

New Mexico Public Employees  
Retirement Association  
SmartSave Deferred Compensation Plan  
Fourth Quarter 2023

Quarterly Report

## Agenda

1. Corporate Update
2. Executive Summary
3. Fourth Quarter of 2023 Performance Report
  - Plan Summary
  - LifeCycle Funds Detail
  - Portfolio Reviews
4. Appendices
  - Economic and Market Update
  - Disclaimer, Glossary, and Notes

## **Corporate Update**



**7**  
Offices



**235+**  
Employees



**245+**  
Clients



**\$1.8T**  
Assets Under Advisement



**\$200B**  
Assets in Alternative Investments



**98%**  
Client Retention Rate



**5:1**  
Client | Consultant Ratio

Meketa  
Investment Group  
is proud to work  
for over 15 million  
American families  
everyday!

## UPCOMING EVENTS



**Q4 Investment Perspectives Webcast**  
April 2024



**Emerging and Diverse Manager Research Day**  
April 2024

Client and employee counts as of December 31, 2023; assets as of September 30, 2023.  
Client retention rate is one minus the number of clients lost divided by the number of clients at prior year-end.

### THOUGHT LEADERSHIP



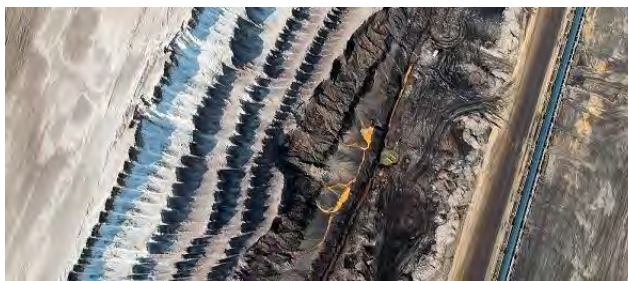
#### Read our December Connectives “Navigating US China Tensions with Dynamic Portfolio Levers”

Sifting through economic, financial, and political factors is proving to be increasingly challenging for institutional investors as sentiment toward China continues to turn negative in western governments.

While some US investors have decided to actively underweight or even exit China altogether, others are seeking dynamic portfolio and manager solutions.

Read more here:

<https://meketa.com/news/meketa-connectives-navigating-us-china-tensions-with-dynamic-portfolio-levers/>



#### Read our recent white paper “Opportunities in Critical Minerals”

The push toward net-zero emissions has expedited the need for green energy and technology. At the forefront of this green energy boom are critical minerals, the essential inputs to all types of green technologies, especially electric vehicles (“EVs”) and EV batteries.

This research note provides an overview of critical minerals, their uses, current market size, as well as describes the unique opportunity that critical minerals may provide for investors.

Read more here:

<https://meketa.com/leadership/the-opportunity-in-critical-minerals/>



#### Watch our recent webinar “Mission Driven Investing Manager Research Day Roundtable”

As part of Meketa’s first Public and Private Markets Mission Driven Investing Manager Research Day, we hosted a one-hour roundtable discussion with a panel of institutional investors speaking about their experiences with mission driven investing. The panel includes perspectives from investors who invest broadly in mission-driven investments, as well as specifically for economic development in a particular state or region and as informed by religious values. Discussion topics include impact and return goals, mission related investment structures, best practices in manager due diligence and other areas relevant for the mission driven investor.

Read more here:

<https://meketa.com/leadership/december-2023-mission-driven-investing-manager-research-day-roundtable/>



### MEKETA VALUES CULTURE

Whether looking for new team members or getting to know our current fellow team mates better, Meketa values the people we work with.



### MEKETA IN THE NEWS

#### **Pensions&Investments** **Asset owners lean on consultants to be educated about ESG**

By Palash Ghosh | 11.20.23

[Read full article here](#)

Meketa assists clients in understanding different approaches to sustainability, including focusing on integrating material sustainability financial risks and opportunities, seeking investments that also offer impact on a given environmental or social themes, and investing in products for socially responsible ends that do not include a performance expectation to meet or exceed a market beta, said [Sarah Bernstein](#), head of sustainability. “Some pension funds have specific requests, for example how to respond to ESG and/or anti-ESG legislation; provide analysis on options to address climate risks and opportunities; or address diversity, equity and inclusion concerns,” she added.

One area that is seeing a lot of interest from investors is opportunities around the energy transition. [Lisa Bacon](#), managing principal, private markets consultant and infrastructure program lead at Meketa, said deploying capital into renewables and related infrastructure has been going on for a number of years even before “energy transition” and “decarbonization” became common terms.

In fact, “as both governmental entities and corporates in the U.S. and abroad have established more ambitious goals for reducing greenhouse gases and reaching net-zero carbon emissions, demand for private capital to support investments in assets and companies that will help meet these goals has also increased,” Bacon said. “Opportunities have also arisen in the natural resources sector involving alternative fuels, metals and minerals for batteries and electric chargers, and other sustainable inputs and activities.” Bacon added that Meketa and its clients want to be investing in the areas “where economic activity is increasing and where growth potential supports attractive risk-adjusted returns.”

#### **Impact of higher rates top of mind for institutions**

By Palash Ghosh | 11.20.23

[Read full article here](#)

Aside from rising interest rates, noted Frank Benham, director of research at [Meketa](#), his firm’s clients are also concerned about the potential for an economic hard landing, as well as both political and economic risks in China.

Regarding China, Amy Hsiang, director of public markets manager research at Meketa, said clients are interested in learning more about emerging markets. “Whether or not translates to actually increasing allocations to emerging markets, only time will tell,” Hsiang said. “We have not seen clients actively avoid China.”

“Clients are increasing exposure to select alternatives like private credit and private equity. This needs to be balanced with an understanding of each clients’ liquidity needs to ensure the portfolio can deliver on all commitments through a market cycle.” John A. Haggerty, director of private market investments at Meketa, noted that in times of uncertainty and market volatility, the issue of placing value on alternative assets naturally receives more scrutiny. “Private market performance lags public market performance in both up markets and down markets,” he said. “So, the gaps have been greater in recent years with the stock market swings, negative in 2022 and positive for much of 2023.”

#### **FUNDfire**

#### **Corporate Pensions at ‘Inflection Point’ as Funded Statuses Improve**

By Bridget Hickey 11.28.23

[Read full article here](#)

Corporate pension sponsors are at an “inflection point” when it comes to deciding about the future of their plans, said Jonathan Camp, a managing principal at investment consultant Meketa.

Companies may choose to hedge their liabilities or transfer risk. Almost 90% of corporate pension respondents to a recent survey by MetLife said they were interested in completely divesting all their defined benefit plan liabilities.

However, the news earlier this month that International Business Machines, better known as IBM, is reopening its defined benefit pension as a cash balance plan has sparked a conversation within the industry about whether other companies will follow suit.

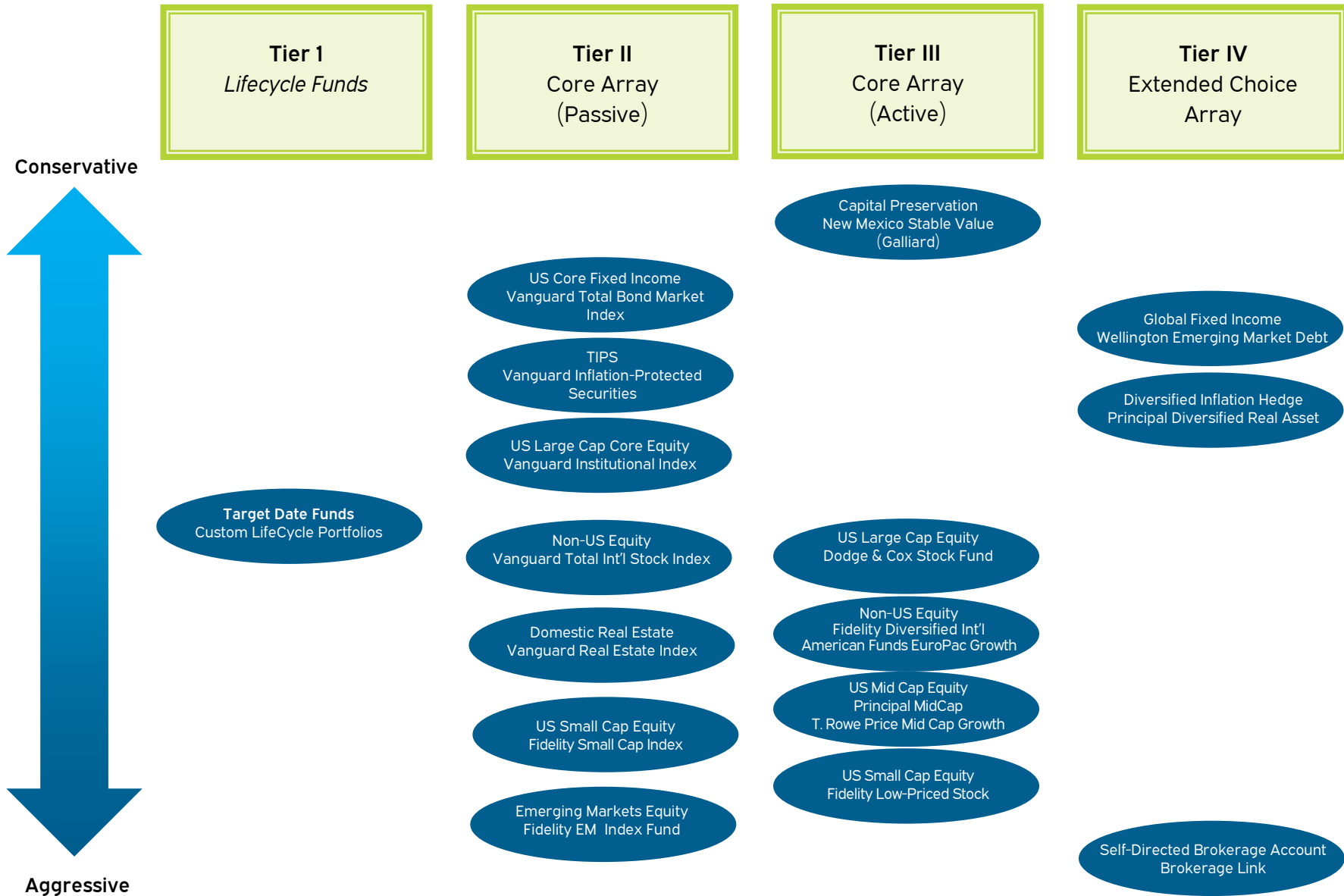
Companies that are over-funded may opt to follow in IBM’s stead, Camp suggested. He added that one client, (unnamed), re-opened its pension plan more than a year ago.

“The benefit of just keeping your frozen pension plan on your books is that it’s very easy to open it back up in a different form in the future, versus if you terminate your plan,” he said. “It will be interesting to see, if now that we have this first mover publicly, if other companies think to themselves, ‘well, you know, I can do that too’.”

## **Executive Summary**



### Executive Summary



### Plan Assets

- As of December 31, 2023, Plan assets were \$808.9 million, up from \$754.3 million at the end of the prior quarter. The Plan experienced net cash outflows of \$3.8 million during the fourth quarter.
- There were 23,588 participants with a balance at quarter-end, and the average account balance was \$34,292.
- The largest Plan investment options by assets were:

	12/31/23 Balance (\$M)	Percentage of Plan Assets (%)
New Mexico LifeCycle Portfolios	237.7	29.4
Vanguard Institutional 500 Index	202.0	25.0
New Mexico Stable Value Fund	124.9	15.4
Vanguard Total Bond Market Index	44.0	5.4
Dodge & Cox Stock	38.1	4.7

### **Plan Observations**

Four of the Plan's eleven actively managed portfolios (Fidelity Diversified International, American Funds EuroPacific Growth, Principal US MidCap Equity, Wellington Opportunistic Emerging Market Debt) matched or outperformed their respective benchmarks and universe medians during the quarter. Five of the Plan's actively managed portfolios (Dodge & Cox US Equity, New Mexico Stable Value, Principal Diversified Real Assets, Prudential Retirement Real Estate Fund II Fund, Columbia Institutional High Yield) matched or outperformed one measure but underperformed the other. Two of the Plan's actively managed portfolios (T. Rowe Price MidCap Growth, Fidelity Low-Priced Stock) underperformed both measures.

### Investment Menu Observations

- Seven of the nine LifeCycle Portfolios outperformed their respective custom benchmarks during the quarter. However, each of the nine underperformed their respective peer group medians. Underperformance versus peers can be attributed to the LifeCycle Portfolios' underweight allocation to public equities, as equity markets increased in the fourth quarter. The allocation to stable value, especially for the shorter dated funds, had a negative impact on returns relative to peers during the quarter.
- Dodge & Cox US Equity outperformed the Russell 1000 Value benchmark but slightly underperformed the peer median during the quarter. Outperformance stemmed from the fund's holdings and overweight in the Financials sector.
- T. Rowe Price MidCap Growth underperformed the Russell MidCap Growth Index and peer median during the quarter. Stock selection in the health care and IT sectors were the main detractors.
- Principal US MidCap Equity outperformed both the Russell MidCap Index and peer group median during the quarter. Allocations to TransDigm (airplane components supplier) and Brookfield Infrastructure (infrastructure asset operator) added to relative performance.
- Fidelity Low-Priced Stock underperformed the Russell 2500 Value benchmark and peer median during the quarter. The fund faced headwinds from stock selection in the health care and financials sectors.
- Fidelity Diversified International matched the MSCI EAFE benchmark and outperformed the peer median during the quarter. Results were driven primarily by stock selection in the materials and IT sectors.
- American Funds EuroPacific Growth outperformed the MSCI ACWI ex USA index and the peer median return during the quarter. The largest relative contributors were in the IT and consumer discretionary sectors.

**Investment Menu Observations (continued)**

- Wellington Opportunistic Emerging Markets Debt outperformed the JPM EMBI Global benchmark during the quarter, as well as the peer group median.
- Columbia Institutional High Yield exposure is only available via the LifeCycle portfolios. The strategy slightly underperformed the performance of the ICE BofAML US High Yield Cash Pay Constrained benchmark but outperformed the peer median during the quarter. The largest relative detractors for the quarter were selection in the cable and satellite TV sectors.
- Principal Diversified Real Asset outperformed the Real Asset Custom Benchmark<sup>1</sup> during the quarter; the peer group median was unavailable. The strategy's outperformance was driven by holdings in the infrastructure sector.
- Prudential Retirement Real Estate Fund II exposure is only available via the LifeCycle portfolios. The strategy outperformed the PRREF II Custom Benchmark<sup>2</sup> for the quarter primarily due to outperformance in direct real estate holdings.

<sup>1</sup> The Real Asset Custom Benchmark is composed of 40% Barclays US TIPS, 40% MSCI ACWI, and 20% Bloomberg Commodity Index.

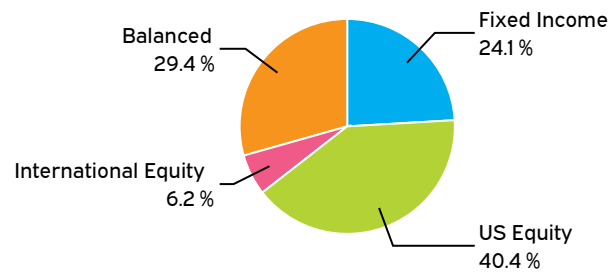
<sup>2</sup> PRREF II Custom Benchmark is composed of 85% NCREIF Open-End Diversified Core Equity Fund Index and 15% MSCI US REIT Index.



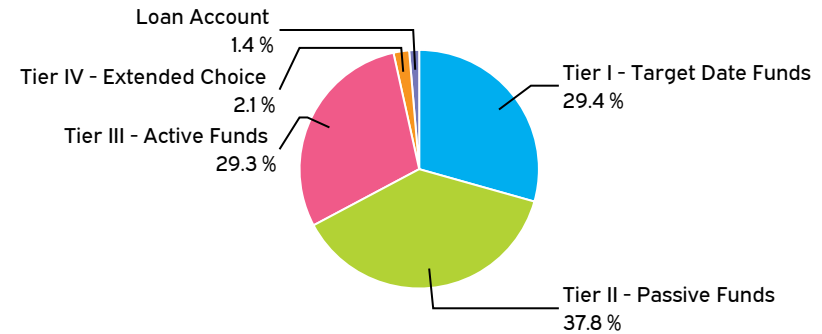
## **Fourth Quarter of 2023 Performance Report**

## Plan Summary

Total Plan Allocation by Asset Class



Total Plan Allocation by Tier



Asset Allocation				
	Current Balance	Current Allocation	Q4 Cash Flows	Balance as of 9/30/2023
Tier I - Target Date Funds	\$237,653,889	29%	\$980,686	\$221,175,033
Tier II - Passive Funds	\$306,025,752	38%	\$775,704	\$275,956,090
Tier III - Active Funds	\$237,131,111	29%	-\$5,057,314	\$230,023,666
Tier IV - Extended Choice	\$17,120,974	2%	-\$716,126	\$16,607,521
Loan Account	\$10,951,515	1%	\$248,324	\$10,527,251
<b>Total Plan</b>	<b>\$808,883,242</b>	<b>100%</b>	<b>-\$3,768,726</b>	<b>\$754,289,561</b>

Total Plan | As of December 31, 2023

	Trailing Net Performance									
	Market Value \$	% of Portfolio	3 Mo Net Cash Flows (\$)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Plan</b>	<b>808,883,242</b>	<b>100.0</b>	<b>-3,768,726</b>							
<b>Tier I - Target Date Funds</b>	<b>237,653,889</b>	<b>29.4</b>	<b>980,686</b>							
New Mexico Conservative Portfolio	48,908,264	6.0	-1,202,143	5.6	7.2	1.2	4.7	3.8	4.1	Jul-05
New Mexico Conservative Index				5.7	8.2	1.6	4.9	--	--	
Moderately Conservative Allocation Median				8.1	10.6	1.1	5.4	4.3	4.8	
Moderately Conservative Allocation Rank				98	91	46	74	71	78	
New Mexico LifeCycle 2025 Portfolio	53,280,493	6.6	-1,274,944	6.2	8.4	1.5	6.2	5.1	4.8	Jul-05
New Mexico 2025 Benchmark				6.3	9.2	2.0	6.3	--	--	
Target-Date 2025 Median				8.6	12.6	1.6	6.9	5.4	5.7	
Target-Date 2025 Rank				99	99	54	82	70	74	
New Mexico LifeCycle 2030 Portfolio	16,215,694	2.0	459,369	7.4	10.6	2.0	7.3	--	6.6	Jul-16
New Mexico 2030 Benchmark				7.3	11.0	2.4	7.2	--	6.7	
Target-Date 2030 Median				9.4	14.5	2.3	8.1	6.1	7.2	
Target-Date 2030 Rank				99	99	71	85	--	80	
New Mexico LifeCycle 2035 Portfolio	47,957,502	5.9	1,396,004	8.0	11.8	2.5	7.9	6.1	6.0	Jul-05
New Mexico 2035 Benchmark				7.9	12.1	2.9	7.8	--	--	
Target-Date 2035 Median				10.0	16.4	3.3	9.1	6.7	6.3	
Target-Date 2035 Rank				99	99	90	92	80	58	
New Mexico LifeCycle 2040 Portfolio	10,501,642	1.3	209,563	8.3	12.5	2.9	8.5	--	7.6	Jul-16
New Mexico 2040 Benchmark				8.1	12.7	3.3	8.4	--	7.7	
Target-Date 2040 Median				10.5	18.1	4.1	9.9	7.2	8.6	
Target-Date 2040 Rank				98	99	93	92	--	91	
New Mexico LifeCycle 2045 Portfolio	28,508,044	3.5	323,539	8.5	13.0	3.0	8.7	6.6	6.7	Jul-05
New Mexico 2045 Benchmark				8.3	13.1	3.5	8.6	--	--	
Target-Date 2045 Median				10.9	19.2	4.6	10.5	7.5	6.7	
Target-Date 2045 Rank				100	100	96	97	93	55	

## Total Plan | As of December 31, 2023

	Market Value \$	% of Portfolio	3 Mo Net Cash Flows (\$)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
New Mexico LifeCycle 2050 Portfolio	10,780,122	1.3	289,184	8.7	13.4	3.1	8.9	--	8.0	Jul-16
<i>New Mexico 2050 Benchmark</i>				8.5	13.5	3.6	8.8	--	8.1	
<i>Target-Date 2050 Median</i>				11.0	19.9	4.7	10.7	7.6	9.2	
<i>Target-Date 2050 Rank</i>				100	100	95	99	--	97	
New Mexico LifeCycle 2055 Portfolio	19,985,551	2.5	496,060	8.8	13.7	3.3	9.1	6.8	5.9	Apr-07
<i>New Mexico 2055 Benchmark</i>				8.6	13.8	3.8	9.0	--	--	
<i>Target-Date 2055 Median</i>				11.1	20.0	4.7	10.7	7.6	--	
<i>Target-Date 2055 Rank</i>				100	100	94	100	93	--	
New Mexico LifeCycle 2060 Portfolio	1,516,577	0.2	284,055	8.8	13.7	--	--	--	3.6	Feb-21
<i>New Mexico 2060 Benchmark</i>				8.6	13.9	4.0	--	--	4.0	
<i>Target-Date 2060 Median</i>				11.1	20.0	4.7	10.8	7.5	5.0	
<i>Target-Date 2060 Rank</i>				100	100	--	--	--	93	
<b>Tier II - Passive Funds</b>	<b>306,025,752</b>	<b>37.8</b>	<b>775,704</b>							
Vanguard Total Bond Market Index	43,965,180	5.4	893,848	6.7	5.7	-3.3	1.1	1.8	4.3	Oct-95
<i>Blmbg. U.S. Aggregate Index</i>				6.8	5.5	-3.3	1.1	1.8	4.3	
<i>eV US Core Fixed Inc Median</i>				6.8	5.9	-3.1	1.4	2.0	4.5	
<i>eV US Core Fixed Inc Rank</i>				63	64	70	81	78	79	
Vanguard Inflation-Protected Securities	11,506,094	1.4	-146,903	4.6	3.8	-1.1	3.0	2.4	4.6	Jul-00
<i>Blmbg. U.S. TIPS</i>				4.7	3.9	-1.0	3.2	2.4	4.7	
<i>eV US TIPS / Inflation Fixed Inc Median</i>				4.5	3.9	-1.0	3.2	2.3	4.7	
<i>eV US TIPS / Inflation Fixed Inc Rank</i>				37	54	64	66	43	62	
Vanguard Institutional Index (S&P 500)	201,979,693	25.0	-1,391,701	11.7	26.3	10.0	15.7	12.0	10.3	Aug-90
<i>S&amp;P 500 Index</i>				11.7	26.3	10.0	15.7	12.0	10.3	
<i>eV US Large Cap Core Equity Median</i>				11.5	21.7	8.9	14.3	11.0	10.5	
<i>eV US Large Cap Core Equity Rank</i>				45	25	31	24	16	59	



