



MARCH 31, 2021

NEW MEXICO EDUCATIONAL RETIREMENT
BOARD INFRASTRUCTURE PROGRAM

FIRST QUARTER REPORT

CBRE
CALEDON

NEW MEXICO EDUCATIONAL RETIREMENT BOARD

FIRST QUARTER REPORT

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EXECUTIVE SUMMARY

The following report presents a summary of the portfolio composition and returns for the infrastructure investment portfolio ("Portfolio") of the New Mexico Educational Retirement Board ("NMERB"). The Portfolio was established in July 2008. All data presented below are as of March 31, 2021.

PORTFOLIO SUMMARY

| | |
|--|---------------|
| Portfolio Fair Value | \$500,142,504 |
| Unfunded Commitments | \$258,934,970 |
| Total Exposure (Fair Value plus Unfunded Commitments) | \$759,077,474 |
| Portfolio Inception Date | July 2008 |
| Total Number of Fund Investments | 13 |
| Total Number of Direct Investments ¹ | 21 |
| Net Internal Rate of Return ("IRR") Since Inception ² | 7.1% |

¹ Direct investments held through Caledon Andromeda Investments, Caledon Andromeda Investments II and CBRE Caledon Andromeda Investments III.

CURRENT COMMITMENTS

| Investment | Vintage Year | Local Currency | Commitment (Local) | Commitment (USD) | Gross IRR ² | Net IRR ² |
|--|--------------|----------------|--------------------|----------------------|------------------------|----------------------|
| Gateway Infrastructure Investments | 2008 | USD | 42,647,060 | 42,647,060 | (1.2%) | (3.2%) |
| Alinda Infrastructure Fund II | 2008 | USD | 50,000,000 | 50,000,000 | 5.6% | 2.5% |
| Alterna Core Capital Assets Fund | 2009 | USD | 55,000,000 | 55,000,000 | 6.4% | 2.9% |
| Stonepeak Infrastructure Fund | 2012 | USD | 40,000,000 | 40,000,000 | 12.1% | 8.9% |
| EQT Infrastructure II ³ | 2012 | EUR | 30,000,000 | 35,556,380 | 21.4% | 15.4% |
| Alterna Core Capital Assets Fund II | 2012 | USD | 25,000,000 | 25,000,000 | 7.7% | 3.7% |
| ISQ Global Infrastructure Fund | 2014 | USD | 50,000,000 | 50,000,000 | 20.9% | 16.3% |
| Stonepeak Infrastructure Fund II | 2015 | USD | 50,000,000 | 50,000,000 | 17.4% | 15.3% |
| ISQ Global Infrastructure Fund II | 2018 | USD | 50,000,000 | 50,000,000 | 23.4% | 16.3% |
| Stonepeak Infrastructure Credit Fund I | 2018 | USD | 50,000,000 | 50,000,000 | 10.5% | 10.5% |
| Stonepeak Infrastructure Fund III | 2018 | USD | 50,000,000 | 50,000,000 | 27.5% | 23.3% |
| Global Diversified Infrastructure Fund | 2019 | USD | 40,000,000 | 40,000,000 | 10.2% | 10.1% |
| Stonepeak Infrastructure Fund IV | 2020 | USD | 50,000,000 | 50,000,000 | NM | NM |
| TOTAL FUND INVESTMENTS | | | | \$588,203,440 | 9.0% | 6.2% |
| Caledon Andromeda Investments | 2013 | USD | 85,000,000 | 85,000,000 | 11.0% | 9.4% |
| Caledon Andromeda Investments II | 2016 | USD | 100,000,000 | 100,000,000 | 14.2% | 13.1% |
| CBRE Caledon Andromeda Investments III | 2020 | USD | 100,000,000 | 100,000,000 | NM | NM |
| TOTAL DIRECT INVESTMENTS | | | | \$285,000,000 | 12.0% | 10.6% |
| TOTAL PORTFOLIO | | | | \$873,203,440 | 9.6% | 7.1% |

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

³ EUR commitment comprised of drawn commitment at actual funded USD plus unfunded commitment converted to USD per Bloomberg March 31, 2021 closing rate (\$1.173/EUR).

