

**New Mexico Public Employees  
Retirement Association  
Smart Save Deferred Compensation Plan  
Fourth Quarter 2019**

Meeting Materials

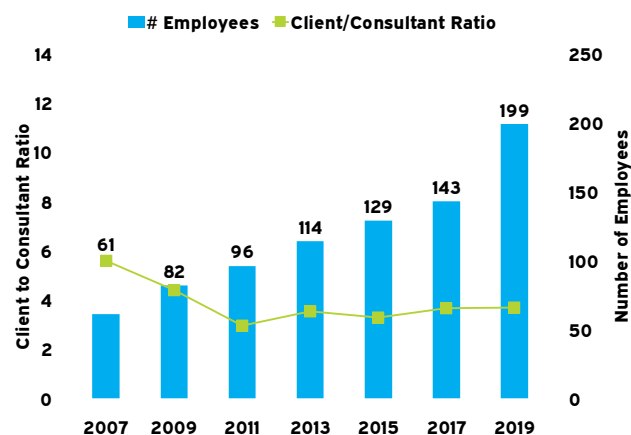
## Agenda

1. Corporate Update
2. Executive Summary
3. Fourth Quarter of 2019 Performance Report
  - Plan Summary
  - LifeCycle Funds Detail
  - Portfolio Reviews
4. Appendices
  - The World Markets in the Fourth Quarter of 2019
  - Capital Markets Outlook & Risk Metrics
  - Disclaimer, Glossary and Notes

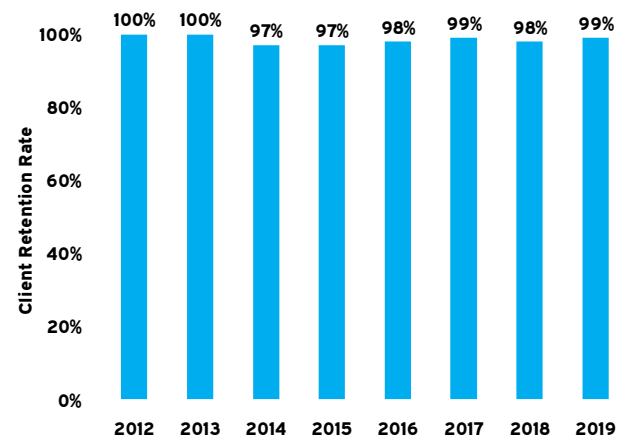
## **Meketa Investment Group Corporate Update**

- Staff of 199, including 132 investment professionals and 40 CFA Charterholders
- 214 clients, with over 300 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Chicago, Miami, New York, Portland (OR), San Diego, and London
- We advise on \$1.4 trillion in client assets
  - Over \$100 billion in assets committed to alternative investments
    - Private Equity      ▪ Infrastructure      ▪ Natural Resources
    - Real Estate      ▪ Hedge Funds      ▪ Commodities

### Client to Consultant Ratio<sup>1</sup>



### Client Retention Rate<sup>2</sup>



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

<sup>1</sup> On March 15, 2019, 31 employees joined the firm as part of the merger of Meketa Investment Group and Pension Consulting Alliance.

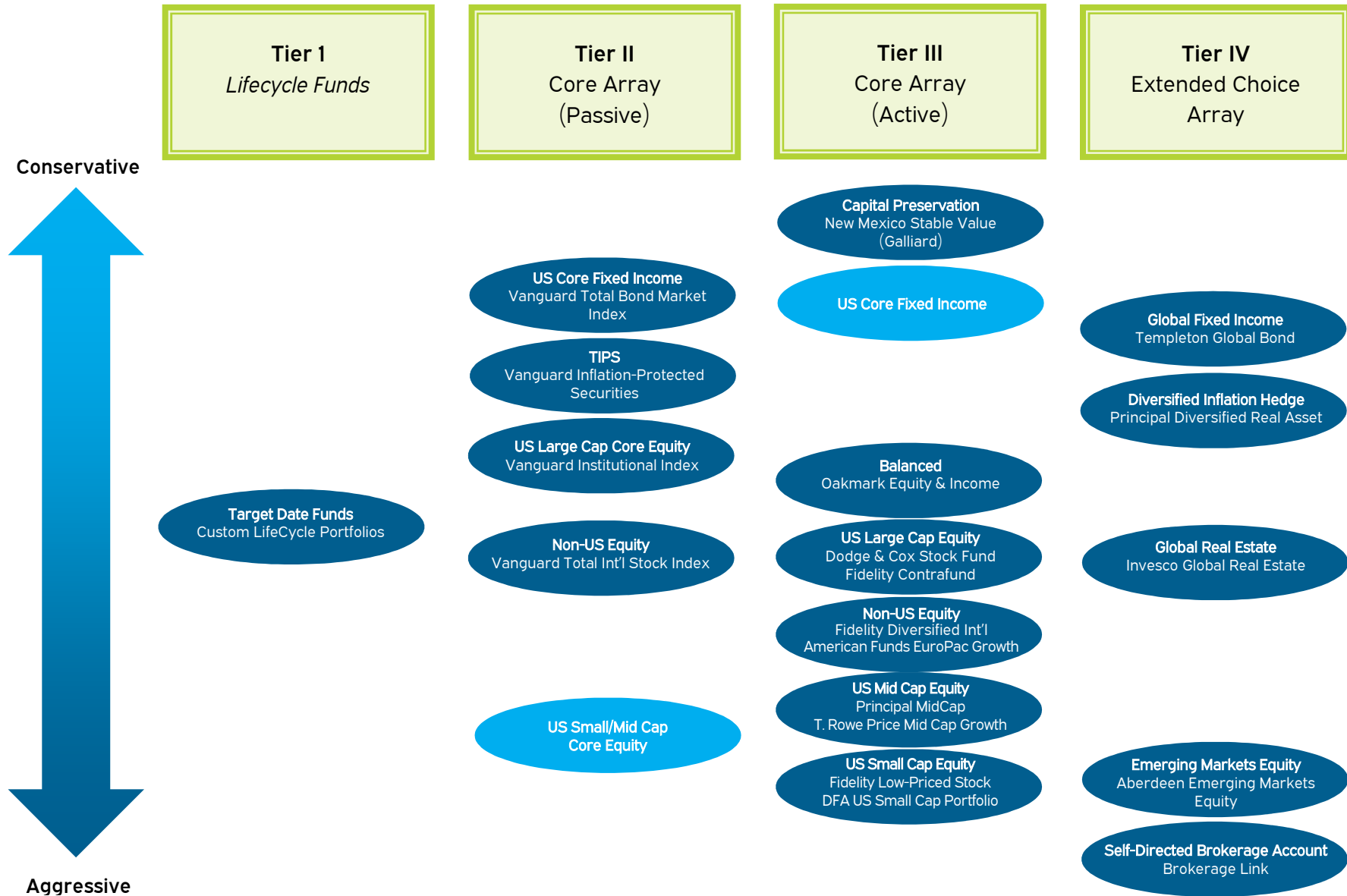
<sup>2</sup> Client Retention Rate is one minus the number of clients lost divided by the number of clients at prior year-end.

## Asset Classes Followed Intensively by Meketa Investment Group

Domestic Equities	International Equities	Private Equity	Real Assets	Fixed Income	Hedge Funds
<ul style="list-style-type: none"> <li>- Passive</li> <li>- Enhanced Index</li> <li>- Large Cap</li> <li>- Midcap</li> <li>- Small Cap</li> <li>- Microcap</li> <li>- 130/30</li> </ul>	<ul style="list-style-type: none"> <li>- Large Cap Developed</li> <li>- Small Cap Developed</li> <li>- Emerging Markets</li> <li>- Frontier Markets</li> </ul>	<ul style="list-style-type: none"> <li>- Buyouts</li> <li>- Venture Capital</li> <li>- Private Debt</li> <li>- Special Situations</li> <li>- Secondaries</li> <li>- Fund of Funds</li> </ul>	<ul style="list-style-type: none"> <li>- Public REITs</li> <li>- Core Real Estate</li> <li>- Value Added Real Estate</li> <li>- Opportunistic Real Estate</li> <li>- Infrastructure</li> <li>- Timber</li> <li>- Natural Resources</li> <li>- Commodities</li> </ul>	<ul style="list-style-type: none"> <li>- Short-Term</li> <li>- Core</li> <li>- Core Plus</li> <li>- TIPS</li> <li>- High Yield</li> <li>- Bank Loans</li> <li>- Distressed</li> <li>- Global</li> <li>- Emerging Markets</li> </ul>	<ul style="list-style-type: none"> <li>- Long/Short Equity</li> <li>- Event Driven</li> <li>- Relative Value</li> <li>- Fixed Income Arbitrage</li> <li>- Multi Strategy</li> <li>- Market Neutral</li> <li>- Global Macro</li> <li>- Fund of Funds</li> <li>- Portable Alpha</li> </ul>

## **Executive Summary**

### Executive Summary



### Plan Assets

- As of December 31, 2019, Plan assets were \$674.0 million, up from \$642.0 million at the end of the prior quarter. The Plan experienced net cash outflows of \$2,805,445 during the fourth quarter.
- There were 23,231 participants with a balance at quarter-end. The average account balance was \$29,014; contributions totaled \$10.9 million, compared to \$13.7 million in withdrawals.
- The largest Plan investment options by assets were:

	12/31/19 Balance (\$ mm)	Percentage of Plan Assets (%)
New Mexico LifeCycle Portfolios	185.8	27.6
New Mexico Stable Value	132.3	19.6
Vanguard Inst. Index Fund	96.5	14.3
Fidelity Contrafund	52.3	7.8
T. Rowe Price MidCap Growth	34.6	5.1



### **Plan Observations**

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

### **Investment Menu Observations**

- Two LifeCycle Portfolios (Conservative Portfolio and 2020 Portfolio) matched their respective benchmark, but underperformed the universe median. Seven LifeCycle Portfolios (2025 Portfolio, 2030 Portfolio, 2035 Portfolio, 2040 Portfolio, 2045 Portfolio, 2050 Portfolio, 2055 Portfolio) underperformed their benchmark and respective peer group medians in the fourth quarter.
- Fidelity Contrafund underperformed the Russell 1000 Growth benchmark, but outperformed the peer median. Underperformance was driven by security selection, especially within the information technology sector, which represented about 32% of fund assets, on average, this quarter.
- Dodge & Cox U.S. Equity outperformed both the Russell 1000 Value benchmark and the peer median. Outperformance stemmed from an overweight exposure to the Health Care sector. Top contributors were Cigna, Bristol-Myers Squibb, and UnitedHealth Group.
- T. Rowe Price MidCap Growth underperformed the Russell MidCap Growth benchmark and the peer median. The information technology sector detracted the most from relative returns due to an unfavorable underweight allocation and stock selection.
- Dimensional U.S. Small Cap Core underperformed the Russell 2000 benchmark, but outperformed the peer group. The portfolio's exclusion of stocks with the lowest profitability and highest relative price detracted from relative performance, as those securities outperformed.
- Principal U.S. MidCap Equity underperformed the Russell MidCap Index and the peer group median. The fund's allocation to Restaurant Brands International (a holding company that includes Burger King, Tim Hortons and Popeye's) and Wayfair (an online retailer of furniture) detracted from the fund's performance.

**Investment Menu Observations (continued)**

- Fidelity Low-Priced Stock outperformed the benchmark and the peer median. The fund's outperformance of the small-cap-oriented benchmark was driven by favorable active stock selection in consumer discretionary and information technology.
- Fidelity Diversified International outperformed the MSCI EAFE benchmark and the peer median. The fund's outperformance of the benchmark was primarily driven by stock selection in financials and industrials, as well as an overweight allocation to the information technology sector.
- American Funds EuroPacific Growth outperformed the MSCI ACWI ex USA and the peer median. Select holdings in China-related companies boosted results in the consumer discretionary sector, with Alibaba among the top contributors. Smaller holdings in consumer staples companies were helpful to relative results as the sector lagged the broader market amid a broad rotation out of defensive stocks.
- Aberdeen Emerging Markets Equity underperformed the MSCI Emerging Markets Index and the peer median. Strategy performance was hampered by stock selection in China, specifically the lack of exposure to Alibaba, as the internet giant announced strong quarterly results and successfully listed in Hong Kong in November.
- Franklin Templeton Global Bond outperformed the FTSE WGBI benchmark and the peer group median. Negative duration exposure to US Treasuries contributed to fund performance for the quarter, as did select duration exposures in Latin America.
- Columbia Institutional High Yield exposure is only available via the LifeCycle portfolios. The strategy outperformed both the Barclays High Yield benchmark and the peer median. Higher quality positioning within energy was the most notable contributor to relative performance given the underperformance of lower quality credits within the sector despite a late quarter rally.

**Investment Menu Observations (continued)**

- Invesco Global REITs outperformed both the FTSE EPRA/NAREIT Global REIT index benchmark and the peer median. Security selection in Japan was a top contributor in the Asia Pacific region. In North America, the portfolio's US segment outperformed the benchmark due to security selection. In Europe, the portfolio benefited from security selection in the UK, supported by greater clarity around Brexit. In emerging markets, security selection in China had a positive impact.
- Principal Diversified Real Asset underperformed the Real Asset Custom Benchmark; the peer group median was unavailable. Allocation to master limited partnership hindered results as the asset class fell in the face of weak investor demand and mixed fundamentals.
- 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>. Drivers of performance in underlying funds, PRISA and PRISA II can be attributed to the industrial, apartment and life science sectors. Industrial property fundamentals remain the strongest of all property types, led by assets in Los Angeles. Sizable gains in the apartment sector from development assets and lease-up activity contributed to performance, as well as continued investor demand for life science projects drove performance in San Francisco.
- Oakmark Equity & Income outperformed both the 60% S&P 500/40% Barclays Aggregate benchmark and the peer group median. The largest contributors to portfolio return in the quarter were Bank of America, UnitedHealth Group, CVS Health, Citigroup and Charter Communications.

<sup>1</sup> The Real Asset Custom Benchmark is composed of 40% Barclays U.S. 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.

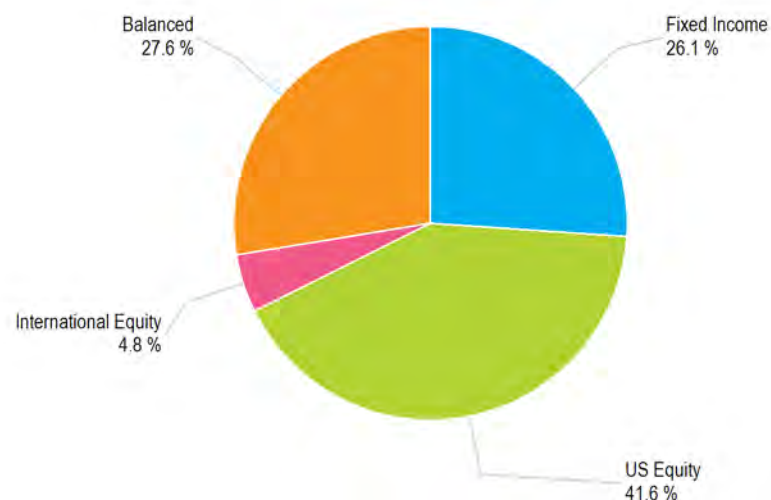
## **Fourth Quarter of 2019 Performance Report**

## Plan Summary

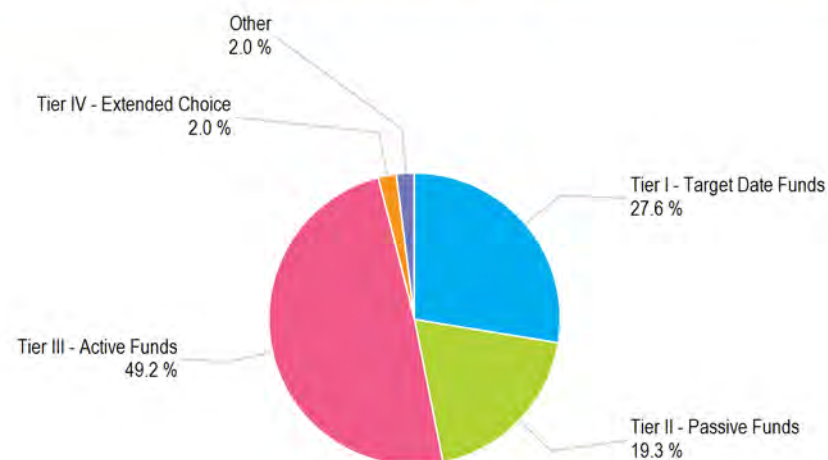
## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Total Fund | As of December 31, 2019

Total Plan Allocation by Asset Class



Total Plan Allocation by Tier



Asset Allocation				
	Current Balance	Current Allocation	4Q Cash Flows	Balance as of 9/30/2019
Tier I - Target Date Funds	\$185,800,124	28%	\$2,271,034	\$175,333,548
Tier II - Passive Funds	\$130,245,297	19%	\$5,983,998	\$115,983,167
Tier III - Active Funds	\$331,376,229	49%	-\$11,260,590	\$325,066,338
Tier IV - Extended Choice	\$13,237,284	2%	\$99,633	\$12,499,760
Other	\$13,364,051	2%	\$100,479	\$13,084,846
<b>Total Fund</b>	<b>\$674,022,984</b>	<b>100%</b>	<b>-\$2,805,445</b>	<b>\$641,967,659</b>

<sup>1</sup> Other represents the Loan Account balance



## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Total Fund | As of December 31, 2019

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 Fund</b>	<b>674,022,984</b>	<b>100.0</b>	<b>-2,805,445</b>							
<b>Tier I - Target Date Funds</b>	<b>185,800,124</b>	<b>27.6</b>	<b>2,271,034</b>							
New Mexico Conservative Portfolio	43,106,912	6.4	90,532	2.7	11.4	5.9	4.2	4.8	4.4	Jul-05
<i>New Mexico Conservative Index</i>				2.7	11.6	6.1	4.2	4.7	4.1	Jul-05
<i>Allocation - 30% to 50% Equity Mstar MF Median</i>				3.5	15.5	6.9	5.3	6.6	5.5	Jul-05
<i>Allocation - 30% to 50% Equity Mstar MF Rank</i>				77	92	82	85	99	87	Jul-05
New Mexico LifeCycle 2020 Portfolio	4,042,337	0.6	149,234	3.2	12.9	6.9	--	--	6.4	Jun-16
<i>New Mexico 2020 Benchmark</i>				3.2	12.7	6.9	--	--	6.4	Jun-16
<i>Target Date 2020 Mstar MF Median</i>				3.8	16.3	7.9	5.8	7.5	7.6	Jun-16
<i>Target Date 2020 Mstar MF Rank</i>				74	96	91	--	--	90	Jun-16
New Mexico LifeCycle 2025 Portfolio	55,873,848	8.3	407,428	4.3	15.9	8.3	5.9	7.2	5.0	Jul-05
<i>New Mexico 2025 Benchmark</i>				4.4	15.5	8.2	5.8	7.1	5.1	Jul-05
<i>Target Date 2025 Mstar MF Median</i>				4.8	18.8	8.9	6.5	8.1	6.4	Jul-05
<i>Target Date 2025 Mstar MF Rank</i>				73	95	91	89	87	96	Jul-05
New Mexico LifeCycle 2030 Portfolio	6,162,429	0.9	543,222	5.2	18.2	9.3	--	--	8.8	Jun-16
<i>New Mexico 2030 Benchmark</i>				5.4	17.7	9.2	--	--	8.8	Jun-16
<i>Target Date 2030 Mstar MF Median</i>				5.8	20.9	9.9	7.1	8.6	9.7	Jun-16
<i>Target Date 2030 Mstar MF Rank</i>				71	92	84	--	--	83	Jun-16



# New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Total Fund | As of December 31, 2019

	Market Value (\$)	% of Portfolio	3 Mo Net Cash Flows (\$)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
New Mexico LifeCycle 2035 Portfolio	35,233,536	5.2	81,294	5.9	19.6	10.0	7.0	8.1	6.3	Jul-05
<i>New Mexico 2035 Benchmark</i>				6.1	19.0	9.8	6.8	8.0	5.8	Jul-05
<i>Target Date 2035 Mstar MF Median</i>				6.5	22.5	10.6	7.6	9.1	6.9	Jul-05
<i>Target Date 2035 Mstar MF Rank</i>				74	94	86	83	95	82	Jul-05
New Mexico LifeCycle 2040 Portfolio	5,319,658	0.8	241,780	6.4	20.7	10.4	--	--	9.9	Jun-16
<i>New Mexico 2040 Benchmark</i>				6.6	19.9	10.2	--	--	9.9	Jun-16
<i>Target Date 2040 Mstar MF Median</i>				7.1	23.9	10.9	7.9	9.2	11.2	Jun-16
<i>Target Date 2040 Mstar MF Rank</i>				77	93	85	--	--	90	Jun-16
New Mexico LifeCycle 2045 Portfolio	20,293,294	3.0	33	6.6	21.3	10.7	7.4	8.9	6.9	Jul-05
<i>New Mexico 2045 Benchmark</i>				6.9	20.5	10.4	7.1	8.3	6.0	Jul-05
<i>Target Date 2045 Mstar MF Median</i>				7.5	25.1	11.4	8.1	9.5	6.6	Jul-05
<i>Target Date 2045 Mstar MF Rank</i>				82	99	89	94	89	34	Jul-05
New Mexico LifeCycle 2050 Portfolio	3,952,739	0.6	356,644	6.4	21.4	10.8	--	--	10.3	Jun-16
<i>New Mexico 2050 Benchmark</i>				7.1	21.0	10.6	--	--	10.4	Jun-16
<i>Target Date 2050 Mstar MF Median</i>				7.7	25.3	11.5	8.2	9.5	11.8	Jun-16
<i>Target Date 2050 Mstar MF Rank</i>				94	97	90	--	--	98	Jun-16
New Mexico LifeCycle 2055 Portfolio	11,815,372	1.8	400,868	7.0	22.2	11.1	7.6	9.0	5.9	Apr-07
<i>New Mexico 2055 Benchmark</i>				7.3	21.3	10.8	7.3	8.4	5.0	Apr-07
<i>Target Date 2055 Mstar MF Median</i>				7.8	25.2	11.6	8.2	9.4	--	Apr-07
<i>Target Date 2055 Mstar MF Rank</i>				86	98	83	92	94	--	Apr-07

# New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Total Fund | As of December 31, 2019

	Market Value (\$)	% of Portfolio	3 Mo Net Cash Flows (\$)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Tier II - Passive Funds</b>	<b>130,245,297</b>	<b>19.3</b>	<b>5,983,998</b>							
Vanguard Total Bond Market Index	22,243,365	3.3	2,727,894	0.0	8.7	4.0	3.0	3.7	5.1	Oct-95
BBgBarc US Aggregate TR				0.2	8.7	4.0	3.0	3.7	5.2	Oct-95
eV US Core Fixed Inc Net Median				0.2	9.0	4.1	3.1	4.0	5.3	Oct-95
eV US Core Fixed Inc Net Rank				71	68	56	69	75	70	Oct-95
Vanguard Inflation-Protected Securities	5,180,365	0.8	351,266	0.5	8.2	3.2	2.5	3.3	5.2	Jul-00
BBgBarc US TIPS TR				0.8	8.4	3.3	2.6	3.4	5.3	Jul-00
eV US TIPS / Inflation Fixed Inc Net Median				0.8	8.5	3.3	2.5	3.2	5.5	Jul-00
eV US TIPS / Inflation Fixed Inc Net Rank				87	64	62	57	47	83	Jul-00
Vanguard Institutional Index (S&P 500)	96,450,029	14.3	399,016	9.1	31.5	15.3	11.7	13.5	10.1	Aug-90
S&P 500				9.1	31.5	15.3	11.7	13.6	10.1	Aug-90
eV US Large Cap Core Equity Net Median				8.0	28.9	13.6	10.3	12.8	10.4	Aug-90
eV US Large Cap Core Equity Net Rank				28	29	25	19	13	55	Aug-90
Vanguard Total International Stock Index	6,371,537	0.9	2,505,822	9.0	21.6	9.9	5.9	--	5.4	Dec-10
Spliced Total International Stock Index				9.3	21.8	9.8	5.8	5.1	5.4	Dec-10
eV ACWI ex-US Core Equity Net Median				9.9	23.3	10.1	6.0	6.3	6.5	Dec-10
eV ACWI ex-US Core Equity Net Rank				74	65	55	52	--	74	Dec-10

## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Total Fund | As of December 31, 2019

	Market Value (\$)	% of Portfolio	3 Mo Net Cash Flows (\$)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Tier III - Active Funds</b>	<b>331,376,229</b>	<b>49.2</b>	<b>-11,260,590</b>							
New Mexico Stable Value Fund	132,291,687	19.6	-3,890,803	0.7	2.5	2.1	1.9	--	1.7	Jul-12
<i>Citigroup 3-month Treasury Bill + 1%</i>				0.7	3.3	2.7	2.1	1.6	1.7	Jul-12
<i>eV US Stable Value Fixed Inc Net Median</i>				0.6	2.5	2.2	2.2	2.4	2.1	Jul-12
<i>eV US Stable Value Fixed Inc Net Rank</i>				8	51	85	81	--	83	Jul-12
Oakmark Equity & Income	20,312,307	3.0	-1,087,359	5.8	19.3	7.8	5.8	7.8	9.9	Dec-95
<i>60% S&amp;P 500 &amp; 40% Barclays Aggregate</i>				5.5	22.2	10.9	8.4	9.8	7.9	Dec-95
<i>Balanced MStar MF Median</i>				4.7	18.6	8.2	6.1	8.1	7.2	Dec-95
<i>Balanced MStar MF Rank</i>				27	47	57	56	57	3	Dec-95
Dodge & Cox U.S. Equity	32,967,871	4.9	-1,793,060	10.1	24.8	11.1	9.7	12.6	11.1	Feb-65
<i>Russell 1000 Value</i>				7.4	26.5	9.7	8.3	11.8	--	Feb-65
<i>eV US Large Cap Value Equity Net Median</i>				7.7	26.3	10.3	8.2	11.3	--	Feb-65
<i>eV US Large Cap Value Equity Net Rank</i>				14	67	38	22	16	--	Feb-65
Fidelity Contrafund	52,315,755	7.8	-1,885,827	10.3	30.2	19.0	13.2	14.1	12.6	Jun-67
<i>Russell 1000 Growth</i>				10.6	36.4	20.5	14.6	15.2	--	Jun-67
<i>eV US Large Cap Growth Equity Net Median</i>				9.6	33.4	19.3	13.0	13.9	--	Jun-67
<i>eV US Large Cap Growth Equity Net Rank</i>				33	80	53	46	44	--	Jun-67
Fidelity Diversified International	11,783,613	1.7	-217,453	10.0	29.8	11.8	6.8	6.7	8.3	Jan-92
<i>MSCI EAFE</i>				8.2	22.0	9.6	5.7	5.5	5.4	Jan-92
<i>eV EAFE Core Equity Net Median</i>				9.0	22.2	9.3	6.3	7.0	7.1	Jan-92
<i>eV EAFE Core Equity Net Rank</i>				36	6	19	42	56	20	Jan-92

## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Total Fund | As of December 31, 2019

