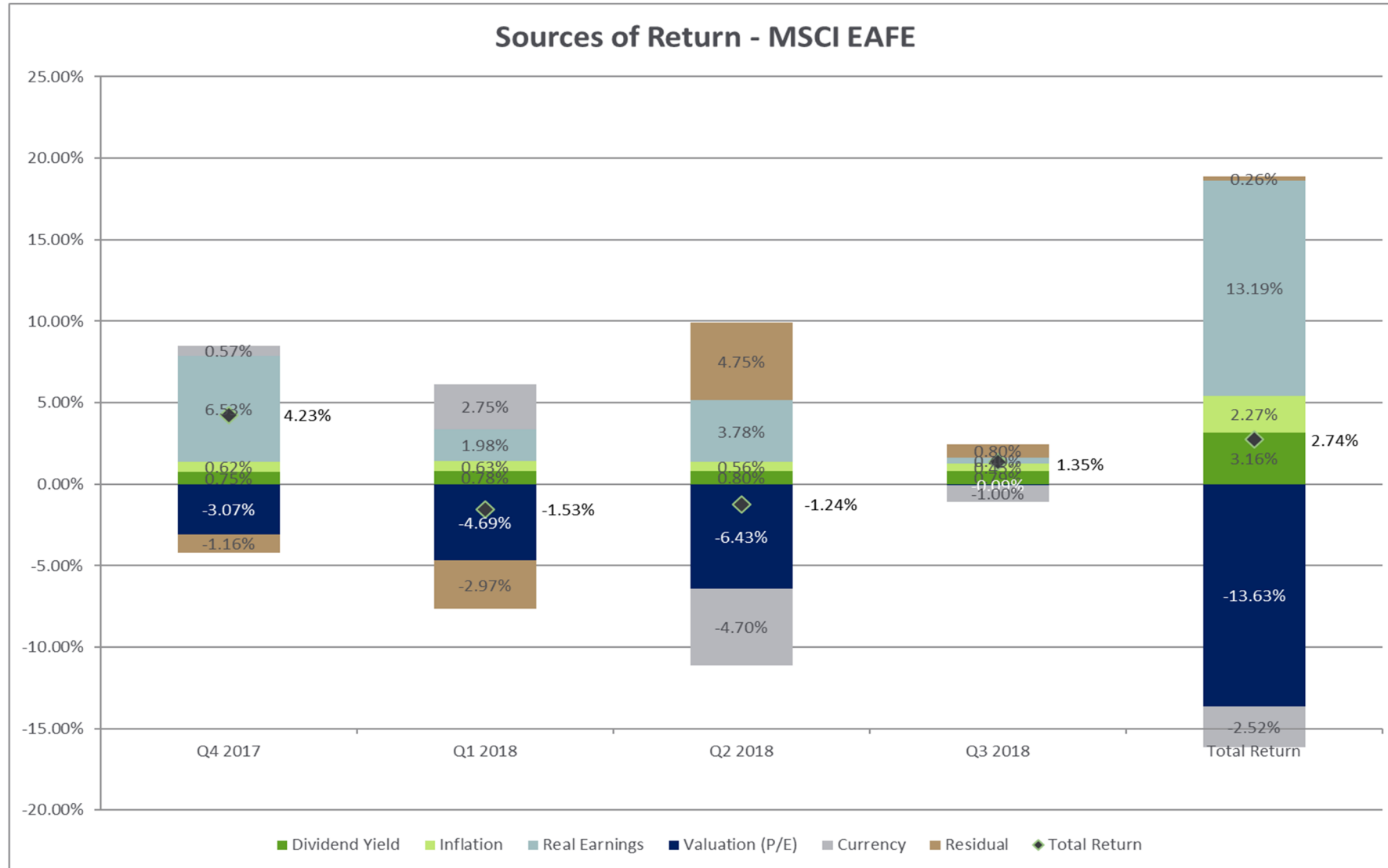


Source: MSCI, Bloomberg, NEPC

1 YEAR ATTRIBUTION OF S&P 500 RETURNS



1 YEAR ATTRIBUTION OF MSCI EAFE RETURNS



Spot Rates

1 USD = 0.833 Euro

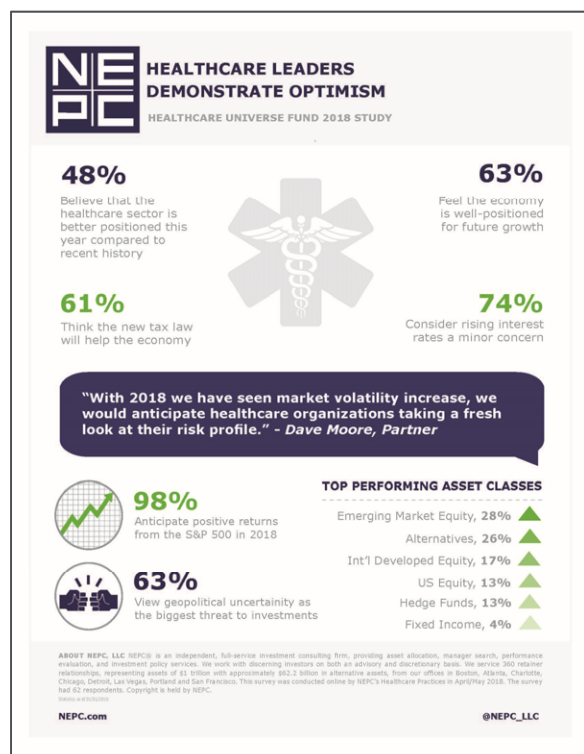
1 USD = 0.813 Euro

1 USD = 0.858 Euro

1 USD = 0.862 Euro



HIGHLIGHTS OF THIRD QUARTER HAPPENINGS AT NEPC



RECENT UPDATES

- **SAVE THE DATE!** NEPC will host our 10th annual Public Funds Workshop on January 31st and February 1st, 2019 at the Tempe Mission Palms in Tempe Arizona.
- **SAVE THE DATE!** NEPC will host our 24th Annual Investment Conference on May 7th and 8th, 2019 at the Boston Park Plaza. More details to come!

NEPC INSIGHTS

- Taking Stock: Is Technology Driving Low Inflation?
- Taking Stock: Increasing Pension Contributions and Improving Corporate Pension Funding Ratios: Now What?
- NEPC 2018 ESG Flash Poll Results and Infographic
- NEPC 2018 ESG Flash Poll – Healthcare Highlights
- 2018 Second Quarter Market Thoughts
- The Evaluation of Tax Liabilities
- Healthcare Optimistic About Economy But Wary of Volatility and Geopolitical Risks (Healthcare Operating Fund Universe Results/ Infographic)
- Taking Stock: Trouble in Turkey Creates Opportunity in Emerging Markets
- State of the Union: A Look Back on 2018 and What to Expect Moving Forward
- Opportunity Zones: Doing Good in a Tax-Advantaged Way
- Taking Stock: Globalization Backlash: US-China Tariffs are Here to Stay
- Taking Stock: Total Enterprise Management: a 360 View of Investment Strategy
- Market Chatter: Potential End Game for US-China Trade Spat: The Good, the Bad, the Ugly

WEBINAR REPLAYS

- NEPC's Second Quarter 2018 Quarterly Markets Call



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

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:

Brevet

The investment was approved for a \$100 million commitment on August 23, 2018 as part of the Fund's allocation to Opportunistic Credit.

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

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

Lone Star XI

The investment was approved for a \$50 million commitment on September 21, 2018 as part of the Fund's allocation to Opportunistic Credit and Real Estate.

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

Additionally, Lone Star 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	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	\$13,058,397,827	2.3%	36	4.1%	21	7.5%	25	9.6%	38	7.9%	23	7.9%	27	7.6%	20	6.3%	53	8.7%	19	9.1%	Jul-83
Policy Index		2.8%	16	4.5%	12	8.0%	16	9.8%	27	7.5%	37	7.2%	57	7.1%	38	6.1%	65	7.8%	74	--	Jul-83
60% MSCI ACWI (Net) / 40% FTSE WGBI		1.9%	68	1.3%	99	5.2%	94	8.7%	83	5.3%	97	6.0%	95	6.4%	77	5.6%	82	--	--	--	Jul-83
InvestorForce Public DB > \$1B Net Median		2.1%		2.9%		6.5%		9.3%		7.1%		7.3%		7.1%		6.3%		8.0%		8.5%	Jul-83

Over the past five years, the Fund returned 7.9% per annum, outperforming the policy index by 41 basis points and ranking in the 23rd percentile of the InvestorForce Public Funds > \$1 Billion universe and outperforming the actuarial assumed rate of 7.25%. The Fund's volatility was 4.5%, which ranks in the 9th percentile of its peers over this period. The Fund's risk-adjusted performance, as measured by the Sharpe Ratio, ranks in the 7th percentile of its peers.

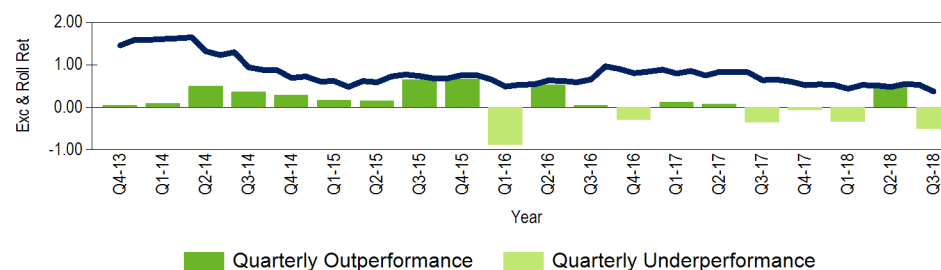
Over the past three years, the Fund returned 9.6% per annum, underperforming the policy index by 17 basis points and ranking in the 38th percentile of its peer group. Over the same period, the Fund's volatility ranks in the 14th percentile of its peers, resulting in a three-year Sharpe Ratio of 2.1, which ranks in the 8th percentile.

For the year ending September 30, 2018, the Fund experienced a net investment gain of \$943.5 million, which includes a net investment gain of \$301.3 million during the quarter. Assets increased from \$12.6 billion twelve months ago to \$13.1 billion on September 30, 2018, with \$465 million in net distributions during the year. The Fund returned 7.5%, underperforming the policy index by 48 basis points and ranking in the 25th percentile of its peers.

All asset classes were within policy range as of September 30, 2018.

The InvestorForce Public Funds > \$1 Billion Net Universe contains 63 observations for the period ending March 31, 2018, with total assets of \$630 billion.

5 Year Rolling Annualized Excess Performance



5 Years Ending September 30, 2018

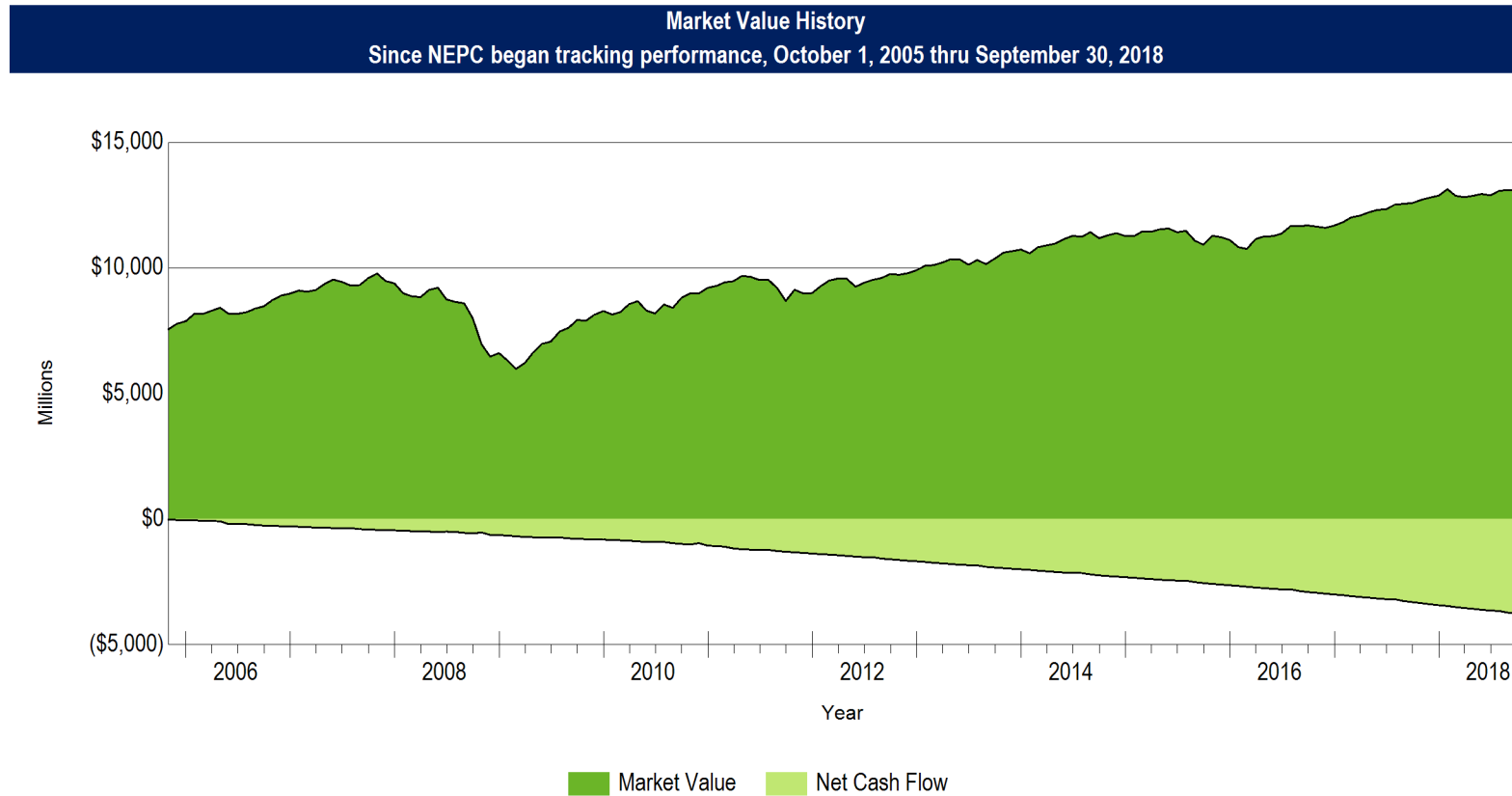
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	7.9%	23	4.5%	9	1.7	7	2.7	6
Policy Index	7.5%	37	4.6%	11	1.5	14	2.4	12
InvestorForce Public DB > \$1B Net Median	7.1%	--	5.4%	--	1.2	--	1.9	--

3 Years Ending September 30, 2018

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	9.6%	38	4.2%	14	2.1	8	3.5	4
Policy Index	9.8%	27	4.5%	19	2.0	13	3.3	9
InvestorForce Public DB > \$1B Net Median	9.3%	--	5.0%	--	1.7	--	2.5	--



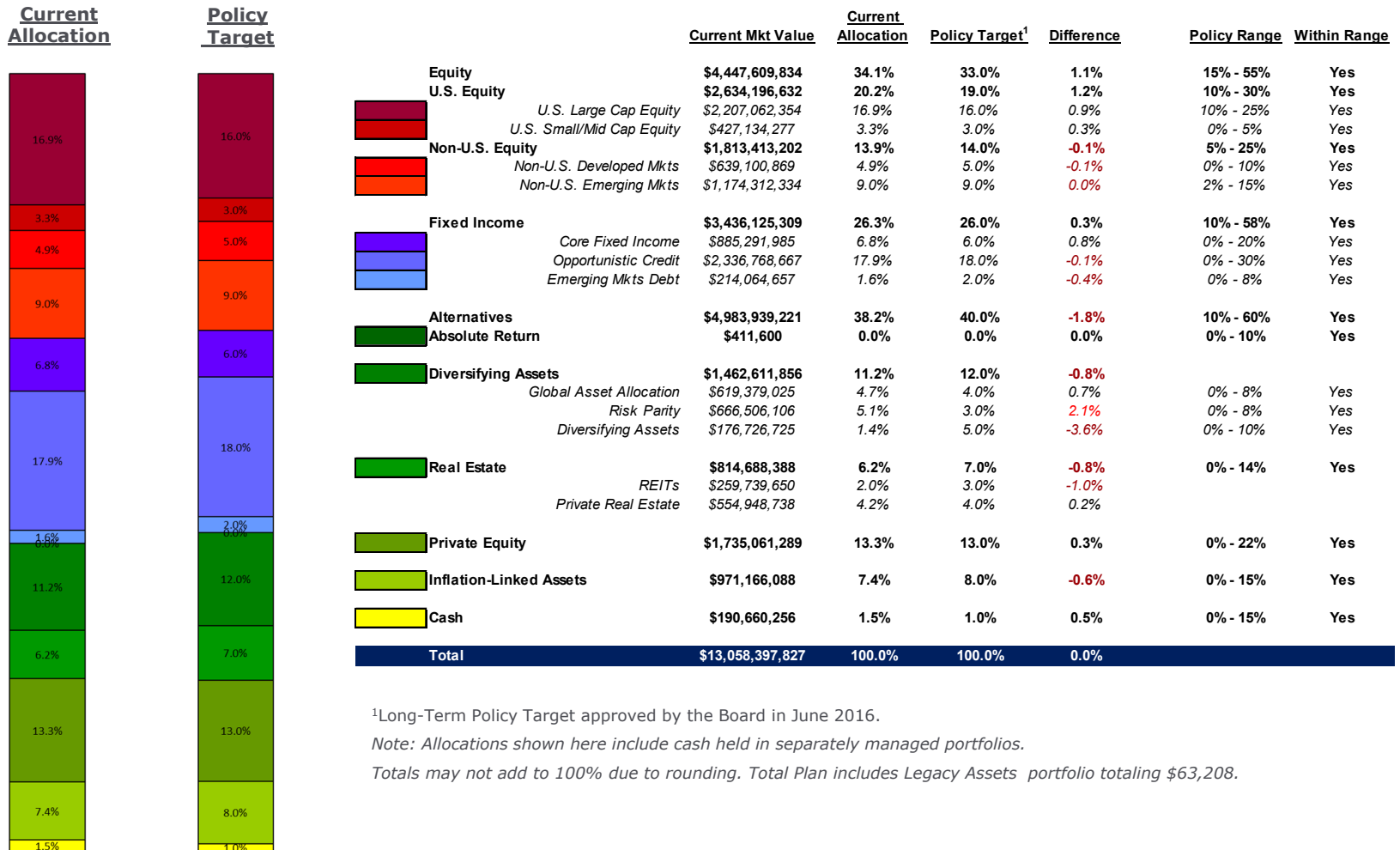
TOTAL FUND ASSET GROWTH SUMMARY



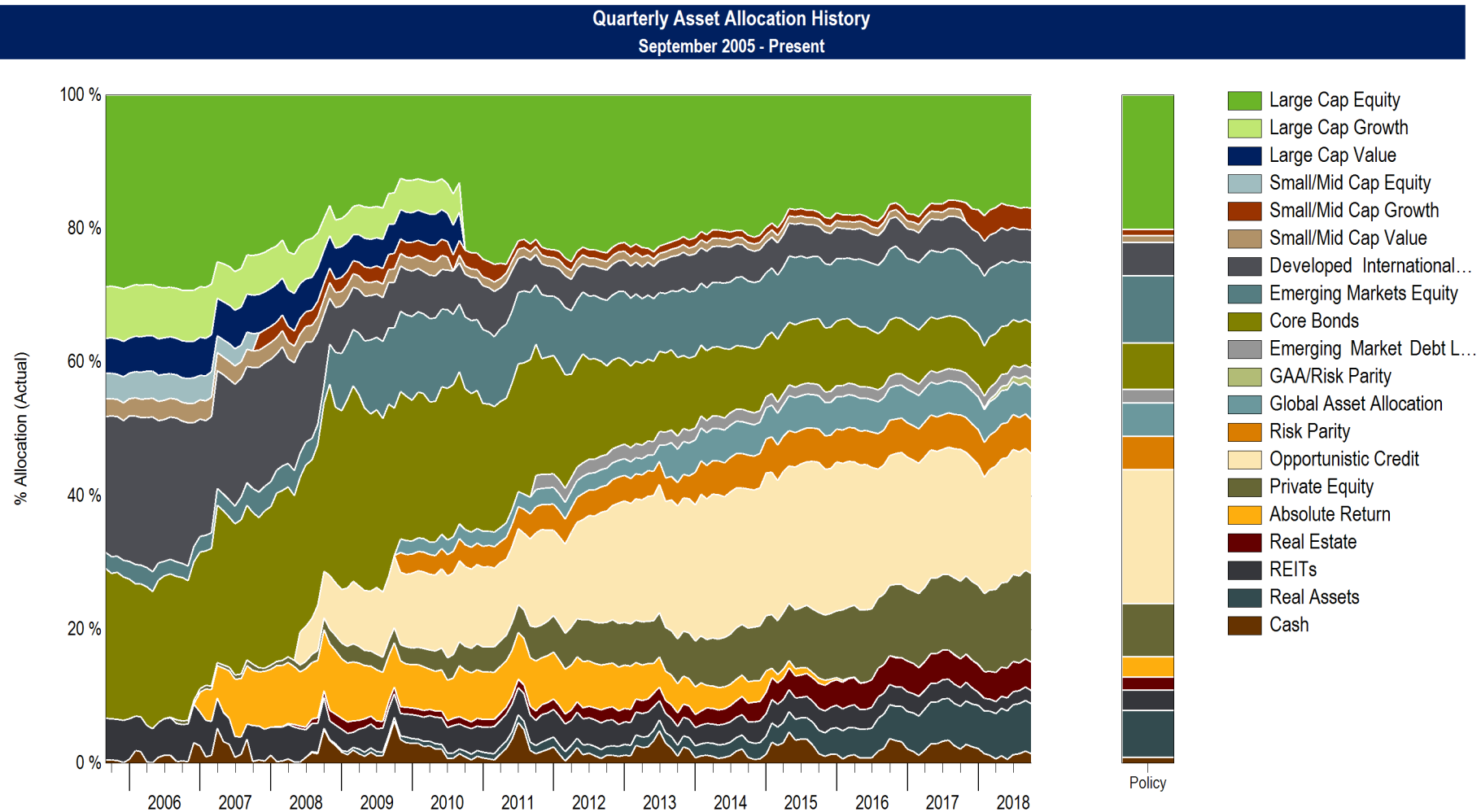
	Last Three Months	Year-To-Date	One Year	Three Years	Five Years	Since 10/1/05
Beginning Market Value	\$12,886,225,133	\$12,873,637,262	\$12,580,019,720	\$10,920,403,085	\$10,366,764,510	\$7,694,652,364
Net Cash Flow	-\$129,084,362	-\$342,996,909	-\$465,123,548	-\$1,221,874,371	-\$1,841,955,958	-\$3,760,496,657
Net Investment Change	\$301,257,056	\$527,757,474	\$943,501,656	\$3,359,869,113	\$4,533,589,276	\$9,124,242,121
Ending Market Value	\$13,058,397,827	\$13,058,397,827	\$13,058,397,827	\$13,058,397,827	\$13,058,397,827	\$13,058,397,827

New Mexico Educational Retirement Board

TOTAL FUND ASSET ALLOCATION VS. POLICY

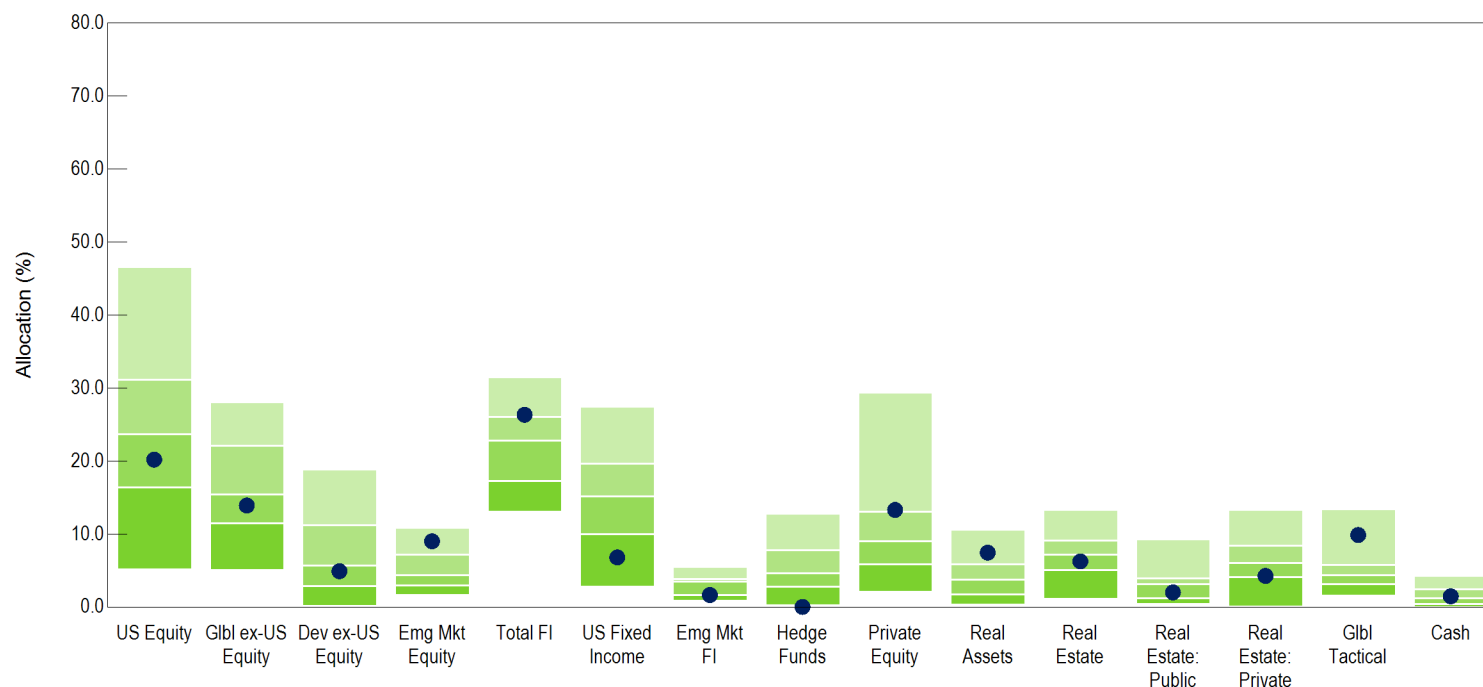


TOTAL FUND ASSET ALLOCATION HISTORY



TOTAL FUND ALLOCATIONS VS. PEER UNIVERSE

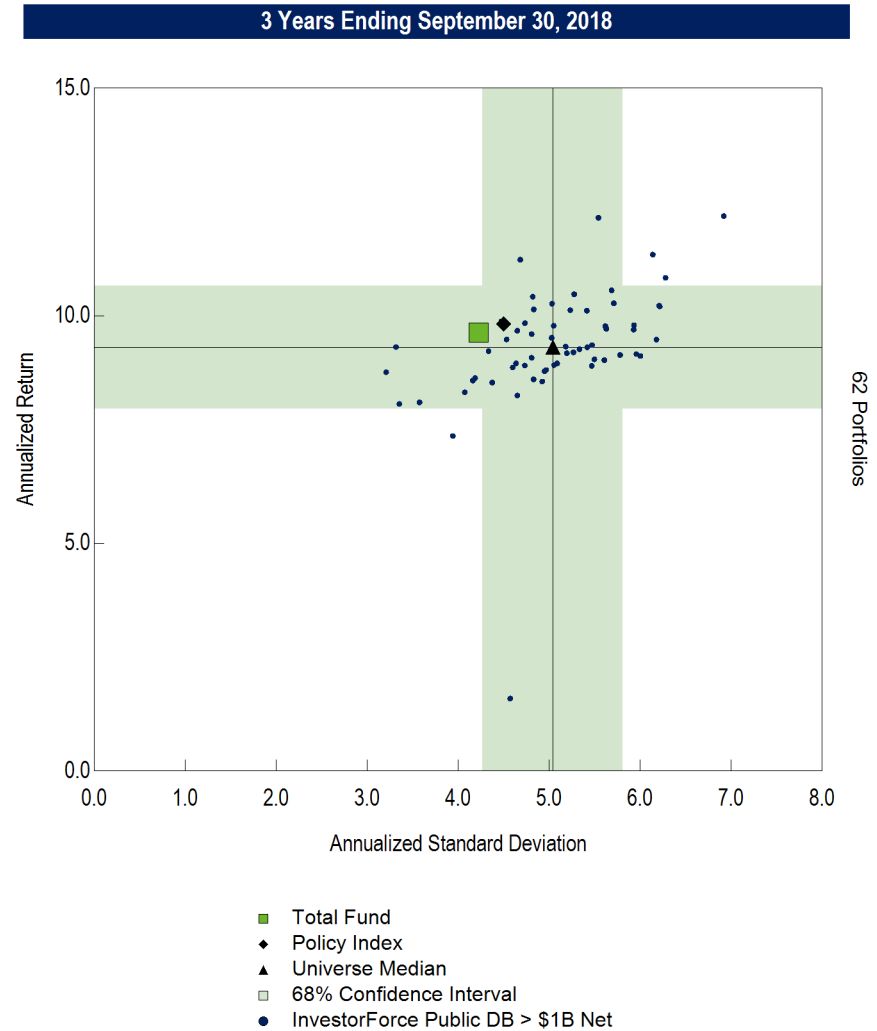
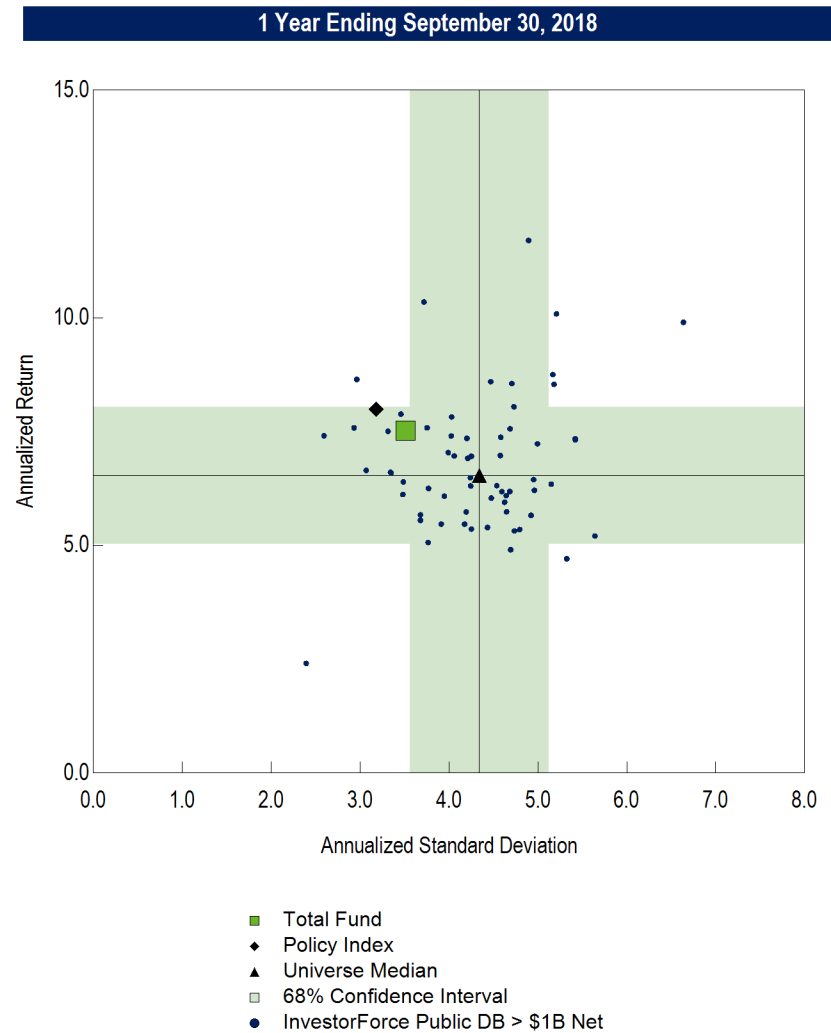
Total Plan Allocation vs. InvestorForce Public DB > \$1B Net



	Allocation (Rank)														
5th Percentile	46.6	28.1	18.8	10.8	31.5	27.5	5.5	12.8	29.4	10.6	13.3	9.2	13.3	13.4	4.3
25th Percentile	31.2	22.2	11.3	7.2	26.1	19.7	3.9	7.8	13.1	5.9	9.1	4.0	8.5	5.8	2.5
Median	23.7	15.5	5.7	4.5	22.9	15.2	3.6	4.7	9.1	3.9	7.3	3.2	6.1	4.5	1.3
75th Percentile	16.5	11.5	2.9	3.0	17.3	10.1	1.7	2.8	5.9	1.8	5.1	1.3	4.2	3.2	0.5
95th Percentile	5.2	5.1	0.2	1.8	13.2	2.8	0.9	0.3	2.2	0.4	1.2	0.5	0.2	1.6	0.1
# of Portfolios	48	53	32	46	59	49	27	37	51	31	51	18	48	15	59
• Total Fund	20.2 (68)	13.9 (64)	4.9 (59)	9.0 (9)	26.3 (25)	6.8 (82)	1.6 (76)	0.0 (99)	13.3 (23)	7.4 (14)	6.2 (63)	2.0 (59)	4.2 (75)	9.8 (12)	1.5 (49)

