



INVESTED IN TOMORROW.

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

March 28, 2024

Immediately following Board meeting

COMMITTEE MEMBERS

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

AGENDA

- 1. Roll Call**
- 2. Approval of Agenda**
- 3. Approval of Meeting Minutes**
 - A. December 12, 2023 Investment Committee minutes
- 4. New Business**

ITEM	PRESENTER
A <u>Action Item:</u> Annual Workplan	Michael Shackelford Chief Investment Officer
B <u>Information Item:</u> Q4 2023 Market and Total Fund Performance Review	Michael Shackelford Chief Investment Officer Eileen Neill Samantha Grant Verus Advisory
C <u>Information Item:</u> China Exclusion vs. Inclusion	Michael Shackelford Chief Investment Officer Eileen Neill Samantha Grant Verus Advisory
D <u>Information Item:</u> Public Equity Review	Kate Brassington Senior Portfolio Manager, Global Equity Eileen Neill Samantha Grant Verus Advisory
E <u>Information Item:</u> Real Estate Update	Michael Killfoil Senior Portfolio Manager, Real Assets Heather Christopher James Walsh

		Albourne
F	<u>Information Item:</u> Investment Division Compliance Update 1. Custody Bank RFP Update 2. Manager Selection Activity Report 3. Q4 2023 Cash Activity & Rebalance Update 4. Q4 2023 Securities Lending Update 5. Staffing Update	LeAnne Larrañaga-Ruffy Deputy CIO Sara Hume Senior Portfolio Manager

5. Adjournment

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

New Mexico Public Employees Retirement Association

Investment Committee Meeting

Tuesday, December 12, 2023

Call to Order

This meeting of the Public Employees Retirement Board was called to order by Francis Page, committee chair, at approximately 9:01am. on the above-cited date at the PERA Building, 33 Plaza la Prensa, Senator Fabian Chavez, Jr. Board Room, Santa Fe, New Mexico.

1. Roll call

The meeting attendance met quorum with the following members present;

Committee Members Present In-Person

Juan Diaz
Paula Fisher, *Vice Chair*
Tony Garcia
Laura Montoya [@ 9:11am]
Francis Page, *Chair*

Committee Members Absent

Other Board Members Present

Valerie Barela
Roberto Ramirez
Augustine Romero
Diana Rosales Ortiz [virtually @ 9:45am]

Staff

Greg Trujillo, Executive Director
Trish Winter, Executive Assistant
Anna Williams, Deputy Director
Michael Shackelford, CIO
LeAnne Larranaga-Ruffy, Deputy CIO
Lynette Kennard, CFO
Anthony Montoya, General Counsel
Sara Hume, Director, Beta & Risk
Kate Brassington, Senior Portfolio Manager
Clayton Cleek, Portfolio Manager
Michael Killfoil, Senior Portfolio Manager
German Gutierrez-Cardoza, Investments
Shaun Grady, Investments
Laura Bechtel, Investment Administrator
Karyn Lujan, Deferred Compensation Plan Manager
Lesley Adams, Investments
Misty Schoeppner, Deputy General Counsel
Geraldine Garduno, Assistant General Counsel

Staff Present Virtually

Geraldine Garduno, Asst. General Counsel
Ron Gallegos, CTO
Justin Deubel, Investments
Jessica Perea, Quality Control
Jessica Trujillo, HR Manager
Isaac Olaoye, Investment Accountant
Angela Romero, Alb. Office Manager
Xochitl Gutierrez, Budget Manager

Others in Attendance

Eileen Neill, Verus Advisory
Samantha Grant, Verus Advisory

Others Present Virtually

Kevin Balaod, Journalist
James Walsh, Albourne

Mark White, Albourne
Jaclynn Bernson, Albourne
Mike Krems, Aksia
Laura Meck, Aksia
John Kreienkamp, State Treasurer's Office

Ryan Fitzgerald, Albourne
Gar Chung, Journalist
Mina Lee
Patricia French
Catarina Moura

2. Pledge of Allegiance by Tony Garcia

3. Approval of Agenda

Paula Fisher moved to approve the agenda; second from Laura Montoya. Motion passed with a roll call vote as follows;

Juan Diaz	Yes
Paula Fisher	Yes
Tony Garcia	Yes
Francis Page	Yes

4. Approval of Meeting Minutes

Paula Fisher moved to approve the October 26, 2023 IC meeting minutes. Tony Garcia seconded. Motion passed with a roll call vote as follows:

Juan Diaz	Yes
Paula Fisher	Yes
Tony Garcia	Yes
Francis Page	Yes

5. New Business

A. Strategic Asset Allocation Recommendation

Michael Shackelford, CIO; Eileen Neill, Verus Advisory and Samantha Grant, Verus Advisory, gave a presentation of the Strategic Asset Allocation Recommendation. Laura Montoya moved to approve the Strategic Asset Allocation Recommendation. Paula Fisher seconded the motion. Motion passed as follows:

Juan Diaz	Yes
Paula Fisher	Yes
Tony Garcia	Yes
Laura Montoya	Yes
Francis Page	Yes

B. Benchmark Change Recommendation

Michael Shackelford, CIO; Eileen Neill, Verus Advisory and Samantha Grant, Verus Advisory, presented the changes recommended. Laura Montoya moved to approve the Benchmark Change Recommendation. Paula Fisher seconded the motion. Motion passed as follows:

Juan Diaz	Yes
Paula Fisher	Yes
Tony Garcia	Yes
Laura Montoya	Yes
Francis Page	Yes

C. Investment Policy Statement Recommendation

Michael Shackelford, CIO; Eileen Neill, Verus Advisory and Samantha Grant, Verus Advisory, presented the changes recommended to the Investment Policy Statement. Laura Montoya moved to approve the Investment Policy Statement changes with additional changes on section V.C.

“Benchmarks will be reviewed periodically, “remove ‘periodically’ and change it to ‘at least every 2 years,’; also, Section VII. Remove “time-to-time” and replace with “on an annual basis;” add on the final line “ as well as updated on the PERA website.” Paula Fisher seconded the motion. Motion passed as follows:

Juan Diaz	Yes
Paula Fisher	Yes
Tony Garcia	Yes
Laura Montoya	Yes
Francis Page	Yes

B. Annual Investment Committee Charter Review.

Michael Shackelford, CIO reviewed the current Committee Charter, this was an informational item, no action taken.

D. IC Chair Continuation Memo

Francis Page, Committee Chair reviewed the Memo of Continuity regarding the Investment Committee, this was an informational item, no action taken.

E. Performance & Market Review

1. Q3 2023 Market and Total Fund Performance Review
2. Q2 2023 Illiquid Asset Class Review
 - a) Private Credit
 - b) Private Equity
 - c) Private Real Assets
 - d) Private Real Estate

Michael Shackelford, CIO; Eileen Neill, Verus Advisory and Samantha Grant, Verus Advisory, presented the Q3 2023 Market & Total fund performance review. This was an informational item, no action taken.

PERA staff, Aksia and Albourne gave presentations on Q2 2023 Illiquid Assets. This was an informational item, no action taken.

G. Investment Division Compliance Update

1. Custody Bank RFP Update
2. Manager Selection Activity Report
3. Q2 2023 Cash Activity & Rebalance Update
4. Q3 2023 Securities Lending Update
5. Staffing Update

LeAnne Larrañaga-Ruffy, Deputy CIO and Sarah Hume, Senior Portfolio Manager gave presentations. These were informational items; no action taken.

6. Adjournment

Chair Page adjourned the meeting at approximately 12:43pm with no other business to discuss.

Approved by:

Francis Page, Committee Chair

ATTEST:

Greg Trujillo, Executive Director

DRAFT



INVESTED IN TOMORROW.

1/1/2024

2024 Investment Committee Work Plan

2024 Investment Committee Work Plan

All Committee Meetings will occur on Committee Day or before PERA Board Meetings, unless otherwise noted.

All items in this work plan are subject to change at the direction of the Investment Committee.

March 2024

- Recurring Quarterly Informational Items (as of Q4 CY23)
 - Performance & Risk Review
 - Cash & Rebalancing Activity Update
 - Manager Selection Activity Review
 - Securities Lending Review
- Rotating Bi-Annual Informational Items (as of Q4 CY23)
 - Real Estate Update
 - Liquid Asset Class Review
- Annual Action Items
 - Annual Workplan Adoption
- Educational Items
 - Education Presentation – Verus -China

June 2024

- Recurring Quarterly Informational Items (as of Q1 CY24)
 - Performance & Risk Review
 - Cash & Rebalancing Activity Update
 - Manager Selection Activity Review
 - Securities Lending Review
- Rotating Bi-Annual Informational Items (as of Q4 CY23)
 - Illiquid Asset Class Performance Review
- Annual Action Items
 -
- Educational Items
 - Manager – Education presentation- Agriculture

Summer Board Retreat - July 23-24, 2024

- Investment Planning
- Educational Options-
 - Trustee Primer – Verus
 - Fiduciary Education – Foster Garvey
 - Diversity of Thought – AB
 - Securities Lending – BNY
 - AI – TBD
 - Compensation Review – TBD
 - Direct Lending Overview – Neuberger
 - Asset Class Overviews
- Annual Board Action Items (if necessary)
 - ~~Adoption of SAA changes~~
 - ~~Adoption of Benchmark Changes~~
 - ~~Adoption of Liquidity Guideline Changes~~

October 2024

- Recurring Quarterly Informational Items (as of Q2 CY24)
 - Performance & Risk Review
 - Cash & Rebalancing Activity Update
 - Manager Selection Activity Review
 - Securities Lending Review
- Rotating Bi-Annual Informational Items (as of Q2 CY24)
 - Absolute Return
 - Liquid Asset Class Review
- Annual Action Items
 -
- Informational Items
 - Annual Investment Policy Review
- Educational Items
 - Fiscal year end Peer Universe review
 - Manager- Education Presentation TBD

December 2024

- Recurring Quarterly Informational Items (as of Q3 CY24)
 - Performance & Risk Review
 - Cash & Rebalancing Activity Update
 - Manager Selection Activity Review

- Securities Lending Review
- Rotating Bi-Annual Informational Items *(as of Q2 CY24)*
 - Illiquid Asset Class Performance Review
- Annual Action Items
 - Investment Committee Charter
 - Investment Policy Statement
- Educational Items
 - Fiscal year end fee review
 - Manager Education Presentation - TBD
- IC Chair
 - Continuation memo



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



PERIOD ENDING: December 31, 2023

Investment Performance Review for



PERA

Public Employees
Retirement Association
of New Mexico

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4th quarter summary

THE ECONOMIC CLIMATE

- Real GDP increased at a 2.9% pace from a year ago in Q3 (4.9% quarter-over-quarter annualized rate). The economy has remained relatively strong while inflation now appears likely to fall closer to the Fed's 2% target in 2024. These expectations contributed to a dovish pivot from the Fed, a sharp drop in interest rates, and a notable market rally as the possibility of a soft landing has risen.
- Unemployment fell slightly from 3.8% to 3.7%, though the labor participation rate dropped sharply towards the end of the year. The labor market remains surprisingly resilient after roughly a full year of higher interest rates.

PORTFOLIO IMPACTS

- Consumer sentiment has been incredibly poor, and one of the greatest concerns for Americans is inflation. Although inflation has fallen considerably, prices of goods and services remain high, placing strain on budgets. Because inflation measures the rate of change of prices, rather than the level of prices, lower inflation has failed to ease the financial pressure that many households face.
- The Cboe VIX implied volatility index moved even lower during Q4, from 17.5 to 12.5. At the same time, bond market volatility was very high, as indicated by the "MOVE" Index. Uncertainty around inflation, the Federal Reserve's possible interest rate path and the extent of rate cuts, potential recession, and fears around the U.S. fiscal situation are likely contributing to market shakiness.

THE INVESTMENT CLIMATE

- An abrupt change in Federal Reserve communication regarding interest rate cuts during the quarter coincided with sharply lower bond yields, higher equity valuations, and further tightening of credit spreads.
- U.S. headline inflation fell during the quarter, from 3.7% to 3.3% year-over-year. Core CPI (ex-food & energy) declined from 4.1% to 3.9%. Low inflation numbers in October and November (0.0% and 0.1% month-over-month) were counterbalanced by a surprisingly high inflation number in December (0.3% month-over-month).

ASSET ALLOCATION ISSUES

- U.S. equities (S&P 500 +11.7%) led international developed equities (MSCI EAFE +10.4%) and emerging market equities (MSCI EM +7.9%) during the quarter. Domestic equities also led non-U.S. equities over the full year while emerging markets lagged. Wide sector performance differences contributed to U.S. leadership given a much heavier tech focus of the domestic market.
- Style factor performance was mixed during Q4. Small cap outperformed large cap by +2.0%. Value underperformed Growth by -3.2%. Over the full year, small caps underperformed large caps by -9.6% while value stocks underperformed growth by a whopping -31.2%. Besides an extreme period of value underperformance during 2020, calendar year 2023 was the worst 1-year rolling period in more than two decades.

Risk assets rallied in Q4 following a dovish pivot from the Federal Reserve and recent economic data suggesting a greater chance of a soft landing

U.S. economics summary

- Real GDP increased at a 2.9% pace year-over-year in Q3 (4.9% quarter-over-quarter annualized rate). The economy has remained relatively strong while inflation appears more likely to fall closer to the Fed's target in 2024. These expectations contributed to a dovish pivot from the Federal Reserve in December, a sharp drop in interest rates, and a notable market rally as the possibility of a soft landing has risen.
- U.S. headline inflation fell during the quarter, from 3.7% to 3.3% year-over-year. Core CPI (ex-food & energy) declined further from 4.1% to 3.9%. Low inflation numbers in October and November (0.0% and 0.1% month-over-month) were counterbalanced by a surprisingly high inflation number in December (0.3% month-over-month).
- Consumer spending has been stable, with real personal consumption expenditures up +2.7% year-over-year in November, the strongest growth figure since early 2022. However, strong spending appears to be at the expense

of a low household savings rate (4.1% in November) and may be partly driven by necessity (higher prices of goods & services) rather than by a positive financial or economic outlook.

- The job market has shown mixed signals, increasing in total size during 2023 but arguably with some weakness around the edges. Unemployment rose during the year but fell slightly in Q4 from 3.8% to 3.7%. This historic mismatch between jobs available and workers available has been slowly closing.

- Consumer sentiment improved slightly but remains incredibly poor. Inflation is a central concern for Americans. Although inflation has fallen considerably, prices of goods and services remain high, placing strain on budgets. Because inflation measures the rate of change of prices, rather than the level of prices, lower inflation has failed to ease the financial pressure that many households face.

	Most Recent	12 Months Prior
Real GDP (YoY)	2.9% 9/30/23	1.7% 9/30/22
Inflation (CPI YoY, Core)	3.9% 12/31/23	6.4% 12/31/22
Expected Inflation (5yr-5yr forward)	2.2% 12/31/23	2.3% 12/31/22
Fed Funds Target Range	5.25–5.50% 12/31/23	4.25–4.50% 12/31/22
10-Year Rate	3.88% 12/31/23	3.88% 12/31/22
U-3 Unemployment	3.7% 12/31/23	3.5% 12/31/22
U-6 Unemployment	7.1% 12/31/23	6.5% 12/31/22

International economics summary

- The ongoing threat of inflation, and central banks' tightrope act of working to battle that inflation without tipping economies into recession, was expected to be a key risk of 2024. However, in the fourth quarter inflation has fallen more quickly than expected, while economic growth has generally been more resilient. The global growth picture seems to have improved, all else equal, although growth is still expected to slow materially in the coming quarters.
- Conflicts within the Middle East have led to heightened geopolitical tensions, and broader escalation is a notable risk. While military action has been relatively confined, further conflict could have a material impact on global supply chains and energy markets. The war in Ukraine, which played a large part in initially driving inflation across developed economies, is still fresh in many investors' minds.
- Inflation fell significantly in the Eurozone and U.K., helping to take

some pressure off the ECB and BOE (headline inflation receded to 3.4% and 4.0% across the Eurozone and U.K., respectively). Despite the easing of price pressures, interest rates sit at multi-decade highs at both central banks which does little to change expectations for stagnant and potentially even negative economic growth.

- China reported GDP growth of 5.2% in 2023, exceeding the 5% growth target set by the CCP. While the reported figure is slightly above the CCP's target, growth has disappointed investors and economists alike, especially following a nearly three-year COVID-19 lockdown. The country continues to face a variety of challenges including incredibly dire demographic trends, geopolitical tension with the U.S., slowing growth, financial distress amongst the property sector and local government financing vehicles, a heavy national debt burden, and deflation.

Area	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	2.9% 9/30/23	3.4% 12/31/23	3.7% 12/31/23
Eurozone	0.0% 9/30/23	2.9% 12/31/23	6.4% 11/30/23
Japan	1.5% 9/30/23	2.4% 12/31/23	2.4% 11/30/23
BRICS Nations	5.0% 9/30/23	1.5% 12/31/23	4.8% 12/31/22
Brazil	2.0% 9/30/23	4.6% 12/31/23	7.5% 11/30/23
Russia	5.5% 9/30/23	7.4% 12/31/23	2.9% 11/30/23
India	7.6% 9/30/23	5.7% 12/31/23	8.7% 12/31/23
China	5.2% 12/31/23	-0.3% 12/31/23	5.1% 12/31/23

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

Equity environment

- Domestic equities delivered a strong rally to finish Q4, driven by a combination of better-than-expected Q3 earnings and signals of easing from the Federal Reserve. The S&P 500 Index gained +26.3% during 2023.
- U.S. equities (S&P 500 +11.7%) led international developed equities (MSCI EAFE +10.4%) and emerging market equities (MSCI EM +7.9%) during the quarter. Domestic equities also led non-U.S. equities over the full year, while emerging markets were laggards. Wide sector performance differences contributed to U.S. leadership, given the much heavier tech focus of the domestic market.
- The U.S. dollar fell sharply, as investors reassessed Federal Reserve policy and interest rates retraced lower. This move created a tailwind for investors with unhedged exposure to foreign currencies. On a trade-weighted basis, the value of the U.S. dollar fell -4.3%. However, over the full calendar year investors with unhedged currency exposure saw moderate losses, due to wide fluctuations of the dollar.
- Style factor investing delivered mixed performance for investors in Q4. Over the full year, style investing suffered substantially. Small cap underperformed by -9.6% while value stocks underperformed growth by a whopping -31.2%. Besides an extreme period during 2020, calendar year 2023 was the worst 1-year rolling period in more than two decades.
- The Cboe VIX implied volatility index moved even lower during the fourth quarter, from 17.5 to 12.5 in December. Priced volatility is incredibly low—at a level that has historically tended to coincide with very strong economic and market conditions.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	11.7%		26.3%	
U.S. Small Cap (Russell 2000)	14.0%		16.9%	
U.S. Equity (Russell 3000)	12.1%		26.0%	
U.S. Large Value (Russell 1000 Value)	9.5%		11.5%	
US Large Growth (Russell 1000 Growth)	14.2%		42.7%	
Global Equity (MSCI ACWI)	11.0%	9.7%	22.2%	22.7%
International Large (MSCI EAFE)	10.4%	6.0%	18.2%	19.9%
Eurozone (EURO STOXX 50)	13.3%	9.3%	26.5%	25.6%
U.K. (FTSE 100)	6.9%	2.5%	14.3%	8.8%
Japan (TOPIX)	8.2%	3.6%	19.3%	35.7%
Emerging Markets (MSCI Emerging Markets)	7.9%	5.7%	9.8%	10.1%

Source: Russell Investments, MSCI, STOXX, FTSE, JPX, as of 12/31/23

Fixed income environment

- The 10-year U.S. Treasury yield reversed its gains from the prior quarter, falling from 4.58% to 3.88% in Q4, as the market reassessed inflation conditions and the Federal Reserve’s likely path. Further signs that inflation is moderating toward target, along with surprisingly upbeat economic news, likely contributed to the Federal Reserve’s “dovish pivot” as it has been referred to. The 10-year yield ended 2023 unchanged.
- During Q4, credit markets delivered strong results, led by lower-quality bonds such as high yield and bank loans. High yield gained +7.2% (Bbg U.S. Corporate High Yield), while bank loans rose +2.8% (S&P/LSTA Leveraged Loan). Longer duration investment grade corporate bonds (Bloomberg U.S. Long Corporate Credit) rose 14.0% during the quarter as both falling interest rates and narrower credit spreads acted as a tailwind.
- The U.S. yield curve has remained inverted for 1.5 years, which is

among the most extended periods in modern history. This is indicated by the 10-year minus 2-year Treasury yield—ending the year at -35bps, up from -44bps in Q3. Unique attributes of the current economic environment suggest that this curve inversion may not coincide with a near-term recession.

- US interest rates remained steady during the quarter as inflation continued to moderate towards the Federal Reserve Bank's 2.0% target. Importantly, expectations for future rate cuts increased following the statement made by Chairman Powell that future rate hikes may not be required.
- With inflation and economic growth continuing to moderate during the quarter, market expectations for future rate cuts by the Federal Reserve increased. As a result, interest rates across the US Treasury curve declined meaningfully, with shorter-term rates declining more than longer-term rates.

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	6.8%	5.5%
Core Plus Fixed Income (Bloomberg U.S. Universal)	6.8%	6.2%
U.S. Treasuries (Bloomberg U.S. Treasury)	5.7%	4.1%
U.S. Treasuries: Long (Bloomberg U.S. Treasury 20+)	13.4%	2.7%
U.S. High Yield (Bloomberg U.S. Corporate HY)	7.2%	13.4%
Bank Loans (S&P/LSTA Leveraged Loan)	2.8%	13.3%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	8.1%	12.7%
Emerging Market Debt Hard (JPM EMBI Global Diversified)	9.2%	11.1%
Mortgage-Backed Securities (Bloomberg MBS)	7.5%	5.0%

Source: Bloomberg, as of 12/31/23

Recent Verus research

Visit: verusinvestments.com/research

Topics of interest

CREDIT, DISTRESS, DEFAULT & THE LONG TERM

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

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

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

YIELD CURVE INVERSION: RECESSION SIGNAL, BUT WHY?

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

HEDGE FUNDS IN 2023: HOW HAS THE ENVIRONMENT CHANGED?

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

Annual research

2023 PRIVATE EQUITY OUTLOOK

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

Scorecard

Total Fund

ScoreCard: Strategic Asset Allocation

New Mexico PERA
Period Ending: December 31, 2023

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

	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	20 Yrs	30 Yrs	Inception	Inception Date
NM PERA Total Fund	4.24	9.41	5.27	7.45	6.86	5.96	6.10	7.54	8.57	Jun-85
<i>Assumed Rate of Return - NMPERA</i>	3.56	7.25	7.25	7.25	7.25	7.37	7.56	7.62	7.65	
<i>Excess Return</i>	0.68	2.16	-1.98	0.20	-0.39	-1.41	-1.46	-0.08	0.92	
<i>Scorecard</i>	✓	✓	✗	✓	✗	✗	✗	✗	✓	

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

	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	20 Yrs	30 Yrs	Inception	Inception Date
NM PERA Total Fund	4.24	9.41	5.27	7.45	6.86	5.96	6.10	7.54	8.57	Jun-85
<i>NM PERA Total Fund Policy</i>	6.18	13.51	3.24	6.81	5.88	5.56	6.07	7.11	8.37	
<i>Excess Return</i>	-1.94	-4.10	2.03	0.64	0.98	0.40	0.03	0.43	0.20	
<i>Scorecard</i>	✗	✗	✓	✓	✓	✓	✓	✓	✗	
NM PERA Total Fund Tracking Error	1.76	5.31	5.15	5.30	4.55	3.90	3.03	5.82		
NM PERA Total Fund Tracking Error Rank	82	82	82	86	86	86	67	80		
NM PERA Total Fund Sharpe Ratio	0.12	0.63	0.44	0.70	0.71	0.68	0.54	0.57		
NM PERA Total Fund Sharpe Ratio Rank	41	78	19	23	23	28	67	43		

Net of Fee performance calculated and provided by BNY Mellon.

Total Fund Strategic Asset Allocation

New Mexico PERA
Period Ending: December 31, 2023

PERA's capital allocations are in line with SAA targets

Capital Allocation					
	Policy Allocation (%)	Current Allocation (%)	Excess Allocation (%)	Policy Range (%)	Within IPS Range?
Global Equity	38.00	39.27	1.27	33.00 - 43.00	Yes
Credit Oriented Fixed Income	19.00	18.32	-0.68	15.00 - 23.00	Yes
Risk Reduction & Mitigation	17.00	16.93	-0.07	14.00 - 20.00	Yes
Real Assets	18.00	17.09	-0.91	14.00 - 22.00	Yes
Multi-Risk	8.00	8.39	0.39	4.00 - 12.00	Yes
Total	100.00	100.00	0.00		

4-Year Risk Statistics										
	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	R-Squared	Up Capture	Down Capture	Information Ratio	Tracking Error	Sharpe Ratio	Sortino Ratio
NM PERA Total Fund	8.7	2.9	0.6	0.9	70.7	56.2	0.2	5.8	0.5	0.7
<i>NM PERA Total Fund Policy</i>	<i>13.8</i>	<i>0.0</i>	<i>1.0</i>	<i>1.0</i>	<i>100.0</i>	<i>100.0</i>	<i>-</i>	<i>0.0</i>	<i>0.2</i>	<i>0.3</i>

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

Liquidity Allocation					
	Market Value	Tier 1 (1-5 Days)	Tier 2 (5-90 Days)	Tier 3 (90-365 Days)	Tier 4 (1+ Years)
Global Equity	6,698,765,320	177,565,617	4,098,251,907	811,858	2,422,135,937
Credit Oriented Fixed Income	3,126,403,629	155,467,131	1,643,846,192	798,540,861	528,549,445
Risk Reduction & Mitigation	2,891,364,045	2,215,145,587	1,892,746	-	674,325,713
Real Assets	2,914,918,242	121,466,151	55,797,950	140,512	2,737,513,628
Multi-Risk	1,431,849,531	-	1,431,849,531	-	-
NM PERA Total Fund	17,063,300,767	2,669,644,487	7,231,638,327	799,493,231	6,362,524,723
Total (%)	100.0	15.7	42.4	4.7	37.3

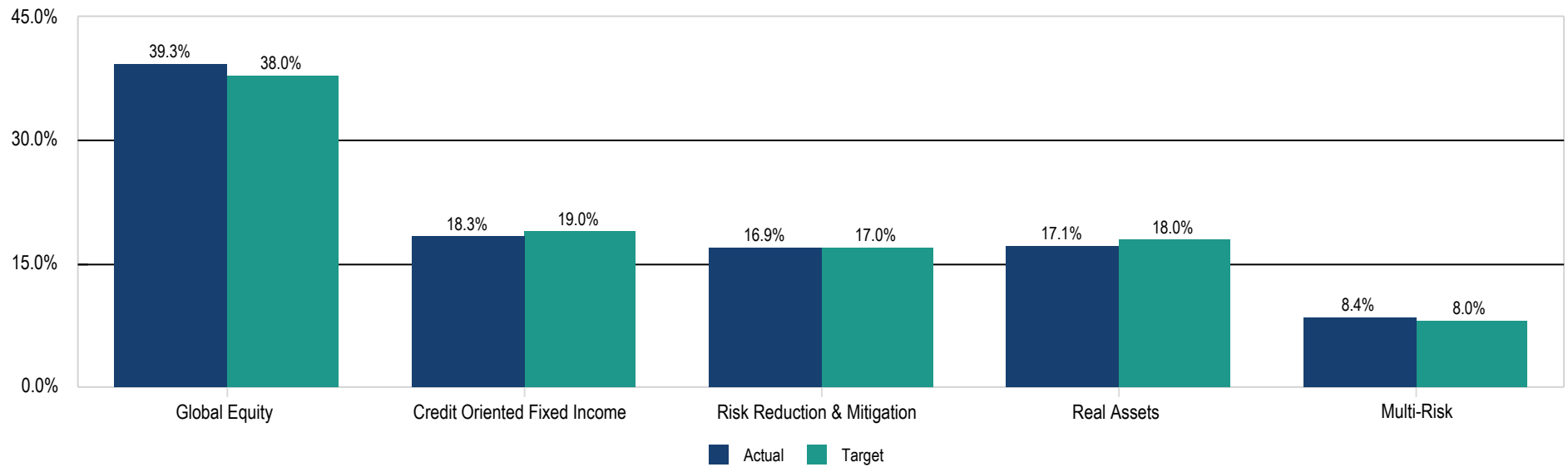
Net of Fee performance calculated and provided by BNY Mellon.

Total Fund

Total Fund
Asset Allocation Compliance

New Mexico PERA
Period Ending: December 31, 2023

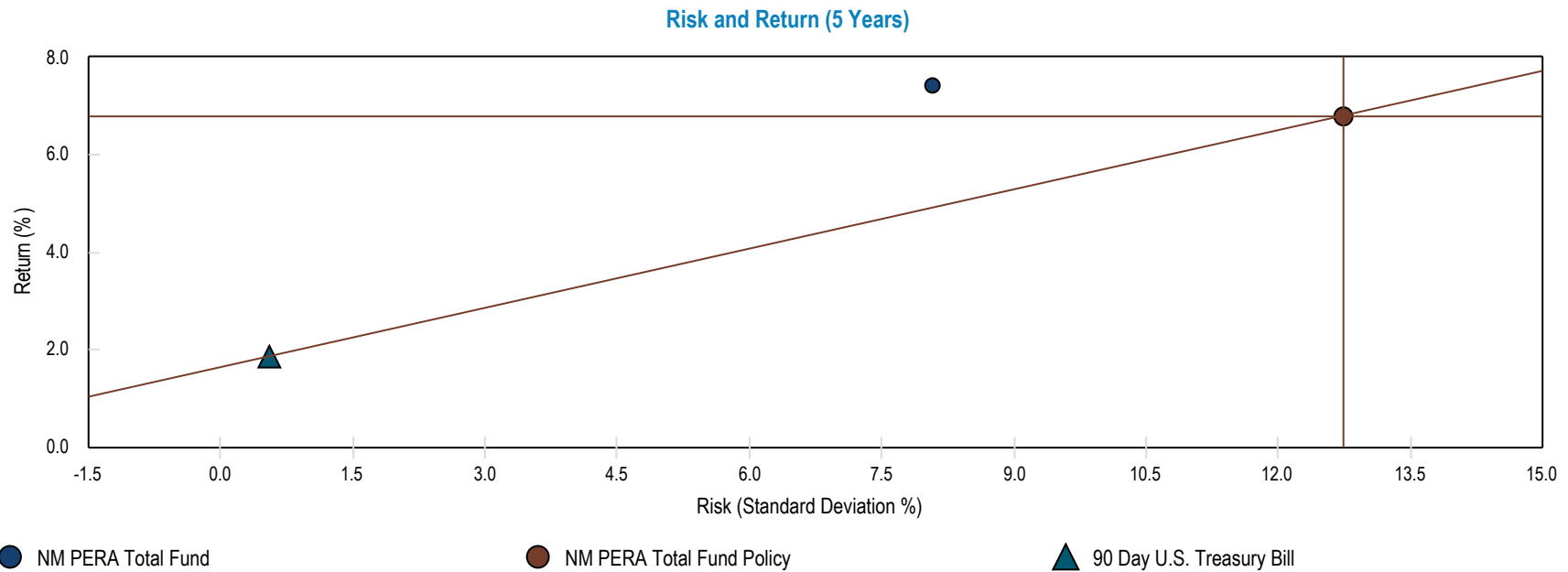
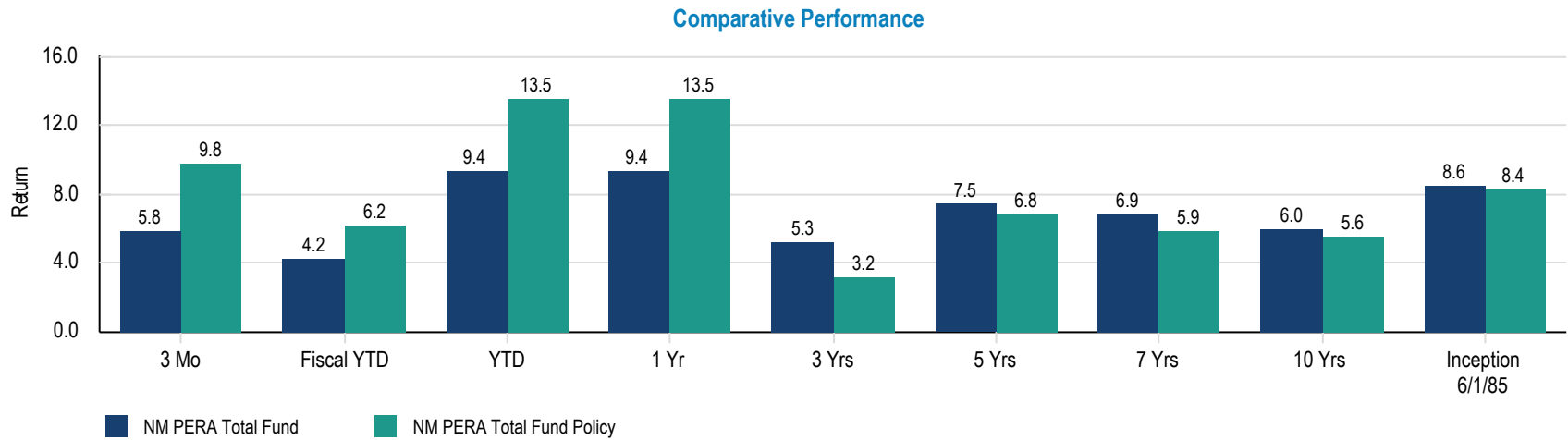
Actual vs. Target



Allocation vs. Policy

	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Policy Allocation (\$)	Difference (\$)
Global Equity	6,700,032,121	39.27	38.00	6,484,054,292	215,977,830
Credit Oriented Fixed Income	3,126,403,629	18.32	19.00	3,242,027,146	-115,623,516
Risk Reduction & Mitigation	2,889,471,300	16.93	17.00	2,900,761,130	-11,289,831
Real Assets	2,915,544,186	17.09	18.00	3,071,394,138	-155,849,953
Multi-Risk	1,431,849,531	8.39	8.00	1,365,064,061	66,785,470
Total	17,063,300,767	100.00	100.00	17,063,300,767	

STO Balance as of 12/31/2023: \$51,305,948.20. Total Fund balance with STO: \$17,114,606,715.2



Net of Fee performance calculated and provided by BNY Mellon.

