New Mexico Educational Retirement Board

Real Estate and Natural Resources Portfolio
Quarterly Board Summary

June 30, 2013

Presented By

REAL ASSET Portfolio Management
Real Estate
Natural Resources
Infrastructure

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Portfolio Summary

Portfolio Review

As of June 30, 2013, New Mexico Educational Retirement Board ("NMERB") had a total portfolio value of $10,126,933,745. NMERB's long-term target allocations to real estate and natural resources are 5% ($506,346,687) and 3.5% ($354,442,681), respectively. As of June 30, 2013, net asset value ("NAV") of the real estate portfolio was $509,284,419 and NAV for the Natural Resources portfolio was $50,856,537.

As of June 30, 2013, NMERB had $252,545,742 of committed but uncalled allocations to private real estate managers and $136,706,455 of committed but uncalled allocations to Natural Resources managers. Included in the numbers above are allocations to Brookfield Brazil Timber Fund II ($30m), Crow Holdings Fund VI ($50m), and Lone Star Real Estate Fund VIII ($50m), which were approved but capital has not been contributed as of the end of the quarter. In addition to the funds mentioned above, NMERB approved allocations to Raith Real Estate Fund I ($50m), Eastern Timberlands Opportunity II ($45m), Realterm Logistics Fund, L.P. ($25m) and Lime Rock Resources III ($34.25m) during the third quarter.

Returns Summary

	Time Weighted Returns		Since Inception Net IRR
	Current Quarter	Since Inception	
Public Real Estate	-1.30%	9.53%	13.30%
Wilshire REIT Index	-1.39%	9.29%	
Private Real Estate	6.15%	4.05%	6.49%
NCREIF Property Index	2.87%	2.76%	
Natural Resources	3.51%	2.02%	3.67%
NCREIF Timber Index	0.93%	2.15%	
NCREIF Farmland Index	1.97%	12.93%	
CPI (All Consumers)	0.31%	1.17%	

Portfolio Highlights

The real estate portfolio is expected to generate returns in excess of the National Council of Real Estate Investment Fiduciaries Index ("NCREIF Index") over rolling five year investment time horizons.

Key Private Asset Ratios
as of 06/30/2013

Paid in Capital (PIC) 0.46x

Distribution Paid in Capital (DPI) 0.33x

Residual Value Paid in Capital (RVPI) 0.72x

Total Value Paid in Capital (TVPI) 1.05x

Trailing Period Time Weighted Returns – *Net of Fees*

	QTR	1 Year	3 Year	5 Year	Since Inception
Public Real Estate	-1.30%	10.10%	19.10%	7.60%	9.53%
In-House REIT	-1.80%	8.00%	18.20%	7.10%	9.24%
Wilshire REIT - U.S. Equity	-1.39%	8.40%	18.49%	7.20%	9.29%
Brookfield U.S. Value REIT	-0.50%	15.00%	-	-	14.64%
MSCI REIT Index	-1.58%	9.03%	18.28%	7.64%	11.09%
Private Real Estate	6.15%	20.16%	16.31%	3.71%	4.05%
NCREIF Property Index	2.87%	10.73%	13.14%	2.79%	2.76%
Natural Resources	3.51%	6.97%	4.25%	-	2.02%
NCREIF Timberland Index	0.93%	9.35%	3.59%	2.05%	1.36%
NCREIF Farmland Index	1.97%	20.05%	16.21%	13.23%	12.93%
CPI (All Consumers)	0.31%	1.75%	2.32%	1.31%	2.22%

Calendar Year Time Weighted Returns – *Net of Fees*

	YTD	2012	2011	2010	2009
Public Real Estate	6.10%	19.63%	8.82%	28.77%	27.89%
In-House REIT	5.50%	17.13%	9.16%	28.77%	27.89%
Wilshire REIT - U.S. Equity	5.94%	17.58%	9.24%	28.60%	28.60%
Brookfield U.S. Value REIT	7.20%	26.05%	-	-	-
MSCI REIT Index	6.36%	17.77%	8.69%	28.48%	28.61%
Private Real Estate	10.47%	14.33%	8.33%	22.97%	-1.05%
NCREIF Property Index	5.51%	10.54%	14.26%	13.11%	-16.86%
Natural Resources	3.33%	2.61%	2.89%	7.41%	-
NCREIF Timberland Index	2.47%	7.75%	1.57%	-0.15%	-4.75%
NCREIF Farmland Index	7.52%	18.58%	15.16%	8.81%	6.32%
CPI (All Consumers)	1.70%	1.74%	2.96%	1.50%	2.72%

Portfolio Statistics

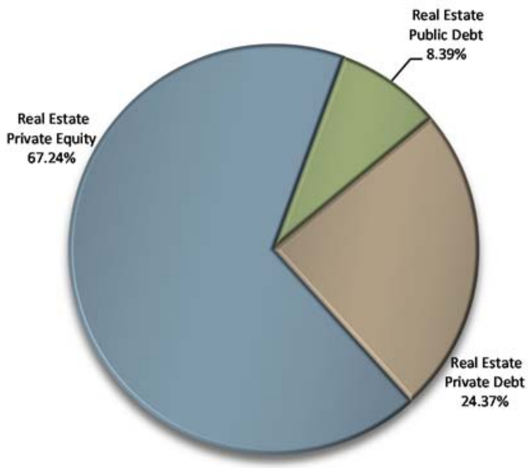
	06/30/2013	12/31/2012	12/31/2011	12/31/2010
Portfolio Market Value	$ 560,140,957	$ 595,319,392	$ 543,006,209	$ 476,599,485
Committed Uncalled	389,252,197	231,187,026	131,314,468	31,375,528
Portfolio Market Value + Committed Uncalled	$ 949,393,154	$ 826,506,418	$ 674,320,677	$ 507,975,012
Total Number of Fund Investments	21	17	13	8
Total Number of Managers	18	15	11	7