### Total Plan | As of December 31, 2023

	Market Value \$	% of Portfolio	3 Mo Net Cash Flows (\$)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Vanguard Total International Stock Index	29,451,361	3.6	1,151,283	10.0	15.5	1.8	7.4	4.1	5.0	Dec-10
<i>Spliced Total International Stock Index</i>				9.8	16.2	2.2	7.8	4.5	5.2	
<i>eV ACWI ex-US Core Equity Median</i>				9.9	16.1	1.7	7.9	4.4	5.7	
<i>eV ACWI ex-US Core Equity Rank</i>				49	61	47	68	66	81	
Fidelity Small Cap Index	19,123,424	2.4	269,177	14.1	17.1	2.3	10.1	7.3	11.5	Oct-11
<i>Russell 2000 Index</i>				14.0	16.9	2.2	10.0	7.2	11.3	
<i>eV US Small Cap Core Equity Median</i>				12.4	17.0	6.8	11.9	8.2	12.3	
<i>eV US Small Cap Core Equity Rank</i>				21	48	86	82	75	70	
<b>Tier III - Active Funds</b>	<b>237,131,111</b>	<b>29.3</b>	<b>-5,057,314</b>							
New Mexico Stable Value Fund	124,920,859	15.4	-2,927,838	0.7	2.7	2.1	2.3	2.0	1.9	Jul-12
<i>Citigroup 3-month Treasury Bill + 1%</i>				1.7	6.3	3.3	2.9	2.3	2.1	
<i>eV US Stable Value (Book Value) Fixed Inc Median</i>				0.6	2.5	1.9	2.0	1.9	1.8	
<i>eV US Stable Value (Book Value) Fixed Inc Rank</i>				17	26	14	11	29	37	
Dodge & Cox U.S. Equity	38,083,340	4.7	-456,065	9.8	17.5	12.8	13.9	10.4	11.1	Feb-65
<i>Russell 1000 Value Index</i>				9.5	11.5	8.9	10.9	8.4	--	
<i>eV US Large Cap Value Equity Median</i>				9.8	12.2	9.9	11.9	8.8	--	
<i>eV US Large Cap Value Equity Rank</i>				51	24	12	21	18	--	
Fidelity Diversified International	10,386,164	1.3	-407,833	10.4	17.8	0.5	9.4	5.0	7.9	Jan-92
<i>MSCI EAFE (Net)</i>				10.4	18.2	4.0	8.2	4.3	5.4	
<i>eV EAFE Core Equity Median</i>				10.2	17.1	3.0	8.1	4.6	7.1	
<i>eV EAFE Core Equity Rank</i>				48	41	81	21	33	24	
American Funds EuroPacific Growth	8,234,034	1.0	-365,761	10.4	16.1	-2.7	8.0	4.9	10.0	May-84
<i>MSCI AC World ex USA (Net)</i>				9.8	15.6	1.5	7.1	3.8	--	
<i>eV ACWI ex-US All Cap Core Eq Median</i>				10.0	16.7	1.8	8.1	4.5	--	
<i>eV ACWI ex-US All Cap Core Eq Rank</i>				38	56	91	52	24	--	

## Total Plan | As of December 31, 2023

	Market Value \$	% of Portfolio	3 Mo Net Cash Flows (\$)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Principal U.S. MidCap Equity	15,364,338	1.9	-212,783	14.8	25.9	6.6	15.4	11.7	10.8	Jan-01
<i>Russell Midcap Index</i>				12.8	17.2	5.9	12.7	9.4	9.0	
<i>eV US Mid Cap Core Equity Median</i>				11.8	17.0	7.5	13.0	9.2	9.2	
<i>eV US Mid Cap Core Equity Rank</i>				9	14	74	15	9	2	
T. Rowe Price MidCap Growth	29,953,738	3.7	-477,414	11.9	20.6	2.3	12.0	11.0	11.8	Aug-96
<i>Russell Midcap Growth Index</i>				14.5	25.9	1.3	13.8	10.6	9.7	
<i>eV US Mid Cap Growth Equity Median</i>				13.2	22.7	0.3	13.3	10.1	11.0	
<i>eV US Mid Cap Growth Equity Rank</i>				63	64	28	79	25	19	
Fidelity Low-Priced Stock	10,188,639	1.3	-209,621	10.8	14.4	10.4	13.1	9.0	13.1	Jan-90
<i>Russell 2500 Value Index</i>				13.8	16.0	8.8	10.8	7.4	10.6	
<i>eV US Small Cap Value Equity Median</i>				12.6	16.2	9.7	11.6	7.3	11.8	
<i>eV US Small Cap Value Equity Rank</i>				77	64	43	29	16	1	
<b>Tier IV - Extended Choice</b>	<b>17,120,974</b>	<b>2.1</b>	<b>-716,126</b>							
Wellington Opportunistic Emerging Market Debt	1,429,442	0.2	-93,534	10.3	11.8	-3.5	2.3	3.3	4.2	May-10
<i>JPM EMBI Global (USD)</i>				9.3	10.5	-3.1	1.9	3.1	4.1	
<i>eV Emg Mkts Fixed Inc - Hard Currency Median</i>				9.6	11.5	-3.0	2.1	3.0	4.0	
<i>eV Emg Mkts Fixed Inc - Hard Currency Rank</i>				29	48	67	42	27	33	
Principal Diversified Real Asset	714,302	0.1	-72,401	7.0	3.2	4.4	6.3	2.7	4.1	Apr-10
<i>Real Asset Custom Benchmark</i>				5.4	8.5	4.3	7.7	4.2	4.6	
Fidelity Emerging Markets Index	1,745,001	0.2	19,471	7.7	9.5	-5.3	3.4	2.7	5.0	Apr-23
<i>MSCI Emerging Markets (Net)</i>				7.9	9.8	-5.1	3.7	2.7	5.6	
<i>Diversified Emerging Mkts Median</i>				7.8	10.9	-5.6	4.0	2.4	5.6	
<i>Diversified Emerging Mkts Rank</i>				54	63	47	64	42	58	

## Total Plan | As of December 31, 2023

	Market Value \$	% of Portfolio	3 Mo Net Cash Flows (\$)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Vanguard Real Estate Index Adm	1,985,142	0.2	228,779	18.1	--	--	--	--	9.8	Apr-23
MSCI U.S. IMI Real Estate 25/50 Index (Net)				17.8	10.6	4.1	6.3	--	8.9	
Real Estate Median				16.3	12.0	5.4	7.4	7.3	9.6	
Real Estate Rank				12	--	--	--	--	38	
Self Directed Brokerage Options	11,247,088	1.4	-798,441							
<b>Loan Account</b>	<b>10,951,515</b>	<b>1.4</b>	<b>248,324</b>							
Loan Account	10,951,515	1.4	248,324							
<b>Other</b>	<b>--</b>	<b>0.0</b>	<b>--</b>							
Prudential Retirement Real Estate Fund II	--	0.0	--	-1.5	-8.5	4.8	4.5	--	4.7	Jan-18
PRREF II Custom Benchmark				-1.8	-8.4	5.4	4.9	--	5.1	
Columbia Institutional High Yield	--	0.0	--	6.9	12.5	1.8	5.5	4.4	4.7	Dec-12
ICE BofA US High Yield, Cash Pay Constrained				7.1	13.4	2.0	5.2	4.5	4.9	
eV US High Yield Fixed Inc Median				6.5	12.2	2.1	5.1	4.2	4.6	
eV US High Yield Fixed Inc Rank				26	45	63	26	38	41	

Columbia Institutional High Yield and Prudential Retirement Real Estate Fund II are only offered as underlying components of the New Mexico LifeCycle Portfolios.

	Calendar Year Performance										
	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
<b>Total Plan</b>											
<b>Tier I - Target Date Funds</b>											
New Mexico Conservative Portfolio	7.2	-9.5	6.8	9.1	11.4	-1.8	8.6	4.9	-1.3	4.4	4.2
<i>New Mexico Conservative Index</i>	--	-9.0	6.5	8.6	11.6	-1.6	8.8	4.1	-1.1	4.0	4.0
<i>Moderately Conservative Allocation Median</i>	10.6	-13.6	8.0	9.3	15.1	-4.3	10.3	6.1	-1.5	4.7	9.8
<i>Moderately Conservative Allocation Rank</i>	91	13	79	53	93	1	81	82	47	59	95
New Mexico LifeCycle 2025 Portfolio	8.4	-11.2	8.7	11.6	15.9	-4.1	14.3	6.7	-1.6	6.0	13.5
<i>New Mexico 2025 Benchmark</i>	--	-10.5	8.5	10.6	15.5	-4.0	14.4	6.2	-1.7	5.3	14.2
<i>Target-Date 2025 Median</i>	12.6	-15.5	9.8	12.5	18.4	-5.4	15.0	6.9	-1.2	5.4	16.8
<i>Target-Date 2025 Rank</i>	99	4	74	62	92	13	66	60	66	32	82
New Mexico LifeCycle 2030 Portfolio	10.6	-13.3	10.8	13.2	18.2	-5.1	16.4	--	--	--	--
<i>New Mexico 2030 Benchmark</i>	--	-12.4	10.6	12.0	17.7	-5.1	16.4	--	--	--	--
<i>Target-Date 2030 Median</i>	14.5	-16.4	11.6	13.1	20.4	-6.5	17.0	7.3	-1.3	5.6	18.2
<i>Target-Date 2030 Rank</i>	99	7	76	50	83	15	62	--	--	--	--
New Mexico LifeCycle 2035 Portfolio	11.8	-14.2	12.0	13.8	19.6	-5.9	18.1	7.4	-1.9	5.7	16.3
<i>New Mexico 2035 Benchmark</i>	--	-13.1	11.9	12.5	19.0	-5.9	18.2	7.1	-2.2	4.9	17.1
<i>Target-Date 2035 Median</i>	16.4	-17.1	13.9	14.1	22.3	-7.4	18.7	7.8	-1.5	5.6	21.5
<i>Target-Date 2035 Rank</i>	99	6	90	57	92	14	67	63	69	46	94
New Mexico LifeCycle 2040 Portfolio	12.5	-14.7	13.4	14.3	20.7	-6.4	19.1	--	--	--	--
<i>New Mexico 2040 Benchmark</i>	--	-13.5	13.2	13.0	19.9	-6.4	19.2	--	--	--	--
<i>Target-Date 2040 Median</i>	18.1	-17.9	15.8	14.8	23.6	-8.0	19.8	8.0	-1.5	5.8	21.9
<i>Target-Date 2040 Rank</i>	99	8	90	57	88	13	66	--	--	--	--
New Mexico LifeCycle 2045 Portfolio	13.0	-15.1	13.8	14.7	21.3	-6.8	20.0	7.5	-2.0	5.6	17.6
<i>New Mexico 2045 Benchmark</i>	--	-13.8	13.6	13.3	20.5	-6.8	19.9	7.3	-2.4	4.8	18.6
<i>Target-Date 2045 Median</i>	19.2	-18.2	16.7	15.4	24.6	-8.3	20.7	8.1	-1.5	5.8	23.3
<i>Target-Date 2045 Rank</i>	100	7	96	59	96	11	70	67	70	59	96

## Total Plan | As of December 31, 2023

	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
New Mexico LifeCycle 2050 Portfolio	13.4	-15.5	14.2	14.9	21.8	-7.0	20.4	--	--	--	--
<i>New Mexico 2050 Benchmark</i>	--	-14.1	14.1	13.4	21.0	-7.1	20.4	--	--	--	--
<i>Target-Date 2050 Median</i>	19.9	-18.3	17.0	15.6	24.7	-8.6	20.9	8.2	-1.4	5.9	23.3
<i>Target-Date 2050 Rank</i>	100	6	96	60	89	9	61	--	--	--	--
New Mexico LifeCycle 2055 Portfolio	13.7	-15.5	14.7	14.9	22.2	-7.2	20.8	7.6	-2.0	5.6	18.2
<i>New Mexico 2055 Benchmark</i>	--	-14.1	14.6	13.4	21.3	-7.2	20.8	7.4	-2.5	4.7	19.2
<i>Target-Date 2055 Median</i>	20.0	-18.4	17.2	15.7	24.9	-8.6	21.2	8.2	-1.5	5.9	23.3
<i>Target-Date 2055 Rank</i>	100	3	96	63	92	13	60	68	67	59	97
New Mexico LifeCycle 2060 Portfolio	13.7	-15.4	--	--	--	--	--	--	--	--	--
<i>New Mexico 2060 Benchmark</i>	--	-14.1	--	--	--	--	--	--	--	--	--
<i>Target-Date 2060 Median</i>	20.0	-18.4	17.4	15.8	25.1	-8.7	21.3	7.9	-0.8	5.7	--
<i>Target-Date 2060 Rank</i>	100	2	--	--	--	--	--	--	--	--	--

### Tier II - Passive Funds

Vanguard Total Bond Market Index	5.7	-13.1	-1.7	7.7	8.7	0.0	3.6	2.6	0.4	5.9	-2.1
<i>Blmbg. U.S. Aggregate Index</i>	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5	6.0	-2.0
<i>eV US Core Fixed Inc Median</i>	5.9	-13.1	-1.4	8.2	8.9	-0.2	3.8	3.0	0.5	5.9	-1.8
<i>eV US Core Fixed Inc Rank</i>	64	59	66	70	63	35	62	70	61	48	75
Vanguard Inflation-Protected Securities	3.8	-11.9	5.7	11.0	8.2	-1.4	3.0	4.6	-1.7	4.1	-8.8
<i>Blmbg. U.S. TIPS</i>	3.9	-11.8	6.0	11.0	8.4	-1.3	3.0	4.7	-1.4	3.6	-8.6
<i>eV US TIPS / Inflation Fixed Inc Median</i>	3.9	-11.7	5.6	10.6	8.3	-1.4	3.0	4.4	-1.6	3.2	-8.5
<i>eV US TIPS / Inflation Fixed Inc Rank</i>	54	62	37	34	53	53	54	40	57	14	70
Vanguard Institutional Index (S&P 500)	26.3	-18.1	28.7	18.4	31.5	-4.4	21.8	11.9	1.4	13.6	32.4
<i>S&amp;P 500 Index</i>	26.3	-18.1	28.7	18.4	31.5	-4.4	21.8	12.0	1.4	13.7	32.4
<i>eV US Large Cap Core Equity Median</i>	21.7	-16.5	26.9	15.7	29.5	-5.1	21.4	9.8	0.7	12.2	32.3
<i>eV US Large Cap Core Equity Rank</i>	25	65	31	38	31	40	44	29	41	32	50
Vanguard Total International Stock Index	15.5	-16.0	8.7	11.3	21.6	-14.4	27.6	4.7	-4.2	-4.1	15.1
<i>Spliced Total International Stock Index</i>	16.2	-15.8	9.1	11.5	22.2	-14.4	27.8	5.0	-4.0	-3.1	15.9
<i>eV ACWI ex-US Core Equity Median</i>	16.1	-18.3	10.8	14.0	23.9	-16.0	28.6	1.4	-1.4	-3.6	19.3
<i>eV ACWI ex-US Core Equity Rank</i>	61	33	63	62	67	34	63	28	75	58	85



## Total Plan | As of December 31, 2023

	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
Fidelity Small Cap Index	17.1	-20.3	14.7	20.0	25.7	-10.9	14.9	21.6	-4.2	5.2	39.0
<i>Russell 2000 Index</i>	16.9	-20.4	14.8	20.0	25.5	-11.0	14.6	21.3	-4.4	4.9	38.8
<i>eV US Small Cap Core Equity Median</i>	17.0	-16.7	24.2	15.4	24.6	-10.9	14.3	19.5	-2.5	5.2	38.9
<i>eV US Small Cap Core Equity Rank</i>	48	74	92	35	43	50	45	33	67	51	50
<b>Tier III - Active Funds</b>											
New Mexico Stable Value Fund	2.7	1.9	1.8	2.4	2.5	2.1	1.8	1.7	1.5	1.2	1.4
<i>Citigroup 3-month Treasury Bill + 1%</i>	6.3	2.5	1.0	1.6	3.3	2.9	1.8	1.3	1.0	1.0	1.1
<i>eV US Stable Value (Book Value) Fixed Inc Median</i>	2.5	1.7	1.6	2.0	2.3	2.0	1.7	1.6	1.5	1.4	1.7
<i>eV US Stable Value (Book Value) Fixed Inc Rank</i>	26	23	22	2	18	34	39	39	51	70	67
Dodge & Cox U.S. Equity	17.5	-7.2	31.7	7.2	24.8	-7.1	18.3	21.3	-4.5	10.4	40.5
<i>Russell 1000 Value Index</i>	11.5	-7.5	25.2	2.8	26.5	-8.3	13.7	17.3	-3.8	13.5	32.5
<i>eV US Large Cap Value Equity Median</i>	12.2	-5.8	26.6	3.9	26.3	-8.7	16.8	14.1	-2.9	11.4	32.6
<i>eV US Large Cap Value Equity Rank</i>	24	63	10	36	68	36	35	6	71	67	9
Fidelity Diversified International	17.8	-23.8	13.0	19.1	29.8	-15.1	26.8	-3.6	3.2	-3.0	25.3
<i>MSCI EAFE (Net)</i>	18.2	-14.5	11.3	7.8	22.0	-13.8	25.0	1.0	-0.8	-4.9	22.8
<i>eV EAFE Core Equity Median</i>	17.1	-16.7	12.4	9.1	22.8	-15.8	27.6	0.4	1.9	-4.2	24.1
<i>eV EAFE Core Equity Rank</i>	41	89	43	11	5	42	61	91	39	36	40
American Funds EuroPacific Growth	16.1	-22.7	2.8	25.3	27.4	-14.9	31.2	1.0	-0.5	-2.3	20.6
<i>MSCI AC World ex USA (Net)</i>	15.6	-16.0	7.8	10.7	21.5	-14.2	27.2	4.5	-5.7	-3.9	15.3
<i>eV ACWI ex-US All Cap Core Eq Median</i>	16.7	-18.9	10.3	14.4	24.2	-15.3	28.6	1.5	-1.4	-4.0	19.0
<i>eV ACWI ex-US All Cap Core Eq Rank</i>	56	79	93	11	18	45	26	53	39	37	41
Principal U.S. MidCap Equity	25.9	-23.2	25.3	18.3	42.9	-6.7	25.3	10.2	1.5	12.7	33.6
<i>Russell Midcap Index</i>	17.2	-17.3	22.6	17.1	30.5	-9.1	18.5	13.8	-2.4	13.2	34.8
<i>eV US Mid Cap Core Equity Median</i>	17.0	-15.3	25.9	14.9	28.8	-10.4	19.1	11.9	-0.8	9.9	35.6
<i>eV US Mid Cap Core Equity Rank</i>	14	84	60	36	1	27	4	64	30	23	68
T. Rowe Price MidCap Growth	20.6	-23.2	15.5	23.9	33.1	-2.2	26.0	6.9	6.9	13.8	37.9
<i>Russell Midcap Growth Index</i>	25.9	-26.7	12.7	35.6	35.5	-4.8	25.3	7.3	-0.2	11.9	35.7
<i>eV US Mid Cap Growth Equity Median</i>	22.7	-28.0	14.6	35.3	35.0	-4.1	25.1	4.9	0.3	7.9	35.5
<i>eV US Mid Cap Growth Equity Rank</i>	64	20	40	92	59	35	37	28	2	7	23