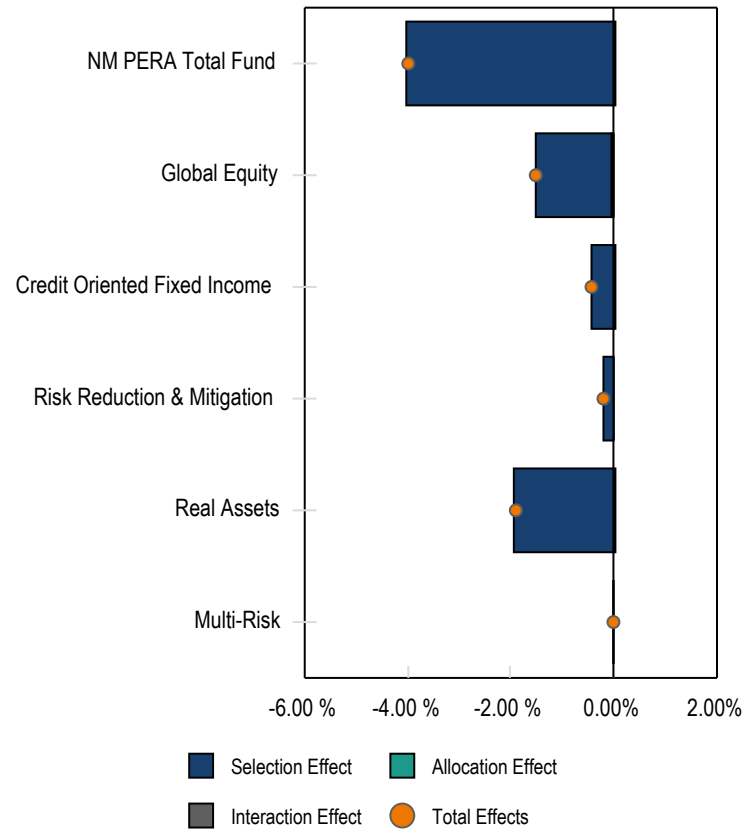
Total Fund
Asset Allocation & Performance

New Mexico PERA
Period Ending: December 31, 2023

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
NM PERA Total Fund Net	17,063,300,767	100.00	5.82	4.24	9.41	5.27	7.45	6.86	5.96	8.57	Jun-85
<i>NM PERA Total Fund Policy</i>			9.82	6.18	13.51	3.24	6.81	5.88	5.56	8.37	
<i>Value Added</i>			-4.00	-1.94	-4.10	2.03	0.64	0.98	0.40	0.20	
<i>NM PERA Actuarial Return</i>			1.77	3.56	7.25	7.25	7.25	7.25	7.35	7.81	
<i>Value Added</i>			4.05	0.68	2.16	-1.98	0.20	-0.39	-1.39	0.76	
Global Equity Net	6,698,765,320	39.26	6.73	5.98	14.19	8.03	12.10	10.80	8.66	9.57	Apr-13
<i>Global Equity Policy</i>			10.53	6.91	19.72	5.35	10.72	9.42	8.25	9.24	
<i>Value Added</i>			-3.80	-0.93	-5.53	2.68	1.38	1.38	0.41	0.33	
Credit Oriented Fixed Income Net	3,126,403,629	18.32	5.47	6.78	11.04	4.38	4.93	4.91	4.33	4.69	Apr-13
<i>Credit Oriented Fixed Income Policy</i>			7.75	8.31	13.66	0.40	3.91	3.49	3.66	3.94	
<i>Value Added</i>			-2.28	-1.53	-2.62	3.98	1.02	1.42	0.67	0.75	
Risk Reduction & Mitigation Net	2,891,364,045	16.94	5.63	2.07	4.37	-2.83	1.32	1.47	2.01	1.74	Apr-13
<i>Risk Reduction & Mitigation Policy</i>			6.82	3.37	5.53	-3.22	1.10	1.31	1.85	1.55	
<i>Value Added</i>			-1.19	-1.30	-1.16	0.39	0.22	0.16	0.16	0.19	
Real Assets Net	2,914,918,242	17.08	1.41	-0.12	0.47	10.28	7.31	6.11	5.72	5.62	Apr-13
<i>Real Assets Policy</i>			12.16	5.80	7.28	8.42	7.32	5.22	4.73	5.01	
<i>Value Added</i>			-10.75	-5.92	-6.81	1.86	-0.01	0.89	0.99	0.61	
Multi-Risk Net	1,431,849,531	8.39	12.40	4.05	14.46	-0.03	-	-	-	3.63	May-19
<i>Wilshire Risk Parity Index - 15% Target Volatility</i>			12.41	4.04	14.61	-0.13	-	-	-	3.81	
<i>Value Added</i>			-0.01	0.01	-0.15	0.10	-	-	-	-0.18	

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

Attribution Effects
 Last Three Months



Performance Attribution

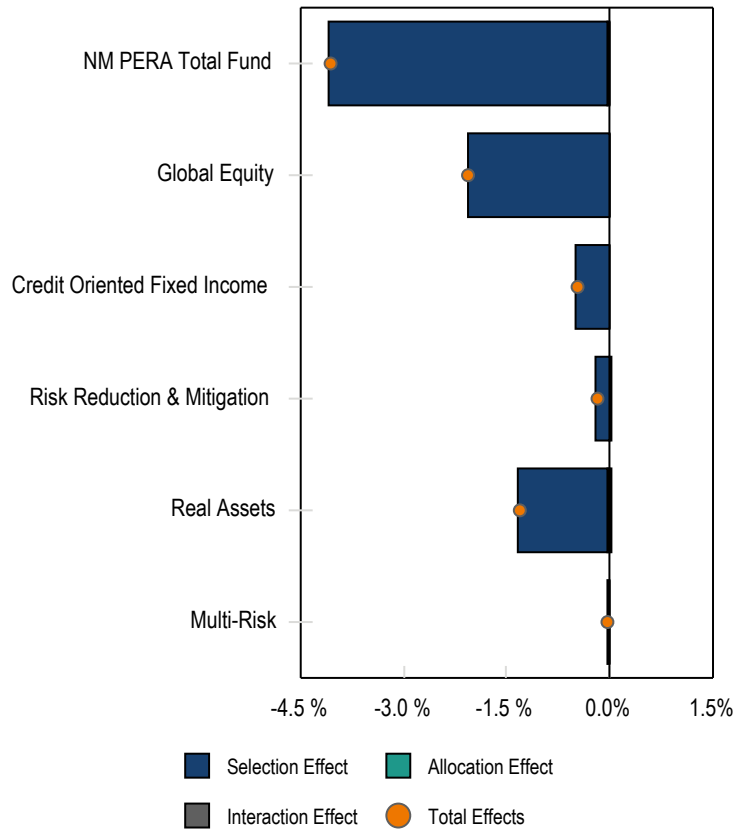
	Last 3 Mo.
Wtd. Actual Return	5.8
Wtd. Index Return	9.8
Excess Return	-4.0
Selection Effect	-4.0
Allocation Effect	0.0
Interaction Effect	0.0

Attribution Summary
 Last Three Months

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Global Equity	6.7	10.5	-3.8	-1.5	0.0	0.0	-1.5
Credit Oriented Fixed Income	5.5	7.8	-2.3	-0.4	0.0	0.0	-0.4
Risk Reduction & Mitigation	5.6	6.8	-1.2	-0.2	0.0	0.0	-0.2
Real Assets	1.4	12.2	-10.8	-1.9	0.0	0.0	-1.9
Multi-Risk	12.4	12.4	0.0	0.0	0.0	0.0	0.0
NM PERA Total Fund	5.8	9.8	-4.0	-4.0	0.0	0.0	-4.0

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

Attribution Effects
 1 Year



Performance Attribution

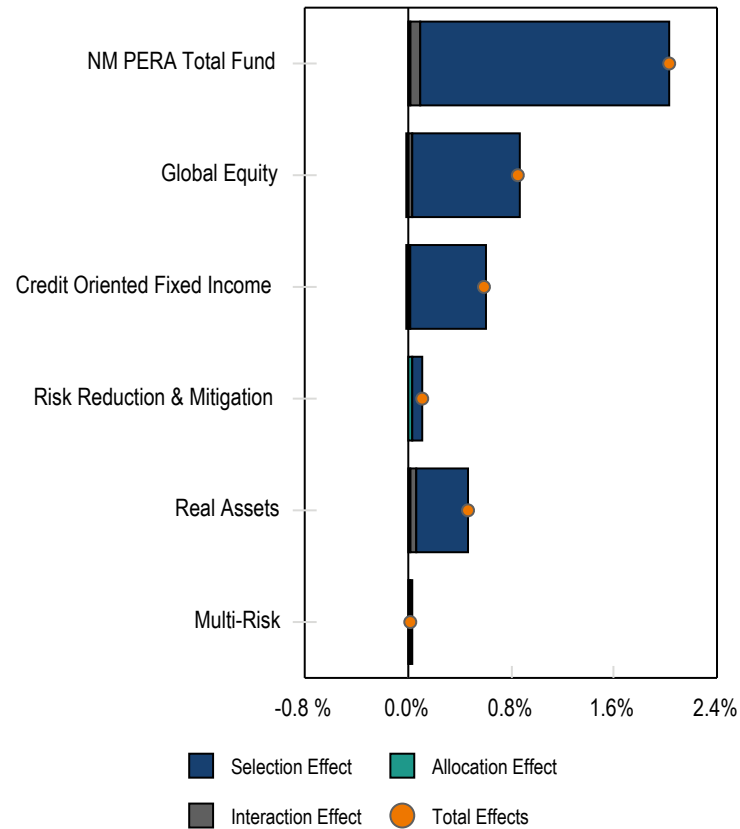
	1 Yr
Wtd. Actual Return	9.4
Wtd. Index Return	13.5
Excess Return	-4.1
Selection Effect	-4.1
Allocation Effect	0.0
Interaction Effect	0.0

Attribution Summary
 1 Year

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Global Equity	14.2	19.7	-5.5	-2.1	0.0	0.0	-2.1
Credit Oriented Fixed Income	11.0	13.7	-2.6	-0.5	0.0	0.0	-0.5
Risk Reduction & Mitigation	4.4	5.5	-1.2	-0.2	0.0	0.0	-0.2
Real Assets	0.5	7.3	-6.8	-1.3	0.0	0.0	-1.3
Multi-Risk	14.5	14.6	-0.2	0.0	0.0	0.0	0.0
NM PERA Total Fund	9.4	13.5	-4.1	-4.1	0.0	0.0	-4.1

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

Attribution Effects
 Last Three Years



Performance Attribution

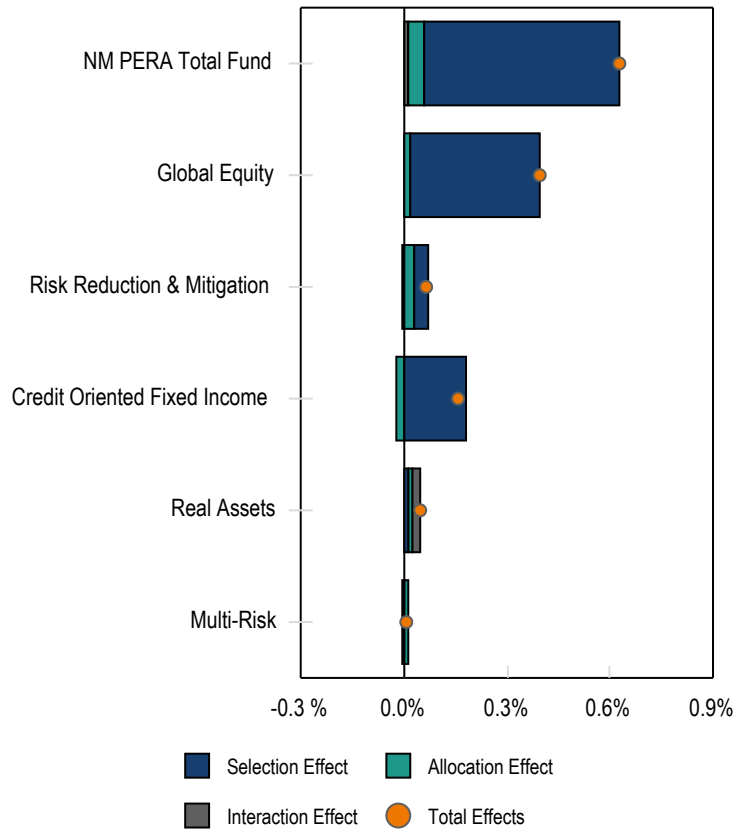
	3 Yrs
Wtd. Actual Return	5.3
Wtd. Index Return	3.2
Excess Return	2.0
Selection Effect	1.9
Allocation Effect	0.0
Interaction Effect	0.1

Attribution Summary
 Last Three Years

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Global Equity	8.0	5.3	2.7	0.8	0.0	0.0	0.8
Credit Oriented Fixed Income	4.4	0.4	4.0	0.6	0.0	0.0	0.6
Risk Reduction & Mitigation	-2.8	-3.2	0.4	0.1	0.0	0.0	0.1
Real Assets	10.3	8.4	1.9	0.4	0.0	0.0	0.5
Multi-Risk	0.0	-0.1	0.1	0.0	0.0	0.0	0.0
NM PERA Total Fund	5.3	3.2	2.0	1.9	0.0	0.1	2.0

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

Attribution Effects
 Last Five Years



Performance Attribution

	5 Yrs
Wtd. Actual Return	7.5
Wtd. Index Return	6.8
Excess Return	0.6
Selection Effect	0.6
Allocation Effect	0.0
Interaction Effect	0.0

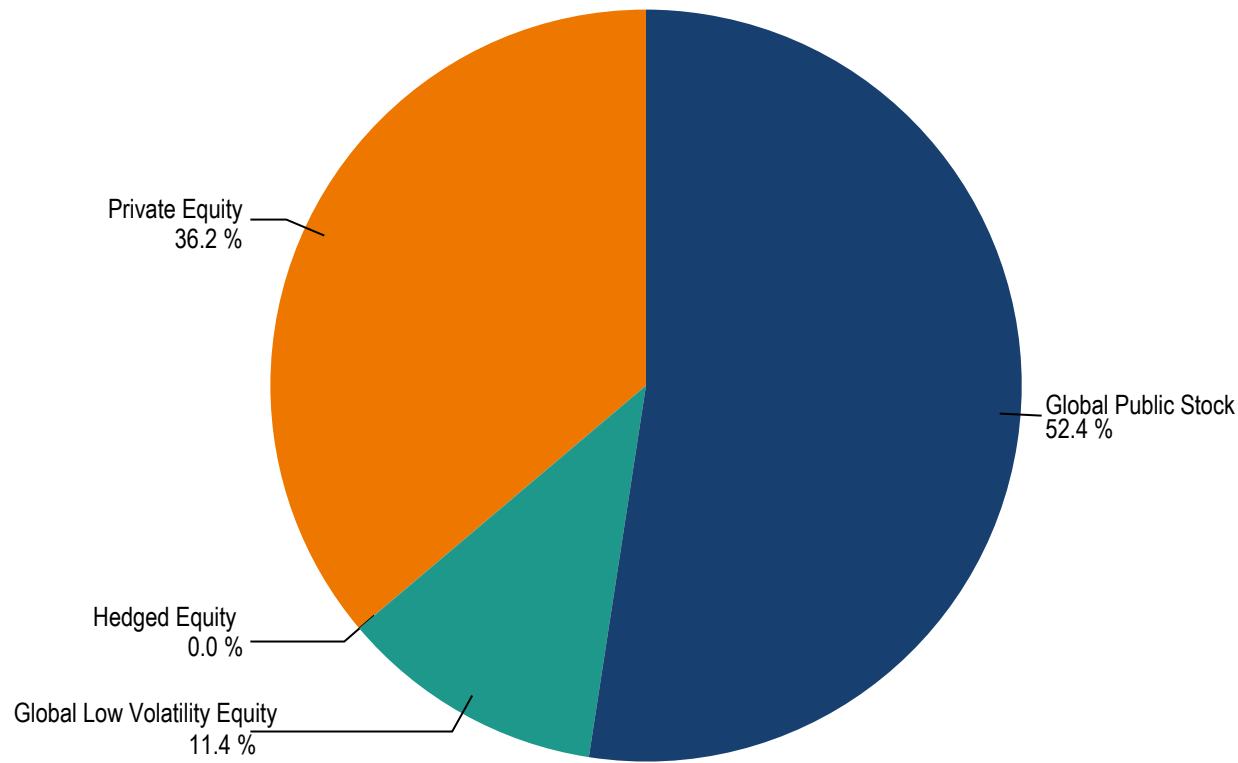
Attribution Summary
 Last Five Years

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Global Equity	12.1	10.7	1.4	0.4	0.0	0.0	0.4
Risk Reduction & Mitigation	1.3	1.1	0.2	0.0	0.0	0.0	0.1
Credit Oriented Fixed Income	4.9	3.9	1.0	0.2	0.0	0.0	0.2
Real Assets	7.3	7.3	0.0	0.0	0.0	0.0	0.0
Multi-Risk	3.4	3.6	-0.2	0.0	0.0	0.0	0.0
NM PERA Total Fund	7.5	6.8	0.6	0.6	0.0	0.0	0.6

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

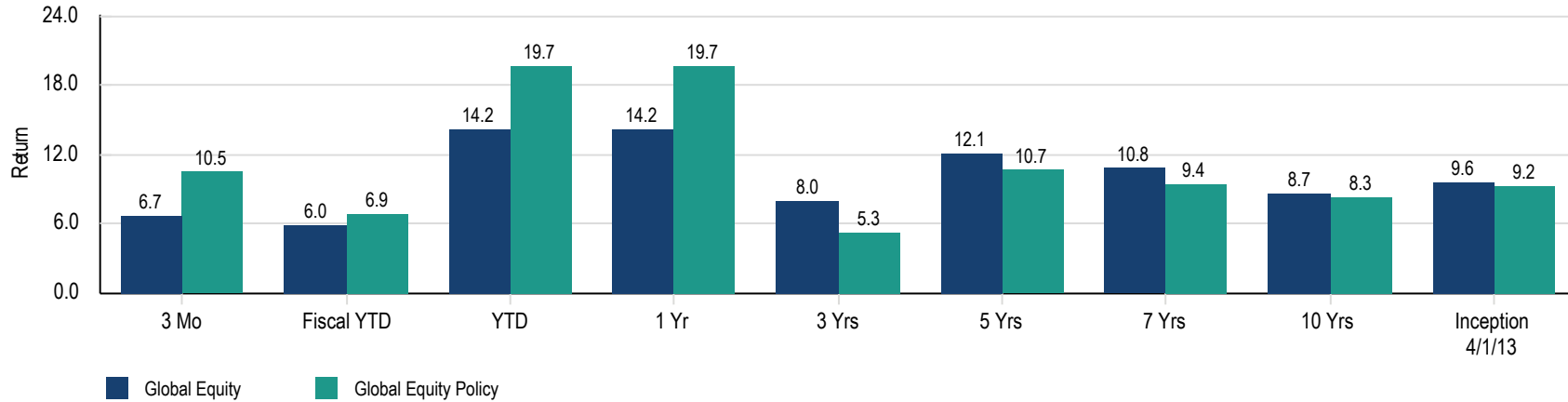
Global Equity

Current Quarter \$6,698,765,319.5

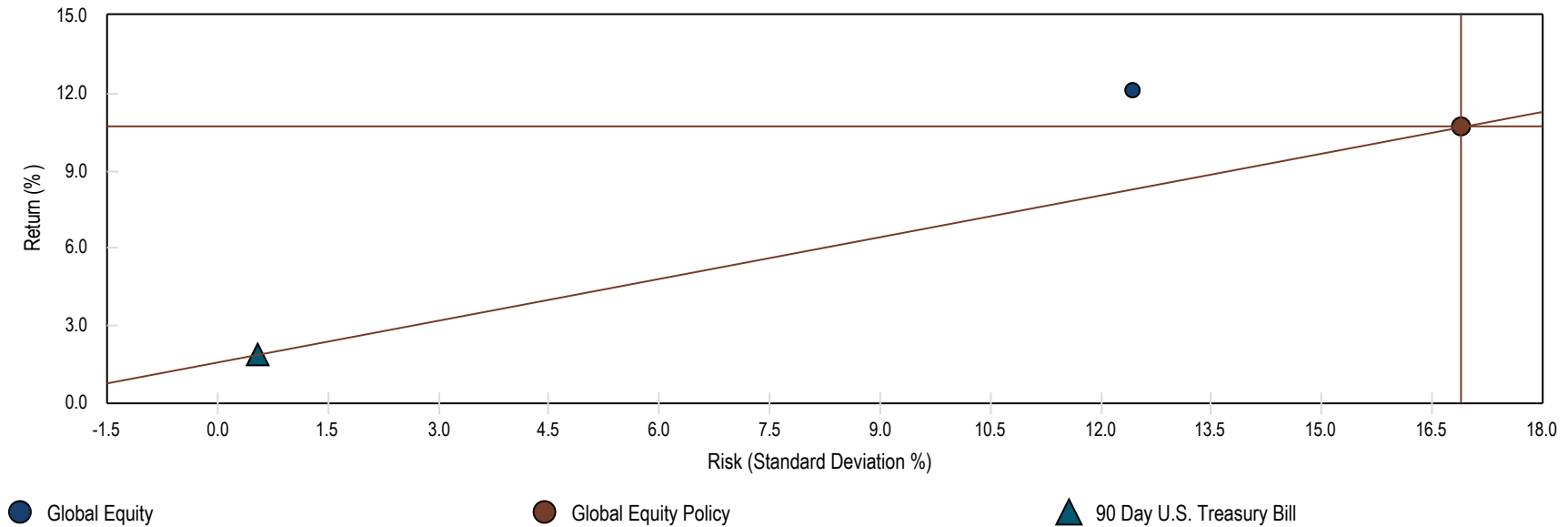


	Market Value \$	Allocation (%)
Global Public Stock	3,512,411,190	52.4
Global Low Volatility Equity	763,406,335	11.4
Hedged Equity	811,858	0.0
Private Equity	2,422,135,937	36.2

Comparative Performance



Risk and Return (5 Years)



Net of Fee performance calculated and provided by BNY Mellon.

Global Equity
Asset Allocation & Performance - Composites

New Mexico PERA
Period Ending: December 31, 2023

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Global Equity Net	6,698,765,320	39.26	6.73	5.98	14.19	8.03	12.10	10.80	8.66	9.57	Apr-13
Global Equity Policy			10.53	6.91	19.72	5.35	10.72	9.42	8.25	9.24	
Value Added			-3.80	-0.93	-5.53	2.68	1.38	1.38	0.41	0.33	
Global Public Stock Net	3,512,411,190	20.58	11.34	7.79	22.39	3.65	10.27	8.92	7.04	7.64	Oct-04
Global Public Stock Policy			11.14	7.36	21.58	5.46	11.49	9.77	7.97	8.04	
Value Added			0.20	0.43	0.81	-1.81	-1.22	-0.85	-0.93	-0.40	
Global Low Volatility Equity Net	763,406,335	4.47	6.47	3.87	8.05	3.47	6.79	7.21	-	7.09	Nov-16
MSCI AC World Minimum Volatility Index (Net)			6.48	3.81	7.74	3.26	6.48	6.84	-	6.69	
Value Added			-0.01	0.06	0.31	0.21	0.31	0.37	-	0.40	
Hedged Equity Net	811,858	0.00	-0.55	-0.72	27.70	5.81	2.55	4.71	3.55	4.24	Apr-13
Hedged Equity Policy			6.48	3.81	7.74	3.26	6.48	6.16	4.97	5.43	
Value Added			-7.03	-4.53	19.96	2.55	-3.93	-1.45	-1.42	-1.19	
Private Equity Net	2,422,135,937	14.20	0.72	4.06	6.17	18.32	17.38	17.07	16.74	8.82	Dec-06
Private Equity Policy			11.14	7.36	21.58	5.46	11.49	10.37	9.83	8.48	
Value Added			-10.42	-3.30	-15.41	12.86	5.89	6.70	6.91	0.34	

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

Global Equity
Asset Allocation & Performance - Managers

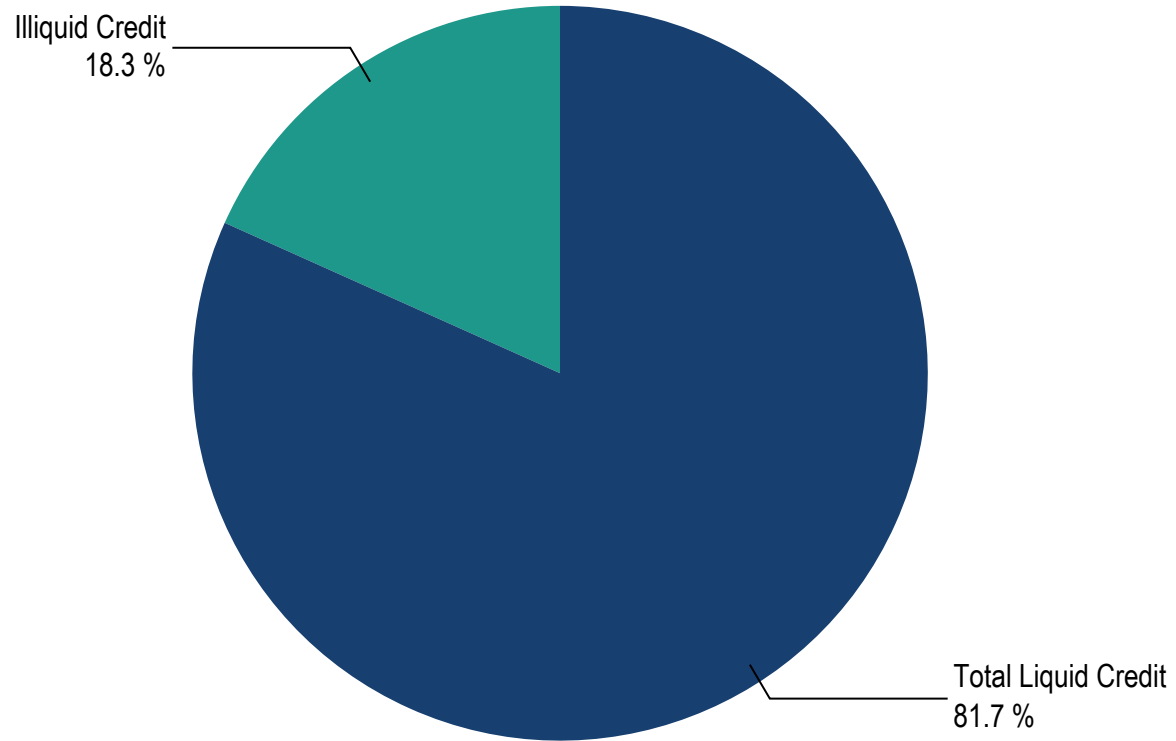
New Mexico PERA
Period Ending: December 31, 2023

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
SSGA ACWI IMI Net	741,255,540	4.34	11.06	7.46	22.21	6.33	12.10	10.32	-	10.18	Oct-16
<i>MSCI AC World IMI (Net)</i>			11.14	7.36	21.58	5.46	11.49	9.77	-	9.60	
<i>Value Added</i>			-0.08	0.10	0.63	0.87	0.61	0.55	-	0.58	
SSGA R1000 Index Net	1,184,467,290	6.94	11.98	8.47	26.53	-	-	-	-	3.20	Dec-21
<i>Russell 1000 Index</i>			11.96	8.44	26.53	-	-	-	-	3.05	
<i>Value Added</i>			0.02	0.03	0.00	-	-	-	-	0.15	
Kayne Andrsn Rdnick SmCap Core Net	324,488,511	1.90	14.51	13.49	32.67	11.16	18.41	-	-	12.62	Sep-18
<i>Russell 2000 Index</i>			14.03	8.18	16.93	2.22	9.97	-	-	4.31	
<i>Value Added</i>			0.48	5.31	15.74	8.94	8.44	-	-	8.31	
Acadian Intl Equity Net	292,608,371	1.71	10.63	8.01	13.94	2.92	8.21	-	-	4.32	May-18
<i>MSCI EAFE (Net)</i>			10.42	5.88	18.24	4.02	8.16	-	-	4.26	
<i>Value Added</i>			0.21	2.13	-4.30	-1.10	0.05	-	-	0.06	
MFS Intl Intrinsic Val Eq exUS Net	236,306,334	1.38	9.59	4.82	18.13	-1.11	7.28	7.32	5.77	7.86	Apr-10
<i>MSCI EAFE (Net)</i>			10.42	5.88	18.24	4.02	8.16	6.91	4.28	5.37	
<i>Value Added</i>			-0.83	-1.06	-0.11	-5.13	-0.88	0.41	1.49	2.49	
Axiom Emerging Mkts Eqty Net	257,969,046	1.51	6.87	2.62	5.53	-11.08	2.66	-	-	2.66	Jan-19
<i>MSCI Emerging Markets (Net)</i>			7.86	4.71	9.83	-5.08	3.68	-	-	3.68	
<i>Value Added</i>			-0.99	-2.09	-4.30	-6.00	-1.02	-	-	-1.02	
Alliance Bernstein Gbl Core Eq Net	295,370,168	1.73	9.69	5.99	20.40	-	-	-	-	9.00	Jun-22
<i>MSCI AC World IMI (Net)</i>			11.14	7.36	21.58	-	-	-	-	8.57	
<i>Value Added</i>			-1.45	-1.37	-1.18	-	-	-	-	0.43	
Parametric Gbl Eqty Ovly	177,565,617	1.04	7.39	-8.49	12.08	-3.12	-6.48	3.69	-	7.34	Jul-16
<i>MSCI AC World IMI (Net)</i>			11.14	7.36	21.58	5.46	11.49	9.77	-	10.05	
<i>Value Added</i>			-3.75	-15.85	-9.50	-8.58	-17.97	-6.08	-	-2.71	
Portable Alpha	2,380,313	0.01	-0.39	-2.61	-7.36	-2.46	0.04	2.16	1.92	-29.11	Oct-07
<i>Portable Alpha Custom Benchmark</i>			11.97	8.57	27.55	11.10	16.84	14.55	13.15	10.53	
<i>Value Added</i>			-12.36	-11.18	-34.91	-13.56	-16.80	-12.39	-11.23	-39.64	

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

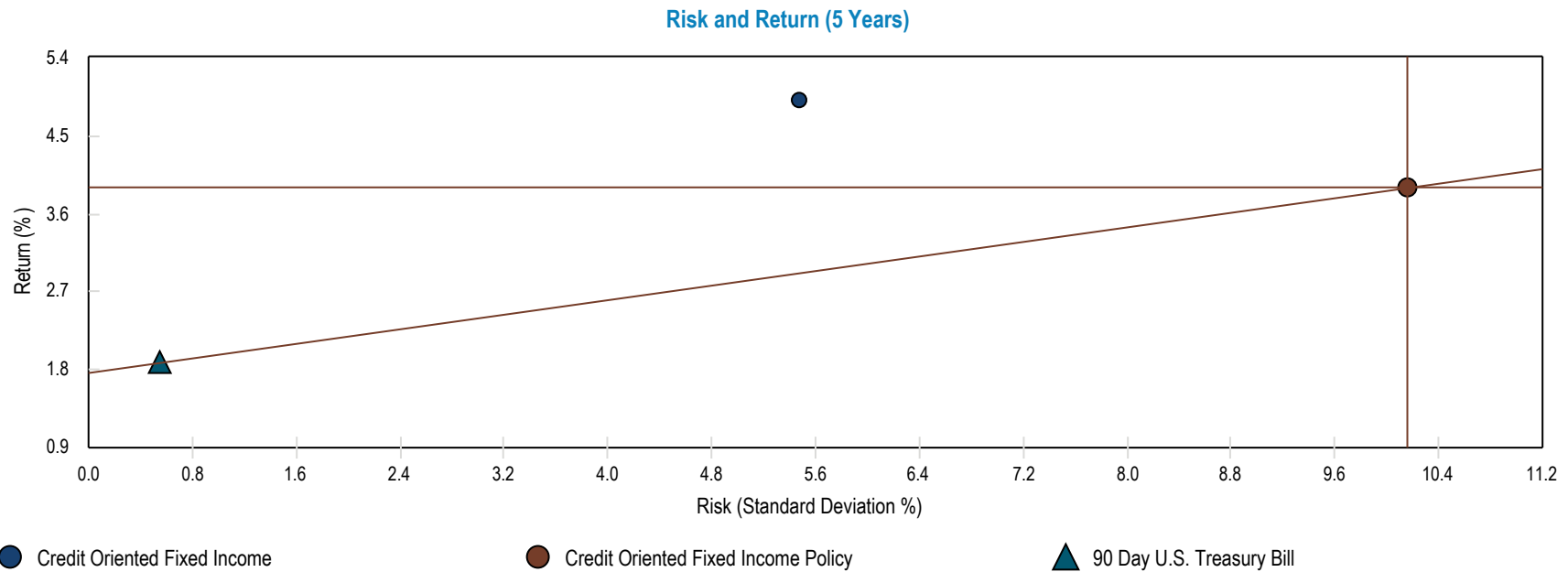
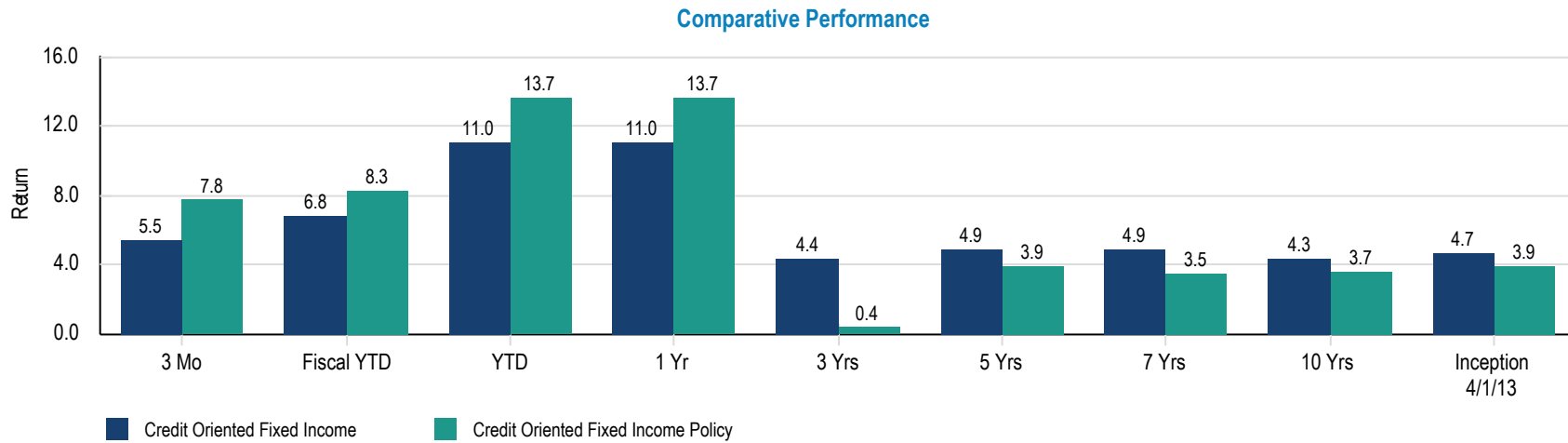
Credit Oriented Fixed Income

Current Quarter \$2,890,691,184.8



	Market Value \$	Allocation (%)
■ Total Liquid Credit	2,362,141,740	81.7
■ Illiquid Credit	528,549,445	18.3

Total Liquid Credit includes Alternative Liquid Credit.



Net of Fee performance calculated and provided by BNY Mellon.

Credit Oriented Fixed Income
Asset Allocation & Performance - Composites

New Mexico PERA
Period Ending: December 31, 2023

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Credit Oriented Fixed Income Net	3,126,403,629	18.32	5.47	6.78	11.04	4.38	4.93	4.91	4.33	4.69	Apr-13
<i>Credit Oriented Fixed Income Policy</i>			7.75	8.31	13.66	0.40	3.91	3.49	3.66	3.94	
<i>Value Added</i>			-2.28	-1.53	-2.62	3.98	1.02	1.42	0.67	0.75	
Liquid Credit Net	1,799,313,323	10.54	7.79	7.93	12.76	0.41	2.46	3.12	3.65	2.60	Apr-13
<i>Liquid Credit Policy</i>			7.75	8.31	13.66	1.20	4.43	4.00	3.88	4.15	
<i>Value Added</i>			0.04	-0.38	-0.90	-0.79	-1.97	-0.88	-0.23	-1.55	
Alternative Liquid Credit Net	798,540,861	4.68	2.55	6.69	11.69	8.64	-	-	-	13.12	May-20
<i>Bloomberg Global High Yield Indx (Hedged)</i>			7.75	8.31	13.66	1.20	-	-	-	5.77	
<i>Value Added</i>			-5.20	-1.62	-1.97	7.44	-	-	-	7.35	
Illiquid Credit Net	528,549,445	3.10	2.53	2.45	2.63	8.49	5.94	7.14	6.75	7.23	Dec-06
<i>Illiquid Credit Policy</i>			7.75	8.31	13.66	1.20	4.43	3.99	4.18	6.17	
<i>Value Added</i>			-5.22	-5.86	-11.03	7.29	1.51	3.15	2.57	1.06	

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

Credit Oriented Fixed Income
Asset Allocation & Performance - Managers

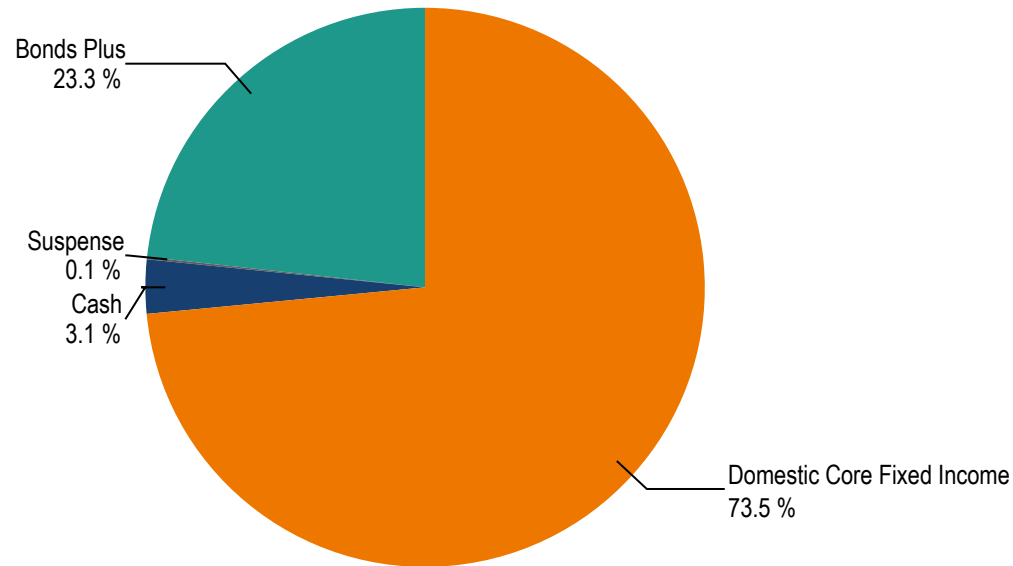
New Mexico PERA
Period Ending: December 31, 2023

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
PineBridge High Yield Net	1,643,846,192	9.63	7.76	8.14	12.88	0.00	4.17	-	-	3.22	Oct-18
<i>Bloomberg Global High Yield Indx (Hedged)</i>			7.75	8.31	13.66	1.20	4.43	-	-	3.60	
<i>Value Added</i>			0.01	-0.17	-0.78	-1.20	-0.26	-	-	-0.38	
Eagle Point CLO Eqty I LLC	8,468,247	0.05	2.81	1.78	7.45	12.18	4.01	-	-	4.47	Feb-18
<i>Bloomberg Global High Yield Indx (Hedged)</i>			7.75	8.31	13.66	1.20	4.43	-	-	3.16	
<i>Value Added</i>			-4.94	-6.53	-6.21	10.98	-0.42	-	-	1.31	
Eagle Point Credit Onshore LP	81,645,699	0.48	0.98	12.27	14.69	-	-	-	-	2.67	Jun-22
<i>Bloomberg Global High Yield Indx (Hedged)</i>			7.75	8.31	13.66	-	-	-	-	6.76	
<i>Value Added</i>			-6.77	3.96	1.03	-	-	-	-	-4.09	
Ellington Enh Inome A LLC	179,065,553	1.05	3.95	9.27	15.01	6.05	4.52	4.46	-	4.46	Jan-17
<i>Bloomberg Global High Yield Indx (Hedged)</i>			7.75	8.31	13.66	1.20	4.43	3.93	-	3.93	
<i>Value Added</i>			-3.80	0.96	1.35	4.85	0.09	0.53	-	0.53	
Mudrick Stressed Cr A LP	169,234,363	0.99	1.73	3.87	4.37	8.98	3.99	4.93	-	4.79	Nov-15
<i>Bloomberg Global High Yield Indx (Hedged)</i>			7.75	8.31	13.66	1.20	4.43	3.93	-	4.78	
<i>Value Added</i>			-6.02	-4.44	-9.29	7.78	-0.44	1.00	-	0.01	
Napier Park C	24,958,045	0.15	0.43	-0.60	0.34	4.08	-	-	-	7.80	Aug-20
<i>Bloomberg Global High Yield Indx (Hedged)</i>			7.75	8.31	13.66	1.20	-	-	-	3.01	
<i>Value Added</i>			-7.32	-8.91	-13.32	2.88	-	-	-	4.79	
SixthSt Wheeler Pk Cr I LLC	167,445,353	0.98	5.79	9.27	21.44	8.27	-	-	-	9.38	Apr-20
<i>Bloomberg Global High Yield Indx (Hedged)</i>			7.75	8.31	13.66	1.20	-	-	-	6.86	
<i>Value Added</i>			-1.96	0.96	7.78	7.07	-	-	-	2.52	
Parametric Credit Ovlly Net	155,467,131	0.91	8.19	7.12	12.77	3.11	-	-	-	5.81	May-19
<i>Bloomberg Global High Yield Indx (Hedged)</i>			7.75	8.31	13.66	1.20	-	-	-	3.11	
<i>Value Added</i>			0.44	-1.19	-0.89	1.91	-	-	-	2.70	

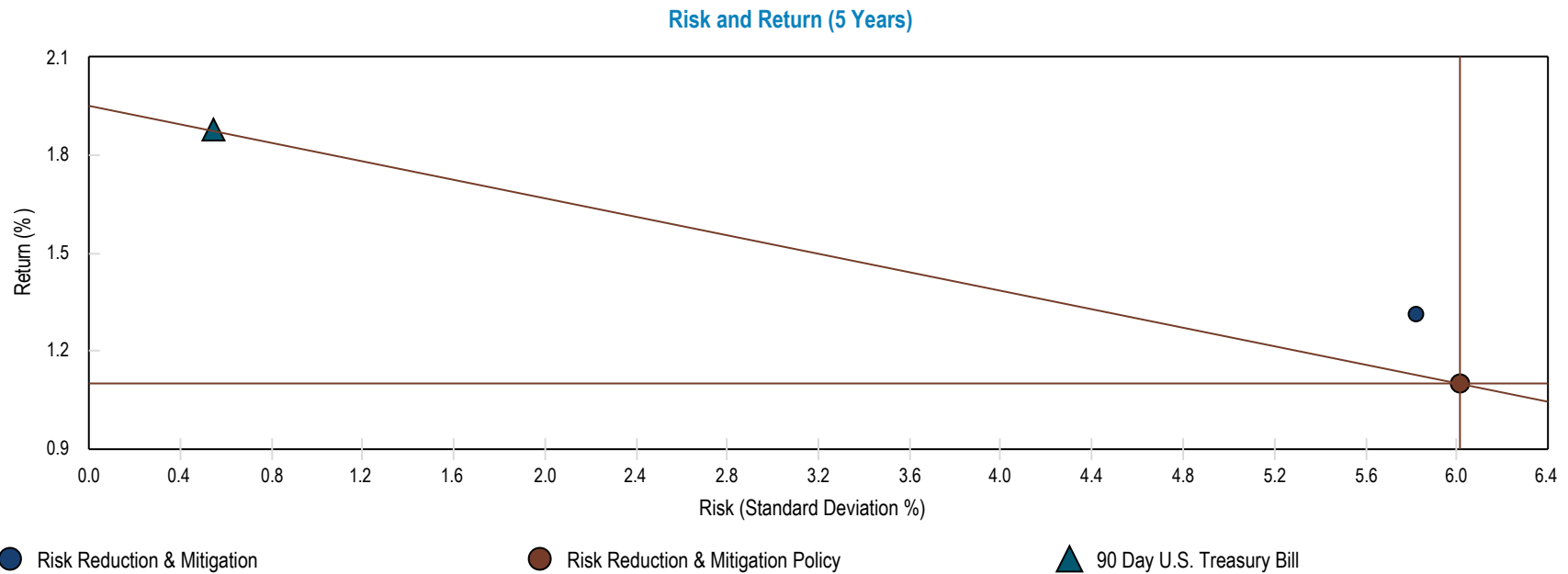
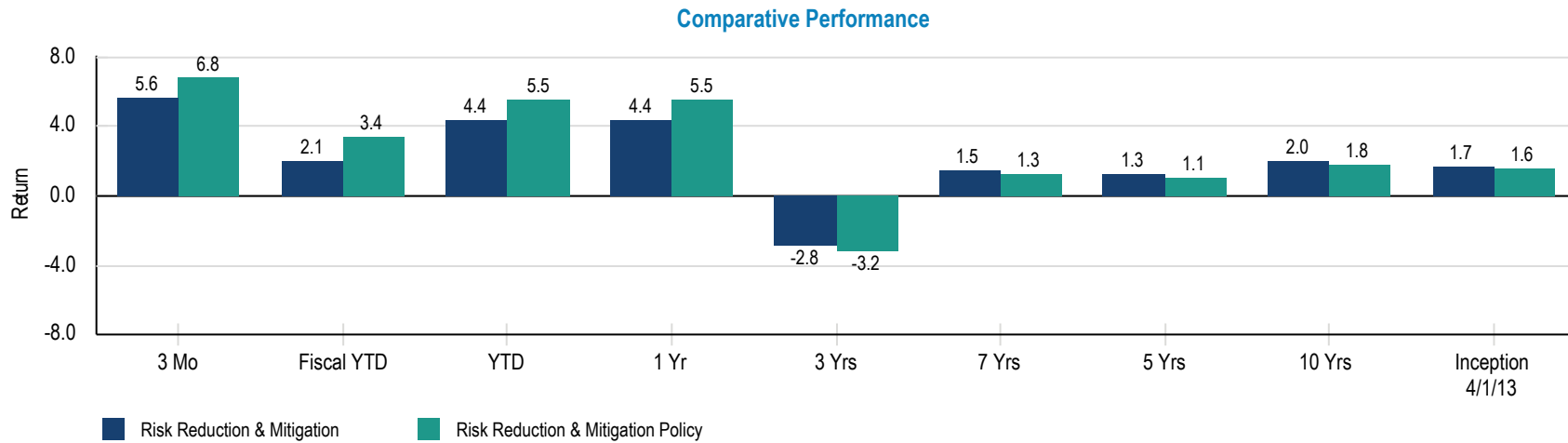
Fiscal year 06/30. Net of Fee performance calculated and provided by BNY Mellon.

