



# New Mexico Educational Retirement Board

September 30, 2017 Quarterly Investment Report

## Client Overview

**Program Inception:**

2003

**HL Relationship Inception:**

2007

**Real Assets Strategies:**

Real Estate

Natural Resources

**Plan Size (as of 9/30/2017):**

\$12.58 billion

**Target / Current Allocation:**

Real Estate – 7.0% / 7.2%

Natural Resources – 4.5% / 3.8%

**Real Estate Benchmark:**

NCREIF Property Index

**Natural Resources Benchmark:**

Consumer Price Index + 4% (CPI-U)

\$ millions	6/30/2017	9/30/2017	Change
Active Partnerships	47	48	1
Inactive Partnerships	2	2	-
Active GP Relationships	29	29	-
Capital Committed	\$1,933.2	\$1,973.4	\$40.2
Unfunded Commitment	\$615.7	\$616.9	\$1.2
Paid-In Capital	\$2,249.5	\$2,302.4	\$52.9
Capital Distributed	\$1,678.3	\$1,748.2	\$69.9
Market Value	\$1,389.5	\$1,387.6	(\$1.9)
Total Value Multiple	1.36x	1.36x	-
Avg. Age of Commitments	3.6 years	3.9 years	0.3 years
<b>Since Inception IRR Performance</b>			
Total Portfolio Net IRR	11.63%	11.43%	(20) bps

## Year-to-Date Commitments

	<b>Hammes Partners III, L.P.</b>	<b>Water Property Investor II, L.P.</b>	<b>Five Point Capital Midstream Fund III, L.P.</b>
<b>General Partner</b>	Hammes Realty Advisors, LLC	Water Asset Management, LLC	Five Point Capital
<b>Existing Manager</b>	Yes	Yes	Yes
<b>Closing Date</b>	5/17/2017	6/13/2017	7/31/2017
<b>Commitment</b>	\$30,000,000	\$30,000,000	\$40,000,000
<b>Fund Size</b>	\$687,000,000	\$52,926,452	\$800,000,000
<b>Strategy</b>	Real Estate	Natural Resources	Natural Resources
<b>Geographic Focus</b>	US Only	US Only	US Only
<b>Industries</b>	Private Real Estate	Water	Energy

## Total Portfolio Performance

	Commitment (\$)	%	Unfunded	Market Value (\$)	%	Net Time Weighted Returns <sup>(1)</sup>						Multiples <sup>(2)</sup>					
						Qtr	1 Year	3 Year	5 Year	7 Year	Since Inception	SI IRR	Initial CF Date	TVPI	RVPI	DPI	PIC <sup>(3)</sup>
Real Estate (Net)	\$1,358,048,207	69%	\$445,096,209	\$906,904,662	65%	1.53%	6.90%	11.18%	11.95%	12.97%	10.78%	11.98%	11/17/2003	1.42	0.50	0.92	1.34
				NCREIF Property Index		1.70%	6.90%	9.83%	10.35%	11.24%	9.05%						
				<b>Difference</b>		<b>(0.17%)</b>	<b>0.00%</b>	<b>1.35%</b>	<b>1.61%</b>	<b>1.73%</b>	<b>1.73%</b>						
Natural Resources (Net)	\$619,155,125	31%	\$175,631,204	\$480,714,663	35%	0.22%	6.48%	4.37%	5.15%	4.16%	3.03%	6.08%	3/9/2009	1.13	1.00	0.14	0.78
				CPI-U Index + 4%		4.76%	6.24%	5.22%	5.30%	5.76%	5.77%						
				<b>Difference</b>		<b>(4.54%)</b>	<b>0.24%</b>	<b>(0.85%)</b>	<b>(0.14%)</b>	<b>(1.60%)</b>	<b>(2.74%)</b>						
New Mexico (Net)	\$1,977,203,332	100%	\$620,727,412	\$1,387,619,326	100%	1.09%	6.76%	10.08%	11.03%	12.16%	10.26%	11.43%	11/17/2003	1.36	0.60	0.76	1.16

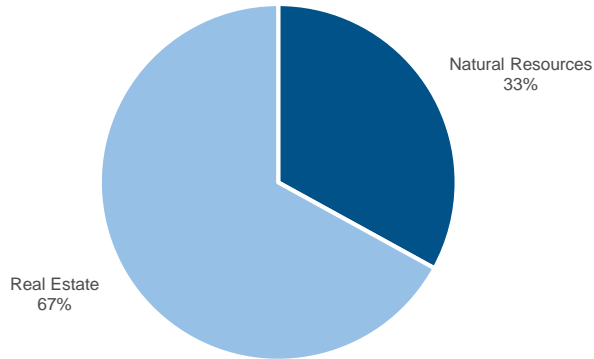
(1) Time weighted returns shown use a Modified Dietz methodology, based on quarterly return periods.

(2) Multiples are defined in the Glossary of Terms on Page 10 of this report.

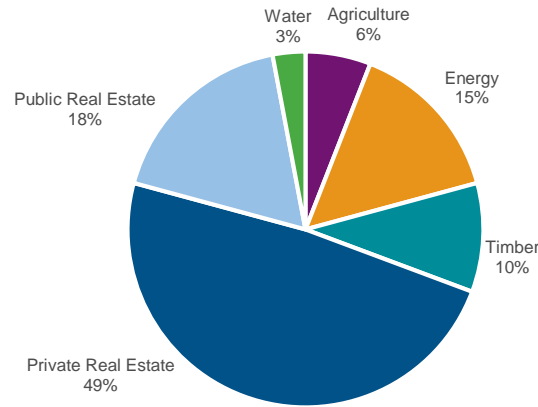
(3) PIC multiples may exceed 1.00 due to the recycling of capital and/or contributions made outside of commitment.