## Total Plan | As of December 31, 2023

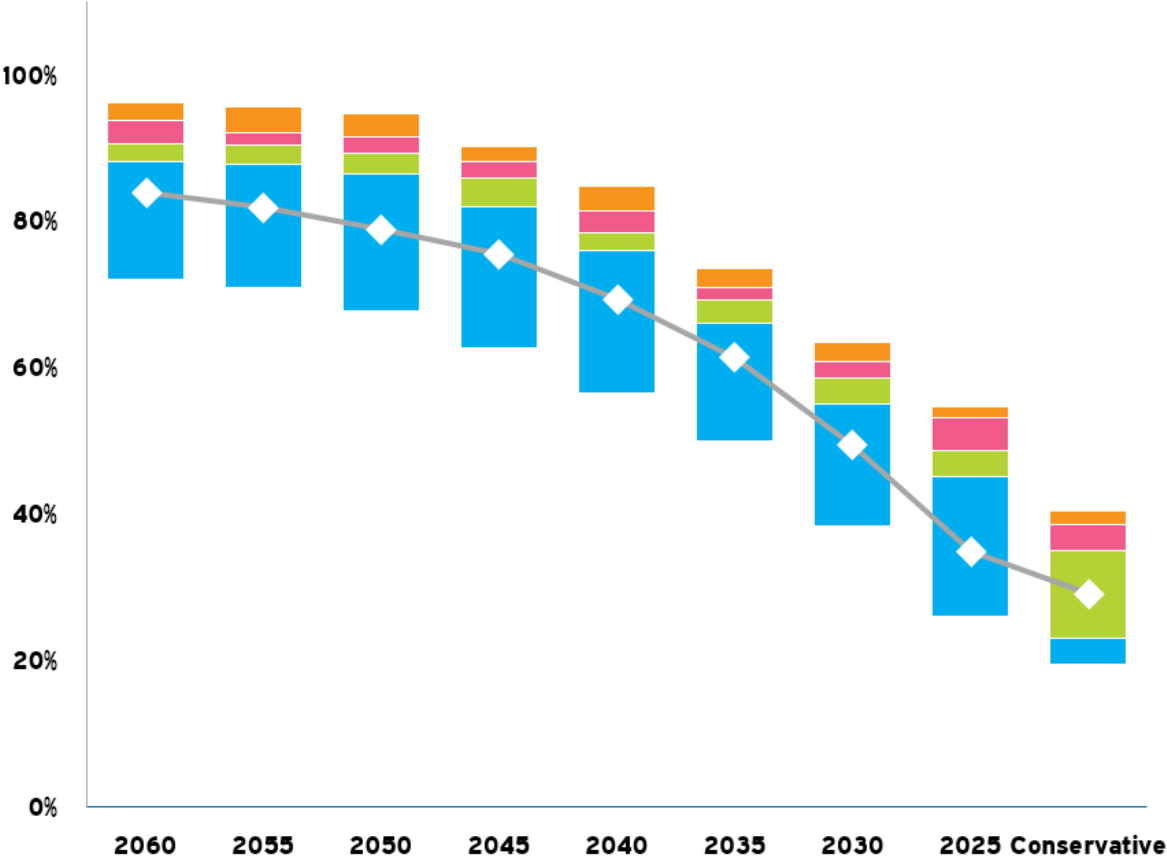
	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
Fidelity Low-Priced Stock	14.4	-5.7	24.6	9.4	25.8	-10.7	20.8	8.9	0.9	7.7	34.4
<i>Russell 2500 Value Index</i>	16.0	-13.1	27.8	4.9	23.6	-12.4	10.4	25.2	-5.5	7.1	33.3
<i>eV US Small Cap Value Equity Median</i>	16.2	-11.7	28.9	4.5	23.3	-14.8	10.2	25.9	-5.3	4.8	36.8
<i>eV US Small Cap Value Equity Rank</i>	64	15	77	29	28	21	6	100	6	16	72
<b>Tier IV - Extended Choice</b>											
Wellington Opportunistic Emerging Market Debt	11.8	-16.7	-3.3	7.7	15.8	-5.8	10.6	12.8	-1.0	6.1	-5.1
<i>eV Emg Mkts Fixed Inc - Hard Currency Median</i>	11.5	-16.7	-2.3	6.8	14.5	-5.3	10.7	11.2	-0.6	4.7	-5.7
<i>eV Emg Mkts Fixed Inc - Hard Currency Rank</i>	48	54	82	31	18	55	55	30	60	32	39
<i>JPM EMBI Global (USD)</i>	10.5	-16.5	-1.5	5.9	14.4	-4.6	9.3	10.2	1.2	5.5	-6.6
Principal Diversified Real Asset	3.2	-6.2	17.3	4.0	15.0	-7.9	10.2	5.9	-12.4	2.5	5.4
<i>Real Asset Custom Benchmark</i>	8.5	-9.2	15.2	10.8	15.5	-6.4	10.7	7.6	-6.6	-0.5	2.9
Fidelity Emerging Markets Index	9.5	-20.1	-3.0	17.8	18.3	-14.6	37.6	11.3	-15.8	0.6	-4.7
<i>MSCI Emerging Markets (Net)</i>	9.8	-20.1	-2.5	18.3	18.4	-14.6	37.3	11.2	-14.9	-2.2	-2.6
<i>Diversified Emerging Mkts Median</i>	10.9	-22.4	-1.7	17.6	20.5	-16.4	35.5	8.5	-13.7	-2.9	-1.1
<i>Diversified Emerging Mkts Rank</i>	63	30	61	50	67	31	40	29	71	18	80
Vanguard Real Estate Index Adm	--	--	--	--	--	--	--	--	--	--	--
<i>MSCI U.S. IMI Real Estate 25/50 Index (Net)</i>	10.6	-26.9	39.3	-5.6	27.6	-5.8	7.8	--	--	--	--
<i>Real Estate Median</i>	12.0	-26.2	41.3	-4.8	27.7	-5.7	5.4	6.2	2.9	29.8	1.8
<i>Real Estate Rank</i>	--	--	--	--	--	--	--	--	--	--	--
Self Directed Brokerage Options											
<b>Other</b>											
Prudential Retirement Real Estate Fund II	-8.5	1.5	23.7	0.0	8.2	5.8	--	--	--	--	--
<i>PRREF II Custom Benchmark</i>	-8.4	2.2	25.2	0.2	8.1	6.3	--	--	--	--	--
Columbia Institutional High Yield	12.5	-10.7	4.9	6.1	17.2	-4.1	6.6	11.6	-1.1	4.1	6.3
<i>ICE BofA US High Yield, Cash Pay Constrained</i>	13.4	-11.1	5.3	6.1	14.4	-2.3	7.5	17.3	-4.5	2.5	7.4
<i>eV US High Yield Fixed Inc Median</i>	12.2	-10.0	5.0	5.8	13.7	-2.3	7.0	13.4	-2.6	2.1	6.9
<i>eV US High Yield Fixed Inc Rank</i>	45	64	54	45	3	91	60	70	26	14	66

**Total Plan As of December 31, 2023**

Investment Expense Analysis As Of December 31, 2023								
Name	Style	Market Value	Expense Ratio (%)	Estimated Fund Expense (\$)	Median Expense Ratio (%)	Net Expense Difference	Revenue Sharing (\$)	Revenue Sharing(%)
<b>Tier I - Target Date Funds</b>		<b>\$237,653,889</b>						
New Mexico Conservative Portfolio	Target Date	\$48,908,264	0.31	150,955	0.65	-0.34	-	0.00
New Mexico LifeCycle 2025 Portfolio	Target Date	\$53,280,493	0.31	162,521	0.39	-0.08	-	0.00
New Mexico LifeCycle 2030 Portfolio	Target Date	\$16,215,694	0.30	47,851	0.42	-0.12	-	0.00
New Mexico LifeCycle 2035 Portfolio	Target Date	\$47,957,502	0.29	140,935	0.42	-0.13	-	0.00
New Mexico LifeCycle 2040 Portfolio	Target Date	\$10,501,642	0.31	32,403	0.44	-0.13	-	0.00
New Mexico LifeCycle 2045 Portfolio	Target Date	\$28,508,044	0.31	89,648	0.44	-0.13	-	0.00
New Mexico LifeCycle 2050 Portfolio	Target Date	\$10,780,122	0.31	33,265	0.45	-0.14	-	0.00
New Mexico LifeCycle 2055 Portfolio	Target Date	\$19,985,551	0.31	61,515	0.45	-0.14	-	0.00
New Mexico LifeCycle 2060 Portfolio	Target Date	\$1,516,577	0.31	4,683	0.46	-0.15	-	0.00
<b>Tier II - Passive Funds</b>		<b>\$306,025,752</b>						
Vanguard Total Bond Market Index	Bonds	\$43,965,180	0.04	15,388	0.44	-0.41	-	0.00
Vanguard Inflation-Protected Securities	Bonds	\$11,506,094	0.07	8,054	0.43	-0.36	-	0.00
Vanguard Institutional Index (S&P 500)	US Large Cap	\$201,979,693	0.02	40,396	0.70	-0.68	-	0.00
Vanguard Total International Stock Index	International Equity	\$29,451,361	0.08	23,561	0.88	-0.80	-	0.00
Fidelity Small Cap Index	US Small Cap	\$19,123,424	0.03	4,781	0.94	-0.92	-	0.00
<b>Tier III - Active Funds</b>		<b>\$237,131,111</b>						
New Mexico Stable Value Fund	Bonds (Stable Value)	\$124,920,859	0.31	383,507	0.77	-0.46	-	0.00
Dodge & Cox U.S. Equity	US Large Cap	\$38,083,340	0.51	194,225	0.71	-0.20	\$38,083	0.10
Fidelity Diversified International	International Equity	\$10,386,164	0.88	91,398	0.82	0.06	-	0.00
American Funds EuroPacific Growth	International Equity	\$8,234,034	0.47	38,700	0.80	-0.33	-	0.00
Principal U.S. MidCap Equity	US Mid Cap	\$15,364,338	0.67	102,941	0.84	-0.17	\$15,364	0.10
T. Rowe Price MidCap Growth	US Mid Cap	\$29,953,738	0.61	182,718	0.85	-0.24	-	0.00
Fidelity Low-Priced Stock	US Mid Cap	\$10,188,639	0.74	75,396	0.83	-0.09	-	0.00
<b>Tier IV - Extended Choice</b>		<b>\$17,120,974</b>						
Wellington Opportunistic Emerging Market Debt	International Bonds	\$1,429,442	0.57	8,148	0.80	-0.23	-	0.00
Principal Diversified Real Asset	Real Assets	\$714,302	0.84	6,000	0.88	-0.04	\$357	0.05
Fidelity Emerging Markets Index	International Equity	\$1,745,001	0.08	1,309	1.50	-1.43	\$0	0.00
Vanguard Real Estate Index Adm	Real Assets	\$1,985,142	0.12	2,382	1.15	-1.03	-	0.00
Self Directed Brokerage Options	Brokerage Window	\$11,247,088			-	-	-	-
<b>Loan Account</b>		<b>\$10,951,515</b>						
Loan Account	Other	\$10,951,515		-	-	-	-	-
<b>Other</b>		<b>-</b>						
Columbia High Yield	Bonds	-	0.63	-	0.71	-0.08	-	0.00
Prudential Retirement Real Estate Fund II	Private Real Estate	-	0.90	-	N/A	N/A	-	NA
<b>Total</b>		<b>\$808,883,242</b>	<b>0.24%</b>	<b>\$1,902,680</b>			<b>\$53,805</b>	<b>0.01</b>

## LifeCycle Funds Detail As of December 31, 2023

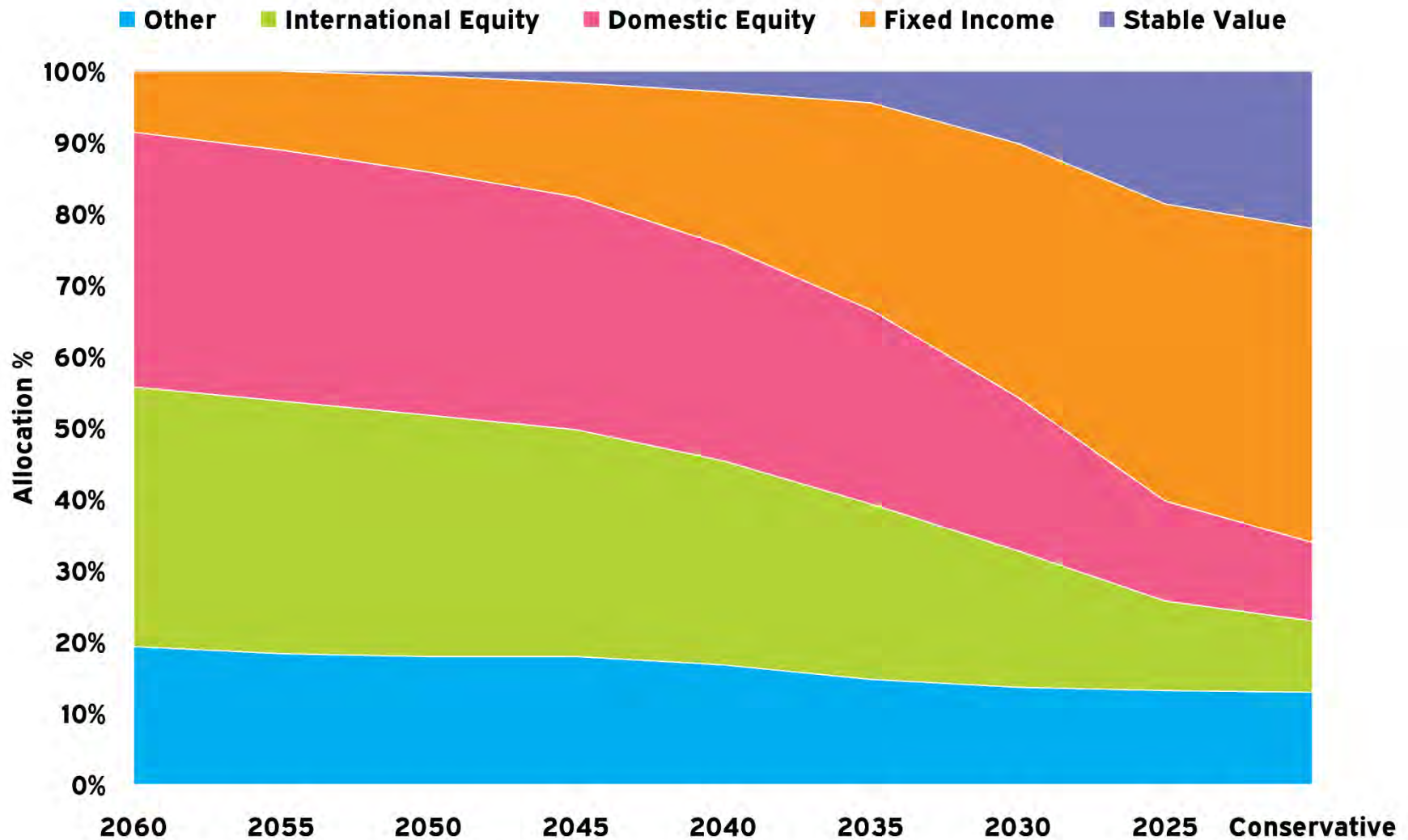
Glide Path Universe Comparison<sup>1</sup>  
% Allocation to Equity



<sup>1</sup> 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 Core Private Real Estate allocation is included within equity.



Asset Allocation by Target Date



## LifeCycle Funds Detail

	2060 Portfolio (%)	2055 Portfolio (%)	2050 Portfolio (%)	2045 Portfolio (%)	2040 Portfolio (%)	2035 Portfolio (%)	2030 Portfolio (%)	2025 Portfolio (%)	Conservative Portfolio (%)
<b>Total Fixed Income</b>	<b>8.5</b>	<b>11.0</b>	<b>14.1</b>	<b>17.6</b>	<b>24.4</b>	<b>33.4</b>	<b>45.7</b>	<b>60.2</b>	<b>66.0</b>
<b>Total Stable Value</b>	<b>0.0</b>	<b>0.0</b>	<b>0.6</b>	<b>1.6</b>	<b>2.9</b>	<b>4.4</b>	<b>10.1</b>	<b>18.6</b>	<b>22.0</b>
New Mexico Stable Value Fund (Galliard)	0.0	0.0	0.6	1.6	2.9	4.4	10.1	18.6	22.0
<b>Total Investment Grade Bonds</b>	<b>3.4</b>	<b>4.9</b>	<b>6.4</b>	<b>7.6</b>	<b>11.9</b>	<b>18.4</b>	<b>24.0</b>	<b>29.0</b>	<b>31.0</b>
Vanguard Inflation-Protected Securities	0.6	1.3	2.1	2.8	3.6	4.6	7.1	10.6	12.0
Vanguard Total Bond Market Index	2.8	3.6	4.3	4.8	8.3	13.8	16.9	18.4	19.0
<b>Total Global Credit</b>	<b>5.1</b>	<b>6.1</b>	<b>7.1</b>	<b>8.4</b>	<b>9.6</b>	<b>10.6</b>	<b>11.6</b>	<b>12.6</b>	<b>13.0</b>
Wellington Opportunistic Emerging Markets Debt	2.3	2.8	3.3	3.8	4.3	4.8	5.0	5.0	5.0
Columbia High Yield Bonds	2.8	3.3	3.8	4.6	5.3	5.8	6.6	7.6	8.0
<b>Total Equity</b>	<b>72.1</b>	<b>70.6</b>	<b>67.9</b>	<b>64.4</b>	<b>58.8</b>	<b>51.8</b>	<b>40.6</b>	<b>26.6</b>	<b>21.0</b>
<b>Total Domestic Equity</b>	<b>35.7</b>	<b>35.2</b>	<b>34.1</b>	<b>32.6</b>	<b>30.2</b>	<b>27.2</b>	<b>21.5</b>	<b>14.0</b>	<b>11.0</b>
Vanguard Institutional Index Fund	25.2	24.4	23.4	22.4	21.1	19.3	15.2	10.0	8.0
Principal Mid Cap Equity	3.5	3.7	3.6	3.5	3.2	2.7	2.2	1.4	1.0
T. Rowe Price Mid Cap Growth	3.5	3.7	3.6	3.5	3.2	2.7	2.2	1.4	1.0
Fidelity Small Cap Index	3.5	3.5	3.5	3.2	2.7	2.5	1.9	1.2	1.0
<b>Total International Equity</b>	<b>36.4</b>	<b>35.4</b>	<b>33.8</b>	<b>31.8</b>	<b>28.6</b>	<b>24.6</b>	<b>19.1</b>	<b>12.6</b>	<b>10.0</b>
Vanguard Total International Stock Index	19.4	18.4	17.4	16.4	14.8	12.8	9.9	6.4	5.0
American Fund EuroPacific Growth	7.0	7.0	6.4	5.7	5.2	5.0	3.8	2.4	2.0
Fidelity Emerging Markets Index	10.0	10.0	10.0	9.7	8.6	6.8	5.4	3.8	3.0
<b>Total Other</b>	<b>19.4</b>	<b>18.4</b>	<b>18.0</b>	<b>18.0</b>	<b>16.8</b>	<b>14.8</b>	<b>13.7</b>	<b>13.2</b>	<b>13.0</b>
<b>Total Core Private Real Estate</b>	<b>11.7</b>	<b>11.2</b>	<b>11.0</b>	<b>11.0</b>	<b>10.4</b>	<b>9.4</b>	<b>8.7</b>	<b>8.2</b>	<b>8.0</b>
Prudential Retirement Real Estate Fund II	11.7	11.2	11.0	11.0	10.4	9.4	8.7	8.2	8.0
<b>Total Diversified Inflation Hedge</b>	<b>7.7</b>	<b>7.2</b>	<b>7.0</b>	<b>7.0</b>	<b>6.4</b>	<b>5.4</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>
Principal Diversified Real Asset Fund	7.7	7.2	7.0	7.0	6.4	5.4	5.0	5.0	5.0

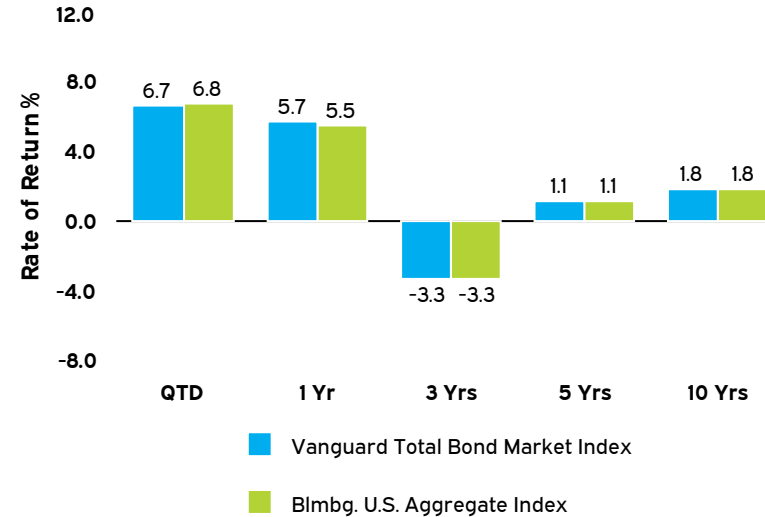
## Portfolio Reviews

### Fund Information As of December 31, 2023

Fund Name	Vanguard Total Bond Market Index I
Fund Family	Vanguard
Ticker	VBPIX
Fund Inception	09/18/1995
Morningstar Category	Intermediate Core Bond
Benchmark	Bloomberg U.S. Aggregate Index
Portfolio Manager	Barrickman,J
Expense Ratio	0.04 %
Closed to New Investors	Open

### Vanguard Total Bond Market Index | As of December 31, 2023

#### Return Summary As of December 31, 2023



### Fund Characteristics As of December 31, 2023

Average Effective Duration	6.4 Years	AAA
Average Effective Maturity	8.7 Years	AA
Average Credit Quality	AA	A
Average Weighted Coupon	3.2 %	BBB
Yield To Maturity	4.5 %	BB
SEC Yield	4.3 %	B
		Below B
		Not Rated

### Credit Quality As of December 31, 2023

70.56
3.17
12.72
13.57
0.00
0.00
0.00

### Fixed Income Sectors As of December 31, 2023

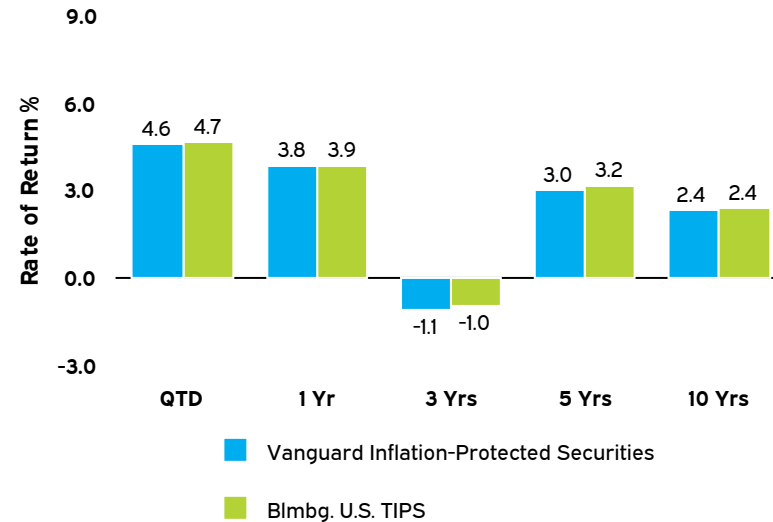
Government	48.59
Municipal	0.60
Corporate	26.70
Securitized	22.58
Cash & Equivalents	1.53
Other	0.00

### Fund Information As of December 31, 2023

Fund Name	Vanguard Inflation-Protected Secs I
Fund Family	Vanguard
Ticker	VIPIX
Fund Inception	12/12/2003
Morningstar Category	Inflation-Protected Bond
Benchmark	Bloomberg U.S. TIPS
Portfolio Assets	11,425.46 Million
Portfolio Manager	Madziyire,J
Expense Ratio	0.07 %
Closed to New Investors	Open

### Vanguard Inflation-Protected Securities | As of December 31, 2023

#### Return Summary As of December 31, 2023



### Fund Characteristics As of December 31, 2023

Average Effective Duration	6.5 Years
Average Effective Maturity	7.1 Years
Average Credit Quality	A
Average Weighted Coupon	0.9 %
Yield To Maturity	4.0 %
SEC Yield	2.1 %

