



NEPC, LLC

YOU DEMAND MORE. So do we.SM



NEW MEXICO
EDUCATIONAL
RETIREMENT
BOARD

New Mexico Educational Retirement Board

Third Quarter 2012 Private Markets Review

January 2013

Allan Martin, Partner
Kevin Tatlow, Senior Consultant, CAIA

One Main Street, Cambridge, MA 02142
TEL: 617.374.1300 | FAX: 617.374.1313 | www.nepc.com

CAMBRIDGE | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | SAN FRANCISCO

<u>Table of Contents</u>	<u>Page</u>
Summary Letter	1
Trailing Period Performance	7
Total Private Markets Portfolio	8
Portfolio by Lifecycle	9
Portfolio by Vintage Year	11
Portfolio by Investment Strategy	13

Benchmarking data for Q3 not yet available at the time of this report.

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.



January 2013

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

RE: Private Equity Strategy – 3rd Quarter 2012

Dear Trustees,

We are pleased to present the September 30, 2012 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 positive quarter, earning a nominal IRR of 4.23 % and a one year IRR of 18.50%. The annualized IRR of the private equity portfolio since inception was 9.47% at quarter end. Since inception, the Total Value to Paid In multiple (current valuation plus cumulative distributions, divided by total capital calls) was 1.21.

The following table presents the status of the ERB private markets portfolio as of September 30, 2012:

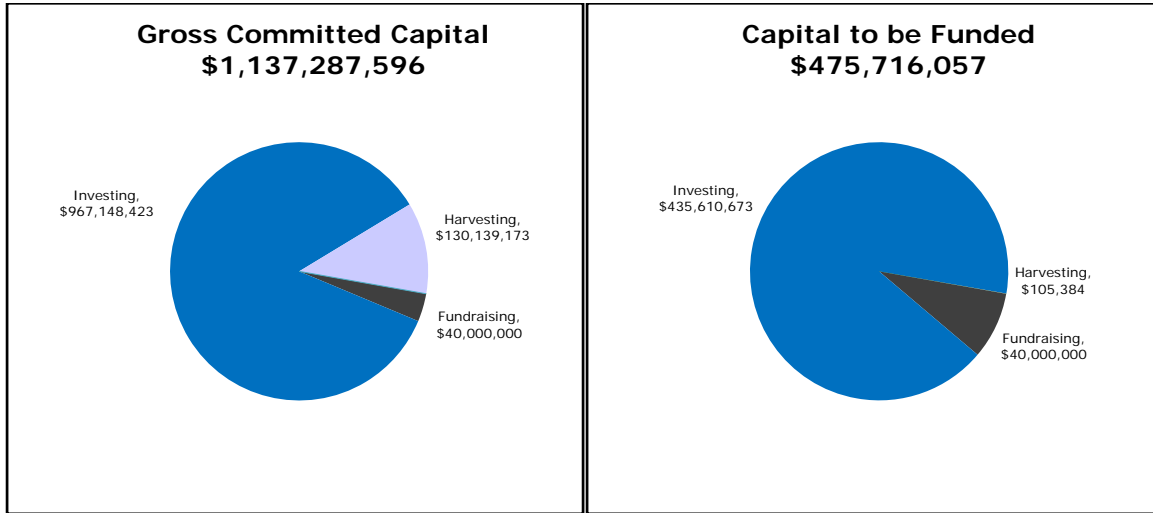
Commitment	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$1,137,287,596	\$1,069,842	\$661,571,539	\$169,659,656	\$640,860,955	58%	26%

Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)	Total Fund Composite as of 9/30/2012	Private Markets Target	Reported Value of Total Fund	Market Exposure as a % Total Fund
\$475,716,057	\$1,116,577,012	\$9,757,562,866	10%	6.57%	11.44%

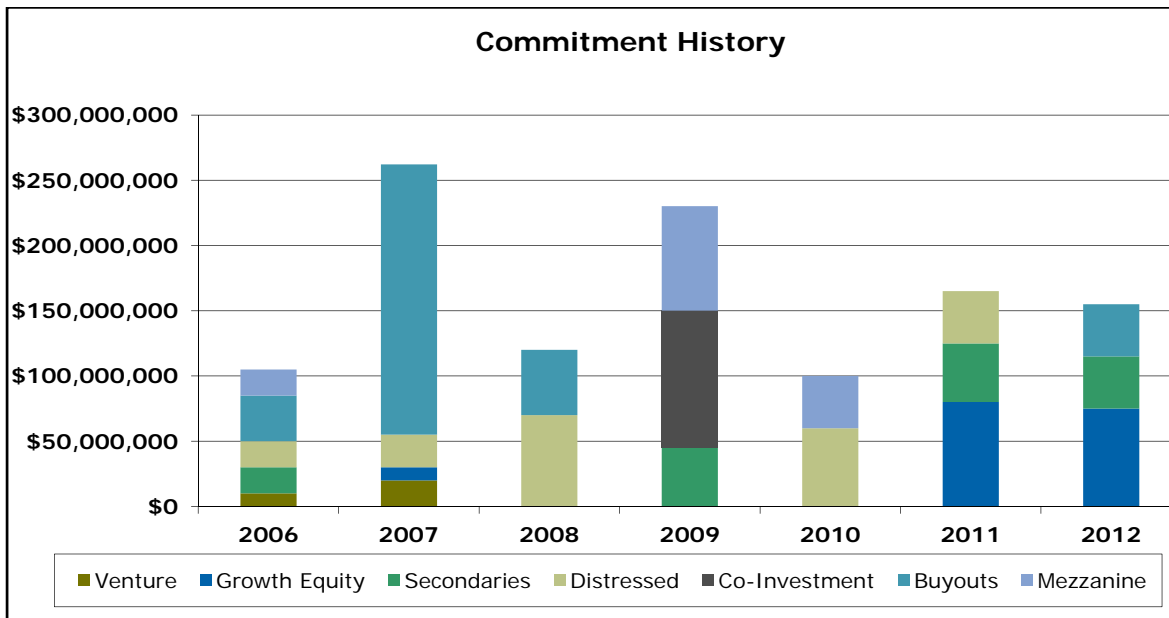
Total Value (Reported Value + Distributions)	Total Value To Capital Call Ratio	Internal Rate of Return IRR, Since Inception (June 2006 funding)
\$810,520,611	1.21	9.47%



At quarter end, the ERB had commitments totaling \$1.14 billion to 35 private equity funds. Of the 35 funds, 1 fund is in the fundraising stage, 27 funds are in the investing stage and 7 funds are in the harvesting stage. The following charts illustrate the program's current life cycle.

