MEETING MATERIALS

New Mexico Public Employees Retirement Association
Smart Save Deferred Compensation Plan

Second Quarter 2017

Confidentiality: This evaluation is prepared by Meketa Investment Group, Inc. for the exclusive use of the New Mexico Public Employees Retirement Association. This evaluation is not to be used for any other purpose or by any parties other than the NM PERA, their Board, employees, agents, attorneys, and/or consultants. No other parties are authorized to review or utilize the information contained herein without expressed written consent.

Confidentiality

The material contained in this report is confidential and may not be reproduced, disclosed, or distributed, in whole or in part, to any person or entity other than the intended recipient. The data are provided for informational purposes only, may not be complete, and cannot be relied upon for any purpose other than for discussion.

Meketa Investment Group has prepared this report on the basis of sources believed to be reliable. The data are based on matters as they are known as of the date of preparation of the report, and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available.

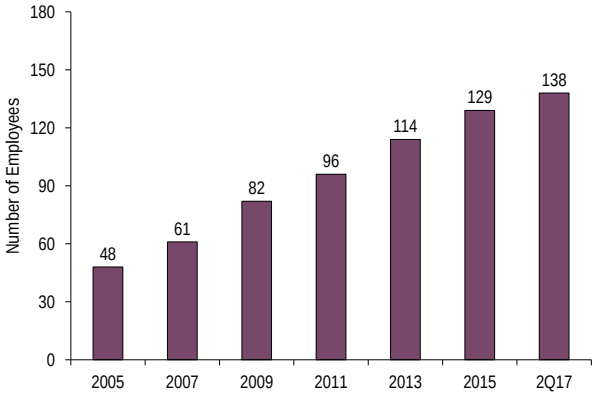
Agenda

1. **Corporate Update**
2. **Executive Summary**
3. **Second Quarter of 2017 Performance Report**
   - Plan Summary
   - LifeCycle Funds Detail
   - Portfolio Reviews
4. **Appendices**
   - Capital Markets Outlook
   - The World Markets in the Second Quarter of 2017
   - Disclaimer, Glossary, and Notes

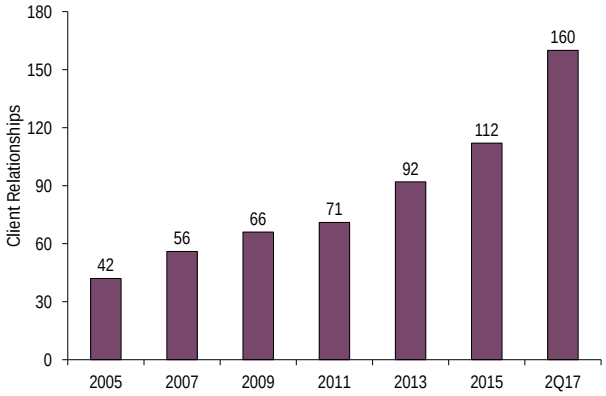
Meketa Investment Group
Corporate Update

- Staff of 138, including 91 investment professionals and 28 CFA Charterholders
- 160 clients, with over 270 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Chicago, Miami, Portland (OR), San Diego, and London
- We advise on over $500 billion in client assets
  - Over $70 billion in assets committed to alternative investments
    - Private Equity
    - Infrastructure
    - Natural Resources
    - Real Estate
    - Hedge Funds
    - Commodities

Employee Growth



Client Growth



Meketa Investment Group is proud to work for over 5 million American families everyday.

Asset Classes Followed Intensively by Meketa Investment Group

Domestic Equities

- Passive
- Enhanced Index
- Large Cap
- Midcap
- Small Cap
- Microcap
- 130/30

International Equities

- Large Cap Developed
- Small Cap Developed
- Emerging Markets
- Frontier Markets

Private Equity

- Buyouts
- Venture Capital
- Private Debt
- Special Situations
- Secondaries
- Fund of Funds

Real Assets

- Public REITs
- Core Real Estate
- Value Added Real Estate
- Opportunistic Real Estate
- Infrastructure
- Timber
- Natural Resources
- Commodities

Fixed Income

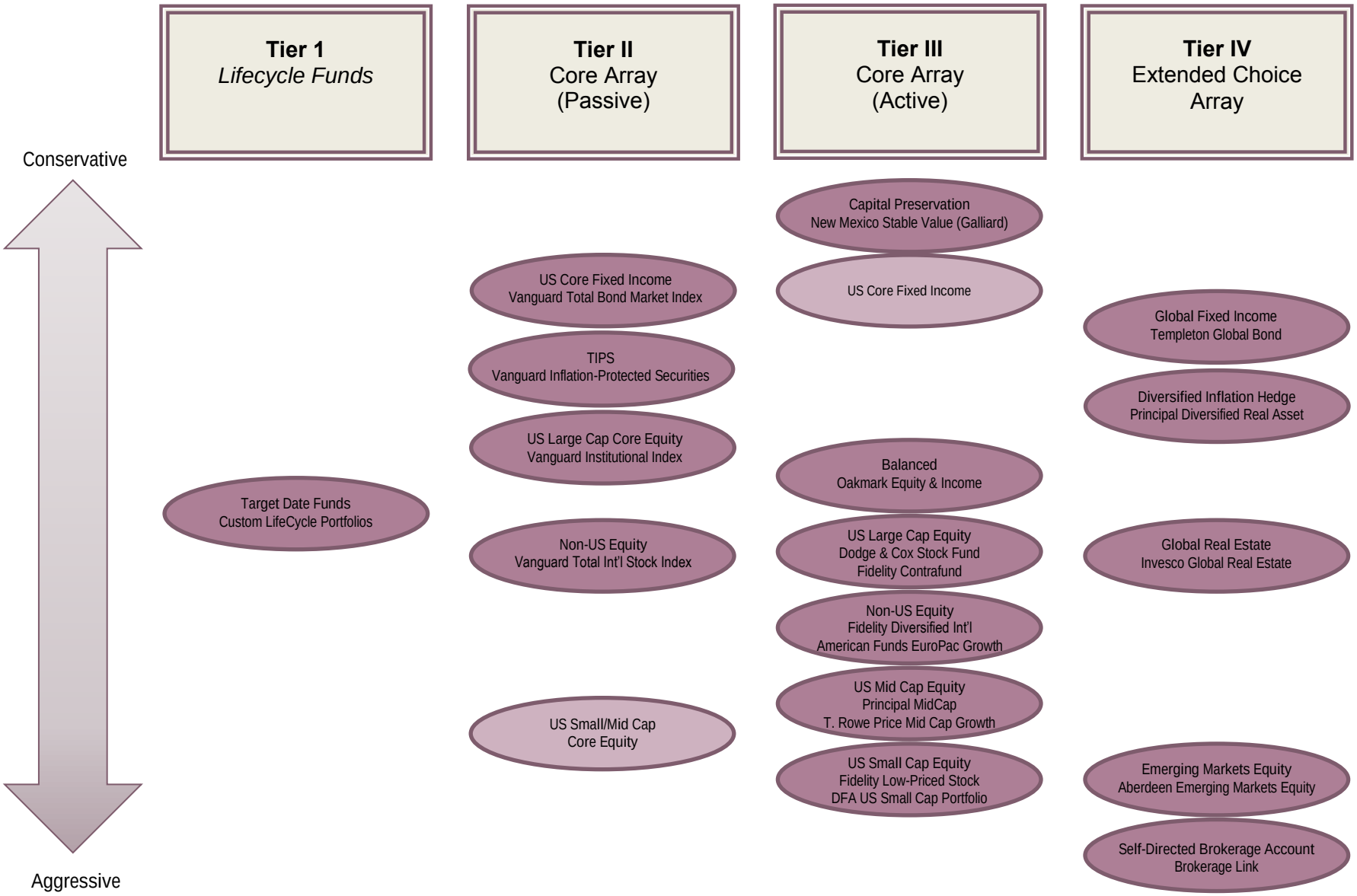
- Short-Term
- Core
- Core Plus
- TIPS
- High Yield
- Bank Loans
- Distressed
- Global
- Emerging Markets

Hedge Funds

- Long/Short Equity
- Event Driven
- Relative Value
- Fixed Income Arbitrage
- Multi Strategy
- Market Neutral
- Global Macro
- Fund of Funds
- Portable Alpha

Executive Summary

Executive Summary



Plan Assets

- As of June 30, 2017, Plan assets were $566.9 million, up from $553.2 million at the end of the prior quarter. The Plan experienced net cash inflows of $274,645 during the second quarter.
- There were 20,466 participants with a balance at quarter-end. The average account balance was $27,697. Contributions totaled $12.0 million, compared to $11.7 million in withdrawals.
- The largest Plan investment options by assets were:

	06/30/17 Balance ($ mm)	Percentage of Plan Assets (%)
New Mexico LifeCycle Portfolios	136.2	24.0
New Mexico Stable Value	131.9	23.3
Vanguard Inst. Index Fund	81.3	14.4
Fidelity Contrafund	38.3	6.8
Dodge & Cox U.S. Equity	30.9	5.4

Plan Observations

- Seven of the Plan's fifteen actively managed portfolios (American Funds EuroPacific Growth, Columbia Institutional High Yield, Fidelity Contrafund, Fidelity Low-Priced Stock, Fidelity Diversified International, Principal U.S. MidCap Equity, T. Rowe Price MidCap Growth) matched or outperformed their respective benchmarks and universe medians during the quarter. Five of the Plan's actively managed portfolios (Aberdeen Emerging Markets Equity, Dodge & Cox U.S. Equity, Invesco Global REITs, New Mexico Stable Value Fund, and Principal Diversified Real Asset) matched or outperformed one measure, but underperformed the other. Three of the Plan's actively managed portfolios (Dimensional U.S. Small Cap Core, Franklin Templeton Global Bond, and Oakmark Equity & Income) underperformed both measures.

Investment Menu Observations

- Two LifeCycle Portfolios (2050 Portfolio and 2055 Portfolio) outperformed both their respective benchmarks and peer group medians. Three LifeCycle Portfolios (2035 Portfolio, 2040 Portfolio, and 2045 Portfolio) matched or outperformed the benchmark, but underperformed the peer group median. Four LifeCycle Portfolios (Conservative Portfolio, 2020 Portfolio, 2025 Portfolio, and 2030 Portfolio) underperformed both measures.
- Fidelity Contrafund outperformed both the Russell 1000 Growth benchmark and the peer median. Stock selection and a meaningful overweight to technology (which makes up approximately 42% of the fund) drove performance. The single largest contributor to fund performance was Google's parent company Alphabet.
- Dodge & Cox U.S. Equity outperformed the Russell 1000 Value benchmark, but slightly underperformed the peer median. Their outperformance stemmed from overweight exposure to healthcare companies, as well as stock selection in the telecommunication services sector.
- T. Rowe Price MidCap Growth outperformed both the Russell MidCap Growth benchmark and the peer median. Outperformance was driven by stock selection and an underweight exposure to consumer discretionary stocks. Stock selection in financials, industrials, and business services also boosted returns.

Investment Menu Observations (continued)

- Dimensional U.S. Small Cap Core underperformed both the Russell 2000 benchmark and the peer group median for the second quarter in a row. Stock selection in consumer discretionary and energy were the primary drivers of relative underperformance.
- Principal U.S. MidCap Equity outperformed both the Russell MidCap Index and peer group median. For the second quarter in a row, SBA Communications, a wireless communications tower operator, contributed positively to performance due to the growing use of mobile data. O'Reilly Automotive and AutoZone both detracted from second quarter performance.
- Fidelity Low-Price Stock significantly outperformed both the benchmark and the peer median for the second quarter in a row. Stock selection drove relative returns across the capitalization spectrum. Exposure to strong-performing non-U.S. equities, also helped relative results, though it is key to note this manager has global exposure and is compared to a U.S. benchmark.
- Fidelity Diversified International outperformed both the MSCI EAFE benchmark and the peer median. Favorable stock selection was the main driver of relative returns, with sector allocation also contributing to a degree. Bank stock selection, particularly holding India and avoiding Australian names, added value.
- American Funds EuroPacific Growth outperformed both the MSCI EAFE and the peer median. Stock selection in developing countries was the primary driver of positive relative results, with India and China exposure among the top contributors. An underweight exposure to Australian banks also positively contributed to results.
- Aberdeen Emerging Markets Equity matched the MSCI Emerging Markets index, but underperformed the peer median. In Latin America, an overweight to Brazil relative to the benchmark detracted from performance, due to the country's internal political strife. Exposure to Europe, the Middle East, and Africa helped performance, particularly an overweight exposure to Turkey. The Fund's exposure to Asia was mixed, with stock selection in India contributing to performance, but an overweight to the broader Asian market hindering relative returns.

Investment Menu Observations (continued)

- Franklin Templeton Global Bond underperformed both the Citi WGBI benchmark, as well as the peer group median. The Fund's negative absolute performance was driven by currency positions, with sovereign credit exposure and interest-rate strategies having a neutral impact on results. Please see the next section, "Organizational and Administrative Updates," for further color on performance.
- Columbia Institutional High Yield exposure is only available via the LifeCycle portfolios. The strategy outperformed both the Barclays High Yield benchmark and the peer median. Sector allocation drove relative returns for the quarter.
- Invesco Global REITs matched the FTSE EPRA/NAREIT Global REIT index benchmark, but underperformed the peer median. A combination of stock selection and an underweight exposure to Brazil, an overweight exposure to Spain, and stock selection and overweight exposure to the Philippines contributed to relative results. Stock selection in Japan and an underweight exposure to China hindered relative performance.
- Principal Diversified Real Asset slightly underperformed the Real Asset Custom Benchmark; the peer group median was unavailable. Allocation to global infrastructure stocks contributed as stock selection in the electric utility, electricity, and gas distributor, and toll road sectors were positive. Regionally, stock selection was positive in Canada, Asia Pacific, and Continental Europe. Allocations to MLPs detracted from performance, as the market reacted to negative sentiment in commodities.
- Oakmark Equity & Income underperformed both the 60% S&P 500/40% Barclays Aggregate benchmark and the peer group median. Underperformance was driven by Foot Locker, Kate Spade, National Oilwell Varco, Baker Hughes and Arconic. The common denominator among these names was weakness in the retail and energy sectors, which has been a recurring theme. Retail struggled with the disruptive evolution from the traditional brick-and-mortar channel to e-commerce. For energy, the price of oil declined significantly in the quarter, causing a commensurate drop in stocks in the industry.

Organizational and Administrative Updates

- **Franklin Templeton Global Bond (Fixed Income)**
  - Given Franklin Templeton Global Bond's high tracking error to the benchmark, Meketa Investment Group recently reviewed the manager in depth. Franklin Templeton's Global Bond strategy is a highly benchmark agnostic strategy that will deviate significantly from the JPMorgan Government Bond Index/Citi World Government Bond Index in both construction and performance. The strategy is heavily invested in emerging and frontier markets, while the JPMorgan Government Bond Index is a pure developed markets bond index. While the strategy has produced strong absolute and relative returns over time, it is important to understand the potential for volatility and drawdowns inherent with this approach. Meketa Investment Group will be conducting a full review at the next Smart Save Deferred Compensation Plan meeting in September.

Second Quarter of 2017 Performance Report

Plan Summary

Total Fund

As of June 30, 2017

Allocation to Tiers

	Current Balance	Current Allocation	2Q Cash Flows	Balance as of 3/31/17
Tier I - LifeCycle Funds	$136,211,882	24%	$3,681,625	$129,349,369
Tier II - Core Array (passive)	$106,052,806	19%	-$465,755	$103,755,431
Tier III - Core Array (active)	$302,073,000	53%	-$3,467,103	$298,099,168
Tier IV - Extended Choice Array	$22,514,107	4%	$525,878	$22,026,043
Total	**$566,851,794**	**100%**	**$274,645**	**$553,230,011**

Total Fund

As of June 30, 2017

Trailing Net Performance

	Market Value ($)	% of Portfolio	3 Mo Net Cash Flows ($)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund	**566,851,794**	**100.0**	**274,645**						
Domestic Equity	**210,832,572**	**37.2**	**-2,342,892**						
Vanguard Institutional Index (S&P 500)	81,346,646	14.4	-903,691	3.1	9.3	17.9	9.6	14.6	7.2
S&P 500				*3.1*	*9.3*	*17.9*	*9.6*	*14.6*	*7.2*
eA US Large Cap Core Equity Net Median				*2.9*	*8.8*	*16.9*	*8.0*	*13.5*	*7.0*
eA US Large Cap Core Equity Net Rank				*47*	*43*	*42*	*17*	*19*	*39*
Fidelity Contrafund	38,263,005	6.8	338,420	6.1	16.8	22.3	10.6	14.8	8.7
Russell 1000 Growth				*4.7*	*14.0*	*20.4*	*11.1*	*15.3*	*8.9*
eA US Large Cap Growth Equity Net Median				*5.0*	*14.2*	*19.9*	*9.4*	*14.1*	*8.2*
eA US Large Cap Growth Equity Net Rank				*25*	*24*	*26*	*24*	*37*	*31*
Dodge & Cox U.S. Equity	30,880,849	5.4	-620,742	1.8	6.8	28.6	8.5	16.4	5.9
Russell 1000 Value				*1.3*	*4.7*	*15.5*	*7.4*	*13.9*	*5.6*
eA US Large Cap Value Equity Net Median				*1.8*	*5.7*	*17.0*	*6.9*	*13.3*	*6.0*
eA US Large Cap Value Equity Net Rank				*53*	*36*	*2*	*15*	*3*	*54*
T. Rowe Price MidCap Growth	26,713,104	4.7	-529,347	6.3	15.2	21.0	12.1	17.0	10.4
Russell MidCap Growth				*4.2*	*11.4*	*17.0*	*7.8*	*14.2*	*7.9*
eA US Mid Cap Growth Equity Net Median				*4.9*	*12.8*	*17.8*	*7.3*	*13.0*	*7.8*
eA US Mid Cap Growth Equity Net Rank				*22*	*21*	*22*	*2*	*1*	*4*
Dimensional U.S. Small Cap Core	12,955,162	2.3	-358,876	0.9	1.9	21.6	7.3	14.6	8.0
Russell 2000				*2.5*	*5.0*	*24.6*	*7.4*	*13.7*	*6.9*
eA US Small Cap Core Equity Net Median				*2.3*	*4.8*	*21.7*	*7.9*	*14.1*	*7.2*
eA US Small Cap Core Equity Net Rank				*78*	*82*	*52*	*59*	*43*	*34*

	Market Value ($)	% of Portfolio	3 Mo Net Cash Flows ($)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Principal U.S. MidCap Equity	12,304,374	2.2	-69,711	5.0	12.9	19.4	10.2	15.9	10.1
Russell MidCap				*2.7*	*8.0*	*16.5*	*7.7*	*14.7*	*7.7*
eA US Mid Cap Core Equity Net Median				*2.1*	*8.0*	*16.9*	*7.1*	*14.3*	*7.8*
eA US Mid Cap Core Equity Net Rank				*7*	*2*	*25*	*16*	*17*	*11*
Fidelity Low-Priced Stock	8,369,432	1.5	-198,946	3.3	7.8	16.9	6.7	13.6	7.6
Russell 2500 Value				*0.3*	*2.0*	*18.4*	*6.2*	*13.7*	*6.5*
eA US Small Cap Value Equity Net Median				*0.9*	*1.7*	*22.3*	*6.7*	*14.0*	*6.9*
eA US Small Cap Value Equity Net Rank				*13*	*5*	*87*	*51*	*57*	*29*
International Equity	**25,753,330**	**4.5**	**373,387**						
Fidelity Diversified International	10,963,620	1.9	-34,755	7.7	16.3	18.2	2.9	9.7	1.9
MSCI EAFE				*6.1*	*13.8*	*20.3*	*1.1*	*8.7*	*1.0*
eA EAFE Core Equity Net Median				*6.7*	*14.8*	*20.0*	*2.3*	*9.9*	*2.0*
eA EAFE Core Equity Net Rank				*22*	*24*	*65*	*39*	*57*	*52*
American Funds EuroPacific Growth	9,232,195	1.6	203,821	7.7	17.8	22.2	3.7	9.6	3.4
MSCI EAFE				*6.1*	*13.8*	*20.3*	*1.1*	*8.7*	*1.0*
eA EAFE Core Equity Net Median				*6.7*	*14.8*	*20.0*	*2.3*	*9.9*	*2.0*
eA EAFE Core Equity Net Rank				*23*	*13*	*33*	*30*	*58*	*29*
Vanguard Total International Stock Index	2,893,223	0.5	193,078	5.8	14.8	20.1	1.4	7.7	--
Spliced Total International Stock Index				*5.7*	*14.1*	*20.4*	*1.4*	*7.8*	*1.2*
eA ACWI ex-US Core Equity Net Median				*6.7*	*15.2*	*19.5*	*2.0*	*8.3*	*2.1*
eA ACWI ex-US Core Equity Net Rank				*76*	*62*	*47*	*60*	*66*	--
Aberdeen Emerging Markets Equity	2,664,292	0.5	11,243	6.3	19.0	18.1	1.5	3.5	5.8
MSCI Emerging Markets				*6.3*	*18.4*	*23.7*	*1.1*	*4.0*	*1.9*
eA Emg Mkts Equity Net Median				*6.4*	*19.3*	*22.9*	*1.7*	*5.2*	*2.5*
eA Emg Mkts Equity Net Rank				*54*	*55*	*75*	*58*	*85*	*12*

[1] The Spliced Total International Stock Index through August 31, 2006; MSCI EAFE + Emerging Markets Index through December 15, 2010; MSCI ACWI ex USA IMI Index through June 2, 2013; and FTSE Global All Cap ex US Index thereafter.

Total Fund

As of June 30, 2017

	Market Value ($)	% of Portfolio	3 Mo Net Cash Flows ($)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Fixed Income	**155,566,166**	**27.4**	**-1,476,366**						
New Mexico Stable Value Fund	131,884,328	23.3	-1,779,054	0.4	0.8	1.7	1.5	1.5	--
Citigroup 3-month Treasury Bill + 1%				*0.4*	*0.8*	*1.5*	*1.2*	*1.1*	*1.5*
eA US Stable Value Fixed Inc Net Median				*0.5*	*1.0*	*0.8*	*1.4*	*1.6*	*2.4*
eA US Stable Value Fixed Inc Net Rank				*66*	*72*	*19*	*44*	*63*	--
Vanguard Total Bond Market Index	16,798,883	3.0	401	1.5	2.4	-0.4	2.4	2.1	4.5
BBgBarc US Aggregate TR				*1.4*	*2.3*	*-0.3*	*2.5*	*2.2*	*4.5*
eA US Core Fixed Inc Net Median				*1.5*	*2.4*	*0.2*	*2.6*	*2.5*	*4.7*
eA US Core Fixed Inc Net Rank				*56*	*53*	*80*	*66*	*78*	*77*
Vanguard Inflation-Protected Securities	5,014,054	0.9	244,457	-0.4	0.9	-0.8	0.7	0.2	4.2
BBgBarc US TIPS TR				*-0.4*	*0.9*	*-0.6*	*0.6*	*0.3*	*4.3*
eA TIPS / Infl Indexed Fixed Inc Net Median				*-0.4*	*0.8*	*-0.6*	*0.4*	*0.2*	*4.3*
eA TIPS / Infl Indexed Fixed Inc Net Rank				*64*	*39*	*76*	*18*	*39*	*67*
Franklin Templeton Global Bond	1,868,902	0.3	57,830	-1.3	3.4	10.6	1.5	3.9	6.5
Citi WGBI				*2.9*	*4.5*	*-4.1*	*-1.0*	*-0.2*	*3.5*
eA Global Agg Fixed Inc Net Median				*2.8*	*4.9*	*-0.2*	*0.0*	*1.5*	*4.2*
eA Global Agg Fixed Inc Net Rank				*99*	*75*	*1*	*28*	*12*	*2*
Columbia Institutional High Yield	--	--		2.3	4.6	10.5	4.5	--	--
BBgBarc High Yield BB/B				*2.2*	*4.5*	*11.0*	*4.4*	*6.6*	*7.2*
eA US High Yield Fixed Inc Net Median				*2.0*	*4.4*	*11.3*	*3.8*	*6.3*	*6.8*
eA US High Yield Fixed Inc Net Rank				*24*	*39*	*64*	*26*	--	--

[1] Columbia Institutional High Yield is a component of the LifeCycle Funds only and is not available as a participant directed investment option.