	Market Value (\$)	% of Portfolio	3 Mo Net Cash Flows (\$)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
American Funds EuroPacific Growth	10,012,926	1.5	-562,568	10.1	27.4	12.5	7.4	6.7	10.7	May-84
<i>MSCI ACWI ex USA</i>				8.9	21.5	9.9	5.5	5.0	--	May-84
<i>eV ACWI ex-US All Cap Core Eq Net Median</i>				9.7	24.6	10.4	5.8	6.5	--	May-84
<i>eV ACWI ex-US All Cap Core Eq Net Rank</i>				41	17	24	17	44	--	May-84
Principal U.S. MidCap Equity	16,351,758	2.4	403,039	6.2	42.9	18.7	13.3	16.2	11.1	Jan-01
<i>Russell MidCap</i>				7.1	30.5	12.1	9.3	13.2	9.0	Jan-01
<i>eV US Mid Cap Core Equity Net Median</i>				7.0	28.3	10.9	9.0	12.5	8.9	Jan-01
<i>eV US Mid Cap Core Equity Net Rank</i>				73	1	6	5	1	2	Jan-01
T. Rowe Price MidCap Growth	34,590,682	5.1	-1,842,623	6.9	33.1	17.9	13.4	15.7	12.5	Aug-96
<i>Russell MidCap Growth</i>				8.2	35.5	17.4	11.6	14.2	9.9	Aug-96
<i>eV US Mid Cap Growth Equity Net Median</i>				7.3	35.7	17.2	11.5	13.5	11.3	Aug-96
<i>eV US Mid Cap Growth Equity Net Rank</i>				56	66	42	13	6	1	Aug-96
Fidelity Low-Priced Stock	8,956,780	1.3	-88,783	12.5	25.8	10.7	8.3	12.0	13.5	Jan-90
<i>Russell 2500 Value</i>				7.1	23.6	6.1	7.2	11.3	11.0	Jan-90
<i>eV US Small Cap Value Equity Net Median</i>				7.8	23.8	4.5	6.5	11.0	12.0	Jan-90
<i>eV US Small Cap Value Equity Net Rank</i>				3	29	7	19	25	1	Jan-90
Dimensional U.S. Small Cap Core	11,792,848	1.7	-295,154	8.5	21.7	5.7	7.1	12.1	10.3	Apr-92
<i>Russell 2000</i>				9.9	25.5	8.6	8.2	11.8	9.4	Apr-92
<i>eV US Small Cap Core Equity Net Median</i>				8.3	24.3	8.2	8.5	12.1	11.5	Apr-92
<i>eV US Small Cap Core Equity Net Rank</i>				47	69	81	71	48	75	Apr-92

## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Total Fund | As of December 31, 2019

	Market Value (\$)	% of Portfolio	3 Mo Net Cash Flows (\$)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Tier IV - Extended Choice</b>	<b>13,237,284</b>	<b>2.0</b>	<b>99,633</b>							
Franklin Templeton Global Bond	2,561,078	0.4	-322,123	1.6	1.0	1.8	1.6	3.7	6.5	Apr-96
<i>FTSE WGBI TR</i>				-0.4	5.9	4.1	2.0	1.9	4.2	Apr-96
<i>eV Global Agg Fixed Inc Net Median</i>				0.3	7.9	4.5	2.4	2.8	4.8	Apr-96
<i>eV Global Agg Fixed Inc Net Rank</i>				4	99	99	89	31	5	Apr-96
Principal Diversified Real Asset	417,360	0.1	8,983	4.6	15.0	5.3	1.6	--	4.1	Apr-10
<i>Real Asset Custom Benchmark</i>				4.8	15.5	6.2	3.8	4.1	4.1	Apr-10
Invesco Global REITs	2,195,398	0.3	193,376	3.3	22.9	9.4	5.7	8.2	6.5	May-05
<i>FTSE EPRA/NAREIT Global Real Estate Index</i>				2.0	22.4	9.1	6.4	9.2	6.6	May-05
<i>eV Global REIT Net Median</i>				2.7	25.3	9.6	6.5	9.4	6.7	May-05
<i>eV Global REIT Net Rank</i>				37	71	52	62	82	79	May-05
Aberdeen Emerging Markets Equity	2,126,379	0.3	-173,803	9.4	20.4	10.2	5.3	5.3	5.8	Jun-07
<i>MSCI Emerging Markets</i>				11.8	18.4	11.6	5.6	3.7	3.2	Jun-07
<i>eV Emg Mkts Equity Net Median</i>				11.4	19.3	10.7	5.5	4.4	3.5	Jun-07
<i>eV Emg Mkts Equity Net Rank</i>				78	46	61	57	29	10	Jun-07
Self Directed Brokerage Options	5,937,069	0.9	393,200							

# New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Total Fund | As of December 31, 2019

	Market Value (\$)	% of Portfolio	3 Mo Net Cash Flows (\$)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Other</b>	<b>13,364,051</b>	<b>2.0</b>	<b>100,479</b>							
Columbia Institutional High Yield	--	--		2.7	17.2	6.2	5.7	--	5.8	Dec-12
ICE BofAML US High Yield Cash Pay Constrained TR				2.6	14.4	6.3	6.1	7.5	5.9	Dec-12
eV US High Yield Fixed Inc Net Median				2.4	13.5	5.9	5.6	7.1	5.5	Dec-12
eV US High Yield Fixed Inc Net Rank				27	3	28	37	--	32	Dec-12
Prudential Retirement Real Estate Fund II	--	--		1.4	9.2	--	--	--	7.6	Jan-18
PRREF II Custom Benchmark				1.1	8.1	--	--	--	7.2	Jan-18
Loan Account	13,364,051	2.0	100,479							



## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Total Fund | As of December 31, 2019

Calendar Year Performance										
	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)
<b>Total Fund</b>										
<b>Tier I - Target Date Funds</b>										
New Mexico Conservative Portfolio	11.4	-1.8	8.6	4.9	-1.3	4.4	4.2	9.3	2.9	6.7
<i>New Mexico Conservative Index</i>	11.6	-1.6	8.8	4.1	-1.1	4.0	4.0	8.5	3.1	6.0
<i>Allocation - 30% to 50% Equity Mstar MF Median</i>	15.5	-4.5	10.4	6.8	-1.2	4.2	7.1	10.2	2.2	10.4
<i>Allocation - 30% to 50% Equity Mstar MF Rank</i>	92	1	77	89	55	46	81	61	36	96
New Mexico LifeCycle 2020 Portfolio	12.9	-2.8	11.2	--	--	--	--	--	--	--
<i>New Mexico 2020 Benchmark</i>	12.7	-2.5	11.3	--	--	--	--	--	--	--
<i>Target Date 2020 Mstar MF Median</i>	16.3	-4.2	13.0	6.5	-1.1	5.1	13.3	12.2	-0.1	12.7
<i>Target Date 2020 Mstar MF Rank</i>	96	3	82	--	--	--	--	--	--	--
New Mexico LifeCycle 2025 Portfolio	15.9	-4.1	14.3	6.7	-1.6	6.0	13.5	16.5	-2.6	10.6
<i>New Mexico 2025 Benchmark</i>	15.5	-4.0	14.4	6.2	-1.7	5.3	14.2	14.6	-1.9	10.8
<i>Target Date 2025 Mstar MF Median</i>	18.8	-5.2	15.2	7.2	-1.2	5.2	16.7	13.3	-1.5	13.5
<i>Target Date 2025 Mstar MF Rank</i>	95	13	80	75	70	28	86	1	79	99
New Mexico LifeCycle 2030 Portfolio	18.2	-5.1	16.4	--	--	--	--	--	--	--
<i>New Mexico 2030 Benchmark</i>	17.7	-5.1	16.4	--	--	--	--	--	--	--
<i>Target Date 2030 Mstar MF Median</i>	20.9	-6.2	17.1	7.4	-1.1	5.4	19.3	13.9	-2.2	13.7
<i>Target Date 2030 Mstar MF Rank</i>	92	18	67	--	--	--	--	--	--	--
New Mexico LifeCycle 2035 Portfolio	19.6	-5.9	18.1	7.4	-1.9	5.7	16.3	18.4	-4.4	11.8
<i>New Mexico 2035 Benchmark</i>	19.0	-5.9	18.2	7.1	-2.2	4.9	17.1	16.2	-3.5	12.5
<i>Target Date 2035 Mstar MF Median</i>	22.5	-6.9	18.8	8.0	-1.4	5.5	20.9	15.3	-3.2	14.7
<i>Target Date 2035 Mstar MF Rank</i>	94	15	74	73	72	40	92	1	85	99

## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Total Fund | As of December 31, 2019

	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)
New Mexico LifeCycle 2040 Portfolio	20.7	-6.4	19.1	--	--	--	--	--	--	--
<i>New Mexico 2040 Benchmark</i>	19.9	-6.4	19.2	--	--	--	--	--	--	--
<i>Target Date 2040 Mstar MF Median</i>	23.9	-7.5	19.9	8.1	-1.3	5.6	23.0	15.2	-3.7	14.5
<i>Target Date 2040 Mstar MF Rank</i>	93	14	77	--	--	--	--	--	--	--
New Mexico LifeCycle 2045 Portfolio	21.3	-6.8	20.0	7.5	-2.0	5.6	17.6	19.5	-5.3	17.0
<i>New Mexico 2045 Benchmark</i>	20.5	-6.8	19.9	7.3	-2.4	4.8	18.6	17.0	-4.3	12.9
<i>Target Date 2045 Mstar MF Median</i>	25.1	-8.0	21.0	8.3	-1.5	5.7	23.5	15.7	-3.9	15.2
<i>Target Date 2045 Mstar MF Rank</i>	99	6	75	73	72	60	96	1	90	1
New Mexico LifeCycle 2050 Portfolio	21.4	-7.0	20.4	--	--	--	--	--	--	--
<i>New Mexico 2050 Benchmark</i>	21.0	-7.1	20.4	--	--	--	--	--	--	--
<i>Target Date 2050 Mstar MF Median</i>	25.3	-8.3	21.4	8.3	-1.3	5.8	23.8	15.8	-3.8	15.3
<i>Target Date 2050 Mstar MF Rank</i>	97	5	78	--	--	--	--	--	--	--
New Mexico LifeCycle 2055 Portfolio	22.2	-7.2	20.8	7.6	-2.0	5.6	18.2	19.7	-5.2	15.8
<i>New Mexico 2055 Benchmark</i>	21.3	-7.2	20.8	7.4	-2.5	4.7	19.2	17.4	-4.5	12.9
<i>Target Date 2055 Mstar MF Median</i>	25.2	-8.4	21.5	8.4	-1.4	6.0	23.9	15.8	-4.0	15.1
<i>Target Date 2055 Mstar MF Rank</i>	98	11	78	77	76	58	99	1	78	31
<b>Tier II - Passive Funds</b>										
Vanguard Total Bond Market Index	8.7	0.0	3.6	2.6	0.4	5.9	-2.1	4.2	7.7	6.6
<i>BBgBarc US Aggregate TR</i>	8.7	0.0	3.5	2.6	0.5	6.0	-2.0	4.2	7.8	6.5
<i>eV US Core Fixed Inc Net Median</i>	9.0	-0.2	3.8	3.1	0.5	5.6	-1.8	5.9	7.3	7.2
<i>eV US Core Fixed Inc Net Rank</i>	68	39	65	73	64	40	76	88	28	73



## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Total Fund | As of December 31, 2019

	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)
Vanguard Inflation-Protected Securities	8.2	-1.4	3.0	4.6	-1.7	4.1	-8.8	6.9	13.4	6.3
<i>BBgBarc US TIPS TR</i>	8.4	-1.3	3.0	4.7	-1.4	3.6	-8.6	7.0	13.6	6.3
<i>eV US TIPS / Inflation Fixed Inc Net Median</i>	8.5	-1.4	3.1	4.6	-1.6	3.3	-8.8	7.2	13.4	6.5
<i>eV US TIPS / Inflation Fixed Inc Net Rank</i>	64	47	59	50	54	11	53	68	49	69
Vanguard Institutional Index (S&P 500)	31.5	-4.4	21.8	11.9	1.4	13.6	32.4	16.0	2.1	15.0
<i>S&amp;P 500</i>	31.5	-4.4	21.8	12.0	1.4	13.7	32.4	16.0	2.1	15.1
<i>eV US Large Cap Core Equity Net Median</i>	28.9	-5.8	21.4	9.3	0.6	12.5	31.8	14.8	-0.3	13.3
<i>eV US Large Cap Core Equity Net Rank</i>	29	32	46	21	37	33	43	31	26	23
Vanguard Total International Stock Index	21.6	-14.4	27.6	4.7	-4.2	-4.1	15.1	18.3	-14.5	--
<i>Spliced Total International Stock Index</i>	21.8	-14.6	27.4	4.7	-4.3	-3.4	15.8	17.0	-14.3	10.7
<i>eV ACWI ex-US Core Equity Net Median</i>	23.3	-15.7	28.7	1.0	-1.4	-3.2	18.2	18.3	-12.7	13.3
<i>eV ACWI ex-US Core Equity Net Rank</i>	65	37	66	22	77	61	91	47	59	--
<b>Tier III - Active Funds</b>										
New Mexico Stable Value Fund	2.5	2.1	1.8	1.7	1.5	1.2	1.4	--	--	--
<i>Citigroup 3-month Treasury Bill + 1%</i>	3.3	2.9	1.8	1.3	1.0	1.0	1.1	1.1	1.1	1.1
<i>eV US Stable Value Fixed Inc Net Median</i>	2.5	1.5	1.8	1.5	1.4	1.6	0.3	3.1	5.1	--
<i>eV US Stable Value Fixed Inc Net Rank</i>	51	30	51	44	43	77	22	--	--	--
Oakmark Equity & Income	19.3	-8.3	14.5	11.0	-4.6	6.9	24.2	9.1	0.7	9.5
<i>60% S&amp;P 500 &amp; 40% Barclays Aggregate</i>	22.2	-2.3	14.2	8.3	1.3	10.6	17.6	11.3	4.7	12.1
<i>Balanced MStar MF Median</i>	18.6	-5.5	12.5	7.0	-1.2	5.7	16.1	12.2	0.3	12.2
<i>Balanced MStar MF Rank</i>	47	83	36	13	86	29	11	85	47	88

## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Total Fund | As of December 31, 2019

	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)
Dodge & Cox U.S. Equity	24.8	-7.1	18.3	21.3	-4.5	10.4	40.5	22.0	-4.1	13.5
<i>Russell 1000 Value</i>	26.5	-8.3	13.7	17.3	-3.8	13.5	32.5	17.5	0.4	15.5
<i>eV US Large Cap Value Equity Net Median</i>	26.3	-9.0	16.7	13.8	-3.1	11.3	33.1	15.3	0.0	13.6
<i>eV US Large Cap Value Equity Net Rank</i>	67	31	34	6	64	69	10	5	79	51
Fidelity Contrafund	30.2	-2.1	32.3	3.5	6.6	9.7	34.3	16.4	0.0	17.1
<i>Russell 1000 Growth</i>	36.4	-1.5	30.2	7.1	5.7	13.0	33.5	15.3	2.6	16.7
<i>eV US Large Cap Growth Equity Net Median</i>	33.4	-1.3	28.5	3.4	4.1	11.1	34.0	15.7	-0.8	16.3
<i>eV US Large Cap Growth Equity Net Rank</i>	80	57	25	48	27	64	48	41	40	44
Fidelity Diversified International	29.8	-15.1	26.8	-3.6	3.2	-3.0	25.3	19.6	-13.6	9.9
<i>MSCI EAFE</i>	22.0	-13.8	25.0	1.0	-0.8	-4.9	22.8	17.3	-12.1	7.8
<i>eV EAFE Core Equity Net Median</i>	22.2	-16.0	27.1	-0.4	1.5	-3.9	24.4	20.1	-12.7	12.0
<i>eV EAFE Core Equity Net Rank</i>	6	41	52	89	30	39	44	54	61	73
American Funds EuroPacific Growth	27.4	-14.9	31.2	1.0	-0.5	-2.3	20.6	19.6	-13.3	9.8
<i>MSCI ACWI ex USA</i>	21.5	-14.2	27.2	4.5	-5.7	-3.9	15.3	16.8	-13.7	11.2
<i>eV ACWI ex-US All Cap Core Eq Net Median</i>	24.6	-15.0	28.7	1.2	-1.5	-2.3	18.2	17.8	-11.0	14.2
<i>eV ACWI ex-US All Cap Core Eq Net Rank</i>	17	50	26	52	39	50	36	24	67	80
Principal U.S. MidCap Equity	42.9	-6.7	25.3	10.2	1.5	12.7	33.6	19.2	8.0	23.8
<i>Russell MidCap</i>	30.5	-9.1	18.5	13.8	-2.4	13.2	34.8	17.3	-1.5	25.5
<i>eV US Mid Cap Core Equity Net Median</i>	28.3	-11.0	18.9	10.6	-0.5	8.2	35.2	14.3	-1.7	23.5
<i>eV US Mid Cap Core Equity Net Rank</i>	1	25	8	55	31	22	66	15	1	35
T. Rowe Price MidCap Growth	33.1	-2.2	26.0	6.9	6.9	13.8	37.9	14.5	-1.3	29.3
<i>Russell MidCap Growth</i>	35.5	-4.8	25.3	7.3	-0.2	11.9	35.7	15.8	-1.7	26.4
<i>eV US Mid Cap Growth Equity Net Median</i>	35.7	-4.4	24.7	5.2	-0.5	7.6	35.1	14.7	-2.7	26.0
<i>eV US Mid Cap Growth Equity Net Rank</i>	66	32	35	30	1	5	27	53	38	24

## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Total Fund | As of December 31, 2019

	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)
Fidelity Low-Priced Stock	25.8	-10.7	20.8	8.9	0.9	7.7	34.4	18.7	0.0	20.9
<i>Russell 2500 Value</i>	23.6	-12.4	10.4	25.2	-5.5	7.1	33.3	19.2	-3.4	24.8
<i>eV US Small Cap Value Equity Net Median</i>	23.8	-15.0	10.3	26.2	-4.6	5.0	37.1	15.9	-3.0	25.0
<i>eV US Small Cap Value Equity Net Rank</i>	29	17	3	99	5	19	71	29	27	84
Dimensional U.S. Small Cap Core	21.7	-13.1	11.5	23.5	-3.3	4.4	42.2	18.4	-3.2	30.7
<i>Russell 2000</i>	25.5	-11.0	14.6	21.3	-4.4	4.9	38.8	16.3	-4.2	26.9
<i>eV US Small Cap Core Equity Net Median</i>	24.3	-11.1	14.4	19.5	-2.1	4.4	38.9	15.6	-1.6	25.8
<i>eV US Small Cap Core Equity Net Rank</i>	69	67	77	22	62	50	25	22	62	11
<b>Tier IV - Extended Choice</b>										
Franklin Templeton Global Bond	1.0	1.6	2.8	6.8	-3.9	2.0	2.4	15.8	-2.4	12.7
<i>FTSE WGBI TR</i>	5.9	-0.8	7.5	1.6	-3.6	-0.5	-4.0	1.6	6.4	5.2
<i>eV Global Agg Fixed Inc Net Median</i>	7.9	-1.7	7.5	2.7	-3.0	1.9	-2.8	6.8	4.8	6.9
<i>eV Global Agg Fixed Inc Net Rank</i>	99	1	99	2	67	48	1	7	99	4
Principal Diversified Real Asset	15.0	-7.9	10.2	5.9	-12.4	2.5	5.4	7.7	0.8	--
<i>Real Asset Custom Benchmark</i>	15.5	-6.4	10.7	7.6	-6.6	-0.5	2.9	9.2	-0.4	11.5
Invesco Global REITs	22.9	-5.9	13.1	2.1	-1.1	14.8	3.0	28.4	-6.5	17.7
<i>FTSE EPRA/NAREIT Global Real Estate Index</i>	22.4	-4.7	11.4	5.0	0.1	15.9	4.4	28.7	-5.8	20.4
<i>eV Global REIT Net Median</i>	25.3	-5.6	11.9	3.8	0.5	16.8	5.2	29.1	-5.2	19.8
<i>eV Global REIT Net Rank</i>	71	53	40	72	73	83	84	66	67	99
Aberdeen Emerging Markets Equity	20.4	-14.6	30.2	12.0	-13.7	-2.5	-7.5	26.2	-11.0	27.6
<i>MSCI Emerging Markets</i>	18.4	-14.6	37.3	11.2	-14.9	-2.2	-2.6	18.2	-18.4	18.9
<i>eV Emg Mkts Equity Net Median</i>	19.3	-16.2	37.1	8.2	-12.9	-0.8	-0.1	19.6	-18.1	21.1
<i>eV Emg Mkts Equity Net Rank</i>	46	32	81	31	59	66	97	2	6	10
Self Directed Brokerage Options										



## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Total Fund | As of December 31, 2019

	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)
<b>Other</b>										
Columbia Institutional High Yield	17.2	-4.1	6.6	11.6	-1.1	4.1	6.3	--	--	--
ICE BofAML US High Yield Cash Pay Constrained TR	14.4	-2.2	7.5	17.3	-4.5	2.5	7.4	15.4	4.5	15.1
eV US High Yield Fixed Inc Net Median	13.5	-2.3	7.1	13.5	-3.3	1.9	7.3	14.8	3.7	14.1
eV US High Yield Fixed Inc Net Rank	3	89	61	71	21	15	75	--	--	--
Prudential Retirement Real Estate Fund II	9.2	6.1	--	--	--	--	--	--	--	--
PRREF II Custom Benchmark	8.1	6.3	--	--	--	--	--	--	--	--
Loan Account										

<sup>1</sup> Columbia Institutional High Yield and Prudential Retirement Real Estate Fund II are only offered as underlying components of the New Mexico LifeCycle Portfolios.

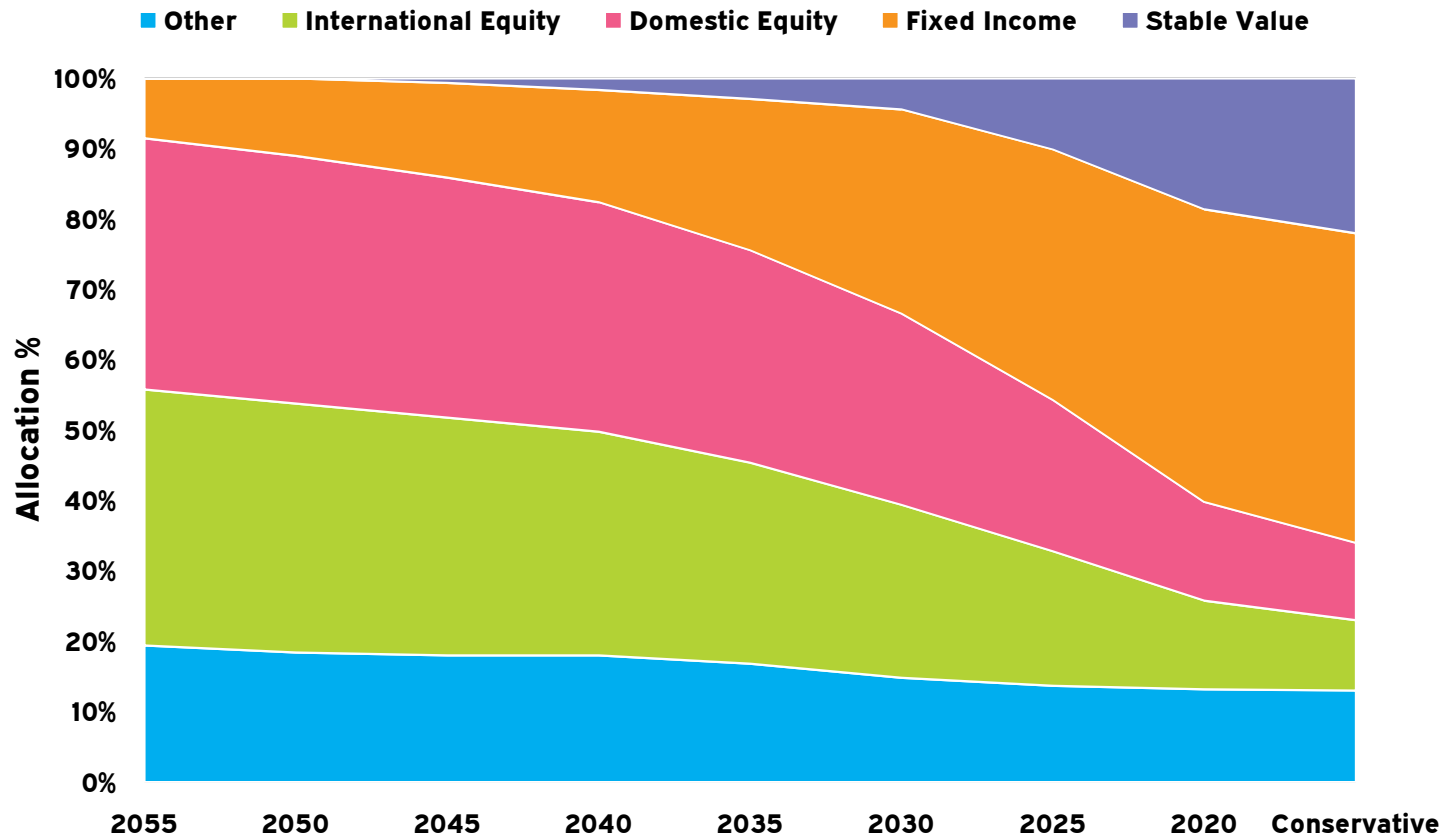
# New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Total Fund | As of December 31, 2019

