



Hamilton Lane®

# New Mexico Educational Retirement Board

September 30, 2018 Quarterly Investment Report

## Client Overview

**Program Inception:**

2003

**HL Relationship Inception:**

2007

**Real Assets Strategies:**

Real Estate

Natural Resources

**Plan Size (as of 9/30/2018):**

\$13.10 billion

**Target / Current Allocation:**

Real Estate – 7.0% / 6.4%

Natural Resources – 4.5% / 4.7%

**Real Estate Benchmark:**

NCREIF Property Index

**Natural Resources Benchmark:**

Consumer Price Index + 4% (CPI-U)

\$ millions	6/30/2018	9/30/2018	Change
Active Partnerships	52	53	1
Inactive Partnerships	4	4	-
Active GP Relationships	29	30	1
Capital Committed	\$2,230.6	\$2,270.6	\$40.0
Unfunded Commitment	\$722.2	\$729.3	\$7.1
Paid-In Capital	\$2,466.2	\$2,513.2	\$47.0
Capital Distributed	\$1,990.5	\$2,088.1	\$97.6
Market Value	\$1,443.6	\$1,454.3	\$10.7
Total Value Multiple	1.39x	1.41x	0.02x
Avg. Age of Commitments	4.1 years	4.3 years	0.2 years
<b>Since Inception IRR Performance</b>			
Total Portfolio Net IRR	11.60%	11.74%	14 bps

Portfolio Snapshot metrics represent both active and inactive partnership data

## Year-to-Date Commitments

	<b>Raith Real Estate Fund II, L.P.</b>	<b>RAM Realty Partners V, L.P.</b>	<b>Sares Regis Multifamily Value-Add Fund III, L.P.</b>	<b>TPG Real Estate Partners III, L.P.</b>
<b>General Partner</b>	Raith Capital Partners	RAM Realty Services	Sares Regis Group	Texas Pacific Group
<b>Existing Manager</b>	Yes	Yes	Yes	No
<b>Closing Date</b>	1/8/2018	4/10/2018	4/18/2018	9/7/2018
<b>Commitment</b>	\$50,000,000	\$40,000,000	\$30,000,000	\$40,000,000
<b>Target Fund Size</b>	\$250,000,000	\$300,000,000	\$500,000,000	\$3,000,000,000
<b>Strategy</b>	Real Estate	Real Estate	Real Estate	Real Estate
<b>Geographic Focus</b>	North America	North America	Western United States	North America
<b>Industries</b>	Opportunistic	Value-Added	Value-Added	Opportunistic

## Total Portfolio Performance

	Commitment (\$) <sup>(3)</sup>	%	Unfunded	Market Value (\$)	%	Net Time Weighted Returns <sup>(1)</sup>						Multiples <sup>(2)</sup>					
						Qtr	1 Year	3 Year	5 Year	7 Year	Since Inception	SI IRR	Initial CF Date	TVPI	RVPI	DPI	PIC
<b>Real Estate (Net)</b>	<b>\$1,500,716,996</b>	<b>68%</b>	<b>\$536,510,262</b>	<b>\$837,309,337</b>	<b>58%</b>	<b>2.50%</b>	<b>11.41%</b>	<b>11.12%</b>	<b>11.86%</b>	<b>13.96%</b>	<b>10.83%</b>	<b>11.96%</b>	<b>11/17/2003</b>	<b>1.44</b>	<b>0.43</b>	<b>1.01</b>	<b>1.25</b>
				NCREIF Property Index		1.67%	7.16%	7.76%	9.57%	9.98%	8.92%						
				<b>Difference</b>		<b>0.83%</b>	<b>4.24%</b>	<b>3.37%</b>	<b>2.28%</b>	<b>3.99%</b>	<b>1.90%</b>						
<b>Natural Resources (Net)</b>	<b>\$708,369,447</b>	<b>32%</b>	<b>\$192,759,071</b>	<b>\$617,384,273</b>	<b>42%</b>	<b>7.09%</b>	<b>20.79%</b>	<b>11.97%</b>	<b>9.11%</b>	<b>8.10%</b>	<b>5.79%</b>	<b>10.19%</b>	<b>3/9/2009</b>	<b>1.30</b>	<b>1.09</b>	<b>0.20</b>	<b>0.80</b>
				CPLU Index + 4%		4.18%	6.28%	5.99%	5.52%	5.54%	6.14%						
				<b>Difference</b>		<b>2.91%</b>	<b>14.52%</b>	<b>5.98%</b>	<b>3.59%</b>	<b>2.56%</b>	<b>(0.35%)</b>						
<b>New Mexico (Net)</b>	<b>\$2,209,086,443</b>	<b>100%</b>	<b>\$729,269,333</b>	<b>\$1,454,693,610</b>	<b>100%</b>	<b>4.39%</b>	<b>15.07%</b>	<b>11.78%</b>	<b>11.80%</b>	<b>13.74%</b>	<b>10.62%</b>	<b>11.74%</b>	<b>11/17/2003</b>	<b>1.41</b>	<b>0.58</b>	<b>0.83</b>	<b>1.11</b>

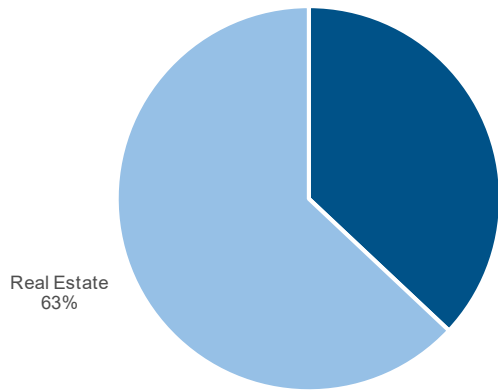
(1) Time weighted returns shown use a Modified Dietz methodology, based on quarterly return periods.

(2) PIC multiples may exceed 1.00 due to the recycling of capital and/or contributions made outside of commitment.

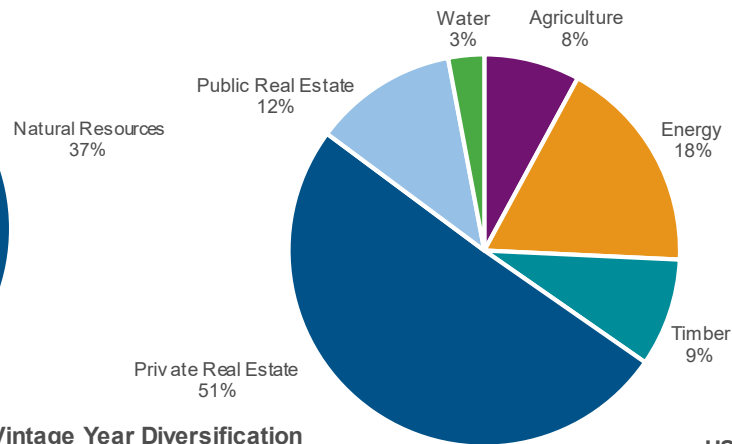
(3) Inactive funds are excluded from Commitment totals but included in performance metrics