Total Fund

As of June 30, 2017

	Market Value ($)	% of Portfolio	3 Mo Net Cash Flows ($)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Real Assets	**2,038,181**	**0.4**	**-67,212**						
Invesco Global REITs	1,639,112	0.3	-94,070	3.0	6.3	1.5	3.3	7.2	2.2
FTSE EPRA/NAREIT Global Real Estate Index				*3.0*	*5.4*	*1.1*	*4.6*	*8.4*	*2.8*
eA Global REIT Net Median				*3.4*	*5.4*	*1.5*	*4.7*	*8.6*	*3.2*
eA Global REIT Net Rank				*71*	*37*	*50*	*89*	*87*	*99*
Principal Diversified Real Asset	399,070	0.1	26,858	0.8	4.3	5.0	-3.3	1.9	--
Real Asset Custom Benchmark				*0.9*	*3.7*	*5.6*	*-0.8*	*2.4*	*2.3*
Balanced	**156,718,814**	**27.6**	**3,263,711**						
New Mexico Conservative Portfolio	38,187,781	6.7	528,055	1.7	4.6	5.6	2.6	4.3	3.8
New Mexico Conservative Index				*1.9*	*4.4*	*4.8*	*2.2*	*3.9*	*3.2*
Conservative Allocation MStar MF Median				*2.0*	*5.2*	*7.7*	*3.5*	*6.2*	*4.9*
Conservative Allocation MStar MF Rank				*70*	*67*	*82*	*81*	*97*	*83*
New Mexico LifeCycle 2020 Portfolio	1,711,248	0.3	271,092	2.2	6.0	7.8	--	--	--
New Mexico 2020 Benchmark				*2.4*	*5.8*	*7.3*	--	--	--
Target Date 2016-2020 MStar MF Median				*2.6*	*6.4*	*9.6*	*4.1*	*7.6*	*4.4*
Target Date 2016-2020 MStar MF Rank				*82*	*71*	*78*	--	--	--
New Mexico LifeCycle 2025 Portfolio	45,311,209	8.0	719,802	2.8	7.6	10.2	4.1	8.0	3.2
New Mexico 2025 Benchmark				*3.0*	*7.2*	*9.9*	*3.5*	*7.8*	*3.3*
Target Date 2021-2025 MStar MF Median				*3.0*	*7.5*	*11.7*	*4.5*	*8.6*	*4.4*
Target Date 2021-2025 MStar MF Rank				*75*	*42*	*79*	*72*	*64*	*99*
New Mexico LifeCycle 2030 Portfolio	1,961,495	0.3	376,442	3.2	8.7	11.9	--	--	--
New Mexico 2030 Benchmark				*3.3*	*8.0*	*11.4*	--	--	--
Target Date 2026-2030 MStar MF Median				*3.3*	*8.5*	*13.1*	*4.9*	*9.2*	*4.2*
Target Date 2026-2030 MStar MF Rank				*52*	*27*	*74*	--	--	--

[1] The Real Asset Custom Benchmark is composed of 40% Barlcays U.S. TIPS, 40% MSCI ACWI, and 20% Bloomberg Commodity Index.

Total Fund

As of June 30, 2017

	Market Value ($)	% of Portfolio	3 Mo Net Cash Flows ($)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
New Mexico LifeCycle 2035 Portfolio	25,604,863	4.5	686,120	3.5	9.5	13.2	4.6	9.2	4.4
New Mexico 2035 Benchmark				*3.5*	*8.8*	*13.0*	*3.9*	*8.8*	*3.7*
Target Date 2031-2035 MStar MF Median				*3.5*	*9.1*	*14.9*	*5.1*	*9.8*	*4.5*
Target Date 2031-2035 MStar MF Rank				*58*	*34*	*91*	*78*	*69*	*59*
New Mexico LifeCycle 2040 Portfolio	2,348,931	0.4	164,160	3.6	9.9	13.8	--	--	--
New Mexico 2040 Benchmark				*3.6*	*9.1*	*13.5*	--	--	--
Target Date 2036-2040 MStar MF Median				*3.7*	*9.7*	*15.8*	*5.3*	*10.2*	*4.4*
Target Date 2036-2040 MStar MF Rank				*56*	*38*	*88*	--	--	--
New Mexico LifeCycle 2045 Portfolio	14,249,186	2.5	511,306	3.8	10.4	14.3	4.8	9.7	4.9
New Mexico 2045 Benchmark				*3.7*	*9.3*	*14.1*	*4.0*	*9.2*	*3.7*
Target Date 2041-2045 MStar MF Median				*3.9*	*10.1*	*16.7*	*5.6*	*10.4*	*4.4*
Target Date 2041-2045 MStar MF Rank				*51*	*35*	*93*	*78*	*87*	*28*
New Mexico LifeCycle 2050 Portfolio	770,947	0.1	-35,247	3.9	10.6	14.6	--	--	--
New Mexico 2050 Benchmark				*3.8*	*9.5*	*14.4*	--	--	--
Target Date 2046-2050 MStar MF Median				*3.9*	*10.2*	*16.8*	*5.6*	*10.9*	*4.5*
Target Date 2046-2050 MStar MF Rank				*45*	*28*	*86*	--	--	--
New Mexico LifeCycle 2055 Portfolio	6,066,221	1.1	459,896	4.0	10.8	15.0	5.0	9.9	4.6
New Mexico 2055 Benchmark				*3.9*	*9.7*	*14.8*	*4.1*	*9.5*	*3.5*
Target Date 2050+ MStar MF Median				*4.0*	*10.3*	*17.2*	*5.7*	*10.8*	--
Target Date 2050+ MStar MF Rank				*41*	*17*	*93*	*84*	*96*	--
Oakmark Equity & Income	20,506,932	3.6	-417,914	1.7	5.9	17.1	4.5	9.3	6.5
60% S&P 500 & 40% Barclays Aggregate				*2.4*	*6.5*	*10.3*	*6.9*	*9.6*	*6.4*
Balanced MStar MF Median				*2.4*	*6.2*	*10.3*	*4.3*	*8.4*	*5.2*
Balanced MStar MF Rank				*80*	*58*	*7*	*47*	*30*	*13*

Total Fund

As of June 30, 2017

	Market Value ($)	% of Portfolio	3 Mo Net Cash Flows ($)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Other	**15,942,732**	**2.8**	**524,017**						
Self Directed Brokerage Options	4,623,843	0.8							
Loan Account	11,318,890	2.0	524,017						

Total Fund

As of June 30, 2017

Calendar Year Performance

	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)
Domestic Equity										
Vanguard Institutional Index (S&P 500)	11.9	1.4	13.6	32.4	16.0	2.1	15.0	26.6	-37.0	5.5
S&P 500	*12.0*	*1.4*	*13.7*	*32.4*	*16.0*	*2.1*	*15.1*	*26.5*	*-37.0*	*5.5*
Fidelity Contrafund	3.5	6.6	9.7	34.3	16.4	0.0	17.1	29.4	-37.1	19.8
Russell 1000 Growth	*7.1*	*5.7*	*13.0*	*33.5*	*15.3*	*2.6*	*16.7*	*37.2*	*-38.4*	*11.8*
Dodge & Cox U.S. Equity	21.3	-4.5	10.4	40.5	22.0	-4.1	13.5	31.3	-43.3	0.1
Russell 1000 Value	*17.3*	*-3.8*	*13.5*	*32.5*	*17.5*	*0.4*	*15.5*	*19.7*	*-36.8*	*-0.2*
T. Rowe Price MidCap Growth	6.9	6.9	13.8	37.9	14.5	-1.3	29.3	46.8	-40.6	18.0
Russell MidCap Growth	*7.3*	*-0.2*	*11.9*	*35.7*	*15.8*	*-1.7*	*26.4*	*46.3*	*-44.3*	*11.4*
Dimensional U.S. Small Cap Core	23.5	-3.3	4.4	42.2	18.4	-3.2	30.7	36.3	-36.0	-3.0
Russell 2000	*21.3*	*-4.4*	*4.9*	*38.8*	*16.3*	*-4.2*	*26.9*	*27.2*	*-33.8*	*-1.6*
Principal U.S. MidCap Equity	10.2	1.5	12.7	33.6	19.2	8.0	23.8	33.1	-33.8	9.4
Russell MidCap	*13.8*	*-2.4*	*13.2*	*34.8*	*17.3*	*-1.5*	*25.5*	*40.5*	*-41.5*	*5.6*
Fidelity Low-Priced Stock	8.9	0.9	7.7	34.4	18.7	0.0	20.9	39.3	-36.1	3.2
Russell 2500 Value	*25.2*	*-5.5*	*7.1*	*33.3*	*19.2*	*-3.4*	*24.8*	*27.7*	*-32.0*	*-7.3*
International Equity										
Fidelity Diversified International	-3.6	3.2	-3.0	25.3	19.6	-13.6	9.9	32.1	-45.1	16.0
MSCI EAFE	*1.0*	*-0.8*	*-4.9*	*22.8*	*17.3*	*-12.1*	*7.8*	*31.8*	*-43.4*	*11.2*
American Funds EuroPacific Growth	1.0	-0.5	-2.3	20.6	19.6	-13.3	9.8	39.4	-40.5	19.0
MSCI EAFE	*1.0*	*-0.8*	*-4.9*	*22.8*	*17.3*	*-12.1*	*7.8*	*31.8*	*-43.4*	*11.2*
Vanguard Total International Stock Index	4.7	-4.2	-4.1	15.1	18.3	-14.5	--	--	--	--
Spliced Total International Stock Index	*4.7*	*-4.3*	*-3.4*	*15.8*	*17.0*	*-14.3*	*10.7*	*40.4*	*-45.5*	*15.9*

[1] The Spliced Total International Stock Index through August 31, 2006; MSCI EAFE + Emerging Markets Index through December 15, 2010; MSCI ACWI ex USA IMI Index through June 2, 2013; and FTSE Global All Cap ex US Index thereafter.

Total Fund

As of June 30, 2017

	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)
Aberdeen Emerging Markets Equity	12.0	-13.7	-2.5	-7.5	26.2	-11.0	27.6	76.5	-40.4	--
MSCI Emerging Markets	*11.2*	*-14.9*	*-2.2*	*-2.6*	*18.2*	*-18.4*	*18.9*	*78.5*	*-53.3*	*39.4*
Fixed Income										
New Mexico Stable Value Fund	1.7	1.5	1.2	1.4	--	--	--	--	--	--
Citigroup 3-month Treasury Bill + 1%	*1.3*	*1.0*	*1.0*	*1.1*	*1.1*	*1.1*	*1.1*	*1.2*	*2.8*	*5.8*
Vanguard Total Bond Market Index	2.6	0.4	5.9	-2.1	4.2	7.7	6.6	6.1	5.2	7.0
BBgBarc US Aggregate TR	*2.6*	*0.5*	*6.0*	*-2.0*	*4.2*	*7.8*	*6.5*	*5.9*	*5.2*	*7.0*
Vanguard Inflation-Protected Securities	4.6	-1.7	4.1	-8.8	6.9	13.4	6.3	11.0	-2.8	11.8
BBgBarc US TIPS TR	*4.7*	*-1.4*	*3.6*	*-8.6*	*7.0*	*13.6*	*6.3*	*11.4*	*-2.4*	*11.6*
Franklin Templeton Global Bond	6.8	-3.9	2.0	2.4	15.8	-2.4	12.7	18.9	6.3	10.9
Citi WGBI	*1.6*	*-3.6*	*-0.5*	*-4.0*	*1.6*	*6.4*	*5.2*	*2.6*	*10.9*	*11.0*
Columbia Institutional High Yield	11.6	-1.1	4.1	6.3	--	--	--	--	--	--
BBgBarc High Yield BB/B	*14.1*	*-2.8*	*3.4*	*6.2*	*15.1*	*6.1*	*14.3*	*45.4*	*-22.5*	*2.5*
Real Assets										
Invesco Global REITs	2.1	-1.1	14.8	3.0	28.4	-6.5	17.7	31.3	-44.7	-5.1
FTSE EPRA/NAREIT Global Real Estate Index	*5.0*	*0.1*	*15.9*	*4.4*	*28.7*	*-5.8*	*20.4*	*38.3*	*-47.7*	*-6.9*
Principal Diversified Real Asset	5.9	-12.4	2.5	5.4	7.7	0.8	--	--	--	--
Real Asset Custom Benchmark	*7.6*	*-6.6*	*-0.5*	*2.9*	*9.2*	*-0.4*	*11.5*	*22.5*	*-26.3*	*12.8*

[1] Columbia Institutional High Yield is a component of the LifeCycle Funds only, and is not available as a participant directed investment option.
[2] The Real Asset Custom Benchmark is composed of 40% Barlcays U.S. TIPS, 40% MSCI ACWI, and 20% Bloomberg Commodity Index.

Total Fund

As of June 30, 2017

	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)
Balanced										
New Mexico Conservative Portfolio	4.9	-1.3	4.4	4.2	9.3	2.9	6.7	10.5	-9.1	6.3
New Mexico Conservative Index	*4.1*	*-1.1*	*4.0*	*4.0*	*8.5*	*3.1*	*6.0*	*10.8*	*-11.7*	*6.1*
New Mexico LifeCycle 2020 Portfolio	--	--	--	--	--	--	--	--	--	--
New Mexico 2020 Benchmark	--	--	--	--	--	--	--	--	--	--
New Mexico LifeCycle 2025 Portfolio	6.7	-1.6	6.0	13.5	16.5	-2.6	10.6	28.3	-37.9	8.3
New Mexico 2025 Benchmark	*6.2*	*-1.7*	*5.3*	*14.2*	*14.6*	*-1.9*	*10.8*	*26.2*	*-33.9*	*6.0*
New Mexico LifeCycle 2030 Portfolio	--	--	--	--	--	--	--	--	--	--
New Mexico 2030 Benchmark	--	--	--	--	--	--	--	--	--	--
New Mexico LifeCycle 2035 Portfolio	7.4	-1.9	5.7	16.3	18.4	-4.4	11.8	29.7	-34.7	9.3
New Mexico 2035 Benchmark	*7.1*	*-2.2*	*4.9*	*17.1*	*16.2*	*-3.5*	*12.5*	*27.2*	*-35.2*	*6.0*
New Mexico LifeCycle 2040 Portfolio	--	--	--	--	--	--	--	--	--	--
New Mexico 2040 Benchmark	--	--	--	--	--	--	--	--	--	--
New Mexico LifeCycle 2045 Portfolio	7.5	-2.0	5.6	17.6	19.5	-5.3	17.0	32.3	-37.1	10.0
New Mexico 2045 Benchmark	*7.3*	*-2.4*	*4.8*	*18.6*	*17.0*	*-4.3*	*12.9*	*28.9*	*-37.4*	*6.1*
New Mexico LifeCycle 2050 Portfolio	--	--	--	--	--	--	--	--	--	--
New Mexico 2050 Benchmark	--	--	--	--	--	--	--	--	--	--
New Mexico LifeCycle 2055 Portfolio	7.6	-2.0	5.6	18.2	19.7	-5.2	15.8	34.0	-39.3	--
New Mexico 2055 Benchmark	*7.4*	*-2.5*	*4.7*	*19.2*	*17.4*	*-4.5*	*12.9*	*30.0*	*-39.1*	--
Oakmark Equity & Income	11.0	-4.6	6.9	24.2	9.1	0.7	9.5	19.8	-16.2	12.0
60% S&P 500 & 40% Barclays Aggregate	*8.3*	*1.3*	*10.6*	*17.6*	*11.3*	*4.7*	*12.1*	*18.4*	*-22.1*	*6.2*

As of June 30, 2017

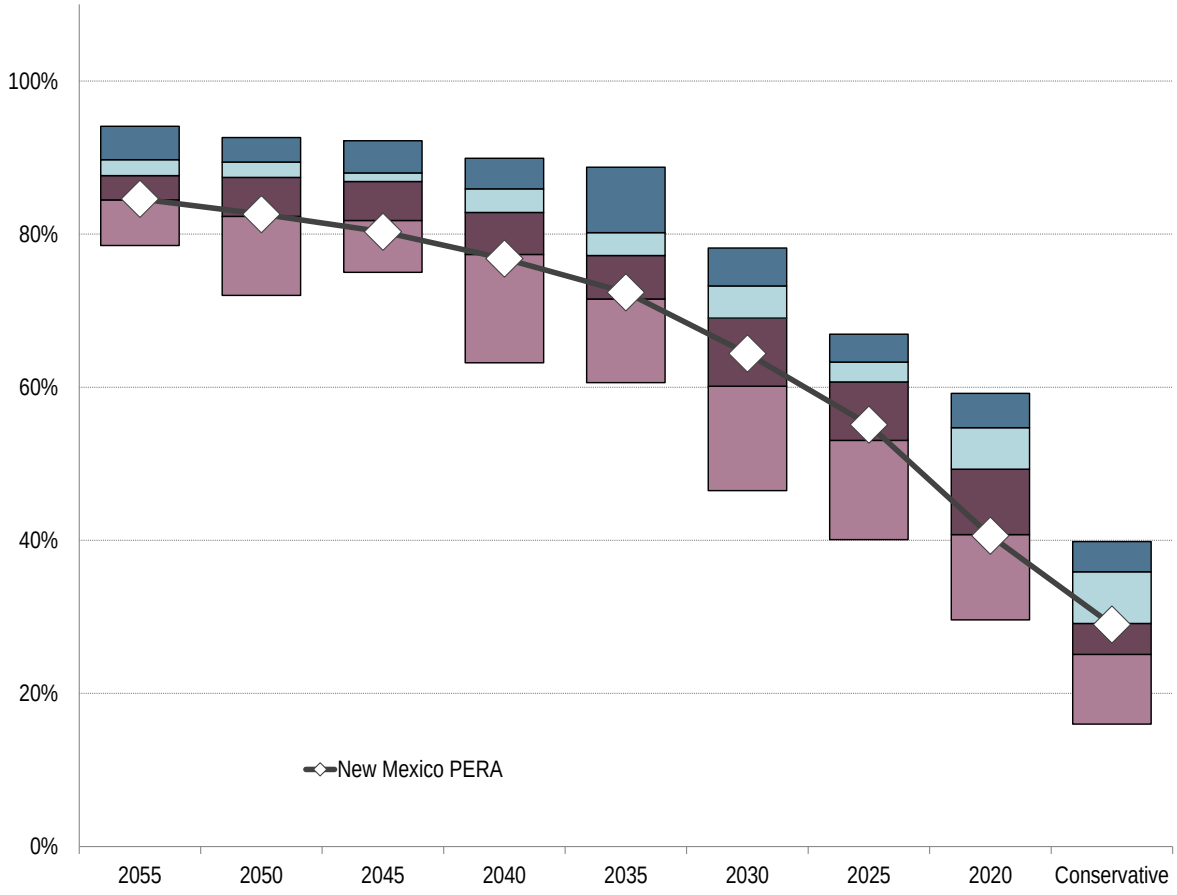
Investment Expense Analysis

Fund	Style	Assets as of 6/30/17 ($)	Estimated Fund Expense ($)	Net Expense Ratio (%)	Median Expense Ratio[1] (%)	Net Expense Difference	Revenue Sharing ($)	Revenue Sharing (%)
New Mexico Conservative Portfolio	Target Date	38,187,781	141,295	0.37	0.64	-0.27	-	0.00
New Mexico LifeCycle 2020 Portfolio	Target Date	1,711,248	6,332	0.37	0.73	-0.36	-	0.00
New Mexico LifeCycle 2025 Portfolio	Target Date	45,311,209	167,651	0.37	0.75	-0.38	-	0.00
New Mexico LifeCycle 2030 Portfolio	Target Date	1,961,495	7,846	0.40	0.76	-0.36	-	0.00
New Mexico LifeCycle 2035 Portfolio	Target Date	25,604,863	110,101	0.43	0.79	-0.36	-	0.00
New Mexico LifeCycle 2040 Portfolio	Target Date	2,348,931	10,100	0.43	0.78	-0.35	-	0.00
New Mexico LifeCycle 2045 Portfolio	Target Date	14,249,186	61,272	0.43	0.78	-0.35	-	0.00
New Mexico LifeCycle 2050 Portfolio	Target Date	770,947	3,315	0.43	0.79	-0.36	-	0.00
New Mexico LifeCycle 2055 Portfolio	Target Date	6,066,221	26,691	0.44	0.75	-0.31	-	0.00
Oakmark Equity and Income Fund (The) - Class I	Balanced	20,506,932	162,005	0.79	0.91	-0.12	61,521	0.30
Principal Diversified Real Asset Fund - Institutional	Real Assets	399,070	3,552	0.89	0.77	0.12	399	0.10
Columbia Institutional High Yield	Bonds	-	-	0.66	0.73	-0.07	-	0.00
Templeton Global Bond Fund - Class R6	International Bonds	1,868,902	9,718	0.52	0.68	-0.16	-	0.00
Vanguard Inflation-Protected Securities	Bonds	5,014,054	3,510	0.07	0.45	-0.38	-	0.00
Vanguard Total Bond Market Index Fund - Institutional Shares	Bonds	16,798,883	6,720	0.04	0.50	-0.46	-	0.00
New Mexico Stable Value Fund	Bonds (Stable Value)	131,884,328	535,450	0.41	0.50	-0.09	-	0.00
Aberdeen Emerging Markets Equity Fund Institutional Class	International Equity	2,664,292	29,307	1.10	1.20	-0.10	-	0.00
EuroPacific Growth Fund(R) - Class R6	International Equity	9,232,195	46,161	0.50	0.83	-0.33	-	0.00
Fidelity Diversified International K[2]	International Equity	10,963,620	100,865	0.92	0.83	0.09	-	0.00
Vanguard Total International Stock Index Fund - Inst	International Equity	2,893,223	2,604	0.09	0.90	-0.81	-	0.00
Dodge & Cox Stock Fund	US Large Cap	30,880,849	160,580	0.52	0.90	-0.38	30,881	0.10
Fidelity Contrafund K	US Large Cap	38,263,005	221,925	0.58	0.68	-0.10	-	0.00
Vanguard Institutional Index Fund - Inst	US Large Cap	81,346,646	32,539	0.04	0.77	-0.73	-	0.00
Fidelity Low-Priced Stock K[3]	US Mid Cap	8,369,432	65,282	0.78	0.83	-0.05	-	0.00
Principal MidCap Blend Fund - Institutional Class	US Mid Cap	12,304,374	83,670	0.68	0.92	-0.24	12,304	0.10
T. Rowe Price Institutional Mid-Cap Equity Growth Fund	US Mid Cap	26,713,104	162,950	0.61	0.92	-0.31	-	0.00
DFA U.S. Small Cap Portfolio	US Small Cap	12,955,162	47,934	0.37	1.00	-0.63	-	0.00
Invesco Global Real Estate Fund - Class R5	REITs	1,639,112	14,424	0.88	0.94	-0.06	5,737	0.35
Self Directed Brokerage Option	Brokerage Window	4,623,843	-	-	-	-	-	-
Loan	Other	11,318,890	-	-	-	-	-	-
Total		**566,851,794**	**2,223,799**	**0.39**			**110,842**	**0.02**

[1] Median net expense ratios as defined by the Morningstar Fee Level-Distribution universe, which includes mutual funds by category with similar distribution channels and expense structures.
[2] Fund carries a 1.0% redemption fee for shares held less than 30 days.
[3] Fund carries a 1.5% redemption fee for shares held less than 90 days.
[4] Total net expense ratio is calculated net of Loan and Brokerage accounts.
[5] Total revenue sharing is calculated net of Loan and Brokerage accounts.

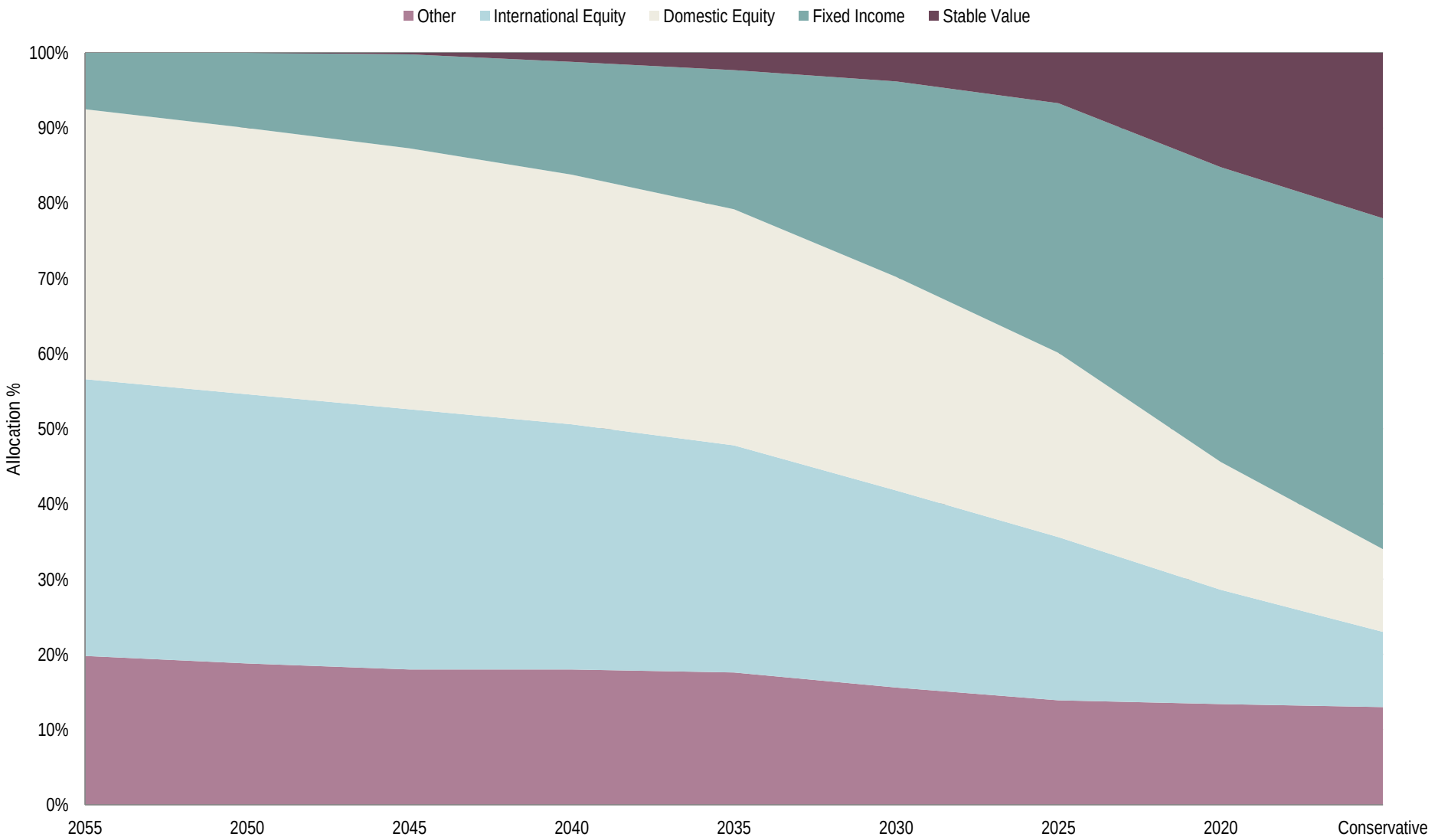
LifeCycle Funds Detail
As of June 30, 2017

Glide Path Universe Comparison[1]
% Allocation to Equity



[1] Peer universe data is provided by MorningStar Mutual Fund Target Date universe. Each color of the bar represents a quartile with the top and bottom representing the maximum and minimum observation. The Global REIT allocation is included within equity.