**Total Portfolio Diversification**

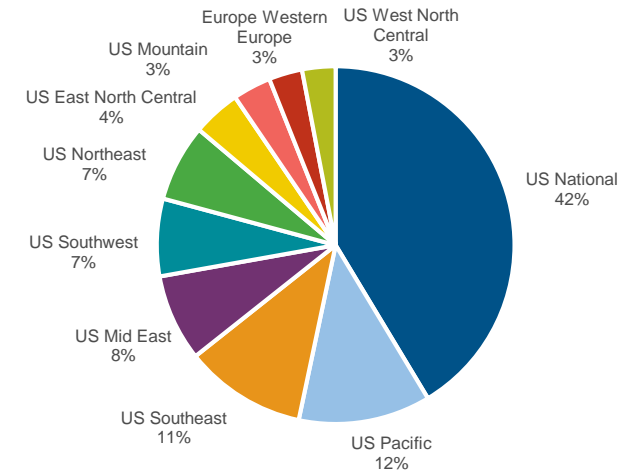
**Real Asset Category  
by Total Exposure  
As of September 30, 2017**



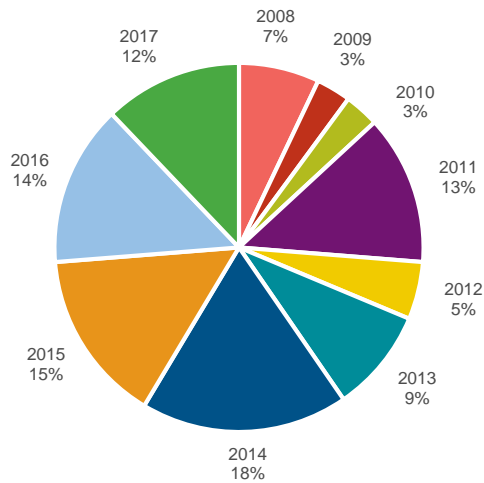
**Asset Class  
by Total Exposure  
As of September 30, 2017**



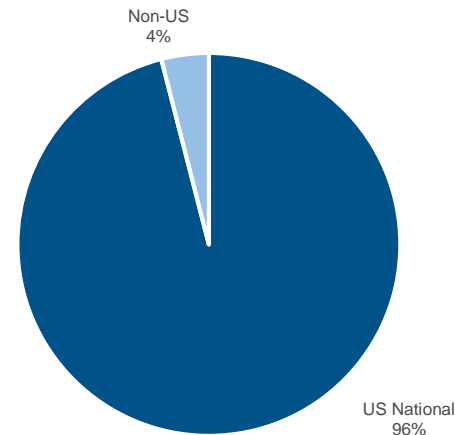
**Geography  
by Exposed Market Value  
As of September 30, 2017**



**Vintage Year Diversification  
by Commitment Amount  
As of September 30, 2017**



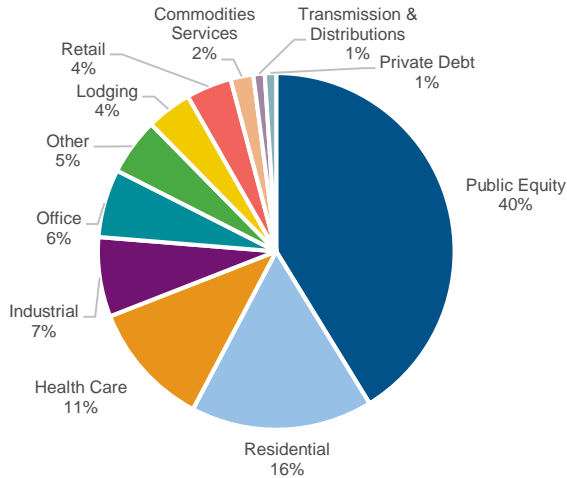
**US v Non-US  
by Exposed Market Value**



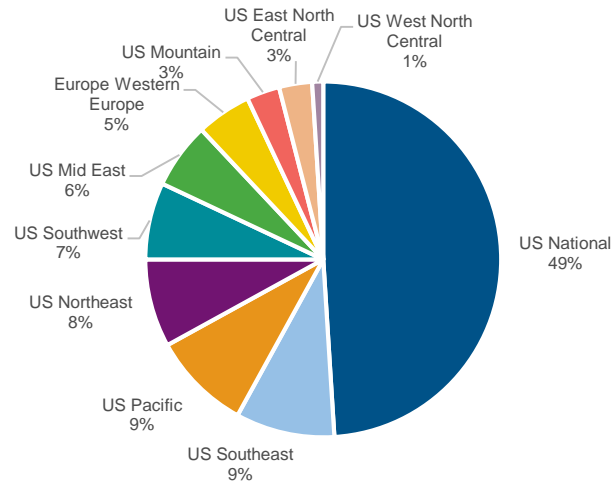
Note: Pie chart percentages may not sum to 100% due to rounding.

Real Estate Diversification

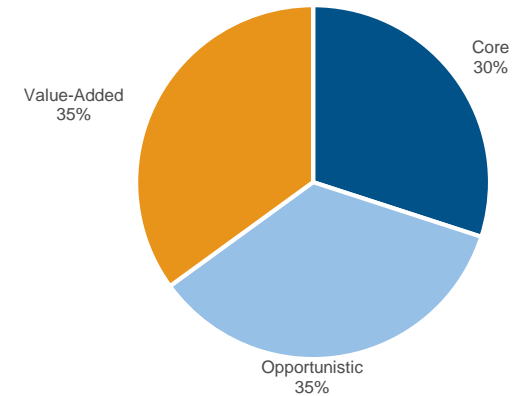
**Asset Class**  
by Exposed Market Value  
As of September 30, 2017



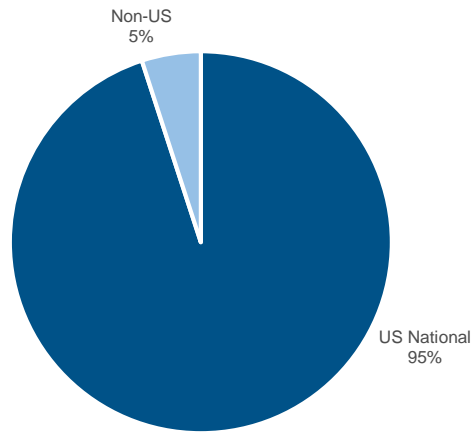
**Geography**  
by Exposed Market Value  
As of September 30, 2017