Private Asset Multiples

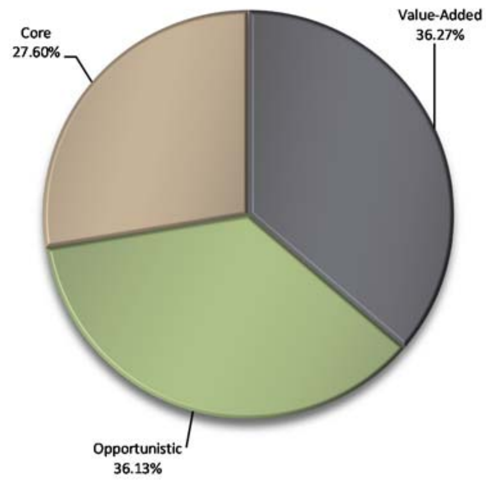
	6/30/2013	12/31/2012	12/31/2011	12/31/2010
PIC Multiple	.46 x	.58 x	.51 x	.50 x
Distribution Multiple	.33 x	.21 x	.19 x	.11 x
Residual Value Multiple	.72 x	.80 x	.83 x	.85 x
Total Value Multiple	1.05 x	1.00 x	1.02 x	.97 x

Portfolio Diversification as of June 30, 2013

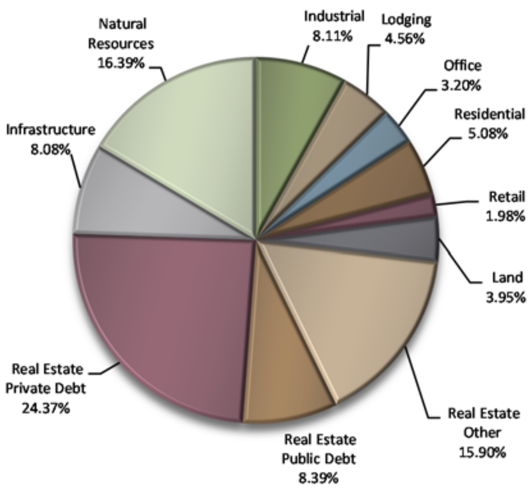
Private Diversification by Investment Class



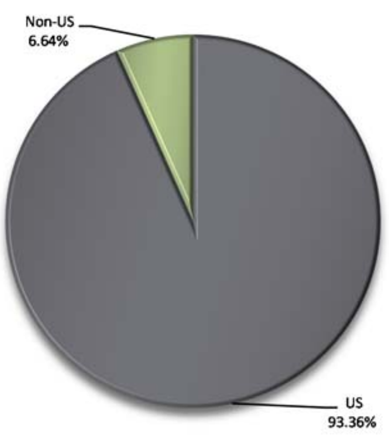
Private Asset Risk Category



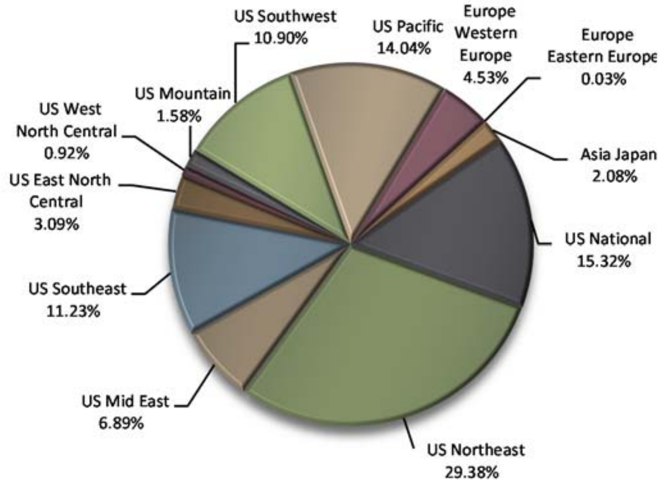
Private Asset Diversification by Investment Type