Asset Allocation by Target Date



LifeCycle Funds Detail

	2055 Portfolio (%)	2050 Portfolio (%)	2045 Portfolio (%)	2040 Portfolio (%)	2035 Portfolio (%)	2030 Portfolio (%)	2025 Portfolio (%)	2020 Portfolio (%)	Conservative Portfolio (%)
Total Fixed Income	7.5	10.0	12.7	16.2	20.8	29.8	39.9	54.4	66.0
Total Stable Value	0.0	0.0	0.2	1.2	2.3	3.8	6.7	15.2	22.0
New Mexico Stable Value Fund (Galliard)	0.0	0.0	0.2	1.2	2.3	3.8	6.7	15.2	22.0
Total Investment Grade Bonds	2.8	4.3	5.8	7.2	9.3	15.8	22.0	27.0	31.0
Vanguard Inflation-Protected Securities	0.2	1.1	1.7	2.6	3.2	4.2	5.7	9.2	12.0
Vanguard Total Bond Market Index	2.6	3.2	4.1	4.6	6.1	11.6	16.3	17.8	19.0
Total Global Bonds	4.7	5.7	6.7	7.8	9.2	10.2	11.2	12.2	13.0
Templeton Global Bond Fund	2.1	2.6	3.1	3.6	4.1	4.6	5.0	5.0	5.0
Columbia High Yield Bonds	2.6	3.1	3.6	4.2	5.1	5.6	6.2	7.2	8.0
Total Equity	72.7	71.2	69.3	65.8	61.6	54.6	46.2	32.2	21.0
Total Domestic Equity	35.9	35.4	34.7	33.2	31.4	28.4	24.5	17.0	11.0
Vanguard Institutional Index Fund	25.4	24.8	23.8	22.8	21.7	20.1	17.4	12.0	8.0
Principal Mid Cap Equity	3.5	3.6	3.7	3.5	3.4	2.9	2.4	1.8	1.0
T. Rowe Price Mid Cap Growth	3.5	3.6	3.7	3.5	3.4	2.9	2.4	1.8	1.0
DFA US Small Cap Portfolio	3.5	3.5	3.5	3.4	2.9	2.5	2.3	1.4	1.0
Total International Equity	36.8	35.8	34.6	32.6	30.2	26.2	21.7	15.2	10.0
Vanguard Total International Stock Index	19.8	18.8	17.8	16.8	15.6	13.6	11.3	7.8	5.0
American Fund EuroPacific Growth	7.0	7.0	6.8	5.9	5.4	5.0	4.6	2.8	2.0
Aberdeen Emerging Markets	10.0	10.0	10.0	9.9	9.2	7.6	5.8	4.6	3.0
Total Other	19.8	18.8	18.0	18.0	17.6	15.6	13.9	13.4	13.0
Total Global Real Estate Securities	11.9	11.4	11.0	11.0	10.8	9.8	8.9	8.4	8.0
INVESCO Global Real Estate	11.9	11.4	11.0	11.0	10.8	9.8	8.9	8.4	8.0
Total Diversified Inflation Hedge	7.9	7.4	7.0	7.0	6.8	5.8	5.0	5.0	5.0
Principal Diversified Real Asset Fund	7.9	7.4	7.0	7.0	6.8	5.8	5.0	5.0	5.0

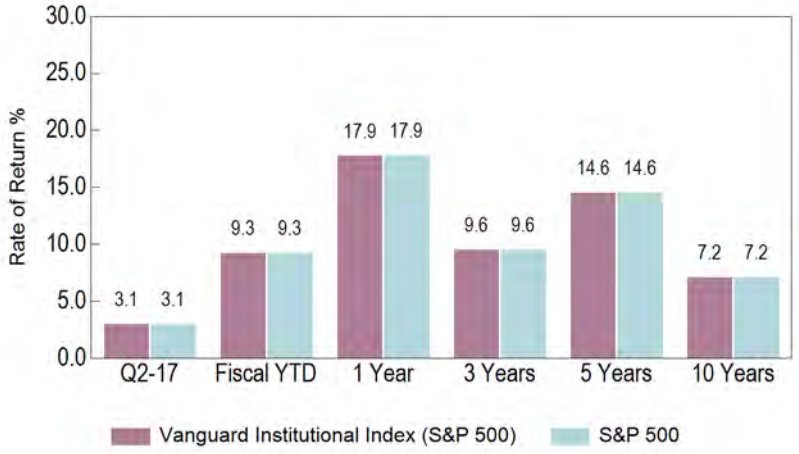
Portfolio Reviews

Vanguard Institutional Index (S&P 500)

As of June 30, 2017

Portfolio Fund Information as of June 30, 2017	
Ticker	VINIX
Morningstar Category	Large Blend
Average Market Cap ($mm)	87,812.76
Net Assets ($mm)	132,229.39
% Assets in Top 10 Holdings	18.69
Total Number of Holdings	509
Manager Name	Donald M. Butler
Manager Tenure	17
Expense Ratio	0.04%
Closed to New Investors	No

Return Summary
Ending June 30, 2017



Equity Characteristics Within Mutual Funds as of June 30, 2017 Versus S&P 500	Portfolio	S&P 500
Average Market Cap (Billions)	87.81	154.74
Price To Earnings	19.95	24.69
Price To Book	2.82	4.59
Return On Equity	21.88	18.97
Dividend Yield	2.08%	2.00%
Beta (3 Year)	1.00	1.00
R-Squared (3 Year)	1.00	1.00

Top Holdings as of June 30, 2017	
APPLE INC	3.6%
MICROSOFT CORP	2.6%
AMAZON.COM INC	1.8%
FACEBOOK INC A	1.7%
JOHNSON & JOHNSON	1.7%
EXXON MOBIL CORP	1.6%
JPMORGAN CHASE & CO	1.6%
BERKSHIRE HATHAWAY INC B	1.5%
ALPHABET INC A	1.3%
ALPHABET INC C	1.3%

Sector Allocation as of June 30, 2017	
BASIC MATERIALS	2.9%
COMMUNICATION SERVICES	3.9%
CONSUMER CYCLICAL	11.0%
CONSUMER DEFENSIVE	9.1%
ENERGY	6.0%
FINANCIAL SERVICES	16.3%
HEALTHCARE	14.7%
INDUSTRIALS	10.5%
REAL ESTATE	2.3%
TECHNOLOGY	19.8%
UTILITIES	3.2%

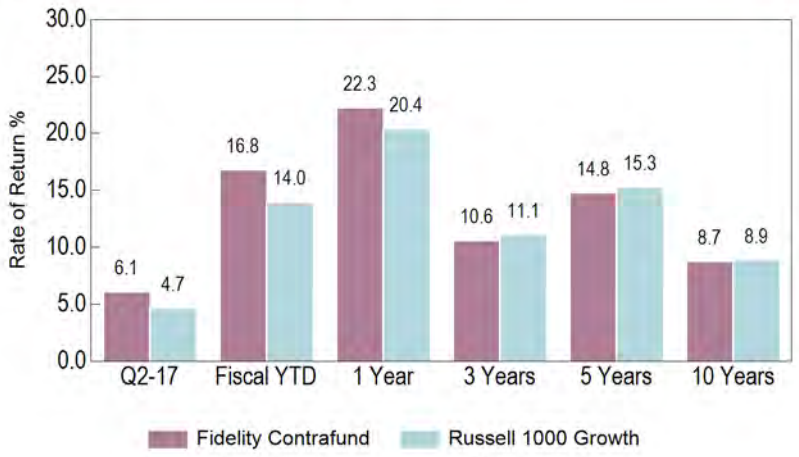
[1] The portfolio's equity characteristics are calculated by Morningstar. Index characteristics are calculated by InvestorForce using a different methodology, which accounts for the differences between the portfolio and the index.

Fidelity Contrafund

As of June 30, 2017

Portfolio Fund Information as of June 30, 2017	
Ticker	FCNKX
Morningstar Category	Large Growth
Average Market Cap ($mm)	106,238.93
Net Assets ($mm)	31,885.75
% Assets in Top 10 Holdings	36.34
Total Number of Holdings	320
Manager Name	William Danoff
Manager Tenure	27
Expense Ratio	0.58%
Closed to New Investors	No

Return Summary
Ending June 30, 2017



Equity Characteristics Within Mutual Funds as of June 30, 2017
Versus Russell 1000 Growth

	Portfolio	Russell 1000 Growth
Average Market Cap (Billions)	106.24	170.43
Price To Earnings	24.91	27.97
Price To Book	3.57	6.99
Return On Equity	19.07	26.97
Dividend Yield	0.87%	1.43%
Beta (3 Year)	0.89	1.00
R-Squared (3 Year)	0.94	1.00

Top Holdings as of June 30, 2017	
FACEBOOK INC A	6.8%
BERKSHIRE HATHAWAY INC A	5.0%
AMAZON.COM INC	4.6%
ALPHABET INC A	3.8%
APPLE INC	3.4%
ALPHABET INC C	3.3%
UNITEDHEALTH GROUP INC	2.6%
MICROSOFT CORP	2.5%
VISA INC CLASS A	2.3%
WELLS FARGO & CO	2.1%

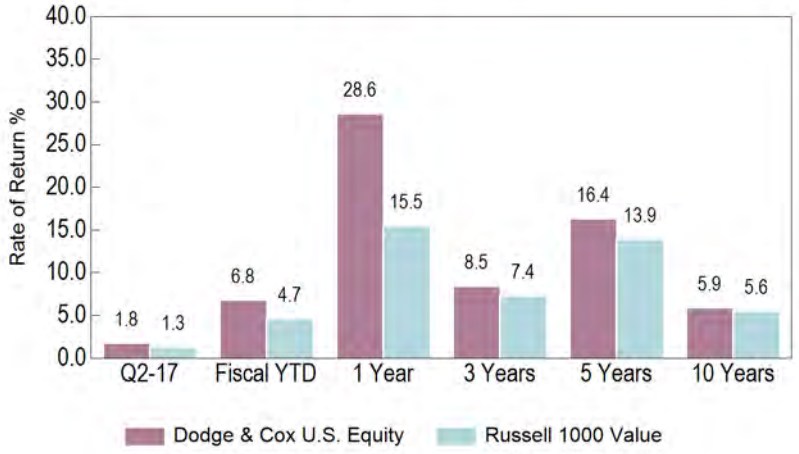
Sector Allocation as of June 30, 2017	
BASIC MATERIALS	2.6%
COMMUNICATION SERVICES	1.4%
CONSUMER CYCLICAL	16.0%
CONSUMER DEFENSIVE	3.2%
ENERGY	1.5%
FINANCIAL SERVICES	21.7%
HEALTHCARE	9.3%
INDUSTRIALS	5.8%
REAL ESTATE	0.1%
TECHNOLOGY	36.2%
UTILITIES	0.0%

Dodge & Cox U.S. Equity

As of June 30, 2017

Portfolio Fund Information as of June 30, 2017	
Ticker	DODGX
Morningstar Category	Large Value
Average Market Cap ($mm)	73,234.43
Net Assets ($mm)	66,135.67
% Assets in Top 10 Holdings	31.97
Total Number of Holdings	67
Manager Name	C. Bryan Cameron
Manager Tenure	26
Expense Ratio	0.52%
Closed to New Investors	No

Return Summary
Ending June 30, 2017



Equity Characteristics Within Mutual Funds as of June 30, 2017 Versus Russell 1000 Value	Portfolio	Russell 1000 Value
Average Market Cap (Billions)	73.23	108.85
Price To Earnings	17.90	20.93
Price To Book	1.95	2.56
Return On Equity	12.22	12.04
Dividend Yield	1.84%	2.44%
Beta (3 Year)	1.13	1.00
R-Squared (3 Year)	0.87	1.00

Top Holdings as of June 30, 2017	
CHARLES SCHWAB CORP	3.8%
BANK OF AMERICA CORPORATION	3.8%
WELLS FARGO & CO	3.6%
CAPITAL ONE FINANCIAL CORP	3.4%
CHARTER COMMUNICATIONS INC A	3.0%
NOVARTIS AG ADR	3.0%
SANOFI SA ADR	3.0%
TIME WARNER INC	2.9%
GOLDMAN SACHS GROUP INC	2.9%
COMCAST CORP CLASS A	2.7%

Sector Allocation as of June 30, 2017	
BASIC MATERIALS	2.4%
COMMUNICATION SERVICES	7.9%
CONSUMER CYCLICAL	7.5%
CONSUMER DEFENSIVE	2.4%
ENERGY	7.5%
FINANCIAL SERVICES	27.7%
HEALTHCARE	19.7%
INDUSTRIALS	3.6%
REAL ESTATE	0.0%
TECHNOLOGY	18.8%
UTILITIES	0.0%

T. Rowe Price MidCap Growth

As of June 30, 2017

Portfolio Fund Information as of June 30, 2017	
Ticker	PMEGX
Morningstar Category	Mid-Cap Growth
Average Market Cap ($mm)	11,830.99
Net Assets ($mm)	6,529.68
% Assets in Top 10 Holdings	18.86
Total Number of Holdings	137
Manager Name	Brian W.H. Berghuis
Manager Tenure	21
Expense Ratio	0.61%
Closed to New Investors	No

Return Summary
Ending June 30, 2017

Equity Characteristics Within Mutual Funds as of June 30, 2017
Versus Russell MidCap Growth

	Portfolio	Russell MidCap Growth
Average Market Cap (Billions)	11.83	13.52
Price To Earnings	24.67	29.81
Price To Book	3.48	6.71
Return On Equity	17.53	25.26
Dividend Yield	0.79%	1.06%
Beta (3 Year)	1.01	1.00
R-Squared (3 Year)	0.96	1.00

Top Holdings as of June 30, 2017	
TELEFLEX INC	2.2%
WILLIS TOWERS WATSON PLC	2.1%
TEXTRON INC	2.1%
FIDELITY NATIONAL FINANCIAL INC	1.9%
FISERV INC	1.8%
HOLOGIC INC	1.8%
IDEX CORP	1.8%
COACH INC	1.8%
MICROCHIP TECHNOLOGY INC	1.7%
ROPER TECHNOLOGIES INC	1.7%

Sector Allocation as of June 30, 2017	
BASIC MATERIALS	3.5%
COMMUNICATION SERVICES	0.2%
CONSUMER CYCLICAL	14.7%
CONSUMER DEFENSIVE	4.6%
ENERGY	1.9%
FINANCIAL SERVICES	9.8%
HEALTHCARE	20.9%
INDUSTRIALS	22.6%
REAL ESTATE	0.5%
TECHNOLOGY	19.4%
UTILITIES	0.0%

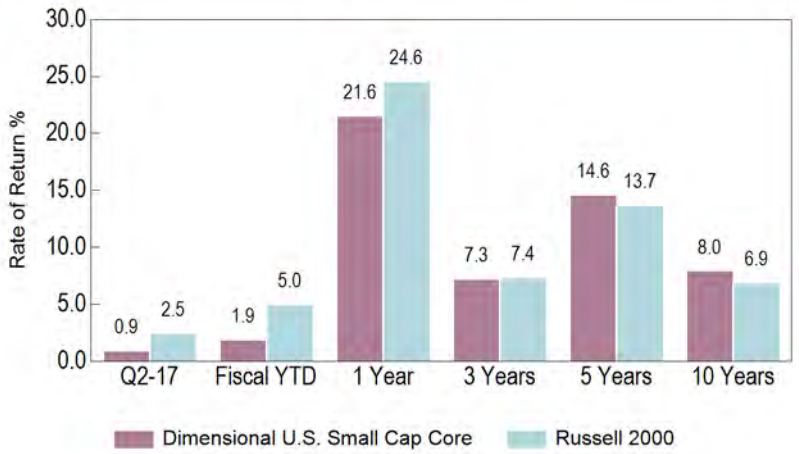
Dimensional U.S. Small Cap Core

As of June 30, 2017

Portfolio Fund Information as of June 30, 2017

Ticker	DFSTX
Morningstar Category	Small Blend
Average Market Cap ($mm)	1,766.51
Net Assets ($mm)	15,876.24
% Assets in Top 10 Holdings	3.38
Total Number of Holdings	1,948
Manager Name	Joseph H. Chi
Manager Tenure	5
Expense Ratio	0.37%
Closed to New Investors	No

Return Summary
Ending June 30, 2017



Equity Characteristics Within Mutual Funds as of June 30, 2017
Versus Russell 2000

	Portfolio	Russell 2000
Average Market Cap (Billions)	1.77	2.02
Price To Earnings	19.87	23.89
Price To Book	1.96	2.99
Return On Equity	10.46	10.33
Dividend Yield	1.32%	1.14%
Beta (3 Year)	0.92	1.00
R-Squared (3 Year)	0.97	1.00

Top Holdings as of June 30, 2017

S+P500 EMINI FUT SEP17 XCME 20170915	0.6%
RUSSELL 2000 MINI SEP17 IFUS 20170915	0.5%
CATHAY GENERAL BANCORP	0.3%
STERLING BANCORP	0.3%
COHERENT INC	0.3%
BANCORPSOUTH INC	0.3%
DECKERS OUTDOOR CORP	0.3%
PINNACLE FINANCIAL PARTNERS INC	0.3%
SANDERSON FARMS INC	0.3%
TEREX CORP	0.3%

Sector Allocation as of June 30, 2017

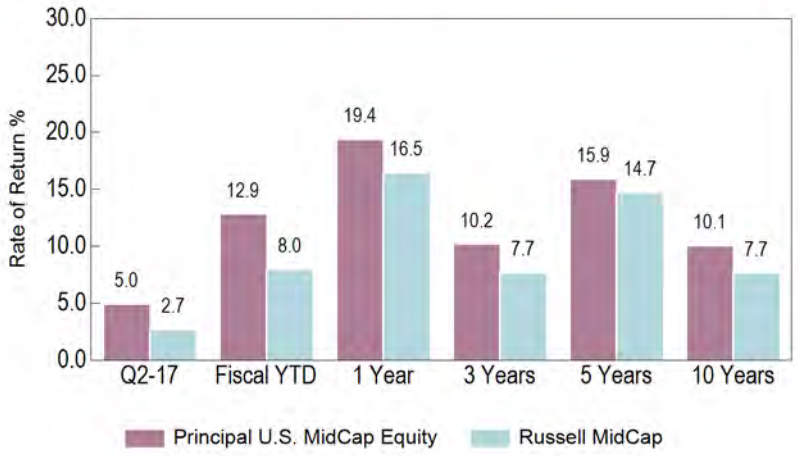
BASIC MATERIALS	6.6%
COMMUNICATION SERVICES	1.5%
CONSUMER CYCLICAL	15.3%
CONSUMER DEFENSIVE	5.0%
ENERGY	3.8%
FINANCIAL SERVICES	21.4%
HEALTHCARE	7.7%
INDUSTRIALS	17.9%
REAL ESTATE	0.6%
TECHNOLOGY	14.3%
UTILITIES	3.9%

Principal U.S. MidCap Equity

As of June 30, 2017

Portfolio Fund Information as of June 30, 2017	
Ticker	PCBIX
Morningstar Category	Mid-Cap Growth
Average Market Cap ($mm)	15,480.84
Net Assets ($mm)	9,872.65
% Assets in Top 10 Holdings	32.22
Total Number of Holdings	83
Manager Name	K. William Nolin
Manager Tenure	17
Expense Ratio	0.68%
Closed to New Investors	No

Return Summary
Ending June 30, 2017



Equity Characteristics Within Mutual Funds as of June 30, 2017
Versus Russell MidCap

	Portfolio	Russell MidCap
Average Market Cap (Billions)	15.48	13.39
Price To Earnings	25.39	25.29
Price To Book	2.44	3.92
Return On Equity	18.37	15.49
Dividend Yield	0.91%	1.68%
Beta (3 Year)	1.03	1.00
R-Squared (3 Year)	0.92	1.00

Top Holdings as of June 30, 2017

BROOKFIELD ASSET MANAGEMENT INC CLASS A	4.9%
SBA COMMUNICATIONS CORP	3.9%
AON PLC	3.8%
TRANSDIGM GROUP INC	3.4%
MARKEL CORP	3.2%
MOODY'S CORPORATION	2.9%
CARMAX INC	2.8%
RESTAURANT BRANDS INTERNATIONAL INC	2.8%
FIDELITY NATIONAL FINANCIAL INC	2.3%
S&P GLOBAL INC	2.2%

Sector Allocation as of June 30, 2017

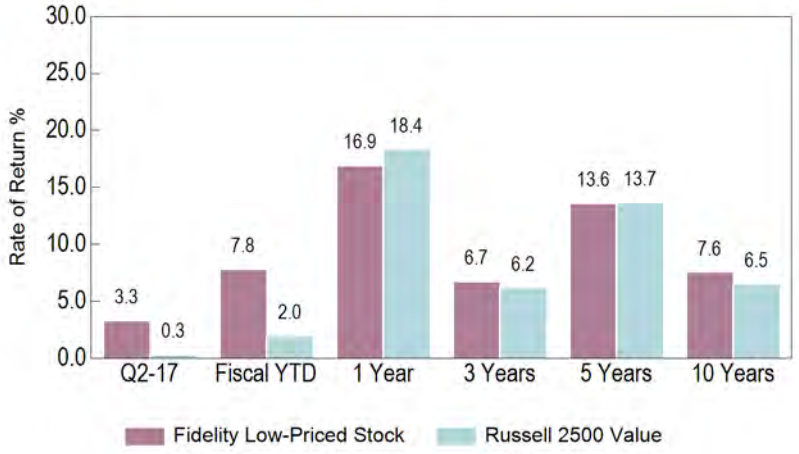
BASIC MATERIALS	6.0%
COMMUNICATION SERVICES	7.6%
CONSUMER CYCLICAL	18.8%
CONSUMER DEFENSIVE	3.3%
ENERGY	0.0%
FINANCIAL SERVICES	22.4%
HEALTHCARE	3.2%
INDUSTRIALS	15.8%
REAL ESTATE	10.0%
TECHNOLOGY	10.6%
UTILITIES	2.4%

Fidelity Low-Priced Stock

As of June 30, 2017

Portfolio Fund Information as of April 30, 2017	
Ticker	FLPKX
Morningstar Category	Mid-Cap Value
Average Market Cap ($mm)	5,827.86
Net Assets ($mm)	10,396.59
% Assets in Top 10 Holdings	24.45
Total Number of Holdings	904
Manager Name	Joel C. Tillinghast
Manager Tenure	28
Expense Ratio	0.78%
Closed to New Investors	No

Return Summary
Ending June 30, 2017



Equity Characteristics Within Mutual Funds as of April 30, 2017 Versus Russell 2500 Value	Portfolio	Russell 2500 Value
Average Market Cap (Billions)	5.83	4.40
Price To Earnings	14.18	20.82
Price To Book	1.66	2.02
Return On Equity	16.80	8.33
Dividend Yield	2.29%	1.87%
Beta (3 Year)	0.63	1.00
R-Squared (3 Year)	0.79	1.00

Top Holdings as of April 30, 2017	
UNITEDHEALTH GROUP INC	5.0%
SEAGATE TECHNOLOGY PLC	2.9%
BEST BUY CO INC	2.8%
ROSS STORES INC	2.8%
METRO INC	2.3%
NEXT PLC	2.0%
UNUM GROUP	2.0%
AETNA INC	1.6%
HON HAI PRECISION INDUSTRY CO LTD	1.6%
BARRATT DEVELOPMENTS PLC	1.5%

Sector Allocation as of April 30, 2017	
BASIC MATERIALS	3.5%
COMMUNICATION SERVICES	0.1%
CONSUMER CYCLICAL	23.1%
CONSUMER DEFENSIVE	9.4%
ENERGY	4.3%
FINANCIAL SERVICES	12.1%
HEALTHCARE	11.9%
INDUSTRIALS	8.4%
REAL ESTATE	1.0%
TECHNOLOGY	15.7%
UTILITIES	0.5%

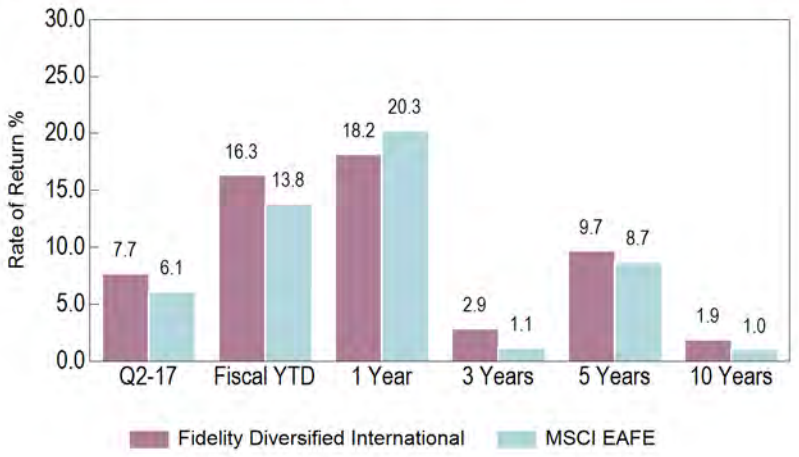
Fidelity Diversified International

As of June 30, 2017

Portfolio Fund Information as of June 30, 2017	
Ticker	FDIKX
Morningstar Category	Foreign Large Growth
Average Market Cap ($mm)	30,068.22
Net Assets ($mm)	8,558.75
% Assets in Top 10 Holdings	14.41
Total Number of Holdings	234
Manager Name	William Bower
Manager Tenure	16
Expense Ratio	0.92%
Closed to New Investors	No