New Mexico Educational Retirement Board

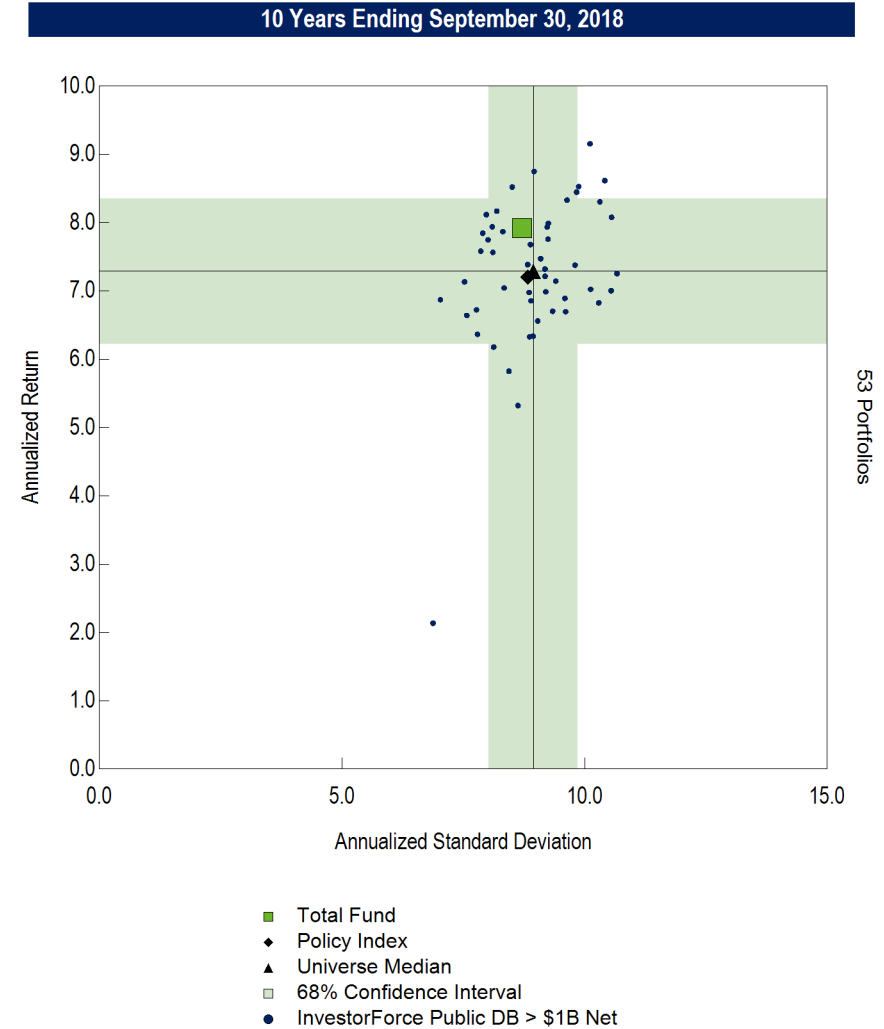
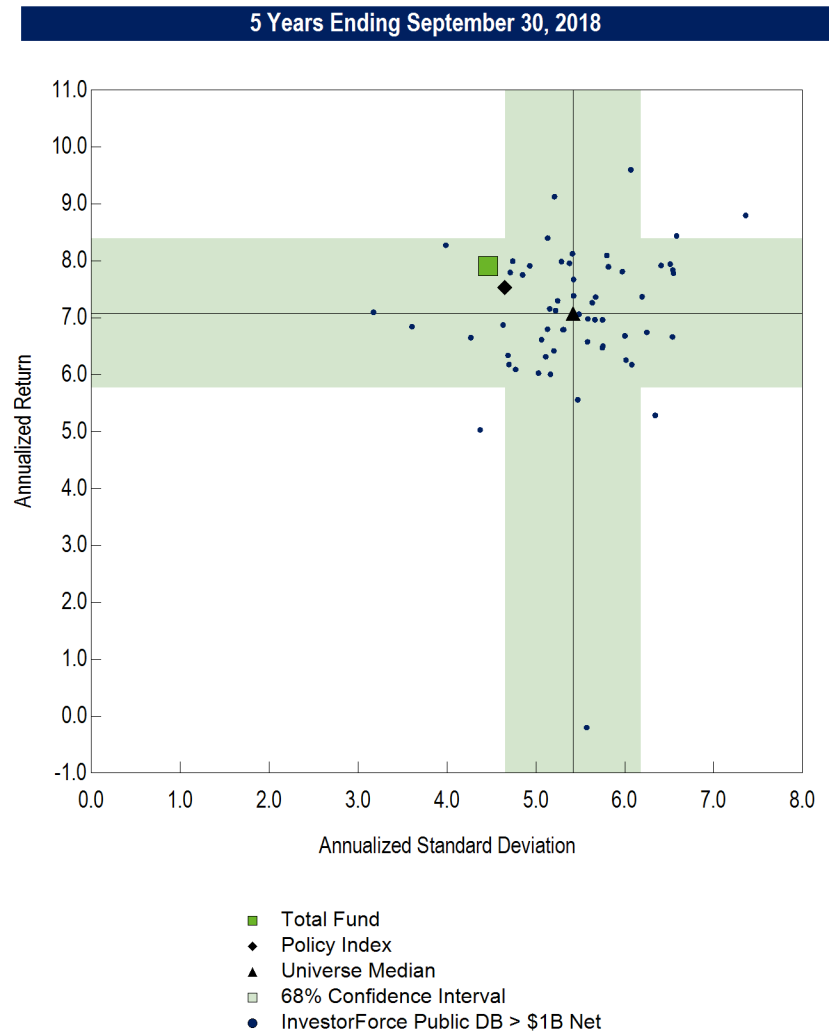
TOTAL FUND RISK/RETURN



Note: Ranks are based on net returns.



TOTAL FUND RISK/RETURN



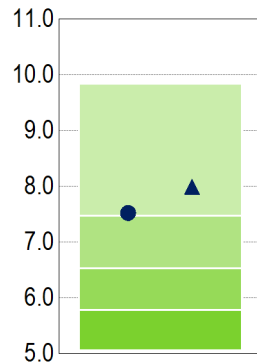
Note: Ranks are based on net returns.



TOTAL FUND RISK STATISTICS VS. PEER UNIVERSE

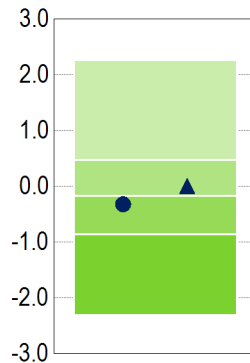
Total Fund vs. InvestorForce Public DB > \$1B Net (USD) (peer)
1 Year

Anlzd Return



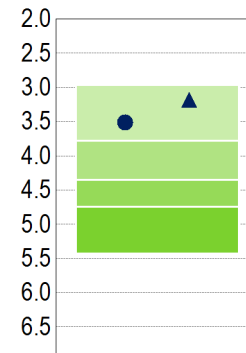
● Total Fund	
Value	7.5
Rank	25
▲ Policy Index	
Value	8.0
Rank	16
Universe	
5th %tile	9.8
25th %tile	7.5
Median	6.5
75th %tile	5.8
95th %tile	5.1

Anlzd Alpha



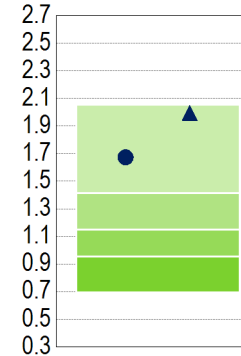
● Total Fund	
Value	-0.3
Rank	59
▲ Policy Index	
Value	0.0
Rank	43
Universe	
5th %tile	2.3
25th %tile	0.5
Median	-0.2
75th %tile	-0.8
95th %tile	-2.3

Anlzd Standard Deviation



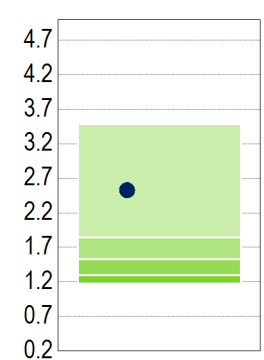
● Total Fund	
Value	3.5
Rank	17
▲ Policy Index	
Value	3.2
Rank	8
Universe	
5th %tile	3.0
25th %tile	3.8
Median	4.3
75th %tile	4.7
95th %tile	5.4

Sharpe Ratio



● Total Fund	
Value	1.7
Rank	11
▲ Policy Index	
Value	2.0
Rank	7
Universe	
5th %tile	2.1
25th %tile	1.4
Median	1.2
75th %tile	1.0
95th %tile	0.7

Sortino Ratio

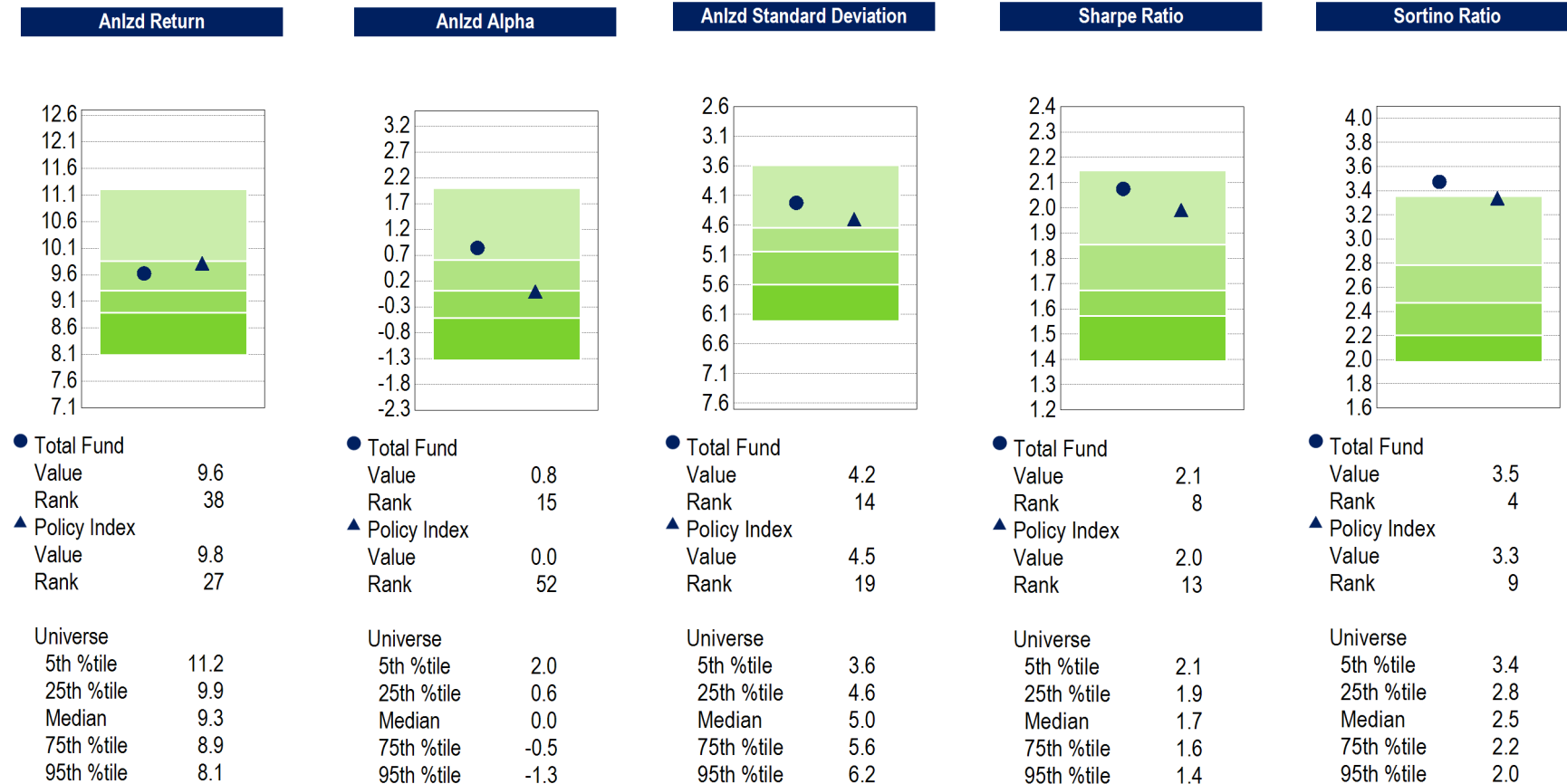


● Total Fund	
Value	2.5
Rank	7
▲ Policy Index	
Value	--
Rank	--
Universe	
5th %tile	3.5
25th %tile	1.8
Median	1.5
75th %tile	1.3
95th %tile	1.2

Note: Ranks are based on net returns. Universe contains 63 observations with total assets of \$630 billion. Sortino ratio needs two negative periods to populate.

TOTAL FUND RISK STATISTICS VS. PEER UNIVERSE

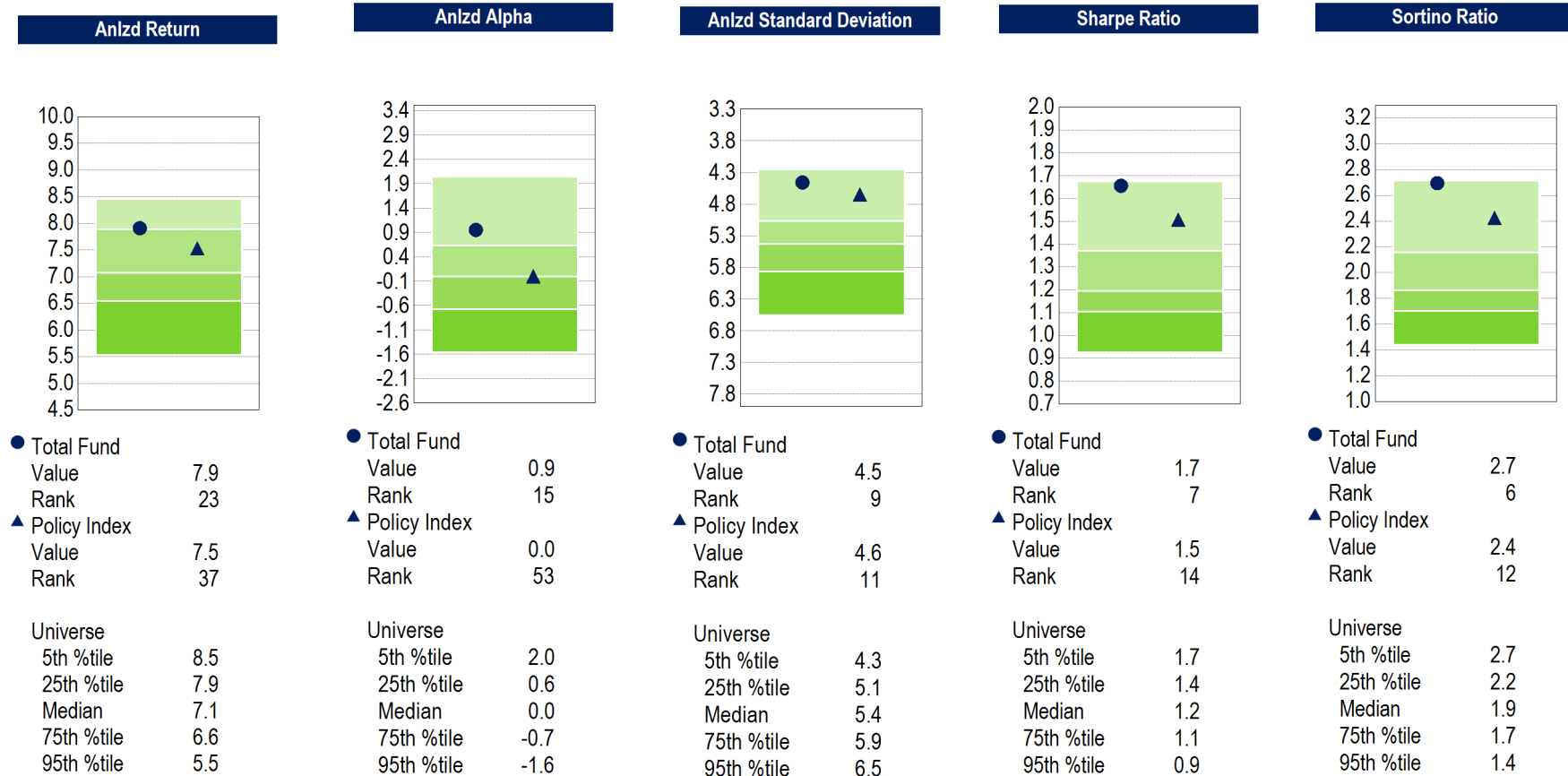
Total Fund vs. InvestorForce Public DB > \$1B Net (USD) (peer)
3 Year



Note: Ranks are based on net returns. Universe contains 63 observations with total assets of \$630 billion. Sortino ratio needs two negative periods to populate.

TOTAL FUND RISK STATISTICS VS. PEER UNIVERSE

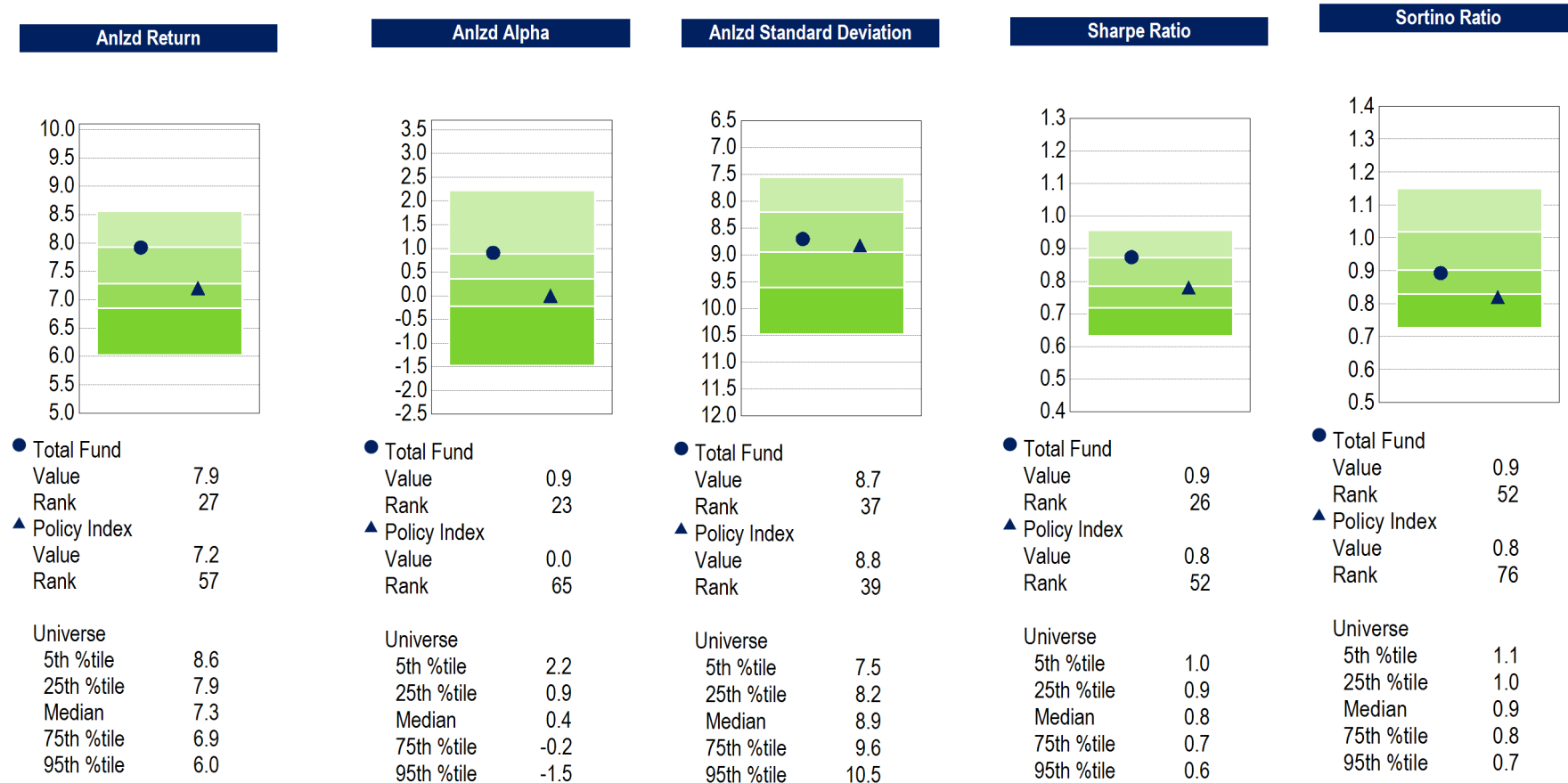
Total Fund vs. InvestorForce Public DB > \$1B Net (USD) (peer)
5 Year



Note: Ranks are based on net returns. Universe contains 63 observations with total assets of \$630 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



Note: Ranks are based on net returns. Universe contains 63 observations with total assets of \$630 billion. Sortino ratio needs two negative periods to populate.

New Mexico Educational Retirement Board

3 YEAR RISK/RETURN PROFILE

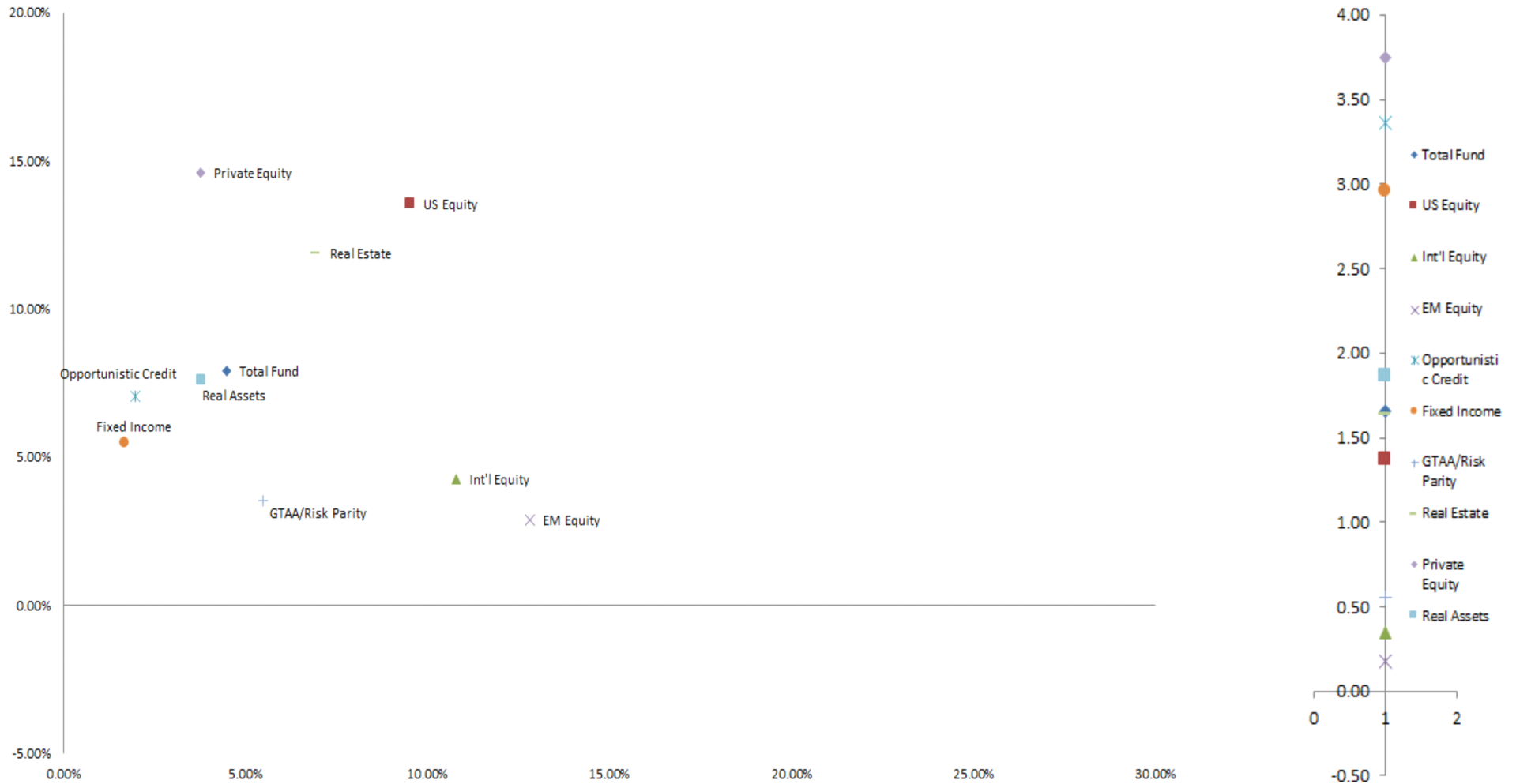


Note: Returns are net of fees. The graph on the right side shows composite level sharpe ratios.



New Mexico Educational Retirement Board

5 YEAR RISK/RETURN PROFILE



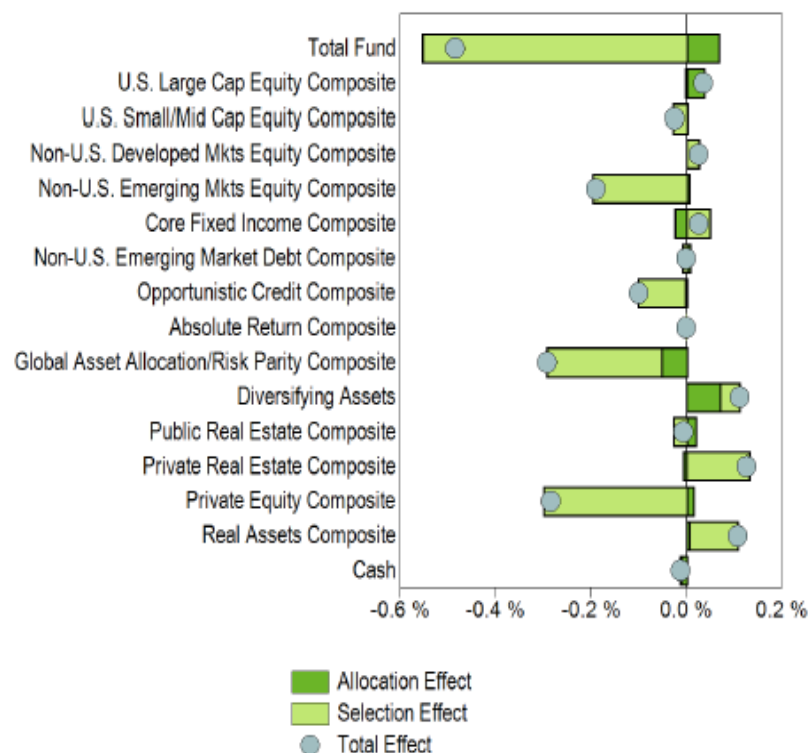
Note: Returns are net of fees. The graph on the right side shows composite level sharpe ratios.



TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Effects
3 Months Ending September 30, 2018

3 Month Excess Return: -0.49%



- Allocation Effect: +0.07%
 - Diversifying Assets underweight (+0.07%)
 - Global Asset Allocation/Risk Parity overweight (-0.05%)
- Manager Selection Effect: -0.55%
 - Private Real Estate outperformed (+0.13%)
 - Real Assets outperformed (+0.10%)
 - Core Fixed Income outperformed (+0.05%)
 - Opportunistic Credit underperformed (-0.10%)
 - Non-U.S. Emerging Mkts Equity underperformed (-0.20%)
 - Global Asset Allocation/Risk Parity underperformed (-0.24%)
 - Private Equity underperformed (-0.30%)
- 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. $(\text{Return Asset Class Portfolio} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Policy Index})) - (\text{Return Asset Class Index} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Index}))$.

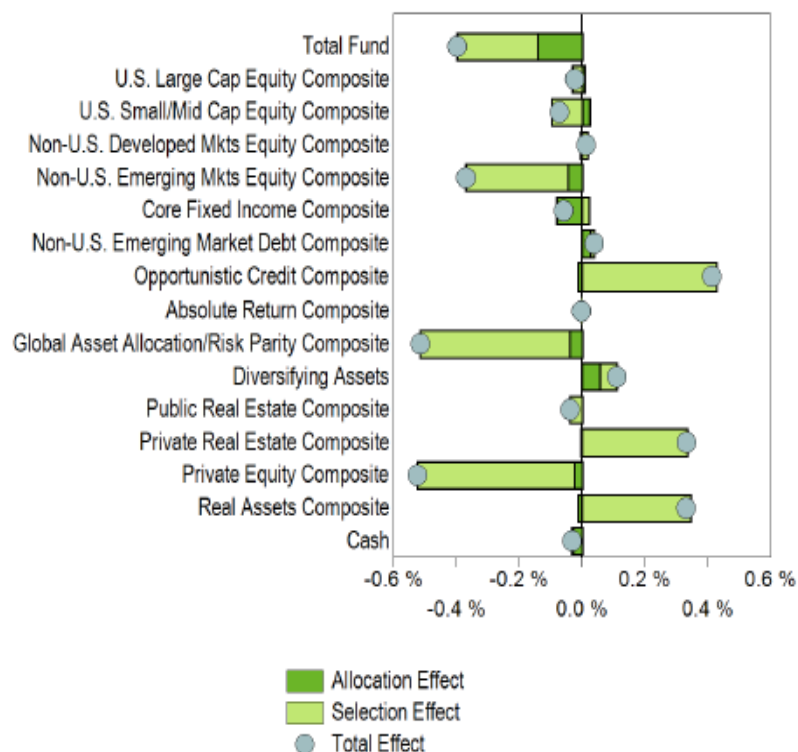
Residual: Contribution to excess return not captured in Allocation Effect and Manager Selection Effect.



TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Effects
YTD Ending September 30, 2018

YTD Excess Return: -0.40%



- Allocation Effect: -0.14%
 - Diversifying Assets underweight (+0.06%)
 - Non-U.S. Emerging Markets Equity overweight (-0.05%)
 - Core Fixed Income overweight (-0.08%)
- Manager Selection Effect: -0.26%
 - Opportunistic Credit outperformed (+0.43%)
 - Real Assets outperformed (+0.34%)
 - Private Real Estate outperformed (+0.33%)
 - Diversifying Assets outperformed (+0.05%)
 - U.S. Small/Mid Cap Equity underperformed (-0.10%)
 - Non-U.S. Emerging Mkts Equity underperformed (-0.32%)
 - Global Asset Allocation/Risk Parity underperformed (-0.47%)
 - Private Equity underperformed (-0.50%)
- 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.

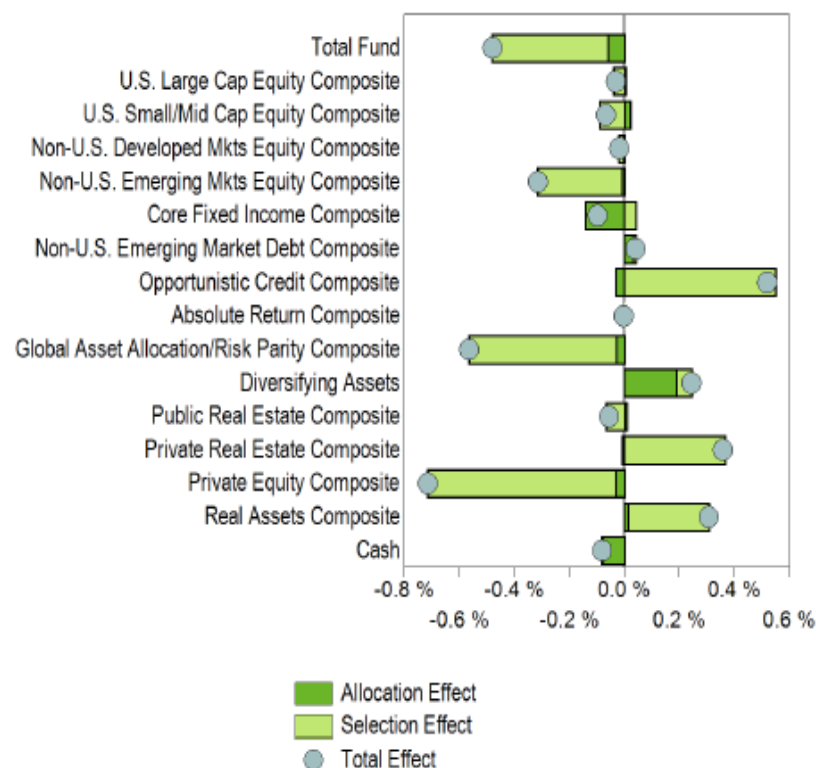


TOTAL FUND ATTRIBUTION ANALYSIS

1 Year Excess Return: -0.48%

Attribution Effects

1 Year Ending September 30, 2018



- Allocation Effect: -0.06%
 - Diversifying Assets underweight (+0.19%)
 - Cash overweight (-0.08%)
 - Core Fixed Income overweight (-0.14%)
- Manager Selection Effect: -0.42%
 - Opportunistic Credit outperformed (+0.55%)
 - Private Real Estate outperformed (+0.37%)
 - Real Assets outperformed (+0.29%)
 - Diversifying Assets outperformed (+0.05%)
 - Public Real Estate underperformed (-0.06%)
 - U.S. Small/Mid Cap Equity underperformed (-0.09%)
 - Non-U.S. Emerging Mkts Equity underperformed (-0.31%)
 - Global Asset Allocation/Risk Parity underperformed (-0.53%)
 - 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. $[\text{Weight Asset Class Benchmark} \times (\text{Return Portfolio Asset Class} - \text{Return Asset Class in Interim Policy Index})] + \text{Interaction Effect}$. **Interaction Effect:** Measures the impact of over/under weighting decisions and over/under performance. $(\text{Return Asset Class Portfolio} - \text{Weight Asset Class Portfolio}) - (\text{Return Asset Class Index} - \text{Weight Asset Class Policy Index}) - (\text{Return Asset Class Index} - \text{Weight Asset Class Portfolio} - \text{Weight Asset Class Index})$.

