



INVESTED IN TOMORROW.

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

June 11, 2024

Immediately following Rules and Administration Committee

COMMITTEE MEMBERS

Francis Page, Chair
 Shirley Ragin, Vice-Chair
 Paula Fisher
 Juan Diaz
 Diana Rosales-Ortiz

AGENDA

- 1. Roll Call**
- 2. Approval of Agenda**
- 3. Approval of Meeting Minutes**
 - A. March 28, 2024 Investment Committee minutes
- 4. New Business**

ITEM	PRESENTER
A <u>Information Item:</u> Agriculture Education	Michael Killfoil, Senior Portfolio Manager – Real Assets Mark White, Albourne Jeff Conrad, Founder & President Cody Dahl, Ph.D. AgIs Capital
B <u>Information Item:</u> Performance and Market Review 1. Q1 2024 Total Fund Performance and Market Review 2. Q4 2023 Illiquid Asset Class Review a. Private Credit b. Private Equity c. Private Real Assets d. Private Real Estate	Michael Shackelford Chief Investment Officer Scott Whalen Verus Advisory Clayton Cleek, Portfolio Manager Kate Brassington, Senior PM Michael Killfoil, Senior PM Trevor Jackson Mike Krems Aksia James Walsh Mark White Heather Christopher Albourne
C <u>Information Item:</u> Proxy Voting Review	Michael Shackelford Chief Investment Officer

		Scott Whalen Verus Advisory
D	<u>Information Item:</u> Investment Division Compliance Update 1. Illiquid Consultant RFP 2. Manager Selection Activity Report 3. Q1 2024 Cash Activity & Rebalance Update 4. Q1 2024 Securities Lending Update 5. Staffing Update	LeAnne Larrañaga-Ruffy Deputy CIO Sara Hume Senior Portfolio Manager

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@pera.nm.gov 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.

New Mexico Public Employees Retirement Association

Investment Committee Meeting

Thursday, March 28, 2024

Call to Order

This monthly meeting of the PERA Investment Committee was called to order by Committee Chair Francis Page at approximately 10:40am on the above-cited date at the PERA Building, 33 Plaza la Prensa, Senator Fabian Chavez, Jr. Board Room, Santa Fe, New Mexico.

1. Roll call

The meeting attendance met quorum with the following members present;

Committee Members Present

Juan Diaz
Paula Fisher
Francis Page, Chair
Shirley Ragin, Vice Chair

Committee Members Absent

Diana Rosales Ortiz

Other Board Members Present

Stephen Astorga
Valerie Barela
Tony Garcia
Laura Montoya [out at 11:30am]
Roberto Ramirez
Augustine Romero

Staff

Greg Trujillo, Executive Director
Trish Winter, Executive Assistant
Anna Williams, Deputy Director
Michael Shackelford, CIO
LeAnne Larranaga-Ruffy, Deputy CIO
Anthony Montoya, General Counsel
Misty Schoepner, Deputy General Counsel
Geraldine Garduno, Assistant GC
Michael Killfoil, Senior Portfolio Manager
Kate Brassington, Senior Portfolio Manager
Isaac Olaoye, Investment Accountant
Karyn Lujan, 459(b) Plan Manager
Shaun Grady, Investments

Staff Present Virtually

Isaac Olaoye, Investment Accountant
Justin Deubel, Investments
Jessica Perea, Quality Control
Laura Bechtel, Investments
Christina Gauthier, Outreach Bureau Chief

Others in Attendance

Eileen Neill, Verus Advisory
Samantha Grant, Verus Advisory
James Walsh, Albourne
Heather Christopher, Albourne

Others Present Virtually

Patty French, Retiree
Gar Chung, Journalist
Jessica Walton

2. Approval of Agenda

Shirley Ragin made a motion to approve the agenda, second by Paula Fisher. Motion passed as follows:

Juan Diaz	Yes
Paula Fisher	Yes
Francis Page	Yes
Shirley Ragin	Yes

3. Approval of Meeting Minutes

A. Approval of December 12, 2023 Investment Committee Minutes

Paula Fisher made a motion to approve minutes, second by Shirley Ragin. Motion passed as follows:

Juan Diaz	Yes
Paula Fisher	Yes
Francis Page	Yes
Shirley Ragin	Yes

4. New Business

A. Annual Workplan

Michael Shackelford, CIO presented the Investment Committee 2024 Work Plan.

Motion of approval by Shirley Ragin, second by Paula Fisher. Motion passed as follows:

Juan Diaz	Yes
Paula Fisher	Yes
Francis Page	Yes
Shirley Ragin	Yes

B. Q4 2023 Market and Total Fund Performance Review

Samantha Grant with Verus Advisory presented the report. This was an informational item; no action taken.

C. China Exclusion vs Inclusion

Samantha Grant with Verus Advisory presented the report. This was an informational item; no action taken.

D. Public Equity Review

Kate Brassington, Portfolio Manager and Eileen Neill, Verus Advisory presented the report. This was an informational item; no action taken.

E. Real Estate Update

Michael Killfoil, Portfolio Manager and Heather Christopher, Albourne presented the report. This was an informational item; no action taken.

F. Investment Division Compliance Update

LeAnne Larrañaga-Ruffly, Deputy CIO and Sara Hume, Senior Portfolio Manager presented the report. This was an informational item; no action taken.

5. Adjournment

Chair Page adjourned the meeting at approximately 12:42pm with no other business to discuss.

Approved by:

Francis Page, Committee Chair

ATTEST:

Greg Trujillo, Executive Director

DRAFT



Opportunistic Investing in Agriculture

Four Corners Farmland Fund - Public Employees' Retirement Association of New Mexico

(All data as of 12/31/23 unless otherwise noted)

June 11, 2024



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- 7 Farmland Asset Class**
- 15 Four Corners Farmland Fund Overview**
- 18 Appendix**

We are an independently-owned agricultural investment manager that invests in U.S. permanent croplands and related processing assets using both separate account and open-ended fund vehicles.

Assets Under Management

- \$913 Million (12/31/2023)

Current Clients

Separate Accounts

- Three State Pension Plans
- One Fund-of-Funds

“Four Corners Farmland Fund”

- Currently Two State Pension Plans



Team

Strong team of highly experienced investment professionals who have specialized expertise in permanent crop-related acquisitions, deal structuring, portfolio management, financial accounting, asset management and agricultural economics.

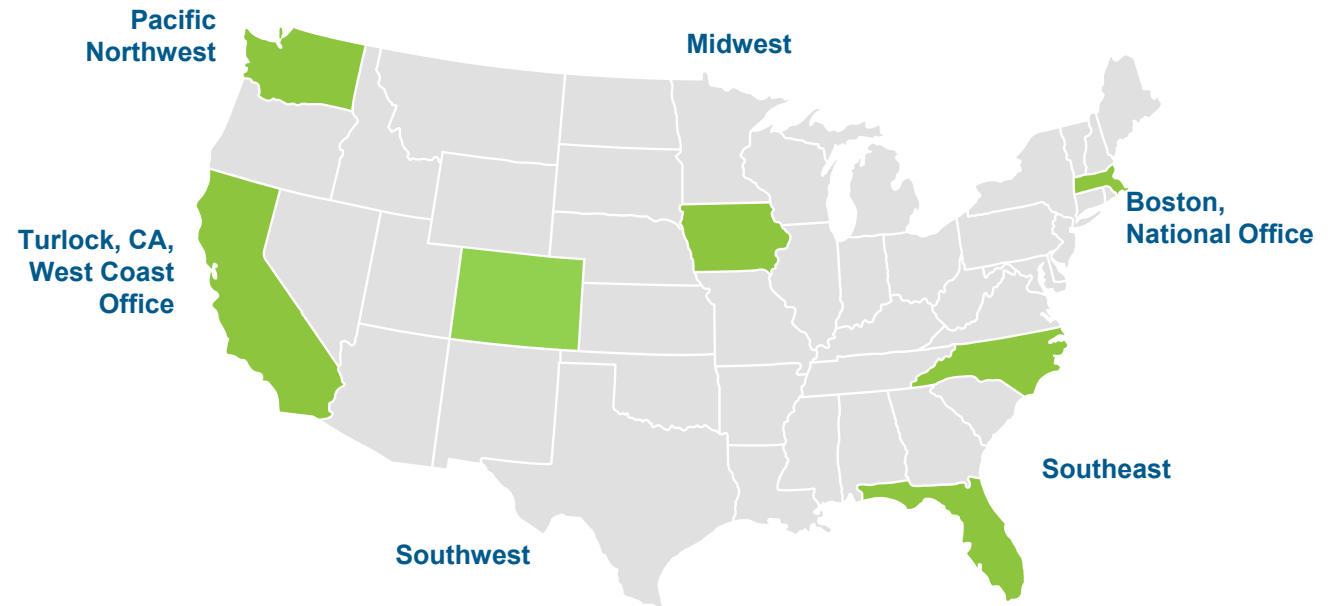
Our integrated business model helps us be opportunistic, efficient and cost effective while enabling us to better manage risk while seeking to avoid conflicts of interest.



Left: Sarah Baskins (Operations Analyst) checks the wine grape crop at a vineyard asset (wine grapes); Right: Ken Warlick (CIO) reviewing transaction documents in Boston



A 26-Person Team Strategically Deployed in Targeted Investment Regions Across the U.S.



Team

Our principals have executed and completed billions of dollars of agricultural investments over the past three decades.



Jeffrey A. Conrad, CFA
Founder & President

Founder & Former President of Hancock Agricultural Investment Group (HAIG) (1990-2011)



Kenneth L. Warlick
Chief Investment Officer

Former VP of Acquisitions at HAIG (2006-2013)



Carolyn M. Bailey
Chief Financial Officer

Former VP of Financial Accounting and Client Reporting at HAIG (2001-2012)

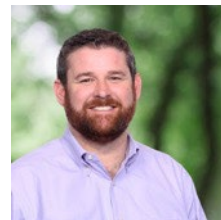
Our talented and experienced senior management team provides depth and specialized expertise.



Cody Dahl, PhD
VP of Acquisitions and Strategy



Carl Evers, III
VP of California Operations; Director of Sustainability



Jeff Hillberg
President of Property Management



Stephen Kenney
VP of Business Development



Kellen West, CFA
VP of Portfolio Management



Sustainability Affiliations



Signatory to **United Nations' Supported PRI**

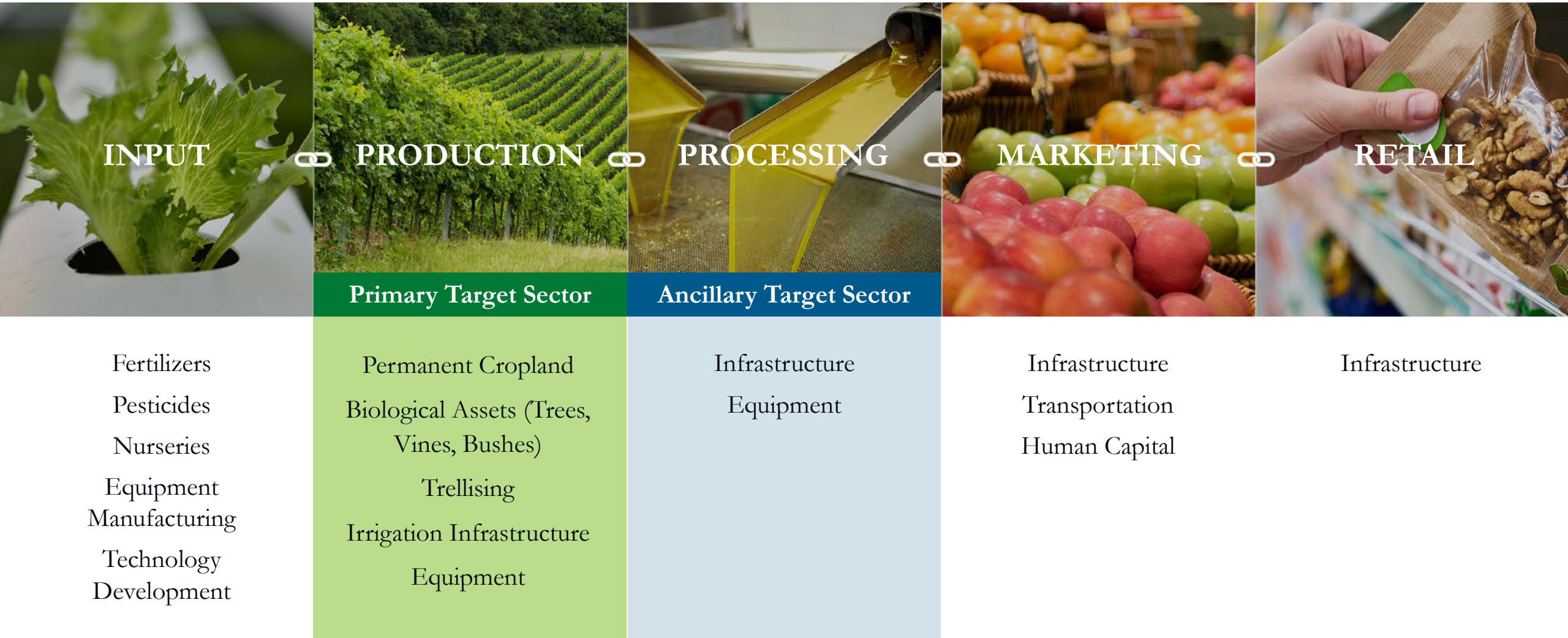


Inaugural member of **Leading Harvest**, the world's first, third-party sustainability standard for agricultural investors, producers and processors.

AgIS' annual Sustainability Report issued in April 2024 is accessible at <https://agiscapital.com/sustainability-responsible-investing-report-2023>.

Clockwise from top: Farm Manager Jeremy Olday flies a drone to collect data on crop health vine counts; Cover crops planted on new walnut planting; Red-Tailed Hawk sitting on an AgIS Capital hawk stand.

Generic agriculture supply chain



Broadly, three classifications of agricultural investments

Row (Annual) Crops



- Invest primarily in land and possibly machinery, irrigation, and preparation
- Lease, custom farm, or directly operate
- Near zero vacancy rate
- Relatively lower risk and return relative to permanent cropland investments
- **Institutions generally cash lease row crops**

Permanent Crops



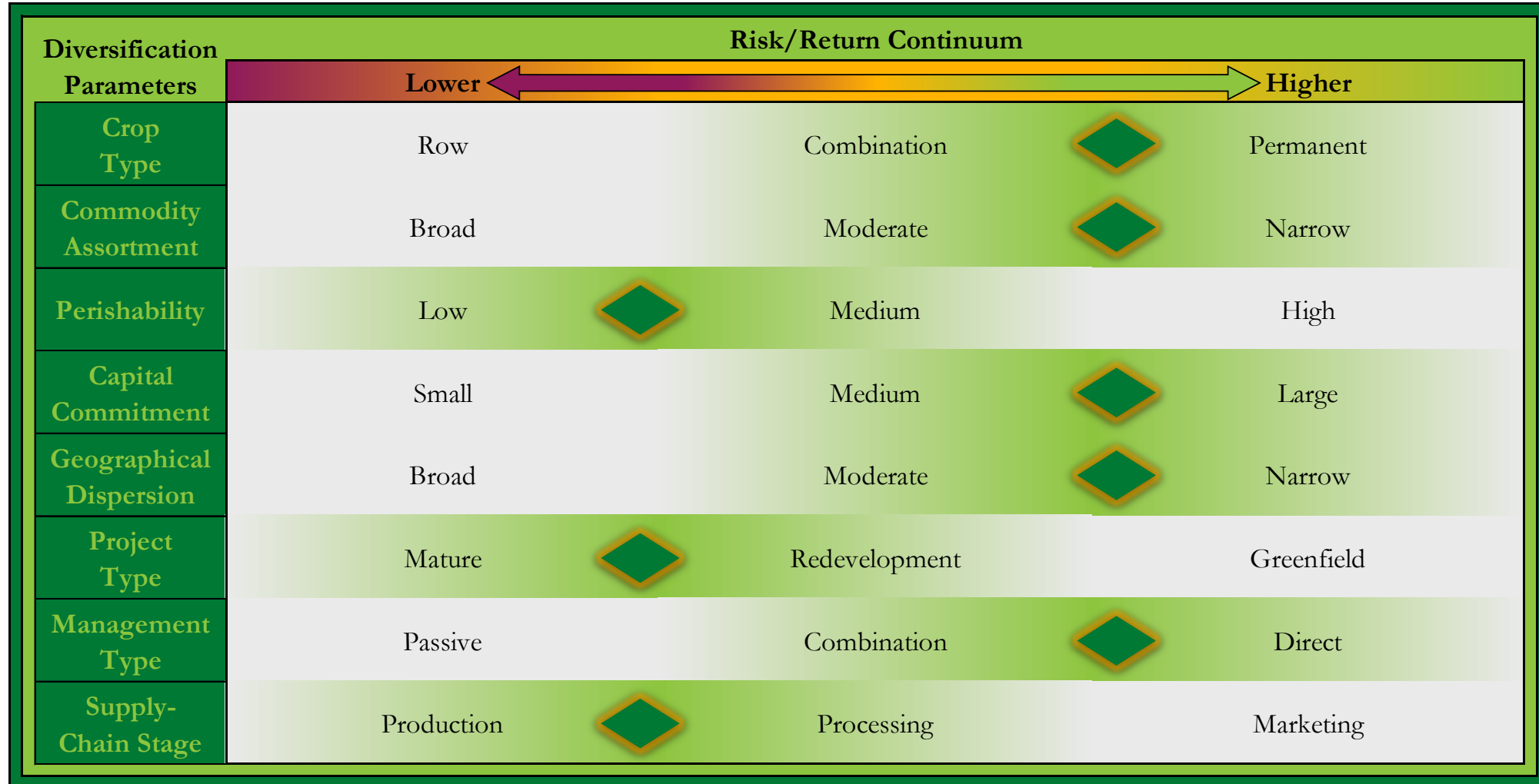
- Invest in land, machinery, irrigation and trellising infrastructure, plants, and pre-productive expenses
- Assets can be mature, greenfield, or in need of redevelopment capital
- Developments can take 4 to 9-plus years to achieve mature yields
- Above-ground biological (trees, vines, etc.) and infrastructure (trellising, irrigation, etc.) assets eventually have no value
- **Institutions generally operate permanent crops**

Private Equity



- Capital to begin operations, strengthen balance sheets, or acquire additional assets
- Usually invest in operating, processing, and marketing companies
- Primarily made if farmland assets can be leveraged to create or capture value further downstream
- Typically, 10 to 20 percent of an investment platform
- Highest expected risk and return

Portfolio Construction

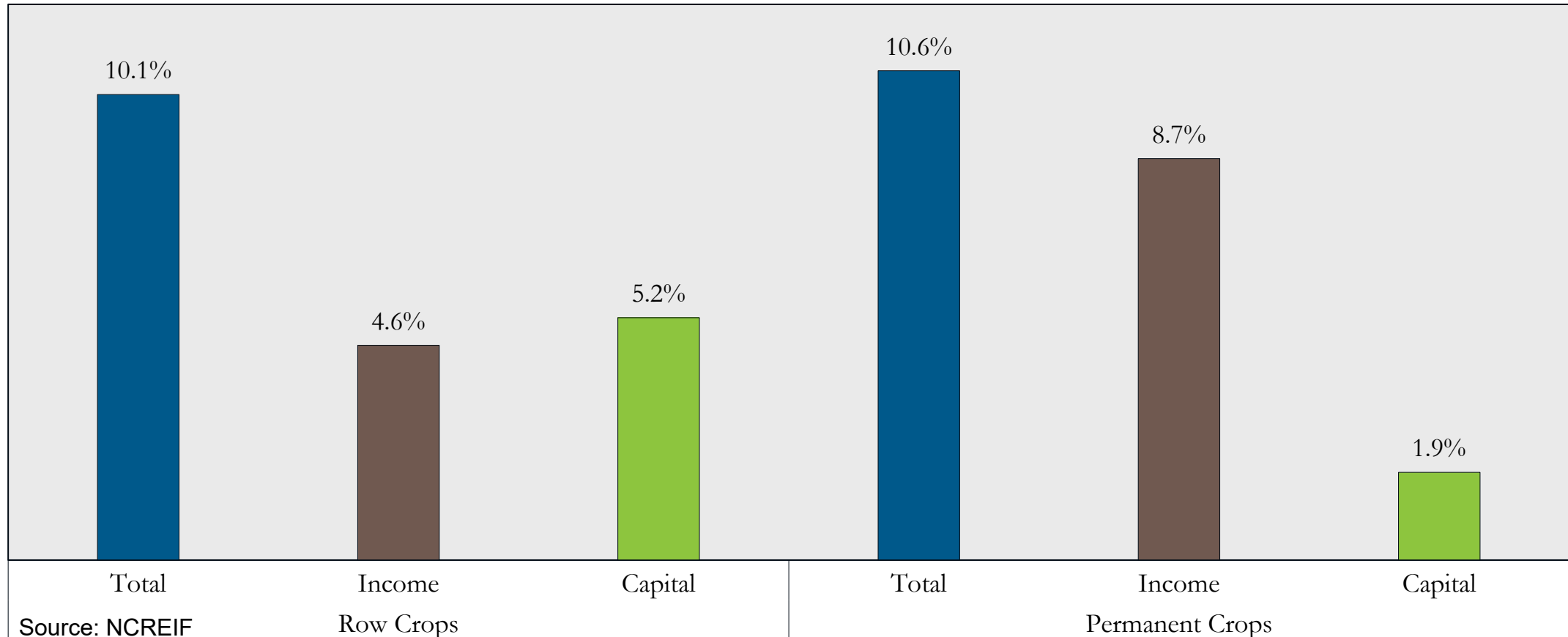


Farmland Return Characteristics - The National Council of Real Estate Investment Professionals (NCREIF)

- The NCREIF Farmland Index (est. 1991)
 - Compiles quarterly income, capital, and total return performance for eight farmland investment managers
 - Reports a host of subindices
 - Property type (row or permanent cropland)
 - Geography
 - Management type (directly operated or leased)
 - Crop type (commodity, fresh produce, almonds, pistachios, wine grapes, apples, citrus, etc.)
 - The Total Farmland Index consisted of 1,339 assets, worth \$16.6 billion dollars as of December 31, 2023
 - Total value of institutional-grade farmland in the U.S. is thought to exceed \$3.0 trillion
- Industry standard for benchmarking performance

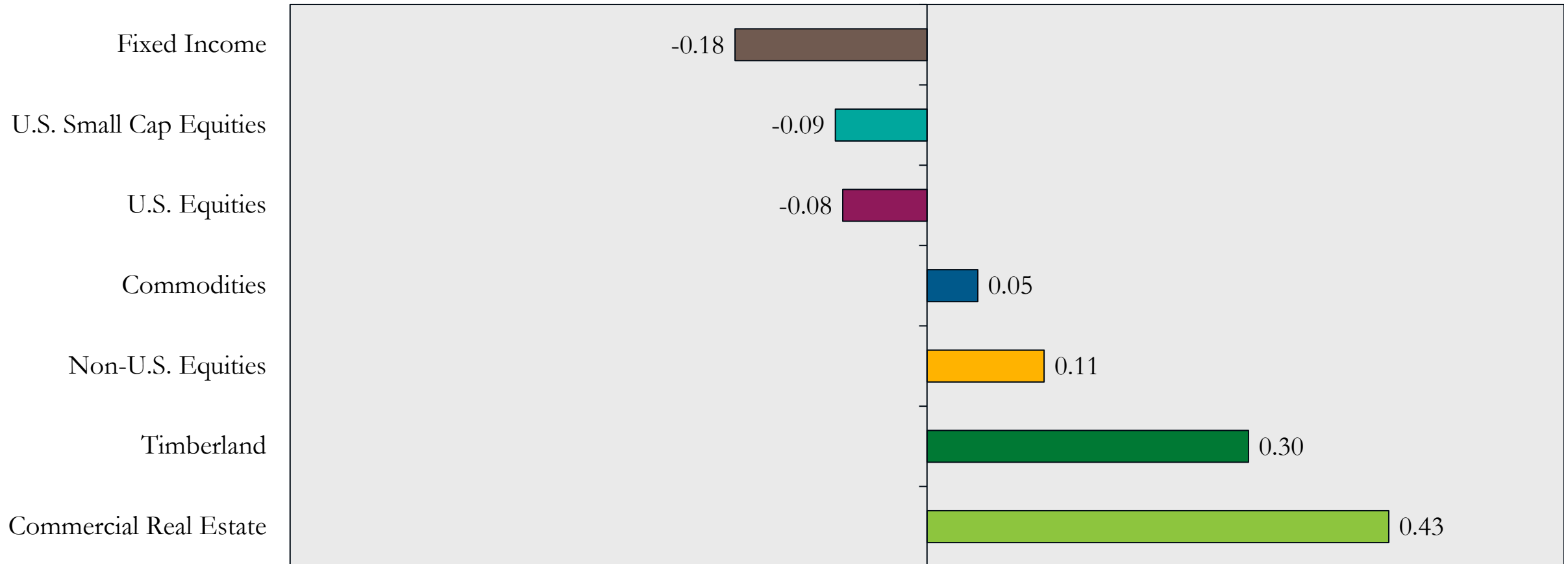
Farmland Return Characteristics - Appreciation drives row crops and income drives permanent crops

Annualized, Since Inception Total, Income, and
Capital Returns for Row and Permanent Cropland: 1991 to 2023



Farmland Return Characteristics - Farmland returns tend to exhibit little correlation with traditional asset class returns

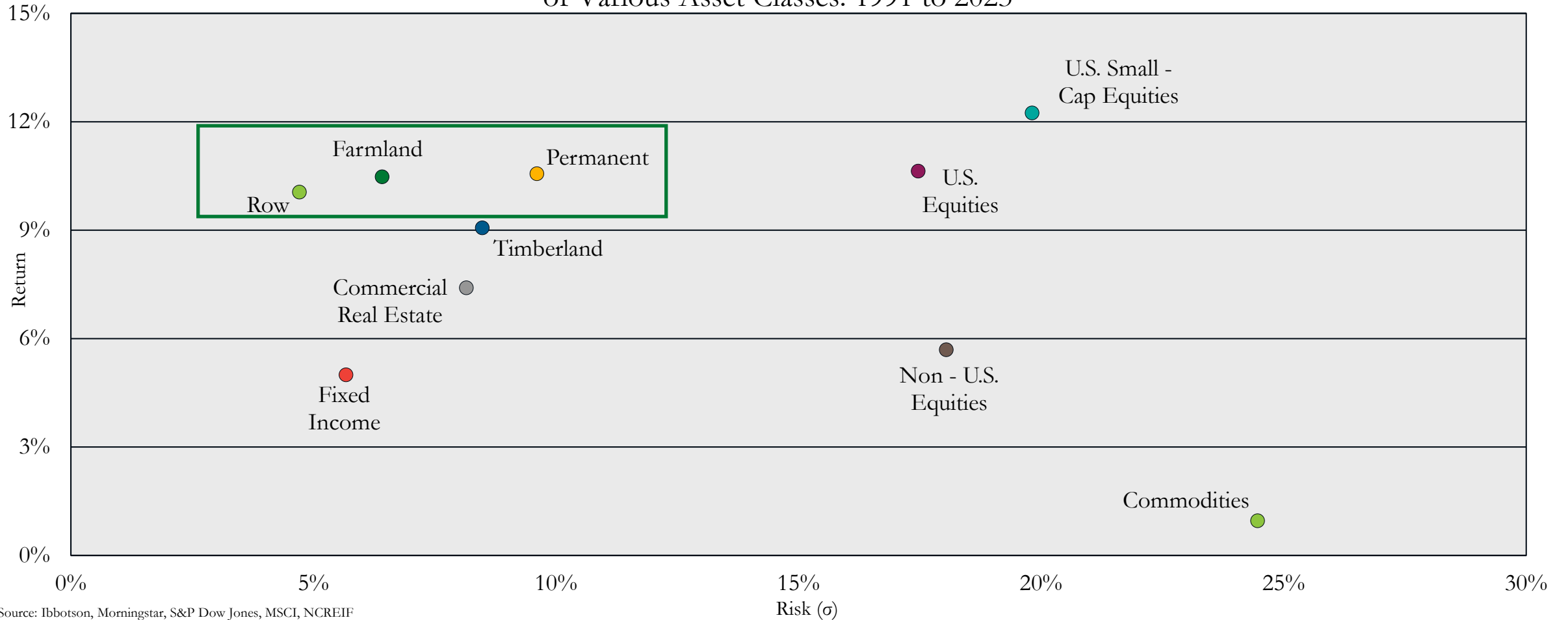
Correlation Coefficients Between
Farmland and Other Asset Class Returns: 1991 to 2023



Source: Ibbotson, Morningstar, S&P, Dow Jones, MSCI, NCREIF

Farmland Return Characteristics - Farmland has historically generated strong risk-adjusted returns

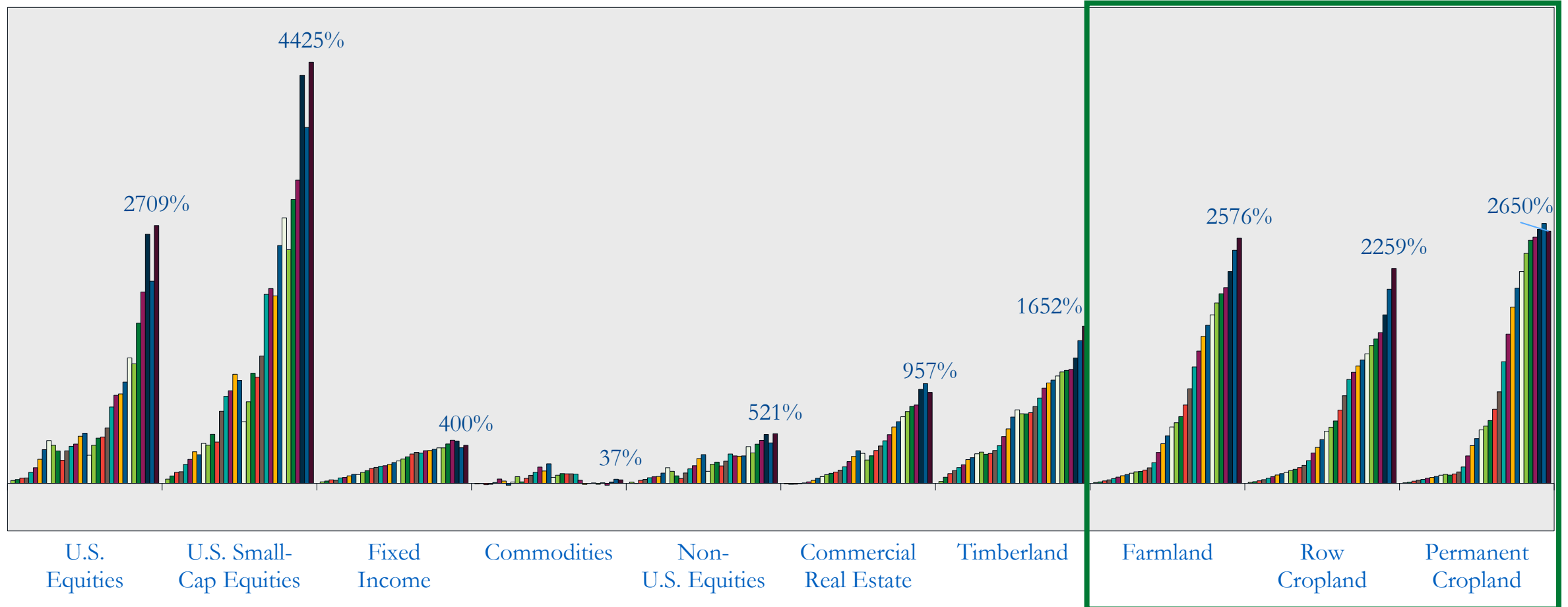
Historical Risk and Return Rates
of Various Asset Classes: 1991 to 2023



Source: Ibbotson, Morningstar, S&P Dow Jones, MSCI, NCREIF

Farmland has historically generated strong risk-adjusted returns

Compounded Annualized Total
Returns of Various Asset Classes: 1991 to 2023



Source: Ibbotson, Morningstar, S&P Dow Jones, MSCI, NCREIF

FCFF Portfolio

Portfolio Characteristics

Launched

May 20, 2020

Capital Commitment

\$265M

Total Net Acres

7,155+/-

Number of Investments

14

Number of Commodities

8

Number of States

2 (CA and WA)

Since Inception IRR Before Fees

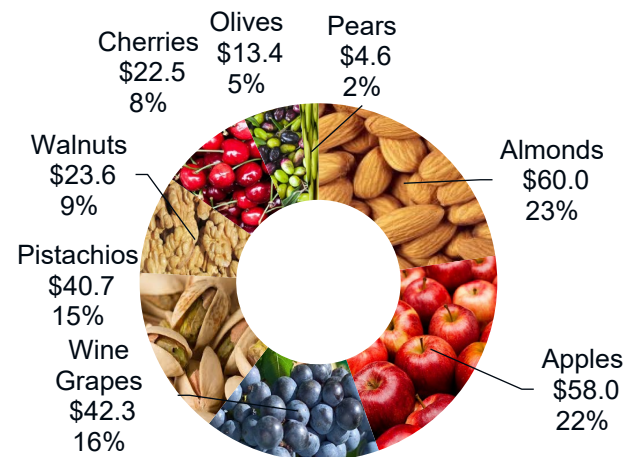
-3.1%



- The Portfolio currently includes 14 investments with eight commodities located in two states, California and Washington.
- The Capital Commitment of \$265M represents roughly 87% of the total allocation of \$303M.
- All assets are either directly operated by AM Property Services (“AMPS”), an AgIS affiliate, or custom farmed by local operators with oversight from AgIS Property Management (“APM”).
- On a committed capital basis, the portfolio is currently 41% Mature, 38% Development, and 21% Combination (a mix of both mature and re-development plantings).
- Engagement with NM PERA includes quarterly reporting, annual portfolio reviews, periodic property tours, and ad-hoc collaboration

Committed Capital by Commodity

(\$265 million, as of December 31, 2023)



Financial Returns (NCREIF-Style) as of 12/31/23

	Income	Capital	Total
1-Year Annualized	-3.19%	0.45%	-2.75%
3-Year Annualized	-1.29%	0.21%	-1.06%
Since Inception	-1.29%	0.21%	-1.06%

*Before Debt and Investment Management Fees

FCFF Portfolio

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May 20, 2020

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Since Inception IRR Before Fees

-3.1%

- Highlighted Investments:

- Stanislaus Keyes** - \$60 million mature and re-development almond orchard located in California



- Sonoma Woolsey** - \$26 million orchard to be re-developed in 2025 located in California



FCFF Portfolio

Portfolio Characteristics

Launched

May 20, 2020

Capital Commitment

\$265M

Total Net Acres

7,155+/-

Number of Investments

14

Number of Commodities

8

Number of States

2 (CA and WA)

Since Inception IRR Before Fees

-3.1%

Highlighted Investments:

- **Douglas 97** - \$41 million mixed maturity apple, cherry and pear orchard located in Washington



- **Yolo 45** - \$27 million greenfield development pistachio orchard located in California



Legal Entities

Partners



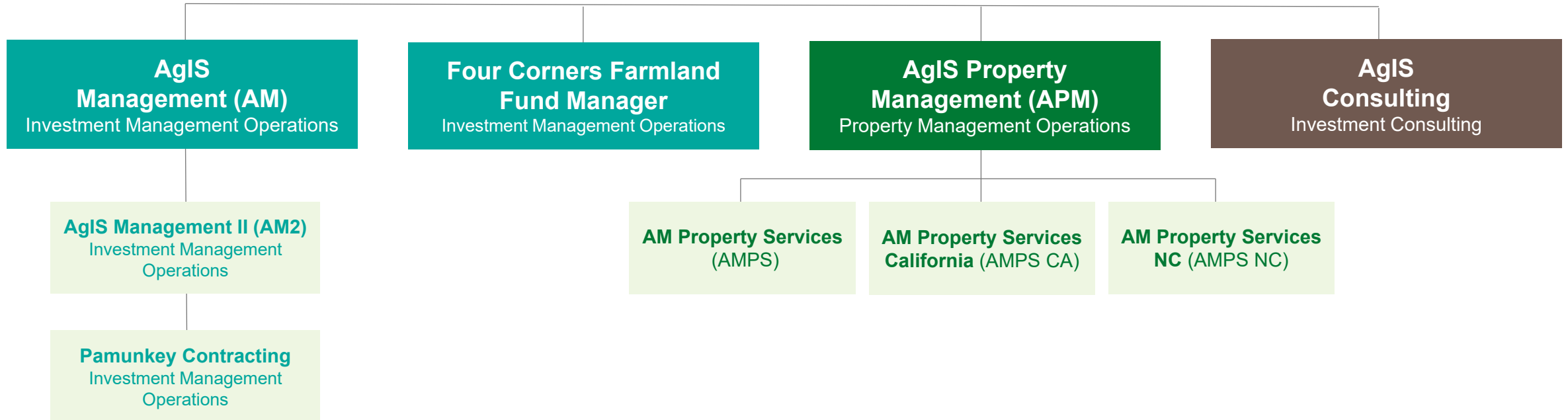
Jeffrey Conrad
President



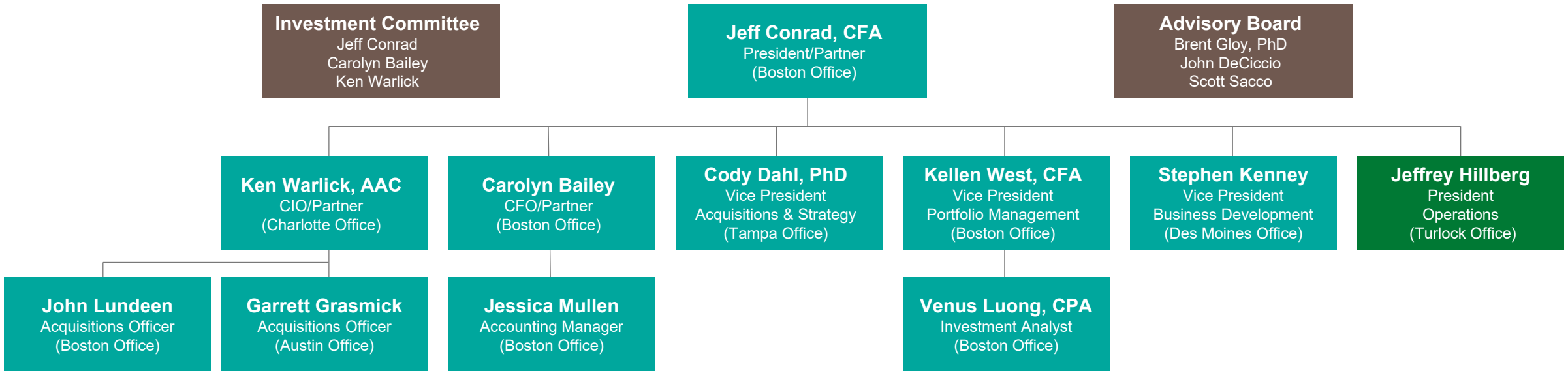
Carolyn Bailey
Chief Financial Officer



Kenneth Warlick
Chief Investment Officer

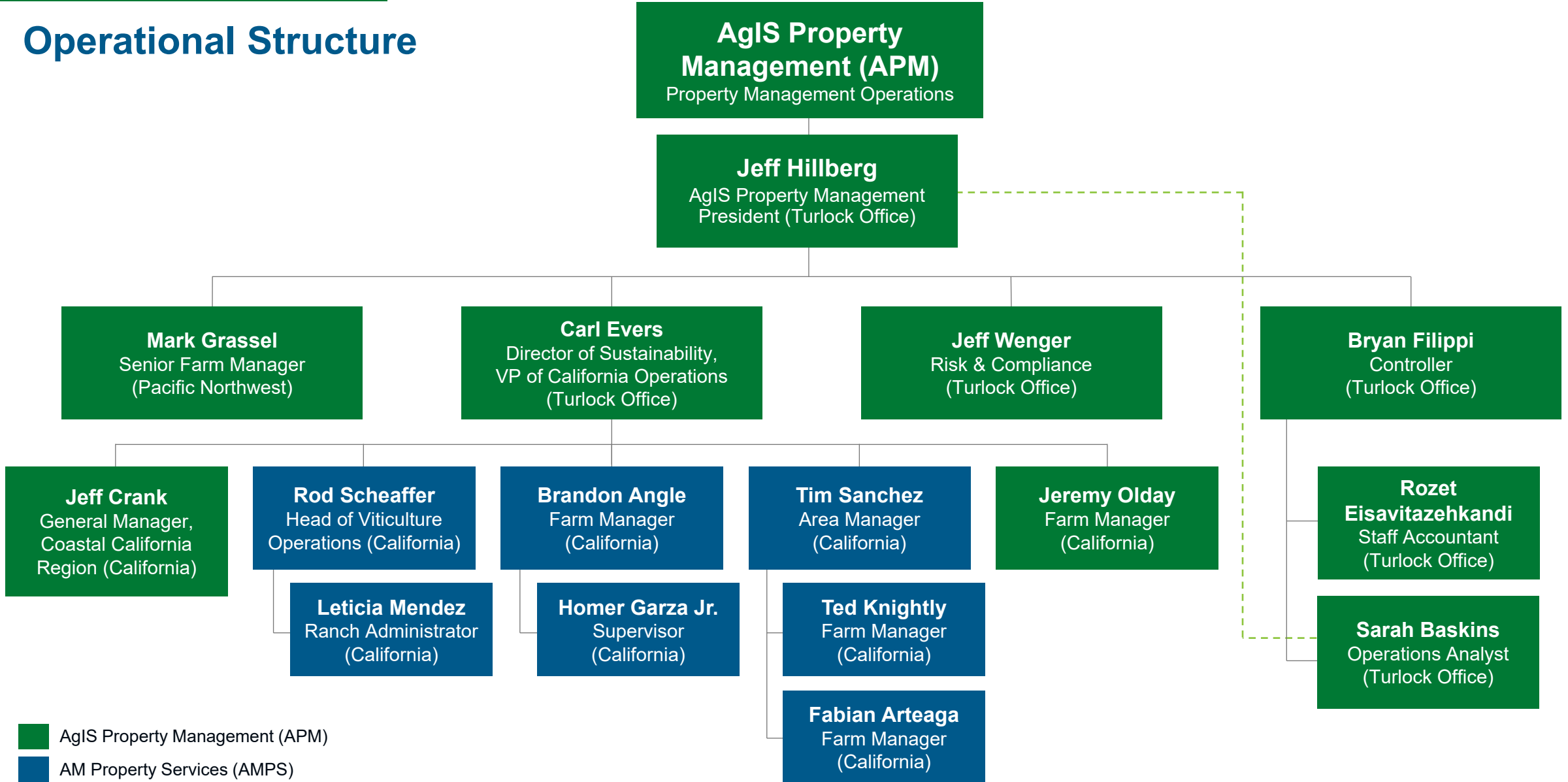


Investment Structure



AgIS Management (AM)
 AgIS Property Management (APM)

Operational Structure



■ AgIS Property Management (APM)
■ AM Property Services (AMPS)

Partners



Jeff A. Conrad, CFA
Partner, Founder and President

Jeff is responsible for the formation and direction of AgIS Capital. He previously founded the Hancock Agricultural Investment Group (HAIG) and served as its president for over 20 years, overseeing all investment, asset management, and property management operations associated with its \$2 billion global farmland portfolio. Jeff also served on the board of HAIG's parent, the Hancock Natural Resource Group, and the investment committee of the John Hancock Pension Plan, where he oversaw \$3 billion in pension investments.

A widely-recognized thought-leader on agricultural investing for more than 30 years, Jeff was instrumental in the management of ACRE at John Hancock, which was the first commingled farmland and timberland investment vehicle in the world. He also co-chaired the development of the NCREIF Farmland Index. He served on the Dean's Advisory Council for Cornell University's College of Agricultural and Life Sciences and is active in non-profits throughout the city of Boston. Jeff holds a BS in Agricultural Business Management with honors from the Pennsylvania State University, a MS in Agricultural Economics with a concentration in finance from Cornell University and is a CFA charter holder.



Carolyn M. Bailey
Partner, Chief Financial Officer

Carolyn is responsible for financial and client reporting, compliance and corporate services for AgIS Capital.

She previously served for more than a decade as Vice President of Financial Accounting and Client Reporting for the Hancock Agricultural Investment Group (HAIG). In that capacity she was responsible for all financial and client reporting for the company, which had \$2 billion in assets under management. She also sat on the boards of various investment companies. Earlier in her career, Carolyn spent 16 years with State Street Corporation — holding various positions of increasing responsibility in both the United States and Australia.

Carolyn earned both a BS in Accounting and an MS in Accountancy from Bentley University.



Ken L. Warlick, AAC
Partner, Chief Investment Officer

Ken oversees acquisitions and investment operations for AgIS Capital. He previously was Vice President of Acquisitions for the Hancock Agricultural Investment Group (HAIG) where he spent six years sourcing, analyzing, negotiating, and executing global investments. Prior to HAIG, Ken held senior executive positions with several prominent agribusiness lenders, including the John Hancock Bond and Corporate Finance Group, CoBank, Bank of America, US Bank, Farm Credit and MetLife Ag.

Uniquely qualified for this position, Ken has worked more than 30 years in numerous segments of both production agriculture and agribusinesses. During his career, he has executed agricultural and agribusiness transactions that were collectively valued at more than \$30 billion. He earned a BS in Agricultural Economics and an MA in Agribusiness from Texas A&M University. He also completed executive programs with the Harvard Agribusiness School and the Southern Methodist University Graduate School of Banking. Ken is a member of the American Society of Farm Managers and Appraisers and he has completed the coursework for his Accredited Agricultural Consultant designation and Environmental Site Assessment and Building Inspection license.

Biographies



✦ Kellen West, CFA **Vice President of Portfolio Management**

Kellen leads client relation efforts for AgIS Capital and assists with investment modeling, underwriting, and Portfolio monitoring.

He has over 10 years of investment analysis experience within both the agricultural and real estate sectors. Kellen previously worked at John Hancock Asset Management as a fixed income analyst. In that role he was the lead analyst for three sectors including REITs. He also served as an investment analyst with the Hancock Agricultural Investment Group (HAIG).

Kellen graduated summa cum laude with a BSBA degree from Boston University and is a CFA charter holder.



✦ Cody Dahl, PhD **Vice President of Acquisitions and Strategy**

Cody is responsible for acquisitions and private equity investing and researches agriculture markets to develop investment theses in order to devise and implement investment strategies.

Having researched an extensive number of commodities and supply chains throughout his career, Cody has an exceptional knowledge and understanding of how the global economy impacts local agriculture investments. His background also provides him with a unique ability to identify perverse incentives throughout supply chains, which is essential to mitigating risk and aligning interests. Cody previously worked for the Hancock Agricultural Investment Group where he led their research function.

Cody earned a B.S. in Agribusiness from the University of Illinois and a M.S. and Ph.D. in Food and Resource Economics from the University of Florida.

Investment Performance Calculations

Projected Performance

Projected performance figures are based on certain assumptions, including but not limited to income growth, commodity yields and prices, expense growth, asset depreciation, and land value appreciation. They should not be viewed as guarantees of future returns, nor should they be interpreted as future profitability. Potential for profit as well as loss exists. The impact of future economic events, market changes, and weather conditions may adversely affect the performance of any investment. Performance objectives and projections are based on information available to us at this time and are not meant to be interpreted as guarantees or commitments to future results. The economic outlook is developed by AgIS Capital's professionals based on its knowledge of agricultural, commodity, and economic trends and drivers.

A material change to any of these drivers could change our outlook based on certain assumptions that may or may not become true. The performance advertised does not represent actual results but was achieved by designing a hypothetical investment with the accumulated knowledge of past performance.

Projected Performance Before Fees

Performance figures are before the deduction of investment management fees, nominal and pre-tax, unless stated otherwise. The manager's investment management fees and other expenses will reduce the client's returns as outlined in the investment advisor agreement negotiated by the manager and the client. Our fees can be found in our Form ADV Part 2A.

Investment Performance Calculations

Effect of Advisory Fees over 10-year Period

If, for example, the gross total annualized return of a \$10 million investment with no re-investment of earnings over a 10-year period was 10.0% nominal with components of 10.0% income and investment appreciation of 0.0%, deducting an annual investment management fee of 120 basis points on the invested capital over a 10-year period would produce a total value of \$18.7 million after fees, versus \$20 million before fees.

Representative Example of Compounded Effect of Investment Advisory Fee

A representative 1.20% management fee deducted from a portfolio quarterly (0.30% per quarter) would result in the following cumulative compound reduction of the portfolio time-weighted rate of return.

Years	Cumulative Fee
1	1.20%
2	2.41%
3	3.64%
4	4.89%
5	6.15%
6	7.42%
7	8.71%
8	10.01%
9	11.33%
10	12.67%



AGIS Capital

Agricultural Investment Strategies



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



PERIOD ENDING: March 31, 2024

Investment Performance Review for



PERA

Public Employees
Retirement Association
of New Mexico

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[VERUSINVESTMENTS.COM](https://www.verusinvestments.com)

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PITTSBURGH 412-784-6678

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1st quarter summary

THE ECONOMIC CLIMATE

- Real GDP growth unexpectedly slowed in Q1 to 1.6% quarter-over-quarter (3.0% year-over-year), falling short of economist forecasts for 2.5% growth. The GDP release reflected positive but decelerating spending by households, slowing exports, and less government expenditures. Residential fixed investment accelerated partly driven by new single-family home construction, while private inventory investment fell.
- The U.S. job market has been incredibly resilient, with unemployment rising slightly from 3.7% to 3.8% but labor participation improving from 62.5% to 62.7%. Some economists and investors have begun to partially attribute surprisingly strong labor conditions to substantial immigration (both legal and illegal) in recent years.

PORTFOLIO IMPACTS

- The 10-year U.S. Treasury yield rose 32 basis points to 4.20% during Q1 on broad acknowledgment that disinflation trends have stalled and that the Federal Reserve may not cut rates in 2024 as significantly as markets had hoped for.
- Market-priced volatility (Cboe VIX Index) remained incredibly low during the quarter, ending at 13.0 in March. Historically, market volatility of this level has coincided with strong upward trending risk markets and investor enthusiasm.

THE INVESTMENT CLIMATE

- Equity markets delivered another quarter of large gains—much of the performance fueled by richer valuations rather than fundamentals. Credit spreads declined further to very low levels, leading to moderate returns for higher risk credit. Many markets appear to be priced to perfection as recession fears subside.
- U.S. inflation increased in Q1, following a handful of hotter-than-expected inflation and jobs reports. Headline inflation increased from 3.3% to 3.5% year-over-year in March, while core CPI (ex-food & energy) declined slightly from 3.9% to 3.8%. It now seems more likely that inflation ends this year closer to, or above, 3% rather than 2%.

ASSET ALLOCATION ISSUES

- U.S. equities (S&P 500 +10.6%) once again outpaced international developed equities (MSCI EAFE +5.8%) and emerging market equities (MSCI EM +2.4%) during the quarter. The domestic market has also delivered outperformance over the past year, fueled by the artificial intelligence boom. Telecom (+49.8%) and Technology (+46.0%) saw the biggest gains across the S&P 500.
- Style factor investing underperformed during Q1. Small cap lagged large cap by -5.1% (Russell 2000 +5.2% vs. Russell 1000 +10.3%). Value underperformed Growth by -2.4% (Russell 1000 Value +9.0% vs. Russell 1000 Growth +11.4%). Mega cap companies continue to dominate large cap index performance and affect style behavior.