**Total Portfolio Diversification**

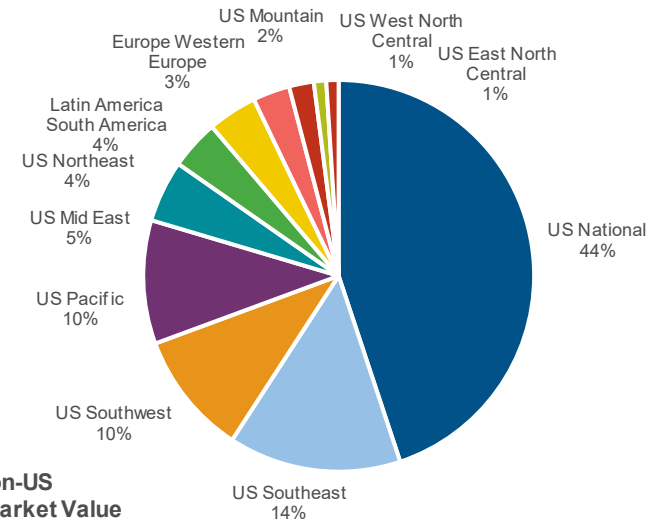
**Real Asset Category  
by Total Exposure  
As of September 30, 2018**



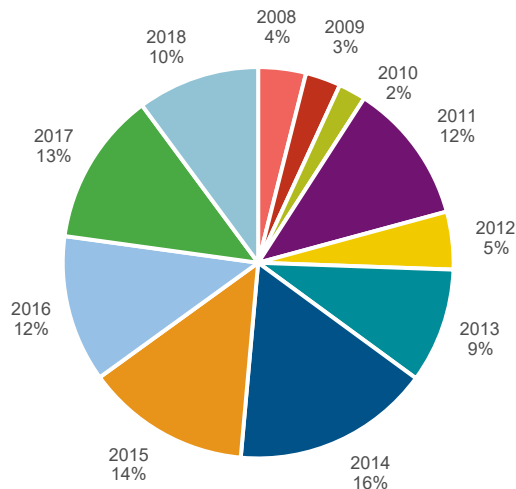
**Asset Class  
by Total Exposure  
As of September 30, 2018**



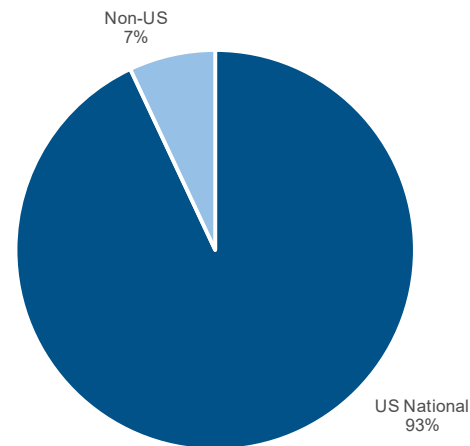
**Geography  
by Exposed Market Value  
As of September 30, 2018<sup>1</sup>**



**Vintage Year Diversification  
by Commitment Amount  
As of September 30, 2018**



**US v Non-US  
by Exposed Market Value  
As of September 30, 2018**

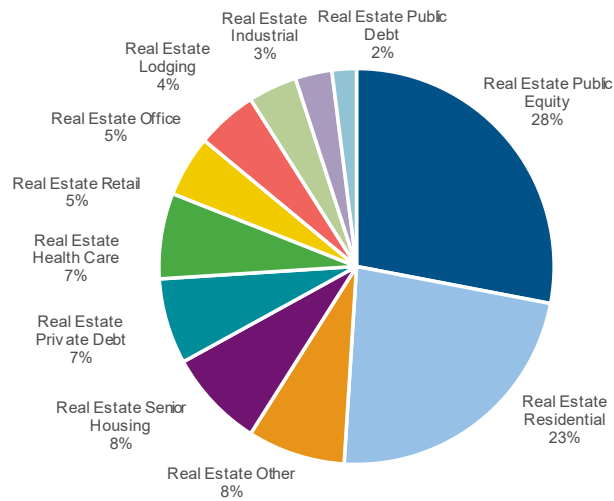


Note: Pie chart percentages may not sum to 100% due to rounding.

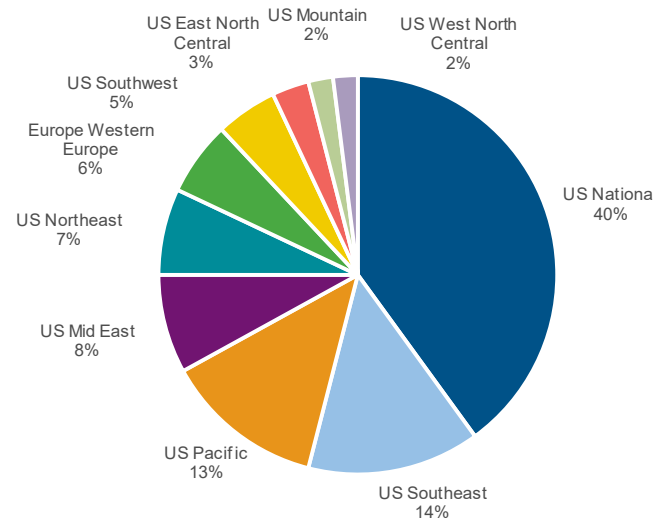
<sup>1</sup> Canada, Asia Japan, Oceans Australia, and Asia India combined represent approximately <1% of exposed market value and are not shown in the chart

## Real Estate Diversification

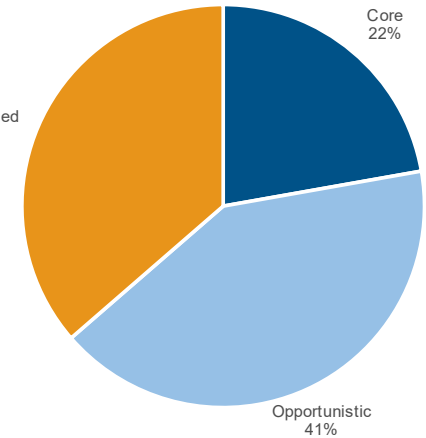
**Asset Class by Exposed Market Value As of September 30, 2018**



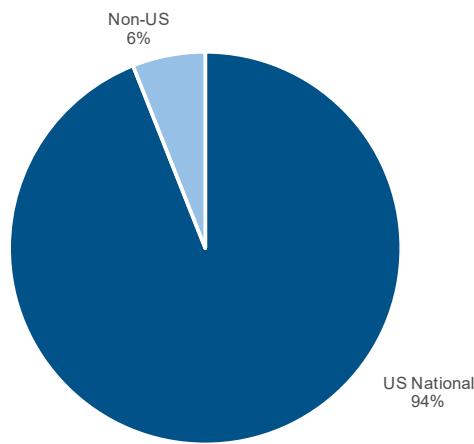
**Geography by Exposed Market Value As of September 30, 2018**