Risk Reduction & Mitigation

Current Quarter \$2,891,364,045.4



	Market Value \$	Allocation (%)
Domestic Core Fixed Income	2,124,872,562	73.5
Cash	90,030,869	3.1
Suspense	3,969,368	0.1
Bonds Plus	672,491,246	23.3



Net of Fee performance calculated and provided by BNY Mellon.

Risk Reduction & Mitigation
Asset Allocation & Performance - Composites

New Mexico PERA
Period Ending: December 31, 2023

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Risk Reduction & Mitigation Net	2,891,364,045	16.94	5.63	2.07	4.37	-2.83	1.32	1.47	2.01	1.74	Apr-13
<i>Risk Reduction & Mitigation Policy</i>			6.82	3.37	5.53	-3.22	1.10	1.31	1.85	1.55	
<i>Value Added</i>			-1.19	-1.30	-1.16	0.39	0.22	0.16	0.16	0.19	
Domestic Core Fixed Income Net	2,124,872,562	12.45	6.78	3.71	5.98	-3.64	1.16	1.36	1.92	6.17	Jun-85
<i>Blmbg. U.S. Aggregate Index</i>			6.82	3.37	5.53	-3.31	1.10	1.29	1.81	5.82	
<i>Value Added</i>			-0.04	0.34	0.45	-0.33	0.06	0.07	0.11	0.35	
Bonds Plus Net	672,491,246	3.94	2.56	-1.07	0.32	-0.79	-	-	-	-0.33	Dec-19
<i>Blmbg. U.S. Aggregate Index</i>			6.82	3.37	5.53	-3.31	-	-	-	-0.72	
<i>Value Added</i>			-4.26	-4.44	-5.21	2.52	-	-	-	0.39	
Cash Net	90,030,869	0.53	1.28	-11.94	2.39	3.88	4.92	4.46	3.22	4.75	Mar-89
<i>ICE BofA 3 Month U.S. T-Bill</i>			1.37	2.70	5.02	2.15	1.88	1.73	1.25	2.94	
<i>Value Added</i>			-0.09	-14.64	-2.63	1.73	3.04	2.73	1.97	1.81	
Suspense	3,969,368	0.02									

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

Risk Reduction & Mitigation

Asset Allocation & Performance - Managers

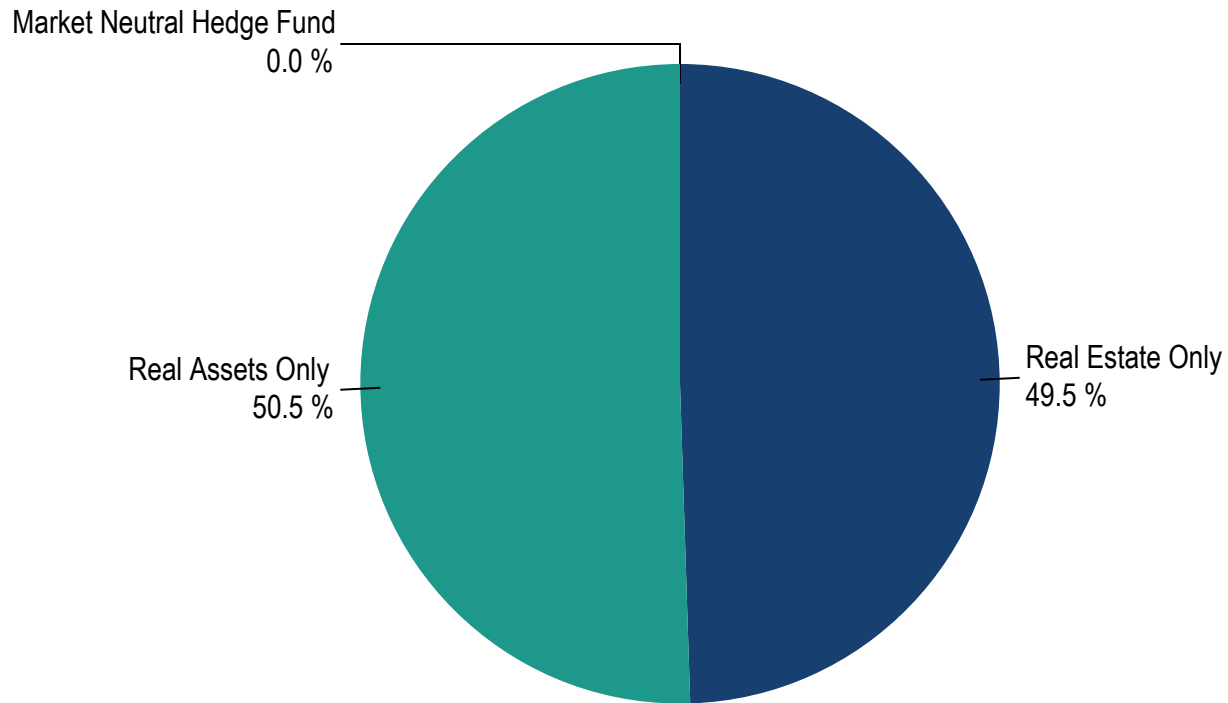
New Mexico PERA
Period Ending: December 31, 2023

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Blackrock US Agg Bond Index Net	1,900,193,398	11.14	6.77	3.40	-	-	-	-	-	2.58	Apr-23
<i>Blmbg. U.S. Aggregate Index</i>			6.82	3.37	-	-	-	-	-	2.49	
<i>Value Added</i>			-0.05	0.03	-	-	-	-	-	0.09	
Dorsal Capital Partners LP	103,373,991	0.61	4.32	6.28	15.95	5.47	-	-	-	6.08	Jun-20
<i>SOFR + Libor Blend</i>			1.48	2.96	5.70	2.86	-	-	-	2.48	
<i>Value Added</i>			2.84	3.32	10.25	2.61	-	-	-	3.60	
Elliott Associates LP	117,153,766	0.69	2.32	3.45	4.51	8.86	-	-	-	8.86	Dec-19
<i>SOFR + Libor Blend</i>			1.48	2.96	5.70	2.86	-	-	-	2.40	
<i>Value Added</i>			0.84	0.49	-1.19	6.00	-	-	-	6.46	
Garda FI Rel Val Oppty Ltd	70,295,675	0.41	3.38	6.70	14.46	9.45	-	-	-	9.97	Jun-20
<i>SOFR + Libor Blend</i>			1.48	2.96	5.70	2.86	-	-	-	2.48	
<i>Value Added</i>			1.90	3.74	8.76	6.59	-	-	-	7.49	
Glazer Enhanced LP	61,521,455	0.36	1.88	4.21	7.91	10.92	-	-	-	16.10	Jun-20
<i>SOFR + Libor Blend</i>			1.48	2.96	5.70	2.86	-	-	-	2.48	
<i>Value Added</i>			0.40	1.25	2.21	8.06	-	-	-	13.62	
Millennium USA LP	127,299,865	0.75	3.66	7.89	11.97	12.26	-	-	-	12.14	Sep-20
<i>SOFR + Libor Blend</i>			1.48	2.96	5.70	2.86	-	-	-	2.62	
<i>Value Added</i>			2.18	4.93	6.27	9.40	-	-	-	9.52	
Pac Allnce Asia Opp IV LP	27,976,951	0.16	-3.22	-5.76	-11.00	-2.96	-	-	-	-1.25	Jun-20
<i>SOFR + Libor Blend</i>			1.48	2.96	5.70	2.86	-	-	-	2.48	
<i>Value Added</i>			-4.70	-8.72	-16.70	-5.82	-	-	-	-3.73	
Pharo Gaia Ltd	1,626,319	0.01	0.00	0.00	-0.07	-9.34	-	-	-	-5.51	May-20
<i>SOFR + Libor Blend</i>			1.48	2.96	5.70	2.86	-	-	-	2.44	
<i>Value Added</i>			-1.48	-2.96	-5.77	-12.20	-	-	-	-7.95	
Systematica Alt Mkts LP CIB	87,980,597	0.52	2.02	5.65	-1.42	16.70	-	-	-	11.63	Jun-20
<i>SOFR + Libor Blend</i>			1.48	2.96	5.70	2.86	-	-	-	2.48	
<i>Value Added</i>			0.54	2.69	-7.12	13.84	-	-	-	9.15	
Two Sigma Abs Return LP	75,122,175	0.44	8.33	8.00	12.90	-	-	-	-	10.57	May-21
<i>SOFR + Libor Blend</i>			1.48	2.96	5.70	-	-	-	-	3.15	
<i>Value Added</i>			6.85	5.04	7.20	-	-	-	-	7.42	
Parametric Bonds Plus	140,453	0.00	-0.08	-4.61	-5.00	-7.41	-	-	-	-4.07	Jan-20
BlackRock Core	76,643	0.00									
BlackRock Glb Fixed Income	154,034	0.00									

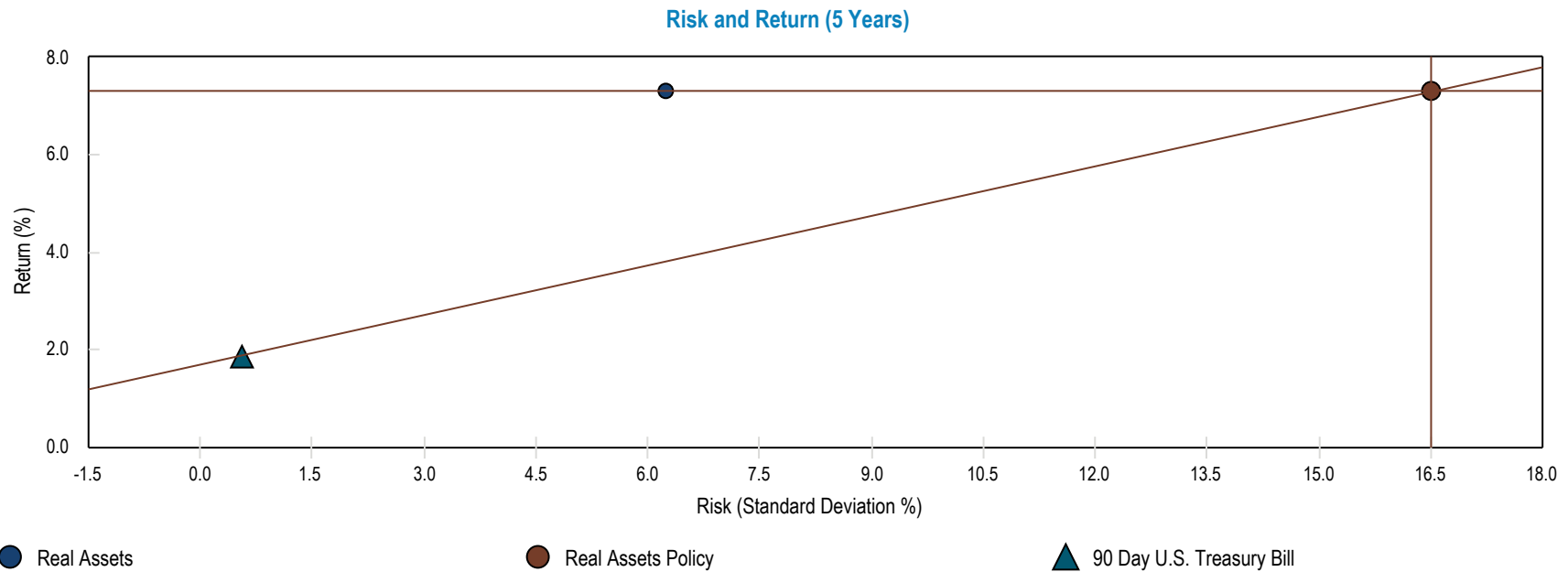
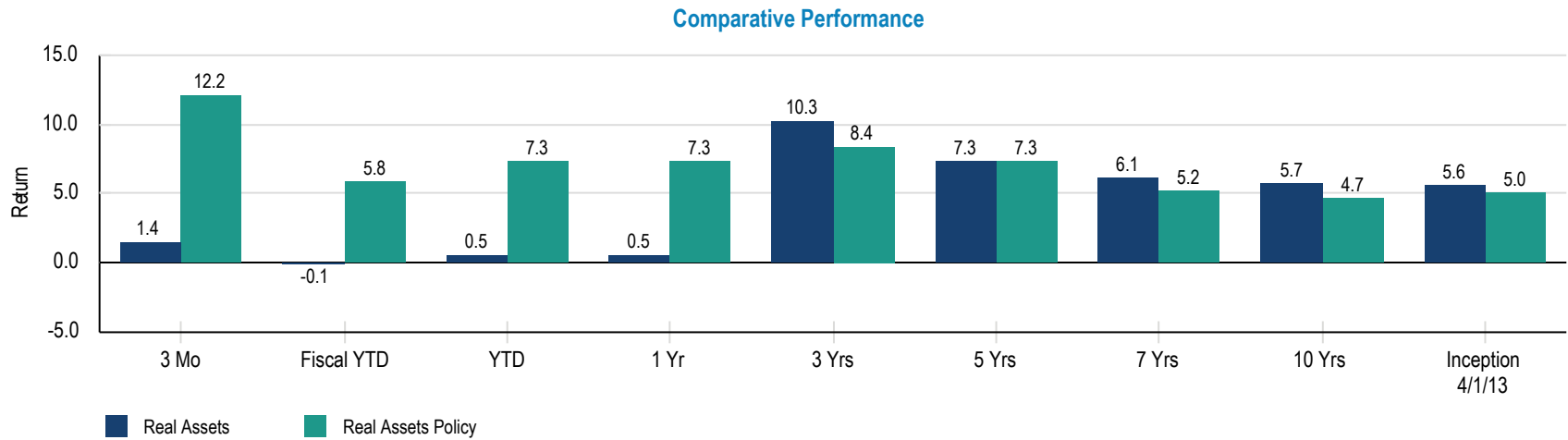
Fiscal year 06/30. SOFR + Libor Blend: Libor + 30 until 08/31/23; SOFR +56 09/01/23 onwards. Net of Fee performance calculated and provided by BNY Mellon.

Real Assets

Current Quarter \$2,914,918,241.7



	Market Value \$	Allocation (%)
■ Real Estate Only	1,442,745,429	49.5
■ Real Assets Only	1,472,032,301	50.5
■ Market Neutral Hedge Fund	140,512	0.0



Net of Fee performance calculated and provided by BNY Mellon.

Real Assets
Asset Allocation & Performance - Composites

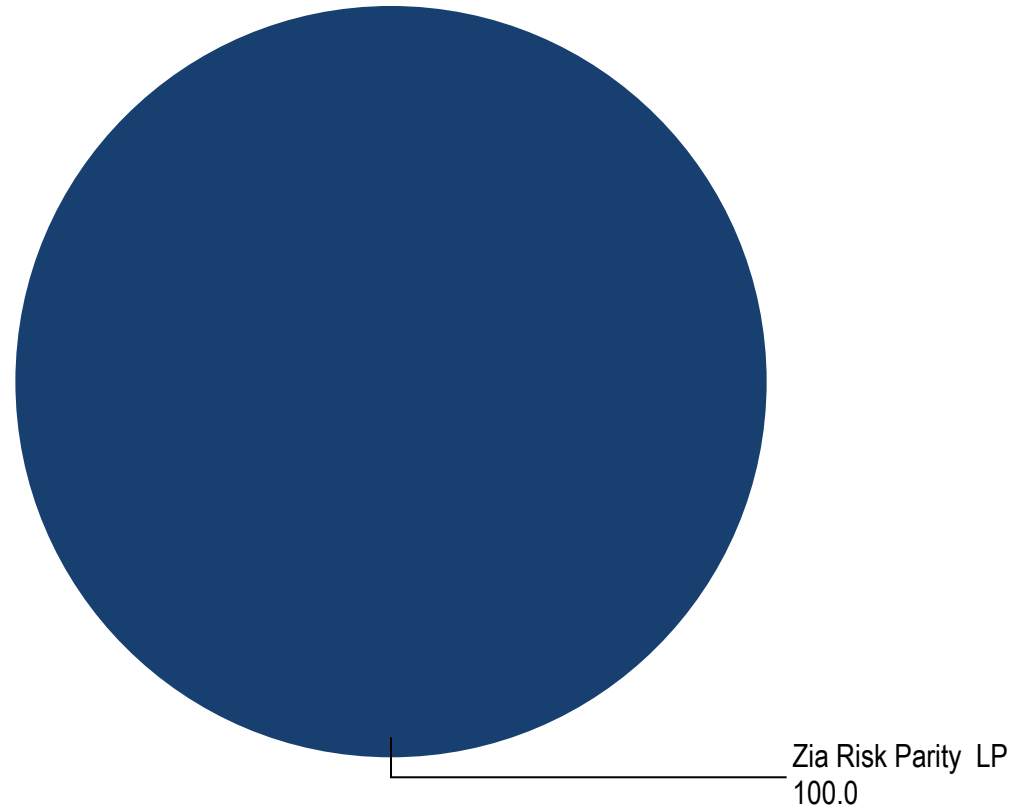
New Mexico PERA
Period Ending: December 31, 2023

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Real Assets Net	2,914,918,242	17.08	1.41	-0.12	0.47	10.28	7.31	6.11	5.72	5.62	Apr-13
<i>Real Assets Policy</i>			12.16	5.80	7.28	8.42	7.32	5.22	4.73	5.01	
<i>Value Added</i>			-10.75	-5.92	-6.81	1.86	-0.01	0.89	0.99	0.61	
Illiquid Real Estate Net	1,442,745,429	8.46	-1.75	-4.65	-7.19	9.83	7.28	8.43	10.11	6.93	Jul-07
<i>Wilshire Global REIT Total Return Index</i>			16.55	9.87	15.22	5.53	5.96	4.55	6.29	4.19	
<i>Value Added</i>			-18.30	-14.52	-22.41	4.30	1.32	3.88	3.82	2.74	
Liquid Real Assets Net	177,264,101	1.04	12.86	5.48	9.96	8.37	7.01	2.63	0.29	1.13	Sep-09
<i>Liquid Real Assets Policy</i>			12.44	3.61	5.54	9.39	7.98	3.59	0.68	7.19	
<i>Value Added</i>			0.42	1.87	4.42	-1.02	-0.97	-0.96	-0.39	-6.06	
Illiquid Real Assets Net	1,294,768,199	7.59	3.62	4.47	8.70	15.08	7.05	7.93	5.93	-6.31	Jan-07
<i>Illiquid Real Assets Policy</i>			8.08	2.87	0.86	9.53	7.47	5.29	2.41	-	
<i>Value Added</i>			-4.46	1.60	7.84	5.55	-0.42	2.64	3.52	-	
Market Neutral Hedge Fund	140,512	0.00	-0.80	-2.39	-2.15	1.80	0.73	0.48	1.19	1.38	Apr-13
<i>LIBOR +2% 1M Lag</i>			1.92	3.83	7.51	4.60	4.19	4.08	3.58	3.49	
<i>Value Added</i>			-2.72	-6.22	-9.66	-2.80	-3.46	-3.60	-2.39	-2.11	

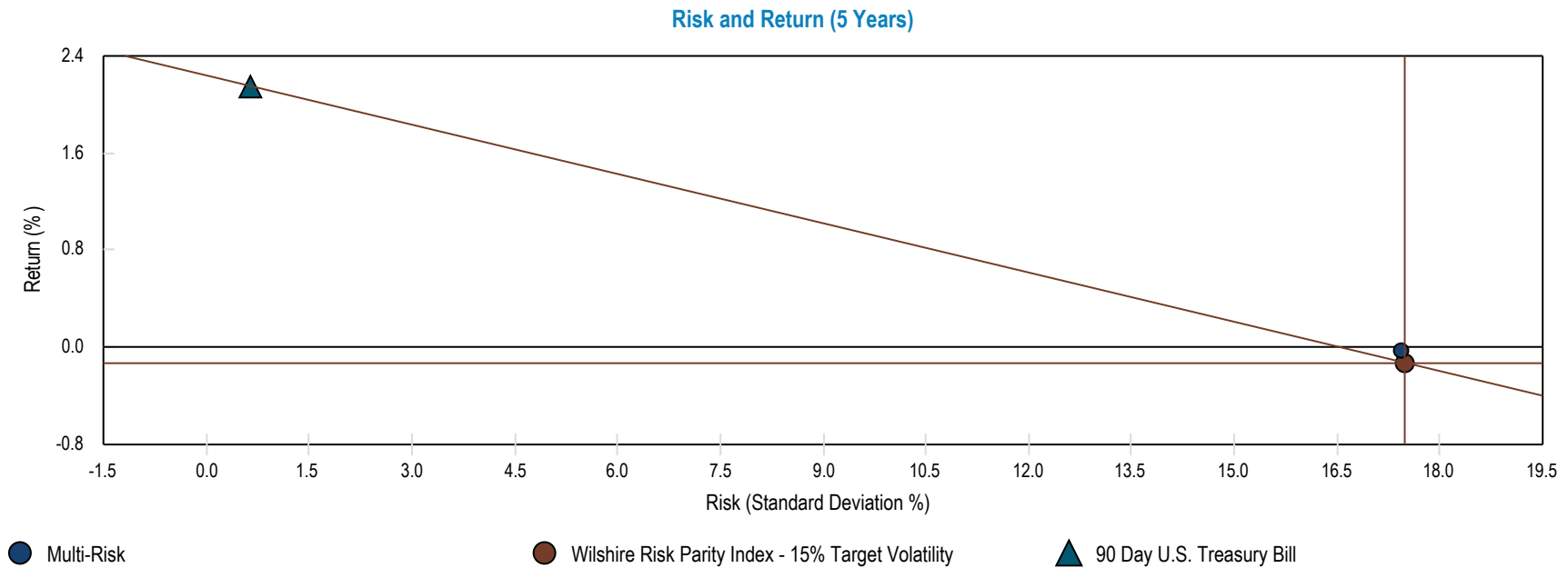
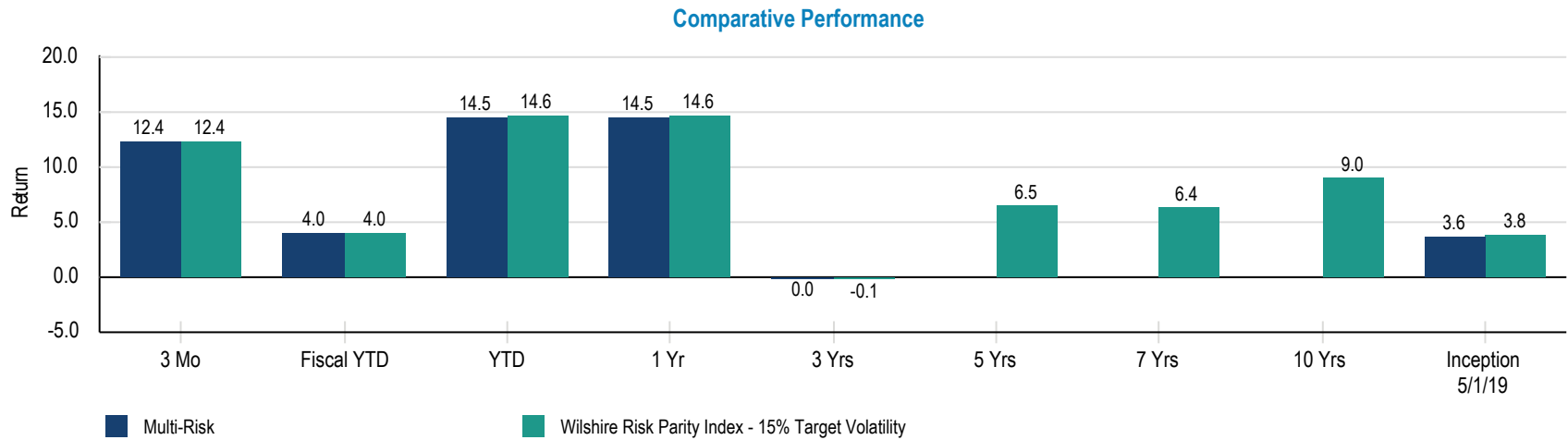
Fiscal year 06/30. Net of Fee performance calculated and provided by BNY Mellon.

Multi-Risk Allocation

Current Quarter - \$1,431,849,531.3



	Market Value \$	Allocation (%)
■ Zia Risk Parity LP	1,431,849,531	100.0



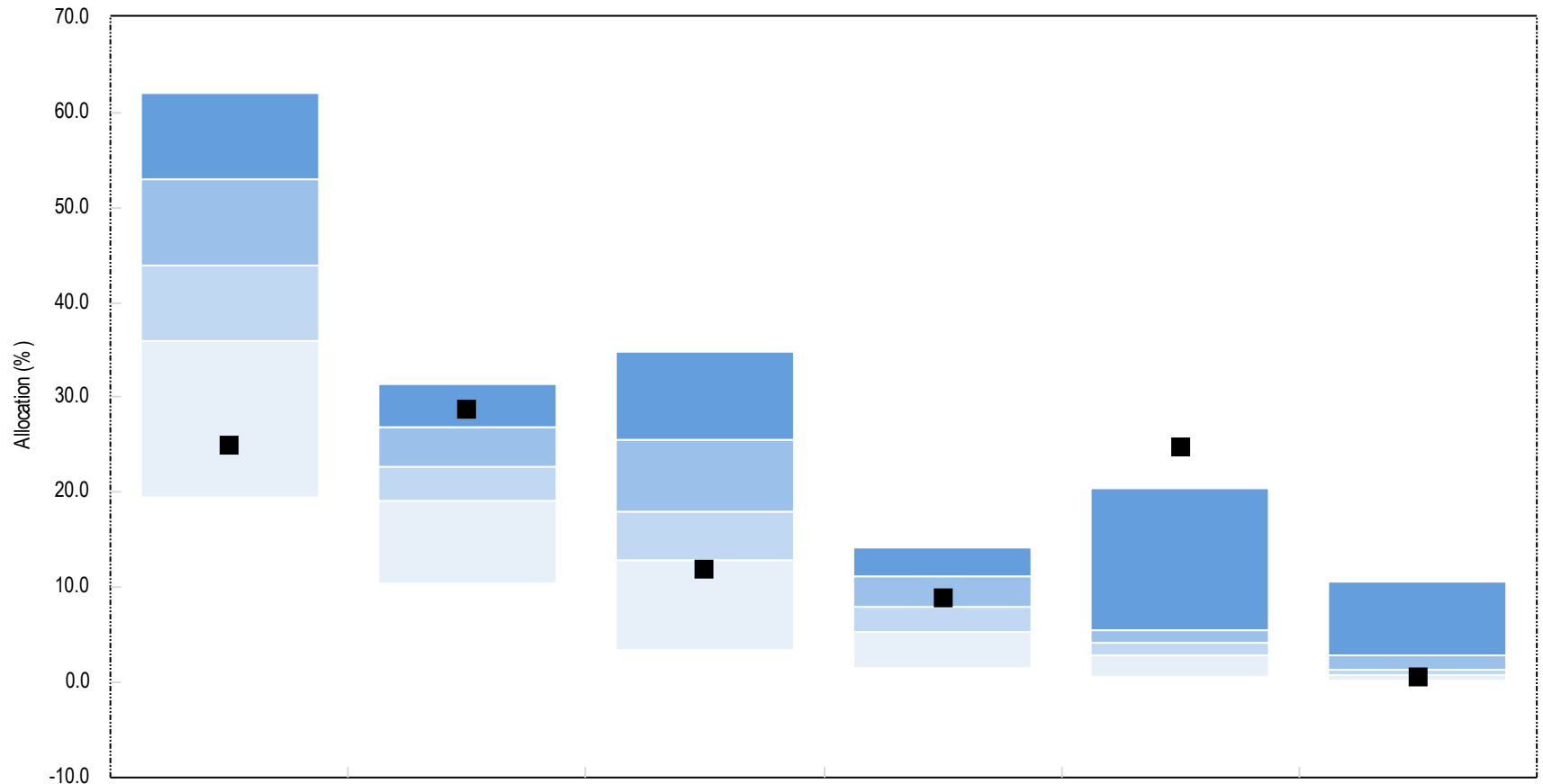
Net of Fee performance calculated and provided by BNY Mellon.

Peer Review

Total Fund
Peer Universe Comparison: Asset Allocation

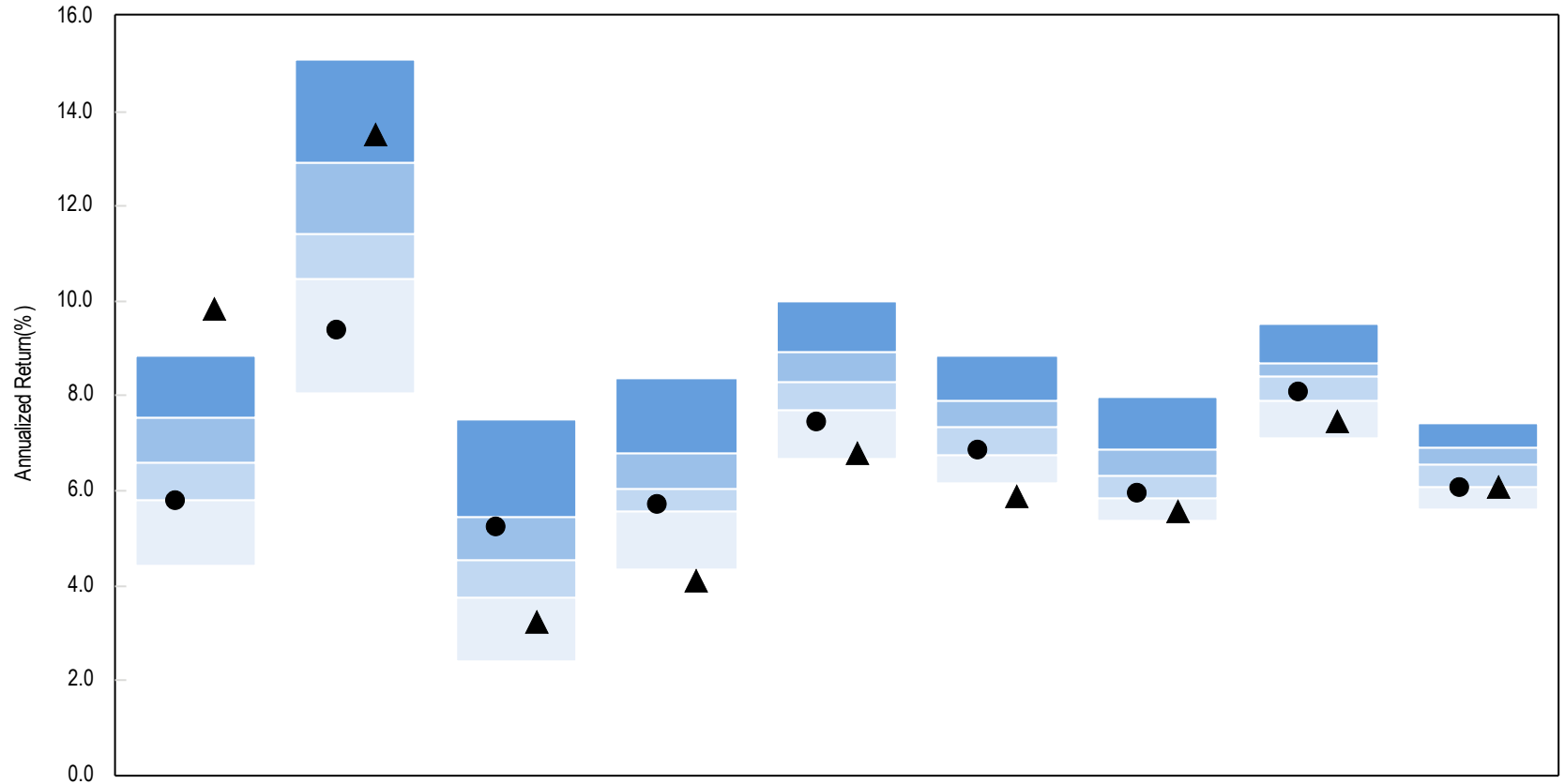
New Mexico PERA
Period Ending: December 31, 2023

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



	Total Equity 25.1 (91)	Total Fixed Income 28.7 (19)	Alternatives 11.9 (78)	Total Real Estate 8.9 (44)	Multi-Asset 24.9 (1)	Cash & Equivalents 0.5 (84)
■ NM PERA Total Fund						
5th Percentile	62.1	31.5	34.8	14.2	20.4	10.6
1st Quartile	53.1	26.9	25.6	11.2	5.6	2.8
Median	44.0	22.7	17.9	7.9	4.2	1.4
3rd Quartile	35.9	19.1	12.9	5.4	2.9	0.7
95th Percentile	19.6	10.5	3.3	1.5	0.6	0.2
Population	94	95	81	75	28	79

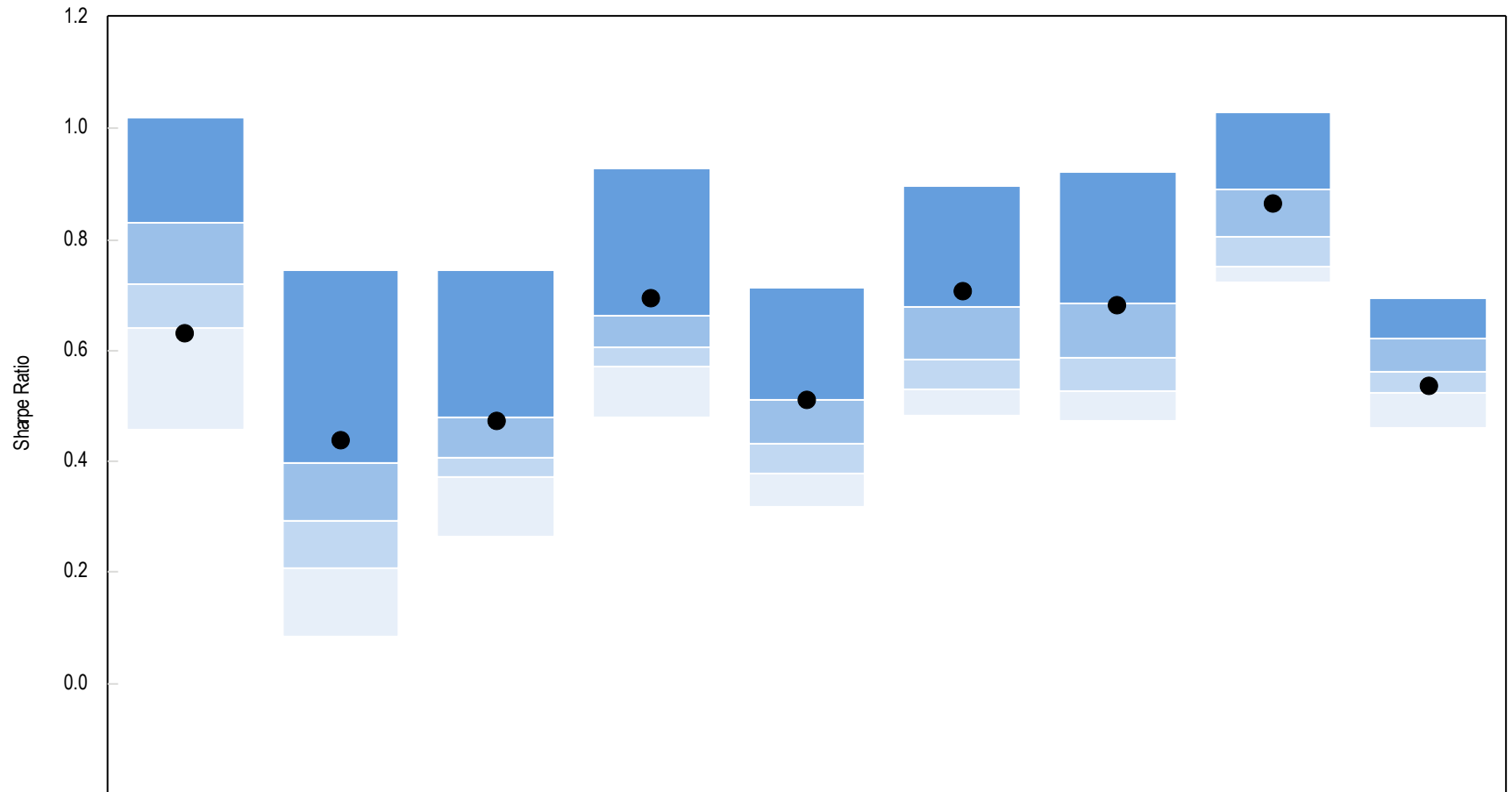
Total Fund Cumulative Performance vs. InvMetrics Public DB > \$1B



	Quarter	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	5.82 (75)	9.41 (88)	5.27 (32)	5.71 (69)	7.45 (85)	6.86 (71)	5.96 (71)	8.11 (69)	6.10 (75)
▲ NM PERA Total Fund Policy	9.82 (1)	13.51 (15)	3.24 (87)	4.12 (99)	6.81 (94)	5.88 (99)	5.56 (89)	7.48 (90)	6.07 (80)
5th Percentile	8.85	15.09	7.49	8.36	10.00	8.85	7.98	9.51	7.43
1st Quartile	7.56	12.92	5.45	6.78	8.94	7.91	6.89	8.71	6.91
Median	6.61	11.42	4.53	6.05	8.28	7.33	6.34	8.43	6.55
3rd Quartile	5.81	10.46	3.77	5.56	7.70	6.77	5.86	7.90	6.09
95th Percentile	4.41	8.07	2.42	4.34	6.69	6.15	5.36	7.11	5.60
Population	94	85	72	70	69	68	63	57	53

