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

December 9, 2025
Following Legislative Committee

COMMITTEE MEMBERS

Shirley Ragin, Chair
Juan Diaz, Vice Chair
Valerie Barela
Paula Fisher
Augustine Romero

AGENDA

1. **Roll Call**
2. **Approval of Agenda**
3. **Approval of Meeting Minutes**
   A. October 30, 2025, Investment Committee minutes
4. **New Business**

ITEM		PRESENTER
A	Information Item: Proxy Voting Update	Michael Shackelford, CIO Michael Killfoil, DCIO Richard Clark, *ISS (via Zoom)* Ben Colton, Sonya Park, Tatiana Corcoran, *State Street (via Zoom)*
B	Action Item: Policy changes review 1. Investment Committee Charter 2. Investment Policy 3. Investment Procurement Policy	Michael Killfoil, DCIO
C	Information Item: Performance and Market Review 1. Q3 2025 Total Fund Performance and Market Review 2. Fiscal Year End Peer Universe Review 3. Investment Risk Report 4. Q2 2025 Private Asset Class Review a. Equity b. Credit c. Real Estate d. Real Assets	 Michael Shackelford, CIO Samantha Grant, *Verus* Eileen Neill, *Verus* Tom Cawkwell, *Albourne* Andrew Turner, Sr. PM Kate Brassington, Inv. Director Clayton Cleek, Sr. PM Rachel Eacker, PM Tom Cawkwell, Jennifer Yeung, *Albourne*
D	Information Item: Private market consultant due diligence and process education	Michael Killfoil, DCIO Tom Cawkwell, *Albourne*
E	Information Item: Investment Division Compliance 1. Q3 2025 Cash Activity & Rebalance Update (IPS) 2. Q3 2025 Securities Lending Update (IPS) 3. Fiscal Year End Fee Review (Work Plan) 4. Manager Selection Activity Report (IPS) 5. Staffing Update	 Sara Hume, Sr. IOM Michael Killfoil, DCIO

F	Information Item: IC Chair Continuation Memo	Shirley Ragin, IC Chair

5. Adjournment

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

Proxy Voting

December 9, 2025

Proxy Voting:

How much of PERA's total plan falls under what we are discussing today?

27% of total PERA assets.

$3.4 billion with a State Street US index fund

$1.6 billion with a State Street international index fund

How have PERA's managers voted?

https://www.nmpera.org/investments/proxy-voting/

By pages of votes:

- 2025 Q3: 550. 3,700 voted items.
- 2025 Q2: 5,200. 40,000 voted items.
- 2025 Q1: 570.
- 2024 Q4: 150.

When has PERA discussed Proxy Voting in a formal setting?

IC Dec. 9, 2025, Information Item: Proxy Voting Update

IC Oct. 30, 2025, Information Item: Proxy Voting Update

Board Oct. 31, 2024, Action Item: Approval of Committee Recommendation on Proxy Voting Policy

IC Oct. 31, 2024, Action Item: Proxy Voting Policy

IC June 11, 2024, Information Item: Proxy Voting Review

PERA

Proxy Voting:

<u>Do public pension boards voting on proxy have liability</u>?

Yes, individuals on public pension boards have fiduciary liability for their proxy votes. They are legally and ethically required to act solely in the best financial interest of plan participants and beneficiaries, or they risk breaching their duty.

PERA

Proxy Voting:

Details of the Liability

Fiduciary Duty: Board members (trustees) are considered fiduciaries. This means they have a legal obligation to manage the pension plan's assets, including voting rights, with the same "care, skill, prudence, and diligence" that a knowledgeable and prudent person would exercise under similar circumstances.

Exclusive Purpose Rule: Decisions, including how to vote a proxy, must be made for the exclusive purpose of providing benefits to participants and their beneficiaries and maximizing investment returns. Subordinating these interests to unrelated objectives (such as political or social causes that have no connection to enhancing economic value) can be a violation of this duty.

Consequences of Breach: If a board member breaches their fiduciary duty, they can be held personally liable for losses incurred by the pension fund. This means they could be responsible for making up the financial shortfall if their actions (or failure to act) lead to lower returns.

Outsourcing Responsibility: While public pension systems can use third-party proxy advisory firms like ISS or Glass Lewis, they cannot completely outsource their legal responsibility. The ultimate responsibility for the voting decision rests with the fiduciary, who must ensure that the advice followed is consistent with the plan's economic interests.

Documentation: Fiduciaries should document their decision-making process to demonstrate they have acted prudently and in the best interest of the beneficiaries.

PERA

Proxy Voting:

Examples of current managers and third-party proxy policies?

Third-party (Institutional Shareholder Services "ISS"):

- Overview https://www.issgovernance.com/policy-gateway/voting-policies/

- **Public Fund** - Designed to help ensure that public funds fulfil all statutory and common law obligations governing proxy voting, with the intent of maximizing the long-term economic benefits of its plan participants, beneficiaries, and citizens of the state in which the fund resides. https://www.issgovernance.com/file/policy/active/specialty/Public-Fund-US-Voting-Guidelines.pdf?v=2025.2

- **Board-Aligned** - Recommends votes in support of the management recommendation on all ballot items except in circumstances where there is a material governance failure or non-compliance with widely accepted governance practices.
  https://www.issgovernance.com/file/policy/active/specialty/Global-Board-Aligned-US-Voting-Guidelines.pdf?v=2025.2

- **Taft-Hartley** - Based on the AFL-CIO Proxy Voting Guidelines, which comply with all the fiduciary standards delineated by the US Department of Labor.
  https://www.issgovernance.com/file/policy/active/specialty/Taft-Hartley-US-Voting-Guidelines.pdf?v=2025.2

Current Manager (State Street Global Advisors "SSGA"):

- Overview https://www.ssga.com/us/en/about-us/what-we-do/asset-stewardship/proxy-voting-choice
- https://www.ssga.com/library-content/assets/pdf/global/asset-stewardship/proxy-voting-and-engagement-policy.pdf

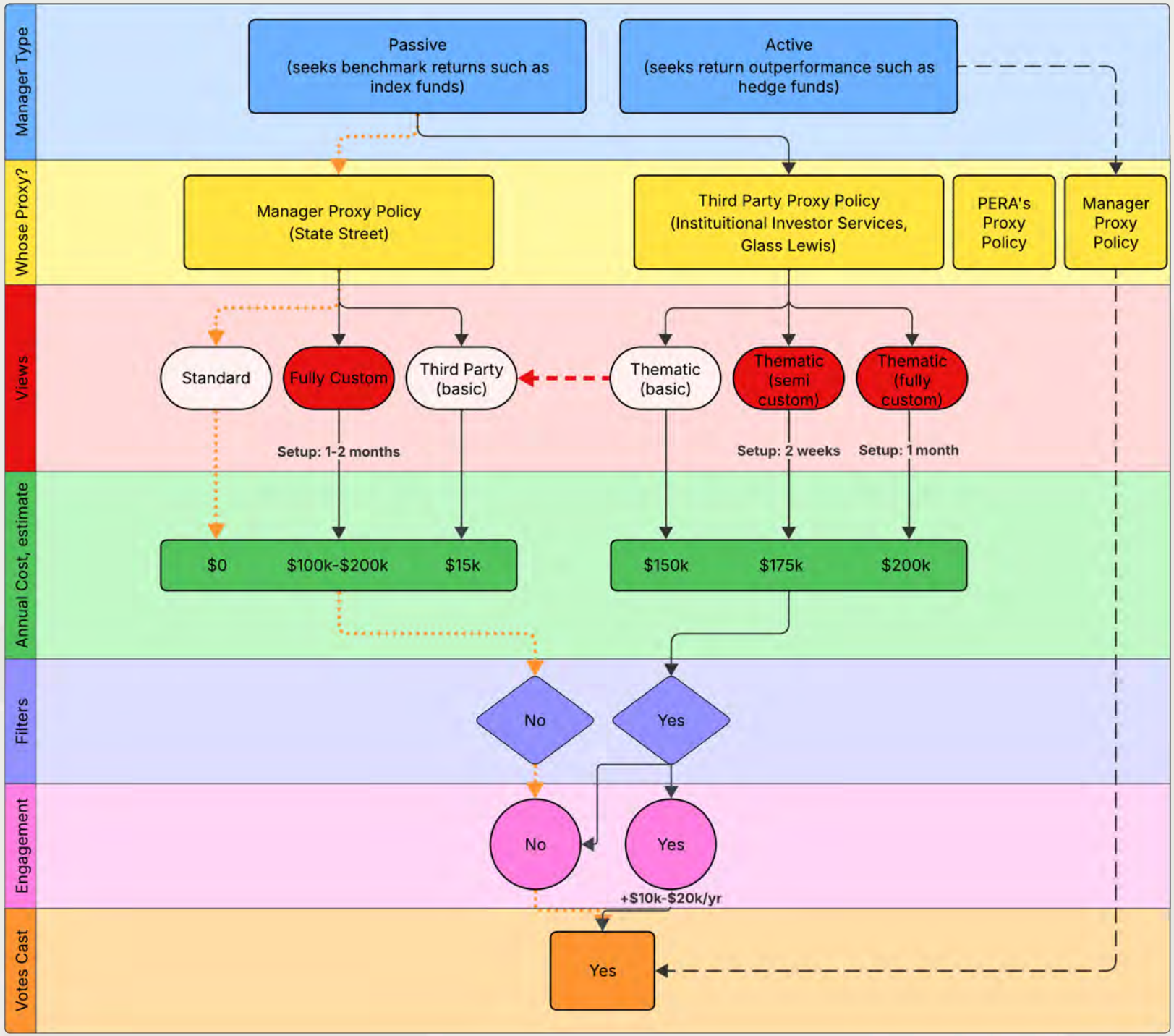
PERA

Flowchart and estimate ($) based on PERA as of 2025.

Orange line = current voting path

Dark red = Board involvement

PERA Board 1-on-1 with SS/ISS.
Open meetings act.
Documentation.



INVESTMENT COMMITTEE CHARTER

Summary of proposed changes:

Minor items:

Fixed punctuation and grammatical errors.

INVESTMENT POLICY

Summary of proposed changes:

Minor items:

Fixed punctuation, grammatical, and spelling errors. Minor clarifications.

Major items:

Clarification language regarding deliverables and their timings:

I.D. section Chief Investment Officer and Investment Staff

Periodically to **quarterly**. Regarding actions related to investment vehicles and managers.

III.C. Evaluation of Risk

Periodically to **at least every three years**. Regarding conducting asset/liability study.

Regular to **quarterly**. Regarding measuring and monitoring Fund risks.

IV.A. Strategic Asset Allocation Targets

Regular to **quarterly**. Regarding implementation progress towards long-term target allocations.

IV.B. Rebalancing Strategy

Added **annually**. Regarding review frequency of rebalancing procedures.

V.C. Benchmarking Framework

At least every two years to **at least every three years**. To match review frequency of Strategic Asset Allocation, asset/liability study, and mandate-level benchmarks. Industry norm and best practices per Verus.

V.E. Mandate-Level Benchmarks

Regular to **at least every three years**. To match review frequency of Strategic Asset Allocation, asset/liability study, and benchmarking framework. Industry norm and best practices per Verus.

Clarifications:

I.D. section Chief Investment Officer and Investment Staff

Added **and consultants**. Matched Board Charter wording.

VI. A. Investments

Changed wording for asset category Core Fixed Income. Reasons are:

1) Aligns Core Fixed Income to IPS Section II.B - Preserve long-term principal of the Fund
2) Requires the portfolio to solely hold investment grade bonds
3) Ties liquidity to Appendix C
4) Risk Reduction and Mitigation no longer exists as an asset class in the Strategic Asset Allocation

Appendix B. Benchmarks

Added exact Bloomberg index tickers identifying Policy benchmarks.

Usefulness:

Added Appendix D. Definitions

Thought it'd be helpful to have a reference for general terminology used throughout the document or that may be useful.

PROCUREMENT POLICY FOR INVESTMENT-RELATED SERVICES

Summary of proposed changes:

Minor items:

Fixed punctuation, grammatical, and spelling errors. Minor clarifications.

Major items:

3. Statutory Authority

Matched IPS wording.

4. Authority and Duties of Board

Matched IPS wording.

6. Definitions

Matched IPS “Board Strategic Investment Consultant” wording.

Matched IPS “CIO Investment Consultant” wording.

8.b. Considerations, Criteria, and Process for Selection of Illiquid Investments

DCIO to **PERA Investment Staff**.

Added **General Counsel**.

Removed **DCIO**.

Added **and/or**.

12.a. Selection Criteria

Added **or**.

13.a. Added **CIO Investment Consultant** to category heading.

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO
INVESTMENT COMMITTEE CHARTER

I. Statement of Purpose

The purpose of the Investment Committee of the PERA Board is to:

A. Assist the Board in carrying out its mission to preserve, protect, and administer the trust to meet its current and future obligations and provide quality services to Association members.

B. Assist the Board in fulfilling its fiduciary duties to manage PERA assets prudently.

II. Authority

In addition to the powers otherwise granted to the PERA Investment Committee pursuant to New Mexico State Statute and Administrative Code, the Investment Committee shall have the following authorities and powers:

A. To develop, implement, and administer an Investment Policy that complies with industry best practices for a public pension trust fund.

B. To oversee PERA staff, consultant/advisor, investment manager, or an appropriate subcommittee and to request and obtain advice, assistance, documentation, or information on investment-related matters.

C. To provide direction to the Board, PERA staff, and consultant/advisor:
   1. In the development, review, monitoring, and updating of investment policies and procedures.
   2. Regarding action on policy and procedural decisions delegated to it by the Board.
   3. In accordance with the Investment Policy, evaluate appropriate investment-related issues, including appropriate risk tolerance, the assumed actuarial rate of return, strategic asset allocation targets, rebalancing ranges, and policy benchmarks.

D. To contract with prudent experts, such as the Board Strategic Investment Consultant, on investment matters, with the Board's approval.

E. To monitor investment performance in accordance with the Investment Policy.

F. To have full access to all books, records, facilities, or personnel of PERA.

G. Other authorities as delegated to it by the Board.

III. Duties, Responsibilities, and Requirements

The Investment Committee will take the necessary actions to ensure that:

A. The trust is invested solely in the interests of participants and beneficiaries, to provide benefits exclusively to them.

B. The Investment Policy and the Procurement Policy for Investment-Related Services established by the Board are adhered to, and compliance with these policies is monitored on an ongoing basis.

C. The activities of the Chief Investment Officer (CIO) and the Investment Division are in accordance with the established Investment Policy and the Board's objectives and are executed in a fiduciary capacity.

D. The activities of the Board Strategic Investment Consultant and contracted investment managers are in accordance with the scope of services detailed in their professional services

agreement or other governing documents, and the services are executed in a fiduciary capacity.

E. The activities of the Committee Members reflect a commitment to the ongoing educational requirements necessary to understand and oversee the complex investment strategies deployed within the trust.

F. Risk management tools, internal controls, and compliance with applicable policies, procedures, rules, laws, and regulations are in place regarding the investment function.

G. Total Fund performance reporting will be formally presented to the Investment Committee quarterly and shall include comparative peer performance data compiled by the Board's Strategic Investment Consultant.

H. Illiquid asset class performance reporting will be provided to the Investment Committee quarterly and formally presented no less than twice a year, covering fiscal year-end and calendar year-end results.

I. All reporting shall be published on the PERA website for public reference, on a timely basis, following the quarterly review.

J. Any other functions as required to carry out its fiduciary duties or as requested by the Board are performed.

IV. Organization

The composition of the Investment Committee shall consist of:

A. No more than 6 Board members, as required by New Mexico Administrative Code, to include a Committee Chairperson and Committee Vice-Chairperson that the Board Chairperson will appoint at the January Board meeting, or as soon as practicable thereafter.

B. Committee members shall serve for one calendar year but may be reappointed annually during the January Board meeting by the Board Chairperson, or as soon as practicable thereafter.

C. Other Board members may be temporarily appointed to the Committee by the Committee Chairperson or Committee Vice Chairperson when a quorum is not present. A quorum shall be a simple majority of the Committee members.

V. Meetings, Minutes, and Communications

The Committee shall:

A. Conduct meetings according to the requirements of the Open Meetings Act and the Board's Open Meetings Resolution and communicate actions or recommendations to the Board as soon as practical.

B. Meet quarterly, 4 times per year, as required by statute and rule, unless the Committee elects to meet more often.

C. Provide that meeting minutes will be distributed to appropriate Committee members and staff for review before the Committee Chairperson signs them.

D. Hold special or emergency meetings when deemed necessary.

VI. Charter Review and History

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO
INVESTMENT COMMITTEE CHARTER

A. This Charter will be reviewed annually.

B. The Board adopted this Charter on October 12, 2010. The Board approved changes to this Charter on November 9, 2021, December 12, 2023, December 10, 2024, and December 9, 2025.

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C. To provide direction to the Board, PERA staff, and consultant/advisor:
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D. To contract with prudent experts, such as the Board Strategic Investment Consultant, on investment matters, with ~~approval from t~~the Board's approval.

E. To monitor investment performance in accordance with the Investment Policy.

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THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO

PERA
Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

INVESTMENT POLICY

Revised
December 9, 2025

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THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO

INVESTMENT POLICY

I. INTRODUCTION

A. Statutory Authority

The Public Employees Retirement Association of New Mexico (PERA) was created by law in 1947 and is authorized to administer the Public Employees Retirement Act of New Mexico, NMSA 1978, Sections 10-11-1 to 10-11-142, as amended (the PERA Act), the Volunteer Firefighters Retirement Act, NMSA 1978, Sections 10-11A-1 to 10-11A-8, as amended, the Judicial Retirement Act, NMSA 1978, Sections 10-12B-1 to 10-12B-19, as amended, the Magistrate Retirement Act, NMSA 1978, Sections 10-12C-1 to 10-12C-18, as amended, and the Public Employees Reciprocity Act, NMSA 1978, Sections 10-13A-1 to 10-13A-4, as amended, as well as other federal and state laws relating to the administration of Public Employees Retirement Systems in the State of New Mexico. PERA administers thirty-one retirement plans under a defined benefit structure for state employees, municipal employees, county employees, police, firefighters, judges, magistrates, and legislators. PERA is governed by the Retirement Board (the Board).

B. Authority and Duties of the Board

Article XX, Section 22 of the New Mexico Constitution obligates the Board to administer and invest the PERA trust funds (the Fund) for the sole and exclusive benefit of the members, retirees, and other beneficiaries of PERA. The PERA Act, NMSA 1978 §§ 10-11-132 and 10-11-133, generally describe the authority of the Board to invest the Fund. Both those sections incorporate and adopt the Uniform Prudent Investor Act (UPIA), NMSA 1978, §§ 45-7-601 to 45-7-612, which require the Board to exercise the reasonable care, skill, and caution of a prudent investor when it invests and manages assets in its capacity as trustee of the Fund. Among other things, the UPIA requires that Fund investments be diversified to minimize the risk of large losses, unless under the circumstances, it is clearly prudent not to do so. The Board also recognizes that care must be exercised to maintain PERA's status as a government plan that is exempt from the requirements of the federal Employee Retirement Income Security Act of 1974 and as a qualified plan that is exempt from taxation under the Internal Revenue Code.

C. Mission Statement

In recognition of its fiduciary responsibility, the Board adopts the following as the mission statement for PERA:

> The mission of the Board of the Public Employees Retirement Association is to preserve, protect, and administer the trust to meet its current and future obligations and provide quality services to Association members.

D. PERA Roles and Responsibilities/Delegations of Authority

To accomplish its mission, the Board relies on PERA employees and third-party investment consultants (Investment Consultants) to properly administer the Fund and implement the investment strategies it adopts. Given the number of parties involved, their roles in investing and managing the Fund must be clearly explained. Doing so increases operational efficiency, ensures clear lines of responsibility, and reduces or eliminates duplication of effort.

Ethics and Conflicts of Interest

The Board and PERA employees are obligated to act in the exclusive interest of PERA members, retirees, and beneficiaries. Investment Consultants serve in a fiduciary capacity to PERA. Board members and PERA employees shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make decisions in accordance with PERA's mission statement.

Board of Trustees

The primary fiduciary responsibility of the Board is to ensure prudent investment and management of the Fund. It is the responsibility of the Board to ensure that PERA employees administer the Fund's investments at a reasonable cost while preserving investment quality. All principal investment policy decisions are subject to the Board's approval. The Board shall oversee the management of the Fund in compliance with this Investment Policy and all applicable federal and state laws and regulations concerning the administration of a government pension plan. The Board, with the assistance of PERA investment staff (Staff) and consultants, determines the strategic direction of the Fund's investment, including the strategic asset allocation target, all of which shall be reviewed at least semiannually.

Investment Committee

To assist the Board in carrying out its duties, it established an Investment Committee (the Committee). The Committee makes recommendations to the Board on the strategic asset allocation target. The Committee establishes benchmarks, including a policy portfolio, for evaluating the performance of the total investment portfolio. The Committee shall also adopt an annual work plan and, at least quarterly, review all principal investment policy actions and portfolio performance. The Committee may invite Staff and Investment Consultants to inform and make recommendations to the Committee on any topic or issue pertinent to PERA's investment operations. The Committee Chair shall have the duty and the authority to set Committee meeting agendas and request specific analyses and reports from Staff and Investment Consultants.

Executive Director

The Board appoints the Executive Director (the Director). The Director is responsible for planning, organizing, and administering PERA's operations under the Board's policy guidance and direction. In fulfilling these investment responsibilities, the Director retains and relies on Staff and Investment Consultants.

Chief Investment Officer and Investment Staff

Staff reports directly to the Chief Investment Officer (the CIO), who in turn reports to the Director. The CIO, with the assistance of Staff, has the responsibility and authority to assist the Board and the Committee in establishing investment and administrative policies. The CIO and Staff are responsible for implementing the policies and programs established by the Board. The CIO has primary responsibility for implementing and directing all decisions necessary and appropriate to carry out the Board's investment policies, including the strategic asset allocation target approved by the Board. The CIO shall report to the Committee on all decisions and the progress of their implementation.

The CIO and Staff shall manage the portfolio according to the Board's policies, advise and inform the Board about investments, assist with development and review of investment policies and procedures, report on the progress of the Fund in meeting its investment objectives, and monitor and report to the Board on the performance of the Fund against the appropriate benchmarks. The CIO and Staff shall have the delegated authority to evaluate, select, monitor, and terminate investment vehicles, managers and consultants, both discretionary and non-discretionary, necessary and appropriate to implement the Board's policies. Their actions shall be disclosed to the Board quarterly, as directed by the Committee.

Staff exercises the same fiduciary responsibility under applicable law as the Board.

General Counsel and Legal Staff

The Office of General Counsel and Legal Staff (Legal Counsel) is primarily responsible for legal compliance of the investment program and advises the Board, the Director, the CIO, and the Staff on investment-related legal matters. Legal Counsel exercises the same fiduciary responsibility under applicable law as the Board.

Third-Party Service Providers

- Investment Consultants. Investment Consultants are hired by and accountable to the Board through the authority of the Director. Investment Consultants shall report to the Board or the Committee as directed. An Investment Consultant's duty is to work with the Board and Staff in the oversight and implementation of investment objectives.

  The Board's Strategic Investment Consultant shall provide advice and recommendations to the Board or Investment Committee regarding its strategic objectives, benchmarks, and oversight and implementation of principal investment objectives. The Board's Strategic Investment Consultant also advises and confers with the Chief Investment Officer.

  The CIO Investment Consultant means an investment advisor other than the Board Strategic Investment Consultant that provides advice and recommendations on investment manager selection and portfolio monitoring to the CIO and Staff.

- Custodian Bank. The Custodian Bank serves as the bank of record for the Fund's assets. It is responsible for maintaining the official book of record under the supervision of Staff, calculating investment performance, and serving as the primary layer of risk control in the safekeeping of Fund assets. The Custodian Bank is responsible for the ongoing pricing and valuation of all assets, the collection of income generated by those assets, and the notification of any corporate actions. The Custodian Bank cooperates with and assists Staff and Investment Managers with the reconciliation process. PERA may opt to designate other duties to the Custodian Bank as stipulated in the professional services agreement.

- Investment Managers. The Board believes that external management of Fund assets optimizes the potential to maximize risk-adjusted returns and minimize the associated expenses. Investment Managers are selected by the CIO and, subject to the terms and conditions of this Policy, serve PERA through contracts that specify, in principle, investment guidelines, administrative requirements, responsibilities, and performance expectations for the management of each mandate. Proxy voting is considered to be a component of the investment decision process and will be exercised in accordance with the established PERA Proxy Voting Policy. Investment managers have the delegated authority to vote proxies in accordance with PERA's Proxy Voting Policy. Investment Managers will report to Staff on the Fund's performance in formats and at intervals specified by Staff. This information will be synthesized by the Staff and presented to the Committee at least quarterly, in accordance with established performance monitoring and oversight procedures.

- External Legal Counsel. The General Counsel may retain external legal counsel to advise Staff and negotiate and prepare contracts with Investment Consultants, Investment Managers, and other Third-Party Service Providers to protect PERA's interests and status as a tax-exempt government plan.

II. OVERVIEW OF INVESTMENT POLICY

A. Purpose of the Investment Policy

The purpose of the Investment Policy (the Policy) is to explain the implementation of the Board's investment principles and objectives. The Policy provides a reference point for managing PERA's assets. The Policy guides the Board and Staff, as well as Investment Consultants, Investment Managers, and the Custodian Bank. The Policy is intended to provide parameters that ensure prudence and care in the execution of the investment program.

The Policy intends to provide the foundation for prudent management of the Fund, including the standards and disciplines by which the Board can evaluate Staff, Investment Consultants, Investment Managers, and the Custodian Bank.

B. Investment Principles

Accordingly, the Board adopts the following principles and objectives to guide its investment strategies and decisions:

- Preserve the long-term principal of the Fund.
- Maximize total return within prudent risk parameters.
- Maintain sufficient liquidity to meet PERA's obligations.

III. INVESTMENT OBJECTIVES

A. Primary Objective

PERA's primary objective is to prudently invest assets to meet its statutory obligations to its members. The Board will manage the Fund in a manner that reflects the Fund's unique liabilities and funding resources, incorporates generally accepted investment theory, and targets growth and returns appropriate to prudent levels of risk based on reliable empirical evidence. Accordingly, the Board adopts the following principles:

- Strategic asset allocation is the most significant factor influencing the Fund's ability to meet its stated investment objectives.
- Risk is an unavoidable component of investing and shall be considered when assessing investment policy and strategy. In evaluating specific investments, both the risks associated with each investment and its impact on the overall portfolio shall be considered.
- Diversification spreads a portfolio across asset classes to avoid excessive exposure to any single source of risk.
- The Fund's liabilities are long-term, and the investment strategy must incorporate the appropriate balance between short- and long-term considerations.
- Sufficient liquidity will be maintained to meet the anticipated cash flow requirements of the Fund.

B. Long-Term Returns

Due to the long-term nature of PERA's pension obligations and the inherent risks of short-term tactical investing, PERA must maintain a long-term perspective when formulating and implementing its investment policy and evaluating its investment performance. Therefore, the Board: (1) targets a long-term rate of return commensurate with the actuarially assumed rate of return; (2) adopts an allocation policy developed to meet the targeted rate of return over long periods of time, while minimizing volatility

(risk); and (3) minimizes the costs of investing through efficient use of internal and/or external resources.

The following long-term objectives measure investment performance:

- The actuarial assumed target rate of return is the key actuarial assumption that affects future funding rates and the payment of pension obligations. Investment performance that exceeds or underperforms the target rate may materially impact future funding rates. The Board seeks long-term investment performance that meets or exceeds its actuarial assumed rate of return while managing risk.
- The policy benchmark is calculated by applying the asset class benchmarks' investment performance to the Fund's asset allocation targets. The policy benchmark permits the Board to compare the Fund's actual performance with a total fund benchmark and to measure the contribution of active investment management and adherence to policy.

PERA's progress in meeting these return measures will be reported to the Committee on at least a quarterly basis.

C. Evaluation of Risk

The Board adopts a strategic asset allocation target that is appropriate for existing and anticipated circumstances. In targeting returns, the Board considers the benefit levels and structures of the plans supported by the Fund. PERA will, at least every three years, conduct and present to the Committee an asset/liability study to determine the extent to which the long-term asset allocation is consistent with the liabilities of the retirement plans that it administers. In determining a prudent level of risk for the targeted returns, PERA shall consider the Fund's total risk, expected volatility, liquidity, and overall asset allocation's risk sensitivity by monitoring the major asset classes utilized by the Fund. PERA will regularly measure and monitor Fund risks in its management of the Fund. The following commonly employed performance and risk evaluation metrics: Total Fund Standard Deviation (i.e., risk), Total Fund Sharpe Ratio (a widely used measure of risk-adjusted returns), Total Fund Tracking Error (active risk), and Total Fund Information Ratio (a widely used measure of risk-adjusted active returns) will be reviewed quarterly.

In accordance with generally accepted principles for prudent investors, allocating capital across asset categories increases the probability of meeting or exceeding the Fund's objectives at a prudent level of risk. The strategic asset allocation target manifests PERA's risk tolerance. In establishing the strategic asset allocation target, PERA will consider its ability to withstand short- and intermediate-term volatility in investment performance and fluctuations in the Fund's financial condition.

IV. ASSET ALLOCATION

A. Strategic Asset Allocation Targets

Based on recommendations from Staff and Investment Consultants, the Board shall choose the strategic asset allocation target based on its determination of the appropriate risk tolerance for PERA and its long-term return expectations. Each asset class allocation percentage has a long-term target position within the overall portfolio, along with maximum and minimum ranges around that target. Asset class policy targets and ranges are listed in Appendix A, which the Board separately adopts.

The Board recognizes that the long-term target allocation may take an extended period to implement. Staff and Investment Consultants will provide the Board with quarterly updates on the Fund's targeted asset allocation, including the Fund as a whole and its component asset classes. The Board will prudently monitor this progress and the Fund's performance throughout the implementation period.

The target allocation will be reviewed annually for significant economic and market changes and, as appropriate, for changes in the Fund's long-term goals and objectives. A comprehensive asset allocation study should be conducted at least every three years to verify or revise the targets.

B. Rebalancing Strategy

The Board authorizes the CIO and Staff to rebalance the portfolio in accordance with policy guidelines and established procedures (reviewed by Staff annually) on an ongoing basis. The goal of implementing the rebalancing policy is to minimize transaction costs, market impact, and opportunity costs.

The Board adopts a rebalancing policy that considers allocation ranges rather than time periods. The upper and lower allocation limits for each asset class are defined in Appendix A. When the allocation to all asset classes remains within these limits, Staff will use cash flow to maintain the overall allocation as closely as possible to the target.

Suppose a liquid strategy within an asset class deviates from an upper or lower allocation limit. In that case, the asset class will be rebalanced to return to its strategic asset allocation target range within ninety (90) days. Within this ninety-day window, it may be impractical or costly to reallocate capital towards less liquid investment strategies within each major asset category.

Rebalancing shall consider liquidity so that investments can be converted into cash promptly, with little or no loss in value, as necessary to facilitate the Fund's objectives. The marketability of an asset will be considered when rebalancing within each asset category. The rebalancing strategy may be implemented through a cash overlay program.

Staff will report the results of rebalancing activities to the Committee no later than the subsequent regular meeting.

V. PERFORMANCE BENCHMARKS

A. Benchmark Philosophy

Selecting benchmarks is among the most important decisions the Board makes, second only to setting asset allocation policy. Benchmarks provide the mechanism for evaluating the success of the investment program in meeting objectives. They provide the link between expectations and success. The principal philosophy is that the asset classes and strategies selected by the Board are intended to gain exposure to various markets, and that PERA benchmarks should reflect those markets in terms of both returns and risk. Benchmarks should be simple rather than complex.

Additionally, approved benchmarks should be those commonly employed by PERA's peers. Recommended benchmarks should be consistent with the benchmark proxy used in the asset allocation policy development process. The preference is for benchmarks with transparent construction and rebalancing methodologies, and that are investable. Benchmarks should be representative of the relevant opportunity set for the asset class, sub-asset class, or strategy.

B. Benchmarking Goals

The overarching goal of PERA benchmarks is to provide the Board with a measurement tool to evaluate and understand the extent to which the Fund is successful in meeting policy objectives over both the short term (i.e., three or fewer years) and the long term (i.e., five or more years). Benchmarks provide insight into how capital markets are performing in general and help the Board understand how individual asset classes, sub-asset classes, and strategies contribute to overall results. A secondary goal of

benchmarks is to ascertain the relative skill of PERA staff in their implementation decisions regarding individual strategy and external manager selection. Lastly, PERA benchmarks should meet industry standards for benchmark quality and should fairly and accurately represent the asset classes and strategies employed in the Fund.

C. Benchmarking Framework

The Board will establish benchmarks for each asset class and sub-asset class that contribute to the total fund benchmark. Benchmarks will reflect the market opportunity set intended to be captured by the asset class or sub-asset class. For long-only, public markets portfolio strategies, only published, widely recognized benchmarks will be employed that have been deemed to represent the investment characteristics and risk profile objective of the asset class or sub-asset class. Benchmarks will be reviewed at least every three years, and PERA takes a long-term view, i.e., five (5) years or more, in evaluating progress toward meeting stated investment goals.

D. Total Fund Benchmark

Each asset class is characterized by an associated benchmark that, in general terms, describes the opportunity set and return characteristics of the asset class. For certain private or more complex asset classes, the benchmark serves as a proxy for expected returns rather than an approximation of the actual investments that will characterize that component of the portfolio. Those benchmarks are referred to as the "Policy Index" and are identified in Appendix B, which the Committee separately adopts. The Board may use the Policy Index to compare the Fund's actual performance with its Total Fund Benchmark and to measure the contributions of active investment management and adherence to policy.

E. Mandate-Level Benchmarks

Benchmarks relevant to an investment shall be used as standards to measure the performance of Investment Managers. Acceptable benchmarks include but are not limited to:

- the appropriate market indices on a nominal and risk-adjusted basis;
- the performance of peers within their style group;
- adherence of the Investment Manager to the stated investment philosophy and style; and
- adherence to this Policy and the guidelines established in the investment contract.

Staff and the Investment Consultants will identify appropriate mandate-level benchmarks. Staff and Investment Consultants will review the appropriateness of these benchmarks and report to the Committee at least every three years.

VI. INVESTMENT GUIDELINES

Recognizing that capital markets are global, the Board shall consider asset classes that encompass all investment opportunities appropriate for PERA, provided such investments comply with the UPIA. The terms and conditions of investment contracts are subject to legal review for compliance with applicable law and applicable investment standards.

A. Investments

Global Equity

An appropriately diversified Fund should include, commensurate with market conditions, global equity investments, both public and private. This allocation is structured to help the Fund meet its total return goals and will be implemented through strategies that include both liquid and illiquid mandates.

- Public Equity. The objective of public equity investments is to provide exposure to global

economic growth opportunities and seek to capture capital appreciation and current income. The public equity allocation must anticipate long-term capital appreciation while targeting economic growth, with an acceptable exposure to price volatility and the risk of loss.

- Private Equity. The objective of the private equity allocation is to capture a premium from making long-term, illiquid investments in predominantly non-publicly traded equity securities. In making private equity investments, PERA shall consider that private equity Investment Managers typically have concentrated portfolios, generate returns by implementing operational changes to acquired businesses, and often employ leverage to achieve superior returns.

Core Fixed Income

An appropriately diversified Fund should include a portfolio of high-quality, solely investment-grade bonds that provide stable income, preserve capital, and diversify against equities, thereby reducing overall risk. It encompasses government, corporate, and securitized bonds and prioritizes Convertible Liquidity.

Credit

An appropriately diversified Fund should include, commensurate with market conditions, global credit investments to deliver positive returns over a complete market cycle while maintaining sufficient liquidity. Credit investments shall be targeted to provide current income and total return, with a strong focus on capital preservation. In making these investments, PERA shall consider the potential volatility as compared to the Core Fixed Income allocation. PERA shall also consider credit investments that utilize leverage, shorting, derivatives, and illiquidity to generate greater risk-adjusted returns. Credit investments include similar types of securities as those in the Core Fixed Income allocation, but may have different credit characteristics at the time of purchase.

Absolute Return

An appropriately diversified Fund should include, commensurate with market conditions, an allocation of assets to absolute return investments to provide diversification and downside protection. PERA shall consider the absolute return allocation as a component of the total investment portfolio that offers lower expected volatility and a greater expectation of capital preservation through a more stable pattern of total returns and a low correlation with both equity and fixed-income capital market returns. The absolute return allocation includes, but is not limited to, hedge fund strategies and other public markets investments that may utilize leverage and/or derivatives to generate a risk-adjusted return commensurate with investments employed within the Core Fixed Income and Credit allocations.

Real Assets

An appropriately diversified Fund should include, commensurate with market conditions, investments in real assets to generate current income and provide capital appreciation. In making such investments, PERA shall consider the benefits of diversification that these investments offer as a hedge against inflation. Real asset investments may include, but are not limited to, liquid and illiquid securities in real estate, infrastructure, commodities, natural resources, timber, agriculture, and farmland.

B. Other Investment Considerations

The Board may, after consideration of pertinent investment risk and reward attributes, liquidity, cost, and administrative complexity, authorize any investment except as otherwise expressly prohibited.

- Operating Cash Management. To mitigate risk and ensure liquidity, commensurate with market conditions, the State Treasurer's services may be used for overnight investment of short-term assets. Use of a separate or commingled short-term investment fund administered by the Custodian Bank may be considered.

- Currency. As a means to mitigate risk while realizing returns, PERA may consider active currency strategies that do not necessarily hedge existing international holdings but instead seek absolute returns, which may include leverage, cross-hedging, emerging markets, and interest-rate futures.
- Securities Lending with the Custodian Bank: The Board has authorized a securities lending program for all or any portion of the assets held by PERA as investments. Securities may be loaned only by the designated agent(s) by contracting for the temporary exchange of securities, for a specified fee or consideration, for periods not to exceed one year, with broker-dealers, banks, or other recognized institutional investors.
- Cash Overlay: Overlay strategies may be used to manage risk, asset allocation, and market exposures through futures, options, swap agreements, or forward agreements.

Securities Regulations

PERA shall consider, based on market considerations, whether engagement of Investment Managers registered under the Investment Company Act of 1940 is appropriate. This Act governs the operations of investment companies and their managers. PERA should work with its Investment Consultants and Investment Managers to ensure compliance with all federal and state securities laws, including, but not limited to, the Securities Act of 1933 and the Investment Advisers Act of 1940. PERA recognizes that such registration does not apply to all investment strategies or to investment opportunities located outside the United States.

Leverage

Leverage is implicit in many investment strategies, and leverage in and of itself is not strictly prohibited so long as it does not materially increase the Plan's risk level. Leverage will be considered when deciding to retain an Investment Manager, and the Board, in conjunction with Staff, Investment Consultants, and Investment Managers, will avoid managers who employ unreasonable levels of leverage.

Liquidity

The Fund must maintain an easily accessible balance of cash equivalents and other reasonably liquid assets for the purpose of meeting the financial obligations of the Fund. The Board will govern these liquidity requirements through a structural hierarchy that classifies asset classes by liquidity availability and pricing sensitivity during market stress. Convertible Liquidity is defined as the level of access to asset classes that can be liquidated in a relatively short time with minimal pricing impact. Delayed Liquidity will capture all remaining asset classes that can be sold, but at a greater expense and/or over a longer time frame. Within these two classifications, asset classes will be further classified across tiered availability. Liquidity guidelines are listed in Appendix C, which the Board separately adopts.

Derivatives

Investment Managers may use derivative instruments such as futures, options, swaps, and forwards to implement investment strategies in a low-cost, efficient manner or to construct portfolios with risk and return characteristics that cannot be created with cash-market securities. Derivatives may also be used within the context of a cash overlay program. The cash overlay program, administered by an Investment Manager, may buy, sell, and hold exchange-traded derivative instruments and exchange-traded funds.

Reporting

Total Fund performance reporting will be formally presented to the Investment Committee quarterly and shall include comparative peer performance data compiled by the Board's Strategic Investment Consultant. Illiquid asset class performance reporting will be posted on the PERA website quarterly. A

formal illiquid asset class presentation to the Investment Committee will be presented no less than twice a year, covering fiscal year-end and calendar year-end results. All reporting shall be published on the PERA website for public reference on a timely basis following the quarterly review.

C. Prohibited Investments

In accordance with UPIA guidelines, the Board, Staff, Investment Consultants, and Investment Managers are expected to perform their fiduciary duties as a prudent investor would and to conform to all applicable federal and state statutes governing the investment of retirement funds for a qualified government plan. Accordingly, the following investments are prohibited:

Investments precluded by law or regulation:

- Transactions that involve a broker acting as a "principal" where such broker is also the Investment Manager who is making the transaction are prohibited unless otherwise approved in each manager's respective PSA.
- Any other investments as specified in each Investment Manager's respective contract.
- An investment that violates the placement agent limitations outlined in the PERA Act.

VII. REVIEW AND APPROVAL OF INVESTMENT POLICY

The Board shall review the Policy annually to determine whether modifications are necessary or desirable. PERA Staff is expected to review the Policy annually. Staff will recommend changes as warranted. When changes are made and approved by the Board, they shall be promptly communicated to all Investment Managers and other interested persons, and posted on the PERA website.

By signing this Investment Policy, the Board, through its Chair, indicates its agreement therewith.

Adopted:	June 25, 1992
Amended:	September 14, 1993
	April 28, 1994
	September 28, 1995
	January 29, 1998
	March 23, 1998
	January 27, 2000
	September 26, 2002
	July 31, 2003
	October 31, 2003
	July 1, 2005
	September 28, 2005
	December 29, 2005
	July 27, 2006
	August 31, 2006
	September 28, 2006
	June 1, 2007
	August 30, 2007
	July 31, 2008
	June 24, 2010
	November 29, 2012
	August 28, 2014
	December 18, 2014
	September 24, 2015
	April 28, 2016
	December 14, 2017
	July 26, 2018
	April 30, 2020
	December 14, 2021
	October 27, 2022
	October 26, 2023
	December 12, 2023
	December 10, 2024
	December 9, 2025

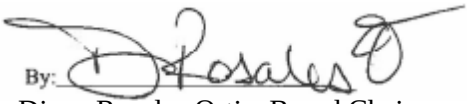
Paula Fisher, Board Chair
Public Employees Retirement Association of New Mexico

APPENDIX A. ASSET ALLOCATION TARGETS AND REBALANCING RANGES

Effective: April 1, 2024

Asset Class	Lower Limit	Strategic Asset Allocation Target	Upper Limit
Global Equity	41%	46%	51%
Core Fixed Income	10%	13%	16%
Credit	13%	17%	21%
Absolute Return	3%	6%	9%
Real Assets	14%	18%	22%

Adopted: December 12, 2023



Diana Rosales Ortiz, Board Chair
Public Employees' Retirement Association of New Mexico

APPENDIX B. BENCHMARKS

Effective: April 1, 2024

Global Equity	**Weighted Benchmark**	**Bloomberg Ticker**
Global Public Stock	MSCI ACWI IMI ($net)	MIMUAWON
Private Equity	MSCI ACWI IMI ($net)	MIMUAWON
Core Fixed Income	**Bloomberg U.S. Aggregate Bond Index**	
Core Fixed Income	Bloomberg U.S. Aggregate Bond Index	LBUSTRUU
Credit	**Weighted Benchmark**	
Liquid Credit	Bloomberg High Yield 2% Issuer Constrained	LF89TRUU
Illiquid Credit	Morningstar LSTA Leveraged Loan Index	SPBDAL
Absolute Return	**SOFR + 2.5%**	
Hedge Funds	SOFR + 2.5%	Not applicable
Real Assets	**Weighted Benchmark**	
Illiquid Real Estate	FTSE EPRA Nareit Global Equity Index	ENXG
Illiquid Real Assets	S&P / Dow Jones Brookfield Global Infrastructure Index	DJBGIT

Adopted: December 9, 2025

Paula Fisher, Board Chair
Public Employees Retirement Association of New Mexico

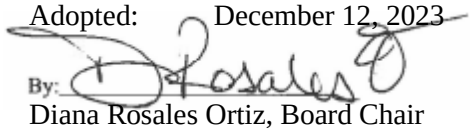
APPENDIX C. LIQUIDITY GUIDELINES

Effective: April 1, 2024

At no time shall Tier 1 assets fall below 10% of the total fund market value. For the purposes of liquidity, tier classifications and their corresponding asset classes are as follows:

Convertible Liquidity		
Tier 1	1-5 Day Liquidity	Core Fixed Income Cash and Cash Overlay
Tier 2	5-90 Day Liquidity	Global Public Stock Liquid Credit
Delayed Liquidity		
Tier 3	90-365 Day Liquidity	Hedge Funds
Tier 4	1 Year + Liquidity	Private Equity Illiquid Credit Illiquid Real Estate Illiquid Real Assets

Adopted: December 12, 2023

By: 

Diana Rosales Ortiz, Board Chair
Public Employees' Retirement Association of New Mexico

APPENDIX D. DEFINITIONS

Effective: December 9, 2025

Governance & Fiduciary Terms

Custodian Bank: A financial institution that holds and safeguards the plan's investment assets and keeps official records.

Fiduciary Duty: The legal responsibility to act only in the best interest of plan members and beneficiaries.

Investment Consultant: A professional firm hired to give investment advice and help the Board oversee the investment program.

Investment Manager: A firm or person responsible for making day-to-day investment decisions for a specific portion of the fund.

Policy Portfolio: The target mix of asset classes the plan aims to maintain over time.

Prudent Investor Rule: A legal standard requiring fiduciaries to act with care, skill, and caution when making investment decisions, as a sensible investor would.

Investment & Portfolio Structure

Active Management: An investment approach where managers try to do better than a benchmark by selecting specific investments.

Asset Class: A group of similar types of investments that behave in similar ways. Examples include stocks, bonds, real estate, and cash.

Benchmark: A standard (usually a market index) used to compare how well an investment or the total fund is performing.

Diversification: Spreading investments across different types of assets to reduce the impact if any single investment does poorly.

Mandate: A specific investment assignment given to a manager or strategy (e.g., "U.S. large-cap equity").

Passive Management: An investment approach that aims to match the performance of a benchmark rather than beat it.

Policy Index / Total Fund Benchmark: A blended benchmark representing the target mix of asset classes in the total fund. It's used to evaluate how well the overall fund is doing.

Rebalancing: Adjusting the portfolio back to its target mix when some investments have grown faster or slower than others.

Risk: The uncertainty of an event occurring.

Strategic Asset Allocation: The asset classes and weights targeted for the policy benchmark.

Liquidity, Leverage & Instruments

Derivatives: Financial contracts (such as futures or options) whose value is based on another asset, like a stock index or interest rate.

Hedge Fund: A pooled investment fund that can use complex strategies, including leverage and derivatives, to seek returns.

Leverage: Borrowing money or using other tools to increase potential investment returns. It can also increase losses.

Liquidity: How quickly and easily an investment can be turned into cash without losing much value.

Liquidity Coverage Ratio: The ratio of liquidity available to liquidity needs.

Overlay Program: A way to adjust the fund's exposure to markets using derivatives instead of buying or selling the actual investments.

Pension & Actuarial Concepts

Actuarial Assumed Rate of Return: The long-term investment return assumption used to calculate how much money the plan will need to pay future benefits.

Actuarial Assumptions: Assumptions made by actuaries that influence the valuation of liabilities.

Asset-Liability Study: A periodic review of whether the investment strategy aligns with future benefit obligations.

Funded Ratio: The ratio of assets to liabilities. A ratio over 100% means the plan has more assets than expected future obligations; under 100% means a shortfall.

Liabilities: The total amount the plan expects to pay out in benefits in the future.

Surplus / Deficit: The difference between the plan's assets and its liabilities. A surplus means assets exceed liabilities; a deficit means the opposite.

Performance & Risk Measures

Active Risk: The volatility of an investment strategy versus its benchmark.

Concentration Risk: Lack of diversification in exposure to markets or managers.

Confidence Interval: A statistical range indicating the probability a parameter lies within it.

Counterparty Risk: The risk that the other party in a contract fails to meet its obligations.

Credit Risk: The risk that a borrower fails to repay a loan or meet obligations.

Currency Risk: The risk of loss from changes in foreign exchange rates.

Drawdown: The decline in value from a peak to a trough.

Duration: A measure of bond price sensitivity to changes in interest rates.

Funding Risk (Surplus Risk): The risk of assets and liabilities not matching.

Inflation Risk: The risk that rising prices reduce the purchasing power of money.

Information Ratio: A measure of how much return was generated above the benchmark for each unit of extra risk taken.

Interest Rate Risk: The risk that investments lose value as interest rates change.

Investment Risk: The risk associated with investing in capital markets.

Sharpe Ratio: A measure of how much extra return an investment earns for the amount of risk taken. A higher number is generally better.

Standard Deviation: A measure of the variability of returns.

Tail Risk: The risk of extreme loss events.

Tracking Error: How much a portfolio's returns differ from its benchmark.

Volatility: The standard deviation of returns.

THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO



INVESTMENT POLICY

Revised
December 9~~10~~, 2025~~4~~

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THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF NEW MEXICO

INVESTMENT POLICY

I. INTRODUCTION

A. Statutory Authority

The Public Employees' Retirement Association of New Mexico (PERA) was created by law in 1947 and is authorized to administer the Public Employees Retirement Act of New Mexico, NMSA 1978, Sections 10-11-1 to 10-11-142, as amended (the PERA Act), the Volunteer Firefighters Retirement Act, NMSA 1978, Sections 10-11A-1 to 10-11A-8, as amended, the Judicial Retirement Act, NMSA 1978, Sections 10-12B-1 to 10-12B-19, as amended, the Magistrate Retirement Act, NMSA 1978, Sections 10-12C-1 to 10-12C-18, as amended, and the Public Employees Reciprocity Act, NMSA 1978, Sections 10-13A-1 to 10-13A-4, as amended, as well as other federal and state laws relating to the administration of public employees' retirement systems in the State of New Mexico. PERA administers thirty-one retirement plans under a defined benefit structure for state employees, municipal employees, county employees, police, firefighters, judges, magistrates, and legislators. PERA is governed by the Retirement Board (the Board).

B. Authority and Duties of the Board

Article XX, Section 22 of the New Mexico Constitution obligates the Board to administer and invest the PERA trust funds (the Fund) for the sole and exclusive benefit of the members, retirees, and other beneficiaries of PERA. The PERA Act, NMSA 1978 §§ 10-11-132 and 10-11-133, generally describe the authority of the Board to invest the Fund. Both those sections incorporate and adopt the Uniform Prudent Investor Act (UPIA), NMSA 1978, §§ 45-7-601 to 45-7-612, which require the Board to exercise the reasonable care, skill, and caution of a prudent investor when it invests and manages assets in its capacity as trustee of the Fund. Among other things, the UPIA requires that Fund investments be diversified to minimize the risk of large losses, unless under the circumstances, it is clearly prudent not to do so. The Board also recognizes that care must be exercised to maintain PERA's status as a government plan that is exempt from the requirements of the federal Employees Retirement Income Security Act of 1974 and as a qualified plan that is exempt from taxation under the Internal Revenue Code.

C. Mission Statement

In recognition of its fiduciary responsibility, the Board adopts the following as the mission statement for PERA:

> The mission of the Board of the Public Employees' Retirement Association is to preserve, protect, and administer the trust to meet its current and future obligations and provide quality services to Association members.

D. PERA Roles and Responsibilities/Delegations of Authority

To accomplish its mission, the Board relies on PERA employees and third-party investment consultants (Investment Consultants) to properly administer the Fund and implement the investment strategies it adopts. Given the number of parties involved, their roles in investing and managing the Fund must be clearly explained. Doing so increases operational efficiency, ensures clear lines of responsibility, and reduces or eliminates duplication of effort.

Ethics and Conflicts of Interest

The Board and PERA employees are obligated to act in the exclusive interest of PERA members, retirees, and beneficiaries. Investment Consultants serve in a fiduciary capacity to PERA. Board members and PERA employees shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make decisions in accordance with PERA's mission statement.

Board of Trustees

The primary fiduciary responsibility of the Board is to ensure prudent investment and management of the Fund. It is the responsibility of the Board to ensure that PERA employees administer ~~investments of~~ the Fund's investments at a reasonable cost while preserving investment~~the~~ quality ~~of investments~~. All principal investment policy decisions are subject to ~~approval by~~ the Board's approval. The Board shall oversee the management of the Fund in compliance with this Investment Policy and all applicable federal and s~~S~~tate laws and regulations concerning the administration of a government pension plan. The Board, with the assistance of PERA investment staff (Staff) and consultants, determines the strategic direction of ~~investment of~~ the Fund's investment, including the strategic asset allocation target~~, and the active management strategy target~~, all of which shall be reviewed at least semiannually.

Investment Committee

To assist the Board in carrying out its duties, it established an Investment Committee (the Committee). The Committee makes recommendations to the Board on the strategic asset allocation target. The Committee establishes benchmarks, including a policy portfolio, for evaluating the performance of the total investment portfolio. The Committee shall also adopt an annual work plan and, at least quarterly, review all principal investment policy actions and portfolio performance. The Committee may invite Staff and Investment Consultants to inform and make recommendations to the Committee on any topic or issue pertinent to PERA's investment operations. The Committee Chair shall have the duty and the authority to set Committee meeting agendas and request specific analyses and reports from Staff and Investment Consultants.

Executive Director

The Board appoints the Executive Director (the Director). The Director is responsible for planning, organizing, and administering PERA's~~the~~ operations ~~of PERA~~ under the Board's policy guidance and direction ~~from the Board~~. In fulfilling these investment responsibilities, the Director retains and relies on Staff and Investment Consultants.

Chief Investment Officer and Investment Staff

Staff reports directly to the Chief Investment Officer (the CIO), who in turn reports to the Director. The CIO, with the assistance of Staff, has the responsibility and authority to assist the Board and the Committee in establishing investment and administrative policies. The CIO and Staff are responsible for implementing the policies and programs established by the Board. The CIO has primary responsibility for imp~~to imp~~lementing and directing all decisions necessary and appropriate to carry out the Board's investment policies, including the strategic asset allocation target approved by the Board. The CIO shall report to the Committee on all decisions and the progress of their implementation. ~~of those decisions to the Committee.~~

The CIO and Staff shall manage the portfolio according to the Board's policies, advise and inform the Board about investments, assist with development and review of investment policies and procedures, report on the progress of the Fund in meeting its investment objectives, and monitor and report to the Board on the performance of the Fund against the appropriate benchmarks. The CIO and Staff shall have the delegated authority to evaluate, select, monitor, and terminate investment vehicles, ~~and~~ managers and

consultants, both discretionary and non-discretionary, necessary and appropriate to implement the Board's policies. Their actions shall be disclosed to the Board- quarterly~~periodically~~, as directed by the Committee. Staff exercises the same fiduciary responsibility under applicable law as the Board.

General Counsel and Legal Staff

The Office of General Counsel and L~~l~~egal S~~s~~taff (Legal Counsel) is~~are~~ primarily responsible for legal compliance of the investment program and advises the Board, the Director, the CIO, and the Staff on investment-related legal matters. Legal Counsel exercises the same fiduciary responsibility under applicable law as the Board.

Third~~-~~-Party Service Providers

- Investment Consultants. Investment Consultants are hired by and accountable to the Board through the authority of the Director. Investment Consultants shall report to the Board or the Committee as directed. An Investment Consultant's duty is to work with the Board and Staff in the oversight and implementation of investment objectives.

  The Board's S~~s~~trategic I~~i~~nvestment C~~c~~onsultant shall provide advice and recommendations to the Board or Investment Committee regarding its strategic objectives, benchmarks, and oversight and implementation of principal investment objectives. The Board's Strategic Investment Consultant also advises and confers with the Chief Investment Officer.

  The CIO Investment Consultant means an i~~I~~nvestment advisor other than the Board Strategic Investment Consultant that ~~selection and monitoring consultants shall~~ provides advice and recommendations ~~regarding selection of~~on~~-~~ investment manager~~s~~ selection and portfolio monitoring to the CIO and Staff.

- Custodian Bank. The Custodian Bank serves as the bank of record for the ~~assets comprising the~~ Fund's assets. It is~~ and is~~ responsible for maintaining the official book of record under the supervision of Staff, calculating investment performance, and serving as the primary layer of risk control in the safekeeping of Fund assets. The Custodian Bank is responsible for the ongoing pricing and valuation of all assets, the collection of income generated by those assets, and the notification of any corporate actions.~~ notification.~~ The Custodian Bank cooperates with and assists ~~provides assistance to~~ Staff and Investment Managers with ~~in~~ the reconciliation process. PERA may opt to designate other duties to the Custodian Bank as stipulated in the professional services agreement.

- Investment Managers. The Board believes that external management of Fund assets optimizes the potential to maximize risk-adjusted returns and minimize the associated expenses. Investment Managers are selected by the CIO and, subject to the terms and conditions of this Policy, serve PERA through contracts that specify, in princip~~al~~e ~~part,~~: investment guidelines, administrative requirements, responsibilities, and performance expectations for the management of each mandate. Proxy voting is considered to be a component of the investment decision process and will be exercised in accordance with the established PERA Proxy Voting Policy. Investment managers have the delegated authority to vote proxies in accordance with PERA's Proxy Voting Policy. Investment Managers will report to Staff on the Fund's performance in ~~of the Fund using~~ formats and at intervals specified by Staff. This information will be synthesized by the Staff and presented to the Committee ~~on~~ at least ~~a~~ quarterly~~, basis~~ in accordance with established performance monitoring and oversight procedures.

- External Legal Counsel. The General Counsel may retain external legal counsel to advise Staff and negotiate and prepare contracts with Investment Consultants, Investment Managers, and other Third-Party Service Providers to protect PERA's interests and status as a tax-exempt government plan.

II. OVERVIEW OF INVESTMENT POLICY

A. Purpose of the Investment Policy

The purpose of the Investment Policy (the Policy) is to explain the implementation of the Board's investment principles and objectives ~~of the Board~~. The Policy provides a reference point for ~~the~~ managingement ~~of~~ PERA's assets. The Policy ~~provides~~ guidesance ~~to~~ the Board and Staff, as well as Investment Consultants, Investment Managers, and the Custodian Bank. The Policy is intended to provide parameters that ensure prudence and care in the execution of the investment program.

The Policy intends to provide the foundation for prudent management of the Fund, including the standards and disciplines by which the Board can evaluate Staff, Investment Consultants, Investment Managers, and the Custodian Bank.

B. Investment Principles

Accordingly, the Board adopts the following principles and objectives to guide its investment strategies and decisions:

- Preserve the long-term principal of the Fund.
- Maximize total return within prudent risk parameters.
- Maintain sufficient liquidity to meet PERA's obligations.

III. INVESTMENT OBJECTIVES

A. Primary Objective

PERA's primary objective is to prudently invest assets to meet its statutory obligations to its members. The Board will manage the Fund in a manner that reflects the Fund's unique liabilities and funding resources, incorporates generally accepted investment theory, and targets growth and returns appropriate to prudent levels of risk based on reliable empirical evidence. Accordingly, the Board adopts the following principles:

- Strategic asset allocation is the most significant factor influencing the Fund's ability to meet its stated investment objectives.
- Risk is an unavoidable component of investing and shall be considered when assessing investment policy and strategy. In evaluating specific investments, both the risks associated with eachthat investment and itsas well as the impact of the investment on the overall portfolio shall be considered.
- Diversification spreadsdistributes a portfolio across asset classescategories to avoid excessive exposure to any singleone source of risk.
- The Fund's liabilities are long-termlong-term, and the investment strategy must incorporate the appropriate balance between short- and long-term considerations.
- Sufficient liquidity will be maintained to meet the anticipated cash flow requirements of the Fund.

B. Long-Term Returns

Due to the long-term nature of PERA's pension obligations and the inherent risks ofin short-term tactical investing, PERA must maintain a long-term perspective whenin formulating and implementing its investment policy, and in evaluating its investment performance. Therefore, the Board: (1) targets a long-term rate of return commensurate with the actuarially assumed rate of return; (2) adopts an allocation

policy developed to meet the targeted rate of return over long periods of time, while minimizing volatility (risk); and (3) minimizes the costs of investing through efficient use of internal and/or external resources.

The following long-term objectives measure investment performance~~Investment performance is measured by the following long-term objectives~~:

- The actuarial assumed target rate of return is the key actuarial assumption that affect~~sing~~ future funding rates and the payment of pension obligations. Investment performance that exceeds or underperforms the target rate may materially impact future funding rates. The Board seeks ~~to have~~ long-term investment performance that ~~will~~ meet~~s~~ or exceed~~s~~ its actuarial assumed rate of return while managing risk.
- The policy benchmark is calculated by applying the ~~investment performance of the~~ asset class benchmarks' investment performance ~~–~~to the Fund's asset allocation targets. The policy benchmark permits the Board to compare the Fund's actual performance with~~to~~ a total fund benchmark and to measure the contribution of active investment management and ~~policy a~~adherence to policy.

PERA's progress in meeting these return measures will be reported to the Committee on at least a quarterly basis.

C. Evaluation of Risk

The Board adopts a strategic asset allocation target that is appropriate for existing and anticipated circumstances. In targeting returns, the Board ~~takes into account~~considers the benefit levels and structure~~s~~ of the plans supported by the Fund. PERA will, at least every three years, ~~periodically~~ conduct and present to the Committee an asset/liability study to determine the extent to which the long-term asset allocation is consistent with the liabilities of the retirement plans that it administers. In determining a prudent level of risk for the targeted returns, PERA shall consider the ~~total~~ Fund's total risk, expected volatility, liquidity, and ~~general risk sensitivity of the~~ overall asset allocation's risk sensitivity by monitoring the major asset classes utilized by the Fund. PERA will regularly measure and monitor Fund risks in its management of the Fund. The following commonly employed performance and risk evaluation metrics: Total Fund Standard Deviation (i.e., risk), Total Fund Sharpe Ratio (a widely used measure of risk~~–~~adjusted returns), Total Fund Tracking Error (active risk), and Total Fund Information Ratio (a widely used measure of risk~~–~~adjusted active returns) will be reviewed quarterly~~on a regular basis~~.

In accordance with generally accepted principles for prudent investors, allocating~~the allocation of~~ capital across asset categories increases the probability of meeting or exceeding the Fund's objectives at a prudent level of risk. The strategic asset allocation target manifests PERA's risk tolerance. In establishing the strategic asset allocation target, PERA will consider its ability to withstand short- and intermediate-term volatility in investment performance and fluctuations in the Fund's financial condition~~ of the Fund.~~

IV. ASSET ALLOCATION

A. Strategic Asset Allocation Targets

Based on recommendations from~~by~~ Staff and Investment Consultants, the Board shall choose the strategic asset allocation target based on its determination of the appropriate risk tolerance for PERA~~,~~ and its long~~–~~term return expectations. Each asset class allocation percentage has a long-term target position within the overall portfolio, along with ~~and a~~ maximum and minimum range~~s~~ around that target ~~allocation~~. Asset class policy targets and ranges are listed in Appendix A, which the Board ~~is~~ separately adopt~~s~~~~ed by the Board~~.

The Board recognizes that the long-term target allocation may take an extended period to implement. Staff and Investment Consultants will provide the Board with ~~regular~~ quarterly updates on the Fund's~~status of~~ targeted asset allocation, ~~of~~including the Fund as a whole and its~~the~~ component asset classes. The Board will prudently monitor this progress and the Fund's performance throughout the implementation period.

The target allocation will be reviewed annually for significant economic and market changes~~,~~ and, as appropriate, for~~to~~ changes in the Fund's long-term goals and objectives. A comprehensive asset allocation study should be conducted at least every three years to verify or revise the targets.

B. Rebalancing Strategy

The Board authorizes the CIO and Staff to rebalance the portfolio in accordance with policy guidelines and established procedures (reviewed by Staff annually) on an ongoing basis. The goal of implementing the rebalancing policy is to minimize transaction costs, market impact, and opportunity costs.

The Board adopts a rebalancing policy that considers allocation ranges rather than time periods. The u~~U~~pper and lower allocation limits ~~established~~ for each asset class are defined in Appendix A. When the allocation to all asset classes remains within these limits, Staff will use cash flow to maintain the overall allocation as closely as possible to the target.

~~In~~ Suppose~~the event that~~ a liquid strategy within an asset class deviates from an upper or lower allocation limit. In that case, the asset class will be rebalanced to return to its strategic asset allocation target range within ninety (90) days. Within this ninety-day window, it may be impractical or costly to reallocate capital towards less liquid investment strategies within each major asset category.

Rebalancing shall consider liquidity so that investments can be converted into cash promptly~~in a short time~~, with little or no loss in value, as necessary to facilitate the Fund's objectives~~ of the Fund~~. The marketability of an asset will be considered when rebalancing within each asset category. The rebalancing strategy may be implemented through a ~~the use of the~~ cash overlay program.

Staff will report the results of rebalancing activities to the Committee no later than the subsequent regular meeting.

V. PERFORMANCE BENCHMARKS

A. Benchmark Philosophy

Selecting benchmarks is among the most important decisions the Board makes, second only to ~~behind~~ setting asset allocation policy. ~~–~~Benchmarks provide the mechanism ~~through which to evaluate~~ for evaluating the success of the investment program in meeting objectives. ~~-~~They provide the link between expectations and success. ~~-~~The principal philosophy is that the asset classes and strategies selected by the Board are intended to gain exposure to various markets, and that PERA benchmarks should ~~be~~ reflect~~ive of~~ those ~~respective~~ markets ~~both~~ in terms of both returns and risk. ~~-~~Benchmarks should be simple rather than complex.

Additionally, approved benchmarks should be those commonly employed by PERA's peers. Recommended benchmarks should be consistent with the benchmark proxy used in the asset allocation policy development process. ~~–~~The preference is for benchmarks with transparent construction and rebalancing methodologies, and that are investable. ~~-~~Benchmarks should be representative of the relevant opportunity set for the asset class, sub-asset class, or strategy.

B. Benchmarking Goals

The overarching goal of PERA benchmarks is to provide the Board with a measurement tool ~~in order~~ to evaluate and understand the extent~~degree~~ to which the Fund is successful in meeting policy objectives over both the short term (i.e., three~~3~~ or fewer~~less~~ years) and the long term (i.e., five~~5~~ or more years). Benchmarks provide insight into how capital markets are performing~~,~~ in general~~,~~ and help the Board understand how individual asset classes, sub-asset classes, and strategies ~~are~~ contribut~~e~~ing to overall results. ~~–~~A secondary goal of benchmarks is to ascertain the relative skill of PERA staff in their implementation decisions regarding individual strategy and external manager selection. Lastly, PERA benchmarks should meet industry standards for benchmark quality and should~~that these benchmarks~~ fairly and accurately represent the asset classes and strategies employed in the Fund.

C. Benchmarking Framework

The Board will establish benchmarks for each asset class and sub-asset class that contribute~~s~~ to the total fund benchmark. Benchmarks will ~~be~~ reflec~~tive~~t ~~of~~ the market opportunity set intended to be captured by the asset class or sub-asset class. For long-only, public markets portfolio strategies, only published, widely recognized benchmarks will be employed that have been deemed to represent the investment characteristics and risk profile objective of the asset class or sub-asset class. Benchmarks will be reviewed at least every ~~two~~three years, and PERA takes a long-term view, i.e., five (5) years or more, in evaluating progress toward~~s~~ meeting stated investment goals.

D. Total Fund Benchmark

Each asset class is characterized~~described~~ by an associated benchmark that ~~describes~~, in general terms, describes the opportunity set and return characteristics of~~associated with~~ the asset class. For certain private or more complex asset classes, the benchmark serves as a proxy for expected returns rather than an approximation of the actual investments that will characterize that component of the portfolio. Those benchmarks are referred to as the "Policy Index" and are identified in Appendix B, which ~~is separately adopted by~~ the Committee separately adopts. The Board may use the Policy Index to compare the Fund's actual performance with~~to~~ its Total Fund Benchmark~~,~~ and to measure the contributions of active investment management and ~~policy~~ adherence to policy.

E. Mandate-Level Benchmarks

Benchmarks relevant to an investment shall be used as standards to measure the performance of Investment Managers. Acceptable benchmarks include but are not limited to:

- the appropriate market indices on a nominal and risk-adjusted basis;
- the performance of peers within their style group;
- adherence of the Investment Manager to the stated investment philosophy and style; and
- adherence to this Policy and the guidelines established in the investment contract.

Staff and the Investment Consultants will identify appropriate mandate-level benchmarks. Staff and Investment Consultants will review the appropriateness of these benchmarks and report to the Committee at least every three years~~on a regular basis~~.

VI. INVESTMENT GUIDELINES

Recognizing that capital markets are global ~~in nature~~, the Board shall consider asset classes that encompass~~represent~~ all investment opportunities appropriate for PERA, provided~~as long as~~ such investments comply with the UPIA. The terms and conditions of investment contracts are subject to legal review for compliance with applicable law and applicable investment standards.

A. Investments

Global Equity

An appropriately diversified Fund should include, commensurate with market conditions, global equity investments, both public and private. This allocation is structured to help the Fund meet its total return goals and will be implemented through strategies that include both liquid and illiquid mandates.

- Public Equity. The objective of public equity investments is to provide exposure to global economic growth opportunities and seek to capture capital appreciation and current income. The public equity allocation must anticipate long-term capital appreciation while~~as it~~ target~~s~~ing economic growth, with an acceptable exposure to price volatility and the risk of loss.

- Private Equity. The objective of the private equity allocation is to capture a premium from making long-term, illiquid investments in predominantly non-publicly traded equity securities. In making private equity investments, PERA shall consider that private equity Investment Managers typically have concentrated portfolios, ~~and~~ generate returns by implementing~~making~~ operational changes to ~~the~~ acquired businesses, and often employ leverage to achieve~~generate~~ superior returns.

Core Fixed Income

An appropriately diversified Fund should include a portfolio of high-quality, solely investment-grade bonds that provide stable income, preserve capital, and diversify against equities, thereby reducing overall risk. It encompasses government, corporate, and securitized bonds and prioritizes Convertible Liquidity.~~, bonds, notes or other obligations of the U.S. government, its agencies, government-sponsored enterprises, corporations, or collateralized obligations, including but not limited to mortgages are targeted to achieve risk reduction and mitigation. In addition, these portfolios may include debt obligations of non-U.S. governmental or quasi-governmental entities and corporations with an investment grade rating, which may be denominated in foreign currencies.~~

Credit

An appropriately diversified Fund should include, commensurate with market conditions, global credit investments to deliver positive returns over a complete market cycle while maintaining sufficient liquidity. Credit investments shall be targeted to provide current income and total return, with a strong focus on capital preservation~~ of capital~~. In making these investments, PERA shall consider the potential volatility as compared to the Core Fixed Income allocation. PERA shall also consider credit investments that utilize leverage, shorting, derivatives, and illiquidity to generate greater risk-adjusted returns. Credit investments include similar types of securities as those in the Core Fixed Income allocation, but may have different credit characteristics at the time of purchase.

Absolute Return

An appropriately diversified Fund should include, commensurate with market conditions, an allocation of assets to absolute return investments to provide diversification and downside protection. PERA shall consider the absolute return allocation as a component of the total investment portfolio that offers~~provides~~ lower expected volatility and a greater expectation of~~for~~ capital preservation through a more stable pattern of total returns and a low correlation with~~to~~ both equity~~ies~~ and fixed~~-~~income capital market returns. The absolute return allocation includes, but is not limited to, hedge fund strategies and other public markets investments that may utilize leverage and/or derivatives to generate a risk-adjusted return commensurate with investments employed within the Core Fixed Income and Credit allocations.

Real Assets

An appropriately diversified Fund should include, commensurate with market conditions, investments in

real assets to generate current income and provide capital appreciation. In making such investments, PERA shall consider the benefits of diversification that these investments offer~~provide~~ as a hedge against inflation. Real asset~~s~~ investments may include, but are not limited to, liquid and illiquid securities in real estate, infrastructure, commodities, natural resources, timber, agriculture, and farmland.

B. Other Investment Considerations

The Board may, after consideration of pertinent investment risk and reward attributes, ~~and~~ liquidity, cost, and administrative complexity, authorize any investment except as otherwise expressly prohibited.

- Operating Cash Management. ~~In order to~~To mitigate risk and ensure liquidity, commensurate with market conditions, the ~~services of the~~ State Treasurer's services may be used for overnight investment of short-term assets. Use of a separate or commingled short-term investment fund administered by the Custodian Bank may be considered.
- Currency. As a means to mitigate risk while realizing returns, PERA may consider active currency strategies that do not necessarily hedge existing international holdings~~,~~ but instead~~,~~ seek absolute returns, which may include leverage, cross-hedging, emerging markets, and interest ~~-~~rate futures.
- Securities Lending with the Custodian Bank: The Board has authorized a securities lending program for all or any portion of the assets held by PERA as investments ~~by PERA~~. Securities may ~~only~~ be loaned only by the designated agent(s) by contracting for the temporary exchange of securities, for a specified fee or consideration, for periods not to exceed one year, with broker-dealers, banks, or other recognized institutional investors.
- Cash Overlay: Overlay strategies may be used to manage risk, asset allocation, and market exposures through futures, options, swap agreements, or forward agreements.

Securities Regulations

PERA shall consider, based on market considerations, whether engagement of Investment Managers registered under the Investment Company Act of 1940 is appropriate. This Act governs the operations of investment companies and their managers. PERA should work with its Investment Consultants and Investment Managers to ensure compliance with all federal and state securities laws, including, but not limited to, the Securities Act of 1933 and the Investment Advisers Act of 1940. PERA recognizes that such registration does ~~is~~ not apply~~icable~~ to all investment strategies or to investment opportunities located outside the United States.

Leverage

Leverage is implicit in many investment strategies, and leverage in and of itself is not strictly prohibited so long as it does~~activities do~~ not materially increase the Plan's risk level ~~of the Plan~~. Leverage will be considered when deciding to retain an Investment Manager, and the Board, in conjunction with Staff, Investment Consultants, and Investment Managers, will avoid managers who employ unreasonable levels of leverage.

Liquidity

The Fund must maintain an easily accessible balance of cash equivalents and other reasonably liquid assets for the ~~purposes~~purpose of meeting the financial obligations of the Fund. The Board will govern these liquidity requirements through ~~the utilization of~~ a structural hierarchy~~,~~ that ~~which will~~ classifiesy asset classes by~~according to~~ liquidity availability and pricing sensitivity during market stress. Convertible Liquidity is defined as the~~a~~ level of access to~~from~~ asset classes that can be liquidated in a relatively short ~~amount of~~ time with minimal pricing impact. Delayed Liquidity will capture all remaining asset classes that can be sold, but at a greater expense and/or over a longer time frame. Within these two

~~classifications~~classifications, asset classes will be further classified across tiered availability. Liquidity guidelines are listed in Appendix C, which the Board~~is~~ separately adopt~~sed by the Board~~.

Derivatives

Investment Managers may use derivative instruments such as futures, options, swaps, and forwards~~,~~ to implement investment strategies in a low-~~-~~cost, efficient manner or to construct portfolios with risk and return characteristics that cannot be created with cash-~~-~~market securities. Derivatives may also be used within the context of a cash overlay program. The cash overlay program, administered by an Investment Manager, may buy, sell, and hold exchange~~d~~-traded derivative instruments and exchange-traded funds.

Reporting

Total Fund performance reporting will be formally presented to the Investment Committee quarterly and shall include comparative peer performance data~~,~~ compiled by the Board's Strategic Investment Consultant. Illiquid- asset class performance reporting will be posted on the PERA website quarterly. A formal illiquid asset class presentation ~~provided~~ to the Investment Committee will be ~~quarterly and formally~~ presented no less than twice a year, covering~~reviewing the~~ fiscal year-~~-~~end and calendar year-end results. All reporting shall be published on~~to~~ the PERA website for public reference~~,~~ on a timely basis~~,~~ following the quarterly review.

C. Prohibited Investments

In accordance with UPIA guidelines, the Board, Staff, Investment Consultants, and Investment Managers are expected to perform their fiduciary duties as a prudent investor would and to conform to all applicable federal and state statutes governing the investment of retirement funds for a qualified government plan. Accordingly, the following investments are prohibited:

Investments precluded by law or regulation:

- Transactions that involve a broker acting as a "principal" where such broker is also the Investment Manager who is making the transaction are prohibited unless otherwise approved in each manager's respective PSA.
- Any other investments as specified in each Investment Manager's respective contract.
- An investment that violates the placement agent limitations outlined ~~set forth~~ in the PERA Act.

VII. REVIEW AND APPROVAL OF INVESTMENT POLICY

The Board shall review the Policy annually~~on an annual basis~~ to determine whether~~if~~ modifications are necessary or desirable. ~~It~~ PERA Staff is expected ~~that~~to ~~PERA Staff will~~ review the Policy annually~~on an annual basis~~. Staff will recommend changes~~modifications~~ as warranted. When changes~~modifications~~ are made and approved by the Board, they shall be promptly communicated to all Investment Managers and other interested persons, and posted~~as well as updated~~ on the PERA website.

By signing this Investment Policy, the Board, through its Chair, indicates its agreement therewith.

Adopted:	June 25, 1992
Amended:	September 14, 1993
	April 28, 1994
	September 28, 1995
	January 29, 1998
	March 23, 1998
	January 27, 2000
	September 26, 2002
	July 31, 2003
	October 31, 2003
	July 1, 2005
	September 28, 2005
	December 29, 2005
	July 27, 2006
	August 31, 2006
	September 28, 2006
	June 1, 2007
	August 30, 2007
	July 31, 2008
	June 24, 2010
	November 29, 2012
	August 28, 2014
	December 18, 2014
	September 24, 2015
	April 28, 2016
	December 14, 2017
	July 26, 2018
	April 30, 2020
	December 14, 2021
	October 27, 2022
	October 26, 2023
	December 12, 2023
	December 10, 2024
	December 9, 2025

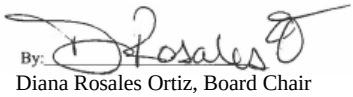
Paula Fisher, Board Chair
Public Employees' Retirement Association of New Mexico

APPENDIX A. ASSET ALLOCATION TARGETS AND REBALANCING RANGES

Effective: April 1, 2024

Asset Class	Lower Limit	Strategic Asset Allocation Target	Upper Limit
Global Equity	41%	46%	51%
Core Fixed Income	10%	13%	16%
Credit	13%	17%	21%
Absolute Return	3%	6%	9%
Real Assets	14%	18%	22%

Adopted: December 12, 2023



Diana Rosales Ortiz, Board Chair
Public Employees' Retirement Association of New Mexico

APPENDIX B. BENCHMARKS

Effective: April 1, 2024

Global Equity	**Weighted Benchmark**	**Bloomberg Ticker**
Global Public Stock	MSCI ACWI IMI ($net)	MIMUAWON
Private Equity	MSCI ACWI IMI ($net)	MIMUAWON
Core Fixed Income	**Bloomberg U.S. Aggregate Bond Index**	
Core Fixed Income	Bloomberg U.S. Aggregate Bond Index	LBUSTRUU
Credit	**Weighted Benchmark**	
Liquid Credit	Bloomberg High Yield 2% Issuer Constrained	LF89TRUU
Illiquid Credit	Morningstar LSTA Leveraged Loan Index	SPBDAL
Absolute Return	**SOFR + 2.5%**	
Hedge Funds	SOFR + 2.5%	Not applicable
Real Assets	**Weighted Benchmark**	
Illiquid Real Estate	FTSE EPRA Nareit Global Equity Index	ENXG
Illiquid Real Assets	S&P / Dow Jones Brookfield Global Infrastructure Index	DJBGIT

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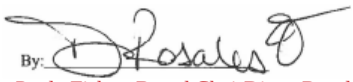
Adopted: December ~~9~~12, 2025~~3~~



Paula Fisher, Board Chair~~Diana Rosales Ortiz, Board Chair~~
Public Employees~~'~~ Retirement Association of New Mexico

APPENDIX C. LIQUIDITY GUIDELINES

Effective: April 1, 2024

At no time shall Tier 1 assets fall below 10% of the total fund market value. For the purposes of liquidity, tier classifications and their corresponding asset classes are as follows:

Convertible Liquidity		
Tier 1	1-5 Day Liquidity	Core Fixed Income Cash and Cash Overlay
Tier 2	5-90 Day Liquidity	Global Public Stock Liquid Credit
Delayed Liquidity		
Tier 3	90-365 Day Liquidity	Hedge Funds
Tier 4	1 Year + Liquidity	Private Equity Illiquid Credit Illiquid Real Estate Illiquid Real Assets

Adopted: December 12, 2023

By:

Diana Rosales Ortiz, Board Chair
Public Employees' Retirement Association of New Mexico

APPENDIX D, DEFINITIONS

Effective: December 9, 2025

Governance & Fiduciary Terms

Custodian Bank: A financial institution that holds and safeguards the plan's investment assets and keeps official records.