### Credit Quality As of December 31, 2023

AAA	96.34
AA	0.00
A	0.00
BBB	0.00
BB	0.00
B	0.00
Below B	0.00
Not Rated	3.66

### Fixed Income Sectors As of December 31, 2023

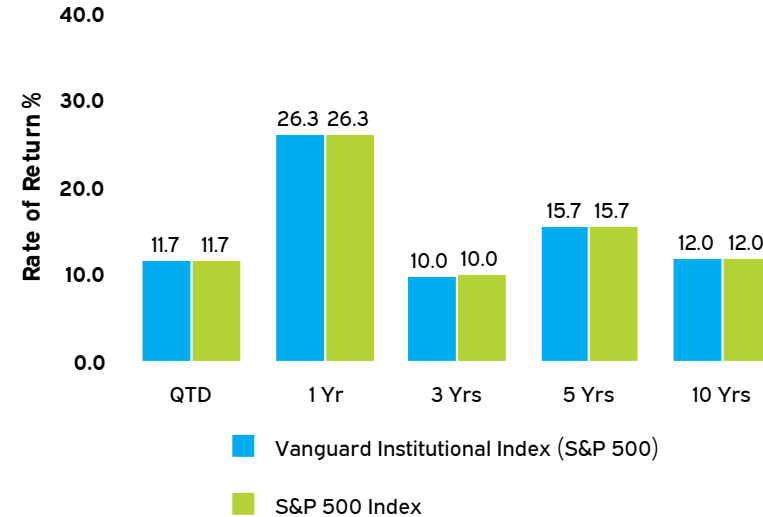
Government	96.82
Municipal	0.00
Corporate	0.00
Securitized	0.00
Cash & Equivalents	3.18
Other	0.00

### Vanguard Institutional Index (S&P 500) | As of December 31, 2023

#### Fund Information As of December 31, 2023

Fund Name	Vanguard Institutional Index Instl Pl
Fund Family	Vanguard
Ticker	VIIIIX
Fund Inception	07/07/1997
Morningstar Category	Large Blend
Benchmark	S&P 500 Index
Portfolio Assets	156,066.42 Million
Portfolio Manager	Birkett,N/Louie,M
Expense Ratio	0.02 %
Closed to New Investors	Open

#### Return Summary As of December 31, 2023



#### Equity Characteristics As of December 31, 2023

Avg. Market Cap	241.7 Billion
Price/Earnings	19.85
Price/Book	3.84
Price/Sales	2.43
Price/Cash Flow	13.89
Dividend Yield	1.6 %
Number of Equity Holdings	503

#### Top Holdings(%) As of December 31, 2023

Apple Inc	7.0
Microsoft Corp	7.0
Amazon.com Inc	3.5
NVIDIA Corp	3.1
Alphabet Inc Class A	2.1
Meta Platforms Inc Class A	2.0
Alphabet Inc Class C	1.8
Tesla Inc	1.7
Berkshire Hathaway Inc Class B	1.6
JPMorgan Chase & Co	1.2

#### Sector Allocation As of December 31, 2023

Energy	3.9
Materials	2.2
Industrials	8.4
Consumer Discretionary	11.0
Consumer Staples	6.1
Health Care	12.7
Financials	12.5
Information Technology	29.8
Communication Services	8.6
Utilities	2.3
Real Estate	2.5

### Vanguard Total International Stock Index | As of December 31, 2023

Fund Information As of December 31, 2023		Top Countries (%) As of December 31, 2023		Return Summary As of December 31, 2023	
Fund Name	Vanguard Total Intl Stock Index I	Japan	15.76		
Fund Family	Vanguard	United Kingdom	8.86		
Ticker	VTSNX	Canada	7.12		
Fund Inception	11/29/2010	China	7.07		
Morningstar Category	Foreign Large Blend	France	6.37		
Benchmark	MSCI EAFE (Net)				
Portfolio Assets	38,797.03 Million				
Portfolio Manager	Franquin,C/Perre,M				
Expense Ratio	0.08 %				
Closed to New Investors	Open				

Equity Characteristics As of December 31, 2023		Top Holdings(%) As of December 31, 2023		Sector Allocation As of December 31, 2023	
Avg. Market Cap	28.6 Billion	Taiwan Semiconductor Manufacturing	1.5	Energy	3.9
Price/Earnings	12.57	Novo Nordisk A/S Class B	1.1	Materials	2.2
Price/Book	1.52	Nestle SA	1.0	Industrials	8.4
Price/Sales	1.09	ASML Holding NV	1.0	Consumer Discretionary	11.0
Price/Cash Flow	7.19	Samsung Electronics Co Ltd	1.0	Consumer Staples	6.1
Dividend Yield	3.5 %	Tencent Holdings Ltd	0.8	Health Care	12.7
Number of Equity Holdings	8459	Toyota Motor Corp	0.7	Financials	12.5
		Shell PLC	0.7	Information Technology	29.8
		Novartis AG Registered Shares	0.7	Communication Services	8.6
		Roche Holding AG	0.7	Utilities	2.3
				Real Estate	2.5

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

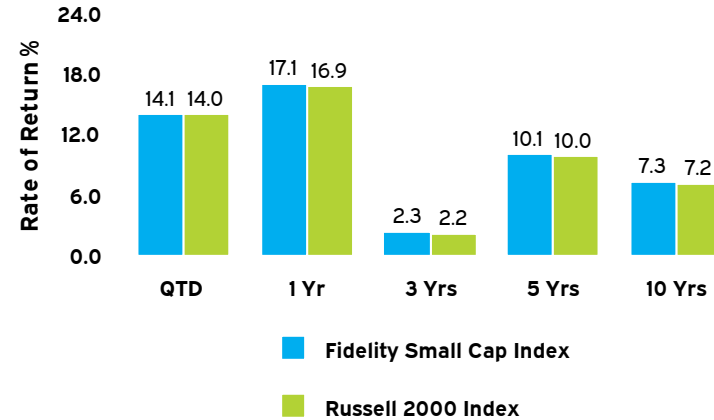


### Fidelity Small Cap Index | As of December 31, 2023

#### Fund Information As of December 31, 2023

Fund Name	Fidelity Small Cap Index
Fund Family	Fidelity Investments
Ticker	FSSNX
Fund Inception	09/08/2011
Morningstar Category	Small Blend
Benchmark	Russell 2000 Index
Portfolio Assets	24,792.75 Million
Portfolio Manager	Team Managed
Expense Ratio	0.03 %
Closed to New Investors	Open

#### Return Summary As of December 31, 2023



#### Equity Characteristics As of December 31, 2023

Avg. Market Cap	2.2 Billion
Price/Earnings	13.00
Price/Book	1.58
Price/Sales	0.98
Price/Cash Flow	5.64
Dividend Yield	2.1 %
Number of Equity Holdings	1971

#### Top Holdings(%) As of December 31, 2023

Super Micro Computer Inc	0.6
E-mini Russell 2000 Index Future	0.5
Light & Wonder Inc Ordinary Shares	0.4
Rambus Inc	0.3
Simpson Manufacturing Co Inc	0.3
BellRing Brands Inc Class A	0.3
Immunogen Inc	0.3
Onto Innovation Inc	0.3
Qualys Inc	0.3
Comfort Systems USA Inc	0.3

#### Sector Allocation As of December 31, 2023

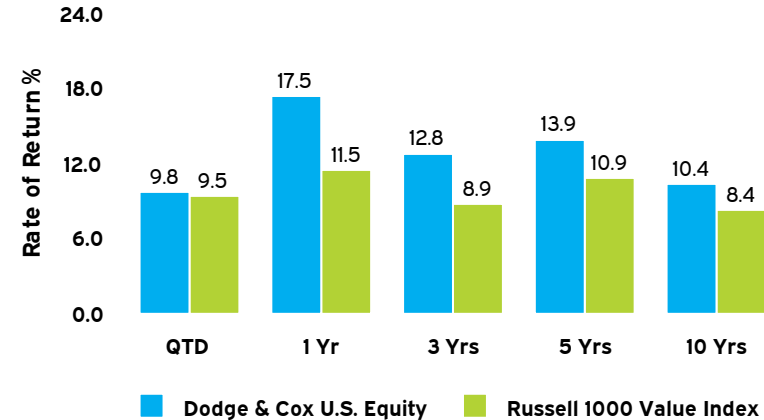
Energy	7.4
Materials	4.8
Industrials	15.6
Consumer Discretionary	10.4
Consumer Staples	4.2
Health Care	14.6
Financials	14.6
Information Technology	16.0
Communication Services	2.1
Utilities	2.9
Real Estate	7.4

### Dodge & Cox U.S. Equity | As of December 31, 2023

#### Fund Information As of December 31, 2023

Fund Name	Dodge & Cox Stock I
Fund Family	Dodge & Cox
Ticker	DODGX
Fund Inception	01/04/1965
Morningstar Category	Large Value
Benchmark	Russell 1000 Value Index
Portfolio Assets	63,096.58 Million
Portfolio Manager	Team Managed
Expense Ratio	0.51%
Closed to New Investors	Open

#### Return Summary As of December 31, 2023



#### Equity Characteristics As of December 31, 2023

Avg. Market Cap	88.0 Billion
Price/Earnings	13.10
Price/Book	1.98
Price/Sales	1.48
Price/Cash Flow	8.97
Dividend Yield	2.3%
Number of Equity Holdings	78

#### Top Holdings(%) As of December 31, 2023

Wells Fargo & Co	4.0
Charles Schwab Corp	4.0
Occidental Petroleum Corp	3.2
Fiserv Inc	3.1
Sanofi SA ADR	2.9
The Cigna Group	2.7
Microsoft Corp	2.6
Alphabet Inc Class C	2.5
MetLife Inc	2.5
RTX Corp	2.4

#### Sector Allocation As of December 31, 2023

Energy	6.4
Materials	3.1
Industrials	10.6
Consumer Discretionary	5.0
Consumer Staples	2.2
Health Care	23.0
Financials	22.5
Information Technology	14.5
Communication Services	11.7
Utilities	0.8
Real Estate	0.2

### Fidelity Diversified International | As of December 31, 2023

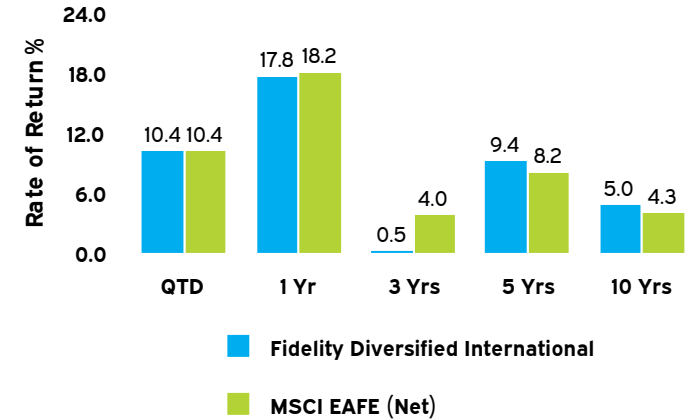
#### Fund Information As of December 31, 2023

Fund Name	Fidelity Diversified International K
Fund Family	Fidelity Investments
Ticker	FDIKX
Fund Inception	05/09/2008
Morningstar Category	Foreign Large Growth
Benchmark	MSCI EAFE (Net)
Portfolio Assets	1,105.77 Million
Portfolio Manager	Bower,W
Expense Ratio	0.54 %
Closed to New Investors	Open

#### Top Countries (%) As of December 31, 2023

Japan	16.55
United Kingdom	14.44
France	11.11
United States	9.65
Netherlands	7.97

#### Return Summary As of December 31, 2023



#### Equity Characteristics As of December 31, 2023

Avg. Market Cap	63.8 Billion
Price/Earnings	16.03
Price/Book	2.45
Price/Sales	1.72
Price/Cash Flow	12.81
Dividend Yield	2.4 %
Number of Equity Holdings	139

#### Top Holdings(%) As of December 31, 2023

Fidelity Cash Central Fund	4.4
ASML Holding NV ADR	3.3
Lvmh Moet Hennessy Louis Vuitton	2.5
Novo Nordisk A/S Class B	2.5
HDFC Bank Ltd	2.1
Shin-Etsu Chemical Co Ltd	1.9
AstraZeneca PLC	1.9
Hitachi Ltd	1.9
RELX PLC	1.7
Linde PLC	1.6

#### Sector Allocation As of December 31, 2023

Energy	6.4
Materials	3.1
Industrials	10.6
Consumer Discretionary	5.0
Consumer Staples	2.2
Health Care	23.0
Financials	22.5
Information Technology	14.5
Communication Services	11.7
Utilities	0.8
Real Estate	0.2

### American Funds EuroPacific Growth | As of December 31, 2023

Fund Information As of December 31, 2023		Top Countries (%) As of December 31, 2023		Return Summary As of December 31, 2023	
Fund Name	American Funds EuroPacific Growth R6	Japan	11.58		
Fund Family	American Funds	France	11.32		
Ticker	RERGX	United Kingdom	7.69		
Fund Inception	05/01/2009	India	7.45		
Morningstar Category	Foreign Large Growth	Switzerland	7.27		
Benchmark	MSCI EAFE (Net)				
Portfolio Assets	64,242.61 Million				
Portfolio Manager	Team Managed				
Expense Ratio	0.47 %				
Closed to New Investors	Open				

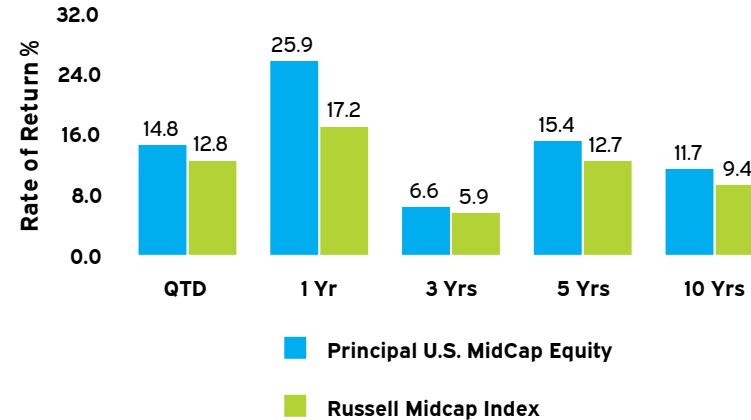
Equity Characteristics As of December 31, 2023		Top Holdings(%) As of December 31, 2023		Sector Allocation As of December 31, 2023	
Avg. Market Cap	64.1 Billion	Novo Nordisk A/S Class B	5.0	Energy	7.1
Price/Earnings	17.00	Lvmh Moet Hennessy Louis Vuitton	2.6	Materials	9.5
Price/Book	2.73	Taiwan Semiconductor Manufacturing	2.5	Industrials	15.9
Price/Sales	1.83	ASML Holding NV	2.3	Consumer Discretionary	12.4
Price/Cash Flow	10.95	Airbus SE	2.3	Consumer Staples	7.7
Dividend Yield	2.3 %	Canadian Natural Resources Ltd	1.9	Health Care	13.2
Number of Equity Holdings	329	Reliance Industries Ltd	1.9	Financials	12.5
		Fortescue Ltd	1.8	Information Technology	16.6
		Safran SA	1.6	Communication Services	3.8
		AIA Group Ltd	1.6	Utilities	0.9
				Real Estate	0.5

### Principal U.S. MidCap Equity | As of December 31, 2023

#### Fund Information As of December 31, 2023

Fund Name	Principal MidCap Institutional
Fund Family	Principal Funds
Ticker	PCBIX
Fund Inception	03/01/2001
Morningstar Category	Mid-Cap Growth
Benchmark	Russell Midcap Growth Index
Portfolio Assets	10,500.26 Million
Portfolio Manager	Nolin,K/Rozycki,T
Expense Ratio	0.67 %
Closed to New Investors	Closed

#### Return Summary As of December 31, 2023



#### Equity Characteristics As of December 31, 2023

Avg. Market Cap	32.5 Billion
Price/Earnings	24.42
Price/Book	3.27
Price/Sales	2.14
Price/Cash Flow	15.71
Dividend Yield	0.7 %
Number of Equity Holdings	70

#### Top Holdings(%) As of December 31, 2023

TransDigm Group Inc	5.4
Brookfield Corp Registered Shs	5.3
Copart Inc	5.1
KKR & Co Inc Ordinary Shares	4.4
CoStar Group Inc	4.4
Heico Corp Class A	4.4
O'Reilly Automotive Inc	4.3
Hilton Worldwide Holdings Inc	4.2
Vulcan Materials Co	3.3
Roper Technologies Inc	3.0

#### Sector Allocation As of December 31, 2023

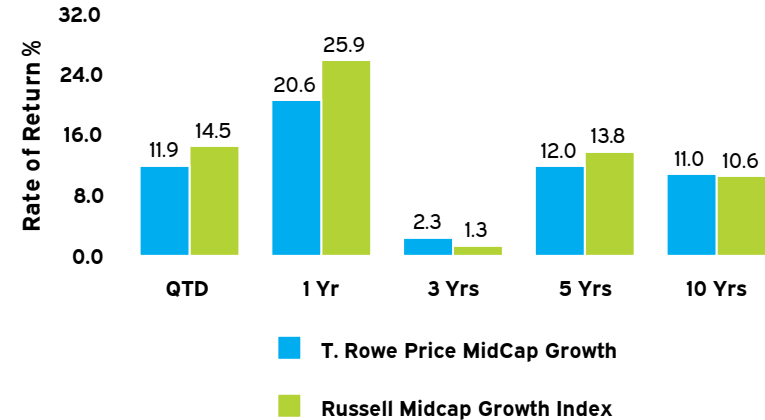
Energy	0.0
Materials	5.8
Industrials	17.5
Consumer Discretionary	17.7
Consumer Staples	0.5
Health Care	3.3
Financials	23.1
Information Technology	16.0
Communication Services	3.5
Utilities	3.5
Real Estate	9.1

### T. Rowe Price MidCap Growth | As of December 31, 2023

#### Fund Information As of December 31, 2023

Fund Name	T. Rowe Price Instl Mid-Cap Equity Gr
Fund Family	T. Rowe Price
Ticker	PMEGX
Fund Inception	07/31/1996
Morningstar Category	Mid-Cap Growth
Benchmark	Russell Midcap Growth Index
Portfolio Assets	5,075.22 Million
Portfolio Manager	Berghuis,B
Expense Ratio	0.61 %
Closed to New Investors	Open

#### Return Summary As of December 31, 2023



#### Equity Characteristics As of December 31, 2023

Avg. Market Cap	21.2 Billion
Price/Earnings	22.64
Price/Book	3.58
Price/Sales	2.62
Price/Cash Flow	14.07
Dividend Yield	0.7 %
Number of Equity Holdings	121

#### Top Holdings(%) As of December 31, 2023

Microchip Technology Inc	3.2
Marvell Technology Inc	2.6
Hologic Inc	2.6
Agilent Technologies Inc	2.3
Teleflex Inc	2.1
Reserve Invt Fds	1.9
CrowdStrike Holdings Inc Class	1.9
Hilton Worldwide Holdings Inc	1.9
Ingersoll Rand Inc	1.8
Textron Inc	1.8

#### Sector Allocation As of December 31, 2023

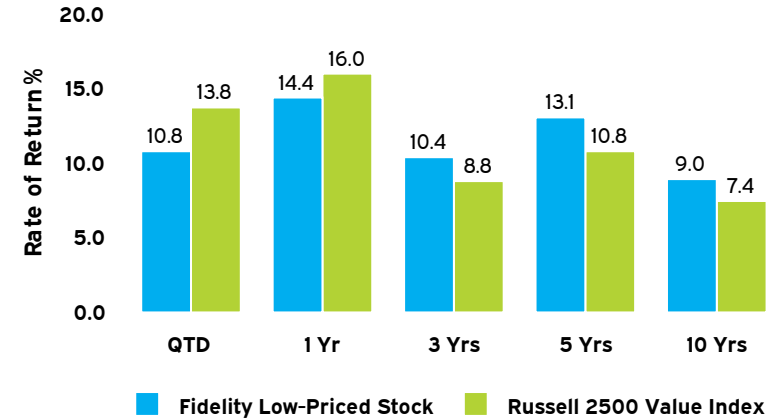
Energy	4.2
Materials	3.5
Industrials	13.7
Consumer Discretionary	17.4
Consumer Staples	2.4
Health Care	22.6
Financials	7.0
Information Technology	25.4
Communication Services	2.9
Utilities	0.0
Real Estate	0.9

### Fund Information As of December 31, 2023

Fund Name	Fidelity Low-Priced Stock K
Fund Family	Fidelity Investments
Ticker	FLPKX
Fund Inception	05/09/2008
Morningstar Category	Mid-Cap Value
Benchmark	Russell Midcap Value Index
Portfolio Assets	3,102.01 Million
Portfolio Manager	Team Managed
Expense Ratio	0.84 %
Closed to New Investors	Open

### Fidelity Low-Priced Stock | As of December 31, 2023

#### Return Summary As of December 31, 2023



### Equity Characteristics As of December 31, 2023

Avg. Market Cap	7.8 Billion
Price/Earnings	10.15
Price/Book	1.41
Price/Sales	0.68
Price/Cash Flow	6.48
Dividend Yield	3.2 %
Number of Equity Holdings	699

### Top Holdings(%) As of December 31, 2023

UnitedHealth Group Inc	2.1
Elevance Health Inc	2.0
Wells Fargo & Co	1.8
Fidelity Cash Central Fund	1.7
TotalEnergies SE ADR	1.6
AutoZone Inc	1.5
Seagate Technology Holdings PLC	1.5
Next PLC	1.5
Metro Inc	1.5
PG&E Corp	1.5

### Sector Allocation As of December 31, 2023

Energy	7.4
Materials	4.8
Industrials	15.6
Consumer Discretionary	10.4
Consumer Staples	4.2
Health Care	14.6
Financials	14.6
Information Technology	16.0
Communication Services	2.1
Utilities	2.9
Real Estate	7.4



### Wellington Opportunistic Emerging Market Debt | As of December 31, 2023

#### Account Information

Account Name	Wellington Opportunistic Emerging Market Debt
Inception Date	05/01/2010
Account Structure	Commingled Fund
Account Type	International Fixed Income
Benchmark	JPM EMBI Global (USD)
Universe	eV Emg Mkts Fixed Inc - Hard Currency
Investment Style	ACTIVE