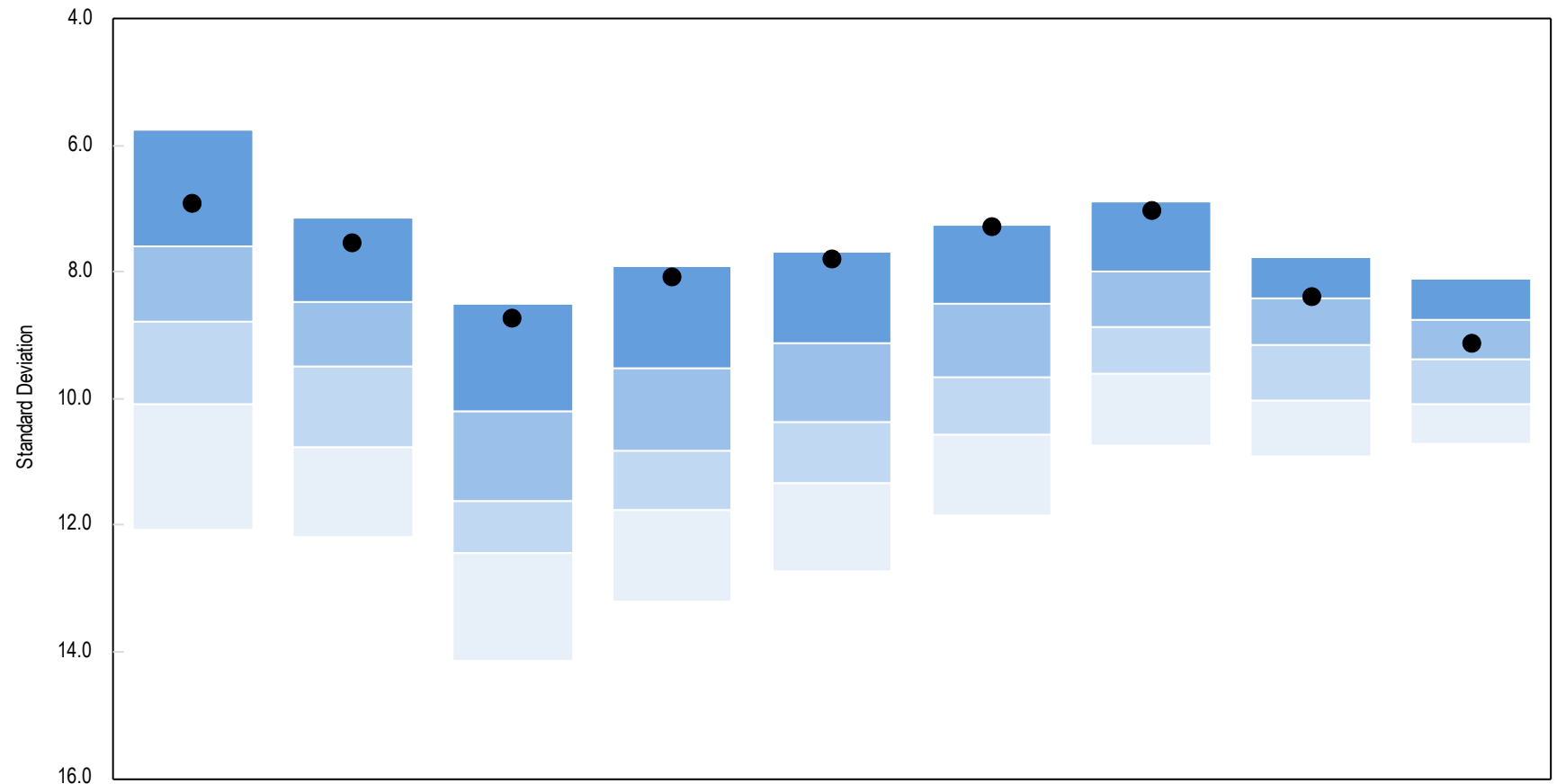
Total Fund
Peer Universe Comparison - Sharpe Ratio

New Mexico PERA
Period Ending: December 31, 2023



	1 Year	3 Years	4 Years	5 Years	6 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	0.63 (78)	0.44 (19)	0.47 (26)	0.70 (23)	0.51 (24)	0.71 (23)	0.68 (28)	0.87 (33)	0.54 (67)
5th Percentile	1.02	0.74	0.74	0.93	0.71	0.90	0.92	1.03	0.70
1st Quartile	0.83	0.40	0.48	0.66	0.51	0.68	0.68	0.89	0.62
Median	0.72	0.29	0.41	0.61	0.43	0.59	0.59	0.80	0.56
3rd Quartile	0.64	0.21	0.37	0.57	0.38	0.53	0.53	0.75	0.52
95th Percentile	0.46	0.08	0.27	0.48	0.32	0.48	0.47	0.72	0.46
Population	85	72	70	69	68	68	63	57	53

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

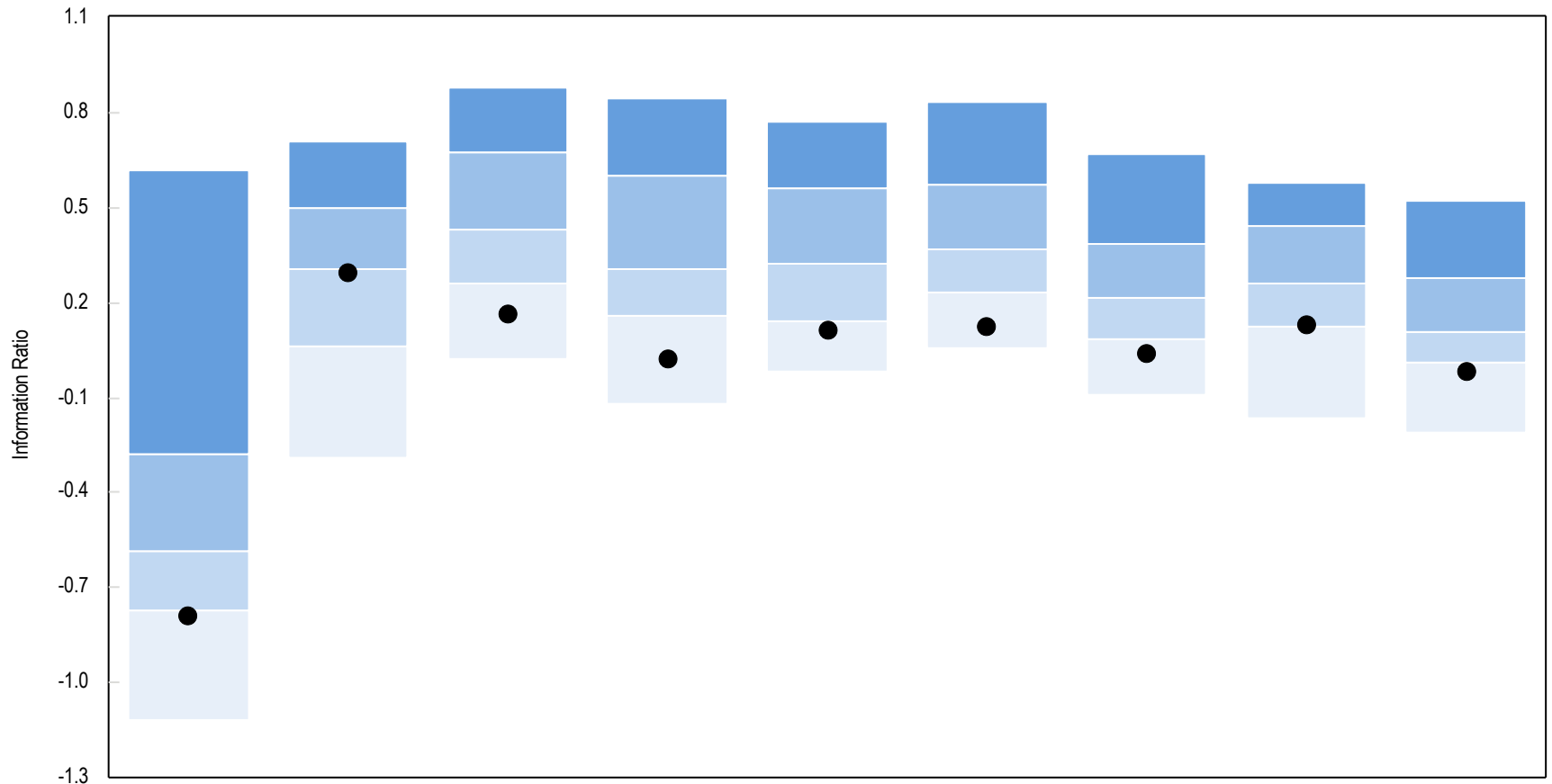


	1 Year	3 Years	4 Years	5 Years	6 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	6.92 (17)	7.54 (13)	8.73 (9)	8.08 (7)	7.81 (6)	7.29 (6)	7.03 (7)	8.41 (24)	9.13 (40)
5th Percentile	5.75	7.16	8.51	7.91	7.68	7.25	6.90	7.78	8.11
1st Quartile	7.59	8.49	10.21	9.53	9.13	8.50	7.99	8.43	8.77
Median	8.80	9.49	11.62	10.84	10.39	9.68	8.87	9.16	9.40
3rd Quartile	10.10	10.78	12.45	11.77	11.35	10.57	9.62	10.05	10.11
95th Percentile	12.09	12.19	14.14	13.23	12.74	11.85	10.75	10.91	10.73
Population	85	72	70	69	68	68	63	57	53

Total Fund
Peer Universe Comparison - Information Ratio

New Mexico PERA
Period Ending: December 31, 2023

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



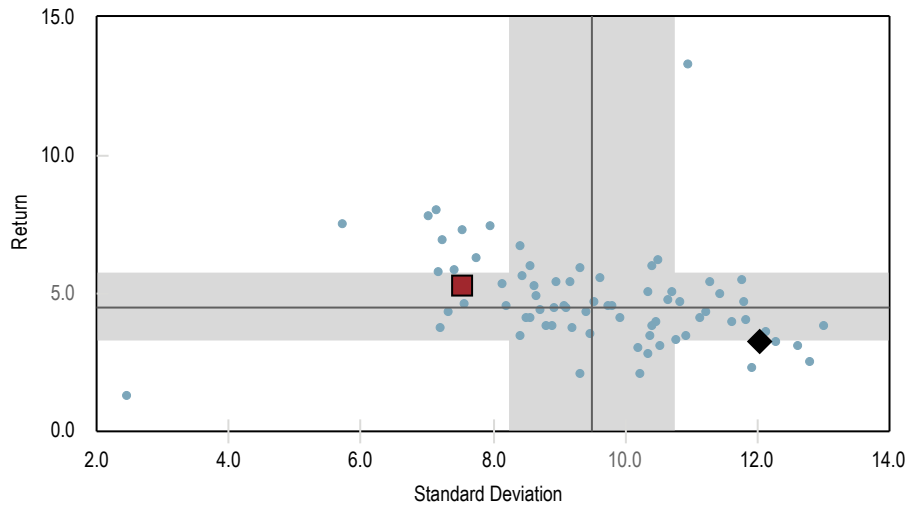
	1 Year	3 Years	4 Years	5 Years	6 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	-0.79 (76)	0.29 (51)	0.16 (88)	0.02 (91)	0.11 (80)	0.12 (88)	0.04 (79)	0.13 (74)	-0.02 (77)
5th Percentile	0.62	0.71	0.88	0.85	0.77	0.83	0.67	0.58	0.52
1st Quartile	-0.28	0.50	0.67	0.60	0.56	0.57	0.39	0.44	0.27
Median	-0.58	0.31	0.43	0.30	0.32	0.37	0.21	0.26	0.11
3rd Quartile	-0.77	0.06	0.26	0.16	0.14	0.23	0.08	0.13	0.01
95th Percentile	-1.12	-0.29	0.02	-0.12	-0.02	0.06	-0.09	-0.16	-0.21
Population	85	72	70	69	68	68	63	57	53

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

New Mexico PERA
Period Ending: December 31, 2023

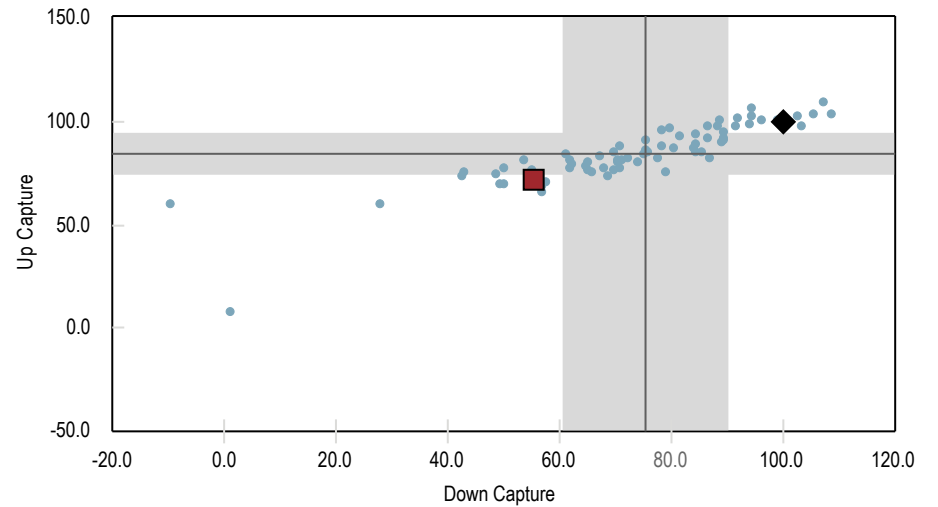
	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	R-Squared	Up Capture	Down Capture	Information Ratio	Tracking Error	Sharpe Ratio	Sortino Ratio
NM PERA Total Fund	7.5	3.1	0.6	0.9	72.0	55.2	0.3	5.1	0.4	0.6
NM PERA Total Fund Policy	12.0	0.0	1.0	1.0	100.0	100.0	-	0.0	0.1	0.2

Annualized Return vs. Annualized Standard Deviation



	Return	Standard Deviation
■ NM PERA Total Fund	5.27	7.54
◆ NM PERA Total Fund Policy	3.24	12.05
— Median	4.53	9.49
Population	72	72

Up Capture vs. Down Capture



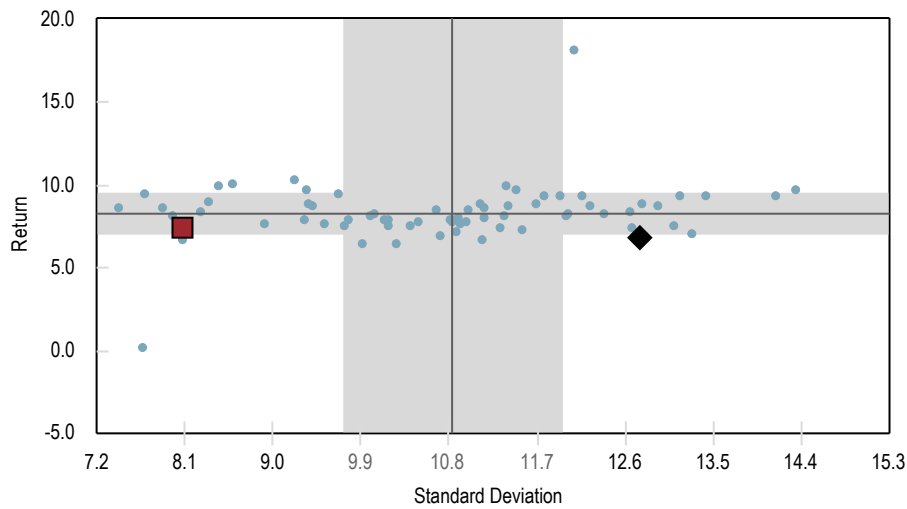
	Up Capture	Down Capture
■ NM PERA Total Fund	72.04	55.21
◆ NM PERA Total Fund Policy	100.00	100.00
— Median	84.58	75.38
Population	72	72

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

New Mexico PERA
Period Ending: December 31, 2023

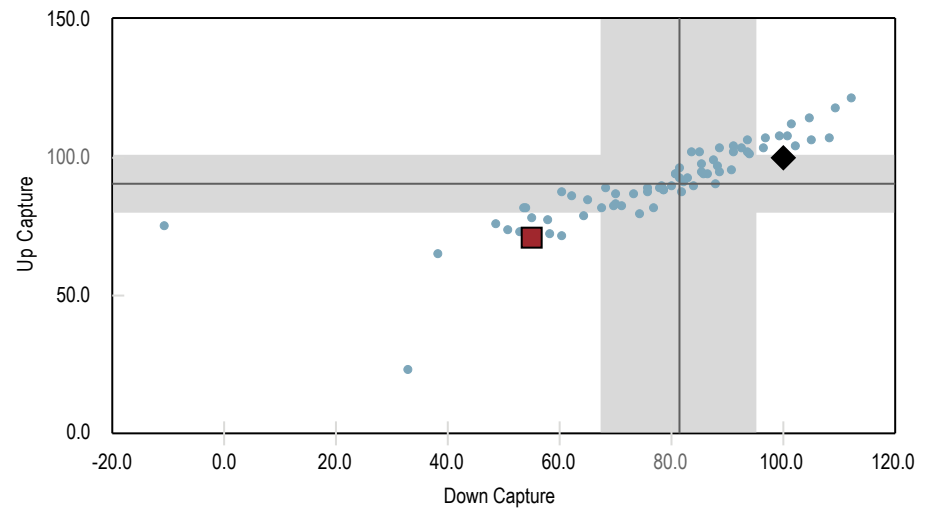
	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	R-Squared	Up Capture	Down Capture	Information Ratio	Tracking Error	Sharpe Ratio	Sortino Ratio
NM PERA Total Fund	8.1	3.0	0.6	0.9	71.4	55.1	0.0	5.3	0.7	1.0
<i>NM PERA Total Fund Policy</i>	<i>12.7</i>	<i>0.0</i>	<i>1.0</i>	<i>1.0</i>	<i>100.0</i>	<i>100.0</i>	<i>-</i>	<i>0.0</i>	<i>0.4</i>	<i>0.6</i>

Annualized Return vs. Annualized Standard Deviation



	Return	Standard Deviation
■ NM PERA Total Fund	7.45	8.08
◆ NM PERA Total Fund Policy	6.81	12.74
— Median	8.28	10.84
Population	69	69

Up Capture vs. Down Capture



	Up Capture	Down Capture
■ NM PERA Total Fund	71.36	55.13
◆ NM PERA Total Fund Policy	100.00	100.00
— Median	90.57	81.26
Population	69	69

Manager Listing

Total Fund
Asset Allocation

New Mexico PERA
Period Ending: December 31, 2023

	Market Value	%
NM PERA Total Fund	\$17,063,300,767	100.0
Global Equity	\$6,698,765,320	39.3
Global Public Stock	\$3,512,411,190	20.6
SSGA ACWI IMI	\$741,255,540	4.3
Active US Equity	\$326,868,824	1.9
Kayne Andrsn Rdnick SmCap Core	\$324,488,511	1.9
Portable Alpha	\$2,380,313	0.0
Portable Alpha	\$2,380,313	0.0
Active Non-US Developed Equity	\$528,914,704	3.1
Acadian Intl Equity	\$292,608,371	1.7
MFS Intl Intrinsic Val Eq exUS	\$236,306,334	1.4
Active Emerging Markets Equity	\$257,969,046	1.5
Axiom Emerging Mkts Eqty	\$257,969,046	1.5
Parametric Eqty Ovly	\$177,565,617	1.0
SSGA R1000 Index	\$1,184,467,290	6.9
Active Global Equity	\$295,370,168	1.7
Alliance Bernstein Gbl Core Eq	\$295,370,168	1.7
Global Low Volatility Equity	\$763,406,335	4.5
BlackRock Low Vol Intl Equity	\$763,406,335	4.5
Hedged Equity	\$811,858	0.0
TPG Axon Ptnrs LP	\$811,858	0.0

Total Fund
Asset Allocation

New Mexico PERA
Period Ending: December 31, 2023

	Market Value	%
Private Equity	\$2,422,135,937	14.2
Altaris Const Ptnrs IV LP	\$32,617,345	0.2
Altaris Health Ptnrs IV LP	\$46,888,728	0.3
CVC European Eqty Ptnrs V	\$584,425	0.0
CVC Cptl Ptnrs VII A LP	\$172,281,950	1.0
Carlyle Partners VI	\$14,913,391	0.1
Carlyle Partners V	\$1,450,726	0.0
Century Focused IV LP	\$24,637,176	0.1
Charterhouse Cap Ptnrs IX	\$161,303	0.0
Charterhouse Capital Ptnrs X	\$52,425,294	0.3
Coller Intl Ptnrs V-A LP	\$6,270	0.0
Crescit Eundo TJC Coinvest	\$5,000,000	0.0
Threshold Ventures II LP	\$61,945,946	0.4
Draper Fisher Jurvetson X LP	\$12,515,182	0.1
FountainVest CP III LP	\$82,653,717	0.5
GTCR XI A & B	\$31,363,925	0.2
H&F VII LP	\$4,692,952	0.0
Gilde Buy-Out IV	\$1,649,393	0.0
Instl Venture Ptnrs XIV LP	\$13,464,798	0.1
Instl Venture Ptnrs XIII LP	\$1,372,106	0.0
JMI Equity VII LP	\$1,379,299	0.0
KRG Cptl IV LP	\$1,252,629	0.0
Kelso Inv Assoc XI LP	\$19,849,247	0.1
Kelso Inv Assoc IX LP	\$33,658,020	0.2
Kelso Inv Assoc VIII LP	\$24,090	0.0
Kelso Inv Assoc X LP	\$90,273,359	0.5
H&F Spock I SPV	\$11,409,202	0.1

Total Fund
Asset Allocation

New Mexico PERA
Period Ending: December 31, 2023

	Market Value	%
Lincolnshire Eqty IV A LP	\$6,804,538	0.0
Madison Dearborn VI	\$150,367	0.0
New Enterprise Assoc 13 LP	\$3,966,670	0.0
New Enterprise Assoc 14 LP	\$39,096,879	0.2
Onex Ptnrs IV	\$27,808,943	0.2
Onex Ptnrs V	\$80,117,702	0.5
Onex Ptnrs III	\$4,264,337	0.0
Patria PE VI LP	\$48,451,581	0.3
Petershill PE LP	\$84,591,993	0.5
Pine Bridge Passport I LLC	\$123,141,331	0.7
Providence Eqty Ptnrs VI	\$252,733	0.0
RCP Small & Emg Parallel LP	\$98,417,352	0.6
RRJ Cptl Master III LP	\$15,791,463	0.1
Madison Dearborn Ristra Colnv	\$19,007,726	0.1
Sun Cptl Ptnrs V LP	\$819,814	0.0
TPG Asia V LP	\$1,495,981	0.0
TPG Ptnrs VI LP	\$406,935	0.0
TCV VII LP	\$988,711	0.0
TCV IX LP	\$55,082,799	0.3
TCV X LP	\$84,866,746	0.5
Resolute III LP	\$21,216,463	0.1
Resolute IV LP	\$112,815,751	0.7
Trident IX LP	\$24,380,956	0.1
Trinity Ventures XII LP	\$43,436,632	0.3
Warburg Pincus PE XII	\$70,313,043	0.4
Warburg Pincus Global Gwth XIV	\$28,907,540	0.2

Total Fund
Asset Allocation

New Mexico PERA
Period Ending: December 31, 2023

	Market Value	%
Warburg Pincus Global Gwth	\$139,115,686	0.8
Petershill IV LLC	\$20,554,486	0.1
Petershill Enchmnt Colnv LLC	\$21,764,631	0.1
H&F Arrow 1 SPV	\$7,132,929	0.0
Madison Dearborn VIII	\$53,541,564	0.3
H&F Samson Hockey 1 SPV	\$4,398,871	0.0
H&F Samson Shield 1 SPV	\$12,436,228	0.1
Montagu VI	\$65,569,999	0.4
Altaris Health Ptnrs V LP	\$56,756,911	0.3
H&F Samson Brunello 1 SPV	\$7,220,531	0.0
Madison Dearborn Patriot SPV	\$8,036,234	0.0
Tenex Cptl Ptnrs III LP	\$41,629,842	0.2
Tenex White Sands Colnv LP	\$20,918,509	0.1
Gen Ctlyst Grp XI Endurance LP	\$38,285,035	0.2
Gen Ctlyst Grp XI Ignition LP	\$14,007,356	0.1
Resolute V LP	\$101,318,479	0.6
H&F X LP	\$39,768,448	0.2
Orchid Asia VIII LP	\$12,707,486	0.1
Orchid Asia 1912 Colnv LP	\$2,895,979	0.0
Montagu Petroglyph Colnv LP	\$19,844,051	0.1
Gen Ctlyst Grp XI Creation LP	\$9,065,644	0.1
JMI Equity XI LP	\$10,101,581	0.1
Credit Oriented Fixed Income	\$3,126,403,629	18.3
Liquid Credit	\$1,799,313,323	10.5
High Yield Debt	\$1,643,846,192	9.6
PineBridge High Yield	\$1,643,846,192	9.6
Parametric Credit Ovly	\$155,467,131	0.9

Total Fund
Asset Allocation

New Mexico PERA
Period Ending: December 31, 2023

	Market Value	%
Alternative Liquid Credit	\$798,540,861	4.7
Leveraged Loans/Structured Credit	\$605,859,215	3.6
Mudrick Stressed Cr A LP	\$169,234,363	1.0
Ellington Enh Incme A LLC	\$179,065,553	1.0
Eagle Point CLO Eqty I LLC	\$8,468,247	0.0
Eagle Point Credit Onshore LP	\$81,645,699	0.5
SixthSt Wheeler Pk Cr I LLC	\$167,445,353	1.0
Credit Oriented Hedge Funds	\$192,681,646	1.1
King Street Capital LP	\$2,435,587	0.0
Silver Point Cptl LP	\$54,266,511	0.3
Anchorage Cptl Ptnrs LP	\$55,734,235	0.3
Napier Park C	\$24,958,045	0.1
Ellington Alt Credit	\$55,287,268	0.3
Illiquid Credit	\$528,549,445	3.1
Apollo Defined Rt Fd	\$205,946,047	1.2
Atalaya Spcl Oppty VI LP B	\$2,505,809	0.0
Athyrium Oppty II LP	\$12,535,464	0.1
Cerberus Res Opp - Ext	\$164,468,636	1.0
Cerberus Inst Ptnrs IV	\$218,095	0.0
Cheyne RE Credit V LP	\$39,553,863	0.2
DRC Eur RE Debt III LP	\$36,354,692	0.2
DRC Eur RE Debt II LP	\$521,848	0.0
Garrison Opp IV A	\$7,930,387	0.0
Madison Rlty Cap Dbt III LP	\$41,162,959	0.2

Total Fund
Asset Allocation

New Mexico PERA
Period Ending: December 31, 2023

	Market Value	%
Oaktree Opptys VII LP	\$119,266	0.0
Oaktree Opptys VIIb LP	\$10,507	0.0
Oaktree Opptys VIII LP	\$54,559	0.0
Oaktree Eur Pncpl III LP	\$6,289,843	0.0
Sixth Street Oppty Ptrns III	\$7,158,997	0.0
Wyzata Opptys III LP	\$3,502,584	0.0
HIG Bayside Ln Oppty II LP	\$215,889	0.0
Risk Reduction & Mitigation	\$2,891,364,045	16.9
Domestic Core Fixed Income	\$2,124,872,562	12.5
Parametric Risk Mit Ovly	\$224,679,164	1.3
Blackrock US Agg Bond Index	\$1,900,193,398	11.1
Cash	\$90,030,869	0.5
Cash Account	\$90,030,869	0.5
Suspense	\$3,969,368	0.0
Cash-Corporate Action	\$1,834,466	0.0
BlackRock Core	\$76,643	0.0
BlackRock Equity Transition	\$18,774	0.0
Russell Transition	\$218,138	0.0
BlackRock Glb Fixed Income	\$154,034	0.0
Harvest MLP Alpha	\$435,916	0.0
KBI Global Investors EAFE Developed	\$389,717	0.0
LGIMA TAA Overlay	\$2	0.0
NT MSCI ACWI X US Index Fund	\$267,933	0.0
PIMCO Commodities	\$957	0.0
PIMCO TIPS	\$40,177	0.0
Principal Intl Small Cap Equity	\$280,894	0.0
Prudential Core Cons FI	\$11,477	0.0
Schroder Intl Small Composite	\$91,346	0.0
Security Capital Alpha	\$580	0.0
DFA Real Estate Securities	\$148,313	0.0

Total Fund
Asset Allocation

New Mexico PERA
Period Ending: December 31, 2023

	Market Value	%
Bonds Plus	\$672,491,246	3.9
Elliott Associates LP	\$117,153,766	0.7
Parametric Bonds Plus - MV and Returns	\$140,453	0.0
Pharo Gaia Ltd	\$1,626,319	0.0
Dorsal Capital Partners LP	\$103,373,991	0.6
Garda FI Rel Val Oppty Ltd	\$70,295,675	0.4
Glazer Enhanced LP	\$61,521,455	0.4
Pac Allnce Asia Opp IV LP	\$27,976,951	0.2
Systematica Alt Mkts LP CIB	\$87,980,597	0.5
Millennium USA LP	\$127,299,865	0.7
Two Sigma Abs Return LP	\$75,122,175	0.4

Total Fund
Asset Allocation

New Mexico PERA
Period Ending: December 31, 2023

	Market Value	%
Real Assets	\$2,914,918,242	17.1
Real Estate Only	\$1,442,745,429	8.5
Illiquid Real Estate	\$1,442,745,429	8.5
Aermont Cap RE IV SCSp	\$34,585,874	0.2
Blackstone RE Ptnrs VII	\$6,619,376	0.0
Blackstone RE Ptnrs Eur III	\$1,647,989	0.0
Carlyle Rity Ptnrs VI	\$1,669,887	0.0
Carlyle Rity Ptnrs V	\$26,005	0.0
Harrison St RE Ptnrs V & V A	\$25,016,820	0.1
Harrison St RE Ptnrs VII, A	\$64,241,144	0.4
KSL Cptl Ptnrs IV LP	\$61,500,854	0.4
North Haven RE VII Gbl T LP	\$235,669	0.0
Rockwood Cap RE Ptnrs IX LP	\$3,304,049	0.0
Rockwood Cap RE Ptnrs X LP	\$29,841,026	0.2
Starwood Gbl Op VIII LP	\$1,140,882	0.0
Starwood Op X Gbl LP	\$11,726,378	0.1
Starwood Global Oppty XI LP	\$63,317,458	0.4

Total Fund
Asset Allocation

New Mexico PERA
Period Ending: December 31, 2023

	Market Value	%
Starwood Distd Op IX Gbl LP	\$2,242,171	0.0
Walton Street RE VI LP	\$12,845,895	0.1
Wheelock Street RE II LP	\$11,120,942	0.1
Rockpt Gwth & Inc RE II LP	\$30,628,863	0.2
Aermont Cap PW RE III LP	\$26,067,448	0.2
Harrison St RE Ptnrs VI, A	\$42,372,754	0.2
New Rock Core LP	\$280,853,813	1.6
GEM Rlty Evergreen PF NM LP	\$123,209,701	0.7
Rockwood Cap RE Ptnrs XI LP	\$38,451,398	0.2
Rockpt Gwth & Inc RE III LP	\$36,946,668	0.2
Rockwood MultiFamily PT LP	\$101,975,931	0.6
Stockbridge Niche Lgstcs LP	\$273,363,972	1.6
Harrison St RE Ptnrs VIII A, B	\$70,151,774	0.4
Stockbridge Value IV LP	\$62,737,369	0.4
Starwood Dist Op XII Gbl LP	\$24,903,319	0.1
Liquid Real Assets	\$177,264,101	1.0
DWS Listed Infrastructure	\$55,797,950	0.3
Parametric Real Assets Ovly	\$121,466,151	0.7
Illiquid Real Assets	\$1,294,768,199	7.6
ACM II LLC	\$23,760,676	0.1
Antin Infra Ptnrs III LP	\$66,928,203	0.4
Ardian Infra V	\$59,876,983	0.4
Ardian Infra IV	\$50,883,765	0.3
BEP Legacy A LP	\$41,220	0.0

Total Fund
Asset Allocation

New Mexico PERA
Period Ending: December 31, 2023

	Market Value	%
Brookfield Infra II	\$34,796,624	0.2
Brookfield Infra III	\$79,513,160	0.5
Carlyle Power Partners II	\$62,942,776	0.4
Denham VI O&G LP	\$41,880	0.0
Denham CPF VI LP	\$10,745,026	0.1
EnCap Energy Cptl VIII LP	\$9,672,550	0.1
EnCap Energy Cptl IX LP	\$9,287,392	0.1
EnCap Flatrock Mdst III LP	\$16,223,759	0.1
EnCap Energy Cptl XI LP	\$105,277,993	0.6
First Reserve XII LP	\$28,924	0.0
IFM Global Infra LP	\$209,452,100	1.2
KKR Global Infra Inv II LP	\$17,192,534	0.1
Kayne Andrsn Energy V LP	\$5,121,727	0.0
Lime Rock Partners VI, L.P.	\$85,532	0.0
Lime Rock Resources III A LP	\$29,735,269	0.2
Lime Rock Ptnrs V LP	\$1,390,828	0.0
Meridiam Infra NA III LP	\$57,084,430	0.3
Natural Gas Prtnrs IX LP	\$47,064	0.0
Ntl Gas Prtnrs Ntl Res X LP	\$2,166,425	0.0
Ntl Gas Prtnrs Ntl Res XI LP	\$30,564,035	0.2
Ntl Gas Prtnrs Ntl Res XII LP	\$42,598,732	0.2
Paine Schwtz Food Chn IV LP	\$36,859,513	0.2
Quantum Energy Ptnrs V LP	\$439,259	0.0
Riverst Rnw&Alt Engy II LP	\$214,213	0.0
Riverst GI Engy & Pwr V LP	\$6,582,468	0.0
Riverst Gbl Engy & Pwr IV	\$22,231	0.0
Tillridge Gbl Agri Ptnrs II LP	\$37,664,419	0.2

Total Fund
Asset Allocation

New Mexico PERA
Period Ending: December 31, 2023

	Market Value	%
Ardian Mass Ascension Colnv LP	\$155,052,387	0.9
Four Corners Farmland LLC	\$105,468,502	0.6
Ardian Americas Infra V LP	\$14,079,311	0.1
Antin Infra Pttrs V LP	\$12,926,289	0.1
Market Neutral Hedge Fund	\$140,512	0.0
Farallon Cptl Instl Pttrs LP	\$97,277	0.0
Stark Select Asset LLC	\$43,235	0.0
Multi-Risk	\$1,431,849,531	8.4
Zia Risk Parity LP	\$1,431,849,531	8.4

Placement Agent Disclosure

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

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

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

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

Montagu VII, L.P. – NM PERA committed €89 million to Montagu VII, L.P., an illiquid Private Equity fund focused on the European (primarily Northern European) middle-market buyout space. No Placement Agent was used to solicit PERA’s investment, however, Montagu stated Asante Capital acted as Global Placement Agent for the Fund. All placement fees are borne by Montagu and are not recharged to the Fund or any investor.

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

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

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

Altaris Health Partners VI, L.P. – NM PERA committed \$75 million to Altaris Health Partners VI, L.P., an illiquid Private Equity fund with a healthcare-focused investment strategy. Altaris Capital Partners, LLC has stated that they did not use a placement agent during fundraising,

however in any case, placement fees would not be payable by the fund.

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

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

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

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

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

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

Warburg Pincus Global Growth 14 – NM PERA committed \$100 million to Warburg Pincus LLC a 2022 vintage year in the Equity allocation. Warburg Pincus has engaged and expects to engage placement agents and/or feeder sponsors in certain jurisdictions, including outside of the United States. In connection with these engagements, the firm expects to pay placement fees that it believes are customary in each respective jurisdiction. Warburg Pincus Global Growth 14, L.P. will not be responsible for placement fees payable to any placement agents.

The firm has also engaged and expects to engage financial institutions to sponsor or arrange feeder funds that target high net worth individuals. In connection with the engagements, the firm may pay placement fees to such financial institutions. Any placement fees paid to such financial institutions would be borne by Warburg Pincus and/or the respective feeder fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Garda FIRVO Fund – NM PERA committed \$50 million to Garda FIRVO Fund a Portable Alpha allocation. Garda Capital Partners has stated that

they did not use a placement agent during fundraising.

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

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

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

Systematica Alternative Markets Fund – NM PERA committed \$75 million to Systematica Alternative Markets Fund a Portable Alpha allocation. Systematica has stated that they did not use a placement agent during fundraising, however in any case, placement fees would not be payable by the fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Pine Bridge High Yield Fixed Income – NM PERA committed \$350 million to PineBridge Investments a 2018 vintage year in the Risk Mitigation

allocation. PineBridge Investments has confirmed that no placement agents were used for this commitment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

party marketer with respect to the NM PERA commitment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

with respect to the NM PERA commitment.

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

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

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

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

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

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

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

Natural Gas Partners XI – NM PERA committed \$50 million to Natural Gas Partners XI a 2014 vintage year in the Real Assets allocation.

NGP confirmed that they did not engage a placement agent or third-party marketer with respect to the NM PERA commitment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**PERSPECTIVES
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SUCCESS**



MARCH 28, 2024

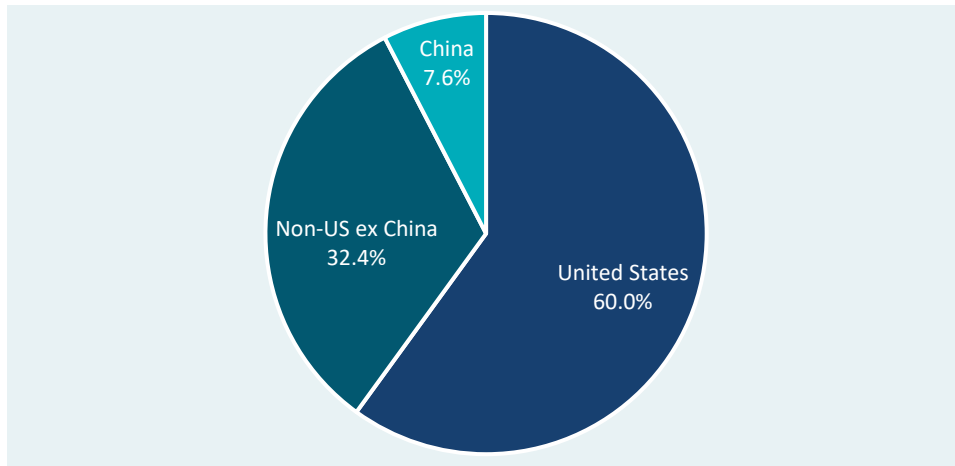
China Exclusion vs. Inclusion Discussion

New Mexico Public Employees Retirement Association

How is China exposure defined?