Fiduciary Duty: The legal responsibility to act only in the best interest of plan members and beneficiaries.

Investment Consultant: A professional firm hired to give investment advice and help the Board oversee the investment program.

Investment Manager: A firm or person responsible for making day-to-day investment decisions for a specific portion of the fund.

Policy Portfolio: The target mix of asset classes the plan aims to maintain over time.

Prudent Investor Rule: A legal standard requiring fiduciaries to act with care, skill, and caution when making investment decisions, as a sensible investor would.

Investment & Portfolio Structure

Active Management: An investment approach where managers try to do better than a benchmark by selecting specific investments.

Asset Class: A group of similar types of investments that behave in similar ways. Examples include stocks, bonds, real estate, and cash.

Benchmark: A standard (usually a market index) used to compare how well an investment or the total fund is performing.

Diversification: Spreading investments across different types of assets to reduce the impact if any single investment does poorly.

Mandate: A specific investment assignment given to a manager or strategy (e.g., "U.S. large-cap equity").

Passive Management: An investment approach that aims to match the performance of a benchmark rather than beat it.

Policy Index / Total Fund Benchmark: A blended benchmark representing the target mix of asset classes in the total fund. It's used to evaluate how well the overall fund is doing.

Rebalancing: Adjusting the portfolio back to its target mix when some investments have grown faster or slower than others.

Risk: The uncertainty of an event occurring.

Strategic Asset Allocation: The asset classes and weights targeted for the policy benchmark.

Liquidity, Leverage & Instruments

Derivatives: Financial contracts (such as futures or options) whose value is based on another asset, like a stock index or interest rate.

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Hedge Fund: A pooled investment fund that can use complex strategies, including leverage and derivatives, to seek returns.

Leverage: Borrowing money or using other tools to increase potential investment returns. It can also increase losses.

Liquidity: How quickly and easily an investment can be turned into cash without losing much value.

Liquidity Coverage Ratio: The ratio of liquidity available to liquidity needs.

Overlay Program: A way to adjust the fund's exposure to markets using derivatives instead of buying or selling the actual investments.

Pension & Actuarial Concepts

Actuarial Assumed Rate of Return: The long-term investment return assumption used to calculate how much money the plan will need to pay future benefits.

Actuarial Assumptions: Assumptions made by actuaries that influence the valuation of liabilities.

Asset-Liability Study: A periodic review of whether the investment strategy aligns with future benefit obligations.

Funded Ratio: The ratio of assets to liabilities. A ratio over 100% means the plan has more assets than expected future obligations; under 100% means a shortfall.

Liabilities: The total amount the plan expects to pay out in benefits in the future.

Surplus / Deficit: The difference between the plan's assets and its liabilities. A surplus means assets exceed liabilities; a deficit means the opposite.

Performance & Risk Measures

Active Risk: The volatility of an investment strategy versus its benchmark.

Concentration Risk: Lack of diversification in exposure to markets or managers.

Confidence Interval: A statistical range indicating the probability a parameter lies within it.

Counterparty Risk: The risk that the other party in a contract fails to meet its obligations.

Credit Risk: The risk that a borrower fails to repay a loan or meet obligations.

Currency Risk: The risk of loss from changes in foreign exchange rates.

Drawdown: The decline in value from a peak to a trough.

Duration: A measure of bond price sensitivity to changes in interest rates.

Funding Risk (Surplus Risk): The risk of assets and liabilities not matching.

Inflation Risk: The risk that rising prices reduce the purchasing power of money.

Information Ratio: A measure of how much return was generated above the benchmark for each unit of extra risk taken.

Interest Rate Risk: The risk that investments lose value as interest rates change.

Investment Risk: The risk associated with investing in capital markets.

Sharpe Ratio: A measure of how much extra return an investment earns for the amount of risk taken. A higher number is generally better.

Standard Deviation: A measure of the variability of returns.

Tail Risk: The risk of extreme loss events.

Tracking Error: How much a portfolio's returns differ from its benchmark.

Volatility: The standard deviation of returns.

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THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO

PERA
Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

PROCUREMENT POLICY FOR INVESTMENT-RELATED SERVICES

Revised: December 9, 2025

Procurement Policy for Investment-Related Services

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1. Scope

This Procurement Policy for Investment-Related Services (this "Policy") sets forth the policies, procedures, and guidelines by which Public Employees Retirement Association of New Mexico ("PERA") shall procure investment-related services and tangible goods that are adjunct to those services. This Policy also applies to the procurement of certain services for the PERA Fund and the PERA SmartSave Deferred Compensation Plan.

This Policy does not apply to the procurement of tangible goods and services purchased through State of New Mexico statewide purchasing agreements or otherwise required for the administration of PERA investments.

2. Purpose

The Public Employees Retirement Board ("the Board") adopts this Policy: 1) to provide an open and fair competitive process to acquire competent and qualified investment-related consultant and manager services and other investment-related services; 2) to allow PERA to respond to unacceptable performance and market changes in a flexible, efficient, and timely manner; and 3) to comply with all relevant laws, statutes, ethical codes of conduct, and other applicable policies adopted by the Board.

3. Statutory Authority

The Public Employees Retirement Association of New Mexico (PERA) was created by law in 1947 and is authorized to administer the Public Employees Retirement Act of New Mexico, NMSA 1978, Sections 10-11-1 to 10-11-142, as amended (the PERA Act), the Volunteer Firefighters Retirement Act, NMSA 1978, Sections 10-11A-1 to 10-11A-8, as amended, the Judicial Retirement Act, NMSA 1978, Sections 10-12B-1 to 10-12B-19, as amended, the Magistrate Retirement Act, NMSA 1978, Sections 10-12C-1 to 10-12C-18, as amended, and the Public Employees Reciprocity Act, NMSA 1978, Sections 10-13A-1 to 10-13A-4, as amended, as well as other federal and state laws relating to the administration of Public Employees Retirement Systems in the State of New Mexico. PERA administers thirty-one retirement plans under a defined benefit structure for state employees, municipal employees, county employees, police, firefighters, judges, magistrates, and legislators. PERA is governed by the Retirement Board (the Board).

Pursuant to NMSA 1978, Section 13-1-98(CC), the retirement board is exempt from the Procurement Code (NMSA 1978, Sections 13-1-28 through 13-1-199, as amended) for all contracts for investment advisory services, investment management services, or other investment-related services.

4. Authority and Duties of the Board

Article XX, Section 22 of the New Mexico Constitution obligates the Board to administer and invest the PERA trust funds (the Fund) for the sole and exclusive benefit of the members, retirees, and other beneficiaries of PERA. The PERA Act, NMSA 1978 §§ 10-11-132 and 10-11-133, generally describes the authority of the Board to invest the Fund. Both those sections incorporate and adopt the Uniform Prudent Investor Act (UPIA), NMSA 1978, §§ 45-7-601 to 45-7-612, which require the

Board to exercise the reasonable care, skill, and caution of a prudent investor when it invests and manages assets in its capacity as trustee of the Fund. Among other things, the UPIA requires that Fund investments be diversified to minimize the risk of large losses, unless under the circumstances, it is clearly prudent not to do so. The Board also recognizes that care must be exercised to maintain PERA's status as a government plan that is exempt from the requirements of the federal Employee Retirement Income Security Act of 1974 and as a qualified plan that is exempt from taxation under the Internal Revenue Code.

5. Services Subject to the Policy

This Policy applies to the procurement of the services of the Board Strategic Investment Consultant, CIO Investment Consultants, Investment Consultants for the SmartSave Plan, Investment Managers for Liquid Investments and Illiquid Investments, and other investment-related services in accordance with the statutory authorities described in Section 3 of this Policy, the Investment Policy, and the Investment Policy for the PERA SmartSave Deferred Compensation Plan. As required by the Investment Policy, the Board, the Investment Committee, the Chief Investment Officer, PERA employees, and service providers selected under this Policy shall adhere to the Investment Policy, including applicable investment criteria. An Investment Consultant or investment manager selected pursuant to this Policy shall agree contractually to serve PERA and the Board as a fiduciary in accordance with all applicable federal and New Mexico laws that provide for the fiduciary duties and obligations of PERA or the PERA Board.

This Policy also governs the procurement of external investment-related legal services through the General Counsel. PERA retains the services of external legal counsel for investment-related advice and to review and negotiate terms and provisions of Liquid Investment and Illiquid Investment documents. The use of external counsel is prudent and necessary due to rapid changes in the regulation of global Liquid Investments and Illiquid Investments, and the knowledge and experience of external counsel regarding the legal issues arising from those Investments. Providers of investment-legal services selected pursuant to this Policy serve PERA in accordance with the applicable codes of professional responsibility and fiduciary laws applicable to PERA.

In addition, this Policy governs procurement of other investment-related services that are necessary and appropriate to PERA's investment program, such as transition managers, cash overlay managers, other specialty investment managers, custodial banking services, brokers, and other counterparties.

Investment-related service providers are defined in the following section.

6. Definitions

"Board Strategic Investment Consultant" means the Third-Party Service Provider, as described within the Investment Policy, that "provide advice and recommendations to the Board or Investment Committee regarding its strategic objectives, benchmarks, and oversight and implementation of principal investment objectives." The Board Strategic Investment Consultant also advises and confers with the Chief Investment Officer.

"CIO Investment Consultant" means the Third-Party Service Provider, as described within the

Investment Policy, that is an investment advisor other than the Board Strategic Investment Consultant that provides advice and recommendations on investment manager selection and portfolio monitoring to the CIO and Staff.

“Corrupt Practice” is defined as offering, giving, soliciting, or receiving anything of value to influence the action of a public official or employee, or threatening injury, harm, or retaliation to any person or their property, position, or reputation in connection with any procurement to obtain or retain business or any other advantage in the conduct of business.

“Emergency” means an unexpected circumstance that requires a rapid decision to prevent a significant financial loss where the normal processes required in this Policy would not prevent or avoid such loss. Poor performance by a service provider is not to be considered an Emergency. By way of example, an Emergency can include, although it is not limited to, the departure of an Investment Manager or other key personnel from a service provider without notice, SEC investigation or action against a service provider or individuals with a service provider, or a service provider's unexpected loss of its organizational capabilities.

“External Legal Counsel” means legal counsel retained to advise the General Counsel and Chief Investment Officer about all legal aspects of investment transactions undertaken for PERA, including but not limited to preparation and negotiation of investment contracts, the rights, obligations, and liabilities arising under applicable domestic and international securities laws, securities brokerage and trading laws, and laws pertaining to the organization, operation, and governance of the legal entities through which investments are made.

“Fraudulent Practice” means misrepresenting or omitting any material fact to influence or make a procurement.

“Fund” means the “trust funds” referred to in Article XX, Section 22 (A) of the New Mexico Constitution and as the term is used in the Investment Policy.

“Illiquid Investment” means an investment in global securities or other assets that cannot easily be sold or exchanged for cash without a substantial loss in value. As explained in the Investment Policy, an investment strategy involving these assets include private equity, private credit, and illiquid real assets (illiquid real estate, illiquid real assets). Illiquid Investments generally target long-term return objectives. These assets are designed to provide the portfolio with higher risk-adjusted returns and/or enhanced diversification. Illiquid Investments are usually made outside of public securities exchanges by acquiring an interest in a limited partnership, limited liability company, fund of one, separate account, dedicated managed account, commingled fund, offshore entity, or similar investment vehicle, as appropriate for the individual investment. Illiquid Investments were typically referred to as alternative assets in prior versions of this Policy.

“Incumbent Provider” means a service provider that is a party to a valid contractual relationship for providing investment-related services under a professional services agreement with PERA.

“Investment Committee” means the Committee of the same name established by the Board (see NMAC 2.80.200.50 (A)(5)) to assist in carrying out its duties.

"Investment Manager" means an entity and its agents that provide investment management services for Liquid Investments and Illiquid Investments.

"Investment Policy" means the PERA Investment Policy.

"Liquid Investment" means an investment in securities and other assets that are typically traded on public exchanges and can be converted into cash quickly and with minimal impact to the price received. These assets are identified in the Investment Policy. As explained in the Investment Policy, Liquid Investments include global equities (public equity), core fixed income (public domestic core bonds), credit (public high yield bonds), and real assets (liquid real estate and liquid real assets). Liquid Investments were typically referred to as traditional assets in prior versions of this Policy.

"Offeror" means any person or persons responding to a Request for Proposal or a Request for Information.

"Other Service Provider" means a provider of investment-related services and its agents, other than those defined in this Policy, which typically provide services related to execution of investment decisions and custody of PERA assets, such as brokers, counterparties, custodial banks, liquidation agents, and valuation agents.

"Portfolio Fit, Process and Review Team" or "PFRT" includes the Chief Investment Officer, Deputy Chief Investment Officer, Executive Director, and a rotating observer from the Investment Committee to review proposals presented at PRISM for final approval of potential investments.

"Portfolio, Risk, Implementation, and Strategy Meeting" or "PRISM" means an internal Investment Staff meeting to review potential investments.

"Runner-Up" means one or more Offerors not initially selected for award but qualified for award by meeting or complying with all mandatory criteria and formally designated as a Runner-Up by the evaluation committee.

"Small Purchase" means the procurement of investment-related services for total compensation that does not exceed sixty thousand dollars[1] ($60,000.00). For purposes of this Policy, a Small Purchase procurement includes investment-related services or tangible property ancillary to investment services. It does not include performance-fee compensation contracts for investment management services.

"SmartSave Investment Consultant" means the "Investment Consultant" as defined within the Investment Policy for the PERA SmartSave Deferred Compensation Plan that serves as "the principal investment consultant selected by the Board from time to time to advise the Board about the investment functions of the Plan."

"Strategic Asset Allocation" means the strategic asset allocation target established by the Board and

[1] This dollar amount is updated from time to time by the NM State Statute NM 13-1-125.

as the term is used in the Investment Policy.

"Third-Party Administrator" means the Deferred Compensation Carrier that performs recordkeeping and other functions of the Third-Party Administrator described in the Plan Document and means the same as the term defined in the Investment Policy for the PERA SmartSave Deferred Compensation Plan.

7. Selection of Solicitation Process

Except as otherwise provided in this Policy, procurement of investment-related services by PERA shall be achieved by a competitive Request for Proposals process ("RFP") or Request for Information process ("RFI") in accordance with this Policy.

a. Election of RFP or RFI Process

An RFP shall be used for the procurement of the services of the Board Strategic Investment Consultant, the SmartSave Investment Consultant, the CIO Investment Consultant, and the SmartSave Third-Party Administrator.

Either the RFP or an RFI may be used for procurement of Investment Manager services for Liquid Investments, External Legal Counsel, or an Other Service Provider.

To determine whether to use the RFP and/or RFI, the Chief Investment Officer or the General Counsel, as appropriate, shall consider material factors including, but not limited to: 1) the number of service providers capable of providing the service; 2) the mandate being considered for procurement; 3) the nature of the services being procured; and 4) the relative weight to be given to pricing in making the selection. PERA shall maintain written documentation of each procurement consistent with applicable record retention policies and procedures.

b. Selections Exempt from the RFP or RFI Process

Competitive procurement through the RFP or RFI process is not necessary under any of the following circumstances:

i. Procurement is for the services of an Investment Manager for an Illiquid Investment.

ii. Procurement is for the services of an Investment Manager for a Liquid Investment for the PERA SmartSave Deferred Compensation Plan, and the selection may proceed in accordance with the Selection Procedure for investment managers set forth in the Investment Policy for the PERA SmartSave Deferred Compensation Plan.

iii. Extension of a Contract. The Chief Investment Officer, in consultation with the PFRT members, may approve the extension of a contract awarded through an RFP or RFI process for a given mandate for an incumbent Investment Manager for Liquid Investments that is currently providing satisfactory service for the same or substantially similar mandate on the equivalent or better terms to PERA. The Chief Investment

Officer shall consider whether extension of the contract is prudent based on: i) the existing market conditions; ii) the terms, structure, and objectives of the investment, and iii) the availability of qualified Offerors. Except for a contract for custodial banking services, the term of any such extension shall be for no more than (4) years unless the Chief Investment Officer concludes that a longer or indefinite term is prudent based on the considerations set forth in the previous sentence. A contract for custodial banking services may be extended for an unlimited time. This exemption shall be exercised by PERA by no less than thirty (30) days before the expiring term of the current contract.

iv. Termination and Transition. If the Chief Investment Officer terminates a contract for Investment Manager services for Liquid Investments, the Chief Investment Officer in consultation with the PFRT members may approve a new or amended contract for the transition of the assets subject to the terminated contract to another Incumbent Provider who: i) is currently providing satisfactory investment management services under a contract awarded through an RFP or RFI process; and ii) is qualified to provide services for the asset class described in the terminated contract. The new or amended contract should be negotiated in connection with the transitioning of assets on equivalent or better terms to PERA. The term of the contract awarded under this paragraph shall be for no longer than four (4) years except as otherwise deemed prudent by the Chief Investment Officer based on the considerations set forth in paragraph 7(b)(iii);

v. If solicitation of qualified service providers is deemed to be impracticable, the Chief Investment Officer in consultation with the PFRT members may approve contracting with an Incumbent Provider or Investment Manager services for Liquid Investments that is currently providing satisfactory service under a contract that is the result of a RFP or RFI process, for the provision of services or a mandate not provided by an Incumbent Provider under an existing contract. The term of the contract awarded under this paragraph shall be for no more than four (4) years except as otherwise deemed prudent by the Chief Investment Officer based on the considerations set forth in paragraph 7(b)(iii);

vi. The selection of an investment manager or investment option for the PERA SmartSave Deferred Compensation Plan is provided by the Investment Policy for the PERA SmartSave Deferred Compensation Plan.

vii. Determination by the Chief Investment Officer in consultation with the PFRT members that the procurement is a Small Purchase procurement as defined in this Policy; or

viii. Determination by the Chief Investment Officer in consultation with the PFRT members that the procurement meets the requirements of an emergency procurement as defined in this Policy. Performance under any contract awarded under this paragraph shall be reviewed by the Chief Investment Officer in consultation with the PFRT members within twelve (12) months. In no event, however, shall the term of the contract awarded under this paragraph, including all extensions, exceed two (2) years. A contract awarded pursuant to this paragraph does not qualify for the other exceptions to competitive procurement set forth in this section.

8. Exemption from the RFP and RFI Processes—Criteria for Identification of Illiquid Investments

a. Categories of Illiquid Investments

Illiquid Investments principally involve direct investments in funds or other investment vehicles that acquire, hold, sell, and finance portfolio companies and other assets. For the exceptions identified in Section 7, Illiquid Investments are defined as provided in Section 6 of this Policy and in the Investment Policy. The asset types identified in the definition are further explained as follows:

i. Illiquid Global Equities – Illiquid forms of global equities include private equity. The objective of the private equity allocation is to capture a premium from making long-term, illiquid Investments in predominantly non-publicly traded equity securities.

ii. Illiquid Credit – Illiquid forms of credit include strategies in which the underlying debt securities trade infrequently or with a negotiated price. The objective of illiquid credit strategies (such as distressed and private debt) is to capture a premium from making long-term, illiquid Investments through non-public or negotiated transactions.

iii. Illiquid Real Assets – Illiquid forms of real assets include private real assets and private real estate. The objective of private real assets and private real estate strategies is to capture a premium from making long-term, illiquid Investments in predominantly non-publicly traded securities.

iv. Absolute return (hedge funds) - Hedge fund strategies look to reduce broad market risks to isolate security-specific returns. These vehicles will utilize long and short positions in publicly-traded securities or derivatives along with leverage to accomplish their investment objectives. These strategies use leverage, shorting, and derivatives to generate greater risk-adjusted returns. Market-neutral strategies target a zero correlation with broad market movements.

b. Considerations, Criteria, and Process for Selection of Illiquid Investments

The Chief Investment Officer is responsible for the selection of Illiquid Investments and may elect to use the services of the Board Strategic Investment Consultant, the CIO Investment Consultant, and other Third-Party providers to review and analyze the most appropriate investments from a comprehensive universe of investment opportunities.

The Chief Investment Officer shall consider the strategic objectives of the Board set forth in the Investment Policy and the legal and economic terms of an Illiquid Investment. Illiquid Investments shall be subject to due diligence analysis by PERA employees and an Investment Consultant sufficient to demonstrate the prudence of the investment. A report of the due diligence analysis and a complete evaluation of how the investment is expected to achieve the strategic objectives of the Board shall be presented to the Chief Investment Officer, who shall have final

authority to evaluate, select, monitor, and terminate Illiquid Investment Managers and investment vehicles in accordance with the terms of their contracts.

When evaluating a prospective Investment Manager for Illiquid Investments, the Chief Investment Officer shall manage operational and investment due diligence review to implement the objectives and considerations set forth in the Investment Policy and complementary industry norms that include, but are not limited to, the following considerations[2]:

i. the prospective Investment Manager's organization and stability;

ii. the track record of the prospective Investment Manager;

iii. the qualifications, experience, and retention of the prospective Investment Manager's key personnel;

iv. the proposed investment strategy, including the basis of anticipated returns;

v. the timing and structure of distributions;

vi. fees and total costs;

vii. the portfolio need and diversification benefits of the proposed investment strategy; and,

viii. the sufficiency of legal and economic terms governing the investment strategy of a prospective Investment Manager.

PERA Investment Staff, with the assistance of the General Counsel and/or the External Legal Counsel, shall review investment materials and information and advise the Chief Investment Officer about the favorability, legal risks, and sufficiency of the terms and provisions of an investment in accordance with the Investment Policy, applicable law, and generally accepted legal standards for private investments. PERA Investment Staff, with the assistance of the General Counsel and/or the External Legal Counsel, negotiate the legal terms and provisions of an investment. Upon completion of legal negotiations and before execution, External Legal Counsel shall provide a legal checklist to ensure all key terms and standards are met.

9. Public Notice

Except for an Emergency procurement, notice of an RFP shall be published at least twenty-one (21) calendar days before the date set for opening of responses. Notices referred to in this Policy may be published or furnished electronically, in print, or both at the Chief Investment Officer's discretion. Notice shall be posted on PERA's website and disseminated through media and other channels in a manner and as necessary to provide commercially reasonable notice to interested and qualified Offerors. Notice may be published in newspapers and/or trade journals in this or any other state, and internationally. In addition, PERA may provide notice directly to persons or businesses identified through prior solicitations, independent investment services, and through other information available

[2] Reference: PERA Internal Investment Procedures

in the investment industry.

10. Procurement Processes[3]

a. The RFP Process—Initiation and Selection

i. Board Strategic Investment Consultant, CIO Investment Consultants, SmartSave Investment Consultant, and the SmartSave Third Party Administrator

- Issuance of an RFP for the Board Strategic Investment Consultant, CIO Investment Consultants, SmartSave Investment Consultant, and the SmartSave Third Party Administrator shall be reviewed by the Board.

- Selection of the Board Strategic Investment Consultant, CIO Investment Consultant, SmartSave Investment Consultant, and the SmartSave Third Party Administrator is subject to final approval of the Board in accordance with this Policy.

ii. Liquid Investment Managers, and Other Service Providers

- Issuance of an RFP for Investment Manager services for Liquid Investments, and for Other Service Providers, shall be by the Chief Investment Officer. Notice shall be provided to the Investment Committee at the first meeting following the issuance of the RFP.

- Selection of Investment Manager services for Liquid Investments, and Other Service Providers through the RFP process shall be made by the Chief Investment Officer in consultation with the PFRT Members. Notice shall be provided to the Investment Committee at the first meeting following the approval.

iii. External Legal Counsel

- Issuance of an RFP for External Legal Counsel shall be by the General Counsel in consultation with the Executive Director, after prior notice to the Investment Committee.

- Selection of External Legal Counsel through the RFP process shall be made by the Executive Director in consultation with the General Counsel and Investment Staff. Notice shall be provided to the Investment Committee at the first meeting following the issuance of the selection.

[3] See Appendix 1 Decision Matrix

b. The RFP Process—Terms of Solicitation

RFPs shall contain, as appropriate:

i. specifications of the services to be procured, including clearly identified "minimum" and "preferred" (discretionary) criteria and/or minimum mandatory qualifications for prospective Offerors;

ii. the term of a contract for the Board Strategic Investment Consultant, the SmartSave Investment Consultant, the CIO Investment Consultant, Other Service Provider (other than a custody bank), and SmartSave Third-Party Administrator shall be appropriate for the scope of services, but shall not exceed eight (8) years;

iii. the term of a contract for liquid Investment Manager services shall be appropriate for the proposed mandate, but should not exceed eight (8) years unless the Chief Investment Officer, in consultation with the PFRT members, concludes that a longer or indefinite term is appropriate based on the structure and objectives of the investment;

iv. reference to NMSA 1978, Section 10-11-133.1, as amended, which provides for disclosure of the identity and fees paid to any third-party marketer;

v. a contract for custodial banking services may be for an indefinite term, provided it is terminable at will by PERA on reasonable notice;

vi. description of PERA's mandatory contract terms that are appropriate for the services procured, including but not limited to a term stating that the contractor accepts fiduciary status with respect to assets managed on behalf of PERA;

vii. a proposal for compensation for the services to be procured;

viii. the location and means of submittal of responses. Each RFP shall state that PERA shall have no responsibility or obligation to accept responses that are not submitted in accordance with the solicitation or to provide for redelivery of the same;

ix. the deadline for receipt of proposals, including the calendar date and the time. A deadline for receipt of proposals for solicitation of the Board Strategic Investment Consultant, CIO Investment Consultant, SmartSave Investment Consultant, and the SmartSave Third-Party Administrator may be extended by the Board on the request of the Chief Investment Officer, to accommodate unforeseen circumstances outside of the control of an Offeror. A deadline for receipt of proposals for Investment Manager services for Liquid Investments, External Legal Counsel, or Other Service Provider may be extended by the Chief Investment Officer, or the General Counsel, as appropriate, to accommodate unforeseen circumstances outside of the control of an Offeror. Any such extension must be requested and approved, with notice given to prospective Offerors within a reasonable time;

x. a statement notifying Offerors as follows:

"That during the process leading to an award of any contract by PERA, no member of the Board or PERA employee shall knowingly communicate concerning any matter relating to the contract or selection process with any party financially interested in the contract, or an officer or employee of that party, unless the communication is: (1) part of the process expressly described in the request for proposal or other solicitation invitation; or (2) part of a noticed Board meeting; or (3) as provided below. Any applicant or bidder who knowingly participates in a communication that is prohibited by this paragraph shall be disqualified from the contract award.

The procedures and prohibitions prescribed by this section shall not apply to: (1) communications that are incidental, exclusively social, and do not involve PERA or its business, or the Board or PERA employee's role as a PERA official; or (2) communications that do not involve PERA or its business and that are within the scope of the Board or PERA employee's private business or public office wholly unrelated to PERA."

xi. a proposal cover sheet, to be completed and signed by the Offeror and submitted electronically;

xii. a description of a formal question and answer process;

xiii. the selection criteria and/or qualifications in the evaluation of the responses;

xiv. citation to applicable statutes, rules, and policies;

xv. an agreement that the proposal is not confidential and is considered to be a public record, therefore allowing the Offeror to provide a redacted submission; and

xvi. any other information the Chief Investment Officer or the General Counsel believes will be useful in procuring the services sought to be procured.

Subject to appropriate and timely notification of Offerors, RFPs may be modified or amended before the selection for the limited purposes of:

i. clarifying or correcting errors or defects; or

ii. modifying the schedule for the submission of responses and the deadline for receipt of responses.

The requirement for notice of amendment of an RFP shall be:

i. in the form and manner of the initial RFP if it occurs before the deadline for receipt of responses; and

ii. by written notice to all Offerors if it occurs after the deadline for receipt of responses.

c. <u>The RFI Process—Initiation and Selection</u>

i. Liquid Investment Managers and Other Service Providers

- Issuance of an RFI for Investment Manager services for Liquid Investments and for Other Service Providers shall be made by the Chief Investment Officer. Notice shall be provided to the Investment Committee at the first meeting following the issuance of the RFI.

- Selection of an Investment Manager for Liquid Investments and Other Service Providers through the RFI process shall be made by the Chief Investment Officer in consultation with the PFRT members. Notice shall be provided to the Investment Committee at the first meeting following the issuance of the selection.

ii. External Legal Counsel

- Issuance of an RFI for External Legal Counsel shall be made by the General Counsel in consultation with the Executive Director, after prior notice is provided to the Investment Committee.

- Selection of External Legal Counsel shall be made by the Executive Director in consultation with the General Counsel and Investment Staff. Notice shall be provided at the first meeting of the Investment Committee following the selection.

d. <u>The RFI Process—Considerations for Solicitation</u>

The following considerations apply to an RFI undertaken under this Policy:

i. notice of the solicitation shall be provided to potentially qualified service providers that have been identified through the means described in the last sentence of Section 9 of this Policy;

ii. the solicitation shall include a reference to NMSA 1978, Section 10-11-133.1, as amended, which provides for disclosure of the identity and fees paid to any third-party marketer;

iii. description of PERA's mandatory contract terms that are appropriate for the services procured, including but not limited to a term stating that the contractor accepts fiduciary status with respect to assets managed on behalf of PERA;

iv. a proposal for compensation for the services to be procured;

v. a statement notifying Offerors as follows:

"That during the process leading to an award of any contract by PERA, no member of the Board or PERA employee shall knowingly communicate concerning any matter relating to the contract or selection process with any party financially

interested in the contract, or an officer or employee of that party, unless the communication is: (1) part of the process expressly described in the request for proposal or other solicitation invitation; or (2) part of a noticed Board meeting; or (3) as provided below. Any applicant or bidder who knowingly participates in a communication that is prohibited by this paragraph shall be disqualified from the contract award.

The procedures and prohibitions prescribed by this section shall not apply to: (1) communications that are incidental, exclusively social, and do not involve PERA or its business, or the Board or PERA employee's role as a PERA official; or (2) communications that do not involve PERA or its business and that are within the scope of the Board or PERA employee's private business or public office wholly unrelated to PERA."

vi. analytical software and comprehensive databases will be used in an unbiased and fair manner to research, evaluate, and compare Offerors;

vii. Offerors may reply to the RFI by submitting information about the services they supply and the price at which those services would be provided;

viii. the Chief Investment Officer, in consultation with the Board's Strategic Investment Consultant, may review proposals and negotiate with one or more of the Offerors to obtain the highest quality of services at the most reasonable price;

ix. the term of a contract for Investment Manager services for Liquid Investments shall be appropriate for the proposed mandate, but should not exceed eight (8) years unless the Chief Investment Officer concludes that a longer or indefinite term is appropriate based on the structure and objectives of the investment;

x. the term of a contract for an Other Service Provider (except for custodial banking services) or External Legal Counsel shall be appropriate for the scope of services, but shall not exceed eight (8) years, and;

xi. an agreement that the proposal is not confidential and is considered to be a public record; therefore, allowing the Offeror to provide a redacted submission and,

xii. a contract for custodial banking services may be for an indefinite term, provided it is terminable at will by PERA on reasonable notice.

11. Sufficiency of Responses to RFPs and RFIs

a. Responses received after the deadline will be rejected.

b. Responses shall not be corrected or modified after submittal.

c. Responses and Offerors that fail to meet all mandatory requirements shall be rejected.

d. Responses must include a proposal cover sheet, which has been fully completed, signed, and submitted electronically on or before the deadline for responses to the RFP or RFI.

e. Telephone and other types of inquiries concerning the proposal, outside the formal question and answer process, shall be discouraged.

f. Successful Offerors and Runners-Up shall meet or comply with all minimum criteria and/or qualifications.

12. Selection Criteria

a. Selection criteria shall be appropriate for the proposed scope of services or investment mandate and the applicable PERA investment policy as determined by the Chief Investment Officer and/or the General Counsel, as applicable.

b. PERA may use internet-based or analytic software applications and comprehensive databases to research, evaluate, compare, and select investment products across asset classes and vehicle types.

13. Evaluation of Proposals

The Chief Investment Officer, in consultation with one or more Investment Consultants, shall evaluate and approve the selection of service providers through an RFP or RFI process.

a. Board Strategic Investment Consultant, CIO Investment Consultant, SmartSave Investment Consultant, and SmartSave Third Party Administrator

The Board Chair, with the advice of the Investment Committee Chair and the Chief Investment Officer, shall appoint an evaluation committee for each RFP for the Board Strategic Investment Consultant, a CIO Investment Consultant, SmartSave Investment Consultant, and SmartSave Third Party Administrator. The designation of the evaluation committee is at the discretion of the Board Chair. It may include members of the Board, the Executive Director, the Chief Investment Officer, the General Counsel, and PERA employees. Appointed Board members shall participate as voting members of the evaluation committee for the Board's Strategic Investment Consultant and the SmartSave Investment Consultant, and SmartSave Third Party Administrator.

The Board, in consultation with the Executive Director, the Chief Investment Officer, or the General Counsel, as appropriate, shall approve the successful Offeror or Offerors for the Board's Strategic Investment Consultant, a CIO Investment Consultant, the SmartSave Investment Consultant, and the SmartSave Third-Party Administrator under the RFP process based on the recommendation of the evaluation committee.

b. Investment Managers for Liquid Investments, External Legal Counsel, and Other Service Provider

For procurement of Investment Managers for Liquid Investments, External Legal Counsel, and Other Service Provider, the Chief Investment Officer or the General Counsel, as appropriate, may designate Staff, Board members, and Consultants to assist, consistent with their respective duties under this Policy.

c. Evaluation of Proposals Submitted in Response to an RFP or an RFI

Selected Offerors may be invited for interviews, discussions, or negotiations. Offerors who have participated in interviews, discussions, or negotiations may be provided the opportunity to submit best and final offers. There is no right to an interview, discussion, negotiation, or the opportunity for best and final offers.

An Offeror's proposal shall be evaluated based on relevant and appropriate factors and considerations sufficient to justify the selection. Selection of an Investment Manager for Liquid Investments shall include, but is not limited to, the Offeror's: [Reference: PERA Internal Investment Procedures]

1. business approach and methodology;
2. philosophy and process;
3. references, experience, and qualifications of key personnel;
4. experience with the asset class under consideration;
5. verified or verifiable performance and portfolio data for a period of time that includes a variety of economic and market environments;
6. the compensation proposal;
7. a history of consistently strong and successful performance versus peers and relevant benchmarks; and,
8. the results of a satisfactory background check, including federal, state, and local criminal, civil, regulatory, and enforcement matters.

Selection criteria for External Legal Counsel and Other Service Providers shall be appropriate for the services being procured and sufficient to justify the selection.

The Board, Chief Investment Officer, and the General Counsel, as appropriate, shall create a record that documents and explains the basis for the selection in accordance with this Policy. PERA shall retain the record, including all pertinent evaluation materials, in accordance with applicable document retention requirements, but in no case for a period of less than the stated term of the contract procured pursuant to this Policy and a reasonable audit period.

14. Award

A successful Offeror and all other responding parties shall be promptly notified in writing of the award.

Contracts may be awarded to more than one Offeror as a result of a single RFP or RFI process.

Contracts may be awarded to one or more Offerors designated as Runners-Up within two (2) years of the initial deadline set for receipt of RFP or RFI responses, subject to due diligence and successful

contract negotiations conducted by the Chief Investment Officer or the General Counsel.

15. Termination of Contract or Other Appropriate Action for Wrongful Conduct

If the Board determines that violation of the New Mexico Government Conduct Act or paragraph 8.6.1 of the PERA Employee Code of Conduct materially impacted the award of a contract under this Policy, and that termination of the contract or other appropriate action is consistent with applicable law and the Board's fiduciary duties to PERA members, the Board may direct the Executive Director and/or Chief Investment Officer to terminate the contract, or take other appropriate action. This provision shall be incorporated expressly in any contract entered into under the authority of this Policy, and such contract shall expressly provide that action taken by the Board or Director hereunder shall not constitute an event of default or other event causing adverse action by the other contracting parties.

16. Public Disclosure

After award of a contract under this Policy, any written determination of award, any evaluation committee report, as applicable, and all proposals are subject to public inspection in accordance with applicable public record laws, including the New Mexico Inspection of Public Records Act, NMSA 1978, Sections 14-2-1 through 14-2-12, as amended. Any material claimed to be privileged, confidential, proprietary, or a trade secret must be clearly designated as such in advance and provided on separate pages.

17. Protest Procedure

PERA's procurement of investment-related services is exempt from the New Mexico Procurement Code (NMSA 1978, Sections 13-1-1 et seq.), and Offerors have no resort to the protest procedures set out in the New Mexico Procurement Code (NMSA 1978, Sections 13-1-172 through 176, as amended) or related options of the New Mexico Administrative Code involving procurement of investment-related services. As a trust fund, PERA has no authority to award money damages, costs, or attorney fees to a party asserting a grievance under this Policy. In the interest of providing a fair, open, and competitive procurement process for investment-related services, the following protest procedure is provided.

An Offeror responding to an RFP or an RFI who is not awarded an investment-related services contract may file a Notice of Protest with PERA.

A Notice of Protest shall state the full factual basis for the protest. A Notice of Protest must be in writing and received or post-marked within ten (10) calendar days of the award by the Board that gives rise to the protest.

A Notice of Protest shall be sent or delivered to:

Public Employees Retirement Association of New Mexico
Office of General Counsel
33 Plaza La Prensa
Santa Fe, New Mexico 87507
Attention: Notice of Protest

The filing and receipt of a Notice of Protest shall not stop or delay the execution of an investment-related services contract between PERA and the successful Offeror.

The General Counsel or their designee shall interview with the protestor, either in person or telephonically, and may, in their sole discretion, conduct interviews with others who have or may have information relating to the award and/or the protest.

The General Counsel shall promptly issue a written recommendation to the Board. The written recommendation shall state whether or not the General Counsel recommends that the contract whose award gave rise to the protest process should be terminated, and whether or not the General Counsel recommends an alternative contract award to the protester, or whether the RFP or RFI should be canceled and reissued. The written recommendation shall state the full factual basis for the recommendation.

The General Counsel shall mail the written recommendation to the protestor and shall provide written notice of the scheduled Board vote on the recommendation.

The Board shall vote on the recommendation at its first regularly scheduled meeting following the issuance of the written recommendation.

The General Counsel shall notify the protestor in writing of the Board's vote.

18. Emergency and Small Procurements

In the case of Emergency and Small Purchase procurements, as defined in this Policy, the Chief Investment Officer may preselect or invite a provider of investment-related services to present an offer. The Chief Investment Officer, in their discretion, may negotiate a contract with that provider if the offer is deemed acceptable and subject to the following conditions:

The Small Purchase procurement for investment-related professional services must have a value not exceeding sixty thousand dollars ($60,000), excluding applicable state and local gross receipts taxes in accordance with applicable professional services contract procedures promulgated by the Department of Finance and Administration.

Investment-related tangible property or services having a value of not more than sixty thousand dollars ($60,000.00) may be procured under this section by issuing a direct purchase order to a contractor based upon the best obtainable price.

Procurements shall not be artificially divided to fall within the Small Purchase procurement exemption.

19. Research and Information

At any time and irrespective of any existing contracts, PERA may conduct independent research or may issue an informal request for information to survey the marketplace about the availability, quality, and price of investment-related services.

20. Penalties for Corrupt Practices and Fraudulent Practices

Upon discovery of any Corrupt Practice or Fraudulent Practice as defined in this Policy, the Board may reject a proposal, reject a recommendation for an award, or declare an individual or firm ineligible for a stated period of time, or the Board may impose any combination of these measures.

In addition, a Corrupt Practice or a Fraudulent Practice relating to activities that are subject to this Policy may constitute fraud, bribery, illegal gratuities, and kickbacks that are crimes classified as felonies under New Mexico law.

Civil and criminal penalties are imposed for violation of the Governmental Conduct Act (NMSA 1978, Sections 10-16-1 through 10-16-18, as amended).

Civil penalties are imposed for antitrust violations of the Trade Practices and Regulation Act (NMSA 1978, Sections 57-1-1 through 57-119, as amended).

21. Ethical Disclosures and Conflicts of Interest

Members of the Board and PERA employees are subject to NMSA 1978, Section 10-11-130.1, as amended, which prohibits acceptance of anything of value directly or indirectly from a person or organization that has a current contract with PERA, is a potential bidder, Offeror, or contractor of services to PERA, or is authorized to invest public funds pursuant to state or federal law. For purposes of this Policy, a potential bidder means any person or entity that has either offered services in response to a request issued pursuant to this Policy or demonstrated an interest in offering services to PERA during the period commencing twelve months before the issuance of the solicitation, or has otherwise been identified as a potential bidder by the Chief Investment Officer or General Counsel.

All Offerors or Incumbent Providers are required to disclose any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under any contract with PERA. Offerors and Incumbent Providers shall certify compliance with the requirements of the Governmental Conduct Act, NMSA 1978, Sections 10-16-1 through 10-16-18, as amended. Contracts executed in accordance with this Policy shall provide for the prohibitions and disclosures explained in this section.

Review and Approval of Procurement Policy

By signing this Procurement Policy for Investment-Related Services, the Board, through its Chair, approves the statements contained in this Policy.

Adopted: January 26, 2006
Amended: August 31, 2006
Amended: November 30, 2006
Amended: October 30, 2014
Amended: August 25, 2016
Amended: May 30, 2019
Amended: December 10, 2024
Amended: December 9, 2025

By:
Name: Paula Fisher Retirement
Board Chair

Appendix I Decision Matrix

	RFP or RFI	Issuance	Selection	Prior	Notice	Terminate	Extension	Transition
Board Strat. Inv.Consultant	RFP only	Board/ED	Board	-	-	Board	Board	Board
CIO Investment Consultant	RFP only	Board/ED	Board	-	-	Board	Board	Board
Liquid Manager	CIO	CIO	CIO	-	IC	CIO/Board*	CIO	CIO
Illiquid Manager	-	-	CIO	-	IC	CIO/Board*	-	-
Other Provider	CIO	CIO	CIO	-	IC	CIO/Board*	-	-
External Legal Counsel	GC	ED/GC	ED	-	IC	ED/GC/Board*	-	-
SmartSave Third Party Administrator	RFP only	Board/ED	Board	IC	-	Board	Board	Board
SmartSave Investment Consultant	RFP only	Board/ED	Board	-	-	Board	Board	Board
SmartSave Investment Manager	SmartSave IP	CIO	CIO	-	IC	CIO/Board*	CIO	CIO

Legend
Board* = *see* Sec. 14 (Termination of Contract for Conflicts of Interest)
CIO = Chief Investment Officer
ED = Executive Director
GC = General Counsel
IC = PERA Investment Committee
IP = Investment Policy
- = not applicable

In the event that the Decision Matrix is inconsistent with the terms of the Policy, the terms of the Policy shall prevail.

THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO

PERA
Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

PROCUREMENT POLICY FOR INVESTMENT-RELATED SERVICES

Revised: December 9~~10~~, 2025~~4~~

Procurement Policy for Investment-Related Services

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1. Scope

This Procurement Policy for Investment-Related Services (this "Policy") sets forth the policies, procedures, and guidelines by which Public Employees Retirement Association of New Mexico ("PERA") shall procure investment-related services and tangible goods that are adjunct to those services. This Policy also applies to the procurement of certain services for the PERA Fund and the PERA SmartSave Deferred Compensation Plan.

This Policy does not apply to the procurement of tangible goods and services purchased through State of New Mexico statewide purchasing agreements or otherwise required for the administration of PERA investments.

2. Purpose

The Public Employees Retirement Board ("the Board") adopts this Policy: 1) to provide an open and fair competitive process to acquire competent and qualified investment-related consultant and manager services and other investment-related services; 2) to allow PERA to respond to unacceptable performance and market changes in a flexible, efficient, and timely manner; and 3) to comply with all relevant laws, statutes, ethical codes of conduct, and other applicable policies adopted by the Board.

3. Statutory Authority

The Public Employees Retirement Association of New Mexico (~~"~~PERA~~"~~) was created by law in 1947 and is authorized to administer the Public Employees Retirement Act of New Mexico, NMSA 1978, Sections 10-11-1 to 10-11-142, as amended (~~"~~the PERA Act~~"~~), the Volunteer Firefighters Retirement Act, NMSA 1978, Sections 10-11A-1 to 10-11A-8, as amended, the Judicial Retirement Act, NMSA 1978, Sections 10-12B-~~-~~1 to 10-12B-19, as amended, the Magistrate Retirement Act, NMSA 1978, Sections 10-12C-1 to 10-12C-~~-~~18, as amended, and the Public Employees Reciprocity Act, NMSA 1978, Sections 10-13A-1 to 10-13A-~~-~~4, as amended, as well as other federal and s~~S~~tate laws relating to the administration of P~~p~~ublic E~~e~~mployees~~'~~ R~~r~~etirement S~~s~~ystems in the State of New Mexico. ~~As of April 2016,~~ PERA administers thirty-one retirement plans under a defined benefit structure for state employees, municipal employees, county employees, police, firefighters, judges, magistrates, and legislators. PERA is governed by the Retirement Board (the Board).

Pursuant to NMSA 1978, Section 13-1-98(CC), the retirement board is exempt from the Procurement Code (NMSA 1978, Sections 13-1-28 through 13-1-199, as amended) for all contracts for investment advisory services, investment management services, or other investment-related services.

4. Authority and Duties of the Board

Article XX, Section 22 of the New Mexico Constitution obligates the Board to administer and invest the PERA trust funds (~~"~~the Fund~~"~~) for the sole and exclusive benefit of the members, retirees, and other beneficiaries of PERA. The PERA Act, ~~specifically~~ NMSA 1978 §§~~Sections~~ 10-11-132 and 10-11-133, generally describes the authority of the Board to invest the Fund. Both those sections incorporate and adopt the Uniform Prudent Investor Act (~~"~~UPIA~~"~~), NMSA 1978, §§~~Sections~~ 45-7-

601 to 45-7-612, which require the Board to exercise the reasonable care, skill, and caution of a prudent investor when it invests and manages assets in its capacity as trustee of the Fund. Among other things, the UPIA requires that Fund investments ~~from the Fund~~ be diversified to minimize the risk of large losses, unless under the circumstances, it is clearly prudent not to do so. The Board also recognizes that care must be exercised to maintain PERA's status as a government plan that is exempt from the requirements of the federal Employee~~s~~ Retirement Income Security Act of 1974 and as a qualified plan that is exempt from taxation under the Internal Revenue Code.

5. Services Subject to the Policy

This Policy applies to the procurement of the services of the Board Strategic Investment Consultant, CIO Investment Consultants, Investment Consultants for the SmartSave Plan, Investment Managers for Liquid Investments and Illiquid Investments, and other investment-related services in accordance with the statutory authorities described in Section 3 of this Policy, the Investment Policy, and the Investment Policy for the PERA SmartSave Deferred Compensation Plan. As required by the Investment Policy, the Board, the Investment Committee, the Chief Investment Officer, PERA employees, and service providers selected under this Policy shall adhere to the Investment Policy, including applicable investment criteria. An I~~i~~nvestment C~~c~~onsultant or investment manager selected pursuant to this Policy shall agree contractually to serve PERA and the Board as a fiduciary in accordance with all applicable federal and New Mexico laws that provide for the fiduciary duties and obligations of PERA or the PERA Board.

This Policy also governs the procurement of external investment-related legal services through the General Counsel. PERA retains the services of external legal counsel for investment-related advice and to review and negotiate terms and provisions of Liquid Investment and Illiquid Investment documents. The use of external counsel is prudent and necessary due to rapid changes in the regulation of global Liquid Investments and Illiquid Investments, and the knowledge and experience of external counsel regarding the legal issues arising from those Investments. Providers of investment-legal services selected pursuant to this Policy serve PERA in accordance with the applicable codes of professional responsibility and fiduciary laws applicable to PERA.

In addition, this Policy governs procurement of other investment-related services that are necessary and appropriate to PERA's investment program, such as transition managers, cash overlay managers, other specialty investment managers, custodial banking services, brokers, and other counter-parties.

Investment-related service providers are defined in the following section.

6. Definitions

"Board Strategic Investment Consultant" means the Third-Party Service Provider, as described within the Investment Policy, that "provide~~[s]~~ advice and recommendations to the Board or Investment Committee regarding its strategic objectives, benchmarks, and oversight and implementation of principal investment objectives." The Board Strategic Investment Consultant also advises and confers with the Chief Investment Officer.

"CIO Investment Consultant" means the Third-Party Service Provider, as described within the

Investment Policy, that is an investment advisor other than the Board Strategic Investment Consultant that provides advice and recommendations on investment manager selection and portfolio monitoring to the CIO and Staff. ~~to the Chief Investment Officer regarding selection of Investment Managers for Liquid Investments or Illiquid Investments.~~

"Corrupt Practice" is defined as offering, giving, soliciting, or receiving anything of value to influence the action of a public official or employee, or threatening injury, harm, or retaliation to any person or their property, position, or reputation in connection with any procurement ~~in order~~ to obtain or retain business or any other advantage in the conduct of business.

"Emergency" means an unexpected circumstance that requires a rapid decision to prevent a significant financial loss where the normal processes required in this Policy would not prevent or avoid such loss. Poor performance by a service provider is not to be considered an Emergency. By way of example, an Emergency can include, although it is not limited to, the departure of an Investment Manager or other key personnel from a service provider without notice, SEC investigation or action against a service provider or individuals with a service provider, or a service provider's unexpected loss of its organizational capabilities.

"External Legal Counsel" means legal counsel retained to advise the General Counsel and Chief Investment Officer about all legal aspects of investment transactions undertaken for PERA, including but not limited to preparation and negotiation of investment contracts, the rights, obligations, and liabilities arising under applicable domestic and international securities laws, securities brokerage and trading laws, and laws pertaining to the organization, operation, and governance of the legal entities through which investments are made.

"Fraudulent Practice" means misrepresenting or omitting any material fact ~~in order to~~to influence or make a procurement.

"Fund" means the "trust funds" referred to in Article XX, Section 22 (A) of the New Mexico Constitution and as the term is used in the Investment Policy.

"Illiquid Investment" means an investment in global securities or other assets that cannot easily be sold or exchanged for cash without a substantial loss in value. As explained in the Investment Policy, an investment strategy involving these assets include private equity, private credit, and illiquid real assets (illiquid real estate, illiquid real assets). Illiquid Investments generally target long-~~-~~term return objectives. These assets are designed to provide the portfolio with higher risk-adjusted returns and/or enhanced diversification. Illiquid Investments are usually made outside of public securities exchanges by acquiring an interest in a limited partnership, limited liability company, fund of one, separate account, dedicated managed account, commingled fund, offshore entity, or similar investment vehicle, as appropriate for the individual investment. Illiquid Investments were typically referred to as alternative assets in prior versions of this Policy.

"Incumbent Provider" means a service provider that is a party to a valid contractual relationship for providing investment-related services under a professional services agreement with PERA.

"Investment Committee" means the Committee of the same name established by the Board (see

NMAC 2.80.200.50 (A)(5)) to assist in carrying out its duties.

"Investment Manager" means an entity and its agents that provide investment management services for Liquid Investments and Illiquid Investments.

"Investment Policy" means the PERA Investment Policy.

"Liquid Investment" means an investment in securities and other assets that are typically traded on public exchanges and can be converted into cash quickly and with minimal impact to the price received. These assets are identified in the Investment Policy. As explained in the Investment Policy, Liquid Investments include global equities (public equity), core fixed income (public domestic core bonds), credit (public high yield bonds), and real assets (liquid real estate and liquid real assets). Liquid Investments were typically referred to as traditional assets in prior versions of this Policy.

"Offeror" means any person or persons responding to a Request for Proposal or a Request for Information.

"Other Service Provider" means a provider of investment-related services and its agents, other than those defined in this Policy, which typically provide services related to execution of investment decisions and custody of PERA assets, such as brokers, counterparties, custodial banks, liquidation agents, and valuation agents.

"Portfolio Fit, Process and Review Team" or "PFRT" includes the Chief Investment Officer, Deputy Chief Investment Officer, Executive Director, and a rotating observer from the Investment Ccommittee to review proposals presented at PRISM ~~as~~ for ~~the~~ final approval of potential investments.

"Portfolio, Risk, Implementation, and Strategy Meeting" or "PRISM" means an internal Investment Staff meeting to review potential investments.

"Runner-Up" means one or more Offerors not initially selected for award but qualified for award by meeting or complying with all mandatory criteria and formally designated as a Runner-Up by the evaluation committee.

"Small Purchase" means the procurement of investment-related services for total compensation that does not exceed sixty~~-~~ thousand dollars[1] ($60,000.00). For purposes of this Policy, a Small Purchase procurement includes investment-related services or tangible property ancillary to investment services. It~~, but~~ does not include performance-fee compensation contracts for investment management services.

"SmartSave Investment Consultant" means the "Investment Consultant" as defined within the Investment Policy for the PERA SmartSave Deferred Compensation Plan that serves as "the principal investment consultant selected by the Board from time to time to advise the Board about the investment functions of the Plan."

[1] This dollar amount is updated from time to time by the NM State Statute NM 13-1-125.

"Strategic Asset Allocation" means the strategic asset allocation target established by the Board and as the term is used in the Investment Policy.

"Third-Party Administrator" means the Deferred Compensation Carrier that performs recordkeeping and other functions of the Third-Party Administrator described in the Plan Document and means the same as the term defined in the Investment Policy for the PERA SmartSave Deferred Compensation Plan.

7. Selection of Solicitation Process

Except as otherwise provided in this Policy, procurement of investment-related services by PERA shall be achieved by a competitive Request for Proposals process ("RFP") or Request for Information process ("RFI") in accordance with this Policy.

a. Election of RFP or RFI Process

An RFP shall be used for the procurement of the services of the Board Strategic Investment Consultant, the SmartSave Investment Consultant, the CIO Investment Consultant, and the SmartSave Third-Party Administrator.

Either the RFP or an RFI may be used for procurement of Investment Manager services for Liquid Investments, External Legal Counsel, or an Other Service Provider.

To determine whether to use the RFP and/or RFI, the Chief Investment Officer or the General Counsel, as appropriate, shall consider material factors including, but not limited to: 1) the number of service providers capable of providing the service; 2) the mandate being considered for procurement; 3) the nature of the services being procured; and 4) the relative weight to be given to pricing in making the selection. PERA shall maintain written documentation of each procurement consistent with applicable record retention policies and procedures.

b. Selections Exempt from the RFP or RFI Process

Competitive procurement through the RFP or RFI process is not necessary under any of the following circumstances:

i. Procurement is for the services of an Investment Manager for an Illiquid Investment.~~;~~

ii. Procurement is for the services of an Investment Manager for a Liquid Investment for the PERA SmartSave Deferred Compensation Plan, and ~~that~~ the selection may proceed in accordance with the Selection Procedure for investment managers set forth in the Investment Policy for the PERA SmartSave Deferred Compensation Plan.

iii. Extension of a Contract. The Chief Investment Officer, in consultation with the PFRT members, may approve the extension of a contract awarded through an RFP or RFI process for a given mandate for an incumbent Investment Manager for Liquid

Investments that is currently providing satisfactory service for the same or substantially similar mandate on the equivalent or better terms to PERA. The Chief Investment Officer shall consider whether extension of the contract is prudent based on: i) the existing market conditions; ii) the terms, structure, and objectives of the investment, and~~;~~ iii) the availability of qualified Offerors. Except for a contract for custodial banking services, the term of any such extension shall be for no more than (4) years unless the Chief Investment Officer concludes that a longer or indefinite term is prudent based on the considerations set forth in the previous sentence. A contract for custodial banking services may be extended for an unlimited time. This exemption shall be exercised by PERA by no less than thirty (30) days beforeprior to the expiring term of the current contract.~~;~~

iv. Termination and Transition. If ~~In the event that~~ the Chief Investment Officer terminates a contract for Investment Manager services for Liquid Investments, the Chief Investment Officer in consultation with the PFRT members may approve a new or amended contract for the transition of the assets subject to the terminated contract to another Incumbent Provider who: i) is currently providing satisfactory investment management services under a contract awarded through an RFP or RFI process; and ii) is qualified to provide services for the asset class described in the terminated contract. The new or amended contract should be negotiated in connection with the transitioning of assets on equivalent or better terms to PERA. The term of the contract awarded under this paragraph shall be for no longer than four (4) years except as otherwise deemed prudent by the Chief Investment Officer based on the considerations set forth in paragraph 7(b)(iii);

v. If ~~n the event that~~ solicitation of qualified service providers is deemed to be impracticable, the Chief Investment Officer in consultation with the PFRT members may approve contracting with an Incumbent Provider or Investment Manager services for Liquid Investments that is currently providing satisfactory service under a contract that is the result of a RFP or RFI process, for the provision of services or a mandate not provided by an Incumbent Provider under an existing contract. The term of the contract awarded under this paragraph shall be for no more than four (4) years except as otherwise deemed prudent by the Chief Investment Officer based on the considerations set forth in paragraph 7(b)(iii);

vi. The selection of an investment manager or investment option for the PERA SmartSave Deferred Compensation Plan is~~as~~ provided by the Investment Policy for the PERA SmartSave Deferred Compensation Plan.

vii. Determination by the Chief Investment Officer in consultation with the PFRT members that the procurement is a Small Purchase procurement as defined in this Policy; or

viii. Determination by the Chief Investment Officer in consultation with the PFRT members that the procurement meets the requirements of an emergency procurement as defined in this Policy. Performance under any contract awarded under this paragraph shall be reviewed by the Chief Investment Officer in consultation with the PFRT members within twelve (12) months. In no event, however, shall the term of the contract awarded

under this paragraph, including ~~any and all~~all extensions, exceed two (2) years. A contract awarded pursuant to this paragraph does not qualify for the other exceptions to competitive procurement set forth in this section.

8. Exemption from the RFP and RFI Processes—C—Criteria for Identification of Illiquid Investments

a. Categories of Illiquid Investments

Illiquid Investments principally involve direct investments in funds or other investment vehicles that acquire, hold, sell, and finance portfolio companies and other assets. For ~~the purposes of~~ the exceptions identified in Section 7, Illiquid Investments are defined as provided in Section 6 of this Policy and in the Investment Policy. The asset types identified in the definition are further explained as follows:

i. Illiquid Global Equities – Illiquid forms of global equities include private equity. The objective of the private equity allocation is to capture a premium from making long-term, illiquid Investments in predominantly non-publicly traded equity securities.

ii. Illiquid Credit – Illiquid forms of credit include strategies in which the underlying debt securities trade infrequently or with a negotiated price. The objective of illiquid credit strategies (such as distressed and private debt) is to capture a premium from making long-term, illiquid Investments through non-public or negotiated transactions.

iii. Illiquid Real Assets – Illiquid forms of real assets include private real assets and private real estate. The objective of private real assets and private real estate strategies is to capture a premium from making long-term, illiquid Investments in predominantly non-publicly traded securities.

iv. Absolute return (hedge funds) - Hedge fund strategies look to reduce broad market risks to isolate security-specific returns. These vehicles will utilize long and short positions in publicly-traded securities or derivatives along with leverage to accomplish their investment objectives. These strategies use leverage, shorting, and derivatives to generate greater risk-adjusted returns. Market-—neutral strategies target a zero correlation with broad market movements.

b. Considerations, Criteria, and Process for Selection of Illiquid Investments

The Chief Investment Officer is responsible for the selection of Illiquid Investments and may elect to use the services of the Board Strategic Investment Consultant, the CIO Investment Consultant, and other Third-Party providers to review and analyze the most appropriate investments from a comprehensive universe of investment opportunities.

The Chief Investment Officer shall consider the strategic objectives of the Board set forth in the Investment Policy and the legal and economic terms of an Illiquid Investment. Illiquid

Investments shall be subject to due diligence analysis by PERA employees and an Iinvestment Ceonsultant sufficient to demonstrate the prudence of the investment. A report of the due diligence analysis and a complete evaluation of how the investment is expected to achieve the strategic objectives of the Board shall be presented to the Chief Investment Officer, who shall have final authority to evaluate, select, monitor, and terminate Illiquid Investment Managers and investment vehicles in accordance with the terms of their contracts.

When evaluating a prospective Investment Manager for Illiquid Investments, the Chief Investment Officer shall manage operational and investment due diligence review to implement the objectives and considerations set forth in the Investment Policy and compleimentary industry norms that include, but are not limited to, the following considerations[2]:

i. the prospective Investment Manager's organization and stability;

ii. the track record of the prospective Investment Manager;

iii. the qualifications, experience, and retention of the prospective Investment Manager's key personnel;

iv. the proposed investment strategy, including the basises of anticipated returns;

v. the timing and structure of distributions;

vi. fees and total costs;

vii. the portfolio need and diversification benefits of the proposed investment strategy; and,

viii. the sufficiency of legal and economic terms governing the investment strategy of a prospective Investment Manager.

PERA Investment StaffThe Deputy Chief Investment Officer, with the assistance of the General Counsel and/or the External Legal Counsel, shall review investment materials and information and advise the Chief Investment Officer about the favorability, legal risks, and sufficiency of the terms and provisions of an investment in accordance with the Investment Policy, applicable law, and generally accepted legal standards for private investments. PERA Investment Staff, with the assistance of the General Counsel and/or the External Legal Counsel, negotiates the legal terms and provisions of an investment in consultation with the Deputy Chief Investment Officer. Upon completion of legal negotiations and beforeprior to execution, Eexternal Legal Ceounsel shall provide a legal checklist to ensure all key terms and standards are met.

9. Public Notice

Except for an Emergency procurement, notice of an RFP shall be published at least twenty-one (21) calendar days beforeprior to the date set for opening of responses. Notices referred to in this Policy may be published or furnished electronically, in print, or both at the Chief Investment Officer's

[2] Reference: PERA Internal Investment Procedures

discretion. Notice shall be posted on PERA's website and disseminated through media and other channels in a manner and as necessary to provide commercially reasonable notice to interested and qualified Offerors. Notice may be published in newspapers and/or trade journals in this or any other state, and internationally. In addition, PERA may provide notice directly to persons or businesses identified through prior solicitations, independent investment services, and through other information available in the investment industry.

10. Procurement Processes[3]

a. The RFP Process—Initiation and Selection

i. Board Strategic Investment Consultant, CIO Investment Consultants, SmartSave Investment Consultant, and the SmartSave Third Party Administrator

- Issuance of an RFP for the Board Strategic Investment Consultant, CIO Investment Consultants, SmartSave Investment Consultant, and the SmartSave Third Party Administrator shall be reviewed by the Board.

- Selection of the Board Strategic Investment Consultant, CIO Investment Consultant, SmartSave Investment Consultant, and the SmartSave Third Party Administrator~~,~~ is subject to final approval of the Board in accordance with this Policy.

ii. Liquid Investment Managers, and Other Service Providers

- Issuance of an RFP for Investment Manager services for Liquid Investments, and for Other Service Providers, shall be by the Chief Investment Officer. Notice shall be provided to the Investment Committee at the first meeting following the issuance of the RFP.

- Selection of Investment Manager services for Liquid Investments, and Other Service Providers through the RFP process shall be made by the Chief Investment Officer in consultation with the PFRT Members. Notice shall be provided to the Investment Committee at the first meeting following the approval.

iii. External Legal Counsel

- Issuance of an RFP for External Legal Counsel shall be by the General Counsel in consultation with the Executive Director, after prior notice to the Investment Committee.

- Selection of External Legal Counsel through the RFP process shall be made by the

[3] See Appendix 1 Decision Matrix

Executive Director in consultation with the General Counsel and Investment Staff. Notice shall be provided to the Investment Committee at the first meeting following the issuance of the selection.

b. The RFP Process—Terms of Solicitation

RFPs shall contain, as appropriate:

i. specifications of the services to be procured, including clearly identified "minimum" and "preferred" (discretionary) criteria and/or minimum mandatory qualifications for prospective Offerors;

ii. the term of a contract for the Board Strategic Investment Consultant, the SmartSave Investment Consultant, the CIO Investment Consultant, Other Service Provider, (other than a custody bank), and SmartSave Third-Party Administrator, shall be appropriate for the scope of services, but shall not to exceed eight (8) years;

iii. the term of a contract for liquid Investment Manager services shall be appropriate for the proposed mandate, but should not exceed eight (8) years unless the Chief Investment Officer, in consultation with the PFRT members, concludes that a longer or indefinite term is appropriate based on the structure and objectives of the investment;

iv. reference to NMSA 1978, Section 10-11-133.1, as amended, which provides for disclosure of the identity and fees paid to any third-party marketer;

v. a contract for custodial banking services may be for an indefinite term, provided it is terminable at will by PERA on reasonable notice;

vi. description of PERA's mandatory contract terms that are appropriate for the services procured, including but not limited to a term stating that the contractor accepts fiduciary status with respect to assets managed on behalf of PERA;

vii. a proposal for compensation for the services to be procured;

viii. the location and means of submittal of responses. Each RFP shall state that PERA shall have no responsibility or obligation to accept responses that are not submitted in accordance with the solicitation or to provide for redelivery of the same;

ix. the deadline for receipt of proposals, including the calendar date and the time. A deadline for receipt of proposals for solicitation of the Board Strategic Investment Consultant, CIO Investment Consultant, SmartSave Investment Consultant, and the SmartSave Third-Party Administrator may be extended by the Board on the request of the Chief Investment Officer, to accommodate unforeseen circumstances outside of the control of an Offeror. A deadline for receipt of proposals for Investment Manager services for Liquid Investments, External Legal Counsel, or Other Service Provider may be extended by the Chief Investment Officer, or the General Counsel, as appropriate, to

accommodate unforeseen circumstances outside of the control of an Offeror. Any such extension must be requested and approved, with notice given to prospective Offerors within a reasonable time;

x. a statement notifying Offerors as follows:

"That during the process leading to an award of any contract by PERA, no member of the Board or PERA employee shall knowingly communicate concerning any matter relating to the contract or selection process with any party financially interested in the contract, or an officer or employee of that party, unless the communication is: (1) part of the process expressly described in the request for proposal or other solicitation invitation; or (2) part of a noticed Board meeting; or (3) as provided below. Any applicant or bidder who knowingly participates in a communication that is prohibited by this paragraph shall be disqualified from the contract award.

The procedures and prohibitions prescribed by this section shall not apply to: (1) communications that are incidental, exclusively social, and do not involve PERA or its business, or the Board or PERA employee's role as a PERA official; or (2) communications that do not involve PERA or its business and that are within the scope of the Board or PERA employee's private business or public office wholly unrelated to PERA."

xi. a proposal cover sheet, to be completed and signed by the Offeror and submitted electronically;

xii. a description of a formal question and answer process;

xiii. the selection criteria and/or qualifications in the evaluation of the responses;

xiv. citation to applicable statutes, rules, and policies;

xv. an agreement that the proposal is not confidential and is considered to be a public record, therefore allowing the Oofferor to provide a redacted submission; and

xvi. any other information the Chief Investment Officer or the General Counsel believes will be useful in procuring the services sought to be procured.

Subject to appropriate and timely notification of Offerors, RFPs may be modified or amended beforeprior to the selection for the limited purposes of:

i. clarifying or correcting errors or defects; or

ii. modifying the schedule for the submission of responses and the deadline for receipt of responses.

The requirement for notice of amendment of an RFP shall be:

i. in the form and manner of the initial RFP if it occurs before the deadline for receipt of responses; and

ii. by written notice to all Offerors if it occurs after the deadline for receipt of responses.

c. The RFI Process—Initiation and Selection

i. Liquid Investment Managers and Other Service Providers

- Issuance of an RFI for Investment Manager services for Liquid Investments and for Other Service Providers shall be made by the Chief Investment Officer. Notice shall be provided to the Investment Committee at the first meeting following the issuance of the RFI.

- Selection of an Investment Manager for Liquid Investments and Other Service Providers through the RFI process shall be made by the Chief Investment Officer in consultation with ~~-~~the PFRT members. Notice shall be provided to the Investment Committee at the first meeting following the issuance of the selection.

ii. External Legal Counsel

- Issuance of an RFI for External Legal Counsel shall be made by the General Counsel in consultation with the Executive Director, after prior notice is provided to the Investment Committee.

- Selection of External Legal Counsel shall be made by the Executive Director in consultation with the General Counsel and Investment Staff. Notice shall be provided at the first meeting of the Investment Committee following the selection.

d. The RFI Process—Considerations for Solicitation

The following considerations apply to an RFI undertaken under this Policy:

i. notice of the solicitation shall be provided to potentially qualified service providers that have been identified through the means described in the last sentence of Section 9 of this Policy;

ii. the solicitation shall include a reference to NMSA 1978, Section 10-11-133.1, as amended, which provides for disclosure of the identity and fees paid to any third-party marketer;

iii. description of PERA's mandatory contract terms that are appropriate for the services procured, including but not limited to a term stating that the contractor accepts fiduciary status with respect to assets managed on behalf of PERA;

iv. a proposal for compensation for the services to be procured;

v. a statement notifying Offerors as follows:

"That during the process leading to an award of any contract by PERA, no member of the Board or PERA employee shall knowingly communicate concerning any matter relating to the contract or selection process with any party financially interested in the contract, or an officer or employee of that party, unless the communication is: (1) part of the process expressly described in the request for proposal or other solicitation invitation; or (2) part of a noticed Board meeting; or (3) as provided below. Any applicant or bidder who knowingly participates in a communication that is prohibited by this paragraph shall be disqualified from the contract award.

The procedures and prohibitions prescribed by this section shall not apply to: (1) communications that are incidental, exclusively social, and do not involve PERA or its business, or the Board or PERA employee's role as a PERA official; or (2) communications that do not involve PERA or its business and that are within the scope of the Board or PERA employee's private business or public office wholly unrelated to PERA."

vi. analytical software and comprehensive databases will be used in an unbiased and fair manner to research, evaluate, and compare Offerors;

vii. Offerors may reply to the RFI by submitting information about the services they supply and the price at which those services would be provided;

viii. the Chief Investment Officer, in consultation with the Board's Strategic Investment Consultant, may review proposals and negotiate with one or more of the Offerors to obtain the highest quality of services at the most reasonable price;

ix. the term of a contract for Investment Manager services for Liquid Investments shall be appropriate for the proposed mandate, but should not exceed eight (8) years unless ~~with~~ the Chief Investment Officer concludes that a longer or indefinite term is appropriate based on the structure and objectives of the investment;

x. the term of a contract for an Other Service Provider (except for custodial banking services) or External Legal Counsel shall be appropriate for the scope of services, but shall not ~~to~~ exceed eight (8) years, and;

xi. an agreement that the proposal is not confidential and is considered to be a public record; ~~therefore~~therefore, allowing the O~~o~~fferor to provide a redacted submission and,

xii. a contract for custodial banking services may be for an indefinite term, provided it is terminable at will by PERA on reasonable notice.

11. Sufficiency of Responses to RFPs and RFIs

a. Responses received after the deadline will be rejected.

b. Responses shall not be corrected or modified after submittal.

c. Responses and Offerors that fail to meet all mandatory requirements shall be rejected.

d. Responses must include a proposal cover sheet, which has been fully completed, signed, and submitted electronically on or before the deadline for responses to the RFP or RFI.

e. Telephone and other types of inquiries concerning the proposal, outside the formal question and answer process, shall be discouraged.

f. Successful Offerors and Runners-Up shall meet or comply with all minimum criteria and/or qualifications.

12. Selection Criteria

a. Selection criteria shall be appropriate for the proposed scope of services or investment mandate and the applicable PERA investment policy as determined by the Chief Investment Officer and/or the General Counsel, as applicable.

b. PERA may use internet-based or analytic software applications and comprehensive databases to research, evaluate, compare, and select investment products across asset classes and vehicle types.

13. Evaluation of Proposals

The Chief Investment Officer, in consultation with one or more Iinvestment Cconsultants, shall evaluate and approve the selection of service providers through an RFP or RFI process.

a. Board Strategic Investment Consultant, CIO Investment Consultant, SmartSave Investment Consultant, and SmartSave Third Party Administrator

The Board Chair, with the advice of the Investment Committee Chair and the Chief Investment Officer, shall appoint an evaluation committee for each RFP for the Board Strategic Investment Consultant, a CIO Investment Consultant, SmartSave Investment Consultant, and SmartSave Third Party Administrator. The designation of the evaluation committee is at the discretion of the Board Chair. It ~~and~~ may include members of the Board, the Executive Director, the Chief Investment Officer, the General Counsel, and PERA employees. Appointed Board members shall participate as voting members of the evaluation committee for the Board's Strategic Investment Consultant and the SmartSave Investment Consultant, and SmartSave Third Party Administrator.

The Board, in consultation with the Executive Director, the Chief Investment Officer, or the General Counsel, as appropriate, shall approve the successful Offeror or Offerors for the Board's Strategic Investment Consultant, a CIO Investment Consultant, the SmartSave Investment Consultant, and the SmartSave Third-Party Administrator under the RFP process based on the recommendation of the evaluation committee.

b. Investment Managers for Liquid Investments, External Legal Counsel, and Other Service Provider

For procurement of Investment Managers for Liquid Investments, External Legal Counsel, and Other Service Provider, the Chief Investment Officer or the General Counsel, as appropriate, may designate Sstaff, Bboard members, and Cconsultants to assist, consistent with their respective duties under this Policy.

c. Evaluation of Proposals Submitted in Response to an RFP or an RFI

Selected Offerors may be invited for interviews, discussions, or negotiations. Offerors who have participated in interviews, discussions, or negotiations may be provided the opportunity to submit best and final offers. There is no right to an interview, discussion, negotiation, or the opportunity for best and final offers.

An Offeror's proposal shall be evaluated based on relevant and appropriate factors and considerations sufficient to justify the selection. Selection of an Investment Manager for Liquid Investments shall include, but is not limited to, the Offeror's:; [Reference: PERA Internal Investment Procedures]

1. business approach and methodology;
2. philosophy and process;
3. references, experience, and qualifications of key personnel;
4. experience with the asset class under consideration;
5. verified or verifiable performance and portfolio data for a period of time that includes a variety of economic and market environments;
6. the compensation proposal;
7. a history of consistently strong and successful performance versus peers and relevant benchmarks; and,
8. the results of a satisfactory background check, including federal, state, and local criminal, civil, regulatory, and enforcement matters.

Selection criteria for External Legal Counsel and Other Service Providers shall be appropriate for the services being procured and sufficient to justify the selection.

The Board, Chief Investment Officer, and the General Counsel, as appropriate, shall create a record that documents and explains the basis for the selection in accordance with this Policy. PERA shall retain the record, including all pertinent evaluation materials, in accordance with applicable document retention requirements, but in no case for a period of less than the stated term of the contract procured pursuant to this Policy and a reasonable audit period.

14. Award

A successful Offeror and all other responding parties shall be promptly notified in writing of the

award.

Contracts may be awarded to more than one Offeror as a result of a single RFP or RFI process.

Contracts may be awarded to one or more Offerors designated as Runners-Up within two (2) years of the initial deadline set for receipt of RFP or RFI responses, subject to due diligence and successful contract negotiations conducted by the Chief Investment Officer or the General Counsel.

15. Termination of Contract or Other Appropriate Action for Wrongful Conduct

If ~~n the event that~~ the Board determines that violation of the New Mexico Government Conduct Act or paragraph 8.6.1 of the PERA Employee Code of Conduct materially impacted the award of a contract under this Policy, and that termination of the contract or other appropriate action is consistent with applicable law and the Board's fiduciary duties to PERA members, the Board may direct the Executive Director and/or Chief Investment Officer to terminate the contract, or take other appropriate action. This provision shall be incorporated expressly in any contract entered into under the authority of this Policy, and such contract shall expressly provide that action taken by the Board or Director hereunder shall not constitute an event of default or other event causing adverse action by the other contracting parties.

16. Public Disclosure

After award of a contract under this Policy, any written determination of award, any evaluation committee report, as applicable, and all proposals are subject to public inspection in accordance with applicable public record laws, including the New Mexico Inspection of Public Records Act, NMSA 1978, Sections 14-2-1 through 14-2-12, as amended. Any material claimed to be privileged, confidential, proprietary, or a trade secret must be clearly designated as such in advance and provided on separate pages.

17. Protest Procedure

PERA's procurement of investment-related services is exempt from the New Mexico Procurement Code (NMSA 1978, Sections 13-1-1 et seq.), and Offerors have no resort to the protest procedures set out in the New Mexico Procurement Code (NMSA 1978, Sections 13-1-172 through 176, as amended) or related options of the New Mexico Administrative Code involving procurement of investment-related services. As a trust fund, PERA has no authority to award money damages, costs, or attorney fees to a party asserting a grievance under this Policy. In the interest of providing a fair, open, and competitive procurement process for investment-related services, the following protest procedure is provided.

An Offeror responding to an RFP or an RFI who is not awarded an investment-related services contract may file a Notice of Protest with PERA.

A Notice of Protest shall state the full factual basis for the protest. A Notice of Protest must be in writing and received or post-marked within ten (10) calendar days of the award by the Board that gives rise to the protest.

A Notice of Protest shall be sent or delivered to:

Public Employees Retirement Association of New Mexico
Office of General Counsel
33 Plaza La Prensa
Santa Fe, New Mexico 87507
Attention: Notice of Protest

The filing and receipt of a Notice of Protest shall not stop or delay the execution of an investment-related services contract between PERA and the successful Offeror.

The General Counsel or their~~his or her~~ designee shall ~~conduct an~~ interview with the protestor, either in person or telephonically, and may, in their~~his or her~~ sole discretion, conduct interviews with others who have or may have information relating to the award and/or the protest.

The General Counsel shall promptly issue a written recommendation to the Board. The written recommendation shall state whether or not the General Counsel recommends that the contract whose award gave rise to the protest process should be terminated, and whether or not the General Counsel recommends an alternative contract award to the protester, or whether the RFP or RFI should be cancel~~l~~led and reissued. The written recommendation shall state the full factual basis for the recommendation.

The General Counsel shall mail the written recommendation to the protestor and shall provide written notice of the scheduled Board vote on the recommendation.

The Board shall vote on the recommendation at its first regularly scheduled meeting following the issuance of the written recommendation.

The General Counsel shall notify the protestor in writing of the Board's vote.

