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EDUCATIONAL
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BOARD

New Mexico Educational Retirement Board

Third Quarter 2011 Private Markets Review

February 23, 2012

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Information Disclosure

- NEPC, LLC uses, as its data source, the plan's fund manager and custodian bank or fund service company, and NEPC, LLC relies on those sources for all transactions, including capital calls, distributions, income/expense and reported values. While NEPC, LLC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- The Investment Performance Analysis is provided as a management aid for the client's internal use only. Portfolio performance reported in the Investment Performance Analysis does not constitute a recommendation by NEPC, LLC.
- Information in this report on market indices and security characteristics is received from sources external to NEPC, LLC. While efforts are made to ensure that this external data is accurate, NEPC, LLC cannot accept responsibility for errors that may occur.



February 23, 2012

Trustees
New Mexico Educational Retirement Board
 6201 Uptown Blvd.
 Suite 204
 Albuquerque, NM 87110

RE: Private Equity Strategy – 3rd Quarter 2011

Dear Trustees,

We are pleased to present the September 30, 2011 Private Equity Report for the New Mexico ERB, (ERB). The report provides a variety of performance analyses for the overall portfolio. The reports include trailing performance, performance by investment stage, performance by strategy, and vintage year performance.

The ERB experienced a negative quarter, earning a nominal IRR of (2.81%) and a one year IRR of 8.29%. The annualized IRR of the private equity portfolio since inception was 5.36% at quarter end. Since inception, the Total Value to Paid In multiple (current valuation plus cumulative distributions, divided by total capital calls) was 1.11.

The following table presents the status of the ERB private markets portfolio as of September 30, 2011:

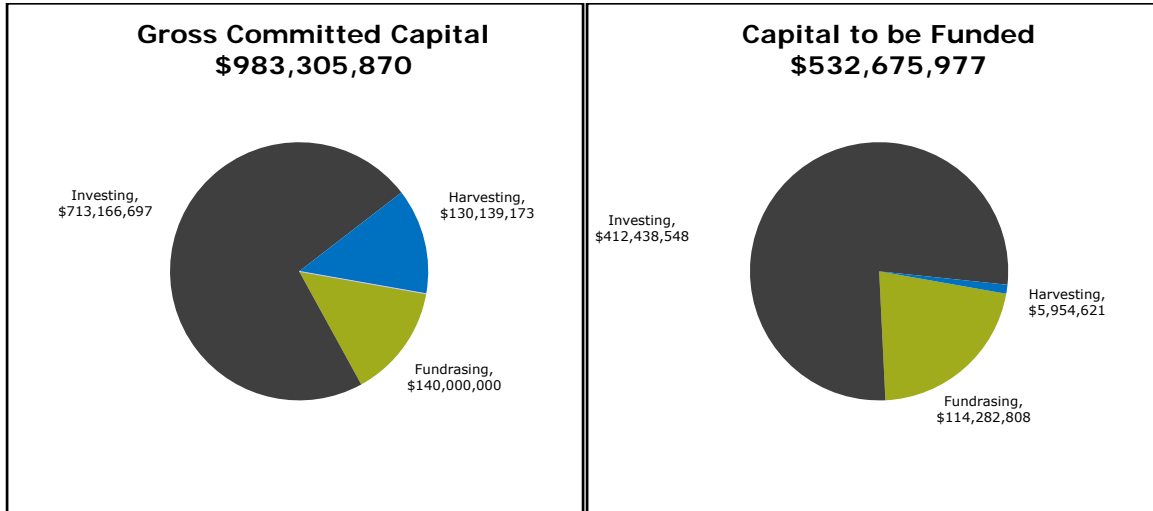
Commitment	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$983,305,870	\$0	\$450,629,893	\$75,426,676	\$429,865,911	46%	17%

Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)	Total Fund Composite as of 9/30/2011	Private Markets Target	Reported Value of Total Fund	Market Exposure as a % Total Fund
\$532,675,977	\$962,541,888	\$8,682,276,954	10%	4.95%	11.09%

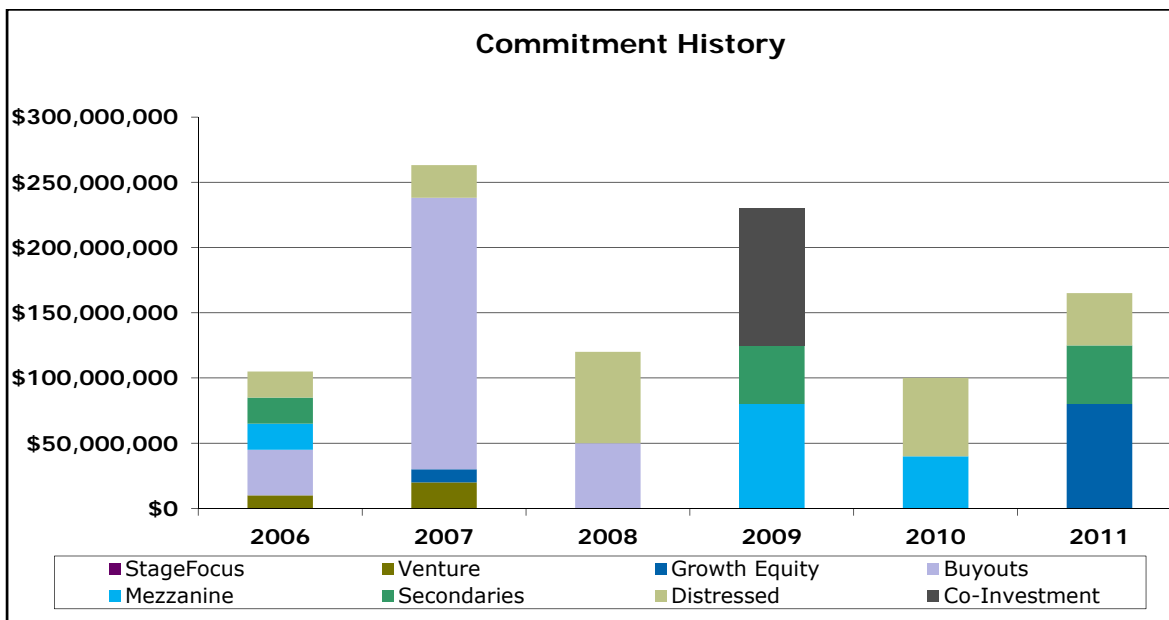
Total Value (Reported Value + Distributions)	Total Value To Capital Call Ratio	Internal Rate of Return IRR, Since Inception (June 2006 funding)
\$505,292,587	1.11	5.36%



At quarter end, the ERB had commitments totaling \$983.31 million to 32 private equity funds. Of the 32 funds, 4 funds are in the fundraising stage, 21 funds are in the investing stage and 7 funds are in the harvesting stage. The following charts illustrate the program's current life cycle.