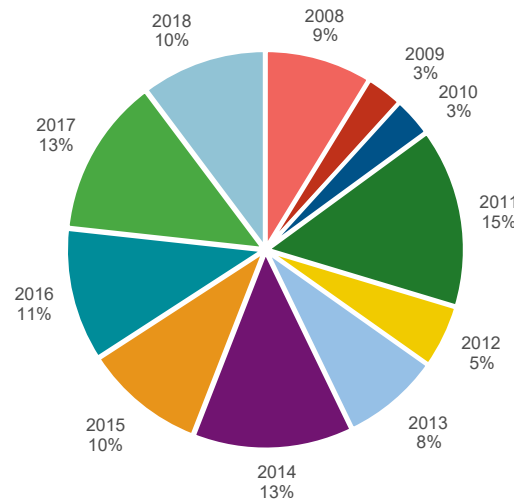
**Risk Category by Total Exposure As of September 30, 2018**



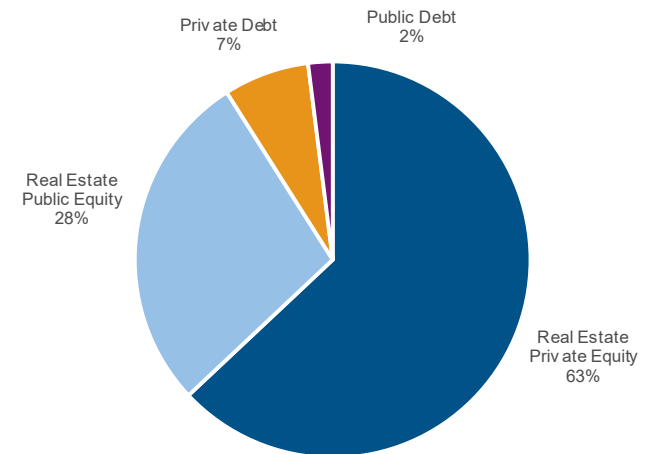
**US v Non-US by Exposed Market Value As of September 30, 2018**



**Vintage Year by Commitment Amount As of September 30, 2018**

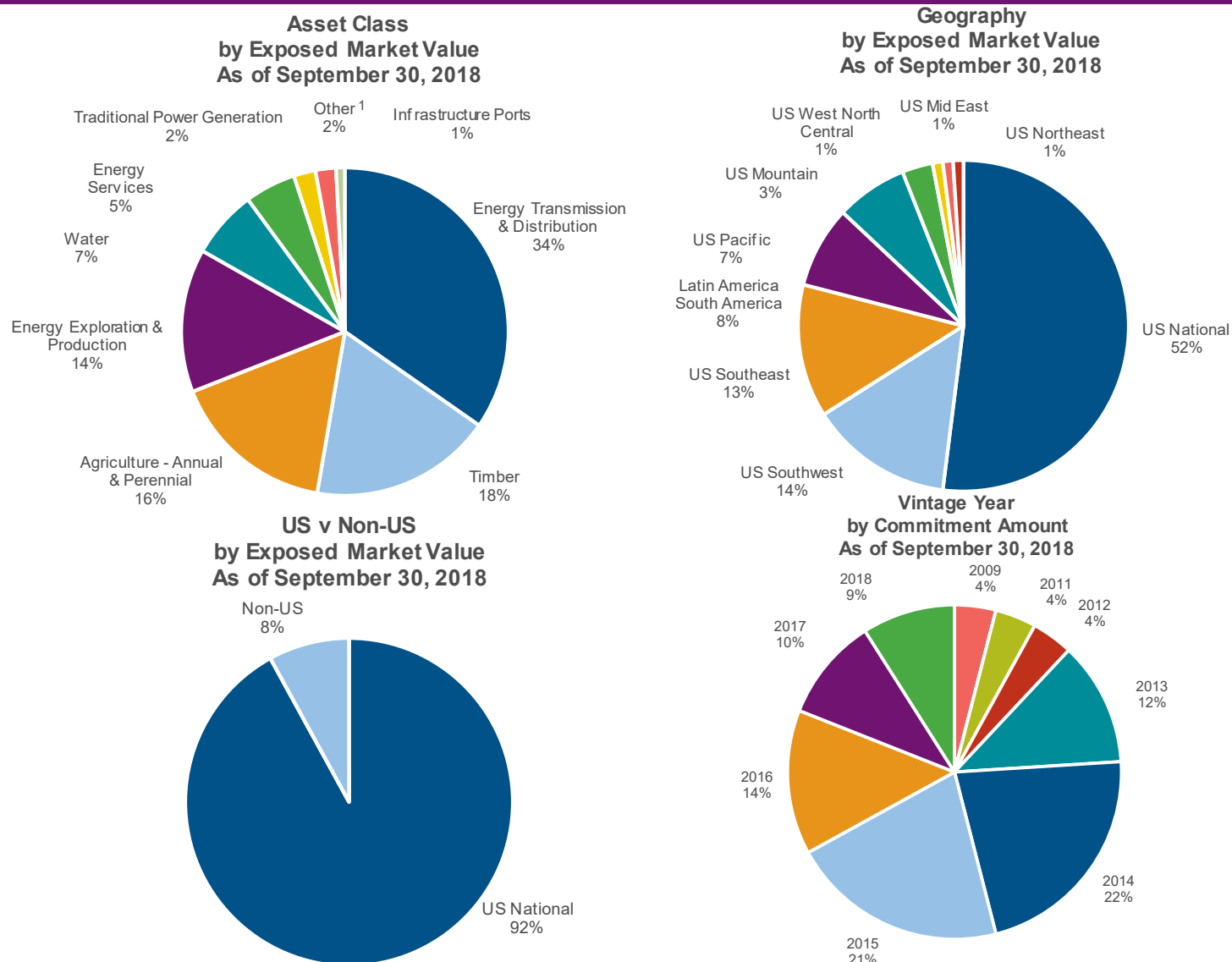


**Debt v Equity by Total Exposure As of September 30, 2018**



Note: Pie chart percentages may not sum to 100% due to rounding.

## Natural Resources Diversification



<sup>1</sup> Other consists of Infrastructure Other, Natural Resources Other, Renewable Power Generation, and Oil & Gas Exploration  
 Note: Pie chart percentages may not sum to 100% due to rounding.