Investment Expense Analysis								
As Of December 31, 2019								
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>\$185,800,124</b>						
New Mexico Conservative Portfolio	Target Date	\$43,106,912	0.35	152,361	0.42	-0.07	-	0.00
New Mexico LifeCycle 2020 Portfolio	Target Date	\$4,042,337	0.36	14,374	0.63	-0.27	-	0.00
New Mexico LifeCycle 2025 Portfolio	Target Date	\$55,873,848	0.36	203,487	0.64	-0.28	-	0.00
New Mexico LifeCycle 2030 Portfolio	Target Date	\$6,162,429	0.37	22,867	0.66	-0.29	-	0.00
New Mexico LifeCycle 2035 Portfolio	Target Date	\$35,233,536	0.40	142,654	0.67	-0.27	-	0.00
New Mexico LifeCycle 2040 Portfolio	Target Date	\$5,319,658	0.43	22,905	0.69	-0.26	-	0.00
New Mexico LifeCycle 2045 Portfolio	Target Date	\$20,293,294	0.43	86,886	0.71	-0.28	-	0.00
New Mexico LifeCycle 2050 Portfolio	Target Date	\$3,952,739	0.43	16,878	0.71	-0.28	-	0.00
New Mexico LifeCycle 2055 Portfolio	Target Date	\$11,815,372	0.43	50,485	0.72	-0.29	-	0.00
<b>Tier II - Passive Funds</b>		<b>\$130,245,297</b>						
Vanguard Total Bond Market Index	Bonds	\$22,243,365	0.04	8,897	0.49	-0.45	-	0.00
Vanguard Inflation-Protected Securities	Bonds	\$5,180,365	0.07	3,626	0.45	-0.38	-	0.00
Vanguard Institutional Index (S&P 500)	US Large Cap	\$96,450,029	0.02	19,290	0.71	-0.69	-	0.00
Vanguard Total International Stock Index	International Equity	\$6,371,537	0.08	5,097	0.85	-0.77	-	0.00
<b>Tier III - Active Funds</b>		<b>\$331,376,229</b>						
New Mexico Stable Value Fund	Bonds (Stable Value)	\$132,291,687	0.35	463,021	0.50	-0.15	-	0.00
Oakmark Equity & Income	Balanced	\$20,312,307	0.81	164,530	0.83	-0.02	\$60,937	0.30
Dodge & Cox U.S. Equity	US Large Cap	\$32,967,871	0.52	171,433	0.87	-0.35	\$32,968	0.10
Fidelity Contrafund	US Large Cap	\$52,315,755	0.73	381,905	0.62	0.11	-	0.00
Fidelity Diversified International	International Equity	\$11,783,613	0.63	74,237	0.80	-0.17	-	0.00
American Funds EuroPacific Growth	International Equity	\$10,012,926	0.49	49,063	0.80	-0.31	-	0.00
Principal U.S. MidCap Equity	US Mid Cap	\$16,351,758	0.69	112,827	0.87	-0.18	\$16,352	0.10
T. Rowe Price MidCap Growth	US Mid Cap	\$34,590,682	0.61	211,003	0.87	-0.26	-	0.00
Fidelity Low-Priced Stock	US Mid Cap	\$8,956,780	0.43	38,514	0.80	-0.37	-	0.00
Dimensional U.S. Small Cap Core	US Small Cap	\$11,792,848	0.37	43,634	0.96	-0.59	-	0.00
<b>Tier IV - Extended Choice</b>		<b>\$13,237,284</b>						
Franklin Templeton Global Bond	International Bonds	\$2,561,078	0.57	14,598	0.67	-0.10	-	0.00
Principal Diversified Real Asset	Real Assets	\$417,360	0.86	3,589	0.90	-0.04	\$417	0.10
Invesco Global REITs	REITs	\$2,195,398	0.92	20,198	0.89	0.03	\$7,684	0.35
Aberdeen Emerging Markets Equity	International Equity	\$2,126,379	1.10	23,390	1.14	-0.04	-	0.00
Self Directed Brokerage Options	Brokerage Window	\$5,937,069	-	-	-	-	-	-
<b>Other</b>		<b>\$13,364,051</b>						
Columbia High Yield	Bonds	-	0.66	-	0.71	-5.00	-	0.00
Loan Account	Other	\$13,364,051	-	-	-	-	-	-
Prudential Retirement Real Estate Fund II	Private Real Estate	-	0.90	-	N/A	N/A	-	NA
<b>Total</b>		<b>\$674,022,984</b>	<b>0.37%</b>	<b>\$2,521,749</b>			<b>\$118,358</b>	<b>0.02</b>

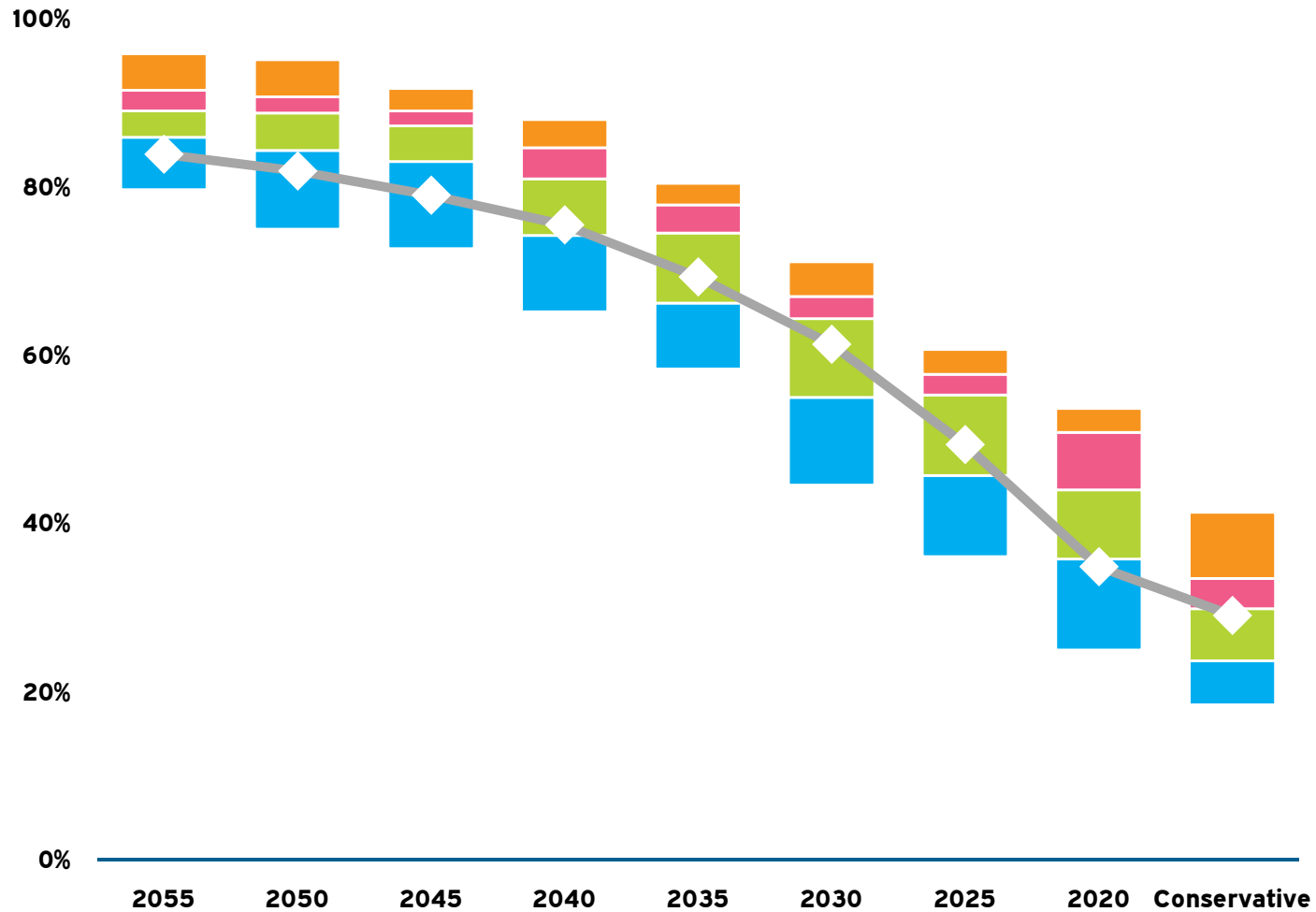
## LifeCycle Funds Detail As of December 31, 2019

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

	2055 Portfolio (%)	2050 Portfolio (%)	2045 Portfolio (%)	2040 Portfolio (%)	2035 Portfolio (%)	2030 Portfolio (%)	2025 Portfolio (%)	2020 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 Bonds</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>
Templeton Global Bond Fund	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
DFA US Small Cap Portfolio	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
Aberdeen Emerging Markets	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

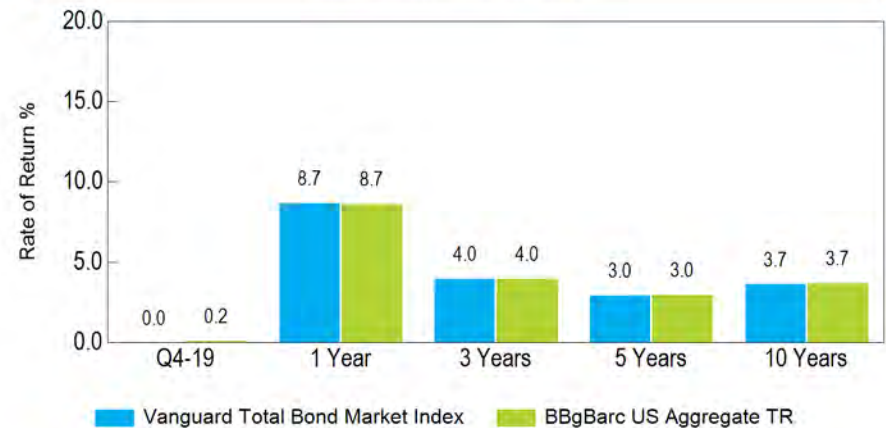
## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Vanguard Total Bond Market Index | As of December 31, 2019

### Fund Information as of December 31, 2019

<b>Fund Name</b>	VANGUARD TOTAL BOND MARKET INDEX I
<b>Ticker</b>	VBPIX
<b>Morningstar Category</b>	Intermediate Core Bond
<b>Benchmark</b>	BBgBarc US Aggregate TR
<b>Expense Ratio</b>	0.04%
<b>Fund Assets (\$mm)</b>	47,477.16
<b>Share Class Inception Date</b>	9/18/1995
<b>Manager Tenure</b>	7

### Return Summary Ending December 31, 2019



### Fund Characteristics as of December 31, 2019

<b>Sharpe Ratio (3 Year)</b>	0.81
<b>Average Duration</b>	6.26
<b>Average Coupon</b>	3.20%
<b>Average Effective Maturity</b>	8.20
<b>R-Squared (3 Year)</b>	0.99
<b>Alpha (3 Year)</b>	0.00%
<b>Beta (3 Year)</b>	1.01

### Credit Quality as of November 30, 2019

<b>AAA</b>	66.24%
<b>AA</b>	3.43%
<b>A</b>	11.16%
<b>BBB</b>	19.17%
<b>BB</b>	0.00%
<b>B</b>	0.00%
<b>Below B</b>	0.00%
<b>Not Rated</b>	0.00%

### Fixed Income Sectors as of December 31, 2019

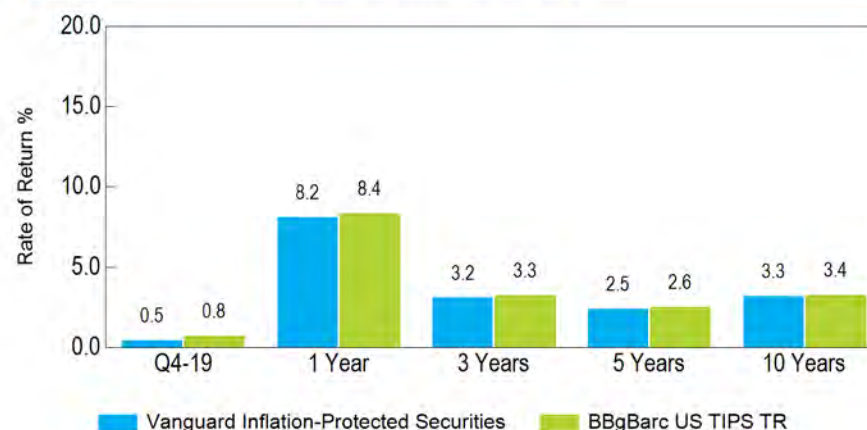
<b>GOVERNMENT</b>	46.34%
<b>MUNICIPAL</b>	0.64%
<b>CORPORATE</b>	26.41%
<b>SECURITIZED</b>	24.70%
<b>CASH &amp; EQUIVALENTS</b>	1.93%
<b>DERIVATIVE</b>	0.00%

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

#### Fund Information as of December 31, 2019

<b>Fund Name</b>	VANGUARD INFLATION-PROTECTED SECS I
<b>Ticker</b>	VIPIX
<b>Morningstar Category</b>	Inflation-Protected Bond
<b>Benchmark</b>	BBgBarc US TIPS TR
<b>Expense Ratio</b>	0.07%
<b>Fund Assets (\$mm)</b>	10,249.83
<b>Share Class Inception Date</b>	12/12/2003
<b>Manager Tenure</b>	8

#### Return Summary Ending December 31, 2019



#### Fund Characteristics as of December 31, 2019

<b>Sharpe Ratio (3 Year)</b>	0.52
<b>Average Duration</b>	7.38
<b>Average Coupon</b>	0.82%
<b>Average Effective Maturity</b>	8.30
<b>R-Squared (3 Year)</b>	0.98
<b>Alpha (3 Year)</b>	0.00%
<b>Beta (3 Year)</b>	0.98

#### Credit Quality as of November 30, 2019

<b>AAA</b>	100.00%
<b>AA</b>	0.00%
<b>A</b>	0.00%
<b>BBB</b>	0.00%
<b>BB</b>	0.00%
<b>B</b>	0.00%
<b>Below B</b>	0.00%
<b>Not Rated</b>	0.00%

#### Fixed Income Sectors as of December 31, 2019

<b>GOVERNMENT</b>	97.7%
<b>MUNICIPAL</b>	0.0%
<b>CORPORATE</b>	0.0%
<b>SECURITIZED</b>	0.0%
<b>CASH &amp; EQUIVALENTS</b>	2.3%
<b>DERIVATIVE</b>	0.0%

## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Vanguard Institutional Index (S&P 500) | As of December 31, 2019

### Portfolio Fund Information as of December 31, 2019

Ticker	VIIIIX
Morningstar Category	Large Blend
Average Market Cap (\$mm)	123,886.02
Net Assets (\$mm)	125,358.87
% Assets in Top 10 Holdings	22.63
Total Number of Holdings	510
Manager Name	Donald M. Butler
Manager Tenure	19
Expense Ratio	0.02%
Closed to New Investors	No

### Return Summary Ending December 31, 2019



### Equity Characteristics Within Mutual Funds as of December 31, 2019

Versus S&P 500

	Portfolio	S&P 500
Average Market Cap (Billions)	123.89	272.00
Price To Earnings	18.68	23.01
Price To Book	3.44	3.87
Return On Equity	26.07	26.11
Dividend Yield	1.86%	1.83%
Beta (3 Year)	1.00	1.00

### Top Holdings as of December 31, 2019

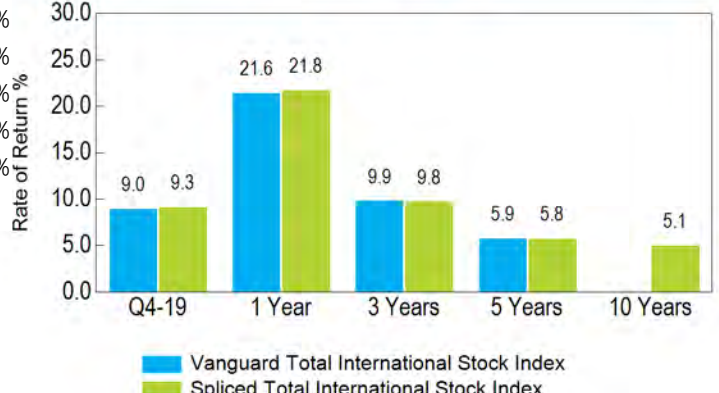
APPLE INC	4.6%
MICROSOFT CORP	4.5%
AMAZON.COM INC	2.9%
FACEBOOK INC A	1.8%
BERKSHIRE HATHAWAY INC B	1.7%
JPMORGAN CHASE & CO	1.6%
ALPHABET INC A	1.5%
ALPHABET INC CLASS C	1.5%
JOHNSON & JOHNSON	1.4%
VISA INC CLASS A	1.2%

### Sector Allocation as of December 31, 2019

BASIC MATERIALS	2.3%
COMMUNICATION SERVICES	10.4%
CONSUMER CYCLICAL	9.6%
CONSUMER DEFENSIVE	7.5%
ENERGY	4.4%
FINANCIAL SERVICES	15.9%
HEALTHCARE	14.4%
INDUSTRIALS	9.5%
REAL ESTATE	2.9%
TECHNOLOGY	19.8%
UTILITIES	3.3%

## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Vanguard Total International Stock Index | As of December 31, 2019

Portfolio Fund Information as of December 31, 2019			Top Regions as of December 31, 2019		Return Summary Ending December 31, 2019																			
Ticker	VTSNX		EUROZONE	20.01%	 <table><caption>Rate of Return % Data</caption><thead><tr><th>Period</th><th>Vanguard Total International Stock Index</th><th>Spliced Total International Stock Index</th></tr></thead><tbody><tr><td>Q4-19</td><td>9.0</td><td>9.3</td></tr><tr><td>1 Year</td><td>21.6</td><td>21.8</td></tr><tr><td>3 Years</td><td>9.9</td><td>9.8</td></tr><tr><td>5 Years</td><td>5.9</td><td>5.8</td></tr><tr><td>10 Years</td><td></td><td>5.1</td></tr></tbody></table>		Period	Vanguard Total International Stock Index	Spliced Total International Stock Index	Q4-19	9.0	9.3	1 Year	21.6	21.8	3 Years	9.9	9.8	5 Years	5.9	5.8	10 Years		5.1
Period	Vanguard Total International Stock Index	Spliced Total International Stock Index																						
Q4-19	9.0	9.3																						
1 Year	21.6	21.8																						
3 Years	9.9	9.8																						
5 Years	5.9	5.8																						
10 Years		5.1																						
Morningstar Category	Foreign Large Blend		JAPAN	16.72%																				
Average Market Cap (\$mm)	24,926.54		ASIA EMERGING	13.25%																				
Net Assets (\$mm)	35,107.65		UNITED KINGDOM	10.84%																				
% Assets in Top 10 Holdings	8.90		ASIA DEVELOPED	9.77%																				
Total Number of Holdings	7,373																							
Manager Name	Michael Perre																							
Manager Tenure	12																							
Expense Ratio	0.08%																							
Closed to New Investors	No																							

Equity Characteristics Within Mutual Funds as of December 31, 2019 Versus FTSE All World ex US			Top Holdings as of December 31, 2019		Sector Allocation as of December 31, 2019	
	Portfolio	FTSE All World ex US	ALIBABA GROUP HOLDING LTD ADR	1.4%	BASIC MATERIALS	7.6%
			NESTLE SA	1.2%	COMMUNICATION SERVICES	7.1%
			TENCENT HOLDINGS LTD	1.1%	CONSUMER CYCLICAL	11.0%
Average Market Cap (Billions)	24.93	71.52	TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	1.0%	CONSUMER DEFENSIVE	8.9%
Price To Earnings	14.09	16.13	ROCHE HOLDING AG DIVIDEND RIGHT CERT.	0.9%	ENERGY	6.4%
Price To Book	1.51	2.38	SAMSUNG ELECTRONICS CO LTD	0.9%	FINANCIAL SERVICES	20.0%
Return On Equity	15.35	14.84	NOVARTIS AG	0.8%	HEALTHCARE	9.0%
Dividend Yield	3.27%	3.04%	TOYOTA MOTOR CORP	0.7%	INDUSTRIALS	13.2%
Beta (3 Year)	1.01	1.00	HSBC HOLDINGS PLC	0.6%	REAL ESTATE	4.0%
R-Squared (3 Year)	0.99	1.00	TOTAL SA	0.5%	TECHNOLOGY	9.6%
					UTILITIES	3.3%

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

<sup>2</sup> 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.

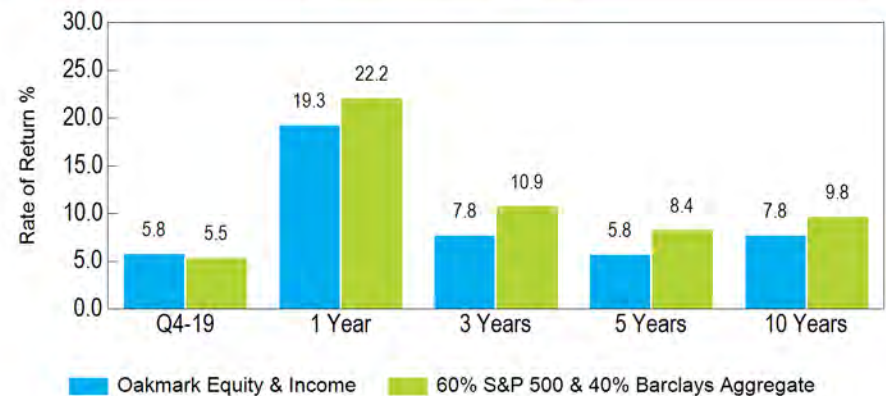
## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Oakmark Equity & Income | As of December 31, 2019

### Portfolio Fund Information as of December 31, 2019

<b>Ticker</b>	OAKBX
<b>Morningstar Category</b>	Allocation--50% to 70% Equity
<b>Average Market Cap (\$mm)</b>	53,693.16
<b>Net Assets (\$mm)</b>	8,830.62
<b>% Assets in Top 10 Holdings</b>	36.03
<b>Total Number of Holdings</b>	288
<b>Manager Name</b>	Clyde S. McGregor
<b>Manager Tenure</b>	24
<b>Expense Ratio</b>	0.81%
<b>Closed to New Investors</b>	No

### Return Summary Ending December 31, 2019



### Fund Characteristics as of December 31, 2019

Versus 60% S&P 500 & 40% Barclays Aggregate

<b>Sharpe Ratio (3 Year)</b>	0.64
<b>Average Market Cap (\$mm)</b>	53,693.16
<b>Price/Earnings</b>	12.90
<b>Price/Book</b>	1.94
<b>Price/Sales</b>	1.09
<b>Price/Cash Flow</b>	3.74
<b>Dividend Yield</b>	2.27
<b>Number of Equity Holdings</b>	43
<b>R-Squared (3 Year)</b>	0.87
<b>Alpha (3 Year)</b>	-0.44%

### Top Holdings as of December 31, 2019

<b>BANK OF AMERICA CORP</b>	5.3%
<b>GENERAL MOTORS CO</b>	4.6%
<b>TE CONNECTIVITY LTD</b>	4.3%
<b>UNITED STATES TREASURY NOTES 1.25%</b>	4.3%
<b>MASTERCARD INC A</b>	3.3%
<b>ALPHABET INC CLASS C</b>	3.1%
<b>NESTLE SA ADR</b>	2.9%
<b>CVS HEALTH CORP</b>	2.9%
<b>CITIGROUP INC</b>	2.8%
<b>PHILIP MORRIS INTERNATIONAL INC</b>	2.6%



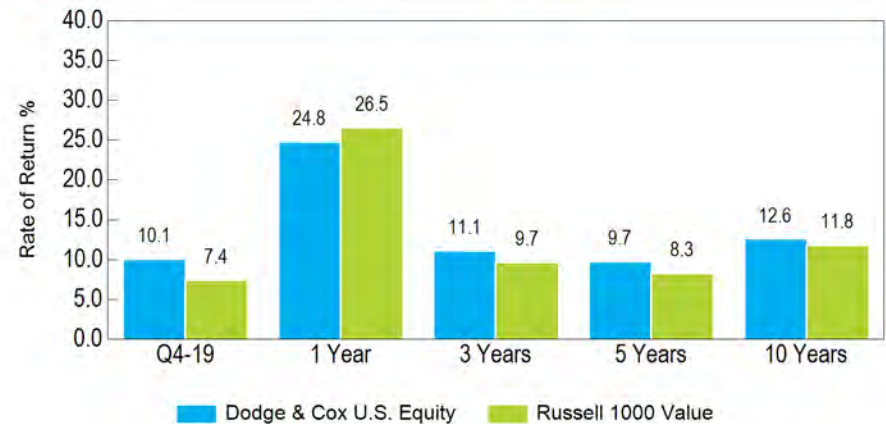
## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Dodge & Cox U.S. Equity | As of December 31, 2019

### Portfolio Fund Information as of December 31, 2019

<b>Ticker</b>	DODGX
<b>Morningstar Category</b>	Large Value
<b>Average Market Cap (\$mm)</b>	71,229.10
<b>Net Assets (\$mm)</b>	74,585.37
<b>% Assets in Top 10 Holdings</b>	33.07
<b>Total Number of Holdings</b>	71
<b>Manager Name</b>	Bryan Cameron
<b>Manager Tenure</b>	28
<b>Expense Ratio</b>	0.52%
<b>Closed to New Investors</b>	Yes

### Return Summary Ending December 31, 2019



### Equity Characteristics Within Mutual Funds as of December 31, 2019

Versus Russell 1000 Value

	Portfolio	Russell 1000 Value
<b>Average Market Cap (Billions)</b>	71.23	123.34
<b>Price To Earnings</b>	14.25	18.48
<b>Price To Book</b>	1.84	2.32
<b>Return On Equity</b>	16.04	13.97
<b>Dividend Yield</b>	2.35%	2.49%
<b>Beta (3 Year)</b>	1.08	1.00
<b>R-Squared (3 Year)</b>	0.94	1.00

### Top Holdings as of December 31, 2019

<b>CHARLES SCHWAB CORP</b>	3.9%
<b>WELLS FARGO &amp; CO</b>	3.8%
<b>CAPITAL ONE FINANCIAL CORP</b>	3.4%
<b>BANK OF AMERICA CORP</b>	3.3%
<b>ALPHABET INC CLASS C</b>	3.3%
<b>CHARTER COMMUNICATIONS INC A</b>	3.3%
<b>MICROSOFT CORP</b>	3.3%
<b>FEDEX CORP</b>	3.1%
<b>COMCAST CORP CLASS A</b>	3.0%
<b>OCCIDENTAL PETROLEUM CORP</b>	2.9%

### Sector Allocation as of December 31, 2019

<b>BASIC MATERIALS</b>	1.0%
<b>COMMUNICATION SERVICES</b>	12.4%
<b>CONSUMER CYCLICAL</b>	3.5%
<b>CONSUMER DEFENSIVE</b>	0.8%
<b>ENERGY</b>	10.0%
<b>FINANCIAL SERVICES</b>	26.1%
<b>HEALTHCARE</b>	23.0%
<b>INDUSTRIALS</b>	7.6%
<b>REAL ESTATE</b>	0.0%
<b>TECHNOLOGY</b>	15.5%
<b>UTILITIES</b>	0.0%



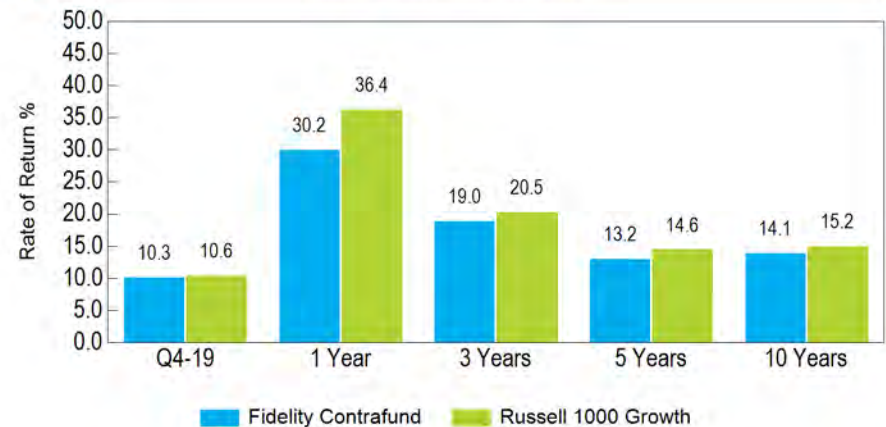
## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Fidelity Contrafund | As of December 31, 2019

### Portfolio Fund Information as of December 31, 2019

<b>Ticker</b>	FCNKX
<b>Morningstar Category</b>	Large Growth
<b>Average Market Cap (\$mm)</b>	181,571.05
<b>Net Assets (\$mm)</b>	22,890.12
<b>% Assets in Top 10 Holdings</b>	43.97
<b>Total Number of Holdings</b>	303
<b>Manager Name</b>	William Danoff
<b>Manager Tenure</b>	29
<b>Expense Ratio</b>	0.73%
<b>Closed to New Investors</b>	No