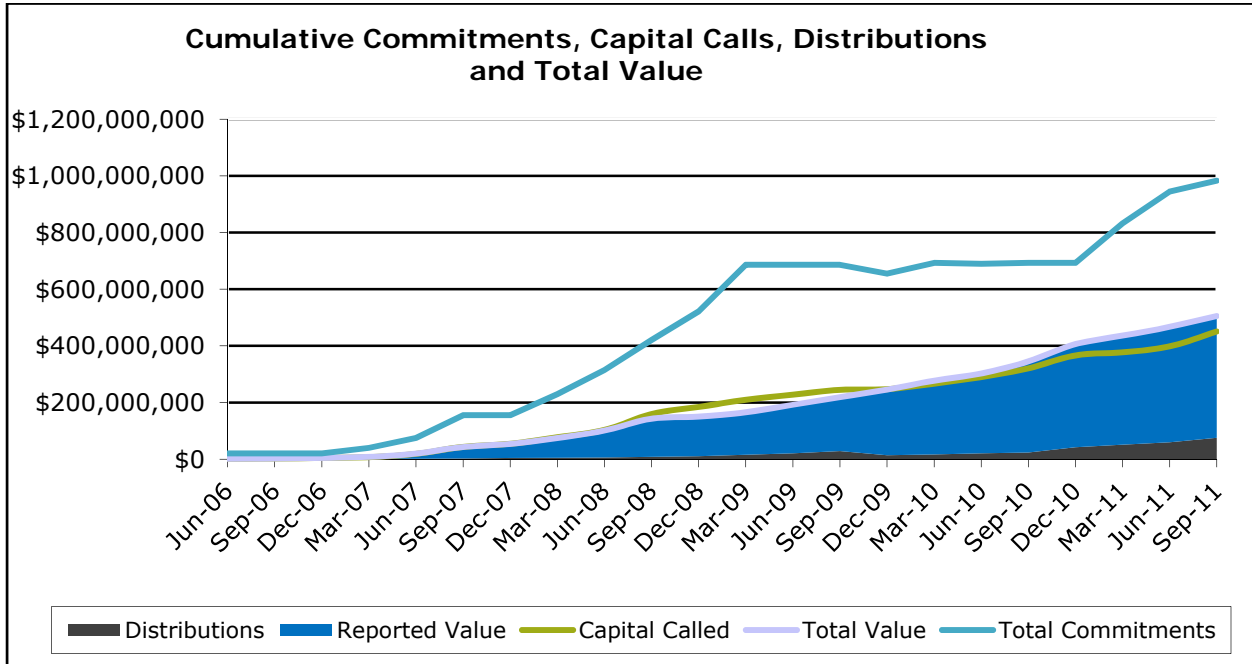


The following chart illustrates the commitment history of the private markets program through the quarter end:

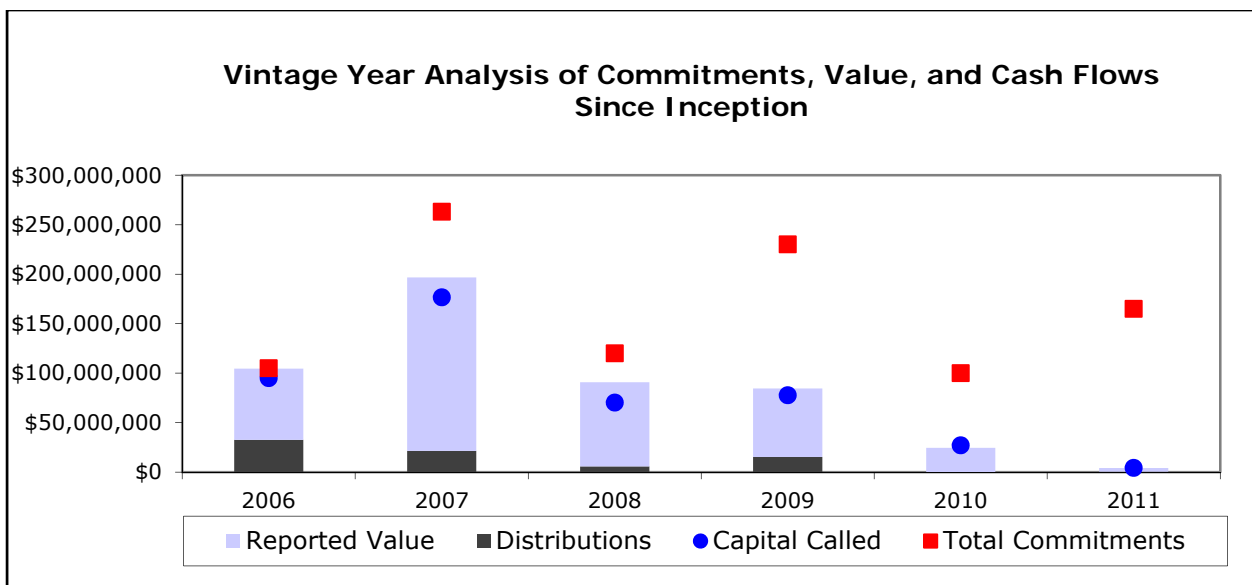




The following chart illustrates the cumulative commitment history, cumulative capital calls, cumulative distributions and reported value:



The following chart provides an analysis of the vintage year performance comparing the capital calls to the distributions and reported value.

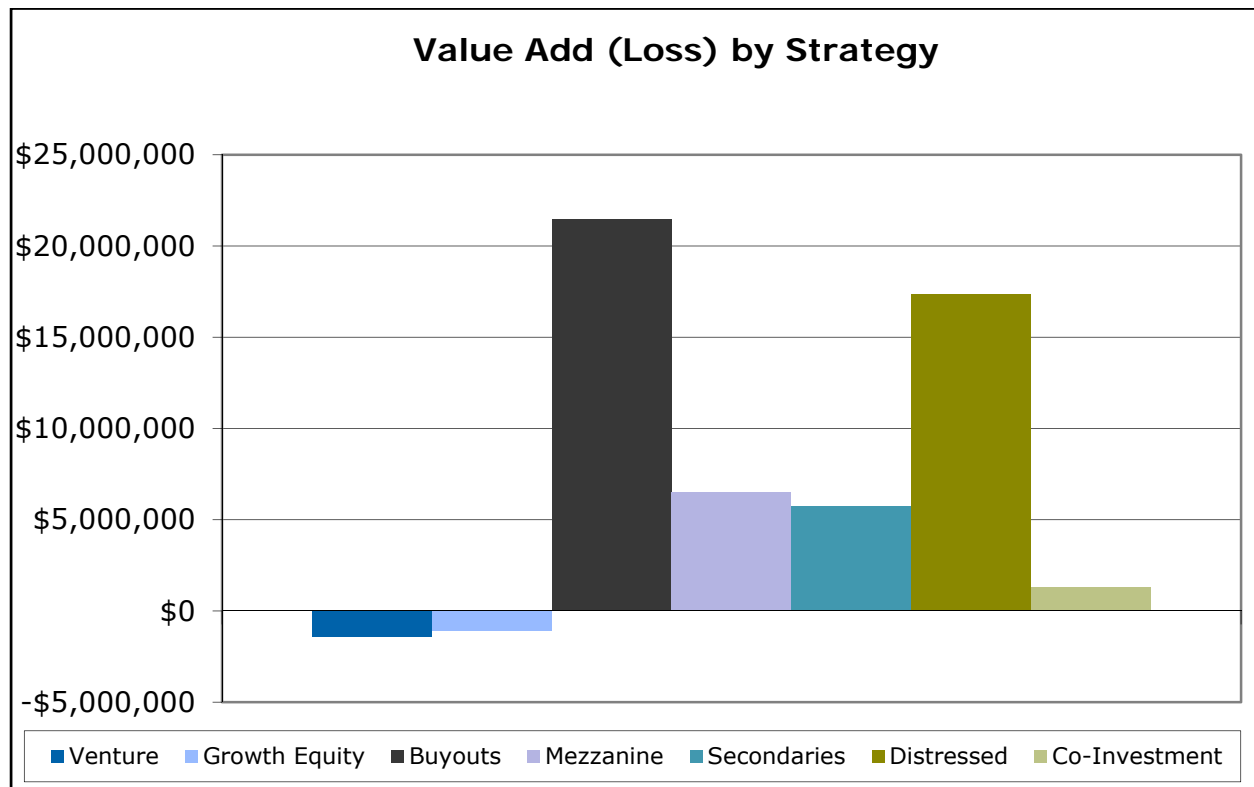




During the quarter-ended September 30, 2011 the ERB private markets portfolio funded 24 investments and received distributions from 12 funds. The summary of the cash flows is as follows:

Amount Funded for the Quarter	Number of Funds Calling Capital	Distributions for the Quarter	Number of Funds Making Distributions	Net Cash/Stock Flows for the Quarter
\$49,566,898	24	\$15,593,184	12	\$33,973,714

Since inception, the private markets program has gained \$49.79 million in value. The investment strategies adding value are Distressed, \$17.32 million; Mezzanine, \$6.49 million; Buyouts, \$21.44 million; Co-Investment, \$1.28 million; and Secondaries, \$5.75 million. The investment strategies losing value are Venture, (\$1.40) million and Growth Equity, (\$1.10) million.

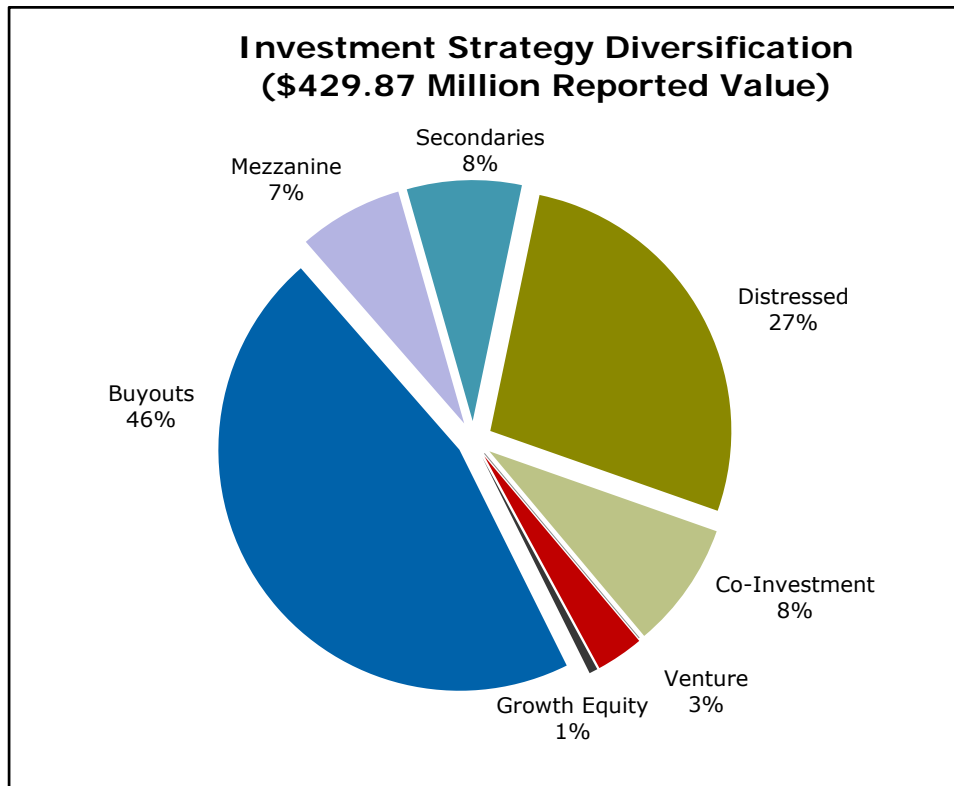




The program compared to typical long-term target allocations among the various private equity strategies is as follows:

Investment Strategy	Target	Min.	Max.	Reported Value	Unfunded Commitment	Total Exposure
Private Equity	100.0%	-	100.0%	44.7%	55.3%	100.0%
<i>Venture</i>	10.0%	-	25.0%	1.4%	1.3%	2.8%
<i>Growth Equity</i>	20.0%	-	30.0%	0.3%	9.0%	9.2%
<i>Buyouts</i>	20.0%	-	50.0%	20.5%	10.6%	31.1%
<i>Mezzanine</i>	15.0%	-	30.0%	3.1%	9.4%	12.5%
<i>Secondaries</i>	10.0%	-	30.0%	3.4%	7.6%	11.0%
<i>Distressed</i>	15.0%	-	30.0%	12.1%	10.2%	22.3%
<i>Energy</i>	5.0%	-	10.0%	-	-	-
<i>Co-Investment</i>	5.0%	-	10.0%	3.8%	7.3%	11.1%
Totals	100.0%			44.7%	55.3%	100.0%

At the quarter end, the private markets portfolio was diversified by investment strategy. The private markets valuation by strategy follows:





Allocations

As of 09/30/2011-Lightyear and Edison Venture commitments anticipated to close shortly. Strategic Value Partners commitment is still pending and not listed.

Annual Meetings Scheduled by the Private Equity Managers

- Comvest Group, March 22, Palm Beach, FL
- Ares, April 25, Los Angeles, CA

We thank you for the opportunity to work with New Mexico Educational Retirement Board and look forward to continued success in the future.