Top Regions as of June 30, 2017	
EUROZONE	27.91%
UNITED KINGDOM	17.18%
JAPAN	15.51%
UNITED STATES	10.53%
ASIA EMERGING	7.98%

Return Summary
Ending June 30, 2017



Equity Characteristics Within Mutual Funds as of June 30, 2017 Versus MSCI EAFE	Portfolio	MSCI EAFE
Average Market Cap (Billions)	30.07	55.81
Price To Earnings	18.62	21.00
Price To Book	2.33	2.51
Return On Equity	17.61	13.13
Dividend Yield	2.27%	3.03%
Beta (3 Year)	0.89	1.00
R-Squared (3 Year)	0.91	1.00

Top Holdings as of June 30, 2017	
BAYER AG	2.3%
HOYA CORP	1.6%
ORIX CORP	1.5%
PRUDENTIAL PLC	1.5%
BRITISH AMERICAN TOBACCO PLC ADR	1.3%
KEYENCE CORP	1.3%
RYANAIR HOLDINGS PLC ADR	1.3%
SAP SE	1.3%
UNILEVER NV DR	1.2%
HDFC BANK LTD	1.2%

Sector Allocation as of June 30, 2017	
BASIC MATERIALS	3.4%
COMMUNICATION SERVICES	3.1%
CONSUMER CYCLICAL	10.0%
CONSUMER DEFENSIVE	15.5%
ENERGY	4.4%
FINANCIAL SERVICES	24.2%
HEALTHCARE	11.5%
INDUSTRIALS	9.7%
REAL ESTATE	0.6%
TECHNOLOGY	13.4%
UTILITIES	0.1%

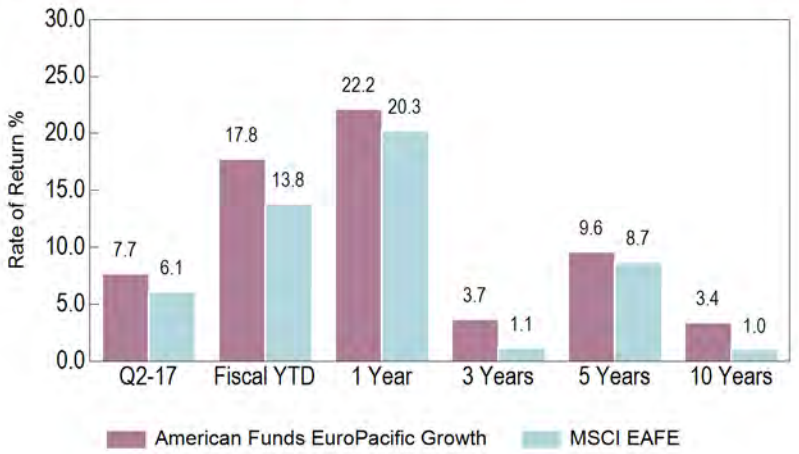
American Funds EuroPacific Growth

As of June 30, 2017

Portfolio Fund Information as of June 30, 2017	
Ticker	RERGX
Morningstar Category	Foreign Large Growth
Average Market Cap ($mm)	45,098.99
Net Assets ($mm)	56,566.48
% Assets in Top 10 Holdings	22.85
Total Number of Holdings	364
Manager Name	Mark E. Denning
Manager Tenure	26
Expense Ratio	0.50%
Closed to New Investors	No

Top Regions as of June 30, 2017	
EUROZONE	18.14%
ASIA EMERGING	17.82%
JAPAN	14.80%
ASIA DEVELOPED	13.12%
UNITED KINGDOM	12.91%

Return Summary
Ending June 30, 2017



Equity Characteristics Within Mutual Funds as of June 30, 2017 Versus MSCI EAFE		
	Portfolio	MSCI EAFE
Average Market Cap (Billions)	45.10	55.81
Price To Earnings	16.69	21.00
Price To Book	2.14	2.51
Return On Equity	16.97	13.13
Dividend Yield	1.88%	3.03%
Beta (3 Year)	0.85	1.00
R-Squared (3 Year)	0.89	1.00

Top Holdings as of June 30, 2017	
SAMSUNG ELECTRONICS CO LTD	2.9%
BRITISH AMERICAN TOBACCO PLC	2.8%
ALIBABA GROUP HOLDING LTD ADR	2.6%
AIA GROUP LTD	2.5%
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	2.3%
SOFTBANK GROUP CORP	2.1%
TENCENT HOLDINGS LTD	2.1%
HDFC BANK LTD	2.0%
NINTENDO CO LTD	1.8%
SONY CORP	1.7%

Sector Allocation as of June 30, 2017	
BASIC MATERIALS	5.2%
COMMUNICATION SERVICES	5.1%
CONSUMER CYCLICAL	10.6%
CONSUMER DEFENSIVE	9.7%
ENERGY	5.2%
FINANCIAL SERVICES	17.2%
HEALTHCARE	5.8%
INDUSTRIALS	8.4%
REAL ESTATE	1.5%
TECHNOLOGY	19.4%
UTILITIES	2.6%

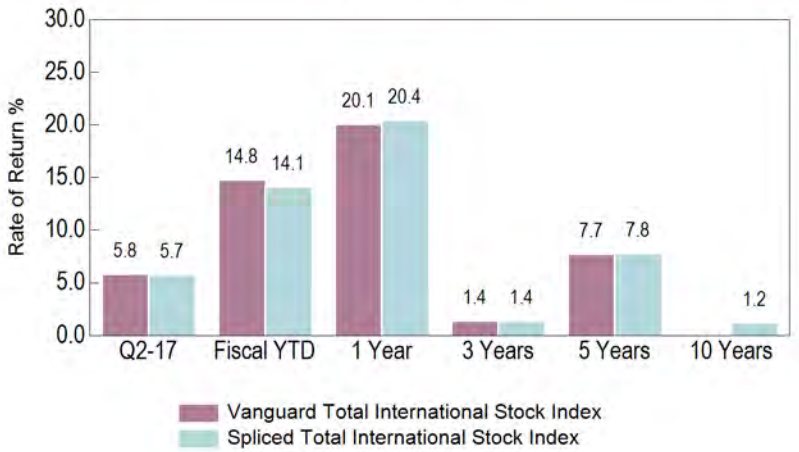
Vanguard Total International Stock Index

As of June 30, 2017

Portfolio Fund Information as of June 30, 2017	
Ticker	VTSNX
Morningstar Category	Foreign Large Blend
Average Market Cap ($mm)	21,356.60
Net Assets ($mm)	25,875.15
% Assets in Top 10 Holdings	7.67
Total Number of Holdings	6,118
Manager Name	Michael Perre
Manager Tenure	9
Expense Ratio	0.09%
Closed to New Investors	No

Top Regions as of June 30, 2017	
EUROZONE	20.53%
JAPAN	16.77%
UNITED KINGDOM	11.39%
EUROPE EXEURO	9.31%
ASIA DEVELOPED	9.15%

Return Summary
Ending June 30, 2017



Equity Characteristics Within Mutual Funds as of June 30, 2017
Versus FTSE All World ex US

	Portfolio	FTSE All World ex US
Average Market Cap (Billions)	21.36	53.10
Price To Earnings	14.75	20.43
Price To Book	1.61	2.40
Return On Equity	14.20	13.87
Dividend Yield	3.22%	2.91%
Beta (3 Year)	0.94	1.00
R-Squared (3 Year)	0.98	1.00

Top Holdings as of June 30, 2017	
NESTLE SA	1.2%
SAMSUNG ELECTRONICS CO LTD	0.9%
NOVARTIS AG	0.9%
TENCENT HOLDINGS LTD	0.8%
HSBC HOLDINGS PLC	0.8%
ROCHE HOLDING AG DIVIDEND RIGHT CERT.	0.8%
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	0.7%
TOYOTA MOTOR CORP	0.6%
BRITISH AMERICAN TOBACCO PLC	0.6%
ROYAL DUTCH SHELL PLC CLASS A	0.5%

Sector Allocation as of June 30, 2017	
BASIC MATERIALS	8.3%
COMMUNICATION SERVICES	4.1%
CONSUMER CYCLICAL	10.3%
CONSUMER DEFENSIVE	9.3%
ENERGY	5.7%
FINANCIAL SERVICES	20.5%
HEALTHCARE	7.7%
INDUSTRIALS	11.8%
REAL ESTATE	3.8%
TECHNOLOGY	10.1%
UTILITIES	2.9%

[1] The portfolio's equity characteristics are calculated by Morningstar. Index characteristics are calculated by InvestorForce using a different methodology, which accounts for the differences between the portfolio and the index.
[2] The Spliced Total International Stock Index through August 31, 2006; MSCI EAFE + Emerging Markets Index through December 15, 2010; MSCI ACWI ex USA IMI Index through June 2, 2013; and FTSE Global All Cap ex US Index thereafter.

Aberdeen Emerging Markets Equity

As of June 30, 2017

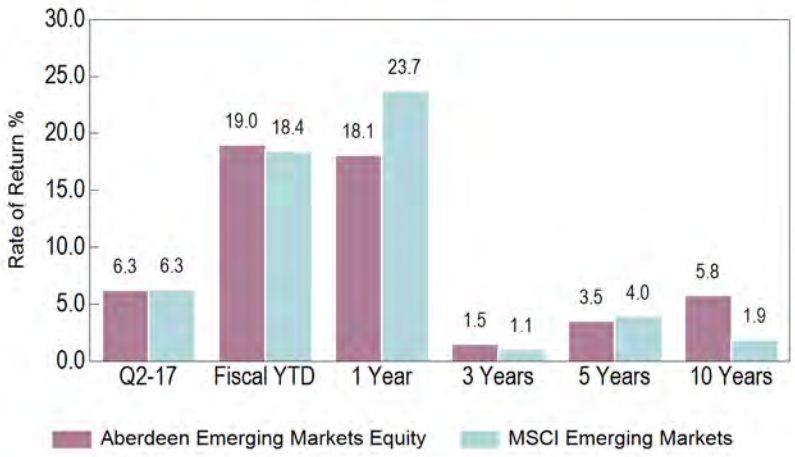
Portfolio Fund Information as of June 30, 2017

Ticker	ABEMX
Morningstar Category	Diversified Emerging Mkts
Average Market Cap ($mm)	25,813.30
Net Assets ($mm)	8,193.35
% Assets in Top 10 Holdings	32.02
Total Number of Holdings	66
Manager Name	Mark Gordon-James
Manager Tenure	10
Expense Ratio	1.10%
Closed to New Investors	No

Top Regions as of June 30, 2017

ASIA EMERGING	39.49%
LATIN AMERICA	20.31%
ASIA DEVELOPED	19.61%
EUROPE EMERGING	9.76%
AFRICA	3.10%

Return Summary Ending June 30, 2017



Equity Characteristics Within Mutual Funds as of June 30, 2017

Versus MSCI Emerging Markets

	Portfolio	MSCI Emerging Markets
Average Market Cap (Billions)	25.81	68.11
Price To Earnings	16.16	20.50
Price To Book	2.17	2.83
Return On Equity	18.32	16.79
Dividend Yield	2.31%	2.41%
Beta (3 Year)	0.90	1.00
R-Squared (3 Year)	0.89	1.00

Top Holdings as of June 30, 2017

SAMSUNG ELECTRONICS CO LTD PARTICIPATING PREFERRED	5.0%
HOUSING DEVELOPMENT FINANCE CORP LTD	3.9%
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	3.9%
AIA GROUP LTD	3.1%
PT ASTRA INTERNATIONAL TBK	3.0%
FOMENTO ECONOMICO MEXICANO SAB DE CV ADR	2.8%
ITC LTD	2.7%
GRUPO FINANCIERO BANORTE SAB DE CV CLASS O	2.7%
CHINA MOBILE LTD	2.5%
BANK BRADESCO SA ADR	2.4%

Sector Allocation as of June 30, 2017

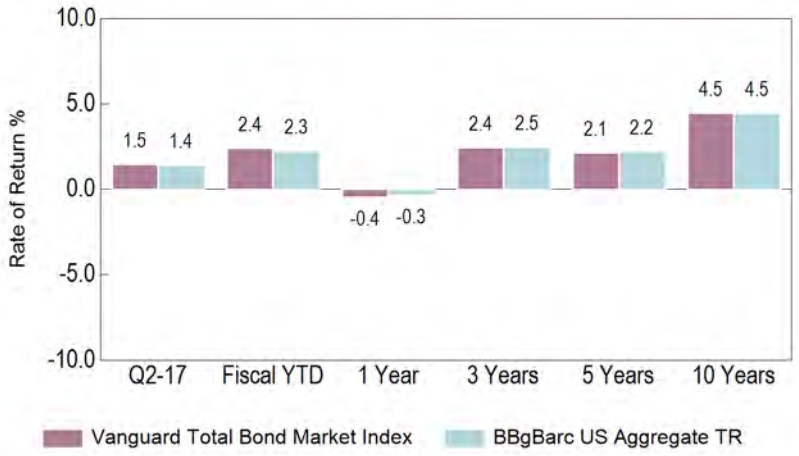
BASIC MATERIALS	9.6%
COMMUNICATION SERVICES	4.4%
CONSUMER CYCLICAL	11.5%
CONSUMER DEFENSIVE	16.2%
ENERGY	3.8%
FINANCIAL SERVICES	25.0%
HEALTHCARE	1.2%
INDUSTRIALS	4.7%
REAL ESTATE	6.9%
TECHNOLOGY	12.7%
UTILITIES	0.0%

Vanguard Total Bond Market Index

As of June 30, 2017

Fund Information as of June 30, 2017	
Fund Name	Vanguard Total Bond Market Index
Ticker	VBTIX
Category	Intermediate-Term Bond
Benchmark	BBgBarc US Aggregate TR
Expense Ratio	0.04%
Fund Assets ($mm)	36,483.80
Share Class Inception Date	9/18/1995
Manager Tenure	4

Return Summary
Ending June 30, 2017



Fund Characteristics as of June 30, 2017 Versus BBgBarc US Aggregate TR	
Sharpe Ratio (3 Year)	0.71
Average Duration	6.14
Average Coupon	3.09%
Average Effective Maturity	8.40
R-Squared (3 Year)	0.99
Alpha (3 Year)	-0.02%
Beta (3 Year)	1.07

Credit Quality as of June 30, 2017	
AAA	69.3%
AA	4.0%
A	11.7%
BBB	15.0%
BB	0.0%
B	0.0%
Below B	0.0%
Not Rated	0.0%

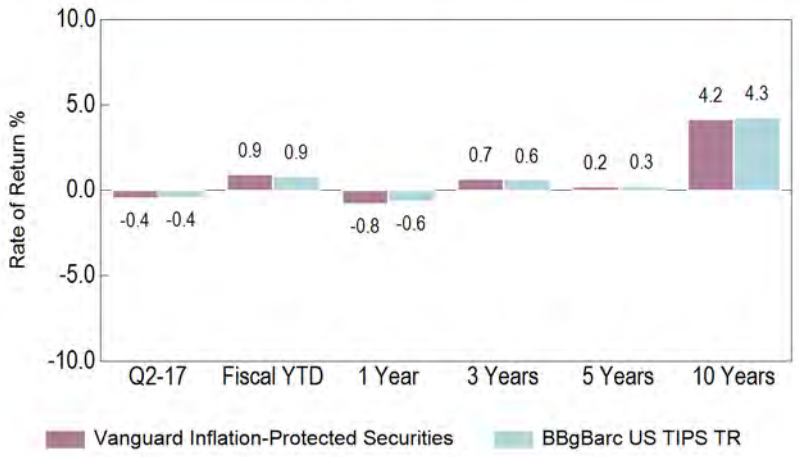
Fixed Income Sectors as of June 30, 2017	
GOVERNMENT	45.1%
MUNICIPAL	0.6%
CORPORATE	28.1%
SECURITIZED	24.3%
CASH & EQUIVALENTS	1.9%
DERIVATIVE	0.0%

Vanguard Inflation-Protected Securities

As of June 30, 2017

Fund Information as of March 31, 2017	
Fund Name	Vanguard Inflation-Protected Sec
Ticker	VIPIX
Category	Inflation-Protected Bond
Benchmark	BBgBarc US TIPS TR
Expense Ratio	0.07%
Fund Assets ($mm)	9,005.16
Share Class Inception Date	12/12/2003
Manager Tenure	6

Return Summary
Ending June 30, 2017



Fund Characteristics as of March 31, 2017 Versus BBgBarc US TIPS TR	
Sharpe Ratio (3 Year)	0.46
Average Duration	7.88
Average Coupon	0.83%
Average Effective Maturity	8.30
R-Squared (3 Year)	0.99
Alpha (3 Year)	0.00%
Beta (3 Year)	1.02

Credit Quality as of March 31, 2017	
AAA	100.0%
AA	0.0%
A	0.0%
BBB	0.0%
BB	0.0%
B	0.0%
Below B	0.0%
Not Rated	0.0%

Fixed Income Sectors as of March 31, 2017	
GOVERNMENT	99.9%
MUNICIPAL	0.0%
CORPORATE	0.0%
SECURITIZED	0.0%
CASH & EQUIVALENTS	0.1%
DERIVATIVE	0.0%

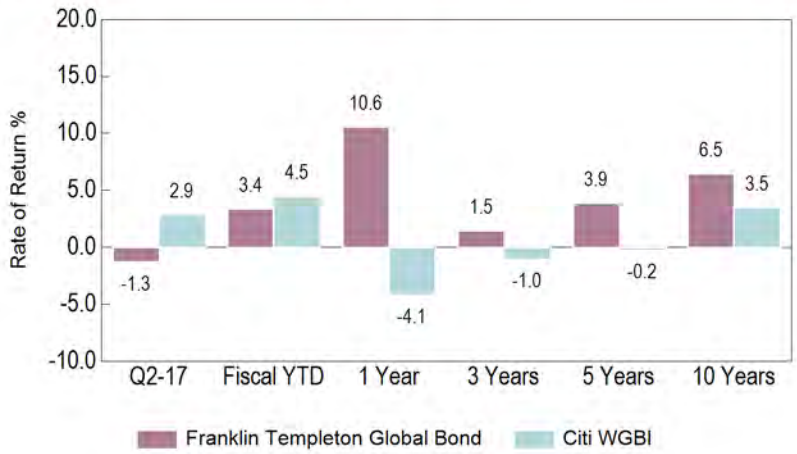
Franklin Templeton Global Bond

As of June 30, 2017

Fund Information as of June 30, 2017	
Fund Name	TEMPLETON GLOBAL BOND R6
Ticker	FBNRX
Category	World Bond
Benchmark	Citi WGBI
Expense Ratio	0.52%
Fund Assets ($mm)	3,126.70
Share Class Inception Date	5/1/2013
Manager Tenure	16

Top Regions as of June 30, 2017	
ASIA EMERGING	39.49%
LATIN AMERICA	20.31%
ASIA DEVELOPED	19.61%
EUROPE EMERGING	9.76%
AFRICA	3.10%

Return Summary
Ending June 30, 2017



Fund Characteristics as of June 30, 2017 Versus Citi WGBI	
Sharpe Ratio (3 Year)	0.19
Average Duration	0.28
Average Coupon	8.72%
Average Effective Maturity	3.80
R-Squared (3 Year)	0.04
Alpha (3 Year)	0.12%
Beta (3 Year)	-0.23

Credit Quality as of March 31, 2017	
AAA	0.5%
AA	11.9%
A	21.6%
BBB	33.5%
BB	21.7%
B	10.8%
Below B	0.0%
Not Rated	0.0%

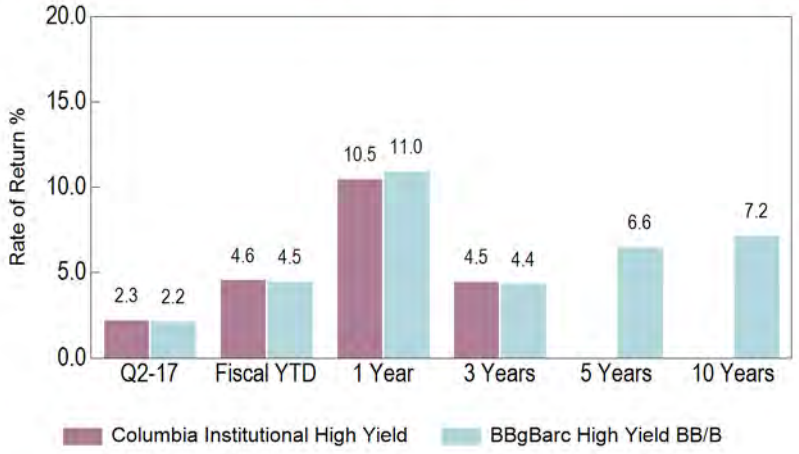
Fixed Income Sectors as of June 30, 2017	
GOVERNMENT	66.9%
MUNICIPAL	0.0%
CORPORATE	1.1%
SECURITIZED	0.0%
CASH & EQUIVALENTS	31.2%
DERIVATIVE	0.0%

Columbia Institutional High Yield

As of June 30, 2017

Fund Information as of June 30, 2017	
Fund Name	COLUMBIA HIGH YIELD BOND Y
Ticker	CHYYX
Category	High Yield Bond
Benchmark	BBgBarc High Yield BB/B
Expense Ratio	0.66%
Fund Assets ($mm)	356.96
Share Class Inception Date	11/8/2012
Manager Tenure	7

Return Summary
Ending June 30, 2017



Fund Characteristics as of June 30, 2017 Versus BBgBarc High Yield BB/B	
Sharpe Ratio (3 Year)	0.84
Average Duration	3.95
Average Coupon	6.16%
Average Effective Maturity	4.87
R-Squared (3 Year)	0.93
Alpha (3 Year)	0.05%
Beta (3 Year)	0.90

Credit Quality as of June 30, 2017	
AAA	3.4%
AA	0.0%
A	0.0%
BBB	0.7%
BB	35.5%
B	46.0%
Below B	14.4%
Not Rated	0.0%

Fixed Income Sectors as of June 30, 2017	
GOVERNMENT	0.0%
MUNICIPAL	0.0%
CORPORATE	96.9%
SECURITIZED	0.2%
CASH & EQUIVALENTS	0.0%
DERIVATIVE	0.0%

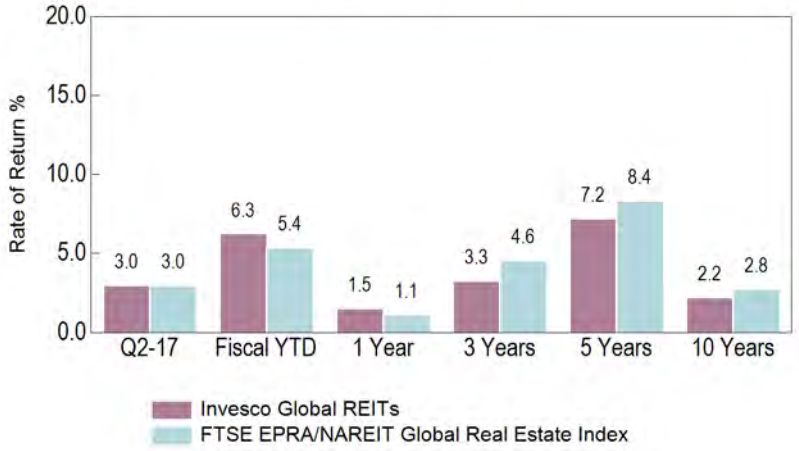
[1] Columbia Institutional High Yield is a component of the LifeCycle Funds only and is not available as a participant directed investment option. Total fund assets are approximately $2 billion.