Equity markets delivered another large rally in Q1, while credit showed mildly positive returns

Stubborn inflation and fewer Fed interest rate cuts seem likely for 2024

U.S. economics summary

- Real GDP growth unexpectedly slowed in Q1 to 1.6% quarter-over-quarter (3.0% year-over-year), falling short of economist forecasts for 2.5% growth. The GDP release reflected positive but decelerating spending by households, slowing exports, and less government expenditures. Residential fixed investment accelerated partly driven by new single-family home construction, while private inventory investment fell.
- U.S. inflation increased in Q1, following a handful of hotter-than-expected inflation and jobs reports. Headline inflation increased from 3.3% to 3.5% year-over-year in March, while core CPI (ex-food & energy) declined slightly from 3.9% to 3.8%. It seems more likely that inflation ends this year closer to, or above, 3% rather than 2%.
- Inflation adjusted consumer spending has remained moderate, at 2.4% YoY in February. Purchases of services have materially outpaced purchases of goods in recent years, a reversal of the historically unprecedented boom in goods purchases that occurred during the pandemic.
- Employment has been incredibly resilient. Unemployment was stable during Q1, while labor participation increased. Some economists and investors have partially attributed labor market gains to substantial immigration (both legal and illegal) in recent years—with millions of immigrants being of working age and seeking work. Given the level of immigration, we expect official labor data has been, and will continue to be, meaningfully impacted.
- Consumer sentiment has jumped significantly on better financial situations of households, expectations that inflation will further ease, and a steadying economy. At the same time, The NFIB Small Business Optimism index deteriorated to the weakest level since 2012. Inflation remains a top concern, and business owners indicated they could not find qualified candidates to fill job openings.

	Most Recent	12 Months Prior
Real GDP (YoY)	3.0% 3/31/24	1.7% 3/31/23
Inflation (CPI YoY, Core)	3.8% 3/31/24	5.6% 3/31/23
Expected Inflation (5yr-5yr forward)	2.3% 3/31/24	2.2% 3/31/23
Fed Funds Target Range	5.25–5.50% 3/31/24	4.75–5.00% 3/31/23
10-Year Rate	4.20% 3/31/24	3.47% 3/31/23
U-3 Unemployment	3.8% 3/31/24	3.5% 3/31/23
U-6 Unemployment	7.3% 3/31/24	6.7% 3/31/23

International economics summary

— The broad global narrative remains similar to last quarter, as global metrics paint a picture of slowing yet resilient economic growth. While a hotter March inflation print in the U.S. changed expectations around the policy path of the Federal Reserve, inflation in international developed economies has shown greater signs of moderation, putting central banks such as the European Central Bank and Bank of England on a path to policy easing.

— Developed economies continue to juggle economic growth and inflation. Price pressures have shown signs of easing across the Eurozone and U.K., with inflation sitting at 2.4% and 3.2%, respectively. Despite inflation moderation, conditions remain weak across the Eurozone, with GDP nearly flat on a year-over-year basis and unemployment elevated at 6.5%.

— In Japan, growth conditions also remain shaky, as the country nearly avoided a technical recession

following an upward revised GDP release. While the BOJ formally ended its zero-interest rate policy, the Japanese Yen weakened further against the U.S. dollar after unclear guidance from the BOJ and expectations for higher U.S. interest rates. The Japanese economic story remains challenged despite positive performance of the equity market.

— Growth in emerging markets continues to offset slowing activity in developed economies, as year-over-year GDP growth of 8.4% and 5.3% in India and China outpace most of the globe. China remains in the headlines given that economic and technological rivalry with the U.S. persists. Despite sentiment challenges, growth has remained above the target of 5%, even in the face of a lagging property market and financial stress seen amongst local-government financing vehicles and regional banks.

Area	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	3.0% 3/31/24	3.5% 3/31/24	3.8% 3/31/24
Eurozone	0.1% 12/31/23	2.4% 3/31/24	6.5% 2/29/24
Japan	1.2% 12/31/23	2.6% 3/31/24	2.6% 2/29/24
BRICS Nations	5.3% 12/31/23	1.7% 3/31/24	4.8% 12/31/22
Brazil	2.1% 12/31/23	3.9% 3/31/24	7.8% 2/29/24
Russia	4.9% 12/31/23	7.7% 3/31/24	2.8% 2/29/24
India	8.4% 12/31/23	4.9% 3/31/24	7.6% 3/31/24
China	5.3% 3/31/24	0.1% 3/31/24	5.2% 3/31/24

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

- U.S. equities (S&P 500 +10.6%) continued an impressive rally during the first quarter, once again outpacing international developed equities (MSCI EAFE +5.8%) and emerging markets (MSCI EM +2.4%). The domestic market has also delivered outperformance over the past year, fueled by the artificial intelligence boom. Telecom (+49.8%) and Technology (+46.0%) saw the biggest gains during the period.
- The U.S. dollar gained in value during Q1, likely buoyed by the higher for longer interest rate narrative. A reassessment of the Federal Reserve policy path for 2024 has improved the outlook for the dollar, as currencies which offer higher interest rates, and relatively attractive prospects for continued higher interest rates, tend to better hold their value. Losses from unhedged Japanese currency exposure has been extreme (-9.3% over the quarter, -25.2% over the past year, as indicated by the TOPIX Index).
- Style investing underperformed during Q1. Small cap lagged large cap by -5.1% (Russell 2000 +5.2% vs. Russell 1000 +10.3%). Value underperformed Growth by -2.4% (Russell 1000 Value +9.0% vs. Russell 1000 Growth +11.4%). Style premia has also suffered over the past full year. Small cap underperformed large cap by -10.2% while value stocks underperformed growth by -18.7%.
- Market-priced volatility (Cboe VIX Index) remained incredibly low during the quarter, ending at 13.0 in March. Historically, market volatility of this level has coincided with strong upward trending risk asset prices and investor enthusiasm.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	10.6%		29.9%	
U.S. Small Cap (Russell 2000)	5.2%		19.7%	
U.S. Equity (Russell 3000)	10.0%		29.3%	
U.S. Large Value (Russell 1000 Value)	9.0%		20.3%	
US Large Growth (Russell 1000 Growth)	11.4%		39.0%	
Global Equity (MSCI ACWI)	8.2%	9.6%	23.2%	25.4%
International Large (MSCI EAFE)	5.8%	10.5%	15.3%	22.4%
Eurozone (EURO STOXX 50)	10.3%	13.1%	20.1%	23.6%
U.K. (FTSE 100)	3.0%	4.0%	10.7%	9.1%
Japan (TOPIX)	10.0%	19.3%	24.0%	49.2%
Emerging Markets (MSCI Emerging Markets)	2.4%	4.4%	8.2%	10.7%

Source: Russell Investments, MSCI, STOXX, FTSE, JPX, as of 3/31/24

Fixed income environment

- The 10-year U.S. Treasury yield rose 32 basis points from 3.88% to 4.20% during Q1 on broad acknowledgment that disinflation trends have stalled and that the Federal Reserve may not cut rates in 2024 as significantly as markets had hoped for. Yields across the Treasury curve increased, with shorter-term rates rising more than longer-term.
- Domestic high-quality, duration-sensitive bonds experienced slight losses during the quarter, while most credit indices saw positive returns. High yield gained +1.5% (Bbg U.S. Corporate High Yield), while bank loans rose +2.5% (S&P/LSTA Leveraged Loan). Longer duration investment grade corporate bonds (Bloomberg U.S. Long Corporate Credit) declined by -1.7% during the quarter as both rising interest rates and concerns about inflation detracted from performance.
- The U.S. yield curve has remained inverted since June 6th, 2022, marking the longest yield curve inversion on

record. This is indicated by the 10-year minus 2-year Treasury yield—ending the quarter at -39bps, down slightly from -35bps in Q4. While the yield curve has historically been a reliable predictor of recession, economic growth remains robust.

- Although default activity remains low, volumes increased as slowing economic growth and rising borrowing costs acted as headwinds. During the period, \$20.6 billion of bank loan and high yield bonds were affected by default or distressed exchanges, up from \$15.8 billion in the prior quarter. Notable company defaults included Jo-Ann’s (Retail), Hornblower (Travel & Leisure), and RobertShaw (Technology).
- Structured credit hedge funds, which focus on credit sectors such as CLOs, ABS (auto, credit card, etc), MBS, and CMBS, continue to deliver strong returns relative to traditional high yield and remain competitive versus leveraged loan indices.

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	(0.8%)	1.7%
Core Plus Fixed Income (Bloomberg U.S. Universal)	(0.5%)	2.7%
U.S. Treasuries (Bloomberg U.S. Treasury)	(1.0%)	0.1%
U.S. Treasuries: Long (Bloomberg U.S. Treasury 20+)	(3.8%)	(7.3%)
U.S. High Yield (Bloomberg U.S. Corporate HY)	1.5%	11.2%
Bank Loans (S&P/LSTA Leveraged Loan)	2.5%	12.4%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	(2.1%)	4.9%
Emerging Market Debt Hard (JPM EMBI Global Diversified)	2.0%	11.3%
Mortgage-Backed Securities (Bloomberg MBS)	(1.0%)	1.4%

Source: Bloomberg, as of 3/31/24

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

Total Fund ScoreCard: Strategic Asset Allocation

New Mexico PERA
Period Ending: March 31, 2024

- 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 30 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	7.11	8.63	5.43	6.68	6.64	6.06	6.08	7.74	8.59	Jun-85
<i>Assumed Rate of Return - NMPERA</i>	5.39	7.25	7.25	7.25	7.25	7.36	7.56	7.62	7.65	
<i>Excess Return</i>	1.72	1.38	-1.82	-0.57	-0.61	-1.30	-1.48	0.12	0.94	
<i>Scorecard</i>	✓	✓	✗	✗	✗	✗	✗	✓	✓	

- Produce returns that meet or exceed Board approved Total Fund Benchmarks. This objective has been met in most relevant time periods.

	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	20 Yrs	30 Yrs	Inception	Inception Date
NM PERA Total Fund	7.11	8.63	5.43	6.68	6.64	6.06	6.08	7.74	8.59	Jun-85
<i>NM PERA Total Fund Policy</i>	10.06	12.59	3.80	5.74	5.82	5.73	6.12	7.36	8.41	
<i>Excess Return</i>	-2.95	-3.96	1.63	0.94	0.82	0.33	-0.04	0.38	0.18	
<i>Scorecard</i>	✗	✗	✓	✓	✓	✓	✗	✓	✓	
NM PERA Total Fund Tracking Error	1.49	4.76	5.20	5.25	4.56	3.91	3.05	5.79		
NM PERA Total Fund Tracking Error Rank	80	80	82	86	85	83	61	83		
NM PERA Total Fund Sharpe Ratio	0.19	0.57	0.40	0.60	0.66	0.68	0.53	0.59		
NM PERA Total Fund Sharpe Ratio Rank	65	87	15	26	23	32	80	61		

Net of Fee performance calculated and provided by BNY Mellon.

Total Fund Strategic Asset Allocation

New Mexico PERA
Period Ending: March 31, 2024

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	47.91	9.91	33.00 - 43.00	No
Credit	19.00	17.52	-1.48	15.00 - 23.00	Yes
Core Fixed Income	17.00	18.22	1.22	14.00 - 20.00	Yes
Real Assets	18.00	16.10	-1.90	14.00 - 22.00	Yes
Multi-Risk	8.00	0.24	-7.76	4.00 - 12.00	No
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	7.5	3.1	0.6	0.9	70.4	54.0	-0.2	5.2	1.0	1.6
<i>NM PERA Total Fund Policy</i>	<i>11.9</i>	<i>0.0</i>	<i>1.0</i>	<i>1.0</i>	<i>100.0</i>	<i>100.0</i>	<i>-</i>	<i>0.0</i>	<i>0.7</i>	<i>1.1</i>

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	8,337,254,081	351,212,870	5,486,933,187	811,858	2,498,296,166
Credit	3,048,571,467	35,448,032	1,649,243,266	784,018,071	579,862,097
Core Fixed Income	3,170,502,745	2,425,262,600	-	-	745,240,145
Real Assets	2,802,088,529	37,771,694	464,276	132,309	2,763,720,250
Multi-Risk	42,346,680	-	42,346,680	-	-
NM PERA Total Fund	17,400,763,502	2,849,695,197	7,178,987,408	784,962,238	6,587,118,659
Total (%)	100.0	16.4	41.3	4.5	37.9

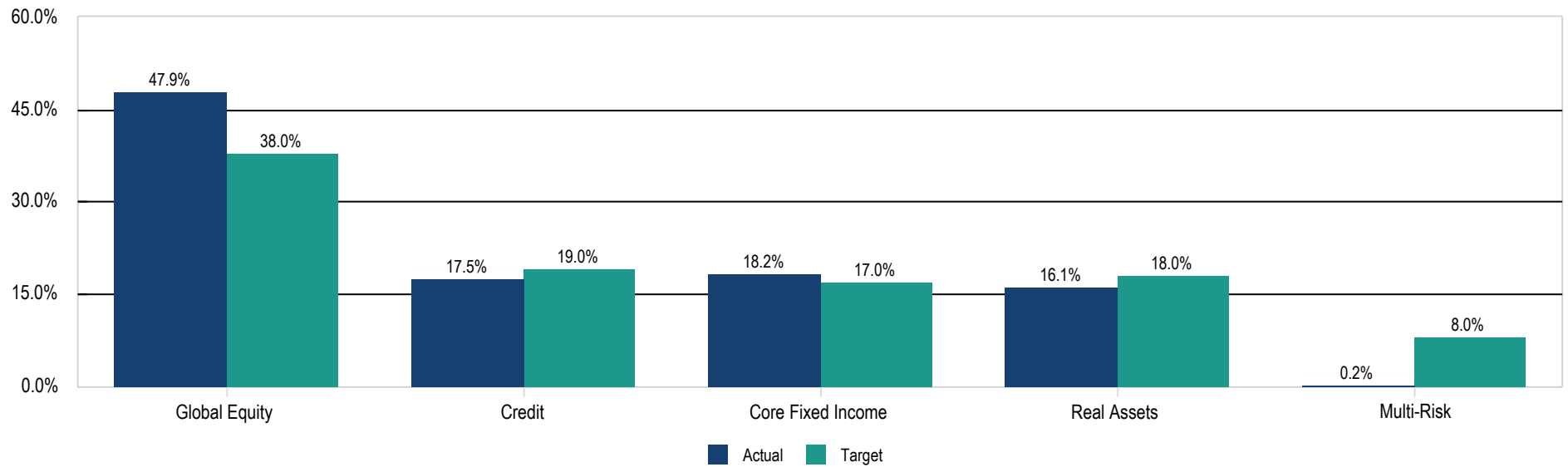
Net of Fee performance calculated and provided by BNY Mellon.

Total Fund

Total Fund
Asset Allocation Compliance

New Mexico PERA
Period Ending: March 31, 2024

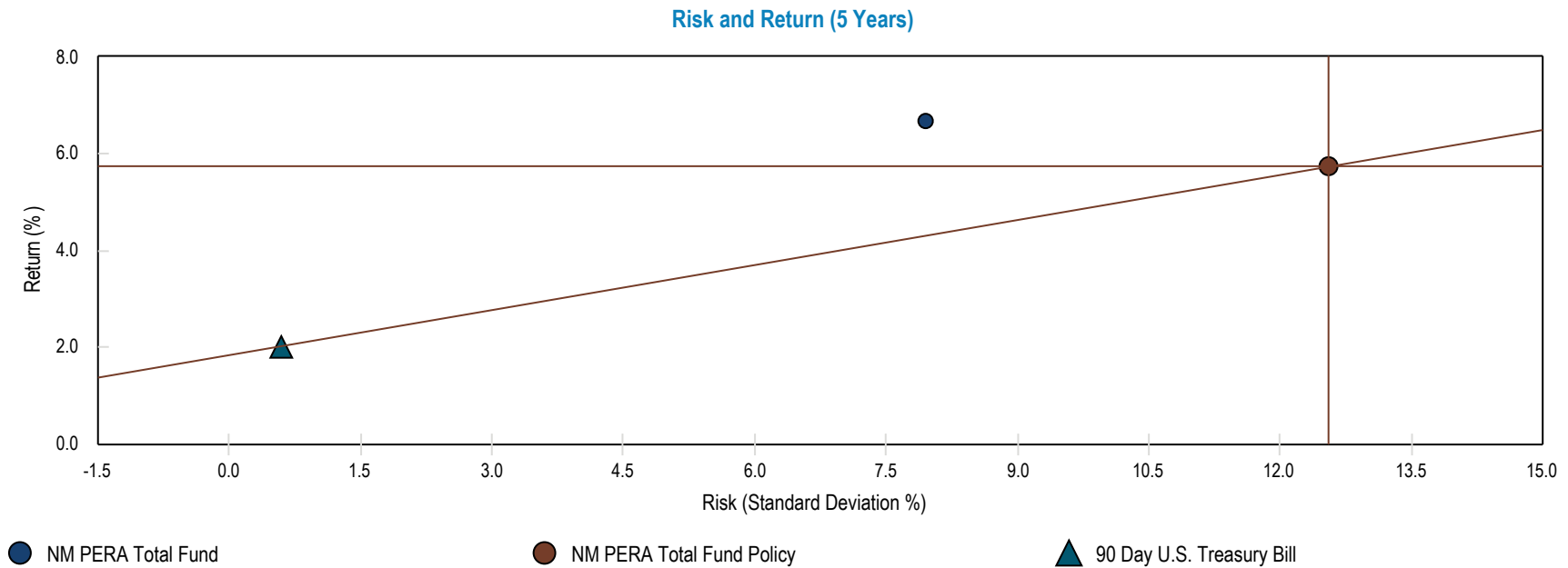
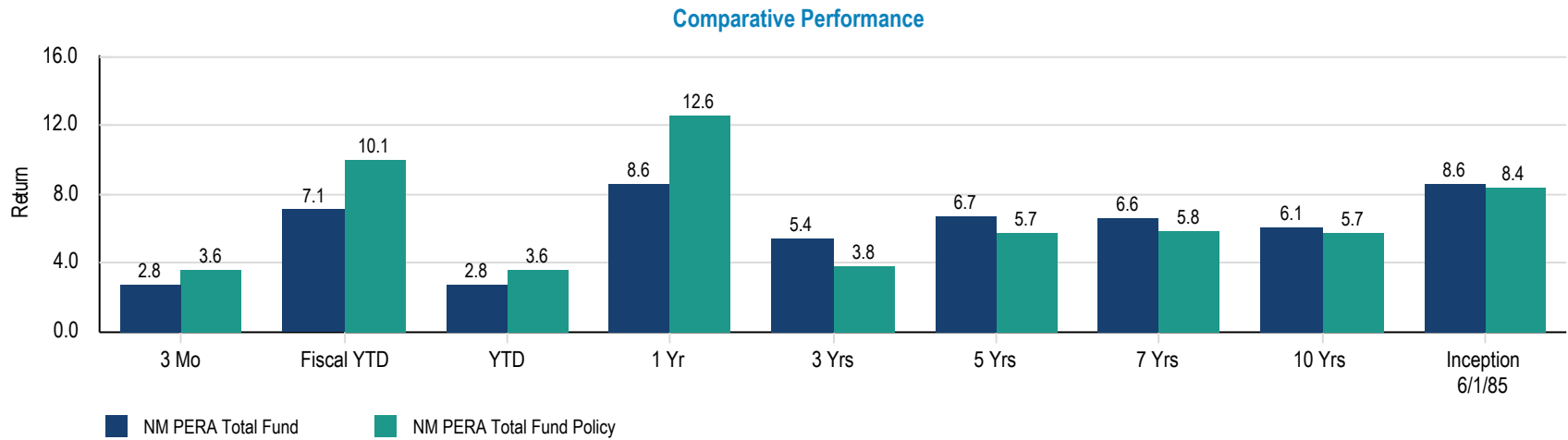
Actual vs. Target



Allocation vs. Policy

	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Policy Allocation (\$)	Difference (\$)
Global Equity	8,337,254,081	47.91	38.00	6,612,290,131	1,724,963,951
Credit	3,048,571,467	17.52	19.00	3,306,145,065	-257,573,599
Core Fixed Income	3,170,502,745	18.22	17.00	2,958,129,795	212,372,950
Real Assets	2,802,088,529	16.10	18.00	3,132,137,430	-330,048,901
Multi-Risk	42,346,680	0.24	8.00	1,392,061,080	-1,349,714,400
Total	17,400,763,502	100.00	100.00	17,400,763,502	

STO Balance as of 03/31/2024: \$33,416,650. Total Fund balance with STO: \$17,434,180,152.



Total Fund
Asset Allocation & Performance

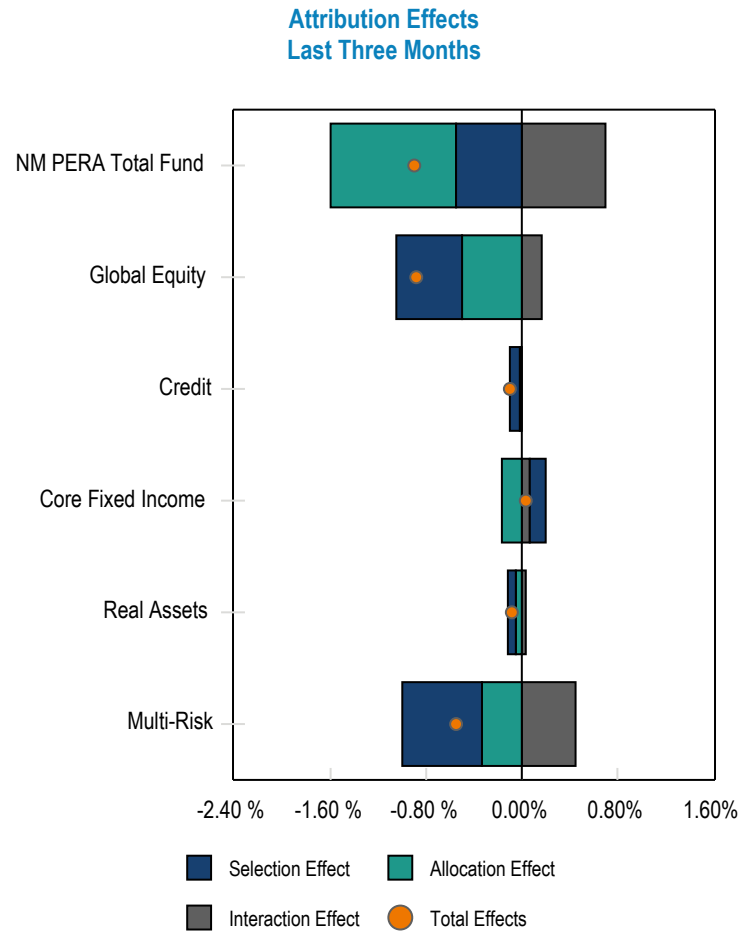
New Mexico PERA
Period Ending: March 31, 2024

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
NM PERA Total Fund Net	17,400,763,502	100.00	2.75	7.11	8.63	5.43	6.68	6.64	6.06	8.59	Jun-85
<i>NM PERA Total Fund Policy</i>			3.65	10.06	12.59	3.80	5.74	5.82	5.73	8.41	
<i>Value Added</i>			-0.90	-2.95	-3.96	1.63	0.94	0.82	0.33	0.18	
<i>NM PERA Actuarial Return</i>			1.77	5.39	7.25	7.25	7.25	7.25	7.34	7.81	
<i>Value Added</i>			0.98	1.72	1.38	-1.82	-0.57	-0.61	-1.28	0.78	
Global Equity Net	8,337,254,081	47.91	5.84	12.17	16.52	8.49	11.17	10.66	9.10	9.91	Apr-13
<i>Global Equity Policy</i>			7.32	14.73	20.94	6.30	9.80	9.58	8.69	9.72	
<i>Value Added</i>			-1.48	-2.56	-4.42	2.19	1.37	1.08	0.41	0.19	
Credit Net	3,048,571,467	17.52	2.18	9.11	10.11	4.25	5.01	4.85	4.19	4.79	Apr-13
<i>Credit Policy</i>			2.62	11.15	13.36	1.72	3.17	3.56	3.62	4.10	
<i>Value Added</i>			-0.44	-2.04	-3.25	2.53	1.84	1.29	0.57	0.69	
Core Fixed Income Net	3,170,502,745	18.22	0.03	2.10	1.15	-2.02	0.71	1.36	1.83	1.71	Apr-13
<i>Core Fixed Income Policy</i>			-0.78	2.56	1.70	-2.40	0.36	1.09	1.58	1.44	
<i>Value Added</i>			0.81	-0.46	-0.55	0.38	0.35	0.27	0.25	0.27	
Real Assets Net	2,802,088,529	16.10	-0.35	-0.47	-0.61	8.47	6.05	5.55	5.26	5.46	Apr-13
<i>Real Assets Policy</i>			0.03	5.83	6.01	6.01	5.03	4.55	4.38	4.90	
<i>Value Added</i>			-0.38	-6.30	-6.62	2.46	1.02	1.00	0.88	0.56	
Multi-Risk Net	42,346,680	0.24	-1.76	2.22	1.69	-0.09	-	-	-	3.07	May-19
<i>Wilshire Risk Parity Index - 15% Target Volatility</i>			6.44	10.73	10.34	2.47	-	-	-	4.94	
<i>Value Added</i>			-8.20	-8.51	-8.65	-2.56	-	-	-	-1.87	

Net of Fee performance calculated and provided by BNY Mellon.

Total Fund
 Attribution Analysis - Asset Class Level (Net of Fees)

New Mexico PERA
 Period Ending: March 31, 2024



Performance Attribution

	Last 3 Mo.
Wtd. Actual Return	2.8
Wtd. Index Return	3.6
Excess Return	-0.9
Selection Effect	-0.5
Allocation Effect	-1.1
Interaction Effect	0.7

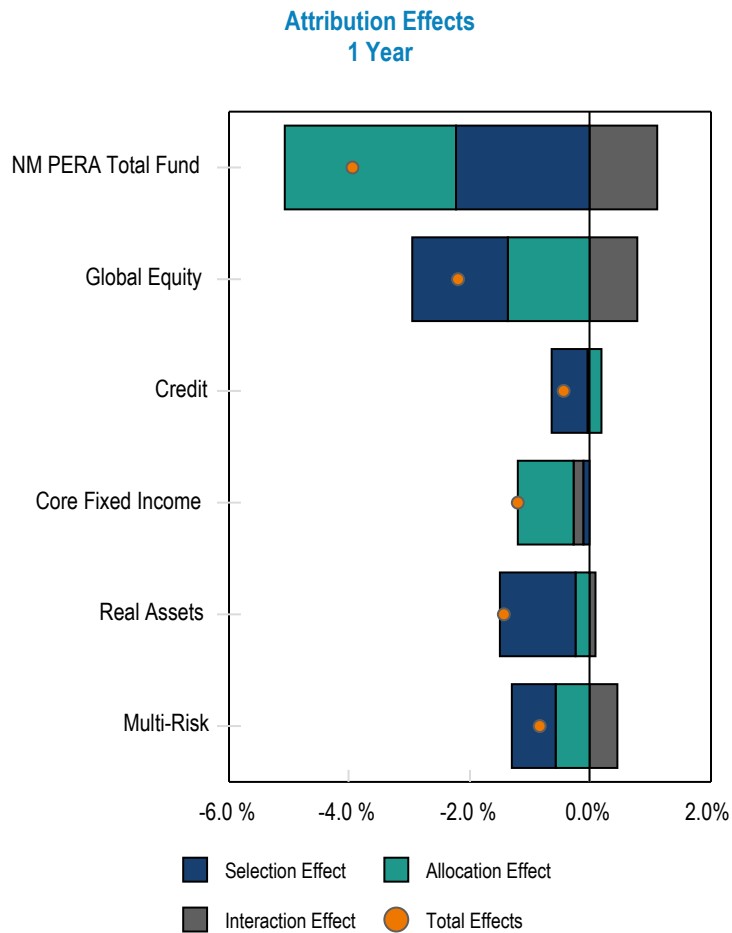
Attribution Summary Last Three Months

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Global Equity	5.8	7.3	-1.5	-0.4	-0.5	0.2	-0.9
Credit	2.2	2.6	-0.4	0.1	0.0	0.0	-0.1
Core Fixed Income	0.0	-0.8	0.8	0.3	-0.2	0.1	0.0
Real Assets	-0.4	0.0	-0.4	0.1	0.0	0.0	-0.1
Multi-Risk	-1.8	6.4	-8.2	-0.6	-0.3	0.4	-0.5
NM PERA Total Fund	2.8	3.6	-0.9	-0.5	-1.1	0.7	-0.9

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. Net of Fee performance calculated and provided by BNY Mellon.

Total Fund Attribution Analysis - Asset Class Level (Net of Fees)

New Mexico PERA
Period Ending: March 31, 2024



Performance Attribution

	1 Yr
Wtd. Actual Return	8.6
Wtd. Index Return	12.6
Excess Return	-4.0
Selection Effect	-2.2
Allocation Effect	-2.9
Interaction Effect	1.1

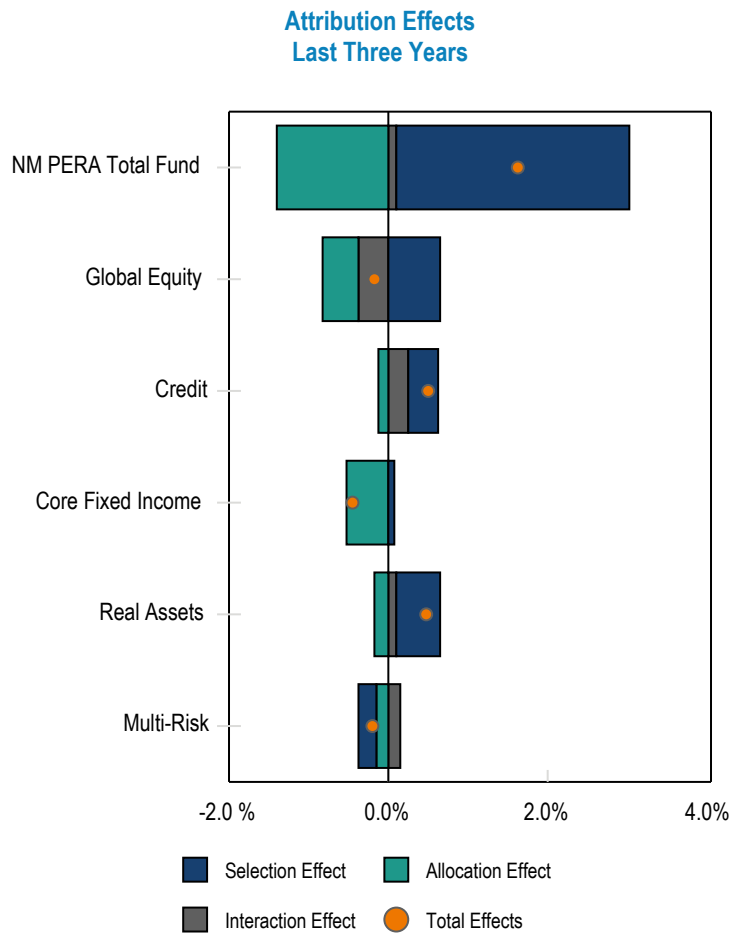
**Attribution Summary
1 Year**

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Global Equity	16.5	20.9	-4.4	-1.2	-1.3	0.8	-2.2
Credit	10.1	13.4	-3.2	-0.1	0.2	0.0	-0.4
Core Fixed Income	1.2	1.7	-0.5	0.5	-0.9	-0.2	-1.2
Real Assets	-0.6	6.0	-6.6	-0.8	-0.2	0.1	-1.4
Multi-Risk	1.7	10.3	-8.6	-0.5	-0.6	0.5	-0.8
NM PERA Total Fund	8.6	12.6	-4.0	-2.2	-2.9	1.1	-4.0

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. Net of Fee performance calculated and provided by BNY Mellon.

Total Fund
Attribution Analysis - Asset Class Level (Net of Fees)

New Mexico PERA
Period Ending: March 31, 2024



Performance Attribution

	3 Yrs
Wtd. Actual Return	5.4
Wtd. Index Return	3.8
Excess Return	1.6
Selection Effect	2.9
Allocation Effect	-1.4
Interaction Effect	0.1

Attribution Summary Last Three Years

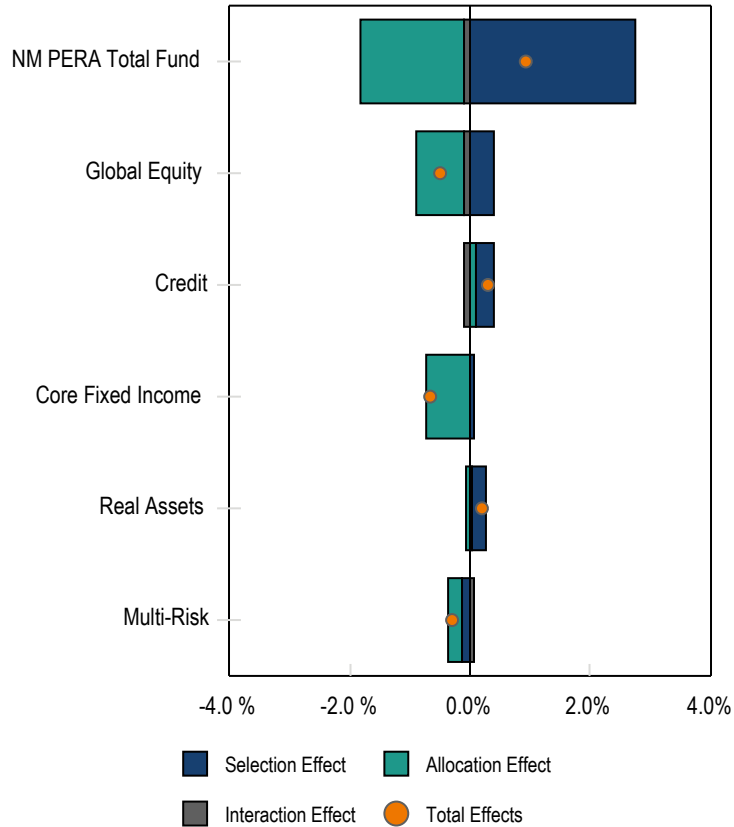
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Global Equity	8.5	6.3	2.2	0.9	-0.4	-0.4	-0.2
Credit	4.3	1.7	2.5	0.7	-0.1	0.2	0.5
Core Fixed Income	-2.0	-2.4	0.4	0.5	-0.5	0.0	-0.4
Real Assets	8.5	6.0	2.5	0.8	-0.2	0.1	0.5
Multi-Risk	-0.1	2.5	-2.6	0.0	-0.2	0.2	-0.2
NM PERA Total Fund	5.4	3.8	1.6	2.9	-1.4	0.1	1.6

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. Net of Fee performance calculated and provided by BNY Mellon.

Total Fund
 Attribution Analysis - Asset Class Level (Net of Fees)

New Mexico PERA
 Period Ending: March 31, 2024

Attribution Effects
 Last Five Years



Performance Attribution

	5 Yrs
Wtd. Actual Return	6.7
Wtd. Index Return	5.7
Excess Return	0.9
Selection Effect	2.8
Allocation Effect	-1.7
Interaction Effect	-0.1

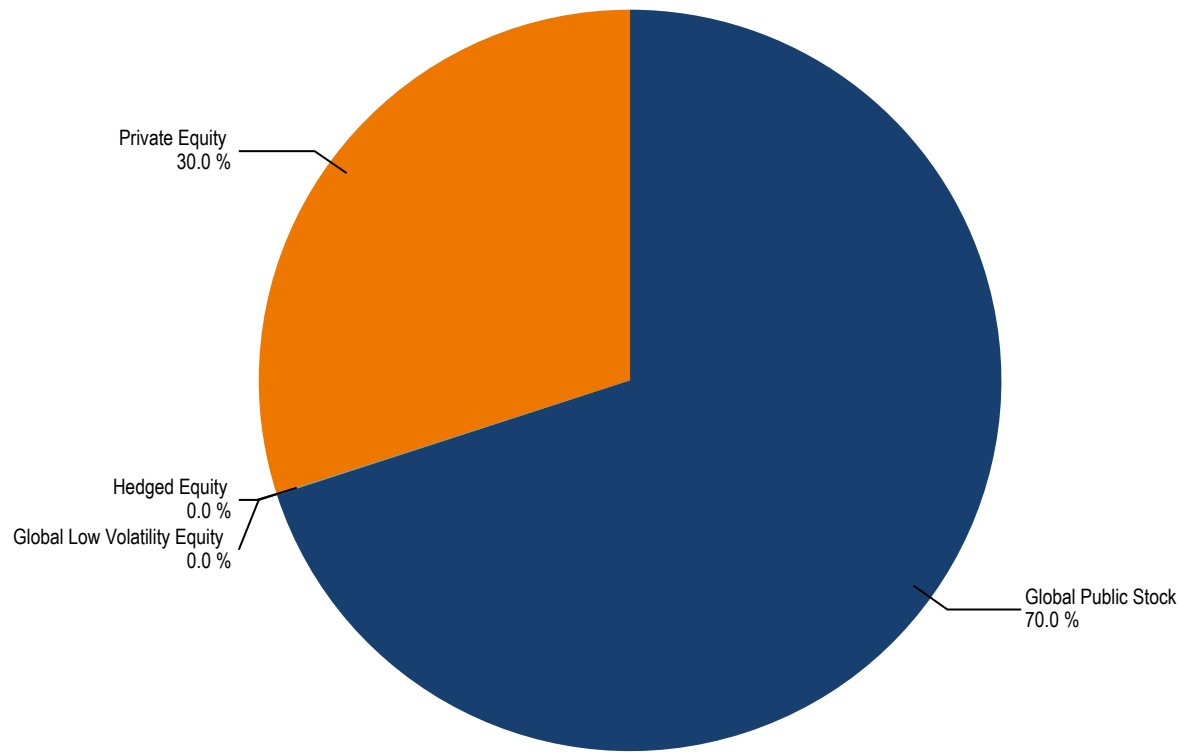
Attribution Summary
 Last Five Years

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Global Equity	11.2	9.8	1.4	0.9	-0.8	-0.1	-0.5
Credit	5.0	3.2	1.8	0.4	0.1	-0.1	0.3
Core Fixed Income	0.7	0.4	0.3	0.7	-0.7	0.0	-0.7
Real Assets	6.0	5.0	1.0	0.7	-0.1	0.0	0.2
Multi-Risk	3.0	4.9	-1.8	0.1	-0.2	0.1	-0.3
NM PERA Total Fund	6.7	5.7	0.9	2.8	-1.7	-0.1	0.9

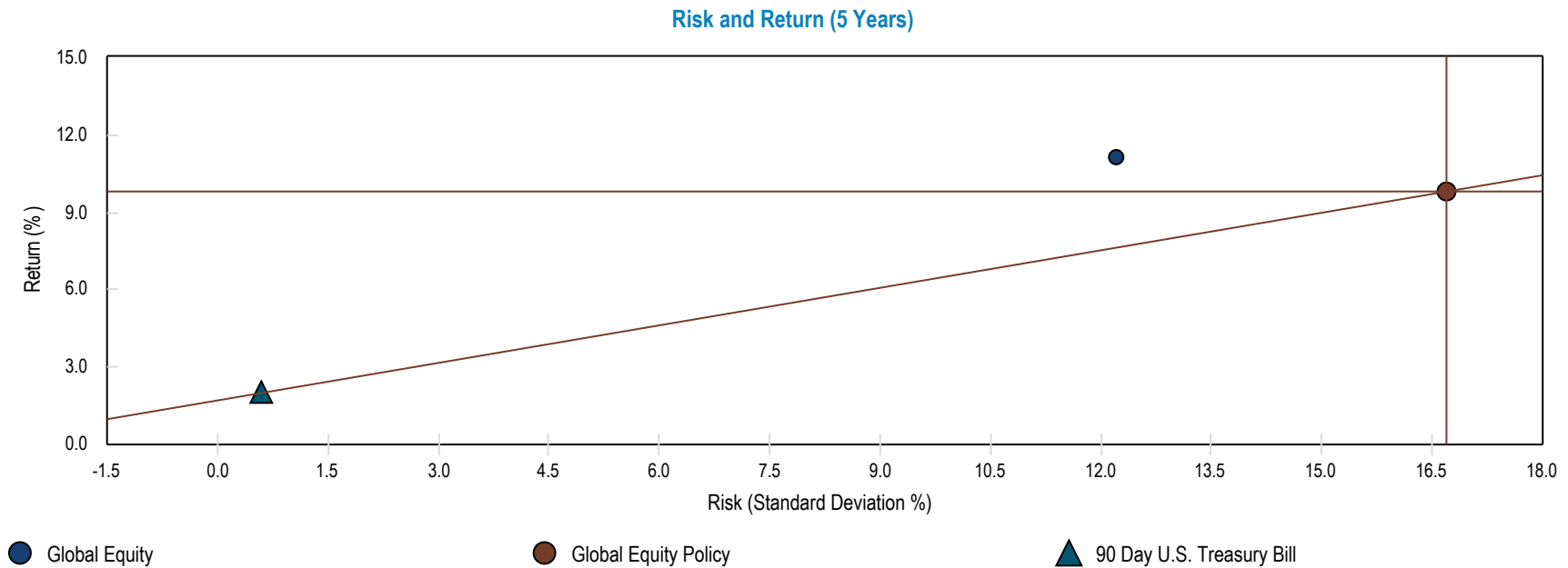
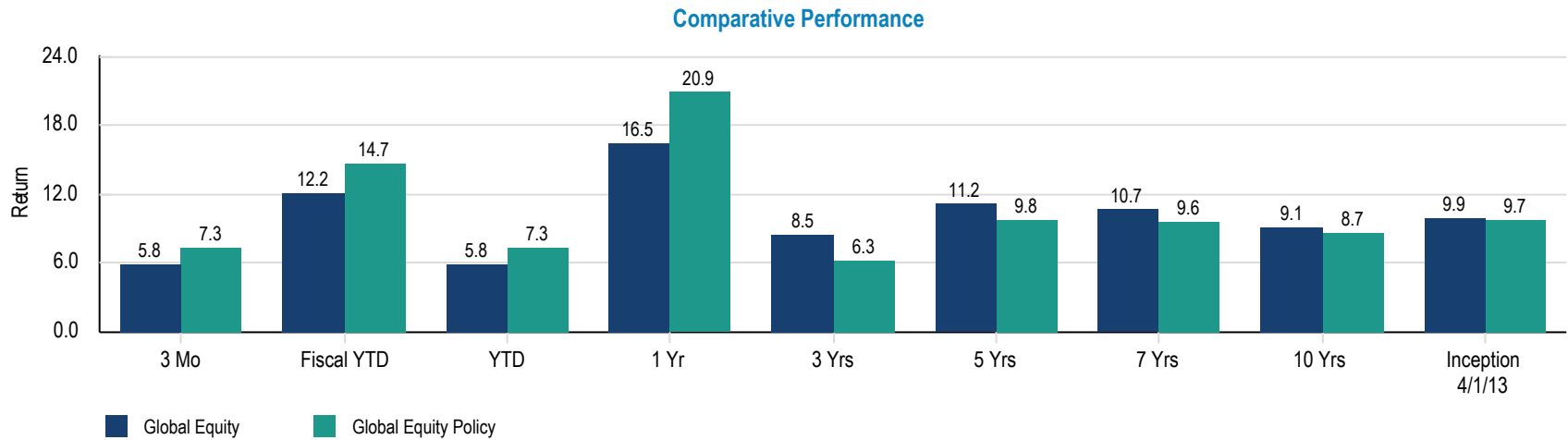
Weighted returns shown in attribution analysis may differ from actual returns. Attribution analysis uses the Policy Target Asset Allocation Index. Fiscal year end 6/30. Attribution analysis excludes overlay impact. Net of Fee performance calculated and provided by BNY Mellon.

Global Equity

Current Quarter \$8,337,254,081.5



	Market Value	Allocation
	\$	(%)
Global Public Stock	5,835,577,667	70.0
Global Low Volatility Equity	2,568,391	0.0
Hedged Equity	811,858	0.0
Private Equity	2,498,296,166	30.0



Global Equity
Asset Allocation & Performance - Composites

New Mexico PERA
Period Ending: March 31, 2024

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Global Equity Net	8,337,254,081	47.91	5.84	12.17	16.52	8.49	11.17	10.66	9.10	9.91	Apr-13
<i>Global Equity Policy</i>			7.32	14.73	20.94	6.30	9.80	9.58	8.69	9.72	
<i>Value Added</i>			-1.48	-2.56	-4.42	2.19	1.37	1.08	0.41	0.19	
Global Public Stock Net	5,835,577,667	33.54	8.66	17.12	23.65	5.35	9.44	9.09	7.80	8.00	Oct-04
<i>Global Public Stock Policy</i>			7.72	15.65	22.45	6.31	10.57	9.90	8.62	8.35	
<i>Value Added</i>			0.94	1.47	1.20	-0.96	-1.13	-0.81	-0.82	-0.35	
Global Low Volatility Equity Net	2,568,391	0.01	1.50	5.43	7.83	3.37	5.06	6.54	-	7.06	Nov-16
<i>MSCI AC World Minimum Volatility Index (Net)</i>			4.71	8.70	11.12	4.26	5.44	6.68	-	7.12	
<i>Value Added</i>			-3.21	-3.27	-3.29	-0.89	-0.38	-0.14	-	-0.06	
Hedged Equity Net	811,858	0.00	0.00	-0.72	27.70	5.97	2.56	4.14	3.32	4.14	Apr-13
<i>Hedged Equity Policy</i>			4.71	8.70	11.12	4.26	5.44	6.28	5.15	5.75	
<i>Value Added</i>			-4.71	-9.42	16.58	1.71	-2.88	-2.14	-1.83	-1.61	
Private Equity Net	2,498,296,166	14.36	1.18	5.29	7.70	13.90	17.48	16.79	16.25	8.76	Dec-06
<i>Private Equity Policy</i>			7.72	15.65	22.45	6.31	10.57	10.78	10.44	8.82	
<i>Value Added</i>			-6.54	-10.36	-14.75	7.59	6.91	6.01	5.81	-0.06	

Fiscal year 06/30. Net of Fee performance calculated and provided by BNY Mellon.