FUNDING STATUS

| Investment | Commitment | Drawn Commitment ⁴ | Unfunded Commitment ⁵ | Distributions Received | Fees and Expenses |
|-----------------|---------------|----------------------------------|-------------------------------------|---------------------------|-------------------|
| TOTAL PORTFOLIO | \$873,203,440 | \$614,268,470 | \$258,934,970 | \$488,479,748 | \$56,888,829 |

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

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

MANAGEMENT FEES

| Investment | Since Inception Through Q4 – 2020 | Q1 – 2021 | Since Inception Through Q1 – 2021 |
|---|--------------------------------------|------------------|--------------------------------------|
| Gateway Infrastructure Investments | 4,279,633 | - | 4,279,633 |
| Alinda Infrastructure Fund II | 7,643,848 | 26,209 | 7,670,057 |
| Alterna Core Capital Assets Fund | 6,893,417 | - | 6,893,417 |
| Stonepeak Infrastructure Fund | 3,452,518 | - | 3,452,518 |
| EQT Infrastructure II | 4,065,327 | - | 4,065,327 |
| Alterna Core Capital Assets Fund II | 3,026,814 | - | 3,026,814 |
| ISQ Global Infrastructure Fund | 3,097,265 | - | 3,097,265 |
| Stonepeak Infrastructure Fund II | 2,170,052 | - | 2,170,052 |
| ISQ Global Infrastructure Fund II | 1,760,427 | - | 1,760,427 |
| Stonepeak Infrastructure Credit Fund I | - | - | - |
| Stonepeak Infrastructure Fund III | 1,452,246 | - | 1,452,246 |
| Global Diversified Infrastructure Fund ⁸ | 338,778 | 64,278 | 403,056 |
| Stonepeak Infrastructure Fund IV | 285,000 | - | 285,000 |
| TOTAL FUND INVESTMENTS | \$38,465,325 | \$90,487 | \$38,555,812 |
| Caledon Andromeda Investments | 2,602,935 | 95,096 | 2,698,031 |
| Caledon Andromeda Investments II | 1,593,443 | 100,546 | 1,693,989 |
| CBRE Caledon Andromeda Investments III | - | 100,546 | 100,546 |
| TOTAL DIRECT INVESTMENTS | 4,196,378 | 296,188 | 4,492,566 |
| TOTAL PORTFOLIO | \$42,661,703 | \$386,675 | \$43,048,378 |

⁸ Global Diversified Infrastructure Fund does not call capital for management fees. Instead management fees are paid out of distributions. These amounts reflect the management fees incurred to date.

PORTFOLIO CASH FLOWS AND PERFORMANCE

TOTAL PORTFOLIO INVESTMENT ACTIVITY STATEMENT

| Period | Beginning Valuation | Total Contribution | Return of Capital | Capital Gain/ (Loss) | Dividends/ Income | Total Distribution | Change in NAV | Ending Valuation | Mgmt Fees | Other Expenses | Total Fee/Exp |
|--------------|---------------------|--------------------|-------------------|----------------------|-------------------|--------------------|---------------|------------------|-----------|----------------|---------------|
| 2008 | - | 15.8 | 0.1 | - | - | 0.1 | (1.2) | 14.5 | 0.6 | 0.4 | 1.0 |
| 2009 | 14.5 | 47.8 | 12.4 | - | 0.4 | 12.8 | 1.8 | 51.3 | 2.3 | 0.5 | 2.8 |
| 2010 | 51.3 | 19.5 | 3.3 | - | 0.7 | 4.0 | 2.5 | 69.3 | 2.3 | 0.3 | 2.6 |
| 2011 | 69.3 | 46.8 | 12.2 | - | 1.5 | 13.7 | 3.0 | 105.4 | 2.8 | 0.2 | 3.0 |
| 2012 | 105.4 | 20.1 | 5.0 | 0.4 | 4.3 | 9.7 | (4.4) | 111.4 | 2.5 | 0.8 | 3.3 |
| 2013 | 111.4 | 27.6 | 8.7 | - | 6.3 | 15.0 | 0.9 | 124.9 | 3.9 | 0.4 | 4.3 |
| 2014 | 124.9 | 31.6 | 14.5 | 9.2 | 3.5 | 27.2 | 10.4 | 139.7 | 3.4 | 1.4 | 4.8 |
| 2015 | 139.7 | 78.6 | 11.5 | 1.2 | 6.0 | 18.7 | 9.6 | 209.2 | 4.2 | 1.7 | 5.9 |
| 2016 | 209.2 | 112.0 | 31.3 | 15.0 | 7.9 | 54.2 | 32.3 | 299.3 | 3.7 | 1.5 | 5.2 |
| 2017 | 299.3 | 90.6 | 43.3 | 13.6 | 9.3 | 66.2 | 29.0 | 352.7 | 3.7 | 1.0 | 4.7 |
| 2018 | 352.7 | 91.7 | 47.6 | 12.9 | 9.0 | 69.5 | 25.7 | 400.6 | 4.9 | 2.0 | 6.9 |
| 2019 | 400.6 | 131.5 | 75.7 | 42.2 | 7.4 | 125.3 | 48.7 | 455.5 | 4.5 | 2.2 | 6.7 |
| 2020 | 455.5 | 67.4 | 34.1 | 9.8 | 13.7 | 57.6 | 29.7 | 495.0 | 3.6 | 1.5 | 5.1 |
| Q1 – 21 | 495.0 | 10.6 | 5.6 | 3.7 | 5.2 | 14.5 | 9.0 | 500.1 | 0.3 | 0.2 | 0.5 |
| TOTAL | | 791.6 | 305.3 | 108.0 | 75.2 | 488.5 | 197.0 | 500.1 | 42.7 | 14.1 | 56.8 |