Invesco Global REITs

As of June 30, 2017

Portfolio Fund Information as of June 30, 2017	
Ticker	IGREX
Morningstar Category	Global Real Estate
Average Market Cap ($mm)	9,942.60
Net Assets ($mm)	269.38
% Assets in Top 10 Holdings	23.71
Total Number of Holdings	181
Manager Name	Mark D. Blackburn
Manager Tenure	12
Expense Ratio	0.88%
Closed to New Investors	No

Return Summary
Ending June 30, 2017



Fund Characteristics as of June 30, 2017 Versus FTSE EPRA/NAREIT Global Real Estate Index	
Sharpe Ratio (3 Year)	0.26
Average Market Cap ($mm)	9,942.60
Price/Earnings	21.17
Price/Book	1.51
Price/Sales	4.98
Price/Cash Flow	12.38
Dividend Yield	3.69
Number of Equity Holdings	150
R-Squared (3 Year)	0.98
Alpha (3 Year)	-0.09%

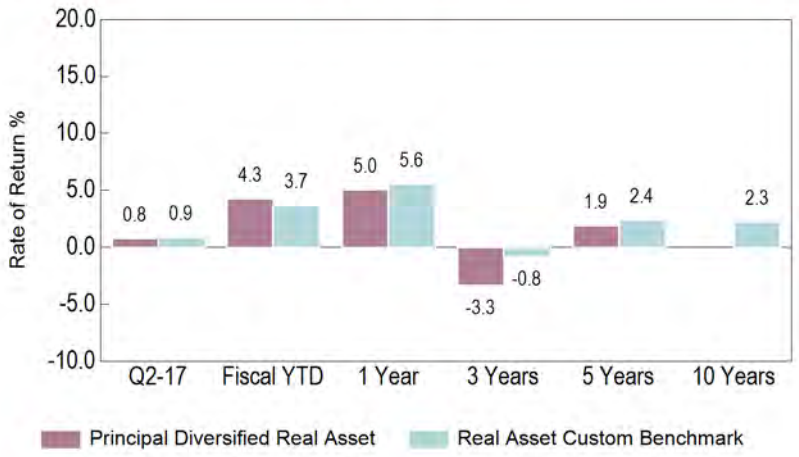
Top Holdings as of June 30, 2017	
SIMON PROPERTY GROUP INC	3.6%
EQUITY RESIDENTIAL	2.7%
PUBLIC STORAGE	2.5%
PROLOGIS INC	2.4%
BOSTON PROPERTIES INC	2.4%
AVALONBAY COMMUNITIES INC	2.3%
MITSUI FUDOSAN CO LTD	2.1%
MITSUBISHI ESTATE CO LTD	2.1%
VORNADO REALTY TRUST	1.9%
UNIBAIL-RODAMCO SE	1.8%

Principal Diversified Real Asset

As of June 30, 2017

Portfolio Fund Information as of June 30, 2017	
Ticker	PDRDX
Morningstar Category	Allocation--30% to 50% Equity
Average Market Cap ($mm)	10,993.65
Net Assets ($mm)	2,628.73
% Assets in Top 10 Holdings	18.05
Total Number of Holdings	853
Manager Name	Kelly A. Grossman
Manager Tenure	7
Expense Ratio	0.89%
Closed to New Investors	No

Return Summary
Ending June 30, 2017



Fund Characteristics as of June 30, 2017 Versus Real Asset Custom Benchmark	
Sharpe Ratio (3 Year)	-0.46
Average Market Cap ($mm)	10,993.65
Price/Earnings	18.46
Price/Book	1.79
Price/Sales	1.80
Price/Cash Flow	9.32
Dividend Yield	3.66
Number of Equity Holdings	442
R-Squared (3 Year)	0.90
Alpha (3 Year)	-0.20%

Top Holdings as of June 30, 2017	
DRACAY CREDIT SUISSE - 30	10.4%
US TREASURY BILL	1.1%
2 YEAR US TREASURY NOTE FUTURE SEPT17	1.1%
US TREASURY NOTE	0.9%
ENTERPRISE PRODUCTS PARTNERS LP	0.8%
US TREASURY BILL	0.8%
ENBRIDGE INC	0.8%
MONSANTO CO	0.7%
MAGELLAN MIDSTREAM PARTNERS LP	0.7%

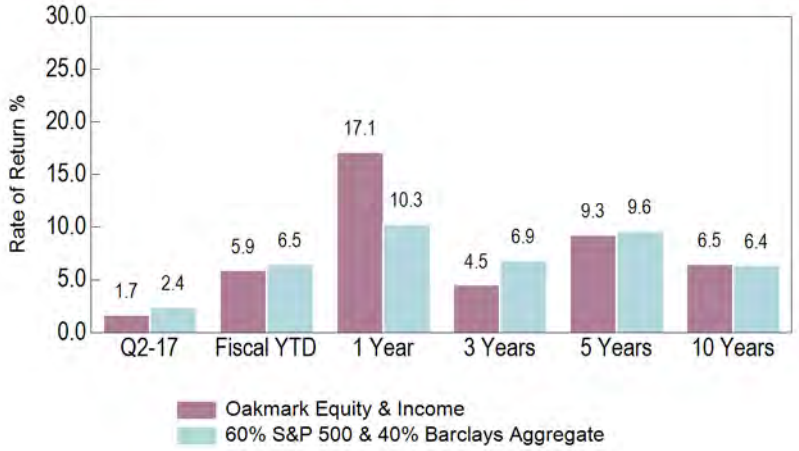
[1] The Real Asset Custom Benchmark is comprised of 40% Barclays U.S. TIPS, 40% MSCI ACWI, and 20%Bloomberg Commodity Index.

Oakmark Equity & Income

As of June 30, 2017

Portfolio Fund Information as of June 30, 2017	
Ticker	OAKBX
Morningstar Category	Allocation--50% to 70% Equity
Average Market Cap ($mm)	46,160.42
Net Assets ($mm)	14,252.05
% Assets in Top 10 Holdings	33.46
Total Number of Holdings	314
Manager Name	Clyde S. McGregor
Manager Tenure	22
Expense Ratio	0.79%
Closed to New Investors	No

Return Summary
Ending June 30, 2017



Fund Characteristics as of June 30, 2017 Versus 60% S&P 500 & 40% Barclays Aggregate	
Sharpe Ratio (3 Year)	0.53
Average Market Cap ($mm)	46,160.42
Price/Earnings	14.38
Price/Book	1.88
Price/Sales	1.17
Price/Cash Flow	6.79
Dividend Yield	2.06
Number of Equity Holdings	43
R-Squared (3 Year)	0.76
Alpha (3 Year)	-0.25%

Top Holdings as of June 30, 2017	
BANK OF AMERICA CORPORATION	4.9%
GENERAL MOTORS CO	4.5%
ORACLE CORP	3.6%
TE CONNECTIVITY LTD	3.4%
NESTLE SA ADR	3.1%
US TREASURY TIP 1.25%	3.1%
MASTERCARD INC A	2.8%
US TREASURY NOTE	2.7%
DOVER CORP	2.7%
UNITEDHEALTH GROUP INC	2.6%

Appendices

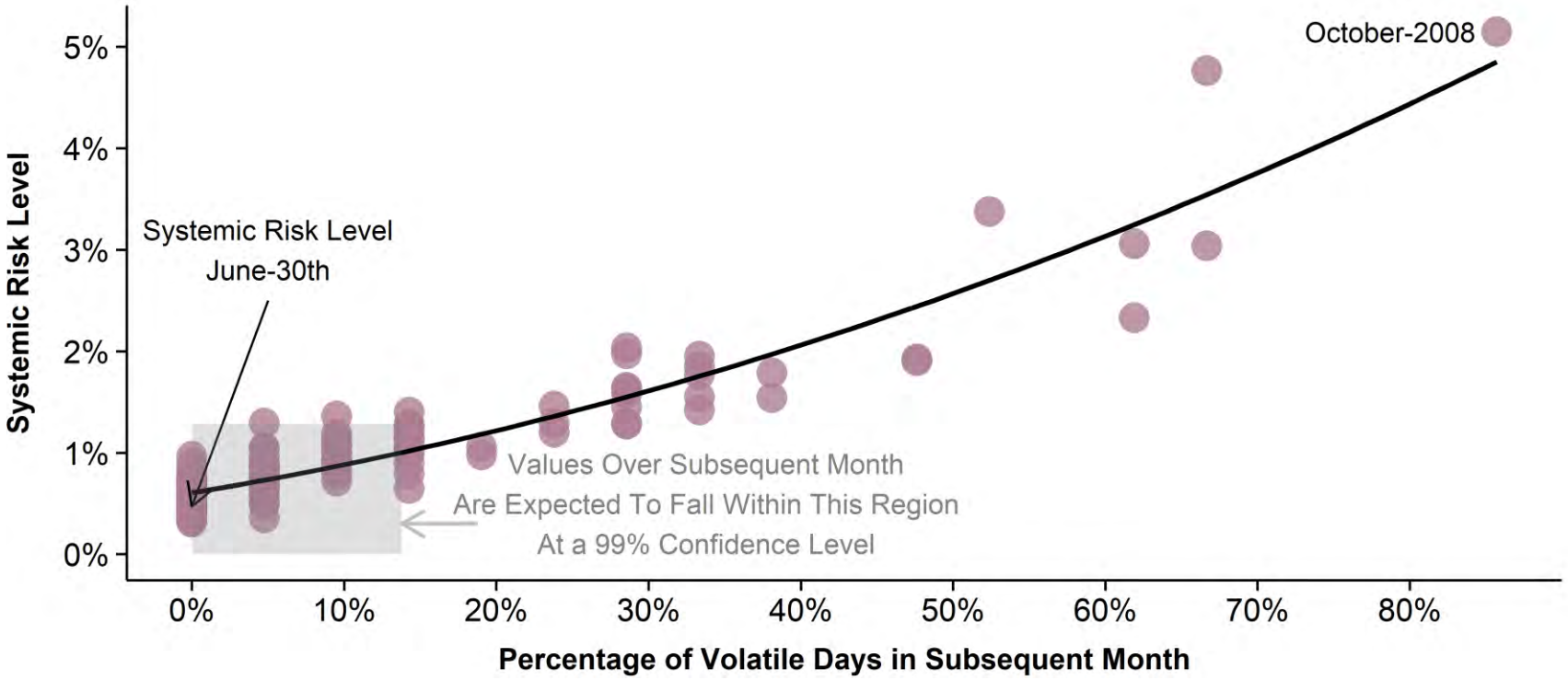
Capital Markets Outlook

Capital Markets Outlook[1]

- Investors are faced with three primary issues in the near-term: 1) historically low bond yields, 2) the potential for a transition into a rising rate environment, 3) higher volatility going forward as global political, fiscal, and monetary policy uncertainty remains high.
  - Risk across markets measured by our Systemic Risk metric remains subdued; while this is positive in the short term, many serious medium term risks loom large.
    - In agreement with this measure, the widely cited VIX index which is at historical lows.
    - Risk environments can change quickly and caution is warranted especially given high valuations and political risk (North Korea/Brexit Negotiations/etc.).
  - The price of the U.S. stock market relative to ten-year average earnings has trended up after the financial crisis, and remains above its historical average (26.7x versus 20.7x).
    - Within U.S. Equity markets, relative valuations for companies based on both size (small vs. large cap) and value (growth vs. value) remain within a reasonable range.
  - Developed international and emerging market stocks are trading at lower valuations than U.S. stocks.
    - These valuations have remained low because of sovereign debt issues, weak economic growth in Europe, and a cyclical slowdown in emerging economies.
    - Both of these measures have seen sustained positive trends as the issues and economic fundamentals mentioned above have improved in recent months.
  - At 2.3%, the yield on the ten-year Treasury remained far below its post-WWII average of 5.9%.
  - As of July 4, spreads for both high yield and investment grade corporate bonds were below their respective historical averages (3.3% and 0.9%).

[1] Sources: Bloomberg, U.S. Treasury, and Meketa Investment Group. Data is as of July 4, 2017.

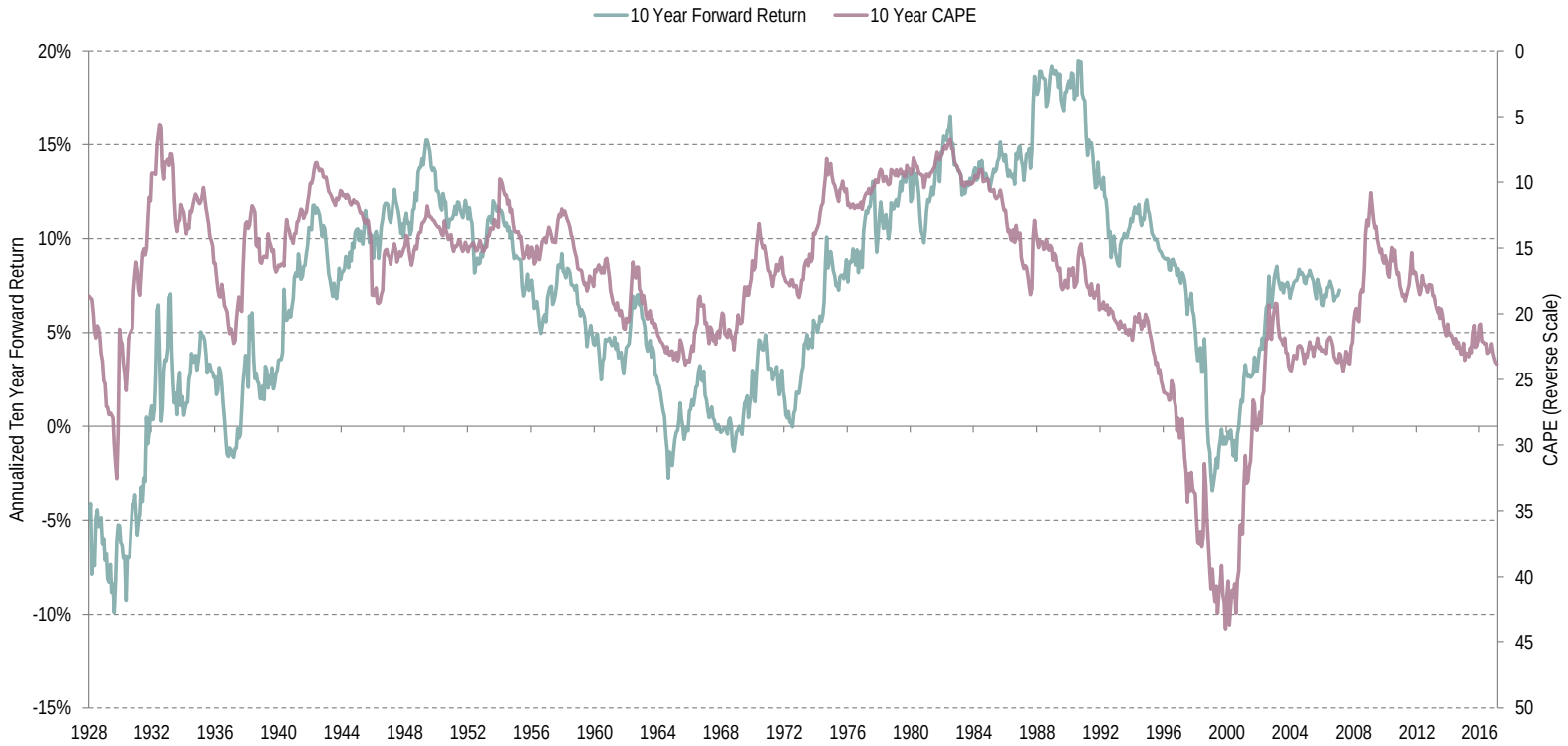
Systemic Risk and Volatile Market Days[1]



- Systemic Risk, which measures risk across markets, is important because the more contagion of risk that exists between assets, the more likely it is that markets will experience volatile periods.
- After a volatile start to the year, our Systemic Risk measure has returned to reasonable levels. While the number of volatile days can differ, this indicates that the next month should be in the lowest 14%.

[1] Source: Meketa Investment Group, as of June 30, 2017. Volatile days are defined as the top 10 percent of realized turbulence which is a multivariate distance between asset returns.

The U.S. Cyclically Adjusted P/E[1] and Long-Term Equity Returns



- One of the most powerful predictors of long-term equity returns has been the 10-Year Cyclically Adjusted Price to Earnings Ratio (CAPE).
- This fundamentally driven measure is highly correlated with future returns, which are shown in the chart above using the CAPE metric on a reverse scale.

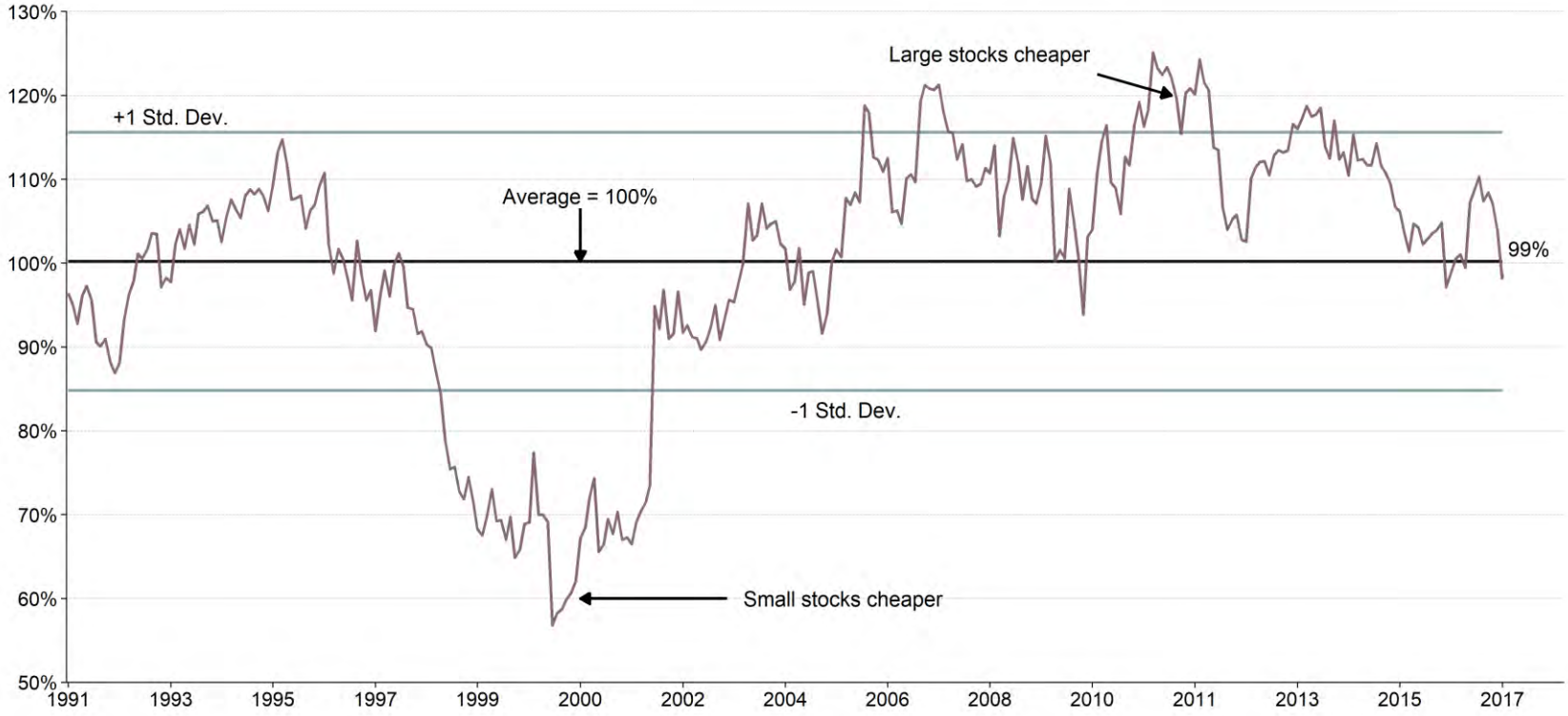
[1] Source: PE data are from Robert Shiller's website from 1927 - 1946; S&P and Bloomberg 1946 – present. S&P 500 equity returns are from Bloomberg for the entire period. Data is from December 31, 1927 to July 4, 2017.

U.S. Equity Cyclically Adjusted P/E[1]

- As of July 4, the 10-year cyclically adjusted P/E ratio for the S&P 500 was 26.7x, which is well above its post-WWII average of 20.7x.
- Historically, a P/E ratio at this level has led to below average future returns over a 10 year horizon.

[1] Source: Standard & Poor's. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is from January 31, 1946 to July 4, 2017.

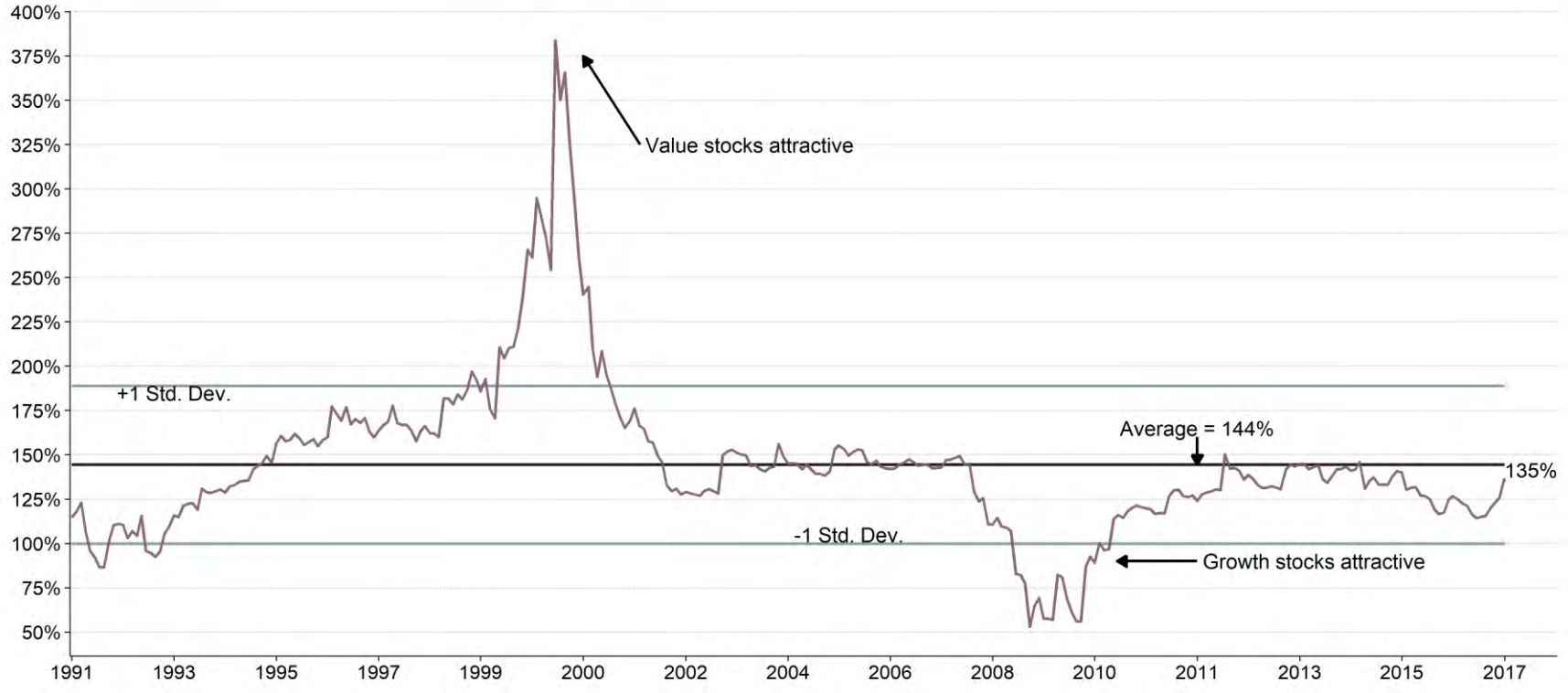
Small Cap P/E vs. Large Cap P/E[1]



- The P/E ratio of small cap stocks (Russell 2000) relative to large cap stocks (Russell 1000) has been a consistent indicator of the relative valuation between companies based on their size.
- At 99%, this relative valuation metric currently indicates that, on average, small size companies are just barely cheaper than larger size companies.

[1] Source: Russell Investments. Earnings figures represent 12-month "as reported" earnings. Data is as of July 3, 2017.

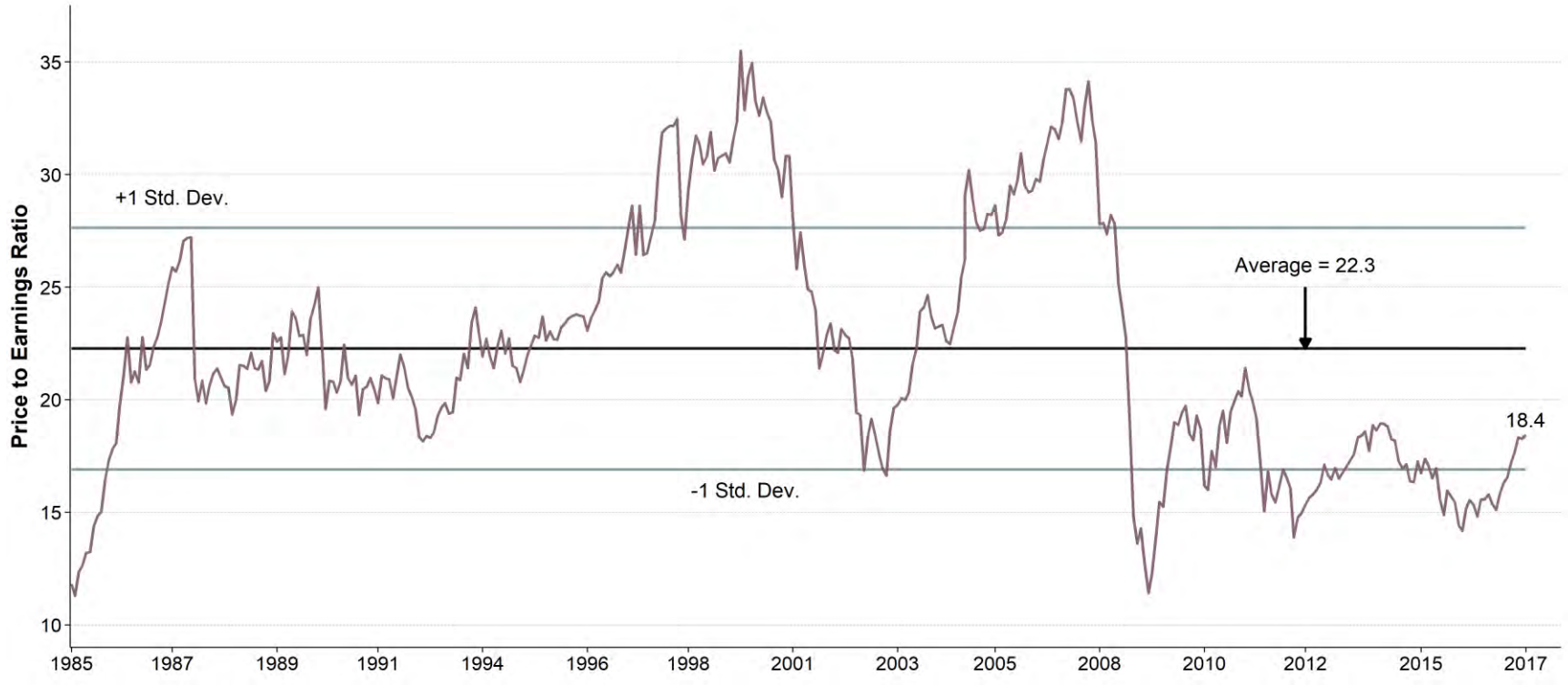
Growth P/E vs. Value P/E[1]



- The P/E ratio of growth stocks (Russell 3000 Growth) relative to value stocks (Russell 3000 Value) was at a level of 135% as of July 3, which is slightly below its long-term average.
- Of note, the long-term average was sharply influenced by the technology bubble of the late 1990s.

