PERA

INVESTED IN TOMORROW.

INVESTMENT COMMITTEE MEETING
SENATOR FABIAN CHAVEZ JR. BOARD ROOM
PERA BUILDING

December 12, 2023
9:00 am

COMMITTEE MEMBERS
Francis Page, Chair
Paula Fisher, Vice-Chair
The Honorable Treasurer, Laura Montoya
Juan Diaz
Tony Garcia

AGENDA

1. **Roll Call**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
4. **Approval of Meeting Minutes**
   A. October 26, 2023 Investment Committee minutes
5. **New Business**

	ITEM	PRESENTER
A	Action Item: Strategic Asset Allocation Recommendation	Michael Shackelford Chief Investment Officer Eileen Neill Samantha Grant Verus Advisory
B	Action Item: Benchmark Changes Recommendation	Michael Shackelford Chief Investment Officer Eileen Neill Samantha Grant Verus Advisory
C	Action Item: Investment Policy Statement Recommendation	Michael Shackelford Chief Investment Officer Eileen Neill Samantha Grant Verus Advisory
D	Information Item: Annual Investment Committee Charter Review	Michael Shackelford Chief Investment Officer
E	Information Item: IC Chair Continuation Memo	Francis Page IC Chair
F	Information Item: Performance & Market Review	Michael Shackelford Chief Investment Officer

<table>
<tr><td></td><td>1. Q3 2023 Market and Total Fund Performance Review

2. Q2 2023 Illiquid Asset Class Review
a. Private Credit
b. Private Equity
c. Private Real Assets
d. Private Real Estate</td><td>Eileen Neill
Samantha Grant
Verus Advisory

Kate Brassington, Senior Portfolio Manager- Global Equity
Clayton Cleek, Portfolio Manager, Credit Oriented Fixed Income
Michael Killfoil, Senior Portfolio Manager – Real Assets

Mike Krems
Trevor Jackson
Aksia

James Walsh
Mark White
Jaclynn Bernson
Albourne</td></tr>
<tr><td>G</td><td><u>Information Item</u>: Investment Division Compliance Update

1. Custody Bank RFP Update
2. Manager Selection Activity Report
3. Q3 2023 Cash Activity & Rebalance Update
4. Q3 2023 Securities Lending Update
5. Staffing Update</td><td>LeAnne Larrañaga-Ruffy
Deputy CIO

Sara Hume
Senior Portfolio Manager</td></tr>
</table>

5. Adjournment

Any person with a disability who needs a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact Trish Winter at (505) 795-0712 or patricab.winter@state.nm.us at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact Trish Winter if a summary or other type of accessible format is needed.

Verus

PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS

DECEMBER 12, 2023

Strategic Asset Allocation Policy Recommendation and Liquidity Risk Assessment

New Mexico Public Employees Retirement Association

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Introduction

Goals for today

1. Review risk and return characteristics of NMPERA's current strategic asset allocation policy and alternative asset mixes

2. Discuss and prioritize return, risk and liquidity considerations

3. Understand how varying strategic asset allocation policy alternatives may behave in different economic regimes and market environments

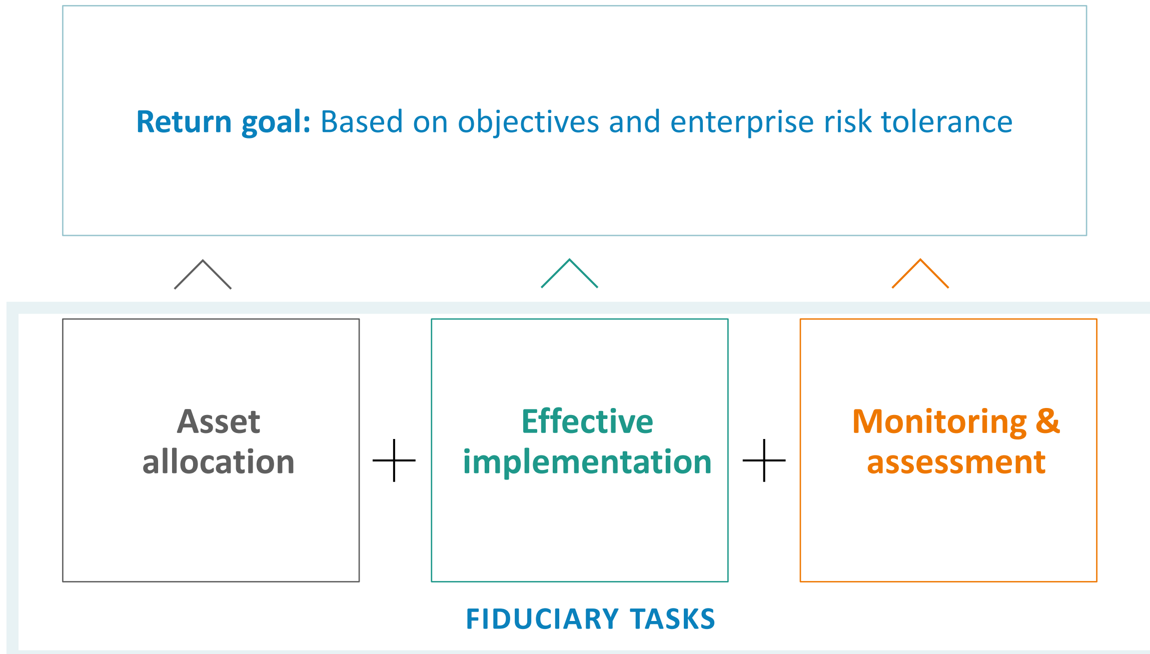
4. Reaffirm or adjust asset allocation mix for the Fund

Overview of fiduciary goals and tasks

—Develop thoughtful **strategic asset allocation** based on NMPERA investment objectives and risk tolerance

—**Implementation** through effective combination of active investment managers, low-cost passive exposures, and **appropriate support for internal operations**

—Regularly **monitor and assess** Total Fund results to determine if portfolio and asset class goals are being achieved.



PERA's principles and investment objectives

Principles

— Preserve long-term principal

— Maximize total return within prudent risk parameters

— Maintain sufficient liquidity to meet PERA's obligations

Investment Objectives

1. Strategic asset allocation is most significant factor influencing Fund's ability to meet stated investment objectives
2. Risk is unavoidable component of investing and shall be taken into account in assessing investment policy and strategy
3. Diversification distributes portfolio across asset categories to avoid excessive exposure to any one source of risk
4. Liabilities are long-term and investment strategy must incorporate appropriate balance between short- and long-term considerations
5. Sufficient liquidity will be maintained to meet anticipated Fund's cash flow requirements

Source: NMPERA Investment Policy Statement – October 2022

Historical returns

PERA SCORECARD: STRATEGIC ASSET ALLOCATION

	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	20 Yrs	30 Yrs	Inception	Inception Date
NM PERA Total Fund	**-1.49**	**7.52**	**6.08**	**5.11**	**6.00**	**5.91**	**6.25**	**7.37**	**8.47**	**Jun-85**
Assumed Rate of Return - NMPERA	*1.77*	*7.25*	*7.25*	*7.25*	*7.25*	*7.39*	*7.57*	*7.63*	*7.66*	
Excess Return	*-3.26*	*0.27*	*-1.17*	*-2.14*	*-1.25*	*-1.48*	*-1.32*	*-0.26*	*0.81*	
Scorecard	🚩	✓	🚩	🚩	🚩	🚩	🚩	🚩	✓	

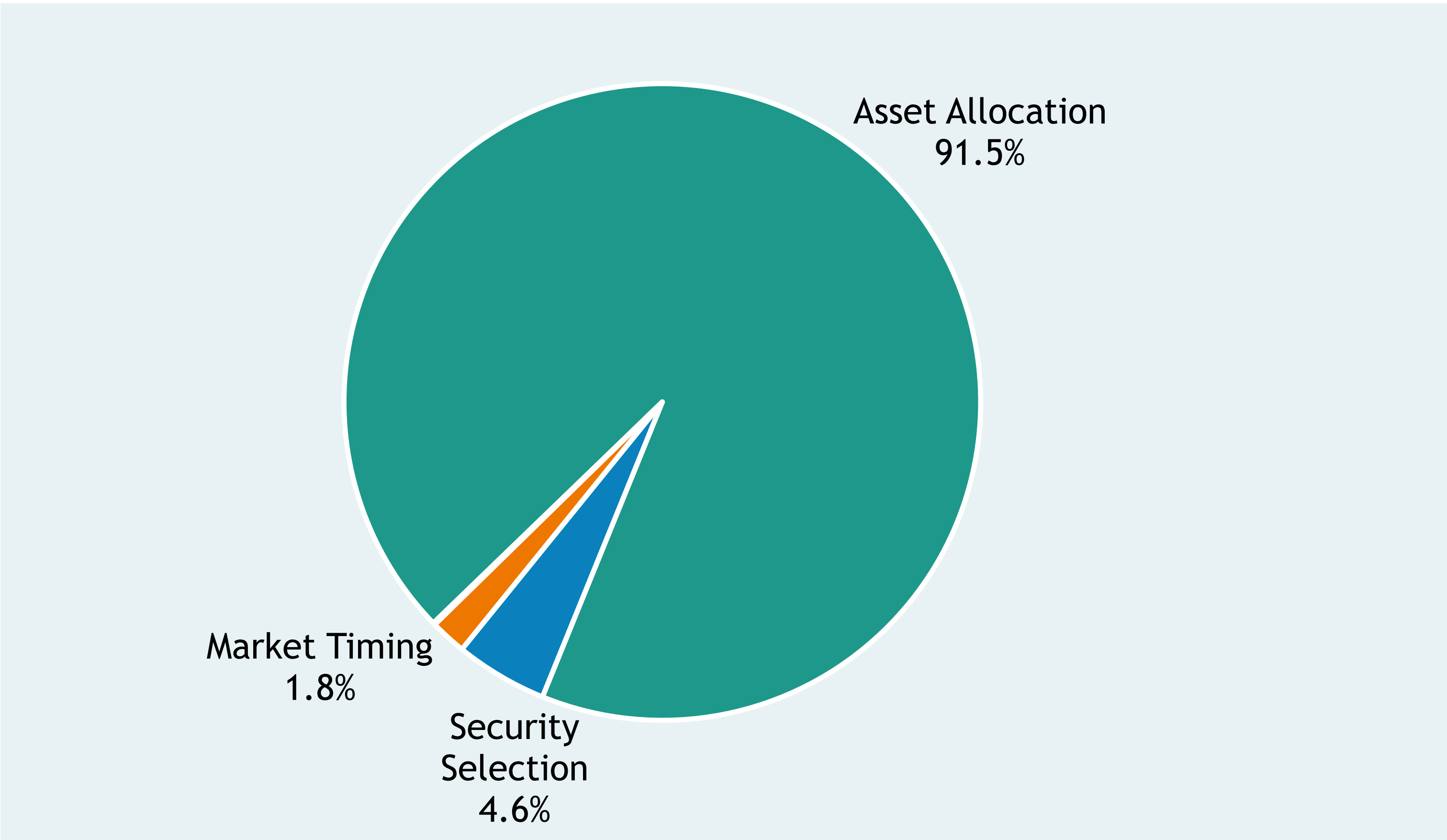
- Total Fund performance has averaged 8.5% since inception.
- Over this period the assumed return has declined from 7.66% to 7.25%.

Source: September 30, 2023 New Mexico PERA Performance Review

Strategic asset allocation (SAA) policy setting process

Asset allocation is a critical decision

PERCENT OF VARIATION EXPLAINED



Asset allocation drives bulk of variation in portfolio returns over time.

Asset allocation is usually the most important decision we make as investors.

Source: Brinson, Singer & Beebower: Determinants of Portfolio Performance II: An Update

Asset allocation policy setting process best practices

- **Define investment goals** – (*articulated in the PERA IPS*)
- **Define risk** – inability to meet promised benefit payments to current fund members
- **Time horizon** – long (i.e., 30+ years)
- **Assess alternative policy allocations** relative to current policy in terms of investment goals and risk tolerance using objective, quantitative process based on MPT
- **Identify reasonable policy alternatives** which may better achieve investment goals given associated risk and fund's unique requirements (statutory or otherwise)
- **Select most appropriate policy** given investment goals and risk tolerance
- **Re-engage in asset allocation process every 3 to 5 years**

Asset allocation & modern portfolio theory

Institutional investors subscribe to Modern Portfolio Theory (MPT) as guide to determining the appropriate asset allocation policy.

- Basic Assumptions
  - Investors are rational and will choose highest rate of return for taking on given amount of risk
  - Risk and return can be reasonably estimated
  - Diversification of investments provides investor with so-called "free lunch"
- Basic Components
  - Expected Return
  - Expected Risk
  - Expected Correlation (degree to which assets move in tandem over time)
- Under MPT, optimal asset allocation policy for Fund is identified through Mean Variance Analysis process
  - Objective quantitative process that simulates behavior of multiple combinations of multiple asset classes in varying market environments

The roles of asset classes

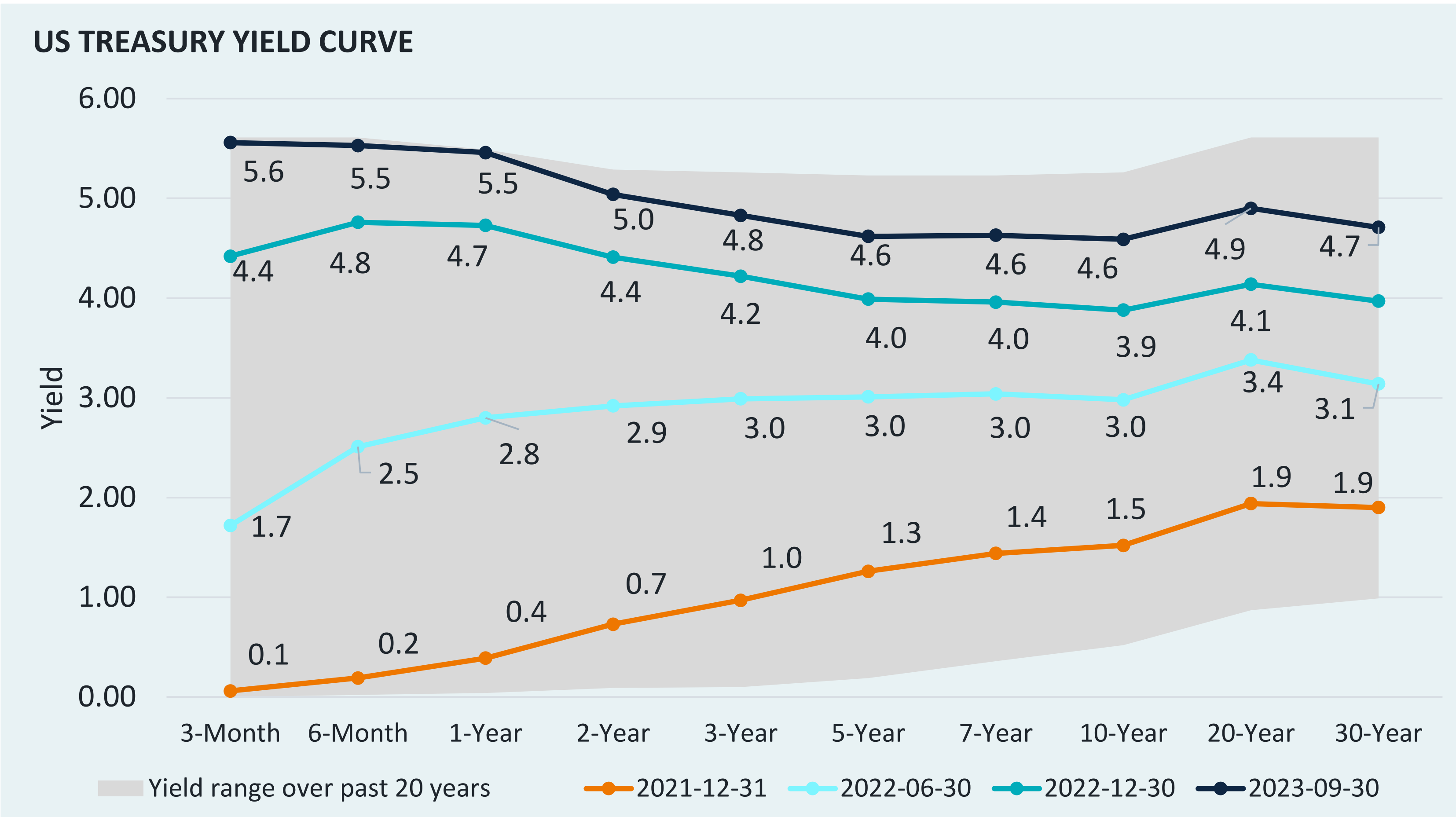
	RETURN				DIVERSIFICATION & VOLATILITY		
	Benefit from GDP Growth	Earn Risk Premium	Produce Stable Income	Hedge Against Inflation	Low Absolute Volatility	Low Corr. To Other Assets	Reduce Portfolio Volatility
Public Equities	●	◕	◔	◑	○	◔	◔
Private Equities	●	●	○	○	◔	◑	◑
Fixed Income (Treasury)	○	○	●	◔	●	◑	●
Fixed Income (Credit)	◑	◔	●	◔	◕	◑	◕
Hedge Funds	○	◔	○	○	●	●	●
Real Estate	◕	◑	◕	●	◑	◕	◑

MAGNITUDE	●	◕	◑	◔	○
	High	Med-High	Medium	Low	None

Each asset class plays different roles in a portfolio, across return spectrum, diversification, and volatility

What has changed in the past year?

(1) Bond returns no longer low; returning to historical norm.

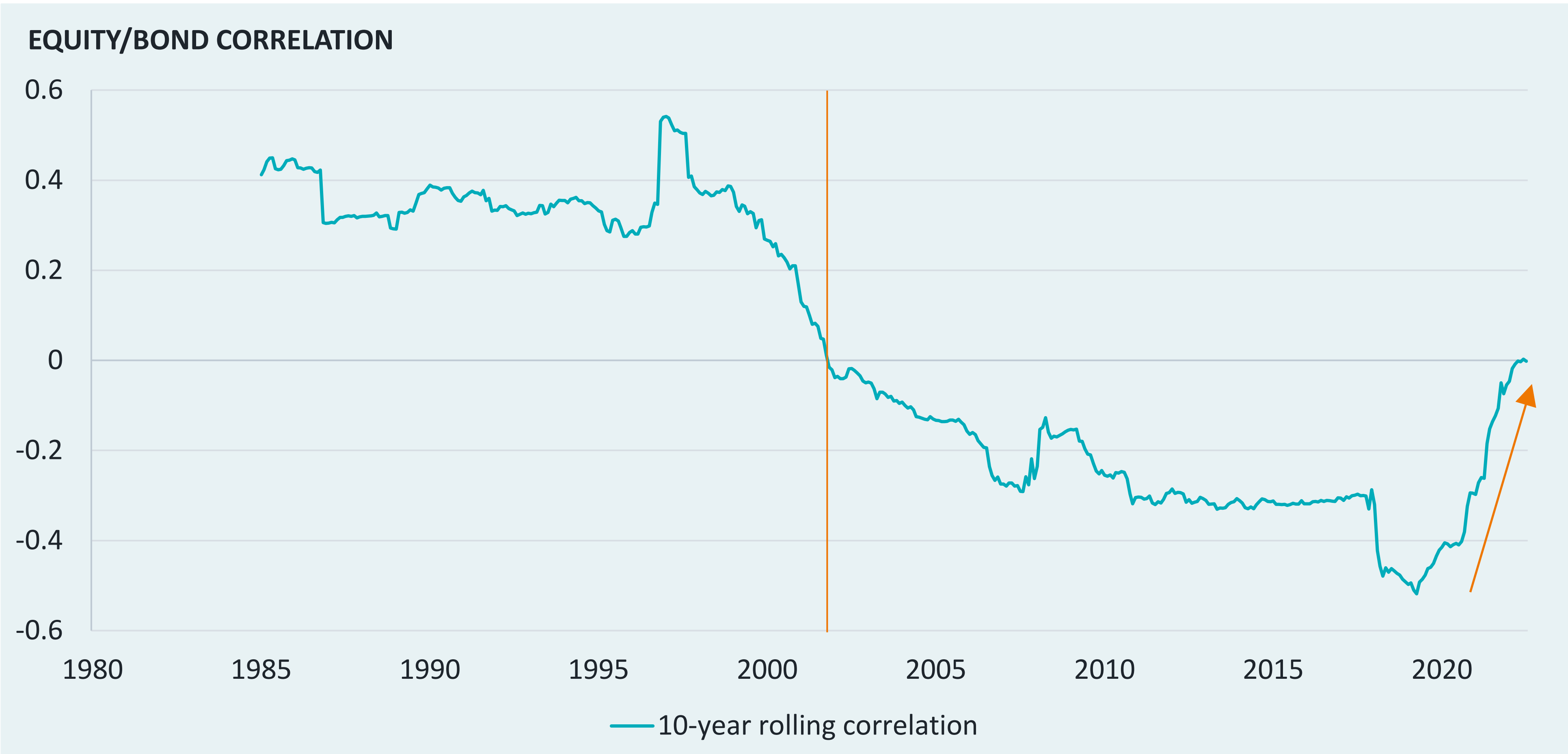


U.S. yield curve is inverted and the short end of yield curve is highest it has been in 20 years.

Source: FRED

What has changed in the past year?

(2) Higher equity/bond correlations means less diversification (and risk mitigation) potential from bonds versus equities



Equity returns represented by S&P 500. Bond returns represented by Long US Treasuries.

SAA policy alternative evaluation

Asset allocation policy evaluation process

- Industry best practices involve analyzing strategic asset allocation policies via disciplined, asset allocation modeling process to determine:
  - What Asset Classes (e.g., stocks, bonds, real estate) should be invested in and in what proportion?

- Model inputs are derived from the capital markets assumptions setting process:
  - Asset class long-term (i.e., 10-year) expected returns, volatility and correlations
  - Economic scenario and stress test modeling
  - Risk-adjusted policy returns (i.e., Sharpe Ratio = expected return / return volatility)
    - Higher Sharpe Ratio is better

Main alternative policy considerations

Verus had the following observations about current PERA SAA:

- Given PERA's long time horizon, SAA can reflect higher risk from assets with greater growth potential.
- Funded status supports case for higher exposure to growth assets.
- Some of PERA's current asset classes are implementation approaches and not distinct asset classes.
  - Dilutive to SAA expected return because success based on manager skill ("alpha") rather than risk premium ("beta")
- SAA could be simplified with focus on asset classes as delineated by their role in investment program:
  - Growth
  - Income
  - Credit
  - Inflation-hedge
  - Diversifying/Equity risk mitigation

Simpler is often better (1) provides easier monitoring, (2) greater transparency and (3) more focused decision making on what can actually "move the needle".

Asset allocation policy comparison

Current Asset Class Nomenclature	Recommended Asset Class Nomenclature	Current NMPERA SAA Policy (in %'s)	Higher Exp. Return, Similar Illiquidity (in %'s)	Higher Exp. Return, Higher Iliquidity (in %'s)	*2024 Expected Return*
Global Equity	**Global Equity**	**38**	**50**	**46**	
	Global Public Stock	16	33	27	*6.9*
	Global Low Volatility Equity	5			*6.4*
	Private Equity	17	17	19	*8.0*
Risk Reduction and Mitigation	**Core Fixed Income**	**17**	**13**	**13**	
	Core Fixed Income	17	13	13	*4.9*
Credit Oriented Fixed Income	**Credit**	**19**	**14**	**17**	
	Liquid Credit	4	6	8	*6.6*
	Illiquid Credit	8	8	9	*9.2*
	Alternative Liquid Credit	7			*6.6*
	Absolute Return	**8**	**8**	**6**	
Multi-Risk	Risk Balance	8			*7.3*
	Hedge Funds		8	6	*6.8*
Real Assets	**Real Assets**	**18**	**15**	**18**	
	Illiquid Real Estate	7	7	7	*6.7*
	Liquid Real Assets	3			*6.6*
	Illiquid Real Assets	8	8	11	*8.4*
	Expected return	**7.50**	**7.55**	**7.66**	
	Expected standard deviation (i.e., volatility)	11.4	12.6	12.7	
	Risk-adjusted return ratio (i.e., Sharpe Ratio or return per unit of risk taken)	0.30	0.27	0.28	
	Tier 4 Illiquidity exposure	**40**	**40**	**46**	

We selected alternative SAA policies that:

(1) Eliminated single strategy asset classes

(2) Strived for higher growth at similar risk or Sharpe Ratio

(3) Shifted exposure from public to private markets

(4) More aligned with peer asset class structures

New asset class – Absolute Return

- Absolute Return is an asset class 'bucket' for actively managed strategies that do not fit into established asset classes. Examples include hedge funds, risk balance/parity, alternative beta, etc.
- While a new strategic asset class, PERA already has exposure to two Absolute Return strategies: risk balance (explicit allocation: 8% of total fund) and hedge funds (4% of total fund)
  - The diversified hedge fund portfolio was component of former Portable Alpha program, which Staff eliminated in October 2023.
- **The policy alternatives eliminate risk balance/parity and increase exposure to hedge funds.**
- Hedge funds are active management strategies where objective is to earn an absolute return, net of fees, above cash. Hedge funds have unique return and volatility characteristics.
- No matter the strategy, all hedge funds employ public markets securities or derivatives and engage in leveraging and shorting activities as well as frequent trading.
- **As part of PERA's new Absolute Return asset class, Verus recommends utilization of hedge funds with lower volatility profiles and low or no correlation to Equities.**
  - PERA's current hedge funds fit this desired profile as indicated by their cash-like benchmark, LIBOR + 30 basis points

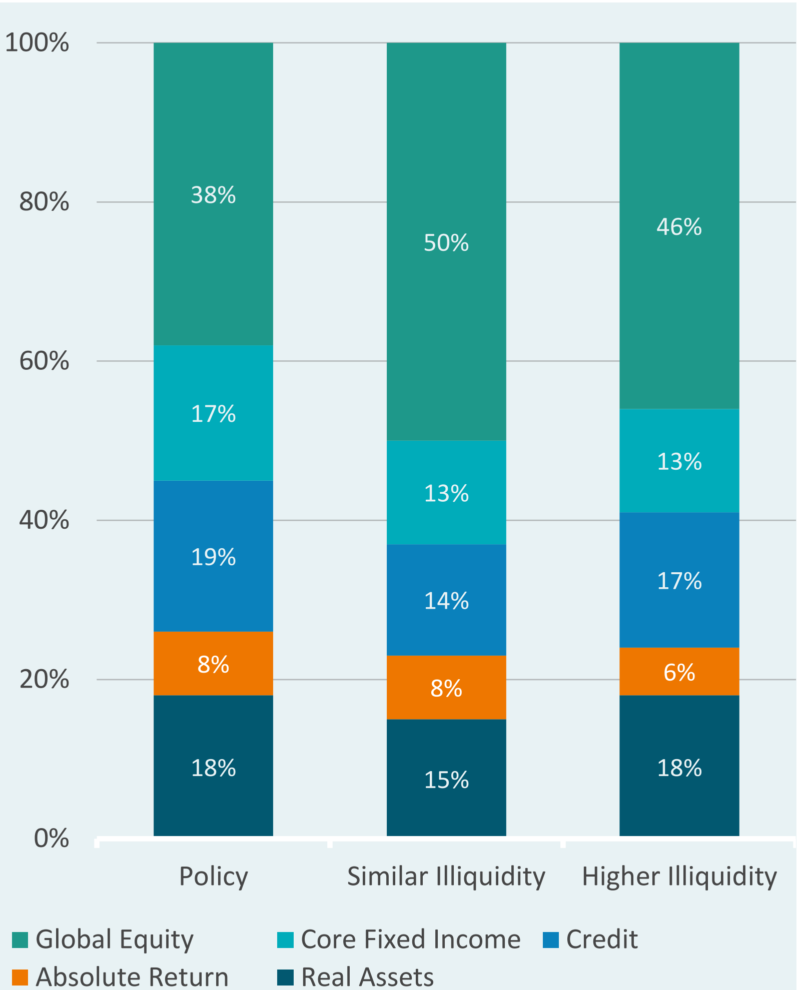
Projected return ranges

	One-Year				**Ten-Year**	
Policy	Similar Illiquidity	Higher Illiquidity		Policy	Similar Illiquidity	Higher Illiquidity
27.70%	30.18%	30.42%	95% Percentile	13.52%	14.24%	14.39%
15.36%	16.31%	16.47%	75% Percentile	9.93%	10.24%	10.37%
7.50%	7.55%	7.66%	50% Percentile	7.50%	7.55%	7.66%
0.17%	-0.55%	-0.49%	25% Percentile	5.12%	4.92%	5.01%
-9.51%	-11.15%	-11.13%	5% Percentile	1.80%	1.24%	1.32%

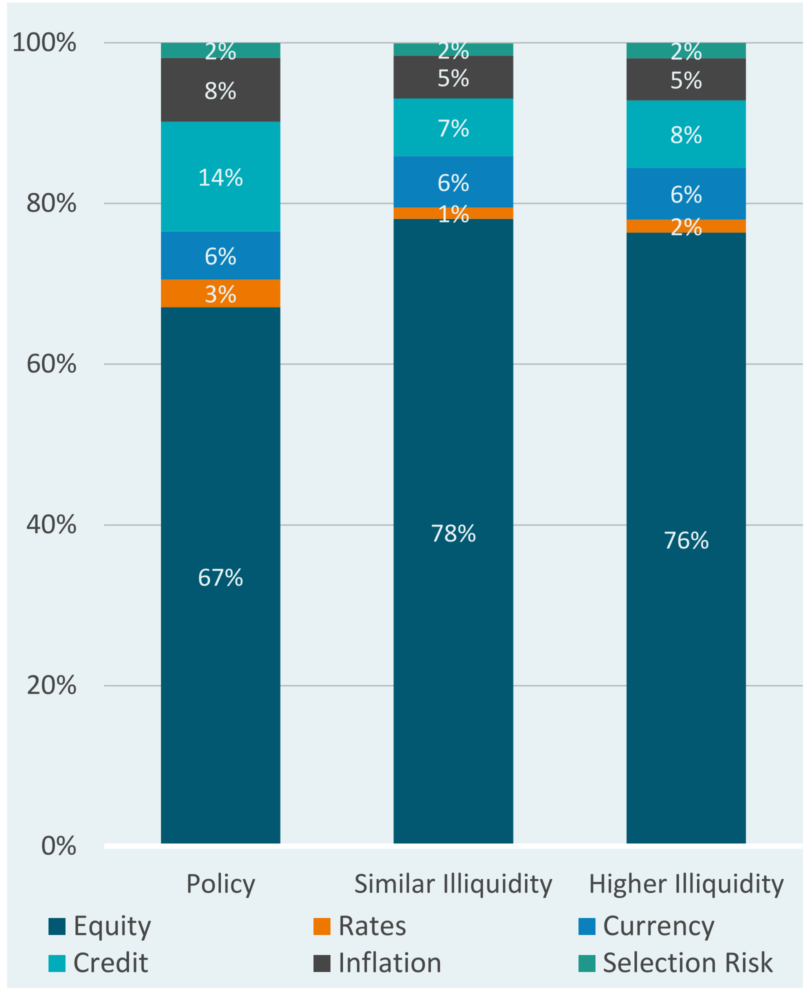
Source: MPI, using Verus June 2023 CMA; from top-to-bottom, the percentiles shown are 95, 75, 50, 25, and 5

Risk decomposition

CAPITAL ALLOCATION



RISK ALLOCATION



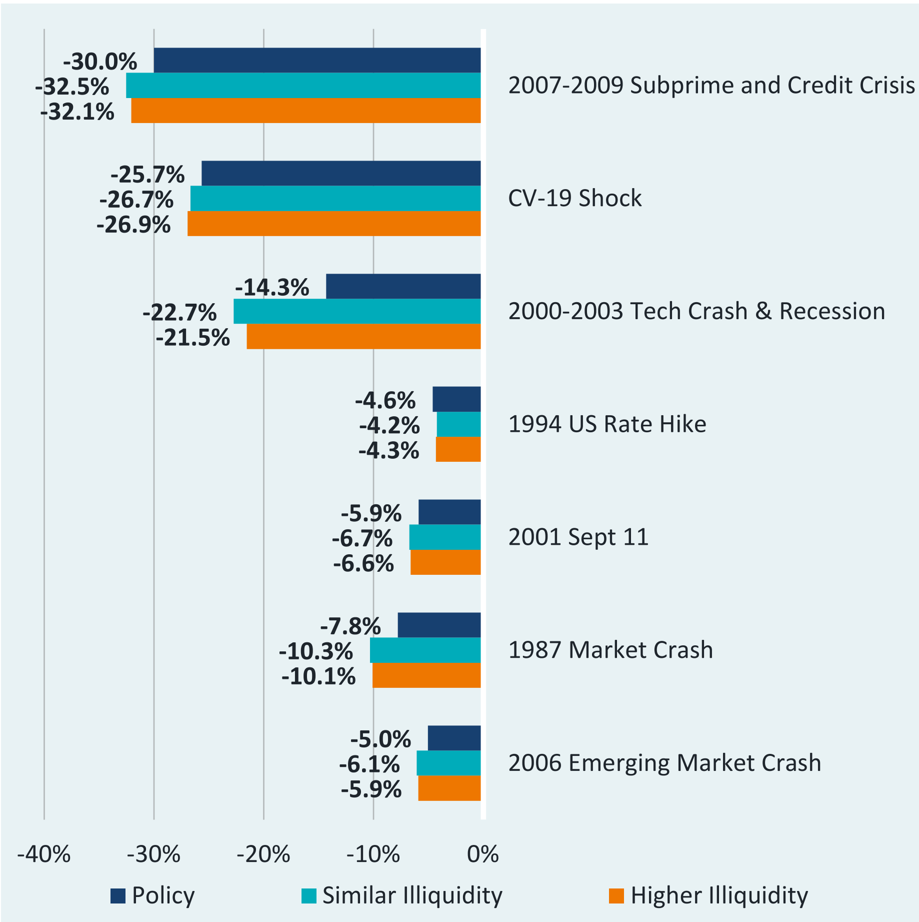
Capital allocation denotes higher level of diversification versus focusing on risk allocation

Risk allocation provides truer picture of Total fund diversification

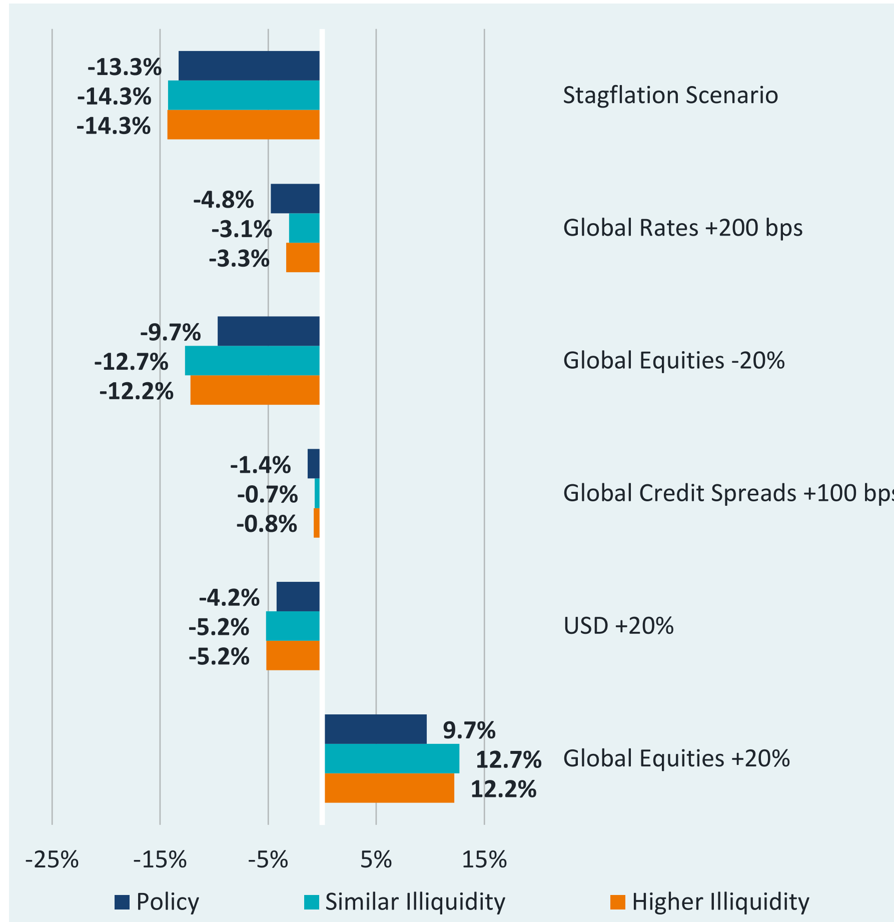
Source: BarraOne

Risk factor scenario analysis & stress tests

HISTORICAL SCENARIOS



STRESS TESTS



Source: BarraOne

Liquidity risk assessment

Liquidity coverage ratio (LCR)

Will PERA need to sell illiquid assets to cover cash outflows?

$$Liquidity\ Coverage\ Ratio\ (LCR) = \frac{\begin{array}{c} Starting\ Liquid\ Financial\ Assets \\ \sum(Distributions\ from\ Illiquid\ Assets) \\ \sum(Employer\ and\ Employee\ Contributions) \\ \sum(Liquid\ Investment\ Return) \end{array}}{\begin{array}{c} \sum(Beneift\ Payment + Admin\ Expense) \\ \sum(Capital\ Calls\ for\ Illiquid\ Assets) \end{array}}$$

Liquidity should be managed reasonably to ensure the plan can meet its obligations under various market conditions.

LCR Value	Implication
<1	Yes
>1	No

Liquidity assumptions

By asset class

Liquidity Group	Asset Class	Policy	Similar Illiquidity	Higher Illiquidity
Convertible Liquidity	**Tier 1 (5 days or less)**			
	Core Fixed Income	17%	13%	13%
	Total Tier 1	**17%**	**13%**	**13%**
	Tier 2 (5 to 90 days)			
	Global Equity	16%	33%	27%
	Global Equity Min Vol	5%		
	Risk Parity	8%		
	Commodities	3%		
	Hedge Funds		8%	6%
	High Yield Corp. Credit	4%	6%	8%
	Total Tier 2	**36%**	**47%**	**41%**
	Total Convertible Liquidity	**53%**	**60%**	**54%**
Delayed Liquidity	**Tier 3 (90 days to 1 year)**			
	High Yield Corp. Credit	7%		
	Total Tier 3	**7%**	**0%**	**0%**
	Tier 4 (1+ years)			
	Core Real Estate	7%	7%	7%
	Private Equity	17%	17%	19%
	Private Credit	8%	8%	9%
	Infrastructure	8%	8%	11%
	Total Tier 4	**40%**	**40%**	**46%**
	Total Delayed Liquidity	**47%**	**40%**	**46%**

The LCR framework is leveraged to assess the liquidity risk of tier 2, tier 3, and tier 4 assets separately.

When analyzing the risk of needing to liquidate Tier 2 assets, only short-term liquidity needs are considered (1 or 2 years of liquidity needs).

When analyzing the risk of needing to liquidate Tier 3 or Tier 4 assets, long-term liquidity needs are considered.

Tier 2 liquidity risk assessment

Do tier 2 assets need to be liquidated to cover one year of liquidity needs?

2023 – 2032 ONE-YEAR LIQUIDITY COVERAGE RATIO

	Policy	Similar Illiquidity	Higher Illiquidity
Percentile			
95% Percentile	2.18	2.18	2.18
75% Percentile	1.94	1.94	1.94
50% Percentile	1.67	1.67	1.67
25% Percentile	1.47	1.47	1.47
5% Percentile	1.26	1.26	1.26
Probability of Tier 2 Liquidation	**0.0%**	**0.3%**	**0.3%**

The Fund is generally expected to have sufficient Tier 1 assets to cover a single year of liquidity needs.

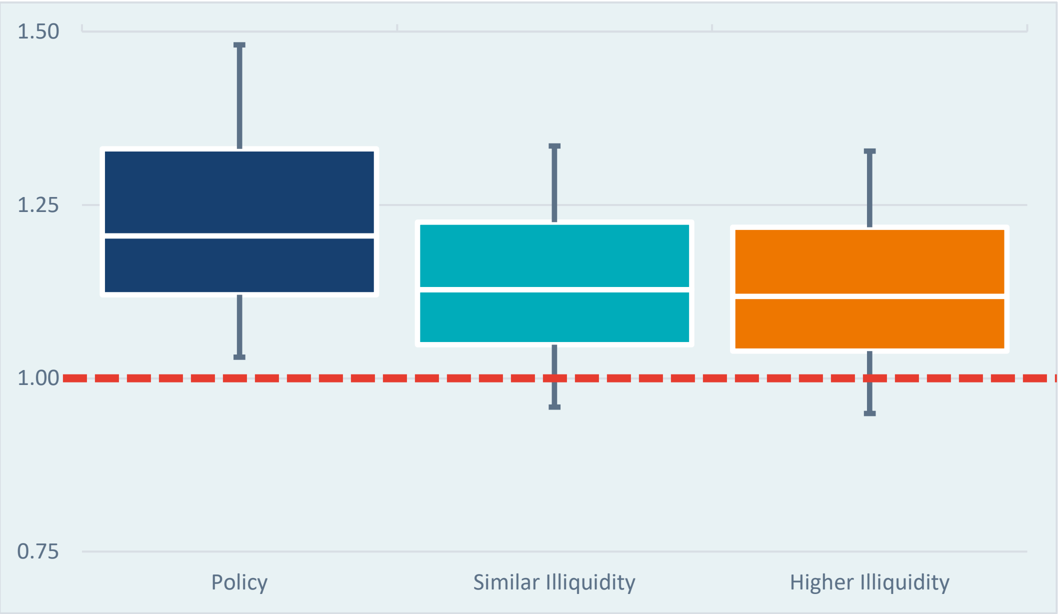
Adoption of either alternative portfolios increases the probability of needing to liquidate Tier 2 assets to meet one year of liquidity needs.

Analysis reflects 9,000 liquidity coverage ratio observations. The 9,000 observations reflect the 9 annual periods in each simulation multiplied by the 1,000 total simulations. The analysis utilizes Monte Carlo simulation and Verus' mid-year 2023 capital market assumptions. See appendix for additional inputs, assumptions, and methodology.

Tier 2 liquidity risk assessment

Do tier 2 assets need to be liquidated to cover two years of liquidity needs?

2023 – 2032 TWO-YEAR LIQUIDITY COVERAGE RATIO



	Policy	Similar Illiquidity	Higher Illiquidity
Percentile			
95% Percentile	1.49	1.35	1.34
75% Percentile	1.34	1.24	1.23
50% Percentile	1.23	1.14	1.13
25% Percentile	1.14	1.06	1.05
5% Percentile	1.05	0.97	0.96
Probability of Tier 2 Liquidation	**1.5%**	**10.8%**	**12.2%**

The Fund is generally expected to have sufficient Tier 1 assets to cover two years of liquidity needs.

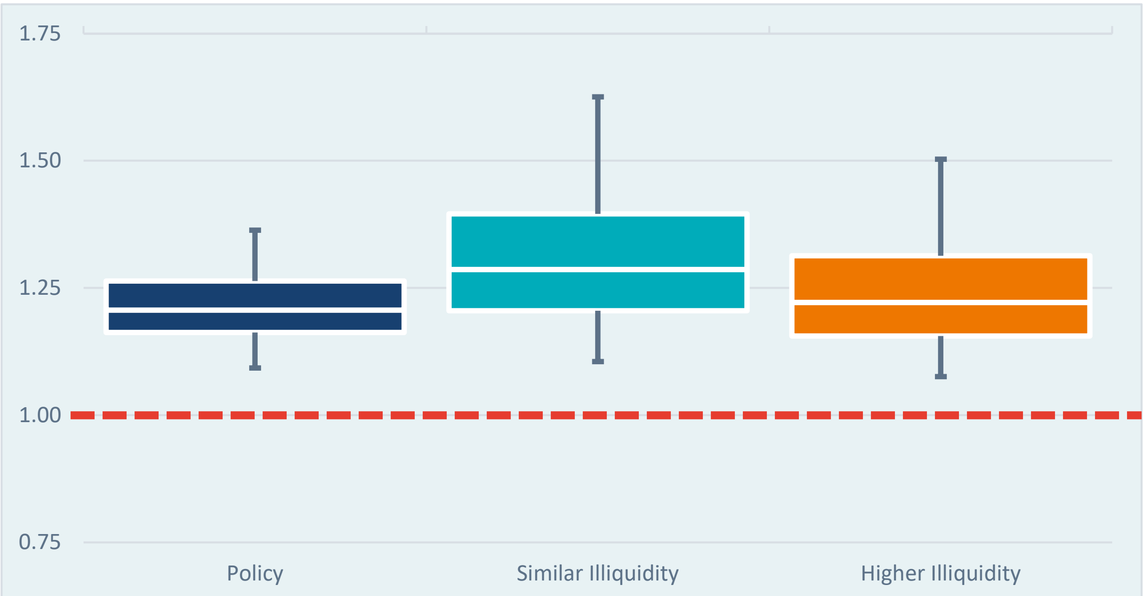
Adoption of either alternative policy portfolios increases probability of needing to liquidate Tier 2 assets to meet two years of liquidity needs.

Analysis reflects 8,000 liquidity coverage ratio observations. The 8,000 observations reflect the 8 two-year periods in each simulation multiplied by the 1,000 total simulations. The analysis utilizes Monte Carlo simulation and Verus' mid-year 2023 capital market assumptions. See appendix for additional inputs, assumptions, and methodology.

Tier 3 liquidity risk assessment

Do tier 3 assets need to be liquidated to cover long-term liquidity needs?

2023 – 2032 NINE YEAR LIQUIDITY COVERAGE RATIO



	Policy	Similar Illiquidity	Higher Illiquidity
Percentile			
95% Percentile	1.39	1.65	1.52
75% Percentile	1.29	1.42	1.33
50% Percentile	1.23	1.30	1.24
25% Percentile	1.18	1.21	1.16
5% Percentile	1.11	1.11	1.08
Probability of Tier 3 Liquidation	**0.0%**	**0.0%**	**0.0%**

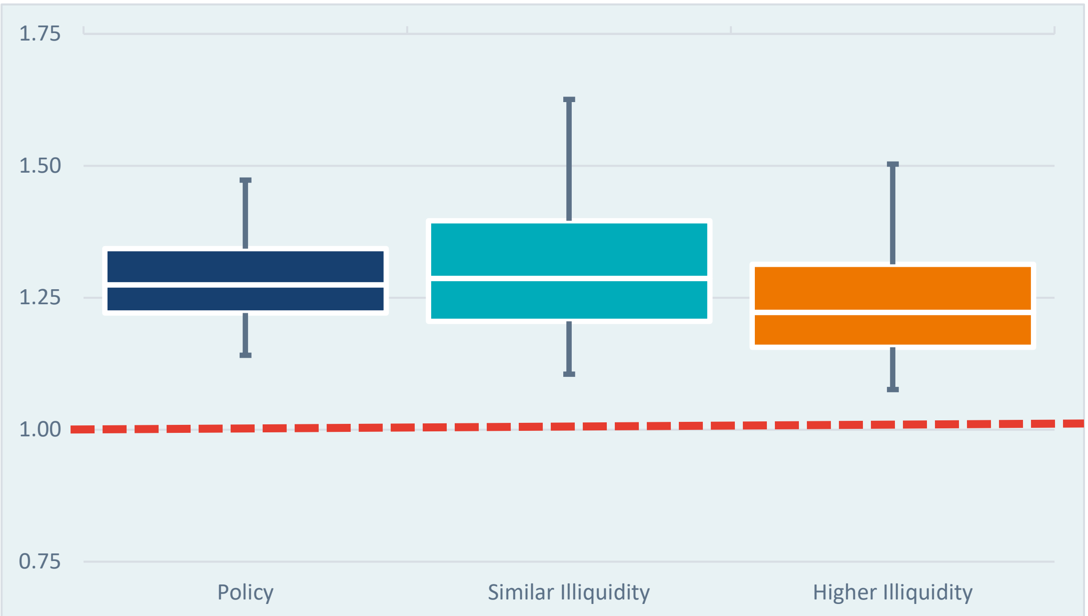
The plan is expected to have sufficient Tier 1 and Tier 2 assets to meet the next nine years of liquidity needs (even in extreme market conditions).

Analysis reflects 1,000 liquidity coverage ratio observations. The analysis utilizes Monte Carlo simulation and Verus' mid-year 2023 capital market assumptions. See appendix for additional inputs, assumptions, and methodology.

Tier 4 liquidity risk assessment

Do tier 4 assets need to be liquidated to cover long-term liquidity needs?

2023 – 2032 NINE YEAR LIQUIDITY COVERAGE RATIO



	Policy	Similar Illiquidity	Higher Illiquidity
Percentile			
95% Percentile	1.50	1.65	1.52
75% Percentile	1.37	1.42	1.33
50% Percentile	1.30	1.30	1.24
25% Percentile	1.24	1.21	1.16
5% Percentile	1.16	1.11	1.08
Probability of Tier 4 Liquidation	**0.0%**	**0.0%**	**0.0%**

The Fund is expected to have sufficient Tier 1, Tier 2, and Tier 3 assets to meet the next nine years of liquidity needs (even in extreme market conditions).

Analysis reflects 1,000 liquidity coverage ratio observations. The analysis utilizes Monte Carlo simulation and Verus' mid-year 2023 capital market assumptions. See appendix for additional inputs, assumptions, and methodology.

Recommendation

What is changing and why?

NMPERA can improve expected returns with a modest increase in risk

1. **Simplifying Asset Class Nomenclature:** Moving from strategy/implementation approach of asset classes to functional role/traditional asset class nomenclature (i.e., Credit-Oriented Fixed Income → Income/Credit)
2. **Global Equity:** Eliminating Global Low Volatility Equity in favor of higher returning Public and Private Equity.
3. **Core Fixed Income:** Reducing the exposure to fixed income (which has a large exposure to lower yielding government securities) in favor of higher yielding, credit strategies.
4. **Credit:** Eliminating Alternative Liquid Credit for better performing opportunities in Liquid and Illiquid Credit.
5. **Eliminating the Risk Balance** allocation (as it represents a multi-asset portfolio within the Total Fund) in favor of hedge funds with lower risk/lower to no correlation with equities.
6. **Eliminating Liquid Real Assets** (which exhibit higher volatility and correlation to public equities) in favor of illiquid real assets, which are true diversifiers to public markets.

Portfolio impact and recommendation

— Total Fund performance has lagged New Mexico PERA's Assumed Return over most relevant measurement periods.

— PERA's funded status implies need for more robust investment returns while maintaining sufficient liquidity to meet cash flow needs.

— Improvements to expected return compared to current SAA policy can be made with modest increase in risk and relatively similar risk efficiency (Sharpe Ratio).

— Leaning further into private markets investments is most additive to PERA's expected return and still allows for sufficient liquidity based on Verus' analysis.

Recommendation: Based on Verus' asset allocation analysis and with explicit consideration of PERA's policies and needs, Verus recommends that PERA adopt the Higher Expected Return, Higher Illiquidity strategic asset allocation policy.

Recommended SAA policy

Recommended Asset Class	Current NMPERA SAA Policy (in %'s)	Recommended PERA SAA Policy (in %'s)	Lower Limit (in %'s)	Upper Limit (in %'s)
Global Equity	**38**	**46**	**41**	**51**
Global Public Stock	16	27	22	32
Global Low Volatility Equity	5			
Private Equity	17	19	14	23
Core Fixed Income	**17**	**13**	**10**	**16**
Core Fixed Income	17	13	10	16
Credit	**19**	**17**	**13**	**21**
Liquid Credit	4	8	4	12
Illiquid Credit	8	9	5	13
Alternative Liquid Credit	7			
Absolute Return	**8**	**6**	**3**	**9**
Risk Balance	8			
Hedge Funds		6	3	9
Real Assets	**18**	**18**	**14**	**22**
Illiquid Real Estate	7	7	3	11
Liquid Real Assets	3	0		
Illiquid Real Assets	8	11	7	15
Expected return	**7.50%**	**7.66%**		
Expected standard deviation (i.e., volatility)	11.4%	12.7%		
Risk-adjusted return ratio (i.e., Sharpe Ratio or return per unit of risk taken)	0.30	0.28		
Tier 4 Illiquidity exposure	**40%**	**46%**		

Appendix

- 2024 Capital Market Assumptions
- Asset Allocation Education
- Additional Liquidity Analysis Details

Capital Markets Assumptions Methodology

CORE INPUTS

— We use a fundamental building block approach based on several inputs, including historical data and academic research to create asset class return forecasts.
— For most asset classes, we use the long-term historical volatility after adjusting for autocorrelation.
— Correlations between asset classes are calculated based on the last 10 years. For illiquid assets, such as private equity and private real estate, we use BarraOne correlation estimates.

Asset	Return Methodology	Volatility Methodology*
Inflation	25% weight to the University of Michigan Survey 5-10 year ahead inflation expectation and the Survey of Professional Forecasters (Fed Survey), and the remaining 50% to the market's expectation for inflation as observed through the 10-year TIPS breakeven rate	-
Cash	1/3 * current federal funds rate + 1/3 * U.S. 10-year Treasury yield + 1/3 * Federal Reserve long-term interest rate target	Long-term volatility
Bonds	Nominal bonds: current yield; Real bonds: real yield + inflation forecast	Long-term volatility
International Bonds	Current yield	Long-term volatility
Credit	Current option-adjusted spread + U.S. 10-year Treasury – effective default rate	Long-term volatility
International Credit	Current option-adjusted spread + foreign 10-year Treasury – effective default rate	Long-term volatility
Private Credit	Levered gross return (SOFR + spread + original issuance discounts) – management fees – carried interest	Estimated volatility
Equity	Current yield + real earnings growth (historical average) + inflation on earnings (inflation forecast) + expected P/E change	Long-term volatility
Intl Developed Equity	Current yield + real earnings growth (historical average) + inflation on earnings (intl. inflation forecast) + expected P/E change	Long-term volatility
Private Equity**	US large cap domestic equity forecast * 1.85 beta adjustment	1.2 * Long-term volatility of U.S. small cap
Commodities	Collateral return (cash) + spot return (inflation forecast) + roll return (assumed to be zero)	Long-term volatility
Hedge Funds	Return coming from traditional betas + 15-year historical idiosyncratic return	Long-term volatility
Core Real Estate	Cap rate + real income growth – capex + inflation forecast	65% of REIT volatility
REITs	Core real estate	Long-term volatility
Value-Add Real Estate	Core real estate + 2%	Volatility to produce Sharpe Ratio (g) equal to core real estate
Opportunistic Real Estate	Core real estate + 3%	Volatility to produce Sharpe Ratio (g) equal to core real estate
Infrastructure	Current yield + real income growth + inflation on earnings (inflation forecast)	Long-term volatility
Risk Parity	Modeled as the 10-year return expectations of a *representative selection of Risk Parity strategies*	Target volatility

**Long-term historical volatility data is adjusted for autocorrelation (see Appendix)*

***Private Equity is modeled assuming an 8.0% floor for expected return, and a 3% return premium ceiling over U.S. Large Cap Equity. These adjustments are in place to recognize that higher interest rates (cost of leverage) act as a drag on expected Private Equity returns but that this drag has had limits historically, and to recognize that future Private Equity total universe performance is likely to be more anchored to public equity performance than in past times, given a more competitive market environment*

10-year return & risk assumptions

Asset Class	Index Proxy	Ten Year Return Forecast: Geometric	Ten Year Return Forecast: Arithmetic	Standard Deviation Forecast	Sharpe Ratio Forecast (g)	Sharpe Ratio Forecast (a)	10-Year Historical Sharpe Ratio (g)	10-Year Historical Sharpe Ratio (a)
Equities								
U.S. Large	S&P 500	5.9%	7.0%	15.5%	0.12	0.19	0.72	0.75
U.S. Small	Russell 2000	6.2%	8.2%	21.4%	0.10	0.19	0.28	0.37
International Developed	MSCI EAFE	8.1%	9.5%	17.6%	0.23	0.31	0.18	0.25
International Small	MSCI EAFE Small Cap	8.8%	10.9%	21.7%	0.22	0.31	0.20	0.27
Emerging Markets	MSCI EM	8.8%	11.4%	24.6%	0.19	0.30	0.06	0.14
Global Equity	MSCI ACWI	6.9%	8.2%	16.7%	0.17	0.25	0.44	0.50
Global Equity ex USA	MSCI ACWI ex USA	8.5%	10.2%	19.5%	0.23	0.31	0.15	0.22
Private Equity	CA Private Equity	8.0%	10.9%	25.6%	0.15	0.27	-	-
Private Equity Direct	CA Private Equity	9.0%	11.8%	25.6%	0.19	0.30	-	-
Private Equity (FoF)	CA Private Equity	7.0%	9.9%	25.6%	0.11	0.23	-	-
Fixed Income								
Cash	30 Day T-Bills	4.1%	4.1%	1.1%	-	-	-	-
U.S. TIPS	Bloomberg U.S. TIPS 5-10	4.7%	4.8%	5.5%	0.11	0.13	0.13	0.15
Non-U.S. Inflation Linked Bonds	Bbg World Govt. Inflation Linked Bond ex U.S.	3.9%	4.2%	7.4%	(0.03)	0.01	(0.15)	(0.11)
U.S. Treasury	Bloomberg Treasury 7-10 Year	4.6%	4.8%	7.1%	0.07	0.10	(0.05)	(0.02)
Long U.S. Treasury	Bloomberg Treasury 20+ Year	4.7%	5.5%	13.2%	0.05	0.11	0.00	0.25
Global Sovereign ex U.S.	Bloomberg Global Treasury ex U.S.	2.7%	3.2%	9.9%	(0.14)	(0.09)	(0.40)	(0.36)
Global Aggregate	Bloomberg Global Aggregate	4.1%	4.3%	6.6%	0.00	0.03	(0.27)	(0.24)
Core Fixed Income	Bloomberg U.S. Aggregate Bond	4.9%	5.0%	4.8%	0.17	0.19	0.00	0.02
Core Plus Fixed Income	Bloomberg U.S. Universal	5.2%	5.3%	4.5%	0.24	0.27	0.07	0.09
Investment Grade Corp. Credit	Bloomberg U.S. Corporate Investment Grade	5.7%	6.0%	8.4%	0.19	0.23	0.17	0.20
Short-Term Gov't/Credit	Bloomberg U.S. Gov't/Credit 1-3 Year	4.7%	4.8%	3.6%	0.17	0.19	(0.07)	(0.07)
Short-Term Credit	Bloomberg Credit 1-3 Year	5.1%	5.2%	3.6%	0.28	0.31	0.23	0.24
Long-Term Credit	Bloomberg Long U.S. Credit	5.7%	6.3%	10.9%	0.15	0.20	0.15	0.20
High Yield Corp. Credit	Bloomberg U.S. Corporate High Yield	6.6%	7.2%	11.0%	0.23	0.28	0.42	0.44
Bank Loans	Morningstar LSTA Leveraged Loan	8.0%	8.4%	9.0%	0.43	0.48	0.58	0.59
Global Credit	Bloomberg Global Credit	5.1%	5.4%	7.7%	0.13	0.17	0.01	0.04
Emerging Markets Debt (Hard)	JPM EMBI Global Diversified	8.7%	9.2%	10.6%	0.43	0.48	0.15	0.20
Emerging Markets Debt (Local)	JPM GBI-EM Global Diversified	6.5%	7.2%	12.2%	0.20	0.25	(0.17)	(0.12)
Private Credit	Morningstar LSTA Leveraged Loan	9.2%	9.8%	11.9%	0.43	0.48	-	-
Private Credit (Direct Lending - Unlevered)	Morningstar LSTA Leveraged Loan	8.0%	8.4%	9.0%	0.43	0.48	-	-
Private Credit (Direct Lending - Levered)	Morningstar LSTA Leveraged Loan	9.5%	10.2%	12.6%	0.43	0.48	-	-
Private Credit (Credit Opportunities)	Morningstar LSTA Leveraged Loan	9.6%	10.3%	12.8%	0.43	0.48	-	-
Private Credit (Junior Capital / Mezzanine)	Morningstar LSTA Leveraged Loan	9.0%	9.6%	11.4%	0.43	0.48	-	-
Private Credit (Distressed)	Morningstar LSTA Leveraged Loan	9.1%	12.7%	29.1%	0.17	0.30	-	-

Investors wishing to produce expected geometric return forecasts for their portfolios should use the arithmetic return forecasts provided here as inputs into that calculation, rather than the single-asset-class geometric return forecasts. This is the industry standard approach, but requires a complex explanation only a heavy quant could love, so we have chosen not to provide further details in this document – we will happily provide those details to any readers of this who are interested.

10-year return & risk assumptions

Asset Class	Index Proxy	Ten Year Return Forecast Geometric	Ten Year Return Forecast Arithmetic	Standard Deviation Forecast	Sharpe Ratio Forecast (g)	Sharpe Ratio Forecast (a)	10-Year Historical Sharpe Ratio (g)	10-Year Historical Sharpe Ratio (a)
Other								
Commodities	Bloomberg Commodity	6.6%	7.8%	16.1%	0.16	0.23	(0.13)	(0.06)
Hedge Funds	HFRI Fund Weighted Composite	4.3%	4.6%	7.5%	0.03	0.07	0.48	0.49
Hedge Fund of Funds	HFRI Fund of Funds Composite	3.3%	3.6%	7.5%	(0.11)	(0.07)	-	-
Hedge Funds (Equity Style)	Custom HFRI Benchmark Mix*	7.2%	8.1%	14.1%	0.22	0.28	-	-
Hedge Funds (Credit Style)	Custom HFRI Benchmark Mix*	7.3%	7.7%	9.4%	0.34	0.38	-	-
Hedge Funds (Asymmetric Style)	Custom HFRI Benchmark Mix*	5.4%	5.6%	6.4%	0.20	0.23	-	-
Real Estate Debt	Bloomberg CMBS IG	7.4%	7.7%	7.5%	0.44	0.48	0.14	0.15
Core Real Estate	NCREIF Property	6.8%	7.5%	12.5%	0.22	0.27	-	-
Value-Add Real Estate	NCREIF Property + 200bps	8.8%	9.9%	15.4%	0.31	0.38	-	-
Opportunistic Real Estate	NCREIF Property + 300bps	9.8%	11.7%	21.1%	0.27	0.36	-	-
REITs	Wilshire REIT	6.8%	8.5%	19.2%	0.14	0.23	0.35	0.42
Global Infrastructure	S&P Global Infrastructure	8.4%	9.7%	16.9%	0.25	0.33	0.20	0.28
Risk Parity**	S&P Risk Parity 10% Vol Index	7.2%	7.8%	10.0%	0.31	0.37	-	-
Currency Beta	MSCI Currency Factor Index	2.3%	2.4%	3.4%	(0.52)	(0.49)	(0.06)	0.21
Inflation		2.5%	-	-	-	-	-	-

Investors wishing to produce expected geometric return forecasts for their portfolios should use the arithmetic return forecasts provided here as inputs into that calculation, rather than the single-asset-class geometric return forecasts. This is the industry standard approach, but requires a complex explanation only a heavy quant could love, so we have chosen not to provide further details in this document – we will happily provide those details to any readers of this who are interested.

**To represent hedge fund styles, we use a combination of HFRI benchmarks: Equity Style = 33% HFRI Fundamental Growth, 33% HFRI Fundamental Value, 33% HFRI Activist. Credit Style = 20% HFRI Distressed/Restructuring, 20% HFRI Credit Arbitrage, 20% HFRI Fixed Income-Corporate, 20% HFRI Fixed Income-Convertible Arbitrage, 20% HFRI Fixed Income-Asset Backed. Asymmetric Style = 50% HFRI Relative Value, 50% HFRI Macro*

***The Risk Parity forecast shown here assumes a 10% target volatility strategy. We recommend customizing this forecast to the target volatility specifications of the risk parity strategy that an investor wishes to model. Please speak with your Verus consultant for customization needs.*

Asset allocation education

Correlation and standard deviation

Beyond just return, asset allocation requires projections about future risk

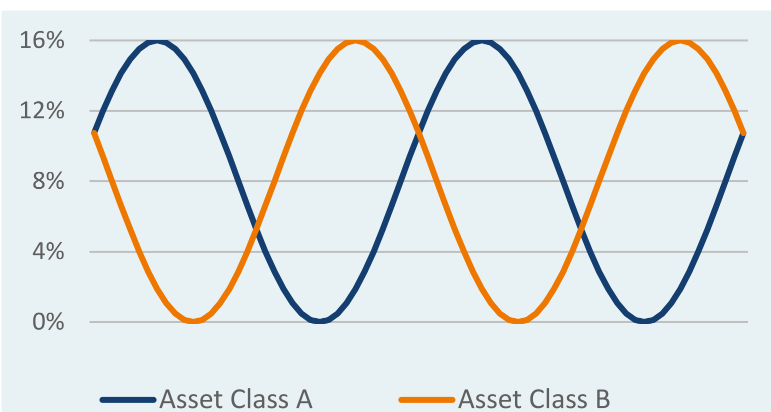
CORRELATION

— Correlation describes how different asset classes perform in relation to one another over time. It measures sensitivity of return of one asset class to that of another, and is key to effective diversification

— Correlation of 1 between two assets means they move in lock-step, and there is no diversification benefit

— Correlation of -1 means asset move in perfect inverse relationship; ideal but does not exist in reality

— Correlations of zero means there is no relationship between two assets, which is typically most diversification we see in reality

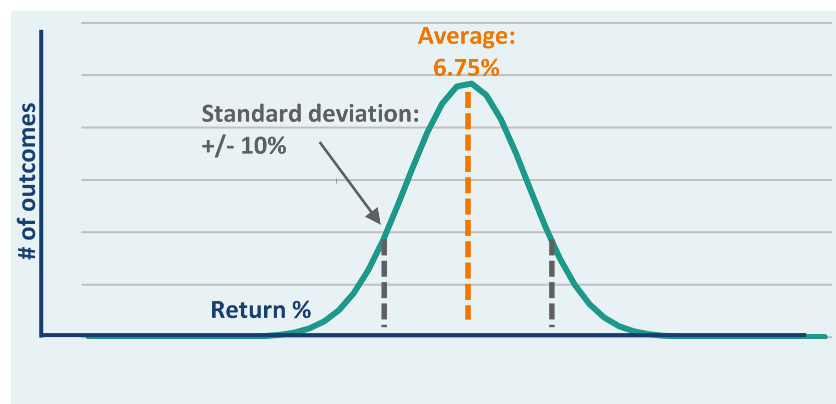


STANDARD DEVIATION

— Standard deviation is most commonly used measure of volatility; i.e., investment return risk

— Effective measure of risk by indicating how far from average return a return is likely to fall in any given time period

— Rules of statistics dictate if returns follow normal distribution, outcome will fall within: 1 standard deviation of average 2/3 of time; 2 standard deviations 95% of time; and 3 standard deviations 99% of time



New asset class – Absolute Return

- Absolute Return is an asset class 'bucket' typically employed by PERA peers to provide repository for actively managed strategies that do not fit neatly into established asset classes given unique risk exposures and strategy objectives. Examples of such strategies are:
  - Hedge funds
  - Risk balance/parity
  - Alternative beta
  - In-state/local investments
  - Catastrophe debt funds
  - Special Situations
  - Credit Opportunities funds
  - Asset-backed or Royalty-backed investment funds
  - ESG-specific private markets funds
- While a new strategic asset class, PERA already has exposure to two Absolute Return strategies: risk balance (explicit allocation: 8% of total fund) and hedge funds (4% of total fund)
  - Diversified hedge fund portfolio was component of former Portable Alpha program which Staff eliminated in October 2023
- Absolute Return "bucket" provides 'shelf space' for future strategies that may not fit traditional asset class categories

What are hedge funds?