SUMMARY OF PERFORMANCE

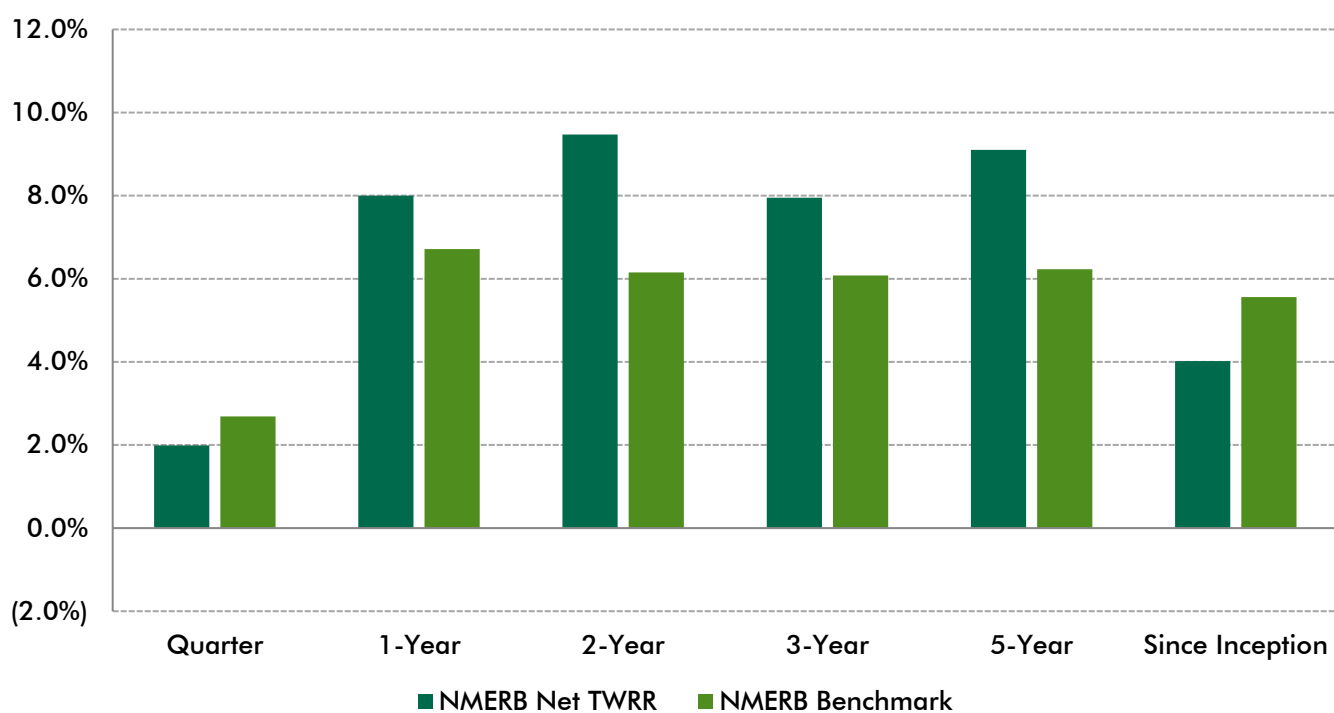
| | Quarter | 1-Year | 2-Year | 3-Year | 5-Year | Since Inception |
|------------------|---------|--------|--------|--------|--------|-----------------|
| Time-Weighted | | | | | | |
| Total Net Return | 2.0% | 8.0% | 9.5% | 8.0% | 9.1% | 4.0% |
| Dollar-Weighted | | | | | | |
| Total Net IRR | | | | | | 7.1% |