Private Asset US vs. Non-US Diversification



Private Asset Global Diversification



Manager Statistics

Manager Performance – *Net of Fees*

	Commitment ($)	Market Value ($)	Time Weighted Returns YTD	1 Year	3 Year	5 Year	Since Inception	Since Inception Net IRR
Private Real Estate								
PRIMA Mortgage Investment Trust, LLC	50,000,000	49,846,395	1.62%	5.07%	5.60%	-	5.74%	6.06%
Prologis Targeted Europe Logistics Fund, FCP-FIS	11,119,970	5,845,758	-0.39%	5.29%	6.55%	-10.21%	-10.21%	-10.21%
Prologis Targeted US Logistics Fund	21,973,973	14,808,086	9.78%	16.18%	19.95%	-6.08%	-5.39%	-5.39%
Core Total	**83,093,943**	**70,500,239**	**3.06%**	**7.24%**	**7.97%**	**-0.38%**	**0.07%**	**1.29%**
Crow Holdings Realty Partners VI, LP	50,000,000	-	-	-	-	-	-	-
Prudential Senior Housing Partners IV	50,000,000	16,922,780	3.64%	4.17%	-	-	7.03%	4.71%
RAM Realty Partners III	30,000,000	13,942,622	6.23%	-	-	-	6.23%	10.87%
Rockpoint Real Estate Fund IV, L.P.	45,454,545	11,582,831	7.73%	-	-	-	136.69%	27.94%
SRG Western States Multifamily Fund	30,000,000	3,843,467	-	-	-	-	-	-
Value-Added Total	**205,454,545**	**46,291,700**	**6.00%**	**12.60%**	**-**	**-**	**12.74%**	**9.24%**
Greenfield Acquisition Partners V, L.P.	25,000,000	24,471,194	7.55%	13.41%	16.20%	1.79%	1.79%	8.27%
Guggenheim Structured Real Estate III, LP	25,000,000	6,549,194	2.61%	4.96%	3.82%	-6.20%	-5.33%	-6.62%
Lone Star Fund VII (U.S.), L.P.	50,000,000	30,607,907	40.36%	74.81%	-	-	60.99%	52.88%
Lone Star Fund VIII (U.S.), L.P.	50,000,000	(229,264)	-	-	-	-	-	-
Lone Star Real Estate Fund II (U.S.), L.P.	25,000,000	12,046,849	10.35%	23.76%	-	-	30.17%	17.62%
RAPM NM Secondary Opportunity Fund, L.P.	40,000,000	23,094,865	3.77%	6.50%	-27.01%	-	-41.41%	25.15%
Opportunistic Total	**215,000,000**	**96,540,745**	**17.13%**	**31.15%**	**26.30%**	**6.38%**	**6.73%**	**12.79%**
Private Real Estate Total	**503,548,488**	**213,332,684**	**10.47%**	**20.16%**	**16.31%**	**3.71%**	**4.05%**	**6.49%**
NCREIF Property Index			*5.51%*	*10.73%*	*13.14%*	*2.79%*	*2.76%*	
Public Real Estate								
In-House REIT	450,000,000	166,315,196	5.50%	8.00%	18.20%	7.10%	9.24%	13.25%
U.S. Value Income REIT Strategy	100,000,000	129,636,540	7.20%	15.00%	-	-	14.64%	14.35%
Public Real Estate Total	**550,000,000**	**295,951,735**	**6.10%**	**10.10%**	**19.10%**	**7.60%**	**9.53%**	**13.30%**
Wilshire REIT - U.S. Equity			*5.94%*	*8.40%*	*18.49%*	*7.20%*	*9.29%*	
Natural Resources								
Brookfield Brazil Timber Fund II, LP	30,000,000	-	-	-	-	-	-	-
Conservation Forestry Capital Fund II, LP	25,000,000	27,301,930	3.35%	7.68%	5.46%	-	2.85%	4.14%
Ecosystem Investment Partners II, LP	30,000,000	8,605,932	8.58%	14.73%	-	-	-10.86%	2.45%
Timber Total	**85,000,000**	**35,907,862**	**4.46%**	**9.34%**	**5.01%**	**-**	**2.55%**	**3.99%**
NCREIF Timberland Index			*2.47%*	*9.35%*	*3.59%*	*2.05%*	*1.36%*	
Halderman Farmland Separate Account	50,000,000	502	-	-	-	-	-	-
Hancock GLC Farms, LLC	50,000,000	14,948,174	0.77%	-	-	-	1.16%	1.55%
Agriculture Total	**100,000,000**	**14,948,676**	**0.77%**	**-**	**-**	**-**	**1.16%**	**1.55%**
NCREIF Farmland Index			*7.52%*	*20.05%*	*16.21%*	*13.23%*	*12.93%*	
Natural Resources Total	**185,000,000**	**50,856,537**	**3.33%**	**6.97%**	**4.25%**	**-**	**2.02%**	**3.67%**
Grand Total	**1,238,548,488**	**560,140,957**						

Note: As of Q2 end, LS VIII has not yet called capital, the market value shown represents the pro-rata net investment loss ($211,522) and distribution of managements fee rebates ($17,742) incured using the Fund's LOC for deal allcoation. In Q3 2013 LS VIII called captial for investment.