Best regards,

Allan Martin
Partner

K

evin Tatlow
Senior Consultant, CAIA

New Mexico ERB
Executive Summary IRR Performance Report

9/30/2011

Investment	Vintage Year	Commitment	Qtr TD	YTD	1 Year	3 Year	5 Year	Inception
Apollo Investment Fund VII, L.P.	2008	40,000,000	-18.52	-11.33	1.35	14.33	N/A	12.00
Ares Special Situations III, LP	2010	30,000,000	N/A	N/A	N/A	N/A	N/A	-13.05
Ares Special Situations, LP	2008	30,000,000	-13.59	-6.24	6.05	12.93	N/A	7.84
BDCM Opportunity Fund III, LP	2011	40,000,000	10.69	N/A	N/A	N/A	N/A	7.97
BR Co-Investment (Transfer)	2009	5,139,173	0.00	23.15	23.15	N/A	N/A	6.86
BR/ERB Co-Investment Fund I (BlackRock)	2009	100,000,000	-2.63	7.98	6.14	N/A	N/A	0.91
Bridgepoint Europe IV D	2007	27,253,255	-7.12	7.54	7.88	N/A	N/A	-1.40
Clayton, Dubilier, and Rice Fund VIII, LP	2007	40,000,000	-4.36	1.53	10.76	N/A	N/A	12.96
ComVest Investment Partners III, LP	2007	25,000,000	-1.91	-6.41	-8.86	14.76	N/A	11.93
DRI II, L.P.	2009	40,000,000	-5.40	9.62	-2.76	N/A	N/A	-2.40
EIG XV	2010	40,000,000	29.46	N/A	N/A	N/A	N/A	18.63
Edison Venture Fund VII, L.P.	2011	40,000,000	N/A	N/A	N/A	N/A	N/A	N/A
Fletcher Spaght Ventures II	2007	20,000,000	-1.50	-10.97	-3.55	-5.84	N/A	-10.93
GF Capital Private Equity Fund, LP	2007	15,000,000	-0.52	2.07	13.27	11.14	N/A	6.51
Goode Partners Consumer Fund I, L.P.	2007	20,000,000	-1.62	11.22	21.35	18.17	N/A	8.17
HM Sector Performance Fund, L.P.	2006	20,000,000	-1.59	-16.15	-13.22	-14.34	N/A	-13.25
Industrial Opportunity Partners, L.P.	2006	15,000,000	9.66	35.10	56.69	17.26	N/A	12.45
Industry Ventures Fund VI	2011	45,000,000	-13.60	N/A	N/A	N/A	N/A	-22.08
Leeds Equity Partners V, LP	2007	20,000,000	-0.25	14.31	3.10	N/A	N/A	9.95
Levine Leichtman Deep Value Fund	2006	20,000,000	-0.32	11.17	18.78	21.38	N/A	3.92
Levine Leichtman IV	2008	50,000,000	-0.76	31.74	38.09	19.37	N/A	21.47
Lexington Capital Partners VI-B	2006	20,000,000	-1.58	4.18	15.58	5.84	5.02	4.70
Lexington Capital Partners VII	2009	45,000,000	29.74	13.87	16.88	N/A	N/A	25.03
Lightyear Capital III	2011	40,000,000	N/A	N/A	N/A	N/A	N/A	N/A
Lion Capital Fund II	2007	40,913,443	-0.31	-0.74	-6.52	-0.64	N/A	-1.14
Newstone Capital Partners I, LP	2006	20,000,000	0.60	5.82	9.02	6.83	N/A	7.13
Perseus Partners VII, LP	2007	15,000,000	1.79	4.31	2.73	5.01	N/A	5.98
Platinum Equity Partners II, LP	2007	30,000,000	4.06	2.37	10.53	19.04	N/A	10.09
Psilos Group Partners III LP	2006	10,000,000	-2.79	13.37	17.24	7.61	N/A	1.06
Tenex Capital Partners	2010	30,000,000	N/A	N/A	N/A	N/A	N/A	-21.07
VSS Structured Capital Partners II	2009	40,000,000	1.84	9.03	14.77	N/A	N/A	10.06
Vicente Capital fka/K H Growth Equity Fund	2007	10,000,000	-1.81	-5.66	-3.25	-12.03	N/A	-15.92
Total: New Mexico ERB		983,305,870	-2.81	3.60	8.29	8.63	5.38	5.36

Composite IRRs include all flows of the selected investments regardless of the start date of the investment.
"N/A" will be displayed if the investment has insufficient cash flows for the period

**New Mexico ERB
Performance Analysis**

9/30/2011

Partnership Name	Vintage Year	Commitment	Paid In Capital	Capital To Be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
1 Apollo Investment Fund VII, L.P.	2008	40,000,000	19,586,802	20,413,198	6,524	2,996,547	21,493,105	24,489,652	4,896,327	49 %	0.15	1.25	12.00 %
2 Ares Special Situations III, LP	2010	30,000,000	19,771,283	10,228,717	279,745	0	17,529,453	17,529,453	-2,521,575	66 %	0.00	0.87	-13.05 %
3 Ares Special Situations, LP	2008	30,000,000	30,000,000	0	513,990	0	37,767,266	37,767,266	7,253,276	100 %	0.00	1.24	7.84 %
4 BDCM Opportunity Fund III, LP	2011	40,000,000	1,988,281	38,011,719	-1,270	349,005	1,834,838	2,183,843	196,832	5 %	0.18	1.10	7.97 %
5 BR Co-Investment (Transfer)	2009	5,139,173	5,139,173	0	0	0	6,127,016	6,127,016	987,843	100 %	0.00	1.19	6.86 %
6 BR/ERB Co-Investment Fund I (Blackf	2009	100,000,000	30,171,469	69,828,531	0	0	30,466,475	30,466,475	295,006	30 %	0.00	1.01	0.91 %
7 Bridgepoint Europe IV D	2007	27,253,255	12,239,783	15,013,471	0	0	12,051,926	12,051,926	-187,857	45 %	0.00	0.98	-1.40 %
8 Clayton, Dubilier, and Rice Fund VIII, I	2007	40,000,000	25,953,355	14,046,645	6,468	0	29,663,844	29,663,844	3,704,021	65 %	0.00	1.14	12.96 %
9 ComVest Investment Partners III, LP	2007	25,000,000	21,615,079	3,384,921	431,428	9,282,906	18,570,155	27,853,061	5,806,554	86 %	0.43	1.26	11.93 %
10 DRI II, L.P.	2009	40,000,000	10,243,393	29,756,607	147,896	7,004,694	3,203,474	10,208,168	-183,121	26 %	0.68	0.98	-2.40 %
11 EIG XV	2010	40,000,000	3,320,000	36,680,000	0	0	3,829,153	3,829,153	509,153	8 %	0.00	1.15	18.63 %
12 Edison Venture Fund VII, L.P.	2011	40,000,000	0	40,000,000	0	0	0	0	0	0 %	0.00	N/A	N/A
13 Fletcher Spaght Ventures II	2007	20,000,000	8,950,001	11,050,000	103,079	1,720,201	5,671,328	7,391,529	-1,661,551	45 %	0.19	0.82	-10.93 %
14 GF Capital Private Equity Fund, LP	2007	15,000,000	12,020,172	2,979,828	105,889	0	13,687,997	13,687,997	1,561,936	80 %	0.00	1.13	6.51 %
15 Goode Partners Consumer Fund I, L.P.	2007	20,000,000	19,464,031	535,969	129,530	3,247,802	21,091,015	24,338,817	4,745,257	97 %	0.17	1.24	8.17 %
16 HM Sector Performance Fund, L.P.	2006	20,000,000	16,471,154	3,528,846	-127,485	1,785,804	8,962,203	10,748,007	-5,595,662	82 %	0.11	0.66	-13.25 %
17 Industrial Opportunity Partners, L.P.	2006	15,000,000	11,376,383	3,623,617	114,029	587,257	14,109,799	14,697,056	3,206,644	76 %	0.05	1.28	12.45 %
18 Industry Ventures Fund VI	2011	45,000,000	2,250,000	42,750,000	0	0	1,977,183	1,977,183	-272,817	5 %	0.00	0.88	-22.08 %
19 Leeds Equity Partners V, LP	2007	20,000,000	7,982,530	12,017,470	-333,456	0	8,413,933	8,413,933	764,858	40 %	0.00	1.10	9.95 %
20 Levine Leichtman Deep Value Fund	2006	20,000,000	20,000,000	0	2,513,465	8,913,866	16,136,247	25,050,113	2,536,649	100 %	0.45	1.11	3.92 %
21 Levine Leichtman IV	2008	50,000,000	20,620,796	29,379,204	-30,653	2,744,736	25,824,703	28,569,439	7,979,296	41 %	0.13	1.39	21.47 %
22 Lexington Capital Partners VI-B	2006	20,000,000	19,407,708	592,292	10,079	7,539,883	14,412,014	21,951,897	2,534,110	97 %	0.39	1.13	4.70 %
23 Lexington Capital Partners VII	2009	45,000,000	15,503,643	29,496,357	-114,241	2,213,439	16,668,213	18,881,652	3,492,250	34 %	0.14	1.23	25.03 %
24 Lightyear Capital III	2011	40,000,000	0	40,000,000	0	0	0	0	0	0 %	0.00	N/A	N/A
25 Lion Capital Fund II	2007	40,913,443	33,097,555	7,815,888	274,962	1,855,637	30,317,594	32,173,231	-1,199,287	81 %	0.06	0.96	-1.14 %
26 Newstone Capital Partners I, LP	2006	20,000,000	19,502,383	497,617	242,554	13,390,029	10,348,410	23,738,439	3,993,502	98 %	0.69	1.20	7.13 %
27 Perseus Partners VII, LP	2007	15,000,000	13,664,134	1,335,866	114,277	241,066	15,683,236	15,924,302	2,145,891	91 %	0.02	1.16	5.98 %
28 Platinum Equity Partners II, LP	2007	30,000,000	18,039,030	11,960,970	377,257	5,123,783	17,602,483	22,726,266	4,309,979	60 %	0.28	1.23	10.09 %
29 Psilos Group Partners III LP	2006	10,000,000	8,150,000	1,850,000	26,981	391,862	8,044,547	8,436,409	259,428	82 %	0.05	1.03	1.06 %
30 Tenex Capital Partners	2010	30,000,000	3,957,627	26,042,373	49,700	0	3,162,947	3,162,947	-844,380	13 %	0.00	0.79	-21.07 %
31 VSS Structured Capital Partners II	2009	40,000,000	16,615,788	23,384,212	-9,464	6,031,198	12,748,158	18,779,356	2,173,032	42 %	0.36	1.13	10.06 %
32 Vicente Capital fka/K H Growth Equity	2007	10,000,000	3,528,340	6,471,660	46,258	6,961	2,467,196	2,474,157	-1,100,441	35 %	0.00	0.69	-15.92 %
32 Total Partnerships		983,305,870	450,629,893	532,675,977	4,877,541	75,426,676	429,865,911	505,292,587	49,785,152	46 %	0.17	1.11	5.36 %