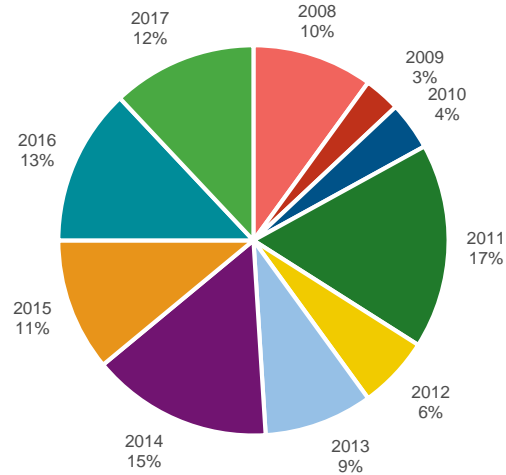
**Risk Category**  
by Total Exposure  
As of September 30, 2017



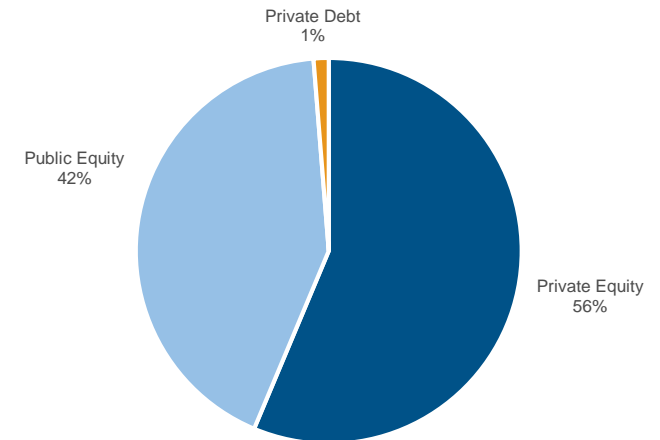
**US v Non-US**  
by Exposed Market Value



**Vintage Year**  
by Commitment Amount  
As of September 30, 2017



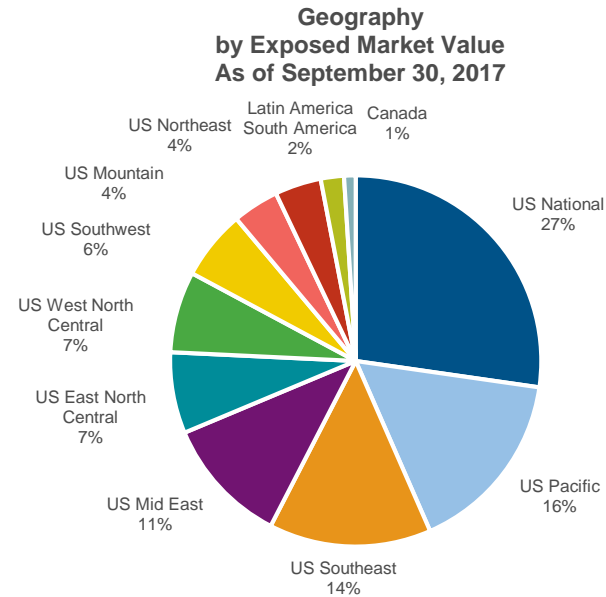
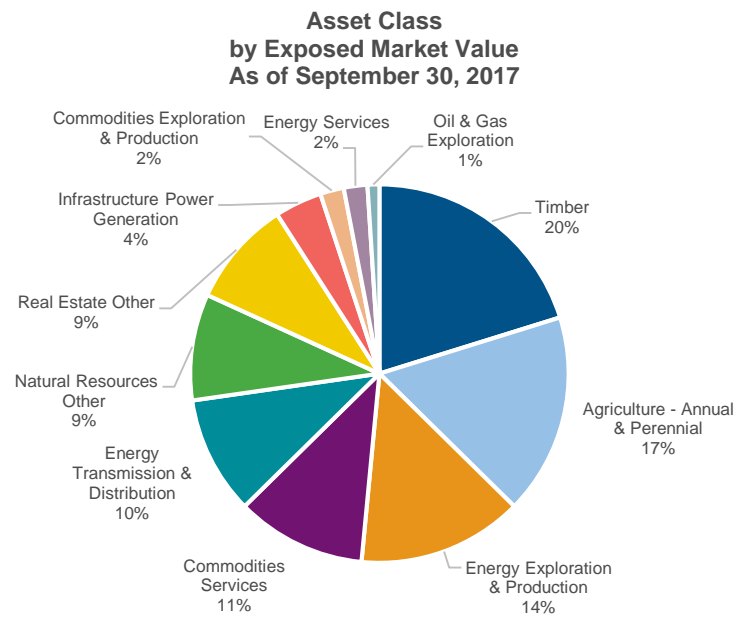
**Debt v Equity**  
by Total Exposure  
As of September 30, 2017



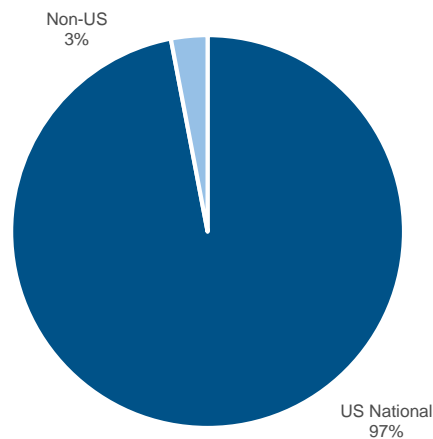
Note: Pie chart percentages may not sum to 100% due to rounding.

(1) Natural Resources Agriculture - Annual & Perennial, Infrastructure Other, and Infrastructure Ports represent a combined 3% of exposed market value and are not shown in the chart.

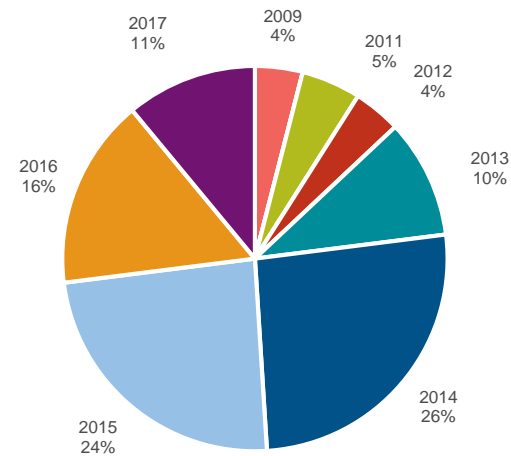
## Natural Resources Diversification



**US v Non-US by Exposed Market Value**



**Vintage Year by Commitment Amount As of September 30, 2017**



Note: Pie chart percentages may not sum to 100% due to rounding.