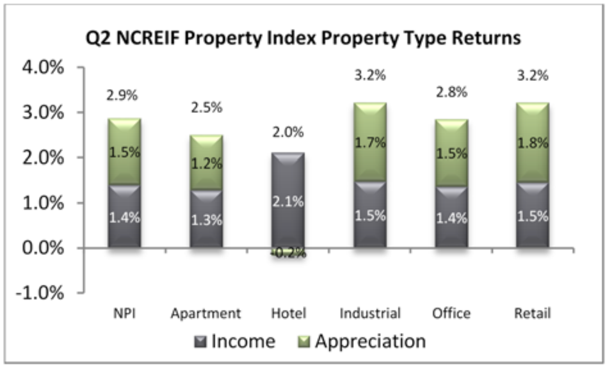
Manager Asset Detail

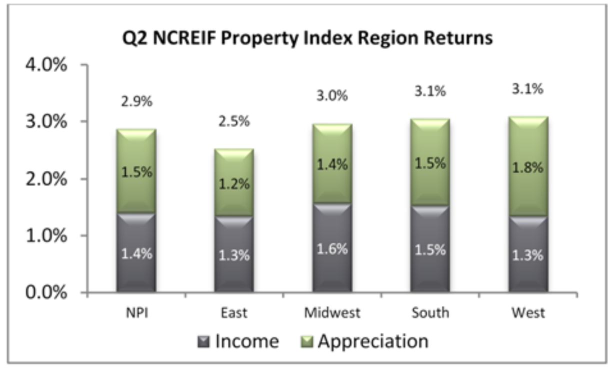
	Commitment ($)	Market Value ($)	Contributions ($)	Distributions ($)	Since Inception Net IRR
Private Real Estate					
PRIMA Mortgage Investment Trust, LLC	50,000,000	49,846,395	50,000,000	(14,168,871)	6.06%
Prologis Targeted Europe Logistics Fund, FCP-FIS	11,119,970	5,845,758	11,118,781	(1,054,760)	-10.21%
Prologis Targeted US Logistics Fund	21,973,973	14,808,086	21,973,973	(2,122,082)	-5.39%
Core Total	**83,093,943**	**70,500,239**	**83,092,753**	**(17,345,713)**	**1.29%**
Crow Holdings Realty Partners VI, LP	50,000,000	-	-	-	-
Prudential Senior Housing Partners IV	50,000,000	16,922,780	24,574,039	(8,385,147)	4.71%
RAM Realty Partners III	30,000,000	13,942,622	13,510,570	(397,977)	10.87%
Rockpoint Real Estate Fund IV, L.P.	45,454,545	11,582,831	10,997,337	(318,694)	27.94%
SRG Western States Multifamily Fund	30,000,000	3,843,467	4,184,409	-	-
Value-Added Total	**205,454,545**	**46,291,700**	**53,266,355**	**(9,101,818)**	**9.24%**
Greenfield Acquisition Partners V, L.P.	25,000,000	24,471,194	24,650,000	(6,925,000)	8.27%
Guggenheim Structured Real Estate III, LP	25,000,000	6,549,194	25,000,000	(13,046,831)	-6.62%
Lone Star Fund VII (U.S.), L.P.	50,000,000	30,607,907	46,826,439	(41,720,918)	52.88%
Lone Star Fund VIII (U.S.), L.P.	50,000,000	(229,264)	-	(17,742)	-
Lone Star Real Estate Fund II (U.S.), L.P.	25,000,000	12,046,849	16,581,204	(7,020,767)	17.62%
RAPM NM Secondary Opportunity Fund, L.P.	40,000,000	23,094,865	19,715,240	(6,968,433)	25.15%
Opportunistic Total	**215,000,000**	**96,540,745**	**132,772,884**	**(75,699,691)**	**12.79%**
Private Real Estate Total	**503,548,488**	**213,332,684**	**269,131,992**	**(102,147,223)**	**6.49%**
Public Real Estate					
In-House REIT	450,000,000	166,315,196	773,270,445	(966,575,014)	13.25%
U.S. Value Income REIT Strategy	100,000,000	129,636,540	99,294,846	-	14.35%
Public Real Estate Total	**550,000,000**	**295,951,735**	**872,565,291**	**(966,575,014)**	**13.30%**
Natural Resources					
Brookfield Brazil Timber Fund II, LP	30,000,000	-	-	-	-
Conservation Forestry Capital Fund II, LP	25,000,000	27,301,930	27,450,939	(3,272,954)	4.14%
Ecosystem Investment Partners II, LP	30,000,000	8,605,932	8,692,057	(269,556)	2.45%
Halderman Farmland Separate Account	50,000,000	502	71,045	-	-
Hancock GLC Farms, LLC	50,000,000	14,948,174	14,800,000	-	1.55%
Natural Resources Total	**185,000,000**	**50,856,537**	**51,014,042**	**(3,542,510)**	**3.67%**
Grand Total	**1,238,548,488**	**560,140,957**	**1,192,711,325**	**(1,072,264,747)**	

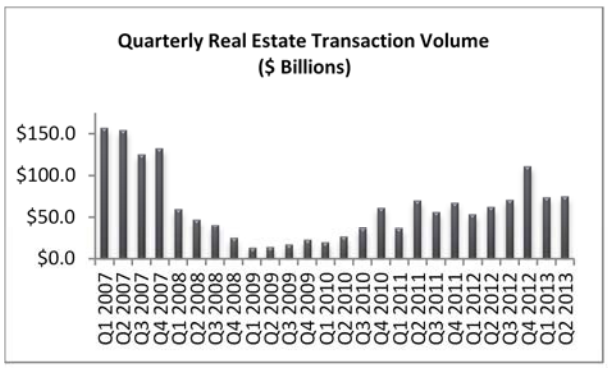
Note: As of the end of Q2, LS VIII has not yet called capital, the market value shown represents the pro-rata net investment loss ($211,522) and distribution of managements fee rebates ($17,742) incured using the Fund's LOC for deal allcoation. In Q3 2013 LS VIII called captial for investment.