	Commitment	Unfunded	Market Value	Net Time Weighted Returns <sup>(1)</sup>						SI IRR <sup>(4)</sup>	Initial CF Date	Multiples <sup>(2)</sup>			
				Qtr	1 Year	3 Year	5 Year	7 Year	Since Inception			TVPI	RVPI	DPI	PIC <sup>(3)</sup>
<b>Real Estate</b>															
<b>Public Real Estate</b>															
U.S. Value Income REIT Strategy	160,000,000	\$0	259,735,498	(0.53%)	1.15%	5.66%	7.03%	11.79%	11.79%	7.73%	7/1/2011	1.58	1.58	0.00	1.03
<b>Public Real Estate - Total</b>	<b>\$160,000,000</b>	<b>\$0</b>	<b>\$259,735,498</b>	<b>(0.53%)</b>	<b>1.30%</b>	<b>5.89%</b>	<b>7.03%</b>	<b>10.99%</b>	<b>9.13%</b>	<b>12.19%</b>	<b>11/17/2003</b>	<b>1.54</b>	<b>0.27</b>	<b>1.26</b>	<b>N/A</b>
			Wilshire REIT US Equity Index	(0.25%)	(0.27%)	2.96%	5.18%	7.60%	5.75%						
			<b>Difference</b>	<b>(0.28%)</b>	<b>1.57%</b>	<b>2.93%</b>	<b>2.52%</b>	<b>3.40%</b>	<b>3.38%</b>						
<b>Private Real Estate</b>															
<b>Core</b>															
PRIMA Mortgage Investment Trust, LLC	\$50,000,000	\$0	\$48,496,640	(0.27%)	(1.56%)	1.96%	3.05%	3.89%	4.37%	4.37%	7/21/2008	1.44	0.97	0.47	1.00
<b>Real Estate - Core Total</b>	<b>\$50,000,000</b>	<b>\$0</b>	<b>\$48,496,640</b>	<b>(0.27%)</b>	<b>(1.44%)</b>	<b>2.62%</b>	<b>3.47%</b>	<b>4.07%</b>	<b>3.59%</b>	<b>3.59%</b>	<b>7/1/2008</b>	<b>1.26</b>	<b>0.56</b>	<b>0.70</b>	<b>1.00</b>
<b>Value Add</b>															
Crow Holdings Realty Partners VI, L.P.	\$50,000,000	\$4,522,165	\$20,729,977	1.33%	14.00%	13.24%	10.08%	N/A	10.08%	10.08%	9/23/2013	1.39	0.45	0.94	0.92
Crow Holdings Realty Partners VII, L.P.	35,000,000	3,573,009	25,194,531	3.32%	21.81%	N/A	N/A	N/A	15.24%	15.61%	1/14/2016	1.28	0.77	0.52	0.94
Crow Retail Fund II, L.P.	30,000,000	13,568,636	11,553,714	1.37%	4.99%	N/A	N/A	N/A	6.73%	N/A	3/28/2018	1.00	1.00	0.00	0.39
Hammes Partners II, L.P.	50,000,000	4,043,154	49,142,305	8.50%	20.65%	13.85%	N/A	N/A	13.85%	14.99%	7/16/2015	1.23	0.98	0.25	1.00
Hammes Partners III, L.P.	30,000,000	30,000,000	-	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	10/12/2018	N/A	N/A	N/A	0.00
Prudential Senior Housing Partners IV, L.P.	44,178,595	2,579,562	41,533,933	5.11%	13.44%	15.36%	16.14%	N/A	13.63%	15.05%	10/3/2011	1.68	0.83	0.84	1.13
Prudential Senior Housing V, L.P.	35,000,000	13,329,025	24,892,908	0.35%	11.79%	11.72%	N/A	N/A	9.95%	11.41%	5/15/2015	1.20	1.14	0.06	0.62
RAM Realty Partners III, L.P.	30,000,000	2,903,331	11,384,090	0.82%	36.58%	25.55%	23.24%	N/A	21.21%	18.29%	10/19/2012	1.59	0.35	1.24	1.09
RAM Realty Partners IV, L.P.	40,000,000	10,667,962	32,130,777	6.33%	23.51%	N/A	N/A	N/A	13.06%	9.12%	7/20/2016	1.09	0.86	0.23	0.93
RAM Realty Partners V, L.P.	40,000,000	35,829,061	3,833,147	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	9/26/2018	N/A	N/A	N/A	0.00
Realterm Logistics Fund, L.P.	25,000,000	1,101,094	358,514	18.56%	67.59%	29.68%	N/A	N/A	26.54%	24.89%	3/10/2014	1.73	0.01	1.72	0.98
Realterm Logistics Fund II, L.P.	25,000,000	21,089,506	3,205,216	0.35%	(22.95%)	N/A	N/A	N/A	(25.00%)	(25.51%)	5/19/2017	0.86	0.64	0.22	0.20
Rockpoint Real Estate Fund IV, L.P.	45,454,545	3,358,834	18,087,471	(0.91%)	2.79%	4.84%	14.27%	N/A	11.63%	16.54%	6/30/2012	1.32	0.38	0.94	1.05
Rockpoint Real Estate Fund V, L.P.	35,000,000	16,837,629	23,652,958	3.51%	13.81%	12.53%	N/A	N/A	N/A	12.93%	6/30/2015	1.17	1.03	0.14	0.66
Sares Regis Multifamily Fund, L.P.	30,000,000	1,696,393	7,744,904	2.01%	12.76%	19.27%	14.94%	N/A	13.94%	16.55%	6/26/2013	1.72	0.27	1.45	0.95
Sares Regis Multifamily Value-Add Fund II, L.P.	30,000,000	3,488,575	25,936,699	1.53%	9.31%	5.04%	N/A	N/A	5.04%	5.30%	8/11/2015	1.07	0.63	0.44	1.37