Global Equity

Asset Allocation & Performance - Managers

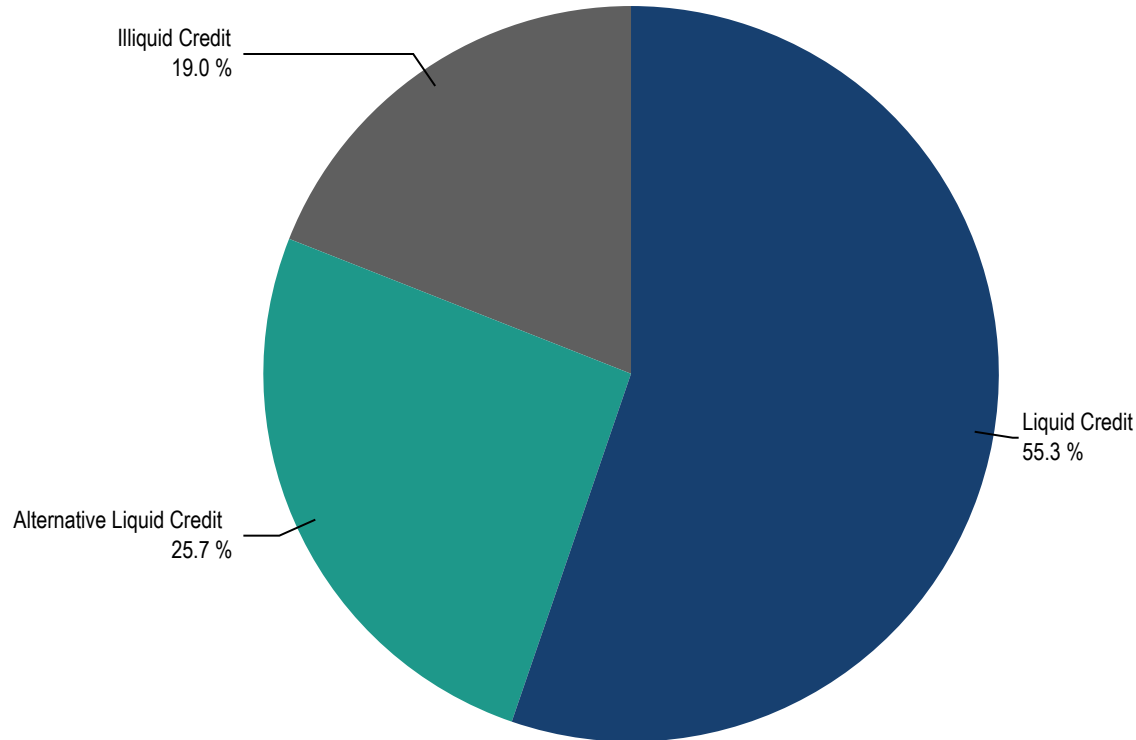
New Mexico PERA
Period Ending: March 31, 2024

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
SSGA ACWI IMI Net	2,598,743,938	14.93	7.77	15.80	22.84	7.15	11.17	10.45	-	10.92	Oct-16
<i>MSCI AC World IMI Index (Net)</i>			7.72	15.65	22.45	6.31	10.57	9.90	-	10.35	
<i>Value Added</i>			0.05	0.15	0.39	0.84	0.60	0.55	-	0.57	
SSGA R1000 Index Net	1,306,497,536	7.51	10.30	19.64	29.92	-	-	-	-	7.26	Dec-21
<i>Russell 1000 Index</i>			10.30	19.61	29.87	-	-	-	-	7.13	
<i>Value Added</i>			0.00	0.03	0.05	-	-	-	-	0.13	
Kayne Andrsn Rdnick SmCap Core Net	351,503,762	2.02	8.10	22.69	29.65	11.89	16.06	-	-	13.59	Sep-18
<i>Russell 2000 Index</i>			5.18	13.79	19.71	-0.10	8.10	-	-	5.06	
<i>Value Added</i>			2.92	8.90	9.94	11.99	7.96	-	-	8.53	
Acadian Intl Equity Net	317,333,785	1.82	8.40	17.09	17.81	3.55	7.94	-	-	5.56	May-18
<i>MSCI EAFE (Net)</i>			5.78	12.01	15.32	4.78	7.33	-	-	5.07	
<i>Value Added</i>			2.62	5.08	2.49	-1.23	0.61	-	-	0.49	
MFS Intl Intrinsic Val Eq exUS Net	252,855,846	1.45	6.97	12.12	16.27	1.87	6.53	7.40	6.37	8.23	Apr-10
<i>MSCI EAFE (Net)</i>			5.78	12.01	15.32	4.78	7.33	6.70	4.80	5.70	
<i>Value Added</i>			1.19	0.11	0.95	-2.91	-0.80	0.70	1.57	2.53	
Axiom Emerging Mkts Eqty Net	274,798,462	1.58	6.52	9.31	7.96	-8.90	1.73	-	-	3.77	Jan-19
<i>MSCI Emerging Markets (Net)</i>			2.37	7.19	8.15	-5.05	2.22	-	-	3.97	
<i>Value Added</i>			4.15	2.12	-0.19	-3.85	-0.49	-	-	-0.20	
Alliance Bernstein Gbl Core Eq Net	380,263,459	2.19	6.02	12.37	17.30	-	-	-	-	11.22	Jun-22
<i>MSCI AC World IMI Index (Net)</i>			7.72	15.65	22.45	-	-	-	-	11.80	
<i>Value Added</i>			-1.70	-3.28	-5.15	-	-	-	-	-0.58	
Parametric Gbl Eqty Ovly	351,212,870	2.02	13.46	3.82	13.69	0.16	-9.23	0.25	-	8.86	Jul-16
<i>MSCI AC World IMI Index (Net)</i>			7.72	15.65	22.45	6.31	10.57	9.90	-	10.77	
<i>Value Added</i>			5.74	-11.83	-8.76	-6.15	-19.80	-9.65	-	-1.91	
Portable Alpha	2,244,410	0.01	1.15	-1.49	4.43	-2.31	0.15	2.01	1.96	-28.69	Oct-07
<i>Portable Alpha Custom Benchmark</i>			10.83	20.33	31.18	12.61	16.20	15.23	14.09	11.05	
<i>Value Added</i>			-9.68	-21.82	-26.75	-14.92	-16.05	-13.22	-12.13	-39.74	

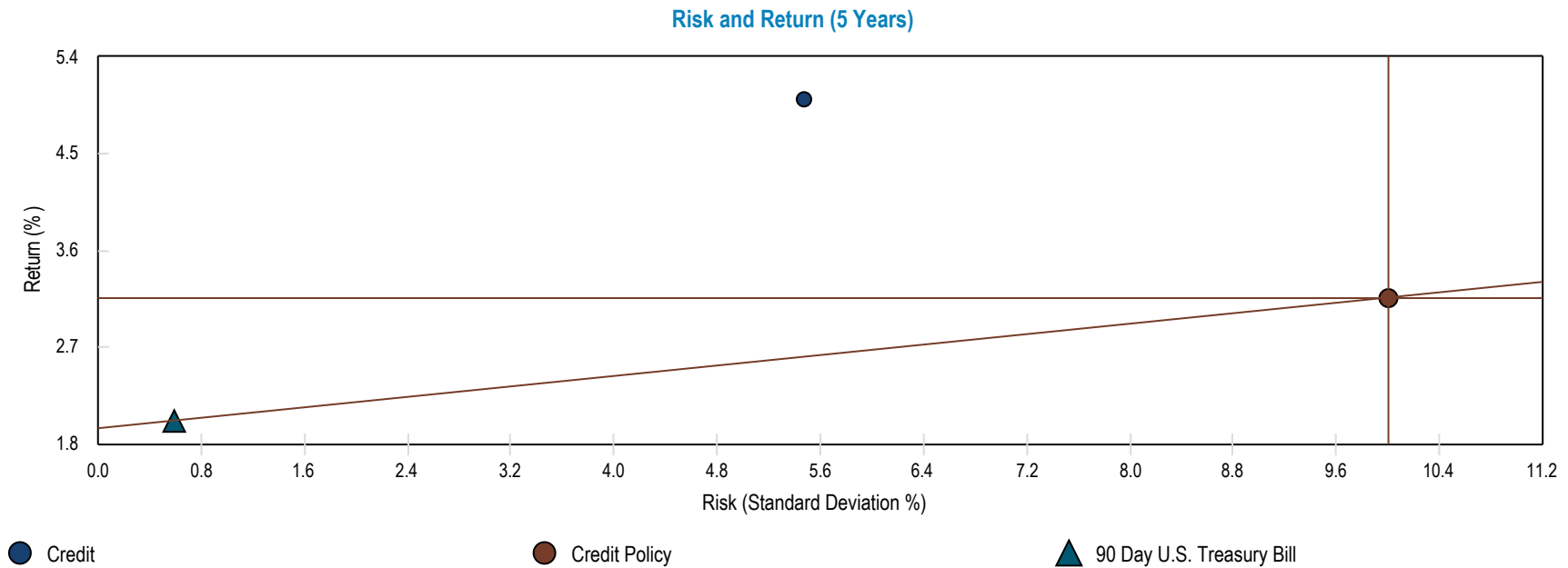
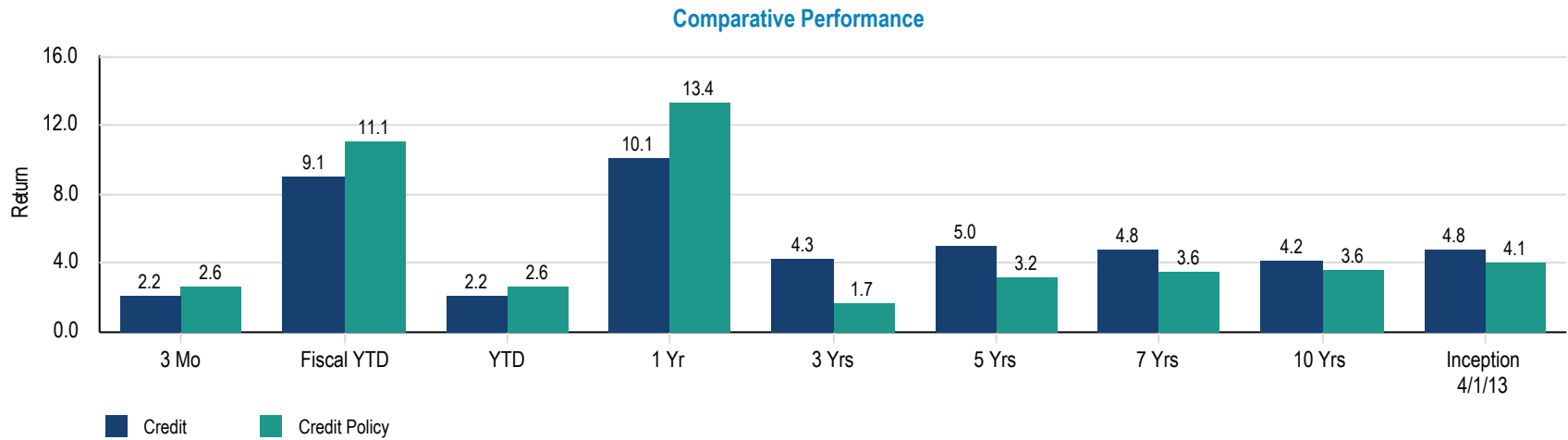
Fiscal year 06/30. Net of Fee performance calculated and provided by BNY Mellon.

Credit

Current Quarter \$3,048,571,466.5



	Market Value \$	Allocation (%)
■ Liquid Credit	1,684,691,298	55.3
■ Alternative Liquid Credit	784,018,071	25.7
■ Illiquid Credit	579,862,097	19.0



Credit
Asset Allocation & Performance - Composites

New Mexico PERA
Period Ending: March 31, 2024

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Credit	3,048,571,467	17.52	2.18	9.11	10.11	4.25	5.01	4.85	4.19	4.79	Apr-13
<i>Credit Policy</i>			2.62	11.15	13.36	1.72	3.17	3.56	3.62	4.10	
<i>Value Added</i>			-0.44	-2.04	-3.25	2.53	1.84	1.29	0.57	0.69	
Liquid Credit Net	1,684,691,298	9.68	1.41	9.46	10.72	1.64	2.40	2.94	3.31	2.67	Apr-13
<i>Liquid Credit Policy</i>			2.62	11.15	13.36	2.15	3.62	3.92	3.84	4.30	
<i>Value Added</i>			-1.21	-1.69	-2.64	-0.51	-1.22	-0.98	-0.53	-1.63	
Alternative Liquid Credit Net	784,018,071	4.51	3.75	10.69	11.69	7.48	-	-	-	13.29	May-20
<i>Bloomberg Global High Yield Indx (Hedged)</i>			2.62	11.15	13.36	2.15	-	-	-	6.09	
<i>Value Added</i>			1.13	-0.46	-1.67	5.33	-	-	-	7.20	
Illiquid Credit Net	579,862,097	3.33	2.43	4.94	4.65	7.78	6.50	7.07	6.52	7.27	Dec-06
<i>Illiquid Credit Policy</i>			2.62	11.15	13.36	2.15	3.62	4.37	4.14	6.24	
<i>Value Added</i>			-0.19	-6.21	-8.71	5.63	2.88	2.70	2.38	1.03	

Fiscal year 06/30. Net of Fee performance calculated and provided by BNY Mellon.

Credit
Asset Allocation & Performance - Managers

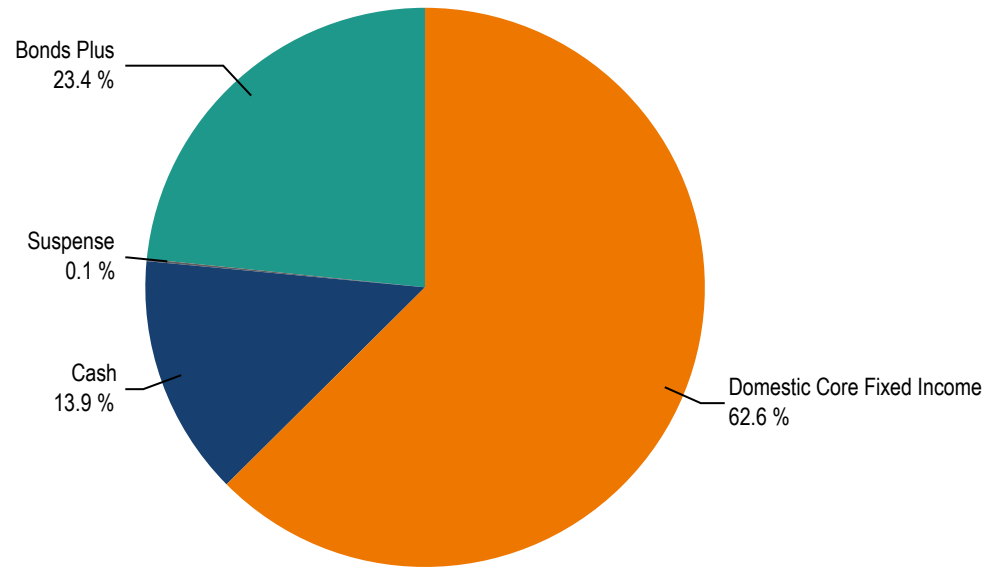
New Mexico PERA
Period Ending: March 31, 2024

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
PineBridge High Yield Net	1,649,243,266	9.48	1.48	9.74	11.26	0.52	3.00	-	-	3.35	Oct-18
<i>Bloomberg Global High Yield Indx (Hedged)</i>			2.62	11.15	13.36	2.15	3.62	-	-	3.92	
<i>Value Added</i>			-1.14	-1.41	-2.10	-1.63	-0.62	-	-	-0.57	
Eagle Point CLO Eqty I LLC	9,080,300	0.05	7.23	9.13	15.19	9.37	7.84	-	-	5.47	Feb-18
<i>Bloomberg Global High Yield Indx (Hedged)</i>			2.62	11.15	13.36	2.15	3.62	-	-	3.46	
<i>Value Added</i>			4.61	-2.02	1.83	7.22	4.22	-	-	2.01	
Eagle Point Credit Onshore LP	86,303,493	0.50	7.78	21.01	14.08	-	-	-	-	6.57	Jun-22
<i>Bloomberg Global High Yield Indx (Hedged)</i>			2.62	11.15	13.36	-	-	-	-	7.31	
<i>Value Added</i>			5.16	9.86	0.72	-	-	-	-	-0.74	
Ellington Enh Inome A LLC	188,042,108	1.08	5.01	14.74	17.08	6.17	5.44	5.15	-	5.01	Jan-17
<i>Bloomberg Global High Yield Indx (Hedged)</i>			2.62	11.15	13.36	2.15	3.62	3.88	-	4.17	
<i>Value Added</i>			2.39	3.59	3.72	4.02	1.82	1.27	-	0.84	
Mudrick Stressed Cr A LP	174,941,855	1.01	3.37	7.38	5.86	6.67	5.09	4.71	-	5.05	Nov-15
<i>Bloomberg Global High Yield Indx (Hedged)</i>			2.62	11.15	13.36	2.15	3.62	3.88	-	4.95	
<i>Value Added</i>			0.75	-3.77	-7.50	4.52	1.47	0.83	-	0.10	
Napier Park C	14,640,832	0.08	-1.33	-1.92	-3.43	1.61	-	-	-	6.86	Aug-20
<i>Bloomberg Global High Yield Indx (Hedged)</i>			2.62	11.15	13.36	2.15	-	-	-	3.53	
<i>Value Added</i>			-3.95	-13.07	-16.79	-0.54	-	-	-	3.33	
SixthSt Wheeler Pk Cr I LLC	165,676,862	0.95	0.00	9.27	14.29	6.46	-	-	-	8.77	Apr-20
<i>Bloomberg Global High Yield Indx (Hedged)</i>			2.62	11.15	13.36	2.15	-	-	-	7.10	
<i>Value Added</i>			-2.62	-1.88	0.93	4.31	-	-	-	1.67	
Parametric Credit Ovly Net	35,448,032	0.20	0.78	7.96	8.08	4.71	-	-	-	5.68	May-19
<i>Bloomberg Global High Yield Indx (Hedged)</i>			2.62	11.15	13.36	2.15	-	-	-	3.49	
<i>Value Added</i>			-1.84	-3.19	-5.28	2.56	-	-	-	2.19	

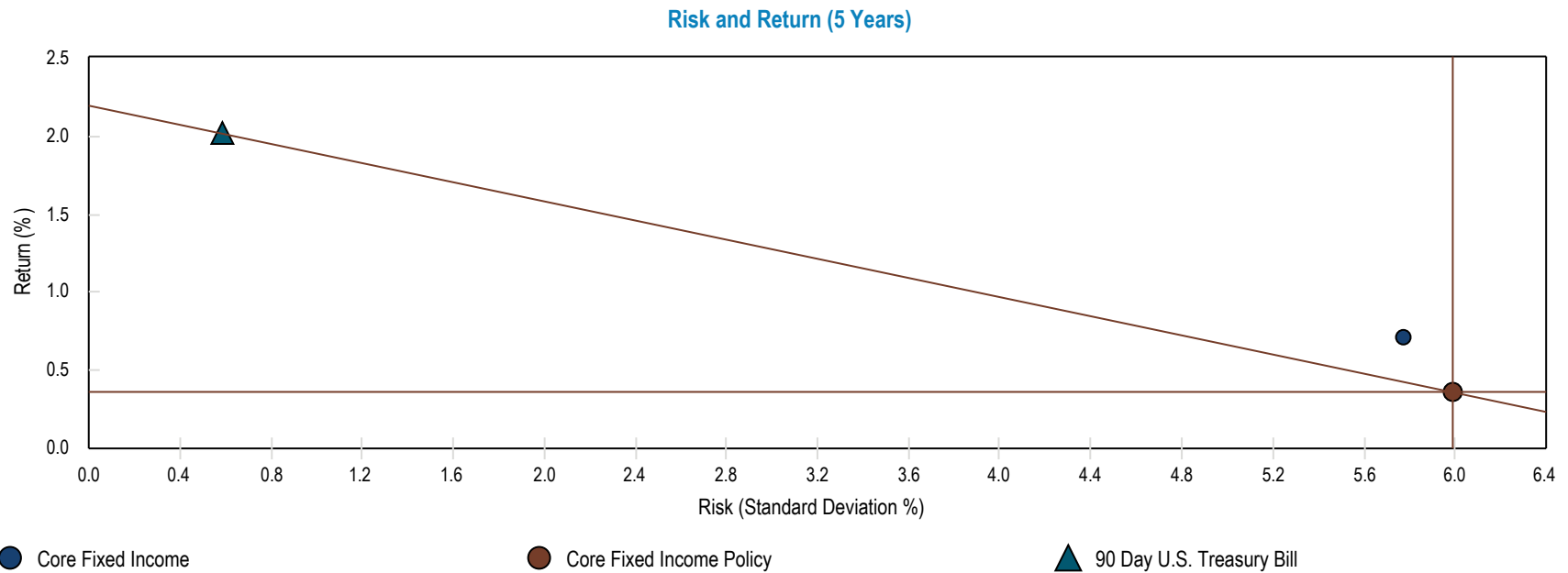
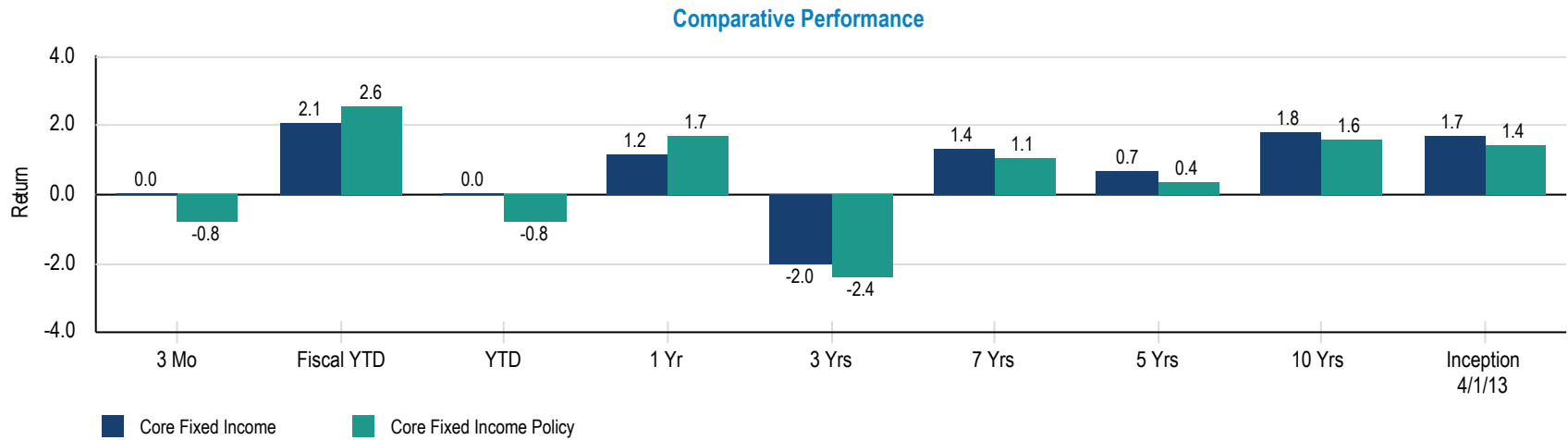
Fiscal year 06/30. Net of Fee performance calculated and provided by BNY Mellon.

Core Fixed Income

Current Quarter \$3,170,502,745.1



	Market Value \$	Allocation (%)
Domestic Core Fixed Income	1,983,435,168	62.6
Cash	441,827,432	13.9
Suspense	4,150,552	0.1
Bonds Plus	741,089,593	23.4



Core Fixed Income
Asset Allocation & Performance - Composites

New Mexico PERA
Period Ending: March 31, 2024

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Core Fixed Income Net	3,170,502,745	18.22	0.03	2.10	1.15	-2.02	0.71	1.36	1.83	1.71	Apr-13
<i>Core Fixed Income Policy</i>			-0.78	2.56	1.70	-2.40	0.36	1.09	1.58	1.44	
<i>Value Added</i>			0.81	-0.46	-0.55	0.38	0.35	0.27	0.25	0.27	
Domestic Core Fixed Income Net	1,983,435,168	11.40	-0.89	2.79	2.04	-2.70	0.34	1.11	1.61	6.10	Jun-85
<i>Blmbg. U.S. Aggregate Index</i>			-0.78	2.56	1.70	-2.46	0.36	1.06	1.54	5.76	
<i>Value Added</i>			-0.11	0.23	0.34	-0.24	-0.02	0.05	0.07	0.34	
Bonds Plus Net	741,089,593	4.26	2.65	1.56	-0.52	-0.75	-	-	-	0.29	Dec-19
<i>Blmbg. U.S. Aggregate Index</i>			-0.78	2.56	1.70	-2.46	-	-	-	-0.85	
<i>Value Added</i>			3.43	-1.00	-2.22	1.71	-	-	-	1.14	
Cash Net	441,827,432	2.54	1.25	-10.83	-4.01	4.25	4.92	4.54	3.38	4.75	Mar-89
<i>ICE BofA 3 Month U.S. T-Bill</i>			1.29	4.03	5.24	2.58	2.02	1.90	1.38	2.96	
<i>Value Added</i>			-0.04	-14.86	-9.25	1.67	2.90	2.64	2.00	1.79	
Suspense	4,150,552	0.02									

Fiscal year 06/30. Net of Fee performance calculated and provided by BNY Mellon.

Core Fixed Income
Asset Allocation & Performance - Managers

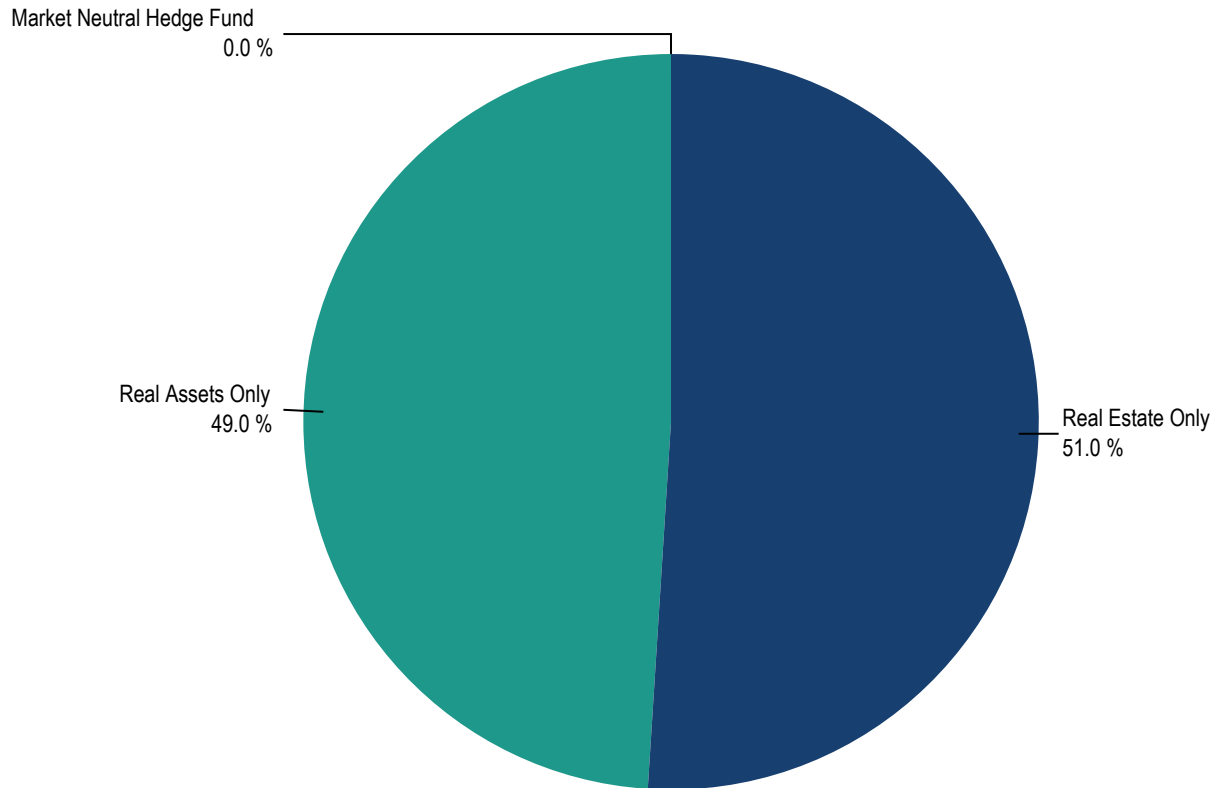
New Mexico PERA
Period Ending: March 31, 2024

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Blackrock US Agg Bond Index Net	1,885,377,885	10.84	-0.78	2.59	1.78	-	-	-	-	4.84	Mar-23
<i>Blmbg. U.S. Aggregate Index</i>			-0.78	2.56	1.70	-	-	-	-	3.93	
<i>Value Added</i>			0.00	0.03	0.08	-	-	-	-	0.91	
Dorsal Capital Partners LP	107,739,358	0.62	4.22	10.77	15.10	5.12	-	-	-	6.81	Jun-20
<i>SOFR + Libor Blend</i>			1.48	4.48	5.93	3.32	-	-	-	2.71	
<i>Value Added</i>			2.74	6.29	9.17	1.80	-	-	-	4.10	
Elliott Associates LP	119,976,419	0.69	2.41	5.94	7.67	8.42	-	-	-	8.92	Dec-19
<i>SOFR + Libor Blend</i>			1.48	4.48	5.93	3.32	-	-	-	2.60	
<i>Value Added</i>			0.93	1.46	1.74	5.10	-	-	-	6.32	
Garda FI Rel Val Oppty Ltd	71,359,606	0.41	1.51	8.32	9.74	9.38	-	-	-	9.72	Jun-20
<i>SOFR + Libor Blend</i>			1.48	4.48	5.93	3.32	-	-	-	2.71	
<i>Value Added</i>			0.03	3.84	3.81	6.06	-	-	-	7.01	
Glazer Enhanced LP	62,548,778	0.36	1.67	5.95	7.49	3.09	-	-	-	15.47	Jun-20
<i>SOFR + Libor Blend</i>			1.48	4.48	5.93	3.32	-	-	-	2.71	
<i>Value Added</i>			0.19	1.47	1.56	-0.23	-	-	-	12.76	
Millennium USA LP	129,862,343	0.75	2.01	10.06	11.30	11.00	-	-	-	11.87	Sep-20
<i>SOFR + Libor Blend</i>			1.48	4.48	5.93	3.32	-	-	-	2.86	
<i>Value Added</i>			0.53	5.58	5.37	7.68	-	-	-	9.01	
Systematica Alt Mkts LP CIB	91,713,743	0.53	4.24	10.14	1.81	15.67	-	-	-	12.04	Jun-20
<i>SOFR + Libor Blend</i>			1.48	4.48	5.93	3.32	-	-	-	2.71	
<i>Value Added</i>			2.76	5.66	-4.12	12.35	-	-	-	9.33	
Two Sigma Abs Return LP	77,889,346	0.45	3.68	11.98	14.14	-	-	-	-	10.99	May-21
<i>SOFR + Libor Blend</i>			1.48	4.48	5.93	-	-	-	-	3.40	
<i>Value Added</i>			2.20	7.50	8.21	-	-	-	-	7.59	
BlackRock Core	78,455	0.00									
BlackRock Glb Fixed Income	155,335	0.00									

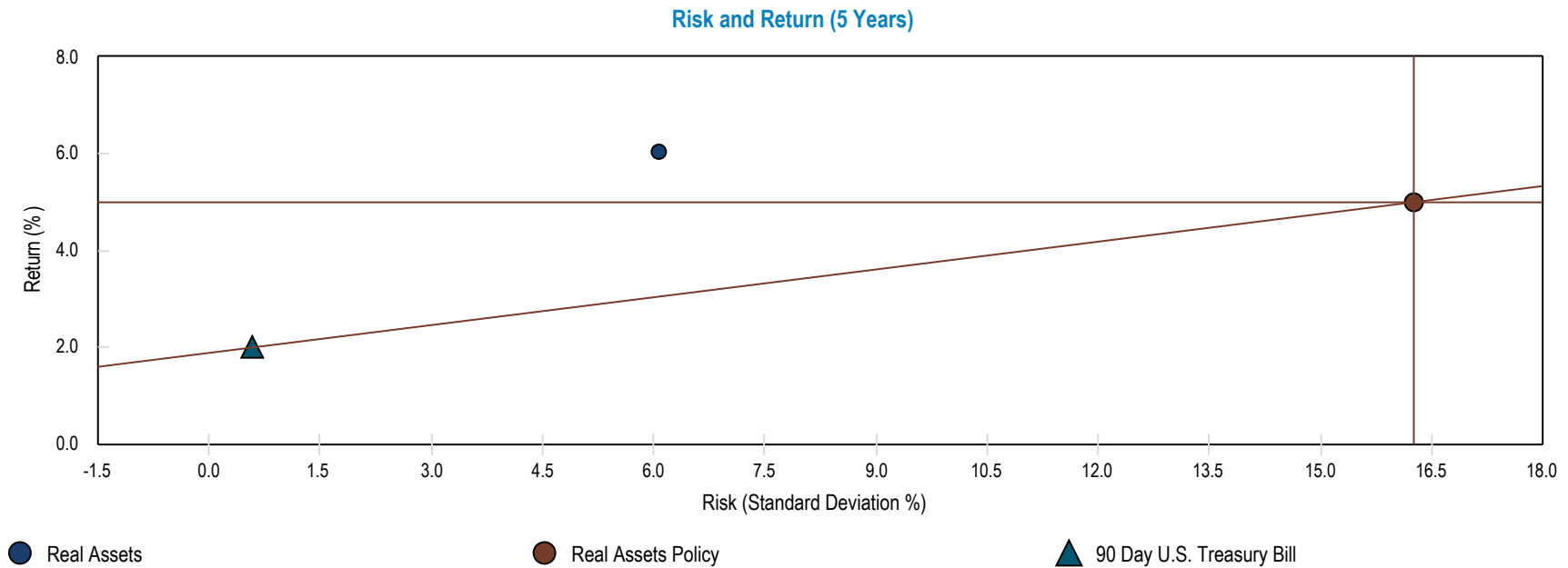
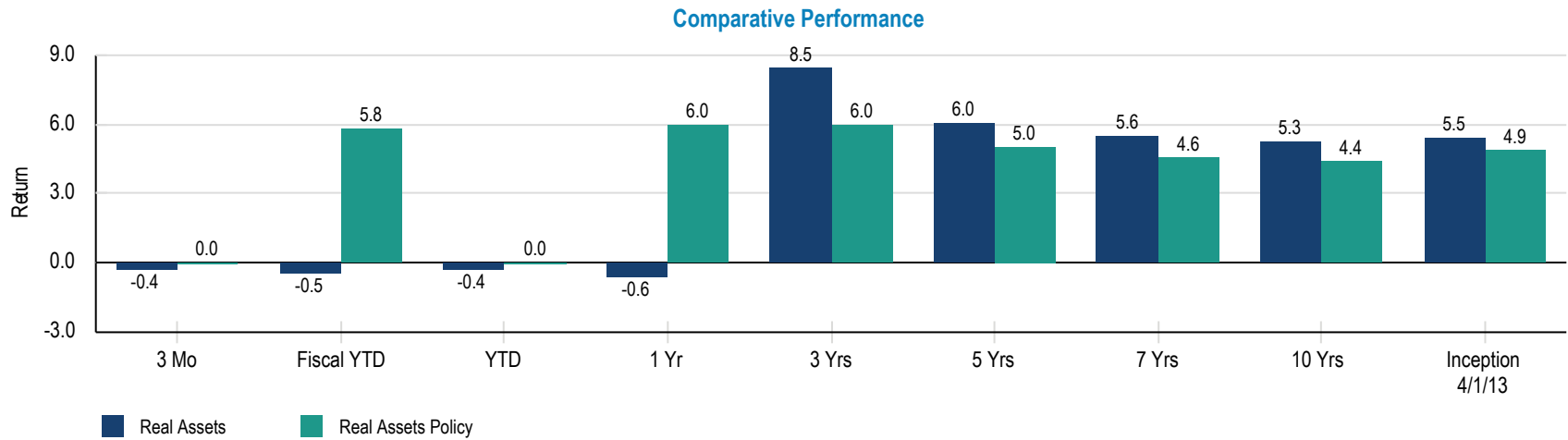
Fiscal year 06/30. SOFR + Libor Blend: Libor + 30 until 08/31/23; SOFR +56 09/01/23 onwards. Net of Fee performance calculated and provided by BNY Mellon.

Real Assets

Current Quarter \$2,802,088,529.3



	Market Value \$	Allocation (%)
Real Estate Only	1,429,298,800	51.0
Real Assets Only	1,372,657,420	49.0
Market Neutral Hedge Fund	132,309	0.0



Real Assets
Asset Allocation & Performance - Composites

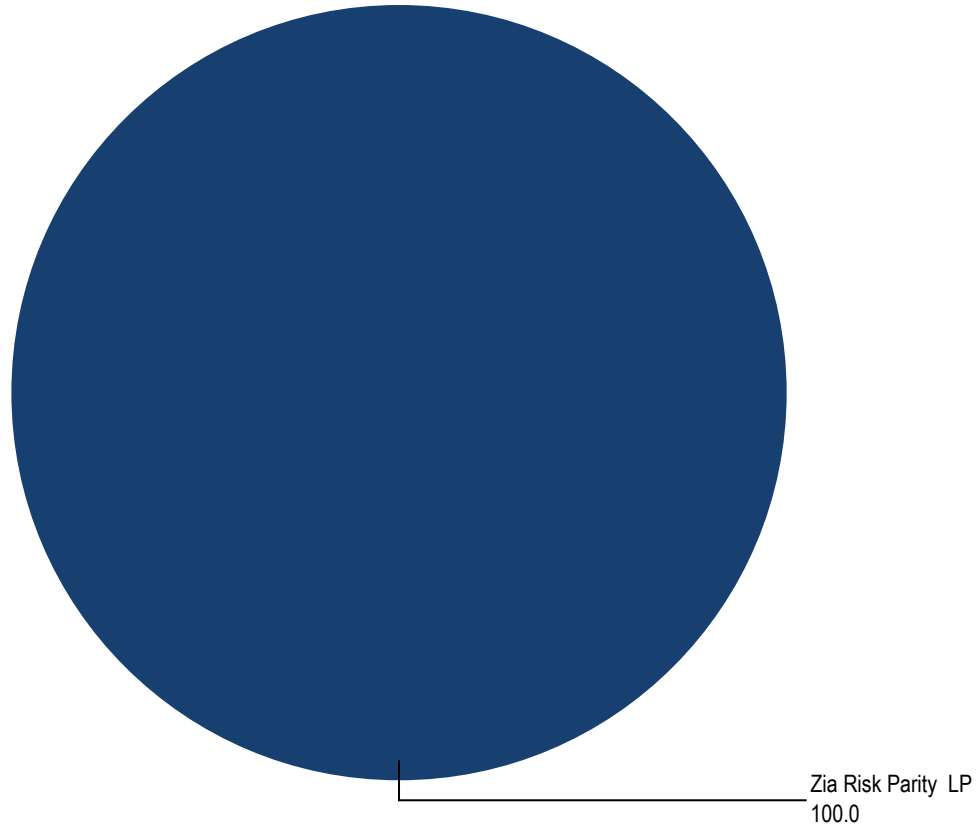
New Mexico PERA
Period Ending: March 31, 2024

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Real Assets Net	2,802,088,529	16.10	-0.35	-0.47	-0.61	8.47	6.05	5.55	5.26	5.46	Apr-13
<i>Real Assets Policy</i>			0.03	5.83	6.01	6.01	5.03	4.55	4.38	4.90	
<i>Value Added</i>			-0.38	-6.30	-6.62	2.46	1.02	1.00	0.88	0.56	
Illiquid Real Estate Net	1,429,298,800	8.21	-0.46	-5.09	-7.99	7.67	6.79	7.91	9.44	6.80	Jul-07
<i>Wilshire Global REIT Total Return Index</i>			-0.31	9.53	11.92	2.97	2.93	4.35	5.47	4.11	
<i>Value Added</i>			-0.15	-14.62	-19.91	4.70	3.86	3.56	3.97	2.69	
Liquid Real Assets Net	38,235,970	0.22	1.34	6.90	8.34	6.92	5.26	2.22	-0.04	1.20	Sep-09
<i>Liquid Real Assets Policy</i>			-0.21	3.39	2.57	6.71	5.99	2.99	0.47	7.05	
<i>Value Added</i>			1.55	3.51	5.77	0.21	-0.73	-0.77	-0.51	-5.85	
Illiquid Real Assets Net	1,334,421,450	7.67	-0.43	4.02	7.18	14.17	7.66	7.17	5.10	-6.24	Jan-07
<i>Illiquid Real Assets Policy</i>			0.40	3.28	2.02	7.42	5.69	4.25	2.08	-	
<i>Value Added</i>			-0.83	0.74	5.16	6.75	1.97	2.92	3.02	-	
Market Neutral Hedge Fund	132,309	0.00	-5.84	-8.08	-7.49	-0.34	-0.42	-0.58	0.67	0.80	Apr-13
<i>LIBOR +2% 1M Lag</i>			1.91	5.81	7.73	5.07	4.34	4.25	3.72	3.59	
<i>Value Added</i>			-7.75	-13.89	-15.22	-5.41	-4.76	-4.83	-3.05	-2.79	

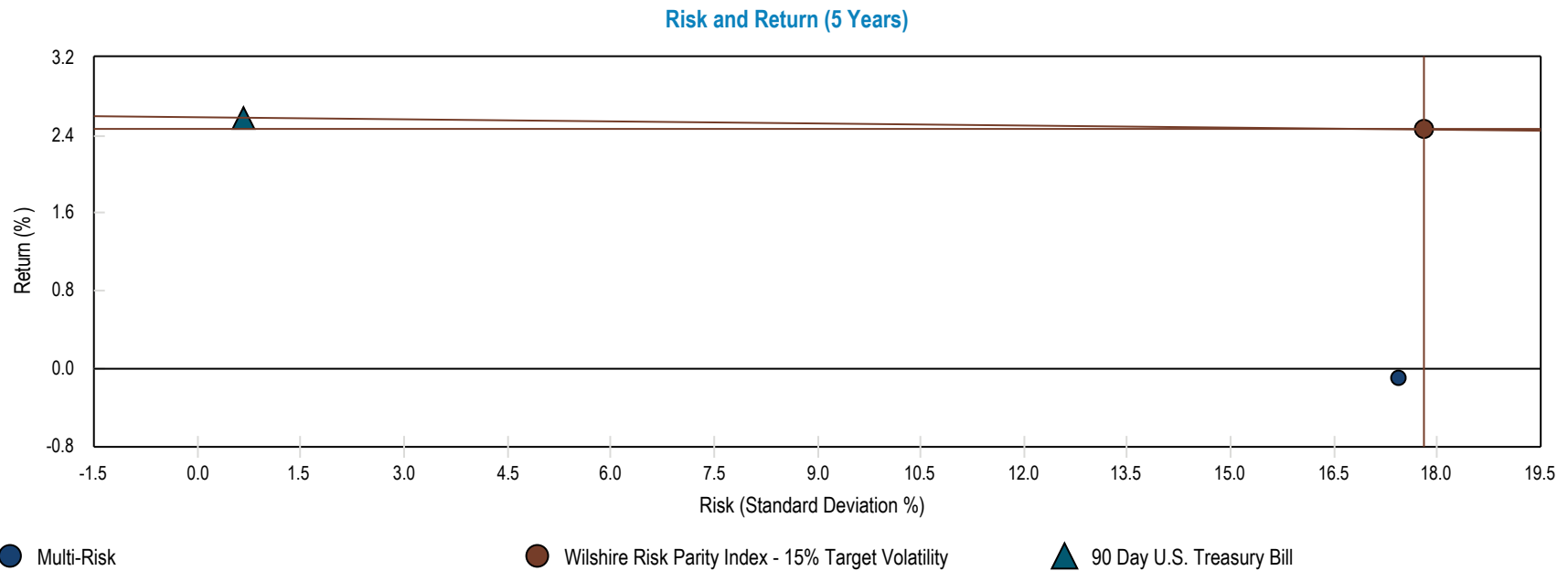
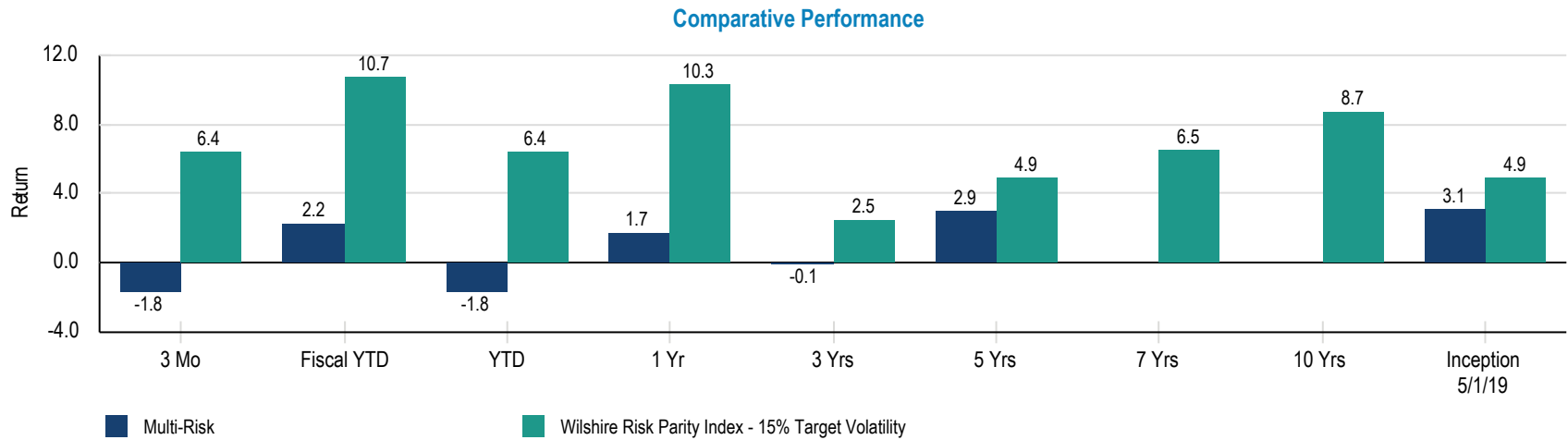
Fiscal year 06/30. Net of Fee performance calculated and provided by BNY Mellon.

Multi-Risk Allocation

Current Quarter \$42,346,679.7



	Market Value \$	Allocation (%)
■ Zia Risk Parity LP	42,346,680	100.0

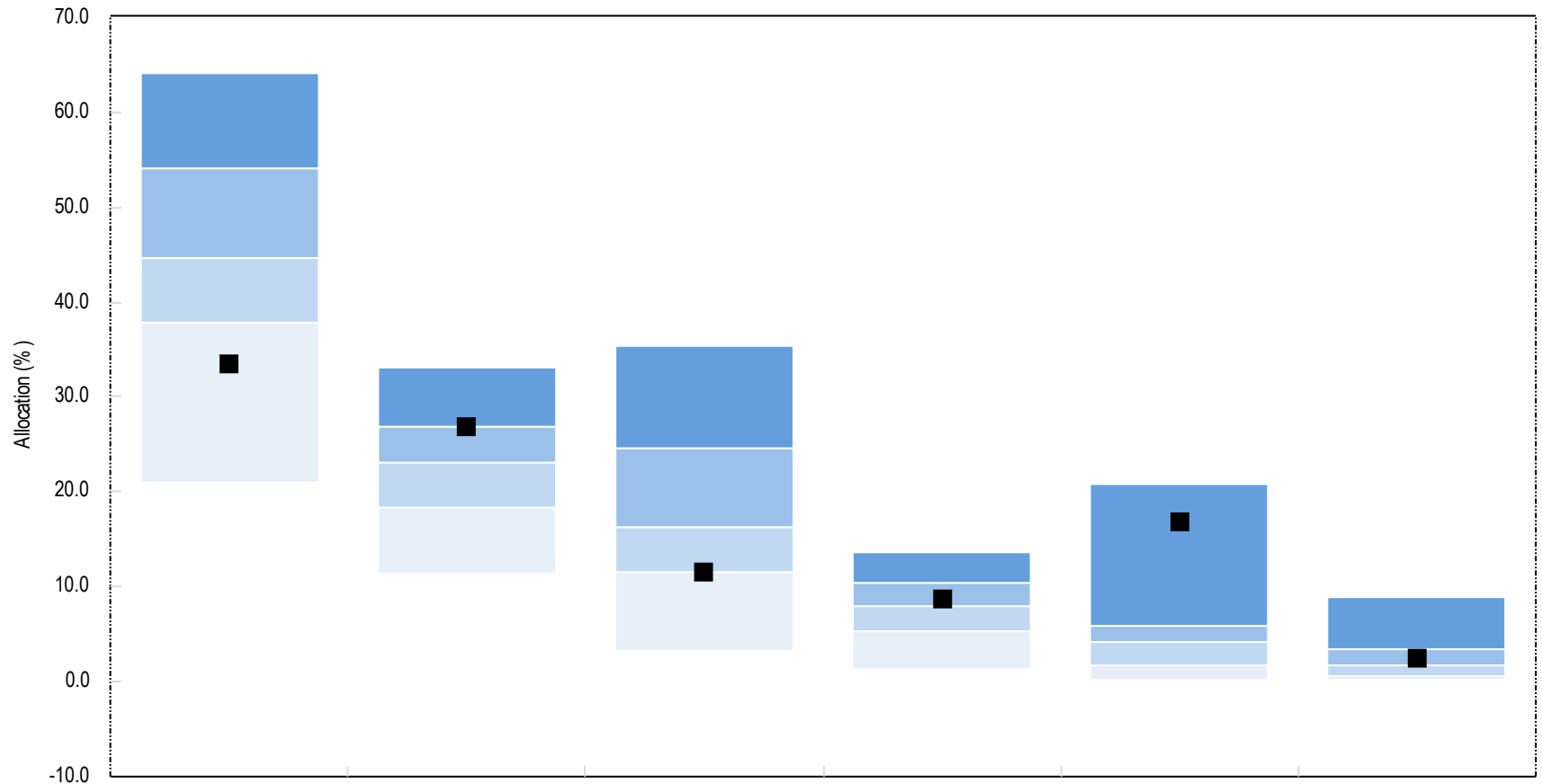


Peer Review

Total Fund
Peer Universe Comparison: Asset Allocation

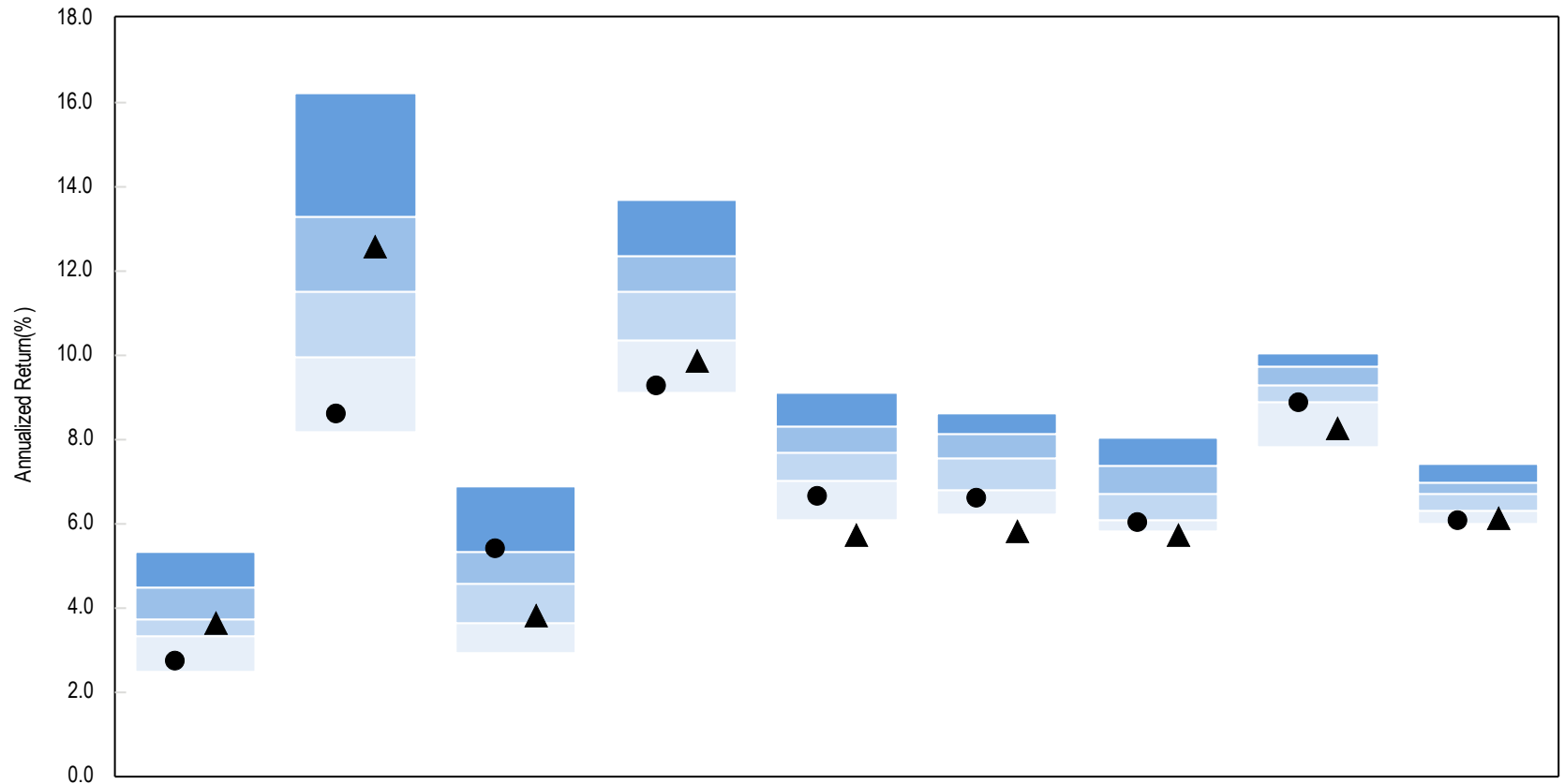
New Mexico PERA
Period Ending: March 31, 2024

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



	Total Equity 33.6 (88)	Total Fixed Income 26.9 (28)	Alternatives 11.5 (75)	Total Real Estate 8.6 (43)	Multi-Asset 16.9 (7)	Cash & Equivalents 2.6 (35)
■ NM PERA Total Fund						
5th Percentile	64.1	33.2	35.4	13.6	20.8	8.9
1st Quartile	54.1	27.0	24.7	10.5	5.8	3.5
Median	44.6	23.1	16.4	8.0	4.1	1.8
3rd Quartile	37.8	18.3	11.5	5.3	1.8	0.7
95th Percentile	21.0	11.4	3.2	1.3	0.3	0.1
Population	96	96	85	77	32	85