New Mexico ERB
Lifecycle Performance Analysis

9/30/2011

Partnership Name	Vintage Year	Commitment	Paid In Capital	Capital To Be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
1 Fundraising													
1 Ares Special Situations III, LP	2010	30,000,000	19,771,283	10,228,717	279,745	0	17,529,453	17,529,453	-2,521,575	66 %	0.00	0.87	-13.05 %
2 BDCM Opportunity Fund III, LP	2011	40,000,000	1,988,281	38,011,719	-1,270	349,005	1,834,838	2,183,843	196,832	5 %	0.18	1.10	7.97 %
3 Lightyear Capital III	2011	40,000,000	0	40,000,000	0	0	0	0	0	0 %	0.00	N/A	N/A
4 Tenex Capital Partners	2010	30,000,000	3,957,627	26,042,373	49,700	0	3,162,947	3,162,947	-844,380	13 %	0.00	0.79	-21.07 %
1 Fundraising Subtotal		140,000,000	25,717,192	114,282,808	328,175	349,005	22,527,238	22,876,243	-3,169,124	18 %	0.01	0.88	-27.67 %
2 Investing													
5 Apollo Investment Fund VII, L.P.	2008	40,000,000	19,586,802	20,413,198	6,524	2,996,547	21,493,105	24,489,652	4,896,327	49 %	0.15	1.25	12.00 %
6 BR/ERB Co-Investment Fund I (Blackf	2009	100,000,000	30,171,469	69,828,531	0	0	30,466,475	30,466,475	295,006	30 %	0.00	1.01	0.91 %
7 Bridgepoint Europe IV D	2007	27,253,255	12,239,783	15,013,471	0	0	12,051,926	12,051,926	-187,857	45 %	0.00	0.98	-1.40 %
8 Clayton, Dubilier, and Rice Fund VIII, I	2007	40,000,000	25,953,355	14,046,645	6,468	0	29,663,844	29,663,844	3,704,021	65 %	0.00	1.14	12.96 %
9 ComVest Investment Partners III, LP	2007	25,000,000	21,615,079	3,384,921	431,428	9,282,906	18,570,155	27,853,061	5,806,554	86 %	0.43	1.26	11.93 %
10 DRI II, L.P.	2009	40,000,000	10,243,393	29,756,607	147,896	7,004,694	3,203,474	10,208,168	-183,121	26 %	0.68	0.98	-2.40 %
11 EIG XV	2010	40,000,000	3,320,000	36,680,000	0	0	3,829,153	3,829,153	509,153	8 %	0.00	1.15	18.63 %
12 Edison Venture Fund VII, L.P.	2011	40,000,000	0	40,000,000	0	0	0	0	0	0 %	0.00	N/A	N/A
13 Fletcher Spaght Ventures II	2007	20,000,000	8,950,001	11,050,000	103,079	1,720,201	5,671,328	7,391,529	-1,661,551	45 %	0.19	0.82	-10.93 %
14 GF Capital Private Equity Fund, LP	2007	15,000,000	12,020,172	2,979,828	105,889	0	13,687,997	13,687,997	1,561,936	80 %	0.00	1.13	6.51 %
15 Goode Partners Consumer Fund I, L.P.	2007	20,000,000	19,464,031	535,969	129,530	3,247,802	21,091,015	24,338,817	4,745,257	97 %	0.17	1.24	8.17 %
16 Industrial Opportunity Partners, L.P.	2006	15,000,000	11,376,383	3,623,617	114,029	587,257	14,109,799	14,697,056	3,206,644	76 %	0.05	1.28	12.45 %
17 Industry Ventures Fund VI	2011	45,000,000	2,250,000	42,750,000	0	0	1,977,183	1,977,183	-272,817	5 %	0.00	0.88	-22.08 %
18 Leeds Equity Partners V, LP	2007	20,000,000	7,982,530	12,017,470	-333,456	0	8,413,933	8,413,933	764,858	40 %	0.00	1.10	9.95 %
19 Levine Leichtman IV	2008	50,000,000	20,620,796	29,379,204	-30,653	2,744,736	25,824,703	28,569,439	7,979,296	41 %	0.13	1.39	21.47 %
20 Lexington Capital Partners VII	2009	45,000,000	15,503,643	29,496,357	-114,241	2,213,439	16,668,213	18,881,652	3,492,250	34 %	0.14	1.23	25.03 %
21 Lion Capital Fund II	2007	40,913,443	33,097,555	7,815,888	274,962	1,855,637	30,317,594	32,173,231	-1,199,287	81 %	0.06	0.96	-1.14 %
22 Platinum Equity Partners II, LP	2007	30,000,000	18,039,030	11,960,970	377,257	5,123,783	17,602,483	22,726,266	4,309,979	60 %	0.28	1.23	10.09 %
23 Psilos Group Partners III LP	2006	10,000,000	8,150,000	1,850,000	26,981	391,862	8,044,547	8,436,409	259,428	82 %	0.05	1.03	1.06 %
24 VSS Structured Capital Partners II	2009	40,000,000	16,615,788	23,384,212	-9,464	6,031,198	12,748,158	18,779,356	2,173,032	42 %	0.36	1.13	10.06 %
25 Vicente Capital fka/K H Growth Equity	2007	10,000,000	3,528,340	6,471,660	46,258	6,961	2,467,196	2,474,157	-1,100,441	35 %	0.00	0.69	-15.92 %
2 Investing Subtotal		713,166,697	300,728,150	412,438,548	1,282,487	43,207,023	297,902,281	341,109,303	39,098,666	42 %	0.14	1.13	6.95 %