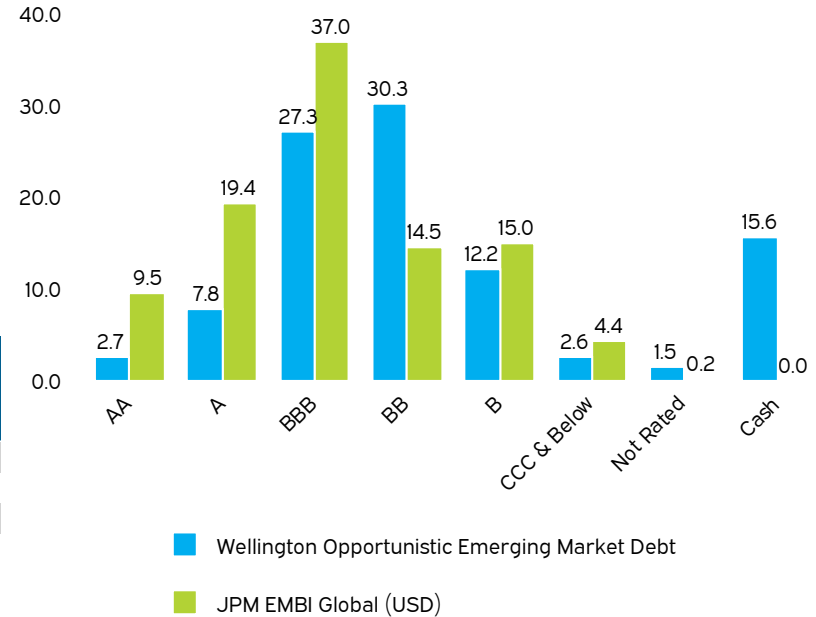
#### Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Wellington Opportunistic Emerging Market Debt	10.3	11.8	-3.5	2.3	3.3	4.2	May -10
JPM EMBI Global (USD)	9.3	10.5	-3.1	1.9	3.1	4.1	
eV Emg Mkts Fixed Inc - Hard Currency Median	9.6	11.5	-3.0	2.1	3.0	4.0	
eV Emg Mkts Fixed Inc - Hard Currency Rank	29	48	67	42	27	33	

#### Wellington Opportunistic Emerging Market Debt Fixed Income Characteristics vs. JPM EMBI Global (USD)

	Q4 -23		Q3 -23
	Portfolio	Index	Portfolio
<b>Fixed Income Characteristics</b>			
Yield To Maturity	7.08	6.75	8.42
Average Duration	6.88	6.86	6.21
Average Quality	BBB	BBB	BBB

#### Credit Quality Allocation



#### Fixed Income Sectors As of December 31, 2023

Government	65.7
Municipal	0.0
Corporate	0.0
Securitized	0.0
Cash & Equivalents	6.0
Other	28.3

## Fund Information As of December 31, 2023

Fund Name	Principal Diversified Real Asset Instl
Fund Family	Principal Funds
Ticker	PDRDX
Fund Inception	03/16/2010
Morningstar Category	Global Allocation
Portfolio Assets	1,772.49 Million
Portfolio Manager	Bush,J/Rotenberg,B/Tong,M
Expense Ratio	0.84 %
Closed to New Investors	Open

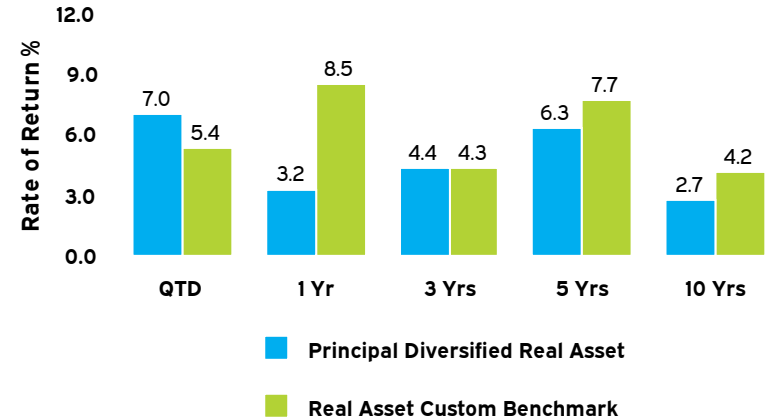
## Equity Characteristics As of December 31, 2023

Avg. Market Cap	19.7 Billion
Price/Earnings	17.24
Price/Book	1.64
Price/Sales	1.80
Price/Cash Flow	8.20
Dividend Yield	4.0 %
Number of Equity Holdings	309

## PERA SmartSave Deferred Compensation Plan

### Principal Diversified Real Asset | As of December 31, 2023

#### Return Summary As of December 31, 2023



#### Top Holdings(%) As of December 31, 2023

Dracay Corecommodity - 30	7.6
Dracay Wellington	6.6
Principal Government Money Market	1.5
National Grid PLC	1.4
NextEra Energy Inc	1.3
Enbridge Inc	1.2
Aena SME SA	1.0
Prologis Inc	1.0
Enel SpA	0.9
2 Year Treasury Note Future Mar	-1.2

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

### Fidelity Emerging Market Index | As of December 31, 2023

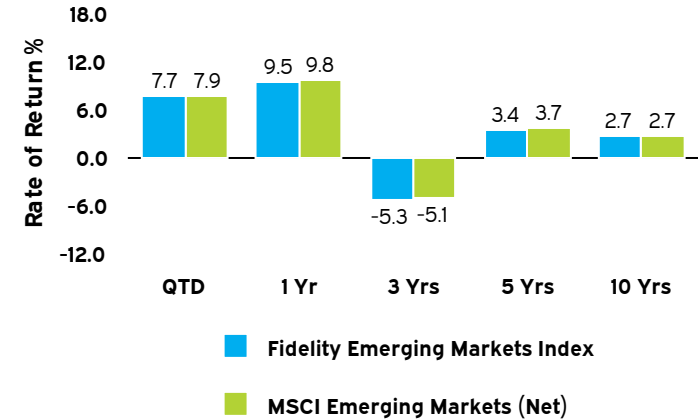
#### Fund Information As of December 31, 2023

Fund Name	Fidelity Emerging Markets Idx
Fund Family	Fidelity Investments
Ticker	FPADX
Fund Inception	09/08/2011
Morningstar Category	Diversified Emerging Mkts
Benchmark	MSCI Emerging Markets (Net)
Portfolio Assets	6,825.24 Million
Portfolio Manager	Team Managed
Expense Ratio	0.08 %
Closed to New Investors	Open

#### Top Countries (%) As of December 31, 2023

China	26.12
India	16.71
Taiwan	15.86
Korea	12.89
Brazil	5.79

#### Return Summary As of December 31, 2023



#### Equity Characteristics As of December 31, 2023

Avg. Market Cap	35.7 Billion
Price/Earnings	11.89
Price/Book	1.54
Price/Sales	1.21
Price/Cash Flow	6.92
Dividend Yield	3.5 %
Number of Equity Holdings	1493

#### Top Holdings(%) As of December 31, 2023

Taiwan Semiconductor Manufacturing	6.6
Samsung Electronics Co Ltd	4.0
Tencent Holdings Ltd	3.5
Alibaba Group Holding Ltd Ordinary	2.2
MSCI Emerging Markets Index Future	1.7
Fidelity Cash Central Fund	1.7
Reliance Industries Ltd	1.3
PDD Holdings Inc ADR	1.2
ICICI Bank Ltd	0.9
Infosys Ltd	0.9

#### Sector Allocation As of December 31, 2023

Energy	4.3
Materials	8.9
Industrials	8.6
Consumer Discretionary	6.5
Consumer Staples	6.3
Health Care	2.2
Financials	18.3
Information Technology	33.3
Communication Services	7.6
Utilities	2.6
Real Estate	1.3

## Fund Information As of December 31, 2023

Fund Name	Vanguard Real Estate Index Admiral
Fund Family	Vanguard
Ticker	VGSLX
Fund Inception	11/12/2001
Morningstar Category	Real Estate
Portfolio Assets	19,878.94 Million
Portfolio Manager	Nejman,W/O'Reilly,G
Expense Ratio	0.12 %
Closed to New Investors	Open

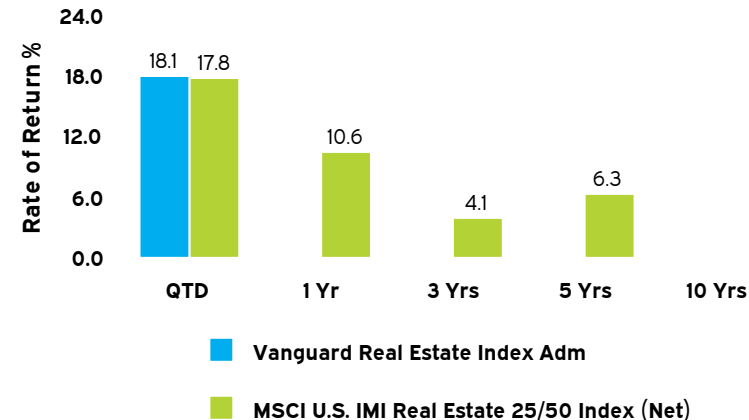
## Equity Characteristics As of December 31, 2023

Avg. Market Cap	23.6 Billion
Price/Earnings	35.99
Price/Book	2.23
Price/Sales	4.64
Price/Cash Flow	14.43
Dividend Yield	4.0 %
Number of Equity Holdings	161

## PERA SmartSave Deferred Compensation Plan

### Vanguard Real Estate Index Adm | As of December 31, 2023

#### Return Summary As of December 31, 2023



#### Top Holdings(%) As of December 31, 2023

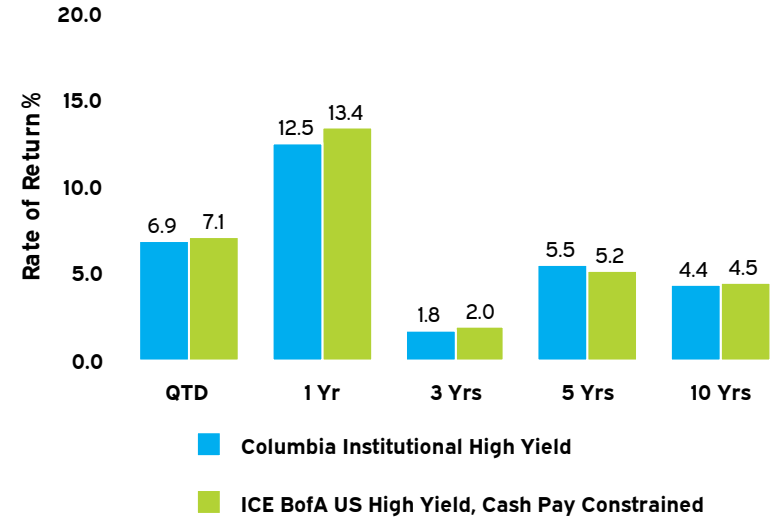
Vanguard Real Estate II Index	13.2
Prologis Inc	7.6
American Tower Corp	6.2
Equinix Inc	4.7
Crown Castle Inc	3.1
Public Storage	3.0
Simon Property Group Inc	2.8
Welltower Inc	2.8
Realty Income Corp	2.5
Digital Realty Trust Inc	2.4

### Columbia Institutional High Yield | As of December 31, 2023

#### Fund Information As of December 31, 2023

Fund Name	Columbia High Yield Bond Inst3
Fund Family	Columbia Threadneedle
Ticker	CHYYX
Fund Inception	11/08/2012
Morningstar Category	High Yield Bond
Benchmark	ICE BofA US High Yield, Cash Pay Index
Portfolio Assets	580.48 Million
Portfolio Manager	DeYoung,D/Lavin,B
Expense Ratio	0.60 %
Closed to New Investors	Open

#### Return Summary As of December 31, 2023



#### Fund Characteristics As of December 31, 2023

Average Effective Duration	3.0 Years
Average Effective Maturity	4.2 Years
Average Credit Quality	B
Average Weighted Coupon	5.8 %
Yield To Maturity	7.4 %
SEC Yield	6.9 %

#### Credit Quality As of December 31, 2023

AAA	4.02
AA	0.00
A	0.00
BBB	4.21
BB	36.40
B	43.14
Below B	11.49
Not Rated	0.74

#### Fixed Income Sectors As of December 31, 2023

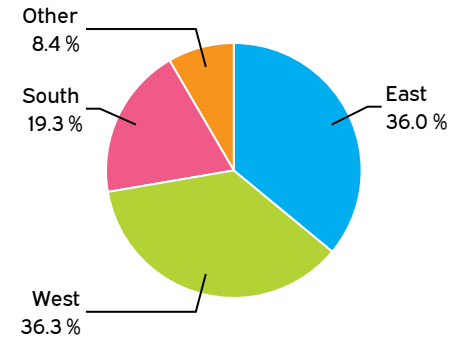
Government	0.00
Municipal	0.00
Corporate	95.81
Securitized	0.00
Cash & Equivalents	4.19
Other	0.00

### Prudential Retirement Real Estate Fund II | As of December 31, 2023

#### Account Information

Account Name Prudential Retirement Real Estate Fund II  
 Inception Date 01/01/2018  
 Account Structure Managed Account  
 Account Type US Private Real Estate  
 Benchmark PRREF II Custom Benchmark  
 Investment Style ACTIVE

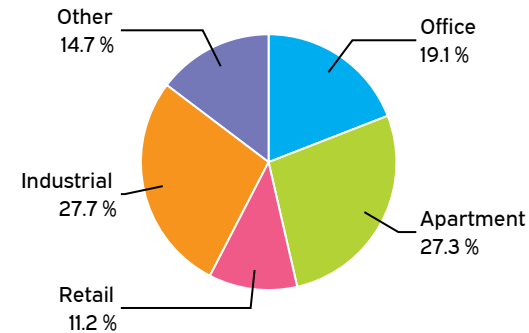
#### Geographic Diversification Allocation As of December 31, 2023



#### Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Inception (%)	Inception Date
Prudential Retirement Real Estate Fund II	-1.5	-8.5	4.8	4.5	4.7	Jan -18
<i>PRREF II Custom Benchmark</i>	<i>-1.8</i>	<i>-8.4</i>	<i>5.4</i>	<i>4.9</i>	<i>5.1</i>	

#### Property Type Allocation Allocation As of December 31, 2023



The PRREF II Custom Benchmark is comprised of 15% MSCI REIT and 85% NCREIF ODCE Index.

**Benchmark History  
As of December 31, 2023**
**New Mexico Conservative Portfolio**

01/01/2023	Present	3.0% Russell 2500 Index, 8.0% S&P 500 Index, 19.0% Blmbg. U.S. Aggregate Index, 8.0% Blmbg. U.S. Corp: High Yield Index, 7.0% MSCI AC World ex USA (Net), 5.0% JPM EMBI Global (USD), 3.0% MSCI Emerging Markets (Net), 12.0% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 22.0% Citigroup 3-month Treasury Bill + 1%, 8.0% PRREF II Custom Benchmark
01/01/2022	01/01/2023	3.0% Russell 2500 Index, 8.0% S&P 500 Index, 19.0% Blmbg. U.S. Aggregate Index, 8.0% Blmbg. U.S. Corp: High Yield Index, 7.0% MSCI AC World ex USA (Net), 5.0% JPM EMBI Global (USD), 3.0% MSCI Emerging Markets (Net), 12.0% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 22.0% Citigroup 3-month Treasury Bill + 1%, 8.0% PRREF II Custom Benchmark
01/01/2021	01/01/2022	3.0% Russell 2500 Index, 8.0% S&P 500 Index, 19.0% Blmbg. U.S. Aggregate Index, 8.0% Blmbg. U.S. Corp: High Yield Index, 5.0% FTSE World Government Bond Index, 7.0% MSCI AC World ex USA (Net), 3.0% MSCI Emerging Markets (Net), 12.0% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 22.0% Citigroup 3-month Treasury Bill + 1%, 8.0% PRREF II Custom Benchmark
01/01/2020	01/01/2021	3.0% Russell 2500 Index, 8.0% S&P 500 Index, 19.0% Blmbg. U.S. Aggregate Index, 8.0% Blmbg. U.S. Corp: High Yield Index, 5.0% FTSE World Government Bond Index, 7.0% MSCI AC World ex USA (Net), 3.0% MSCI Emerging Markets (Net), 12.0% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 22.0% Citigroup 3-month Treasury Bill + 1%, 8.0% PRREF II Custom Benchmark
01/01/2019	01/01/2020	3.0% Russell 2500 Index, 8.0% S&P 500 Index, 19.0% Blmbg. U.S. Aggregate Index, 8.0% Blmbg. U.S. Corp: High Yield Index, 5.0% FTSE World Government Bond Index, 7.0% MSCI AC World ex USA (Net), 3.0% MSCI Emerging Markets (Net), 12.0% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 22.0% Citigroup 3-month Treasury Bill + 1%, 8.0% PRREF II Custom Benchmark
01/01/2018	01/01/2019	3.0% Russell 2500 Index, 8.0% S&P 500 Index, 19.0% Blmbg. U.S. Aggregate Index, 8.0% Blmbg. U.S. Corp: High Yield Index, 5.0% FTSE World Government Bond Index, 7.0% MSCI AC World ex USA (Net), 3.0% MSCI Emerging Markets (Net), 12.0% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 22.0% Citigroup 3-month Treasury Bill + 1%, 8.0% PRREF II Custom Benchmark
01/01/2017	01/01/2018	3.0% Russell 2500 Index, 8.0% S&P 500 Index, 19.0% Blmbg. U.S. Aggregate Index, 8.0% Blmbg. U.S. Corp: High Yield Index, 5.0% FTSE World Government Bond Index, 7.0% MSCI AC World ex USA (Net), 8.0% FTSE EPRA/NAREIT Global Index, 3.0% MSCI Emerging Markets (Net), 12.0% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 22.0% Citigroup 3-month Treasury Bill + 1%
05/01/2016	01/01/2017	3.0% Russell 2500 Index, 10.0% S&P 500 Index, 22.0% Blmbg. U.S. Aggregate Index, 22.0% FTSE 3 Month T-Bill, 8.0% MSCI EAFE (Net), 6.0% FTSE World Government Bond Index, 8.0% FTSE EPRA/NAREIT Global Index, 4.0% MSCI Emerging Markets (Net), 12.0% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark

**New Mexico LifeCycle 2025 Portfolio**

01/01/2023	Present	4.5% Russell 2500 Index, 11.0% S&P 500 Index, 18.1% Blmbg. U.S. Aggregate Index, 7.4% Blmbg. U.S. Corp: High Yield Index, 9.7% MSCI AC World ex USA (Net), 5.0% JPM EMBI Global (USD), 4.2% MSCI Emerging Markets (Net), 9.9% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 16.9% Citigroup 3-month Treasury Bill + 1%, 8.3% PRREF II Custom Benchmark
01/01/2022	01/01/2023	5.0% Russell 2500 Index, 12.0% S&P 500 Index, 17.8% Blmbg. U.S. Aggregate Index, 7.2% Blmbg. U.S. Corp: High Yield Index, 10.6% MSCI AC World ex USA (Net), 5.0% JPM EMBI Global (USD), 4.6% MSCI Emerging Markets (Net), 9.2% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 15.2% Citigroup 3-month Treasury Bill + 1%, 8.4% PRREF II Custom Benchmark
01/01/2021	01/01/2022	5.5% Russell 2500 Index, 13.0% S&P 500 Index, 17.5% Blmbg. U.S. Aggregate Index, 7.0% Blmbg. U.S. Corp: High Yield Index, 5.0% FTSE World Government Bond Index, 11.5% MSCI AC World ex USA (Net), 5.0% MSCI Emerging Markets (Net), 8.5% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 13.5% Citigroup 3-month Treasury Bill + 1%, 8.5% PRREF II Custom Benchmark



## LifeCycle Funds Detail | As of December 31, 2023

01/01/2020	01/01/2021	5.9% Russell 2500 Index, 14.1% S&P 500 Index, 17.2% Blmbg. U.S. Aggregate Index, 6.8% Blmbg. U.S. Corp: High Yield Index, 5.0% FTSE World Government Bond Index, 12.6% MSCI AC World ex USA (Net), 5.2% MSCI Emerging Markets (Net), 7.8% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 11.8% Citigroup 3-month Treasury Bill + 1%, 8.6% PRREF II Custom Benchmark
01/01/2019	01/01/2020	6.3% Russell 2500 Index, 15.2% S&P 500 Index, 16.9% Blmbg. U.S. Aggregate Index, 6.6% Blmbg. U.S. Corp: High Yield Index, 5.0% FTSE World Government Bond Index, 13.7% MSCI AC World ex USA (Net), 5.4% MSCI Emerging Markets (Net), 7.1% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 10.1% Citigroup 3-month Treasury Bill + 1%, 8.7% PRREF II Custom Benchmark
01/01/2018	01/01/2019	6.7% Russell 2500 Index, 16.3% S&P 500 Index, 16.6% Blmbg. U.S. Aggregate Index, 6.4% Blmbg. U.S. Corp: High Yield Index, 5.0% FTSE World Government Bond Index, 14.8% MSCI AC World ex USA (Net), 5.6% MSCI Emerging Markets (Net), 6.4% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 8.4% Citigroup 3-month Treasury Bill + 1%, 8.8% PRREF II Custom Benchmark
01/01/2017	01/01/2018	7.1% Russell 2500 Index, 17.4% S&P 500 Index, 16.3% Blmbg. U.S. Aggregate Index, 6.2% Blmbg. U.S. Corp: High Yield Index, 5.0% FTSE World Government Bond Index, 15.9% MSCI AC World ex USA (Net), 8.9% FTSE EPRA/NAREIT Global Index, 5.8% MSCI Emerging Markets (Net), 5.7% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 6.7% Citigroup 3-month Treasury Bill + 1%
05/01/2016	01/01/2017	8.5% Russell 2500 Index, 18.5% S&P 500 Index, 19.0% Blmbg. U.S. Aggregate Index, 5.0% FTSE 3 Month T-Bill, 17.0% MSCI EAFE (Net), 6.0% FTSE World Government Bond Index, 9.0% FTSE EPRA/NAREIT Global Index, 7.0% MSCI Emerging Markets (Net), 5.0% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark
<b>New Mexico LifeCycle 2030 Portfolio</b>		
01/01/2023	Present	6.7% Russell 2500 Index, 16.3% S&P 500 Index, 16.6% Blmbg. U.S. Aggregate Index, 6.4% Blmbg. U.S. Corp: High Yield Index, 14.8% MSCI AC World ex USA (Net), 5.0% JPM EMBI Global (USD), 5.6% MSCI Emerging Markets (Net), 6.4% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 8.4% Citigroup 3-month Treasury Bill + 1%, 8.8% PRREF II Custom Benchmark
01/01/2022	01/01/2023	7.1% Russell 2500 Index, 17.4% S&P 500 Index, 16.3% Blmbg. U.S. Aggregate Index, 6.2% Blmbg. U.S. Corp: High Yield Index, 15.9% MSCI AC World ex USA (Net), 5.0% JPM EMBI Global (USD), 5.8% MSCI Emerging Markets (Net), 5.7% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 6.7% Citigroup 3-month Treasury Bill + 1%, 8.9% PRREF II Custom Benchmark
01/01/2021	01/01/2022	7.5% Russell 2500 Index, 18.5% S&P 500 Index, 16.0% Blmbg. U.S. Aggregate Index, 6.0% Blmbg. U.S. Corp: High Yield Index, 5.0% FTSE World Government Bond Index, 17.0% MSCI AC World ex USA (Net), 6.0% MSCI Emerging Markets (Net), 5.0% Blmbg. U.S. TIPS, 5.0% Real Asset Custom Benchmark, 5.0% Citigroup 3-month Treasury Bill + 1%, 9.0% PRREF II Custom Benchmark
01/01/2020	01/01/2021	7.7% Russell 2500 Index, 18.9% S&P 500 Index, 14.9% Blmbg. U.S. Aggregate Index, 5.9% Blmbg. U.S. Corp: High Yield Index, 4.9% FTSE World Government Bond Index, 17.4% MSCI AC World ex USA (Net), 6.4% MSCI Emerging Markets (Net), 4.8% Blmbg. U.S. TIPS, 5.2% Real Asset Custom Benchmark, 4.7% Citigroup 3-month Treasury Bill + 1%, 9.2% PRREF II Custom Benchmark
01/01/2019	01/01/2020	7.9% Russell 2500 Index, 19.3% S&P 500 Index, 13.8% Blmbg. U.S. Aggregate Index, 5.8% Blmbg. U.S. Corp: High Yield Index, 4.8% FTSE World Government Bond Index, 17.8% MSCI AC World ex USA (Net), 6.8% MSCI Emerging Markets (Net), 4.6% Blmbg. U.S. TIPS, 5.4% Real Asset Custom Benchmark, 4.4% Citigroup 3-month Treasury Bill + 1%, 9.4% PRREF II Custom Benchmark
01/01/2018	01/01/2019	8.1% Russell 2500 Index, 19.7% S&P 500 Index, 12.7% Blmbg. U.S. Aggregate Index, 5.7% Blmbg. U.S. Corp: High Yield Index, 4.7% FTSE World Government Bond Index, 18.2% MSCI AC World ex USA (Net), 7.2% MSCI Emerging Markets (Net), 4.4% Blmbg. U.S. TIPS, 5.6% Real Asset Custom Benchmark, 4.1% Citigroup 3-month Treasury Bill + 1%, 9.6% PRREF II Custom Benchmark
01/01/2017	01/01/2018	8.3% Russell 2500 Index, 20.1% S&P 500 Index, 11.6% Blmbg. U.S. Aggregate Index, 5.6% Blmbg. U.S. Corp: High Yield Index, 4.6% FTSE World Government Bond Index, 18.6% MSCI AC World ex USA (Net), 9.8% FTSE EPRA/NAREIT Global Index, 7.6% MSCI Emerging Markets (Net), 4.2% Blmbg. U.S. TIPS, 5.8% Real Asset Custom Benchmark, 3.8% Citigroup 3-month Treasury Bill + 1%