	Commitment <sup>(3)</sup>	Unfunded	Market Value	Net Time Weighted Returns <sup>(1)</sup>						SI IRR	Initial CF Date	Multiples <sup>(2)</sup>			
				Qtr	1 Year	3 Year	5 Year	7 Year	Since Inception			TVPI	RVPI	DPI	PIC <sup>(4)</sup>
<b>Real Estate</b>															
<b>Public Real Estate</b>															
In-House REIT	\$0	\$0	\$100,802,613	0.57%	(0.10%)	9.37%	9.34%	11.20%	9.82%	13.02%	11/17/2003	1.53	0.13	1.40	N/A
U.S. Value Income REIT Strategy	160,000,000	0	256,452,347	0.14%	(1.37%)	6.70%	8.85%	N/A	13.67%	9.03%	7/1/2011	1.56	1.56	0.00	1.02
<b>Public Real Estate - Total</b>	<b>\$160,000,000</b>	<b>\$0</b>	<b>\$357,254,960</b>	<b>0.26%</b>	<b>(1.02%)</b>	<b>7.81%</b>	<b>8.82%</b>	<b>10.99%</b>	<b>9.72%</b>	<b>12.47%</b>	<b>11/17/2003</b>	<b>1.53</b>	<b>0.38</b>	<b>1.15</b>	<b>N/A</b>
			Wilshire REIT US Equity Index	0.61%	0.10%	9.65%	9.51%	11.40%	9.24%						
			<b>Difference</b>	<b>(0.35%)</b>	<b>(1.12%)</b>	<b>(1.84%)</b>	<b>(0.69%)</b>	<b>(0.41%)</b>	<b>0.48%</b>						
<b>Private Real Estate</b>															
<b>Core</b>															
PRIMA Mortgage Investment Trust, LLC	\$50,000,000	\$0	\$49,265,214	1.22%	2.49%	3.96%	4.24%	4.43%	5.05%	5.35%	7/21/2008	1.46	0.99	0.47	1.00
Prologis Targeted Europe Logistics Fund, FCP-FIS	12,664,964	117,844	8,435,481	7.36%	15.97%	8.93%	8.33%	6.45%	(1.59%)	(1.86%)	7/1/2008	0.87	0.67	0.21	1.00
<b>Real Estate - Core Total</b>	<b>\$62,664,964</b>	<b>\$117,844</b>	<b>\$57,700,695</b>	<b>2.08%</b>	<b>4.26%</b>	<b>4.63%</b>	<b>4.76%</b>	<b>4.71%</b>	<b>4.17%</b>	<b>4.12%</b>	<b>7/1/2008</b>	<b>1.27</b>	<b>0.67</b>	<b>0.60</b>	<b>1.00</b>
<b>Value Add</b>															
Crow Holdings Realty Partners VI, L.P.	\$50,000,000	\$4,522,165	\$35,717,828	1.77%	11.85%	12.44%	N/A	N/A	9.12%	10.39%	9/23/2013	1.30	0.78	0.52	0.91
Crow Holdings Realty Partners VII, L.P.	35,000,000	6,175,480	30,097,729	1.41%	13.41%	N/A	N/A	N/A	11.06%	10.85%	1/14/2016	1.11	1.01	0.10	0.85
Crow Retail Fund II, L.P.	30,000,000	30,000,000	0	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00
Hammes Partners II, L.P.	50,000,000	18,938,637	27,858,349	2.23%	9.77%	N/A	N/A	N/A	10.60%	9.77%	7/16/2015	1.11	0.85	0.27	0.66
Hammes Partners III, L.P.	30,000,000	30,000,000	0	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00
Prudential Senior Housing Partners IV, L.P.	50,000,000	8,400,967	50,241,612	7.82%	16.09%	18.85%	14.68%	N/A	13.66%	15.37%	10/3/2011	1.56	1.01	0.54	0.99
Prudential Senior Housing V, L.P.	35,000,000	19,740,953	17,563,420	0.83%	12.30%	N/A	N/A	N/A	9.15%	11.26%	5/15/2015	1.15	1.15	0.00	0.44
RAM Realty Partners III, L.P.	30,000,000	2,903,331	8,541,643	12.92%	23.67%	22.30%	N/A	N/A	18.20%	17.27%	10/19/2012	1.49	0.26	1.23	1.09
RAM Realty Partners IV, L.P.	40,000,000	29,817,374	9,246,951	7.26%	3.50%	N/A	N/A	N/A	3.50%	(3.60%)	7/20/2016	0.97	0.51	0.46	0.46
Realterm Logistics Fund, L.P.	25,000,000	1,669,411	23,731,581	1.91%	8.91%	20.48%	N/A	N/A	16.79%	14.85%	3/10/2014	1.28	0.99	0.29	0.96
Realterm Logistics Fund II, L.P.	25,000,000	23,605,780	1,053,767	(9.47%)	N/A	N/A	N/A	N/A	(9.47%)	(25.05%)	5/19/2017	0.86	0.42	0.44	0.10
Rockpoint Real Estate Fund IV, L.P.	45,454,545	3,358,834	22,145,565	1.49%	2.98%	13.33%	17.39%	N/A	N/A	18.84%	6/30/2012	1.31	0.47	0.84	1.05
Rockpoint Real Estate Fund V, L.P.	35,000,000	25,072,660	12,440,372	3.88%	12.20%	N/A	N/A	N/A	N/A	11.57%	6/30/2015	1.11	0.96	0.15	0.37