New Mexico ERB
Lifecycle Performance Analysis

9/30/2011

Partnership Name	Vintage Year	Commitment	Paid In Capital	Capital To Be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
3 Harvesting													
26 Ares Special Situations, LP	2008	30,000,000	30,000,000	0	513,990	0	37,767,266	37,767,266	7,253,276	100 %	0.00	1.24	7.84 %
27 BR Co-Investment (Transfer)	2009	5,139,173	5,139,173	0	0	0	6,127,016	6,127,016	987,843	100 %	0.00	1.19	6.86 %
28 HM Sector Performance Fund, L.P.	2006	20,000,000	16,471,154	3,528,846	-127,485	1,785,804	8,962,203	10,748,007	-5,595,662	82 %	0.11	0.66	-13.25 %
29 Levine Leichtman Deep Value Fund	2006	20,000,000	20,000,000	0	2,513,465	8,913,866	16,136,247	25,050,113	2,536,649	100 %	0.45	1.11	3.92 %
30 Lexington Capital Partners VI-B	2006	20,000,000	19,407,708	592,292	10,079	7,539,883	14,412,014	21,951,897	2,534,110	97 %	0.39	1.13	4.70 %
31 Newstone Capital Partners I, LP	2006	20,000,000	19,502,383	497,617	242,554	13,390,029	10,348,410	23,738,439	3,993,502	98 %	0.69	1.20	7.13 %
32 Perseus Partners VII, LP	2007	15,000,000	13,664,134	1,335,866	114,277	241,066	15,683,236	15,924,302	2,145,891	91 %	0.02	1.16	5.98 %
3 Harvesting Subtotal		130,139,173	124,184,552	5,954,621	3,266,879	31,870,648	109,436,392	141,307,040	13,855,609	95 %	0.26	1.11	3.83 %
32 Total Partnerships		983,305,870	450,629,893	532,675,977	4,877,541	75,426,676	429,865,911	505,292,587	49,785,152	46 %	0.17	1.11	5.36 %

New Mexico ERB
Vintage Year Performance Analysis

9/30/2011

Partnership Name	Vintage Year	Commitment	Paid In Capital	Capital To Be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
2006													
1 HM Sector Performance Fund, L.P.	2006	20,000,000	16,471,154	3,528,846	-127,485	1,785,804	8,962,203	10,748,007	-5,595,662	82 %	0.11	0.66	-13.25 %
2 Industrial Opportunity Partners, L.P.	2006	15,000,000	11,376,383	3,623,617	114,029	587,257	14,109,799	14,697,056	3,206,644	76 %	0.05	1.28	12.45 %
3 Levine Leichtman Deep Value Fund	2006	20,000,000	20,000,000	0	2,513,465	8,913,866	16,136,247	25,050,113	2,536,649	100 %	0.45	1.11	3.92 %
4 Lexington Capital Partners VI-B	2006	20,000,000	19,407,708	592,292	10,079	7,539,883	14,412,014	21,951,897	2,534,110	97 %	0.39	1.13	4.70 %
5 Newstone Capital Partners I, LP	2006	20,000,000	19,502,383	497,617	242,554	13,390,029	10,348,410	23,738,439	3,993,502	98 %	0.69	1.20	7.13 %
6 Psilos Group Partners III LP	2006	10,000,000	8,150,000	1,850,000	26,981	391,862	8,044,547	8,436,409	259,428	82 %	0.05	1.03	1.06 %
2006 Subtotal		105,000,000	94,907,628	10,092,372	2,779,623	32,608,701	72,013,220	104,621,921	6,934,671	90 %	0.34	1.07	2.59 %
2007													
7 Bridgepoint Europe IV D	2007	27,253,255	12,239,783	15,013,471	0	0	12,051,926	12,051,926	-187,857	45 %	0.00	0.98	-1.40 %
8 Clayton, Dubilier, and Rice Fund VIII, I	2007	40,000,000	25,953,355	14,046,645	6,468	0	29,663,844	29,663,844	3,704,021	65 %	0.00	1.14	12.96 %
9 ComVest Investment Partners III, LP	2007	25,000,000	21,615,079	3,384,921	431,428	9,282,906	18,570,155	27,853,061	5,806,554	86 %	0.43	1.26	11.93 %
10 Fletcher Spaght Ventures II	2007	20,000,000	8,950,001	11,050,000	103,079	1,720,201	5,671,328	7,391,529	-1,661,551	45 %	0.19	0.82	-10.93 %
11 GF Capital Private Equity Fund, LP	2007	15,000,000	12,020,172	2,979,828	105,889	0	13,687,997	13,687,997	1,561,936	80 %	0.00	1.13	6.51 %
12 Goode Partners Consumer Fund I, L.P.	2007	20,000,000	19,464,031	535,969	129,530	3,247,802	21,091,015	24,338,817	4,745,257	97 %	0.17	1.24	8.17 %
13 Leeds Equity Partners V, LP	2007	20,000,000	7,982,530	12,017,470	-333,456	0	8,413,933	8,413,933	764,858	40 %	0.00	1.10	9.95 %
14 Lion Capital Fund II	2007	40,913,443	33,097,555	7,815,888	274,962	1,855,637	30,317,594	32,173,231	-1,199,287	81 %	0.06	0.96	-1.14 %
15 Perseus Partners VII, LP	2007	15,000,000	13,664,134	1,335,866	114,277	241,066	15,683,236	15,924,302	2,145,891	91 %	0.02	1.16	5.98 %
16 Platinum Equity Partners II, LP	2007	30,000,000	18,039,030	11,960,970	377,257	5,123,783	17,602,483	22,726,266	4,309,979	60 %	0.28	1.23	10.09 %
17 Vicente Capital fka/K H Growth Equity	2007	10,000,000	3,528,340	6,471,660	46,258	6,961	2,467,196	2,474,157	-1,100,441	35 %	0.00	0.69	-15.92 %
2007 Subtotal		263,166,697	176,554,010	86,612,687	1,255,692	21,478,355	175,220,707	196,699,062	18,889,360	67 %	0.12	1.11	4.86 %
2008													
18 Apollo Investment Fund VII, L.P.	2008	40,000,000	19,586,802	20,413,198	6,524	2,996,547	21,493,105	24,489,652	4,896,327	49 %	0.15	1.25	12.00 %
19 Ares Special Situations, LP	2008	30,000,000	30,000,000	0	513,990	0	37,767,266	37,767,266	7,253,276	100 %	0.00	1.24	7.84 %
20 Levine Leichtman IV	2008	50,000,000	20,620,796	29,379,204	-30,653	2,744,736	25,824,703	28,569,439	7,979,296	41 %	0.13	1.39	21.47 %
2008 Subtotal		120,000,000	70,207,598	49,792,402	489,861	5,741,283	85,085,074	90,826,357	20,128,899	59 %	0.08	1.28	11.72 %
2009													
21 BR Co-Investment (Transfer)	2009	5,139,173	5,139,173	0	0	0	6,127,016	6,127,016	987,843	100 %	0.00	1.19	6.86 %
22 BR/ERB Co-Investment Fund I (Blackf	2009	100,000,000	30,171,469	69,828,531	0	0	30,466,475	30,466,475	295,006	30 %	0.00	1.01	0.91 %
23 DRI II, L.P.	2009	40,000,000	10,243,393	29,756,607	147,896	7,004,694	3,203,474	10,208,168	-183,121	26 %	0.68	0.98	-2.40 %
24 Lexington Capital Partners VII	2009	45,000,000	15,503,643	29,496,357	-114,241	2,213,439	16,668,213	18,881,652	3,492,250	34 %	0.14	1.23	25.03 %
25 VSS Structured Capital Partners II	2009	40,000,000	16,615,788	23,384,212	-9,464	6,031,198	12,748,158	18,779,356	2,173,032	42 %	0.36	1.13	10.06 %
2009 Subtotal		230,139,173	77,673,466	152,465,707	24,191	15,249,331	69,213,336	84,462,667	6,765,010	34 %	0.20	1.09	7.48 %