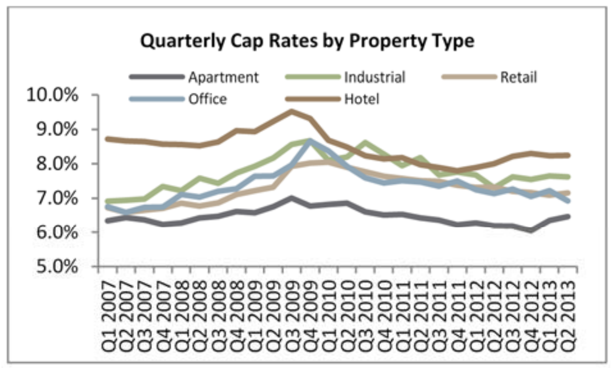
Market Overview

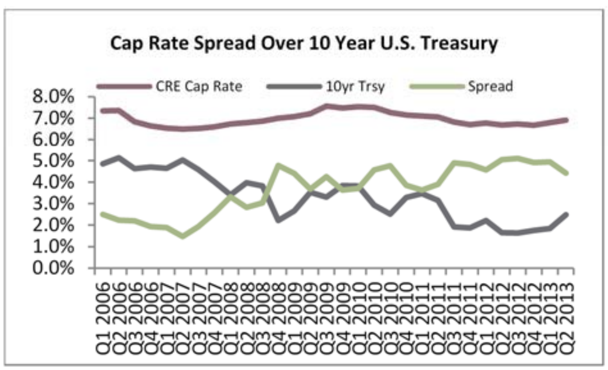
Real Estate Market Overview

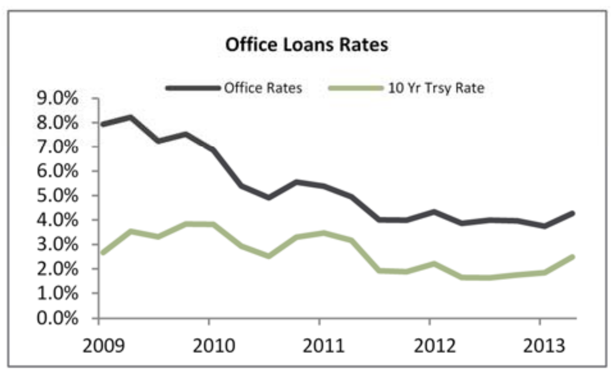


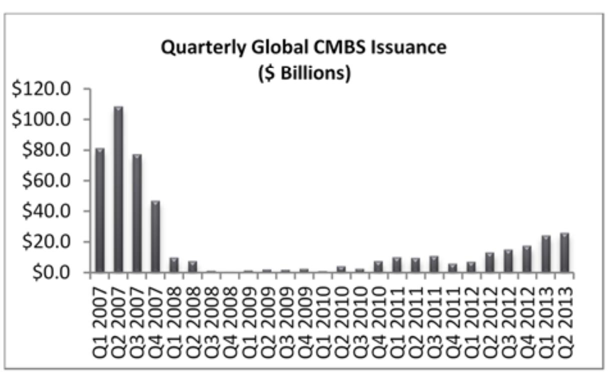


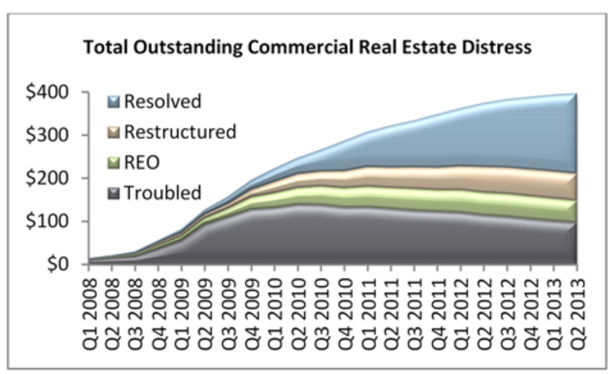












Sources: NCREIF, Real Capital Analytics

Real Estate Market Commentary

Second quarter total return performance for the NCREIF Property Index (NPI) bumped up 30 basis points from the previous quarter to 2.87%, consisting of 1.40% income and 1.47% appreciation. Over the past eight quarters, income has held tightly around 1.40%, while variances in appreciation have been more evident, fluctuating between 0.92% and 1.83%. This quarter's appreciation return of 1.47% is the highest single quarter since Q4 2011, and out paces Q1 2013 by 29 basis points. The appreciation gains were led by the Industrial (App. 1.74%) and Retail (App. 1.76%) sectors, which collectively represent $125 billion, or 37.3% of the NPI's Q2 total value. The industrial sector returned 3.22% for the quarter, and was the top performing property type. According to CBRE Econometric Advisors, occupancies increased 110 basis points on average nationally over the past year, marking the strongest occupancy gain since emerging from the Global Financial Crisis. Retail followed closely behind industrial, returning 3.21% for the period. While this is a decline from Q1 at 3.72%, retail continues to be the top performing sector over the trailing 1, 5, & 10 year periods. For the period, the office sector performed roughly in line with the index at 2.84%, while the apartment sector trailed at 2.50%. After leading the real estate recovery, growth rates for apartments are slowing after years of above-trend performance, yet market fundamentals continue to remain strong.