Hedge funds are active management strategies where objective is to earn an absolute return, net of fees, above cash

- The expected return above cash is function of hedge fund's volatility target and investment objective.
- Hedge fund strategies have unique return streams that should be largely uncorrelated and diversifying to traditional long-only public markets or to private markets strategies.
- Hedge fund strategies can be segmented into two camps:
  - *Risk Diversifiers*: Lower volatility target (i.e., standard deviation or risk ≤ 4% - 6%) and low or no correlation to equities, expect net of fee spread above cash is 2% to 3%
  - *Return Drivers*: Higher volatility target (i.e., standard deviation or risk ≥ 10%) and moderate or high correlation to equities, expect net of fee spread above cash is 4% - 5%
- No matter the strategy, all hedge funds employ public markets securities or derivatives and engage in leveraging and shorting activities as well as frequent trading
  - *Due to these activities, liquidity is generally no less than quarterly*

Hedge funds key takeaways

- Hedge funds are NOT an asset class
  - Where to ‘slot’ hedge funds is function of their volatility profile and correlation to traditional asset classes, particularly Equities
  - No benchmark-orientation – agnostic to benchmarks
- Additional investment risks associated with hedge funds:
  - Leverage
  - Shorting
  - Counterparty
  - Operational
  - Lack of transparency
  - Asset/liability mis-match
  - Liquidity
- As part of PERA’s new Absolute Return asset class, Verus recommends utilization of hedge funds with lower volatility profiles and low or no correlation to Equities
  - PERA’s current hedge funds fit this desired profile as indicated by their cash-like benchmark, LIBOR + 30 basis points

Economic conditions & asset class returns

Rising Growth

Equities	Emerging Market Debt
Commodities	Real Estate
Corporate Bonds	Infrastructure

Falling Growth

Government Bonds	Inflation Linked Bonds
Corporate Bonds	
Emerging Market Debt	

Rising Inflation

Inflation Linked Bonds	Infrastructure
Commodities	
Real Estate	

Falling Inflation

Equities	Emerging Market Debt
Government Bonds	
Corporate Bonds	

Diversification by economic regime is another perspective.

Important to stay focused on long term

Asset class ‘leadership’ changes year-to-year, but over last ten plus years, equity markets have generally performed well

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD	5 Years	10 Years	20 Years
US Large Cap Equity	-7.8	-12.4	-21.7	29.9	11.4	6.3	15.5	5.8	-37.6	28.4	16.1	1.5	16.4	33.1	13.2	0.9	12.1	21.7	-4.8	31.4	21.0	26.5	-19.1	18.6	10.8	12.6	10.0
US Small Cap Equity	-3.0	2.5	-20.5	47.3	18.3	4.6	18.4	-1.6	-33.8	27.2	26.9	-4.2	16.3	38.8	4.9	-4.4	21.3	14.6	-11.0	25.5	20.0	14.8	-20.4	9.0	3.1	8.0	8.4
International Equity	-14.0	-21.2	-15.7	39.2	20.7	14.0	26.9	11.6	-43.1	32.5	8.2	-11.7	17.9	23.3	-4.5	-0.8	1.0	25.0	-13.8	22.0	10.3	11.3	-14.5	10.9	4.1	4.9	6.2
Emerging Mkts Equity	-30.6	-2.4	-6.0	56.3	26.0	34.5	32.6	39.8	-53.2	79.0	19.2	-18.2	18.6	-2.3	-1.8	-14.9	11.2	37.3	-14.6	18.4	18.3	-2.5	-20.1	4.6	1.0	3.0	7.5
60/40 Portfolio	-7.3	-9.1	-5.9	25.2	12.9	4.6	15.1	10.9	-25.9	23.3	10.2	-2.1	11.5	12.1	2.8	-2.5	5.7	17.1	-6.0	18.6	14.0	8.9	-17.3	9.0	4.8	5.4	7.0
US Core Bonds	11.6	8.4	10.3	4.1	4.3	2.4	4.3	7.0	5.2	5.9	6.5	7.8	4.2	-2.0	6.0	0.6	2.6	3.5	0.0	8.7	7.8	-1.5	-13.0	1.4	0.5	1.5	3.1
Cash	6.0	3.3	1.6	1.0	1.4	3.2	4.8	4.4	1.4	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.3	0.9	1.9	2.1	0.5	0.0	1.5	3.1	1.5	1.0	1.2
Hedge FOFs	4.1	2.8	1.0	11.6	6.9	7.5	10.4	10.3	-21.4	11.5	5.7	-5.7	4.8	9.0	3.4	-0.4	0.5	7.7	-3.5	7.8	2.8	6.5	-4.7	3.4	3.5	3.5	4.0
Real Estate	12.2	7.3	6.7	9.0	14.5	20.1	16.6	15.8	-6.5	-16.9	13.1	14.3	10.5	11.0	11.8	13.3	8.0	7.0	6.7	6.4	0.5	17.7	9.4	-3.8	5.9	7.8	8.4
Commodities	31.8	-19.5	25.9	23.9	9.1	21.4	2.1	16.2	-35.6	18.9	16.8	-13.3	-1.1	-9.5	-17.0	-24.7	11.8	1.7	-11.2	7.7	-3.1	27.1	16.1	-2.8	6.7	-0.9	0.7

Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 6/30/23.

Liquidity Analysis

Liquidity risk assessment overview

Liquidity should be managed reasonably to ensure the plan can meet its obligations under various market conditions.

To gauge health of New Mexico PERA's liquidity position, we leverage a cash-flow based analysis that is rooted in Basel 3 banking regulation framework.

Determining the appropriate Liquidity Coverage Ratio (LCR):

— While there is no "right" ratio, a value less than 1.0 means there is insufficient liquidity to meet cash outflow needs.

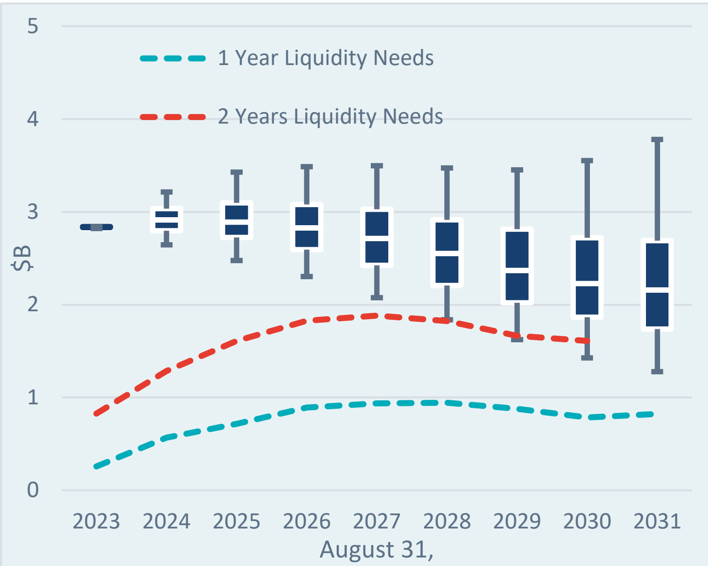
— An appropriate LCR is impacted by several variables:

- Access to external sources of liquidity (i.e., line of credit)
- Projected cash flows of the portfolio and their respective volatility
- Overall risk tolerance

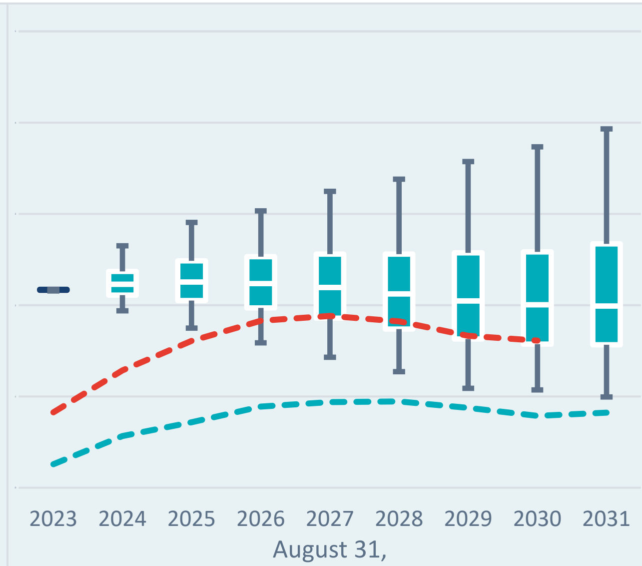
Tier 2 liquidity risk assessment

Do tier 2 assets need to be liquidated to cover short-term liquidity needs?

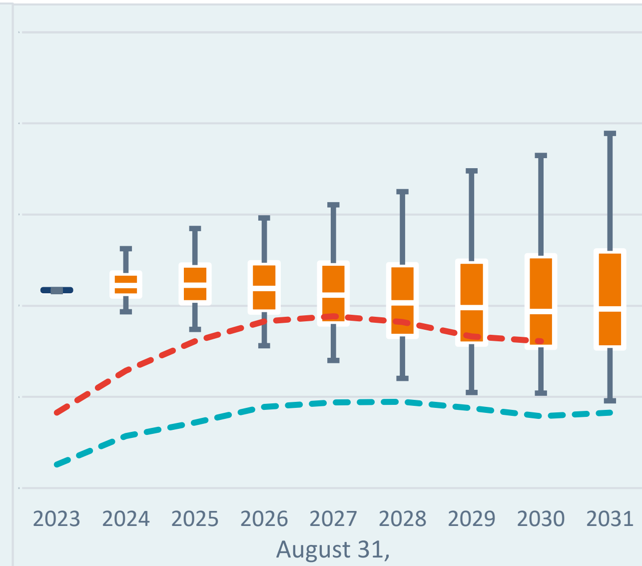
POLICY: TIER 1 MVA



SIMILAR ILLIQUIDITY: TIER 1 MVA



HIGHER ILLIQUIDITY: TIER 1 MVA



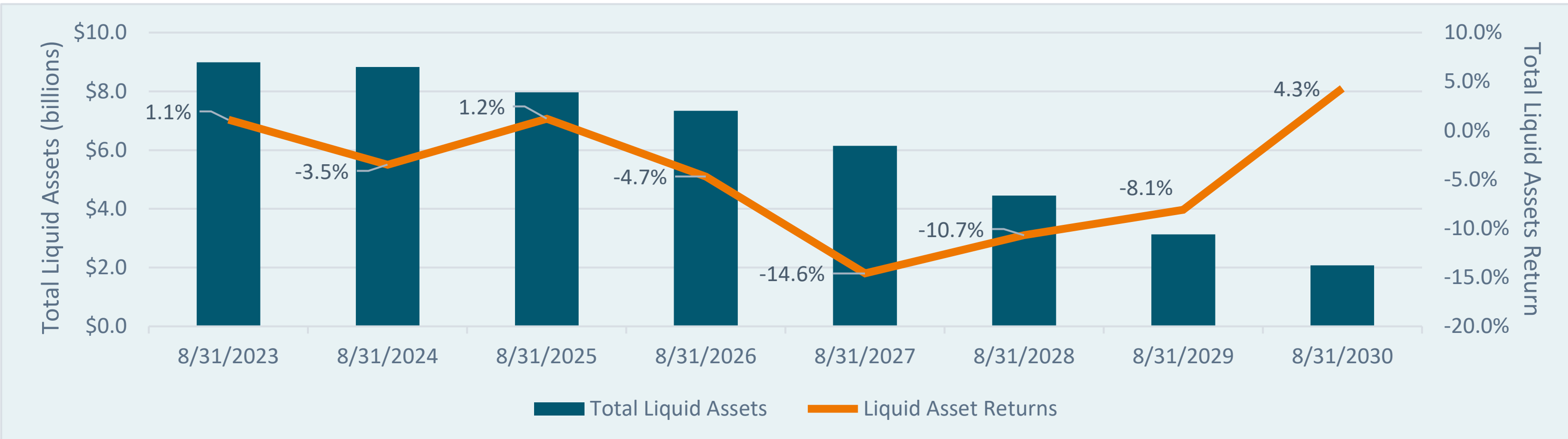
Tier 1 Assets ($B)	Policy					Similar Illiquidity					Higher Illiquidity				
	2025	2027	2029	2030	2031	2025	2027	2029	2030	2031	2025	2027	2029	2030	2031
Percentile															
50%	2.9	2.7	2.5	2.4	2.3	2.3	2.2	2.1	2.1	2.1	2.3	2.1	2.1	2.0	2.1
25%	2.7	2.5	2.1	1.9	1.8	2.0	1.9	1.7	1.6	1.6	2.0	1.8	1.6	1.6	1.6
5%	2.5	2.1	1.6	1.4	1.3	1.7	1.5	1.1	1.1	1.0	1.7	1.4	1.1	1.1	1.0
Probability															
< 1 Year CF	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.5%	0.9%	1.8%	0.0%	0.0%	0.8%	0.8%	1.5%
< 2 Year CF	0.0%	1.3%	5.5%	9.0%		1.6%	25.6%	24.1%	26.1%		1.6%	29.3%	27.2%	28.2%	

Analysis reflects 1,000 simulations of tier 1 assets over a nine-year period. The analysis utilizes monte carlo simulation and Verus' mid-year 2023 capital market assumptions. See appendix for additional inputs, assumptions, and methodology.

Liquidity risk for Higher Illiquidity policy alternative

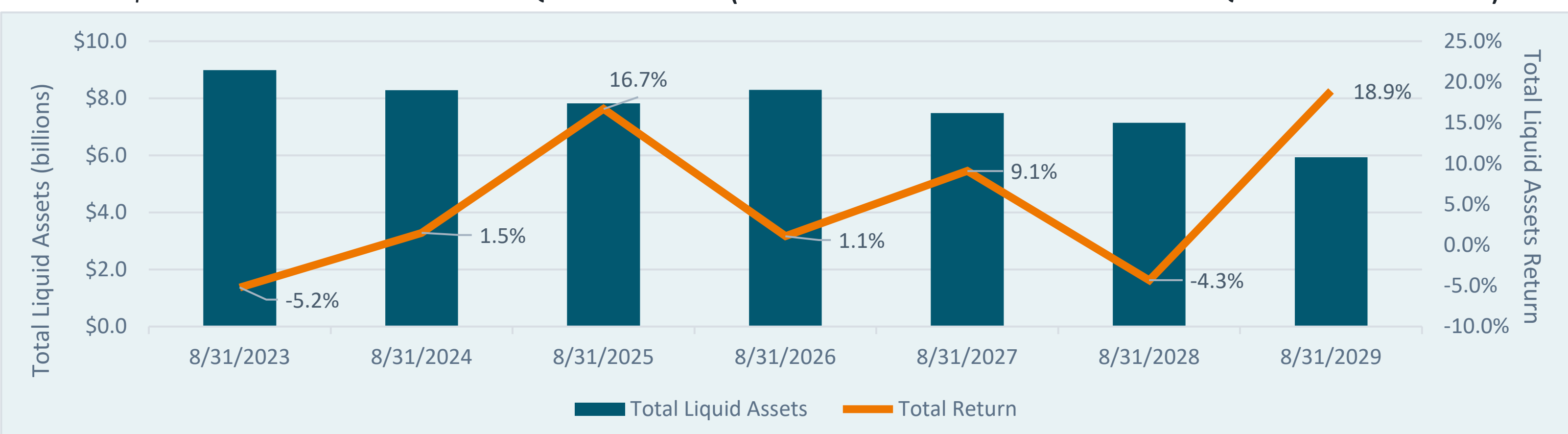
What are the potential liquidity needs on Tier 2 assets?

EXAMPLE: $22 MILLION OF ONE-YEAR LIQUIDITY NEEDS (*SCENARIO: BOTH NEGATIVE EQUITY & BOND RETURNS*)



One-year liquidity needs may equate to 4.3% of Tier 2 assets.

EXAMPLE: $121 MILLION OF TWO-YEAR LIQUIDITY NEEDS (*SCENARIO: LOWER THAN EXPECTED LIQUID ASSET RETURNS*)



Two-year liquidity needs may equate to 2.7% of Tier 2 assets.

Liquidity assessment documentation

GENERAL INPUTS, ASSUMPTIONS, AND METHODS

Starting Asset Value	16,655,276,659 as of 8/31/2023
Capital market assumptions	Verus' 2024 (details in Appendix)
Rebalancing methodology	The liquid portfolio is rebalanced after every projection year such that each liquid asset class makes up its target weight of the total liquid portfolio, subject to the tier 1 assets making up at least 10% of the total portfolio.

ILLIQUID CASHFLOW ASSUMPTIONS

Year	Contributions	Benefit Payments	Administrative Expenses	Illiquid Distributions	Illiquid Capital Calls
2023	872,059,717	1,649,798,120	14,439,377	1,208,300,000	673,300,000
2024	914,503,663	1,668,515,740	14,872,558	947,600,000	747,200,000
2025	958,709,393	1,731,100,732	15,318,735	1,017,200,000	947,400,000
2026	987,470,675	1,834,011,043	15,778,297	1,124,800,000	1,153,500,000
2027	1,017,094,795	1,894,056,115	16,251,646	1,298,100,000	1,343,100,000
2028	1,047,607,639	1,949,742,593	16,739,195	1,472,700,000	1,499,400,000
2029	1,079,035,868	1,985,483,089	17,241,371	1,653,600,000	1,607,000,000
2030	1,111,406,944	2,051,051,147	17,758,612	1,850,700,000	1,680,000,000
2031	1,144,749,152	2,194,308,331	18,291,371	1,973,800,000	1,731,000,000

Notices & disclosures

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PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS

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Why benchmarks matter?

- Benchmarks matter because they:
  - — Reflect Board's desired asset class and sub-asset class risk, or 'beta' exposures
  - — Enable Board and Staff to adequately monitor whether investment program is meeting established goals
    - Provides link between expectations and success
- Benchmark selection is the most important investment decision Board makes behind setting asset allocation policy

Preferred benchmark qualities[1]

1. ***Specified in advance*** – benchmark is specified prior to start of evaluation period and known to all parties
2. ***Appropriate*** – benchmark is consistent with manager's investment style or area of expertise
3. ***Measurable*** – benchmark return is readily calculable on reasonably frequent, consistent basis
4. ***Unambiguous*** – benchmark securities' identities and weights are clearly defined
5. ***Reflective of current investment opinions*** – manager has current knowledge of benchmark securities or factor exposures
6. ***Accountable*** – manager is aware of and accepts accountability for benchmark constituents and performance
7. ***Investable*** – benchmark can be passively replicated

1 Source: ***Managing Investment Portfolios***: A Dynamic Process (CFA Institute Investment Series), by John L. Maginn, Donald L. Tuttle, Dennis W. McLeavey and Jerald E. Pinto, 2007

Other preferred qualities

- Consistent with proxies used in asset allocation policy development
- Reflective of risk as well as return of the asset class, sub-asset class or strategy
- Available in a timely, cost-efficient manner
- Commonly used by similar investors

PERA benchmark summary

Current Asset Class	Current Benchmark	Benchmark Quality Summary of Current Benchmarks (Yes/ No/ NA (Not Applicable)) Opportunity Set / Investment Guideline Alignment	Investable and Known Ex-Ante	Transparent/ Measurable/ Unambiguous/ Available in a Timely, Cost Efficient Manner	Consistent with Proxies in Asset Allocation Policy	Reflective of Asset Class or Portfolio Risk/Return	Commonly Used by Similar Investors
PERA Total Fund	***Asset class weighted policy index***	***N/A***	***N/A***	***N/A***	***N/A***	***N/A***	***Yes***
Global Equities	**Weighted benchmark**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**Yes**
Global Public Stock	MSCI ACWI IMI ($Net)	Yes	Yes	Yes	Yes	Yes	Yes
Private Equity	MSCI ACWI IMI ($Net)	No	Yes	Yes	No	No	No
Risk Reduction & Mitigation	**Weighted benchmark**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**Yes**
Core Fixed Income	Bloomberg U.S. Aggregate Bond Index	Yes	Yes	Yes	Yes	Yes	Yes
Credit-Oriented Fixed Income	**Weighted benchmark**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**Yes**
Liquid Credit	Bloomberg Global High Yield (Hedged)	Yes	Yes	Yes	Yes	Yes	No
Illiquid Credit	Bloomberg Global High Yield (Hedged)	No	Yes	Yes	No	No	No
Alternative Liquid Credit	Bloomberg Global High Yield (Hedged)	No	Yes	Yes	No	N/A	N/A
Multi-Risk Allocation	**Weighted benchmark**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Risk Balance	Wilshire Risk Parity Index -- 15% Volatility	Yes	Yes	Yes	Yes	N/A	No
Real Assets	**Weighted benchmark**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**Yes**
Illiquid Real Estate	Wilshire Global REITs	No	Yes	Yes	No	No	No
Liquid Real Assets	Dow Jones -- Brookfield Global Infrastructure Index	Yes	Yes	Yes	Yes	Yes	Yes
Illiquid Real Assets	75%/25% Dow Jones -- Brookfield Global Infrastructure Index/ Bloomberg Commodity – Commodity Index (TR)	No	Yes	Yes	No	No	No

Benchmarking issues – private markets

- Private markets benchmarks do not fulfill the following benchmark quality criteria:
  - — Investable
  - — Transparent
  - — Appropriately representative (*of exposures that can be invested in today*)
- Private markets cannot be rebalanced to strategic targets
- Different return calculation methodology (*IRR vs. TWR*)
- Valuation timing
- Fund life cycle

Benchmarking issues – private markets

- Three primary types of benchmarks for private markets:
  1. Public markets benchmark
  2. Peer group universe
  3. Public markets equivalent (“PME”)
- Most widely used private equity benchmarks are public benchmarks “plus” premium
  - However, more benchmark-aware, or sensitive, plan sponsors tend towards utilization of peer group universe as they reduce tracking error and benchmark misfit issues
- PME benchmarking for private equities is often incorporated in more detailed supplemental reporting as an additional comparison
  - PME benchmarks are custom public market benchmarks where private market fund’s cash flows are employed to create commensurate public market proxy
  - Helps answer question: “What if we had invested in the public markets instead?”
- PERA’s private markets consultants provide reporting inclusive of peer group and PME benchmarks for Staff to evaluate private markets implementation strategies

Summary of benchmark recommendations

Current Asset Class	Current Benchmark	Recommended Asset Class	Recommended Benchmark	Benchmark Quality Summary of Current Benchmarks (Yes/ No/ NA (Not Applicable))					
				Opportunity Set / Investment Guideline Alignment	Investable and Known Ex-Ante	Transparent/ Measurable/ Unambiguous/ Available in a Timely, Cost Efficient Manner	Consistent with Proxies in Asset Allocation Policy	Reflective of Asset Class or Portfolio Risk/Return	Commonly Used by Similar Investors
PERA Total Fund	*Asset class weighted policy index*	*PERA Total Fund*	*Asset class weighted policy index*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*Yes*
Global Equities	**Weighted benchmark**	**Global Equities**	**Weighted benchmark**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**Yes**
Global Public Stock	MSCI ACWI IMI ($Net)	Global Public Stock	MSCI ACWI IMI ($Net)	Yes	Yes	Yes	Yes	Yes	Yes
Private Equity	MSCI ACWI IMI ($Net)	Private Equity	MSCI ACWI IMI ($Net)	No	Yes	Yes	No	No	No
Risk Reduction & Mitigation	**Weighted benchmark**	**Core Fixed Income**	**Bloomberg U.S. Aggregate Bond Index**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**
Core Fixed Income	Bloomberg U.S. Aggregate Bond Index	Core Fixed Income	Bloomberg U.S. Aggregate Bond Index	Yes	Yes	Yes	Yes	Yes	Yes
Credit-Oriented Fixed Income	**Weighted benchmark**	**Credit**	**Weighted benchmark**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**Yes**
Liquid Credit	Bloomberg Global High Yield (Hedged)	Liquid Credit	Bloomberg HY 2% Issuer Constrained	Yes	Yes	Yes	Yes	Yes	Yes
Illiquid Credit	Bloomberg Global High Yield (Hedged)	Illiquid Credit	Morningstar LSTA Leveraged Loan Index	No	Yes	Yes	Yes	No	No
Alternative Liquid Credit	Bloomberg Global High Yield (Hedged)								
Multi-Risk Allocation	**Weighted benchmark**	**Absolute Return**	**SOFR + 2.5%**	**No**	**No**	**Yes**	**No**	**Yes**	**Yes**
Risk Balance	Wilshire Risk Parity Index -- 15% Volatility	Hedge Funds	SOFR + 2.5%	No	No	Yes	No	Yes	Yes
Real Assets	**Weighted benchmark**	**Real Assets**	**Weighted benchmark**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**Yes**
Illiquid Real Estate	Wilshire Global REITs	Illiquid Real Estate	FTSE EPRA Nareit Global Equity Index	No	Yes	Yes	No	No	No
Liquid Real Assets	Dow Jones Brookfield Global Infrastructure Index								
Illiquid Real Assets	75%/25% Dow Jones -- Brookfield Global Infrastructure Index/ Bloomberg Commodity – Commodity Index (TR)	Illiquid Real Assets	S&P/Dow Jones Brookfield Global Infrastructure	No	Yes	Yes	Yes	No	Yes

Benchmark recommendations – Liquid credit

- *Current benchmark*: Bloomberg Global High Yield (Hedged)
- *Recommended benchmark*: Bloomberg High Yield 2% Issuer Constrained
- Rationale – Improved benchmark quality through:

(1) consistent with proxies employed in asset allocation policy setting process,

(2) better reflection of asset class risk and return profile,

(3) majority of PERA's public fund peers with high yield allocations employ this benchmark for this asset class

Benchmark recommendations – Illiquid credit

- *Current benchmark*: Bloomberg Global High Yield (Hedged)
- *Recommended benchmark*: Morningstar Loan Syndications and Trading Association (“LSTA”) Leveraged Loan Index
- Rationale – Improved benchmark quality through:

(1) better alignment with investment opportunity set, although still not optimal,

(2) consistent with proxies employed in asset allocation policy setting process,

(3) better reflection of asset class risk and return profile

Benchmark recommendations – Absolute return

- *Current benchmark*: None – new asset class
- *Recommended benchmark*: Secured Overnight Financing Rate (“SOFR”) + 2.5%
- Rationale:

  (1) good reflection of asset class risk and return profile as being implemented by PERA (both currently and going forward)

  (2) many PERA peers benchmark absolute return strategies using this construct (i.e., cash benchmark plus spread)

Benchmark recommendations – Illiquid real estate

- *Current benchmark*: Wilshire Global REITs
- *Recommended benchmark*: FTSE EPRA/Nareit Global Real Estate Index
- Rationale – although similar benchmark qualities, this benchmark is better for following reasons:

  (1) represents broader REIT opportunity set as it has exposure to all investment and property sectors (no exclusions)

  (2) includes greatest number of securities compared to other REIT benchmarks

  (3) index not dominated by single sector exposure – exposures are more balanced

Benchmark recommendations – Illiquid real assets

- *Current benchmark*: 75%/25% Dow Jones -- Brookfield Global Infrastructure Index/ Bloomberg Commodity – Commodity Index (TR)
- *Recommended benchmark*: S&P/Dow Jones Brookfield Global Infrastructure
- Rationale – Improved benchmark quality through:

(1) more commonly used by PERA peers

(2) consistent with proxies used in asset allocation policy setting process

(3) reflective of planned implementation going forward with emphasis on infrastructure and allowing current Energy exposures to continue to run-off

Benchmark governance

- Adoption of a benchmark philosophy statement within investment policy provides appropriate governance for, and transparency to, benchmark selection process
- Benchmark philosophy articulates key tenets of beliefs regarding benchmarks as well as Board's benchmark preferences
  - — Preferences tend to be based upon principles of benchmark quality
- ***Verus recommends PERA Board incorporate a benchmark philosophy, goals and framework within its investment policy (see Appendix for explanation of suggested IPS language).***

Appendix

Benchmark philosophy statement (example)

1. Asset classes and strategies selected by Board are intended to gain exposure to various markets. PERA's benchmarks should be reflective of those respective markets both in terms of return and risk.

Why? Investment theory supports capital market benchmarks as being representative of the most efficient portfolio (i.e., highest return for level of risk taken).

2. Board's preference is for benchmarks which encompass broadest and deepest securities opportunity set for respective asset class, sub-asset class and strategy.

Why? Investment theory supports broadest investment approach as having highest probability of achieving expected returns for an asset class.

3. In highly efficient asset classes and sub-asset classes, capital market-based benchmarks are preferred.

Why? Investment theory supports capital market benchmarks as being representative of the most efficient portfolio (i.e., highest return for level of risk taken).

4. Benchmarks should be simple rather than complex.

Why? Operationally easier to maintain and easier for Board to understand and accept and is in line with benchmark quality standard for measurable and unambiguous.

Benchmark philosophy statement (example)

5. Benchmarks should be those commonly employed by PERA's peers.

Why? Easier to make comparisons with peers as well as supports benchmarks as acceptable under industry best practices for benchmarking respective asset classes.

7. Board's preference is for benchmarks with transparent construction and rebalancing methodologies.

Why? Reflects benchmark quality principles of unambiguous and measurable. Increases Board confidence in, and acceptance of, benchmark.

8. Board's preference is for benchmarks that are investable

Why? In public markets, benchmark should always be viewed as reasonable and acceptable implementation alternative to active management, particularly if cost management is of paramount concern. Aligns with benchmark principles that benchmarks be investable and specified in advance.

9. Benchmarks should be representative of relevant opportunity set for asset class, sub-asset class or strategy

Why? Aligns with benchmark quality principle that benchmarks be appropriate given the asset class risk drivers, characteristics and security or constituent universe.

Benchmark goals (example)

1. Overarching goal of PERA’s’ benchmarks is to provide Board measurement tool to evaluate and understand degree to which PERA’s total fund, asset classes and strategies are successful in meeting policy objectives over both short term (i.e., 3 or less years) and long term (i.e., 5 or more years)
   - Benchmarks provide insight into how capital markets are performing, in general, and help Board understand how individual asset classes, sub-asset classes and strategies are contributing to overall results
2. Secondary goal of benchmarks is to ascertain relative skill of PERA’s staff and managers in implementation decisions regarding strategy selection, portfolio construction, and external manager selection
   - While asset allocation is expected to drive majority (i.e., 90+%) of actual results at total fund level, implementation is not insignificant. Through comparison of actual total fund results versus benchmarks via attribution analysis, Board can parse contribution of asset allocation (Board decision) and implementation (staff decisions) to overall results
3. Benchmarks should be transparent in most portfolio aspects. Goal of the Board is to ensure PERA’s benchmarks meet industry standards for benchmark quality
   - Benchmarks fairly and accurately represent asset classes and strategies employed in PERA’s Fund

Benchmark selection framework (example)

1. Board will establish benchmarks for each asset class and sub-asset class that contributes to total fund benchmark
   — Asset classes are defined by asset allocation policy; thus, benchmarks for asset classes should be reflective of benchmarks used in policy setting process
2. Total fund policy benchmark will be a weighted average of underlying asset class and sub-asset class benchmarks weighted by asset allocation policy weights
3. Different approaches to benchmark selection will be required for public versus private markets strategies with objective of aligning benchmarks with benchmark quality standards
4. Benchmarks will be reviewed periodically using both qualitative and quantitative information.
   — Annual review is likely to be unnecessary given that PERA takes a long-term view, i.e., five (5) years or more, in evaluating progress towards meeting stated investment goals.
   — Also, once set, benchmarks are not likely to change unless warranted by changes in underlying asset class, sub-asset class or strategy.

Benchmark selection framework (continued)

5. For long-only, public markets portfolio strategies, only published, widely-recognized benchmarks will be employed that have been deemed to represent investment characteristics and risk profile objective of relevant PERA mandate

THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF NEW MEXICO

PERA
Public Employees Retirement Association of New Mexico

INVESTED IN TOMORROW.

INVESTMENT POLICY

Revised

~~October 26~~December 12, 2023

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THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF NEW MEXICO

INVESTMENT POLICY

I. INTRODUCTION

A. Statutory Authority

The Public Employees' Retirement Association of New Mexico (PERA) was created by law in 1947 and is authorized to administer the Public Employees Retirement Act of New Mexico, NMSA 1978, Sections 10- 11-1 to 10-11-142, as amended (the PERA Act), the Volunteer Firefighters Retirement Act, NMSA 1978, Sections 10-11A-1 to 10-11A-8, as amended, the Judicial Retirement Act, NMSA 1978, Sections 10-12B- 1 to 10-12B-19, as amended, the Magistrate Retirement Act, NMSA 1978, Sections 10-12C-1 to 10-12C- 18, as amended, and the Public Employees Reciprocity Act, NMSA 1978, Sections 10-13A-1 to 10-13A- 4, as well as other federal and State laws relating to the administration of public employees' retirement systems in the State of New Mexico. As of April 2016, PERA administers thirty-one retirement plans under a defined benefit structure for state employees, municipal employees, county employees, police, firefighters, judges, magistrates, and legislators. PERA is governed by the Retirement Board (the Board).

B. Authority and Duties of the Board

Article XX, Section 22 of the New Mexico Constitution obligates the Board to administer and invest the PERA trust funds (the Fund) for the sole and exclusive benefit of the members, retirees and other beneficiaries of PERA. The PERA Act, NMSA 1978 §§ 10-11-132 and 10-11-133 generally describe the authority of the Board to invest the Fund. Both those sections incorporate and adopt the Uniform Prudent Investor Act (UPIA), NMSA 1978, §§ 45-7-601 to 45-7-612, which require the Board to exercise the reasonable care, skill, and caution of a prudent investor when it invests and manages assets in its capacity as trustee of the Fund. Among other things, the UPIA requires that Fund investments be diversified to minimize the risk of large losses, unless under the circumstances, it is clearly prudent not to do so. The Board also recognizes that care must be exercised to maintain PERA's status as a government plan that is exempt from the requirements of the federal Employees Retirement Income Security Act of 1974 and as a qualified plan that is exempt from taxation under the Internal Revenue Code.

C. Mission Statement

In recognition of its fiduciary responsibility, the Board adopts the following as the mission statement for PERA:

> The mission of the Board of the Public Employees' Retirement Association is to preserve, protect, and administer the trust to meet its current and future obligations and provide quality services to Association members.

D. PERA Roles and Responsibilities/Delegations of Authority

To accomplish its mission, the Board relies on PERA employees and third-party investment consultants (Investment Consultants) to properly administer the Fund and implement the investment strategies it adopts. Because of the number of parties involved, their roles in investing and managing the Fund must be clearly explained. Doing so increases operational efficiency, ensures clear lines of responsibility, and reduces or eliminates duplication of effort.

Ethics and Conflicts of Interest

The Board and PERA employees are obligated to act in the exclusive interest of PERA members, retirees, and beneficiaries. Investment Consultants serve in a fiduciary capacity to PERA. Board members and PERA employees shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make decisions in accordance with PERA's mission statement.

Board of Trustees

The primary fiduciary responsibility of the Board is to ensure prudent investment and management of the Fund. It is the responsibility of the Board to ensure that PERA employees administer investments of the Fund at a reasonable cost while preserving the quality of investments. All principal investment policy decisions are subject to approval by the Board. The Board shall oversee the management of the Fund in compliance with this Investment Policy and all applicable federal and State laws and regulations concerning the administration of a government pension plan. The Board, with the assistance of PERA investment staff (Staff) and consultants, determines the strategic direction of investment of the Fund including the strategic asset allocation target, and the active management strategy target, all of which shall be reviewed at least semiannually.

Investment Committee

To assist the Board in carrying out its duties, it established an Investment Committee (the Committee). The Committee makes recommendations to the Board on strategic asset allocation target~~, and the active management strategy target~~. The Committee establishes benchmarks, including a policy portfolio, for evaluating the performance of the total investment portfolio. The Committee shall also adopt an annual work plan and, at least quarterly, review all principal investment policy actions and portfolio performance. The Committee may invite Staff and Investment Consultants to inform and make recommendations to the Committee on any topic or issue pertinent to PERA's investment operations. The Committee Chair shall have the duty and the authority to set Committee meeting agendas and request specific analyses and reports from Staff and Investment Consultants.

Executive Director

The Board appoints the Executive Director (the Director). The Director is responsible for planning, organizing, and administering the operations of PERA under policy guidance and direction from the Board. In fulfilling these investment responsibilities, the Director retains and relies on Staff and Investment Consultants.

Chief Investment Officer and Investment Staff

Staff reports directly to the Chief Investment Officer (the CIO) who in turn reports to the Director. The CIO, with the assistance of Staff, has the responsibility and authority to assist the Board and the Committee in establishing investment and administrative policies. The CIO and Staff are responsible for implementing the policies and programs established by the Board. The CIO has primary responsibility to implement and direct all decisions necessary and appropriate to carry out the Board's investment policies, including the strategic asset allocation target.~~, and active management strategic target~~ approved by the Board. The CIO shall report on all decisions and the progress of implementation of those decisions to the Committee.

The CIO and Staff shall manage the portfolio according to the Board's policies, advise and inform the Board about investments, assist with development and review of investment policies and procedures, report on the progress of the Fund in meeting its investment objectives, and monitor and report to the Board on the performance of the Fund against the appropriate benchmarks. The CIO and Staff shall have the delegated authority to evaluate, select, monitor, and terminate investment vehicles and managers necessary and appropriate to implement the Board's policies. Their actions shall be disclosed to the Board periodically, as directed by the Committee. Staff exercises the same fiduciary responsibility under applicable law as the Board.

General Counsel and Legal Staff

The Office of General Counsel and legal staff (Legal Counsel) are primarily responsible for legal compliance of the investment program and advise the Board, the Director, the CIO, and the Staff on investment-related legal matters. Legal Counsel exercises the same fiduciary responsibility under applicable law as the Board.

Third Party Service Providers

- Investment Consultants. Investment Consultants are hired by and accountable to the Board through the authority of the Director. Investment Consultants shall report to the Board or the Committee as directed. An Investment Consultant's duty is to work with the Board and Staff in the oversight and implementation of investment objectives.

  The Board's investment strategic consultant shall provide advice and recommendations to the Board or Committee regarding its strategic objectives, and oversight and implementation of principal investment objectives.

  Investment selection and monitoring consultants shall provide advice and recommendations regarding selection of investment managers and portfolio monitoring to the CIO and Staff.

- Custodian Bank. The Custodian Bank serves as the bank of record for the assets comprising the Fund and is responsible for maintaining the official book of record under the supervision of Staff, calculating investment performance, and serving as the primary layer of risk control in the safekeeping of Fund assets. The Custodian Bank is responsible for the ongoing pricing and valuation of all assets, collection of income generated by those assets, and any corporate action notification. The Custodian Bank cooperates with and provides assistance to Staff and Investment Managers in the reconciliation process. PERA may opt to designate other duties to the Custodian Bank as stipulated in the professional services agreement.

- Investment Managers. The Board believes that external management of Fund assets optimizes the potential to maximize risk-adjusted returns and minimize the associated expenses. Investment Managers are selected by the CIO and, subject to the terms and conditions of this Policy, serve PERA through contracts that specify in principal part: investment guidelines, administrative requirements, responsibilities, and performance expectations for management of each mandate. Proxy voting is considered to be a component of the investment decision process and will be exercised in accordance with the established PERA Proxy Voting Policy. Investment Managers will report to Staff on the performance of the Fund using formats and at intervals specified by Staff. This information will be synthesized by Staff and presented to the Committee on at least a quarterly basis in accordance with established performance monitoring and oversight procedures.

- External Legal Counsel. The General Counsel may retain external legal counsel to advise Staff and negotiate and prepare contracts with Investment Consultants and Investment Managers to protect PERA's interests and status as a tax-exempt government plan.

II. OVERVIEW OF INVESTMENT POLICY

A. Purpose of the Investment Policy

The purpose of the Investment Policy (the Policy) is to explain implementation of the investment principles and objectives of the Board. The Policy provides a reference point for the management of PERA's assets. The Policy provides guidance to the Board and Staff, as well as Investment Consultants, Investment Managers, and the Custodian Bank. The Policy is intended to provide parameters that ensure prudence and care in the execution of the investment program.

The Policy intends to provide the foundation for prudent management of the Fund, including the standards and disciplines by which the Board can evaluate Staff, Investment Consultants, Investment Managers, and the Custodian Bank.

B. Investment Principles

Accordingly, the Board adopts the following principles and objectives to guide its investment strategies and decisions:

- Preserve the long-term principal of the Fund.
- Maximize total return within prudent risk parameters.
- Maintain sufficient liquidity to meet PERA's obligations.

III. INVESTMENT OBJECTIVES

A. Primary Objective

PERA's primary objective is to prudently invest assets to meet its statutory obligations to its members. The Board will manage the Fund in a manner that reflects the Fund's unique liabilities and funding resources, incorporates accepted investment theory, and targets growth and returns appropriate to prudent levels of risk based on reliable empirical evidence. Accordingly, the Board adopts the following principles:

- Strategic asset allocation is the most significant factor influencing the Fund's ability to meet its stated investment objectives.
- Risk is an unavoidable component of investing and shall be considered when assessing investment policy and strategy. In evaluating specific investments, both the risks associated with that investment as well as the impact of the investment on the overall portfolio shall be considered.
- Diversification distributes a portfolio across asset categories to avoid excessive exposure to any one source of risk.
- The Fund's liabilities are long-term and the investment strategy must incorporate the appropriate balance between short- and long-term considerations.
- Sufficient liquidity will be maintained to meet the anticipated cash flow requirements of the Fund.

B. Long-Term Returns

Due to the long-term nature of PERA's pension obligations and the inherent risks in short-term tactical investing, PERA must maintain a long-term perspective in formulating and implementing its investment policy, and in evaluating its investment performance. Therefore, the Board: (1) targets a long-term rate of return commensurate with the actuarially assumed rate of return; (2) adopts an allocation policy developed to meet the targeted rate of return over long periods of time, while minimizing volatility (risk);

~~(3) adopts an active management strategic target;~~ and (3~~4~~) minimizes the costs of investing through efficient use of internal and/or external resources.

Investment performance is measured by the following long-term objectives:

- The actuarial assumed target rate of return is the key actuarial assumption affecting future funding rates and payment of pension obligations. Investment performance that exceeds or underperforms the target rate may materially impact future funding rates. The Board seeks to have long-term investment performance that will meet or exceed its actuarial assumed rate of return while managing risk.
- The policy benchmark is calculated by applying the investment performance of the asset class benchmarks to the Fund's asset allocation targets. The policy benchmark permits the Board to compare the Fund's actual performance to a total fund benchmark and to measure the contribution of active investment management and policy adherence.

PERA's progress in meeting these return measures will be reported to the Committee on at least a quarterly basis.

C. Evaluation of Risk

The Board adopts a strategic asset allocation target that is appropriate for existing and anticipated circumstances. In targeting returns, the Board takes into account the benefit levels and structure of the plans supported by the Fund. PERA will periodically conduct and present to the Committee an asset/liability study to determine the extent to which the long-term asset allocation is consistent with the liabilities of the retirement plans that it administers. In determining a prudent level of risk for the targeted returns, PERA shall consider the total Fund risk, expected volatility, liquidity, and general sensitivity of the overall asset allocation by monitoring the major asset classes utilized by the Fund. PERA will regularly measure and monitor Fund risks in its management of the Fund. The following commonly employed performance and risk evaluation metrics: Total Fund Standard Deviation (i.e., risk), Total Fund Sharpe Ratio (a widely used measure of risk adjusted returns), Total Fund Tracking Error (active risk) and Total Fund Information Ratio (a widely used measure of risk adjusted active returns) will be reviewed on a regular basis.

In accordance with generally accepted principles for prudent investors, the allocation of capital across asset categories increases the probability of meeting or exceeding the Fund's objectives at a prudent level of risk. In establishing its risk tolerance, PERA will consider its ability to withstand short- and intermediate-term volatility in investment performance and fluctuations in the financial condition of the Fund.

IV. ASSET ALLOCATION

A. Strategic Asset Allocation Targets

Based on recommendations by Staff and Investment Consultants, the Board shall choose the strategic asset allocation target based on its determination of the appropriate risk tolerance for PERA, and its long-term return expectations. Each asset class allocation percentage has a long-term target position within the overall portfolio and a maximum and minimum range around that target allocation. Asset class policy targets and ranges are listed in Appendix A, which is separately adopted by the Board.

The Board recognizes that the long-term target allocation may take an extended period to implement. Staff and Investment Consultants will provide the Board with regular updates on the status of targeted asset allocation of the Fund as a whole and the component asset classes. The Board will prudently monitor this progress and the Fund's performance throughout the implementation period.

The target allocation will be reviewed annually for significant economic and market changes, and as appropriate, to changes in the Fund's long-term goals and objectives. A comprehensive asset allocation study should be conducted at least every three years to verify or revise the targets.

~~B. Active Management Strategic Target~~

~~Based on recommendations by Staff and Investment Consultants, the Board shall choose the active management strategic target that seeks an additional return expectation for active management over and above the strategic asset allocation target.~~

~~C.~~B. Rebalancing Strategy

The Board authorizes the CIO and Staff to rebalance the portfolio in accordance with policy guidelines and established procedures on an ongoing basis. The goal of implementing the rebalancing policy is to minimize transaction costs, market impact, and opportunity costs.

The Board adopts a rebalancing policy that considers allocation ranges rather than time periods. Upper and lower allocation limits established for each asset class are defined in Appendix A. When the allocation to all asset classes remains within these limits, Staff will use cash flow to maintain the overall allocation as closely as possible to the target.

In the event that a liquid strategy within an asset class deviates from an upper or lower allocation limit, the asset class will be rebalanced to return to its strategic asset allocation target range within ninety (90) days. Within this ninety-day window it may be impractical or costly to reallocate capital towards less liquid investment strategies within each major asset category.

Rebalancing shall consider liquidity so that investments can be converted into cash in a short time, with little or no loss in value, as necessary to facilitate the objectives of the Fund. The marketability of an asset will be considered when rebalancing within each asset category. The rebalancing strategy may be implemented through the use of the cash overlay program.

Staff will report the results of rebalancing activities to the Committee no later than the subsequent regular meeting.

V. PERFORMANCE BENCHMARKS

A. Benchmark Philosophy

Selecting benchmarks is among the most important decisions the Board makes behind setting asset allocation policy. Benchmarks provide the mechanism through which to evaluate the success of the investment program in meeting objectives. They provide the link between expectations and success. The principal philosophy is that asset classes and strategies selected by the Board are intended to gain exposure to various markets and that PERA benchmarks should be reflective of those respective markets both in terms of return and risk. Benchmarks should be simple rather than complex. Additionally, approved benchmarks should be those commonly employed by PERA's peers. Recommended benchmarks should be consistent with the benchmark proxy used in the asset allocation policy development process. The preference is for benchmarks with transparent construction and rebalancing methodologies and that are investable. Benchmarks should be representative of the relevant opportunity set for the asset class, sub-asset class or strategy.

B. Benchmarking Goals

The overarching goal of PERA benchmarks is to provide the Board a measurement tool in order to evaluate and understand the degree to which the Fund is successful in meeting policy objectives over both the short term (i.e., 3 or less years) and long term (i.e., 5 or more years). Benchmarks provide insight into how capital markets are performing, in general, and help the Board understand how individual asset classes, sub-asset classes and strategies are contributing to overall results. A secondary goal of benchmarks is to ascertain the relative skill of PERA staff in their implementation decisions regarding individual strategy and external manager selection. Lastly, PERA benchmarks should meet industry standards for benchmark quality and that these benchmarks fairly and accurately represent the asset classes and strategies employed in the Fund.

C. Benchmarking Framework

The Board will establish benchmarks for each asset class and sub-asset class that contributes to the total fund benchmark. Benchmarks will be reflective of the market opportunity set intended to be captured by the asset class or sub-asset class. For long-only, public markets portfolio strategies, only published, widely -recognized benchmarks will be employed that have been deemed to represent the investment characteristics and risk profile objective of the asset class or sub-asset class. -Benchmarks should be reviewed periodically and PERA takes a long-term view, i.e., five (5) years or more, in evaluating progress towards meeting stated investment goals.

~~A.~~D. Total Fund Benchmark

Each asset class is described by an associated benchmark that describes, in general terms, the opportunity set and return characteristics associated with the asset class. For certain private or more complex asset classes the benchmark serves as a proxy for expected returns rather than an approximation of the actual investments that will characterize that component of the portfolio. Those benchmarks are referred to as the "Policy Index" and are identified in Appendix B, which is separately adopted by the Committee. The Board may use the Policy Index to compare the Fund's actual performance to its Total Fund Benchmark, and to measure the contributions of active investment management and policy adherence.

~~B.~~E. Mandate-Level Benchmarks

Benchmarks relevant to an investment shall be used as standards to measure the performance of Investment Managers. Acceptable benchmarks include but are not limited to:

- the appropriate market indices on a nominal and risk-adjusted basis;
- the performance of peers within their style group;
- adherence of the Investment Manager to the stated investment philosophy and style; and
- adherence to this Policy and the guidelines established in the investment contract.

The Board will work with Staff and the Investment Consultants to identify appropriate sub-asset class benchmarks. Staff and Investment Consultants will review the appropriateness of these benchmarks and report to the Committee on a regular basis.

VI. INVESTMENT GUIDELINES

Recognizing that capital markets are global in nature, the Board shall consider asset classes that represent all investment opportunities appropriate for PERA, as long as such investments comply with the UPIA. The terms and conditions of investment contracts are subject to legal review for compliance with applicable law and applicable investment standards.

A. Investments

Global Equity

An appropriately diversified Fund should include, commensurate with market conditions, global equity investments, both public and private. This allocation is structured to help the Fund meet its total return goals and will be implemented through strategies that include both liquid and illiquid mandates.

- Public Equity. The objective of public equity investments is to provide exposure to global economic growth opportunities and seek to capture capital appreciation and current income. The public equity allocation must anticipate long-term capital appreciation as it targets economic growth with an acceptable exposure to price volatility and the risk of loss. ~~Public equity includes hedged investments that reduce broad market risks by isolating security-specific returns. The vehicles will utilize long and short positions along with leverage to accomplish their investment objectives. Equity-hedged investments will retain some broad market risk, but will generally be less volatile and have a lower correlation to broad equity markets over a full cycle.~~
- Private Equity. The objective of the private equity allocation is to capture a premium from making long-term, illiquid investments in predominantly non-publicly traded equity securities. In making private equity investments, PERA shall consider that private equity Investment Managers typically have concentrated portfolios and generate returns by making operational changes to the acquired businesses and often employ leverage to generate superior returns.

~~Risk Reduction and Mitigation~~Core Fixed Income~~An appropriately diversified Fund should include, commensurate with market conditions, an allocation of assets for risk reduction and mitigation to provide diversification, a dependable source of current income, and downside protection. PERA shall consider the risk reduction and mitigation allocation as a component of the total investment portfolio that provides lower expected volatility and a greater expectation for the preservation of capital. The risk reduction and mitigation allocation includes, but is~~

~~not limited to the following investment types:~~

~~Core and Global Fixed Income.~~ An appropriately diversified Fund should include, b~~B~~onds, notes or other obligations of the U.S. government, its agencies, government-sponsored enterprises, corporations, or collateralized obligations, including but not limited to mortgages are targeted to achieve risk reduction and mitigation. In addition, these portfolios may include debt obligations of non-U.S. governmental or quasi- governmental entities and corporations with an investment grade rating, which may be denominated in foreign currencies.

- ~~Operating Cash Management. In order to mitigate risk and ensure liquidity, commensurate with market conditions, the services of the State Treasurer may be used for overnight investment of short-term assets. Use of a separate or commingled short-term investment fund administered by the Custodian Bank may be considered.~~
- ~~Currency. As means to mitigate risk while realizing returns, PERA should consider active currency strategies that do not necessarily hedge existing international holdings, but instead, seek absolute return which may include leverage, cross-hedging, emerging markets, and interest-rate futures.~~
- ~~Securities Lending: The Board may authorize a securities lending program for all or any portion of the assets held as investments by PERA. Securities may only be loaned by the designated agent(s) by contracting for the temporary exchange of securities, for a specified fee or consideration for periods not to exceed one year, with broker-dealers, banks or other recognized institutional investors.~~
- ~~Cash Overlay: Overlay strategies may be used to manage risk, asset allocation, and market exposures through futures, options, swap agreements, or forward agreements.~~

Credit~~-Oriented Fixed Income~~

An appropriately diversified Fund should include, commensurate with market conditions, global credit~~-oriented fixed income~~ investments to deliver positive returns over a complete market cycle while maintaining sufficient liquidity. Credit~~-oriented fixed income~~ investments shall be targeted to provide current income and total return with a strong focus on preservation of capital. In making these investments, PERA shall consider the potential volatility as compared to the ~~risk reduction and mitigation~~Core Fixed Income allocation. PERA shall also consider credit~~-oriented fixed income~~ investments that utilize leverage, shorting, derivatives, and illiquidity to generate greater risk-adjusted returns. Credit~~-oriented fixed income~~ investments include similar types of securities as those in the ~~risk reduction and mitigation~~Core Fixed Income ~~allocation, but~~allocation but may have different credit characteristics at the time of purchase.

Absolute Return

An appropriately diversified Fund should include, commensurate with market conditions, an allocation of assets for absolute return investments to provide diversification and downside protection. PERA shall consider the absolute return allocation as a component of the total investment portfolio that provides lower expected volatility and a greater expectation for capital preservation through a more stable pattern of total returns. The absolute return allocation includes, but is not limited to, hedge fund strategies and other public markets investments that may utilize leverage and/or derivatives to generate a risk-adjusted return commensurate with investments employed within the Core Fixed Income and Credit allocations.

Real Assets

An appropriately diversified Fund should include, commensurate with market conditions, investments in real assets to generate current income and provide capital appreciation. In making such investments, PERA shall consider the benefits of diversification that these investments provide as a hedge against inflation. Real assets investments may include but are not limited to liquid and illiquid securities in real estate, infrastructure, commodities, natural resources, timber, agriculture and farmland. The real assets portfolio includes market-neutral strategies—these portfolios seek to avoid elevated exposure to broad market risk through the use of hedges. Market-neutral strategies shall target a zero correlation with broad market movements and provide diversification benefits for the total fund.

~~Multi-Risk Allocation~~

~~An appropriately diversified Fund should include, commensurate with market conditions, investments in balanced risk-based exposures to equalize the risk contribution of asset classes or risk factors comprised in the portfolio. In making such investments, PERA shall consider the benefits of diversification that these investments provide as a liability hedge and stabilized return generator. Multi-risk investments shall include, but are not limited to, Risk Balanced/Parity strategies. PERA shall also consider multi-risk investments that utilize leverage and derivatives to generate a greater risk adjusted return.~~

B. Other Investment Considerations

The Board may, after consideration of pertinent investment risk and reward attributes, and liquidity, cost and administrative complexity, authorize any investment except as otherwise expressly prohibited.

- Operating Cash Management. In order to mitigate risk and ensure liquidity, commensurate with market conditions, the services of the State Treasurer may be used for overnight investment of short-term assets. Use of a separate or commingled short-term investment fund administered by the Custodian Bank may be considered.
- Currency. As means to mitigate risk while realizing returns, PERA ~~should~~may consider active currency strategies that do not necessarily hedge existing international holdings, but instead, seek absolute return which may include leverage, cross-hedging, emerging markets, and interest-rate futures.
- Securities Lending with the Custodian Bank: The Board ~~may~~has authorized a securities lending program for all or any portion of the assets held as investments by PERA. Securities may only be loaned by the designated agent(s) by contracting for the temporary exchange of securities, for a specified fee or consideration for periods not to exceed one year, with broker-dealers, banks or other recognized institutional investors.
- Cash Overlay: Overlay strategies may be used to manage risk, asset allocation, and market exposures through futures, options, swap agreements, or forward agreements.

Securities Regulations

PERA shall consider, based on market considerations, whether engagement of Investment Managers registered under the Investment Company Act of 1940 is appropriate. This Act governs the operations of investment companies and their managers. PERA should work with its Investment Consultants and Investment Managers to ensure compliance with all federal and state securities laws including, but not limited to, the Securities Act of 1933 and the Investment Advisers Act of 1940. PERA recognizes that such registration is not applicable to all investment strategies or to investment opportunities located outside the United States.

Leverage

Leverage is implicit in many investment strategies and leverage in and of itself is not strictly prohibited so long as activities do not materially increase the risk level of the Plan. Leverage will be considered when deciding to retain an Investment Manager, and the Board, in conjunction with Staff, Investment

Consultants, and Investment Managers, will avoid managers who employ unreasonable levels of leverage.

Liquidity

The Fund must maintain an easily accessible balance of cash equivalents and other reasonably liquid assets for the purposes of meeting the financial obligations of the Fund. The Board will govern these liquidity requirements through the utilization of a structural hierarchy, which will classify asset classes according to liquidity availability and pricing sensitivity during market stress. Convertible Liquidity is defined as a level of access from asset classes that can be liquidated in a relatively short amount of time with minimal pricing impact. Delayed Liquidity will capture all remaining asset classes that can be sold, but at a greater expense and/or over a longer time frame. Within these two classifications asset classes will be further classified across tiered availability. Liquidity guidelines are listed in Appendix C, which is separately adopted by the Board.

Derivatives

Investment Managers may use derivative instruments such as futures, options, swaps, and forwards, to implement investment strategies in a low cost, efficient manner or construct portfolios with risk and return characteristics that cannot be created with cash market securities. Derivatives may also be used within the context of a cash overlay program. The cash overlay program, administered by an Investment Manager, may buy, sell, and hold exchanged-traded derivative instruments and exchange-traded funds.

Reporting

Total Fund performance reporting will be formally presented to the Investment Committee quarterly and shall include comparative peer performance data, compiled by the Board Investment Strategic Consultant. Illiquid_asset class performance reporting will be provided to the Investment Committee quarterly and formally presented no less than twice a year, reviewing the fiscal year end and calendar year end results. All reporting shall be published to the PERA website for public reference, on a timely basis, following quarterly review.

C. Prohibited Investments

In accordance with UPIA guidelines, the Board, Staff, Investment Consultants, and Investment Managers are expected to perform their fiduciary duties as a prudent investor would and to conform to all applicable federal and state statutes governing the investment of retirement funds for a qualified government plan. Accordingly, the following investments are prohibited:

Investments precluded by law or regulation:

- Transactions that involve a broker acting as a "principal" where such broker is also the Investment Manager who is making the transaction are prohibited unless otherwise approved in each manager's respective PSA.
- Any other investments as specified in each Investment Manager's respective contract.
- An investment that violates the placement agent limitations set forth in the PERA Act.

VII. REVIEW AND APPROVAL OF INVESTMENT POLICY

The Board shall review the Policy from time-to-time to determine if modifications are necessary or desirable but will delegate Staff to review the Policy on an annual basis. Staff will recommend modifications as warranted. If modifications are made, they shall be promptly communicated to all Investment Managers and other interested persons.

By signing this Investment Policy the Board through its Chair, indicates its agreement therewith.

Adopted: June 25, 1992
Amended: September 14, 1993
April 28, 1994
September 28, 1995
January 29, 1998
March 23, 1998
January 27, 2000
September 26, 2002
July 31, 2003
October 31, 2003
July 1, 2005
September 28, 2005
December 29, 2005
July 27, 2006
August 31, 2006
September 28, 2006
June 1, 2007
August 30, 2007
July 31, 2008
June 24, 2010
November 29, 2012
August 28, 2014
December 18, 2014
September 24, 2015
April 28, 2016
December 14, 2017
July 26, 2018
April 30, 2020
December 14, 2021
October 27, 2022
October 26, 2023
December 12, 2023

By:_____________________________

Diana Rosales Ortiz, Board Chair
Public Employees' Retirement Association of New Mexico

APPENDIX A. ASSET ALLOCATION TARGETS AND REBALANCING RANGES

Effective ~~January~~ April 1, 2024~~3~~

Asset Class	Lower Limit	Strategic Asset Allocation Target	Upper Limit
Global Equity	41~~33.0~~%	46~~38.0~~%	51~~43.0~~%
~~Risk Reduction and Mitigation~~Core Fixed Income	10~~4.0~~%	13~~7.0~~%	16~~20.0~~%
Credit ~~Oriented Fixed Income~~	13~~5.0~~%	17~~9.0~~%	21~~3.0~~%
~~Real Assets~~Absolute Return	3~~14.0~~%	6~~18.0~~%	9~~22.0~~%
~~Multi-Risk Allocation~~Real Assets	14~~04.0~~%	18~~8.0~~%	22~~12.0~~%

Adopted: ~~October~~ December 12~~27~~, 2023~~2~~

By:

~~Claudia Armijo~~ Diana Rosales Ortiz, Board Chair
Public Employees' Retirement Association of New Mexico

APPENDIX B. BENCHMARKS

Effective: ~~January~~ April 1, 202~~4~~3

Global Equity	**Weighted Benchmark**
Global Public Stock	MSCI ACWI IMI ($net)
~~Global Low Volatility Equity~~	~~MSCI ACWI Minimum Volatility ($net)~~
Private Equity	MSCI ACWI IMI ($net)
~~Risk Reduction & Mitigation~~Core Fixed Income	**~~Weighted Benchmark~~Bloomberg U.S. Aggregate Bond Index**
Core Fixed Income	Bloomberg ~~Barclays~~ U.S. Aggregate Bond Index
Credit ~~Oriented Fixed Income~~	**Weighted Benchmark**
Liquid Credit	Bloomberg ~~Barclays Global~~ High Yield 2% Issuer Constrained~~(Hedged)~~
Illiquid Credit	~~Bloomberg Barclays Global High Yield (Hedged)~~Morningstar LSTA Leveraged Loan Index
~~Alternative Liquid Credit~~	~~Bloomberg Barclays Global High Yield (Hedged)~~
~~Multi-Risk Allocation~~Absolute Return	**~~Weighted Benchmark~~SOFR + 2.5%**
~~Risk Balance~~Hedge Funds	~~Wilshire Risk Parity Index – 15% Volatility~~SOFR + 2.5%
Real Assets	**Weighted Benchmark**
Illiquid Real Estate	~~Wilshire Global REITs~~FTSE EPRA Nareit Global Equity Index
~~Liquid Real Assets~~	~~Dow Jones – Brookfield Global Infrastructure Index~~
Illiquid Real Assets	~~Dow Jones – Brookfield~~S&P /Dow Jones Brookfield Global Infrastructure Index ~~Bloomberg Commodity – Commodity Index (TR)~~
~~Multi-Risk Allocation~~	**~~Weighted Benchmark~~**
~~Risk Balance~~	~~Wilshire Risk Parity Index – 15% Volatility~~

Adopted: ~~October~~ December 12~~27~~, 202~~3~~~~2~~

By:________________________

~~Claudia Armijo~~ Diana Rosales Ortiz, Board Chair
Public Employees' Retirement Association of New Mexico

APPENDIX C. LIQUIDITY GUIDELINES

Effective: ~~April 30, 2020~~April~~January~~ 1, 2024

At no time shall Tier 1 assets fall below 10% of the total fund market value. For the purposes of liquidity, tier classifications and their corresponding asset classes are as follows:

Convertible Liquidity		
Tier 1	1-5 Day Liquidity	Core Fixed Income ~~Global Core Fixed Income~~ Cash and Cash Overlay
Tier 2	5-90 Day Liquidity	Global Public Stock ~~Global Low Volatility Equity~~ Liquid Credit ~~Emerging Market Debt~~ ~~Liquid Real Estate~~ ~~Liquid Real Assets~~ ~~Risk Balance~~
Delayed Liquidity		
Tier 3	90-365 Day Liquidity	~~Hedged Equity~~Hedge Funds ~~Hedged Credit / Alternative Credit~~
Tier 4	1 Year + Liquidity	Private Equity Illiquid Credit Illiquid Real Estate Illiquid Real Assets ~~Bond Plus/Portable Alpha~~

~~A~~Adopted: ~~April 30, 2020~~December 12, 2023

~~By:~~By: ______________________ ~~John Melia~~

Diana Rosales Ortiz, Board Chair
Public Employees' Retirement Association of New Mexico

THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF NEW MEXICO

PERA
Public Employees Retirement Association *of* New Mexico

INVESTED IN TOMORROW.

INVESTMENT POLICY

Revised
December 12, 2023

TABLE OF CONTENTS

THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF NEW MEXICO

INVESTMENT POLICY

I. INTRODUCTION

A. Statutory Authority

The Public Employees' Retirement Association of New Mexico (PERA) was created by law in 1947 and is authorized to administer the Public Employees Retirement Act of New Mexico, NMSA 1978, Sections 10- 11-1 to 10-11-142, as amended (the PERA Act), the Volunteer Firefighters Retirement Act, NMSA 1978, Sections 10-11A-1 to 10-11A-8, as amended, the Judicial Retirement Act, NMSA 1978, Sections 10-12B- 1 to 10-12B-19, as amended, the Magistrate Retirement Act, NMSA 1978, Sections 10-12C-1 to 10-12C- 18, as amended, and the Public Employees Reciprocity Act, NMSA 1978, Sections 10-13A-1 to 10-13A- 4, as well as other federal and State laws relating to the administration of public employees' retirement systems in the State of New Mexico. As of April 2016, PERA administers thirty-one retirement plans under a defined benefit structure for state employees, municipal employees, county employees, police, firefighters, judges, magistrates, and legislators. PERA is governed by the Retirement Board (the Board).

B. Authority and Duties of the Board

Article XX, Section 22 of the New Mexico Constitution obligates the Board to administer and invest the PERA trust funds (the Fund) for the sole and exclusive benefit of the members, retirees and other beneficiaries of PERA. The PERA Act, NMSA 1978 §§ 10-11-132 and 10-11-133 generally describe the authority of the Board to invest the Fund. Both those sections incorporate and adopt the Uniform Prudent Investor Act (UPIA), NMSA 1978, §§ 45-7-601 to 45-7-612, which require the Board to exercise the reasonable care, skill, and caution of a prudent investor when it invests and manages assets in its capacity as trustee of the Fund. Among other things, the UPIA requires that Fund investments be diversified to minimize the risk of large losses, unless under the circumstances, it is clearly prudent not to do so. The Board also recognizes that care must be exercised to maintain PERA's status as a government plan that is exempt from the requirements of the federal Employees Retirement Income Security Act of 1974 and as a qualified plan that is exempt from taxation under the Internal Revenue Code.

C. Mission Statement

In recognition of its fiduciary responsibility, the Board adopts the following as the mission statement for PERA:

> The mission of the Board of the Public Employees' Retirement Association is to preserve, protect, and administer the trust to meet its current and future obligations and provide quality services to Association members.

D. PERA Roles and Responsibilities/Delegations of Authority

To accomplish its mission, the Board relies on PERA employees and third-party investment consultants (Investment Consultants) to properly administer the Fund and implement the investment strategies it adopts. Because of the number of parties involved, their roles in investing and managing the Fund must be clearly explained. Doing so increases operational efficiency, ensures clear lines of responsibility, and reduces or eliminates duplication of effort.

Ethics and Conflicts of Interest

The Board and PERA employees are obligated to act in the exclusive interest of PERA members, retirees, and beneficiaries. Investment Consultants serve in a fiduciary capacity to PERA. Board members and PERA employees shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make decisions in accordance with PERA's mission statement.

