

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

**NEW MEXICO EDUCATIONAL
RETIREMENT BOARD**

February 15, 2018

Allan Martin, Partner

Sam Austin, Partner

Michael Miranda, CFA, Senior Analyst



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

TABLE OF CONTENTS

	<u>PAGE</u>
Market Environment Update and Outlook	3
Third Party Placement Agent Disclosure	19
Total Fund Performance	20
Appendix	59



MARKET ENVIRONMENT UPDATE AND OUTLOOK

NEPC, LLC

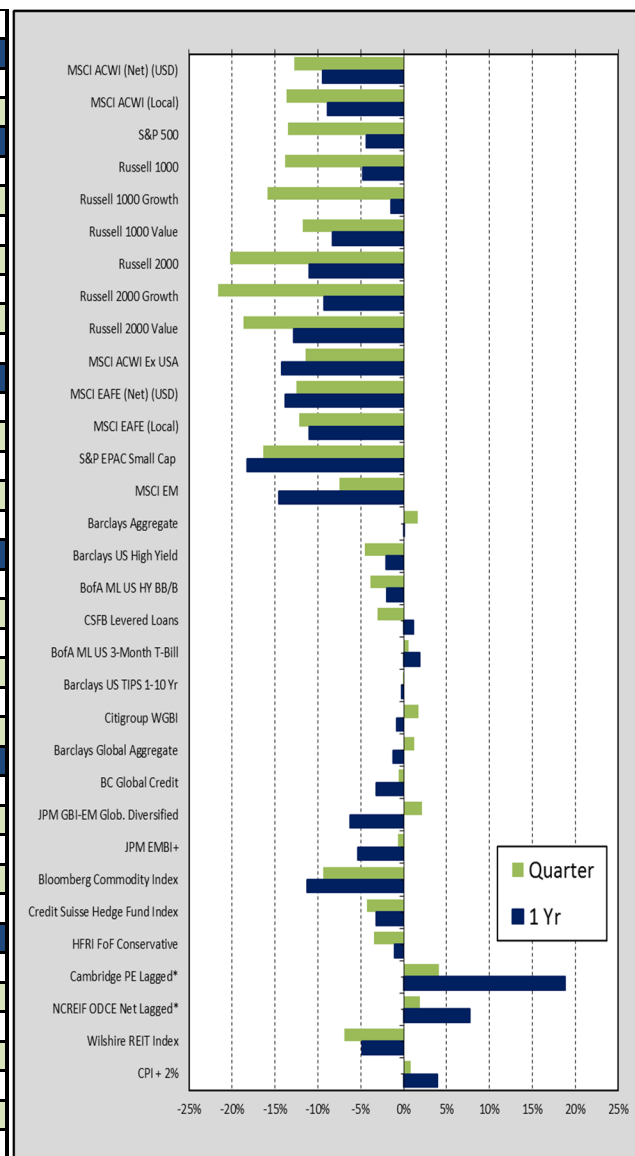
ECONOMIC ENVIRONMENT

- **Real GDP (third quarter) increased at an annual rate of 3.4%.**
 - Retail sales ended October at +3.7% on a YoY basis. In the same period last year the YoY growth rate was 5.9%.
 - Corporate profits (ended July) as a percent of GDP decreased to 9.59% from 9.61% (in April) and remain elevated relative to historical levels.
 - The inventory-to-sales ratio ended October up to 1.4 from 1.3 in July and has remained relatively constant since early 2010.
 - The U.S. trade deficit widened 7.3% as exports in soy and aircraft fell.
- **The unemployment rate increased slightly to 3.9% from to 3.7% ended Q4; U-6, a broader measure of unemployment, increased to 7.6% from 7.5% during the fourth quarter.**
- **The Case-Shiller Home Price Index (ended October) increased to 206.3 from 205.4 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 1.9% from 2.3% ended December; Capacity Utilization increased to 78.7% from 78.4% in Q4.**
- **Fed Funds rate was increased 0.25% to a targeted range of 2.25% -to- 2.50%. The 10-year Treasury Yield (constant maturity) finished Q4 down to 2.8% from 3.0%.**
- **The Fed continues its planned reduction in balance sheet size, while the European Central Bank balance sheet increased.**
 - ECB held its benchmark refinance rate at 0%, deposit rates -0.4% and has ended its bond purchase program.
- **S&P valuations decreased in Q4, remaining above the 10-year and long-term averages.**
 - Cyclically adjusted Shiller PE ratio (28.41x) is above the long-term average of 16.6x and above the 10-year average of 24.3x.



MARKET ENVIRONMENT – Q4 2018 OVERVIEW

		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks						
MSCI ACWI (Net) (USD)	World	-12.8%	-9.4%	6.6%	4.3%	9.5%
MSCI ACWI (Local)	World (Local Currency)	-13.6%	-8.9%	5.9%	5.6%	9.8%
Domestic Equity Benchmarks						
S&P 500	Large Core	-13.5%	-4.4%	9.3%	8.5%	13.1%
Russell 1000	Large Core	-13.8%	-4.8%	9.1%	8.2%	13.3%
Russell 1000 Growth	Large Growth	-15.9%	-1.5%	11.1%	10.4%	15.3%
Russell 1000 Value	Large Value	-11.7%	-8.3%	7.0%	5.9%	11.2%
Russell 2000	Small Core	-20.2%	-11.0%	7.4%	4.4%	12.0%
Russell 2000 Growth	Small Growth	-21.7%	-9.3%	7.2%	5.1%	13.5%
Russell 2000 Value	Small Value	-18.7%	-12.9%	7.4%	3.6%	10.4%
International Equity Benchmarks						
MSCI ACWI Ex USA	World ex-US	-11.5%	-14.2%	4.5%	0.7%	6.6%
MSCI EAFE (Net) (USD)	Int'l Developed	-12.5%	-13.8%	2.9%	0.5%	6.3%
MSCI EAFE (Local)	Int'l Developed (Local Currency)	-12.2%	-11.0%	2.6%	3.8%	7.5%
S&P EPAC Small Cap	Small Cap Int'l	-16.4%	-18.3%	3.7%	3.3%	10.2%
MSCI EM	Emerging Equity	-7.5%	-14.6%	9.2%	1.6%	8.0%
Domestic Fixed Income Benchmarks						
Barclays Aggregate	Core Bonds	1.6%	0.0%	2.1%	2.5%	3.5%
Barclays US High Yield	High Yield	-4.5%	-2.1%	7.2%	3.8%	11.1%
BofA ML US HY BB/B	High Yield	-3.8%	-2.0%	6.4%	3.9%	10.0%
CSFB Levered Loans	Bank Loans	-3.1%	1.1%	5.0%	3.3%	8.3%
BofA ML US 3-Month T-Bill	Cash	0.6%	1.9%	1.0%	0.6%	0.4%
Barclays US TIPS 1-10 Yr	Inflation	-0.1%	-0.3%	1.9%	1.2%	3.1%
Global Fixed Income Benchmarks						
Citigroup WGBI	World Gov. Bonds	1.8%	-0.8%	2.7%	0.8%	1.5%
Barclays Global Aggregate	Global Core Bonds	1.2%	-1.2%	2.7%	1.1%	2.5%
BC Global Credit	Global Bonds	-0.6%	-3.2%	3.0%	1.7%	4.5%
JPM GBI-EM Glob. Diversified	Em. Mkt. Bonds (Local Currency)	2.1%	-6.2%	5.9%	-1.0%	3.5%
JPM EMBI+	Em. Mkt. Bonds	-0.7%	-5.3%	4.0%	4.0%	7.3%
Alternative Benchmarks						
Bloomberg Commodity Index	Commodities	-9.4%	-11.2%	0.3%	-8.8%	-3.8%
Credit Suisse Hedge Fund Index	Hedge Fund	-4.3%	-3.2%	1.6%	1.7%	5.1%
HFRI FoF Conservative	Fund of Hedge Funds	-3.4%	-1.1%	1.6%	1.7%	3.1%
Cambridge PE Lagged*	Private Equity	4.1%	18.9%	14.8%	13.6%	12.1%
NCREIF ODCE Net Lagged*	Real Estate	1.9%	7.7%	7.8%	9.7%	4.6%
Wilshire REIT Index	REIT	-6.9%	-4.8%	2.1%	7.9%	12.2%
CPI + 2%	Inflation/Real Assets	0.8%	4.0%	4.1%	3.5%	3.8%















* As of 9/30/2018



December 31, 2018

PERFORMANCE OVERVIEW

Q4 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
											
1.1%	13.3	-38 bps	-13.5%	-12.5%	-7.5%	1.6%	-4.5%	-1.2%	-38.0%	7.7%	-6.0%

- **Global equities sold-off during the quarter due to concerns related to fed funds rate increases , fears of a global slowdown, and trade uncertainties**
- **The sharp decline in crude oil prices weighed on commodities overall and US high-yield bonds, which have meaningful portion to the energy sector**
- **The Federal Reserve hiked rates for the fourth time in 2018 with one to two additional rate increases expected for 2019**

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

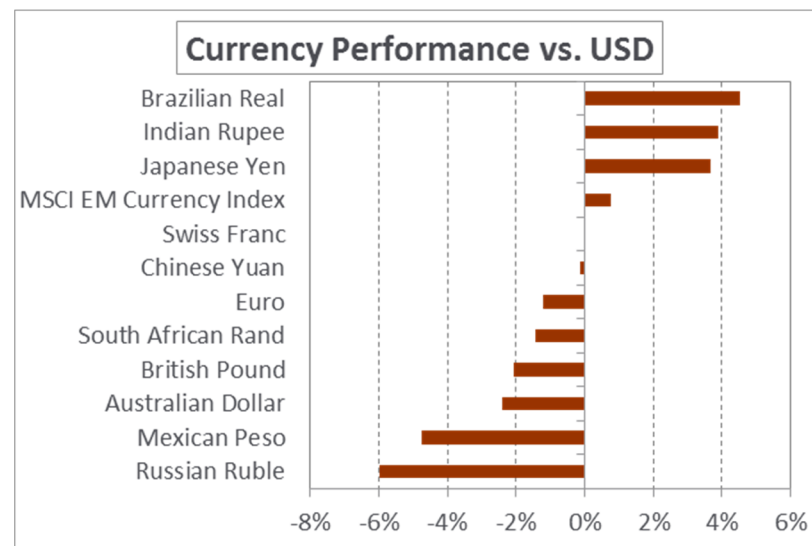
Q4 Macro Market Summary

- **Global growth has been revised lower and the outlook is likely to moderate in 2019**
- **Developed government bond yields decreased as demand for safe haven assets increased**
- **Global liquidity tightened as the Fed raised rates and the ECB ended the expansion of its QE program**

Central Banks	Current Rate	CPI YOY	Notes from the Quarter
Federal Reserve	2.25% - 2.50%	2.2%	The Fed increased its benchmark interest rate 0.25% to 2.25% - 2.50% in December
European Central Bank	0.0%	1.9%	The ECB maintained its current benchmark interest rate, but ended the expansion of its QE bond-buying program
Bank of Japan	-0.1%	0.8%	The BoJ will continue its ultra-easy QE program with inflation remaining well below target

	Yield 09/29/18	Yield 12/31/18	Δ
US 10-Yr	3.06%	2.68%	-0.38%
US 30-Yr	3.21%	3.01%	-0.19%
US Real 10-Yr	0.92%	0.97%	0.05%
German 10-Yr	0.47%	0.24%	-0.23%
Japan 10-Yr	0.13%	0.00%	-0.13%
China 10-Yr	3.63%	3.31%	-0.32%
EM Local Debt	6.62%	6.46%	-0.17%

Source: Bloomberg



Source: Bloomberg



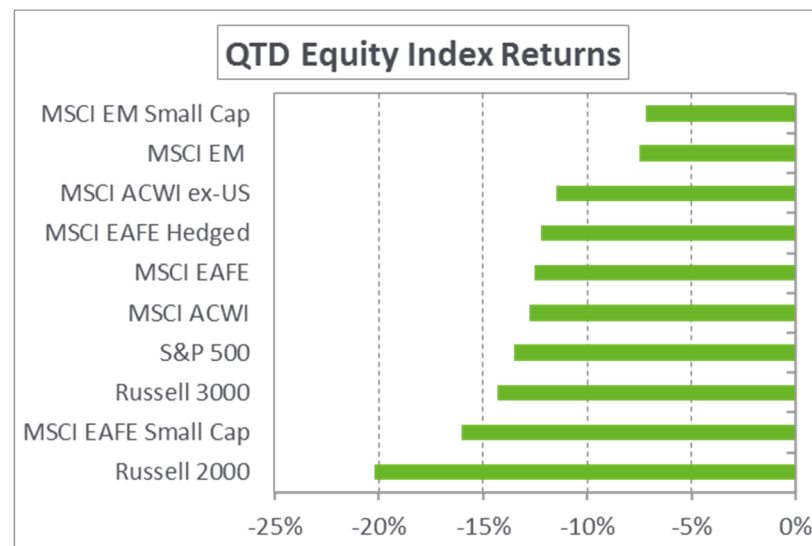
EQUITY PERFORMANCE OVERVIEW

Q4 Equity Market Summary

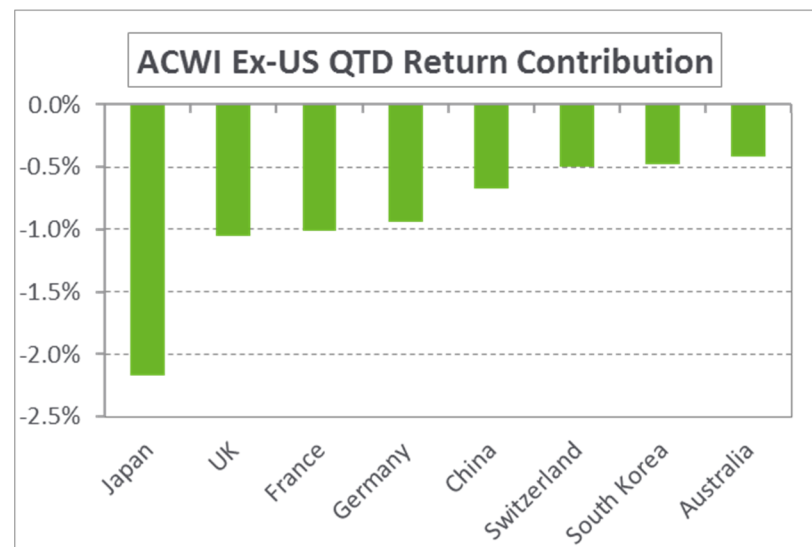
- **US equities led the global equity sell-off and developed market indices moved into a bear market**
- **Equities markets were volatile as ongoing trade concerns and fears of global growth slowdown weighed on investor sentiment**

Russell 3000 QTD Sector Return Contribution	
Information Technology	-3.35%
Consumer Discretionary	-1.80%
Financials	-1.80%
Industrials	-1.82%
Consumer Staples	-0.35%
Energy	-1.42%
Materials	-0.43%
Health Care	-1.52%
Real Estate	-0.22%
Communication Services	-1.64%
Utilities	0.02%

Source: Russell, Bloomberg



Source: MSCI, Russell, S&P, Bloomberg



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



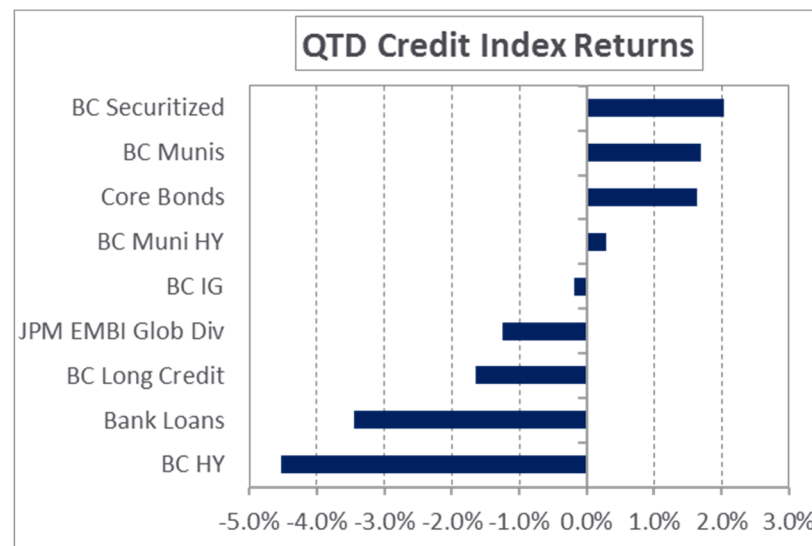
CREDIT PERFORMANCE OVERVIEW

Q4 Credit Market Summary

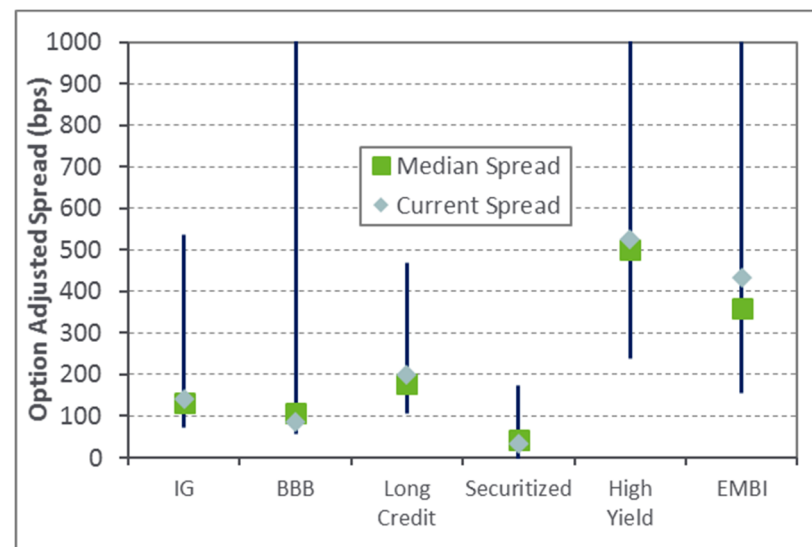
- **Credit spreads broadly increased across most areas of the market**
- **Riskier assets underperformed as demand for high quality and safe-haven assets increased**
- **Bank loans declined by 3.5% as market outflows weighed on asset prices**

Credit Spread (Basis Points)	09/30/18	12/31/18	Δ
BC IG Credit	100	143	43
BC Long Credit	153	200	47
BC Securitized	28	35	7
BC High Yield	316	526	210
Muni HY	184	236	52
JPM EMBI	362	435	73
Bank Loans - Libor	281	414	133

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



Source: Barclays, JPM, S&P, Bloomberg



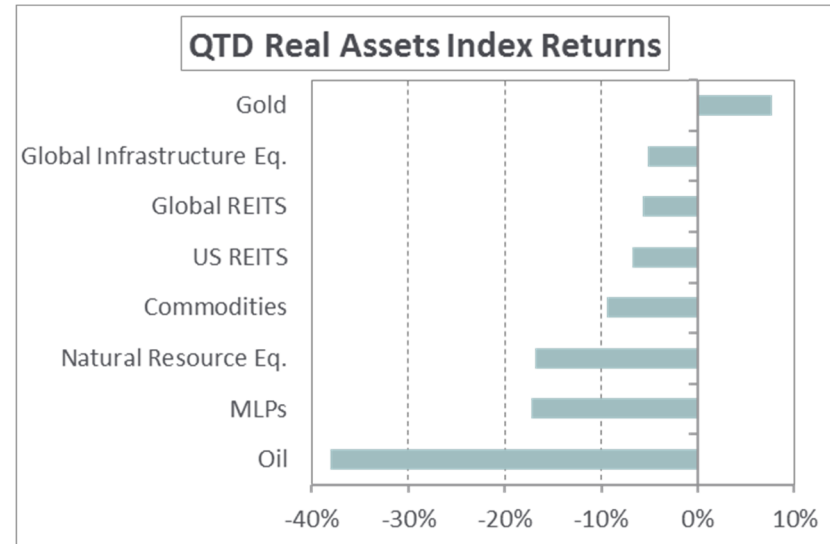
Source: Barclays, JPM, S&P, Bloomberg; as of 01/31/2000



REAL ASSETS PERFORMANCE OVERVIEW

Q4 Real Assets Market Summary

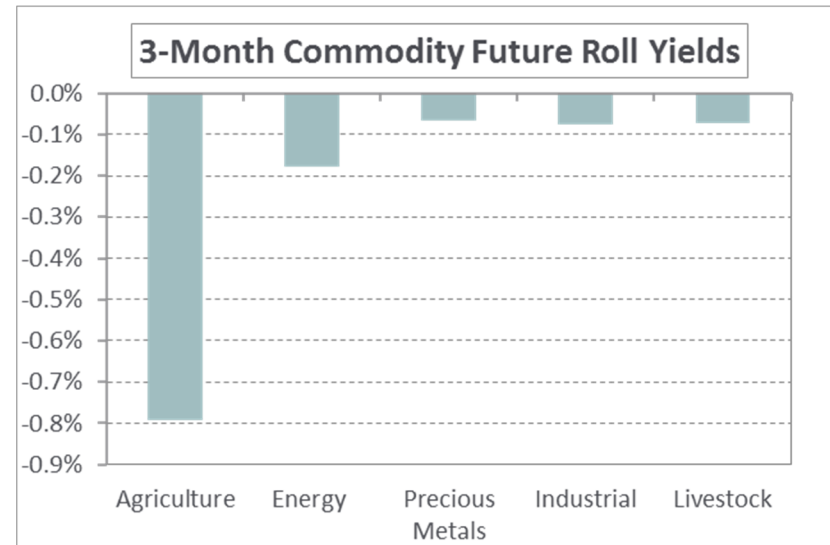
- **Oil declined 38% for the quarter due to an increase in supply led by US shale production**
- **MLPs decreased 17.3% under pressure from falling energy prices and investor outflows**
- **Commodities declined overall due to the substantial decline in oil markets**



Source: S&P, NAREIT, Alerian, Bloomberg

Real Asset Yields	09/30/18	12/31/18
MLPs	8.0%	9.0%
Core Real Estate	4.4%	4.5%
US REITs	4.2%	4.6%
Global REITs	3.7%	3.9%
Global Infrastructure Equities	4.5%	4.6%
Natural Resource Equities	3.5%	4.5%
US 10-Yr Breakeven Inflation	2.1%	1.7%
Commodity Index Roll Yield	-1.2%	-6.1%

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



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



2019 SUMMARY OUTLOOK

Market dynamics shifted significantly in 2018, with Fed policy and US-China trade tensions disrupting many of our key market themes

As a result we have removed Federal Reserve Gradualism, Extended US Economic Cycle, and Global Synchronized Growth as key themes

We believe we have entered a late-cycle market environment and the dynamics of such an environment will be a focal point for investors

However, late-cycle does not mean end of cycle and equities can still offer lucrative returns, though are likely to be accompanied by additional volatility

We encourage investors to rebalance developed market equity exposure

We have downgraded our outlook for non-US developed equities and removed the overweight recommendation from our current opportunities list

The main driver of the change is negative sentiment surrounding economic and political conditions of Europe, concerns related to the earnings growth outlook, and central banks paring back their support of easy financial conditions

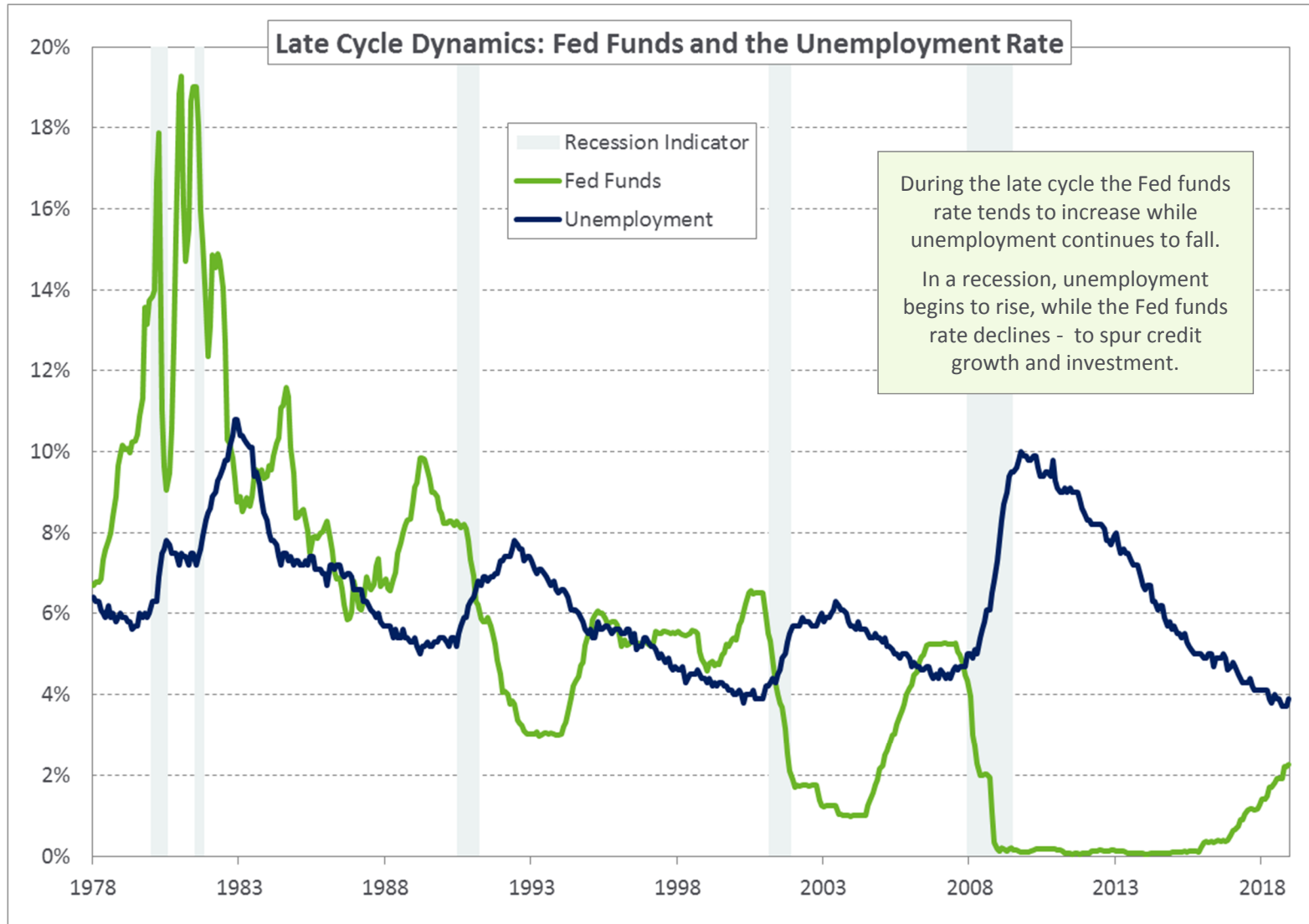
The transition to a late-cycle is accompanied with a more risk-averse investment outlook as economic risks become more pronounced

After years of low volatility and outsized equity returns, the market is likely to transition to a higher volatility regime, which offers more risk but also tactical opportunities

We recommend reducing lower quality credit exposure as higher default rates are a common aspect of late-cycle market dynamics



THE ECONOMIC CYCLE IS IN TRANSITION



Source: St. Louis Federal Reserve, NBER



KEY MARKET THEMES

Late Cycle Dynamics

The US economy has transitioned from a mid- to late-cycle environment

Late cycle does not mean end of cycle; equity markets can offer strong returns and abandoning risk assets early may detract from long-term results

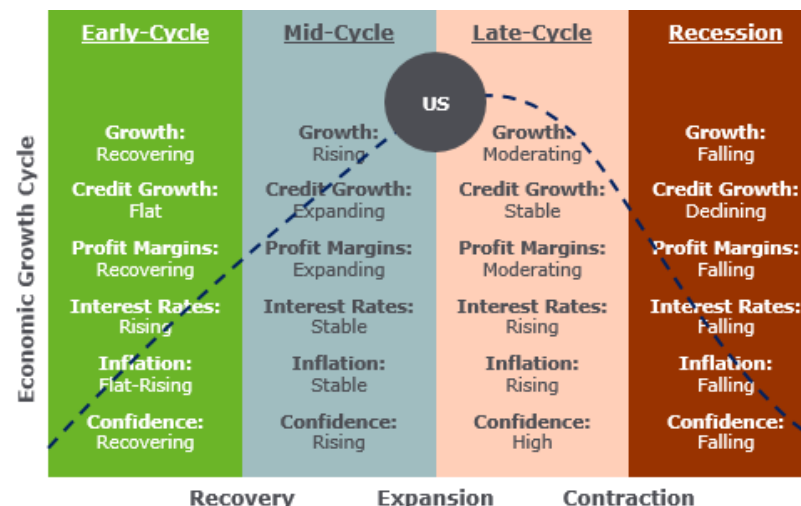
Positive economic data can support continued US economic expansion and further equity gains

However, moving into a late cycle negatively skews the range of outcomes and our investment outlook reflects a more risk-averse posture with a bias toward selling low quality credit and increasing safe-haven fixed income exposure

Trends among key indicators suggest a transition to late-cycle has occurred

These indicators provide a useful guide to recognize changes in the economic cycle

Despite the recent trend, there is minimal evidence in economic/financial indicators to suggest that a US recession is imminent

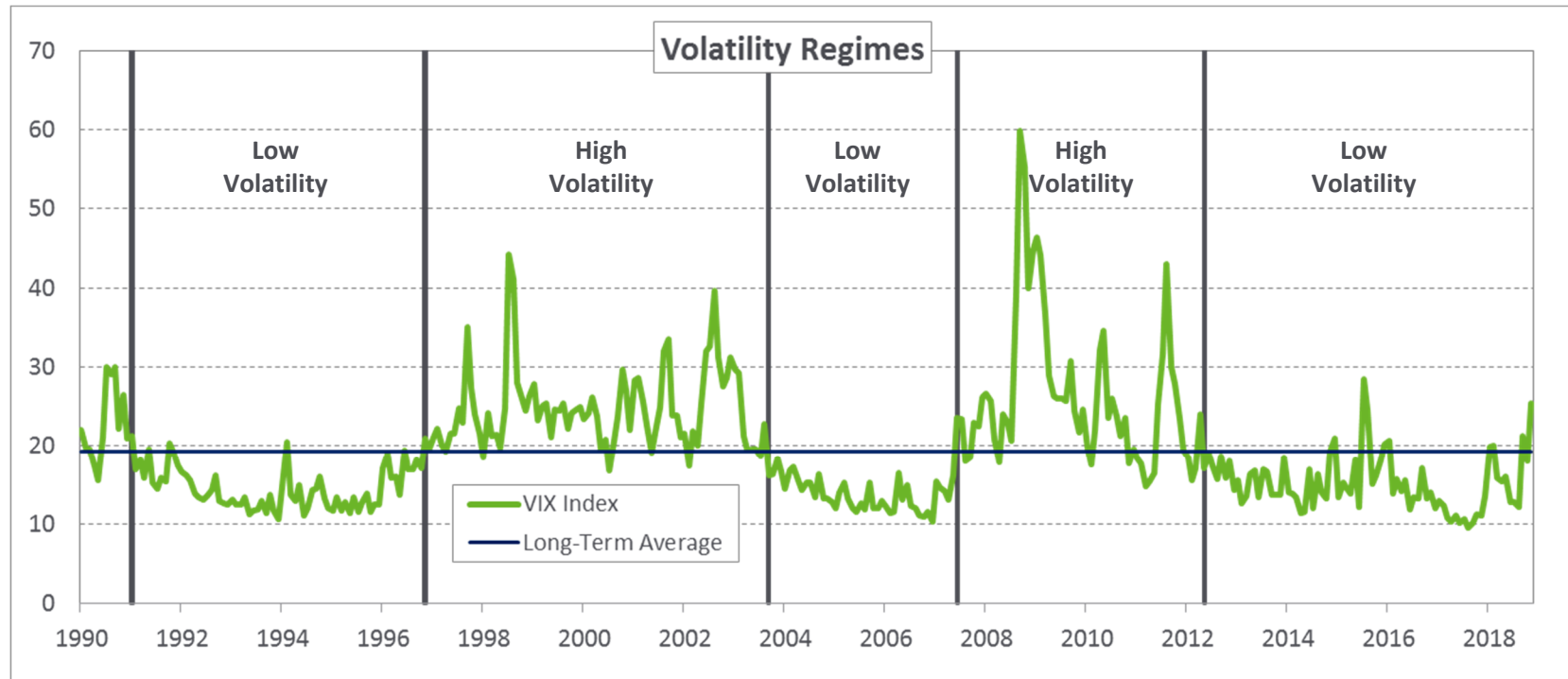


US Indicators	Late-Cycle Trend	Current Trend
Equities	Peaking	Uncertain
Interest Rates	Rising	Yes
Yield Curve	Flattening	Yes
Inflation	Rising	Yes
GDP Growth	Moderating	Uncertain
Credit Spreads	Stable/Rising	Yes
Output Gap	Near/Above Potential	Yes
Unemployment	Falling/Bottoming	Uncertain

Source: (Top) NEPC
Source: (Bottom) NEPC



BRACE FOR HIGHER VOLATILITY IN 2019



Source: S&P, CBOE, Bloomberg, NEPC

Equity volatility regimes tend to persist over prolonged periods and 2018 was witness to a material shift higher in equity volatility

We encourage investors to raise "safe haven" fixed income exposure as trends associated with each of our key market themes suggest higher volatility is on the horizon

2019 may prove to be a difficult year for markets but higher volatility can also offer a greater number of opportunities for dynamic investors

Investors should be prepared to act in a higher volatility regime, as dynamic opportunities may arise to deploy safe-haven assets back into US equity and other risk assets



KEY MARKET THEMES

Tightening Global Liquidity

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

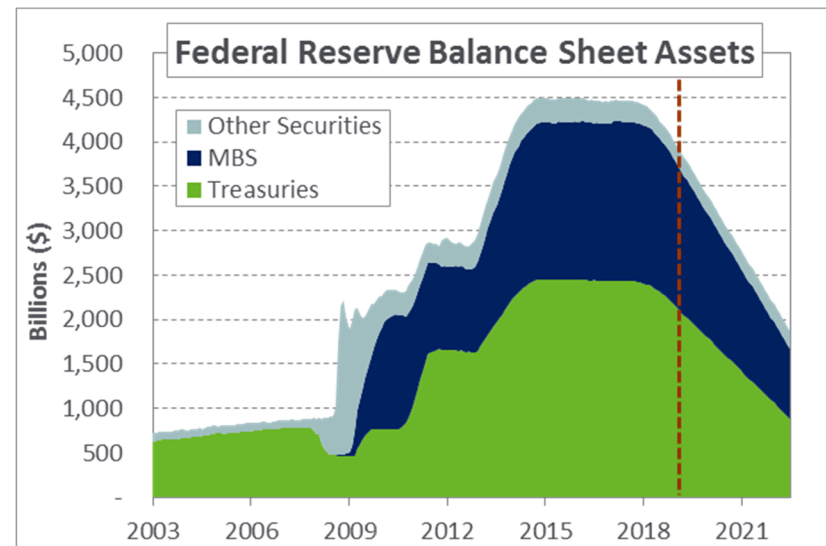
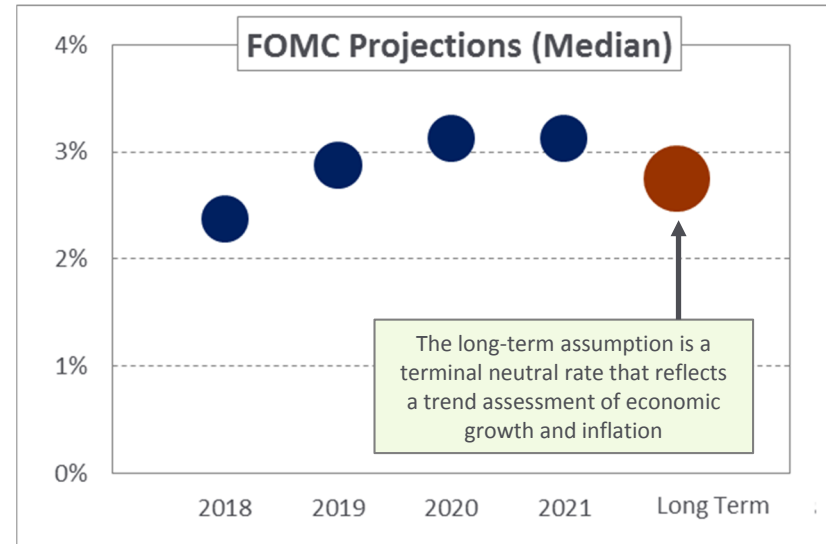
Based on the FOMC projections, the Fed is communicating a tightening path as their forecast for interest rate hikes moves beyond the long-term neutral rate

Markets are discounting a muted pace of hikes relative to Fed projections, creating potential for capital market disruption. However, the Fed’s bias appears to be to raise rates in the absence of market turmoil

The Fed’s balance sheet has shrunk by \$400B and will continue to decline by a monthly maximum target of \$50B

Normalization of the balance sheet is a form of monetary policy tightening as liquidity is methodically extracted from the system

The impact of the balance sheet reduction is untested – potentially mirroring how the Fed’s balance sheet expansion (QE) had easing effects



Source: (Top) Bloomberg, NEPC
Source: (Bottom) Bloomberg, NEPC



KEY MARKET THEMES

China Transitions

China is the global growth engine but faces fundamental transitions

China's economy is transitioning from a focus on production and investment to a service and consumption based economy

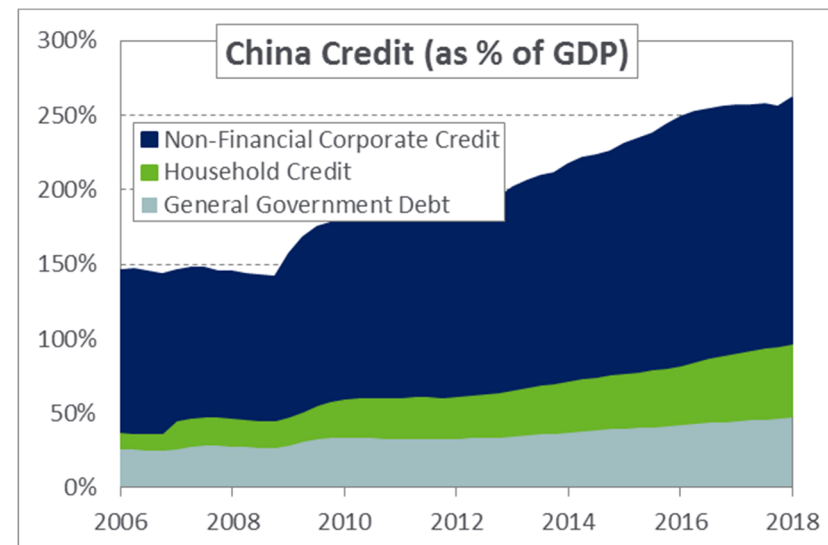
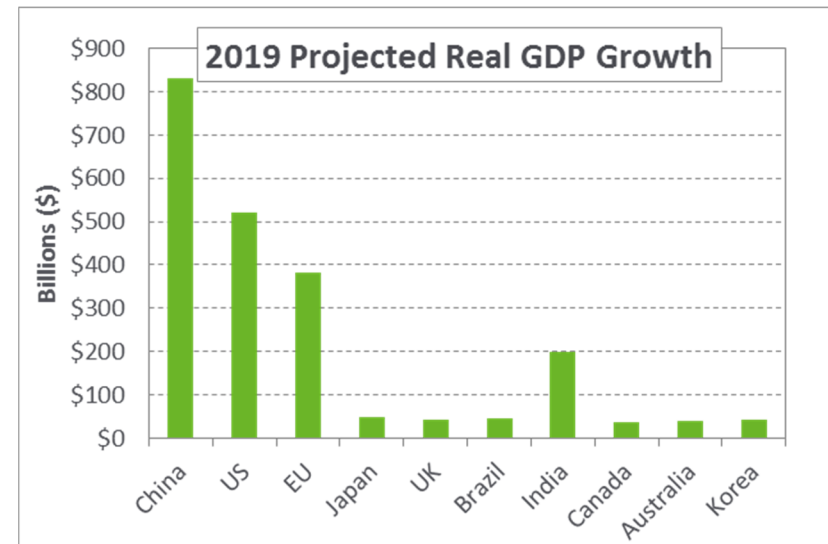
Fixed investment and credit expansion is needed to sustain the "old" production-based economy and support employment as the population shifts to urban centers

Any disruption to these transitions will be transmitted globally due to China's outsized role in the world economy

Policy makers must continue to balance goals of moderating credit expansion against sustaining healthy economic growth rates

Recent shifts in policy suggest a tilt away from credit moderation to offset the harmful effects of the US-China trade dispute

However, an uncontrolled expansion of credit growth and real estate development pose a future systemic risk to the economy



Source: (Top) Bloomberg, NEPC
Source: (Bottom) BIS, NEPC



HIGHLIGHTS OF FOURTH QUARTER HAPPENINGS AT NEPC

NEPC INSIGHTS

NEPC, LLC PRESENTS

ACTIVE MANAGERS & MARRIAGE

WHAT THEY HAVE IN COMMON AND WHY WE DON'T ALL JUST INDEX

- 1. YOU EXPECT TO MARRY**
Marriage (active management) is the oldest and most universal institution. 
- 2. FIRST COMES LOVE, THEN COMES MARRIAGE**
You're in love (great 3-5 year track record). Past performance is not indicative of future results.
- 3. YOU SAY FOR BETTER OR FOR WORSE, BUT YOU DON'T MEAN IT**
You know 50% of marriages (active managers) fail. 
- 4. THERE ARE UPS AND DOWNS**
You didn't really consider volatility. Where's the person (manager) you remember from a few years ago?
- 5. YOU WANT WHAT OTHER COUPLES HAVE**
Other managers' results look better than yours.
- 6. SOME MARRIAGES SUCCEED**
Some fail. It can take time to bring back that lovin' feeling.
- 7. THE PAYOFF IS WORTH IT**
Enduring the ups and downs of any relationship can be well worth it in the long-run. We believe in active management, but go forth with reasonable expectations. 