18. Emergency and Small Procurements

In the case of Emergency and Small Purchase procurements, as defined in this Policy, the Chief Investment Officer may~~,~~ preselect or invite a provider of investment-related services to present an offer. The Chief Investment Officer, in their~~his or her~~ discretion, may negotiate a contract with that provider if the offer is deemed acceptable and subject to the following conditions:

The Small Purchase procurement for investment-related professional services must have a value not exceeding sixty thousand dollars ($60,000), excluding applicable state and local gross receipts taxes in accordance with applicable professional services contract procedures promulgated by the D~~d~~epartment of F~~f~~inance and A~~a~~dministration.

Investment-related tangible property or services having a value of not more than sixty thousand dollars ($60,000.00) may be procured under this section by issuing a direct purchase order to a contractor based upon the best obtainable price.

Procurements shall not be artificially divided to fall within the Small Purchase procurement

exemption.

19. Research and Information

At any time and irrespective of any existing contracts, PERA may conduct independent research or may issue an informal request for information to survey the marketplace about the availability, quality, and price of investment-related services.

20. Penalties for Corrupt Practices and Fraudulent Practices

Upon discovery of any Corrupt Practice or Fraudulent Practice as defined in this Policy, the Board may reject a proposal, reject a recommendation for an award, or declare an individual or firm ineligible for a stated period of time, or the Board may impose any combination of these measures.

In addition, a Corrupt Practice or a Fraudulent Practice relating to activities that are subject to this Policy may constitute fraud, bribery, and illegal gratuities, and kickbacks that are crimes classified as felonies under New Mexico law.

Civil and criminal penalties are imposed for violation of the Governmental Conduct Act (NMSA 1978, Sections 10-16-1 through 10-16-18, as amended).

Civil penalties are imposed for antitrust violations of the Trade Practices and Regulation Act (NMSA 1978, Sections 57-1-1 through 57-119, as amended).

21. Ethical Disclosures and Conflicts of Interest

Members of the Board and PERA employees are subject to NMSA 1978, Section 10-11-130.1, as amended, which prohibits acceptance of anything of value directly or indirectly from a person or organization that has a current contract with PERA, is a potential bidder, Offeror, or contractor of services to PERA, or is authorized to invest public funds pursuant to state or federal law. For purposes of this Policy, a potential bidder means any person or entity that has either offered services in response to a request issued pursuant to this Policy or demonstrated an interest in offering services to PERA during the period commencing twelve months beforeprior to the issuance of the solicitation, or has otherwise been identified as a potential bidder by the Chief Investment Officer or General Counsel.

All Offerors or Incumbent Providers are required to disclose any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under any contract with PERA. Offerors and Incumbent Providers shall certify compliance with the requirements of the Governmental Conduct Act, NMSA 1978, Sections 10-16-1 through 10-16-18, as amended. Contracts executed in accordance with this Policy shall provide for the prohibitions and disclosures explained in this section.

Review and Approval of Procurement Policy

By signing this Procurement Policy for Investment-Related Services, the Board, through its Chair, approves the statements contained in this Policy.

Adopted:	January 26, 2006
Amended:	August 31, 2006
Amended:	November 30, 2006
Amended:	October 30, 2014
Amended:	August 25, 2016
Amended:	May 30, 2019
Amended:	December 10, 2024
Amended:	December 9, 2025

By:
Name: Paula Fisher Retirement Board Chair

Appendix I Decision Matrix

	RFP or RFI	Issuance	Selection	Prior	Notice	Terminate	Extension	Transition
Board Strat. Inv.Consultant	RFP only	Board/ED	Board	-	-	Board	Board	Board
CIO Investment Consultant	RFP only	Board/ED	Board	-	-	Board	Board	Board
Liquid Manager	CIO	CIO	CIO	-	IC	CIO/Board*	CIO	CIO
Illiquid Manager	-	-	CIO	-	IC	CIO/Board*	-	-
Other Provider	CIO	CIO	CIO	-	IC	CIO/Board*	-	-
External Legal Counsel	GC	ED/GC	ED	-	IC	ED/GC/Board*	-	-
SmartSave Third Party Administrator	RFP only	Board/ED	Board	IC	-	Board	Board	Board
SmartSave Investment Consultant	RFP only	Board/ED	Board	-	-	Board	Board	Board
SmartSave Investment Manager	SmartSave IP	CIO	CIO	-	IC	CIO/Board*	CIO	CIO

Legend
Board* = *see* Sec. 14 (Termination of Contract for Conflicts of Interest)
CIO = Chief Investment Officer
ED = Executive Director
GC = General Counsel
IC = PERA Investment Committee
IP = Investment Policy
- = not applicable

In the event that the Decision Matrix is inconsistent with the terms of the Policy, the terms of the Policy shall prevail.

Verus

PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS



PERIOD ENDING: **September 30**, 202**5**

Investment Performance Review for

PERA
Public Employees
Retirement Association
of New Mexico

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VERUSINVESTMENTS.COM

SEATTLE 206-622-3700
CHICAGO 312-815-5228
LOS ANGELES 310-297-1777
SAN FRANCISCO 415-362-3484
PITTSBURGH 412-784-6678

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3rd quarter summary

THE ECONOMY

— The Q3 real GDP growth report was not released on October 30th as previously scheduled, due to the government shutdown which continued to hamper the publication of a wide swath of data that informs investors about the health of the economy. The Atlanta Fed GDPNow indicator estimates a 3.9% Q3 quarterly annualized growth.

— U.S. inflation remained above the Fed's target, rising from 2.7% year-over-year to 3.0%. Core inflation rose slightly from 2.9% to 3.0%. The rate of inflation has increased, but price rises have been much more subdued relative to the forecasts of many economists and experts following the shift in U.S. trade policy.

EQUITY

— Emerging market equities led during Q3 (MSCI EM +10.6%) followed by domestic (S&P 500 +8.1%) and international developed (MSCI EAFE +4.8%). Emerging markets (+27.5%) and international developed (+25.1%) have substantially outpaced the U.S. (+14.8%) year-to-date, although currency movement has fueled much of this difference.

— U.S. valuations climbed further, as earnings surprises and Federal Reserve easing generated enthusiasm. Historically, this level of valuations has coincided with zero or negative returns over the following five years; however, current market dynamics may support elevated pricing.

FIXED INCOME

— The 10-year U.S. Treasury yield fell slightly from 4.23% to 4.14% during the quarter, although yields temporarily reached 4.00% as recession fears grew and commentary from the Federal Reserve suggested a series of rate cuts was forthcoming. Fed Chair Powell described the move as a "risk management cut". The committee appears to be placing more emphasis on the jobs side of their *maximum employment and price stability* mandate.

— Despite growing talk amongst investors of potential issues in credit markets, default activity was lower during Q3, and distressed/LME (liability management exercise) activity fell sharply from prior levels. Year-to-date, $3 out of every $4 of default activity occurred in bank loans.

ASSET ALLOCATION ISSUES

— Investors benefited from strong positive returns across most asset classes during Q3. Global equities delivered +7.6% on earnings growth and stable economic conditions, U.S. high yield bonds generated +2.5%, and core fixed income delivered +2.0% as rates moved lower and the Federal Reserve kicked off a rate cutting cycle.

— Market-priced volatility remained low and stable. Global macroeconomic uncertainty eased as shifting trade policy has so far had minimal impact on inflation and growth relative to initial fears. Business profits were resilient, and forecasts were revised upwards while investor optimism improved.

Investors benefited from strong positive returns across most asset classes during Q3

Although risk asset valuations are generally expensive, earnings momentum and massive A.I. capital expenditures could support further gains

U.S. economics summary

— The Q3 real GDP growth report was not released on October 30th as previously scheduled, due to the government shutdown which continued to hamper the publication of a wide swath of data that informs investors about the health of the economy. The Atlanta Fed GDPNow indicator estimated a 3.9% quarterly annualized growth rate as of October 27th. Second quarter growth was revised upwards from 3.0% to 3.8% on updated consumer spending data that was stronger than initially reported.

— Unemployment rose slightly from 4.1% to 4.3% in August and job creation has slowed to nearly zero. We believe that this easing of the labor market is happening for a fairly unique reason—a decline in immigration. Immigration enforcement and deportations are having a notable impact on the number of available workers, meaning the job market is likely slowing primarily for immigration reasons rather than due to weakening U.S. business conditions or layoffs.

— The Federal Reserve cut rates in September to a range of 4.00%-4.25%, citing concerns over a slowing job market. Chair Jerome Powell at the meeting described the move as a "risk management" rate cut, emphasizing the Fed's dual mandate of maximum employment and price stability.

— U.S. inflation remained above the Fed's target during Q3, rising from 2.7% year-over-year to 3.0%. Core inflation rose slightly from 2.9% to 3.0%. Although inflation has increased, price rises have been much more subdued relative to the forecasts of many economists and experts following the shift in U.S. trade policy. The types of prices that were expected to be highly exposed to tariffs, such as new cars, apparel, shoes, televisions, household furnishings, and appliances, have not overall seen broad material price rises (some category prices have fallen).

— Very poor consumer sentiment continues to be a key story of 2025, with households concerned about job prospects and personal finances. Confidence dipped in Q3 but remained above the April lows. Households expressed concerns about high prices, future job prospects, and the broader business environment.

	Most Recent	12 Months Prior
Real GDP *(YoY)*	2.1% *6/30/2025*	3.1% *6/30/2024*
Inflation *(CPI YoY, Core)*	3.0% *9/30/2025*	3.3% *9/30/2024*
Expected Inflation *(5yr-5yr forward)*	2.3% *9/30/2025*	2.3% *9/30/2024*
Fed Funds Target Range	4.00% - 4.25% *9/30/2025*	4.75% - 5.00% *9/30/2024*
10-Year Rate	4.2% *9/30/2025*	3.8% *9/30/2024*
U-3 Unemployment	4.3% *8/31/2025*	4.2% *8/31/2024*
U-6 Unemployment	8.1% *8/31/2025*	7.8% *8/31/2024*

International economics summary

— Economic growth expectations for calendar year 2025 remain weak, ranging from 0.2% real GDP growth in Germany, to 0.9% in Japan, 1.0% in the Eurozone, 1.5% in the U.S., and 4.8% in China. These estimates initially moved lower alongside new trade conflicts and barriers but then modestly improved amidst some recent trade de-escalations and recognition that frictions from trade negotiations have been less than feared.

— After seven consecutive rate cuts, the ECB held rates steady at 2.00%. While central bankers have messaged the potential for a prolonged pause given a more resilient economic situation than many investors expected, sub-2% inflation expectations could lead to further cuts.

— The BOE cut rates in Q3 to 4.00%, and continued to act cautiously despite holding a restrictive monetary stance. Inflationary pressures have created hesitance, but weaker growth prospects could lead to additional rate cuts.

— The U.S. and Russia continued negotiations focused on addressing the Ukraine war, with the U.S. shifting focus towards a ceasefire rather than ramping up military aid to Ukraine. On October 16, President Trump and President Putin reportedly held a "productive" discussion and announced plans for a summit in Budapest. However, concerns that neither side is ready for serious peace talks left the summit on hold.

— Since April's implementation of tariffs, the U.S. has reduced trade barriers on many trade partners, but this mainly has come in the form of temporary relief and pauses. Policy uncertainty remains a major global concern for investors and central banks.

— A ceasefire agreement between Iran and Israel was achieved after the U.S. executed a direct attack on Iranian nuclear facilities. The ceasefire has largely held since taking effect in June. In October, the U.S. then also brokered a ceasefire between Israel and Hamas. Through mid-October, that agreement remained fragile with violations from each side reported.

	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	2.1% *6/30/2025*	3.0% *9/30/2025*	4.3% *8/31/2025*
Eurozone	1.3% *9/30/2025*	2.2% *9/30/2025*	6.3% *9/30/2025*
Japan	1.7% *6/30/2025*	2.9% *9/30/2025*	2.6% *8/31/2025*
Canada	0.9% *7/31/2025*	2.4% *9/30/2025*	7.1% *9/30/2025*
BRICS Nations	4.9% *6/30/2025*	1.3% *9/30/2025*	5.0% *9/30/2025*
Brazil	2.2% *6/30/2025*	5.2% *9/30/2025*	5.6% *8/31/2025*
Russia	1.1% *6/30/2025*	8.0% *9/30/2025*	2.2% *9/30/2025*
India	7.8% *6/30/2025*	1.5% *9/30/2025*	8.5% *12/31/2017*
China	4.8% *9/30/2025*	-0.3% *9/30/2025*	5.2% *9/30/2025*

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

Equity environment

— Emerging market equities led during Q3 (MSCI EM +10.6%) followed by domestic equities (S&P 500 +8.1%) and international developed (MSCI EAFE +4.8%). Emerging markets (+27.5%) and international developed (+25.1%) have substantially outpaced the U.S. (+14.8%) year-to-date although much of this was due to currency movements.

— U.S. valuation multiples climbed even higher, generating fears that A.I. optimism may be overdone. Historically, this level of valuations has coincided with zero or negative returns over the subsequent five years. However, valuations may be a product of the environment, given very strong earnings forecasts, possible A.I. productivity gains, and evolving index sector composition which implies naturally higher multiples.

— Business investment in artificial intelligence has been massive, and a large portion of economic growth year-to-date has been driven by data center buildouts. Microsoft, Alphabet, Amazon, and Meta plan to spend $320 billion on A.I. in 2025. The U.S. is leading in A.I. investment by a significant margin though Chinese competition has been strong.

— Chinese equities roared back to life over the past year (MSCI China +31.0% vs. MSCI EM ex-China +12.2%), fueled by significant advancements in artificial intelligence, semiconductors, and robotics. Beijing has enacted interest rate cuts, relaxed bank reserve requirements, and injected liquidity into the economy which has helped support asset prices.

— Market-priced volatility remained low and stable, mostly in a 14-17% range. This was consistent with an upward trending equity market, sanguine economic conditions that far exceeded expectations earlier in the year, positive earnings surprise, and investor optimism.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	8.1%		17.6%	
U.S. Small Cap (Russell 2000)	12.4%		10.8%	
U.S. Equity (Russell 3000)	8.2%		17.4%	
U.S. Large Value (Russell 1000 Value)	5.3%		9.4%	
U.S. Large Growth (Russell 1000 Growth)	10.5%		25.5%	
Global Equity (MSCI ACWI)	7.6%	8.2%	17.3%	17.6%
International Large (MSCI EAFE)	4.8%	6.1%	15.0%	15.5%
Eurozone (EURO STOXX 50)	4.6%	5.1%	19.3%	15.3%
U.K. (FTSE 100)	5.6%	7.5%	17.9%	17.4%
Japan (TOPIX)	8.4%	12.2%	17.7%	26.8%
Canada (S&P/TSX)	9.2%	11.8%	22.1%	27.8%
Emerging Markets (MSCI Emerging Markets)	10.6%	12.4%	17.3%	19.0%

Source: Standard & Poor's, FTSE, MSCI, STOXX, JPX, as of 9/30/25 – performance quoted from perspective of U.S. dollar investor

Fixed income environment

- The 10-year U.S. Treasury yield fell slightly from 4.23% to 4.14% during the quarter, although yields temporarily reached 4.00% as recession fears grew and commentary from the Federal Reserve suggested a series of rate cuts was forthcoming.
- The Federal Reserve cut rates in September to a target range of 4.00%-4.25%, signaling concerns about a softening job market and persistent but contained inflation. Fed Chair Powell described the move as a "risk management cut". The FOMC appears to be placing more emphasis on the jobs side of their *maximum employment and price stability* mandate.
- Despite possible future tariff-fueled inflation, talk amongst investors of U.S. dollar debasement due to the fiscal path of the country, and possible inflationary impacts if the Federal Reserve were to lose some independence, the market appears not to be pricing any longer-run excess inflation. This is indicated by the 10-year TIPS breakeven inflation rate that is effectively unchanged year-to-date, as well as the 5-year, 5-year forward inflation rate.
- The U.S. yield curve showed further steepening, now reflecting a more normal upward sloping shape. The 10-year Treasury minus 2-year Treasury yield was 0.56% as of September 30th. Both the 10-year and 2-year yields fell slightly during the quarter.
- Longer duration credit performed in line with shorter duration credit as the market priced interest rate cuts into the curve. Long duration corporate bonds returned +2.4%, while high yield bonds added +2.5% and bank loans added +1.8%.
- Credit spreads tightened evenly across asset classes, with BB- and B-rated credits seeing the most compression. High yield bond spreads tightened by 17 bps to 2.7%, while investment grade spreads fell to 0.7%. Leveraged loan spreads likewise tightened 17 bps to 4.3%. As of quarter end, BB- and B-rated bonds neared pre-Liberation Day tights while bank loans were at seven-month lows.

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	2.0%	2.9%
Core Plus Fixed Income (Bloomberg U.S. Universal)	2.1%	3.4%
U.S. Treasuries (Bloomberg U.S. Treasury)	1.5%	2.1%
U.S. Treasuries: Long (Bloomberg U.S. Treasury 20+)	2.4%	-4.8%
U.S. High Yield (Bloomberg U.S. Corporate HY)	2.5%	7.4%
Bank Loans (Morningstar LSTA Leveraged Loan)	1.8%	7.0%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	2.8%	7.4%
Emerging Market Debt Hard (JPM EMBI Global Diversified)	4.8%	8.5%
Mortgage-Backed Securities (Bloomberg MBS)	2.4%	3.4%

Source: Standard & Poor's, J.P. Morgan, Bloomberg, as of 9/30/25

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Thought leadership

STATE OF THE CORE REAL ESTATE FUND UNIVERSE

Verus addresses the state of the core real estate fund universe. Discussion includes the mixed fundamental conditions facing the asset class and the heavy redemption queues that continue to challenge certain funds and frustrate investors who are seeking liquidity.

SO, WHAT NOW?

Our CIO examines the current market environment after global tariffs are released by the U.S. government.

LDI FOR PUBLIC SPONSORS

We explore the dichotomy in LDI adoption between sponsor types. We discuss the characteristics of pension plans that make LDI strategies beneficial. We assess the current environment, to illustrate why LDI may appear relatively attractive today.

THIS MATTERS, AND THIS DOESN'T

We offer a few perspectives regarding what we watch out for to acknowledge or even avoid biases where possible. Deciding what matters most to the portfolio by ensuring a balanced set of information sources, keeping a watchful eye for biases and carefully thinking about incentives, and also determining what doesn't matter.

Scorecard

- As of the current quarter end, PERA is above the Assumed Rate of Return for most time periods.
- The 20 year time period includes the Great Recession.
- Set Strategic Asset Allocation (Policy Portfolio) to meet the Assumed Rate of Return and funding goals over the long term (10+ years)
- Prior to July 2016, Assumed Rate of Return was 7.75%. Prior to 2011, Assumed Rate of Return was 8%.

	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	20 Yrs	30 Yrs	Inception	Inception Date
NM PERA Total Fund	3.68	9.35	10.49	8.41	7.03	7.50	6.12	7.50	8.64	Jun-85
Assumed Rate of Return - NMPERA	*1.77*	*7.25*	*7.25*	*7.25*	*7.25*	*7.29*	*7.58*	*7.72*	*7.79*	
Excess Return	*1.91*	*2.10*	*3.23*	*1.16*	*-0.22*	*0.21*	*-1.46*	*-0.23*	*0.85*	
Scorecard	✔	✔	✔	✔	⚑	✔	⚑	⚑	✔	

- Produce returns that meet or exceed board approved Total Fund Benchmarks
- PERA has produced value-added versus its Strategic Allocation Policy over the long-term. Shorter term, results reflect effect of public market benchmarking of private markets asset classes as well as negative impacts from now discontinued Portable Alpha and Multi-Risk programs.
- Additionally, PERA exhibits risk-adjusted total fund returns above peers in most historical time periods due principally to lower risk versus the Strategic Asset Allocation Policy.

	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	20 Yrs	30 Yrs	Inception	Inception Date
NM PERA Total Fund	3.68	9.35	10.49	8.41	7.03	7.50	6.12	7.50	8.64	Jun-85
NM PERA Total Fund Policy	*4.73*	*10.89*	*14.69*	*8.57*	*7.09*	*7.51*	*6.48*	*7.21*	*8.59*	
Excess Return	*-1.05*	*-1.54*	*-4.21*	*-0.16*	*-0.06*	*-0.01*	*-0.35*	*0.29*	*0.06*	
Scorecard	⚑	⚑	⚑	⚑	⚑	⚑	⚑	✔	✔	
NM PERA Total Fund Tracking Error	0.33	2.34	3.94	4.41	4.71	4.04	3.13	5.37		
NM PERA Total Fund Tracking Error Rank	75	64	79	75	82	80	65	87		
NM PERA Total Fund Sharpe Ratio	1.48	1.10	1.01	0.78	0.60	0.80	0.52	0.58		
NM PERA Total Fund Sharpe Ratio Rank	58	22	55	28	31	29	82	59		

Net of Fee performance calculated and provided by BNY Mellon.

PERA's capital allocations are in line with SAA targets

Capital Allocation

	Policy Allocation (%)	Current Allocation (%)	Excess Allocation (%)	Policy Range (%)	Within IPS Range?
Global Equity	46.00	47.47	1.47	41.00 - 51.00	Yes
Credit	17.00	18.15	1.15	13.00 - 21.00	Yes
Core Fixed Income	13.00	13.38	0.38	10.00 - 16.00	Yes
Real Assets	18.00	15.48	-2.52	14.00 - 22.00	Yes
Absolute Return	6.00	5.52	-0.48	3.00 - 9.00	Yes
Total	100.00	100.00	0.00		

4-Year Risk Statistics

	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	R-Squared	Up Capture	Down Capture	Information Ratio	Tracking Error	Sharpe Ratio	Sortino Ratio
NM PERA Total Fund	6.6	1.7	0.6	1.0	63.9	53.4	-0.2	4.7	0.3	0.4
NM PERA Total Fund Policy	*11.1*	*0.0*	*1.0*	*1.0*	*100.0*	*100.0*	*-*	*0.0*	*0.3*	*0.4*

PERA's liquidity allocations are in line with liquidity guidelines (Tier 1 Assets >= 10% of Fund NAV and Tier 4 Assets < 45%)

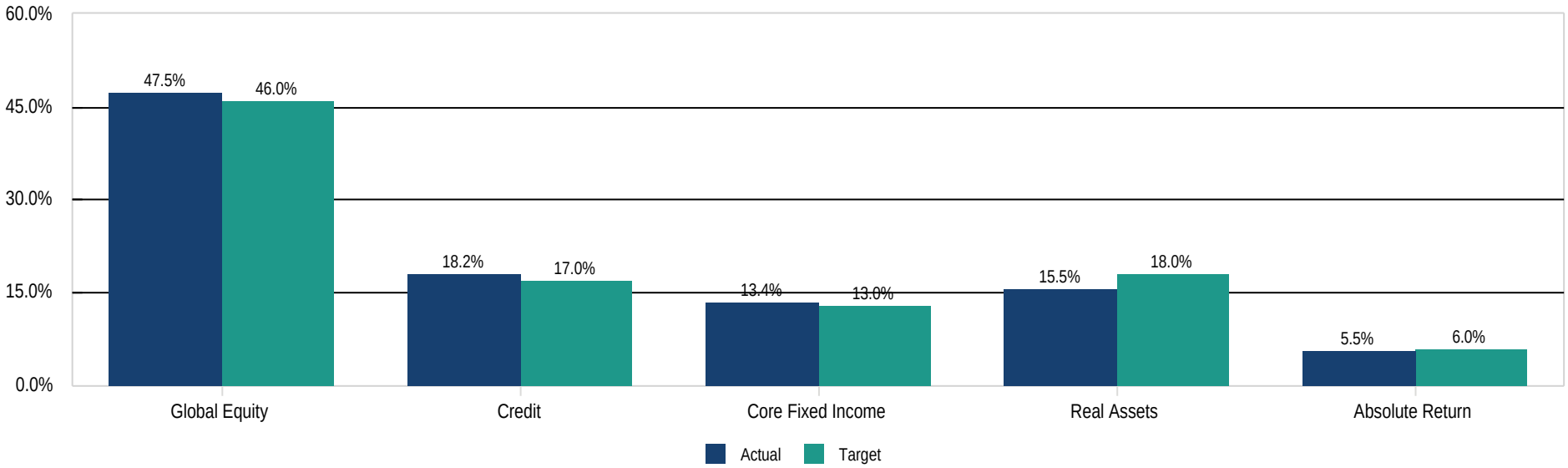
Liquidity Allocation

	Market Value	Tier 1 (1-5 Days)	Tier 2 (5-90 Days)	Tier 3 (90-365 Days)	Tier 4 (1+ Years)
Global Equity	9,131,460,429	2	6,335,939,551	-	2,795,520,876
Credit	3,492,099,833	-	2,451,803,183	-	1,040,296,649
Core Fixed Income	2,573,263,583	2,564,171,519	-	-	9,092,064
Real Assets	2,977,560,441	-	-	-	2,977,560,441
Absolute Return	1,062,681,999	-	-	1,062,681,999	-
NM PERA Total Fund	19,237,066,285	2,564,171,521	8,787,742,735	1,062,681,999	6,822,470,031
Total (%)	100.0	13.3	45.7	5.5	35.5

Net of Fee performance calculated and provided by BNY Mellon.

Total Fund

Actual vs. Target

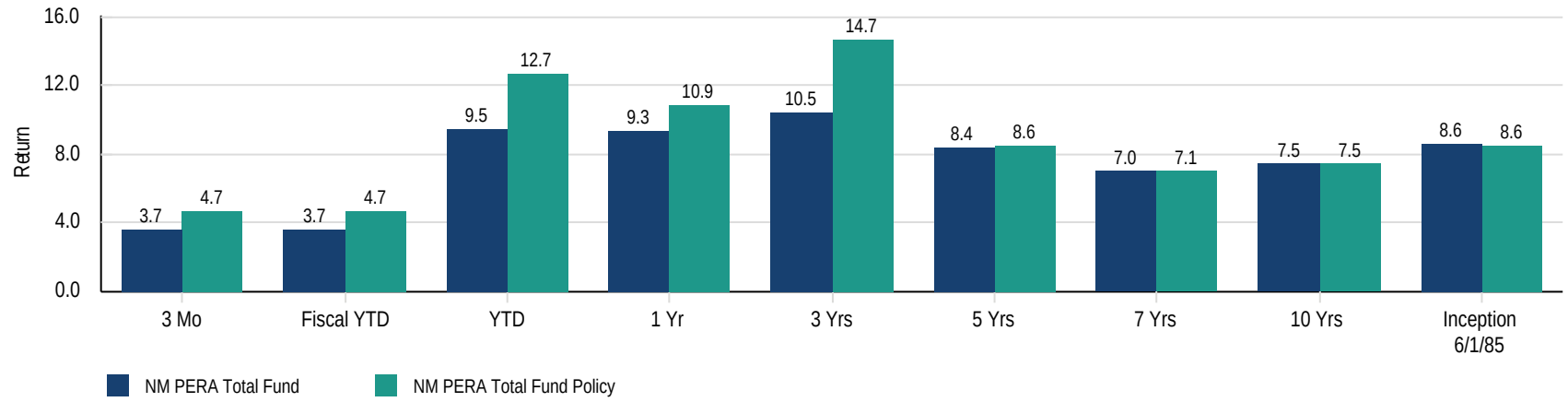


Allocation vs. Policy

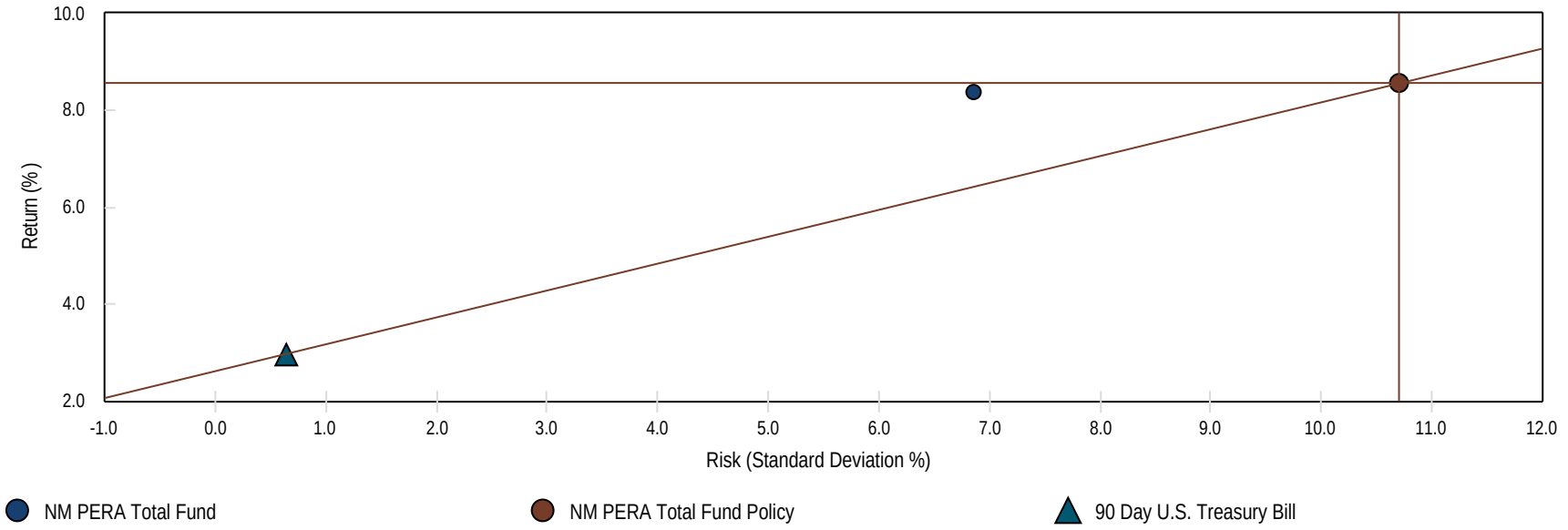
	Current Balance ($)	Current Allocation (%)	Policy Allocation (%)	Policy Allocation ($)	Difference ($)
Global Equity	9,131,460,429	47.47	46.00	8,849,050,491	282,409,938
Credit	3,492,099,833	18.15	17.00	3,270,301,268	221,798,564
Core Fixed Income	2,573,263,583	13.38	13.00	2,500,818,617	72,444,966
Real Assets	2,977,560,441	15.48	18.00	3,462,671,931	-485,111,490
Absolute Return	1,062,681,999	5.52	6.00	1,154,223,977	-91,541,978
Total	19,237,066,285	100.00	100.00	19,237,066,285	

STO Balance as of 09/30/2025: $31,457,101.39. Total Fund balance with STO: $19,268,523,386.41.

Comparative Performance



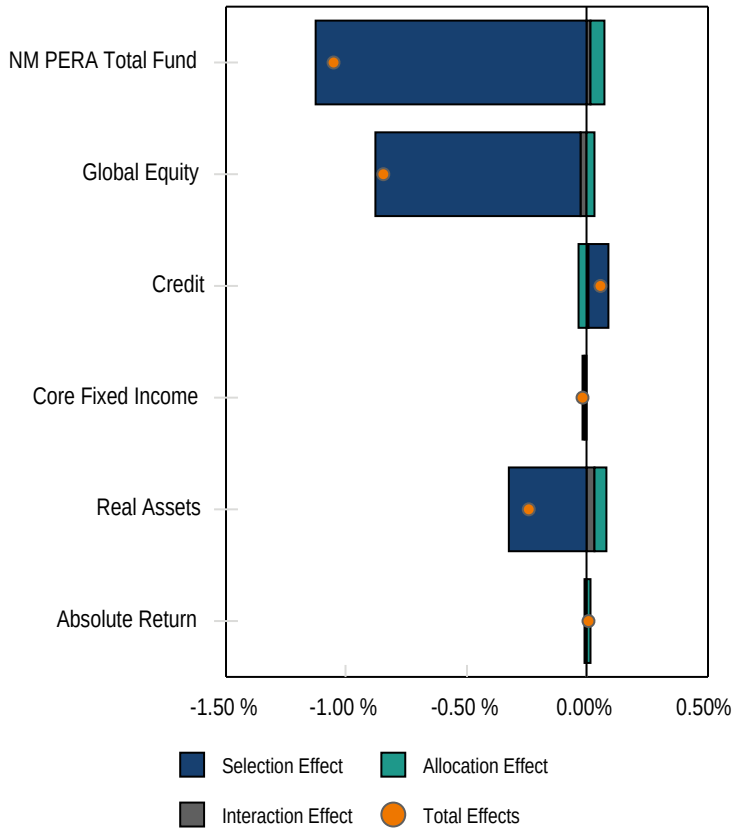
Risk and Return (5 Years)



	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
NM PERA Total Fund Net	19,237,066,285	100.00	3.68	3.68	9.35	10.49	8.41	7.03	7.50	8.64	Jun-85
NM PERA Total Fund Policy			*4.73*	*4.73*	*10.89*	*14.69*	*8.57*	*7.09*	*7.51*	*8.59*	
Value Added			*-1.05*	*-1.05*	*-1.54*	*-4.21*	*-0.16*	*-0.06*	*-0.01*	*0.06*	
NM PERA Actuarial Return			*1.77*	*1.77*	*7.25*	*7.25*	*7.25*	*7.25*	*7.29*	*7.79*	
Value Added			*1.91*	*1.91*	*2.10*	*3.23*	*1.16*	*-0.22*	*0.21*	*0.85*	
Global Equity Net	9,131,460,429	47.47	5.78	5.78	15.00	16.63	13.11	10.97	11.75	10.53	Apr-13
Global Equity Policy			*7.67*	*7.67*	*16.79*	*21.61*	*12.78*	*10.38*	*11.27*	*10.65*	
Value Added			*-1.89*	*-1.89*	*-1.79*	*-4.98*	*0.33*	*0.60*	*0.48*	*-0.12*	
Credit Net	3,492,099,833	18.15	2.62	2.62	8.31	9.59	7.33	5.70	5.75	5.29	Apr-13
Credit Policy			*2.13*	*2.13*	*7.20*	*11.96*	*4.61*	*4.52*	*4.97*	*4.59*	
Value Added			*0.48*	*0.48*	*1.11*	*-2.38*	*2.73*	*1.17*	*0.79*	*0.70*	
Core Fixed Income Net	2,573,263,583	13.38	1.93	1.93	3.19	4.93	0.28	2.40	2.27	2.19	Apr-13
Core Fixed Income Policy			*2.03*	*2.03*	*2.88*	*4.89*	*-0.39*	*2.06*	*1.87*	*1.92*	
Value Added			*-0.10*	*-0.10*	*0.31*	*0.04*	*0.66*	*0.34*	*0.40*	*0.27*	
Real Assets Net	2,977,560,441	15.48	0.96	0.96	0.50	1.78	7.42	4.71	4.93	4.91	Apr-13
Real Assets Policy			*2.73*	*2.73*	*6.22*	*11.27*	*11.49*	*6.96*	*6.11*	*5.92*	
Value Added			*-1.77*	*-1.77*	*-5.72*	*-9.49*	*-4.07*	*-2.25*	*-1.18*	*-1.01*	
Absolute Return	1,062,681,999	5.52	1.59	1.59	8.20	-	-	-	-	7.42	Apr-24
Absolute Return Policy			*1.71*	*1.71*	*7.12*	-	-	-	-	*7.44*	
Value Added			*-0.13*	*-0.13*	*1.07*	-	-	-	-	*-0.02*	

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

Attribution Effects
Last Three Months



Performance Attribution

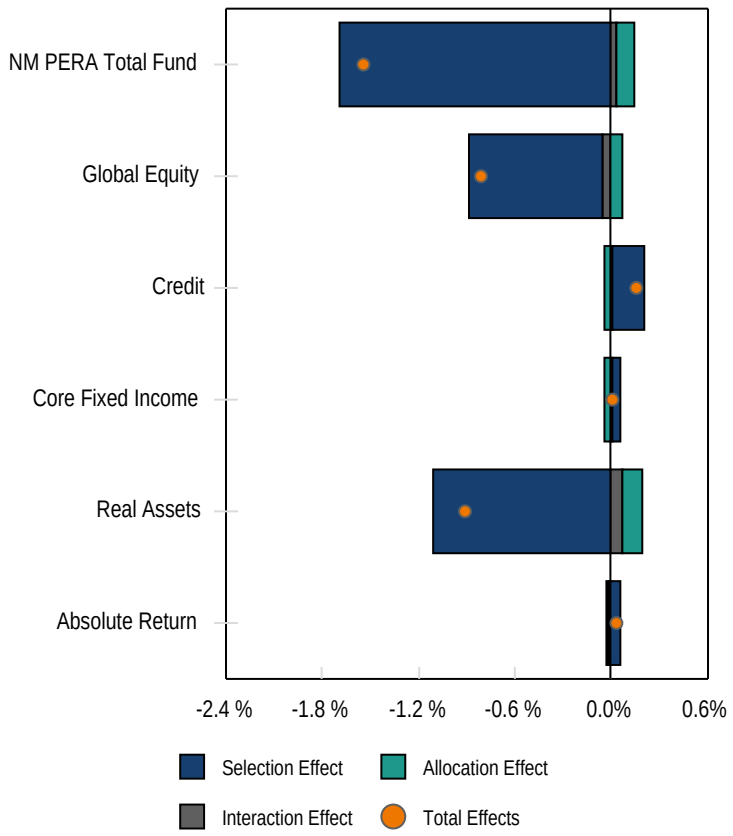
	Last 3 Mo.
Wtd. Actual Return	3.7
Wtd. Index Return	4.7
Excess Return	-1.1
Selection Effect	-1.1
Allocation Effect	0.1
Interaction Effect	0.0

Attribution Summary
Last Three Months

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Global Equity	5.8	7.7	-1.9	-0.9	0.0	0.0	-0.8
Credit	2.6	2.1	0.5	0.1	0.0	0.0	0.1
Core Fixed Income	1.9	2.0	-0.1	0.0	0.0	0.0	0.0
Real Assets	1.0	2.7	-1.8	-0.3	0.0	0.0	-0.2
Absolute Return	1.6	1.7	-0.1	0.0	0.0	0.0	0.0
NM PERA Total Fund	3.7	4.7	-1.1	-1.1	0.1	0.0	-1.1

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

Attribution Effects
1 Year



Performance Attribution

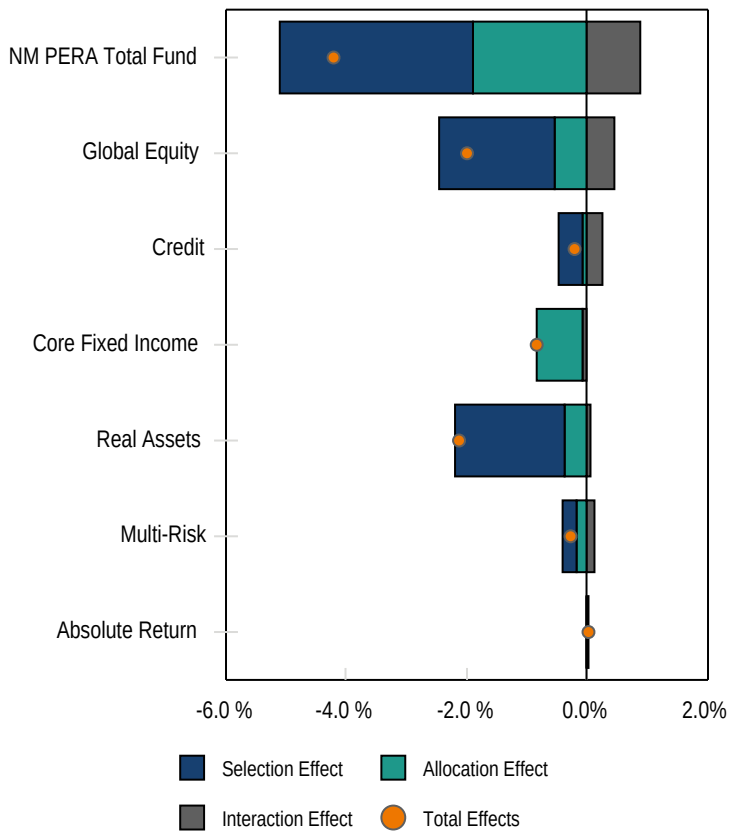
	1 Yr
Wtd. Actual Return	9.3
Wtd. Index Return	10.9
Excess Return	-1.5
Selection Effect	-1.7
Allocation Effect	0.1
Interaction Effect	0.0

Attribution Summary
1 Year

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Global Equity	15.0	16.8	-1.8	-0.9	0.1	-0.1	-0.8
Credit	8.3	7.2	1.1	0.2	0.0	0.0	0.2
Core Fixed Income	3.2	2.9	0.3	0.0	0.0	0.0	0.0
Real Assets	0.5	6.2	-5.7	-1.1	0.1	0.1	-0.9
Absolute Return	8.2	7.1	1.1	0.1	0.0	0.0	0.0
NM PERA Total Fund	9.3	10.9	-1.5	-1.7	0.1	0.0	-1.5

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

Attribution Effects
Last Three Years



Performance Attribution

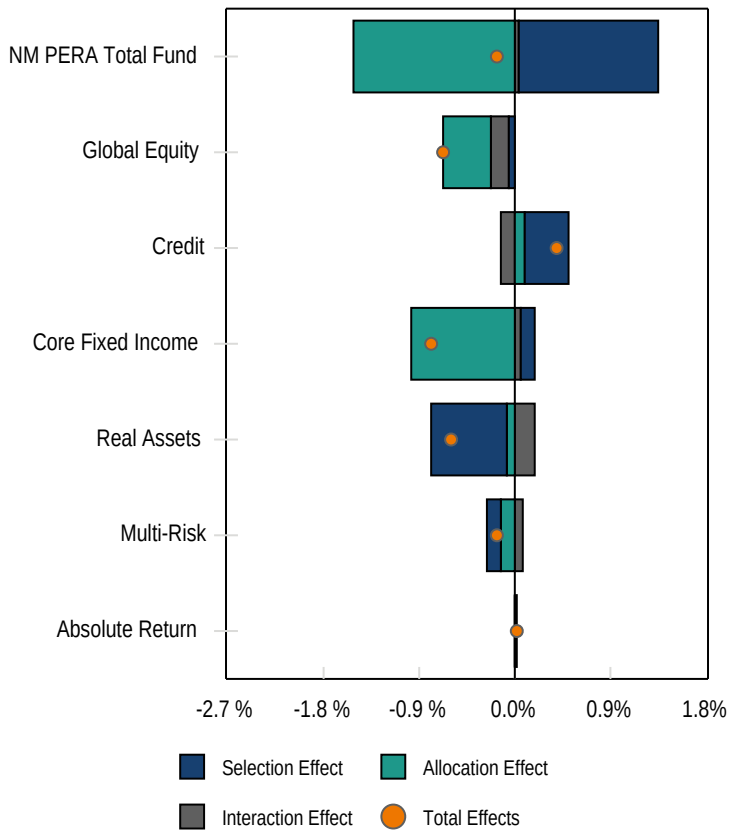
	3 Yrs
Wtd. Actual Return	10.5
Wtd. Index Return	14.7
Excess Return	-4.2
Selection Effect	-3.2
Allocation Effect	-1.9
Interaction Effect	0.9

Attribution Summary
Last Three Years

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Global Equity	16.6	21.6	-5.0	-1.5	-0.5	0.5	-2.0
Credit	9.6	12.0	-2.4	-0.2	-0.1	0.3	-0.2
Core Fixed Income	4.9	4.9	0.0	0.3	-0.8	-0.1	-0.8
Real Assets	1.8	11.3	-9.5	-1.6	-0.4	0.1	-2.1
Multi-Risk	5.7	8.5	-2.8	-0.2	-0.2	0.1	-0.3
Absolute Return	3.6	3.7	0.0	0.0	0.0	0.0	0.0
NM PERA Total Fund	10.5	14.7	-4.2	-3.2	-1.9	0.9	-4.2

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

Attribution Effects
Last Five Years



Performance Attribution

	5 Yrs
Wtd. Actual Return	8.4
Wtd. Index Return	8.6
Excess Return	-0.2
Selection Effect	1.3
Allocation Effect	-1.5
Interaction Effect	0.0

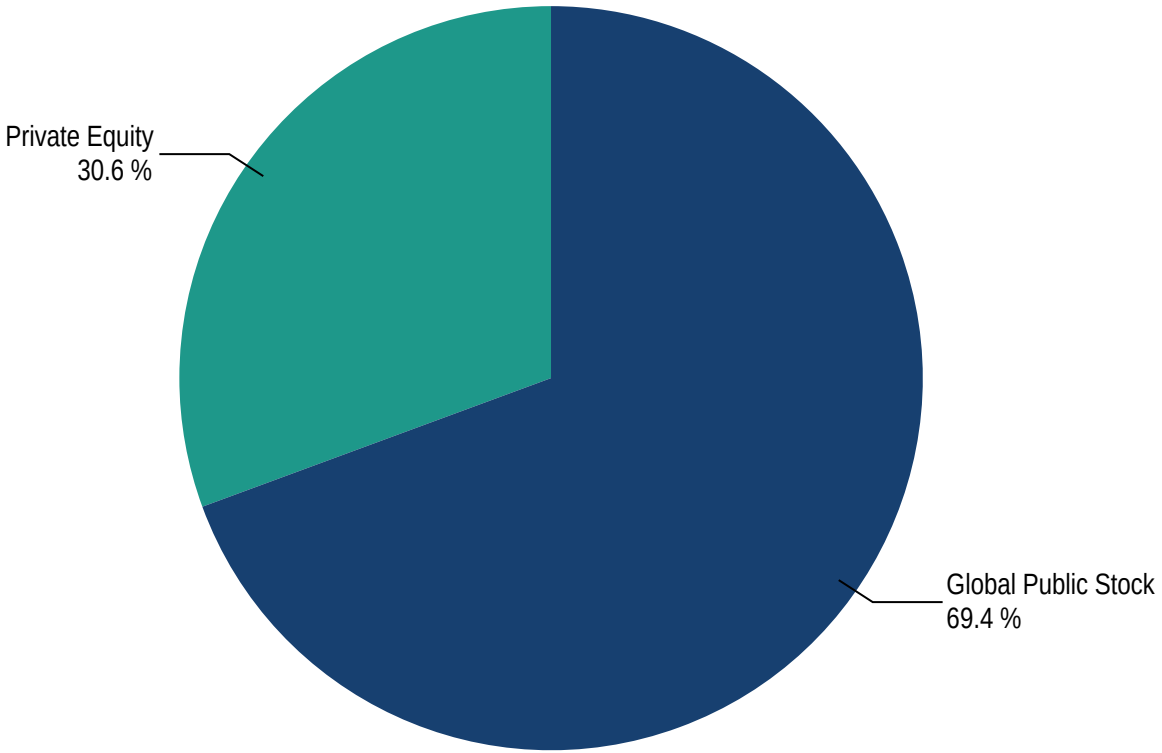
Attribution Summary
Last Five Years

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Global Equity	13.1	12.8	0.3	0.4	-0.4	-0.2	-0.7
Credit	7.3	4.6	2.7	0.6	0.1	-0.1	0.4
Core Fixed Income	0.3	-0.4	0.7	0.6	-1.0	0.1	-0.8
Real Assets	7.4	11.5	-4.1	-0.3	-0.1	0.2	-0.6
Multi-Risk	2.2	3.8	-1.6	0.0	-0.1	0.1	-0.2
Absolute Return	2.2	2.2	0.0	0.0	0.0	0.0	0.0
NM PERA Total Fund	8.4	8.6	-0.2	1.3	-1.5	0.0	-0.2

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

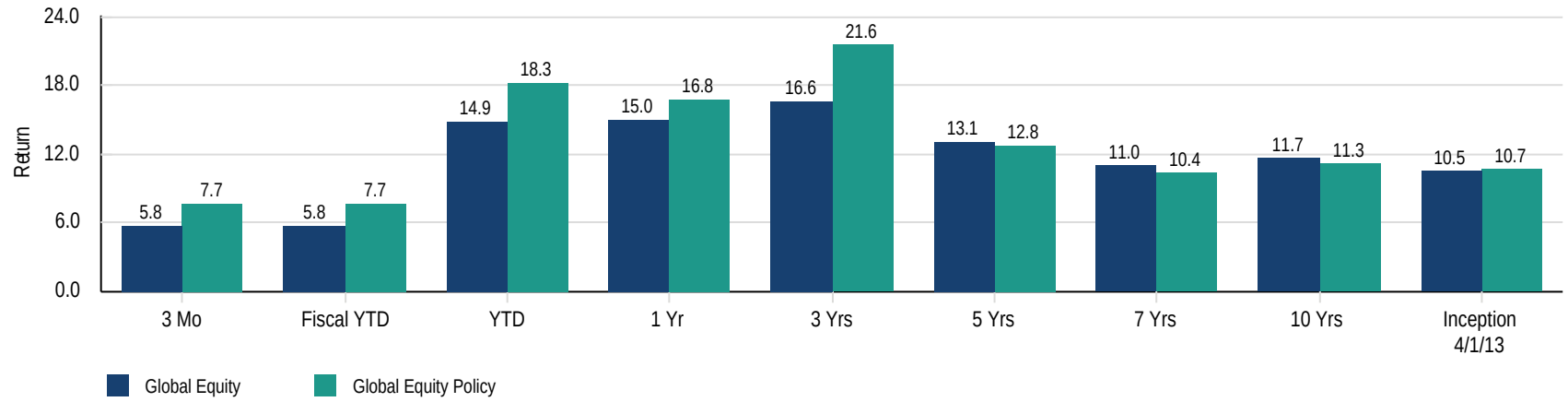
Global Equity

Current Quarter $9,131,460,429.1

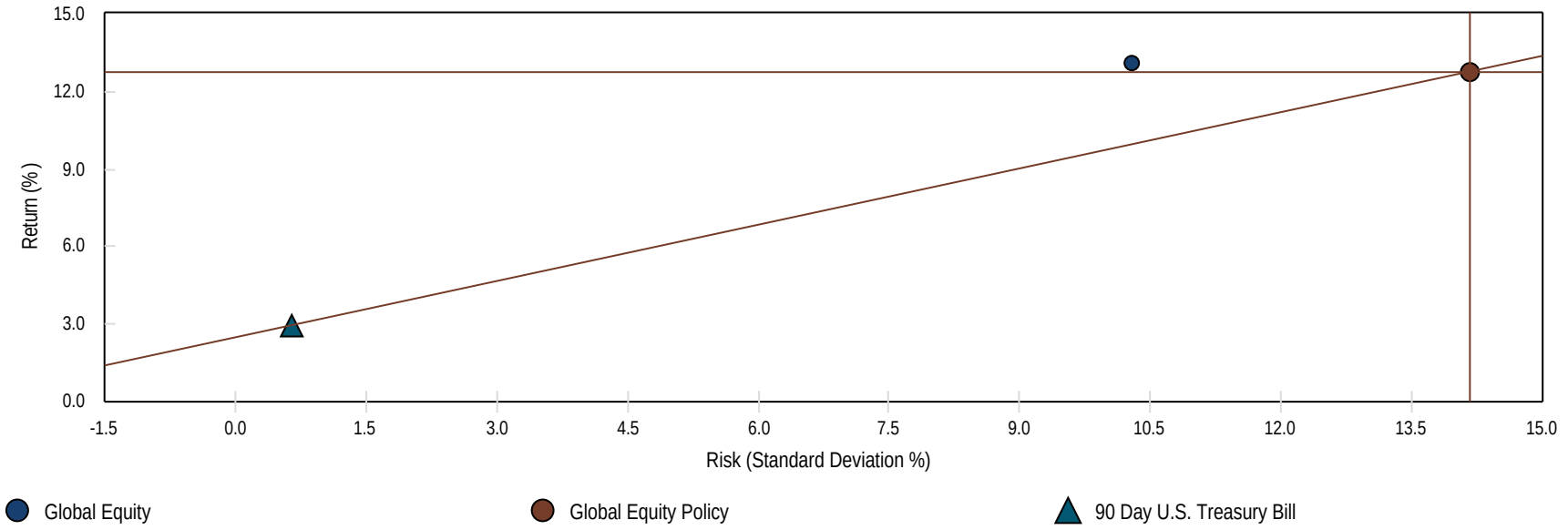


	Market Value $	Allocation (%)
Global Public Stock	6,335,939,553	69.4
Private Equity	2,795,520,876	30.6

Comparative Performance



Risk and Return (5 Years)



	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Global Equity Net	9,131,460,429	47.47	5.78	5.78	15.00	16.63	13.11	10.97	11.75	10.53	Apr-13
Global Equity Policy			*7.67*	*7.67*	*16.79*	*21.61*	*12.78*	*10.38*	*11.27*	*10.65*	
Value Added			*-1.89*	*-1.89*	*-1.79*	*-4.98*	*0.33*	*0.60*	*0.48*	*-0.12*	
Global Public Stock Net	6,335,939,553	32.94	6.47	6.47	15.57	22.79	11.91	9.79	11.04	8.60	Oct-04
Global Public Stock Policy			*7.67*	*7.67*	*16.79*	*22.49*	*13.30*	*10.84*	*11.63*	*8.99*	
Value Added			*-1.20*	*-1.20*	*-1.22*	*0.30*	*-1.39*	*-1.06*	*-0.59*	*-0.39*	
Private Equity Net	2,795,520,876	14.53	4.27	4.27	14.09	8.68	17.06	15.57	14.93	9.00	Dec-06
Private Equity Policy			*7.67*	*7.67*	*16.79*	*22.49*	*13.30*	*10.66*	*11.75*	*9.50*	
Value Added			*-3.40*	*-3.40*	*-2.70*	*-13.81*	*3.76*	*4.91*	*3.18*	*-0.50*	

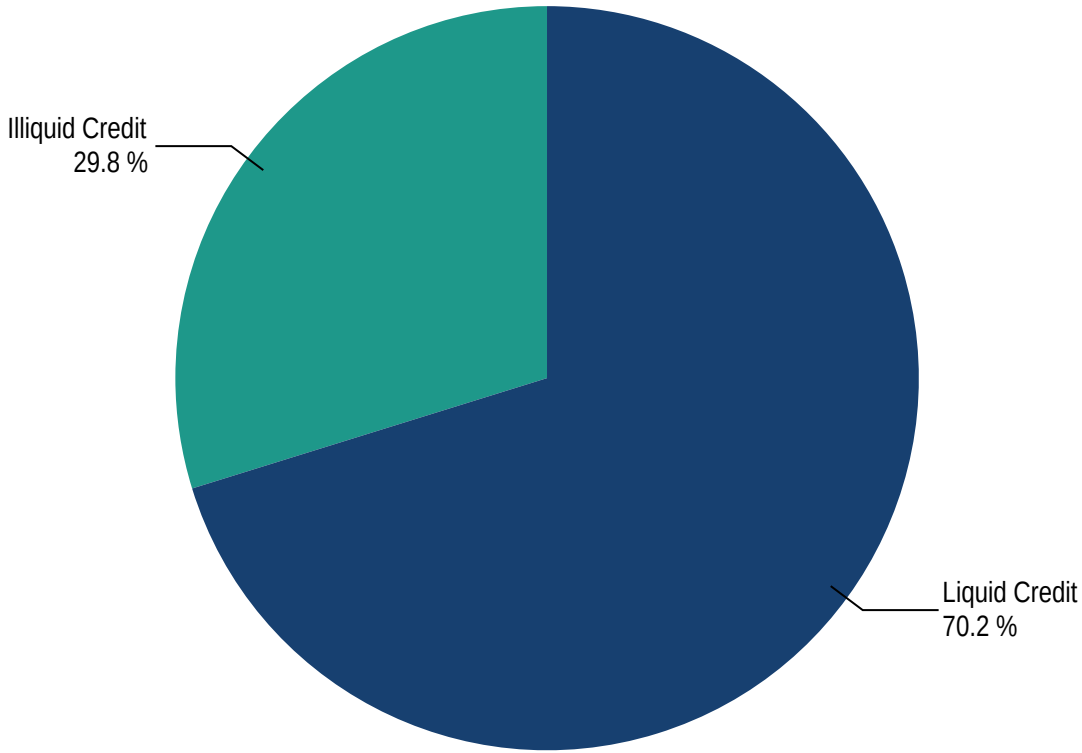
Fiscal year 06/30. Net of Fee performance calculated and provided by BNY Mellon.

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
SSGA ACWI IMI Net	5,258,539	0.03	-6.30	-6.30	-10.64	12.36	7.87	7.16	-	8.76	Oct-16
MSCI AC World IMI Index (Net)			*7.67*	*7.67*	*16.79*	*22.49*	*13.30*	*10.84*	-	*11.56*	
Value Added			*-13.97*	*-13.97*	*-27.43*	*-10.13*	*-5.44*	*-3.69*	-	*-2.79*	
SSGA R1000 Index Net	3,574,172,762	18.58	7.89	7.89	17.54	24.66	-	-	-	11.56	Dec-21
Russell 1000 Index			*7.99*	*7.99*	*17.75*	*24.64*	-	-	-	*11.53*	
Value Added			*-0.10*	*-0.10*	*-0.21*	*0.03*	-	-	-	*0.03*	
Kayne Andrsn Rdnick SmCap Core Net	210,534,856	1.09	-0.23	-0.23	-2.62	17.14	12.44	11.62	-	11.12	Sep-18
Russell 2000 Index			*12.39*	*12.39*	*10.76*	*15.21*	*11.56*	*6.76*	-	*6.31*	
Value Added			*-12.62*	*-12.62*	*-13.37*	*1.93*	*0.88*	*4.86*	-	*4.81*	
William Blair Emerging Markets Equity Net	441,905,455	2.30	6.64	6.64	-	-	-	-	-	14.12	Jan-25
MSCI Emerging Markets (Net)			*10.64*	*10.64*	-	-	-	-	-	*27.53*	
Value Added			*-4.01*	*-4.01*	-	-	-	-	-	*-13.42*	
Alliance Bernstein Gbl Core Eq Net	387,507,227	2.01	1.29	1.29	8.52	19.21	-	-	-	11.46	Jun-22
MSCI AC World IMI Index (Net)			*7.67*	*7.67*	*16.79*	*22.49*	-	-	-	*14.44*	
Value Added			*-6.39*	*-6.39*	*-8.27*	*-3.28*	-	-	-	*-2.99*	
SSGA World IMI Ex USA ex HK	1,716,560,713	8.92	5.60	5.60	-	-	-	-	-	23.17	Nov-24
MSCI World IMI Ex USA Ex HK Index			*5.52*	*5.52*	-	-	-	-	-	*22.80*	
Value Added			*0.08*	*0.08*	-	-	-	-	-	*0.37*	
Parametric Gbl Eqty Ovly	2	0.00	4.06	4.06	8.22	30.72	4.99	-2.92	-	9.75	Jul-16
MSCI AC World IMI Index (Net)			*7.67*	*7.67*	*16.79*	*22.49*	*13.30*	*10.84*	-	*11.88*	
Value Added			*-3.61*	*-3.61*	*-8.56*	*8.23*	*-8.32*	*-13.76*	-	*-2.13*	

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

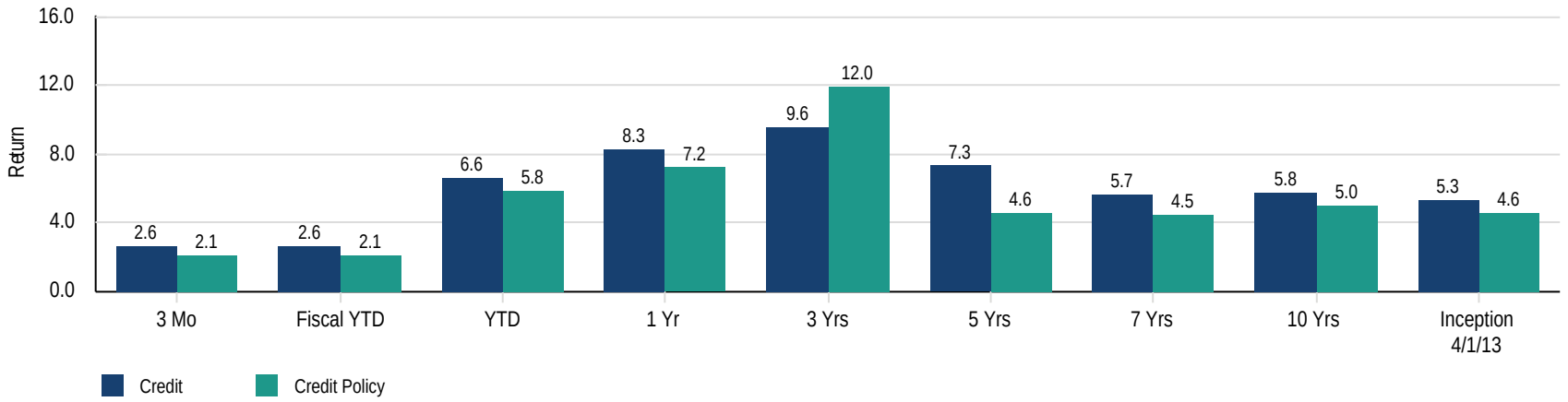
Credit

Current Quarter $3,492,099,832.5

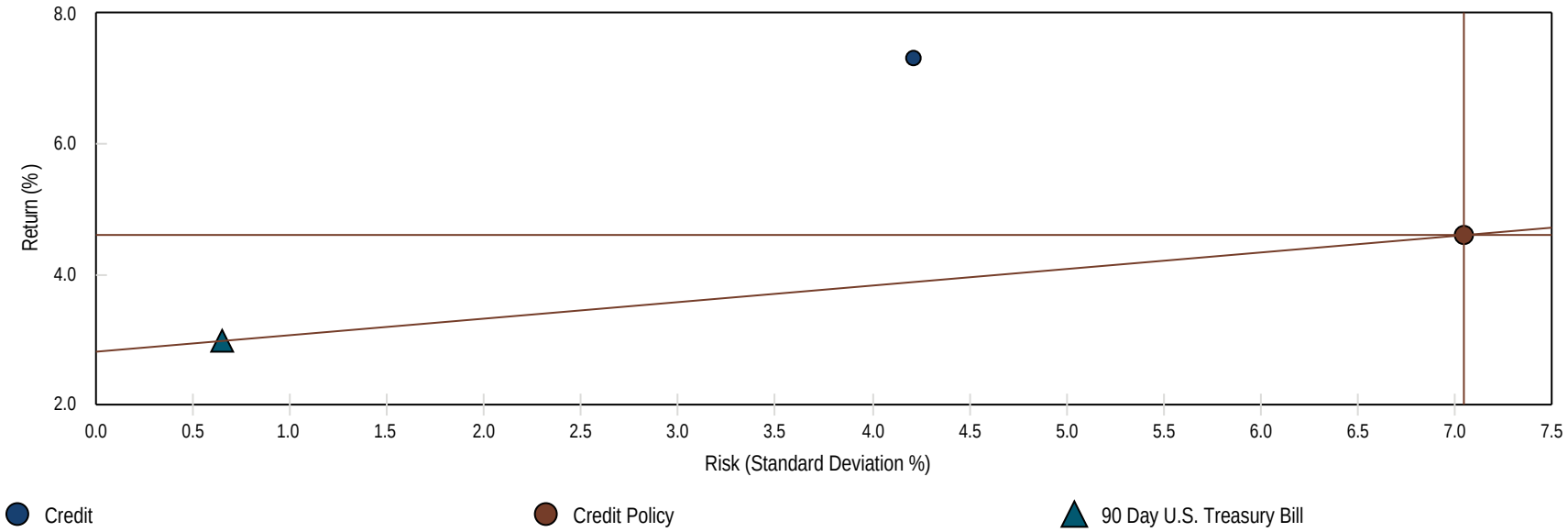


	Market Value $	Allocation (%)
Liquid Credit	2,451,803,183	70.2
Illiquid Credit	1,040,296,649	29.8

Comparative Performance



Risk and Return (5 Years)



	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Credit	3,492,099,833	18.15	2.62	2.62	8.31	9.59	7.33	5.70	5.75	5.29	Apr-13
Credit Policy			*2.13*	*2.13*	*7.20*	*11.96*	*4.61*	*4.52*	*4.97*	*4.59*	
Value Added			*0.48*	*0.48*	*1.11*	*-2.38*	*2.73*	*1.17*	*0.79*	*0.70*	
Liquid Credit Net	2,451,803,183	12.75	2.66	2.66	8.32	12.36	4.80	3.63	4.61	3.45	Apr-13
Liquid Credit Policy			*2.54*	*2.54*	*7.41*	*12.36*	*5.37*	*4.99*	*5.75*	*4.89*	
Value Added			*0.13*	*0.13*	*0.91*	*0.00*	*-0.57*	*-1.36*	*-1.14*	*-1.44*	
Illiquid Credit Net	1,040,296,649	5.41	2.45	2.45	8.26	6.42	9.04	6.46	6.94	7.30	Dec-06
Illiquid Credit Policy			*1.77*	*1.77*	*7.00*	*11.35*	*4.80*	*4.59*	*5.21*	*6.33*	
Value Added			*0.68*	*0.68*	*1.26*	*-4.92*	*4.24*	*1.88*	*1.73*	*0.97*	

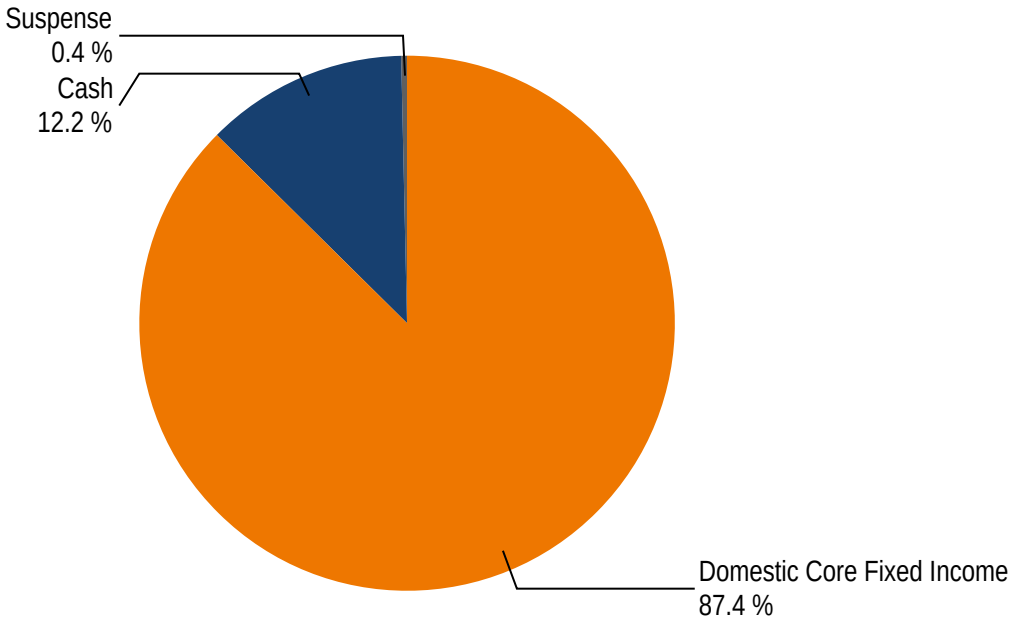
Fiscal year 06/30. Net of Fee performance calculated and provided by BNY Mellon.

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Anchorage Cptl Ptnrs LP	31,253,426	0.16	2.59	2.59	-4.74	2.68	7.06	-	-	5.33	Dec-19
Blmbg. U.S. High Yield - 2% Issuer Cap			*2.54*	*2.54*	*7.41*	*11.09*	*5.54*	-	-	*5.19*	
Value Added			*0.05*	*0.05*	*-12.15*	*-8.40*	*1.52*	-	-	*0.14*	
Eagle Point CLO Eqty I LLC	6,410,009	0.03	-9.90	-9.90	-4.04	9.28	13.74	6.06	-	6.09	Feb-18
Blmbg. U.S. High Yield - 2% Issuer Cap			*2.54*	*2.54*	*7.41*	*11.09*	*5.54*	*5.32*	-	*5.11*	
Value Added			*-12.43*	*-12.43*	*-11.44*	*-1.81*	*8.20*	*0.74*	-	*0.98*	
Eagle Point Credit Onshore LP	8,995,503	0.05	5.29	5.29	10.19	9.39	-	-	-	7.76	Jun-22
Blmbg. U.S. High Yield - 2% Issuer Cap			*2.54*	*2.54*	*7.41*	*11.09*	-	-	-	*7.44*	
Value Added			*2.75*	*2.75*	*2.78*	*-1.69*	-	-	-	*0.32*	
Ellington Enh Incme A LLC	399,099,162	2.07	3.03	3.03	11.15	12.85	9.51	6.60	-	6.15	Jan-17
Blmbg. U.S. High Yield - 2% Issuer Cap			*2.54*	*2.54*	*7.41*	*11.09*	*5.54*	*5.32*	-	*5.40*	
Value Added			*0.49*	*0.49*	*3.74*	*1.76*	*3.97*	*1.28*	-	*0.75*	
Mudrick Stressed Cr A LP	157,156,435	0.82	3.71	3.71	13.58	8.33	11.52	5.43	-	6.19	Nov-15
Blmbg. U.S. High Yield - 2% Issuer Cap			*2.54*	*2.54*	*7.41*	*11.09*	*5.54*	*5.32*	-	*5.92*	
Value Added			*1.17*	*1.17*	*6.17*	*-2.76*	*5.98*	*0.12*	-	*0.26*	
Napier Park C	1,318,417	0.01	-6.31	-6.31	-7.80	-0.02	3.63	-	-	4.46	Aug-20
Blmbg. U.S. High Yield - 2% Issuer Cap			*2.54*	*2.54*	*7.41*	*11.09*	*5.54*	-	-	*5.34*	
Value Added			*-8.84*	*-8.84*	*-15.21*	*-11.11*	*-1.91*	-	-	*-0.88*	
Octagon Credit Investors	379,447,094	1.97	1.86	1.86	7.30	-	-	-	-	7.30	Oct-24
Blmbg. U.S. High Yield - 2% Issuer Cap			*2.54*	*2.54*	*7.41*	-	-	-	-	*7.41*	
Value Added			*-0.67*	*-0.67*	*-0.11*	-	-	-	-	*-0.11*	
PineBridge High Yield Net	1,073,741,238	5.58	2.68	2.68	7.77	11.67	4.39	4.50	-	4.50	Oct-18
Blmbg. U.S. High Yield - 2% Issuer Cap			*2.54*	*2.54*	*7.41*	*11.09*	*5.54*	*5.32*	-	*5.32*	
Value Added			*0.14*	*0.14*	*0.36*	*0.58*	*-1.16*	*-0.81*	-	*-0.81*	
Silver Point Cptl LP	3,164,963	0.02	0.00	0.00	4.68	6.23	11.28	7.95	7.90	7.27	Apr-07
Blmbg. U.S. High Yield - 2% Issuer Cap			*2.54*	*2.54*	*7.41*	*11.09*	*5.54*	*5.32*	*6.16*	*6.48*	
Value Added			*-2.54*	*-2.54*	*-2.73*	*-4.85*	*5.74*	*2.63*	*1.74*	*0.79*	
SixthSt Wheeler Pk Cr I LLC	390,265,628	2.03	2.58	2.58	7.58	13.09	9.01	-	-	9.74	Apr-20
Blmbg. U.S. High Yield - 2% Issuer Cap			*2.54*	*2.54*	*7.41*	*11.09*	*5.54*	-	-	*7.76*	
Value Added			*0.04*	*0.04*	*0.18*	*2.00*	*3.46*	-	-	*1.98*	

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

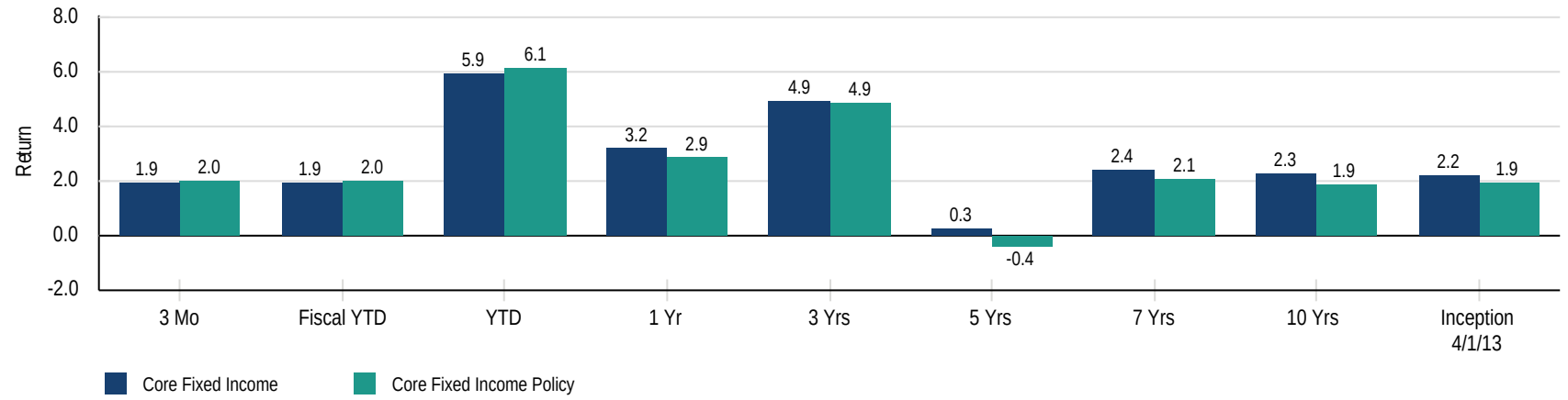
Core Fixed Income

Current Quarter $2,573,263,582.8

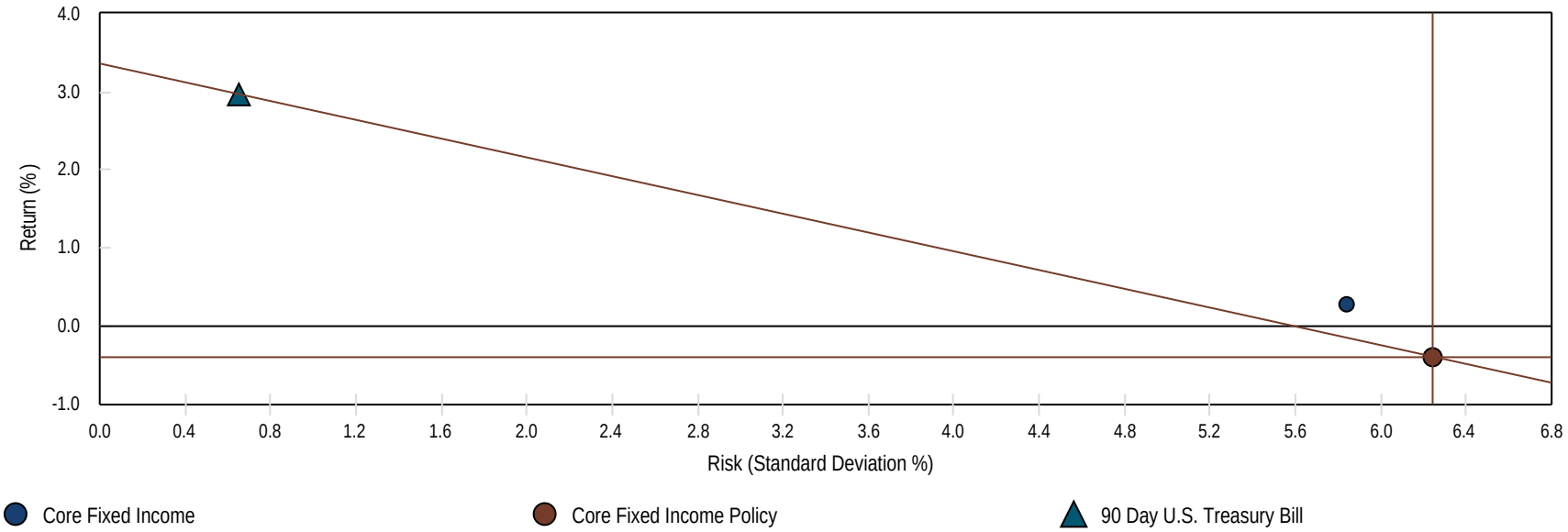


	Market Value $	Allocation (%)
Domestic Core Fixed Income	2,249,643,920	87.4
Cash	314,527,599	12.2
Suspense	9,092,064	0.4

Comparative Performance



Risk and Return (5 Years)



	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Core Fixed Income Net	2,573,263,583	13.38	1.93	1.93	3.19	4.93	0.28	2.40	2.27	2.19	Apr-13
Core Fixed Income Policy			*2.03*	*2.03*	*2.88*	*4.89*	*-0.39*	*2.06*	*1.87*	*1.92*	
Value Added			*-0.10*	*-0.10*	*0.31*	*0.04*	*0.66*	*0.34*	*0.40*	*0.27*	
Domestic Core Fixed Income Net	2,249,643,920	11.69	2.03	2.03	2.88	4.83	-0.58	2.06	1.89	6.08	Jun-85
Blmbg. U.S. Aggregate Index			*2.03*	*2.03*	*2.88*	*4.93*	*-0.45*	*2.06*	*1.84*	*5.75*	
Value Added			*0.00*	*0.00*	*0.00*	*-0.10*	*-0.14*	*0.00*	*0.05*	*0.33*	
Cash Net	314,527,599	1.64	1.05	1.05	4.53	4.92	4.63	4.89	4.22	4.76	Mar-89
ICE BofA 3 Month U.S. T-Bill			*1.08*	*1.08*	*4.38*	*4.77*	*2.98*	*2.62*	*2.08*	*3.03*	
Value Added			*-0.03*	*-0.03*	*0.15*	*0.16*	*1.65*	*2.27*	*2.14*	*1.73*	
Suspense	9,092,064	0.05									

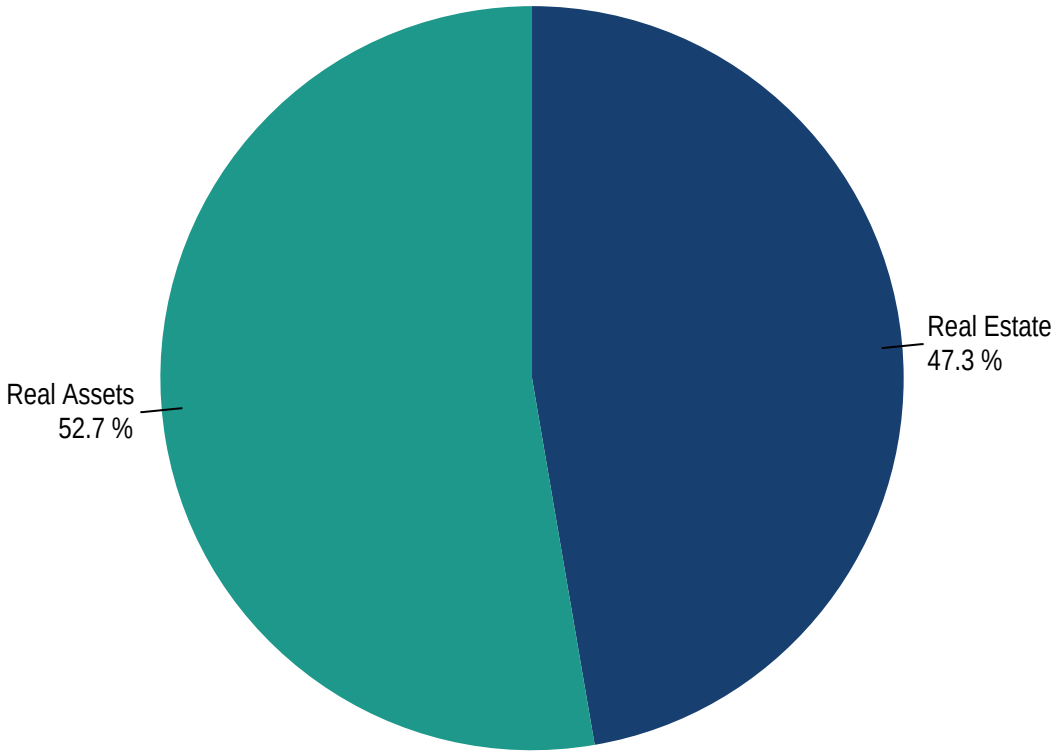
Fiscal year 06/30. Net of Fee performance calculated and provided by BNY Mellon.