Board of Trustees

The primary fiduciary responsibility of the Board is to ensure prudent investment and management of the Fund. It is the responsibility of the Board to ensure that PERA employees administer investments of the Fund at a reasonable cost while preserving the quality of investments. All principal investment policy decisions are subject to approval by the Board. The Board shall oversee the management of the Fund in compliance with this Investment Policy and all applicable federal and State laws and regulations concerning the administration of a government pension plan. The Board, with the assistance of PERA investment staff (Staff) and consultants, determines the strategic direction of investment of the Fund including the strategic asset allocation target, and the active management strategy target, all of which shall be reviewed at least semiannually.

Investment Committee

To assist the Board in carrying out its duties, it established an Investment Committee (the Committee). The Committee makes recommendations to the Board on strategic asset allocation target. The Committee establishes benchmarks, including a policy portfolio, for evaluating the performance of the total investment portfolio. The Committee shall also adopt an annual work plan and, at least quarterly, review all principal investment policy actions and portfolio performance. The Committee may invite Staff and Investment Consultants to inform and make recommendations to the Committee on any topic or issue pertinent to PERA's investment operations. The Committee Chair shall have the duty and the authority to set Committee meeting agendas and request specific analyses and reports from Staff and Investment Consultants.

Executive Director

The Board appoints the Executive Director (the Director). The Director is responsible for planning, organizing, and administering the operations of PERA under policy guidance and direction from the Board. In fulfilling these investment responsibilities, the Director retains and relies on Staff and Investment Consultants.

Chief Investment Officer and Investment Staff

Staff reports directly to the Chief Investment Officer (the CIO) who in turn reports to the Director. The CIO, with the assistance of Staff, has the responsibility and authority to assist the Board and the Committee in establishing investment and administrative policies. The CIO and Staff are responsible for implementing the policies and programs established by the Board. The CIO has primary responsibility to implement and direct all decisions necessary and appropriate to carry out the Board's investment policies, including the strategic asset allocation target. approved by the Board. The CIO shall report on all decisions and the progress of implementation of those decisions to the Committee.

The CIO and Staff shall manage the portfolio according to the Board's policies, advise and inform the Board about investments, assist with development and review of investment policies and procedures, report on the progress of the Fund in meeting its investment objectives, and monitor and report to the Board on the performance of the Fund against the appropriate benchmarks. The CIO and Staff shall have the delegated authority to evaluate, select, monitor, and terminate investment vehicles and managers necessary and appropriate to implement the Board's policies. Their actions shall be disclosed to the Board periodically, as directed by the Committee. Staff exercise the same fiduciary responsibility under applicable law as the Board.

General Counsel and Legal Staff

The Office of General Counsel and legal staff (Legal Counsel) are primarily responsible for legal compliance of the investment program and advise the Board, the Director, the CIO, and the Staff on investment-related legal matters. Legal Counsel exercises the same fiduciary responsibility under applicable law as the Board.

Third Party Service Providers

- Investment Consultants. Investment Consultants are hired by and accountable to the Board through the authority of the Director. Investment Consultants shall report to the Board or the Committee as directed. An Investment Consultant's duty is to work with the Board and Staff in the oversight and implementation of investment objectives.

  The Board's investment strategic consultant shall provide advice and recommendations to the Board or Committee regarding its strategic objectives, and oversight and implementation of principal investment objectives.

  Investment selection and monitoring consultants shall provide advice and recommendations regarding selection of investment managers and portfolio monitoring to the CIO and Staff.

- Custodian Bank. The Custodian Bank serves as the bank of record for the assets comprising the Fund and is responsible for maintaining the official book of record under the supervision of Staff, calculating investment performance, and serving as the primary layer of risk control in the safekeeping of Fund assets. The Custodian Bank is responsible for the ongoing pricing and valuation of all assets, collection of income generated by those assets, and any corporate action notification. The Custodian Bank cooperates with and provides assistance to Staff and Investment Managers in the reconciliation process. PERA may opt to designate other duties to the Custodian Bank as stipulated in the professional services agreement.

- Investment Managers. The Board believes that external management of Fund assets optimizes the potential to maximize risk-adjusted returns and minimize the associated expenses. Investment Managers are selected by the CIO and, subject to the terms and conditions of this Policy, serve PERA through contracts that specify in principal part: investment guidelines, administrative requirements, responsibilities, and performance expectations for management of each mandate. Proxy voting is considered to be a component of the investment decision process and will be exercised in accordance with the established PERA Proxy Voting Policy. Investment Managers will report to Staff on the performance of the Fund using formats and at intervals specified by Staff. This information will be synthesized by Staff and presented to the Committee on at least a quarterly basis in accordance with established performance monitoring and oversight procedures.

- External Legal Counsel. The General Counsel may retain external legal counsel to advise Staff and negotiate and prepare contracts with Investment Consultants and Investment Managers to protect PERA's interests and status as a tax-exempt government plan.

II. OVERVIEW OF INVESTMENT POLICY

A. Purpose of the Investment Policy

The purpose of the Investment Policy (the Policy) is to explain implementation of the investment principles and objectives of the Board. The Policy provides a reference point for the management of PERA's assets. The Policy provides guidance to the Board and Staff, as well as Investment Consultants, Investment Managers, and the Custodian Bank. The Policy is intended to provide parameters that ensure prudence and care in the execution of the investment program.

The Policy intends to provide the foundation for prudent management of the Fund, including the standards and disciplines by which the Board can evaluate Staff, Investment Consultants, Investment Managers, and the Custodian Bank.

B. Investment Principles

Accordingly, the Board adopts the following principles and objectives to guide its investment strategies and decisions:

- Preserve the long-term principal of the Fund.
- Maximize total return within prudent risk parameters.
- Maintain sufficient liquidity to meet PERA's obligations.

III. INVESTMENT OBJECTIVES

A. Primary Objective

PERA's primary objective is to prudently invest assets to meet its statutory obligations to its members. The Board will manage the Fund in a manner that reflects the Fund's unique liabilities and funding resources, incorporates accepted investment theory, and targets growth and returns appropriate to prudent levels of risk based on reliable empirical evidence. Accordingly, the Board adopts the following principles:

- Strategic asset allocation is the most significant factor influencing the Fund's ability to meet its stated investment objectives.
- Risk is an unavoidable component of investing and shall be considered when assessing investment policy and strategy. In evaluating specific investments, both the risks associated with that investment as well as the impact of the investment on the overall portfolio shall be considered.
- Diversification distributes a portfolio across asset categories to avoid excessive exposure to any one source of risk.
- The Fund's liabilities are long-term and the investment strategy must incorporate the appropriate balance between short- and long-term considerations.
- Sufficient liquidity will be maintained to meet the anticipated cash flow requirements of the Fund.

B. Long-Term Returns

Due to the long-term nature of PERA's pension obligations and the inherent risks in short-term tactical investing, PERA must maintain a long-term perspective in formulating and implementing its investment policy, and in evaluating its investment performance. Therefore, the Board: (1) targets a long-term rate of return commensurate with the actuarially assumed rate of return; (2) adopts an allocation policy developed to meet the targeted rate of return over long periods of time, while minimizing volatility (risk); and (3) minimizes the costs of investing through efficient use of internal and/or external resources.

Investment performance is measured by the following long-term objectives:

- The actuarial assumed target rate of return is the key actuarial assumption affecting future funding rates and payment of pension obligations. Investment performance that exceeds or underperforms the target rate may materially impact future funding rates. The Board seeks to have long-term investment performance that will meet or exceed its actuarial assumed rate of return while managing risk.
- The policy benchmark is calculated by applying the investment performance of the asset class benchmarks to the Fund's asset allocation targets. The policy benchmark permits the Board to compare the Fund's actual performance to a total fund benchmark and to measure the contribution of active investment management and policy adherence.

PERA's progress in meeting these return measures will be reported to the Committee on at least a quarterly basis.

C. Evaluation of Risk

The Board adopts a strategic asset allocation target that is appropriate for existing and anticipated circumstances. In targeting returns, the Board takes into account the benefit levels and structure of the plans supported by the Fund. PERA will periodically conduct and present to the Committee an asset/liability study to determine the extent to which the long-term asset allocation is consistent with the liabilities of the retirement plans that it administers. In determining a prudent level of risk for the targeted returns, PERA shall consider the total Fund risk, expected volatility, liquidity, and general sensitivity of the overall asset allocation by monitoring the major asset classes utilized by the Fund. PERA will regularly measure and monitor Fund risks in its management of the Fund. The following commonly employed performance and risk evaluation metrics: Total Fund Standard Deviation (i.e., risk), Total Fund Sharpe Ratio (a widely used measure of risk adjusted returns), Total Fund Tracking Error (active risk) and Total Fund Information Ratio (a widely used measure of risk adjusted active returns) will be reviewed on a regular basis.

In accordance with generally accepted principles for prudent investors, the allocation of capital across asset categories increases the probability of meeting or exceeding the Fund's objectives at a prudent level of risk. In establishing its risk tolerance, PERA will consider its ability to withstand short- and intermediate-term volatility in investment performance and fluctuations in the financial condition of the Fund.

IV. ASSET ALLOCATION

A. Strategic Asset Allocation Targets

Based on recommendations by Staff and Investment Consultants, the Board shall choose the strategic asset allocation target based on its determination of the appropriate risk tolerance for PERA, and its long-term return expectations. Each asset class allocation percentage has a long-term target position within the overall portfolio and a maximum and minimum range around that target allocation. Asset class policy targets and ranges are listed in Appendix A, which is separately adopted by the Board.

The Board recognizes that the long-term target allocation may take an extended period to implement. Staff and Investment Consultants will provide the Board with regular updates on the status of targeted asset allocation of the Fund as a whole and the component asset classes. The Board will prudently monitor this progress and the Fund's performance throughout the implementation period.

The target allocation will be reviewed annually for significant economic and market changes, and as appropriate, to changes in the Fund's long-term goals and objectives. A comprehensive asset allocation study should be conducted at least every three years to verify or revise the targets.

B. Rebalancing Strategy

The Board authorizes the CIO and Staff to rebalance the portfolio in accordance with policy guidelines and established procedures on an ongoing basis. The goal of implementing the rebalancing policy is to minimize transaction costs, market impact, and opportunity costs.

The Board adopts a rebalancing policy that considers allocation ranges rather than time periods. Upper and lower allocation limits established for each asset class are defined in Appendix A. When the allocation to all asset classes remains within these limits, Staff will use cash flow to maintain the overall allocation as closely as possible to the target.

In the event that a liquid strategy within an asset class deviates from an upper or lower allocation limit, the asset class will be rebalanced to return to its strategic asset allocation target range within ninety (90) days. Within this ninety-day window it may be impractical or costly to reallocate capital towards less liquid investment strategies within each major asset category.

Rebalancing shall consider liquidity so that investments can be converted into cash in a short time, with little or no loss in value, as necessary to facilitate the objectives of the Fund. The marketability of an asset will be considered when rebalancing within each asset category. The rebalancing strategy may be implemented through the use of the cash overlay program.

Staff will report the results of rebalancing activities to the Committee no later than the subsequent regular meeting.

V. PERFORMANCE BENCHMARKS

A. Benchmark Philosophy

Selecting benchmarks is among the most important decisions the Board makes behind setting asset allocation policy. Benchmarks provide the mechanism through which to evaluate the success of the investment program in meeting objectives. They provide the link between expectations and success. The principal philosophy is that asset classes and strategies selected by the Board are intended to gain exposure to various markets and that PERA benchmarks should be reflective of those respective markets both in terms of return and risk. Benchmarks should be simple rather than complex. Additionally, approved benchmarks should be those commonly employed by PERA's peers. Recommended benchmarks should be consistent with the benchmark proxy used in the asset allocation policy development process. The preference is for benchmarks with transparent construction and rebalancing methodologies and that are investable. Benchmarks should be representative of the relevant opportunity set for the asset class, sub-asset class or strategy.

B. Benchmarking Goals

The overarching goal of PERA benchmarks is to provide the Board a measurement tool in order to evaluate and understand the degree to which the Fund is successful in meeting policy objectives over both the short term (i.e., 3 or less years) and long term (i.e., 5 or more years). Benchmarks provide insight into how capital markets are performing, in general, and help the Board understand how individual asset classes, sub-asset classes and strategies are contributing to overall results. A secondary goal of benchmarks is to ascertain the relative skill of PERA staff in their implementation decisions regarding individual strategy and external manager selection. Lastly, PERA benchmarks should meet industry standards for benchmark quality and that these benchmarks fairly and accurately represent the asset classes and strategies employed in the Fund.

C. Benchmarking Framework

The Board will establish benchmarks for each asset class and sub-asset class that contributes to the total fund benchmark. Benchmarks will be reflective of the market opportunity set intended to be captured by the asset class or sub-asset class. For long-only, public markets portfolio strategies, only published, widely recognized benchmarks will be employed that have been deemed to represent the investment characteristics and risk profile objective of the asset class or sub-asset class. Benchmarks should be reviewed periodically and PERA takes a long-term view, i.e., five (5) years or more, in evaluating progress towards meeting stated investment goals.

D. Total Fund Benchmark

Each asset class is described by an associated benchmark that describes, in general terms, the opportunity set and return characteristics associated with the asset class. For certain private or more complex asset classes the benchmark serves as a proxy for expected returns rather than an approximation of the actual investments that will characterize that component of the portfolio. Those benchmarks are referred to as the “Policy Index” and are identified in Appendix B, which is separately adopted by the Committee. The Board may use the Policy Index to compare the Fund’s actual performance to its Total Fund Benchmark, and to measure the contributions of active investment management and policy adherence.

E. Mandate-Level Benchmarks

Benchmarks relevant to an investment shall be used as standards to measure the performance of Investment Managers. Acceptable benchmarks include but are not limited to:

- the appropriate market indices on a nominal and risk-adjusted basis;
- the performance of peers within their style group;
- adherence of the Investment Manager to the stated investment philosophy and style; and
- adherence to this Policy and the guidelines established in the investment contract.

The Board will work with Staff and the Investment Consultants to identify appropriate sub-asset class benchmarks. Staff and Investment Consultants will review the appropriateness of these benchmarks and report to the Committee on a regular basis.

VI. INVESTMENT GUIDELINES

Recognizing that capital markets are global in nature, the Board shall consider asset classes that represent all investment opportunities appropriate for PERA, as long as such investments comply with the UPIA. The terms and conditions of investment contracts are subject to legal review for compliance with applicable law and applicable investment standards.

A. Investments

Global Equity

An appropriately diversified Fund should include, commensurate with market conditions, global equity investments, both public and private. This allocation is structured to help the Fund meet its total return goals and will be implemented through strategies that include both liquid and illiquid mandates.

- Public Equity. The objective of public equity investments is to provide exposure to global economic growth opportunities and seek to capture capital appreciation and current income. The public equity allocation must anticipate long-term capital appreciation as it targets economic growth with an acceptable exposure to price volatility and the risk of loss.

- Private Equity. The objective of the private equity allocation is to capture a premium from making long-term, illiquid investments in predominantly non-publicly traded equity securities. In making private equity investments, PERA shall consider that private equity Investment Managers typically have concentrated portfolios and generate returns by making operational changes to the acquired businesses and often employ leverage to generate superior returns.

Core Fixed Income
An appropriately diversified Fund should include, bonds, notes or other obligations of the U.S. government, its agencies, government-sponsored enterprises, corporations, or collateralized obligations, including but not limited to mortgages are targeted to achieve risk reduction and mitigation. In addition, these portfolios may include debt obligations of non-U.S. governmental or quasi- governmental entities and corporations with an investment grade rating, which may be denominated in foreign currencies.

Credit
An appropriately diversified Fund should include, commensurate with market conditions, global credit investments to deliver positive returns over a complete market cycle while maintaining sufficient liquidity. Credit investments shall be targeted to provide current income and total return with a strong focus on preservation of capital. In making these investments, PERA shall consider the potential volatility as compared to the Core Fixed Income allocation. PERA shall also consider credit investments that utilize leverage, shorting, derivatives, and illiquidity to generate greater risk-adjusted returns. Credit investments include similar types of securities as those in the Core Fixed Income allocation but may have different credit characteristics at the time of purchase.

Absolute Return
An appropriately diversified Fund should include, commensurate with market conditions, an allocation of assets for absolute return investments to provide diversification and downside protection. PERA shall consider the absolute return allocation as a component of the total investment portfolio that provides lower expected volatility and a greater expectation for capital preservation through a more stable pattern of total returns. The absolute return allocation includes, but is not limited to, hedge fund strategies and other public markets investments that may utilize leverage and/or derivatives to generate a risk-adjusted return commensurate with investments employed within the Core Fixed Income and Credit allocations.

Real Assets
An appropriately diversified Fund should include, commensurate with market conditions, investments in real assets to generate current income and provide capital appreciation. In making such investments, PERA shall consider the benefits of diversification that these investments provide as a hedge against inflation. Real assets investments may include but are not limited to liquid and illiquid securities in real estate, infrastructure, commodities, natural resources, timber, agriculture and farmland. The real assets portfolio includes market-neutral strategies—these portfolios seek to avoid elevated exposure to broad market risk through the use of hedges. Market-neutral strategies shall target a zero correlation with broad market movements and provide diversification benefits for the total fund.

B. Other Investment Considerations

The Board may, after consideration of pertinent investment risk and reward attributes, and liquidity, cost and administrative complexity, authorize any investment except as otherwise expressly prohibited.

- Operating Cash Management. In order to mitigate risk and ensure liquidity, commensurate with market conditions, the services of the State Treasurer may be used for overnight investment of short-term assets. Use of a separate or commingled short-term investment fund administered by the Custodian Bank may be considered.
- Currency. As means to mitigate risk while realizing returns, PERA may consider active currency strategies that do not necessarily hedge existing international holdings, but instead, seek absolute return which may include leverage, cross-hedging, emerging markets, and interest- rate futures.
- Securities Lending with the Custodian Bank: The Board has authorized a securities lending program for all or any portion of the assets held as investments by PERA. Securities may only be loaned by the designated agent(s) by contracting for the temporary exchange of securities, for a specified fee or consideration for periods not to exceed one year, with broker-dealers, banks or other recognized institutional investors.
- Cash Overlay: Overlay strategies may be used to manage risk, asset allocation, and market exposures through futures, options, swap agreements, or forward agreements.

Securities Regulations

PERA shall consider, based on market considerations, whether engagement of Investment Managers registered under the Investment Company Act of 1940 is appropriate. This Act governs the operations of investment companies and their managers. PERA should work with its Investment Consultants and Investment Managers to ensure compliance with all federal and state securities laws including, but not limited to, the Securities Act of 1933 and the Investment Advisers Act of 1940. PERA recognizes that such registration is not applicable to all investment strategies or to investment opportunities located outside the United States.

Leverage

Leverage is implicit in many investment strategies and leverage in and of itself is not strictly prohibited so long as activities do not materially increase the risk level of the Plan. Leverage will be considered when deciding to retain an Investment Manager, and the Board, in conjunction with Staff, Investment Consultants, and Investment Managers, will avoid managers who employ unreasonable levels of leverage.

Liquidity

The Fund must maintain an easily accessible balance of cash equivalents and other reasonably liquid assets for the purposes of meeting the financial obligations of the Fund. The Board will govern these liquidity requirements through the utilization of a structural hierarchy, which will classify asset classes according to liquidity availability and pricing sensitivity during market stress. Convertible Liquidity is defined as a level of access from asset classes that can be liquidated in a relatively short amount of time with minimal pricing impact. Delayed Liquidity will capture all remaining asset classes that can be sold, but at a greater expense and/or over a longer time frame. Within these two classifications asset classes will be further classified across tiered availability. Liquidity guidelines are listed in Appendix C, which is separately adopted by the Board.

Derivatives

Investment Managers may use derivative instruments such as futures, options, swaps, and forwards, to implement investment strategies in a low cost, efficient manner or construct portfolios with risk and return characteristics that cannot be created with cash market securities. Derivatives may also be used within the context of a cash overlay program. The cash overlay program, administered by an Investment Manager, may buy, sell, and hold exchanged-traded derivative instruments and exchange-traded funds.

Reporting

Total Fund performance reporting will be formally presented to the Investment Committee quarterly and shall include comparative peer performance data, compiled by the Board Investment Strategic Consultant. Illiquid_asset class performance reporting will be provided to the Investment Committee quarterly and formally presented no less than twice a year, reviewing the fiscal year end and calendar year end results. All reporting shall be published to the PERA website for public reference, on a timely basis, following quarterly review.

C. Prohibited Investments

In accordance with UPIA guidelines, the Board, Staff, Investment Consultants, and Investment Managers are expected to perform their fiduciary duties as a prudent investor would and to conform to all applicable federal and state statutes governing the investment of retirement funds for a qualified government plan. Accordingly, the following investments are prohibited:

Investments precluded by law or regulation:

- Transactions that involve a broker acting as a "principal" where such broker is also the Investment Manager who is making the transaction are prohibited unless otherwise approved in each manager's respective PSA.
- Any other investments as specified in each Investment Manager's respective contract.
- An investment that violates the placement agent limitations set forth in the PERA Act.

VII. REVIEW AND APPROVAL OF INVESTMENT POLICY

The Board shall review the Policy from time-to-time to determine if modifications are necessary or desirable but will delegate Staff to review the Policy on an annual basis. Staff will recommend modifications as warranted. If modifications are made, they shall be promptly communicated to all Investment Managers and other interested persons.

By signing this Investment Policy, the Board, through its Chair, indicates its agreement therewith.

Adopted: June 25, 1992
Amended: September 14, 1993
April 28, 1994
September 28, 1995
January 29, 1998
March 23, 1998
January 27, 2000
September 26, 2002
July 31, 2003
October 31, 2003
July 1, 2005
September 28, 2005
December 29, 2005
July 27, 2006

August 31, 2006
September 28, 2006
June 1, 2007
August 30, 2007
July 31, 2008
June 24, 2010
November 29, 2012
August 28, 2014
December 18, 2014
September 24, 2015
April 28, 2016
December 14, 2017
July 26, 2018
April 30, 2020
December 14, 2021
October 27, 2022
October 26, 2023
December 12, 2023

By:_________________________

Diana Rosales Ortiz, Board Chair
Public Employees' Retirement Association of New Mexico

APPENDIX A. ASSET ALLOCATION TARGETS AND REBALANCING RANGES

Effective: April 1, 2024

Asset Class	Lower Limit	Strategic Asset Allocation Target	Upper Limit
Global Equity	41%	46%	51%
Core Fixed Income	10%	13%	16%
Credit	13%	17%	21%
Absolute Return	3%	6%	9%
Real Assets	14%	18%	22%

Adopted: December 12, 2023

By:_________________________

Diana Rosales Ortiz, Board Chair
Public Employees' Retirement Association of New Mexico

APPENDIX B. BENCHMARKS

Effective: April 1, 2024

Global Equity	**Weighted Benchmark**
Global Public Stock	MSCI ACWI IMI ($net)
Private Equity	MSCI ACWI IMI ($net)
Core Fixed Income	**Bloomberg U.S. Aggregate Bond Index**
Core Fixed Income	Bloomberg U.S. Aggregate Bond Index
Credit	**Weighted Benchmark**
Liquid Credit	Bloomberg High Yield 2% Issuer Constrained
Illiquid Credit	Morningstar LSTA Leveraged Loan Index
Absolute Return	**SOFR + 2.5%**
Hedge Funds	SOFR + 2.5%
Real Assets	**Weighted Benchmark**
Illiquid Real Estate	FTSE EPRA Nareit Global Equity Index
Illiquid Real Assets	S&P / Dow Jones Brookfield Global Infrastructure Index

Adopted: December 12, 2023

By:__________________________

Diana Rosales Ortiz, Board Chair
Public Employees' Retirement Association of New Mexico

APPENDIX C. LIQUIDITY GUIDELINES

Effective: April 1, 2024

At no time shall Tier 1 assets fall below 10% of the total fund market value. For the purposes of liquidity, tier classifications and their corresponding asset classes are as follows:

Convertible Liquidity		
Tier 1	1-5 Day Liquidity	Core Fixed Income Cash and Cash Overlay
Tier 2	5-90 Day Liquidity	Global Public Stock Liquid Credit
Delayed Liquidity		
Tier 3	90-365 Day Liquidity	Hedge Funds
Tier 4	1 Year + Liquidity	Private Equity Illiquid Credit Illiquid Real Estate Illiquid Real Assets

Adopted: December 12, 2023

By:_________________________

Diana Rosales Ortiz, Board Chair
Public Employees' Retirement Association of New Mexico

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO
INVESTMENT COMMITTEE CHARTER

I. Statement of Purpose

The purpose of the Investment Committee of the PERA Board is to:

A. Assist the Board in carrying out its mission to preserve, protect, and administer the trust to meet its current and future obligations and provide quality services to Association members.

B. Assist the Board in fulfilling its fiduciary duties to prudently manage PERA assets.

II. Authority

In addition to the powers otherwise granted to the PERA Investment Committee pursuant to New Mexico State Statute and Administrative Code, the Investment Committee, shall have the following authorities and powers:

A. To develop, implement and administer an Investment Policy that complies with industry best practices for a public pension trust fund.

B. To direct PERA staff, consultant/advisor, investment manager, or an appropriate subcommittee when deemed necessary or advisable and to request and obtain advice, assistance, documentation, or information on investment-related matters.

C. To provide direction to the Board, PERA staff and consultant/advisor:
   1. In the development, review, monitoring and updating of investment policies and procedures;
   2. Regarding action on policy and procedural decisions delegated to it by the Board;
   3. In accordance with the Investment Policy, evaluate appropriate investment-related issues including targeted total fund risk and assumed rate of return, strategic asset allocation limits and ranges, ,active risk and excess return targets, Policy asset class benchmarks, and simple reference portfolio benchmarks, for purposes of monitoring implementation effectiveness.

D. To contract with prudent experts, such as the Board Investment Strategic Consultant, on investment matters with approval from the Board.

E. To monitor investment performance in accordance with the Investment Policy.

F. To have full access to all books, records, facilities, or personnel of PERA.

G. Other authorities as delegated to it by the Board.

III. Duties, Responsibilities, and Requirements

The Investment Committee will take the necessary actions to ensure that:

A. The trust is invested solely in the interest of participants and beneficiaries, to provide benefits exclusively to these participants and beneficiaries.

B. The Investment Policy and the Procurement Policy for Investment-Related Services established by the Board are adhered to and compliance with these policies is monitored on an ongoing basis.

C. The activities of the Chief Investment Officer (CIO) and the Investment Division are in accordance with the established Investment Policy and the Board's objectives and are executed in a fiduciary capacity.

D. The activities of the Board Investment Strategic Consultant and contracted investment managers are in accordance with the scope of services detailed in their professional services agreement or other governing documents, and that the services are executed in a fiduciary capacity.

E. The activities of the Committee Members reflect a commitment to the ongoing educational requirements necessary to understand and oversee the complex investment strategies deployed within the trust.

F. Risk management tools, internal controls and compliance with applicable policies, procedures, rules, laws and regulations are in place regarding the investment function.

G. Total Fund performance reporting will be formally presented to the Investment Committee quarterly and shall include comparative peer performance data, compiled by the Board Investment Strategic Consultant.

H. Illiquid asset class performance reporting will be provided to the Investment Committee quarterly and formally presented no less than twice a year, reviewing the fiscal year end and calendar year end results.

I. All reporting shall be published to the PERA website for public reference, on a timely basis, following quarterly review.

J. An annual evaluation of its performance (self-assessment) is performed according to criteria established by the Investment Committee and by Board Policies and Procedures.

K. Any other functions as required to carry out its fiduciary duties or as requested by the Board are performed.

IV. Organization

The composition of the Investment Committee shall consist of:

A. No more than 6 Board members, as required by New Mexico Administrative Code, to include a Committee Chairperson and Committee Vice-Chairperson that will be appointed by the Board Chairperson at the January Board meeting, or as soon as practicable thereafter;

B. Committee members shall serve for 1 calendar year but may be reappointed annually during the January Board meeting by the Board Chairperson, or as soon as practicable thereafter;

C. Other Board members may be temporarily appointed to the Committee by the Committee Chairperson or Committee Vice Chairperson when a quorum is not present. A quorum shall be a simple majority of the Committee members;

V. Meetings, Minutes and Communications

The Committee shall:

A. Conduct meetings according to the requirements of the Open Meetings Act and the Board's Open Meetings Resolution and communicate actions or recommendations to the Board as soon as practical;

B. Meet quarterly, 4 times per year according to statute and rule, unless the Committee elects to meet more ;

C. Provide that meeting minutes will be distributed to appropriate Committee members and staff for review prior to signature by the Committee Chairperson;

D. Hold special or emergency meetings when deemed necessary.

VI. Charter Review and History

A. This Charter will be reviewed annually.

B. The Board adopted this charter on October 12, 2010. The Board approved changes to this charter on November 9, 2021.

Diana Rosales Ortiz
Chair, State Member
Greg Trujillo
Executive Director

Phone: (505) 476-9300
Fax: (505) 476-9401
Toll Free: 1(800) 342-3422
Website: www.nmpera.org

MEMORANDUM

DATE: December 12, 2023

TO: Investment Committee Chair for 2024

FROM: Francis Page, IC Chair, Michael Shackelford, CIO and LeAnne Larrañaga-Ruffy, Deputy CIO

SUBJECT: Memo of Continuity

The following items were completed by the Investment Committee in 2023:

- Total Fund Quarterly Performance and Market Review
  - Q4 2022
  - Q1 2023
  - Q2 2023
  - Q3 2023
- Reviewed Investment Division Compliance Update Quarterly
  - Manager Selection Activity Report
  - Cash Activity & Rebalance Update
  - Securities Lending Update
  - Staffing
- Bi-annual Illiquid Asset Class Performance Reporting
  - Q4 2022
  - Q2 2023
- Bi-annual Bonds Plus Portable Alpha Review
  - Q4 2022
  - Q3 2023
- Education Sessions
  - Structured Credit (April 2023)
  - Private Real Estate (June 2023)
  - Asset Allocation (July 2023)
  - Comprehensive Asset Class Assumptions (July 2023)
  - Risk (July 2023)
  - Benchmarking (July 2023)
  - Private Equity (July 2023)
  - Fiduciary (July 2023)
  - Infrastructure (October 2023)
- Participated in RFI and Selection of General Investment Consultant (April – September 2023)
- Reviewed and Approved 2023 Work Plan (April 2023)
- Reviewed and Approved Elimination of Active Risk Budget (October 2023)

- Reviewed Fiscal Year 2023 Fee Reporting (October 2023)
- Reviewed and Approved Investment Policy Statement-Risk Budget Removal (October 2023)
- Reviewed and Approved New SAA Targets (December 2023)
- Reviewed and Approved Benchmarks (December 2023)
- Reviewed and Approved Investment Policy Statement-New SAA and Benchmarks (December 2023)
- Reviewed and Approved Investment Policy Statement Appendix Amendment (December 2023)
- Reviewed Investment Committee Charter – no changes

The following items are currently in progress:

- Custody Bank RFP

Verus

PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS

PERIOD ENDING: September 30, 2023

Investment Performance Review for

PERA

Public Employees Retirement Association *of* New Mexico

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SEATTLE 206-622-3700
CHICAGO 312-815-5228
LOS ANGELES 310-297-1777
SAN FRANCISCO 415-362-3484
PITTSBURGH 412-784-6678

3rd quarter summary

THE ECONOMIC CLIMATE

— Real GDP increased at a 2.9% pace from a year ago in Q3 (4.9% QoQ annualized rate). The large uptick was driven by consumption, which continues to show resiliency. A combination of pandemic related excess savings and a strong decade of household wealth expansion is likely providing a cushion against an economic slowdown.

— The unemployment rate increased slightly during the quarter from 3.6% to 3.8%, though this appears to be due to more workers rejoining the labor force and seeking employment (a positive rather than negative development). The total size of the U.S. workforce grew by 580,000 in Q3.

PORTFOLIO IMPACTS

— The U.S. consumer has shown resiliency, with ongoing moderate spending activity. However, personal savings rates are nearly the lowest on record. We believe depressed savings activity without a commensurate surge in spending, and very poor sentiment, suggests high inflation is squeezing household budgets.

— The Cboe VIX implied volatility index remained below-average for most of the third quarter, before rising to 17.5 to end September. Market risk has been falling fairly consistently throughout the year, which may be at least partly attributed to the perception that certain risks, such as regional bank contagion and near-term recession, have eased.

THE INVESTMENT CLIMATE

— The 10-year U.S. Treasury yield increased during the quarter to 4.58%—a level not seen since 2007—likely supported by *higher for longer* interest rate expectations. This led to a flattening of the yield curve.

— U.S. headline inflation ticked up from 3.1% to 3.7% year-over-year. Core CPI (ex-food & energy) continued to fall from 4.9% to 4.1%. Shelter costs jumped unexpectedly in September showing the largest rise since May, and along with rising energy prices have generated concerns of renewed inflation. A material weakening of the job market and U.S. economy will likely be needed to bring inflation down to a 2% level.

ASSET ALLOCATION ISSUES

— Nearly all asset classes produced materially negative performance during the quarter, including global equities (-3.4%), U.S. core fixed income (-3.2%) and U.S. Treasuries (-3.1%). Highly correlated markets created difficulties for investors, as diversification produced limited value.

— U.S. investors continue to face a difficult environment for style factor investing. Over the past year, mega cap growth stocks have propelled the U.S. market higher, leading to dramatic outperformance of growth stocks and large cap stocks. However, value investing has delivered exceptional results in international developed markets, outperforming growth stocks by 11.5%.

Nearly all asset classes produced materially negative performance during the quarter

A material weakening of the job market and/or U.S. economy will likely be needed to bring inflation down to a 2% level

Verus

U.S. economics summary

— Real GDP increased at a 2.9% pace from a year ago in the third quarter (4.9% quarter-over-quarter annualized rate). The large uptick was driven by consumption, which continues to show resiliency. While many investors have expected high inflation and weaker wage growth to impact spending, a combination of pandemic related excess savings and a strong decade of household wealth expansion is likely providing a cushion against an economic slowdown.

— U.S. headline inflation ticked up during the quarter, from 3.1% to 3.7% year-over-year in September. Core CPI (ex-food & energy) continued to fall from 4.9% to 4.1%. Shelter costs jumped unexpectedly in September, which along with rising energy prices have generated fresh concerns of renewed inflation.

— The U.S. consumer has shown resiliency, with continued moderate spending levels. However, personal savings rates are nearly the lowest on record. We believe depressed savings activity, along with mild household spending and very poor sentiment, suggests high inflation is squeezing household budgets.

— The unemployment rate increased slightly during the quarter from 3.6% to 3.8%, though this appears to be due to more workers rejoining the labor force and seeking employment (a positive rather than negative development). The total size of the U.S. workforce grew by 580,000 in Q3.

— Consumer sentiment readings were mixed during Q3 but remain poor. According to the Conference Board survey, the future outlook for income, business, and labor conditions fell very sharply and are now at levels that historically have signaled recession within a year.

	Most Recent	**12 Months Prior**
Real GDP *(YoY)*	2.9% *9/30/23*	1.7% *9/30/22*
Inflation *(CPI YoY, Core)*	4.1% *9/30/23*	8.2% *9/30/22*
Expected Inflation *(5yr-5yr forward)*	2.4% *9/30/23*	2.1% *9/30/22*
Fed Funds Target Range	5.25–5.50% *9/30/23*	3.00–3.25% *9/30/22*
10-Year Rate	4.58% *9/30/23*	3.83% *9/30/22*
U-3 Unemployment	3.8% *9/30/23*	3.5% *9/30/22*
U-6 Unemployment	7.0% *9/30/23*	6.7% *9/30/22*

International economics summary

— Countries struggling to control inflation—primarily advanced economies—face a challenging path. Many central banks are grappling with high prices and slow growth, and the balancing act of fighting inflation but also trying to avoid recession. In contrast, most emerging economies are exceeding growth expectations, outside of China. Some of this strength has come from trade rotation as tensions remain between the U.S. and China and businesses rethink their trade partners.

— The IMF's October World Economic Outlook was little changed from July Projections, as global growth is still expected to slow in 2024. Regional divergences remained an emphasis, as emerging economies are projected to drive global output. India is expected to outpace all other countries with growth forecasts above 6% for both 2023 and 2024.

— Inflation in the Eurozone and United Kingdom has remained sticky, with inflation in September coming in at 4.3% and 6.7% year-over-year, respectively. Monetary policy is expected to be tighter for both the ECB and BOE, although rate decisions diverged at their respective September meetings, as the ECB raised rates by another 25 bps, while the BOE voted 5-4 to maintain their bank rate at 5.25%.

— Japan was a bright spot amongst developed economies, driven by strong exports in the second quarter. While growth was positive, the potential for an early end to ultra loose Bank of Japan (BOJ) monetary policy presents a potential headwind. A weak Japanese Yen adds to this story, as the currency has been greatly devalued, largely due to the BOJ's contrarian monetary policy relative to other major central banks.

Area	**GDP (Real, YoY)**	**Inflation (CPI, YoY)**	**Unemployment**
United States	2.9% *9/30/23*	3.7% *9/30/23*	3.8% *9/30/23*
BRICS Nations	6.1% *6/30/23*	1.7% *9/30/23*	4.8% *12/31/22*
Brazil	3.4% *6/30/23*	5.2% *9/30/23*	7.8% *8/31/23*
Russia	4.9% *6/30/23*	6.0% *9/30/23*	3.0% *8/31/23*
India	7.8% *6/30/23*	5.0% *9/30/23*	7.1% *9/30/23*
China	4.9% *9/30/23*	0.0% *9/30/23*	5.0% *9/30/23*

NOTE: India lacks reliable government unemployment data. Unemployment rate shown above is estimated from the Centre for Monitoring Indian Economy. The Chinese unemployment rate represents the monthly surveyed urban unemployment rate in China.

Equity environment

- Global equities delivered negative performance during the quarter (MSCI ACWI -3.4%). Weakness in markets was broad-based, with international developed (MSCI EAFE -4.1%) slightly underperforming domestic and emerging market equities (S&P 500 -3.3%, MSCI EM -2.9%).
- Over the quarter, the valuation gap between domestic and international equites grew even larger. An analysis of international developed Price/Earnings ratios shows that all sectors currently hold a valuation discount relative to U.S. shares, and that those discounts are generally much wider than the historical average.
- Currency movements dragged portfolio performance lower for investors with unhedged foreign currency exposure. Investors with unhedged international developed equity exposure saw losses of -3.6% due to currency volatility during the quarter.
- U.S. investors continue to face a difficult environment for style factor investing. Over the past year, mega cap growth stocks have propelled the U.S. market higher, leading to dramatic outperformance of growth stocks and large cap stocks. However, value investing has delivered exceptional results in international developed markets, with value stocks outperforming growth by 11.5%.
- The Cboe VIX implied volatility index remained below-average for most of the third quarter, before rising to 17.5% to end September. Market risk has been falling fairly consistently throughout the year.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	(3.3%)		21.6%	
U.S. Small Cap (Russell 2000)	(5.1%)		8.9%	
U.S. Equity (Russell 3000)	(3.3%)		20.5%	
U.S. Large Value (Russell 1000 Value)	(3.2%)		14.4%	
US Large Growth (Russell 1000 Growth)	(3.1%)		27.7%	
Global Equity (MSCI ACWI)	(3.4%)	(2.3%)	20.8%	20.4%
International Large (MSCI EAFE)	(4.1%)	(0.5%)	25.6%	24.1%
Eurozone (EURO STOXX 50)	(7.7%)	(4.3%)	39.4%	33.0%
U.K. (FTSE 100)	(1.9%)	2.2%	25.3%	16.0%
Japan (TOPIX)	(1.0%)	4.0%	25.7%	36.6%
Emerging Markets (MSCI Emerging Markets)	(2.9%)	(1.3%)	11.7%	11.1%

Source: Russell Investments, MSCI, STOXX, FTSE, JPX, as of 9/30/23

Fixed income environment

— The 10-year U.S. Treasury yield increased during the quarter from 3.81% to 4.58%—a level not seen since 2007—likely supported by *higher for longer* interest rate expectations. This has led to a flattening of the yield curve, though the curve remains inverted at -0.5% (defined as the 10-year Treasury yield minus 2-year Treasury yield).

— Rising interest rates combined with lower inflation have brought real (inflation-adjusted, based on the U.S. TIPS Inflation Breakeven Rate) 10- and 30-year Treasury yields to the highest levels in over a decade. Real yields for 10- and 30-year Treasuries finished the month at 2.24% and 2.33%, respectively. In March of 2022 these rates were negative.

— The Federal Reserve hiked interest rates by 0.25% in July but held rates steady at the September meeting as inflation moderated. Importantly, Chairman Powell signaled that additional rate hikes may be warranted if the economy remains strong and inflation above target.

— During Q3, higher quality bonds and U.S. Treasuries saw mild losses due primarily to their longer duration profile. Riskier credit performed well, with larger coupons and shorter duration contributing to positive performance.

— Longer duration investment grade corporate bonds (Bloomberg U.S. Long Corporate Credit) performed very poorly, falling by -7.3% during the quarter as rising interest rates acted as a headwind.

— With inflation moderating during the quarter, investors expressed optimism that the Federal Reserve would soon pause interest rate hikes. However, interest rate volatility increased during the period as concerns related to the U.S. government's budget deficit and the amount of expected issuance contributed to higher long-term bond yields.

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	(3.2%)	0.6%
Core Plus Fixed Income (Bloomberg U.S. Universal)	(2.9%)	1.6%
U.S. Treasuries (Bloomberg U.S. Treasury)	(3.1%)	(0.8%)
U.S. Treasuries: Long (Bloomberg U.S. Treasury 20+)	(13.0%)	(10.7%)
U.S. High Yield (Bloomberg U.S. Corporate HY)	0.5%	10.3%
Bank Loans (S&P/LSTA Leveraged Loan)	3.4%	13.0%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	(3.3%)	13.1%
Emerging Market Debt Hard (JPM EMBI Global Diversified)	(2.2%)	10.0%
Mortgage-Backed Securities (Bloomberg MBS)	(4.1%)	(0.2%)

Source: Bloomberg, as of 9/30/23

Recent Verus research

Visit: verusinvestments.com/research

Topics of interest

CREDIT, DISTRESS, DEFAULT & THE LONG TERM

As the environment for credit changes and the risks of defaults increase, investors would be well advised to assess their fixed income positioning. This includes considering other opportunities across the credit spectrum beyond traditional core vehicles.

YIELD CURVE INVERSION: RECESSION SIGNAL, BUT WHY?

Predicting future market conditions is an incredibly difficult task. One signal that has been a historically accurate predictor preceding a U.S. recession is the yield curve inversion. We examine what drives curve inversion, allowing investors a framework regarding the implications of this type of event.

THE RISING RATE ENVIRONMENT'S IMPACT ON REAL ESTATE CAP RATES

The quickly rising interest rate environment has changed the landscape for commercial real estate so much that investors are questioning how the appraised values of their private real estate assets might change in the future. Our latest whitepaper illuminates this question.

HEDGE FUNDS IN 2023: HOW HAS THE ENVIRONMENT CHANGED?

For those clients who are comfortable embracing the complexity of hedge funds, we continue to believe that these strategies can play an important role. We focus on the impact of a "higher rate for longer" scenario on the asset class. We also examine how the rising-rate environment has affected private markets so far.

Annual research

2023 PRIVATE EQUITY OUTLOOK

In the 2023 Private Equity Outlook, we focus on the impact of a "higher rate for longer" scenario on the asset class. We also examine how the rising-rate environment has affected private markets so far.

Scorecard

- As of the current quarter end, PERA is below the assumed rate of return for most time periods, but above the assumed rate of return since inception.
- The 20 year time period includes the Great recession and the Dotcom bust era.
- Set strategic Asset Allocation (Policy Portfolio) to meet the assumed rate of return and funding goals over the long term (10+ years)
- Prior to July 2016, Assumed rate of return was 7.75%

	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	20 Yrs	30 Yrs	Inception	Inception Date
NM PERA Total Fund	**-1.49**	**7.52**	**6.08**	**5.11**	**6.00**	**5.91**	**6.25**	**7.37**	**8.47**	**Jun-85**
Assumed Rate of Return - NMPERA	*1.77*	*7.25*	*7.25*	*7.25*	*7.25*	*7.39*	*7.57*	*7.63*	*7.66*	
Excess Return	*-3.26*	*0.27*	*-1.17*	*-2.14*	*-1.25*	*-1.48*	*-1.32*	*-0.26*	*0.81*	
Scorecard	⚐	✔	⚐	⚐	⚐	⚐	⚐	⚐	✔	

- Produce returns that meet or exceed Board approved Total Fund Benchmarks

	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	20 Yrs	30 Yrs	Inception	Inception Date
NM PERA Total Fund	**-1.49**	**7.52**	**6.08**	**5.11**	**6.00**	**5.91**	**6.25**	**7.37**	**8.47**	**Jun-85**
NM PERA Total Fund Policy	*-3.32*	*9.97*	*3.21*	*3.32*	*4.60*	*5.05*	*6.00*	*6.83*	*8.16*	
Excess Return	*1.83*	*-2.45*	*2.87*	*1.79*	*1.40*	*0.86*	*0.25*	*0.54*	*0.31*	
Scorecard	✔	⚐	✔	✔	✔	✔	✔	✔	✔	
Tracking Error	1.10	4.71	4.76	5.04	4.32	3.70	2.91	5.78		
Tracking Error Rank	85	84	75	84	83	80	57	68		
Sharpe Ratio	-0.68	0.47	0.57	0.44	0.63	0.70	0.56	0.56		
Sharpe Ratio Rank	81	87	29	32	33	34	63	51		

Performance shown is net of fees.

PERA's capital allocations are in line with SAA targets

Capital Allocation

	Policy Allocation (%)	Current Allocation (%)	Excess Allocation (%)	Policy Range (%)	Within IPS Range?
Global Equity	38.00	39.17	1.17	33.00 - 43.00	Yes
Credit Oriented Fixed Income	19.00	19.09	0.09	15.00 - 23.00	Yes
Risk Reduction & Mitigation	17.00	16.46	-0.54	14.00 - 20.00	Yes
Real Assets	18.00	17.45	-0.55	14.00 - 22.00	Yes
Multi-Risk	8.00	7.83	-0.17	4.00 - 12.00	Yes
Total	**100.00**	**100.00**	**0.00**		

4-Year Risk Statistics

	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	R-Squared	Up Capture	Down Capture	Information Ratio	Tracking Error	Sharpe Ratio	Sortino Ratio
NM PERA Total Fund	8.4	3.1	0.6	0.9	73.1	56.4	0.3	5.4	0.4	0.6
NM PERA Total Fund Policy	*13.1*	*0.0*	*1.0*	*1.0*					*0.2*	*0.2*

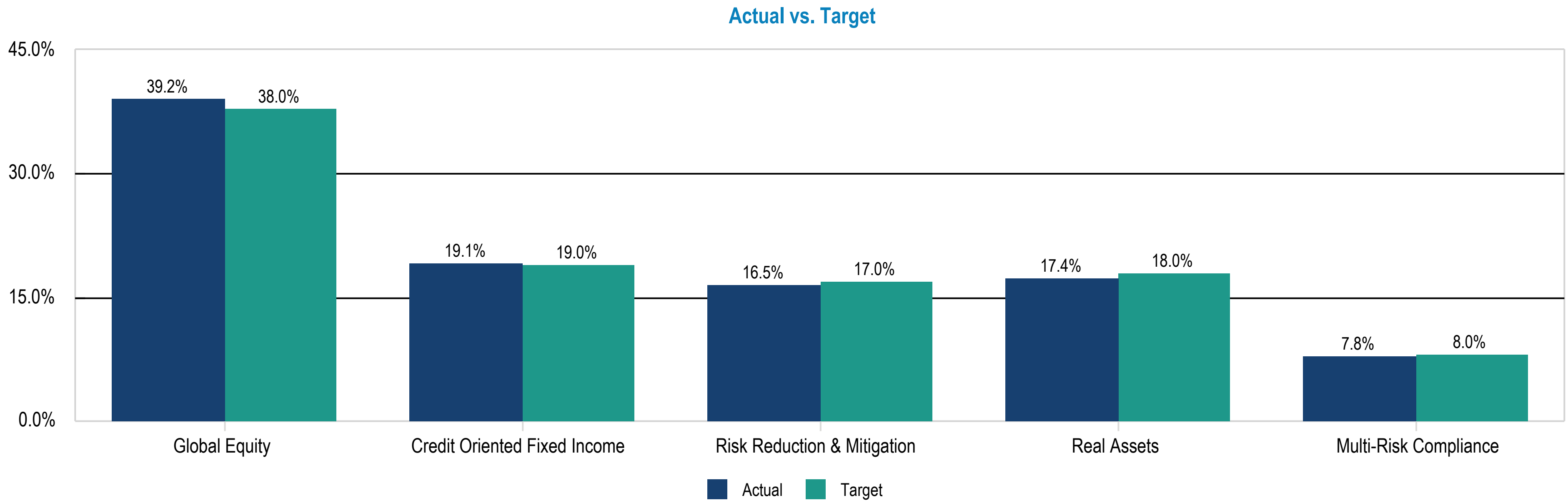
PERA's liquidity allocations are in line with liquidity guidelines (Tier 1 Assets >= 10% of Fund NAV)

Liquidity Allocation

	Market Value	Tier 1 (1-5 Days)	Tier 2 (5-90 Days)	Tier 3 (90-365 Days)	Tier 4 (1+ Years)
Global Equity	6,375,177,076	35,062,797	3,917,467,408	816,318	2,421,830,553
Credit Oriented Fixed Income	3,106,428,209	196,754,511	1,545,250,192	839,852,657	524,570,849
Risk Reduction & Mitigation	2,679,093,657	1,980,301,980	-	-	698,791,677
Real Assets	2,839,699,863	107,199,701	50,544,249	639,712	2,681,316,200
Multi-Risk	1,273,913,844	-	1,273,913,844	-	-
NM PERA Total Fund	**16,274,312,648**	**2,319,318,989**	**6,787,175,692**	**841,308,687**	**6,326,509,279**
Total (%)	**100.0**	**14.3**	**41.7**	**5.2**	**38.9**

Performance shown is net of fees.

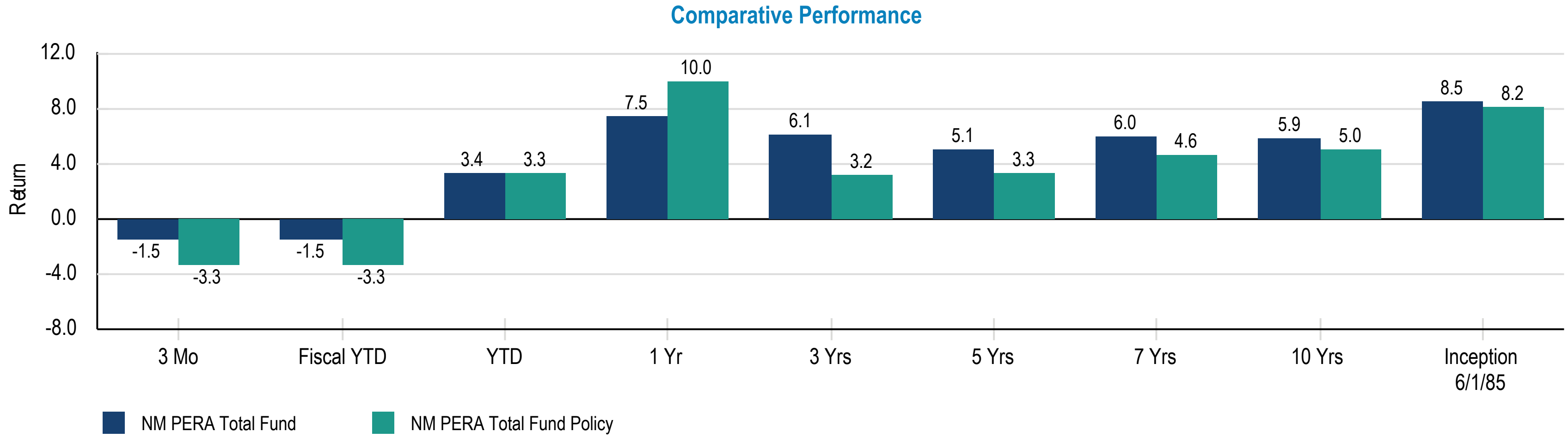
Total Fund

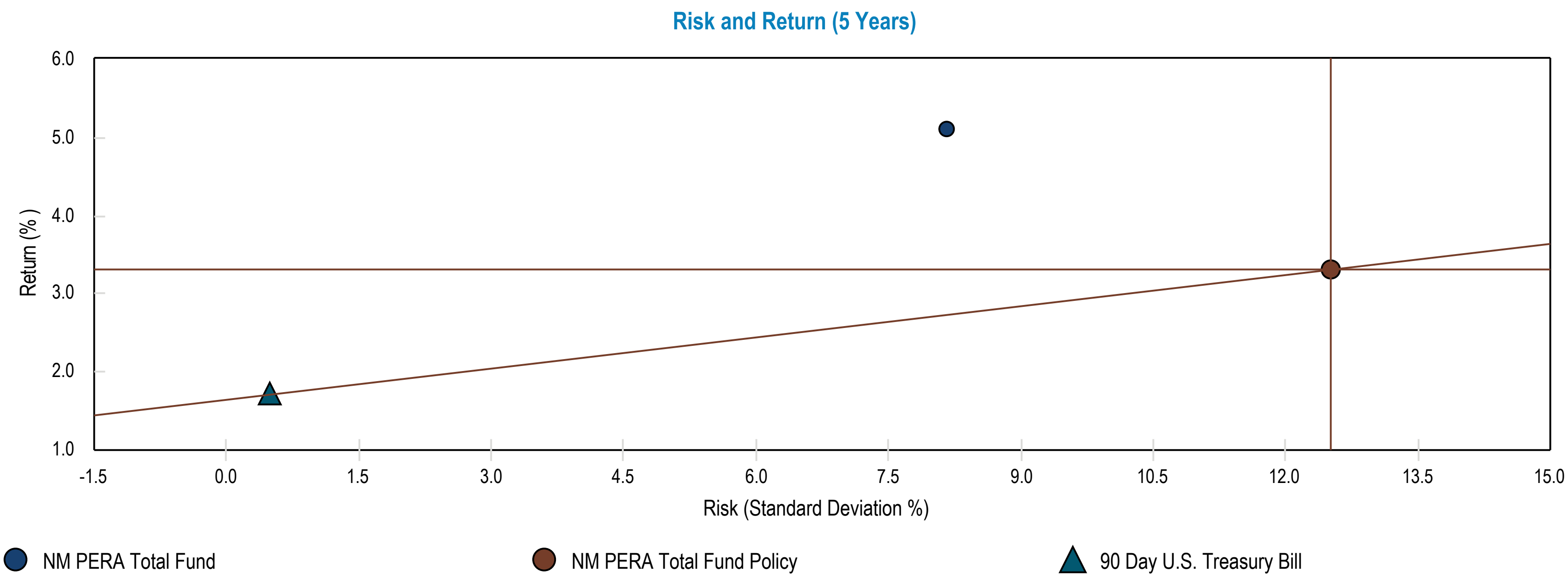


Allocation vs. Policy

	Current Balance ($)	Current Allocation (%)	Policy Allocation (%)	Policy Allocation ($)	Difference ($)
Global Equity	6,375,177,076	39.17	38.00	6,184,238,806	190,938,270
Credit Oriented Fixed Income	3,106,428,209	19.09	19.00	3,092,119,403	14,308,806
Risk Reduction & Mitigation	2,679,093,657	16.46	17.00	2,766,633,150	-87,539,493
Real Assets	2,839,699,863	17.45	18.00	2,929,376,277	-89,676,414
Multi-Risk	1,273,913,844	7.83	8.00	1,301,945,012	-28,031,168
Total	**16,274,312,648**	**100.00**	**100.00**	**16,274,312,648**	

STO Balance as of 09/30/2023: $31,366,970.33; Total Fund balance with STO: $16,305,679,618.33.



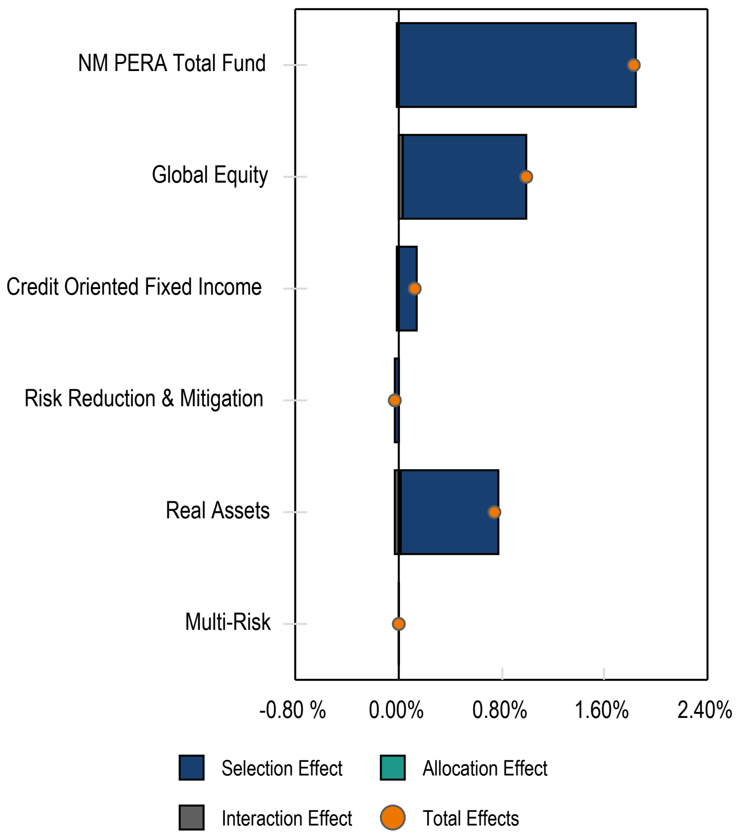


Performance shown is net of fees.

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
NM PERA Total Fund Net	**16,274,312,648**	**100.00**	**-1.49**	**3.40**	**-1.49**	**7.52**	**6.08**	**5.11**	**6.00**	**5.91**	**8.47**	**Jun-85**
NM PERA Total Fund Policy			-3.32	3.34	-3.32	9.97	3.21	3.32	4.60	5.05	8.16	
Value Added			1.83	0.06	1.83	-2.45	2.87	1.79	1.40	0.86	0.31	
NM PERA Actuarial Return			1.77	5.39	1.77	7.25	7.25	7.25	7.25	7.36	7.82	
Value Added			-3.26	-1.99	-3.26	0.27	-1.17	-2.14	-1.25	-1.45	0.65	
Global Equity Net	**6,375,177,076**	**39.17**	**-0.70**	**7.00**	**-0.70**	**13.64**	**9.87**	**8.23**	**9.99**	**8.73**	**9.13**	**Apr-13**
Global Equity Policy			-3.28	8.31	-3.28	18.69	6.39	5.66	8.12	7.91	8.43	
Value Added			2.58	-1.31	2.58	-5.05	3.48	2.57	1.87	0.82	0.70	
Credit Oriented Fixed Income Net	**3,106,428,209**	**19.09**	**1.24**	**5.29**	**1.24**	**7.22**	**5.09**	**3.72**	**4.23**	**3.85**	**4.28**	**Apr-13**
Credit Oriented Fixed Income Policy			0.52	5.49	0.52	12.63	0.17	1.80	2.65	3.26	3.30	
Value Added			0.72	-0.20	0.72	-5.41	4.92	1.92	1.58	0.59	0.98	
Risk Reduction & Mitigation Net	**2,679,093,657**	**16.46**	**-3.36**	**-1.19**	**-3.36**	**0.44**	**-4.12**	**0.52**	**0.32**	**1.54**	**1.26**	**Apr-13**
Risk Reduction & Mitigation Policy			-3.23	-1.21	-3.23	0.53	-5.11	0.10	-0.05	1.17	0.95	
Value Added			-0.13	0.02	-0.13	-0.09	0.99	0.42	0.37	0.37	0.31	
Real Assets Net	**2,839,699,863**	**17.45**	**-1.51**	**-0.92**	**-1.51**	**2.81**	**11.72**	**6.12**	**5.89**	**5.79**	**5.62**	**Apr-13**
Real Assets Policy			-5.71	-4.40	-5.71	1.17	8.15	3.30	3.86	3.82	3.99	
Value Added			4.20	3.48	4.20	1.64	3.57	2.82	2.03	1.97	1.63	
Multi-Risk Net	**1,273,913,844**	**7.83**	**-7.43**	**1.83**	**-7.43**	**6.85**	**0.34**	**-**	**-**	**-**	**1.12**	**May-19**
Wilshire Risk Parity Index - 15% Target Volatility			-7.45	1.95	-7.45	6.69	0.23	-	-	-	1.31	
Value Added			0.02	-0.12	0.02	0.16	0.11	-	-	-	-0.19	

Fiscal year 06/30. Performance shown is net of fees.

Attribution Effects
Last Three Months



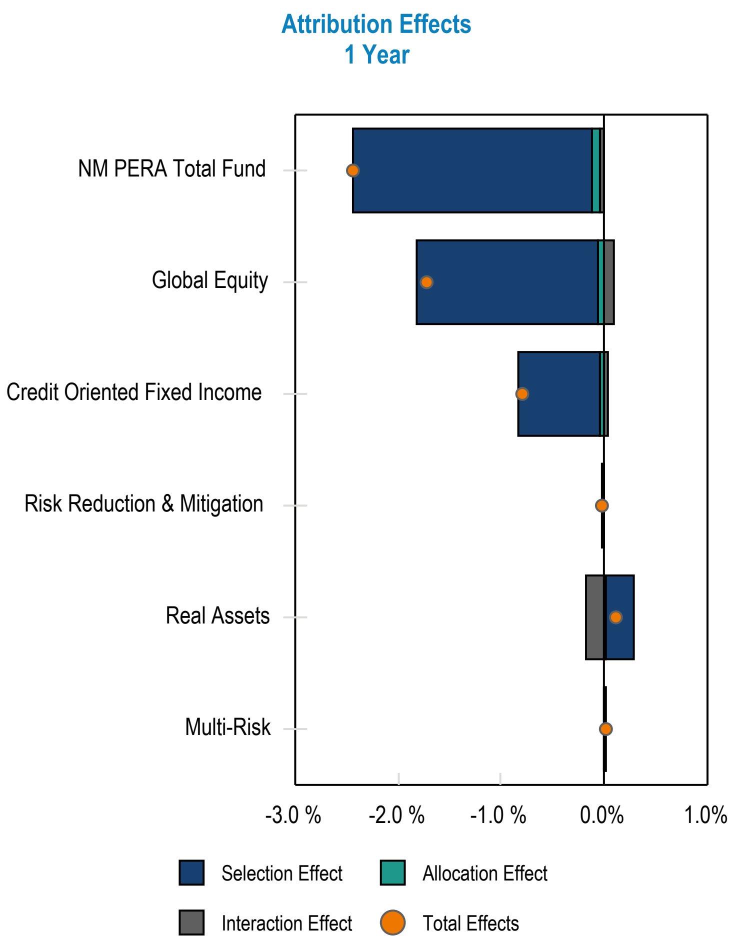
Performance Attribution

	Last 3 Mo.
Wtd. Actual Return	-1.49
Wtd. Index Return	-3.32
Excess Return	**1.83**
Selection Effect	1.85
Allocation Effect	0.00
Interaction Effect	-0.01

Attribution Summary
Last Three Months

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Global Equity	-0.7	-3.3	2.6	1.0	0.0	0.0	1.0
Credit Oriented Fixed Income	1.2	0.5	0.7	0.1	0.0	0.0	0.1
Risk Reduction & Mitigation	-3.4	-3.2	-0.1	0.0	0.0	0.0	0.0
Real Assets	-1.5	-5.7	4.2	0.8	0.0	0.0	0.7
Multi-Risk	-7.4	-7.5	0.0	0.0	0.0	0.0	0.0
NM PERA Total Fund	**-1.5**	**-3.3**	**1.8**	**1.8**	**0.0**	**0.0**	**1.8**

Weighted returns shown in attribution analysis may differ from actual returns. Attribution analysis uses the Policy Target Asset Allocation Index. Fiscal year end 6/30. Attribution analysis excludes overlay impact. *Performance shown is net of fees.*



Performance Attribution

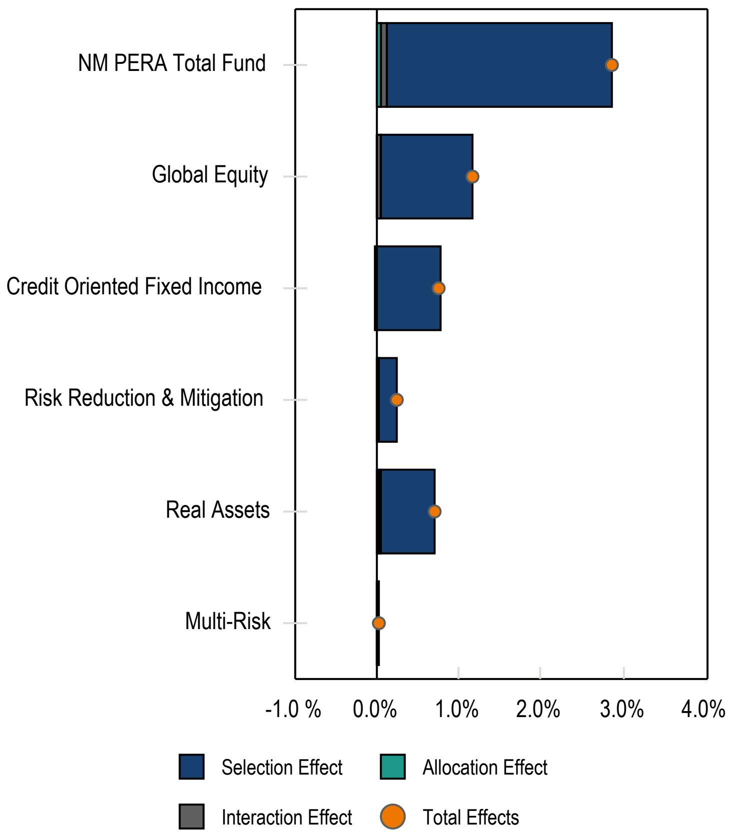
	1 Yr
Wtd. Actual Return	7.5
Wtd. Index Return	10.0
Excess Return	**-2.4**
Selection Effect	-2.3
Allocation Effect	-0.1
Interaction Effect	0.0

Attribution Summary
1 Year

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Global Equity	13.6	18.7	-5.0	-1.8	-0.1	0.1	-1.7
Credit Oriented Fixed Income	7.2	12.6	-5.4	-0.8	0.0	0.0	-0.8
Risk Reduction & Mitigation	0.4	0.5	-0.1	0.0	0.0	0.0	0.0
Real Assets	2.8	1.2	1.6	0.3	0.0	-0.2	0.1
Multi-Risk	6.9	6.7	0.2	0.0	0.0	0.0	0.0
NM PERA Total Fund	**7.5**	**10.0**	**-2.4**	**-2.3**	**-0.1**	**0.0**	**-2.4**

Weighted returns shown in attribution analysis may differ from actual returns. Attribution analysis uses the Policy Target Asset Allocation Index. Fiscal year end 6/30. Attribution analysis excludes overlay impact. Performance shown is net of fees.