New Mexico ERB
Vintage Year Performance Analysis

9/30/2011

Partnership Name	Vintage Year	Commitment	Paid In Capital	Capital To Be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
2010													
26 Ares Special Situations III, LP	2010	30,000,000	19,771,283	10,228,717	279,745	0	17,529,453	17,529,453	-2,521,575	66 %	0.00	0.87	-13.05 %
27 EIG XV	2010	40,000,000	3,320,000	36,680,000	0	0	3,829,153	3,829,153	509,153	8 %	0.00	1.15	18.63 %
28 Tenex Capital Partners	2010	30,000,000	3,957,627	26,042,373	49,700	0	3,162,947	3,162,947	-844,380	13 %	0.00	0.79	-21.07 %
2010 Subtotal		100,000,000	27,048,910	72,951,090	329,445	0	24,521,553	24,521,553	-2,856,803	27 %	0.00	0.90	-27.25 %
2011													
29 BDCM Opportunity Fund III, LP	2011	40,000,000	1,988,281	38,011,719	-1,270	349,005	1,834,838	2,183,843	196,832	5 %	0.18	1.10	7.97 %
30 Edison Venture Fund VII, L.P.	2011	40,000,000	0	40,000,000	0	0	0	0	0	0 %	0.00	N/A	N/A
31 Industry Ventures Fund VI	2011	45,000,000	2,250,000	42,750,000	0	0	1,977,183	1,977,183	-272,817	5 %	0.00	0.88	-22.08 %
32 Lightyear Capital III	2011	40,000,000	0	40,000,000	0	0	0	0	0	0 %	0.00	N/A	N/A
2011 Subtotal		165,000,000	4,238,281	160,761,719	-1,270	349,005	3,812,021	4,161,026	-75,985	3 %	0.08	0.98	-2.31 %
32 Total Partnerships		983,305,870	450,629,893	532,675,977	4,877,541	75,426,676	429,865,911	505,292,587	49,785,152	46 %	0.17	1.11	5.36 %

New Mexico ERB
Investment Strategy Performance Analysis

9/30/2011

Partnership Name	Vintage Year	Commitment	Paid In Capital	Capital To Be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
100 Venture													
1 Fletcher Spaght Ventures II	2007	20,000,000	8,950,001	11,050,000	103,079	1,720,201	5,671,328	7,391,529	-1,661,551	45 %	0.19	0.82	-10.93 %
2 Psilos Group Partners III LP	2006	10,000,000	8,150,000	1,850,000	26,981	391,862	8,044,547	8,436,409	259,428	82 %	0.05	1.03	1.06 %
100 Venture Subtotal		30,000,000	17,100,001	12,900,000	130,060	2,112,063	13,715,875	15,827,938	-1,402,123	57 %	0.12	0.92	-3.54 %
110 Growth Equity													
1 Edison Venture Fund VII, L.P.	2011	40,000,000	0	40,000,000	0	0	0	0	0	0 %	0.00	N/A	N/A
2 Lightyear Capital III	2011	40,000,000	0	40,000,000	0	0	0	0	0	0 %	0.00	N/A	N/A
3 Vicente Capital fka/K H Growth Equity	2007	10,000,000	3,528,340	6,471,660	46,258	6,961	2,467,196	2,474,157	-1,100,441	35 %	0.00	0.69	-15.92 %
110 Growth Equity Subtotal		90,000,000	3,528,340	86,471,660	46,258	6,961	2,467,196	2,474,157	-1,100,441	4 %	0.00	0.69	-15.92 %
120 Buyouts													
1 Bridgepoint Europe IV D	2007	27,253,255	12,239,783	15,013,471	0	0	12,051,926	12,051,926	-187,857	45 %	0.00	0.98	-1.40 %
2 Clayton, Dubilier, and Rice Fund VIII, I	2007	40,000,000	25,953,355	14,046,645	6,468	0	29,663,844	29,663,844	3,704,021	65 %	0.00	1.14	12.96 %
3 GF Capital Private Equity Fund, LP	2007	15,000,000	12,020,172	2,979,828	105,889	0	13,687,997	13,687,997	1,561,936	80 %	0.00	1.13	6.51 %
4 Goode Partners Consumer Fund I, L.P.	2007	20,000,000	19,464,031	535,969	129,530	3,247,802	21,091,015	24,338,817	4,745,257	97 %	0.17	1.24	8.17 %
5 HM Sector Performance Fund, L.P.	2006	20,000,000	16,471,154	3,528,846	-127,485	1,785,804	8,962,203	10,748,007	-5,595,662	82 %	0.11	0.66	-13.25 %
6 Industrial Opportunity Partners, L.P.	2006	15,000,000	11,376,383	3,623,617	114,029	587,257	14,109,799	14,697,056	3,206,644	76 %	0.05	1.28	12.45 %
7 Leeds Equity Partners V, LP	2007	20,000,000	7,982,530	12,017,470	-333,456	0	8,413,933	8,413,933	764,858	40 %	0.00	1.10	9.95 %
8 Levine Leichtman IV	2008	50,000,000	20,620,796	29,379,204	-30,653	2,744,736	25,824,703	28,569,439	7,979,296	41 %	0.13	1.39	21.47 %
9 Lion Capital Fund II	2007	40,913,443	33,097,555	7,815,888	274,962	1,855,637	30,317,594	32,173,231	-1,199,287	81 %	0.06	0.96	-1.14 %
10 Perseus Partners VII, LP	2007	15,000,000	13,664,134	1,335,866	114,277	241,066	15,683,236	15,924,302	2,145,891	91 %	0.02	1.16	5.98 %
11 Platinum Equity Partners II, LP	2007	30,000,000	18,039,030	11,960,970	377,257	5,123,783	17,602,483	22,726,266	4,309,979	60 %	0.28	1.23	10.09 %
120 Buyouts Subtotal		293,166,697	190,928,923	102,237,774	630,818	15,586,085	197,408,733	212,994,818	21,435,076	65 %	0.08	1.11	5.00 %
130 Mezzanine													
1 DRI II, L.P.	2009	40,000,000	10,243,393	29,756,607	147,896	7,004,694	3,203,474	10,208,168	-183,121	26 %	0.68	0.98	-2.40 %
2 EIG XV	2010	40,000,000	3,320,000	36,680,000	0	0	3,829,153	3,829,153	509,153	8 %	0.00	1.15	18.63 %
3 Newstone Capital Partners I, LP	2006	20,000,000	19,502,383	497,617	242,554	13,390,029	10,348,410	23,738,439	3,993,502	98 %	0.69	1.20	7.13 %
4 VSS Structured Capital Partners II	2009	40,000,000	16,615,788	23,384,212	-9,464	6,031,198	12,748,158	18,779,356	2,173,032	42 %	0.36	1.13	10.06 %
130 Mezzanine Subtotal		140,000,000	49,681,564	90,318,436	380,986	26,425,921	30,129,195	56,555,115	6,492,565	35 %	0.53	1.13	7.47 %
140 Secondaries													
1 Industry Ventures Fund VI	2011	45,000,000	2,250,000	42,750,000	0	0	1,977,183	1,977,183	-272,817	5 %	0.00	0.88	-22.08 %
2 Lexington Capital Partners VI-B	2006	20,000,000	19,407,708	592,292	10,079	7,539,883	14,412,014	21,951,897	2,534,110	97 %	0.39	1.13	4.70 %
3 Lexington Capital Partners VII	2009	45,000,000	15,503,643	29,496,357	-114,241	2,213,439	16,668,213	18,881,652	3,492,250	34 %	0.14	1.23	25.03 %
140 Secondaries Subtotal		110,000,000	37,161,351	72,838,649	-104,162	9,753,322	33,057,410	42,810,732	5,753,543	34 %	0.26	1.16	8.08 %