### Return Summary Ending December 31, 2019



### Equity Characteristics Within Mutual Funds as of December 31, 2019

Versus Russell 1000 Growth

	Portfolio	Russell 1000 Growth
<b>Average Market Cap (Billions)</b>	181.57	362.87
<b>Price To Earnings</b>	25.40	29.74
<b>Price To Book</b>	4.64	8.79
<b>Return On Equity</b>	24.51	34.60
<b>Dividend Yield</b>	0.73%	1.17%
<b>Beta (3 Year)</b>	1.02	1.00
<b>R-Squared (3 Year)</b>	0.96	1.00

### Top Holdings as of December 31, 2019

<b>FACEBOOK INC A</b>	7.5%
<b>AMAZON.COM INC</b>	6.5%
<b>MICROSOFT CORP</b>	5.6%
<b>BERKSHIRE HATHAWAY INC A</b>	5.5%
<b>VISA INC CLASS A</b>	3.9%
<b>SALESFORCE.COM INC</b>	3.7%
<b>UNITEDHEALTH GROUP INC</b>	3.1%
<b>ADOBE INC</b>	2.9%
<b>ALPHABET INC A</b>	2.8%
<b>MASTERCARD INC A</b>	2.6%

### Sector Allocation as of December 31, 2019

<b>BASIC MATERIALS</b>	2.2%
<b>COMMUNICATION SERVICES</b>	17.7%
<b>CONSUMER CYCLICAL</b>	11.7%
<b>CONSUMER DEFENSIVE</b>	3.9%
<b>ENERGY</b>	1.2%
<b>FINANCIAL SERVICES</b>	21.8%
<b>HEALTHCARE</b>	13.5%
<b>INDUSTRIALS</b>	2.7%
<b>REAL ESTATE</b>	0.8%
<b>TECHNOLOGY</b>	24.3%
<b>UTILITIES</b>	0.2%

## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Fidelity Diversified International | As of December 31, 2019

### Portfolio Fund Information as of December 31, 2019

<b>Ticker</b>	FDIKX
<b>Morningstar Category</b>	Foreign Large Growth
<b>Average Market Cap (\$mm)</b>	43,049.99
<b>Net Assets (\$mm)</b>	4,389.32
<b>% Assets in Top 10 Holdings</b>	17.53
<b>Total Number of Holdings</b>	172
<b>Manager Name</b>	William Bower
<b>Manager Tenure</b>	19
<b>Expense Ratio</b>	0.63%
<b>Closed to New Investors</b>	No

### Top Regions as of December 31, 2019

<b>EUROZONE</b>	28.63%
<b>JAPAN</b>	17.24%
<b>UNITED KINGDOM</b>	12.99%
<b>EUROPE EXEURO</b>	11.51%
<b>ASIA EMERGING</b>	10.06%

### Return Summary Ending December 31, 2019



### Equity Characteristics Within Mutual Funds as of December 31, 2019 Versus MSCI EAFE

	Portfolio	MSCI EAFE
<b>Average Market Cap (Billions)</b>	43.05	63.72
<b>Price To Earnings</b>	19.71	17.17
<b>Price To Book</b>	3.07	2.40
<b>Return On Equity</b>	19.48	14.36
<b>Dividend Yield</b>	1.73%	3.19%
<b>Beta (3 Year)</b>	1.01	1.00
<b>R-Squared (3 Year)</b>	0.93	1.00

### Top Holdings as of December 31, 2019

<b>SAP SE</b>	2.4%
<b>ROCHE HOLDING AG DIVIDEND RIGHT CERT.</b>	2.3%
<b>ASML HOLDING NV ADR</b>	2.1%
<b>AIA GROUP LTD</b>	1.8%
<b>ASTRAZENECA PLC</b>	1.7%
<b>HOYA CORP</b>	1.7%
<b>KEYENCE CORP</b>	1.6%
<b>LVMH MOET HENNESSY LOUIS</b>	1.4%
<b>VUITTON SE</b>	1.4%
<b>UNILEVER NV</b>	1.4%

### Sector Allocation as of December 31, 2019

<b>BASIC MATERIALS</b>	5.3%
<b>COMMUNICATION SERVICES</b>	5.0%
<b>CONSUMER CYCLICAL</b>	7.5%
<b>CONSUMER DEFENSIVE</b>	7.4%
<b>ENERGY</b>	2.8%
<b>FINANCIAL SERVICES</b>	22.8%
<b>HEALTHCARE</b>	16.4%
<b>INDUSTRIALS</b>	13.2%
<b>REAL ESTATE</b>	0.8%
<b>TECHNOLOGY</b>	16.9%
<b>UTILITIES</b>	1.9%

## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

American Funds EuroPacific Growth | As of December 31, 2019

### Portfolio Fund Information as of December 31, 2019

<b>Ticker</b>	RERGX
<b>Morningstar Category</b>	Foreign Large Growth
<b>Average Market Cap (\$mm)</b>	48,011.33
<b>Net Assets (\$mm)</b>	77,653.74
<b>% Assets in Top 10 Holdings</b>	19.75
<b>Total Number of Holdings</b>	325
<b>Manager Name</b>	Carl M. Kawaja
<b>Manager Tenure</b>	19
<b>Expense Ratio</b>	0.49%
<b>Closed to New Investors</b>	No

### Top Regions as of December 31, 2019

<b>EUROZONE</b>	23.00%
<b>ASIA EMERGING</b>	20.53%
<b>JAPAN</b>	15.83%
<b>ASIA DEVELOPED</b>	10.10%
<b>UNITED KINGDOM</b>	9.53%

### Return Summary Ending December 31, 2019



### Equity Characteristics Within Mutual Funds as of December 31, 2019

Versus MSCI ACWI ex USA

	Portfolio	MSCI ACWI ex USA
<b>Average Market Cap (Billions)</b>	48.01	74.06
<b>Price To Earnings</b>	17.81	16.25
<b>Price To Book</b>	2.36	2.41
<b>Return On Equity</b>	17.20	15.06
<b>Dividend Yield</b>	1.81%	3.05%
<b>Beta (3 Year)</b>	1.04	1.00
<b>R-Squared (3 Year)</b>	0.95	1.00

### Top Holdings as of December 31, 2019

<b>RELIANCE INDUSTRIES LTD</b>	2.7%
<b>AIRBUS SE</b>	2.7%
<b>HDFC BANK LTD</b>	2.2%
<b>AIA GROUP LTD</b>	2.2%
<b>ASML HOLDING NV</b>	2.2%
<b>NINTENDO CO LTD</b>	2.2%
<b>DAIICHI SANKYO CO LTD</b>	1.5%
<b>RECRUIT HOLDINGS CO LTD</b>	1.4%
<b>TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD</b>	1.4%
<b>KEYENCE CORP</b>	1.4%

### Sector Allocation as of December 31, 2019

<b>BASIC MATERIALS</b>	7.7%
<b>COMMUNICATION SERVICES</b>	6.2%
<b>CONSUMER CYCLICAL</b>	14.7%
<b>CONSUMER DEFENSIVE</b>	5.1%
<b>ENERGY</b>	6.2%
<b>FINANCIAL SERVICES</b>	17.2%
<b>HEALTHCARE</b>	12.4%
<b>INDUSTRIALS</b>	11.9%
<b>REAL ESTATE</b>	1.3%
<b>TECHNOLOGY</b>	14.1%
<b>UTILITIES</b>	3.2%

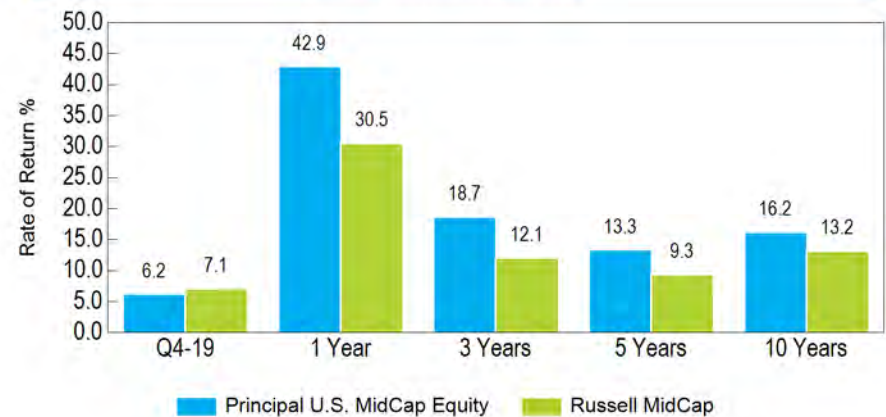
## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Principal U.S. MidCap Equity | As of December 31, 2019

### Portfolio Fund Information as of December 31, 2019

<b>Ticker</b>	PCBIX
<b>Morningstar Category</b>	Mid-Cap Growth
<b>Average Market Cap (\$mm)</b>	18,518.54
<b>Net Assets (\$mm)</b>	11,530.88
<b>% Assets in Top 10 Holdings</b>	29.05
<b>Total Number of Holdings</b>	86
<b>Manager Name</b>	K. William Nolin
<b>Manager Tenure</b>	19
<b>Expense Ratio</b>	0.69%
<b>Closed to New Investors</b>	No

### Return Summary Ending December 31, 2019



### Equity Characteristics Within Mutual Funds as of December 31, 2019 Versus Russell MidCap

	Portfolio	Russell MidCap
<b>Average Market Cap (Billions)</b>	18.52	17.29
<b>Price To Earnings</b>	25.87	22.29
<b>Price To Book</b>	3.22	3.20
<b>Return On Equity</b>	21.66	15.53
<b>Dividend Yield</b>	0.76%	1.67%
<b>Beta (3 Year)</b>	0.90	1.00
<b>R-Squared (3 Year)</b>	0.89	1.00

### Top Holdings as of December 31, 2019

<b>BROOKFIELD ASSET MANAGEMENT INC CLASS A</b>	4.2%
<b>TRANSDIGM GROUP INC</b>	4.1%
<b>MARKEL CORP</b>	2.8%
<b>CARMAX INC</b>	2.7%
<b>HILTON WORLDWIDE HOLDINGS INC</b>	2.7%
<b>O'REILLY AUTOMOTIVE INC</b>	2.7%
<b>SBA COMMUNICATIONS CORP</b>	2.7%
<b>BLACK KNIGHT INC A</b>	2.4%
<b>CBRE GROUP INC CLASS A</b>	2.4%
<b>COPART INC</b>	2.4%

### Sector Allocation as of December 31, 2019

<b>BASIC MATERIALS</b>	5.2%
<b>COMMUNICATION SERVICES</b>	7.4%
<b>CONSUMER CYCLICAL</b>	17.2%
<b>CONSUMER DEFENSIVE</b>	1.5%
<b>ENERGY</b>	0.0%
<b>FINANCIAL SERVICES</b>	21.4%
<b>HEALTHCARE</b>	2.4%
<b>INDUSTRIALS</b>	17.6%
<b>REAL ESTATE</b>	8.2%
<b>TECHNOLOGY</b>	17.1%
<b>UTILITIES</b>	2.0%

## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

T. Rowe Price MidCap Growth | As of December 31, 2019

### Portfolio Fund Information as of December 31, 2019

<b>Ticker</b>	PMEGX
<b>Morningstar Category</b>	Mid-Cap Growth
<b>Average Market Cap (\$mm)</b>	15,517.41
<b>Net Assets (\$mm)</b>	8,119.09
<b>% Assets in Top 10 Holdings</b>	18.22
<b>Total Number of Holdings</b>	131
<b>Manager Name</b>	Brian W.H. Berghuis
<b>Manager Tenure</b>	24
<b>Expense Ratio</b>	0.61%
<b>Closed to New Investors</b>	Yes

### Return Summary Ending December 31, 2019



### Equity Characteristics Within Mutual Funds as of December 31, 2019

Versus Russell MidCap Growth

	Portfolio	Russell MidCap Growth
<b>Average Market Cap (Billions)</b>	15.52	19.87
<b>Price To Earnings</b>	20.87	30.07
<b>Price To Book</b>	3.50	7.09
<b>Return On Equity</b>	13.25	23.75
<b>Dividend Yield</b>	0.81%	0.74%
<b>Beta (3 Year)</b>	0.90	1.00
<b>R-Squared (3 Year)</b>	0.94	1.00

### Top Holdings as of December 31, 2019

<b>TELEFLEX INC</b>	2.6%
<b>HOLOGIC INC</b>	2.1%
<b>THE COOPER COMPANIES INC</b>	2.1%
<b>MICROCHIP TECHNOLOGY INC</b>	1.8%
<b>BALL CORP</b>	1.8%
<b>IAC/INTERACTIVECORP</b>	1.7%
<b>AGILENT TECHNOLOGIES INC</b>	1.7%
<b>WILLIS TOWERS WATSON PLC</b>	1.5%
<b>GLOBAL PAYMENTS INC</b>	1.5%
<b>DOLLAR GENERAL CORP</b>	1.5%

### Sector Allocation as of December 31, 2019

<b>BASIC MATERIALS</b>	3.0%
<b>COMMUNICATION SERVICES</b>	2.3%
<b>CONSUMER CYCLICAL</b>	14.8%
<b>CONSUMER DEFENSIVE</b>	4.6%
<b>ENERGY</b>	2.6%
<b>FINANCIAL SERVICES</b>	10.4%
<b>HEALTHCARE</b>	20.7%
<b>INDUSTRIALS</b>	17.2%
<b>REAL ESTATE</b>	0.9%
<b>TECHNOLOGY</b>	21.4%
<b>UTILITIES</b>	2.2%



## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Fidelity Low-Priced Stock | As of December 31, 2019

### Portfolio Fund Information as of October 31, 2019

<b>Ticker</b>	FLPKX
<b>Morningstar Category</b>	Mid-Cap Value
<b>Average Market Cap (\$mm)</b>	8,934.82
<b>Net Assets (\$mm)</b>	5,412.76
<b>% Assets in Top 10 Holdings</b>	32.36
<b>Total Number of Holdings</b>	778
<b>Manager Name</b>	Joel C. Tillinghast
<b>Manager Tenure</b>	30
<b>Expense Ratio</b>	0.43%
<b>Closed to New Investors</b>	No

### Return Summary Ending December 31, 2019



### Equity Characteristics Within Mutual Funds as of October 31, 2019

Versus Russell 2500 Value

	Portfolio	Russell 2500 Value
<b>Average Market Cap (Billions)</b>	8.93	5.16
<b>Price To Earnings</b>	12.02	17.06
<b>Price To Book</b>	1.53	1.96
<b>Return On Equity</b>	22.80	8.21
<b>Dividend Yield</b>	2.69%	2.36%
<b>Beta (3 Year)</b>	0.69	1.00
<b>R-Squared (3 Year)</b>	0.83	1.00

### Top Holdings as of October 31, 2019

<b>UNITEDHEALTH GROUP INC</b>	6.1%
<b>ROSS STORES INC</b>	3.7%
<b>METRO INC</b>	3.6%
<b>SEAGATE TECHNOLOGY PLC</b>	3.6%
<b>NEXT PLC</b>	3.6%
<b>BEST BUY CO INC</b>	3.0%
<b>AUTOZONE INC</b>	2.7%
<b>AMGEN INC</b>	2.1%
<b>METLIFE INC</b>	2.1%
<b>BARRATT DEVELOPMENTS PLC</b>	2.0%

### Sector Allocation as of October 31, 2019

<b>BASIC MATERIALS</b>	3.4%
<b>COMMUNICATION SERVICES</b>	1.3%
<b>CONSUMER CYCLICAL</b>	25.2%
<b>CONSUMER DEFENSIVE</b>	8.7%
<b>ENERGY</b>	4.9%
<b>FINANCIAL SERVICES</b>	14.3%
<b>HEALTHCARE</b>	16.5%
<b>INDUSTRIALS</b>	8.2%
<b>REAL ESTATE</b>	0.9%
<b>TECHNOLOGY</b>	14.9%
<b>UTILITIES</b>	1.5%

<sup>1</sup> The 12/31/2019 holdings were not available at the time of this report.

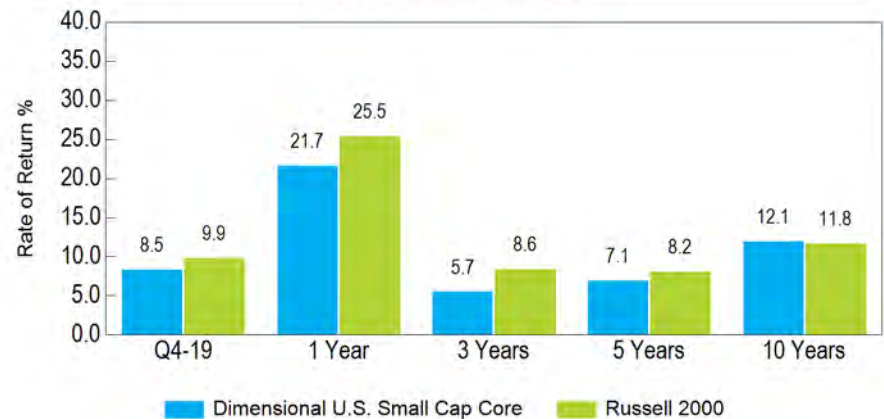
## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Dimensional U.S. Small Cap Core | As of December 31, 2019

### Portfolio Fund Information as of December 31, 2019

Ticker	DFSTX
Morningstar Category	Small Blend
Average Market Cap (\$mm)	2,039.91
Net Assets (\$mm)	18,142.12
% Assets in Top 10 Holdings	3.61
Total Number of Holdings	2,062
Manager Name	Jed S. Fogdall
Manager Tenure	8
Expense Ratio	0.37%
Closed to New Investors	No

### Return Summary Ending December 31, 2019



### Equity Characteristics Within Mutual Funds as of December 31, 2019 Versus Russell 2000

	Portfolio	Russell 2000
Average Market Cap (Billions)	2.04	2.46
Price To Earnings	15.35	19.83
Price To Book	1.73	2.55
Return On Equity	10.60	1.34
Dividend Yield	1.35%	1.42%
Beta (3 Year)	1.01	1.00
R-Squared (3 Year)	0.98	1.00

### Top Holdings as of December 31, 2019

E-MINI S&P 500 FUTURES MAR20	0.7%
HORIZON THERAPEUTICS PLC	0.4%
TCF FINANCIAL CORP	0.4%
AMEDISYS INC	0.3%
DECKERS OUTDOOR CORP	0.3%
HELEN OF TROY LTD	0.3%
TECH DATA CORP	0.3%
TETRA TECH INC	0.3%
GENERAC HOLDINGS INC	0.3%
KBR INC	0.3%

### Sector Allocation as of December 31, 2019

BASIC MATERIALS	4.8%
COMMUNICATION SERVICES	3.9%
CONSUMER CYCLICAL	13.3%
CONSUMER DEFENSIVE	5.1%
ENERGY	4.9%
FINANCIAL SERVICES	20.1%
HEALTHCARE	9.6%
INDUSTRIALS	20.9%
REAL ESTATE	0.5%
TECHNOLOGY	13.4%
UTILITIES	3.5%

## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Franklin Templeton Global Bond | As of December 31, 2019

### Fund Information as of December 31, 2019

<b>Fund Name</b>	TEMPLETON GLOBAL BOND R6
<b>Ticker</b>	FBNRX
<b>Morningstar Category</b>	Nontraditional Bond
<b>Benchmark</b>	FTSE WGBI TR
<b>Expense Ratio</b>	0.57%
<b>Fund Assets (\$mm)</b>	4,526.73
<b>Share Class Inception Date</b>	5/1/2013
<b>Manager Tenure</b>	18

### Top Regions as of December 31, 2019

<b>UNITED STATES</b>	39.89%
<b>LATIN AMERICA</b>	27.32%
<b>ASIA DEVELOPED</b>	19.27%
<b>ASIA EMERGING</b>	9.17%
<b>EUROZONE</b>	4.35%

### Return Summary Ending December 31, 2019



### Fund Characteristics as of December 31, 2019

<b>Sharpe Ratio (3 Year)</b>	0.09
<b>Average Duration</b>	-1.01
<b>Average Coupon</b>	6.03%
<b>Average Effective Maturity</b>	1.54
<b>R-Squared (3 Year)</b>	0.09
<b>Alpha (3 Year)</b>	0.36%
<b>Beta (3 Year)</b>	.15

### Credit Quality as of December 31, 2019

<b>AAA</b>	31.3%
<b>AA</b>	5.4%
<b>A</b>	23.1%
<b>BBB</b>	25.4%
<b>BB</b>	12.7%
<b>B</b>	2.2%
<b>Below B</b>	2.4%
<b>Not Rated</b>	-2.4%

### Fixed Income Sectors as of December 31, 2019

<b>GOVERNMENT</b>	78.8%
<b>MUNICIPAL</b>	0.0%
<b>CORPORATE</b>	0.02%
<b>SECURITIZED</b>	0.0%
<b>CASH &amp; EQUIVALENTS</b>	21.20%
<b>DERIVATIVE</b>	0.0%



## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Principal Diversified Real Asset | As of December 31, 2019

### Portfolio Fund Information as of December 31, 2019

<b>Ticker</b>	PDRDX
<b>Morningstar Category</b>	World Allocation
<b>Average Market Cap (\$mm)</b>	14,022.24
<b>Net Assets (\$mm)</b>	2,630.06
<b>% Assets in Top 10 Holdings</b>	19.31
<b>Total Number of Holdings</b>	913
<b>Manager Name</b>	Kelly A. Grossman
<b>Manager Tenure</b>	10
<b>Expense Ratio</b>	0.86%
<b>Closed to New Investors</b>	No

### Fund Characteristics as of December 31, 2019

Versus Real Asset Custom Benchmark

<b>Sharpe Ratio (3 Year)</b>	0.50
<b>Average Market Cap (\$mm)</b>	14,022.24
<b>Price/Earnings</b>	17.81
<b>Price/Book</b>	1.71
<b>Price/Sales</b>	1.41
<b>Price/Cash Flow</b>	7.47
<b>Dividend Yield</b>	3.87
<b>Number of Equity Holdings</b>	332
<b>R-Squared (3 Year)</b>	0.91
<b>Alpha (3 Year)</b>	-0.14%

### Return Summary Ending December 31, 2019



### Top Holdings as of December 31, 2019

<b>DRACAY CREDIT SUISSE - 30</b>	9.4%
<b>2 YEAR TREASURY NOTE FUTURE MAR20</b>	2.0%
<b>2 YEAR INTEREST RATE SWAP</b>	1.4%
<b>RECV CME INTEREST RATE SW_RECEIVE</b>	1.3%
<b>TRANSURBAN GROUP</b>	0.9%
<b>UNITED STATES TREASURY NOTES 0.88%</b>	0.9%
<b>UNITED UTILITIES GROUP PLC</b>	0.9%
<b>NATIONAL GRID PLC</b>	0.9%
<b>2 YEAR INTEREST RATE SWAP</b>	0.8%
<b>ENBRIDGE INC</b>	0.8%

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

## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Aberdeen Emerging Markets Equity | As of December 31, 2019

### Portfolio Fund Information as of December 31, 2019

<b>Ticker</b>	ABEMX
<b>Morningstar Category</b>	Diversified Emerging Mkts
<b>Average Market Cap (\$mm)</b>	53,646.47
<b>Net Assets (\$mm)</b>	4,610.24
<b>% Assets in Top 10 Holdings</b>	41.28
<b>Total Number of Holdings</b>	61
<b>Manager Name</b>	Mark Gordon-James
<b>Manager Tenure</b>	13
<b>Expense Ratio</b>	1.10%
<b>Closed to New Investors</b>	No

### Top Regions as of December 31, 2019

<b>ASIA EMERGING</b>	49.59%
<b>ASIA DEVELOPED</b>	21.69%
<b>LATIN AMERICA</b>	18.62%
<b>EUROPE EMERGING</b>	4.20%
<b>AFRICA</b>	2.76%

### Return Summary Ending December 31, 2019



### Equity Characteristics Within Mutual Funds as of December 31, 2019 Versus MSCI Emerging Markets

	Portfolio	MSCI Emerging Markets
<b>Average Market Cap (Billions)</b>	53.65	106.20
<b>Price To Earnings</b>	15.93	14.97
<b>Price To Book</b>	2.59	2.57
<b>Return On Equity</b>	19.60	16.97
<b>Dividend Yield</b>	2.28%	2.69%
<b>Beta (3 Year)</b>	0.95	1.00
<b>R-Squared (3 Year)</b>	0.92	1.00

### Top Holdings as of December 31, 2019

<b>TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD</b>	7.0%
<b>TENCENT HOLDINGS LTD</b>	6.7%
<b>SAMSUNG ELECTRONICS CO LTD</b>	6.3%
<b>PARTICIPATING PREFERRED</b>	
<b>HOUSING DEVELOPMENT FINANCE CORP LTD</b>	4.1%
<b>PING AN INSURANCE (GROUP) CO. OF CHINA LTD CLASS H</b>	3.9%
<b>BANK BRADESCO SA ADR</b>	3.6%
<b>AIA GROUP LTD</b>	2.9%
<b>CHINA RESOURCES LAND LTD</b>	2.5%
<b>VALE SA ADR</b>	2.3%
<b>KOTAK MAHINDRA BANK LTD</b>	2.2%

### Sector Allocation as of December 31, 2019

<b>BASIC MATERIALS</b>	7.6%
<b>COMMUNICATION SERVICES</b>	14.5%
<b>CONSUMER CYCLICAL</b>	7.7%
<b>CONSUMER DEFENSIVE</b>	9.6%
<b>ENERGY</b>	4.3%
<b>FINANCIAL SERVICES</b>	29.5%
<b>HEALTHCARE</b>	1.0%
<b>INDUSTRIALS</b>	2.3%
<b>REAL ESTATE</b>	4.8%
<b>TECHNOLOGY</b>	18.7%
<b>UTILITIES</b>	0.0%

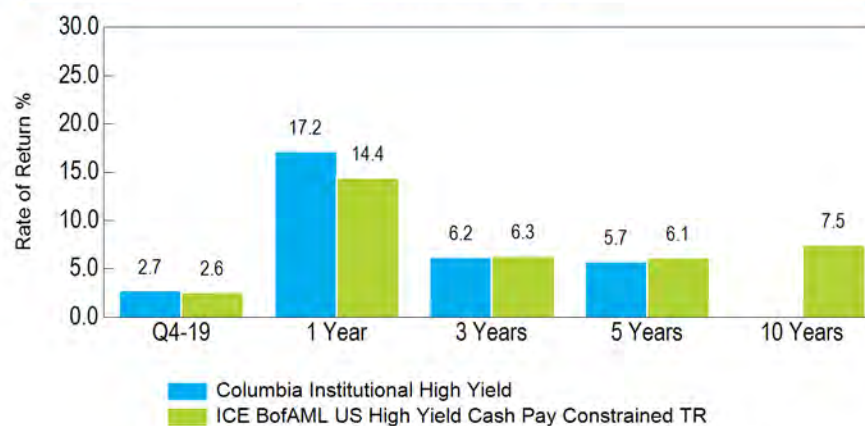
## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Columbia Institutional High Yield | As of December 31, 2019

### Fund Information as of December 31, 2019

<b>Fund Name</b>	COLUMBIA HIGH YIELD BOND INST3
<b>Ticker</b>	CHYYX
<b>Morningstar Category</b>	High Yield Bond
<b>Benchmark</b>	ICE BofAML US High Yield Cash Pay Constrained TR
<b>Expense Ratio</b>	0.66%
<b>Fund Assets (\$mm)</b>	351.84
<b>Share Class Inception Date</b>	11/8/2012
<b>Manager Tenure</b>	10