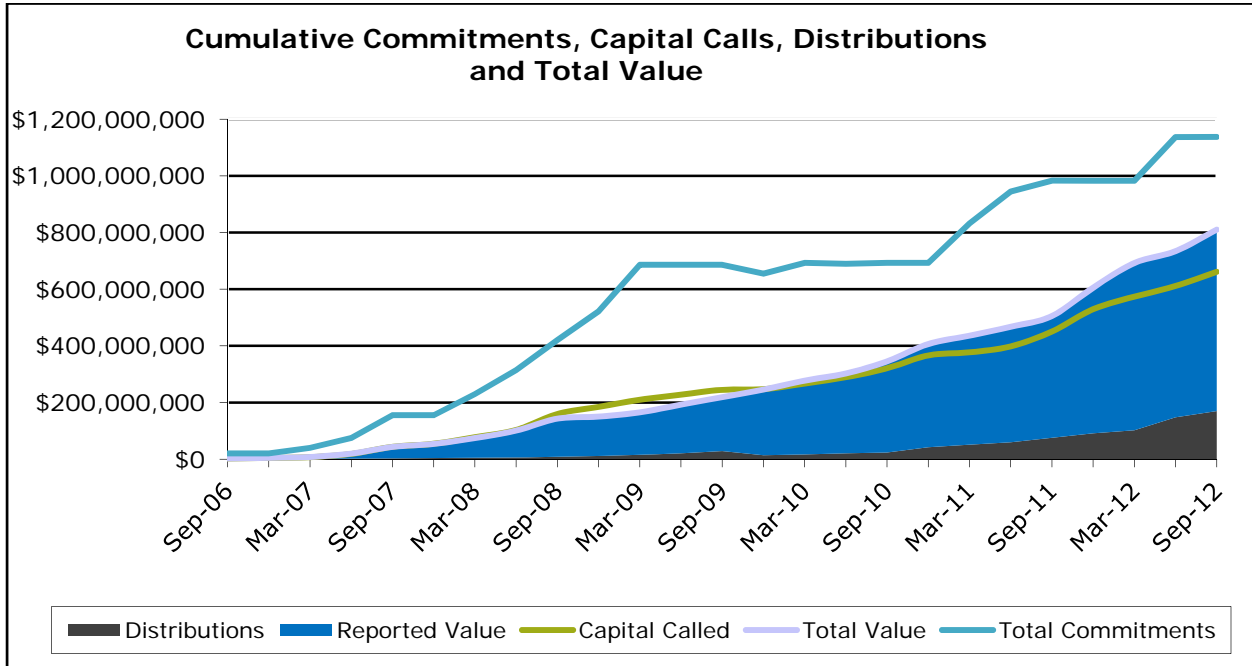


The following chart illustrates the commitment history of the private markets program through the quarter end:

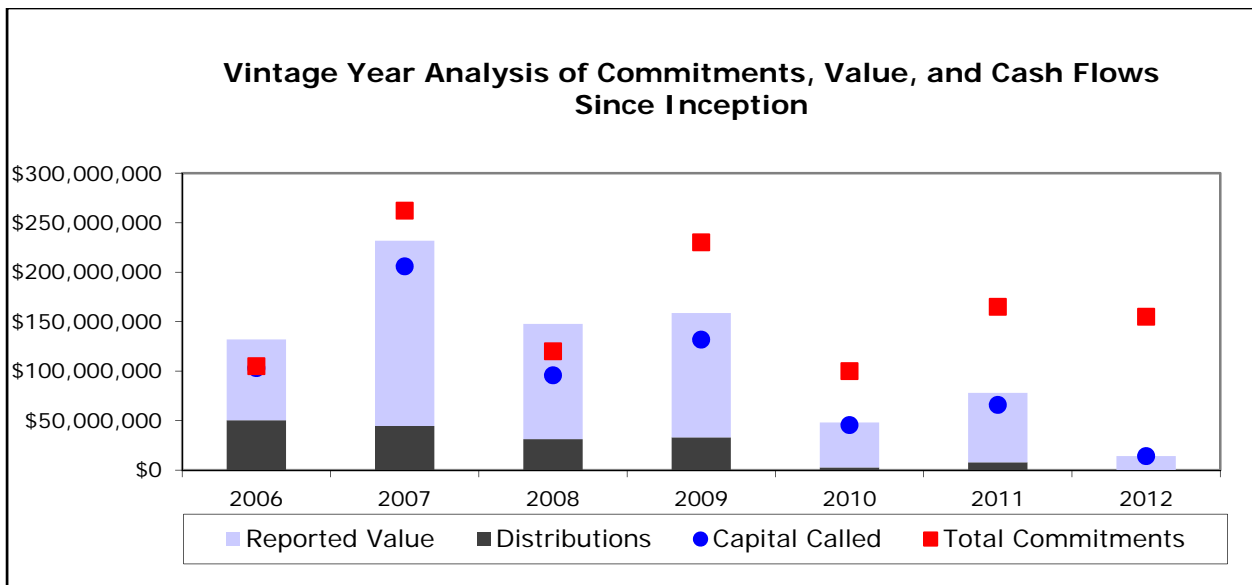




The following chart illustrates the cumulative commitment history, cumulative capital calls, cumulative distributions and reported value:



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

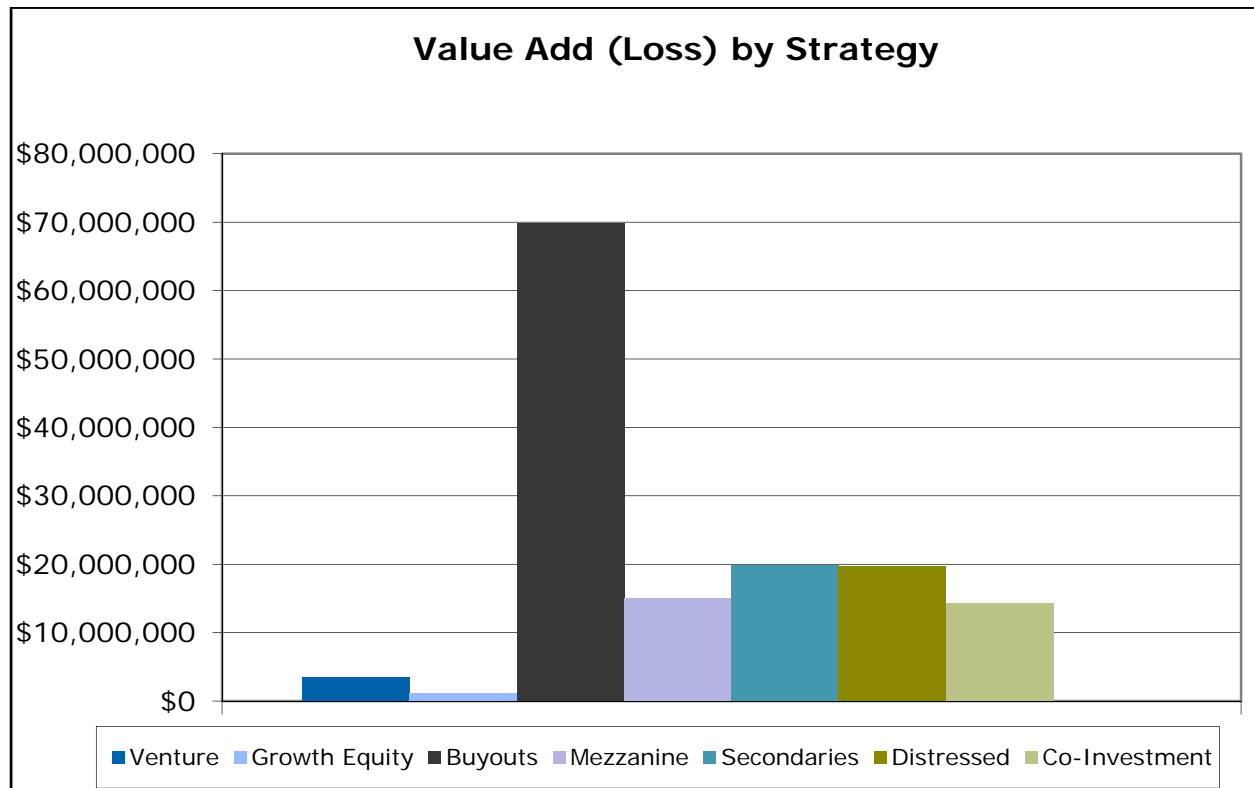




During the quarter-ended September 30, 2012 the ERB private markets portfolio funded 24 investments and received distributions from 16 funds. The summary of the cash flows is as follows:

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
\$47,110,159	24	\$20,185,703	16	(\$26,924,456)

Since inception, the private markets program has gained \$143.2 million in value. The investment strategies adding value are Distressed, \$19.7 million; Mezzanine, \$15.0 million; Buyouts, \$69.9 million; Co-Investment, \$14.3 million; Secondaries, \$19.8 million; Growth Equity, \$1.1 million and Venture, \$3.4 million.

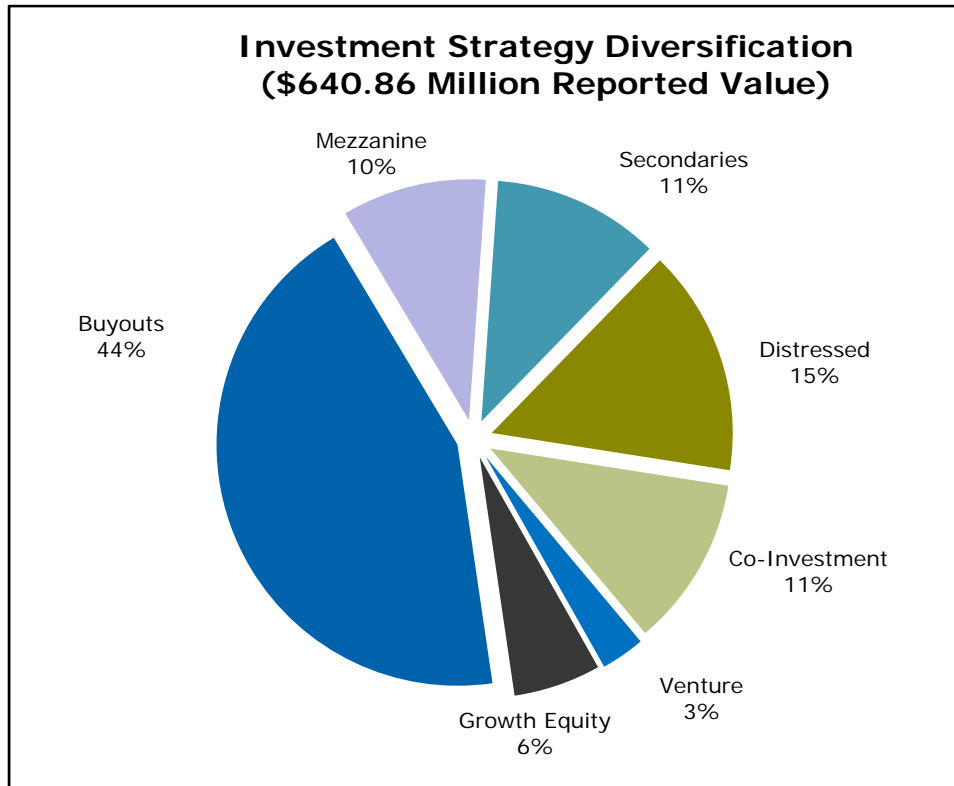




The program compared to typical long-term target allocations among the various private equity strategies is as follows:

Investment Strategy	Target	Min.	Max.	Reported Value	Unfunded Commitment	Total Exposure
Private Equity	100.0%	-	100.0%	57.4%	42.6%	100.0%
<i>Venture</i>	10.0%	-	25.0%	1.7%	0.7%	2.4%
<i>Growth Equity</i>	20.0%	-	30.0%	3.4%	11.3%	14.7%
<i>Buyouts</i>	20.0%	-	50.0%	25.1%	6.0%	31.1%
<i>Mezzanine</i>	20.0%	-	30.0%	5.6%	5.0%	10.6%
<i>Secondaries</i>	10.0%	-	30.0%	6.4%	7.0%	13.4%
<i>Distressed</i>	15.0%	-	30.0%	8.7%	9.2%	17.9%
<i>Co-Investment</i>	5.0%	-	10.0%	6.6%	3.3%	9.9%
Totals	100.0%			57.4%	42.6%	100.0%
<i>Variance due to rounding</i>						

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





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

Kevin Tatlow
Senior Consultant, CAIA

New Mexico ERB
Executive Summary IRR Performance Report

9/30/2012

Investment	Vintage Year	Commitment	Qtr TD	YTD	1 Year	3 Year	5 Year	Inception
Apollo Investment Fund VII, L.P.	2008	40,000,000	12.19	28.20	50.13	26.42	N/A	22.79
Ares Corporate Opportunities Fund	2012	40,000,000	N/A	N/A	N/A	N/A	N/A	N/A
Ares Special Situations III, LP	2010	30,000,000	8.30	14.62	17.44	N/A	N/A	2.95
Ares Special Situations, LP	2008	30,000,000	7.47	15.32	22.14	17.06	N/A	11.14
BDCM Opportunity Fund III, LP	2011	40,000,000	-0.53	4.46	2.84	N/A	N/A	4.41
BR Co-Investment (Transfer)	2009	5,139,173	-2.12	4.47	12.38	11.25	N/A	7.70
BR/ERB Co-Investment Fund I (BlackRock)	2009	100,000,000	5.30	24.43	29.08	17.26	N/A	15.79
Bridgepoint Europe IV D	2007	26,564,458	0.25	7.20	10.50	7.80	N/A	4.76
Clayton, Dubilier, and Rice Fund VIII, LP	2007	40,000,000	4.96	14.25	18.32	16.58	N/A	15.11
ComVest Investment Partners III, LP	2007	25,000,000	-5.33	-9.33	-14.01	6.52	N/A	5.22
DRI II, L.P.	2009	40,000,000	4.06	10.62	20.11	N/A	N/A	8.34
EIG XV	2010	40,000,000	3.17	12.47	22.83	N/A	N/A	24.43
Edison Venture Fund VII, L.P.	2011	40,000,000	4.20	13.62	N/A	N/A	N/A	27.03
Fletcher Spaght Ventures II	2007	20,000,000	30.26	30.71	27.59	5.45	N/A	1.48
GF Capital Private Equity Fund, LP	2007	15,000,000	-0.74	23.56	34.67	21.93	15.93	14.01
Goode Partners Consumer Fund I, L.P.	2007	20,000,000	10.26	14.68	17.19	28.02	10.98	10.19
HM Sector Performance Fund, L.P.	2006	20,000,000	6.38	34.68	48.85	14.48	0.85	0.42
Industrial Opportunity Partners, L.P.	2006	15,000,000	7.83	42.22	53.95	42.15	26.27	23.32
Industry Ventures Fund VI	2011	45,000,000	0.72	35.55	73.07	N/A	N/A	65.86
Leeds Equity Partners V, LP	2007	20,000,000	-0.51	4.96	6.80	10.80	N/A	8.44
Levine Leichtman Deep Value Fund	2006	20,000,000	1.90	6.93	2.82	19.07	5.74	3.73
Levine Leichtman IV	2008	50,000,000	7.57	23.34	36.01	31.91	N/A	27.60
Lexington Capital Partners VI-B	2006	20,000,000	2.12	7.28	9.36	13.51	4.53	5.55
Lexington Capital Partners VII	2009	45,000,000	5.06	14.15	16.53	N/A	N/A	20.59
Lightyear Capital III	2011	40,000,000	2.56	N/A	N/A	N/A	N/A	6.56
Lion Capital Fund II	2007	40,583,965	1.11	1.87	-15.13	-2.30	N/A	-4.67
Newstone Capital Partners I, LP	2006	20,000,000	3.02	6.92	11.55	8.24	7.84	7.69
Perseus Partners VII, LP	2007	15,000,000	-13.82	-48.01	-48.94	-19.04	-14.57	-14.41
Platinum Equity Partners II, LP	2007	30,000,000	0.89	-1.56	23.40	26.84	N/A	13.73
Psilos Group Partners III LP	2006	10,000,000	0.18	33.73	37.20	14.93	10.80	8.27
TPG Growth II, L.P.	2012	75,000,000	-24.63	N/A	N/A	N/A	N/A	-24.63
Tenex Capital Partners	2010	30,000,000	-14.46	-25.55	-35.97	N/A	N/A	-44.08
VSS Structured Capital Partners II	2009	40,000,000	3.35	12.10	14.16	15.38	N/A	11.71
Vicente Capital fka/K H Growth Equity Fund	2007	10,000,000	-0.74	-8.08	10.84	1.15	N/A	-6.32
W Capital Partners III	2012	40,000,000	49.76	N/A	N/A	N/A	N/A	32.91
Total: New Mexico Educational Retirement Boa		1,137,287,596	4.23	13.37	18.50	15.58	9.80	9.47