[1] Source: Bloomberg, MSCI, and Meketa Investment Group. Earnings figures represent 12-month "as reported" earnings. Data is as of July 3, 2017.

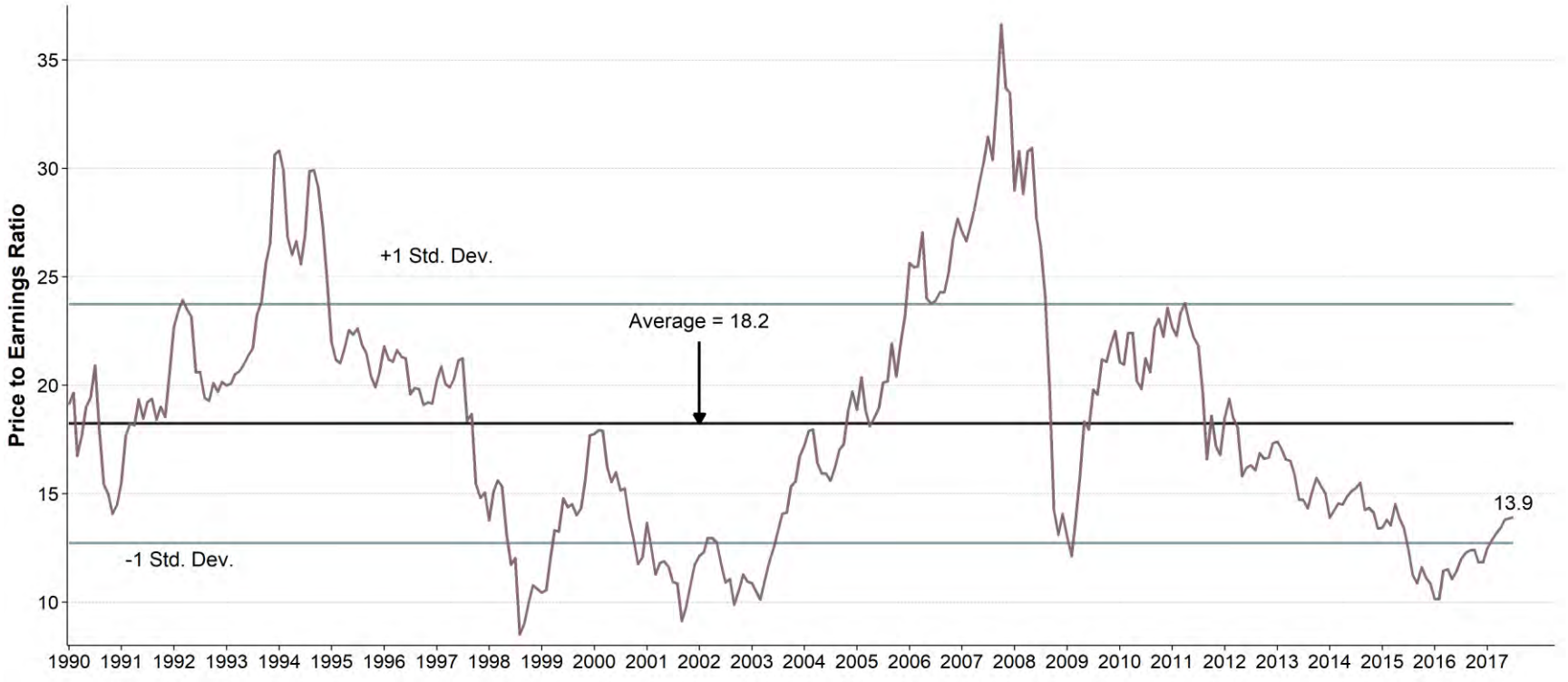
Developed International Equity Cyclically Adjusted P/E[1]



- As of July 4, the CAPE ratio for the MSCI EAFE (ex-Japan) is well below the historical average.
- Sovereign debt concerns and the slow pace of economic growth in Europe likely account for the low valuation levels.

[1] Source: MSCI and Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of July 4, 2017.

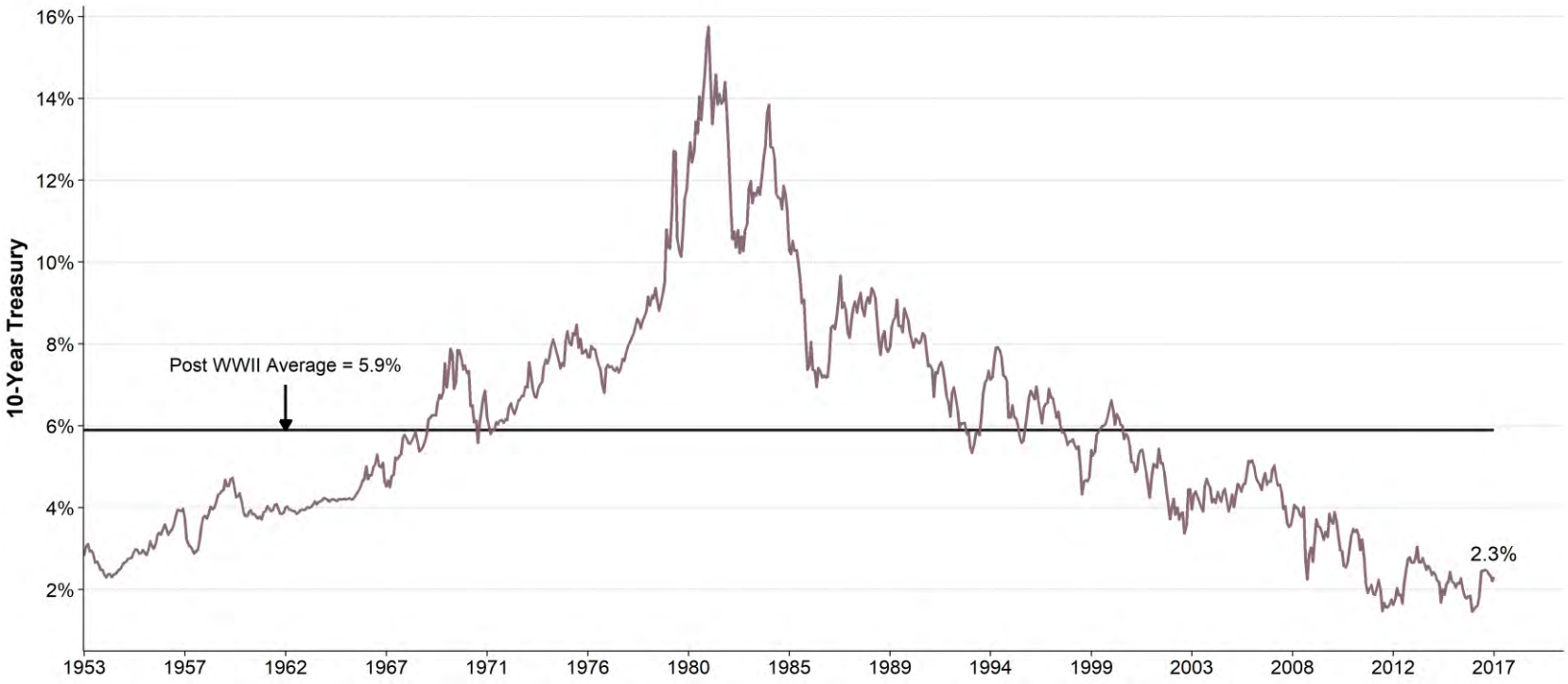
Emerging Market Equity Cyclically Adjusted P/E[1]



- Emerging market equities (MSCI Emerging Markets) are priced well below their (brief) historical average.
- By this metric, emerging market equities are trading at a much lower valuation than U.S. equities, and at a slightly lower valuation than non-U.S. developed market equities.

[1] Source: MSCI and Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of July 4, 2017.

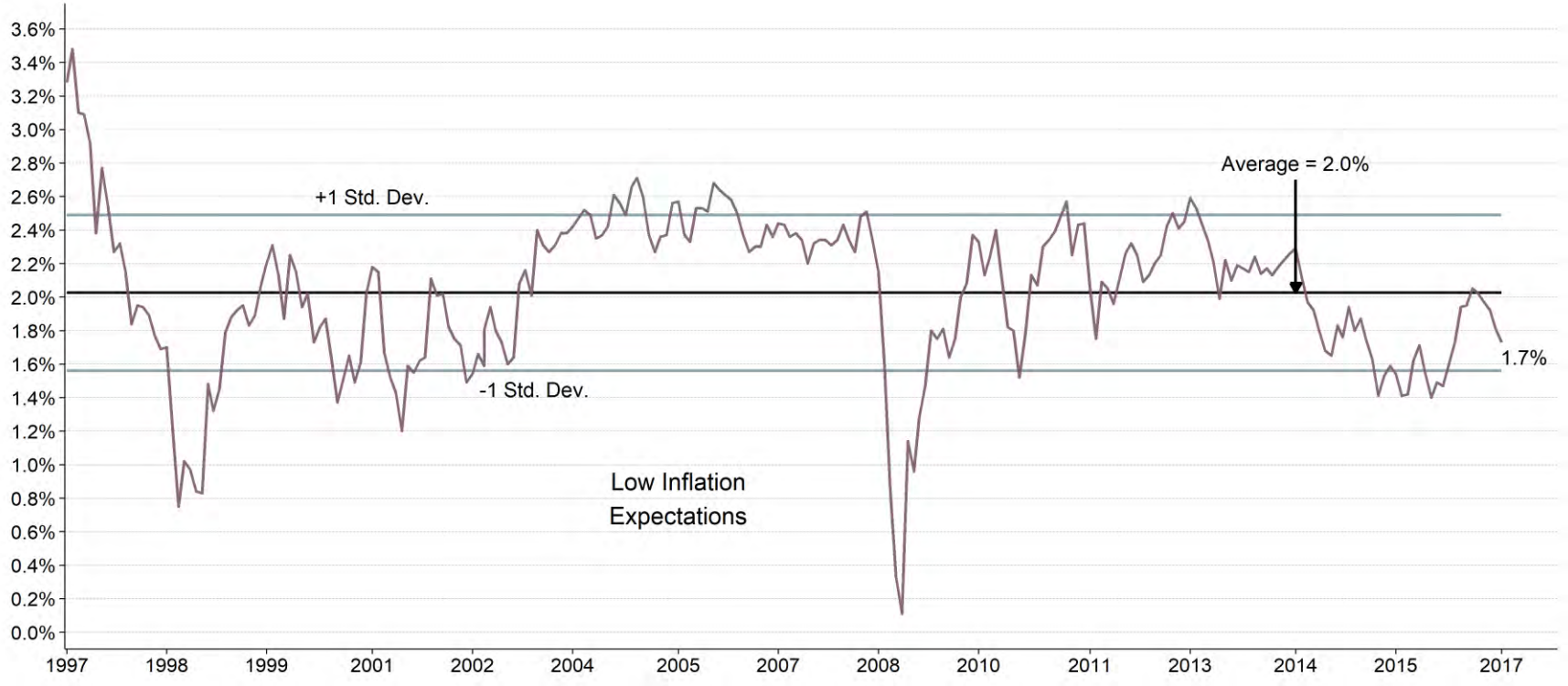
Ten-Year Treasury Yields[1]



- As of July 4, the ten-year treasury yield was 2.3%, which is well below the post-WWII average but above the 1.8% level of one year ago.
- The path of central bank interest rates remains at the center of market focus.
  - The Federal Reserve and implied market forecasts differ considerably. This suggests that the market remains unconvinced about the probability and magnitude of future rate rises.

[1] Source: U.S. Treasury. Data is as of July 4, 2017.

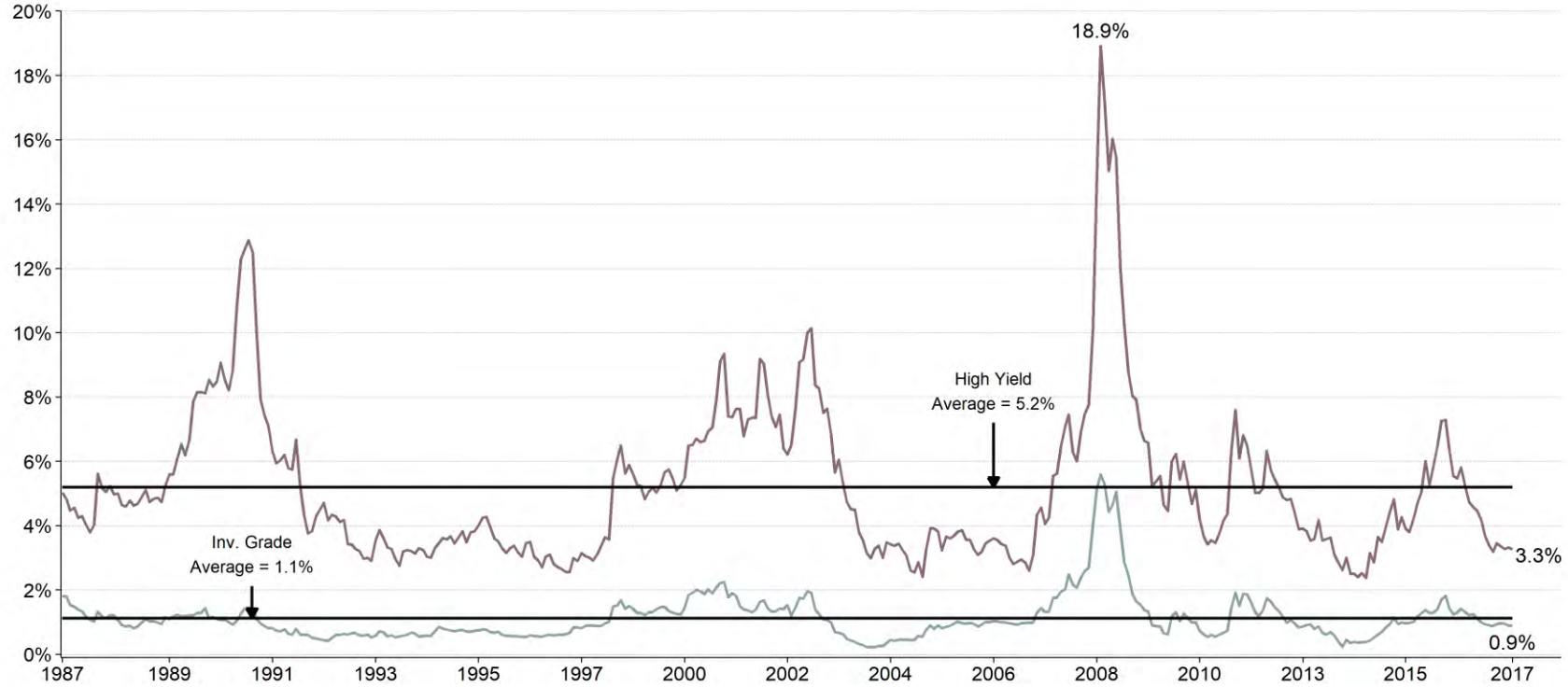
Ten-Year Breakeven Inflation[1]



- Breakeven (or expected) inflation, the difference between the nominal yield on a ten-year Treasury and the real yield on a ten-year TIPS, is below its long-term average.
- The most recent Year over Year (YoY) inflation rate was 1.9%, indicating that the market future expectation is for inflation to be roughly in line relative to current inflation.

[1] Source: U.S. Treasury and Federal Reserve. Data is as of July 4, 2017 for TIPS and Treasuries. Inflation is measured by the Consumer Price Index (CPI-U NSA) for which the most recent data point is from May 31, 2017.

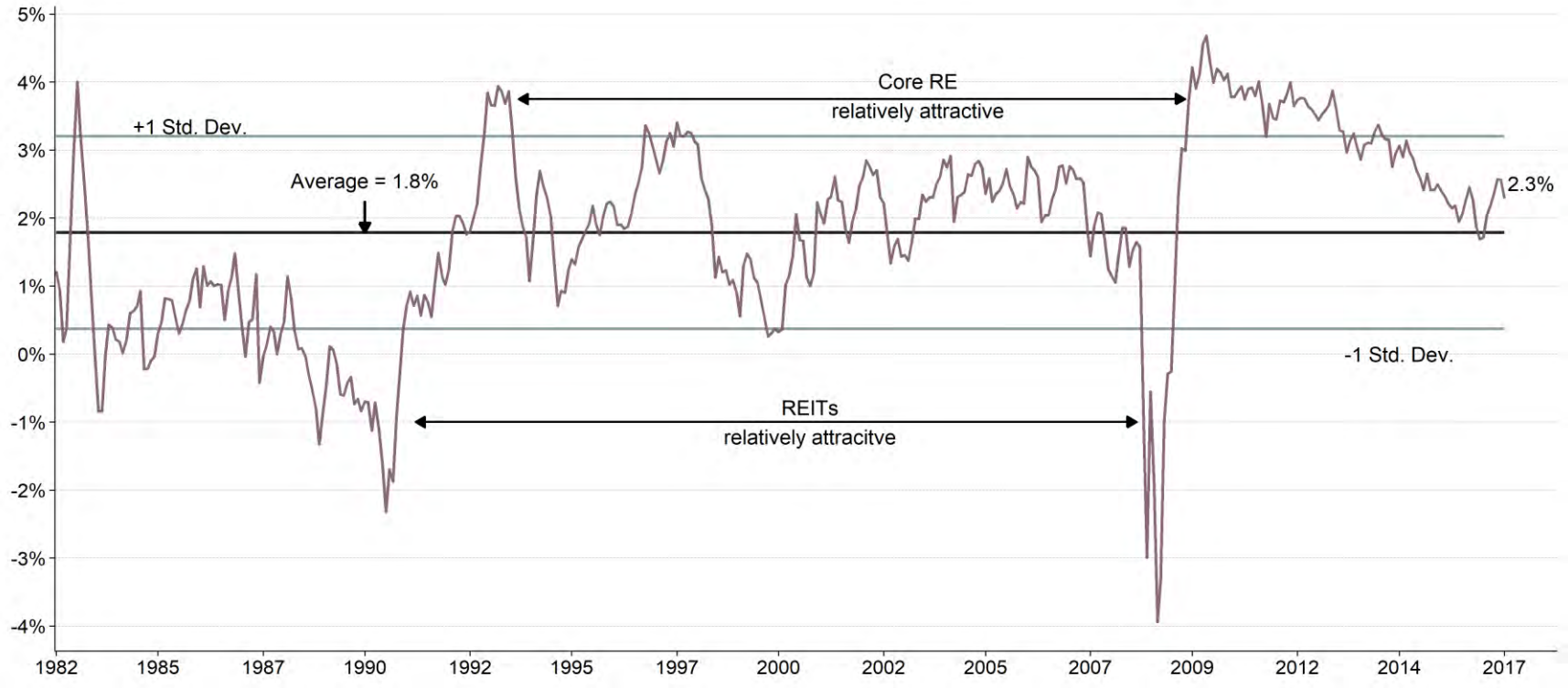
Credit Spreads[1]



- As of July 4, credit spreads (versus U.S. Treasury bonds) for both high yield and investment grade corporate bonds were below their respective historical averages.
- Last year's market jitters have subsided considerably as can be seen especially in the high yield spread.

[1] Source: Barclays Capital. High Yield is proxied by the Barclays High Yield index and Investment Grade Corporates are proxied by the Barclays U.S. Corporate Investment Grade index. Data is as of July 4, 2017.

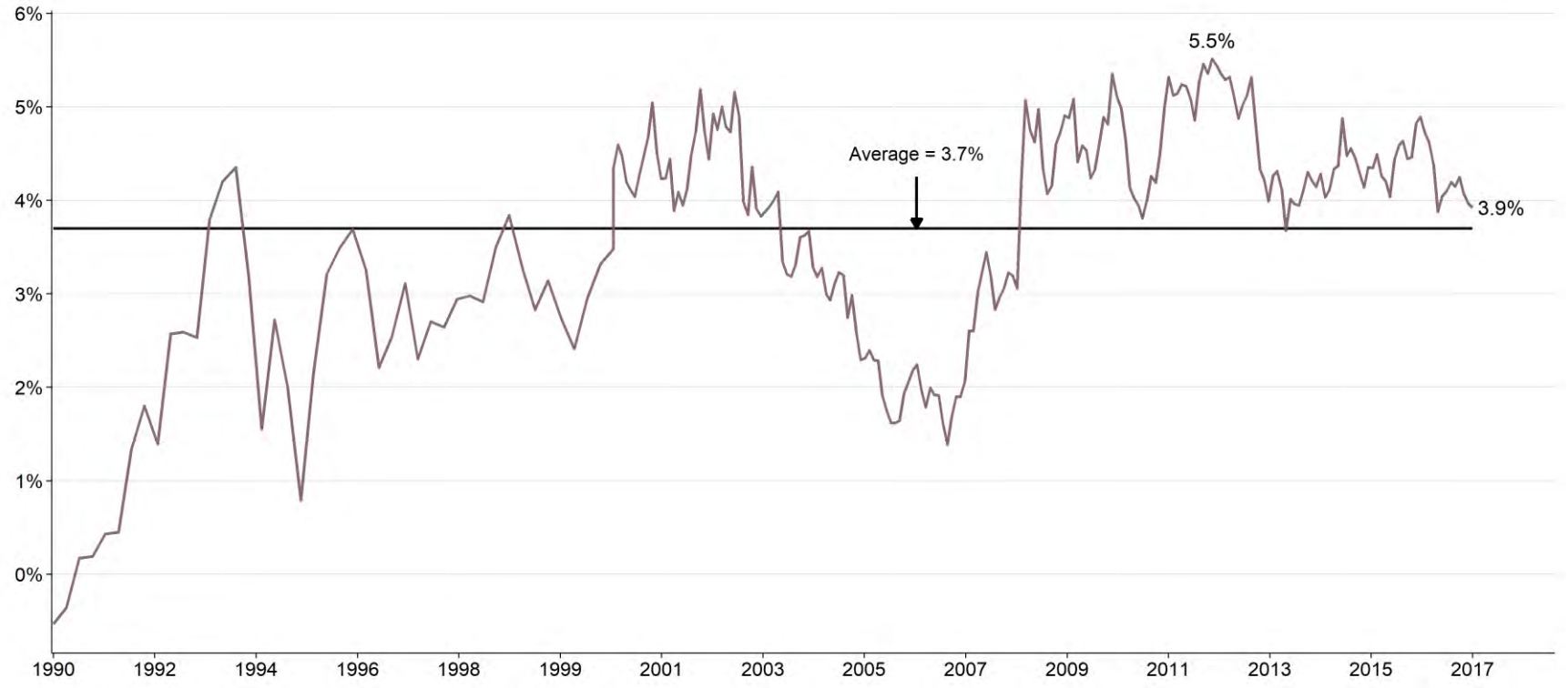
Core Real Estate vs. REITs[1]



- The spread between core real estate cap rates and REIT yields was 2.3%, reaching slightly above the long-term historical average level.
- REITs were yielding 4%, well below the 10.1% level of early 2009.

[1] Sources: Bloomberg, Real Capital Analytics, NCREIF, and Meketa Investment Group. Core Real Estate is proxied by weighted sector transaction based indices from Real Capital Analytics and Meketa Investment Group and data is as of May 31, 2017. REITs are proxied by the yield for the NAREIT Equity index and data is as of July 3, 2017.

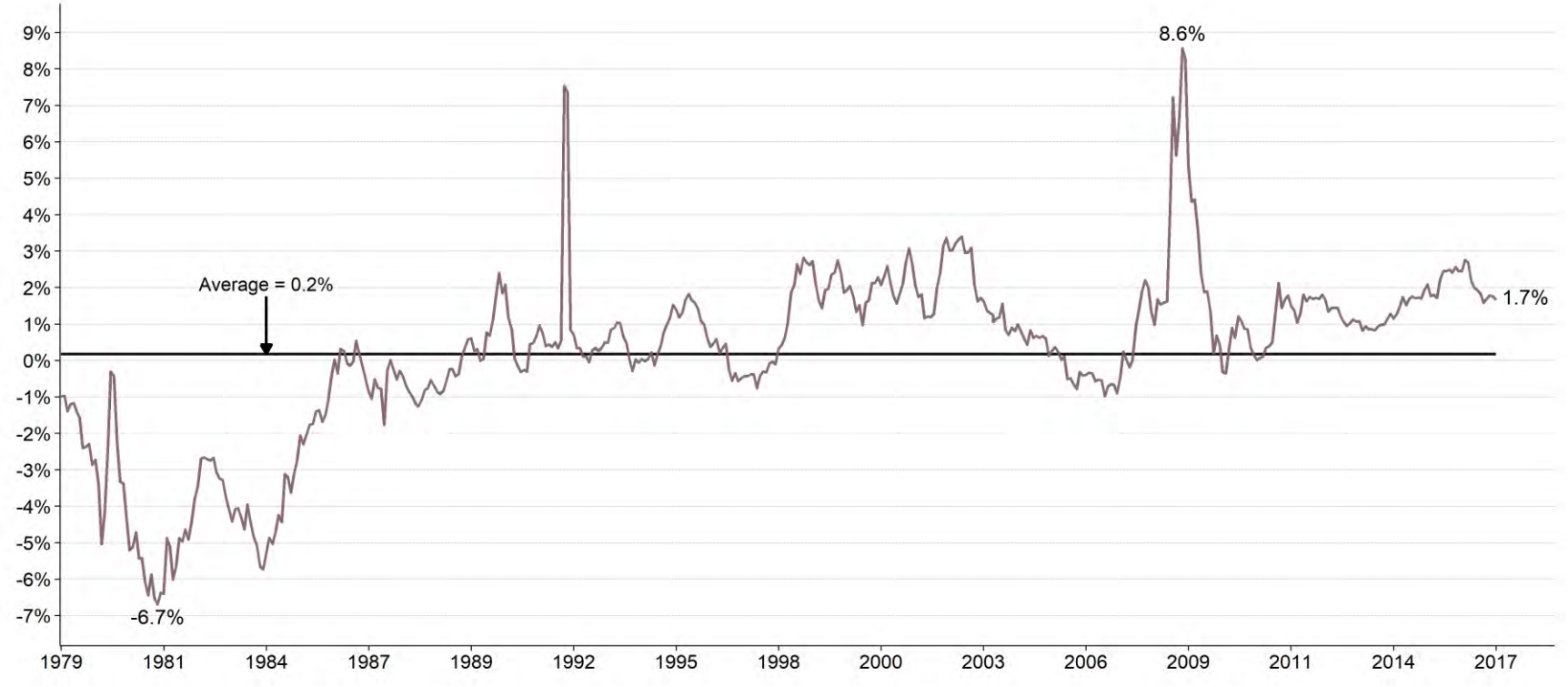
Core Real Estate Spread vs. Ten-Year Treasury[1]



- At 3.9%, the difference between the 6.2% cap rate for core real estate and the 2.3% yield for the ten-year Treasury is slightly above its historical average.
- Still, the absolute level of core real estate cap rates is near a historical low.