Sares Regis Multifamily Fund, L.P.	30,000,000	1,696,395	17,277,162	1.65%	17.89%	20.26%	N/A	N/A	14.22%	16.77%	6/26/2013	1.66	0.61	1.05	0.94
Sares Regis Multifamily Value-Add Fund II, L.P.	30,000,000	10,002,848	20,541,611	1.84%	5.21%	N/A	N/A	N/A	2.96%	2.52%	8/11/2015	1.02	0.59	0.43	1.16
<b>Real Estate - Value Add Total</b>	<b>\$540,454,545</b>	<b>\$215,904,835</b>	<b>\$276,457,590</b>	<b>3.25%</b>	<b>11.90%</b>	<b>15.66%</b>	<b>13.77%</b>	<b>N/A</b>	<b>9.90%</b>	<b>13.94%</b>	<b>10/3/2011</b>	<b>1.29</b>	<b>0.74</b>	<b>0.55</b>	<b>0.69</b>
<b>Opportunistic</b>															
Edgewood Partners, L.P.	\$99,500,000	\$93,051,022	\$11,375,661	(1.27%)	N/A	N/A	N/A	N/A	81.84%	76.39%	2/15/2017	1.76	1.76	0.00	0.06
Greenfield Acquisition Partners V, L.P.	25,000,000	350,000	697,293	4.13%	2.81%	(2.99%)	3.44%	7.36%	1.49%	8.36%	4/4/2008	1.37	0.03	1.34	0.99
Kildare European Partners I, L.P.	50,000,000	17,464,522	27,233,783	3.67%	18.03%	14.10%	N/A	N/A	13.71%	12.96%	5/6/2014	1.16	0.54	0.62	1.01
Kildare European Partners II, L.P.	40,000,000	40,000,000	0	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00
Lone Star Fund VII (U.S.), L.P.	50,000,000	3,081,775	928,949	(39.03%)	(45.81%)	(19.35%)	5.72%	N/A	12.68%	46.67%	6/15/2011	1.72	0.02	1.70	0.99
Lone Star Fund VIII (U.S.), L.P.	50,000,000	4,991,318	17,310,913	(6.63%)	(5.05%)	1.69%	N/A	N/A	18.84%	15.83%	9/9/2013	1.24	0.35	0.89	0.98
Lone Star Real Estate Fund II (U.S.), L.P.	25,000,000	2,847,542	3,552,814	(3.08%)	7.08%	19.94%	23.25%	N/A	25.73%	25.44%	5/15/2011	1.48	0.14	1.34	1.00
Lone Star Real Estate Fund V (U.S.), L.P.	37,063,856	34,028,045	2,145,472	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	12/20/2017	0.71	0.71	0.00	0.08
Raith Real Estate Fund I-A, L.P.	50,000,000	7,518,963	48,763,568	5.31%	18.60%	3.47%	N/A	N/A	8.26%	13.66%	2/7/2014	1.13	0.63	0.50	1.55
RAPM NM Secondary Opportunity Fund L.P.	40,000,000	12,930,224	23,218,373	0.17%	21.58%	8.17%	3.79%	20.63%	(49.06%)	11.59%	7/2/2009	1.46	0.77	0.69	0.76
RAPM-NMERB Co-Investment Fund L.P.	79,520,000	8,965,277	80,264,591	2.93%	15.95%	27.14%	N/A	N/A	24.69%	24.85%	6/10/2014	1.47	1.10	0.38	0.92
<b>Real Estate - Opportunistic Total</b>	<b>\$546,083,856</b>	<b>\$225,228,688</b>	<b>\$215,491,417</b>	<b>1.13%</b>	<b>15.57%</b>	<b>14.29%</b>	<b>19.65%</b>	<b>21.20%</b>	<b>10.48%</b>	<b>14.91%</b>	<b>4/4/2008</b>	<b>1.32</b>	<b>0.52</b>	<b>0.80</b>	<b>0.73</b>
<b>Private Real Estate Total</b>	<b>\$1,149,203,365</b>	<b>\$441,251,367</b>	<b>\$549,649,702</b>	<b>2.33%</b>	<b>12.34%</b>	<b>13.62%</b>	<b>15.00%</b>	<b>14.53%</b>	<b>8.25%</b>	<b>10.71%</b>	<b>4/4/2008</b>	<b>1.30</b>	<b>0.63</b>	<b>0.68</b>	<b>0.73</b>
			NCREIF Property Index	1.70%	6.90%	9.83%	10.35%	11.24%	9.05%						
			<b>Difference</b>	<b>0.63%</b>	<b>5.43%</b>	<b>3.79%</b>	<b>4.66%</b>	<b>3.29%</b>	<b>(0.80%)</b>						
<b>Real Estate Total</b>	<b>\$1,309,203,365</b>	<b>\$441,251,367</b>	<b>\$906,904,662</b>	<b>1.53%</b>	<b>6.90%</b>	<b>11.18%</b>	<b>11.95%</b>	<b>12.97%</b>	<b>10.78%</b>	<b>11.98%</b>	<b>11/17/2003</b>	<b>1.42</b>	<b>0.50</b>	<b>0.92</b>	<b>1.39</b>
			NCREIF Property Index	1.70%	6.90%	9.83%	10.35%	11.24%	9.05%						
			<b>Difference</b>	<b>(0.17%)</b>	<b>0.00%</b>	<b>1.35%</b>	<b>1.61%</b>	<b>1.73%</b>	<b>1.73%</b>						