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Blackrock US Agg Bond Index Net	2,249,643,801	11.69	2.03	2.03	2.91	-	-	-	-	3.97	Apr-23
Blmbg. U.S. Aggregate Index			*2.03*	*2.03*	*2.88*	-	-	-	-	*3.94*	
Value Added			*0.00*	*0.00*	*0.02*	-	-	-	-	*0.03*	

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

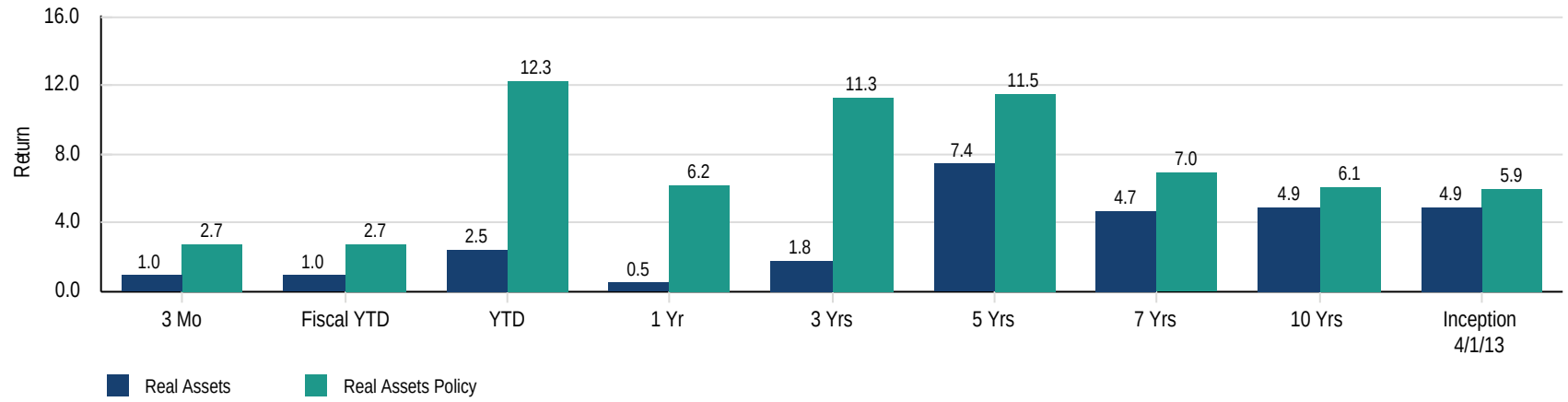
Real Assets

Current Quarter $2,977,560,441.3

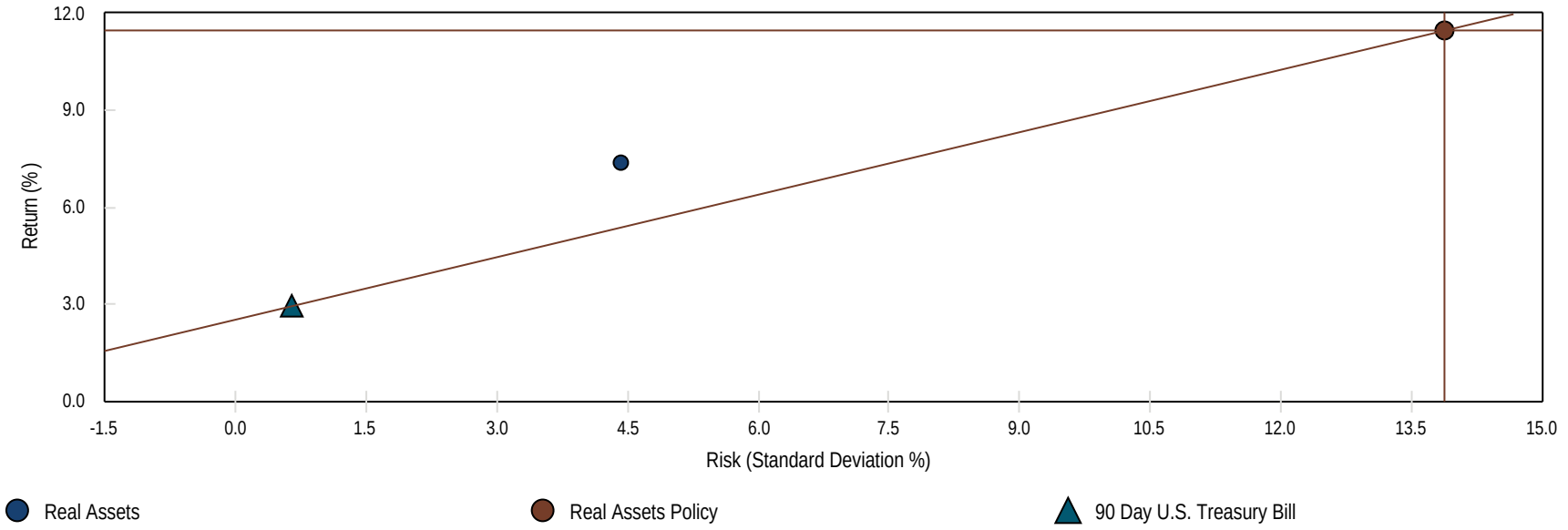


	Market Value $	Allocation (%)
Real Estate	1,408,511,648	47.3
Real Assets	1,569,048,793	52.7

Comparative Performance



Risk and Return (5 Years)

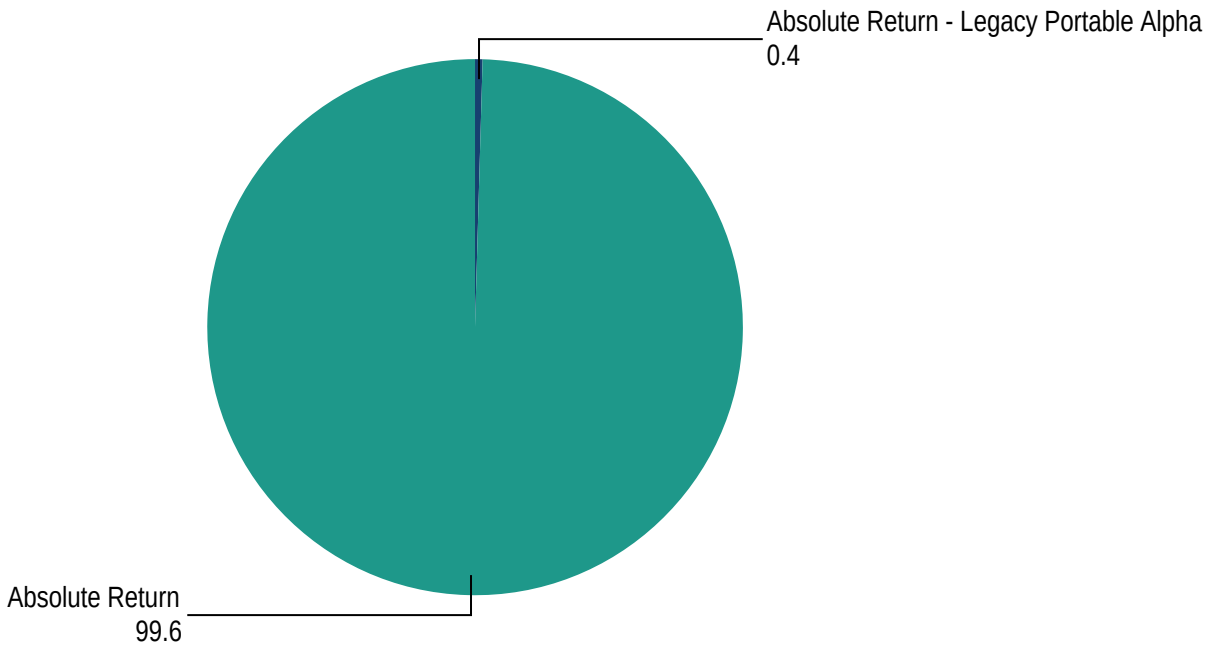


	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Real Assets Net	2,977,560,441	15.48	0.96	0.96	0.50	1.78	7.42	4.71	4.93	4.91	Apr-13
Real Assets Policy			*2.73*	*2.73*	*6.22*	*11.27*	*11.49*	*6.96*	*6.11*	*5.92*	
Value Added			*-1.77*	*-1.77*	*-5.72*	*-9.49*	*-4.07*	*-2.25*	*-1.18*	*-1.01*	
Illiquid Real Estate Net	1,408,511,648	7.32	-0.12	-0.12	-4.09	-4.06	4.51	4.31	6.12	5.79	Jul-07
FTSE EPRA/NAREIT Global REITs Index			*4.35*	*4.35*	*-0.46*	*10.02*	*7.50*	*4.10*	*4.91*	-	
Value Added			*-4.47*	*-4.47*	*-3.63*	*-14.08*	*-2.99*	*0.21*	*1.21*	-	
Illiquid Real Assets Net	1,569,048,793	8.16	1.96	1.96	5.12	7.80	11.42	6.69	6.00	4.85	Feb-07
Illiquid Real Assets Policy			*1.69*	*1.69*	*10.52*	*10.56*	*12.59*	*7.53*	*5.19*	-	
Value Added			*0.26*	*0.26*	*-5.40*	*-2.76*	*-1.17*	*-0.84*	*0.82*	-	

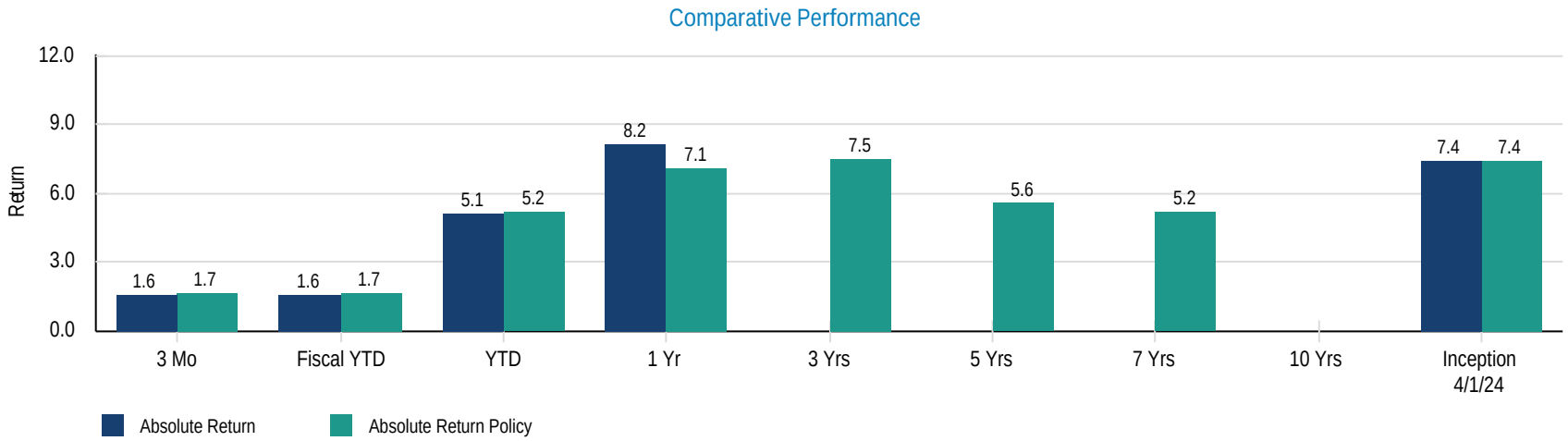
Fiscal year 06/30. Net of Fee performance calculated and provided by BNY Mellon.

Absolute Return

Current Quarter $1,062,681,999.3

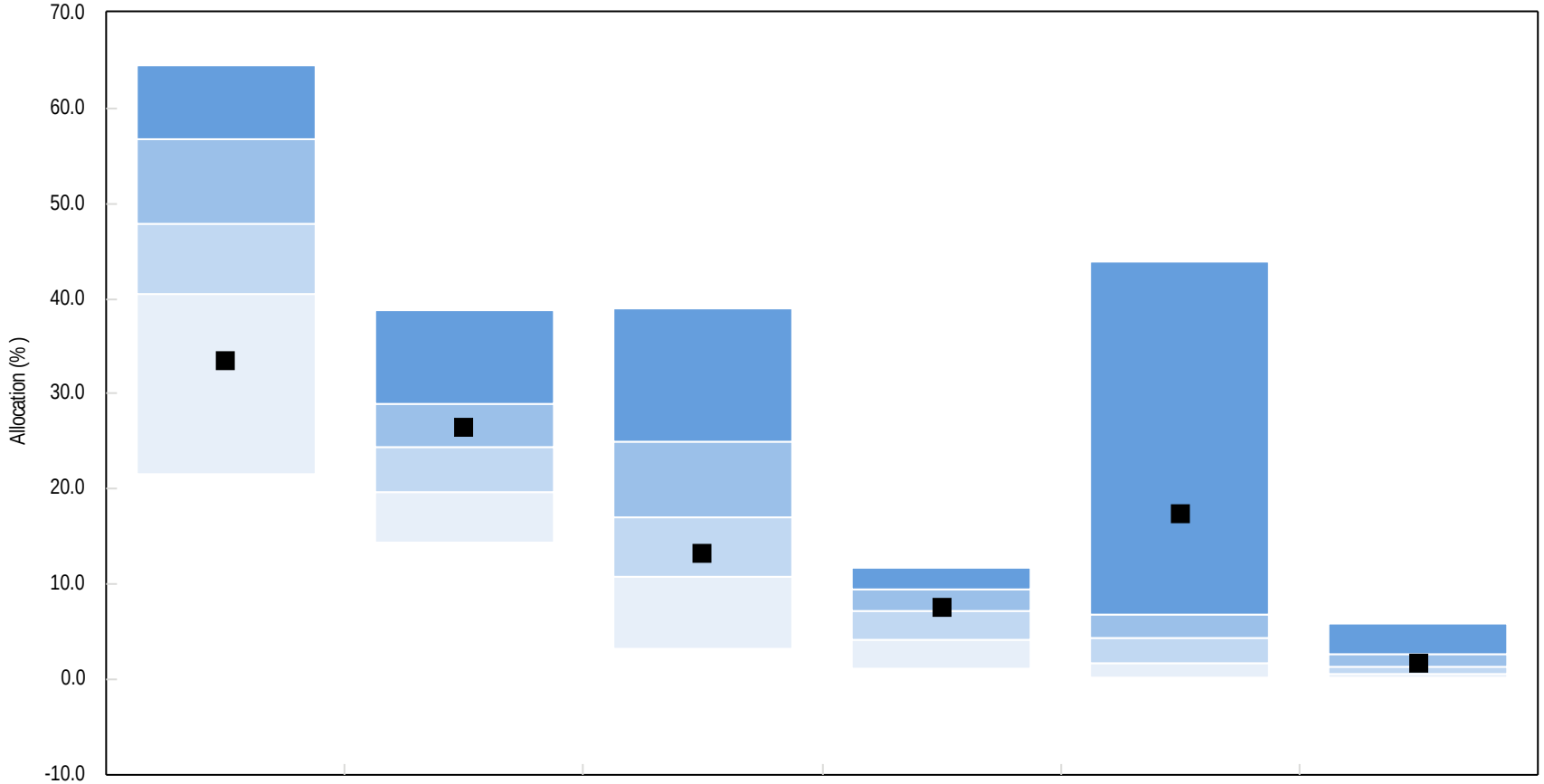


	Market Value $	Allocation (%)
Absolute Return - Legacy Portable Alpha	4,781,465	0.4
Absolute Return	1,057,900,534	99.6


Comparative Performance
12.0
9.0
6.0
3.0
0.0
Return
1.6
1.7
1.6
1.7
5.1
5.2
8.2
7.1
7.5
5.6
5.2
7.4
7.4
3 Mo
Fiscal YTD
YTD
1 Yr
3 Yrs
5 Yrs
7 Yrs
10 Yrs
Inception
4/1/24
Absolute Return
Absolute Return Policy

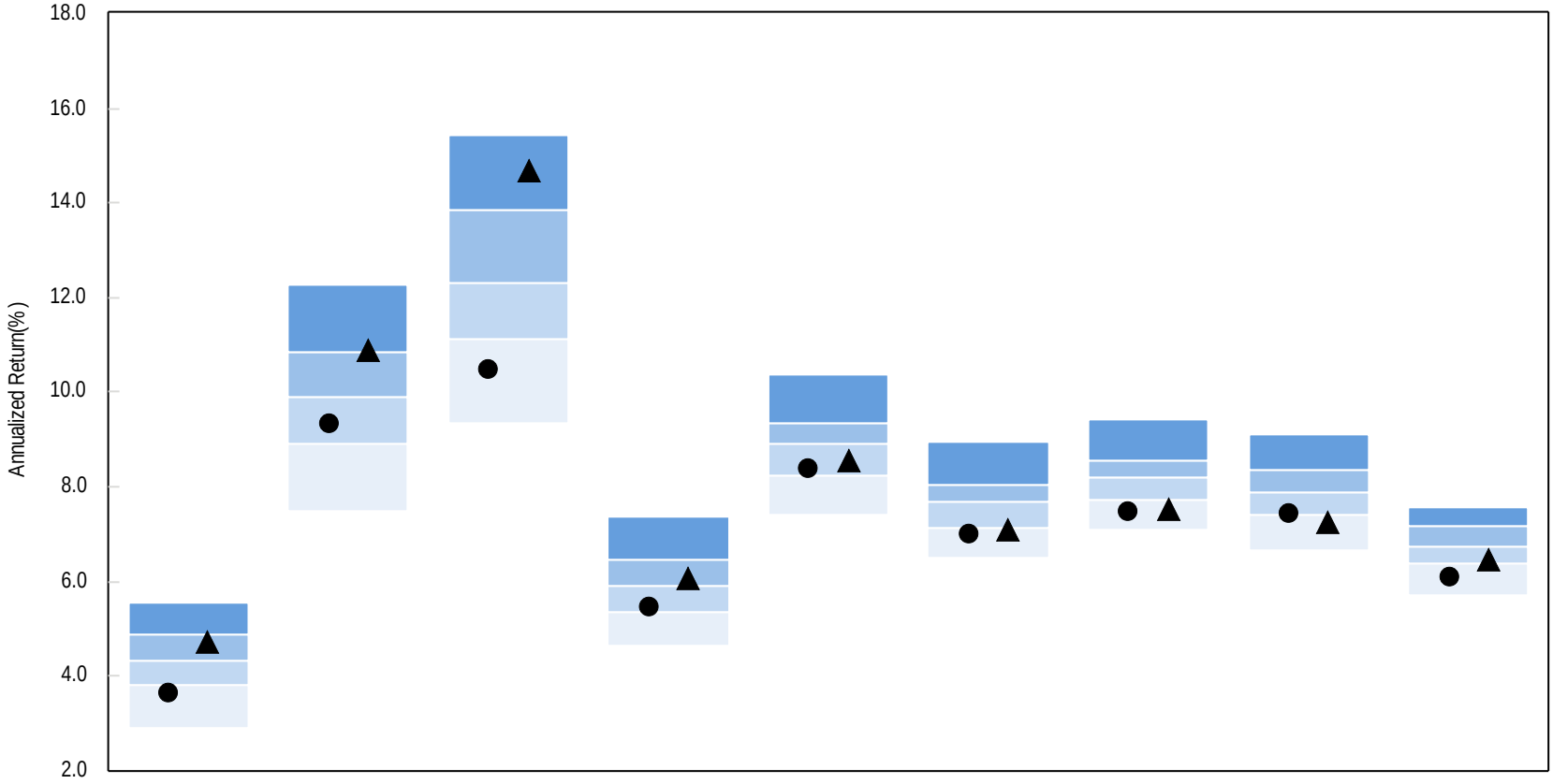
Peer Review

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



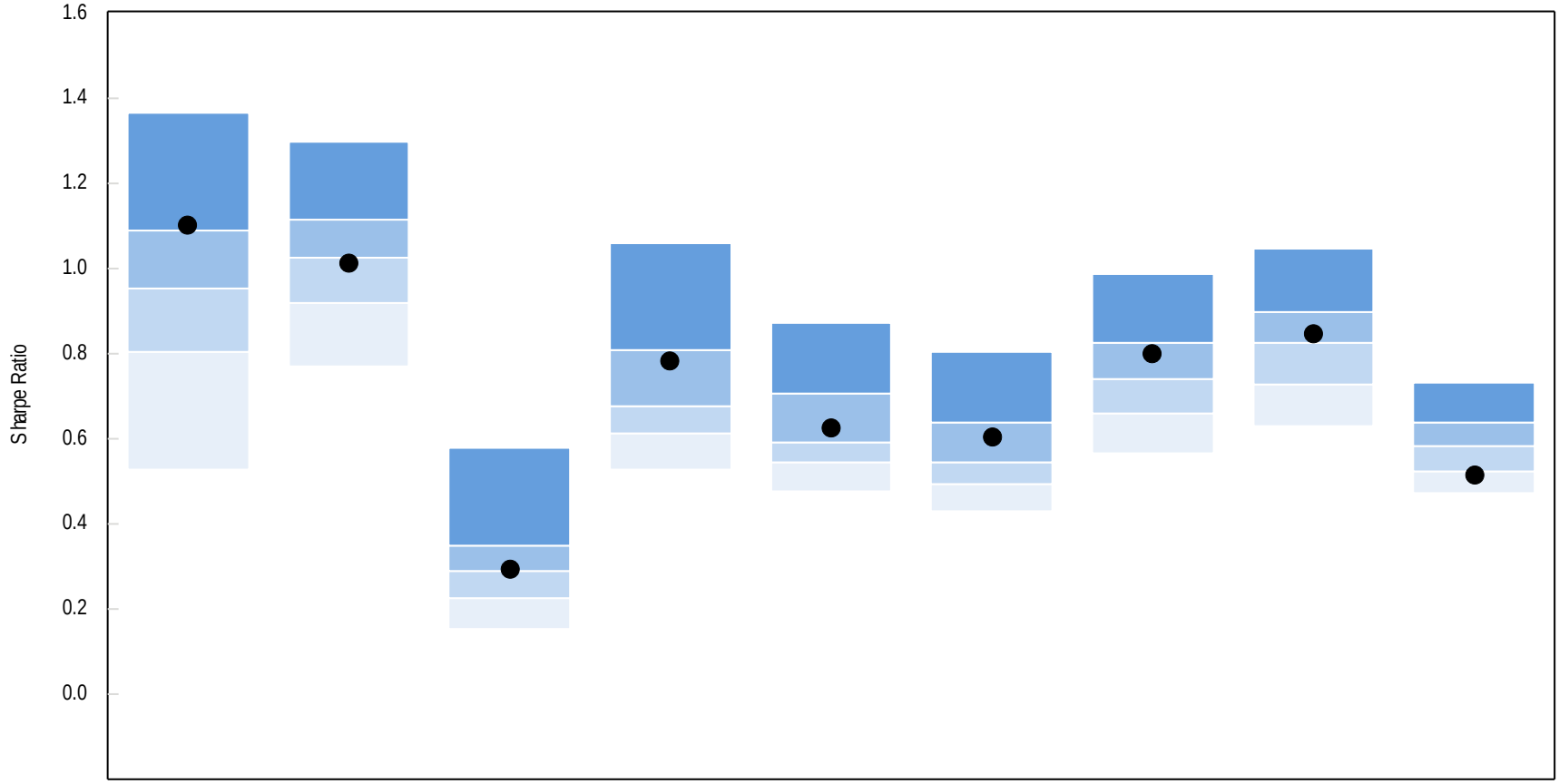
	Total Equity	Total Fixed Income	Alternatives	Total Real Estate	Multi-Asset	Cash & Equivalents
NM PERA Total Fund	33.5 (88)	26.4 (35)	13.3 (65)	7.6 (43)	17.5 (10)	1.6 (43)
5th Percentile	64.5	38.8	39.0	11.8	43.9	6.0
1st Quartile	56.8	29.0	25.0	9.5	6.8	2.8
Median	47.9	24.4	17.0	7.1	4.5	1.3
3rd Quartile	40.4	19.7	10.8	4.1	1.8	0.6
95th Percentile	21.5	14.3	3.3	1.3	0.2	0.2
Population	110	111	105	98	22	107

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

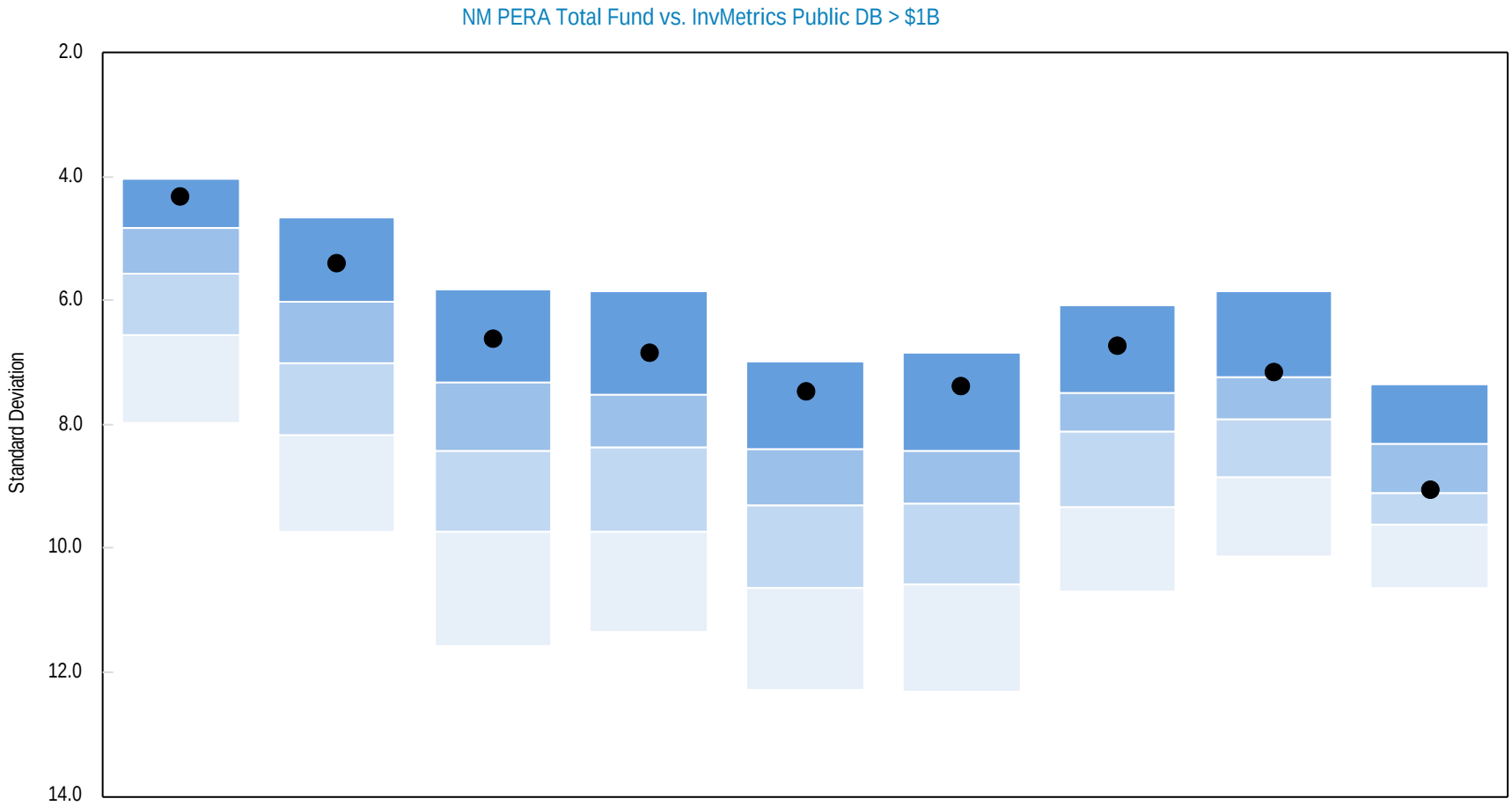


	Quarter	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	3.68 (81)	9.35 (66)	10.49 (83)	5.48 (69)	8.41 (69)	7.03 (79)	7.50 (84)	7.46 (74)	6.12 (87)
▲ NM PERA Total Fund Policy	4.73 (32)	10.89 (25)	14.69 (9)	6.08 (42)	8.57 (61)	7.09 (77)	7.51 (82)	7.27 (84)	6.48 (69)
5th Percentile	5.56	12.26	15.42	7.38	10.38	8.94	9.44	9.12	7.58
1st Quartile	4.90	10.83	13.85	6.45	9.34	8.03	8.57	8.36	7.17
Median	4.33	9.91	12.32	5.90	8.92	7.71	8.21	7.88	6.76
3rd Quartile	3.80	8.93	11.14	5.37	8.24	7.16	7.72	7.43	6.37
95th Percentile	2.89	7.48	9.36	4.63	7.41	6.51	7.11	6.65	5.73
Population	105	100	99	97	96	94	91	84	70

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



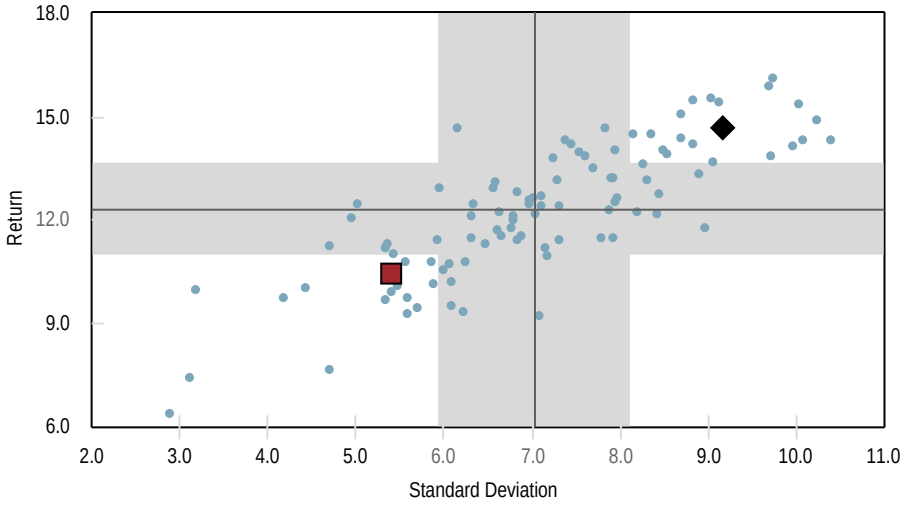
	1 Year	3 Years	4 Years	5 Years	6 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	1.10 (22)	1.01 (55)	0.29 (49)	0.78 (28)	0.63 (41)	0.60 (31)	0.80 (29)	0.85 (44)	0.52 (82)
5th Percentile	1.36	1.30	0.58	1.06	0.87	0.80	0.99	1.05	0.73
1st Quartile	1.09	1.12	0.35	0.81	0.71	0.64	0.82	0.90	0.64
Median	0.96	1.03	0.29	0.68	0.59	0.55	0.74	0.82	0.58
3rd Quartile	0.81	0.92	0.23	0.61	0.55	0.49	0.66	0.73	0.52
95th Percentile	0.53	0.77	0.15	0.53	0.48	0.43	0.57	0.63	0.47
Population	100	99	97	96	95	94	91	84	70



	1 Year	3 Years	4 Years	5 Years	6 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	4.33 (16)	5.41 (13)	6.63 (12)	6.85 (14)	7.47 (13)	7.40 (12)	6.73 (13)	7.15 (24)	9.07 (47)
5th Percentile	4.06	4.67	5.83	5.87	7.00	6.85	6.10	5.85	7.37
1st Quartile	4.83	6.02	7.34	7.52	8.40	8.44	7.50	7.24	8.33
Median	5.58	7.03	8.43	8.38	9.31	9.30	8.13	7.92	9.13
3rd Quartile	6.57	8.17	9.75	9.74	10.66	10.58	9.34	8.87	9.63
95th Percentile	7.99	9.75	11.58	11.36	12.30	12.34	10.70	10.14	10.65
Population	100	99	97	96	95	94	91	84	70

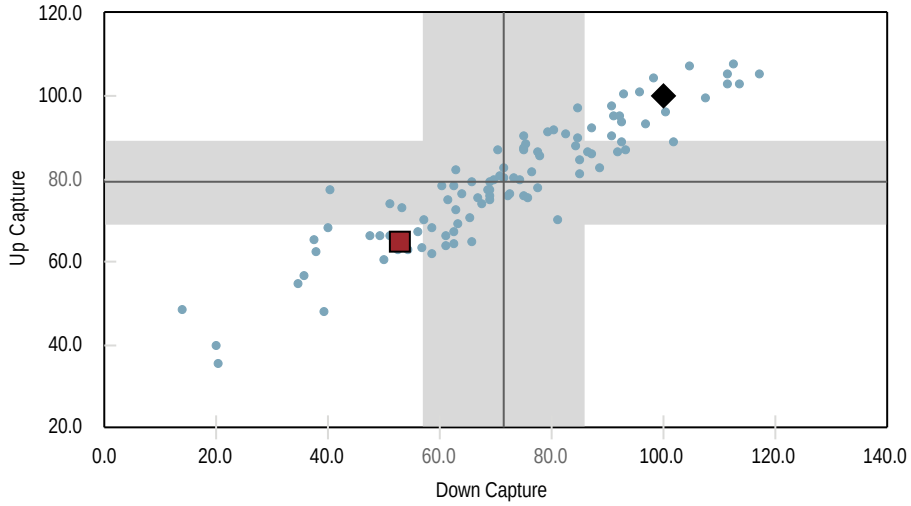
	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	R-Squared	Up Capture	Down Capture	Information Ratio	Tracking Error	Sharpe Ratio	Sortino Ratio
NM PERA Total Fund	5.4	1.9	0.6	1.0	64.8	52.9	-1.0	3.9	1.0	1.7
NM PERA Total Fund Policy	*9.2*	*0.0*	*1.0*	*1.0*	*100.0*	*100.0*	-	*0.0*	*1.0*	*1.8*

Annualized Return vs. Annualized Standard Deviation



	Return	Standard Deviation
NM PERA Total Fund	10.49	5.41
NM PERA Total Fund Policy	14.69	9.16
Median	12.32	7.03
Population	99	99

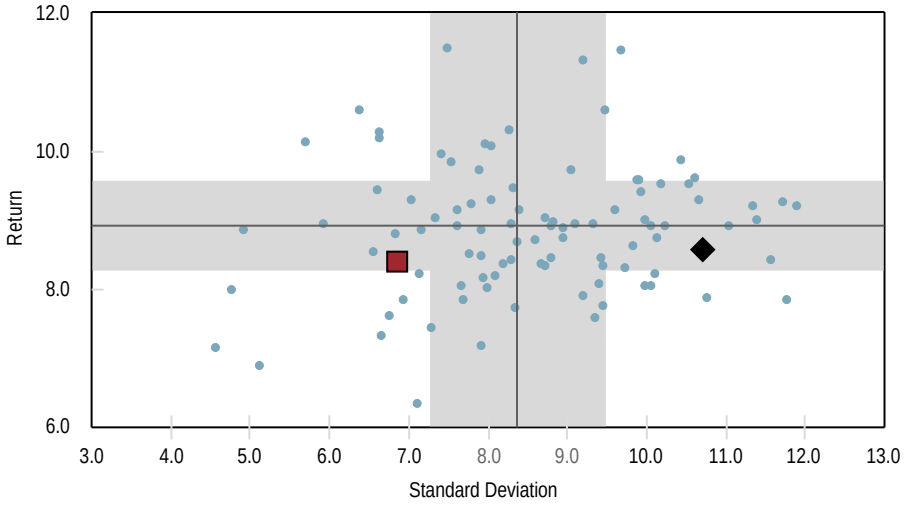
Up Capture vs. Down Capture



	Up Capture	Down Capture
NM PERA Total Fund	64.80	52.94
NM PERA Total Fund Policy	100.00	100.00
Median	79.33	71.49
Population	99	99

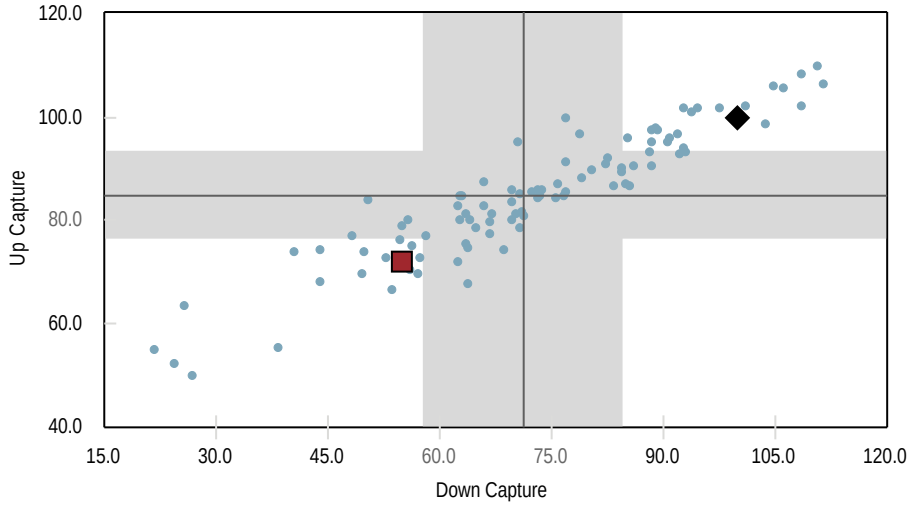
	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	R-Squared	Up Capture	Down Capture	Information Ratio	Tracking Error	Sharpe Ratio	Sortino Ratio
NM PERA Total Fund	6.9	2.9	0.6	0.9	72.3	55.0	-0.1	4.4	0.8	1.2
NM PERA Total Fund Policy	*10.7*	*0.0*	*1.0*	*1.0*	*100.0*	*100.0*	*-*	*0.0*	*0.6*	*0.8*

Annualized Return vs. Annualized Standard Deviation



	Return	Standard Deviation
NM PERA Total Fund	8.41	6.85
NM PERA Total Fund Policy	8.57	10.71
Median	8.92	8.38
Population	96	96

Up Capture vs. Down Capture



	Up Capture	Down Capture
NM PERA Total Fund	72.26	54.95
NM PERA Total Fund Policy	100.00	100.00
Median	84.90	71.14
Population	96	96

Manager Listing

	Market Value	%
NM PERA Total Fund	$19,237,066,285	100.0
Global Equity	$9,131,460,429	47.5
Global Public Stock	$6,335,939,553	32.9
SSGA ACWI IMI	$5,258,539	0.0
SSGA R1000 Index	$3,574,172,762	18.6
SSGA World IMI Ex USA ex HK	$1,716,560,713	8.9
Parametric Eqty Ovly	$2	0.0
Active US Equity	$210,534,856	1.1
Kayne Andrsn Rdnick SmCap Core	$210,534,856	1.1
Active Emerging Markets Equity	$441,905,455	2.3
William Blair Emerging Markets Equity	$441,905,455	2.3
Active Global Equity	$387,507,227	2.0
Alliance Bernstein Gbl Core Eq	$387,507,227	2.0

	Market Value	%
Private Equity	$2,795,520,876	14.5
Altaris Const Ptnrs IV LP	$37,484,653	0.2
Altaris Health Ptnrs IV LP	$50,194,202	0.3
CVC European Eqty Ptnrs V	$688,602	0.0
CVC Cptl Ptnrs VII A LP	$143,637,750	0.7
CVC IX	$16,988,751	0.1
Carlyle Partners VI	$8,508,921	0.0
Carlyle Partners V	$793,154	0.0
Century Focused IV LP	$17,676,017	0.1
Charterhouse Cap Ptnrs IX	$166,303	0.0
Charterhouse Capital Ptnrs X	$54,839,846	0.3
Crescit Eundo TJC Coinvest	$11,188,336	0.1
Threshold Ventures II LP	$46,896,616	0.2
Draper Fisher Jurvetson X LP	$5,886,726	0.0
FountainVest CP III LP	$89,463,900	0.5
GTCR XI A & B	$16,190,775	0.1
H&F VII LP	$1,617,839	0.0
Gilde Buy-Out IV	$2,102,289	0.0
Instl Venture Ptnrs XIV LP	$10,275,700	0.1
Instl Venture Ptnrs XIII LP	$81,058	0.0
KRG Cptl IV LP	$1,030,507	0.0
Kelso Inv Assoc XI LP	$33,787,199	0.2
Kelso Inv Assoc IX LP	$22,379,358	0.1
Kelso Inv Assoc VIII LP	$94,956	0.0
Kelso Inv Assoc X LP	$84,384,240	0.4
H&F Spock I SPV	$9,500,195	0.0
The Resolute Fund VI LP	$46,709,723	0.2
Gen Catalyst XII Creation	$21,312,478	0.1
Gen Catalyst XII Ignition	$17,353,255	0.1
Gen Catalyst XII Health	$6,600,065	0.0
General Catalyst XII Endurance	$29,052,064	0.2

	Market Value	%
Lincolnshire Eqty IV A LP	$5,835,676	0.0
New Enterprise Assoc 13 LP	$3,026,404	0.0
New Enterprise Assoc 14 LP	$35,202,025	0.2
Onex Ptnrs IV	$16,325,135	0.1
Onex Ptnrs V	$95,388,518	0.5
Onex Ptnrs III	$3,491,074	0.0
Patria PE VI LP	$69,587,986	0.4
Petershill PE LP	$119,249,814	0.6
Pine Bridge Passport I LLC	$118,379,385	0.6
Providence Eqty Ptnrs VI	$90,051	0.0
RCP Small & Emg Parallel LP	$93,359,439	0.5
RRJ Cptl Master III LP	$19,327,155	0.1
Madison Dearborn Ristra CoInv	$29,364,525	0.2
Sun Cptl Ptnrs V LP	$661,865	0.0
TPG Asia V LP	$1,177,533	0.0
TPG Ptnrs VI LP	$264,938	0.0
TCV VII LP	$689,128	0.0
TCV IX LP	$45,882,311	0.2
TCV X LP	$106,938,968	0.6
Resolute IV LP	$77,373,645	0.4
Trident IX LP	$52,306,777	0.3
Trinity Ventures XII LP	$49,571,641	0.3
Warburg Pincus PE XII	$52,748,020	0.3
Warburg Pincus Global Gwth XIV	$85,873,584	0.4

	Market Value	%
Warburg Pincus Global Gwth	$126,493,359	0.7
Petershill IV LLC	$30,150,438	0.2
Petershill Enchmnt CoInv LLC	$37,788,998	0.2
H&F Arrow 1 SPV	$9,264,130	0.0
Madison Dearborn VIII	$73,019,222	0.4
H&F Samson Hockey 1 SPV	$5,625,697	0.0
H&F Samson Shield 1 SPV	$17,562,503	0.1
Montagu VI	$97,538,505	0.5
Altaris Health Ptnrs V LP	$81,290,120	0.4
H&F Samson Brunello 1 SPV	$6,410,720	0.0
Tenex Cptl Ptnrs III LP	$48,238,379	0.3
Tenex White Sands CoInv LP	$19,774,275	0.1
Gen Ctlyst Grp XI Endurance LP	$55,317,535	0.3
Gen Ctlyst Grp XI Ignition LP	$21,872,041	0.1
Resolute V LP	$104,503,690	0.5
H&F X LP	$51,492,879	0.3
Orchid Asia VIII LP	$31,634,593	0.2
Orchid Asia 1912 CoInv LP	$6,932,414	0.0
Montagu Petroglyph CoInv LP	$37,829,924	0.2
Gen Ctlyst Grp XI Creation LP	$22,607,979	0.1
JMI Equity XI LP	$37,136,316	0.2
Tenex Capital Partners IV	$4,036,083	0.0

	Market Value	%
Credit	$3,492,099,833	18.2
Liquid Credit	$2,451,803,183	12.7
PineBridge High Yield	$1,073,741,238	5.6
Mudrick Stressed Cr A LP	$157,156,435	0.8
Ellington Enh Incme A LLC	$399,099,162	2.1
Eagle Point CLO Eqty I LLC	$6,410,009	0.0
Eagle Point Credit Onshore LP	$8,995,503	0.0
SixthSt Wheeler Pk Cr I LLC	$390,265,628	2.0
Silver Point Cptl LP	$3,164,963	0.0
Anchorage Cptl Ptnrs LP	$31,253,426	0.2
Napier Park C	$1,318,417	0.0
Ellington Alt Credit	$951,308	0.0
Octagon Credit Investors	$379,447,094	2.0
Illiquid Credit	$1,040,296,649	5.4
Apollo Defined Rt Fd	$285,193,536	1.5
Arcmont DL Evergreen Fund	$4,014,374	0.0
Ares Pathfinder Core	$251,306,701	1.3
Atalaya IX	$60,648,707	0.3
Atalaya Spcl Opptys VI LP B	$711,707	0.0
Athyrium Opptys II LP	$6,058,944	0.0
Cerberus Res Opp - Ext	$75,565,492	0.4
Cerberus Inst Ptnrs IV	$69,895	0.0
Cerberus Global Res Multi	$162,813,186	0.8
Cheyne RE Credit V LP	$14,714,559	0.1
DRC Eur RE Debt III LP	$25,158,589	0.1
DRC Eur RE Debt II LP	$366,033	0.0
Garrison Opp IV A	$1	0.0
Madison Rlty Cap Dbt III LP	$28,494,992	0.1

	Market Value	%
Oaktree Opptys VIII LP	$16,602	0.0
Oaktree Eur Pncpl III LP	$3,653,206	0.0
Pedernal Neuberger Berman	$62,433,585	0.3
Sixth Street Oppty Ptrns III	$7,150,968	0.0
Wyzata Opptys III LP	$166,676	0.0
TPG AG Direct Origination	$51,758,896	0.3
Core Fixed Income	$2,573,263,583	13.4
Domestic Core Fixed Income	$2,249,643,920	11.7
Parametric Risk Mit Ovly	$119	0.0
Blackrock US Agg Bond Index	$2,249,643,801	11.7
Cash	$314,527,599	1.6
Cash Account	$314,527,599	1.6
Suspense	$9,092,064	0.0
Cash-Corporate Action	$2,048,291	0.0
BlackRock Equity Transition	$23,876	0.0
BlackRock Glb Fixed Income	$9,393	0.0
BlackRock Low Vol Intl Equity	$1,561,679	0.0
DFA Real Estate Securities	$37,394	0.0
DWS Listed Infrastructure	$126,070	0.0
Harvest MLP Alpha	$27,469	0.0
KBI Global Investors EAFE Developed	$400,999	0.0
NT MSCI ACWI X US Index Fund	$243,206	0.0
Pavilion Global Transition		0.0
Principal Intl Small Cap Equity	$283,532	0.0
Russell Transition	$210,576	0.0
MFS Intl Intrinsic Val Eq exUS	$1,453,979	0.0
Acadian Intl Equity	$2,582,745	0.0
Schroder Intl Small Composite	$82,856	0.0

	Market Value	%
Real Assets	$2,977,560,441	15.5
Illiquid Real Estate	$1,408,511,648	7.3
Aermont Cap RE IV SCSp	$41,986,415	0.2
Blackstone RE Ptnrs VII	$4,139,009	0.0
Blackstone RE Ptnrs Eur III	$948,315	0.0
Carlyle Rlty Ptnrs VI	$1,348,051	0.0
Carlyle Property Inv	$24,750,490	0.1
Harrison St RE Ptnrs V & V A	$11,421,672	0.1
Harrison Street Core Prop	$24,988,739	0.1
Harrison St RE Ptnrs VII, A	$59,266,521	0.3
KSL Cptl Ptnrs IV LP	$63,066,507	0.3
IDR Core Property Index	$56,222,829	0.3
North Haven RE VII Gbl T LP	$122,691	0.0
Rockwood Cap RE Ptnrs IX LP	$115,502	0.0
Rockwood Cap RE Ptnrs X LP	$13,163,979	0.1
Starwood Gbl Op VIII LP	$622,100	0.0
Starwood Op X Gbl LP	$6,096,439	0.0
Starwood Global Oppty XI LP	$67,972,844	0.4
Starwood Distd Op IX Gbl LP	$2,183,076	0.0
Walton Street RE VI LP	$10,009,587	0.1
Wheelock Street RE II LP	$6,134,584	0.0
Rockpt Gwth & Inc RE II LP	$22,508,209	0.1
Aermont Cap PW RE III LP	$22,897,598	0.1
Harrison St RE Ptnrs VI, A	$25,217,751	0.1
New Rock Core LP	$221,341,657	1.2
GEM Rlty Evergreen PF NM LP	$105,313,962	0.5
Rockwood Cap RE Ptnrs XI LP	$29,323,963	0.2
Rockpt Gwth & Inc RE III LP	$47,668,930	0.2
Rockwood MultiFamily PT LP	$93,134,080	0.5
Stockbridge Niche Lgstcs LP	$279,049,407	1.5
Harrison St RE Ptnrs VIII A, B	$64,490,197	0.3
Stockbridge Value IV LP	$65,392,875	0.3
Starwood Dist Op XII Gbl LP	$37,613,670	0.2

	Market Value	%
Illiquid Real Assets	$1,569,048,793	8.2
ACM II LLC	$15,741,138	0.1
Antin Infra Ptnrs III LP	$78,232,554	0.4
Ardian Infra V	$76,822,529	0.4
Ardian Infra IV	$40,563,688	0.2
BEP Legacy A LP	$55,058	0.0
Brookfield Infra II	$32,675,513	0.2
Brookfield Infra III	$80,315,034	0.4
Carlyle Power Partners II	$799,601	0.0
Denham CPF VI LP	$7,761,234	0.0
EnCap Energy Cptl VIII LP	$9,092,931	0.0
EnCap Energy Cptl IX LP	$5,907,668	0.0
EnCap Flatrock Mdst III LP	$7,513,660	0.0
EnCap Energy Cptl XI LP	$62,013,358	0.3
First Reserve XII LP	$15,692	0.0
IFM Global Infra LP	$236,949,974	1.2
ITE DTAF	$68,833,904	0.4
KKR Global Infra Inv II LP	$15,114,480	0.1
KKR DCIF	$234,913,458	1.2
Kayne Andrsn Energy V LP	$666,741	0.0
Lime Rock Resources III A LP	$19,718,916	0.1
Lime Rock Ptnrs V LP	$281,625	0.0
Meridiam Infra NA III LP	$86,077,471	0.4
Ntl Gas Prtnrs Ntl Res X LP	$1,988,461	0.0
Ntl Gas Prtnrs Ntl Res XI LP	$11,996,601	0.1
Ntl Gas Prtnrs Ntl Res XII LP	$42,388,103	0.2
Paine Schwtz Food Chn IV LP	$37,812,167	0.2
Quantum Energy Ptnrs V LP	$65,616	0.0
Riverst Rnw&Alt Engy II LP	$153,979	0.0
Riverst Gl Engy & Pwr V LP	$725,828	0.0
Tillridge Gbl Agri Ptnrs II LP	$34,719,609	0.2

		%
Ardian Mass Ascension CoInv LP	$184,596,178	1.0
Four Corners Farmland LLC	$96,845,908	0.5
Ardian Americas Infra V LP	$37,881,560	0.2
Antin Infra Ptnrs V LP	$39,808,558	0.2
Absolute Return	$1,062,681,999	5.5
Dorsal Capital Partners LP	$124,580,083	0.6
Elliott Associates LP	$136,992,723	0.7
Garda FI Rel Val Oppty Ltd	$101,188,069	0.5
Glazer Enhanced LP	$104,533,833	0.5
KAWA Fund	$103,581,209	0.5
Millennium USA LP	$145,734,799	0.8
Systematica Alt Mkts LP ClB	$57,195,098	0.3
Two Sigma Abs Return LP	$95,842,366	0.5
Wellington Macro Strat	$84,739,227	0.4
Wolverine Flagship Fund	$103,513,128	0.5
Absolute Return - Legacy Portable Alpha	$4,781,465	0.0
Farallon PA	$32,042	0.0
Farallon Cptl Instl Ptnrs LP	$21,526	0.0
King Street Capital LP	$1,860,087	0.0
King Street Capital PA	$1,883,316	0.0
Stark Select Asset LLC	$101,303	0.0
TPG Axon Ptnrs LP	$883,191	0.0

Placement Agent Disclosure

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

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

JMI Equity XII, L.P. – NM PERA committed up to an aggregate of $65 million to the JMI Equity XII Fund and $25 million to guideline-based co-investment opportunities alongside JMI Equity XII Fund. JMI is an illiquid, commingled private equity fund that will focus on North American high growth companies. No Placement Agent was used to solicit PERA's investment in JMI Equity XII.

Investments approved prior to the current quarter can be located on PERA's website at https://www.nmpera.org/investments/performance/

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Disclosure

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PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS



PERIOD ENDING: **June 30**, 202**5**

Annual Peer Review for

PERA
Public Employees
Retirement Association
of New Mexico

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PERA Total Fund and public markets asset class peer comparisons are versus other all other public funds (except Total Fund, which was compared to all public funds with assets > $1B)

Total Fund – Historical returns have ranked below peers largely due to lower exposure to growth assets during prolonged period when growth assets performed strongly

- The PERA's lower growth exposure resulted in first quartile ranking of Total Fund standard deviation (i.e., lower risk relative to 80+% of peers) over last 15 years during period when equities provided consistently strong returns
- However, risk-adjusted returns (i.e., Sharpe Ratio1) have ranked mostly in second quartile (i.e., above average) relative to peers. Demonstrates that PERA earned higher returns per unit of risk taken versus peers
- PERA's portfolio has reflected lower down market capture rate (55%) over last 5 years, which is desirable. However, PERA also had 73% up market capture, which is lower than desired (should be 100% capture or more). These metrics should improve under current asset allocation policy adopted 2024

Global Equity – Historical returns have ranked below peers largely due to utilization of risk hedging strategies and low volatility equities. However, ranking has improved markedly during last 3 years to 14th percentile

- Standard deviation has ranked in 3rd and 4th quartiles historically (i.e., higher risk) versus peers. Most recent fiscal year standard deviation ranked closer to median as more assets are now passively invested and hedging and low volatility strategies have been eliminated
- Risk-adjusted returns have also ranked below peers indicating PERA's Global Equity portfolio exhibited lower relative returns per unit of risk taken. However, rankings are much improved in the 1- and 3-year periods where PERA's Global Equity portfolio ranks in the 1st quartile versus peers
- Similarly, risk-adjusted excess returns (i.e., Information Ratio2) also rank below peers historically
    - However, PERA's ranking has improved dramatically over the last 1- and 3-year periods and now ranks top quartile relative to peers. Improvement is due to elimination of poorly performing strategies and managers as well as implementation of portfolio structure which better reflects benchmark exposures
- PERA's Global Equity portfolio has fully participated in both up and down markets and approximately same level as peers

Core Fixed Income – Historical returns have ranked below peers largely due to passive implementation during prolonged period of outperformance by actively managed Core Fixed Income programs

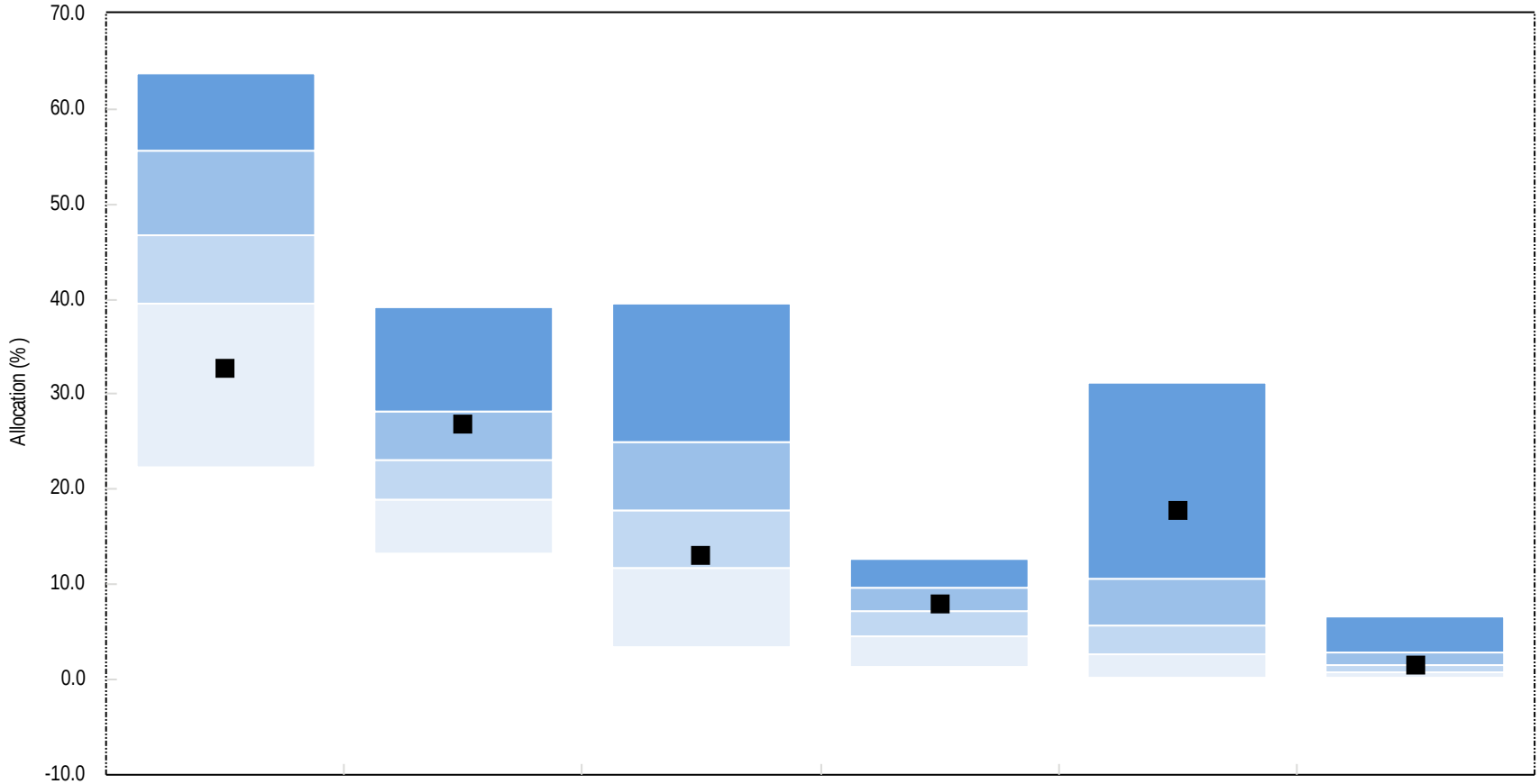
- Core Fixed Income standard deviation has ranked around median versus peers
- However, risk-adjusted returns (i.e., Sharpe Ratio) has ranked in the fourth quartile (i.e., lowest Ratio) versus peers
- Risk-adjusted excess returns (i.e., Information Ratio) has also ranked in fourth quartile (i.e., lowest Ratio) versus peers due to passive implementation as active Core Fixed Income managers have typically overweighted credit, which has benefitted for over a decade

Liquid Credit – Historical returns have ranked fourth quartile (i.e., bottom 25%) relative to peers due to Bonds Plus implementation strategy, which has been discontinued. However, 1- and 3-year rankings are dramatically improved at second and top quartile, respectively.

- Liquid Credit standard deviation has historically ranked in top quartile (i.e., lowest risk) versus peers over long term, but more recently has ranked in bottom quartile (i.e., highest risk) versus peers due to Bonds Plus. One-year ranking is once again top quartile as PERA's Liquid Credit standard deviation is again much lower versus peers
- Both risk-adjusted return measures (Sharpe Ratio and Information Ratio) rank in the fourth quartile (i.e., lowest) relative to peers
- Despite the risk mitigation objective of Bonds Plus, the Liquid Credit portfolio still largely participated in down markets to a greater extent versus peers over last 5 years. However, up market participation was also greater versus peers and a desirable result

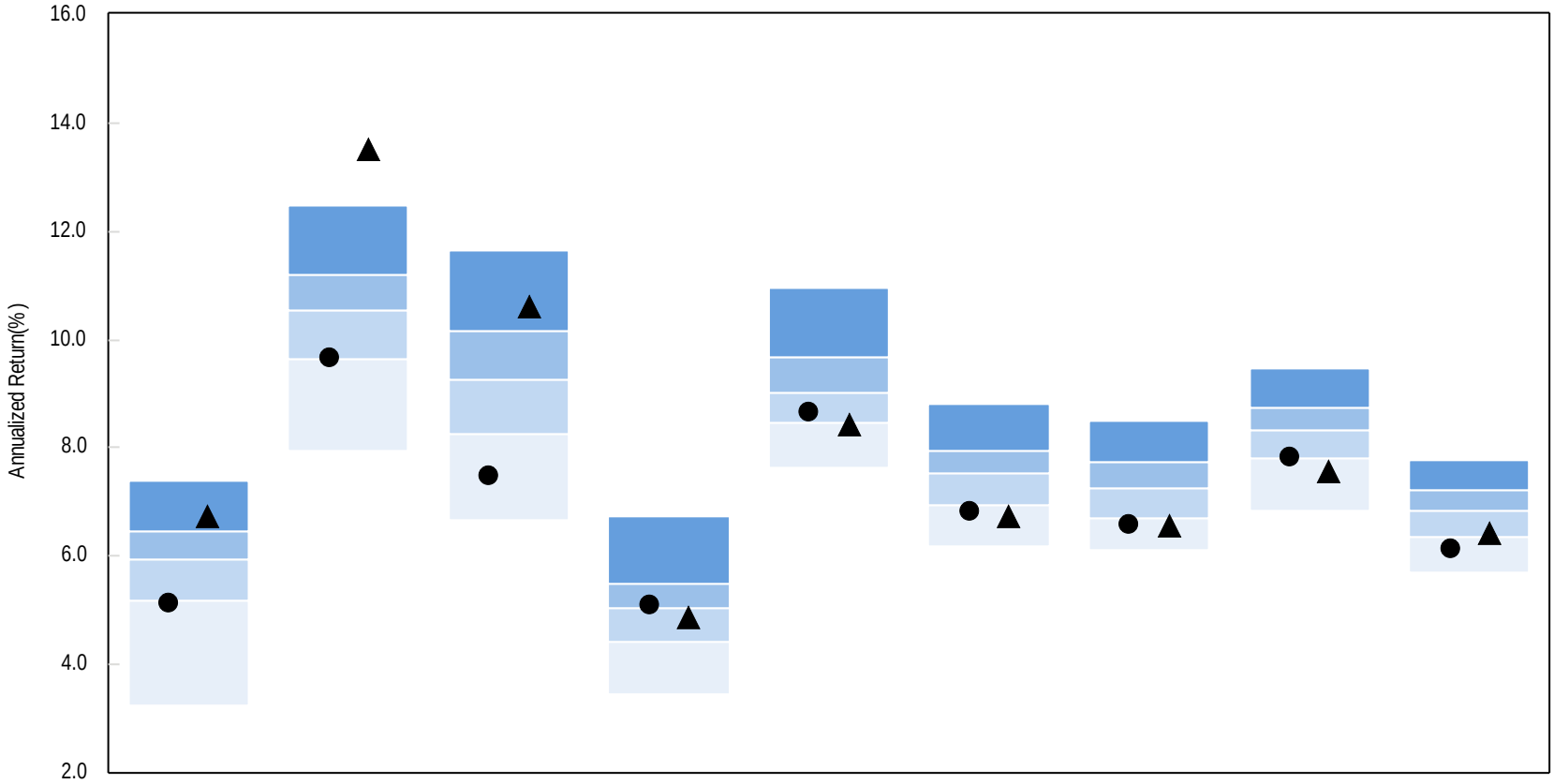
Conclusion – Elimination of complex, costly strategies within public equities and fixed income asset classes are already demonstrating improved peer relative results and should enable PERA to better meet return and risk expectations for those asset classes

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



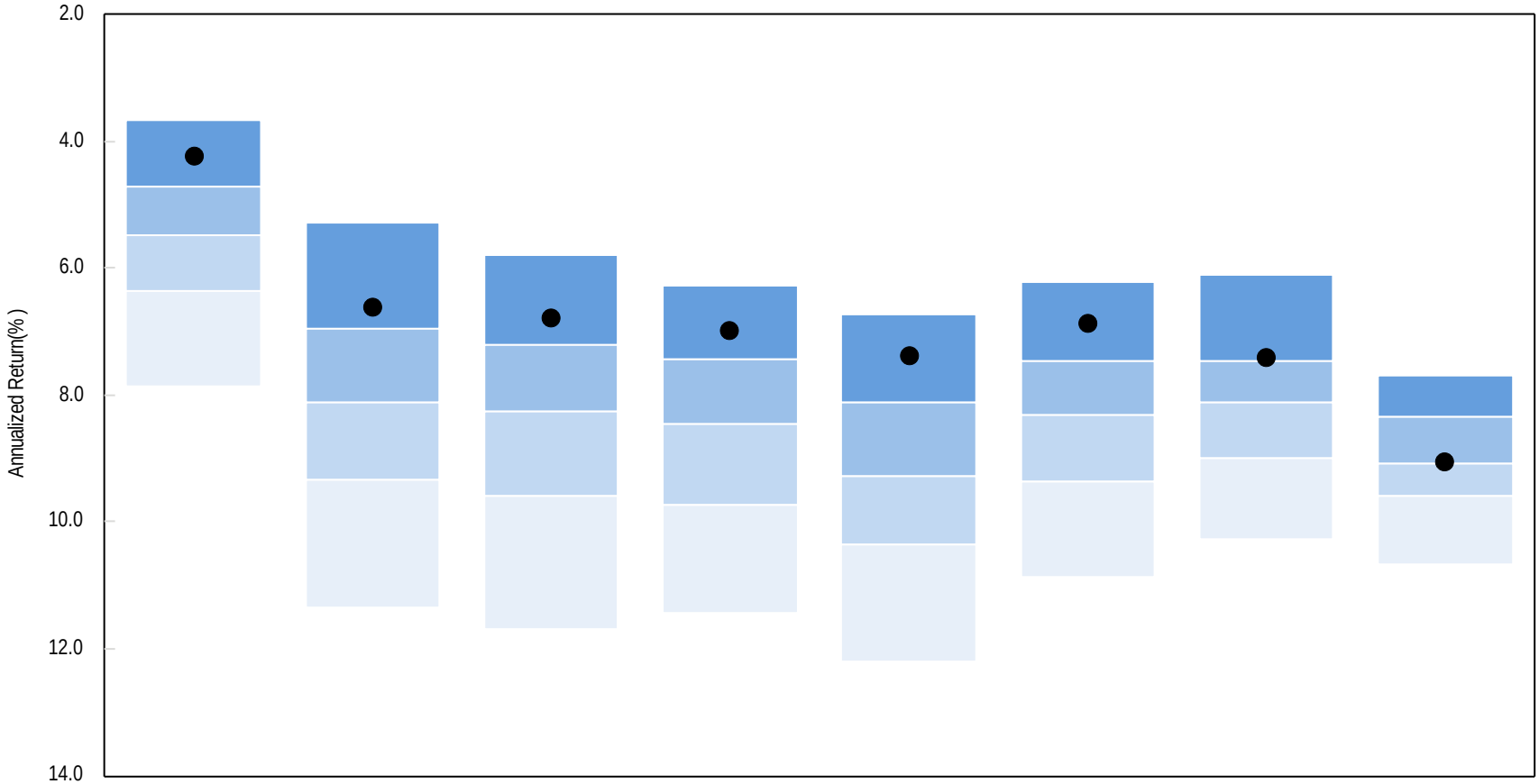
	Total Equity	Total Fixed Income	Alternatives	Total Real Estate	Multi-Asset	Cash & Equivalents
NM PERA Total Fund	32.8 (87)	26.9 (31)	13.1 (70)	8.0 (44)	17.8 (12)	1.5 (51)
5th Percentile	63.8	39.2	39.6	12.7	31.2	6.6
1st Quartile	55.6	28.2	24.9	9.6	10.5	2.8
Median	46.7	23.2	17.9	7.3	5.7	1.5
3rd Quartile	39.5	18.9	11.7	4.5	2.6	0.8
95th Percentile	22.3	13.4	3.4	1.3	0.2	0.3
Population	168	170	163	150	35	157

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



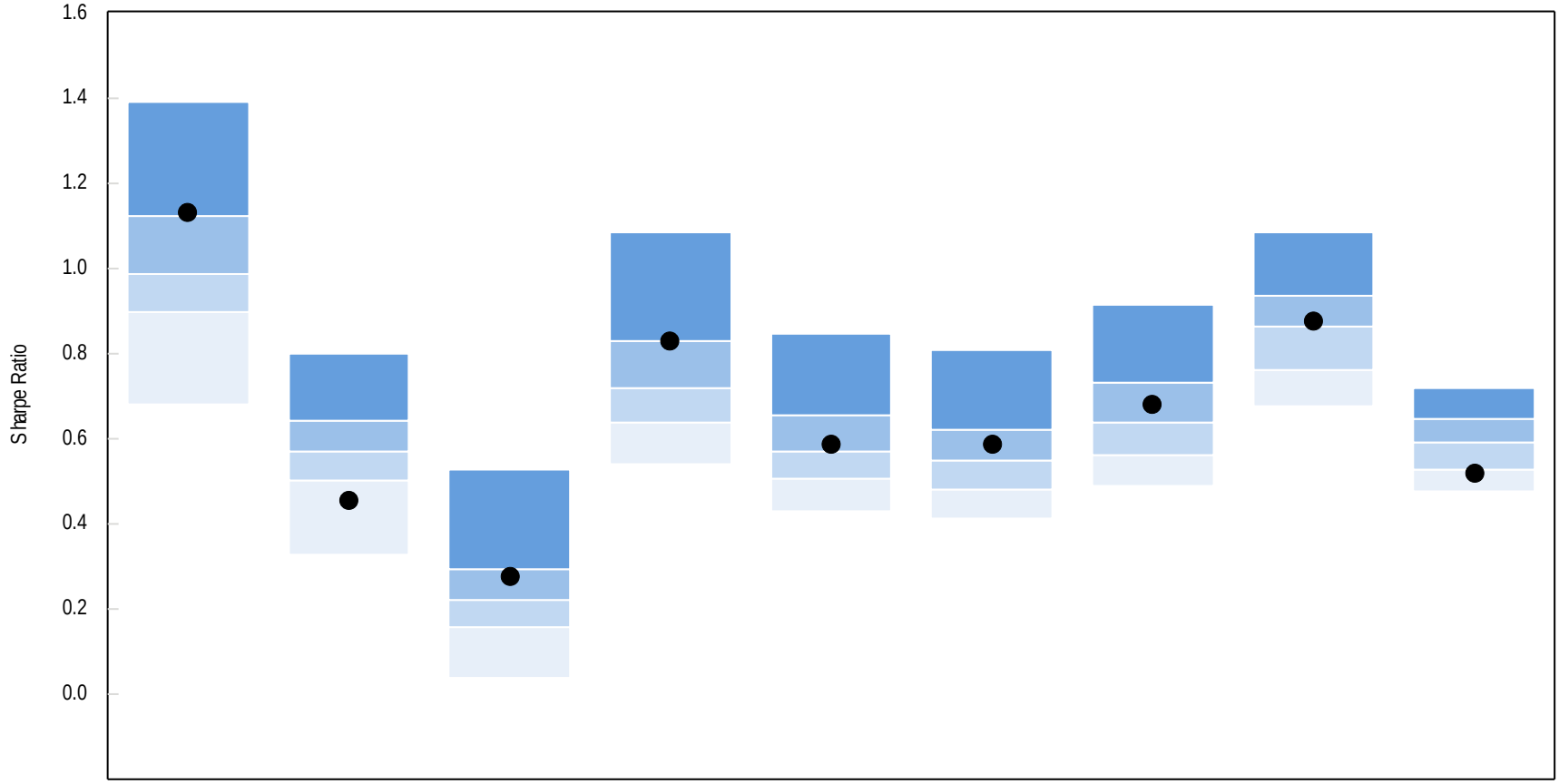
	Quarter	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	5.15 (76)	9.68 (74)	7.49 (88)	5.13 (44)	8.66 (64)	6.82 (80)	6.60 (86)	7.85 (72)	6.16 (84)
▲ NM PERA Total Fund Policy	6.75 (15)	13.53 (1)	10.62 (16)	4.86 (57)	8.42 (77)	6.74 (82)	6.58 (88)	7.55 (87)	6.44 (70)
5th Percentile	7.38	12.47	11.63	6.72	10.95	8.80	8.51	9.48	7.78
1st Quartile	6.46	11.20	10.15	5.50	9.67	7.94	7.72	8.73	7.21
Median	5.94	10.55	9.26	5.04	9.03	7.52	7.27	8.32	6.85
3rd Quartile	5.17	9.66	8.24	4.41	8.46	6.95	6.72	7.81	6.36
95th Percentile	3.23	7.94	6.65	3.44	7.65	6.19	6.11	6.83	5.71
Population	159	157	154	151	148	145	142	129	109

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



	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	4.24 (16)	6.61 (17)	6.78 (16)	6.99 (14)	7.39 (12)	6.88 (13)	7.41 (22)	9.08 (49)
5th Percentile	3.68	5.28	5.79	6.27	6.75	6.22	6.12	7.70
1st Quartile	4.73	6.96	7.22	7.45	8.12	7.49	7.48	8.35
Median	5.48	8.12	8.27	8.48	9.28	8.31	8.12	9.09
3rd Quartile	6.38	9.36	9.62	9.73	10.38	9.37	9.02	9.61
95th Percentile	7.86	11.36	11.69	11.44	12.21	10.88	10.28	10.68
Population	157	154	151	148	145	142	129	109

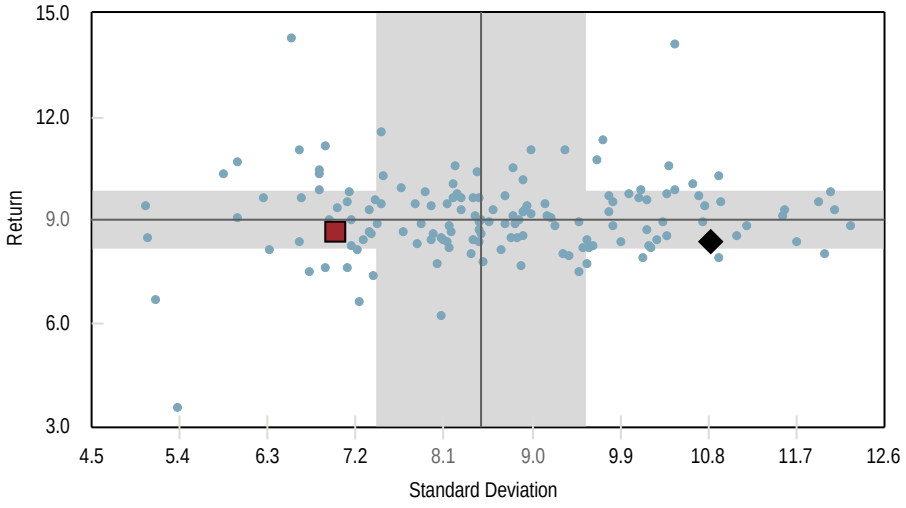
Total Fund Cumulative Performance vs. InvMetrics Public DB > $1B



	1 Year	3 Years	4 Years	5 Years	6 Years	7 Years	10 Years	15 Years	20 Years
● NM PERA Total Fund	1.13 (22)	0.46 (84)	0.28 (32)	0.83 (27)	0.59 (44)	0.59 (35)	0.68 (36)	0.88 (45)	0.52 (82)
5th Percentile	1.39	0.80	0.53	1.09	0.85	0.81	0.92	1.08	0.72
1st Quartile	1.12	0.64	0.29	0.83	0.65	0.62	0.73	0.94	0.65
Median	0.99	0.57	0.22	0.72	0.57	0.55	0.64	0.86	0.59
3rd Quartile	0.90	0.50	0.16	0.64	0.51	0.48	0.56	0.76	0.53
95th Percentile	0.68	0.33	0.04	0.54	0.43	0.41	0.49	0.68	0.48
Population	157	154	151	148	148	145	142	129	109

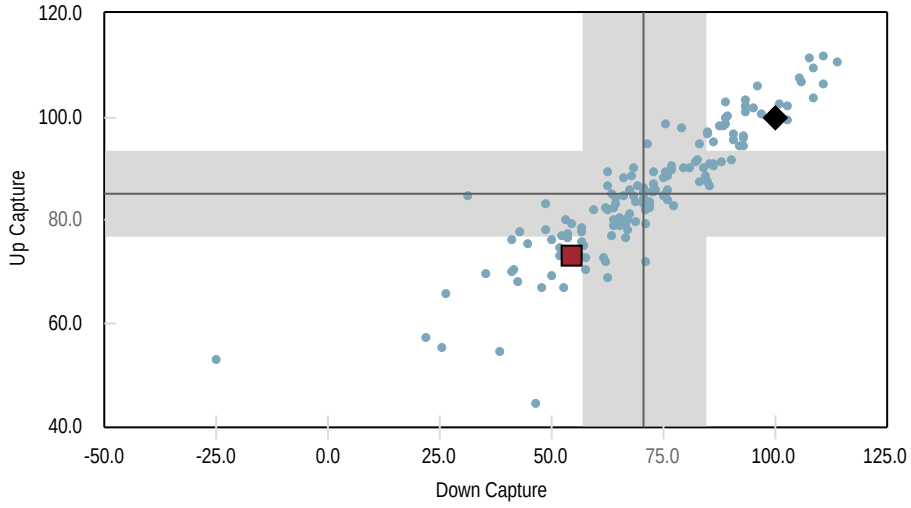
	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	R-Squared	Up Capture	Down Capture	Information Ratio	Tracking Error	Sharpe Ratio	Sortino Ratio
NM PERA Total Fund	7.0	3.2	0.6	0.9	73.3	54.5	0.0	4.4	0.8	1.3
NM PERA Total Fund Policy	*10.8*	*0.0*	*1.0*	*1.0*	*100.0*	*100.0*	-	*0.0*	*0.6*	*0.8*

Annualized Return vs. Annualized Standard Deviation



	Return	Standard Deviation
NM PERA Total Fund	8.66	6.99
NM PERA Total Fund Policy	8.42	10.84
Median	9.03	8.48
Population	148	148