Authored by Tim Fitzgerald, longtime husband and active investor (often struggling with both), and never married, ever patient investor Christine Loughlin. In their roles as defined contribution consultants, they regularly advise clients about active and passive management. All opinions expressed are solely their own and do not reflect the opinions of NEPC, LLC. Look for their companion piece on In-Laws and Income Solutions.

nepc.com   

- Defined Contribution Financial Wellness Results: Is All Well(ness) and Good?
- Low-Basis Assets: Developing a Plan to Avoid Investor Inertia
- Defined Contribution: Active Management and Marriage, Part 1
- Defined Contribution: In-Laws & Income Solutions, Part 2
- Taking Stock: NEPC Drops Fed Gradualism Theme
- It's November: Year-End Tax-Planning Starts Now
- 2018 Third Quarter Market Thoughts
- Partial Annuitizations: The Go-To Strategy for Pension Risk Transfers
- NEPC 2018 Corporate DB Outlook Results: Plans to De-Risk Portfolio and Invest in Alternative Assets
- Taking Stock: Hedge Funds: A New World Post-Crisis
- Don't Let the Tail Wag the Dog: For Insurers, It's Investment Discipline First, Capital Efficiency Second
- Taking Stock: Decision Time for Pension Plans and Q3 Liability Performance
- NEPC's 2018 Hedge Fund Operational Due Diligence Survey Results
- Make an Impact in the Season of Giving
- NEPC's Year-End 2018 Endowments & Foundations Survey Results: Storms Ahead, But Staying the Course
- Taking Stock: Making Sense of Recent Market Movements

WEBINAR REPLAYS

- NEPC's Third Quarter 2018 Quarterly Markets Call
- Total Enterprise Management for Endowments and Foundations

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



SAVE THE DATE



MAY 7-8, 2019 | BOSTON PARK PLAZA | #NEPC_CONFERENCE



NEPC's 24th Annual Investment Conference

- Gradual or dramatic, the economic and political worlds around us are going through major transition. Whether it be global resources, climate, political power, technology, demographics or personal habits, adapting and advancing through these shifts has become a regularity. Most importantly, as we transition our daily processes, so do we transition our investment approaches. Please join us for **NEPC's 24th Annual Investment Conference on May 7-8, 2019** at the Boston Park Plaza Hotel, as we address the 'Transitions' we are experiencing and what lies ahead.
- Please reach out to Sarah Winrow at swinrow@nepc.com if you have any questions.



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:

Riverstone Credit

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

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

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

BP Nat Gas Opp II

The investment was approved for a \$15 million commitment on December 6, 2018 as part of the Fund's allocation to Real Assets.

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

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

Basin Acquisition II

The investment was approved for a \$50 million commitment on December 6, 2018 as part of the Fund's allocation to Real Assets.

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

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



New Mexico Educational Retirement Board

TOTAL FUND PERFORMANCE SUMMARY (NET)

	Market Value	3 Mo Rank	Fiscal YTD Rank	1 Yr Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank	15 Yrs Rank	20 Yrs Rank	30 Yrs Rank	Inception	Inception Date									
Total Fund	\$12,504,945,863	-3.3%	1	-1.1%	1	0.6%	4	7.5%	5	6.3%	2	9.6%	6	6.7%	10	5.6%	38	8.6%	9	8.9%	Jul-83
Policy Index		-4.0%	4	-1.3%	1	0.3%	5	7.7%	2	5.8%	8	8.6%	31	6.2%	39	5.4%	47	7.6%	48	--	Jul-83
60% MSCI ACWI (Net) / 40% FTSE WGBI		-7.1%	55	-5.3%	67	-5.8%	85	5.2%	96	3.0%	99	6.5%	99	5.2%	91	4.5%	93	--	--	--	Jul-83
BBgBarc US Aggregate TR		1.6%	1	1.7%	1	0.0%	5	2.1%	99	2.5%	99	3.5%	99	3.9%	99	4.5%	92	6.1%	83	7.0%	Jul-83
S&P 500		-13.5%	99	-6.9%	94	-4.4%	63	9.3%	1	8.5%	1	13.1%	1	7.8%	1	5.6%	36	10.0%	1	10.6%	Jul-83
InvestorForce Public DB > \$1B Net Median		-6.9%		-4.7%		-4.0%		6.0%		4.6%		8.2%		6.0%		5.3%		7.6%		8.3%	Jul-83

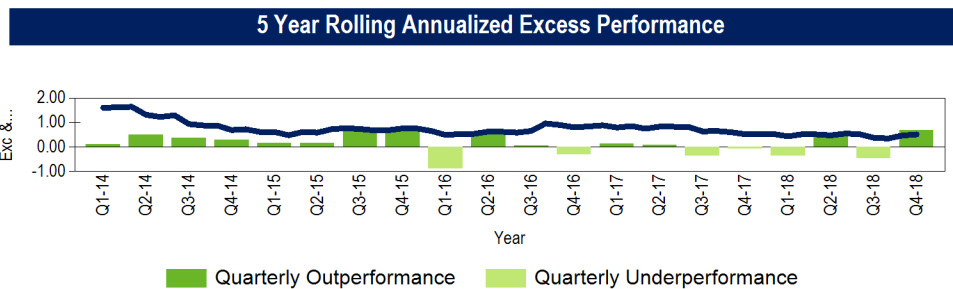
Over the past five years, the Fund returned 6.3% per annum, outperforming the policy index by 50 basis points and ranking in the 2nd percentile of the InvestorForce Public Funds > \$1 Billion universe and underperforming the actuarial assumed rate of 7.25%. The Fund's volatility was 4.8%, which ranks in the 6th percentile of its peers over this period. The Fund's risk-adjusted performance, as measured by the Sharpe Ratio, ranks in the 3rd percentile of its peers.

Over the past three years, the Fund returned 7.5% per annum, underperforming the policy index by 19 basis points and ranking in the 5th percentile of its peer group. Over the same period, the Fund's volatility ranks in the 5th percentile of its peers, resulting in a three-year Sharpe Ratio of 1.4, which ranks in the 4th percentile.

For the year ending December 31, 2018, the Fund experienced a net investment gain of \$95.2 million, which includes a net investment loss of \$432.6 million during the quarter. Assets decreased from \$12.9 billion twelve months ago, to \$12.5 billion on December 31, 2018, with \$464 million in net distributions during the year. The Fund returned 0.6%, outperforming the policy index by 28 basis points and ranking in the 4th percentile of its peers.

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

The InvestorForce Public Funds > \$1 Billion Net Universe contains 64 observations for the period ending December 31, 2018, with total assets of \$574 billion.



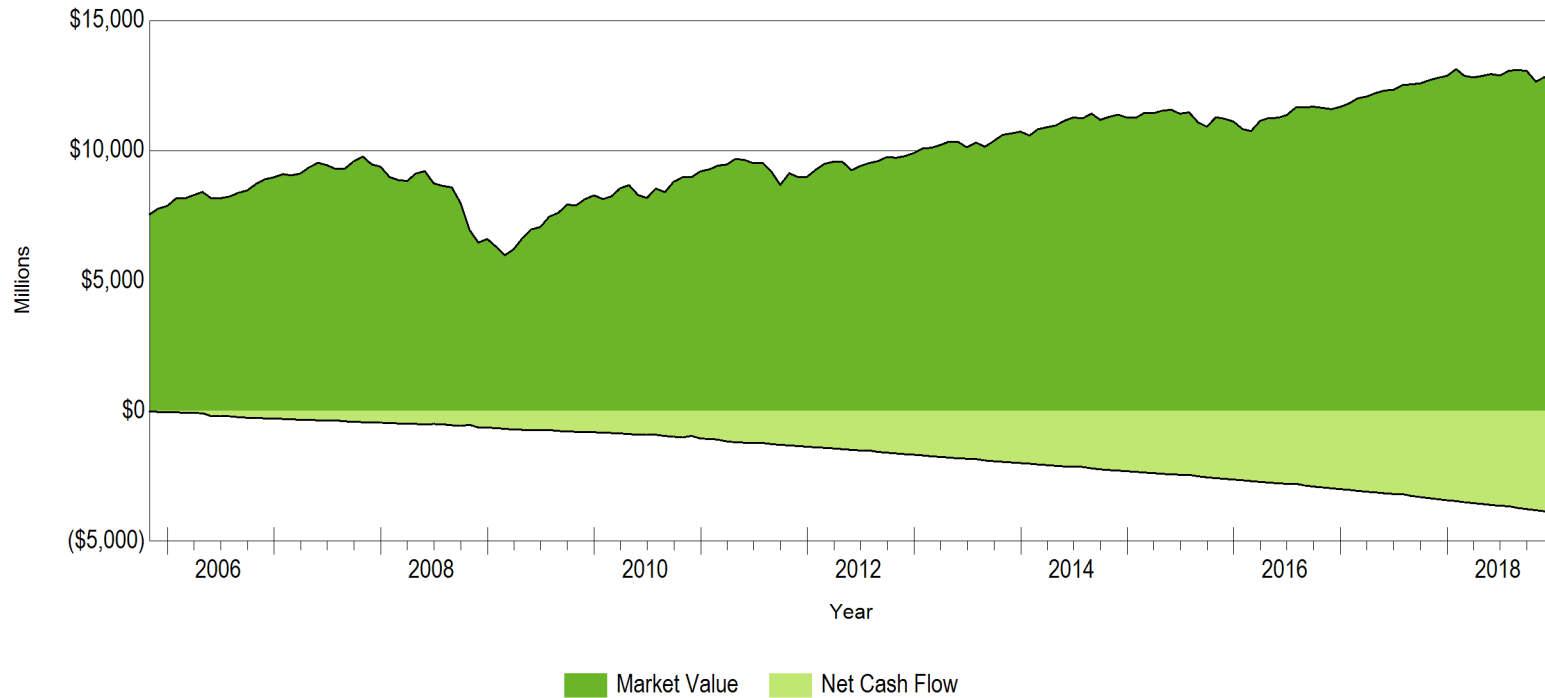
5 Years Ending December 31, 2018								
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	6.3%	2	4.8%	6	1.2	3	1.9	4
Policy Index	5.8%	8	5.0%	8	1.0	6	1.7	6
InvestorForce Public DB > \$1B Net Median	4.6%	--	5.9%	--	0.7	--	1.0	--

3 Years Ending December 31, 2018								
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	7.5%	5	4.6%	5	1.4	4	1.9	2
Policy Index	7.7%	2	4.7%	9	1.4	4	2.1	1
InvestorForce Public DB > \$1B Net Median	6.0%	--	5.8%	--	0.8	--	1.1	--



TOTAL FUND ASSET GROWTH SUMMARY

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

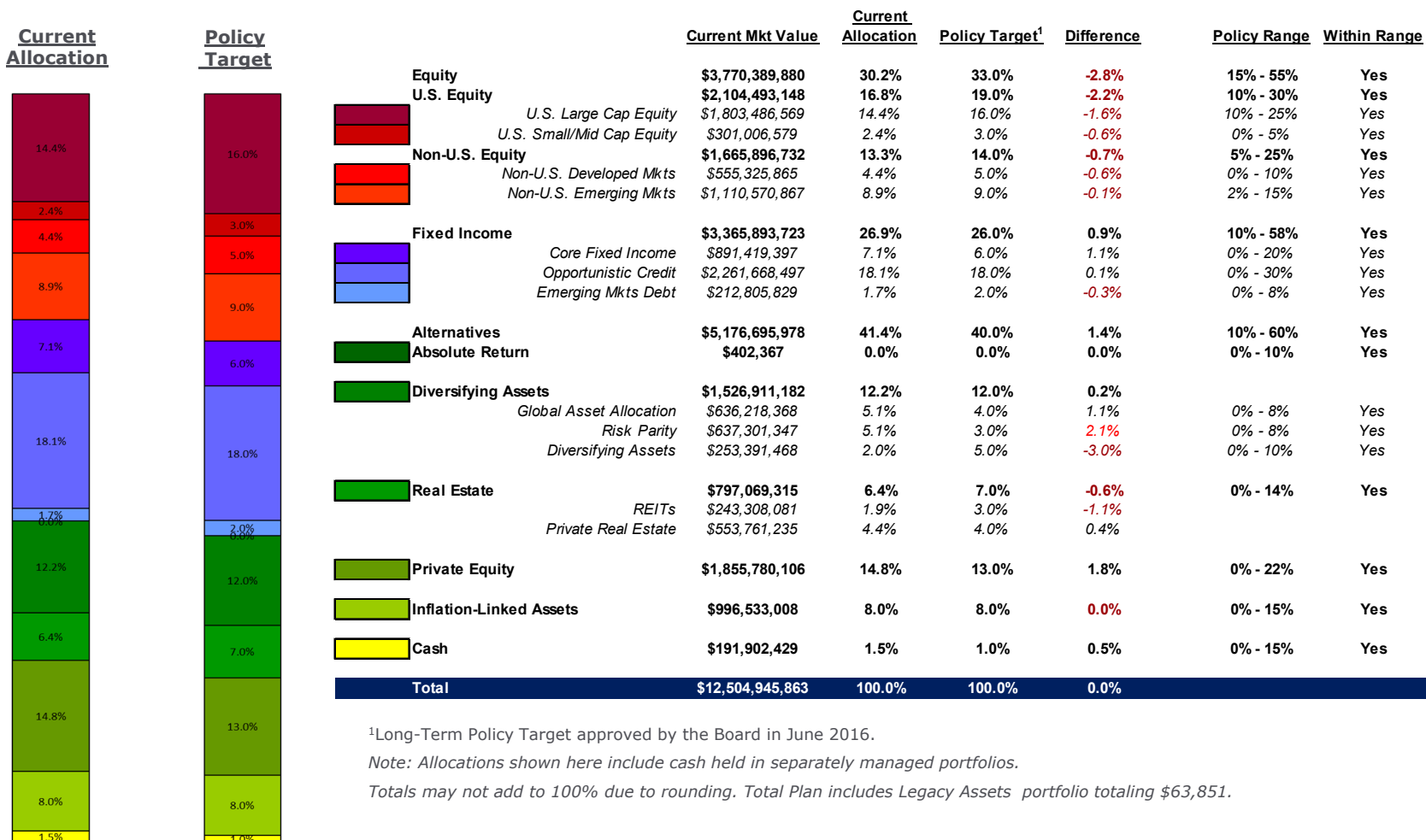


	Last Three Months	Fiscal Year-To-Date	One Year	Three Years	Five Years	Since 10/1/05
Beginning Market Value	\$13,058,397,827	\$12,886,225,133	\$12,873,637,262	\$11,110,165,969	\$10,728,154,275	\$7,694,652,364
Net Cash Flow	-\$120,873,412	-\$249,957,774	-\$463,870,322	-\$1,256,944,180	-\$1,892,705,268	-\$3,881,370,070
Net Investment Change	-\$432,578,552	-\$131,321,497	\$95,178,922	\$2,651,724,073	\$3,669,496,856	\$8,691,663,568
Ending Market Value	\$12,504,945,863	\$12,504,945,863	\$12,504,945,863	\$12,504,945,863	\$12,504,945,863	\$12,504,945,863



New Mexico Educational Retirement Board

TOTAL FUND ASSET ALLOCATION VS. POLICY



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

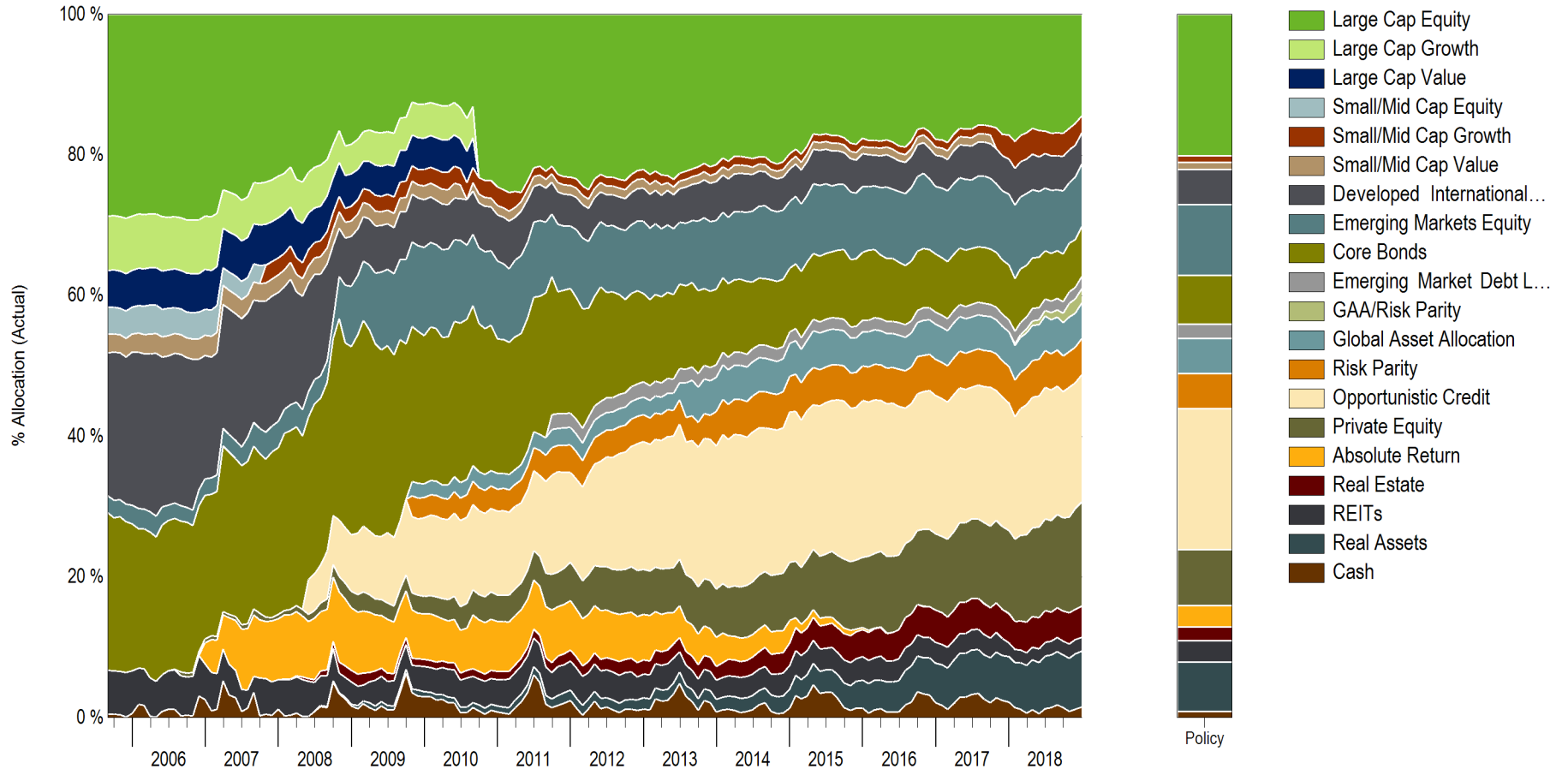
Note: Allocations shown here include cash held in separately managed portfolios.

Totals may not add to 100% due to rounding. Total Plan includes Legacy Assets portfolio totaling \$63,851.



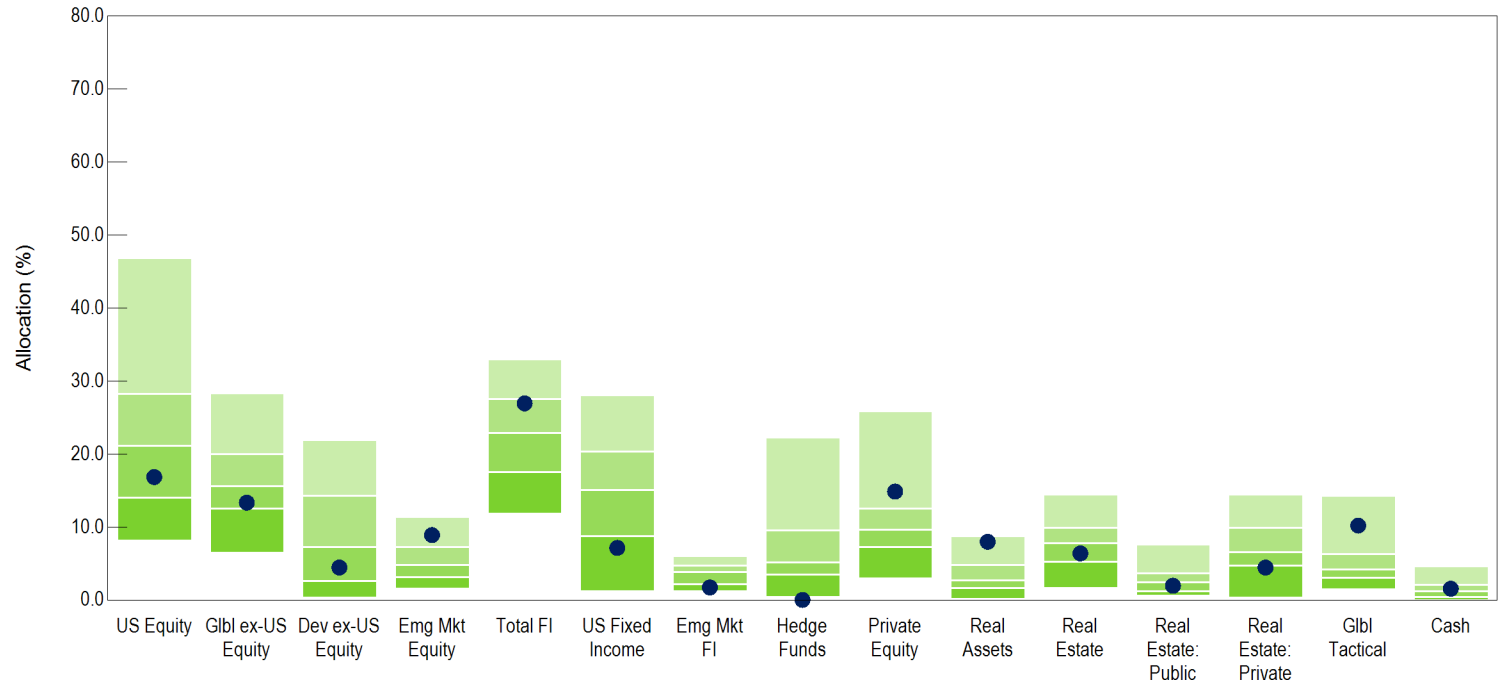
TOTAL FUND ASSET ALLOCATION HISTORY

Quarterly Asset Allocation History
September 2005 - Present



TOTAL FUND ALLOCATIONS VS. PEER UNIVERSE

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



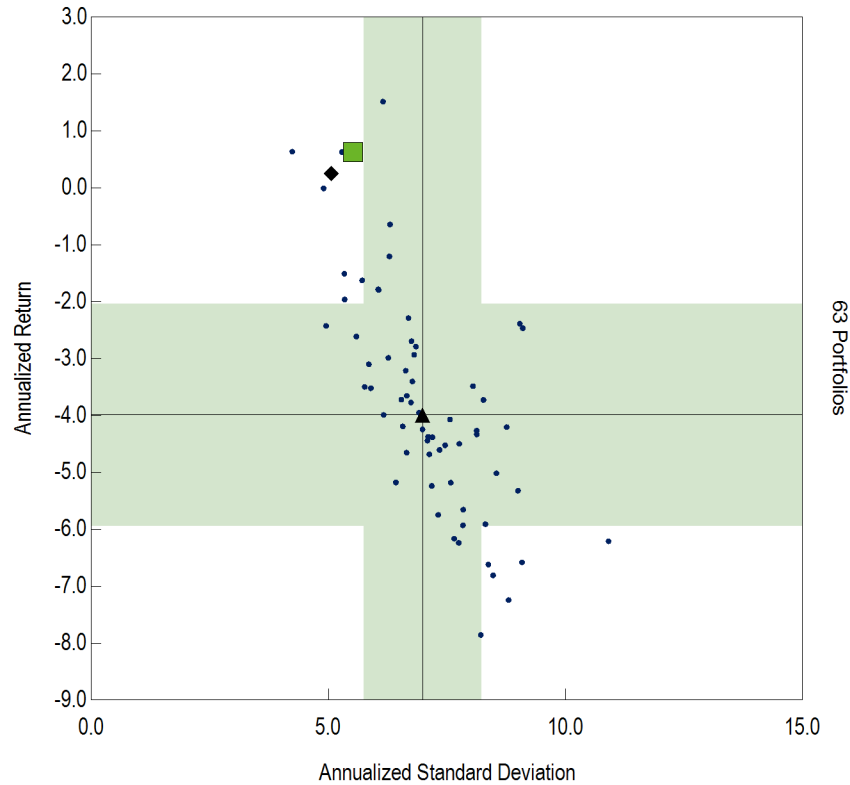
	Allocation (Rank)															
5th Percentile	46.8	28.3	21.9	11.3	32.9	28.1	6.0	22.2	25.9	8.8	14.4	7.6	14.4	14.2	4.7	--
25th Percentile	28.3	20.1	14.4	7.4	27.6	20.4	4.8	9.6	12.6	4.9	10.0	3.7	9.9	6.4	2.2	--
Median	21.2	15.7	7.3	4.9	22.9	15.1	3.9	5.2	9.7	2.8	7.9	2.5	6.6	4.3	1.3	--
75th Percentile	14.1	12.6	2.7	3.2	17.6	8.9	2.2	3.5	7.3	1.7	5.3	1.3	4.8	3.1	0.5	--
95th Percentile	8.2	6.5	0.4	1.7	11.9	1.2	1.3	0.5	3.0	0.2	1.7	0.7	0.4	1.5	0.1	--
# of Portfolios	43	49	27	41	50	43	23	33	46	23	45	16	42	14	50	--
● Total Fund	16.8 (72)	13.3 (72)	4.4 (59)	8.9 (15)	26.9 (29)	7.1 (79)	1.7 (81)	0.0 (99)	14.8 (19)	8.0 (8)	6.4 (67)	1.9 (54)	4.4 (77)	10.2 (13)	1.5 (37)	--



New Mexico Educational Retirement Board

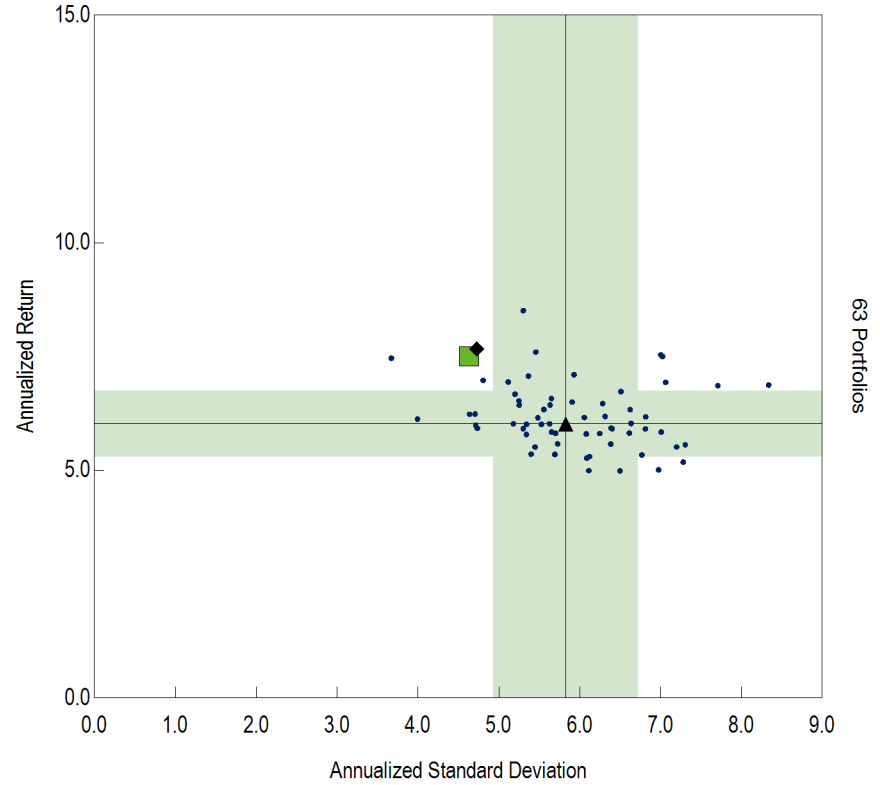
TOTAL FUND RISK/RETURN

1 Year Ending December 31, 2018



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

3 Years Ending December 31, 2018



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

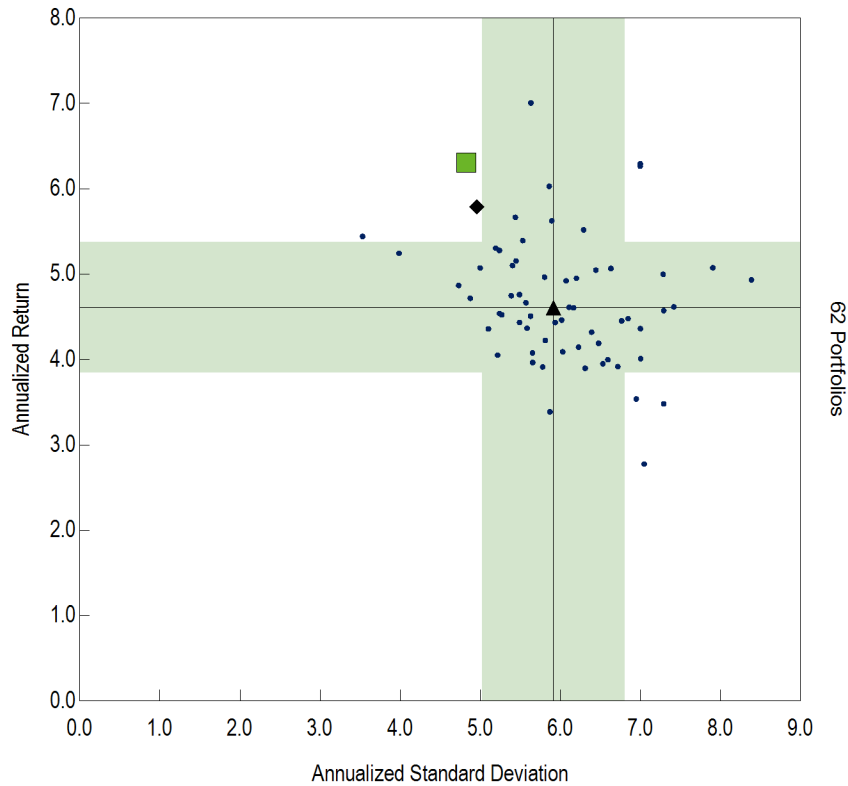
Note: Ranks are based on net returns.



New Mexico Educational Retirement Board

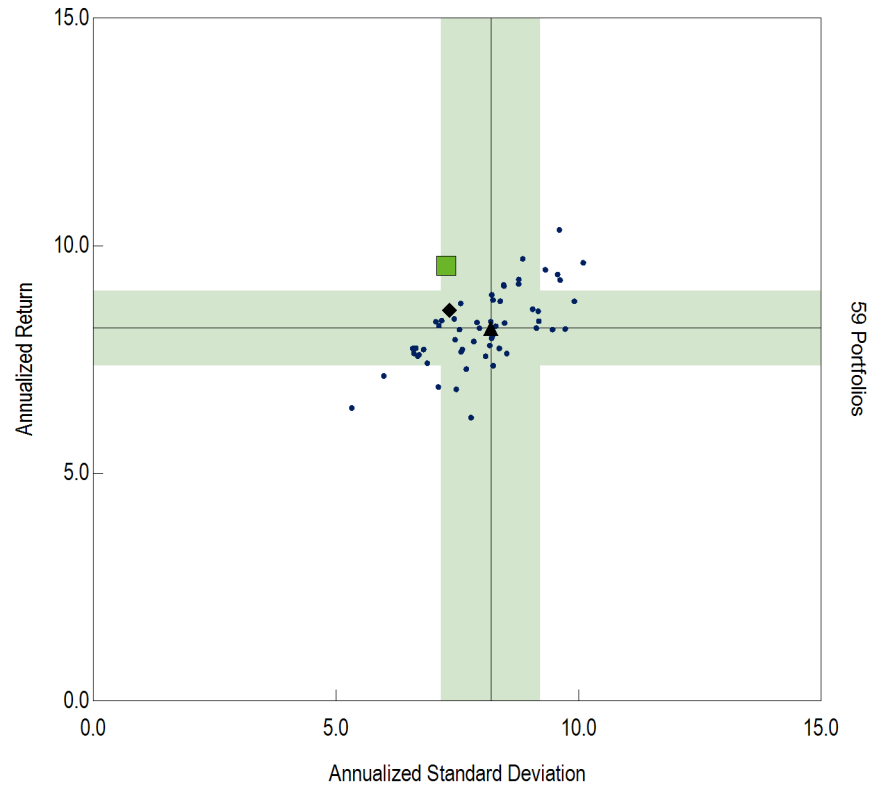
TOTAL FUND RISK/RETURN

5 Years Ending December 31, 2018



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

10 Years Ending December 31, 2018



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

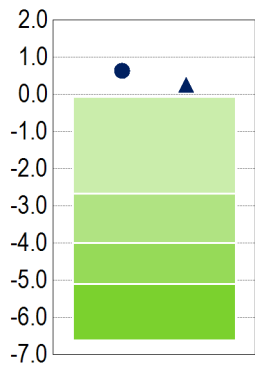
Note: Ranks are based on net returns.



TOTAL FUND RISK STATISTICS VS. PEER UNIVERSE

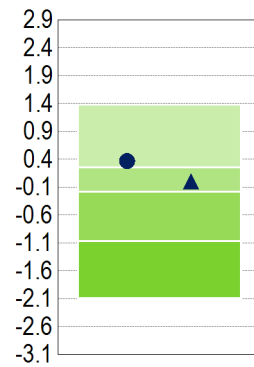
Total Fund vs. InvestorForce Public DB > \$1B Net (USD) (peer)
1 Year

Anlzd Return



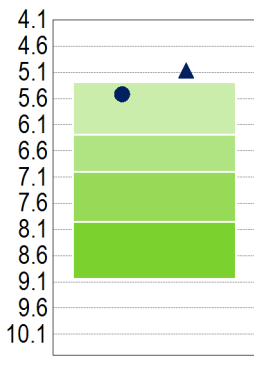
● Total Fund	
Value	0.6
Rank	4
▲ Policy Index	
Value	0.3
Rank	5
Universe	
5th %tile	-0.1
25th %tile	-2.7
Median	-4.0
75th %tile	-5.1
95th %tile	-6.6

Anlzd Alpha



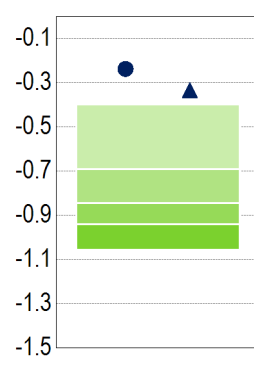
● Total Fund	
Value	0.4
Rank	24
▲ Policy Index	
Value	0.0
Rank	45
Universe	
5th %tile	1.4
25th %tile	0.3
Median	-0.2
75th %tile	-1.1
95th %tile	-2.1

Anlzd Standard Deviation



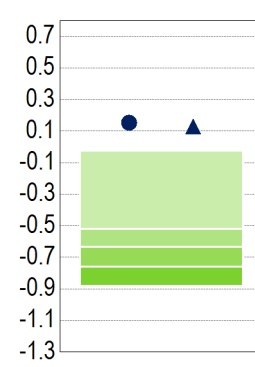
● Total Fund	
Value	5.5
Rank	10
▲ Policy Index	
Value	5.1
Rank	4
Universe	
5th %tile	5.3
25th %tile	6.3
Median	7.0
75th %tile	7.9
95th %tile	9.0

Sharpe Ratio



● Total Fund	
Value	-0.2
Rank	2
▲ Policy Index	
Value	-0.3
Rank	4
Universe	
5th %tile	-0.4
25th %tile	-0.7
Median	-0.8
75th %tile	-0.9
95th %tile	-1.1

Sortino Ratio



● Total Fund	
Value	0.2
Rank	4
▲ Policy Index	
Value	0.1
Rank	4
Universe	
5th %tile	0.0
25th %tile	-0.5
Median	-0.6
75th %tile	-0.8
95th %tile	-0.9

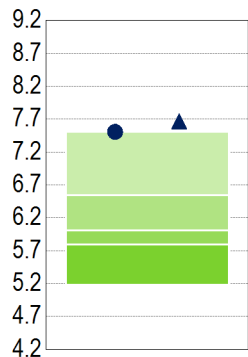
Note: Ranks are based on net returns. Universe contains 64 observations with total assets of \$574 billion. Sortino ratio needs two negative periods to populate.