Attribution Effects
Last Three Years



Performance Attribution

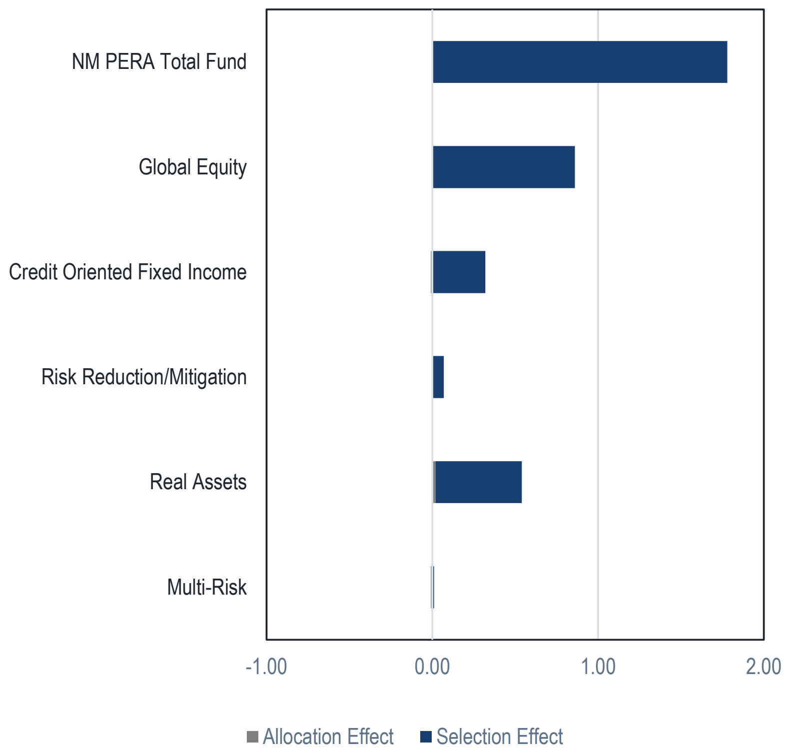
	3 Yrs
Wtd. Actual Return	6.1
Wtd. Index Return	3.2
Excess Return	**2.9**
Selection Effect	2.8
Allocation Effect	0.0
Interaction Effect	0.1

Attribution Summary
Last Three Years

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Global Equity	9.9	6.4	3.5	1.1	0.0	0.0	1.2
Credit Oriented Fixed Income	5.1	0.2	4.9	0.8	0.0	0.0	0.8
Risk Reduction & Mitigation	-4.1	-5.1	1.0	0.2	0.0	0.0	0.2
Real Assets	11.7	8.2	3.6	0.6	0.0	0.0	0.7
Multi-Risk	0.3	0.2	0.1	0.0	0.0	0.0	0.0
NM PERA Total Fund	**6.1**	**3.2**	**2.9**	**2.8**	**0.0**	**0.1**	**2.9**

Weighted returns shown in attribution analysis may differ from actual returns. Attribution analysis uses the Policy Target Asset Allocation Index. Fiscal year end 6/30. Attribution analysis excludes overlay impact. Performance shown is net of fees.

Attribution Effects
Last 5 Years



Performance Attribution

	5 Yrs
Wtd. Actual Return	5.11
Wtd. Index Return	3.33
Excess Return	**1.78**
Selection Effect	1.78
Allocation Effect	0.00

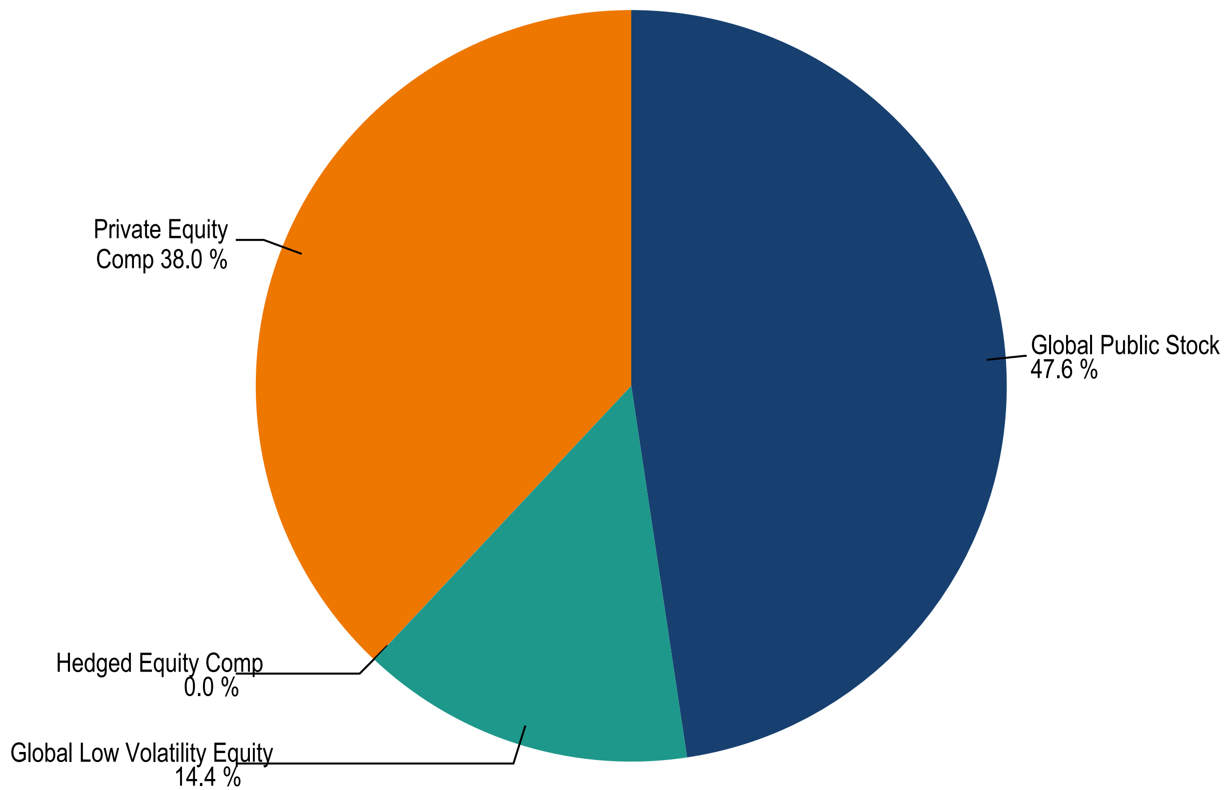
Attribution Summary
Last Five Years

	Portfolio		Policy		Net Management Effects		
	Weight	Return	Weight	Return	Allocation	Selection	Total Effects
Global Equity	37.94	8.23	37.66	5.66	0.00	0.86	0.86
Risk Reduction/Mitigation	19.36	0.50	19.58	0.10	0.00	0.07	0.07
Credit Oriented Fixed Income	15.38	3.73	15.60	1.81	-0.01	0.32	0.31
Real Assets	20.02	6.11	19.70	3.33	0.02	0.52	0.54
Multi-Risk	7.30		7.46		-0.01	0.01	0.00
NM PERA Total Fund	**100.00**	**5.11**	**100.00**	**3.33**	**0.00**	**1.78**	**1.78**

Weighted returns shown in attribution analysis may differ from actual returns. Attribution analysis uses the Policy Target Asset Allocation Index. Fiscal year end 6/30. Attribution analysis excludes overlay impact. Performance shown is net of fees.

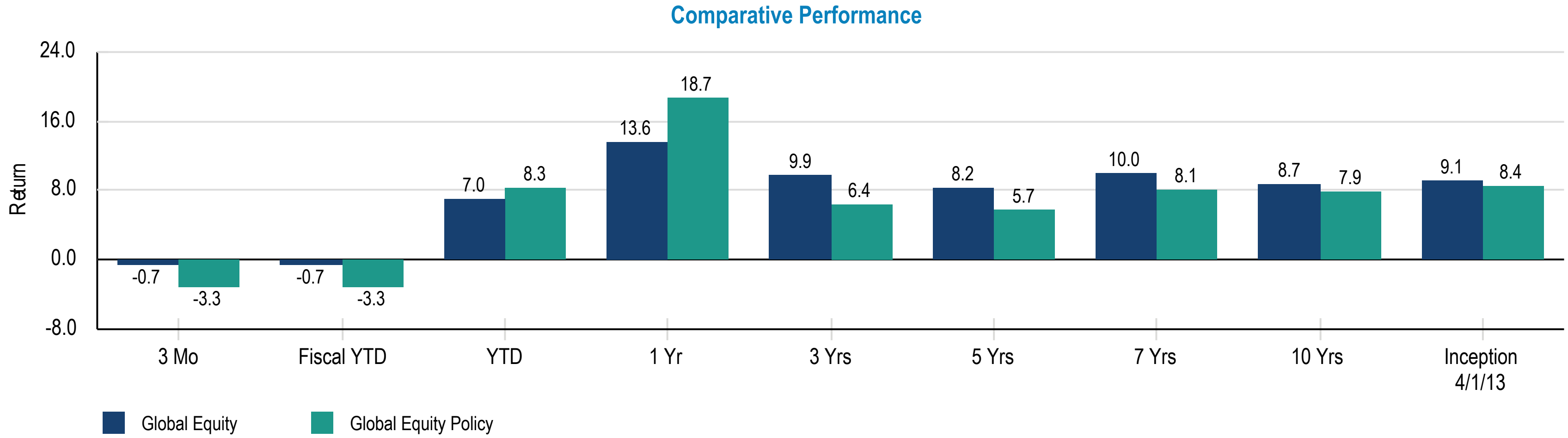
Global Equity

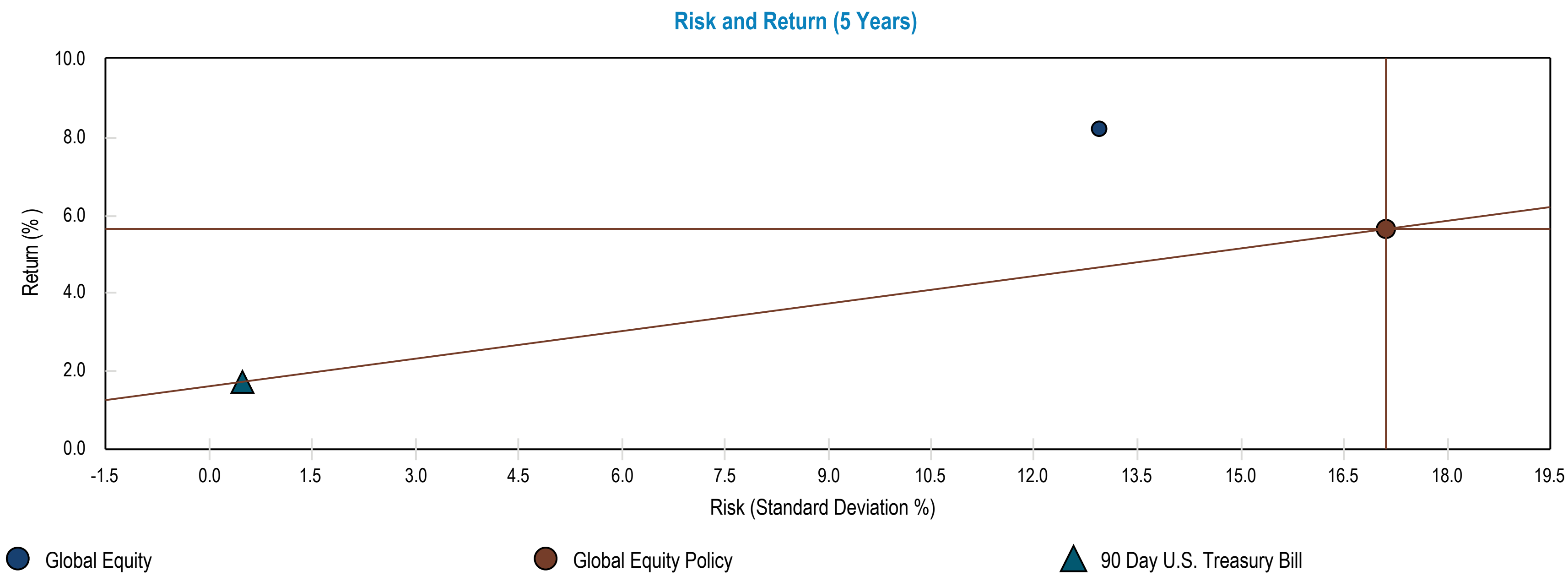
Current Quarter $6,375,177,075.9



	Market Value $	Allocation (%)
Global Public Stock	3,036,274,865	47.6
Global Low Volatility Equity	916,255,340	14.4
Hedged Equity Comp	816,318	0.0
Private Equity Comp	2,421,830,553	38.0

Performance shown is net of fees.





Performance shown is net of fees.

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Global Equity Net	**6,375,177,076**	**39.17**	**-0.70**	**7.00**	**-0.70**	**13.64**	**9.87**	**8.23**	**9.99**	**8.73**	**9.13**	**Apr-13**
Global Equity Policy			*-3.28*	*8.31*	*-3.28*	*18.69*	*6.39*	*5.66*	*8.12*	*7.91*	*8.43*	
Value Added			*2.58*	*-1.31*	*2.58*	*-5.05*	*3.48*	*2.57*	*1.87*	*0.82*	*0.70*	
Global Public Stock Net	**3,036,274,865**	**18.66**	**-3.18**	**9.93**	**-3.18**	**21.31**	**4.78**	**4.73**	**7.47**	**6.61**	**7.14**	**Oct-04**
Global Public Stock Policy			*-3.40*	*9.39*	*-3.40*	*20.16*	*6.88*	*6.09*	*8.32*	*7.66*	*7.55*	
Value Added			*0.22*	*0.54*	*0.22*	*1.15*	*-2.10*	*-1.36*	*-0.85*	*-1.05*	*-0.41*	
Global Low Volatility Equity Net	**916,255,340**	**5.63**	**-2.44**	**1.49**	**-2.44**	**10.14**	**3.50**	**4.03**	**-**	**-**	**6.39**	**Nov-16**
MSCI AC World Minimum Volatility Index (Net)			*-2.51*	*1.18*	*-2.51*	*9.76*	*3.24*	*3.71*	*-*	*-*	*5.97*	
Value Added			*0.07*	*0.31*	*0.07*	*0.38*	*0.26*	*0.32*	*-*	*-*	*0.42*	
Hedged Equity Comp Net	**816,318**	**0.01**	**-0.18**	**28.40**	**-0.18**	**25.71**	**5.85**	**2.49**	**5.06**	**4.14**	**4.40**	**Apr-13**
Hedged Equity Policy			*-2.51*	*1.18*	*-2.51*	*9.76*	*3.24*	*3.71*	*5.42*	*4.92*	*4.94*	
Value Added			*2.33*	*27.22*	*2.33*	*15.95*	*2.61*	*-1.22*	*-0.36*	*-0.78*	*-0.54*	
Private Equity Comp Net	**2,421,830,553**	**14.88**	**3.31**	**5.40**	**3.31**	**6.54**	**22.19**	**17.98**	**17.40**	**17.23**	**8.91**	**Dec-06**
Private Equity Comp Policy			*-3.40*	*9.39*	*-3.40*	*20.16*	*6.88*	*5.84*	*9.50*	*9.73*	*7.93*	
Value Added			*6.71*	*-3.99*	*6.71*	*-13.62*	*15.31*	*12.14*	*7.90*	*7.50*	*0.98*	

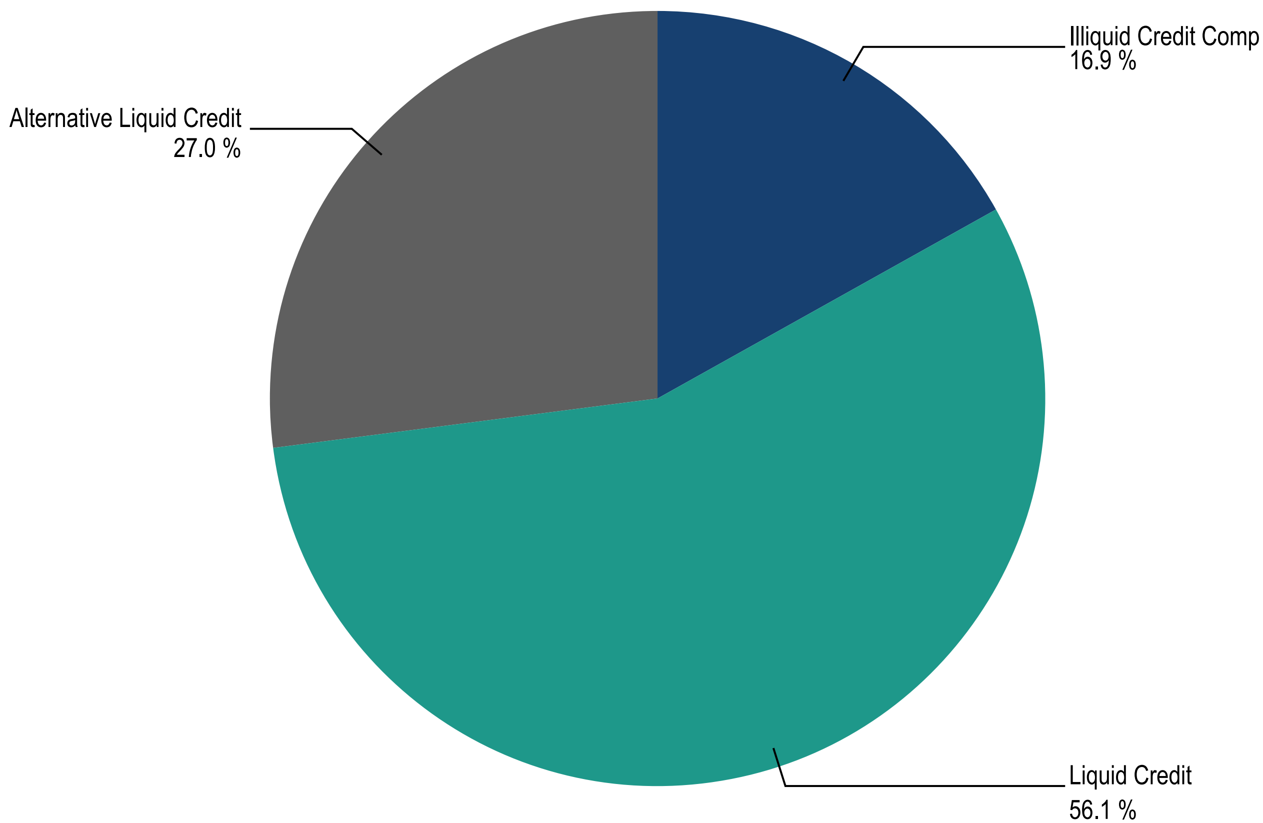
Fiscal year 06/30. Performance shown is net of fees.

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
SSGA ACWI IMI Net	667,394,590	4.10	-3.25	10.04	-3.25	21.09	7.63	6.73	8.91	-	8.91	Oct-16
MSCI AC World IMI (Net)			*-3.40*	*9.39*	*-3.40*	*20.16*	*6.88*	*6.09*	*8.32*	-	*8.32*	
Value Added			*0.15*	*0.65*	*0.15*	*0.93*	*0.75*	*0.64*	*0.59*	-	*0.59*	
SSGA R1000 Index Net	1,057,719,287	6.50	-3.13	12.99	-3.13	21.48	-	-	-	-	-2.56	Dec-21
Russell 1000 Index			*-3.15*	*13.01*	*-3.15*	*21.19*	-	-	-	-	*-2.71*	
Value Added			*0.02*	*-0.02*	*0.02*	*0.29*	-	-	-	-	*0.15*	
Kayne Andrsn Rdnick SmCap Core Net	282,817,418	1.74	-0.89	15.87	-0.89	25.39	11.92	10.98	-	-	10.30	Sep-18
Russell 2000 Index			*-5.13*	*2.54*	*-5.13*	*8.93*	*7.16*	*2.40*	-	-	*1.87*	
Value Added			*4.24*	*13.33*	*4.24*	*16.46*	*4.76*	*8.58*	-	-	*8.43*	
Acadian Intl Equity Net	264,371,733	1.62	-2.37	2.99	-2.37	18.28	3.88	2.70	-	-	2.59	May-18
MSCI EAFE (Net)			*-4.11*	*7.08*	*-4.11*	*25.65*	*5.75*	*3.24*	-	-	*2.57*	
Value Added			*1.74*	*-4.09*	*1.74*	*-7.37*	*-1.87*	*-0.54*	-	-	*0.02*	
MFS Intl Intrinsic Val Eq exUS Net	215,567,113	1.32	-4.35	7.79	-4.35	20.57	-1.26	2.96	4.73	5.38	7.28	Apr-10
MSCI EAFE (Net)			*-4.11*	*7.08*	*-4.11*	*25.65*	*5.75*	*3.24*	*5.29*	*3.82*	*4.71*	
Value Added			*-0.24*	*0.71*	*-0.24*	*-5.08*	*-7.01*	*-0.28*	*-0.56*	*1.56*	*2.57*	
Axiom Emerging Mkts Eqty Net	241,395,157	1.48	-3.98	-1.25	-3.98	5.11	-7.57	-	-	-	1.37	Jan-19
MSCI Emerging Markets (Net)			*-2.93*	*1.82*	*-2.93*	*11.70*	*-1.73*	-	-	-	*2.24*	
Value Added			*-1.05*	*-3.07*	*-1.05*	*-6.59*	*-5.84*	-	-	-	*-0.87*	
Alliance Bernstein Gbl Core Eq Net	268,033,555	1.65	-3.38	9.77	-3.38	23.31	-	-	-	-	3.35	Jun-22
MSCI AC World IMI (Net)			*-3.40*	*9.39*	*-3.40*	*20.16*	-	-	-	-	*1.88*	
Value Added			*0.02*	*0.38*	*0.02*	*3.15*	-	-	-	-	*1.47*	
Parametric Gbl Eqty Ovly	35,062,797	0.22	-14.79	4.36	-14.79	49.69	-5.09	-11.44	2.48	-	6.55	Jul-16
MSCI AC World IMI (Net)			*-3.40*	*9.39*	*-3.40*	*20.16*	*6.88*	*6.09*	*8.32*	-	*8.83*	
Value Added			*-11.39*	*-5.03*	*-11.39*	*29.53*	*-11.97*	*-17.53*	*-5.84*	-	*-2.28*	
Portable Alpha	2,393,606	0.01	-2.23	-7.00	-2.23	-8.87	-0.67	0.25	2.46	2.20	-29.47	Oct-07
Portable Alpha Custom Benchmark			*-3.03*	*13.92*	*-3.03*	*22.83*	*11.25*	*11.02*	*13.36*	*13.03*	*9.92*	
Value Added			*0.80*	*-20.92*	*0.80*	*-31.70*	*-11.92*	*-10.77*	*-10.90*	*-10.83*	*-39.39*	

Fiscal year 06/30. Performance shown is net of fees.

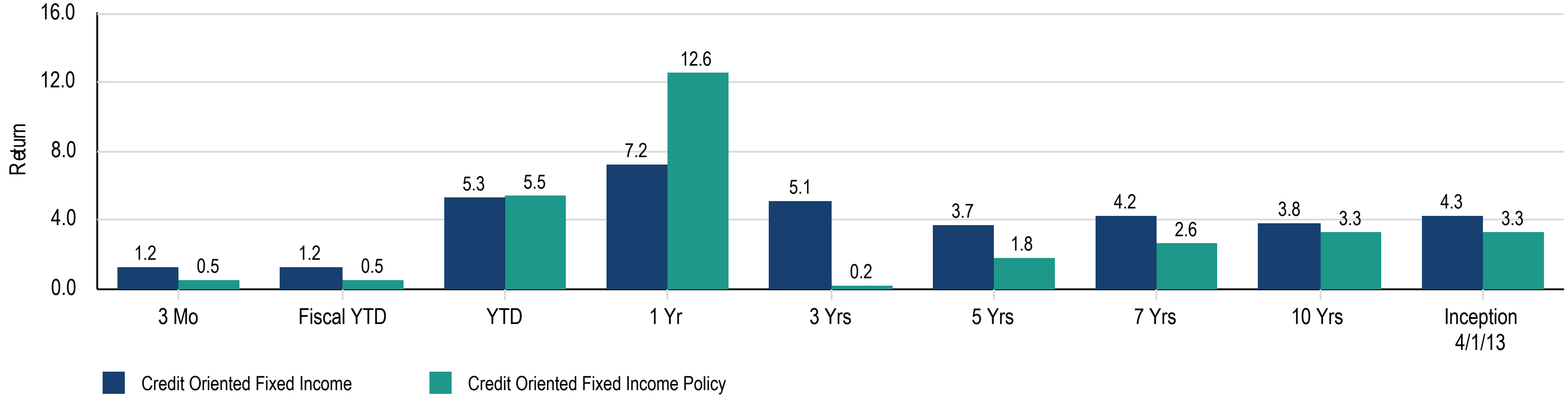
Credit Oriented Fixed Income

Current Quarter $3,106,428,208.8

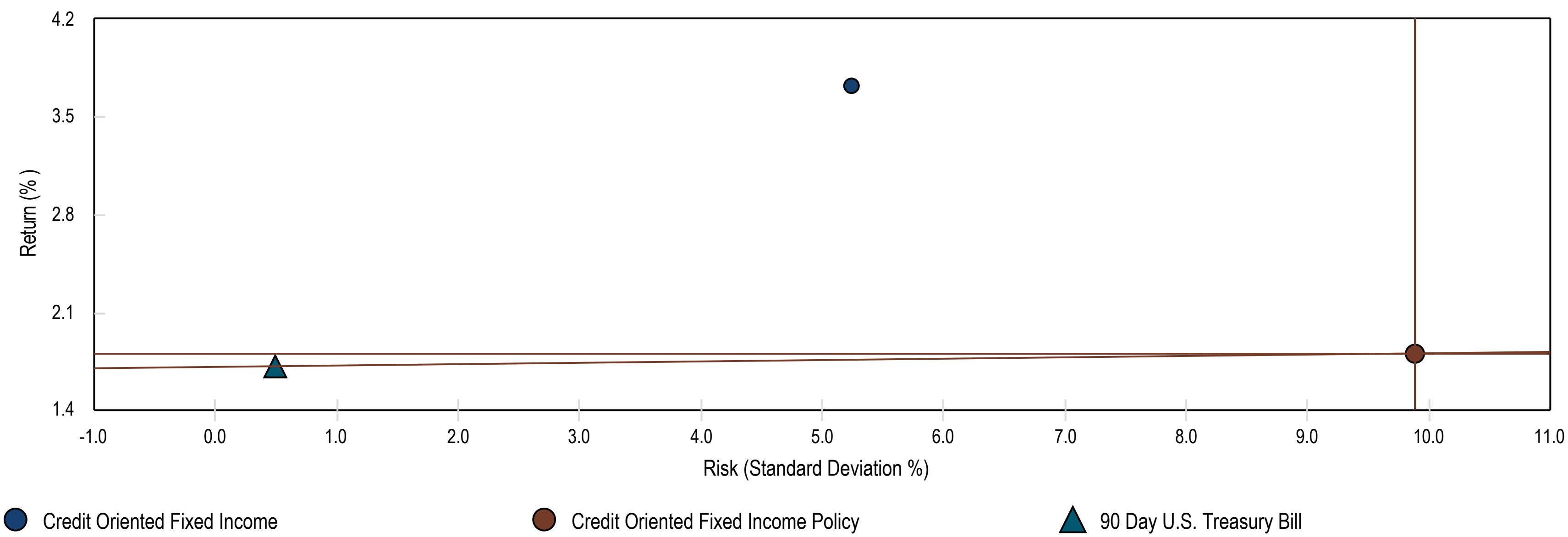


	Market Value $	Allocation (%)
Illiquid Credit Comp	524,570,849	16.9
Liquid Credit	1,742,004,703	56.1
Alternative Liquid Credit	839,852,657	27.0

Comparative Performance



Risk and Return (5 Years)



Performance shown is net of fees.

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Credit Oriented Fixed Income Net	**3,106,428,209**	**19.09**	**1.24**	**5.29**	**1.24**	**7.22**	**5.09**	**3.72**	**4.23**	**3.85**	**4.28**	**Apr-13**
Credit Oriented Fixed Income Policy			*0.52*	*5.49*	*0.52*	*12.63*	*0.17*	*1.80*	*2.65*	*3.26*	*3.30*	
Value Added			*0.72*	*-0.20*	*0.72*	*-5.41*	*4.92*	*1.92*	*1.58*	*0.59*	*0.98*	
Liquid Credit Net	**1,742,004,703**	**10.70**	**0.13**	**4.61**	**0.13**	**13.39**	**0.34**	**0.51**	**2.12**	**2.30**	**1.92**	**Apr-13**
Liquid Credit Policy			*0.52*	*5.49*	*0.52*	*12.21*	*0.91*	*2.16*	*2.87*	*3.49*	*3.52*	
Value Added			*-0.39*	*-0.88*	*-0.39*	*1.18*	*-0.57*	*-1.65*	*-0.75*	*-1.19*	*-1.60*	
Alternative Liquid Credit Net	**839,852,657**	**5.16**	**4.04**	**8.91**	**4.04**	**8.20**	**11.13**	**-**	**-**	**-**	**13.31**	**May-20**
Bloomberg Global High Yield Indx (Hedged)			*0.52*	*5.49*	*0.52*	*12.21*	*0.91*	-	-	-	*3.91*	
Value Added			*3.52*	*3.42*	*3.52*	*-4.01*	*10.22*	-	-	-	*9.40*	
Illiquid Credit Comp Net	**524,570,849**	**3.22**	**-0.08**	**0.10**	**-0.08**	**2.77**	**9.54**	**5.74**	**7.08**	**6.75**	**7.18**	**Dec-06**
Illiquid Credit Comp Policy			*0.52*	*5.49*	*0.52*	*12.21*	*0.91*	*2.16*	*3.69*	*3.79*	*5.80*	
Value Added			*-0.60*	*-5.39*	*-0.60*	*-9.44*	*8.63*	*3.58*	*3.39*	*2.96*	*1.38*	

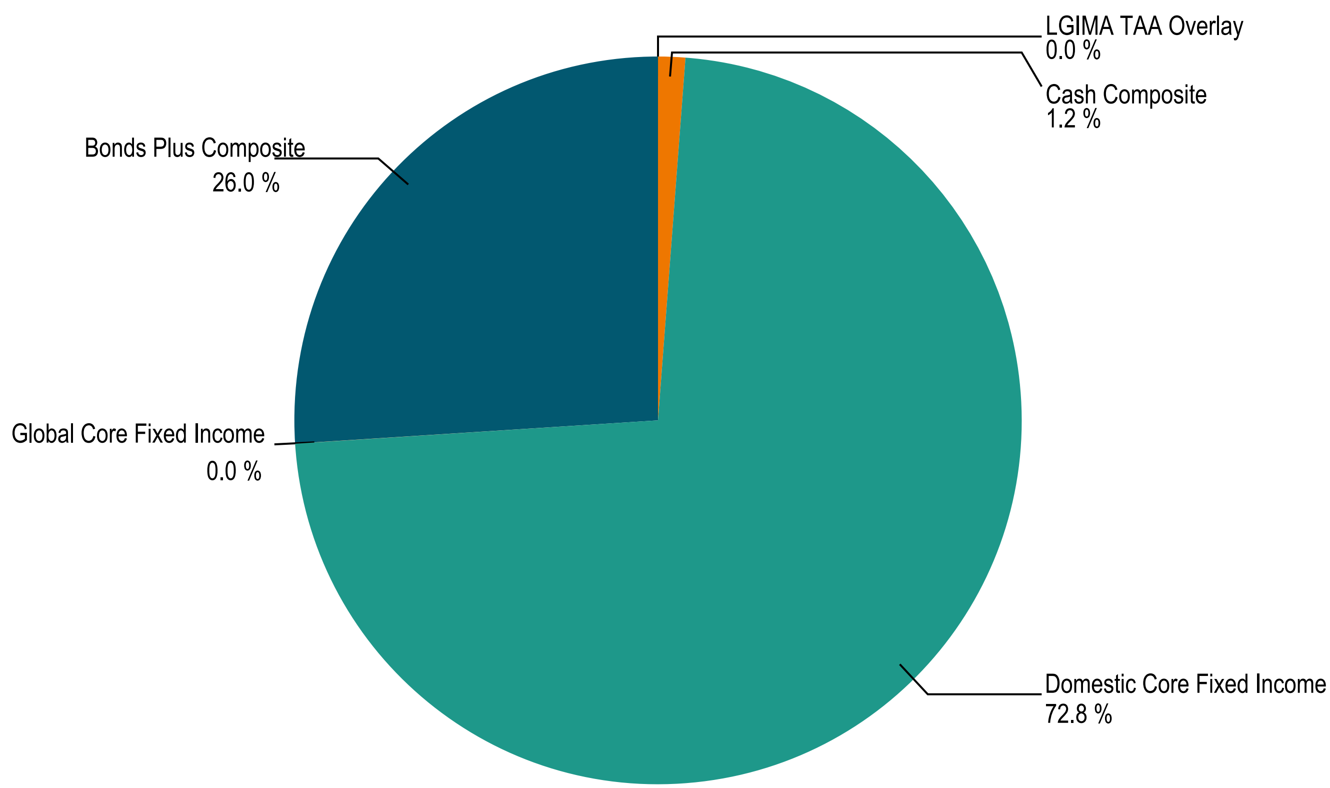
Fiscal year 06/30. Performance shown is net of fees,

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
PineBridge High Yield Net	1,545,252,677	9.50	0.36	4.75	0.36	12.14	-0.06	1.86	-	-	1.86	Oct-18
Bloomberg Global High Yield Indx (Hedged)			*0.52*	*5.49*	*0.52*	*12.21*	*0.91*	*2.24*	-	-	*2.24*	
Value Added			*-0.16*	*-0.74*	*-0.16*	*-0.07*	*-0.97*	*-0.38*	-	-	*-0.38*	
Eagle Point CLO Eqty I LLC	8,236,633	0.05	-1.01	4.51	-1.01	4.51	15.09	3.87	-	-	4.16	Feb-18
Bloomberg Global High Yield Indx (Hedged)			*0.52*	*5.49*	*0.52*	*12.21*	*0.91*	*2.24*	-	-	*1.95*	
Value Added			*-1.53*	*-0.98*	*-1.53*	*-7.70*	*14.18*	*1.63*	-	-	*2.21*	
Eagle Point Credit Onshore LP	82,439,738	0.51	11.18	13.58	11.18	5.37	-	-	-	-	2.43	Jun-22
Bloomberg Global High Yield Indx (Hedged)			*0.52*	*5.49*	*0.52*	*12.21*	-	-	-	-	*2.21*	
Value Added			*10.66*	*8.09*	*10.66*	*-6.84*	-	-	-	-	*0.22*	
Ellington Enh Incme A LLC	172,258,330	1.06	5.11	10.64	5.11	11.26	6.83	3.90	-	-	4.03	Jan-17
Bloomberg Global High Yield Indx (Hedged)			*0.52*	*5.49*	*0.52*	*12.21*	*0.91*	*2.24*	-	-	*2.94*	
Value Added			*4.59*	*5.15*	*4.59*	*-0.95*	*5.92*	*1.66*	-	-	*1.09*	
Mudrick Stressed Cr A LP	166,359,635	1.02	2.11	2.59	2.11	0.95	11.05	2.84	5.20	-	4.71	Nov-15
Bloomberg Global High Yield Indx (Hedged)			*0.52*	*5.49*	*0.52*	*12.21*	*0.91*	*2.24*	*2.97*	-	*3.95*	
Value Added			*1.59*	*-2.90*	*1.59*	*-11.26*	*10.14*	*0.60*	*2.23*	-	*0.76*	
Napier Park C	38,374,753	0.24	-1.03	-0.09	-1.03	2.63	7.07	-	-	-	8.29	Aug-20
Bloomberg Global High Yield Indx (Hedged)			*0.52*	*5.49*	*0.52*	*12.21*	*0.91*	-	-	-	*0.84*	
Value Added			*-1.55*	*-5.58*	*-1.55*	*-9.58*	*6.16*	-	-	-	*7.45*	
SixthSt Wheeler Pk Cr I LLC	159,968,675	0.98	3.29	14.79	3.29	14.78	6.89	-	-	-	8.33	Apr-20
Bloomberg Global High Yield Indx (Hedged)			*0.52*	*5.49*	*0.52*	*12.21*	*0.91*	-	-	-	*5.10*	
Value Added			*2.77*	*9.30*	*2.77*	*2.57*	*5.98*	-	-	-	*3.23*	
Parametric Credit Ovly Net	196,754,511	1.21	-0.99	4.23	-0.99	18.70	2.92	-	-	-	4.28	May-19
Bloomberg Global High Yield Indx (Hedged)			*0.52*	*5.49*	*0.52*	*12.21*	*0.91*	-	-	-	*1.56*	
Value Added			*-1.51*	*-1.26*	*-1.51*	*6.49*	*2.01*	-	-	-	*2.72*	

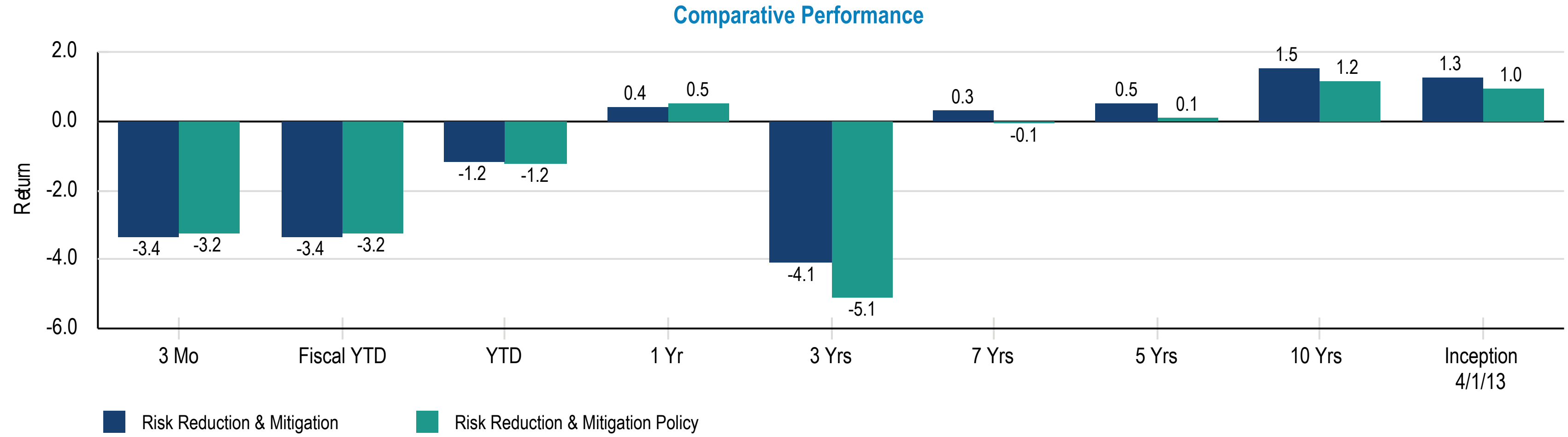
Fiscal year 06/30. Performance shown is net of fees.

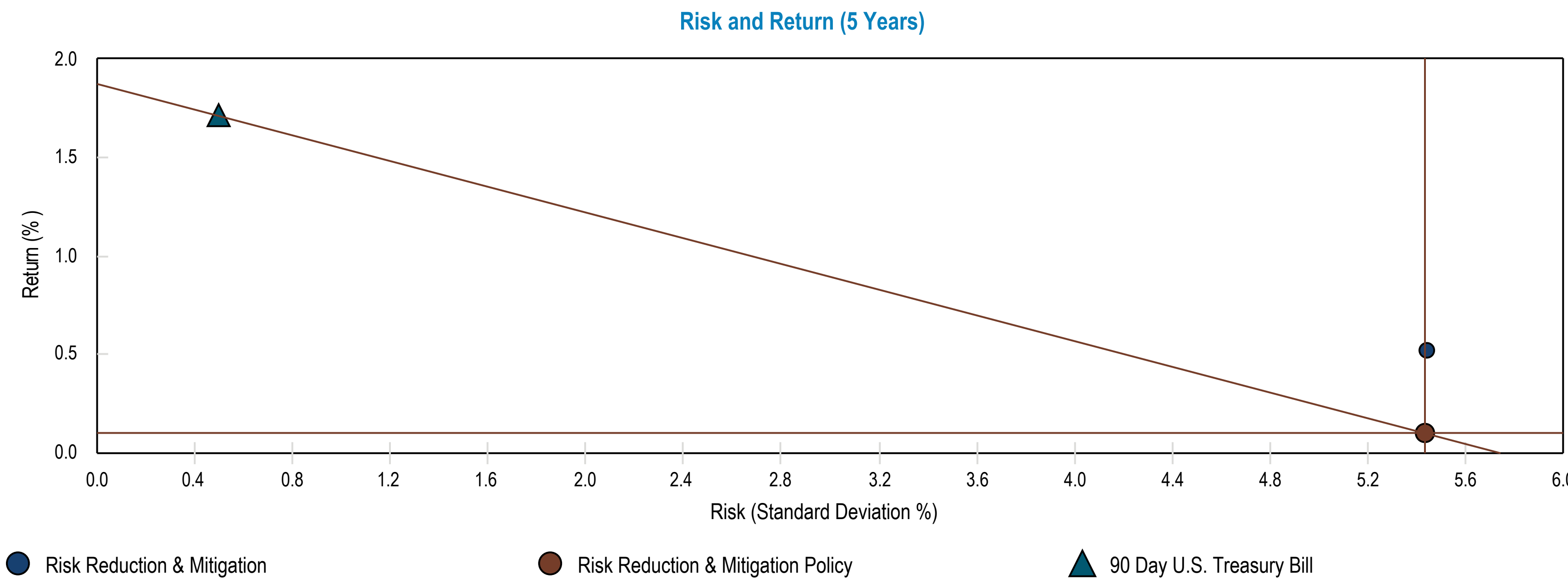
Risk Reduction & Mitigation

Current Quarter $2,679,093,656.8



	Market Value $	Allocation (%)
LGIMA TAA Overlay	11	0.0
Cash Composite	32,180,054	1.2
Domestic Core Fixed Income	1,949,736,819	72.8
Global Core Fixed Income	151,061	0.0
Bonds Plus Composite	697,025,712	26.0





Performance shown is net of fees.

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Risk Reduction & Mitigation Net	**2,679,093,657**	**16.46**	**-3.36**	**-1.19**	**-3.36**	**0.44**	**-4.12**	**0.52**	**0.32**	**1.54**	**1.26**	**Apr-13**
Risk Reduction & Mitigation Policy			*-3.23*	*-1.21*	*-3.23*	*0.53*	*-5.11*	*0.10*	*-0.05*	*1.17*	*0.95*	
Value Added			*-0.13*	*0.02*	*-0.13*	*-0.09*	*0.99*	*0.42*	*0.37*	*0.37*	*0.31*	
Domestic Core Fixed Income Net	**1,949,736,819**	**11.98**	**-2.88**	**-0.76**	**-2.88**	**0.57**	**-5.35**	**0.14**	**-0.02**	**1.28**	**6.03**	**Jun-85**
Blmbg. U.S. Aggregate Index			*-3.23*	*-1.21*	*-3.23*	*0.64*	*-5.21*	*0.10*	*-0.09*	*1.13*	*5.67*	
Value Added			*0.35*	*0.45*	*0.35*	*-0.07*	*-0.14*	*0.04*	*0.07*	*0.15*	*0.36*	
Bonds Plus Composite Net	**697,025,712**	**4.28**	**-3.54**	**-2.19**	**-3.54**	**-0.50**	**-0.45**	**-**	**-**	**-**	**-1.01**	**Dec-19**
Blmbg. U.S. Aggregate Index			*-3.23*	*-1.21*	*-3.23*	*0.64*	*-5.21*	-	-	-	*-2.46*	
Value Added			*-0.31*	*-0.98*	*-0.31*	*-1.14*	*4.76*	-	-	-	*1.45*	
Cash Composite Net	**32,180,054**	**0.20**	**-13.05**	**1.10**	**-13.05**	**4.99**	**4.45**	**4.89**	**4.32**	**3.19**	**4.75**	**Mar-89**
ICE BofA 3 Month U.S. T-Bill			*1.31*	*3.60*	*1.31*	*4.47*	*1.70*	*1.72*	*1.55*	*1.11*	*2.92*	
Value Added			*-14.36*	*-2.50*	*-14.36*	*0.52*	*2.75*	*3.17*	*2.77*	*2.08*	*1.83*	
Global Core Fixed Income	**151,061**	**0.00**										

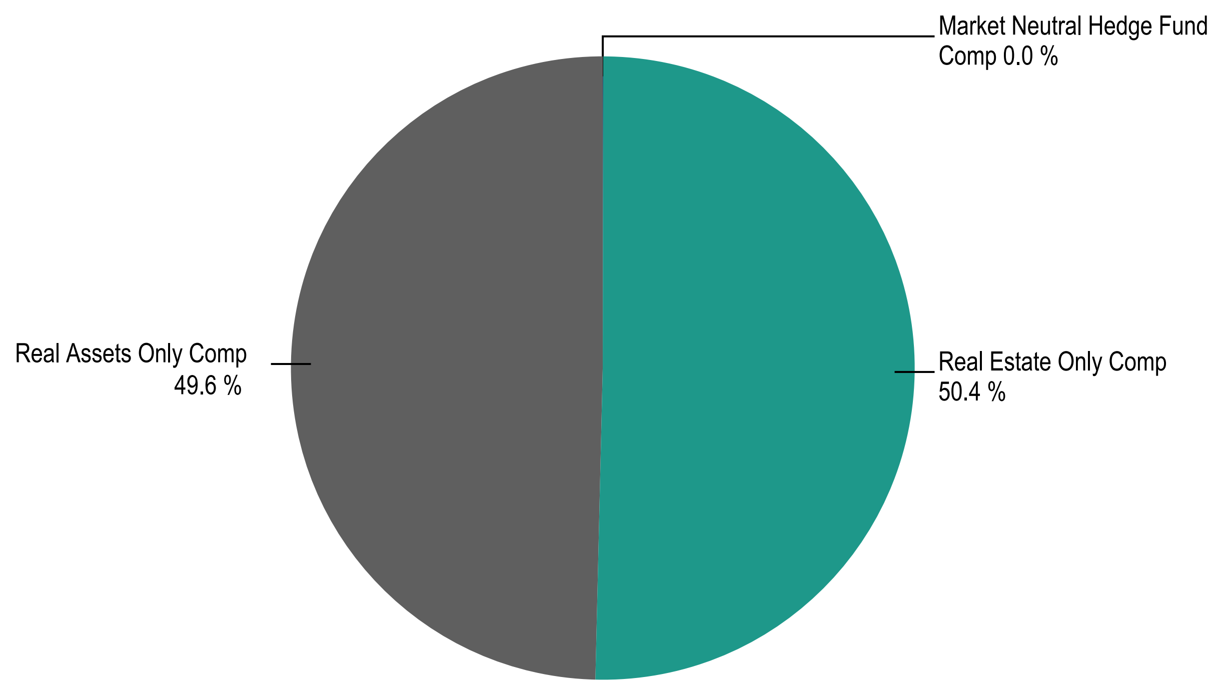
Fiscal year 06/30. Performance shown is net of fees.

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Blackrock US Agg Bond Index Net	1,779,701,463	10.94	-3.15	-	-3.15	-	-	-	-	-	-3.92	Apr-23
Blmbg. U.S. Aggregate Index			*-3.23*	-	*-3.23*	-	-	-	-	-	*-4.05*	
Value Added			*0.08*	-	*0.08*	-	-	-	-	-	*0.13*	
Dorsal Capital Partners LP	99,094,301	0.61	1.88	11.15	1.88	11.20	4.41	-	-	-	5.20	Jun-20
SOFR + Libor Blend			*1.46*	*4.16*	*1.46*	*5.35*	*2.40*	-	-	-	*2.22*	
Value Added			*0.42*	*6.99*	*0.42*	*5.85*	*2.01*	-	-	-	*2.98*	
Elliott Associates LP	114,558,891	0.70	1.10	2.14	1.10	3.28	9.18	-	-	-	8.81	Dec-19
SOFR + Libor Blend			*1.46*	*4.16*	*1.46*	*5.35*	*2.40*	-	-	-	*2.16*	
Value Added			*-0.36*	*-2.02*	*-0.36*	*-2.07*	*6.78*	-	-	-	*6.65*	
Garda FI Rel Val Oppty Ltd	67,999,522	0.42	3.22	10.72	3.22	14.35	9.62	-	-	-	9.66	Jun-20
SOFR + Libor Blend			*1.46*	*4.16*	*1.46*	*5.35*	*2.40*	-	-	-	*2.22*	
Value Added			*1.76*	*6.56*	*1.76*	*9.00*	*7.22*	-	-	-	*7.44*	
Glazer Enhanced LP	60,386,800	0.37	2.28	5.92	2.28	9.25	14.65	-	-	-	16.75	Jun-20
SOFR + Libor Blend			*1.46*	*4.16*	*1.46*	*5.35*	*2.40*	-	-	-	*2.22*	
Value Added			*0.82*	*1.76*	*0.82*	*3.90*	*12.25*	-	-	-	*14.53*	
Millennium USA LP	122,807,525	0.75	4.08	8.02	4.08	9.81	12.23	-	-	-	11.88	Sep-20
SOFR + Libor Blend			*1.46*	*4.16*	*1.46*	*5.35*	*2.40*	-	-	-	*2.35*	
Value Added			*2.62*	*3.86*	*2.62*	*4.46*	*9.83*	-	-	-	*9.53*	
Pac Allnce Asia Opp IV LP	28,907,952	0.18	-2.62	-8.04	-2.62	-8.67	-1.17	-	-	-	-0.37	Jun-20
SOFR + Libor Blend			*1.46*	*4.16*	*1.46*	*5.35*	*2.40*	-	-	-	*2.22*	
Value Added			*-4.08*	*-12.20*	*-4.08*	*-14.02*	*-3.57*	-	-	-	*-2.59*	
Pharo Gaia Ltd	1,626,319	0.01	0.00	-0.07	0.00	-4.18	-8.33	-	-	-	-5.90	May-20
SOFR + Libor Blend			*1.46*	*4.16*	*1.46*	*5.35*	*2.40*	-	-	-	*2.18*	
Value Added			*-1.46*	*-4.23*	*-1.46*	*-9.53*	*-10.73*	-	-	-	*-8.08*	
Systematica Alt Mkts LP CIB	86,241,194	0.53	3.57	-3.37	3.57	-3.26	14.56	-	-	-	11.88	Jun-20
SOFR + Libor Blend			*1.46*	*4.16*	*1.46*	*5.35*	*2.40*	-	-	-	*2.22*	
Value Added			*2.11*	*-7.53*	*2.11*	*-8.61*	*12.16*	-	-	-	*9.66*	
Two Sigma Abs Return LP	69,346,951	0.43	-0.30	4.22	-0.30	5.04	-	-	-	-	8.09	May-21
SOFR + Libor Blend			*1.46*	*4.16*	*1.46*	*5.35*	-	-	-	-	*2.86*	
Value Added			*-1.76*	*0.06*	*-1.76*	*-0.31*	-	-	-	-	*5.23*	
Parametric Bonds Plus	46,056,258	0.28	-4.54	-4.92	-4.54	-4.08	-7.23	-	-	-	-4.32	Jan-20
BlackRock Core	288	0.00										
BlackRock Glb Fixed Income	151,061	0.00										

Fiscal year 06/30. Performance shown is net of fees.

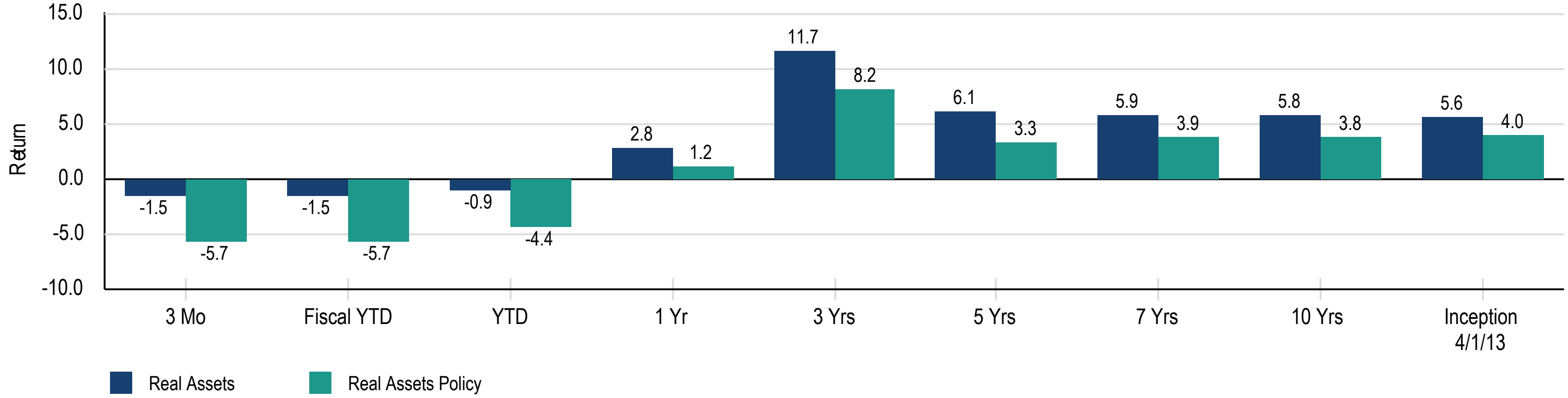
Real Assets

Current Quarter $2,839,699,862.8

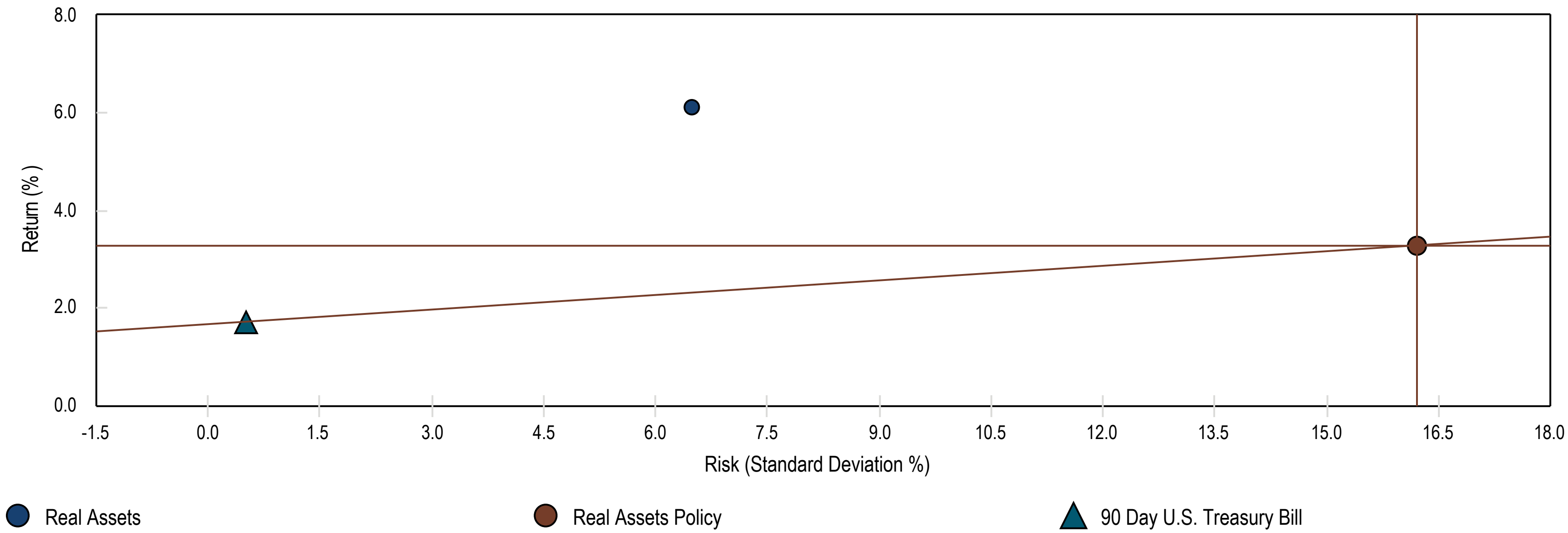


	Market Value $	Allocation (%)
Market Neutral Hedge Fund Comp	639,712	0.0
Real Estate Only Comp	1,430,032,280	50.4
Real Assets Only Comp	1,409,027,870	49.6

Comparative Performance



Risk and Return (5 Years)



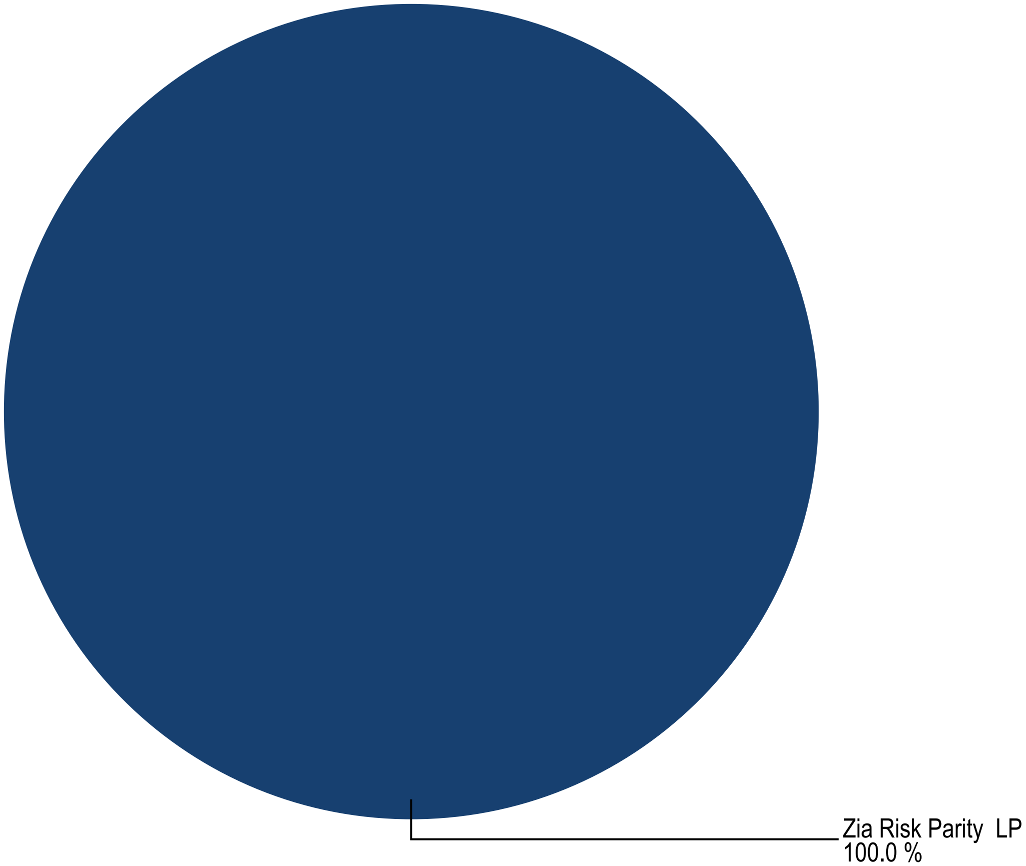
Performance shown is net of fees.

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Real Assets Net	**2,839,699,863**	**17.45**	**-1.51**	**-0.92**	**-1.51**	**2.81**	**11.72**	**6.12**	**5.89**	**5.79**	**5.62**	**Apr-13**
Real Assets Policy			*-5.71*	*-4.40*	*-5.71*	*1.17*	*8.15*	*3.30*	*3.86*	*3.82*	*3.99*	
Value Added			*4.20*	*3.48*	*4.20*	*1.64*	*3.57*	*2.82*	*2.03*	*1.97*	*1.63*	
Illiquid Real Estate Comp Net	**1,429,745,345**	**8.79**	**-2.96**	**-5.54**	**-2.96**	**-2.85**	**11.11**	**8.14**	**8.75**	**10.82**	**7.16**	**Jul-07**
Wilshire Global REIT Total Return Index			*-5.73*	*-1.14*	*-5.73*	*4.60*	*4.30*	*1.42*	*1.74*	*4.61*	*3.28*	
Value Added			*2.77*	*-4.40*	*2.77*	*-7.45*	*6.81*	*6.72*	*7.01*	*6.21*	*3.88*	
Liquid Real Assets Comp Net	**157,457,015**	**0.97**	**-6.54**	**-2.57**	**-6.54**	**0.58**	**7.13**	**2.42**	**1.16**	**-1.14**	**0.28**	**Sep-09**
Liquid Real Assets Policy			*-7.94*	*-6.22*	*-7.94*	*-1.15*	*9.73*	*3.84*	*2.15*	*0.01*	*6.43*	
Value Added			*1.40*	*3.65*	*1.40*	*1.73*	*-2.60*	*-1.42*	*-0.99*	*-1.15*	*-6.15*	
Illiquid Real Assets Comp Net	**1,251,570,856**	**7.69**	**0.82**	**4.89**	**0.82**	**9.61**	**14.53**	**6.61**	**7.39**	**5.89**	**-6.60**	**Jan-07**
Illiquid Real Assets Policy			*-4.88*	*-6.74*	*-4.88*	*-1.13*	*9.79*	*3.99*	*4.66*	*1.81*	*-*	
Value Added			*5.70*	*11.63*	*5.70*	*10.74*	*4.74*	*2.62*	*2.73*	*4.08*	*-*	
Market Neutral Hedge Fund Comp	**639,712**	**0.00**	**-1.60**	**-1.36**	**-1.60**	**-0.71**	**1.99**	**1.15**	**0.68**	**1.61**	**1.49**	**Apr-13**
LIBOR +2% 1M Lag			*1.88*	*5.48*	*1.88*	*7.13*	*4.13*	*4.03*	*3.90*	*3.44*	*3.38*	
Value Added			*-3.48*	*-6.84*	*-3.48*	*-7.84*	*-2.14*	*-2.88*	*-3.22*	*-1.83*	*-1.89*	
Liquid Real Estate Comp	**286,935**	**0.00**										

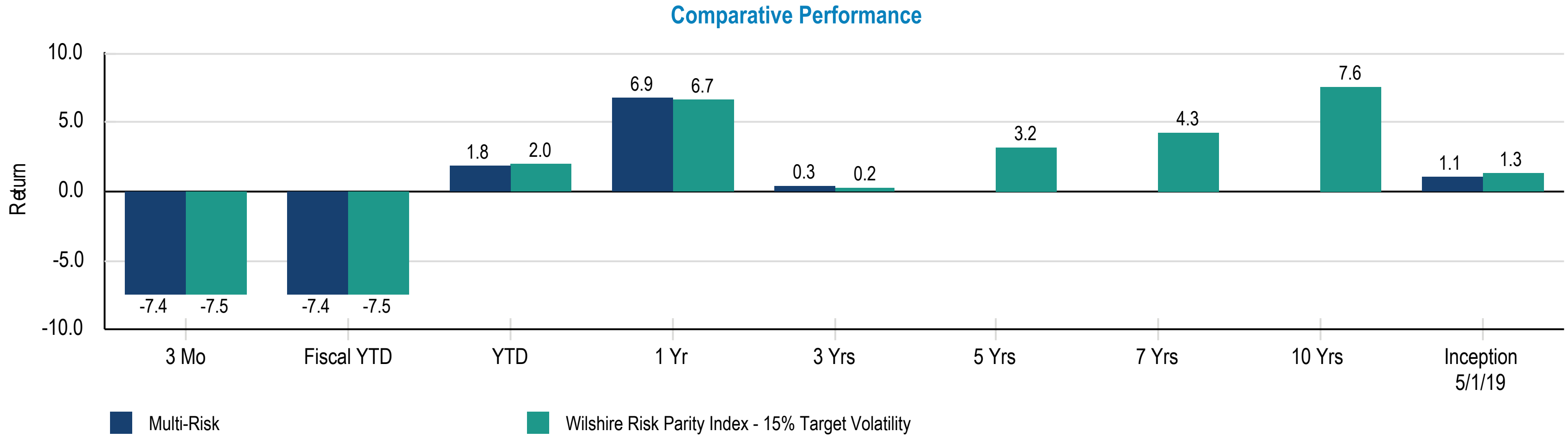
Fiscal year 06/30. Performance shown is net of fees.