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**

9/30/2012

Partnership Name	Vintage Year	Commitment	Paid In Capital	Capital To Be Funded	Additional Fees	Cumulative Distributions	Valuation	Total	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
1 Apollo Investment Fund VII, L.P.	2008	40,000,000	27,289,039	12,710,961	6,524	9,574,921	34,540,701	44,115,622	16,820,059	68 %	0.35	1.62	22.79 %
2 Ares Corporate Opportunities Fund	2012	40,000,000	0	40,000,000	0	0	0	0	0	0 %	0.00	N/A	N/A
3 Ares Special Situations III, LP	2010	30,000,000	16,908,426	13,091,574	279,745	567,142	17,335,953	17,903,095	714,925	56 %	0.03	1.04	2.95 %
4 Ares Special Situations, LP	2008	30,000,000	30,000,000	0	513,990	15,795,384	29,469,111	45,264,495	14,750,505	100 %	0.53	1.48	11.14 %
5 BDCM Opportunity Fund III, LP	2011	40,000,000	15,954,224	24,045,776	-1,270	1,769,827	14,667,752	16,437,579	484,624	40 %	0.11	1.03	4.41 %
6 BR Co-Investment (Transfer)	2009	5,139,173	4,975,125	164,048	164,048	3,264,132	3,229,311	6,493,443	1,354,270	97 %	0.66	1.26	7.70 %
7 BR/ERB Co-Investment Fund I (Blackf	2009	100,000,000	62,899,553	37,100,447	0	5,959,062	69,927,395	75,886,457	12,986,904	63 %	0.09	1.21	15.79 %
8 Bridgepoint Europe IV D	2007	26,564,458	17,053,120	9,511,338	0	0	18,480,090	18,480,090	1,426,970	64 %	0.00	1.08	4.76 %
9 Clayton, Dubilier, and Rice Fund VIII, I	2007	40,000,000	25,391,210	14,608,790	6,468	5,804,577	27,482,837	33,287,414	7,889,736	63 %	0.23	1.31	15.11 %
10 ComVest Investment Partners III, LP	2007	25,000,000	22,466,146	2,533,854	431,428	9,371,667	16,694,600	26,066,267	3,168,693	90 %	0.42	1.14	5.22 %
11 DRI II, L.P.	2009	40,000,000	21,368,867	18,631,133	147,896	10,054,695	12,841,676	22,896,371	1,379,608	53 %	0.47	1.06	8.34 %
12 EIG XV	2010	40,000,000	21,264,567	18,735,433	0	2,065,440	23,209,368	25,274,808	4,010,241	53 %	0.10	1.19	24.43 %
13 Edison Venture Fund VII, L.P.	2011	40,000,000	11,400,000	28,600,000	454,315	0	14,452,439	14,452,439	2,598,124	28 %	0.00	1.22	27.03 %
14 Fletcher Spaght Ventures II	2007	20,000,000	13,050,001	6,950,000	103,079	1,720,201	11,829,460	13,549,661	396,581	65 %	0.13	1.03	1.48 %
15 GF Capital Private Equity Fund, LP	2007	15,000,000	14,072,094	927,906	105,889	8,174,107	11,366,597	19,540,704	5,362,721	94 %	0.58	1.38	14.01 %
16 Goode Partners Consumer Fund I, L.P.	2007	20,000,000	19,898,551	101,449	129,530	4,932,538	23,395,659	28,328,197	8,300,116	99 %	0.25	1.41	10.19 %
17 HM Sector Performance Fund, L.P.	2006	20,000,000	20,626,570	-626,570	-127,485	2,173,852	18,611,269	20,785,121	286,036	103 %	0.11	1.01	0.42 %
18 Industrial Opportunity Partners, L.P.	2006	15,000,000	13,912,116	1,087,884	114,029	4,808,241	20,120,272	24,928,513	10,902,368	93 %	0.35	1.78	23.32 %
19 Industry Ventures Fund VI	2011	45,000,000	23,850,000	21,150,000	0	3,647,054	28,156,815	31,803,869	7,953,869	53 %	0.15	1.33	65.86 %
20 Leeds Equity Partners V, LP	2007	20,000,000	11,738,463	8,261,537	-333,456	0	12,729,305	12,729,305	1,324,298	59 %	0.00	1.12	8.44 %
21 Levine Leichtman Deep Value Fund	2006	20,000,000	20,000,000	0	2,698,401	11,507,964	14,142,037	25,650,001	2,951,601	100 %	0.58	1.13	3.73 %
22 Levine Leichtman IV	2008	50,000,000	38,377,277	11,622,723	-9,116	5,852,923	52,474,723	58,327,646	19,959,485	77 %	0.15	1.52	27.60 %
23 Lexington Capital Partners VI-B	2006	20,000,000	20,295,260	-295,260	10,079	10,563,924	13,563,749	24,127,673	3,822,334	101 %	0.52	1.19	5.55 %
24 Lexington Capital Partners VII	2009	45,000,000	20,795,667	24,204,333	-114,241	5,346,052	21,884,130	27,230,182	6,548,756	46 %	0.26	1.32	20.59 %
25 Lightyear Capital III	2011	40,000,000	14,557,785	25,442,215	0	2,375,943	12,893,351	15,269,294	711,509	36 %	0.16	1.05	6.56 %
26 Lion Capital Fund II	2007	40,583,965	35,914,953	4,669,013	274,962	1,903,696	28,255,939	30,159,635	-6,030,280	88 %	0.05	0.83	-4.67 %
27 Newstone Capital Partners I, LP	2006	20,000,000	19,347,417	652,583	242,554	16,436,323	8,269,127	24,705,450	5,115,479	97 %	0.85	1.26	7.69 %
28 Perseus Partners VII, LP	2007	15,000,000	14,789,417	210,583	114,277	992,997	8,355,000	9,347,997	-5,555,697	99 %	0.07	0.63	-14.41 %
29 Platinum Equity Partners II, LP	2007	30,000,000	26,577,096	3,422,904	377,257	11,646,257	24,478,924	36,125,181	9,170,828	89 %	0.44	1.34	13.73 %
30 Psilos Group Partners III LP	2006	10,000,000	8,850,000	1,150,000	26,981	4,845,456	7,014,873	11,860,329	2,983,348	89 %	0.55	1.34	8.27 %
31 TPG Growth II, L.P.	2012	75,000,000	7,475,578	67,524,422	0	0	6,029,574	6,029,574	-1,446,004	10 %	0.00	0.81	-24.63 %
32 Tenex Capital Partners	2010	30,000,000	7,281,049	22,718,951	91,443	0	4,975,739	4,975,739	-2,396,753	24 %	0.00	0.67	-44.08 %
33 VSS Structured Capital Partners II	2009	40,000,000	21,744,275	18,255,725	-9,464	8,498,321	17,753,563	26,251,884	4,517,073	54 %	0.39	1.21	11.71 %
34 Vicente Capital fka/K H Growth Equity	2007	10,000,000	4,847,694	5,152,306	46,258	6,961	4,155,385	4,162,346	-731,606	48 %	0.00	0.85	-6.32 %
35 W Capital Partners III	2012	40,000,000	6,600,000	33,400,000	0	0	8,074,231	8,074,231	1,474,231	17 %	0.00	1.22	32.91 %
35 Total Partnerships		1,137,287,596	661,571,539	475,716,057	5,744,121	169,659,656	640,860,955	810,520,611	143,204,952	58 %	0.26	1.21	9.47 %