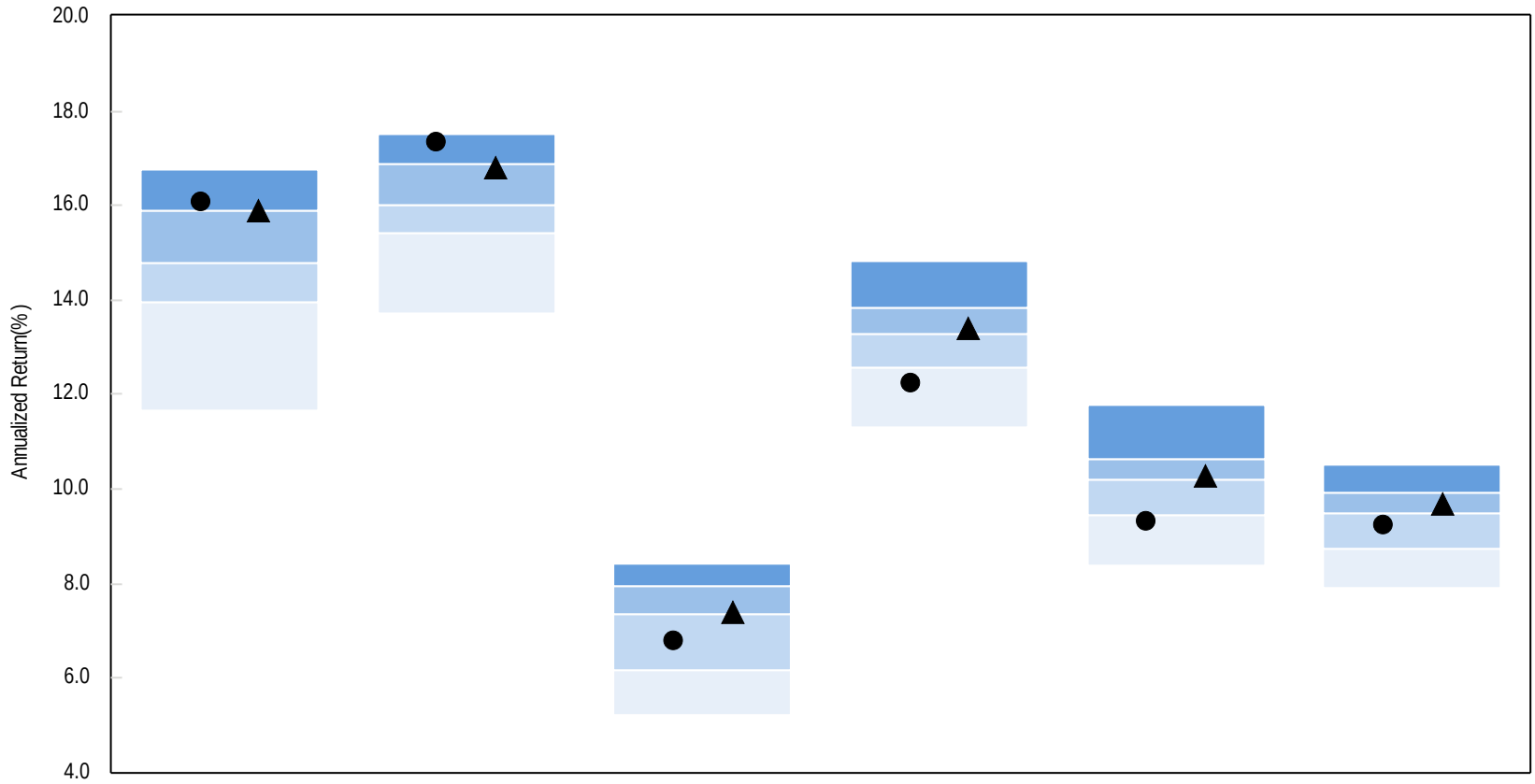
Up Capture vs. Down Capture



	Up Capture	Down Capture
NM PERA Total Fund	73.33	54.52
NM PERA Total Fund Policy	100.00	100.00
Median	85.14	70.68
Population	148	148

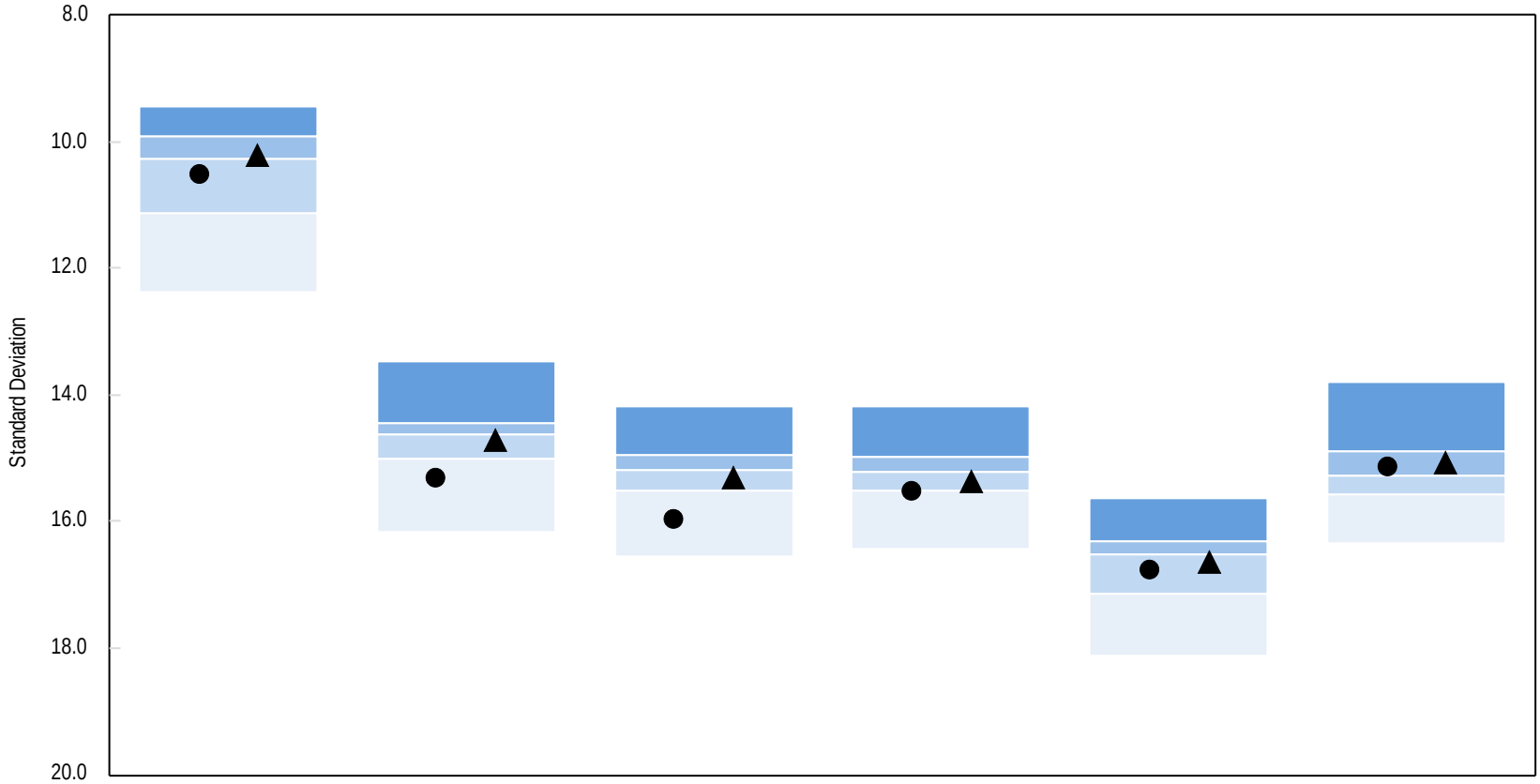
Global Equity

Global Equity vs. InvMetrics Public All Global Public Equity



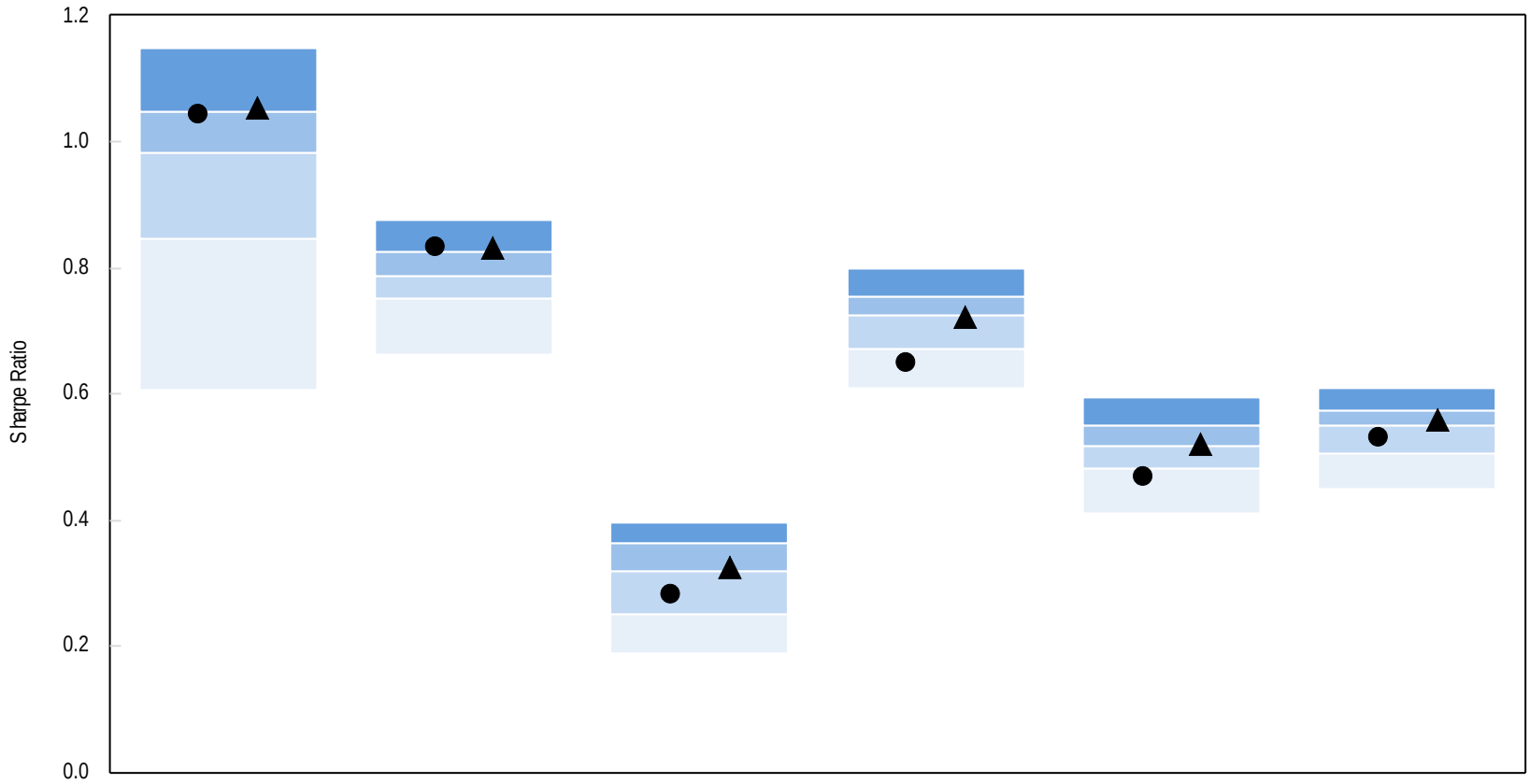
	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years
● Global Public Stock	16.10 (18)	17.34 (14)	6.80 (63)	12.25 (83)	9.35 (80)	9.25 (59)
▲ Global Public Stock Policy	15.89 (25)	16.80 (26)	7.40 (48)	13.40 (44)	10.28 (47)	9.67 (43)
5th Percentile	16.77	17.53	8.41	14.81	11.78	10.52
1st Quartile	15.89	16.86	7.96	13.83	10.63	9.93
Median	14.79	16.02	7.37	13.29	10.22	9.47
3rd Quartile	13.95	15.42	6.19	12.59	9.45	8.73
95th Percentile	11.67	13.72	5.23	11.30	8.38	7.93
Population	143	137	120	115	98	45

Global Equity vs. InvMetrics Public All Global Public Equity



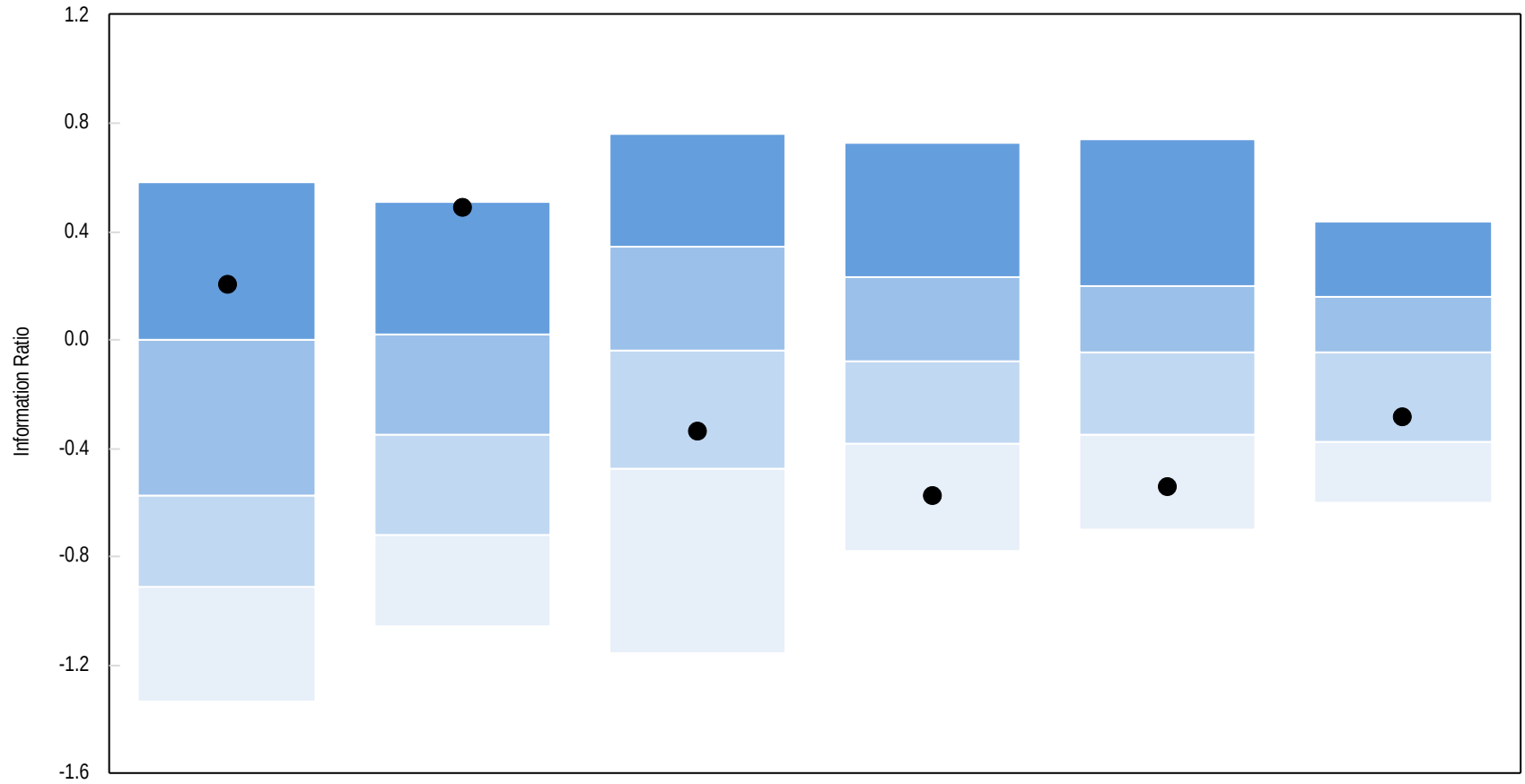
	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years
● Global Public Stock	10.53 (64)	15.33 (79)	15.98 (85)	15.52 (72)	16.76 (58)	15.15 (44)
▲ Global Public Stock Policy	10.23 (47)	14.72 (54)	15.33 (60)	15.38 (62)	16.65 (56)	15.08 (40)
5th Percentile	9.47	13.49	14.21	14.20	15.65	13.80
1st Quartile	9.91	14.46	14.97	14.99	16.32	14.91
Median	10.27	14.65	15.21	15.22	16.52	15.28
3rd Quartile	11.14	15.02	15.52	15.54	17.16	15.58
95th Percentile	12.40	16.18	16.56	16.45	18.14	16.36
Population	143	137	120	115	98	45

Global Equity vs. InvMetrics Public All Global Public Equity



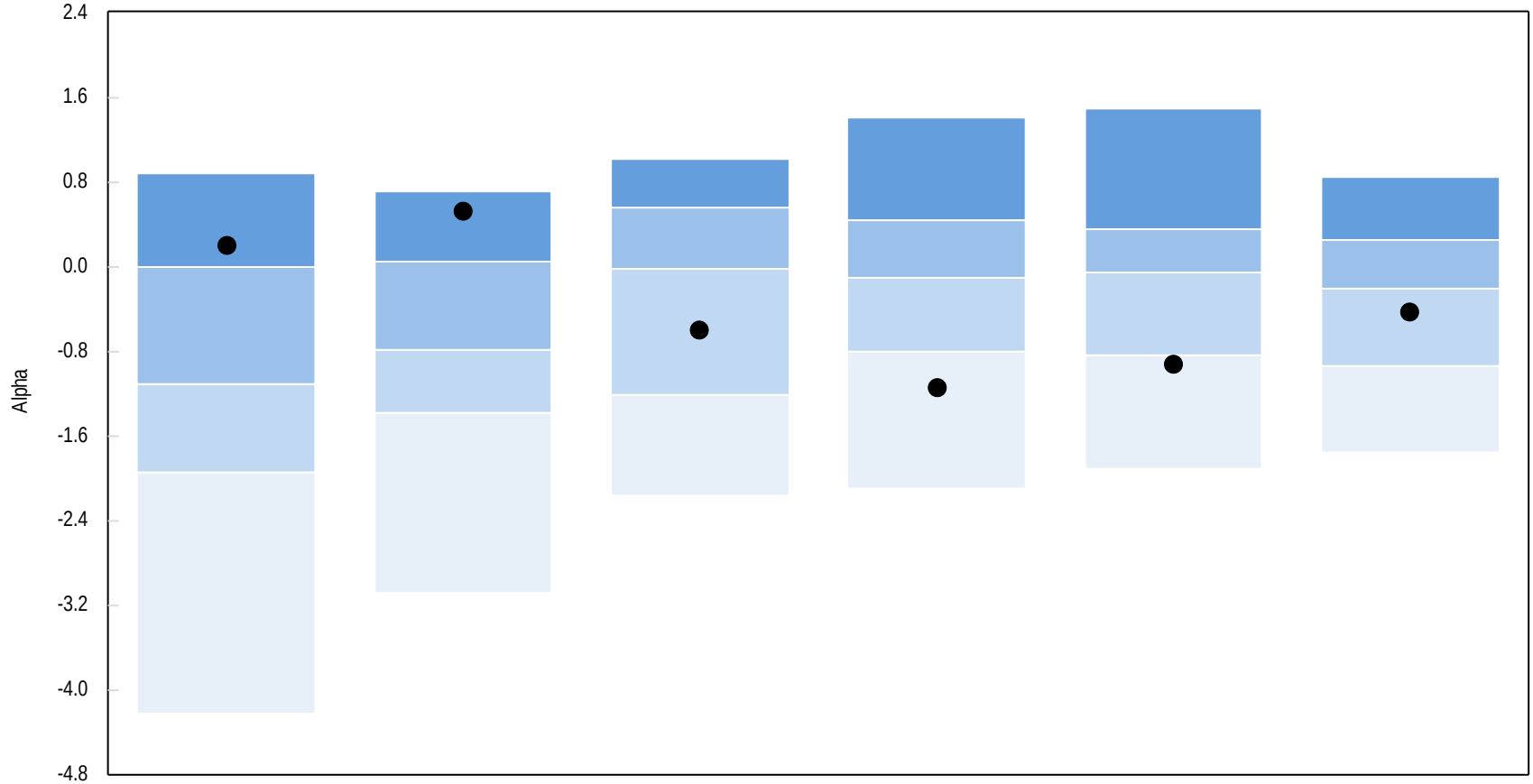
	1 Year	3 Years	4 Years	5 Years	7 Years	10 Yrs
● Global Public Stock	1.05 (26)	0.83 (22)	0.28 (63)	0.65 (82)	0.47 (82)	0.53 (58)
▲ Global Public Stock Policy	1.06 (24)	0.83 (23)	0.33 (48)	0.72 (52)	0.52 (49)	0.56 (47)
5th Percentile	1.15	0.88	0.40	0.80	0.59	0.61
1st Quartile	1.05	0.83	0.36	0.75	0.55	0.57
Median	0.98	0.79	0.32	0.72	0.52	0.55
3rd Quartile	0.85	0.75	0.25	0.67	0.48	0.51
95th Percentile	0.61	0.66	0.19	0.61	0.41	0.45
Population	143	137	120	115	98	45

Global Equity vs. InvMetrics Public All Global Public Equity



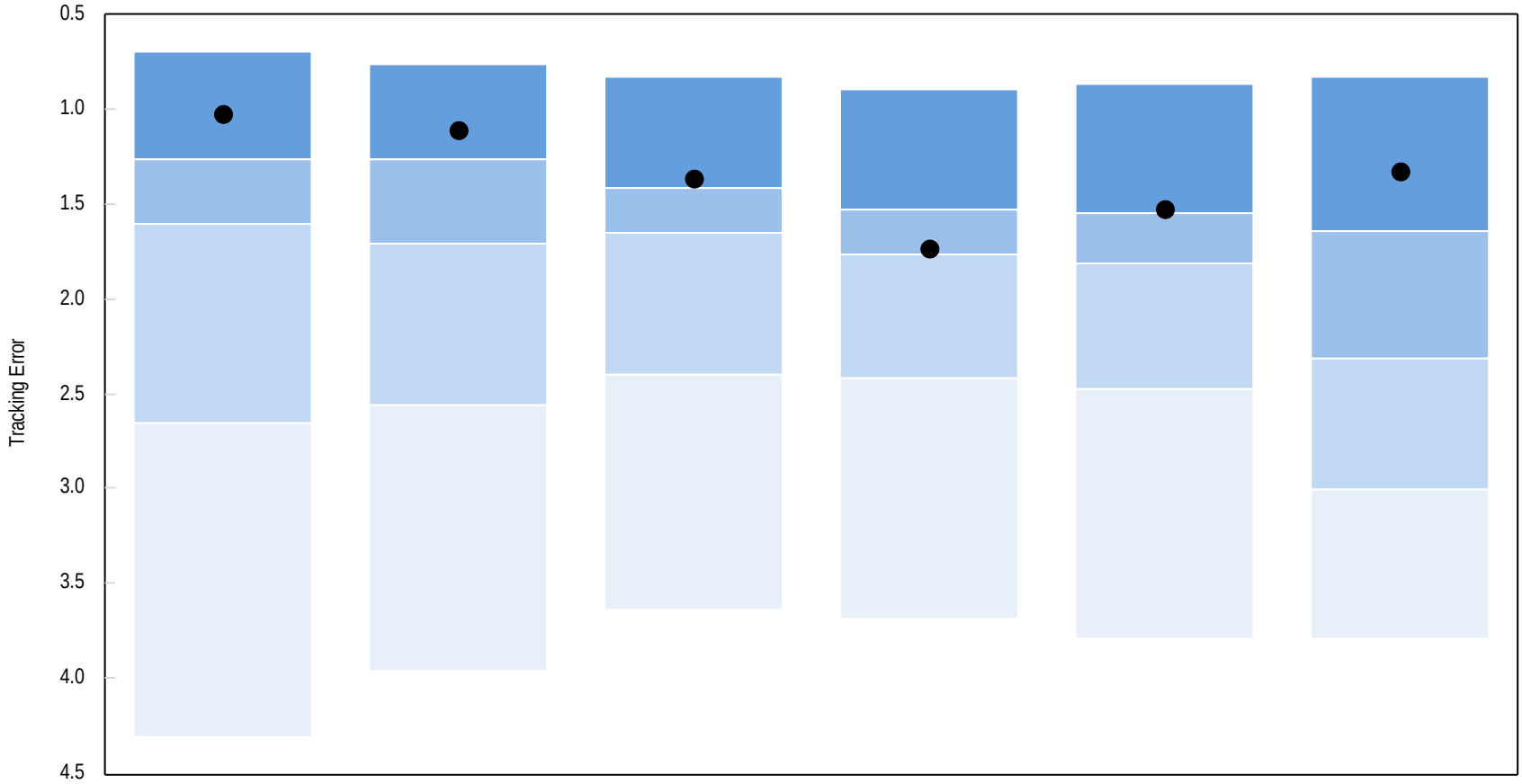
	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years
● Global Public Stock	0.20 (15)	0.49 (6)	-0.33 (68)	-0.57 (85)	-0.54 (87)	-0.28 (70)
5th Percentile	0.58	0.51	0.77	0.73	0.75	0.44
1st Quartile	0.00	0.02	0.35	0.24	0.20	0.16
Median	-0.57	-0.35	-0.04	-0.07	-0.05	-0.05
3rd Quartile	-0.91	-0.72	-0.47	-0.38	-0.35	-0.37
95th Percentile	-1.34	-1.06	-1.15	-0.78	-0.70	-0.60
Population	143	137	120	115	98	45

Global Equity vs. InvMetrics Public All Global Public Equity



	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years
● Global Public Stock	0.21 (18)	0.53 (14)	-0.60 (63)	-1.14 (83)	-0.93 (80)	-0.43 (59)
5th Percentile	0.88	0.72	1.01	1.41	1.50	0.84
1st Quartile	0.00	0.06	0.56	0.44	0.35	0.25
Median	-1.10	-0.79	-0.02	-0.10	-0.06	-0.20
3rd Quartile	-1.94	-1.39	-1.21	-0.81	-0.83	-0.94
95th Percentile	-4.23	-3.08	-2.17	-2.09	-1.90	-1.75
Population	143	137	120	115	98	45

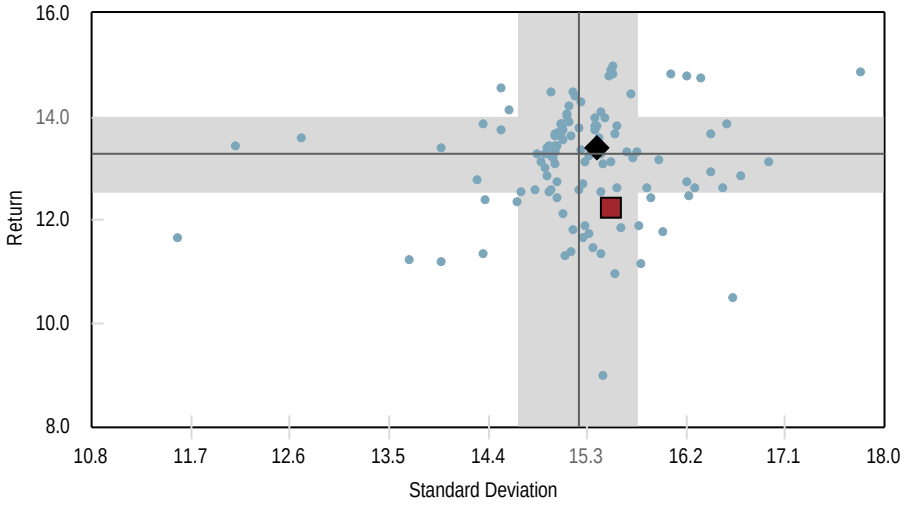
Global Equity vs. InvMetrics Public All Global Public Equity



	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years
● Global Public Stock	1.03 (12)	1.11 (15)	1.37 (18)	1.74 (47)	1.53 (21)	1.33 (12)
5th Percentile	0.70	0.76	0.84	0.90	0.87	0.83
1st Quartile	1.27	1.26	1.42	1.53	1.55	1.64
Median	1.60	1.71	1.65	1.77	1.82	2.32
3rd Quartile	2.65	2.56	2.40	2.42	2.47	3.01
95th Percentile	4.31	3.96	3.64	3.69	3.79	3.79
Population	143	137	120	115	98	45

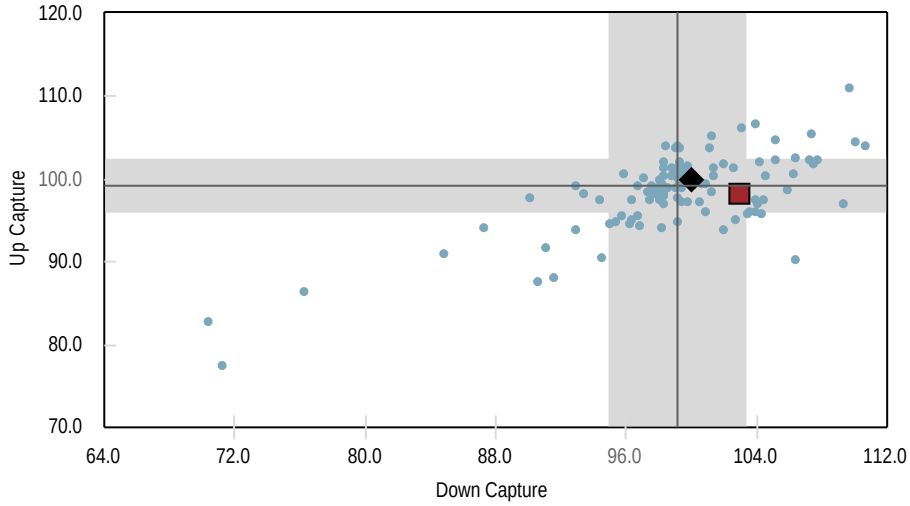
	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	R-Squared	Up Capture	Down Capture	Information Ratio	Tracking Error	Sharpe Ratio	Sortino Ratio
Global Public Stock	15.5	-1.0	1.0	1.0	98.2	102.9	-0.6	1.7	0.7	1.0
Global Public Stock Policy	*15.4*	*0.0*	*1.0*	*1.0*	*100.0*	*100.0*	-	*0.0*	*0.7*	*1.2*

Annualized Return vs. Annualized Standard Deviation



	Return	Standard Deviation
Global Public Stock	12.25	15.52
Global Public Stock Policy	13.40	15.38
Median	13.29	15.22
Population	115	115

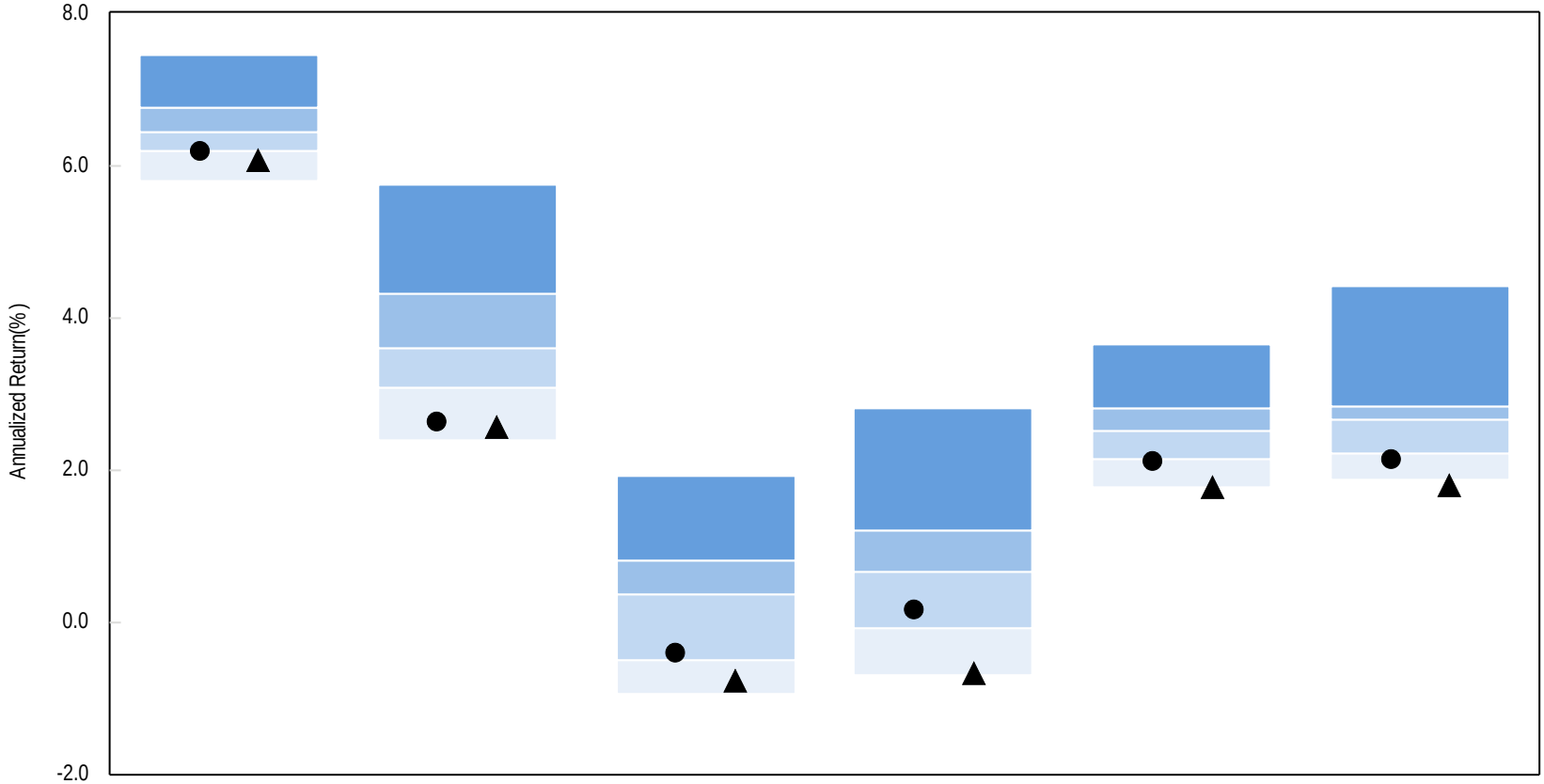
Up Capture vs. Down Capture



	Up Capture	Down Capture
Global Public Stock	98.24	102.92
Global Public Stock Policy	100.00	100.00
Median	99.24	99.15
Population	115	115

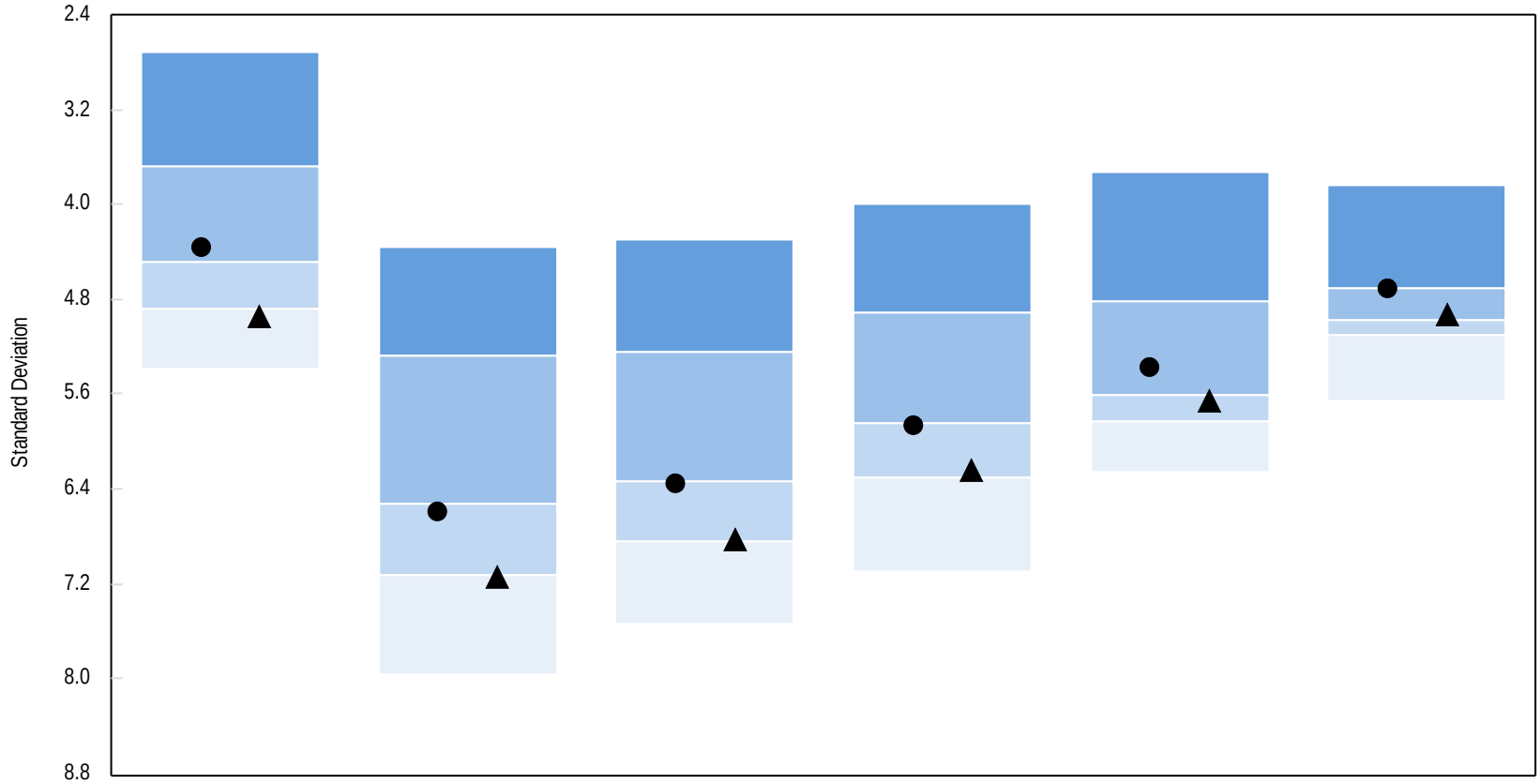
Core Fixed Income

Core Fixed Income vs. InvMetrics Public All US Fixed Income



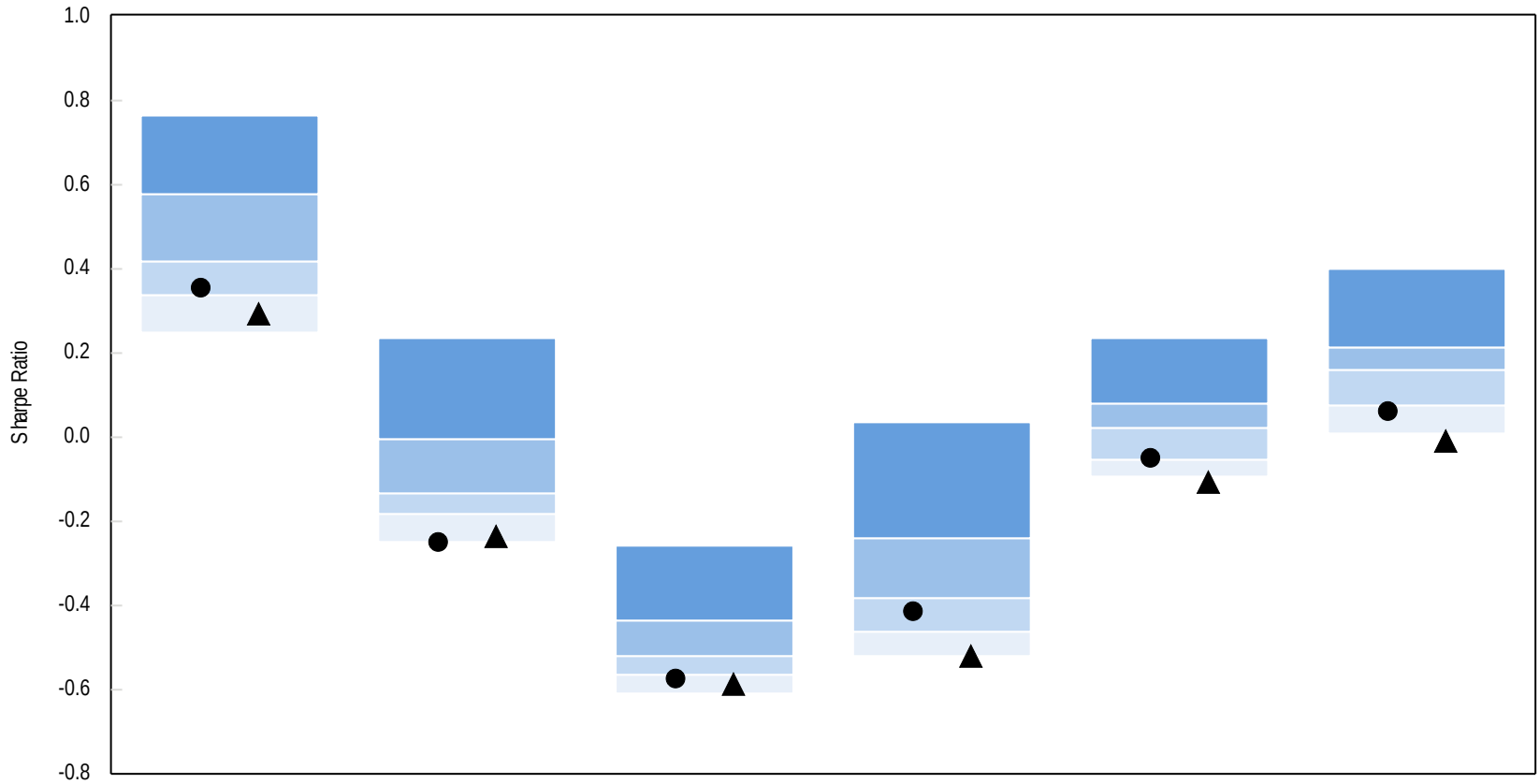
	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years
● Core Fixed Income	6.20 (76)	2.64 (91)	-0.39 (72)	0.18 (68)	2.12 (77)	2.15 (83)
▲ Core Fixed Income Policy	6.08 (83)	2.58 (92)	-0.76 (90)	-0.66 (95)	1.77 (96)	1.79 (97)
5th Percentile	7.46	5.76	1.93	2.82	3.65	4.41
1st Quartile	6.76	4.32	0.82	1.21	2.81	2.84
Median	6.45	3.60	0.36	0.67	2.53	2.66
3rd Quartile	6.20	3.08	-0.49	-0.06	2.15	2.23
95th Percentile	5.81	2.38	-0.94	-0.70	1.78	1.88
Population	94	92	90	88	78	43

Core Fixed Income vs. InvMetrics Public All US Fixed Income



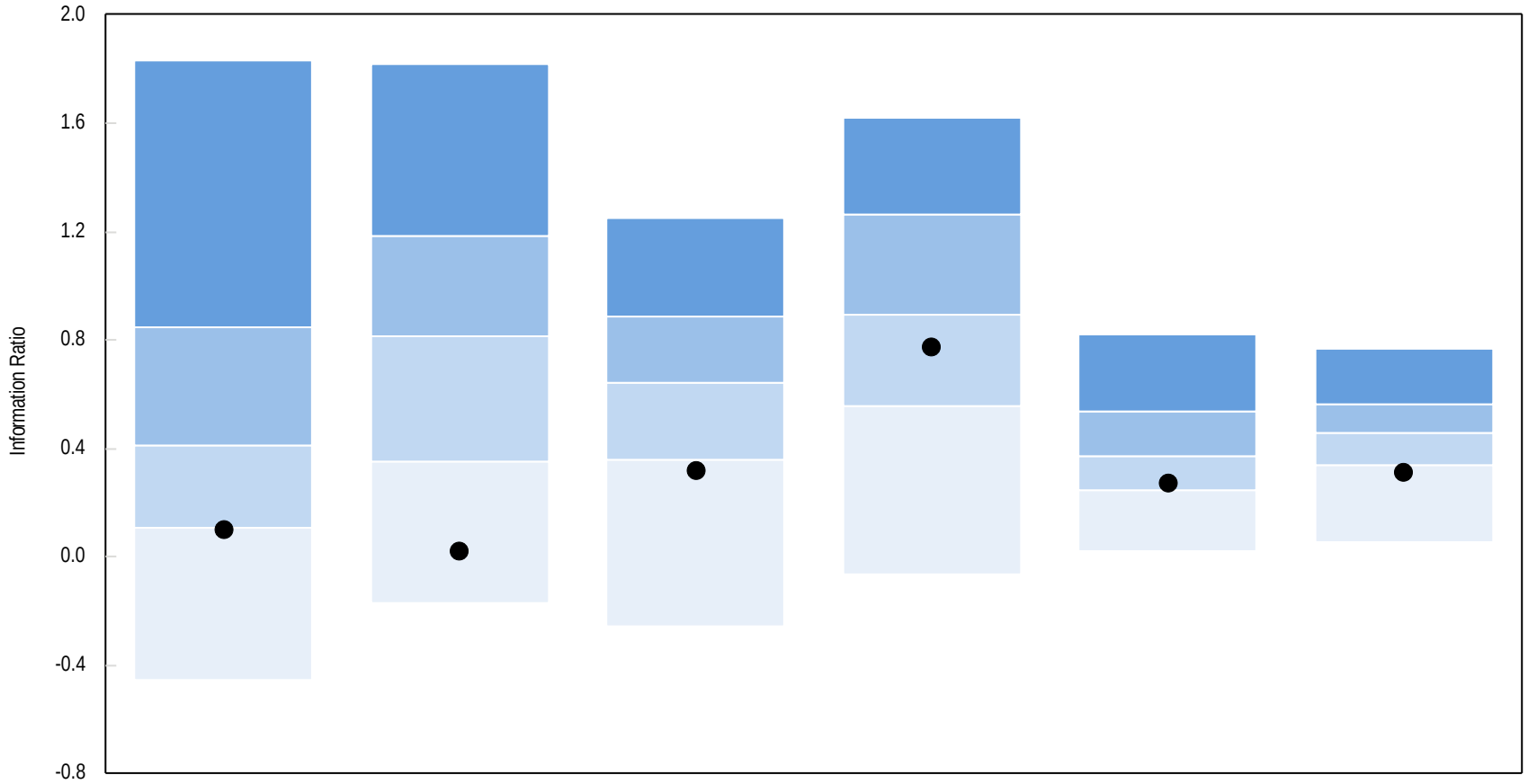
	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years
● Core Fixed Income	4.36 (45)	6.59 (52)	6.36 (51)	5.87 (50)	5.38 (40)	4.71 (24)
▲ Core Fixed Income Policy	4.94 (78)	7.14 (75)	6.82 (73)	6.24 (71)	5.66 (55)	4.93 (34)
5th Percentile	2.72	4.36	4.30	3.99	3.73	3.84
1st Quartile	3.68	5.27	5.25	4.92	4.81	4.71
Median	4.49	6.52	6.34	5.85	5.61	4.98
3rd Quartile	4.89	7.12	6.84	6.30	5.82	5.11
95th Percentile	5.39	7.97	7.53	7.09	6.26	5.66
Population	94	92	90	88	78	43

Core Fixed Income vs. InvMetrics Public All US Fixed Income



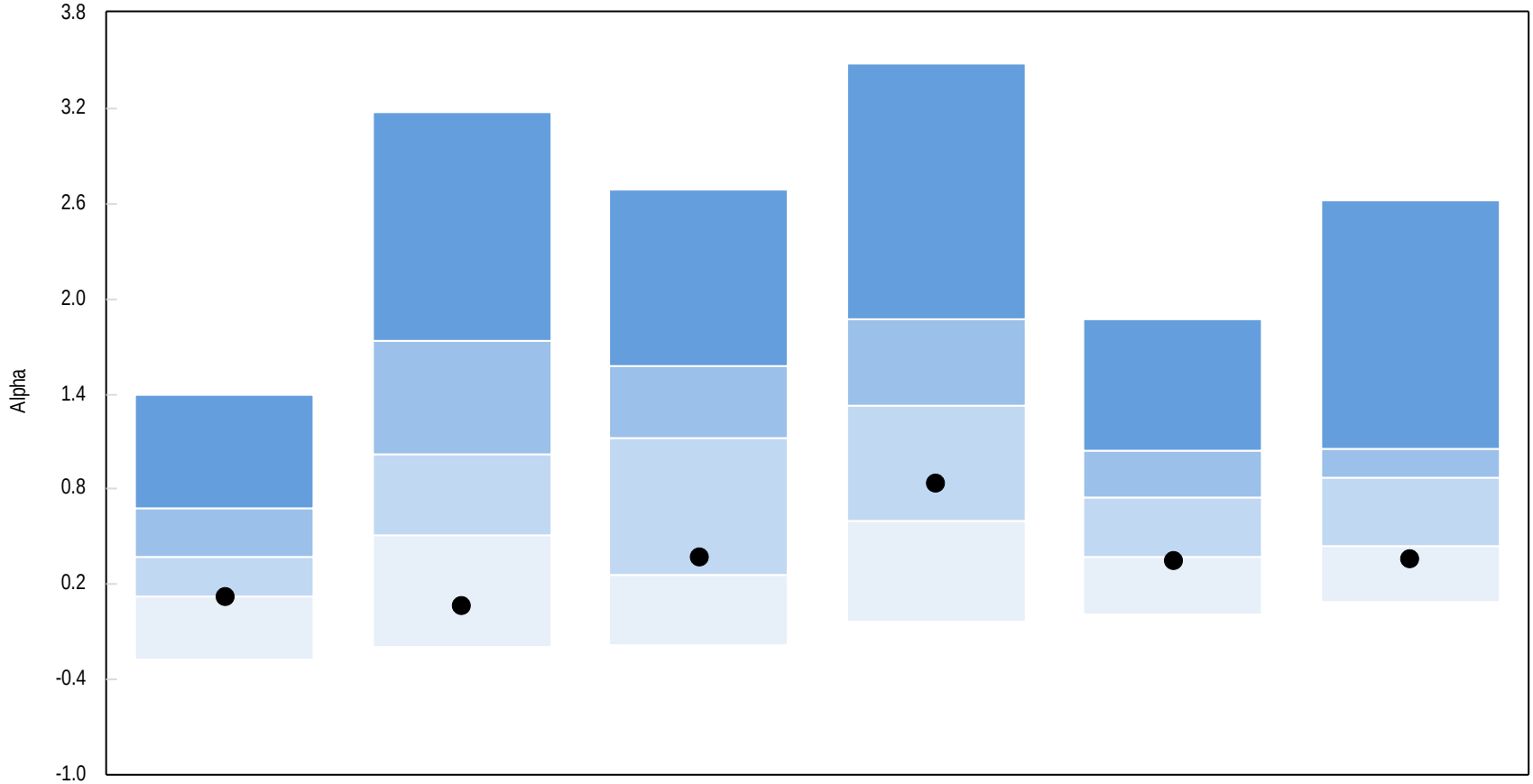
	1 Year	3 Years	4 Years	5 Years	7 Years	10 Yrs
● Core Fixed Income	0.35 (69)	-0.25 (96)	-0.57 (84)	-0.41 (59)	-0.05 (74)	0.06 (84)
▲ Core Fixed Income Policy	0.30 (89)	-0.23 (93)	-0.59 (88)	-0.52 (98)	-0.11 (98)	-0.01 (97)
5th Percentile	0.77	0.23	-0.26	0.04	0.24	0.40
1st Quartile	0.58	0.00	-0.43	-0.24	0.08	0.21
Median	0.42	-0.14	-0.52	-0.38	0.02	0.16
3rd Quartile	0.34	-0.18	-0.57	-0.46	-0.05	0.08
95th Percentile	0.25	-0.25	-0.61	-0.52	-0.10	0.01
Population	94	92	90	88	78	43

Core Fixed Income vs. InvMetrics Public All US Fixed Income



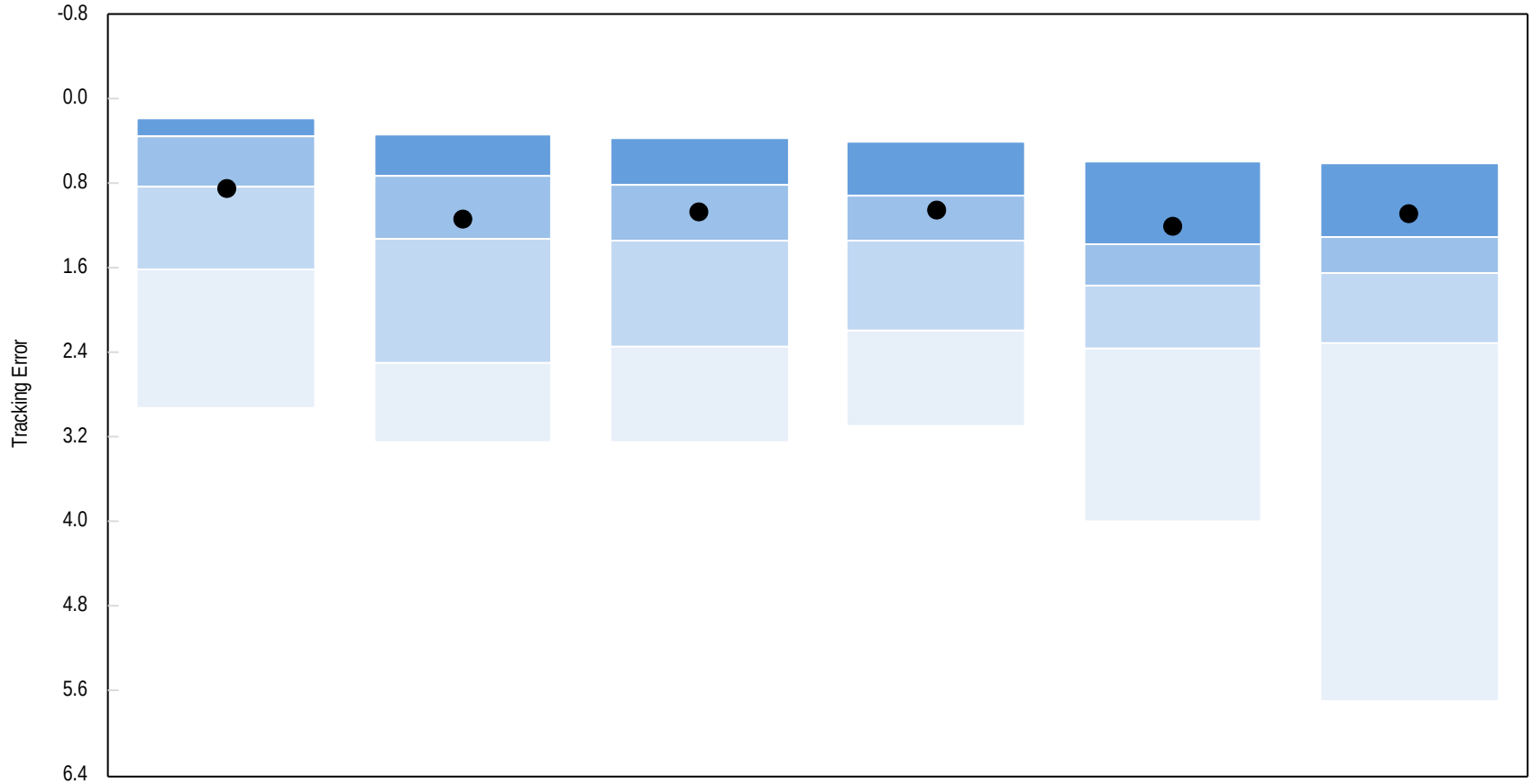
	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years
● Core Fixed Income	0.10 (76)	0.02 (92)	0.32 (78)	0.78 (60)	0.27 (69)	0.31 (78)
5th Percentile	1.84	1.82	1.25	1.62	0.82	0.77
1st Quartile	0.85	1.18	0.89	1.27	0.53	0.56
Median	0.41	0.81	0.64	0.90	0.37	0.46
3rd Quartile	0.11	0.35	0.36	0.56	0.24	0.34
95th Percentile	-0.45	-0.17	-0.26	-0.07	0.02	0.06
Population	94	92	90	88	78	43

Core Fixed Income vs. InvMetrics Public All US Fixed Income



	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years
● Core Fixed Income	0.12 (76)	0.06 (91)	0.37 (72)	0.84 (68)	0.35 (77)	0.36 (83)
5th Percentile	1.39	3.18	2.69	3.48	1.87	2.62
1st Quartile	0.68	1.74	1.57	1.88	1.04	1.05
Median	0.37	1.02	1.12	1.33	0.75	0.87
3rd Quartile	0.12	0.51	0.26	0.60	0.38	0.44
95th Percentile	-0.27	-0.19	-0.19	-0.04	0.01	0.09
Population	94	92	90	88	78	43

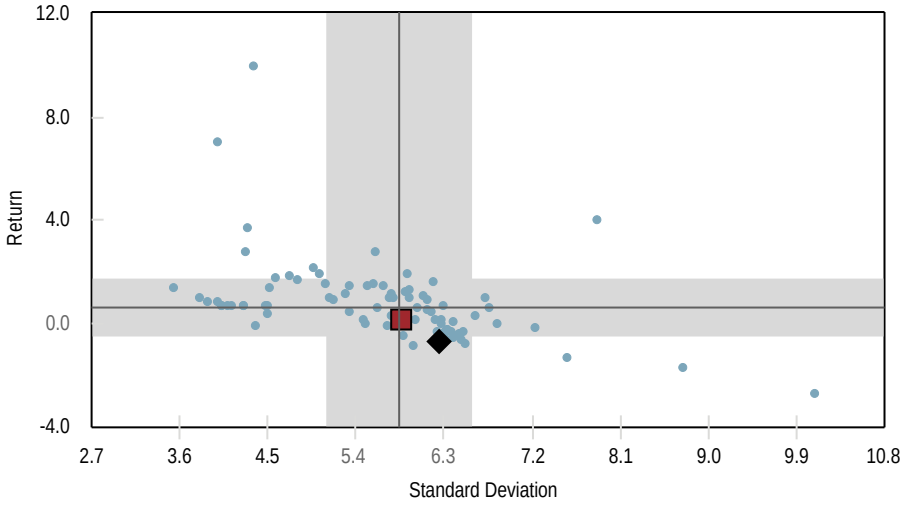
Core Fixed Income vs. InvMetrics Public All US Fixed Income



	1 Year	3 Years	4 Years	5 Years	7 Years	10 Years
● Core Fixed Income	0.86 (51)	1.13 (44)	1.08 (36)	1.05 (33)	1.21 (20)	1.09 (17)
5th Percentile	0.18	0.34	0.37	0.41	0.60	0.61
1st Quartile	0.36	0.73	0.82	0.92	1.37	1.31
Median	0.83	1.33	1.34	1.35	1.77	1.65
3rd Quartile	1.62	2.50	2.34	2.20	2.37	2.32
95th Percentile	2.93	3.25	3.25	3.10	4.01	5.70
Population	94	92	90	88	78	43

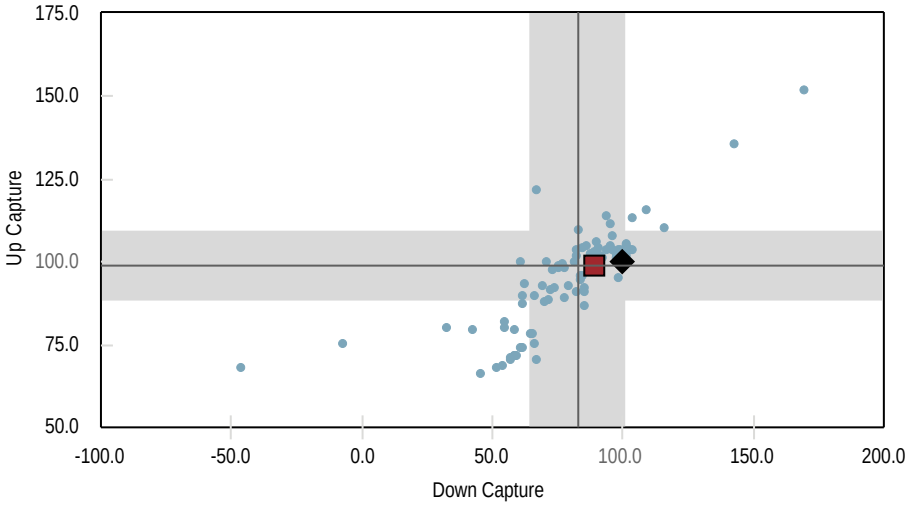
	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	R-Squared	Up Capture	Down Capture	Information Ratio	Tracking Error	Sharpe Ratio	Sortino Ratio
Core Fixed Income	5.9	0.8	0.9	1.0	98.6	89.3	0.8	1.1	-0.4	-0.5
Core Fixed Income Policy	*6.2*	*0.0*	*1.0*	*1.0*	*100.0*	*100.0*	-	*0.0*	*-0.5*	*-0.7*

Annualized Return vs. Annualized Standard Deviation



	Return	Standard Deviation
Core Fixed Income	0.18	5.87
Core Fixed Income Policy	-0.66	6.24
Median	0.67	5.85
Population	88	88

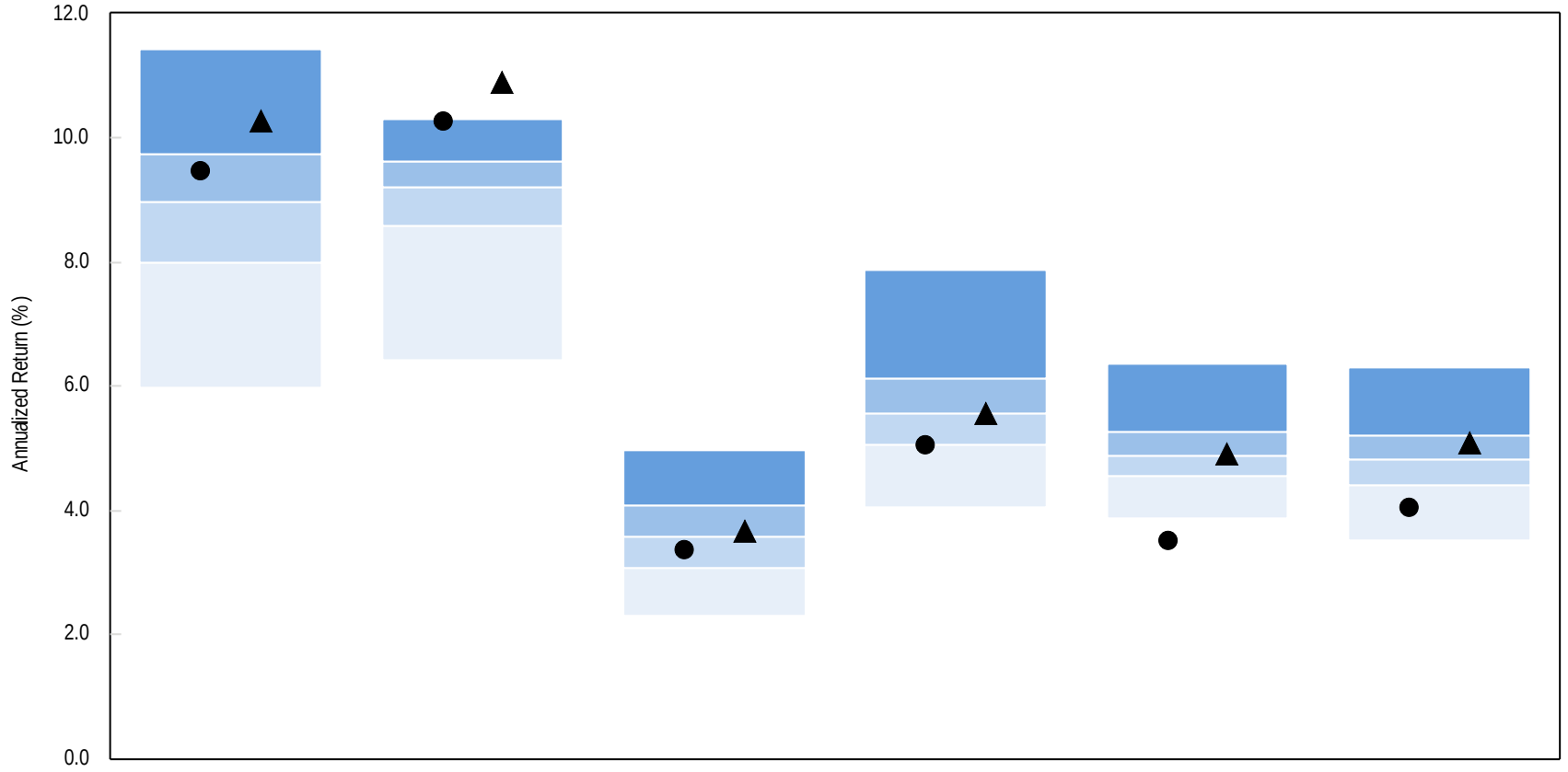
Up Capture vs. Down Capture



	Up Capture	Down Capture
Core Fixed Income	98.64	89.32
Core Fixed Income Policy	100.00	100.00
Median	99.13	82.66
Population	88	88

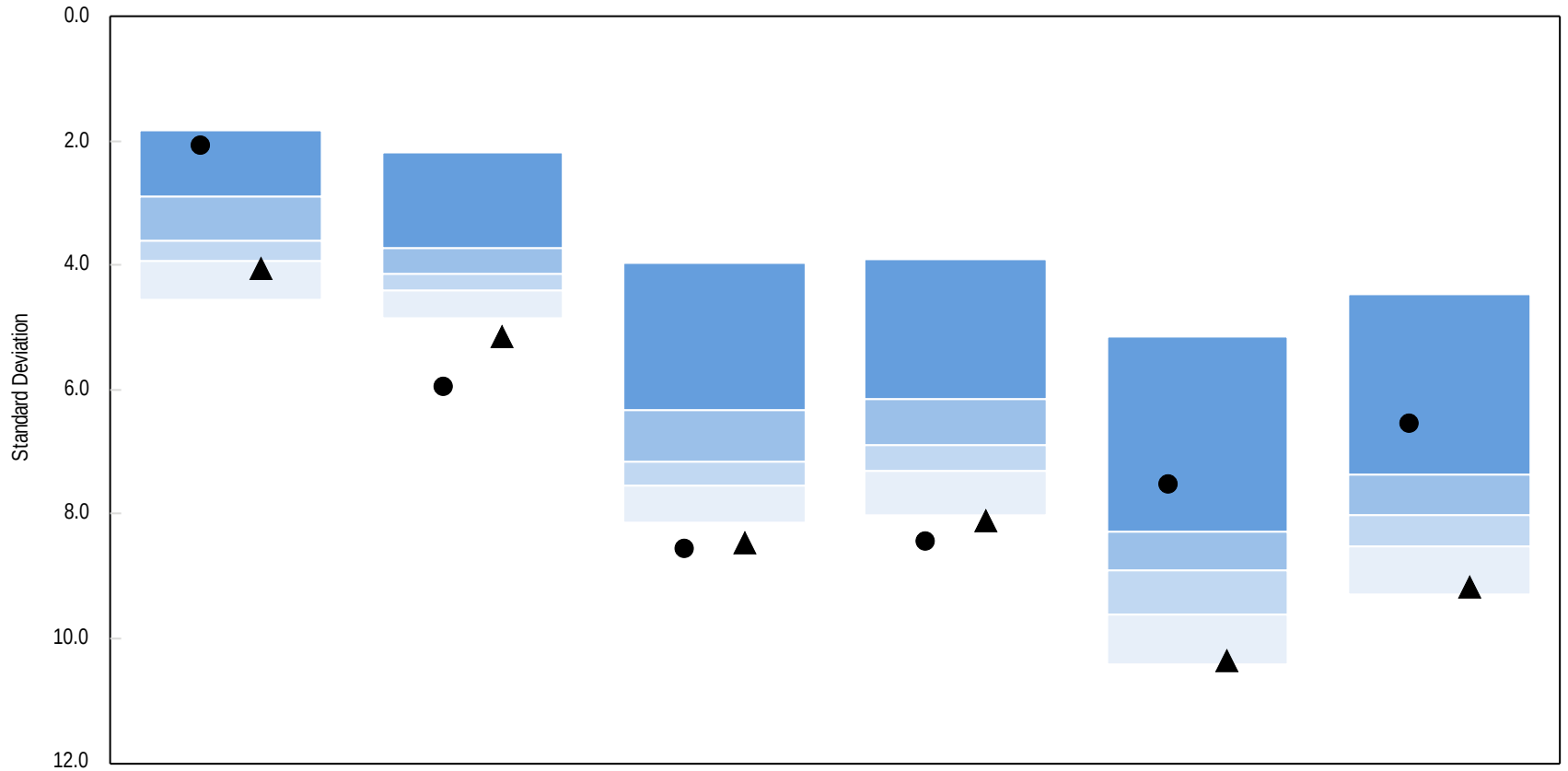
Liquid Credit

IM U.S. High Yield Bonds (SA+CF) Net Return Comparison



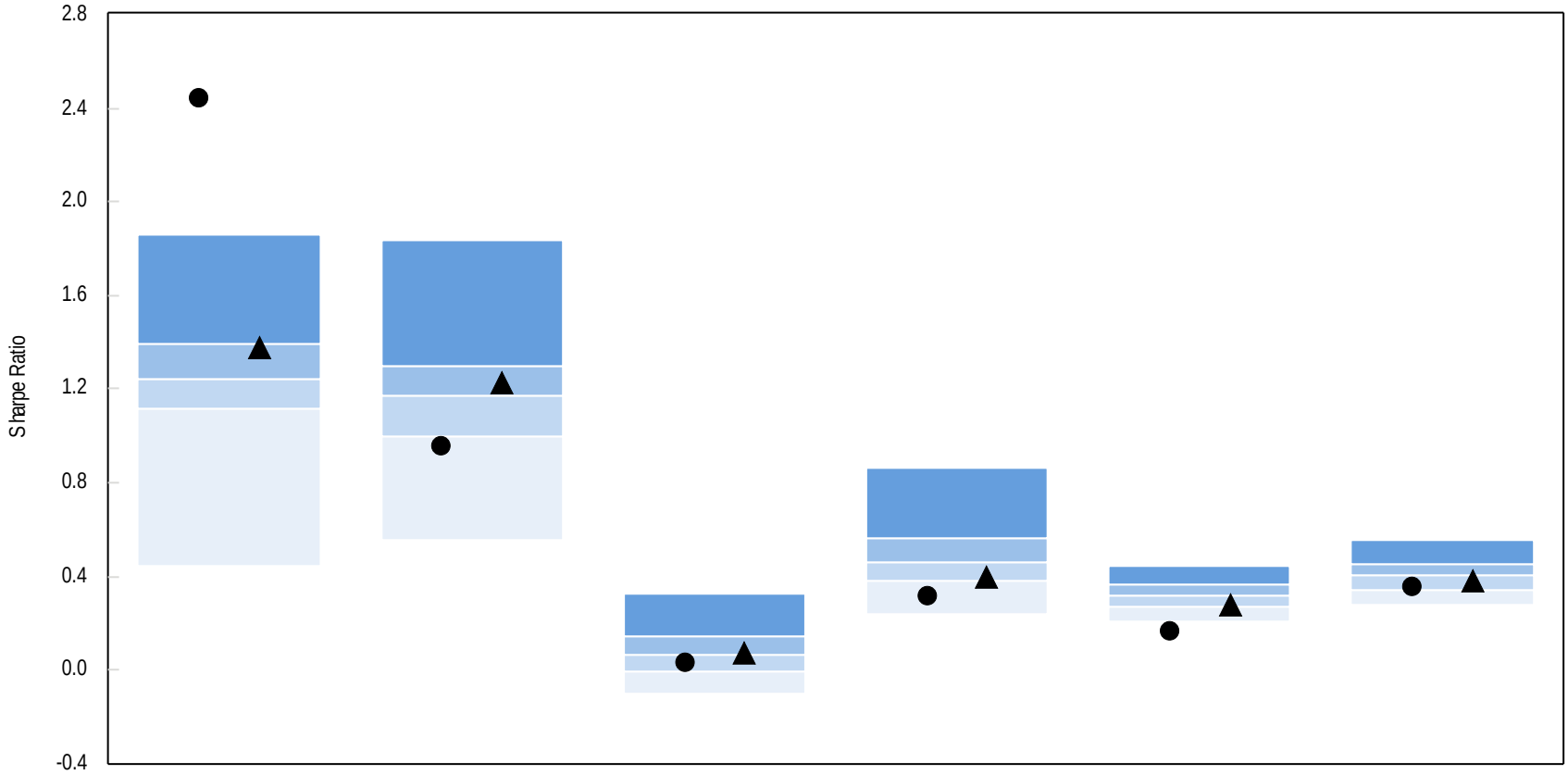
	1 Year	3 Years	4 Yrs	5 Years	7 Yrs	10 Years
● Liquid Credit	9.49 (37)	10.27 (6)	3.37 (64)	5.06 (76)	3.52 (97)	4.07 (86)
▲ Liquid Credit Policy	10.29 (13)	10.92 (4)	3.66 (45)	5.58 (49)	4.91 (49)	5.08 (27)
5th Percentile	11.43	10.31	4.97	7.88	6.37	6.32
1st Quartile	9.74	9.64	4.09	6.14	5.27	5.21
Median	8.97	9.21	3.58	5.56	4.88	4.83
3rd Quartile	7.99	8.59	3.09	5.07	4.56	4.43
95th Percentile	5.98	6.42	2.32	4.05	3.87	3.52
Population	150	147	144	142	135	123

IM U.S. High Yield Bonds (SA+CF) Standard Deviation Comparison



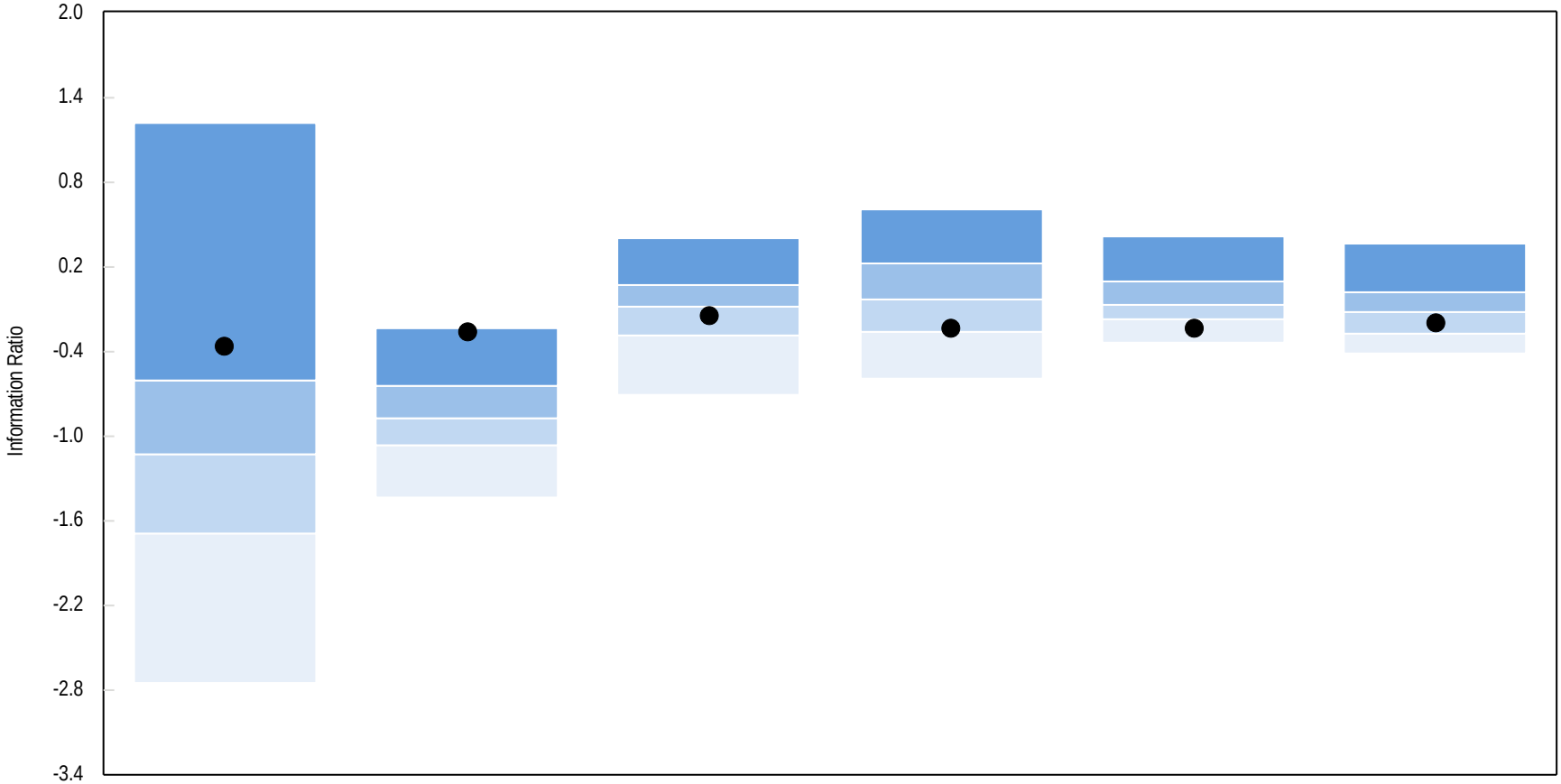
	1 Year	3 Years	4 Yrs	5 Years	7 Yrs	10 Years
● Liquid Credit	2.07 (9)	5.96 (100)	8.57 (98)	8.44 (98)	7.53 (13)	6.54 (14)
▲ Liquid Credit Policy	4.06 (79)	5.16 (97)	8.48 (98)	8.12 (96)	10.36 (94)	9.17 (93)
5th Percentile	1.82	2.19	3.96	3.91	5.15	4.46
1st Quartile	2.92	3.72	6.35	6.15	8.29	7.37
Median	3.62	4.16	7.16	6.90	8.91	8.04
3rd Quartile	3.94	4.41	7.55	7.31	9.64	8.54
95th Percentile	4.56	4.85	8.15	8.02	10.42	9.31
Population	150	147	144	142	135	123