[1] Source: Real Capital Analytics, U.S. Treasury, Bloomberg, and Meketa Investment Group. Core Real Estate is proxied by weighted sector transaction based indices from Real Capital Analytics and Meketa Investment Group and data is as of July 4, 2017. U.S. Treasury data uses the latest yield data which is as of July 4, 2017.

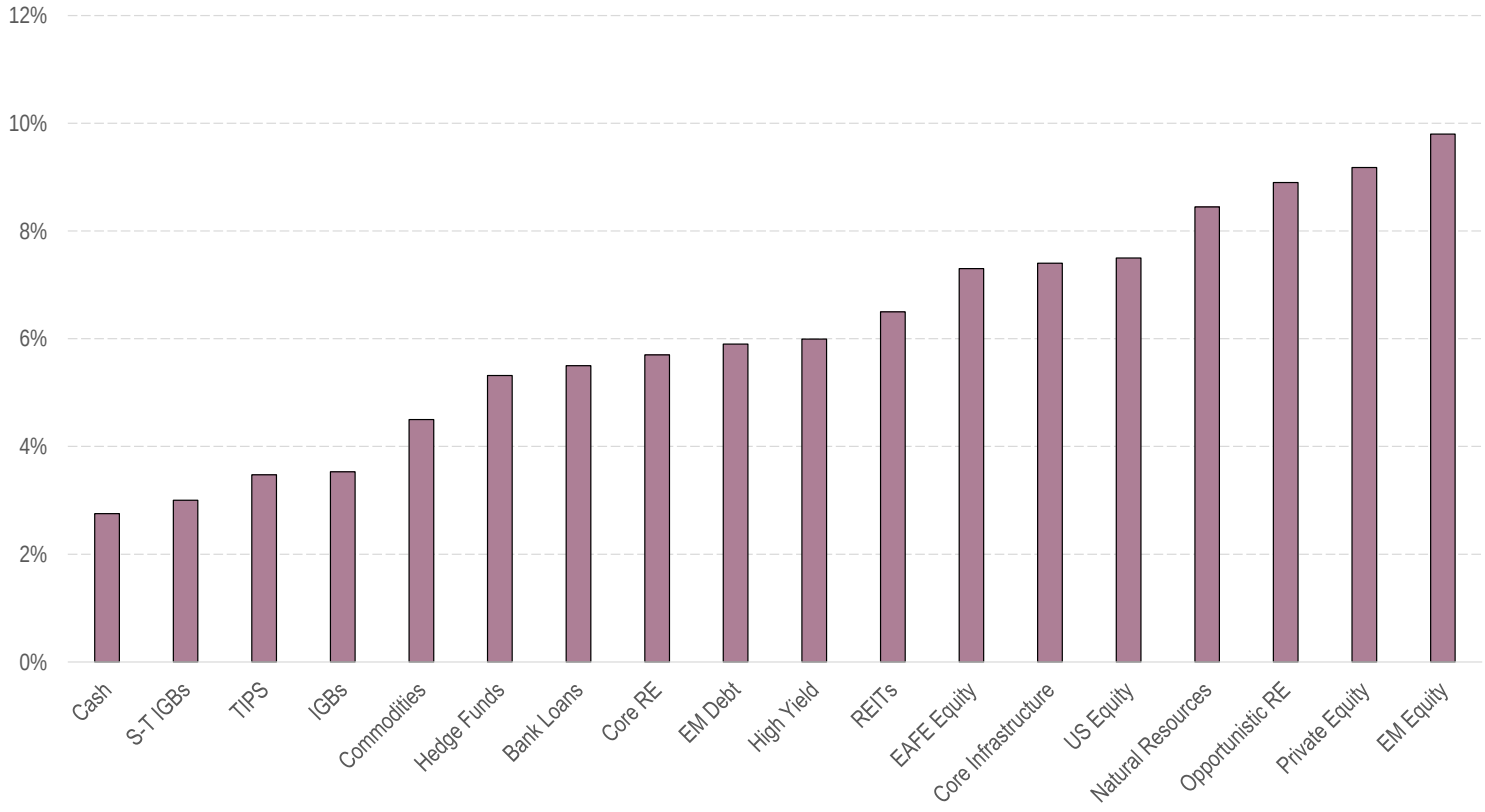
REITs Dividend Yield Spread vs. Ten-Year Treasury[1]



- As of July 3, REIT yield spreads were 1.7%. This spread represents a change of -0.8% from the previous year.
- As with core real estate, the absolute level of REIT dividend yields is near a historical low.

[1] Source: NAREIT, U.S. Treasury. REITs are proxied by the yield for the NAREIT Equity index. Data is as of July 3, 2017.

Long-Term Outlook[1]



- Based on Meketa Investment Group's long-term expectations, only a handful of asset classes are priced to produce returns above 8% per year. All of these asset classes incorporate a high degree of volatility.

[1] Twenty-year expected returns based upon Meketa Investment Group's 2017 Annual Asset Study.

Total Return Comparison of Barclays U.S. Aggregate Minus Barclays U.S. TIPS[1]

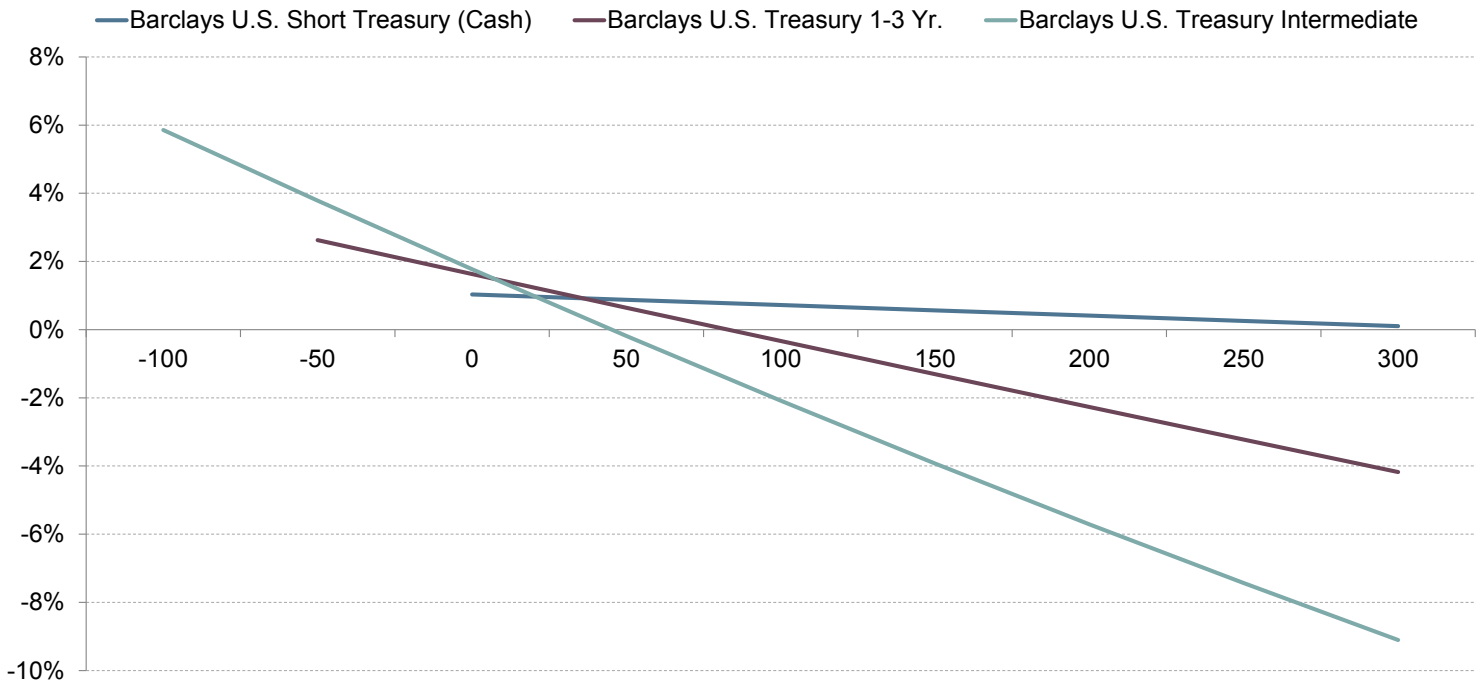
Inflation Rate Scenarios	Changes In Rates (bps)				
	-100	-50	0	50	100
4.0%	-3.24%	-3.40%	-3.68%	-4.09%	-4.62%
3.0%	-2.24%	-2.40%	-2.68%	-3.09%	-3.62%
2.0%	-1.24%	-1.40%	-1.68%	-2.09%	-2.62%
1.0%	-0.24%	-0.40%	-0.68%	-1.09%	-1.62%
0.0%	0.76%	0.60%	0.32%	-0.09%	-0.62%

Total Return Scenario: 100 bps Rate Increase and 2% Inflation

Total Return Over Longer Holding Periods	1 Year	3 Year	5 Year	7 Year	10 Year
Barclays U.S. Aggregate	-3.39%	1.11%	2.04%	2.44%	2.74%
Barclays U.S. Treasury U.S. TIPS	-0.76%	2.99%	3.75%	4.09%	4.33%

[1] Data is as of June 30, 2017 via Barclays, Bloomberg, and Meketa Investment Group. Scenario assumes that the rate increase happens over one year.

Total Return Given Changes in Interest Rates (bps)[1]

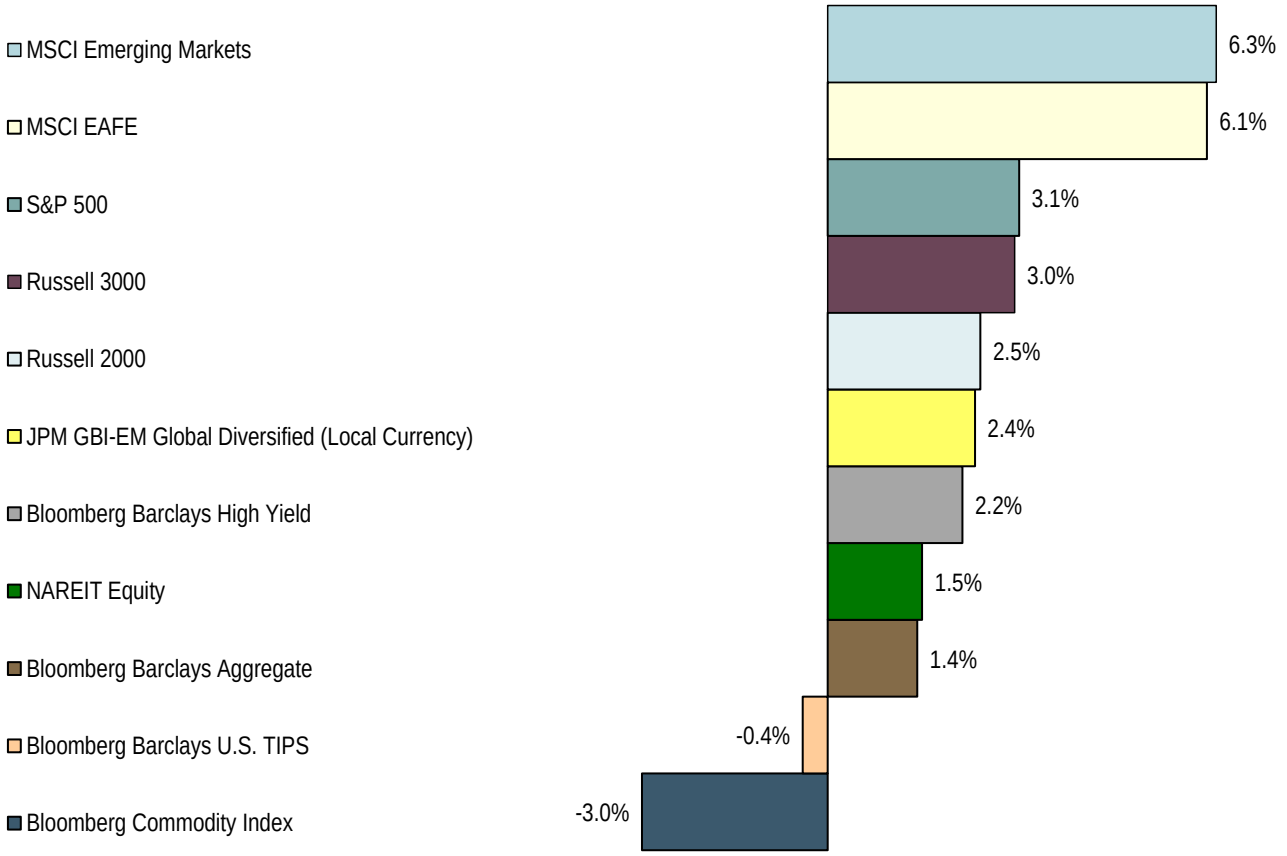


	Total Return for Given Changes in Interest Rates (bps)									Statistics	
	-100	-50	0	50	100	150	200	250	300	Duration	YTW
Barclays U.S. Short Treasury (Cash)	1.3%	1.2%	1.0%	0.9%	0.7%	0.6%	0.4%	0.3%	0.1%	0.31	1.03%
Barclays U.S. Treasury 1-3 Yr.	3.6%	2.6%	1.6%	0.6%	-0.3%	-1.3%	-2.3%	-3.2%	-4.2%	1.98	1.63%
Barclays U.S. Treasury Intermediate	5.9%	3.8%	1.8%	-0.2%	-2.1%	-3.9%	-5.7%	-7.4%	-9.1%	3.97	1.77%
Barclays U.S. Treasury Long	22.4%	12.1%	2.8%	-5.5%	-12.7%	-19.0%	-24.2%	-28.5%	-31.7%	17.55	2.79%

[1] Data represents the expected total return from a given change in interest rates (shown in basis points) over a 12-month period assuming a parallel shift in rates. Data is as of June 30, 2017 via Barclays, Bloomberg, and Meketa Investment Group.

The World Markets
Second Quarter of 2017

The World Markets[1]
Second Quarter of 2017



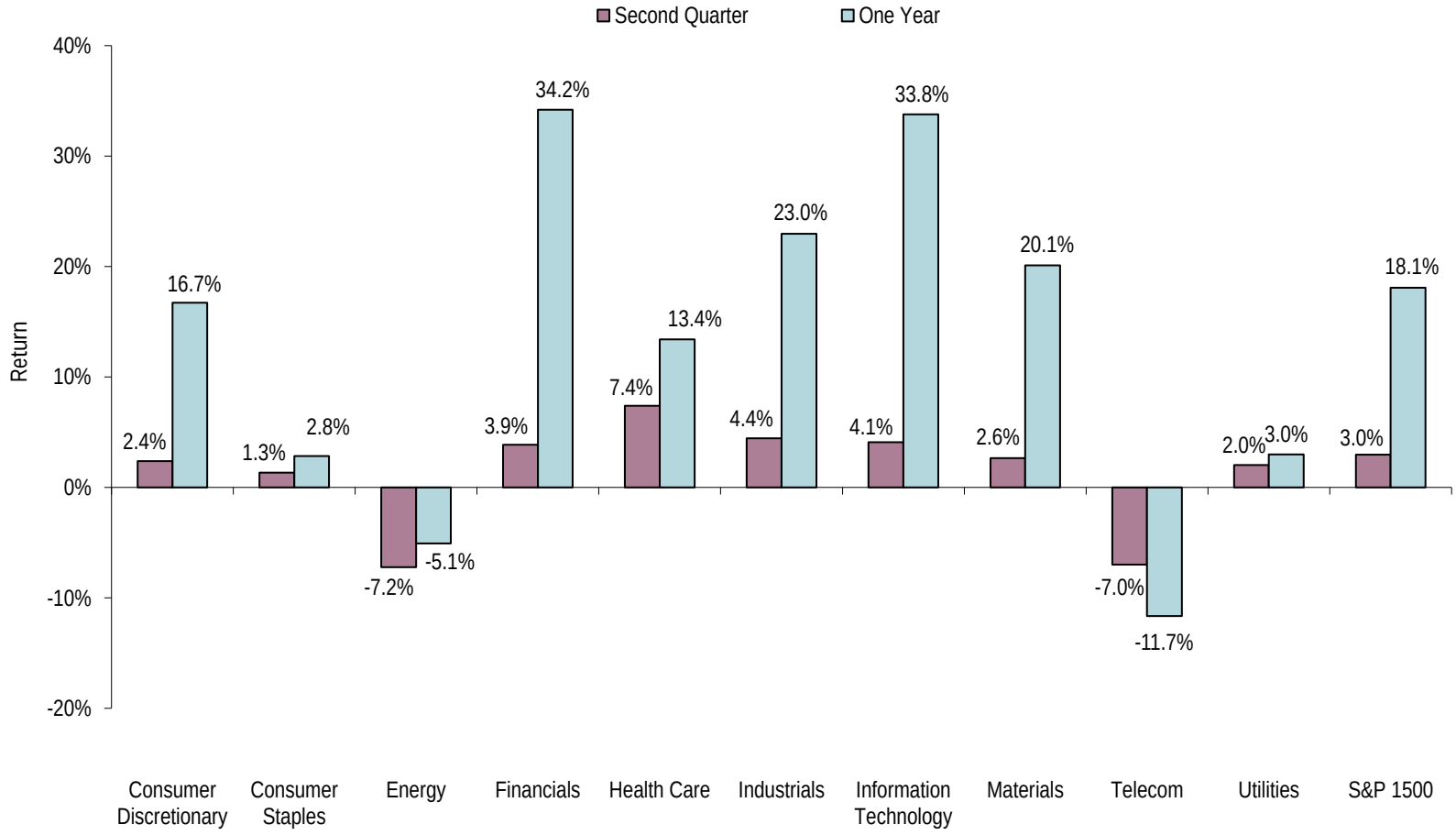
[1] Source: Thomson Reuters.

Index Returns[1]

	2Q17 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity					
Russell 3000	3.0	18.5	9.1	14.6	7.3
Russell 1000	3.1	18.0	9.3	14.7	7.3
Russell 1000 Growth	4.7	20.4	11.1	15.3	8.9
Russell 1000 Value	1.3	15.5	7.4	13.9	5.6
Russell MidCap	2.7	16.5	7.7	14.7	7.7
Russell MidCap Growth	4.2	17.0	7.8	14.2	7.9
Russell MidCap Value	1.4	15.9	7.5	15.1	7.2
Russell 2000	2.5	24.6	7.4	13.7	6.9
Russell 2000 Growth	4.4	24.4	7.6	14.0	7.8
Russell 2000 Value	0.7	24.9	7.0	13.4	5.9
Foreign Equity					
MSCI ACWI (ex. U.S.)	5.8	20.5	0.8	7.2	1.1
MSCI EAFE	6.1	20.3	1.1	8.7	1.0
MSCI EAFE (Local Currency)	2.7	22.1	7.0	12.5	2.0
MSCI EAFE Small Cap	8.1	23.2	5.6	12.9	3.4
MSCI Emerging Markets	6.3	23.7	1.1	4.0	1.9
MSCI Emerging Markets (Local Currency)	6.6	21.8	6.1	7.6	4.3
Fixed Income					
Bloomberg Barclays Universal	1.5	0.9	2.8	2.7	4.7
Bloomberg Barclays Aggregate	1.4	-0.3	2.5	2.2	4.5
Bloomberg Barclays U.S. TIPS	-0.4	-0.6	0.6	0.3	4.3
Bloomberg Barclays High Yield	2.2	12.7	4.5	6.9	7.7
JPM GBI-EM Global Diversified (Local Currency)	2.4	6.7	7.0	6.6	8.2
Other					
NAREIT Equity	1.5	-1.7	8.4	9.5	6.0
Bloomberg Commodity Index	-3.0	-6.5	-14.8	-9.2	-6.5
HFRI Fund of Funds	0.2	5.8	1.3	3.7	0.8

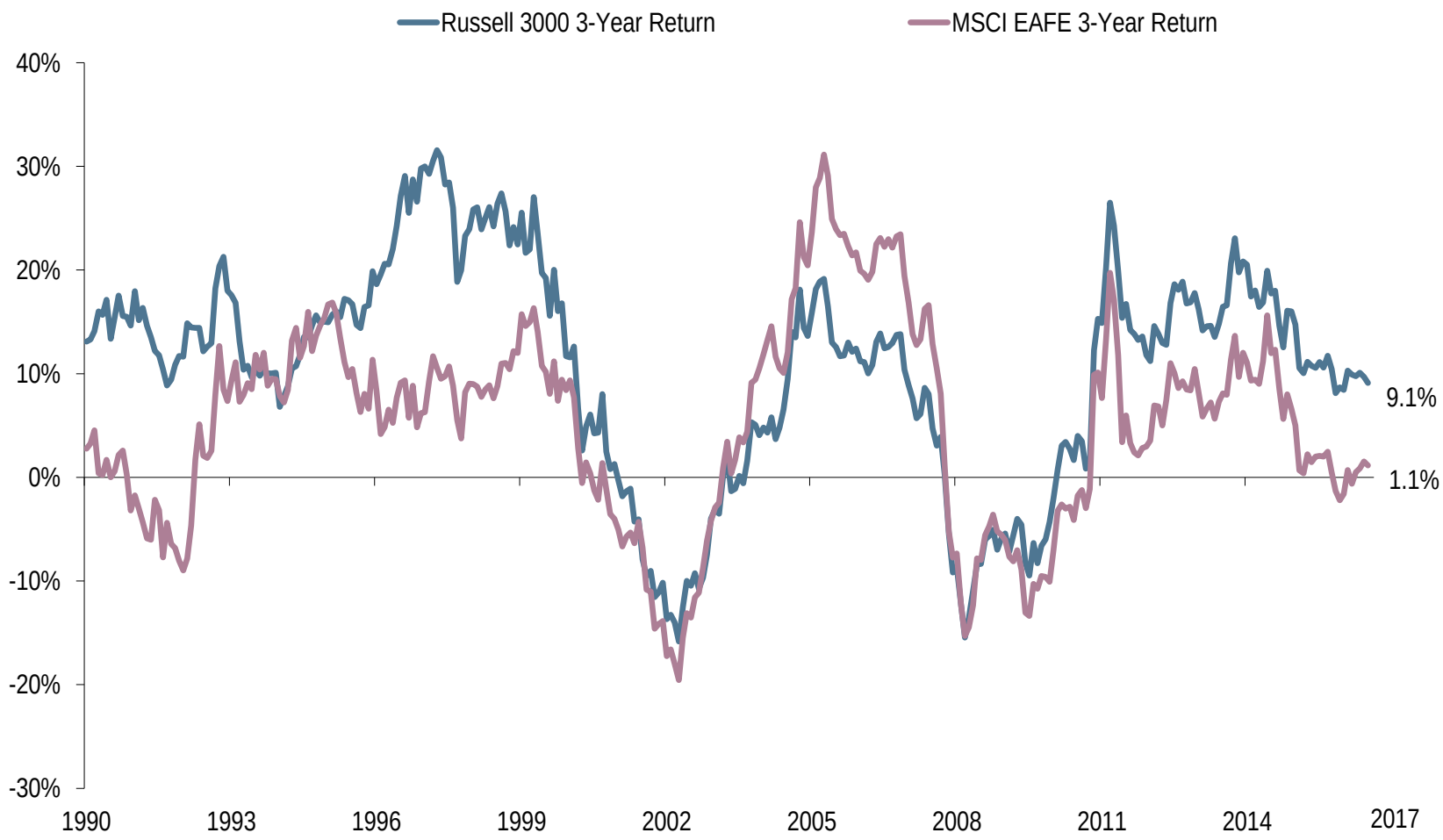
[1] Source: Thomson Reuters.