New Mexico ERB
Lifecycle Performance Analysis

9/30/2012

Partnership Name	Vintage Year	Commitment	Paid In Capital	Capital To Be Funded	Additional Fees	Cumulative Distributions	Valuation	Total	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
1 Fundraising													
1 Ares Corporate Opportunities Fund	2012	40,000,000	0	40,000,000	0	0	0	0	0	0 %	0.00	N/A	N/A
1 Fundraising Subtotal		40,000,000	0	40,000,000	0	0	0	0	0	0 %	0.00	N/A	N/A
2 Investing													
2 Apollo Investment Fund VII, L.P.	2008	40,000,000	27,289,039	12,710,961	6,524	9,574,921	34,540,701	44,115,622	16,820,059	68 %	0.35	1.62	22.79 %
3 Ares Special Situations III, LP	2010	30,000,000	16,908,426	13,091,574	279,745	567,142	17,335,953	17,903,095	714,925	56 %	0.03	1.04	2.95 %
4 BDCM Opportunity Fund III, LP	2011	40,000,000	15,954,224	24,045,776	-1,270	1,769,827	14,667,752	16,437,579	484,624	40 %	0.11	1.03	4.41 %
5 BR/ERB Co-Investment Fund I (Blackf	2009	100,000,000	62,899,553	37,100,447	0	5,959,062	69,927,395	75,886,457	12,986,904	63 %	0.09	1.21	15.79 %
6 Bridgepoint Europe IV D	2007	26,564,458	17,053,120	9,511,338	0	0	18,480,090	18,480,090	1,426,970	64 %	0.00	1.08	4.76 %
7 Clayton, Dubilier, and Rice Fund VIII, I	2007	40,000,000	25,391,210	14,608,790	6,468	5,804,577	27,482,837	33,287,414	7,889,736	63 %	0.23	1.31	15.11 %
8 ComVest Investment Partners III, LP	2007	25,000,000	22,466,146	2,533,854	431,428	9,371,667	16,694,600	26,066,267	3,168,693	90 %	0.42	1.14	5.22 %
9 DRI II, L.P.	2009	40,000,000	21,368,867	18,631,133	147,896	10,054,695	12,841,676	22,896,371	1,379,608	53 %	0.47	1.06	8.34 %
10 EIG XV	2010	40,000,000	21,264,567	18,735,433	0	2,065,440	23,209,368	25,274,808	4,010,241	53 %	0.10	1.19	24.43 %
11 Edison Venture Fund VII, L.P.	2011	40,000,000	11,400,000	28,600,000	454,315	0	14,452,439	14,452,439	2,598,124	28 %	0.00	1.22	27.03 %
12 Fletcher Spaght Ventures II	2007	20,000,000	13,050,001	6,950,000	103,079	1,720,201	11,829,460	13,549,661	396,581	65 %	0.13	1.03	1.48 %
13 GF Capital Private Equity Fund, LP	2007	15,000,000	14,072,094	927,906	105,889	8,174,107	11,366,597	19,540,704	5,362,721	94 %	0.58	1.38	14.01 %
14 Goode Partners Consumer Fund I, L.P.	2007	20,000,000	19,898,551	101,449	129,530	4,932,538	23,395,659	28,328,197	8,300,116	99 %	0.25	1.41	10.19 %
15 Industrial Opportunity Partners, L.P.	2006	15,000,000	13,912,116	1,087,884	114,029	4,808,241	20,120,272	24,928,513	10,902,368	93 %	0.35	1.78	23.32 %
16 Industry Ventures Fund VI	2011	45,000,000	23,850,000	21,150,000	0	3,647,054	28,156,815	31,803,869	7,953,869	53 %	0.15	1.33	65.86 %
17 Leeds Equity Partners V, LP	2007	20,000,000	11,738,463	8,261,537	-333,456	0	12,729,305	12,729,305	1,324,298	59 %	0.00	1.12	8.44 %
18 Levine Leichtman IV	2008	50,000,000	38,377,277	11,622,723	-9,116	5,852,923	52,474,723	58,327,646	19,959,485	77 %	0.15	1.52	27.60 %
19 Lexington Capital Partners VII	2009	45,000,000	20,795,667	24,204,333	-114,241	5,346,052	21,884,130	27,230,182	6,548,756	46 %	0.26	1.32	20.59 %
20 Lightyear Capital III	2011	40,000,000	14,557,785	25,442,215	0	2,375,943	12,893,351	15,269,294	711,509	36 %	0.16	1.05	6.56 %
21 Lion Capital Fund II	2007	40,583,965	35,914,953	4,669,013	274,962	1,903,696	28,255,939	30,159,635	-6,030,280	88 %	0.05	0.83	-4.67 %
22 Platinum Equity Partners II, LP	2007	30,000,000	26,577,096	3,422,904	377,257	11,646,257	24,478,924	36,125,181	9,170,828	89 %	0.44	1.34	13.73 %
23 Psilos Group Partners III LP	2006	10,000,000	8,850,000	1,150,000	26,981	4,845,456	7,014,873	11,860,329	2,983,348	89 %	0.55	1.34	8.27 %
24 TPG Growth II, L.P.	2012	75,000,000	7,475,578	67,524,422	0	0	6,029,574	6,029,574	-1,446,004	10 %	0.00	0.81	-24.63 %
25 Tenex Capital Partners	2010	30,000,000	7,281,049	22,718,951	91,443	0	4,975,739	4,975,739	-2,396,753	24 %	0.00	0.67	-44.08 %
26 VSS Structured Capital Partners II	2009	40,000,000	21,744,275	18,255,725	-9,464	8,498,321	17,753,563	26,251,884	4,517,073	54 %	0.39	1.21	11.71 %
27 Vicente Capital fka/K H Growth Equity	2007	10,000,000	4,847,694	5,152,306	46,258	6,961	4,155,385	4,162,346	-731,606	48 %	0.00	0.85	-6.32 %
28 W Capital Partners III	2012	40,000,000	6,600,000	33,400,000	0	0	8,074,231	8,074,231	1,474,231	17 %	0.00	1.22	32.91 %
2 Investing Subtotal		967,148,423	531,537,750	435,610,673	2,128,258	108,925,081	545,221,351	654,146,432	120,480,424	55 %	0.20	1.23	11.77 %