Total Fund Cumulative Performance vs. InvMetrics Public DB > \$1B

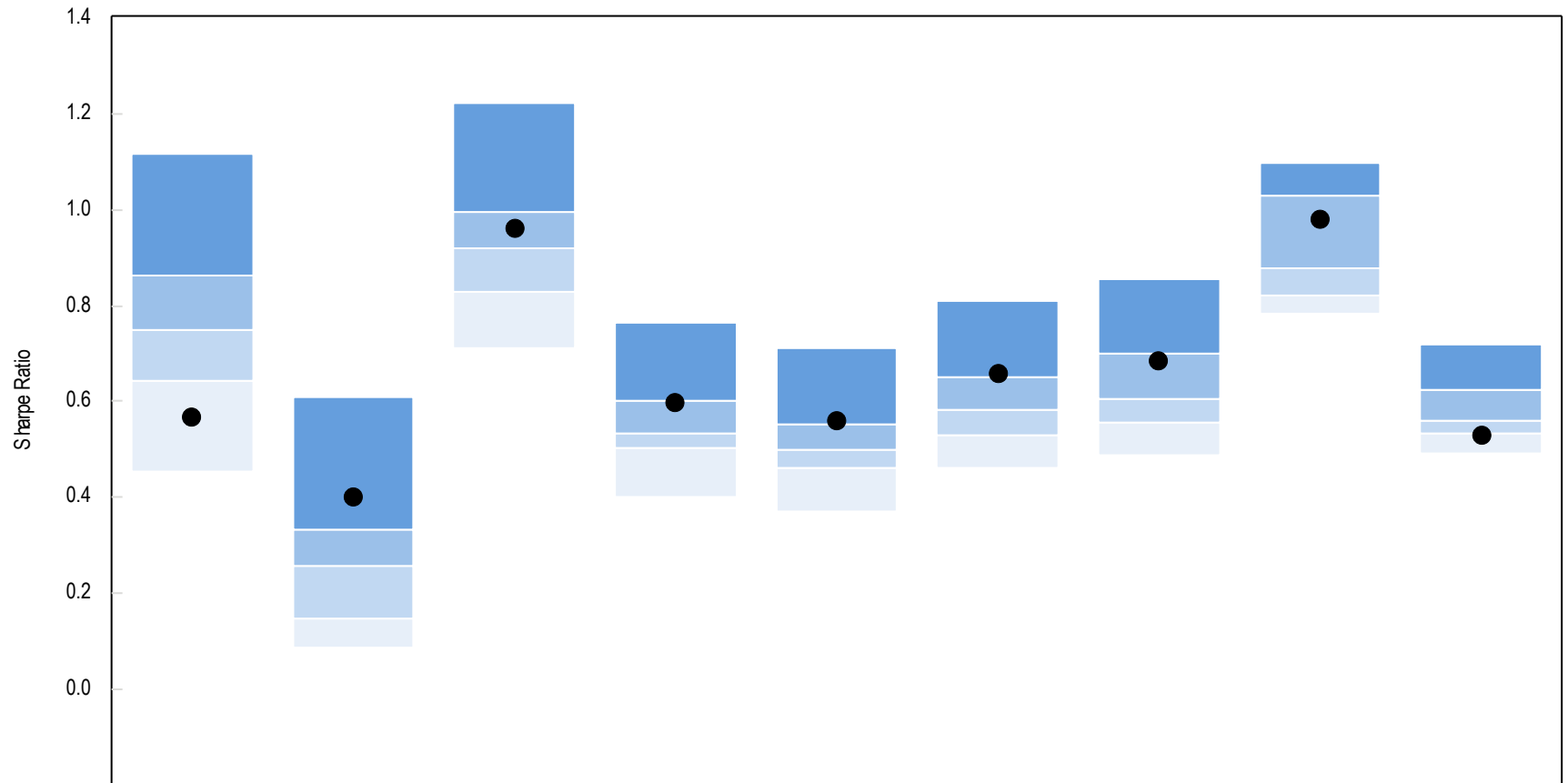


	Quarter	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	2.75 (91)	8.63 (89)	5.43 (24)	9.28 (93)	6.68 (81)	6.64 (78)	6.06 (79)	8.90 (77)	6.08 (92)
▲ NM PERA Total Fund Policy	3.65 (62)	12.59 (32)	3.80 (71)	9.86 (90)	5.74 (100)	5.82 (100)	5.73 (100)	8.25 (92)	6.12 (91)
5th Percentile	5.33	16.24	6.88	13.67	9.11	8.62	8.03	10.06	7.41
1st Quartile	4.47	13.27	5.34	12.35	8.31	8.15	7.39	9.72	6.98
Median	3.74	11.50	4.59	11.50	7.71	7.56	6.71	9.30	6.71
3rd Quartile	3.34	9.97	3.65	10.35	7.03	6.80	6.10	8.91	6.33
95th Percentile	2.50	8.17	2.93	9.12	6.10	6.24	5.83	7.81	5.99
Population	88	45	39	38	38	37	33	29	25

Total Fund
Peer Universe Comparison - Sharpe Ratio

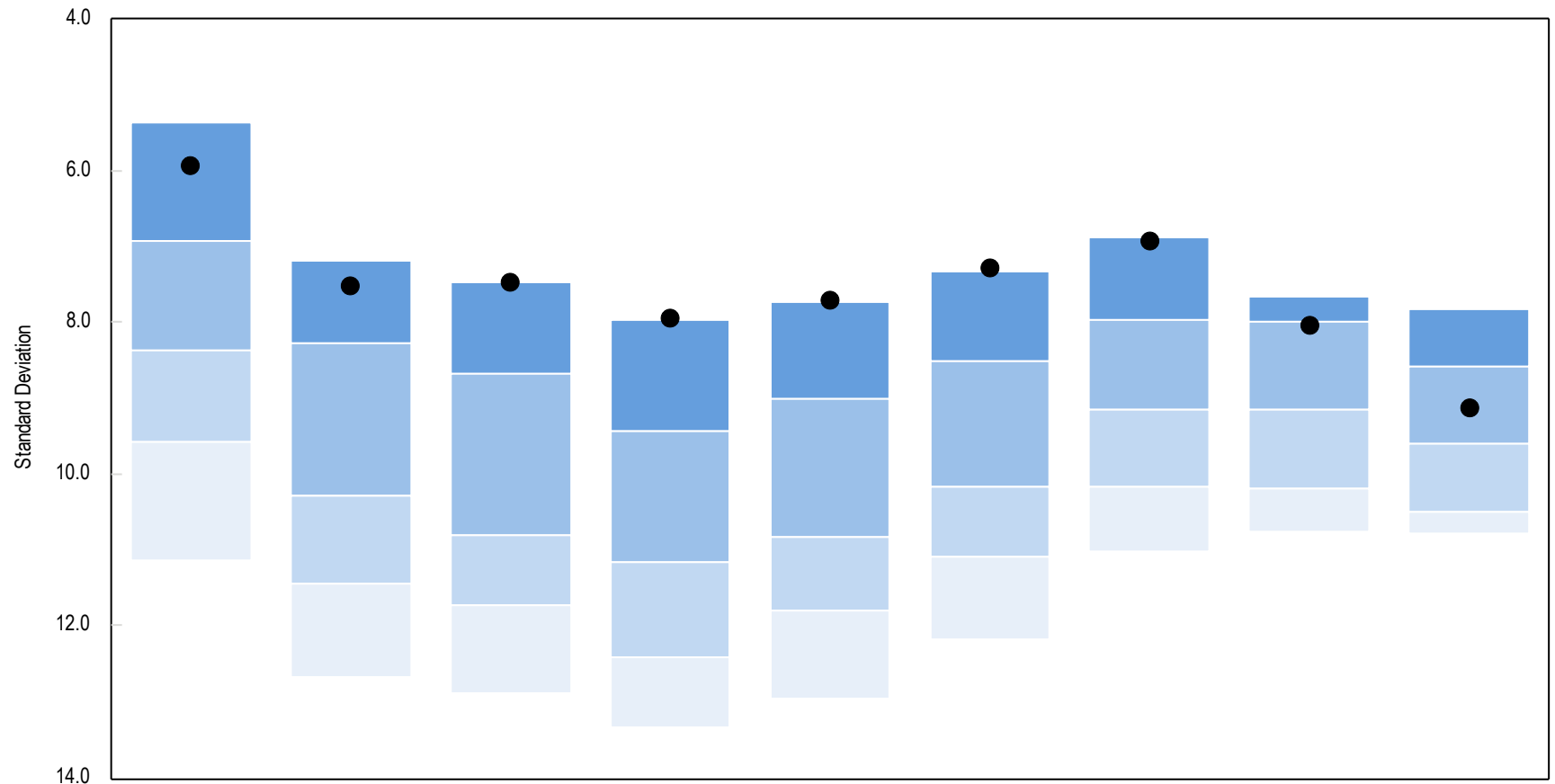
New Mexico PERA
Period Ending: March 31, 2024

NM PERA Total Fund vs. InvMetrics Public DB > \$1B



	1 Year	3 Years	4 Years	5 Years	6 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	0.57 (87)	0.40 (15)	0.96 (34)	0.60 (26)	0.56 (25)	0.66 (23)	0.68 (32)	0.98 (33)	0.53 (80)
5th Percentile	1.12	0.61	1.22	0.77	0.71	0.81	0.86	1.10	0.72
1st Quartile	0.86	0.33	0.99	0.60	0.55	0.65	0.70	1.03	0.63
Median	0.75	0.26	0.92	0.53	0.50	0.58	0.61	0.88	0.56
3rd Quartile	0.65	0.15	0.83	0.50	0.46	0.53	0.55	0.82	0.53
95th Percentile	0.45	0.09	0.71	0.40	0.37	0.46	0.49	0.78	0.49
Population	45	39	38	38	37	37	33	29	25

NM PERA Total Fund vs. InvMetrics Public DB > \$1B

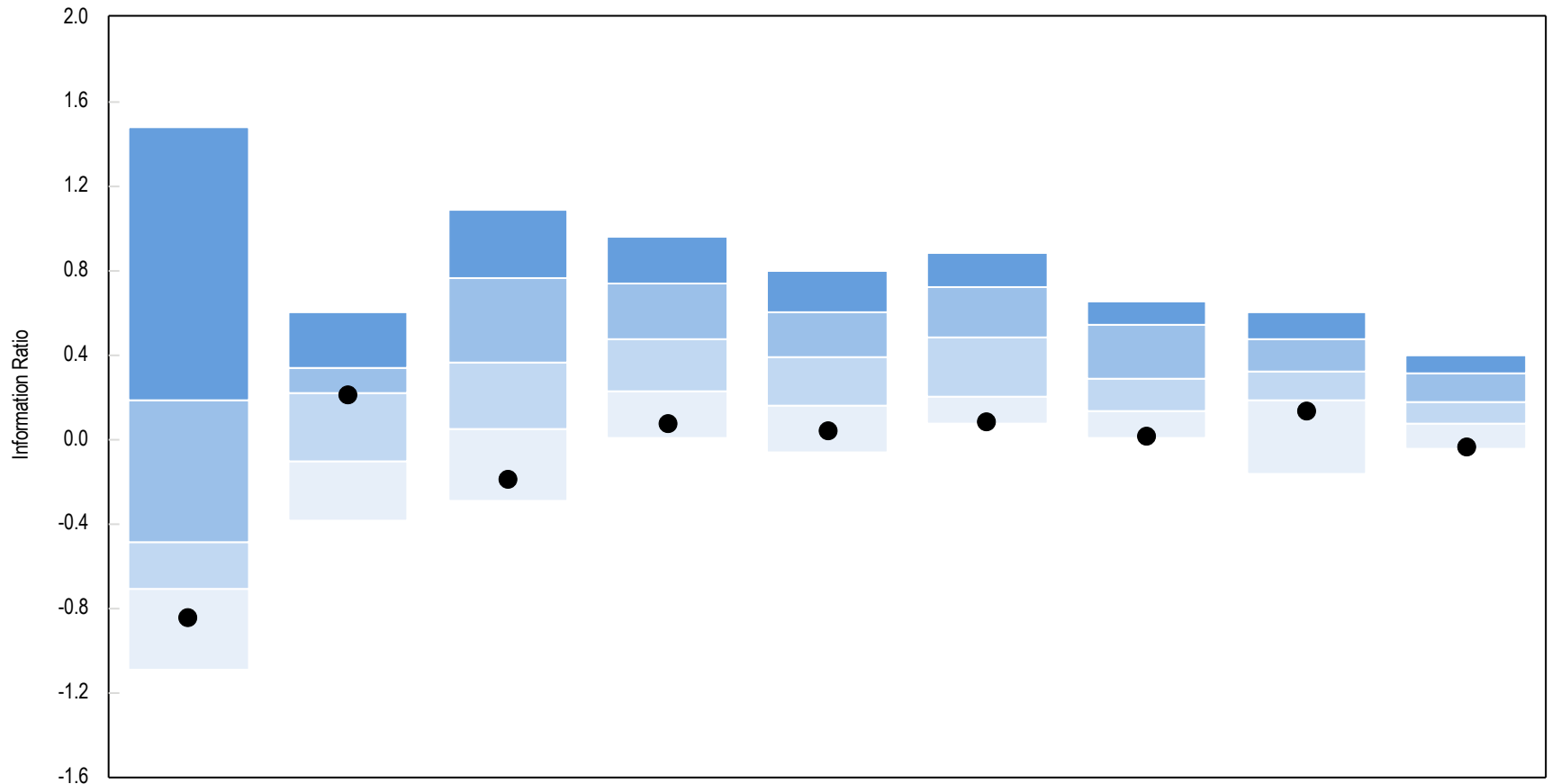


	1 Year	3 Years	4 Years	5 Years	6 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	5.95 (16)	7.52 (13)	7.47 (4)	7.95 (2)	7.72 (1)	7.28 (1)	6.93 (7)	8.05 (28)	9.13 (41)
5th Percentile	5.37	7.19	7.48	7.98	7.74	7.33	6.88	7.67	7.84
1st Quartile	6.92	8.27	8.68	9.43	9.00	8.50	7.98	8.00	8.59
Median	8.38	10.29	10.81	11.17	10.82	10.16	9.16	9.15	9.59
3rd Quartile	9.57	11.45	11.72	12.43	11.81	11.08	10.17	10.19	10.51
95th Percentile	11.14	12.69	12.90	13.35	12.97	12.17	11.02	10.77	10.78
Population	45	39	38	38	37	37	33	29	25

Total Fund
Peer Universe Comparison - Information Ratio

New Mexico PERA
Period Ending: March 31, 2024

NM PERA Total Fund vs. InvMetrics Public DB > \$1B



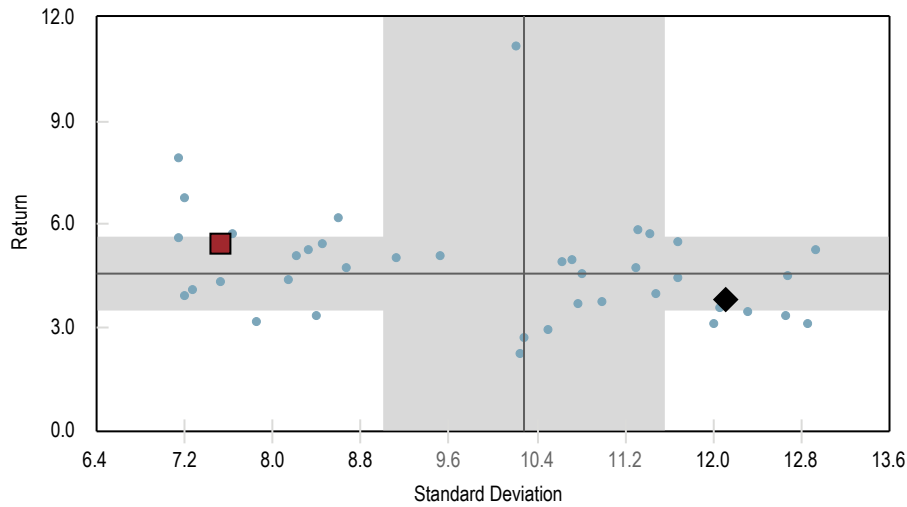
	1 Year	3 Years	4 Years	5 Years	6 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	-0.84 (84)	0.21 (51)	-0.18 (92)	0.08 (92)	0.04 (85)	0.09 (95)	0.02 (88)	0.13 (87)	-0.03 (92)
5th Percentile	1.48	0.61	1.09	0.96	0.80	0.89	0.65	0.60	0.40
1st Quartile	0.19	0.34	0.76	0.74	0.61	0.72	0.54	0.47	0.31
Median	-0.49	0.22	0.37	0.48	0.39	0.49	0.29	0.32	0.18
3rd Quartile	-0.71	-0.10	0.05	0.23	0.16	0.21	0.13	0.18	0.08
95th Percentile	-1.09	-0.38	-0.29	0.01	-0.06	0.08	0.00	-0.16	-0.04
Population	45	39	38	38	37	37	33	29	25

Total Fund Risk Analysis - 3 Years (Net of Fees)

New Mexico PERA
Period Ending: March 31, 2024

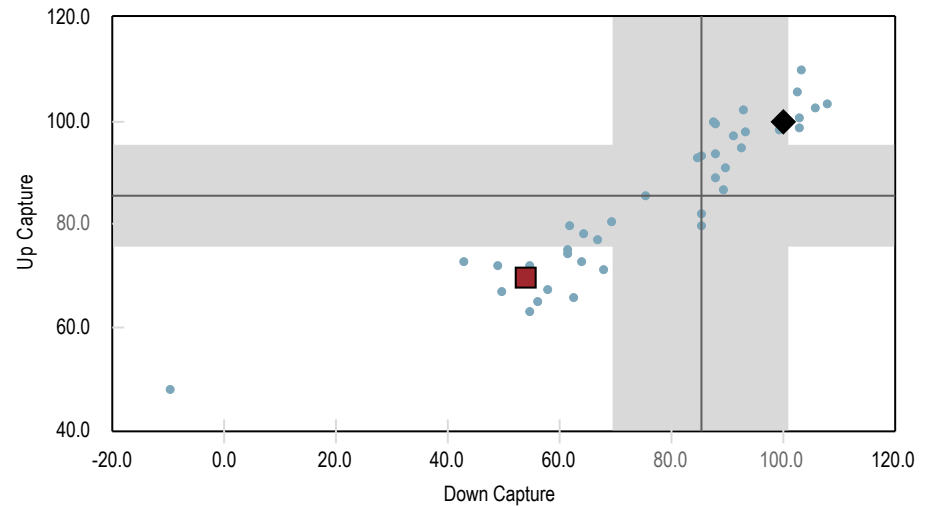
	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	R-Squared	Up Capture	Down Capture	Information Ratio	Tracking Error	Sharpe Ratio	Sortino Ratio
NM PERA Total Fund	7.5	2.9	0.6	0.9	69.7	53.9	0.2	5.2	0.4	0.6
<i>NM PERA Total Fund Policy</i>	<i>12.1</i>	<i>0.0</i>	<i>1.0</i>	<i>1.0</i>	<i>100.0</i>	<i>100.0</i>	<i>-</i>	<i>0.0</i>	<i>0.2</i>	<i>0.2</i>

Annualized Return vs. Annualized Standard Deviation



	Return	Standard Deviation
■ NM PERA Total Fund	5.43	7.52
◆ NM PERA Total Fund Policy	3.80	12.11
— Median	4.59	10.29
Population	39	39

Up Capture vs. Down Capture



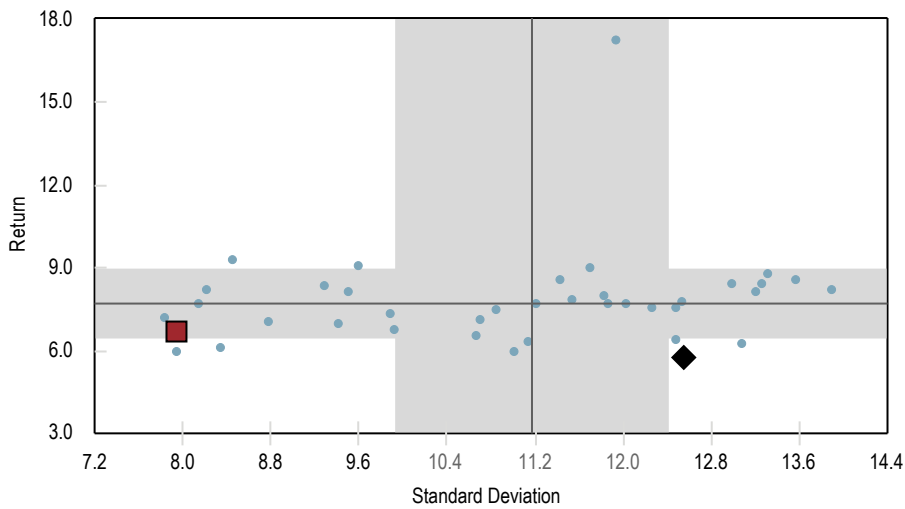
	Up Capture	Down Capture
■ NM PERA Total Fund	69.73	53.90
◆ NM PERA Total Fund Policy	100.00	100.00
— Median	85.61	85.27
Population	39	39

Total Fund Risk Analysis - 5 Years (Net of Fees)

New Mexico PERA
Period Ending: March 31, 2024

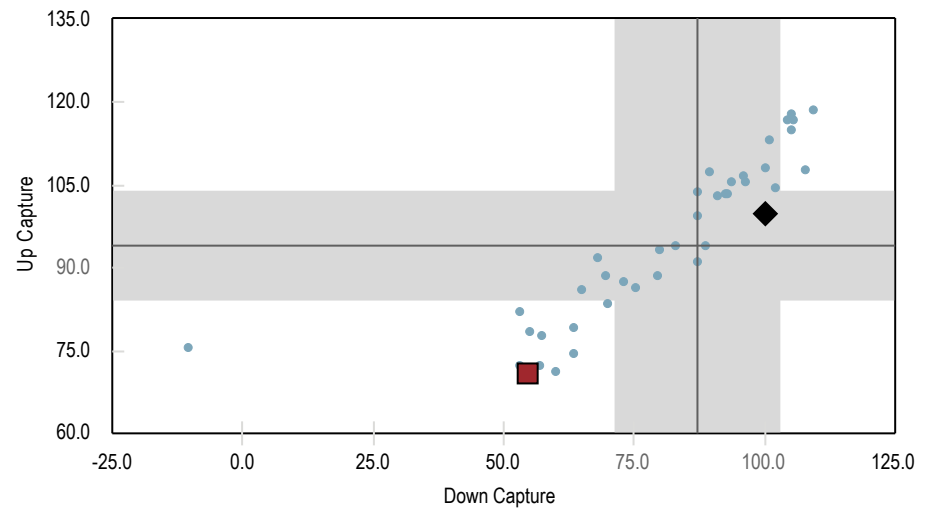
	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	R-Squared	Up Capture	Down Capture	Information Ratio	Tracking Error	Sharpe Ratio	Sortino Ratio
NM PERA Total Fund	7.9	2.9	0.6	0.9	70.9	54.5	0.1	5.3	0.6	0.9
<i>NM PERA Total Fund Policy</i>	<i>12.6</i>	<i>0.0</i>	<i>1.0</i>	<i>1.0</i>	<i>100.0</i>	<i>100.0</i>	<i>-</i>	<i>0.0</i>	<i>0.3</i>	<i>0.5</i>

Annualized Return vs. Annualized Standard Deviation



	Return	Standard Deviation
■ NM PERA Total Fund	6.68	7.95
◆ NM PERA Total Fund Policy	5.74	12.55
— Median	7.71	11.17
Population	38	38

Up Capture vs. Down Capture



	Up Capture	Down Capture
■ NM PERA Total Fund	70.93	54.53
◆ NM PERA Total Fund Policy	100.00	100.00
— Median	93.97	87.14
Population	38	38

Manager Listing

Total Fund
Asset Allocation - Preliminary

New Mexico PERA
Period Ending: March 31, 2024

	Market Value	%
NM PERA Total Fund	\$17,400,763,502	100.0
Global Equity	\$8,337,254,081	47.9
Global Public Stock	\$5,835,577,667	33.5
SSGA ACWI IMI	\$2,598,743,938	14.9
SSGA R1000 Index	\$1,306,497,536	7.5
Parametric Eqty Ovly	\$351,212,870	2.0
Active US Equity	\$353,871,772	2.0
Kayne Andrsn Rdnick SmCap Core	\$351,503,762	2.0
Farallon PA	\$123,600	0.0
Portable Alpha	\$2,244,410	0.0
Portable Alpha	\$2,244,410	0.0
Active Non-US Developed Equity	\$570,189,630	3.3
Acadian Intl Equity	\$317,333,785	1.8
MFS Intl Intrinsic Val Eq exUS	\$252,855,846	1.5
Active Emerging Markets Equity	\$274,798,462	1.6
Axiom Emerging Mkts Eqty	\$274,798,462	1.6
Active Global Equity	\$380,263,459	2.2
Alliance Bernstein Gbl Core Eq	\$380,263,459	2.2
Global Low Volatility Equity	\$2,568,391	0.0
BlackRock Low Vol Intl Equity	\$2,568,391	0.0
Hedged Equity	\$811,858	0.0
TPG Axon Ptnrs LP	\$811,858	0.0

Total Fund
Asset Allocation - Preliminary

New Mexico PERA
Period Ending: March 31, 2024

	Market Value	%
Private Equity	\$2,498,296,166	14.4
Altaris Const Ptnrs IV LP	\$34,708,267	0.2
Altaris Health Ptnrs IV LP	\$49,102,906	0.3
CVC European Eqty Ptnrs V	\$615,901	0.0
CVC Cptl Ptnrs VII A LP	\$169,036,011	1.0
Carlyle Partners VI	\$13,954,414	0.1
Carlyle Partners V	\$1,408,059	0.0
Century Focused IV LP	\$24,774,800	0.1
Charterhouse Cap Ptnrs IX	\$167,813	0.0
Charterhouse Capital Ptnrs X	\$51,376,285	0.3
Coller Intl Ptnrs V-A LP	\$7,663	0.0
Crescit Eundo TJC Coinvest	\$5,000,000	0.0
Threshold Ventures II LP	\$56,436,273	0.3
Draper Fisher Jurvetson X LP	\$11,005,299	0.1
FountainVest CP III LP	\$84,201,070	0.5
GTCR XI A & B	\$25,337,912	0.1
H&F VII LP	\$1,780,528	0.0
Gilde Buy-Out IV	\$1,529,274	0.0
Instl Venture Ptnrs XIV LP	\$12,592,687	0.1
Instl Venture Ptnrs XIII LP	\$1,719,030	0.0
JMI Equity VII LP	\$1,058,008	0.0
KRG Cptl IV LP	\$1,251,320	0.0
Kelso Inv Assoc XI LP	\$20,565,568	0.1
Kelso Inv Assoc IX LP	\$33,716,783	0.2
Kelso Inv Assoc VIII LP	\$24,090	0.0
Kelso Inv Assoc X LP	\$91,558,400	0.5
H&F Spock I SPV	\$11,412,842	0.1
The Resolute Fund VI LP	\$11,048,948	0.1
Gen Catalyst XII Creation	\$3,193,944	0.0
Gen Catalyst XII Ignition	\$3,067,034	0.0

Total Fund
Asset Allocation - Preliminary

New Mexico PERA
Period Ending: March 31, 2024

	Market Value	%
Lincolnshire Eqty IV A LP	\$6,782,388	0.0
Madison Dearborn VI	\$129,475	0.0
New Enterprise Assoc 13 LP	\$4,371,386	0.0
New Enterprise Assoc 14 LP	\$39,016,032	0.2
Onex Ptnrs IV	\$28,569,892	0.2
Onex Ptnrs V	\$86,053,868	0.5
Onex Ptnrs III	\$4,765,708	0.0
Patria PE VI LP	\$56,896,502	0.3
Petershill PE LP	\$92,091,994	0.5
Pine Bridge Passport I LLC	\$123,141,331	0.7
Providence Eqty Ptnrs VI	\$163,730	0.0
RCP Small & Emg Parallel LP	\$100,496,222	0.6
RRJ Cptl Master III LP	\$14,170,533	0.1
Madison Dearborn Ristra Colnv	\$19,007,726	0.1
Sun Cptl Ptnrs V LP	\$846,490	0.0
TPG Asia V LP	\$1,281,874	0.0
TPG Ptnrs VI LP	\$393,678	0.0
TCV VII LP	\$982,050	0.0
TCV IX LP	\$54,451,640	0.3
TCV X LP	\$83,240,074	0.5
Resolute III LP	\$22,506,802	0.1
Resolute IV LP	\$116,390,788	0.7
Trident IX LP	\$27,734,842	0.2
Trinity Ventures XII LP	\$43,436,632	0.2
Warburg Pincus PE XII	\$65,365,863	0.4
Warburg Pincus Global Gwth XIV	\$35,707,185	0.2

Total Fund
Asset Allocation - Preliminary

New Mexico PERA
Period Ending: March 31, 2024

	Market Value	%
Warburg Pincus Global Gwth	\$137,626,644	0.8
Petershill IV LLC	\$24,054,465	0.1
Petershill Enchmnt Colnv LLC	\$21,764,631	0.1
H&F Arrow 1 SPV	\$7,332,050	0.0
Madison Dearborn VIII	\$70,093,884	0.4
H&F Samson Hockey 1 SPV	\$4,552,426	0.0
H&F Samson Shield 1 SPV	\$13,204,718	0.1
Montagu VI	\$64,726,333	0.4
Altaris Health Ptnrs V LP	\$59,458,334	0.3
H&F Samson Brunello 1 SPV	\$5,517,564	0.0
Madison Dearborn Patriot SPV	\$9,590,812	0.1
Tenex Cptl Ptnrs III LP	\$46,878,130	0.3
Tenex White Sands Colnv LP	\$20,457,858	0.1
Gen Ctlyst Grp XI Endurance LP	\$41,198,235	0.2
Gen Ctlyst Grp XI Ignition LP	\$14,064,381	0.1
Resolute V LP	\$100,019,945	0.6
H&F X LP	\$38,367,274	0.2
Orchid Asia VIII LP	\$17,697,959	0.1
Orchid Asia 1912 Colnv LP	\$2,887,764	0.0
Montagu Petroglyph Colnv LP	\$19,401,236	0.1
Gen Ctlyst Grp XI Creation LP	\$11,381,725	0.1
JMI Equity XI LP	\$18,373,967	0.1
Credit	\$3,048,571,467	17.5
Liquid Credit	\$1,684,691,298	9.7
High Yield Debt	\$1,649,243,266	9.5
PineBridge High Yield	\$1,649,243,266	9.5
Parametric Credit Ovly	\$35,448,032	0.2

Total Fund
Asset Allocation - Preliminary

New Mexico PERA
Period Ending: March 31, 2024

	Market Value	%
Alternative Liquid Credit	\$784,018,071	4.5
Leveraged Loans/Structured Credit	\$624,044,618	3.6
Mudrick Stressed Cr A LP	\$174,941,855	1.0
Ellington Enh Incme A LLC	\$188,042,108	1.1
Eagle Point CLO Eqty I LLC	\$9,080,300	0.1
Eagle Point Credit Onshore LP	\$86,303,493	0.5
SixthSt Wheeler Pk Cr I LLC	\$165,676,862	1.0
Credit Oriented Hedge Funds	\$159,973,453	0.9
King Street Capital LP	\$2,463,356	0.0
Silver Point Cptl LP	\$57,117,531	0.3
Anchorage Cptl Ptnrs LP	\$52,026,152	0.3
Napier Park C	\$14,640,832	0.1
Ellington Alt Credit	\$33,725,582	0.2
Illiquid Credit	\$579,862,097	3.3
Apollo Defined Rt Fd	\$257,841,311	1.5
Atalaya Spcl Oppty VI LP B	\$2,314,316	0.0
Athyrium Oppty II LP	\$12,165,863	0.1
Cerberus Res Opp - Ext	\$169,359,451	1.0
Cerberus Inst Ptnrs IV	\$142,940	0.0
Cheyne RE Credit V LP	\$38,065,813	0.2
DRC Eur RE Debt III LP	\$32,685,059	0.2
DRC Eur RE Debt II LP	\$371,535	0.0
Garrison Opp IV A	\$6,609,155	0.0
Madison Rlty Cap Dbt III LP	\$42,516,492	0.2

Total Fund
Asset Allocation - Preliminary

New Mexico PERA
Period Ending: March 31, 2024

	Market Value	%
Oaktree Opptys VII LP		0.0
Oaktree Opptys VIIb LP	\$1	0.0
Oaktree Opptys VIII LP	\$41,056	0.0
Oaktree Eur Pncpl III LP	\$6,192,559	0.0
Sixth Street Oppty Ptrns III	\$7,158,997	0.0
Wyzata Opptys III LP	\$4,293,213	0.0
HIG Bayside Ln Oppty II LP	\$104,338	0.0
Core Fixed Income	\$3,170,502,745	18.2
Domestic Core Fixed Income	\$1,983,435,168	11.4
Parametric Risk Mit Ovly	\$98,057,283	0.6
Blackrock US Agg Bond Index	\$1,885,377,885	10.8
Cash	\$441,827,432	2.5
Cash Account	\$441,827,432	2.5
Suspense	\$4,150,552	0.0
Cash-Corporate Action	\$2,131,007	0.0
BlackRock Core	\$78,455	0.0
BlackRock Equity Transition	\$24,270	0.0
Russell Transition	\$218,000	0.0
BlackRock Glb Fixed Income	\$155,335	0.0
Harvest MLP Alpha	\$435,916	0.0
KBI Global Investors EAFE Developed	\$362,168	0.0
LGIMA TAA Overlay		0.0
NT MSCI ACWI X US Index Fund	\$223,544	0.0
PIMCO Commodities	\$1,707	0.0
PIMCO TIPS	\$40,296	0.0
Principal Intl Small Cap Equity	\$253,822	0.0
Prudential Core Cons FI	\$1,154	0.0
Schroder Intl Small Composite	\$83,591	0.0
Security Capital Alpha	\$588	0.0
DFA Real Estate Securities	\$140,699	0.0

Total Fund
 Asset Allocation - Preliminary

New Mexico PERA
 Period Ending: March 31, 2024

	Market Value	%
Bonds Plus	\$741,089,593	4.3
Elliott Associates LP	\$119,976,419	0.7
Parametric Bonds Plus - MV and Returns		0.0
Pharo Gaia Ltd		0.0
Dorsal Capital Partners LP	\$107,739,358	0.6
Garda FI Rel Val Oppty Ltd	\$71,359,606	0.4
Glazer Enhanced LP	\$62,548,778	0.4
Pac Allnce Asia Opp IV LP		0.0
Systematica Alt Mkts LP CIB	\$91,713,743	0.5
Millennium USA LP	\$129,862,343	0.7
Two Sigma Abs Return LP	\$77,889,346	0.4
Wellington Macro Strat	\$80,000,000	0.5

Total Fund
Asset Allocation - Preliminary

New Mexico PERA
Period Ending: March 31, 2024

	Market Value	%
Real Assets	\$2,802,088,529	16.1
Real Estate Only	\$1,429,298,800	8.2
Illiquid Real Estate	\$1,429,298,800	8.2
Aermont Cap RE IV SCSp	\$34,920,661	0.2
Blackstone RE Ptnrs VII	\$5,717,613	0.0
Blackstone RE Ptnrs Eur III	\$1,535,323	0.0
Carlyle Rlty Ptnrs VI	\$1,576,511	0.0
Carlyle Rlty Ptnrs V	\$15,027	0.0
Harrison St RE Ptnrs V & V A	\$21,527,784	0.1
Harrison St RE Ptnrs VII, A	\$65,106,529	0.4
KSL Cptl Ptnrs IV LP	\$59,857,463	0.3
North Haven RE VII Gbl T LP	\$194,375	0.0
Rockwood Cap RE Ptnrs IX LP	\$3,157,182	0.0
Rockwood Cap RE Ptnrs X LP	\$26,106,944	0.2
Starwood Gbl Op VIII LP	\$1,140,882	0.0
Starwood Op X Gbl LP	\$10,801,920	0.1
Starwood Global Oppty XI LP	\$63,089,009	0.4

Total Fund
Asset Allocation - Preliminary

New Mexico PERA
Period Ending: March 31, 2024

	Market Value	%
Starwood Distd Op IX Gbl LP	\$2,288,566	0.0
Walton Street RE VI LP	\$12,415,696	0.1
Wheelock Street RE II LP	\$11,120,942	0.1
Rockpt Gwth & Inc RE II LP	\$30,769,779	0.2
Aermont Cap PW RE III LP	\$22,645,118	0.1
Harrison St RE Ptnrs VI, A	\$41,007,489	0.2
New Rock Core LP	\$276,715,609	1.6
GEM Rlty Evergreen PF NM LP	\$120,491,123	0.7
Rockwood Cap RE Ptnrs XI LP	\$37,815,953	0.2
Rockpt Gwth & Inc RE III LP	\$40,511,270	0.2
Rockwood MultiFamily PT LP	\$101,384,865	0.6
Stockbridge Niche Lgstcs LP	\$276,466,080	1.6
Harrison St RE Ptnrs VIII A, B	\$73,202,148	0.4
Stockbridge Value IV LP	\$62,813,620	0.4
Starwood Dist Op XII Gbl LP	\$24,903,319	0.1
Liquid Real Assets	\$38,235,970	0.2
DWS Listed Infrastructure	\$464,276	0.0
Parametric Real Assets Ovly	\$37,771,694	0.2
Illiquid Real Assets	\$1,334,421,450	7.7
ACM II LLC	\$22,275,938	0.1
Antin Infra Ptnrs III LP	\$67,153,362	0.4
Ardian Infra V	\$58,540,842	0.3
Ardian Infra IV	\$49,748,305	0.3
BEP Legacy A LP	\$41,220	0.0

Total Fund
Asset Allocation - Preliminary

New Mexico PERA
Period Ending: March 31, 2024

	Market Value	%
Brookfield Infra II	\$35,441,581	0.2
Brookfield Infra III	\$75,820,879	0.4
Carlyle Power Partners II	\$62,744,158	0.4
Denham VI O&G LP	\$39,520	0.0
Denham CPF VI LP	\$10,462,257	0.1
EnCap Energy Cptl VIII LP	\$9,213,898	0.1
EnCap Energy Cptl IX LP	\$6,017,415	0.0
EnCap Flatrock Mdst III LP	\$15,723,690	0.1
EnCap Energy Cptl XI LP	\$98,653,612	0.6
First Reserve XII LP	\$20,171	0.0
IFM Global Infra LP	\$204,748,103	1.2
ITE DTAF	\$40,000,000	0.2
KKR Global Infra Inv II LP	\$17,371,081	0.1
Kayne Andrsn Energy V LP	\$5,121,727	0.0
Lime Rock Partners VI, L.P.	\$120,849	0.0
Lime Rock Resources III A LP	\$25,528,665	0.1
Lime Rock Ptnrs V LP	\$1,350,652	0.0
Meridiam Infra NA III LP	\$63,890,416	0.4
Natural Gas Prtnrs IX LP	\$21,141	0.0
Ntl Gas Prtnrs Ntl Res X LP	\$2,089,893	0.0
Ntl Gas Prtnrs Ntl Res XI LP	\$26,445,372	0.2
Ntl Gas Prtnrs Ntl Res XII LP	\$41,100,440	0.2
Paine Schwtz Food Chn IV LP	\$37,022,282	0.2
Quantum Energy Ptnrs V LP	\$337,817	0.0
Riverst Rnw&Alt Engy II LP	\$209,354	0.0
Riverst GI Engy & Pwr V LP	\$4,304,310	0.0
Riverst Gbl Engy & Pwr IV	\$20,637	0.0
Tillridge Gbl Agri Ptnrs II LP	\$38,886,040	0.2

Total Fund
 Asset Allocation - Preliminary

New Mexico PERA
 Period Ending: March 31, 2024

	Market Value	%
Ardian Mass Ascension Colnv LP	\$158,059,055	0.9
Four Corners Farmland LLC	\$127,599,230	0.7
Ardian Americas Infra V LP	\$15,659,697	0.1
Antin Infra Ptnrs V LP	\$12,637,842	0.1
Market Neutral Hedge Fund	\$132,309	0.0
Farallon Cptl Instl Ptnrs LP	\$93,710	0.0
Stark Select Asset LLC	\$38,599	0.0
Multi-Risk	\$42,346,680	0.2
Zia Risk Parity LP	\$42,346,680	0.2

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:

Carlyle Property Investors, L.P. – NM PERA committed \$50 million to Carlyle Property Investors, L.P., an illiquid open-ended real asset fund focused on acquiring and operating high quality real estate assets across diversified subsectors. No third-party placement agents will be used in connection with commitments by US governmental pension plans. Even if one were used, any fees due to placement agents or finders will be borne by Carlyle (either directly, or through a management fee offset).

General Catalyst XII Fund Group – NM PERA committed \$100 million to General Catalyst XII Fund Group (Endurance Fund, Ignition Fund, Creation Fund, and Health Assurance Fund), an illiquid venture capital firm. No Placement Agent was used to solicit PERA's investment, however, General Catalyst both Campbell Lutyens & Co. LTD and Goldman Sachs & Co. LLC have been engaged by General Catalyst to act as placement agents for Fund XII.

Wellington Macro Strategies Fund – NM PERA committed \$80 million to Wellington Macro Strategies Fund L.P., a diversified Global Macro fund with a multi-strategy approach to macro investing. No Placement Agent was used to solicit PERA's investment in Wellington.

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

ITE Diversified Transportation Asset Fund – NM PERA committed \$100 million to ITE DTAF, an illiquid open-ended real asset fund that will focus on acquiring and operating high quality infrastructure assets across diversified subsectors. No Placement Agent was used to solicit PERA's investment, however, ITE uses Old City and Orpheus as Placement Agents. ITE has stated that Placement Agent fees are paid by the Firm, no fees shall be paid by the Fund.

KKR Diversified Core Infrastructure Fund – NM PERA committed \$100 million to KKR DCIF, an illiquid open-ended real asset fund that will focus on acquiring and operating high quality infrastructure assets across diversified subsectors. No Placement Agent was used to solicit PERA's investment, however, KKR has stated that Placement Agent fees shall not be paid by the Fund, they shall be paid by the corporate management company.

Montagu VII, L.P. – NM PERA committed €89 million to Montagu VII, L.P., an illiquid Private Equity fund focused on the European (primarily

Northern European) middle-market buyout space. No Placement Agent was used to solicit PERA's investment, however, Montagu stated Asante Capital acted as Global Placement Agent for the Fund. All placement fees are borne by Montagu and are not recharged to the Fund or any investor.

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.

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 XIII 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 engaged 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: $\text{Portfolio Return} - [\text{Risk free Rate} + \text{Portfolio Beta} \times (\text{Market Return} - \text{Risk free Rate})]$.

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: $\text{Portfolio Excess Return} / \text{Portfolio Standard Deviation}$.

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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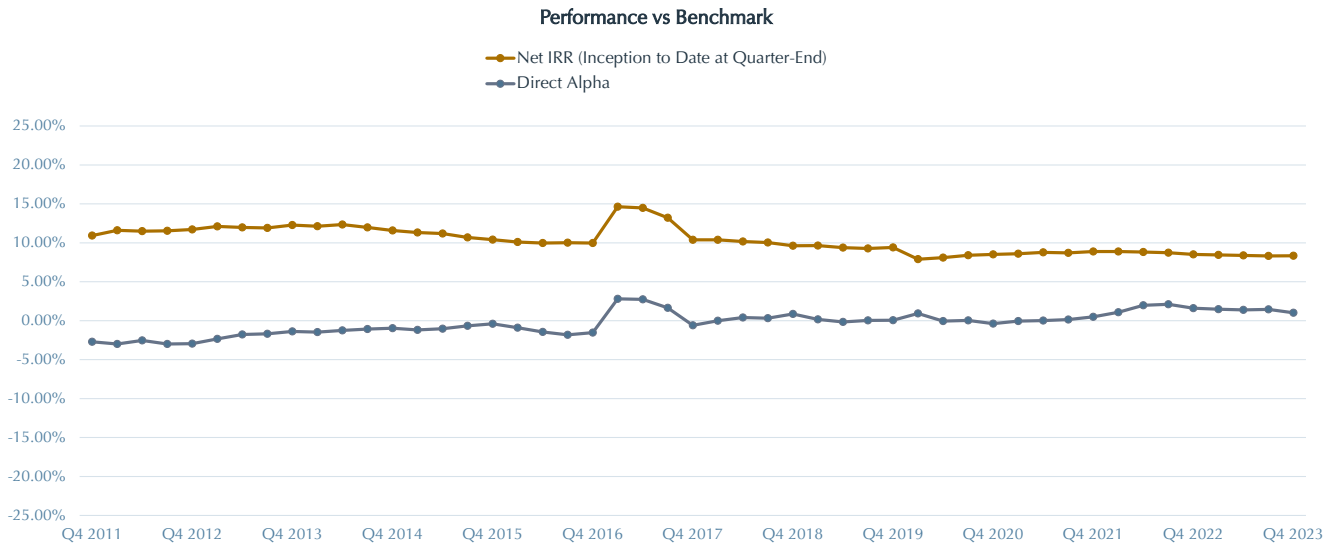


Public Employees Retirement Association of New Mexico

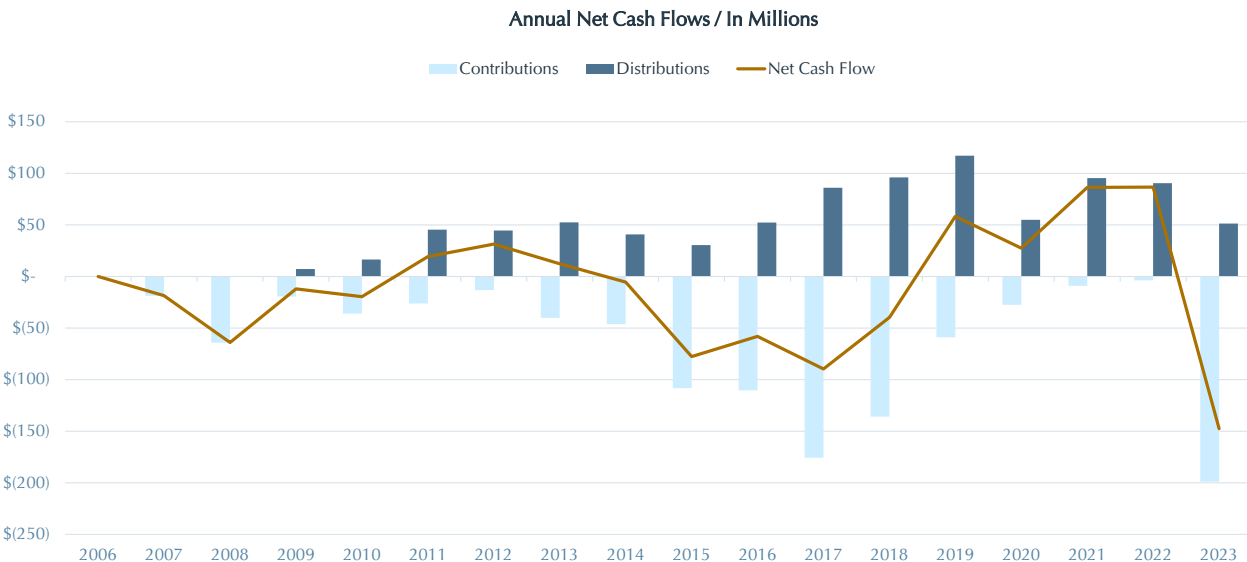
Illiquid Credit Private Markets Performance Review
4Q 2023

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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 December 31, 2023

Geography	% NAV
North America	74.6%
Europe	24.7%
Africa	0.2%
Global/Other	0.2%
Asia & Pacific	0.2%
Latin America	0.0%

Industry	% NAV
Real Estate	25.0%
Other	22.4%
Financials	19.6%
Communication Services	4.5%
Health Care	5.8%
Industrials	5.6%
Consumer Discretionary	6.8%
Energy	3.5%
Information Technology	3.1%
Materials	0.4%
Consumer Staples	1.9%
Utilities	1.5%

Note: Geography and Industry exposure is based on the fair market value of the underlying companies (if available), and generic risk exposures provided by managers that do not report position level data.

Data for Cerberus Residential Opportunity Fund and Madison Realty Capital Debt Fund III is as of September 30, 2023.

Approximately 98.6% of the "Other" Industry is allocated to REITs.

Summary as of December 31, 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	18	1,162,828,457	1,094,191,209	255,389,306	79.9%	881,362,765	532,370,163	100%	8.3%	1.0%	0.8x	1.3x	787,759,469
Direct Lending	1	200,000,000	200,000,000	-	100.0%	2,586,686	207,219,000	38.9%	n.m.	-1.7%	0.0x	1.0x	207,219,000
Distressed Debt & Special Situations	9	292,297,102	282,070,640	14,210,927	95.1%	370,029,002	25,958,059	4.9%	9.0%	-0.7%	1.3x	1.4x	40,168,986
Real Estate Credit	5	362,941,355	475,361,777	32,676,994	96.9%	340,655,217	282,147,230	53.0%	7.0%	2.0%	0.7x	1.3x	314,824,225
Specialty Finance	3	307,590,000	136,758,792	208,501,384	32.2%	168,091,859	17,045,874	3.2%	11.3%	4.9%	1.2x	1.4x	225,547,258

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	18	1,162,828,457	1,094,191,209	255,389,306	79.9%	881,362,765	532,370,163	100%	8.3%	1.0%	0.8x	1.3x	787,759,469
Corporate Distressed	4	170,000,000	155,513,286	1,916,187	98.9%	201,169,091	12,703,173	2.4%	8.0%	-1.2%	1.3x	1.4x	14,619,360
Diversified Specialty Finance	2	250,000,000	62,546,649	204,908,051	18.0%	87,011,322	2,709,242	0.5%	13.3%	6.6%	1.4x	1.4x	207,617,293
European CRE Lending	3	162,941,355	215,314,926	32,676,994	93.2%	192,661,770	72,013,984	13.5%	5.2%	1.5%	0.9x	1.2x	104,690,979
Healthcare Lending & Royalties	1	57,590,000	74,212,143	3,593,333	93.8%	81,080,537	14,336,632	2.7%	9.5%	3.4%	1.1x	1.3x	17,929,965
PC Special Situations	5	122,297,102	126,557,354	12,294,740	89.9%	168,859,910	13,254,886	2.5%	10.4%	0.0%	1.3x	1.4x	25,549,626
Residential Mortgages	1	150,000,000	207,720,133	-	100.0%	121,642,226	167,616,754	31.5%	9.5%	3.0%	0.6x	1.4x	167,616,754
U.S. CRE Bridge Lending	1	50,000,000	52,326,717	-	100.0%	26,351,221	42,516,492	8.0%	5.5%	0.1%	0.5x	1.3x	42,516,492
U.S. Direct Lending	1	200,000,000	200,000,000	-	100.0%	2,586,686	207,219,000	38.9%	n.m.	-1.7%	0.0x	1.0x	207,219,000

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	18	1,162,828,457	1,094,191,209	255,389,306	79.9%	881,362,765	532,370,163	100%	8.3%	1.0%	0.8x	1.3x	787,759,469
2006	1	25,000,000	23,086,072	559,673	97.8%	42,610,249	142,939	0.0%	9.2%	-1.0%	1.8x	1.9x	702,612
2007	1	45,000,000	49,967,510	-	100.0%	87,405,575	129,741	0.0%	13.6%	0.8%	1.7x	1.8x	129,741
2008	1	60,000,000	59,938,763	1,500,000	97.5%	84,642,725	8,122	0.0%	13.3%	-2.9%	1.4x	1.4x	1,508,122
2009	1	20,000,000	20,000,000	-	100.0%	29,301,574	41,056	0.0%	9.1%	0.1%	1.5x	1.5x	41,056
2010	1	20,000,000	19,343,486	656,515	96.7%	25,879,206	237,402	0.0%	7.1%	1.1%	1.3x	1.4x	893,917
2011	1	40,000,000	42,551,674	5,247,415	86.9%	53,409,560	6,192,559	1.2%	7.9%	1.4%	1.3x	1.4x	11,439,974
2013	2	44,440,955	65,334,048	3,843,455	100.0%	61,280,759	4,803,469	0.9%	0.4%	-5.8%	0.9x	1.0x	8,646,924
2014	4	204,887,102	234,355,432	9,140,658	95.5%	211,911,900	71,766,152	13.5%	5.0%	-0.2%	0.9x	1.2x	80,906,810
2015	1	50,000,000	62,546,649	4,908,051	90.2%	87,011,322	2,709,242	0.5%	13.3%	6.6%	1.4x	1.4x	7,617,293
2016	1	63,500,400	78,250,143	29,533,539	73.5%	57,134,004	33,991,949	6.4%	3.8%	0.4%	0.7x	1.2x	63,525,489
2017	2	190,000,000	238,817,432	-	100.0%	138,189,205	205,128,532	38.5%	8.9%	5.2%	0.6x	1.4x	205,128,532
2021	1	200,000,000	-	200,000,000	0.0%	-	-	0.0%	n.m.	-	0.0x	0.0x	200,000,000
2023	1	200,000,000	200,000,000	-	100.0%	2,586,686	207,219,000	38.9%	n.m.	-1.7%	0.0x	1.0x	207,219,000

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	18	1,162,828,457	1,094,191,209	255,389,306	79.9%	881,362,765	532,370,163	100%	8.3%	1.0%	0.8x	1.3x	787,759,469
Commingled Fund	18	1,162,828,457	1,094,191,209	255,389,306	79.9%	881,362,765	532,370,163	100.0%	8.3%	1.0%	0.8x	1.3x	787,759,469

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.