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

PORTFOLIO RETURN VS. BENCHMARK

| | NMERB Net TWRR | CPI + 400 bps | Outperformance/ (Underperformance) |
|-----------------|----------------|---------------|---------------------------------------|
| Time-Weighted | | | |
| Quarter | 2.0% | 2.7% | (0.7%) |
| 1-Year | 8.0% | 6.7% | 1.3% |
| 2-Year | 9.5% | 6.2% | 3.3% |
| 3-Year | 8.0% | 6.1% | 1.9% |
| 5-Year | 9.1% | 6.2% | 2.9% |
| Since Inception | 4.0% | 5.6% | (1.6%) |

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



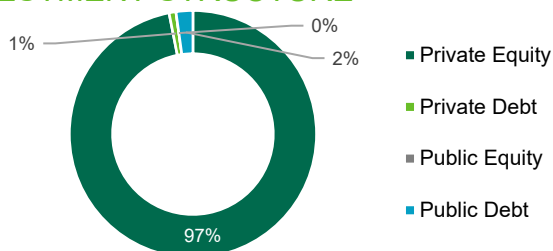
INVESTMENT POLICY GUIDELINES

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

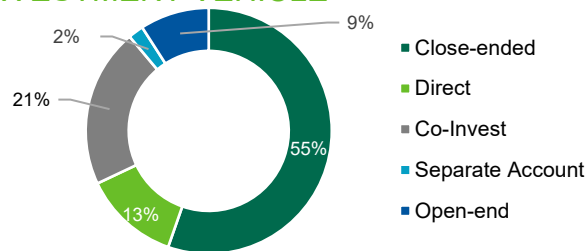
PORTFOLIO INVESTMENT POLICY GUIDELINES

| | Policy Guideline | Portfolio Actual |
|-----------------------------|------------------|------------------|
| INVESTMENT STRUCTURE | | |
| Private Equity | 40% - 100% | 96.9% |
| Private Debt | 0% - 60% | 0.9% |
| Public Equity | 0% - 30% | - |
| Public Debt | 0% - 20% | 2.2% |
| INVESTMENT VEHICLE | | |
| Open-End Funds | 0% - 100% | 9.0% |
| Closed-End Funds | 20% - 100% | 55.8% |
| Separate Accounts | 0% - 30% | 2.0% |
| Direct Co-Investments | 0% - 50% | 33.2% |
| ASSET TYPE | | |
| Energy | 0% - 60% | 44.1% |
| Transportation | 0% - 60% | 14.5% |
| Utilities | 0% - 60% | 10.3% |
| Social Infrastructure | 0% - 60% | 1.2% |
| Other | 0% - 40% | 29.9% |
| GEOGRAPHY | | |
| United States | 0% - 100% | 60.3% |
| Western Europe | 0% - 70% | 16.9% |
| Australia / NZ | 0% - 50% | 4.9% |
| Other OECD | 0% - 50% | 6.6% |
| Non-OECD | 0% - 20% | 11.3% |

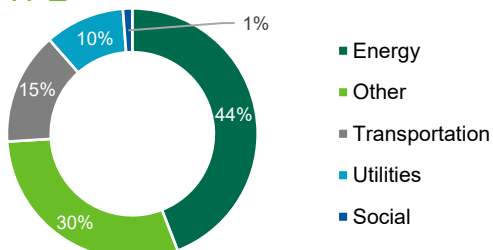
INVESTMENT STRUCTURE



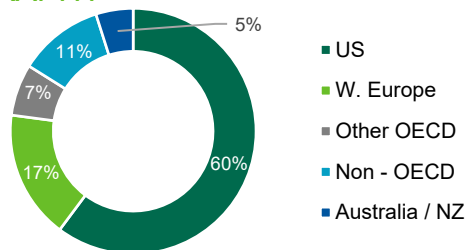
INVESTMENT VEHICLE



ASSET TYPE



GEOGRAPHY





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