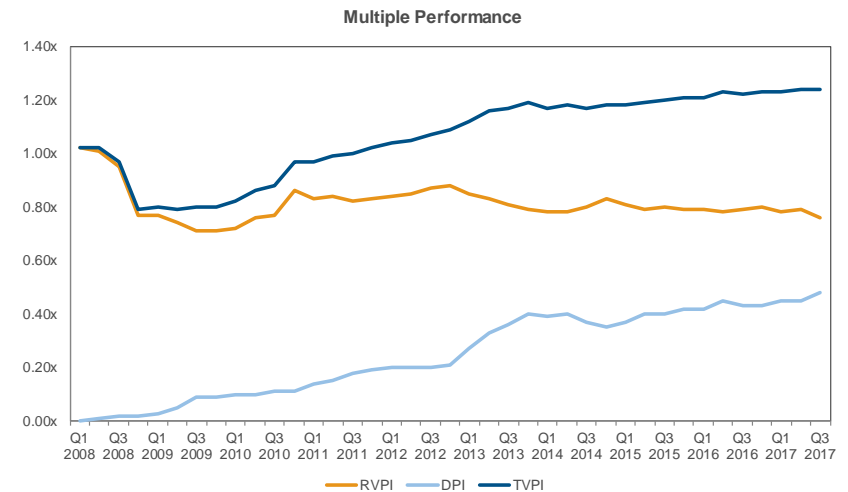
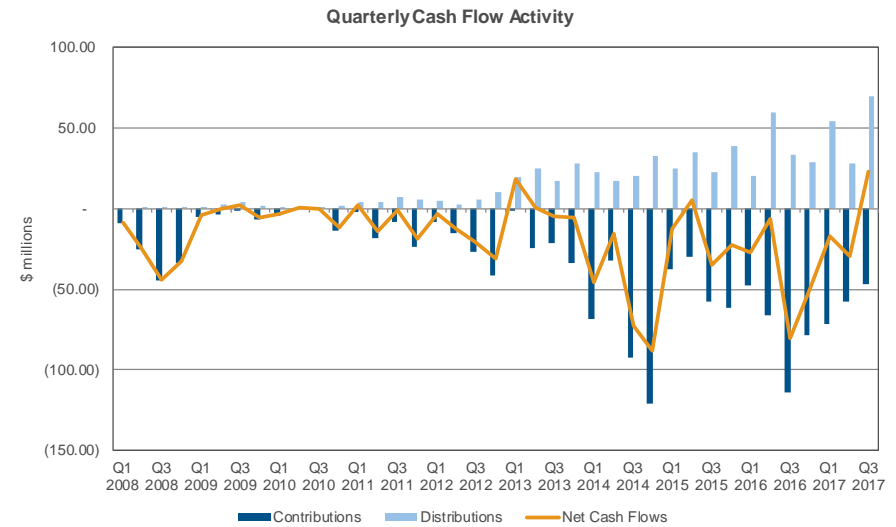
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- (3) Inactive investments are included in performance metrics, but are excluded from commitment totals.
- (4) PIC multiples may exceed 1.00 due to the recycling of capital and/or contributions made outside of commitment.