## LifeCycle Funds Detail | As of December 31, 2023

05/01/2016	01/01/2017	9.3% Russell 2500 Index, 20.8% S&P 500 Index, 13.0% Blmbg. U.S. Aggregate Index, 3.5% FTSE 3 Month T-Bill, 19.5% MSCI EAFE (Net), 5.5% FTSE World Government Bond Index, 10.0% FTSE EPRA/NAREIT Global Index, 8.5% MSCI Emerging Markets (Net), 4.0% Blmbg. U.S. TIPS, 6.0% Real Asset Custom Benchmark
<b>New Mexico LifeCycle 2035 Portfolio</b>		
01/01/2023	Present	8.1% Russell 2500 Index, 19.7% S&P 500 Index, 12.7% Blmbg. U.S. Aggregate Index, 5.7% Blmbg. U.S. Corp: High Yield Index, 18.2% MSCI AC World ex USA (Net), 4.7% JPM EMBI Global (USD), 7.2% MSCI Emerging Markets (Net), 4.4% Blmbg. U.S. TIPS, 5.6% Real Asset Custom Benchmark, 4.1% Citigroup 3-month Treasury Bill + 1%, 9.6% PRREF II Custom Benchmark
01/01/2022	01/01/2023	8.3% Russell 2500 Index, 20.1% S&P 500 Index, 11.6% Blmbg. U.S. Aggregate Index, 5.6% Blmbg. U.S. Corp: High Yield Index, 18.6% MSCI AC World ex USA (Net), 4.6% JPM EMBI Global (USD), 7.6% MSCI Emerging Markets (Net), 4.2% Blmbg. U.S. TIPS, 5.8% Real Asset Custom Benchmark, 3.8% Citigroup 3-month Treasury Bill + 1%, 9.8% PRREF II Custom Benchmark
01/01/2021	01/01/2022	8.5% Russell 2500 Index, 20.5% S&P 500 Index, 10.5% Blmbg. U.S. Aggregate Index, 5.5% Blmbg. U.S. Corp: High Yield Index, 4.5% FTSE World Government Bond Index, 19.0% MSCI AC World ex USA (Net), 8.0% MSCI Emerging Markets (Net), 4.0% Blmbg. U.S. TIPS, 6.0% Real Asset Custom Benchmark, 3.5% Citigroup 3-month Treasury Bill + 1%, 10.0% PRREF II Custom Benchmark
01/01/2020	01/01/2021	8.8% Russell 2500 Index, 20.8% S&P 500 Index, 9.4% Blmbg. U.S. Aggregate Index, 5.4% Blmbg. U.S. Corp: High Yield Index, 4.4% FTSE World Government Bond Index, 19.5% MSCI AC World ex USA (Net), 8.3% MSCI Emerging Markets (Net), 3.8% Blmbg. U.S. TIPS, 6.2% Real Asset Custom Benchmark, 3.2% Citigroup 3-month Treasury Bill + 1%, 10.2% PRREF II Custom Benchmark
01/01/2019	01/01/2020	9.1% Russell 2500 Index, 21.1% S&P 500 Index, 8.3% Blmbg. U.S. Aggregate Index, 5.3% Blmbg. U.S. Corp: High Yield Index, 4.3% FTSE World Government Bond Index, 20.0% MSCI AC World ex USA (Net), 8.6% MSCI Emerging Markets (Net), 3.6% Blmbg. U.S. TIPS, 6.4% Real Asset Custom Benchmark, 2.9% Citigroup 3-month Treasury Bill + 1%, 10.4% PRREF II Custom Benchmark
01/01/2018	01/01/2019	9.4% Russell 2500 Index, 21.4% S&P 500 Index, 7.2% Blmbg. U.S. Aggregate Index, 5.2% Blmbg. U.S. Corp: High Yield Index, 4.2% FTSE World Government Bond Index, 20.5% MSCI AC World ex USA (Net), 8.9% MSCI Emerging Markets (Net), 3.4% Blmbg. U.S. TIPS, 6.6% Real Asset Custom Benchmark, 2.6% Citigroup 3-month Treasury Bill + 1%, 10.6% PRREF II Custom Benchmark
01/01/2017	01/01/2018	9.7% Russell 2500 Index, 21.7% S&P 500 Index, 6.1% Blmbg. U.S. Aggregate Index, 5.1% Blmbg. U.S. Corp: High Yield Index, 4.1% FTSE World Government Bond Index, 21.0% MSCI AC World ex USA (Net), 10.8% FTSE EPRA/NAREIT Global Index, 9.2% MSCI Emerging Markets (Net), 3.2% Blmbg. U.S. TIPS, 6.8% Real Asset Custom Benchmark, 2.3% Citigroup 3-month Treasury Bill + 1%
05/01/2016	01/01/2017	10.0% Russell 2500 Index, 23.0% S&P 500 Index, 7.0% Blmbg. U.S. Aggregate Index, 2.0% FTSE 3 Month T-Bill, 22.0% MSCI EAFE (Net), 5.0% FTSE World Government Bond Index, 11.0% FTSE EPRA/NAREIT Global Index, 10.0% MSCI Emerging Markets (Net), 3.0% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark
<b>New Mexico LifeCycle 2040 Portfolio</b>		
01/01/2023	Present	9.4% Russell 2500 Index, 21.4% S&P 500 Index, 7.2% Blmbg. U.S. Aggregate Index, 5.2% Blmbg. U.S. Corp: High Yield Index, 20.5% MSCI AC World ex USA (Net), 4.2% JPM EMBI Global (USD), 8.9% MSCI Emerging Markets (Net), 3.4% Blmbg. U.S. TIPS, 6.6% Real Asset Custom Benchmark, 2.6% Citigroup 3-month Treasury Bill + 1%, 10.6% PRREF II Custom Benchmark
01/01/2022	01/01/2023	9.7% Russell 2500 Index, 21.7% S&P 500 Index, 6.1% Blmbg. U.S. Aggregate Index, 5.1% Blmbg. U.S. Corp: High Yield Index, 21.0% MSCI AC World ex USA (Net), 4.1% JPM EMBI Global (USD), 9.2% MSCI Emerging Markets (Net), 3.2% Blmbg. U.S. TIPS, 6.8% Real Asset Custom Benchmark, 2.3% Citigroup 3-month Treasury Bill + 1%, 10.8% PRREF II Custom Benchmark
01/01/2021	01/01/2022	10.0% Russell 2500 Index, 22.0% S&P 500 Index, 5.0% Blmbg. U.S. Aggregate Index, 5.0% Blmbg. U.S. Corp: High Yield Index, 4.0% FTSE World Government Bond Index, 21.5% MSCI AC World ex USA (Net), 9.5% MSCI Emerging Markets (Net), 3.0% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark, 2.0% Citigroup 3-month Treasury Bill + 1%, 11.0% PRREF II Custom Benchmark

## LifeCycle Funds Detail | As of December 31, 2023

01/01/2020	01/01/2021	10.1% Russell 2500 Index, 22.2% S&P 500 Index, 4.9% Blmbg. U.S. Aggregate Index, 4.8% Blmbg. U.S. Corp: High Yield Index, 3.9% FTSE World Government Bond Index, 21.8% MSCI AC World ex USA (Net), 9.6% MSCI Emerging Markets (Net), 2.9% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark, 1.8% Citigroup 3-month Treasury Bill + 1%, 11.0% PRREF II Custom Benchmark
01/01/2019	01/01/2020	10.2% Russell 2500 Index, 22.4% S&P 500 Index, 4.8% Blmbg. U.S. Aggregate Index, 4.6% Blmbg. U.S. Corp: High Yield Index, 3.8% FTSE World Government Bond Index, 22.1% MSCI AC World ex USA (Net), 9.7% MSCI Emerging Markets (Net), 2.8% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark, 1.6% Citigroup 3-month Treasury Bill + 1%, 11.0% PRREF II Custom Benchmark
01/01/2018	01/01/2019	10.3% Russell 2500 Index, 22.6% S&P 500 Index, 4.7% Blmbg. U.S. Aggregate Index, 4.4% Blmbg. U.S. Corp: High Yield Index, 3.7% FTSE World Government Bond Index, 22.4% MSCI AC World ex USA (Net), 9.8% MSCI Emerging Markets (Net), 2.7% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark, 1.4% Citigroup 3-month Treasury Bill + 1%, 11.0% PRREF II Custom Benchmark
01/01/2017	01/01/2018	10.4% Russell 2500 Index, 22.8% S&P 500 Index, 4.6% Blmbg. U.S. Aggregate Index, 4.2% Blmbg. U.S. Corp: High Yield Index, 3.6% FTSE World Government Bond Index, 22.7% MSCI AC World ex USA (Net), 11.0% FTSE EPRA/NAREIT Global Index, 9.9% MSCI Emerging Markets (Net), 2.6% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark, 1.2% Citigroup 3-month Treasury Bill + 1%
05/01/2016	01/01/2017	10.3% Russell 2500 Index, 23.8% S&P 500 Index, 6.5% Blmbg. U.S. Aggregate Index, 1.0% FTSE 3 Month T-Bill, 23.5% MSCI EAFE (Net), 4.5% FTSE World Government Bond Index, 11.0% FTSE EPRA/NAREIT Global Index, 10.0% MSCI Emerging Markets (Net), 2.5% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark
<b>New Mexico LifeCycle 2045 Portfolio</b>		
01/01/2023	Present	10.3% Russell 2500 Index, 22.6% S&P 500 Index, 4.7% Blmbg. U.S. Aggregate Index, 4.4% Blmbg. U.S. Corp: High Yield Index, 22.4% MSCI AC World ex USA (Net), 3.7% JPM EMBI Global (USD), 9.8% MSCI Emerging Markets (Net), 2.7% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark, 1.4% Citigroup 3-month Treasury Bill + 1%, 11.0% PRREF II Custom Benchmark
01/01/2022	01/01/2023	10.4% Russell 2500 Index, 22.8% S&P 500 Index, 4.6% Blmbg. U.S. Aggregate Index, 4.2% Blmbg. U.S. Corp: High Yield Index, 22.7% MSCI AC World ex USA (Net), 3.6% JPM EMBI Global (USD), 9.9% MSCI Emerging Markets (Net), 2.6% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark, 1.2% Citigroup 3-month Treasury Bill + 1%, 11.0% PRREF II Custom Benchmark
01/01/2021	01/01/2022	10.5% Russell 2500 Index, 23.0% S&P 500 Index, 4.5% Blmbg. U.S. Aggregate Index, 4.0% Blmbg. U.S. Corp: High Yield Index, 3.5% FTSE World Government Bond Index, 23.0% MSCI AC World ex USA (Net), 10.0% MSCI Emerging Markets (Net), 2.5% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark, 1.0% Citigroup 3-month Treasury Bill + 1%, 11.0% PRREF II Custom Benchmark
01/01/2020	01/01/2021	10.6% Russell 2500 Index, 23.2% S&P 500 Index, 4.4% Blmbg. U.S. Aggregate Index, 3.9% Blmbg. U.S. Corp: High Yield Index, 3.4% FTSE World Government Bond Index, 23.4% MSCI AC World ex USA (Net), 10.0% MSCI Emerging Markets (Net), 2.3% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark, 0.8% Citigroup 3-month Treasury Bill + 1%, 11.0% PRREF II Custom Benchmark
01/01/2019	01/01/2020	10.7% Russell 2500 Index, 23.4% S&P 500 Index, 4.3% Blmbg. U.S. Aggregate Index, 3.8% Blmbg. U.S. Corp: High Yield Index, 3.3% FTSE World Government Bond Index, 23.8% MSCI AC World ex USA (Net), 10.0% MSCI Emerging Markets (Net), 2.1% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark, 0.6% Citigroup 3-month Treasury Bill + 1%, 11.0% PRREF II Custom Benchmark
01/01/2018	01/01/2019	10.8% Russell 2500 Index, 23.6% S&P 500 Index, 4.2% Blmbg. U.S. Aggregate Index, 3.7% Blmbg. U.S. Corp: High Yield Index, 3.2% FTSE World Government Bond Index, 24.2% MSCI AC World ex USA (Net), 10.0% MSCI Emerging Markets (Net), 1.9% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark, 0.4% Citigroup 3-month Treasury Bill + 1%, 11.0% PRREF II Custom Benchmark
01/01/2017	01/01/2018	10.9% Russell 2500 Index, 23.8% S&P 500 Index, 4.1% Blmbg. U.S. Aggregate Index, 3.6% Blmbg. U.S. Corp: High Yield Index, 3.1% FTSE World Government Bond Index, 24.6% MSCI AC World ex USA (Net), 11.0% FTSE EPRA/NAREIT Global Index, 10.0% MSCI Emerging Markets (Net), 1.7% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark, 0.2% Citigroup 3-month Treasury Bill + 1%

## LifeCycle Funds Detail | As of December 31, 2023

05/01/2016	01/01/2017	10.5% Russell 2500 Index, 24.5% S&P 500 Index, 6.0% Blmbg. U.S. Aggregate Index, 25.0% MSCI EAFE (Net), 4.0% FTSE World Government Bond Index, 11.0% FTSE EPRA/NAREIT Global Index, 10.0% MSCI Emerging Markets (Net), 2.0% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark
<b>New Mexico LifeCycle 2050 Portfolio</b>		
01/01/2023	Present	10.8% Russell 2500 Index, 23.6% S&P 500 Index, 4.2% Blmbg. U.S. Aggregate Index, 3.7% Blmbg. U.S. Corp: High Yield Index, 24.2% MSCI AC World ex USA (Net), 3.2% JPM EMBI Global (USD), 10.0% MSCI Emerging Markets (Net), 1.9% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark, 0.4% Citigroup 3-month Treasury Bill + 1%, 11.0% PRREF II Custom Benchmark
01/01/2022	01/01/2023	10.9% Russell 2500 Index, 23.8% S&P 500 Index, 4.1% Blmbg. U.S. Aggregate Index, 3.6% Blmbg. U.S. Corp: High Yield Index, 24.6% MSCI AC World ex USA (Net), 3.1% JPM EMBI Global (USD), 10.0% MSCI Emerging Markets (Net), 1.7% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark, 0.2% Citigroup 3-month Treasury Bill + 1%, 11.0% PRREF II Custom Benchmark
01/01/2021	01/01/2022	11.0% Russell 2500 Index, 24.0% S&P 500 Index, 4.0% Blmbg. U.S. Aggregate Index, 3.5% Blmbg. U.S. Corp: High Yield Index, 3.0% FTSE World Government Bond Index, 25.0% MSCI AC World ex USA (Net), 10.0% MSCI Emerging Markets (Net), 1.5% Blmbg. U.S. TIPS, 7.0% Real Asset Custom Benchmark, 11.0% PRREF II Custom Benchmark
01/01/2020	01/01/2021	10.9% Russell 2500 Index, 24.2% S&P 500 Index, 3.8% Blmbg. U.S. Aggregate Index, 3.4% Blmbg. U.S. Corp: High Yield Index, 2.9% FTSE World Government Bond Index, 25.2% MSCI AC World ex USA (Net), 10.0% MSCI Emerging Markets (Net), 1.4% Blmbg. U.S. TIPS, 7.1% Real Asset Custom Benchmark, 11.1% PRREF II Custom Benchmark
01/01/2019	01/01/2020	10.8% Russell 2500 Index, 24.4% S&P 500 Index, 3.6% Blmbg. U.S. Aggregate Index, 3.3% Blmbg. U.S. Corp: High Yield Index, 2.8% FTSE World Government Bond Index, 25.4% MSCI AC World ex USA (Net), 10.0% MSCI Emerging Markets (Net), 1.3% Blmbg. U.S. TIPS, 7.2% Real Asset Custom Benchmark, 11.2% PRREF II Custom Benchmark
01/01/2018	01/01/2019	10.7% Russell 2500 Index, 24.6% S&P 500 Index, 3.4% Blmbg. U.S. Aggregate Index, 3.2% Blmbg. U.S. Corp: High Yield Index, 2.7% FTSE World Government Bond Index, 25.6% MSCI AC World ex USA (Net), 10.0% MSCI Emerging Markets (Net), 1.2% Blmbg. U.S. TIPS, 7.3% Real Asset Custom Benchmark, 11.3% PRREF II Custom Benchmark
01/01/2017	01/01/2018	10.6% Russell 2500 Index, 24.8% S&P 500 Index, 3.2% Blmbg. U.S. Aggregate Index, 3.1% Blmbg. U.S. Corp: High Yield Index, 2.6% FTSE World Government Bond Index, 25.8% MSCI AC World ex USA (Net), 11.4% FTSE EPRA/NAREIT Global Index, 10.0% MSCI Emerging Markets (Net), 1.1% Blmbg. U.S. TIPS, 7.4% Real Asset Custom Benchmark
05/01/2016	01/01/2017	10.5% Russell 2500 Index, 25.0% S&P 500 Index, 5.0% Blmbg. U.S. Aggregate Index, 26.0% MSCI EAFE (Net), 3.5% FTSE World Government Bond Index, 11.5% FTSE EPRA/NAREIT Global Index, 10.0% MSCI Emerging Markets (Net), 7.5% Real Asset Custom Benchmark
<b>New Mexico LifeCycle 2055 Portfolio</b>		
01/01/2023	Present	10.7% Russell 2500 Index, 24.6% S&P 500 Index, 3.4% Blmbg. U.S. Aggregate Index, 3.2% Blmbg. U.S. Corp: High Yield Index, 25.6% MSCI AC World ex USA (Net), 2.7% JPM EMBI Global (USD), 10.0% MSCI Emerging Markets (Net), 1.2% Blmbg. U.S. TIPS, 7.3% Real Asset Custom Benchmark, 11.3% PRREF II Custom Benchmark
01/01/2022	01/01/2023	10.6% Russell 2500 Index, 24.8% S&P 500 Index, 3.2% Blmbg. U.S. Aggregate Index, 3.1% Blmbg. U.S. Corp: High Yield Index, 25.8% MSCI AC World ex USA (Net), 2.6% JPM EMBI Global (USD), 10.0% MSCI Emerging Markets (Net), 1.1% Blmbg. U.S. TIPS, 7.4% Real Asset Custom Benchmark, 11.4% PRREF II Custom Benchmark
01/01/2021	01/01/2022	10.5% Russell 2500 Index, 25.0% S&P 500 Index, 3.0% Blmbg. U.S. Aggregate Index, 3.0% Blmbg. U.S. Corp: High Yield Index, 2.5% FTSE World Government Bond Index, 26.0% MSCI AC World ex USA (Net), 10.0% MSCI Emerging Markets (Net), 1.0% Blmbg. U.S. TIPS, 7.5% Real Asset Custom Benchmark, 11.5% PRREF II Custom Benchmark