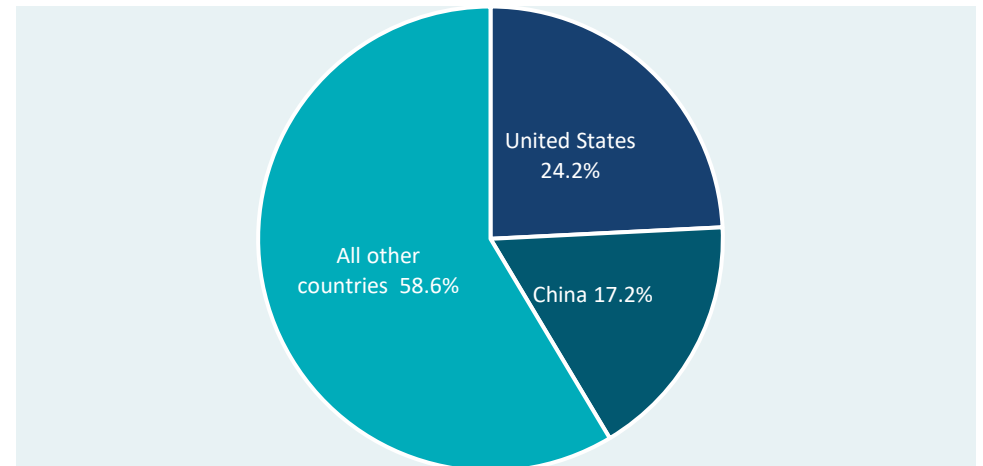
- Answer is complex given global economic interconnectivity; true scope of exposure to China is immeasurable in precise terms
 - Index providers have constructed ex-China sub-indexes which exclude Chinese shares trading on major indices and foreign listings
 - Including China A Shares, H Shares, B Shares, Red Chips, P Chips, and ADRs
 - However, excluding various China share classes will not eliminate impact China presents to global economy due to continued China exposure (indirectly) via multinational corporations

S&P 500 REVENUE EXPOSURE



Source: FactSet

LARGEST CONTRIBUTORS TO WORLD GDP



Source: IMF April 2023

China divestment debate overview

- Chinese risks assets significantly underperformed over past couple of years
 - Facing combination of rising tension with U.S. and disappointing economic growth following prolonged “zero-covid” policy
 - Deepening crisis in property sector, which is large Chinese economic health driver
- These, and other, issues have fostered discussions about potential divestment from Chinese assets, with most implementations focused within Emerging Market Equities.
- This presentation will review considerations for divestment and provide an update on China and what managers are saying.
 - **EM vs. EM ex-China benchmark structure comparison**
 - **EM vs. EM ex-China historical performance comparison**
 - **Common divestiture rationale**
 - **Brief update: China economy and performance**
 - **implementation considerations**

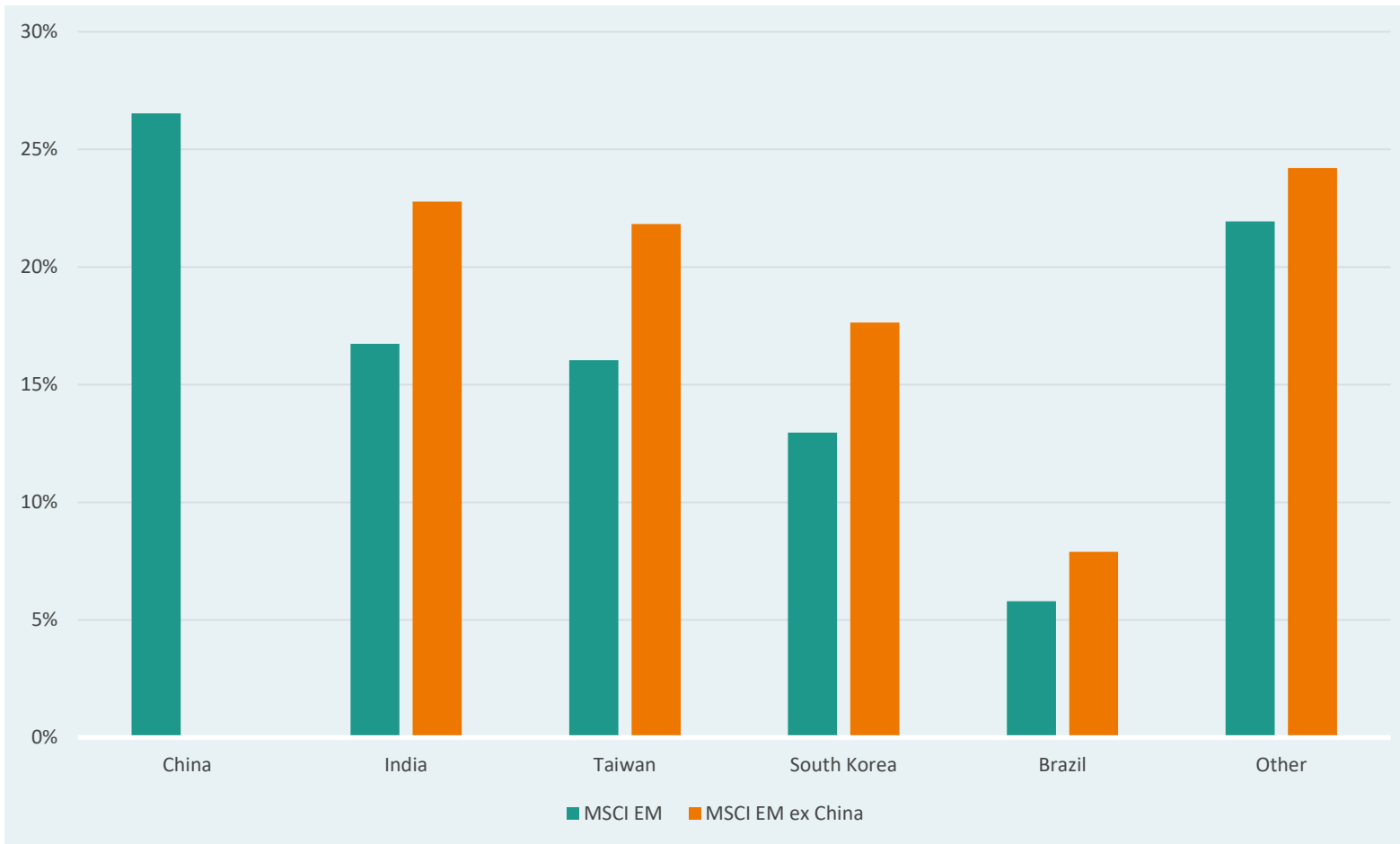
So What??

While EM ex-China has raised numerous headlines, balanced investors' exposure to Chinese risk assets are marginal

Other equity portfolio structure decisions have larger impacts from total fund level

Benchmark comparison: Country weights

COUNTRY WEIGHTS



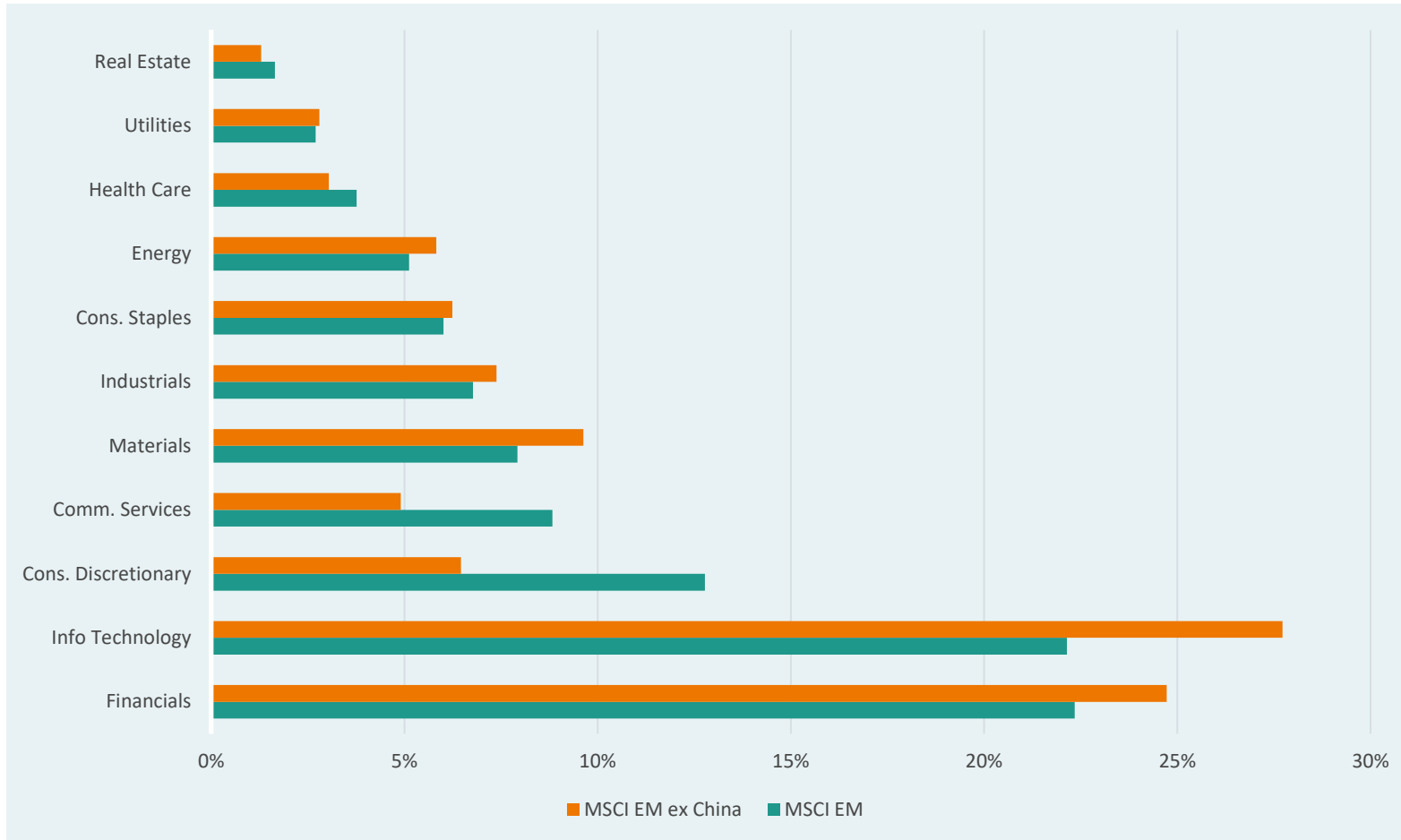
When the 26.5% China exposure is removed, the remaining country exposures are scaled up.

In particular, the largest countries in the MSCI ex. China index (i.e., India, Taiwan & South Korea) increase in exposure.

Source: MSCI, as of 12/31/23

Benchmark comparison: Sector weights

SECTOR WEIGHTS



The largest sector changes when looking at the ex. China index vs. the broad Emerging Market Index are within:

- Consumer Discretionary
- Information Technology
- Communication Services

Source: MSCI, as of 12/31/23

Benchmark comparison: Company weights

MSCI Emerging Markets

Company	Country	Sector	Weight
TSMC	Taiwan	Info Tech	6.7%
Samsung	South Korea	Info Tech	4.1%
Tencent	China	Comm. Services	3.6%
Alibaba	China	Cons. Discretionary	2.2%
Reliance Industries	India	Energy	1.3%
PDD Holdings	China	Cons. Discretionary	1.2%
ICICI Bank	India	Financials	0.9%
Infosys	India	Info Tech	0.9%
SK Hynix	South Korea	Info Tech	0.9%
HDFC Bank	India	Financials	0.8%

MSCI EM ex China

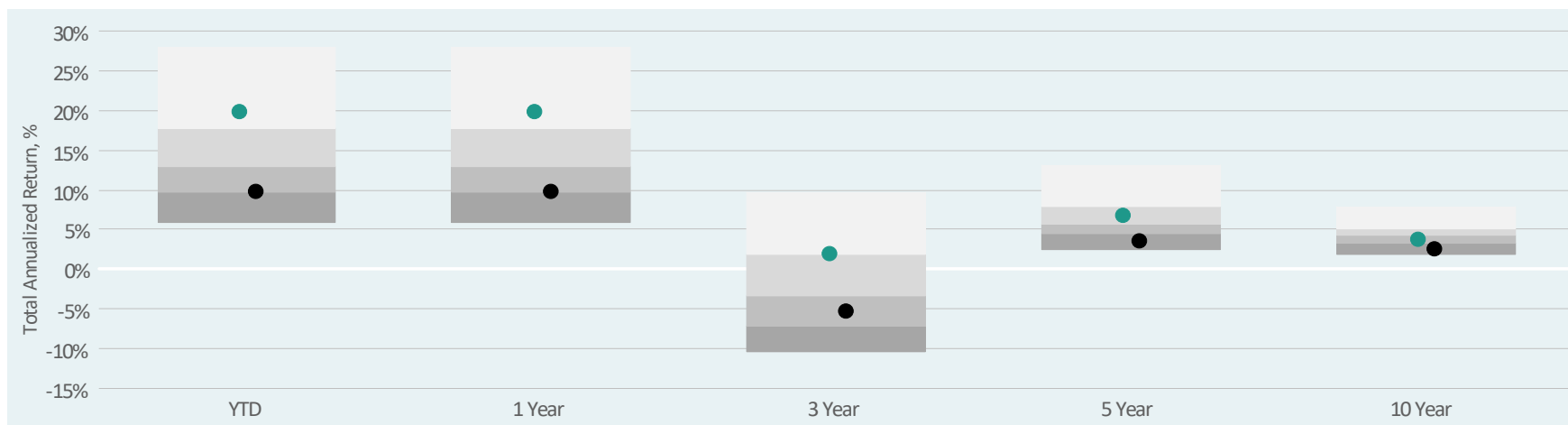
Company	Country	Sector	Weight
TSMC	Taiwan	Info Tech	9.2%
Samsung	South Korea	Info Tech	5.6%
Reliance Industries	India	Energy	1.8%
ICICI Bank	India	Financials	1.2%
Infosys	India	Info Tech	1.2%
SK Hynix	South Korea	Info Tech	1.2%
HDFC Bank	India	Financials	1.1%
Vale S.A.	Brazil	Materials	1.0%
Mediatek	Taiwan	Info Tech	1.0%
Al Rajhi Banking	Saudi Arabia	Financials	0.9%

A large swath of the EM investment universe is cut out in the EM ex China benchmark, with 675 constituents compared to 1,441 constituents for the flagship EM benchmark.

Source: MSCI, as of 12/31/23

Trailing period performance comparison

● MSCI EMex China ● MSCI EM Index

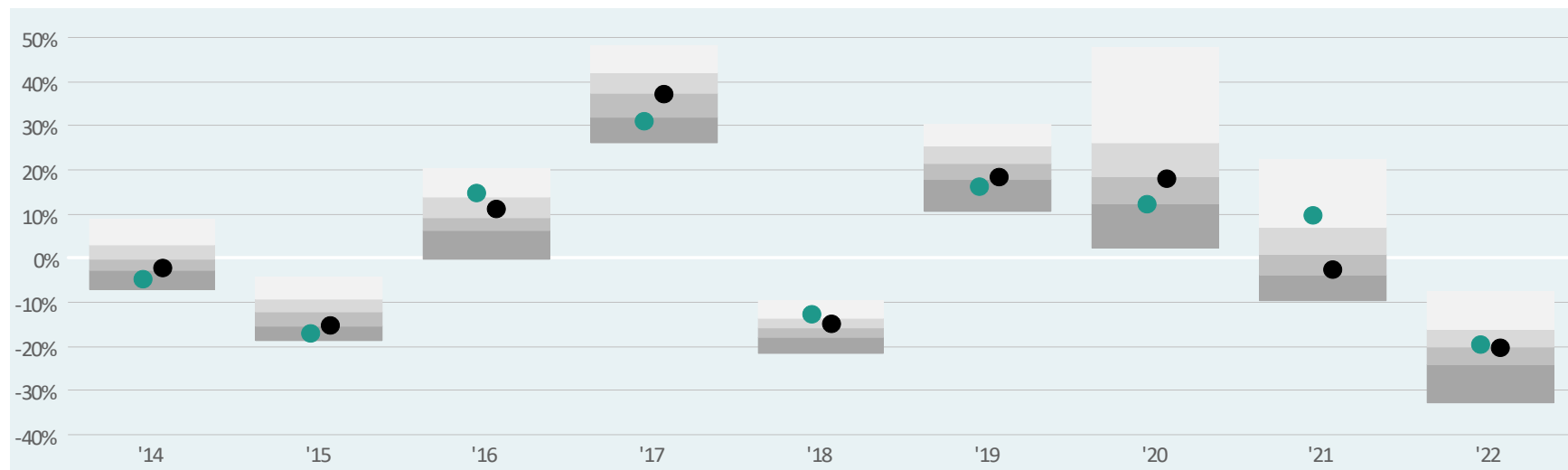


EXCESS RETURNS + RANKING	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
MSCI EM Index	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1
Rank	75	75	64	85	84	90
MSCI EM ex China	10.2	10.2	7.2	3.2	2.0	1.2
Rank	17	17	23	32	36	57

Source: Evestment; data as of 12/31/23.

Calendar year performance comparison

● MSCI EMex China ● MSCI EMIndex



ANNUAL PERFORMANCE + RANKING	2015	2016	2017	2018	2019	2020	2021	2022	2023 (YTD)
MSCI EM ex China	-16.9	15.0	31.2	-12.4	16.2	12.5	10.0	-19.3	20.0
Rank	88	16	76	15	80	73	18	44	17
MSCI EM Index	-14.9	11.2	37.3	-14.6	18.4	18.3	-2.5	-20.1	9.8
Rank	71	38	50	35	70	51	68	50	74

Source: Evestment; data as of 12/31/23.

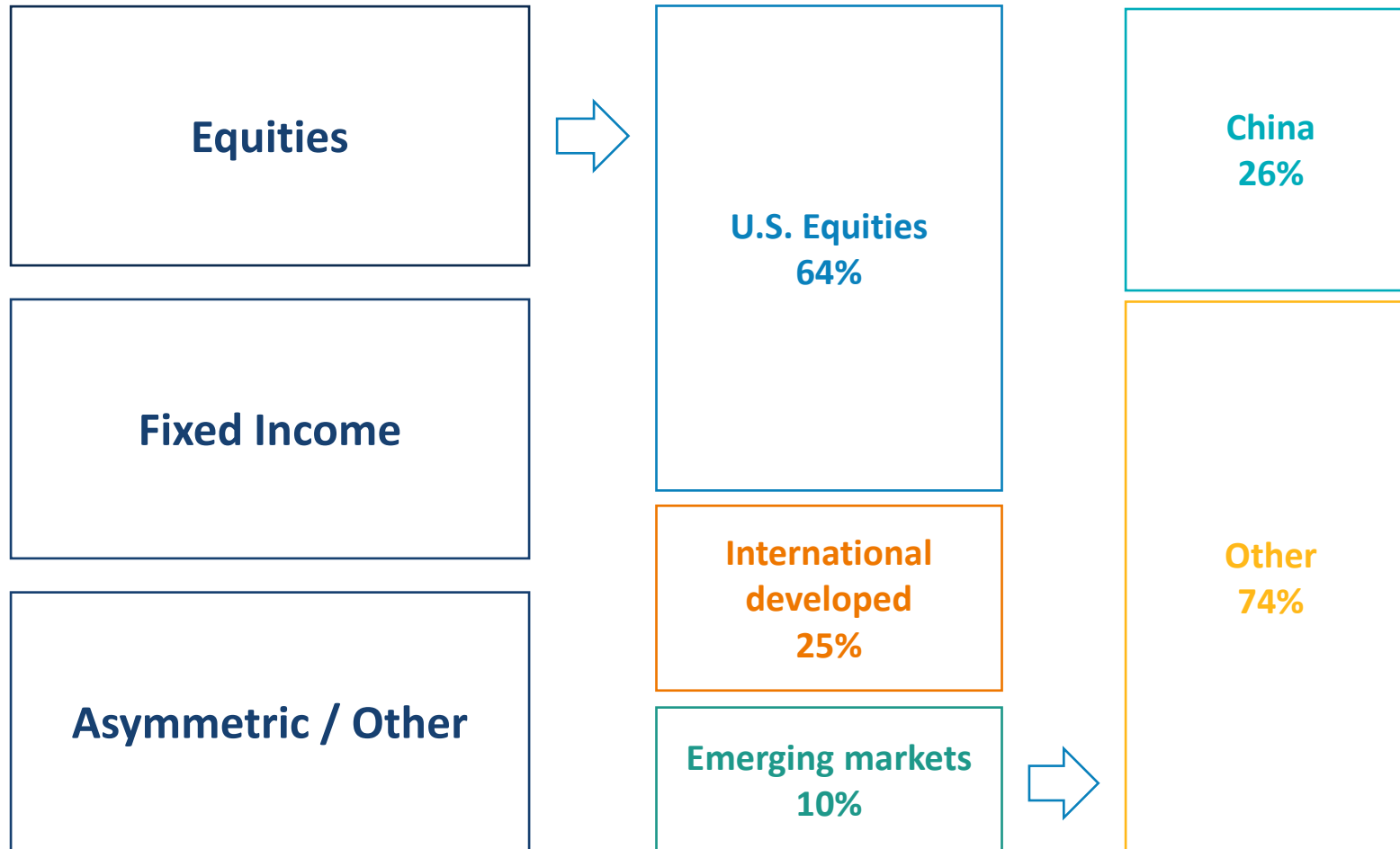
Diversification impact

- Excluding China from emerging markets opportunity set marginally increases correlation to U.S. and International Developed market equities
 - Modestly reduces diversification benefit; increases overall equity risk

	MSCI EM	MSCI EM ex-China
Correlation to MSCI EAFE Index	0.83	0.86
Correlation to Russell 3000 Index	0.70	0.76

Source: MSCI BarraOne as of 6/30/23

Broader portfolio consideration



For diversified investors, exposure to Chinese equities as part of the broader emerging markets complex is marginal.

Practically, investors continue to have indirect exposure to China through the revenues of multinational corporations.

Source: Weighting based off MSCI ACWI Index weights

Divestment rationale

- **Geostrategic:** China has emerged as key military competitor to United States and presents threat to Western nations
- **Ethical:** Chinese Communist Party actions have drawn international condemnation for actions including humans rights abuses (i.e., treatment of Uyghurs), repression of cultural freedoms, mass surveillance and continuous chipping away of Hong Kong's autonomous status
- **Regulatory:** Expected forthcoming regulations resulting from
 - Investment real estate developments which have been suffering large losses and pose systemic risk to Chinese economic and financial systems
 - Limitations on investment in Chinese assets by foreign entities such as U.S. public pension funds in retaliation to U.S. bans on Chinese investments in U.S. or participation in U.S. industries
- **Investment tail risks:** Increasing concerns over tail risk events (i.e., namely the invasion of Taiwan by China)
 - Invasion would have extremely negative impact on global risk assets, especially due to globalized nature of many of world's leading corporations
 - EM ex-China exposure to TSMC increases from six to nine percent – broadening Taiwanese exposure from 16% to 22%

China update – equity performance

MSCI CHINA USD INDEX



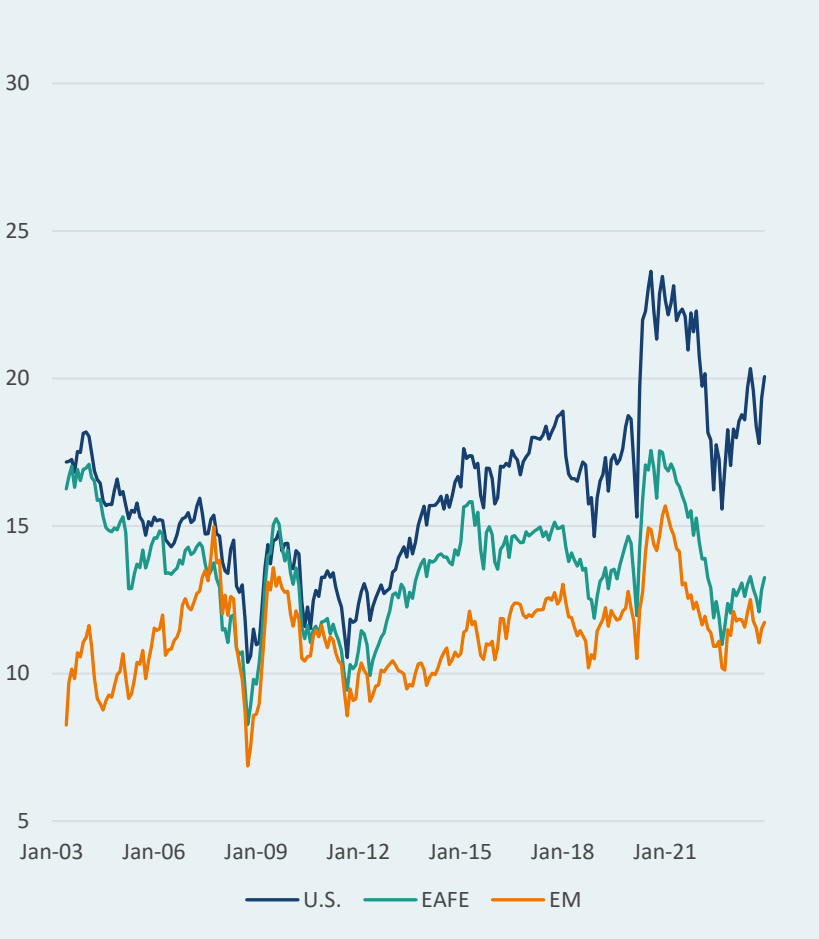
Chinese equities have fallen since peaks seen in 2021

Poor performance has been drag on broader MSCI EM index, which has underperformed both U.S and international developed shares in 2023 and 2022

Source: MSCI, Bloomberg, as of 1/19/24

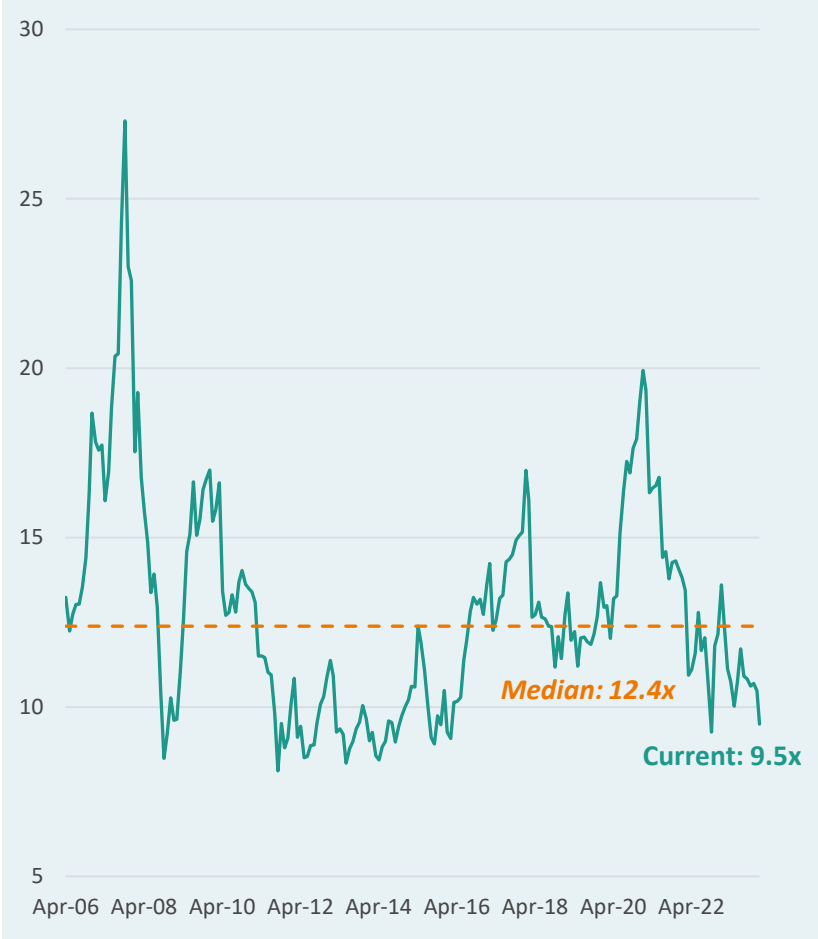
China update – valuations remain cheap

FORWARD P/E RATIOS



Source: MSCI, as of 12/31/23

MSCI CHINA FORWARD P/E RATIO



Source: Bloomberg, MSCI, as of 1/19/24

MSCI EM index is cheap relative to U.S. and Developed Markets Non-U.S. equities

– However, this is typically viewed as buying opportunity...

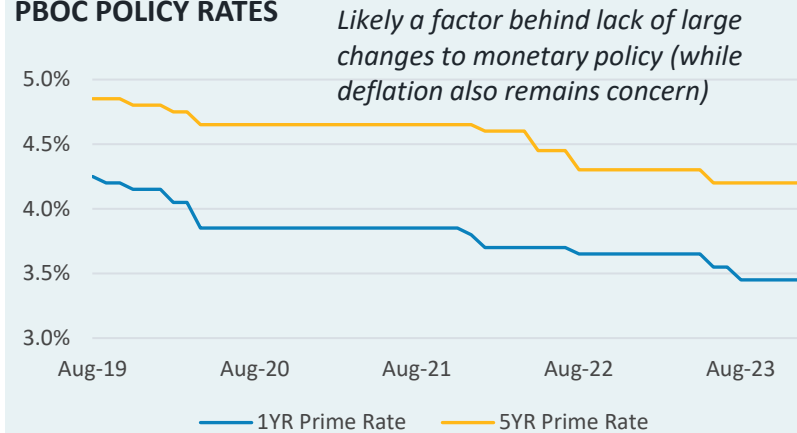
China is also trading cheap relative to its own history

Has macroeconomic picture flipped?

GDP GROWTH (YEAR-OVER-YEAR)

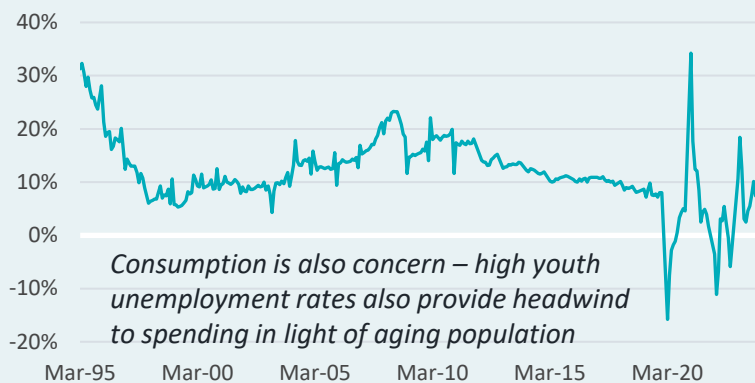


PBOC POLICY RATES



China saw GDP growth of 5.2% in 2023, above CCP's target of 5%. This growth outpaces most of rest of globe

RETAIL SALES (YEAR-OVER-YEAR)



PMIs



However, this economic growth has failed to translate into positive risk asset performance

Source: Bloomberg, as of 12/31/23. Prime rate data as of 1/19/24.

Implementation / manager considerations



**Manager perspectives:
Emerging market equity**

**Active universe overview:
EM ex China**

Other considerations



**PERSPECTIVES
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MARCH 28, 2024

Liquid Global Equity Review

New Mexico Public Employees' Retirement Association

Presentation Overview

I. Stock basics

II. Role of liquid public global equities

III. Portfolio structure review

IV. Performance and risk review

V. Performance attribution

VI. Active vs. passive decision basics

VII. 2024 liquid global equity workplan

VIII. Appendix

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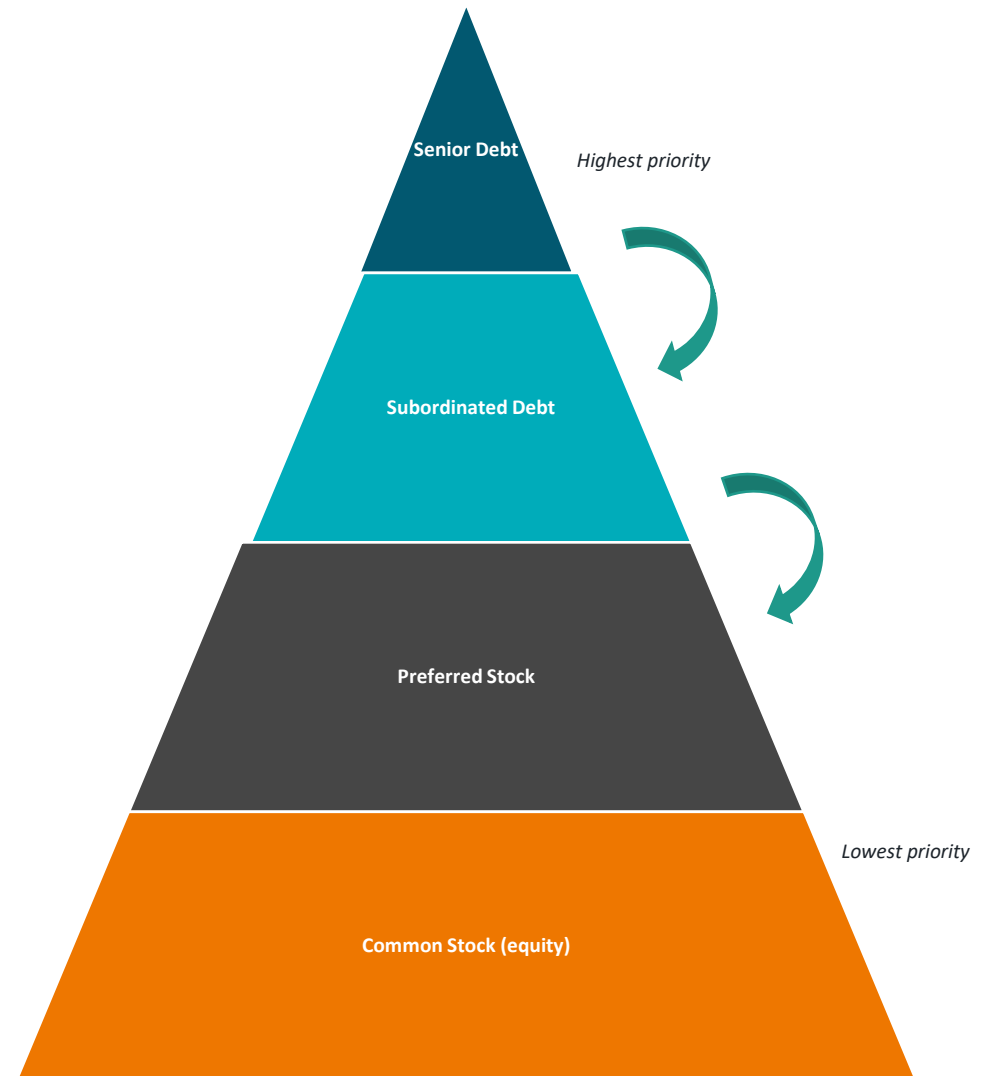
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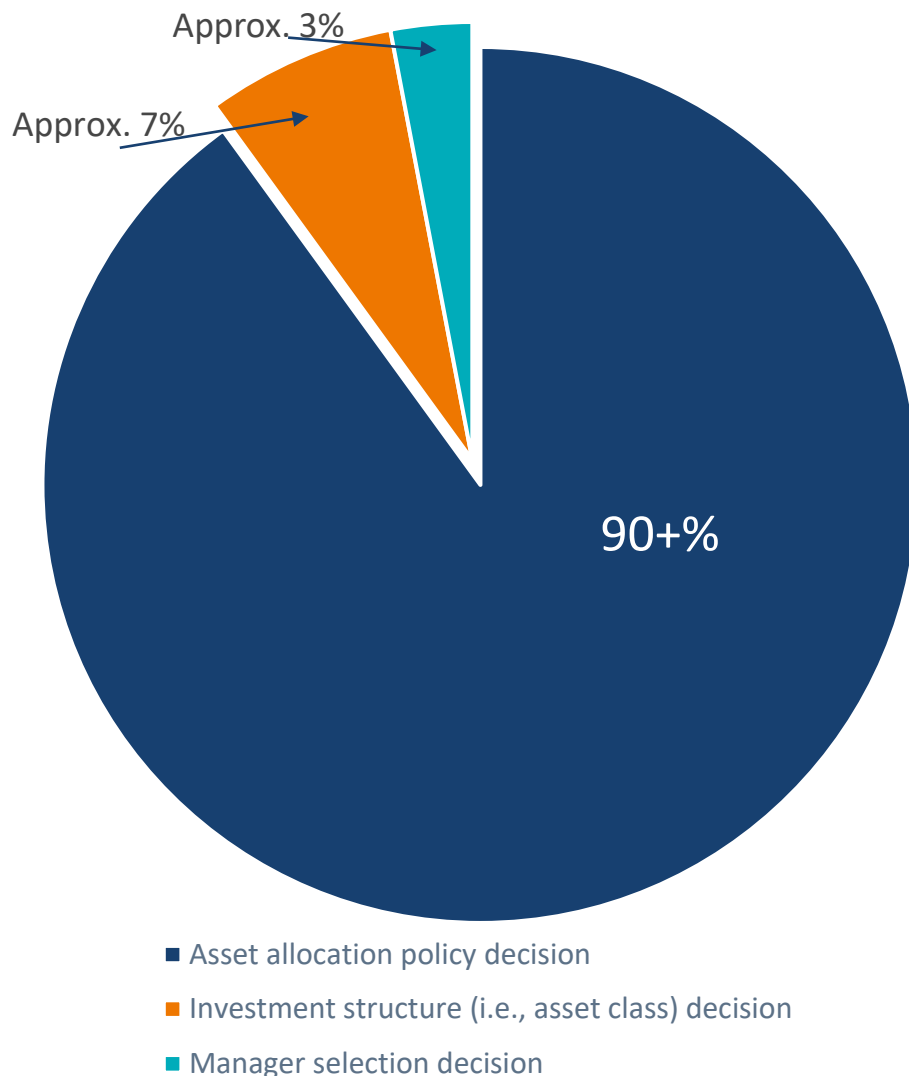
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I. Stock basics

- Stock is security that represents fraction of company ownership
- Stocks are issued by companies to raise capital to fund new projects, grow company, or for financing purposes.
 - When company issues new shares, it does so in exchange for capital. This is referred to as ‘primary market’
- Stocks can be purchased from other shareholders in secondary market on stock exchanges, such as Nasdaq or New York Stock Exchange (NYSE)
- Stock’s price theoretically reflects collective market view on all future expected free cash flows to company and how much market is willing to pay for those cash flows
- Stocks differ from bonds in several ways
 - Stockholders typically have voting rights and receive any dividends that are paid out
 - Bondholders are creditors to company. Creditors are given legal priority over other stakeholders in event of bankruptcy.
 - Stockholders are last to be repaid in event of bankruptcy



Fiduciary decision-making hierarchy



- Asset allocation decision by far main driver of total fund return and risk experience
- Investment structure decisions guide implementation of asset allocation policy
- Key investment structure decisions for public equities:
 - Style (i.e., value, growth, core) exposures
 - Size (large vs. small) exposures
 - Geography (U.S. vs. Non-U.S.) exposures
 - Active vs. passive exposures
- Main objective of investment structure decisions is to ensure sufficient diversification and both cost and risk management versus asset class benchmark
 - Avoid risks not expected to be rewarded
 - Adhere to best practices and capital market theory

II. Role of liquid global equities

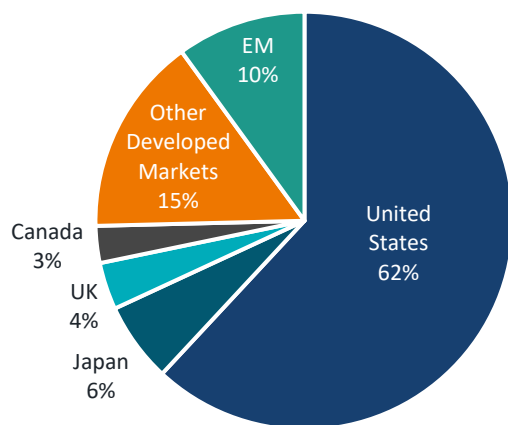
	RETURN ROLES				DIVERSIFICATION & VOLATILITY ROLES			HOW MACRO OUTLOOK/GDP AFFECTS ROLE	
	Benefit from GDP Growth	Earn Risk Premium	Produce Stable Income	Hedge Against Inflation	Low Absolute Volatility	Low Corr. To Other Assets	Reduce Portfolio Volatility	Elements of Return for Asset Class	Sensitivity to GDP
Public Equities								PEs, Dividends, Earnings Growth	
Private Equities								PEs (exits), Financing, Opportunity Set	
Fixed (Treasury)								Direct Link to Yields	
Fixed (Credit)								Direct Link to Yields, Credit Spreads	
Real Estate								Unemployment, Vacancies, Cap Rates	

MAGNITUDE					
	High	Med-High	Medium	Low	None

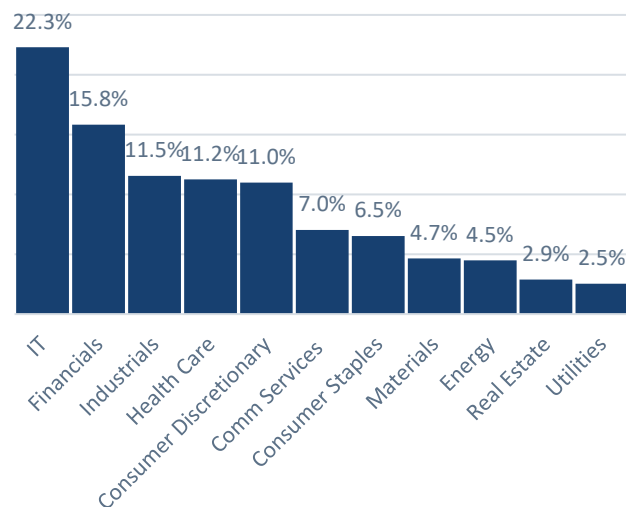
Current liquid global equity market opportunity set

- Broadest liquid global equity opportunity set is reflected by MSCI ACWI Investable Market Index (IMI), PERA's global equity asset class benchmark
- MSCI ACWI IMI includes large and small cap stocks across 23 developed markets and 24 emerging markets countries
- It is comprised of 9,070 stocks and represents approximately 99% of global equity investment opportunity set

Geographical Distribution



Sector Distribution



Market Capitalization	(\$ in M)
Index	75,902,955.66
Average	8,368.57
Median	1,101.05
Largest	2,882,952.38
Smallest	16.3