IM U.S. High Yield Bonds (SA+CF) Sharpe Ratio Comparison



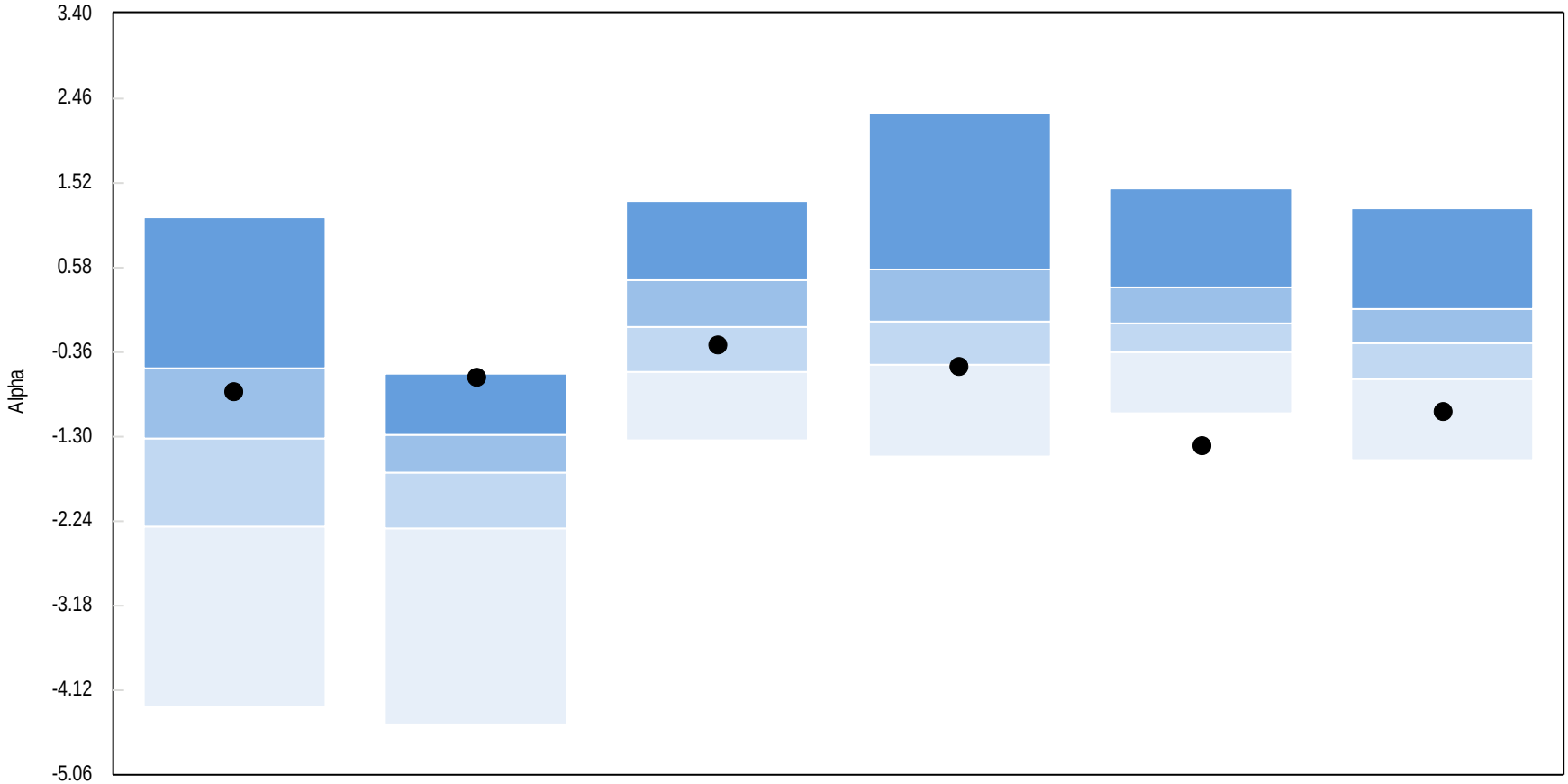
	1 Year	3 Years	4 Yrs	5 Years	7 Yrs	10 Years
● Liquid Credit	2.44 (1)	0.96 (82)	0.04 (60)	0.32 (91)	0.17 (97)	0.36 (72)
▲ Liquid Credit Policy	1.38 (29)	1.23 (35)	0.07 (45)	0.39 (69)	0.28 (71)	0.38 (66)
5th Percentile	1.86	1.83	0.33	0.87	0.45	0.56
1st Quartile	1.39	1.30	0.15	0.56	0.37	0.46
Median	1.25	1.17	0.06	0.46	0.32	0.41
3rd Quartile	1.11	1.00	-0.01	0.38	0.27	0.35
95th Percentile	0.45	0.56	-0.10	0.24	0.21	0.28
Population	150	147	144	142	135	123

IM U.S. High Yield Bonds (SA+CF) Information Ratio Comparison



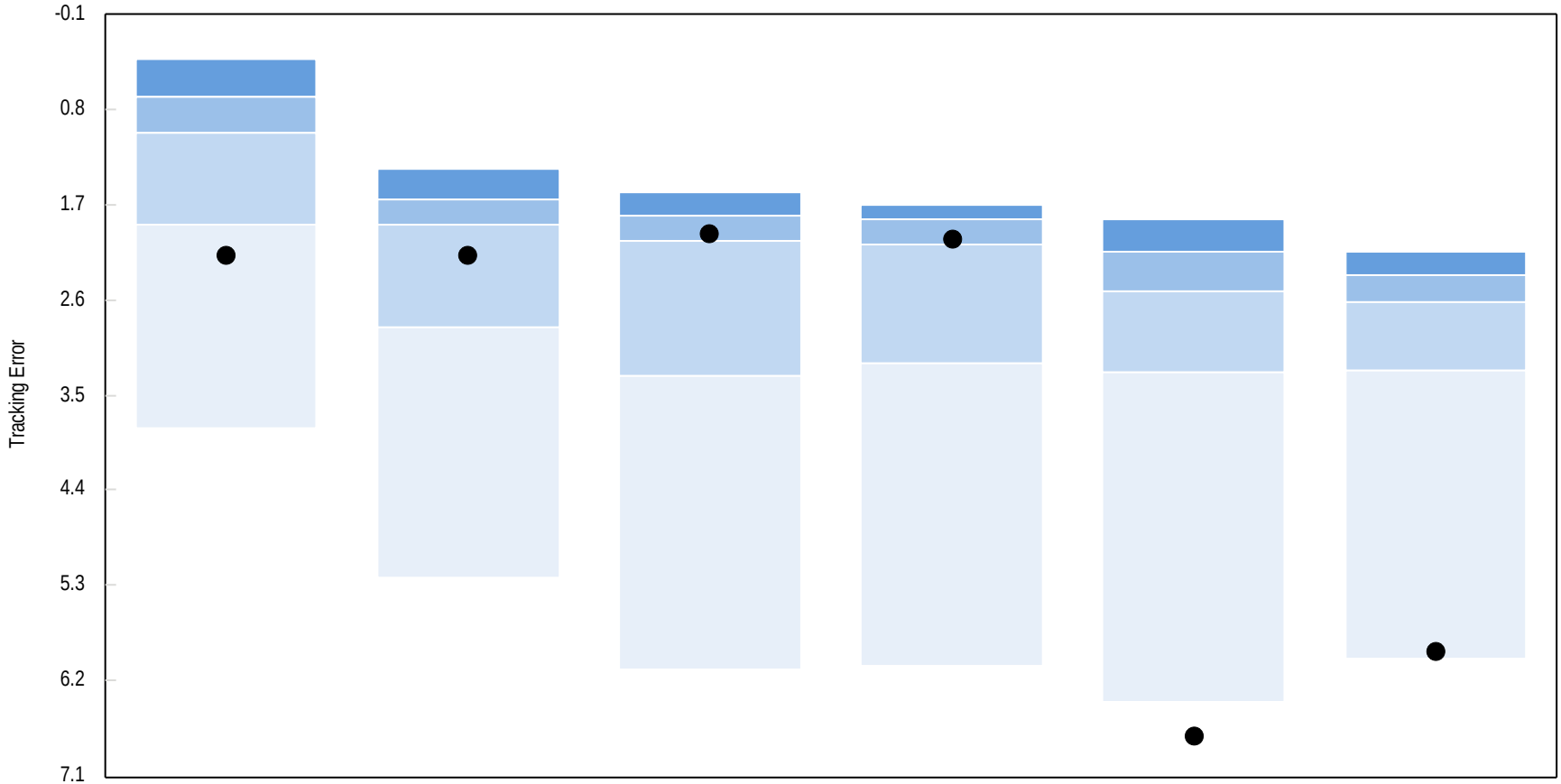
	1 Year	3 Years	4 Yrs	5 Years	7 Yrs	10 Years
● Liquid Credit	-0.37 (19)	-0.25 (6)	-0.14 (60)	-0.24 (70)	-0.24 (86)	-0.20 (64)
5th Percentile	1.22	-0.23	0.40	0.61	0.41	0.36
1st Quartile	-0.61	-0.64	0.08	0.22	0.09	0.01
Median	-1.13	-0.87	-0.08	-0.04	-0.07	-0.12
3rd Quartile	-1.69	-1.06	-0.29	-0.27	-0.18	-0.27
95th Percentile	-2.75	-1.44	-0.70	-0.59	-0.34	-0.41
Population	150	147	144	142	135	123

IM U.S. High Yield Bonds (SA+CF) Alpha Comparison



	1 Year	3 Years	4 Yrs	5 Years	7 Yrs	10 Years
● Liquid Credit	-0.79 (37)	-0.64 (6)	-0.29 (64)	-0.52 (76)	-1.39 (97)	-1.01 (86)
5th Percentile	1.15	-0.61	1.31	2.30	1.46	1.24
1st Quartile	-0.55	-1.27	0.43	0.57	0.36	0.12
Median	-1.31	-1.70	-0.08	-0.02	-0.03	-0.25
3rd Quartile	-2.30	-2.33	-0.57	-0.50	-0.35	-0.66
95th Percentile	-4.31	-4.50	-1.34	-1.53	-1.04	-1.56
Population	150	147	144	142	135	123

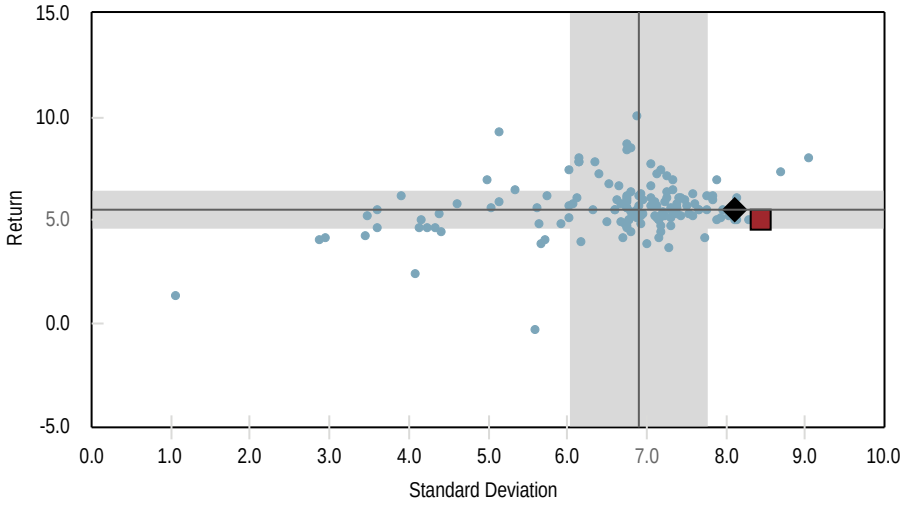
IM U.S. High Yield Bonds (SA+CF) Tracking Error Comparison



	1 Year	3 Years	4 Yrs	5 Years	7 Yrs	10 Years
● Liquid Credit	2.17 (81)	2.18 (67)	1.98 (45)	2.02 (45)	6.73 (97)	5.92 (94)
5th Percentile	0.33	1.36	1.58	1.70	1.84	2.15
1st Quartile	0.68	1.65	1.80	1.84	2.15	2.38
Median	1.02	1.89	2.05	2.08	2.53	2.62
3rd Quartile	1.89	2.86	3.32	3.20	3.28	3.26
95th Percentile	3.81	5.23	6.10	6.06	6.40	6.00
Population	150	147	144	142	135	123

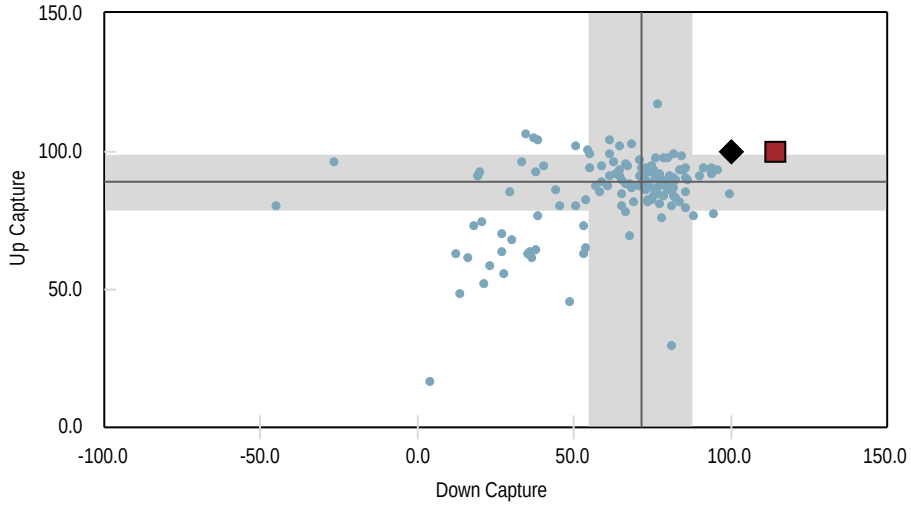
	Annualized Standard Deviation	Annualized Alpha	Annualized Beta	R-Squared	Up Capture	Down Capture	Information Ratio	Tracking Error	Sharpe Ratio	Sortino Ratio
Liquid Credit	7.9	-0.7	1.1	0.9	102.3	111.1	-0.2	2.1	0.3	0.5
Liquid Credit Policy	*7.3*	*0.0*	*1.0*	*1.0*	*100.0*	*100.0*	-	*0.0*	*0.4*	*0.6*

Annualized Return vs. Annualized Standard Deviation



	Return	Standard Deviation
Liquid Credit	5.06	8.44
Liquid Credit Policy	5.58	8.12
Median	5.56	6.90
Population	142	142

Up Capture vs. Down Capture



	Up Capture	Down Capture
Liquid Credit	100.25	114.16
Liquid Credit Policy	100.00	100.00
Median	88.81	71.29
Population	142	142

Private Equity

Private Equity and Private Credit Peer Review Summary

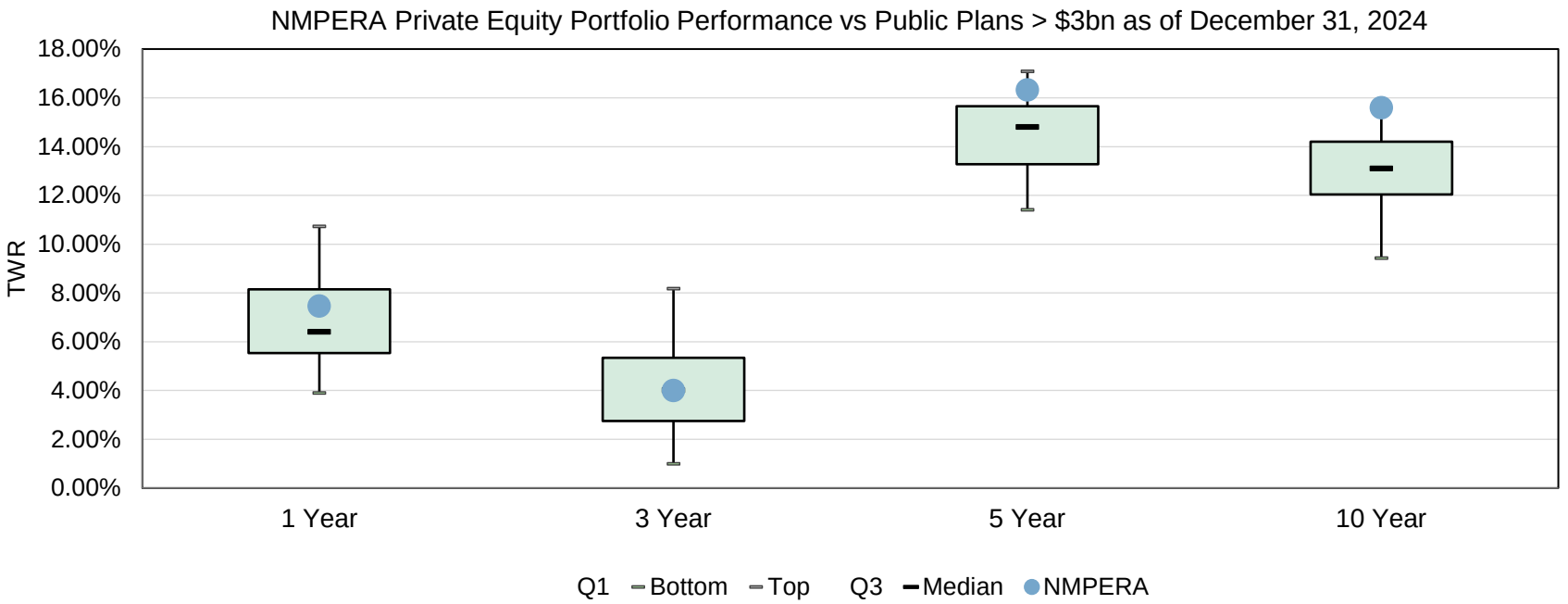
Private Equity

- For the 10-year return ending June 30, 2023, the American Investment Council ranks PERA's private equity returns #9 out of 200 Public pension plan peers
- PERA performance has exceeded the Cambridge benchmark over all time periods.
- Compared with the peer benchmark, PERA has been in the top quartile of performance over all periods one year and longer

Private Credit

- PERA's performance has exceeded the public benchmark but fallen below the aggregated performance of six comparable peers over 5, 10, and 15 years

Private Equity - Peer Universe Comparison

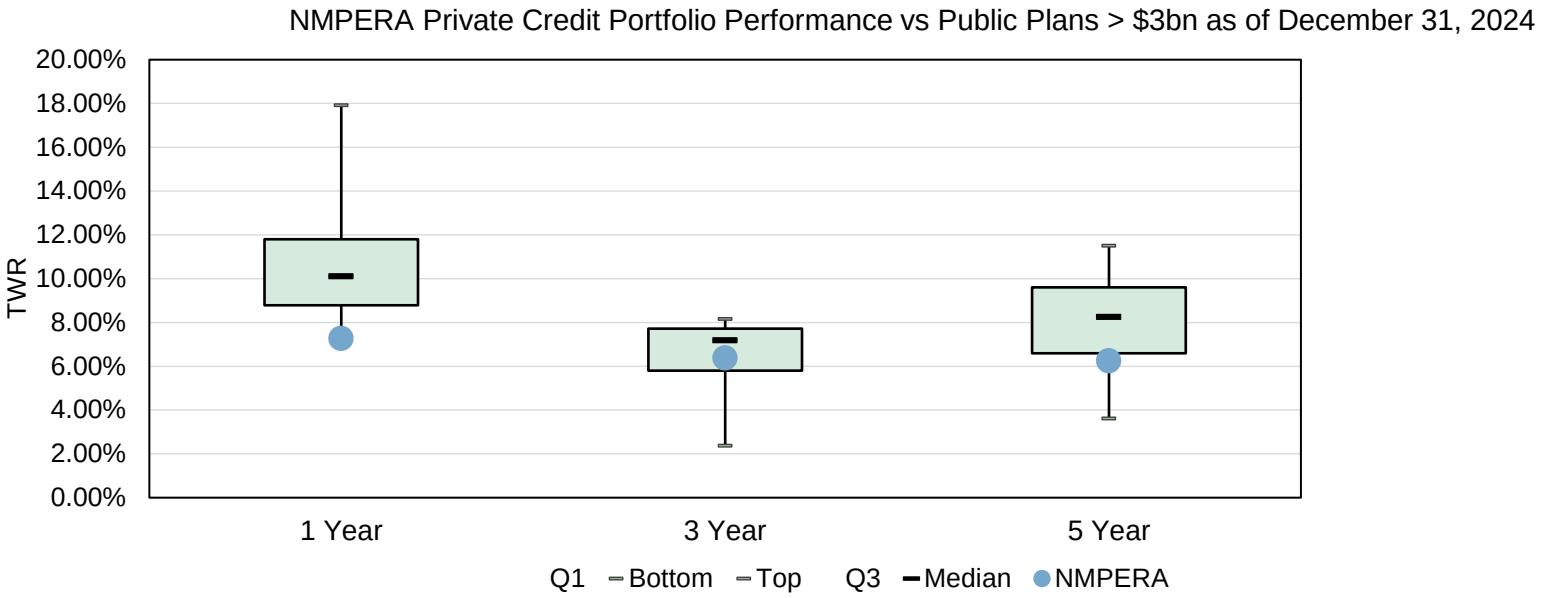


	1 Year	3 Year	5 Year	10 Year
Top	10.73%	8.17%	17.08%	15.79%
Q1	8.15%	5.34%	15.66%	14.20%
Median	6.40%	4.00%	14.80%	13.10%
Mean	6.94%	4.23%	14.35%	12.96%
Q3	5.54%	2.75%	13.28%	12.04%
Bottom	3.90%	0.99%	11.40%	9.42%
NMPERA	7.46%	3.99%	16.31%	15.59%

Peer analysis was performed as of December 31,2024, sample size: 19
Returns calculated based on the performance of Illiquid Assets for the respective time periods
Source: Publicly Available Data
Past performance is not indicative of future performance

Private Credit

Private Credit - Peer Universe Comparison



	1 Year	3 Year	5 Year
Top	17.92%	8.16%	11.50%
Q1	11.80%	7.72%	9.60%
Median	10.10%	7.18%	8.25%
Mean	11.29%	6.34%	7.99%
Q3	8.79%	5.80%	6.60%
Bottom	7.64%	2.36%	3.61%
NMPERA	7.27%	6.38%	6.25%

Peer analysis was performed as of December 31,2024, sample size: 9
10-year returns is excluded due to small sample size (< 5)
Returns calculated based on the performance of Illiquid Assets for the respective time periods
Source: Publicly Available Data
Past performance is not indicative of future performance

Real Assets & Real Estate

Private Real Assets and Real Estate Peer Review Summary

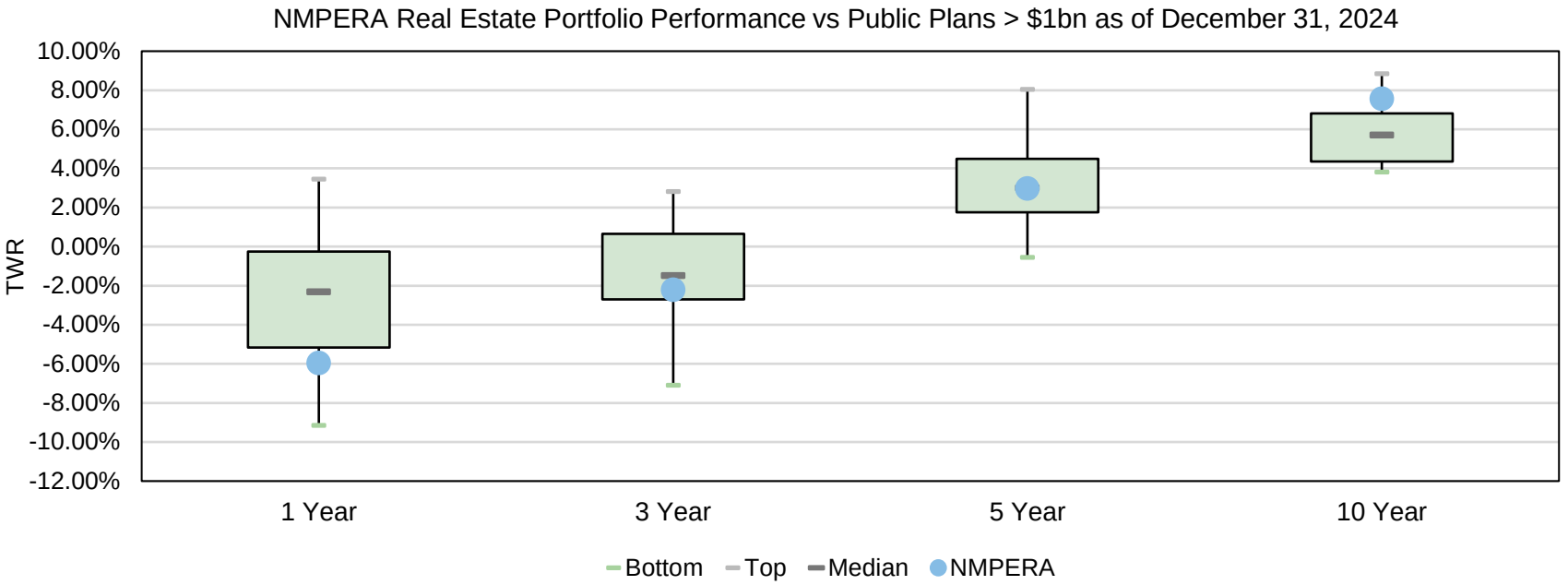
Real Assets

- PERA performance exceeded the peer benchmark median return over all time periods.
- Compared with the peer benchmark, PERA has generated top quartile performance over all periods.

Real Estate

- Through 2024Q2 PERA performance has exceeded the peer benchmark median return over 1, 5 and 10-years, and is broadly in line over 3-years.
- Compared with the peer benchmark, PERA has generated top quartile performance over 10-years, and 2nd quartile performance over 1 and 5 years.

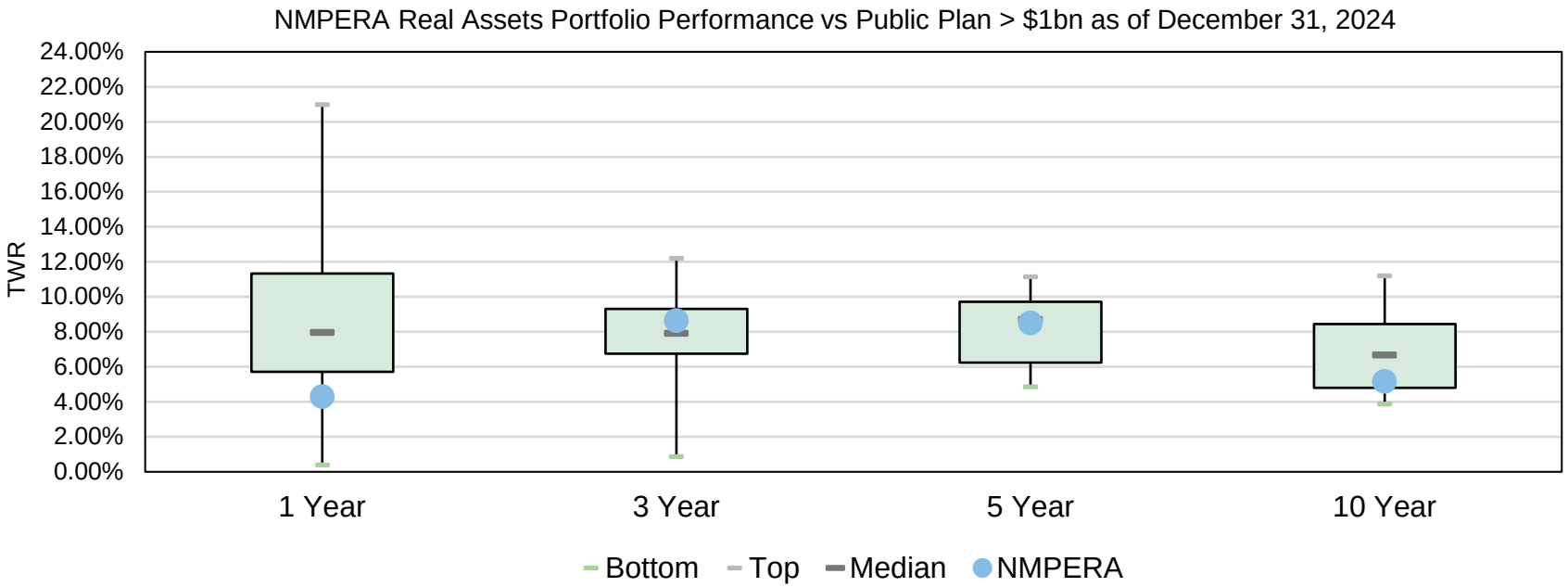
Real Estate Peer Universe Comparison



	1 Year	3 Year	5 Year	10 Year
Top	3.46%	2.81%	8.04%	8.85%
Q1	-0.26%	0.65%	4.50%	6.82%
Median	-2.33%	-1.50%	2.99%	5.70%
Mean	-2.62%	-1.28%	3.25%	5.95%
Q3	-5.17%	-2.70%	1.75%	4.35%
Bottom	-9.15%	-7.10%	-0.55%	3.81%
NMPERA	-5.97%	-2.22%	2.97%	7.56%

Peer analysis was performed as of December 31,2024, sample size: 32
Source: Publicly Available Data
Past performance is not indicative of future performance

Real Assets Peer Universe Comparison



	1 Year	3 Year	5 Year	10 Year
Top	20.98%	12.19%	11.14%	11.19%
Q1	11.33%	9.31%	9.73%	8.45%
Median	7.95%	7.90%	8.70%	6.67%
Mean	8.80%	7.31%	8.05%	7.02%
Q3	5.71%	6.75%	6.24%	4.80%
Bottom	0.39%	0.87%	4.85%	3.87%
NMPERA	4.29%	8.64%	8.49%	5.16%

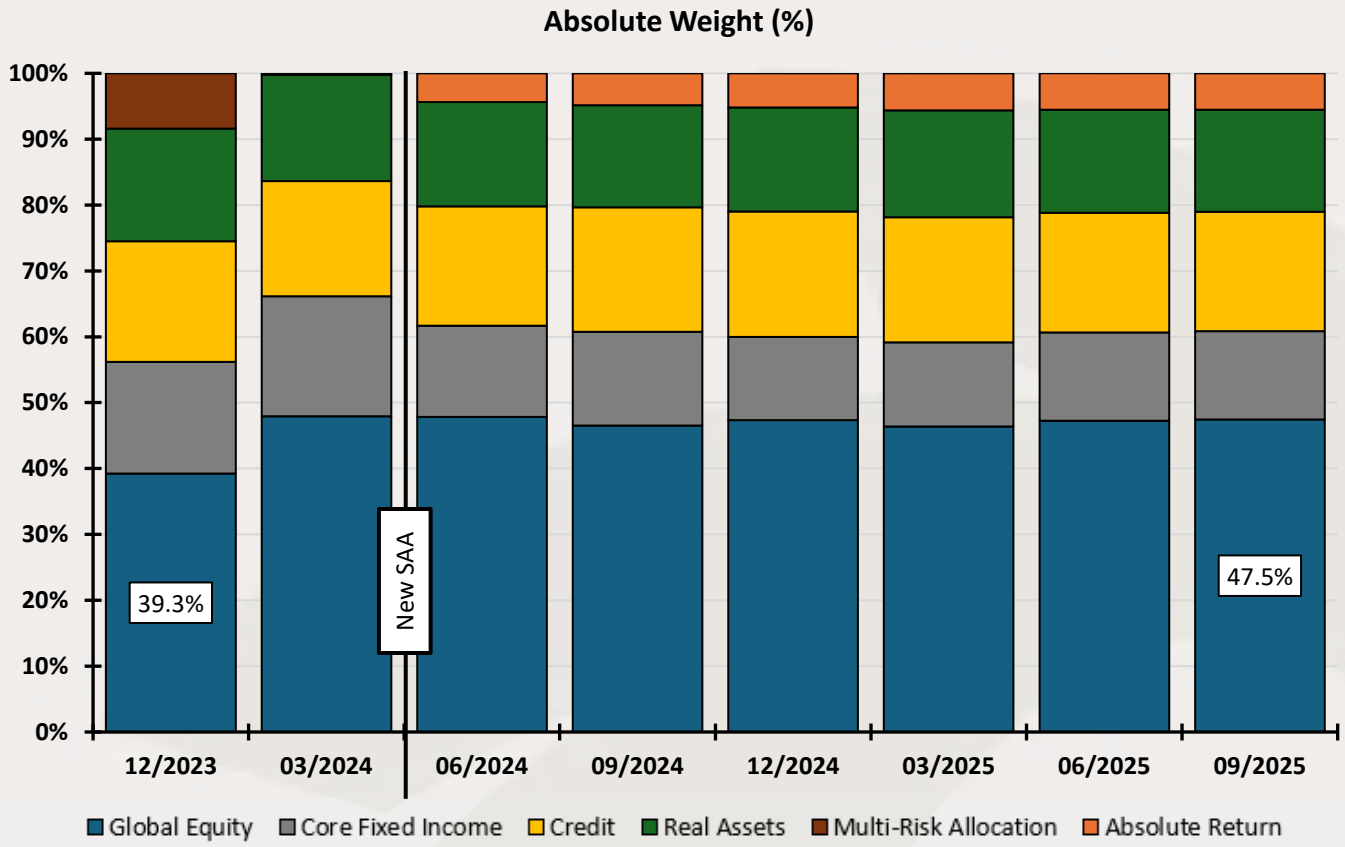
Peer analysis was performed as of December 31,2024, sample size: 22
7 of 22 peers do not have 10-yr return history
Source: Publicly Available Data
Past performance is not indicative of future performance

Investment Risk Report

Andrew Turner, Senior Portfolio Manager

December 9, 2025

Asset Allocation Trend



Content Overview

The chart presents the market value of each asset class listed in the Investment Policy Statement (IPS) as a percentage of Total Fund market value.

Why It Matters

Studies show that over 90% of the variation in portfolio returns over the long-term are driven by Strategic Asset Allocation (SAA) decisions. As such, the ability of the Total Fund to meet its target return (7.25%) is largely dependent on the SAA selected.

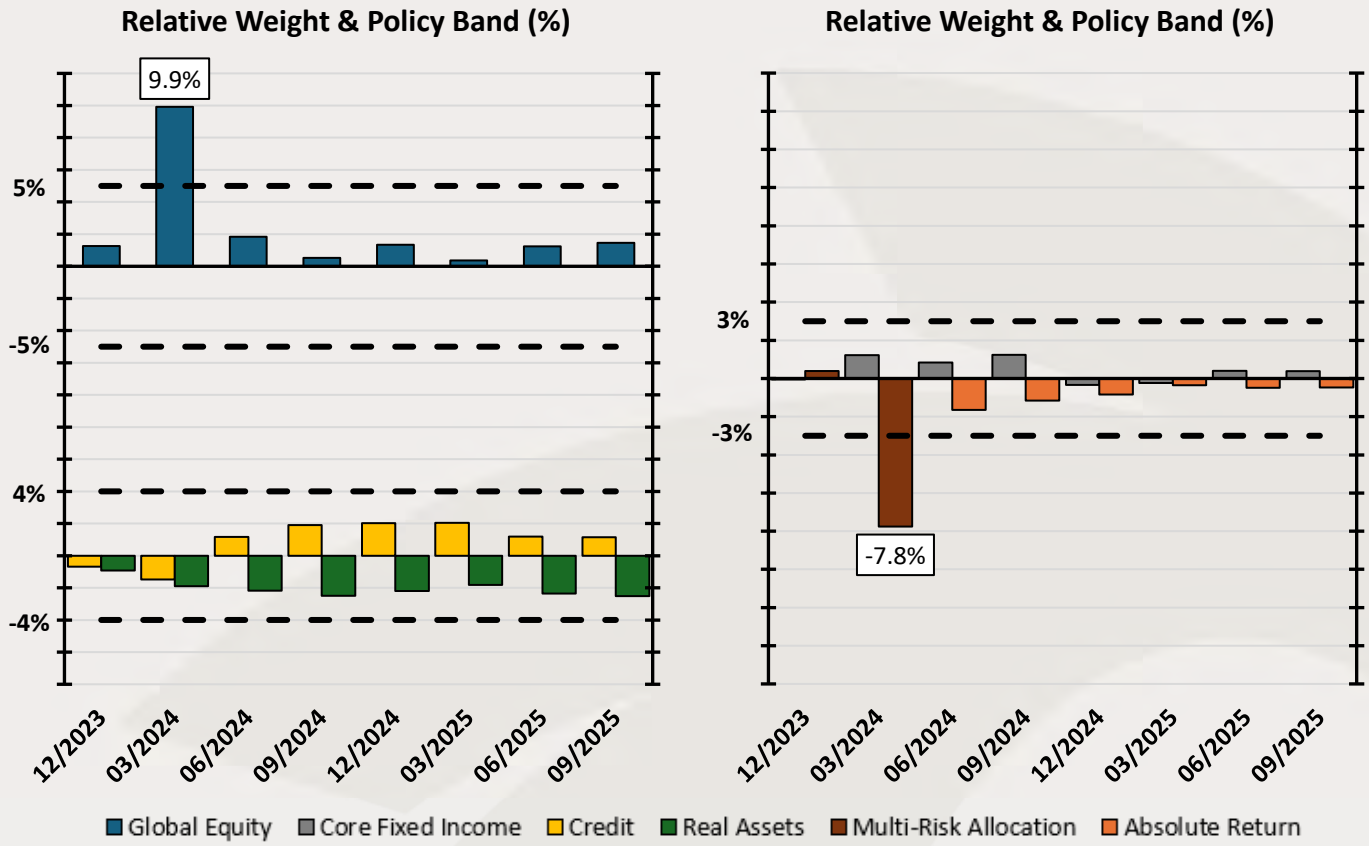
Takeaway: Global Equity is a significant driver of Total Fund returns and exposure to this asset class increased in the most recent SAA.

Footnote: The Global Equity bucket previously included Global Low Volatility Equity. The Core Fixed Income bucket was previously called the Risk Reduction & Mitigation bucket, included Bonds Plus, and includes Cash. The Credit bucket was previously called the Credit Oriented Bucket.

Source(s): Bank of New York Mellon (BNY)

PERA

Asset Allocation Weight vs. Target



Content Overview

The charts present the active weight of the Global Equity, Core Fixed Income, Credit, Real Assets, Multi-Risk Allocation, and Absolute Return buckets against their respective policy band.

Why It Matters

Outside of selecting an SAA to meet the Total Fund's target return, secondary importance is adherence through rebalancing. Asset class weights relative to IPS policy bands are monitored to ensure the stated objectives of the Total Fund are met.

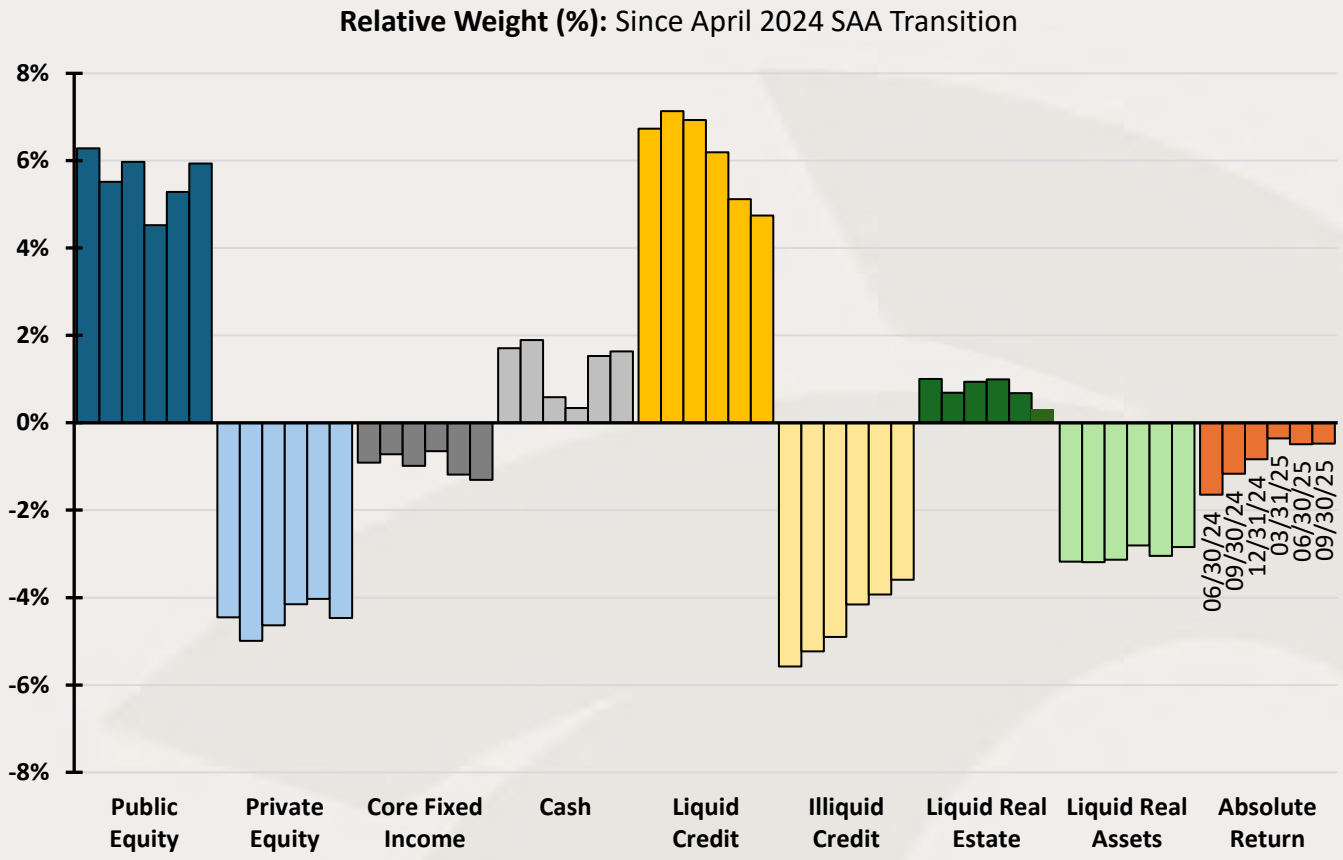
Takeaway: Policy band breaches by Global Equity and Absolute Return were temporary and related to SAA transition/timing effects.

Footnote: The Global Equity bucket previously included Global Low Volatility Equity. The Core Fixed Income bucket was previously called the Risk Reduction & Mitigation bucket, included Bonds Plus, and includes Cash. The Credit bucket was previously called the Credit Oriented Bucket.

Source(s): BNY

PERA

Sub-Asset Class Relative Weight Trend



Content Overview

The chart presents the percentage market value of each sub-asset class relative to its target. An overweight (OW) is represented by a positive number and an underweight (UW) is represented by a negative number.

Why It Matters

Commitments made to private markets are appropriately paced to avoid risks such as vintage concentration. Additionally, GP capital deployment is subject to factors including the market environment and opportunity set.

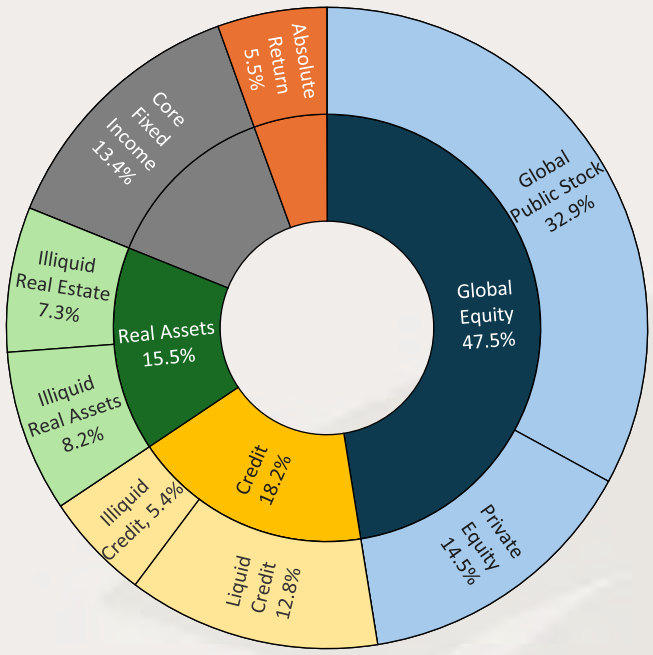
Takeaway: Given exposure to similar return drivers, public market OWs act to mitigate risks associated with private market UWs.

Footnote: While sub-asset class targets are not included in the IPS, they can be found in Verus' *Strategic Asset Allocation Policy Recommendation and Liquidity Risk Assessment* presentation made on December 12, 2023.

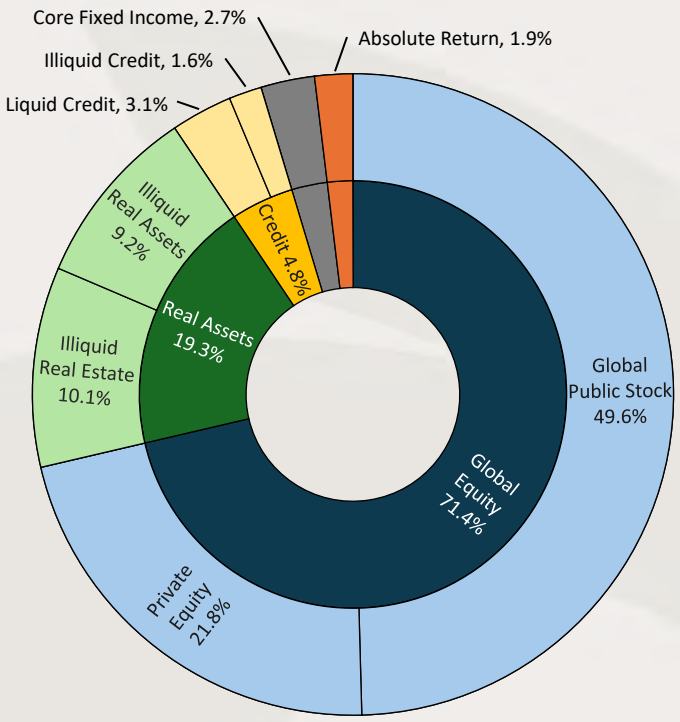
Source(s): BNY

Capital Allocation vs. Risk Allocation

Market Value (%)



Ex-Ante Risk Contribution (%)



Content Overview

The charts present the Total Fund's capital allocation (measured by market value) versus risk allocation (measured by ex-ante risk contribution) as of the end of Sept. 2025.

Why It Matters

Capital allocation does not translate 1-for-1 to risk allocation as each asset class is subject to different levels of volatility (i.e., risk or standard deviation of returns) and degrees of correlations to one another. Diversification acts to balance drivers of Total Fund volatility.

Takeaway: Global Equity is the largest driver of Total Fund volatility (i.e., risk), but far less than that of a traditional 60/40 approach.

Footnote: As of September 30, 2025. Ex-ante risk contribution is calculated using Bloomberg's Global Multi-Asset Risk Model. Sub-asset class exposure is modeled using proxies selected by Verus.

Source(s): Bloomberg, BNY, Verus

PERA

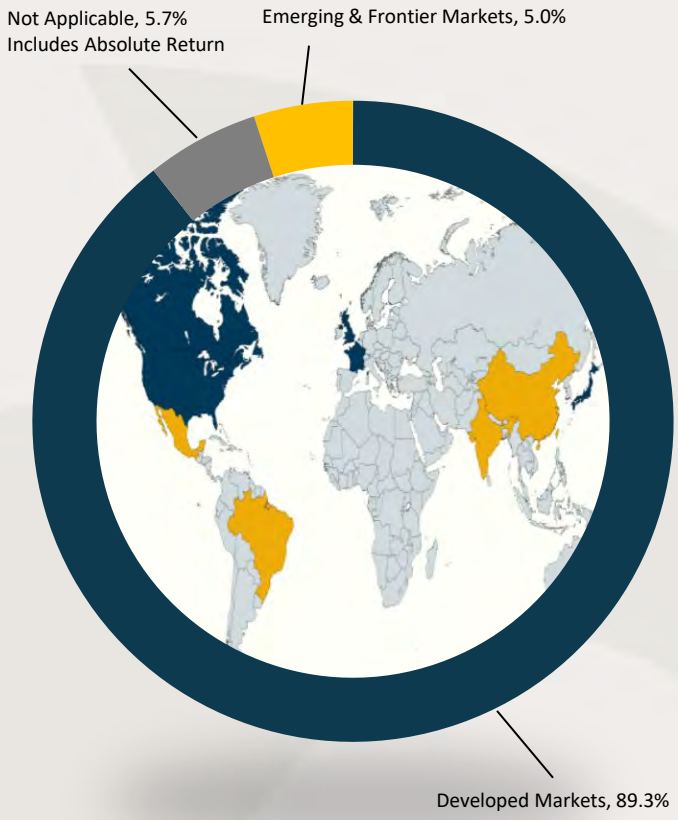
Geographic Exposure

Developed Markets

Top 5 Countries	% of Total Fund
United States	67.7%
United Kingdom	4.4%
Canada	2.2%
Japan	2.1%
France	1.9%

Emerging & Frontier Markets

Top 5 Countries	% of Total Fund
Taiwan	0.8%
India	0.8%
Brazil	0.7%
China	0.5%
Mexico	0.5%



Content Overview

The table and chart present underlying country exposure as a percentage of Total Fund market value, broken out by developed and emerging markets.

Why It Matters

Exposure outside of the United States can be subject to different regulation and unique geopolitical risks, specifically emerging market countries. As such, it is important to stay abreast of country exposures and the current state of geopolitics.

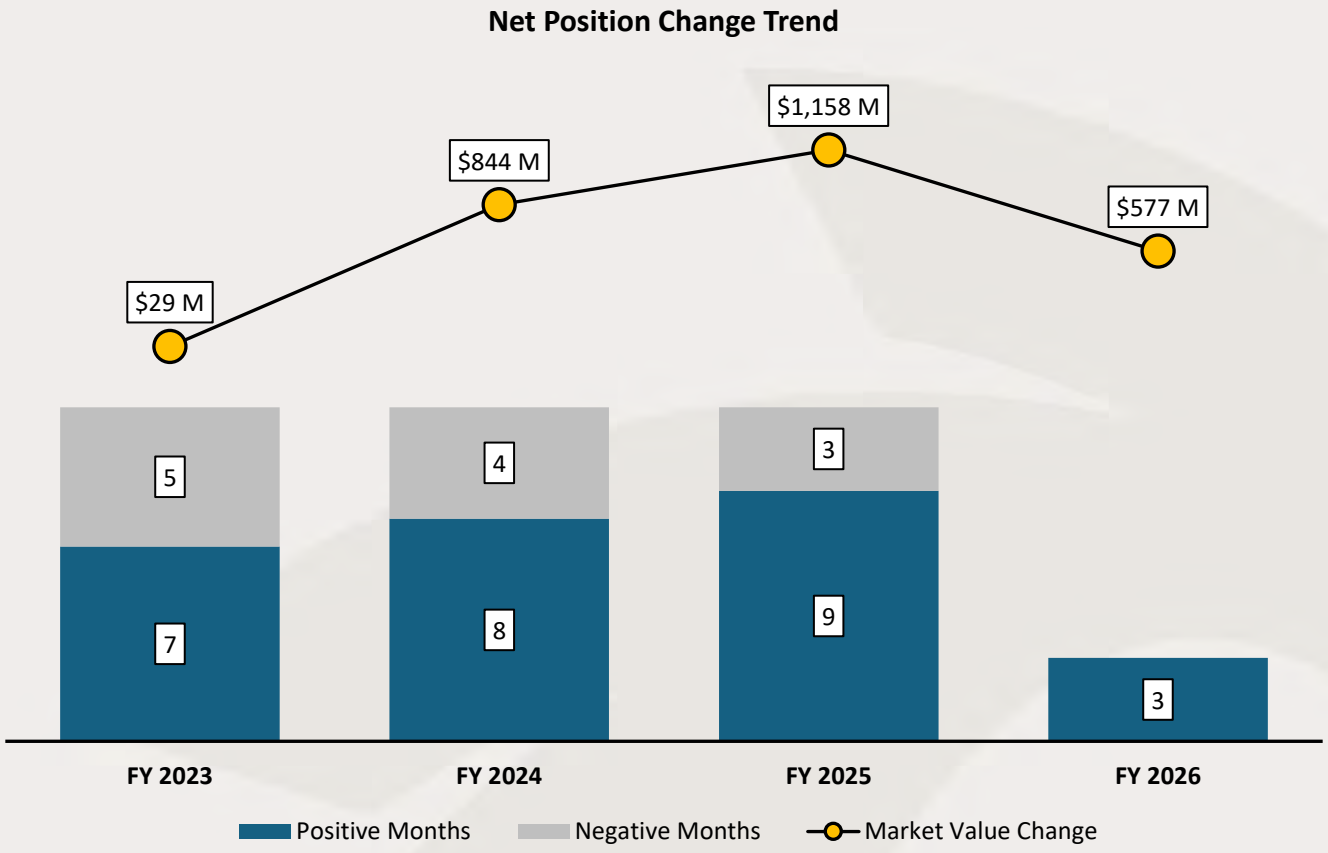
Takeaway: Exposure to China is low due to the implementation of Global Equity (both public and private) being ex-China/Hong Kong.

Footnote: As of September 30, 2025. The MSCI ACWI IMI Index includes 23 developed and 24 emerging market countries as of September 30, 2025. The rationale for the exclusion of China can be found in Verus' *China Exclusion vs. Inclusion Discussion* presentation made on March 28, 2024.

Source(s): Caissa (MSCI)

PERA

Total Fund Growth



Content Overview

The chart presents the change in market value of the Total Fund and the directional frequency of monthly returns for each of the last four fiscal years.

Why It Matters

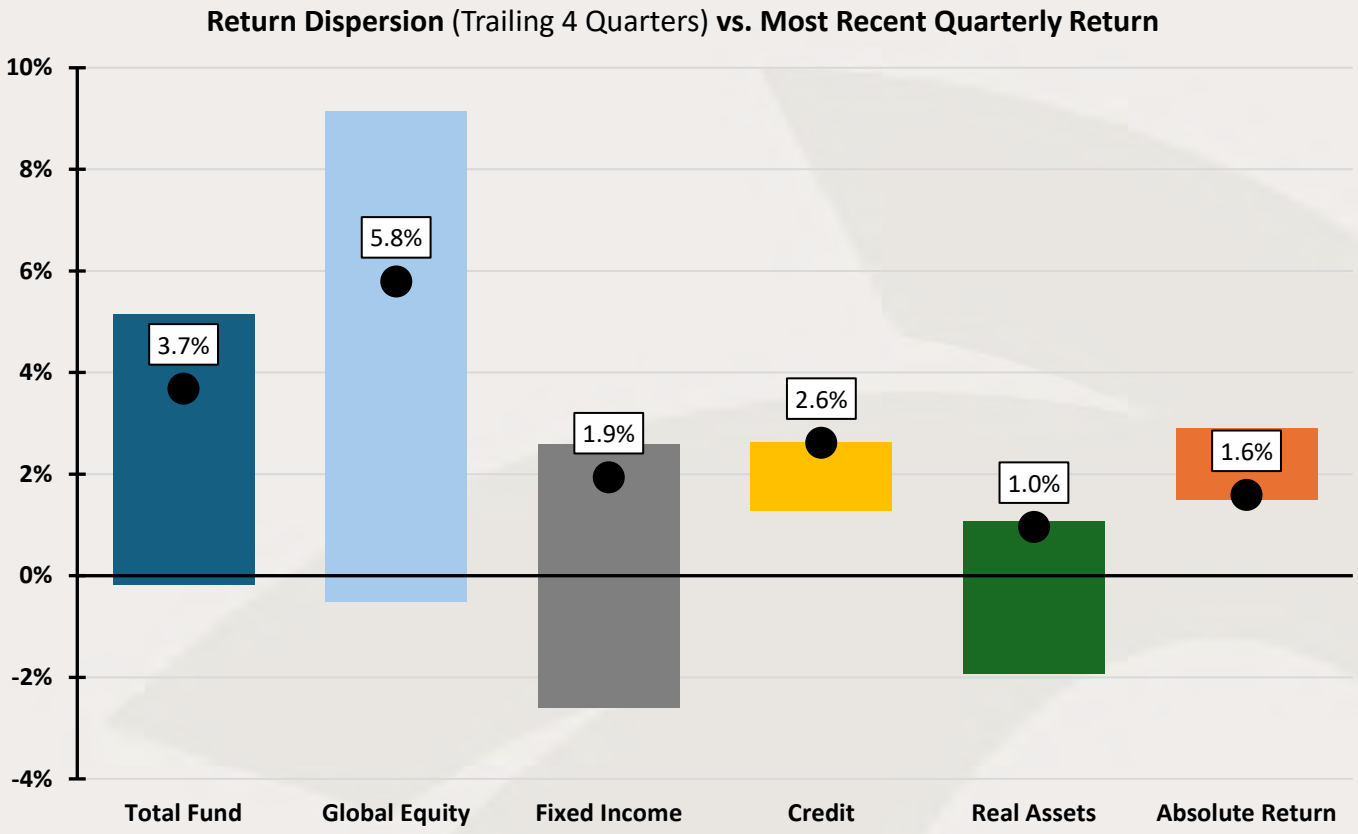
The ability to grow Total Fund market value is largely dependent on the performance of the SAA in the resulting market environment and the ability to generate investment gains that exceed benefit payments to PERA retirees.

Takeaway: Driven by SAA positioning and favorable markets, the Total Fund is halfway to its target return (7.25%) for fiscal year 2026.

Footnote: The Total Fund net position change represents investment gains/losses less net cash outflows (which includes benefit payments). Total Fund return for FY 2024 and 2025 was 8.66% and 9.68%, respectively.

Source(s): BNY, Verus

Asset Class Dispersion



Content Overview

The chart presents the return dispersion (lowest vs. highest quarterly return) for the Total Fund and each asset class, along with the most recent quarterly return.

Why It Matters

Higher dispersion directly translates into higher volatility. It is valuable to monitor asset class dispersion, resulting deviations vs. expectations, and the key drivers of such. Additionally, with dispersion comes rebalancing opportunities.

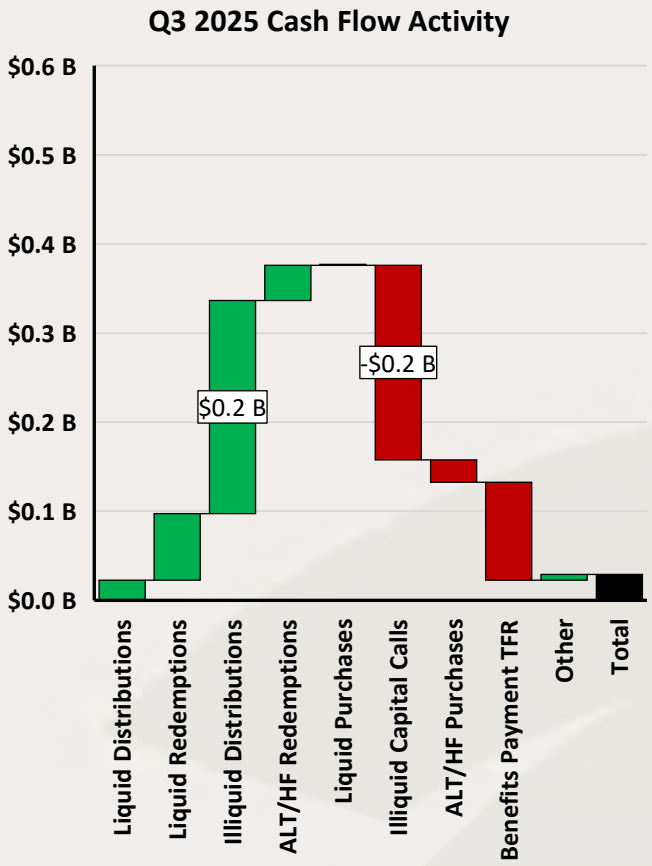
Takeaway: Return dispersion will vary by asset class and can change within an asset class as the economy or market changes.

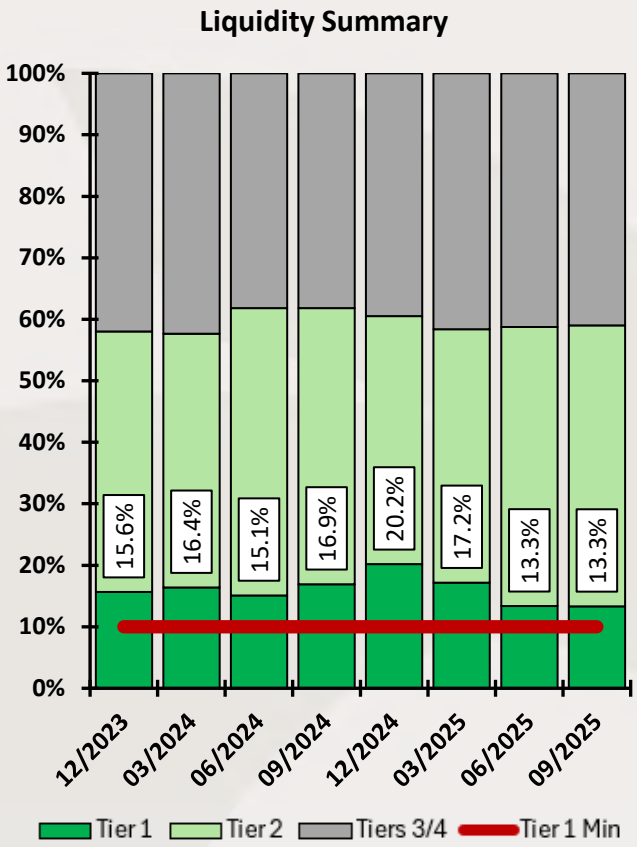
Footnote: As of September 30, 2025.

Source(s): Verus

PERA

Rebalancing Activity & Total Fund Liquidity





Content Overview

The charts present a summary of cash flow activity for the most recent quarter and summary of Total Fund liquidity over the last two years.

Why It Matters

Liquidity guidelines in the IPS require Tier 1 assets to remain above 10%. Tier 1 assets are expected to be able to be liquidated in 1-5 days and include Core Fixed Income and Cash. Tier 2 assets (Global Public Stock and Liquid Credit) provide additional sources of Total Fund liquidity.

Takeaway: Tier 1 liquidity (13.3%) remains strong, and cash flow activity largely relates to illiquid distributions and capital calls.

Footnote: As of September 30, 2025. Cash flow activity is representative of inflows and outflows, not investment gains/losses.

Source(s): BNY

PERA

NEW MEXICO PERA – PRIVATE EQUITY

Portfolio Performance Review

2Q 2025

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Index data from Kenneth R French are taken from http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html

Automated Primary Premia ("APP") indices are composite indices. However, the index "APP Commodities Beta" contains only one constituent, which means that its returns are identical to those of the index "BBG Commodity TR" (BCOMTR), provided by Bloomberg Index Services Limited ("BISL").

GBP Risk-Free Rate (RFR) is a temporally composite index comprised of GBP 3M LIBOR (BP0003M Index) from Feb 1987 (inclusive) to Oct 2008 (inclusive), and UK Generic T Bills 3M (UKGTB3M Index) from Nov 2008 (inclusive) onwards.

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Portfolio Performance Notes

- Returns calculated by Albourne
- Vintage is defined as the year of the first capital call
- Weighted Duration (Years) is defined as:

Duration for Group i:

$$= \sum_{j \in Group\ i} \left(\frac{Termination\ Date\ or\ Latest\ Quarter\ Date_j - Inception\ Date_j}{365.25} \times \frac{Commitment_j}{Total\ Commitments\ of\ Group\ i} \right)$$

Where:
- **Inception Date** = Date of first capital call for constituent j.
- **Termination Date or Latest Quarter Date** = End date for constituent j.
- **365.25** accounts for leap years (average days per year).
- **Commitment** = Adjusted Current Commitment

- Modified Dietz TWR: $rModDietz = \frac{(V1 - V0 - CF)}{V0 + \sum_{i=1}^{n}(CFi \times Wi)}$

Where:
- $\boldsymbol{V_1}$ = full fair value of the portfolio (including accrued income) at the end of the period
- $\boldsymbol{V_0}$ = full fair value of the portfolio (including accrued income) at the beginning of the period
- $\boldsymbol{CF} = \sum C\ F_i$ = sum of each cash flow weighted by its time factor
- $\sum_{i=1}^{n}(\boldsymbol{CFi\ x\ Wi})$= sum of each cash flow weighted by its time factor
- $\boldsymbol{w_i} = \frac{CD - D_i}{CD}$ = weight for each cash flow
  - $\boldsymbol{CD}$= total number of calendar days in the period
  - $\boldsymbol{D_i}$ =number of days from the start of the period to the date of cash flow CF_i

- 'Other' funds include: Altaris Constellation Partners IV, H&F Arrow 1, L.P, Samson Brunello 1, Samson Hockey 1, L.P, Samson Shield I, L.P, H&F Spock 1, Patriot SP
- 'Client Specific' funds include: NM PERA Pinebridge Passport Fund I, NM PERA - RCP Small and Emerging Manager

Portfolio Overview



Inception	2006
Total Commitments ($M)	4,941.54
No. of Commitments	97
% Contributed	65.8%
Average age (years)	4.04
No. of Managers	41
Since Inception Net IRR	14.27%
TVPI	1.71

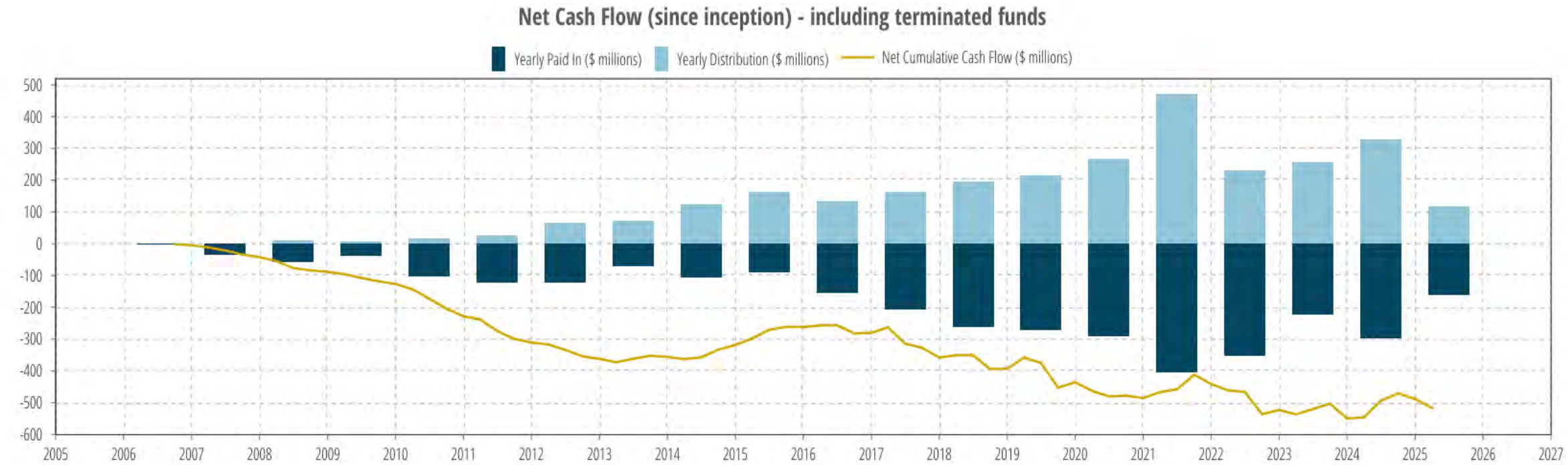
- Total commitments are Paid Ins + Unfunded where:

Unfunded = Adjusted Current Commitment - (Cumulative Paid In - Outside of Commitment) + Recallables
Adjusted Current Commitment = Primary Commitment + Commitment Adjustments

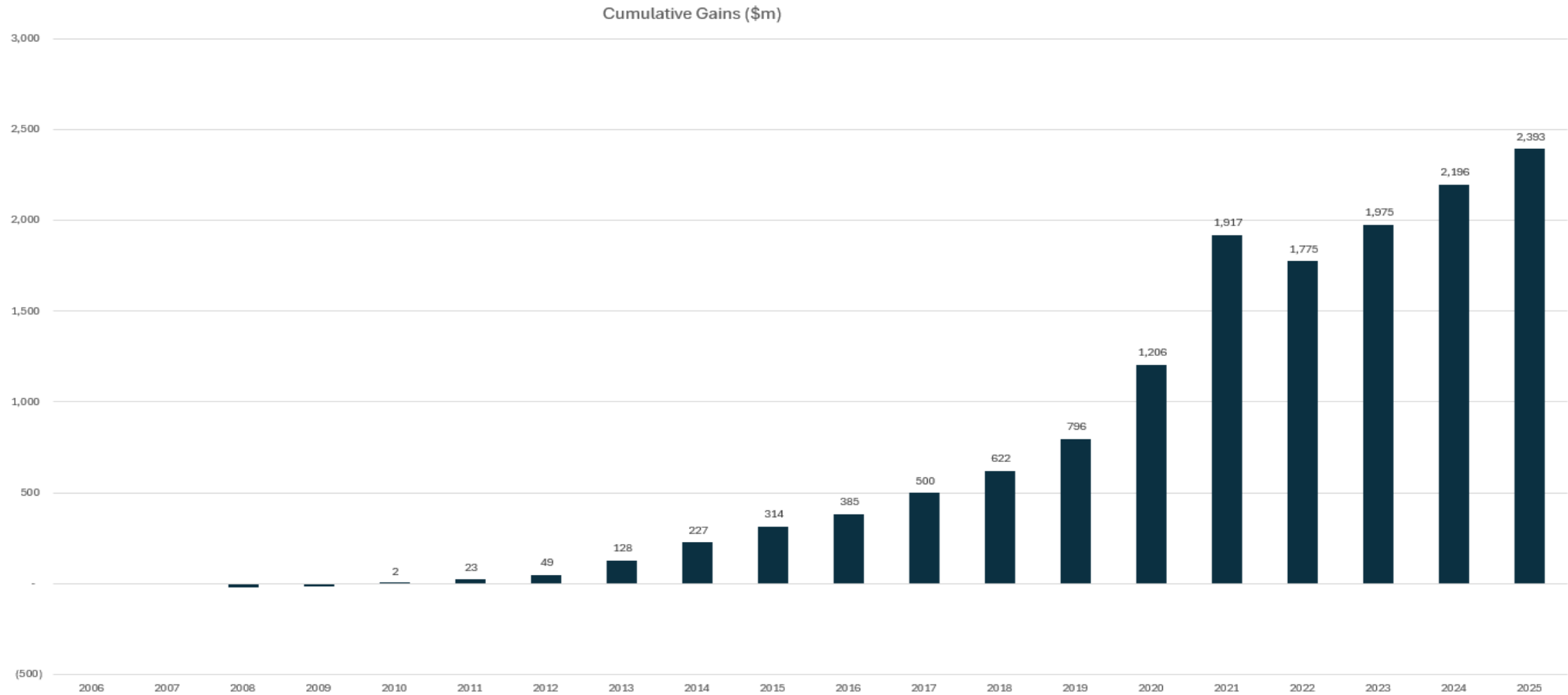
- % Contributed = Paid in / Adjusted Current Commitment
- Average Age (Holding Period) = LOG(TVPI) / LOG(1+IRR)

With FX effect

Funding Status & Performance Overview



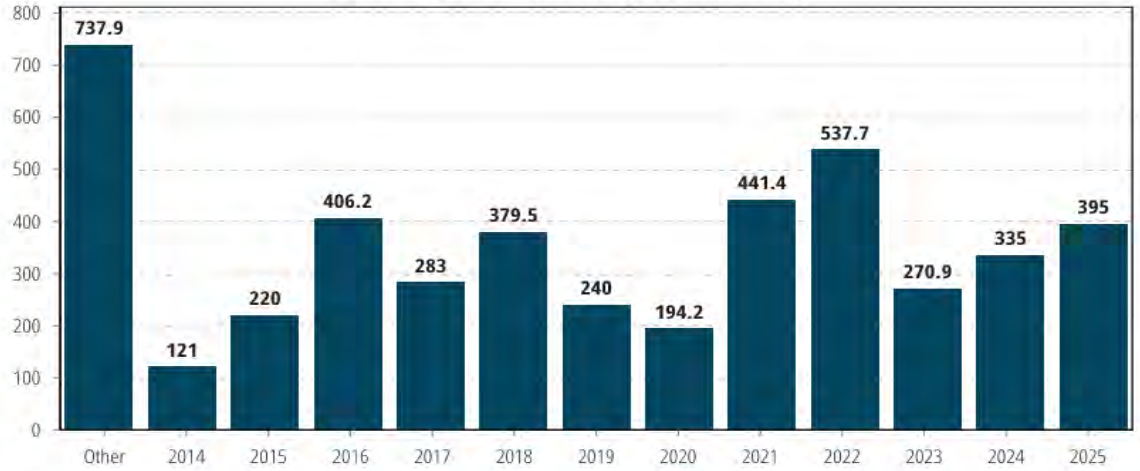
TWR 1-YEAR	TWR3-YEAR	TWR 5-YEAR	TWR 10-YEAR	TWR SINCE INCEPTION
14.53%	8.71%	17.14%	15.31%	8.13%



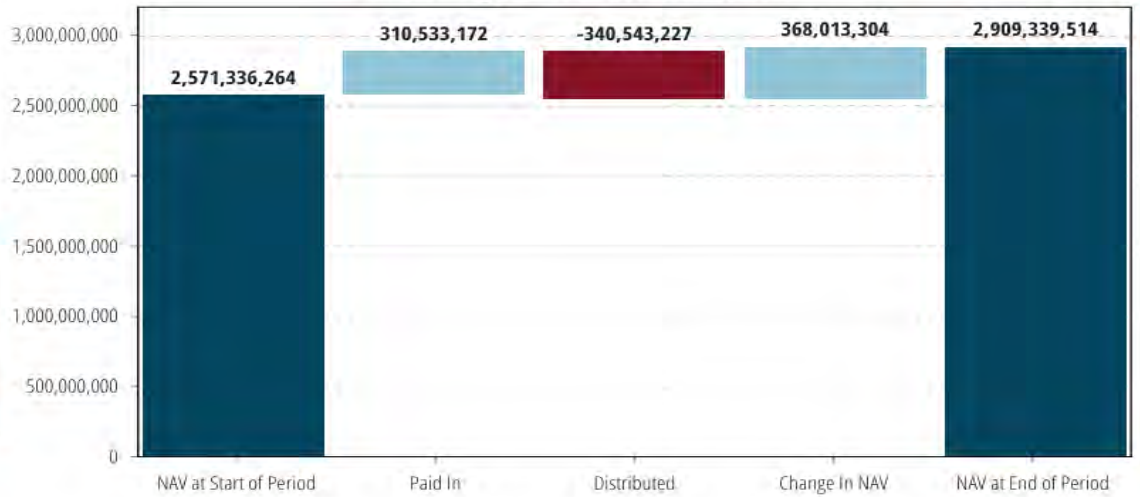
- Cumulative gains represent total distributions plus remaining value, less total contributions. Per calendar year.
- Time Weighted Returns calculated by Albourne using Modified Dietz

Portfolio Summary

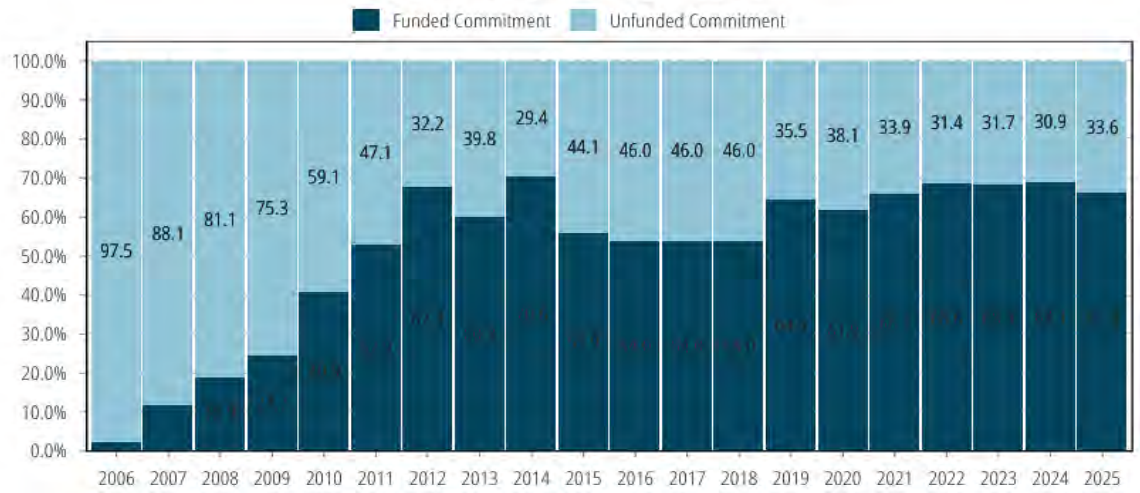
Annual Commitments (USD Millions)



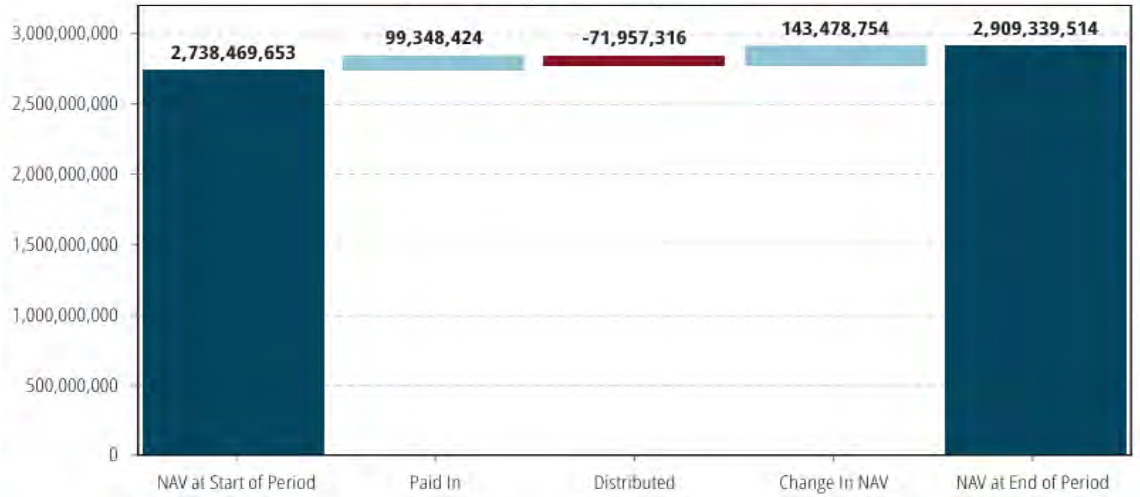
Value Bridge - Previous 12 Months



Cumulative Percentage Drawn



Value Bridge - Last Quarter



- Annual Commitments are the Primary Commitments without Adjustments or Recallables
- Cumulative Percentage drawn calculated on Adjusted Commitments. Per Calendar Year

Summary By Asset Class - including terminated funds

Asset Class	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Buyout	63	2,990,874	1,951,605	60%	1,201,668	1,741,496	1,559,676	53.61%	0.89	1.69	0.80	5.61
Other	17	1,152,516	961,806	73%	306,454	677,920	869,422	29.88%	0.70	1.61	0.90	7.43
Venture Capital	17	520,009	439,923	85%	80,086	417,954	480,241	16.51%	0.95	2.04	1.09	7.86
Portfolio Total	**97**	**4,663,399**	**3,353,333**	**66%**	**1,588,208**	**2,837,370**	**2,909,340**	**100.00%**	**0.85**	**1.71**	**0.87**	**6.31**

Summary By Sub Strategy - including terminated funds

Sub Strategy	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Asian Growth (PE)	2	75,000	53,576	60%	30,208	11,197	38,567	1.33%	0.21	0.93	0.72	3.35
Asian Large Market Buy-Outs	1	30,184	28,655	82%	5,265	39,658	1,178	0.04%	1.38	1.43	0.04	16.91
Asian Multi-Strategy LBO/Growth	2	150,657	166,463	93%	10,485	128,820	111,789	3.84%	0.77	1.45	0.67	8.97
European Large Market Buy-Outs	5	406,470	284,109	68%	125,369	321,091	238,012	8.18%	1.13	1.97	0.84	7.16
European Middle Market Buy-Outs	5	295,730	165,728	54%	132,038	74,667	133,546	4.59%	0.45	1.26	0.81	3.83
LBO/Growth Fund of Funds	2	225,000	227,872	89%	23,773	163,285	213,156	7.33%	0.72	1.65	0.94	8.81
LBO/Growth LP Secondaries	1	19,144	19,144	100%	0	27,052	0	0.00%	1.41	1.41	0.00	17.44
Multi-Geography Growth (PE)	1	70,000	31,304	24%	53,514	14,923	27,700	0.95%	0.48	1.36	0.88	5.26
North American Early Stage Venture Capital	8	167,500	130,860	78%	36,640	44,256	194,328	6.68%	0.34	1.82	1.49	5.66
North American Growth (PE)	5	296,545	185,047	50%	147,867	140,915	201,373	6.92%	0.76	1.85	1.09	7.24
North American Large Market Buy-Outs	15	409,193	254,096	54%	186,286	337,760	108,519	3.73%	1.33	1.76	0.43	6.76
North American Late Stage Venture Capital	7	307,500	264,554	86%	42,947	285,579	247,685	8.51%	1.08	2.02	0.94	8.10
North American Middle Market Buy-Outs	31	1,590,836	1,048,789	59%	652,269	869,872	912,254	31.36%	0.83	1.70	0.87	5.22
North American Multi-Strategy LBO/Growth	3	300,101	260,555	87%	39,920	173,892	276,175	9.49%	0.67	1.73	1.06	6.14
North American Multi-Strategy Venture Capital	2	45,009	44,509	99%	500	88,119	38,228	1.31%	1.98	2.84	0.86	14.41
North American Small Market Buy-Outs	5	208,460	124,501	53%	95,693	97,974	97,975	3.37%	0.79	1.57	0.79	3.96
North American Turnarounds	1	16,069	17,847	96%	687	17,836	662	0.02%	1.00	1.04	0.04	18.11
South American Middle Market Buy-Outs	1	50,000	45,727	91%	4,747	474	68,193	2.34%	0.01	1.50	1.49	6.54
Portfolio Total	**97**	**4,663,399**	**3,353,333**	**66%**	**1,588,208**	**2,837,370**	**2,909,340**	**100.00%**	**0.85**	**1.71**	**0.87**	**6.31**