Transaction volume continues to rise, as the second quarter total ticked up to $75.1 billion, outpacing the previous quarter by $1.0 billion, and representing a 20% increase YOY. With the exception of apartments transaction volumes increased YOY for all other main property types. The hotel and office sectors posted the strongest change, increasing YOY 90.0% and 43.0%, respectively. Meanwhile the apartment sector, despite posting substantial volume for the quarter at $18.3 billion, appears to be slowing as compared to preceding quarters. From Q1 2010 through Q1 2013 the apartment sector sales volume grew by double-digits on a YOY basis, while Q2 2013 was essentially flat from the prior year. Recent data clearly details a trend of growing appetite for risk across property types. Suburban office has outperformed CBD, unanchored strips had the most positive trends in the retail sector, resorts and un-flagged hotels saw the biggest rise in sales for hotels. Furthermore, investor interest continues to grow for secondary real estate market investments.

For the quarter, cap rates increased modestly for all property types, with the exception of office, which declined 29 basis points to 6.92%. The hotel, retail, and apartment sectors increased 27, 20, and 19 basis points to 8.24%, 7.15%, and 6.46%, respectively. Industrial remained nearly flat at 7.62%. The dip in average cap rates for office is in part attributable to the ratio of sales volume growth in CBD versus suburban office. CBD office accounted for 54.7% of quarterly sales volume, up from 45.8% in Q1; suburban office accounted for the balance. Cap rates for CBD and suburban office each declined 30 basis points for the quarter to 6.2% and 7.3%, respectively. Furthermore, the average $/sq. ft. for CBD office increased 8.2% over the quarter, while suburban remained essentially flat. The average cap rate for commercial real estate increased 12 basis points over the quarter to 6.91%, while 10-Year US Treasury rates increased 64 basis points, and spreads compressed 52 basis points over the period. The 12 year average spread is 3.96% and as of quarter end was 4.42%, if the average is equilibrium there remains a 46 basis point cushion should rates continue to rise, thus providing support for moderated cap rate increases.

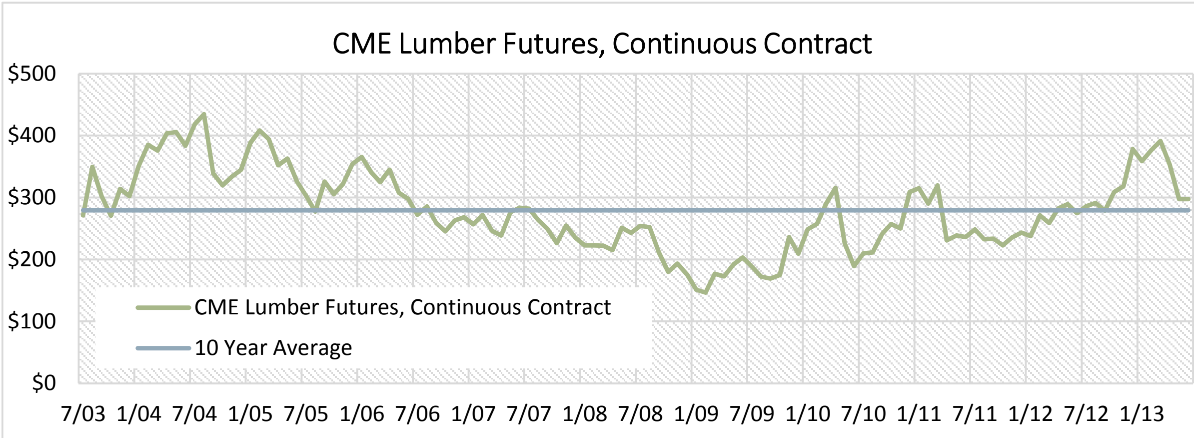
A substantial climb in interest rates occurred in Q2 in lead-up-to and following the June meeting of the Federal Open Markets Committee (FOMC). The rise was initially facilitated on speculation of FOMC actions and later substantiated by "forward guidance" from the FOMC of a potential tapering of QE3 following their forthcoming September meeting. For the quarter, the 10-Year US Treasury yield began at 1.86%, fluctuated between 1.66% and 2.60%, and ended at 2.52%. Following the second quarter end 10- Year US Treasury rates continued to climb to 2.98% in anticipation of the September FOMC meeting. Ultimately they decided to hold off tapering until a future, unspecified date. Rates quickly dipped on the news and the 10-Year US Treasury as of this writing was at 2.73%.

Despite the climb in interest rates, CMBS issuance continues to climb. Year to date through the second quarter, $51.3 billion of CMBS had been issued globally, of which $43.9 billion was issued in the US alone, whereas for the entire year of 2012, Global and US issuance was $52.6 billion and $48.4 billion, respectively.

Progress continues to be made in reducing distress balances related to commercial real estate, and new instances of distressed assets continue to decline. Current levels of distress are at the lowest levels since Q3 2007. In the second quarter, $8.4 billion of distress assets were worked out, while $3.0 billion of assets became distressed for a net gain of $5.4 billion. Total remaining distress equates to $148 billion, down from the peak at $180 billion. Although gains in workouts as measured at par value are meaningful, the average recovery rate that lenders are able to recover when liquidating default mortgages was 61% in the second quarter, down from the cycle average of 66%.