New Mexico ERB
Investment Strategy Performance Analysis

9/30/2011

Partnership Name	Vintage Year	Commitment	Paid In Capital	Capital To Be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
150 Distressed													
1 Apollo Investment Fund VII, L.P.	2008	40,000,000	19,586,802	20,413,198	6,524	2,996,547	21,493,105	24,489,652	4,896,327	49 %	0.15	1.25	12.00 %
2 Ares Special Situations III, LP	2010	30,000,000	19,771,283	10,228,717	279,745	0	17,529,453	17,529,453	-2,521,575	66 %	0.00	0.87	-13.05 %
3 Ares Special Situations, LP	2008	30,000,000	30,000,000	0	513,990	0	37,767,266	37,767,266	7,253,276	100 %	0.00	1.24	7.84 %
4 BDCM Opportunity Fund III, LP	2011	40,000,000	1,988,281	38,011,719	-1,270	349,005	1,834,838	2,183,843	196,832	5 %	0.18	1.10	7.97 %
5 ComVest Investment Partners III, LP	2007	25,000,000	21,615,079	3,384,921	431,428	9,282,906	18,570,155	27,853,061	5,806,554	86 %	0.43	1.26	11.93 %
6 Levine Leichtman Deep Value Fund	2006	20,000,000	20,000,000	0	2,513,465	8,913,866	16,136,247	25,050,113	2,536,649	100 %	0.45	1.11	3.92 %
7 Tenex Capital Partners	2010	30,000,000	3,957,627	26,042,373	49,700	0	3,162,947	3,162,947	-844,380	13 %	0.00	0.79	-21.07 %
150 Distressed Subtotal		215,000,000	116,919,073	98,080,927	3,793,581	21,542,325	116,494,011	138,036,336	17,323,682	54 %	0.18	1.14	6.95 %
200 Co-Investment													
1 BR Co-Investment (Transfer)	2009	5,139,173	5,139,173	0	0	0	6,127,016	6,127,016	987,843	100 %	0.00	1.19	6.86 %
2 BR/ERB Co-Investment Fund I (Blackf	2009	100,000,000	30,171,469	69,828,531	0	0	30,466,475	30,466,475	295,006	30 %	0.00	1.01	0.91 %
200 Co-Investment Subtotal		105,139,173	35,310,642	69,828,531	0	0	36,593,491	36,593,491	1,282,849	34 %	0.00	1.04	2.76 %
32 Total Partnerships		983,305,870	450,629,893	532,675,977	4,877,541	75,426,676	429,865,911	505,292,587	49,785,152	46 %	0.17	1.11	5.36 %

New Mexico ERB

Vintage Year Performance Benchmarking

9/30/2011*

	Commitment	Paid In Capital	Capital To Be Funded	Call Ratio	DPI Ratio	TVPI Ratio	IRR
2006 Vintage Total	105,000,000	94,907,628	10,092,372	90%	0.34	1.07	2.6%
2006 Venture Economics All PE							
1st Quartile					0.20	1.22	6.7%
Median					0.07	1.04	1.1%
Pooled Average					0.20	1.00	0.0%
3rd Quartile					0.00	0.85	-4.8%
S&P 500 (2006 - present)							-1.2%
2007 Vintage Total	263,166,697	176,554,010	86,612,687	67%	0.12	1.11	4.9%
2007 Venture Economic All PE							
1st Quartile					0.16	1.23	8.8%
Median					0.01	0.99	-0.8%
Pooled Average					0.23	1.16	6.4%
3rd Quartile					0.00	0.82	-7.0%
S&P 500 (2007 - present)							-5.2%
2008 Vintage Total	120,000,000	70,207,598	49,792,402	59%	0.08	1.28	11.7%
2008 Venture Economics All PE							
1st Quartile					0.05	1.17	10.0%
Median					0.00	0.98	-1.4%
Pooled Average					0.10	1.06	3.2%
3rd Quartile					0.00	0.81	-8.8%
S&P 500 (2008 - present)							1.2%
2009 Vintage Total	230,139,173	77,673,466	152,465,707	34%	0.20	1.09	7.5%
2009 Venture Economics All PE							
1st Quartile					0.03	1.21	16.7%
Median					0.00	1.05	5.3%
Pooled Average					0.02	1.14	12.1%
3rd Quartile					0.00	0.93	-3.4%
S&P 500 (2009 - present)							10.9%
2010 Vintage Total	100,000,000	27,048,910	72,951,090	27%	0.00	0.90	-27.3%
2010 Venture Economics All PE							
1st Quartile					0.00	1.05	6.6%
Median					0.00	0.99	-1.3%
Pooled Average					0.08	1.11	13.3%
3rd Quartile					0.00	0.99	-7.6%
S&P 500 (2010 - present)							-15.0%
2011 Vintage Total	165,000,000	4,238,281	160,761,719	3%	0.08	0.98	-2.3%
2011 Venture Economics All PE							
1st Quartile					0.00	0.97	-11.85
Median					0.00	0.93	-23.78
Pooled Average					0.00	0.93	-29.69
3rd Quartile					0.00	0.92	-33.31
S&P 500 (2011 - present)							-8.68

*Thomson One numbers are as of 9/30/11