2023 Commitments

Investment	Total Commitment Amount	Initial Commitment Date	Sector	Strategy
Total	\$ 400,000,000			
Apollo Defined Return Fund	\$ 200,000,000	8/1/2023	Direct Lending	U.S. Direct Lending
Ares Pathfinder Core Fund	\$ 200,000,000	9/29/2023	Specialty Finance	Diversified Specialty Finance

Inflows and Outflows

In USD

Year to Date Through December 31, 2023

Asset Class	# of Funds	Contribution	Distribution	Net Cash Flows
Total	18	198,893,573	51,404,877	(147,488,696)
Direct Lending	1	200,000,000	2,586,686	(197,413,314)
Distressed Debt & Special Situations	9	171,186	22,619,896	22,448,710
Real Estate Credit	5	(2,204,752)	16,071,705	18,276,457
Specialty Finance	3	927,139	10,126,590	9,199,451

4Q 2023

Asset Class	# of Funds	Contribution	Distribution	Net Cash Flows
Total	18	(3,712,716)	8,025,958	11,738,673
Direct Lending	1	-	2,586,686	2,586,686
Distressed Debt & Special Situations	9	71,843	3,453,768	3,381,925
Real Estate Credit	5	(3,841,288)	721,810	4,563,098
Specialty Finance	3	56,730	1,263,693	1,206,964

Funding Status

As of December 31, 2023 / In USD¹

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					1,162,828,457	1,094,191,209	881,362,765	255,389,306	79.9%	532,370,163	
Direct Lending					200,000,000	200,000,000	2,586,686	0	100.0%	207,219,000	
Apollo Defined Return Fund	2023	08/01/2023	USD	200,000,000	200,000,000	200,000,000	2,586,686	0	100.0%	207,219,000	Dec 23
Distressed Debt & Special Situations					292,297,102	282,070,640	370,029,002	14,210,927	95.1%	25,958,059	
Cerberus Institutional Partners - Series Four	2006	12/19/2006	USD	7,525,000,000	25,000,000	23,086,072	42,610,249	559,673	97.8%	142,939	Dec 23
Garrison Opportunity Fund IV	2014	11/24/2014	USD	364,100,000	60,000,000	60,946,533	51,990,233	0	100.0%	8,029,620	Dec 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%	237,402	Dec 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%	6,192,559	Dec 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%	129,741	Dec 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%	8,122	Dec 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%	41,056	Dec 23
TPG Opportunities Partners III	2014	01/02/2014	USD	3,373,340,000	37,297,102	46,870,039	52,489,909	5,547,325	85.1%	6,883,408	Dec 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	13,836,582	700,000	98.0%	4,293,212	Dec 23
Real Estate Credit					362,941,355	475,361,777	340,655,217	32,676,994	96.9%	282,147,230	
Cerberus Residential Opportunity Fund	2017	07/01/2017	USD	181,295,000	100,000,000	149,915,696	50,105,616	0	100.0%	167,616,754	Dec 23
Cheyne Real Estate Credit (CRECH) Fund V	2017	12/01/2016	USD	755,460,000	90,000,000	88,901,735	88,083,589	0	100.0%	37,511,778	Dec 23
European Real Estate Debt Fund II	2013	07/18/2013	GBP	487,000,000	9,440,955	48,163,048	47,444,177	3,143,455	100.0%	510,257	Dec 23
European Real Estate Debt Fund III	2016	07/15/2016	GBP	1,300,000,000	63,500,400	78,250,143	57,134,004	29,533,539	73.5%	33,991,949	Dec 23
Madison Realty Capital Debt Fund III	2014	11/06/2015	USD	695,045,455	50,000,000	52,326,717	26,351,221	0	100.0%	42,516,492	Dec 23
Selene Residential Mortgage Opportunities Fund	2008	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					307,590,000	136,758,792	168,091,859	208,501,384	32.2%	17,045,874	
Ares Pathfinder Core Fund	2021	09/29/2023	USD	4,557,000,000	200,000,000	0	0	200,000,000	0.0%	0	Dec 23
Atalaya Special Opportunities Fund VI	2015	07/21/2015	USD	773,350,000	50,000,000	62,546,649	87,011,322	4,908,051	90.2%	2,709,242	Dec 23
Athyrium Opportunities Fund II	2014	05/07/2015	USD	1,227,250,000	57,590,000	74,212,143	81,080,537	3,593,333	93.8%	14,336,632	Dec 23

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

Performance Summary

As of September 30, 2023 / In USD

Investment	Vintage	Net IRR ¹	IRR Quartile	Direct Alpha ²	DPI	DPI Quartile	Net TVPI	TVPI Quartile
Total		8.3%		1.5%	0.8x		1.3x	
Direct Lending		n.m.		2.0%	0.0x		1.0x	
Apollo Defined Return Fund	2023	n.m.	n.a.	2.0%	0.0x	n.a.	1.0x	n.a.
Distressed Debt & Special Situations		9.0%		-0.6%	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	-4.7%	0.8x	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	6.6%	n.a.	1.2%	1.1x	n.a.	1.5x	n.a.
OCM Opportunities Fund VII	2007	7.3%	3rd	-2.8%	1.4x	3rd	1.4x	3rd
OCM Opportunities Fund VII-B	2008	16.5%	1st	-1.2%	1.7x	3rd	1.7x	3rd
OCM Opportunities Fund VIII	2009	9.1%	3rd	0.1%	1.5x	1st	1.5x	3rd
TPG Opportunities Partners III	2014	8.9%	2nd	3.8%	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	0.2%	n.a.	-4.7%	0.8x	n.a.	1.0x	n.a.
Real Estate Credit		7.1%		2.7%	0.7x		1.3x	
Cerberus Residential Opportunity Fund	2017	10.0%	2nd	7.0%	0.3x	3rd	1.4x	2nd
Cheyne Real Estate Credit (CRECH) Fund V	2017	7.9%	1st	5.3%	1.0x	1st	1.4x	1st
European Real Estate Debt Fund II	2013	-0.2%	4th	-7.2%	1.0x	3rd	1.0x	4th
European Real Estate Debt Fund III	2016	4.1%	4th	1.3%	0.7x	3rd	1.2x	3rd
Madison Realty Capital Debt Fund III	2014	5.2%	4th	0.6%	0.5x	4th	1.3x	3rd
Selene Residential Mortgage Opportunities Fund	2008	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		11.1%		4.8%	1.2x		1.3x	
Ares Pathfinder Core Fund	2021	n.m.	n.m.	n.a.	0.0x	n.m.	0.0x	n.m.
Atalaya Special Opportunities Fund VI	2015	13.3%	n.a.	6.6%	1.4x	n.a.	1.4x	n.a.
Athyrium Opportunities Fund II	2014	9.0%	n.a.	3.2%	1.1x	n.a.	1.3x	n.a.

¹ IRRs of investments held less than one year 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.

* Cambridge Associates quartiles for Q4 were not available - Q3 quartiles have been used instead.

Top 10 Relationships By Exposure

As of December 31, 2023 / In USD

Fund Manager	Exposure	% Exposure
Total Portfolio	787,759,469	100%
Top 10 Relationships	774,255,047	98.3%
Apollo Global Management Inc.	207,219,000	26.3%
Ares Management LLC	200,000,000	25.4%
Cerberus Capital Management LP	168,319,366	21.4%
DRC Capital LLP	67,179,200	8.5%
Madison Realty Capital	42,516,492	5.4%
Cheyne Capital Management	37,511,778	4.8%
Athyrium Capital Management LP	17,929,965	2.3%
Oaktree Capital Management LP	13,118,893	1.7%
Sixth Street Advisers LLC	12,430,733	1.6%
Garrison Investment Group LP	8,029,620	1.0%

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:

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

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.

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

Definitions

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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Report is considered draft subject to ongoing review of data



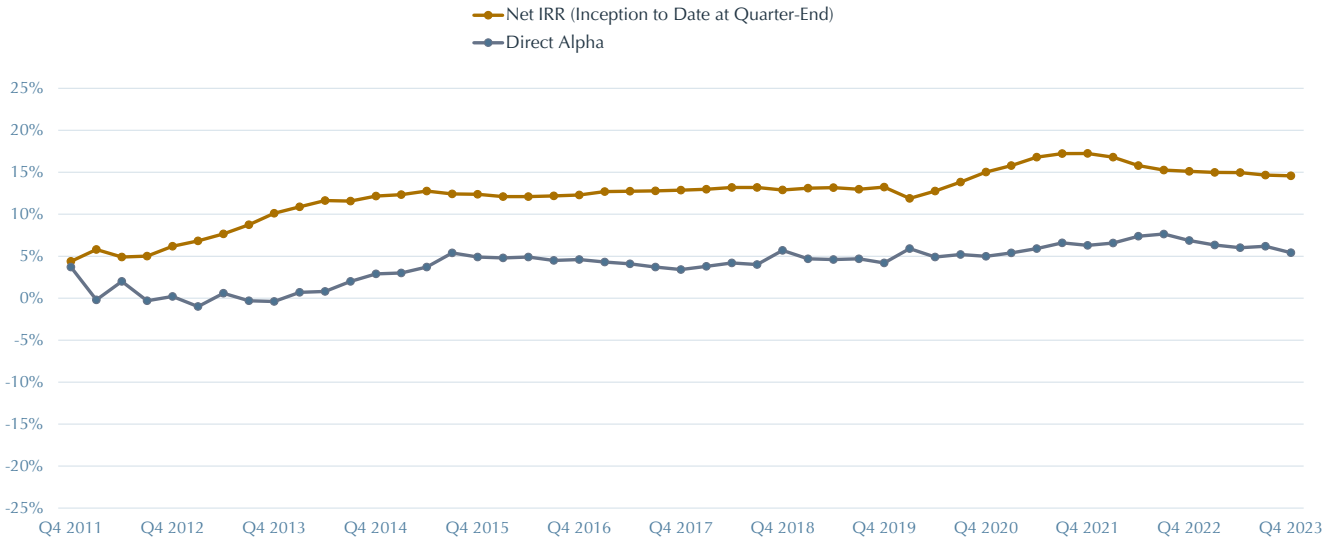
Public Employees Retirement Association of New Mexico

Private Equity Private Markets Performance Review
4Q 2023

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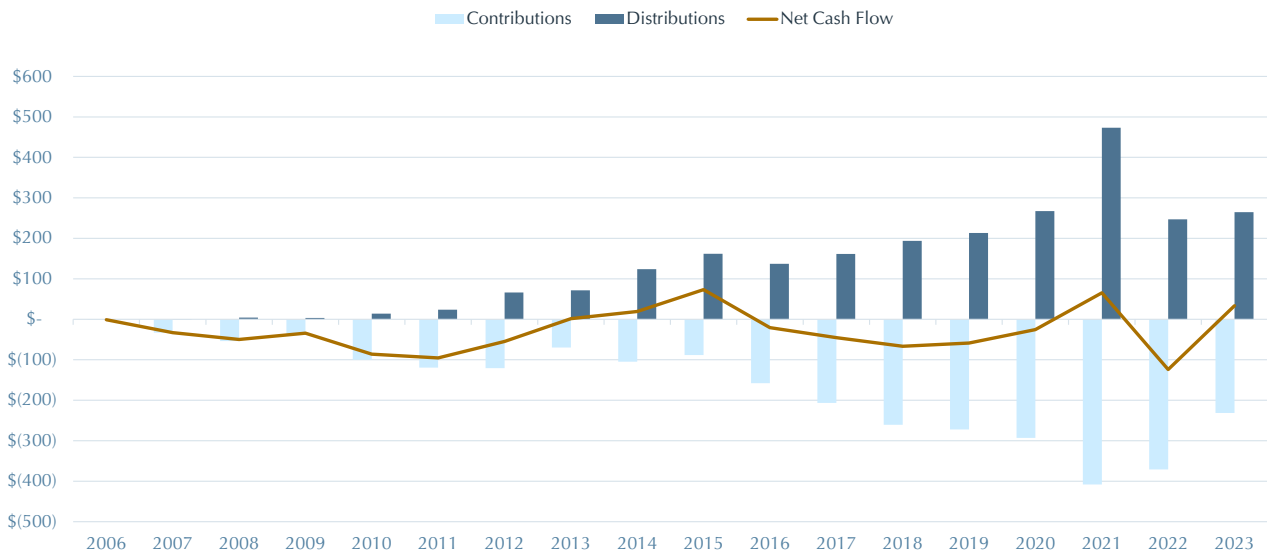
Funding Status & Performance Overview

Performance vs Benchmark



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

Annual Net Cash Flows / In Millions



Portfolio Company Exposure

As of December 31, 2023

Geography	% NAV
North America	66.2%
Europe	20.7%
Asia Pacific	8.0%
Latin America	3.8%
Africa	0.8%
Global/Other	0.5%

Industry	% NAV
Information Technology	22.6%
Financials	22.3%
Industrials	17.3%
Health Care	16.4%
Consumer Discretionary	8.3%
Consumer Staples	4.3%
Materials	3.6%
Communication Services	1.6%
Energy	1.4%
Other	1.0%
Real Estate	1.0%
Utilities	0.0%

Note: Geography and Industry exposure is based on the fair market value of the underlying companies (if available), and generic risk exposures provided by managers that do not report position level data.

Data for NM PERA PineBridge Passport Fund I, Patriot SPV, PERA Ristra MDCP Co-Invest and RCP Small and Emerging Parallel Fund is as of September 30, 2023.

Summary as of December 31, 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	79	3,838,583,102	2,928,902,287	1,180,704,375	67.9%	2,427,042,295	2,452,094,066	100%	14.6%	5.4%	0.8x	1.7x	3,632,798,441
Buyout	60	3,082,621,102	2,284,448,702	1,052,860,528	66.4%	1,844,832,578	1,845,141,913	75.2%	14.5%	5.5%	0.8x	1.6x	2,898,002,441
Fund of Funds	3	250,000,000	235,120,466	30,378,740	87.8%	139,815,623	225,710,840	9.2%	11.9%	3.0%	0.6x	1.6x	256,089,580
Venture Capital	16	505,962,000	409,333,119	97,465,108	80.7%	442,394,094	381,241,313	15.5%	15.7%	6.0%	1.1x	2.0x	478,706,421

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	79	3,838,583,102	2,928,902,287	1,180,704,375	67.9%	2,427,042,295	2,452,094,066	100%	14.6%	5.4%	0.8x	1.7x	3,632,798,441
Buyout - Large	28	1,477,423,264	1,111,834,608	463,536,321	69.0%	897,558,914	872,294,147	35.6%	13.1%	4.6%	0.8x	1.6x	1,335,830,468
Buyout - Medium	30	1,510,197,838	1,090,194,053	574,211,553	62.7%	868,794,135	904,829,351	36.9%	15.7%	6.1%	0.8x	1.6x	1,479,040,904
Buyout - Small	2	95,000,000	82,420,041	15,112,654	84.1%	78,479,529	68,018,415	2.8%	22.9%	10.8%	1.0x	1.8x	83,131,069
Secondary	1	25,000,000	19,901,474	250,000	99.0%	27,802,841	7,663	0.0%	7.9%	0.7%	1.4x	1.4x	257,663
Separate Account	2	225,000,000	215,218,992	30,128,740	86.6%	112,012,782	225,703,177	9.2%	13.1%	3.7%	0.5x	1.6x	255,831,917
Venture - Diversified	2	45,000,000	44,560,490	500,000	98.9%	78,270,255	43,489,661	1.8%	16.3%	6.4%	1.8x	2.7x	43,989,661
Venture - Early	5	104,999,600	88,786,898	16,212,703	84.6%	44,206,534	126,935,779	5.2%	13.2%	3.5%	0.5x	1.9x	143,148,482
Venture - Late/Growth	9	355,962,400	275,985,731	80,752,405	77.3%	319,917,305	210,815,873	8.6%	16.2%	6.5%	1.2x	1.9x	291,568,278

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	79	3,838,583,102	2,928,902,287	1,180,704,375	67.9%	2,427,042,295	2,452,094,066	100%	14.6%	5.4%	0.8x	1.7x	3,632,798,441
2006	1	46,750,000	40,905,754	250,000	99.5%	67,240,494	7,663	0.0%	10.9%	5.3%	1.6x	1.6x	257,663
2007	7	219,329,032	238,608,132	9,626,577	98.8%	355,703,778	5,344,503	0.2%	8.5%	0.5%	1.5x	1.5x	14,971,080
2008	6	160,831,643	175,958,024	11,987,652	96.1%	350,519,910	7,049,885	0.3%	16.9%	6.9%	2.0x	2.0x	19,037,537
2009	2	45,000,000	47,635,976	-	100.0%	82,990,809	11,334,079	0.5%	13.2%	3.5%	1.7x	2.0x	11,334,079
2010	3	53,905,627	59,078,144	-	100.0%	71,820,378	14,287,446	0.6%	6.8%	-1.9%	1.2x	1.5x	14,287,446
2011	2	88,462,000	82,673,264	1,279,717	98.6%	198,910,634	5,796,914	0.2%	21.2%	9.9%	2.4x	2.5x	7,076,631
2012	1	25,000,000	24,560,490	500,000	98.0%	27,867,222	39,016,032	1.6%	15.4%	6.1%	1.1x	2.7x	39,516,032
2013	3	120,000,000	129,359,493	6,382,499	94.7%	179,811,018	48,738,159	2.0%	13.4%	4.3%	1.4x	1.8x	55,120,658
2014	2	76,000,000	78,984,024	4,551,051	94.0%	108,902,808	59,954,986	2.4%	18.7%	8.9%	1.4x	2.1x	64,506,037
2015	5	363,510,000	363,921,980	23,954,874	92.5%	413,050,813	195,679,579	8.0%	16.3%	5.7%	1.1x	1.7x	219,634,453
2016	4	265,000,000	235,342,512	41,204,567	84.5%	148,987,776	271,810,810	11.1%	15.0%	4.9%	0.6x	1.8x	313,015,377
2017	4	416,950,000	355,856,801	122,510,497	71.2%	159,982,717	436,857,457	17.8%	17.4%	7.8%	0.4x	1.7x	559,367,954
2018	7	328,540,787	314,668,056	49,680,427	84.9%	150,744,699	443,492,503	18.1%	26.2%	14.5%	0.5x	1.9x	493,172,930
2019	2	180,000,000	157,143,703	22,885,358	87.3%	26,277,080	229,181,232	9.3%	16.7%	8.1%	0.2x	1.6x	252,066,590
2020	11	557,762,928	380,184,540	234,833,701	57.6%	79,350,813	414,361,573	16.9%	19.1%	11.0%	0.2x	1.3x	649,195,274
2021	11	346,931,085	183,865,798	165,722,229	52.2%	4,110,344	202,734,736	8.3%	8.9%	1.4%	0.0x	1.1x	368,456,965
2022	4	245,000,000	55,155,595	189,945,227	22.5%	771,000	62,418,506	2.5%	n.m.	-0.2%	0.0x	1.1x	252,363,733
2023	4	299,610,000	5,000,000	295,390,000	1.7%	-	4,028,004	0.2%	n.m.	-23.1%	0.0x	0.8x	299,418,004

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	79	3,838,583,102	2,928,902,287	1,180,704,375	67.9%	2,427,042,295	2,452,094,066	100%	14.6%	5.4%	0.8x	1.7x	3,632,798,441
Co-Investment Fund	6	185,545,400	78,313,317	109,762,126	39.6%	4,853,082	94,360,302	3.8%	16.6%	5.5%	0.1x	1.3x	204,122,428
Managed Account	2	225,000,000	215,218,992	30,128,740	86.6%	112,012,782	225,703,177	9.2%	13.1%	3.7%	0.5x	1.6x	255,831,917
Primary Fund	71	3,428,037,702	2,635,369,978	1,040,813,509	70.2%	2,310,176,430	2,132,030,588	86.9%	14.6%	5.5%	0.9x	1.7x	3,172,844,097

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

2023 Commitments

Investment	Total Commitment Amount	Initial Commitment Date	Sector	Strategy
Total	\$ 374,610,000			
NM PERA Crescit Eundo TJC Co-Invest	\$ 30,000,000	9/29/2023	Buyout	Buyout - Medium
The Resolute Fund VI	\$ 85,000,000	9/29/2023	Buyout	Buyout - Medium
Altaris Health Partners VI	\$ 75,000,000	7/28/2023	Buyout	Buyout - Medium
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 December 31, 2023

Asset Class	# of Funds	Contribution	Distribution	Net Cash Flows
Total	79	231,452,133	264,789,835	33,337,701
Buyout	60	188,067,247	210,637,516	22,570,269
Fund of Funds	3	13,617,596	25,301,153	11,683,557
Venture Capital	16	29,767,290	28,851,166	(916,124)

4Q 2023

Asset Class	# of Funds	Contribution	Distribution	Net Cash Flows
Total	79	60,629,805	78,473,578	17,843,773
Buyout	60	44,767,602	60,016,134	15,248,533
Fund of Funds	3	10,242,596	15,487,265	5,244,669
Venture Capital	16	5,619,608	2,970,179	(2,649,429)

Funding Status

As of December 31, 2023 / In USD¹

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					3,938,583,102	2,928,902,287	2,427,042,295	1,280,704,375	67.9%	2,452,094,066	
Buyout					3,082,621,102	2,284,448,702	1,844,832,578	1,052,860,528	66.4%	1,845,141,913	
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%	34,708,267	Dec 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%	49,102,906	Dec 23
Altaris Health Partners V	2020	04/15/2020	USD	2,350,000,000	75,000,000	46,420,915	700,775	28,579,085	61.9%	59,458,334	Dec 23
Altaris Health Partners VI	2023	07/28/2023	USD	3,710,000,000	75,000,000	0	0	75,000,000	0.0%	0	
Carlyle Partners V	2007	07/24/2007	USD	13,719,695,230	30,000,000	31,166,768	55,637,654	1,064,088	96.5%	1,459,516	Dec 23
Carlyle Partners VI	2013	06/14/2013	USD	13,000,000,000	40,000,000	44,456,223	66,614,640	2,123,070	94.7%	14,406,856	Dec 23
Century Focused Fund IV	2015	10/02/2015	USD	341,975,000	30,000,000	33,345,193	30,810,620	325,962	98.9%	24,774,800	Dec 23
Charterhouse Capital Partners IX	2008	12/22/2008	EUR	4,009,600,238	27,290,807	25,037,195	33,918,206	0	92.6%	171,527	Dec 23
Charterhouse Capital Partners X	2015	05/13/2015	EUR	2,266,096,901	113,210,000	97,805,868	125,882,439	12,430,645	86.2%	53,940,463	Dec 23
CVC Capital Partners IX (A)	2023	06/27/2023	EUR	26,000,000,000	109,610,000	0	0	110,390,000	0.0%	0	
CVC Capital Partners VII	2017	05/19/2017	EUR	16,400,000,000	108,950,000	113,033,412	56,740,321	6,155,294	96.8%	153,761,852	Dec 23
CVC European Equity Partners V	2008	04/18/2008	EUR	10,749,472,986	18,540,836	29,180,650	57,507,820	3,123,688	100.0%	629,530	Dec 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%	84,201,070	Dec 23
Glide Buy-out Fund IV	2010	06/29/2010	EUR	800,008,000	13,905,627	19,078,144	30,637,597	0	100.0%	1,563,116	Dec 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%	31,385,094	Dec 23
H&F Arrow 1	2020	08/28/2020	USD	0	3,491,032	3,502,497	0	0	100.0%	7,332,050	Dec 23
H&F Spock 1	2018	04/10/2018	USD	603,845,865	3,540,787	3,552,630	365,094	0	100.0%	11,412,842	Dec 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%	4,738,907	Dec 23
Hellman & Friedman Capital Partners X	2021	05/10/2021	USD	24,400,000,000	50,000,000	36,154,472	85,223	13,845,528	72.3%	41,797,887	Dec 23
Hellman & Friedman Capital Partners XI	2022	05/24/2023	USD	22,300,000,000	75,000,000	0	0	75,000,000	0.0%	0	
Kelso Investment Associates IX	2015	11/05/2014	USD	1,937,975,952	60,000,000	69,249,608	86,990,725	6,232,805	89.6%	33,468,586	Dec 23
Kelso Investment Associates VIII	2007	08/03/2007	USD	4,878,548,773	30,000,000	34,971,513	48,092,910	1,538,723	94.9%	108,811	Dec 23
Kelso Investment Associates X	2018	12/21/2018	USD	2,464,639,544	60,000,000	60,486,525	22,404,869	9,779,151	83.7%	91,262,051	Dec 23
Kelso Investment Associates XI	2021	09/29/2021	USD	2,704,227,901	60,000,000	16,220,858	251,724	43,777,870	27.0%	20,325,072	Dec 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%	1,251,320	Dec 23
Lincolnshire Equity Fund IV-A	2009	09/12/2008	USD	835,000,000	25,000,000	27,635,976	32,587,776	0	100.0%	6,860,450	Dec 23
Linsalata Capital Partners Fund VI	2011	10/18/2011	USD	427,000,000	20,000,000	14,450,472	30,769,184	0	100.0%	0	Oct 23
Madison Dearborn Capital Partners VI	2008	04/14/2008	USD	4,057,191,548	25,000,000	26,591,692	60,091,771	5,841,737	76.6%	129,476	Dec 23
Madison Dearborn Capital Partners VIII	2020	11/08/2019	USD	5,000,000,000	75,000,000	59,639,023	12,800,888	26,518,705	64.6%	57,093,830	Dec 23
Montagu VI	2020	10/03/2019	EUR	3,314,031,000	98,987,100	88,948,065	29,366,680	40,284,373	60.2%	63,500,004	Dec 23
NM PERA Crescit Eundo TJC Co-Invest	2023	09/29/2023	USD	30,181,087	30,000,000	5,000,000	0	25,000,000	16.7%	4,857,883	Dec 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%	24,122,229	Dec 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%	20,866,730	Dec 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	27,467,422	41,262,066	1,913,034	92.3%	4,749,161	Dec 23
Onex Partners IV	2014	12/18/2013	USD	5,924,383,211	45,000,000	48,238,082	41,187,011	1,615,476	96.4%	28,569,892	Dec 23
Onex Partners V	2018	07/11/2017	USD	7,321,098,358	75,000,000	70,269,905	11,801,290	12,271,598	83.6%	84,431,163	Dec 23
Orchid Asia VIII	2021	05/21/2021	USD	1,450,000,000	60,000,000	18,809,914	2,735,917	43,654,415	27.2%	12,504,337	Dec 23
Patria Private Equity Fund VI	2018	04/11/2018	USD	2,558,068,700	50,000,000	35,950,056	292,982	14,342,920	71.3%	55,597,847	Dec 23
Patriot SPV	2021	03/19/2021	USD	1,093,621,625	4,389,006	4,401,965	701,839	0	100.0%	9,590,812	Dec 23
PERA 1912 Co-Investment Fund	2021	05/21/2021	USD	15,100,000	15,000,000	3,353,814	129,538	11,753,374	21.6%	2,887,764	Dec 23
PERA MDCP Co-Invest	2022	12/30/2021	USD	20,100,000	20,000,000	15,954,773	0	4,045,227	79.8%	21,837,354	Dec 23
Petershill IV	2020	02/28/2020	USD	5,000,000,000	70,000,000	25,234,109	8,910,127	53,519,879	23.5%	22,898,363	Dec 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%	96,332,689	Dec 23
Petroglyph Co-Invest	2020	09/25/2020	EUR	34,100,000	39,545,400	16,963,116	0	20,258,669	42.9%	19,788,341	Dec 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%	17,633,700	Dec 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%	13,928,317	Dec 23
Samson Brunello I	2021	02/18/2021	USD	253,572,564	2,542,079	2,546,878	0	0	100.0%	7,508,071	Dec 23
Samson Hockey I	2020	12/23/2020	USD	322,686,543	3,369,537	3,381,607	3,368,414	0	100.0%	4,552,426	Dec 23
Samson Shield I	2020	12/23/2020	USD	1,144,098,964	11,369,859	11,378,440	2,125,231	0	100.0%	13,204,719	Dec 23
Sun Capital Partners V	2007	04/05/2007	USD	5,000,000,000	16,069,321	17,830,516	17,699,250	694,900	95.7%	846,490	Dec 23
Tenex Capital Partners III	2020	07/22/2020	USD	1,187,886,598	45,000,000	34,624,376	16,899,725	14,786,692	67.1%	43,243,615	Dec 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	49,903,270	73,477,473	4,259,429	90.5%	20,616,923	Dec 23
The Resolute Fund IV	2018	03/15/2018	USD	3,630,038,546	65,000,000	70,033,631	48,099,121	7,383,914	88.6%	116,977,427	Dec 23
The Resolute Fund V	2020	07/31/2020	USD	4,954,000,000	75,000,000	69,022,771	650,261	6,278,390	91.6%	99,164,661	Dec 23
The Resolute Fund VI	2023	09/29/2023	USD	6,850,000,000	85,000,000	0	0	85,000,000	0.0%	-829,879	Dec 23
TPG Asia V	2007	06/25/2007	USD	3,841,293,165	30,000,000	27,519,572	39,264,571	5,265,499	82.4%	1,514,636	Dec 23
TPG Partners VI	2008	02/19/2008	USD	18,872,503,262	30,000,000	33,125,739	48,935,154	549,193	98.2%	388,141	Dec 23
Trident Capital IX	2021	09/17/2021	USD	9,090,000,000	50,000,000	23,201,490	0	26,798,510	46.4%	25,551,711	Dec 23
Warburg Pincus Global Growth	2019	11/20/2018	USD	14,084,985,000	115,000,000	108,359,061	14,409,811	6,670,000	94.2%	140,904,144	Dec 23
Warburg Pincus Global Growth 14	2022	05/03/2022	USD	17,300,000,000	100,000,000	29,100,822	771,000	71,000,000	29.0%	29,957,185	Dec 23
Warburg Pincus Private Equity XII	2015	11/19/2015	USD	13,386,700,000	85,000,000	85,005,896	98,821,626	0	100.0%	69,567,413	Dec 23
Fund of Funds					250,000,000	235,120,466	139,815,623	30,378,740	87.8%	225,710,840	
Colter 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%	7,663	Dec 23
NM PERA PineBridge Passport Fund I	2016	04/20/2016	USD	150,037,500	150,000,000	138,328,211	62,646,176	23,116,567	84.6%	123,141,331	Sep 23
RCP Small and Emerging Parallel Fund	2017	02/03/2017	USD	75,000,000	75,000,000	76,890,781	49,366,606	7,012,173	90.7%	102,561,846	Dec 23
Venture Capital					505,962,000	409,333,119	442,394,094	97,465,108	80.7%	381,241,313	
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%	11,005,300	Dec 23
General Catalyst Group XI - Creation	2021	10/29/2021	USD	838,914,043	14,999,950	8,886,046	0	6,113,904	59.2%	9,078,127	Dec 23

Performance Summary

As of September 30, 2023 / In USD

Investment	Vintage	Net IRR ¹	IRR Quartile	Direct Alpha ²	DPI	DPI Quartile	Net TVPI	TVPI Quartile
Total		14.7%		6.2%	0.8x		1.7x	
Buyout		14.5%		6.2%	0.8x		1.6x	
Altaris Constellation Partners IV	2018	26.1%	2nd	14.7%	0.7x	1st	2.0x	1st
Altaris Health Partners IV	2018	28.3%	1st	15.3%	1.0x	1st	2.0x	1st
Altaris Health Partners V	2020	15.9%	2nd	17.2%	0.0x	2nd	1.2x	3rd
Altaris Health Partners VI	2023	n.m.	n.m.	n.a.	0.0x	n.m.	0.0x	n.m.
Carlyle Partners V	2007	13.7%	3rd	6.8%	1.8x	3rd	1.8x	3rd
Carlyle Partners VI	2013	14.0%	3rd	4.5%	1.5x	3rd	1.8x	3rd
Century Focused Fund IV	2015	16.7%	3rd	7.7%	0.5x	4th	1.7x	4th
Charterhouse Capital Partners IX	2008	9.8%	1st	0.1%	1.4x	3rd	1.4x	3rd
Charterhouse Capital Partners X	2015	19.9%	2nd	8.9%	1.3x	2nd	1.8x	3rd
CVC Capital Partners IX (A)	2023	n.m.	n.m.	n.a.	0.0x	n.m.	0.0x	n.m.
CVC Capital Partners VII	2017	21.1%	3rd	13.3%	0.4x	3rd	1.8x	3rd
CVC European Equity Partners V	2008	16.5%	1st	7.8%	2.0x	1st	2.0x	1st
FountainVest China Capital Partners Fund III	2017	8.0%	3rd	1.7%	0.3x	3rd	1.3x	4th
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	32.7%	1st	20.0%	2.2x	1st	3.2x	1st
H&F Arrow 1	2020	25.9%	1st	17.7%	0.0x	3rd	2.0x	1st
H&F Spock 1	2018	24.8%	2nd	16.0%	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	12.6%	3.1x	1st	3.4x	1st
Hellman & Friedman Capital Partners X	2021	n.m.	n.m.	10.6%	0.0x	n.m.	1.1x	n.m.
Hellman & Friedman Capital Partners XI	2022	n.m.	n.m.	n.a.	0.0x	n.m.	0.0x	n.m.
Kelso Investment Associates IX	2015	19.6%	2nd	8.5%	1.3x	2nd	1.7x	3rd
Kelso Investment Associates VIII	2007	7.2%	4th	-2.0%	1.4x	4th	1.4x	4th
Kelso Investment Associates X	2018	30.3%	1st	21.5%	0.3x	3rd	1.9x	2nd
Kelso Investment Associates XI	2021	n.m.	n.m.	26.2%	0.0x	n.m.	1.3x	n.m.
KRG Capital Fund IV	2007	13.7%	3rd	3.9%	1.7x	3rd	1.7x	3rd
Lincolnshire Equity Fund IV-A	2009	8.0%	4th	-0.8%	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	3.6%	0.2x	1st	1.1x	4th
Montagu VI	2020	3.6%	4th	7.9%	0.4x	1st	1.0x	4th
NM PERA Crescit Eundo TJC Co-Invest	2023	n.m.	n.m.	n.a.	0.0x	n.m.	0.0x	n.m.
NMPERA Enchantment Co-Invest	2020	11.2%	3rd	5.0%	0.2x	1st	1.2x	3rd
NMPERA White Sands Co-Invest	2021	22.5%	1st	17.2%	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	1.5%	1.5x	3rd	1.7x	3rd
Onex Partners IV	2014	8.0%	4th	0.6%	0.8x	4th	1.4x	4th
Onex Partners V	2018	11.0%	4th	6.9%	0.2x	4th	1.3x	4th
Orchid Asia VIII	2021	n.m.	n.m.	-23.8%	0.1x	n.m.	0.8x	n.m.
Patria Private Equity Fund VI	2018	15.2%	n.a.	9.1%	0.0x	n.a.	1.4x	n.a.
Patriot SPV	2021	34.9%	1st	29.3%	0.2x	1st	2.0x	1st
PERA 1912 Co-Investment Fund	2021	n.m.	n.m.	-10.3%	0.0x	n.m.	0.9x	n.m.
PERA MDCP Co-Invest	2022	n.m.	n.m.	14.3%	0.0x	n.m.	1.2x	n.m.
Petershill IV	2020	16.3%	2nd	14.4%	0.4x	1st	1.2x	3rd
Petershill Private Equity	2017	12.8%	4th	5.9%	0.3x	4th	1.4x	4th
Petroglyph Co-Invest	2020	n.m.	n.m.	8.7%	0.0x	n.m.	1.1x	n.m.
Providence Equity Partners VI	2007	6.0%	4th	-1.2%	1.4x	4th	1.4x	4th
RRJ Capital Master Fund III	2015	4.9%	n.a.	-3.8%	0.9x	n.a.	1.1x	n.a.
Samson Brunello 1	2021	49.1%	1st	40.1%	0.0x	3rd	2.8x	1st
Samson Hockey 1	2020	41.1%	1st	30.3%	1.0x	1st	2.3x	1st
Samson Shield 1	2020	11.0%	3rd	7.5%	0.2x	1st	1.3x	2nd
Sun Capital Partners V	2007	0.8%	4th	-6.6%	1.0x	4th	1.0x	4th
Tenex Capital Partners III	2020	201.5%	1st	99.9%	0.5x	1st	1.8x	1st
The Resolute Fund II	2007	8.0%	4th	-0.5%	1.5x	4th	1.5x	4th
The Resolute Fund III	2013	20.3%	2nd	11.0%	1.5x	3rd	1.9x	3rd
The Resolute Fund IV	2018	39.4%	1st	25.4%	0.6x	1st	2.3x	1st
The Resolute Fund V	2020	33.8%	1st	29.7%	0.0x	3rd	1.5x	1st
The Resolute Fund VI	2023	n.m.	n.m.	n.a.	0.0x	n.m.	0.0x	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.	0.2%	0.0x	n.m.	1.1x	n.m.
Warburg Pincus Global Growth	2019	14.0%	3rd	9.2%	0.1x	3rd	1.4x	3rd
Warburg Pincus Global Growth 14	2022	n.m.	n.m.	-4.8%	0.0x	n.m.	1.0x	n.m.
Warburg Pincus Private Equity XII	2015	16.8%	2nd	7.2%	1.2x	3rd	2.0x	2nd
Fund of Funds		12.2%		4.4%	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	8.3%	4th	1.0%	0.4x	2nd	1.4x	4th
RCP Small and Emerging Parallel Fund	2017	24.0%	1st	14.0%	0.6x	1st	2.0x	2nd

Performance Summary

As of September 30, 2023 / In USD

Investment	Vintage	Net IRR ¹	IRR Quartile	Direct Alpha ²	DPI	DPI Quartile	Net TVPI	TVPI Quartile
Venture Capital		16.1%		6.8%	1.1x		2.0x	
Draper Fisher Jurvetson Fund X	2010	2.2%	4th	-5.4%	0.6x	4th	1.2x	4th
General Catalyst Group XI - Creation	2021	n.m.	n.m.	4.5%	0.0x	n.m.	1.0x	n.m.
General Catalyst Group XI - Endurance	2021	n.m.	n.m.	-1.9%	0.0x	n.m.	1.0x	n.m.
General Catalyst Group XI - Ignition	2021	n.m.	n.m.	-3.0%	0.0x	n.m.	1.0x	n.m.
Institutional Venture Partners XIII	2010	9.0%	3rd	-0.4%	1.5x	3rd	1.6x	3rd
Institutional Venture Partners XIV	2013	7.7%	4th	-0.3%	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	17.8%	2nd	7.6%	2.4x	2nd	2.5x	2nd
JMI Equity Fund XI	2022	n.m.	n.m.	7.6%	0.0x	n.m.	1.0x	n.m.
New Enterprise Associates 13	2009	17.1%	2nd	6.8%	2.5x	1st	2.7x	1st
New Enterprise Associates 14	2012	15.7%	2nd	6.9%	1.1x	3rd	2.7x	2nd
TCV IX	2016	19.9%	2nd	9.6%	1.0x	1st	2.1x	2nd
TCV VII	2008	23.4%	1st	11.3%	3.1x	1st	3.2x	1st
TCV X	2019	22.0%	2nd	13.9%	0.2x	1st	2.0x	1st
Threshold Ventures II	2016	27.1%	1st	16.7%	0.3x	3rd	3.5x	1st
Trinity Ventures XII	2016	25.2%	1st	13.0%	1.1x	1st	2.7x	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: Altaris Health Partners VI, CVC Capital Partners IX (A) and Hellman & Friedman Capital Partners XI NAV are not available

* Cambridge Associates quartiles for Q4 were not available - Q3 quartiles have been used instead.

Top 10 Relationships By Exposure

As of December 31, 2023 / In USD

Fund Manager	Exposure	% Exposure
Total Portfolio	3,632,798,441	100%
Top 10 Relationships	2,403,406,629	66.2%
TJC LP	368,708,748	10.1%
Goldman Sachs Asset Management	337,616,998	9.3%
Warburg Pincus LLC	318,098,742	8.8%
CVC Capital Partners	274,060,364	7.5%
Altaris LLC	252,751,436	7.0%
Kelso & Company LP	206,493,069	5.7%
Hellman & Friedman LLC	180,265,983	5.0%
TCV (Technology Crossover Ventures)	175,319,003	4.8%
PineBridge Investments	146,257,898	4.0%
Montagu Private Equity LLP	143,834,388	4.0%

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:

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

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.

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

Definitions

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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Report is considered draft subject to ongoing review of data.

New Mexico PERA - NM PERA - Illiquid Real Assets

Private Markets Performance Review

4Q 2023

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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

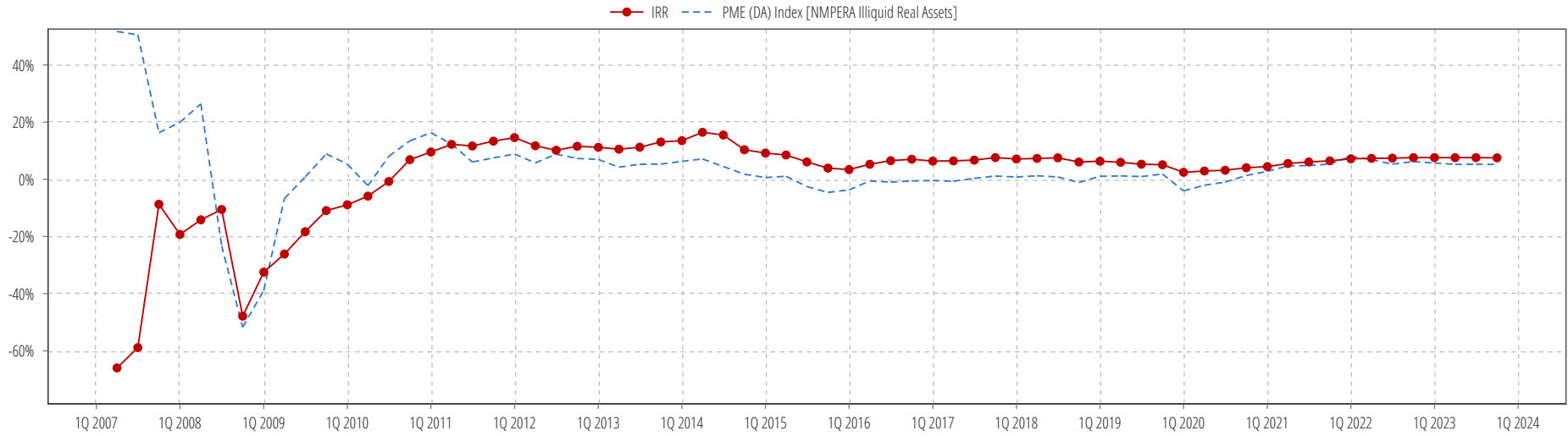
Albourne conducted the portfolio analysis reflected in this report

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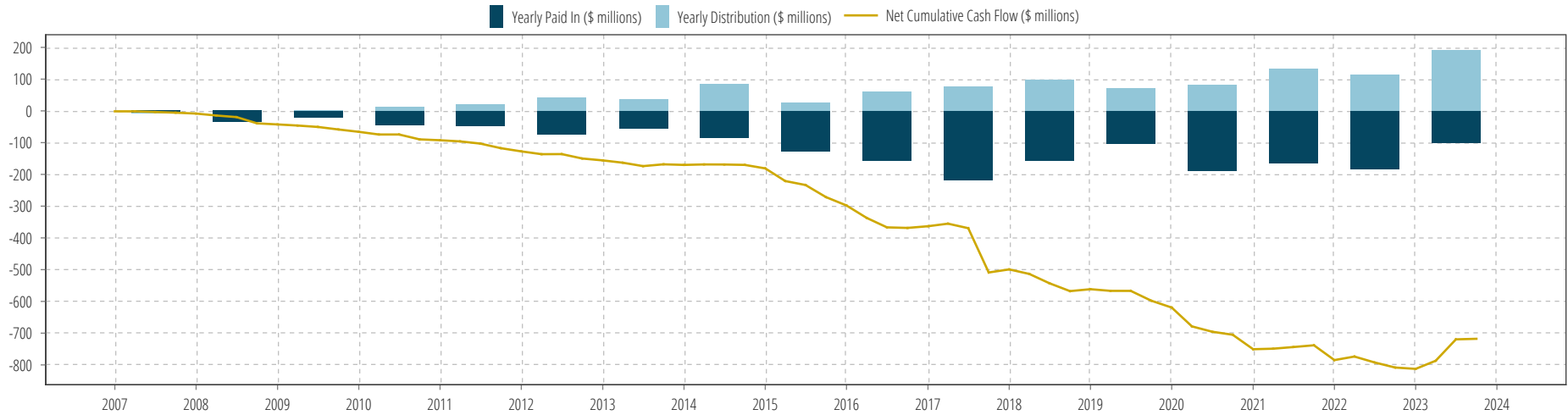
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Funding Status & Performance Overview

Benchmarked Performance (Since Inception) - including terminated funds



Net Cash Flow (since inception) - including terminated funds



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	253,190	78%	71,934	38,567	198,807	15.31%	-2.19%	-9.71%	0.15	0.94
Energy	23	767,269	799,344	93%	59,743	710,213	325,637	25.08%	6.20%	+2.42%	0.89	1.30
Infrastructure	13	1,095,898	707,118	65%	404,565	293,113	774,169	59.62%	11.76%	+4.83%	0.41	1.51
Portfolio Total	40	2,173,178	1,759,653	77%	536,242	1,041,893	1,298,614	100.00%	7.51%	+2.32%	0.59	1.33

¹Original 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%	-0.44%	1.01	1.01
2007	2	59,100	65,280	100%	121	90,312	21	0.00%	12.23%	+8.61%	1.38	1.38
2008	5	126,006	128,908	92%	12,033	129,889	2,070	0.16%	0.50%	-1.10%	1.01	1.02
2009	1	23,265	23,265	100%	0	28,836	5,195	0.40%	11.64%	+8.31%	1.24	1.46
2010	2	44,884	48,479	100%	0	32,492	9,255	0.71%	-3.24%	-5.28%	0.67	0.86
2012	5	114,939	129,812	97%	4,624	108,660	19,509	1.50%	-0.36%	-1.32%	0.84	0.99
2013	2	68,384	69,466	95%	3,408	74,245	43,815	3.37%	10.00%	+7.03%	1.07	1.70
2014	5	232,775	256,916	95%	14,818	243,623	153,208	11.80%	10.15%	+4.52%	0.95	1.54
2015	1	45,010	42,637	84%	8,244	21,803	36,950	2.85%	7.39%	+1.48%	0.51	1.38
2016	4	269,277	241,034	84%	45,284	91,675	210,137	16.18%	6.00%	-1.44%	0.38	1.25
2017	4	316,356	256,977	79%	66,135	140,849	261,086	20.11%	15.28%	+7.07%	0.55	1.56
2019	1	65,651	53,132	81%	12,518	6,696	60,499	4.66%	14.22%	+6.16%	0.13	1.26
2020	3	350,000	240,330	70%	114,445	3,983	259,413	19.98%	4.07%	-5.17%	0.02	1.10
2021	1	74,941	15,416	21%	59,478	0	13,867	1.07%	-11.80%	-21.18%	0.00	0.90
2022	1	110,297	15,163	14%	95,134	9	14,137	1.09%	-31.19%	-37.85%	0.00	0.93
2024	1	100,000	0	0%	100,000	0	0	0.00%	n/m	n/m	n/m	n/m
No Vintage Year	1	155,218	152,664	100%	0	48,478	209,452	16.13%	11.54%	+4.12%	0.32	1.69
Portfolio Total	40	2,173,178	1,759,653	77%	536,242	1,041,893	1,298,614	100.00%	7.51%	+2.32%	0.59	1.33

¹Original Commitment Made

Summary By Fund Type - including terminated funds (1)

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	1,552,960	1,353,927	81%	318,936	968,965	829,709	63.89%	7.18%	+2.55%	0.72	1.33
Club Deal	1	150,000	114,209	76%	35,791	0	102,435	7.89%	-4.83%	-13.41%	0.00	0.90
Co-Investment	2	165,000	138,853	84%	31,514	24,450	157,018	12.09%	11.90%	+2.91%	0.18	1.31

¹Original Commitment Made

Summary By Fund Type - including terminated funds (2)

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
Open-Ended Private Fund	3	305,218	152,664	51%	150,000	48,478	209,452	16.13%	11.54%	+4.12%	0.32	1.69
Portfolio Total	40	2,173,178	1,759,653	77%	536,242	1,041,893	1,298,614	100.00%	7.51%	+2.32%	0.59	1.33

¹Original 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	38	2,127,019	1,706,731	77%	536,242	977,901	1,298,614	100.00%	7.50%	+2.25%	0.57	1.33
Terminated	2	46,158	52,922	100%	0	63,992	0	0.00%	8.23%	+4.92%	1.21	1.21
Portfolio Total	40	2,173,178	1,759,653	77%	536,242	1,041,893	1,298,614	100.00%	7.51%	+2.32%	0.59	1.33

¹Original Commitment Made

New Commitments Year to Date 2023

Fund	Commitment Date	Commitment Amount (000's) ²	Asset Class	Type	Benchmark
ITE Diversified Transportation Asset Fund	4Q 2023	100,000	Infrastructure	Open-Ended Private Fund	North America
KKR Diversified Core Infrastructure Fund	4Q 2023	50,000	Infrastructure	Open-Ended Private Fund	North America
Total		150,000			

²Original Commitment

Inflows/Outflows 4Q 2023 - including terminated funds

Asset Class	# Funds	Paid In (000's)	Distributed (000's)	Net Cash Flow(000's)
Agriculture	4	4,767	2,260	-2,507
Energy	23	3,300	18,857	15,557
Infrastructure	13	25,248	13,924	-11,324
Total	40	33,314	35,040	1,726

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	31,478	2,260	-29,218
Energy	23	18,437	130,402	111,965
Infrastructure	13	49,322	57,065	7,743
Total	40	99,236	189,726	90,490

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	7.39%	+1.48%
ACM Fund II, LLC	2016	0.66	0.21	-11.22%	-19.13%
Tillridge Global Agribusiness Partners II, L.P.	2016	0.92	0.14	-2.58%	-10.69%
Four Corners Farmland Fund LLC	2020	0.90	0.00	-4.83%	-13.41%
Total - Agriculture		0.94	0.15	-2.19%	-9.71%
Energy					
Natural Gas Partners IX, L.P.	2007	1.43	1.43	10.78%	+8.27%
First Reserve Fund XII, L.P.	2008	0.52	0.52	-17.99%	-22.10%
Lime Rock Partners V, L.P.	2008	0.87	0.75	-2.46%	-4.49%
Quantum Energy Partners Fund V, L.P.	2008	1.51	1.49	8.82%	+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	1.86%	+1.74%
Kayne Anderson Energy Fund V (QP), L.P.	2009	1.46	1.24	11.64%	+8.31%
Bedrock Energy Partners, LLC (fka EnerVest Energy Institutional Fund XII)	2010	0.64	0.63	-19.33%	-23.36%
EnCap Energy Capital Fund VIII, L.P.	2010	1.02	0.70	0.38%	-1.58%
Denham Commodity Partners Fund VI LP	2012	1.01	0.56	0.29%	-2.33%
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	-3.70%	-3.76%
NGP Natural Resources X, L.P.	2012	0.99	0.91	-0.32%	+1.95%
Riverstone Global Energy & Power Fund V	2012	0.82	0.65	-4.49%	-8.64%
EnCap Energy Capital Fund IX, L.P.	2013	1.47	1.21	10.48%	+8.26%
Carlyle Power Partners II, L.P.	2014	1.49	0.67	10.80%	+3.30%
EnCap Flatrock Midstream Fund III, L.P.	2014	1.39	0.94	9.99%	+2.73%
Lime Rock Resources III-A, L.P.	2014	1.29	0.57	3.55%	-0.49%