	Commitment <sup>(3)</sup>	Unfunded	Market Value	Net Time Weighted Returns <sup>(1)</sup>						Multiples <sup>(2)</sup>					
				Qtr	1 Year	3 Year	5 Year	7 Year	Since Inception	SI IRR	Initial CF Date	TVPI	RVPI	DPI	PIC <sup>(4)</sup>
<b>Natural Resources</b>															
<b>Timber</b>															
Brookfield Brazil Timber Fund II, L.P.	\$10,500,000	\$3,009,824	\$8,447,719	3.87%	11.96%	7.55%	N/A	N/A	7.21%	6.59%	12/6/2013	1.24	1.03	0.21	0.78
Conservation Forestry Capital Fund II, L.P.	25,000,000	0	21,508,066	0.79%	(2.51%)	3.13%	5.28%	4.87%	3.61%	4.58%	3/9/2009	1.31	0.78	0.52	1.10
Conservation Forestry Capital Fund IV, L.P.	20,000,000	6,912,622	12,918,492	(0.46%)	N/A	N/A	N/A	N/A	N/A	(2.20%)	9/30/2016	0.98	0.98	0.00	0.66
Eastern Timberland Opportunities II, L.P.	45,000,000	0	54,029,246	(0.10%)	2.44%	7.87%	N/A	N/A	7.87%	7.68%	8/8/2014	1.22	1.19	0.03	1.01
Ecosystem Investment Partners II, L.P.	30,000,000	351,000	34,089,146	(0.54%)	0.76%	13.95%	14.49%	N/A	3.40%	11.42%	3/28/2011	1.41	1.14	0.27	1.00
Ecosystem Investment Partners III, L.P.	50,000,000	41,227,857	8,289,201	(14.37%)	12.13%	N/A	N/A	N/A	(16.83%)	(6.21%)	7/14/2015	0.94	0.94	0.00	0.18
<b>Timberland Total</b>	<b>\$180,500,000</b>	<b>\$51,501,303</b>	<b>\$139,281,870</b>	<b>(0.85%)</b>	<b>1.61%</b>	<b>8.15%</b>	<b>8.51%</b>	<b>6.53%</b>	<b>4.95%</b>	<b>6.74%</b>	<b>3/9/2009</b>	<b>1.24</b>	<b>1.05</b>	<b>0.19</b>	<b>0.74</b>
			NCREIF Timberland Index	1.02%	3.28%	5.24%	7.13%	5.41%	4.01%						
			<b>Difference</b>	<b>(1.87%)</b>	<b>(1.67%)</b>	<b>2.92%</b>	<b>1.39%</b>	<b>1.12%</b>	<b>0.94%</b>						
<b>Agriculture</b>															
Blue Road Capital, L.P.	\$30,000,000	\$16,859,707	\$13,824,972	7.25%	11.53%	N/A	N/A	N/A	7.56%	4.55%	3/26/2015	1.04	0.35	0.68	1.31
Halderman Farmland Separate Account	50,000,000	13,868,974	37,824,002	0.52%	0.89%	2.08%	N/A	N/A	N/A	3.11%	5/10/2013	1.07	1.02	0.06	0.74
Hancock GLC Farms, LLC	26,905,125	1,085,125	31,370,830	(4.81%)	(3.22%)	3.16%	5.66%	N/A	5.66%	5.20%	8/17/2012	1.21	1.21	0.00	0.96
<b>Agriculture Total</b>	<b>\$106,905,125</b>	<b>\$31,813,806</b>	<b>\$83,019,804</b>	<b>(0.53%)</b>	<b>1.41%</b>	<b>2.72%</b>	<b>5.01%</b>	<b>N/A</b>	<b>5.01%</b>	<b>4.32%</b>	<b>8/17/2012</b>	<b>1.09</b>	<b>0.81</b>	<b>0.28</b>	<b>0.96</b>
			NCREIF Farmland Index	1.02%	6.15%	9.11%	12.71%	13.31%	15.06%						
			<b>Difference</b>	<b>(1.55%)</b>	<b>(4.74%)</b>	<b>(6.39%)</b>	<b>(7.70%)</b>	<b>N/A</b>	<b>(10.05%)</b>						
<b>Energy</b>															
Bluescape Energy Recapitalization and Restructuring Fund III, L.P.	\$30,000,000	\$7,968,747	\$27,448,699	13.78%	N/A	N/A	N/A	N/A	16.89%	31.14%	12/21/2016	1.24	1.21	0.03	0.76
BP Natural Gas Opportunity Partners, L.P.	30,000,000	15,412,281	24,724,324	(2.59%)	82.45%	N/A	N/A	N/A	38.00%	50.70%	12/7/2015	1.70	1.69	0.00	0.49
EnerVest Fund XIV, L.P.	37,500,000	6,258,717	26,449,114	(1.28%)	(2.33%)	N/A	N/A	N/A	N/A	(7.13%)	9/30/2015	0.91	0.83	0.08	0.85
Five Point Capital Midstream Fund II, L.P.	50,000,000	13,016,409	45,138,965	0.51%	45.29%	12.35%	N/A	N/A	10.01%	21.29%	6/12/2014	1.20	1.10	0.10	0.82
Five Point Capital Midstream Fund III, L.P.	40,000,000	34,219,053	5,567,370	(3.69%)	(3.69%)	(1.25%)	N/A	N/A	(1.25%)	(1.24%)	N/A	0.96	0.96	0.00	0.14
Harvest MLP	50,000,000	0	49,741,780	(2.11%)	(3.42%)	N/A	N/A	N/A	(3.42%)	(0.73%)	7/7/2016	0.99	0.99	0.00	1.00
Lime Rock Resources III, L.P.	34,250,000	923,866	34,272,477	5.26%	6.19%	(12.02%)	N/A	N/A	(11.04%)	3.24%	1/23/2014	1.08	0.97	0.12	1.03
<b>Energy Total</b>	<b>\$271,750,000</b>	<b>\$77,799,073</b>	<b>\$213,342,729</b>	<b>1.45%</b>	<b>13.82%</b>	<b>(27.40%)</b>	<b>N/A</b>	<b>N/A</b>	<b>(56.40%)</b>	<b>8.02%</b>	<b>1/23/2014</b>	<b>1.11</b>	<b>1.06</b>	<b>0.06</b>	<b>0.74</b>
<b>Water</b>															
Water Property Investor, L.P.	30,000,000	1,393,555	28,265,875	(0.56%)	2.17%	N/A	N/A	N/A	(1.30%)	(0.51%)	12/12/2014	0.99	0.99	0.00	0.95
Water Property Investor II, L.P.	\$30,000,000	\$13,123,466	\$16,804,386	(0.72%)	N/A	N/A	N/A	N/A	(0.72%)	(0.88%)	6/16/2017	0.99	0.99	0.00	0.57
<b>Water Total</b>	<b>\$60,000,000</b>	<b>\$14,517,021</b>	<b>\$45,070,261</b>	<b>(0.62%)</b>	<b>2.09%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>(1.33%)</b>	<b>(0.68%)</b>	<b>12/12/2014</b>	<b>0.99</b>	<b>0.99</b>	<b>0.00</b>	<b>0.76</b>
<b>Natural Resources Total</b>	<b>\$619,155,125</b>	<b>\$175,631,204</b>	<b>\$480,714,663</b>	<b>0.22%</b>	<b>6.48%</b>	<b>4.37%</b>	<b>5.15%</b>	<b>4.16%</b>	<b>3.03%</b>	<b>6.08%</b>	<b>3/9/2009</b>	<b>1.13</b>	<b>1.00</b>	<b>0.14</b>	<b>0.78</b>
			CPI-U Index + 4%	4.76%	6.24%	5.22%	5.30%	5.76%	5.77%						
			<b>Difference</b>	<b>(4.54%)</b>	<b>0.24%</b>	<b>(0.85%)</b>	<b>(0.14%)</b>	<b>(1.60%)</b>	<b>(2.74%)</b>						
<b>Total Portfolio</b>	<b>\$1,928,358,490</b>	<b>\$616,882,571</b>	<b>\$1,387,619,326</b>	<b>1.09%</b>	<b>6.76%</b>	<b>10.08%</b>	<b>11.03%</b>	<b>12.16%</b>	<b>10.26%</b>	<b>11.43%</b>	<b>11/17/2003</b>	<b>1.36</b>	<b>0.60</b>	<b>0.76</b>	<b>1.16</b>