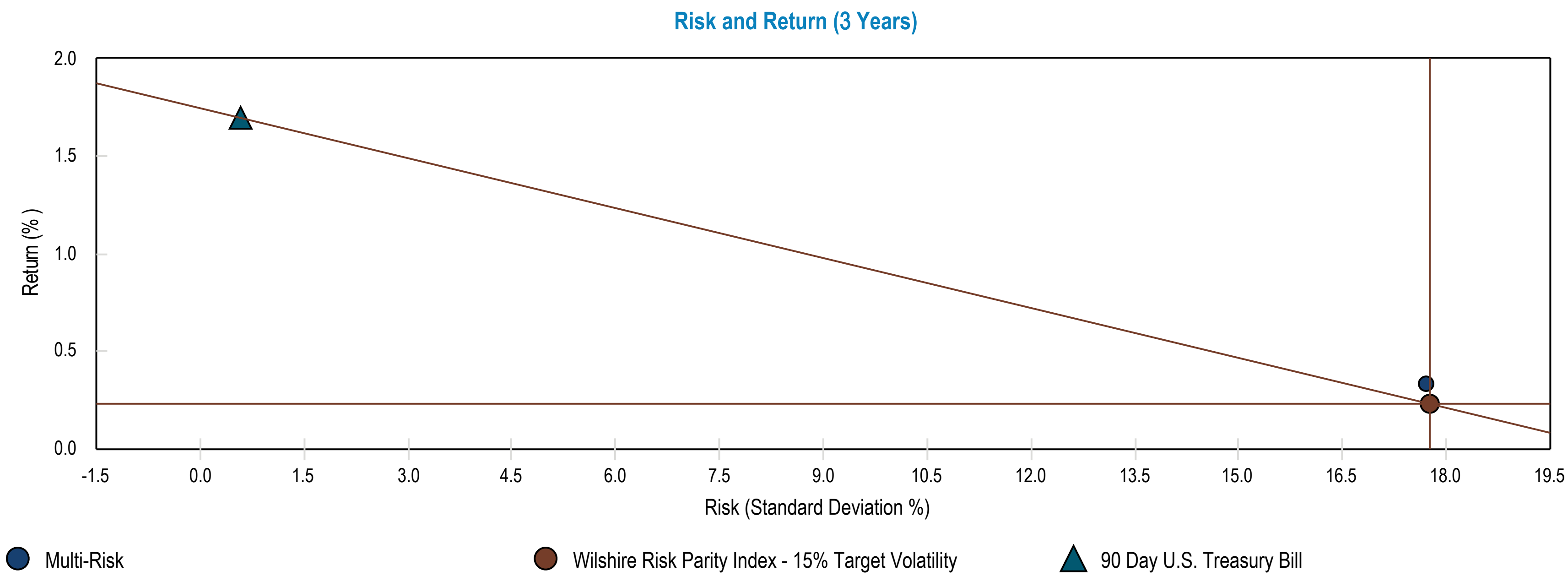
Multi-Risk

Current Quarter $1,273,913,843.6



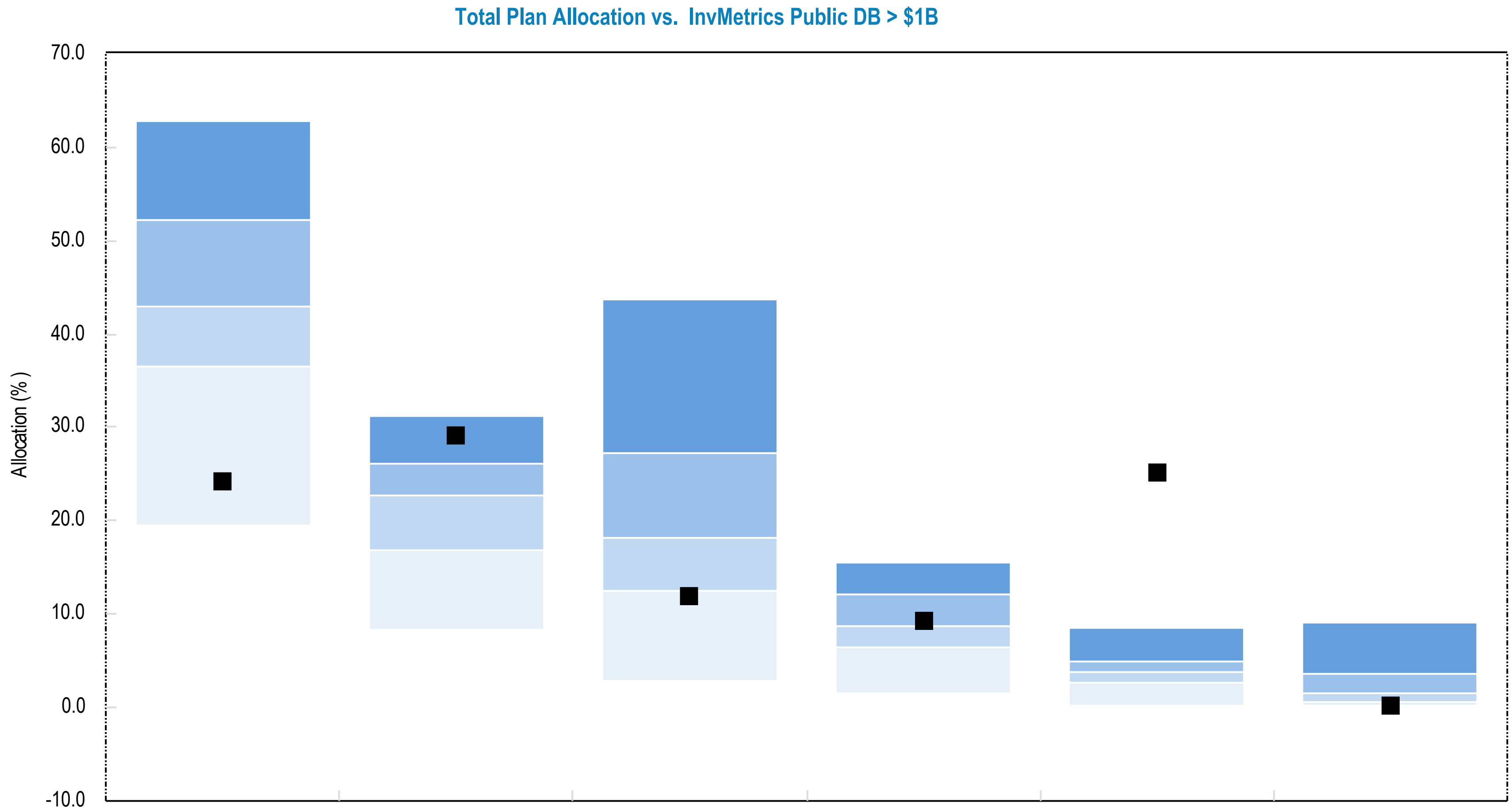
	Market Value $	Allocation (%)
Zia Risk Parity LP	1,273,913,844	100.0



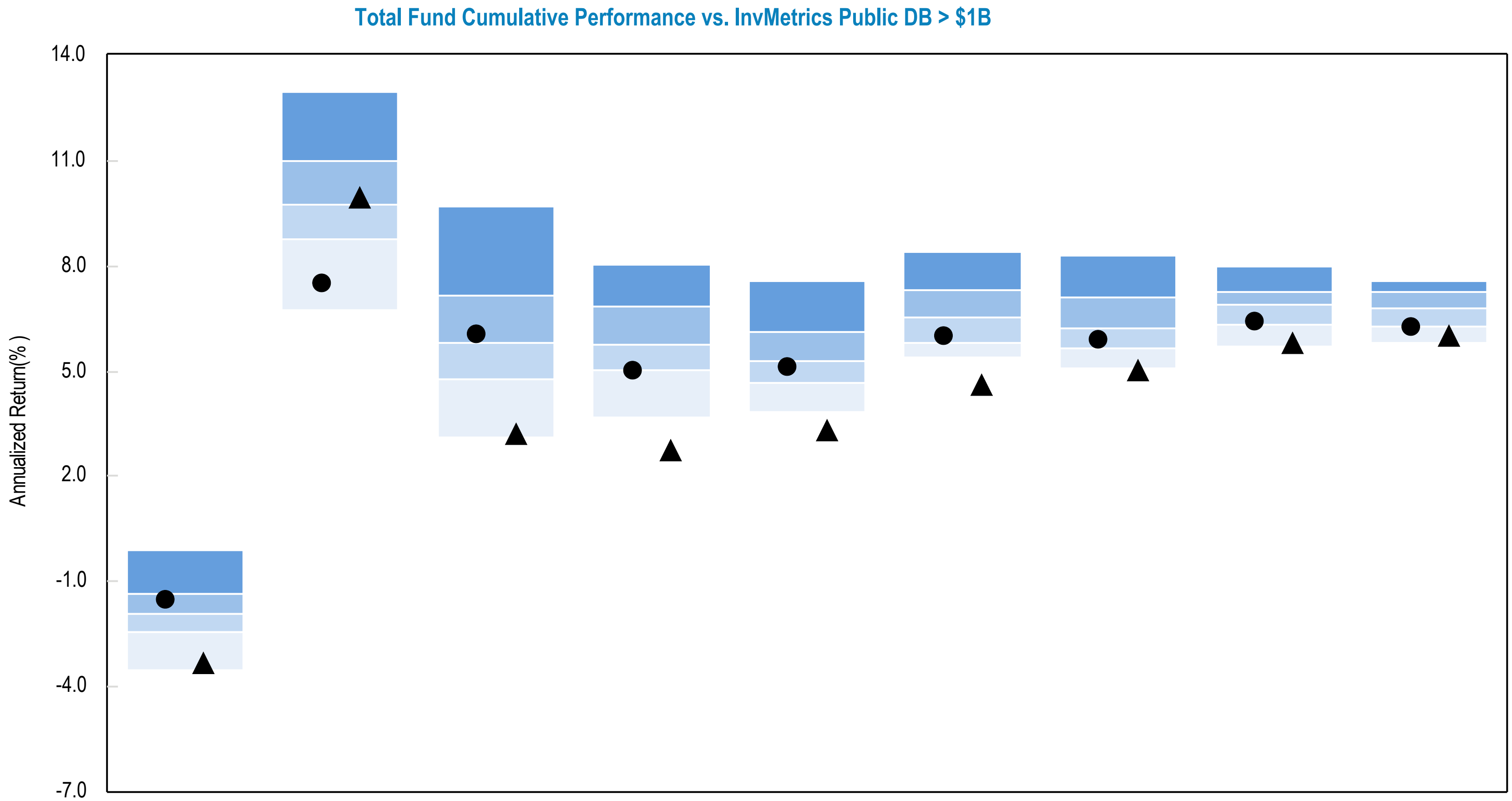


Performance shown is net of fees.

Peer Review

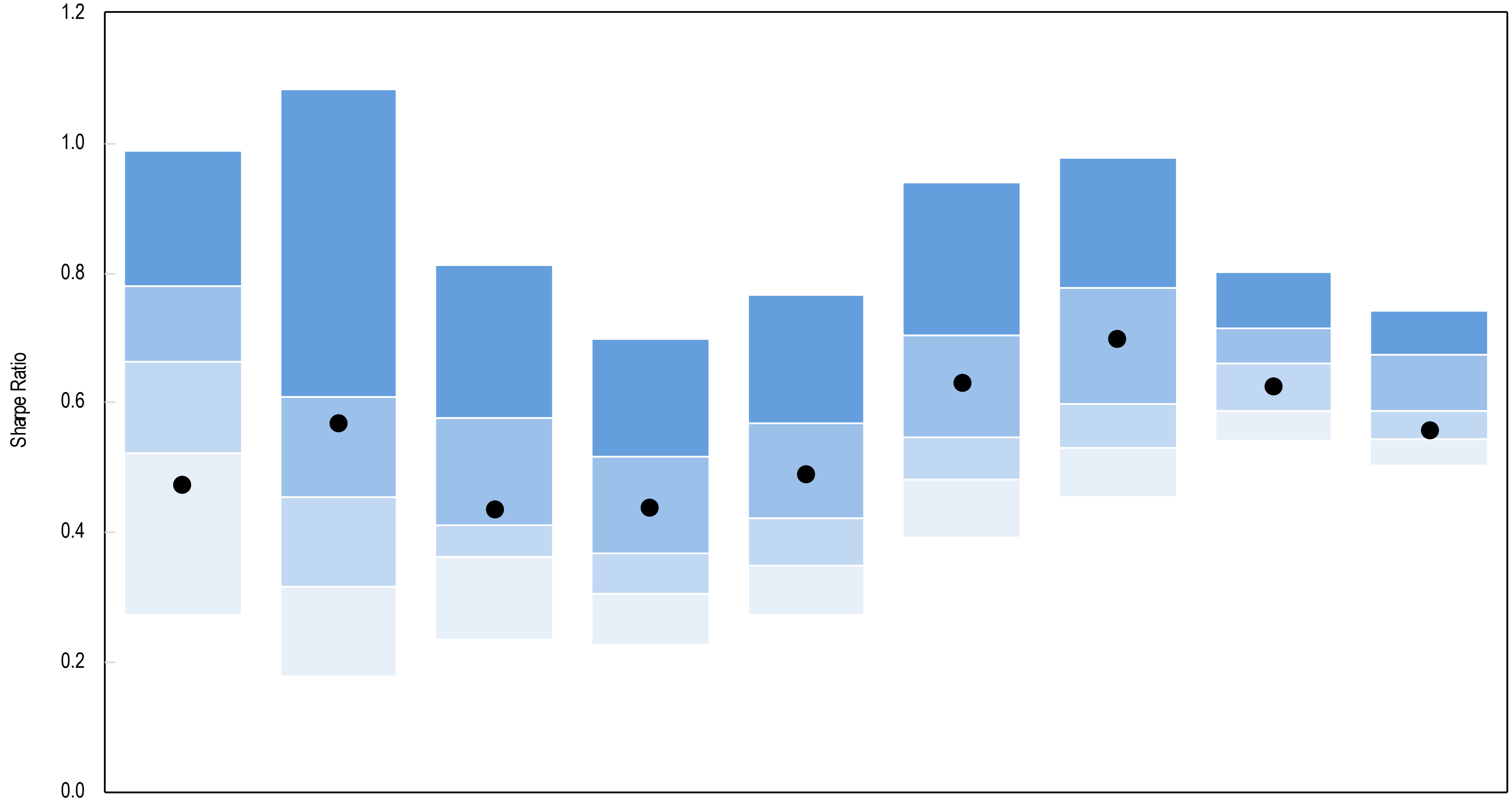


	Total Equity	Total Fixed Income	Alternatives	Total Real Estate	Multi-Asset	Cash & Equivalents
■ NM PERA Total Fund	24.3 (93)	29.1 (15)	11.9 (77)	9.3 (44)	25.2 (1)	0.2 (91)
5th Percentile	62.8	31.3	43.7	15.6	8.5	9.2
1st Quartile	52.1	26.2	27.3	12.2	4.9	3.6
Median	43.0	22.8	18.2	8.7	3.9	1.5
3rd Quartile	36.4	16.9	12.4	6.4	2.7	0.5
95th Percentile	19.6	8.3	2.8	1.6	0.2	0.1
Population	80	84	73	65	28	69

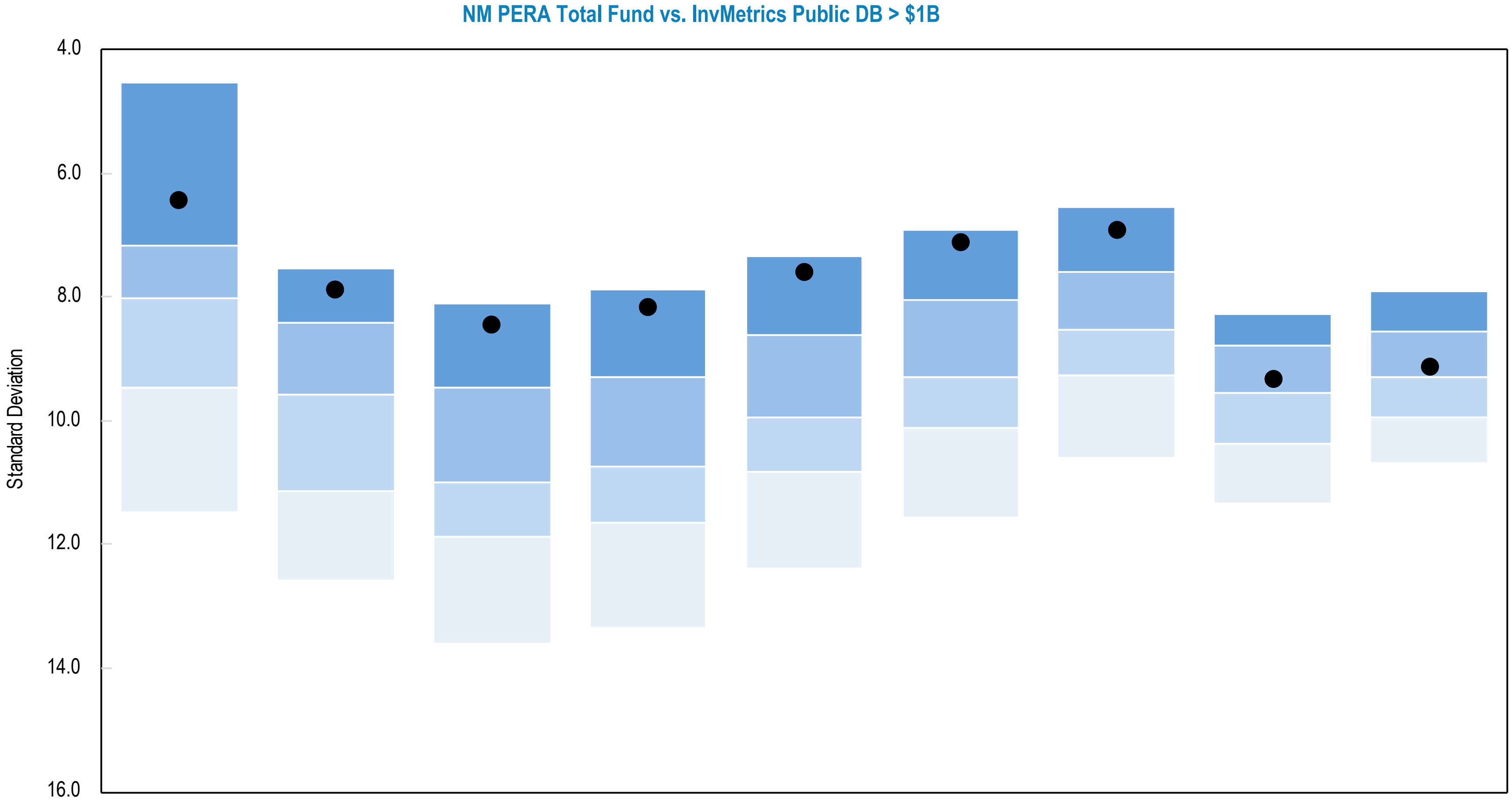


	Quarter	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	-1.49 (27)	7.52 (93)	6.08 (43)	5.04 (76)	5.11 (59)	6.00 (69)	5.91 (64)	6.41 (72)	6.25 (77)
▲ NM PERA Total Fund Policy	-3.32 (94)	9.97 (48)	3.21 (95)	2.72 (99)	3.32 (98)	4.60 (99)	5.05 (97)	5.81 (93)	6.00 (90)
5th Percentile	-0.11	12.98	9.69	8.03	7.57	8.38	8.29	7.98	7.55
1st Quartile	-1.36	11.00	7.17	6.85	6.13	7.32	7.08	7.27	7.27
Median	-1.92	9.76	5.79	5.76	5.27	6.53	6.22	6.91	6.78
3rd Quartile	-2.46	8.77	4.76	5.05	4.68	5.81	5.66	6.33	6.27
95th Percentile	-3.50	6.72	3.10	3.69	3.83	5.38	5.07	5.69	5.80
Population	80	73	63	63	61	60	54	47	42

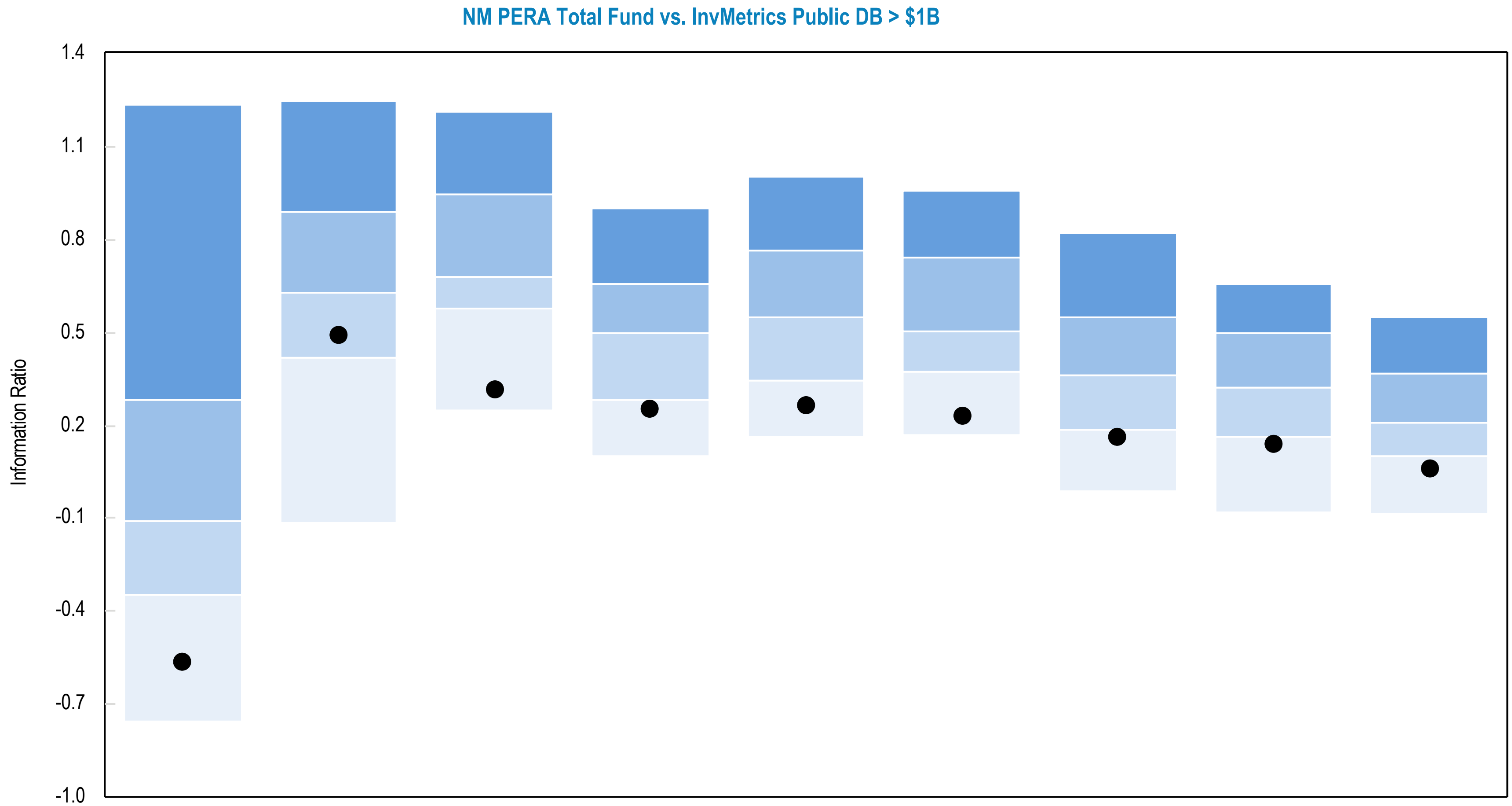
Performance shown is net of fees.



	1 Yr	3 Yrs	4 Years	5 Yrs	6 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	0.47 (87)	0.57 (29)	0.44 (43)	0.44 (32)	0.49 (32)	0.63 (33)	0.70 (34)	0.63 (58)	0.56 (63)
5th Percentile	0.99	1.08	0.81	0.70	0.77	0.94	0.98	0.80	0.74
1st Quartile	0.78	0.61	0.58	0.52	0.57	0.71	0.78	0.72	0.68
Median	0.66	0.45	0.41	0.37	0.42	0.55	0.60	0.66	0.59
3rd Quartile	0.52	0.32	0.36	0.31	0.35	0.48	0.53	0.59	0.54
95th Percentile	0.27	0.18	0.24	0.23	0.27	0.39	0.46	0.54	0.50
Population	73	63	63	61	60	60	54	47	42



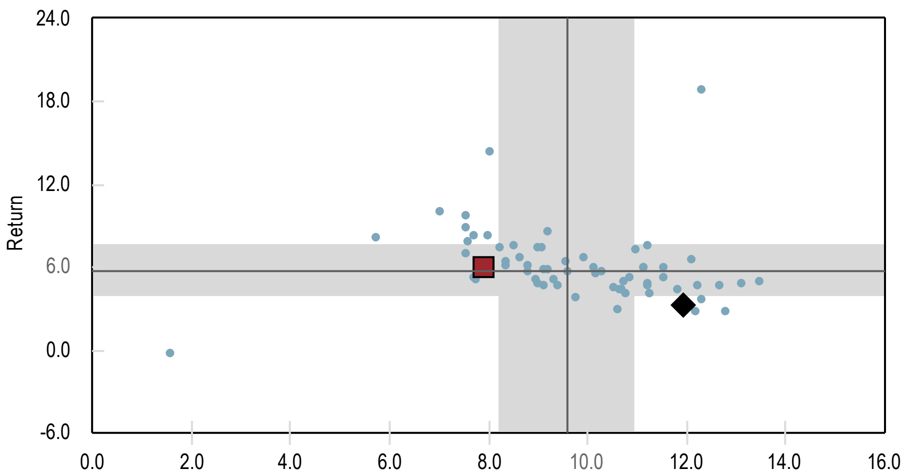
	1 Year	3 Years	4 Years	5 Years	6 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	6.44 (13)	7.89 (16)	8.44 (14)	8.16 (9)	7.59 (9)	7.13 (8)	6.93 (10)	9.34 (40)	9.14 (46)
5th Percentile	4.53	7.55	8.11	7.87	7.35	6.92	6.54	8.29	7.92
1st Quartile	7.18	8.44	9.47	9.32	8.62	8.06	7.61	8.80	8.57
Median	8.03	9.58	11.00	10.74	9.97	9.30	8.55	9.57	9.31
3rd Quartile	9.48	11.15	11.89	11.66	10.83	10.11	9.28	10.39	9.97
95th Percentile	11.50	12.61	13.63	13.36	12.39	11.57	10.61	11.35	10.68
Population	73	63	63	61	60	60	54	47	42



	1 Year	3 Years	4 Years	5 Years	6 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	-0.56 (90)	0.49 (72)	0.32 (92)	0.25 (83)	0.27 (87)	0.23 (94)	0.16 (80)	0.14 (77)	0.06 (80)
5th Percentile	1.24	1.25	1.21	0.90	1.00	0.96	0.82	0.66	0.55
1st Quartile	0.28	0.89	0.95	0.66	0.77	0.74	0.55	0.50	0.37
Median	-0.11	0.63	0.68	0.50	0.55	0.51	0.36	0.32	0.21
3rd Quartile	-0.35	0.42	0.57	0.28	0.34	0.37	0.18	0.16	0.10
95th Percentile	-0.75	-0.12	0.25	0.10	0.17	0.17	-0.01	-0.08	-0.09
Population	73	63	63	61	60	60	54	47	42

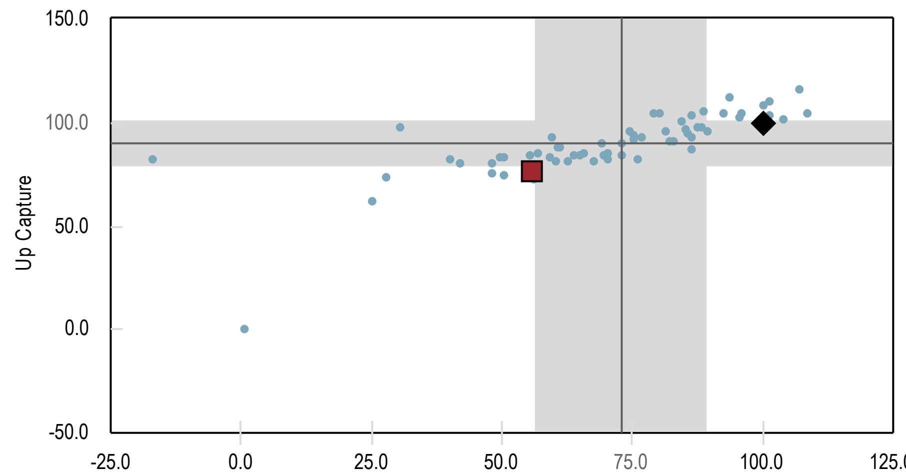
	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	R-Squared	Up Capture	Down Capture	Information Ratio	Tracking Error	Sharpe Ratio	Sortino Ratio
NM PERA Total Fund	7.9	3.8	0.6	0.9	77.0	55.7	0.5	4.8	0.6	0.9
NM PERA Total Fund Policy	*11.9*	*0.0*	*1.0*	*1.0*	*100.0*	*100.0*	*-*	*0.0*	*0.2*	*0.3*

Annualized Return vs. Annualized Standard Deviation



	Return	Standard Deviation
NM PERA Total Fund	6.08	7.89
NM PERA Total Fund Policy	3.21	11.94
Median	5.79	9.58
Population	63	63

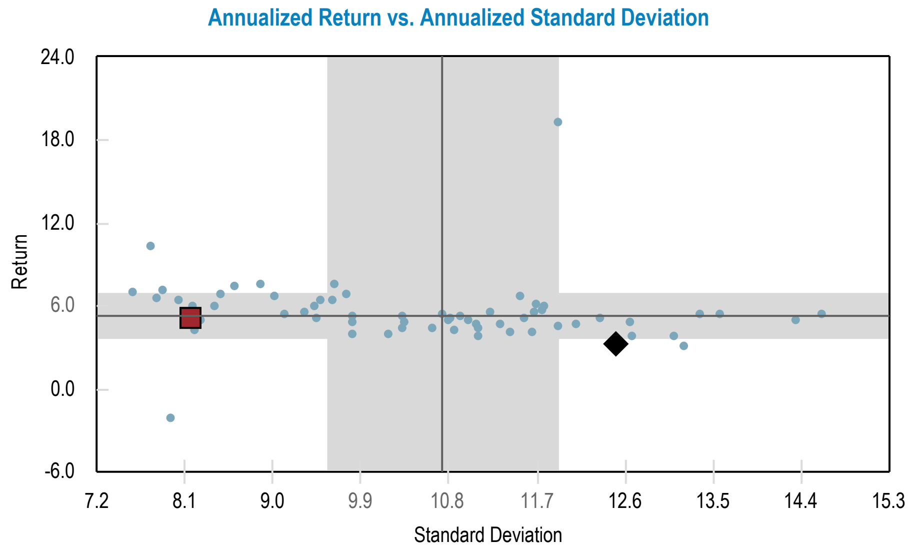
Up Capture vs. Down Capture



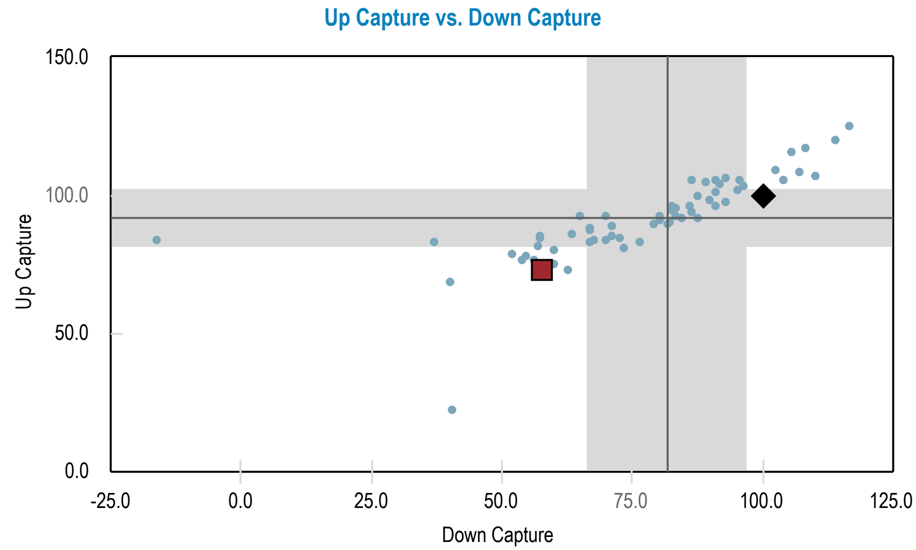
	Up Capture	Down Capture
NM PERA Total Fund	77.04	55.66
NM PERA Total Fund Policy	100.00	100.00
Median	90.04	72.86
Population	63	63

Performance shown is net of fees.

	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	R-Squared	Up Capture	Down Capture	Information Ratio	Tracking Error	Sharpe Ratio	Sortino Ratio
NM PERA Total Fund	8.2	2.8	0.6	0.9	73.3	57.6	0.3	5.0	0.4	0.6
NM PERA Total Fund Policy	*12.5*	*0.0*	*1.0*	*1.0*	*100.0*	*100.0*	*-*	*0.0*	*0.2*	*0.3*



	Return	Standard Deviation
NM PERA Total Fund	5.11	8.16
NM PERA Total Fund Policy	3.32	12.51
Median	5.27	10.74
Population	61	61



	Up Capture	Down Capture
NM PERA Total Fund	73.31	57.60
NM PERA Total Fund Policy	100.00	100.00
Median	92.01	81.57
Population	61	61

Performance shown is net of fees.

Manager Listing

	Market Value	%
NM PERA Total Fund	**$16,274,312,648**	**100.0**
Global Equity	**$6,375,177,076**	**39.2**
Global Public Stock	**$3,036,274,865**	**18.7**
BlackRock Equity Transition	$12,791	0.0
NT MSCI ACWI X US Index Fund	$333,030	0.0
SSGA ACWI IMI	$667,394,590	4.1
Active US Equity	**$285,211,024**	**1.8**
Kayne Andrsn Rdnick SmCap Core	$282,817,418	1.7
Portable Alpha Composite	**$2,393,606**	**0.0**
Portable Alpha	$2,393,606	0.0
Active Non-US Developed Equity	**$480,894,141**	**3.0**
Acadian Intl Equity	$264,371,733	1.6
KBI Global Investors EAFE Developed	$371,820	0.0
MFS Intl Intrinsic Val Eq exUS	$215,567,113	1.3
Principal Intl Small Cap Equity	$417,093	0.0
Schroder Intl Small Composite	$166,382	0.0
Active Emerging Markets Equity	**$241,613,650**	**1.5**
Axiom Emerging Mkts Eqty	$241,395,157	1.5
Russell Transition	$218,493	0.0
Parametric Eqty Ovly	$35,062,797	0.2
SSGA R1000 Index	$1,057,719,287	6.5
Active Global Equity	**$268,033,555**	**1.6**
Alliance Bernstein Gbl Core Eq	$268,033,555	1.6
Global Low Volatility Equity	**$916,255,340**	**5.6**
BlackRock Low Vol Intl Equity	$916,255,340	5.6
Hedged Equity Comp	**$816,318**	**0.0**
TPG Axon Ptnrs LP	$816,318	0.0

	Market Value	%
Private Equity Comp	**$2,421,830,553**	**14.9**
Altaris Const Ptnrs IV LP	$31,226,485	0.2
Altaris Health Ptnrs IV LP	$45,262,996	0.3
CVC European Eqty Ptnrs V	$560,142	0.0
CVC Cptl Ptnrs VII A LP	$175,382,116	1.1
Carlyle Partners VI	$17,500,190	0.1
Carlyle Partners V	$1,432,653	0.0
Century Focused IV LP	$36,810,563	0.2
Charterhouse Cap Ptnrs IX	$198,321	0.0
Charterhouse Capital Ptnrs X	$49,105,776	0.3
Coller Intl Ptnrs V-A LP	$7,131	0.0
Threshold Ventures II LP	$61,751,468	0.4
Draper Fisher Jurvetson X LP	$12,515,182	0.1
FountainVest CP III LP	$82,848,466	0.5
GTCR XI A & B	$34,268,143	0.2
H&F VII LP	$2,095,641	0.0
Gilde Buy-Out IV	$1,573,249	0.0
Instl Venture Ptnrs XIV LP	$14,457,322	0.1
Instl Venture Ptnrs XIII LP	$1,881,745	0.0
JMI Equity VII LP	$2,644,564	0.0
KRG Cptl IV LP	$1,252,827	0.0
Kelso Inv Assoc XI LP	$16,600,200	0.1
Kelso Inv Assoc IX LP	$33,131,485	0.2
Kelso Inv Assoc VIII LP	$1,232,196	0.0
Kelso Inv Assoc X LP	$95,208,056	0.6
H&F Spock I SPV	$11,407,889	0.1

	Market Value	%
Lincolnshire Eqty IV A LP	$6,806,745	0.0
Madison Dearborn VI	$421,437	0.0
New Enterprise Assoc 13 LP	$4,214,253	0.0
New Enterprise Assoc 14 LP	$36,100,483	0.2
Onex Ptnrs IV	$29,101,581	0.2
Onex Ptnrs V	$78,502,293	0.5
Onex Ptnrs III	$4,214,307	0.0
Patria PE VI LP	$46,454,925	0.3
Petershill PE LP	$90,720,858	0.6
Pine Bridge Passport I LLC	$128,879,539	0.8
Providence Eqty Ptnrs VI	$368,264	0.0
RCP Small & Emg Parallel LP	$99,030,746	0.6
RRJ Cptl Master III LP	$18,712,133	0.1
Madison Dearborn Ristra CoInv	$18,029,913	0.1
Sun Cptl Ptnrs V LP	$1,137,574	0.0
TPG Asia V LP	$1,807,397	0.0
TPG Ptnrs VI LP	$432,090	0.0
TCV VII LP	$1,025,040	0.0
TCV IX LP	$56,503,584	0.3
TCV X LP	$88,157,460	0.5
Resolute III LP	$21,908,592	0.1
Resolute IV LP	$113,740,534	0.7
Trident IX LP	$22,564,285	0.1
Trinity Ventures XII LP	$49,553,176	0.3
Warburg Pincus PE XII	$73,768,161	0.5
Warburg Pincus Global Gwth XIV	$24,655,893	0.2

	Market Value	%
Warburg Pincus Global Gwth	$136,865,621	0.8
Petershill IV LLC	$18,085,114	0.1
Petershill Enchmnt CoInv LLC	$24,274,857	0.1
H&F Arrow 1 SPV	$6,913,360	0.0
Madison Dearborn VIII	$51,242,104	0.3
H&F Samson Hockey 1 SPV	$6,446,940	0.0
H&F Samson Shield 1 SPV	$12,378,593	0.1
Montagu VI	$54,995,773	0.3
Altaris Health Ptnrs V LP	$54,781,640	0.3
H&F Samson Brunello 1 SPV	$7,355,060	0.0
Madison Dearborn Patriot SPV	$7,005,208	0.0
Tenex Cptl Ptnrs III LP	$35,574,859	0.2
Tenex White Sands CoInv LP	$20,185,926	0.1
Gen Ctlyst Grp XI Endurance LP	$38,176,117	0.2
Gen Ctlyst Grp XI Ignition LP	$12,191,752	0.1
Resolute V LP	$100,700,249	0.6
H&F X LP	$38,354,332	0.2
Orchid Asia VIII LP	$12,707,486	0.1
Orchid Asia 1912 CoInv LP	$2,908,986	0.0
Montagu Petroglyph CoInv LP	$18,634,679	0.1
Gen Ctlyst Grp XI Creation LP	$7,405,707	0.0
JMI Equity XI LP	$7,480,120	0.0
Credit Oriented Fixed Income	**$3,106,428,209**	**19.1**
Liquid Credit	**$1,742,004,703**	**10.7**
High Yield Debt Composite	**$1,545,250,192**	**9.5**
Guggenheim Global High Yield	-$2,485	0.0
PineBridge High Yield	$1,545,252,677	9.5
Parametric Credit Ovly	$196,754,511	1.2

	Market Value	%
Alternative Liquid Credit	**$839,852,657**	**5.2**
Leveraged Loans/Structured Credit	**$589,263,011**	**3.6**
Mudrick Stressed Cr A LP	$166,359,635	1.0
Ellington Enh Incme A LLC	$172,258,330	1.1
Eagle Point CLO Eqty I LLC	$8,236,633	0.1
Eagle Point Credit Onshore LP	$82,439,738	0.5
SixthSt Wheeler Pk Cr I LLC	$159,968,675	1.0
Credit Oriented Hedge Funds	**$250,589,646**	**1.5**
King Street Capital LP	$2,432,604	0.0
Silver Point Cptl LP	$54,662,028	0.3
Anchorage Cptl Ptnrs LP	$60,686,596	0.4
Napier Park C	$38,374,753	0.2
Ellington Alt Credit	$94,433,665	0.6
Illiquid Credit Comp	**$524,570,849**	**3.2**
APOLLO DEFINED RT FD	$200,922,127	1.2
Atalaya Spcl Opptys VI LP B	$3,129,984	0.0
Athyrium Opptys II LP	$12,273,454	0.1
Cerberus Res Opp - Ext	$155,475,090	1.0
Cerberus Inst Ptnrs IV	$340,247	0.0
Cheyne RE Credit V LP	$38,787,514	0.2
DRC Eur RE Debt III LP	$38,935,528	0.2
DRC Eur RE Debt II LP	$499,641	0.0
Garrison Opp IV A	$10,965,719	0.1
Madison Rlty Cap Dbt III LP	$44,248,655	0.3

	Market Value	%
Oaktree Opptys VII LP	$119,135	0.0
Oaktree Opptys VIIb LP	$11,857	0.0
Oaktree Opptys VIII LP	$52,869	0.0
Oaktree Eur Pncpl III LP	$6,381,271	0.0
Sixth Street Oppty Ptrns III	$8,111,520	0.0
Wyzata Opptys III LP	$4,098,872	0.0
HIG Bayside Ln Oppty II LP	$217,368	0.0
Risk Reduction & Mitigation	**$2,679,093,657**	**16.5**
Domestic Core Fixed Income	**$1,949,736,819**	**12.0**
BlackRock Core	$288	0.0
Prudential Core Cons FI	$11,353	0.0
Parametric Risk Mit Ovly	$170,023,715	1.0
Blackrock US Agg Bond Index	$1,779,701,463	10.9
Global Core Fixed Income	**$151,061**	**0.0**
BlackRock Glb Fixed Income	$151,061	0.0
Cash Composite	**$32,180,054**	**0.2**
Cash Account	$30,414,089	0.2
Cash-Corporate Action	$1,765,965	0.0
LGIMA TAA Overlay	$11	0.0
Bonds Plus Composite	**$697,025,712**	**4.3**
Elliott Associates LP	$114,558,891	0.7
Parametric Bonds Plus - MV and Returns	$46,056,258	0.3
Pharo Gaia Ltd	$1,626,319	0.0
Dorsal Capital Partners LP	$99,094,301	0.6

	Market Value	%
Garda FI Rel Val Oppty Ltd	$67,999,522	0.4
Glazer Enhanced LP	$60,386,800	0.4
Pac Allnce Asia Opp IV LP	$28,907,952	0.2
Systematica Alt Mkts LP CIB	$86,241,194	0.5
Millennium USA LP	$122,807,525	0.8
Two Sigma Abs Return LP	$69,346,951	0.4
Real Assets	**$2,839,699,863**	**17.4**
Real Estate Only Comp	**$1,430,032,280**	**8.8**
Liquid Real Estate Comp	**$286,935**	**0.0**
DFA Real Estate Securities	$286,362	0.0
Security Capital Alpha	$573	0.0
Security Capital Beta	$1	0.0
Illiquid Real Estate Comp	**$1,429,745,345**	**8.8**
Aermont Cap RE IV SCSp	$33,641,161	0.2
Blackstone RE Ptnrs VII	$6,809,039	0.0
Blackstone RE Ptnrs Eur III	$1,702,870	0.0
Carlyle Rlty Ptnrs VI	$1,693,840	0.0
Carlyle Rlty Ptnrs V	$74,103	0.0
Harrison St RE Ptnrs V & V A	$25,653,099	0.2
Harrison St RE Ptnrs VII, A	$64,355,519	0.4
KSL Cptl Ptnrs IV LP	$56,587,345	0.3
North Haven RE VII Gbl T LP	$248,361	0.0
Rockwood Cap RE Ptnrs IX LP	$5,508,326	0.0
Rockwood Cap RE Ptnrs X LP	$29,779,048	0.2
Starwood Gbl Op VIII LP	$1,578,554	0.0
Starwood Op X Gbl LP	$12,095,547	0.1
Starwood Global Oppty XI LP	$60,711,474	0.4

	Market Value	%
Starwood Distd Op IX Gbl LP	$2,076,523	0.0
Walton Street RE VI LP	$13,270,423	0.1
Wheelock Street RE II LP	$13,493,629	0.1
Rockpt Gwth & Inc RE II LP	$39,799,143	0.2
Aermont Cap PW RE III LP	$24,987,814	0.2
Harrison St RE Ptnrs VI, A	$47,431,856	0.3
New Rock Core LP	$273,731,486	1.7
GEM Rlty Evergreen PF NM LP	$123,273,843	0.8
Rockwood Cap RE Ptnrs XI LP	$37,419,705	0.2
Rockpt Gwth & Inc RE III LP	$28,854,882	0.2
Rockwood MultiFamily PT LP	$104,487,861	0.6
Stockbridge Niche Lgstcs LP	$271,334,906	1.7
Harrison St RE Ptnrs VIII A, B	$66,698,620	0.4
Stockbridge Value IV LP	$71,269,852	0.4
Starwood Dist Op XII Gbl LP	$11,176,516	0.1
Liquid Real Assets Comp	**$157,457,015**	**1.0**
PIMCO Commodities	$938	0.0
PIMCO TIPS	$40,063	0.0
DWS Listed Infrastructure	$49,780,397	0.3
Harvest MLP Alpha	$435,916	0.0
Parametric Real Assets Ovly	$107,199,701	0.7
Illiquid Real Assets Comp	**$1,251,570,856**	**7.7**
ACM II LLC	$23,618,259	0.1
Antin Infra Ptnrs III LP	$65,398,868	0.4
Ardian Infra V	$50,077,315	0.3
Ardian Infra IV	$47,745,138	0.3
BEP Legacy A LP	$41,220	0.0

	Market Value	%
Brookfield Infra II	$34,276,246	0.2
Brookfield Infra III	$78,762,934	0.5
Carlyle Power Partners II	$64,077,647	0.4
Denham VI O&G LP	$43,519	0.0
Denham CPF VI LP	$11,933,794	0.1
EnCap Energy Cptl VIII LP	$9,587,831	0.1
EnCap Energy Cptl IX LP	$8,177,517	0.1
EnCap Flatrock Mdst III LP	$17,835,139	0.1
EnCap Energy Cptl XI LP	$94,323,828	0.6
First Reserve XII LP	$31,425	0.0
IFM Global Infra LP	$201,897,134	1.2
KKR Global Infra Inv II LP	$25,377,649	0.2
Kayne Andrsn Energy V LP	$4,660,665	0.0
Lime Rock Partners VI, L.P.	$86,575	0.0
Lime Rock Resources III A LP	$27,357,096	0.2
Lime Rock Ptnrs V LP	$1,439,948	0.0
Meridiam Infra NA III LP	$58,243,339	0.4
Natural Gas Prtnrs IX LP	$56,257	0.0
Ntl Gas Prtnrs Ntl Res X LP	$2,323,703	0.0
Ntl Gas Prtnrs Ntl Res XI LP	$31,463,136	0.2
Ntl Gas Prtnrs Ntl Res XII LP	$40,718,586	0.3
Paine Schwtz Food Chn IV LP	$36,688,720	0.2
Quantum Energy Ptnrs V LP	$720,154	0.0
Riverst Rnw&Alt Engy II LP	$186,048	0.0
Riverst Gl Engy & Pwr V LP	$7,106,985	0.0
Riverst Glbl Engy & Pwr IV	$24,608	0.0
Tillridge Gbl Agri Ptnrs II LP	$37,486,460	0.2

	Market Value	%
Ardian Mass Ascension CoInv LP	$151,900,225	0.9
Four Corners Farmland LLC	$108,654,766	0.7
Ardian Americas Infra V LP	$7,084,781	0.0
Antin Infra Ptnrs V LP	$2,163,340	0.0
Market Neutral Hedge Fund Comp	**$639,712**	**0.0**
Farallon Cptl Instl Ptnrs LP	$103,941	0.0
Stark Select Asset LLC	$535,771	0.0
Multi-Risk	**$1,273,913,844**	**7.8**
Zia Risk Parity LP	$1,273,913,844	7.8

Placement Agent Disclosure

Pursuant to New Mexico statute PERA shall not make any investment, other than investments in publicly traded equities or publicly traded fixed-income securities, unless the recipient of the investment discloses the identity of any third-party marketer who rendered services on behalf of the recipient in obtaining the investment and discloses the amount of any fee, commission or retainer paid to the third-party marketer for the services rendered. “Third-party marketer” means a person who, on behalf of an investment fund manager or other person seeking an investment from the fund and under a written or implied agreement, receives a fee, commission, or retainer for such services from the person seeking an investment from the fund.

The following investments were approved during the quarter, with disclosures made under the policy:

NM PERA Crescit Eundo TJC Co-Invest, L.P. – NM PERA committed $30 million to NM PERA Crescit Eundo TJC Co-Invest, L.P., an Evergreen fund-of-one dedicated to guideline-based, diversified co-investments alongside Resolute VI and future TJC funds in which NM PERA invests. The Jordan Company, LP has stated that they did not use a placement agent while soliciting PERAs investment.

The Resolute Fund VI, L.P. – NM PERA committed $85 million to The Resolute Fund VI, L.P., a Private Equity fund focused on the middle-market. The Jordan Company, LP has stated that they did not use a placement agent while soliciting PERAs investment.

Altaris Health Partners VI, L.P. – NM PERA committed $75 million to Altaris Health Partners VI, L.P., an illiquid Private Equity fund with a healthcare-focused investment strategy. Altaris Capital Partners, LLC has stated that they did not use a placement agent during fundraising, however in any case, placement fees would not be payable by the fund.

Investments approved prior to the current quarter for which the fund engaged a placement agent follow:

Ares Pathfinder Core Fund, L.P. – NM PERA committed $200 million to Ares Pathfinder Core Fund, L.P., an Evergreen fund with broad mandates across Private Markets. Ares has stated that no placement agent was used in relation to PERA’s commitment.

Apollo Defined Return Fund, L.P. – NM PERA committed $200 million to Apollo Defined Return Fund, L.P., an Evergreen, multi-asset alternative Credit manager. Apollo has stated that they did not use a placement agent while soliciting PERAs investment.

CVC Capital Partners IX, L.P. – NM PERA committed €100 million to CVC Capital Partners IX, L.P., a 2023 vintage year in the Private Equity allocation. Noting the role of CVC’s internal Client & Product Solutions team, in certain regions where CVC has limited investor coverage or experience, CVC may consider the use of other third-party placement agents or where one is required for local regulatory reasons. Separately, in the case of attracting high net worth investors, CVC may engage with banks for a pooled investment from such investors. In the United States, this Questionnaire and interests in the Fund are being distributed by CVC Funding, LLC, a broker dealer registered with the SEC under the U.S. Exchange Act, a member of the Financial Industry Regulatory Authority (“FINRA”), a self-regulatory organization subject to oversight by the SEC, and a member of the Securities Investor Protection Corporation (“SIPC”). CVC Funding, LLC markets only to institutional accounts (as defined by FINRA Rule 4512(c)) on behalf of the Fund. Any related costs are borne by CVC and are not charged to the CVC Funds. CVC's in-house Legal and Compliance Teams are involved in monitoring the use of placement agents and compliance with relevant laws in relation to solicitation and marketing.

Hellman & Friedman Capital Partners XI, L.P. – NM PERA committed $75 million to Hellman & Friedman Capital Partners XI, L.P, a 2023 vintage year in the Private Equity allocation. Hellman & Freidman has stated that they did not use a placement agent while soliciting PERAs investment.

Kelso Chimayo Co-Invest – NM PERA committed $15 million to PERA Chimayo Kelso Co-Invest, a 2022 vintage year in the Private Equity allocation. Kelso Investment Associates has stated that they did not use a placement agent while soliciting PERAs investment.

Antin Infrastructure Partners Fund V – NM PERA committed €100 million to Antin Infrastructure Partners Fund V, a 2022 vintage year in the Real Asset allocation. Antin Infrastructure Partners has confirmed that Evercore Group LLC was engaged as placement agent for Fund V. NM PERA will not be liable for any placement agent fees in relation to its commitment to Antin Fund V. Neither Evercore nor Antin has compensated or agreed to compensate, directly or indirectly, any Person or entity to act as a placement agent in connection with any commitment by NM PERA.

Warburg Pincus Global Growth 14 – NM PERA committed $100 million to Warburg Pincus LLC a 2022 vintage year in the Equity allocation. Warburg Pincus has engaged and expects to engage placement agents and/or feeder sponsors in certain jurisdictions, including outside of the United States. In connection with these engagements, the firm expects to pay placement fees that it believes are customary in each respective jurisdiction. Warburg Pincus Global Growth 14, L.P. will not be responsible for placement fees payable to any placement agents. The firm has also engaged and expects to engage financial institutions to sponsor or arrange feeder funds that target high net worth individuals. In connection with the engagements, the firm may pay placement fees to such financial institutions. Any placement fees paid to such financial institutions would be borne by Warburg Pincus and/or the respective feeder fund.

JMI Equity Fund XI, L.P. – NM PERA committed $50 million to JMI Equity Fund XI, L.P., a 2022 vintage year in the Equity allocation. JMI Equity Fund XI, L.P. has stated that they did use a placement agent, however, no placement agent has provided any services or is expected to provide any services related to PERA's commitment, thus no fees will be paid in relation to PERA's commitment.

Rockwood Multifamily Partners, L.P. Fund – NMPERA committed $100 million to Rockwood Multifamily Partners Fund, a 2021 vintage year in the Real Estate allocation. Rockwood Multifamily Partners, L.P. Fund has stated that they did not use a placement agent while soliciting PERAs investment.

Stockbridge Niche Logistics Fund – NM PERA committed an additional $100 million to Stockbridge Niche Logistics Fund, a 2020 vintage year in the Real Estate allocation. Stockbridge Niche Logistics Fund has stated that they did not use a placement agent while soliciting PERAs investment.

General Catalyst XI; Creation, Endurance, Ignition – NMPERA committed $85 million to General Catalyst XI, a 2021 vintage year in the Equity allocation. General Catalyst XI has stated that they did not use a placement agent while soliciting PERAs investment.

Kelso Investment Associates XI– NM PERA committed $60 million to Kelso Investment Associates XI, a 2021 vintage year in the Equity allocation. Kelso Investment Associates has stated that they did not use a placement agent while soliciting PERAs investment.

Trident IX– NM PERA committed $50 million to Trident IX, a 2021 vintage year in the Equity allocation. Trident has stated that they did not use a placement agent while soliciting PERAs investment.

Orchid Asia VIII– NM PERA committed $75 million to Orchid Asia VIII, a 2021 vintage year in the Equity allocation. Orchid Asia has stated that they did not use a placement agent while soliciting PERAs investment.

Hellman & Freidman X– NM PERA committed $50 million to Hellman & Freidman X, a 2021 vintage year in the Equity allocation. Hellman & Freidman has stated that they did not use a placement agent while soliciting PERAs investment.

Ristra MDP Co-Invest– NM PERA committed $20 million to Ristra MDP Co-Invest, a 2021 vintage year in the Equity allocation. MDP has stated that they did not use a placement agent while soliciting PERAs investment.

Ardian Americas Infrastructure Fund V– NM PERA committed $75 million to Ardian Americas Infrastructure Fund V, a 2021 vintage year in the infrastructure allocation. Ardian Americas has stated that they did not use a placement agent while soliciting PERAs investment.

D.E. Shaw – NM PERA committed u$120 million to D.E. Shaw Composite Fund and/or Multi-Asset Fund, diversified multi-strategy fund. This is a portable alpha allocation. D.E. Shaw & Co. has stated that they did not use a placement agent while soliciting PERAs investment.

Starwood XII – NM PERA committed $50 million to Starwood XII a 2020 vintage year in the Real Estate allocation. Starwood XIII has stated that they did not use a placement agent while soliciting PERAs investment.

Harrison Street Real Estate Fund VIII – NM PERA has committed $75 million to Harrison Street Real Estate Fund VIII a 2020 vintage year in the Real Estate allocation. Harrison Street Real Estate has stated that they did not use a placement agent while soliciting PERAs investment.

Stockbridge Niche Logistics Fund – NM PERA committed $100 million to Stockbridge Niche Logistics Fund a 2020 vintage year in the Real Estate allocation. Stockbridge Niche Logistics Fund has stated that they did not use a placement agent while soliciting PERAs investment.

Two Sigma – NM PERA has committed $75 million to Two Sigma a Portable Alpha allocation. Two Sigma has stated that they did not use a placement agent while soliciting PERAs investment.

Millennium USA Fund – NM PERA increased commitment by $50 million to Millennium USA Fund in the Portable Alpha allocation. Millennium has stated that they did not use a placement agent while soliciting PERAs investment.

Stockbridge Value Fund IV, LP – NM PERA committed $75 million to Stockbridge Value Fund IV, LP s 2020 vintage year in the Real Estate allocation. Stockbridge Core and Value-Add Advisors, LLC (“CVA”) stated that they did not use placement agents during the fundraising period.

Montagu VI., LP – NM PERA increased commitment by $25 million to Montagu VI in the Equity allocation. Montagu Private Equity LLP has stated that it did not use placement agents during the fundraising period.

Millennium USA Fund – NM PERA committed $100 million to Millennium USA Fund a Portable Alpha allocation. Millennium has stated that they did not use a placement agent while soliciting PERAs investment.

Marshall Wace Fund – NM PERA committed $50 million to Marshall Wace Fund a Portable Alpha allocation. Marshall Wace has stated that they did not use a placement agent while soliciting PERAs investment.

Tenex Capital Partners III L.P. & PERA White Sands Tenex Co-Invest – NM PERA committed $45 million to Tenex Capital Partners III L.P. & PERA White Sands Tenex Co-Invest a 2020 vintage year in the Private Equity allocation. The Tenex Capital has stated that they did not use a placement agent while soliciting PERAs investment.

Jordan Resolute V, L.P. – NM PERA committed $75 million to Jordan Resolute V, L.P. a 2020 vintage year in the Private Equity allocation. The Jordan Company, LP has stated that they did not use a placement agent while soliciting PERAs investment.

Garda FIRVO Fund – NM PERA committed $50 million to Garda FIRVO Fund a Portable Alpha allocation. Garda Capital Partners has stated that they did not use a placement agent during fundraising.

Ardian NM Co-Invest (Mass Ascension), L.P. – NM PERA committed $125 million to Ardian NM Co-invest a 2020 vintage year in the Real Assets allocation. Ardian FRANCE has stated that they may use placement agents in certain geographies where they do not have a presence. However, in any case, placement fees would not be payable by the fund.

AgIS Club Fund (Four Corners), L.P. – NM PERA committed $150 million to Agis Club Fund a 2020 vintage year in the Real Asset allocation. AgIS Capital LLC has stated that they did not use a placement agent during fundraising, however in any case, placement fees would not be payable by the fund.

Altaris Health Partners V, L.P. – NM PERA committed $75 million to Altaris Health Partners V, L.P. a 2020 vintage year in the Private Equity allocation. Altaris Capital Partners, LLC has stated that they did not use a placement agent during fundraising, however in any case, placement fees would not be payable by the fund.

Systematica Alternative Markets Fund – NM PERA committed $75 million to Systematica Alternative Markets Fund a Portable Alpha allocation.

Systematica has stated that they did not use a placement agent during fundraising, however in any case, placement fees would not be payable by the fund.

Pharo Gaia Fund – NM PERA committed $40 million to Pharo Gaia Fund a Portable Alpha allocation. Pharo Management has stated that they did not use a placement agent during fundraising, however in any case, placement fees would not be payable by the fund.

Pacific Alliance Asia Opportunity Fund – NM PERA committed $70 million to Pacific Alliance Asia Opportunity Fund a 2020 vintage year in the Portable Alpha allocation. PAG has stated that they did not use a placement agent during fundraising, however in any case, placement fees would not be payable by the fund.

Glazer Enhanced Fund – NM PERA committed $40 million to Dorsal Enhanced Fund a Portable Alpha allocation. Glazer Capital Management has stated that they did not use a placement agent during fundraising, however in any case, placement fees would not be payable by the fund.

Dorsal Fund – NM PERA committed $70 million to The Dorsal Fund a Portable Alpha allocation. Dorsal Capital Management has stated that they did not use a placement agent during fundraising, however in any case, placement fees would not be payable by the fund.

Madison Dearborn Capital Partners VIII, L.P. – NM PERA committed $75 million to Madison Dearborn Capital Partners VIII, L.P. a 2019 vintage year in the Equity allocation. Madison Dearborn Capital Partners has stated that a placement agent was used for certain funds, but these fees are offset 100% by managements fees.

TSSP NM Contingent Capital Fund NM PERA committed $150 million to TSSP NM Contingent Capital Funs a 2019 vintage year in the Private Credit allocation. TPG Sixth Street Partners Group has stated that they did not use a placement agent during fundraising, however in any case, placement fees would not be payable by the fund.

Petershill IV, L.P. – NM PERA committed $70 million to Petershill IV, L.P. a 2019 vintage year in the Equity allocation. The Goldman Sachs Group, Inc. AIMS Group has stated that it did not use placement agents during the fundraising period.

Rockwood Capital Real Estate Partners Fund XI, L.P. – NM PERA committed $50 million to Rockwood Capital a 2019 vintage year in the Real Estate allocation. Rockwood Capital has stated that it does use placement agent fees in some situations. However, all placement agent fees are incurred by the General Partner or its affiliates and not by the Fund.

Montagu VI., LP – NM PERA committed $75 million to Montagu Private Equity LLP a 2019 vintage year in the Real Estate allocation. Montagu Private Equity LLP has stated that it did not use placement agents during the fundraising period.

Ardian Infrastructure V, L.P. – NM PERA committed €60 million to Ardian Group a 2018 vintage year Real Assets allocation. Ardian Group has stated that it does use placement agent fees in some situations. However, all placement agent fees are incurred by the General Partner or its affiliates and not by the Fund. Axiom Emerging Markets Equity Fund. – Axiom Investors received final approval in the quarter for an investment of $215 million in the Liquid Equity Assets allocation. Axiom Investors did not use placement agents for our investment in the fund.

Aermont Capital Real Estate Fund IV SCPs –NM PERA committed €50 million to Aermont Capital LLP a 2018 vintage year in the Real Estate allocation. Aermont Capital LLP has stated that the Fund will pay all fees, costs and expenses relating to the formation and launch of the Fund, the General Partner and any Feeder Fund provided that the amount of such costs and expenses will not exceed 0.15% of Total Commitments (inclusive of VAT). Any fees, costs and expenses in excess of such amount will be borne by Aermont

Harrison Real Estate Partners VII, L.P. – NM PERA committed $75 million to Harrison Street Real Estate Capital, LLC a 2018 vintage year in the Real Estate allocation. Harrison Street Real Estate Capital, LLC has confirmed that no placement agents were used for this commitment.

TCV X, L.P. – NM PERA has committed $70 million to Technology Crossover Ventures a 2018 vintage year in the Equity allocation. Technology Crossover Ventures has stated that all placement agent fees will be borne by the GP.

Kayne Anderson Rudnick Investment Management LLC – NM PERA committed up to $350 million to Kayne Anderson Rudnick Investment Management LLC a 2018 vintage year in the Equity allocation. Kayne Anderson Rudnick Investment Management LLC has confirmed that no placement agents were used for this commitment.

Pine Bridge High Yield Fixed Income – NM PERA committed $350 million to PineBridge Investments a 2018 vintage year in the Risk Mitigation allocation. PineBridge Investments has confirmed that no placement agents were used for this commitment.

Rock Point Growth and Income Real Estate Fund III, L.P. – NM PERA committed $60 million to Rockpoint Group LLC a 2018 vintage year in the Equity allocation. Rockpoint Group LLC may engage one or more placement agents on a limited basis for engagement solely with a small number of investors outside of the United States. If a placement agent fee is paid in connection with Growth and Income Fund III, the General Partner will be responsible for all such fees and expenses.

Warburg Pincus Global Growth, L.P. – NM PERA committed $115 million to Warburg Pincus LLC a 2018 vintage year in the Equity allocation. Warburg Pincus LLC does not expect to engage a placement agent in the U.S., although the firm has engaged financial institutions to sponsor or arrange feeder funds that target high net worth individuals to invest in WPGG. In connection with the engagements, the firm may pay customary fees to such financial institutions. Any fees paid to such financial institutions would be borne by Warburg Pincus and/or the respective feeder fund.

Kelso Investment Associates X, L.P. – NM PERA committed $60 million to Kelso Investment Associates X, L.P. a 2018 vintage year Equity allocation. Kelso & Company has confirmed that it did use placement agents for this commitment. It was stated that “Kelso will bear the economic burden of all placement agent fees."

Acadian Asset Management LLC – NM PERA committed $285 million to Acadian Asset Management LLC a 2018 vintage year in the Equity allocation. Acadian Asset Management has confirmed that no placement agents were used for this commitment.

Patria Private Equity VI, L.P. – NM PERA committed $50 million to Patria Finance Limited a 2018 vintage year Real Assets allocation. Patria Finance Limited has confirmed that no placement agents were used for this commitment.

Jordan Resolute IV, L.P. – NM PERA committed $65 million to The Jordan Company a 2018 vintage year in the Real Assets allocation. The Jordan Company has confirmed that no placement agents were used for this commitment.

PIMCO Liquid Real Assets Completion Portfolio – NM PERA committed $300 million to Pacific Investment Management Company a 2017 vintage year in the Real Assets allocation. There was no placement agent was engaged.

NGP Natural Resources XII, L.P. – NM PERA committed $75 million to Natural Gas Partners a 2017 vintage year in the Real Assets allocation. Natural Gas Partners has confirmed that placement fees will be paid by the fund. However, all placement agent fees paid by the fund will be offset.

Altaris Health Partners IV, L.P. – NM PERA committed $50 million to Altaris Health Partners a 2017 vintage year in the Private Equity allocation. Altaris Health Partners has confirmed that no placement agent was engaged.

Altaris Constellation Partners IV, L.P. – NM PERA committed $25 million to Altaris Health Partners a 2017 vintage year in the Private Equity allocation. Altaris Constellation Partners has that there was no placement agent used for fundraising

CVC Capital Partners VII, L.P. – NM PERA committed €100 million to CVC Capital Partners a 2017 vintage year in the Real Estate allocation. CVC Capital Partners has confirmed that CVC Funding, LLC is to conduct activities as a distributor and/or placement agent for private funds managed by or otherwise affiliated with CVC Credit Partners or a CVC Entity. The Distributor does not sit within the same corporate group as the General Partner. No placement agent fees, or expenses will be borne by the Fund.

EnCap Energy Capital Fund XI, L.P. – NM PERA committed $100 million to EnCap Investments. L.P. a 2017 vintage year in the Private Equity allocation. EnCap Investments. L.P. has confirmed that there was no placement agent used for fundraising.

Cerberus Global Residential Mortgage Opportunity Fund, L.P. – NM PERA committed $100 million to Cerberus Capital Management a 2017 vintage year in the Credit allocation. Cerberus Capital Management has confirmed that there was no placement agent used for fundraising.

Eagle Point Credit Partners, L.P. – NM PERA committed $100 million to Eagle Point Credit Partners, L.P. a 2017 vintage year in the Credit allocation. Eagle Point Credit Partners, L.P. has confirmed that there was no placement agent used for fundraising.

Meridiam Infrastructure North America Fund III, LP. – NM PERA committed $75 million to Meridiam Infrastructure Partners a 2017 vintage year in the Real Assets allocation. Meridiam Infrastructure Partners has confirmed that the have used CL to act as placement agent for the Fund. Meridiam or its affiliates will bear the cost of all placement fees.

Onex Partners V, L.P. – NM PERA committed $75 million to Onex Partners Manager LP a 2017 vintage year in the Private Equity allocation. Onex Partners Manager LP Partners has confirmed that Credit Suisse to act as placement agent for the Fund. Meridiam or its affiliates will bear the cost of all placement fees. 100% of any advisory, monitoring, transaction, topping, break-up, or directors' fees and other fees received, including placement agent fees will be offset by management fees.

Cheyne Real Estate Credit Fund V –Opportunistic L.P. – NM PERA committed $90 million to Cheyne Real Estate Credit Fund V –Opportunistic L.P. a 2016 vintage year in the Credit allocation. Cheyne Capital has communicated that there was no placement agent used for fundraising

Rockpoint Growth and Income Real Estate Fund II – NM PERA committed $75 million to Rockpoint Growth and Income Real Estate Fund II, L.P a 2017 vintage year in the Real Estate allocation. Rockpoint Group, L.L.C. has confirmed that Hodes Weill UK LLP on a limited basis for engagement solely with a small number of investors outside of the United States. If a placement agent fee is paid in connection with Growth and Income Fund II, the General Partner will be responsible for all such fees and expenses.

NewRock Core Real Estate (Rockwood Capital) – NM PERA committed $150 million to NewRock a 2017 vintage year in the Real Estate allocation. Rockwood Capital, L.L.C. has communicated that there was no placement agent used for fundraising.

GEM Realty Evergreen Fund, L.P. –NM PERA committed $100 million to GEM Realty Evergreen Fund, L.P. a 2017 vintage year in the Real Estate allocation. GEM Realty Capital, Inc. has confirmed that they have not engaged a private placement agent to assist with its current fundraising efforts.

Petershill Private Equity L.P. – NM PERA committed $150 million to Petershill Private Equity LP. a 2017 vintage year in the illiquid Private Equity allocation. GSAM –Petershill Alternative Investments & Manager Selection (AIMS) has communicated that there was no placement agent used for fundraising.

Antin Infrastructure Partners III, L.P. – NM PERA committed $76 million to Antin Infrastructure Partners III, L.P. a 2017 vintage year in the Real Assets allocation. Antin Infrastructure Partners has confirmed that Campbell Lutyens & Co. Ltd are engaged as placement agent. The fee terms are as follows: GP will incur all costs associated with the hiring of said placement agent.