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	1.61	1.04	10.45%	+3.38%
EnCap Energy Capital Fund XI, L.P.	2017	1.63	0.52	19.83%	+11.18%
NGP Natural Resources XII, L.P.	2017	1.67	0.94	15.54%	+6.14%
Total - Energy		1.30	0.87	6.10%	+2.30%
Infrastructure					
Brookfield Infrastructure Fund II, L.P.	2013	1.88	0.96	9.80%	+6.50%
KKR Global Infrastructure Investors II, L.P.	2014	1.82	1.50	17.15%	+12.70%
Antin Infrastructure Partners III L.P.	2016	1.54	0.49	9.78%	+1.78%
Brookfield Infrastructure Fund III, L.P.	2016	1.57	0.54	12.60%	+5.10%
Ardian Infrastructure Fund IV S.C.A., SICAR B	2017	1.56	0.66	11.26%	+3.55%
Meridiam Infrastructure North America (Domestic) Fund III	2017	1.32	0.00	15.94%	+9.69%
Ardian Infrastructure Fund V	2019	1.26	0.13	14.22%	+6.16%
KKR Diversified Core Infrastructure Fund	2020	n/m	n/m	n/m	n/m
Mass Ascension Co-Invest, L.P.	2020	1.28	0.03	10.78%	+0.35%
Ardian Americas Infrastructure Fund V LP - Class A	2021	0.90	0.00	-11.80%	-21.18%
Antin Infrastructure Partners Fund V	2022	0.93	0.00	-31.19%	-37.85%
ITE Diversified Transportation Asset Fund	2024	n/m	n/m	n/m	n/m
[OE] IFM Global Infrastructure (US), L.P. Class A ¹		1.69 ²	0.32 ²	11.54% ²	+4.12%
Total - Infrastructure		1.51	0.41	11.76%	+4.83%
Portfolio Total		1.33	0.57	7.50%	+2.25%

¹This is an Open Ended Fund ²PM Benchmark is missing or has limited data (<5 funds)

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	42,637	21,803	84%	36,950	4Q 2023
ACM Fund II, LLC	2016	3Q 2016	548,800	40,000	49,036	10,154	100%	22,276	4Q 2023
Tillridge Global Agribusiness Partners II, L.P.	2016	1Q 2017	375,000	75,000	47,310	6,610	63%	37,147	4Q 2023
Four Corners Farmland Fund LLC	2020	3Q 2020	300,000	150,000	114,209	0	76%	102,435	4Q 2023
Total - Agriculture				310,010	253,190	38,567	78%	198,807	
Energy									
Natural Gas Partners IX, L.P.	2007	4Q 2007	4,000,000	30,018	32,532	46,661	100%	21	4Q 2023
First Reserve Fund XII, L.P.	2008	4Q 2008	8,821,000	30,298	33,028	17,038	100%	20	4Q 2023
Lime Rock Partners V, L.P.	2008	4Q 2008	1,434,500	10,000	11,088	8,313	99%	1,351	4Q 2023
Quantum Energy Partners Fund V, L.P.	2008	4Q 2008	2,128,000	30,000	31,092	46,324	90%	469	4Q 2023
Riverstone/Carlyle Global E&P Fund IV	2008	1Q 2008	5,979,700	33,491	34,497	37,330	96%	21	4Q 2023
Riverstone/Carlyle Renewable and Alternative Energy Fund II	2008	2Q 2008	3,418,000	22,217	19,203	20,884	77%	209	4Q 2023
Kayne Anderson Energy Fund V (QP), L.P.	2009	3Q 2009	798,418	23,265	23,265	28,836	100%	5,195	4Q 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 ²	4Q 2023
EnCap Energy Capital Fund VIII, L.P.	2010	4Q 2010	3,608,200	24,882	28,477	19,802	100%	9,214	4Q 2023
Denham Commodity Partners Fund VI LP	2012	1Q 2012	2,830,000	20,004	23,275	13,093	95%	10,462	4Q 2023
Denham Commodity Partners Fund VI Oil and Gas Coinvestment Fund LP	2012	4Q 2013		15,000	12,731	20,467	82%	40	4Q 2023
Lime Rock Partners VI, L.P.	2012	3Q 2012	825,000	21,946	28,988	26,343	99%	121	4Q 2023
NGP Natural Resources X, L.P.	2012	1Q 2012	3,586,000	25,000	26,146	23,760	100%	2,090	4Q 2023
Riverstone Global Energy & Power Fund V	2012	2Q 2012	7,713,600	32,988	38,671	24,997	99%	6,796	4Q 2023
EnCap Energy Capital Fund IX, L.P.	2013	1Q 2013	5,154,600	27,000	31,089	37,594	97%	8,246	4Q 2023
Carlyle Power Partners II, L.P.	2014	4Q 2015		65,000	76,822	51,457	89%	63,069	4Q 2023
EnCap Flatrock Midstream Fund III, L.P.	2014	3Q 2014	3,061,200	30,000	35,702	33,515	97%	16,234	4Q 2023
Lime Rock Resources III-A, L.P.	2014	1Q 2014	356,100	35,000	37,024	20,971	100%	26,894	4Q 2023
NGP Natural Resources XI, L.P.	2014	4Q 2014	5,325,000	50,000	50,475	52,465	97%	28,690	4Q 2023
EnCap Energy Capital Fund XI, L.P.	2017	3Q 2017	7,000,000	100,000	93,934	48,909	88%	103,793	4Q 2023
NGP Natural Resources XII, L.P.	2017	4Q 2017	4,300,000	75,000	58,382	54,771	78%	42,661	4Q 2023
Total - Energy				721,111	746,423	646,221	93%	325,637	

¹Original Commitment Made ²Cash Flow Adjusted

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									
Brookfield Infrastructure Fund II, L.P.	2013	4Q 2013	7,000,000	41,384	38,377	36,651	94%	35,569	4Q 2023
KKR Global Infrastructure Investors II, L.P.	2014	4Q 2014	3,100,000	52,775	56,894	85,215	96%	18,322	4Q 2023
Antin Infrastructure Partners III L.P.	2016	1Q 2017	3,974,040	74,214	65,218	31,909	87%	68,639	4Q 2023
Brookfield Infrastructure Fund III, L.P.	2016	2Q 2016	14,000,000	80,063	79,470	43,002	91%	82,074	4Q 2023
Ardian Infrastructure Fund IV S.C.A., SICAR B	2017	3Q 2015	2,925,335	66,356	56,198	37,168	84%	50,742	4Q 2023
Meridiam Infrastructure North America (Domestic) Fund III	2017	3Q 2017	1,209,000	75,000	48,463	1	65%	63,890	4Q 2023
Ardian Infrastructure Fund V	2019	4Q 2018	6,733,790	65,651	53,132	6,696	81%	60,499	4Q 2023
KKR Diversified Core Infrastructure Fund	2020	4Q 2023	2,316,850	50,000	0	0	0%	0 ²	4Q 2023
Mass Ascension Co-Invest, L.P.	2020	2Q 2020		150,000	126,122	3,983	84%	156,978	4Q 2023
Ardian Americas Infrastructure Fund V LP - Class A	2021	2Q 2021	2,080,000	74,941	15,416	0	21%	13,867	4Q 2023
Antin Infrastructure Partners Fund V	2022	4Q 2022	11,039,000	110,297	15,163	9	14%	14,137	4Q 2023
ITE Diversified Transportation Asset Fund	2024	4Q 2023	7,000,000	100,000	0	0	0%	0 ²	4Q 2023
[OE] IFM Global Infrastructure (US), L.P. Class A ³		2Q 2015	102,664	155,218	152,664	48,478	100%	209,452	4Q 2023
Total - Infrastructure				1,095,898	707,118	293,113	65%	774,169	
Portfolio Total				2,127,019	1,706,731	977,901	77%	1,298,614	

¹Original Commitment Made ²Cash Flow Adjusted ³This 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	126,122	84%	3,983	1.28	0.03	10.78%
Total - 2020	150,000	126,122	84%	3,983	1.28	0.03	10.78%
Portfolio Total	165,000	138,853	84%	24,450	1.31	0.18	11.90%

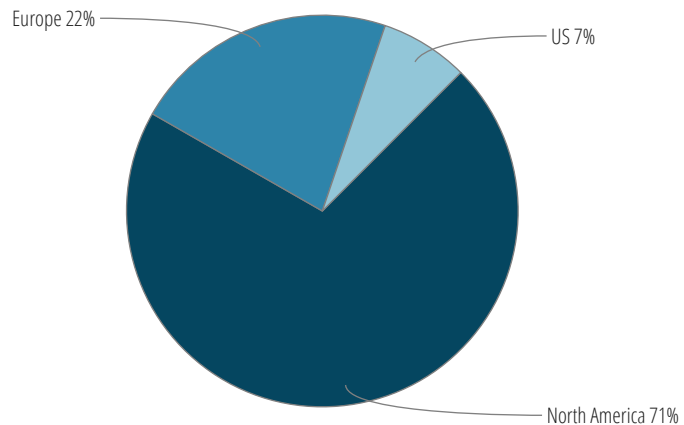
¹Original Commitment Made

Largest Relationship Concentrations by Manager Group

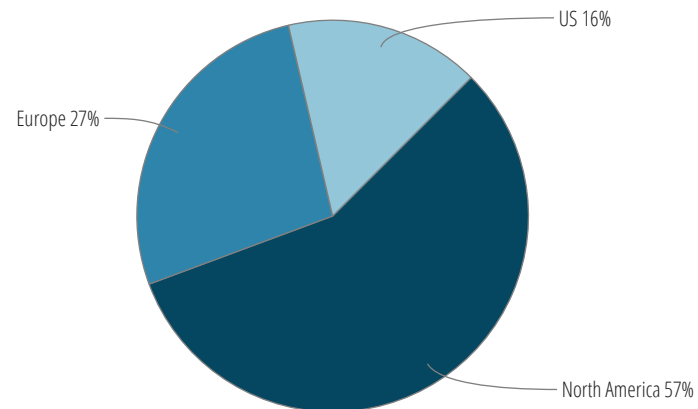
Manager	Commitment (m)	Actual (m)	Proposed (m)	% of Total Commitments
Ardian Group	357	357	0	16.8%
Antin Infrastructure Partners SAS	185	185	0	8.7%
EnCap Group	182	182	0	8.6%
Natural Gas Partners Group	180	180	0	8.5%
IFM Holdings Pty Ltd Group	155	155	0	7.3%
AglS Management LLC	150	150	0	7.1%
Brookfield Group	121	121	0	5.7%
KKR Group	103	103	0	4.8%
ITE Management LP	100	100	0	4.7%
Riverstone Holdings Group	89	89	0	4.2%

Exposure by Region and Asset Class

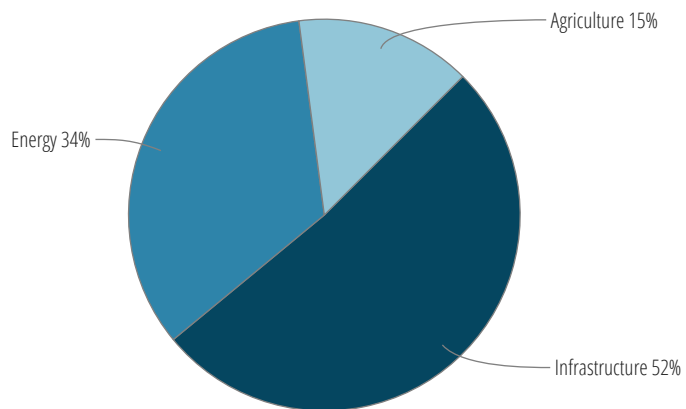
Exposure by Region (Commitments)



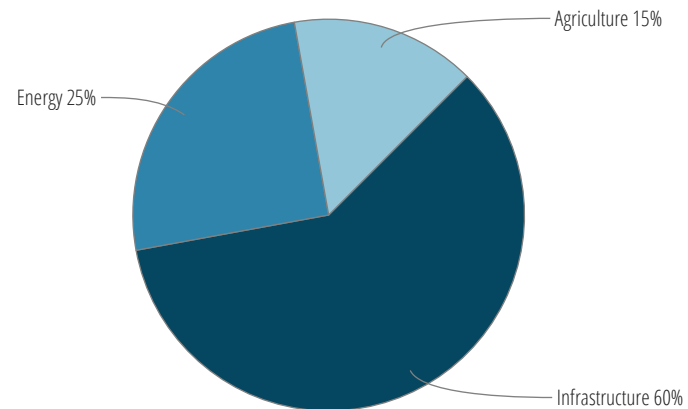
Exposure by Region (NAV)



Exposure by Asset Class (Commitments)

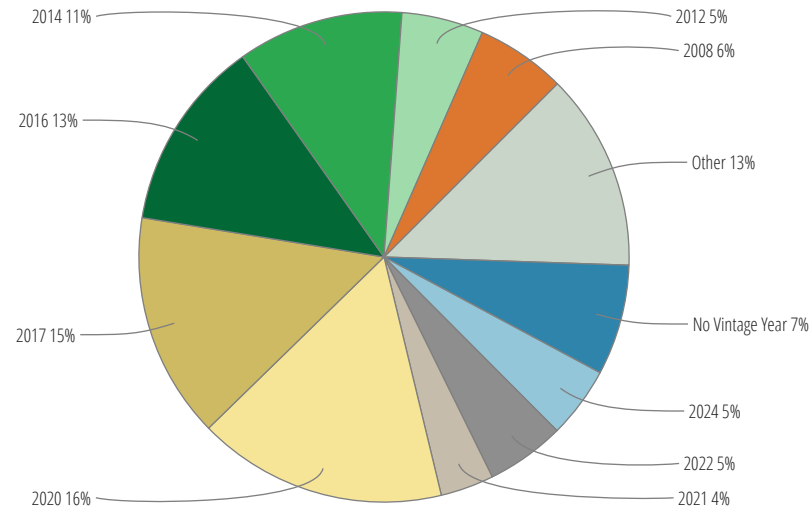


Exposure by Asset Class (NAV)

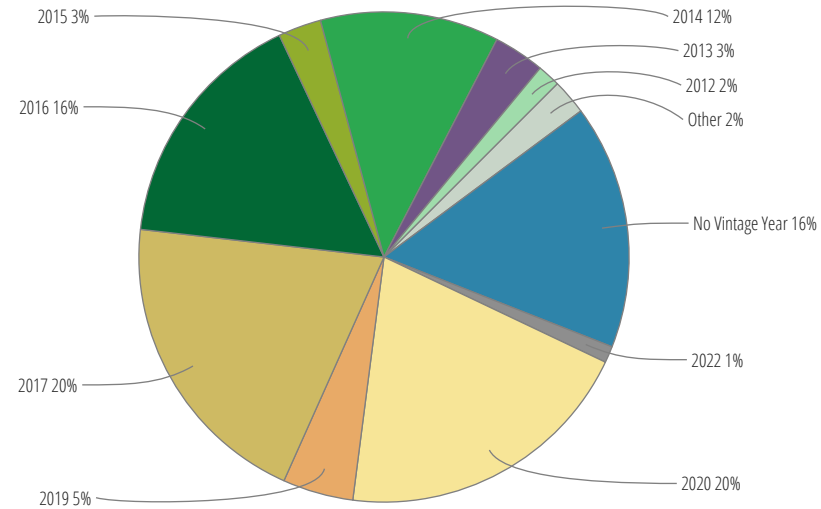


Exposure by Vintage Year

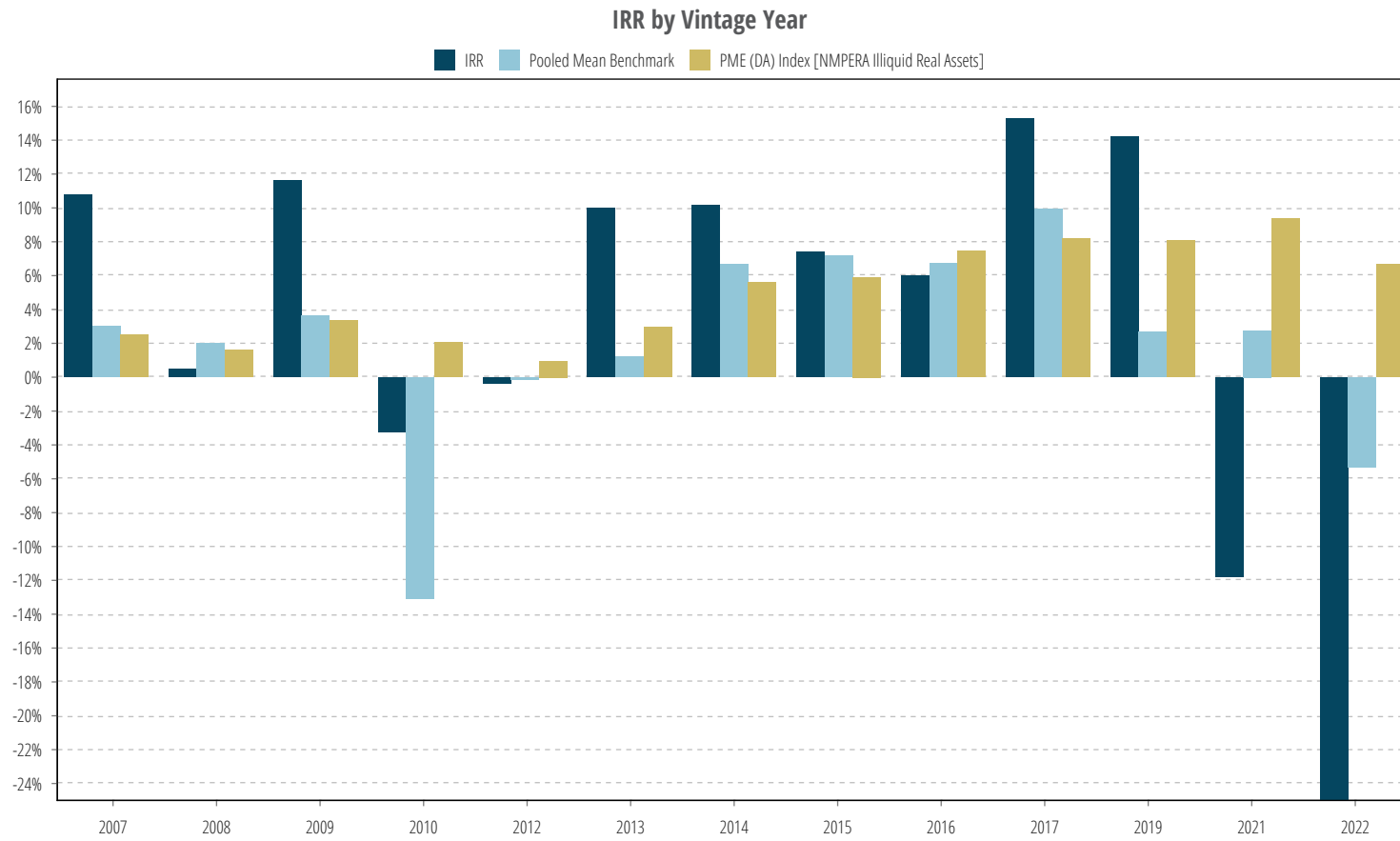
Exposure by Vintage Year (Commitments)

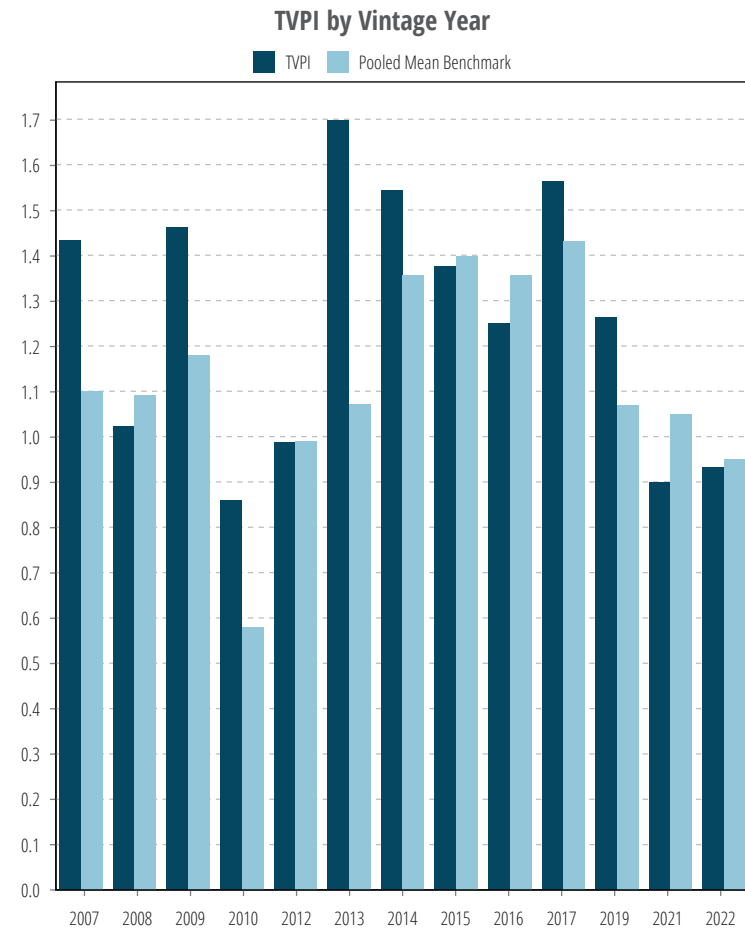
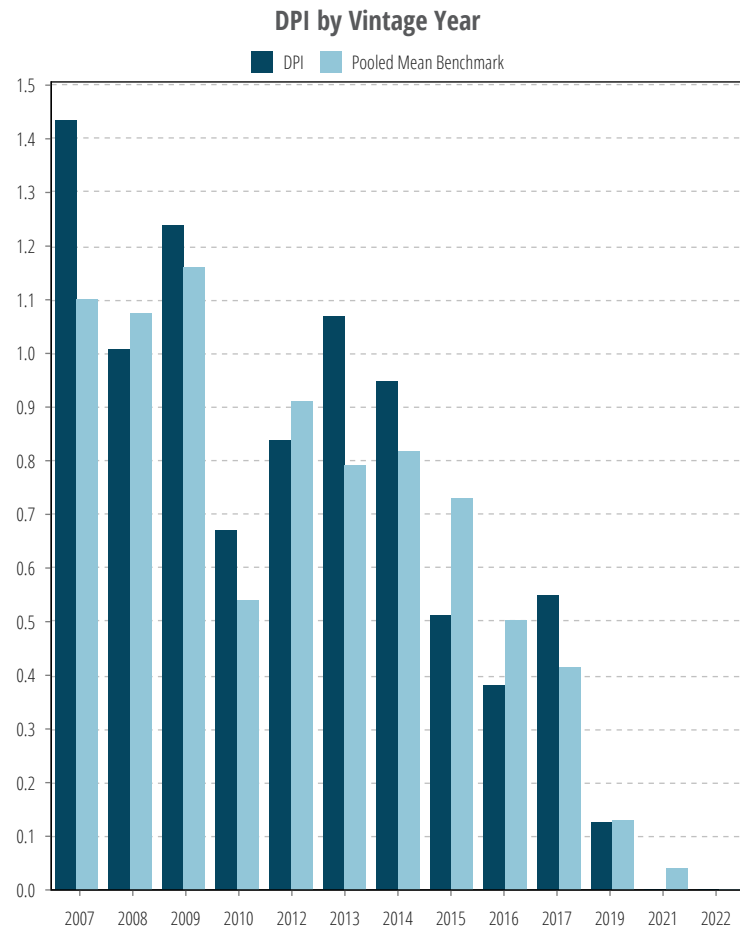


Exposure by Vintage Year (NAV)



Cash Flow Analysis





Investment Analysis

Investments by Industry

Industry Group	Invested Capital (000's)	% of Total Assets	Current Mkt Value (000's)	% of Current Mkt Value
Total	1,403,589	100.0%	1,144,215	100.0%
Energy	345,788	24.6%	215,445	18.8%
Telecommunication Services	260,866	18.6%	248,780	21.7%
Commodity - Energy	179,799	12.8%	63,278	5.5%
Infrastructure - Energy	138,013	9.8%	119,181	10.4%
Infrastructure - Other	113,483	8.1%	107,147	9.4%
Utilities	107,717	7.7%	135,064	11.8%
Infrastructure - Transportation	69,194	4.9%	98,937	8.6%
Food, Beverage & Tobacco	52,063	3.7%	60,503	5.3%
Commodity - Agriculture	49,137	3.5%	29,150	2.5%
Transportation	26,966	1.9%	43,250	3.8%
Commodity - Other	13,724	1.0%	46	0.0%
Materials	9,422	0.7%	10,914	1.0%
Health Care Equipment & Services	6,245	0.4%	0	0.0%
Commercial & Professional Services	5,991	0.4%	113	0.0%
Consumer Services	5,701	0.4%	963	0.1%
Interest Rate - Cash	4,874	0.3%	4,874	0.4%
Commodity - Metals	4,873	0.3%	1,219	0.1%
No Sector Specified	3,928	0.3%	1,312	0.1%
Software & Services	2,020	0.1%	2,973	0.3%
Financial Services	1,932	0.1%	919	0.1%
Technology Hardware & Equipment	655	0.0%	125	0.0%
Capital Goods	629	0.0%	1	0.0%
Industrials	569	0.0%	21	0.0%

Investments by Country

Country	Invested Capital (000's)	% of Total Assets	Current Mkt Value (000's)	% of Current Mkt Value
Total	1,403,589	100.0%	1,144,215	100.0%
United States	739,435	52.7%	484,154	42.3%
Italy	134,698	9.6%	180,759	15.8%
Spain	123,195	8.8%	86,449	7.6%
France	72,294	5.2%	85,061	7.4%
United Kingdom	53,836	3.8%	31,721	2.8%
Germany	51,150	3.6%	53,243	4.7%
Canada	45,977	3.3%	42,606	3.7%
Finland	44,394	3.2%	46,736	4.1%
Iceland	24,910	1.8%	26,990	2.4%
Australia	20,438	1.5%	20,769	1.8%
Brazil	15,440	1.1%	17,311	1.5%
United Arab Emirates	10,523	0.7%	34	0.0%
Norway	10,244	0.7%	14,378	1.3%
Mexico	9,947	0.7%	6,310	0.6%
Portugal	8,682	0.6%	10,112	0.9%
Belgium	7,549	0.5%	9,688	0.8%
India	7,289	0.5%	3,073	0.3%
Colombia	6,942	0.5%	12,441	1.1%
Sweden	5,527	0.4%	6,397	0.6%
No Country Specified	2,663	0.2%	47	0.0%
Ireland	2,552	0.2%	0	0.0%
Peru	2,081	0.1%	4,100	0.4%
Iraq	902	0.1%	558	0.0%
Argentina	691	0.0%	0	0.0%
Chile	601	0.0%	6	0.0%
Romania	529	0.0%	62	0.0%
South Africa	487	0.0%	1,184	0.1%
Netherlands	303	0.0%	1	0.0%
Israel	243	0.0%	25	0.0%
Switzerland	28	0.0%	0	0.0%
Singapore	22	0.0%	0	0.0%
Greece	17	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

4Q 2023

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Portfolio Performance Notes

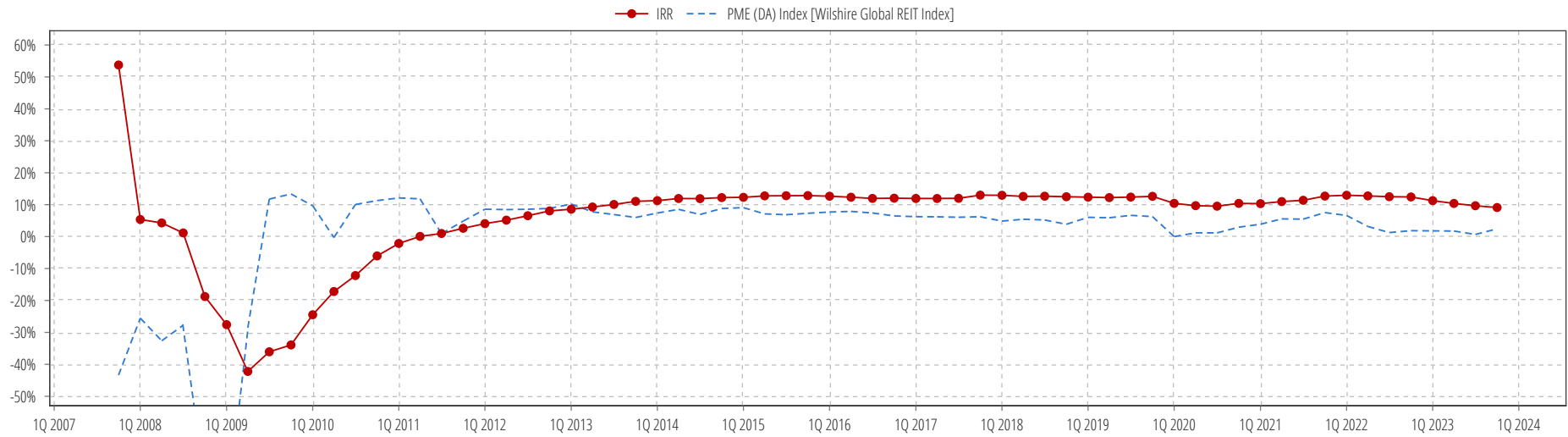
Albourne conducted the portfolio analysis reflected in this report

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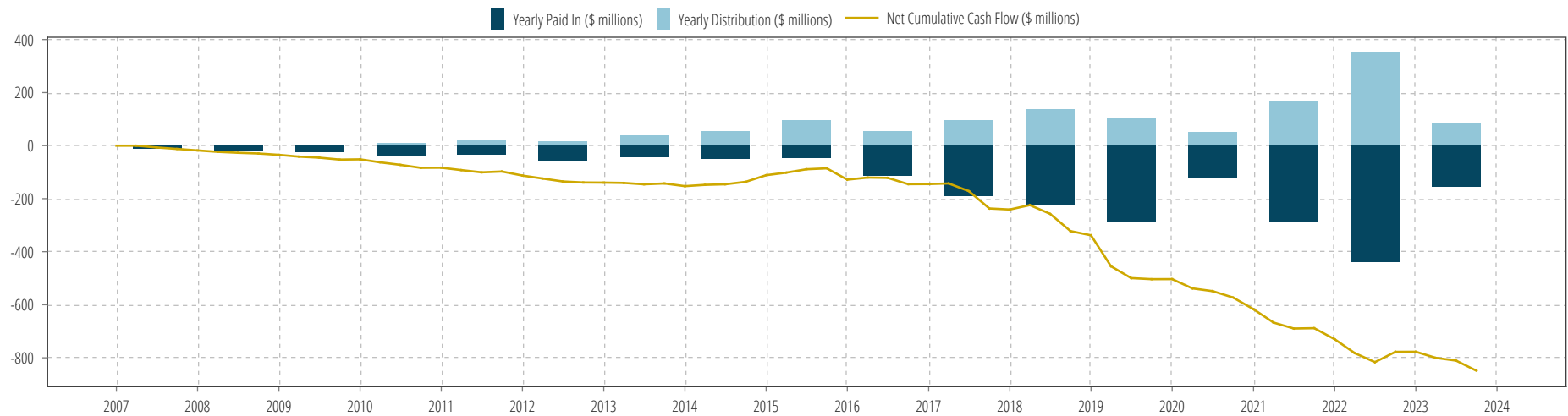
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Funding Status & Performance Overview

Benchmarked Performance (Since Inception) - including terminated funds



Net Cash Flow (since inception) - including terminated funds



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	1,036,731	1,063,779	97%	51,206	312,593	845,383	59.46%	3.63%	+3.26%	0.29	1.09
Opportunistic	20	900,378	842,273	85%	146,908	836,489	448,548	31.55%	12.80%	+8.92%	0.99	1.53
Value Added	6	252,280	225,148	88%	29,408	133,006	127,922	9.00%	5.68%	+3.00%	0.59	1.16
Portfolio Total	33	2,189,388	2,131,200	92%	227,521	1,282,088	1,421,853	100.00%	9.10%	+6.68%	0.60	1.27

¹Original 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	18,950	38,105	100%	0	56,946	15	0.00%	8.99%	+2.72%	1.49	1.49
2007	3	61,899	61,160	97%	2,060	79,162	12,416	0.87%	7.11%	+1.69%	1.29	1.50
2008	3	73,340	68,528	90%	7,991	99,013	2,954	0.21%	10.94%	+3.88%	1.44	1.49
2009	1	18,302	18,302	100%	0	30,153	0	0.00%	19.05%	+9.24%	1.65	1.65
2011	2	32,884	44,154	94%	2,184	69,169	3,894	0.27%	18.24%	+12.76%	1.57	1.65
2012	2	72,322	73,570	93%	5,346	100,870	9,099	0.64%	11.68%	+7.93%	1.37	1.49
2013	1	50,000	45,922	80%	11,578	71,020	11,295	0.79%	19.62%	+16.87%	1.55	1.79
2014	2	105,020	96,452	92%	8,569	108,869	32,330	2.27%	11.72%	+10.71%	1.13	1.46
2015	1	60,000	59,606	98%	1,485	34,556	25,725	1.81%	0.33%	-1.17%	0.58	1.01
2016	3	207,919	195,182	83%	38,425	256,059	126,205	8.88%	18.68%	+16.43%	1.31	1.96
2017	5	747,826	773,140	96%	47,482	317,381	503,555	35.42%	2.24%	+2.03%	0.41	1.06
2018	3	190,914	155,659	80%	38,804	33,588	129,021	9.07%	2.11%	+1.18%	0.22	1.04
2019	1	50,000	39,623	77%	11,618	2,155	36,042	2.53%	-1.91%	-3.81%	0.05	0.96
2020	3	200,011	148,035	74%	51,979	6,945	160,255	11.27%	8.07%	+10.93%	0.05	1.13
2021	1	200,000	213,762	100%	0	13,762	276,466	19.44%	17.92%	+20.01%	0.06	1.36
2022	1	100,000	100,000	100%	0	2,440	92,582	6.51%	-4.59%	-15.48%	0.02	0.95
Portfolio Total	33	2,189,388	2,131,200	92%	227,521	1,282,088	1,421,853	100.00%	9.10%	+6.68%	0.60	1.27

¹Original 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	1,291,975	1,185,986	85%	200,602	1,011,094	640,148	45.02%	10.79%	+7.36%	0.85	1.39
Client Specific Fund	2	497,414	531,452	97%	26,919	247,004	292,016	20.54%	0.65%	+0.62%	0.46	1.01
Open-Ended Private Fund	3	400,000	413,762	100%	0	23,990	489,690	34.44%	9.56%	+9.17%	0.06	1.24
Portfolio Total	33	2,189,388	2,131,200	92%	227,521	1,282,088	1,421,853	100.00%	9.10%	+6.68%	0.60	1.27

¹Original 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	1,964,107	1,905,919	92%	227,521	1,022,332	1,421,853	100.00%	9.53%	+7.32%	0.54	1.28
Terminated	4	225,281	225,281	100%	0	259,756	0	0.00%	6.02%	+1.02%	1.15	1.15
Portfolio Total	33	2,189,388	2,131,200	92%	227,521	1,282,088	1,421,853	100.00%	9.10%	+6.68%	0.60	1.27

¹Original Commitment Made

Inflows/Outflows 4Q 2023 - including terminated funds

Asset Class	# Funds	Paid In (000's)	Distributed (000's)	Net Cash Flow(000's)
Core-Plus	7	56,954	26,114	-30,839
Opportunistic	20	23,042	12,275	-10,767
Value Added	6	3,690	6,852	3,162
Total	33	83,686	45,241	-38,445

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	98,343	36,791	-61,552
Opportunistic	20	40,047	38,209	-1,838
Value Added	6	15,422	7,273	-8,150
Total	33	153,812	82,273	-71,539

Performance Summary

Performance Summary (1)

Asset Class	Vintage	TVPI	DPI	IRR	PME (DA) Alpha
Core-Plus					
GEM Realty Evergreen Fund, L.P.	2017	1.28	0.08	5.79%	+5.42%
New Rock Core Fund, L.P.	2017	1.00	0.18	-0.19%	+1.77%
Rockpoint Growth and Income Real Estate Fund II, L.P.	2017	0.91	0.54	-2.60%	-4.15%
Rockpoint Growth and Income Real Estate Fund III	2018	0.86 ¹	0.02 ¹	-13.58% ¹	-23.01%
Stockbridge Niche Logistics Fund	2021	1.36	0.06	17.92%	+20.01%
Rockwood Multifamily Partners	2022	0.95	0.02	-4.59%	-15.48%
Total - Core-Plus		1.10	0.15	3.83%	+4.10%
Opportunistic					
Carlyle Realty Partners V	2006	1.49	1.49	8.99%	+2.72%
Walton Street Real Estate Partners VI, L.P.	2007	1.64	1.17	8.19%	+1.46%
Blackstone Real Estate Partners Europe III L.P.	2008	1.42	1.37	9.96%	+4.11%
North Haven Real Estate Fund VII Global (fka MSREF VII)	2008	1.36	1.35	10.19%	+2.76%
Starwood Opportunity Fund VIII, L.P.	2008	1.67	1.61	12.13%	+4.28%
Carlyle Realty Partners VI	2011	1.45	1.38	17.18%	+10.76%
Starwood Distressed Opportunity Fund IX Global, L.P.	2011	1.84	1.74	19.01%	+14.16%
Blackstone Real Estate Partners VII L.P.	2012	1.62	1.48	12.83%	+8.83%
Wheelock Street Real Estate Fund II, L.P.	2013	1.79	1.55	19.62%	+16.87%
Harrison Street Real Estate Partners V, L.P.	2014	1.48	0.98	9.02%	+7.76%
Starwood Opportunity Fund X, L.P.	2014	1.45	1.25	15.43%	+14.60%
Harrison Street Real Estate Fund VI-A, L.P.	2016	1.41	0.82	8.62%	+6.23%
KSL Capital Partners IV, L.P.	2016	1.69	0.79	15.12%	+12.86%
PW Real Estate Fund III LP	2016	2.97	2.56	31.00%	+27.23%
Starwood Opportunity Fund XI Global, L.P.	2017	1.29	0.33	11.14%	+11.05%
Aermont Capital Real Estate Fund IV SCSp	2018	0.78 ¹	0.00 ¹	-10.34% ¹	-8.74%

¹PM 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
Harrison Street Real Estate Partners VII	2018	1.32 ¹	0.47 ¹	11.38% ¹	+9.93%
Harrison Street Real Estate Partners VIII, L.P.	2020	1.16	0.01	8.40%	+11.57%
Starwood Distressed Opportunity Fund XII Global, LP	2020	1.01	0.00	2.21%	+8.72%
Total - Opportunistic		1.53	0.98	12.89%	+9.06%
Value Added					
Rockwood Capital Real Estate Partners Fund IX, L.P.	2012	1.33	1.23	9.58%	+6.24%
Rockwood Capital Real Estate Partners Fund X, L.P.	2015	1.01	0.58	0.33%	-1.17%
Rockwood Capital Real Estate Partners Fund XI, L.P.	2019	0.96	0.05	-1.91%	-3.81%
Stockbridge Value Fund IV, LP	2020	1.15	0.11	8.61%	+10.55%
Total - Value Added		1.10	0.43	3.97%	+2.71%
Portfolio Total		1.28	0.54	9.53%	+7.32%

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

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	7,787	100%	120,642	4Q 2023
New Rock Core Fund, L.P.	2017	4Q 2017		325,000	359,038	65,496	97%	292,016	4Q 2023
Rockpoint Growth and Income Real Estate Fund II, L.P.	2017	1Q 2017	1,663,000	79,317	75,688	40,779	93%	27,808	4Q 2023
Rockpoint Growth and Income Real Estate Fund III	2018	3Q 2018	2,000,000	60,000	42,877	820	70%	35,869	4Q 2023
Stockbridge Niche Logistics Fund	2021	1Q 2021		200,000	213,762	13,762	100%	276,466	4Q 2023
Rockwood Multifamily Partners	2022	3Q 2022		100,000	100,000	2,440	100%	92,582	4Q 2023
Total - Core-Plus				864,317	891,365	131,085	97%	845,383	
Opportunistic									
Carlyle Realty Partners V	2006	1Q 2007	3,000,000	18,950	38,105	56,946	100%	15	4Q 2023
Walton Street Real Estate Partners VI, L.P.	2007	2Q 2009	1,935,000	27,333	26,594	31,068	92%	12,416	4Q 2023
Blackstone Real Estate Partners Europe III L.P.	2008	4Q 2008	3,517,025	28,175	26,638	36,399	90%	1,535	4Q 2023
North Haven Real Estate Fund VII Global (fka MSREF VII)	2008	2Q 2009	4,000,000	20,166	19,212	26,018	89%	194	4Q 2023
Starwood Opportunity Fund VIII, L.P.	2008	3Q 2008	1,829,300	25,000	22,678	36,596	91%	1,224	4Q 2023
Carlyle Realty Partners VI	2011	3Q 2011	2,340,000	7,884	20,904	28,757	96%	1,605	4Q 2023
Starwood Distressed Opportunity Fund IX Global, L.P.	2011	1Q 2012	4,200,000	25,000	23,250	40,412	93%	2,289	4Q 2023
Blackstone Real Estate Partners VII L.P.	2012	3Q 2012	13,300,000	38,355	41,576	61,411	93%	5,941	4Q 2023
Wheellock Street Real Estate Fund II, L.P.	2013	4Q 2013	625,000	50,000	45,922	71,020	80%	11,295	4Q 2023
Harrison Street Real Estate Partners V, L.P.	2014	4Q 2014	850,000	45,020	42,452	41,480	94%	21,528	4Q 2023
Starwood Opportunity Fund X, L.P.	2014	3Q 2014	5,600,000	60,000	54,000	67,389	90%	10,802	4Q 2023
Harrison Street Real Estate Fund VI-A, L.P.	2016	3Q 2016	950,000	75,000	69,320	56,789	90%	41,007	4Q 2023
KSL Capital Partners IV, L.P.	2016	4Q 2015	2,677,000	60,000	69,423	55,010	83%	62,052	4Q 2023
PW Real Estate Fund III LP	2016	4Q 2015	1,655,850	72,919	56,439	144,260	77%	23,146	4Q 2023
Starwood Opportunity Fund XI Global, L.P.	2017	3Q 2016	7,555,500	71,095	66,000	21,810	81%	63,089	4Q 2023
Aermont Capital Real Estate Fund IV SCSp	2018	1Q 2018	2,207,800	55,988	42,408	0	75%	32,963	4Q 2023
Harrison Street Real Estate Partners VII	2018	4Q 2018	1,300,000	74,926	70,375	32,769	91%	60,189	4Q 2023
Harrison Street Real Estate Partners VIII, L.P.	2020	4Q 2020	2,000,000	75,000	62,410	318	83%	71,890	4Q 2023
Starwood Distressed Opportunity Fund XII Global, LP	2020	3Q 2020	10,064,825	50,000	25,000	0	50%	25,367	4Q 2023
Total - Opportunistic				880,811	822,706	808,451	84%	448,548	

¹Original 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	39,459	94%	3,157	4Q 2023
Rockwood Capital Real Estate Partners Fund X, L.P.	2015	3Q 2015	1,100,000	60,000	59,606	34,556	98%	25,725	4Q 2023
Rockwood Capital Real Estate Partners Fund XI, L.P.	2019	4Q 2019	1,148,000	50,000	39,623	2,155	77%	36,042	4Q 2023
Stockbridge Value Fund IV, LP	2020	4Q 2020	562,000	75,011	60,625	6,627	81%	62,998	4Q 2023
Total - Value Added				218,979	191,848	82,797	87%	127,922	
Portfolio Total				1,964,107	1,905,919	1,022,332	92%	1,421,853	

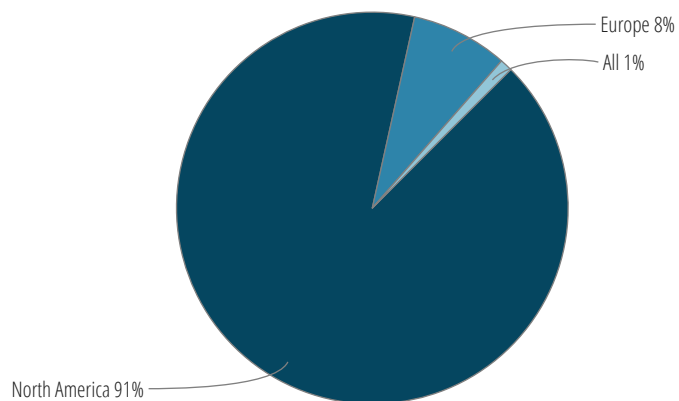
¹Original Commitment Made

Largest Relationship Concentrations by Manager Group

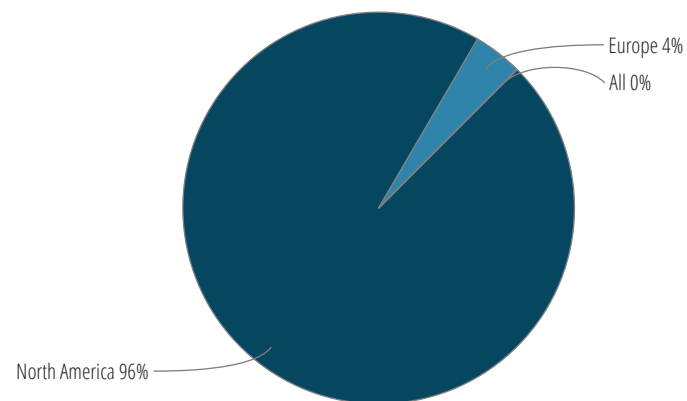
Manager	Commitment (m)	Actual (m)	Proposed (m)	% of Total Commitments
Rockwood Capital, LLC	569	569	0	29.0%
Stockbridge Group	275	275	0	14.0%
Harrison Street	270	270	0	13.7%
Starwood Group	231	231	0	11.8%
Rockpoint Group LLC	139	139	0	7.1%
Aermont Capital	129	129	0	6.6%
GEM Realty Capital, Inc.	100	100	0	5.1%
The Blackstone Group	67	67	0	3.4%
KSL Capital Partners	60	60	0	3.1%
Wheellock Street Capital	50	50	0	2.5%

Exposure by Region and Asset Class

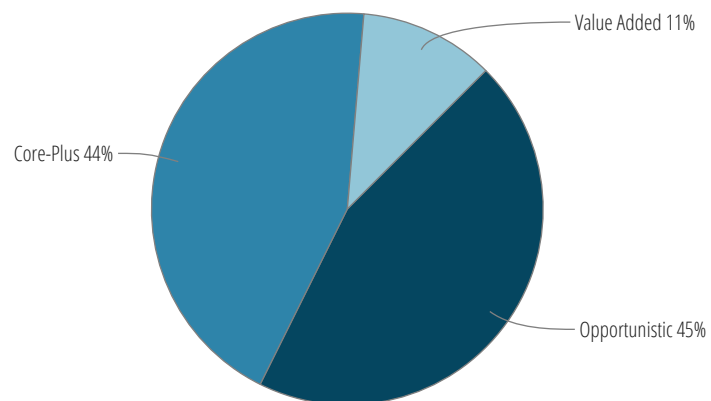
Exposure by Region (Commitments)



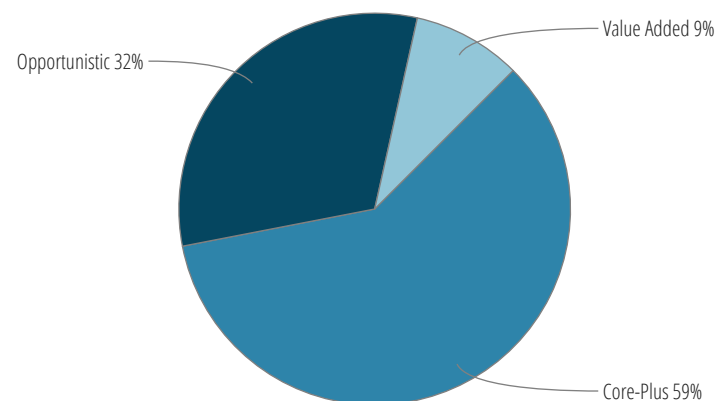
Exposure by Region (NAV)



Exposure by Asset Class (Commitments)

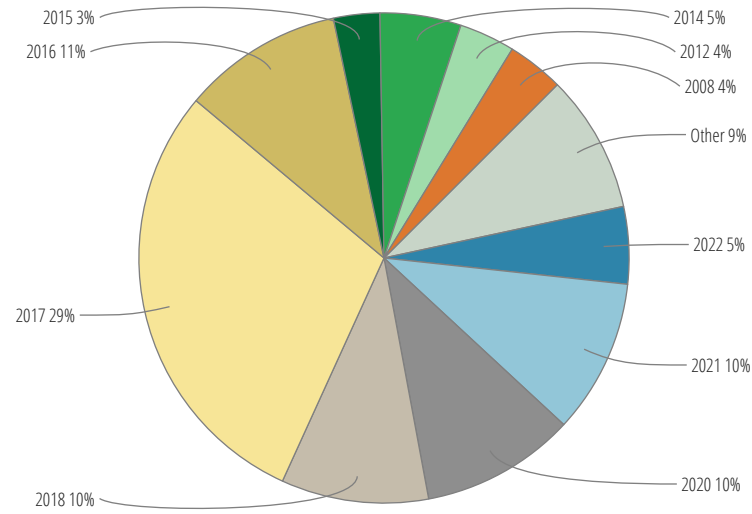


Exposure by Asset Class (NAV)