TOP 10 CONSTITUENTS

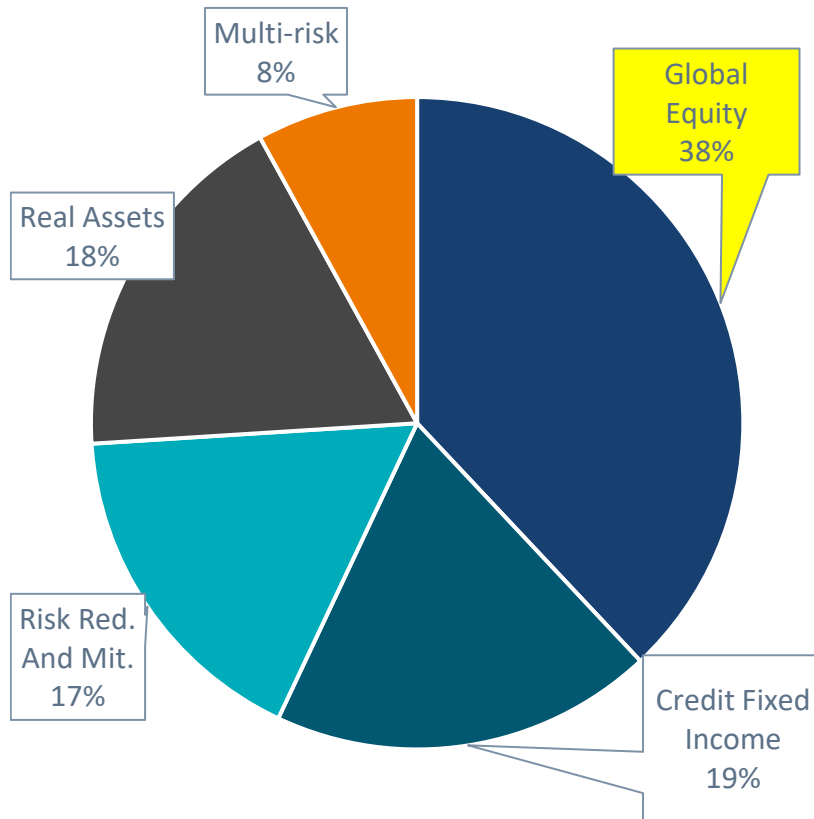
	Float Adj Mkt Cap (USD Billions)	Index Wt. (%)	Sector
APPLE	2,882.95	3.80	Info Tech
MICROSOFT CORP	2,806.23	3.70	Info Tech
NVIDIA	1,519.72	2.00	Info Tech
AMAZON.COM	1,441.18	1.90	Cons Discr
META PLATFORMS A	867.12	1.14	Comm Svcs
ALPHABET A	831.21	1.10	Comm Svcs
ALPHABET C	740.32	0.98	Comm Svcs
TESLA	535.01	0.70	Cons Discr
BROADCOM	523.67	0.69	Info Tech
LILLY (ELJ) & COMPANY	520.94	0.69	Health Care
Total	12,668.36	16.69	

Source: MSCI

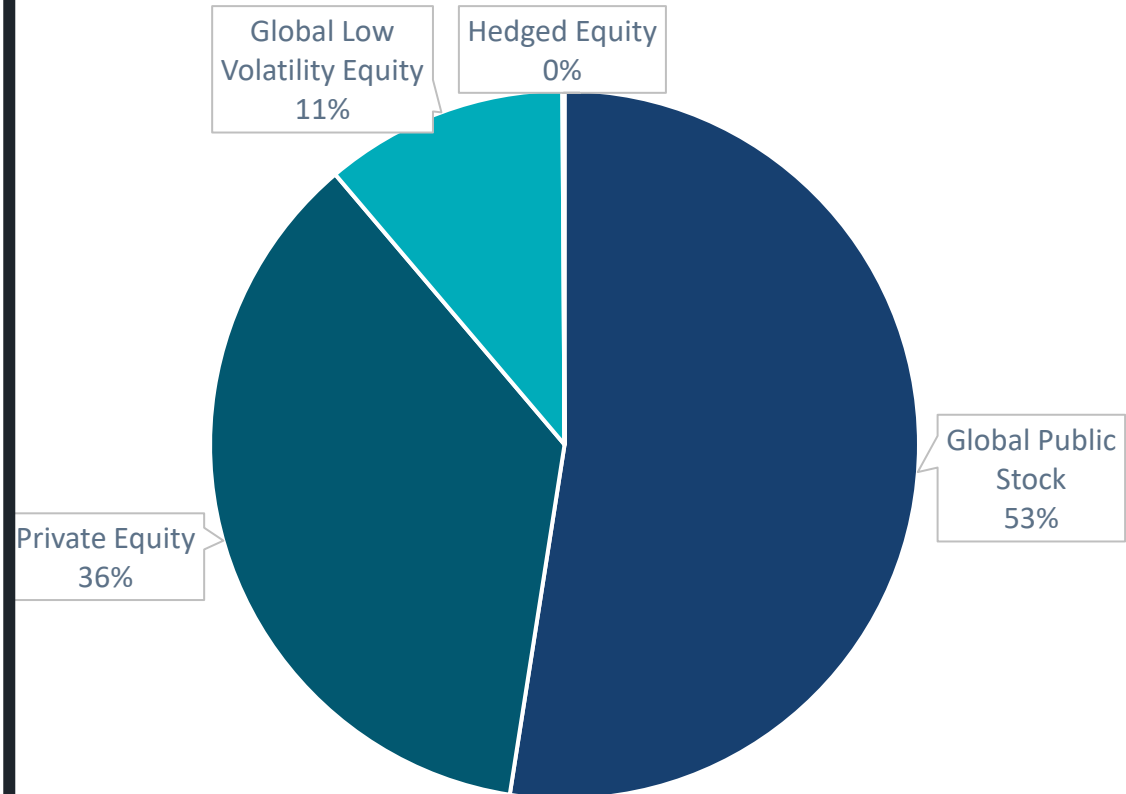
III. Portfolio structure review

PERA asset allocation (as of 12/31/2023)

Current SAA Policy



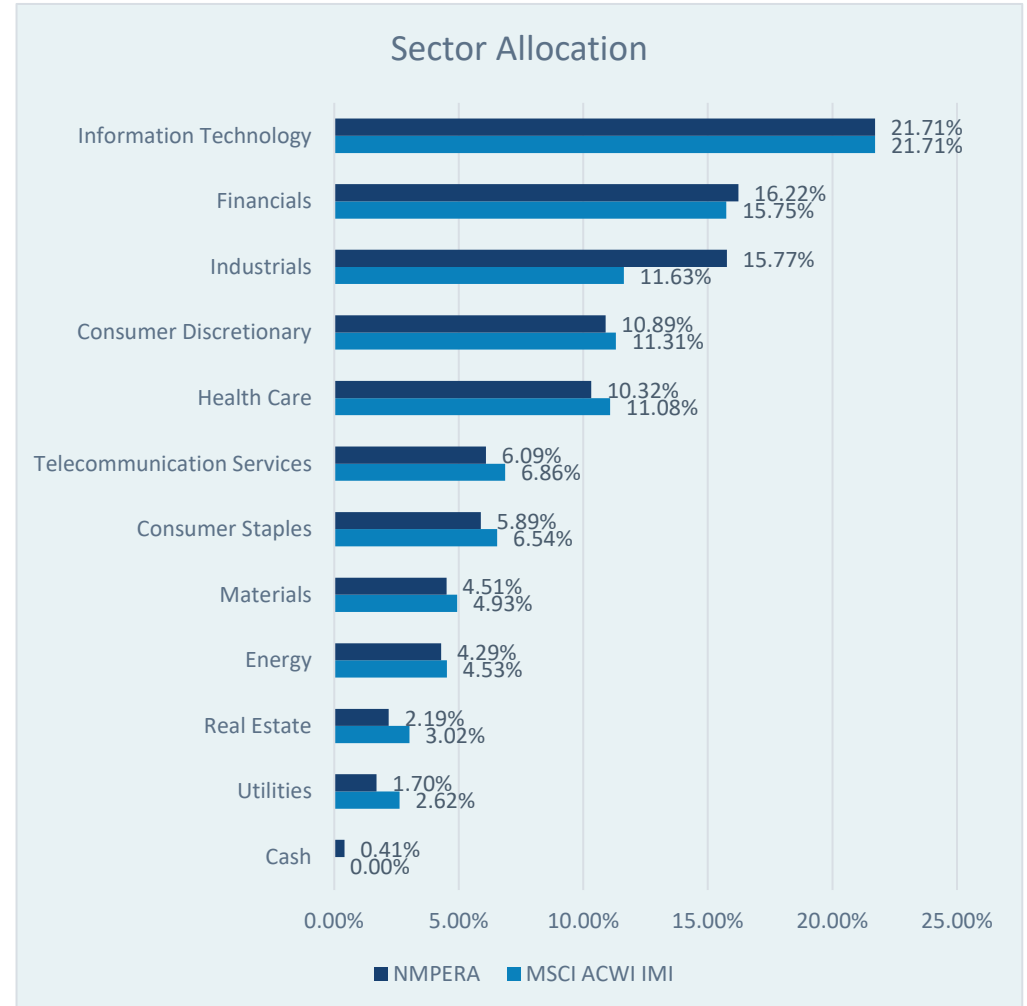
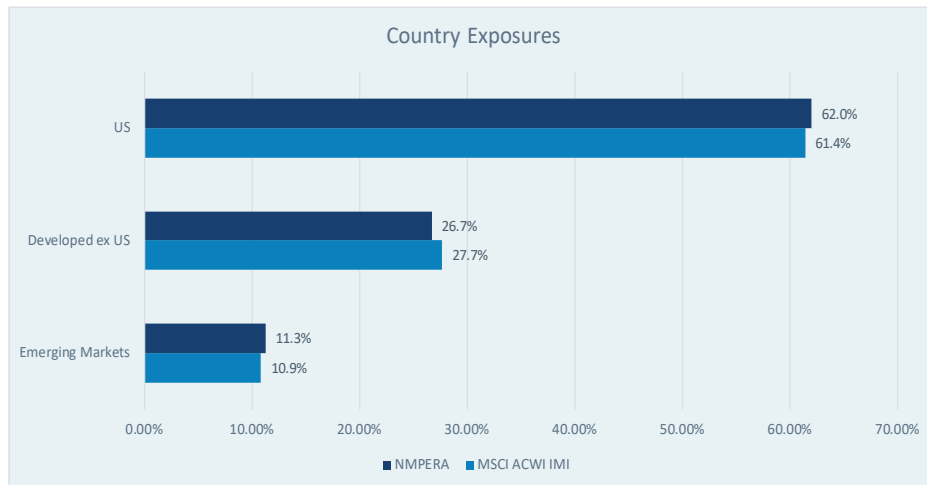
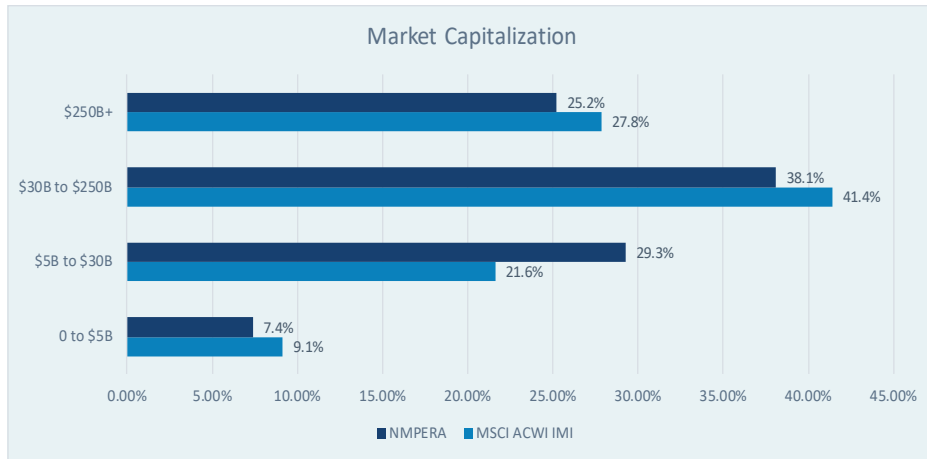
Actual Global Equities



PERA liquid global equity portfolio as of 12/31/2023

Sub-asset class	Strategy	Benchmark	Manager	MV (000's) at 12/31/23	% of Asset Class	% Passive
U.S. Equities	Passive - Large cap core	Russell 1000	SSGA Index Fund	\$1,184,467.3	28%	
	Active - Small cap core/growth	Russell 2000	Kayne Anderson Rudnick	\$324,488.5	8%	
	Total U.S. Equities			\$1,508,955.8	35%	78%
Global Equities	Passive - All cap core	MSCI ACWI IMI	SSGA Index Fund	\$741,255.5	17%	
	Active - All cap core	MSCI ACWI IMI	AllianceBernstein	\$295,370.2	7%	
	Total Global Equities			\$1,036,625.7	24%	72%
Non-U.S. Developed	Active - Large cap core/value	MSCI EAFE	Acadian	\$292,608.4	7%	
	Active - Large cap value	MSCI EAFE	MFS	\$236,306.4	6%	
	Total Non-U.S. Developed			\$528,914.8	12%	0%
Emerging Markets	Active - Large cap growth	MSCI Emerging Markets	Axiom	\$257,969.1	6%	0%
Global Low Volatility	Passive - Large cap core	MSCI ACWI Minimum Volatility	Blackrock	\$763,406.3	18%	
		MSCI ACWI Minimum Volatility	TPG Axon	\$811.9	0%	
Hedged equity	Active - hedge fund					
Total Minimum Volatility			\$764,218.2	18%	100%	
Overlay/Portable alpha	Passive - market derivatives	MSCI ACWI IMI	Parametric	\$179,945.9	4%	
Total Liquid Global Public Equities		MSCI ACWI IMI		\$4,276,629.5	100%	
Total Passive %						67%
Total Active %						33%
% Total Fund					26%	

How does PERA liquid global equity asset class compare to benchmark?



Source: Verus, MSCI BARRA (data as of 12/31/23)

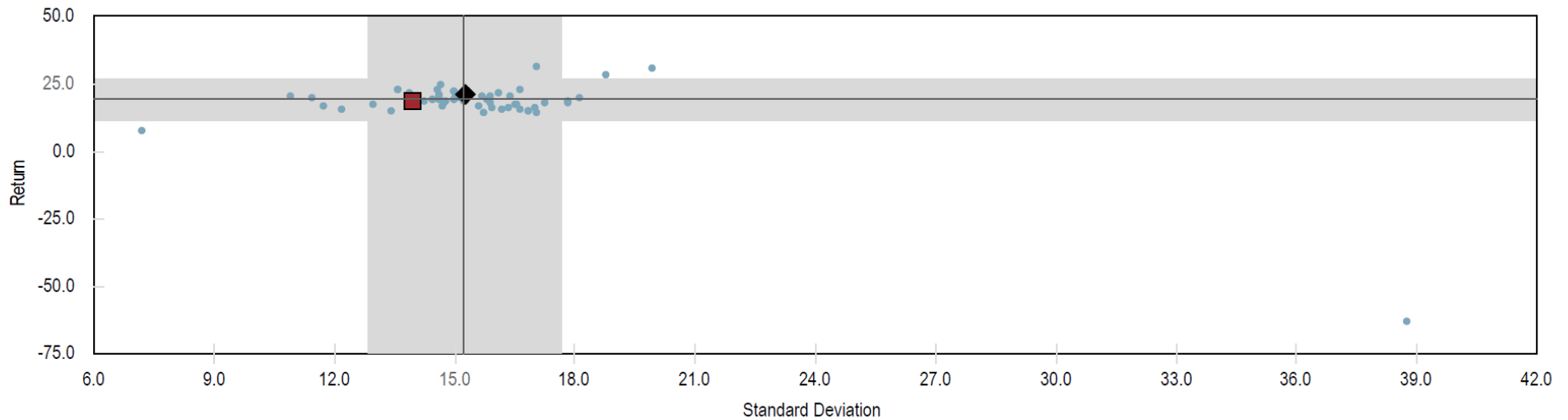
IV. Performance and risk review

Liquid global public equity performance

	Market Value	% of Portfolio	Fiscal 3 Mos.	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Total Fund	\$17,063,300,767	100%	5.82%	4.24%	9.41%	5.27%	7.45%	6.86%	5.96%	8.57%	June 1985
Global Equity	\$6,698,765,320	39%	6.73%	5.98%	14.19%	8.03%	12.10%	10.80%	8.66%	9.57%	April 2013
Liquid Global Equity:	\$3,512,411,190	25%									
Global Public Equity	\$3,512,411,190	21%	11.34%	7.79%	22.39%	3.65%	10.27%	8.92%	7.04%	7.64%	Oct. 2004
<i>Policy</i>			11.14%	7.36%	21.58%	5.46%	11.49%	9.77%	7.97%	8.04%	
<i>Value-added</i>			0.20%	0.43%	0.81%	-1.81%	-1.22%	-0.85%	-0.93%	-0.40%	
Global Low Volatility Equity	\$763,406,335	4%	6.47%	3.87%	8.05%	3.47%	6.79%	7.21%	---	7.09%	Nov. 2016
<i>Policy</i>			6.48%	3.81%	7.74%	3.26%	6.48%	6.84%	---	6.69%	
			-0.01%	0.06%	0.31%	0.21%	0.31%	0.37%	---	0.40%	
Hedged Equity Composite	\$811,858	0%	-0.55%	-0.72%	27.70%	5.81%	2.55%	4.71%	3.55%	4.24%	April 2013
<i>Policy</i>			6.48%	3.81%	7.74%	3.26%	6.48%	6.16%	4.97%	5.43%	
			-7.03%	-4.53%	19.96%	2.55%	-3.93%	-1.45%	-1.42%	-1.19%	

- Global public stock has historically lagged its policy benchmark (currently MSCI ACWI IMI) due to combination of active manager relative performance and structural misfits (largely historic underweight to North America and factor tilts)
 - Results should improve going forward due to high passive allocation (nearly 70%)
- Global low volatility strategy has been drag on performance as returns have lagged equity capital market-based returns
 - Low volatility stocks tend to be value-oriented and value stocks have underperformed for nearly 20 years
 - Strategy is eliminated in new asset allocation policy (effective April 1st)
- Hedged equity consists of side pockets from legacy strategies
 - Hedged equity is moving to new Absolute Return asset class which is best match for return and risk profile and will better assist staff with the tracking of these legacy positions

Risk vs. Return

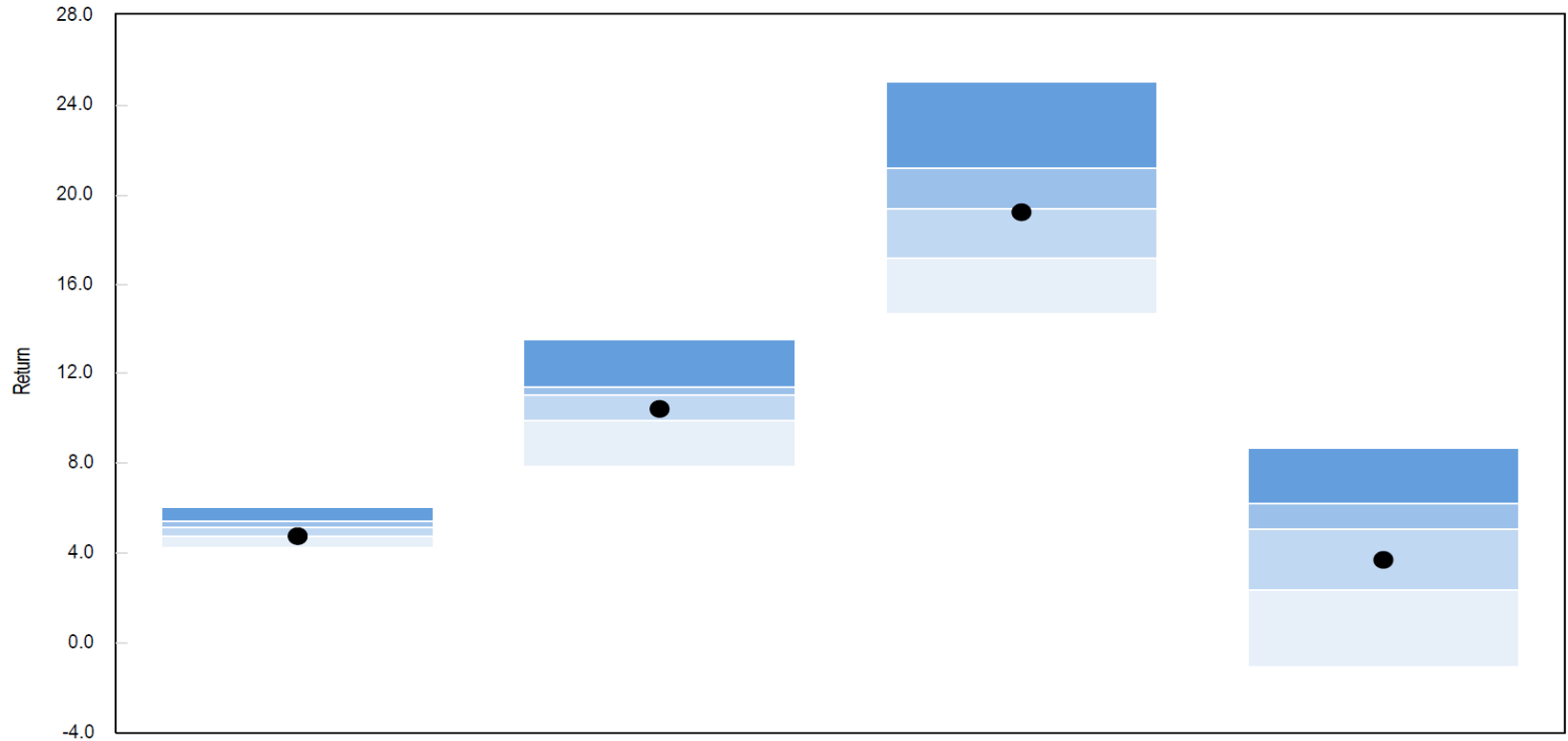


	Return	Standard Deviation
■ Liquid Global Equity	19.2	13.9
◆ MSCI AC World IMI (Net)	21.6	15.3
— Median	19.4	15.2
Population	61	61

	Annualized Return	Annualized Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Liquid Global Equity	19.2 (56)	13.9 (15)	1.0 (34)	-1.1 (73)	1.9 (11)
MSCI AC World IMI (Net)	21.6 (23)	15.3 (55)	1.0 (25)	-	0.0
InvMetrics All DB Global Equity Median	19.4	15.2	1.0	-0.5	3.6

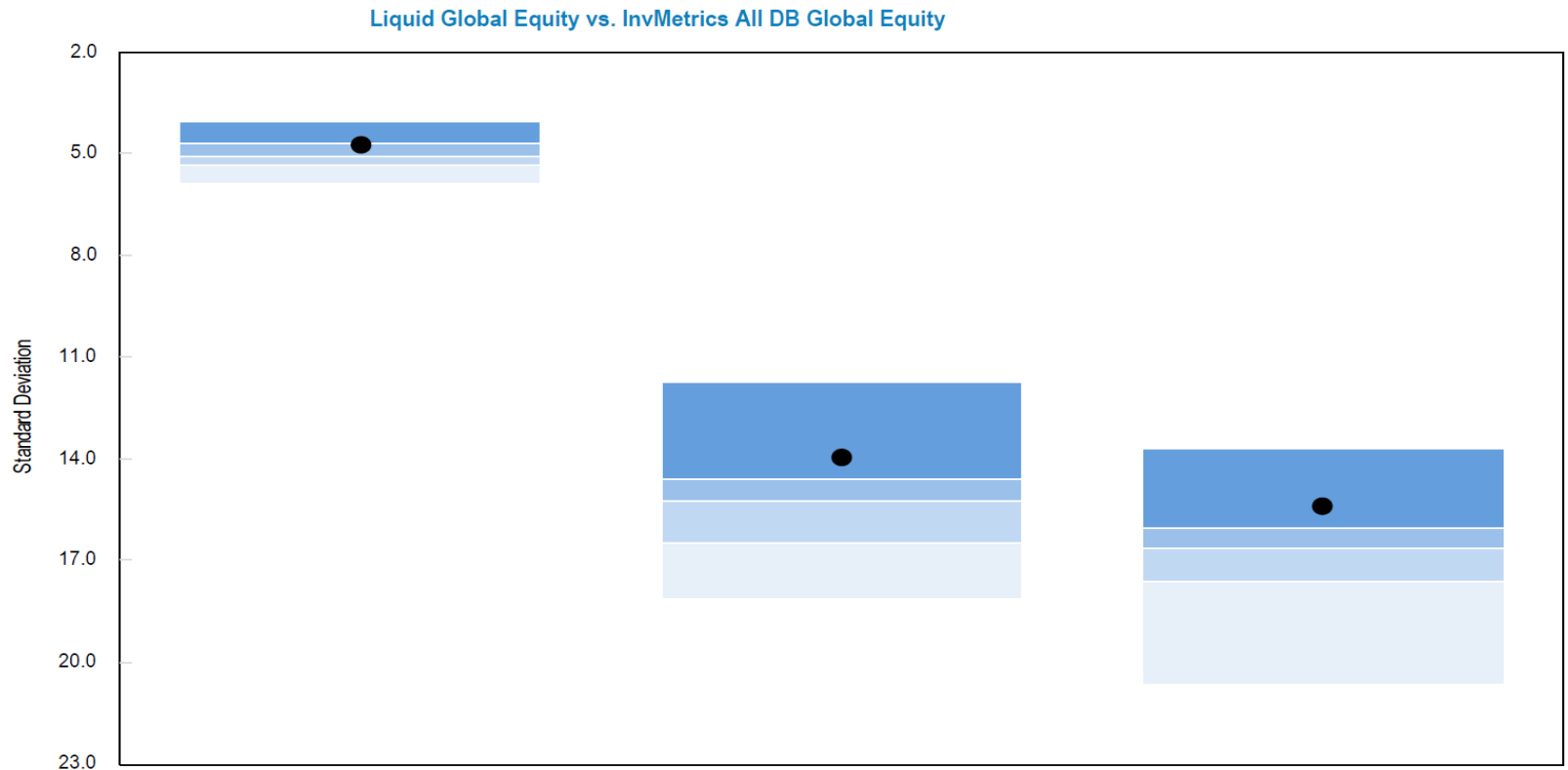
Peer comparison – Returns

Liquid Global Equity vs. InvMetrics All DB Global Equity



	1 Mo	3 Mo	1 Yr	3 Years
● Liquid Global Equity	4.77 (77)	10.43 (66)	19.19 (56)	3.70 (57)
5th Percentile	6.06	13.52	25.06	8.74
1st Quartile	5.48	11.41	21.17	6.21
Median	5.12	11.04	19.36	5.06
3rd Quartile	4.80	9.95	17.20	2.35
95th Percentile	4.22	7.89	14.67	-1.07
Population	68	68	61	40

Peer comparison – Risk (standard deviation)



	3 Mo	1 Yr	3 Years
● Liquid Global Equity	4.71 (25)	13.95 (15)	15.42 (15)
5th Percentile	4.02	11.74	13.70
1st Quartile	4.69	14.62	16.06
Median	5.08	15.24	16.65
3rd Quartile	5.32	16.52	17.62
95th Percentile	5.87	18.13	20.67
Population	68	61	40

V. Performance attribution

Liquid global equity performance attribution (1-year as of 12/31/2023)

Attribution Summary

1 Year

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effect	Total Effects
Global Public Stock	22.4	21.6	0.8	0.6	0.0	0.0	0.6
Global Low Volatility	8.1	7.7	0.3	0.1	0.1	0.0	0.1
Hedged Equity	27.7	7.7	20.0	0.0	0.0	0.0	0.0
Liquid Equity	19.0	18.2	0.8	0.7	0.1	0.0	0.8

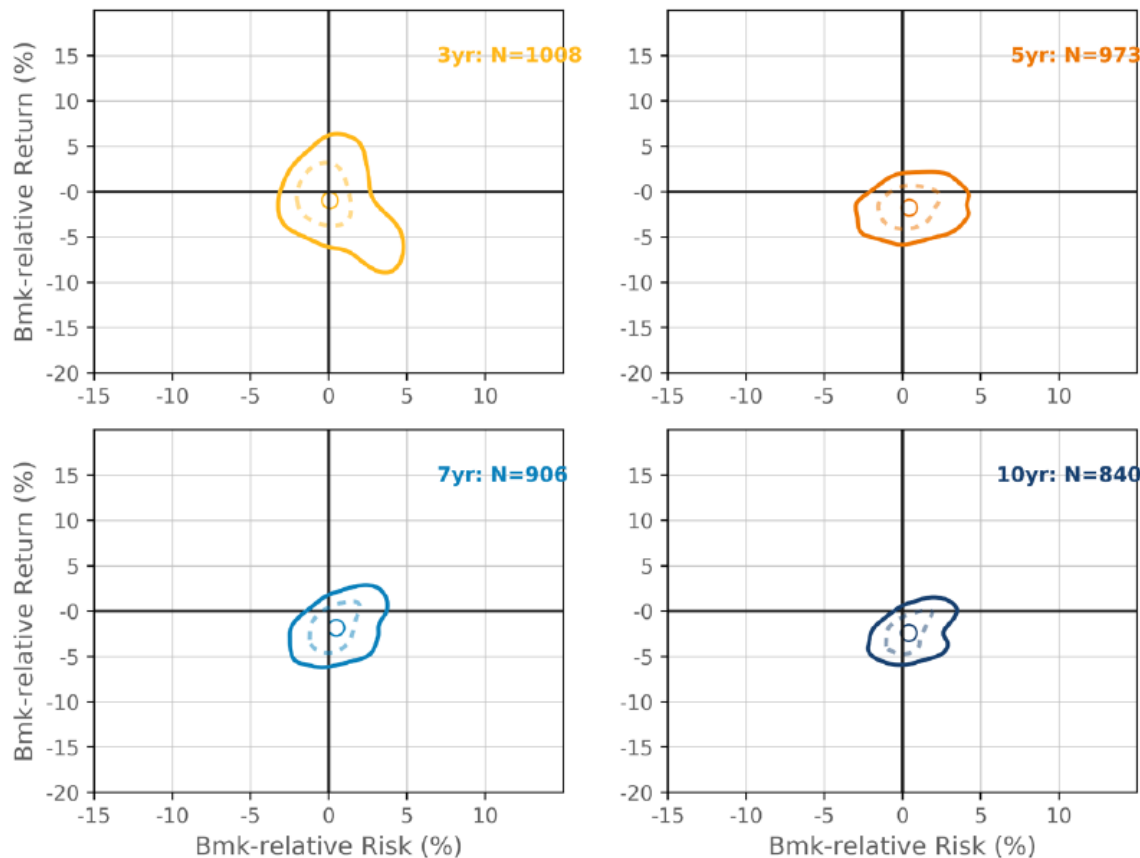
VI. Active vs. passive decision basics

Active vs. passive decision

- Most important decision for managing asset class tracking error vs. benchmark
- Goal is to identify appropriate mix of active and passive strategies that will meet asset class return objectives within reasonable risk parameters
- For equities, best practices for large public funds is to maintain core exposures using passive strategies to ensure asset class results align with index proxies used in asset allocation policy setting process
 - Lower cost structure
 - Lower administrative oversight
- Avoid overdiversification through fewer strategies at larger asset sizes. Also provides leverage to negotiate better fee structures
- Successful active strategy implementation function of focusing on strategies where there is reasonable expectation of ability to identify strategies which can consistently achieve value-added net of fees and at reasonable excess risk levels
 - Requires rigorous due diligence process by seasoned investment staff

Best practice – implement passive in efficient markets

U.S. LARGE CAP



In efficient markets, majority of active managers struggle to add value net of fees

Reason: All relevant company information is public; managers no longer have return advantage through stock research and analysis

The U.S. large cap equity market is considered to be highly efficient

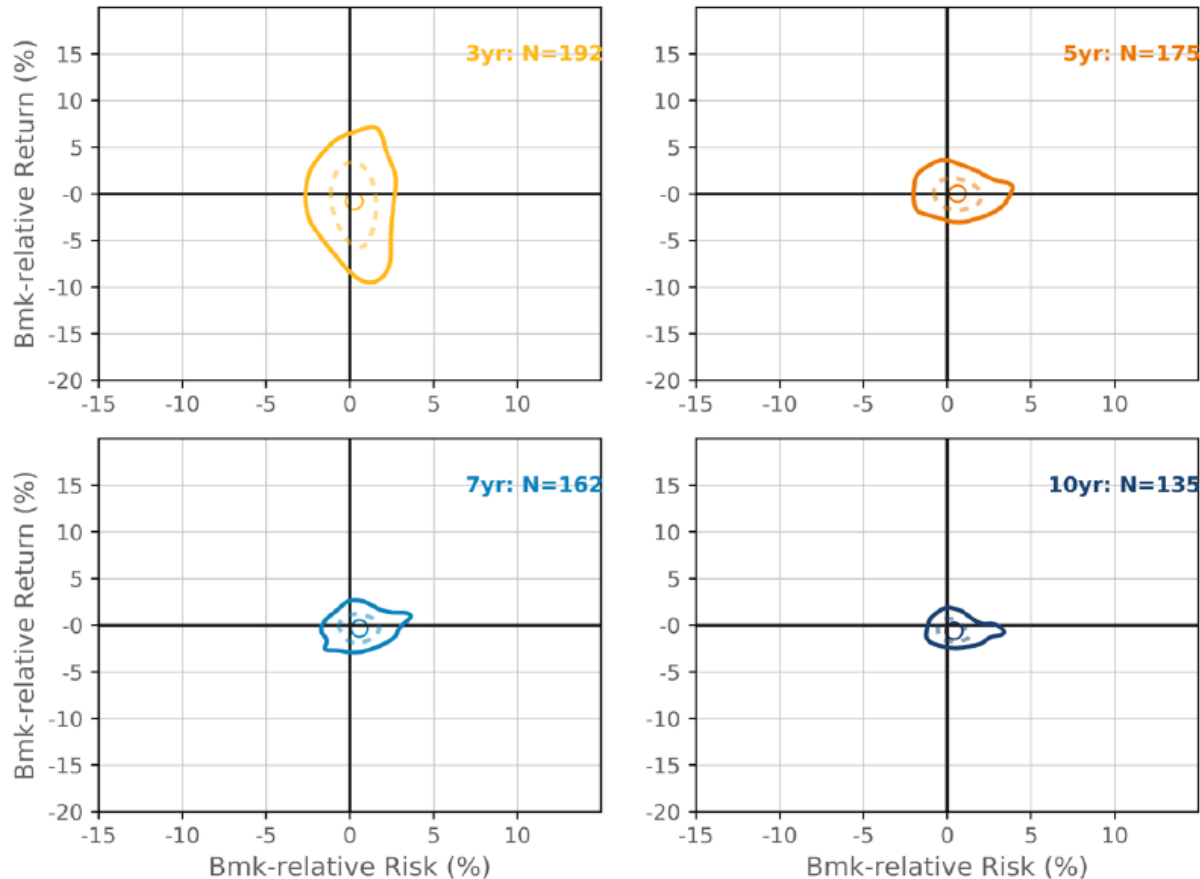
PERA U.S. large cap equity exposure is mostly passive

Source: Very 2024 Active Management Environment

"Circle" indicates median manager

Non-U.S. equity markets are mixed

INTERNATIONAL DEVELOPED



Developed markets non-U.S. equity market is also very efficient

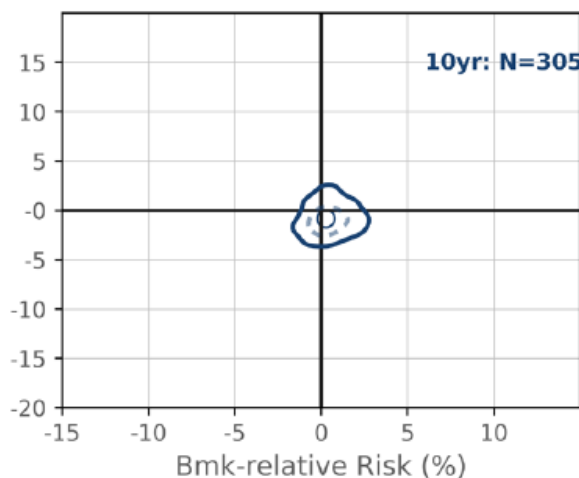
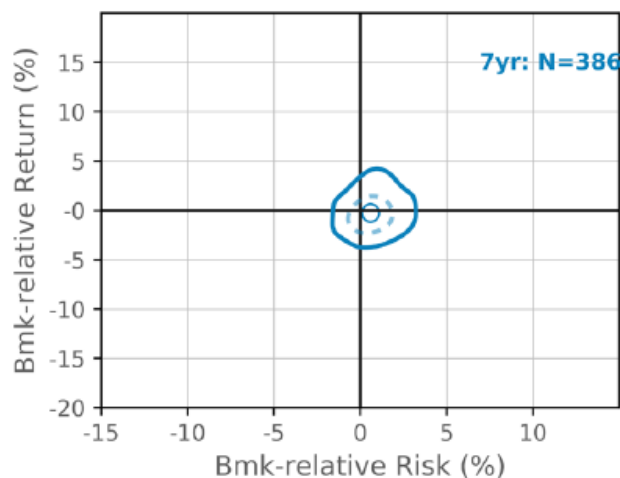
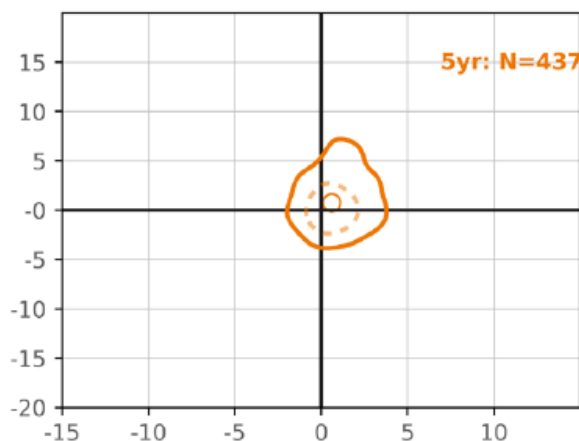
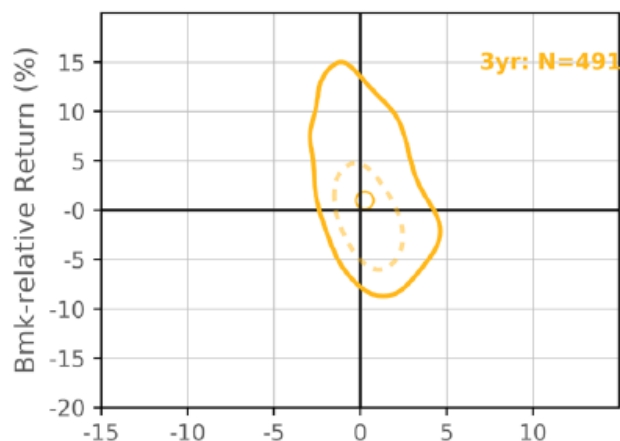
PERA non-U.S. developed markets equity exposure is mostly actively managed

Source: Very 2024 Active Management Environment

"Circle" indicates median manager

Non-U.S. equity markets are mixed

EMERGING MARKETS



Emerging markets appear to be less efficient

Importantly, passive management can be sub-optimal implementation given high degree of geopolitical risks not present in other markets

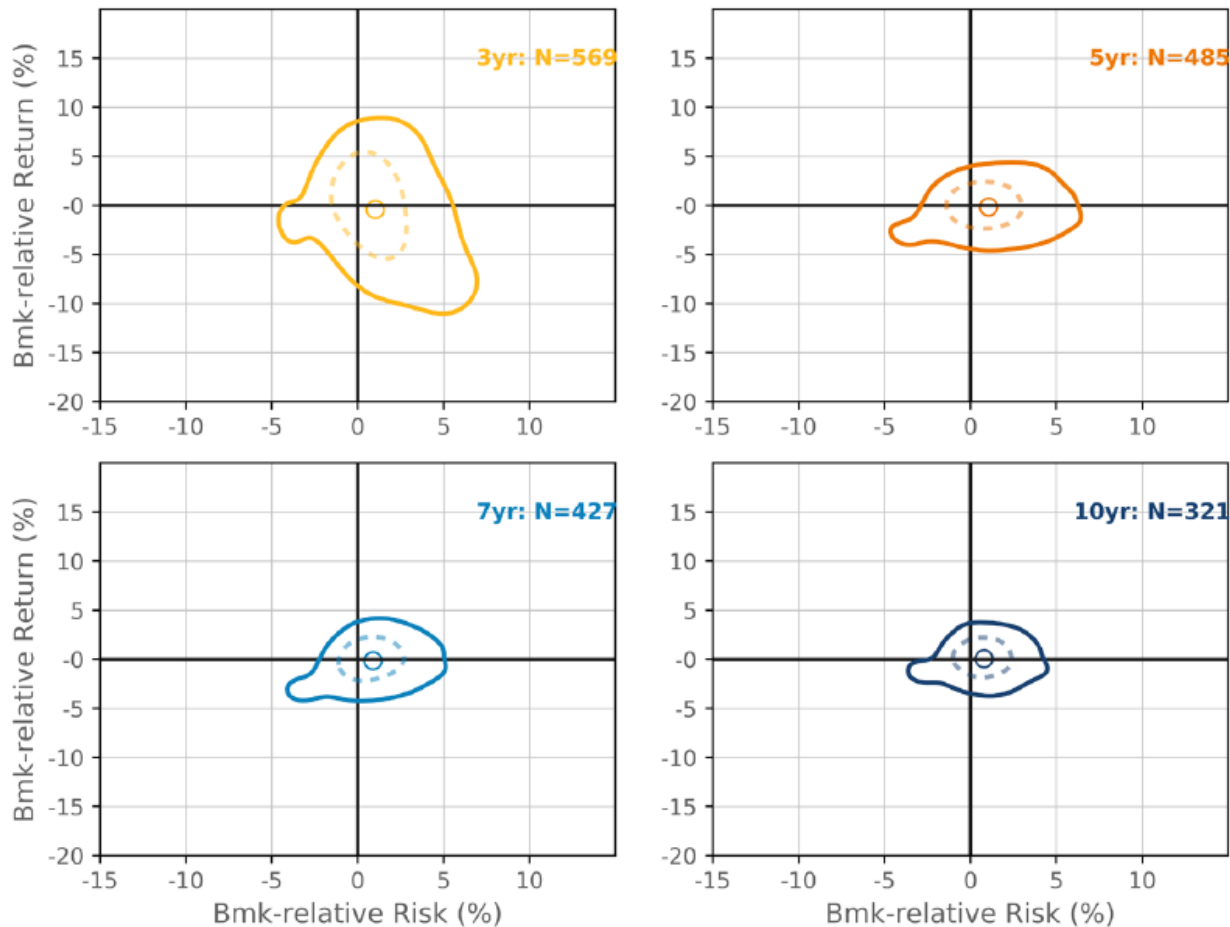
PERA emerging markets equity exposure is mostly actively managed

Source: Very 2024 Active Management Environment

"Circle" indicates median manager

Non-U.S. equity markets are mixed

GLOBAL



Global equity managers appear to exhibit higher degree of ability to add value

However, their value-added largely attributable to 'beta' exposures (i.e., over-/under-weights to markets).