Sources: NCREIF, Real Capital Analytics, Commercial Mortgage Alert

Timber Market Commentary



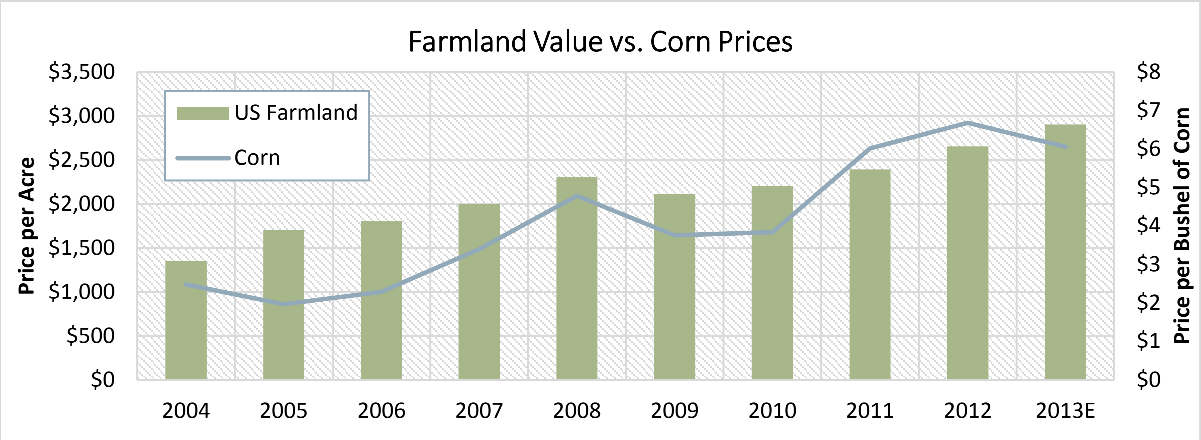
In the second quarter, demand for timber products remained elevated from 2012 levels, yet slowed from the first quarter due to rising interest rates. For the quarter, the 10-yr US Treasury yield increased 64 basis points to 2.52%, as a result monthly US housing starts declined 10% over the quarter to 900,000, but remained well above 2012 levels of approximately 600,000 per month. Despite the one quarter decline in housing starts, mill owners continued to invest significant capital to improve efficiencies and increase production capacity. The one-two-punch of increased lumber supply from the mill expansions, and the dip in demand resulted in lumber prices declining significantly over the quarter reversing much of the previous year's lumber price run-up. While the decrease is meaningful, the above graph indicates current pricing is more in line with equilibrium, also given current mill expansion it would appear evident that current lumber prices are allotting mills sufficient margins for operation.

In reaction to lumber price changes, stumpage prices in the Pacific Northwest followed lumber prices on the way down just as they had previously followed them up in 2012. Conversely, in the Southeast US stumpage prices continue to slowly improve from lows in 2011. While lumber prices declined in Q2, it is interesting to note, however, that pulpwood prices remained steady despite increased supply of residuals from more saw milling activity.

While the one quarter change of events is meaningful, the overall optimism in the industry remains strong, as evidenced by Weyerhaeuser's purchase of 645,000 acres of timberland from Brookfield at an average price of $4,110 per acre. Weyerhaeuser admits to paying a high price however has stated that the unique scale, favorable age class distribution, and proximity to other holdings made it an attractive investment. As further evidence of prevailing optimism, mills are reopening and investing significant capital. As an example during the quarter, Plum Creek re-opened a mill in Washington after a four year shutdown. Plum Creek attributed this re-opening to the recovery in housing as the mill makes studs used to frame houses. In addition, Plum Creek acquired 46,000 acres in western Georgia from the Campbell Group. In the months following quarter end, monthly new housing starts continued to ring in between 800,000 and 900,000, and as of this writing November lumber futures are trading at $338.2 / 1,000 board feet, collectively providing further validity to the ongoing housing recovery and its subsequent positive impact on timber.

Sources: CME, National Home Builders Association, Timber Mart-South, and RAPM

Agriculture Market Commentary



US farm real estate value, a measurement of the value of all land and buildings on farms, averaged $2,900/acre for 2013 through August, up 9.4% from revised 2012 values. US cropland value increased by $460/acre year to date to $4,000/acre. The increase in value in the first half of 2013 is largely attributable to: (i) early season weather factors raising question about yearly production, thus supporting commodity prices, and (ii) confidence in the crop insurance program has grown following the drought of 2012. As is evident in the above graph, commodity prices (proxied by corn prices) have been on a continued upward trend providing fuel to a fundamental valuation approach to farmland. However, US coarse grain (corn, sorghum, barley, oats and rye but mostly corn) yield estimates are 27.5% larger in 2013 than 2012. Since the US produces nearly 30% of global production, the increased US production allowed world production to increase by 10.4%. As a result of the increase in production, the price of corn declined from its spot market peak of $8.15 per bushel in August 2012 to the recent December 2013 futures price of $4.60 per bushel, a 43.6% decline year-over-year.

From a forward looking perspective, a single season decline in commodity prices alone is hardly enough reason to speculate on a subsequent, sustained decline in farmland values, though it may momentarily spur an increase in quality buying opportunities at a preferential basis. From the perspective of an investment manager who's looking to deploy capital this may prove to be excellent market timing, as recent acquisition pacing has been slow given recent trends.