Sares Regis Multifamily Value-Add Fund III, L.P.	30,000,000	30,000,000	-	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00
<b>Real Estate - Value Add Total</b>	<b>\$604,633,140</b>	<b>\$198,587,935</b>	<b>\$299,381,144</b>	<b>4.04%</b>	<b>18.26%</b>	<b>14.93%</b>	<b>15.24%</b>	<b>N/A</b>	<b>11.10%</b>	<b>14.83%</b>	<b>10/3/2011</b>	<b>1.35</b>	<b>0.66</b>	<b>0.69</b>	<b>0.76</b>
<b>Opportunistic</b>															
Edgewood Partners, L.P.	\$99,500,000	\$89,670,284	\$28,484,872	19.11%	112.56%	N/A	N/A	N/A	144.00%	121.03%	2/15/2017	2.90	2.90	0.00	0.10
Greenfield Acquisition Partners V, L.P.	25,000,000	350,000	519,025	20.64%	40.85%	8.61%	7.19%	9.26%	4.79%	8.45%	4/4/2008	1.38	0.02	1.36	0.99
Kildare European Partners I, L.P.	50,000,000	7,621,860	16,096,853	5.17%	21.49%	16.30%	N/A	N/A	15.49%	14.36%	5/6/2014	1.20	0.28	0.92	1.15
Kildare European Partners II, L.P.	40,000,000	40,000,000	(627,409)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10/8/2018	N/A	N/A	N/A	0.00
Lone Star Fund VII (U.S.), L.P.	50,000,000	3,081,775	459,295	(12.63%)	(37.20%)	(34.96%)	(15.52%)	0.06%	3.96%	46.54%	6/15/2011	1.71	0.01	1.70	0.99
Lone Star Fund VIII (U.S.), L.P.	50,000,000	4,991,318	15,997,492	1.00%	3.90%	(4.83%)	16.70%	N/A	(6.23%)	14.21%	9/9/2013	1.25	0.33	0.93	0.98
Lone Star Fund X (U.S.), L.P.	50,000,000	27,415,948	24,701,169	3.49%	N/A	N/A	N/A	N/A	154.08%	N/A	12/15/2017	1.10	1.09	0.01	0.45
Lone Star Real Estate Fund II (U.S.), L.P.	25,000,000	2,847,542	1,054,733	1.26%	(0.74%)	6.23%	18.00%	19.30%	21.70%	24.98%	5/15/2011	1.48	0.04	1.44	1.00
Lone Star Real Estate Fund V (U.S.), L.P.	37,063,856	32,431,136	3,965,268	(7.00%)	9.54%	N/A	N/A	N/A	9.54%	N/A	12/20/2017	0.86	0.86	0.00	0.12
Raith Real Estate Fund I-A, L.P.	50,000,000	22,639,885	30,185,727	(1.50%)	13.85%	11.33%	N/A	N/A	9.48%	14.36%	2/7/2014	1.21	0.39	0.82	1.55
Raith Real Estate Fund II, L.P.	50,000,000	48,086,862	1,649,825	(6.69%)	N/A	N/A	N/A	N/A	(14.46%)	N/A	6/15/2018	0.97	0.22	0.75	0.15
RAPM NM Secondary Opportunity Fund L.P.	40,000,000	11,700,085	21,349,597	0.49%	5.69%	11.54%	5.09%	5.44%	(34.97%)	11.06%	7/2/2009	1.48	0.68	0.81	0.79
RAPM-NMERB Co-Investment Fund L.P.	79,520,000	7,085,632	86,081,258	6.18%	15.46%	25.43%	N/A	N/A	22.46%	22.30%	6/10/2014	1.61	1.14	0.47	0.95
TPG Real Estate Partners III, L.P.	40,000,000	40,000,000	(221,651)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00
<b>Real Estate - Opportunistic Total</b>	<b>\$686,083,856</b>	<b>\$337,922,327</b>	<b>\$229,696,055</b>	<b>4.64%</b>	<b>19.44%</b>	<b>15.84%</b>	<b>17.04%</b>	<b>19.09%</b>	<b>11.31%</b>	<b>15.38%</b>	<b>1/14/2008</b>	<b>1.38</b>	<b>0.50</b>	<b>0.88</b>	<b>0.65</b>
<b>Private Real Estate Total</b>	<b>\$1,340,716,996</b>	<b>\$536,510,262</b>	<b>\$577,573,839</b>	<b>3.90%</b>	<b>16.78%</b>	<b>13.93%</b>	<b>14.37%</b>	<b>14.71%</b>	<b>9.03%</b>	<b>11.44%</b>	<b>1/14/2008</b>	<b>1.35</b>	<b>0.58</b>	<b>0.78</b>	<b>0.72</b>
			NCREIF Property Index	1.67%	7.16%	7.76%	9.57%	9.98%	8.92%						
			<b>Difference</b>	<b>2.23%</b>	<b>9.61%</b>	<b>6.18%</b>	<b>4.79%</b>	<b>4.74%</b>	<b>0.11%</b>						
<b>Real Estate Total</b>	<b>\$1,500,716,996</b>	<b>\$536,510,262</b>	<b>\$837,309,337</b>	<b>2.50%</b>	<b>11.41%</b>	<b>11.12%</b>	<b>11.86%</b>	<b>13.96%</b>	<b>10.83%</b>	<b>11.96%</b>	<b>11/17/2003</b>	<b>1.44</b>	<b>0.43</b>	<b>1.01</b>	<b>1.25</b>
			NCREIF Property Index	1.67%	7.16%	7.76%	9.57%	9.98%	8.92%						
			<b>Difference</b>	<b>0.83%</b>	<b>4.24%</b>	<b>3.37%</b>	<b>2.28%</b>	<b>3.99%</b>	<b>1.90%</b>						