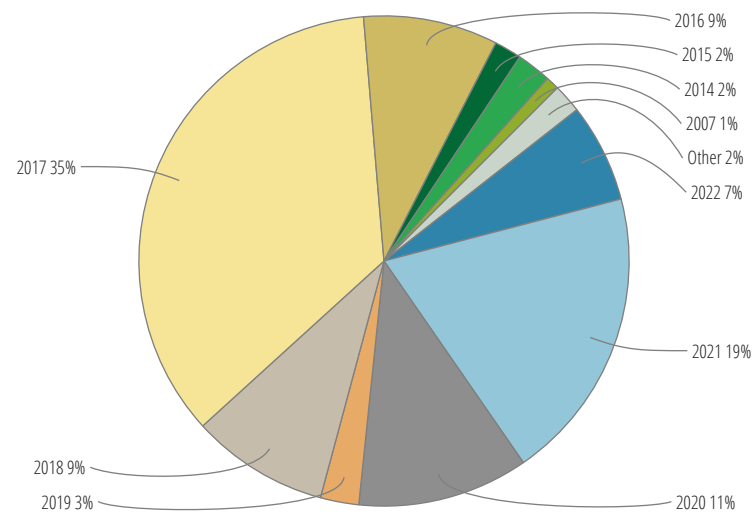


Exposure by Vintage Year

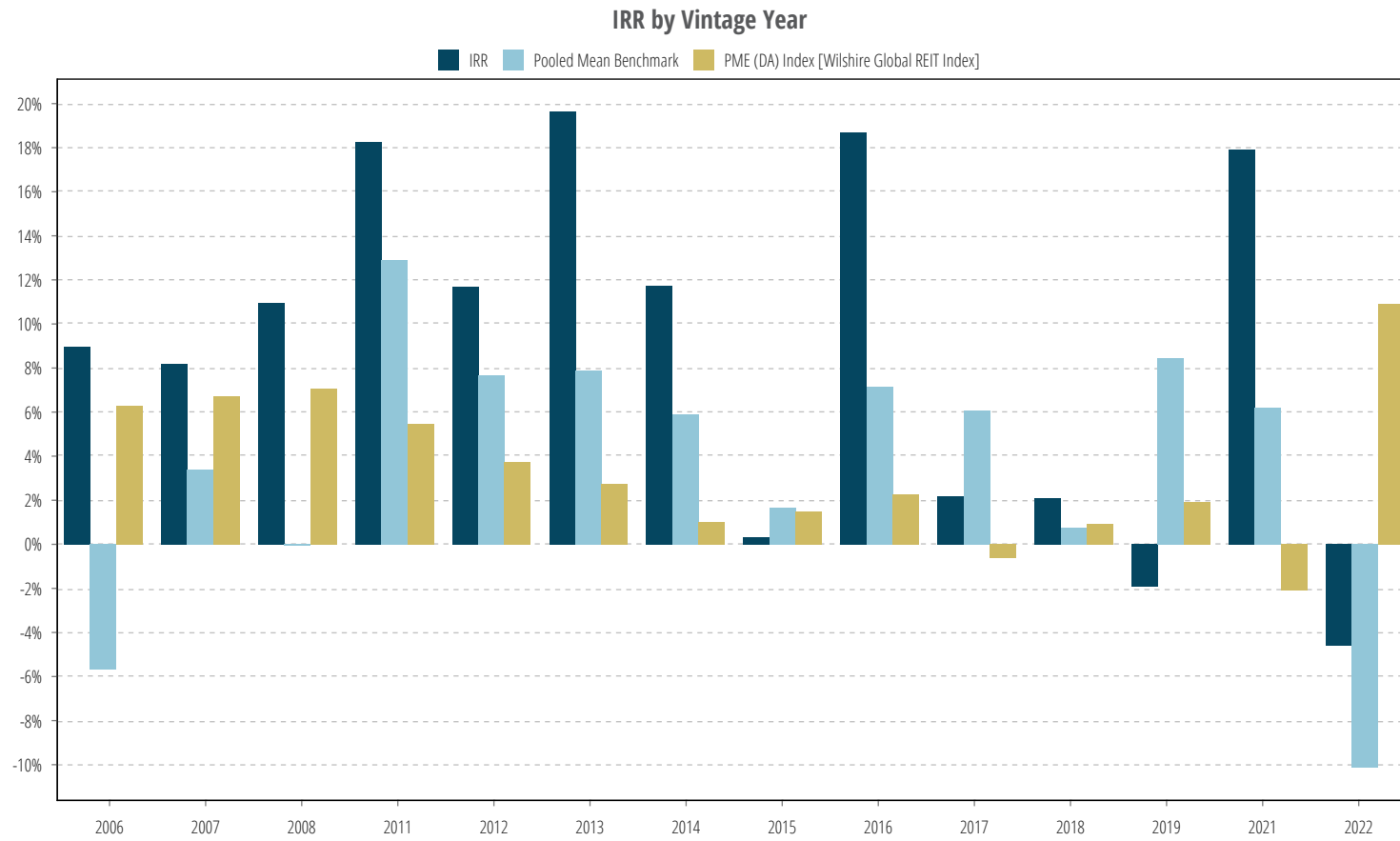
Exposure by Vintage Year (Commitments)



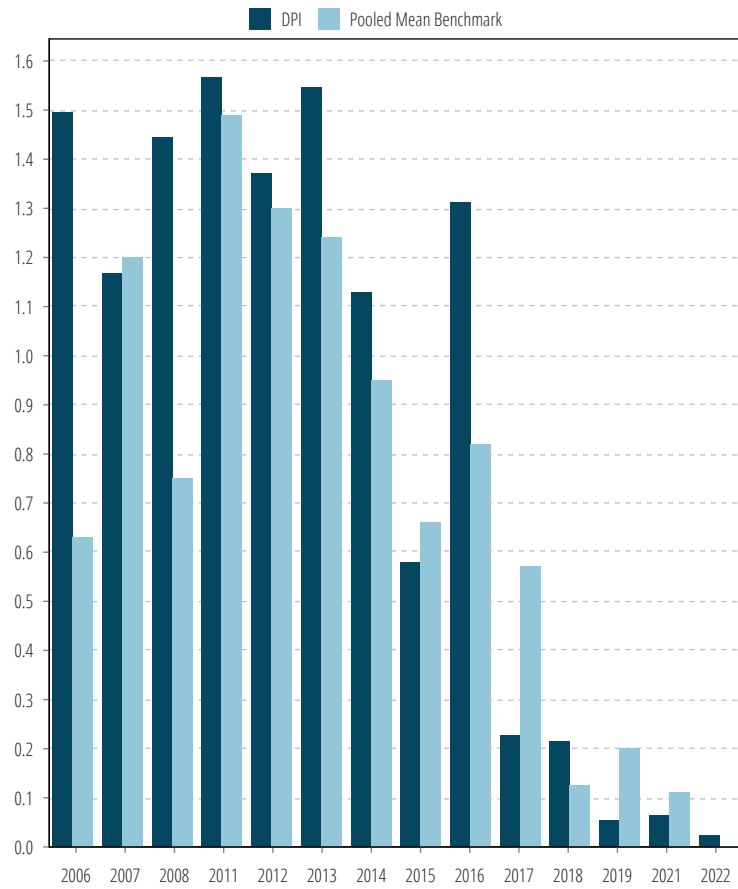
Exposure by Vintage Year (NAV)



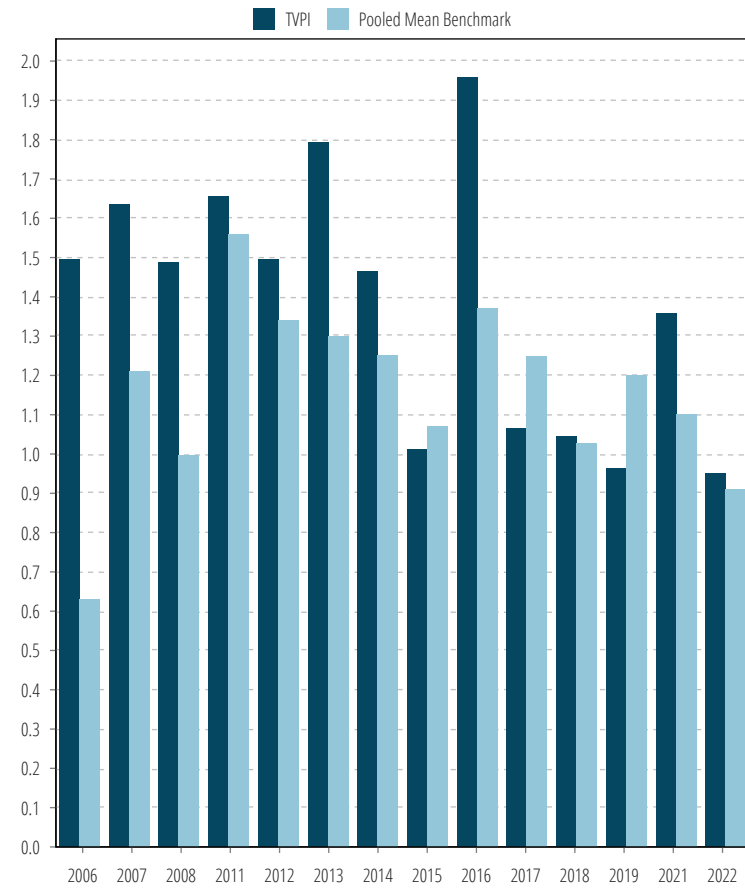
Cash Flow Analysis



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	779,548	100.0%	747,889	100.0%
Equity Real Estate Investment Trusts (REITs)	332,260	42.6%	303,084	40.5%
Real Estate - Industrial	309,774	39.7%	306,289	41.0%
Real Estate - Residential	49,239	6.3%	56,668	7.6%
Consumer Services	48,684	6.2%	51,243	6.9%
Real Estate - Retail	26,665	3.4%	25,127	3.4%
Interest Rate - Cash	12,974	1.7%	12,974	1.7%
Real Estate - Office	12,751	1.6%	8,707	1.2%
Transportation	6,430	0.8%	8,681	1.2%
Real Estate - Other	5,844	0.7%	1,905	0.3%
Financial Services	2,329	0.3%	937	0.1%
Real Estate Management & Development	291	0.0%	194	0.0%
Consumer Durables & Apparel	200	0.0%	109	0.0%
Real Estate - Senior Housing	116	0.0%	0	0.0%
Capital Goods	18	0.0%	0	0.0%
No Sector Specified	-28,028	-3.6%	-28,028	-3.7%

Investments by Country

Country	Invested Capital (000's)	% of Total Assets	Current Mkt Value (000's)	% of Current Mkt Value
Total	779,548	100.0%	747,889	100.0%
United States	768,952	98.6%	744,251	99.5%
United Kingdom	21,806	2.8%	20,878	2.8%
Germany	3,093	0.4%	2,357	0.3%
Italy	2,748	0.4%	2,762	0.4%
India	1,231	0.2%	630	0.1%
Brazil	1,057	0.1%	360	0.0%
Australia	946	0.1%	182	0.0%
Russia	811	0.1%	0	0.0%
China	810	0.1%	105	0.0%
Ireland	571	0.1%	216	0.0%
Japan	503	0.1%	0	0.0%
Spain	455	0.1%	400	0.1%
France	369	0.0%	268	0.0%
Mexico	305	0.0%	291	0.0%
Poland	292	0.0%	368	0.0%
Luxembourg	127	0.0%	280	0.0%
Sweden	107	0.0%	0	0.0%
Czech Republic	95	0.0%	0	0.0%
Dominican Republic	82	0.0%	82	0.0%
Turkey	57	0.0%	57	0.0%
Netherlands	55	0.0%	77	0.0%
Singapore	36	0.0%	0	0.0%
Colombia	18	0.0%	0	0.0%
Hong Kong	18	0.0%	0	0.0%
Portugal	18	0.0%	0	0.0%
No Country Specified	-25,012	-3.2%	-25,675	-3.4%

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 Prequin data.



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



JUNE 11, 2024

Proxy Voting Policy Review

Public Employees Retirement Association of New Mexico

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VERUSINVESTMENTS.COM

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CHICAGO 312-815-5228

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PITTSBURGH 412-784-6678

SAN FRANCISCO 415-362-3484

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What is proxy voting?

- As an equity owner of a corporation (or shareholder), the owner has a right to vote on certain corporate matters (both financial and non-financial) which include but are not limited to:
 - Board and Director issues (i.e., terms, attendance, composition, etc.)
 - Mergers and acquisitions
 - Audit firm selection
 - Executive compensation
 - Shareholder proposals or protections (if allowed)
 - Environmental, Social or Governance issues (if on the ballot)
- Proxy voting is the best tool through which shareholders can directly influence company management and board decisions and actions.
- “Proxy Voting” allows an owner of a corporation, who may not be able to attend a shareholder’s meeting in-person, to vote on any issues on the ballot.
- Voting proxies is generally considered an important part of a pension fiduciary’s duty.
- Due to the sheer volume of corporate proxies, proxy voting services companies continue to expand their practices to address the evolving needs of their clients.

Proxy voting allows shareholders to vote on important corporate issues that can influence the leadership and, ultimately, the future direction of a company.

Overview of Proxy Voting Policies

- Proxy voting policies are a way to communicate PERA’s philosophy and approach to corporate governance issues.
- Similar to the investment policy statement, proxy voting policies include similar elements seen below:
- Proxy voting policies provide guidance to the Board, Staff, and external service providers as to how cast vote (i.e., vote against or withhold) in common proxy issues
 - Purpose
 - Roles & Responsibilities
 - Guidance on relevant issues that should be voted on and any applicable constraints
 - Risks
- Ultimately, proxy voting policies are aligned with your fiduciary duty “to preserve, protect and administer” the Fund.

In reviewing the current policy, Verus sourced guidance from the 2022 ISS’ Board-Aligned Proxy Voting Guidelines & Policy Recommendations

What asset classes are impacted?

Board Approved Strategic Target Allocation

Recommended Asset Class	Policy Target (%)	Asset class impacted by proxy voting?
Global Equity	46	
Global Public Stock	27	Yes
Private Equity	19	Yes
Core Fixed Income	13	
Core Fixed Income	13	No
Credit	17	
Liquid Credit	8	No
Illiquid Credit	9	No
Absolute Return	6	
Hedge Funds	6	Yes
Real Assets	18	
Illiquid Real Estate	7	No
Illiquid Real Assets	11	No
Total	100%	

Over half of the PERA portfolio is impacted by proxy voting.

Summary of Key Changes

Proxy Voting Policy	Commentary
III-B. Investment Committee	<ul style="list-style-type: none">▪ Modify to have Investment Committee instead of Proxy Voting Committee assist Board in adhering to proxy policy to reflect current best practices
III-F. Investment Managers	<ul style="list-style-type: none">▪ Clarify that Investment Managers shall review PERA Proxy Voting Policy▪ Clarify that managers have discretion in voting proxies in accordance with their own policies and contractual guidelines▪ Provide quarterly reports for documentation and transparency
IV-A. Board of Directors	<ul style="list-style-type: none">▪ Articulates broad reasons to vote against directors, committee members or the entire board▪ Identifies factors to be considered in either voting against or withholding a vote from the Board if the board failed to act on a shareholder proposal that received majority support
IV-B. Executive Compensation	<ul style="list-style-type: none">▪ Specifically identifies non-shareholder-friendly executive pay practices▪ Clarifies equity-based compensation schemes that should and should not be supported
IV-C. Ratification of Auditors	<ul style="list-style-type: none">▪ Identifies reasons not to vote for, or withhold a vote from, a board-selected auditor
IV-F. Shareholder Proposals	<ul style="list-style-type: none">▪ Explicitly states shareholder-friendly proposals that should be supported by external investment managers

III-B. Investment Committee

Acknowledge that the Investment Committee should assist the Board in adhering to the Proxy Voting Policy

B. Investment Committee

To assist the Board in carrying out its duties, it has established an Investment Committee (Committee).

Rationale:

- Per the Investment Committee Charter, the Committee provides direction to the Board, Staff and consultants in the development, review, monitoring and updating of investment policies and procedures.
- Additionally, purpose of Committee is to assist the Board in fulfilment of its fiduciary duties. Proxy voting is considered a fiduciary duty.

III-G. Investment Managers

Clarify that managers should review the PERA Proxy Voting Policy, but have discretion in voting in accordance with their internal proxy policy.

G. Investment Managers

Managers should review the PERA Proxy Voting Policy, yet have full discretion regarding the voting of proxies, consistent with their policy and contractual guidelines, with the understanding that the duty of loyalty requires that the voting fiduciary exercise proxy voting authority solely in the interests of members and beneficiaries of PERA.

Rationale: Makes clear that managers have been delegated proxy voting authority and also articulates expectation of alignment of manager's proxy voting decisions with PERA's investment philosophy and objective of acting solely in the interests of PERA members and beneficiaries.

IV-A. Board of Directors

Enhanced guidance for voting against or withholding a vote from boards

- Generally vote against or withhold from directors individually, committee members, or the entire board, due to:
 - Material failures of governance, stewardship, risk oversight, or fiduciary responsibilities at the company;
 - Failure to replace management as appropriate.
- Generally vote against or withhold from the Board if the board failed to act on a shareholder proposal that received the support of a majority of the shares cast in the previous year. Factors that will be considered are:
 - Disclosed outreach efforts by the board to shareholders in the wake of the vote;
 - Rationale provided in the proxy statement for the level of implementation;
 - The subject matter of the proposal;
 - The level of support for and opposition to the resolution in past meetings;
 - Actions taken by the board in response to the majority vote and its engagement with shareholders;
 - The continuation of the underlying issue as a voting item on the ballot (as either shareholder or management proposals); and
 - other factors as appropriate.
- Generally vote against or withhold from the Board if the board failed to act on takeover offers where the majority of shares were tendered;
- Generally vote against or withhold from the Board if at the previous board election, any director received more than 50 percent withhold/against votes of the shares cast and the company has failed to address the issue(s) that caused the majority withhold/against vote.

Rationale: Clarifies PERA belief that corporate boards work to protect and enhance the economic interests of shareholders including PERA members and beneficiaries.

IV-A. Board of Directors (cont'd)

Enhanced voting guidance for non-independent directors

PERA believes that a Board should be composed of a majority of independent directors. PERA defines an independent director as someone who does not have any kind of significant affiliation with the company other than the directorship. A director is defined as independent if he or she either has only one nontrivial connection to the corporation--that of his or her directorship. A director generally will not be considered independent if:

- currently or previously employed by the company or an affiliate in an executive capacity;
 - employed by a present or former auditor of the company in the past five years;
 - employed by a firm that is one of the company's paid advisors or consultants;
 - employed by a customer or supplier with a nontrivial business relationship;
 - employed by a foundation or university that receives grants or endowments from the company;
 - the person has any personal services contract with the company;
 - related to an executive or director of the company; or
 - an officer of a firm on which the company's chairman or chief executive officer also is a board member.
- Vote against or withhold from non-independent directors (per the company's determination of independence) as appropriate when the company fails to meet exchange requirements for board independence and key committee independence.

Rationale: Emphasizes PERA's preference for boards that are independent, has directors with diverse backgrounds, and is comprised of members with a breadth and depth of relevant experience.

IV-A. Board of Directors (cont'd)

Enhanced guidance for board compensation committee members

PERA managers should vote on a case-by-case basis on Compensation Committee members (or in exceptional cases, the full board) and the Say on Pay proposal if the company's previous say-on-pay received the support of less than 50 percent of the votes cast. Factors that will be considered are:

- The company's response, including:
 - Disclosure of engagement efforts with major institutional investors, including the frequency and timing of engagements and the company participants (including whether independent directors participated);
 - Disclosure of specific concerns voiced by dissenting shareholders that led to the say-on-pay opposition;
 - Disclosure of specific and meaningful actions taken to address shareholders' concerns;
- Other recent compensation actions taken by the company;
- Whether the issues raised are recurring or isolated; and
- The company's ownership structure.

Rationale: Emphasizes PERA belief that corporate boards work to protect and enhance the economic interests of shareholders including PERA members and beneficiaries.

IV-A. Board of Directors (cont'd)

Includes guidance on board governance and poor accounting practices

The performance of key board committees is also a factor for consideration in the election of directors. PERA managers should consider specific actions of the committees in upholding the general principles of these guidelines.

For example:

- Votes against the members of the compensation committee should be considered if the committee has approved excessive executive compensation;
- Votes against members of the nominating committee should be considered when a board fails to implement a reform that was approved by a majority of shareholders;
- Votes against or withhold from the chair of the nominating committee (or other directors on a case-by-case basis) at companies that fail to meet exchange requirements for board diversity;
- Votes against members of the Audit Committee should be considered if an auditor receives more than half its fees from non-audit services;
- Votes against or withhold from the members of the Audit Committee and potentially the full board if poor accounting practices are identified that rise to a level of serious concern, such as: fraud; misapplication of GAAP; and material weaknesses identified in Section 404 disclosures. Examine the severity, breadth, chronological sequence, and duration, as well as the company's efforts at remediation or corrective actions, in determining whether withhold/against votes are warranted.

Rationale: Provides clear preference for good governance and expectation of sound accounting practices

IV-B. Executive compensation

Specifically identifies non-shareholder friendly pay practices

PERA managers should evaluate executive pay and practices on a CASE-BY-CASE basis.

In general, votes should support compensation that provides challenging performance objectives and properly align executives with long-term growth and value, and oppose compensation that adversely affect shareholders, are excessively generous or lack clear and challenging performance goals.

PERA managers should vote AGAINST management say on pay (MSOP) proposals if:

- The company maintains significant problematic pay practices, such as:
 - New employment agreements that contain excise tax gross-ups;
 - Option backdating;
 - Guaranteed bonuses;
 - Excessive termination or change-in-control (CIC) severance payments;
 - CIC severance payments without involuntary job loss or substantial diminution of duties (“single” or “modified single” triggers).
- The board exhibits a significant level of poor communication and responsiveness to shareholders following one or more Say-on-Pay votes with greater than 50 percent opposition.
- There is a misalignment between CEO pay and company performance (pay for performance, i.e., one- and three-year alignment between company performance and CEO pay);

Rationale: Further supports PERA belief that corporate boards work to protect and enhance the economic interests of shareholders including PERA members and beneficiaries.

IV-B. Executive compensation (cont'd)

Clarifies PERA's support of well-structured equity-based compensation

PERA supports equity-based compensation plans. In general, compensation items on ballot, PERA managers should evaluate executive and director compensation plans on a CASE-BY-CASE basis.

When evaluating equity-based consider whether the plans are:

- Performance-based (including performance-vesting for restricted stock awards)
- Dilution (where new plans do not overly dilute the earning and voting power of shares outstanding)
- Grant rates (i.e., are the grants distributed broadly, or concentrated to a select group of executives)

PERA managers should vote against equity plans that expressly permit the repricing or exchange of underwater stock options/stock appreciation rights (“SARs”) without prior shareholder approval. “Repricing” is the ability to do any of the following; however there may be additional provisions as akin to repricing depending on the facts and circumstances:

- Amend the terms of outstanding options or SARs to reduce the exercise price of such outstanding options or SARs;
- Cancel outstanding options or SARs in exchange for options or SARs with an exercise price that is less than the exercise price of the original options or SARs;
- Cancel underwater options in exchange for stock awards;
- Provide cash buyouts of underwater options.

Rationale: Again, supports PERA belief that corporate boards work to protect and enhance the economic interests of shareholders including PERA members and beneficiaries.

IV-C. Ratification of Auditors

Adds broad reasons not to support board-selected auditors

PERA believes that role of the auditor is crucial in protecting shareholder value. In our view, shareholders should demand the services of objective and well-qualified auditors at every company in which they hold an interest. Like directors, auditors should be free from conflicts of interest and should assiduously avoid situations that require them to make choices between their own interests and the interests of the shareholders.

PERA supports voting with board recommendations on ratifying auditors. However, we recommend voting against the ratification of auditors for any of the following reasons:

- There is reason to believe that the independent auditor has rendered an opinion that is neither accurate nor indicative of the company's financial position;
- Poor accounting practices are identified that rise to a serious level of concern, such as fraud or misapplication of GAAP.

Rationale: Emphasizes PERA's preference for good governance and expectation of sound accounting practices

IV-F. Shareholder Proposals

Expresses additional shareholder-friendly proposals to support

PERA managers should generally support the following shareholder proposals unless there are extraordinary circumstances involved:

- Adopt a proxy access right with the following provisions:
 - *Ownership threshold*: maximum requirement of not more than 3 percent of the voting power;
 - *Ownership duration*: maximum requirement not longer than 3 years of continuous ownership for each member of the nominating group;
 - *Aggregation*: minimal or no limits on the number of shareholders permitted to form a nominating group;
 - *Cap*: cap on nominees of generally 25 percent of the board.
- Amend an existing proxy access right;
- ...Seek to address or prevent egregious practices (e.g., shareholder proposals that request the introduction of malus or clawback provisions);
- ...Allow shareholders to call special meetings taking into account the following factors:
 - Shareholders' current right to call special meetings;
 - Minimum ownership threshold necessary to call special meetings;
 - The inclusion of exclusionary or prohibitive language;
 - Investor ownership structure;
 - Shareholder support of, and management's response to, previous shareholder proposals.
- Reduce the ownership threshold to call special meetings.

Rationale: Shareholder protection measures support the best interests of shareholders including PERA members and beneficiaries.

Closing thoughts

- Proxy voting is the best tool through which shareholders can directly influence company management and board decisions and actions.
- Establishing and updating a proxy voting policy is a best practice in meeting PERA’s fiduciary responsibilities.
- The revised proxy voting policy seeks to reflect best practices through updating the following main sections :
 - *Board of Directors* – identifies broad criteria and factors to consider when voting against or withholding a vote from the board.
 - *Executive Compensation* – identifies non-shareholder-friendly pay proposals; further delineates among supported and non-supported equity-based compensation practices.
 - *Ratification of Auditors* – identifies broad criteria to vote against or withhold a vote an auditor.
 - *Shareholder Proposals* – includes additional shareholder-friendly proposals that should be supported by investment managers.

**THE PUBLIC EMPLOYEES
RETIREMENT ASSOCIATION
Of
NEW MEXICO**



PROXY VOTING POLICY

Adopted by the Board of Trustees
December 10, 2013

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THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION PROXY VOTING POLICY

I. INTRODUCTION

A. Statutory Authority

The Public Employees Retirement Association of New Mexico (PERA), created by law in 1947, is the entity established for the purpose of administering the provisions of the Public Employees Retirement Act of New Mexico, NMSA 1978, Sections 10-11-1 to 10-11-142, as amended, the Volunteer Firefighters Retirement Act, NMSA 1978, Sections 10-11A-1 to 10-11A-7, 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, Section 10-11-133.1, as amended, as well as other federal and State laws relating to the public employees retirement system in the State of New Mexico. As of August 2012, PERA administers thirty-one retirement plans covering state employees, municipal employees, county employees, police, firefighters, judges, magistrates, and legislators.

B. Standards of Care

Uniform Prudent Investor Act

The Uniform Prudent Investor Act (UPIA) [45-7-601 to 45-7-612 NMSA 1978] and Section 10-11-132 NMSA, 1978 govern PERA investments. In summary, the UPIA states that all persons responsible in making investment decisions for the Public Employees Retirement Fund (Fund) will exercise the care, skill, prudence and diligence under the circumstances then prevailing that a prudent investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Investments are to be diversified so as to minimize the risk of large losses, unless under the circumstances, it is clearly prudent not to do so.

The statutes are the foundation for the PERA Policy. The Board adopts the following guiding principles for investment activity:

1. Preserve the long-term principal of the Fund.
2. Maximize total return within prudent risk parameters.
3. Act in the exclusive interest of PERA members, retirees and beneficiaries.

C. Ethics and Conflicts of Interest

Trustees and Staff involved in the investment process will 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 impartial decisions as addressed in Section III of the Board Policy and Procedures.

II. STATEMENT OF PURPOSE

A. Mission Statement

Public Employees Retirement Association of New Mexico (PERA) is governed by the Public Employees Retirement Board (Board). The Board has a fiduciary responsibility to the Retirement Fund's (Fund) members, retirees and beneficiaries. To acknowledge this responsibility, the Board has accepted the following as their Mission Statement:

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.

B. Purpose of the Proxy Voting Policy

The purpose of the Proxy Voting Policy (Policy) is to support proposals that maximize the value of the Fund's investments over the long term. Proxy voting guidelines have been developed to ensure that the Fund is able to provide adequate assets to pay retirement benefits to the members of the Plan. PERA believes that each portfolio's Investment Manager is in the best position to assess the financial implications presented by policy issues and the impact a particular vote may have on the value of a security. Proxy voting is considered to be a component of the investment decision process.

The Policy provides guidance for fiduciaries which include PERA's Board, Staff, and investment managers. PERA does not intend for these guidelines to be exhaustive. Hundreds of issues appear on proxy ballots every year, and it is neither practical nor productive to fashion voting guidelines and policies that attempt to address every eventuality. Rather, these guidelines are intended to cover the most significant and frequent proxy issues that arise. Issues not covered by the guidelines shall be voted in the interest of the participants and beneficiaries of the plan.

III. ROLES AND RESPONSIBILITIES / DELEGATION OF AUTHORITY

The Board relies on both internal Staff and external contractors to properly administer the Fund and implement its investment strategies. Because of the number of parties involved, their roles as fiduciaries must be clearly identified. Such identification increases operational efficiency, ensures clear lines of responsibility, and reduces or eliminates duplication of effort.

A. Board of Trustees

The primary fiduciary responsibility of the Board is to ensure prudent investment and expenditure of the Fund's assets. It is the responsibility of the Board to administer the investments of PERA at reasonable cost, being careful to avoid diminishing quality. These costs include, but are not limited to, management and custodial fees, consulting fees, transaction costs and other administrative costs chargeable to PERA. The Board will operate the investment program in compliance with all applicable federal and State laws and regulations concerning the investment of pension assets. The Board is responsible for establishing and maintaining all policies and guidelines by which the Fund is managed, and by which the Board operates.

B. Proxy Voting Committee

To assist the Board in carrying out its duties, it has established a Proxy Voting Committee (Committee).

Through New Mexico Administrative Code Rules (NMAC), the Board establishes the Committee and the Board Chair appoints the members of the Committee as well as the Committee Chair. The Committee makes recommendations to the Board on proxy voting.

The Committee will meet as necessary to address and implement this Policy. Staff and Consultant(s) will brief the Committee on any topics or issues pertinent to PERA's investment operations, and make recommendations to the Committee for appropriate courses of action. The Committee Chair will have the duty and the authority to set Committee meeting agenda and request specific analysis and reports from the Staff and Consultants.

C. Executive Director

The Executive Director (Director) is appointed by, and serves at the pleasure of the Board. The Director is responsible for planning, organizing, and administering the operations of PERA under broad policy guidance and direction from the Board. The Director, with assistance of Staff (his/her designee), monitors the performance of the investment portfolio; ensures that funds are invested in accordance with Board policies; communicates with the Board, its Officers and Committee Chairs; studies, recommends, and ensures the implementation of policy and operational procedures that will enhance the investment program of PERA; and ensures that proper internal controls are developed to safeguard the assets of PERA. In fulfilling these investment responsibilities, the Director relies heavily on the Investment Staff and Consultant(s).

D. Chief Investment Officer and Investment Staff

The Internal Investment Staff (Staff) reports directly to the Chief Investment Officer (CIO) who in turn reports to the Director. The CIO has primary responsibility for the implementation of the investment program. The CIO, with the assistance of Staff, has the responsibility and authority to advise the Board and its committees on the establishment of investment and administrative policy, to implement the policies and programs established by the Board, to report to the Board on the status of the Fund, and to carry out such other duties the Director, Board or Committee delegate to him/her.

The Staff exercises the same fiduciary responsibility under applicable law as the Board. The CIO and the Staff shall manage the portfolio according to the Board's policies.

E. General Counsel and Office of General Counsel Staff

The Office of General Counsel staff (OGC Staff) reports directly to the General Counsel who in turn reports to the Director. The General Counsel is primarily responsible for legal compliance of the investment program and advises the Board on investment-related legal matters. The General Counsel, with the assistance of OGC Staff, coordinates legal due diligence by external legal counsel for alternative investments, including transactional, regulatory and federal tax matters. OGC Staff exercise the same fiduciary responsibility under applicable law as the Board.

G. External Investment Managers

The external Investment Managers (Managers) are selected by, and serve at the pleasure of, the Board. Each Manager will be a registered adviser under the Investment Advisers Act of 1940 (or appropriately exempt from registration) and operate under a formal contract that sets investment guidelines and administrative requirements and defines responsibilities and performance expectations for management of each mandate. Full discretion in regards to investment of the account and the voting of proxies, consistent with this policy and contractual guidelines, is granted to all investment managers with the understanding that the duty of loyalty requires that the voting fiduciary exercise proxy voting authority solely in the interests of members and beneficiaries of PERA.

IV. PROXY VOTING POLICY

Overview of Casting Proxy Votes and Principals

PERA Staff developed this policy at the direction of the Board. When developing the policy recommendations, Staff reviews best practice governance policies that promote accountability, transparency, and sound corporate governance. This document outlines key provisions and principals of sound corporate governance policies that protect PERA's interest as shareholders and ultimately fulfils, in part, PERA's fiduciary responsibility to its membership.¹

PERA acknowledges that each annual, special or contested meeting held by a company is unique in its own right. Proposals put before shareholders are specific to each company based upon the dynamics of that company and that there can be no one-size fits all approach to proxy voting. Below are select best practices and beliefs that PERA directs its external asset managers to consider and vote PERA shares accordingly when practicable.

A. Board of Directors

Corporate Boards serve shareholders and protect their interests. PERA seeks Boards with a proven record of protecting shareholders and delivering value over the medium- and long-term. PERA believes that Boards working to protect and enhance the best interests of shareholders are independent, have directors with diverse backgrounds, have a record of positive performance, and have members with a breadth and depth of relevant experience. PERA expects managers to hold directors to a high standard when voting on their election, qualifications, and compensation. PERA managers should evaluate directors fairly and objectively, rewarding them for significant contributions and holding them ultimately accountable to shareholders for corporate performance.

PERA believes that a Board should be composed of a majority of independent directors. PERA defines an independent director as someone who does not have any kind of significant affiliation with the company other than the directorship. A director is defined as independent if he or she either has only one nontrivial connection to the corporation--that of his or her directorship. A director generally will not be considered independent if:

- currently or previously employed by the company or an affiliate in an executive capacity;
- employed by a present or former auditor of the company in the past five years;
- employed by a firm that is one of the company's paid advisors or consultants;
- employed by a customer or supplier with a nontrivial business relationship;
- employed by a foundation or university that receives grants or endowments from the company;
- the person has any personal services contract with the company;
- related to an executive or director of the company; or
- an officer of a firm on which the company's chairman or chief executive officer also is a board member.

¹ Much of this document is directly sourced from *Proxy Paper Guidelines: A Summary Overview of The Glass Lewis Approach to Proxy Advice* and *ISS: 2011 U. S. Proxy Voting Guidelines Summary*.

PERA further believes that separating the roles of corporate officers and the chairman of the Board is a better governance structure than a combined executive/chairman position. The role of executives is to manage the business on the basis of the course charted by the board. Executives should be in the position of reporting and answering to the Board for their performance in achieving the goals set out by such Board. This becomes much more complicated when management actually sits on, or chairs, the Board.

We view an independent chairman as better able to oversee the executives of the company and set a pro-shareholder agenda without the management conflicts that a CEO and other executive insiders often face. This, in turn, leads to a more proactive and effective Board of Directors that is looking out for the interests of shareholders above all else.

In the absence of an independent chairman, we support the appointment of a presiding or lead director with authority to set the agenda for the meetings and to lead sessions outside the presence of the insider chairman. PERA managers should:

- Generally vote FOR shareholder proposals calling for an independent board chair or separation of the two positions

PERA believes good corporate governance requires companies to establish nominating, compensation, audit and governance committees, all of which should be comprised of only independent directors. PERA managers should:

- Generally vote AGAINST or WITHHOLD votes from any non-independent director who serves on a key board committee.

The performance of the key board committees is also a factor for consideration in the election of directors. PERA managers should consider specific actions of the committees in upholding the general principles of these guidelines. For example:

- Votes against the members of the compensation committee should be considered if the committee has approved excessive executive compensation;
- Votes against members of the nominating committee should be considered when a board fails to implement a reform that was approved by a majority of shareholders; or
- Votes against members of the audit committee should be considered if an auditor receives more than half its fees from non-audit services.

Lastly, PERA believes strongly that all directors should be elected by a majority vote of shareowners and that Boards be declassified, which allows for greater ease to change control of a company through a proxy contest, a valuable avenue toward director responsibility and accountability to shareholders.

B. Executive Compensation

PERA believes executive compensation is of utmost importance and critical determinant of any company's performance. A well-designed executive compensation plan aligns the interests of senior management with the long-term interests of the company and its shareholders. PERA believes that executive pay programs should be fair, competitive, reasonable and appropriate, and pay for performance should be the major theme for executive compensation. The compensation committee has a duty to represent the interests of shareholders when setting executive pay. As required by

Dodd-Frank, companies are required to give shareholders an advisory vote on executive compensation (aka management “say on pay” or MSOP). This non-binding shareholder vote on compensation must be included in a proxy at least once every 3 years.

PERA managers should evaluate executive pay and practices on a CASE-BY-CASE basis. In general, votes should support compensation that provides challenging performance objectives and properly align executives with long-term growth and value, and oppose compensation that adversely affect shareholders, are excessively generous or lack clear and challenging performance goals.

PERA managers should vote AGAINST management say on pay (MSOP) proposals if:

- There is a misalignment between CEO pay and company performance (pay for performance, i.e., one- and three-year alignment between company performance and CEO pay);
- The company maintains problematic pay practices (e.g., excessive perks, guaranteed bonuses, tax gross-ups);
- Dodd-Frank also requires an advisory vote to determine whether an MSOP vote by shareholders to approve compensation should occur every one, two, or three years. The MSOP is at its essence a communication vehicle, and communication is most useful when it is received in a consistent and timely manner. PERA managers should vote FOR annual advisory votes on compensation, which provide the most consistent and clear communication channel for shareholder concerns about companies' executive pay programs.

Analyzing Equity and Pay Plans. Stock-based incentive plans and grants can be among the most economically significant issues placed before shareholders for a vote. Approval of these plans can result in large transfers of shareholder equity out of the company as awards vest and are exercised. The cost associated with such transfers must be measured if incentive plans are to be managed properly. And when misused, stock options can give executives an incentive to inflate earnings, take excessive risks, or make misleading forecasts in order to keep stock prices high. In general, PERA managers should evaluate executive and director compensation plans on a CASE-BY-CASE basis. When evaluating equity-based compensation items on ballot, PERA managers should consider whether the plans are:

- Performance-based (including performance-vesting for restricted stock awards)
- Dilution (where new plans do not overly dilute the earning and voting power of shares outstanding)
- Grant rates (i.e., are the grants distributed broadly, or concentrated to a select group of executives)

C. Ratification of Auditors

PERA believes that role of the auditor is crucial in protecting shareholder value. In our view, shareholders should demand the services of objective and well-qualified auditors at every company in which they hold an interest. Like directors, auditors should be free from conflicts of interest and should assiduously avoid situations that require them to make choices between their own interests and the interests of the shareholders.

We generally support management’s recommendation regarding the selection of an auditor. However, we recommend voting against the ratification of auditors for any of the following reasons:

- When audit fees added to audit-related fees total less than one-half of total fees.
- When there have been any recent restatements or late filings by the company where the auditor bears some responsibility for the restatement or late filing (e.g., a restatement due to a reporting error).
- When the company has aggressive accounting policies.
- When the company has poor disclosure or lack of transparency in financial statements.
- When there are other relationships or issues of concern with the auditor that might suggest a conflict between the interest of the auditor and the interests of shareholders.
- When the company is changing auditors as a result of a disagreement between the company and the auditor on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures.

D. Antitakeover Defenses and Related Issues

PERA believes that poison pill plans generally are not in the best interests of shareholders. Specifically, they can reduce management accountability by substantially limiting opportunities for corporate takeovers. Rights plans can thus prevent shareholders from receiving a buy-out premium for their stock.

We believe that Boards should be given latitude in directing the activities of the company and charting the company's course. However, on an issue such as this where the link between the financial interests of shareholders and their right to consider and accept buyout offers is so substantial, we believe that shareholders should be allowed to vote on whether or not they support such a plan's implementation.

In certain limited circumstances, we can support a limited poison pill to accomplish a particular objective, such as the closing of an important merger, or a pill that contains what we believe to be a reasonable 'qualifying offer' clause.

Proposals to increase the number of authorized shares should be evaluated on a case-by-case basis. Adequate capital stock is important to the operation of a company. When analyzing a request for additional shares, one should typically review four common reasons why a company might need additional capital stock beyond what is currently available:

- Stock split
- Shareholder defenses
- Financing for acquisitions
- Financing for operations

Unless the company has not disclosed a detailed plan for use of the proposed shares, or where the number of shares far exceeds those needed to accomplish a detailed plan, we typically recommend in favor of the authorization of additional shares.

E. Voting Structure

PERA supports cumulative voting, which is a voting process that maximizes the ability of minority shareholders to ensure representation of their views on the Board. Cumulative voting generally

operates as a safeguard by ensuring that those who hold a significant minority of shares are able to elect a candidate of their choosing to the board.

PERA also favors a simple majority voting structure. Supermajority vote requirements act as impediments to shareholder action on ballot items that are critical to shareholders interests. One key example is in the takeover context where supermajority vote requirements can strongly limit shareholders' input in making decisions on such crucial matters as selling the business.

F. Shareholder Proposals

PERA generally favors proposals that are likely to increase shareholder value and/or promote and protect shareholder rights. PERA managers should generally support the following shareholder proposals unless there are extraordinary circumstances involved:

- Remove or submit poison pill plans (anti-takeover devices) to a shareholder vote;
- Repeal classified (staggered terms) boards of directors;
- Submit future golden parachutes to a shareholder voter;
- Reduce supermajority votes;
- Expense stock options;
- Cumulative voting;
- Separate the offices of chair and CEO and/or install independent director as chair;
- Confidential voting;
- Allow shareholders access to the company's proxy materials to nominate directors ("Proxy Access");
- Provide for an independent lead director;
- Provide that all stock plans be performance-based;
- Require that auditors only do audit and legitimate audit-related work;
- Report on or adopt commonly accepted principles of conducts (e.g., Ceres Principles on the environment, UN International Labor Organizations Fundamental Conventions, fair lending practices, U.S. Equal Employment Opportunity Commission).
- Disclose political contributions and/or lobbying expenditures;
- Majority vote standard for director elections; and
- Allow shareholders to call special meetings.

All other shareholder proposals shall be considered by PERA managers on a case-by-case basis, with reference to the generally stated principles in these guidelines.

G. Environmental and Social Risk

PERA believes companies should actively evaluate risks to long-term shareholder value stemming from poor governance practices. In addition, we believe companies should consider their exposure to environmental and social risk, including changes in environmental or social regulation with respect to their operations, as well as related legal and reputational risks and should incorporate this exposure into their overall business risk profile. Companies should disclose to shareholders both the nature and magnitude of such risks as well as steps they have taken or will take to mitigate those risks.

When situations where shareholder value is at risk, we recommend voting in favor of a reasonable and well-targeted shareholder proposal if it is believed supporting the proposal will promote disclosure of and/or mitigate significant risk exposure. In egregious cases where a company has

failed to adequately mitigate risks stemming from environmental or social practices, we recommend shareholders vote against directors.

- PERA managers should generally vote FOR proposals that ask for disclosure reporting of information that is not available outside the company that is not proprietary in nature. Such reporting is particularly most vital when it appears that a company has not adequately addressed shareholder concerns regarding social, workplace, environmental and/or other issues.
- Other proposals should be evaluated on a CASE-BY-CASE basis, taking into consideration whether the request is relevant to the company's core business, overall industry practice and the proponent's rationale.

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

Adopted: December 17, 1992

Amended: December 10, 2013

By: 

Patricia (Patty) French, Chairperson
Public Employees Retirement Association of New Mexico

**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO
PROXY VOTING POLICY**

REVISED: DECEMBER 17, 1992

FINDINGS:

In response to a report from the Proxy Voting Subcommittee and the Investment Committee, the Board adopts the following as its policy on proxy voting:

1. The Board, as trustee of the PERA funds, has the fiduciary duty to vote proxies unless it has delegated this authority to an investment manager.
2. By contractual agreement, the Board has delegated its authority and obligation to vote its proxies to its equity investment managers.
3. In executing this fiduciary responsibility delegated to them by the Board, the investment managers must exercise the same care, skill prudence and diligence with respect to proxy voting as they exercise with the financial management of the funds assets.
4. Although it has delegated the authority to vote its proxies to the investment managers, the Board retains the fiduciary responsibility to monitor the proxy voting process.

RECOMMENDATIONS:

The primary responsibility of the Board is to insure that the returns to the fund are maximized to maintain the present and future actuarial soundness of the PERA fund. With this in mind, the Subcommittee makes the following recommendations:

1. All PERA investment managers should be required to keep accurate records documenting their proxy voting process with respect to PERA funds.
2. All PERA investment managers should provide to PERA copies of their proxy voting policies, procedures and guidelines. Copies of these procedures should be maintained in the PERA Investment Division.
3. The PERA staff, working with the investment consultant, should develop a procedure to maintain oversight of the investment manager's exercise of their proxy voting authority.
4. The Board should refrain from directing the investment managers on how to vote particular proxies or from taking any action that could be construed as an attempt to influence the manager's vote.
5. The PERA staff, working with the investment consultant, shall provide the Board with annual reports in July of each year of the proxy voting activity related to PERA funds.

THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION Of NEW MEXICO



INVESTED IN TOMORROW.

PROXY VOTING POLICY

Adopted by the Board of Trustees
~~December 10, 2013~~ TBD

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**THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO
PROXY VOTING 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 June 2023, 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).

~~The Public Employees Retirement Association of New Mexico (PERA), created by law in 1947, is the entity established for the purpose of administering the provisions of the Public Employees Retirement Act of New Mexico, NMSA 1978, Sections 10-11-1 to 10-11-142, as amended, the Volunteer Firefighters Retirement Act, NMSA 1978, Sections 10-11A-1 to 10-11A-7, 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, Section 10-11-133.1, as amended, as well as other federal and State laws relating to the public employees retirement system in the State of New Mexico. As of August 2012, PERA administers thirty-one retirement plans covering state employees, municipal employees, county employees, police, firefighters, judges, magistrates, and legislators.~~

B. Standards of Care Authorities 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.

Uniform Prudent Investor Act

The Uniform Prudent Investor Act (UPIA) [45-7-601 to 45-7-612 NMSA 1978] and Section 10-11-132 NMSA, 1978 govern PERA investments. In summary, the UPIA states that all persons responsible in making investment decisions for the Public Employees Retirement Fund (Fund) will exercise the care, skill, prudence and diligence under the circumstances then prevailing that a prudent investor acting in a

~~like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Investments are to be diversified so as to minimize the risk of large losses, unless under the circumstances, it is clearly prudent not to do so.~~

The statutes are the foundation for the PERA Policy. The Board adopts the following ~~guiding~~ principles and objectives ~~for investment activity~~ to guide its investment strategies and decisions:

1. Preserve the long-term principal of the Fund.
2. Maximize total return within prudent risk parameters.
3. ~~Act in the exclusive interest of PERA members, retirees and beneficiaries.~~ Maintain sufficient liquidity to meet PERA's obligations.

C. 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 the fiduciary capacity to PERA. Board members and PERA employees 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. Trustees and Staff involved in the investment process will 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 impartial decisions as addressed in Section III of the Board Policy and Procedures.~~

II. STATEMENT OF PURPOSE

A. Mission Statement

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

Public Employees Retirement Association of New Mexico (PERA) is governed by the Public Employees Retirement Board (Board). The Board has a fiduciary responsibility to the Retirement Fund's (Fund) members, retirees and beneficiaries. To acknowledge this responsibility, the Board has accepted the following as their Mission Statement:

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.

B. Purpose of the Proxy Voting Policy

The purpose of the Proxy Voting Policy (Policy) is to support proposals that maximize the value of the Fund's investments over the long term. Proxy voting guidelines have been developed to ensure that the Fund is able to provide adequate assets to pay retirement benefits to the members of the Plan. PERA believes that each portfolio's Investment Manager is in the best position to assess the financial implications presented by policy issues and the impact a particular vote may have on the value of a security. Proxy voting is considered to be a component of the investment decision process.

The Policy provides guidance for fiduciaries which include PERA's Board, Staff, and investment managers. PERA does not intend for these guidelines to be exhaustive. Hundreds of issues appear on proxy ballots every year, and it is neither practical nor productive to fashion voting guidelines and policies that attempt to address every eventuality. Rather, these guidelines are intended to cover the most significant and frequent proxy issues that arise. Issues not covered by the guidelines shall be voted in the interest of the participants and beneficiaries of the plan.

III. 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.

The Board relies on both internal Staff and external contractors to properly administer the Fund and implement its investment strategies. Because of the number of parties involved, their roles as fiduciaries must be clearly identified. Such identification increases operational efficiency, ensures clear lines of responsibility, and reduces or eliminates duplication of effort.

A. 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.

The primary fiduciary responsibility of the Board is to ensure prudent investment and expenditure of the Fund's assets. It is the responsibility of the Board to administer the investments of PERA at reasonable cost, being careful to avoid diminishing quality. These costs include, but are not limited to, management and custodial fees, consulting fees, transaction costs and other administrative costs chargeable to PERA. The Board will operate the investment program in compliance with all applicable federal and State laws and regulations concerning the investment of pension assets. The Board is responsible for establishing and maintaining all policies and guidelines by which the Fund is managed, and by which the Board operates.

B. ~~Proxy Voting~~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.

To assist the Board in carrying out its duties, it has established an ~~Proxy Voting~~Investment Committee (Committee).

Through New Mexico Administrative Code Rules (NMAC), the Board establishes the Committee and the Board Chair appoints the members of the Committee as well as the Committee Chair. The Committee makes recommendations to the Board on proxy voting.

The Committee will meet as necessary to address and implement this Policy. Staff and Consultant(s) will brief the Committee on any topics or issues pertinent to PERA's investment operations, and make recommendations to the Committee for appropriate courses of action. The Committee Chair will have the duty and the authority to set Committee meeting agenda and request specific analysis and reports from the Staff and Consultants.

C. 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.

The Executive Director (Director) is appointed by, and serves at the pleasure of the Board. The Director is responsible for planning, organizing, and administering the operations of PERA under broad policy guidance and direction from the Board. The Director, with assistance of Staff (his/her designee), monitors the performance of the investment portfolio; ensures that funds are invested in accordance with Board policies; communicates with the Board, its Officers and Committee Chairs; studies, recommends, and ensures the implementation of policy and operational procedures that will enhance the investment program of PERA; and ensures that proper internal controls are developed to safeguard the assets of PERA. In fulfilling these investment responsibilities, the Director relies heavily on the Investment Staff and Consultant(s).

D. 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.

The Internal Investment Staff (Staff) reports directly to the Chief Investment Officer (CIO) who in turn reports to the Director. The CIO has primary responsibility for the implementation of the investment program. The CIO, with the assistance of Staff, has the responsibility and authority to advise the Board and its committees on the establishment of investment and administrative policy, to implement the policies and programs established by the Board, to report to the Board on the status of the Fund, and to carry out such other duties the Director, Board or Committee delegate to him/her.

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E. General Counsel and Office of General Counsel 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.

The Office of General Counsel staff (OGC Staff) reports directly to the General Counsel who in turn reports to the Director. The General Counsel is primarily responsible for legal compliance of the investment program and advises the Board on investment related legal matters. The General Counsel, with the assistance of OGC Staff, coordinates legal due diligence by external legal counsel for alternative investments, including transactional, regulatory and federal tax matters. OGC Staff exercise the same fiduciary responsibility under applicable law as the Board.

~~FG. External Investment Managers~~

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. Investment managers shall review the PERA Proxy Voting Policy yet have full discretion for the investment of the account and the voting of proxies, consistent with their policy and contractual guidelines. They shall provide quarterly proxy voting reports for documentation and transparency.

The external Investment Managers (Managers) are selected by, and serve at the pleasure of, the Board. Each Manager will be a registered adviser under the Investment Advisers Act of 1940 (or appropriately exempt from registration) and operate under a formal contract that sets investment guidelines and administrative requirements and defines responsibilities and performance expectations for management of each mandate. Managers should review the PERA Proxy Voting Policy, yet have full discretion in regardings to investment of the account and the voting of proxies, consistent with their policy and contractual guidelines, is granted to all investment managers with the understanding that the duty of loyalty requires that the voting fiduciary exercise proxy voting authority solely in the interests of members and beneficiaries of PERA.

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PERA acknowledges that each annual, special or contested meeting held by a company is unique in its own right. Proposals put before shareholders are specific to each company based upon the dynamics of that company and that there can be no one-size fits all approach to proxy voting. Below are select best practices and beliefs that PERA directs its external asset managers to consider and vote PERA shares accordingly when practicable.