Tennenbaum Capital Partners, Direct Lending Fund of One – NM PERA committed $200 million to Tennenbaum Capital Partners, Direct Lending Fund of One a 2017 vintage year the Credit allocation. Tennenbaum Capital Partners has they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

RCP Small & Emerging Manager Fund of One – NM PERA committed $75 million to RCP Small & Emerging Manager Fund of One a 2017 vintage year in the Global Equity allocation. RCP Advisors has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Napier Park Global Capital Specialized & Complex Credit – NM PERA committed $300 million to Napier Park Global Capital Specialized & Complex Credit a 2016 vintage year in the Credit allocation. Napier Park Global Capital (US) has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

FountainVest China Capital Partners III, L.P. – NM PERA committed $83 million to FountainVest China Capital Partners III, L.P. a 2016 vintage year in the Global Equity allocation. FountainVest Advisors Ltd. has confirmed that UBS are engaged as placement agent. The fee terms are as follows: FountainVest believes that the amount that will be paid to UBS which relates to NM PERA's investment is between 0.3% and 1.75% of NM PERA's commitment. The actual dollar amount of placement fees payable being US$685,201. As per the LPA, as the entire placement agent fee is not treated as a fund expense but a GP expense, NM PERA will in effect be paying US$0 to the placement agent.

Harrison Street Real Estate Partners VI, L.P. – NM PERA committed $75 million to Harrison Street Real Estate Partners VI, L.P. a 2016 vintage year in the Real Estate allocation. Harrison Street Real Estate Capital, LLC has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Tillridge Global Agribusiness Partners II, L.P. – NM PERA committed $75 million to Tillridge Global Agribusiness Partners II, L.P. a 2016 vintage year in the Real Assets allocation. Tillridge is a NGP affiliate, a 35% owner. Tillridge Capital Partners, LLC has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Charterhouse Capital Partners X, L.P. – NM PERA committed $117 million to Charterhouse Capital Partners X, L.P. a 2016 vintage year in the Illiquid Credit allocation Charterhouse Capital Partners LLP LLC has confirmed that they did not engage a placement agent or third party marketer with respect to the NM PERA commitment.

ACM Fund II, LLC. – NM PERA committed $40 million to ACM Fund II, LLC. a 2016 vintage year in the Real Assets allocation. ACM Management Company, LLC. ACM is working with Equilibrium Capital to fundraise for Fund II. Equilibrium Capital is a founding member of ACM, a significant minority shareholder and a member of the Investment and Management Committees. For the current Fund, ECS will receive 1.5 percent of total committed capital paid over two years, as compensation for these services. For Fund I, ECS was also paid 1.5 percent of total committed capital, paid over three years, for these services. No placement fees will be paid by the Fund. The GP will pay placement costs out of its management fee. The amount relating to NM PERA commitment of $40 million is therefore $600,000.

DRC European Real Estate Debt Fund III, L.P. – NM PERA committed $73 million to DRC European Real Estate Debt Fund III, L.P. a 2016 vintage year in the Private Credit allocation. DRC Capital Partners has confirmed that Evercore Partners International are engaged as placement agent. The fee terms are as follows: “New” Capital Commitments (new investors & element of re-ups exceeding Fund II commitment level) – 1.5%. “Existing” Capital Commitments (existing investors with re-ups up to Fund II commitment level) – 1.0%

Starwood XI Management, L.P. – NM PERA committed $75 million to Starwood XI Management, L.P. a 2016 vintage year in the Real Estate allocation. Starwood Capital has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Brookfield Infrastructure Fund III, L.P. – NM PERA committed $75 million to Brookfield Infrastructure Fund III, L.P. a 2016 vintage year in the Real Assets allocation. Brookfield Asset Management Inc. has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

TCV IX Fund – NM PERA committed $65 million to TCV IX Fund, L.P. a 2016 vintage year in the Private Equity allocation. Technology Crossover Ventures has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

PineBridge Passport I, L.P. – NM PERA committed $150 million to PineBridge Passport I, L.P. a 2016 vintage year in the Private Equity allocation. PineBridge has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Carlyle Power Partners II, L.P. – NM PERA committed $65 million to Carlyle Power Partners II, L.P. a 2015 vintage year in the Private Equity allocation. Carlyle has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Warburg Pincus Private Equity XII, L.P. – NM PERA committed $85 million to Warburg Pincus Private Equity XII, L.P. a 2015 vintage year in the Private Equity allocation. Warburg Pincus has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Madison Realty Capital Debt Fund III, L.P. – NM PERA committed $50 million to Madison Realty Capital Debt Fund III, L.P. a 2015 vintage year in the Real Estate allocation. Madison has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Century Focused Fund IV, L.P. – NM PERA committed $30 million to Century Focused Fund IV, L.P. a 2015 vintage year in the Private Equity allocation. Century Capital Management has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Trinity Ventures XII, L.P. – NM PERA committed $30 million to Trinity Ventures XII, L.P. a 2015 vintage year in the Private Equity allocation. Trinity Ventures has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

RRJ Capital Master Fund III, L.P. – NM PERA committed $65 million to RRJ Capital Master Fund III, L.P. a 2015 vintage year in the Private Equity allocation. RRJ Capital III Ltd. has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Rockwood X, L.P. – NM PERA committed $60 million to Rockwood X, L.P. a 2015 vintage year in the Real Estate allocation. Rockwood Capital has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Ardian Infrastructure IV, L.P. – NM PERA committed $69 million to Ardian Infrastructure IV, L.P. a 2015 vintage year in the Real Assets allocation. Ardian has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Atalaya Special Opportunities Fund VI, L.P. – NM PERA committed $50 million to Atalaya Special Opportunities Fund VI, L.P. a 2015 vintage year in the Private Equity-Credit allocation. Atalaya Capital Management has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Charterhouse Capital Partners X, L.P. – NM PERA committed $117 million to Charterhouse Capital Partners X, L.P. a 2015 vintage year in the Private Equity allocation. Charterhouse Capital Partners LLP has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Athyrium Opportunities Fund II, L.P. – NM PERA committed $57.9 million to Athyrium Opportunities Fund II, L.P. a 2015 vintage year in the Private Equity allocation. Neuberger Berman Alternatives Advisers LLC and its affiliates ("Neuberger Berman") provide sub-advisory services and other ancillary services to Athyrium Capital Management LLC, including assistance with fundraising and marketing of the Fund. For investors introduced by Neuberger Berman, Neuberger Berman typically receives approximately 60% of one year's management fee, paid out over a three-year period. Such fees are not paid by the fund, rather out of the management fee collected by Athyrium Capital Management, LLC. Neuberger Berman, LLC. is a FINRA regulated broker dealer.

KSL Capital Partners IV, L.P. – NM PERA committed $60 million to KSL Capital Partners IV, L.P. a 2015 vintage year in the Real Estate allocation. KSL Capital Partners, LLC has confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Garrison Opportunity Fund IV-A, LLC. – NM PERA committed $60 million to Garrison Opportunity Fund IV-A, LLC a 2014 vintage year in the Private Equity allocation. Garrison Investment Group confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Harrison Street Real Estate Partners V, L.P. – NM PERA committed $45 million to Harrison Street Real Estate Partners V, L.P. a 2014 vintage year in the Real Estate allocation. Harrison Street confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Paine & Partners Capital Fund IV, L.P. – NM PERA committed $45 million to Paine & Partners Capital Fund IV, L.P. a 2014 vintage year in the Real Assets allocation. Paine & Partners confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Kelso Investments Associates IX – NM PERA committed $60 million to Kelso Investment Associates IX a 2014 vintage year in the Private Equity allocation. Kelso disclosed that TransPacific Group LLC and TransPacific Group (Asia) Ltd will act as a placement agent in relation to the targeted marketing of limited partner interests in KIA IX to certain specified prospective investors in East Asia and Hong Kong & China respectively. Kelso was introduced to Mark Mason, the founder of the TransPacific companies, by a former executive of a limited partner. KTB Investment & Securities Co., Ltd. is the sub-agent in Korea. The placement agent fee is 100% offset to management fees.

KKR Global Infrastructure Fund II – NM PERA committed $50 million KKR Global Infrastructure Fund a 2014 vintage year in the Real Assets allocation. KKR confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Natural Gas Partners XI – NM PERA committed $50 million to Natural Gas Partners XI a 2014 vintage year in the Real Assets allocation. NGP confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

Starwood Global Opportunity X – NM PERA committed $60 million to Starwood Global Opportunity X a 2014 vintage year for the Real Estate allocation. Starwood confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

EnCap Flatrock Midstream Energy III – NM PERA committed $30 million to EnCap Flatrock III a 2014 vintage year for the Real Asset allocation. EnCap disclosed that no placement agent or third-party marketer was used.

Harvest MLP – NM PERA committed $140 million a 2014 vintage year in the Real Assets allocation. Harvest disclosed that no placement agent or third-party marketer was used.

DRC European Real Estate Debt Fund II – NM PERA committed £26 million to DRC a 2013 vintage year fund in the Real Estate allocation. DRC engaged EverCore Private Funds Group for the marketing of ERED II in North America. The GP pays up to 2% on amounts raised by Evercore payable in installments over 3 years, or up to 520,000 on PERA’s £26 million commitment. The GP pays the placement fee.

Onex Partners IV, LP – NM PERA committed $45 million to Onex IV a 2013 vintage year fund in the US buyout allocation. Onex engage Credit Suisse for the marketing of Fund IV. Onex pays a flat fee. The GP pays the placement fee.

Blackstone Real Estate Partners VII – NM PERA committed $35 million to Blackstone VII a 2012 vintage year fund in the Real Estate allocation. Blackstone engaged Park Hill Group LLC for the marketing of BREP VII. Although Blackstone engaged Park Hill in connection for certain clients, Park Hill was not used in connection with PERA's commitment, thus PERA did not pay any placement fees.

Gilde Buyout Fund IV – NM PERA committed €15 million Euro to Gilde IV a 2011 vintage year fund in the non-US buyout allocation. Gilde engaged MVision for the marketing of Fund IV. Gilde pays a 0.35% fee on aggregate commitments, or €52,500 on PERA's €15 million commitment. The GP pays the placement fee.

Selene Residential Mortgage Opportunity Fund II – NM PERA committed $20 million to Selene II a 2011 vintage year fund in the Real Estate allocation. Selene engaged Capstone Partners for the marketing of Fund II. Selene pays a 1% fee, or $200,000 on PERA's $20 million commitment. The fee is offset by the management fee.

Blackstone Real Estate Partners Europe III – NM PERA committed $25 million to BREP Europe III a 2008 vintage year fund in the Real Estate allocation. Blackstone engaged Park Hill Group LLC for the marketing of BREP Europe III. BREP's agreement is to pay Park Hill 1% on aggregate commitments, or $250,000 on PERA's $25 million commitment.

Onex Partners III – NM PERA committed $25 million to Onex III a 2008 vintage year fund in the Private Equity buyout allocation. Onex engaged Credit Suisse for the marketing of Fund III. The approximate fee paid on PERA's $25 million commitment was $325,000.

Selene Residential Mortgage Opportunity Fund I – NM PERA committed $30 million to Selene I, a 2008 vintage year fund in the Real Estate allocation. Selene engaged Capstone Partners for the marketing of Fund II. Selene pays a 1% fee, or $300,000 on PERA's $30 million commitment. The fee is offset by the management fee.

Jordan Resolute Fund II – NM PERA committed $25 million to Jordan Resolute II a 2007 vintage year fund in the Private Equity buyout allocation. Jordan engaged Credit Suisse for the marketing of Fund II. Jordan pays Credit Suisse 0.5%, or $113,354 on PERA's $25 million commitment.

Kelso Investment Associates VIII, L.P. – NM PERA committed $30 million to Kelso III a 2007 vintage year fund in the Private Equity buyout allocation. Kelso engaged Credit Suisse for the marketing of Fund VIII. Kelso pays Credit Suisse 0.143%, or $43,045 on PERA's $30 million commitment.

Wayzata Opportunities Fund II, L.P. – NM PERA committed $30 million to Wayzata II a 2007 vintage year fund in the distressed private equity allocation. Wayzata engaged Park Hill Group LLC for the marketing of Fund II. Wayzata pays a fee of 0.35% on aggregate commitments, or $105,000 on PERA's $30 million commitment. Wayzata II is now classified as an Illiquid Credit manager.

Cerberus Institutional Partners Series IV, L.P. – NM PERA committed $25 million to Cerberus IV a 2006 vintage year fund in the distressed Private Equity allocation. Cerberus engaged Monument Group for the marketing of Fund IV.

Coller International Partners V, L.P. – NM PERA committed $25 million to Coller V a 2006 vintage year fund in the Private Equity portfolio. Coller engaged Credit Suisse for the marketing of Fund V.

Glossary

Allocation Effect: An attribution effect that describes the amount attributable to the managers' asset allocation decisions, relative to the benchmark.

Alpha: The excess return of a portfolio after adjusting for market risk. This excess return is attributable to the selection skill of the portfolio manager. Alpha is calculated as: Portfolio Return [Risk free Rate + Portfolio Beta x (Market Return Risk free Rate)].

Benchmark R squared: Measures how well the Benchmark return series fits the manager's return series. The higher the Benchmark R squared, the more appropriate the benchmark is for the manager.

Beta: A measure of systematic, or market risk; the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

Book to Market: The ratio of book value per share to market price per share. Growth managers typically have low book to market ratios while value managers typically have high book to market ratios.

Capture Ratio: A statistical measure of an investment manager's overall performance in up or down markets. The capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen (up market) or fallen (down market). The capture ratio is calculated by dividing the manager's returns by the returns of the index during the up/down market, and multiplying that factor by 100.

Correlation: A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of 1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help maximize the benefits of diversification when constructing an investment portfolio.

Excess Return: A measure of the difference in appreciation or depreciation in the price of an investment compared to its benchmark, over a given time period. This is usually expressed as a percentage and may be annualized over a number of years or represent a single period.

Information Ratio: A measure of a manager's ability to earn excess return without incurring additional risk. Information ratio is calculated as: excess return divided by tracking error.

Interaction Effect: An attribution effect that describes the portion of active management that is contributable to the cross interaction between the allocation and selection effect. This can also be explained as an effect that cannot be easily traced to a source.

Portfolio Turnover: The percentage of a portfolio that is sold and replaced (turned over) during a given time period. Low portfolio turnover is indicative of a buy and hold strategy while high portfolio turnover implies a more active form of management.

Price to Earnings Ratio (P/E): Also called the earnings multiplier, it is calculated by dividing the price of a company's stock into earnings per share. Growth managers typically hold stocks with high price to earnings ratios whereas value managers hold stocks with low price to earnings ratios.

R Squared: Also called the coefficient of determination, it measures the amount of variation in one variable explained by variations in another, i.e., the goodness of fit to a benchmark. In the case of investments, the term is used to explain the amount of variation in a security or portfolio explained by movements in the market or the portfolio's benchmark.

Selection Effect: An attribution effect that describes the amount attributable to the managers' stock selection decisions, relative to the benchmark.

Sharpe Ratio: A measure of portfolio efficiency. The Sharpe Ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the Sharpe Ratio, the more efficient the portfolio. Sharpe ratio is calculated as: Portfolio Excess Return / Portfolio Standard Deviation.

Sortino Ratio: Measures the risk adjusted return of an investment, portfolio, or strategy. It is a modification of the Sharpe Ratio, but penalizes only those returns falling below a specified benchmark. The Sortino Ratio uses downside deviation in the denominator rather than standard deviation, like the Sharpe Ratio.

Standard Deviation: A measure of volatility, or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in the series differ from the arithmetic mean of the series. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

Style Analysis: A return based analysis designed to identify combinations of passive investments to closely replicate the performance of funds

Style Map: A specialized form or scatter plot chart typically used to show where a Manager lies in relation to a set of style indices on a two dimensional plane. This is simply a way of viewing the asset loadings in a different context. The coordinates are calculated by rescaling the asset loadings to range from 1 to 1 on each axis and are dependent on the Style Indices comprising the Map.

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Verus receives universe data from InvMetrics, eVestment Alliance, and Morningstar. We believe this data to be robust and appropriate for peer comparison. Nevertheless, these universes may not be comprehensive of all peer investors/managers but rather of the investors/managers that comprise that database. The resulting universe composition is not static and will change over time. Returns are annualized when they cover more than one year. Investment managers may revise their data after report distribution. Verus will make the appropriate correction to the client account but may or may not disclose the change to the client based on the materiality of the change.

Aksia

Public Employees Retirement Association of New Mexico

Illiquid Credit Private Markets Performance Review
2Q 2023

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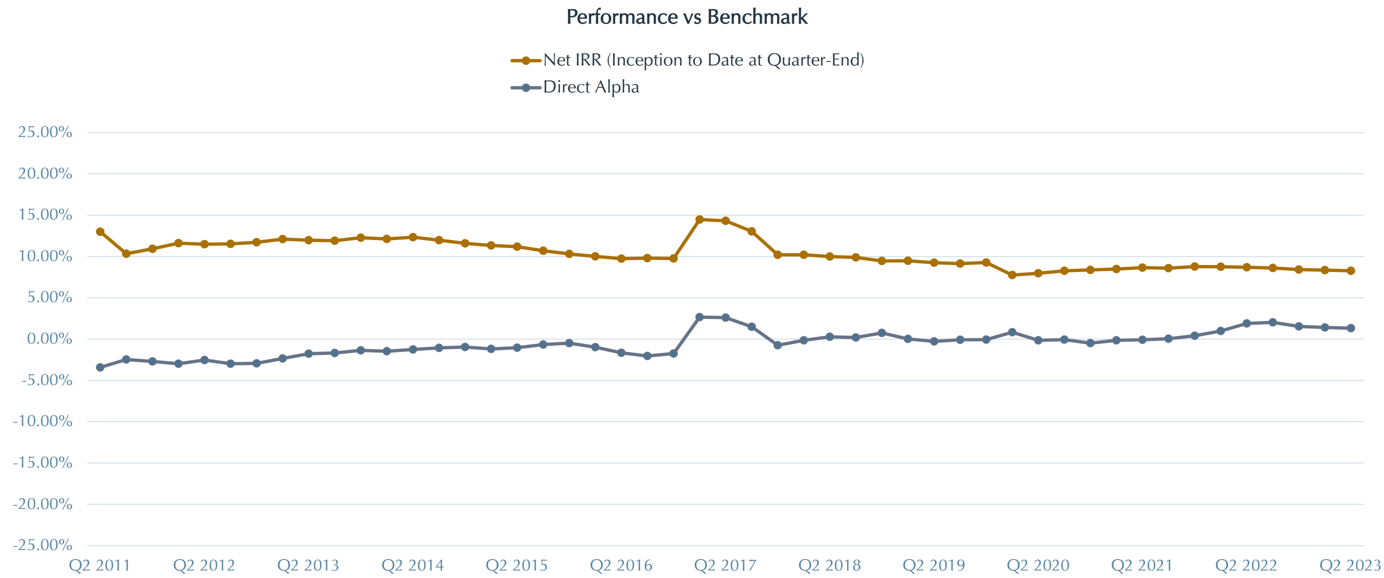
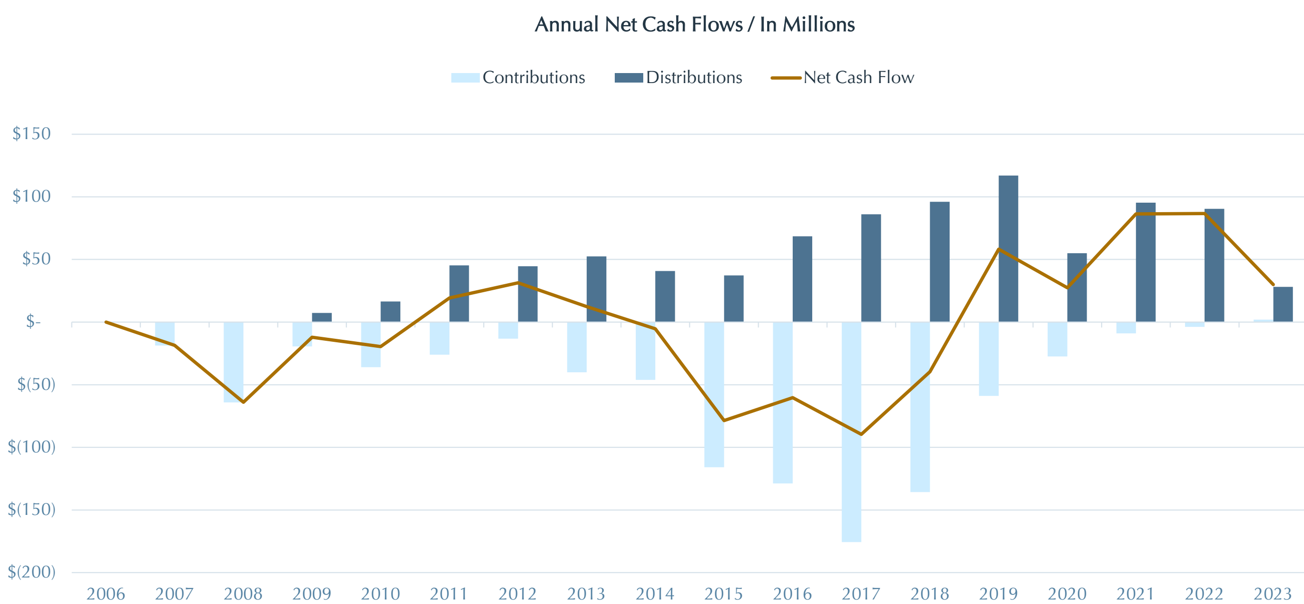
Funding Status & Performance Overview



Direct Alpha is based on Bloomberg Global High Yield TR Hedged Index. The Bloomberg Global High Yield TR Hedged Index is a multi-currency flagship measure of the global high yield debt market. The index represents the union of US High Yield , the Pan-European High Yield and Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive.



Portfolio Company Exposure

As of June 30, 2023

Geography	% FMV
North America	66.1%
Europe	31.7%
Global/Other	2.0%
Asia & Pacific	0.1%
South/Latin America	0.1%
Africa	0.0%

Industry	% FMV
Financials	19.5%
Information Technology	0.0%
Health Care	3.9%
Industrials	0.3%
Consumer Discretionary	0.7%
Materials	0.0%
Consumer Staples	0.1%
Communication Services	0.0%
Real Estate	42.2%
Energy	0.9%
Utilities	0.0%
Other	32.3%

Note: Geography and Industry exposure is based on the fair market value of the underlying companies

Approximately 98.0% of the "Other" Industry is allocated to REITs.

Summary as of June 30, 2023

In USD

Summary by Asset Class

Asset Class		Total Commitment Amount	Contribution	Unfunded Commitment	% of Commitment Funded	Distribution	Net Asset Value	Net Asset Value Weight	Net IRR	Direct Alpha [1]	DPI	Net TVPI	Exposure
Total	**16**	**770,531,355**	**919,575,747**	**66,376,568**	**94.2%**	**881,070,741**	**336,708,471**	**100%**	**8.3%**	**1.3%**	**1.0x**	**1.3x**	**403,085,039**
Distressed Debt & Special Situations	9	300,000,000	281,939,325	24,822,887	91.7%	357,297,527	39,517,089	11.7%	9.1%	-0.5%	1.3x	1.4x	64,339,976
Real Estate Credit	5	362,941,355	501,442,365	32,629,634	96.9%	357,503,040	281,737,959	83.7%	6.9%	2.5%	0.7x	1.3x	314,367,592
Specialty Finance	2	107,590,000	136,194,057	8,924,047	91.7%	166,270,174	15,453,423	4.6%	11.0%	4.7%	1.2x	1.3x	24,377,470

Summary by Strategy

Strategy		Total Commitment Amount	Contribution	Unfunded Commitment	% of Commitment Funded	Distribution	Net Asset Value	Net Asset Value Weight	Net IRR	Direct Alpha [1]	DPI	Net TVPI	Exposure
Total	**16**	**770,531,355**	**919,575,747**	**66,376,568**	**94.2%**	**881,070,741**	**336,708,471**	**100%**	**8.3%**	**1.3%**	**1.0x**	**1.3x**	**403,085,039**
Corporate Distressed	4	170,000,000	155,513,286	4,716,187	97.2%	189,075,439	24,542,531	7.3%	8.0%	-1.1%	1.2x	1.4x	29,258,718
Diversified Specialty Finance	1	50,000,000	62,498,073	4,908,051	90.2%	86,342,294	3,403,395	1.0%	13.4%	6.7%	1.4x	1.4x	8,311,446
European CRE Lending	3	162,941,355	219,184,345	28,649,479	95.5%	186,491,864	85,307,193	25.3%	5.7%	2.3%	0.9x	1.2x	113,956,671
Healthcare Lending & Royalties	1	57,590,000	73,695,983	4,015,996	93.0%	79,927,880	12,050,028	3.6%	8.7%	2.9%	1.1x	1.2x	16,066,024
PC Special Situations	5	130,000,000	126,426,039	20,106,700	84.5%	168,222,088	14,974,558	4.4%	10.5%	0.2%	1.3x	1.4x	35,081,258
Residential Mortgages	1	150,000,000	207,720,133	-	100.0%	121,642,226	158,901,598	47.2%	9.4%	3.5%	0.6x	1.4x	158,901,598
U.S. CRE Bridge Lending	1	50,000,000	74,537,887	3,980,155	92.0%	49,368,950	37,529,168	11.1%	4.2%	-0.4%	0.7x	1.2x	41,509,323

Summary by Vintage Year

Vintage Year		Total Commitment Amount	Contribution	Unfunded Commitment	% of Commitment Funded	Distribution	Net Asset Value	Net Asset Value Weight	Net IRR	Direct Alpha [1]	DPI	Net TVPI	Exposure
Total	**16**	**770,531,355**	**919,575,747**	**66,376,568**	**94.2%**	**881,070,741**	**336,708,471**	**100%**	**8.3%**	**1.3%**	**1.0x**	**1.3x**	**403,085,039**
2006	1	25,000,000	23,086,072	559,673	97.8%	42,491,387	340,246	0.1%	9.2%	-1.0%	1.8x	1.9x	899,919
2007	1	45,000,000	49,967,510	-	100.0%	87,405,575	119,135	0.0%	13.6%	0.8%	1.7x	1.8x	119,135
2008	1	30,000,000	27,000,000	1,500,000	95.0%	46,747,656	11,856	0.0%	16.5%	-1.2%	1.7x	1.7x	1,511,856
2009	1	50,000,000	52,938,763	-	100.0%	67,196,643	52,869	0.0%	8.4%	-2.8%	1.3x	1.3x	52,869
2010	1	20,000,000	19,343,486	656,515	96.7%	25,879,206	217,368	0.1%	7.1%	1.1%	1.3x	1.3x	873,883
2011	1	40,000,000	42,551,674	5,247,415	86.9%	53,409,560	6,381,271	1.9%	8.0%	1.6%	1.3x	1.4x	11,628,686
2013	2	44,440,955	65,334,048	6,636,542	100.0%	60,672,172	5,024,616	1.5%	0.2%	-5.9%	0.9x	1.0x	11,661,158
2014	3	162,590,000	181,381,240	17,375,281	89.3%	172,403,997	39,939,762	11.9%	4.7%	-0.2%	1.0x	1.2x	57,315,043
2015	2	100,000,000	137,035,960	8,888,206	91.1%	135,711,244	40,932,563	12.2%	8.0%	2.5%	1.0x	1.3x	49,820,769
2016	1	63,500,400	82,066,656	25,512,937	79.5%	55,164,285	41,771,355	12.4%	4.6%	1.7%	0.7x	1.2x	67,284,292
2017	2	190,000,000	238,870,338	-	100.0%	133,989,018	201,917,430	60.0%	9.0%	6.1%	0.6x	1.4x	201,917,430

Summary by Fund Structure

Fund Structure		Total Commitment Amount	Contribution	Unfunded Commitment	% of Commitment Funded	Distribution	Net Asset Value	Net Asset Value Weight	Net IRR	Direct Alpha [1]	DPI	Net TVPI	Exposure
Total	**16**	**770,531,355**	**919,575,747**	**66,376,568**	**94.2%**	**881,070,741**	**336,708,471**	**100%**	**8.3%**	**1.3%**	**1.0x**	**1.3x**	**403,085,039**
Commingled Fund	16	770,531,355	919,575,747	66,376,568	94.2%	881,070,741	336,708,471	100.0%	8.3%	1.3%	1.0x	1.3x	403,085,039

[1]Direct Alpha is based on Bloomberg Global High Yield TR Hedged Index. The Bloomberg Global High Yield TR Hedged Index is a multi-currency flagship measure of the global high yield debt market. The index represents the union of US High Yield , the Pan-European High Yield and Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive.

Year to Date Through June 30, 2023

Investment	Total Commitment Amount	Initial Commitment Date	Sector	Strategy
Total	$ -			

Note: No commitments were made in 2023

Inflows and Outflows

In USD

Year to Date Through June 30, 2023

Asset Class	# of Funds	Contribution	Distribution	Net Cash Flows
Total	**16**	**(1,913,213)**	**28,095,125**	**30,008,338**
Distressed Debt & Special Situations	9	39,871	9,888,422	9,848,551
Real Estate Credit	5	(2,315,488)	9,901,798	12,217,286
Specialty Finance	2	362,404	8,304,905	7,942,501

2Q 2023

Asset Class	# of Funds	Contribution	Distribution	Net Cash Flows
Total	**16**	**303,197**	**14,043,179**	**13,739,982**
Distressed Debt & Special Situations	9	39,871	1,840,326	1,800,455
Real Estate Credit	5	(29,834)	4,828,121	4,857,954
Specialty Finance	2	293,160	7,374,732	7,081,573

Funding Status

As of June 30, 2023 / In USD[1]

Investment	Vintage Year	Initial Commitment Date	Local Currency	Fund Size - Local Currency [1]	Total Commitment Amount	Contribution	Distribution	Unfunded Commitment	% of Commitment Funded	Net Asset Value	NAV Date
Total					**770,531,355**	**919,575,747**	**881,070,741**	**66,376,568**	**94.2%**	**336,708,471**	
Distressed Debt & Special Situations					**300,000,000**	**281,939,325**	**357,297,527**	**24,822,887**	**91.7%**	**39,517,089**	
Cerberus Institutional Partners - Series Four	2006	12/19/2006	USD	10,720,898,350	25,000,000	23,086,072	42,491,387	559,673	97.8%	340,246	Jun 23
Garrison Opportunity Fund IV	2014	11/24/2014	USD	365,000,000	60,000,000	60,946,533	40,624,029	0	100.0%	19,480,307	Jun 23
H.I.G. Bayside Loan Opportunity Fund II	2010	05/28/2010	USD	1,100,000,000	20,000,000	19,343,486	25,879,206	656,515	96.7%	217,368	Jun 23
OCM European Principal Fund III	2011	07/07/2011	USD	3,167,000,000	20,000,000	17,686,000	19,768,019	5,247,415	73.8%	6,381,271	Jun 23
OCM Opportunities Fund VII	2007	07/18/2007	USD	3,598,373,000	15,000,000	15,001,315	20,552,753	0	100.0%	119,135	Jun 23
OCM Opportunities Fund VII-B	2008	07/18/2007	USD	10,940,252,000	30,000,000	27,000,000	46,747,656	1,500,000	95.0%	11,856	Jun 23
OCM Opportunities Fund VIII	2009	10/21/2009	USD	4,500,000,000	20,000,000	20,000,000	29,301,574	0	100.0%	52,869	Jun 23
TPG Opportunities Partners III	2014	01/02/2014	USD	3,373,340,000	45,000,000	46,738,724	51,852,087	13,359,285	70.3%	8,409,427	Jun 23
Wayzata Opportunities Fund II	2007	11/02/2007	USD	3,031,500,000	30,000,000	34,966,195	66,852,822	0	100.0%	0	Jul 22
Wayzata Opportunities Fund III	2013	06/29/2012	USD	2,716,000,000	35,000,000	17,171,000	13,227,995	3,500,000	90.0%	4,504,610	Jun 23
Real Estate Credit					**362,941,355**	**501,442,365**	**357,503,040**	**32,629,634**	**96.9%**	**281,737,959**	
Cerberus Residential Opportunity Fund	2017	07/01/2017	USD	151,000,000	100,000,000	149,915,696	50,105,616	0	100.0%	158,901,598	Jun 23
Cheyne Real Estate Credit (CRECH) Fund V	2017	12/01/2016	USD	755,460,000	90,000,000	88,954,641	83,883,403	0	100.0%	43,015,832	Jun 23
European Real Estate Debt Fund II	2013	07/18/2013	GBP	487,000,000	9,440,955	48,163,048	47,444,177	3,136,542	100.0%	520,006	Mar 23
European Real Estate Debt Fund III	2016	07/15/2016	GBP	1,300,000,000	63,500,400	82,066,656	55,164,285	25,512,937	79.5%	41,771,355	Jun 23
Madison Realty Capital Debt Fund III	2015	11/06/2015	USD	695,000,000	50,000,000	74,537,887	49,368,950	3,980,155	92.0%	37,529,168	Jun 23
Selene Residential Mortgage Opportunities Fund	2009	09/16/2008	USD	826,000,000	30,000,000	32,938,763	37,895,069	0	100.0%	0	Dec 17
Selene Residential Mortgage Opportunities Fund II	2011	06/09/2011	USD	625,000,000	20,000,000	24,865,674	33,641,541	0	100.0%	0	Dec 22
Specialty Finance					**107,590,000**	**136,194,057**	**166,270,174**	**8,924,047**	**91.7%**	**15,453,423**	
Atalaya Special Opportunities Fund VI	2015	07/21/2015	USD	773,350,000	50,000,000	62,498,073	86,342,294	4,908,051	90.2%	3,403,395	Jun 23
Athyrium Opportunities Fund II	2014	05/07/2015	USD	1,227,250,000	57,590,000	73,695,983	79,927,880	4,015,996	93.0%	12,050,028	Jun 23

[1] *Fund Size is reported in the fund currency (local currency).*

Performance Summary

As of June 30, 2023 / In USD

Investment	Vintage	Annualized Net IRR [1]	IRR Quartile	Direct Alpha [2]	DPI	DPI Quartile	Net TVPI	TVPI Quartile
Total		8.3%		1.3%	1.0x		1.3x	
Distressed Debt & Special Situations		9.1%		-0.5%	1.3x		1.4x	
Cerberus Institutional Partners - Series Four	2006	9.2%	2nd	-1.0%	1.8x	1st	1.9x	2nd
Garrison Opportunity Fund IV	2014	-0.3%	4th	-4.6%	0.7x	3rd	1.0x	4th
H.I.G. Bayside Loan Opportunity Fund II	2010	7.1%	4th	1.1%	1.3x	3rd	1.3x	4th
OCM European Principal Fund III	2011	6.7%	n.a.	1.3%	1.1x	n.a.	1.5x	n.a.
OCM Opportunities Fund VII	2007	7.3%	3rd	-2.8%	1.4x	2nd	1.4x	3rd
OCM Opportunities Fund VII-B	2008	16.5%	1st	-1.2%	1.7x	2nd	1.7x	3rd
OCM Opportunities Fund VIII	2009	9.1%	3rd	0.1%	1.5x	1st	1.5x	3rd
TPG Opportunities Partners III	2014	9.4%	2nd	4.2%	1.1x	2nd	1.3x	4th
Wayzata Opportunities Fund II	2007	16.6%	n.a.	2.2%	1.9x	n.a.	1.9x	n.a.
Wayzata Opportunities Fund III	2013	0.7%	n.a.	-4.2%	0.8x	n.a.	1.0x	n.a.
Real Estate Credit		6.9%		2.5%	0.7x		1.3x	
Cerberus Residential Opportunity Fund	2017	9.9%	2nd	6.8%	0.3x	3rd	1.4x	2nd
Cheyne Real Estate Credit (CRECH) Fund V	2017	8.0%	1st	5.3%	0.9x	1st	1.4x	1st
European Real Estate Debt Fund II	2013	-0.2%	4th	-7.2%	1.0x	2nd	1.0x	4th
European Real Estate Debt Fund III	2016	4.6%	4th	1.7%	0.7x	3rd	1.2x	3rd
Madison Realty Capital Debt Fund III	2015	4.2%	4th	-0.4%	0.7x	4th	1.2x	4th
Selene Residential Mortgage Opportunities Fund	2009	7.5%	n.a.	-6.5%	1.2x	n.a.	1.2x	n.a.
Selene Residential Mortgage Opportunities Fund II	2011	9.6%	4th	2.1%	1.4x	3rd	1.4x	4th
Specialty Finance		11.0%		4.7%	1.2x		1.3x	
Atalaya Special Opportunities Fund VI	2015	13.4%	n.a.	6.7%	1.4x	n.a.	1.4x	n.a.
Athyrium Opportunities Fund II	2014	8.7%	n.a.	2.9%	1.1x	n.a.	1.2x	n.a.

[1] *IRRs of investments held less than 12 months generally are not meaningful and are therefore labeled "n.m."*

[2] *Direct Alpha is based on Bloomberg Global High Yield TR Hedged Index. The Bloomberg Global High Yield TR Hedged Index is a multi-currency flagship measure of the global high yield debt market. The index represents the union of US High Yield , the Pan-European High Yield and Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive.*

Top 10 Relationships By Exposure

As of June 30, 2023 / In USD

Fund Manager	Exposure	% Exposure
Total Portfolio	**403,085,039**	**100%**
Top 10 Relationships	**402,211,156**	**99.8%**
Cerberus Capital Management LP	159,801,517	39.6%
DRC Capital LLP	70,940,840	17.6%
Cheyne Capital Management	43,015,832	10.7%
Madison Realty Capital	41,509,323	10.3%
Sixth Street Advisers LLC	21,768,712	5.4%
Garrison Investment Group LP	19,480,307	4.8%
Athyrium Capital Management LP	16,066,024	4.0%
Oaktree Capital Management LP	13,312,546	3.3%
Atalaya Capital Management LP	8,311,446	2.1%
Wayzata Investment Partners	8,004,610	2.0%

Definitions

Activity

Fund Size

Total commitments of the general partner and limited partnerships of a fund. While a fund is in market, this amount can change from one quarter to the next until the final close has occurred.

Commitment

US dollar amount committed or US dollar equivalent of the foreign commitment of a limited partner to a fund on the date the commitment closed.

Contributions

Amounts wired to the fund manager to cover investments, management fees, expenses and interest owed to limited partners who entered the fund at an earlier date, reduced by return of excess capital (which is defined as returned funds previously drawn by the fund that were not used for investment purposes).

Recallable Capital

Capital that can be “recycled” by the general partner, increasing the unfunded or remaining commitment.

Distributions

Amounts received from the fund managers including but not limited to return of cost, capital gains, dividends, interest income, and interest from limited partners who enter the fund at a later date.

NAV

The current value of the portfolio provided by the general partner. For any period where market value is not provided, value is estimated based on the last provided value, adjusted for subsequent cash flows net of fees.

Unfunded Commitments

Unfunded commitments are amounts that the fund manager may call down as of the period end date and calculated based on the original commitment, minus cash contributions, plus return of excess and recallable return of capital. Certain funds have management fees in addition to commitments and those would therefore not be included. Certain funds are denominated in a foreign currency and the unfunded amount is calculated in the foreign currency through the period end and then converted to U.S. dollars using the foreign exchange rate on the reporting date.

Exposure

Exposure = Market Value + Unfunded Commitments

Vintage Year

The year of the earlier of management fee accrual or the fund’s first cash flow.

Performance

Internal Rate of Return (“IRR”) / Annualized Net IRR

The dollar-weighted rate of return, also known as "Internal Rate of Return" or simply "IRR" is used to determine the annualized rate of return on an investment. The IRR is defined as the discount rate that makes the present value of a series of cash flows equal to zero. In equation form, this equals:

$$0 = CashFlow_0 + \frac{CashFlow_1}{(1+IRR)^1} + \frac{CashFlow_2}{(1+IRR)^2} + \frac{CashFlow_3}{(1+IRR)^3} + \cdots \frac{CashFlow_n}{(1+IRR)^n}$$

The amount and timing of cash flows have a material impact on the IRR. This rate is an effective measure of the rate of growth in investment value, giving full weight to the impact of cash flows on the asset’s value. The IRR takes into account the timing of an investment’s cash flows. The gross IRR considers only the cash flows of the underlying investments. The net IRR includes the fund manager’s fees, expenses and carry and is calculated using daily cash flows and the market value presented in the report. The IRRs reported in this report are Net IRRs. Calculating a fund’s IRR since inception, given the long-term nature of private equity investments (generally twelve to fourteen years), is one of the most appropriate means of measurement.

Definitions

Distributed to Paid-In Multiple ("DPI")
Distributions / Contributions
Reflects the realized value compared to the total capital invested. This measurement is a simplified means of measuring the realized value compared of the total invested capital in the fund, without consideration for time.

Total Value to Paid-In Multiple ("TVPI")
(Market Value + Distributions) / Contributions
The TVPI is a metric used to assess performance of a fund and may be considered the net counterpart to MOIC. Similar to MOIC, TVPI reflects the total capital generated compared to the total capital invested. This measurement is a simplified means of measuring the value created by a fund, without consideration for time. The calculation is net of fees and expenses. Unlike MOIC, which can be calculated for both individual portfolio companies and the total fund, TVPI can only be calculated for an aggregated fund.

Peer Benchmark

Direct Alpha is one of the methods for evaluating private equity performance. In this method, all private equity cash flows are compounded by the returns of the reference benchmark to the same single point in time, which when combined with the final NAV, forms a series of future values of net cash flows. By doing this, the impact of any changes in the reference benchmark on the actual private equity cash flows is effectively neutralized. Thus, the resulting net cash flows are not affected by any changes in the reference index but reflect only the sole private equity returns relative to the index returns.

Cambridge Associates ("Cambridge") benchmarks are used for peer comparisons. Each fund is benchmarked as specifically as possible based on vintage year, strategy, geography, and currency. If Cambridge lacks enough data points for a cohort, the fund will fall into the not available or not applicable ("NA") category. In addition, funds will fall into the not meaningful ("NM") category based on the number of years used in the definition of not meaningful which can range from zero to five years depending on varying perspectives. Cambridge Associates benchmarks in this report are the most recent completely published data available and may be delayed by a quarter or more. Portfolio and fund returns measured reflect the same period end as the benchmark data used.

Currency Conversion

If applicable, cash flows are converted to U.S. dollars at the monthly spot conversion rate and subsequently reconciled with the custodial bank to reflect the actual exchange rate. Exchange rates for ending values are obtained from Bloomberg. Fund commitments are converted to U.S. dollars based on the exchange rate on the date of the close.

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Public Employees Retirement Association of New Mexico

Private Equity Private Markets Performance Review
2Q 2023

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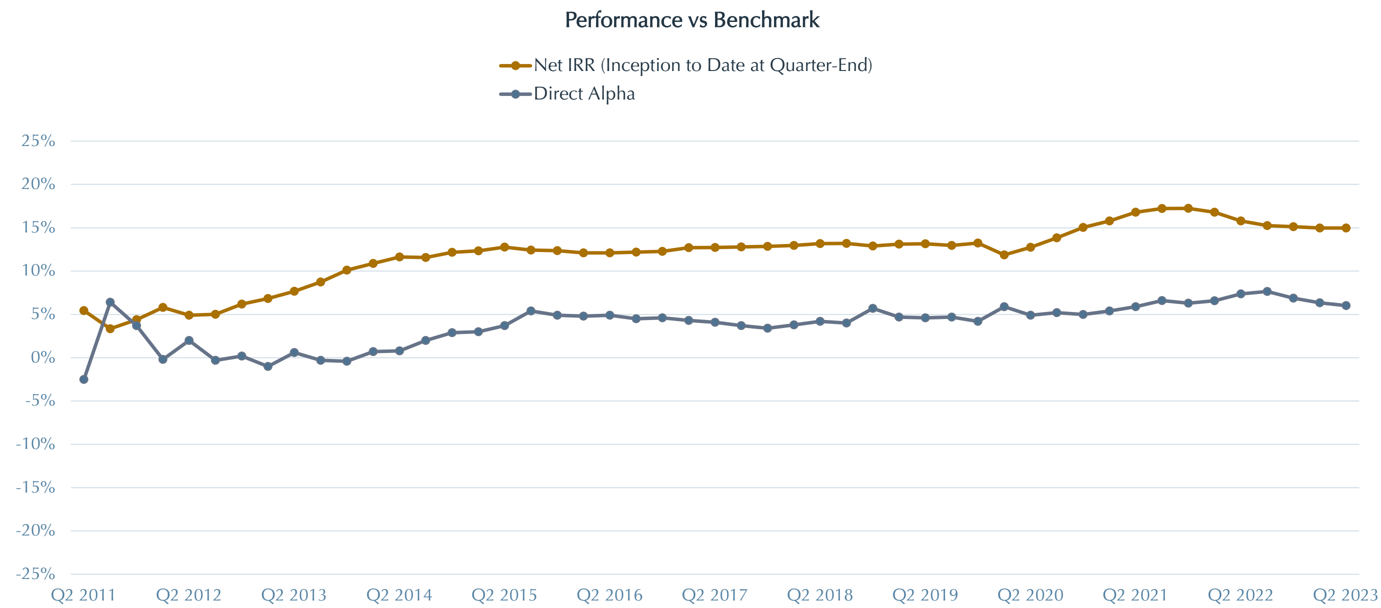
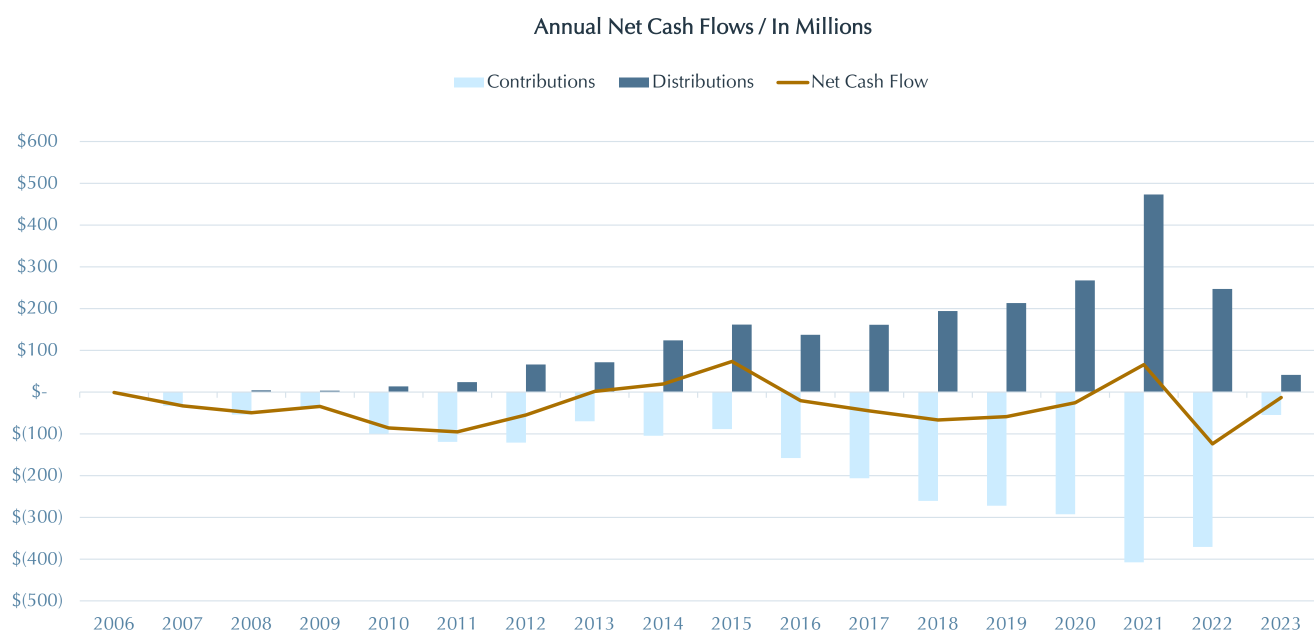
Funding Status & Performance Overview



Direct Alpha is based on MSCI ACWI IMI Index. The MSCI ACWI IMI Index includes stocks in both developed and emerging markets.



Portfolio Company Exposure

As of June 30, 2023

Geography	% FMV
North America	64.1%
Europe	21.1%
Asia Pacific	8.7%
Latin America	4.9%
Africa	0.8%
Global/Other	0.4%

Industry	% FMV
Financials	21.0%
Information Technology	23.8%
Health Care	15.8%
Industrials	18.2%
Consumer Discretionary	8.3%
Materials	3.7%
Consumer Staples	3.9%
Communication Services	1.7%
Real Estate	1.1%
Energy	1.4%
Utilities	0.0%
Other	1.1%

Note: Geography and Industry exposure is based on the fair market value of the underlying companies

Summary as of June 30, 2023

In USD

Summary by Asset Class

Asset Class		Total Commitment Amount	Contribution	Unfunded Commitment	% of Commitment Funded	Distribution	Net Asset Value	Net Asset Value Weight	Net IRR	Direct Alpha [1]	DPI	Net TVPI	Exposure
Total	**77**	**3,619,880,802**	**2,822,655,761**	**1,082,087,850**	**70.5%**	**2,287,024,625**	**2,420,279,679**	**100%**	**15.0%**	**6.0%**	**0.8x**	**1.7x**	**3,502,367,529**
Buyout	58	2,863,918,802	2,204,793,619	929,869,803	68.0%	1,736,092,628	1,796,213,660	74.2%	14.8%	6.0%	0.8x	1.6x	2,726,083,463
Fund of Funds	3	250,000,000	224,127,870	39,171,306	84.3%	124,328,359	227,167,416	9.4%	12.5%	4.0%	0.6x	1.6x	266,338,722
Venture Capital	16	505,962,000	393,734,271	113,046,741	77.7%	426,603,638	396,898,603	16.4%	16.5%	6.8%	1.1x	2.1x	509,945,344

Summary by Strategy

Strategy		Total Commitment Amount	Contribution	Unfunded Commitment	% of Commitment Funded	Distribution	Net Asset Value	Net Asset Value Weight	Net IRR	Direct Alpha [1]	DPI	Net TVPI	Exposure
Total	**77**	**3,619,880,802**	**2,822,655,761**	**1,082,087,850**	**70.5%**	**2,287,024,625**	**2,420,279,679**	**100%**	**15.0%**	**6.0%**	**0.8x**	**1.7x**	**3,502,367,529**
Buyout - Large	28	1,448,720,964	1,087,171,306	486,484,719	66.7%	834,434,019	875,177,327	36.2%	13.3%	5.1%	0.8x	1.6x	1,361,662,045
Buyout - Medium	27	1,320,197,838	1,039,819,378	423,655,325	68.7%	837,366,316	849,040,365	35.1%	16.0%	6.6%	0.8x	1.6x	1,272,695,690
Buyout - Small	3	95,000,000	77,802,936	19,729,759	79.2%	64,292,294	71,995,968	3.0%	23.3%	11.5%	0.8x	1.8x	91,725,727
Secondary	1	25,000,000	19,901,474	250,000	99.0%	27,802,841	7,131	0.0%	7.9%	0.7%	1.4x	1.4x	257,131
Separate Account	2	225,000,000	204,226,396	38,921,306	82.7%	96,525,518	227,160,285	9.4%	14.1%	5.0%	0.5x	1.6x	266,081,591
Venture - Diversified	2	45,000,000	44,560,490	500,000	98.9%	76,581,131	40,792,316	1.7%	16.2%	6.4%	1.7x	2.6x	41,292,316
Venture - Early	5	104,999,600	83,685,654	21,313,946	79.7%	41,206,534	144,568,435	6.0%	16.0%	6.3%	0.5x	2.2x	165,882,381
Venture - Late/Growth	9	355,962,400	265,488,127	91,232,794	74.4%	308,815,973	211,537,852	8.7%	16.7%	7.0%	1.2x	2.0x	302,770,646

Summary by Vintage Year

Vintage Year		Total Commitment Amount	Contribution	Unfunded Commitment	% of Commitment Funded	Distribution	Net Asset Value	Net Asset Value Weight	Net IRR	Direct Alpha [1]	DPI	Net TVPI	Exposure
Total	**77**	**3,619,880,802**	**2,822,655,761**	**1,082,087,850**	**70.5%**	**2,287,024,625**	**2,420,279,679**	**100%**	**15.0%**	**6.0%**	**0.8x**	**1.7x**	**3,502,367,529**
2006	1	46,750,000	40,905,754	250,000	99.5%	67,240,494	7,131	0.0%	10.9%	5.3%	1.6x	1.6x	257,131
2007	7	219,329,032	238,562,560	9,515,740	98.8%	354,476,628	7,260,478	0.3%	8.5%	0.5%	1.5x	1.5x	16,776,218
2008	6	160,831,643	175,937,343	11,971,547	96.1%	349,980,928	7,109,230	0.3%	16.9%	6.9%	2.0x	2.0x	19,080,777
2009	2	45,000,000	47,276,695	-	100.0%	81,301,685	11,641,997	0.5%	13.2%	3.5%	1.7x	2.0x	11,641,997
2010	3	53,905,627	59,078,144	-	100.0%	71,689,045	16,017,950	0.7%	7.1%	-1.5%	1.2x	1.5x	16,017,950
2011	3	88,462,000	82,656,049	1,279,717	98.6%	197,600,072	6,973,141	0.3%	21.3%	9.9%	2.4x	2.5x	8,252,858
2012	1	25,000,000	24,560,490	500,000	98.0%	27,867,222	36,100,483	1.5%	15.4%	6.2%	1.1x	2.6x	36,600,483
2013	3	120,000,000	128,758,706	6,947,440	94.2%	175,935,679	56,531,267	2.3%	14.0%	4.9%	1.4x	1.8x	63,478,707
2014	2	76,000,000	77,727,603	5,807,472	92.4%	105,758,977	63,371,724	2.6%	19.5%	9.7%	1.4x	2.2x	69,179,196
2015	5	363,510,000	362,081,353	24,920,815	92.2%	370,094,593	236,343,331	9.8%	17.0%	6.5%	1.0x	1.7x	261,264,146
2016	4	265,000,000	227,162,416	47,683,259	82.0%	131,917,707	300,946,467	12.4%	17.4%	7.4%	0.6x	1.9x	348,629,726
2017	4	416,950,000	349,853,010	127,946,540	69.9%	139,631,264	430,112,524	17.8%	18.2%	9.2%	0.4x	1.6x	558,059,063
2018	7	325,000,000	309,718,068	52,821,604	83.7%	134,305,192	422,227,367	17.4%	27.6%	16.3%	0.4x	1.8x	475,048,971
2019	2	180,000,000	152,802,142	27,197,858	84.9%	8,244,117	238,461,483	9.9%	19.0%	11.1%	0.1x	1.6x	265,659,341
2020	9	389,532,500	241,477,198	216,633,370	43.9%	67,813,235	229,469,939	9.5%	19.4%	13.2%	0.3x	1.2x	446,103,309
2021	13	490,000,000	263,942,509	234,577,387	52.1%	3,167,786	315,189,116	13.0%	18.1%	14.2%	0.0x	1.2x	549,766,503
2022	2	120,000,000	36,055,721	84,045,101	30.0%	-	38,685,932	1.6%	n.m.	-4.3%	0.0x	1.1x	122,731,033
2023	3	234,610,000	4,100,000	229,990,000	1.7%	-	3,830,120	0.2%	n.m.	-24.9%	0.0x	0.9x	233,820,120

Summary by Fund Structure

Fund Structure		Total Commitment Amount	Contribution	Unfunded Commitment	% of Commitment Funded	Distribution	Net Asset Value	Net Asset Value Weight	Net IRR	Direct Alpha [1]	DPI	Net TVPI	Exposure
Total	**77**	**3,619,880,802**	**2,822,655,761**	**1,082,087,850**	**70.5%**	**2,287,024,625**	**2,420,279,679**	**100%**	**15.0%**	**6.0%**	**0.8x**	**1.7x**	**3,502,367,529**
Co-Investment Fund	2	35,000,000	18,240,913	16,866,276	51.8%	127,667	19,873,095	0.8%	n.m.	2.6%	0.0x	1.1x	36,739,371
Managed Account	3	286,000,000	225,296,017	83,529,215	70.8%	101,054,231	249,511,380	10.3%	14.1%	5.0%	0.4x	1.6x	333,040,595
Primary Fund	72	3,298,880,802	2,579,118,830	981,692,359	70.7%	2,185,842,727	2,150,895,204	88.9%	15.0%	6.1%	0.8x	1.7x	3,132,587,563

[1] *Direct Alpha is based on MSCI ACWI IMI Index. The MSCI ACWI IMI Index includes stocks in both developed and emerging markets.*

Year to Date Through June 30, 2023

Investment	Total Commitment Amount	Initial Commitment Date	Sector	Strategy
Total	**$ 184,610,000**			
CVC Capital Partners IX (A)	$ 109,610,000	6/27/2023	Buyout	Buyout - Large
Hellman & Friedman Capital Partners XI	$ 75,000,000	5/24/2023	Buyout	Buyout - Large

Inflows and Outflows

In USD

Year to Date Through June 30, 2023

Asset Class	# of Funds	Contribution	Distribution	Net Cash Flows
Total	**77**	**125,205,607**	**124,772,165**	**(433,442)**
Buyout	58	108,412,165	101,897,567	(6,514,598)
Fund of Funds	3	2,625,000	9,813,888	7,188,888
Venture Capital	16	14,168,442	13,060,710	(1,107,732)

2Q 2023

Asset Class	# of Funds	Contribution	Distribution	Net Cash Flows
Total	**77**	**54,612,682**	**41,384,431**	**(13,228,251)**
Buyout	58	47,381,400	30,716,538	(16,664,861)
Fund of Funds	3	375,000	4,767,831	4,392,831
Venture Capital	16	6,856,282	5,900,062	(956,220)

Funding Status

As of June 30, 2023 / In USD[1]

Investment	Vintage Year	Initial Commitment Date	Local Currency	Fund Size - Local Currency [1]	Total Commitment Amount	Contribution	Distribution	Unfunded Commitment	% of Commitment Funded	Net Asset Value	NAV Date
Total					**3,619,880,802**	**2,822,655,761**	**2,287,024,625**	**1,082,087,850**	**70.5%**	**2,420,279,679**	
Buyout					**2,863,918,802**	**2,204,793,619**	**1,736,092,628**	**929,869,803**	**68.0%**	**1,796,213,660**	
Altaris Constellation Partners IV	2018	06/30/2017	USD	240,000,000	25,000,000	25,395,527	17,766,863	1,400,919	94.4%	31,226,485	Jun 23
Altaris Health Partners IV	2018	06/30/2017	USD	1,085,000,000	50,000,000	48,979,782	50,014,480	4,501,925	91.0%	45,262,996	Jun 23
Altaris Health Partners V	2021	04/15/2020	USD	2,350,000,000	75,000,000	37,180,765	74,940	37,819,235	49.6%	46,167,325	Jun 23
Carlyle Partners V	2007	07/24/2007	USD	13,719,695,230	30,000,000	31,166,768	55,631,642	1,064,088	96.5%	1,432,656	Jun 23
Carlyle Partners VI	2013	06/14/2013	USD	13,000,000,000	40,000,000	44,420,377	65,411,974	2,123,070	94.7%	18,017,228	Jun 23
Century Focused Fund IV	2015	10/02/2015	USD	341,975,000	30,000,000	32,810,067	16,774,506	861,088	97.1%	36,450,888	Jun 23
Charterhouse Capital Partners IX	2008	12/22/2008	EUR	4,009,600,238	27,290,807	25,037,195	33,724,844	0	92.6%	401,465	Jun 23
Charterhouse Capital Partners X	2015	05/13/2015	EUR	2,266,040,000	113,510,000	97,805,868	108,764,172	12,284,257	86.2%	67,706,454	Jun 23
CVC Capital Partners VII	2017	05/19/2017	EUR	16,400,000,000	108,950,000	109,842,120	39,064,763	9,277,463	93.8%	158,262,453	Jun 23
CVC Capital Partners IX (A)	2023	06/27/2023	EUR	26,000,000,000	109,610,000	0	0	109,090,000	0.0%	0	
CVC European Equity Partners V	2008	04/18/2008	EUR	10,749,472,986	18,540,836	29,180,650	57,507,820	3,086,902	100.0%	577,150	Jun 23
FountainVest China Capital Partners Fund III	2017	09/20/2016	USD	2,152,476,674	83,000,000	85,239,592	27,271,175	13,207,101	84.1%	82,848,466	Jun 23
Gilde Buy-out Fund IV	2010	06/29/2010	EUR	800,000,000	13,905,627	19,078,144	30,637,597	0	100.0%	1,621,022	Jun 23
GTCR Fund X-AB	2011	01/28/2011	USD	3,233,234,250	30,000,000	30,690,980	63,571,423	0	100.0%	0	Jun 23
GTCR Fund XI-AB	2014	11/15/2013	USD	3,941,000,000	31,000,000	30,745,942	67,715,797	2,935,575	90.5%	34,268,143	Jun 23
H&F Arrow 1	2020	08/28/2020	USD	0	0	3,502,497	0	0	0.0%	6,913,361	Jun 23
H&F Spock 1	2018	04/10/2018	USD	603,845,865	0	3,552,630	365,094	0	0.0%	11,407,889	Jun 23
Hellman & Friedman Capital Partners VI	2006	11/20/2006	USD	8,419,000,000	21,750,000	21,004,280	39,437,653	0	100.0%	0	Sep 22
Hellman & Friedman Capital Partners VII	2011	06/19/2009	USD	8,920,500,000	20,000,000	19,140,175	60,106,486	873,553	95.6%	4,358,358	Jun 23
Hellman & Friedman Capital Partners X	2021	05/10/2021	USD	24,400,000,000	50,000,000	36,066,701	85,223	13,933,299	72.1%	38,354,332	Jun 23
Hellman & Friedman Capital Partners XI	2023	05/24/2023	USD	20,800,000,000	75,000,000	0	0	75,000,000	0.0%	0	
Kelso Investment Associates IX	2015	11/05/2014	USD	1,938,000,000	60,000,000	69,092,858	85,457,287	5,662,509	90.6%	34,174,165	Jun 23
Kelso Investment Associates VIII	2007	08/03/2007	USD	4,878,548,782	30,000,000	34,895,769	47,311,935	1,553,141	94.8%	1,232,196	Jun 23
Kelso Investment Associates X	2018	12/21/2018	USD	2,465,000,000	60,000,000	58,474,378	13,866,580	10,053,218	83.2%	96,262,748	Jun 23
Kelso Investment Associates XI	2021	09/29/2021	USD	2,704,227,901	60,000,000	10,081,649	28,397	49,917,079	16.8%	13,965,651	Jun 23
KRG Capital Fund IV	2007	09/21/2007	USD	1,963,824,289	30,000,000	29,685,992	50,260,758	91,103	99.7%	1,252,827	Jun 23
Linsalata Capital Partners Fund VI	2011	10/18/2011	USD	427,000,000	20,000,000	14,450,472	30,741,175	0	100.0%	-29,780	Dec 21
Lincolnshire Equity Fund IV-A	2009	09/12/2008	USD	835,000,000	25,000,000	27,276,695	32,587,776	0	100.0%	6,950,164	Jun 23
Madison Dearborn Capital Partners VI	2008	04/14/2008	USD	4,057,191,548	25,000,000	26,591,692	59,875,981	5,841,737	76.6%	421,438	Jun 23
Madison Dearborn Capital Partners VIII	2020	11/08/2019	USD	5,000,000,000	75,000,000	57,396,832	6,076,111	23,679,279	68.4%	56,978,364	Jun 23
Montagu VI	2020	10/03/2019	EUR	3,314,031,000	98,987,100	75,969,361	29,365,019	53,059,553	47.1%	51,541,073	Jun 23
NMPERA Enchantment Co-Invest	2020	06/08/2020	USD	61,101,000	61,000,000	21,069,621	4,528,713	44,607,909	26.9%	22,351,095	Jun 23
NMPERA White Sands Co-Invest	2021	07/22/2020	USD	20,000,000	20,000,000	15,971,992	194,831	4,096,947	79.5%	20,185,925	Jun 23
Nordic Capital VII Beta	2007	05/11/2008	EUR	4,300,000,000	15,759,711	24,636,160	33,396,333	0	100.0%	0	Jun 21
Onex Partners III	2008	06/16/2008	USD	4,994,792,554	25,000,000	27,446,741	41,158,280	1,933,715	92.3%	4,252,045	Jun 23
Onex Partners IV	2014	12/18/2013	USD	5,924,383,211	45,000,000	46,981,661	38,043,180	2,871,897	93.6%	29,103,581	Jun 23
Onex Partners V	2018	07/11/2017	USD	7,280,347,914	75,000,000	70,269,905	10,739,042	12,271,598	83.6%	78,502,293	Jun 23
Orchid Asia VIII	2021	05/21/2021	USD	1,450,000,000	60,000,000	18,173,200	1,293,356	42,921,836	28.5%	13,513,335	Jun 23
Patria Private Equity Fund VI	2018	04/11/2018	USD	2,558,068,700	50,000,000	33,778,376	292,982	16,489,501	67.0%	45,330,563	Jun 23
Patriot SPV	2021	03/19/2021	USD	1,093,621,625	0	4,401,965	701,839	0	100.0%	7,005,208	Jun 23
PERA 1912 Co-Investment Fund	2021	05/21/2021	USD	15,000,000	15,000,000	2,286,014	127,667	12,821,175	14.5%	1,843,056	Jun 23
PERA MDCP Co-Invest	2022	12/30/2021	USD	20,100,000	20,000,000	15,954,899	0	4,045,101	79.8%	18,030,039	Jun 23
Petershill IV	2020	02/28/2020	USD	5,000,000,000	70,000,000	21,662,353	7,837,218	56,000,000	20.0%	18,085,114	Jun 23
Petershill Private Equity	2017	06/21/2017	USD	2,500,000,000	150,000,000	80,693,017	26,604,614	96,135,929	35.9%	90,720,858	Jun 23
Petroglyph Co-Invest	2020	09/25/2020	EUR	34,100,000	39,545,400	16,575,455	0	20,417,958	41.9%	19,200,538	Jun 23
Providence Equity Partners VI	2007	01/04/2007	USD	12,098,851,025	25,000,000	27,230,522	38,943,999	972,264	96.1%	368,264	Jun 23
RRJ Capital Master Fund III	2015	06/30/2015	USD	4,499,999,900	75,000,000	78,515,416	70,545,404	4,965,461	93.4%	15,489,513	Jun 23
Samson Brunello 1	2021	02/18/2021	USD	253,572,564	0	2,546,878	0	0	100.0%	7,355,060	Jun 23
Samson Hockey 1	2020	12/23/2020	USD	322,686,543	0	3,380,241	1,104,330	0	0.0%	6,446,940	Jun 23
Samson Shield 1	2020	12/23/2020	USD	1,144,098,964	0	11,378,440	2,125,231	0	0.0%	12,378,594	Jun 23
Sun Capital Partners V	2007	04/05/2007	USD	5,000,000,000	16,069,321	17,860,688	17,599,319	590,208	96.3%	1,137,574	Jun 23
Tenex Capital Partners III	2020	07/22/2020	USD	1,200,000,000	45,000,000	30,542,397	16,776,613	18,868,671	58.1%	35,574,860	Jun 23
The Resolute Fund II	2007	01/10/2007	USD	3,576,592,600	25,000,000	27,844,779	40,674,726	0	100.0%	0	Aug 21
The Resolute Fund III	2013	10/11/2013	USD	3,200,000,000	45,000,000	49,338,329	73,297,673	4,824,370	89.3%	21,908,592	Jun 23
The Resolute Fund IV	2018	03/15/2018	USD	3,630,038,546	65,000,000	69,267,470	41,260,151	8,104,443	87.5%	114,234,393	Jun 23
The Resolute Fund V	2021	07/31/2020	USD	4,954,000,000	75,000,000	67,295,961	650,261	8,005,200	89.3%	99,677,493	Jun 23
TPG Asia V	2007	06/25/2007	USD	3,841,293,165	30,000,000	27,519,572	38,954,310	5,244,936	82.5%	1,807,396	Jun 23
TPG Partners VI	2008	02/19/2008	USD	18,872,503,261	30,000,000	33,125,739	48,909,110	549,193	98.2%	432,091	Jun 23
Trident Capital IX	2021	09/17/2021	USD	9,090,000,000	50,000,000	16,314,603	0	33,685,397	32.6%	15,677,397	Jun 23
Warburg Pincus Global Growth	2019	11/20/2018	USD	14,084,985,000	115,000,000	104,017,500	2,282,750	10,982,500	90.5%	144,398,121	Jun 23
Warburg Pincus Global Growth 14	2022	05/03/2022	USD	17,300,000,000	100,000,000	20,100,822	0	80,000,000	20.0%	20,655,893	Jun 23
Warburg Pincus Private Equity XII	2015	11/19/2015	USD	13,386,700,000	85,000,000	83,857,145	88,553,225	1,147,500	98.7%	82,522,311	Jun 23
Fund of Funds					**250,000,000**	**224,127,870**	**124,328,359**	**39,171,306**	**84.3%**	**227,167,416**	
Coller International Partners V	2006	12/01/2006	USD	4,775,000,000	25,000,000	19,901,474	27,802,841	250,000	99.0%	7,131	Jun 23
NM PERA PineBridge Passport Fund I	2016	04/20/2016	USD	150,037,500	150,000,000	130,148,115	49,834,806	29,595,259	80.3%	128,879,539	Jun 23
RCP Small and Emerging Parallel Fund	2017	02/03/2017	USD	75,000,000	75,000,000	74,078,281	46,690,712	9,326,047	87.6%	98,280,746	Jun 23
Venture Capital					**505,962,000**	**393,734,271**	**426,603,638**	**113,046,741**	**77.7%**	**396,898,603**	
Draper Fisher Jurvetson Fund X	2010	06/28/2010	USD	316,944,444	20,000,000	20,000,000	11,019,949	0	100.0%	12,515,183	Jun 23
General Catalyst Group XI - Creation	2021	10/29/2021	USD	838,914,043	14,999,950	5,238,859	0	9,761,091	34.9%	5,556,856	Jun 23
General Catalyst Group XI - Endurance	2021	10/29/2021	USD	2,796,380,080	50,000,400	35,252,128	9,058	14,748,272	70.5%	33,695,727	Jun 23
General Catalyst Group XI - Ignition	2021	10/29/2021	USD	1,118,552,032	19,999,650	13,131,794	2,214	6,867,856	65.7%	12,191,751	Jun 23
Institutional Venture Partners XIII	2010	06/30/2010	USD	761,421,320	20,000,000	20,000,000	30,031,499	0	100.0%	1,881,745	Jun 23
Institutional Venture Partners XIV	2013	06/14/2012	USD	1,015,228,426	35,000,000	35,000,000	37,226,032	0	100.0%	16,605,447	Jun 23
JMI Equity Fund VI	2007	07/16/2007	USD	600,000,000	17,500,000	17,722,310	31,703,605	0	100.0%	29,565	Jun 23
JMI Equity Fund VII	2011	09/07/2010	USD	875,000,000	18,462,000	18,374,422	43,180,988	406,164	97.8%	2,644,563	Jun 23
JMI Equity Fund XI	2023	04/08/2022	USD	2,400,000,000	50,000,000	4,100,000	0	45,900,000	8.2%	3,830,120	Jun 23
New Enterprise Associates 13	2009	03/31/2009	USD	2,482,505,050	20,000,000	20,000,000	48,713,909	0	100.0%	4,691,833	Jun 23
New Enterprise Associates 14	2012	06/15/2012	USD	2,588,578,683	25,000,000	24,560,490	27,867,222	500,000	98.0%	36,100,483	Jun 23
TCV IX	2016	02/19/2016	USD	2,500,000,000	65,000,000	51,699,301	51,898,530	13,403,000	79.4%	57,762,283	Jun 23
TCV VII	2008	10/31/2007	USD	3,018,438,782	35,000,000	34,555,325	108,804,893	560,000	98.4%	1,025,040	Jun 23
TCV X	2019	08/31/2018	USD	3,160,730,716	65,000,000	48,784,642	5,961,367	16,215,358	75.1%	94,063,362	Jun 23
Threshold Ventures II	2016	02/02/2016	USD	329,000,000	20,000,000	19,590,000	3,039,514	410,000	98.0%	64,751,468	Jun 23
Trinity Ventures XII	2016	10/23/2015	USD	404,040,404	30,000,000	25,725,000	27,144,857	4,275,000	85.8%	49,553,177	Jun 23