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- (2) Inactive investments are included in performance metrics, but are excluded from commitment totals.
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- (4) IRRs are reported for investments one full year following initial capital investment



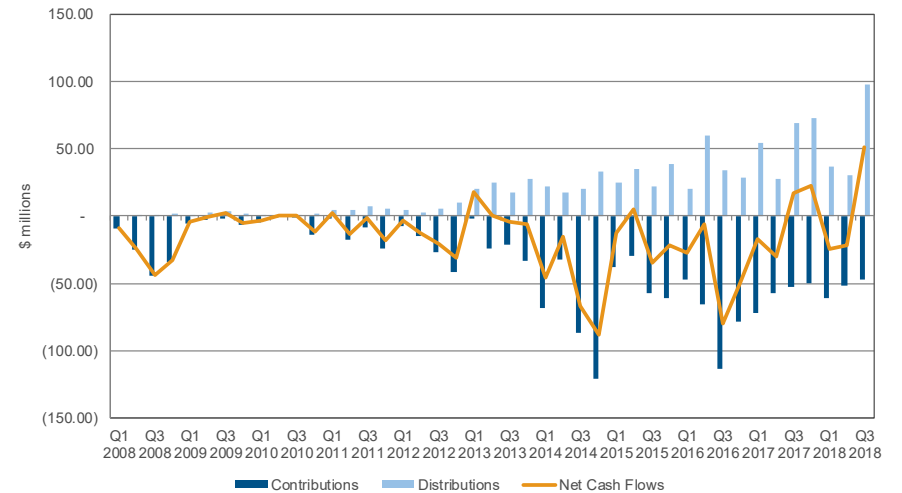
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<b>Natural Resources</b>															
<b>Timber</b>															
Brookfield Brazil Timber Fund II, L.P.	\$10,500,000	\$3,009,824	\$9,367,631	7.45%	14.84%	8.80%	N/A	N/A	8.78%	8.12%	12/6/2013	1.39	1.13	0.26	0.79
Conservation Forestry Capital Fund II, L.P.	25,000,000	-	17,545,164	0.24%	11.41%	4.09%	5.76%	5.96%	4.40%	5.24%	3/9/2009	1.40	0.64	0.76	1.10
Conservation Forestry Capital Fund IV, L.P.	20,000,000	2,822,481	17,189,541	(0.15%)	1.46%	N/A	N/A	N/A	0.07%	(0.11%)	9/30/2016	1.00	1.00	0.00	0.86
Eastern Timberland Opportunities II, L.P.	45,000,000	-	52,553,887	2.07%	6.54%	4.12%	N/A	N/A	7.74%	7.62%	8/8/2014	1.30	1.17	0.14	1.00
Ecosystem Investment Partners II, L.P.	30,000,000	-	33,801,909	0.80%	3.61%	9.56%	11.09%	5.05%	3.43%	9.88%	3/28/2011	1.45	1.12	0.33	1.01
Ecosystem Investment Partners III, L.P.	50,000,000	26,177,457	24,548,872	1.06%	13.78%	(7.68%)	N/A	N/A	(30.82%)	5.93%	7/14/2015	1.06	1.03	0.03	0.48
<b>Timberland Total</b>	<b>\$180,500,000</b>	<b>\$32,009,763</b>	<b>\$155,007,004</b>	<b>1.49%</b>	<b>7.33%</b>	<b>5.69%</b>	<b>7.98%</b>	<b>7.33%</b>	<b>5.23%</b>	<b>6.92%</b>	<b>3/9/2009</b>	<b>1.28</b>	<b>1.02</b>	<b>0.26</b>	<b>0.84</b>
			NCREIF Timberland Index	1.02%	4.00%	3.52%	5.99%	5.97%	7.31%						
			<b>Difference</b>	<b>0.47%</b>	<b>3.33%</b>	<b>2.17%</b>	<b>1.99%</b>	<b>1.36%</b>	<b>(2.08%)</b>						
<b>Agriculture</b>															
Blue Road Capital, L.P.	\$30,000,000	\$14,746,010	\$12,109,027	(1.67%)	(24.81%)	(2.04%)	N/A	N/A	(2.89%)	(5.26%)	3/26/2015	0.95	0.29	0.65	1.37
Folium Agriculture Fund I, L.P.	30,000,000	13,592,105	15,220,322	(0.99%)	N/A	N/A	N/A	N/A	(4.03%)	N/A	12/12/2017	0.93	0.90	0.03	0.56
Halderman Farmland Separate Account	75,000,000	28,228,974	49,094,727	(0.15%)	4.35%	2.46%	3.68%	N/A	3.68%	3.53%	5/10/2013	1.09	1.02	0.07	0.64
Hancock GLC Farms, LLC	26,119,447	360,229	32,881,091	(0.88%)	5.61%	1.65%	4.90%	N/A	5.65%	5.29%	8/17/2012	1.28	1.27	0.01	0.99
<b>Agriculture Total</b>	<b>\$161,119,447</b>	<b>\$56,927,318</b>	<b>\$109,305,168</b>	<b>(0.65%)</b>	<b>(1.56%)</b>	<b>1.27%</b>	<b>3.00%</b>	<b>N/A</b>	<b>3.89%</b>	<b>2.74%</b>	<b>8/17/2012</b>	<b>1.06</b>	<b>0.83</b>	<b>0.23</b>	<b>0.82</b>
			NCREIF Farmland Index	1.29%	6.83%	7.17%	9.89%	12.54%	14.17%						
			<b>Difference</b>	<b>(1.94%)</b>	<b>(8.38%)</b>	<b>(5.91%)</b>	<b>(6.90%)</b>	<b>N/A</b>	<b>(10.28%)</b>						
<b>Energy</b>															
Bluescape Energy Recapitalization and Restructuring Fund III, L.P.	\$30,000,000	\$5,733,590	\$35,715,262	10.16%	20.31%	N/A	N/A	N/A	21.54%	27.59%	12/21/2016	1.39	1.21	0.18	0.98
BP Natural Gas Opportunity Partners, L.P.	30,000,000	13,745,020	23,270,511	2.00%	27.72%	N/A	N/A	N/A	34.17%	44.99%	12/7/2015	1.80	1.13	0.67	0.69
BP Natural Gas Opportunity Partners II, L.P.	35,000,000	35,000,000	-	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00
EnerVest Fund XIV, L.P.	37,500,000	3,131,868	31,122,952	32.71%	58.22%	N/A	N/A	N/A	13.11%	13.41%	9/30/2015	1.31	0.89	0.42	0.93
Five Point Energy Fund I, L.P.	50,000,000	2,308,723	103,976,518	19.71%	95.50%	34.51%	N/A	N/A	25.93%	50.72%	6/12/2014	2.08	2.00	0.08	1.04
Five Point Energy Fund II, L.P.	40,000,000	31,371,532	18,757,795	47.97%	158.14%	N/A	N/A	N/A	158.14%	N/A	9/29/2017	2.17	2.14	0.03	0.22
Harvest MLP	50,000,000	-	54,423,214	5.98%	8.80%	N/A	N/A	N/A	2.51%	3.48%	7/7/2016	1.08	1.08	0.00	1.01
Lime Rock Resources III, L.P.	34,250,000	737,029	37,755,905	3.54%	15.26%	19.82%	N/A	N/A	(5.78%)	6.19%	1/23/2014	1.23	1.06	0.17	1.04
<b>Energy Total</b>	<b>\$306,750,000</b>	<b>\$92,027,762</b>	<b>\$305,022,157</b>	<b>14.85%</b>	<b>43.82%</b>	<b>25.20%</b>	<b>N/A</b>	<b>N/A</b>	<b>2.79%</b>	<b>21.66%</b>	<b>1/23/2014</b>	<b>1.51</b>	<b>1.32</b>	<b>0.19</b>	<b>0.76</b>
<b>Water</b>															
Water Property Investor, L.P.	\$30,000,000	\$1,393,555	\$28,834,246	(1.10%)	2.01%	0.74%	N/A	N/A	(0.43%)	(0.22%)	12/12/2014	0.99	0.99	0.00	0.97
Water Property Investor II, L.P.	30,000,000	10,400,673	19,215,699	(0.58%)	(1.41%)	N/A	N/A	N/A	(1.70%)	(1.81%)	6/16/2017	0.98	0.98	0.00	0.66
<b>Water Total</b>	<b>\$60,000,000</b>	<b>\$11,794,229</b>	<b>\$48,049,945</b>	<b>(0.89%)</b>	<b>0.75%</b>	<b>0.29%</b>	<b>N/A</b>	<b>N/A</b>	<b>(0.78%)</b>	<b>(0.52%)</b>	<b>12/12/2014</b>	<b>0.99</b>	<b>0.99</b>	<b>0.00</b>	<b>0.81</b>
<b>Natural Resources Total</b>	<b>\$708,369,447</b>	<b>\$192,759,071</b>	<b>\$617,384,273</b>	<b>7.09%</b>	<b>20.79%</b>	<b>11.97%</b>	<b>9.11%</b>	<b>8.10%</b>	<b>5.79%</b>	<b>10.19%</b>	<b>3/9/2009</b>	<b>1.30</b>	<b>1.09</b>	<b>0.20</b>	<b>0.80</b>
			CPI-U Index + 4%	4.18%	6.28%	5.99%	5.52%	5.54%	6.14%						
			<b>Difference</b>	<b>2.91%</b>	<b>14.52%</b>	<b>5.98%</b>	<b>3.59%</b>	<b>2.56%</b>	<b>(0.35%)</b>						
<b>Total Portfolio</b>	<b>\$2,209,086,443</b>	<b>\$729,269,333</b>	<b>\$1,454,693,610</b>	<b>4.39%</b>	<b>15.07%</b>	<b>11.78%</b>	<b>11.80%</b>	<b>13.74%</b>	<b>10.62%</b>	<b>11.74%</b>	<b>11/17/2003</b>	<b>1.41</b>	<b>0.58</b>	<b>0.83</b>	<b>1.11</b>

- (1) Time weighted returns shown use a Modified Dietz methodology, based on quarterly return periods.  
(2) Inactive investments are included in performance metrics, but are excluded from commitment totals.  
(3) PIC multiples may exceed 1.00 due to the recycling of capital and/or contributions made outside of commitment.  
(4) IRRs are reported for investments one full year following initial capital investment