- All investments have been converted to the USD
- 'Other' asset class group, is comprised of Growth , Secondaries, Multi-Strategy FoFs and Turnarounds.
- Duration definition in portfolio performance notes

2. Original Commitment + Commitment Adjustments (Including Currency Exposure)

Summary By Vintage Year - including terminated funds

Vintage Year	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
2006	1	19,144	19,144	100%	0	27,052	0	0.00%	1.41	1.41	0.00	17.44
2007	8	189,049	214,179	98%	4,355	329,369	2,671	0.09%	1.54	1.55	0.01	16.91
2008	7	194,955	200,551	92%	14,447	387,784	6,419	0.22%	1.93	1.97	0.03	16.46
2009	3	69,866	72,336	100%	0	117,664	9,053	0.31%	1.63	1.75	0.13	16.15
2010	2	40,000	40,000	100%	0	42,345	14,920	0.51%	1.06	1.43	0.37	14.79
2011	4	85,079	84,214	99%	864	199,849	3,727	0.13%	2.37	2.42	0.04	13.35
2012	2	39,270	38,770	99%	500	67,309	35,202	1.21%	1.74	2.64	0.91	11.57
2013	2	73,938	79,469	99%	1,062	112,033	20,508	0.70%	1.41	1.67	0.26	12.16
2014	3	130,412	132,691	97%	4,007	220,590	33,248	1.14%	1.66	1.91	0.25	10.88
2015	3	220,011	231,962	95%	10,633	280,462	105,298	3.62%	1.21	1.66	0.45	9.60
2016	6	406,764	378,429	89%	43,875	373,965	349,954	12.03%	0.99	1.91	0.92	8.87
2017	3	300,657	261,564	66%	103,040	188,694	310,137	10.66%	0.72	1.91	1.19	8.15
2018	7	399,998	390,458	90%	39,587	251,175	540,481	18.58%	0.64	2.03	1.38	6.87
2019	3	240,002	221,376	87%	30,331	99,152	344,124	11.83%	0.45	2.00	1.55	6.31
2020	6	224,254	156,066	53%	104,865	51,678	177,742	6.11%	0.33	1.47	1.14	4.92
2021	10	482,115	421,312	83%	78,950	66,276	480,544	16.52%	0.16	1.30	1.14	3.98
2022	10	541,878	256,838	45%	299,660	21,863	298,346	10.25%	0.09	1.25	1.16	2.11
2023	4	271,006	53,108	20%	217,898	18	60,904	2.09%	0.00	1.15	1.15	1.44
2024	7	335,000	94,398	28%	240,602	54	112,027	3.85%	0.00	1.19	1.19	0.66
2025	6	400,000	6,468	2%	393,532	39	4,036	0.14%	0.01	0.63	0.62	-0.10
Portfolio Total	**97**	**4,663,399**	**3,353,333**	**66%**	**1,588,208**	**2,837,370**	**2,909,340**	**100.00%**	**0.85**	**1.71**	**0.87**	**6.31**

Summary By Life Stage - including terminated funds

Life Stage	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Developing	42	2,249,843	983,781	41%	1,335,507	129,886	1,133,599	38.96%	0.13	1.28	1.15	2.09
Liquidated	10	229,021	229,021	100%	0	413,670	0	0.00%	1.81	1.81	0.00	13.04
Mature	23	617,102	656,743	96%	25,235	1,100,365	125,747	4.32%	1.68	1.87	0.19	15.21
Maturing	22	1,567,433	1,483,789	85%	227,465	1,193,448	1,649,994	56.71%	0.80	1.92	1.11	7.94
Portfolio Total	**97**	**4,663,399**	**3,353,333**	**66%**	**1,588,208**	**2,837,370**	**2,909,340**	**100.00%**	**0.85**	**1.71**	**0.87**	**6.31**

- Developing: 2020-2025 Vintages, Maturing 2015-2019 Vintages, Mature 2006-2014 Vintages
- All investments have been converted to the USD
- Duration definition in portfolio performance notes

2. Original Commitment + Commitment Adjustments (Including Currency Exposure)

Summary By Fund Type - including terminated funds

Fund Main Type	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Client Specific	2	225,000	227,872	89%	23,773	163,285	213,156	7.33%	0.72	1.65	0.94	8.81
Co-Investment Other	1	35,000	0	0%	35,000	0	0	0.00%				0.00
Co-Investment SMA	8	318,041	111,778	33%	214,218	9,697	141,395	4.86%	0.09	1.35	1.26	2.49
Other	7	53,784	54,179	97%	1,401	35,373	86,732	2.98%	0.65	2.25	1.60	5.80
Primary	79	4,031,574	2,959,505	67%	1,313,816	2,629,015	2,468,056	84.83%	0.89	1.72	0.83	6.54
Portfolio Total	**97**	**4,663,399**	**3,353,333**	**66%**	**1,588,208**	**2,837,370**	**2,909,340**	**100.00%**	**0.85**	**1.71**	**0.87**	**6.31**

Summary By Fund Status - including terminated funds

Fund Status	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Current	87	4,434,378	3,124,313	64%	1,588,208	2,423,700	2,909,340	100.00%	0.78	1.71	0.93	5.97
Terminated	10	229,021	229,021	100%	0	413,670	0	0.00%	1.81	1.81	0.00	13.04
Portfolio Total	**97**	**4,663,399**	**3,353,333**	**66%**	**1,588,208**	**2,837,370**	**2,909,340**	**100.00%**	**0.85**	**1.71**	**0.87**	**6.31**

New Commitments After 2Q 2025

Fund	Commitment Date	Commitment Amount (000's)[3]	Asset Class	Benchmark
JMI Equity Fund XII, L.P.	3Q 2025	65,000	LBO/Growth	North America
NM PERA JMI XII Co-Investment (reserved)	3Q 2025	25,000	LBO/Growth	North America
Total		**90,000**		

Inflows/Outflows 2Q 2025 - including terminated funds

Asset Class	# Funds	Paid In (000's)	Distributed (000's)	Net Cash Flow(000's)
Buyout	63	49,030	4,644	-44,387
Other	17	36,279	62,325	26,047
Venture Capital	17	14,040	4,989	-9,051
Total	**97**	**99,348**	**71,957**	**-27,391**

Inflows/Outflows Year to Date 2025 - including terminated funds

Asset Class	# Funds	Paid In (000's)	Distributed (000's)	Net Cash Flow(000's)
Buyout	63	78,648	13,139	-65,509
Other	17	52,251	90,251	38,000
Venture Capital	17	31,050	13,336	-17,714
Total	**97**	**161,949**	**116,726**	**-45,223**

- All investments have been converted to the USD

2. Original Commitment + Commitment Adjustments (Including Currency Exposure)

3. Original Commitment

- JMI XII Co-Investment and Arlington VII Co-Investment, are reservations and not formal commitments
- 'Client specific' and 'Other' funds in Portfolio Performance Notes Section

Performance Summary

Performance Summary (1)

Asset Class	Vintage	TVPI	DPI	RVPI	Duration (Years)	Fund Type	Investment Status	Life Stage
Buyout								
Carlyle Partners V, L.P.	2007	1.81	1.79	0.03	17.75	Closed End Fund	Invested	Mature
Hellman & Friedman Capital Partners VI	2007	1.87	1.87	0.00	15.32	Closed End Fund	Liquidated	Liquidated
Kelso Investment Associates VIII, L.P.	2007	1.38	1.38	0.00	17.58	Closed End Fund	Invested	Mature
KRG Capital Fund IV, L.P.	2007	1.75	1.71	0.04	17.51	Closed End Fund	Invested	Mature
Providence Equity Partners VI International L.P.	2007	1.34	1.34	0.00	18.29	Closed End Fund	Invested	Mature
The Resolute Fund II, L.P.	2007	1.45	1.45	0.00	14.58	Closed End Fund	Liquidated	Liquidated
CVC European Equity Partners V (C) L.P.	2008	2.09	2.06	0.03	16.94	Closed End Fund	Invested	Mature
Madison Dearborn Capital Partners VI	2008	2.26	2.26	0.00	17.09	Closed End Fund	Invested	Mature
Nordic Capital VII	2008	1.38	1.38	0.00	13.01	Closed End Fund	Liquidated	Liquidated
Onex Partners III LP	2008	1.69	1.56	0.13	16.55	Closed End Fund	Invested	Mature
TPG Asia V, L.P.	2008	1.43	1.38	0.04	16.91	Closed End Fund	Invested	Mature
TPG Partners VI, L.P.	2008	1.49	1.48	0.01	17.20	Closed End Fund	Invested	Mature
Charterhouse Capital Partners IX	2009	1.35	1.34	0.01	16.42	Closed End Fund	Invested	Mature
Lincolnshire Equity Fund IV-A, L.P.	2009	1.41	1.20	0.21	15.90	Closed End Fund	Invested	Mature
Gilde Buy-Out Fund IV	2011	1.71	1.60	0.11	14.44	Closed End Fund	Invested	Mature
GTCR Fund X, L.P.	2011	2.18	2.18	0.00	11.95	Closed End Fund	Liquidated	Liquidated
Hellman & Friedman Capital Partners VII, L.P.	2011	3.38	3.30	0.08	13.88	Closed End Fund	Invested	Mature
Linsalata Capital Partners VI	2012	2.14	2.14	0.00	9.03	Closed End Fund	Liquidated	Liquidated
Carlyle Partners VI	2013	1.79	1.60	0.19	11.99	Closed End Fund	Invested	Mature
GTCR Fund XI LP	2014	3.19	2.59	0.60	10.82	Closed End Fund	Invested	Mature
Onex Partners IV LP	2014	1.39	1.06	0.33	10.89	Closed End Fund	Invested	Mature
The Resolute Fund III, L.P.	2014	1.74	1.74	0.00	10.90	Closed End Fund	Liquidated	Liquidated
Kelso Investment Associates IX, L.P.	2015	1.69	1.26	0.43	9.76	Closed End Fund	Invested	Maturing

- All investments have been converted to the USD

Information in this section includes both active and liquidated investments

Performance Summary (2)

Asset Class	Vintage	TVPI	DPI	RVPI	Duration (Years)	Fund Type	Investment Status	Life Stage
Century Focused Fund IV, L.P.	2016	1.79	1.07	0.71	9.40	Closed End Fund	Invested	Maturing
Charterhouse Capital Partners X	2016	2.00	1.36	0.64	8.56	Closed End Fund	Invested	Maturing
Altaris Constellation Partners IV, L.P.	2018	2.18	0.70	1.48	7.03	Closed End Fund	Invested	Maturing
Altaris Health Partners IV, L.P.	2018	2.04	1.03	1.01	7.03	Closed End Fund	Invested	Maturing
CVC Capital Partners VII (A) L.P.	2018	2.15	0.82	1.33	7.25	Closed End Fund	Invested	Maturing
H&F Spock 1, L.P.	2018	2.78	0.10	2.67	7.22	Closed End Fund	Invested	Maturing
Onex Partners V LP	2018	1.48	0.22	1.26	6.60	Closed End Fund	Invested	Maturing
Patria - Private Equity Fund VI, L.P.	2018	1.50	0.01	1.49	6.54	Closed End Fund	Invested	Maturing
The Resolute Fund IV, L.P.	2018	2.62	0.94	1.69	6.56	Closed End Fund	Invested	Maturing
Kelso Investment Associates X, L.P.	2019	1.89	0.38	1.50	6.33	Closed End Fund	Invested	Maturing
H&F Arrow 1, L.P.	2020	2.64	0.00	2.64	4.84	Closed End Fund	Invested	Developing
H&F Samson Hockey 1, L.P.	2020	2.66	1.00	1.66	4.51	Closed End Fund	Invested	Developing
H&F Samson Shield 1, L.P.	2020	1.73	0.19	1.54	4.51	Closed End Fund	Invested	Developing
Madison Dearborn Capital Partners VIII	2020	1.29	0.30	0.99	4.61	Closed End Fund	Invested	Developing
Altaris Health Partners V, L.P.	2021	1.21	0.02	1.19	4.19	Closed End Fund	Invested	Developing
H&F Samson Brunello 1, L.P.	2021	3.53	0.67	2.86	4.36	Closed End Fund	Invested	Developing
Hellman & Friedman Capital Partners X, L.P.	2021	1.16	0.12	1.04	3.59	Closed End Fund	Invested	Developing
Montagu VI L.P.	2021	1.12	0.12	1.00	4.24	Closed End Fund	Invested	Developing
NM PERA Tenex White Sands SMA	2021	0.98	0.04	0.94	4.13	Closed End Fund	Invested	Developing
Patriot SPV, L.P.	2021	2.28	2.28	0.00	3.54	Closed End Fund	Liquidated	Liquidated
Tenex Capital Partners III, L.P.	2021	1.64	0.62	1.02	4.18	Closed End Fund	Invested	Developing
The Resolute Fund V, L.P.	2021	1.55	0.08	1.47	3.81	Closed End Fund	Invested	Developing
Hellman & Friedman Capital Partners XI, L.P.	2022					Closed End Fund	Invested	Developing
Kelso Investment Associates XI, L.P.	2022	1.20	0.02	1.18	3.01	Closed End Fund	Invested	Developing
Montagu VII L.P.	2022					Closed End Fund	Invested	Developing
NM PERA Madison Dearborn Ristra SMA	2022	1.52	0.00	1.52	3.09	Closed End Fund	Invested	Developing
NM PERA Montagu Petroglyph SMA	2022	1.30	0.00	1.30	3.28	Closed End Fund	Invested	Developing

- All investments have been converted to the USD

Information in this section includes both active and liquidated investments

Performance Summary (3)

Asset Class	Vintage	TVPI	DPI	RVPI	Duration (Years)	Fund Type	Investment Status	Life Stage
Trident IX, L.P.	2022	1.30	0.12	1.18	3.01	Closed End Fund	Invested	Developing
Altaris Health Partners VI, L.P.	2023					Closed End Fund	Invested	Developing
CVC Capital Partners IX (A) L.P.	2023	1.14	0.00	1.14	2.00	Closed End Fund	Invested	Developing
NM PERA TJC Crescit Eundo SMA	2023	1.19	0.00	1.19	1.53	Closed End Fund	Invested	Developing
NM PERA Stone Point Turquoise SMA	2024					Managed Account	Invested	Developing
The Resolute Fund VI, L.P.	2024	1.37	0.00	1.37	1.33	Closed End Fund	Invested	Developing
Trident X US Fund, LP	2024					Closed End Fund	Invested	Developing
Arlington Capital Partners VII, L.P.	2025					Closed End Fund	Invested	Developing
NM PERA Arlington VII Co-Investment (reserved)	2025					Closed End Fund	Invested	Developing
NM PERA Thoma Bravo Roadrunner SMA	2025				-0.33	Closed End Fund	Invested	Developing
Tenex Capital Partners IV, L.P.	2025	0.63	0.01	0.62	0.06	Closed End Fund	Invested	Developing
Thoma Bravo Discover Fund V	2025				-0.28	Closed End Fund	Invested	Developing
Thoma Bravo Fund XVI, L.P.	2025					Closed End Fund	Invested	Developing
Total - Buyout		**1.69**	**0.89**	**0.80**	**5.61**			
Other								
Coller International Partners V-A, L.P.	2006	1.41	1.41	0.00	17.44	Secondary Fund of Funds	Liquidated	Liquidated
JMI Equity Fund VI, L.P.	2007	1.80	1.80	0.00	16.21	Closed End Fund	Liquidated	Liquidated
Sun Capital Partners V, L.P.	2007	1.04	1.00	0.04	18.11	Closed End Fund	Invested	Mature
JMI Equity Fund VII, L.P.	2011	2.52	2.52	0.00	13.88	Closed End Fund	Liquidated	Liquidated
RRJ Capital Master Fund III, L.P.	2015	1.20[1]	0.91[1]	0.29	9.55	Closed End Fund	Invested	Maturing
Warburg Pincus Private Equity XII, L.P.	2015	2.05	1.43	0.62	9.52	Closed End Fund	Invested	Maturing
NM PERA PineBridge Passport Fund I LLC	2016	1.42	0.61	0.81	9.06	Closed End Fund	Invested	Maturing
FountainVest China Capital Partners Fund III, L.P.	2017	1.65[1]	0.65[1]	1.00	8.41	Closed End Fund	Invested	Maturing
Petershill Private Equity LP	2017	2.01	0.63	1.39	7.96	Closed End Fund	Invested	Maturing
RCP Small and Emerging Parallel Fund, LP	2017	2.07	0.90	1.17	8.29	Closed End Fund	Invested	Maturing
Warburg Pincus Global Growth, L.P.	2019	1.73	0.44	1.30	6.26	Closed End Fund	Invested	Maturing
NM PERA Petershill Enchantment SMA	2020	1.74	0.27	1.47	5.01	Closed End Fund	Invested	Developing
Petershill IV LLC	2020	1.36	0.48	0.88	5.26	Closed End Fund	Invested	Developing

- All investments have been converted to the USD

1. PM Benchmark is missing or has limited data (<5 funds)

Information in this section includes both active and liquidated investments

Performance Summary (4)

Asset Class	Vintage	TVPI	DPI	RVPI	Duration (Years)	Fund Type	Investment Status	Life Stage
NM PERA Orchid Asia 1912 SMA	2022	0.98[1]	0.19[1]	0.78	3.27	Closed End Fund	Invested	Developing
Orchid Asia VIII, L.P.	2022	0.92[1]	0.21[1]	0.71	3.37	Closed End Fund	Invested	Developing
Warburg Pincus Global Growth 14, L.P.	2022	1.30	0.07	1.23	3.11	Closed End Fund	Invested	Developing
JMI Equity Fund XI, L.P.	2023	1.14	0.00	1.14	2.25	Closed End Fund	Invested	Developing
Total - Other		**1.61**	**0.70**	**0.90**	**7.43**			
Venture Capital								
TCV VII, L.P.	2008	3.18	3.16	0.02	16.67	Closed End Fund	Invested	Mature
New Enterprise Associates 13, L.P.	2009	2.72	2.57	0.15	16.16	Closed End Fund	Invested	Mature
Draper Fisher Jurvetson X, L.P.	2010	1.27	0.55	0.72	14.87	Closed End Fund	Invested	Mature
Institutional Venture Partners XIII, L.P.	2010	1.59	1.57	0.03	14.71	Closed End Fund	Invested	Mature
New Enterprise Associates 14, L.P.	2012	2.94	1.50	1.44	13.01	Closed End Fund	Invested	Mature
Institutional Venture Partners XIV, L.P.	2013	1.51	1.17	0.34	12.35	Closed End Fund	Invested	Mature
TCV IX, L.P.	2016	2.39	1.50	0.89	8.50	Closed End Fund	Invested	Maturing
Threshold Ventures II, L.P.	2016	2.70	0.31	2.39	8.96	Closed End Fund	Invested	Maturing
Trinity Ventures XII, L.P.	2016	2.98	1.06	1.93	9.23	Closed End Fund	Invested	Maturing
TCV X, L.P.	2019	2.75	0.56	2.19	6.38	Closed End Fund	Invested	Maturing
General Catalyst Group XI - Endurance, L.P.	2021	1.14	0.00	1.14	3.60	Closed End Fund	Invested	Developing
General Catalyst Group XI - Ignition, L.P.	2021	1.25	0.00	1.25	3.60	Closed End Fund	Invested	Developing
General Catalyst Group XI - Creation	2022	1.62	0.00	1.62	3.25	Closed End Fund	Invested	Developing
General Catalyst Group XII - Creation, L.P.	2024	1.25	0.00	1.25	1.25	Closed End Fund	Invested	Developing
General Catalyst Group XII - Endurance, L.P.	2024	1.01	0.00	1.00	0.91	Closed End Fund	Invested	Developing
General Catalyst Group XII - Health Assurance, L.P.	2024	0.91	0.00	0.91	0.85	Closed End Fund	Invested	Developing
General Catalyst Group XII - Ignition, L.P.	2024	1.11	0.00	1.11	1.28	Closed End Fund	Invested	Developing
Total - Venture Capital		**2.04**	**0.95**	**1.09**	**7.86**			
Portfolio Total		**1.71**	**0.85**	**0.87**	**6.31**			

- All investments have been converted to the USD

1. PM Benchmark is missing or has limited data (<5 funds)

Information in this section includes both active and liquidated investments

Funding Status

Funding Status (1)

Asset Class	Vintage	Commitment Date	Fund Size (000's)	Current Commitment (000's)[1]	Paid In (000's)	Distributions (000's)	Funded	Current NAV (000's)	Data	Fund Type	Investment Status
Buyout											
Carlyle Partners V, L.P.	2007	1 Sep 07	13,720,000	25,722	31,110	55,660	96%	793	2Q 2025	Closed End Fund	Invested
Hellman & Friedman Capital Partners VI	2007	20 Nov 06	8,418,870	21,127	21,127	39,562	100%	0	3Q 2022	Closed End Fund	Liquidated
Kelso Investment Associates VIII, L.P.	2007	21 Jun 07	4,879,000	26,838	34,573	47,652	94%	95	2Q 2025	Closed End Fund	Invested
KRG Capital Fund IV, L.P.	2007	21 Sep 07	1,960,000	28,517	28,977	49,552	100%	1,031	2Q 2025	Closed End Fund	Invested
Providence Equity Partners VI International L.P.	2007	4 Jan 07	12,075,000	25,000	34,769	46,500	96%	90	2Q 2025	Closed End Fund	Invested
The Resolute Fund II, L.P.	2007	10 Jan 07	3,577,000	28,267	28,267	41,097	100%	0	3Q 2021	Closed End Fund	Liquidated
CVC European Equity Partners V (C) L.P.	2008	18 Apr 08	12,339,810	26,878	26,535	54,766	99%	691	2Q 2025	Closed End Fund	Invested
Madison Dearborn Capital Partners VI	2008	14 Apr 08	4,060,000	25,000	26,601	60,101	77%	29	2Q 2025	Closed End Fund	Invested
Nordic Capital VII	2008	11 May 08	4,979,400	23,861	23,861	32,910	100%	0	3Q 2021	Closed End Fund	Liquidated
Onex Partners III LP	2008	1 Dec 08	4,700,000	25,000	27,492	42,783	92%	3,567	2Q 2025	Closed End Fund	Invested
TPG Asia V, L.P.	2008	25 Jun 07	3,800,000	30,184	28,655	39,658	82%	1,178	2Q 2025	Closed End Fund	Invested
TPG Partners VI, L.P.	2008	19 Feb 08	18,873,000	29,032	32,966	48,855	98%	265	2Q 2025	Closed End Fund	Invested
Charterhouse Capital Partners IX	2009	22 Dec 08	6,176,388	24,866	24,866	33,402	100%	167	2Q 2025	Closed End Fund	Invested
Lincolnshire Equity Fund IV-A, L.P.	2009	9 Dec 08	829,000	25,000	27,470	32,901	100%	5,860	2Q 2025	Closed End Fund	Invested
Gilde Buy-Out Fund IV	2011	1 Jan 11	914,671	19,048	19,048	30,460	100%	2,109	2Q 2025	Closed End Fund	Invested
GTCR Fund X, L.P.	2011	28 Jan 11	3,169,000	27,975	27,975	60,855	100%	0	2Q 2023	Closed End Fund	Liquidated
Hellman & Friedman Capital Partners VII, L.P.	2011	19 Jun 09	8,920,500	20,000	19,136	63,062	96%	1,618	2Q 2025	Closed End Fund	Invested
Linsalata Capital Partners VI	2012	18 Oct 11	427,000	14,261	14,261	30,551	100%	0	4Q 2021	Closed End Fund	Liquidated
Carlyle Partners VI	2013	14 Jun 13	13,000,000	38,938	44,469	71,193	97%	8,509	2Q 2025	Closed End Fund	Invested
GTCR Fund XI LP	2014	15 Nov 13	3,850,000	31,000	28,064	72,551	91%	16,923	2Q 2025	Closed End Fund	Invested
Onex Partners IV LP	2014	18 Dec 13	5,660,000	45,000	50,215	53,418	98%	16,325	2Q 2025	Closed End Fund	Invested
The Resolute Fund III, L.P.	2014	11 Oct 13	3,200,000	54,412	54,412	94,621	100%	0	4Q 2024	Closed End Fund	Liquidated
Kelso Investment Associates IX, L.P.	2015	1 Sep 15	2,560,000	60,011	70,094	88,257	90%	30,225	2Q 2025	Closed End Fund	Invested
Century Focused Fund IV, L.P.	2016	10 Feb 15	341,975	34,199	33,873	36,398	88%	24,186	2Q 2025	Closed End Fund	Invested
Charterhouse Capital Partners X	2016	13 May 15	2,970,324	107,565	100,917	137,046	94%	65,038	2Q 2025	Closed End Fund	Invested
Altaris Constellation Partners IV, L.P.	2018	30 Jun 17	240,000	25,000	25,396	17,767	94%	37,485	2Q 2025	Closed End Fund	Invested
Altaris Health Partners IV, L.P.	2018	30 Jun 17	1,085,000	50,106	49,614	50,902	92%	50,194	2Q 2025	Closed End Fund	Invested

- All investments have been converted to the USD

1. Original Commitment + Commitment Adjustments (Including Currency Exposure)

Information in this section includes both active and liquidated investments

Funding Status (2)

Asset Class	Vintage	Commitment Date	Fund Size (000's)	Current Commitment (000's)[1]	Paid In (000's)	Distributions (000's)	Funded	Current NAV (000's)	Data	Fund Type	Investment Status
CVC Capital Partners VII (A) L.P.	2018	1 Mar 18	18,269,850	131,340	116,418	95,858	85%	154,537	2Q 2025	Closed End Fund	Invested
H&F Spock 1, L.P.	2018	9 Apr 18	603,000	3,553	3,553	365	100%	9,500	2Q 2025	Closed End Fund	Invested
Onex Partners V LP	2018	1 Dec 17	7,150,000	75,000	75,472	16,285	90%	95,389	2Q 2025	Closed End Fund	Invested
Patria - Private Equity Fund VI, L.P.	2018	11 Apr 18	2,689,000	50,000	45,727	474	91%	68,193	2Q 2025	Closed End Fund	Invested
The Resolute Fund IV, L.P.	2018	15 Mar 18	3,630,000	65,000	74,279	69,523	94%	125,183	2Q 2025	Closed End Fund	Invested
Kelso Investment Associates X, L.P.	2019	1 Dec 18	2,800,000	60,002	63,887	24,512	88%	96,142	2Q 2025	Closed End Fund	Invested
H&F Arrow 1, L.P.	2020	25 Aug 20	500,000	3,506	3,506	0	100%	9,264	2Q 2025	Closed End Fund	Invested
H&F Samson Hockey 1, L.P.	2020	22 Dec 20	446,000	3,382	3,382	3,368	100%	5,626	2Q 2025	Closed End Fund	Invested
H&F Samson Shield 1, L.P.	2020	22 Dec 20	1,190,000	11,385	11,385	2,127	100%	17,563	2Q 2025	Closed End Fund	Invested
Madison Dearborn Capital Partners VIII	2020	1 Mar 20	5,000,000	75,000	80,381	24,094	87%	79,248	2Q 2025	Closed End Fund	Invested
Altaris Health Partners V, L.P.	2021	15 Apr 20	2,350,000	75,000	68,330	1,228	91%	81,290	2Q 2025	Closed End Fund	Invested
H&F Samson Brunello 1, L.P.	2021	30 Jun 15	399,100	2,548	2,548	1,704	100%	7,295	2Q 2025	Closed End Fund	Invested
Hellman & Friedman Capital Partners X, L.P.	2021	5 Oct 21	24,400,000	50,000	46,144	5,363	86%	48,068	2Q 2025	Closed End Fund	Invested
Montagu VI L.P.	2021	30 Dec 20	3,906,212	110,157	93,325	11,297	82%	93,243	2Q 2025	Closed End Fund	Invested
NM PERA Tenex White Sands SMA	2021	22 Jul 20		50,000	21,072	809	42%	19,774	2Q 2025	Closed End Fund	Invested
Patriot SPV, L.P.	2021	17 Mar 21	1,094,000	4,410	4,410	10,041	100%	0	3Q 2024	Closed End Fund	Liquidated
Tenex Capital Partners III, L.P.	2021	22 Jul 20	1,200,000	45,000	48,827	30,178	90%	49,979	2Q 2025	Closed End Fund	Invested
The Resolute Fund V, L.P.	2021	31 Jul 20	4,954,000	75,000	70,652	5,644	88%	103,706	2Q 2025	Closed End Fund	Invested
Hellman & Friedman Capital Partners XI, L.P.	2022	1 Jan 22	22,300,000	75,000	0	0	0%	-72	2Q 2025	Closed End Fund	Invested
Kelso Investment Associates XI, L.P.	2022	1 Oct 21	3,280,000	59,997	27,369	552	45%	32,393	2Q 2025	Closed End Fund	Invested
Montagu VII L.P.	2022	1 Jan 22	4,243,320	104,904	0	0	0%	0	2Q 2025	Closed End Fund	Invested
NM PERA Madison Dearborn Ristra SMA	2022	1 May 22		24,115	21,079	0	87%	31,965	2Q 2025	Closed End Fund	Invested
NM PERA Montagu Petroglyph SMA	2022	25 Sep 20		37,760	29,493	0	79%	38,195	2Q 2025	Closed End Fund	Invested
Trident IX, L.P.	2022	17 Sep 21	9,090,000	50,000	44,515	5,535	78%	52,307	2Q 2025	Closed End Fund	Invested
Altaris Health Partners VI, L.P.	2023	28 Jul 23	3,500,000	75,000	0	0	0%	0	2Q 2025	Closed End Fund	Invested
CVC Capital Partners IX (A) L.P.	2023	27 Jun 23	30,646,200	115,821	15,373	18	15%	17,579	2Q 2025	Closed End Fund	Invested
NM PERA TJC Crescit Eundo SMA	2023	29 Sep 23		30,185	5,185	0	17%	6,188	2Q 2025	Closed End Fund	Invested
NM PERA Stone Point Turquoise SMA	2024	26 Feb 24		50,000	0	0	0%	0	2Q 2025	Managed Account	Invested
The Resolute Fund VI, L.P.	2024	29 Sep 23	6,609,000	85,000	34,079	0	40%	46,710	2Q 2025	Closed End Fund	Invested
Trident X US Fund, LP	2024	1 Jul 24	11,500,000	100,000	0	0	0%	0	2Q 2025	Closed End Fund	Invested

- All investments have been converted to the USD

1. Original Commitment + Commitment Adjustments (Including Currency Exposure)

Information in this section includes both active and liquidated investments

Funding Status (3)

Asset Class	Vintage	Commitment Date	Fund Size (000's)	Current Commitment (000's)[1]	Paid In (000's)	Distributions (000's)	Funded	Current NAV (000's)	Data	Fund Type	Investment Status
Arlington Capital Partners VII, L.P.	2025	30 Jun 25	4,750,000	100,000	0	0	0%	0	2Q 2025	Closed End Fund	Invested
NM PERA Arlington VII Co-Investment (reserved)	2025	30 Jun 25		35,000	0	0	0%	0	2Q 2025	Closed End Fund	Invested
NM PERA Thoma Bravo Roadrunner SMA	2025	31 Mar 25		50,000	0	0	0%	0	2Q 2025	Closed End Fund	Invested
Tenex Capital Partners IV, L.P.	2025	1 Jan 24	1,900,000	65,000	6,468	39	10%	4,036	2Q 2025	Closed End Fund	Invested
Thoma Bravo Discover Fund V	2025	31 Mar 25	8,100,000	100,000	0	0	0%	0	2Q 2025	Closed End Fund	Invested
Thoma Bravo Fund XVI, L.P.	2025	31 Mar 25	24,300,000	50,000	0	0	0%	0	2Q 2025	Closed End Fund	Invested
Total - Buyout				**2,990,874**	**1,951,605**	**1,741,496**	**60%**	**1,559,676**			
Other											
Coller International Partners V-A, L.P.	2006	1 Dec 06	4,775,000	19,144	19,144	27,052	100%	0	2Q 2024	Secondary Fund of Funds	Liquidated
JMI Equity Fund VI, L.P.	2007	14 Jun 07	600,000	17,508	17,508	31,510	100%	0	3Q 2023	Closed End Fund	Liquidated
Sun Capital Partners V, L.P.	2007	5 Apr 07	5,000,000	16,069	17,847	17,836	96%	662	2Q 2025	Closed End Fund	Invested
JMI Equity Fund VII, L.P.	2011	1 Feb 11	875,000	18,056	18,056	45,471	100%	0	4Q 2024	Closed End Fund	Liquidated
RRJ Capital Master Fund III, L.P.	2015	30 Jun 15	4,500,000	75,000	76,868	70,289	94%	22,325	2Q 2025	Closed End Fund	Invested
Warburg Pincus Private Equity XII, L.P.	2015	19 Nov 15	13,387,000	85,000	85,000	121,916	100%	52,748	2Q 2025	Closed End Fund	Invested
NM PERA PineBridge Passport Fund I LLC	2016	20 Apr 16	150,000	150,000	146,726	89,890	90%	118,379	2Q 2025	Closed End Fund	Invested
FountainVest China Capital Partners Fund III, L.P.	2017	20 Sep 16	2,100,000	75,657	89,594	58,531	92%	89,464	2Q 2025	Closed End Fund	Invested
Petershill Private Equity LP	2017	21 Jun 17	2,000,000	150,000	90,824	56,768	41%	125,896	2Q 2025	Closed End Fund	Invested
RCP Small and Emerging Parallel Fund, LP	2017	3 Feb 17		75,000	81,145	73,395	89%	94,777	2Q 2025	Closed End Fund	Invested
Warburg Pincus Global Growth, L.P.	2019	20 Nov 18	15,050,000	115,000	108,704	47,397	94%	141,043	2Q 2025	Closed End Fund	Invested
NM PERA Petershill Enchantment SMA	2020	8 Jun 20		60,981	26,108	7,166	32%	38,341	2Q 2025	Closed End Fund	Invested
Petershill IV LLC	2020	28 Feb 20	5,000,000	70,000	31,304	14,923	24%	27,700	2Q 2025	Closed End Fund	Invested
NM PERA Orchid Asia 1912 SMA	2022	1 Jun 21		15,000	8,840	1,722	50%	6,932	2Q 2025	Closed End Fund	Invested
Orchid Asia VIII, L.P.	2022	21 May 21	1,450,000	60,000	44,736	9,475	62%	31,635	2Q 2025	Closed End Fund	Invested
Warburg Pincus Global Growth 14, L.P.	2022	3 May 22	17,308,000	100,101	66,851	4,579	67%	82,384	2Q 2025	Closed End Fund	Invested
JMI Equity Fund XI, L.P.	2023	30 Sep 22	2,400,000	50,000	32,550	0	65%	37,136	2Q 2025	Closed End Fund	Invested
Total - Other				**1,152,516**	**961,806**	**677,920**	**73%**	**869,422**			
Venture Capital											
TCV VII, L.P.	2008	31 Oct 07	3,018,000	35,000	34,440	108,709	98%	689	2Q 2025	Closed End Fund	Invested

- All investments have been converted to the USD

1. Original Commitment + Commitment Adjustments (Including Currency Exposure)

Information in this section includes both active and liquidated investments

Funding Status (4)

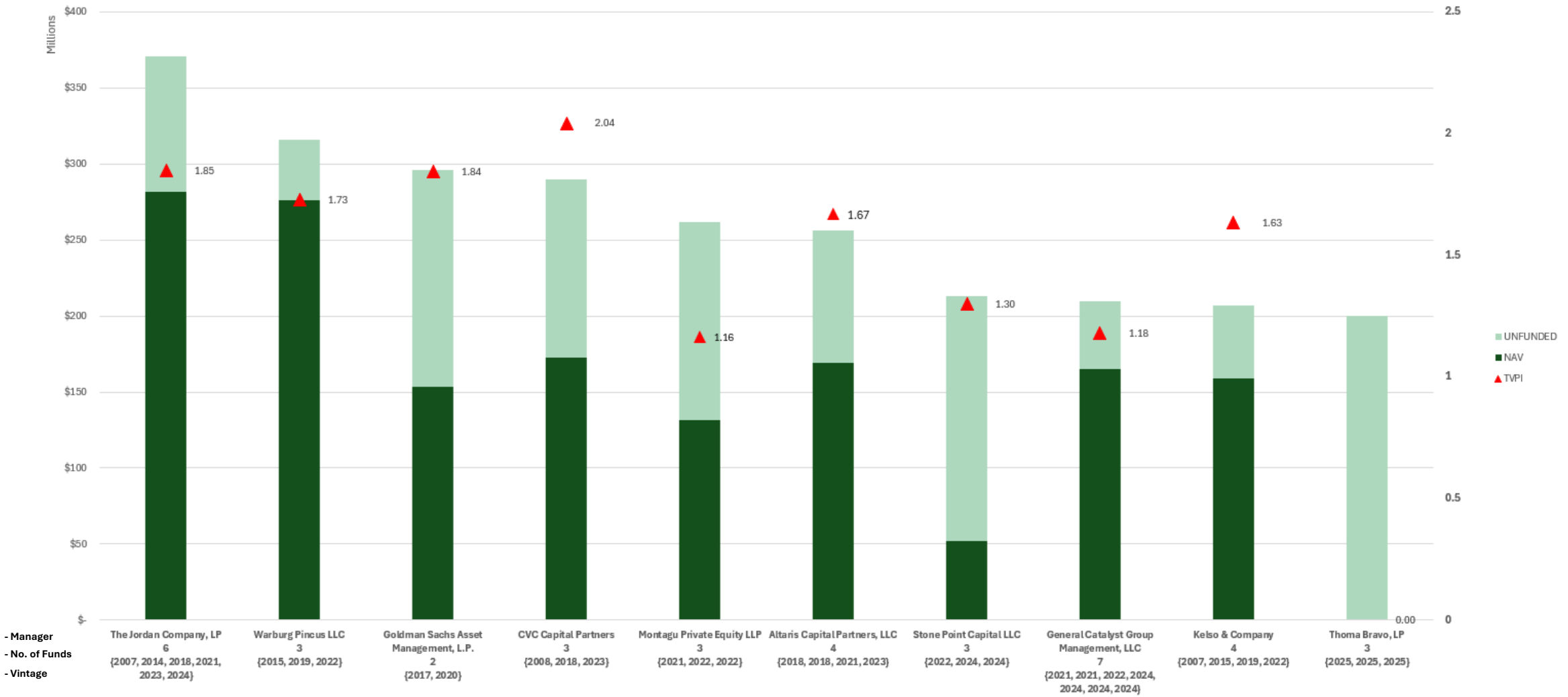
Asset Class	Vintage	Commitment Date	Fund Size (000's)	Current Commitment (000's)[1]	Paid In (000's)	Distributions (000's)	Funded	Current NAV (000's)	Data	Fund Type	Investment Status
New Enterprise Associates 13, L.P.	2009	30 Apr 09	2,483,000	20,000	20,000	51,361	100%	3,026	2Q 2025	Closed End Fund	Invested
Draper Fisher Jurvetson X, L.P.	2010	30 Jun 10	350,000	20,000	20,000	11,020	100%	14,418	2Q 2025	Closed End Fund	Invested
Institutional Venture Partners XIII, L.P.	2010	1 Oct 10	761,000	20,000	20,000	31,325	100%	501	2Q 2025	Closed End Fund	Invested
New Enterprise Associates 14, L.P.	2012	1 Jun 12	2,589,000	25,009	24,509	36,758	98%	35,202	2Q 2025	Closed End Fund	Invested
Institutional Venture Partners XIV, L.P.	2013	1 Feb 13	1,015,000	35,000	35,000	40,841	100%	11,999	2Q 2025	Closed End Fund	Invested
TCV IX, L.P.	2016	19 Feb 16	2,500,000	65,000	51,597	77,447	79%	45,882	2Q 2025	Closed End Fund	Invested
Threshold Ventures II, L.P.	2016	2 Feb 16	329,000	20,000	19,590	6,040	98%	46,897	2Q 2025	Closed End Fund	Invested
Trinity Ventures XII, L.P.	2016	23 Oct 15	400,000	30,000	25,725	27,145	86%	49,572	2Q 2025	Closed End Fund	Invested
TCV X, L.P.	2019	31 Aug 18	3,161,000	65,000	48,785	27,243	75%	106,939	2Q 2025	Closed End Fund	Invested
General Catalyst Group XI - Endurance, L.P.	2021	29 Oct 21	2,796,000	50,000	48,504	9	97%	55,318	2Q 2025	Closed End Fund	Invested
General Catalyst Group XI - Ignition, L.P.	2021	29 Oct 21	1,118,500	20,000	17,499	2	87%	21,872	2Q 2025	Closed End Fund	Invested
General Catalyst Group XI - Creation	2022	1 Dec 21	838,900	15,000	13,955	0	93%	22,608	2Q 2025	Closed End Fund	Invested
General Catalyst Group XII - Creation, L.P.	2024	28 Feb 24	1,500,000	25,000	15,668	30	63%	19,547	2Q 2025	Closed End Fund	Invested
General Catalyst Group XII - Endurance, L.P.	2024	28 Feb 24	2,110,000	37,500	26,228	4	70%	26,356	2Q 2025	Closed End Fund	Invested
General Catalyst Group XII - Health Assurance, L.P.	2024	28 Feb 24	718,000	12,500	5,276	1	42%	4,814	2Q 2025	Closed End Fund	Invested
General Catalyst Group XII - Ignition, L.P.	2024	28 Feb 24	1,440,000	25,000	13,147	19	53%	14,601	2Q 2025	Closed End Fund	Invested
Total - Venture Capital				**520,009**	**439,923**	**417,954**	**85%**	**480,241**			
Portfolio Total				**4,663,399**	**3,353,333**	**2,837,370**	**66%**	**2,909,340**			

- All investments have been converted to the USD

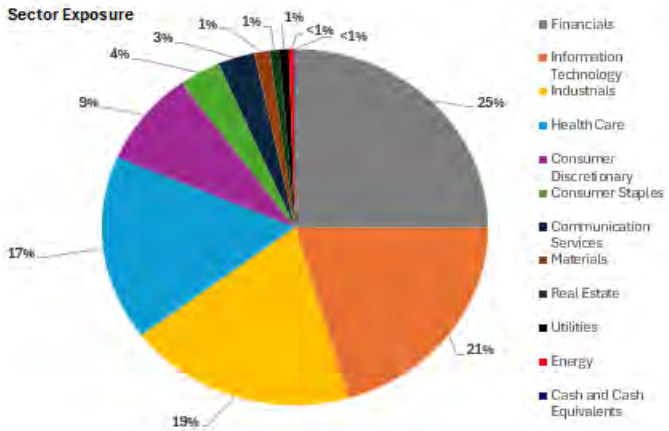
1. Original Commitment + Commitment Adjustments (Including Currency Exposure)

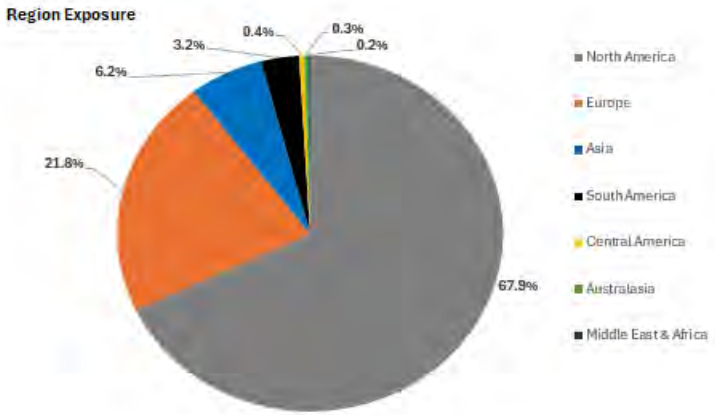
Information in this section includes both active and liquidated investments

Largest Relationship Concentrations by Manager Group



Exposures by Region, Country and Asset Class





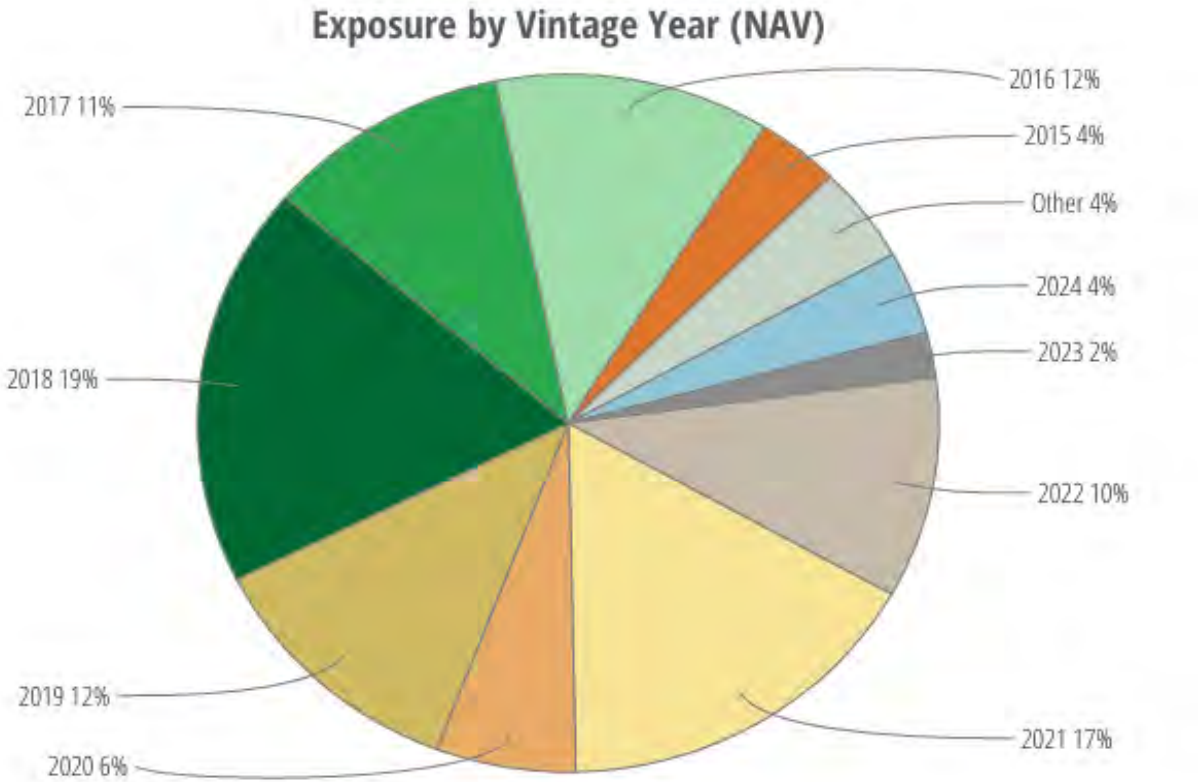


- All Exposures calculated by NAV

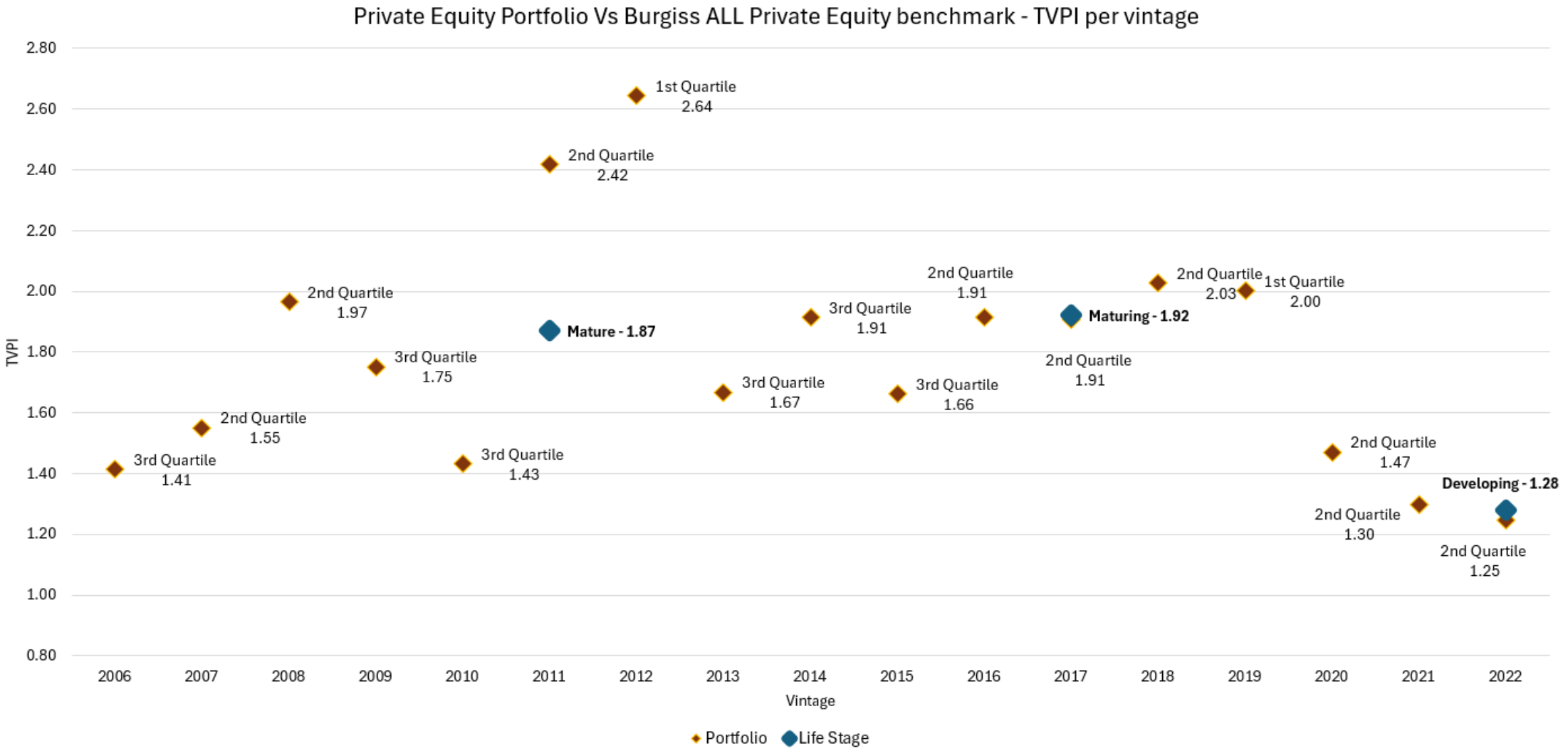
The charts are based on data collected representing **~95%** of total NAV, with the following breakdown:
- ~86% is calculated using the allocation of investment level data as of 06/30/2025
~9% is calculated using the allocation of historical investment level data, where we assume that the fund continues to have similar sector/region allocation

- 'Other' category in countries exposure chart, includes all countries that have <1% exposure

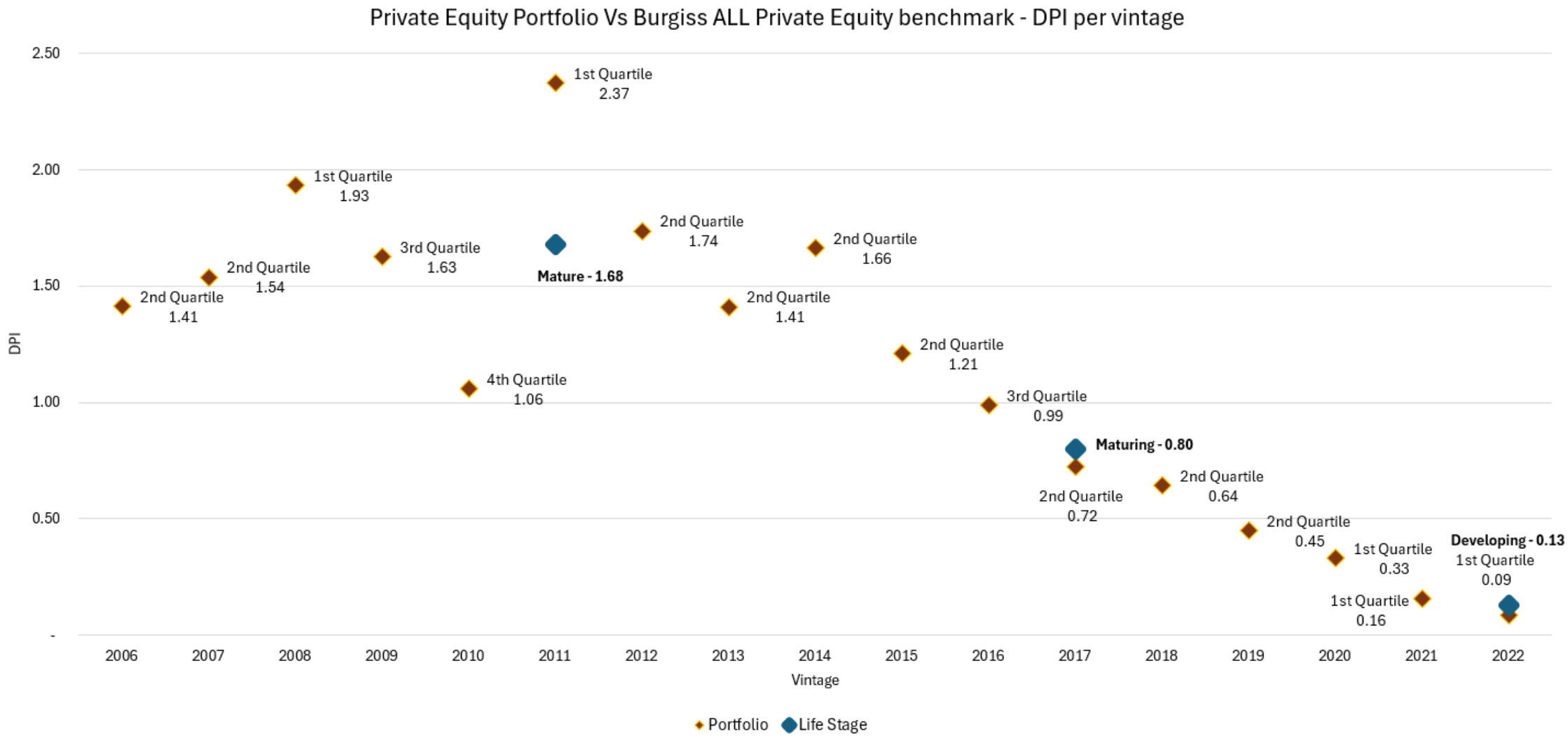
Exposures by Vintage Year



Benchmarking – Quartiles per Vintage



- Developing: 2020-2025 Vintages, Maturing 2015-2019 Vintages, Mature 2006-2014 Vintages
- The last three vintages are not included in direct benchmarking, but are included under the 'Developing' group for the Life Stage performance marker



- Developing: 2020-2025 Vintages, Maturing 2015-2019 Vintages, Mature 2006-2014 Vintages
- The last three vintages are not included in direct benchmarking, but are included under the 'Developing' group for the Life Stage performance marker

NEW MEXICO PERA – ILLIQUID CREDIT

Portfolio Performance Review

2Q 2025

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Automated Primary Premia ("APP") indices are composite indices. However, the index "APP Commodities Beta" contains only one constituent, which means that its returns are identical to those of the index "BBG Commodity TR" (BCOMTR), provided by Bloomberg Index Services Limited ("BISL").

GBP Risk-Free Rate (RFR) is a temporally composite index comprised of GBP 3M LIBOR (BP0003M Index) from Feb 1987 (inclusive) to Oct 2008 (inclusive), and UK Generic T Bills 3M (UKGTB3M Index) from Nov 2008 (inclusive) onwards.

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Portfolio Performance Notes

- Returns calculated by Albourne
- Vintage is defined as the year of the first capital call
- Weighted Duration (Years) is defined as:

Duration for Group i:

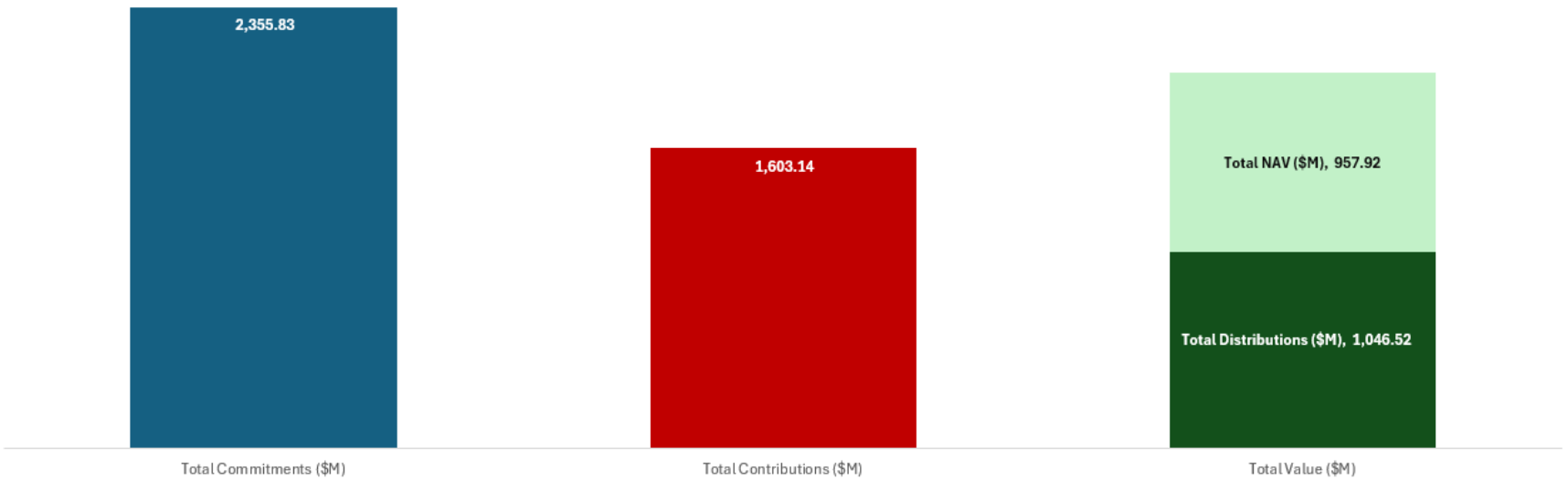
$$= \sum_{j \in Group\ i} \left(\frac{Termination\ Date\ or\ Latest\ Quarter\ Date_j - Inception\ Date_j}{365.25} \times \frac{Commitment_j}{Total\ Commitments\ of\ Group\ i} \right)$$

Where:
- **Inception Date** = Date of first capital call for constituent j.
- **Termination Date or Latest Quarter Date** = End date for constituent j.
- **365.25** accounts for leap years (average days per year).
- **Commitment** = Adjusted Current Commitment

- Modified Dietz TWR: $rModDietz = \frac{(V1 - V0 - CF)}{V0 + \sum_{i=1}^{n}(CFi \times Wi)}$

Where:
- $\boldsymbol{V_1}$ = full fair value of the portfolio (including accrued income) at the end of the period
- $\boldsymbol{V_0}$ = full fair value of the portfolio (including accrued income) at the beginning of the period
- $\boldsymbol{CF} = \sum C\ F_i$ = sum of each cash flow weighted by its time factor
- $\sum_{i=1}^{n}(\boldsymbol{CFi\ x\ Wi})$= sum of each cash flow weighted by its time factor
- $\boldsymbol{w_i} = \frac{CD - D_i}{CD}$ = weight for each cash flow
  - $\boldsymbol{CD}$= total number of calendar days in the period
  - $\boldsymbol{D_i}$ =number of days from the start of the period to the date of cash flow CF_i

Portfolio Overview



Inception	2006
Total Commitments ($M)	2,355.83
No. of Commitments	27
% Contributed	65.6%
Average age (years)	2.81
No. of Managers	17
Since Inception Net IRR	8.29%
TVPI	1.25

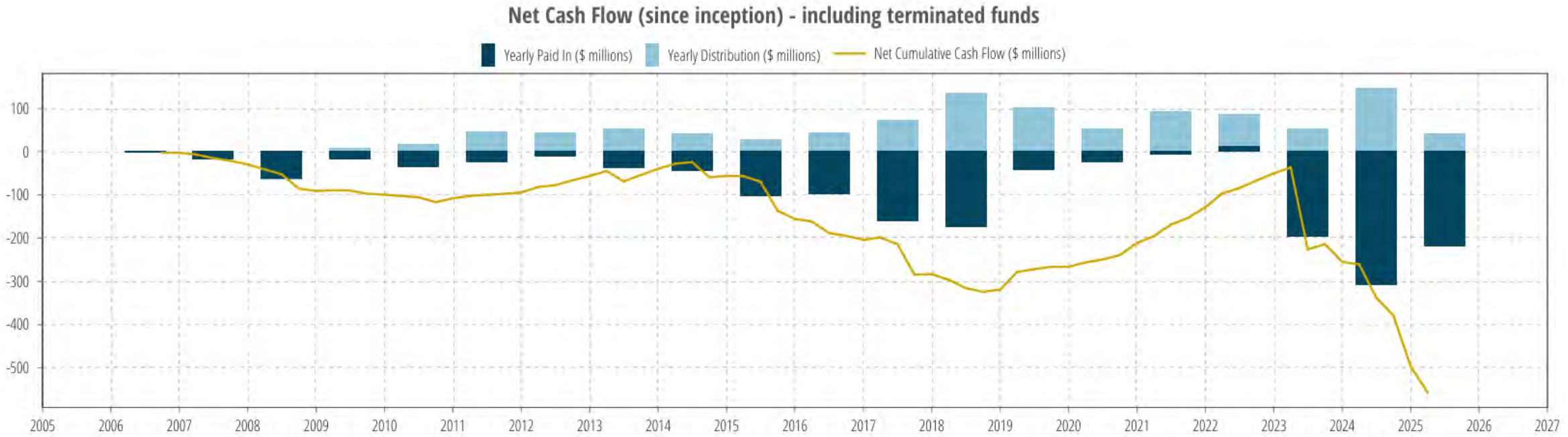
- Total commitments are Paid Ins + Unfunded where:

Unfunded = Adjusted Current Commitment - (Cumulative Paid In - Outside of Commitment) + Recallables
Adjusted Current Commitment = Primary Commitment + Commitment Adjustments

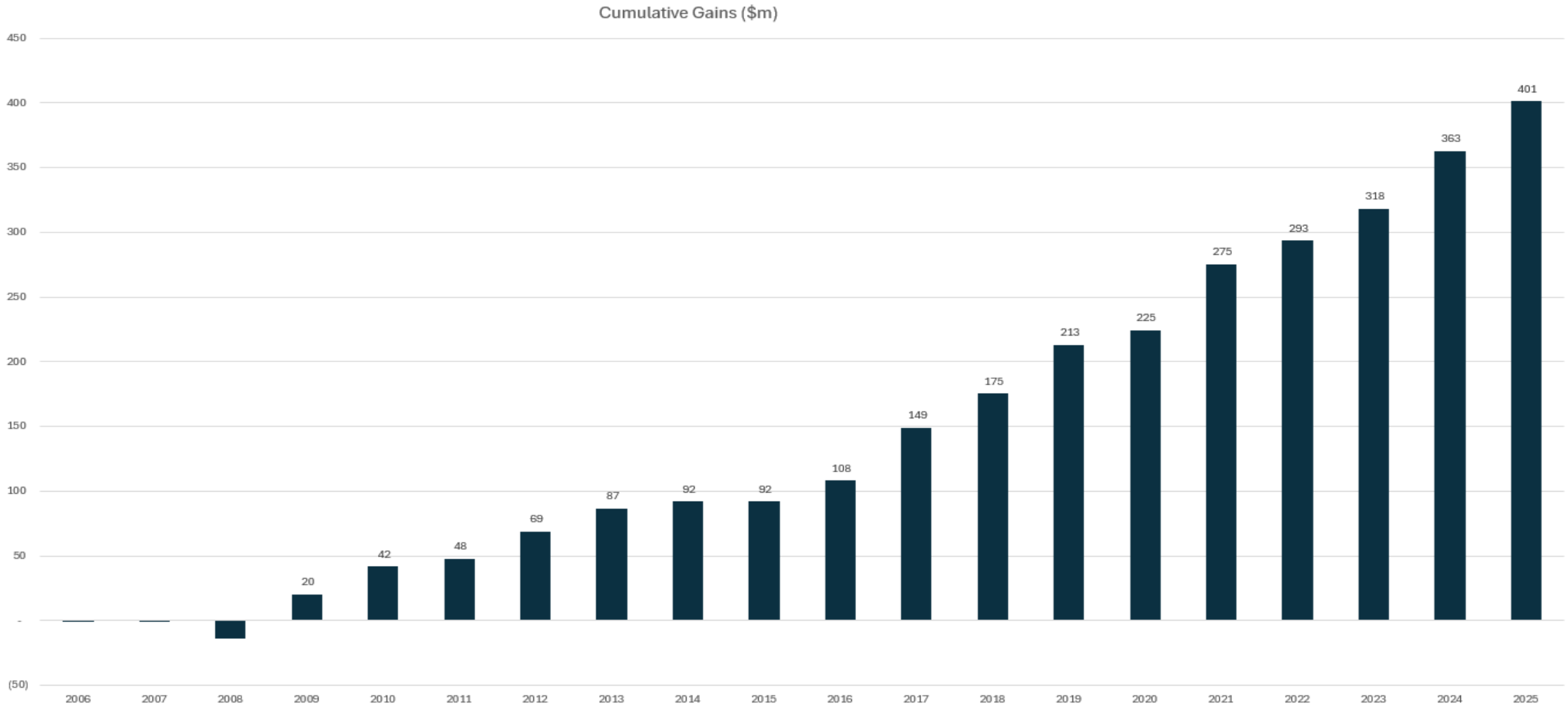
- % Contributed = Paid in / Adjusted Current Commitment
- Average Age (Holding Period) = LOG(TVPI) / LOG(1+IRR)

With FX effect

Funding Status & Performance Overview

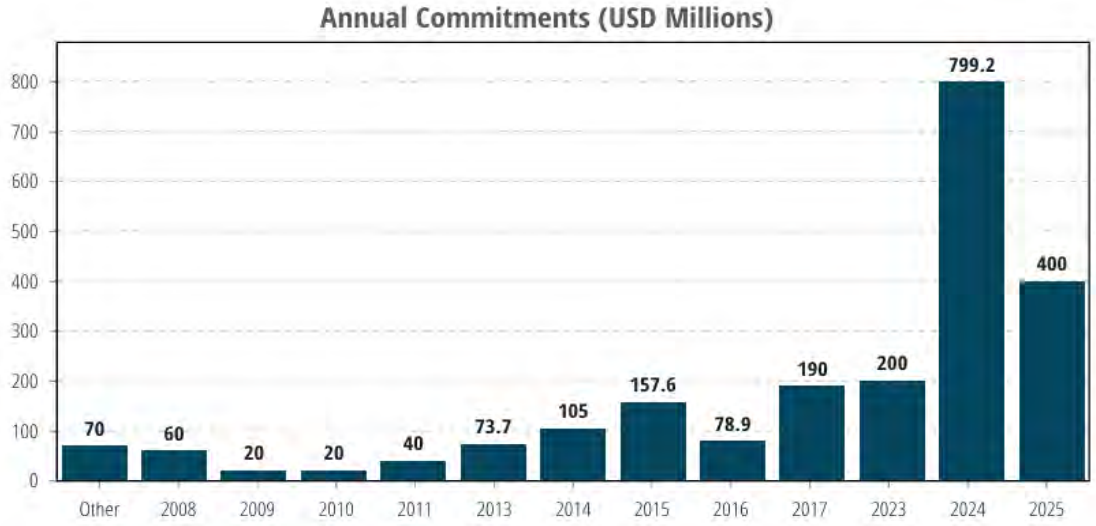


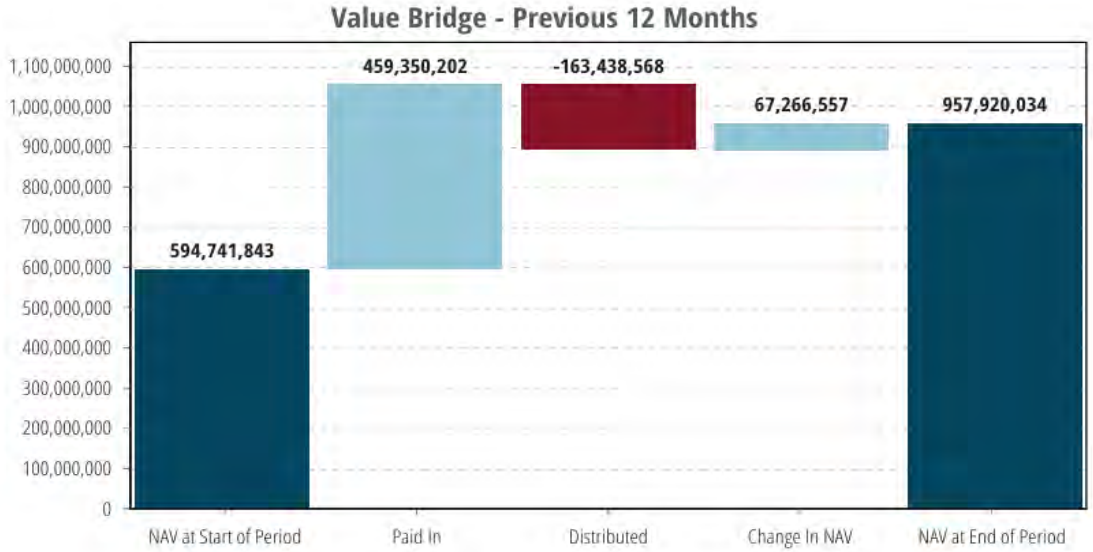
TWR 1-YEAR	TWR3-YEAR	TWR 5-YEAR	TWR 10-YEAR	TWR SINCE INCEPTION
8.92%	6.09%	8.37%	6.85%	6.79%

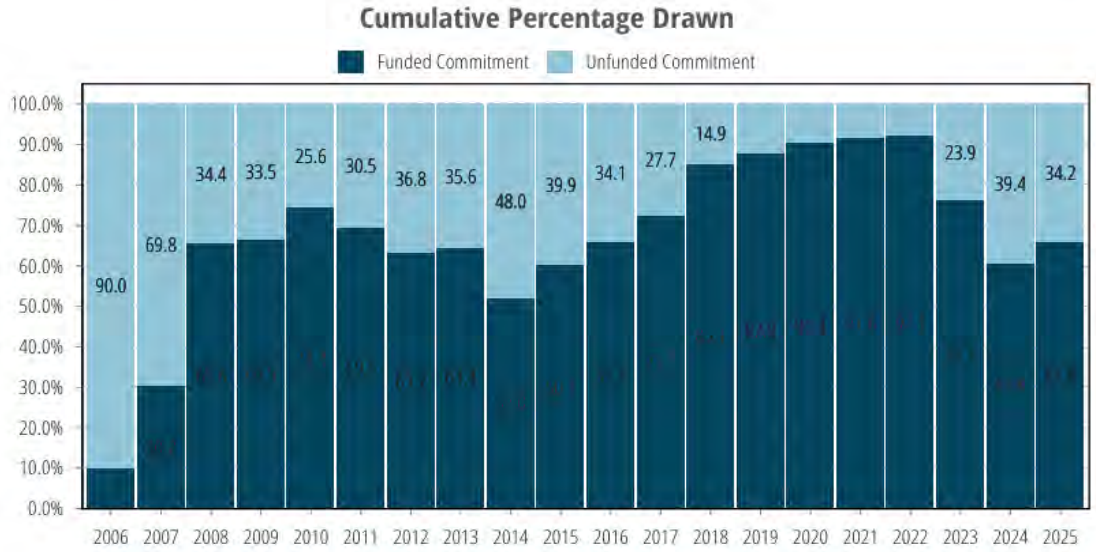


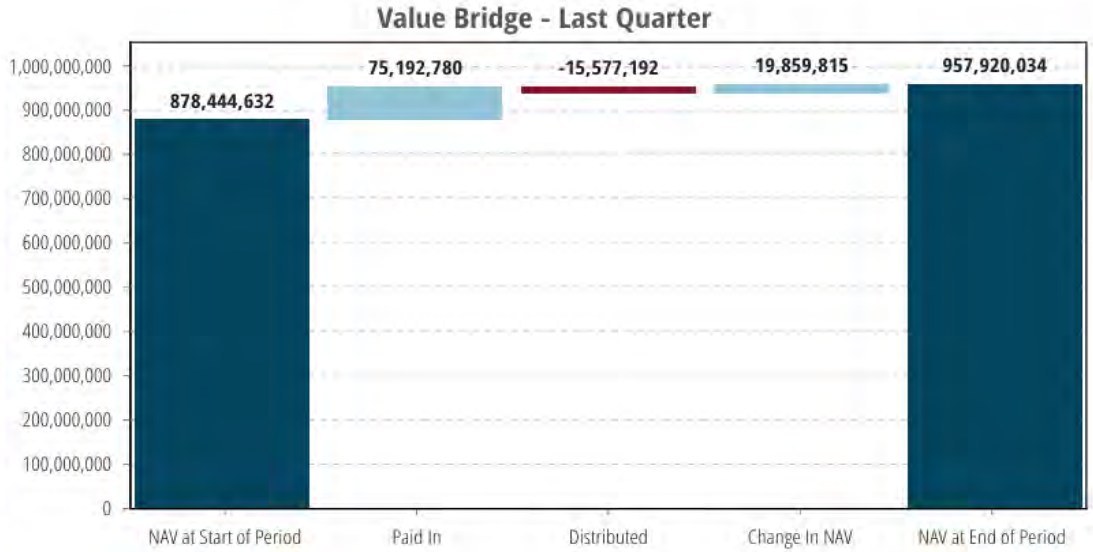
- Cumulative gains represent total distributions plus remaining value, less total contributions. Per calendar year.
- Time Weighted Returns calculated by Albourne using Modified Dietz

Portfolio Summary









- Annual Commitments are the Primary Commitments without Adjustments or Recallables
- Cumulative Percentage drawn calculated on Adjusted Commitments. Per Calendar Year

Summary By Asset Class - including terminated funds

Asset Class	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Asset Based Finance	5	677,451	663,377	83%	115,987	281,415	505,421	52.76%	0.42	1.19	0.76	2.57
Distressed	12	320,392	345,614	97%	11,181	456,093	16,139	1.68%	1.32	1.37	0.05	13.18
Lending	4	707,784	154,017	18%	578,173	102,508	84,724	8.84%	0.67	1.22	0.55	1.19
Multi-Credit	2	250,000	250,000	100%	0	31,588	281,258	29.36%	0.13	1.25	1.13	1.79
Real Estate	4	237,482	190,130	80%	47,351	174,912	70,378	7.35%	0.92	1.29	0.37	8.82
Portfolio Total	**27**	**2,193,109**	**1,603,138**	**66%**	**752,693**	**1,046,516**	**957,920**	**100.00%**	**0.65**	**1.25**	**0.60**	**4.26**

Summary By Sub Strategy - including terminated funds

Sub Strategy	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Core	7	1,327,451	679,723	51%	647,729	40,494	724,496	75.63%	0.06	1.13	1.07	0.82
Satellite	20	865,657	923,415	88%	104,964	1,006,022	233,424	24.37%	1.09	1.34	0.25	9.55
Portfolio Total	**27**	**2,193,109**	**1,603,138**	**66%**	**752,693**	**1,046,516**	**957,920**	**100.00%**	**0.65**	**1.25**	**0.60**	**4.26**

- All investments have been converted to the USD
- Duration definition in portfolio performance notes

2. Original Commitment + Commitment Adjustments (Including Currency Exposure)

Summary By Vintage Year - including terminated funds

Vintage Year	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
2006	1	23,646	23,086	98%	560	42,674	70	0.01%	1.85	1.85	0.00	18.51
2007	2	49,966	49,966	100%	0	87,435	0	0.00%	1.75	1.75	0.00	15.44
2008	2	59,970	59,970	100%	0	84,687	0	0.00%	1.41	1.41	0.00	12.20
2009	1	20,000	20,000	100%	0	29,311	17	0.00%	1.47	1.47	0.00	15.69
2010	1	19,343	19,343	100%	0	26,139	0	0.00%	1.35	1.35	0.00	14.44
2011	2	44,861	42,547	88%	5,247	53,405	3,653	0.38%	1.26	1.34	0.09	12.46
2013	2	26,942	32,363	86%	3,391	32,599	540	0.06%	1.01	1.02	0.02	12.07
2014	2	94,246	113,530	94%	5,374	114,429	12,233	1.28%	1.01	1.12	0.11	10.88
2015	3	157,784	186,392	95%	8,081	207,824	36,843	3.85%	1.11	1.31	0.20	9.84
2016	1	78,899	34,938	44%	43,961	25,656	25,858	2.70%	0.73	1.47	0.74	8.79
2017	2	190,000	279,630	100%	0	297,689	91,076	9.51%	1.06	1.39	0.33	7.79
2023	1	200,000	200,000	100%	0	27,191	226,174	23.61%	0.14	1.27	1.13	1.91
2024	5	827,451	503,872	61%	323,579	17,477	523,458	54.65%	0.03	1.07	1.04	0.92
2025	2	400,000	37,500	9%	362,500	0	37,999	3.97%	0.00	1.01	1.01	0.12
Portfolio Total	**27**	**2,193,109**	**1,603,138**	**66%**	**752,693**	**1,046,516**	**957,920**	**100.00%**	**0.65**	**1.25**	**0.60**	**4.26**

Summary By Life Stage - including terminated funds

Life Stage	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Developing	8	1,427,451	741,372	52%	686,079	44,668	787,631	82.22%	0.06	1.12	1.06	0.84
Liquidated	6	154,141	154,141	100%	0	231,897	0	0.00%	1.50	1.50	0.00	13.42
Mature	7	184,834	206,666	92%	14,572	238,781	16,512	1.72%	1.16	1.24	0.08	12.86
Maturing	6	426,683	500,960	88%	52,042	531,169	153,777	16.05%	1.06	1.37	0.31	8.73
Portfolio Total	**27**	**2,193,109**	**1,603,138**	**66%**	**752,693**	**1,046,516**	**957,920**	**100.00%**	**0.65**	**1.25**	**0.60**	**4.26**

- Developing: 2020-2025 Vintages, Maturing 2015-2019 Vintages, Mature 2006-2014 Vintages
- All investments have been converted to the USD
- Duration definition in portfolio performance notes