- (1) Time weighted returns shown use a Modified Dietz methodology, based on quarterly return periods.  
(2) Multiples are defined in the Glossary of Terms on Page 10 of this report.  
(3) Inactive investments are included in performance metrics, but are excluded from commitment totals.  
(4) PIC multiples may exceed 1.00 due to the recycling of capital and/or contributions made outside of commitment.

Quarter	\$ Millions			Reported Market Value	TVPI	IRR	DPI	RVPI
	Contributions	Distributions	Net Cash Flows					
Q1 2008	(9.00)	-	(9.00)	9.18	1.02x	2.38%	0.00x	1.02x
Q2 2008	(25.50)	0.45	(25.05)	34.67	1.02x	2.90%	0.01x	1.01x
Q3 2008	(44.85)	1.02	(43.83)	75.16	0.97x	(7.25%)	0.02x	0.95x
Q4 2008	(33.98)	1.22	(32.76)	86.64	0.79x	(41.12%)	0.02x	0.77x
Q1 2009	(5.57)	1.14	(4.43)	90.83	0.80x	(29.71%)	0.03x	0.77x
Q2 2009	(3.32)	2.83	(0.49)	90.33	0.79x	(23.42%)	0.05x	0.74x
Q3 2009	(1.58)	3.88	2.30	88.10	0.80x	(18.92%)	0.09x	0.71x
Q4 2009	(6.71)	1.45	(5.26)	92.72	0.80x	(16.24%)	0.09x	0.71x
Q1 2010	(4.45)	0.85	(3.61)	98.41	0.82x	(12.73%)	0.10x	0.72x
Q2 2010	(0.77)	1.19	0.42	102.16	0.86x	(9.04%)	0.10x	0.76x
Q3 2010	(0.67)	0.85	0.18	105.53	0.88x	(6.48%)	0.11x	0.77x
Q4 2010	(13.74)	1.93	(11.82)	128.18	0.97x	(1.81%)	0.11x	0.86x
Q1 2011	(2.35)	4.11	1.76	127.22	0.97x	(1.37%)	0.14x	0.83x
Q2 2011	(18.06)	4.17	(13.89)	143.47	0.99x	(0.57%)	0.15x	0.84x
Q3 2011	(8.66)	7.45	(1.21)	146.29	1.00x	(0.10%)	0.18x	0.82x
Q4 2011	(23.90)	5.39	(18.51)	168.89	1.02x	0.85%	0.19x	0.83x
Q1 2012	(7.91)	4.72	(3.19)	176.61	1.04x	1.70%	0.20x	0.84x
Q2 2012	(15.09)	2.87	(12.22)	191.35	1.05x	2.02%	0.20x	0.85x
Q3 2012	(26.49)	5.68	(20.80)	218.38	1.07x	2.88%	0.20x	0.87x
Q4 2012	(41.37)	9.94	(31.44)	260.58	1.09x	4.20%	0.21x	0.88x
Q1 2013	(1.62)	19.77	18.15	250.70	1.12x	4.93%	0.27x	0.85x
Q2 2013	(24.54)	24.77	0.23	264.42	1.16x	6.17%	0.33x	0.83x
Q3 2013	(21.65)	16.87	(4.77)	278.85	1.17x	6.75%	0.36x	0.81x
Q4 2013	(33.78)	27.92	(5.86)	295.79	1.19x	7.34%	0.40x	0.79x
Q1 2014	(68.40)	22.34	(46.06)	348.63	1.17x	7.43%	0.39x	0.78x
Q2 2014	(32.59)	17.05	(15.54)	374.00	1.18x	7.70%	0.40x	0.78x
Q3 2014	(92.54)	19.96	(72.58)	458.61	1.17x	7.20%	0.37x	0.80x
Q4 2014	(120.86)	32.99	(87.86)	569.32	1.18x	8.12%	0.35x	0.83x
Q1 2015	(37.61)	25.13	(12.48)	592.36	1.18x	8.10%	0.37x	0.81x
Q2 2015	(29.76)	35.02	5.25	596.29	1.19x	7.99%	0.40x	0.79x
Q3 2015	(57.35)	22.22	(35.13)	651.64	1.20x	8.39%	0.40x	0.80x
Q4 2015	(61.16)	38.51	(22.65)	697.01	1.21x	8.78%	0.42x	0.79x
Q1 2016	(47.50)	20.42	(27.08)	731.59	1.21x	8.49%	0.42x	0.79x
Q2 2016	(65.92)	59.48	(6.44)	770.72	1.23x	9.13%	0.45x	0.78x
Q3 2016	(113.81)	33.50	(80.31)	865.16	1.22x	8.99%	0.43x	0.79x
Q4 2016	(78.29)	28.55	(49.74)	948.02	1.23x	9.40%	0.43x	0.80x
Q1 2017	(71.79)	54.31	(17.48)	986.47	1.23x	9.40%	0.45x	0.78x
Q2 2017	(57.65)	27.85	(29.80)	1,038.93	1.24x	9.41%	0.45x	0.79x
Q3 2017	(46.57)	69.30	22.73	1,030.36	1.24x	9.46%	0.48x	0.76x
<b>Total</b>	<b>(\$1,357.36)</b>	<b>\$657.11</b>	<b>(\$700.25)</b>					



Capital Committed:	An investor's financial obligation to provide a set amount of capital to the investment.
Capital Contributed:	Capital contributed from an investor's capital commitment to fund partnership investments, organizational expenses and management fees.
Capital Distributed:	Cash or stock disbursed to the investors of an investment.
Cost Basis:	Capital contributions less return of principal.
Exposed Market Value:	An investor's pro rata allocation to an underlying investment based on the ownership percentage of the partnership.
Investment Strategy:	A sub-classification of a partnership's investment type, such as Co/Direct Investment, Corporate Finance/Buyout, Mezzanine, Real Estate, Special Situation, Venture Capital.
Net Internal Rate of Revenue ("IRR"):	The discount rate that equates the net present value of the partnership's cash outflows with its inflows and residual value at the time of calculation. The calculation is net of management fees and the general partner's carried interest.
Paid-in Capital:	The amount of capital an investor has contributed to a partnership, which includes capital contributions and additional fees.
Paid-in Capital to Commitment ("PI/C"):	Ratio of cumulative contributions to total committed capital.
Pooled Average IRR:	An IRR calculation which aggregates cash flows (paid-in capital and capital distributed) and the reported market values of each investment within a portfolio to create one portfolio investment and return.
Portfolio Holding Exposure:	The limited partner's pro rata allocation to an underlying investment based on the ownership percentage of the partnership.
Realized Multiple ("D/PI"):	Ratio of cumulative distributions to paid-in capital.
Residual Multiple ("RV/PI"):	Ratio of remaining market value to paid-in capital.
Reported Market Value:	The investment's capital account balance at quarter end, which includes the general partner's reported value of the underlying holdings and other assets and liabilities.
Time Weighted Return (TWR)	The return that an investor achieves over some period of time, where the timing and order effects of cash flows are removed
Total Exposure:	Calculated by the summation of market value and unfunded commitments.
Total Value Multiple ("TV/PI"):	Ratio of total value (remaining market value plus cumulative distributions) to paid-in capital.
Vintage Year:	The year in which a partnership makes its first capital call for an investment into a portfolio company/holding.

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The GP (of Conservation Forestry Fund IV, LP) further acknowledges that Investor (NMERB) discloses the following information about its investments held directly and indirectly: Additionally, the Investor (NMERB) reserves the right to report “since inception” IRR and other rate of return measures for its partnership investments. Notwithstanding anything to the contrary contained in the LPA, the GP (of Conservation Forestry Fund IV, LP) hereby consents in advance to the disclosure of the foregoing information by Investor (NMERB) with respect to the Partnership (of Conservation Forestry Fund IV, LP). Investor (NMERB) agrees that in connection with disclosure of any information of the type contemplated above relating to IRR or other measures of investment return, the information set forth in such disclosure will be prepared by investor (NMERB or affiliate) and include an express statement that the Partnership (of Conservation Forestry Fund IV, LP) has not reviewed such information and makes no representation or warranty concerning its accuracy.

Reported Net IRR herein for Conservation Forestry Fund IV, LP is based upon manager reported cash flows to and inflows from investors and the estimated ending values as of the date of this report. Returns are net of underlying investment manager management fees, expenses and carried interest (if any) specific to the investor. The GP of Conservation Forestry Fund IV, LP has not reviewed stated performance and makes no representation or warranty concerning its accuracy.

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