For example, in last several years, many Global equity managers have been overweight U.S. equities versus Global equity benchmark

Beta exposures can be implemented much more cheaply via passive management

PERA Global equity exposure is mostly passive

Source: Very 2024 Active Management Environment
"Circle" indicates median manager

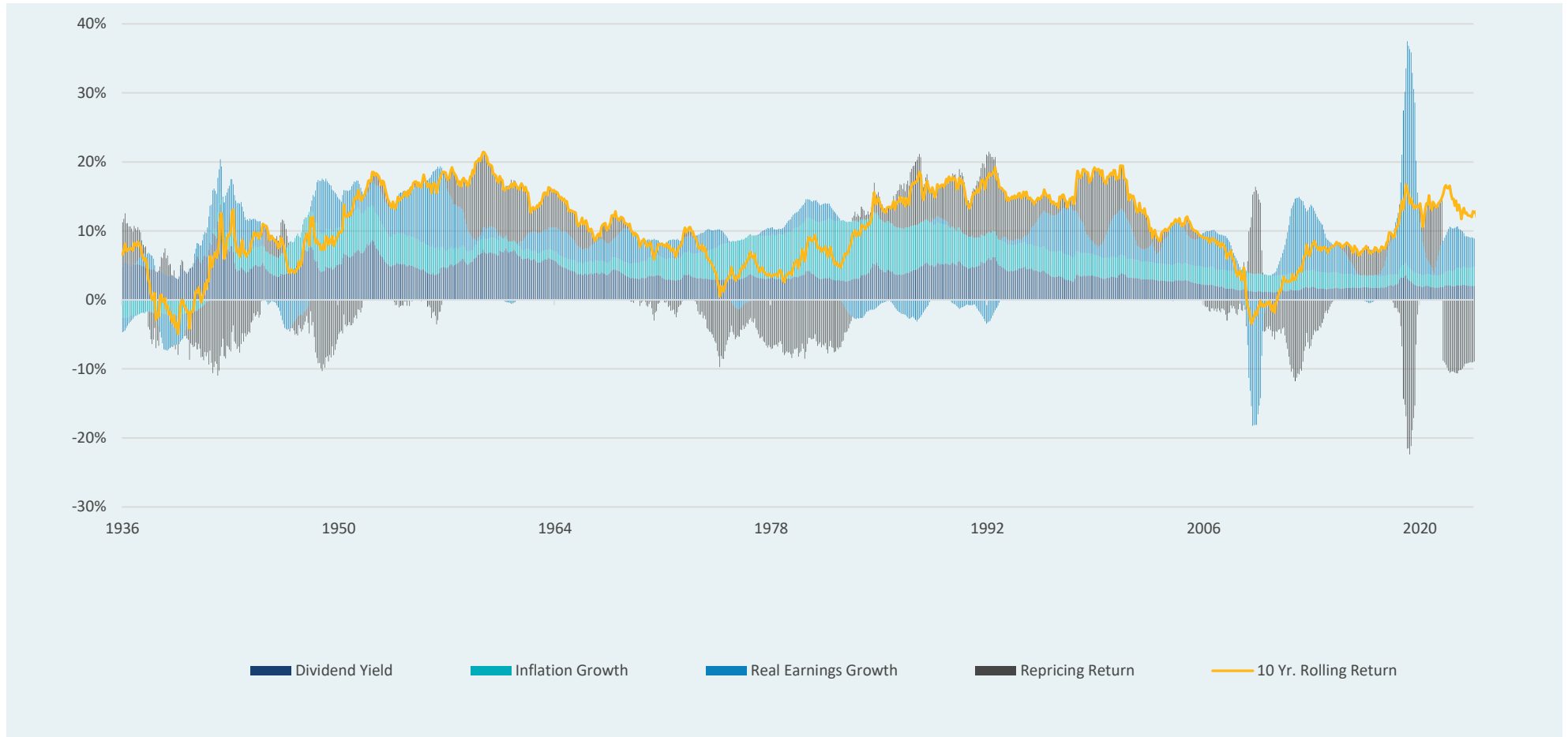
VII. Liquid global equities 2024 workplan

- PERA Staff and Verus currently undertaking Liquid Global Equity asset class structure review and analysis given higher allocation under newly approved asset allocation policy
- Areas of review focus are:
 - Active vs. passive implementation
 - Consolidation in areas of observed overlap
 - Potential elimination of individual managers that lack high conviction in value-adding skill
 - Re-allocation of assets from elimination of Low Volatility Global Equities and Risk Parity strategies
- Review goal is to reduce costs, where feasible, and better align key risk and return factor drivers (i.e., size, style, geographic diversification) with asset class benchmark (MSCI ACWI IMI)
 - These changes should improve risk management through reduced tracking error
 - Closer proximation to asset class benchmark increases probability of achieving expected asset class returns from strategic asset allocation policy setting process
- Plan is to determine structure recommendation for IC consideration at April PRISM meeting

VIII. Appendix

Historical equity return sources

Trailing 10-year return decomposition



Source: Shiller, Standard & Poor's as of 6/30/2023

Investment theory basics

- **Capital Asset Pricing Model (“CAPM”)**

- Market portfolio is most diversified portfolio
- Under Capital Asset Pricing Model (“CAPM”), market benchmark has highest Sharpe Ratio (i.e., risk adjusted return)
- CAPM assumes only market risk is rewarded – risks taken away from the market portfolio will not compensated over time

- **Purchasing Power Parity/Interest Rate Parity**

- Over long term (10 years+), global equity markets should produce similar returns due to Purchasing Power Parity and Interest Rate Parity
- Goods and services (hence, investments) flow to and from low priced/high priced; low yield/high yield economies
- Only difference is due to currency

	Annualized Returns as of 12/31/2023			
	10-year	20-year	30-year	40-year
S&P 500	12.0%	9.7%	10.2%	11.3%
MSCI EAFE	4.3%	5.6%	5.2%	8.2%
ACWI ex USA	3.8%	5.7%	---	---
MSCI ACWI ex USA Hedged	7.0%	7.0%	---	---

Investment theory basics (continued)

- **Fama and French Three Factor CAPM**

- Improvement of CAPM through additional risk factors to explain stock returns
 - CAPM just overall equity market risk above risk-free rate
 - Fama and French model added risk factors observed to explain main drivers of stock portfolio's risk and return: (1) size effect (i.e., small vs. large) and (2) style effect (growth vs. value)
- These factors, combined, typically explain up to 95% of equity portfolio risk and return

- **Best practices in light of prevailing investment theory:**

- Institutional investors rely on widely-held theories for investments and capital markets as basis for strategic and implementation decisions
- Tilting equity portfolio towards or away from market results in additional risk not expected to be consistently compensated by market
 - Public equity asset class structures do not reflect biases to equity beta risks; these structures are typically market risk neutral

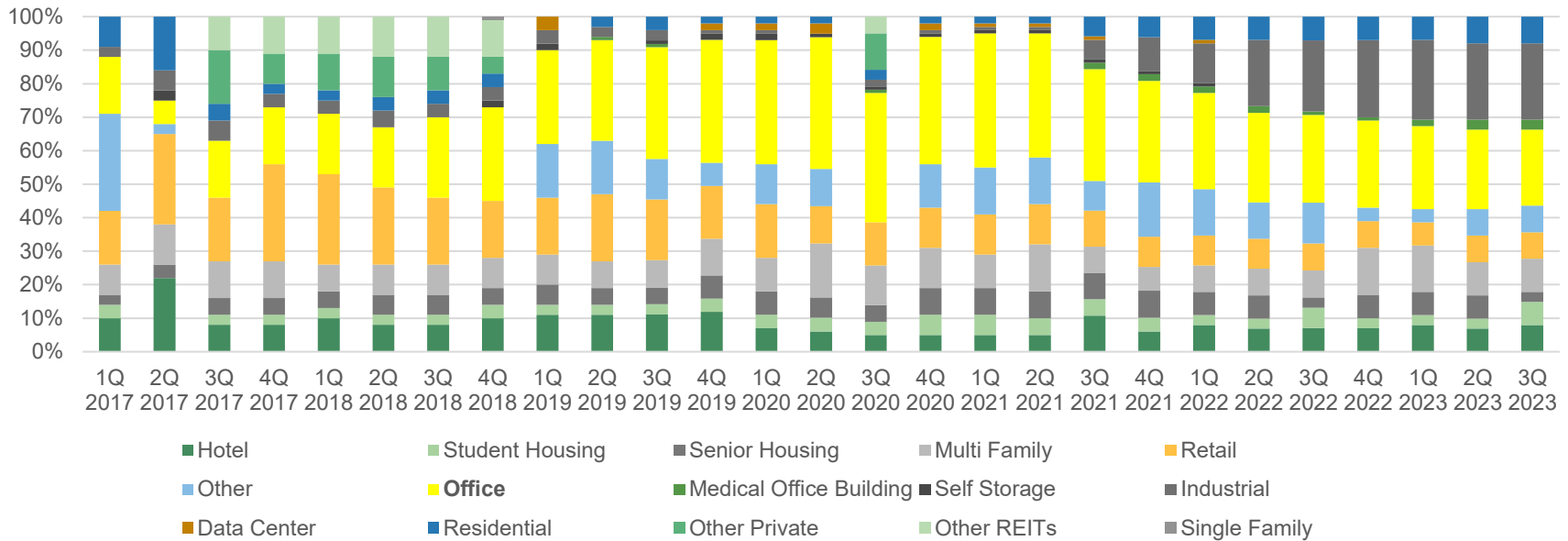
New Mexico Public Employees Retirement Association

Office Education Presentation

March 28, 2024

NM PERA - Property Type Exposures – Then and Now

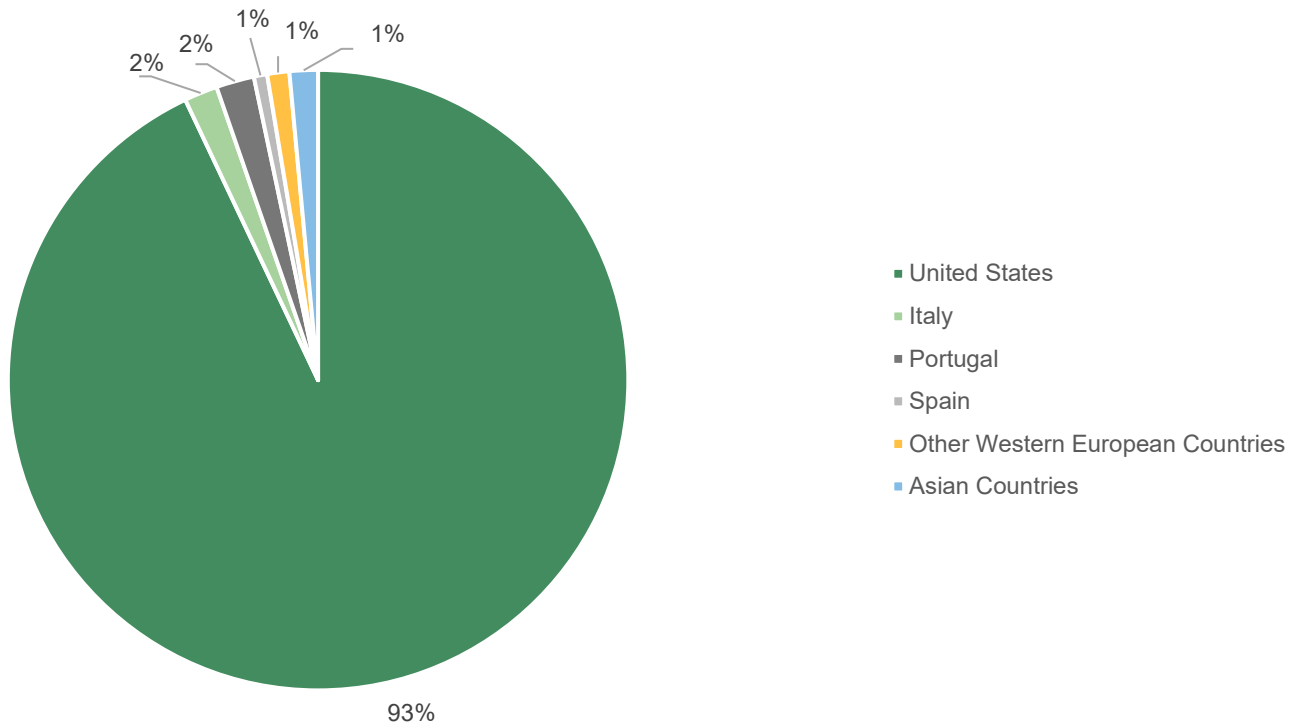
NM PERA Property Type Exposures by NAV from 1Q 2017 through 3Q 2023



- **1Q 2017:** Office exposure was 17% of the real estate portfolio, equating to \$93m
- **2Q 2020:** Office exposure peaked at 39% of the real estate portfolio, equating to \$416m
- **3Q 2023:** Office exposure is 23% of the real estate portfolio, equating to \$322m

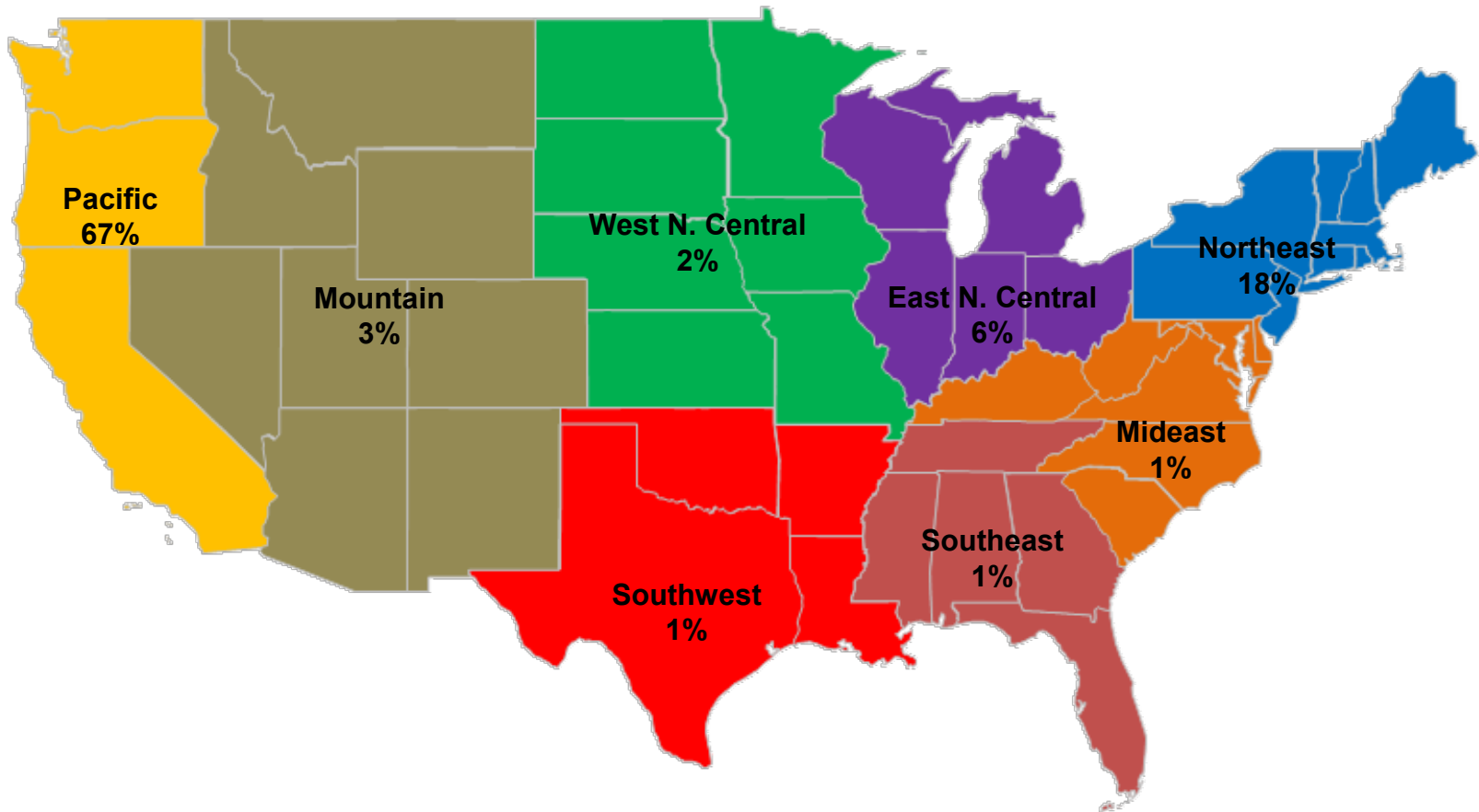
NM PERA - Office Exposure – Domestic and International

Office Exposure by Country Based upon NAV as of 3Q 2023



- NM PERA has a domestically-focused office portfolio

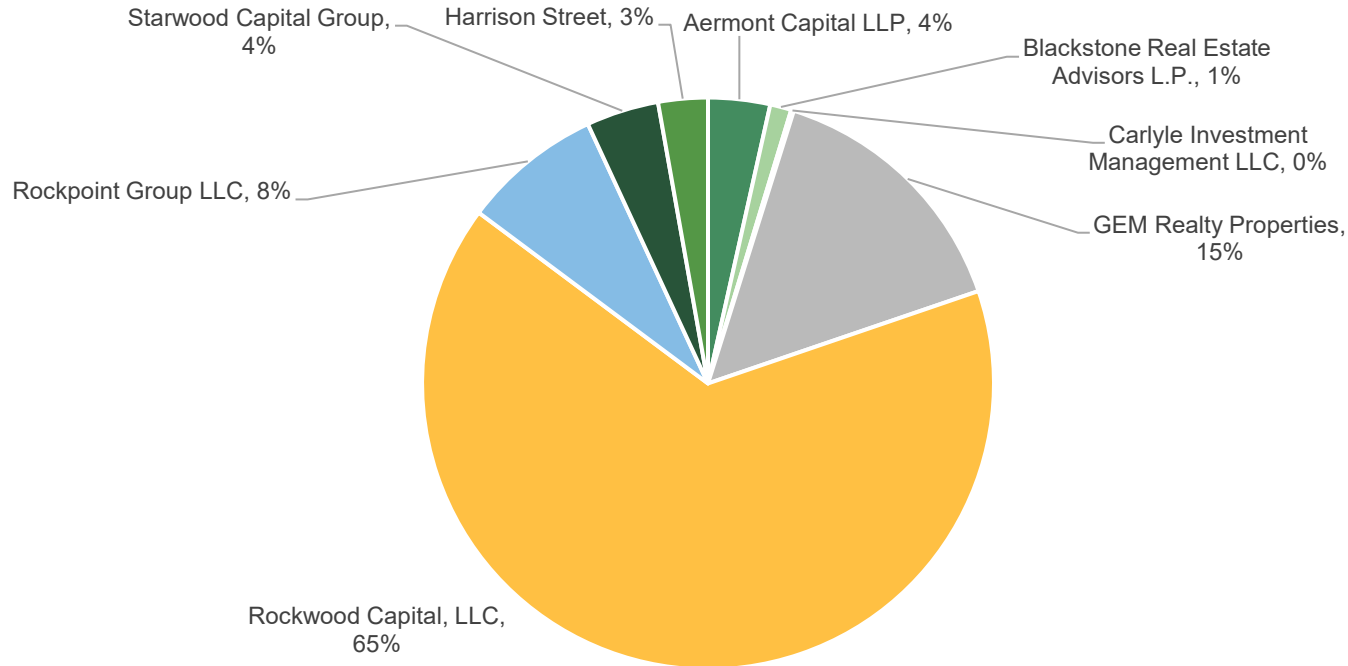
NM PERA - Office Exposure – Domestic Only



- NM PERA's office portfolio is diversified across the United States
 - The largest regional exposures are coastal, representing 87% of the portfolio
 - Larger coastal exposures are consistent with expectations

NM PERA - Office Exposure – Managers

Office Exposure by Manager Based upon NAV as of 3Q 2023



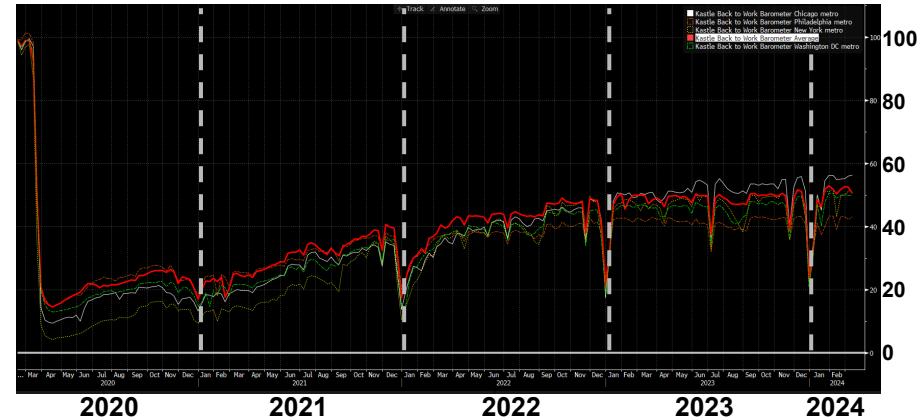
- Number of Managers with Office Exposure: 8
 - 5 global managers
 - 2 US managers
 - 1 European manager
 - None of the managers solely invest in office

Market - Office Physical Occupancy Trends

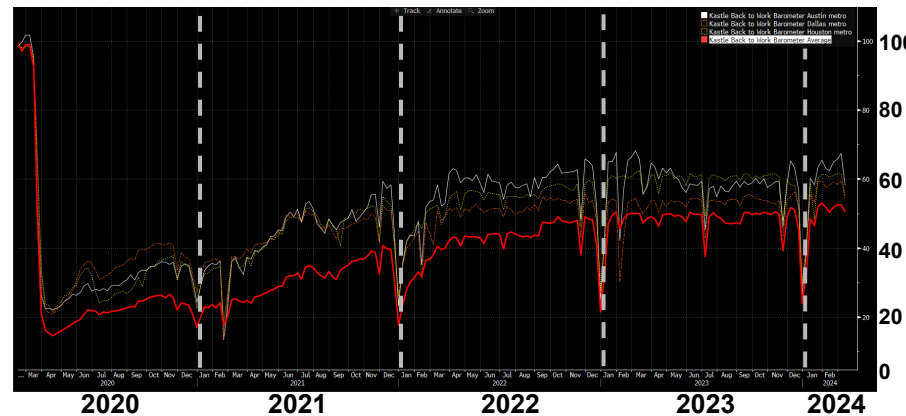
West Coast



East Coast



Texas



Occupancy average
across 10 cities
 15% - 2020 low
 50% - 2024 currently

Source: Bloomberg, Kastle
 Past performance is not indicative
 of future returns

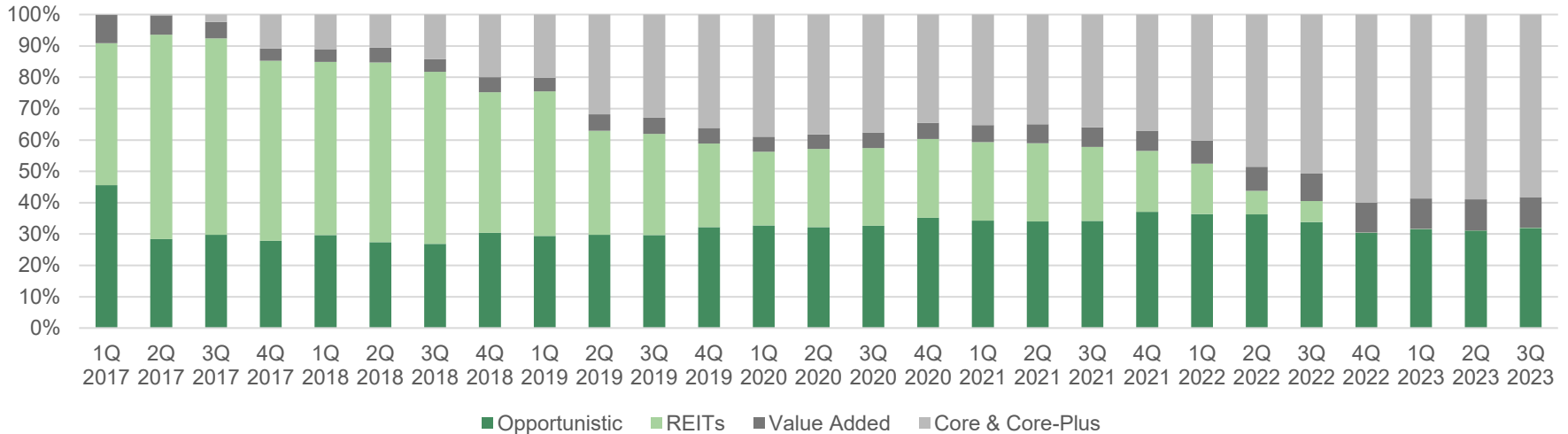
- Since the trough of March 2020, office physical occupancy has been trending upwards
 - Kastle security systems track physical occupancy based upon swipes of keycards and fob access across 2,600 buildings and 41,000 businesses

NM PERA - Office Exposure – Portfolio Management

- **Diversification**
 - The portfolio is diversified across managers, vehicles, styles, and locations
 - The portfolio also includes medical office building exposure
- **Risk Assessment and Monitoring**
 - Monitoring office exposure, assessing potential risks, and adjusting strategies accordingly
 - Evaluating rental income, occupancy rates, and market trends
 - Assessing highest and best use where feasible and appropriate
- **Lease Management**
 - The economic occupancy of leases are cash flowing even if physical occupancy is lower than pre-COVID-19 norms
 - Considering speculative tenant improvements to help potential tenants better see themselves in the space
 - Extending existing leases
- **Loan Management**
 - Assessing loan-to-value ratios and collateral values
 - Buying down leverage at a discount
 - Extending maturing loans
 - Keeping staggered expiration schedules

NM PERA - Styles Exposures – Then and Now

NMPERA Style Exposures from 1Q 2017 through 3Q 2023



	1Q 2017		2Q 2020		4Q 2022	
	Actual	Target	Actual	Target	Actual	Target
Liquid Real Estate	45%	12%	24%	29%	0%	0%
Opportunistic Real Estate	48%	47%	34%	29%	31%	0%
Value-Added Real Estate	7%	19%	6%	21%	10%	20%
Core Real Estate	0%	23%	36%	21%	59%	80%

- Liquid Real Estate was initially a placeholder as the real estate portfolio needed to grow to its increased target allocation as a percentage of the portfolio
- Core Real Estate includes both the Core and Core-Plus Real Estate styles, which consist of open-ended funds and infinite life vehicles
- Opportunistic Real Estate consists of closed end funds which will take time to be realized

NM PERA - Portfolio Going Forward

- **Property Type Diversification**
 - NM PERA is further diversifying existing property type exposures via three 2024 commitments
 - Additional property type exposures include manufactured housing, single family for rent, medical office, multi-family, self-storage, student housing, and life science
- **Shifts in Style Exposures**
 - Lower risk Core exposure is increasing
 - Higher risk Opportunistic is decreasing
- **Shifts in Geographic Exposures**
 - Increasing European exposure to increase geographic diversification
- **New commitments**
 - The new commitments are focused upon the best relative value across property types rather than dedicated sector exposures
 - Open-ended funds will better facilitate rebalancing than closed end funds

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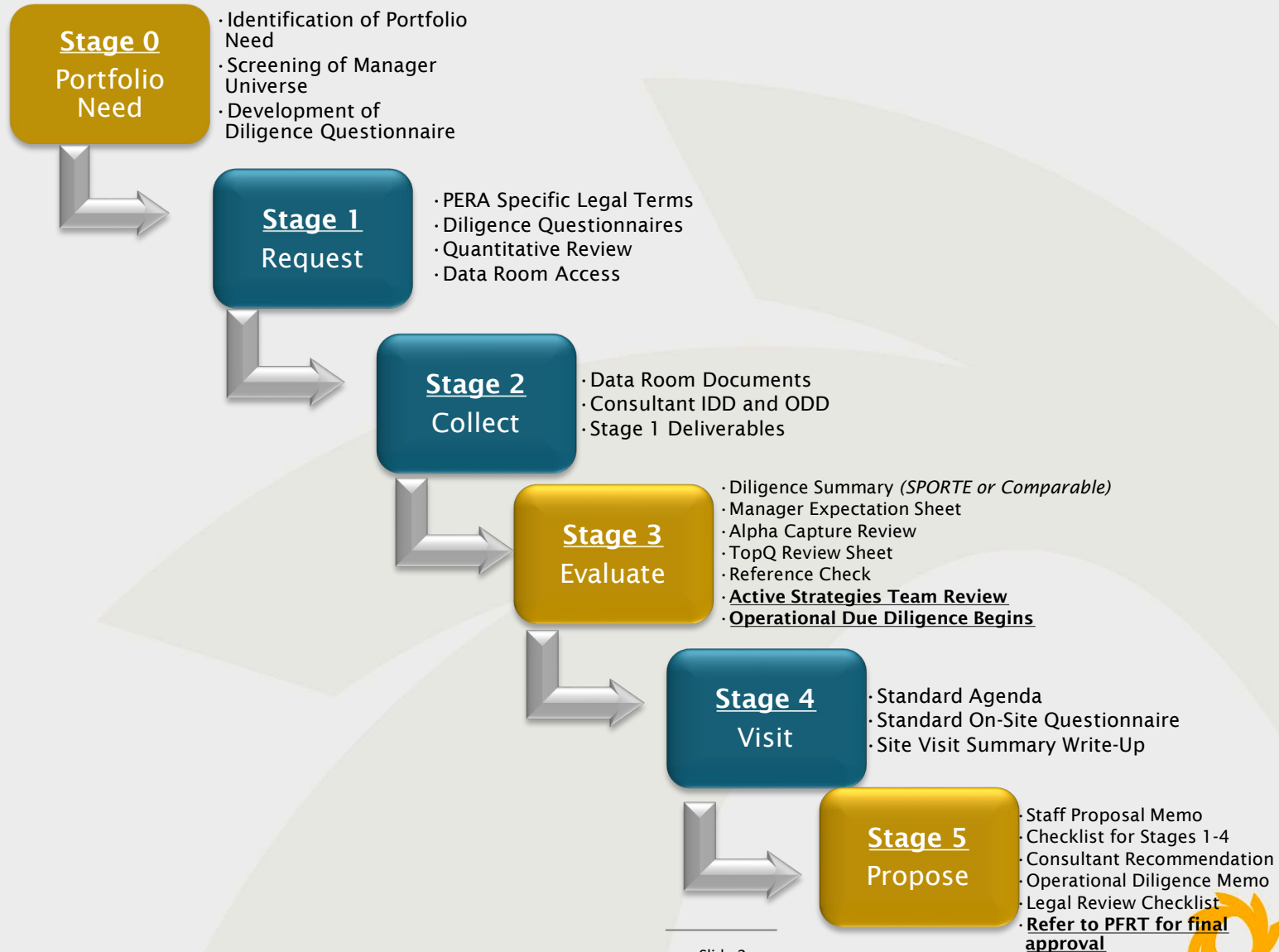


PERA

Manager Selection Activity Report

March 28, 2024

Overview: Manager Selection Process



Manager Selection Pipeline

Illiquid	Allocation	Commitment	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
<u>Middle Market Lending</u> Summary: Credit Oriented Fixed Income (New Mandate)	Credit	-	Complete	Complete	Complete	Complete	
<u>Lower Middle Market Lending</u> Summary: Credit Oriented Fixed Income (New Mandate)	Credit	-	Complete	Complete	Complete	Complete	
<u>Specialty Finance/Corporate Credit</u> Summary: Credit (Follow On)	Credit	-	Complete	Complete	Complete	Complete	
<u>Small/Medium Buyout</u> Summary: Private Equity (Follow on)	Global Equity	-	Complete	Complete	Complete	Complete	
<u>Sector Focused Large Cap Buyout</u> Summary: Private Equity (Follow on)	Global Equity	-	Complete	Complete	Complete	Complete	
<u>General Catalyst XII Fund Group</u> Summary: Private Equity (Follow on)	Global Equity	\$100m	Complete	Complete	Complete	Complete	Complete
<u>Real Estate</u> Summary: Real Estate (New Mandate)	Real Assets	-	Complete	In Process			
<u>Real Estate</u> Summary: Open End Real Estate (Follow on)	Real Assets	-	Complete	Complete	Complete	Complete	
<u>Carlyle Property Investors, L.P.</u> Summary: Open End Real Estate (New mandate)	Real Assets	\$50m	Complete	Complete	Complete	Complete	Complete
<u>Core Infrastructure</u> Summary: Closed End Infrastructure (New mandate)	Real Assets	-	Complete	In Process			
<u>ITE Diversified Transportation Asset Fund, L.P.</u> Summary: Open End Infrastructure (New mandate)	Real Assets	\$100m	Complete	Complete	Complete	Complete	Complete
<u>KKR Diversified Core Infrastructure Fund</u> Summary: Open End Infrastructure (New mandate)	Real Assets	\$100m	Complete	Complete	Complete	Complete	Complete

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

Manager Selection Pipeline

Total Fund	Allocation	Commitment	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Custody Bank RFP – Bank of New York Mellon Summary: Re-issue contract for 8 years effective July 1, 2024 Increase Securities Lending cap from \$600m to \$1B	Total Fund	N/A	Complete	Complete	Complete	Complete	Complete
Absolute Return	Allocation	Commitment	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Wellington Macro Strategies Fund, L.P. Summary: Hedge Fund (New Mandate)	Absolute Return	\$80m	Complete	Complete	Complete	Complete	Complete
Liquid	Allocation	Commitment	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Bank Loan and CLO RFI Summary: Credit Restructure	Credit		In Process				

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

Portfolio Fit and Process Review Team

Opportunities Reviewed	Date	Members	IC Observer	Agreement
<u>ITE Diversified Transportation Asset Fund, L.P.</u> Summary: Open End Infrastructure (New mandate)	December 20, 2023	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	*	Yes
<u>KKR Diversified Core Infrastructure Fund</u> Summary: Open End Infrastructure (New mandate)	December 20, 2023	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	*	Yes
<u>General Catalyst XII Fund Group</u> Summary: Global Equity (Follow-on)	February 2, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	Francis Page	Yes
<u>Wellington Macro Strategies Fund, L.P.</u> Summary: Hedge Fund (New Mandate)	February 2, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	Francis Page	Yes
<u>Apollo Defined Return Fund LP</u> Summary: Increase in commitment	February 2, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	Francis Page	Yes
<u>Ares Pathfinder Core Fund LP</u> Summary: Increase in commitment	February 2, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	Francis Page	Yes
<u>Carlyle Property Investors, L.P.</u> Summary: Open End Real Estate (New mandate)	March 27, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	Shirley Ragin	Yes
<u>Custody Bank RFP – Bank of New York Mellon</u> Summary: Extend contract for 8 years	March 27, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	Shirley Ragin	Yes
<u>Securities Lending – Bank of New York Mellon</u> Summary: Increase lending cap from \$600m to \$1B	March 27, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	Shirley Ragin	Yes
<u>Full Redemption – Mudrick Stressed Credit Fund, L.P.</u> Summary: Credit Restructure	March 27, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	Shirley Ragin	Yes
<u>Full Redemption – Silver Point Capital Fund, L.P.</u> Summary: Credit Restructure	March 27, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	Shirley Ragin	Yes
<u>Full Redemption - Eagle Point Credit Partners Fund, L.P.</u> Summary: Credit Restructure	March 27, 2024	Michael Shackelford; Greg Trujillo LeAnne Larrañaga-Ruffy	Shirley Ragin	Yes

*IC Chair Francis Page was briefed immediately following the meeting.

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

Approved Strategic Asset Allocation

The SAA approved at the December 12, 2023, IC and Board meeting, effective April 1, 2024, initiated the below terminations and rebalancing.

1) Eliminated Global Low Volatility Equity.

- Passive Blackrock MSCI ACWI Minimum Volatility Index terminated effective February 29, 2024

2) Eliminated Risk Balance

- Zia Risk Parity Fund, L.P. terminated effective February 15, 2024

3) Eliminated Liquid Real Assets

- RREEF America L.L.C (DWS liquid infrastructure) terminated effective March 31, 2024.

4) Liquid Credit Allocations

- PineBridge (Global High Yield) will transition to a U.S. High Yield 2% Issuer Capped mandate at 2% of total fund.
- Sixth Street (Bank Loans and CLOs) and Ellington (Structured Credit) will continue to manage their current mandates and will be rebalanced to 25% total Liquid Credit allocation, or 2% weight in the total Fund.
- An RFI for Bank Loans & CLOs will be issued March 29, 2024.

5) Beginning April 1, Hedge funds held in Risk Reduction & Mitigation will be moved to Absolute Return.



PERA

**Real Assets Investment Proposal:
ITE Diversified Transportation Asset Fund**

Michael Killfoil, Senior Portfolio Manager

December 20, 2023

Proposal:

ITE Diversified Transportation Asset Fund

The Active Strategies team proposes a commitment of up to \$100 million to ITE Diversified Transportation Asset Fund (ITE DTAF) with the option to reinvest all distributions.

This illiquid real asset fund will focus on acquiring and operating high-quality infrastructure assets across diversified subsectors. ITE DTAF will be composed of three verticals:

- Railcars
- Intermodal (global shipping containers/chassis/trailer)
- Other transportation (aviation, airport transportation facilities, barges)

Geographies for investment will focus on North America.