S&P Sector Returns[1]



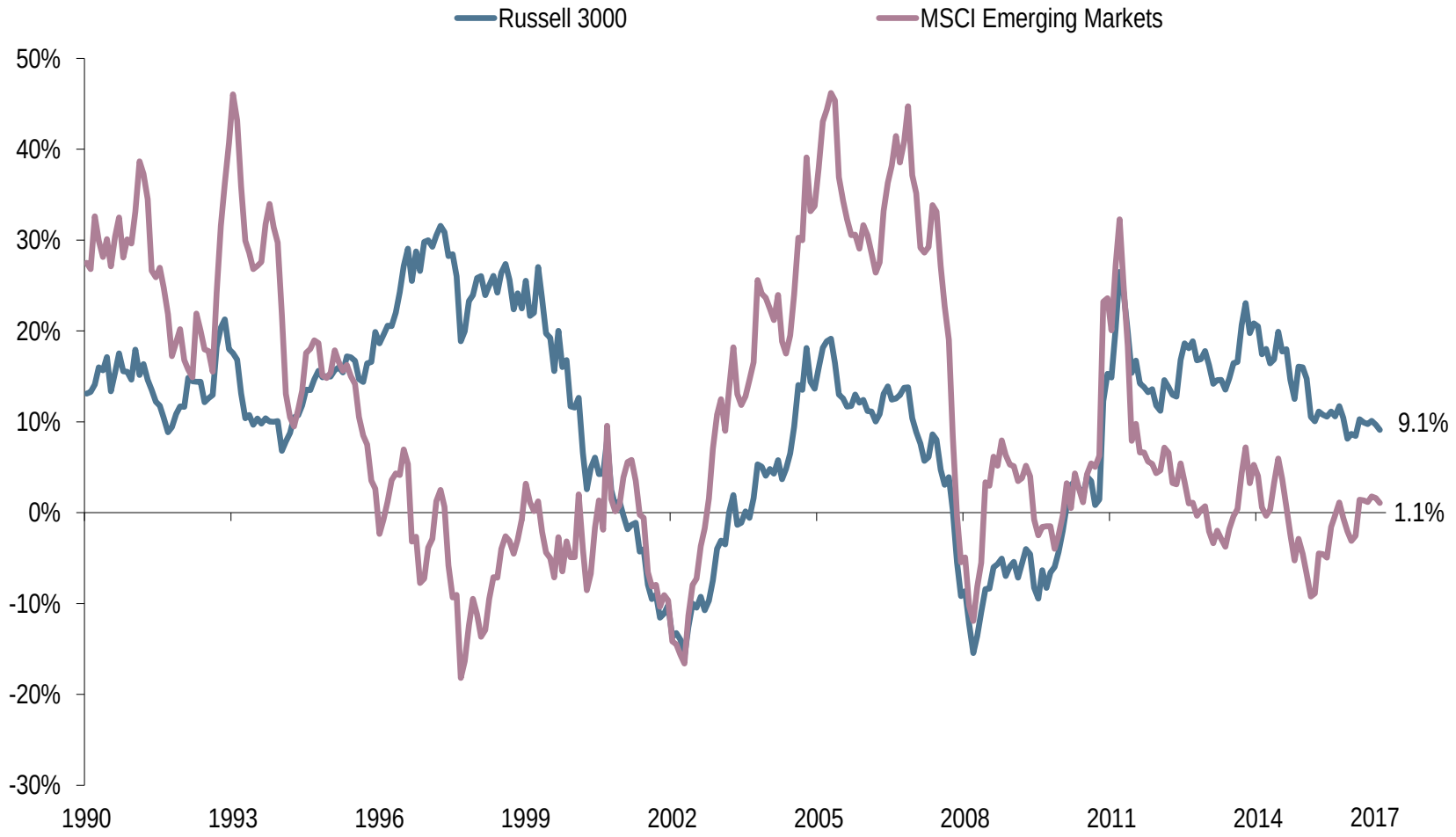
[1] Source: Thomson Reuters. Represents S&P 1500 (All Cap) data.

U.S. and Developed Market Foreign Equity Rolling Three-Year Returns[1]



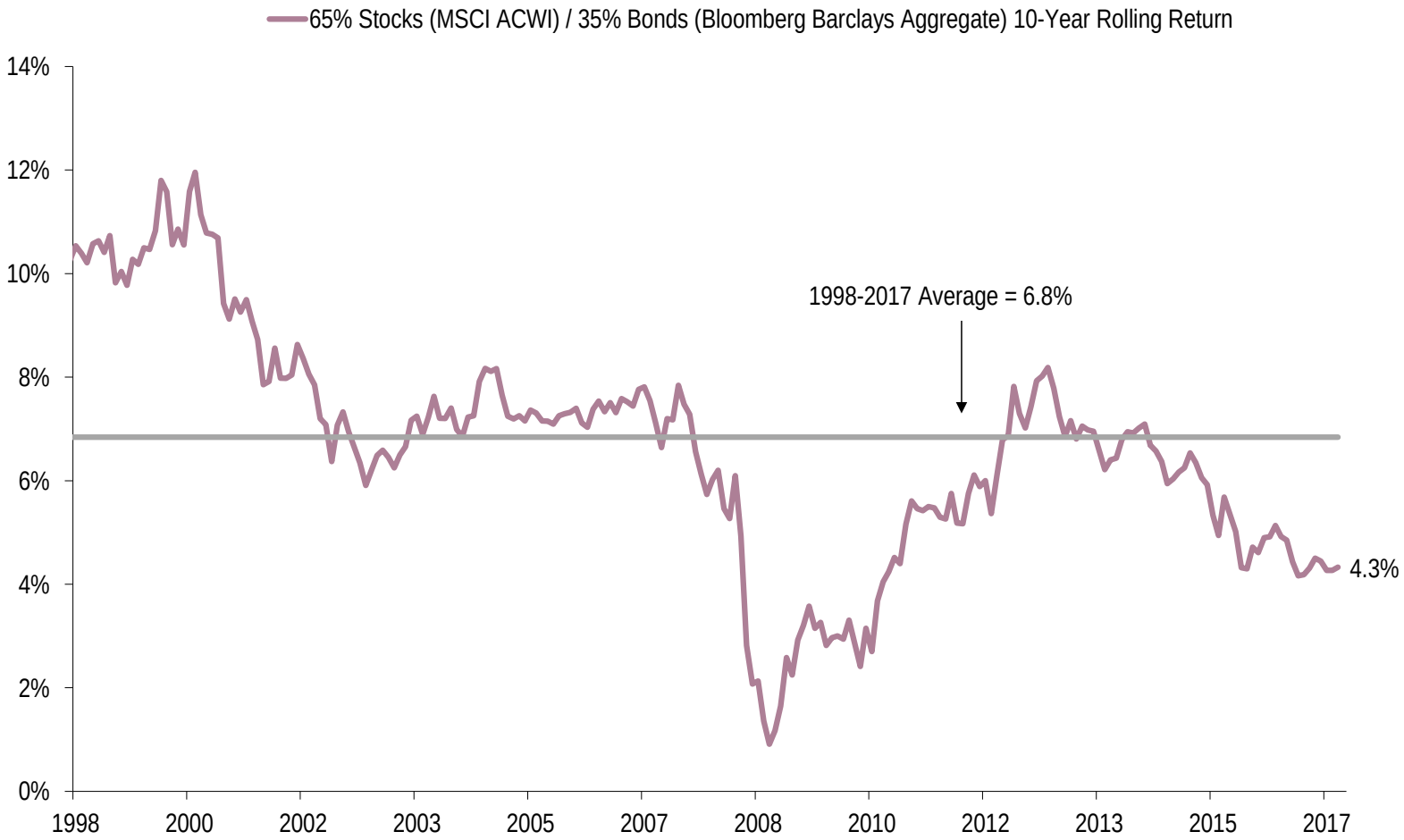
[1] Source: Thomson Reuters.

U.S. and Emerging Market Equity Rolling Three-Year Returns[1]



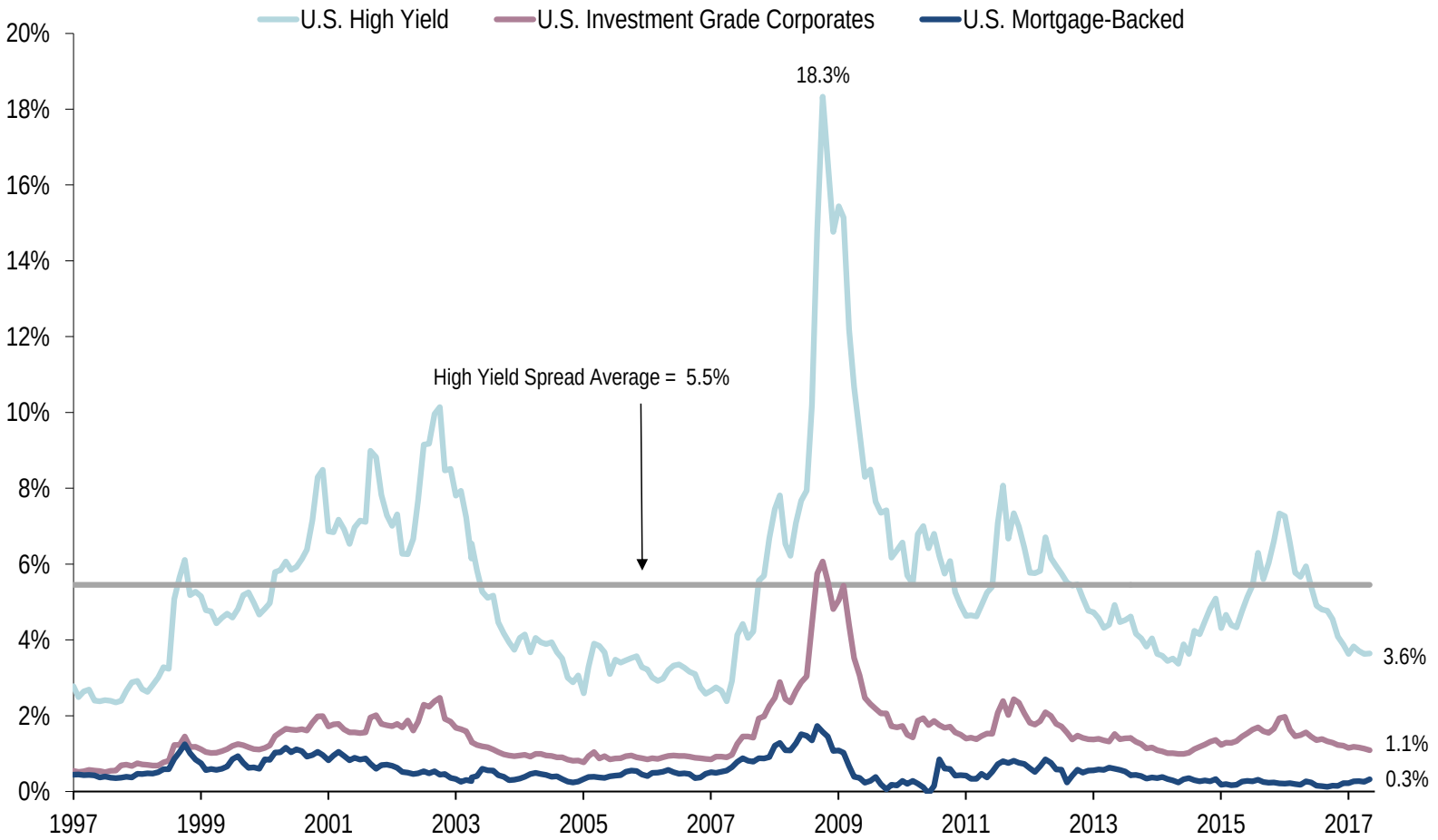
[1] Source: Thomson Reuters.

Rolling Ten-Year Returns: 65% Stocks and 35% Bonds[1]



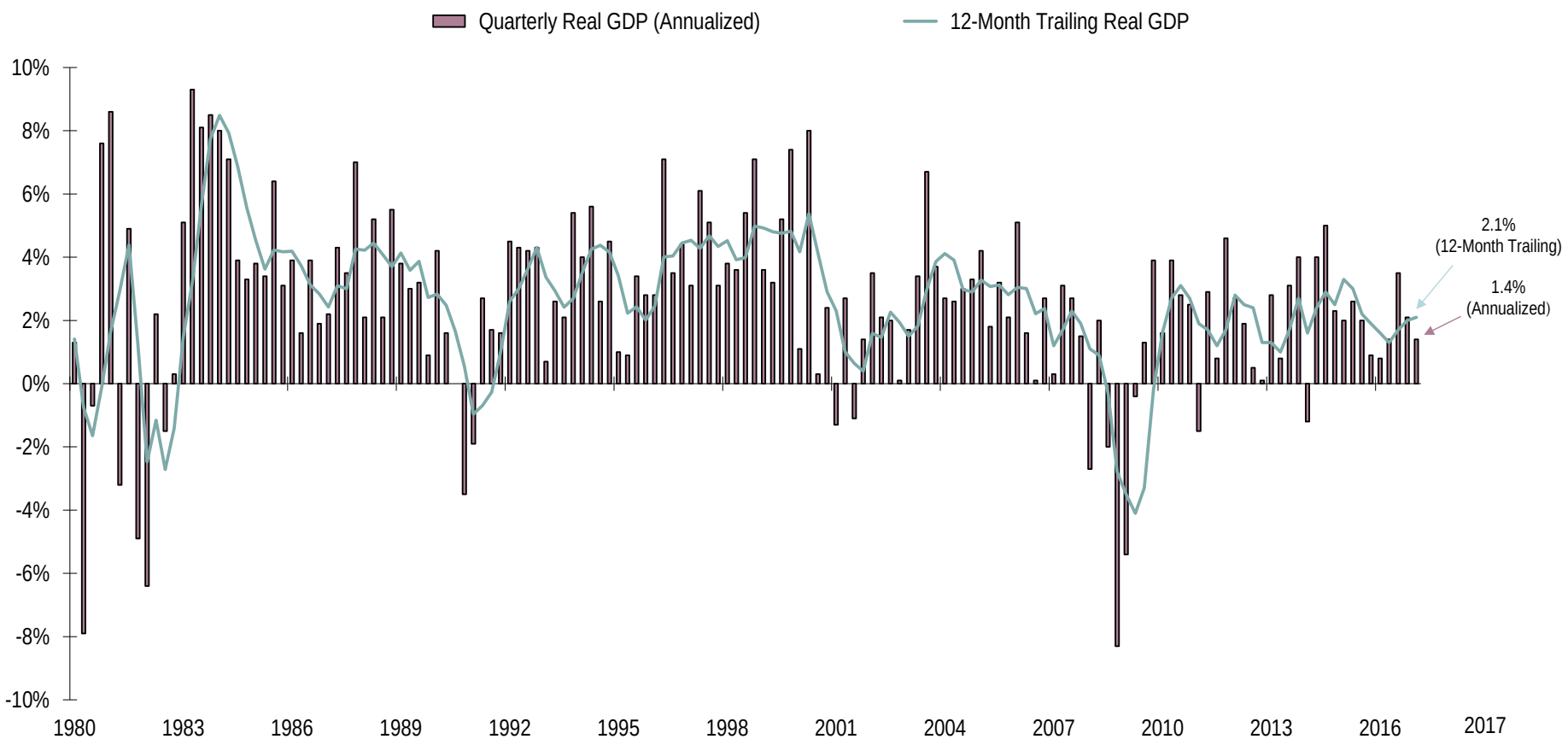
[1] Source: Thomson Reuters.

Credit Spreads vs. U.S. Treasury Bonds[1, 2]



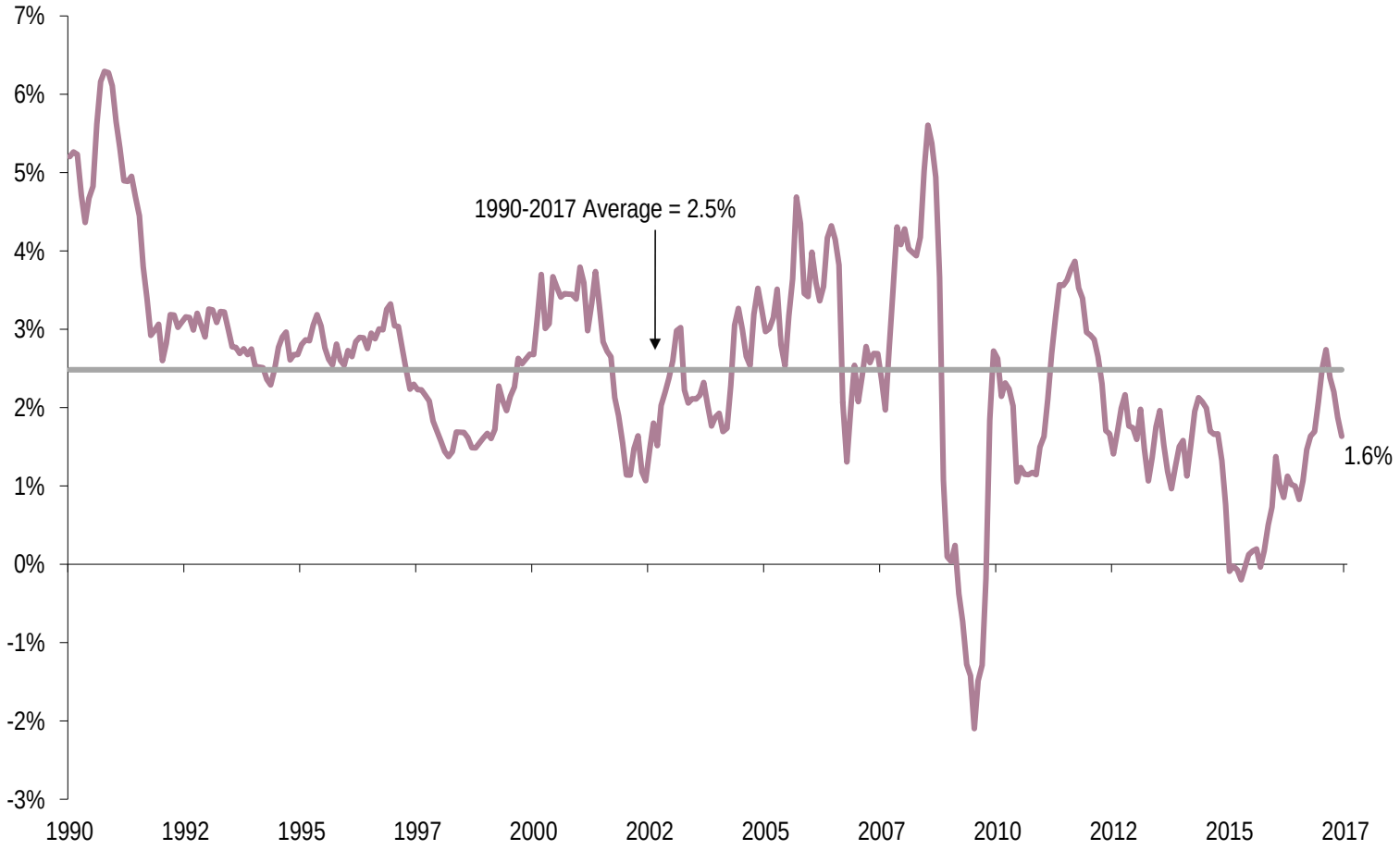
[1] Source: Barclays Live.
[2] The median high yield spread was 5.0% from 1997-2017.

U.S. Real Gross Domestic Product (GDP) Growth[1]



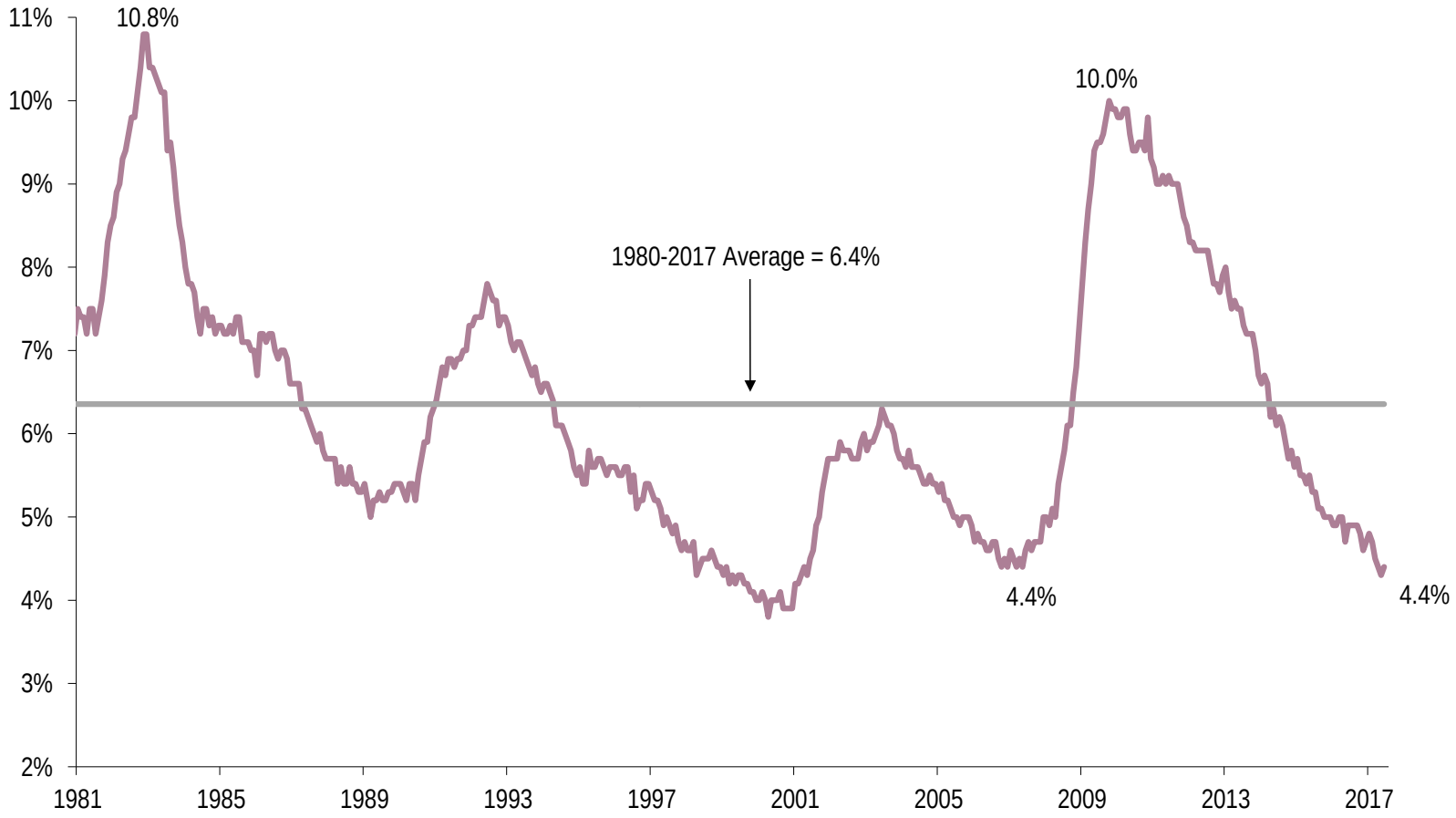
[1] Source: Bureau of Economic Analysis. Q2 GDP data is not yet available. Data is as of Q1 2017 and represents the third estimate.

U.S. Inflation (CPI)
Trailing Twelve Months[1]



[1] Source: Bureau of Labor Statistics. Data is non-seasonally adjusted CPI, which may be volatile in the short-term. Data is as of June 30, 2017.

U.S. Unemployment[1]



[1] Source: Bureau of Labor Statistics. Data is as of June 30, 2017.

Disclaimer, Glossary, and Notes

Disclaimer

The material contained in this report is confidential and may not be reproduced, disclosed, or distributed, in whole or in part, to any person or entity other than the intended recipient. The data are provided for informational purposes only, may not be complete, and cannot be relied upon for any purpose other than for discussion.

Meketa Investment Group has prepared this report on the basis of sources believed to be reliable. The data are based on matters as they are known as of the date of preparation of the report, and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available.

In general, the valuation numbers presented in this report are prepared by the custodian bank for listed securities, and by the fund manager or appropriate General Partner in the case of unlisted securities. The data used in the market comparison sections of this report are sourced from various databases. These data are continuously updated and are subject to change.

This report does not contain all the information necessary to fully evaluate the potential risks of any of the investments described herein. Because of inherent uncertainties involved in the valuations of investments that are not publicly traded, any estimated fair values shown in this report may differ significantly from the values that would have been used had a ready market for the underlying securities existed, and the differences could be material. Note that for unlisted securities the valuations may be lagged by one or more calendar quarters, or may reflect original cost.

This document may contain certain forward-looking statements, forecasts, estimates, projections, and opinions (“Forward Statements”). No representation is made or will be made that any Forward Statements will be achieved or will prove to be correct. A number of factors, in addition to any risk factors stated in this material, could cause actual future results to vary materially from the Forward Statements. No representation is given that the assumptions disclosed in this document upon which Forward Statements may be based are reasonable. There can be no assurance that the investment strategy or objective of any fund or investment will be achieved, or that the Plan will receive a return of the amount invested.

In some cases, Meketa Investment Group assists the Trustees in handling capital calls or asset transfers among investment managers. In these cases, we do not make any representations as to the managers’ use of the funds, but do confirm that the capital called or transferred is within the amounts authorized by the Trustees.

Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security.)

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- [Risk Free Rate+Beta*(market return-Risk Free Rate)].

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about is future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a "basis book." For example, a 5% bond pays $5 a year interest on each $100 par value. To figure its current yield, divide $5 by $95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay $100 for the bond that can be bought now for $95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{\text{5\% (discount)}}{\text{5 (yrs. to maturity)}} = \text{1\% pro rata, plus 5.26\% (current yield)} = \text{6.26\% (yield to maturity)}$$

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.
The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991.

Notes

The Russell Indices®, TM, SM are trademarks/service marks of the Frank Russell Company.

Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.