## LifeCycle Funds Detail | As of December 31, 2023

01/01/2020	01/01/2021	10.5% Russell 2500 Index, 25.1% S&P 500 Index, 2.9% Blmbg. U.S. Aggregate Index, 2.9% Blmbg. U.S. Corp: High Yield Index, 2.4% FTSE World Government Bond Index, 26.2% MSCI AC World ex USA (Net), 10.0% MSCI Emerging Markets (Net), 0.8% Blmbg. U.S. TIPS, 7.6% Real Asset Custom Benchmark, 11.6% PRREF II Custom Benchmark
01/01/2019	01/01/2020	10.5% Russell 2500 Index, 25.2% S&P 500 Index, 2.8% Blmbg. U.S. Aggregate Index, 2.8% Blmbg. U.S. Corp: High Yield Index, 2.3% FTSE World Government Bond Index, 26.4% MSCI AC World ex USA (Net), 10.0% MSCI Emerging Markets (Net), 0.6% Blmbg. U.S. TIPS, 7.7% Real Asset Custom Benchmark, 11.7% PRREF II Custom Benchmark
01/01/2018	01/01/2019	10.5% Russell 2500 Index, 25.3% S&P 500 Index, 2.7% Blmbg. U.S. Aggregate Index, 2.7% Blmbg. U.S. Corp: High Yield Index, 2.2% FTSE World Government Bond Index, 26.6% MSCI AC World ex USA (Net), 10.0% MSCI Emerging Markets (Net), 0.4% Blmbg. U.S. TIPS, 7.8% Real Asset Custom Benchmark, 11.8% PRREF II Custom Benchmark
01/01/2017	01/01/2018	10.5% Russell 2500 Index, 25.4% S&P 500 Index, 2.6% Blmbg. U.S. Aggregate Index, 2.6% Blmbg. U.S. Corp: High Yield Index, 2.1% FTSE World Government Bond Index, 26.8% MSCI AC World ex USA (Net), 11.9% FTSE EPRA/NAREIT Global Index, 10.0% MSCI Emerging Markets (Net), 0.2% Blmbg. U.S. TIPS, 7.9% Real Asset Custom Benchmark
05/01/2016	01/01/2017	10.5% Russell 2500 Index, 25.5% S&P 500 Index, 4.0% Blmbg. U.S. Aggregate Index, 27.0% MSCI EAFE (Net), 3.0% FTSE World Government Bond Index, 12.0% FTSE EPRA/NAREIT Global Index, 10.0% MSCI Emerging Markets (Net), 8.0% Real Asset Custom Benchmark
<b>New Mexico LifeCycle 2060 Portfolio</b>		
01/01/2023	Present	10.5% Russell 2500 Index, 25.3% S&P 500 Index, 2.7% Blmbg. U.S. Aggregate Index, 2.7% Blmbg. U.S. Corp: High Yield Index, 26.6% MSCI AC World ex USA (Net), 2.2% JPM EMBI Global (USD), 10.0% MSCI Emerging Markets (Net), 0.4% Blmbg. U.S. TIPS, 7.8% Real Asset Custom Benchmark, 11.8% PRREF II Custom Benchmark
01/01/2022	01/01/2023	10.5% Russell 2500 Index, 25.4% S&P 500 Index, 2.6% Blmbg. U.S. Aggregate Index, 2.6% Blmbg. U.S. Corp: High Yield Index, 26.8% MSCI AC World ex USA (Net), 2.1% JPM EMBI Global (USD), 10.0% MSCI Emerging Markets (Net), 0.2% Blmbg. U.S. TIPS, 7.9% Real Asset Custom Benchmark, 11.9% PRREF II Custom Benchmark
02/01/2021	01/01/2022	10.5% Russell 2500 Index, 25.5% S&P 500 Index, 2.5% Blmbg. U.S. Aggregate Index, 2.5% Blmbg. U.S. Corp: High Yield Index, 2.0% FTSE World Government Bond Index, 27.0% MSCI AC World ex USA (Net), 10.0% MSCI Emerging Markets (Net), 8.0% Real Asset Custom Benchmark, 12.0% PRREF II Custom Benchmark
01/01/2021	02/01/2021	10.5% Russell 2500 Index, 25.5% S&P 500 Index, 2.5% Blmbg. U.S. Aggregate Index, 2.5% Blmbg. U.S. Corp: High Yield Index, 2.0% FTSE World Government Bond Index, 27.0% MSCI AC World ex USA (Net), 10.0% MSCI Emerging Markets (Net), 8.0% Real Asset Custom Benchmark, 12.0% PRREF II Custom Benchmark

## Appendices

## Economic and Market Update

Data as of December 31, 2023



### Commentary

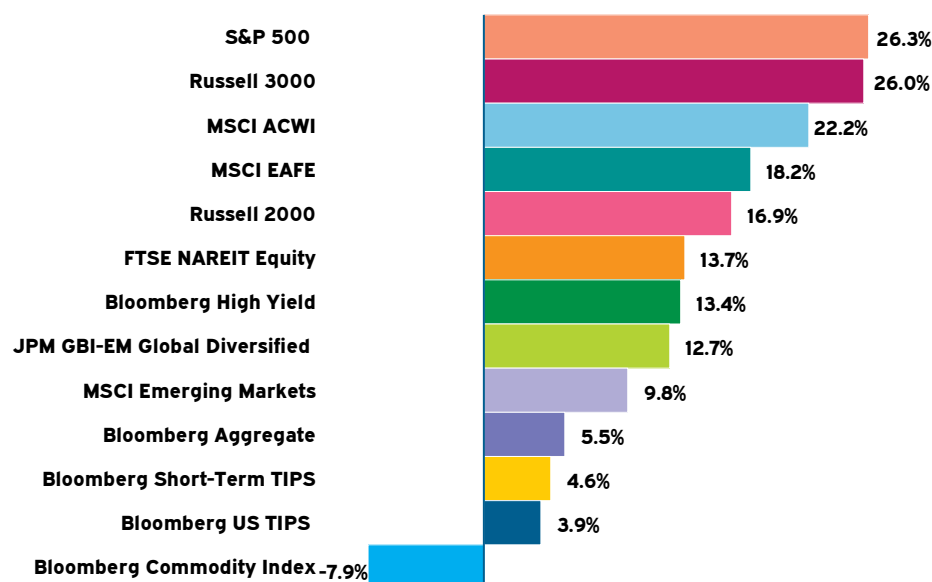
→ Most markets rallied in the fourth quarter in anticipation that policy rates cuts were ahead in 2024.

- Major central banks have largely paused interest rate hikes. Markets are now largely expecting the FOMC to maintain interest rates at the current levels and begin cutting rates as soon as Q1 2024.
- Inflation rose in December in the US and Europe, but both finished the year much lower than where they started. China remained in deflationary territory (-0.3%) at year-end.
- US equity markets (Russell 3000 index) posted strong gains for the quarter (12.1%), raising full year results to +26.0%. Most sectors rallied, with more defensive sectors lagging.
- Non-US developed equity markets also rallied in the fourth quarter (MSCI EAFE 10.4%), with the weakening of the US dollar contributing meaningfully (10.4% versus 5.0% ex.-US dollar influence). The performance difference between US and international developed equities for the year remained wide (26.0% versus 18.2%).
- Emerging market equities were up 7.9% in the fourth quarter and 9.8% for calendar 2023 but trailed developed markets due to lagging returns in China (-4.2% Q4/-11.2% one-year). Emerging market equities ex.-China returned 20% in 2023.
- Interest rates generally fell in the fourth quarter, particularly for longer-dated maturities. The broad US bond market rallied (6.8%) for the quarter, lifting 2023 returns into positive territory (5.5%).

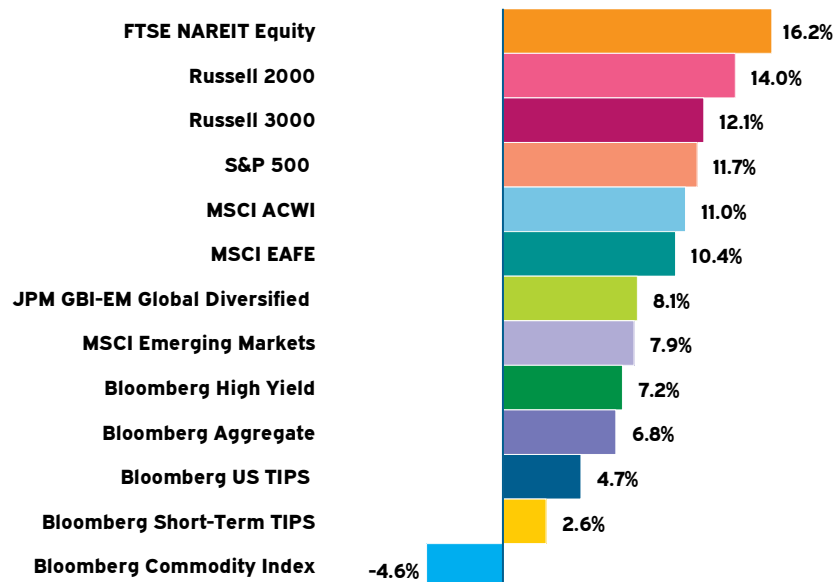
→ Looking to 2024, the paths of inflation and monetary policy, China's economic disorder and slowing economic growth, and the wars in Ukraine and Israel, will be key.

### Index Returns<sup>1</sup>

#### 2023



#### Q4



- After a tough start to the quarter on lingering fears that the Federal Reserve might keep interest rates “higher for longer”, markets rallied in November and December. Economic data generally coming in below expectations sparked expectations that the Federal Reserve might really be done raising policy rates for this cycle.
- Strong results for the quarter built on gains for the year with all asset classes finishing in positive territory in 2023, except commodities.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2023.

### Domestic Equity Returns<sup>1</sup>

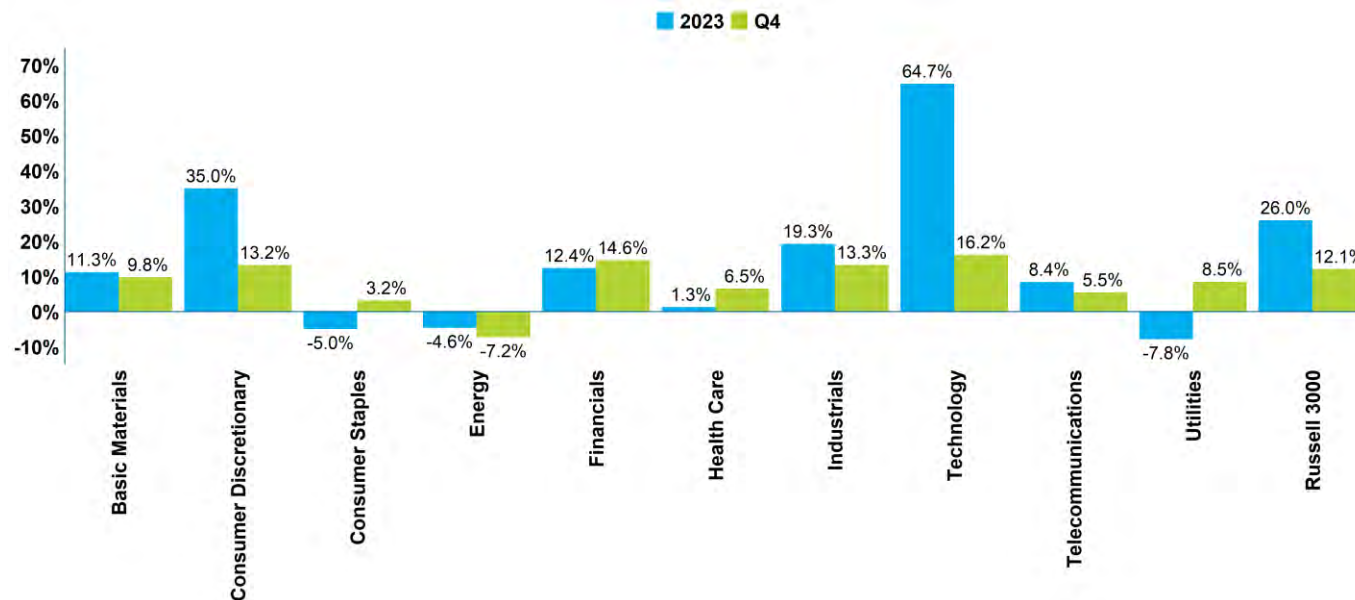
Domestic Equity	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	4.5	11.7	26.3	10.0	15.7	12.0
Russell 3000	5.3	12.1	26.0	8.6	15.2	11.5
Russell 1000	4.9	12.0	26.5	9.0	15.5	11.8
Russell 1000 Growth	4.4	14.2	42.7	8.9	19.5	14.9
Russell 1000 Value	5.5	9.5	11.5	8.9	10.9	8.4
Russell MidCap	7.7	12.8	17.2	5.9	12.7	9.4
Russell MidCap Growth	7.6	14.5	25.9	1.3	13.8	10.6
Russell MidCap Value	7.8	12.1	12.7	8.4	11.2	8.3
Russell 2000	12.2	14.0	16.9	2.2	10.0	7.2
Russell 2000 Growth	12.0	12.7	18.7	-3.5	9.2	7.2
Russell 2000 Value	12.4	15.3	14.6	8.0	10.0	6.8

**US Equities: The Russell 3000 rallied 5.3% in December, bringing fourth quarter results to +12.1%. US stocks were up 26.0% in 2023.**

- US equities had a strong final quarter of the year, driven by expectations that rate cuts may be ahead in 2024.
- Small cap stocks outperformed their large cap peers for the quarter while growth outpaced value with the exception of small cap. Large cap stocks outperformed small cap stocks by a wide margin for the calendar year and growth outpaced value across market caps.
- Calendar year results were clearly driven by large cap technology stocks. Within the S&P 500 index, the “Magnificent 7” stocks generated more than 50% of the total gains.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2023. Magnificent Seven stocks include: Apple, Microsoft, Alphabet, Amazon, Nvidia, Tesla, and Meta.

### Russell 3000 Sector Returns<sup>1</sup>



- All sectors posted gains for the fourth quarter, except for energy (-7.2%) given oil's recent declines. Technology (+16.2%) led the way for the quarter followed by financials (+14.6%).
- In 2023, technology (+64.7%) and consumer discretionary (+35.0%) sectors had the best results, helped respectively by artificial intelligence optimism and a healthy US consumer. Traditionally defensive sectors like utilities (-7.8%) and consumer staples (-5.0%) trailed.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2023.

### Foreign Equity Returns<sup>1</sup>

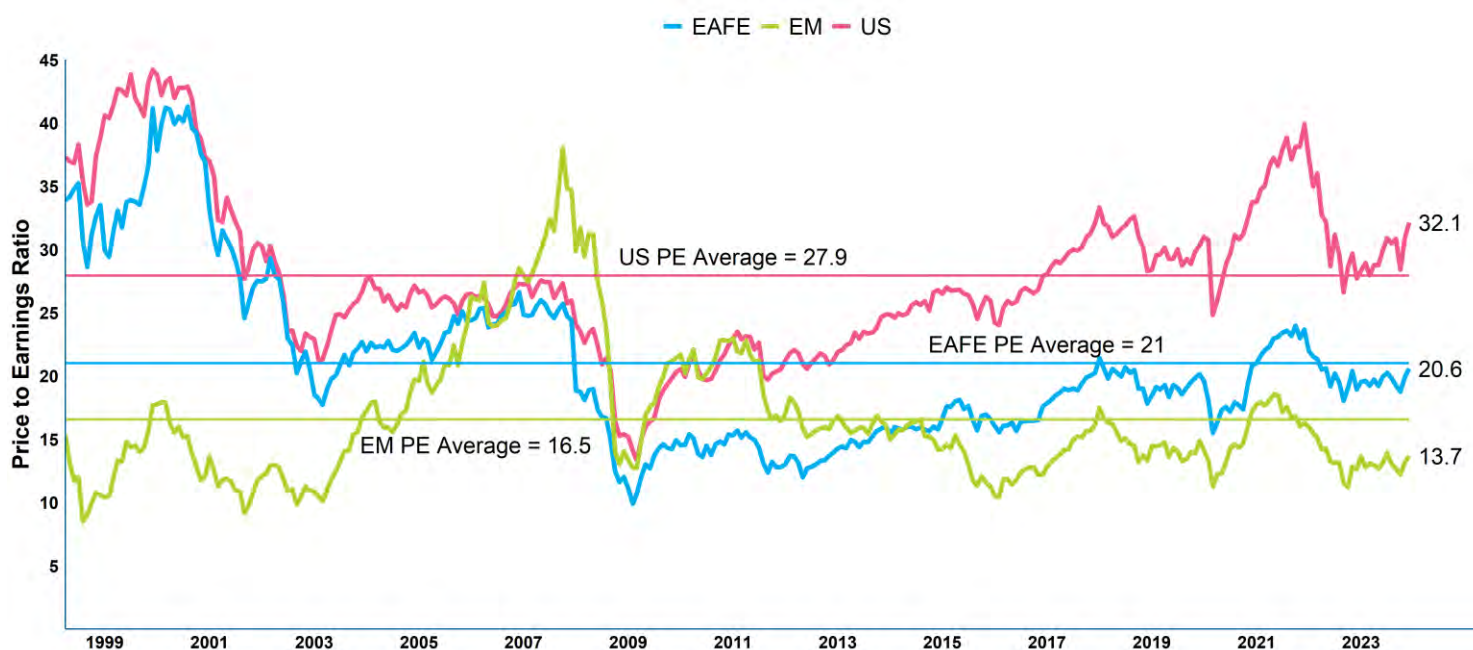
Foreign Equity	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	5.0	9.8	15.6	1.5	7.1	3.8
MSCI EAFE	5.3	10.4	18.2	4.0	8.2	4.3
MSCI EAFE (Local Currency)	2.9	5.0	16.2	8.7	9.5	6.6
MSCI EAFE Small Cap	7.3	11.1	13.2	-0.7	6.6	4.8
MSCI Emerging Markets	3.9	7.9	9.8	-5.1	3.7	2.7
MSCI Emerging Markets (Local Currency)	3.1	5.6	9.9	-2.5	5.4	5.2
MSCI China	-2.4	-4.2	-11.2	-18.5	-2.8	0.9

**Foreign Equity:** Developed international equities (MSCI EAFE) gained 5.3% in December and 10.4% in the fourth quarter bringing calendar year results to 18.2%. Emerging market equities (MSCI EM) rose 3.9% in December, 7.9% for the quarter, and 9.8% for the year.

- Optimism around lower inflation and potentially peaking and declining policy rates drove gains in the UK and Europe. Japan had weaker results for the quarter as concerns over a strengthening yen weighed on returns in December. Overall weakness in the US dollar also contributed to quarterly and full year results across developed markets.
- Emerging markets also experienced strong performance in the fourth quarter but trailed developed markets. China weighed on relative results for the quarter and year, declining 4.2% and 11.2%, respectively. Slowing growth, issues in the property sector, and on-going tensions with the US all weighed on results.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2023.

### Equity Cyclically Adjusted P/E Ratios<sup>1</sup>



- Given the strong technology-driven rally last year, the US equity price-to-earnings ratio increased above its 21st century average. Fourth quarter gains brought valuations to their highest level for the year.
- International market valuations also increased in the fourth quarter, but remain below the US. In the case of developed markets, valuations finished the year close to their long-term average, while emerging markets remained well below their average.

<sup>1</sup> US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years. Data is as of December 2023. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end respectively.

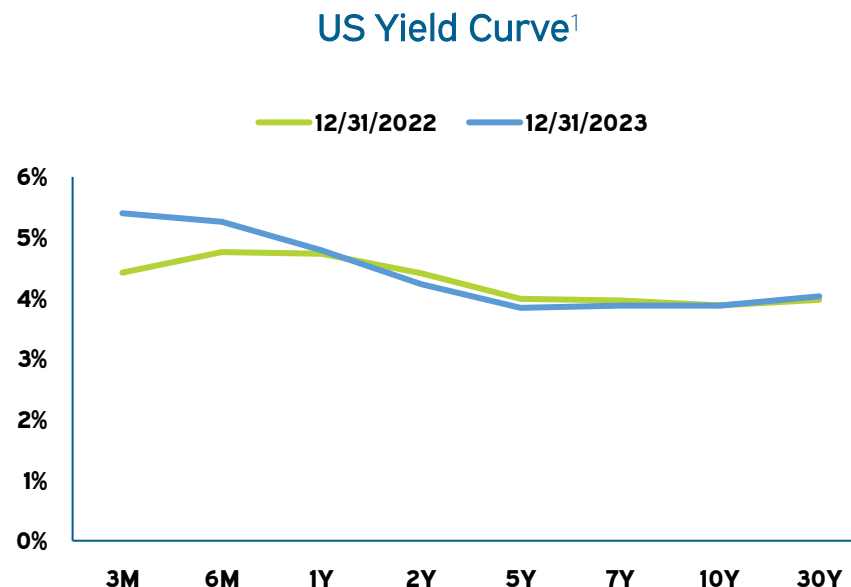
### Fixed Income Returns<sup>1</sup>

Fixed Income	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	3.8	6.8	6.2	-3.0	1.4	2.1	4.8	6.1
Bloomberg Aggregate	3.8	6.8	5.5	-3.3	1.1	1.8	4.5	6.3
Bloomberg US TIPS	2.7	4.7	3.9	-1.0	3.2	2.4	4.2	6.7
Bloomberg Short-term TIPS	1.1	2.6	4.6	2.3	3.4	2.0	4.5	2.4
Bloomberg High Yield	3.7	7.2	13.4	2.0	5.4	4.6	7.6	3.8
JPM GBI-EM Global Diversified (USD)	3.2	8.1	12.7	-3.2	1.1	0.1	6.5	5.0

**Fixed Income: The Bloomberg Universal index rose 3.8% in December, 6.8% for the quarter, and 6.2% for the year.**

- Policy rate expectations swung from pessimism to optimism in November and December. Signs of the labor market cooling and improving inflation led investors to bring forward expectations for interest rate cuts to early 2024, leading to one of the best quarterly results in over twenty years.
- The broad US bond market (Bloomberg Aggregate) rallied 6.8% for the quarter, lifting full-year performance into positive territory (+5.5%). The broader TIPS index rose 4.7% for the quarter and 3.9% for the year, while the less interest-rate-sensitive short-term TIPS index rose 2.6% and 4.6% over the same periods.
- High yield bonds rallied on better risk sentiment (+7.2%), as did emerging market bonds (+8.1%). Both asset classes produced double-digit results last year.

<sup>1</sup> Source: Bloomberg. JPM GBI-EM data is from InvestorForce. Data is as of December 31, 2023. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration respectively.