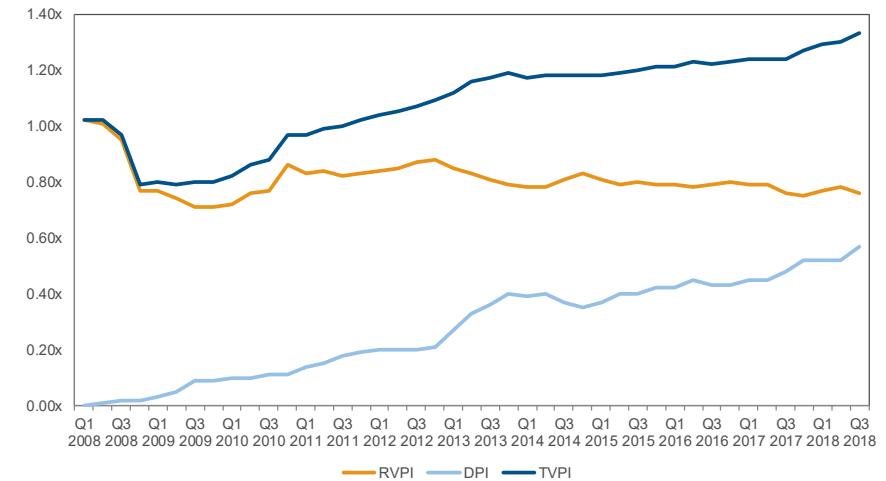
Management Fees			
	Since Inception through Q2 2018	Q3 2018 QTD	Since Inception through Q3 2018
<b>Natural Resources</b>			
Blue Road Capital, L.P.	\$1,927,902	\$131,250	\$2,059,152
Bluescape Energy Recapitalization and Restructuring Fund III	907,027	137,966	1,044,993
BP Natural Gas Opportunity Partners, L.P.	1,531,973	131,746	1,663,719
BP Natural Gas Opportunity Partners II, L.P.	-	150,000	150,000
Brookfield Brazil Timber Fund II, LP	883,915	28,319	912,234
Conservation Forestry Capital Fund II, LP	2,066,857	29,520	2,096,377
Conservation Forestry Capital Fund IV, LP	186,693	39,187	225,880
Eastern Timberland Opportunities II	1,144,693	98,724	1,243,417
Ecosystem Investment Partners II, LP	3,218,796	103,643	3,322,439
Ecosystem Investment Partners III, LP	2,260,274	187,500	2,447,774
EnerVest Energy Institutional Fund XIV-A, L.P.	1,875,000	187,500	2,062,500
Five Point Energy Fund I, L.P.	2,253,923	205,913	2,459,836
Five Point Energy Fund II, L.P.	481,754	150,000	631,754
Folium Agriculture Fund I, LP	708,634	92,838	801,472
Haldeman Farmland Separate Account	1,188,766	134,792	1,323,558
Hancock GLC Farms, LLC	1,083,263	62,178	1,145,441
Harvest MLP	-	-	-
Lime Rock Resources III	1,509,198	49,305	1,558,503
Water Property Investor II, L.P.	342,239	225,000	567,239
Water Property Investor, L.P.	2,522,385	-	2,522,385
<b>Natural Resources - Total</b>	<b>\$26,093,291</b>	<b>\$2,145,382</b>	<b>\$28,238,673</b>
<b>Real Estate</b>			
Crow Holdings Realty Fund VII, LP	\$1,123,620	\$84,487	\$1,208,107
Crow Holdings Realty Partners VI, LP	3,505,393	124,242	3,629,635
Crow Retail Fund II, L.P.	577,500	-	577,500
Edgewood Partners, L.P.	-	-	-
Greenfield Acquisition Partners V, L.P.	3,222,236	-	3,222,236
Hammes Partners II, L.P.	3,022,096	141,877	3,163,973
Hammes Partners III, L.P.	-	-	-
In-House REIT	-	-	-
Kildare European Partners I, L.P.	2,034,386	30,534	2,064,920
Kildare European Partners II, L.P.	184,111	75,616	259,727
Lone Star Fund VII (U.S.), L.P.	2,021,209	-	2,021,209
Lone Star Fund VIII (U.S.), L.P.	999,331	19,431	1,018,762
Lone Star Fund X (U.S.), L.P.	994,876	140,144	1,135,020
Lone Star Real Estate Fund II (U.S.), L.P.	1,599,311	441	1,599,752
Lone Star Real Estate Fund V (U.S.), L.P.	375,273	125,091	500,364
PRIMA Mortgage Investment Trust, LLC	1,278,644	31,795	1,310,439
Prologis Targeted Europe Logistics Fund, FCP-FIS	895,124	-	895,124
Prologis Targeted US Logistics Fund	1,025,195	-	1,025,195
Prudential Senior Housing Partners IV	2,239,099	88,764	2,327,863
Prudential Senior Housing V	1,228,463	45,932	1,274,395
Raith Real Estate Fund I-A LP	2,743,304	114,233	2,857,537
Raith Real Estate Fund II, L.P.	97,070	98,137	195,207
RAM Realty Partners III	2,856,068	44,135	2,900,203
RAM Realty Partners IV	1,749,999	174,999	1,924,998
RAM Realty Partners V	65,753	101,918	167,671
RAPM NM Secondary Opportunity Fund L.P.	602,241	28,150	630,391
RAPM-NMERB Co-Investment Fund L.P.	1,138,247	83,306	1,221,553
Realterm Logistics Fund, L.P.	1,803,987	79,983	1,883,970
Realterm Logistics Fund II, LP	453,376	93,750	547,126
Rockpoint Real Estate Fund IV, L.P.	3,126,327	65,213	3,191,540
Rockpoint Real Estate Fund V, L.P.	1,235,035	132,329	1,367,364
Sares-Regis Multifamily Fund, L.P.	2,785,502	33,470	2,818,972
Sares-Regis Multifamily Value-Add Fund II, L.P.	1,277,874	89,860	1,367,734
Sares-Regis Multifamily Value-Add Fund III, L.P.	65,600	92,250	157,850
TPG Real Estate Partners III, L.P.	-	189,863	189,863
U.S. Value Income REIT Strategy	6,556,963	-	6,556,963
Guggenheim Structured Real Estate III, LP	846,115	-	846,115
<b>Real Estate - Total</b>	<b>\$53,729,328</b>		<b>\$56,059,278</b>
<b>Portfolio Total</b>	<b>\$79,822,619</b>	<b>\$2,145,382</b>	<b>\$84,297,951</b>