TOTAL FUND RISK STATISTICS VS. PEER UNIVERSE

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

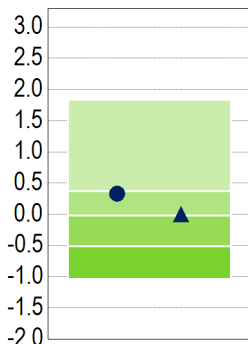
Anlzd Return



● Total Fund	
Value	7.5
Rank	5
▲ Policy Index	
Value	7.7
Rank	2

Universe	
5th %tile	7.5
25th %tile	6.6
Median	6.0
75th %tile	5.8
95th %tile	5.2

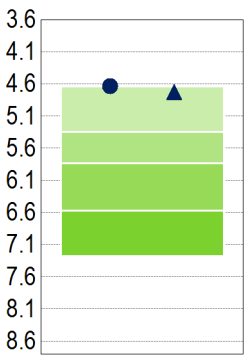
Anlzd Alpha



● Total Fund	
Value	0.3
Rank	31
▲ Policy Index	
Value	0.0
Rank	50

Universe	
5th %tile	1.8
25th %tile	0.4
Median	0.0
75th %tile	-0.5
95th %tile	-1.0

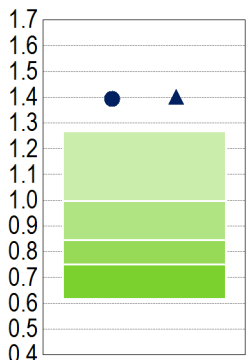
Anlzd Standard Deviation



● Total Fund	
Value	4.6
Rank	5
▲ Policy Index	
Value	4.7
Rank	9

Universe	
5th %tile	4.6
25th %tile	5.3
Median	5.8
75th %tile	6.6
95th %tile	7.3

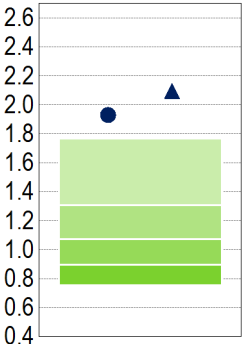
Sharpe Ratio



● Total Fund	
Value	1.4
Rank	4
▲ Policy Index	
Value	1.4
Rank	4

Universe	
5th %tile	1.3
25th %tile	1.0
Median	0.8
75th %tile	0.8
95th %tile	0.6

Sortino Ratio



● Total Fund	
Value	1.9
Rank	2
▲ Policy Index	
Value	2.1
Rank	1

Universe	
5th %tile	1.8
25th %tile	1.3
Median	1.1
75th %tile	0.9
95th %tile	0.8

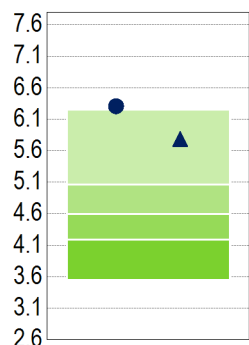
Note: Ranks are based on net returns. Universe contains 64 observations with total assets of \$574 billion. Sortino ratio needs two negative periods to populate.



TOTAL FUND RISK STATISTICS VS. PEER UNIVERSE

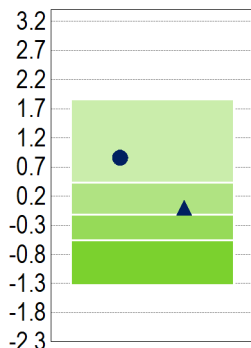
Total Fund vs. InvestorForce Public DB > \$1B Net (USD) (peer) 5 Year

Anlzd Return



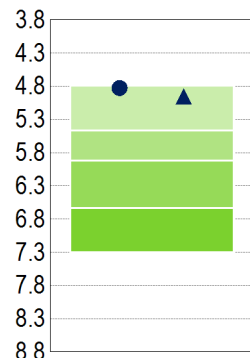
● Total Fund	
Value	6.3
Rank	2
▲ Policy Index	
Value	5.8
Rank	8
Universe	
5th %tile	6.3
25th %tile	5.1
Median	4.6
75th %tile	4.2
95th %tile	3.6

Anlzd Alpha



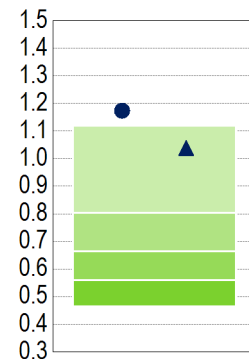
● Total Fund	
Value	0.9
Rank	12
▲ Policy Index	
Value	0.0
Rank	38
Universe	
5th %tile	1.9
25th %tile	0.4
Median	-0.1
75th %tile	-0.5
95th %tile	-1.3

Anlzd Standard Deviation



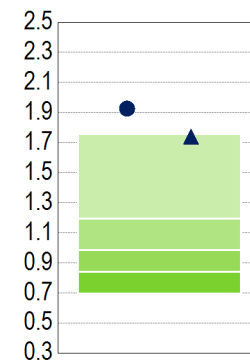
● Total Fund	
Value	4.8
Rank	6
▲ Policy Index	
Value	5.0
Rank	8
Universe	
5th %tile	4.8
25th %tile	5.5
Median	5.9
75th %tile	6.6
95th %tile	7.3

Sharpe Ratio



● Total Fund	
Value	1.2
Rank	3
▲ Policy Index	
Value	1.0
Rank	6
Universe	
5th %tile	1.1
25th %tile	0.8
Median	0.7
75th %tile	0.6
95th %tile	0.5

Sortino Ratio



● Total Fund	
Value	1.9
Rank	4
▲ Policy Index	
Value	1.7
Rank	6
Universe	
5th %tile	1.8
25th %tile	1.2
Median	1.0
75th %tile	0.8
95th %tile	0.7

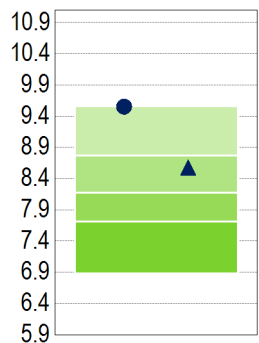
Note: Ranks are based on net returns. Universe contains 64 observations with total assets of \$574 billion. Sortino ratio needs two negative periods to populate.



TOTAL FUND RISK STATISTICS VS. PEER UNIVERSE

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

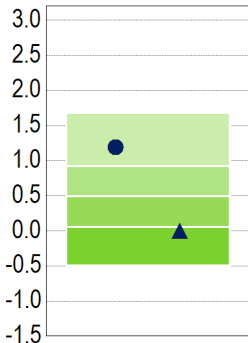
Anlzd Return



● Total Fund	
Value	9.6
Rank	6
▲ Policy Index	
Value	8.6
Rank	31

Universe	
5th %tile	6.9
25th %tile	7.4
Median	7.7
75th %tile	8.2
95th %tile	8.8

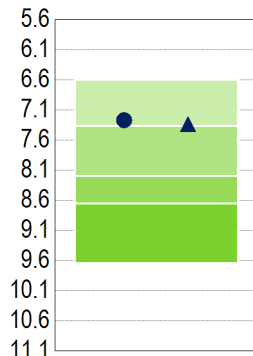
Anlzd Alpha



● Total Fund	
Value	1.2
Rank	13
▲ Policy Index	
Value	0.0
Rank	80

Universe	
5th %tile	-0.5
25th %tile	0.1
Median	0.5
75th %tile	0.9
95th %tile	1.7

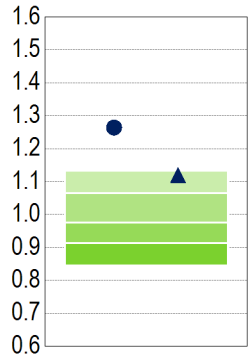
Anlzd Standard Deviation



● Total Fund	
Value	7.3
Rank	24
▲ Policy Index	
Value	7.3
Rank	25

Universe	
5th %tile	9.6
25th %tile	9.1
Median	8.6
75th %tile	7.4
95th %tile	6.6

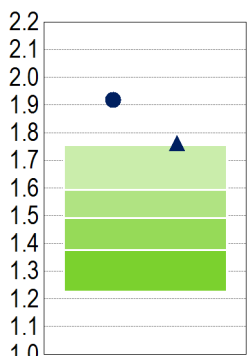
Sharpe Ratio



● Total Fund	
Value	1.3
Rank	1
▲ Policy Index	
Value	1.1
Rank	9

Universe	
5th %tile	0.8
25th %tile	0.9
Median	1.0
75th %tile	1.1
95th %tile	1.1

Sortino Ratio



● Total Fund	
Value	1.9
Rank	1
▲ Policy Index	
Value	1.8
Rank	5

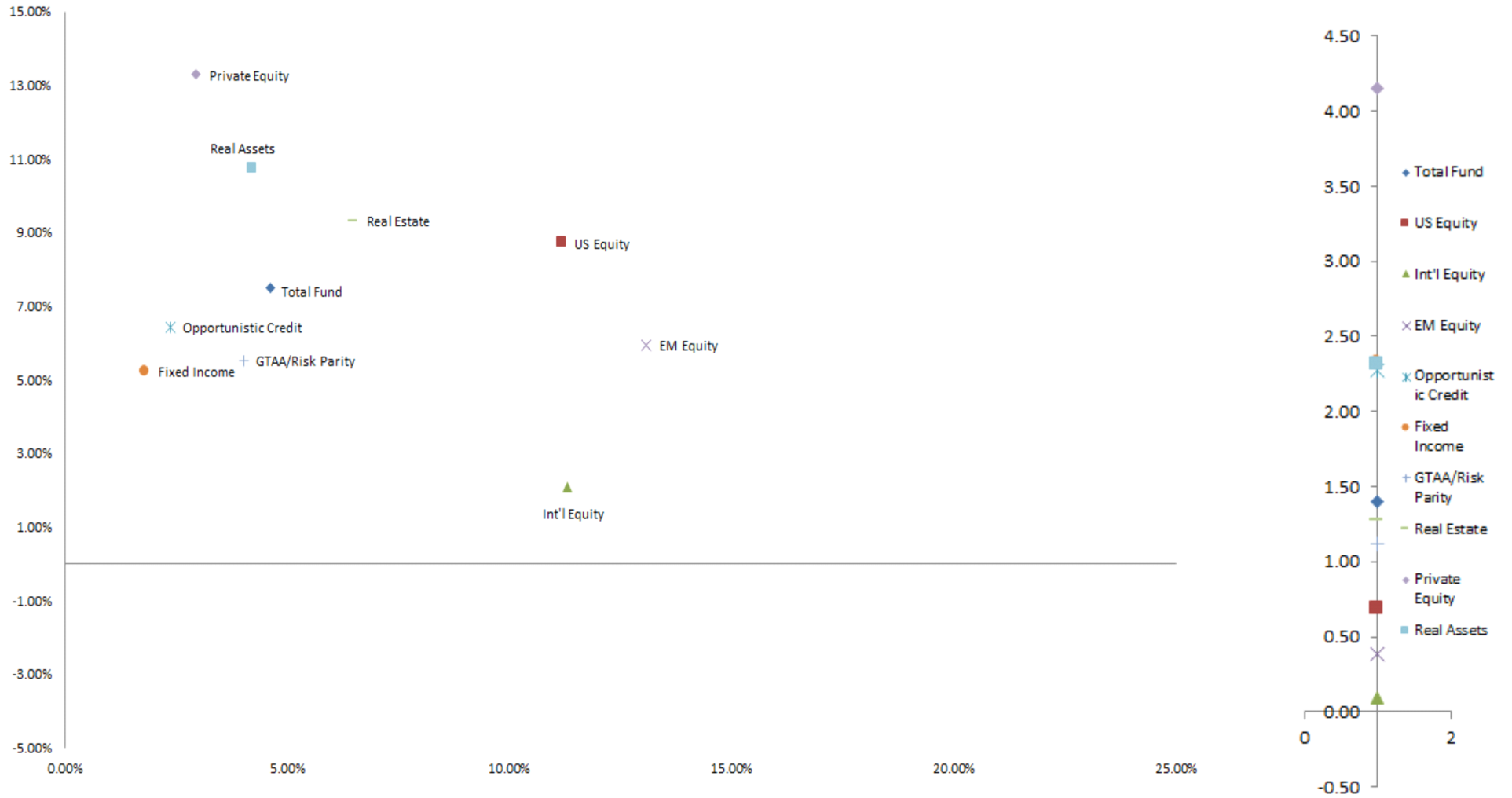
Universe	
5th %tile	1.2
25th %tile	1.3
Median	1.4
75th %tile	1.5
95th %tile	1.6

Note: Ranks are based on net returns. Universe contains 64 observations with total assets of \$574 billion. Sortino ratio needs two negative periods to populate.



New Mexico Educational Retirement Board

3 YEAR RISK/RETURN PROFILE

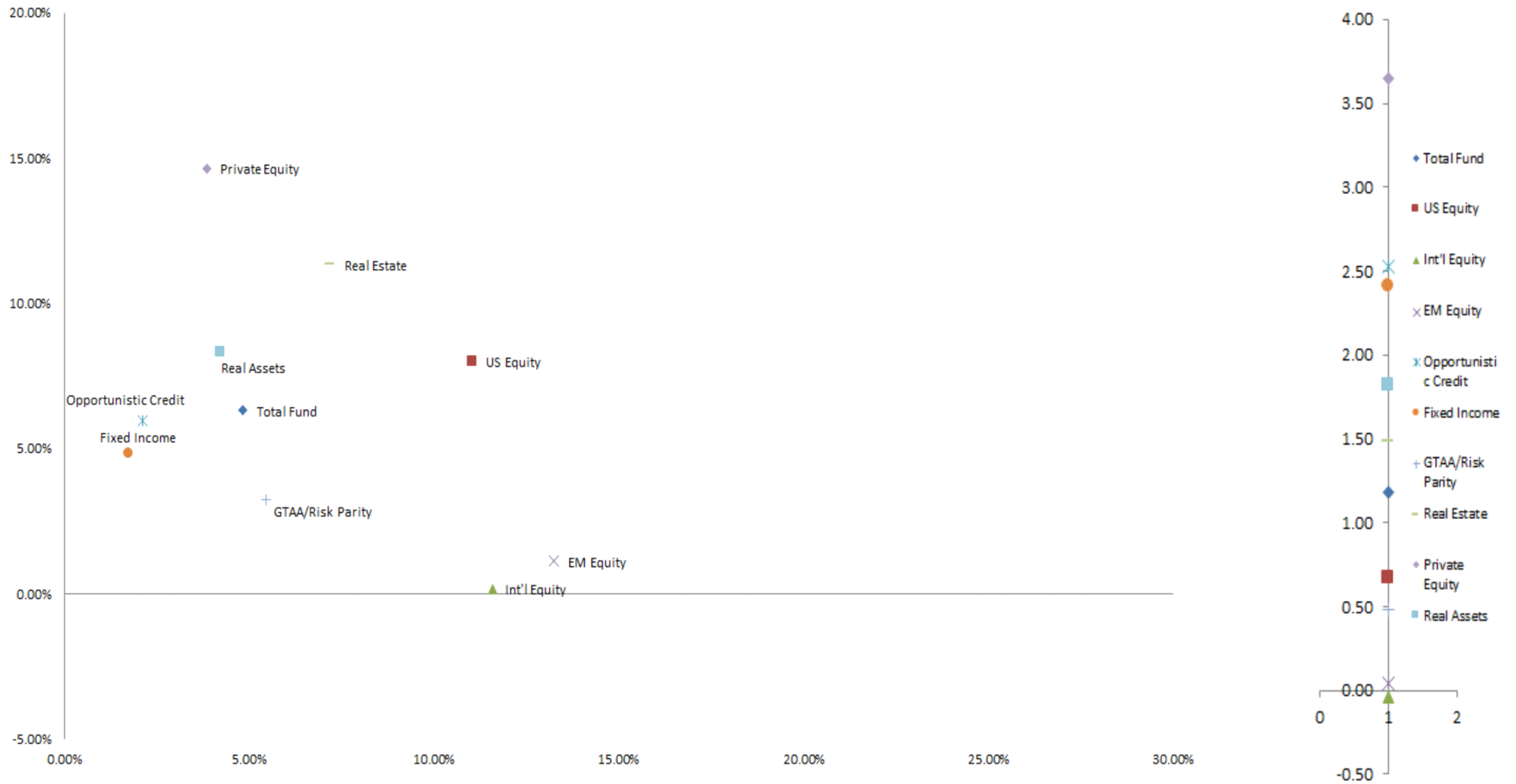


Note: Returns are net of fees. The graph on the right side shows composite level sharpe ratios.



New Mexico Educational Retirement Board

5 YEAR RISK/RETURN PROFILE



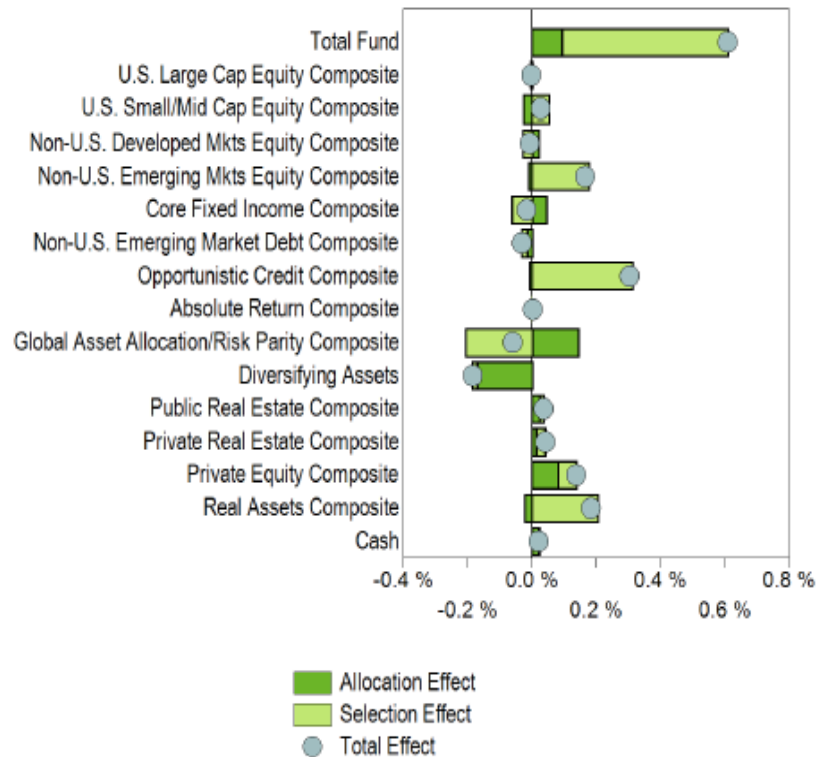
Note: Returns are net of fees. The graph on the right side shows composite level sharpe ratios.



TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Effects
3 Months Ending December 31, 2018

3 Month Excess Return: +0.61%



- Allocation Effect: +0.09%
 - Global Asset Allocation/Risk Parity overweight (+0.14%)
 - Private Equity overweight (+0.08%)
 - Diversifying Assets underweight (-0.17%)
- Manager Selection Effect: +0.51%
 - Opportunistic outperformed (+0.31%)
 - Real Assets outperformed (+0.20%)
 - Non-U.S. Emerging Mkts Equity outperformed (+0.18%)
 - Private Equity outperformed (+0.06%)
 - U.S. Small/Mid Cap Equity outperformed (+0.05%)
 - Core Fixed Income underperformed (-0.06%)
 - Global Asset Allocation/Risk Parity underperformed (-0.20%)
- Residual: 0.00%

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

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

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

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

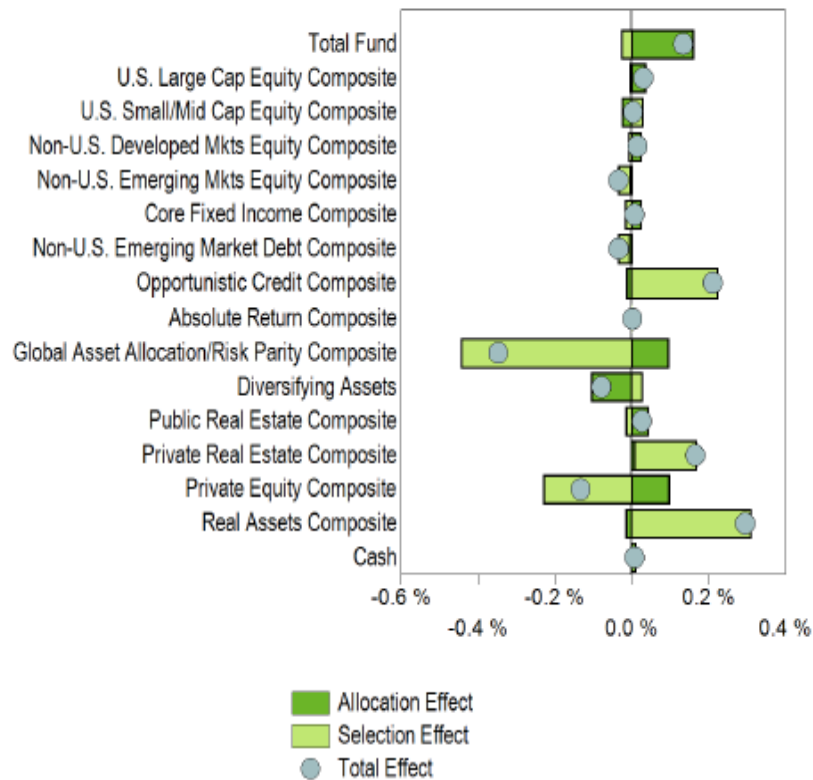


TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Effects

FYTD Ending December 31, 2018

Fiscal YTD Excess Return: +0.13%



- Allocation Effect: +0.16%
 - Private Equity overweight (+0.10%)
 - Global Asset Allocation/Risk Parity overweight (+0.09%)
 - Diversifying Assets underweight (-0.10%)
- Manager Selection Effect: -0.02%
 - Opportunistic Credit outperformed (+0.22%)
 - Real Assets outperformed (+0.31%)
 - Private Real Estate outperformed (+0.16%)
 - Private Equity underperformed (-0.23%)
 - Global Asset Allocation/Risk Parity underperformed (-0.44%)
- Residual: 0.00%

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

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

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

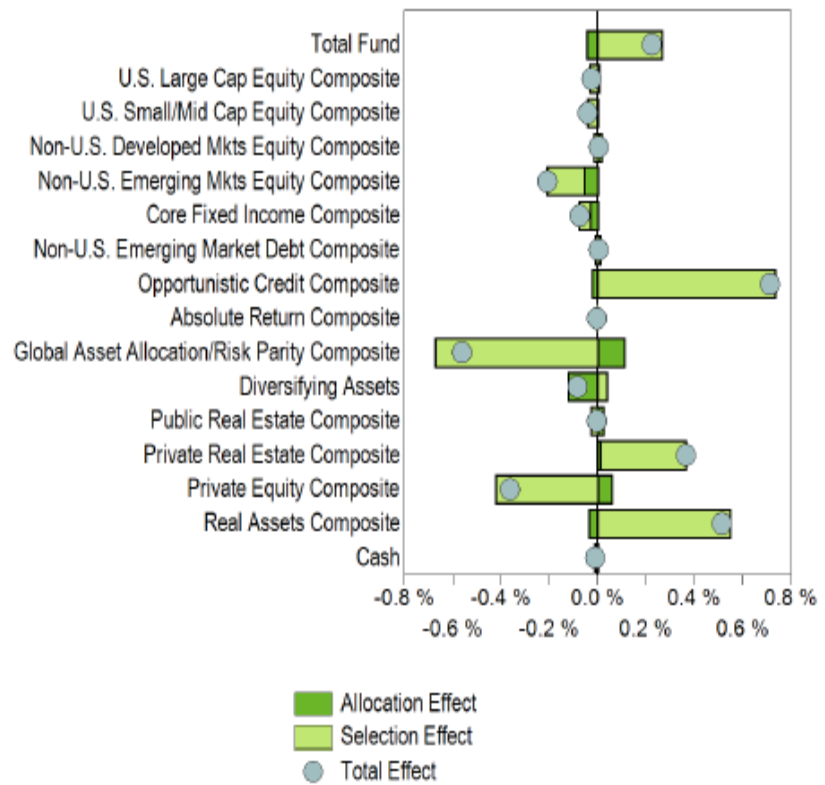
Residual: Contribution to excess return not captured in Allocation Effect and Manager Selection Effect.



TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Effects
1 Year Ending December 31, 2018

1 Year Excess Return: +0.22%



- Allocation Effect: -0.04%
 - Global Asset Allocation/Risk Parity overweight (+0.11%)
 - Private Equity overweight (+0.06%)
 - Non-U.S. Emerging Mkts Equity overweight (-0.06%)
 - Diversifying Assets underweight (-0.12%)
- Manager Selection Effect: +0.27%
 - Opportunistic Credit outperformed (+0.73%)
 - Real Assets outperformed (+0.55%)
 - Private Real Estate outperformed (+0.35%)
 - Diversifying Assets outperformed (+0.05%)
 - Non-U.S. Emerging Mkts Equity underperformed (-0.15%)
 - Private Equity underperformed (-0.42%)
 - Global Asset Allocation/Risk Parity underperformed (-0.67%)
- 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. $[\text{Weight Asset Class Benchmark} \times (\text{Return Portfolio Asset Class} - \text{Return Asset Class in Interim Policy Index})] + \text{Interaction Effect}$: Measures the impact of over/under weighting decisions and over/under performance. $(\text{Return Asset Class Portfolio} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Policy Index})) - (\text{Return Asset Class Index} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Index}))$.

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

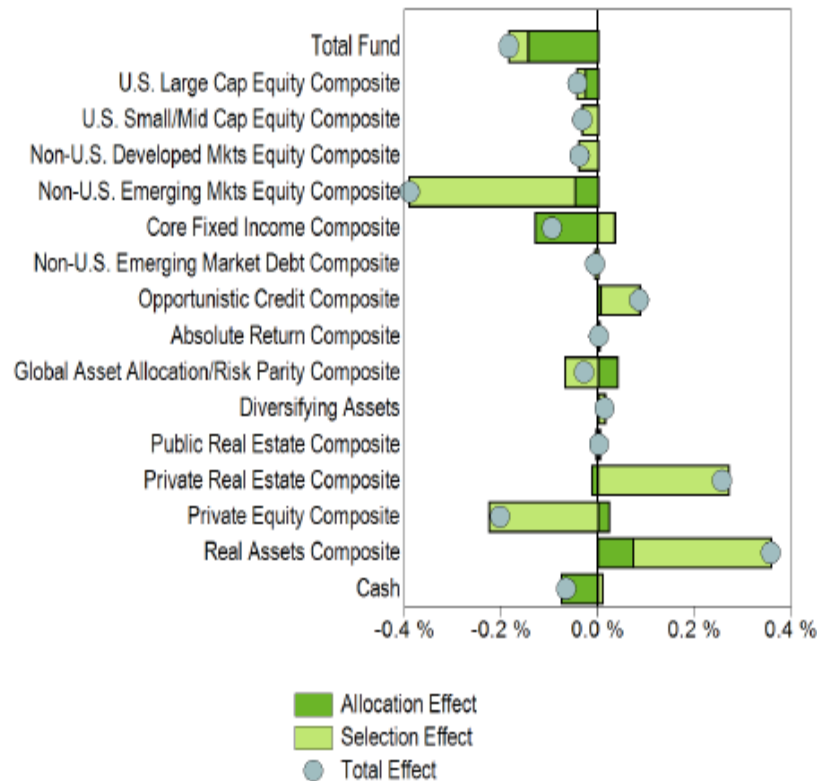


TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Effects

3 Years Ending December 31, 2018

3 Year Excess Return: -0.18%



- Allocation Effect: -0.15%
 - Real Assets underweight (+0.07%)
 - Non U.S. Emerging Mkts Equity underweight (-0.05%)
 - Cash overweight (-0.07%)
 - Core Fixed Income overweight (-0.13%)
- Manager Selection Effect: -0.04%
 - Real Assets outperformed (+0.29%)
 - Private Real Estate outperformed (+0.27%)
 - Opportunistic Credit outperformed (+0.08%)
 - Global Asset Allocation/Risk Parity underperformed (-0.07%)
 - Private Equity underperformed (-0.22%)
 - Non U.S. Emerging Mkts Equity underperformed (-0.34%)
- 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. $(\text{Return Asset Class Portfolio} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Policy Index})) - (\text{Return Asset Class Index} (\text{Weight Asset Class Portfolio} - \text{Weight Asset Class Index}))$.

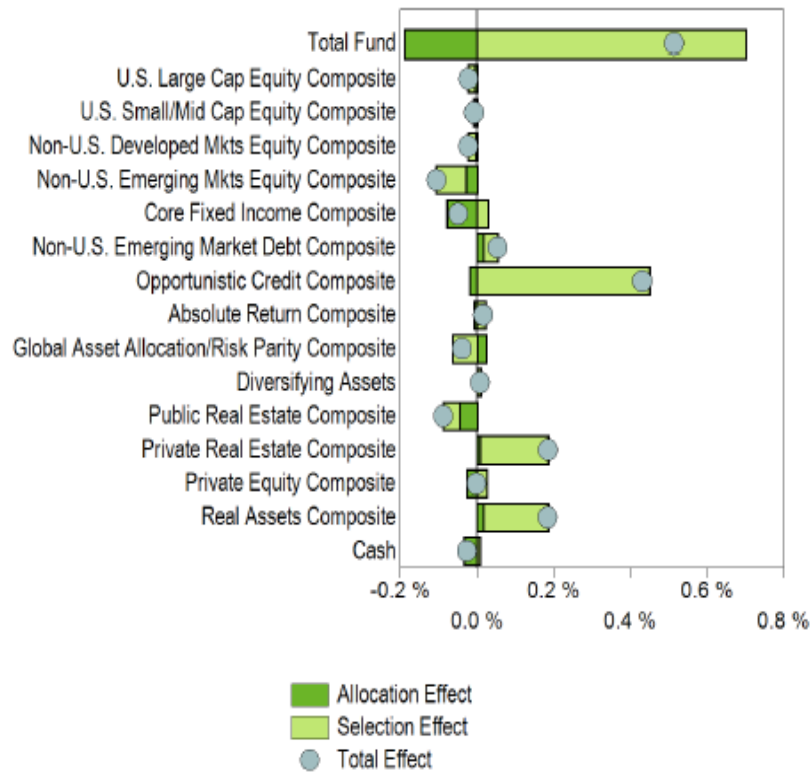
Residual: Contribution to excess return not captured in Allocation Effect and Manager Selection Effect.



TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Effects
5 Years Ending December 31, 2018

5 Year Excess Return: +0.51%



- Allocation Effect: -0.19%
 - Public Real Estate underweight (-0.05%)
 - Core Fixed Income overweight (-0.08%)
- Manager Selection Effect: +0.70%
 - Opportunistic Credit outperformed (+0.45%)
 - Private Real Estate outperformed (+0.18%)
 - Real Assets outperformed (+0.17%)
 - Core Fixed Income outperformed (+0.05%)
 - Global Asset Allocation/Risk Parity underperformed (-0.06%)
 - Non-U.S. Emerging Mkts Equity underperformed (-0.08%)
- 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 December 31, 2018												
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Info Ratio	Rank	Beta
U.S. Large Cap Equity Composite	14.4%	9.2%	15	10.9%	5	-0.1%	21	0.1%	1	-0.6	--	1.0
S&P 500	--	9.3%	9	11.0%	8	0.0%	20	0.0%	1	--	--	1.0
U.S. Small/Mid Cap Equity Composite	2.4%	6.1%	97	13.9%	99	-0.9%	57	3.2%	88	-0.4	--	0.9
NMERB Small/Mid Cap Equity Blended Index	--	7.3%	81	14.3%	99	0.0%	20	0.0%	1	--	--	1.0
Non-U.S. Developed Mkts Equity Composite	4.4%	2.1%	91	11.3%	69	-0.8%	55	1.0%	1	-0.8	--	1.0
MSCI EAFE	--	2.9%	63	11.4%	71	0.0%	42	0.0%	1	--	--	1.0
Non-U.S. Emerging Mkts Equity Composite	8.9%	5.9%	78	13.1%	24	-2.2%	78	3.0%	50	-1.1	--	0.9
MSCI Emerging Markets	--	9.2%	15	14.8%	80	0.0%	14	0.0%	1	--	--	1.0
Core Fixed Income Composite	7.1%	2.4%	77	3.0%	67	0.3%	81	0.6%	16	0.6	57	1.0
BBgBarc US Aggregate TR	--	2.1%	96	2.9%	60	0.0%	96	0.0%	1	--	--	1.0
Non-U.S. Emerging Market Debt Composite	1.7%	5.4%	48	6.2%	36	0.9%	27	2.9%	74	-0.1	--	0.7
Non-U.S. EMD Custom Benchmark	--	5.7%	32	7.9%	52	0.0%	57	0.0%	1	--	--	1.0
Opportunistic Credit Composite	18.1%	6.4%	--	2.4%	--	2.8%	--	2.1%	--	0.4	--	0.6
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index	--	5.7%	--	3.3%	--	0.0%	--	0.0%	--	--	--	1.0
Global Asset Allocation/Risk Parity Composite	10.2%	5.5%	24	4.0%	17	0.9%	31	4.1%	62	-0.7	--	0.5
GAA/Risk Parity Custom Index	--	8.5%	1	4.7%	25	0.0%	42	0.0%	1	--	--	1.0

3 Years Ending December 31, 2018							
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank
Real Estate Composite	6.4%	9.3%	14	6.5%	93	5.6%	40
NCREIF Property Index	--	7.2%	81	2.9%	41	0.0%	93
Private Equity Composite	14.8%	13.3%	58	3.0%	1	14.6%	1
Cambridge Associates US All PE (1 Qtr Lag)	--	14.5%	32	6.5%	70	0.0%	77
Real Assets Composite	8.0%	10.7%	13	4.2%	20	8.5%	9
CPI + 4% (Seasonally Adjusted)	--	6.1%	41	0.6%	1	0.0%	68

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 96.4% because Absolute Return Composite and Cash Composite are not included.



New Mexico Educational Retirement Board

TOTAL FUND RISK STATISTICS

5 Years Ending December 31, 2018												
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Info Ratio	Rank	Beta
U.S. Large Cap Equity Composite	14.4%	8.4%	3	10.9%	9	0.0%	12	0.2%	1	-0.5	--	1.0
S&P 500	--	8.5%	3	10.9%	10	0.0%	11	0.0%	1	--	--	1.0
U.S. Small/Mid Cap Equity Composite	2.4%	5.2%	93	13.2%	98	0.3%	4	3.2%	93	0.0	15	0.9
NMERB Small/Mid Cap Equity Blended Index	--	5.1%	94	13.6%	98	0.0%	11	0.0%	1	--	--	1.0
Non-U.S. Developed Mkts Equity Composite	4.4%	0.2%	52	11.6%	68	-0.4%	52	1.1%	1	-0.3	--	1.0
MSCI EAFE	--	0.5%	50	11.8%	71	0.0%	50	0.0%	1	--	--	1.0
Non-U.S. Emerging Mkts Equity Composite	8.9%	1.1%	53	13.2%	25	-0.4%	53	3.2%	48	-0.2	--	0.9
MSCI Emerging Markets	--	1.6%	17	15.2%	89	0.0%	19	0.0%	1	--	--	1.0
Core Fixed Income Composite	7.1%	2.8%	52	2.9%	65	0.2%	71	0.6%	21	0.5	38	1.0
BBgBarc US Aggregate TR	--	2.5%	72	2.8%	51	0.0%	92	0.0%	1	--	--	1.0
Non-U.S. Emerging Market Debt Composite	1.7%	1.2%	37	6.4%	32	1.7%	6	3.8%	77	0.6	1	0.7
Non-U.S. EMD Custom Benchmark	--	-1.1%	59	9.2%	61	0.0%	43	0.0%	1	--	--	1.0
Opportunistic Credit Composite	18.1%	6.0%	--	2.1%	--	4.0%	--	2.5%	--	0.9	--	0.4
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index	--	3.6%	--	3.4%	--	0.0%	--	0.0%	--	--	--	1.0
Global Asset Allocation/Risk Parity Composite	10.2%	3.2%	16	5.5%	17	-0.4%	31	4.3%	54	-0.5	--	0.7
GAA/Risk Parity Custom Index	--	5.1%	1	5.8%	24	0.0%	15	0.0%	1	--	--	1.0

5 Years Ending December 31, 2018								
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	
Real Estate Composite	6.4%	11.3%	10	7.2%	99	12.5%	5	
NCREIF Property Index	--	9.3%	76	3.9%	45	0.0%	94	
Private Equity Composite	14.8%	14.6%	45	3.8%	5	14.9%	15	
Cambridge Associates US All PE (1 Qtr Lag)	--	13.4%	52	6.6%	72	0.0%	96	
Real Assets Composite	8.0%	8.3%	7	4.2%	14	5.5%	26	
CPI + 4% (Seasonally Adjusted)	--	5.5%	46	0.7%	1	0.0%	67	

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 96.4% because Absolute Return Composite and Cash Composite are not included.



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - TOTAL FUND & U.S. EQUITY

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Total Fund	12,504,945,863	100.0	-3.3	1	-1.1	1	0.6	4	7.5	5	6.3	2	9.6	6	8.9	Jul-83
<i>Policy Index</i>			<u>-4.0</u>	4	<u>-1.3</u>	1	<u>0.3</u>	5	<u>7.7</u>	2	<u>5.8</u>	8	<u>8.6</u>	31	--	Jul-83
Over/Under			0.7		0.2		0.3		-0.2		0.5		1.0			
<i>60% MSCI ACWI (Net) / 40% FTSE WGBI</i>			-7.1	55	-5.3	67	-5.8	85	5.2	96	3.0	99	6.5	99	--	Jul-83
<i>InvestorForce Public DB > \$1B Net Median</i>			-6.9		-4.7		-4.0		6.0		4.6		8.2		8.3	Jul-83
U.S. Equity Composite	2,104,493,148	16.8	-14.1	16	-8.0	7	-5.5	32	8.7	35	8.0	8	13.0	39	10.9	Jan-85
<i>Russell 3000</i>			<u>-14.3</u>	22	<u>-8.2</u>	22	<u>-5.2</u>	28	<u>9.0</u>	26	<u>7.9</u>	11	<u>13.2</u>	27	<u>10.7</u>	Jan-85
Over/Under			0.2		0.2		-0.3		-0.3		0.1		-0.2		0.2	
<i>InvestorForce Public DB > \$1 Billion US Equity Net Median</i>			-14.9		-9.2		-6.2		8.5		7.2		12.9		10.9	Jan-85
U.S. Large Cap Equity Composite	1,803,486,569	14.4	-13.5	3	-6.9	1	-4.6	14	9.2	15	8.4	3	13.1	29	5.9	Aug-99
<i>S&P 500</i>			<u>-13.5</u>	3	<u>-6.9</u>	1	<u>-4.4</u>	13	<u>9.3</u>	9	<u>8.5</u>	3	<u>13.1</u>	30	<u>5.3</u>	Aug-99
Over/Under			0.0		0.0		-0.2		-0.1		-0.1		0.0		0.6	
<i>InvestorForce Public DB > \$1 Billion US Equity Net Median</i>			-14.9		-9.2		-6.2		8.5		7.2		12.9		5.7	Aug-99
<i>S&P 500 Index Fund</i>	1,803,486,569	14.4	-13.5	47	-6.9	42	-4.6	33	9.2	19	8.4	16	13.0	25	4.8	Jan-00
<i>S&P 500</i>			<u>-13.5</u>	47	<u>-6.9</u>	41	<u>-4.4</u>	32	<u>9.3</u>	19	<u>8.5</u>	15	<u>13.1</u>	22	<u>4.9</u>	Jan-00
Over/Under			0.0		0.0		-0.2		-0.1		-0.1		-0.1		-0.1	
<i>eV US Large Cap Core Equity Net Median</i>			-13.8		-7.7		-5.8		7.8		7.3		12.2		5.9	Jan-00
U.S. Small/Mid Cap Equity Composite	301,006,579	2.4	-17.0	97	-13.8	99	-10.7	99	6.1	97	5.2	93	11.5	99	6.7	Aug-99
<i>NMERB Small/Mid Cap Equity Blended Index</i>			<u>-18.5</u>	98	<u>-14.7</u>	99	<u>-10.0</u>	98	<u>7.3</u>	81	<u>5.1</u>	94	<u>12.3</u>	90	<u>7.5</u>	Aug-99
Over/Under			1.5		0.9		-0.7		-1.2		0.1		-0.8		-0.8	
<i>InvestorForce Public DB > \$1 Billion US Equity Net Median</i>			-14.9		-9.2		-6.2		8.5		7.2		12.9		5.7	Aug-99
<i>S&P 400 Mid-Cap</i>	301,006,362	2.4	-17.0	58	-13.8	67	-10.7	55	--	--	--	--	--	--	-6.2	Nov-17
<i>Russell 2500</i>			<u>-18.5</u>	78	<u>-14.7</u>	77	<u>-10.0</u>	50	<u>7.3</u>	34	<u>5.1</u>	55	<u>13.2</u>	54	<u>-5.8</u>	Nov-17
Over/Under			1.5		0.9		-0.7								-0.4	
<i>eV US Mid Cap Equity Net Median</i>			-16.6		-12.5		-10.1		6.2		5.3		13.4		-5.7	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 \$63,851 from Legacy Assets.