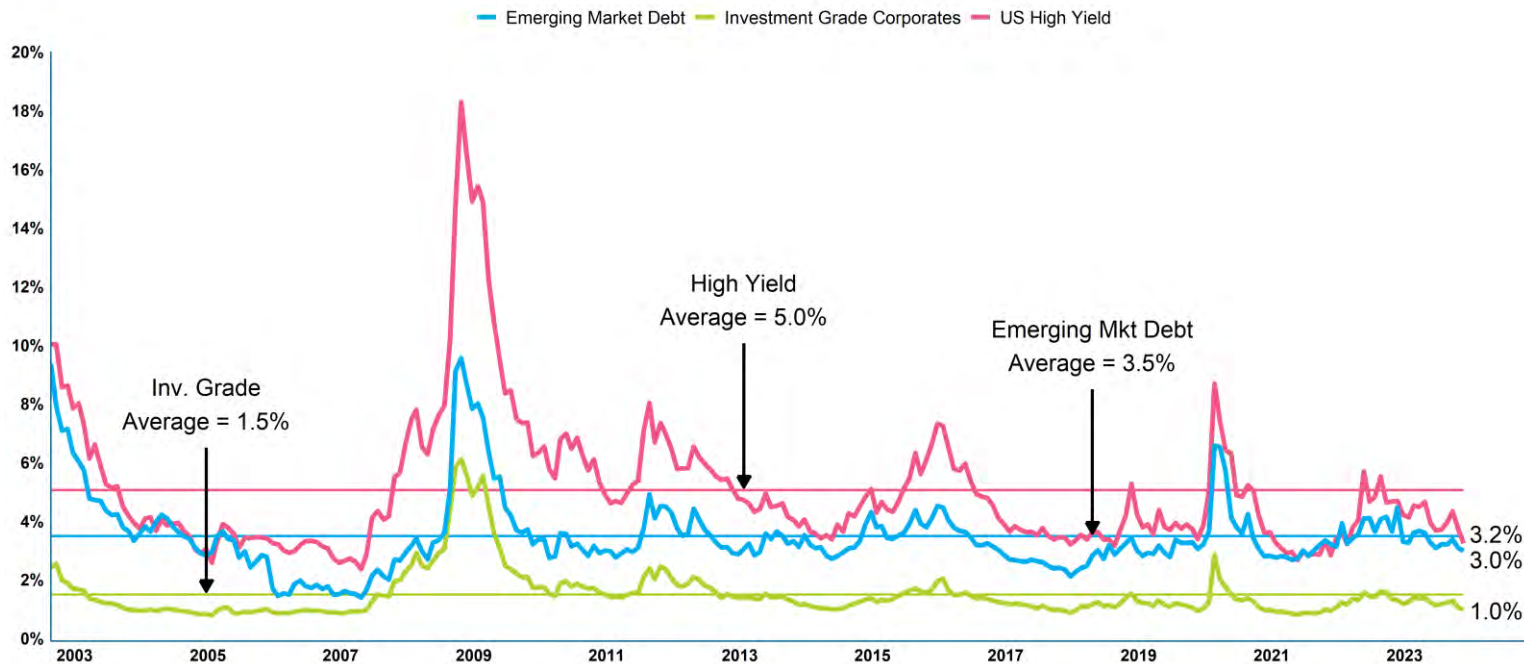


- The more policy sensitive short-term maturities were higher this year while longer-term maturities finished the year where they started.
- Still, rates declined sharply over the quarter, particularly at the longer end of the yield curve on continued easing of inflation-related risks and speculation that the Federal Reserve is done with their policy rate increases for this cycle.
- For the quarter, two-year Treasury yields fell from 5.05% to 4.24% while ten-year Treasury yields declined from 4.56% to 3.88%.
- The yield curve remained inverted at year-end despite a recent flattening trend. The spread between the 2-year and 10-year Treasury was -0.37% at the end of December.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2023.



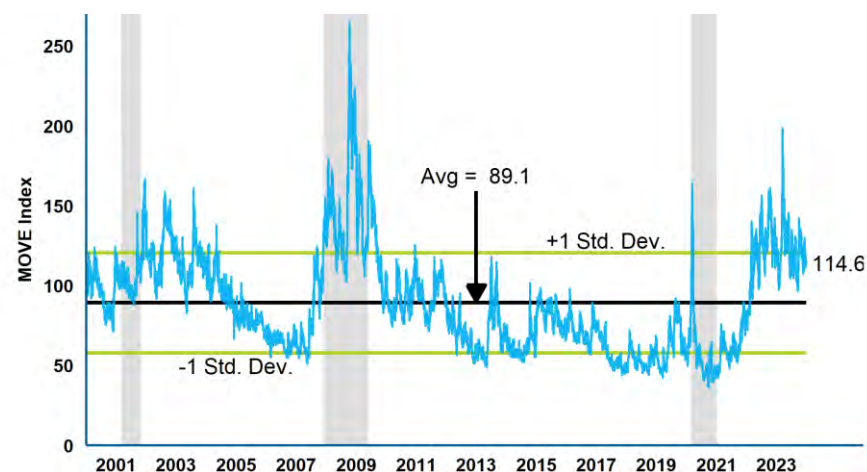
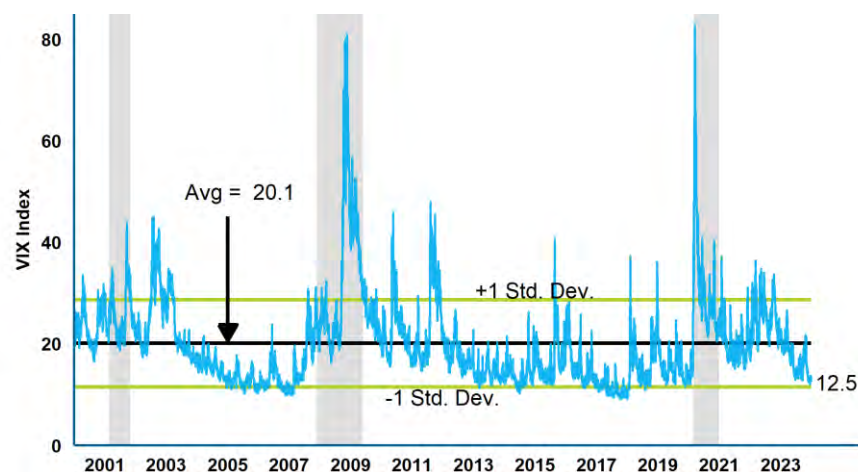
## Credit Spreads vs. US Treasury Bonds<sup>1</sup>



- Expectations of peaking policy rates and the corresponding increase in risk appetite benefited credit in the fourth quarter with spreads (the added yield above a comparable maturity Treasury) narrowing. All spreads remain below their respective long run averages.
- High yield spreads continue to be the furthest below their long-term average given the overall risk appetite last year and lower duration. Investment-grade corporate and emerging market spreads are also below their respective long-term averages, but by smaller margins.

<sup>1</sup> Sources: Bloomberg. Data is as of December 31, 2023. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

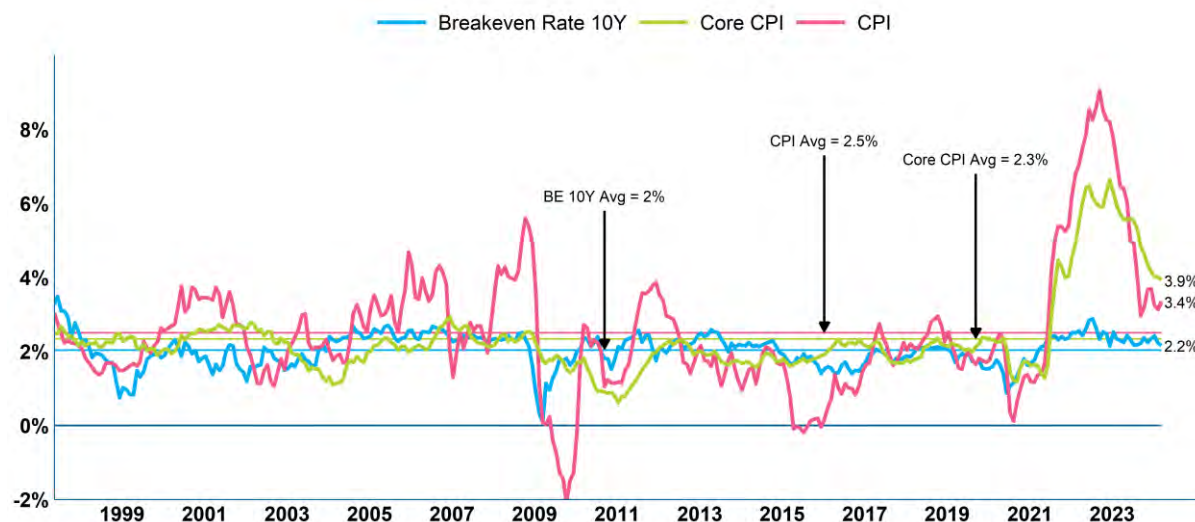
### Equity and Fixed Income Volatility<sup>1</sup>



- Volatility in equities (VIX) finished the year close to its lows, remaining well below the long-term average as the focus shifted to peaking policy rates and the potential for a soft landing.
- Volatility in the bond market (MOVE) remained elevated to close out 2023 and is well above its long-run average (89.1). The bond market remained on edge for most of 2024 largely driven by uncertainty about the ultimate path of monetary policy.

<sup>1</sup> Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of December 2023. The average line indicated is the average of the VIX and MOVE values between January 2000 and December 2023.

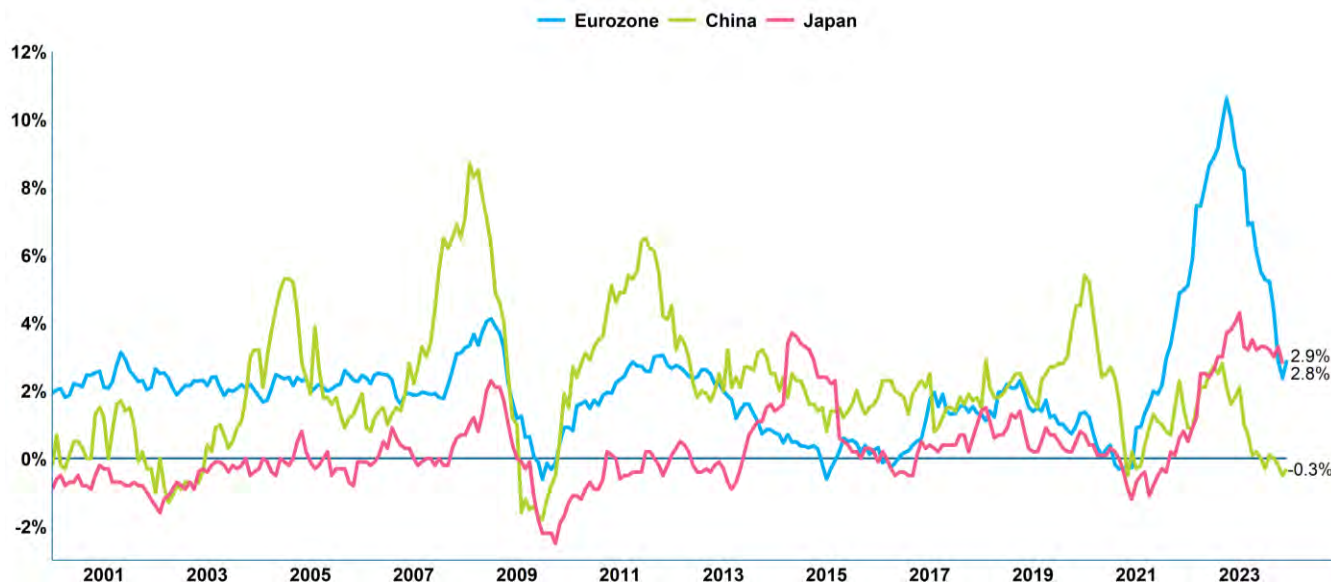
## US Ten-Year Breakeven Inflation and CPI<sup>1</sup>



- Year-over-year headline inflation rose from 3.1% to 3.4% in December, coming in above expectations of 3.2%. An increase in shelter (+6.2%) drove results, with food also increasing from a year prior (+2.7%) and energy prices falling (-2.0%). Month-over-month inflation came in at 0.3%, above expectations of 0.2% and the prior reading of 0.1%.
- Core inflation - excluding food and energy – declined in December (3.9% versus 4.0%) year-over-year, with shelter costs again driving the total core index increase.
- Inflation expectations (breakevens) have remained relatively stable despite the recent significant volatility in inflation.

<sup>1</sup> Source: FRED. Data is as December 2023. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.

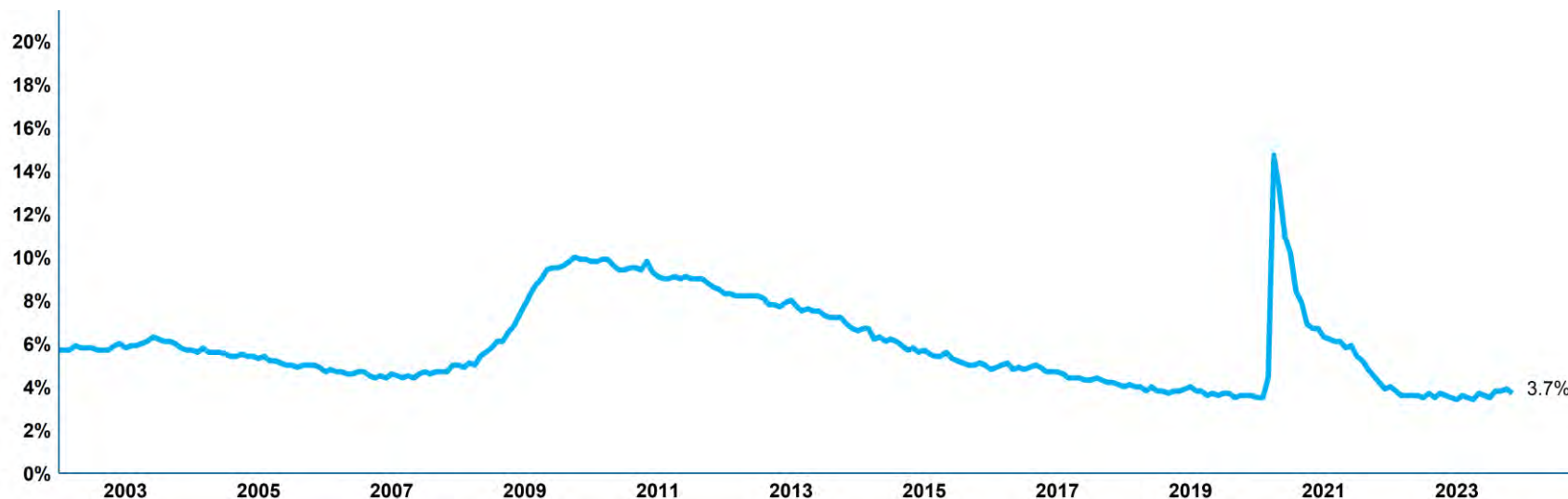
### Global Inflation (CPI Trailing Twelve Months)<sup>1</sup>



- Outside the US, inflation is also falling across major economies with China slipping into deflation.
- In the eurozone, inflation experienced a dramatic decline last year. Despite a small increase in December (2.9% versus 2.4%) it finished the year below the 3.4% year-over-year reading in the US.
- Inflation in Japan remains near levels not seen in almost a decade, driven by food and home related items.

<sup>1</sup> Source: FRED for United States CPI and Eurozone CPI. Source: Bloomberg for Japan CPI, China CPI, and Eurozone December flash estimate. Data is as December 31, 2023, except Japan which is as of November 30, 2023.

### US Unemployment<sup>1</sup>

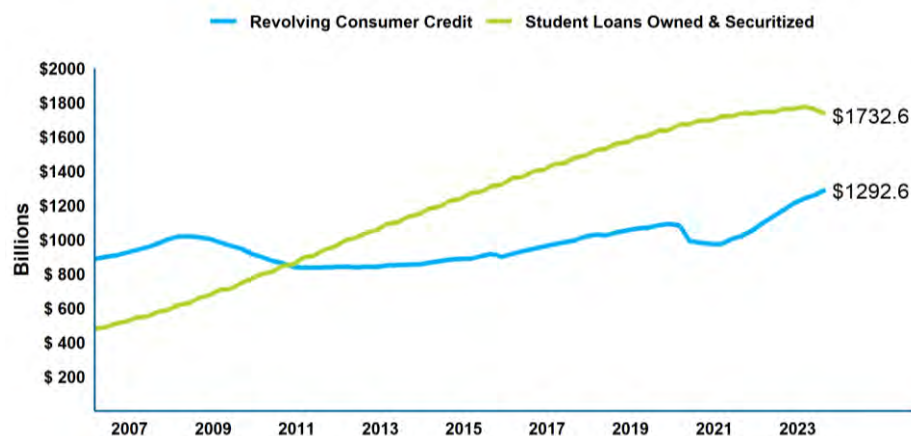


- Overall, the US labor market remains healthy with the unemployment rate relatively low, wage growth now positive in real terms, and initial claims for unemployment staying subdued.
- In December, US unemployment remained unchanged (3.7%) and came in slightly below expectations of an increase to 3.8%. The number of jobs added did come in above expectations (216k versus 175k) though with the most jobs added in the government, leisure and hospitality, and health care sectors.
- The labor force participation remained relatively stable at 62.5%, well off the lows of the pandemic (60.1%) but not back to pre-pandemic levels (63.3%).
- The pace of hourly wage growth has declined from its peak of close to 6.0% finishing 2023 at 4.1% yoy. Wage growth remains positive in real terms though.

Source: FRED. Data is as December 31, 2023.

### US Consumer Under Stress?<sup>1</sup>

**Revolving Consumer Credit & Student Loans (\$B)**



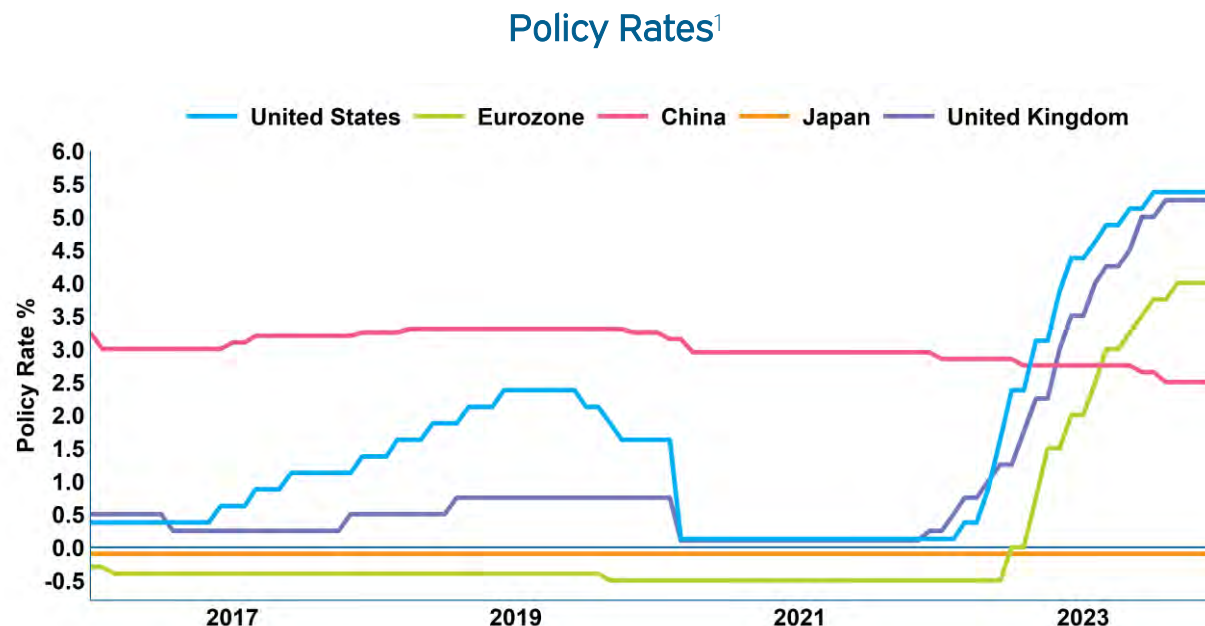
**Consumer Credit Card Interest Rates (%)**



- Despite the strong labor market and higher wages, pressures have started to build on the US consumer. This is an important consideration as consumer spending has been a key driver of economic growth.
- Revolving consumer credit surged to new highs in 2023 even as credit card interest rates hit levels not seen before (the prior peak was around 19% in the 1980s).
- The return of student loan repayments after a three-year pandemic-related reprieve could add to pressures on consumers' budgets. This might be partially mitigated by recently initiated repayment and forgiveness programs.
- As we look ahead, the strength of the US consumer will remain key as this sector makes up most of the domestic economy (GDP).

<sup>1</sup> Source: FRED. Data is as of September 30, 2023. Revolving Consumer Credit data is seasonally adjusted to remove distortions during the holiday season.





- Slowing inflation and growth have led to expectations for a reduction in the pace of aggressive policy tightening.
- The Fed has been on hold since July 2023 when it raised rates to a range of 5.25%-5.50%. Markets are pricing in six rate cuts next year given the track of economic data and recent comments from the Fed, while the Fed itself is only predicting three. How this discrepancy is resolved will be key this year.
- The European and UK central banks also recently paused their rate increases on slowing inflation. In Japan, the BoJ has further relaxed its yield curve control on the 10-year bond, and expectations for further policy normalization are rising.
- The central bank in China has maintained interest rates at record low levels and continues to inject liquidity into the banking system, as weaker than expected economic data appears to indicate a widespread slowdown.

<sup>1</sup> Source: Bloomberg. Data is as of December 2023.

### US Dollar vs. Broad Currencies<sup>1</sup>



- The US dollar declined around 5% in the fourth quarter as generally weaker economic data led investors to anticipate the end of FOMC tightening and interest rate cuts in 2024.
- Overall, the dollar finished the year only slightly below where it started but it was a volatile year for the US currency as expectations related to monetary policy evolved.

<sup>1</sup> Source: Bloomberg. Data as of December 31, 2023.



## Summary

### Key Trends:

- The impact of inflation still above policy targets will remain important, with bond market volatility likely to stay high.
- Global monetary policies could diverge going forward. The risk of policy errors remains elevated as central banks try to further reduce inflation toward targets while not tipping their economies into recession. In the case of the US the resolution of the disparity between market expectations for the path of interest rates versus the Fed's dot plot will be key.
- Global growth is expected to slow next year, with some economies forecasted to tip into recession. However, optimism has been building that certain economies could experience soft landings. Inflation, monetary policy, and geopolitical issues will remain key in 2024.
- US consumers could feel pressure as certain components of inflation (e.g., shelter), remain high, borrowing costs are elevated, and the job market may weaken.
- A focus for US equities going forward, will be whether earnings can remain resilient if growth continues to slow. Also, the future paths of the large technology companies that have driven market gains will be important.
- Equity valuations remain lower in emerging and developed markets, but risks remain, including the potential for China's economic slowdown and on-going weakness in the real estate sector could spill over into key trading partners' economies. Japan's recent hint at potentially tightening monetary policy along with changes in corporate governance in the country could influence relative results.
- Recent, heightened tensions in Israel could add to overall uncertainty and drive safe haven flows.

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**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.  $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} \times (\text{market return} - \text{Risk Free Rate})]$ .

**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 its 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.

**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.

**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.

**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.

**Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

**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%.

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

**Yield to Worst:** The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

**NCREIF Property Index (NPI):** Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

**NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE):** Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.

The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991

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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.