ITE DTAF will employ a core strategy through an open-end structure targeting an overall time-weighted net return of 8-10% per annum over the life of the Fund including a 5-6% target net annual cash yield.

ITE DTAF is recognized for their operations, portfolio management, and data analytics, all of which aim to generate a superior risk-adjusted return. ITE DTAF will be targeting tangible, cash-flowing assets, focusing on investments with low volatility, strong downside protection, uncorrelated returns, and an ability to adjust to inflation and interest rate increases.

ITE will be a new partner with NM PERA.

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

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

FIVE Stage Process Results – Reasons to Invest

Fit in Portfolio

Per the 10/2022 SAA, illiquid Real Assets should constitute 18% of the total portfolio, of which 9% is targeted towards infrastructure. In consultation with Albourne, staff have targeted to build a portfolio that is diversified by geography, sector, risk, and cash flows.

An allocation to this fund will assist in decreasing demand based, non-developed, and greenfield exposures currently in the Real Assets portfolio of NM PERA.

Implementation of Strategy

ITE DTAF pursues investment opportunities across a broad range of transaction types (Rail Fund – 800 customers, 400 commodity types) with an average “investment grade” rating on the portfolio for counterparties.

Value Add

- (1) Low volatile cash flow streams
- (2) Non-correlation to public markets
- (3) Inflation/interest rate correlation
- (4) Downside protection.

Edge

- (1) Operating Expertise
- (2) Portfolio Management Expertise
- (3) Data and Analytical Expertise to those assets.



PERA

**Real Assets Investment Proposal:
KKR Diversified Core Infrastructure Fund**

Michael Killfoil, Senior Portfolio Manager

December 20, 2023

Proposal:

KKR Diversified Core Infrastructure Fund

The Active Strategies Team proposes a commitment of up to \$100 million to KKR Diversified Core Infrastructure Fund (KKR DCIF) with the option to reinvest all distributions. This illiquid real asset fund will focus on acquiring and operating high-quality infrastructure assets across diversified subsectors including Utilities, Telecom, Transport, and Energy Transition. Geographies for investment will focus on Western Europe, North America, and Australia. KKR DCIF will be targeting primarily brownfield investments that are able to provide immediate cash flow generation

KKR DCIF will employ a core strategy through an open-end structure targeting an overall time-weighted gross return of 8-10% per annum (7-9% net) over the life of the Fund including a 4-6% target gross annual cash yield (3.5-5.5% target annual net cash yield).

KKR DCIF is recognized for their “buy simplicity and hold simplicity” strategy which seeks to generate attractive risk-adjusted returns by focusing on critical core infrastructure investments with low volatility and strong downside protection.

KKR is an established partner with NM PERA. A \$50M commitment to KKR Global Infrastructure Fund II was made in 2014. As of 9/30/2023, that fund has a net TVPI of 1.82x, net DPI 1.36x, and a net IRR of 16.88%.

This proposal is based on due diligence material and data obtained by NM PERA investment division and consultant directly from the fund and focuses on the strategy of the proposed fund as it fits within the current portfolio. NM PERA defers to the consultant’s primary diligence on matters relating to the quality and sufficiency of the fund’s back office, compliance, and other operational matters.

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

FIVE Stage Process Results – Reasons to Invest

Fit in Portfolio

Per the 10/2022 SAA, illiquid Real Assets should constitute 18% of the total portfolio, of which 9% is targeted towards infrastructure. In consultation with Albourne, staff have targeted to build a portfolio that is diversified by geography, sector, risk, and cash flows.

An allocation to this fund will assist in decreasing demand based, non-developed, and greenfield exposures currently in the Real Assets portfolio of NM PERA.

Implementation of Strategy

- (1) Long-term investments for stable and predictable returns
- (2) Global reach to identify and invest in best opportunities and diversify risks
- (3) Operational expertise to improve efficiency, governance, and profitability
- (4) Sustainable and responsible investing given the long-term nature of assets
- (5) Financing solutions
- (6) Risk mgmt. to mitigate downsides from regulatory risks, market volatility

Value Add

- (1) Asset Allocation
- (2) Geographic Diversification
- (3) Risk Management
- (4) Income Generation
- (5) Inflation Protection
- (6) Protection against Regulatory Changes

Edge

Scale. Teams. One Firm approach.

Capstone operating experts (100 people), Economists (30 people), Public affairs team (30 people), Capital markets team (70 people).



PERA

**Global Equity
Private Equity Investment Proposal:
The General Catalyst Group XII**

PRISM

Kate Brassington, Senior Portfolio Manager

January 24, 2024

Proposal:

The Active Strategies Team proposes committing up to \$100 million to General Catalyst's ("General Catalyst" or "GC") Fund XII Group ("General Catalyst XII"), which consists of four funds: General Catalyst Group XII - Ignition, L.P., General Catalyst Group XII - Health Assurance, L.P., General Catalyst Group XII - Creation, L.P., and General Catalyst Group XII - Endurance, L.P.

General Catalyst is a venture capital firm that invests in companies using technology to meaningfully transform industries. GC will continue its strategy of raising funds dedicated to early-stage investing (Ignition Fund and Health Assurance Fund), growth venture stage investing (Endurance Fund), and GC's differentiated creation strategy (Creation Fund). GC implements a "full-stack" or full investment stage model that seeks to connect and compound the value of investments from inception of an idea through later stages of a company's lifecycle where GC believes there is potential for high growth at scale. GC invests with intentionality, by first identifying a key theme and then creating new or backing existing companies positioned to capitalize on market dynamics and with the potential to achieve exceptional growth.

GC targets investments primarily in companies and sectors in which GC has deep expertise and experience, including technology (consumer, enterprise), fintech and crypto, healthcare, and global resilience. As is customary in venture capital investing, General Catalyst will pursue minority stakes in its venture investments, primarily focused within North America (~65-70%), with a secondary focus in Europe and Israel (~20-25%) and the remainder in India and other geographies (~5-10%).

General Catalyst XII's target size and hard cap is \$6 billion (25% in Ignition, 12.5% in Health Assurance, 25% in Creation, and 37.5% in Endurance).

This will be a follow-on investment for PERA. There is currently a commitment in General Catalyst XI (2021 vintage, \$85 million). The performance figures for General Catalyst XI are not yet meaningful due to the age of the portfolio.

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

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

FIVE Stage Process Results – Reasons to

Invest

Fit in Portfolio

NM PERA's PE portfolio is roughly 25% venture capital/growth equity. Within this segment, NM PERA seeks to build a portfolio that is diversified by geography, sector, and investment stage.

From a geographic perspective, GC maintains a core focus in North America (~30% of capital expected to be deployed outside North America, primarily in Europe and Israel). This aligns with NM PERA's North American concentration, as well as the wider venture opportunity landscape, while still providing reasonable geographic diversification to the portfolio.

From a sector perspective, GC's dedicated sectors of technology (consumer & enterprise), fintech and crypto, healthcare, and global resilience provide broad GICs exposures for the portfolio within a single manager, as well as providing diversification in end-markets that should bolster resilience throughout market cycles.

From an investment stage perspective, the majority of capital will be invested in early-stage (Seed, Series A, Series B), which is where the portfolio needs more exposures. However, GC's growth focus also allows GC to have a more fulsome market perspective.

Overall, GC continues to make sense as a core venture capital/growth equity partner for a portfolio of NM PERA's size due to the "one-stop-shop" nature of GC's mandate. GC is a core, foundational relationship due to the broad exposures and provides a strong base upon which further venture capital/growth equity managers with more targeted mandates can be added.

Implementation of Strategy

GC's mission is "investing in powerful, positive change that endures."

GC's "full-stack" model gives a wider industry perspective and allows GC to grow with its portfolio companies and concentrate investments in "winners" per the power law.

GC is thematic. Sample themes include cybersecurity, AI-driven consumer experiences, and B2B financial software and innovation. If there is not an existing company that fits the theme, GC can create ("hatch") it.

Early stage remains at GC's core – identifying companies at their earliest stages also helps position the firm to access and provide value to companies as they migrate to growth stage venture opportunities.

Value Add

GC has consistently outperformed the Russell 3000.

As of March 31, 2023, GC has invested in 600+ companies which includes 400+ current portfolio companies. 35 have become "unicorns" (i.e., enterprise value ("EV") > \$1 billion).

Edge

GC's aim is to build a venture firm that endures – GC has already transitioned firm leadership away from the founders and brought on leaders like Chairman and Managing Director Ken Chenault (former Chairman and CEO of American Express) to lead the organization through its continued growth. GC has built a deep bench of talented MDs and is well-connected and well-respected in the venture landscape.

GC has a broad advisor network. Catalyst Advisors are initially engaged by GC and are typically entrepreneurs and former senior executives with deep domain and sector-specific expertise. GC has also developed a proprietary Executive-in-Residence ("XIR") program. GC uses XIRs (often an entrepreneur or former executive) to start new companies or to scale and drive growth in an existing company. The role of a Catalyst Advisor is distinct from the XIR program in that GC's management company, not the Creation Fund or one of the Creation Fund's portfolio companies, initially engages directly with a Catalyst Advisor.



PERA

**Absolute Return Investment Proposal:
Wellington Macro Strategies Fund**

Michael Killfoil, Senior Portfolio Manager

January 24, 2024

Proposal:

Wellington Macro Strategies Fund

The Active Strategies Team proposes committing up to \$80 million to Wellington Macro Strategies Fund (WMSF), a global macro fund focused on research-driven, opportunistic, and diversified strategies in the liquid markets.

The fund allocates across three strategy buckets: Directional (rates, FX), Non-directional (rates, credit, vol), and Expansion (Equity, Credit, Commodity).

WMSF will employ multiple, uncorrelated strategies that operate independently. These strategies invest in different risk dimensions which is designed to promote a consistent, “all-weather” investment profile. WMSF will seek to generate consistent alpha, independent from market beta and risk assets.

Wellington (the firm) is a \$1.15 trillion investment manager founded in 1928 by Walter Morgan, headquartered in Boston with 3,000+ employees and offices worldwide. Wellington is owned by ~200 partners, all fully active, and no external entities with any ownership interest in the firm.

WMSF is diversifying to the overall Absolute Return portfolio and the total PERA portfolio.

This proposal is based on due diligence material and data obtained by NM PERA investment division and consultant directly from the fund and focuses on the strategy of the proposed fund as it fits within the current portfolio. NM PERA defers to the consultant’s primary diligence on matters relating to the quality and sufficiency of the fund’s back office, compliance, and other operational matters.

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

FIVE Stage Process Results – Reasons to Invest

Fit in Portfolio

Per the 10/2022 SAA, Risk Mitigation should constitute 17% of the total portfolio, of which 5% is targeted towards hedge funds. In consultation with Albourne, staff have targeted to build a portfolio that is diversified by sector, risk, and cash flows.

On 12/2023, an updated SAA was voted in by the Board. Risk Mitigation and Bonds Plus is renamed Absolute Returns. Absolute Returns should constitute 6% of the total portfolio, of which the 6% is targeted towards hedge funds.

An allocation to this fund will assist in decreasing manager risk and manager exposures, while also increasing directional strategy exposures currently in the Bonds Plus portfolio.

Implementation of Strategy

Independent portfolio teams access the desired exposure to these asset classes through the most efficient and liquid format which will include a combination of physically settled cash securities (e.g., stocks, bonds) and derivatives (e.g., government bond futures, currency forwards, credit default swaps).

Value Add

Mark Sullivan. Since Mark Sullivan became the lead portfolio manager (2017) for the WMSF, the fund has delivered a net 7.00% annualized return through 11/30/2023. Mark helped create the structured process for allocating, measuring, and monitoring the performance of all PMs. He himself doesn't trade.

Prior to Mark Sullivan becoming the lead PM, WMSF had a 5-yr return of 0% (2012-2017)

Edge

Scale. Collaboration. Research.
Independence and no star PM policy.



PERA

**Illiquid Credit Proposal:
Ares Pathfinder Core, Apollo Defined Return Capital
Contributions**

January 24, 2024
Clayton Cleek, CFA

Proposal

The Active Strategies Team proposes increasing its commitment to Ares Pathfinder Core Fund L.P. from up to \$200m to up to \$250m. Per the Strategic Asset Allocation approved by the PERA board on December 12, 2023 and effective April 1, 2024, the Illiquid Credit allocation will increase from 8% to 9% of total fund. PERA staff, in consultation with Aksia, have determined to target a 70% exposure to evergreen, open-end core private credit allocations. When combined with additional proposed and pending commitments this will place the portfolio on track to meet that target while keeping manager count to an optimal number. The ability to contribute additional capital to existing funds rather than underwrite new closed-end funds was a key consideration in the decision construct a core illiquid credit portfolio composed of open-end funds. A discussion of illiquid credit pacing is to follow.

Ares Pathfinder Core Fund was approved at PRISM and PFRT in June 2023. It utilizes a traditional drawdown structure, with capital called on a first-in first-out basis via semi-annual subscription windows. PERA committed up to \$200m on September 30, 2023 but has not yet had capital called. If approved, the additional \$50m commitment will enter the capital call queue as of March 31, 2024. Ares Pathfinder Core pursues both illiquid and liquid investment opportunities in which diversified portfolios of loans, leases and other types of receivables comprise the security and generate the contractual cash flows that form the basis of each investment. The Fund's investment strategy is primarily focused on current yield and seeks to generate and distribute significant current income to investors.

Since September 2023, the portfolio has continued to execute upon its stated objectives and is performing up to staff expectations. A discussion of portfolio composition and performance is to follow.

Proposal

The Active Strategies Team proposes increasing its commitment to Apollo Defined Return, L.P. from up to \$200m to up to \$250m. Per the Strategic Asset Allocation approved by the PERA board on December 12, 2023 and effective April 1, 2024, the Illiquid Credit allocation will increase from 8% to 9% of total fund. PERA staff, in consultation with Aksia, have determined to target a 70% exposure to evergreen, open-end core private credit allocations. When combined with additional proposed and pending commitments this will place the portfolio on track to meet that target while keeping manager count to an optimal number. The ability to contribute additional capital to existing funds rather than underwrite new closed-end funds was a key consideration in the decision construct a core illiquid credit portfolio composed of open-end funds. A discussion of illiquid credit pacing is to follow.

Apollo Defined Return Fund was approved at PRISM and PFRT in May 2023 and fully funded on July 31, 2023. The Fund is an evergreen, multi-asset mandate that seeks to utilize a high degree of credit selectivity to generate attractive risk-adjusted returns across a broad opportunity set. Through its unconstrained mandate, the Fund takes a multi-asset approach, investing in performing credit, dislocated credit, asset-backed finance, large cap direct loans and opportunistic credit. Across these five pillars, Defined Return is expected to opportunistically reposition portfolio allocations as appropriate investment opportunities are identified, dynamically pivoting across sub-strategies in an effort to capture attractive relative value across asset classes.

Since May 2023, the portfolio has continued to execute upon its stated objectives and is performing up to staff expectations. A discussion of portfolio composition and performance is to follow.



PERA

**Real Assets Investment Proposal:
Carlyle Property Investors, L.P.**

Michael Killfoil, Senior Portfolio Manager

March 20, 2024

Proposal:

Carlyle Property Investors, L.P. fund

The Active Strategies team proposes a commitment of up to \$50 million to the Carlyle Property Investors, L.P. (CPI) with the option to reinvest all distributions.

This illiquid real estate fund will focus on acquiring and operating high-quality real estate assets across diversified subsectors. CPI is currently composed of six main verticals:

- Manufactured housing, Single-Family Rental, Apartment
- Medical Office, Active Adult, Industrial

Geographies for investment are focused on the US.

CPI will employ a core-plus strategy through an open-end structure targeting an overall net IRR return of 8-10% per annum over the life of the Fund including a historical net annual cash yield distribution of 2.5% - 4%.

CPI is recognized for the demographic driven approach (no office, retail, or hotel exposure), portfolio diversification (200+ current assets), and large platform resources, all of which aim to generate a superior risk-adjusted return.

CPI will be targeting assets with attractive property level rent and NOI growth, focusing on investments with low volatility, strong downside protection, uncorrelated returns, and an ability to adjust to inflation and interest rate increases.

Carlyle is an existing partner with NM PERA with allocations to 5 funds (2 PE, 2 RE, 1 RA), all IRRs net 8-16%, net TVPIs 1.4-1.8x.

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

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

FIVE Stage Process Results – Reasons to Invest

Fit in Portfolio

Per the 10/2022 SAA, illiquid Real Assets should constitute 18% of the total portfolio, of which 7% is targeted towards real estate. In consultation with Albourne, staff have targeted to build a portfolio that is diversified by geography, sector, risk, and cash flows.

On 12/10/2023, an updated SAA was voted in by the Board with illiquid real estate still targeted at 7% of total pension plan.

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

Implementation of Strategy

CPI pursues investment opportunities across six main verticals (currently 200+ assets)

Boots on the ground approach with sourcing kept at team level.

Portfolio construction

- Diversification (geography, assets)

- Sector Selection (demographic approach)

- Asset-Level Business Plans (OpEx efficiencies, minor repositioning)

Value Add

(1) Increases exposure to lower risk styles through open-end vehicle

(2) Low-correlation to GDP (downside protection)

(3) Yield generation (2.0%-4.0%)

(4) Asset diversification (over 200 in 60 MSAs)

Edge

(1) One team, one culture, one Stuckey (Head of US RE, 1998)

(2) Portfolio Management Expertise (1,400 RE transactions since 1993)

(3) Not doing many portfolio purchases. Single deal sourced by team

(4) Carlyle's first and only US core-plus RE fund. No competing SMAs or firm funds



PERA

**2023 Custody Bank RFP No. NM INV-004-FY23
Proposal**

PRISM

Isaac Olaoye, Investment Accountant

March 20, 2024

Custody Bank Proposal

- Staff proposes renewing the contract with Bank of New York Mellon (BNY) for 8 years, due to being preferred Candidate and incumbent
- Hire Northern Trust as a bench custody bank allowing time for BNY to resolve the current operational issues. If the issues are not resolved, Staff may initiate contract with NT to begin July 1, 2025. (Decision by November 2024)
- Bundle the Custody bank contract with that of CRM provider (Backstop) and Data & Analytics Service provider (Caissa). Bank of New York Mellon has an ongoing collaborations with these two service providers.

Custody Bank Proposal

RFP Overview:

Background Information:

- Prior to 2014, The Board of Finance contracted Custody Bank relationship on behalf of NM PERA, STO, NMERB and SIC.
- The statute was changed to allow each investing agency to procure their own custody bank, NM PERA issued a Custody Bank RFP in 2014.
- Four responders (Northern Trust, BNYM, JP Morgan & State Street)
- BNYM was selected
- Contract effective July 1, 2015
- Expired on June 30, 2023. Renewed for 1 year to complete RFP
- Initial RFP issued on January 24, 2023
- The current RFP was issued on June 2, 2023.

Custody Bank Proposal

RFP Overview

Reasons for RFP

- Expiration of contract
- To understand the available services out there (Peer reviews & Agenda Settings)
- Review what we currently enjoy vis a vis the available services
- Produce a robust RFP document with a wide area of coverage
- To identify the provider that offers the best value proposition to NM PERA

Custody Bank Proposal

RFP Overview: Timeline

Action	Responsibility	Date
1. Release of RFP	PERA	06-02-2023
2. Return Acknowledgment of Compliance with Minimum Qualifications (Appendix A) RFP responses of the Offerors meeting the MQs may be granted preference in the RFP process. Offerors must address their acknowledgement to PERA-RFP-PA@state.nm.us . & newmexicopera@wilshire.com	Offerors	06-23-2023 5pm MT
3. Deadline for Submission of Written Questions Written questions should be submitted by E-MAIL ONLY to PERA-RFP-PA@state.nm.us . & newmexicopera@wilshire.com Please clearly label your questions by referring to the appropriate section (and/or paragraph) and page of the RFP. PERA is not obligated to answer questions of the firms not meeting the MQs and questions received after the stated deadline.	Offerors	06-23-2023 5pm MT
4. Response to Written Questions In order to obtain copies of PERA's answers to written questions, Offerors shall submit the Acknowledgment of Minimum Qualifications Compliance (Appendix "A") by June 23, 2023. No written response to the questions shall be construed as a modification of the RFP unless PERA amends the RFP in accordance with New Mexico PERA's Investment-Related Services Procurement Policy.	PERA	06-30-2023 5 pm MT
5. Deadline for Submission of Proposals Please refer to the instructions in Part I, above. Include Appendix B, Signature Page with full proposal.	Offerors	07-31-2023 5 pm MT
6. Evaluation of Proposals Oral presentations of Finalists Short-listed Offerors may be requested to make a formal presentation to the Evaluation Committee, as is more fully described in Part IV of this RFP.	Evaluation Committee	09-26-2023
7. On-site due diligence PERA staff, or other PERA representatives may make on- site due diligence visits to the offices of short-listed Offerors.	PERA	NT 11-16-2023. BNY 01-31 & 02-01-2024.
8. Contract Award(s) PERA intends to make the contract award on or before December 31, 2023, subject to satisfactory completion of a due diligence visit by PERA, if appropriate, and further subject to negotiation of a final contract on terms acceptable to PERA.	Evaluation Committee	To be set
9. New contract(s) proposed effective date		July 1, 2024

Custody Bank Proposal

RFP Overview: Minimum Qualifications

- Unimpaired Capital & surplus as a Tier 1 Bank as defined by Federal regulations
- Banker's bond of \$75m and additional \$50m for Electronic Computer crime losses
- Must be ready to fully indemnify the State of all loss, damage, costs resulting from omissions, errors and embezzlements
- Must agree to provide minimum services as contained in the scope of work
- Must be ready to serve as a fiduciary
- No conflict of Interest
- As of July 2022, must have been in business for 10 years serving domestic and global custody
- Must have at least 5 institutional tax-exempt clients, each having an asset base in excess of \$10 billion

Custody Bank Proposal

RFP Overview: Minimum Qualifications

- Must be a US domiciled trust Company and a member of the Federal reserve.
- Must comply with the generally accepted accounting principles
- As of June 2022, the offeror must be providing global custody services with international assets market value of at least \$500 billion
- The offeror must have sub custodian operations in all current & Future countries in Morgan Stanley Capital International all country world index
- Must be able to backload PERA's historic performance data
- The client services manager must have at least 5 years of asset servicing experience with at least 3 years servicing clients with minimum \$10 billion asset value
- Client service manager must have experience with at least 3 prior major conversions of accounts, with market values in excess of \$5 billion.
- Offeror must agree to incorporate the warranties proposed by NM PERA into their contract
- The offeror must be ready to keep the contract open for 180 days.
- The must agree to submit a detailed financial proposal for all custody and securities lending services.

Custody Bank Proposal

Reasons to Hire BNY:

- Good knowledge of NM PERA and its processes.
- Custody bank for the last 9 years
- Strong service team – Until recent service issues
- Commitment to quickly improve services
- Commitment to strengthen our service team
- Very competitive cost
- Involvement of senior Executives

Custody Bank Proposal

Reasons to hire Northern Trust on Bench:

- Strong service proposition
- A strong and ready substitute for BNY

Ongoing Concerns:

- Higher service cost compared to BNY, after negotiations

Custody Bank Proposal

Reasons to bundle Backstop & Caissa with Custody bank:

- Operational efficiency
- BNY's existing working relationship with service providers.
- Cost effectiveness – Backstop & Caissa offer 15% relationship discounts to BNY clients

Custody Bank Proposal

Implemented changes & updates from BNY:

- New Service members
 1. Dimitri Moutzouris – Performance Team
 2. Tracy Glass – Global Tax Reclaim
 3. Evan Quattro – LPASS Team
 4. Allison Charest – Service Director 4/1/2024
- Desk Audits
- Financial Statement Reporting
- GASB reports preparation.



PERA

**Securities Lending Cap Increase
BNY Custody Bank**

PRISM

Isaac Olaoye, Investment Accountant

March 20, 2024

Securities Lending Change Proposal:

- Increase the current securities lending cap from \$600 million to \$1 billion, as recommended and requested by BNY in RFP process
- This would be an increase of lendable securities from 11% to 20%.

Securities Lending Overview:

- Bank of New York Mellon is NM PERA's Securities Lending service provider since 2015 and provides full indemnification.
- Under the arrangement, Income is shared at 85:15 ratio, with NM PERA getting the larger share. Within the RFP, BNY requested an increase in cap to retain current fee. The proposed income ratio changes to 90:10 at \$5m income threshold.
- As a result of prior experience, lendable assets are capped at \$600 million out of \$5.4b available assets.
- NM PERA intends to utilize the Securities lending income to defray the quarterly Custody Fee.

Securities Lending

Reasons to Increase current cap:

- Increasing the Cap will increase PERA's revenue from the program. This can continue to pay the Custody fee and other Investment portal costs.
- There will be close collaboration with BNY team to ensure safety and risk reduction.
- Increasing the cap will increase our annual revenue from the program by \$1m.
- The increase will not necessarily increase our risk profile
- BNY has been managing the program in the last 9 years without any adverse effects.

Securities Lending Monitoring:

- Seek continued education from BNY on controls in place to mitigate the Market risk (Cash Collateral investment).
 - This being the only risk area not indemnified by BNY.
- Include a review of Securities lending collateral structure in the bi-weekly team call.
- Ensure close monitoring of the whole securities lending exercise by one of the Investment Associates.
- Education to be provided to Board at the Retreat in July 2024

Securities Lending Risk Profile:

Credit (Borrower) Risk	Business & Operationa Risk
<i>Independent Approval</i>	<i>Asses, analyse & monitor operational risk</i>
<i>Ongoing review</i>	<i>Robust business acceptance process</i>
<i>Review of Research by rating agencies</i>	<i>Review key business process</i>
<i>Review of regulatory findings</i>	<i>Regular stress testing</i>
<i>Multiple point of contacts with borrowers</i>	<i>Monitor regulatory changes</i>
Counterparty Credit Risk (Non-Cash Collateral)	Market Risk (Cash Collateral Investment)
<i>Risk reporting monitoring for collateralized exposures</i>	<i>Monitor complex wide issuer concentrations</i>
<i>Regular stress testing/scenerio analysis</i>	<i>NAV testing under different market default/downdrage scenarios</i>
	<i>Tracks counterparty, maturity profile and market risk metrics</i>
	<i>Strong Cash collateral team</i>

Securities Lending

Annual Income Review:

	Securities Lending	
Months	Sec lending Income	Custody Bank Fee
Jan-23	236,716.00	
Feb-23	197,537.28	
Mar-23	229,444.81	290,958.93
Apr-23	201,547.46	
May-23	233,201.43	
Jun-23	233,311.08	297,072.08
Jul-23	240,854.14	
Aug-23	236,624.15	
Sep-23	230,199.93	299,366.00
Oct-23	233,764.98	
Nov-23	1,435,719.21	
Dec-23	233,165.94	298,161.63
Total	3,942,086.41	1,185,558.64



PERA

**Liquid Credit Structure Study:
Rebalancing and Redemption Proposals**

March 20, 2024

Clayton Cleek, CFA

Overview

The Active Strategies Team submits the following proposals:

- Full redemption of Mudrick Stressed Credit Fund, L.P.
- Full redemption of Silver Point Capital Fund, L.P.
- Full redemption of Eagle Point Credit Partners Fund, L.P.
- Establish and rebalance to a target weight for PineBridge High Yield of 2.0% of total fund
- Establish and rebalance to a target weight for Sixth Street Wheeler Peak of 2.0% of total fund
- Establish and rebalance to a target weight for New Mexico Ellington Income of 2.0% of total fund
- Initiate a Request for Information process for a Broadly Syndicated Loan and CLO Liability manager and establish a 2.0% target weight for a new separately managed account

Redemption Proposals

Per the Investment Policy Statement approved December 12, 2023 and effective April 1, 2024, Liquid Credit is categorized in the Tier 2 (5-90 days) liquidity group. PineBridge, Ellington and Sixth Street meet the new liquidity requirements; Eagle Point Credit Partners, L.P., Mudrick Stressed Credit Fund, L.P. and Silver Point Capital Fund, L.P. do not. Below is a summary of terms that disqualify these managers from the Liquid Credit sub-asset class in the new strategic asset allocation.

- Eagle Point Credit Partners, L.P.: 36-month lock-up period following each contribution; 90 days prior written notice of withdrawals with a 25% withdrawal limit each quarter
- Mudrick Stressed Credit Fund, L.P.: 25% withdrawal limit each quarter with 60 days' written notice.
- Silver Point Capital Fund, L.P.: Annual liquidity with 90 days' written notice

As a result of the Liquid Credit guidelines, PERA staff, in consultation with Verus, propose full redemptions of Mudrick Stressed Credit Fund, L.P., Silver Point Capital Fund, L.P. and Eagle Point Capital Partners, L.P.

Liquid Credit Restructure and Rebalancing Proposal

As a part of the December 12, 2023, Board-approved strategic asset allocation, the Liquid Credit allocation will increase from a strategic target of 4% to 8%; Illiquid Credit will increase from 8% to 9%; and Alternative Liquid Credit will be eliminated. Per the previous proposal, Alternative Liquid Credit will be used as a source of funds for the increased allocations to Liquid and Illiquid Credit.

PERA staff and Verus considered four possible Liquid Credit Portfolio structures (next page). PERA staff, in consultation with Verus, propose to restructure the Liquid Credit Portfolio to align with the Equal Weight with CLOs structure. The Equal Weight structure allocates to four segments within Credit (2% total fund allocations each). The new structure eliminates the concentration in High Yield, broadens exposure to higher returning segments within credit like banks loans and CLOs, and enhances the return of the Liquid Credit allocation at a similar level of risk.

To align with the SAA effective April 1, 2024, PineBridge (Global High Yield) will transition to a U.S. High Yield 2% Issuer Capped mandate. Sixth Street (Bank Loans and CLOs) and Ellington (Structured Credit) will continue to manage their current mandates. A fourth manager will be hired to manage an additional Bank Loans & CLOs allocation. Each of the four managers will be given a 25% total Liquid Credit allocation, or 2% weight in the total Fund.

**NM Public Employees Retirement Association
Cash Flow Projection - FY 24**

	<u>Actuals</u>					<u>Projected</u>							Month's Activity							
	July	August	September	October	November	December	January	February	March	April	May	June								
Month Beginning Cash, BNYM	\$32	\$31	\$71	\$30	\$38	\$50	\$49	\$48	\$47	\$46	\$45	\$44	RA, RE, GE							
Uses of Cash																				
Asset Class Purchases																				
Liquid Asset Purchases	235	23	15	9	0												RE, RA, CR, GE			
Illiquid Asset Capital Calls	19	9	42	56	26	50	50	50	50	50	50	50								
Alt./Hedged Asset Purchases	0																			
Total Benefit Payments	122	120	121	122	123	120	120	120	120	120	120	120								
Benefit Payments (BNYM)	49	39	53	45	61	55	55	55	55	55	55	55								
Benefit Payments (STO)	73	82	69	77	62	65	65	65	65	65	65	65								
Refunds	3	7	5	5	6	5	5	5	5	5	5	5								
Operational Expense	1	2	1	2	3	0	0	0	0	0	0	0								
Other	0	0	0	0	0															
Sources of Cash																				
Asset Class Sales																				
Liquid Asset Redemptions	272	28	22	94	21	34	34	34	34	34	34	34								
Illiquid Asset Distributions	30	74	45	23	78	70	70	70	70	70	70	70								
Alt./Hedged Asset Redemptions	0	0																		
Employee / Employer Contributions	72	76	72	81	92															
Other	0	8	2	0	0	0	0	0	0	0	0	0								
Month Ending Cash, BNYM	31	71	30	38	50	49	48	47	46	45	44	43								
Corporate Action/Suspense	31	23	2	38	52	10	10	10	10	10	10	10								
Month Ending Cash, STO	43	34	31	31	55	20	20	20	20	20	20	20								
Month-End Capital Allocations																				
Global Equity	6,599	6,497	6,375	6,253	6,590	6,392	6,392	6,392	6,392	6,392	6,392	6,392	November Change in Value	Current Month's Weights						
Risk Reduction & Mitigation	2,773	2,807	2,679	2,652	2,772	2,859	2,859	2,859	2,859	2,859	2,859	2,859	337	Actual	Target	Var.	Range			
Credit Oriented Fixed Income	3,133	3,131	3,106	3,013	3,081	3,196	3,196	3,196	3,196	3,196	3,196	3,196	121	39.4%	38.0%	1.4%	+/-5%			
Real Assets	2,927	2,878	2,840	2,892	2,867	3,028	3,028	3,028	3,028	3,028	3,028	3,028	68	16.6%	17.0%	-0.4%	+/-3%			
Multi-Risk Allocation	1,387	1,343	1,274	1,240	1,359	1,346	1,346	1,346	1,346	1,346	1,346	1,346	(25)	18.4%	19.0%	-0.6%	+/-4%			
STO Cash	43	34	31	31	55	20	20	20	20	20	20	20	118	17.1%	18.0%	-0.9%	+/-4%			
Total (net of cash flows)	\$16,863	\$16,689	\$16,306	\$16,082	\$16,724	\$16,840	\$16,840	\$16,840	\$16,840	\$16,840	\$16,840	\$16,840	23	8.1%	8.0%	0.1%	+/-4%			
													642	0.3%	0.0%	0.3%				
														100.0%	100.0%					
Month-End Percentage Allocations																				
Fund Balance (less STO)	\$16,820	\$16,655	\$16,275	\$16,051	\$16,669	\$16,790	\$16,907	\$16,907	\$16,907	\$16,907	\$16,907	\$16,907	Tier	Liquidity Summary						
Global Equity	39.2%	39.0%	39.2%	39.0%	39.5%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	\$ (M) Allocation	% Allocation						
Risk Reduction & Mitigation	16.5%	16.9%	16.5%	16.5%	16.6%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	Tier 1 (1-5 days)	\$	2,558	15%				
Credit Oriented Fixed Income	18.6%	18.8%	19.1%	18.8%	18.5%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	Tier 2 (5-90 days)	\$	6,920	42%				
Real Assets	17.4%	17.3%	17.5%	18.0%	17.2%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	Tier 3 (90-365 days)	\$	815	5%				
Multi-Risk Allocation	8.3%	8.1%	7.8%	7.7%	8.2%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	Tier 4 (1 year +)	\$	6,376	38%				
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%								

**NM Public Employees Retirement Association
Cash Flow Projection - FY 24**

	<u>Actuals</u>						<u>Projected</u>						Month's Activity				
	July	August	September	October	November	December	January	February	March	April	May	June					
Month Beginning Cash, BNYM	\$32	\$31	\$71	\$30	\$38	\$50	\$90	\$89	\$88	\$87	\$86	\$85					
Uses of Cash																	
Asset Class Purchases																	
Liquid Asset Purchases	235	23	15	9	0	0							RA, RE, GE				
Illiquid Asset Capital Calls	19	9	42	56	26	78	50	50	50	50	50	50					
Alt./Hedged Asset Purchases	0																
Total Benefit Payments	122	120	121	122	123	121	120	120	120	120	120	120					
Benefit Payments (BNYM)	49	39	53	45	61	51	55	55	55	55	55	55					
Benefit Payments (STO)	73	82	69	77	62	70	65	65	65	65	65	65					
Refunds	3	7	5	5	6	6	5	5	5	5	5	5					
Operational Expense	1	2	1	2	3	1	0	0	0	0	0	0					
Other	0	0	0	0	0	0											
Sources of Cash																	
Asset Class Sales																	
Liquid Asset Redemptions	272	28	22	94	21	103	34	34	34	34	34	34	RE, RA, CR, GE				
Illiquid Asset Distributions	30	74	45	23	78	64	70	70	70	70	70	70					
Alt./Hedged Asset Redemptions		0	0	0	0	0											
Employee / Employer Contributions	72	76	72	81	92	75											
Other	0	8	2	0	0	2	0	0	0	0	0	0					
Month Ending Cash, BNYM	31	71	30	38	50	90	89	88	87	86	85	84					
Corporate Action/Suspense	31	23	2	38	52	92	10	10	10	10	10	10					
Month Ending Cash, STO	43	34	31	31	55	51	20	20	20	20	20	20					
Month-End Capital Allocations													December Change in Value	Current Month's Weights			
Global Equity	6,599	6,497	6,375	6,253	6,590	6,699	6,392	6,392	6,392	6,392	6,392	6,392	109	39.1%	38.0%	1.1%	+/-5%
Risk Reduction & Mitigation	2,773	2,807	2,679	2,652	2,772	2,891	2,859	2,859	2,859	2,859	2,859	2,859	119	16.9%	17.0%	-0.1%	+/-3%
Credit Oriented Fixed Income	3,133	3,131	3,106	3,013	3,081	3,126	3,196	3,196	3,196	3,196	3,196	3,196	45	18.3%	19.0%	-0.7%	+/-4%
Real Assets	2,927	2,878	2,840	2,892	2,867	2,915	3,028	3,028	3,028	3,028	3,028	3,028	48	17.0%	18.0%	-1.0%	+/-4%
Multi-Risk Allocation	1,387	1,343	1,274	1,240	1,359	1,432	1,346	1,346	1,346	1,346	1,346	1,346	73	8.4%	8.0%	0.4%	+/-4%
STO Cash	43	34	31	31	55	51	20	20	20	20	20	20	(3)	0.3%	0.0%	0.3%	
Total (net of cash flows)	\$16,863	\$16,689	\$16,306	\$16,082	\$16,724	\$17,115	\$16,840	\$16,840	\$16,840	\$16,840	\$16,840	\$16,840	391	100.0%	100.0%		
Month-End Percentage Allocations													Tier	Liquidity Summary			
Fund Balance (less STO)	\$16,820	\$16,655	\$16,275	\$16,051	\$16,669	\$17,063	\$17,183	\$16,907	\$16,907	\$16,907	\$16,907	\$16,907		\$ (M) Allocation	% Allocation		
Global Equity	39.2%	39.0%	39.2%	39.0%	39.5%	39.3%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	Tier 1 (1-5 days)	\$ 2,669	16%		
Risk Reduction & Mitigation	16.5%	16.9%	16.5%	16.5%	16.6%	16.9%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	Tier 2 (5-90 days)	\$ 7,230	42%		
Credit Oriented Fixed Income	18.6%	18.8%	19.1%	18.8%	18.5%	18.3%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	Tier 3 (90-365 days)	\$ 799	5%		
Real Assets	17.4%	17.3%	17.5%	18.0%	17.2%	17.1%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	Tier 4 (1 year +)	\$ 6,365	37%		
Multi-Risk Allocation	8.3%	8.1%	7.8%	7.7%	8.2%	8.4%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%					
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%					

YTD Monthly History - Volume

For the month ending 12/31/2023



BNY MELLON

Securities Lending

Public Employees Retirement of New Mexico
LEI: HPFHU00Q28E4N0NFVK49 | USD | GSL203

ENDING BALANCES FOR THE MONTH

AVERAGE BALANCES FOR THE MONTH

PERFORMANCE

Month	Market Value Lendable Securities	Market Value Lendable on Loan	Percent of Portfolio on Loan	Monthly Gross Client Earnings	Market Value Lendable Securities	Market Value Securities on Loan	Percent of Portfolio on Loan	Return on Available Assets for Lending	Return on Loaned Assets
July	5,600,850,993.48	571,218,457.86	10.20%	240,854.14	5,544,467,494.84	578,351,185.64	10.43%	5.21 bp	49.97 bp
August	5,522,520,937.52	589,205,253.65	10.67%	236,624.15	5,506,180,306.84	583,296,946.67	10.59%	5.16 bp	48.68 bp
September	5,356,796,618.19	585,198,531.89	10.92%	230,199.93	5,462,019,244.07	586,018,582.70	10.73%	5.06 bp	47.14 bp
October	5,285,549,484.14	587,057,653.33	11.11%	233,764.98	5,328,685,462.82	583,834,420.79	10.96%	5.26 bp	48.05 bp
November	5,311,542,376.60	578,113,839.96	10.88%	1,435,719.21	5,331,013,459.93	583,736,998.31	10.95%	32.32 bp	295.14 bp
December	5,636,636,594.44	569,606,280.67	10.11%	233,165.94	5,503,599,219.25	575,883,268.22	10.46%	5.08 bp	48.59 bp
AVERAGE	5,452,316,167.40	580,066,669.56	10.64%	435,054.72	5,445,994,197.96	581,853,567.06	10.68%	9.59 bp	89.72 bp

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

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

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