### Return Summary Ending December 31, 2019



### Fund Characteristics as of December 31, 2019

<b>Sharpe Ratio (3 Year)</b>	0.95
<b>Average Duration</b>	3.05
<b>Average Coupon</b>	6.14%
<b>Average Effective Maturity</b>	3.74
<b>R-Squared (3 Year)</b>	0.96
<b>Alpha (3 Year)</b>	-0.07%
<b>Beta (3 Year)</b>	1.12

### Credit Quality as of December 31, 2019

<b>AAA</b>	2.4%
<b>AA</b>	0.0%
<b>A</b>	0.0%
<b>BBB</b>	1.1%
<b>BB</b>	34.5%
<b>B</b>	49.4%
<b>Below B</b>	12.5%
<b>Not Rated</b>	0.3%

### Fixed Income Sectors as of December 31, 2019

<b>GOVERNMENT</b>	0.0%
<b>MUNICIPAL</b>	0.0%
<b>CORPORATE</b>	97.0%
<b>SECURITIZED</b>	0.0%
<b>CASH &amp; EQUIVALENTS</b>	2.3%
<b>DERIVATIVE</b>	0.7%

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

## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

Prudential Retirement Real Estate Fund II | As of December 31, 2019

### Account Information

Account Name	Prudential Retirement Real Estate Fund II
Account Structure	Other
Investment Style	Active
Inception Date	1/01/18
Account Type	Real Estate
Benchmark	PRREF II Custom Benchmark
Expense Ratio	0.90%

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Inception (%)	Inception Date
Prudential Retirement Real Estate Fund II	1.4	9.2	--	--	7.6	Jan-18
PRREF II Custom Benchmark	1.1	8.1	--	--	7.2	Jan-18

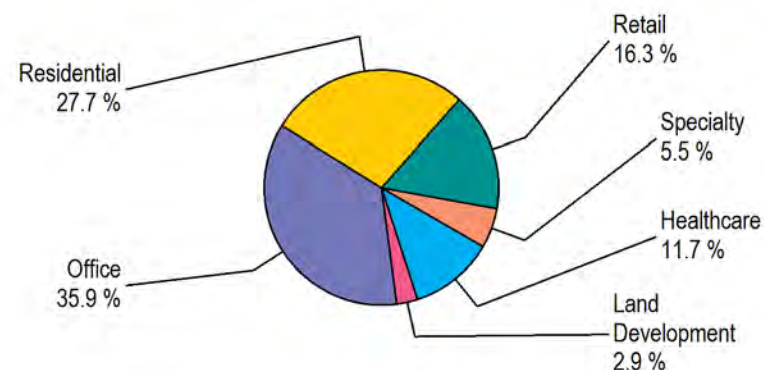
### Geographic Diversification

Allocation as of December 31, 2019



### Property Type Allocation

Allocation as of December 31, 2019



## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

LifeCycle Funds Detail | As of December 31, 2019

### Benchmark History As of December 31, 2019

#### New Mexico Conservative Portfolio

1/1/2019	Present	22% Citigroup 3-month Treasury Bill + 1% / 19% BBgBarc US Aggregate TR / 12% BBgBarc US TIPS TR / 5% FTSE WGBI TR / 8% BBgBarc US High Yield TR / 8% S&P 500 / 3% Russell 2500 / 7% MSCI ACWI ex USA / 3% MSCI Emerging Markets / 8% PRREF II Custom Benchmark / 5% Real Asset Custom Benchmark
1/1/2018	12/31/2018	22% Citigroup 3-month Treasury Bill + 1% / 19% BBgBarc US Aggregate TR / 12% BBgBarc US TIPS TR / 5% FTSE WGBI TR / 8% BBgBarc US High Yield TR / 8% S&P 500 / 3% Russell 2500 / 7% MSCI ACWI ex USA / 3% MSCI Emerging Markets / 8% PRREF II Custom Benchmark / 5% Real Asset Custom Benchmark
1/1/2017	12/31/2017	22% Citigroup 3-month Treasury Bill + 1% / 19% BBgBarc US Aggregate TR / 12% BBgBarc US TIPS TR / 5% FTSE WGBI TR / 8% BBgBarc US High Yield TR / 8% S&P 500 / 3% Russell 2500 / 7% MSCI ACWI ex USA / 3% MSCI Emerging Markets / 8% FTSE EPRA/NAREIT Global Real Estate Index / 5% Real Asset Custom Benchmark
5/1/2016	12/31/2016	22% FTSE T-Bill 3 Months TR / 12% BBgBarc US TIPS TR / 22% BBgBarc US Aggregate TR / 10% S&P 500 / 3% Russell 2500 / 8% MSCI EAFE / 6% FTSE WGBI TR / 8% FTSE EPRA/NAREIT Global Real Estate Index / 4% MSCI Emerging Markets / 5% Real Asset Custom Benchmark

#### New Mexico LifeCycle 2020 Portfolio

1/1/2019	Present	18.6% Citigroup 3-month Treasury Bill + 1% / 18.4% BBgBarc US Aggregate TR / 10.6% BBgBarc US TIPS TR / 5% FTSE WGBI TR / 7.6% BBgBarc US High Yield TR / 10% S&P 500 / 4% Russell 2500 / 8.8% MSCI ACWI ex USA / 3.8% MSCI Emerging Markets / 8.2% PRREF II Custom Benchmark / 5% Real Asset Custom Benchmark
1/1/2018	12/31/2018	16.9% Citigroup 3-month Treasury Bill + 1% / 18.1% BBgBarc US Aggregate TR / 9.9% BBgBarc US TIPS TR / 5% FTSE WGBI TR / 7.4% BBgBarc US High Yield TR / 11% S&P 500 / 4.5% Russell 2500 / 9.7% MSCI ACWI ex USA / 4.2% MSCI Emerging Markets / 8.3% PRREF II Custom Benchmark / 5% Real Asset Custom Benchmark
1/1/2017	12/31/2017	15.2% Citigroup 3-month Treasury Bill + 1% / 17.8% BBgBarc US Aggregate TR / 9.2% BBgBarc US TIPS TR / 5% FTSE WGBI TR / 7.2% BBgBarc US High Yield TR / 12% S&P 500 / 5% Russell 2500 / 10.6% MSCI ACWI ex USA / 4.6% MSCI Emerging Markets / 8.4% FTSE EPRA/NAREIT Global Real Estate Index / 5% Real Asset Custom Benchmark
6/30/2016	12/31/2016	13.5% FTSE T-Bill 3 Months TR / 8.5% BBgBarc US TIPS TR / 20.5% BBgBarc US Aggregate TR / 14.3% S&P 500 / 5.8% Russell 2500 / 12.5% MSCI EAFE / 6% FTSE WGBI TR / 8.5% FTSE EPRA/NAREIT Global Real Estate Index / 5.5% MSCI Emerging Markets / 5% Real Asset Custom Benchmark

## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

LifeCycle Funds Detail | As of December 31, 2019

### New Mexico LifeCycle 2025 Portfolio

1/1/2019	Present	10.1% Citigroup 3-month Treasury Bill + 1% / 16.9% BBgBarc US Aggregate TR / 7.1% BBgBarc US TIPS TR / 5% FTSE WGBI TR / 6.6% BBgBarc US High Yield TR / 15.2% S&P 500 / 6.3% Russell 2500 / 13.7% MSCI ACWI ex USA / 5.4% MSCI Emerging Markets / 8.7% PRREF II Custom Benchmark / 5% Real Asset Custom Benchmark
1/1/2018	12/31/2018	8.4% Citigroup 3-month Treasury Bill + 1% / 16.6% BBgBarc US Aggregate TR / 6.4% BBgBarc US TIPS TR / 5% FTSE WGBI TR / 6.4% BBgBarc US High Yield TR / 16.3% S&P 500 / 6.7% Russell 2500 / 14.8% MSCI ACWI ex USA / 5.6% MSCI Emerging Markets / 8.8% PRREF II Custom Benchmark / 5% Real Asset Custom Benchmark
1/1/2017	12/31/2017	6.7% Citigroup 3-month Treasury Bill + 1% / 16.3% BBgBarc US Aggregate TR / 5.7% BBgBarc US TIPS TR / 5% FTSE WGBI TR / 6.2% BBgBarc US High Yield TR / 17.4% S&P 500 / 7.1% Russell 2500 / 15.9% MSCI ACWI ex USA / 5.8% MSCI Emerging Markets / 8.9% FTSE EPRA/NAREIT Global Real Estate Index / 5% Real Asset Custom Benchmark
5/1/2016	12/31/2016	5% FTSE T-Bill 3 Months TR / 5% BBgBarc US TIPS TR / 19% BBgBarc US Aggregate TR / 18.5% S&P 500 / 8.5% Russell 2500 / 17% MSCI EAFE / 6% FTSE WGBI TR / 9% FTSE EPRA/NAREIT Global Real Estate Index / 7% MSCI Emerging Markets / 5% Real Asset Custom Benchmark

### New Mexico LifeCycle 2030 Portfolio

1/1/2019	Present	4.4% Citigroup 3-month Treasury Bill + 1% / 13.8% BBgBarc US Aggregate TR / 4.6% BBgBarc US TIPS TR / 4.8% FTSE WGBI TR / 5.8% BBgBarc US High Yield TR / 19.3% S&P 500 / 7.9% Russell 2500 / 17.8% MSCI ACWI ex USA / 6.8% MSCI Emerging Markets / 9.4% PRREF II Custom Benchmark / 5.4% Real Asset Custom Benchmark
1/1/2018	12/31/2018	4.1% Citigroup 3-month Treasury Bill + 1% / 12.7% BBgBarc US Aggregate TR / 4.4% BBgBarc US TIPS TR / 4.7% FTSE WGBI TR / 5.7% BBgBarc US High Yield TR / 19.7% S&P 500 / 8.1% Russell 2500 / 18.2% MSCI ACWI ex USA / 7.2% MSCI Emerging Markets / 9.6% PRREF II Custom Benchmark / 5.6% Real Asset Custom Benchmark
1/1/2017	12/31/2017	3.8% Citigroup 3-month Treasury Bill + 1% / 11.6% BBgBarc US Aggregate TR / 4.2% BBgBarc US TIPS TR / 4.6% FTSE WGBI TR / 5.6% BBgBarc US High Yield TR / 20.1% S&P 500 / 8.3% Russell 2500 / 18.6% MSCI ACWI ex USA / 7.6% MSCI Emerging Markets / 9.8% FTSE EPRA/NAREIT Global Real Estate Index / 5.8% Real Asset Custom Benchmark
6/30/2016	12/31/2016	3.5% FTSE T-Bill 3 Months TR / 4% BBgBarc US TIPS TR / 13% BBgBarc US Aggregate TR / 20.8% S&P 500 / 9.3% Russell 2500 / 19.5% MSCI EAFE / 5.5% FTSE WGBI TR / 10% FTSE EPRA/NAREIT Global Real Estate Index / 8.5% MSCI Emerging Markets / 6% Real Asset Custom Benchmark

### New Mexico LifeCycle 2035 Portfolio

1/1/2019	Present	2.9% Citigroup 3-month Treasury Bill + 1% / 8.3% BBgBarc US Aggregate TR / 3.6% BBgBarc US TIPS TR / 4.3% FTSE WGBI TR / 5.3% BBgBarc US High Yield TR / 21.1% S&P 500 / 9.1% Russell 2500 / 20% MSCI ACWI ex USA / 8.6% MSCI Emerging Markets / 10.4% PRREF II Custom Benchmark / 6.4% Real Asset Custom Benchmark
1/1/2018	12/31/2018	2.6% Citigroup 3-month Treasury Bill + 1% / 7.2% BBgBarc US Aggregate TR / 3.4% BBgBarc US TIPS TR / 4.2% FTSE WGBI TR / 5.2% BBgBarc US High Yield TR / 21.4% S&P 500 / 9.4% Russell 2500 / 20.5% MSCI ACWI ex USA / 8.9% MSCI Emerging Markets / 10.6% PRREF II Custom Benchmark / 6.6% Real Asset Custom Benchmark



## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

LifeCycle Funds Detail | As of December 31, 2019

1/1/2017	12/31/2017	2.3% Citigroup 3-month Treasury Bill + 1% / 6.1% BBgBarc US Aggregate TR / 3.2% BBgBarc US TIPS TR / 4.1% FTSE WGBI TR / 5.1% BBgBarc US High Yield TR / 21.7% S&P 500 / 9.7% Russell 2500 / 21% MSCI ACWI ex USA / 9.2% MSCI Emerging Markets / 10.8% FTSE EPRA/NAREIT Global Real Estate Index / 6.8% Real Asset Custom Benchmark
5/1/2016	12/31/2016	2% FTSE T-Bill 3 Months TR / 3% BBgBarc US TIPS TR / 7% BBgBarc US Aggregate TR / 23% S&P 500 / 10% Russell 2500 / 22% MSCI EAFE / 5% FTSE WGBI TR / 11% FTSE EPRA/NAREIT Global Real Estate Index / 10% MSCI Emerging Markets / 7% Real Asset Custom Benchmark
New Mexico LifeCycle 2040 Portfolio		
1/1/2019	Present	1.6% Citigroup 3-month Treasury Bill + 1% / 4.8% BBgBarc US Aggregate TR / 2.8% BBgBarc US TIPS TR / 3.8% FTSE WGBI TR / 4.6% BBgBarc US High Yield TR / 22.4% S&P 500 / 10.2% Russell 2500 / 22.1% MSCI ACWI ex USA / 9.7% MSCI Emerging Markets / 11% PRREF II Custom Benchmark / 7% Real Asset Custom Benchmark
1/1/2018	12/31/2018	1.4% Citigroup 3-month Treasury Bill + 1% / 4.7% BBgBarc US Aggregate TR / 2.7% BBgBarc US TIPS TR / 3.7% FTSE WGBI TR / 4.4% BBgBarc US High Yield TR / 22.60% S&P 500 / 10.3% Russell 2500 / 22.4% MSCI ACWI ex USA / 9.8% MSCI Emerging Markets / 11% PRREF II Custom Benchmark / 7% Real Asset Custom Benchmark
1/1/2017	12/31/2017	1.2% Citigroup 3-month Treasury Bill + 1% / 4.6% BBgBarc US Aggregate TR / 2.6% BBgBarc US TIPS TR / 3.6% FTSE WGBI TR / 4.2% BBgBarc US High Yield TR / 22.8% S&P 500 / 10.4% Russell 2500 / 22.7% MSCI ACWI ex USA / 9.9% MSCI Emerging Markets / 11% FTSE EPRA/NAREIT Global Real Estate Index / 7% Real Asset Custom Benchmark
6/30/2016	12/31/2016	1% FTSE T-Bill 3 Months TR / 2.5% BBgBarc US TIPS TR / 6.5% BBgBarc US Aggregate TR / 23.8% S&P 500 / 10.3% Russell 2500 / 23.5% MSCI EAFE / 4.5% FTSE WGBI TR / 11% FTSE EPRA/NAREIT Global Real Estate Index / 10% MSCI Emerging Markets / 7% Real Asset Custom Benchmark
New Mexico LifeCycle 2045 Portfolio		
1/1/2019	Present	0.6% Citigroup 3-month Treasury Bill + 1% / 4.3% BBgBarc US Aggregate TR / 2.1% BBgBarc US TIPS TR / 3.3% FTSE WGBI TR / 3.8% BBgBarc US High Yield TR / 23.4% S&P 500 / 10.7% Russell 2500 / 23.8% MSCI ACWI ex USA / 10% MSCI Emerging Markets / 11% PRREF II Custom Benchmark / 7% Real Asset Custom Benchmark
1/1/2018	12/31/2018	0.4% Citigroup 3-month Treasury Bill + 1% / 4.2% BBgBarc US Aggregate TR / 1.9% BBgBarc US TIPS TR / 3.2% FTSE WGBI TR / 3.7% BBgBarc US High Yield TR / 23.6% S&P 500 / 10.8% Russell 2500 / 24.2% MSCI ACWI ex USA / 10% MSCI Emerging Markets / 11% PRREF II Custom Benchmark / 7% Real Asset Custom Benchmark
1/1/2017	12/31/2017	.2% Citigroup 3-month Treasury Bill + 1% / 4.1% BBgBarc US Aggregate TR / 1.7% BBgBarc US TIPS TR / 3.1% FTSE WGBI TR / 3.6% BBgBarc US High Yield TR / 23.8% S&P 500 / 10.9% Russell 2500 / 24.6% MSCI ACWI ex USA / 10% MSCI Emerging Markets / 11% FTSE EPRA/NAREIT Global Real Estate Index / 7% Real Asset Custom Benchmark
5/1/2016	12/31/2016	2% BBgBarc US TIPS TR / 6% BBgBarc US Aggregate TR / 24.5% S&P 500 / 10.5% Russell 2500 / 25% MSCI EAFE / 4% FTSE WGBI TR / 11% FTSE EPRA/NAREIT Global Real Estate Index / 10% MSCI Emerging Markets / 7% Real Asset Custom Benchmark

## New Mexico Public Employees Retirement Association Smart Save Deferred Compensation Plan

LifeCycle Funds Detail | As of December 31, 2019

### New Mexico LifeCycle 2050 Portfolio

1/1/2019	Present	3.6% BBgBarc US Aggregate TR / 1.3% BBgBarc US TIPS TR / 2.8% FTSE WGBI TR / 3.3% BBgBarc US High Yield TR / 24.4% S&P 500 / 10.8% Russell 2500 / 25.4% MSCI ACWI ex USA / 10% MSCI Emerging Markets / 11.2% PRREF II Custom Benchmark / 7.2% Real Asset Custom Benchmark
1/1/2018	12/31/2018	3.4% BBgBarc US Aggregate TR / 1.2% BBgBarc US TIPS TR / 2.7% FTSE WGBI TR / 3.2% BBgBarc US High Yield TR / 24.6% S&P 500 / 10.7% Russell 2500 / 25.6% MSCI ACWI ex USA / 10% MSCI Emerging Markets / 11.3% PRREF II Custom Benchmark / 7.3% Real Asset Custom Benchmark
1/1/2017	12/31/2017	3.2% BBgBarc US Aggregate TR / 1.1% BBgBarc US TIPS TR / 2.6% FTSE WGBI TR / 3.1% BBgBarc US High Yield TR / 24.8% S&P 500 / 10.6% Russell 2500 / 25.8% MSCI ACWI ex USA / 10% MSCI Emerging Markets / 11.4% FTSE EPRA/NAREIT Global Real Estate Index / 7.4% Real Asset Custom Benchmark
6/30/2016	12/31/2016	5% BBgBarc US Aggregate TR / 25% S&P 500 / 10.5% Russell 2500 / 26% MSCI EAFE / 3.5% FTSE WGBI TR / 11.5% FTSE EPRA/NAREIT Global Real Estate Index / 10% MSCI Emerging Markets / 7.5% Real Asset Custom Benchmark

### New Mexico LifeCycle 2055 Portfolio

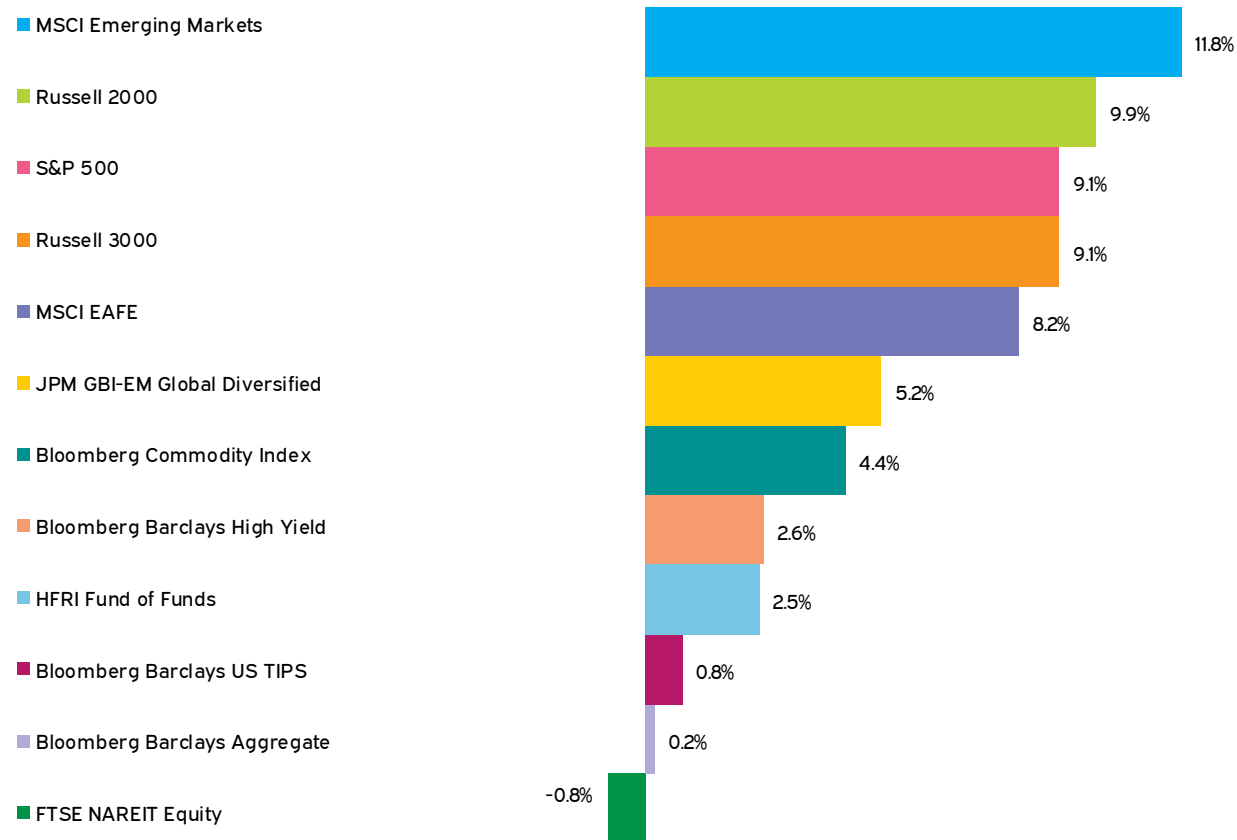
1/1/2019	Present	2.8% BBgBarc US Aggregate TR / 0.6% BBgBarc US TIPS TR / 2.3% FTSE WGBI TR / 2.8% BBgBarc US High Yield TR / 25.2% S&P 500 / 10.5% Russell 2500 / 26.4% MSCI ACWI ex USA / 10% MSCI Emerging Markets / 11.7% PRREF II Custom Benchmark / 7.7% Real Asset Custom Benchmark
1/1/2018	12/31/2018	2.7% BBgBarc US Aggregate TR / 0.4% BBgBarc US TIPS TR / 2.2% FTSE WGBI TR / 2.7% BBgBarc US High Yield TR / 25.3% S&P 500 / 10.5% Russell 2500 / 26.6% MSCI ACWI ex USA / 10% MSCI Emerging Markets / 11.8% PRREF II Custom Benchmark / 7.8% Real Asset Custom Benchmark
1/1/2017	12/31/2017	2.6% BBgBarc US Aggregate TR / 0.2% BBgBarc US TIPS TR / 2.1% FTSE WGBI TR / 2.6% BBgBarc US High Yield TR / 25.4% S&P 500 / 10.5% Russell 2500 / 26.8% MSCI ACWI ex USA / 10% MSCI Emerging Markets / 11.9% FTSE EPRA/NAREIT Global Real Estate Index / 7.9% Real Asset Custom Benchmark
5/1/2016	12/31/2016	4% BBgBarc US Aggregate TR / 25.5% S&P 500 / 10.5% Russell 2500 / 27% MSCI EAFE / 3% FTSE WGBI TR / 12% FTSE EPRA/NAREIT Global Real Estate Index / 10% MSCI Emerging Markets / 8% Real Asset Custom Benchmark



## Appendices

## **The World Markets Fourth Quarter of 2019**

### The World Markets<sup>1</sup> Fourth Quarter of 2019

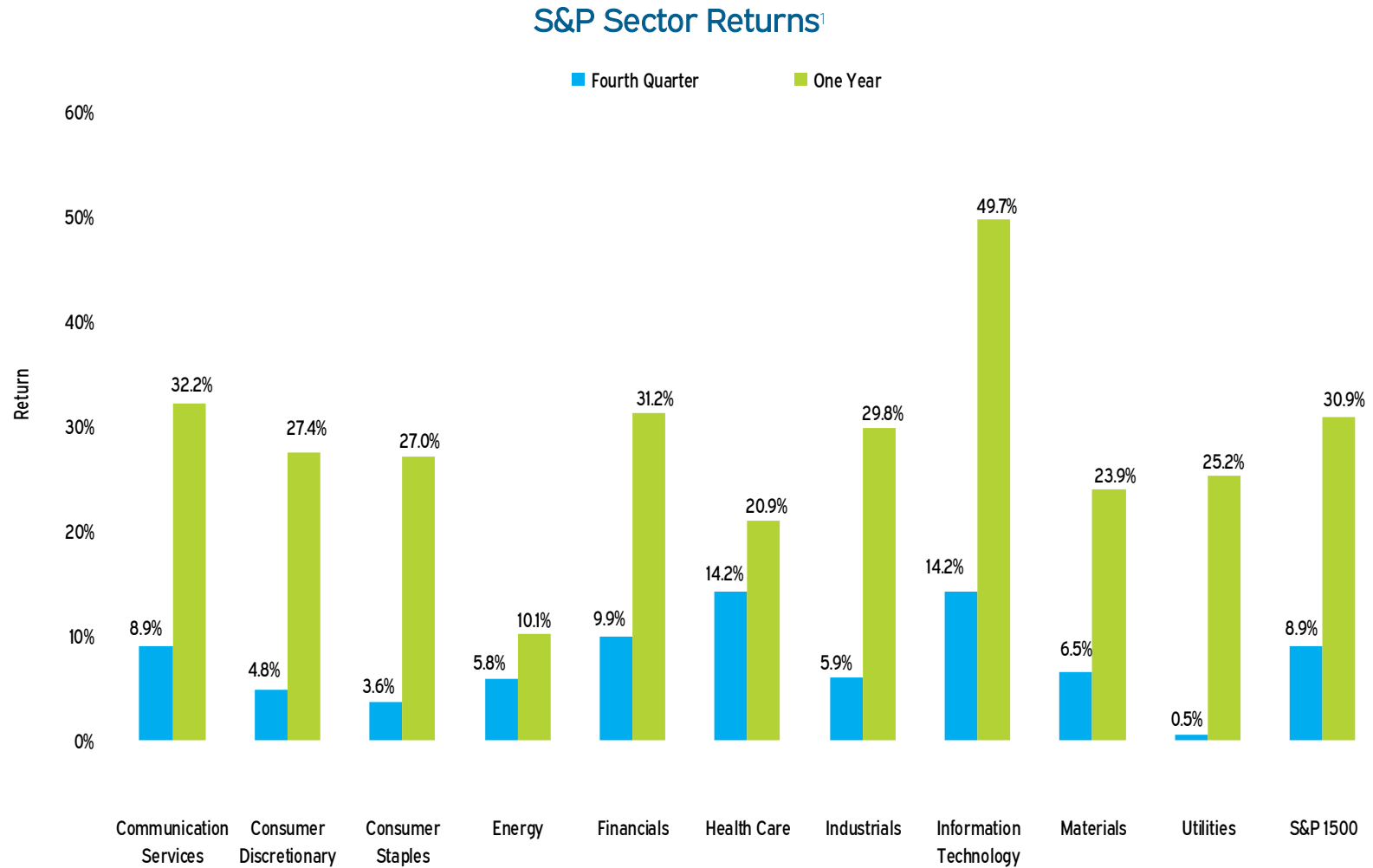


<sup>1</sup> Source: InvestorForce.