4 - U.S. Small/Mid Cap Equity Composite includes \$217 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	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Non-U.S. Equity Composite	1,665,896,732	13.3	-8.2	3	-9.6	6	-15.0	58	4.7	40	0.8	81	6.2	90	5.8	Jul-95
MSCI ACWI ex USA			-11.5	33	-10.8	31	-14.2	37	4.5	51	0.7	84	6.6	69	--	Jul-95
Over/Under			3.3		1.2		-0.8		0.2		0.1		-0.4			
InvestorForce Public DB > \$1 Billion Global ex-US Equity Net Median			-11.7		-11.5		-14.6		4.5		1.4		6.9		5.2	Jul-95
Non-U.S. Developed Mkts Equity Composite	555,325,865	4.4	-13.1	78	-11.5	71	-14.1	41	2.1	91	0.2	52	5.8	79	5.5	Sep-95
MSCI EAFE			-12.5	74	-11.4	65	-13.8	32	2.9	63	0.5	50	6.3	69	4.4	Sep-95
Over/Under			-0.6		-0.1		-0.3		-0.8		-0.3		-0.5		1.1	
InvestorForce Public DB Dev Mkt ex-US Eq Net Median			-12.0		-11.2		-14.5		3.2		0.4		6.9		5.5	Sep-95
Pyramis	265,970,907	2.1	-13.7	44	-11.8	32	-14.8	42	0.8	85	-0.6	87	5.6	88	6.3	Jun-03
MSCI EAFE			-12.5	26	-11.4	29	-13.8	37	2.9	50	0.5	66	6.3	76	6.3	Jun-03
Over/Under			-1.2		-0.4		-1.0		-2.1		-1.1		-0.7		0.0	
eV All EAFE Equity Net Median			-14.0		-13.5		-15.8		2.7		1.1		7.2		6.9	Jun-03
BlackRock MSCI EAFE	289,354,958	2.3	-12.5	26	-11.3	29	-13.5	32	3.3	41	0.9	56	--	--	2.9	Aug-13
MSCI EAFE			-12.5	26	-11.4	29	-13.8	37	2.9	50	0.5	66	6.3	76	2.6	Aug-13
Over/Under			0.0		0.1		0.3		0.4		0.4				0.3	
eV All EAFE Equity Net Median			-14.0		-13.5		-15.8		2.7		1.1		7.2		3.2	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	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Non-U.S. Emerging Mkts Equity Composite	1,110,570,867	8.9	-5.5	21	-8.7	48	-15.7	53	5.9	78	1.1	53	6.6	78	6.0	Sep-00
<i>MSCI Emerging Markets</i>			<u>-7.5</u>	65	<u>-8.5</u>	43	<u>-14.6</u>	33	<u>9.2</u>	15	<u>1.6</u>	17	<u>8.0</u>	50	<u>7.1</u>	<i>Sep-00</i>
Over/Under			2.0		-0.2		-1.1		-3.3		-0.5		-1.4		-1.1	
<i>InvestorForce Public DB > \$1 Billion Emg Mkt Eq Net Median</i>			-7.1		-8.9		-15.4		7.6		1.2		7.9		6.1	<i>Sep-00</i>
Robeco	310,205,546	2.5	-7.4	44	-7.6	28	-16.3	52	9.4	24	2.0	34	8.0	64	7.6	Nov-08
<i>MSCI Emerging Markets</i>			<u>-7.5</u>	47	<u>-8.5</u>	32	<u>-14.6</u>	30	<u>9.2</u>	26	<u>1.6</u>	43	<u>8.0</u>	64	<u>7.8</u>	<i>Nov-08</i>
Over/Under			0.1		0.9		-1.7		0.2		0.4		0.0		-0.2	
<i>eV Emg Mkts Equity Net Median</i>			-7.6		-10.6		-16.2		7.7		1.4		8.9		8.5	<i>Nov-08</i>
Neuberger Berman Emerging Markets	320,970,959	2.6	-5.4	18	-10.7	52	-17.6	66	8.7	34	2.1	33	--	--	3.1	Aug-13
<i>MSCI Emerging Markets</i>			<u>-7.5</u>	47	<u>-8.5</u>	32	<u>-14.6</u>	30	<u>9.2</u>	26	<u>1.6</u>	43	<u>8.0</u>	64	<u>2.7</u>	<i>Aug-13</i>
Over/Under			2.1		-2.2		-3.0		-0.5		0.5		0.4		0.4	
<i>eV Emg Mkts Equity Net Median</i>			-7.6		-10.6		-16.2		7.7		1.4		8.9		2.5	<i>Aug-13</i>
Mondrian Emerging Markets Small Cap	231,715,645	1.9	-2.8	9	-9.6	24	-14.7	20	-0.4	94	-0.7	82	--	--	-0.2	Aug-13
<i>MSCI Emerging Markets Small Cap</i>			<u>-7.2</u>	37	<u>-11.1</u>	34	<u>-18.6</u>	55	<u>3.7</u>	70	<u>1.0</u>	69	<u>9.9</u>	95	<u>1.7</u>	<i>Aug-13</i>
Over/Under			4.4		1.5		3.9		-4.1		-1.7		-1.9		-1.9	
<i>eV Emg Mkts Small Cap Equity Net Median</i>			-8.1		-13.0		-18.1		5.6		2.3		12.5		3.0	<i>Aug-13</i>
Parametric Emerging Markets Equity	247,678,717	2.0	-5.6	20	-6.5	22	-13.4	20	7.9	50	--	--	--	--	0.8	Jun-15
<i>MSCI Emerging Markets</i>			<u>-7.5</u>	47	<u>-8.5</u>	32	<u>-14.6</u>	30	<u>9.2</u>	26	<u>1.6</u>	43	<u>8.0</u>	64	<u>1.4</u>	<i>Jun-15</i>
Over/Under			1.9		2.0		1.2		-1.3				-0.6		-0.6	
<i>eV Emg Mkts Equity Net Median</i>			-7.6		-10.6		-16.2		7.7		1.4		8.9		0.9	<i>Jun-15</i>

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



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - TOTAL FI AND CORE FI

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Fixed Income Composite	3,365,893,723	26.9	-1.0	87	0.3	69	1.9	4	5.2	7	4.8	7	8.0	1	3.0	Jan-85
<i>BBgBarc US Aggregate TR</i>			<u>1.6</u>	1	<u>1.7</u>	4	<u>0.0</u>	21	<u>2.1</u>	98	<u>2.5</u>	66	<u>3.5</u>	99	<u>6.7</u>	<i>Jan-85</i>
Over/Under			-2.6		-1.4		1.9		3.1		2.3		4.5		-3.7	
<i>InvestorForce Public DB > \$1 Billion Fixed Income Net Median</i>			0.2		0.6		-0.6		3.9		2.7		5.6		5.1	<i>Jan-85</i>
Core Fixed Income Composite	891,419,397	7.1	0.7	52	1.4	24	-0.6	77	2.4	77	2.8	52	5.1	60	5.1	Dec-99
<i>BBgBarc US Aggregate TR</i>			<u>1.6</u>	5	<u>1.7</u>	3	<u>0.0</u>	35	<u>2.1</u>	96	<u>2.5</u>	72	<u>3.5</u>	96	<u>4.8</u>	<i>Dec-99</i>
Over/Under			-0.9		-0.3		-0.6		0.3		0.3		1.6		0.3	
<i>InvestorForce Public DB > \$1 Billion US Fixed Income Net Median</i>			0.8		1.1		-0.3		3.0		2.9		5.3		4.9	<i>Dec-99</i>
Core Fixed Income	891,419,397	7.1	0.7	88	1.4	50	-0.6	77	2.4	29	--	--	--	--	1.5	Apr-15
<i>BBgBarc US Aggregate TR</i>			<u>1.6</u>	15	<u>1.7</u>	20	<u>0.0</u>	37	<u>2.1</u>	60	<u>2.5</u>	56	<u>3.5</u>	80	<u>1.4</u>	<i>Apr-15</i>
Over/Under			-0.9		-0.3		-0.6		0.3		0.3		0.1		0.1	
<i>eV US Core Fixed Inc Net Median</i>			1.3		1.4		-0.2		2.1		2.5		4.1		1.4	<i>Apr-15</i>

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



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - EMERGING MARKET DEBT

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Non-U.S. Emerging Market Debt Composite	212,805,829	1.7	-0.6	56	-0.8	51	-5.6	47	5.4	48	1.2	37	--	--	1.0	Sep-11
<i>Non-U.S. EMD Custom Benchmark</i>			<i>0.4</i>	<i>38</i>	<i>0.7</i>	<i>13</i>	<i>-5.2</i>	<i>33</i>	<i>5.7</i>	<i>32</i>	<i>-1.1</i>	<i>59</i>	--	--	<i>-1.2</i>	<i>Sep-11</i>
<i>Over/Under</i>			<i>-1.0</i>		<i>-1.5</i>		<i>-0.4</i>		<i>-0.3</i>		<i>2.3</i>				<i>2.2</i>	
<i>InvestorForce All DB Emg Mkt Fix Inc Net Median</i>			<i>-0.3</i>		<i>-0.8</i>		<i>-5.8</i>		<i>5.3</i>		<i>0.0</i>		--	--	<i>1.3</i>	<i>Sep-11</i>
EMSO	99,683,043	0.8	-1.6	82	-2.1	95	-4.6	31	4.4	83	3.5	37	--	--	4.0	Sep-11
<i>JP Morgan GBI - EM Global Diversified Index</i>			<i>2.1</i>	<i>7</i>	<i>0.2</i>	<i>44</i>	<i>-6.2</i>	<i>56</i>	<i>5.9</i>	<i>36</i>	<i>-1.0</i>	<i>85</i>	<i>3.5</i>	<i>85</i>	<i>-1.2</i>	<i>Sep-11</i>
<i>Over/Under</i>			<i>-3.7</i>		<i>-2.3</i>		<i>1.6</i>		<i>-1.5</i>		<i>4.5</i>				<i>5.2</i>	
<i>eV All Emg Mkts Fixed Inc Net Median</i>			<i>-0.6</i>		<i>0.0</i>		<i>-5.9</i>		<i>5.3</i>		<i>2.7</i>		<i>7.6</i>		<i>2.9</i>	<i>Sep-11</i>
Prudential	113,104,590	0.9	0.3	31	0.3	42	-6.5	58	--	--	--	--	--	--	6.6	Feb-16
<i>50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified</i>			<i>0.4</i>	<i>30</i>	<i>0.7</i>	<i>30</i>	<i>-5.2</i>	<i>38</i>	<i>5.6</i>	<i>41</i>	<i>2.0</i>	<i>57</i>	<i>5.9</i>	<i>69</i>	<i>5.7</i>	<i>Feb-16</i>
<i>Over/Under</i>			<i>-0.1</i>		<i>-0.4</i>		<i>-1.3</i>								<i>0.9</i>	
<i>eV All Emg Mkts Fixed Inc Net Median</i>			<i>-0.6</i>		<i>0.0</i>		<i>-5.9</i>		<i>5.3</i>		<i>2.7</i>		<i>7.6</i>		<i>5.7</i>	<i>Feb-16</i>

1 - Non-U.S. Emerging Market Debt Composite market value includes \$18,196 in terminated manager account.

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

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

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



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - OPPORTUNISTIC FI

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Opportunistic Credit Composite	2,261,668,497	18.1	-1.7	--	-0.1	--	3.7	--	6.4	--	6.0	--	11.7	--	8.3	May-08
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	5.6	May-08
Over/Under			1.8		1.3		4.1		0.7		2.4		2.5		2.7	
ICE BofAML BB-B US High Yield Constrained TR			-3.8	--	-1.5	--	-2.0	--	6.3	--	3.9	--	10.0	--	6.5	May-08
Beachpoint Combined	489,063,004	3.9	-3.2	--	-1.6	--	0.9	--	6.1	--	4.5	--	11.0	--	6.6	Mar-04
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	5.4	Mar-04
Over/Under			0.3		-0.2		1.3		0.4		0.9		1.8		1.2	
Beachpoint Total Return	489,063,004	3.9	-3.2	--	-1.6	--	0.9	--	6.1	--	4.5	--	11.0	--	6.8	Jun-08
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	5.6	Jun-08
Over/Under			0.3		-0.2		1.3		0.4		0.9		1.8		1.2	
Pimco Disco Combined	112,231,176	0.9	0.0	--	1.7	--	5.9	--	10.1	--	8.5	--	13.5	--	11.7	Jul-08
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	5.8	Jul-08
Over/Under			3.5		3.1		6.3		4.4		4.9		4.3		5.9	
Pimco Disco II	112,231,176	0.9	0.0	--	1.7	--	5.9	--	10.1	--	8.5	--	--	--	13.2	Oct-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	5.6	Oct-11
Over/Under			3.5		3.1		6.3		4.4		4.9		7.6		7.6	
GoldenTree Combined	189,212,949	1.5	-0.3	--	1.0	--	5.3	--	6.0	--	5.3	--	--	--	8.8	Oct-09
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	6.0	Oct-09
Over/Under			3.2		2.4		5.7		0.3		1.7		2.8		2.8	
Goldentree II	189,212,949	1.5	-0.3	--	1.0	--	5.3	--	6.0	--	5.3	--	--	--	8.3	Sep-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	5.3	Sep-11
Over/Under			3.2		2.4		5.7		0.3		1.7		3.0		3.0	
Medley Capital	75,052,621	0.6	-7.1	--	-8.3	--	-13.3	--	-2.6	--	1.6	--	--	--	3.8	Aug-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	4.7	Aug-11
Over/Under			-3.6		-6.9		-12.9		-8.3		-2.0		-0.9		-0.9	

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



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - OPPORTUNISTIC FI

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Waterfall - Eden	296,989,463	2.4	1.3	--	2.2	--	6.8	--	7.7	--	7.4	--	--	--	9.6	Aug-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY																
BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	4.7	Aug-11
Over/Under			4.8		3.6		7.2		2.0		3.8				4.9	
Waterfall - Victoria	87,271,760	0.7	2.8	--	4.1	--	12.1	--	12.2	--	10.7	--	--	--	10.6	Aug-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY																
BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	4.7	Aug-11
Over/Under			6.3		5.5		12.5		6.5		7.1				5.9	
Elegantree Fund	27,055,626	0.2	1.7	--	2.8	--	7.0	--	8.5	--	8.3	--	--	--	9.8	Mar-12
50% CS Leveraged Loan / 50% ICE BofA ML US HY																
BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	4.7	Mar-12
Over/Under			5.2		4.2		7.4		2.8		4.7				5.1	
Gramercy Distressed Opp II	98,852,939	0.8	-5.5	--	-6.9	--	-9.5	--	-3.0	--	-1.7	--	--	--	1.8	Jul-12
50% CS Leveraged Loan / 50% ICE BofA ML US HY																
BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	4.7	Jul-12
Over/Under			-2.0		-5.5		-9.1		-8.7		-5.3				-2.9	
ICE Canyon	63,145,606	0.5	1.5	--	-2.3	--	-5.5	--	5.7	--	1.0	--	--	--	2.2	Jun-12
50% CS Leveraged Loan / 50% ICE BofA ML US HY																
BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	4.8	Jun-12
Over/Under			5.0		-0.9		-5.1		0.0		-2.6				-2.6	
Lone Star VIII	23,996,249	0.2	1.0	--	2.5	--	3.9	--	-4.6	--	11.5	--	--	--	9.4	Oct-13
50% CS Leveraged Loan / 50% ICE BofA ML US HY																
BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	3.9	Oct-13
Over/Under			4.5		3.9		4.3		-10.3		7.9				5.5	
Marathon European Credit Opportunity I	18,196,375	0.1	6.1	--	19.3	--	25.9	--	14.1	--	10.7	--	--	--	10.7	Oct-11
50% CS Leveraged Loan / 50% ICE BofA ML US HY																
BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	5.6	Oct-11
Over/Under			9.6		20.7		26.3		8.4		7.1				5.1	
Marathon European Credit Opportunity II	80,005,207	0.6	-4.2	--	-0.5	--	7.8	--	9.2	--	--	--	--	--	7.5	Mar-14
50% CS Leveraged Loan / 50% ICE BofA ML US HY																
BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	3.4	Mar-14
Over/Under			-0.7		0.9		8.2		3.5						4.1	

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



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - OPPORTUNISTIC FI

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Lone Star IX	50,653,766	0.4	-5.1	--	1.0	--	10.9	--	11.6	--	--	--	--	--	-15.4	Apr-15
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	3.4	Apr-15
Over/Under			-1.6		2.4		11.3		5.9						-18.8	
Kildare European Partners I LP	23,165,901	0.2	6.0	--	13.0	--	24.8	--	18.3	--	--	--	--	--	13.4	May-14
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	3.3	May-14
Over/Under			9.5		14.4		25.2		12.6						10.1	
Black Forest	55,147,068	0.4	0.6	--	2.1	--	5.9	--	8.6	--	--	--	--	--	7.3	Aug-14
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	3.3	Aug-14
Over/Under			4.1		3.5		6.3		2.9						4.0	
Gramercy Distressed Opp III	93,821,600	0.8	-4.2	--	-4.5	--	-5.8	--	-2.4	--	--	--	--	--	-2.4	Jan-16
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	5.7	Jan-16
Over/Under			-0.7		-3.1		-5.4		-8.1						-8.1	
GSO Capital Opp III	53,808,705	0.4	2.6	--	5.3	--	12.4	--	--	--	--	--	--	--	8.5	Oct-16
50% CS Leveraged Loan / 50% ICE BofA ML US HY BB-B Rated Constrained Index			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	3.1	Oct-16
Over/Under			6.1		6.7		12.8								5.4	

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



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - OPPORTUNISTIC FI

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Cross Ocean ESS II	76,474,408	0.6	0.1	--	1.6	--	6.2	--	--	--	--	--	--	--	13.8	May-17
50% CS Leveraged Loan / 50% ICE BofA ML US HY			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	1.5	May-17
BB-B Rated Constrained Index																
Over/Under			3.6		3.0		6.6								12.3	
OWS CREDIT OPPORTUNITY FD	115,098,400	0.9	0.9	--	3.3	--	9.9	--	--	--	--	--	--	--	9.8	Jul-17
50% CS Leveraged Loan / 50% ICE BofA ML US HY			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	1.2	Jul-17
BB-B Rated Constrained Index																
Over/Under			4.4		4.7		10.3								8.6	
TAIGA SPECIAL OPP DAC LP	65,839,810	0.5	0.6	--	2.2	--	9.1	--	--	--	--	--	--	--	12.4	Aug-17
50% CS Leveraged Loan / 50% ICE BofA ML US HY			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	0.6	Aug-17
BB-B Rated Constrained Index																
Over/Under			4.1		3.6		9.5								11.8	
Sutherland Asset Management	59,354,952	0.5	-14.4	--	-10.2	--	1.3	--	--	--	--	--	--	--	-5.4	Jul-17
50% CS Leveraged Loan / 50% ICE BofA ML US HY			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	1.2	Jul-17
BB-B Rated Constrained Index																
Over/Under			-10.9		-8.8		1.7								-6.6	
OHA Strategic Credit II	8,869,583	0.1	-1.6	--	13.0	--	41.5	--	--	--	--	--	--	--	33.3	Dec-17
50% CS Leveraged Loan / 50% ICE BofA ML US HY			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	-0.1	Dec-17
BB-B Rated Constrained Index																
Over/Under			1.9		14.4		41.9								33.4	
Lone Star X	49,418,245	0.4	1.3	--	4.4	--	-42.2	--	--	--	--	--	--	--	-42.2	Jan-18
50% CS Leveraged Loan / 50% ICE BofA ML US HY			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	-0.4	Jan-18
BB-B Rated Constrained Index																
Over/Under			4.8		5.8		-41.8								-41.8	
Kildare European Partners II LP	14,247,687	0.1	--	--	--	--	--	--	--	--	--	--	--	--	-2.2	Nov-18
50% CS Leveraged Loan / 50% ICE BofA ML US HY			-3.5	--	-1.4	--	-0.4	--	5.7	--	3.6	--	9.2	--	-2.8	Nov-18
BB-B Rated Constrained Index																
Over/Under															0.6	
Riverstone Credit Partners II	31,535,008	0.3														
RCP II N Strategic Credit	3,160,390	0.0														

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	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Absolute Return Composite	402,367	0.0														
Global Asset Allocation/Risk Parity Composite	1,273,519,714	10.2	-1.0	15	-2.2	24	-2.4	16	5.5	24	3.2	16	--	--	6.6	Oct-09
<i>GAA/Risk Parity Custom Index</i>			<u>1.2</u>	6	<u>2.3</u>	3	<u>4.4</u>	3	<u>8.5</u>	1	<u>5.1</u>	1	<u>7.6</u>	1	<u>6.6</u>	<i>Oct-09</i>
<i>Over/Under</i>			-2.2		-4.5		-6.8		-3.0		-1.9				0.0	
<i>InvestorForce Public DB > \$1 Billion Global Tactical Net Median</i>			-6.0		-6.2		-6.3		4.4		2.5		7.2		6.4	<i>Oct-09</i>
Global Asset Allocation Composite	636,218,368	5.1	2.7	4	1.0	5	1.4	6	5.5	25	2.4	65	--	--	2.3	Nov-12
<i>Credit Suisse Hedge Global Macro</i>			<u>-1.7</u>	23	<u>-1.9</u>	21	<u>-0.1</u>	8	<u>1.8</u>	95	<u>1.2</u>	95	<u>4.6</u>	99	<u>2.0</u>	<i>Nov-12</i>
<i>Over/Under</i>			4.4		2.9		1.5		3.7		1.2				0.3	
<i>InvestorForce Public DB > \$1 Billion Global Tactical Net Median</i>			-6.0		-6.2		-6.3		4.4		2.5		7.2		2.8	<i>Nov-12</i>
Bridgewater Pure Alpha	314,862,692	2.5	7.9	1	5.6	1	10.3	1	4.8	22	4.1	7	--	--	6.9	Oct-09
<i>Credit Suisse Hedge Global Macro</i>			<u>-1.7</u>	8	<u>-1.9</u>	12	<u>-0.1</u>	2	<u>1.8</u>	76	<u>1.2</u>	64	<u>4.6</u>	72	<u>4.0</u>	<i>Oct-09</i>
<i>Over/Under</i>			9.6		7.5		10.4		3.0		2.9				2.9	
<i>eV Global TAA Net Median</i>			-7.0		-6.0		-7.0		3.1		1.7		6.0		4.8	<i>Oct-09</i>
PIMCO All Asset All Authority	321,355,675	2.6	-1.9	8	-3.2	19	-6.1	38	6.1	9	0.6	78	--	--	0.6	Jul-13
<i>Credit Suisse Hedge Global Macro</i>			<u>-1.7</u>	8	<u>-1.9</u>	12	<u>-0.1</u>	2	<u>1.8</u>	76	<u>1.2</u>	64	<u>4.6</u>	72	<u>1.7</u>	<i>Jul-13</i>
<i>Over/Under</i>			-0.2		-1.3		-6.0		4.3		-0.6				-1.1	
<i>eV Global TAA Net Median</i>			-7.0		-6.0		-7.0		3.1		1.7		6.0		3.0	<i>Jul-13</i>
Risk Parity	637,301,347	5.1	-4.4	28	-5.2	41	-5.9	31	5.6	15	4.0	5	--	--	3.0	Nov-12
<i>GAA/Risk Parity Custom Index</i>			<u>1.2</u>	6	<u>2.3</u>	3	<u>4.4</u>	3	<u>8.5</u>	1	<u>5.1</u>	1	<u>7.6</u>	1	<u>6.9</u>	<i>Nov-12</i>
<i>Over/Under</i>			-5.6		-7.5		-10.3		-2.9		-1.1				-3.9	
<i>InvestorForce Public DB > \$1 Billion Global Tactical Net Median</i>			-6.0		-6.2		-6.3		4.4		2.5		7.2		2.8	<i>Nov-12</i>
Bridgewater All Weather	431,169,775	3.4	-4.5	28	-4.8	40	-5.0	26	5.4	12	3.2	21	--	--	6.9	Oct-09
<i>60% MSCI World (Gross) / 40% FTSE WGBI</i>			<u>-7.4</u>	54	<u>-5.2</u>	43	<u>-5.1</u>	27	<u>5.4</u>	12	<u>3.5</u>	14	<u>6.9</u>	35	<u>5.7</u>	<i>Oct-09</i>
<i>Over/Under</i>			2.9		0.4		0.1		0.0		-0.3				1.2	
<i>eV Global TAA Net Median</i>			-7.0		-6.0		-7.0		3.1		1.7		6.0		4.8	<i>Oct-09</i>
PanAgora	206,131,572	1.6	-4.1	26	-6.1	53	-7.6	61	6.0	9	5.8	1	--	--	5.9	Dec-13
<i>GAA/Risk Parity Custom Index</i>			<u>1.2</u>	3	<u>2.3</u>	1	<u>4.4</u>	1	<u>8.5</u>	1	<u>5.1</u>	2	<u>7.6</u>	20	<u>5.3</u>	<i>Dec-13</i>
<i>Over/Under</i>			-5.3		-8.4		-12.0		-2.5		0.7				0.6	
<i>eV Global TAA Net Median</i>			-7.0		-6.0		-7.0		3.1		1.7		6.0		2.0	<i>Dec-13</i>

1 - Absolute Return Composite includes \$402,367 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	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Diversifying Assets	253,391,468	2.0	0.7	--	6.1	--	--	--	--	--	--	--	--	--	10.4	Feb-18
3-Month LIBOR + 2%			<u>1.2</u>	--	<u>2.3</u>	--	<u>4.4</u>	--	<u>3.5</u>	--	<u>3.0</u>	--	<u>2.7</u>	--	<u>4.1</u>	Feb-18
Over/Under			-0.5		3.8										6.3	
EIG Energy Fund XVII	41,403,333	0.3	10.1	--	14.3	--	--	--	--	--	--	--	--	--	13.4	Apr-18
3-Month LIBOR + 2%			<u>1.2</u>	--	<u>2.3</u>	--	<u>4.4</u>	--	<u>3.5</u>	--	<u>3.0</u>	--	<u>2.7</u>	--	<u>3.4</u>	Apr-18
Over/Under			8.9		12.0										10.0	
The 1609 Fund LTD.	110,025,247	0.9	-0.3	--	5.8	--	--	--	--	--	--	--	--	--	11.4	Feb-18
3-Month LIBOR + 2%			<u>1.2</u>	--	<u>2.3</u>	--	<u>4.4</u>	--	<u>3.5</u>	--	<u>3.0</u>	--	<u>2.7</u>	--	<u>4.1</u>	Feb-18
Over/Under			-1.5		3.5										7.3	
OLEA SPECIAL OPPS OFFSHORE I	61,677,488	0.5	-2.9	--	--	--	--	--	--	--	--	--	--	--	-2.9	Oct-18
3-Month LIBOR + 2%			<u>1.2</u>	--	<u>2.3</u>	--	<u>4.4</u>	--	<u>3.5</u>	--	<u>3.0</u>	--	<u>2.7</u>	--	<u>1.2</u>	Oct-18
Over/Under			-4.1												-4.1	
Orchard Liquid Credit Fund	40,285,400	0.3	0.7	--	--	--	--	--	--	--	--	--	--	--	0.7	Oct-18
3-Month LIBOR + 2%			<u>1.2</u>	--	<u>2.3</u>	--	<u>4.4</u>	--	<u>3.5</u>	--	<u>3.0</u>	--	<u>2.7</u>	--	<u>1.2</u>	Oct-18
Over/Under			-0.5												-0.5	

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



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - REAL ESTATE

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Real Estate Composite	797,069,315	6.4	-0.7	84	2.2	74	8.2	31	9.3	14	11.3	10	13.2	7	10.0	Dec-03
NCREIF Property Index			1.4	54	3.1	59	6.7	78	7.2	81	9.3	76	7.5	13	9.0	Dec-03
Over/Under			-2.1		-0.9		1.5		2.1		2.0		5.7		1.0	
Wilshire REIT			-6.9	99	-6.3	99	-4.8	99	2.1	97	7.9	92	12.2	8	8.4	Dec-03
InvestorForce Public DB > \$1 Billion Real Estate Net Median			1.4		3.6		7.6		7.9		9.8		5.5		7.3	Dec-03
Public Real Estate Composite	243,308,081	1.9	-6.3	99	-6.9	99	-6.2	99	1.7	98	6.3	94	11.7	9	8.1	Dec-03
Wilshire REIT			-6.9	99	-6.3	99	-4.8	99	2.1	97	7.9	92	12.2	8	8.4	Dec-03
Over/Under			0.6		-0.6		-1.4		-0.4		-1.6		-0.5		-0.3	
InvestorForce Public DB > \$1 Billion Real Estate Net Median			1.4		3.6		7.6		7.9		9.8		5.5		7.3	Dec-03
Brookfield	243,308,081	1.9	-6.3	33	-6.9	74	-6.2	64	1.7	73	5.6	97	--	--	7.4	Jul-11
MSCI US REIT			-7.1	63	-6.3	58	-5.8	60	1.5	76	6.4	89	10.7	94	6.3	Jul-11
Over/Under			0.8		-0.6		-0.4		0.2		-0.8				1.1	
eV US REIT Net Median			-6.5		-5.9		-5.2		2.2		8.0		12.5		7.6	Jul-11
Private Real Estate Composite	553,761,235	4.4	2.0	4	6.7	1	15.6	1	13.6	1	13.9	1	10.0	7	8.7	Jan-08
NCREIF Property Index			1.4	55	3.1	79	6.7	82	7.2	71	9.3	69	7.5	14	6.1	Jan-08
Over/Under			0.6		3.6		8.9		6.4		4.6		2.5		2.6	
InvestorForce Public DB Real Estate Priv Net Median			1.5		3.4		7.7		8.2		10.1		5.9		4.4	Jan-08
U.S. Private Real Estate	553,761,235	4.4	2.0	--	6.7	--	15.6	--	13.6	--	14.0	--	10.5	--	9.3	Jan-08
NCREIF Property Index			1.4	--	3.1	--	6.7	--	7.2	--	9.3	--	7.5	--	6.1	Jan-08
Over/Under			0.6		3.6		8.9		6.4		4.7		3.0		3.2	

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



New Mexico Educational Retirement Board

PERFORMANCE DETAIL - PE & RA

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Private Equity Composite	1,855,780,106	14.8	4.8	23	8.7	39	15.8	54	13.3	58	14.6	45	12.7	18	7.3	Jun-06
Cambridge Associates US All PE (1 Qtr Lag)			3.8	48	9.4	31	18.0	48	14.5	32	13.4	52	12.1	26	12.5	Jun-06
Over/Under			1.0		-0.7		-2.2		-1.2		1.2		0.6		-5.2	
InvestorForce Public DB > \$1 Billion Private Equity Net Median			3.7		8.2		17.6		13.5		13.8		10.2		9.2	Jun-06
Real Assets Composite	996,533,008	8.0	4.1	1	7.0	12	14.1	12	10.7	13	8.3	7	4.2	50	3.0	Jul-08
CPI + 4% (Seasonally Adjusted)			1.3	22	2.7	30	6.0	26	6.1	41	5.5	46	5.9	26	5.5	Jul-08
Over/Under			2.8		4.3		8.1		4.6		2.8		-1.7		-2.5	
InvestorForce Public DB > \$1 Billion Real Assets/Commodities Net Median			-1.8		-0.2		1.1		5.3		4.9		4.2		2.5	Jul-08
Infrastructure Composite	384,538,472	3.1	1.2	--	3.4	--	6.4	--	9.5	--	7.8	--	3.8	--	3.1	Jul-08
Infrastructure	353,303,660	2.8	1.2	--	3.0	--	6.4	--	7.5	--	6.6	--	3.3	--	2.6	Jul-08
CPI + 4% (Seasonally Adjusted)			1.3	--	2.7	--	6.0	--	6.1	--	5.5	--	5.9	--	5.5	Jul-08
Over/Under			-0.1		0.3		0.4		1.4		1.1		-2.6		-2.9	
International Infrastructure	31,234,812	0.2	1.2	--	7.6	--	6.3	--	44.0	--	22.7	--	--	--	-0.5	Jan-13
CPI + 4% (Seasonally Adjusted)			1.3	--	2.7	--	6.0	--	6.1	--	5.5	--	5.9	--	5.5	Jan-13
Over/Under			-0.1		4.9		0.3		37.9		17.2		--		-6.0	
Natural Resources	611,994,536	4.9	6.0	--	9.3	--	19.7	--	11.3	--	8.4	--	--	--	4.7	Mar-09
Harvest Fund	43,190,123	0.3	-20.6	--	-15.9	--	-13.3	--	--	--	--	--	--	--	-6.1	Aug-16
Alerian MLP Index			-17.3	--	-11.9	--	-12.4	--	-1.1	--	-7.3	--	9.6	--	-7.0	Aug-16
Over/Under			-3.3		-4.0		-0.9		--		--		--		0.9	
Energy	258,086,922	2.1	20.4	--	26.8	--	56.1	--	30.2	--	5.6	--	--	--	5.6	Jan-14
CPI + 4% (Seasonally Adjusted)			1.3	--	2.7	--	6.0	--	6.1	--	5.5	--	5.9	--	5.5	Jan-14
Over/Under			19.1		24.1		50.1		24.1		0.1		--		0.1	
Agriculture Composite	112,716,133	0.9	0.6	--	2.2	--	4.7	--	3.0	--	3.8	--	--	--	4.0	Aug-12
NCREIF Farmland			2.9	--	4.2	--	6.7	--	6.7	--	8.6	--	11.2	--	11.7	Aug-12
Over/Under			-2.3		-2.0		-2.0		-3.7		-4.8		--		-7.7	
Timber Composite	95,452,913	0.8	1.8	--	2.3	--	7.9	--	4.0	--	6.9	--	--	--	4.0	Mar-09
NCREIF Timberland Index			1.0	--	2.0	--	3.4	--	3.3	--	5.0	--	3.8	--	3.9	Mar-09
Over/Under			0.8		0.3		4.5		0.7		1.9		--		0.1	

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

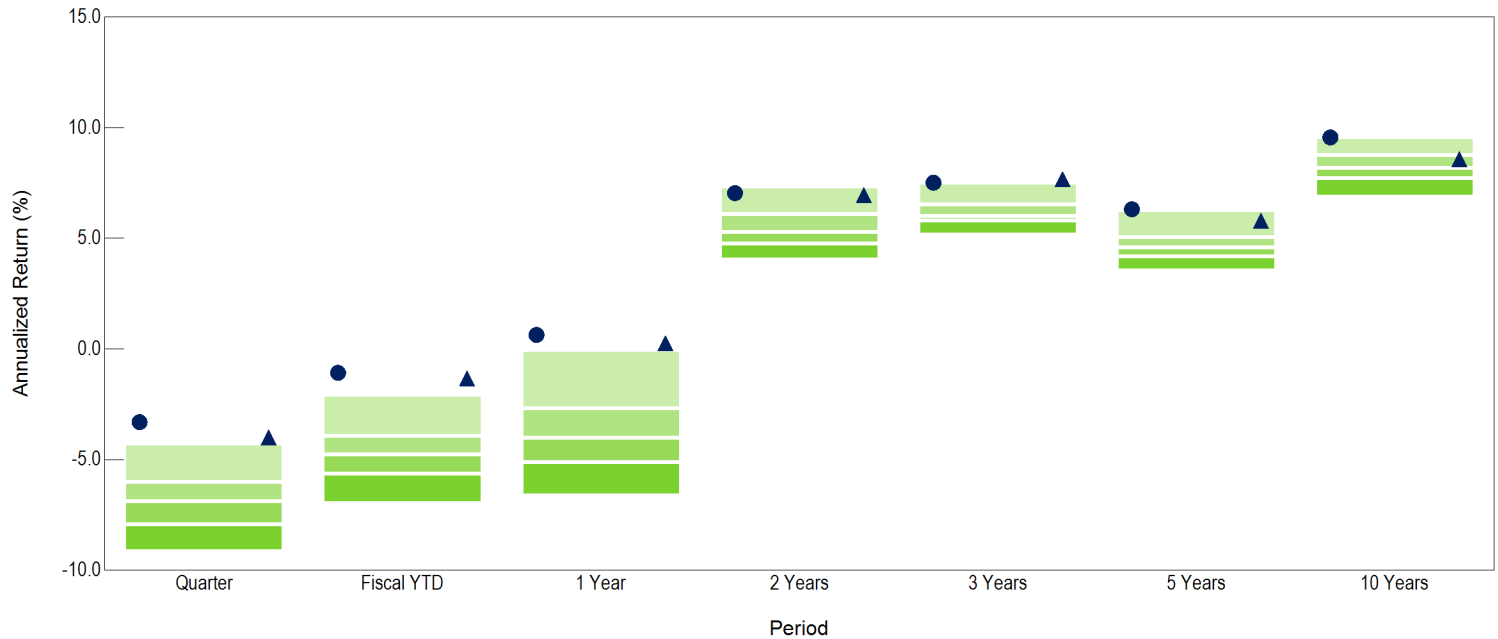
	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Mitigation Banking	54,498,504	0.4	0.9	--	3.4	--	1.9	--	10.0	--	11.2	--	--	--	1.3	Mar-11
CPI + 4% (Seasonally Adjusted)			1.3	--	2.7	--	6.0	--	6.1	--	5.5	--	5.9	--	5.7	Mar-11
Over/Under			-0.4		0.7		-4.1		3.9		5.7				-4.4	
Water Property Investor, L.P.	48,049,941	0.4	-0.6	--	-0.2	--	0.5	--	0.2	--	--	--	--	--	3.2	Jan-15
CPI + 4% (Seasonally Adjusted)			1.3	--	2.7	--	6.0	--	6.1	--	5.5	--	5.9	--	5.8	Jan-15
Over/Under			-1.9		-2.9		-5.5		-5.9						-2.6	
Cash	191,902,429	1.5														
Cash	189,511,278	1.5	0.6	--	1.1	--	2.0	--	1.6	--	1.1	--	0.9	--	1.1	Dec-99
91 Day T-Bills			0.6	--	1.1	--	1.9	--	1.1	--	0.6	--	0.4	--	1.6	Dec-99
Over/Under			0.0		0.0		0.1		0.5		0.5		0.5		-0.5	
NM ERB Cash	2,287,909	0.0	0.5	--	0.3	--	0.3	--	0.1	--	0.1	--	0.5	--	0.9	Jun-00
91 Day T-Bills			0.6	--	1.1	--	1.9	--	1.1	--	0.6	--	0.4	--	1.5	Jun-00
Over/Under			-0.1		-0.8		-1.6		-1.0		-0.5		0.1		-0.6	
Local Government Investment Pool (LGIP) at STO	103,242	0.0	0.5	--	1.0	--	1.7	--	0.8	--	--	--	--	--	0.7	Jul-15
91 Day T-Bills			0.6	--	1.1	--	1.9	--	1.1	--	0.6	--	0.4	--	0.9	Jul-15
Over/Under			-0.1		-0.1		-0.2		-0.3						-0.2	

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



TOTAL FUND RETURN SUMMARY VS. PEER UNIVERSE

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



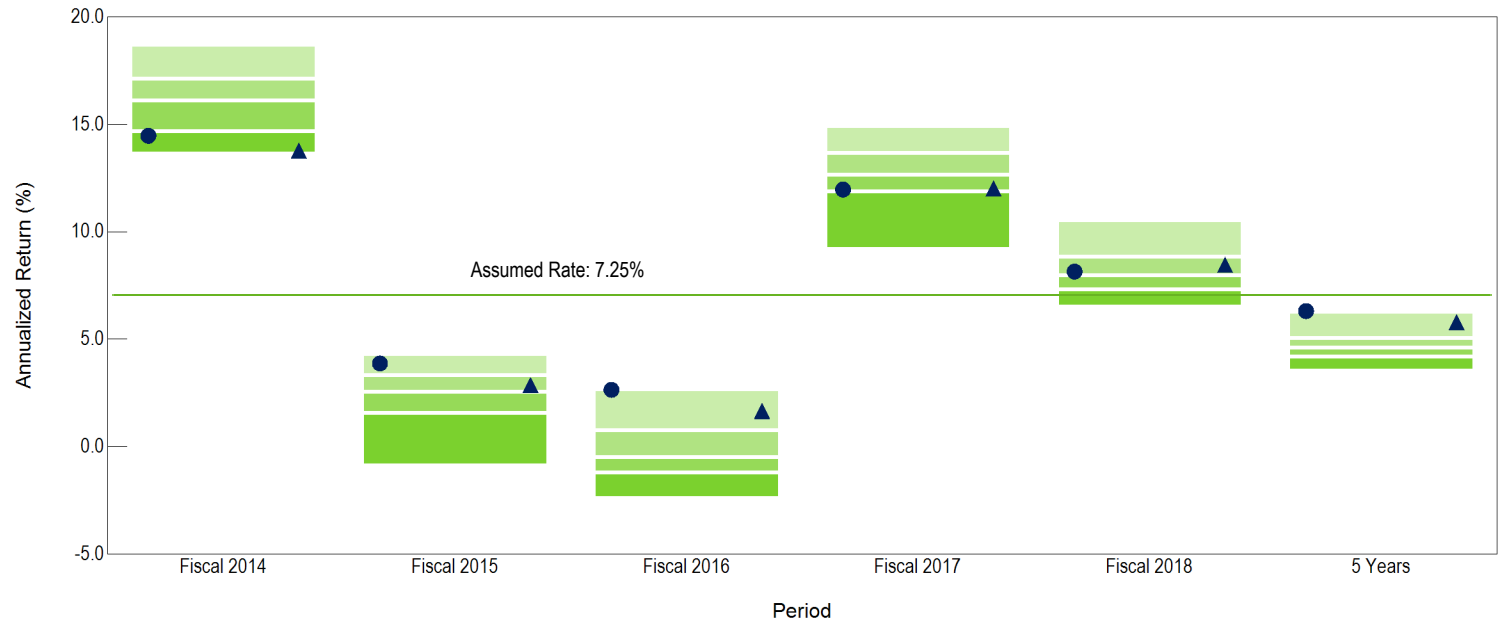
	Return (Rank)													
5th Percentile	-4.3	-2.1	-0.1	7.3	7.5	6.3	9.6							
25th Percentile	-6.0	-3.9	-2.7	6.1	6.6	5.1	8.8							
Median	-6.9	-4.7	-4.0	5.3	6.0	4.6	8.2							
75th Percentile	-7.9	-5.6	-5.1	4.8	5.8	4.2	7.7							
95th Percentile	-9.1	-6.9	-6.6	4.1	5.2	3.6	6.9							
# of Portfolios	64	63	63	63	63	62	59							
● Total Fund	-3.3	(1)	-1.1	(1)	0.6	(4)	7.0	(7)	7.5	(5)	6.3	(2)	9.6	(6)
▲ Policy Index	-4.0	(4)	-1.3	(1)	0.3	(5)	7.0	(8)	7.7	(2)	5.8	(8)	8.6	(31)

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	6.3						
25th Percentile	17.2	3.3	0.8	13.7	8.8	5.1						
Median	16.1	2.6	-0.5	12.7	8.0	4.6						
75th Percentile	14.7	1.6	-1.2	11.9	7.3	4.2						
95th Percentile	13.6	-0.9	-2.4	9.2	6.5	3.6						
# of Portfolios	43	53	55	65	51	62						
● Total Fund	14.5	(79)	3.9	(16)	2.6	(6)	12.0	(71)	8.1	(46)	6.3	(2)
▲ Policy Index	13.8	(91)	2.9	(47)	1.7	(9)	12.0	(68)	8.5	(33)	5.8	(8)

Note: Ranks are based on net returns.