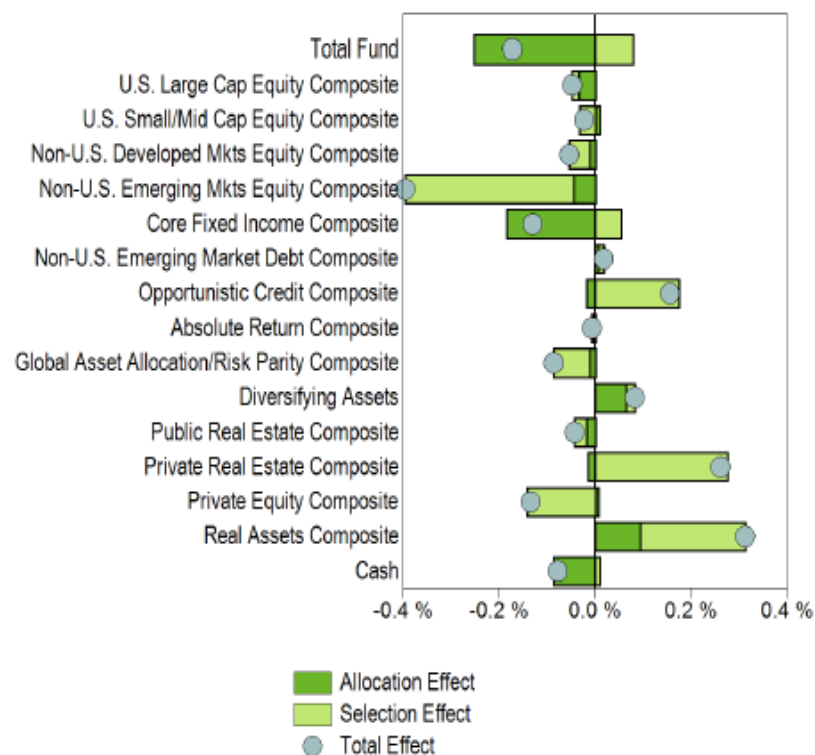
Residual: Contribution to excess return not captured in Allocation Effect and Manager Selection Effect.



TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Effects
3 Years Ending September 30, 2018

3 Year Excess Return: -0.17%



- Allocation Effect: -0.25%
 - Real Assets underweight (+0.09%)
 - Non U.S. Emerging Mkts Equity underweight (-0.05%)
 - Cash overweight (-0.09%)
 - Core Fixed Income overweight (-0.18%)
- Manager Selection Effect: +0.08%
 - Private Real Estate outperformed (+0.27%)
 - Real Assets outperformed (+0.22%)
 - Opportunistic Credit outperformed (+0.17%)
 - Core Fixed Income outperformed (+0.05%)
 - Global Asset Allocation/Risk Parity underperformed (-0.07%)
 - Private Equity underperformed (-0.14%)
 - Non U.S. Emerging Mkts Equity underperformed (-0.35%)
- 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. $(\text{Return Asset Class Portfolio} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Policy Index})) - (\text{Return Asset Class Index} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Index}))$.

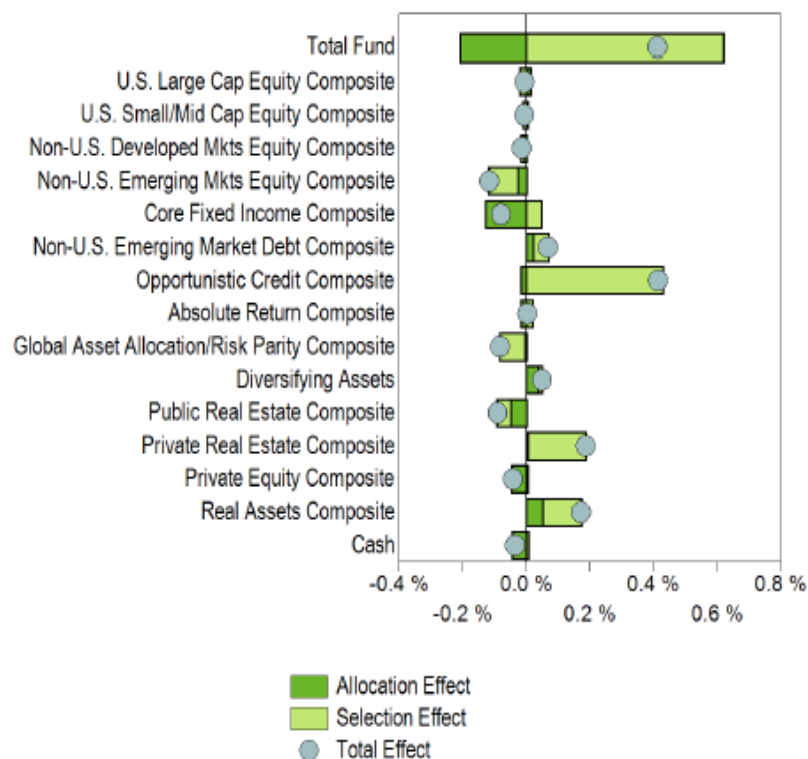
Residual: Contribution to excess return not captured in Allocation Effect and Manager Selection Effect.



TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Effects
5 Years Ending September 30, 2018

5 Year Excess Return: +0.41%



- Allocation Effect: -0.21%
 - Real Assets underweight (+0.05%)
 - Public Real Estate underweight (-0.05%)
 - Private Equity underweight (-0.05%)
 - Core Fixed Income overweight (-0.13%)
- Manager Selection Effect: +0.62%
 - Opportunistic Credit outperformed (+0.43%)
 - Private Real Estate outperformed (+0.18%)
 - Real Assets outperformed (+0.12%)
 - Core Fixed Income outperformed (+0.05%)
 - Non-U.S. Emerging Market Debt outperformed (+0.05%)
 - Global Asset Allocation/Risk Parity underperformed (-0.08%)
 - Non-U.S. Emerging Mkts Equity underperformed (-0.09%)
- 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 September 30, 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	16.9%	17.2%	17	9.2%	30	0.0%	27	0.1%	1	-0.5	--	1.0
S&P 500	--	17.3%	16	9.2%	31	0.0%	26	0.0%	1	--	--	1.0
U.S. Small/Mid Cap Equity Composite	3.3%	15.1%	87	11.1%	99	0.0%	27	3.3%	94	-0.3	--	0.9
NMERB Small/Mid Cap Equity Blended Index	--	16.1%	72	11.4%	99	0.0%	26	0.0%	1	--	--	1.0
Non-U.S. Developed Mkts Equity Composite	4.9%	8.4%	69	10.4%	65	-0.5%	67	1.1%	2	-0.8	--	1.0
MSCI EAFE	--	9.2%	52	10.8%	75	0.0%	53	0.0%	1	--	--	1.0
Non-U.S. Emerging Mkts Equity Composite	9.0%	8.9%	75	12.6%	29	-1.9%	63	3.0%	42	-1.2	--	0.9
MSCI Emerging Markets	--	12.4%	13	14.3%	85	0.0%	15	0.0%	1	--	--	1.0
Core Fixed Income Composite	6.8%	1.9%	77	2.8%	65	0.6%	69	0.5%	12	1.3	29	1.0
BBgBarc US Aggregate TR	--	1.3%	99	2.7%	56	0.0%	99	0.0%	1	--	--	1.0
Non-U.S. Emerging Market Debt Composite	1.6%	6.2%	50	6.6%	37	1.8%	22	2.9%	74	0.2	37	0.7
Non-U.S. EMD Custom Benchmark	--	5.6%	61	8.4%	55	0.0%	61	0.0%	1	--	--	1.0
Opportunistic Credit Composite	17.9%	7.5%	--	2.0%	--	4.3%	--	2.4%	--	0.4	--	0.4
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index	--	6.4%	--	3.2%	--	0.0%	--	0.0%	--	--	--	1.0
Global Asset Allocation/Risk Parity Composite	9.8%	5.7%	75	4.5%	26	0.3%	34	4.2%	59	-0.8	--	0.5
GAA/Risk Parity Custom Index	--	9.1%	1	5.4%	55	0.0%	60	0.0%	1	--	--	1.0

3 Years Ending September 30, 2018							
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank
Real Estate Composite	6.2%	11.3%	4	6.3%	90	7.7%	8
NCREIF Property Index	--	7.8%	76	3.2%	31	0.0%	83
Private Equity Composite	13.3%	12.1%	47	2.8%	2	13.0%	12
Cambridge Associates US All PE (1 Qtr Lag)	--	12.7%	42	6.6%	81	0.0%	84
Real Assets Composite	7.4%	9.9%	27	3.4%	21	3.0%	50
CPI + 4% (Seasonally Adjusted)	--	6.1%	47	0.6%	1	0.0%	90

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 97.1% because Absolute Return Composite, Diversifying Assets Composite and Cash Composite are not included.



New Mexico Educational Retirement Board

TOTAL FUND RISK STATISTICS

5 Years Ending September 30, 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	16.9%	13.9%	4	9.5%	19	0.0%	16	0.2%	1	-0.6	--	1.0
S&P 500	--	13.9%	4	9.6%	23	0.0%	15	0.0%	1	--	--	1.0
U.S. Small/Mid Cap Equity Composite	3.3%	11.2%	92	11.2%	98	0.6%	3	3.2%	94	-0.1	--	0.9
NMERB Small/Mid Cap Equity Blended Index	--	11.4%	91	11.7%	99	0.0%	15	0.0%	1	--	--	1.0
Non-U.S. Developed Mkts Equity Composite	4.9%	4.3%	57	10.8%	64	0.0%	57	1.1%	3	-0.1	--	1.0
MSCI EAFE	--	4.4%	55	11.0%	77	0.0%	55	0.0%	1	--	--	1.0
Non-U.S. Emerging Mkts Equity Composite	9.0%	2.9%	46	12.8%	29	-0.3%	46	3.1%	46	-0.2	--	0.9
MSCI Emerging Markets	--	3.6%	15	14.7%	90	0.0%	26	0.0%	1	--	--	1.0
Core Fixed Income Composite	6.8%	2.7%	53	2.8%	58	0.5%	63	0.5%	26	1.1	9	1.0
BBgBarc US Aggregate TR	--	2.2%	85	2.7%	53	0.0%	91	0.0%	1	--	--	1.0
Non-U.S. Emerging Market Debt Composite	1.6%	1.3%	43	6.5%	34	2.1%	7	3.8%	82	0.7	1	0.7
Non-U.S. EMD Custom Benchmark	--	-1.5%	64	9.3%	63	0.0%	42	0.0%	1	--	--	1.0
Opportunistic Credit Composite	17.9%	7.1%	--	1.9%	--	4.8%	--	2.5%	--	0.9	--	0.4
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index	--	4.9%	--	3.2%	--	0.0%	--	0.0%	--	--	--	1.0
Global Asset Allocation/Risk Parity Composite	9.8%	3.5%	92	5.5%	18	-0.6%	42	4.3%	59	-0.5	--	0.7
GAA/Risk Parity Custom Index	--	5.9%	1	5.9%	51	0.0%	31	0.0%	1	--	--	1.0

5 Years Ending September 30, 2018							
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank
Real Estate Composite	6.2%	11.9%	9	6.9%	96	12.9%	1
NCREIF Property Index	--	9.6%	73	4.0%	37	0.0%	85
Private Equity Composite	13.3%	14.6%	41	3.8%	1	15.1%	17
Cambridge Associates US All PE (1 Qtr Lag)	--	13.8%	44	6.8%	78	0.0%	92
Real Assets Composite	7.4%	7.6%	8	3.8%	15	3.8%	46
CPI + 4% (Seasonally Adjusted)	--	5.6%	45	0.7%	1	0.0%	89

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 97.1% because Absolute Return Composite, Diversifying Assets 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	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Total Fund	13,058,397,827	100.0	2.3	36	4.1	21	7.5	25	9.6	38	7.9	23	7.9	27	9.1	Jul-83
Policy Index			<u>2.8</u>	16	<u>4.5</u>	12	<u>8.0</u>	16	<u>9.8</u>	27	<u>7.5</u>	37	<u>7.2</u>	57	--	Jul-83
Over/Under			-0.5		-0.4		-0.5		-0.2		0.4		0.7			
60% MSCI ACWI (Net) / 40% FTSE WGBI			1.9	68	1.3	99	5.2	94	8.7	83	5.3	97	6.0	95	--	Jul-83
InvestorForce Public DB > \$1B Net Median			2.1		2.9		6.5		9.3		7.1		7.3		8.5	Jul-83
U.S. Equity Composite	2,634,196,632	20.2	7.1	19	10.0	64	17.1	54	17.0	32	13.5	12	11.6	57	11.5	Jan-85
Russell 3000			<u>7.1</u>	18	<u>10.6</u>	42	<u>17.6</u>	38	<u>17.1</u>	21	<u>13.5</u>	17	<u>12.0</u>	28	<u>11.3</u>	Jan-85
Over/Under			0.0		-0.6		-0.5		-0.1		0.0		-0.4		0.2	
InvestorForce Public DB > \$1 Billion US Equity Net Median			6.7		10.4		17.1		16.6		13.1		11.8		11.5	Jan-85
U.S. Large Cap Equity Composite	2,207,062,354	16.9	7.7	2	10.4	52	17.7	35	17.2	17	13.9	4	11.7	52	6.8	Aug-99
S&P 500			<u>7.7</u>	2	<u>10.6</u>	43	<u>17.9</u>	30	<u>17.3</u>	16	<u>13.9</u>	4	<u>12.0</u>	30	<u>6.2</u>	Aug-99
Over/Under			0.0		-0.2		-0.2		-0.1		0.0		-0.3		0.6	
InvestorForce Public DB > \$1 Billion US Equity Net Median			6.7		10.4		17.1		16.6		13.1		11.8		6.9	Aug-99
S&P 500 Index Fund	2,207,062,354	16.9	7.7	29	10.4	26	17.7	32	17.2	16	13.9	20	11.6	38	5.6	Jan-00
S&P 500			<u>7.7</u>	29	<u>10.6</u>	24	<u>17.9</u>	28	<u>17.3</u>	15	<u>13.9</u>	15	<u>12.0</u>	26	<u>5.7</u>	Jan-00
Over/Under			0.0		-0.2		-0.2		-0.1		0.0		-0.4		-0.1	
eV US Large Cap Core Equity Net Median			6.9		8.7		15.7		15.1		12.5		11.1		6.9	Jan-00
U.S. Small/Mid Cap Equity Composite	427,134,277	3.3	3.9	99	7.6	94	13.7	97	15.1	87	11.2	92	10.6	99	7.8	Aug-99
NMERB Small/Mid Cap Equity Blended Index			<u>4.7</u>	97	<u>10.4</u>	47	<u>16.2</u>	75	<u>16.1</u>	72	<u>11.4</u>	91	<u>11.2</u>	85	<u>8.7</u>	Aug-99
Over/Under			-0.8		-2.8		-2.5		-1.0		-0.2		-0.6		-0.9	
InvestorForce Public DB > \$1 Billion US Equity Net Median			6.7		10.4		17.1		16.6		13.1		11.8		6.9	Aug-99
S&P 400 Mid-Cap	427,131,719	3.3	3.9	61	7.6	47	--	--	--	--	--	--	--	--	11.8	Nov-17
Russell 2500			<u>4.7</u>	49	<u>10.4</u>	35	<u>16.2</u>	37	<u>16.1</u>	23	<u>11.4</u>	44	<u>12.0</u>	49	<u>14.4</u>	Nov-17
Over/Under			-0.8		-2.8										-2.6	
eV US Mid Cap Equity Net Median			4.6		6.8		13.6		14.2		11.1		11.9		11.9	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 \$63,207 from Legacy Assets.

4 - U.S. Small/Mid Cap Equity Composite includes \$2,343 from Pinnacle and \$216 from Lord Abbett.

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	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Non-U.S. Equity Composite	1,813,413,202	13.9	-1.5	98	-7.3	99	-1.5	99	8.8	95	3.4	95	4.0	94	6.3	Jul-95
MSCI ACWI ex USA			<u>0.7</u>	40	<u>-3.1</u>	53	<u>1.8</u>	55	<u>10.0</u>	70	<u>4.1</u>	83	<u>5.2</u>	82	--	Jul-95
Over/Under			-2.2		-4.2		-3.3		-1.2		-0.7		-1.2			
InvestorForce Public DB > \$1 Billion Global ex-US Equity Net Median			0.5		-2.9		1.9		10.3		4.8		5.8		6.1	Jul-95
Non-U.S. Developed Mkts Equity Composite	639,100,869	4.9	1.9	12	-1.1	35	2.5	42	8.4	69	4.3	57	4.5	90	6.2	Sep-95
MSCI EAFE			<u>1.4</u>	23	<u>-1.4</u>	42	<u>2.7</u>	40	<u>9.2</u>	52	<u>4.4</u>	55	<u>5.4</u>	73	<u>5.1</u>	Sep-95
Over/Under			0.5		0.3		-0.2		-0.8		-0.1		-0.9		1.1	
InvestorForce Public DB Dev Mkt ex-US Eq Net Median			1.0		-2.0		2.1		9.6		4.7		6.0		6.4	Sep-95
Pyramis	308,318,368	2.4	2.4	12	-1.1	41	1.8	55	7.0	90	3.7	87	4.8	90	7.5	Jun-03
MSCI EAFE			<u>1.4</u>	35	<u>-1.4</u>	44	<u>2.7</u>	46	<u>9.2</u>	56	<u>4.4</u>	71	<u>5.4</u>	82	<u>7.4</u>	Jun-03
Over/Under			1.0		0.3		-0.9		-2.2		-0.7		-0.6		0.1	
eV All EAFE Equity Net Median			0.8		-2.1		2.4		9.5		5.4		6.5		8.0	Jun-03
BlackRock MSCI EAFE	330,782,501	2.5	1.4	33	-1.1	40	3.1	43	9.6	48	4.8	65	--	--	5.8	Aug-13
MSCI EAFE			<u>1.4</u>	35	<u>-1.4</u>	44	<u>2.7</u>	46	<u>9.2</u>	56	<u>4.4</u>	71	<u>5.4</u>	82	<u>5.4</u>	Aug-13
Over/Under			0.0		0.3		0.4		0.4		0.4				0.4	
eV All EAFE Equity Net Median			0.8		-2.1		2.4		9.5		5.4		6.5		6.2	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	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Non-U.S. Emerging Mkts Equity Composite	1,174,312,334	9.0	-3.3	74	-10.6	60	-3.7	44	8.9	75	2.9	46	3.9	76	6.4	Sep-00
MSCI Emerging Markets			-1.1	46	-7.7	12	-0.8	8	12.4	13	3.6	15	5.4	23	7.7	Sep-00
Over/Under			-2.2		-2.9		-2.9		-3.5		-0.7		-1.5		-1.3	
InvestorForce Public DB > \$1 Billion Emg Mkt Eq Net Median			-1.4		-9.8		-3.7		10.1		2.9		4.8		6.9	Sep-00
Robeco	334,832,562	2.6	-0.1	20	-9.6	51	-2.6	43	12.8	28	3.9	41	--	--	8.7	Nov-08
MSCI Emerging Markets			-1.1	29	-7.7	24	-0.8	26	12.4	34	3.6	52	5.4	63	8.9	Nov-08
Over/Under			1.0		-1.9		-1.8		0.4		0.3				-0.2	
eV Emg Mkts Equity Net Median			-2.8		-9.5		-3.2		11.2		3.7		6.0		9.6	Nov-08
Neuberger Berman Emerging Markets	339,292,077	2.6	-5.4	83	-12.7	83	-6.2	76	12.4	34	4.0	40	--	--	4.5	Aug-13
MSCI Emerging Markets			-1.1	29	-7.7	24	-0.8	26	12.4	34	3.6	52	5.4	63	4.4	Aug-13
Over/Under			-4.3		-5.0		-5.4		0.0		0.4				0.1	
eV Emg Mkts Equity Net Median			-2.8		-9.5		-3.2		11.2		3.7		6.0		4.3	Aug-13
Mondrian Emerging Markets Small Cap	238,304,080	1.8	-6.8	62	-12.1	48	-2.2	24	1.8	98	0.6	87	--	--	0.4	Aug-13
MSCI Emerging Markets Small Cap			-4.2	37	-12.3	50	-4.2	41	7.4	71	2.7	72	7.4	99	3.2	Aug-13
Over/Under			-2.6		0.2		2.0		-5.6		-2.1				-2.8	
eV Emg Mkts Small Cap Equity Net Median			-5.2		-12.4		-5.2		8.7		4.2		9.0		4.7	Aug-13
Parametric Emerging Markets Equity	261,883,614	2.0	-0.8	25	-7.9	30	-3.2	51	9.7	71	--	--	--	--	2.8	Jun-15
MSCI Emerging Markets			-1.1	29	-7.7	24	-0.8	26	12.4	34	3.6	52	5.4	63	3.9	Jun-15
Over/Under			0.3		-0.2		-2.4		-2.7						-1.1	
eV Emg Mkts Equity Net Median			-2.8		-9.5		-3.2		11.2		3.7		6.0		3.3	Jun-15

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	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Fixed Income Composite	3,436,125,309	26.3	1.3	4	3.0	7	4.1	7	5.8	7	5.5	7	7.6	1	3.1	Jan-85
BBgBarc US Aggregate TR			<u>0.0</u>	91	<u>-1.6</u>	85	<u>-1.2</u>	90	<u>1.3</u>	99	<u>2.2</u>	88	<u>3.8</u>	97	<u>6.7</u>	Jan-85
Over/Under			1.3		4.6		5.3		4.5		3.3		3.8		-3.6	
InvestorForce Public DB > \$1 Billion Fixed Income Net Median			0.3		-0.9		-0.4		3.8		2.9		5.5		7.3	Jan-85
Core Fixed Income Composite	885,291,985	6.8	0.7	19	-1.3	62	-0.7	47	1.9	77	2.7	53	5.0	43	5.1	Dec-99
BBgBarc US Aggregate TR			<u>0.0</u>	70	<u>-1.6</u>	79	<u>-1.2</u>	84	<u>1.3</u>	99	<u>2.2</u>	85	<u>3.8</u>	95	<u>4.8</u>	Dec-99
Over/Under			0.7		0.3		0.5		0.6		0.5		1.2		0.3	
InvestorForce Public DB > \$1 Billion US Fixed Income Net Median			0.2		-1.2		-0.7		2.5		2.7		4.9		5.3	Dec-99
Core Fixed Income	885,291,985	6.8	0.7	1	-1.3	30	-0.7	20	1.9	24	--	--	--	--	1.4	Apr-15
BBgBarc US Aggregate TR			<u>0.0</u>	77	<u>-1.6</u>	64	<u>-1.2</u>	67	<u>1.3</u>	69	<u>2.2</u>	67	<u>3.8</u>	80	<u>1.0</u>	Apr-15
Over/Under			0.7		0.3		0.5		0.6						0.4	
eV US Core Fixed Inc Net Median			0.1		-1.5		-1.1		1.6		2.3		4.3		1.2	Apr-15

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	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Non-U.S. Emerging Market Debt Composite	214,064,657	1.6	-0.2	51	-5.0	36	-4.2	38	6.2	50	1.3	43	--	--	1.2	Sep-11
Non-U.S. EMD Custom Benchmark			<u>0.2</u>	49	<u>-5.6</u>	55	<u>-4.6</u>	52	<u>5.6</u>	61	<u>-1.5</u>	64	--	--	<u>-1.3</u>	Sep-11
Over/Under			-0.4		0.6		0.4		0.6		2.8				2.5	
InvestorForce All DB Emg Mkt Fix Inc Net Median			-0.2		-5.3		-4.5		6.2		0.4		--	--	1.7	Sep-11
EMSO	101,298,205	0.8	-0.5	68	-3.0	22	-2.4	31	6.2	35	4.1	36	--	--	4.3	Sep-11
JP Morgan GBI - EM Global Diversified Index			<u>-1.8</u>	80	<u>-8.1</u>	77	<u>-7.4</u>	76	<u>5.2</u>	68	<u>-1.7</u>	84	<u>2.7</u>	77	<u>-1.5</u>	Sep-11
Over/Under			1.3		5.1		5.0		1.0		5.8				5.8	
eV All Emg Mkts Fixed Inc Net Median			1.0		-5.3		-4.4		5.6		3.3		6.5		3.3	Sep-11
Prudential	112,748,333	0.9	0.1	59	-6.6	67	-5.8	68	--	--	--	--	--	--	7.1	Feb-16
50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified			<u>0.2</u>	58	<u>-5.6</u>	54	<u>-4.6</u>	53	<u>5.7</u>	47	<u>1.9</u>	60	<u>5.2</u>	63	<u>6.1</u>	Feb-16
Over/Under			-0.1		-1.0		-1.2								1.0	
eV All Emg Mkts Fixed Inc Net Median			1.0		-5.3		-4.4		5.6		3.3		6.5		6.4	Feb-16

1 - Non-U.S. Emerging Market Debt Composite market value includes \$18,118 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	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Opportunistic Credit Composite	2,336,768,667	17.9	1.6	--	5.5	--	6.9	--	7.5	--	7.1	--	9.2	--	8.7	May-08
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>2.2</u>	--	<u>3.1</u>	--	<u>3.9</u>	--	<u>6.4</u>	--	<u>4.9</u>	--	<u>7.2</u>	--	<u>6.1</u>	May-08
BB-B Rated Constrained Index																
Over/Under			-0.6		2.4		3.0		1.1		2.2		2.0		2.6	
ICE BofAML BB-B US High Yield Constrained TR			2.4	--	1.9	--	2.3	--	7.3	--	5.4	--	8.5	--	7.1	May-08
Beachpoint Combined	565,672,043	4.3	1.7	--	4.3	--	6.6	--	7.4	--	5.9	--	8.4	--	6.9	Mar-04
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>2.2</u>	--	<u>3.1</u>	--	<u>3.9</u>	--	<u>6.4</u>	--	<u>4.9</u>	--	<u>7.2</u>	--	<u>5.8</u>	Mar-04
BB-B Rated Constrained Index																
Over/Under			-0.5		1.2		2.7		1.0		1.0		1.2		1.1	
Beachpoint Total Return	565,672,043	4.3	1.7	--	4.3	--	6.6	--	7.4	--	5.9	--	8.4	--	7.3	Jun-08
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>2.2</u>	--	<u>3.1</u>	--	<u>3.9</u>	--	<u>6.4</u>	--	<u>4.9</u>	--	<u>7.2</u>	--	<u>6.1</u>	Jun-08
BB-B Rated Constrained Index																
Over/Under			-0.5		1.2		2.7		1.0		1.0		1.2		1.2	
Pimco Disco Combined	112,261,226	0.9	1.7	--	5.9	--	7.3	--	10.7	--	9.3	--	12.0	--	12.0	Jul-08
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>2.2</u>	--	<u>3.1</u>	--	<u>3.9</u>	--	<u>6.4</u>	--	<u>4.9</u>	--	<u>7.2</u>	--	<u>6.3</u>	Jul-08
BB-B Rated Constrained Index																
Over/Under			-0.5		2.8		3.4		4.3		4.4		4.8		5.7	
Pimco Disco II	112,261,226	0.9	1.7	--	5.9	--	7.3	--	10.7	--	9.3	--	--	--	13.7	Oct-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>2.2</u>	--	<u>3.1</u>	--	<u>3.9</u>	--	<u>6.4</u>	--	<u>4.9</u>	--	<u>7.2</u>	--	<u>6.3</u>	Oct-11
BB-B Rated Constrained Index																
Over/Under			-0.5		2.8		3.4		4.3		4.4				7.4	
GoldenTree Combined	189,746,268	1.5	1.3	--	5.6	--	6.6	--	6.1	--	6.4	--	--	--	9.1	Oct-09
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>2.2</u>	--	<u>3.1</u>	--	<u>3.9</u>	--	<u>6.4</u>	--	<u>4.9</u>	--	<u>7.2</u>	--	<u>6.6</u>	Oct-09
BB-B Rated Constrained Index																
Over/Under			-0.9		2.5		2.7		-0.3		1.5				2.5	
Goldentree II	189,746,268	1.5	1.3	--	5.6	--	6.6	--	6.1	--	6.4	--	--	--	8.7	Sep-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>2.2</u>	--	<u>3.1</u>	--	<u>3.9</u>	--	<u>6.4</u>	--	<u>4.9</u>	--	<u>7.2</u>	--	<u>6.0</u>	Sep-11
BB-B Rated Constrained Index																
Over/Under			-0.9		2.5		2.7		-0.3		1.5				2.7	
Medley Capital	83,392,078	0.6	-1.3	--	-6.6	--	-8.7	--	0.5	--	3.2	--	--	--	5.0	Aug-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>2.2</u>	--	<u>3.1</u>	--	<u>3.9</u>	--	<u>6.4</u>	--	<u>4.9</u>	--	<u>7.2</u>	--	<u>5.4</u>	Aug-11
BB-B Rated Constrained Index																
Over/Under			-3.5		-9.7		-12.6		-5.9		-1.7				-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	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Waterfall - Eden	293,091,865	2.2	0.8	--	5.4	--	7.6	--	6.4	--	7.7	--	--	--	9.8	Aug-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>2.2</u>	--	<u>3.1</u>	--	<u>3.9</u>	--	<u>6.4</u>	--	<u>4.9</u>	--	<u>7.2</u>	--	<u>5.4</u>	Aug-11
BB-B Rated Constrained Index																
Over/Under			-1.4		2.3		3.7		0.0		2.8		--		4.4	
Waterfall - Victoria	84,909,458	0.7	1.3	--	9.1	--	11.1	--	12.2	--	10.4	--	--	--	10.6	Aug-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>2.2</u>	--	<u>3.1</u>	--	<u>3.9</u>	--	<u>6.4</u>	--	<u>4.9</u>	--	<u>7.2</u>	--	<u>5.4</u>	Aug-11
BB-B Rated Constrained Index																
Over/Under			-0.9		6.0		7.2		5.8		5.5		--		5.2	
Elegantree Fund	27,106,021	0.2	1.1	--	5.2	--	6.2	--	8.4	--	8.7	--	--	--	9.9	Mar-12
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>2.2</u>	--	<u>3.1</u>	--	<u>3.9</u>	--	<u>6.4</u>	--	<u>4.9</u>	--	<u>7.2</u>	--	<u>5.5</u>	Mar-12
BB-B Rated Constrained Index																
Over/Under			-1.1		2.1		2.3		2.0		3.8		--		4.4	
Gramercy Distressed Opp II	104,650,440	0.8	-1.5	--	-4.2	--	-7.7	--	-0.9	--	1.7	--	--	--	2.8	Jul-12
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>2.2</u>	--	<u>3.1</u>	--	<u>3.9</u>	--	<u>6.4</u>	--	<u>4.9</u>	--	<u>7.2</u>	--	<u>5.5</u>	Jul-12
BB-B Rated Constrained Index																
Over/Under			-3.7		-7.3		-11.6		-7.3		-3.2		--		-2.7	
ICE Canyon	62,219,482	0.5	-3.8	--	-6.9	--	-6.4	--	5.5	--	1.2	--	--	--	2.1	Jun-12
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>2.2</u>	--	<u>3.1</u>	--	<u>3.9</u>	--	<u>6.4</u>	--	<u>4.9</u>	--	<u>7.2</u>	--	<u>5.6</u>	Jun-12
BB-B Rated Constrained Index																
Over/Under			-6.0		-10.0		-10.3		-0.9		-3.7		--		-3.5	
Lone Star VIII	23,758,439	0.2	1.5	--	2.9	--	-3.8	--	-2.8	--	9.6	--	--	--	9.6	Oct-13
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>2.2</u>	--	<u>3.1</u>	--	<u>3.9</u>	--	<u>6.4</u>	--	<u>4.9</u>	--	<u>7.2</u>	--	<u>4.9</u>	Oct-13
BB-B Rated Constrained Index																
Over/Under			-0.7		-0.2		-7.7		-9.2		4.7		--		4.7	
Marathon European Credit Opportunity I	17,146,719	0.1	12.4	--	18.6	--	25.3	--	12.4	--	10.3	--	--	--	10.2	Oct-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>2.2</u>	--	<u>3.1</u>	--	<u>3.9</u>	--	<u>6.4</u>	--	<u>4.9</u>	--	<u>7.2</u>	--	<u>6.3</u>	Oct-11
BB-B Rated Constrained Index																
Over/Under			10.2		15.5		21.4		6.0		5.4		--		3.9	
Marathon European Credit Opportunity II	89,224,032	0.7	3.8	--	12.5	--	18.7	--	11.3	--	--	--	--	--	9.0	Mar-14
50% CS Leveraged Loan / 50% ICE BofA ML US HY			<u>2.2</u>	--	<u>3.1</u>	--	<u>3.9</u>	--	<u>6.4</u>	--	<u>4.9</u>	--	<u>7.2</u>	--	<u>4.3</u>	Mar-14
BB-B Rated Constrained Index																
Over/Under			1.6		9.4		14.8		4.9		--		--		4.7	