Sources: USDA, Chicago Mercantile Exchange, and RAPM.

Appendix A

Summary of Portfolio Cash Flows – Private Investments

Quarter	Contributions	Distributions	Total
Q1 2008	9,000,000	-	9,000,000
Q2 2008	25,500,000	(446,462)	25,053,538
Q3 2008	44,852,570	(1,019,994)	43,832,576
Q4 2008	33,979,025	(1,223,450)	32,755,575
Q1 2009	5,572,204	(1,142,560)	4,429,644
Q2 2009	3,320,837	(2,831,451)	489,386
Q3 2009	1,582,090	(3,883,030)	(2,300,940)
Q4 2009	6,713,749	(1,450,747)	5,263,002
Q1 2010	4,451,516	(846,291)	3,605,226
Q2 2010	767,315	(1,188,459)	(421,144)
Q3 2010	674,058	(853,205)	(179,147)
Q4 2010	13,741,534	(1,926,081)	11,815,454
Q1 2011	2,347,300	(4,107,813)	(1,760,513)
Q2 2011	18,061,101	(4,171,517)	13,889,584
Q3 2011	8,660,670	(7,451,229)	1,209,441
Q4 2011	23,900,427	(5,389,008)	18,511,419
Q1 2012	7,907,732	(4,722,068)	3,185,665
Q2 2012	15,087,526	(2,870,248)	12,217,278
Q3 2012	26,488,091	(5,684,184)	20,803,907
Q4 2012	41,374,981	(9,937,326)	31,437,655
Q1 2013	1,622,072	(19,771,643)	(18,149,571)
Q2 2013	24,541,234	(24,772,969)	(231,735)
Total	$ 320,146,033	$ (105,689,733)	$ 214,456,300

Appendix B

Notes to the Performance Report

Multiples are calculated net of fees using private investments only.

The PIC Multiple is the cumulative contributed amount divided by committed capital. This multiple indicates how much of committed capital has been paid in.

The Distribution Multiple ("DPI") measures the portion of fund returns distributed to investors. When DPI is the equivalent of 1, the Fund has broken even. A DPI of greater than 1 indicates that the Fund has generated profit to the investors.

The Residual Value Multiple ("RVPI") measures the portion of returns that are unrealized.

The Total Value Multiple ("TVPI") provides information regarding the value of the investment relative to its cost basis, not taking into consideration the time invested.

Paid in Capital Ratios reflect all contributions made divided by the total commitments, without making adjustments for contributions that may be offset by recallable or true-up distributions.

Consistent with calculating Paid in Capital, Distributions to Paid in Capital Ratios reflect all distributions received divided by the aggregate total of contributions.

RAPM believes this is the most accurate way to reflect the cash flows experienced during the investment, though Paid in Capital and Distributed to Paid in Capital ratios may not exactly equal those values shown on manager-provided capital statements if the manager is adjusting for recallable distributions or true-up distributions for the Fund. All managers treat these classifications differently and therefore, RAPM utilizes actual cash flows experienced for calculating key ratios as of the quarter end.

Diversification statistics are based on net investment value.

All indices are gross of fee indices.

REIT returns and and Private Asset returns are calculated using different methodologies. The REIT returns are based on the monthly returns as reported by the Custodian and is calculated in accordance with accepted standards for daily liquid securities that require interim period monthly calculations for months in which large external cash flows occur. Private Asset returns are also calculated in accordance with accepted standards for these components using time weighted total rate of return that considers the timing of external cash flows; however, it does not distinguish between large and small cash flows and therefore does not utilize interim period performance to mitigate the impact of significant cash-in and outflows.

All performance numbers reflect data as reported to RAPM by the investment managers. RAPM has made an effort to verify the integrity of the data, including cross referencing what was reported for performance with fund financial and investor capital statements. However, RAPM serves as a data aggregator and reporter of fund level performance data and, therefore, cannot guarantee the accuracy of the underlying data reported by fund managers.

Disclosure Statements

NOTE REGARDING PROJECTIONS AND FORWARD-LOOKING STATEMENTS: The information provided in this report contains estimates, return data and valuations that are based upon assumptions and projections. Such estimates and assumptions involve judgments with respect to, among other things, future economic and competitive conditions; real estate market conditions; occupancy and rental rates; and the like, which may not be realized and are inherently subject to significant uncertainties and changes, all of which are difficult to predict and many of which are beyond the control of the General Partner and Real Asset Portfolio Management and the investment managers of the indirect fund investments. Accordingly, no assurance can be given that such projections will be realized, and actual conditions, operations and results may vary materially from those set forth herein. Limited Partners are cautioned that the predictions and other forward-looking statements reflected in this report involve risks and uncertainty, including without limitations, risks incident to investment in core real estate and to investment in "non-core" real estate funds. In light of the foregoing factors, actual returns and results are likely to differ substantially from the forward-looking statements contained in this report, and Limited Partners are cautioned not to place undue reliance on such forward-looking statements and projections. The words "estimate," "anticipate," "expect," "predict," "believe" and like expressions are intended to identify forward-looking statements.

THE PERFORMANCE INFORMATION SET FORTH HEREIN REPRESENTS PAST PERFORMANCE AND IS NOT A GUARANTEE OF FUTURE RESULTS.