New Mexico Educational Retirement Board

TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Summary						
3 Months Ending December 31, 2018						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Large Cap Equity Composite	-13.5%	-13.5%	0.0%	0.0%	0.0%	0.0%
U.S. Small/Mid Cap Equity Composite	-17.0%	-18.5%	1.5%	0.1%	0.0%	0.0%
Non-U.S. Developed Mkts Equity Composite	-13.1%	-12.5%	-0.6%	0.0%	0.0%	0.0%
Non-U.S. Emerging Mkts Equity Composite	-5.5%	-7.5%	2.0%	0.2%	0.0%	0.2%
Core Fixed Income Composite	0.7%	1.6%	-0.9%	-0.1%	0.0%	0.0%
Non-U.S. Emerging Market Debt Composite	-0.6%	0.4%	-1.0%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	-1.7%	-3.5%	1.8%	0.3%	0.0%	0.3%
Absolute Return Composite	0.0%	1.0%	-1.1%	0.0%	0.0%	0.0%
Global Asset Allocation/Risk Parity Composite	-1.0%	1.2%	-2.1%	-0.2%	0.1%	-0.1%
Diversifying Assets	0.7%	1.2%	-0.5%	0.0%	-0.2%	-0.2%
Public Real Estate Composite	-6.3%	-6.9%	0.6%	0.0%	0.0%	0.0%
Private Real Estate Composite	2.0%	1.4%	0.7%	0.0%	0.0%	0.0%
Private Equity Composite	4.8%	4.1%	0.7%	0.1%	0.1%	0.1%
Real Assets Composite	4.1%	1.3%	2.8%	0.2%	0.0%	0.2%
Cash	0.6%	0.5%	0.0%	0.0%	0.0%	0.0%
Total	-3.3%	-4.0%	0.6%	0.5%	0.1%	0.6%

Attribution Summary						
FYTD Ending December 31, 2018						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Large Cap Equity Composite	-6.9%	-6.9%	0.0%	0.0%	0.0%	0.0%
U.S. Small/Mid Cap Equity Composite	-13.8%	-14.7%	0.8%	0.0%	0.0%	0.0%
Non-U.S. Developed Mkts Equity Composite	-11.5%	-11.4%	-0.2%	0.0%	0.0%	0.0%
Non-U.S. Emerging Mkts Equity Composite	-8.7%	-8.5%	-0.2%	0.0%	0.0%	0.0%
Core Fixed Income Composite	1.4%	1.7%	-0.2%	0.0%	0.0%	0.0%
Non-U.S. Emerging Market Debt Composite	-0.8%	0.7%	-1.5%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	-0.1%	-1.4%	1.3%	0.2%	0.0%	0.2%
Absolute Return Composite	-0.3%	2.0%	-2.3%	0.0%	0.0%	0.0%
Global Asset Allocation/Risk Parity Composite	-2.2%	2.3%	-4.5%	-0.4%	0.1%	-0.3%
Diversifying Assets	6.1%	2.3%	3.8%	0.0%	-0.1%	-0.1%
Public Real Estate Composite	-6.9%	-6.3%	-0.7%	0.0%	0.0%	0.0%
Private Real Estate Composite	6.7%	3.1%	3.7%	0.2%	0.0%	0.2%
Private Equity Composite	8.7%	10.1%	-1.4%	-0.2%	0.1%	-0.1%
Real Assets Composite	7.0%	2.7%	4.2%	0.3%	0.0%	0.3%
Cash	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%
Total	-1.1%	-1.2%	0.1%	0.0%	0.2%	0.1%



New Mexico Educational Retirement Board

TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Summary						
1 Year Ending December 31, 2018						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Large Cap Equity Composite	-4.6%	-4.4%	-0.2%	0.0%	0.0%	0.0%
U.S. Small/Mid Cap Equity Composite	-10.7%	-10.0%	-0.7%	0.0%	0.0%	0.0%
Non-U.S. Developed Mkts Equity Composite	-14.1%	-13.8%	-0.3%	0.0%	0.0%	0.0%
Non-U.S. Emerging Mkts Equity Composite	-15.7%	-14.6%	-1.1%	-0.2%	-0.1%	-0.2%
Core Fixed Income Composite	-0.6%	0.0%	-0.6%	0.0%	0.0%	-0.1%
Non-U.S. Emerging Market Debt Composite	-5.6%	-5.2%	-0.4%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	3.7%	-0.4%	4.1%	0.7%	0.0%	0.7%
Absolute Return Composite	-0.5%	3.8%	-4.3%	0.0%	0.0%	0.0%
Global Asset Allocation/Risk Parity Composite	-2.4%	4.4%	-6.8%	-0.7%	0.1%	-0.6%
Diversifying Assets	11.9%	4.4%	7.5%	0.0%	-0.1%	-0.1%
Public Real Estate Composite	-6.2%	-4.8%	-1.4%	0.0%	0.0%	0.0%
Private Real Estate Composite	15.6%	6.7%	8.9%	0.4%	0.0%	0.4%
Private Equity Composite	15.8%	18.9%	-3.1%	-0.4%	0.1%	-0.4%
Real Assets Composite	14.1%	6.0%	8.1%	0.5%	0.0%	0.5%
Cash	1.8%	1.9%	-0.1%	0.0%	0.0%	0.0%
Total	0.6%	0.3%	0.2%	0.3%	0.0%	0.2%

Attribution Summary						
3 Years Ending December 31, 2018						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Large Cap Equity Composite	9.2%	9.3%	-0.1%	0.0%	0.0%	0.0%
U.S. Small/Mid Cap Equity Composite	6.1%	7.3%	-1.2%	0.0%	0.0%	0.0%
Non-U.S. Developed Mkts Equity Composite	2.1%	2.9%	-0.8%	0.0%	0.0%	0.0%
Non-U.S. Emerging Mkts Equity Composite	5.9%	9.2%	-3.3%	-0.3%	0.0%	-0.4%
Core Fixed Income Composite	2.4%	2.1%	0.4%	0.0%	-0.1%	-0.1%
Non-U.S. Emerging Market Debt Composite	5.4%	5.7%	-0.3%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	6.4%	5.7%	0.7%	0.1%	0.0%	0.1%
Absolute Return Composite	0.1%	3.0%	-2.9%	0.0%	0.0%	0.0%
Global Asset Allocation/Risk Parity Composite	5.5%	6.2%	-0.7%	-0.1%	0.0%	0.0%
Diversifying Assets	--	--	--	0.0%	0.0%	0.0%
Public Real Estate Composite	1.7%	2.1%	-0.4%	0.0%	0.0%	0.0%
Private Real Estate Composite	13.6%	7.2%	6.4%	0.3%	0.0%	0.3%
Private Equity Composite	13.3%	14.8%	-1.5%	-0.2%	0.0%	-0.2%
Real Assets Composite	10.7%	6.1%	4.6%	0.3%	0.1%	0.4%
Cash	1.3%	1.0%	0.3%	0.0%	-0.1%	-0.1%
Total	7.5%	7.7%	-0.2%	0.0%	-0.1%	-0.2%



New Mexico Educational Retirement Board

TOTAL FUND ATTRIBUTION ANALYSIS

Attribution Summary						
5 Years Ending December 31, 2018						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Large Cap Equity Composite	8.4%	8.5%	-0.1%	0.0%	0.0%	0.0%
U.S. Small/Mid Cap Equity Composite	5.2%	5.1%	0.0%	0.0%	0.0%	0.0%
Non-U.S. Developed Mkts Equity Composite	0.2%	0.5%	-0.4%	0.0%	0.0%	0.0%
Non-U.S. Emerging Mkts Equity Composite	1.1%	1.6%	-0.5%	-0.1%	0.0%	-0.1%
Core Fixed Income Composite	2.8%	2.5%	0.3%	0.0%	-0.1%	0.0%
Non-U.S. Emerging Market Debt Composite	1.2%	-1.1%	2.3%	0.0%	0.0%	0.1%
Opportunistic Credit Composite	6.0%	3.6%	2.3%	0.4%	0.0%	0.4%
Absolute Return Composite	1.7%	2.6%	-0.9%	0.0%	0.0%	0.0%
Global Asset Allocation/Risk Parity Composite	3.2%	3.9%	-0.6%	-0.1%	0.0%	0.0%
Diversifying Assets	--	--	--	0.0%	0.0%	0.0%
Public Real Estate Composite	6.3%	7.9%	-1.5%	0.0%	0.0%	-0.1%
Private Real Estate Composite	13.9%	9.3%	4.5%	0.2%	0.0%	0.2%
Private Equity Composite	14.6%	13.6%	1.1%	0.0%	0.0%	0.0%
Real Assets Composite	8.3%	5.5%	2.7%	0.2%	0.0%	0.2%
Cash	0.9%	0.6%	0.3%	0.0%	0.0%	0.0%
Total	6.3%	5.8%	0.5%	0.7%	-0.2%	0.5%



APPENDIX

NEPC, LLC

CALENDAR YEAR INDEX PERFORMANCE

	2010	2011	2012	2013	2014	2015	2016	2017	Q1	Q2	Q3	Oct	Nov	Dec	Q4	YTD
US Large Cap	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-0.8%	3.4%	7.7%	-6.8%	2.0%	-9.0%	-13.5%	-4.4%
US Small/Mid Cap	26.7%	-2.5%	17.9%	36.8%	7.1%	-2.9%	17.6%	16.8%	-0.2%	5.7%	4.7%	-10.2%	1.9%	-11.0%	-18.5%	-10.0%
Int'l Developed Equity	7.8%	-12.1%	17.3%	22.8%	-4.9%	-0.8%	1.0%	25.0%	-1.5%	-1.2%	1.4%	-8.0%	-0.1%	-4.9%	-12.5%	-13.8%
Emerging Market Equity	18.9%	-18.4%	18.2%	-2.6%	-2.2%	-14.9%	11.2%	37.3%	1.4%	-8.0%	-1.1%	-8.7%	4.1%	-2.7%	-7.5%	-14.6%
US Aggregate	6.5%	7.8%	4.2%	-2.0%	6.0%	0.5%	2.6%	3.5%	-1.5%	-0.2%	0.0%	-0.8%	0.6%	1.8%	1.6%	0.0%
US High Yield	15.1%	5.0%	15.8%	7.4%	2.5%	-4.5%	17.1%	7.5%	-0.9%	1.0%	2.4%	-1.6%	-0.9%	-2.1%	-4.5%	-2.1%
US Long Treasuries	9.4%	29.9%	3.6%	-12.7%	25.1%	-1.2%	1.3%	8.5%	-3.3%	0.3%	-2.9%	-3.0%	1.9%	5.5%	4.2%	-1.8%
EM Local Credit	15.7%	-1.8%	16.8%	-9.0%	-5.7%	-14.9%	9.9%	15.2%	4.4%	-10.4%	-1.8%	-2.0%	2.8%	1.3%	2.1%	-6.2%
Global Credit	-5.3%	-5.3%	-4.1%	2.7%	-0.6%	3.3%	2.1%	7.4%	1.4%	-2.8%	-0.9%	-1.1%	0.3%	2.0%	1.2%	-1.2%
Commodities	16.8%	-13.3%	-1.1%	-9.5%	-17.0%	-24.7%	11.8%	1.7%	-0.4%	0.4%	-2.0%	-2.2%	-0.6%	-6.9%	-9.4%	-11.2%

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

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



CALENDAR YEAR INDEX PERFORMANCE

	2009	2010	2011	2012	2013	2014	2015	2016	2017	Q1	Q2	Q3	Oct	Nov	Dec	Q4	YTD
S&P 500	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-0.8%	3.4%	7.7%	-6.8%	2.0%	-9.0%	-13.5%	-4.4%
Russell 1000	28.4%	16.1%	1.5%	16.4%	33.1%	13.2%	0.9%	12.1%	21.7%	-0.7%	3.6%	7.4%	-7.1%	2.0%	-9.1%	-13.8%	-4.8%
Russell 2000	27.2%	26.9%	-4.2%	16.3%	38.8%	4.9%	-4.4%	21.3%	14.6%	-0.1%	7.8%	3.6%	-10.9%	1.6%	-11.9%	-20.2%	-11.0%
Russell 2500	34.4%	26.7%	-2.5%	17.9%	36.8%	7.1%	-2.9%	17.6%	16.8%	-0.2%	5.7%	4.7%	-10.2%	1.9%	-11.0%	-18.5%	-10.0%
MSCI EAFE	31.8%	7.8%	-12.1%	17.3%	22.8%	-4.9%	-0.8%	1.0%	25.0%	-1.5%	-1.2%	1.4%	-8.0%	-0.1%	-4.9%	-12.5%	-13.8%
MSCI EM	78.5%	18.9%	-18.4%	18.2%	-2.6%	-2.2%	-14.9%	11.2%	37.3%	1.4%	-8.0%	-1.1%	-8.7%	4.1%	-2.7%	-7.5%	-14.6%
MSCI ACWI	34.6%	12.7%	-7.3%	16.1%	22.8%	4.2%	-2.4%	7.9%	24.0%	-1.0%	0.5%	4.3%	-7.5%	1.5%	-7.0%	-12.8%	-9.4%
Private Equity*	13.7%	19.7%	7.9%	12.5%	20.6%	12.7%	9.6%	8.3%	19.9%	3.3%	4.8%	-	-	-	-	-	8.2%
BC TIPS	11.4%	6.3%	13.6%	7.0%	-8.6%	3.6%	-1.4%	4.7%	3.0%	-0.8%	0.8%	-0.8%	-1.4%	0.5%	0.5%	-0.4%	-1.3%
BC Municipal Bond	12.9%	2.4%	10.7%	6.8%	-2.6%	9.1%	3.3%	0.2%	5.4%	-1.1%	0.9%	-0.2%	-0.6%	1.1%	1.2%	1.7%	1.3%
BC Muni High Yield	32.7%	7.8%	9.2%	18.1%	-5.5%	13.8%	1.8%	3.0%	9.7%	0.6%	3.1%	0.8%	-1.3%	0.7%	0.9%	0.3%	4.8%
BC US Corp High Yield	58.2%	15.1%	5.0%	15.8%	7.4%	2.5%	-4.5%	17.1%	7.5%	-0.9%	1.0%	2.4%	-1.6%	-0.9%	-2.1%	-4.5%	-2.1%
BC US Aggregate	5.9%	6.5%	7.8%	4.2%	-2.0%	6.0%	0.5%	2.6%	3.5%	-1.5%	-0.2%	0.0%	-0.8%	0.6%	1.8%	1.6%	0.0%
BC Global Aggregate	2.6%	5.2%	6.4%	1.6%	-4.0%	-0.5%	-3.6%	1.6%	7.5%	1.4%	-2.8%	-0.9%	-1.1%	0.3%	2.0%	1.2%	-1.2%
BC Long Treasuries	-12.9%	9.4%	29.9%	3.6%	-12.7%	25.1%	-1.2%	1.3%	8.5%	-3.3%	0.3%	-2.9%	-3.0%	1.9%	5.5%	4.2%	-1.8%
BC US Long Credit	16.8%	10.7%	17.1%	12.7%	-6.6%	16.4%	-4.6%	10.2%	12.2%	-3.8%	-2.7%	1.3%	-3.6%	-0.4%	2.5%	-1.6%	-6.8%
BC US STRIPS 20+ Yr	-36.0%	10.9%	58.5%	3.0%	-21.0%	46.4%	-3.7%	1.4%	13.7%	-4.6%	0.9%	-4.7%	-5.3%	2.4%	7.8%	4.6%	-4.1%
JPM GBI-EM Glob Div	22.0%	15.7%	-1.8%	16.8%	-9.0%	-5.7%	-14.9%	9.9%	15.2%	4.4%	-10.4%	-1.8%	-2.0%	2.8%	1.3%	2.1%	-6.2%
JPM EMBI Glob Div	29.8%	12.2%	7.3%	17.4%	-5.3%	7.4%	1.2%	10.2%	10.1%	-1.7%	-3.5%	2.3%	-2.2%	-0.4%	1.4%	-1.3%	-4.3%
CS Leveraged Loan	44.9%	10.0%	1.8%	9.4%	6.2%	2.1%	-0.4%	9.9%	4.2%	1.6%	0.8%	1.9%	0.0%	-0.8%	-2.3%	-3.1%	1.1%
CS Hedge Fund	18.6%	10.9%	-2.5%	7.7%	9.7%	4.1%	-0.7%	1.2%	7.1%	0.5%	0.1%	0.6%	-2.6%	-0.6%	-	-	-2.0%
BBG Commodity	18.9%	16.8%	-13.3%	-1.1%	-9.5%	-17.0%	-24.7%	11.8%	1.7%	-0.4%	0.4%	-2.0%	-2.2%	-0.6%	-6.9%	-9.4%	-11.2%
Alerian MLP	76.4%	35.9%	13.9%	4.8%	27.6%	4.8%	-32.6%	18.3%	-6.5%	-11.1%	11.8%	6.6%	-8.0%	-0.8%	-9.4%	-17.3%	-12.4%
FTSE NAREIT Eq REITs	28.0%	28.0%	8.3%	18.1%	2.5%	30.1%	3.2%	8.5%	5.2%	-8.2%	10.0%	0.8%	-3.0%	4.7%	-8.2%	-6.7%	-4.6%

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



December 31, 2018

TRAILING ANNUAL INDEX PERFORMANCE

Equity							
	Dec-18	Q4	YTD	1 YR	3 YR	5 YR	10 YR
Global Equity	-7.0%	-12.8%	-9.4%	-9.4%	6.6%	4.3%	9.5%
US Large Cap	-9.0%	-13.5%	-4.4%	-4.4%	9.3%	8.5%	13.1%
US Small/Mid Cap	-11.0%	-18.5%	-10.0%	-10.0%	7.3%	5.1%	13.2%
Int'l Developed Equity	-4.9%	-12.5%	-13.8%	-13.8%	2.9%	0.5%	6.3%
Emerging Market Equity	-2.7%	-7.5%	-14.6%	-14.6%	9.2%	1.6%	8.0%

Rates/Credit							
	Dec-18	Q4	YTD	1 YR	3 YR	5 YR	10 YR
Global Aggregate	2.0%	1.2%	-1.2%	-1.2%	2.7%	1.1%	2.5%
US Aggregate	1.8%	1.6%	0.0%	0.0%	2.1%	2.5%	3.5%
US Credit	1.5%	-0.2%	-2.5%	-2.5%	3.3%	3.3%	5.9%
US High Yield	-2.1%	-4.5%	-2.1%	-2.1%	7.2%	3.8%	11.1%
EM Local Debt	1.3%	2.1%	-6.2%	-6.2%	5.9%	-1.0%	3.5%

Real Assets							
	Dec-18	Q4	YTD	1 YR	3 YR	5 YR	10 YR
Commodities	-6.9%	-9.4%	-11.2%	-11.2%	0.3%	-8.8%	-3.8%
MLPs	-9.4%	-17.3%	-12.4%	-12.4%	-1.1%	-7.3%	9.5%

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



TRAILING ANNUAL INDEX PERFORMANCE

Equity							
	Dec-18	Q4	YTD	1 YR	3 YR	5 YR	10 YR
MSCI ACWI	-7.0%	-12.8%	-9.4%	-9.4%	6.6%	4.3%	9.5%
S&P 500	-9.0%	-13.5%	-4.4%	-4.4%	9.3%	8.5%	13.1%
Russell 1000	-9.1%	-13.8%	-4.8%	-4.8%	9.1%	8.2%	13.3%
Russell 2000	-11.9%	-20.2%	-11.0%	-11.0%	7.3%	4.4%	12.0%
Russell 2500	-11.0%	-18.5%	-10.0%	-10.0%	7.3%	5.1%	13.2%
MSCI EAFE	-4.9%	-12.5%	-13.8%	-13.8%	2.9%	0.5%	6.3%
MSCI EM	-2.7%	-7.5%	-14.6%	-14.6%	9.2%	1.6%	8.0%

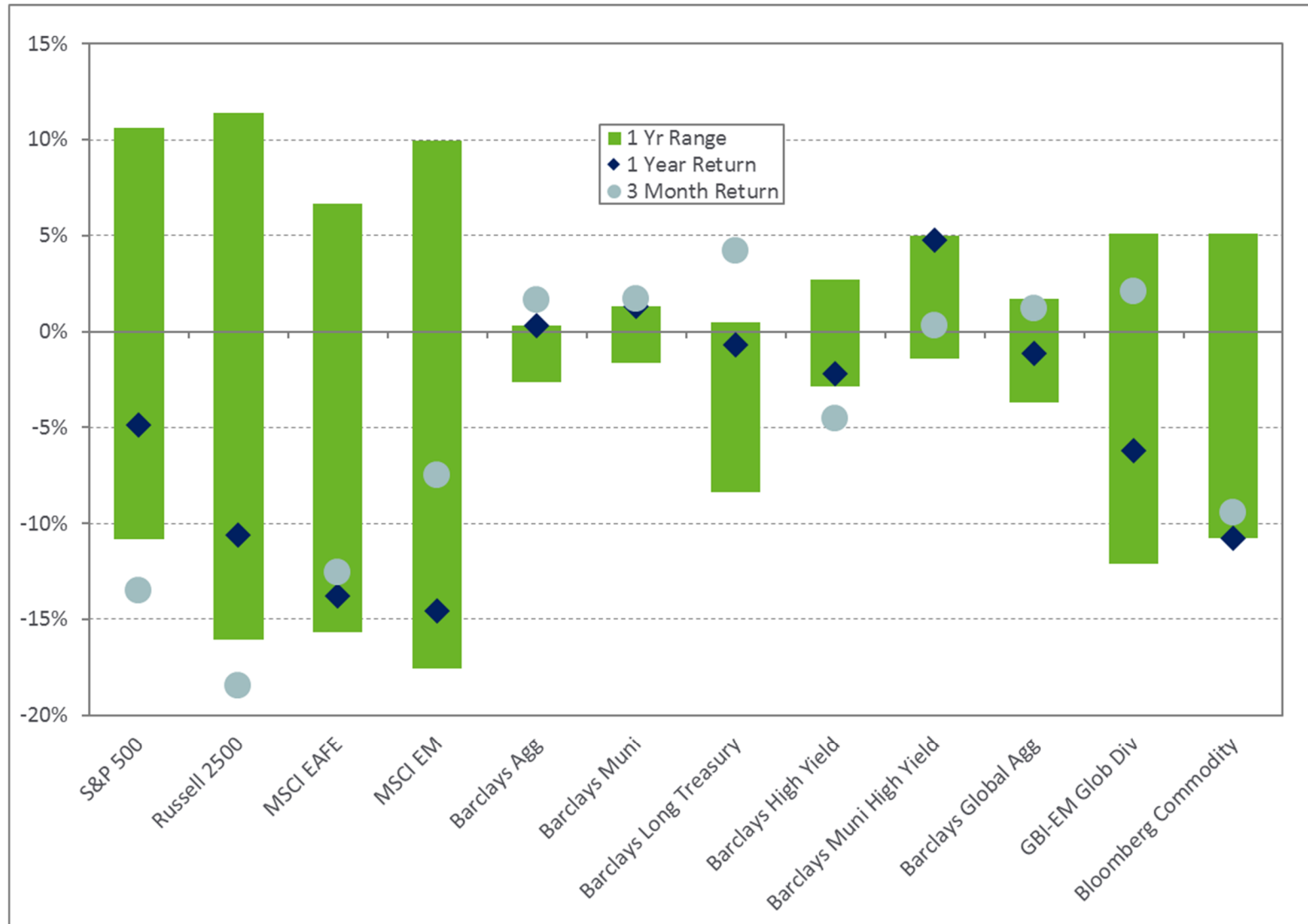
Credit							
	Dec-18	Q4	YTD	1 YR	3 YR	5 YR	10 YR
BC Global Agg	2.0%	1.2%	-1.2%	-1.2%	2.7%	1.1%	2.5%
BC US Agg	1.8%	1.6%	0.0%	0.0%	2.1%	2.5%	3.5%
BC Corp Credit	1.5%	-0.2%	-2.5%	-2.5%	3.3%	3.3%	5.9%
BC US HY	-2.1%	-4.5%	-2.1%	-2.1%	7.2%	3.8%	11.1%
BC Muni	1.2%	1.7%	1.3%	1.3%	2.3%	3.8%	4.9%
BC Muni HY	0.9%	0.3%	4.8%	4.8%	5.8%	6.5%	9.1%
BC TIPS	0.5%	-0.4%	-1.3%	-1.3%	2.1%	1.7%	3.6%
BC 20+ STRIPS	7.8%	4.6%	-4.1%	-4.1%	3.4%	9.3%	3.6%
BC Long Treasuries	5.5%	4.2%	-1.8%	-1.8%	2.6%	5.9%	4.1%
BC Long Credit	2.5%	-1.6%	-6.8%	-6.8%	4.9%	5.1%	7.4%
BC Govt/Credit 1-3 Yr	0.8%	1.2%	1.6%	1.6%	1.2%	1.0%	1.5%
CS Lev Loan	-2.3%	-3.1%	1.1%	1.1%	5.0%	3.3%	8.3%
JPM EMBI Glob Div	1.4%	-1.3%	-4.3%	-4.3%	5.2%	4.8%	8.2%
JPM GBI-EM Glob Div	1.3%	2.1%	-6.2%	-6.2%	5.9%	-1.0%	3.5%

Real Assets							
	Dec-18	Q4	YTD	1 YR	3 YR	5 YR	10 YR
BBG Commodity	-6.9%	-9.4%	-11.2%	-11.2%	0.3%	-8.8%	-3.8%
Alerian MLP	-9.4%	-17.3%	-12.4%	-12.4%	-1.1%	-7.3%	9.5%
FTSE NAREIT Equity REITs	-8.2%	-6.7%	-4.6%	-4.6%	2.9%	7.9%	12.1%

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



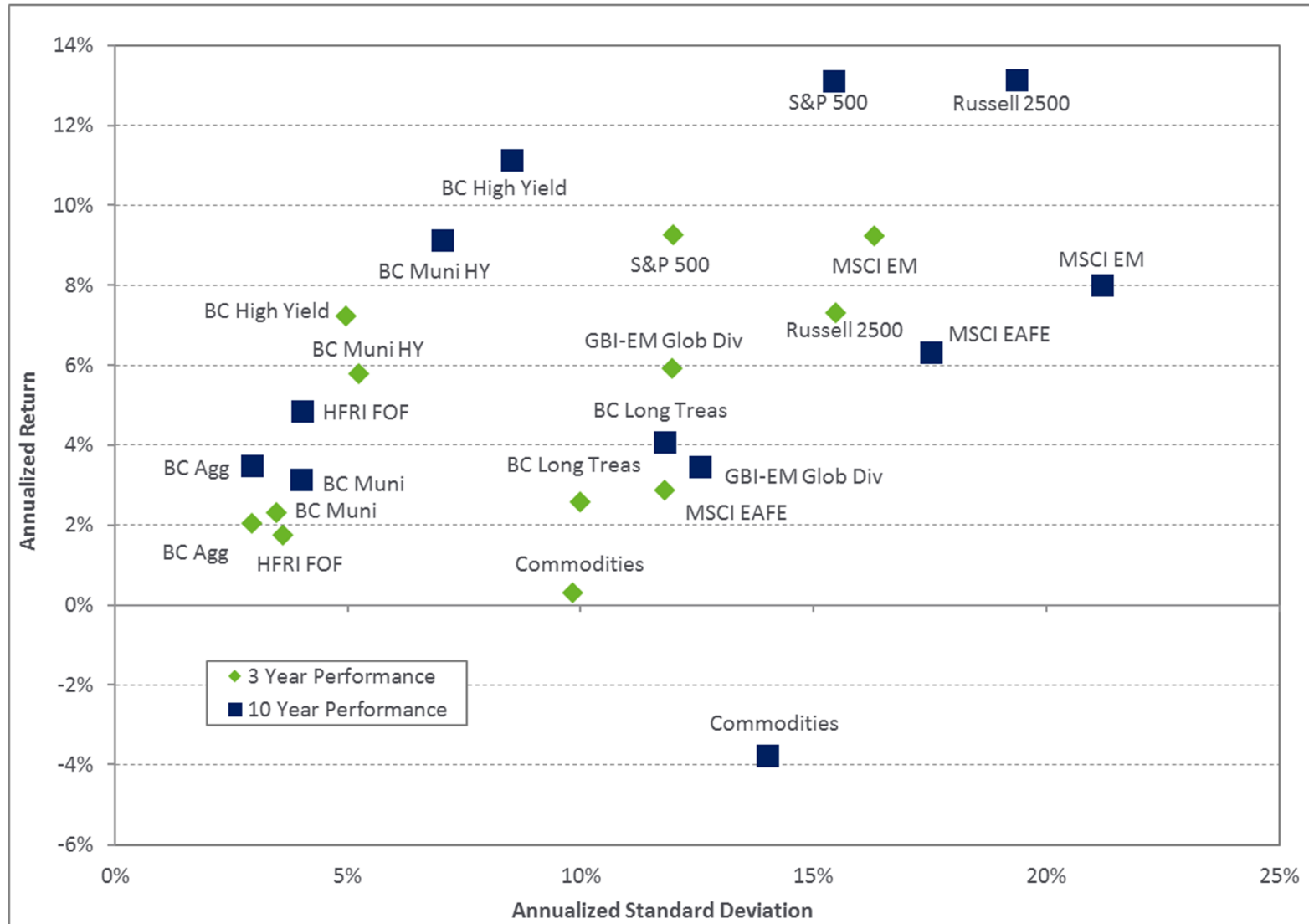
SHORT-TERM PERFORMANCE SUMMARY



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



LONG-TERM PERFORMANCE SUMMARY



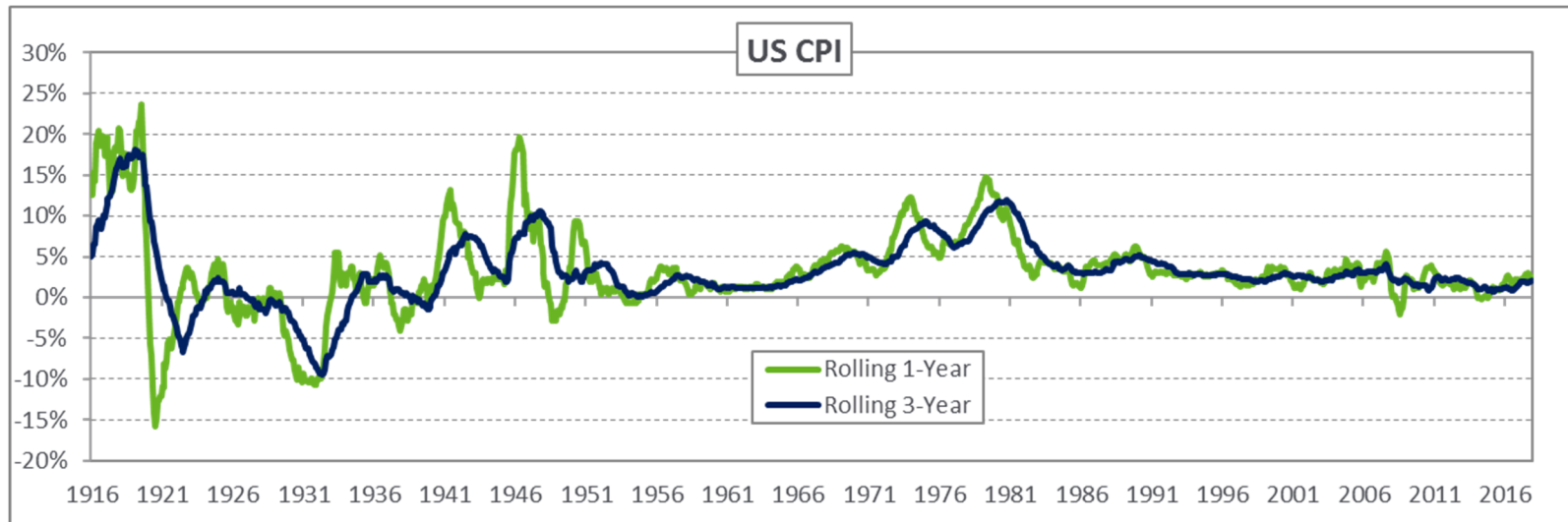
Source: Bloomberg, Standard and Poor's, Russell, MSCI, Barclays, JP Morgan



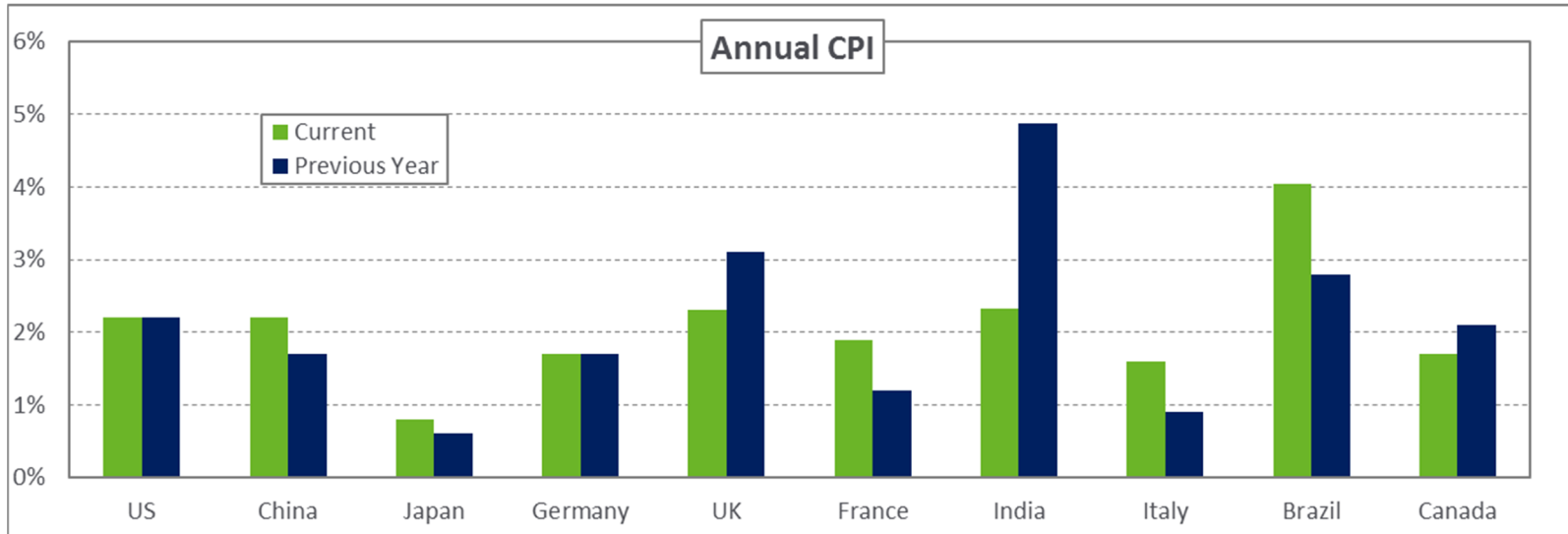
MACRO

NEPC, LLC

INFLATION



Source: Bureau of Labor Statistics, Bloomberg, NEPC



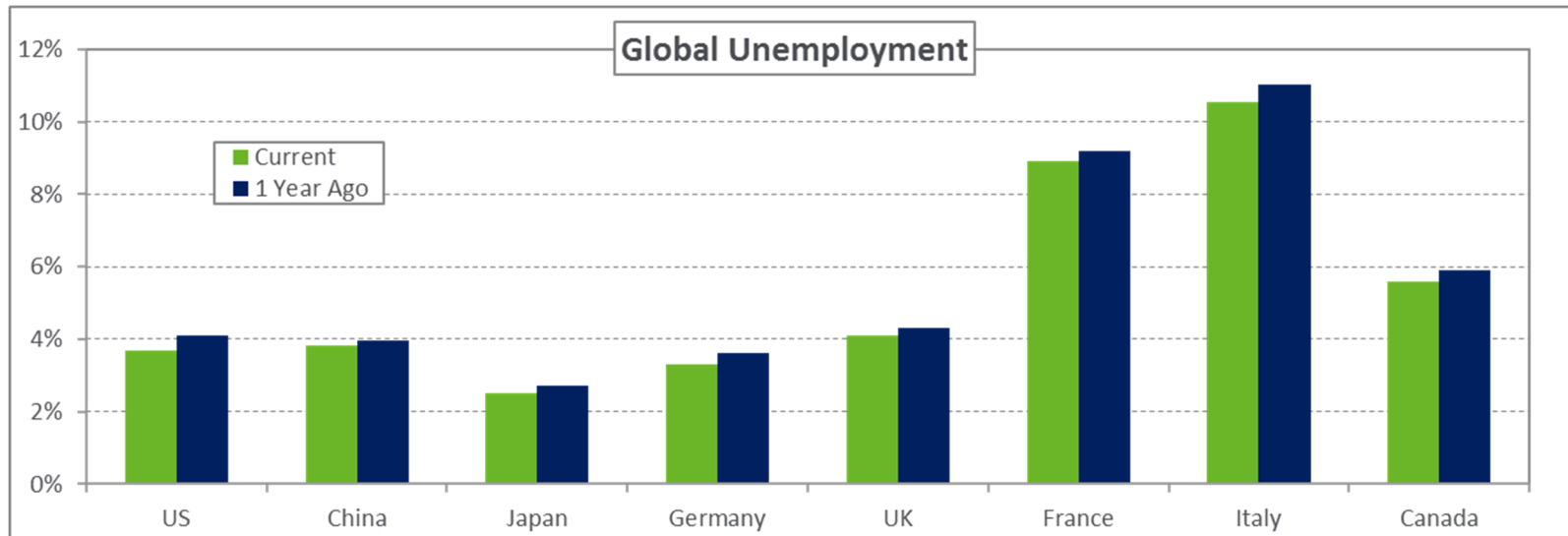
Source: Bureau of Labor Statistics, National Bureau of Statistics of China, Ministry of Internal Affairs and Communications (Japan), German Federal Statistics Office, UK Office for National Statistics, National Statistics Office of France, India Central Statistical Organization, ISTAT, IBGE, STCA, Bloomberg