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	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Lone Star IX	53,381,796	0.4	6.5	--	16.9	--	18.8	--	22.3	--	--	--	--	--	-15.2	Apr-15
50% CS Leveraged Loan / 50% ICE BofA ML US HY			2.2	--	3.1	--	3.9	--	6.4	--	4.9	--	7.2	--	4.7	Apr-15
BB-B Rated Constrained Index			4.3		13.8		14.9		15.9						-19.9	
Over/Under																
Kildare European Partners I LP	30,346,593	0.2	6.6	--	17.7	--	20.7	--	17.6	--	--	--	--	--	12.7	May-14
50% CS Leveraged Loan / 50% ICE BofA ML US HY			2.2	--	3.1	--	3.9	--	6.4	--	4.9	--	7.2	--	4.3	May-14
BB-B Rated Constrained Index			4.4		14.6		16.8		11.2						8.4	
Over/Under																
Black Forest	54,811,140	0.4	1.5	--	5.3	--	6.1	--	9.4	--	--	--	--	--	7.6	Aug-14
50% CS Leveraged Loan / 50% ICE BofA ML US HY			2.2	--	3.1	--	3.9	--	6.4	--	4.9	--	7.2	--	4.4	Aug-14
BB-B Rated Constrained Index			-0.7		2.2		2.2		3.0						3.2	
Over/Under																
Gramercy Distressed Opp III	97,941,800	0.8	-0.3	--	-1.6	--	-2.4	--	--	--	--	--	--	--	-1.1	Jan-16
50% CS Leveraged Loan / 50% ICE BofA ML US HY			2.2	--	3.1	--	3.9	--	6.4	--	4.9	--	7.2	--	7.6	Jan-16
BB-B Rated Constrained Index			-2.5		-4.7		-6.3								-8.7	
Over/Under																
GSO Capital Opp III	43,688,941	0.3	2.7	--	9.6	--	13.9	--	--	--	--	--	--	--	8.2	Oct-16
50% CS Leveraged Loan / 50% ICE BofA ML US HY			2.2	--	3.1	--	3.9	--	6.4	--	4.9	--	7.2	--	5.3	Oct-16
BB-B Rated Constrained Index			0.5		6.5		10.0								2.9	
Over/Under																

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	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Cross Ocean ESS II	77,177,442	0.6	1.5	--	6.0	--	8.3	--	--	--	--	--	--	--	16.4	May-17
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			2.2	--	3.1	--	3.9	--	6.4	--	4.9	--	7.2	--	4.3	May-17
Over/Under			-0.7		2.9		4.4								12.1	
OWS CREDIT OPPORTUNITY FD	114,016,900	0.9	2.3	--	8.9	--	12.9	--	--	--	--	--	--	--	11.1	Jul-17
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			2.2	--	3.1	--	3.9	--	6.4	--	4.9	--	7.2	--	4.4	Jul-17
Over/Under			0.1		5.8		9.0								6.7	
TAIGA SPECIAL OPP DAC LP	86,620,580	0.7	1.6	--	8.5	--	12.9	--	--	--	--	--	--	--	14.7	Aug-17
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			2.2	--	3.1	--	3.9	--	6.4	--	4.9	--	7.2	--	3.9	Aug-17
Over/Under			-0.6		5.4		9.0								10.8	
Sutherland Asset Management	71,117,494	0.5	4.9	--	18.3	--	17.0	--	--	--	--	--	--	--	5.9	Jul-17
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			2.2	--	3.1	--	3.9	--	6.4	--	4.9	--	7.2	--	4.4	Jul-17
Over/Under			2.7		15.2		13.1								1.5	
OHA Strategic Credit II	6,533,750	0.1	14.9	--	43.8	--	--	--	--	--	--	--	--	--	38.7	Dec-17
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			2.2	--	3.1	--	3.9	--	6.4	--	4.9	--	7.2	--	3.4	Dec-17
Over/Under			12.7		40.7										35.3	
Lone Star X	47,954,162	0.4	3.1	--	-42.9	--	--	--	--	--	--	--	--	--	-42.9	Jan-18
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			2.2	--	3.1	--	3.9	--	6.4	--	4.9	--	7.2	--	3.1	Jan-18
Over/Under			0.9		-46.0										-46.0	

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	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Absolute Return Composite	411,600	0.0														
Global Asset Allocation/Risk Parity Composite	1,285,885,131	9.8	-1.3	79	-1.4	54	1.8	54	5.7	75	3.5	92	--	--	6.9	Oct-09
GAA/Risk Parity Custom Index			<u>1.1</u>	16	<u>3.2</u>	6	<u>7.0</u>	8	<u>9.1</u>	1	<u>5.9</u>	1	<u>6.4</u>	1	<u>6.7</u>	Oct-09
Over/Under			-2.4		-4.6		-5.2		-3.4		-2.4				0.2	
InvestorForce Public DB > \$1 Billion Global Tactical Net Median			-0.6		-1.3		1.9		6.2		4.0		6.1		6.9	Oct-09
Global Asset Allocation Composite	619,379,025	4.7	-1.7	88	-1.3	50	0.9	78	4.5	87	1.8	99	--	--	1.9	Nov-12
Credit Suisse Hedge Global Macro			<u>-0.2</u>	38	<u>1.7</u>	14	<u>3.6</u>	35	<u>2.6</u>	93	<u>2.2</u>	99	<u>4.5</u>	99	<u>2.4</u>	Nov-12
Over/Under			-1.5		-3.0		-2.7		1.9		-0.4				-0.5	
InvestorForce Public DB > \$1 Billion Global Tactical Net Median			-0.6		-1.3		1.9		6.2		4.0		6.1		3.8	Nov-12
Bridgewater Pure Alpha	291,938,148	2.2	-2.0	94	2.3	20	4.9	32	2.5	87	2.7	75	--	--	6.2	Oct-09
Credit Suisse Hedge Global Macro			<u>-0.2</u>	78	<u>1.7</u>	26	<u>3.6</u>	48	<u>2.6</u>	86	<u>2.2</u>	80	<u>4.5</u>	82	<u>4.3</u>	Oct-09
Over/Under			-1.8		0.6		1.3		-0.1		0.5				1.9	
eV Global TAA Net Median			1.3		-0.1		3.4		6.5		4.0		5.9		6.1	Oct-09
PIMCO All Asset All Authority	327,440,877	2.5	-1.3	91	-4.4	92	-2.4	90	6.3	52	0.8	90	--	--	1.0	Jul-13
Credit Suisse Hedge Global Macro			<u>-0.2</u>	78	<u>1.7</u>	26	<u>3.6</u>	48	<u>2.6</u>	86	<u>2.2</u>	80	<u>4.5</u>	82	<u>2.1</u>	Jul-13
Over/Under			-1.1		-6.1		-6.0		3.7		-1.4				-1.1	
eV Global TAA Net Median			1.3		-0.1		3.4		6.5		4.0		5.9		4.6	Jul-13
Risk Parity	666,506,106	5.1	-0.9	60	-1.5	58	2.6	43	6.9	18	5.2	5	--	--	3.9	Nov-12
GAA/Risk Parity Custom Index			<u>1.1</u>	16	<u>3.2</u>	6	<u>7.0</u>	8	<u>9.1</u>	1	<u>5.9</u>	1	<u>6.4</u>	1	<u>7.0</u>	Nov-12
Over/Under			-2.0		-4.7		-4.4		-2.2		-0.7				-3.1	
InvestorForce Public DB > \$1 Billion Global Tactical Net Median			-0.6		-1.3		1.9		6.2		4.0		6.1		3.8	Nov-12
Bridgewater All Weather	451,558,302	3.5	-0.3	81	-0.5	56	3.6	48	6.6	50	4.4	46	--	--	7.7	Oct-09
60% MSCI World (Gross) / 40% FTSE WGBI			<u>2.4</u>	31	<u>2.5</u>	18	<u>6.4</u>	20	<u>9.2</u>	20	<u>6.1</u>	23	<u>6.6</u>	43	<u>6.8</u>	Oct-09
Over/Under			-2.7		-3.0		-2.8		-2.6		-1.7				0.9	
eV Global TAA Net Median			1.3		-0.1		3.4		6.5		4.0		5.9		6.1	Oct-09
PanAgora	214,947,804	1.6	-2.1	94	-3.6	83	0.6	71	7.3	38	--	--	--	--	7.1	Dec-13
GAA/Risk Parity Custom Index			<u>1.1</u>	55	<u>3.2</u>	12	<u>7.0</u>	17	<u>9.1</u>	20	<u>5.9</u>	24	<u>6.4</u>	46	<u>5.3</u>	Dec-13
Over/Under			-3.2		-6.8		-6.4		-1.8						1.8	
eV Global TAA Net Median			1.3		-0.1		3.4		6.5		4.0		5.9		3.5	Dec-13

1 - Absolute Return Composite includes \$411,600 in liquidating assets.

2 - 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 - GAA/RISK PARITY

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Diversifying Assets	176,726,725	1.4	5.3	--	--	--	--	--	--	--	--	--	--	--	9.6	Feb-18
3-Month LIBOR + 2%			<u>1.1</u>	--	<u>3.2</u>	--	<u>4.1</u>	--	<u>3.3</u>	--	<u>2.9</u>	--	<u>2.7</u>	--	<u>2.9</u>	Feb-18
Over/Under			4.2												6.7	
EIG Energy Fund XVII	28,143,505	0.2	3.9	--	--	--	--	--	--	--	--	--	--	--	3.0	Apr-18
3-Month LIBOR + 2%			<u>1.1</u>	--	<u>3.2</u>	--	<u>4.1</u>	--	<u>3.3</u>	--	<u>2.9</u>	--	<u>2.7</u>	--	<u>2.2</u>	Apr-18
Over/Under			2.8												0.8	
The 1609 Fund LTD.	110,333,220	0.8	6.1	--	--	--	--	--	--	--	--	--	--	--	11.7	Feb-18
3-Month LIBOR + 2%			<u>1.1</u>	--	<u>3.2</u>	--	<u>4.1</u>	--	<u>3.3</u>	--	<u>2.9</u>	--	<u>2.7</u>	--	<u>2.9</u>	Feb-18
Over/Under			5.0												8.8	
OLEA SPECIAL OPPS OFFSHORE I	38,250,000	0.3														

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	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Real Estate Composite	814,688,388	6.2	3.0	1	8.9	5	10.8	4	11.3	4	11.9	9	9.1	6	10.2	Dec-03
NCREIF Property Index			<u>1.7</u>	55	<u>5.3</u>	64	<u>7.2</u>	74	<u>7.8</u>	76	<u>9.6</u>	73	<u>6.4</u>	23	<u>9.1</u>	Dec-03
Over/Under			1.3		3.6		3.6		3.5		2.3		2.7		1.1	
Wilshire REIT			0.7	70	2.2	97	4.0	95	7.1	89	9.2	79	7.4	14	9.0	Dec-03
InvestorForce Public DB > \$1 Billion Real Estate Net Median			1.7		6.2		8.1		8.6		10.1		5.6		7.9	Dec-03
Public Real Estate Composite	259,739,650	2.0	-0.5	99	0.2	98	1.1	97	5.9	92	7.7	88	6.9	17	8.7	Dec-03
Wilshire REIT			<u>0.7</u>	70	2.2	97	<u>4.0</u>	95	<u>7.1</u>	89	<u>9.2</u>	79	<u>7.4</u>	14	<u>9.0</u>	Dec-03
Over/Under			-1.2		-2.0		-2.9		-1.2		-1.5		-0.5		-0.3	
InvestorForce Public DB > \$1 Billion Real Estate Net Median			1.7		6.2		8.1		8.6		10.1		5.6		7.9	Dec-03
Brookfield	259,739,650	2.0	-0.5	88	0.2	81	1.0	88	5.7	92	7.2	90	--	--	8.6	Jul-11
MSCI US REIT			<u>0.8</u>	51	<u>1.3</u>	50	<u>2.4</u>	84	<u>6.3</u>	77	<u>7.8</u>	88	<u>6.1</u>	91	<u>7.6</u>	Jul-11
Over/Under			-1.3		-1.1		-1.4		-0.6		-0.6				1.0	
eV US REIT Net Median			0.8		1.3		3.8		7.3		9.4		7.8		8.9	Jul-11
Private Real Estate Composite	554,948,738	4.2	4.6	2	13.3	3	15.8	3	14.3	3	14.4	1	9.4	1	8.7	Jan-08
NCREIF Property Index			<u>1.7</u>	59	<u>5.3</u>	82	<u>7.2</u>	66	<u>7.8</u>	73	<u>9.6</u>	69	<u>6.4</u>	14	<u>6.2</u>	Jan-08
Over/Under			2.9		8.0		8.6		6.5		4.8		3.0		2.5	
InvestorForce Public DB Real Estate Priv Net Median			1.9		6.3		8.3		8.7		10.0		5.0		4.5	Jan-08
U.S. Private Real Estate	554,948,738	4.2	4.6	--	13.3	--	15.8	--	14.3	--	14.5	--	9.9	--	9.3	Jan-08
NCREIF Property Index			<u>1.7</u>	--	<u>5.3</u>	--	<u>7.2</u>	--	<u>7.8</u>	--	<u>9.6</u>	--	<u>6.4</u>	--	<u>6.2</u>	Jan-08
Over/Under			2.9		8.0		8.6		6.5		4.9		3.5		3.1	

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	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Private Equity Composite	1,735,061,289	13.3	3.7	54	10.5	68	13.4	72	12.1	47	14.6	41	11.3	34	7.0	Jun-06
Cambridge Associates US All PE (1 Qtr Lag)			<u>5.8</u>	8	<u>14.2</u>	22	<u>18.7</u>	20	<u>12.7</u>	42	<u>13.8</u>	44	<u>10.8</u>	37	<u>12.5</u>	Jun-06
Over/Under			-2.1		-3.7		-5.3		-0.6		0.8		0.5		-5.5	
InvestorForce Public DB > \$1 Billion Private Equity Net Median			3.7		11.8		15.7		11.6		12.4		9.9		10.1	Jun-06
Real Assets Composite	971,166,088	7.4	2.8	30	9.6	13	10.4	19	9.9	27	7.6	8	3.2	40	2.7	Jul-08
CPI + 4% (Seasonally Adjusted)			<u>1.4</u>	46	<u>4.7</u>	31	<u>6.4</u>	32	<u>6.1</u>	47	<u>5.6</u>	45	<u>5.5</u>	16	<u>5.5</u>	Jul-08
Over/Under			1.4		4.9		4.0		3.8		2.0		-2.3		-2.8	
InvestorForce Public DB > \$1 Billion Real Assets/Commodities Net Median			0.9		2.7		5.2		5.9		4.9		3.0		2.7	Jul-08
Infrastructure Composite	389,269,947	3.0	2.2	--	5.2	--	6.0	--	9.4	--	7.7	--	3.1	--	3.1	Jul-08
Infrastructure	358,985,828	2.7	1.9	--	5.1	--	5.7	--	6.9	--	6.6	--	2.7	--	2.6	Jul-08
CPI + 4% (Seasonally Adjusted)			<u>1.4</u>	--	<u>4.7</u>	--	<u>6.4</u>	--	<u>6.1</u>	--	<u>5.6</u>	--	<u>5.5</u>	--	<u>5.5</u>	Jul-08
Over/Under			0.5		0.4		-0.7		0.8		1.0		-2.8		-2.9	
International Infrastructure	30,284,119	0.2	6.2	--	5.0	--	8.2	--	49.0	--	22.9	--	--	--	-0.8	Jan-13
CPI + 4% (Seasonally Adjusted)			<u>1.4</u>	--	<u>4.7</u>	--	<u>6.4</u>	--	<u>6.1</u>	--	<u>5.6</u>	--	<u>5.5</u>	--	<u>5.6</u>	Jan-13
Over/Under			4.8		0.3		1.8		42.9		17.3		--		-6.4	
Natural Resources	581,896,141	4.5	3.2	--	13.0	--	13.6	--	10.1	--	7.2	--	--	--	4.2	Mar-09
Harvest Fund	54,423,214	0.4	6.2	--	9.4	--	9.0	--	--	--	--	--	--	--	3.8	Aug-16
Alerian MLP Index			<u>6.6</u>	--	<u>5.9</u>	--	<u>4.9</u>	--	<u>4.4</u>	--	<u>-2.7</u>	--	<u>9.2</u>	--	<u>0.7</u>	Aug-16
Over/Under			-0.4		3.5		4.1		--		--		--		3.1	
Energy	212,782,858	1.6	5.3	--	29.7	--	33.0	--	20.5	--	--	--	--	--	1.9	Jan-14
CPI + 4% (Seasonally Adjusted)			<u>1.4</u>	--	<u>4.7</u>	--	<u>6.4</u>	--	<u>6.1</u>	--	<u>5.6</u>	--	<u>5.5</u>	--	<u>5.6</u>	Jan-14
Over/Under			3.9		25.0		26.6		14.4		--		--		-3.7	
Agriculture Composite	113,620,073	0.9	1.6	--	4.0	--	2.1	--	4.4	--	4.9	--	--	--	4.1	Aug-12
NCREIF Farmland			<u>1.3</u>	--	<u>3.8</u>	--	<u>6.8</u>	--	<u>7.2</u>	--	<u>9.9</u>	--	<u>11.6</u>	--	<u>11.7</u>	Aug-12
Over/Under			0.3		0.2		-4.7		-2.8		-5.0		--		-7.6	
Timber Composite	94,877,024	0.7	0.5	--	5.9	--	6.3	--	5.2	--	5.8	--	--	--	3.9	Mar-09
NCREIF Timberland Index			<u>1.0</u>	--	<u>2.4</u>	--	<u>4.0</u>	--	<u>3.6</u>	--	<u>6.0</u>	--	<u>4.0</u>	--	<u>3.9</u>	Mar-09
Over/Under			-0.5		3.5		2.3		1.6		-0.2		--		0.0	

1 - Energy composite includes Five Point Cap, Lime Rock, Enervest, BP Natural Gas, and Bluescape Energy.

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

3 - Timber Composite contains Brookfield Brazil Timber, Conservation Forestry II, Conservation Forestry IV, and ETO II Operating Partnership.

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



New Mexico Educational Retirement Board

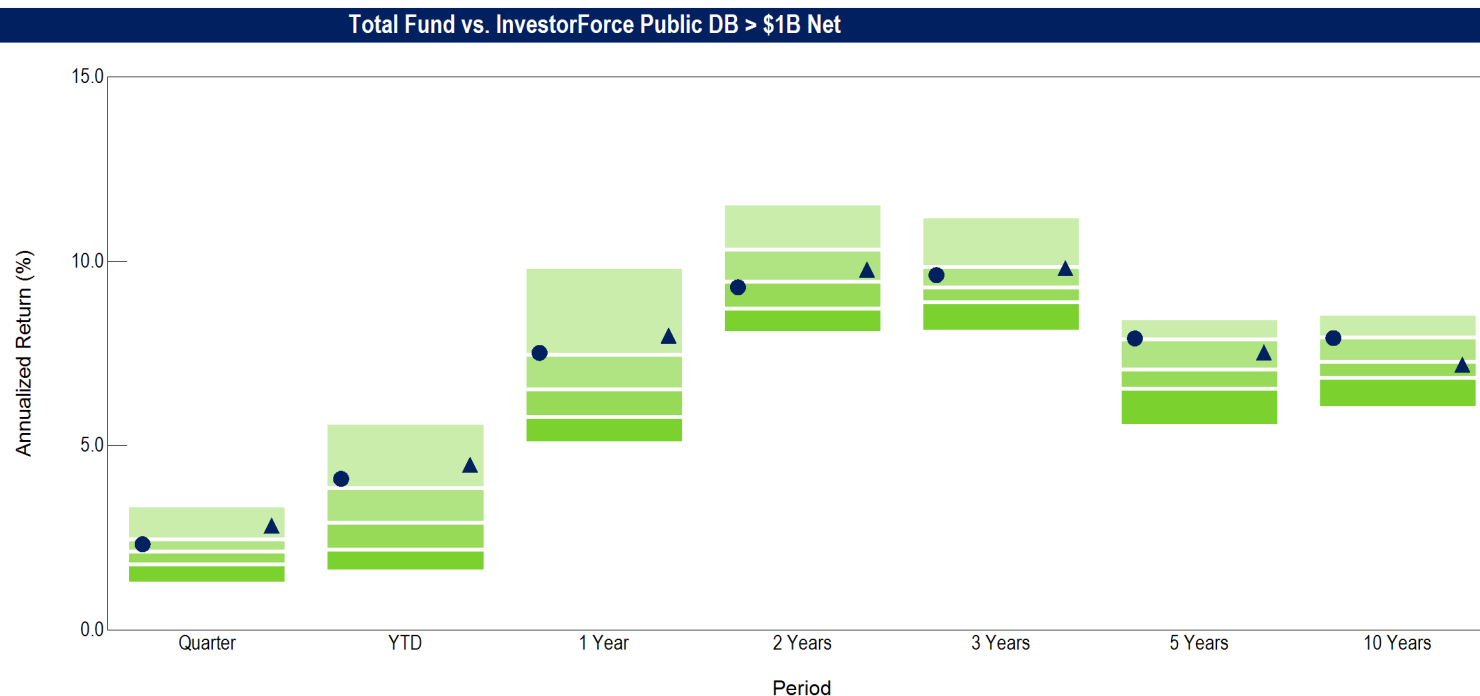
PERFORMANCE DETAIL - CASH

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Mitigation Banking	57,835,570	0.4	2.5	--	1.0	--	1.4	--	10.9	--	10.5	--	--	--	1.3	Mar-11
CPI + 4% (Seasonally Adjusted)			<u>1.4</u>	--	<u>4.7</u>	--	<u>6.4</u>	--	<u>6.1</u>	--	<u>5.6</u>	--	<u>5.5</u>	--	<u>5.8</u>	Mar-11
Over/Under			1.1		-3.7		-5.0		4.8		4.9				-4.5	
Water Property Investor, L.P.	48,357,403	0.4	0.4	--	1.1	--	0.5	--	0.1	--	--	--	--	--	3.6	Jan-15
CPI + 4% (Seasonally Adjusted)			<u>1.4</u>	--	<u>4.7</u>	--	<u>6.4</u>	--	<u>6.1</u>	--	<u>5.6</u>	--	<u>5.5</u>	--	<u>5.8</u>	Jan-15
Over/Under			-1.0		-3.6		-5.9		-6.0						-2.2	
Cash	190,660,256	1.5														
Cash	188,587,747	1.4	0.5	--	1.4	--	1.7	--	1.4	--	1.0	--	0.9	--	1.1	Dec-99
91 Day T-Bills			<u>0.5</u>	--	<u>1.3</u>	--	<u>1.6</u>	--	<u>0.9</u>	--	<u>0.5</u>	--	<u>0.3</u>	--	<u>1.6</u>	Dec-99
Over/Under			0.0		0.1		0.1		0.5		0.5		0.6		-0.5	
NM ERB Cash	1,969,803	0.0	-0.2	--	-0.1	--	-0.2	--	0.0	--	0.0	--	0.4	--	0.9	Jun-00
91 Day T-Bills			<u>0.5</u>	--	<u>1.3</u>	--	<u>1.6</u>	--	<u>0.9</u>	--	<u>0.5</u>	--	<u>0.3</u>	--	<u>1.5</u>	Jun-00
Over/Under			-0.7		-1.4		-1.8		-0.9		-0.5		0.1		-0.6	
Local Government Investment Pool (LGIP) at STO	102,706	0.0	0.5	--	1.2	--	1.4	--	0.7	--	--	--	--	--	0.6	Jul-15
91 Day T-Bills			<u>0.5</u>	--	<u>1.3</u>	--	<u>1.6</u>	--	<u>0.9</u>	--	<u>0.5</u>	--	<u>0.3</u>	--	<u>0.8</u>	Jul-15
Over/Under			0.0		-0.1		-0.2		-0.2						-0.2	

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



TOTAL FUND RETURN SUMMARY VS. PEER UNIVERSE



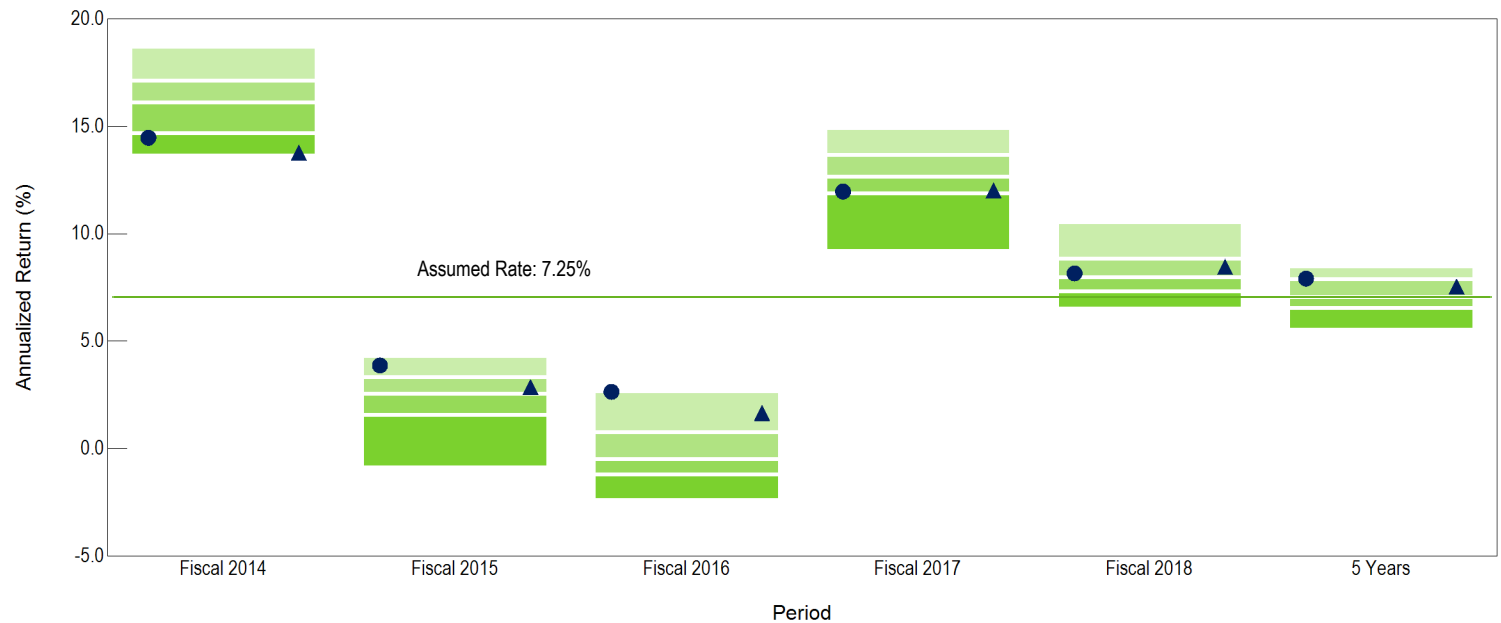
	Return (Rank)											
5th Percentile	3.4	(36)	5.6	(21)	9.8	(25)	11.6	(56)	11.2	(38)	8.5	(23)
25th Percentile	2.5	(16)	3.9	(12)	7.5	(16)	10.3	(37)	9.9	(27)	7.9	(37)
Median	2.1		2.9		6.5		9.5		9.3		7.1	
75th Percentile	1.8		2.2		5.8		8.7		8.9		6.6	
95th Percentile	1.3		1.6		5.1		8.1		8.1		5.5	
# of Portfolios	63		62		62		62		62		60	
● Total Fund	2.3	(36)	4.1	(21)	7.5	(25)	9.3	(56)	9.6	(38)	7.9	(23)
▲ Policy Index	2.8	(16)	4.5	(12)	8.0	(16)	9.8	(37)	9.8	(27)	7.5	(37)
											7.2	(57)

Note: Ranks are based on net returns.



TOTAL FUND RETURN SUMMARY VS. PEER UNIVERSE

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



		Return (Rank)											
5th Percentile		18.7		4.3		2.7		14.9		10.5		8.5	
25th Percentile		17.2		3.3		0.8		13.7		8.8		7.9	
Median		16.1		2.6		-0.5		12.7		8.0		7.1	
75th Percentile		14.7		1.6		-1.2		11.9		7.3		6.6	
95th Percentile		13.6		-0.9		-2.4		9.2		6.5		5.5	
# of Portfolios		43		53		55		65		51		60	
●	Total Fund	14.5	(79)	3.9	(16)	2.6	(6)	12.0	(71)	8.2	(45)	7.9	(23)
▲	Policy Index	13.8	(91)	2.9	(47)	1.7	(9)	12.0	(68)	8.5	(33)	7.5	(37)

Note: Ranks are based on net returns.