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

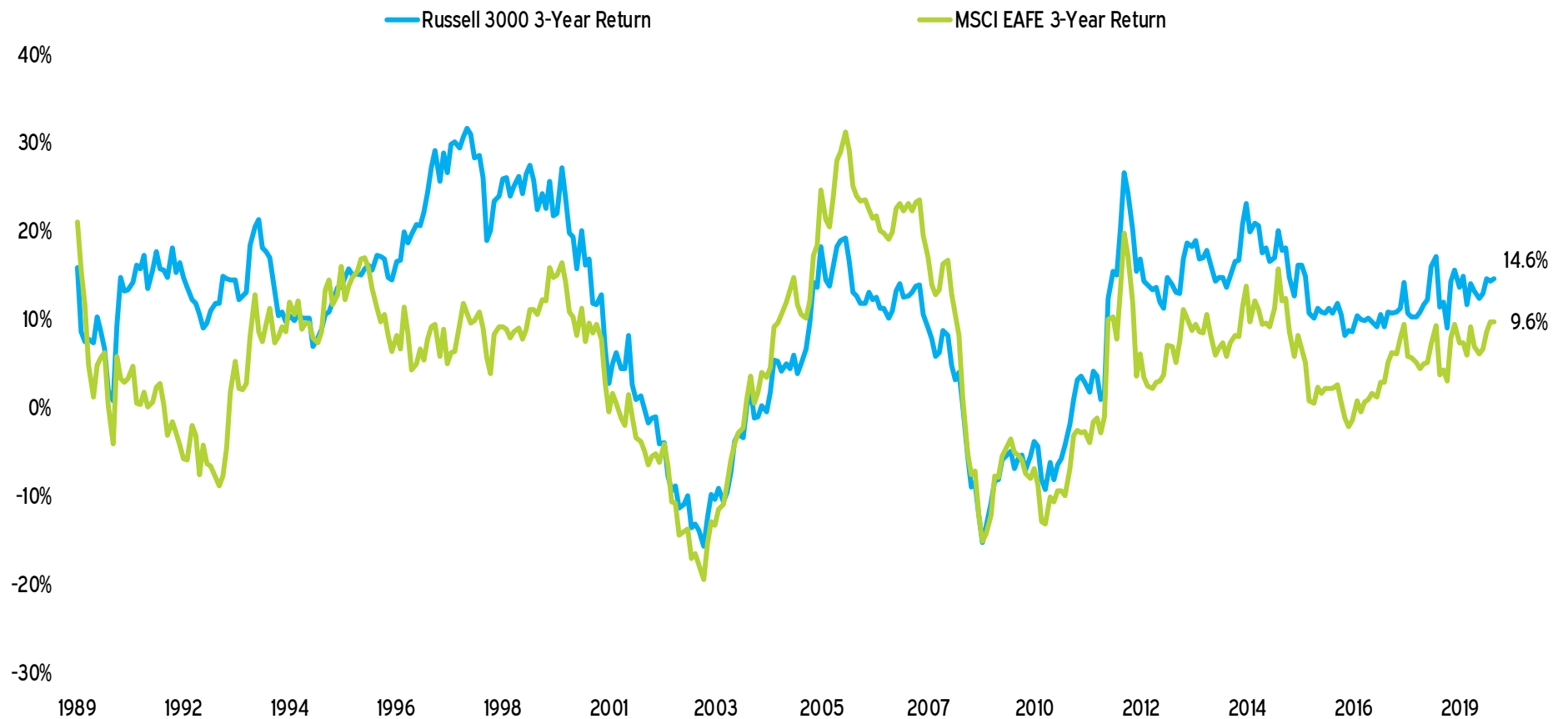
	4Q19 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity					
S&P 500	9.1	31.5	15.3	11.7	13.6
Russell 3000	9.1	31.0	14.6	11.2	13.4
Russell 1000	9.0	31.4	15.0	11.5	13.5
Russell 1000 Growth	10.6	36.4	20.5	14.6	15.2
Russell 1000 Value	7.4	26.5	9.7	8.3	11.8
Russell MidCap	7.1	30.5	12.1	9.3	13.2
Russell MidCap Growth	8.2	35.5	17.4	11.6	14.2
Russell MidCap Value	6.4	27.1	8.1	7.6	12.4
Russell 2000	9.9	25.5	8.6	8.2	11.8
Russell 2000 Growth	11.4	28.5	12.5	9.3	13.0
Russell 2000 Value	8.5	22.4	4.8	7.0	10.6
Foreign Equity					
MSCI ACWI (ex. US)	8.9	21.5	9.9	5.5	5.0
MSCI EAFE	8.2	22.0	9.6	5.7	5.5
MSCI EAFE (Local Currency)	5.2	21.7	7.7	6.7	7.2
MSCI EAFE Small Cap	11.5	25.0	10.9	8.9	8.7
MSCI Emerging Markets	11.8	18.4	11.6	5.6	3.7
MSCI Emerging Markets (Local Currency)	9.5	18.1	11.5	7.5	6.1
Fixed Income					
Bloomberg Barclays Universal	0.5	9.3	4.3	3.4	4.1
Bloomberg Barclays Aggregate	0.2	8.7	4.0	3.0	3.7
Bloomberg Barclays US TIPS	0.8	8.4	3.3	2.6	3.4
Bloomberg Barclays High Yield	2.6	14.3	6.4	6.1	7.6
JPM GBI-EM Global Diversified	5.2	13.5	7.0	2.8	2.7
Other					
FTSE NAREIT Equity	-0.8	26.0	8.1	7.2	11.9
Bloomberg Commodity Index	4.4	7.7	-0.9	-3.9	-4.7
HFRI Fund of Funds	2.5	7.8	3.7	2.2	2.8

<sup>1</sup> Source: InvestorForce.



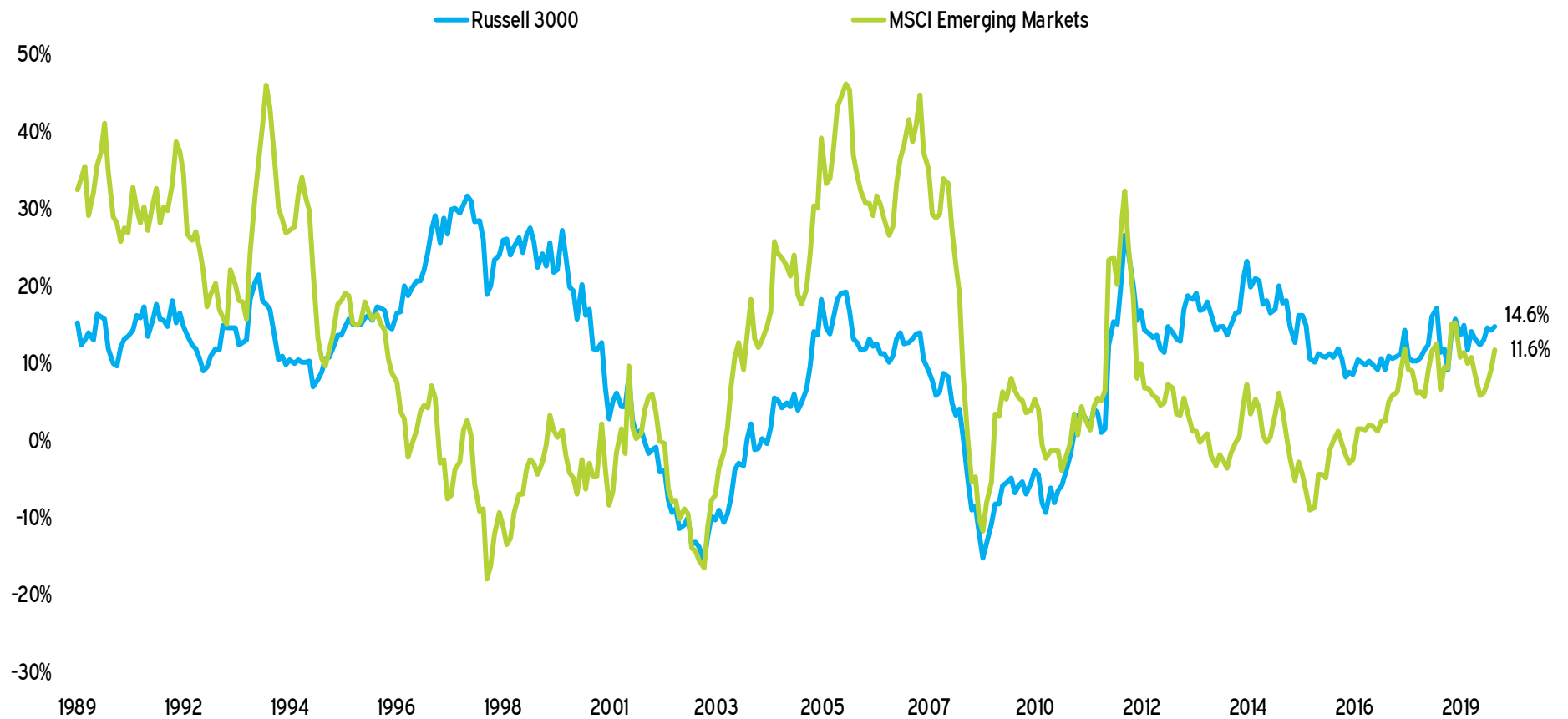
<sup>1</sup> Source: InvestorForce. Represents S&P 1500 (All Cap) data.

### US and Developed Market Foreign Equity Rolling Three-Year Returns<sup>1</sup>



<sup>1</sup> Source: InvestorForce.

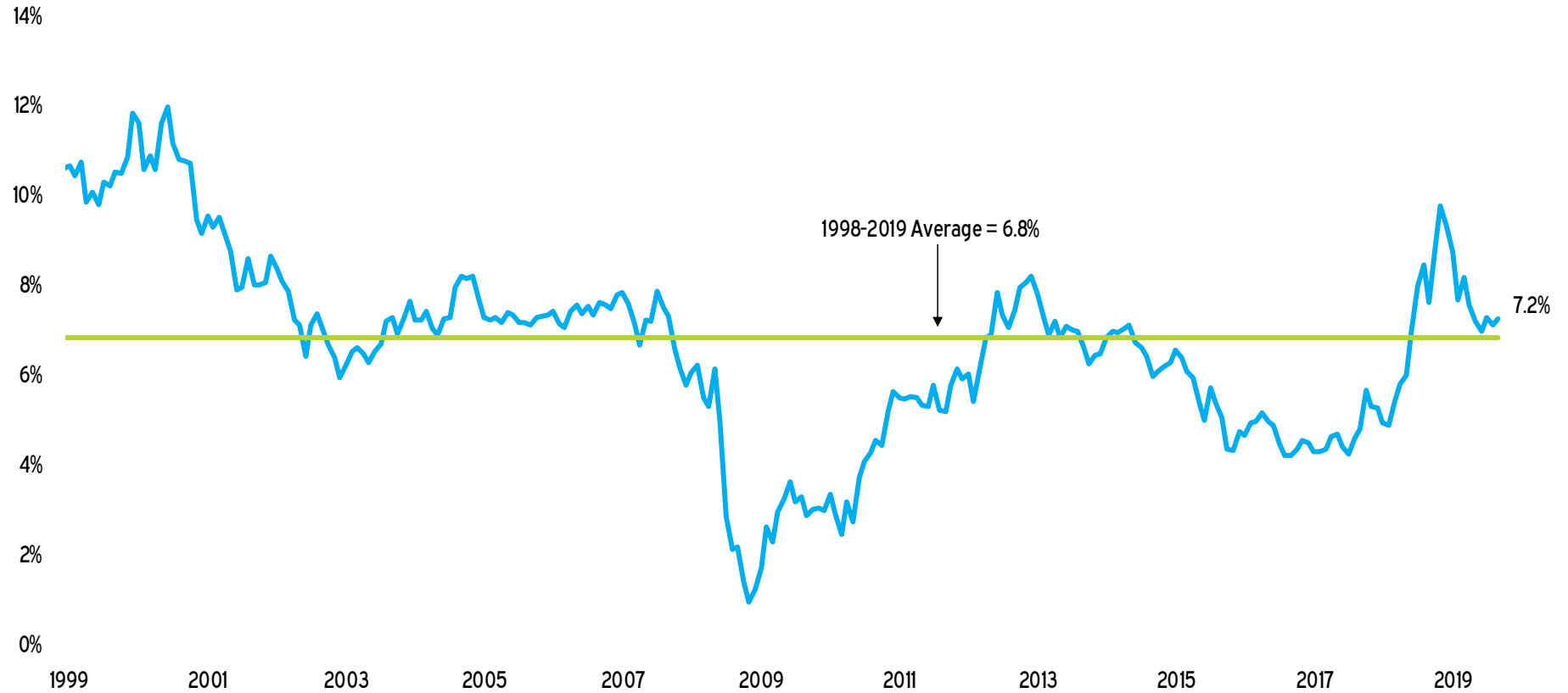
### US and Emerging Market Equity Rolling Three-Year Returns<sup>1</sup>



<sup>1</sup> Source: InvestorForce.

### Rolling Ten-Year Returns: 65% Stocks and 35% Bonds<sup>1</sup>

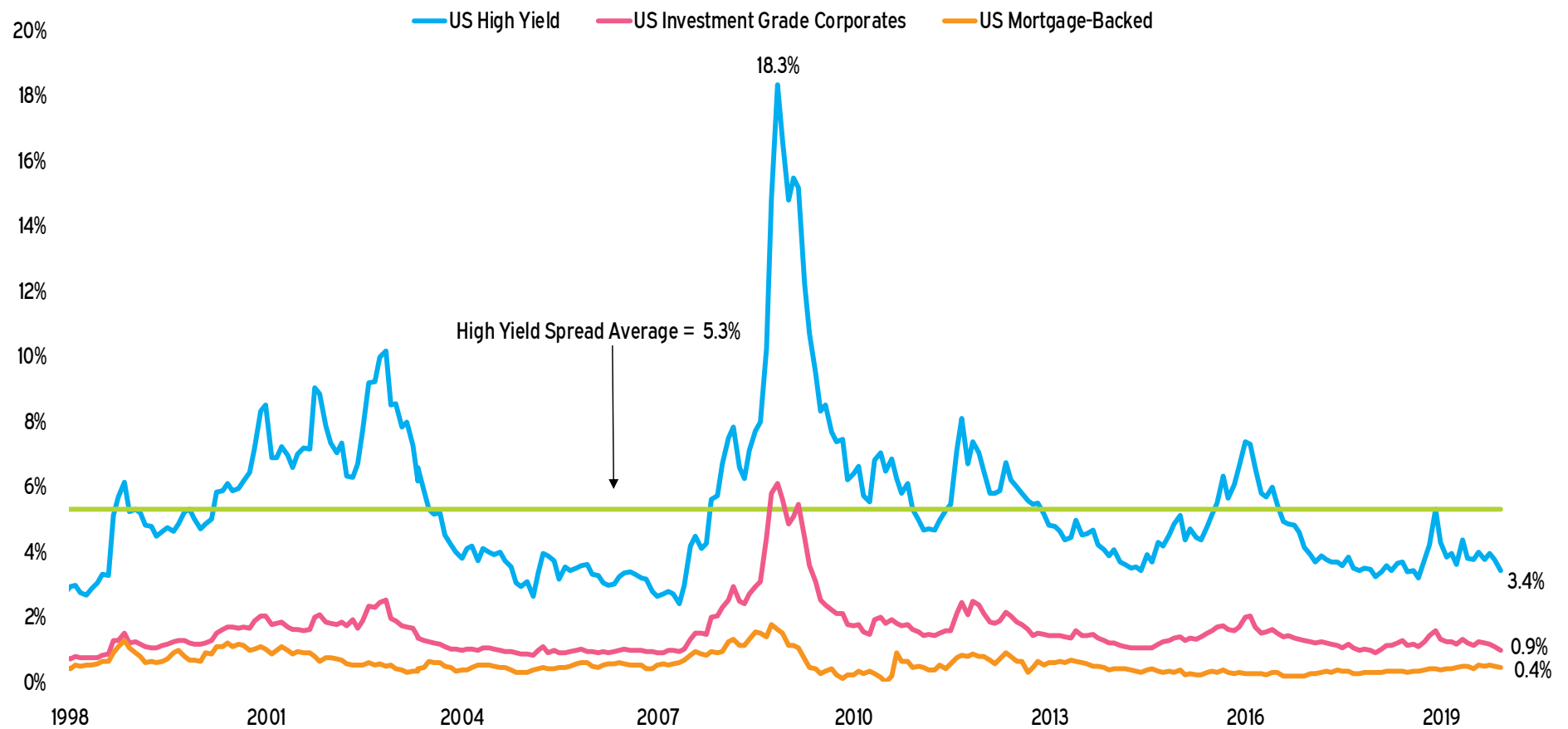
— 65% Stocks (MSCI ACWI) / 35% Bonds (Bloomberg Barclays Aggregate) 10-Year Rolling Return



<sup>1</sup> Source: InvestorForce.



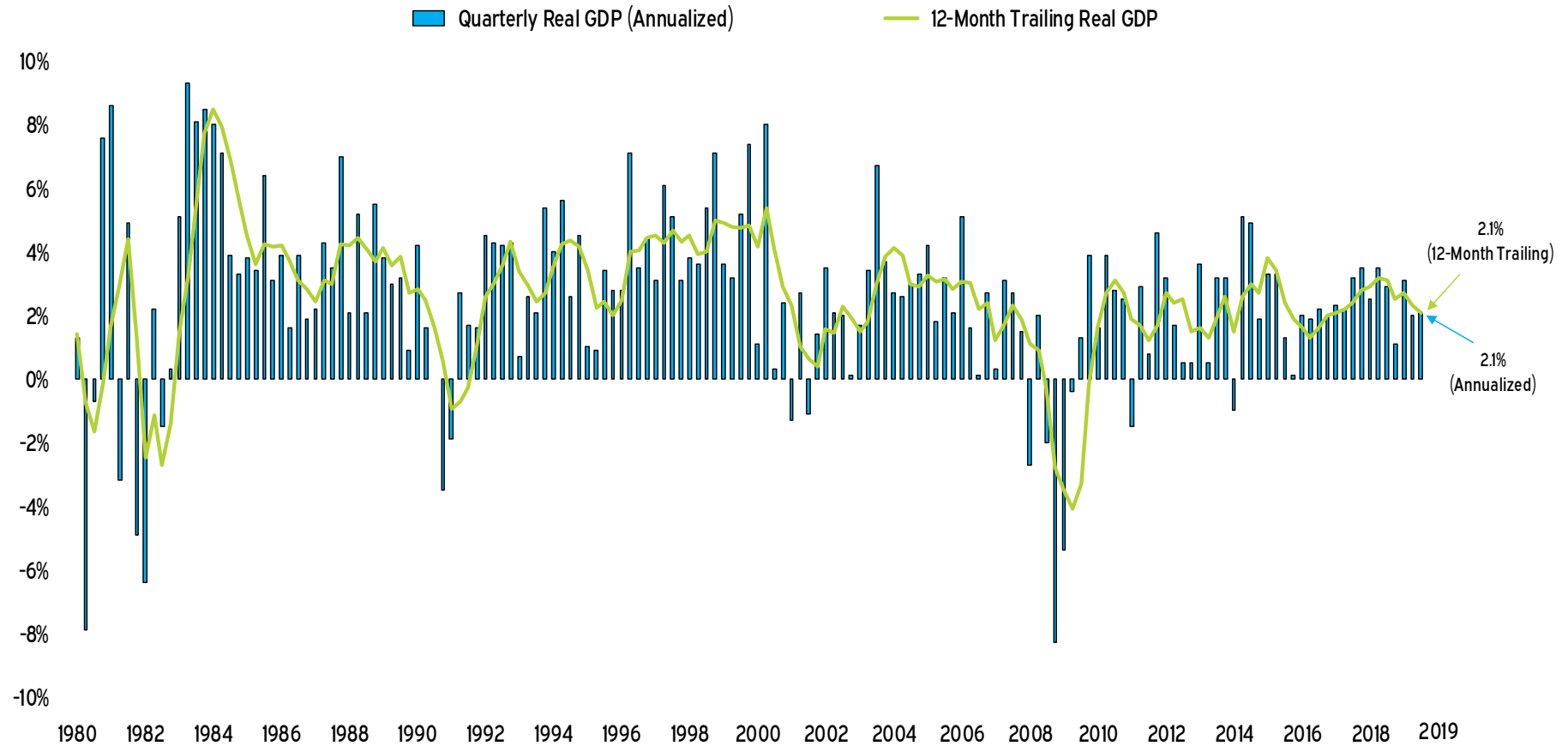
### Credit Spreads vs. US Treasury Bonds<sup>1,2</sup>



<sup>1</sup> Source: Barclays Live.

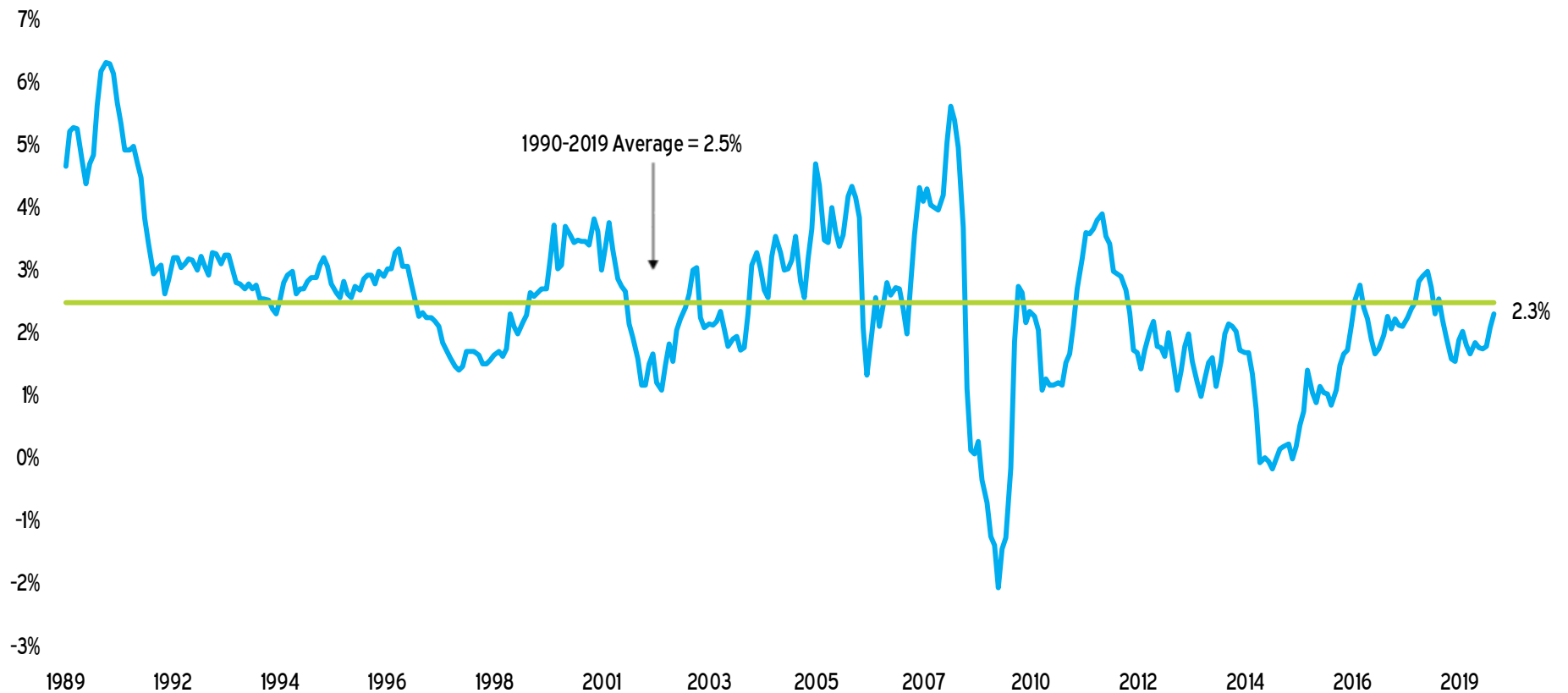
<sup>2</sup> The median high yield spread was 4.7% from 1997-2019.

### US Real Gross Domestic Product (GDP) Growth<sup>1</sup>



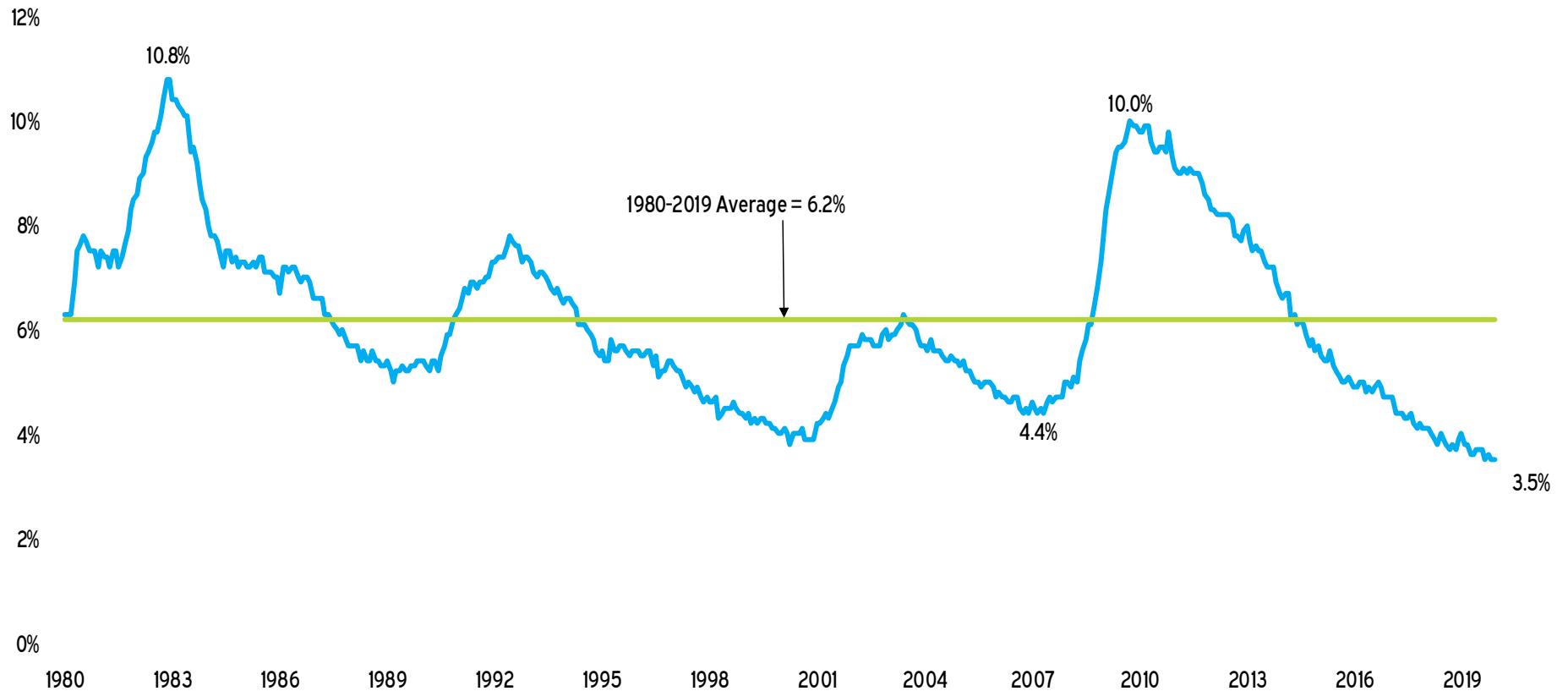
<sup>1</sup> Source: Bureau of Economic Analysis. Data is as of Q3 2019 and represents the third estimate.