UNEMPLOYMENT



Source: Bureau of Labor Statistics, Bloomberg



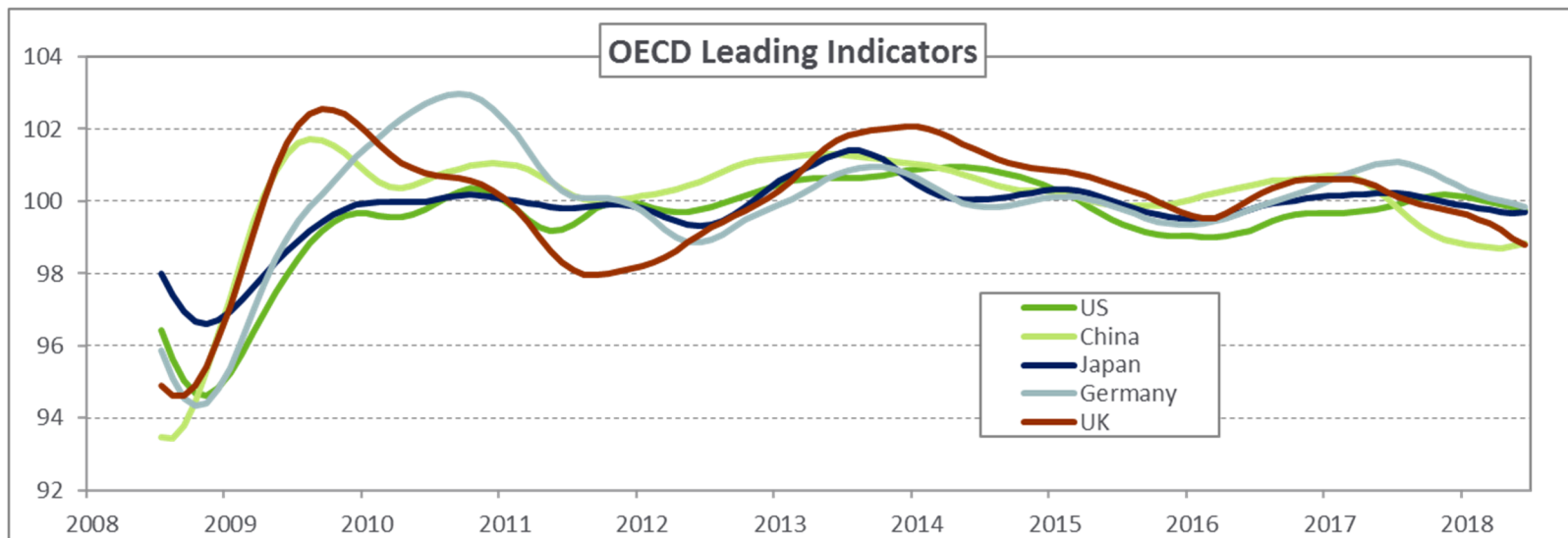
Source: Bureau of Labor Statistics, STA, National Bureau of Statistics of China, Ministry of Internal Affairs and Communications (Japan), German Federal Statistics Office, UK Office for National Statistics, National Statistics Office of France, ISTAT, IBGE, Bloomberg



ECONOMIC INDICATORS



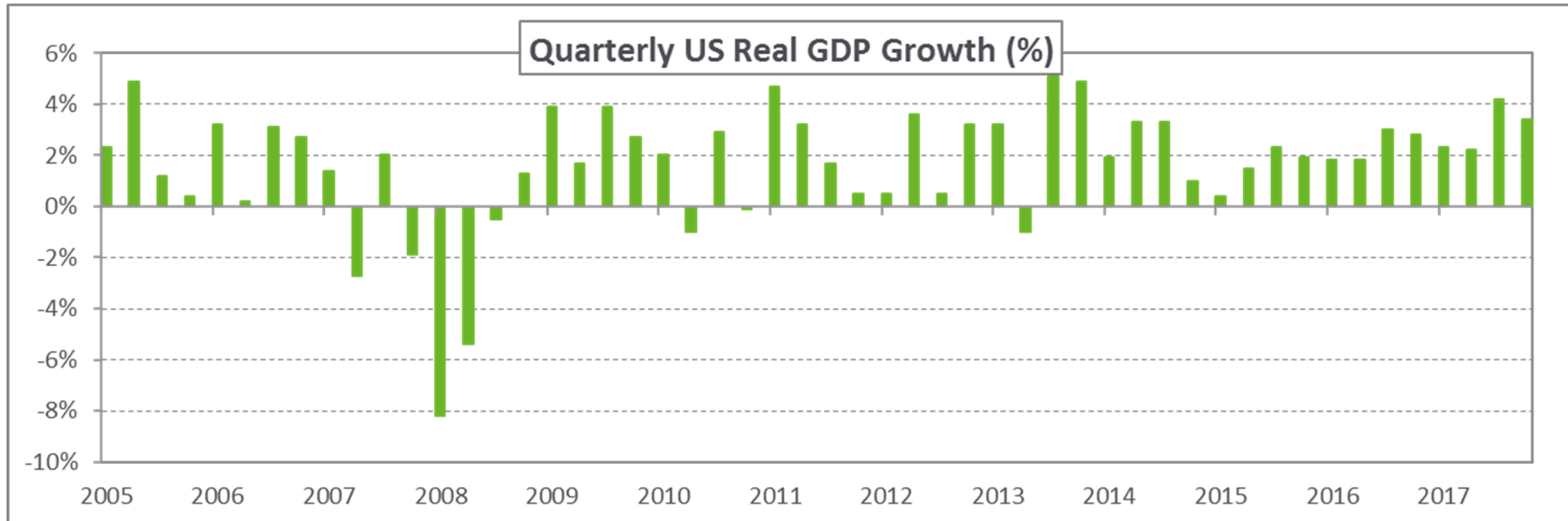
Source: IMF



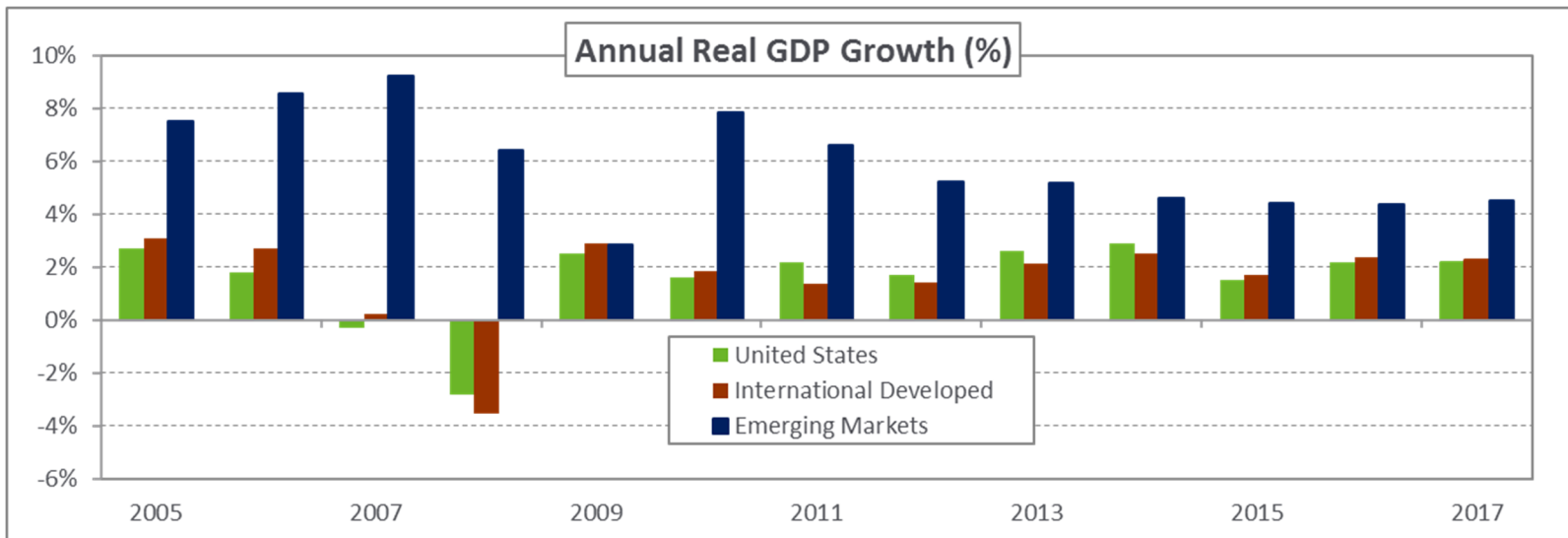
Source: OECD, Bloomberg



GROSS DOMESTIC PRODUCT



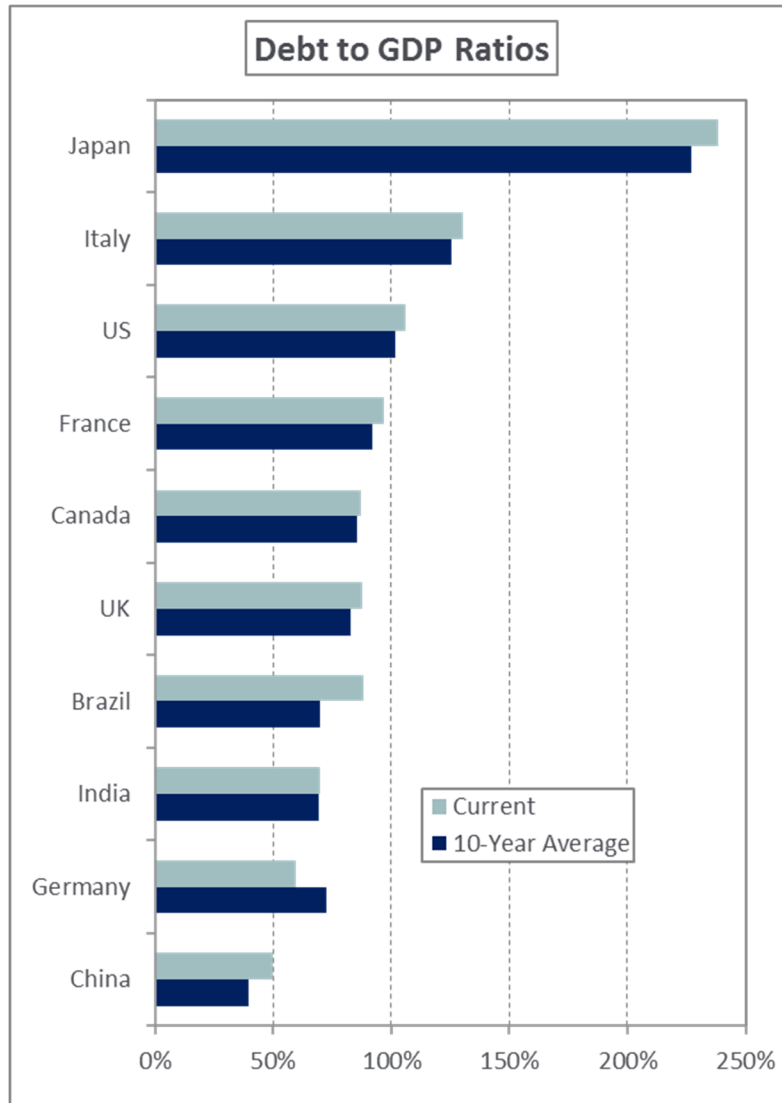
Source: Bloomberg



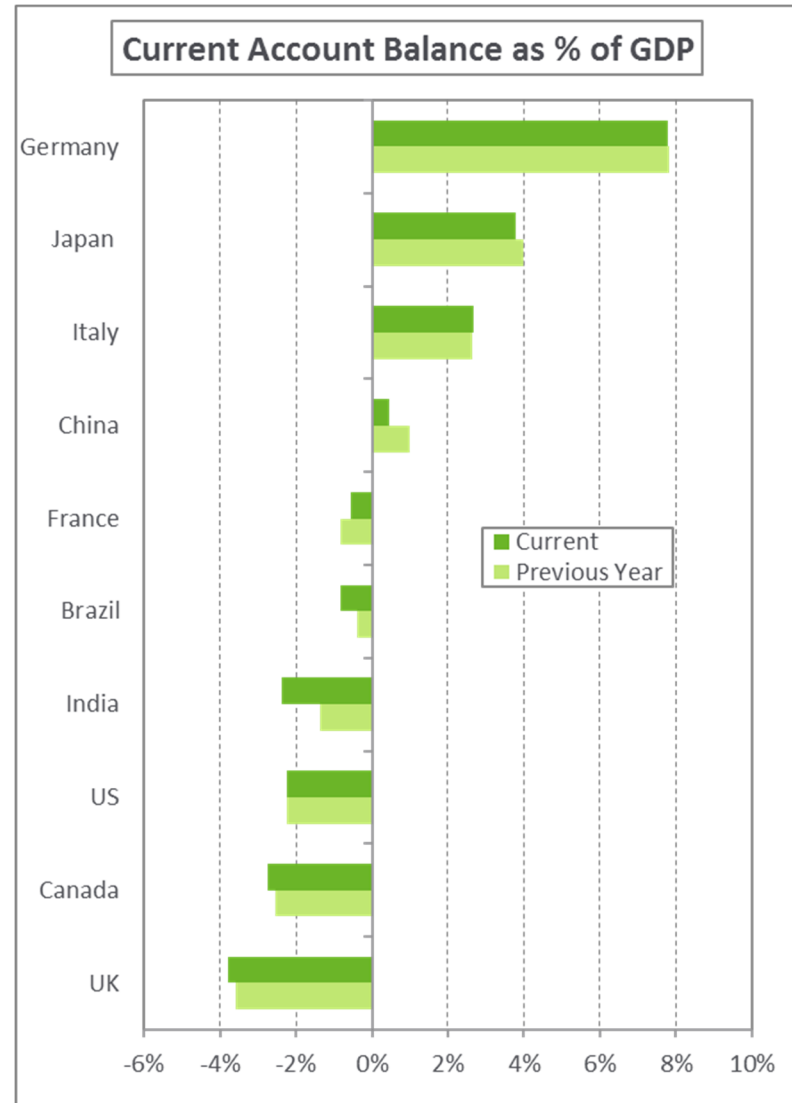
Source: Bloomberg



GROSS DOMESTIC PRODUCT METRICS



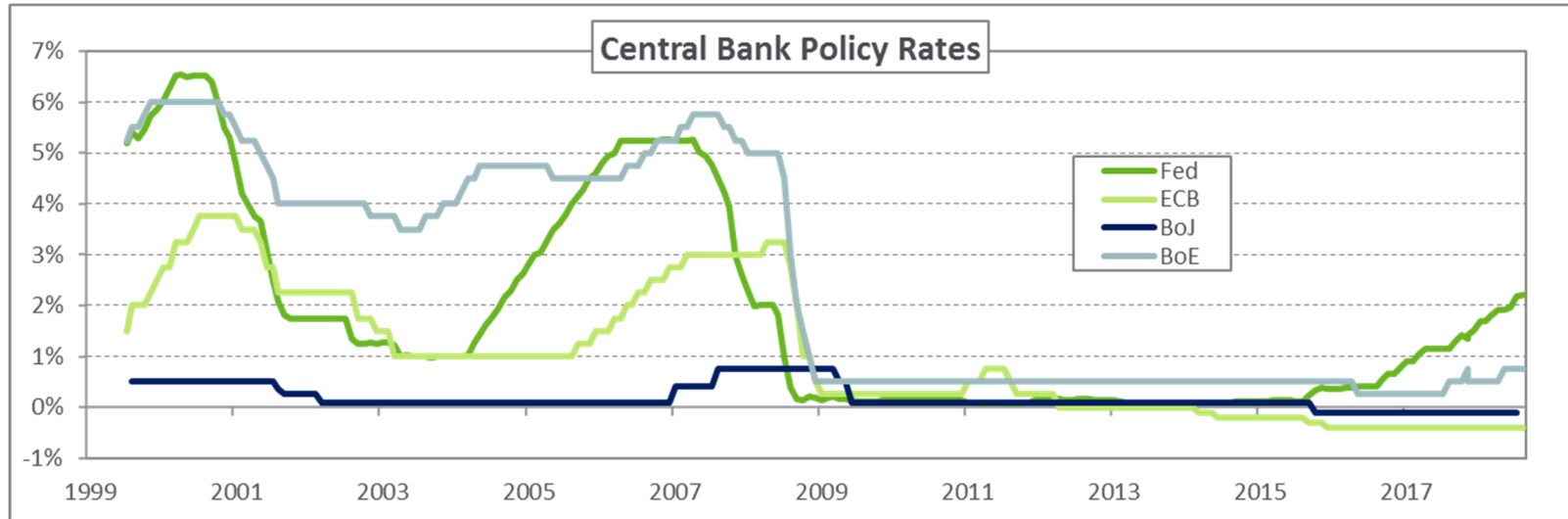
Source: IMF, Bloomberg



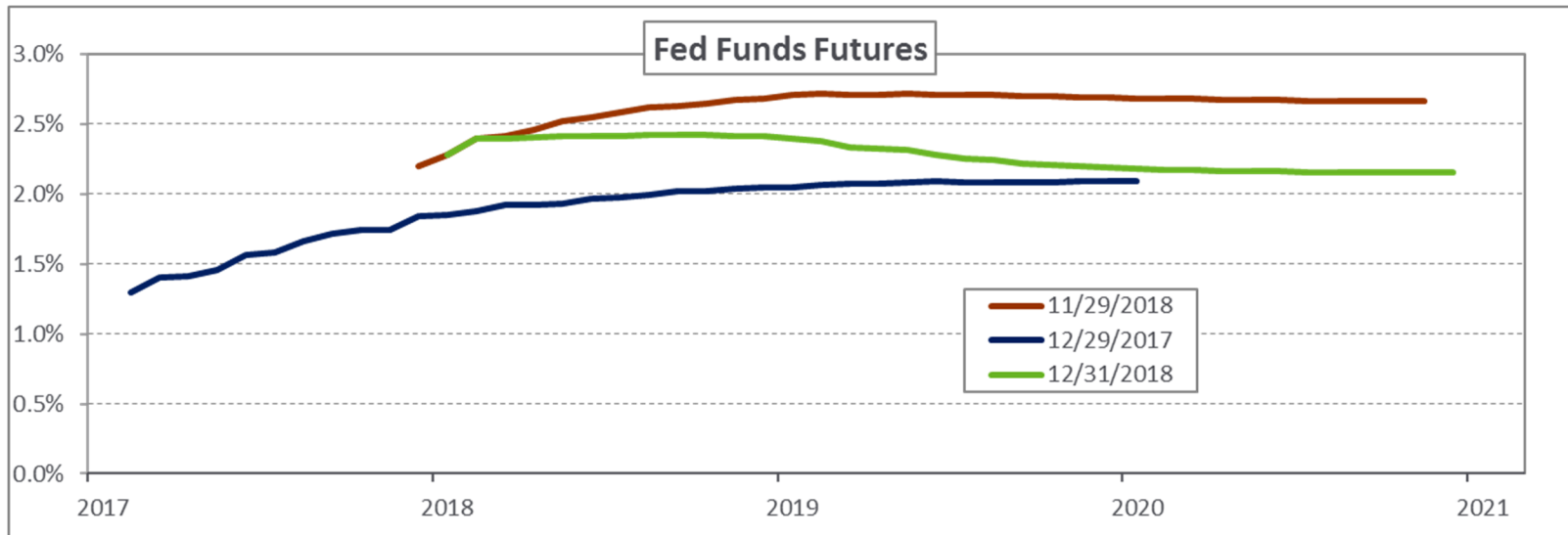
Source: Bloomberg



CENTRAL BANK RATES



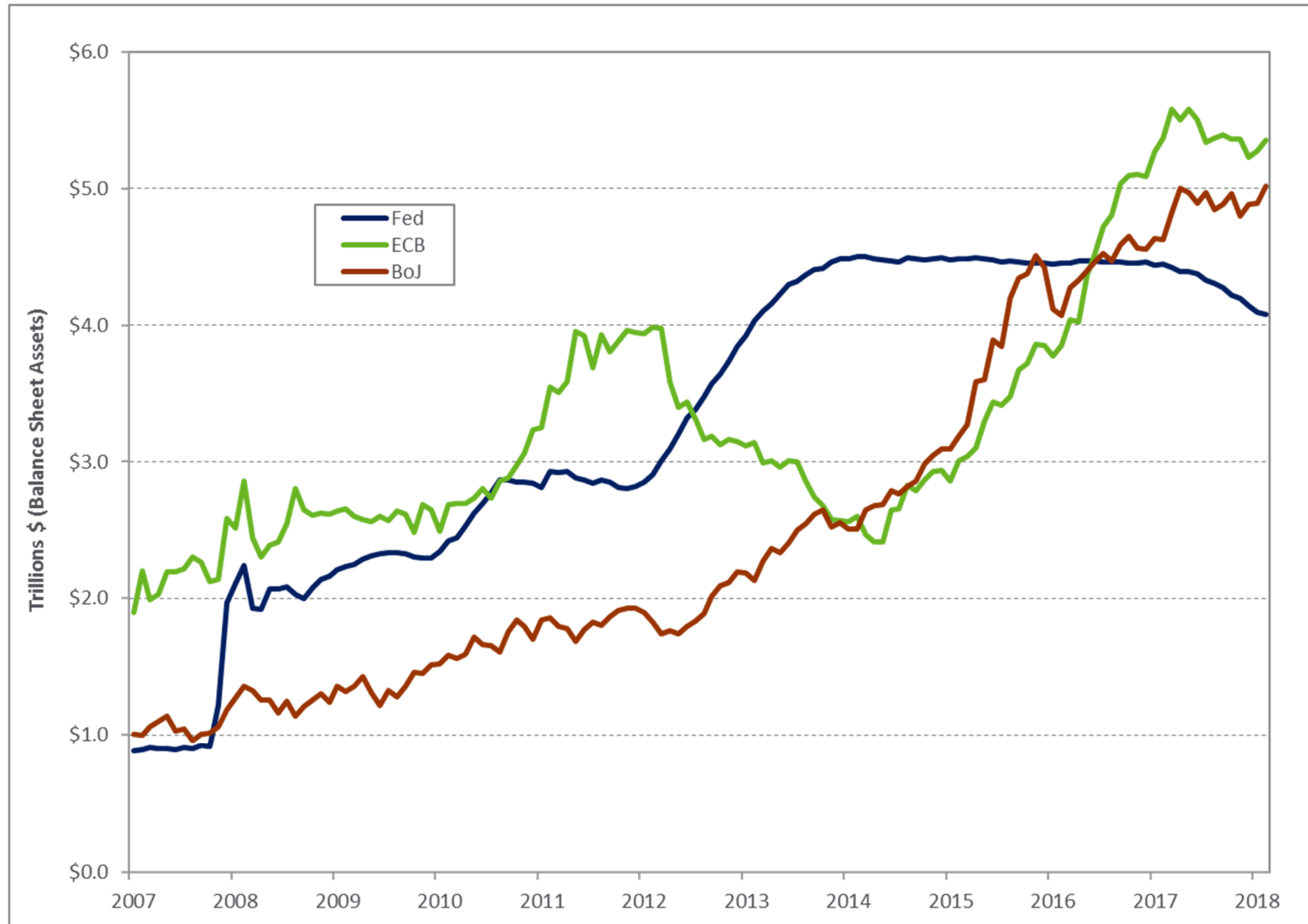
Source: Federal Reserve, ECB, Bank of Japan, Bank of England, Bloomberg



Source: Bloomberg



CENTRAL BANK BALANCE SHEETS



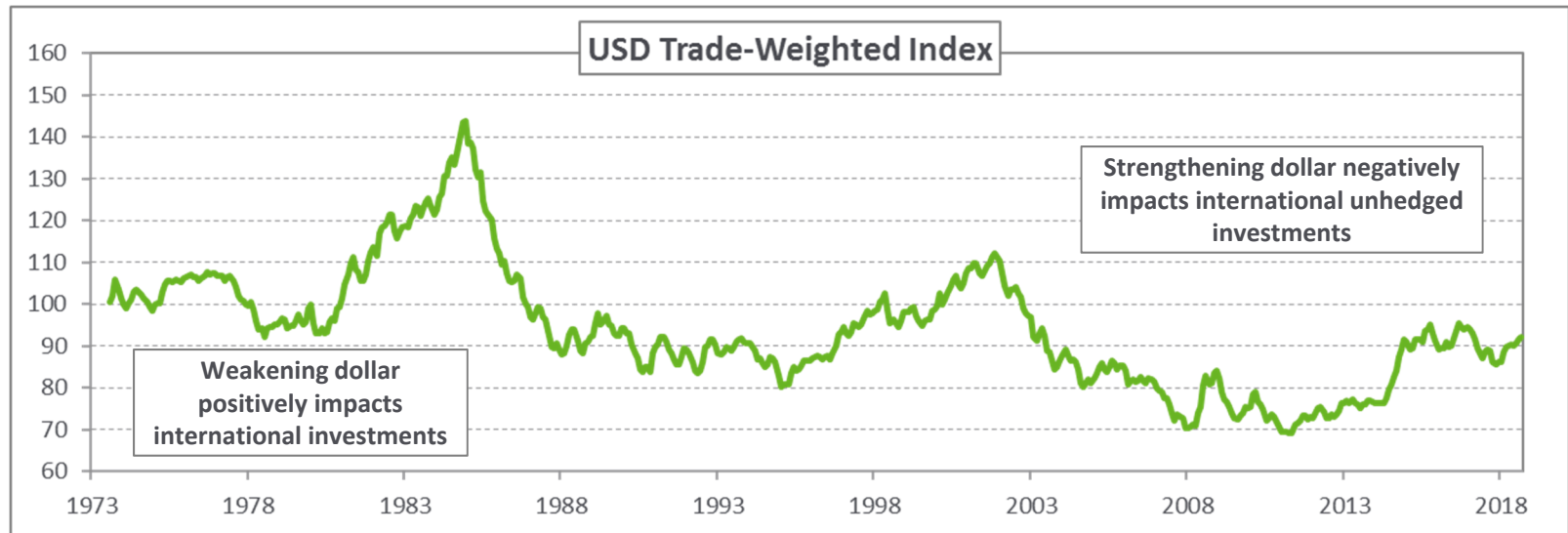
Source: Federal Reserve, Bank of Japan, ECB, Bloomberg, NEPC



CURRENCIES

Currencies	% Change Relative to USD			
	Spot	1 Month	YTD	1 Year
Euro	1.15	1.3%	-4.5%	-4.5%
British Pound	1.28	0.0%	-5.6%	-5.6%
Japanese Yen	109.69	3.5%	2.7%	2.7%
Swiss Franc	0.98	1.6%	-0.8%	-0.8%
Australian Dollar	0.70	-3.5%	-9.7%	-9.7%
Chinese Yuan	6.88	1.2%	-5.4%	-5.4%
Brazilian Real	3.87	-0.2%	-14.6%	-14.6%
Russian Ruble	69.72	-3.9%	-17.3%	-17.3%
Indian Rupee	69.77	-0.3%	-8.5%	-8.5%
Mexican Peso	19.65	3.6%	0.0%	0.0%
South African Rand	14.35	-3.3%	-13.7%	-13.7%

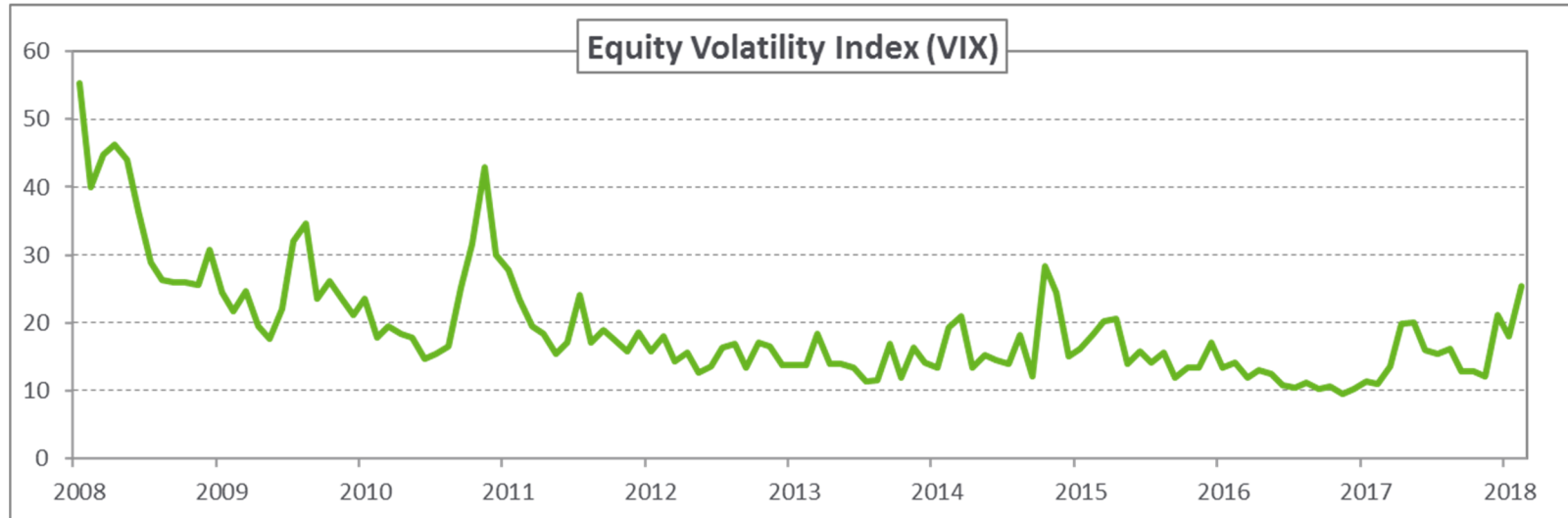
Source: Bloomberg



Source: Bloomberg



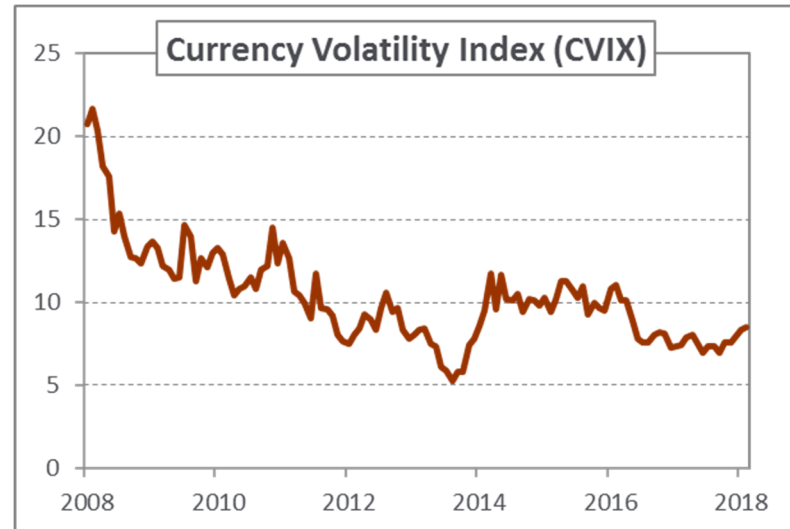
VOLATILITY



Source: CBOE, Bloomberg



Source: Merrill Lynch, Bloomberg



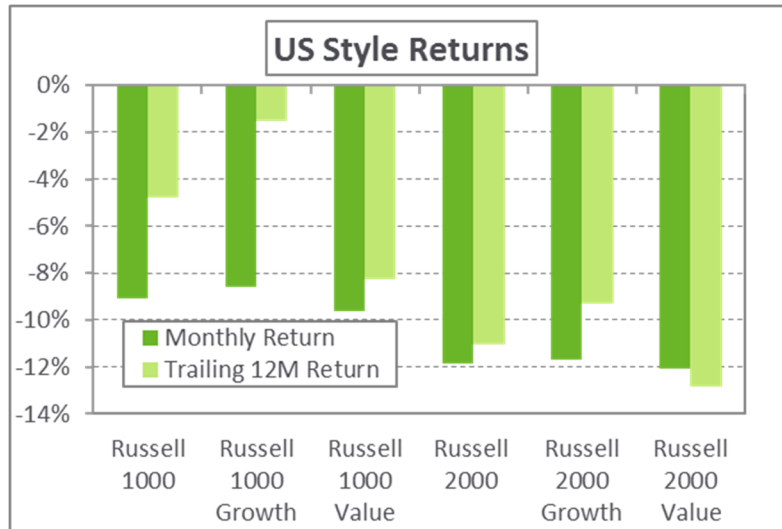
Source: Deutsche Bank, Bloomberg



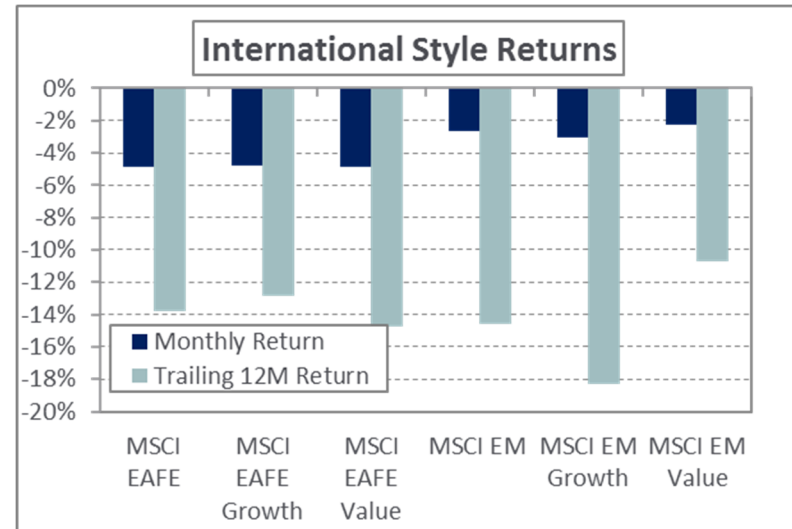
EQUITY

NEPC, LLC

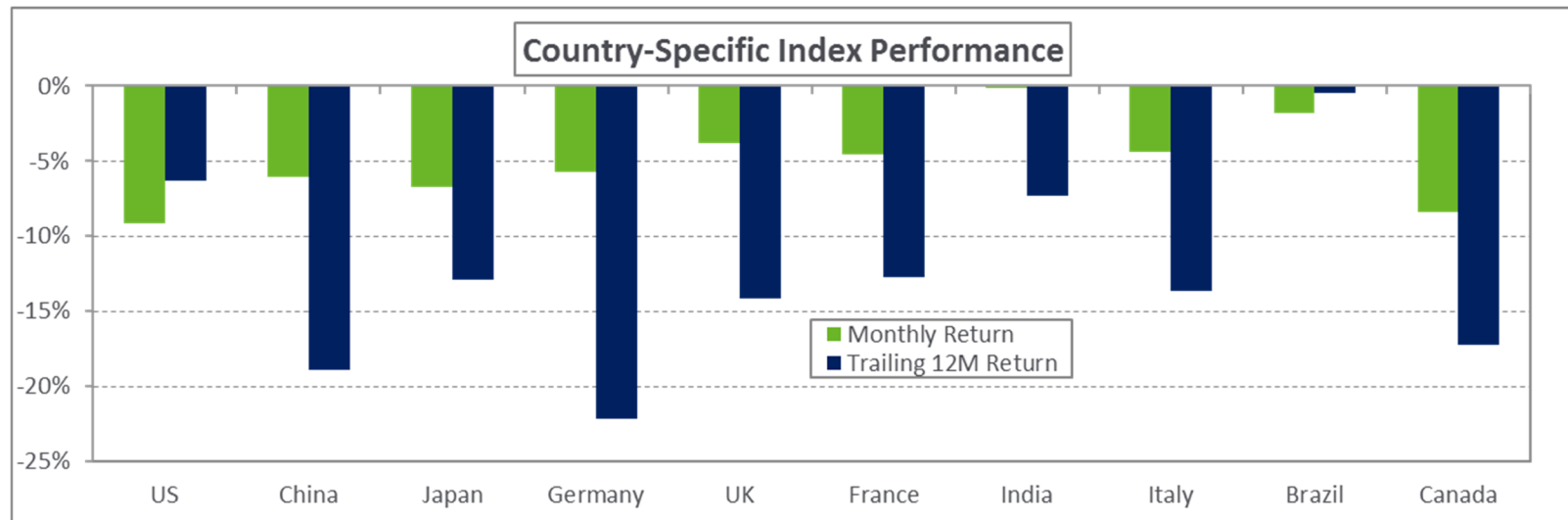
EQUITY INDEX PERFORMANCE



Source: Russell, Bloomberg



Source: MSCI, Bloomberg



Source: MSCI, Bloomberg
Represents returns in USD

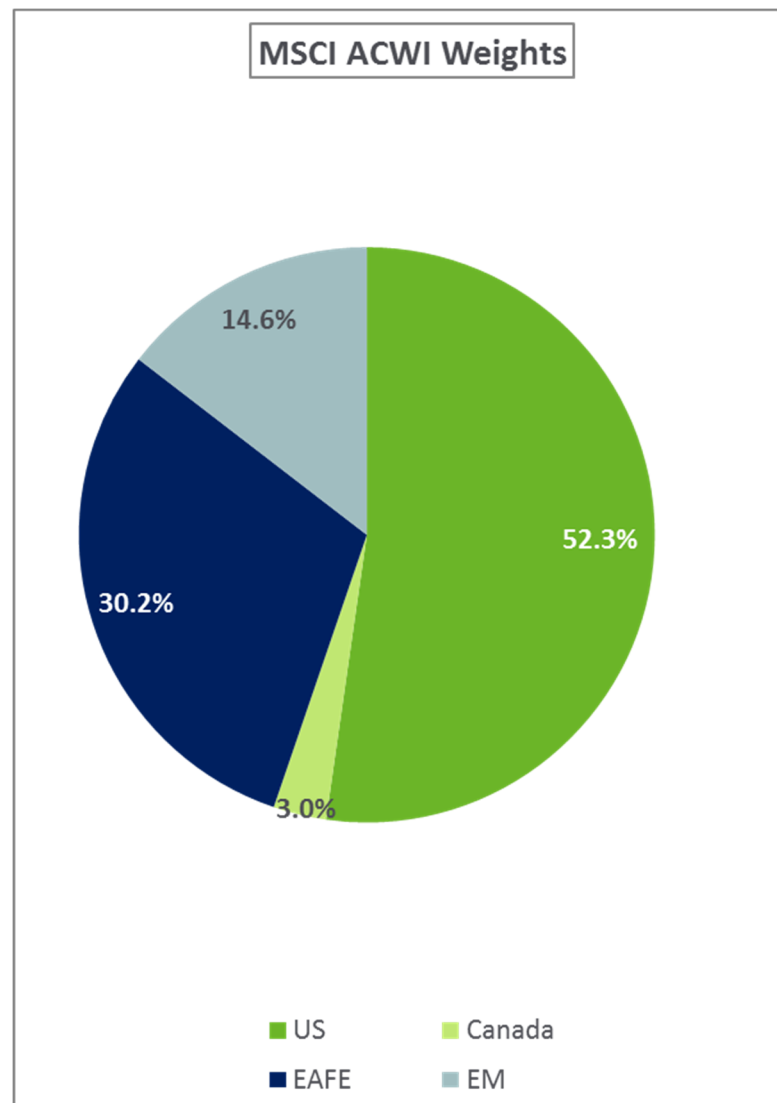


INDEX COMPOSITION

	MTD	QTD	YTD	Index Weight
S&P 500	-9.0%	-13.5%	-4.4%	100%
Cons Disc	-8.4%	-16.5%	0.4%	10.0%
Cons Staples	-9.2%	-5.4%	-9.2%	7.5%
Energy	-12.7%	-24.0%	-18.8%	5.4%
Financials	-11.3%	-13.3%	-13.5%	12.7%
Health Care	-8.6%	-8.8%	5.9%	15.8%
Industrials	-10.7%	-17.4%	-13.8%	9.3%
Info Tech	-8.5%	-17.4%	-0.7%	20.0%
Materials	-7.0%	-12.5%	-15.2%	2.8%
Real Estate	-7.6%	-4.1%	-3.3%	3.0%
Telecom	-7.3%	-13.3%	-13.7%	10.2%
Utilities	-4.1%	1.1%	3.0%	3.4%