New Mexico ERB
Lifecycle Performance Analysis

9/30/2012

Partnership Name	Vintage Year	Commitment	Paid In Capital	Capital To Be Funded	Additional Fees	Cumulative Distributions	Valuation	Total	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
3 Harvesting													
29 Ares Special Situations, LP	2008	30,000,000	30,000,000	0	513,990	15,795,384	29,469,111	45,264,495	14,750,505	100 %	0.53	1.48	11.14 %
30 BR Co-Investment (Transfer)	2009	5,139,173	4,975,125	164,048	164,048	3,264,132	3,229,311	6,493,443	1,354,270	97 %	0.66	1.26	7.70 %
31 HM Sector Performance Fund, L.P.	2006	20,000,000	20,626,570	-626,570	-127,485	2,173,852	18,611,269	20,785,121	286,036	103 %	0.11	1.01	0.42 %
32 Levine Leichtman Deep Value Fund	2006	20,000,000	20,000,000	0	2,698,401	11,507,964	14,142,037	25,650,001	2,951,601	100 %	0.58	1.13	3.73 %
33 Lexington Capital Partners VI-B	2006	20,000,000	20,295,260	-295,260	10,079	10,563,924	13,563,749	24,127,673	3,822,334	101 %	0.52	1.19	5.55 %
34 Newstone Capital Partners I, LP	2006	20,000,000	19,347,417	652,583	242,554	16,436,323	8,269,127	24,705,450	5,115,479	97 %	0.85	1.26	7.69 %
35 Perseus Partners VII, LP	2007	15,000,000	14,789,417	210,583	114,277	992,997	8,355,000	9,347,997	-5,555,697	99 %	0.07	0.63	-14.41 %
3 Harvesting Subtotal		130,139,173	130,033,789	105,384	3,615,863	60,734,576	95,639,604	156,374,180	22,724,528	100 %	0.47	1.17	4.81 %
35 Total Partnerships		1,137,287,596	661,571,539	475,716,057	5,744,121	169,659,656	640,860,955	810,520,611	143,204,952	58 %	0.26	1.21	9.47 %

New Mexico ERB
Vintage Year Performance Analysis

9/30/2012

Partnership Name	Vintage Year	Commitment	Paid In Capital	Capital To Be Funded	Additional Fees	Cumulative Distributions	Valuation	Total	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
2006													
1 HM Sector Performance Fund, L.P.	2006	20,000,000	20,626,570	-626,570	-127,485	2,173,852	18,611,269	20,785,121	286,036	103 %	0.11	1.01	0.42 %
2 Industrial Opportunity Partners, L.P.	2006	15,000,000	13,912,116	1,087,884	114,029	4,808,241	20,120,272	24,928,513	10,902,368	93 %	0.35	1.78	23.32 %
3 Levine Leichtman Deep Value Fund	2006	20,000,000	20,000,000	0	2,698,401	11,507,964	14,142,037	25,650,001	2,951,601	100 %	0.58	1.13	3.73 %
4 Lexington Capital Partners VI-B	2006	20,000,000	20,295,260	-295,260	10,079	10,563,924	13,563,749	24,127,673	3,822,334	101 %	0.52	1.19	5.55 %
5 Newstone Capital Partners I, LP	2006	20,000,000	19,347,417	652,583	242,554	16,436,323	8,269,127	24,705,450	5,115,479	97 %	0.85	1.26	7.69 %
6 Psilos Group Partners III LP	2006	10,000,000	8,850,000	1,150,000	26,981	4,845,456	7,014,873	11,860,329	2,983,348	89 %	0.55	1.34	8.27 %
2006 Subtotal		105,000,000	103,031,363	1,968,637	2,964,559	50,335,760	81,721,327	132,057,087	26,061,166	98 %	0.49	1.25	7.04 %
2007													
7 Bridgepoint Europe IV D	2007	26,564,458	17,053,120	9,511,338	0	0	18,480,090	18,480,090	1,426,970	64 %	0.00	1.08	4.76 %
8 Clayton, Dubilier, and Rice Fund VIII, I	2007	40,000,000	25,391,210	14,608,790	6,468	5,804,577	27,482,837	33,287,414	7,889,736	63 %	0.23	1.31	15.11 %
9 ComVest Investment Partners III, LP	2007	25,000,000	22,466,146	2,533,854	431,428	9,371,667	16,694,600	26,066,267	3,168,693	90 %	0.42	1.14	5.22 %
10 Fletcher Spaght Ventures II	2007	20,000,000	13,050,001	6,950,000	103,079	1,720,201	11,829,460	13,549,661	396,581	65 %	0.13	1.03	1.48 %
11 GF Capital Private Equity Fund, LP	2007	15,000,000	14,072,094	927,906	105,889	8,174,107	11,366,597	19,540,704	5,362,721	94 %	0.58	1.38	14.01 %
12 Goode Partners Consumer Fund I, L.P.	2007	20,000,000	19,898,551	101,449	129,530	4,932,538	23,395,659	28,328,197	8,300,116	99 %	0.25	1.41	10.19 %
13 Leeds Equity Partners V, LP	2007	20,000,000	11,738,463	8,261,537	-333,456	0	12,729,305	12,729,305	1,324,298	59 %	0.00	1.12	8.44 %
14 Lion Capital Fund II	2007	40,583,965	35,914,953	4,669,013	274,962	1,903,696	28,255,939	30,159,635	-6,030,280	88 %	0.05	0.83	-4.67 %
15 Perseus Partners VII, LP	2007	15,000,000	14,789,417	210,583	114,277	992,997	8,355,000	9,347,997	-5,555,697	99 %	0.07	0.63	-14.41 %
16 Platinum Equity Partners II, LP	2007	30,000,000	26,577,096	3,422,904	377,257	11,646,257	24,478,924	36,125,181	9,170,828	89 %	0.44	1.34	13.73 %
17 Vicente Capital fka/K H Growth Equity	2007	10,000,000	4,847,694	5,152,306	46,258	6,961	4,155,385	4,162,346	-731,606	48 %	0.00	0.85	-6.32 %
2007 Subtotal		262,148,423	205,798,744	56,349,679	1,255,692	44,553,001	187,223,796	231,776,797	24,722,361	79 %	0.22	1.12	4.41 %
2008													
18 Apollo Investment Fund VII, L.P.	2008	40,000,000	27,289,039	12,710,961	6,524	9,574,921	34,540,701	44,115,622	16,820,059	68 %	0.35	1.62	22.79 %
19 Ares Special Situations, LP	2008	30,000,000	30,000,000	0	513,990	15,795,384	29,469,111	45,264,495	14,750,505	100 %	0.53	1.48	11.14 %
20 Levine Leichtman IV	2008	50,000,000	38,377,277	11,622,723	-9,116	5,852,923	52,474,723	58,327,646	19,959,485	77 %	0.15	1.52	27.60 %
2008 Subtotal		120,000,000	95,666,316	24,333,684	511,398	31,223,228	116,484,535	147,707,763	51,530,049	80 %	0.33	1.54	18.19 %
2009													
21 BR Co-Investment (Transfer)	2009	5,139,173	4,975,125	164,048	164,048	3,264,132	3,229,311	6,493,443	1,354,270	97 %	0.66	1.26	7.70 %
22 BR/ERB Co-Investment Fund I (Blackf	2009	100,000,000	62,899,553	37,100,447	0	5,959,062	69,927,395	75,886,457	12,986,904	63 %	0.09	1.21	15.79 %
23 DRI II, L.P.	2009	40,000,000	21,368,867	18,631,133	147,896	10,054,695	12,841,676	22,896,371	1,379,608	53 %	0.47	1.06	8.34 %
24 Lexington Capital Partners VII	2009	45,000,000	20,795,667	24,204,333	-114,241	5,346,052	21,884,130	27,230,182	6,548,756	46 %	0.26	1.32	20.59 %
25 VSS Structured Capital Partners II	2009	40,000,000	21,744,275	18,255,725	-9,464	8,498,321	17,753,563	26,251,884	4,517,073	54 %	0.39	1.21	11.71 %
2009 Subtotal		230,139,173	131,783,487	98,355,686	188,239	33,122,262	125,636,075	158,758,337	26,786,611	57 %	0.25	1.20	14.21 %