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



<sup>1</sup> Source: Bureau of Labor Statistics. Data is non-seasonally adjusted CPI, which may be volatile in the short-term. Data is as of December 31, 2019.

### US Unemployment



<sup>1</sup> Source: Bureau of Labor Statistics. Data is as of December 31, 2019.

## Capital Markets Outlook & Risk Metrics

As of December 31, 2019

## Capital Markets Outlook

### Takeaways

- December capped off a historically strong year for most risk-oriented markets. Global equity markets generally produced gains in the 2-4% range during the month, with full calendar year returns ending up approximately in the 18-32% range.
- With the exception of long-term interest rates (which ticked up during the month), the yield curve remained relatively stable in December. On a trailing one-year basis, however, interest rates declined by a material margin as the Federal Reserve lowered rates three times in 2019. From a performance perspective, broad investment grade bonds produced one-year returns in the high single-digits whereas long US Treasury bonds generated a return of nearly 15% for the year.
- Due in part to strong returns across nearly all asset classes in 2019, investors should anticipate that long-term, forward-looking returns will be lower as of early-2020 when compared to early-2019 capital market assumptions.
- US equity markets remain expensive whereas non-US equity markets remain reasonably valued relative to their histories. US credit and emerging markets debt spreads remain reasonably valued relative to their histories, although the richness of US high yield has recently increased (i.e., is now more expensive).
- Relative to their counterparts (growth and large cap), value and small cap equities continue to remain attractive from a valuation perspective.

### Capital Markets Outlook

#### Takeaways

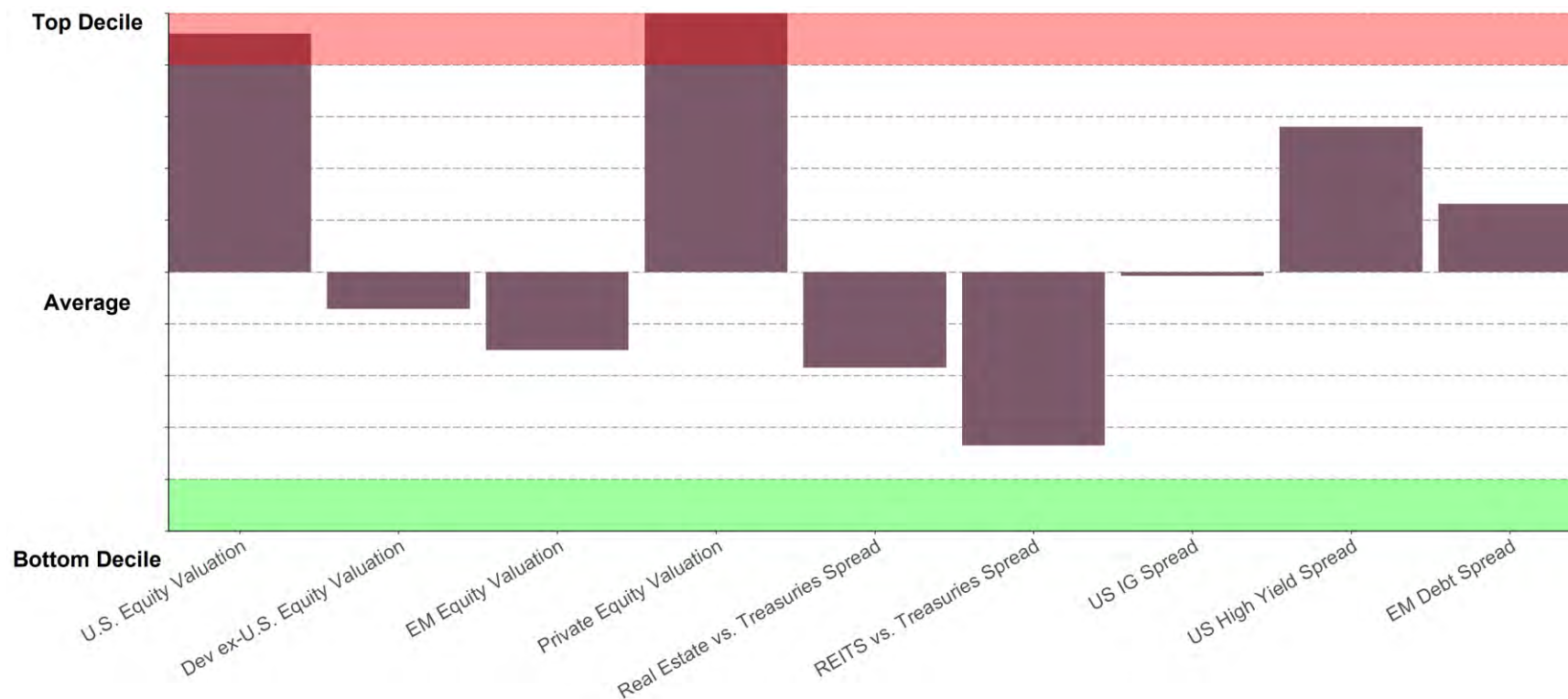
- Implied equity market volatility<sup>1</sup> remained at relatively low levels throughout December, generally staying in the 12-16 range throughout the entire month (the historical average is ~19).
- The Market Sentiment Indicator<sup>2</sup> stayed green at month end.

---

<sup>1</sup> As measured by VIX Index.

<sup>2</sup> See Appendix for the rationale for selection and calculation methodology used for the risk metrics.

### Risk Overview/Dashboard (1) (As of December 31, 2019)<sup>1</sup>

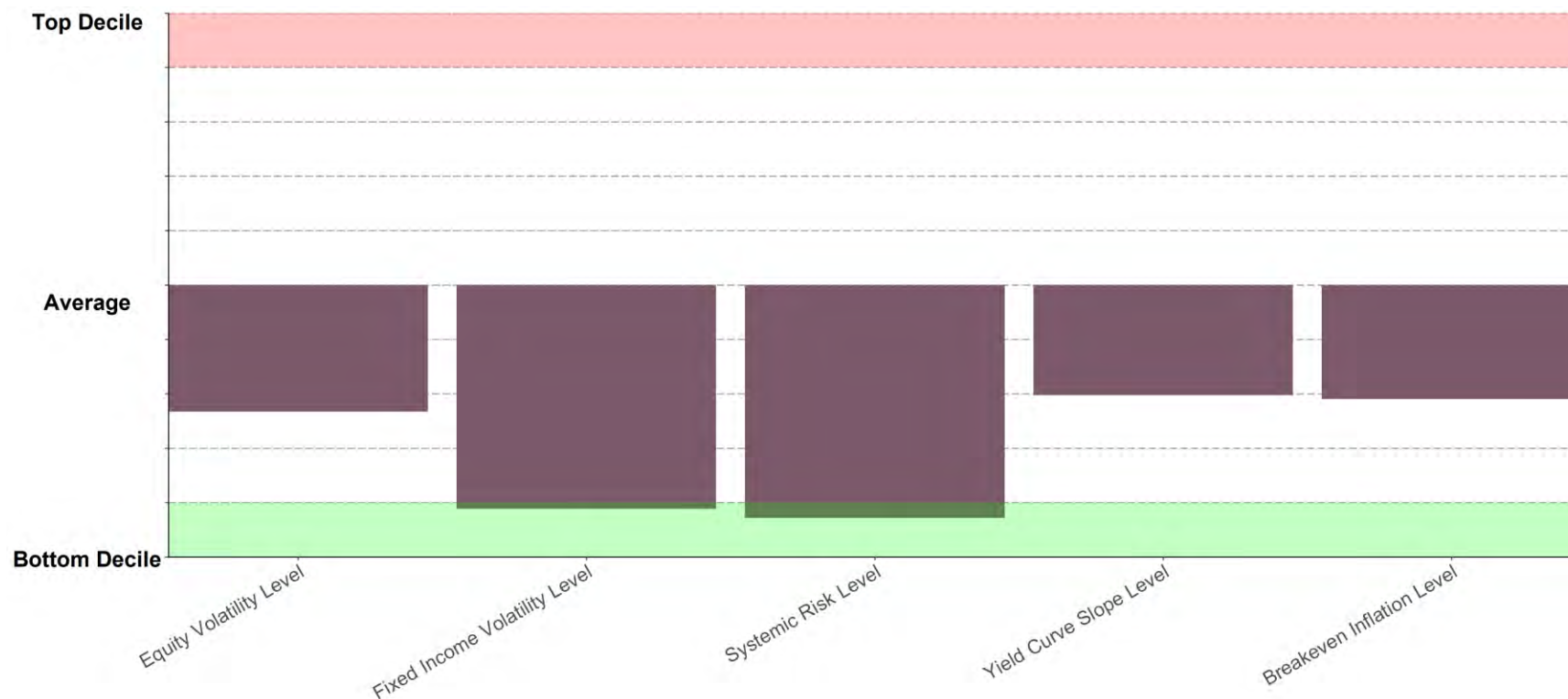


- Dashboard (1) summarizes the current state of the different valuation metrics per asset class relative to their own history.

<sup>1</sup> With the exception of Private Equity Valuation, that is YTD as of November 30, 2019.

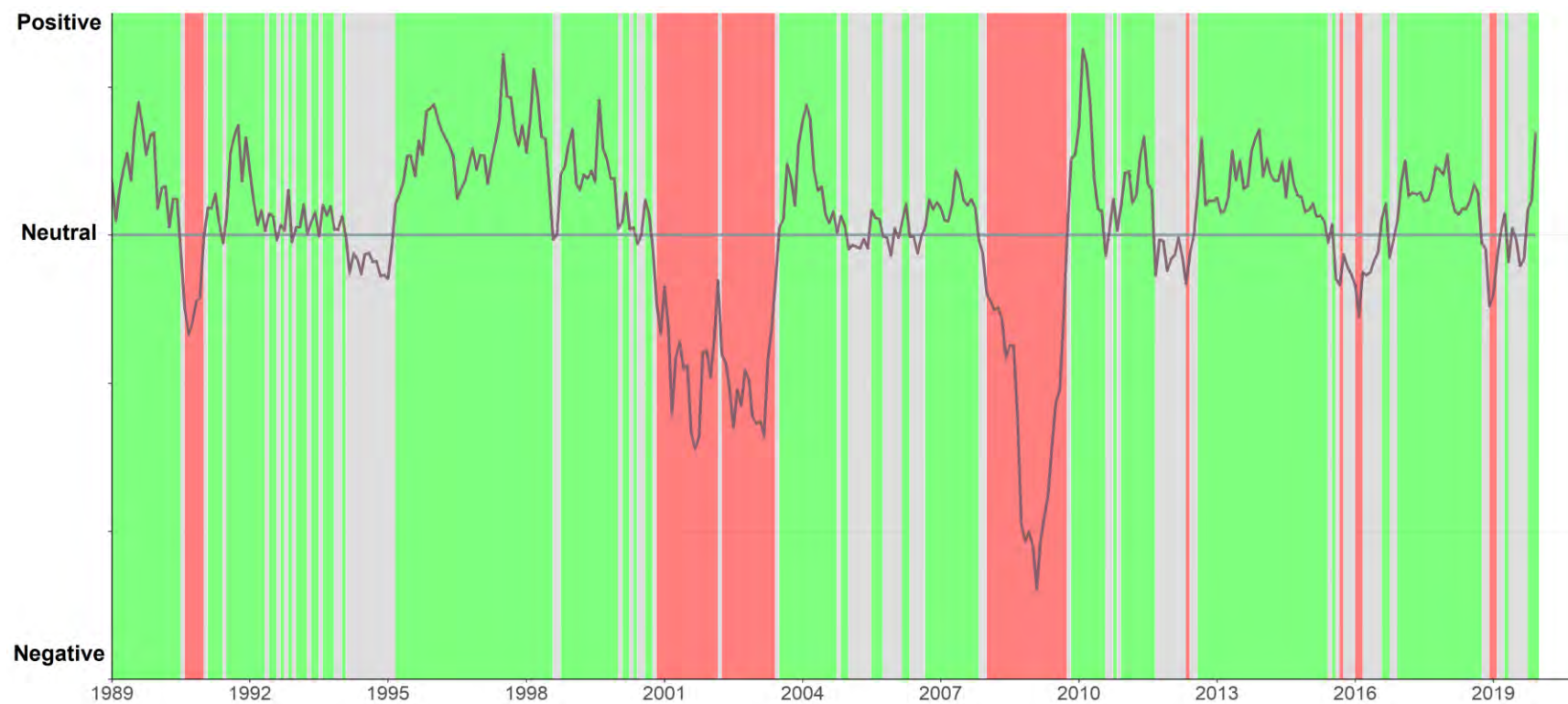


### Risk Overview/Dashboard (2) (As of December 31, 2019)



- Dashboard (2) shows how the current level of each indicator compares to its respective history.

### Market Sentiment Indicator (All History) (As of December 31, 2019)



Market Sentiment Indicator (Last Three Years)  
(As of December 31, 2019)



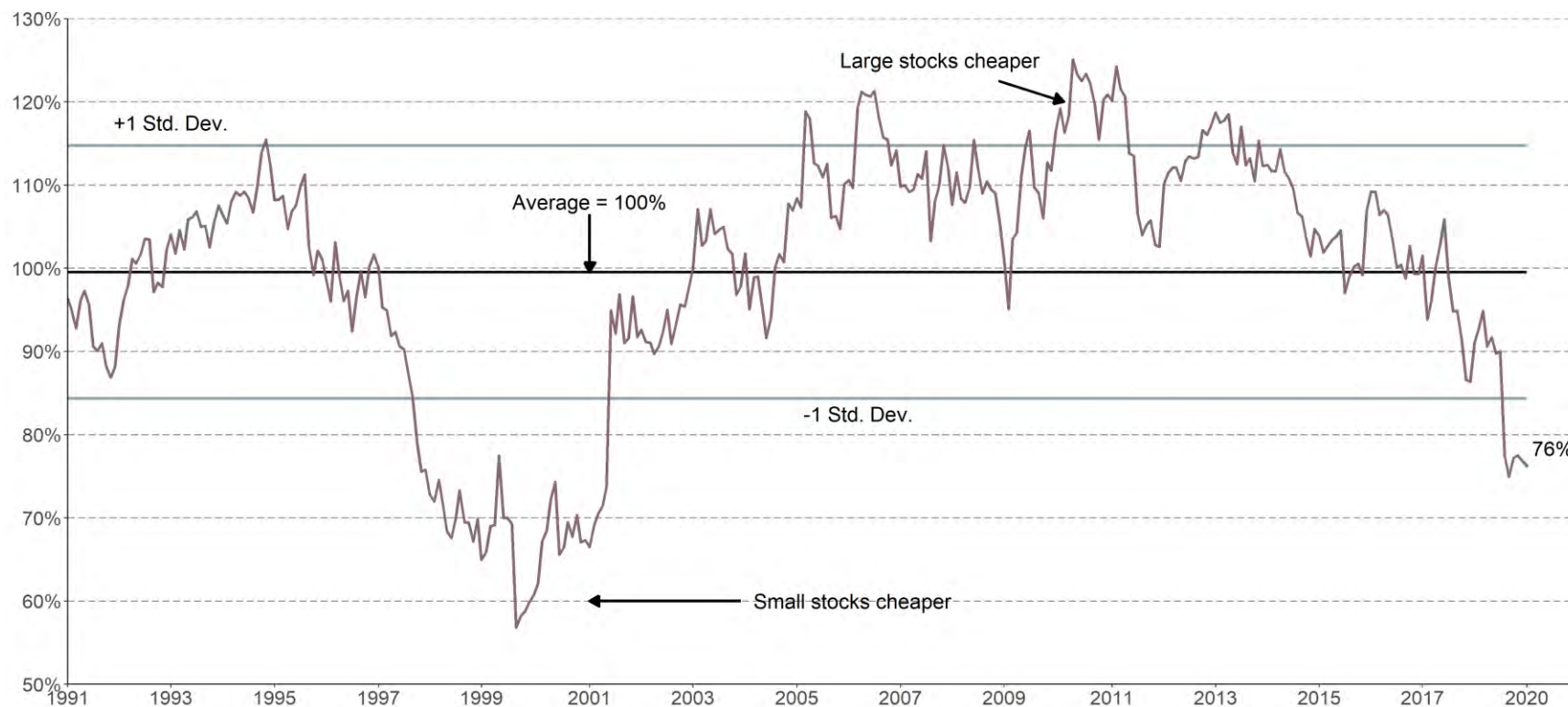
### US Equity Cyclically Adjusted P/E<sup>1</sup> (As of December 31, 2019)



- This chart details one valuation metric for US equities. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

<sup>1</sup> US Equity Cyclically Adjusted P/E on S&P 500 Index – Source: Robert Shiller, Yale University and Meketa Investment Group.

### Small Cap P/E vs. Large Cap P/E<sup>1</sup> (As of December 31, 2019)



- This chart compares the relative attractiveness of small cap US equities vs. large cap US equities on a valuation basis. A higher (lower) figure indicates that large cap (small cap) is more attractive.

<sup>1</sup> Small Cap P/E (Russell 2000 Index) vs. Large Cap P/E (Russell 1000 Index) - Source: Russell Investments. Earnings figures represent 12-month "as reported" earnings.

### Growth P/E vs. Value P/E<sup>1</sup> (As of December 31, 2019)

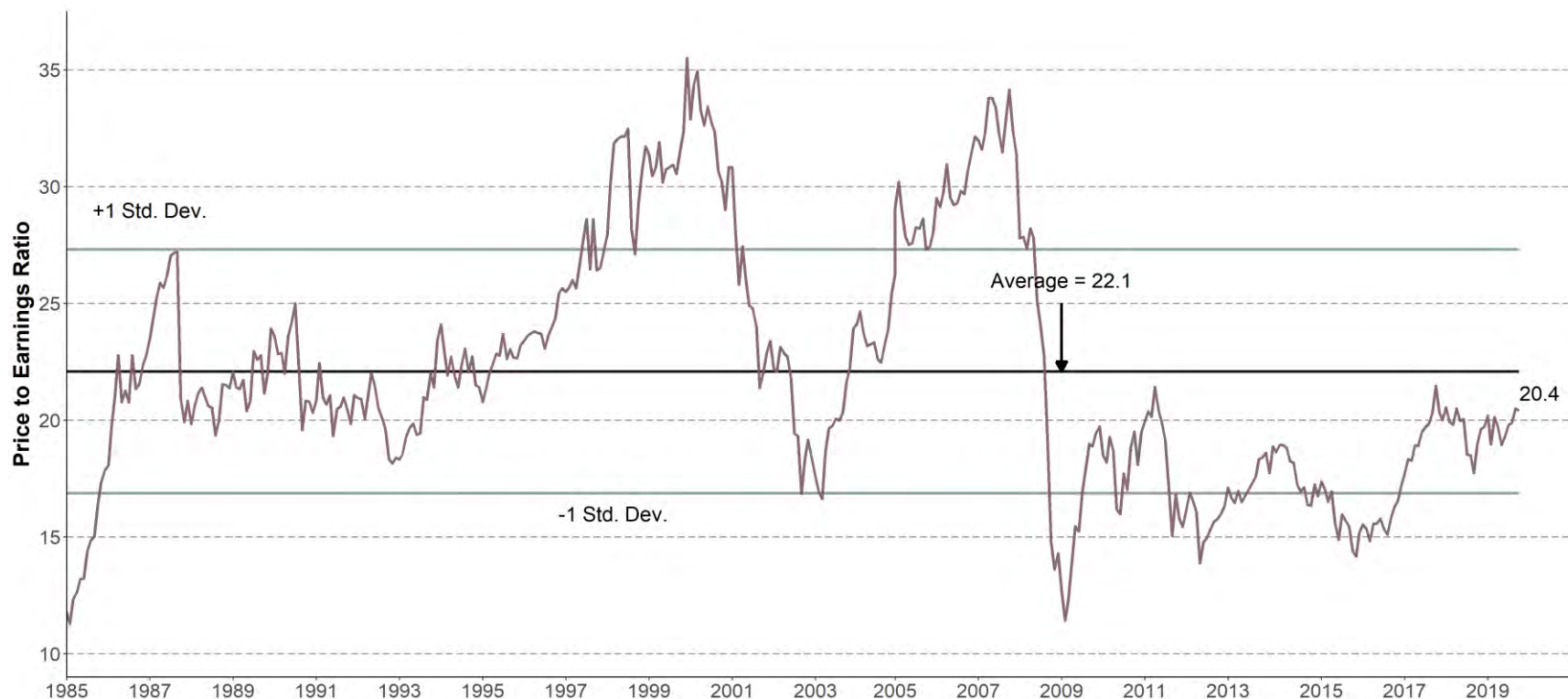


- This chart compares the relative attractiveness of US growth equities vs. US value equities on a valuation basis. A higher (lower) figure indicates that value (growth) is more attractive.

<sup>1</sup> Growth P/E (Russell 3000 Growth Index) vs. Value (Russell 3000 Value Index) P/E - Source: Bloomberg, MSCI, and Meketa Investment Group. Earnings figures represent 12-month "as reported" earnings.



### Developed International Equity Cyclically Adjusted P/E<sup>1</sup> (As of December 31, 2019)



- This chart details one valuation metric for developed international equities. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

<sup>1</sup> Developed International Equity (MSCI EAFE ex Japan Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.

### Emerging Market Equity Cyclically Adjusted P/E<sup>1</sup> (As of December 31, 2019)

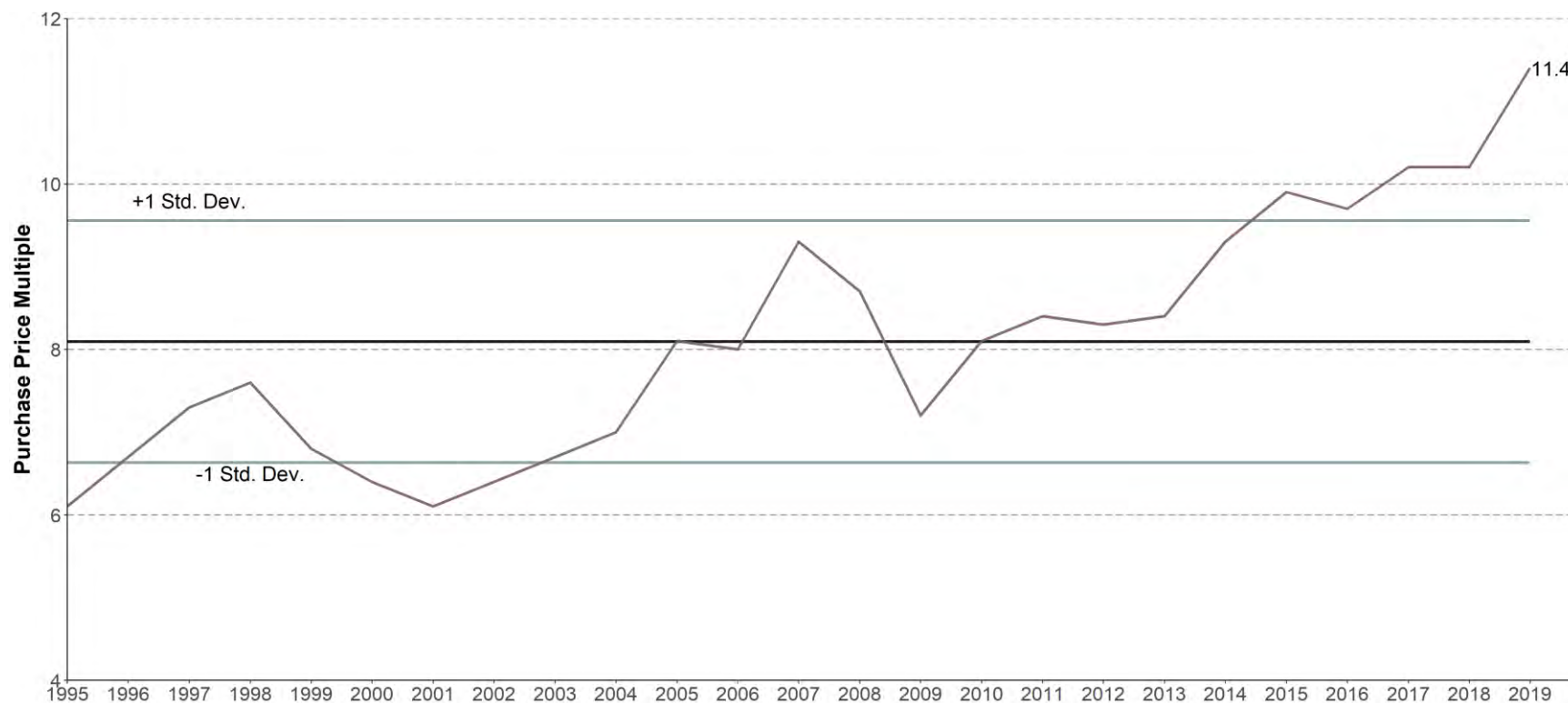


- This chart details one valuation metric for emerging markets equities. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

<sup>1</sup> Emerging Market Equity (MSCI Emerging Markets Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.



### Private Equity Multiples<sup>1</sup> (As of November 30, 2019)<sup>2</sup>



- This chart details one valuation metric for the private equity market. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

<sup>1</sup> Private Equity Multiples – Source: S&P LCD Average EBITDA Multiples Paid in All LBOs.

<sup>2</sup> Annual figures, except for 2019 (YTD).

### Core Real Estate Spread vs. Ten-Year Treasury<sup>1</sup> (As of December 31, 2019)



- This chart details one valuation metric for the private core real estate market. A higher (lower) figure indicates cheaper (more expensive) valuation.

<sup>1</sup> Core Real Estate Spread vs. Ten-Year Treasury – Source: Real Capital Analytics, US Treasury, Bloomberg, and Meketa Investment Group. Core Real Estate is proxied by weighted sector transaction based indices from Real Capital Analytics and Meketa Investment Group.

### REITs Dividend Yield Spread vs. Ten-Year Treasury<sup>1</sup> (As of December 31, 2019)



- This chart details one valuation metric for the public REITs market. A higher (lower) figure indicates cheaper (more expensive) valuation.

<sup>1</sup> REITs Dividend Yield Spread vs. Ten-Year Treasury – Source: NAREIT, US Treasury. REITs are proxied by the yield for the NAREIT Equity index.