	MTD	QTD	YTD	Index Weight
MSCI ACWI	-7.0%	-12.7%	-9.0%	100%
Cons Disc	-7.0%	-14.4%	-8.3%	10.8%
Cons Staples	-6.1%	-6.6%	-10.5%	8.4%
Energy	-9.0%	-20.2%	-13.3%	6.0%
Financials	-7.9%	-11.9%	-15.7%	17.7%
Health Care	-8.1%	-9.6%	1.7%	11.8%
Industrials	-7.9%	-15.6%	-14.4%	10.7%
Info Tech	-7.6%	-17.1%	-5.8%	14.1%
Materials	-3.5%	-13.4%	-16.0%	5.0%
Real Estate	-4.9%	-4.0%	-7.7%	3.2%
Telecom	-6.0%	-6.2%	-10.9%	8.9%
Utilities	-2.0%	0.7%	1.4%	3.4%

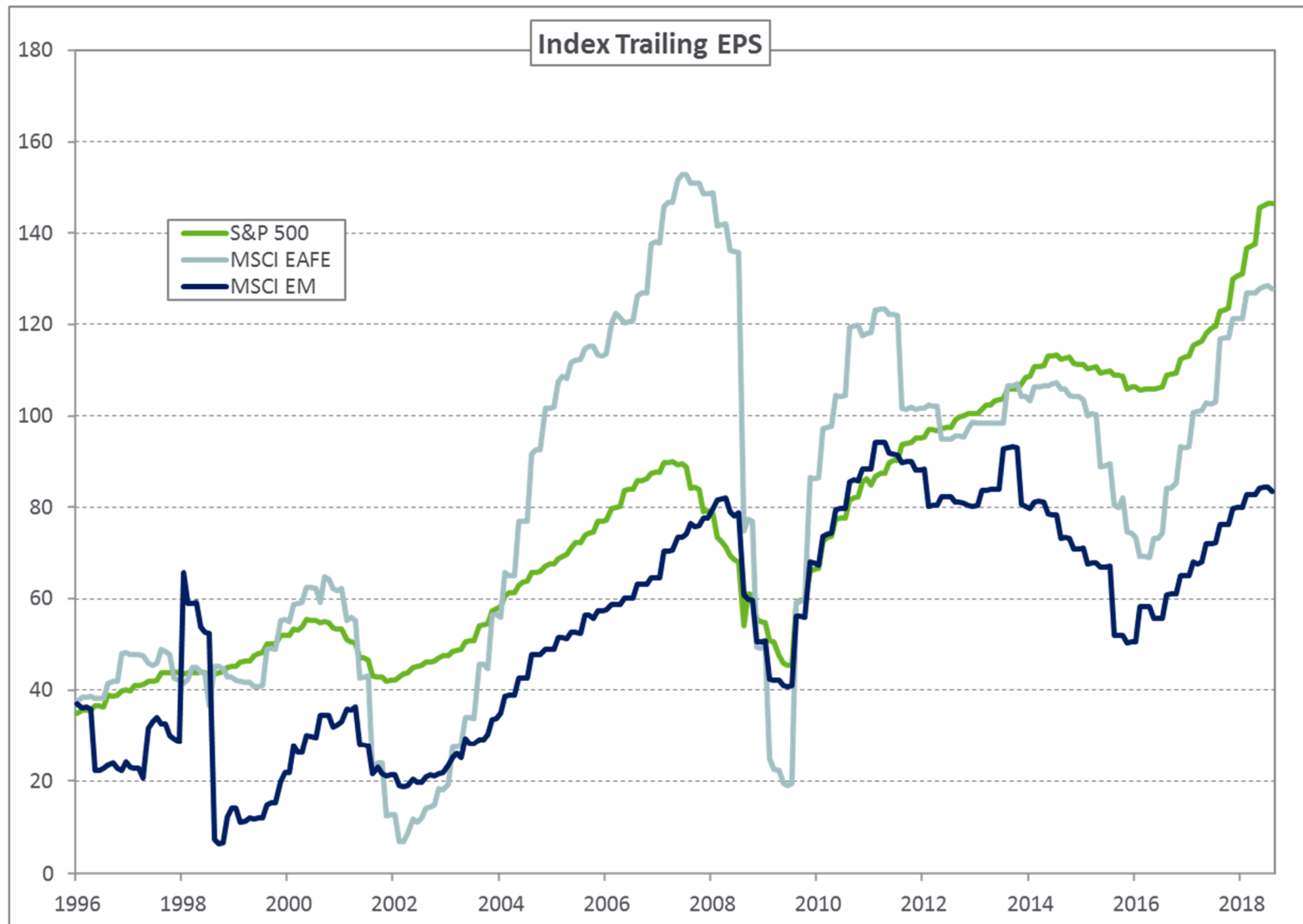
Source: S&P, MSCI, Bloomberg



Source: MSCI, Bloomberg



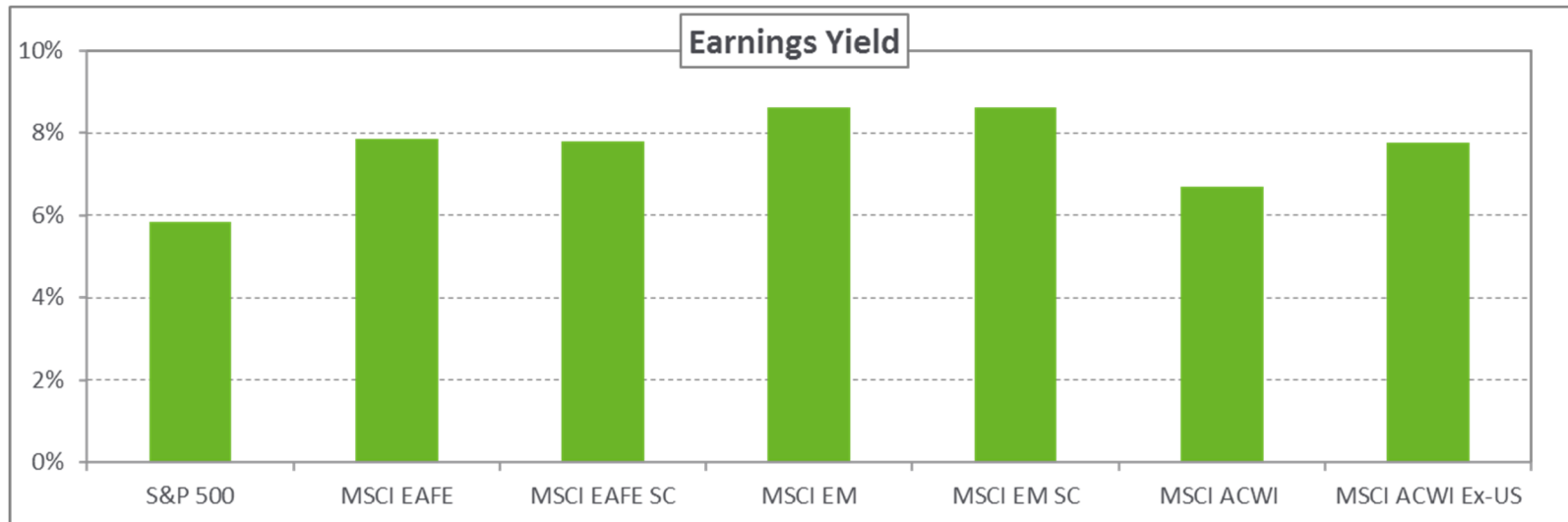
EARNINGS



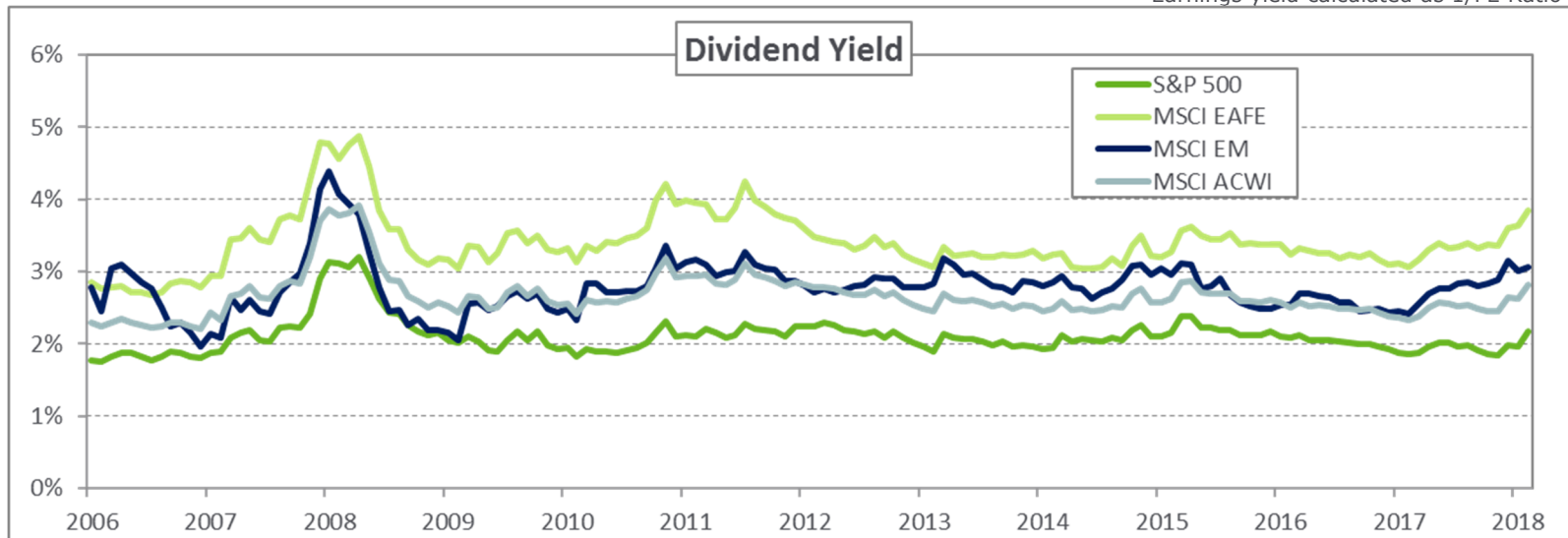
Source: S&P, MSCI, Bloomberg



YIELDS



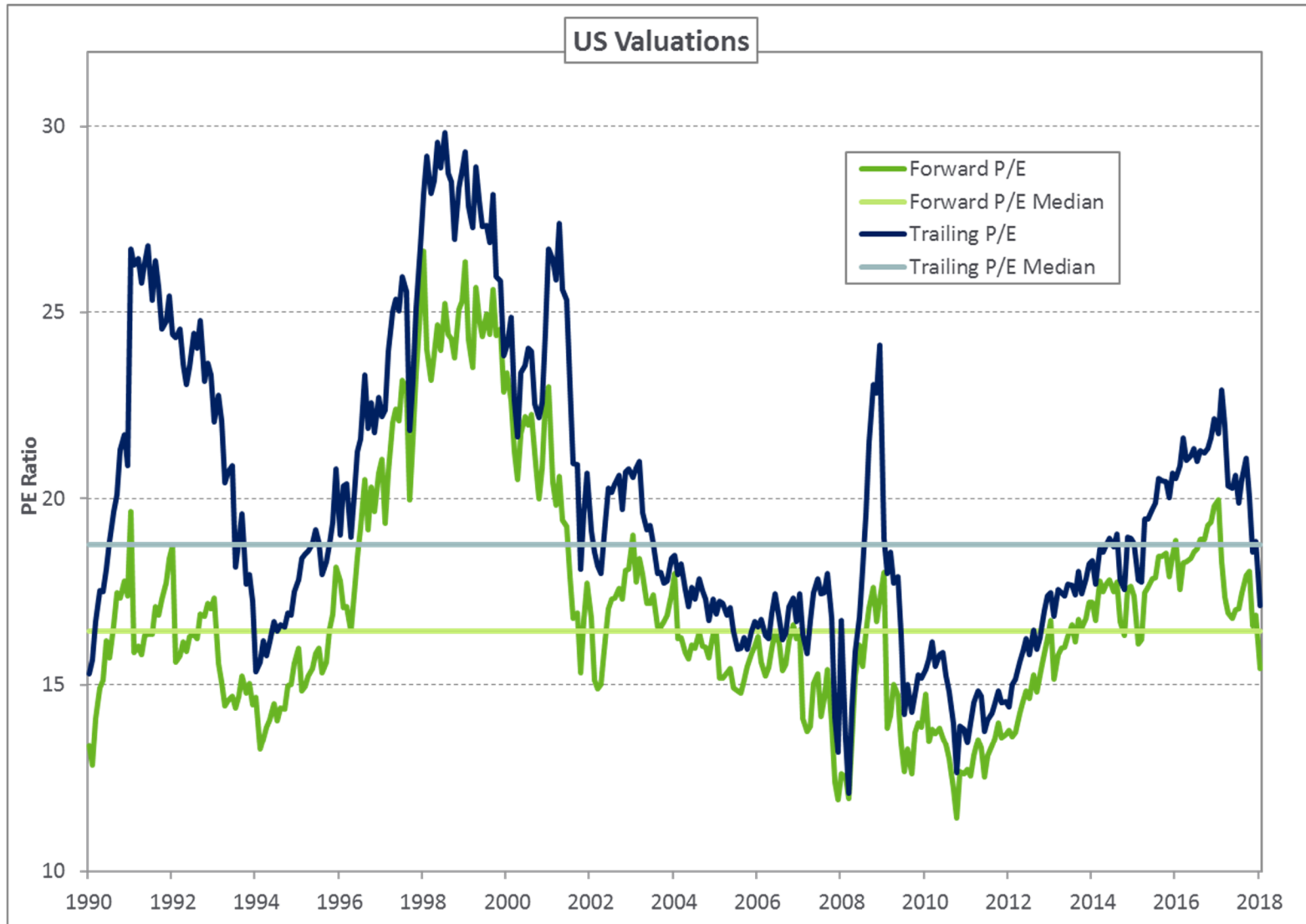
Source: S&P, MSCI, Bloomberg
Earnings yield calculated as 1/PE Ratio



Source: S&P, MSCI, Bloomberg



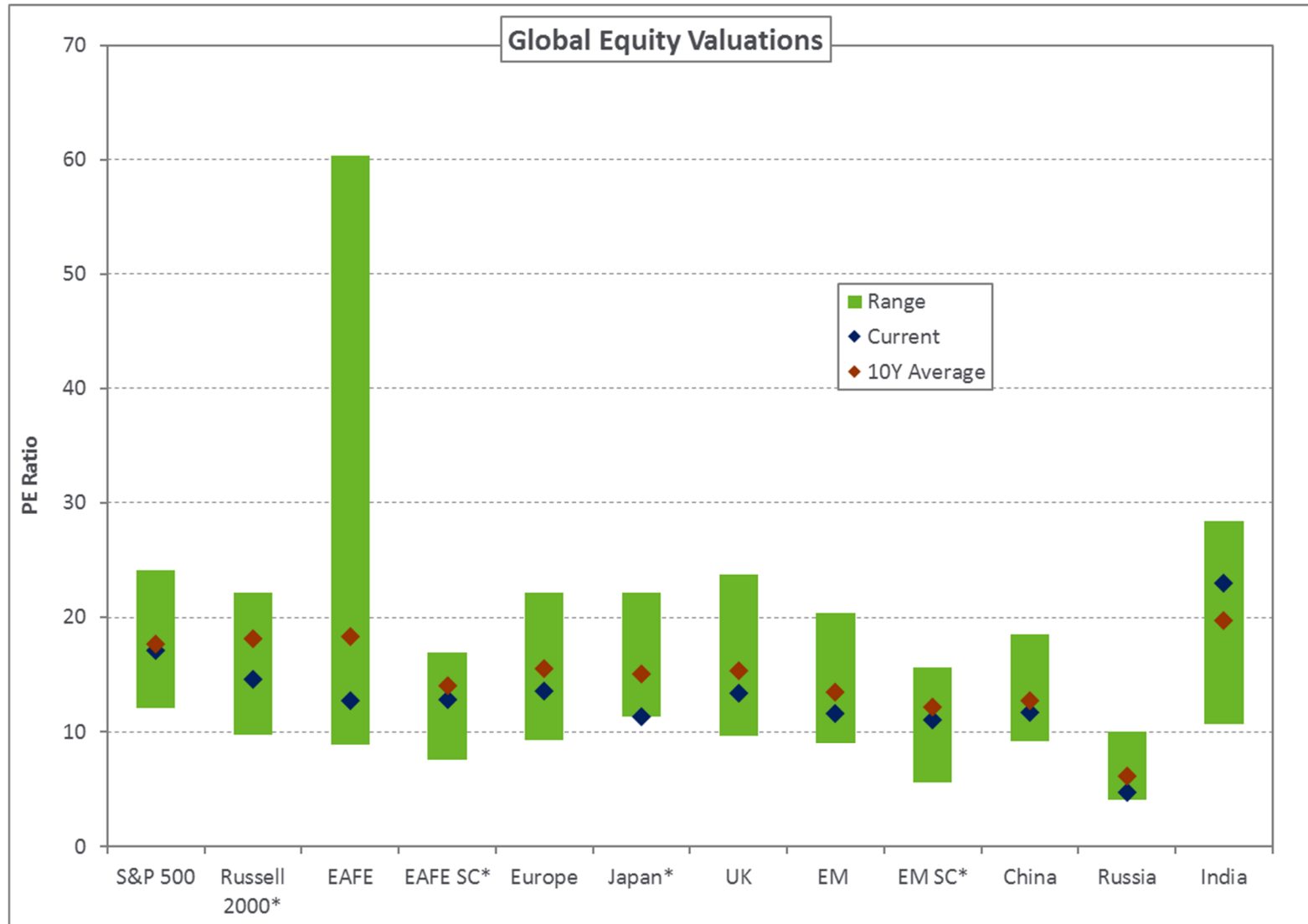
US EQUITY VALUATIONS



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

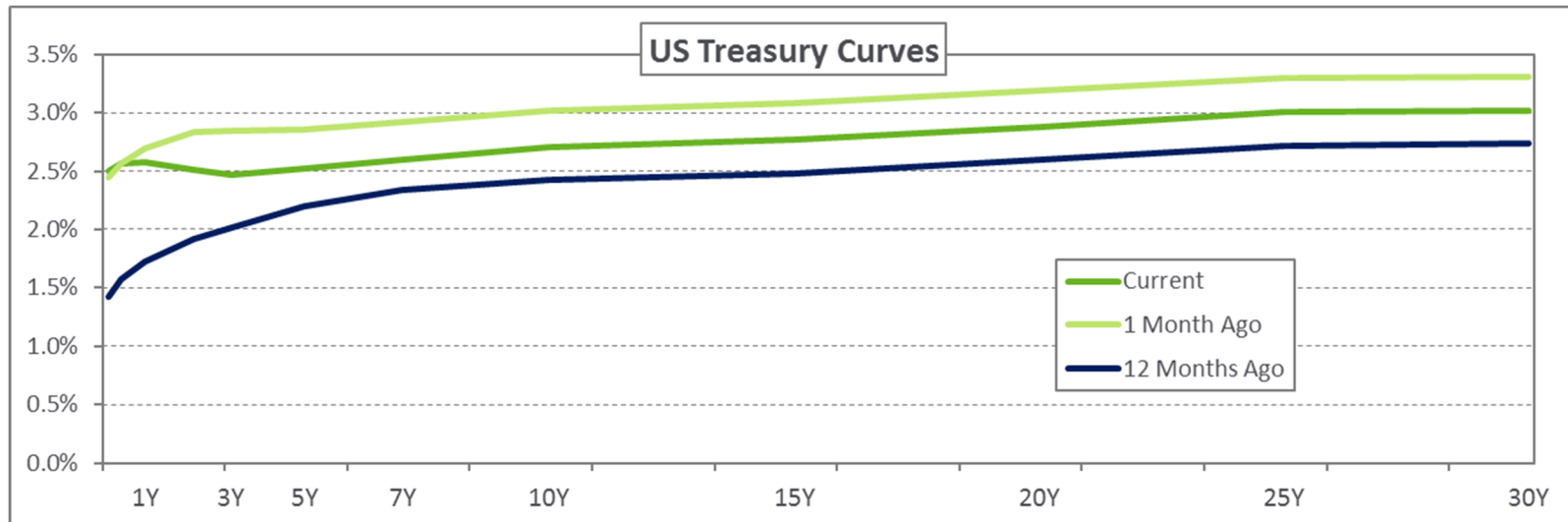
FIXED INCOME CHARACTERISTICS

	Averages			Total Returns (%)		
	Yield to Worst	Spread (bps)	Duration (Years)	1-Month	YTD	1-Year
Barclays Aggregate	3.3%	54	5.9	1.8%	1.6%	0.0%
Barclays Treasury	2.6%	-	6.1	2.2%	2.6%	0.9%
Barclays Agency	2.8%	16	4.0	1.4%	1.9%	1.3%
Barclays MBS	3.4%	35	4.7	1.8%	2.1%	1.0%
Barclays ABS	3.0%	47	2.3	0.9%	1.3%	1.7%
Barclays CMBS	3.4%	86	5.3	1.6%	1.7%	0.8%
Barclays Corp IG	4.2%	153	7.1	1.5%	-0.2%	-2.5%
Barclays Muni	2.7%	-	6.2	1.2%	1.7%	1.3%
Barclays HY Muni	5.0%	-	8.9	0.9%	0.3%	4.8%
Barclays TIPS	2.8%	-	5.3	0.5%	-0.4%	-1.3%
Barclays HY	8.0%	526	4.0	-2.1%	-4.5%	-2.1%
Barclays Global Agg	2.0%	55	7.0	2.0%	1.2%	-1.2%
JPM EMBI Glob Div	7.0%	434.61	7.1	1.3%	-1.3%	-4.3%
JPM CEMBI Broad	5.3%	337.93	4.5	0.7%	0.0%	-1.6%
JPM GBI - EM	6.5%	-	5.1	1.3%	2.1%	-6.2%

Source: Barclays, JPM, Bloomberg



TREASURIES



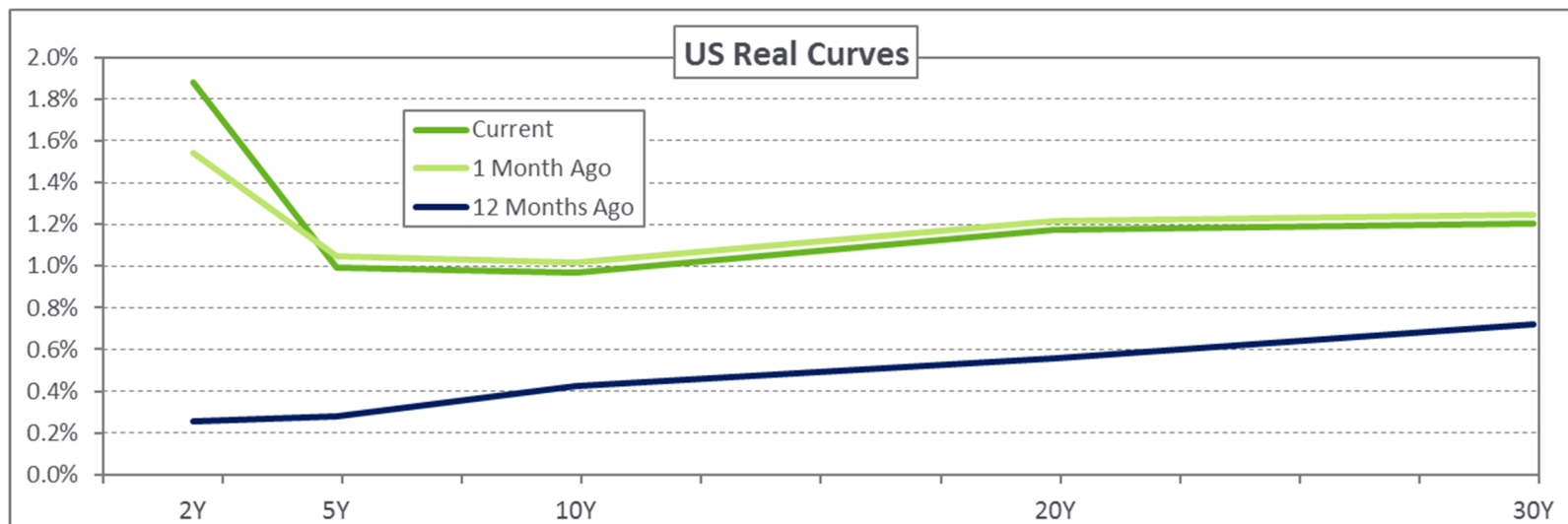
Source: Bloomberg

	Yield (%)			Total Return (%)	
	Current	1 Month Ago	12 Months Ago	1 Month	12 Months
3M Treasury	2.51%	2.45%	1.42%	0.19%	1.83%
6M Treasury	2.57%	2.56%	1.57%	0.22%	1.92%
2Y Treasury	2.51%	2.83%	1.92%	0.81%	1.40%
5Y Treasury	2.52%	2.86%	2.20%	1.86%	1.42%
10Y Treasury	2.70%	3.02%	2.42%	3.01%	0.00%
30Y Treasury	3.02%	3.31%	2.74%	5.94%	-2.72%

Source: Barclays, Bloomberg



REAL YIELDS



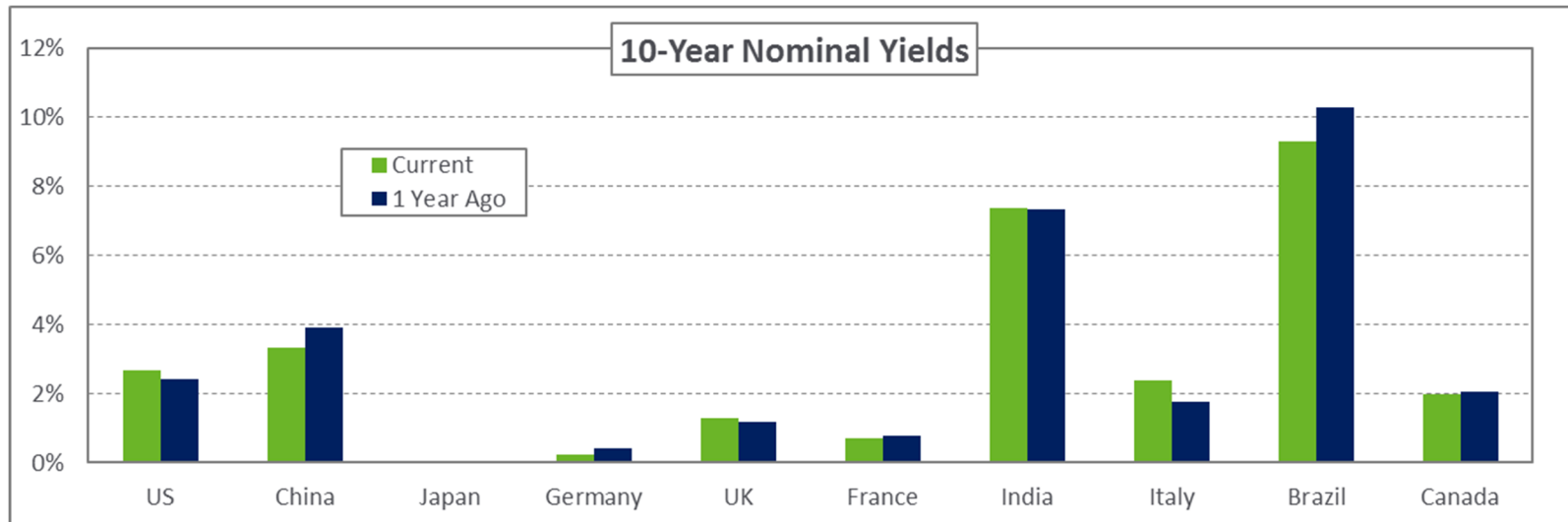
Source: Bloomberg

	Real Rates			Breakeven Rates	
	Current	1 Month Ago	12 Months Ago	Current	12 Months Ago
2Y Treasury	1.88%	1.54%	0.25%	0.66%	1.56%
5Y Treasury	0.99%	1.05%	0.28%	1.49%	1.88%
10Y Treasury	0.97%	1.02%	0.42%	1.71%	1.98%
20Y Treasury	1.17%	1.22%	0.56%	1.66%	1.86%
30Y Treasury	1.21%	1.25%	0.72%	1.82%	2.02%

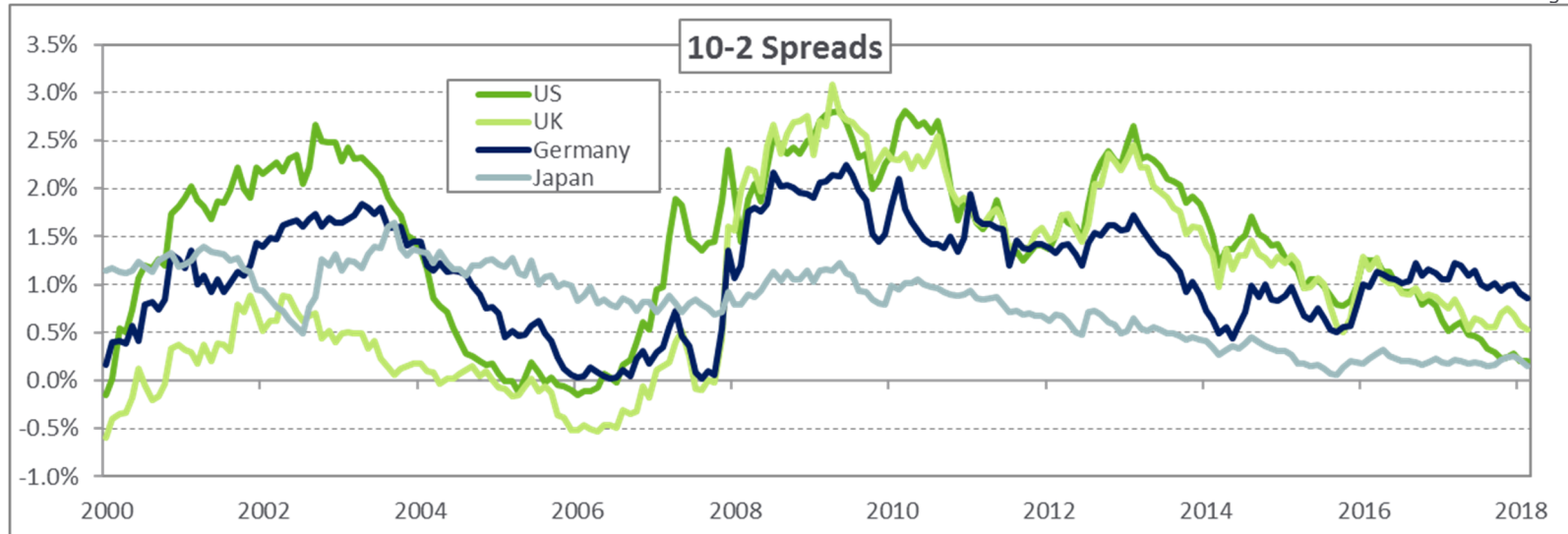
Source: Barclays, Bloomberg



NOMINAL YIELDS



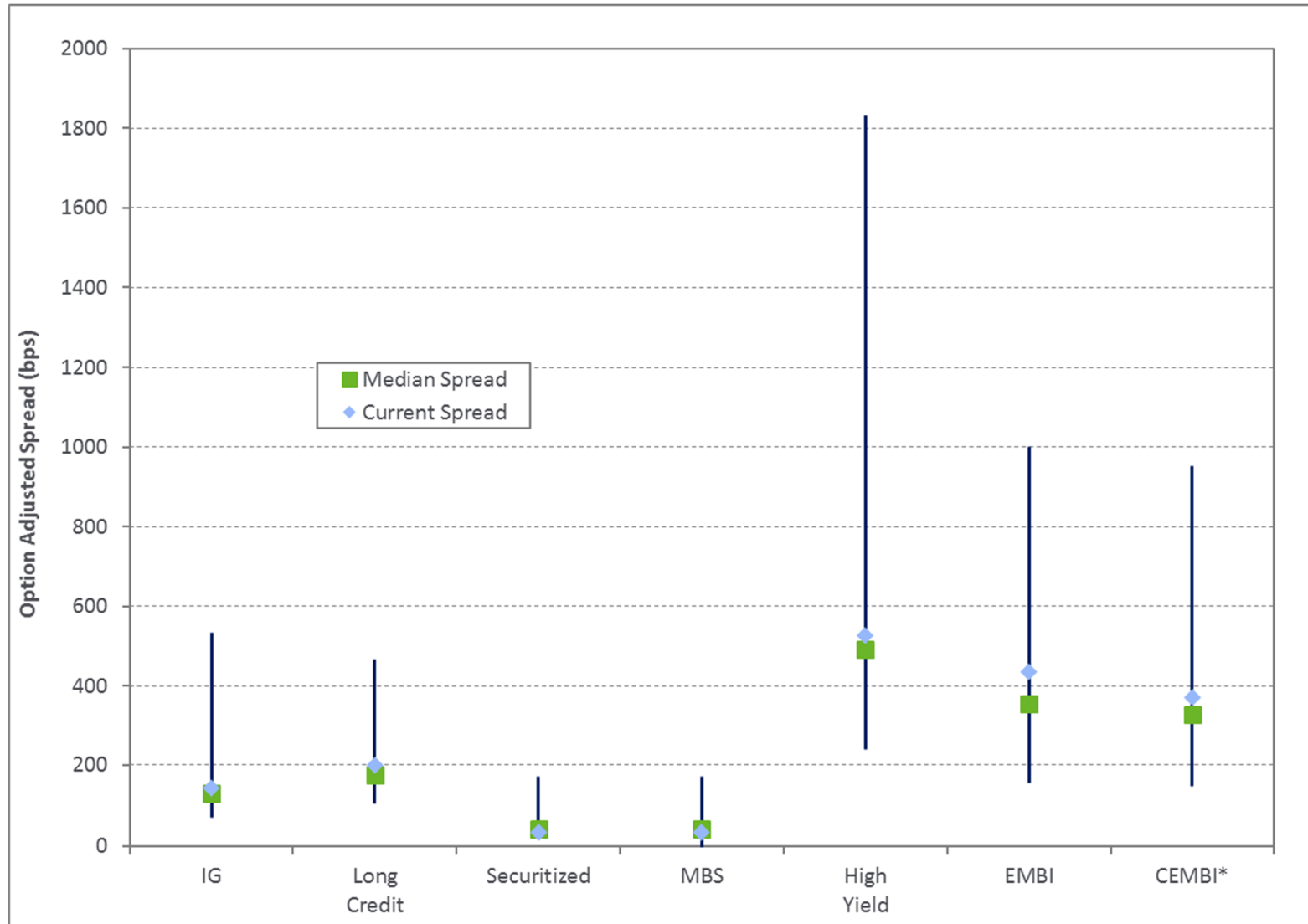
Source: Bloomberg



Source: Bloomberg



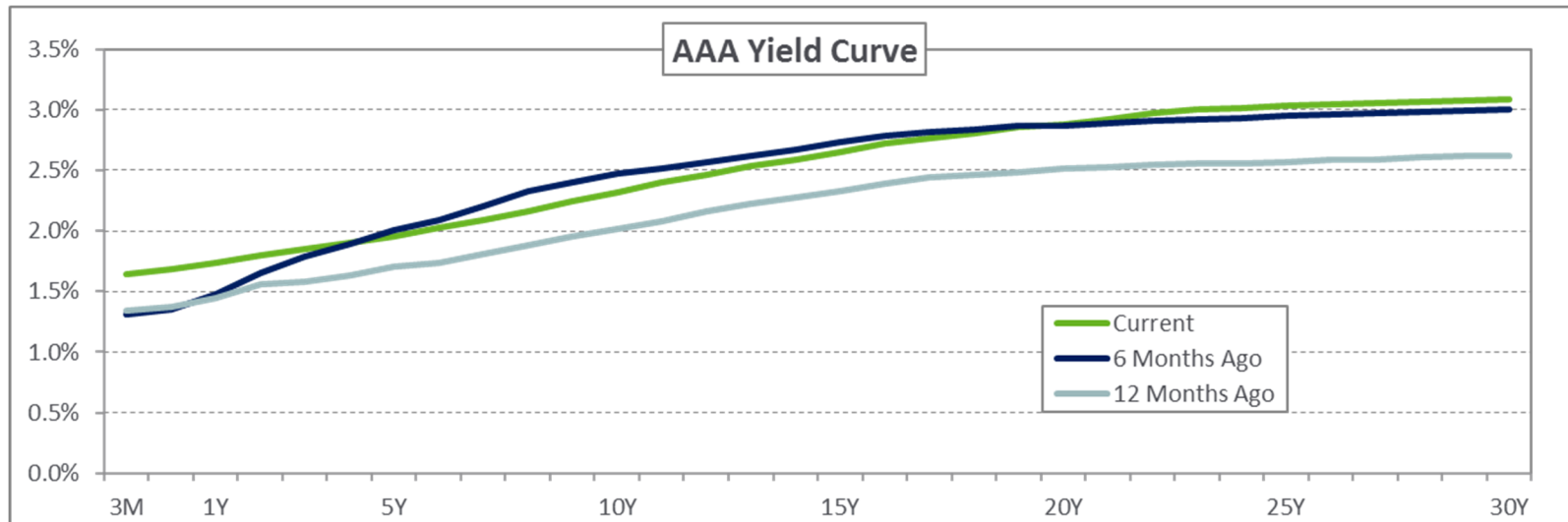
CREDIT SPREADS



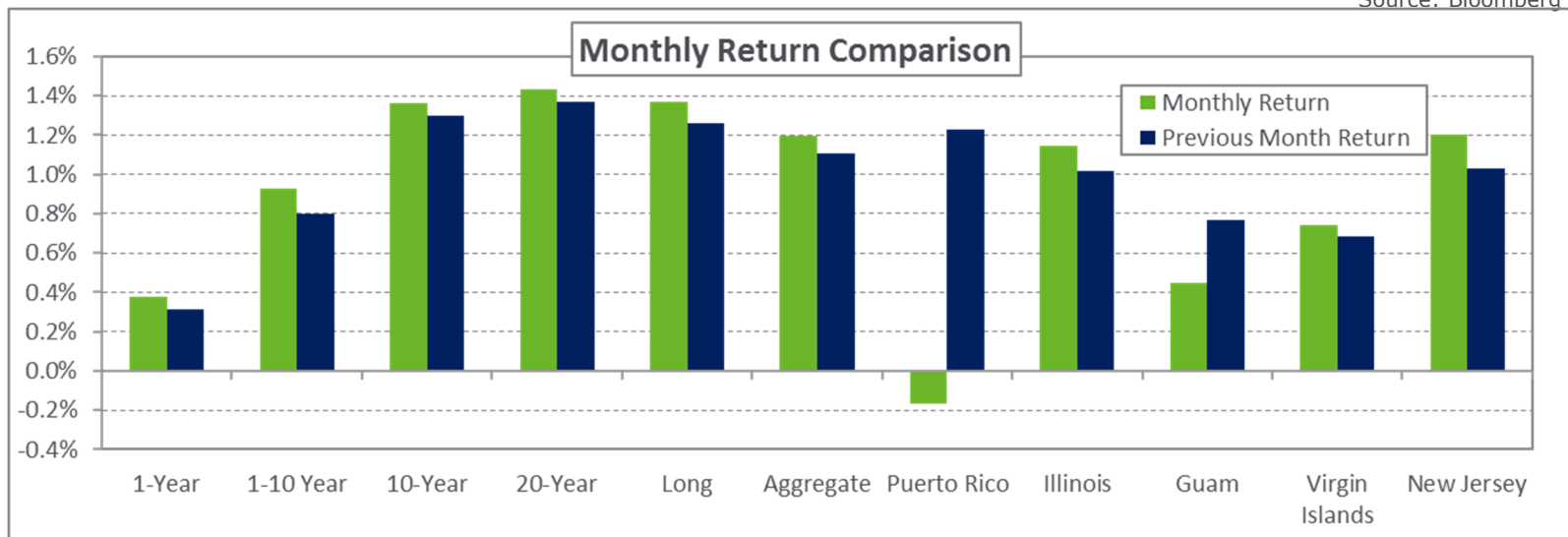
Source: Barclays, JPM, Bloomberg
 Data range: 01/31/2000 through month-end
 *JPM CEMBI calculated since 12/31/2001