New Mexico ERB
Vintage Year Performance Analysis

9/30/2012

Partnership Name	Vintage Year	Commitment	Paid In Capital	Capital To Be Funded	Additional Fees	Cumulative Distributions	Valuation	Total	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
2010													
26 Ares Special Situations III, LP	2010	30,000,000	16,908,426	13,091,574	279,745	567,142	17,335,953	17,903,095	714,925	56 %	0.03	1.04	2.95 %
27 EIG XV	2010	40,000,000	21,264,567	18,735,433	0	2,065,440	23,209,368	25,274,808	4,010,241	53 %	0.10	1.19	24.43 %
28 Tenex Capital Partners	2010	30,000,000	7,281,049	22,718,951	91,443	0	4,975,739	4,975,739	-2,396,753	24 %	0.00	0.67	-44.08 %
2010 Subtotal		100,000,000	45,454,042	54,545,958	371,188	2,632,582	45,521,060	48,153,642	2,328,412	45 %	0.06	1.05	5.06 %
2011													
29 BDCM Opportunity Fund III, LP	2011	40,000,000	15,954,224	24,045,776	-1,270	1,769,827	14,667,752	16,437,579	484,624	40 %	0.11	1.03	4.41 %
30 Edison Venture Fund VII, L.P.	2011	40,000,000	11,400,000	28,600,000	454,315	0	14,452,439	14,452,439	2,598,124	28 %	0.00	1.22	27.03 %
31 Industry Ventures Fund VI	2011	45,000,000	23,850,000	21,150,000	0	3,647,054	28,156,815	31,803,869	7,953,869	53 %	0.15	1.33	65.86 %
32 Lightyear Capital III	2011	40,000,000	14,557,785	25,442,215	0	2,375,943	12,893,351	15,269,294	711,509	36 %	0.16	1.05	6.56 %
2011 Subtotal		165,000,000	65,762,009	99,237,991	453,045	7,792,824	70,170,357	77,963,181	11,748,127	40 %	0.12	1.18	32.25 %
2012													
33 Ares Corporate Opportunities Fund	2012	40,000,000	0	40,000,000	0	0	0	0	0	0 %	0.00	N/A	N/A
34 TPG Growth II, L.P.	2012	75,000,000	7,475,578	67,524,422	0	0	6,029,574	6,029,574	-1,446,004	10 %	0.00	0.81	-24.63 %
35 W Capital Partners III	2012	40,000,000	6,600,000	33,400,000	0	0	8,074,231	8,074,231	1,474,231	17 %	0.00	1.22	32.91 %
2012 Subtotal		155,000,000	14,075,578	140,924,422	0	0	14,103,805	14,103,805	28,227	9 %	0.00	1.00	0.28 %
35 Total Partnerships		1,137,287,596	661,571,539	475,716,057	5,744,121	169,659,656	640,860,955	810,520,611	143,204,952	58 %	0.26	1.21	9.47 %