Quarter	\$ Millions			Reported Market Value	TVPI	IRR	DPI	RVPI
	Contributions	Distributions	Net Cash Flows					
Q1 2008	(9.00)	-	(9.00)	9.18	1.02x	2.38%	0.00x	1.02x
Q2 2008	(25.50)	0.45	(25.05)	34.67	1.02x	2.90%	0.01x	1.01x
Q3 2008	(44.85)	1.02	(43.83)	75.16	0.97x	(7.25%)	0.02x	0.95x
Q4 2008	(33.98)	1.22	(32.76)	86.64	0.79x	(41.12%)	0.02x	0.77x
Q1 2009	(5.57)	1.14	(4.43)	90.83	0.80x	(29.71%)	0.03x	0.77x
Q2 2009	(3.32)	2.83	(0.49)	90.33	0.79x	(23.42%)	0.05x	0.74x
Q3 2009	(1.58)	3.88	2.30	88.10	0.80x	(18.92%)	0.09x	0.71x
Q4 2009	(6.71)	1.45	(5.26)	92.72	0.80x	(16.24%)	0.09x	0.71x
Q1 2010	(4.45)	0.85	(3.61)	98.41	0.82x	(12.73%)	0.10x	0.72x
Q2 2010	(0.77)	1.19	0.42	102.16	0.86x	(9.04%)	0.10x	0.76x
Q3 2010	(0.67)	0.85	0.18	105.53	0.88x	(6.48%)	0.11x	0.77x
Q4 2010	(13.74)	1.93	(11.82)	128.18	0.97x	(1.81%)	0.11x	0.86x
Q1 2011	(2.35)	4.11	1.76	127.22	0.97x	(1.37%)	0.14x	0.83x
Q2 2011	(18.06)	4.17	(13.89)	143.47	0.99x	(0.57%)	0.15x	0.84x
Q3 2011	(8.66)	7.45	(1.21)	146.29	1.00x	(0.10%)	0.18x	0.82x
Q4 2011	(23.90)	5.39	(18.51)	168.89	1.02x	0.85%	0.19x	0.83x
Q1 2012	(7.91)	4.72	(3.19)	176.61	1.04x	1.70%	0.20x	0.84x
Q2 2012	(15.09)	2.87	(12.22)	191.35	1.05x	2.02%	0.20x	0.85x
Q3 2012	(26.49)	5.68	(20.80)	218.38	1.07x	2.88%	0.20x	0.87x
Q4 2012	(41.37)	9.94	(31.44)	260.58	1.09x	4.20%	0.21x	0.88x
Q1 2013	(1.62)	19.77	18.15	250.70	1.12x	4.93%	0.27x	0.85x
Q2 2013	(24.54)	24.77	0.23	264.42	1.16x	6.17%	0.33x	0.83x
Q3 2013	(21.65)	16.87	(4.77)	278.85	1.17x	6.75%	0.36x	0.81x
Q4 2013	(33.78)	27.92	(5.86)	295.79	1.19x	7.34%	0.40x	0.79x
Q1 2014	(68.40)	22.34	(46.06)	348.63	1.17x	7.43%	0.39x	0.78x
Q2 2014	(32.59)	17.05	(15.54)	374.00	1.18x	7.70%	0.40x	0.78x
Q3 2014	(86.76)	19.96	(66.80)	452.83	1.18x	8.01%	0.37x	0.81x
Q4 2014	(121.30)	32.99	(88.31)	563.54	1.18x	8.81%	0.35x	0.83x
Q1 2015	(37.61)	25.13	(12.48)	586.58	1.18x	8.74%	0.37x	0.81x
Q2 2015	(29.76)	35.02	5.25	590.51	1.19x	8.58%	0.40x	0.79x
Q3 2015	(57.35)	22.22	(35.13)	645.86	1.20x	8.92%	0.40x	0.80x
Q4 2015	(60.80)	38.51	(22.30)	691.23	1.21x	9.29%	0.42x	0.79x
Q1 2016	(47.50)	20.42	(27.08)	725.81	1.21x	8.97%	0.42x	0.79x
Q2 2016	(65.92)	59.48	(6.44)	764.94	1.23x	9.56%	0.45x	0.78x
Q3 2016	(113.81)	33.50	(80.31)	859.38	1.22x	9.39%	0.43x	0.79x
Q4 2016	(78.29)	28.55	(49.74)	942.24	1.23x	9.77%	0.43x	0.80x
Q1 2017	(71.39)	54.31	(17.48)	980.69	1.24x	9.74%	0.45x	0.79x
Q2 2017	(57.65)	27.85	(29.80)	1,033.12	1.24x	9.73%	0.45x	0.79x
Q3 2017	(52.35)	69.30	16.95	1,030.36	1.24x	9.50%	0.48x	0.76x
Q4 2017	(50.34)	72.88	22.53	1,057.16	1.27x	10.03%	0.52x	0.75x
Q1 2018	(61.19)	37.01	(24.18)	1,121.44	1.29x	10.31%	0.52x	0.77x
Q2 2018	(51.63)	30.15	(21.47)	1,182.45	1.30x	10.51%	0.52x	0.78x
Q3 2018	(46.99)	97.62	50.64	1,194.53	1.33x	11.05%	0.57x	0.76x
<b>Total</b>	<b>(\$1,407.79)</b>	<b>\$729.99</b>	<b>(\$677.80)</b>					

Quarterly Cash Flow Activity



Multiple Performance



Capital Committed:	An investor's financial obligation to provide a set amount of capital to the investment.
Capital Contributed:	Capital contributed from an investor's capital commitment to fund partnership investments, organizational expenses and management fees.
Capital Distributed:	Cash or stock disbursed to the investors of an investment.
Cost Basis:	Capital contributions less return of principal.
Exposed Market Value:	An investor's pro rata allocation to an underlying investment based on the ownership percentage of the partnership.
Investment Strategy:	A sub-classification of a partnership's investment type, such as Co/Direct Investment, Corporate Finance/Buyout, Mezzanine, Real Estate, Special Situation, Venture Capital.
Net Internal Rate of Revenue ("IRR"):	The discount rate that equates the net present value of the partnership's cash outflows with its inflows and residual value at the time of calculation. The calculation is net of management fees and the general partner's carried interest.
Paid-in Capital:	The amount of capital an investor has contributed to a partnership, which includes capital contributions and additional fees.
Pooled Average IRR:	An IRR calculation which aggregates cash flows (paid-in capital and capital distributed) and the reported market values of each investment within a portfolio to create one portfolio investment and return.
Portfolio Holding Exposure:	The limited partner's pro rata allocation to an underlying investment based on the ownership percentage of the partnership.
Realized Multiple:	Ratio of cumulative distributions to paid-in capital.
Return on Investment ("ROI"):	A calculation based on the total value (market value plus distributions) divided by paid-in capital for an investment.
Reported Market Value:	The investment's capital account balance at quarter end, which includes the general partner's reported value of the underlying holdings and other assets and liabilities.
Time Weighted Return (TWR)	The return that an investor achieves over some period of time, where the timing and order effects of cash flows are removed
Total Exposure:	Calculated by the summation of market value and unfunded commitments.
Vintage Year:	The year in which a partnership makes its first capital call for an investment into a portfolio company/holding.

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The past performance information contained in this report is not necessarily indicative of future results and there is no assurance that the funds will achieve comparable results or that they will be able to implement their investment strategy or achieve their investment objectives. The actual realized value of currently unrealized investments will depend on a variety of factors, including future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the current unrealized valuations are based.

Any tables, graphs or charts relating to past performance included in this report are intended only to illustrate the performance of the funds or the portfolio companies referred to for the historical periods shown. Such tables, graphs and charts are not intended to predict future performance and should not be used as the basis for an investment decision.

The GP (of Conservation Forestry Fund IV, LP) further acknowledges that Investor (NMERB) discloses the following information about its investments held directly and indirectly: Additionally, the Investor (NMERB) reserves the right to report “since inception” IRR and other rate of return measures for its partnership investments. Notwithstanding anything to the contrary contained in the LPA, the GP (of Conservation Forestry Fund IV, LP) hereby consents in advance to the disclosure of the foregoing information by Investor (NMERB) with respect to the Partnership (of Conservation Forestry Fund IV, LP). Investor (NMERB) agrees that in connection with disclosure of any information of the type contemplated above relating to IRR or other measures of investment return, the information set forth in such disclosure will be prepared by investor (NMERB or affiliate) and include an express statement that the Partnership (of Conservation Forestry Fund IV, LP) has not reviewed such information and makes no representation or warranty concerning its accuracy.

Reported Net IRR herein for Conservation Forestry Fund IV, LP is based upon manager reported cash flows to and inflows from investors and the estimated ending values as of the date of this report. Returns are net of underlying investment manager management fees, expenses and carried interest (if any) specific to the investor. The GP of Conservation Forestry Fund IV, LP has not reviewed stated performance and makes no representation or warranty concerning its accuracy.

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