MUNICIPAL BONDS



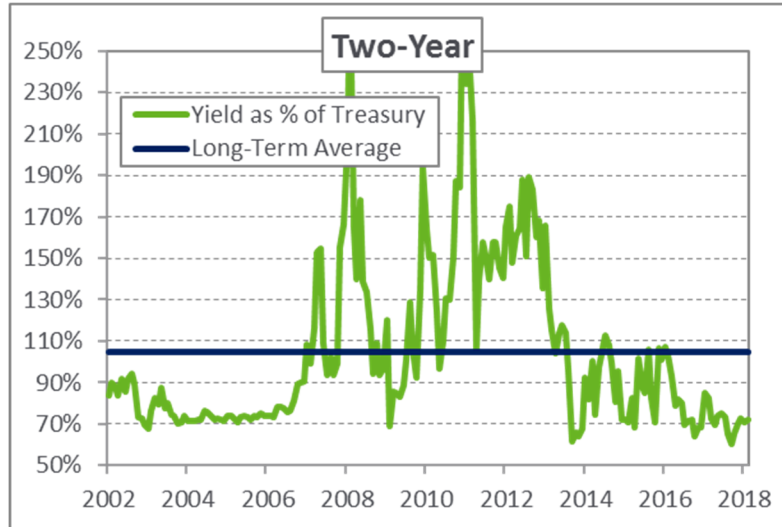
Source: Bloomberg



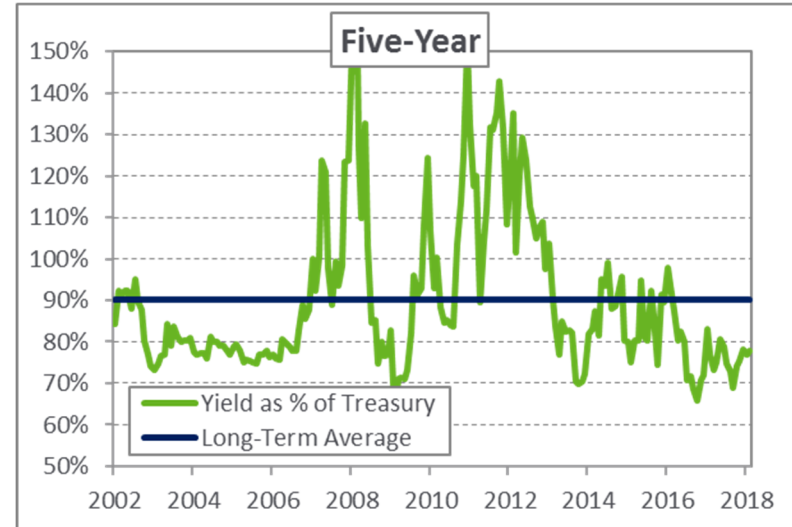
Source: Barclays, Bloomberg



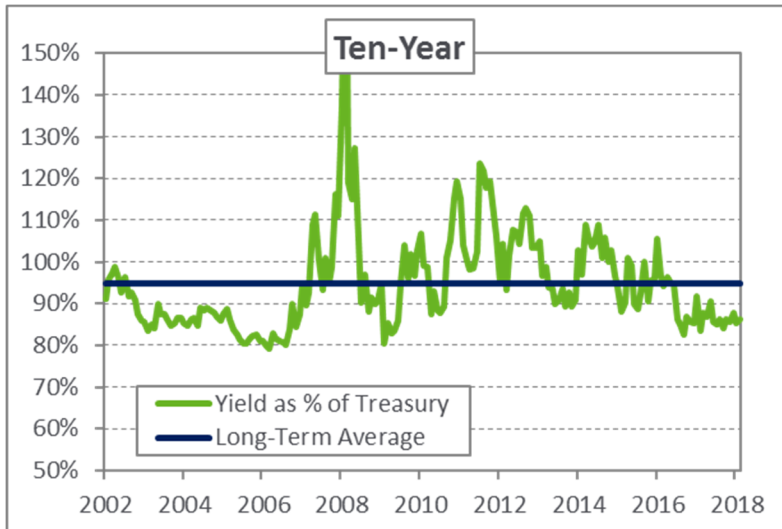
MUNICIPAL BOND YIELDS



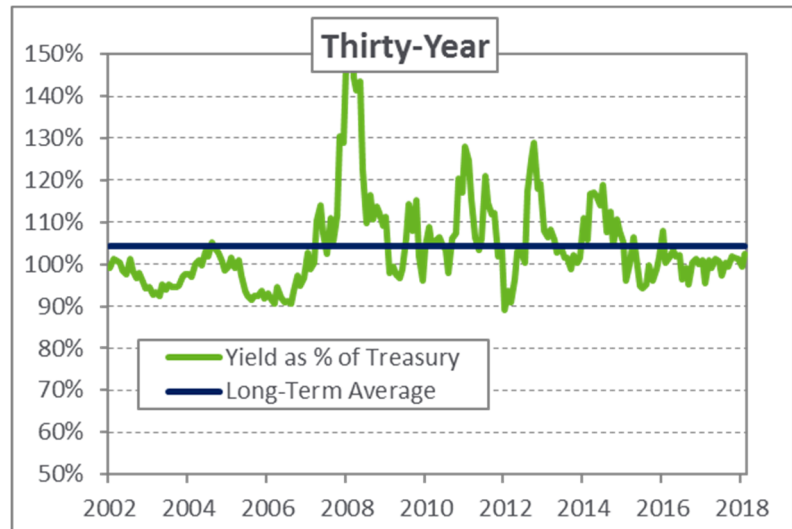
Source: Bloomberg
Long-term average calculated since 11/29/2002



Source: Bloomberg
Long-term average calculated since 11/29/2002



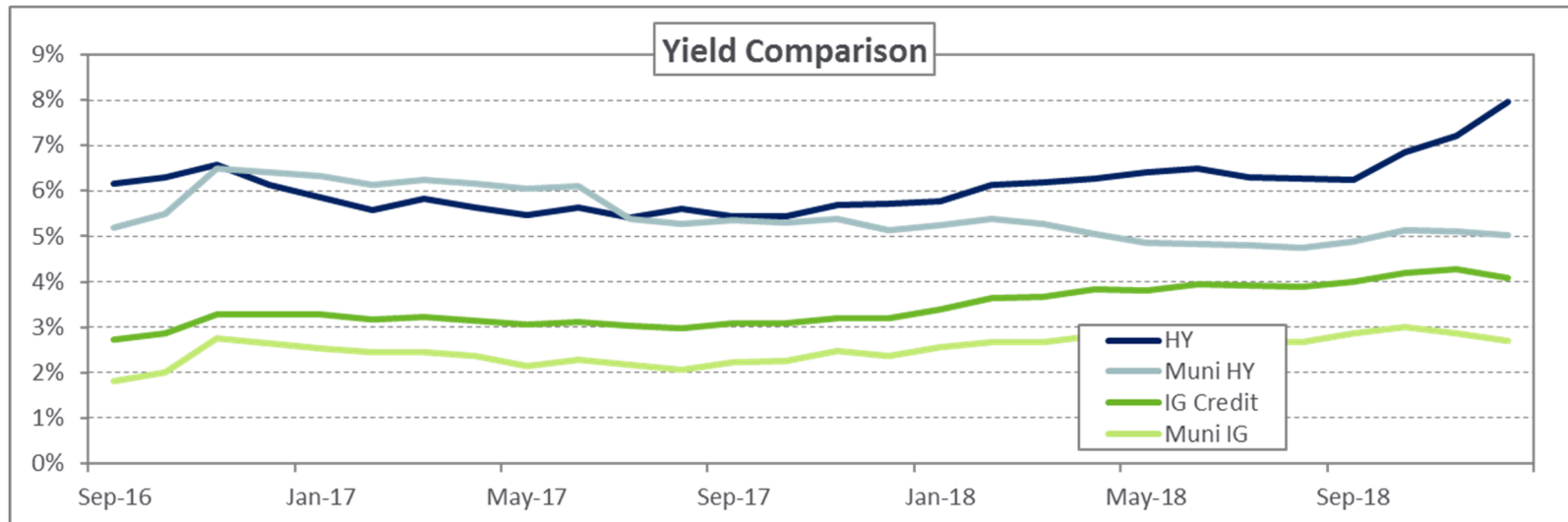
Source: Bloomberg
Long-term average calculated since 11/29/2002



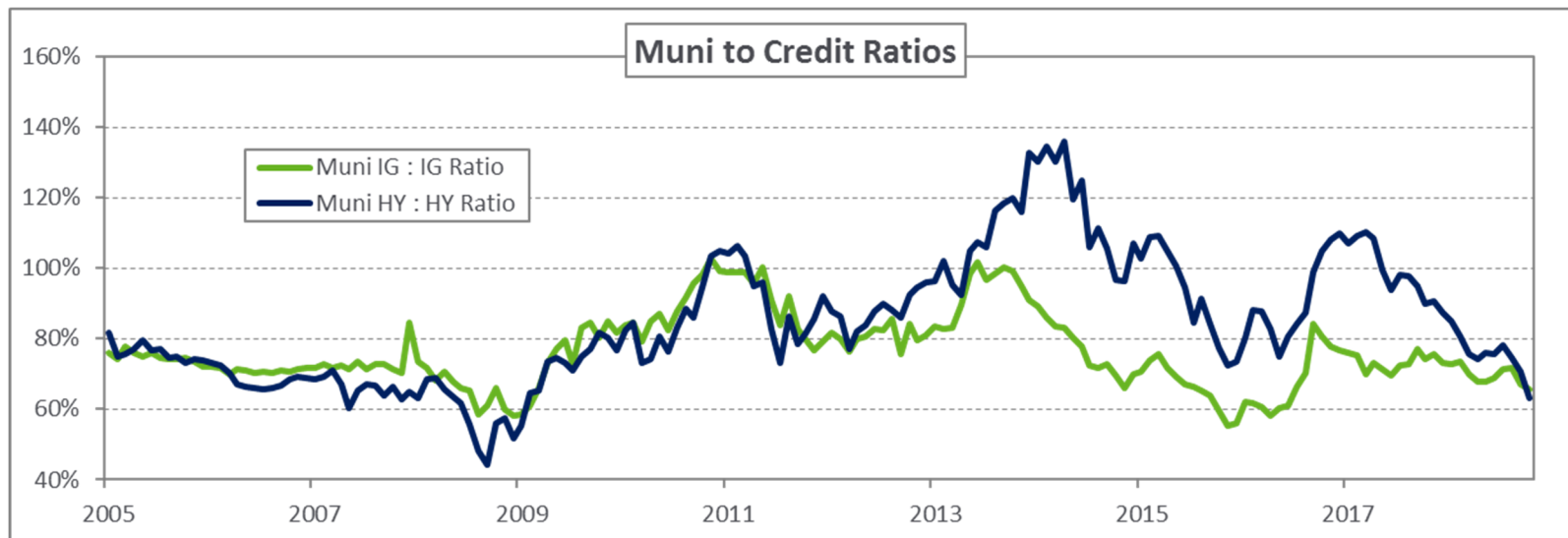
Source: Bloomberg
Long-term average calculated since 11/29/2002



MUNICIPAL BOND RATIOS



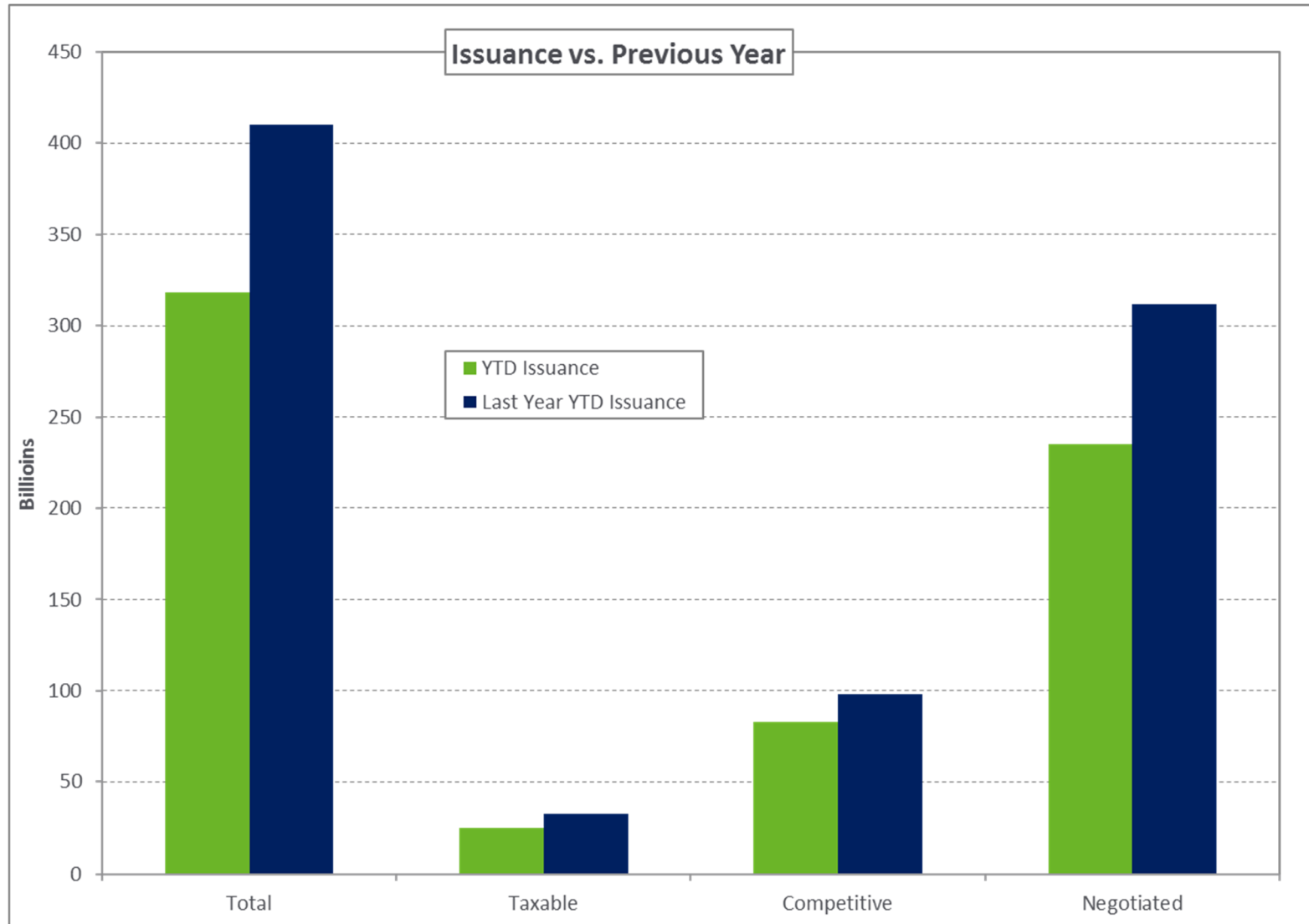
Source: Barclays, Bloomberg



Source: Barclays, Bloomberg, NEPC



MUNICIPAL BOND ISSUANCE



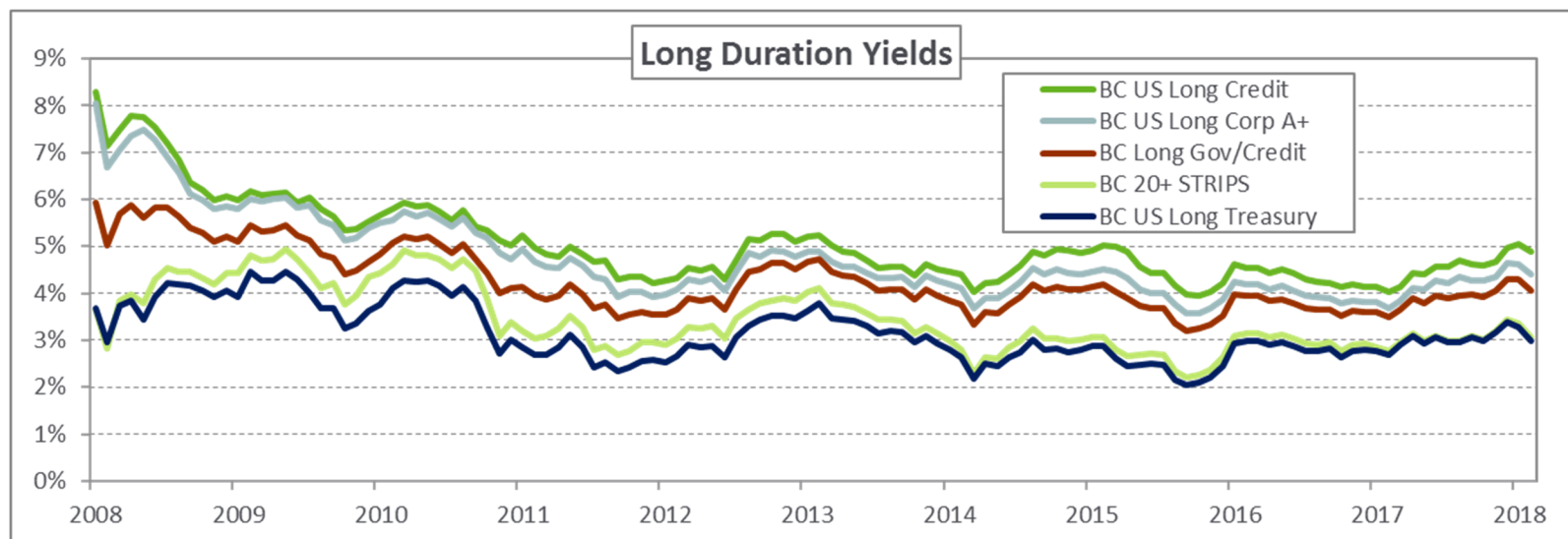
Source: Bloomberg



LONG DURATION

Index	Month-End Yield	1 Month Prior Yield	1 Year Prior Yield	Duration
Barclays Long Treasury	3.0%	3.3%	2.7%	17.4
Barclays 20+ STRIPS	3.1%	3.4%	2.8%	25.8
Barclays Long Gov/Credit	4.1%	4.3%	3.5%	15.0
Barclays Long Credit	4.9%	5.0%	4.0%	13.3
Barclays Long Corp A+	4.4%	4.6%	3.7%	14.2

Source: Barclays, Bloomberg



Source: Barclays, Bloomberg



REAL ASSETS

NEPC, LLC

REAL ASSETS INDEX PERFORMANCE

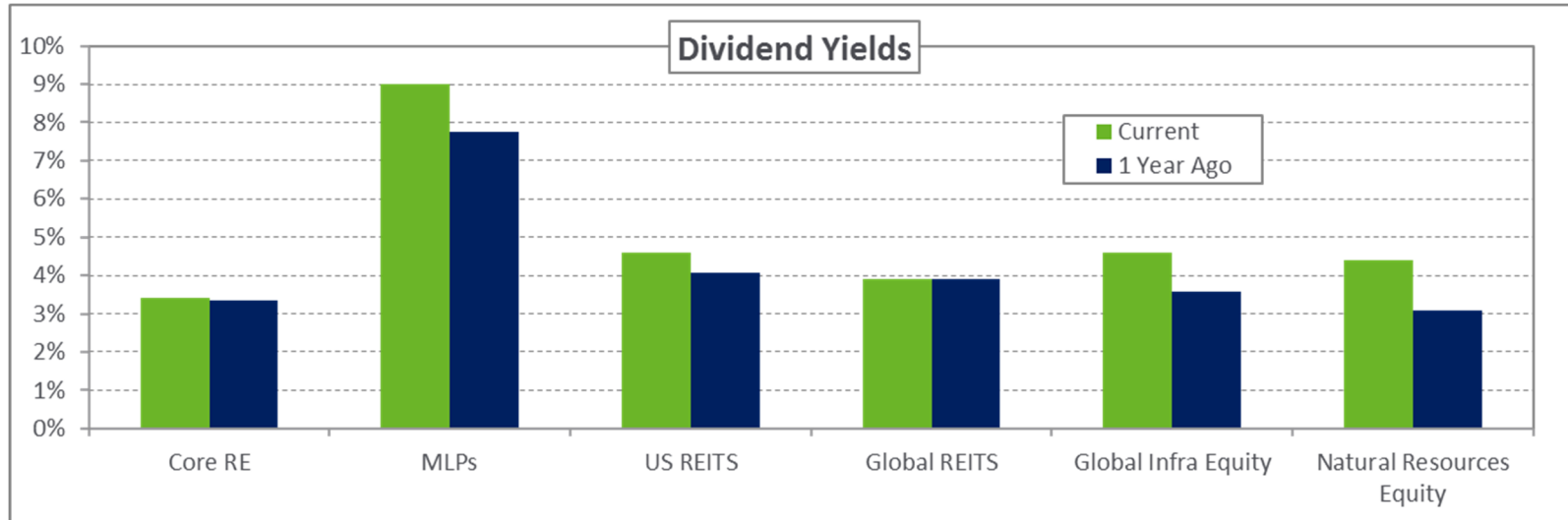
Index	1 Month	3 Month	YTD	1 Year	3 Year	5 Year
Bloomberg Commodity Index	-6.9%	-9.4%	-11.2%	-11.2%	0.3%	-8.8%
Bloomberg Sub Agriculture Index	-2.4%	0.2%	-10.8%	-10.8%	-6.8%	-9.1%
Coffee	-5.1%	-3.1%	-26.5%	-26.5%	-15.2%	-10.5%
Corn	-0.5%	2.7%	-4.6%	-4.6%	-8.9%	-11.9%
Cotton	-8.3%	-6.9%	-7.3%	-7.3%	4.9%	-1.3%
Soybean	-1.4%	2.7%	-13.4%	-13.4%	-3.4%	-6.2%
Soybean Oil	-1.6%	-5.5%	-20.8%	-20.8%	-7.9%	-10.6%
Sugar	-6.1%	8.1%	-26.1%	-26.1%	-12.2%	-14.9%
Wheat	-2.2%	-2.5%	3.5%	3.5%	-11.7%	-13.5%
Bloomberg Sub Energy	-18.7%	-25.8%	-12.7%	-12.7%	-1.0%	-18.5%
Brent Crude	-9.5%	-34.6%	-14.9%	-14.9%	6.8%	-19.1%
Heating Oil	-7.7%	-27.9%	-15.7%	-15.7%	9.0%	-14.7%
Natural Gas	-33.0%	0.0%	-0.1%	-0.1%	-11.2%	-21.8%
Unleaded Gas	-7.3%	-37.4%	-28.3%	-28.3%	-7.8%	-17.4%
WTI Crude Oil	-10.8%	-37.5%	-20.5%	-20.5%	-3.6%	-21.9%
Bloomberg Sub Industrial Metals	-5.1%	-8.7%	-19.5%	-19.5%	7.7%	-3.2%
Aluminum	-6.3%	-10.9%	-16.9%	-16.9%	6.2%	-2.2%
Copper	-5.4%	-6.2%	-21.2%	-21.2%	5.6%	-6.0%
Nickel	-4.7%	-15.1%	-16.4%	-16.4%	5.5%	-6.3%
Zinc	-2.9%	-3.8%	-21.4%	-21.4%	17.1%	3.7%
Bloomberg Sub Precious Metals	5.8%	6.8%	-4.6%	-4.6%	5.1%	-0.9%
Gold	4.7%	7.2%	-2.8%	-2.8%	5.7%	0.7%
Silver	9.5%	5.4%	-10.2%	-10.2%	2.7%	-5.5%
Bloomberg Sub Livestock	-0.9%	0.7%	-1.7%	-1.7%	-0.4%	-2.2%
Lean Hogs	-9.5%	-2.4%	-11.0%	-11.0%	-3.9%	-8.9%
Live Cattle	3.0%	1.9%	2.6%	2.6%	1.2%	1.6%

Source: Bloomberg

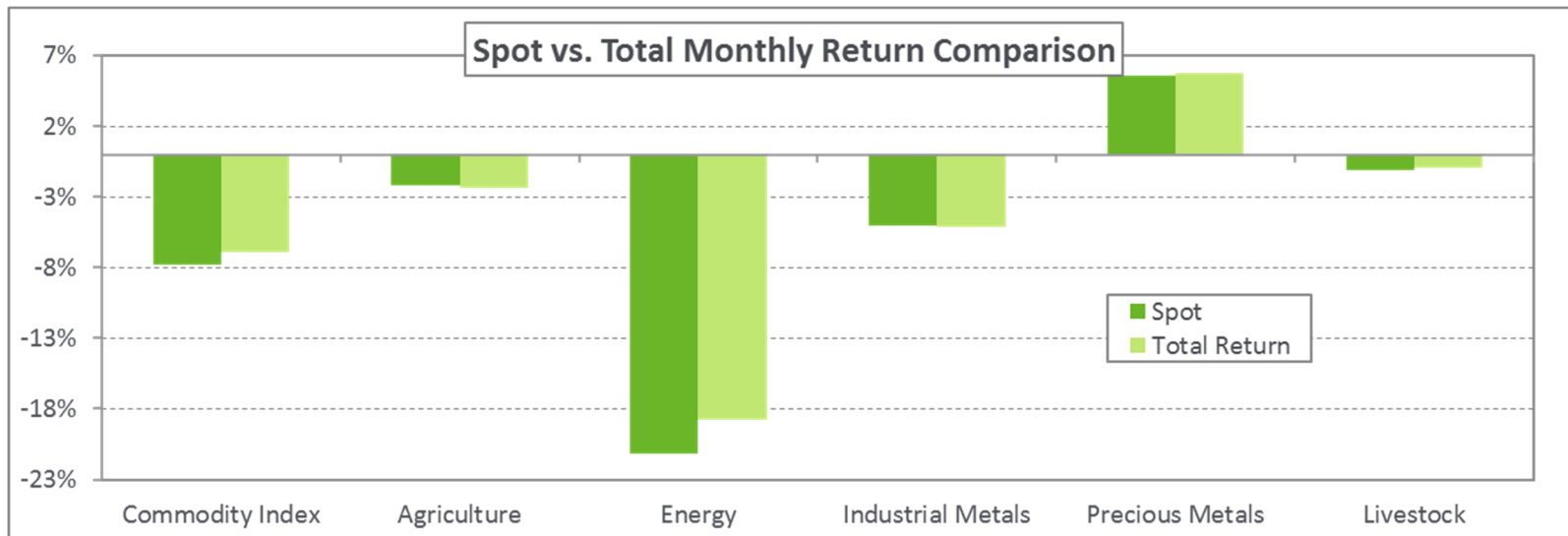
Bloomberg subindex total return indices reflects the return of the underlying one month commodity futures price movements



INCOME YIELD



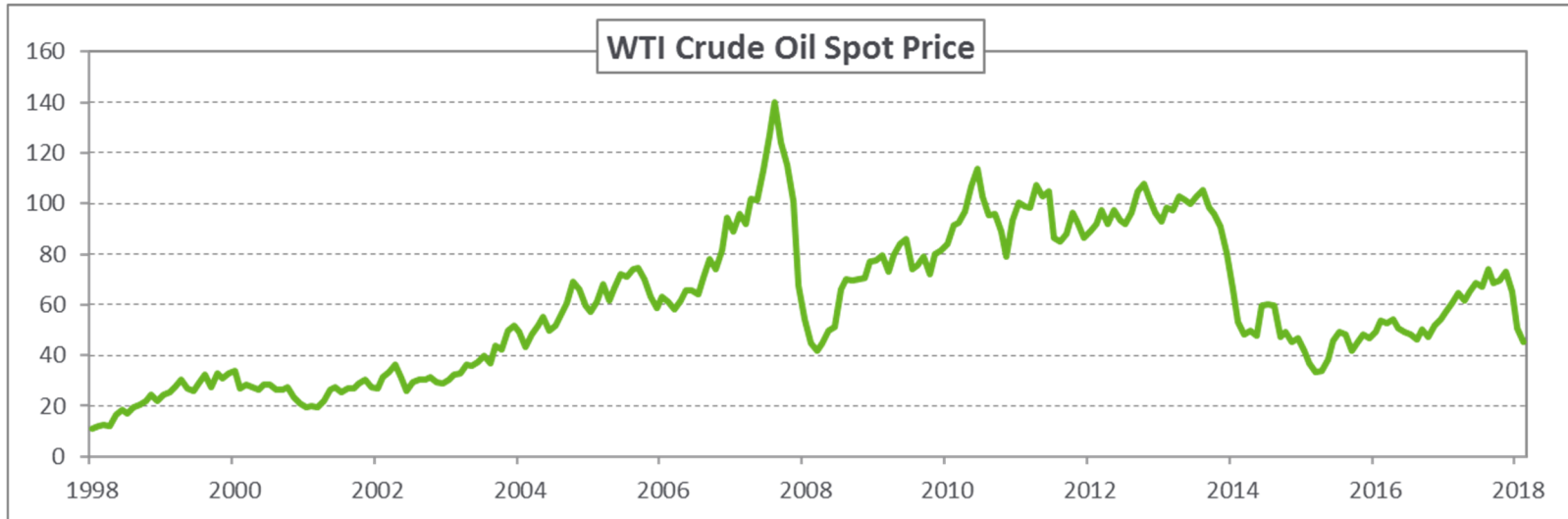
Source: Alerian, NAREIT, S&P, Bloomberg



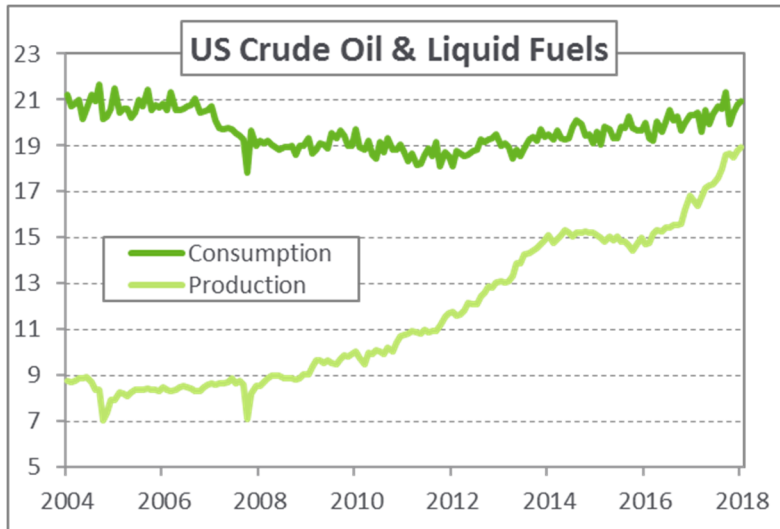
Source: Bloomberg, NEPC



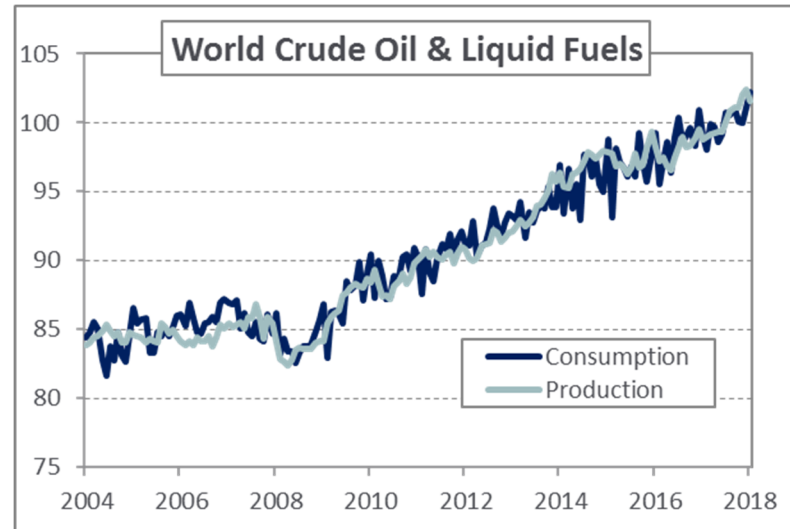
OIL MARKETS



Source: New York Mercantile Exchange, Bloomberg



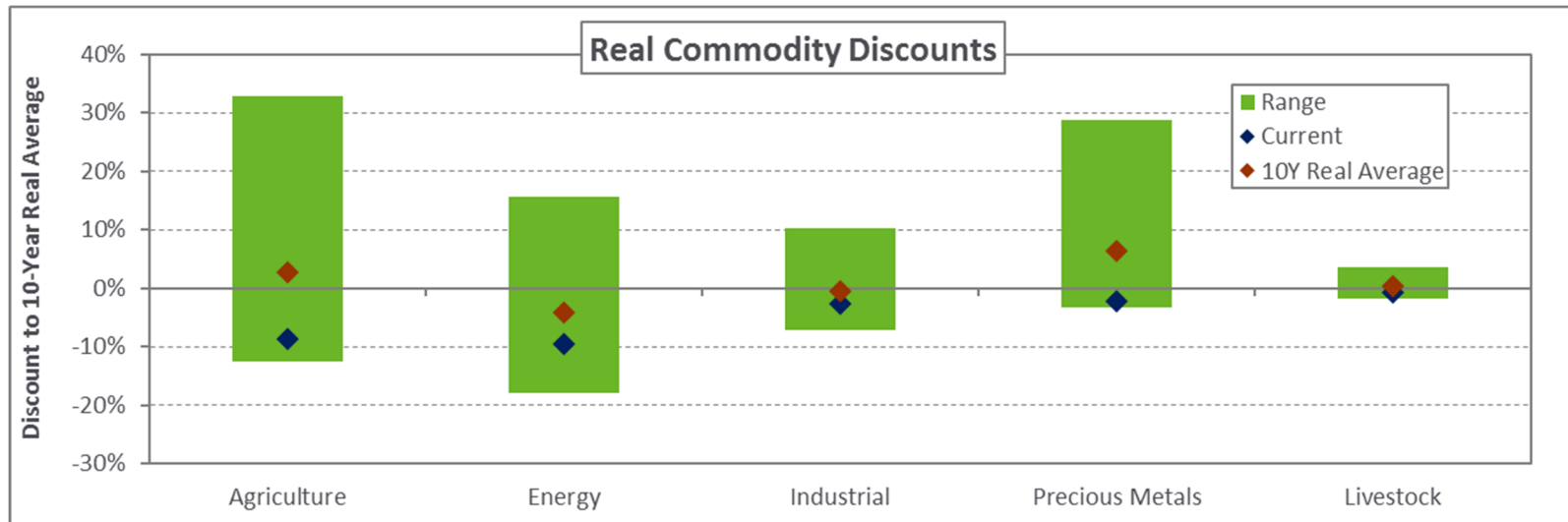
Source: US Department of Energy, Bloomberg



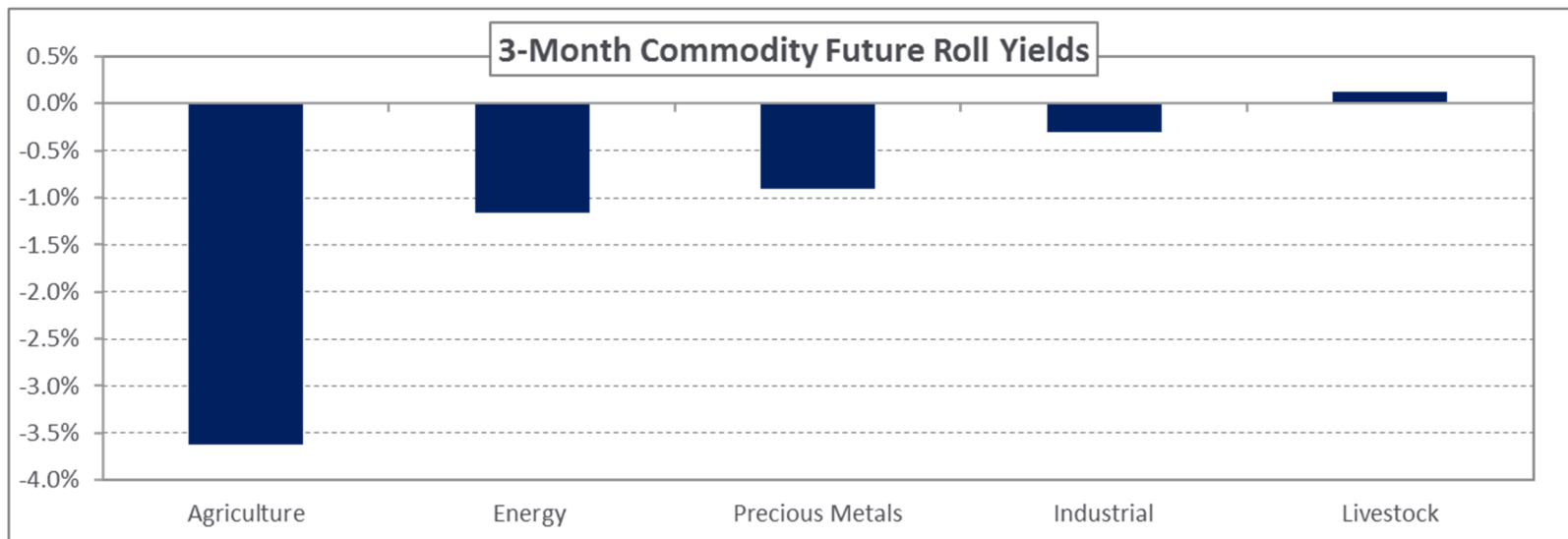
Source: OECD, Bloomberg



VALUATIONS



Source: Bloomberg, NEPC



Source: Bloomberg



INFORMATION DISCLAIMER

- **Past performance is no guarantee of future results.**
- **The goal of this report is to provide a basis for monitoring financial markets. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.**
- **Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.**
- **All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.**
- **This report is provided as a management aid for the client's internal use only. This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.**