New Mexico Educational Retirement Board

TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Summary 3 Months Ending September 30, 2018						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Large Cap Equity Composite	7.7%	7.7%	0.0%	0.0%	0.0%	0.0%
U.S. Small/Mid Cap Equity Composite	3.9%	4.7%	-0.8%	0.0%	0.0%	0.0%
Non-U.S. Developed Mkts Equity Composite	1.9%	1.4%	0.5%	0.0%	0.0%	0.0%
Non-U.S. Emerging Mkts Equity Composite	-3.3%	-1.1%	-2.2%	-0.2%	0.0%	-0.2%
Core Fixed Income Composite	0.7%	0.0%	0.7%	0.0%	0.0%	0.0%
Non-U.S. Emerging Market Debt Composite	-0.2%	0.2%	-0.4%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	1.6%	2.2%	-0.5%	-0.1%	0.0%	-0.1%
Absolute Return Composite	-0.3%	1.0%	-1.3%	0.0%	0.0%	0.0%
Global Asset Allocation/Risk Parity Composite	-1.3%	1.1%	-2.4%	-0.2%	-0.1%	-0.3%
Diversifying Assets	5.3%	1.1%	4.2%	0.0%	0.1%	0.1%
Public Real Estate Composite	-0.5%	0.7%	-1.2%	0.0%	0.0%	0.0%
Private Real Estate Composite	4.6%	1.7%	3.0%	0.1%	0.0%	0.1%
Private Equity Composite	3.7%	5.8%	-2.1%	-0.3%	0.0%	-0.3%
Real Assets Composite	2.8%	1.4%	1.3%	0.1%	0.0%	0.1%
Cash	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%
Total	2.4%	2.8%	-0.5%	-0.6%	0.1%	-0.5%

Attribution Summary YTD Ending September 30, 2018						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Large Cap Equity Composite	10.4%	10.6%	-0.2%	0.0%	0.0%	0.0%
U.S. Small/Mid Cap Equity Composite	7.6%	10.4%	-2.8%	-0.1%	0.0%	-0.1%
Non-U.S. Developed Mkts Equity Composite	-1.1%	-1.4%	0.3%	0.0%	0.0%	0.0%
Non-U.S. Emerging Mkts Equity Composite	-10.6%	-7.7%	-2.9%	-0.3%	0.0%	-0.4%
Core Fixed Income Composite	-1.3%	-1.6%	0.3%	0.0%	-0.1%	-0.1%
Non-U.S. Emerging Market Debt Composite	-5.0%	-5.6%	0.6%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	5.5%	3.1%	2.4%	0.4%	0.0%	0.4%
Absolute Return Composite	-0.4%	2.8%	-3.2%	0.0%	0.0%	0.0%
Global Asset Allocation/Risk Parity Composite	-1.4%	3.2%	-4.6%	-0.5%	0.0%	-0.5%
Diversifying Assets	11.2%	3.2%	8.0%	0.1%	0.1%	0.1%
Public Real Estate Composite	0.2%	2.2%	-2.0%	0.0%	0.0%	0.0%
Private Real Estate Composite	13.3%	5.3%	8.1%	0.3%	0.0%	0.3%
Private Equity Composite	10.5%	14.2%	-3.7%	-0.5%	0.0%	-0.5%
Real Assets Composite	9.6%	4.7%	5.0%	0.3%	0.0%	0.3%
Cash	1.2%	1.3%	-0.1%	0.0%	0.0%	0.0%
Total	4.1%	4.5%	-0.4%	-0.3%	-0.1%	-0.4%



New Mexico Educational Retirement Board

TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Summary						
1 Year Ending September 30, 2018						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Large Cap Equity Composite	17.7%	17.9%	-0.2%	0.0%	0.0%	0.0%
U.S. Small/Mid Cap Equity Composite	13.7%	16.2%	-2.5%	-0.1%	0.0%	-0.1%
Non-U.S. Developed Mkts Equity Composite	2.5%	2.7%	-0.2%	0.0%	0.0%	0.0%
Non-U.S. Emerging Mkts Equity Composite	-3.7%	-0.8%	-2.9%	-0.3%	0.0%	-0.3%
Core Fixed Income Composite	-0.7%	-1.2%	0.6%	0.0%	-0.1%	-0.1%
Non-U.S. Emerging Market Debt Composite	-4.2%	-4.6%	0.4%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	6.9%	3.9%	3.0%	0.5%	0.0%	0.5%
Absolute Return Composite	-0.6%	3.6%	-4.2%	0.0%	0.0%	0.0%
Global Asset Allocation/Risk Parity Composite	1.8%	7.0%	-5.2%	-0.5%	0.0%	-0.6%
Diversifying Assets	--	3.2%	--	0.1%	0.2%	0.2%
Public Real Estate Composite	1.1%	4.0%	-2.9%	-0.1%	0.0%	-0.1%
Private Real Estate Composite	15.8%	7.2%	8.7%	0.4%	0.0%	0.4%
Private Equity Composite	13.4%	18.7%	-5.3%	-0.7%	0.0%	-0.7%
Real Assets Composite	10.4%	6.4%	4.0%	0.3%	0.0%	0.3%
Cash	1.5%	1.6%	-0.1%	0.0%	-0.1%	-0.1%
Total	7.5%	8.0%	-0.5%	-0.4%	-0.1%	-0.5%

Attribution Summary						
3 Years Ending September 30, 2018						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Large Cap Equity Composite	17.2%	17.3%	-0.1%	0.0%	0.0%	0.0%
U.S. Small/Mid Cap Equity Composite	15.1%	16.1%	-1.0%	0.0%	0.0%	0.0%
Non-U.S. Developed Mkts Equity Composite	8.4%	9.2%	-0.9%	0.0%	0.0%	-0.1%
Non-U.S. Emerging Mkts Equity Composite	8.9%	12.4%	-3.5%	-0.3%	0.0%	-0.4%
Core Fixed Income Composite	1.9%	1.3%	0.6%	0.1%	-0.2%	-0.1%
Non-U.S. Emerging Market Debt Composite	6.2%	5.6%	0.6%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	7.5%	6.4%	1.1%	0.2%	0.0%	0.2%
Absolute Return Composite	0.0%	2.8%	-2.9%	0.0%	0.0%	0.0%
Global Asset Allocation/Risk Parity Composite	5.7%	6.4%	-0.7%	-0.1%	0.0%	-0.1%
Diversifying Assets	--	--	--	0.0%	0.1%	0.1%
Public Real Estate Composite	5.9%	7.1%	-1.1%	0.0%	0.0%	0.0%
Private Real Estate Composite	14.3%	7.8%	6.5%	0.3%	0.0%	0.3%
Private Equity Composite	12.1%	12.7%	-0.6%	-0.1%	0.0%	-0.1%
Real Assets Composite	9.9%	6.1%	3.8%	0.2%	0.1%	0.3%
Cash	1.1%	0.9%	0.3%	0.0%	-0.1%	-0.1%
Total	9.6%	9.8%	-0.2%	0.1%	-0.3%	-0.2%



New Mexico Educational Retirement Board

TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Summary						
5 Years Ending September 30, 2018						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Large Cap Equity Composite	13.9%	13.9%	-0.1%	0.0%	0.0%	0.0%
U.S. Small/Mid Cap Equity Composite	11.2%	11.4%	-0.2%	0.0%	0.0%	0.0%
Non-U.S. Developed Mkts Equity Composite	4.3%	4.4%	-0.2%	0.0%	0.0%	0.0%
Non-U.S. Emerging Mkts Equity Composite	2.9%	3.6%	-0.7%	-0.1%	0.0%	-0.1%
Core Fixed Income Composite	2.7%	2.2%	0.5%	0.0%	-0.1%	-0.1%
Non-U.S. Emerging Market Debt Composite	1.3%	-1.5%	2.7%	0.0%	0.0%	0.1%
Opportunistic Credit Composite	7.1%	4.9%	2.2%	0.4%	0.0%	0.4%
Absolute Return Composite	1.8%	2.5%	-0.7%	0.0%	0.0%	0.0%
Global Asset Allocation/Risk Parity Composite	3.5%	4.4%	-0.9%	-0.1%	0.0%	-0.1%
Diversifying Assets	--	--	--	0.0%	0.0%	0.0%
Public Real Estate Composite	7.7%	9.2%	-1.5%	0.0%	0.0%	-0.1%
Private Real Estate Composite	14.4%	9.6%	4.8%	0.2%	0.0%	0.2%
Private Equity Composite	14.6%	13.8%	0.8%	0.0%	0.0%	0.0%
Real Assets Composite	7.6%	5.6%	2.0%	0.1%	0.0%	0.2%
Cash	0.8%	0.5%	0.3%	0.0%	-0.1%	-0.1%
Total	7.9%	7.5%	0.4%	0.6%	-0.2%	0.4%



APPENDIX: MARKET ENVIRONMENT

NEPC, LLC

LONG-TERM PERFORMANCE SUMMARY



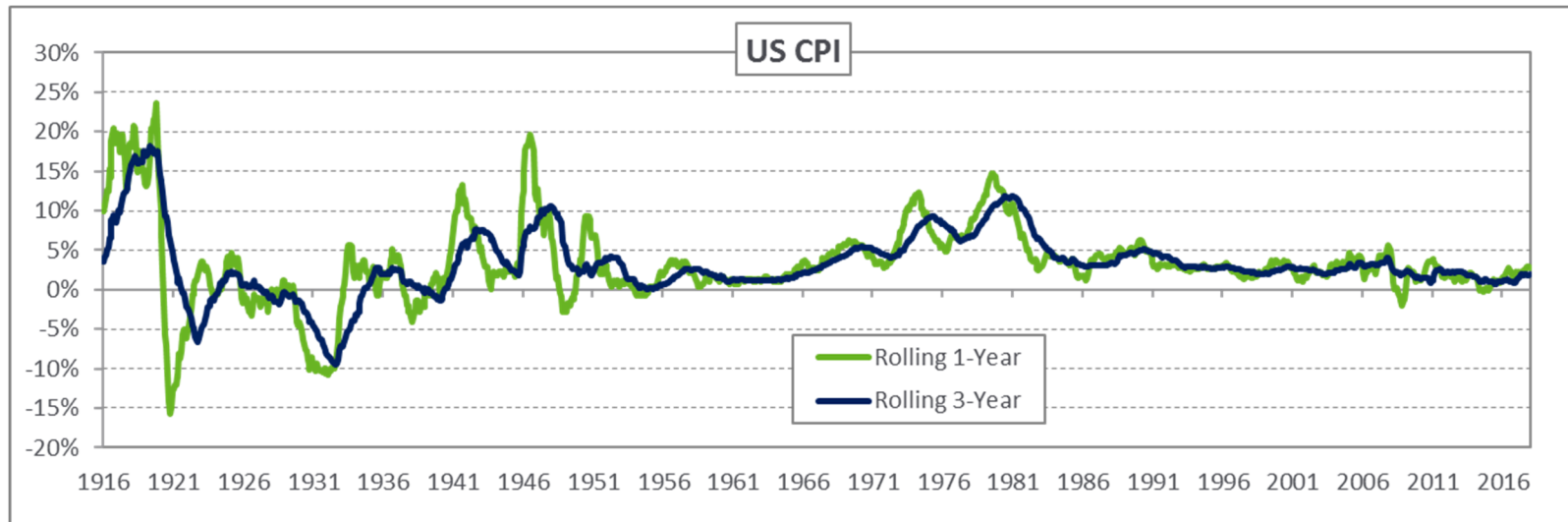
Source: Bloomberg, Standard and Poor's, Russell, MSCI, Barclays, JP Morgan



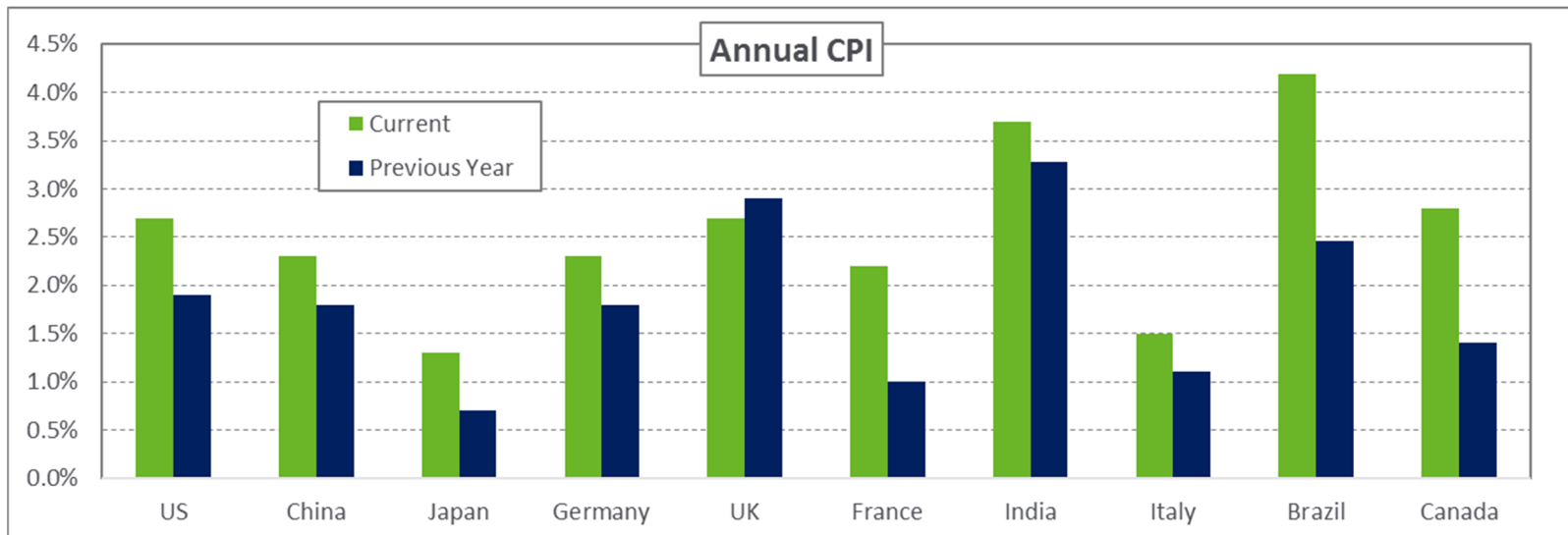
MACRO

NEPC, LLC

INFLATION



Source: Bureau of Labor Statistics, Bloomberg, NEPC

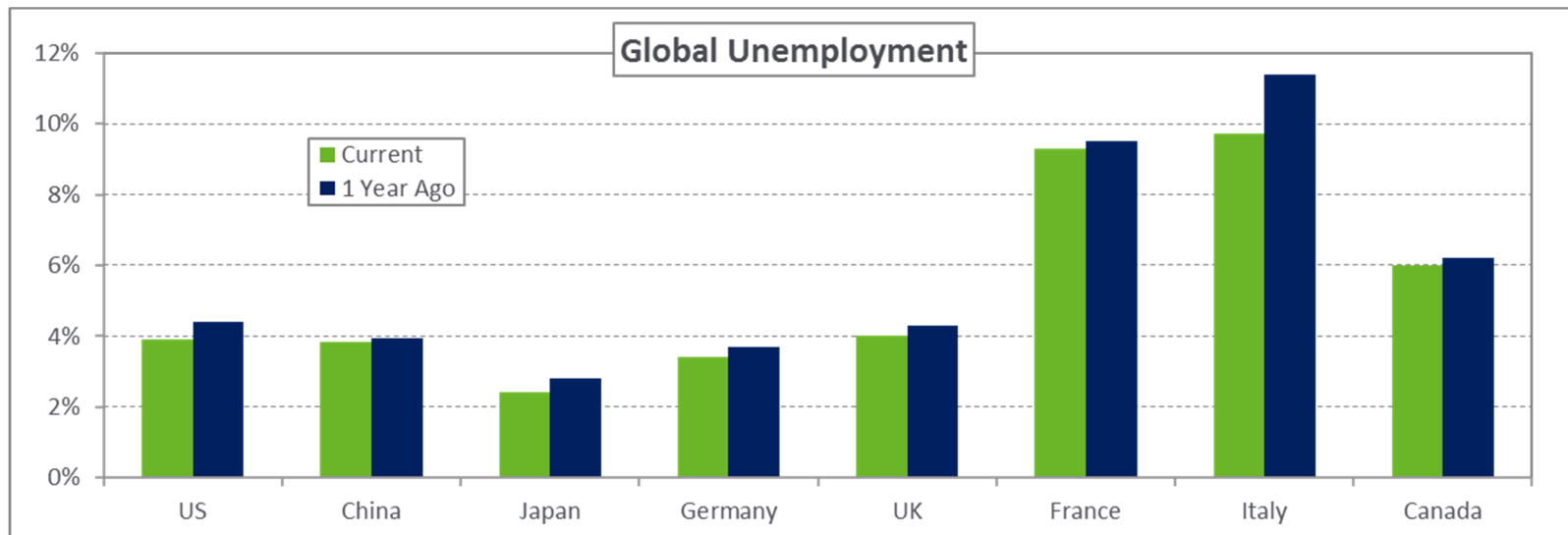


Source: Bureau of Labor Statistics, National Bureau of Statistics of China, Ministry of Internal Affairs and Communications (Japan), German Federal Statistics Office, UK Office for National Statistics, National Statistics Office of France, India Central Statistical Organization, ISTAT, IBGE, STCA, Bloomberg

UNEMPLOYMENT

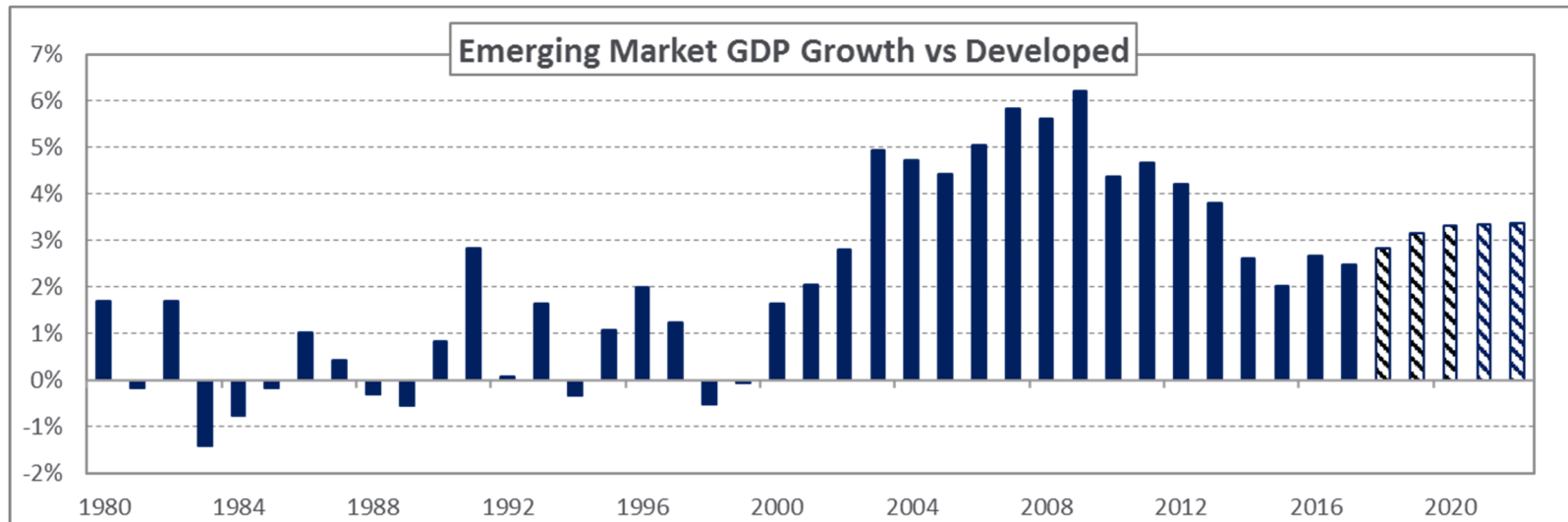


Source: Bureau of Labor Statistics, Bloomberg

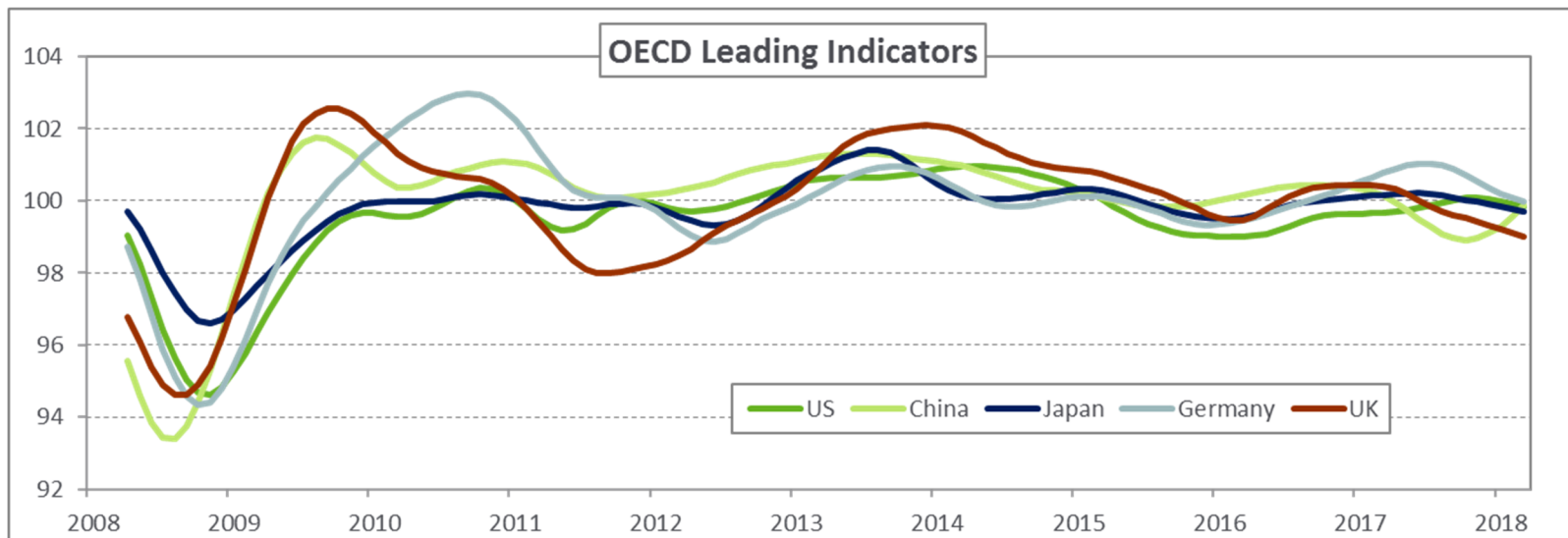


Source: Bureau of Labor Statistics, STA, National Bureau of Statistics of China, Ministry of Internal Affairs and Communications (Japan), German Federal Statistics Office, UK Office for National Statistics, National Statistics Office of France, ISTAT, IBGE, Bloomberg