1 Fund Size is reported in the fund currency (local currency).

Note: CVC Capital Partners IX (A) and Hellman & Friedman Capital Partners XI NAV are not available

Performance Summary

As of June 30, 2023 / In USD

Investment	Vintage	Net IRR [1]	IRR Quartile[3]	Direct Alpha [2]	DPI	DPI Quartile	Net TVPI	TVPI Quartile
Total		15.0%		6.0%	0.8x		1.7x	
Buyout		14.8%		6.0%	0.8x		1.6x	
Altaris Constellation Partners IV	2018	26.4%	2nd	13.9%	0.7x	1st	1.9x	1st
Altaris Health Partners IV	2018	28.8%	2nd	14.8%	1.0x	1st	1.9x	1st
Altaris Health Partners V	2021	15.9%	2nd	14.5%	0.0x	2nd	1.2x	1st
Carlyle Partners V	2007	13.7%	3rd	6.8%	1.8x	3rd	1.8x	3rd
Carlyle Partners VI	2013	14.5%	3rd	4.9%	1.5x	3rd	1.9x	3rd
Century Focused Fund IV	2015	16.6%	3rd	6.6%	0.5x	4th	1.6x	4th
Charterhouse Capital Partners IX	2008	9.9%	1st	0.1%	1.3x	3rd	1.4x	3rd
Charterhouse Capital Partners X	2015	20.4%	2nd	8.8%	1.1x	2nd	1.8x	3rd
CVC Capital Partners VII	2017	23.1%	3rd	13.5%	0.4x	3rd	1.8x	3rd
CVC Capital Partners IX (A)	2023	n.m.	n.m.	n.a.	0.0x	n.m.	0.0x	n.m.
CVC European Equity Partners V	2008	16.5%	1st	7.8%	2.0x	1st	2.0x	1st
FountainVest China Capital Partners Fund III	2017	8.5%	3rd	1.1%	0.3x	3rd	1.3x	3rd
Gilde Buy-out Fund IV	2010	11.0%	1st	2.4%	1.6x	1st	1.7x	1st
GTCR Fund X-AB	2011	21.4%	2nd	9.7%	2.1x	2nd	2.1x	2nd
GTCR Fund XI-AB	2014	33.5%	1st	20.5%	2.2x	1st	3.3x	1st
H&F Arrow 1	2020	27.1%	1st	16.9%	0.0x	3rd	2.0x	1st
H&F Spock 1	2018	26.1%	2nd	16.1%	0.1x	4th	3.3x	1st
Hellman & Friedman Capital Partners VI	2006	12.9%	2nd	8.8%	1.9x	2nd	1.9x	2nd
Hellman & Friedman Capital Partners VII	2011	24.7%	1st	12.5%	3.1x	1st	3.4x	1st
Hellman & Friedman Capital Partners X	2021	n.m.	n.m.	7.1%	0.0x	n.m.	1.1x	n.m.
Hellman & Friedman Capital Partners XI	2023	n.m.	n.m.	n.a.	0.0x	n.m.	0.0x	n.m.
Kelso Investment Associates IX	2015	19.8%	2nd	8.2%	1.2x	2nd	1.7x	3rd
Kelso Investment Associates VIII	2007	7.4%	4th	-1.9%	1.4x	4th	1.4x	4th
Kelso Investment Associates X	2018	33.0%	1st	21.9%	0.2x	3rd	1.9x	2nd
Kelso Investment Associates XI	2021	n.m.	n.m.	30.7%	0.0x	n.m.	1.4x	n.m.
KRG Capital Fund IV	2007	13.7%	3rd	3.9%	1.7x	3rd	1.7x	3rd
Lincolnshire Equity Fund IV-A	2009	8.2%	4th	-0.7%	1.2x	4th	1.4x	4th
Linsalata Capital Partners Fund VI	2011	20.6%	2nd	9.1%	2.1x	2nd	2.1x	2nd
Madison Dearborn Capital Partners VI	2008	23.2%	1st	14.0%	2.3x	1st	2.3x	1st
Madison Dearborn Capital Partners VIII	2020	8.0%	4th	0.5%	0.1x	2nd	1.1x	4th
Petroglyph Co-Invest	2020	n.m.	n.m.	11.2%	0.0x	n.m.	1.2x	n.m.
Montagu VI	2020	6.3%	4th	8.8%	0.4x	1st	1.1x	4th
NMPERA Enchantment Co-Invest	2020	13.8%	3rd	5.2%	0.2x	1st	1.3x	3rd
NMPERA White Sands Co-Invest	2021	24.2%	1st	14.8%	0.0x	2nd	1.3x	1st
Nordic Capital VII Beta	2007	5.4%	3rd	-2.8%	1.4x	2nd	1.4x	2nd
Onex Partners III	2008	11.3%	3rd	1.4%	1.5x	3rd	1.7x	3rd
Onex Partners IV	2014	8.0%	4th	0.1%	0.8x	3rd	1.4x	4th
Onex Partners V	2018	10.8%	4th	5.1%	0.2x	4th	1.3x	4th
Orchid Asia VIII	2021	n.m.	n.m.	-42.5%	0.1x	n.m.	0.8x	n.m.
Patria Private Equity Fund VI	2018	16.0%	n.a.	7.5%	0.0x	n.a.	1.4x	n.a.
Patriot SPV	2021	31.4%	1st	25.1%	0.2x	1st	1.8x	1st
PERA 1912 Co-Investment Fund	2021	n.m.	n.m.	-18.3%	0.1x	n.m.	0.9x	n.m.
PERA MDCP Co-Invest	2022	n.m.	n.m.	6.2%	0.0x	n.m.	1.1x	n.m.
Petershill IV	2020	19.2%	2nd	14.7%	0.4x	1st	1.2x	3rd
Petershill Private Equity	2017	15.8%	3rd	7.2%	0.3x	4th	1.5x	4th
Providence Equity Partners VI	2007	6.0%	4th	-1.2%	1.4x	4th	1.4x	4th
RRJ Capital Master Fund III	2015	4.8%	n.a.	-4.3%	0.9x	n.a.	1.1x	n.a.
Samson Brunello 1	2021	56.8%	1st	43.6%	0.0x	2nd	2.9x	1st
Samson Hockey 1	2020	43.6%	1st	30.9%	0.3x	1st	2.2x	1st
Samson Shield 1	2020	12.0%	4th	6.7%	0.2x	1st	1.3x	3rd
Sun Capital Partners V	2007	1.0%	4th	-6.4%	1.0x	4th	1.0x	4th
Tenex Capital Partners III	2020	252.7%	1st	113.5%	0.5x	1st	1.7x	1st
The Resolute Fund II	2007	8.0%	4th	-0.5%	1.5x	4th	1.5x	4th
The Resolute Fund III	2013	20.8%	2nd	11.1%	1.5x	3rd	1.9x	3rd
The Resolute Fund IV	2018	40.9%	1st	25.1%	0.6x	1st	2.2x	1st
The Resolute Fund V	2021	n.m.	n.m.	33.3%	0.0x	n.m.	1.5x	n.m.
TPG Asia V	2007	6.9%	3rd	-1.1%	1.4x	2nd	1.5x	2nd
TPG Partners VI	2008	9.7%	3rd	1.0%	1.5x	3rd	1.5x	4th
Trident Capital IX	2021	n.m.	n.m.	-27.5%	0.0x	n.m.	1.0x	n.m.
Warburg Pincus Global Growth	2019	14.7%	3rd	8.2%	0.0x	2nd	1.4x	2nd
Warburg Pincus Global Growth 14	2022	n.m.	n.m.	-10.8%	0.0x	n.m.	1.0x	n.m.
Warburg Pincus Private Equity XII	2015	17.6%	2nd	7.4%	1.1x	3rd	2.0x	2nd
Fund of Funds		12.5%		4.0%	0.6x		1.6x	
Coller International Partners V	2006	7.9%	2nd	0.7%	1.4x	3rd	1.4x	4th
NM PERA PineBridge Passport Fund I	2016	8.9%	4th	0.6%	0.4x	2nd	1.4x	4th
RCP Small and Emerging Parallel Fund	2017	24.7%	1st	13.6%	0.6x	1st	2.0x	2nd
Venture Capital		16.5%		6.8%	1.1x		2.1x	

Performance Summary

As of June 30, 2023 / In USD

Investment	Vintage	Net IRR [1]	IRR Quartile[3]	Direct Alpha [2]	DPI	DPI Quartile	Net TVPI	TVPI Quartile
Draper Fisher Jurvetson Fund X	2010	2.2%	4th	-5.8%	0.6x	4th	1.2x	4th
General Catalyst Group XI - Creation	2021	n.m.	n.m.	3.5%	0.0x	n.m.	1.1x	n.m.
General Catalyst Group XI - Endurance	2021	n.m.	n.m.	-6.2%	0.0x	n.m.	1.0x	n.m.
General Catalyst Group XI - Ignition	2021	n.m.	n.m.	-10.2%	0.0x	n.m.	0.9x	n.m.
Institutional Venture Partners XIII	2010	9.2%	3rd	-0.3%	1.5x	3rd	1.6x	3rd
Institutional Venture Partners XIV	2013	8.0%	4th	-0.2%	1.1x	2nd	1.5x	4th
JMI Equity Fund VI	2007	11.6%	2nd	4.4%	1.8x	2nd	1.8x	2nd
JMI Equity Fund VII	2011	17.9%	2nd	7.6%	2.4x	2nd	2.5x	3rd
JMI Equity Fund XI	2023	n.m.	n.a.	-24.9%	0.0x	n.a.	0.9x	n.a.
New Enterprise Associates 13	2009	17.0%	2nd	6.6%	2.4x	1st	2.7x	1st
New Enterprise Associates 14	2012	15.4%	3rd	6.2%	1.1x	3rd	2.6x	2nd
TCV IX	2016	20.8%	2nd	9.8%	1.0x	1st	2.1x	3rd
TCV VII	2008	23.4%	1st	11.3%	3.1x	1st	3.2x	1st
TCV X	2019	24.9%	2nd	14.9%	0.1x	1st	2.1x	1st
Threshold Ventures II	2016	28.4%	1st	16.8%	0.2x	3rd	3.5x	1st
Trinity Ventures XII	2016	27.9%	1st	14.6%	1.1x	1st	3.0x	2nd

[1] IRRs of investments held less than two years generally are not meaningful and are therefore labeled "n.m."

[2] Direct Alpha is based on MSCI ACWI IMI Index. The MSCI ACWI IMI Index includes stocks in both developed and emerging markets.

Note: CVC Capital Partners IX (A) and Hellman & Friedman Capital Partners XI NAV are not available

Top 10 Relationships By Exposure

As of June 30, 2023 / In USD

Fund Manager	Exposure	% Exposure
Total Portfolio	**3,502,367,529**	**100%**
Top 10 Relationships	**2,246,599,631**	**64.1%**
Warburg Pincus LLC	339,706,325	9.7%
Goldman Sachs Asset Management	327,900,905	9.4%
CVC Capital Partners	280,293,968	8.0%
The Jordan Company	256,754,491	7.3%
Kelso & Company LP	212,820,707	6.1%
TCV (Technology Crossover Ventures)	183,029,043	5.2%
Hellman & Friedman LLC	177,021,386	5.1%
Altaris LLC	166,378,885	4.8%
PineBridge Investments	158,474,798	4.5%
Montagu Private Equity	144,219,122	4.1%

Definitions

Activity

Fund Size
Total commitments of the general partner and limited partnerships of a fund. While a fund is in market, this amount can change from one quarter to the next until the final close has occurred.

Commitment
US dollar amount committed or US dollar equivalent of the foreign commitment of a limited partner to a fund on the date the commitment closed.

Contributions
Amounts wired to the fund manager to cover investments, management fees, expenses and interest owed to limited partners who entered the fund at an earlier date, reduced by return of excess capital (which is defined as returned funds previously drawn by the fund that were not used for investment purposes).

Recallable Capital
Capital that can be "recycled" by the general partner, increasing the unfunded or remaining commitment.

Distributions
Amounts received from the fund managers including but not limited to return of cost, capital gains, dividends, interest income, and interest from limited partners who enter the fund at a later date.

NAV
The current value of the portfolio provided by the general partner. For any period where market value is not provided, value is estimated based on the last provided value, adjusted for subsequent cash flows net of fees.

Unfunded Commitments
Unfunded commitments are amounts that the fund manager may call down as of the period end date and calculated based on the original commitment, minus cash contributions, plus return of excess and recallable return of capital. Certain funds have management fees in addition to commitments and those would therefore not be included. Certain funds are denominated in a foreign currency and the unfunded amount is calculated in the foreign currency through the period end and then converted to U.S. dollars using the foreign exchange rate on the reporting date.

Exposure
Exposure = Market Value + Unfunded Commitments

Vintage Year
The year of the earlier of management fee accrual or the fund's first cash flow.

Performance

Internal Rate of Return ("IRR") / Annualized Net IRR
The dollar-weighted rate of return, also known as "Internal Rate of Return" or simply "IRR" is used to determine the annualized rate of return on an investment. The IRR is defined as the discount rate that makes the present value of a series of cash flows equal to zero. In equation form, this equals:

$$0 = CashFlow_0 + \frac{CashFlow_1}{(1+IRR)^1} + \frac{CashFlow_2}{(1+IRR)^2} + \frac{CashFlow_3}{(1+IRR)^3} + \cdots \frac{CashFlow_n}{(1+IRR)^n}$$

The amount and timing of cash flows have a material impact on the IRR. This rate is an effective measure of the rate of growth in investment value, giving full weight to the impact of cash flows on the asset's value. The IRR takes into account the timing of an investment's cash flows. The gross IRR considers only the cash flows of the underlying investments. The net IRR includes the fund manager's fees, expenses and carry and is calculated using daily cash flows and the market value presented in the report. The IRRs reported in this report are Net IRRs. Calculating a fund's IRR since inception, given the long-term nature of private equity investments (generally twelve to fourteen years), is one of the most appropriate means of measurement.

Definitions

Distributed to Paid-In Multiple ("DPI")
Distributions / Contributions
Reflects the realized value compared to the total capital invested. This measurement is a simplified means of measuring the realized value compared of the total invested capital in the fund, without consideration for time.

Total Value to Paid-In Multiple ("TVPI")
(Market Value + Distributions) / Contributions
The TVPI is a metric used to assess performance of a fund and may be considered the net counterpart to MOIC. Similar to MOIC, TVPI reflects the total capital generated compared to the total capital invested. This measurement is a simplified means of measuring the value created by a fund, without consideration for time. The calculation is net of fees and expenses. Unlike MOIC, which can be calculated for both individual portfolio companies and the total fund, TVPI can only be calculated for an aggregated fund.

Peer Benchmark

Direct Alpha is one of the methods for evaluating private equity performance. In this method, all private equity cash flows are compounded by the returns of the reference benchmark to the same single point in time, which when combined with the final NAV, forms a series of future values of net cash flows. By doing this, the impact of any changes in the reference benchmark on the actual private equity cash flows is effectively neutralized. Thus, the resulting net cash flows are not affected by any changes in the reference index but reflect only the sole private equity returns relative to the index returns.

Cambridge Associates ("Cambridge") benchmarks are used for peer comparisons. Each fund is benchmarked as specifically as possible based on vintage year, strategy, geography, and currency. If Cambridge lacks enough data points for a cohort, the fund will fall into the not available or not applicable ("NA") category. In addition, funds will fall into the not meaningful ("NM") category based on the number of years used in the definition of not meaningful which can range from zero to five years depending on varying perspectives. Cambridge Associates benchmarks in this report are the most recent completely published data available and may be delayed by a quarter or more. Portfolio and fund returns measured reflect the same period end as the benchmark data used.

Currency Conversion

If applicable, cash flows are converted to U.S. dollars at the monthly spot conversion rate and subsequently reconciled with the custodial bank to reflect the actual exchange rate. Exchange rates for ending values are obtained from Bloomberg. Fund commitments are converted to U.S. dollars based on the exchange rate on the date of the close.

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New Mexico PERA - NM PERA - Illiquid Real Assets

Private Markets Performance Review

2Q 2023

Index data from Kenneth R French are taken from http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html

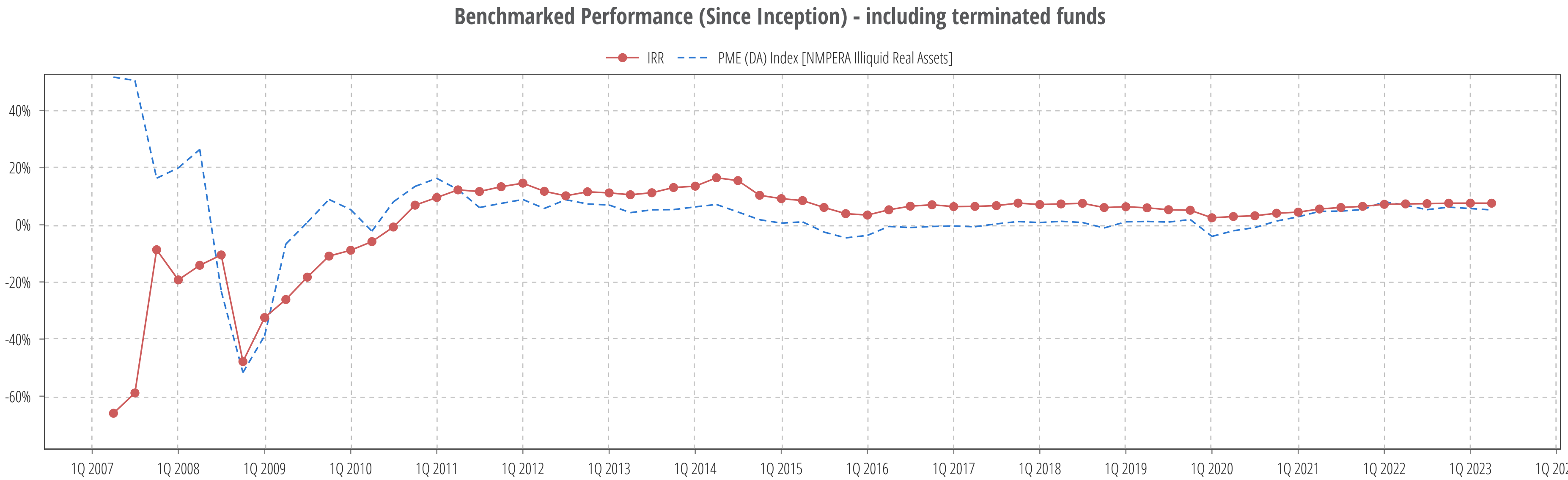
Automated Primary Premia ("APP") indices are composite indices. However, the index "APP Commodities Beta" contains only one constituent, which means that its returns are identical to those of the index "BBG Commodity TR" (BCOMTR), provided by Bloomberg Index Services Limited ("BISL").

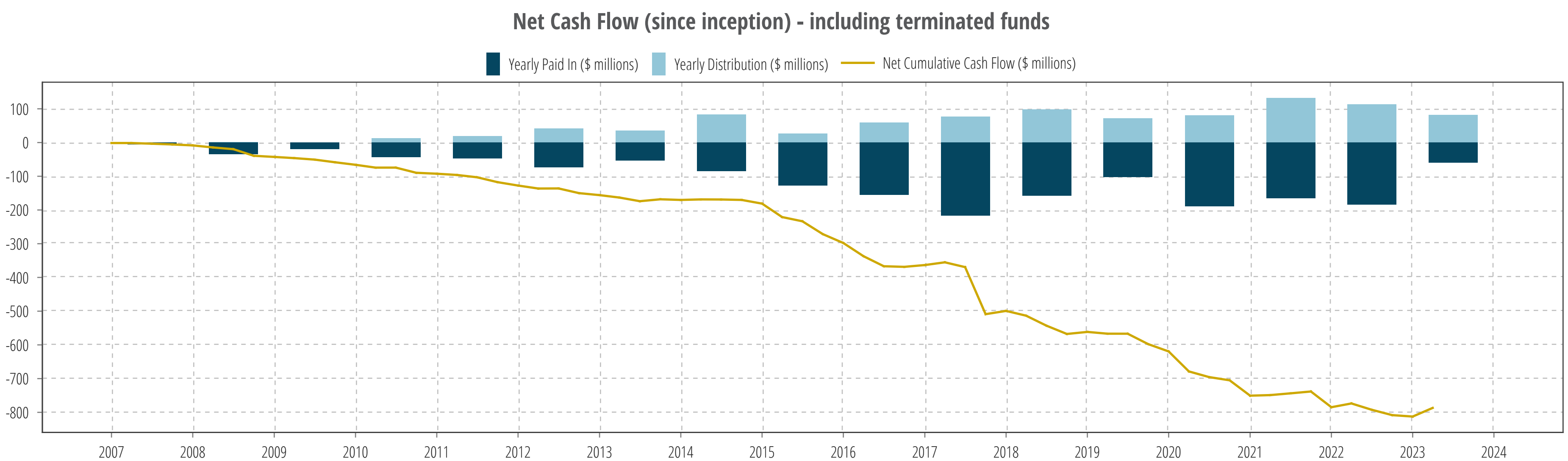
Portfolio Performance Notes

Albourne conducted the portfolio analysis reflected in this report

Table of Contents (Report Generation Date: 13 November 2023)

Funding Status & Performance Overview





Summary By Asset Class - including terminated funds

Asset Class	# Funds	Commitment (000's)[1]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	IRR	PME (DA) Alpha	DPI	TVPI
Agriculture	4	310,010	247,342	76%	77,782	36,307	205,367	15.50%	-0.89%	-8.85%	0.15	0.98
Energy	23	767,749	791,725	92%	66,789	629,660	379,189	28.62%	6.04%	+2.30%	0.80	1.27
Infrastructure	11	945,526	681,474	72%	282,089	267,719	740,564	55.89%	11.99%	+4.88%	0.39	1.48
Portfolio Total	**38**	**2,023,285**	**1,720,540**	**81%**	**426,660**	**933,686**	**1,325,121**	**100.00%**	**7.57%**	**+2.35%**	**0.54**	**1.31**

[1]Original Commitment Made

Summary By Vintage Year - including terminated funds

Vintage Year	# Funds	Commitment (000's)[1]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	IRR	PME (DA) Alpha	DPI	TVPI
2006	1	17,076	20,173	100%	0	20,341	0	0.00%	0.27%	-0.45%	1.01	1.01
2007	2	59,100	65,280	100%	121	90,312	56	0.00%	12.24%	+8.61%	1.38	1.38
2008	5	125,982	128,908	92%	12,032	129,607	2,402	0.18%	0.50%	-1.09%	1.01	1.02
2009	1	23,265	23,265	100%	0	27,598	4,661	0.35%	10.86%	+7.62%	1.19	1.39
2010	2	44,884	48,479	100%	0	32,161	9,793	0.74%	-3.23%	-5.17%	0.66	0.87
2012	5	115,442	129,737	97%	4,677	106,417	23,484	1.77%	0.04%	-0.88%	0.82	1.00
2013	3	221,048	222,130	98%	3,408	117,023	250,300	18.89%	11.18%	+5.38%	0.53	1.65
2014	5	232,654	255,542	94%	15,453	201,211	188,116	14.20%	10.30%	+4.63%	0.79	1.52
2015	1	45,010	42,413	83%	8,468	21,803	36,588	2.76%	7.85%	+1.84%	0.51	1.38
2016	4	270,409	234,416	82%	52,578	86,132	206,766	15.60%	6.37%	-1.36%	0.37	1.25
2017	4	317,545	250,674	78%	73,634	98,134	275,695	20.81%	15.05%	+6.62%	0.39	1.49
2019	1	66,885	47,892	73%	18,993	1,272	57,391	4.33%	14.77%	+5.94%	0.03	1.22
2020	2	300,000	239,231	80%	65,765	1,675	260,555	19.66%	5.19%	-5.32%	0.01	1.10
2021	1	74,941	8,389	11%	66,500	0	7,085	0.53%	-13.98%	-25.49%	0.00	0.84
2022	1	109,045	4,013	4%	105,032	0	2,229	0.17%	n/m	n/m	n/m	n/m
Portfolio Total	**38**	**2,023,285**	**1,720,540**	**81%**	**426,660**	**933,686**	**1,325,121**	**100.00%**	**7.57%**	**+2.35%**	**0.54**	**1.31**

[1]Original Commitment Made

Summary By Fund Type - including terminated funds

Fund Type	# Funds	Commitment (000's)[1]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	IRR	PME (DA) Alpha	DPI	TVPI
Primary Fund	34	1,555,621	1,315,914	79%	358,035	864,861	859,488	64.86%	7.09%	+2.48%	0.66	1.31
Club Deal	1	150,000	114,209	76%	35,791	0	108,655	8.20%	-2.88%	-12.55%	0.00	0.95
Co-Investment	2	165,000	137,754	83%	32,833	22,141	151,944	11.47%	12.59%	+2.80%	0.16	1.26
Open-Ended Private Fund	1	152,664	152,664	100%	0	46,683	205,034	15.47%	12.00%	+4.37%	0.31	1.65
Portfolio Total	**38**	**2,023,285**	**1,720,540**	**81%**	**426,660**	**933,686**	**1,325,121**	**100.00%**	**7.57%**	**+2.35%**	**0.54**	**1.31**

[1]Original Commitment Made

Summary By Fund Status - including terminated funds

Fund Status	# Funds	Commitment (000's)[1]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	IRR	PME (DA) Alpha	DPI	TVPI
Current	36	1,977,127	1,667,619	80%	426,660	869,693	1,325,121	100.00%	7.55%	+2.28%	0.52	1.32
Terminated	2	46,158	52,922	100%	0	63,992	0	0.00%	8.23%	+4.92%	1.21	1.21
Portfolio Total	**38**	**2,023,285**	**1,720,540**	**81%**	**426,660**	**933,686**	**1,325,121**	**100.00%**	**7.57%**	**+2.35%**	**0.54**	**1.31**

[1]Original Commitment Made

Inflows/Outflows 2Q 2023 - including terminated funds

Asset Class	# Funds	Paid In (000's)	Distributed (000's)	Net Cash Flow(000's)
Agriculture	4	71	0	-71
Energy	23	5,807	31,965	26,158
Infrastructure	11	7,769	7,315	-455
Total	**38**	**13,647**	**39,280**	**25,633**

Inflows/Outflows Year to Date 2023 - including terminated funds

Asset Class	# Funds	Paid In (000's)	Distributed (000's)	Net Cash Flow(000's)
Agriculture	4	25,630	0	-25,630
Energy	23	10,817	49,848	39,031
Infrastructure	11	23,678	31,671	7,993
Total	**38**	**60,124**	**81,519**	**21,395**

Performance Summary

Performance Summary (1)

Asset Class	Vintage	TVPI	DPI	IRR	PME (DA) Alpha
Agriculture					
Paine Schwartz Food Chain Fund IV, L.P.	2015	1.38	0.51	7.85%	+1.84%
ACM Fund II, LLC	2016	0.69	0.21	-10.66%	-18.81%
Tillridge Global Agribusiness Partners II, L.P.	2016	0.97	0.10	-1.14%	-9.75%
Four Corners Farmland Fund LLC	2020	0.95	0.00	-2.88%	-12.55%
Total - Agriculture		**0.98**	**0.15**	**-0.89%**	**-8.85%**
Energy					
Natural Gas Partners IX, L.P.	2007	1.44	1.43	10.79%	+8.27%
First Reserve Fund XII, L.P.	2008	0.52	0.52	-17.93%	-22.04%
Lime Rock Partners V, L.P.	2008	0.88	0.75	-2.31%	-4.33%
Quantum Energy Partners Fund V, L.P.	2008	1.50	1.48	8.83%	+8.03%
Riverstone/Carlyle Global E&P Fund IV	2008	1.08	1.08	2.08%	-0.47%
Riverstone/Carlyle Renewable and Alternative Energy Fund II	2008	1.10	1.09	1.83%	+1.73%
Kayne Anderson Energy Fund V (QP), L.P.	2009	1.39	1.19	10.86%	+7.62%
Bedrock Energy Partners, LLC (fka EnerVest Energy Institutional Fund XII)	2010	0.64[1]	0.63[1]	-19.42%[1]	-23.47%
EnCap Energy Capital Fund VIII, L.P.	2010	1.03[1]	0.68[1]	0.54%[1]	-1.33%
Denham Commodity Partners Fund VI LP	2012	1.08	0.56	1.78%	-0.74%
Denham Commodity Partners Fund VI Oil and Gas Coinvestment Fund LP	2012	1.61	1.61	16.23%	+15.43%
Lime Rock Partners VI, L.P.	2012	0.91	0.91	-3.77%	-3.82%
NGP Natural Resources X, L.P.	2012	0.99	0.89	-0.26%	+2.06%
Riverstone Global Energy & Power Fund V	2012	0.83	0.60	-4.37%	-8.49%
EnCap Energy Capital Fund IX, L.P.	2013	1.45	1.16	10.39%	+8.25%
Carlyle Power Partners II, L.P.	2014	1.46	0.50	11.03%	+3.35%
EnCap Flatrock Midstream Fund III, L.P.	2014	1.39	0.82	10.44%	+3.05%
Lime Rock Resources III-A, L.P.	2014	1.26	0.41	3.30%	-0.72%

[1]PM Benchmark is missing or has limited data (<5 funds)

Information in this section relates to active investments only

Performance Summary (2)

Asset Class	Vintage	TVPI	DPI	IRR	PME (DA) Alpha
NGP Natural Resources XI, L.P.	2014	1.60	0.86	10.75%	+3.59%
EnCap Energy Capital Fund XI, L.P.	2017	1.53	0.36	19.33%	+10.47%
NGP Natural Resources XII, L.P.	2017	1.64	0.53	15.74%	+6.06%
Total - Energy		**1.28**	**0.77**	**5.92%**	**+2.16%**
Infrastructure					
[OE] IFM Global Infrastructure (US), L.P. Class A[1]	2013	1.65	0.31	12.00%	+4.37%
Brookfield Infrastructure Fund II, L.P.	2013	1.83	0.89	9.76%	+6.53%
KKR Global Infrastructure Investors II, L.P.	2014	1.80	1.34	17.29%	+12.83%
Antin Infrastructure Partners III L.P.	2016	1.52	0.49	10.25%	+1.99%
Brookfield Infrastructure Fund III, L.P.	2016	1.52	0.51	12.54%	+4.86%
Ardian Infrastructure Fund IV S.C.A., SICAR B	2017	1.53	0.64	11.51%	+3.63%
Meridiam Infrastructure North America (Domestic) Fund III	2017	1.20	0.00	14.50%	+8.38%
Ardian Infrastructure Fund V	2019	1.22	0.03	14.77%	+5.94%
Mass Ascension Co-Invest, L.P.	2020	1.23	0.01	11.38%	-0.38%
Ardian Americas Infrastructure Fund V LP - Class A	2021	0.84	0.00	-13.98%	-25.49%
Antin Infrastructure Partners Fund V	2022	n/m	n/m	n/m	n/m
Total - Infrastructure		**1.48**	**0.39**	**11.99%**	**+4.88%**
Portfolio Total		**1.32**	**0.52**	**7.55%**	**+2.28%**

[1]This is an Open Ended Fund

Information in this section relates to active investments only

Funding Status

Funding Status (1)

Asset Class	Vintage	Commitment Date	Fund Size (000's)	Commitment (000's)[1]	Paid In (000's)	Distributions (000's)	Funded	Current NAV (000's)	Data
Agriculture									
Paine Schwartz Food Chain Fund IV, L.P.	2015	2Q 2014	893,000	45,010	42,413	21,803	83%	36,588	2Q 2023
ACM Fund II, LLC	2016	3Q 2016	548,800	40,000	47,493	10,154	96%	22,637	2Q 2023
Tillridge Global Agribusiness Partners II, L.P.	2016	1Q 2017	375,000	75,000	43,228	4,350	58%	37,486	2Q 2023
Four Corners Farmland Fund LLC	2020	3Q 2020	300,000	150,000	114,209	0	76%	108,655	2Q 2023
Total - Agriculture				**310,010**	**247,342**	**36,307**	**76%**	**205,367**	
Energy									
Natural Gas Partners IX, L.P.	2007	4Q 2007	4,000,000	30,018	32,532	46,661	100%	56	2Q 2023
First Reserve Fund XII, L.P.	2008	4Q 2008	8,821,000	30,298	33,028	17,038	100%	31	2Q 2023
Lime Rock Partners V, L.P.	2008	4Q 2008	1,434,500	10,000	11,088	8,313	99%	1,440	2Q 2023
Quantum Energy Partners Fund V, L.P.	2008	4Q 2008	2,128,000	30,000	31,092	46,042	90%	720	2Q 2023
Riverstone/Carlyle Global E&P Fund IV	2008	1Q 2008	5,979,700	33,467	34,497	37,330	96%	25	2Q 2023
Riverstone/Carlyle Renewable and Alternative Energy Fund II	2008	2Q 2008	3,418,000	22,217	19,203	20,884	77%	186	2Q 2023
Kayne Anderson Energy Fund V (QP), L.P.	2009	3Q 2009	798,418	23,265	23,265	27,598	100%	4,661	2Q 2023
Bedrock Energy Partners, LLC (fka EnerVest Energy Institutional Fund XII)	2010	4Q 2010	1,500,000	20,002	20,002	12,690	100%	41	2Q 2023
EnCap Energy Capital Fund VIII, L.P.	2010	4Q 2010	3,608,200	24,882	28,477	19,470	100%	9,752	2Q 2023
Denham Commodity Partners Fund VI LP	2012	1Q 2012	2,830,000	20,004	23,275	13,093	95%	11,934	2Q 2023
Denham Commodity Partners Fund VI Oil and Gas Coinvestment Fund LP	2012	4Q 2013		15,000	12,731	20,467	82%	44	2Q 2023
Lime Rock Partners VI, L.P.	2012	3Q 2012	825,000	21,946	28,988	26,343	99%	87	2Q 2023
NGP Natural Resources X, L.P.	2012	1Q 2012	3,586,000	25,000	26,090	23,233	100%	2,615	2Q 2023
Riverstone Global Energy & Power Fund V	2012	2Q 2012	7,713,600	33,491	38,652	23,281	99%	8,805	2Q 2023
EnCap Energy Capital Fund IX, L.P.	2013	1Q 2013	5,154,600	27,000	31,089	36,178	97%	9,037	2Q 2023
Carlyle Power Partners II, L.P.	2014	4Q 2015		65,000	76,272	37,802	89%	73,553	2Q 2023
EnCap Flatrock Midstream Fund III, L.P.	2014	3Q 2014	3,061,200	30,000	35,586	29,071	97%	20,430	2Q 2023
Lime Rock Resources III-A, L.P.	2014	1Q 2014	356,100	35,000	36,967	15,173	100%	31,273	2Q 2023
NGP Natural Resources XI, L.P.	2014	4Q 2014	5,325,000	50,000	49,957	42,976	96%	37,106	2Q 2023
EnCap Energy Capital Fund XI, L.P.	2017	3Q 2017	7,000,000	100,000	90,407	32,613	85%	105,392	2Q 2023
NGP Natural Resources XII, L.P.	2017	4Q 2017	4,300,000	75,000	55,605	29,411	74%	62,003	2Q 2023
Total - Energy				**721,590**	**738,803**	**565,668**	**92%**	**379,189**	

[1]Original Commitment Made

Funding Status (2)

Asset Class	Vintage	Commitment Date	Fund Size (000's)	Commitment (000's)[1]	Paid In (000's)	Distributions (000's)	Funded	Current NAV (000's)	Data
Infrastructure									
[OE] IFM Global Infrastructure (US), L.P. Class A[2]	2013	2Q 2015	102,664	152,664	152,664	46,683	100%	205,034	2Q 2023
Brookfield Infrastructure Fund II, L.P.	2013	4Q 2013	7,000,000	41,384	38,377	34,162	94%	36,229	2Q 2023
KKR Global Infrastructure Investors II, L.P.	2014	4Q 2014	3,100,000	52,654	56,760	76,189	96%	25,755	2Q 2023
Antin Infrastructure Partners III L.P.	2016	1Q 2017	3,927,240	75,346	65,218	31,909	87%	67,385	2Q 2023
Brookfield Infrastructure Fund III, L.P.	2016	2Q 2016	14,000,000	80,063	78,477	39,720	90%	79,257	2Q 2023
Ardian Infrastructure Fund IV S.C.A., SICAR B	2017	3Q 2015	2,890,885	67,545	56,198	36,108	84%	50,057	2Q 2023
Meridiam Infrastructure North America (Domestic) Fund III	2017	3Q 2017	1,200,000	75,000	48,463	1	65%	58,243	2Q 2023
Ardian Infrastructure Fund V	2019	4Q 2018	6,654,490	66,885	47,892	1,272	73%	57,391	2Q 2023
Mass Ascension Co-Invest, L.P.	2020	2Q 2020		150,000	125,022	1,675	83%	151,900	2Q 2023
Ardian Americas Infrastructure Fund V LP - Class A	2021	2Q 2021	1,500,000	74,941	8,389	0	11%	7,085	2Q 2023
Antin Infrastructure Partners Fund V	2022	4Q 2022	10,909,000	109,045	4,013	0	4%	2,229	2Q 2023
Total - Infrastructure				**945,526**	**681,474**	**267,719**	**72%**	**740,564**	
Portfolio Total				**1,977,127**	**1,667,619**	**869,693**	**80%**	**1,325,121**	

[1]Original Commitment Made [2]This is an Open Ended Fund

Co-Investments

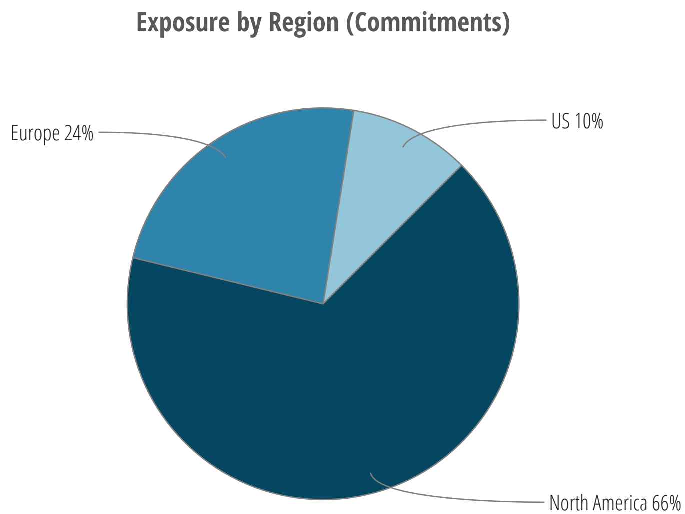
Vintage Year	Commitment (000's)[1]	Paid In (000's)	Funded	Distributions (000's)	TVPI	DPI	IRR
2012							
Denham Commodity Partners Fund VI Oil and Gas Coinvestment Fund LP	15,000	12,731	82%	20,467	1.61	1.61	16.23%
Total - 2012	**15,000**	**12,731**	**82%**	**20,467**	**1.61**	**1.61**	**16.23%**
2020							
Mass Ascension Co-Invest, L.P.	150,000	125,022	83%	1,675	1.23	0.01	11.38%
Total - 2020	**150,000**	**125,022**	**83%**	**1,675**	**1.23**	**0.01**	**11.38%**
Portfolio Total	**165,000**	**137,754**	**83%**	**22,141**	**1.26**	**0.16**	**12.59%**

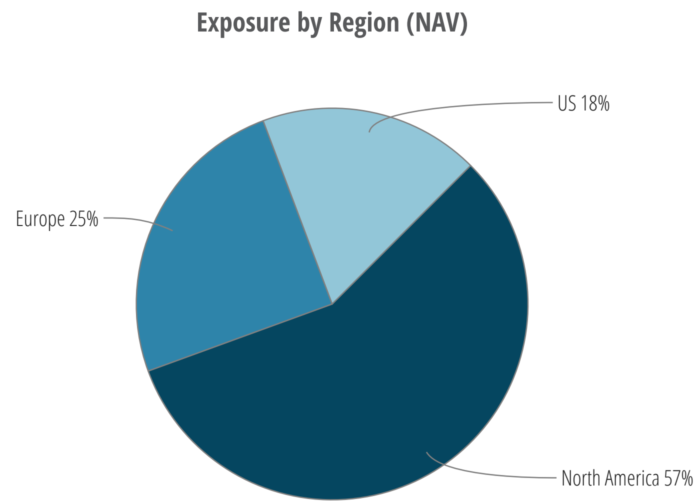
[1]Original Commitment Made

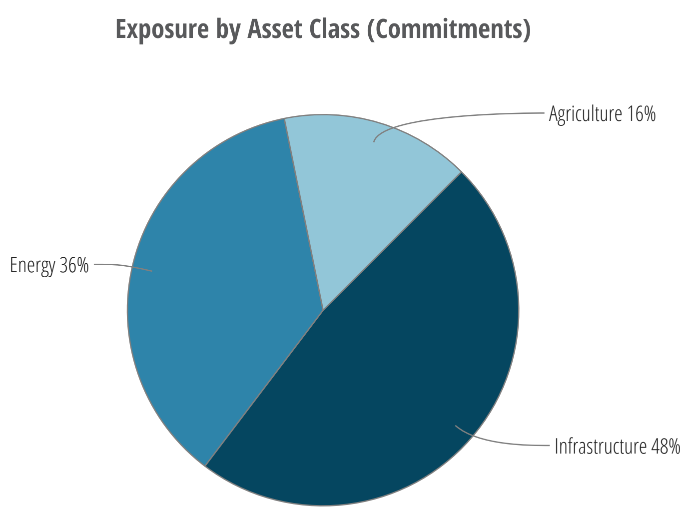
Largest Relationship Concentrations by Manager Group

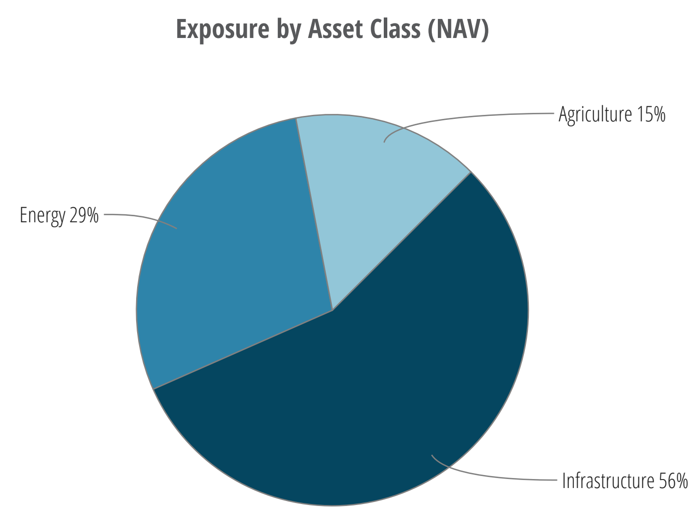
Manager	Commitment (m)	Actual (m)	Proposed (m)	% of Total Commitments
Ardian Group	359	359	0	18.2%
Antin Infrastructure Partners SAS	184	184	0	9.3%
EnCap Group	182	182	0	9.2%
Natural Gas Partners Group	180	180	0	9.1%
IFM Holdings Pty Ltd Group	153	153	0	7.7%
AgIS Management LLC	150	150	0	7.6%
Brookfield Group	121	121	0	6.1%
Riverstone Holdings Group	89	89	0	4.5%
Meridiam Infrastructure Partners S.A.S Group	75	75	0	3.8%
Tillridge Global Agribusiness Partners	75	75	0	3.8%

Exposure by Region and Asset Class

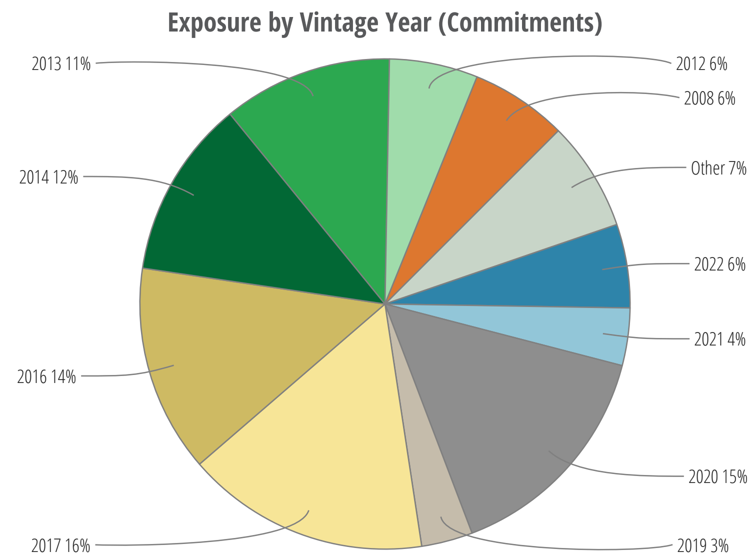


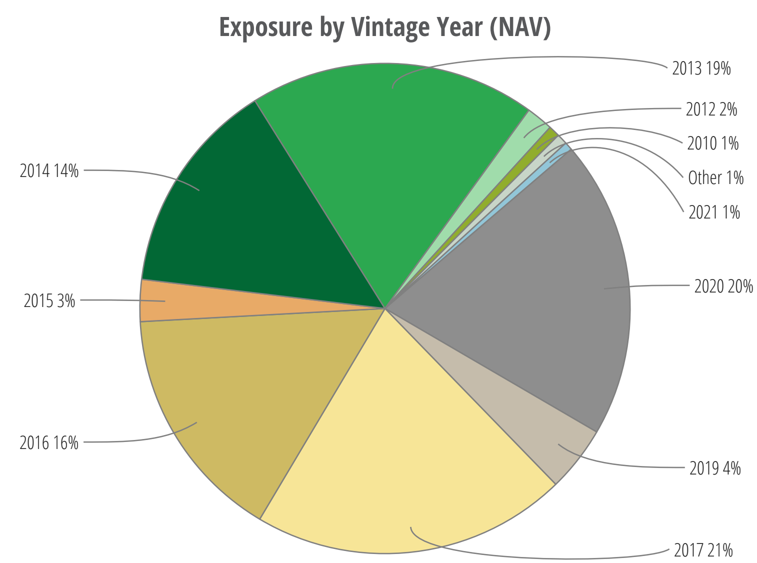




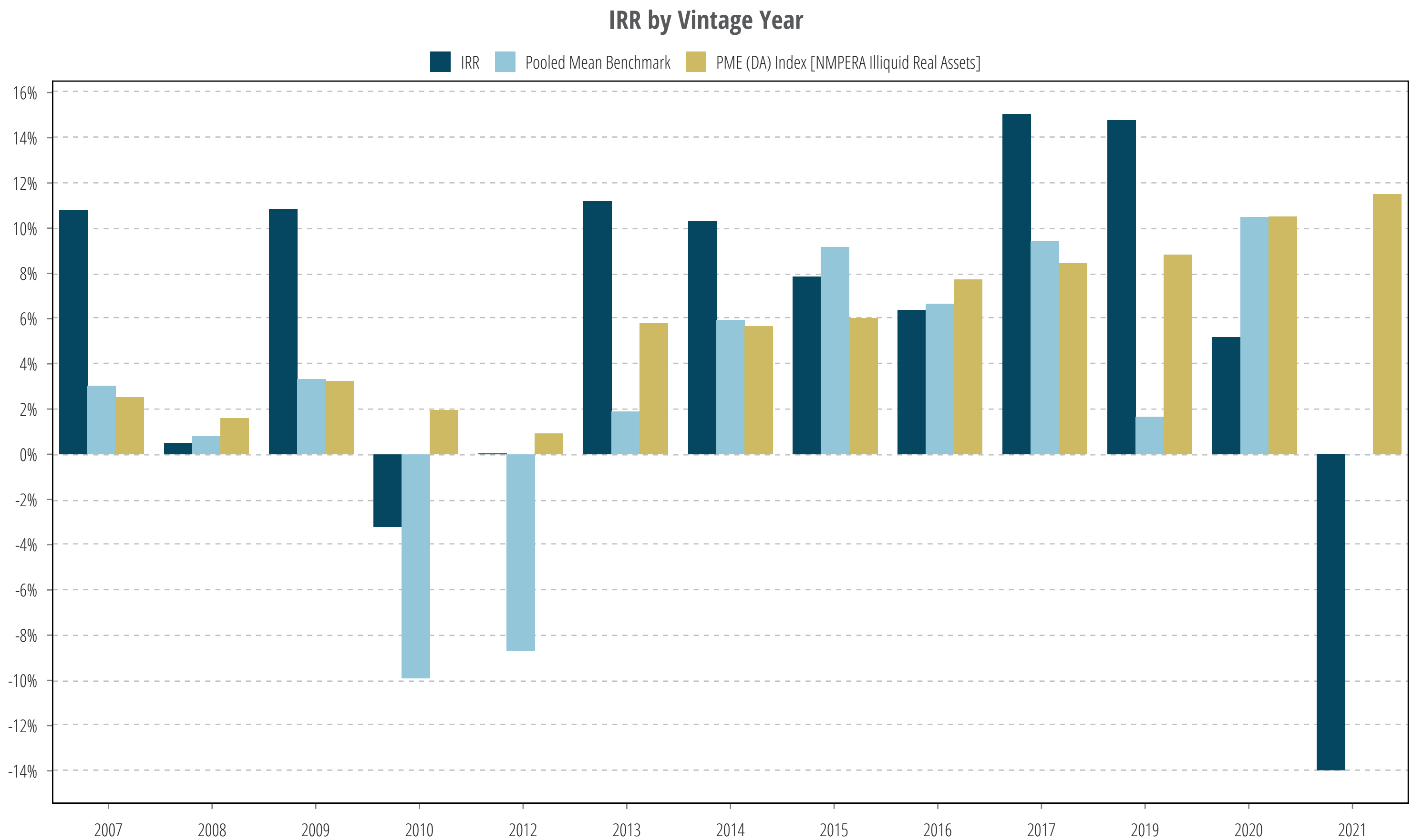


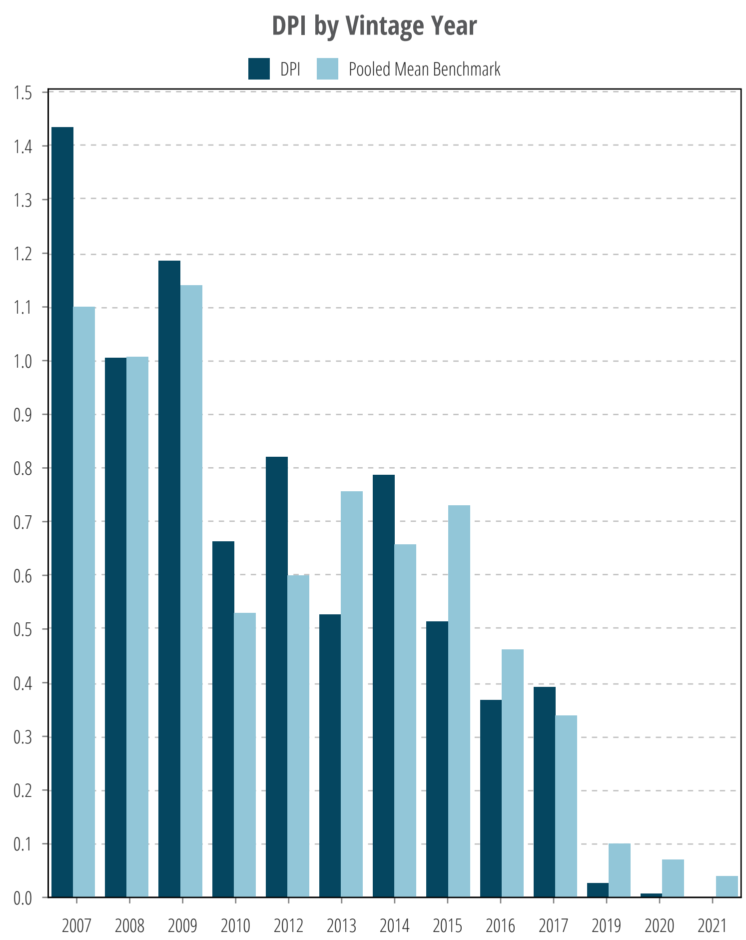
Exposure by Vintage Year

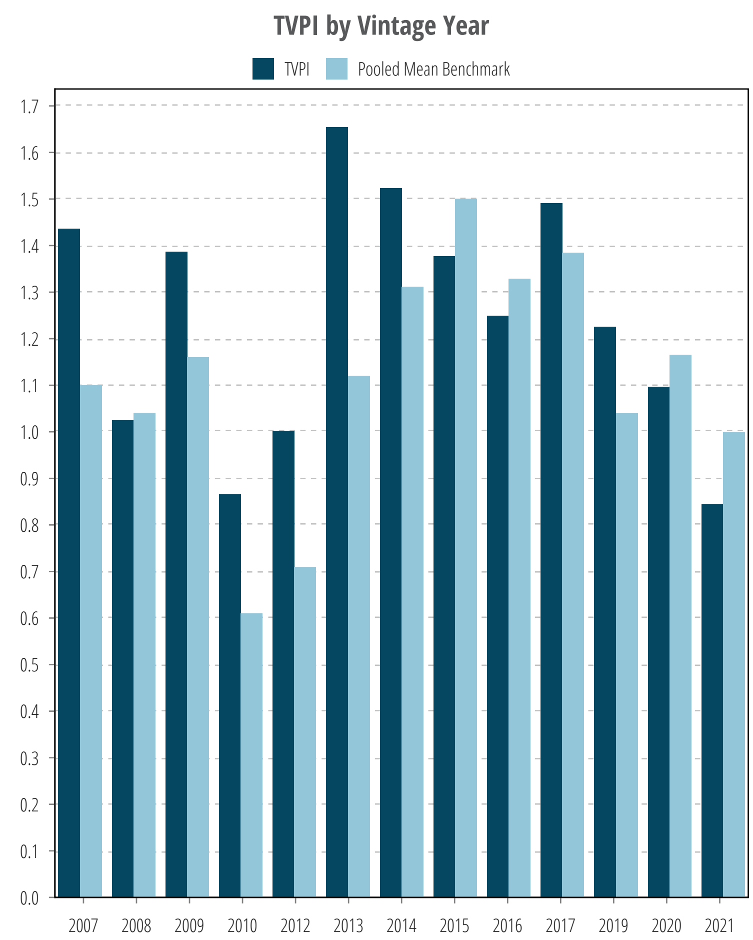




Cash Flow Analysis




DPI by Vintage Year
DPI
Pooled Mean Benchmark
1.5
1.4
1.3
1.2
1.1
1.0
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0.0
2007
2008
2009
2010
2012
2013
2014
2015
2016
2017
2019
2020
2021


TVPI by Vintage Year
TVPI
Pooled Mean Benchmark
1.7
1.6
1.5
1.4
1.3
1.2
1.1
1.0
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0.0
2007
2008
2009
2010
2012
2013
2014
2015
2016
2017
2019
2020
2021

Investment Analysis

Investments by Industry

Industry Group	Invested Capital (000's)	% of Total Assets	Current Mkt Value (000's)	% of Current Mkt Value
Total	**1,393,630**	**100.0%**	**1,166,587**	**100.0%**
Energy	354,203	25.4%	238,585	20.5%
Telecommunication Services	232,163	16.7%	237,243	20.3%
Commodity - Energy	200,041	14.4%	73,190	6.3%
Infrastructure - Energy	139,160	10.0%	122,245	10.5%
Infrastructure - Other	111,351	8.0%	102,945	8.8%
Utilities	93,424	6.7%	142,674	12.2%
Infrastructure - Transportation	69,940	5.0%	95,204	8.2%
Food, Beverage & Tobacco	50,544	3.6%	60,310	5.2%
Commodity - Agriculture	47,180	3.4%	29,671	2.5%
Transportation	25,850	1.9%	41,168	3.5%
Commodity - Other	23,676	1.7%	87	0.0%
Materials	9,256	0.7%	12,062	1.0%
Commercial & Professional Services	5,991	0.4%	112	0.0%
Commodity - Metals	5,953	0.4%	1,090	0.1%
Health Care Equipment & Services	5,830	0.4%	17	0.0%
Consumer Services	5,413	0.4%	157	0.0%
No Sector Specified	4,161	0.3%	1,839	0.2%
Interest Rate - Cash	3,842	0.3%	3,842	0.3%
Financial Services	2,438	0.2%	1,190	0.1%
Software & Services	1,959	0.1%	2,705	0.2%
Technology Hardware & Equipment	669	0.0%	243	0.0%
Capital Goods	445	0.0%	2	0.0%
Industrials	140	0.0%	5	0.0%

Investments by Country

Country	Invested Capital (000's)	% of Total Assets	Current Mkt Value (000's)	% of Current Mkt Value
Total	**1,393,630**	**100.0%**	**1,166,587**	**100.0%**
United States	762,634	54.7%	516,567	44.3%
Italy	130,899	9.4%	177,665	15.2%
Spain	114,307	8.2%	113,737	9.7%
United Kingdom	58,320	4.2%	40,527	3.5%
France	49,891	3.6%	58,480	5.0%
Germany	49,762	3.6%	51,526	4.4%
Canada	45,665	3.3%	40,002	3.4%
Finland	40,196	2.9%	41,909	3.6%
Iceland	24,147	1.7%	25,766	2.2%
Australia	23,030	1.7%	21,111	1.8%
United Arab Emirates	19,237	1.4%	277	0.0%
Brazil	15,379	1.1%	17,715	1.5%
Norway	9,219	0.7%	13,155	1.1%
Portugal	8,565	0.6%	9,975	0.9%
Belgium	7,448	0.5%	9,557	0.8%
India	7,323	0.5%	2,845	0.2%
Colombia	6,784	0.5%	13,073	1.1%
Sweden	5,452	0.4%	6,311	0.5%
Mexico	4,641	0.3%	1,030	0.1%
Ireland	2,650	0.2%	0	0.0%
No Country Specified	2,323	0.2%	0	0.0%
Peru	2,087	0.1%	3,140	0.3%
Argentina	896	0.1%	0	0.0%
South Africa	791	0.1%	1,739	0.1%
Iraq	579	0.0%	417	0.0%
Chile	496	0.0%	0	0.0%
Romania	340	0.0%	40	0.0%
Netherlands	266	0.0%	1	0.0%
Israel	205	0.0%	21	0.0%
Switzerland	44	0.0%	0	0.0%
Singapore	35	0.0%	0	0.0%
Greece	20	0.0%	0	0.0%

Appendix

1. **Basis of Reporting:** This report is intended for performance reporting and analysis and is not an accounting record, such that it is based on data at the fund level derived from capital account statements on a quarterly basis, rather than from an analysis of individual drawdown and distribution notices. Thus, detailed accounting information will not necessarily reconcile precisely with this data. However, for performance reporting and benchmarking purposes any differences are likely to be immaterial when a fund has existed for more than 4-5 quarters.
2. **Fund Currency:** Funds that are formed in a currency other than the portfolio reporting currency have had their cash flows, NAVs and unfunded commitments converted at the relevant end-quarter spot exchange rates.
3. **Private Equity:** The term is used herein to refer to the entire alternative asset sector which includes buy-outs, venture capital, growth capital, distressed, secondaries, and similar strategies within the structure of a long-duration, multi-drawdown closed ended fund.
4. **Benchmarking of Funds and Peer Group:** Benchmarking indices are derived from Burgiss Private iQ benchmarks for the relevant quarter, though in selected cases, mainly for Real Estate, benchmark indices may be derived from Preqin. Quartiles are illustrated as: Upper Quartile - Dark Green; Second Quartile - Light Green; Third Quartile - Yellow; Lower Quartile - Red. Funds and benchmarks with n/m (not meaningful) are too young to have produced meaningful returns. Analysis and comparison of such partnership returns to benchmark statistics may be irrelevant. As a default any fund that is less than 3 years from inception will show as n/m. That over-ride can be lifted on request. For Credit and Secondary funds the over-ride is typically lifted after one year or less.
5. **Benchmark Currency:** It is important to note that benchmarks are typically denominated in USD, Euro, GBP, JPY, CAD or AUD as appropriate. Thus for any funds denominated in a currency other than USD, Euro, GBP, JPY, CAD or AUD, comparison against peer group benchmarks may be subject to currency exchange related issues and need to be considered appropriately. The PME for such funds will normally provide a more reliable benchmark comparison against the fund IRR.
6. **Internal Rate of Return ("IRR"):** The IRR represents the cash-on-cash return net of fees, expenses and carried interest, as well as the terminal net asset value of the investment in the partnership, or of the portfolio, as appropriate.
7. **Distributed to Paid In multiple ("DPI"):** DPI is calculated by dividing the total distributions from a fund by the amount of capital paid to the fund.
8. **Total Value/Paid-In multiple ("TVPI"):** TVPI is calculated by dividing the sum of the remaining investment net asset value (NAV) and total distributions from the fund, by the capital paid to the fund.
9. **Public Market Equivalent ("PME"):** PME represents the IRR that would have been achieved if the individual cash flows for the particular fund had been invested in a public benchmark. Note that a different public benchmark might associated with each fund in the portfolio.This analysis utilizes the Gredil-Griffiths-Stucke Direct Alpha methodology to calculate an annualized excess return, describing the relative performance of the private markets investment to the stated index as of the measurement date. The calculation is an IRR, based on the series of fund cash flows and the residual value, discounted to a single point in time using the public benchmark index returns. The cash flows are discounted to the same point in time to effectively eliminate the impact of any changes in the public equity index from the private markets cash flows. Direct Alpha, when shown, represents the excess or deficit of the fund IRR compared to the PME. Thus a Direct Alpha of 3.3% indicates that the private investment has generated an annualized excess return of 3.3% over the public index. Where a partnership benchmark and no index aggregation has been utilized, with respect to PME and Direct Alpha for the portfolio and portfolio sub-aggregates, the stated portfolio public index is used. Where an aggregated index has been utilized, with respect to PME and Direct Alpha for the portfolio and sub-portfolio aggregates, this has been created as a market value weighted index of each individual index assigned to each fund in the portfolio/sub-portfolio.
10. **Pooled Mean Benchmark:** The pooled mean benchmark is calculated as the performance index that would have arisen from committing to all funds in the benchmark dataset for the same vintages and same strategies that the portfolio committed to. Compared to the actual performance of the portfolio it represents a measure of manager selection.
11. **Late Closings:** When interest is identified as having been paid or received in relation to late closings, any penalty interest paid will be added to paid-in and to commitment increases, whilst interest received (as a result of other LPs coming in late) will be added to distributions. Where a commitment is made after the first closing of a fund, this reporting system applies an accruals basis such that it reflects the retrospective liability that exists to the fund in previous periods. If the closings span a financial year end then there will be a reconciliation difference at the year-end compared with a cash accounting basis.
12. **Number of Funds:** The number of funds shown in the Portfolio Summaries towards the front of this report will normally include liquidated and terminated funds, so that the number of funds in the Portfolio Summaries may be higher than the number of funds in the current portfolio as listed in the Performance Summary and Funding Status.
13. **Recallable Capital:** Funds may return some capital to LPs under conditions set within the LPA to the extent that it is capable of being recalled during an agreed time period. In such cases the distributed sum is added to Distributions but is also added to the original level of Commitment, since, in essence, the level of commitment to the fund will have increased. Amounts of capital that has been denominated as Recallable can be highlighted in a separate column headed Commitment Increases so that it can identified to enable reconciliation.
14. **Commitment Increases:** This will include any potential recallable distributions as well as amounts paid outside of commitments.
15. **Distributions:** Cumulative cash and stock distributions received since inception through the reporting date. Stock distributions are the proceeds received from the sale of the stock, rather than the value of the stock as reported by the partnership(s), unless otherwise noted.
16. **Inception Date:** The Inception Date is the quarter that the fund first came into existence, whether or not the particular LP commitment was made at that time.
17. **Funded:** The % Funded is represented by Commitment plus Commitment Increases less Paid In, as a percentage of Commitment.
18. **Unfunded Commitment:** Commitment plus Commitment Increase less Paid In.
19. **Data:** The column headed Data shows the quarter of the latest Capital Account Statement received for the relevant fund.