### Credit Spreads<sup>1</sup> (As of December 31, 2019)



- This chart details one valuation metric for the US credit markets. A higher (lower) figure indicates cheaper (more expensive) valuation relative to history.

<sup>1</sup> Credit Spreads – Source: Barclays Capital. High Yield is proxied by the Barclays High Yield index and Investment Grade Corporates are proxied by the Barclays US Corporate Investment Grade index.

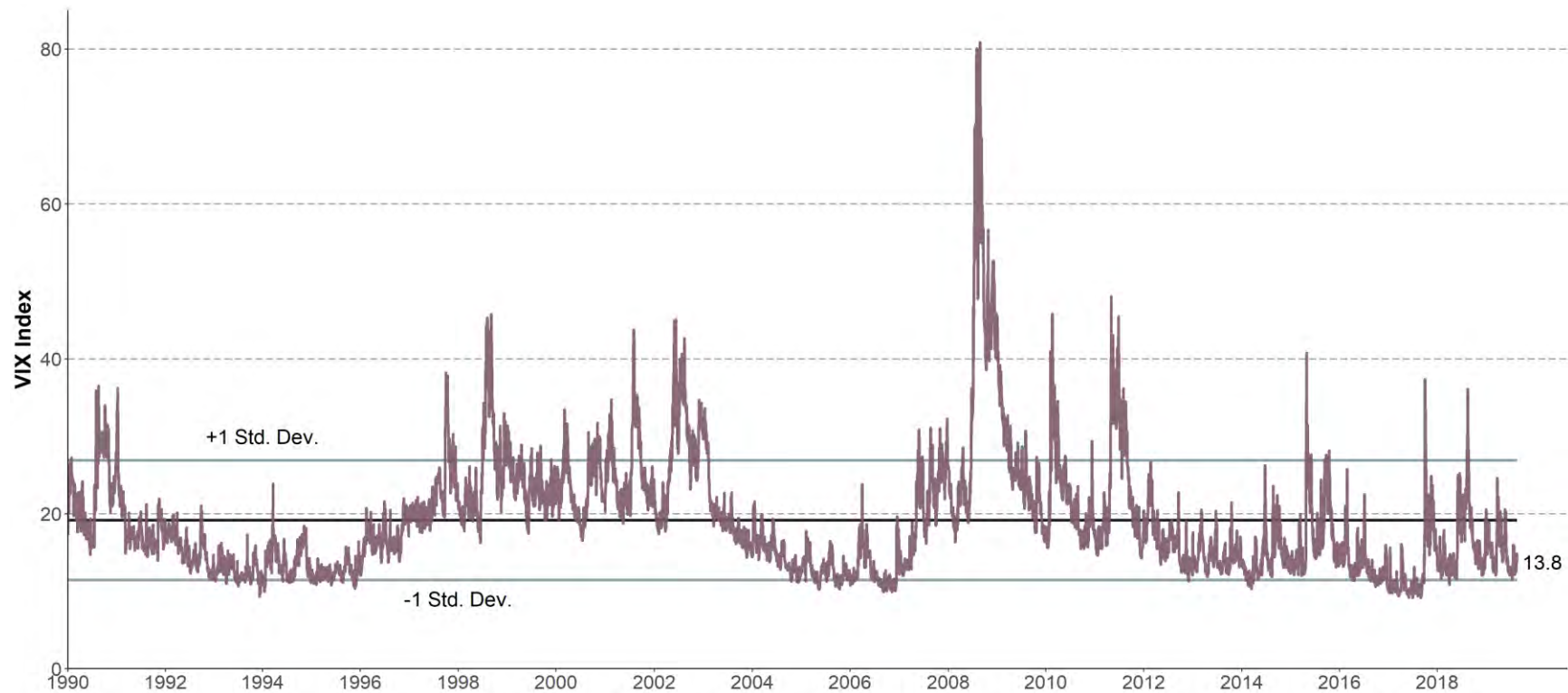
### Emerging Market Debt Spreads<sup>1</sup> (As of December 31, 2019)



- This chart details one valuation metric for the EM debt markets. A higher (lower) figure indicates cheaper (more expensive) valuation relative to history.

<sup>1</sup> EM Spreads – Source: Bloomberg. Option Adjusted Spread (OAS) for the Bloomberg Barclays EM USD Aggregate Index.

### Equity Volatility<sup>1</sup> (As of December 31, 2019)



- This chart details historical implied equity market volatility. This metric tends to increase during times of stress/fear and while declining during more benign periods.

<sup>1</sup> Equity Volatility – Source: Bloomberg, and Meketa Investment Group. Equity Volatility proxied by VIX Index, a Measure of implied option volatility for US equity markets.



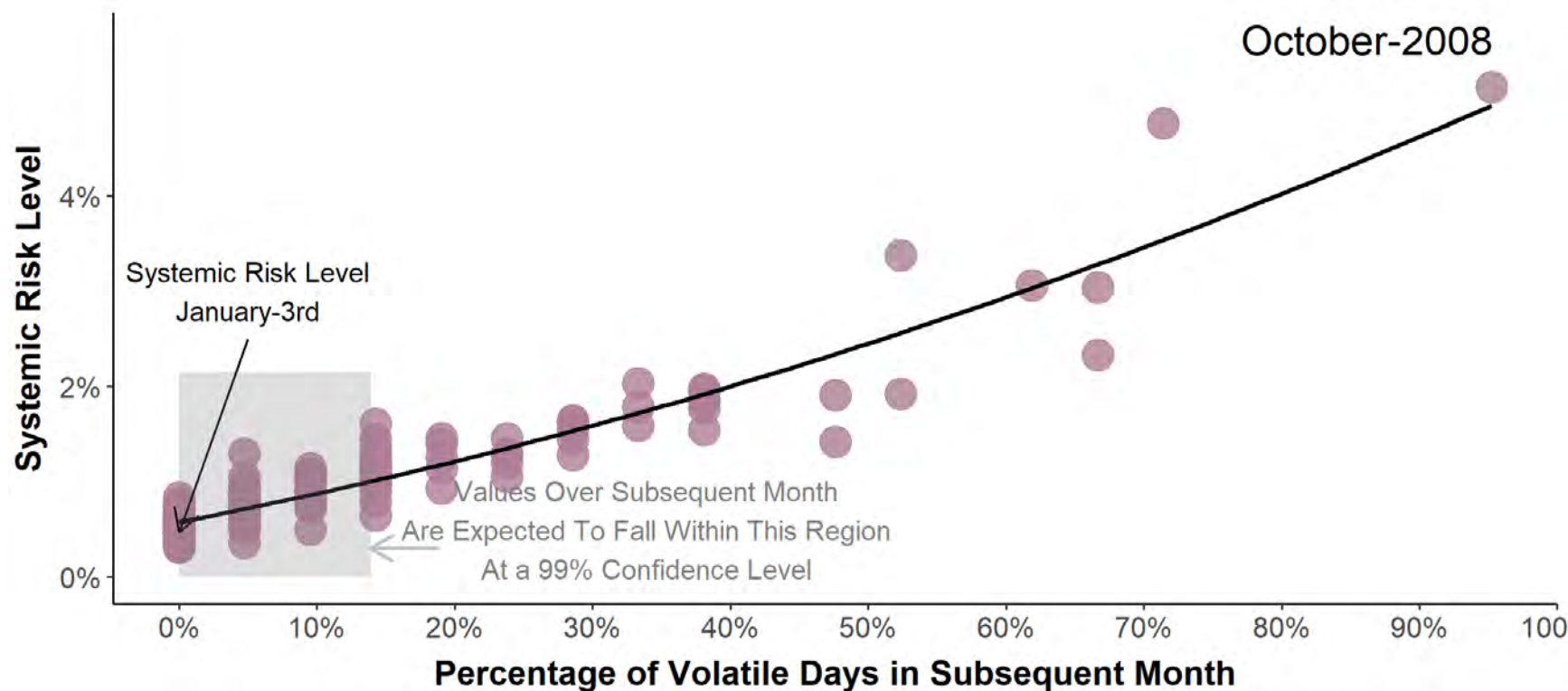
### Fixed Income Volatility<sup>1</sup> (As of December 31, 2019)



- This chart details historical implied fixed income market volatility. This metric tends to increase during times of stress/fear and while declining during more benign periods.

<sup>1</sup> Fixed Income Volatility – Source: Bloomberg, and Meketa Investment Group. Fixed Income Volatility proxied by MOVE Index, a Measure of implied option volatility for US Treasury markets.

### Systemic Risk and Volatile Market Days<sup>1</sup> (As of January 3, 2020)



- Systemic Risk is a measure of 'System-wide' risk, which indicates herding type behavior.

<sup>1</sup> Source: Meketa Investment Group. Volatile days are defined as the top 10 percent of realized turbulence, which is a multivariate distance between asset returns.



### Yield Curve Slope (Ten Minus Two)<sup>1</sup> (As of December 31, 2019)



- This chart details the historical difference in yields between ten-year and two-year US Treasury bonds/notes. A higher (lower) figure indicates a steeper (flatter) yield curve slope.

<sup>1</sup> Yield Curve Slope (Ten Minus Two) – Source: Bloomberg, and Meketa Investment Group. Yield curve slope is calculated as the difference between the 10-Year US Treasury Yield and 2-Year US Treasury Yield.

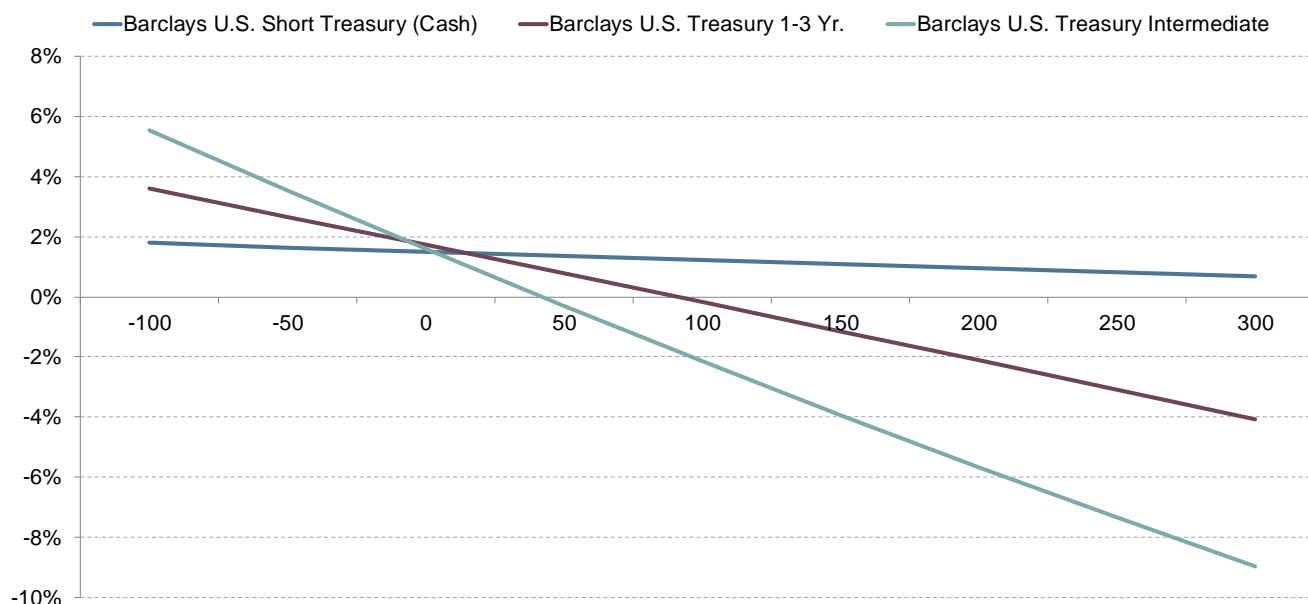
### Ten-Year Breakeven Inflation<sup>1</sup> (As of December 31, 2019)



- This chart details the difference between nominal and inflation-adjusted US Treasury bonds. A higher (lower) figure indicates higher (lower) inflation expectations.

<sup>1</sup> Ten-Year Breakeven Inflation – Source: US Treasury and Federal Reserve. Inflation is measured by the Consumer Price Index (CPI-U NSA).

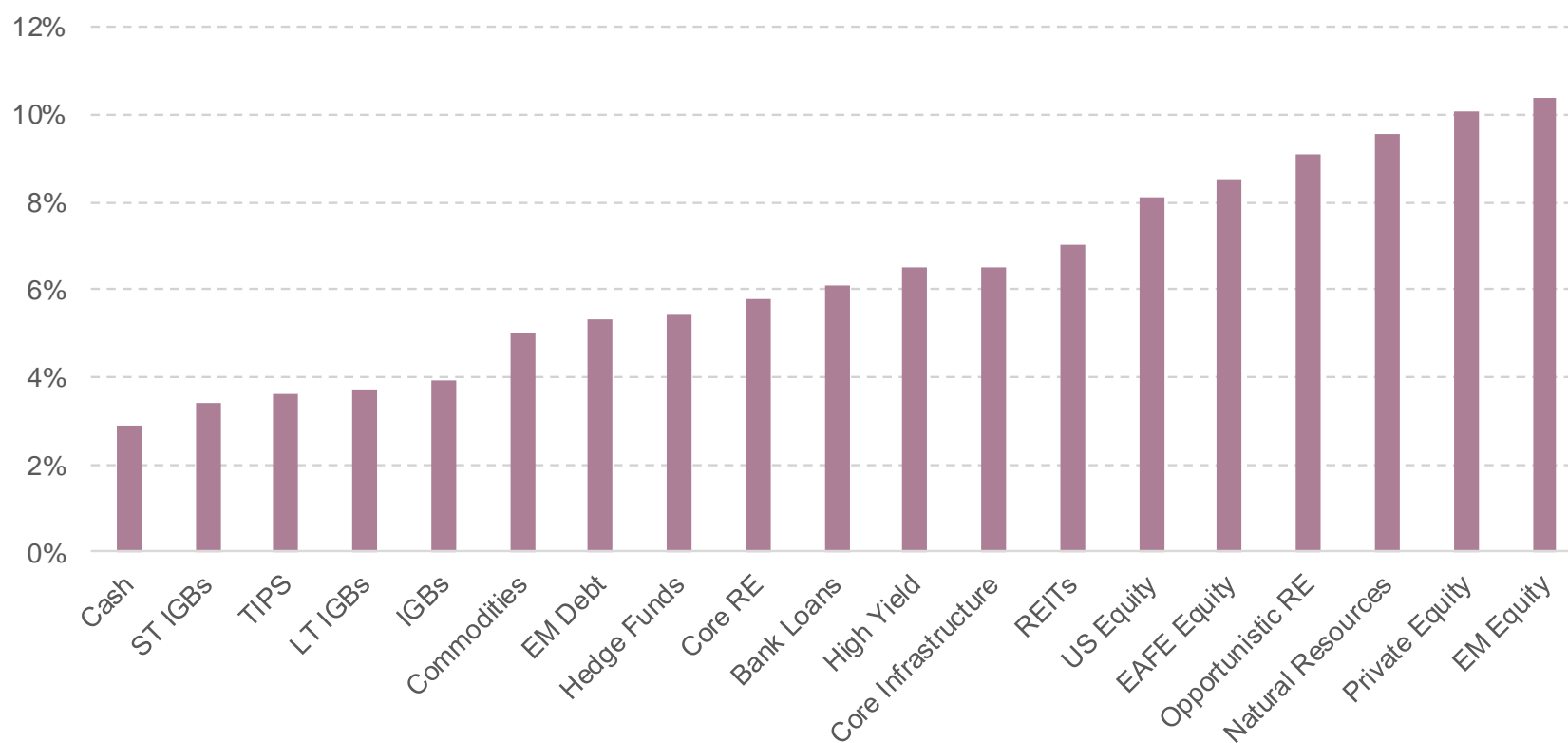
### Total Return Given Changes in Interest Rates (bps)<sup>1</sup> (As of December 31, 2019)



	Total Return for Given Changes in Interest Rates (bps)									Statistics	
	-100	-50	0	50	100	150	200	250	300	Duration	YTW
Barclays US Short Treasury (Cash)	1.9%	1.8%	1.7%	1.5%	1.4%	1.2%	1.1%	1.0%	0.8%	0.7%	0.28
Barclays US Treasury 1-3 Yr.	4.5%	3.6%	2.7%	1.7%	0.8%	-0.2%	-1.1%	-2.1%	-3.1%	-4.1%	1.89
Barclays US Treasury Intermediate	7.6%	5.6%	3.6%	1.6%	-0.3%	-2.1%	-3.9%	-5.7%	-7.3%	-9.0%	3.85
Barclays US Treasury Long	34.1%	22.4%	11.8%	2.2%	-6.3%	-13.9%	-20.3%	-25.7%	-30.1%	-33.4%	18.15

<sup>1</sup> Data represents the expected total return from a given change in interest rates (shown in basis points) over a 12-month period assuming a parallel shift in rates. Source: Bloomberg, and Meketa Investment Group.

### Long-Term Outlook – 20-Year Annualized Expected Returns<sup>1</sup>



- This chart details Meketa's long-term forward-looking expectations for total returns across asset classes.

<sup>1</sup> Source: Meketa Investment Group's 2019 Annual Asset Study.

## Appendix

### Data Sources and Explanations<sup>1</sup>

- US Equity Cyclically Adjusted P/E on S&P 500 Index – Source: Robert Shiller and Yale University.
- Small Cap P/E (Russell 2000 Index) vs. Large Cap P/E (Russell 1000 Index) – Source: Russell Investments. Earnings figures represent 12-month “as reported” earnings.
- Growth P/E (Russell 3000 Growth Index) vs. Value (Russell 3000 Value Index) P/E – Source: Bloomberg, MSCI, and Meketa Investment Group. Earnings figures represent 12-month “as reported” earnings.
- Developed International Equity (MSCI EAFE ex Japan Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.
- Emerging Market Equity (MSCI Emerging Markets Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.
- Private Equity Multiples – Source: S&P LCD Average EBITDA Multiples Paid in All LBOs
- Core Real Estate Spread vs. Ten-Year Treasury – Source: Real Capital Analytics, US Treasury, Bloomberg, and Meketa Investment Group. Core Real Estate is proxied by weighted sector transaction based indices from Real Capital Analytics and Meketa Investment Group.
- REITs Dividend Yield Spread vs. Ten-Year Treasury – Source: NAREIT, US Treasury. REITs are proxied by the yield for the NAREIT Equity index.

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<sup>1</sup> All Data as of December 31, 2019 unless otherwise noted.

## Appendix

### Data Sources and Explanations<sup>1</sup>

- Credit Spreads – Source: Barclays Capital. High Yield is proxied by the Barclays High Yield index and Investment Grade Corporates are proxied by the Barclays US Corporate Investment Grade index.
- EM Debt Spreads – Source: Bloomberg, and Meketa Investment Group. Option Adjusted Spread (OAS) for the Bloomberg Barclays EM USD Aggregate Index.
- Equity Volatility – Source: Bloomberg, and Meketa Investment Group. Equity Volatility proxied by VIX Index, a Measure of implied option volatility for US equity markets.
- Fixed Income Volatility – Source: Bloomberg, and Meketa Investment Group. Equity Volatility proxied by MOVE Index, a Measure of implied option volatility for US Treasury markets.
- Systemic Risk and Volatile Market Days – Source: Meketa Investment Group. Volatile days are defined as the top 10 percent of realized turbulence, which is a multivariate distance between asset returns.
- Systemic Risk, which measures risk across markets, is important because the more contagion of risk that exists between assets, the more likely it is that markets will experience volatile periods.
- Yield Curve Slope (Ten Minus Two) – Source: Bloomberg, and Meketa Investment Group. Yield curve slope is calculated as the difference between the 10-Year US Treasury Yield and 2-Year US Treasury Yield.
- Ten-Year Breakeven Inflation – Source: US Treasury and Federal Reserve. Inflation is measured by the Consumer Price Index (CPI-U NSA).

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<sup>1</sup> All Data as of December 31, 2019 unless otherwise noted.

## Meketa Market Sentiment Indicator

### Explanation, Construction and Q&A

Meketa has created the MIG Market Sentiment Indicator (MIG-MSI) to complement our valuation-focused Risk Metrics. This measure of sentiment is meant to capture significant and persistent shifts in long-lived market trends of economic growth risk, either towards a risk-seeking trend or a risk-aversion trend.

### This appendix explores:

- What is the Meketa Market Sentiment Indicator?
- How do I read the indicator graph?
- How is the Meketa Market Sentiment Indicator constructed?
- What do changes in the indicator mean?



Meketa has created a market sentiment indicator for monthly publication (the MIG-MSI – see below) to complement Meketa's Risk Metrics.

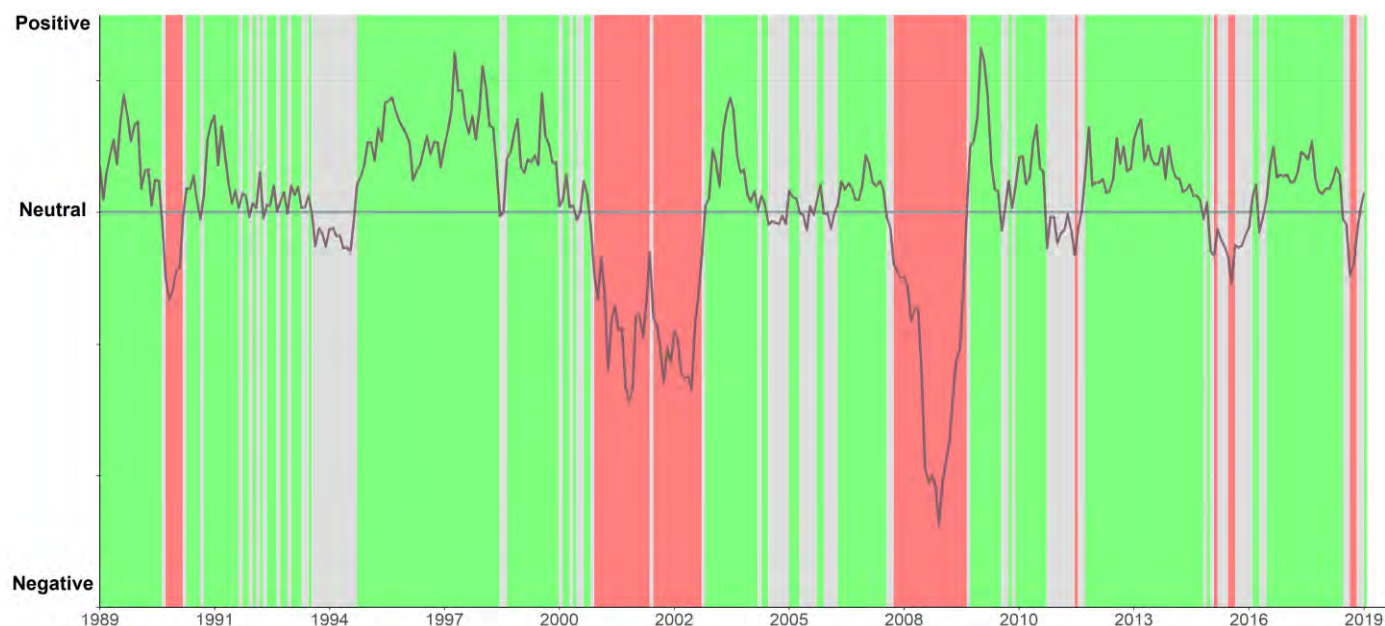
- Meketa's Risk Metrics, which rely significantly on standard market measures of relative valuation, often provide valid early signals of increasing long-term risk levels in the global investment markets. However, as is the case with numerous valuation measures, the Risk Metrics may convey such risk concerns long before a market corrections take place. The MIG-MSI helps to address this early-warning bias by measuring whether the markets are beginning to acknowledge key Risk Metrics trends, and / or indicating non-valuation based concerns. Once the MIG-MSI indicates that the market sentiment has shifted, it is our belief that investors should consider significant action, particularly if confirmed by the Risk Metrics. Importantly, Meketa believes the Risk Metrics and MIG-MSI should always be used in conjunction with one another and never in isolation. The questions and answers below highlight and discuss the basic underpinnings of the Meketa MIG-MSI:

### What is the Meketa Market Sentiment Indicator (MIG-MSI)?

- The MIG-MSI is a measure meant to gauge the market's sentiment regarding economic growth risk. Growth risk cuts across most financial assets, and is the largest risk exposure that most portfolios bear. The MIG-MSI takes into account the momentum (trend over time, positive or negative) of the economic growth risk exposure of publicly traded stocks and bonds, as a signal of the future direction of growth risk returns; either positive (risk seeking market sentiment), or negative (risk averse market sentiment).

### How do I read the Meketa Market Sentiment Indicator graph?

- Simply put, the MIG-MSI is a color-coded indicator that signals the market's sentiment regarding economic growth risk. It is read left to right chronologically. A green indicator on the MIG-MSI indicates that the market's sentiment towards growth risk is positive. A gray indicator indicates that the market's sentiment towards growth risk is neutral or inconclusive. A red indicator indicates that the market's sentiment towards growth risk is negative. The black line on the graph is the level of the MIG-MSI. The degree of the signal above or below the neutral reading is an indication the signal's current strength.
- Momentum as we are defining it is the use of the past behavior of a series as a predictor of its future behavior.



### How is the Meketa Market Sentiment Indicator (MIG-MSI) Constructed?

- The MIG-MSI is constructed from two sub-elements representing investor sentiment in stocks and bonds:
  - Stock return momentum: Return momentum for the S&P 500 Equity Index (trailing 12-months)
  - Bond yield spread momentum: Momentum of bond yield spreads (excess of the measured bond yield over the identical duration US Treasury bond yield) for corporate bonds (trailing 12-months) for both investment grade bonds (75% weight) and high yield bonds (25% weight).
  - Both measures are converted to Z-scores and then combined to get an “apples to apples” comparison without the need of re-scaling.
- The black line reading on the graph is calculated as the average of the stock return momentum measure and the bonds spread momentum measure.<sup>1</sup> The color reading on the graph is determined as follows:
  - If both stock return momentum and bond spread momentum are positive = GREEN (positive)
  - If one of the momentum indicators is positive, and the other negative = GRAY (inconclusive)
  - If both stock return momentum and bond spread momentum are negative = RED (negative)

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<sup>1</sup> Momentum as we are defining it is the use of the past behavior of a series as a predictor of its future behavior.

“Time Series Momentum” Moskowitz, Ooi, Pedersen, August 2010. <http://pages.stern.nyu.edu/~lpederse/papers/TimeSeriesMomentum.pdf>

### What does the Meketa Market Sentiment Indicator (MIG-MSI) mean? Why might it be useful?

- There is strong evidence that time series momentum is significant and persistent. In particular, across an extensive array of asset classes, the sign of the trailing 12-month return (positive or negative) is indicative of future returns (positive or negative) over the next 12-month period. The MIG-MSI is constructed to measure this momentum in stocks and corporate bond spreads. A reading of green or red is agreement of both the equity and bond measures, indicating that it is likely that this trend (positive or negative) will continue over the next 12 months. When the measures disagree, the indicator turns gray. A gray reading does not necessarily mean a new trend is occurring, as the indicator may move back to green, or into the red from there. The level of the reading (black line) and the number of months at the red or green reading, gives the user additional information on which to form an opinion, and potentially take action.

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INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM," "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

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

**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.