ECONOMIC INDICATORS

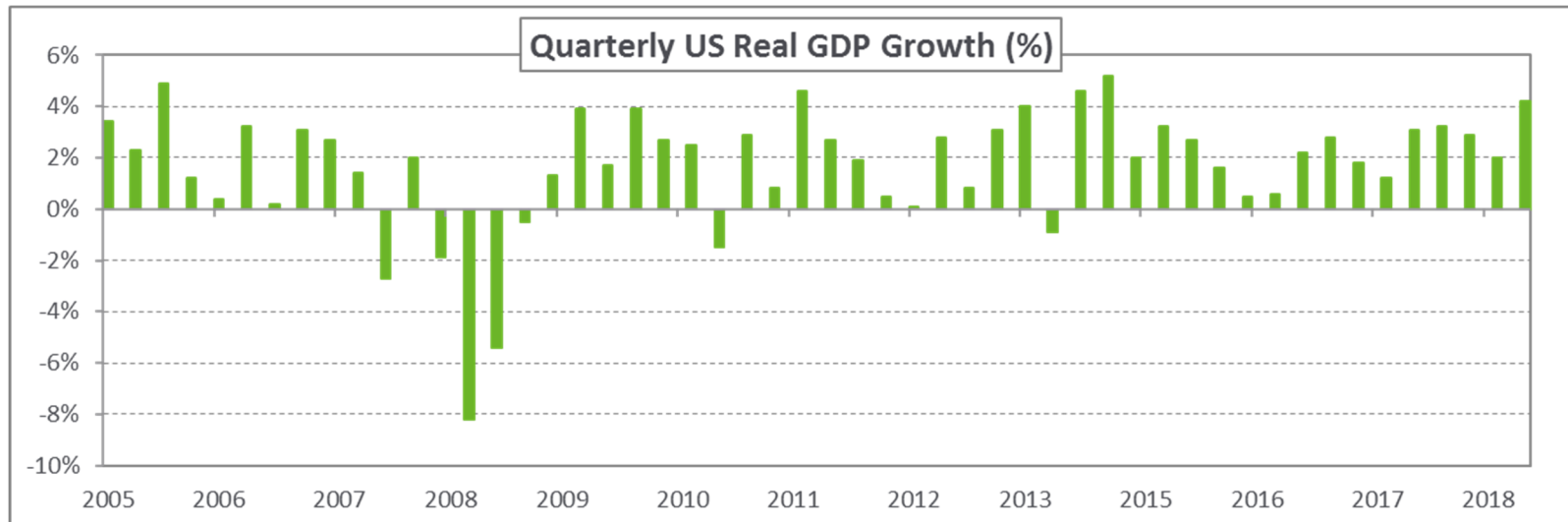


Source: IMF

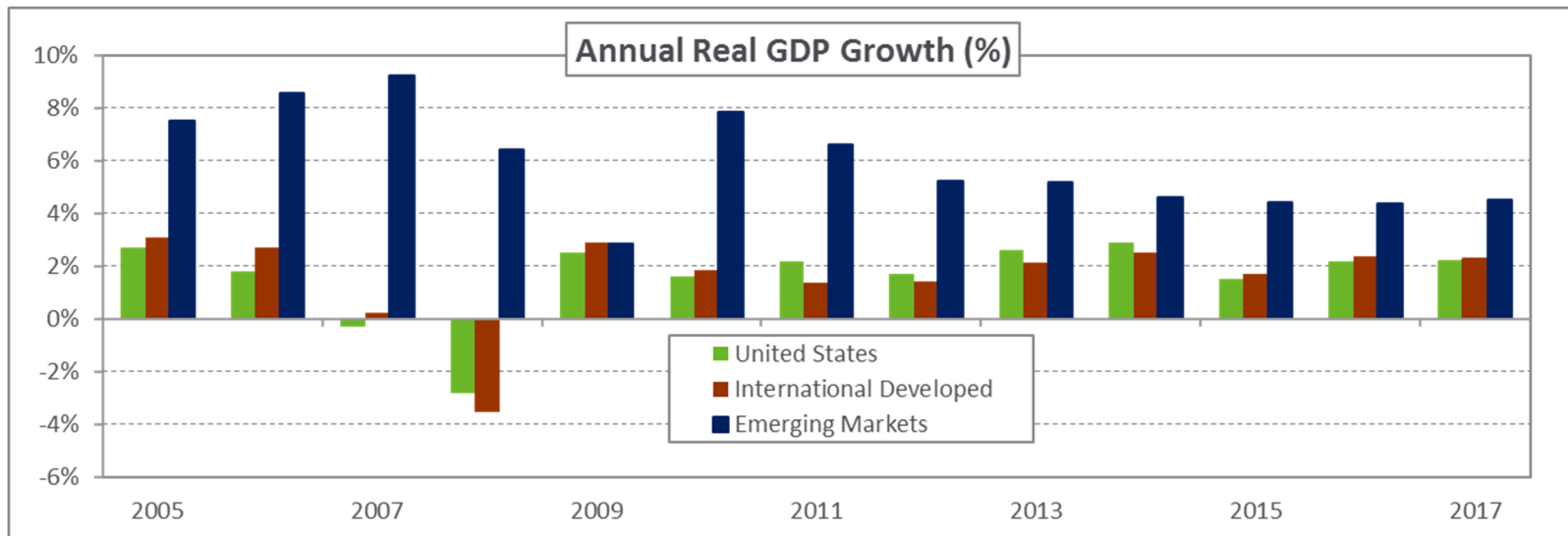


Source: OECD, Bloomberg

GROSS DOMESTIC PRODUCT

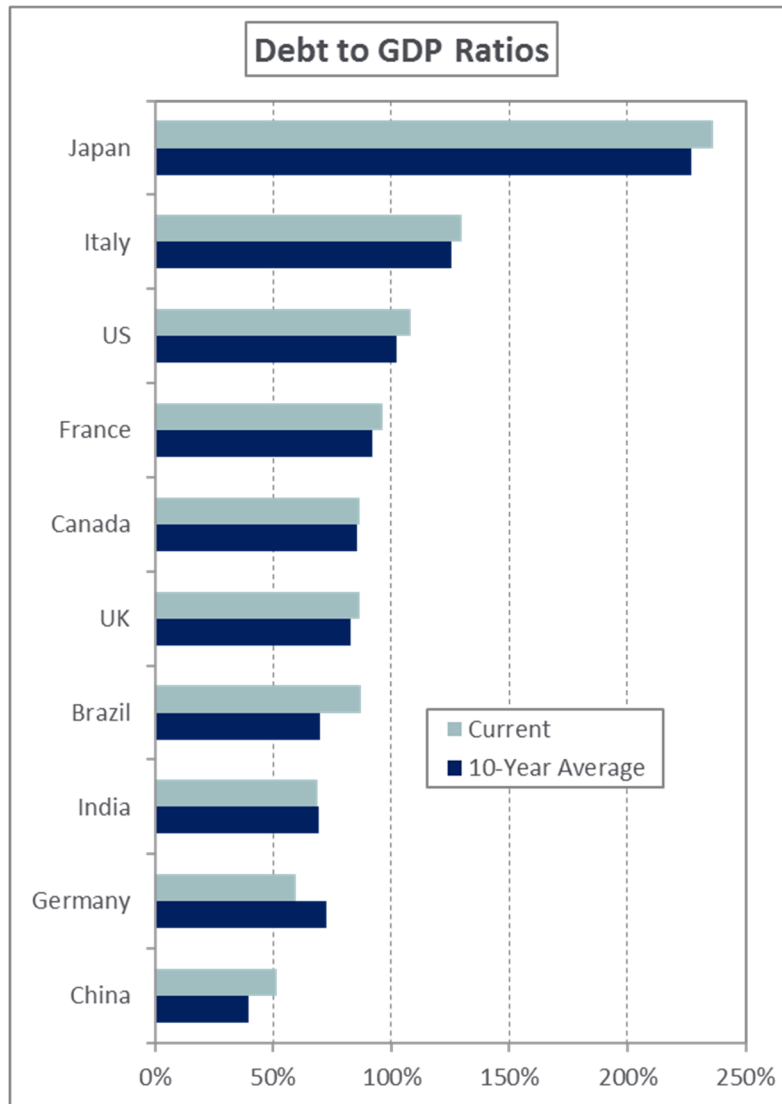


Source: Bloomberg

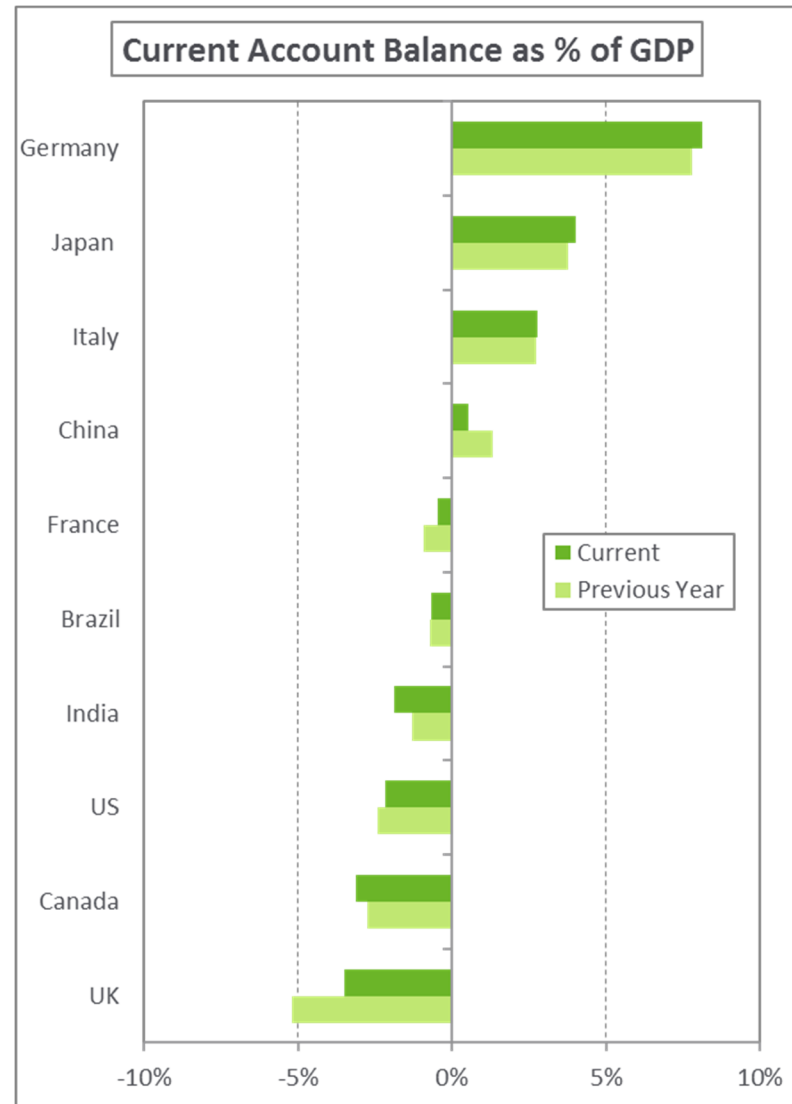


Source: Bloomberg

GROSS DOMESTIC PRODUCT METRICS

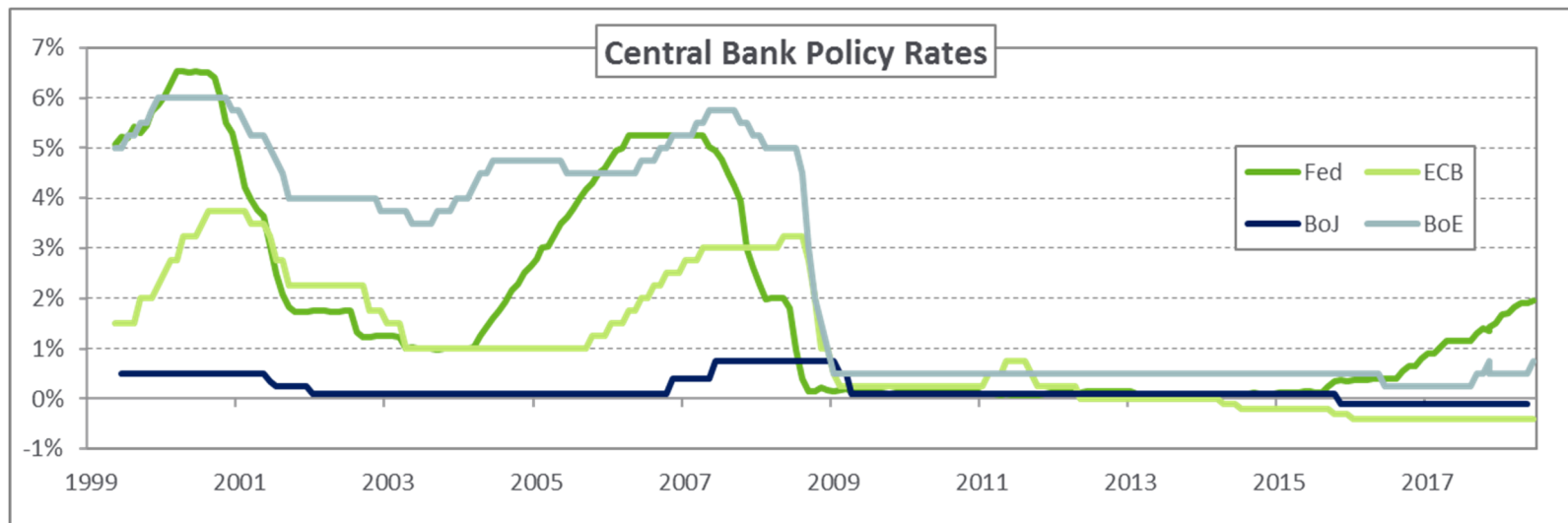


Source: IMF, Bloomberg

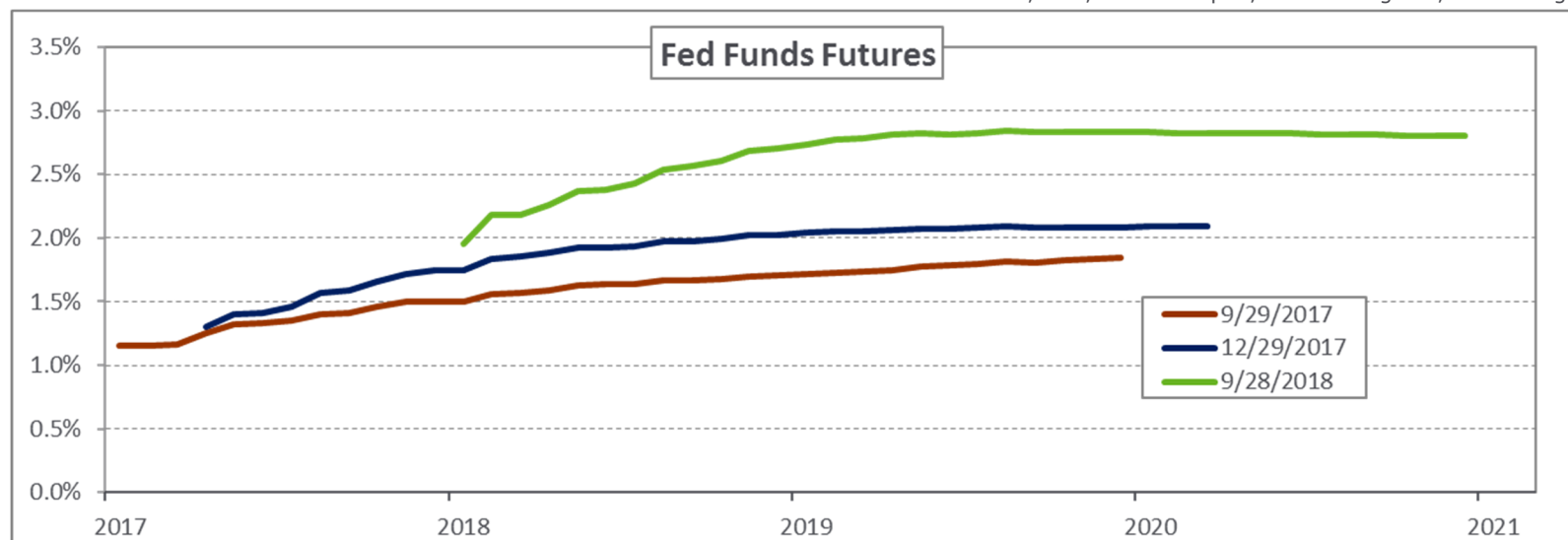


Source: Bloomberg

CENTRAL BANK RATES

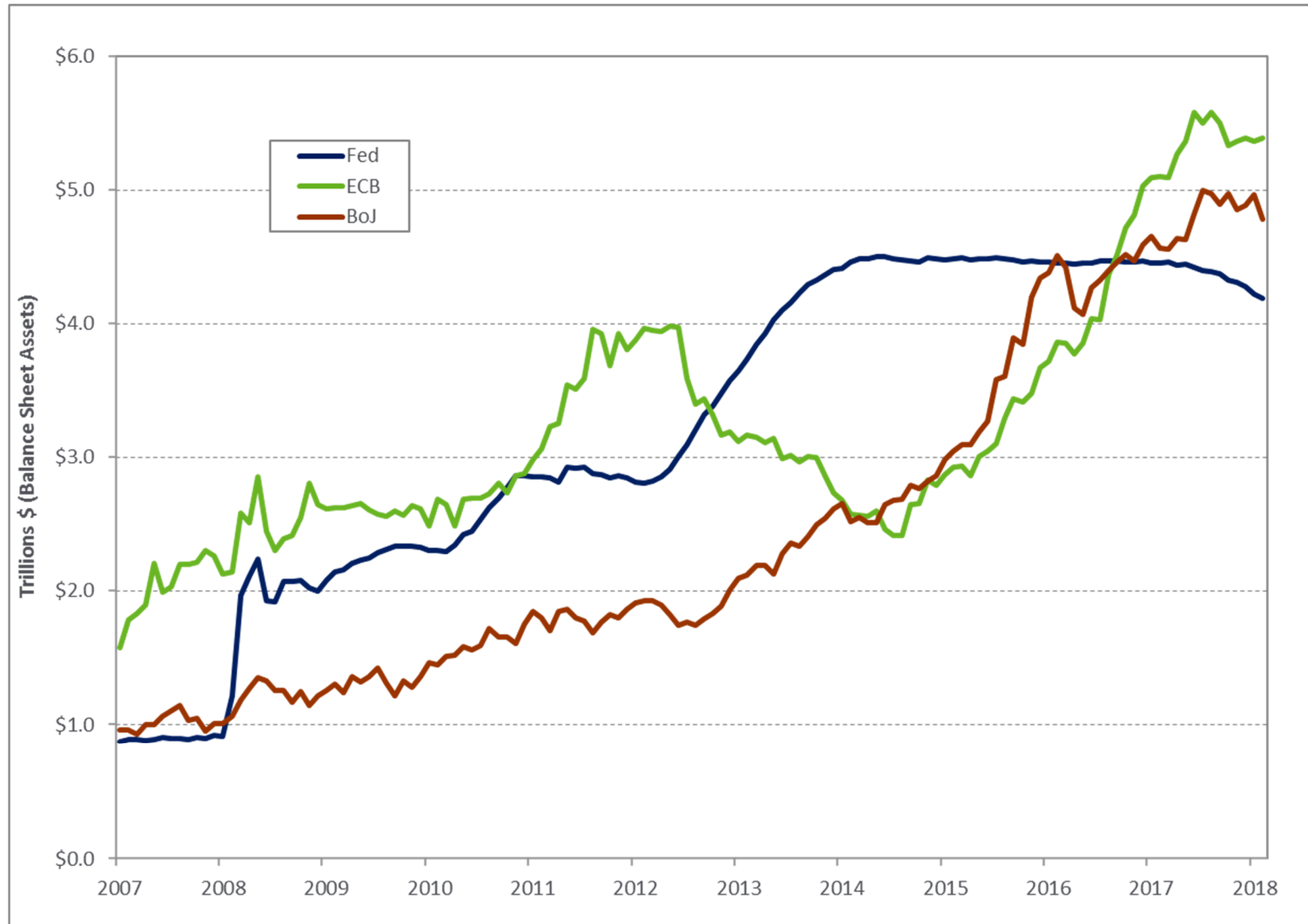


Source: Federal Reserve, ECB, Bank of Japan, Bank of England, Bloomberg



Source: Bloomberg

CENTRAL BANK BALANCE SHEETS



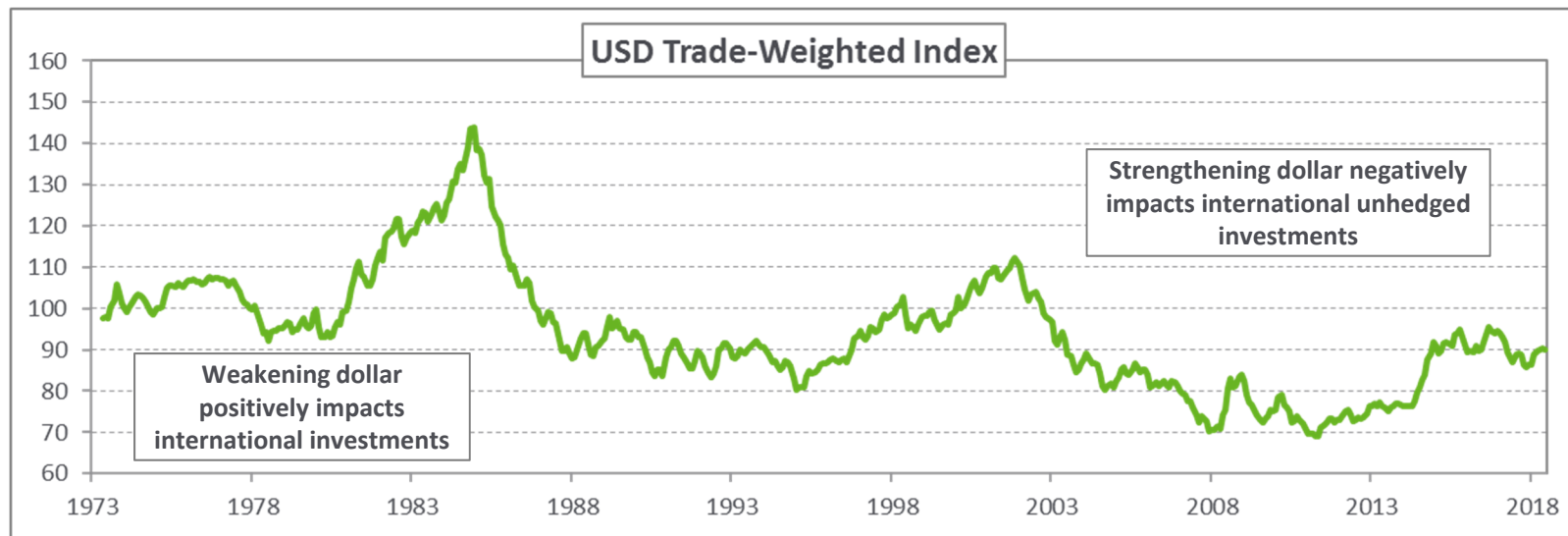
Source: Federal Reserve, Bank of Japan, ECB, Bloomberg, NEPC



CURRENCIES

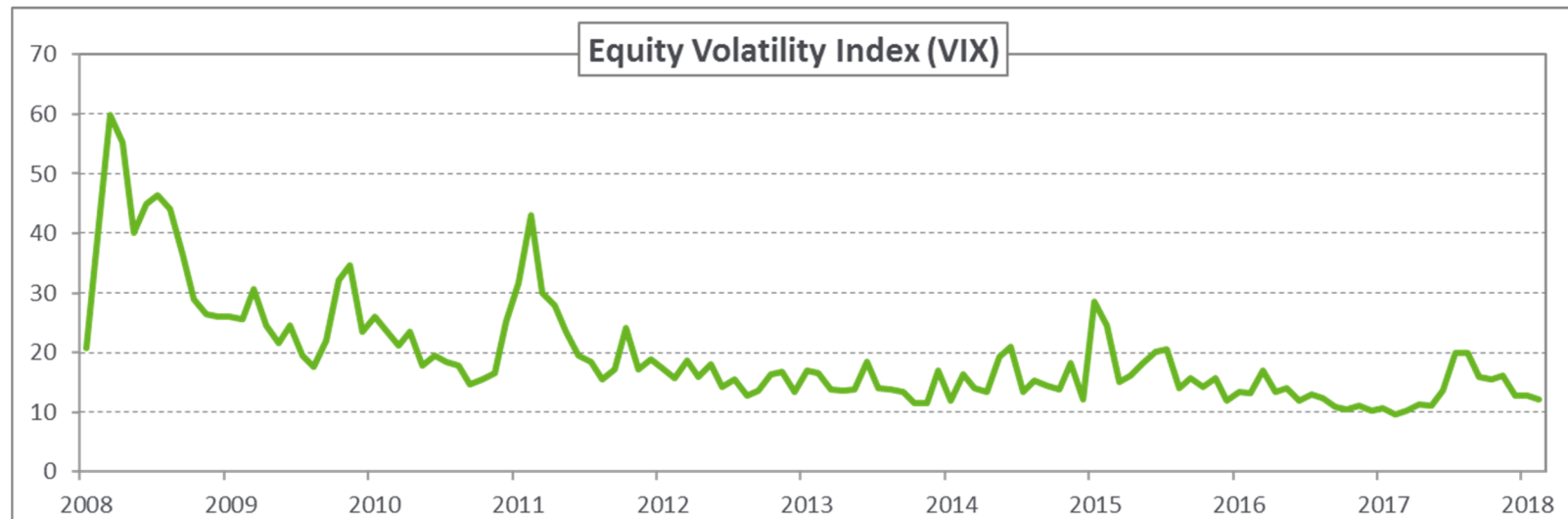
Currencies	% Change Relative to USD			
	Spot	1 Month	YTD	1 Year
Euro	1.16	0.0%	-3.9%	-1.8%
British Pound	1.30	0.5%	-5.3%	-2.8%
Japanese Yen	113.70	-2.4%	-3.8%	-1.0%
Swiss Franc	0.98	-1.3%	0.9%	-1.3%
Australian Dollar	0.72	0.4%	-4.1%	-7.8%
Chinese Yuan	6.87	-0.5%	-7.8%	-3.4%
Brazilian Real	4.05	0.1%	-13.5%	-21.9%
Russian Ruble	65.61	2.8%	-4.0%	-12.3%
Indian Rupee	72.54	-2.4%	-8.4%	-9.9%
Mexican Peso	18.72	1.9%	0.0%	-2.5%
South African Rand	14.15	3.8%	-12.0%	-4.1%

Source: Bloomberg

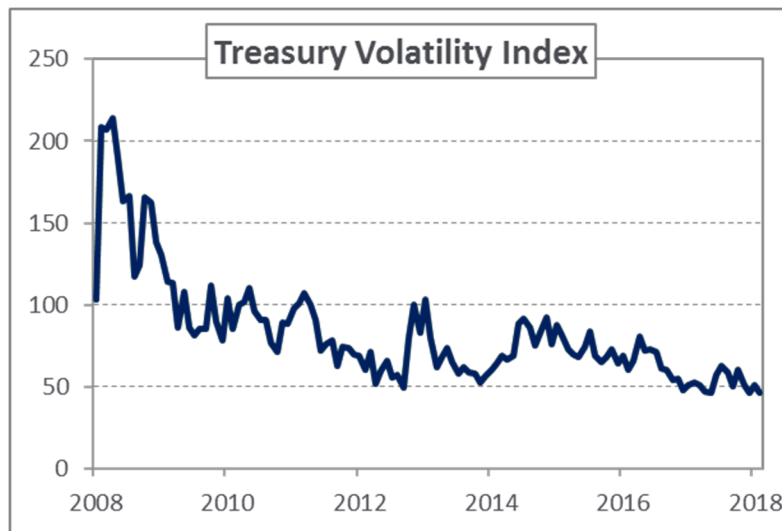


Source: Bloomberg

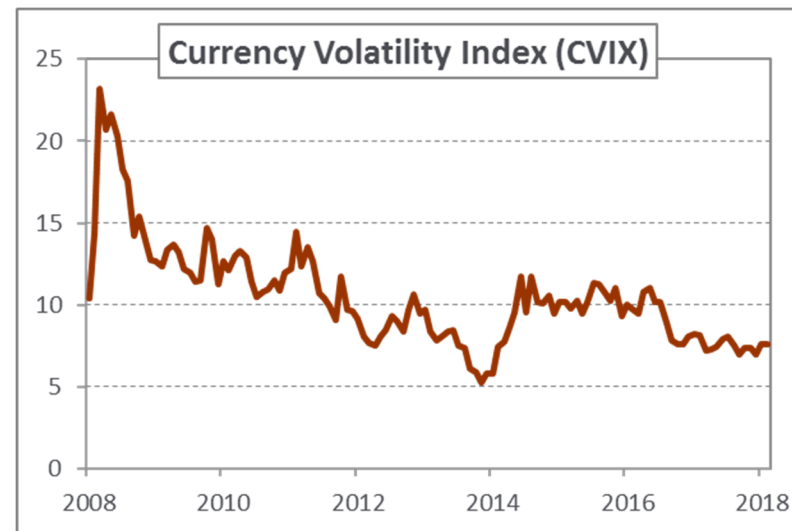
VOLATILITY



Source: CBOE, Bloomberg



Source: Merrill Lynch, Bloomberg



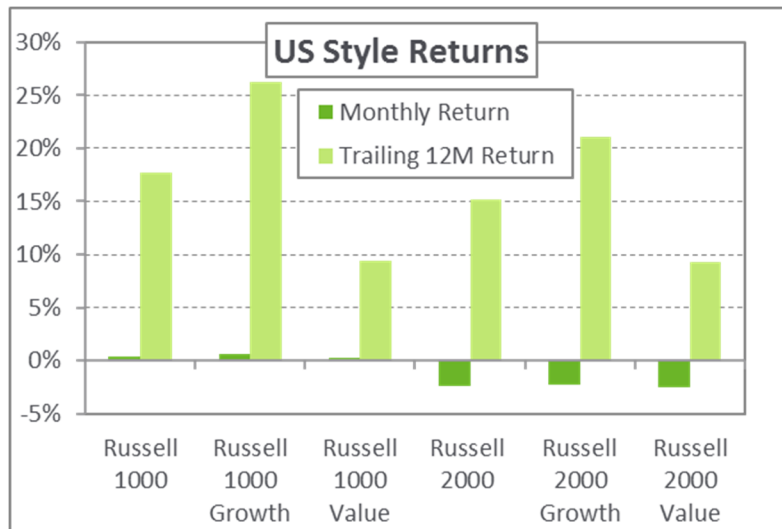
Source: Deutsche Bank, Bloomberg



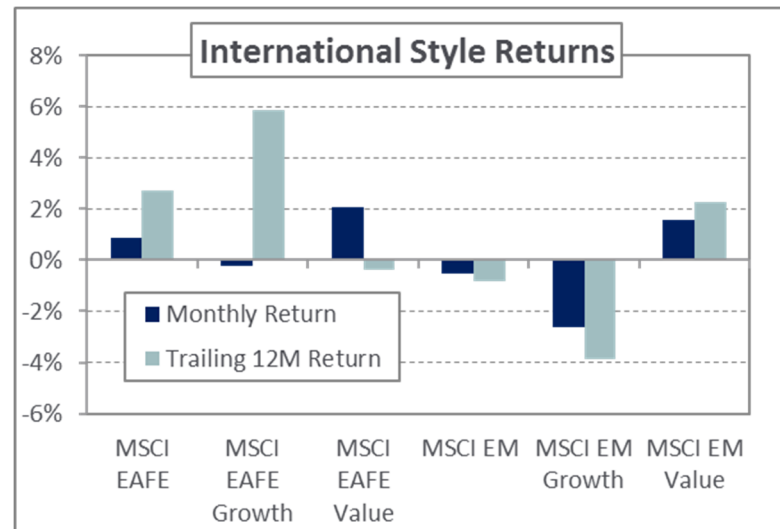
EQUITY

NEPC, LLC

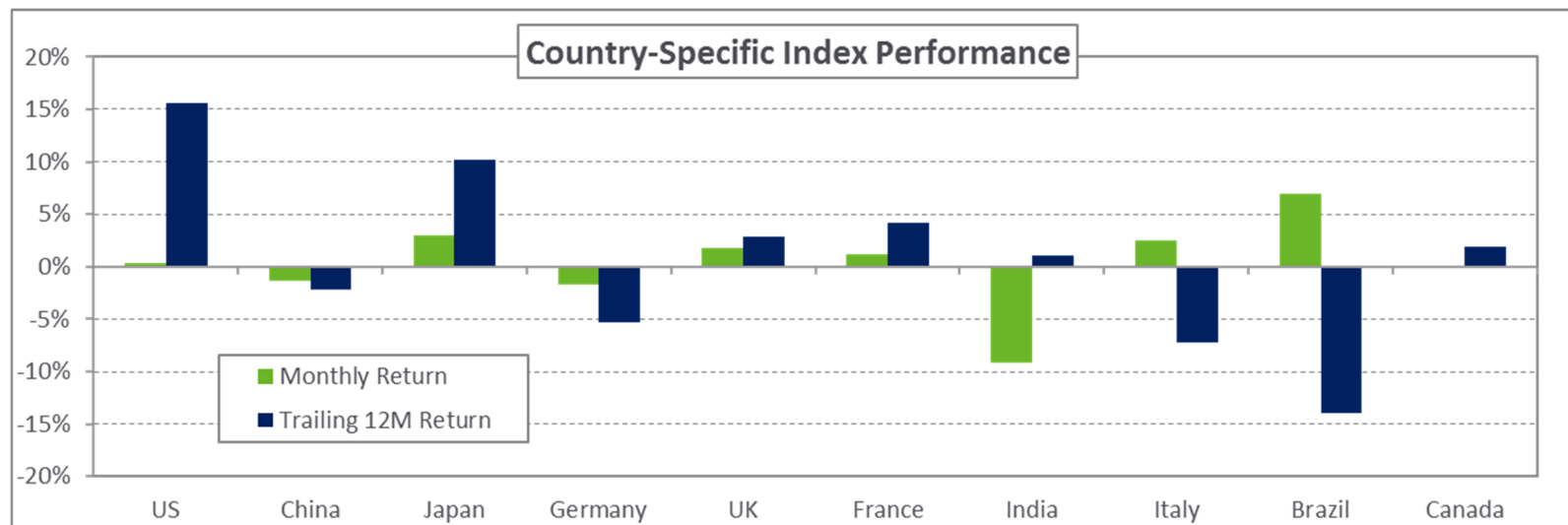
EQUITY INDEX PERFORMANCE



Source: Russell, Bloomberg



Source: MSCI, Bloomberg



Source: MSCI, Bloomberg
Represents returns in USD

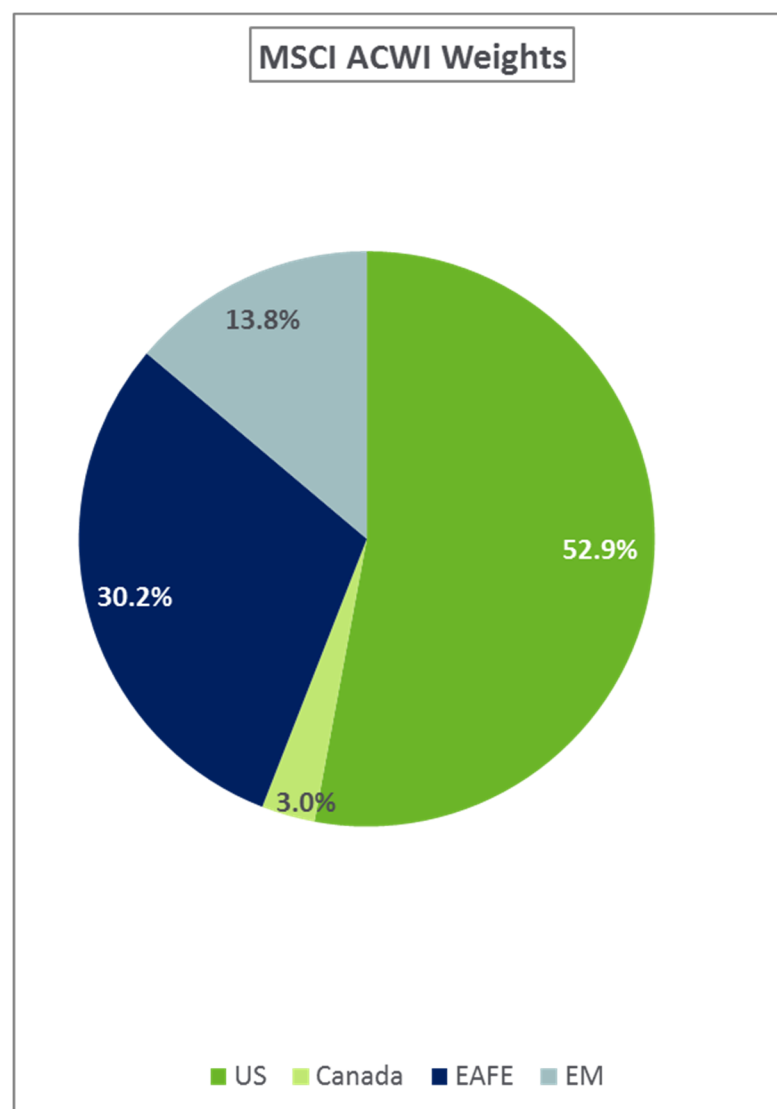


INDEX COMPOSITION

	MTD	QTD	YTD	Index Weight
S&P 500	0.6%	7.7%	10.6%	100%
Cons Disc	1.0%	8.1%	20.3%	10.4%
Cons Staples	0.9%	5.5%	-4.0%	6.8%
Energy	2.5%	0.4%	6.8%	6.1%
Financials	-2.3%	4.2%	-0.3%	12.8%
Health Care	2.9%	14.4%	16.2%	15.3%
Industrials	2.1%	9.8%	4.4%	9.8%
Info Tech	-0.4%	8.7%	20.3%	20.8%
Materials	-2.1%	0.2%	-3.2%	2.5%
Real Estate	-2.8%	0.6%	0.9%	2.7%
Telecom	4.3%	9.5%	-0.5%	10.1%
Utilities	-0.7%	2.1%	1.9%	2.9%

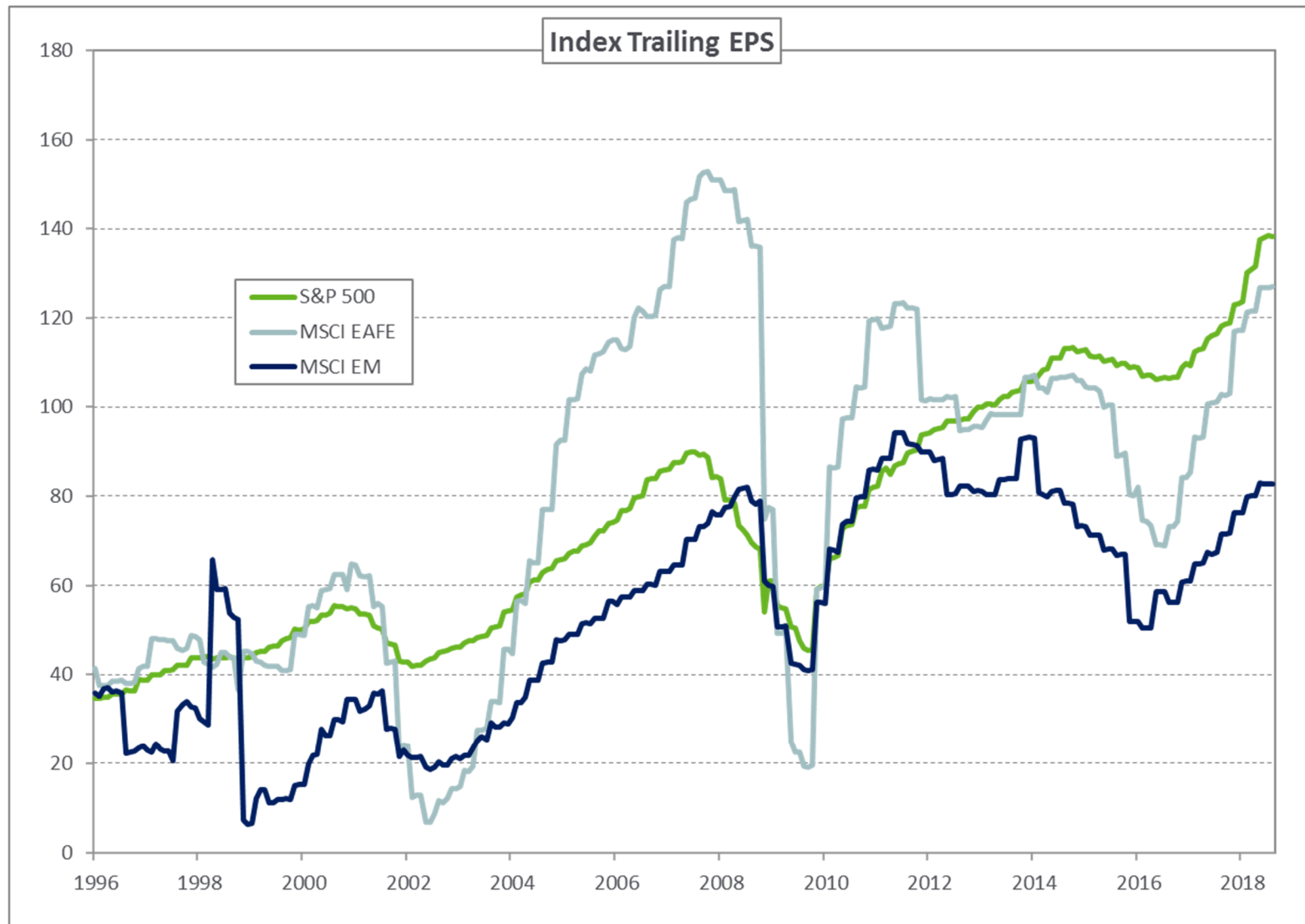
	MTD	QTD	YTD	Index Weight
MSCI ACWI	0.5%	4.4%	4.2%	100%
Cons Disc	0.1%	3.0%	7.1%	12.0%
Cons Staples	0.3%	2.1%	-4.2%	7.9%
Energy	3.5%	2.4%	8.6%	6.6%
Financials	-0.4%	2.5%	-4.3%	17.6%
Health Care	1.8%	10.9%	12.5%	11.6%
Industrials	1.6%	6.0%	1.4%	11.0%
Info Tech	-0.8%	6.0%	13.6%	19.6%
Materials	0.8%	0.2%	-3.1%	5.1%
Real Estate	-2.6%	-1.6%	-3.9%	2.9%
Telecom	2.0%	4.9%	-5.0%	2.9%
Utilities	-0.4%	0.6%	0.6%	2.9%