20. **Investment Analysis by Industry and Country:** If this analysis is featured at the end of this report, it works at the underlying investment level and includes all investments within funds for which managers have provided discrete data. Thus, it typically excludes investments within Funds of Funds, most Distressed funds and Secondary funds since the granularity of data for the underlying funds or investments is either extremely complex or will not have been provided by the fund for this type of analysis.
21. **Secondary Sales:** When funds are disposed of via a secondary sale they are removed from the portfolio as shown in the Performance Summary and Funding Status. They will be summarized in a later schedule with performance shown to the date of sale.
22. **Terminated Funds:** When a fund is liquidated or terminated it will remain in the portfolio for all periods that it was in existence, so that running the portfolio report for a relevant historic point in time will show such fund, whilst running the report for periods after termination of the fund, it will not show that fund in the portfolio. Instead, in the latter case, any such funds will have been included in a separate schedule of Terminated Funds, following the main portfolio. It is important to note that terminated funds remain in the body of the portfolio at ALL times. It is only the appearance of whether they show in a portfolio report that changes depending on whether they were active and in existence at the time the report is run, or not. As default, in the Funding Status and Performance Overview Charts coupled with the Portfolio Summaries by Asset Class, Vintage Year and Fund Type, terminated funds ARE included within the portfolio. By default, terminated funds are NOT included in the current main listings of the portfolio performance and funding status. Instead, they are listed in a later separate summary.
23. **Exposure by Region and Strategy:** These pie charts are analyzed at the fund level. Thus a fund that invests worldwide but is headquartered in the US, will typically be included as a US fund, even though some investments may be made internationally.
24. **Time Weighted Returns:** When a table of TWRs is included this is calculated utilizing the Modified Dietz methodology. Benchmark indices utilized are derived from Burgiss Private iQ for most strategies, though for Real Estate funds they may use Preqin data.

New Mexico PERA - NM PERA - Illiquid Real Estate

Private Markets Performance Review

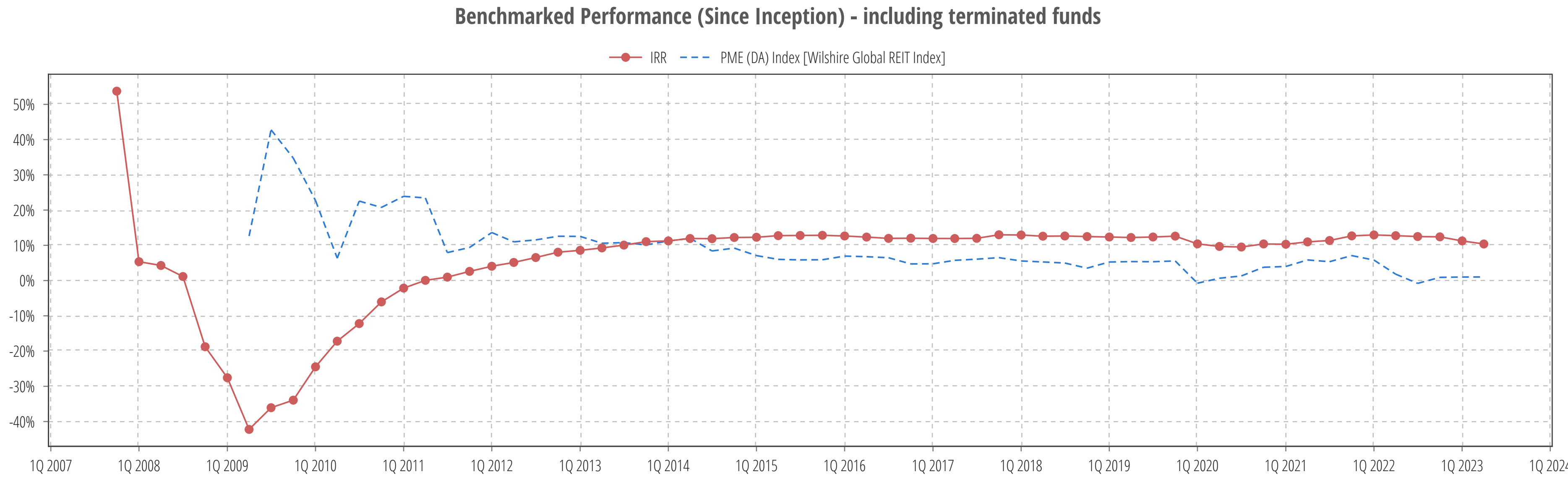
2Q 2023

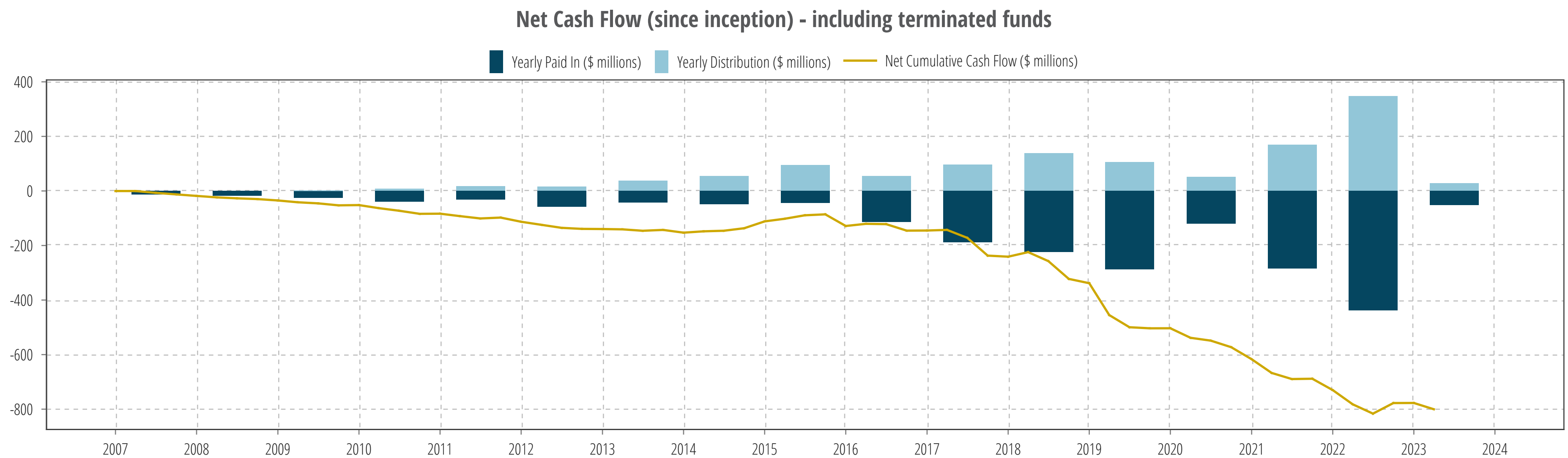
Portfolio Performance Notes

Albourne conducted the portfolio analysis reflected in this report

Table of Contents (Report Generation Date: 22 November 2023)

Funding Status & Performance Overview





Summary By Asset Class - including terminated funds

Asset Class	# Funds	Commitment (000's)[1]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	IRR	PME (DA) Alpha	DPI	TVPI
Core-Plus	7	1,036,436	997,460	93%	118,229	280,679	838,068	58.97%	5.37%	+8.19%	0.28	1.12
Opportunistic	20	911,804	812,708	81%	186,395	821,853	441,835	31.09%	13.34%	+10.60%	1.01	1.55
Value Added	6	252,280	218,645	86%	35,911	125,952	141,365	9.95%	7.60%	+5.45%	0.58	1.22
Portfolio Total	**33**	**2,200,520**	**2,028,813**	**89%**	**340,535**	**1,228,484**	**1,421,268**	**100.00%**	**10.38%**	**+9.36%**	**0.61**	**1.31**

[1]Original Commitment Made

Summary By Vintage Year - including terminated funds

Vintage Year	# Funds	Commitment (000's)[1]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	IRR	PME (DA) Alpha	DPI	TVPI
2006	1	21,081	38,134	95%	1,497	56,899	74	0.01%	8.99%	-0.86%	1.49	1.49
2007	3	61,899	61,160	97%	2,060	78,526	13,270	0.93%	7.20%	+2.21%	1.28	1.50
2008	3	73,340	68,528	90%	7,991	98,648	3,539	0.25%	10.99%	+6.72%	1.44	1.49
2009	1	18,302	18,302	100%	0	30,153	0	0.00%	19.05%	+11.76%	1.65	1.65
2011	2	38,558	44,154	85%	7,409	69,169	3,770	0.27%	18.28%	+17.05%	1.57	1.65
2012	2	72,322	73,093	93%	5,869	98,801	12,402	0.87%	12.07%	+11.22%	1.35	1.52
2013	1	50,000	45,744	80%	11,756	67,451	14,051	0.99%	19.78%	+17.73%	1.47	1.78
2014	2	105,020	96,452	92%	8,569	108,072	37,749	2.66%	12.81%	+11.75%	1.12	1.51
2015	1	60,000	57,315	94%	3,776	34,556	28,961	2.04%	3.04%	+2.77%	0.60	1.11
2016	3	209,849	189,015	81%	46,027	250,398	126,487	8.90%	19.47%	+18.55%	1.32	1.99
2017	5	747,532	728,328	92%	96,246	288,565	501,236	35.27%	3.19%	+5.97%	0.40	1.08
2018	3	192,607	133,193	68%	62,708	30,884	118,770	8.36%	5.82%	+9.80%	0.23	1.12
2019	1	50,000	35,411	69%	15,831	2,155	35,424	2.49%	3.61%	+8.69%	0.06	1.06
2020	3	200,011	129,218	65%	70,796	1,792	149,347	10.51%	n/m	n/m	n/m	n/m
2021	1	200,000	210,768	100%	0	10,768	271,335	19.09%	n/m	n/m	n/m	n/m
2022	1	100,000	100,000	100%	0	1,648	104,854	7.38%	n/m	n/m	n/m	n/m
Portfolio Total	**33**	**2,200,520**	**2,028,813**	**89%**	**340,535**	**1,228,484**	**1,421,268**	**100.00%**	**10.38%**	**+9.36%**	**0.61**	**1.31**

[1]Original Commitment Made

Summary By Fund Type - including terminated funds

Fund Type	# Funds	Commitment (000's)[1]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	IRR	PME (DA) Alpha	DPI	TVPI
Primary Fund	28	1,303,106	1,131,111	81%	264,829	985,584	647,921	45.59%	11.76%	+9.34%	0.87	1.44
Client Specific Fund	2	497,414	486,935	92%	75,707	223,004	273,731	19.26%	0.94%	+4.30%	0.46	1.02
Open-Ended Private Fund	3	400,000	410,768	100%	0	19,896	499,616	35.15%	12.89%	+15.66%	0.05	1.26
Portfolio Total	**33**	**2,200,520**	**2,028,813**	**89%**	**340,535**	**1,228,484**	**1,421,268**	**100.00%**	**10.38%**	**+9.36%**	**0.61**	**1.31**

[1]Original Commitment Made

Summary By Fund Status - including terminated funds

Fund Status	# Funds	Commitment (000's)[1]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	IRR	PME (DA) Alpha	DPI	TVPI
Current	29	1,975,239	1,803,532	88%	340,535	968,728	1,421,268	100.00%	11.02%	+10.42%	0.54	1.33
Terminated	4	225,281	225,281	100%	0	259,756	0	0.00%	6.02%	+1.39%	1.15	1.15
Portfolio Total	**33**	**2,200,520**	**2,028,813**	**89%**	**340,535**	**1,228,484**	**1,421,268**	**100.00%**	**10.38%**	**+9.36%**	**0.61**	**1.31**

[1]Original Commitment Made

Inflows/Outflows 2Q 2023 - including terminated funds

Asset Class	# Funds	Paid In (000's)	Distributed (000's)	Net Cash Flow(000's)
Core-Plus	7	30,402	2,763	-27,640
Opportunistic	20	4,550	17,918	13,368
Value Added	6	8,919	138	-8,781
Total	**33**	**43,872**	**20,819**	**-23,053**

Inflows/Outflows Year to Date 2023 - including terminated funds

Asset Class	# Funds	Paid In (000's)	Distributed (000's)	Net Cash Flow(000's)
Core-Plus	7	32,023	4,877	-27,146
Opportunistic	20	10,483	23,573	13,090
Value Added	6	8,919	219	-8,699
Total	**33**	**51,425**	**28,669**	**-22,756**

Performance Summary

Performance Summary (1)

Asset Class	Vintage	TVPI	DPI	IRR	PME (DA) Alpha
Core-Plus					
GEM Realty Evergreen Fund, L.P.	2017	1.31	0.07	6.99%	+8.92%
New Rock Core Fund, L.P.	2017	1.00	0.13	0.11%	+6.43%
Rockpoint Growth and Income Real Estate Fund II, L.P.	2017	1.07	0.49	1.82%	+2.36%
Rockpoint Growth and Income Real Estate Fund III	2018	0.90	0.02	-6.97%	-10.96%
Stockbridge Niche Logistics Fund	2021	n/m	n/m	n/m	n/m
Rockwood Multifamily Partners	2022	n/m	n/m	n/m	n/m
Total - Core-Plus		**1.14**	**0.12**	**5.97%**	**+9.69%**
Opportunistic					
Carlyle Realty Partners V	2006	1.49	1.49	8.99%	-0.86%
Walton Street Real Estate Partners VI, L.P.	2007	1.64	1.14	8.38%	+4.49%
Blackstone Real Estate Partners Europe III L.P.	2008	1.43	1.37	10.05%	+6.92%
North Haven Real Estate Fund VII Global (fka MSREF VII)	2008	1.37	1.35	10.23%	+6.11%
Starwood Opportunity Fund VIII, L.P.	2008	1.67	1.60	12.16%	+6.88%
Carlyle Realty Partners VI	2011	1.46	1.38	17.30%	+14.72%
Starwood Distressed Opportunity Fund IX Global, L.P.	2011	1.83	1.74	19.00%	+18.84%
Blackstone Real Estate Partners VII L.P.	2012	1.66	1.49	13.23%	+12.28%
Wheelock Street Real Estate Fund II, L.P.	2013	1.78	1.47	19.78%	+17.73%
Harrison Street Real Estate Partners V, L.P.	2014	1.56	0.96	10.39%	+9.24%
Starwood Opportunity Fund X, L.P.	2014	1.47	1.25	16.15%	+15.16%
Harrison Street Real Estate Fund VI-A, L.P.	2016	1.43	0.75	9.51%	+9.08%
KSL Capital Partners IV, L.P.	2016	1.70	0.86	15.28%	+14.66%
PW Real Estate Fund III LP	2016	3.01	2.56	31.80%	+28.41%
Starwood Opportunity Fund XI Global, L.P.	2017	1.24	0.32	11.13%	+15.55%
Aermont Capital Real Estate Fund IV SCSp	2018	0.81	0.00	-10.58%	-2.30%
Harrison Street Real Estate Partners VII	2018	1.39	0.44	15.07%	+17.75%

Information in this section relates to active investments only

Performance Summary (2)

Asset Class	Vintage	TVPI	DPI	IRR	PME (DA) Alpha
Harrison Street Real Estate Partners VIII, L.P.	2020	1.14	0.01	9.90%	+22.14%
Starwood Distressed Opportunity Fund XII Global, LP	2020	n/m	n/m	n/m	n/m
Total - Opportunistic		**1.56**	**1.00**	**13.46%**	**+10.83%**
Value Added					
Rockwood Capital Real Estate Partners Fund IX, L.P.	2012	1.35	1.17	9.94%	+9.19%
Rockwood Capital Real Estate Partners Fund X, L.P.	2015	1.11	0.60	3.04%	+2.77%
Rockwood Capital Real Estate Partners Fund XI, L.P.	2019	1.06	0.06	3.61%	+8.69%
Stockbridge Value Fund IV, LP	2020	n/m	n/m	n/m	n/m
Total - Value Added		**1.17**	**0.41**	**7.06%**	**+8.42%**
Portfolio Total		**1.33**	**0.54**	**11.02%**	**+10.42%**

Information in this section relates to active investments only

Funding Status

Funding Status (1)

Asset Class	Vintage	Commitment Date	Fund Size (000's)	Commitment (000's)[1]	Paid In (000's)	Distributions (000's)	Funded	Current NAV (000's)	Data
Core-Plus									
GEM Realty Evergreen Fund, L.P.	2017	2Q 2018		100,000	100,000	7,480	100%	123,428	2Q 2023
New Rock Core Fund, L.P.	2017	4Q 2017		325,000	314,521	41,496	90%	273,731	2Q 2023
Rockpoint Growth and Income Real Estate Fund II, L.P.	2017	1Q 2017	1,663,000	79,022	75,393	37,213	93%	43,366	2Q 2023
Rockpoint Growth and Income Real Estate Fund III	2018	3Q 2018	2,000,000	60,000	24,364	566	40%	21,355	2Q 2023
Stockbridge Niche Logistics Fund	2021	1Q 2021		200,000	210,768	10,768	100%	271,335	2Q 2023
Rockwood Multifamily Partners	2022	3Q 2022		100,000	100,000	1,648	100%	104,854	2Q 2023
Total - Core-Plus				**864,022**	**825,046**	**99,171**	**92%**	**838,068**	
Opportunistic									
Carlyle Realty Partners V	2006	1Q 2007	3,000,000	21,081	38,134	56,899	95%	74	2Q 2023
Walton Street Real Estate Partners VI, L.P.	2007	2Q 2009	1,935,000	27,333	26,594	30,431	92%	13,270	2Q 2023
Blackstone Real Estate Partners Europe III L.P.	2008	4Q 2008	3,475,607	28,175	26,638	36,380	90%	1,712	2Q 2023
North Haven Real Estate Fund VII Global (fka MSREF VII)	2008	2Q 2009	4,000,000	20,166	19,212	26,018	89%	248	2Q 2023
Starwood Opportunity Fund VIII, L.P.	2008	3Q 2008	1,829,300	25,000	22,678	36,250	91%	1,579	2Q 2023
Carlyle Realty Partners VI	2011	3Q 2011	2,340,000	13,558	20,904	28,757	76%	1,694	2Q 2023
Starwood Distressed Opportunity Fund IX Global, L.P.	2011	1Q 2012	4,200,000	25,000	23,250	40,412	93%	2,077	2Q 2023
Blackstone Real Estate Partners VII L.P.	2012	3Q 2012	13,300,000	38,355	41,099	61,242	92%	6,893	2Q 2023
Wheelock Street Real Estate Fund II, L.P.	2013	4Q 2013	625,000	50,000	45,744	67,451	80%	14,051	2Q 2023
Harrison Street Real Estate Partners V, L.P.	2014	4Q 2014	850,000	45,020	42,452	40,683	94%	25,653	2Q 2023
Starwood Opportunity Fund X, L.P.	2014	3Q 2014	5,600,000	60,000	54,000	67,389	90%	12,096	2Q 2023
Harrison Street Real Estate Fund VI-A, L.P.	2016	3Q 2016	950,000	75,000	69,320	51,909	90%	47,432	2Q 2023
KSL Capital Partners IV, L.P.	2016	4Q 2015	2,677,000	60,000	63,256	54,230	76%	53,309	2Q 2023
PW Real Estate Fund III LP	2016	4Q 2015	1,636,350	74,849	56,439	144,260	77%	25,747	2Q 2023
Starwood Opportunity Fund XI Global, L.P.	2017	3Q 2016	7,555,500	71,095	66,000	20,868	81%	60,711	2Q 2023
Aermont Capital Real Estate Fund IV SCSp	2018	1Q 2018	2,181,800	57,681	40,185	0	71%	32,369	2Q 2023
Harrison Street Real Estate Partners VII	2018	4Q 2018	1,300,000	74,926	68,644	30,318	88%	65,046	2Q 2023
Harrison Street Real Estate Partners VIII, L.P.	2020	4Q 2020	2,000,000	75,000	58,593	318	78%	66,699	2Q 2023
Starwood Distressed Opportunity Fund XII Global, LP	2020	3Q 2020	10,064,825	50,000	10,000	0	20%	11,177	2Q 2023
Total - Opportunistic				**892,238**	**793,142**	**793,814**	**81%**	**441,835**	

[1]Original Commitment Made

Funding Status (2)

Asset Class	Vintage	Commitment Date	Fund Size (000's)	Commitment (000's)[1]	Paid In (000's)	Distributions (000's)	Funded	Current NAV (000's)	Data
Value Added									
Rockwood Capital Real Estate Partners Fund IX, L.P.	2012	3Q 2012	678,000	33,968	31,993	37,559	94%	5,508	2Q 2023
Rockwood Capital Real Estate Partners Fund X, L.P.	2015	3Q 2015	1,100,000	60,000	57,315	34,556	94%	28,961	2Q 2023
Rockwood Capital Real Estate Partners Fund XI, L.P.	2019	4Q 2019	1,148,000	50,000	35,411	2,155	69%	35,424	2Q 2023
Stockbridge Value Fund IV, LP	2020	4Q 2020	562,000	75,011	60,625	1,474	81%	71,472	2Q 2023
Total - Value Added				**218,979**	**185,344**	**75,744**	**84%**	**141,365**	
Portfolio Total				**1,975,239**	**1,803,532**	**968,728**	**88%**	**1,421,268**	

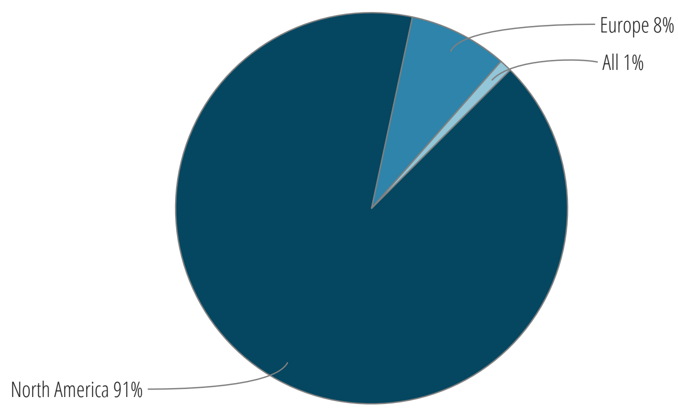
[1]Original Commitment Made

Largest Relationship Concentrations by Manager Group

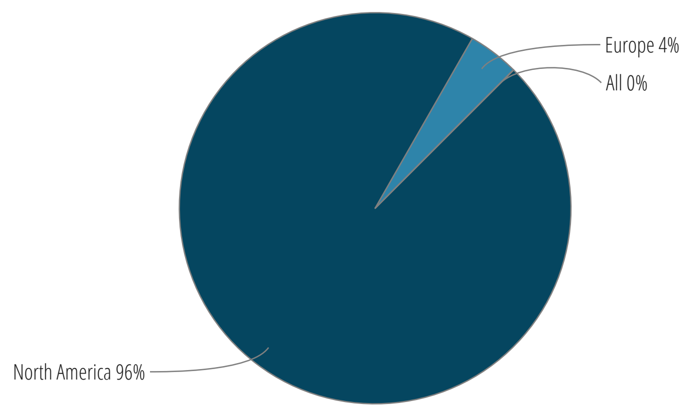
Manager	Commitment (m)	Actual (m)	Proposed (m)	% of Total Commitments
Rockwood Capital, LLC	569	569	0	28.8%
Stockbridge Group	275	275	0	13.9%
Harrison Street	270	270	0	13.7%
Starwood Group	231	231	0	11.7%
Rockpoint Group LLC	139	139	0	7.0%
Aermont Capital	133	133	0	6.7%
GEM Realty Capital, Inc.	100	100	0	5.1%
The Blackstone Group	67	67	0	3.4%
KSL Capital Partners	60	60	0	3.0%
Wheelock Street Capital	50	50	0	2.5%

Exposure by Region and Asset Class

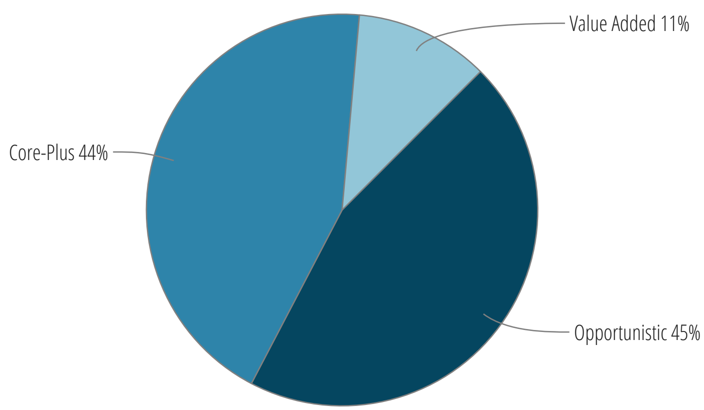
Exposure by Region (Commitments)



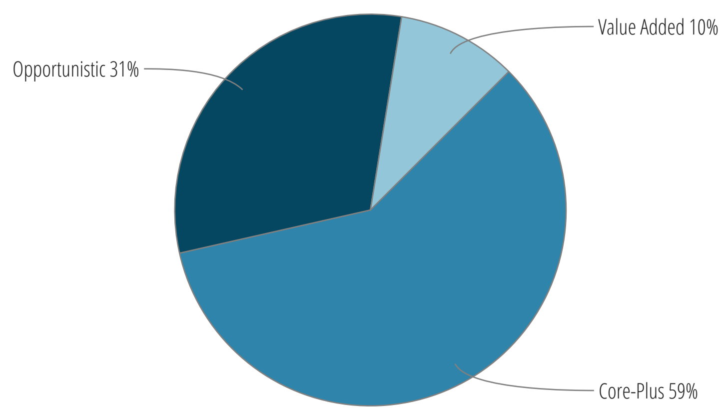
Exposure by Region (NAV)



Exposure by Asset Class (Commitments)

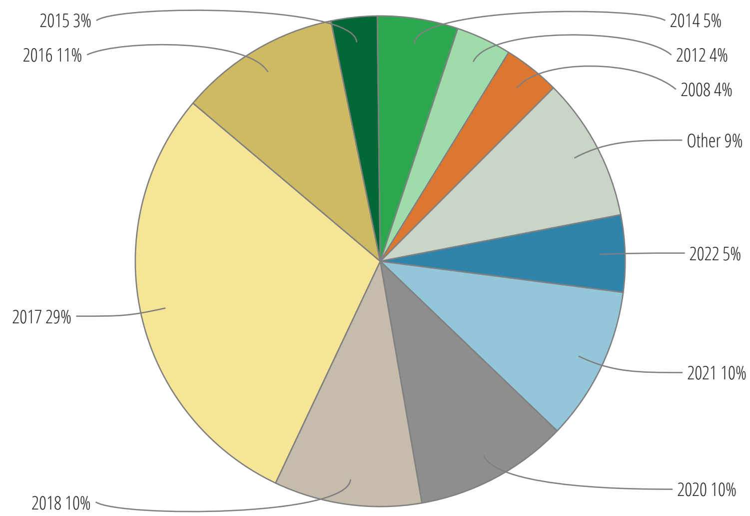


Exposure by Asset Class (NAV)

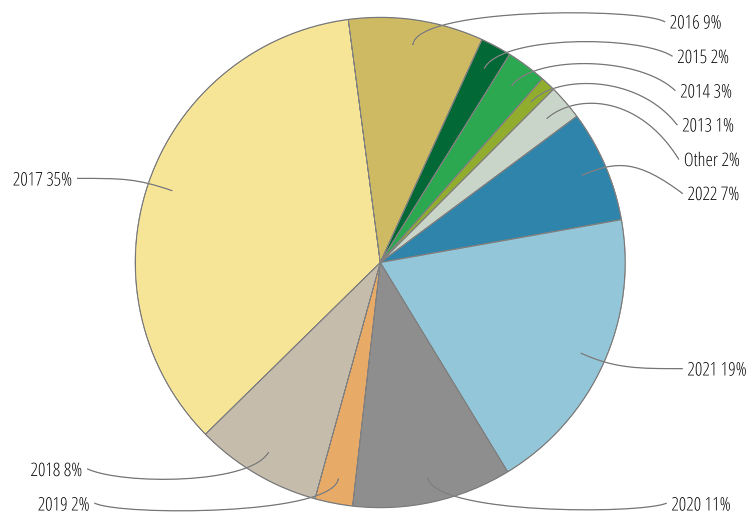


Exposure by Vintage Year

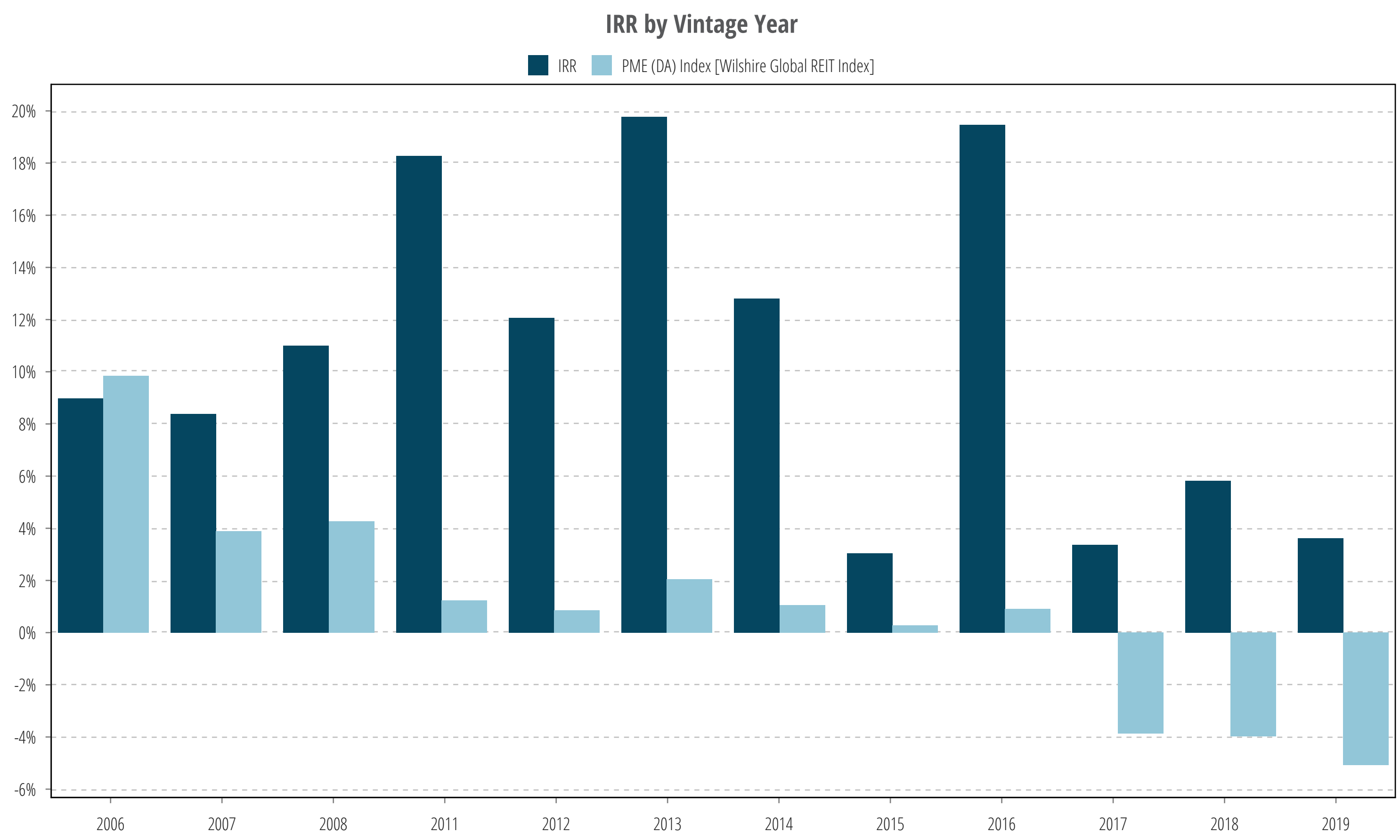
Exposure by Vintage Year (Commitments)



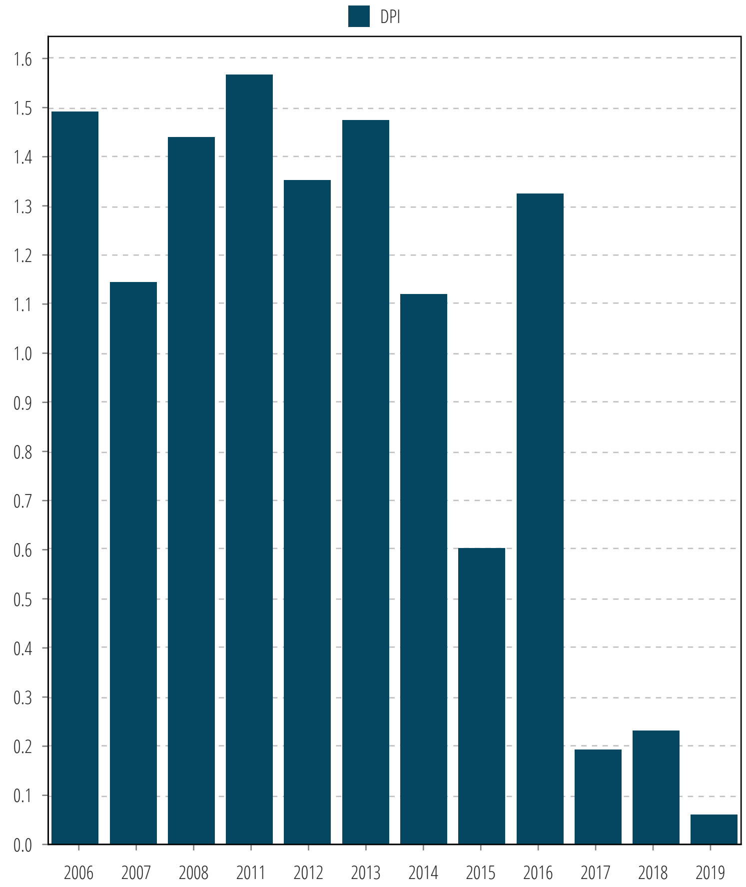
Exposure by Vintage Year (NAV)



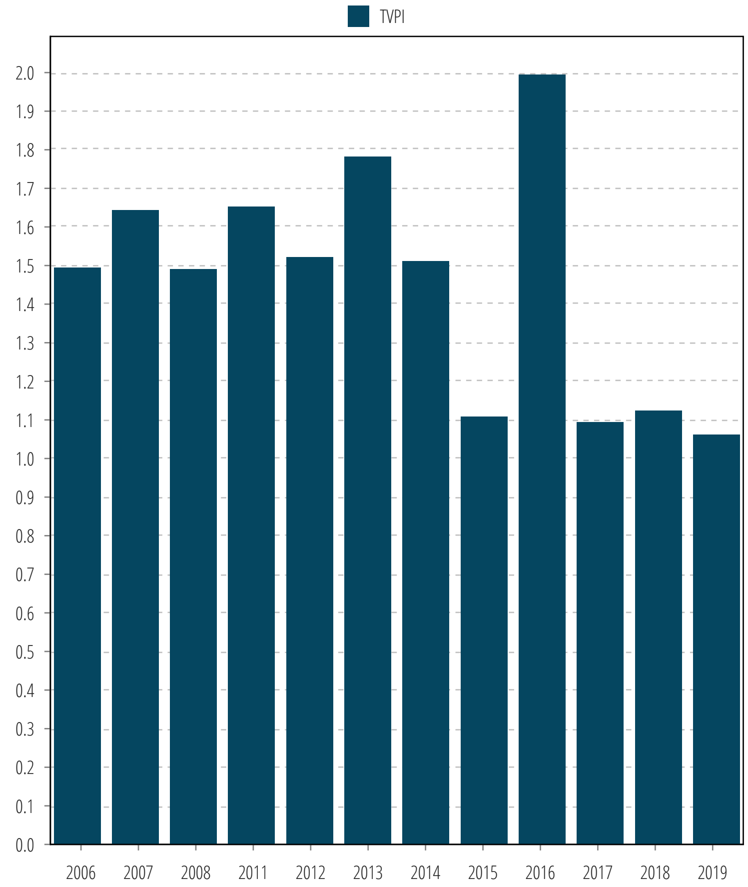
Cash Flow Analysis



DPI by Vintage Year



TVPI by Vintage Year



Investment Analysis

Investments by Industry

Industry Group	Invested Capital (000's)	% of Total Assets	Current Mkt Value (000's)	% of Current Mkt Value
Total	**820,054**	**100.0%**	**785,327**	**100.0%**
Equity Real Estate Investment Trusts (REITs)	377,716	46.1%	346,338	44.1%
Real Estate - Industrial	309,124	37.7%	305,169	38.9%
Real Estate - Residential	51,386	6.3%	59,192	7.5%
Consumer Services	41,871	5.1%	44,063	5.6%
Real Estate - Retail	29,802	3.6%	28,008	3.6%
Interest Rate - Cash	12,800	1.6%	12,800	1.6%
Real Estate - Office	12,652	1.5%	10,016	1.3%
Real Estate - Other	6,505	0.8%	1,660	0.2%
Transportation	5,524	0.7%	7,458	0.9%
Financial Services	2,769	0.3%	1,086	0.1%
Real Estate Management & Development	311	0.0%	207	0.0%
Consumer Durables & Apparel	232	0.0%	126	0.0%
Real Estate - Senior Housing	140	0.0%	0	0.0%
Capital Goods	21	0.0%	0	0.0%
No Sector Specified	-30,798	-3.8%	-30,798	-3.9%

Investments by Country

Country	Invested Capital (000's)	% of Total Assets	Current Mkt Value (000's)	% of Current Mkt Value
Total	**820,054**	**100.0%**	**785,327**	**100.0%**
United States	807,525	98.5%	780,849	99.4%
United Kingdom	24,267	3.0%	23,177	3.0%
Germany	3,454	0.4%	2,623	0.3%
Italy	3,073	0.4%	3,088	0.4%
India	1,346	0.2%	713	0.1%
Brazil	1,221	0.1%	433	0.1%
Australia	1,132	0.1%	211	0.0%
Russia	978	0.1%	0	0.0%
China	965	0.1%	120	0.0%
Ireland	652	0.1%	239	0.0%
Japan	607	0.1%	0	0.0%
Spain	512	0.1%	454	0.1%
France	429	0.1%	300	0.0%
Mexico	329	0.0%	311	0.0%
Poland	314	0.0%	401	0.1%
Luxembourg	143	0.0%	314	0.0%
Dominican Republic	105	0.0%	105	0.0%
Sweden	97	0.0%	0	0.0%
Czech Republic	86	0.0%	0	0.0%
Netherlands	64	0.0%	86	0.0%
Turkey	64	0.0%	64	0.0%
Singapore	42	0.0%	0	0.0%
Colombia	21	0.0%	0	0.0%
Hong Kong	21	0.0%	0	0.0%
Portugal	21	0.0%	0	0.0%
No Country Specified	-27,414	-3.3%	-28,162	-3.6%

Appendix

1. **Basis of Reporting:** This report is intended for performance reporting and analysis and is not an accounting record, such that it is based on data at the fund level derived from capital account statements on a quarterly basis, rather than from an analysis of individual drawdown and distribution notices. Thus, detailed accounting information will not necessarily reconcile precisely with this data. However, for performance reporting and benchmarking purposes any differences are likely to be immaterial when a fund has existed for more than 4-5 quarters.
2. **Fund Currency:** Funds that are formed in a currency other than the portfolio reporting currency have had their cash flows, NAVs and unfunded commitments converted at the relevant end-quarter spot exchange rates.
3. **Private Equity:** The term is used herein to refer to the entire alternative asset sector which includes buy-outs, venture capital, growth capital, distressed, secondaries, and similar strategies within the structure of a long-duration, multi-drawdown closed ended fund.
4. **Benchmarking of Funds and Peer Group:** Benchmarking indices are derived from Burgiss Private iQ benchmarks for the relevant quarter, though in selected cases, mainly for Real Estate, benchmark indices may be derived from Preqin. Quartiles are illustrated as: Upper Quartile - Dark Green; Second Quartile - Light Green; Third Quartile - Yellow; Lower Quartile - Red. Funds and benchmarks with n/m (not meaningful) are too young to have produced meaningful returns. Analysis and comparison of such partnership returns to benchmark statistics may be irrelevant. As a default any fund that is less than 3 years from inception will show as n/m. That over-ride can be lifted on request. For Credit and Secondary funds the over-ride is typically lifted after one year or less.
5. **Benchmark Currency:** It is important to note that benchmarks are typically denominated in USD, Euro, GBP, JPY, CAD or AUD as appropriate. Thus for any funds denominated in a currency other than USD, Euro, GBP, JPY, CAD or AUD, comparison against peer group benchmarks may be subject to currency exchange related issues and need to be considered appropriately. The PME for such funds will normally provide a more reliable benchmark comparison against the fund IRR.
6. **Internal Rate of Return ("IRR"):** The IRR represents the cash-on-cash return net of fees, expenses and carried interest, as well as the terminal net asset value of the investment in the partnership, or of the portfolio, as appropriate.
7. **Distributed to Paid In multiple ("DPI"):** DPI is calculated by dividing the total distributions from a fund by the amount of capital paid to the fund.
8. **Total Value/Paid-In multiple ("TVPI"):** TVPI is calculated by dividing the sum of the remaining investment net asset value (NAV) and total distributions from the fund, by the capital paid to the fund.
9. **Public Market Equivalent ("PME"):** PME represents the IRR that would have been achieved if the individual cash flows for the particular fund had been invested in a public benchmark. Note that a different public benchmark might associated with each fund in the portfolio.This analysis utilizes the Gredil-Griffiths-Stucke Direct Alpha methodology to calculate an annualized excess return, describing the relative performance of the private markets investment to the stated index as of the measurement date. The calculation is an IRR, based on the series of fund cash flows and the residual value, discounted to a single point in time using the public benchmark index returns. The cash flows are discounted to the same point in time to effectively eliminate the impact of any changes in the public equity index from the private markets cash flows. Direct Alpha, when shown, represents the excess or deficit of the fund IRR compared to the PME. Thus a Direct Alpha of 3.3% indicates that the private investment has generated an annualized excess return of 3.3% over the public index. Where a partnership benchmark and no index aggregation has been utilized, with respect to PME and Direct Alpha for the portfolio and portfolio sub-aggregates, the stated portfolio public index is used. Where an aggregated index has been utilized, with respect to PME and Direct Alpha for the portfolio and sub-portfolio aggregates, this has been created as a market value weighted index of each individual index assigned to each fund in the portfolio/sub-portfolio.
10. **Pooled Mean Benchmark:** The pooled mean benchmark is calculated as the performance index that would have arisen from committing to all funds in the benchmark dataset for the same vintages and same strategies that the portfolio committed to. Compared to the actual performance of the portfolio it represents a measure of manager selection.
11. **Late Closings:** When interest is identified as having been paid or received in relation to late closings, any penalty interest paid will be added to paid-in and to commitment increases, whilst interest received (as a result of other LPs coming in late) will be added to distributions. Where a commitment is made after the first closing of a fund, this reporting system applies an accruals basis such that it reflects the retrospective liability that exists to the fund in previous periods. If the closings span a financial year end then there will be a reconciliation difference at the year-end compared with a cash accounting basis.
12. **Number of Funds:** The number of funds shown in the Portfolio Summaries towards the front of this report will normally include liquidated and terminated funds, so that the number of funds in the Portfolio Summaries may be higher than the number of funds in the current portfolio as listed in the Performance Summary and Funding Status.
13. **Recallable Capital:** Funds may return some capital to LPs under conditions set within the LPA to the extent that it is capable of being recalled during an agreed time period. In such cases the distributed sum is added to Distributions but is also added to the original level of Commitment, since, in essence, the level of commitment to the fund will have increased. Amounts of capital that has been denominated as Recallable can be highlighted in a separate column headed Commitment Increases so that it can identified to enable reconciliation.
14. **Commitment Increases:** This will include any potential recallable distributions as well as amounts paid outside of commitments.
15. **Distributions:** Cumulative cash and stock distributions received since inception through the reporting date. Stock distributions are the proceeds received from the sale of the stock, rather than the value of the stock as reported by the partnership(s), unless otherwise noted.
16. **Inception Date:** The Inception Date is the quarter that the fund first came into existence, whether or not the particular LP commitment was made at that time.
17. **Funded:** The % Funded is represented by Commitment plus Commitment Increases less Paid In, as a percentage of Commitment.
18. **Unfunded Commitment:** Commitment plus Commitment Increase less Paid In.
19. **Data:** The column headed Data shows the quarter of the latest Capital Account Statement received for the relevant fund.

20. **Investment Analysis by Industry and Country:** If this analysis is featured at the end of this report, it works at the underlying investment level and includes all investments within funds for which managers have provided discrete data. Thus, it typically excludes investments within Funds of Funds, most Distressed funds and Secondary funds since the granularity of data for the underlying funds or investments is either extremely complex or will not have been provided by the fund for this type of analysis.
21. **Secondary Sales:** When funds are disposed of via a secondary sale they are removed from the portfolio as shown in the Performance Summary and Funding Status. They will be summarized in a later schedule with performance shown to the date of sale.
22. **Terminated Funds:** When a fund is liquidated or terminated it will remain in the portfolio for all periods that it was in existence, so that running the portfolio report for a relevant historic point in time will show such fund, whilst running the report for periods after termination of the fund, it will not show that fund in the portfolio. Instead, in the latter case, any such funds will have been included in a separate schedule of Terminated Funds, following the main portfolio. It is important to note that terminated funds remain in the body of the portfolio at ALL times. It is only the appearance of whether they show in a portfolio report that changes depending on whether they were active and in existence at the time the report is run, or not. As default, in the Funding Status and Performance Overview Charts coupled with the Portfolio Summaries by Asset Class, Vintage Year and Fund Type, terminated funds ARE included within the portfolio. By default, terminated funds are NOT included in the current main listings of the portfolio performance and funding status. Instead, they are listed in a later separate summary.
23. **Exposure by Region and Strategy:** These pie charts are analyzed at the fund level. Thus a fund that invests worldwide but is headquartered in the US, will typically be included as a US fund, even though some investments may be made internationally.
24. **Time Weighted Returns:** When a table of TWRs is included this is calculated utilizing the Modified Dietz methodology. Benchmark indices utilized are derived from Burgiss Private iQ for most strategies, though for Real Estate funds they may use Preqin data.

Manager Selection Activity Report

December 12, 2023

Overview: Manager Selection Process

Stage 0
Portfolio Need

- Identification of Portfolio Need
- Screening of Manager Universe
- Development of Diligence Questionnaire

Stage 1
Request

- PERA Specific Legal Terms
- Diligence Questionnaires
- Quantitative Review
- Data Room Access

Stage 2
Collect

- Data Room Documents
- Consultant IDD and ODD
- Stage 1 Deliverables

Stage 3
Evaluate

- Diligence Summary *(SPORTE or Comparable)*
- Manager Expectation Sheet
- Alpha Capture Review
- TopQ Review Sheet
- Reference Check
- **Active Strategies Team Review**
- **Operational Due Diligence Begins**

Stage 4
Visit

- Standard Agenda
- Standard On-Site Questionnaire
- Site Visit Summary Write-Up

Stage 5
Propose

- Staff Proposal Memo
- Checklist for Stages 1-4
- Consultant Recommendation
- Operational Diligence Memo
- Legal Review Checklist
- **Refer to PFRT for final approval**

PERA

Manager Selection Pipeline

Illiquid	Allocation	Commitment	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Middle Market Lending Summary: Credit Oriented Fixed Income (New Mandate)	Credit	-	Complete	Complete	Complete	In Process	
Lower Middle Market Lending Summary: Credit Oriented Fixed Income (New Mandate)	Credit	-	Complete	Complete	Complete	In Process	
Venture Capital – Early to Late Stage Summary: Private Equity (Follow on)	Global Equity	-	Complete	Complete	Complete	Complete	
Montagu VII, L.P. Summary: Private Equity (Follow on)	Global Equity	€89 ($93)m	Complete	Complete	Complete	Complete	Complete
Real Estate Summary: Real Estate (New mandate)	Real Assets		Complete	Complete	In Process		
Real Estate Summary: Real Estate (Follow on)	Real Assets	-	Complete	Complete	In Process		
Infrastructure - Evergreen Summary: Real Assets (New mandate)	Real Assets	-	Complete	Complete	Complete	In Process	
Infrastructure - Evergreen Summary: Real Assets (New mandate)	Real Assets	-	Complete	Complete	Complete	In Process	

Note: All completed opportunities are subject to satisfactory legal review, prior to final execution.

PERA

Manager Selection Pipeline

Total Fund	Allocation	Commitment	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Custody Bank RFP Summary: Issuance due to Expiration of Contract	Total Fund	N/A	Complete	Complete	Cancelled		
Custody Bank RFP – Reissue Summary: Extended contract for 1 year to June 30, 2024	Total Fund	N/A	Complete	Complete	Complete	In Process	

Bonds Plus Alpha	Allocation	Commitment	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Global Macro Hedge Fund Summary: Portable Alpha (New Mandate)	Risk Mitigation	-	Complete	Complete	In Process		

Note: All completed opportunities are subject to satisfactory legal review, prior to final execution.

PERA

Portfolio Fit and Process Review Team

Opportunities Reviewed	Date	Members	IC Observer	Agreement
<u>Montagu VII, L.P.</u> Summary: Global Equity (Follow-on)	October 24, 2023	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	Francis Page *	Yes

*Juan Diaz was invited but did not attend.

Note: All completed opportunities are subject to satisfactory legal review, prior to final execution.

PERA

Global Equity
Private Equity Investment Proposal: Montagu VII, L.P.

PRISM

Kate Brassington, Senior Portfolio Manager

Proposal:

The Active Strategies Team proposes committing up to €89 million (~$93 million) to Montagu Private Equity LLP's ("Montagu") next fund, Montagu VII, L.P. ("Montagu VII").

Montagu VII is an illiquid private equity fund focused on the European (primarily Northern European) middle-market buyout space. Montagu will primarily target control investments in five key sectors: healthcare, critical data, digital infrastructure, financial sector services, and education. Montagu focuses on these sectors due to the positive demographics (growth and low cyclicality). Montagu is an established firm with a reputation as a "partner of choice," and Montagu has particular expertise in carve-outs.

Montagu VII's target size is €3.6 billion.

This will be a follow-on investment for PERA. There are currently commitments in Montagu VI (2020, €89 million), and Montagu Petroglyph Co-Invest (2020, €34 million). Montagu Petroglyph Co-Invest is an evergreen fund-of-one dedicated to guideline-based, diversified co-investments alongside Montagu VI and future Montagu funds in which NM PERA invests.

The Direct Alpha for the NM PERA funds is 7.03%, and the KS-PME is 1.07 (as of 06/30/23 vs. the MSCI ACWI IMI).

This proposal is based on due diligence material and data obtained by PERA investment division and consultant directly from the fund and focuses on the strategy of the proposed fund as it fits within the current portfolio. PERA defers to the consultant's primary diligence on matters relating to the quality and sufficiency of the fund's back office, compliance, and other operational matters.
All proposals are subject to satisfactory legal review prior to final execution.

PERA

FIVE Stage Process Results – Reasons to Invest

Fit in Portfolio

- NM PERA's PE portfolio is roughly 75% buyout-focused. Within the buyout component, NM PERA seeks to build a portfolio that is diversified by geography, sector, and company size.
- From a geographic perspective, it is not unusual to see large concentrations in the UK and France within European allocations – the MSCI Europe index is ~24% UK and ~19% France. Montagu's largest country allocations are to France (~30% from IV – VI) and the UK (~35% from IV – VI); however, NM PERA views Montagu as having reasonable geographic diversification within Europe.
- Montagu provides NM PERA with key exposures to the middle market and is currently NM PERA's primary core partner in European middle market buyouts.
- Montagu's verticals provide NM PERA with differentiated European middle market exposures that remain complementary to NM PERA's current managers. Currently, Montagu VI's largest GICS allocation is Health Care, followed by IT, Industrials, and Financials. Within NM PERA's total European buyout composite, Industrials is the largest allocation, followed by Consumer Discretionary, IT, and Health Care. Much of NM PERA's European buyout exposure comes from the large buyout composite; when that is removed, there is no Health Care exposure outside of Montagu and very little IT. On balance, NM PERA views Montagu as having more recession-resilience in Europe due to the focus industries and target businesses.

Implementation of Strategy

- Montagu has been investing for 50+ years and is a well-established PE firm in Europe.
- Montagu primarily targets "must-have" businesses with inflation+ pricing, non-cyclical demand, secular growth, and strong margins & cash conversion.
- Montagu has a dedicated origination function of 3 senior professionals and has a team of 20 dedicated operating partners known as the "Full Potential Partners." These partners provide support during the diligence, as well as throughout Montagu's ownership.
- Montagu targets businesses with lower downside risk and more growth potential vs the "average." These deals should, therefore, be expected to command higher multiples than the average.

Value Add

- Montagu has consistently outperformed the MSCI Europe, with a total for Funds IV - VI of 9.85% Direct Alpha and 1.29x KS-PME.*

Edge

- Montagu's specialized knowledge in its identified verticals provides a competitive advantage.
- Montagu has demonstrated expertise in executing complex carve-outs (39% of capital invested across Funds IV – VI has been in carve-outs).
- Montagu's dedicated origination team, which works alongside the investment team, develops long-term relationships in Montagu's focus verticals. Montagu believes this unique origination approach delivers entry prices below that of comparable transactions.
- Montagu utilizes multiple levers to add value to portfolio companies (strategic development, margin improvement, sales growth, M&A).

*As per Aksia's analysis as of 12/31/2022

PERA

NM Public Employees Retirement Association
Cash Flow Projection - FY 24

	Actuals	Projected											Month's Activity
	July	August	September	October	November	December	January	February	March	April	May	June	
Month Beginning Cash, BNYM	$32	$31	$30	$29	$28	$27	$26	$25	$24	$23	$22	$21	
Uses of Cash													
Asset Class Purchases													
Liquid Asset Purchases	235												
Illiquid Asset Capital Calls	19	50	50	50	50	50	50	50	50	50	50	50	RA, RE, GE
Alt./Hedged Asset Purchases	0												
Total Benefit Payments	122	120	120	120	120	120	120	120	120	120	120	120	
Benefit Payments (BNYM)	49	55	55	55	55	55	55	55	55	55	55	55	
Benefit Payments (STO)	73	65	65	65	65	65	65	65	65	65	65	65	
Refunds	3	5	5	5	5	5	5	5	5	5	5	5	
Operational Expense	1	0	0	0	0	0	0	0	0	0	0	0	
Other	0												
Sources of Cash													
Asset Class Sales													
Liquid Asset Redemptions	272	34	34	34	34	34	34	34	34	34	34	34	
Illiquid Asset Distributions	30	70	70	70	70	70	70	70	70	70	70	70	RA, RE, GE, CR
Alt./Hedged Asset Redemptions													
Employee / Employer Contributions	72												
Other	0	0	0	0	0	0	0	0	0	0	0	0	
Month Ending Cash, BNYM	31	30	29	28	27	26	25	24	23	22	21	20	
Corporate Action/Suspense	31	10	10	10	10	10	10	10	10	10	10	10	
Month Ending Cash, STO	43	20	20	20	20	20	20	20	20	20	20	20	
Month-End Capital Allocations													
Global Equity	6,599	6,392	6,392	6,392	6,392	6,392	6,392	6,392	6,392	6,392	6,392	6,392	
Risk Reduction & Mitigation	2,773	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	
Credit Oriented Fixed Income	3,133	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3,196	
Real Assets	2,927	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	
Multi-Risk Allocation	1,387	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	
STO Cash	43	20	20	20	20	20	20	20	20	20	20	20	
Total (net of cash flows)	$16,863	$16,840	$16,840	$16,840	$16,840	$16,840	$16,840	$16,840	$16,840	$16,840	$16,840	$16,840	
Month-End Percentage Allocations													
Fund Balance (less STO)	$16,820	$16,930	$16,907	$16,907	$16,907	$16,907	$16,907	$16,907	$16,907	$16,907	$16,907	$16,907	
Global Equity	39.2%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	
Risk Reduction & Mitigation	16.5%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	
Credit Oriented Fixed Income	18.6%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	
Real Assets	17.4%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	
Multi-Risk Allocation	8.3%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

	July Change in Value	Current Month's Weights			
		Actual	Target	Var.	Range
Global Equity	128	39.1%	38.0%	1.1%	+/-5%
Risk Reduction & Mitigation	(3)	16.4%	17.0%	-0.6%	+/-3%
Credit Oriented Fixed Income	39	18.6%	19.0%	-0.4%	+/-4%
Real Assets	(13)	17.4%	18.0%	-0.6%	+/-4%
Multi-Risk Allocation	11	8.2%	8.0%	0.2%	+/-4%
STO Cash	(11)	0.3%	0.0%	0.3%	
Total	151	100.0%	100.0%		

Tier	Liquidity Summary	
	$ (M) Allocation	% Allocation
Tier 1 (1-5 days)	$ 2,402	14%
Tier 2 (5-90 days)	$ 7,190	43%
Tier 3 (90-365 days)	$ 857	5%
Tier 4 (1 year +)	$ 6,372	38%

NM Public Employees Retirement Association
Cash Flow Projection - FY 24

	Actuals		Projected										Month's Activity
	July	August	September	October	November	December	January	February	March	April	May	June	
Month Beginning Cash, BNYM	$32	$31	$71	$70	$69	$68	$67	$66	$65	$64	$63	$62	
Uses of Cash													
Asset Class Purchases													
Liquid Asset Purchases	235	23											
Illiquid Asset Capital Calls	19	9	50	50	50	50	50	50	50	50	50	50	RA, RE, GE
Alt./Hedged Asset Purchases	0												
Total Benefit Payments	122	120	120	120	120	120	120	120	120	120	120	120	
Benefit Payments (BNYM)	49	39	55	55	55	55	55	55	55	55	55	55	
Benefit Payments (STO)	73	82	65	65	65	65	65	65	65	65	65	65	
Refunds	3	7	5	5	5	5	5	5	5	5	5	5	
Operational Expense	1	2	0	0	0	0	0	0	0	0	0	0	
Other	0	0											
Sources of Cash													
Asset Class Sales													
Liquid Asset Redemptions	272	28	34	34	34	34	34	34	34	34	34	34	
Illiquid Asset Distributions	30	74	70	70	70	70	70	70	70	70	70	70	RA, RE, GE, CR
Alt./Hedged Asset Redemptions		0											
Employee / Employer Contributions	72	76											
Other	0	8	0	0	0	0	0	0	0	0	0	0	
Month Ending Cash, BNYM	31	71	70	69	68	67	66	65	64	63	62	61	
Corporate Action/Suspense	31	23	10	10	10	10	10	10	10	10	10	10	
Month Ending Cash, STO	43	34	20	20	20	20	20	20	20	20	20	20	
Month-End Capital Allocations													
Global Equity	6,599	6,497	6,392	6,392	6,392	6,392	6,392	6,392	6,392	6,392	6,392	6,392	
Risk Reduction & Mitigation	2,773	2,807	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	
Credit Oriented Fixed Income	3,133	3,131	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3,196	
Real Assets	2,927	2,878	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	
Multi-Risk Allocation	1,387	1,343	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	
STO Cash	43	34	20	20	20	20	20	20	20	20	20	20	
Total (net of cash flows)	$16,863	$16,689	$16,840	$16,840	$16,840	$16,840	$16,840	$16,840	$16,840	$16,840	$16,840	$16,840	
Month-End Percentage Allocations													
Fund Balance (less STO)	$16,820	$16,655	$16,755	$16,907	$16,907	$16,907	$16,907	$16,907	$16,907	$16,907	$16,907	$16,907	
Global Equity	39.2%	39.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	
Risk Reduction & Mitigation	16.5%	16.9%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	
Credit Oriented Fixed Income	18.6%	18.8%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	
Real Assets	17.4%	17.3%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	
Multi-Risk Allocation	8.3%	8.1%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

August Change in Value	Current Month's Weights			
	Actual	Target	Var.	Range
(103)	38.9%	38.0%	0.9%	+/-5%
34	16.8%	17.0%	-0.2%	+/-3%
(3)	18.8%	19.0%	-0.2%	+/-4%
(49)	17.2%	18.0%	-0.8%	+/-4%
(44)	8.0%	8.0%	0.0%	+/-4%
(9)	0.2%	0.0%	0.2%	
(174)	100.0%	100.0%		

Tier	Liquidity Summary	
	$ (M) Allocation	% Allocation
Tier 1 (1-5 days)	$ 2,426	15%
Tier 2 (5-90 days)	$ 7,036	42%
Tier 3 (90-365 days)	$ 849	5%
Tier 4 (1 year +)	$ 6,344	38%

NM Public Employees Retirement Association
Cash Flow Projection - FY 24

	Actuals			Projected									Month's Activity
	July	August	September	October	November	December	January	February	March	April	May	June	
Month Beginning Cash, BNYM	$32	$31	$71	$30	$29	$28	$27	$26	$25	$24	$23	$22	
Uses of Cash													
Asset Class Purchases													
Liquid Asset Purchases	235	23	15										
Illiquid Asset Capital Calls	19	9	42	50	50	50	50	50	50	50	50	50	RA, RE, GE, CR
Alt./Hedged Asset Purchases	0												
Total Benefit Payments	122	120	121	120	120	120	120	120	120	120	120	120	
Benefit Payments (BNYM)	49	39	53	55	55	55	55	55	55	55	55	55	
Benefit Payments (STO)	73	82	69	65	65	65	65	65	65	65	65	65	
Refunds	3	7	5	5	5	5	5	5	5	5	5	5	
Operational Expense	1	2	1	0	0	0	0	0	0	0	0	0	
Other	0	0	0										
Sources of Cash													
Asset Class Sales													
Liquid Asset Redemptions	272	28	22	34	34	34	34	34	34	34	34	34	
Illiquid Asset Distributions	30	74	45	70	70	70	70	70	70	70	70	70	RA, RE, GE, CR
Alt./Hedged Asset Redemptions		0											
Employee / Employer Contributions	72	76	72										
Other	0	8	2	0	0	0	0	0	0	0	0	0	
Month Ending Cash, BNYM	31	71	30	29	28	27	26	25	24	23	22	21	
Corporate Action/Suspense	31	23	2	10	10	10	10	10	10	10	10	10	
Month Ending Cash, STO	43	34	31	20	20	20	20	20	20	20	20	20	
Month-End Capital Allocations													
Global Equity	6,599	6,497	6,375	6,392	6,392	6,392	6,392	6,392	6,392	6,392	6,392	6,392	
Risk Reduction & Mitigation	2,773	2,807	2,679	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	
Credit Oriented Fixed Income	3,133	3,131	3,106	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3,196	
Real Assets	2,927	2,878	2,840	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	
Multi-Risk Allocation	1,387	1,343	1,274	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	
STO Cash	43	34	31	20	20	20	20	20	20	20	20	20	
Total (net of cash flows)	$16,863	$16,689	$16,306	$16,840	$16,840	$16,840	$16,840	$16,840	$16,840	$16,840	$16,840	$16,840	
Month-End Percentage Allocations													
Fund Balance (less STO)	$16,820	$16,655	$16,275	$16,370	$16,907	$16,907	$16,907	$16,907	$16,907	$16,907	$16,907	$16,907	
Global Equity	39.2%	39.0%	39.2%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	
Risk Reduction & Mitigation	16.5%	16.9%	16.5%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	
Credit Oriented Fixed Income	18.6%	18.8%	19.1%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	
Real Assets	17.4%	17.3%	17.5%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	
Multi-Risk Allocation	8.3%	8.1%	7.8%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

	September Change in Value	Current Month's Weights			
		Actual	Target	Var.	Range
Global Equity	(121)	39%	38.0%	1.1%	+/-5%
Risk Reduction & Mitigation	(128)	16%	17.0%	-0.6%	+/-3%
Credit Oriented Fixed Income	(24)	19%	19.0%	0.1%	+/-4%
Real Assets	(38)	17%	18.0%	-0.6%	+/-4%
Multi-Risk Allocation	(69)	8%	8.0%	-0.2%	+/-4%
STO Cash	(2)	0%	0.0%	0.2%	
Total	(383)	100.0%	100.0%		

Tier	Liquidity Summary		
	$ (M) Allocation		% Allocation
Tier 1 (1-5 days)	$	2,319	14%
Tier 2 (5-90 days)	$	6,787	42%
Tier 3 (90-365 days)	$	841	5%
Tier 4 (1 year +)	$	6,327	39%

YTD Monthly History – Volume

For the month ending 09/30/2023

BNY MELLON

Securities Lending

Public Employees Retirement of New Mexico
LEI: HPFHU0OQ28E4N0NFVK49 | USD | GSL203

	ENDING BALANCES FOR THE MONTH				AVERAGE BALANCES FOR THE MONTH			PERFORMANCE	
Month	Market Value Lendable Securities	Market Value Lendable on Loan	Percent of Portfolio on Loan	Monthly Gross Client Earnings	Market Value Lendable Securities	Market Value Securities on Loan	Percent of Portfolio on Loan	Return on Available Assets for Lending	Return on Loaned Assets
July	5,600,850,993.48	571,218,457.86	10.20%	240,854.14	5,544,467,494.84	578,351,185.64	10.43%	5.21 bp	49.97 bp
August	5,522,520,937.52	589,205,253.65	10.67%	236,624.15	5,506,180,306.84	583,296,946.67	10.59%	5.16 bp	48.68 bp
September	5,356,796,618.19	585,198,531.89	10.92%	230,199.93	5,462,019,244.07	586,018,582.70	10.73%	5.06 bp	47.14 bp
AVERAGE	5,493,389,516.40	581,874,081.13	10.59%	235,892.74	5,504,222,348.58	582,555,571.67	10.58%	5.14 bp	48.59 bp

Loan volumes are calculated using month end exchange rates. Earnings calculations use exchange rates that are based on final earnings reconciliation date.

Reporting values for Mortgage Backed Securities have been reflected as current face.

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