A. Board of Directors

Corporate Boards serve shareholders and protect their interests. PERA seeks Boards with a proven record of protecting shareholders and delivering value over the medium- and long-term. PERA believes that Boards working to protect and enhance the best interests of shareholders are independent, have directors with diverse backgrounds, have a record of positive performance, and have members with a breadth and depth of relevant experience. PERA expects managers to hold directors to a high standard when voting on their election, qualifications, and compensation. PERA managers should evaluate directors fairly and objectively, rewarding them for significant contributions and holding them ultimately accountable to shareholders for corporate performance. [As practicable, PERA's managers should:](#)

- Generally vote against or withhold from directors individually, committee members, or the entire board, due to:
 - Material failures of governance, stewardship, risk oversight², or fiduciary responsibilities at the company;
 - Failure to replace management as appropriate;
- Generally vote against or withhold from the Board if the board failed to act on a shareholder proposal that received the support of a majority of the shares cast in the previous year. Factors that will be considered are:
 - Disclosed outreach efforts by the board to shareholders in the wake of the vote;
 - Rationale provided in the proxy statement for the level of implementation;
 - The subject matter of the proposal;
 - The level of support for and opposition to the resolution in past meetings;
 - Actions taken by the board in response to the majority vote and its engagement with shareholders;

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¹ Much of this document is directly sourced from [ISS' Board-Aligned Proxy Voting Guidelines and Policy Recommendations, Published December 13, 2022.](#)

² Examples of failure of risk oversight include but are not limited to: bribery; large or serial fines or sanctions from regulatory bodies; demonstrably poor risk oversight of environmental and social issues, including climate change; significant adverse legal judgments or settlement; or hedging of company stock.

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- The continuation of the underlying issue as a voting item on the ballot (as either shareholder or management proposals); and
- other factors as appropriate.

- Generally vote against or withhold from the Board if the board failed to act on takeover offers where the majority of shares were tendered,
- Generally vote against or withhold from the Board if at the previous board election, any director received more than 50 percent withhold/against votes of the shares cast and the company has failed to address the issue(s) that caused the majority withhold/against vote,

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PERA believes that a Board should be composed of a majority of independent directors. PERA defines an independent director as someone who does not have any kind of significant affiliation with the company other than the directorship. A director is defined as independent if he or she either has only one nontrivial connection to the corporation--that of his or her directorship. A director generally will not be considered independent if:

- currently or previously employed by the company or an affiliate in an executive capacity;
- employed by a present or former auditor of the company in the past five years;
- employed by a firm that is one of the company's paid advisors or consultants;
- employed by a customer or supplier with a nontrivial business relationship;
- employed by a foundation or university that receives grants or endowments from the company;
- the person has any personal services contract with the company;
- related to an executive or director of the company; or
- an officer of a firm on which the company's chairman or chief executive officer also is a board member.

- Vote against³ or withhold from non-independent directors (per the company's determination of independence) as appropriate when the company fails to meet exchange requirements for board independence and key committee independence,

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PERA further believes that separating the roles of corporate officers and the chairman of the Board is a better governance structure than a combined executive/chairman position. The role of executives is to manage the business on the basis of the course charted by the board. Executives should be in the position of reporting and answering to the Board for their performance in achieving the goals set out by such Board. This becomes much more complicated when management actually sits on, or chairs, the Board.

We view an independent chairman as better able to oversee the executives of the company and set a pro-shareholder agenda without the management conflicts that a CEO and other executive insiders often face. This, in turn, leads to a more proactive and effective Board of Directors that is looking out for the interests of shareholders above all else.

³ In general, companies with a plurality vote standard use "Withhold" as the contrary vote option in director elections; companies with a majority vote standard use "Against". However, it will vary by company and the proxy must be checked to determine the valid contrary vote option for the particular company.

In the absence of an independent chairman, we support the appointment of a presiding or lead director with authority to set the agenda for the meetings and to lead sessions outside the presence of the insider chairman. PERA managers should:

- Generally vote FOR shareholder proposals calling for an independent board chair or separation of the two positions

PERA believes good corporate governance requires companies to establish nominating, compensation, audit and governance committees, all of which should be comprised of only independent directors. ~~PERA managers should~~ PERA managers should vote on a case-by-case basis on Compensation Committee members (or in exceptional cases, the full board) and the Say on Pay proposal if the company's previous say-on-pay received the support of less than 50 percent of the votes cast. Factors that will be considered are:

- The company's response, including:
 - Disclosure of engagement efforts with major institutional investors, including the frequency and timing of engagements and the company participants (including whether independent directors participated);
 - Disclosure of specific concerns voiced by dissenting shareholders that led to the say-on-pay opposition;
 - Disclosure of specific and meaningful actions taken to address shareholders' concerns;
- Other recent compensation actions taken by the company;
- Whether the issues raised are recurring or isolated; and
- The company's ownership structure.
- ~~Generally vote AGAINST or WITHHOLD votes from any non-independent director who serves on a key board committee.~~

The performance of the key board committees is also a factor for consideration in the election of directors. PERA managers should consider specific actions of the committees in upholding the general principles of these guidelines. For example:

- Votes against the members of the compensation committee should be considered if the committee has approved excessive executive compensation;
- Votes against members of the nominating committee should be considered when a board fails to implement a reform that was approved by a majority of shareholders; or
- Votes against or withhold from the chair of the nominating committee (or other directors on a case-by-case basis) at companies that fail to meet exchange requirements for board diversity;
- Votes against members of the ~~A~~udit ~~C~~ommittee should be considered if an auditor receives more than half its fees from non-audit services;
- Votes against or withhold from the members of the Audit Committee and potentially the full board if poor accounting practices are identified that rise to a level of serious concern, such as: fraud; misapplication of GAAP; and material weaknesses identified in Section 404 disclosures. Examine the severity, breadth, chronological sequence, and duration, as well as the company's efforts at remediation or corrective actions, in determining whether withhold/against votes are warranted.

Lastly, PERA believes strongly that all directors should be elected by a majority vote of shareowners and that Boards be declassified, which allows for greater ease to change control of a company

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through a proxy contest, a valuable avenue toward director responsibility and accountability to shareholders.

B. Executive Compensation

PERA believes executive compensation is of utmost importance and critical determinant of any company's performance. A well-designed executive compensation plan aligns the interests of senior management with the long-term interests of the company and its shareholders. PERA believes that executive pay programs should be fair, competitive, reasonable and appropriate, and pay for performance should be the major theme for executive compensation. The compensation committee has a duty to represent the interests of shareholders when setting executive pay. As required by Dodd-Frank, companies are required to give shareholders an advisory vote on executive compensation (aka management "say on pay" or MSOP). This non-binding shareholder vote on compensation must be included in a proxy at least once every 3 years.

PERA managers should evaluate executive pay and practices on a CASE-BY-CASE basis. In general, votes should support compensation that provides challenging performance objectives and properly align executives with long-term growth and value, and oppose compensation that adversely affect shareholders, are excessively generous or lack clear and challenging performance goals. PERA managers should vote AGAINST management say on pay (MSOP) proposals if:

- The company maintains significant problematic pay practices, such as:
 - New employment agreements that contain excise tax gross-ups;
 - Option backdating;
 - Guaranteed bonuses;
 - Excessive termination or change-in-control (CIC) severance payments;
 - CIC severance payments without involuntary job loss or substantial diminution of duties ("single" or "modified single" triggers).
- The board exhibits a significant level of poor communication and responsiveness to shareholders following one or more Say-on-Pay votes with greater than 50 percent opposition.
- There is a misalignment between CEO pay and company performance (pay for performance, i.e., one- and three-year alignment between company performance and CEO pay);
- ~~The company maintains problematic pay practices (e.g., excessive perks, guaranteed bonuses, tax gross-ups);~~

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- Dodd-Frank also requires an advisory vote to determine whether an MSOP vote by shareholders to approve compensation should occur every one, two, or three years. The MSOP is at its essence a communication vehicle, and communication is most useful when it is received in a consistent and timely manner. PERA managers should vote FOR annual advisory votes on compensation, which provide the most consistent and clear communication channel for shareholder concerns about companies' executive pay programs.

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Analyzing Equity and Pay Plans. Stock-based incentive plans and grants can be among the most economically significant issues placed before shareholders for a vote. Approval of these plans can result in large transfers of shareholder equity out of the company as awards vest and are exercised. The cost associated with such transfers must be measured if incentive plans are to be managed properly. And when misused, stock options can give executives an incentive to inflate earnings, take

excessive risks, or make misleading forecasts in order to keep stock prices high. PERA supports equity-based compensation plans. In general, PERA managers should evaluate executive and director compensation plans on a CASE-BY-CASE basis. When evaluating equity-based compensation items on ballot, PERA managers should consider whether the plans are:

- Performance-based (including performance-vesting for restricted stock awards)
- Dilution (where new plans do not overly dilute the earning and voting power of shares outstanding)
- Grant rates (i.e., are the grants distributed broadly, or concentrated to a select group of executives)

PERA managers should vote against equity plans that expressly permit the reprising or exchange of underwater stock options/stock appreciation rights (“SARs”) without prior shareholder approval. “Repricing” is the ability to do any of the following; however there may be additional provisions as akin to reprising depending on the facts and circumstances:

- Amend the terms of outstanding options or SARs to reduce the exercise price of such outstanding options or SARs;
- Cancel outstanding options or SARs in exchange for options or SARs with an exercise price that is less than the exercise price of the original options or SARs;
- Cancel underwater options in exchange for stock awards;
- Provide cash buyouts of underwater options.

C. Ratification of Auditors

PERA believes that role of the auditor is crucial in protecting shareholder value. In our view, shareholders should demand the services of objective and well-qualified auditors at every company in which they hold an interest. Like directors, auditors should be free from conflicts of interest and should assiduously avoid situations that require them to make choices between their own interests and the interests of the shareholders.

~~We generally support management’s recommendation regarding the selection of an auditor.~~ PERA supports voting with board recommendations on ratifying auditors. However, we recommend voting against the ratification of auditors for any of the following reasons:

- There is reason to believe that the independent auditor has rendered an opinion that is neither accurate nor indicative of the company’s financial position;
- Poor accounting practices are identified that rise to a serious level of concern, such as fraud or misapplication of GAAP.
- When audit fees added to audit-related fees total less than one-half of total fees.
- When there have been any recent restatements or late filings by the company where the auditor bears some responsibility for the restatement or late filing (e.g., a restatement due to a reporting error).
- When the company has aggressive accounting policies.
- When the company has poor disclosure or lack of transparency in financial statements.
- When there are other relationships or issues of concern with the auditor that might suggest a conflict between the interest of the auditor and the interests of shareholders.

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- When the company is changing auditors as a result of a disagreement between the company and the auditor on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures.

D. Antitakeover Defenses and Related Issues

PERA believes that poison pill plans generally are not in the best interests of shareholders. Specifically, they can reduce management accountability by substantially limiting opportunities for corporate takeovers. Rights plans can thus prevent shareholders from receiving a buy-out premium for their stock.

We believe that Boards should be given latitude in directing the activities of the company and charting the company's course. However, on an issue such as this where the link between the financial interests of shareholders and their right to consider and accept buyout offers is so substantial, we believe that shareholders should be allowed to vote on whether or not they support such a plan's implementation.

In certain limited circumstances, we can support a limited poison pill to accomplish a particular objective, such as the closing of an important merger, or a pill that contains what we believe to be a reasonable 'qualifying offer' clause.

Proposals to increase the number of authorized shares should be evaluated on a case-by-case basis. Adequate capital stock is important to the operation of a company. When analyzing a request for additional shares, one should typically review four common reasons why a company might need additional capital stock beyond what is currently available:

- Stock split
- Shareholder defenses
- Financing for acquisitions
- Financing for operations

Unless the company has not disclosed a detailed plan for use of the proposed shares, or where the number of shares far exceeds those needed to accomplish a detailed plan, we typically recommend in favor of the authorization of additional shares.

E. Voting Structure

PERA supports cumulative voting, which is a voting process that maximizes the ability of minority shareholders to ensure representation of their views on the Board. Cumulative voting generally operates as a safeguard by ensuring that those who hold a significant minority of shares are able to elect a candidate of their choosing to the board.

PERA also favors a simple majority voting structure. Supermajority vote requirements act as impediments to shareholder action on ballot items that are critical to shareholders interests. One key example is in the takeover context where supermajority vote requirements can strongly limit shareholders' input in making decisions on such crucial matters as selling the business.

F. Shareholder Proposals

PERA generally favors proposals that are likely to increase shareholder value and/or promote and protect shareholder rights. PERA managers should generally support the following shareholder proposals unless there are extraordinary circumstances involved:

- Adopt a proxy access right with the following provisions:
 - Ownership threshold: maximum requirement of not more than 3 percent of the voting power;
 - Ownership duration: maximum requirement not longer than 3 years of continuous ownership for each member of the nominating group;
 - Aggregation: minimal or no limits on the number of shareholders permitted to form a nominating group;
 - Cap: cap on nominees of generally 25 percent of the board.
- Amend an existing proxy access right;
- Remove or submit poison pill plans (anti-takeover devices) to a shareholder vote;
- Repeal classified (staggered terms) boards of directors and to elect all directors annually;
- Submit future golden parachutes to a shareholder voter;
- Reduce supermajority votes;
- Expense stock options;
- Cumulative voting;
- Seek to address or prevent egregious practices (e.g., shareholder proposals that request the introduction of malus or clawback provisions);
- Separate the offices of chair and CEO and/or install independent director as chair;
- Confidential voting;
- Allow shareholders access to the company's proxy materials to nominate directors ("Proxy Access");
- Provide for an independent lead director;
- Provide that all stock plans be performance-based;
- Require that auditors only do audit and legitimate audit-related work;
- Report on or adopt commonly accepted principles of conducts (e.g., Ceres Principles on the environment, UN International Labor Organizations Fundamental Conventions, fair lending practices, U.S. Equal Employment Opportunity Commission).
- Disclose political contributions and/or lobbying expenditures;
- Majority vote standard for director elections; and
- Allow shareholders to call special meetings taking into account the following factors:
 - Shareholders' current right to call special meetings;
 - Minimum ownership threshold necessary to call special meetings;
 - The inclusion of exclusionary or prohibitive language;
 - Investor ownership structure;
 - Shareholder support of, and management's response to, previous shareholder proposals.
- Reduce the ownership threshold to call special meetings.

All other shareholder proposals shall be considered by PERA managers on a case-by-case basis, with reference to the generally stated principles in these guidelines.

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G. Environmental and Social Risk

PERA believes companies should actively evaluate risks to long-term shareholder value stemming from poor governance practices. In addition, we believe companies should consider their exposure to environmental and social risk, including changes in environmental or social regulation with respect to their operations, as well as related legal and reputational risks and should incorporate this exposure into their overall business risk profile. Companies should disclose to shareholders both the nature and magnitude of such risks as well as steps they have taken or will take to mitigate those risks.

When situations where shareholder value is at risk, we recommend voting in favor of a reasonable and well-targeted shareholder proposal if it is believed supporting the proposal will promote disclosure of and/or mitigate significant risk exposure. In egregious cases where a company has failed to adequately mitigate risks stemming from environmental or social practices, we recommend shareholders vote against directors.

- PERA managers should generally vote FOR proposals that ask for disclosure reporting of information that is not available outside the company that is not proprietary in nature. Such reporting is particularly most vital when it appears that a company has not adequately addressed shareholder concerns regarding social, workplace, environmental and/or other issues.
- Other proposals should be evaluated on a CASE-BY-CASE basis, taking into consideration whether the request is relevant to the company's core business, overall industry practice and the proponent's rationale.

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

Adopted: December 17, 1992

Amended: December 10, 2013

Amended: TBD

By: _____

~~Patricia (Patty) French~~ Paula Fisher, Chairperson
Public Employees Retirement Association of New Mexico

**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO
PROXY VOTING POLICY**

REVISED: DECEMBER 17, 1992

FINDINGS:

In response to a report from the Proxy Voting Subcommittee and the Investment Committee, the Board adopts the following as its policy on proxy voting:

1. The Board, as trustee of the PERA funds, has the fiduciary duty to vote proxies unless it has delegated this authority to an investment manager.
2. By contractual agreement, the Board has delegated its authority and obligation to vote its proxies to its equity investment managers.
3. In executing this fiduciary responsibility delegated to them by the Board, the investment managers must exercise the same care, skill, prudence and diligence with respect to proxy voting as they exercise with the financial management of the funds assets.
4. Although it has delegated the authority to vote its proxies to the investment managers, the Board retains the fiduciary responsibility to monitor the proxy voting process.

RECOMMENDATIONS:

The primary responsibility of the Board is to insure that the returns to the fund are maximized to maintain the present and future actuarial soundness of the PERA fund. With this in mind, the Subcommittee makes the following recommendations:

1. All PERA investment managers should be required to keep accurate records documenting their proxy voting process with respect to PERA funds.
2. All PERA investment managers should provide to PERA copies of their proxy voting policies, procedures and guidelines. Copies of these procedures should be maintained in the PERA Investment Division.
3. The PERA staff, working with the investment consultant, should develop a procedure to maintain oversight of the investment manager's exercise of their proxy voting authority.
4. The Board should refrain from directing the investment managers on how to vote particular proxies or from taking any action that could be construed as an attempt to influence the manager's vote.
5. The PERA staff, working with the investment consultant, shall provide the Board with annual reports in July of each year of the proxy voting activity related to PERA funds.

Proxy Voting Recommendations (December 2013)

~~Add a question to the RFP to confirm whether the IM will vote according to the NM PERA Proxy Voting Policy. If not, why? Will we give non-compliant IMs an exemption from the Policy and Procedure or will we refuse to consider them for the mandate?~~

~~Require IM to submit quarterly proxy voting statements to PERA.~~

~~Retain ability to receive company specific proxy research reports from IM (authored by either ISS or Glass Lewis or other).~~

~~Retain ability to require and generate from IM company specific research and voting ad-hoc reports.~~

~~Submit to the Board annually ISS Post Season Review and summary of shareholder vote results on key shareholder and management proposals at all U. S. companies. The report will identify and examine trends in executive compensation, governance and takeover defense proposals, environmental and social issues, and proxy contest activity.~~

<http://www.issgovernance.com/knowledge/papers>

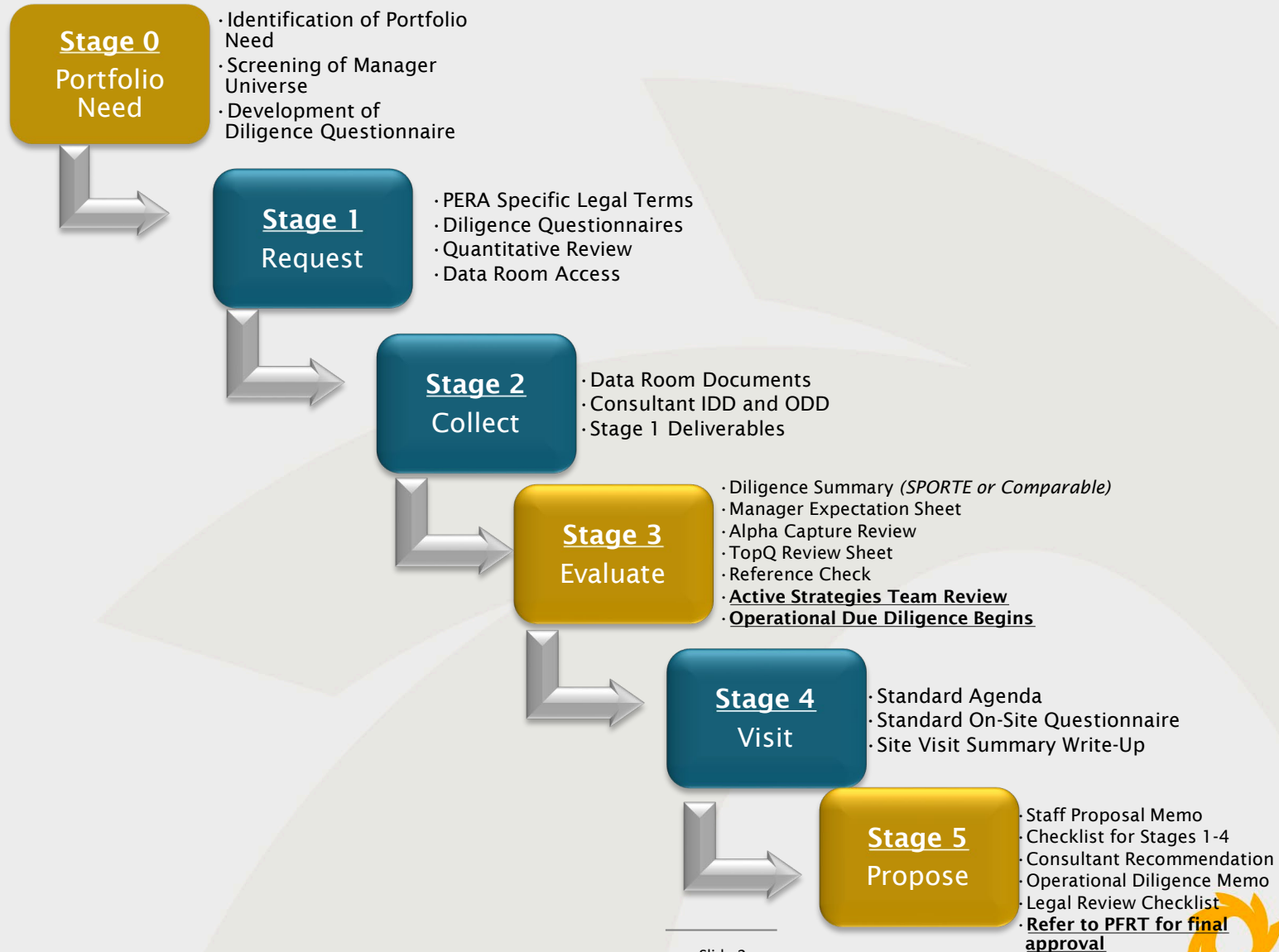


PERA

Manager Selection Activity Report

June 11, 2024

Overview: Manager Selection Process



Manager Selection Pipeline

Illiquid Investments	Allocation	Commitment	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Residential Multi-Strategy Summary: Credit (Follow-on)	Credit	-	Complete	Complete	Complete		
NMPERA TPG AG Origination Fund, L.P. Summary: Credit Fund of One (New Mandate)	Credit	\$250m	Complete	Complete	Complete	Complete	Complete
NM PERA Pedernal Neuberger Berman, L.P. Summary: Credit Fund of One (New Mandate)	Credit	\$250m	Complete	Complete	Complete	Complete	Complete
Atalaya Special Opportunities Fund IX, L.P. Summary: Credit (Follow-on)	Credit	\$100m	Complete	Complete	Complete	Complete	Complete
Sector Focused Large Cap Buyout/Co-Invest Summary: Private Equity (Follow-on)	Global Equity	-	Complete	Complete	Complete	Complete	
Tenex Capital Partners IV, L.P./NMPERA White Sands Co-Invest, L.P. Summary: Private Equity (Follow-on)	Global Equity	\$60/30m	Complete	Complete	Complete	Complete	Complete
Real Estate Summary: Real Estate (New Mandate)	Real Assets	-	Complete	Complete	Complete		
Harrison Street Core Property Fund, L.P. Summary: Open End Real Estate (New Mandate)	Real Assets	\$50m	Complete	Complete	Complete	Complete	Complete
Core Infrastructure/Co-Invest Summary: Closed End Infrastructure (New mandate)	Real Assets	-	Complete	Complete	Complete		

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

Slide 3



Manager Selection Pipeline

Absolute Return	Allocation	Commitment	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Multi-Strategy Summary: Hedge Fund (New Mandate)	Absolute Return		Complete	Complete			
Multi-Strategy Summary: Hedge Fund (New Mandate)	Absolute Return		Complete	Complete	Complete	Complete	

Liquid	Allocation	Commitment	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Bank Loan and CLO RFI Summary: Credit Restructure	Credit		Complete	Complete	Complete		
Emerging Markets ex-China RFI Summary: Global Public Stock Restructure	Global Equity		Complete				

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

Portfolio Fit and Process Review Team

Opportunities Reviewed	Date	Members	IC Observer	Agreement
<u>NMPERA TPG AG Origination Fund, L.P.</u> Summary: Credit Fund of One (New Mandate)	April 10, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	Juan Diaz	Yes
<u>Atalaya Special Opportunities Fund IX, L.P.</u> Summary: Credit (Follow-on)	April 26, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	*	Yes
<u>Tenex Capital Partners IV, L.P./NMPERA White Sands Co-Invest, L.P.</u> Summary: Private Equity (Follow-on)	April 26, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	*	Yes
<u>Termination – Acadian International Equity</u> Summary: Elimination of active EAFE exposure	April 26, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	*	Yes
<u>Termination – MFS Intrinsic Value Equity</u> Summary: Elimination of active EAFE exposure	April 26, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	*	Yes
<u>Transition of Index from MSCI ACWI IMI to MSCI World ex-US</u> Summary: Reduce benchmark mismatch, increase passive exposure, reduce fees	April 26, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	*	Yes
<u>Harrison Street Core Property Fund, L.P.</u> Summary: Open End Real Estate (New Mandate)	May 31, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	Diana Rosales-Ortiz	Yes
<u>NM PERA Pedernal Neuberger Berman, L.P.</u> Summary: Credit Fund of One (New Mandate)	May 31, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	Diana Rosales-Ortiz	Yes

*Board Chair and IC member, Paula Fisher was briefed following the meeting.

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



PERA

**Illiquid Credit Investment Proposal:
NM PERA TPG AG Origination Fund, L.P.**

April 3, 2024

Clayton Cleek, CFA

Proposal

The Active Strategies Team proposes committing up to \$250 million to NM PERA TPG AG Origination Fund, managed by Twin Brook Capital Partners (“Twin Brook”), a wholly-owned subsidiary of TPG Angelo Gordon (“TPG AG”). The Fund will be an evergreen mandate that seeks to utilize a high degree of credit selectivity to generate attractive risk-adjusted returns via senior secured corporate loans. The firm’s ability to originate, underwrite and act as lead arranger for loans made to sponsor-backed U.S. corporates makes it an attractive partner for core private credit capital.

Angelo Gordon represents the sixth vertical in TPG’s organization and focuses on alternative investments with an absolute return orientation. Founded in 1988, AG has grown to manage approximately \$78bn of assets with over 650 employees. In November 2023 TPG Inc., a San Francisco based private equity firm with \$138bn AUM, finalized the acquisition of Angelo Gordon in a cash and equity transaction valued at approximately \$2.7bn.

Twin Brook focuses on originating, underwriting and actively managing a diverse portfolio of senior secured loans to sponsor-backed companies in the lower middle market, defined as having less than \$25m of EBITDA. Historical hold sizes represent a strong majority of invested tranches, which provides significant control over debt structures and the ability to control downsides or restructuring. Twin Brook’s platform follows a generalist approach, with less than 20% of capital historically invested in cyclical industries and health care comprising upwards of 30%.

By acting as lead lender in the less competitive lower middle market, Twin Brook has been able to maintain several lender protections that have eroded in the core and upper middle markets. Among these are monthly, rather than quarterly, data feeds from borrower companies, at least two maintenance covenants in each transaction, and frequent use of revolver facilities by borrowers. Revolver utilization is used as a key indicator into the health of company balance sheets and cash flow. Maintenance covenants also allow Twin Brook to begin working with troubled borrowers in a more proactive manner compared to those with less restrictive covenants.

All proposals are subject to satisfactory legal review, prior to final execution.

This recommendation 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 recommended 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.

FIVE Stage Process Results – Reasons to Invest

Fit in Portfolio

Per the SAA, Credit should constitute 17% of the total portfolio, of which Illiquid Credit is 53% (or 9% of the total portfolio). In consultation with Aksia, staff have targeted five evergreen open-end private credit commitments of up to \$250m each that will recycle principal and pay out quarterly income. NM PERA TPG AG Direct Origination Fund will fill the role of a senior secured lower middle market lender in the Illiquid Credit Portfolio, alongside other corporate credit, real estate and specialty finance focused mandates.

Implementation of Strategy

Lower middle market lending is more operationally intensive and has been viewed by many investors as higher risk, although data does not bear this out. Consequently, many lenders have moved into the core or upper middle market spaces above \$25m EBITDA. This has created an opportunity for Twin Brook to effectively scale lending capacity while maintaining underwriting standards. Additionally, it allows the firm to realize benefits to scale in generating fee income by leading and syndicating deals while maintaining higher spreads and greater covenant protection than in the core or upper middle markets.

Value Add

Twin Brook was founded to source, originate, underwrite and manage loans to sponsor-backed lower middle market companies, and that remains its sole strategy. This combined with its team's experience prior to forming Twin Brook gives it both a database and knowledge base that few other lenders can match.

Edge

Few investment teams in the lower middle market have comparable depth and experience in sourcing and originating loans. Twin Brook's portfolio managers and senior origination professionals each have 20+ years of middle market lending experience. Additionally, the breadth of the platform allows the firm to close a significant number of add-on transactions, which have increased in importance as M&A and LBO activity has fallen.



PERA

**Illiquid Credit Investment Proposal:
Atalaya Special Opportunities Fund IX, L.P.**

April 24, 2024 PRISM

Clayton Cleek, CFA, Portfolio Manager

Proposal

The Active Strategies Team proposes committing up to \$100 million to Atalaya Special Opportunities Fund IX, L.P. Founded in 2006 by Ivan Zinn, Atalaya Capital Management L.P. is a privately held alternative investment advisory firm headquartered in New York City. It primarily focuses on making asset-based private credit and special opportunities investments across specialty finance, corporate, and real estate. Since inception, the Firm has invested approximately \$17 billion, with over \$10 billion invested in specialty finance.

The ASOF fund series seeks to generate attractive risk-adjusted returns by purchasing and/or originating asset-based investments to create a diversified portfolio across specialty finance, corporate, and real estate opportunities. The Strategy has a total return focus and seeks to achieve a 13%+ net IRR through a combination of cash yield and capital gains. ASOF IX targets a net MOIC of 1.5x -1.7x+ and has historically generated significant capital recycling, driven by its focus on short-duration investments with a high degree of cash flow velocity. Atalaya believes that ASOF IX will feature a 50-60% allocation to specialty finance, 40-50% allocation to corporate, and a 0-10% allocation to real estate investments.

ASOF targets investments with a credit orientation and aims to achieve attractive risk-adjusted performance throughout market cycles while providing downside protection. Atalaya combines this focus on downside protection with an emphasis on creating opportunities for upside convexity via attractive attachment points, warrants, equity participations, and other advantageous structures.

In the Strategy, Atalaya typically targets average investment sizes between \$30-\$50 million. Position sizes typically do not exceed 10% of the applicable fund. The average holding period to maturity on ASOF investments is typically two to four years. NM PERA committed \$50m to ASOF VI in 2016. The Fund has produced a 13.3% net IRR, 1.39x DPI and 1.44x TVPI through December 30, 2023 and \$27.2m in total wealth. Atalaya expects to distribute the remaining \$2.7m by the end of 2024. This is in line with expectations.

All proposals are subject to satisfactory legal review, prior to final execution.

This recommendation 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 recommended 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.

FIVE Stage Process Results – Reasons to Invest

Fit in Portfolio

Per the SAA, Credit should constitute 17% of the total portfolio, of which Illiquid Credit is 53% (or 9% of the total portfolio). In consultation with Aksia, staff have targeted five evergreen core private credit commitments totaling up to \$1.25bn that will recycle principal and pay out quarterly income. Complementary satellite allocations of up to \$200m in total are planned as diversifiers. ASOF IX represents the first of these planned commitments and diversifies the portfolio via consumer, real estate and smaller corporate risk.

Implementation of Strategy

Atalaya has built a flexible platform that allows it to lend at different costs of capital and in bespoke structures, throughout borrower lifecycles and market cycles. Many competitors have more limited platforms which can only serve borrowers in a narrow range of structures and costs of capital. This platform allows Atalaya to grow existing relationships. Counterparties are able to continue borrowing from Atalaya even as their businesses evolve and market conditions change.

Value Add

The strategy is frequently the sole investor when deploying capital, supporting the Firm's view that 85%+ of ASOF investments have no overlap with other private credit managers. The Firm believes the Strategy is further differentiated given its focus on asset-based exposures. Among asset-based exposures, Atalaya focuses on consumer exposures and other 'out-of-the-box' lending opportunities that are generally underrepresented in institutional portfolios.

Edge

In ASOF, Atalaya generally pursues investments that are complex and therefore require a more challenging underwrite that many competitors are not able or willing to execute. These investments could be complex for a variety of reasons, such as asset type or investments merit a "complexity premium", which can lead to outsized returns and can also present differentiated exposure to investors with more traditional credit portfolios.



PERA

**Global Equity
Private Equity Investment Proposal:
Tenex IV & White Sands Top-Up**

April 24, 2024 PRISM

Kate Brassington, Senior Portfolio Manager

Proposal:

The Active Strategies Team proposes committing up to \$60 million to Tenex Capital Management's ("Tenex") Tenex Capital Partners IV, L.P. ("Tenex IV"), an illiquid private equity fund. In addition, the Active Strategies Team proposes committing up to \$30 million as a top-up to NMPERA White Sands Co-Invest, L.P., an evergreen fund-of-one dedicated to guideline based, diversified co-investments alongside the Tenex funds in which NM PERA invests.

Tenex is a lower middle to middle market buyout fund targeting North American companies with EBITDA of \$5-40 million and revenue of \$50-350 million. Tenex's aim is to acquire fundamentally sound but operationally deficient businesses that operate in desirable end-markets with strong products or service offerings. Tenex focuses on three verticals: Diversified Industrials, Business & Tech Services, and Healthcare. Tenex seeks family/management-owned businesses that might have been run for cash, limiting the growth and productivity potential. Tenex will acquire majority equity ownership and is typically the first institutional capital in these businesses.

Tenex IV's target size is \$1.6 billion.

White Sands has called approximately \$16.1 million of the \$20 million initial commitment, with a portion of the unfunded commitment available for follow-ons. Tenex's success in deploying NM PERA's initial commitment, as well as the fund increase for Tenex IV, provides an opportunity for NM PERA to expand its co-invest relationship with a high-conviction manager and continue to lower costs. The proposed top-up to White Sands will improve the co-invest to fund ratio from .44 to .5.

This will be a follow-on investment for NM PERA. There is currently a commitment in Tenex III (2020 vintage, \$45 million), with a concurrent commitment to White Sands for \$20 million. As of 12/31/23, Tenex III has a Direct Alpha of 109.43% and a KS-PME of 1.52x, while White Sands has a Direct Alpha of 96.97% and a KS-PME of 1.86x (using the MSCI ACWI IMI). Based on historical analysis and internal expectations, PERA expects to achieve a 25% gross IRR, 2.5x MOIC, >2% Direct Alpha against ACWI IMI (net), with the goal of a >70% capture ratio of that alpha.

FIVE Stage Process Results – Reasons to

Invest

Fit in Portfolio

NM PERA's PE portfolio is roughly 70% buyout. Within this segment, NM PERA seeks to build a portfolio that is diversified by geography, sector, and investment stage.

From a geographic perspective, Tenex is expected to be 100% North American focused (predominately United States). From a GICS perspective, Tenex III's investments were distributed across Industrials, Materials, Consumer Staples, IT, Communication Services, and Consumer Discretionary. Since inception, Tenex has invested ~60% of its capital into Diversified Industrials with the remaining 40% divided between Business & Tech Services and Healthcare. Tenex utilizes a bottom-up approach vs. being tied to targets in sectors.

From an investment stage perspective, Tenex is typically the first institutional investor into its companies.

Overall, Tenex maintains a distinct niche in NM PERA's portfolio - many of the companies Tenex targets require heavy operational lift and the universe of willing and capable buyers is more limited, or the competitors lack the operational resources of Tenex.

Implementation of Strategy

Tenex has an operator mindset and culture. Tenex seeks to professionalize founder and family-owned businesses and transform them through operational and strategic initiatives. Tenex may utilize levers such as augmenting management, applying data analytics to add efficiencies (such as lean manufacturing, warehousing and freight reduction, sales and marketing effectiveness), as well as strategic M&A, to increase the geographic footprint, add complementary products/services, increase sales channels, or add additional end markets.

Value Add

Tenex has consistently outperformed the Russell 3000. Tenex's performance across Diversified Industrials, Business & Tech Services, and Healthcare is consistently strong, with Diversified Industrials having both the most historically invested and the highest MOIC/lowest loss ratio.

Edge

In addition to the operational backgrounds/capabilities within the Tenex team, Tenex also has an Operating Advisor team that is split into general leadership and subject matter experts (areas such as digital transformation & cyber, lean & process improvement, talent, and healthcare).

Tenex is a single strategy firm, which promotes focus and alignment of interests.



PERA

**Global Equity:
Global Public Stock Structure Proposals**

April 24, 2024 PRISM

Kate Brassington, Senior Portfolio Manager

Proposal

Global Public Stock Structure

The Active Strategies Team submits the following proposals as a result of a structure study completed on the Global Public Stock portfolio in consultation with Verus:

- Proposal 1 - Transition the Global Public Stock portfolio to ex-China:
 - All current, continuing mandates to be made ex-China via guidelines (per CIO implementation decision communicated to the IC March 28, 2024)
 - Current managers impacted: AB Global Core, KAR Small Cap Core (KAR is US but may have some variance from the benchmark so will ensure all guidelines specify ex-China)
 - In conjunction with transitioning the portfolio to ex-China and the proposed RFI process in EM, Axiom (commingled) will be invited to submit to the RFI
- Proposal 2 - Terminations:
 - Termination of Acadian Non-US Equity via transition manager to fund passive index funding not covered by the MSCI ACWI IMI
 - Termination of MFS International Intrinsic Value Equity ex-US via transition manager to fund passive index funding not covered by the MSCI ACWI IMI
- Proposal 3 – Passive Index Change:
 - Transition of the passive SSGA MSCI ACWI IMI to a passive SSGA MSCI World ex-US IMI account
- Proposal 4 – Proposed Structure & Rebalance:
 - Establish and rebalance the Global Public Stock portfolio to the below target weights:
 - SSGA Russell 1000 – 55%
 - KAR Small Cap Core – 4.5%
 - AB Global Core – 7%
 - New SSGA World ex-US IMI – 26.5%
 - TBD Emerging Markets ex-China – 7% (via proposed RFI process)

Proposal: Global Public Stock Structure

Global Public Stock Purpose, Goals, and Target

Global Public Stock Purpose¹

- Provide exposure to global economic growth opportunities with an acceptable exposure to price volatility and the risk of loss
- Capture capital appreciation and current income
- Provide Tier 2 liquidity (5-90 days)

Global Public Stock Goals

- Provide alpha and beta exposure through structurally aligned agreements with high-quality managers
- Outperform policy and dynamic indexes on a net of fees basis
- Maintain market exposure similar to the policy index
- Manage tracking error appropriately

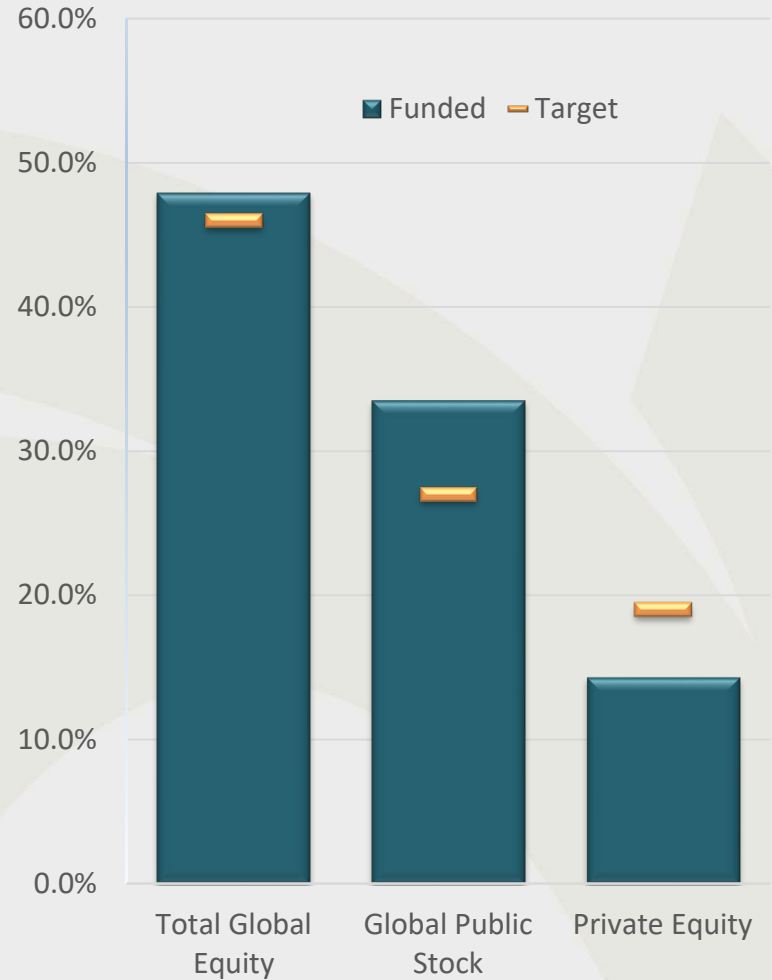
Asset Allocation Targets and Ranges				
Asset Class	Lower Limit	SAA Target	Upper Limit	Strategic Exposure
Global Equity	41.0%	46.0%	51.0%	Growth
<i>Global Public Stock</i>		27.0%		
<i>Private Equity</i>		19.0%		
Core Fixed Income	10.0%	13.0%	16.0%	Safety & Liquidity
Credit	13.0%	17.0%	21.0%	Hybrid Exposure to Growth & Income
Absolute Return	3.0%	6.0%	9.0%	Diversification & Downside Protection
Real Assets	14.0%	18.0%	22.0%	Inflation Protection

1. Source: NM PERA Investment Policy Statement

Proposal: Global Public Stock Structure

Strategy Diversification

as of March 31, 2024	Long Term Target	Funded	Difference (Funded – Target)
Total Global Equity	46.00%	47.91%	1.91%
Global Public Stock	27.00%	33.54%	6.54%
Private Equity	19.00%	14.36%	-4.64%



Adopted SAA approved December 12, 2023, effective April 1, 2024.

Proposal: Global Public Stock Structure

Current Global Public Stock Portfolio

Strategy*	Benchmark	Active vs. Passive	% of Composite
Acadian Non-US Equity	MSCI EAFE	Active	8.3%
AllianceBernstein Global Core Equity	MSCI ACWI IMI	Active	8.4%
Axiom Emerging Markets Equity	MSCI Emerging Markets	Active	7.3%
Kayne Anderson Rudnick Small Cap Core	Russell 2000	Active	9.2%
MFS International Intrinsic Value Equity ex-US	MSCI EAFE	Active	6.7%
SSGA MSCI ACWI IMI Index	MSCI ACWI IMI	Passive	21.1%
SSGA Russell 1000 Index	Russell 1000	Passive	33.8%

Global Public Stock – 27% Target as of April 1st

- 54.9% passive in Global Public Stock
- 33.3% actual vs. 27% target as of 4/11/24

Information per Verus Memo.

*Global Equity Overlay is 5.1% of composite (not reflected above).

Proposal: Global Public Stock Structure Restructure and Rebalancing

Recommended Asset Class	Current Structure	Proposed Structure	2024 10-Year CMA
Global Public Stock			
US Large			5.9
SSGA Russell 1000 Index	34.60%	55.00%	
US Small			6.2
Kayne Anderson US Small Cap Core	9.20%	4.50%	
Intl Developed			8.1
Acadian International Equity	10.80%		
MFS International Intrinsic Value	8.50%		
New Active ACWI ex US Growth			
New Active ACWI ex US Value			
New Passive World ex US IMI Exposure		26.50%	
International Small Cap			8.8
Emerging Markets			8.8
New X-China EM Manager	8.30%	7.00%	
Global Equity			6.9
AB Global Core	7.15%	7.00%	
SSGA ACWI IMI Index	21.45%		
	100%	100%	
Other exposures to terminate into Global Equity			
BlackRock Global Low Volatility	5%	0.0%	
Zia Risk Parity	8%	0.0%	
Green highlights new exposures; Red highlights terminating exposures			
	Current Structure	Proposed Structure	
10 Year Forecasts			
Expected Return		6.9%	
Expected Standard Deviation		16.4%	
Sharpe Ratio		0.43	
Implementation			
Active	44%	18.5%	
Passive	56%	81.5%	



PERA

**Real Assets Investment Proposal:
Harrison Street Core Property Fund, L.P.**

Michael Killfoil, Senior Portfolio Manager

May 22, 2024

Proposal:

Harrison Street Core Property Fund, L.P.

The Active Strategies team proposes a commitment of up to \$50 million to the Harrison Street Core Property Fund, L.P. (HSCPF) with the option to reinvest all distributions.

This illiquid real estate fund will focus on stabilized, cash-flow producing real estate with demographic-driven demand across diversified subsectors. HSCPF is currently composed of five main verticals:

- Medical Office
- Senior Housing, Student Housing
- Life Sciences, Self Storage

Geographies for investment are focused on the US.

HSCPF will employ a core strategy through a commingled open-end structure.

Harrison Street is recognized for the alternative real estate sector approach, extensive track record, and established relationships giving access to investment opportunities.

Harrison Street is an existing partner with NM PERA with allocations to four funds since 2014.

This proposal is based on due diligence material and data obtained by NM 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. NM 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.

FIVE Stage Process Results – Reasons to Invest

Fit in Portfolio

Per the 12/2023 SAA, illiquid Real Assets should constitute 18% of the total portfolio, of which 7% is targeted towards real estate. In consultation with Albourne, staff have targeted to build a portfolio that is diversified by geography, sector, risk, and cash flows.

An allocation to this fund will assist in decreasing traditional and concentrated office, hotel, and retail exposures currently in the Real Estate portfolio of NM PERA.

Implementation of Strategy

HSCPF pursues investment opportunities across five main verticals (currently 396 assets, \$33m average deal size)

Long-term relationships, sourcing at team level.

Portfolio construction

- Diversification (geography, assets, operators, cash flows)
- Sector Selection (demographic demand approach)
- Asset-Level Business Plans

Value Add

- (1) Increases exposure to lower risk styles through open-end vehicle
- (2) Low-correlation to GDP (downside protection)
- (3) Yield generation
- (4) Asset diversification

Edge

- (1) Redundancy throughout. One culture.
- (2) Portfolio Mgmt Expertise (1,400 RE transactions, acquisitions + dispositions)
- (3) Average deal size small. Not competing against large funds.
- (4) Scale, Time, Data.



**Illiquid Credit Investment Proposal:
NM PERA Pedernal Neuberger Berman, L.P.**

May 22, 2024 PRISM

Clayton Cleek, CFA, Portfolio Manager

Proposal

The Active Strategies Team proposes committing up to \$250 million to a fund of one managed by Neuberger Berman Private Debt (“NBPD”), a unit of Neuberger Berman Group LLC (“NB”). NM PERA Pedernal Neuberger Berman, LP will be an evergreen mandate that seeks to utilize a high degree of credit selectivity to generate attractive risk-adjusted returns via senior secured corporate loans in the core middle market. The firm’s ability to source, underwrite and act as lead arranger for loans made to sponsor-backed U.S. corporates makes it an attractive partner for core private credit capital.

Managing private capital is an important component of Neuberger Berman’s business strategy. The firm’s private activities are conducted by its wholly-owned subsidiary, NB Alternatives Advisers LLC. NB Private Markets has been an active private equity investor since 1987. NB Private Markets manages over \$115 billion of investor commitments across fund and direct investments and over the past three years has committed over \$28 billion across primary investments, co-investments and secondary investments. NB Private Markets has a global presence with over 300 private markets professionals in offices in the United States, Europe and Asia. This platform serves as the sourcing engine for Neuberger Berman Private Debt.

NBPD focuses on investments in middle market companies with \$25-100+ million of EBITDA in defensible industries benefitting from secular tailwinds, which includes an emphasis on software, healthcare and business services. NB Private Debt avoids industries that are highly cyclical or face secular challenges, including auto, energy, travel, leisure, housing, restaurants, or retail.

NM PERA’s account will be primarily focused on investments in first lien, senior secured loans to U.S. private equity-owned companies. Similar to NBPD’s most recent commingled fund, the mandate would be comprised of 90-95%+ first lien and unitranche loans and 0-10% second lien, preferred and common equity. In the current interest rate environment it is unlikely that junior capital will be committed.

All proposals are subject to satisfactory legal review, prior to final execution.

This recommendation 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 recommended 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.

FIVE Stage Process Results – Reasons to Invest

Fit in Portfolio

Per the SAA, Credit should constitute 17% of the total portfolio, of which Illiquid Credit is 53% (or 9% of the total portfolio). In consultation with Aksia, staff have targeted five evergreen core private credit commitments totaling up to \$1.25bn that will recycle principal and pay out quarterly income. Satellite allocations of up to \$200m in total are planned as diversifiers. NBPD will fill the role of a senior secured core middle market lender in the Illiquid Credit Portfolio, alongside other corporate credit and asset-based focused mandates.

Implementation of Strategy

Within PERA's fund of one mandate NBPD will seek to construct a highly diversified portfolio composed of over 100 investments, as it has done in its prior two commingled funds. In addition to the line-item diversification, previous portfolios have been well diversified by industry, sponsor and borrower size. This high level of diversification should help to mitigate idiosyncratic risks with respect to individual borrower underperformance.

Value Add

NBPD cultivates a zero-loss mindset among investment staff, which is exemplified by its below average loss and default rates since inception. Additionally, the team seeks to partner with private equity sponsors who support investments during periods of underperformance. During 2020 Covid volatility sponsors injected roughly \$13 of subordinated equity for every \$1 of incremental debt contributed by NBPD. Neuberger has also served as Lead or Co-Lead Lender in 99% of transactions in its most recent commingled fund and expects to maintain a similar ratio moving forward.

Edge

Neuberger Berman's private equity primaries and co-investment businesses provide for unique and durable relationships with private equity sponsors and should position NBPD to source additional deal flow outside of its own relationships. This helps to mitigate the risk of being blacklisted by a sponsor for declining to participate in transactions, as sponsors have an interest in maintaining relationships within the equity platform. Additionally, these complimentary strategies provide the team with an additional layer of information when performing due diligence on funds, sponsors and historical company performance.

YTD Monthly History - Volume

For the month ending 3/31/2024



BNY MELLON

Securities Lending

Public Employees Retirement of New Mexico
 LEI: HPFHU00Q28E4N0NFVK49 | 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
October	5,285,549,484.14	587,057,653.33	11.11%	233,764.98	5,328,685,462.82	583,834,420.79	10.96%	5.26 bp	48.05 bp
November	5,311,542,376.60	578,113,839.96	10.88%	1,435,719.21	5,331,013,459.93	583,736,998.31	10.95%	32.32 bp	295.14 bp
December	5,636,636,594.44	569,606,280.67	10.11%	233,165.94	5,503,599,219.25	575,883,268.22	10.46%	5.08 bp	48.59 bp
January	5,632,378,325.85	575,783,154.87	10.22%	493,159.26	5,601,506,414.78	570,504,720.20	10.18%	10.56 bp	103.73 bp
February	5,825,914,551.91	575,864,317.60	9.88%	178,793.17	5,481,688,214.09	576,584,616.48	10.52%	3.91 bp	37.21 bp
March	6,694,591,138.51	570,193,103.76	8.52%	212,570.19	6,597,862,438.38	576,068,095.94	8.73%	3.87 bp	44.28 bp
AVERAGE	5,651,864,557.85	578,026,732.62	10.23%	388,316.77	5,595,224,695.00	579,364,314.99	10.35%	8.33 bp	80.43 bp

YTD Monthly History - Volume

For the month ending 3/31/2024

Public Employees Retirement of New Mexico
LEI: HPFHU00Q28E4N0NFVK49 | 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
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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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