New Mexico ERB
Investment Strategy Performance Analysis

9/30/2012

Partnership Name	Vintage Year	Commitment	Paid In Capital	Capital To Be Funded	Additional Fees	Cumulative Distributions	Valuation	Total	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
100 Venture													
1 Fletcher Spaght Ventures II	2007	20,000,000	13,050,001	6,950,000	103,079	1,720,201	11,829,460	13,549,661	396,581	65 %	0.13	1.03	1.48 %
2 Psilos Group Partners III LP	2006	10,000,000	8,850,000	1,150,000	26,981	4,845,456	7,014,873	11,860,329	2,983,348	89 %	0.55	1.34	8.27 %
100 Venture Subtotal		30,000,000	21,900,001	8,100,000	130,060	6,565,657	18,844,333	25,409,990	3,379,929	73 %	0.30	1.15	5.41 %
110 Growth Equity													
1 Edison Venture Fund VII, L.P.	2011	40,000,000	11,400,000	28,600,000	454,315	0	14,452,439	14,452,439	2,598,124	28 %	0.00	1.22	27.03 %
2 Lightyear Capital III	2011	40,000,000	14,557,785	25,442,215	0	2,375,943	12,893,351	15,269,294	711,509	36 %	0.16	1.05	6.56 %
3 TPG Growth II, L.P.	2012	75,000,000	7,475,578	67,524,422	0	0	6,029,574	6,029,574	-1,446,004	10 %	0.00	0.81	-24.63 %
4 Vicente Capital fka/K H Growth Equity	2007	10,000,000	4,847,694	5,152,306	46,258	6,961	4,155,385	4,162,346	-731,606	48 %	0.00	0.85	-6.32 %
110 Growth Equity Subtotal		165,000,000	38,281,057	126,718,943	500,573	2,382,904	37,530,749	39,913,653	1,132,023	23 %	0.06	1.03	4.02 %
120 Buyouts													
1 Apollo Investment Fund VII, L.P.	2008	40,000,000	27,289,039	12,710,961	6,524	9,574,921	34,540,701	44,115,622	16,820,059	68 %	0.35	1.62	22.79 %
2 Bridgepoint Europe IV D	2007	26,564,458	17,053,120	9,511,338	0	0	18,480,090	18,480,090	1,426,970	64 %	0.00	1.08	4.76 %
3 Clayton, Dubilier, and Rice Fund VIII, I	2007	40,000,000	25,391,210	14,608,790	6,468	5,804,577	27,482,837	33,287,414	7,889,736	63 %	0.23	1.31	15.11 %
4 GF Capital Private Equity Fund, LP	2007	15,000,000	14,072,094	927,906	105,889	8,174,107	11,366,597	19,540,704	5,362,721	94 %	0.58	1.38	14.01 %
5 Goode Partners Consumer Fund I, L.P.	2007	20,000,000	19,898,551	101,449	129,530	4,932,538	23,395,659	28,328,197	8,300,116	99 %	0.25	1.41	10.19 %
6 HM Sector Performance Fund, L.P.	2006	20,000,000	20,626,570	-626,570	-127,485	2,173,852	18,611,269	20,785,121	286,036	103 %	0.11	1.01	0.42 %
7 Industrial Opportunity Partners, L.P.	2006	15,000,000	13,912,116	1,087,884	114,029	4,808,241	20,120,272	24,928,513	10,902,368	93 %	0.35	1.78	23.32 %
8 Leeds Equity Partners V, LP	2007	20,000,000	11,738,463	8,261,537	-333,456	0	12,729,305	12,729,305	1,324,298	59 %	0.00	1.12	8.44 %
9 Levine Leichtman IV	2008	50,000,000	38,377,277	11,622,723	-9,116	5,852,923	52,474,723	58,327,646	19,959,485	77 %	0.15	1.52	27.60 %
10 Lion Capital Fund II	2007	40,583,965	35,914,953	4,669,013	274,962	1,903,696	28,255,939	30,159,635	-6,030,280	88 %	0.05	0.83	-4.67 %
11 Perseus Partners VII, LP	2007	15,000,000	14,789,417	210,583	114,277	992,997	8,355,000	9,347,997	-5,555,697	99 %	0.07	0.63	-14.41 %
12 Platinum Equity Partners II, LP	2007	30,000,000	26,577,096	3,422,904	377,257	11,646,257	24,478,924	36,125,181	9,170,828	89 %	0.44	1.34	13.73 %
120 Buyouts Subtotal		332,148,423	265,639,905	66,508,518	658,880	55,864,109	280,291,316	336,155,425	69,856,641	80 %	0.21	1.26	9.49 %
130 Mezzanine													
1 DRI II, L.P.	2009	40,000,000	21,368,867	18,631,133	147,896	10,054,695	12,841,676	22,896,371	1,379,608	53 %	0.47	1.06	8.34 %
2 EIG XV	2010	40,000,000	21,264,567	18,735,433	0	2,065,440	23,209,368	25,274,808	4,010,241	53 %	0.10	1.19	24.43 %
3 Newstone Capital Partners I, LP	2006	20,000,000	19,347,417	652,583	242,554	16,436,323	8,269,127	24,705,450	5,115,479	97 %	0.85	1.26	7.69 %
4 VSS Structured Capital Partners II	2009	40,000,000	21,744,275	18,255,725	-9,464	8,498,321	17,753,563	26,251,884	4,517,073	54 %	0.39	1.21	11.71 %
130 Mezzanine Subtotal		140,000,000	83,725,126	56,274,874	380,986	37,054,778	62,073,734	99,128,512	15,022,401	60 %	0.44	1.18	10.54 %

New Mexico ERB
Investment Strategy Performance Analysis

9/30/2012

Partnership Name	Vintage Year	Commitment	Paid In Capital	Capital To Be Funded	Additional Fees	Cumulative Distributions	Valuation	Total	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
140 Secondaries													
1 Industry Ventures Fund VI	2011	45,000,000	23,850,000	21,150,000	0	3,647,054	28,156,815	31,803,869	7,953,869	53 %	0.15	1.33	65.86 %
2 Lexington Capital Partners VI-B	2006	20,000,000	20,295,260	-295,260	10,079	10,563,924	13,563,749	24,127,673	3,822,334	101 %	0.52	1.19	5.55 %
3 Lexington Capital Partners VII	2009	45,000,000	20,795,667	24,204,333	-114,241	5,346,052	21,884,130	27,230,182	6,548,756	46 %	0.26	1.32	20.59 %
4 W Capital Partners III	2012	40,000,000	6,600,000	33,400,000	0	0	8,074,231	8,074,231	1,474,231	17 %	0.00	1.22	32.91 %
140 Secondaries Subtotal		150,000,000	71,540,927	78,459,073	-104,162	19,557,030	71,678,925	91,235,955	19,799,190	48 %	0.27	1.28	15.28 %
150 Distressed													
1 Ares Corporate Opportunities Fund	2012	40,000,000	0	40,000,000	0	0	0	0	0	0 %	0.00	N/A	N/A
2 Ares Special Situations III, LP	2010	30,000,000	16,908,426	13,091,574	279,745	567,142	17,335,953	17,903,095	714,925	56 %	0.03	1.04	2.95 %
3 Ares Special Situations, LP	2008	30,000,000	30,000,000	0	513,990	15,795,384	29,469,111	45,264,495	14,750,505	100 %	0.53	1.48	11.14 %
4 BDCM Opportunity Fund III, LP	2011	40,000,000	15,954,224	24,045,776	-1,270	1,769,827	14,667,752	16,437,579	484,624	40 %	0.11	1.03	4.41 %
5 ComVest Investment Partners III, LP	2007	25,000,000	22,466,146	2,533,854	431,428	9,371,667	16,694,600	26,066,267	3,168,693	90 %	0.42	1.14	5.22 %
6 Levine Leichtman Deep Value Fund	2006	20,000,000	20,000,000	0	2,698,401	11,507,964	14,142,037	25,650,001	2,951,601	100 %	0.58	1.13	3.73 %
7 Tenex Capital Partners	2010	30,000,000	7,281,049	22,718,951	91,443	0	4,975,739	4,975,739	-2,396,753	24 %	0.00	0.67	-44.08 %
150 Distressed Subtotal		215,000,000	112,609,845	102,390,155	4,013,737	39,011,984	97,285,192	136,297,176	19,673,595	52 %	0.35	1.17	6.36 %
200 Co-Investment													
1 BR Co-Investment (Transfer)	2009	5,139,173	4,975,125	164,048	164,048	3,264,132	3,229,311	6,493,443	1,354,270	97 %	0.66	1.26	7.70 %
2 BR/ERB Co-Investment Fund I (Blackf	2009	100,000,000	62,899,553	37,100,447	0	5,959,062	69,927,395	75,886,457	12,986,904	63 %	0.09	1.21	15.79 %
200 Co-Investment Subtotal		105,139,173	67,874,678	37,264,495	164,048	9,223,194	73,156,706	82,379,900	14,341,174	65 %	0.14	1.21	14.20 %
35 Total Partnerships		1,137,287,596	661,571,539	475,716,057	5,744,121	169,659,656	640,860,955	810,520,611	143,204,952	58 %	0.26	1.21	9.47 %