Source: S&P, MSCI, Bloomberg



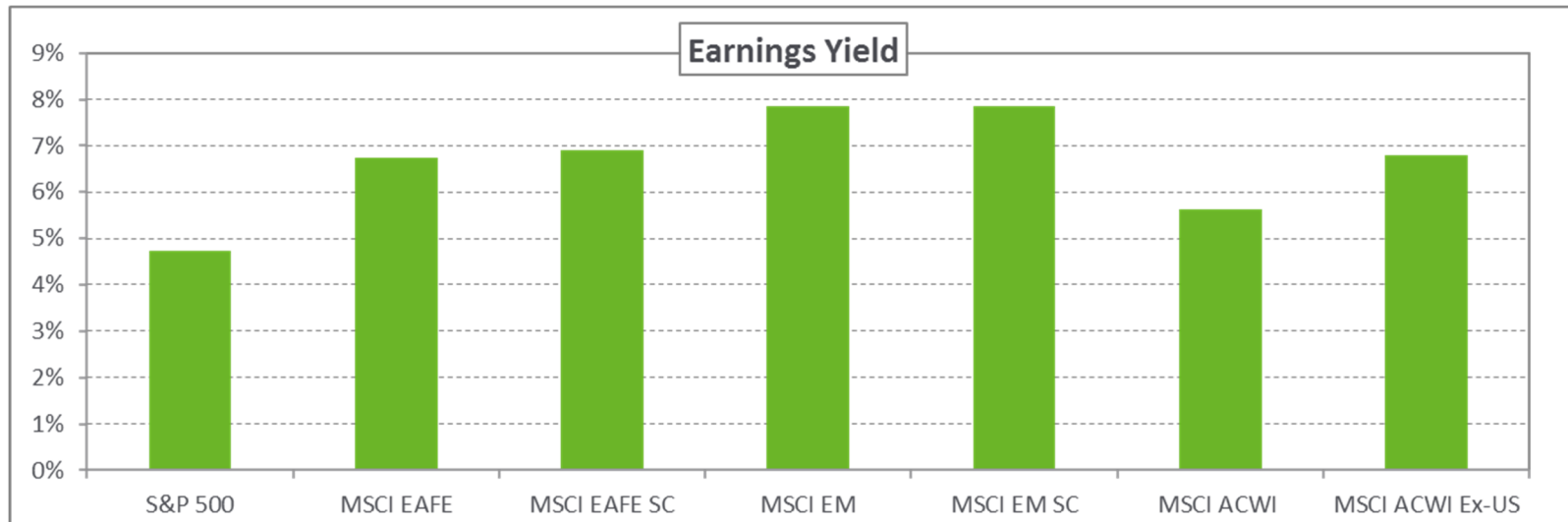
Source: MSCI, Bloomberg

EARNINGS

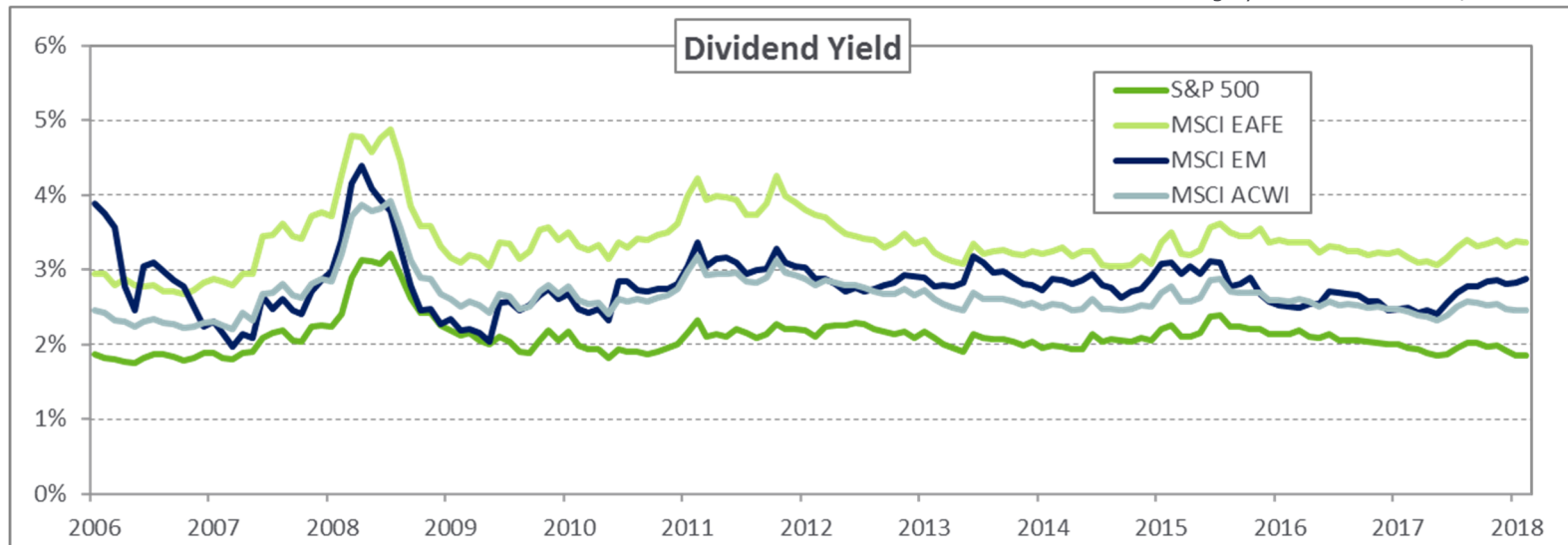


Source: S&P, MSCI, Bloomberg

YIELDS

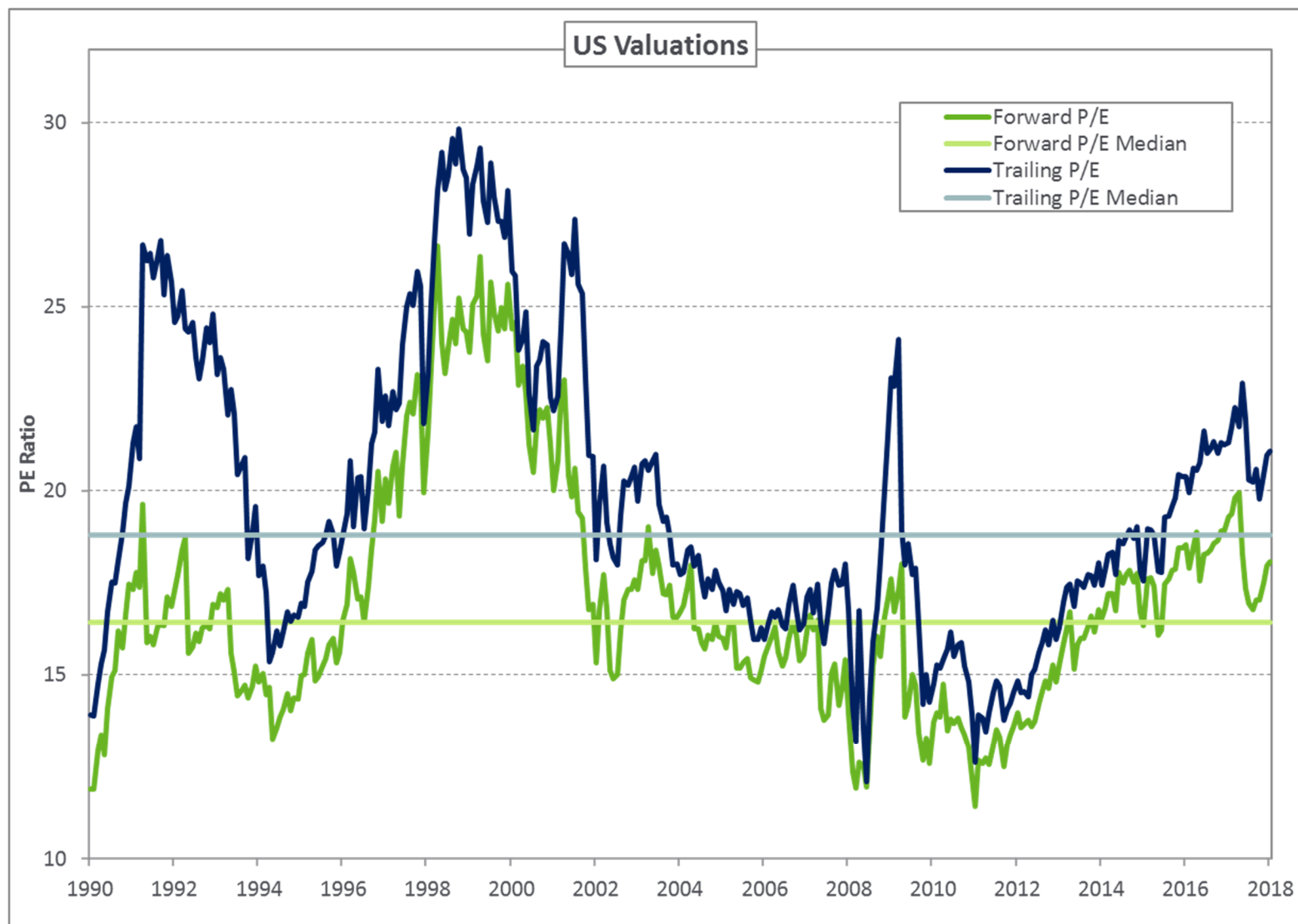


Source: S&P, MSCI, Bloomberg
Earnings yield calculated as 1/PE Ratio



Source: S&P, MSCI, Bloomberg

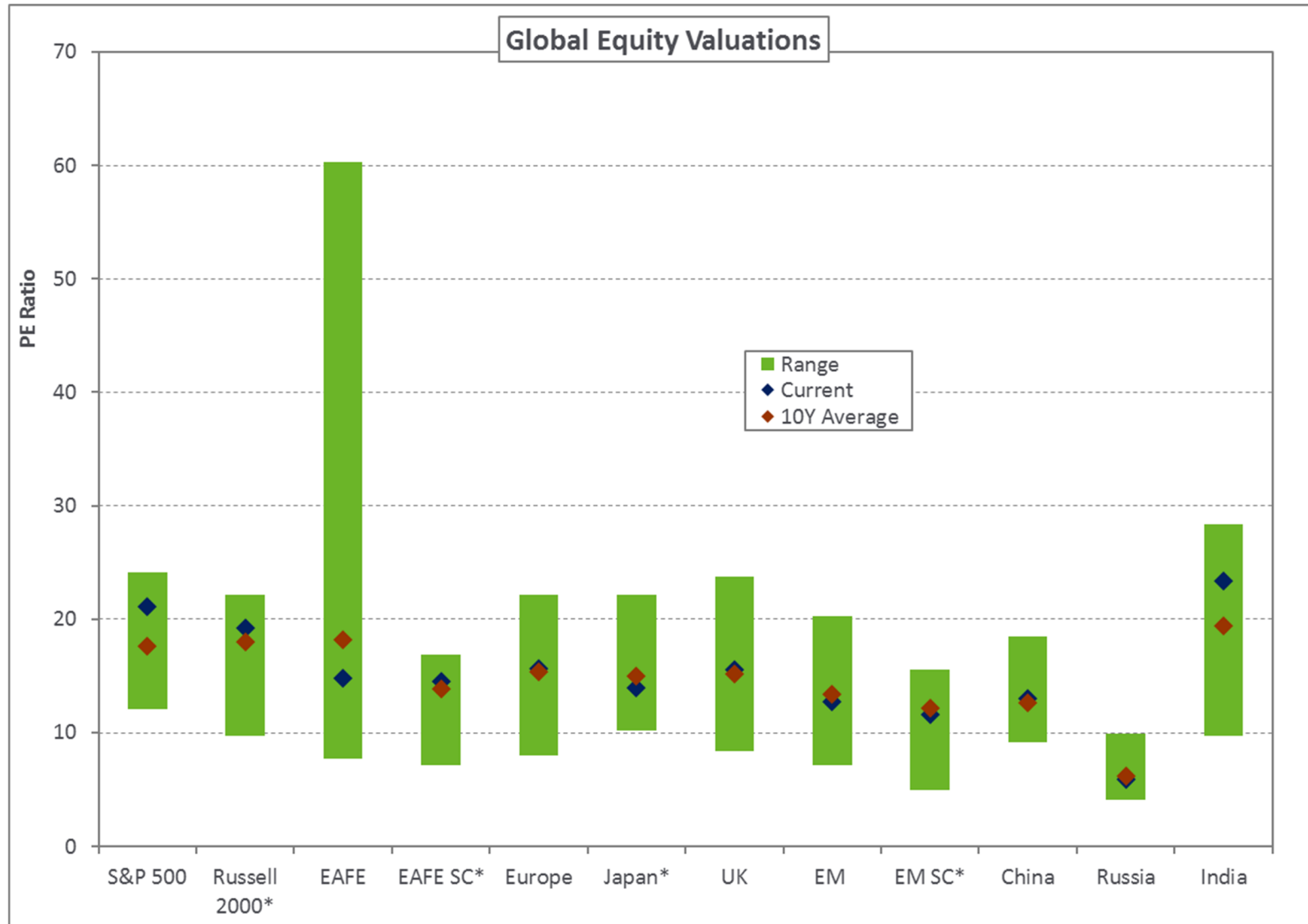
US EQUITY VALUATIONS



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

CREDIT

NEPC, LLC

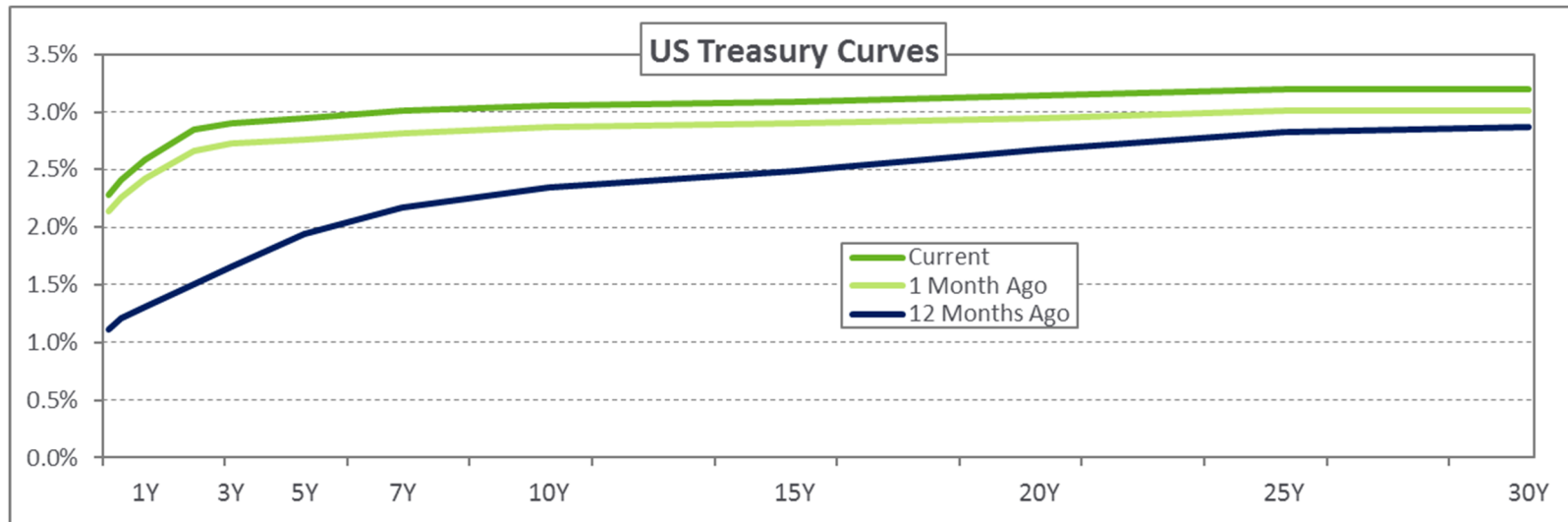
FIXED INCOME CHARACTERISTICS

	Averages			Total Returns (%)		
	Yield to Worst	Spread (bps)	Duration (Years)	1-Month	YTD	1-Year
Barclays Aggregate	3.5%	39	6.0	-0.6%	0.0%	-1.2%
Barclays Treasury	3.0%	-	6.0	-0.9%	-0.6%	-1.6%
Barclays Agency	3.0%	12	3.9	-0.4%	0.0%	-0.6%
Barclays MBS	3.6%	28	5.3	-0.6%	-0.1%	-0.9%
Barclays ABS	3.2%	33	2.3	-0.1%	0.5%	0.2%
Barclays CMBS	3.6%	60	5.3	-0.5%	0.5%	-0.6%
Barclays Corp IG	4.1%	106	7.2	-0.4%	1.0%	-1.2%
Barclays Muni	2.9%	-	6.2	-0.6%	-0.2%	0.3%
Barclays HY Muni	4.9%	-	8.0	-0.4%	0.8%	6.4%
Barclays TIPS	3.2%	-	5.4	-1.1%	-0.8%	0.4%
Barclays HY	6.2%	316	3.8	0.6%	2.4%	3.0%
Barclays Global Agg	2.2%	45	7.0	-0.9%	-0.9%	-1.3%
JPM EMBI Glob Div	6.5%	361.73	7.2	1.5%	2.3%	-1.9%
JPM CEMBI Broad	5.3%	286.26	4.5	0.9%	1.3%	-0.9%
JPM GBI - EM	6.6%	-	5.1	2.6%	-1.8%	-7.4%

Source: Barclays, JPM, Bloomberg



TREASURIES



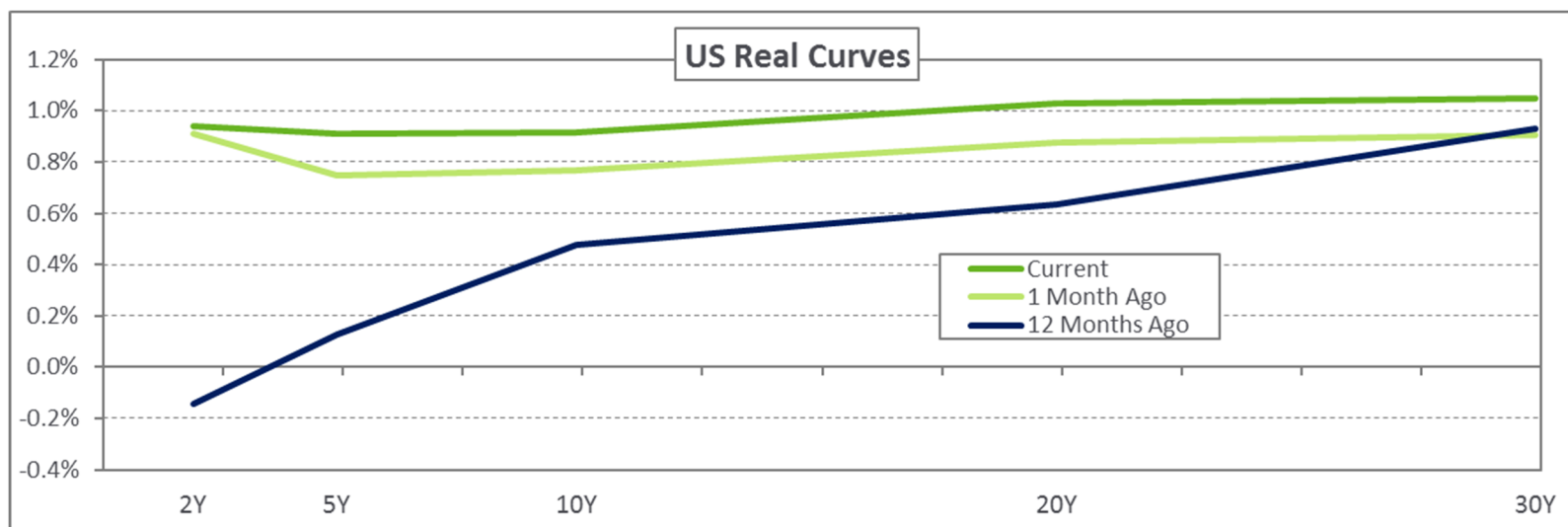
Source: Bloomberg

	Yield (%)			Total Return (%)	
	Current	1 Month Ago	12 Months Ago	1 Month	12 Months
3M Treasury	2.28%	2.14%	1.11%	0.16%	1.52%
6M Treasury	2.41%	2.26%	1.21%	0.17%	1.57%
2Y Treasury	2.84%	2.66%	1.51%	-0.12%	-0.21%
5Y Treasury	2.95%	2.76%	1.95%	-0.72%	-2.05%
10Y Treasury	3.06%	2.87%	2.34%	-1.48%	-3.97%
30Y Treasury	3.20%	3.01%	2.87%	-3.34%	-3.75%

Source: Barclays, Bloomberg



REAL YIELDS

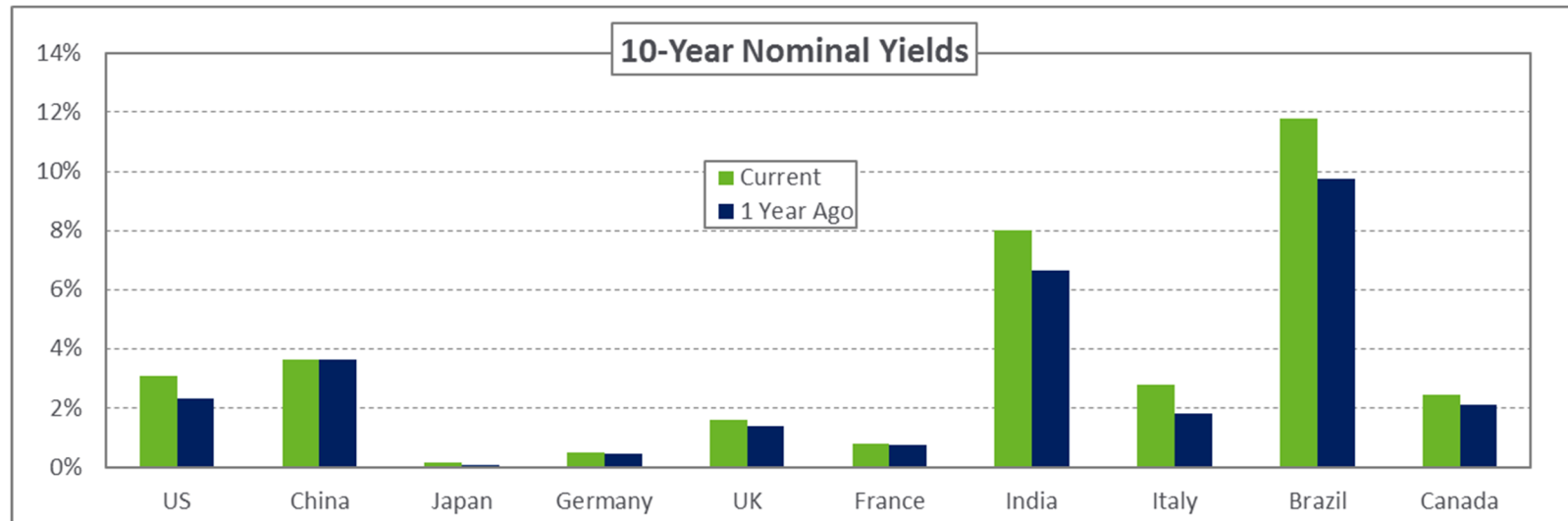


Source: Bloomberg

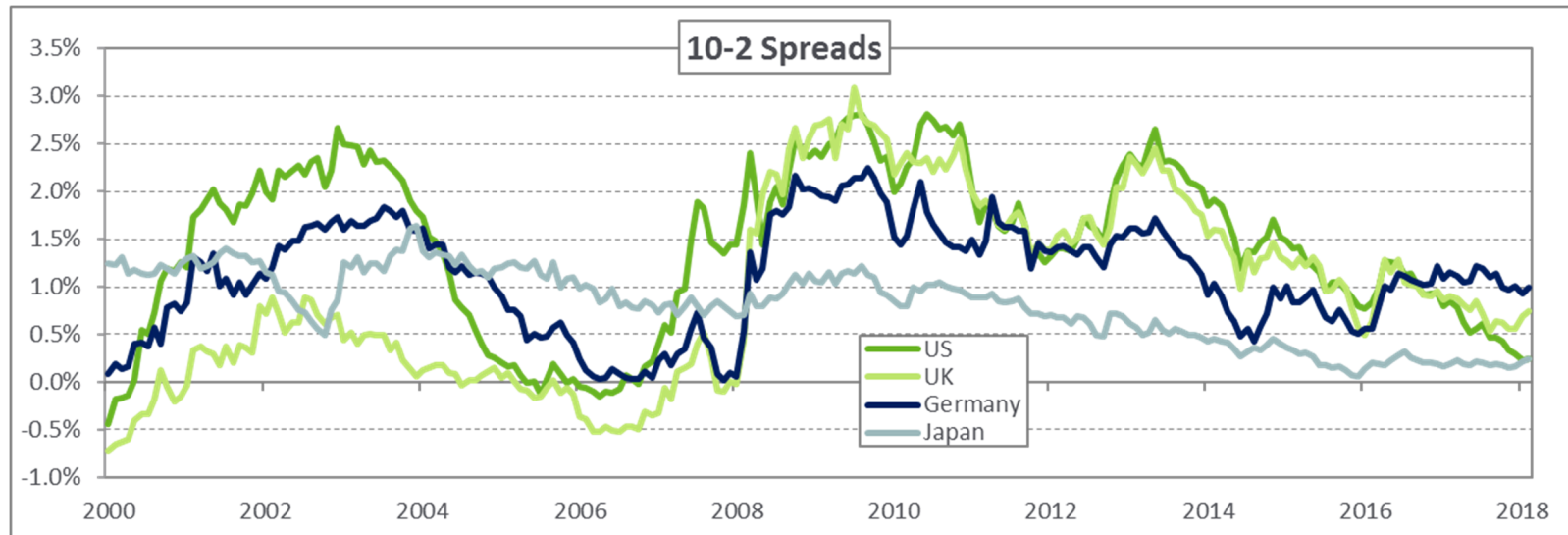
	Real Rates			Breakeven Rates	
	Current	1 Month Ago	12 Months Ago	Current	12 Months Ago
2Y Treasury	0.94%	0.91%	-0.14%	1.81%	1.56%
5Y Treasury	0.91%	0.75%	0.13%	2.03%	1.78%
10Y Treasury	0.91%	0.77%	0.48%	2.14%	1.85%
20Y Treasury	1.03%	0.88%	0.64%	2.08%	1.76%
30Y Treasury	1.05%	0.90%	0.93%	2.16%	1.93%

Source: Barclays, Bloomberg

NOMINAL YIELDS

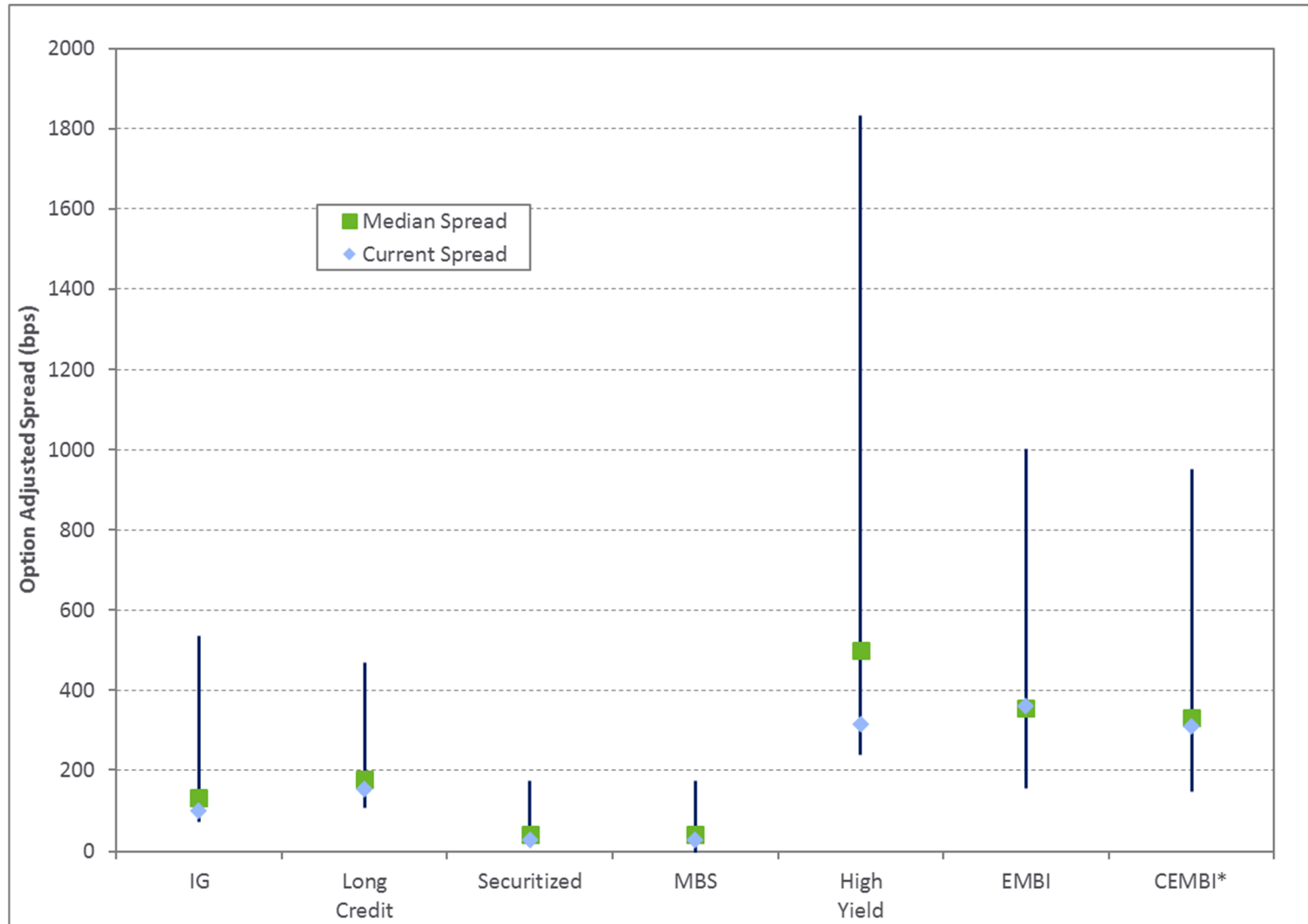


Source: Bloomberg



Source: Bloomberg

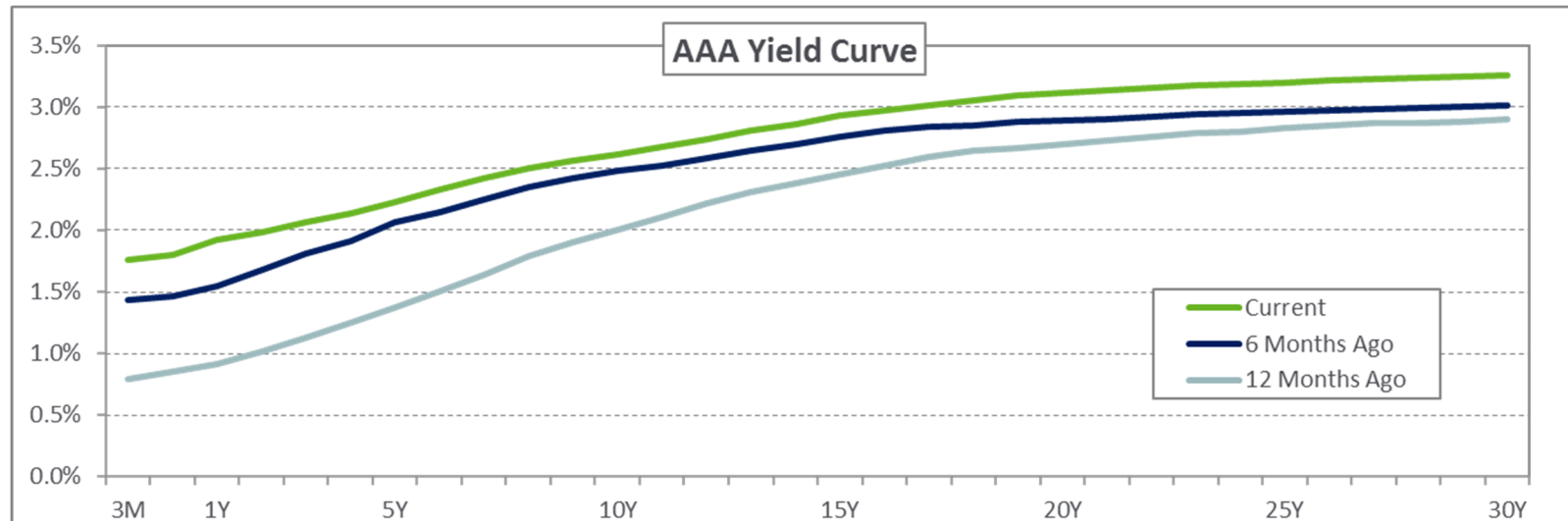
CREDIT SPREADS



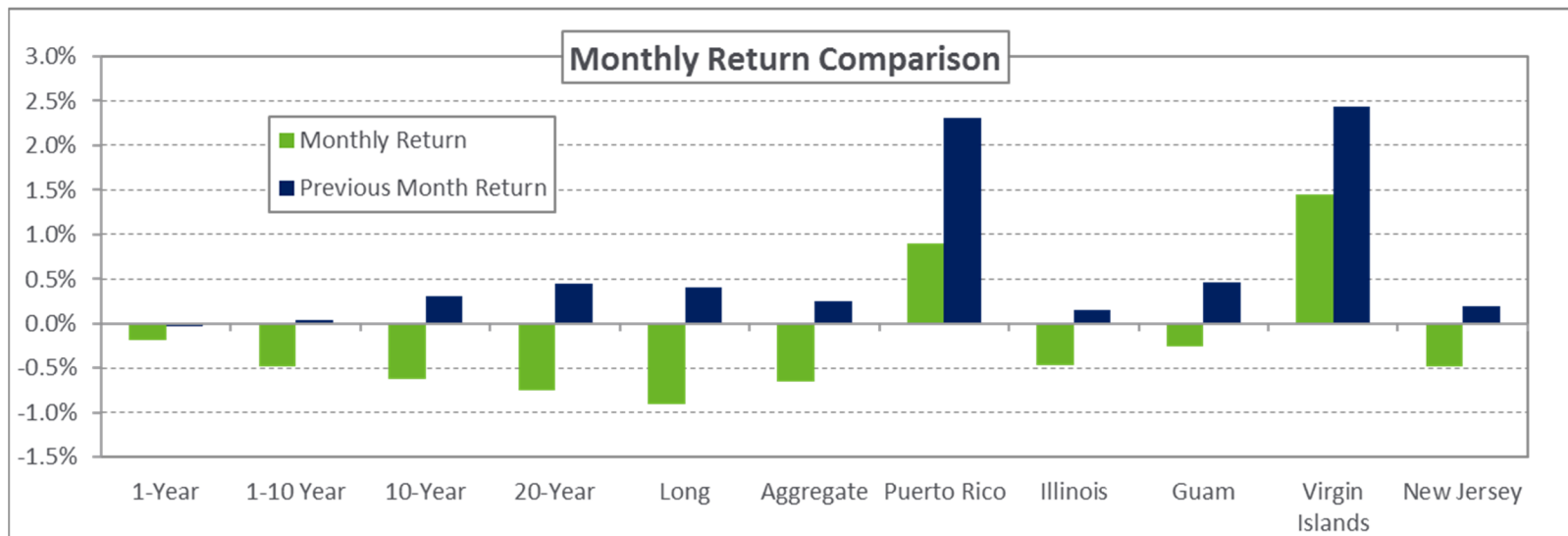
Source: Barclays, JPM, Bloomberg
Data range: 01/31/2000 through month-end
*JPM CEMBI calculated since 12/31/2001



MUNICIPAL BONDS

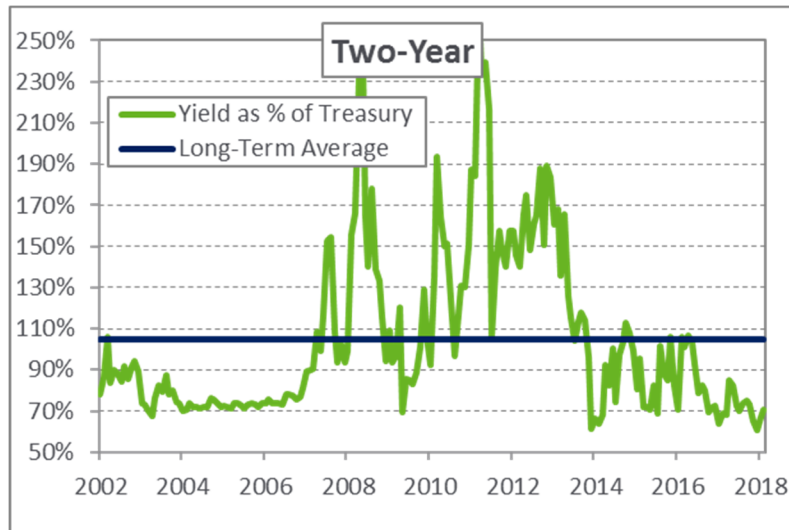


Source: Bloomberg

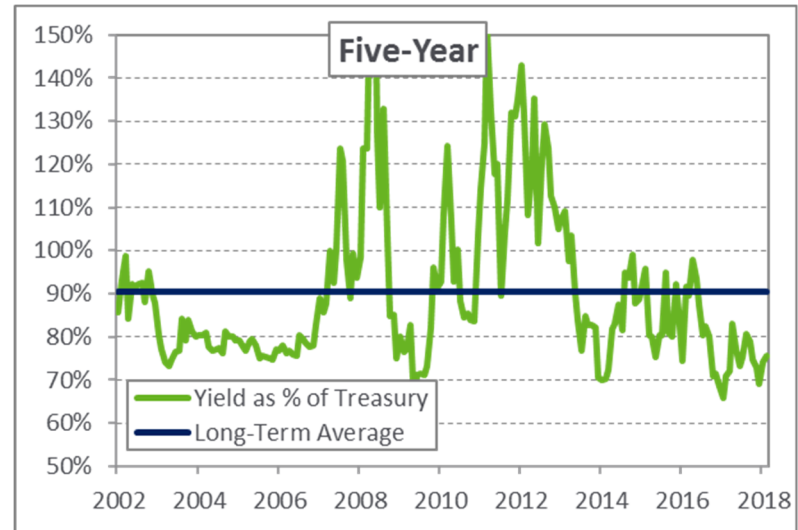


Source: Barclays, Bloomberg

MUNICIPAL BOND YIELDS



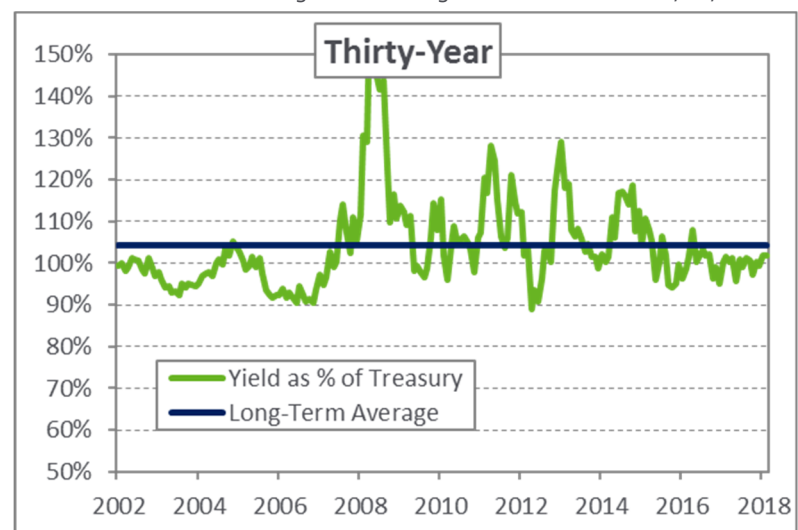
Source: Bloomberg
Long-term average calculated since 08/30/2002



Source: Bloomberg
Long-term average calculated since 08/30/2002

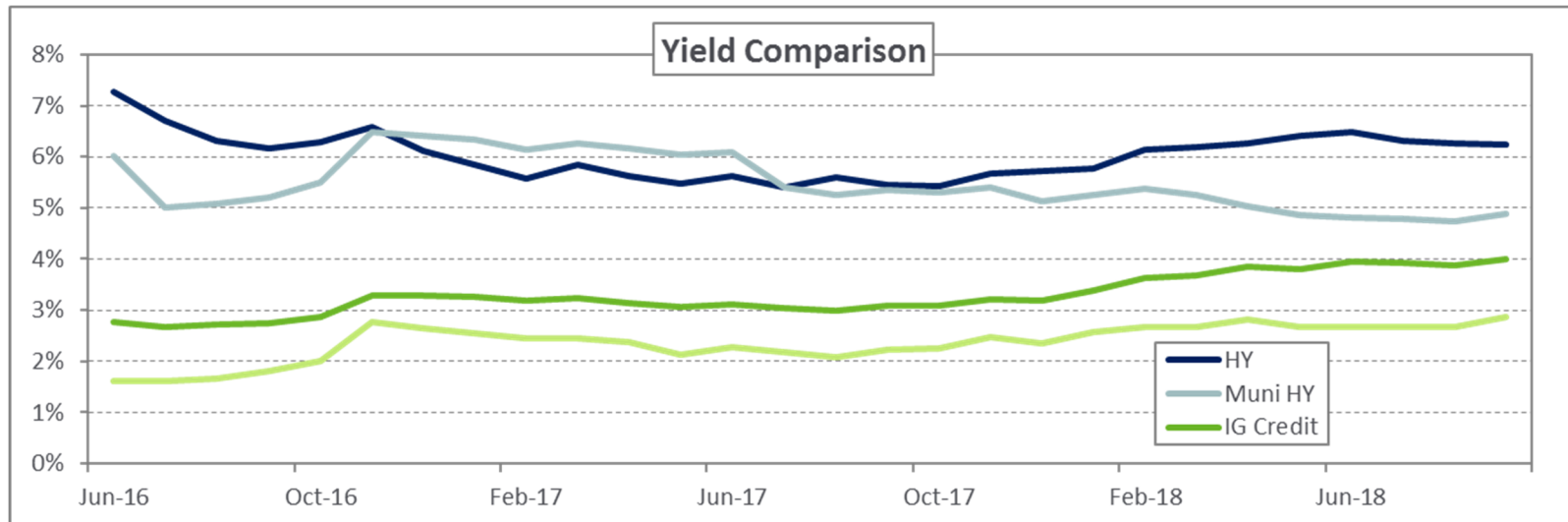


Source: Bloomberg
Long-term average calculated since 08/30/2002

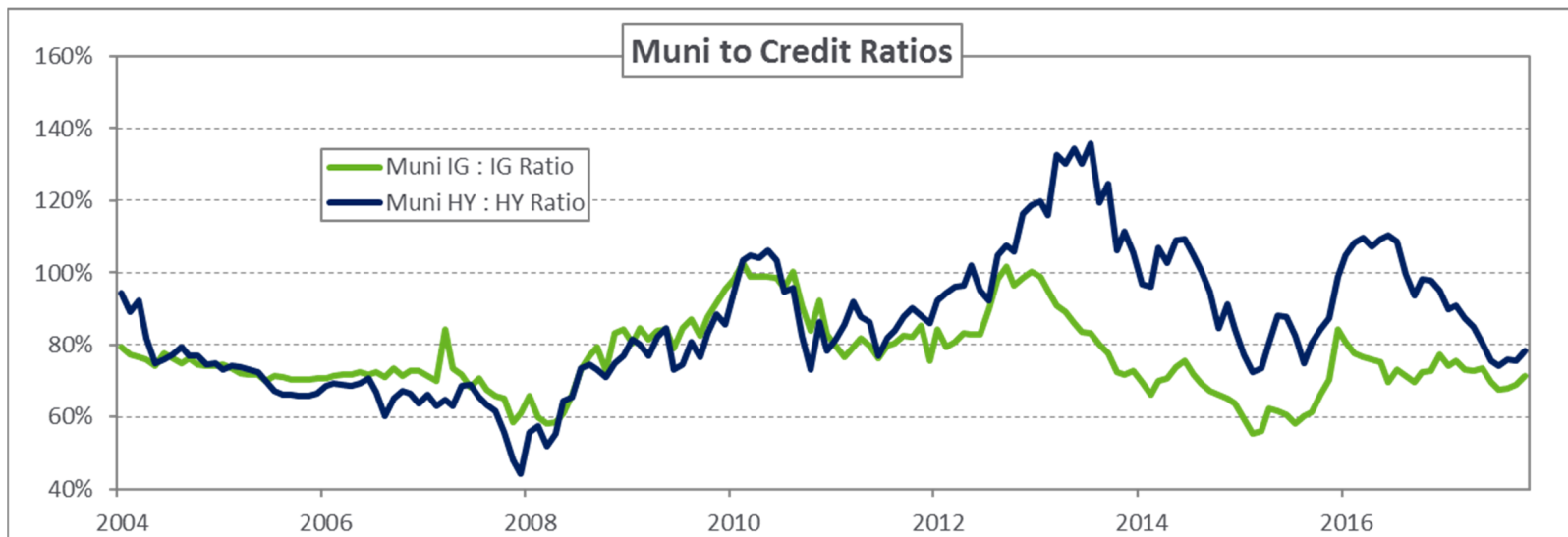


Source: Bloomberg
Long-term average calculated since 08/30/2002

MUNICIPAL BOND RATIOS

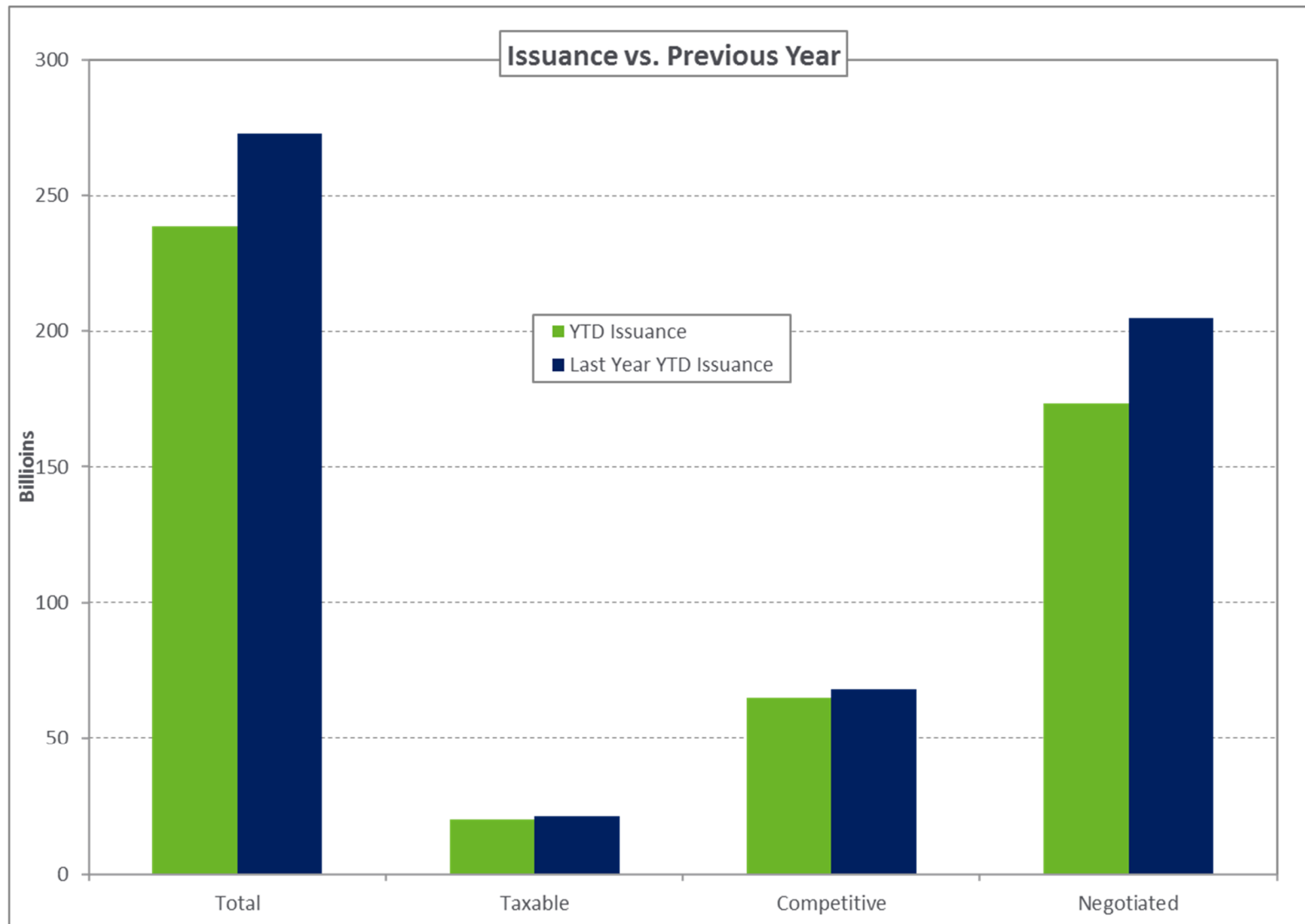


Source: Barclays, Bloomberg



Source: Barclays, Bloomberg, NEPC

MUNICIPAL BOND ISSUANCE



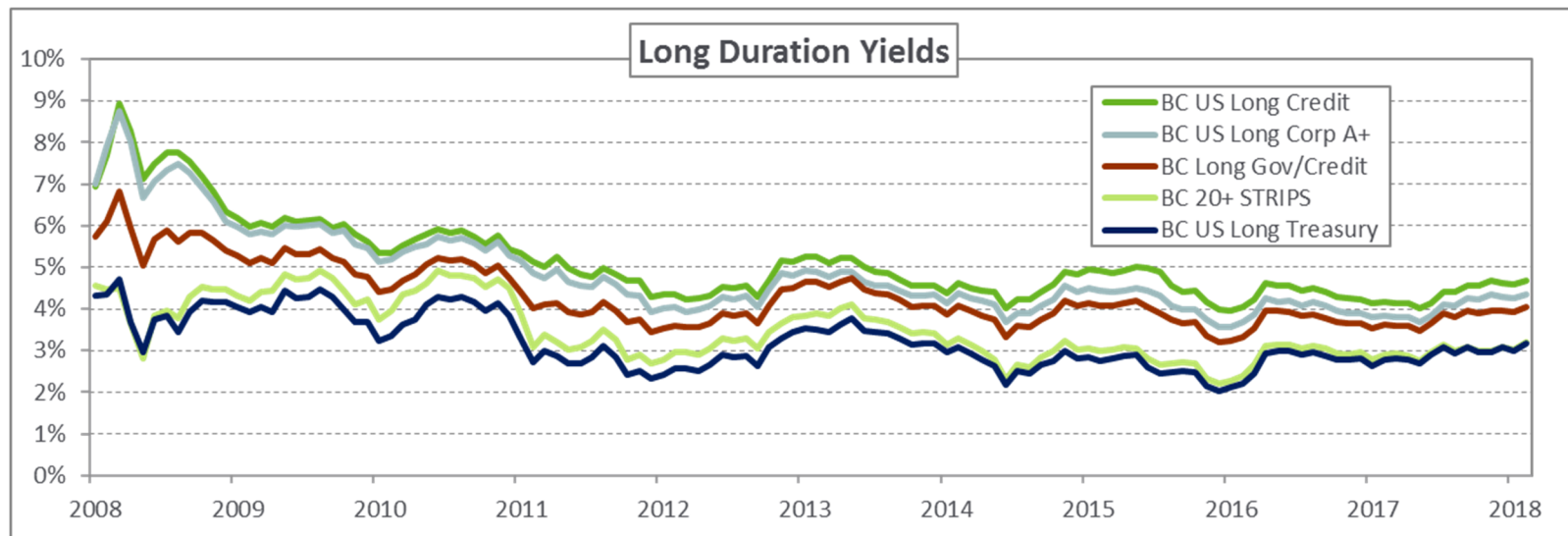
Source: Bloomberg



LONG DURATION

Index	Month-End Yield	1 Month Prior Yield	1 Year Prior Yield	Duration
Barclays Long Treasury	3.2%	3.0%	2.8%	17.0
Barclays 20+ STRIPS	3.2%	3.0%	2.9%	25.3
Barclays Long Gov/Credit	4.1%	3.9%	3.6%	14.8
Barclays Long Credit	4.7%	4.6%	4.2%	13.4
Barclays Long Corp A+	4.4%	4.3%	3.8%	14.1

Source: Barclays, Bloomberg



Source: Barclays, Bloomberg

REAL ASSETS

NEPC, LLC

REAL ASSETS INDEX PERFORMANCE

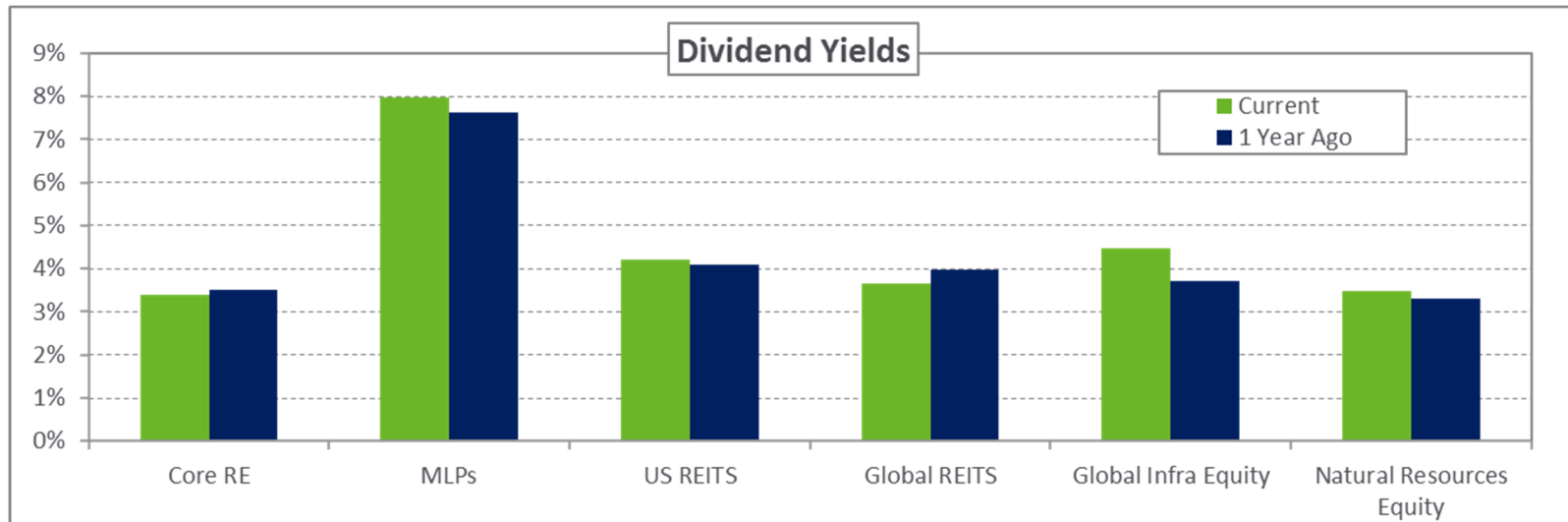
Index	1 Month	3 Month	YTD	1 Year	3 Year	5 Year
Bloomberg Commodity Index	1.9%	-2.0%	-2.0%	2.6%	-0.1%	-7.2%
Bloomberg Sub Agriculture Index	-2.1%	-5.4%	-10.9%	-12.7%	-7.5%	-10.0%
Coffee	0.8%	-13.0%	-24.1%	-26.9%	-13.9%	-10.9%
Corn	-2.2%	-4.0%	-7.1%	-11.4%	-12.6%	-13.6%
Cotton	-7.0%	-8.5%	-0.4%	14.4%	9.0%	-0.8%
Soybean	0.2%	-3.9%	-15.8%	-18.2%	-5.5%	-6.3%
Soybean Oil	0.8%	-2.5%	-16.2%	-15.9%	-3.0%	-10.8%
Sugar	-1.0%	-14.1%	-31.6%	-26.2%	-9.5%	-17.9%
Wheat	-6.5%	-1.7%	6.2%	-2.5%	-13.7%	-15.3%
Bloomberg Sub Energy	5.2%	4.4%	17.6%	28.1%	0.4%	-12.7%
Brent Crude	7.3%	5.8%	30.1%	55.1%	11.1%	-11.1%
Heating Oil	4.7%	6.2%	17.0%	33.2%	7.4%	-8.3%
Natural Gas	2.5%	2.9%	-0.1%	-11.9%	-18.2%	-20.2%
Unleaded Gas	5.6%	5.5%	14.6%	30.3%	4.6%	-8.2%
WTI Crude Oil	5.8%	3.3%	27.2%	47.6%	3.1%	-14.8%
Bloomberg Sub Industrial Metals	2.2%	-6.9%	-11.8%	-2.4%	7.9%	-1.4%
Aluminum	-2.5%	-2.5%	-6.8%	0.3%	8.3%	-0.9%
Copper	5.2%	-5.7%	-16.0%	-6.5%	4.5%	-4.4%
Nickel	-1.6%	-15.6%	-1.5%	19.5%	5.3%	-3.3%
Zinc	7.8%	-6.2%	-18.2%	-13.4%	16.3%	5.7%
Bloomberg Sub Precious Metals	-0.3%	-6.0%	-10.7%	-8.8%	1.0%	-4.2%
Gold	-0.7%	-5.0%	-9.4%	-7.7%	1.5%	-2.7%
Silver	1.2%	-9.3%	-14.8%	-12.6%	-0.8%	-8.7%
Bloomberg Sub Livestock	7.9%	2.9%	-2.4%	0.8%	-1.8%	-2.7%
Lean Hogs	15.1%	-0.9%	-8.8%	-1.7%	-7.8%	-9.5%
Live Cattle	5.2%	5.1%	0.6%	1.6%	1.5%	1.4%

Source: Bloomberg

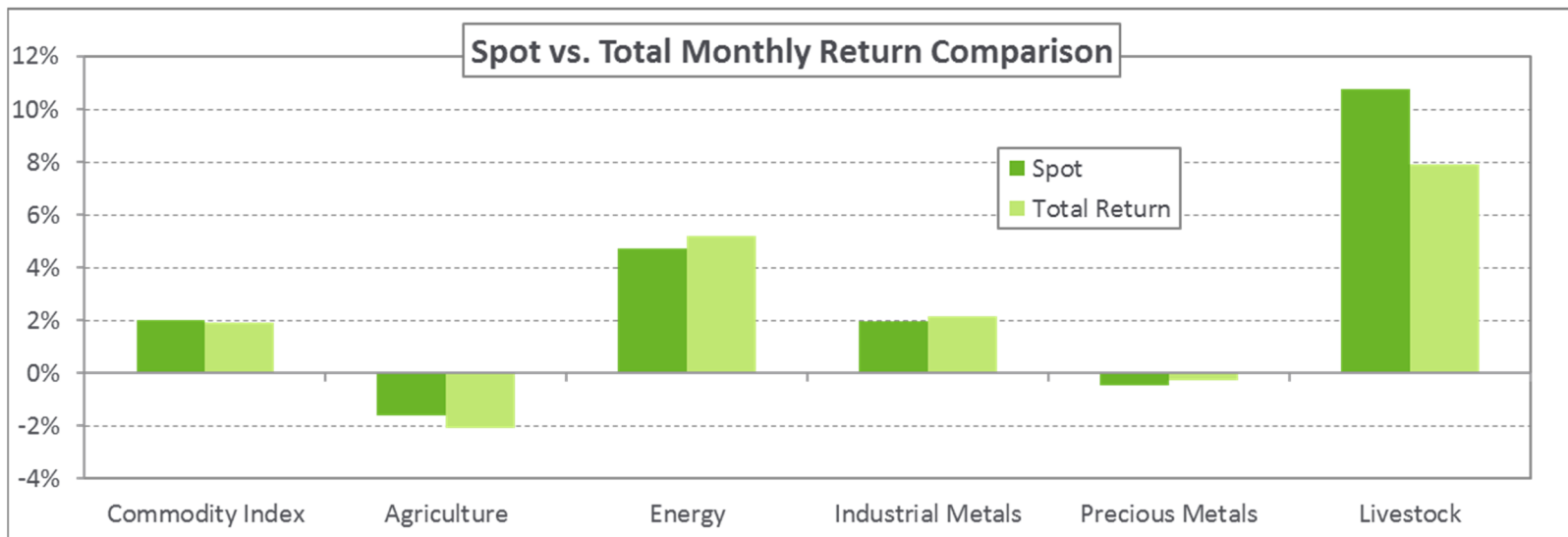
Bloomberg subindex total return indices reflects the return of the underlying one month commodity futures price movements



INCOME YIELD

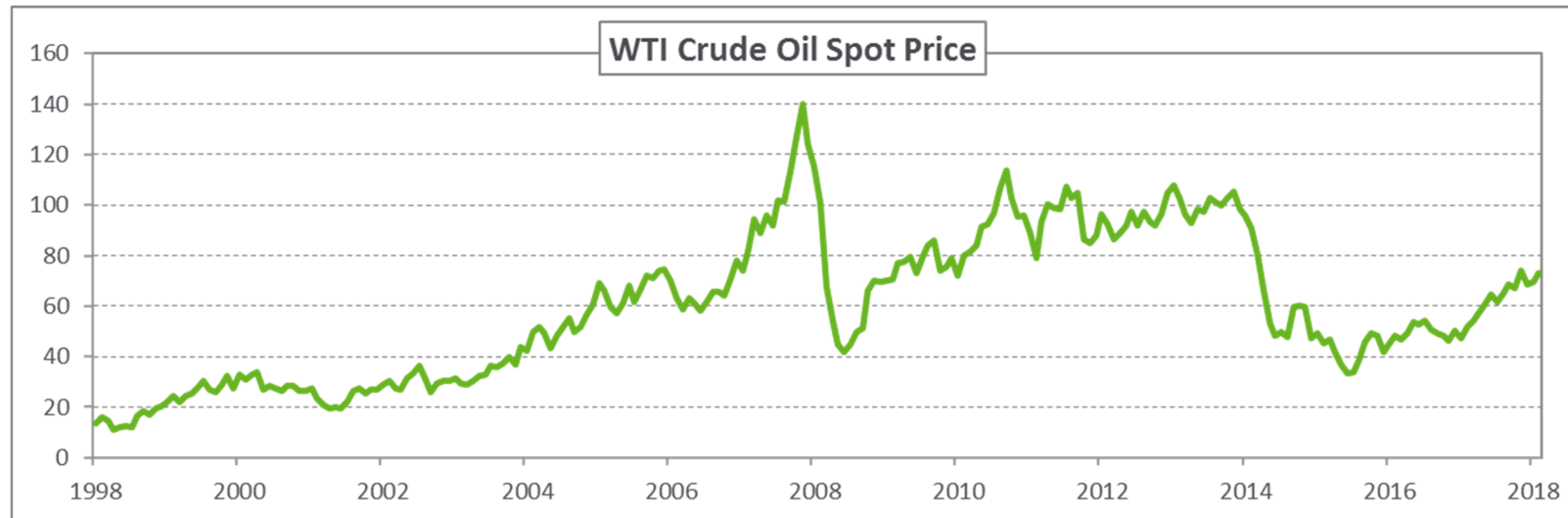


Source: Alerian, NAREIT, S&P, Bloomberg

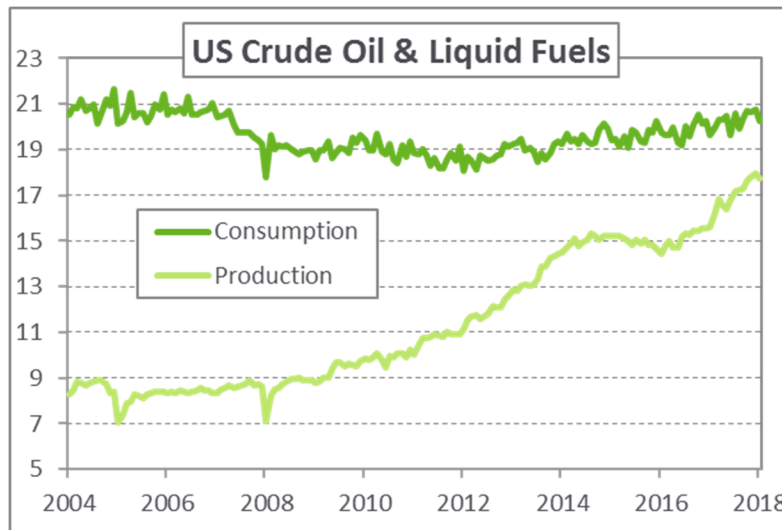


Source: Bloomberg, NEPC

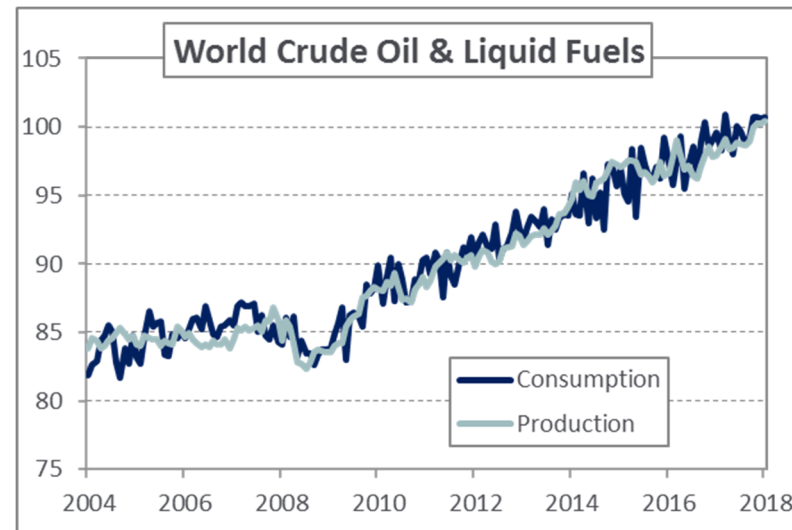
OIL MARKETS



Source: New York Mercantile Exchange, Bloomberg

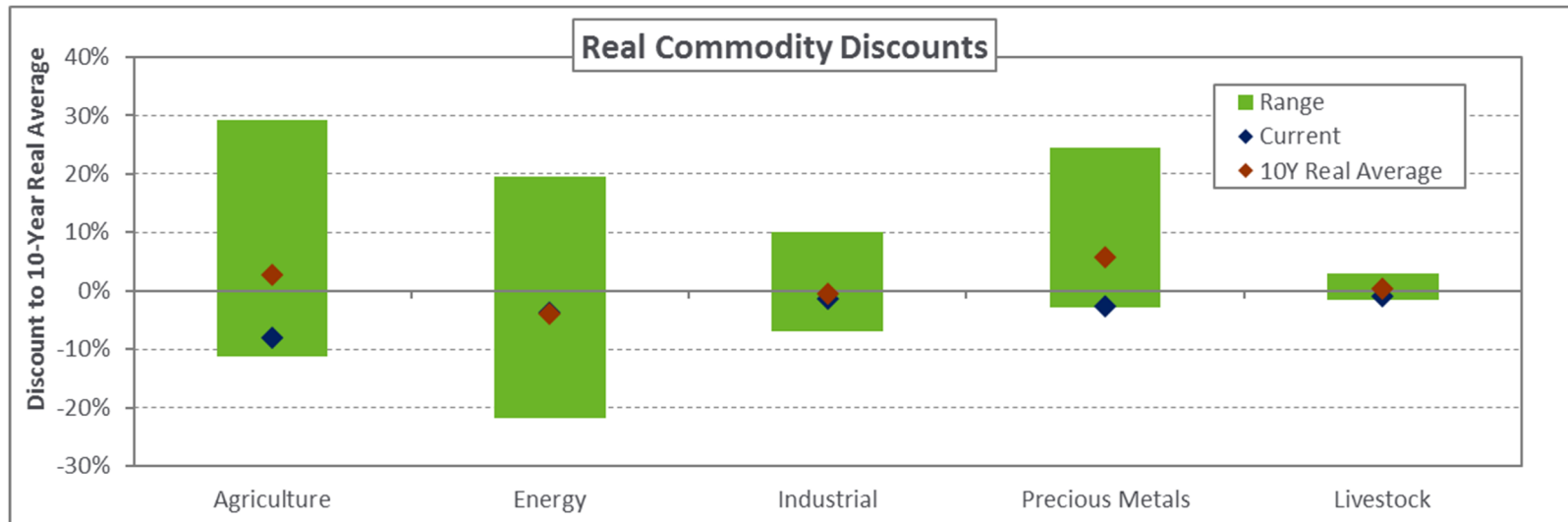


Source: US Department of Energy, Bloomberg

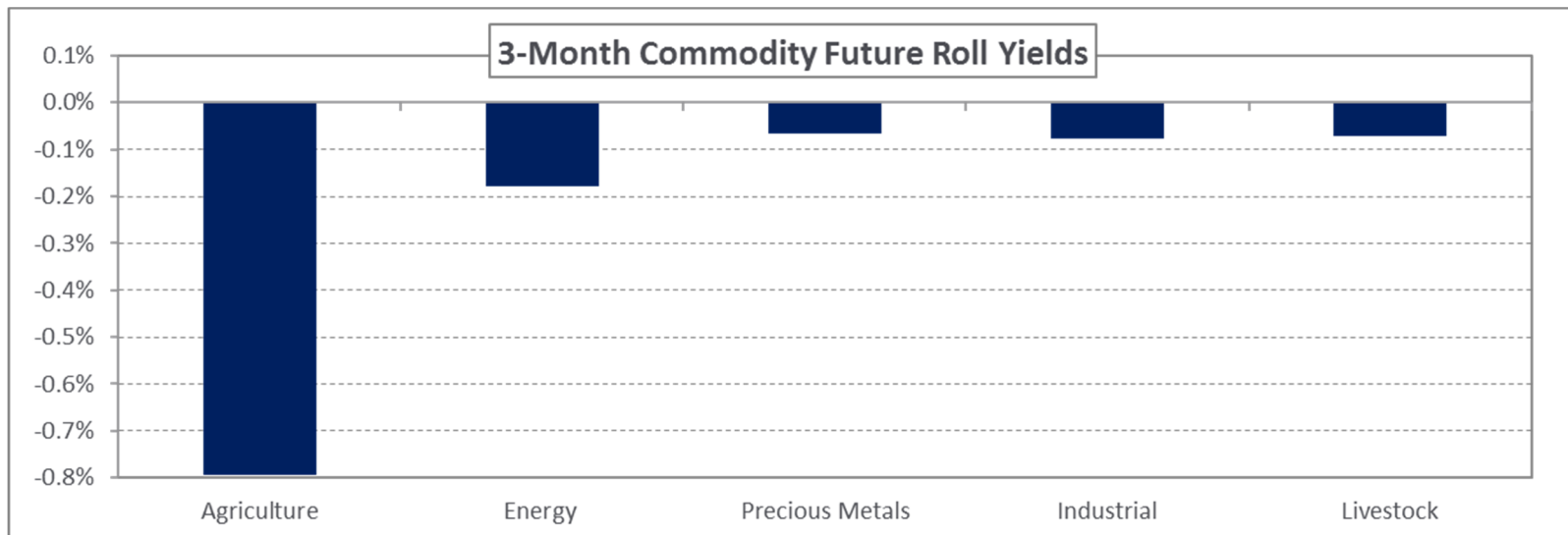


Source: OECD, Bloomberg

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 – 9/30/2017:** 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 – 12/31/2017:** 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.
- **1/1/2018 – 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, 12% 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



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

Allocation Index² – 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



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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



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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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- 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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