2. Original Commitment + Commitment Adjustments (Including Currency Exposure)

Summary By Fund Type - including terminated funds

Fund Main Type	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Client Specific	2	500,000	75,000	15%	425,000	1,817	77,665	8.11%	0.02	1.06	1.04	0.59
Other	2	250,000	250,000	100%	0	31,588	281,258	29.36%	0.13	1.25	1.13	1.79
Primary	23	1,443,109	1,278,138	77%	327,693	1,013,111	598,997	62.53%	0.79	1.26	0.47	5.96
Portfolio Total	**27**	**2,193,109**	**1,603,138**	**66%**	**752,693**	**1,046,516**	**957,920**	**100.00%**	**0.65**	**1.25**	**0.60**	**4.26**

Summary By Fund Status - including terminated funds

Fund Status	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Current	21	2,038,968	1,448,998	63%	752,693	814,618	957,920	100.00%	0.56	1.22	0.66	3.56
Terminated	6	154,141	154,141	100%	0	231,897	0	0.00%	1.50	1.50	0.00	13.42
Portfolio Total	**27**	**2,193,109**	**1,603,138**	**66%**	**752,693**	**1,046,516**	**957,920**	**100.00%**	**0.65**	**1.25**	**0.60**	**4.26**

Inflows/Outflows 2Q 2025 - including terminated funds

Asset Class	# Funds	Paid In (000's)	Distributed (000's)	Net Cash Flow(000's)
Asset Based Finance	5	58,685	9,536	-49,149
Distressed	12	91	536	444
Lending	4	25,000	1,053	-23,947
Multi-Credit	2	0	4,452	4,452
Real Estate	4	-8,584	0	8,584
Total	**27**	**75,193**	**15,577**	**-59,616**

Inflows/Outflows Year to Date 2025 - including terminated funds

Asset Class	# Funds	Paid In (000's)	Distributed (000's)	Net Cash Flow(000's)
Asset Based Finance	5	178,236	22,052	-156,184
Distressed	12	96	1,062	966
Lending	4	49,828	6,508	-43,319
Multi-Credit	2	0	9,171	9,171
Real Estate	4	-8,680	3,078	11,758
Total	**27**	**219,480**	**41,871**	**-177,608**

- All investments have been converted to the USD
- Duration definition in portfolio performance notes

2. Original Commitment + Commitment Adjustments (Including Currency Exposure)

Performance Summary

Performance Summary (1)

Asset Class	Vintage	TVPI	DPI	RVPI	Duration (Years)	Fund Type	Investment Status	Life Stage
Asset Based Finance								
Blue Owl Asset Special Opportunities Fund VI LP	2015	1.47	1.45	0.02	9.77	Closed End Fund	Invested	Maturing
Cerberus Residential Opportunity Fund, L.P.	2017	1.38	0.99	0.40	7.72	Closed End Fund	Invested	Maturing
Ares Pathfinder Core Fund	2024	1.06	0.04	1.03	0.99	Open End Fund	Invested	Developing
Blue Owl Asset Special Opportunities Fund IX LP	2024	1.09[1]	0.07[1]	1.02	1.04	Closed End Fund	Invested	Developing
Cerberus Global Residential Multi-Strategy Fund, L.P.	2024	1.04[1]	0.00[1]	1.04	0.74	Open End Fund	Invested	Developing
Total - Asset Based Finance		**1.19**	**0.42**	**0.76**	**2.57**			
Distressed								
Combined Cerberus Institutional Partners, L.P. -Series Four	2006	1.85	1.85	0.00	18.51	Closed End Fund	Invested	Mature
OCM Opportunities Fund VII, L.P.	2007	1.38	1.38	0.00	16.70	Closed End Fund	Liquidated	Liquidated
Wayzata Opportunities Fund II, L.P.	2007	1.91	1.91	0.00	14.90	Closed End Fund	Liquidated	Liquidated
OCM Opportunities Fund VIIb, L.P.	2008	1.73	1.73	0.00	15.82	Closed End Fund	Liquidated	Liquidated
Selene Residential Mortgage Opportunity Fund L.P.	2008	1.15	1.15	0.00	9.24	Closed End Fund	Liquidated	Liquidated
Oaktree Opportunities Fund VIII, L.P.	2009	1.47	1.47	0.00	15.69	Closed End Fund	Invested	Mature
H.I.G. Bayside Loan Opportunity Fund II	2010	1.35	1.35	0.00	14.44	Closed End Fund	Liquidated	Liquidated
Oaktree European Principal Fund III (U.S.), L.P.	2011	1.32[1]	1.12[1]	0.21	13.64	Closed End Fund	Invested	Mature
Selene Residential Mortgage Opportunity Fund II L.P.	2011	1.35	1.35	0.00	11.51	Closed End Fund	Liquidated	Liquidated
Wayzata Opportunities Fund III, L.P.	2013	1.06	1.05	0.01	12.38	Closed End Fund	Invested	Mature
Garrison Opportunity Fund IV A LLC	2014	0.99	0.90	0.09	10.55	Closed End Fund	Invested	Mature
Sixth Street Opportunities Partners III	2014	1.24	1.12	0.13	11.39	Closed End Fund	Invested	Mature
Total - Distressed		**1.37**	**1.32**	**0.05**	**13.18**			
Lending								
Athyrium Opportunities Fund II LP	2015	1.36	1.27	0.09	10.07	Closed End Fund	Invested	Maturing
NM Pera TPG AG Origination Fund	2024	1.11	0.05	1.06	0.85	Managed Account	Invested	Developing
Arcmont Direct Lending Evergreen Fund, L.P.	2025				-0.22	Open End Fund	Invested	Developing

- All investments have been converted to the USD

1. PM benchmark is missing or has limited data (<5 funds)

Information in this section includes both active and liquidated investments

Performance Summary (2)

Asset Class	Vintage	TVPI	DPI	RVPI	Duration (Years)	Fund Type	Investment Status	Life Stage
NM PERA Pedernal Neuberger Berman, L.P.	2025	1.01	0.00	1.01	0.32	Managed Account	Invested	Developing
Total - Lending		**1.22**	**0.67**	**0.55**	**1.19**			
Multi-Credit								
[OE] Apollo Defined Return Fund Series A INT 08/2023[1]	2023	1.27[2]	0.14[2]	1.13	1.91	Open End Fund	Invested	Developing
[OE] Apollo Defined Return Series A INT 03/2024[1]	2024	1.19[2]	0.09[2]	1.10	1.33	Open End Fund	Invested	Developing
Total - Multi-Credit		**1.25**	**0.13**	**1.13**	**1.79**			
Real Estate								
European Real Estate Debt Fund II L.P.	2013	0.98[2]	0.96[2]	0.02	11.91	Closed End Fund	Invested	Mature
Madison Realty Capital Debt Fund III LP	2015	1.05	0.48	0.57	9.64	Closed End Fund	Invested	Maturing
DRC European Real Estate Debt Fund III L.P.	2016	1.47	0.73	0.74	8.79	Closed End Fund	Invested	Maturing
Cheyne Real Estate Credit (CRECH) Fund V - Opportunistic LP	2017	1.40[2]	1.23[2]	0.17	7.86	Closed End Fund	Invested	Maturing
Total - Real Estate		**1.29**	**0.92**	**0.37**	**8.82**			
Portfolio Total		**1.25**	**0.65**	**0.60**	**4.26**			

- All investments have been converted to the USD

2. PM benchmark is missing or has limited data (<5 funds)

Information in this section includes both active and liquidated investments

Funding Status

Funding Status (1)

Asset Class	Vintage	Commitment Date	Fund Size (000's)	Current Commitment (000's)[1]	Paid In (000's)	Distributions (000's)	Funded	Current NAV (000's)	Data	Fund Type	Investment Status
Asset Based Finance											
Blue Owl Asset Special Opportunities Fund VI LP	2015	1 Jul 15	773,000	50,000	57,375	83,109	90%	1,289	2Q 2025	Closed End Fund	Invested
Cerberus Residential Opportunity Fund, L.P.	2017	1 Oct 17	181,000	100,000	189,630	187,043	100%	75,424	2Q 2025	Closed End Fund	Invested
Ares Pathfinder Core Fund	2024	1 Sep 23		250,000	200,000	7,089	80%	205,348	2Q 2025	Open End Fund	Invested
Blue Owl Asset Special Opportunities Fund IX LP	2024	1 Apr 24	1,420,000	100,000	61,649	4,175	62%	63,135	2Q 2025	Closed End Fund	Invested
Cerberus Global Residential Multi-Strategy Fund, L.P.	2024	1 Oct 24		177,451	154,723	0	87%	160,226	2Q 2025	Open End Fund	Invested
Total - Asset Based Finance				**677,451**	**663,377**	**281,415**	**83%**	**505,421**			
Distressed											
Combined Cerberus Institutional Partners, L.P. -Series Four	2006	1 Dec 06	7,525,000	23,646	23,086	42,674	98%	70	2Q 2025	Closed End Fund	Invested
OCM Opportunities Fund VII, L.P.	2007	3 Jul 07	3,598,373	15,000	15,000	20,684	100%	0	1Q 2024	Closed End Fund	Liquidated
Wayzata Opportunities Fund II, L.P.	2007	1 Nov 07	3,400,000	34,966	34,966	66,751	100%	0	3Q 2022	Closed End Fund	Liquidated
OCM Opportunities Fund VIIb, L.P.	2008	3 Jun 08	10,940,250	27,000	27,000	46,761	100%	0	1Q 2024	Closed End Fund	Liquidated
Selene Residential Mortgage Opportunity Fund L.P.	2008	1 Sep 08	826,237	32,970	32,970	37,926	100%	0	4Q 2017	Closed End Fund	Liquidated
Oaktree Opportunities Fund VIII, L.P.	2009	14 Oct 09	4,400,000	20,000	20,000	29,311	100%	17	2Q 2025	Closed End Fund	Invested
H.I.G. Bayside Loan Opportunity Fund II	2010	1 Jul 10	1,100,000	19,343	19,343	26,139	100%	0	4Q 2024	Closed End Fund	Liquidated
Oaktree European Principal Fund III (U.S.), L.P.	2011	1 Oct 11	3,825,188	20,000	17,686	19,768	74%	3,653	2Q 2025	Closed End Fund	Invested
Selene Residential Mortgage Opportunity Fund II L.P.	2011	1 Jun 11	623,132	24,861	24,861	33,637	100%	0	4Q 2022	Closed End Fund	Liquidated
Wayzata Opportunities Fund III, L.P.	2013	30 Jun 12	2,716,000	8,359	17,171	18,014	100%	167	2Q 2025	Closed End Fund	Invested
Garrison Opportunity Fund IV A LLC	2014	1 Dec 14	364,100	56,949	56,949	51,325	100%	5,082	2Q 2025	Closed End Fund	Invested
Sixth Street Opportunities Partners III	2014	1 Feb 14	3,373,000	37,297	56,581	63,104	86%	7,151	2Q 2025	Closed End Fund	Invested
Total - Distressed				**320,392**	**345,614**	**456,093**	**97%**	**16,139**			
Lending											
Athyrium Opportunities Fund II LP	2015	19 Dec 14	1,227,250	57,784	79,017	100,691	94%	7,059	2Q 2025	Closed End Fund	Invested
NM Pera TPG AG Origination Fund	2024	25 Apr 24		250,000	37,500	1,817	15%	39,666	2Q 2025	Managed Account	Invested
Arcmont Direct Lending Evergreen Fund, L.P.	2025	30 Jun 25	11,787,000	150,000	0	0	0%	0	2Q 2025	Open End Fund	Invested

- All investments have been converted to the USD

1. Original Commitment + Commitment Adjustments (Including Currency Exposure)

Information in this section includes both active and liquidated investments

Funding Status (2)

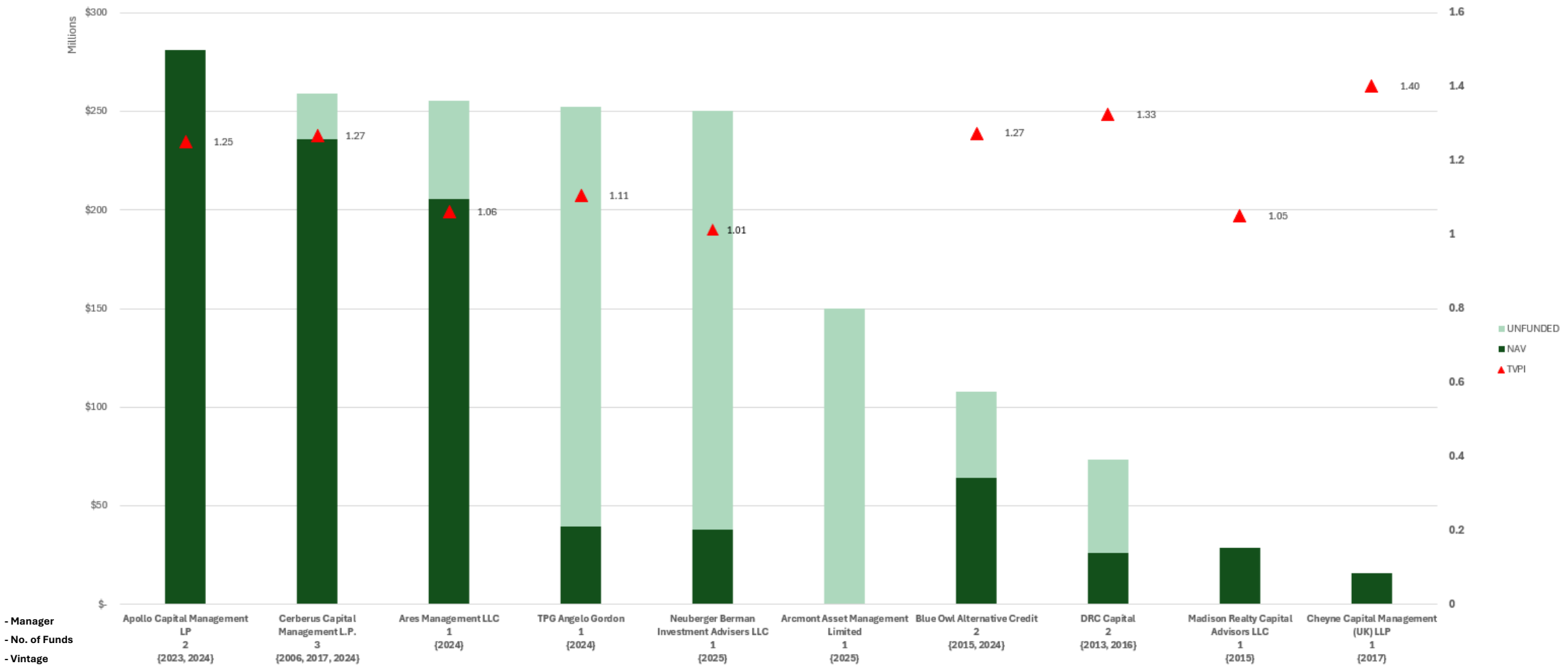
Asset Class	Vintage	Commitment Date	Fund Size (000's)	Current Commitment (000's)[1]	Paid In (000's)	Distributions (000's)	Funded	Current NAV (000's)	Data	Fund Type	Investment Status
NM PERA Pedernal Neuberger Berman, L.P.	2025	23 Jul 24	250,000	250,000	37,500	0	15%	37,999	2Q 2025	Managed Account	Invested
Total - Lending				**707,784**	**154,017**	**102,508**	**18%**	**84,724**			
Multi-Credit											
[OE] Apollo Defined Return Fund Series A INT 08/2023[2]	2023	1 Aug 23		200,000	200,000	27,191	100%	226,174	2Q 2025	Open End Fund	Invested
[OE] Apollo Defined Return Series A INT 03/2024[2]	2024	1 Mar 24		50,000	50,000	4,397	100%	55,083	2Q 2025	Open End Fund	Invested
Total - Multi-Credit				**250,000**	**250,000**	**31,588**	**100%**	**281,258**			
Real Estate											
European Real Estate Debt Fund II L.P.	2013	1 Aug 13	668,748	18,583	15,192	14,586	78%	373	2Q 2025	Closed End Fund	Invested
Madison Realty Capital Debt Fund III LP	2015	1 Oct 15	695,045	50,000	50,000	24,025	100%	28,495	2Q 2025	Closed End Fund	Invested
DRC European Real Estate Debt Fund III L.P.	2016	1 Sep 16	823,920	78,899	34,938	25,656	44%	25,858	2Q 2025	Closed End Fund	Invested
Cheyne Real Estate Credit (CRECH) Fund V - Opportunistic LP	2017	1 Feb 17	600,000	90,000	90,000	110,646	100%	15,652	2Q 2025	Closed End Fund	Invested
Total - Real Estate				**237,482**	**190,130**	**174,912**	**80%**	**70,378**			
Portfolio Total				**2,193,109**	**1,603,138**	**1,046,516**	**66%**	**957,920**			

- All investments have been converted to the USD

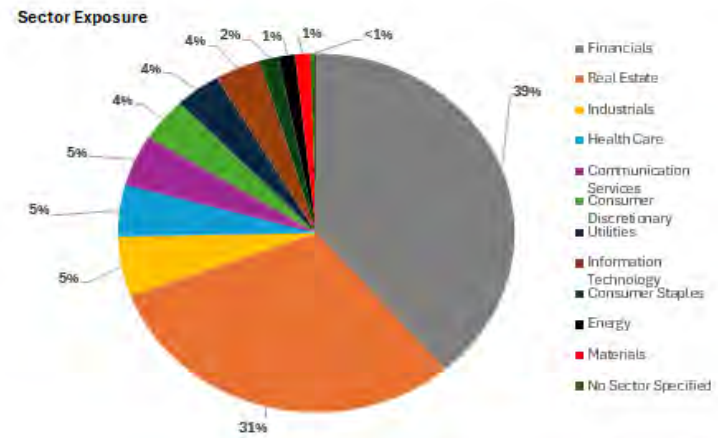
1. Original Commitment + Commitment Adjustments (Including Currency Exposure)
2. This is an open-ended, liquid fund

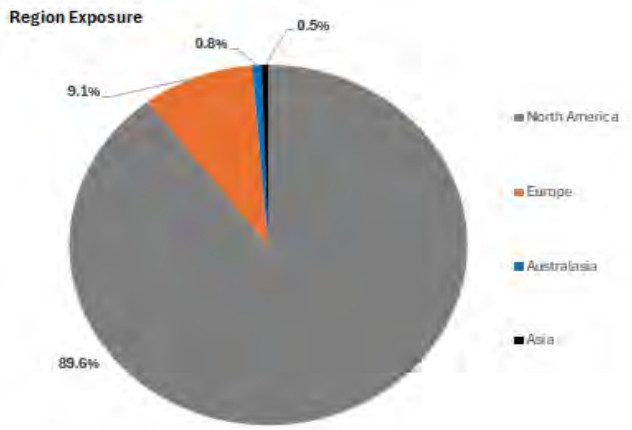
Information in this section includes both active and liquidated investments

Largest Relationship Concentrations by Manager Group



Exposures by Region, Country and Asset Class





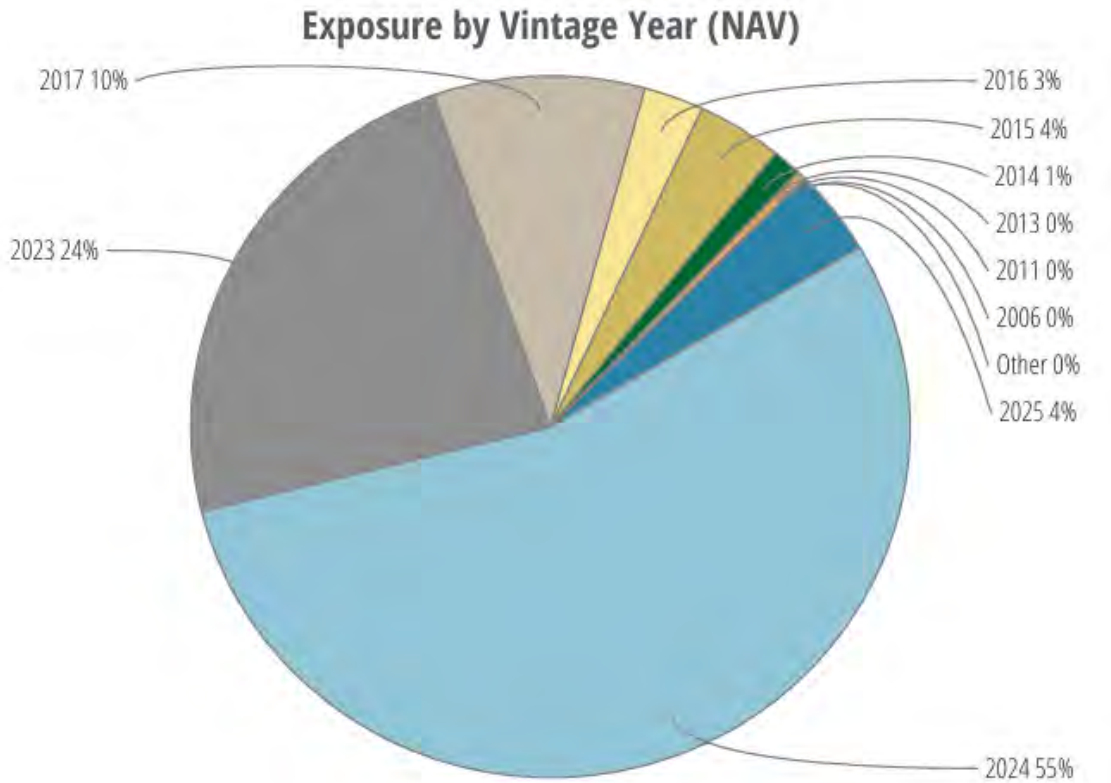


- All Exposures calculated by NAV

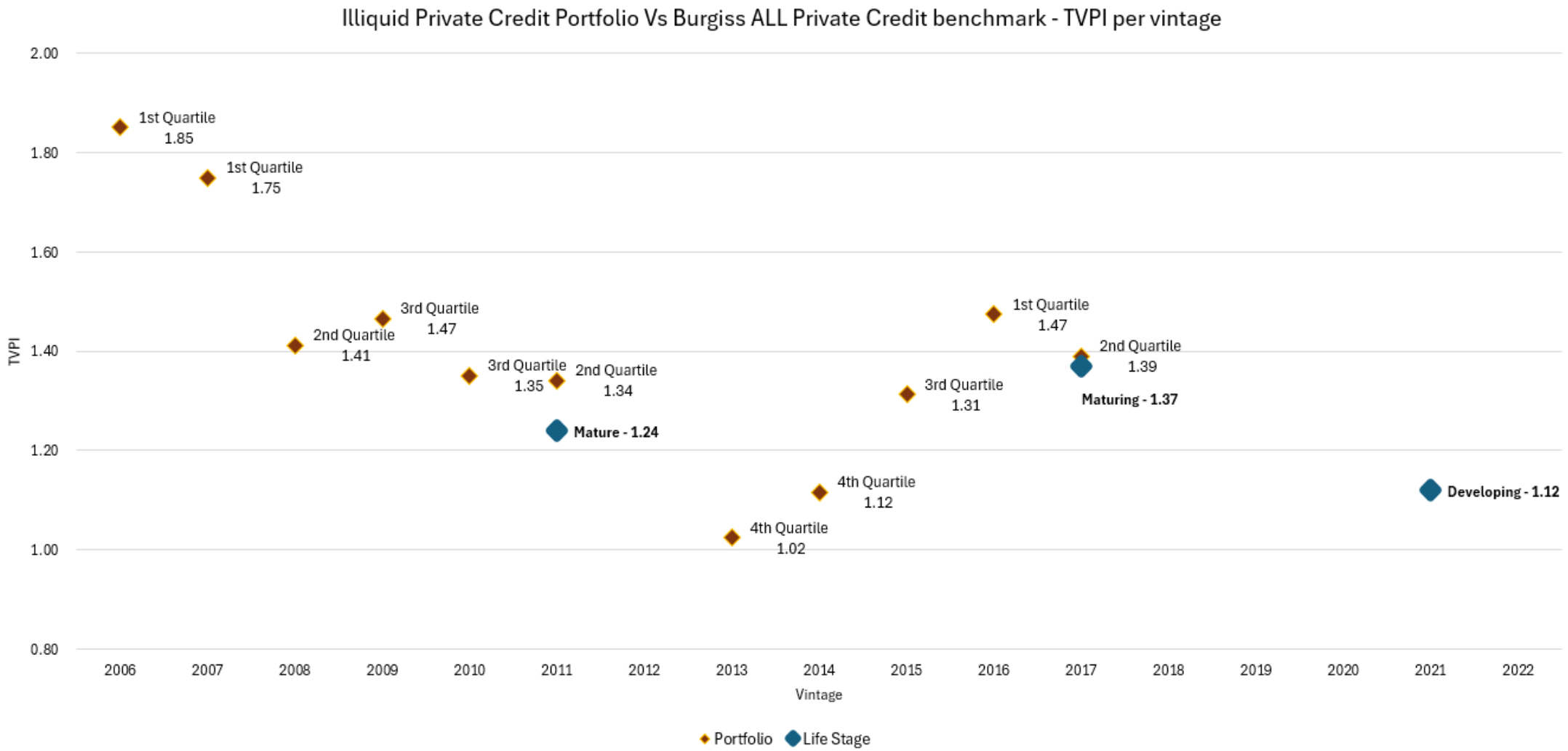
The charts are based on data collected representing **~95%** of total NAV, with the following breakdown:
- ~63% is calculated using the allocation of investment level data as of 06/30/2025
- ~32% is calculated using the allocation of historical investment level data, where we assume that the fund continues to have similar sector/region allocation

- The two Apollo Credit Strategies Absolute Return positions' exposures, comprising ~29% of the total portfolio exposure as of 2Q 2025, are calculated using a gross over total gross exposure methodology (as of 1Q 2025 exposures)
- 'Other' category in countries exposure chart, includes all countries that have <1% exposure

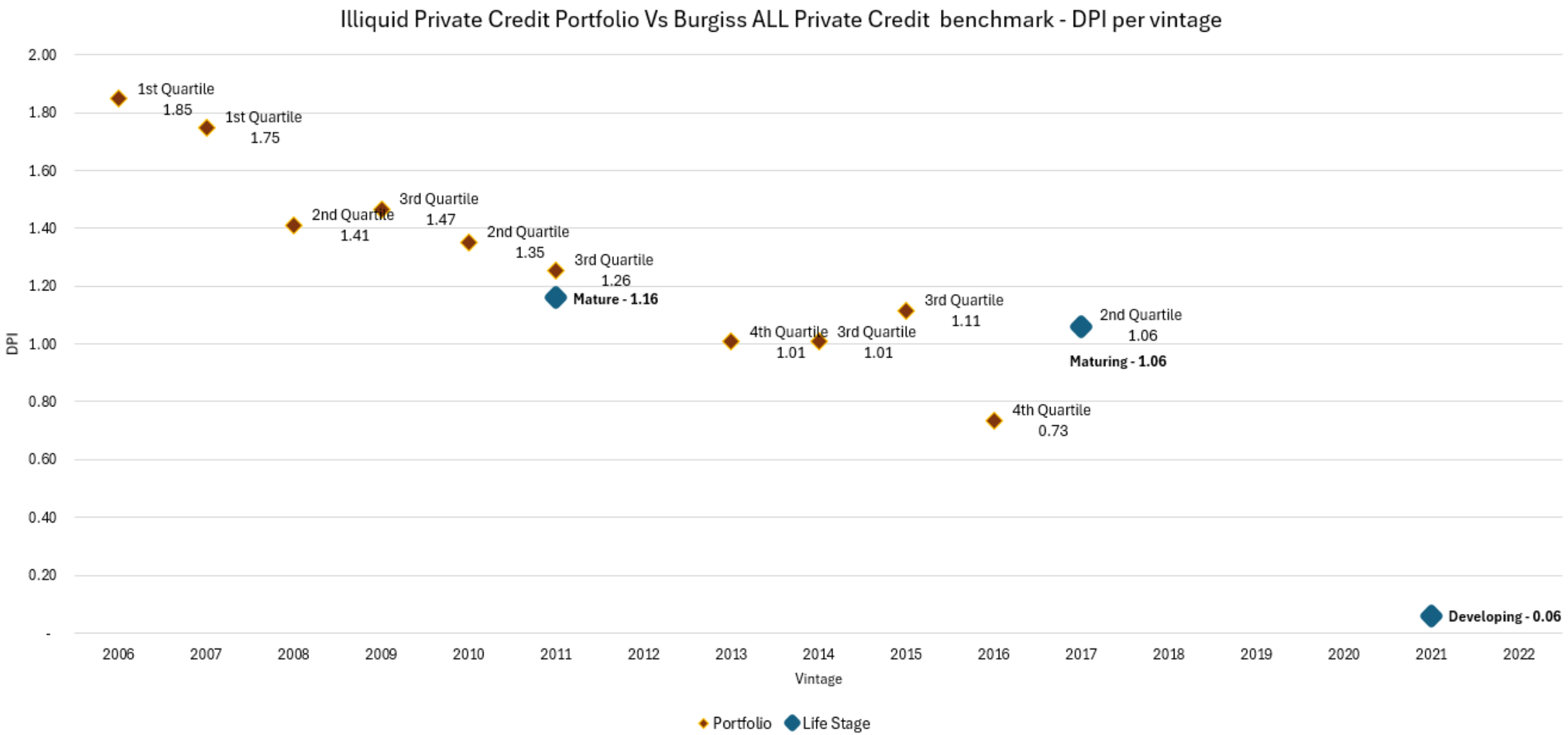
Exposures by Vintage Year



Benchmarking – Quartiles per Vintage



- Developing: 2020-2025 Vintages, Maturing 2015-2019 Vintages, Mature 2006-2014 Vintages
- The last three vintages are not included in direct benchmarking, but are included under the 'Developing' group for the Life Stage performance marker



- Developing: 2020-2025 Vintages, Maturing 2015-2019 Vintages, Mature 2006-2014 Vintages
- The last three vintages are not included in direct benchmarking, but are included under the 'Developing' group for the Life Stage performance marker

NEW MEXICO PERA – ILLIQUID REAL ESTATE

Portfolio Performance Review

2Q 2025

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GBP Risk-Free Rate (RFR) is a temporally composite index comprised of GBP 3M LIBOR (BP0003M Index) from Feb 1987 (inclusive) to Oct 2008 (inclusive), and UK Generic T Bills 3M (UKGTB3M Index) from Nov 2008 (inclusive) onwards.

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Portfolio Performance Notes

- Returns calculated by Albourne
- Vintage is defined as the year of the first capital call
- Weighted Duration (Years) is defined as:

Duration for Group i:

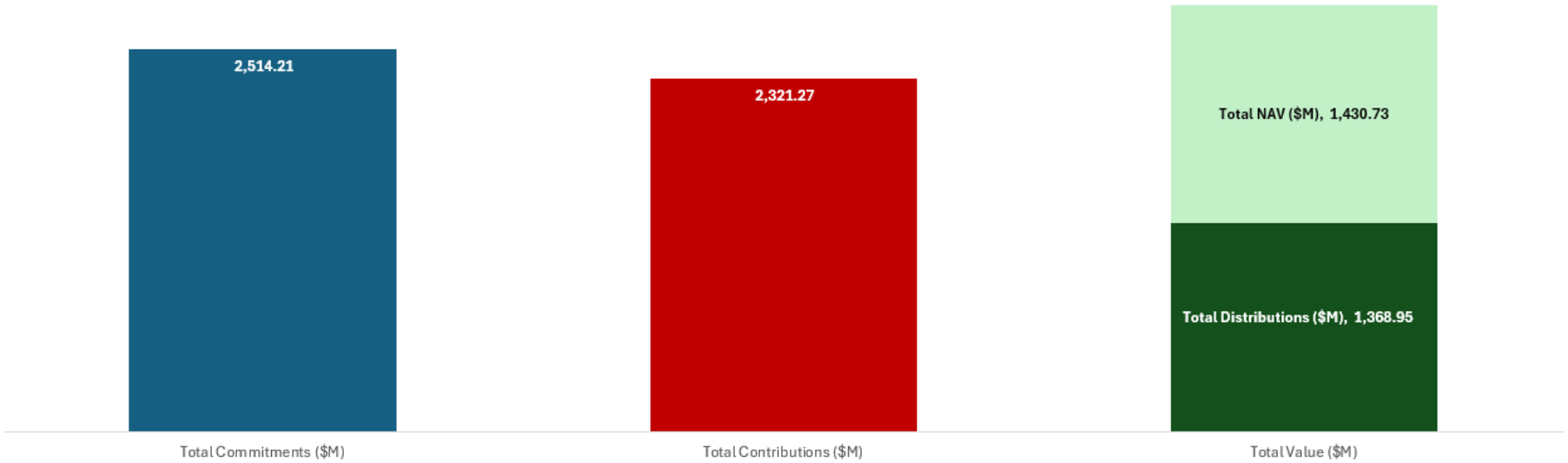
$$= \sum_{j \in Group\ i} \left(\frac{Termination\ Date\ or\ Latest\ Quarter\ Date_j - Inception\ Date_j}{365.25} \times \frac{Commitment_j}{Total\ Commitments\ of\ Group\ i} \right)$$

Where:
- **Inception Date** = Date of first capital call for constituent j.
- **Termination Date or Latest Quarter Date** = End date for constituent j.
- **365.25** accounts for leap years (average days per year).
- **Commitment** = Adjusted Current Commitment

- Modified Dietz TWR: $rModDietz = \frac{(V1 - V0 - CF)}{V0 + \sum_{i=1}^{n}(CFi \times Wi)}$

Where:
- $\boldsymbol{V_1}$ = full fair value of the portfolio (including accrued income) at the end of the period
- $\boldsymbol{V_0}$ = full fair value of the portfolio (including accrued income) at the beginning of the period
- $\boldsymbol{CF} = \sum C\ F_i$ = sum of each cash flow weighted by its time factor
- $\sum_{i=1}^{n}(\boldsymbol{CFi\ x\ Wi})$= sum of each cash flow weighted by its time factor
- $\boldsymbol{w_i} = \frac{CD - D_i}{CD}$ = weight for each cash flow
  - $\boldsymbol{CD}$= total number of calendar days in the period
  - $\boldsymbol{D_i}$ =number of days from the start of the period to the date of cash flow CF_i

Portfolio Overview



Inception	2007
Total Commitments ($M)	2,514.21
No. of Commitments	36
% Contributed	91.8%
Average age (years)	3.09
No. of Managers	17
Since Inception Net IRR	6.26%
TVPI	1.21

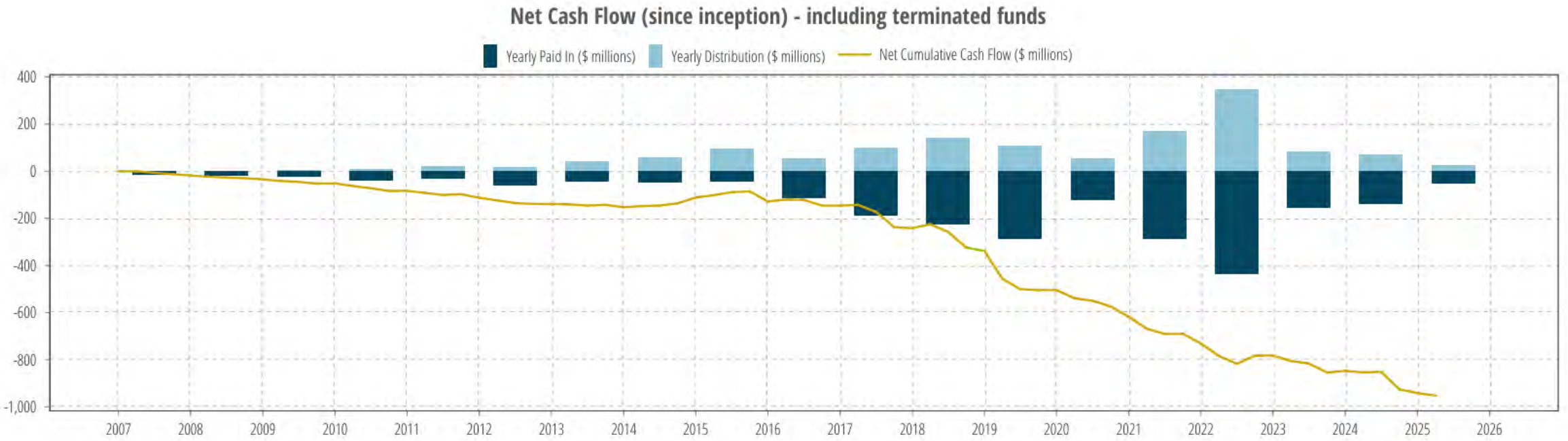
- Total commitments are Paid Ins + Unfunded where:

Unfunded = Adjusted Current Commitment - (Cumulative Paid In - Outside of Commitment) + Recallables
Adjusted Current Commitment = Primary Commitment + Commitment Adjustments

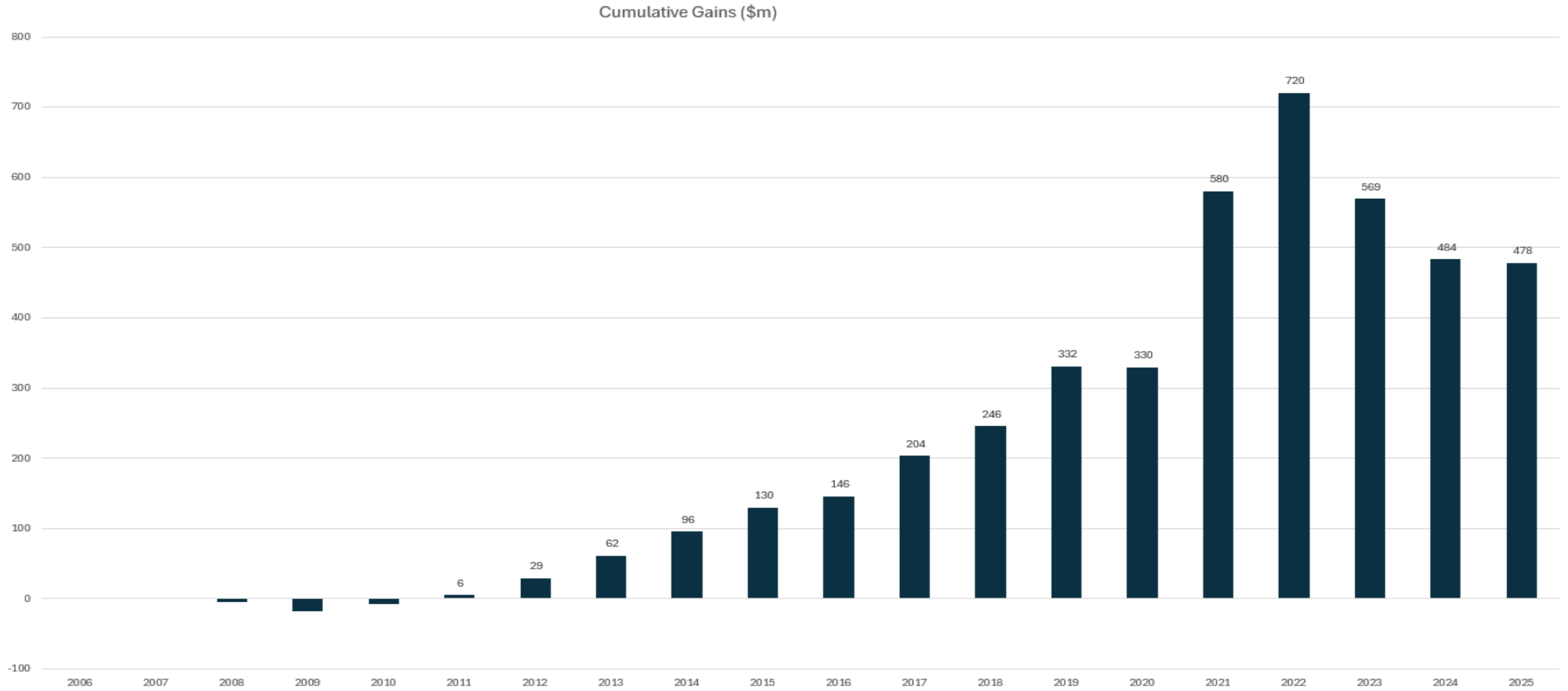
- % Contributed = Paid in / Adjusted Current Commitment
- Average Age (Holding Period) = LOG(TVPI) / LOG(1+IRR)

With FX effect

Funding Status & Performance Overview



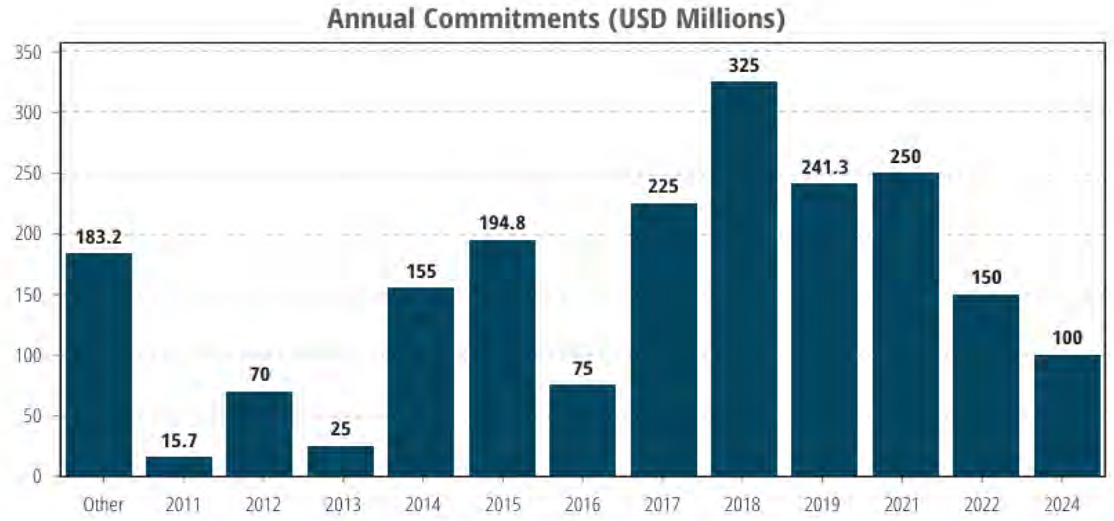
TWR 1-YEAR	TWR3-YEAR	TWR 5-YEAR	TWR 10-YEAR	IRR SINCE INCEPTION*
-4.01%	-4.32%	4.76%	6.57%	6.26%

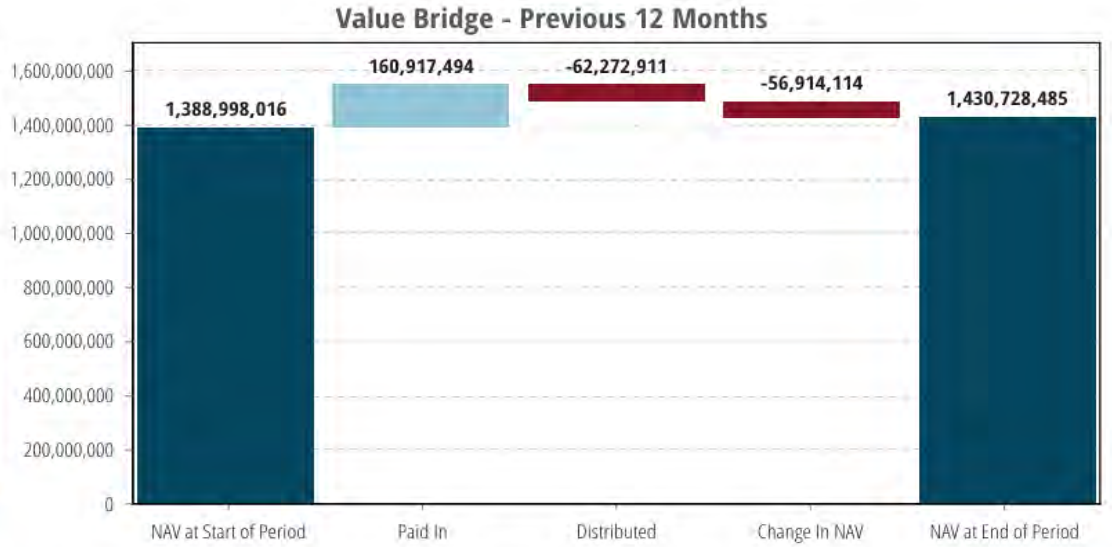


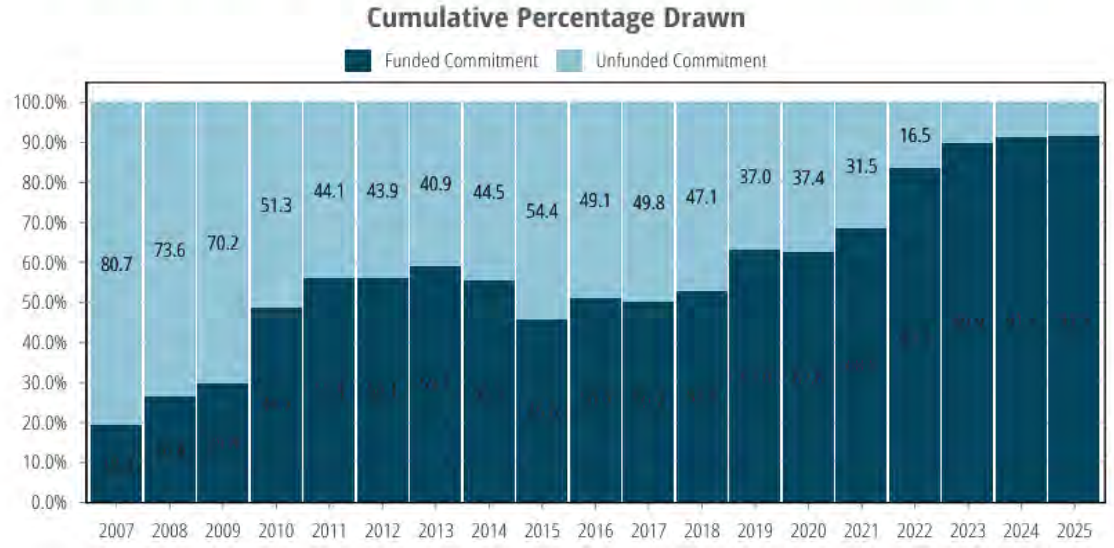
- Cumulative gains represent total distributions plus remaining value, less total contributions. Per calendar year.
- Time Weighted Returns calculated by Albourne using Modified Dietz

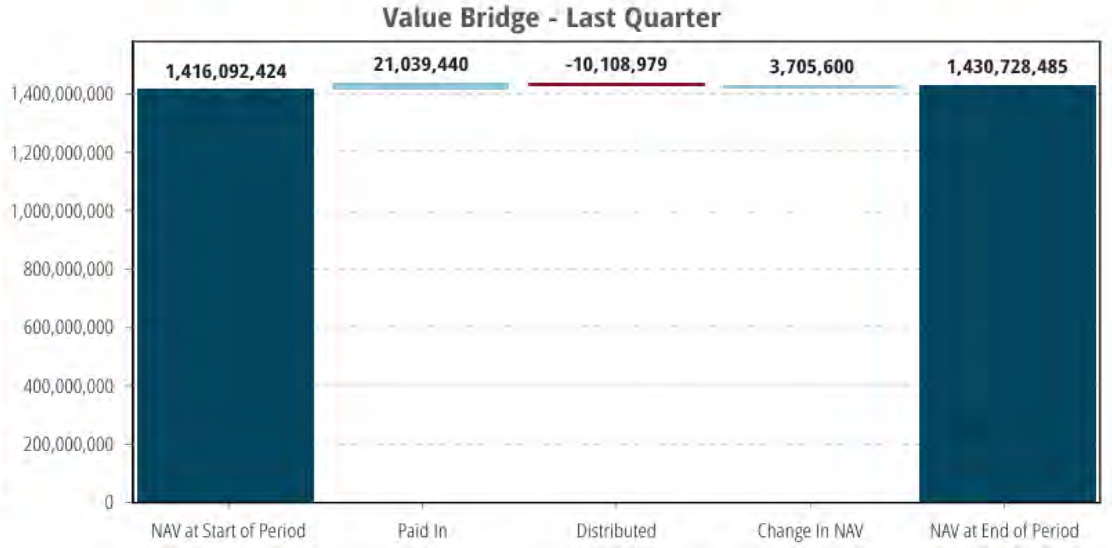
* IRR was used for since-inception returns as a close approximation of TWR. Calculating TWR was not feasible due to the extremely negative returns in the initial quarters of the portfolio, which prevent meaningful geometric linking for subsequent periods.

Portfolio Summary









- Annual Commitments are the Primary Commitments without Adjustments or Recallables
- Cumulative Percentage drawn calculated on Adjusted Commitments. Per Calendar Year

Summary By Asset Class - including terminated funds

Asset Class	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Core	2	100,144	75,144	75%	25,000	1,457	81,976	5.73%	0.02	1.11	1.09	0.67
Core-Plus	8	1,082,702	1,129,345	97%	36,680	351,652	795,196	55.58%	0.31	1.02	0.70	5.54
Opportunistic	20	920,197	877,524	87%	117,884	881,273	445,721	31.15%	1.00	1.51	0.51	9.50
Value Added	6	250,305	239,257	95%	13,381	134,569	107,835	7.54%	0.56	1.01	0.45	7.97
Portfolio Total	**36**	**2,353,348**	**2,321,269**	**92%**	**192,945**	**1,368,950**	**1,430,728**	**100.00%**	**0.59**	**1.21**	**0.62**	**7.14**

Summary By Vintage Year - including terminated funds

Vintage Year	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
2007	3	72,671	72,671	100%	0	105,044	0	0.00%	1.45	1.45	0.00	15.09
2008	1	28,175	26,638	89%	2,814	36,857	948	0.07%	1.38	1.42	0.04	16.68
2009	4	89,315	86,831	94%	5,450	126,066	11,447	0.80%	1.45	1.58	0.13	15.09
2011	1	7,884	20,918	89%	861	29,194	1,348	0.09%	1.40	1.46	0.06	13.75
2012	2	70,348	74,611	97%	2,088	103,302	5,018	0.35%	1.38	1.45	0.07	12.65
2013	1	25,000	23,250	93%	1,750	41,264	2,183	0.15%	1.77	1.87	0.09	12.30
2014	3	155,020	142,999	87%	19,521	191,072	30,134	2.11%	1.34	1.55	0.21	10.71
2015	3	194,786	191,381	84%	31,230	234,928	98,369	6.88%	1.23	1.74	0.51	9.57
2016	1	75,000	70,504	92%	6,234	69,213	32,199	2.25%	0.98	1.44	0.46	8.50
2017	2	252,702	249,073	98%	5,999	222,288	22,508	1.57%	0.89	0.98	0.09	5.49
2018	3	516,095	561,038	95%	26,724	123,362	395,746	27.66%	0.22	0.93	0.71	6.91
2019	4	241,196	214,994	86%	33,295	41,553	180,707	12.63%	0.19	1.03	0.84	5.96
2021	3	350,011	351,217	96%	14,870	34,800	411,405	28.75%	0.10	1.27	1.17	4.37
2022	2	150,000	135,000	89%	17,109	8,200	131,850	9.22%	0.06	1.04	0.98	3.08
2024	3	125,144	100,144	80%	25,000	1,807	106,866	7.47%	0.02	1.09	1.07	0.68
Portfolio Total	**36**	**2,353,348**	**2,321,269**	**92%**	**192,945**	**1,368,950**	**1,430,728**	**100.00%**	**0.59**	**1.21**	**0.62**	**7.14**

- All investments have been converted to the USD
- 2. Original Commitment + Commitment Adjustments (Including Currency Exposure)

Summary By Life Stage - including terminated funds

Life Stage	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Developing	3	200,011	170,141	84%	31,979	14,355	171,072	11.96%	0.08	1.09	1.01	4.04
Liquidated	5	263,387	263,387	100%	0	316,705	0	0.00%	1.20	1.20	0.00	7.88
Mature	11	357,440	356,945	91%	32,485	497,602	51,078	3.57%	1.39	1.54	0.14	12.74
Maturing	11	1,007,366	1,014,576	90%	103,482	498,902	624,084	43.62%	0.49	1.11	0.62	7.42
Open-Ended	6	525,144	516,220	95%	25,000	41,386	584,495	40.85%	0.08	1.21	1.13	3.70
Portfolio Total	**36**	**2,353,348**	**2,321,269**	**92%**	**192,945**	**1,368,950**	**1,430,728**	**100.00%**	**0.59**	**1.21**	**0.62**	**7.14**

Summary By Fund Type - including terminated funds

Fund Type	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Primary Fund	28	1,310,791	1,243,598	88%	150,221	1,059,860	623,906	43.61%	0.85	1.35	0.50	8.94
Client Specific Fund	2	517,414	561,452	97%	17,724	267,704	222,328	15.54%	0.48	0.87	0.40	6.10
Open-Ended Private Fund	6	525,144	516,220	95%	25,000	41,386	584,495	40.85%	0.08	1.21	1.13	3.70
Portfolio Total	**36**	**2,353,348**	**2,321,269**	**92%**	**192,945**	**1,368,950**	**1,430,728**	**100.00%**	**0.59**	**1.21**	**0.62**	**7.14**

Summary By Fund Status - including terminated funds

Fund Status	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Current	31	2,089,961	2,057,883	91%	192,945	1,052,244	1,430,728	100.00%	0.51	1.21	0.70	7.05
Terminated	5	263,387	263,387	100%	0	316,705	0	0.00%	1.20	1.20	0.00	7.88
Portfolio Total	**36**	**2,353,348**	**2,321,269**	**92%**	**192,945**	**1,368,950**	**1,430,728**	**100.00%**	**0.59**	**1.21**	**0.62**	**7.14**

- Developing: 2020-2025 Vintages, Maturing 2015-2019 Vintages, Mature 2006-2014 Vintages, Unspecified=Liquidated
- All investments have been converted to the USD

2. Original Commitment + Commitment Adjustments (Including Currency Exposure)

Inflows/Outflows 2Q 2025 - including terminated funds

Asset Class	# Funds	Paid In (000's)	Distributed (000's)	Net Cash Flow(000's)
Core	2	72	784	712
Core-Plus	8	17,456	3,532	-13,924
Opportunistic	20	2,714	5,728	3,014
Value Added	6	798	66	-732
Total	**36**	**21,039**	**10,109**	**-10,930**

Inflows/Outflows Year to Date 2025 - including terminated funds

Asset Class	# Funds	Paid In (000's)	Distributed (000's)	Net Cash Flow(000's)
Core	2	144	1,457	1,313
Core-Plus	8	40,021	8,920	-31,101
Opportunistic	20	6,897	13,068	6,171
Value Added	6	3,200	128	-3,072
Total	**36**	**50,261**	**23,573**	**-26,688**

- All investments have been converted to the USD

Performance Summary

Performance Summary (1)

Asset Class	Vintage	TVPI	DPI	RVPI	Duration (Years)	Fund Type	Investment Status	Life Stage
Core								
Harrison Street Core Properties Fund	2024	1.03[1]	0.02[1]	1.01	0.74	Open End Fund	Invested	Open-Ended
IDR Core Property Index Fund	2024	1.15[1]	0.02[1]	1.13	0.59	Open End Fund	Invested	Open-Ended
Total - Core		**1.11[1]**	**0.02[1]**	**1.09**	**0.67**			
Core-Plus								
Rockpoint Growth and Income Real Estate Fund II, L.P.	2017	0.83	0.53	0.29	8.00	Closed End Fund	Invested	Maturing
Sarofim Realty Retail Separate Account	2017	1.05	1.05	0.00	4.38	Closed End Fund	Liquidated	Liquidated
GEM Realty Evergreen Fund, L.P.	2018	1.16	0.11	1.05	6.73	Open End Fund	Invested	Open-Ended
New Rock Core Fund, L.P.	2018	0.79	0.22	0.57	6.94	Closed End Fund	Invested	Maturing
Rockpoint Growth and Income Real Estate Fund III	2019	1.02	0.06	0.95	5.67	Closed End Fund	Invested	Maturing
Stockbridge Niche Logistics Fund	2021	1.40	0.10	1.29	4.48	Open End Fund	Invested	Open-Ended
Rockwood Multifamily Partners	2022	0.99	0.06	0.93	2.88	Open End Fund	Invested	Open-Ended
Carlyle Property Investors	2024	1.01	0.01	1.00	0.74	Open End Fund	Invested	Open-Ended
Total - Core-Plus		**1.02**	**0.31**	**0.70**	**5.54**			
Opportunistic								
Carlyle Realty Partners V	2007	1.49	1.49	0.00	17.22	Closed End Fund	Liquidated	Liquidated
The Praedium Fund VII, L.P.	2007	1.43	1.43	0.00	11.75	Closed End Fund	Liquidated	Liquidated
Blackstone Real Estate Partners Europe III L.P.	2008	1.42	1.38	0.04	16.68	Closed End Fund	Invested	Mature
North Haven Real Estate Fund VII Global (fka MSREF VII)	2009	1.36[1]	1.36[1]	0.01	16.00	Closed End Fund	Invested	Mature
Starwood Opportunity Fund VIII, L.P.	2009	1.67[1]	1.64[1]	0.03	15.71	Closed End Fund	Invested	Mature
Walton Street Real Estate Partners VI, L.P.	2009	1.63[1]	1.23[1]	0.40	16.17	Closed End Fund	Invested	Mature
Carlyle Realty Partners VI	2011	1.46	1.40	0.06	13.75	Closed End Fund	Invested	Mature
Blackstone Real Estate Partners VII L.P.	2012	1.58	1.47	0.11	12.79	Closed End Fund	Invested	Mature
Starwood Distressed Opportunity Fund IX Global, L.P.	2013	1.87	1.77	0.09	12.30	Closed End Fund	Invested	Mature
Harrison Street Real Estate Partners V, L.P.	2014	1.53	1.18	0.35	10.49	Closed End Fund	Invested	Mature

- All investments have been converted to the USD

1. PM benchmark is missing or has limited data (<5 funds)

Information in this section includes both active and liquidated investments

Performance Summary (2)

Asset Class	Vintage	TVPI	DPI	RVPI	Duration (Years)	Fund Type	Investment Status	Life Stage
Starwood Opportunity Fund X, L.P.	2014	1.39	1.28	0.11	10.75	Closed End Fund	Invested	Mature
Wheelock Street Real Estate Fund II, L.P.	2014	1.75	1.55	0.20	10.87	Closed End Fund	Invested	Mature
KSL Capital Partners IV, L.P.	2015	1.65	0.81	0.84	9.49	Closed End Fund	Invested	Maturing
PW Real Estate Fund III LP	2015	2.85[1]	2.45[1]	0.40	9.49	Closed End Fund	Invested	Maturing
Harrison Street Real Estate Fund VI-A, L.P.	2016	1.44	0.98	0.46	8.50	Closed End Fund	Invested	Maturing
Starwood Opportunity Fund XI Global, L.P.	2018	1.31	0.36	0.94	6.97	Closed End Fund	Invested	Maturing
Aermont Capital Real Estate Fund IV SCSp	2019	0.91	0.00	0.91	6.20	Closed End Fund	Invested	Maturing
Harrison Street Real Estate Partners VII	2019	1.35	0.50	0.86	6.30	Closed End Fund	Invested	Maturing
Harrison Street Real Estate Partners VIII, L.P.	2021	1.07	0.08	1.00	4.33	Closed End Fund	Invested	Developing
Starwood Distressed Opportunity Fund XII Global, LP	2022	1.17	0.06	1.11	3.49	Closed End Fund	Invested	Developing
Total - Opportunistic		**1.51**	**1.00**	**0.51**	**9.50**			
Value Added								
BPG Investment Partnership VIII	2007	1.34	1.34	0.00	14.05	Closed End Fund	Liquidated	Liquidated
Rockwood Capital Real Estate Partners Fund VIII, L.P.	2009	1.65[1]	1.65[1]	0.00	11.76	Closed End Fund	Liquidated	Liquidated
Rockwood Capital Real Estate Partners Fund IX, L.P.	2012	1.28	1.26	0.02	12.50	Closed End Fund	Invested	Mature
Rockwood Capital Real Estate Partners Fund X, L.P.	2015	0.80	0.58	0.22	9.75	Closed End Fund	Invested	Maturing
Rockwood Capital Real Estate Partners Fund XI, L.P.	2019	0.67	0.05	0.62	5.53	Closed End Fund	Invested	Maturing
Stockbridge Value Fund IV, LP	2021	1.07	0.11	0.96	4.12	Closed End Fund	Invested	Developing
Total - Value Added		**1.01**	**0.56**	**0.45**	**7.97**			
Portfolio Total		**1.21**	**0.59**	**0.62**	**7.14**			

- All investments have been converted to the USD

1. PM benchmark is missing or has limited data (<5 funds)

Information in this section includes both active and liquidated investments

Funding Status

Funding Status (1)

Asset Class	Vintage	Commitment Date	Fund Size (000's)	Current Commitment (000's)[1]	Paid In (000's)	Distributions (000's)	Funded	Current NAV (000's)	Data	Fund Type	Investment Status
Core											
Harrison Street Core Properties Fund	2024	28 Jun 24		50,144	25,144	608	50%	25,279	2Q 2025	Open End Fund	Invested
IDR Core Property Index Fund	2024	25 Nov 24		50,000	50,000	848	100%	56,697	2Q 2025	Open End Fund	Invested
Total - Core				**100,144**	**75,144**	**1,457**	**75%**	**81,976**			
Core-Plus											
Rockpoint Growth and Income Real Estate Fund II, L.P.	2017	1 Mar 17	897,000	80,288	76,659	40,779	92%	22,508	2Q 2025	Closed End Fund	Invested
Sarofim Realty Retail Separate Account	2017	10 Apr 17		172,414	172,414	181,508	100%	0	1Q 2022	Closed End Fund	Liquidated
GEM Realty Evergreen Fund, L.P.	2018	1 Apr 18		100,000	100,000	10,933	100%	105,445	2Q 2025	Open End Fund	Invested
New Rock Core Fund, L.P.	2018	10 Nov 17		345,000	389,038	86,196	95%	222,328	2Q 2025	Closed End Fund	Invested
Rockpoint Growth and Income Real Estate Fund III	2019	1 Sep 18	1,066,000	60,000	50,157	3,240	78%	47,842	2Q 2025	Closed End Fund	Invested
Stockbridge Niche Logistics Fund	2021	1 Jan 21		200,000	216,076	22,554	100%	279,049	2Q 2025	Open End Fund	Invested
Rockwood Multifamily Partners	2022	1 Aug 22		100,000	100,000	6,091	100%	93,134	2Q 2025	Open End Fund	Invested
Carlyle Property Investors	2024	29 Mar 24		25,000	25,000	350	100%	24,890	2Q 2025	Open End Fund	Invested
Total - Core-Plus				**1,082,702**	**1,129,345**	**351,652**	**97%**	**795,196**			
Opportunistic											
Carlyle Realty Partners V	2007	1 Jan 07	3,000,000	38,105	38,105	56,950	100%	0	1Q 2024	Closed End Fund	Liquidated
The Praedium Fund VII, L.P.	2007	1 Jul 07	900,000	19,567	19,567	28,039	100%	0	2Q 2019	Closed End Fund	Liquidated
Blackstone Real Estate Partners Europe III L.P.	2008	1 Oct 08	3,755,338	28,175	26,638	36,857	89%	948	2Q 2025	Closed End Fund	Invested
North Haven Real Estate Fund VII Global (fka MSREF VII)	2009	1 Apr 09	4,000,000	20,210	19,257	26,120	88%	123	2Q 2025	Closed End Fund	Invested
Starwood Opportunity Fund VIII, L.P.	2009	1 Sep 08	1,829,300	25,000	22,678	37,139	91%	622	2Q 2025	Closed End Fund	Invested
Walton Street Real Estate Partners VI, L.P.	2009	1 Apr 09	1,935,000	25,804	26,594	32,654	97%	10,702	2Q 2025	Closed End Fund	Invested
Carlyle Realty Partners VI	2011	1 Jul 11	2,340,000	7,884	20,918	29,194	89%	1,348	2Q 2025	Closed End Fund	Invested
Blackstone Real Estate Partners VII L.P.	2012	1 Sep 12	13,300,000	38,355	42,618	62,838	94%	4,533	2Q 2025	Closed End Fund	Invested
Starwood Distressed Opportunity Fund IX Global, L.P.	2013	1 Jan 12	4,200,000	25,000	23,250	41,264	93%	2,183	2Q 2025	Closed End Fund	Invested
Harrison Street Real Estate Partners V, L.P.	2014	1 Oct 14	850,000	45,020	42,452	50,190	94%	14,731	2Q 2025	Closed End Fund	Invested
Starwood Opportunity Fund X, L.P.	2014	1 Jul 14	5,600,000	60,000	54,000	68,957	90%	6,096	2Q 2025	Closed End Fund	Invested

- All investments have been converted to the USD

1. Original Commitment + Commitment Adjustments (Including Currency Exposure)

Information in this section related to both active and liquidated investments

Funding Status (2)

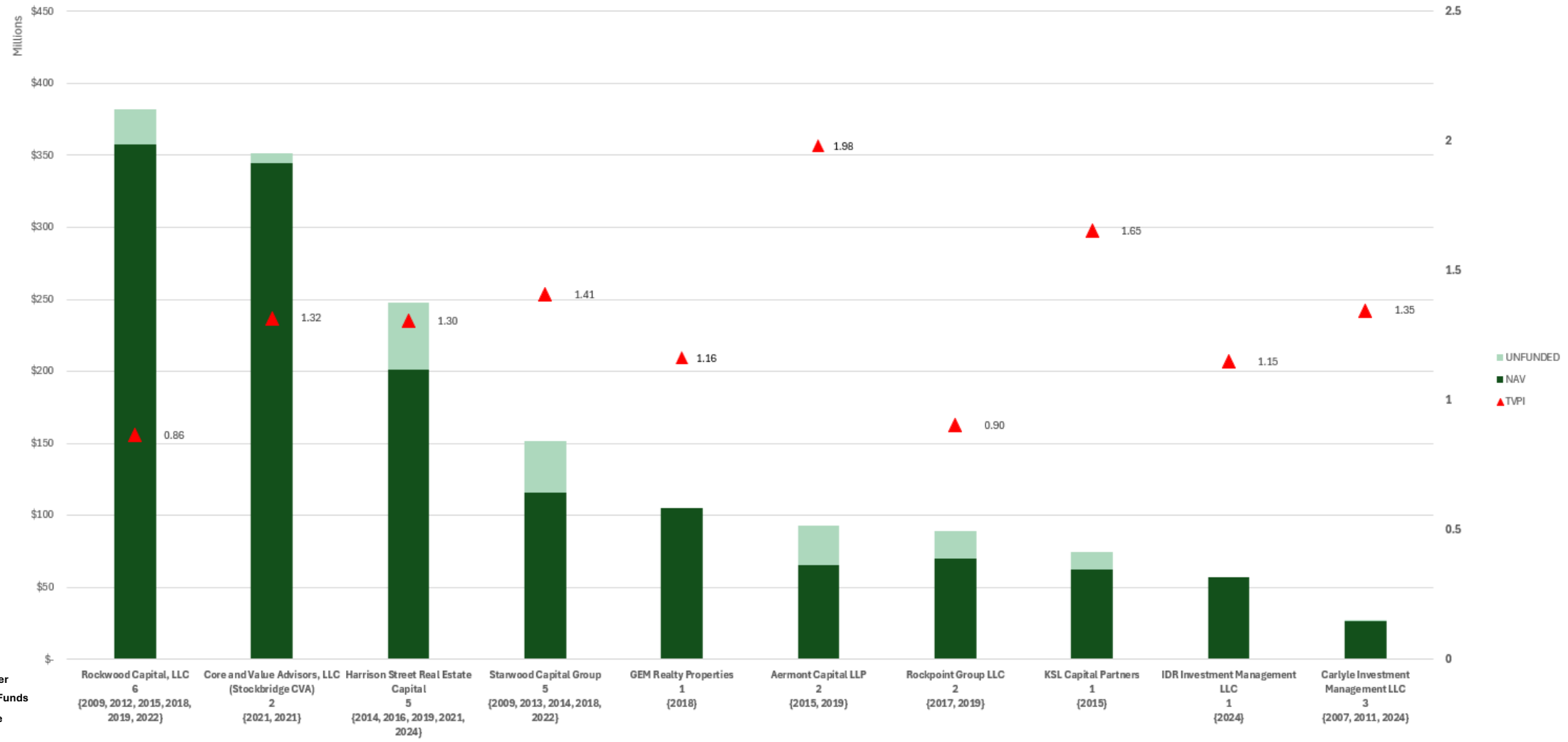
Asset Class	Vintage	Commitment Date	Fund Size (000's)	Current Commitment (000's)[1]	Paid In (000's)	Distributions (000's)	Funded	Current NAV (000's)	Data	Fund Type	Investment Status
Wheelock Street Real Estate Fund II, L.P.	2014	1 Oct 13	625,000	50,000	46,547	71,925	78%	9,307	2Q 2025	Closed End Fund	Invested
KSL Capital Partners IV, L.P.	2015	1 Oct 15	2,677,000	60,000	74,204	60,465	79%	62,235	2Q 2025	Closed End Fund	Invested
PW Real Estate Fund III LP	2015	1 Oct 15	1,768,050	74,786	57,190	139,907	77%	22,970	2Q 2025	Closed End Fund	Invested
Harrison Street Real Estate Fund VI-A, L.P.	2016	1 Sep 16	950,000	75,000	70,504	69,213	92%	32,199	2Q 2025	Closed End Fund	Invested
Starwood Opportunity Fund XI Global, L.P.	2018	15 Sep 16	7,460,300	71,095	72,000	26,233	87%	67,973	2Q 2025	Closed End Fund	Invested
Aermont Capital Real Estate Fund IV SCSp	2019	22 Mar 18	2,357,400	56,270	46,411	0	83%	42,119	2Q 2025	Closed End Fund	Invested
Harrison Street Real Estate Partners VII	2019	1 Dec 18	1,300,000	74,926	72,682	36,159	93%	62,176	2Q 2025	Closed End Fund	Invested
Harrison Street Real Estate Partners VIII, L.P.	2021	7 Dec 20	2,000,000	75,000	66,910	5,060	89%	66,739	2Q 2025	Closed End Fund	Invested
Starwood Distressed Opportunity Fund XII Global, LP	2022	25 Sep 20	10,000,000	50,000	35,000	2,109	66%	38,716	2Q 2025	Closed End Fund	Invested
Total - Opportunistic				**920,197**	**877,524**	**881,273**	**87%**	**445,721**			
Value Added											
BPG Investment Partnership VIII	2007	1 Oct 07	530,000	14,999	14,999	20,056	100%	0	4Q 2021	Closed End Fund	Liquidated
Rockwood Capital Real Estate Partners Fund VIII, L.P.	2009	1 Jan 09	964,000	18,302	18,302	30,153	100%	0	4Q 2020	Closed End Fund	Liquidated
Rockwood Capital Real Estate Partners Fund IX, L.P.	2012	1 Sep 12	678,000	31,993	31,993	40,464	100%	484	2Q 2025	Closed End Fund	Invested
Rockwood Capital Real Estate Partners Fund X, L.P.	2015	1 Jul 15	1,100,000	60,000	59,988	34,556	98%	13,164	2Q 2025	Closed End Fund	Invested
Rockwood Capital Real Estate Partners Fund XI, L.P.	2019	1 Oct 19	1,148,000	50,000	45,743	2,155	89%	28,570	2Q 2025	Closed End Fund	Invested
Stockbridge Value Fund IV, LP	2021	1 Oct 20	562,000	75,011	68,232	7,186	91%	65,616	2Q 2025	Closed End Fund	Invested
Total - Value Added				**250,305**	**239,257**	**134,569**	**95%**	**107,835**			
Portfolio Total				**2,353,348**	**2,321,269**	**1,368,950**	**92%**	**1,430,728**			

- All investments have been converted to the USD

1. Original Commitment + Commitment Adjustments (Including Currency Exposure)

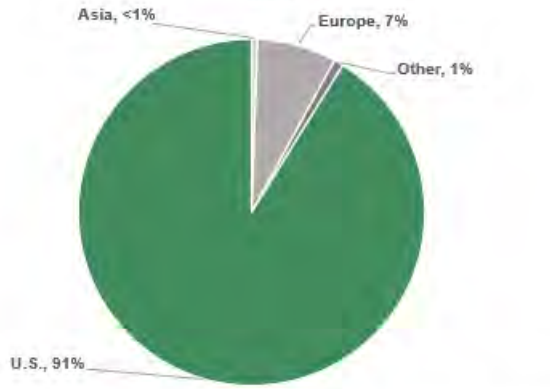
Information in this section related to both active and liquidated investments

Largest Relationship Concentrations by Manager Group

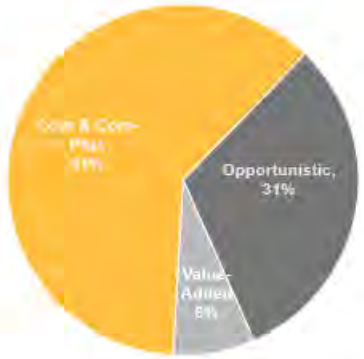


Exposures by Region, Property Type and Asset Class

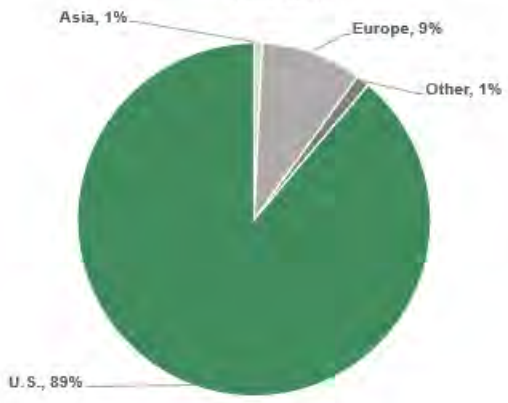
Portfolio Regional Exposure by Market Value as of 30 June 2025



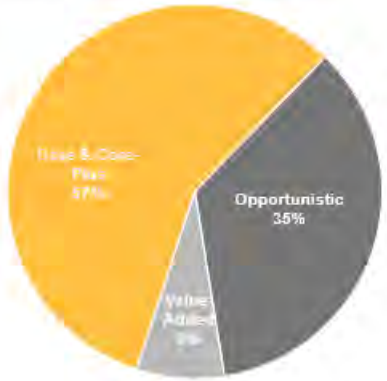
Market Value as of 30 June 2025



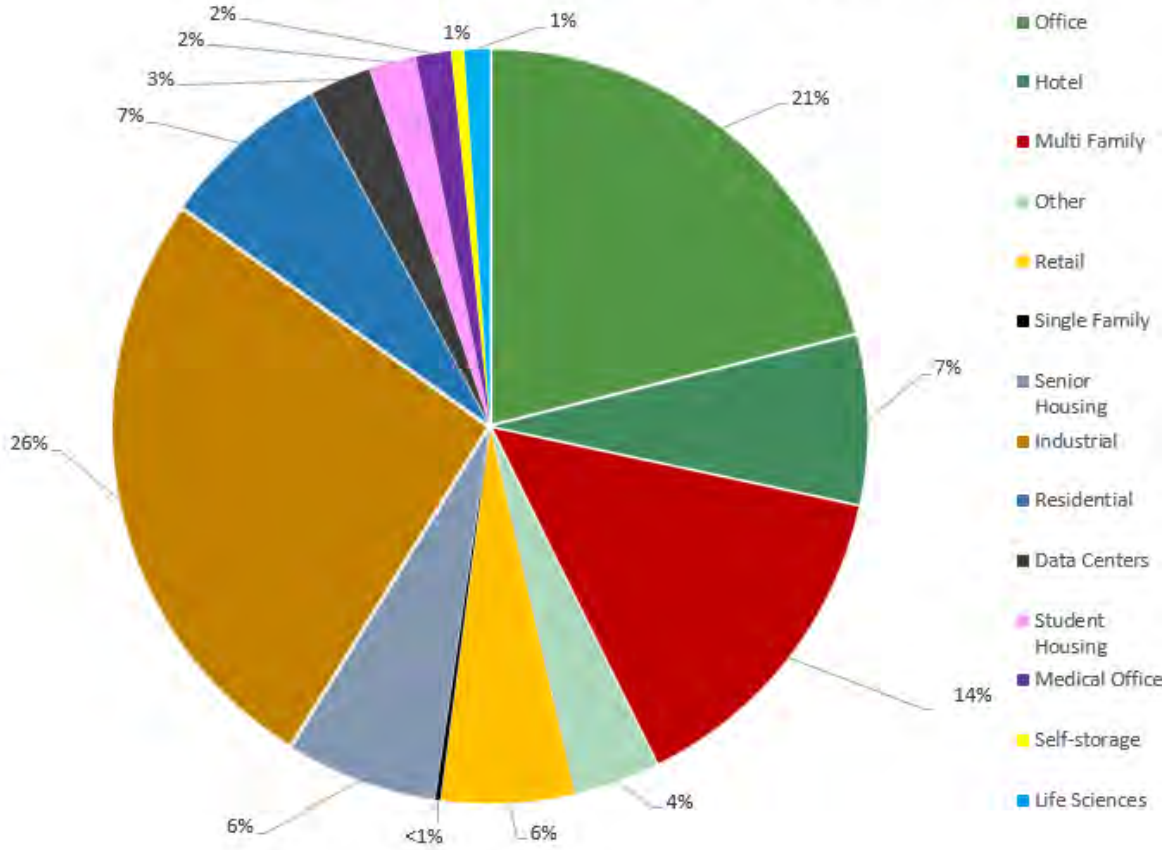
Portfolio Regional Exposure by NAV + Unfunded as of 30 June 2025



NAV + Unfunded as of 30 June 2025

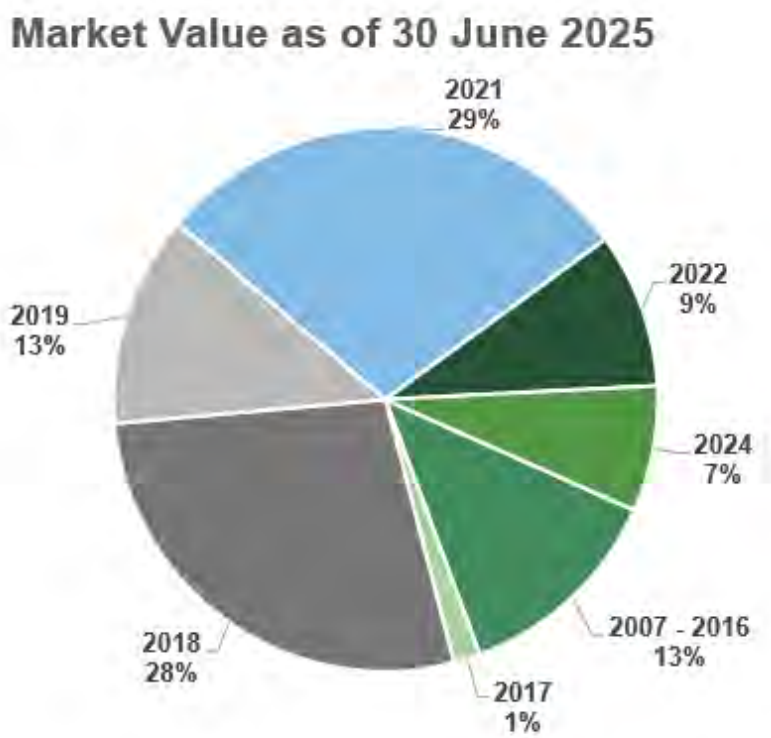


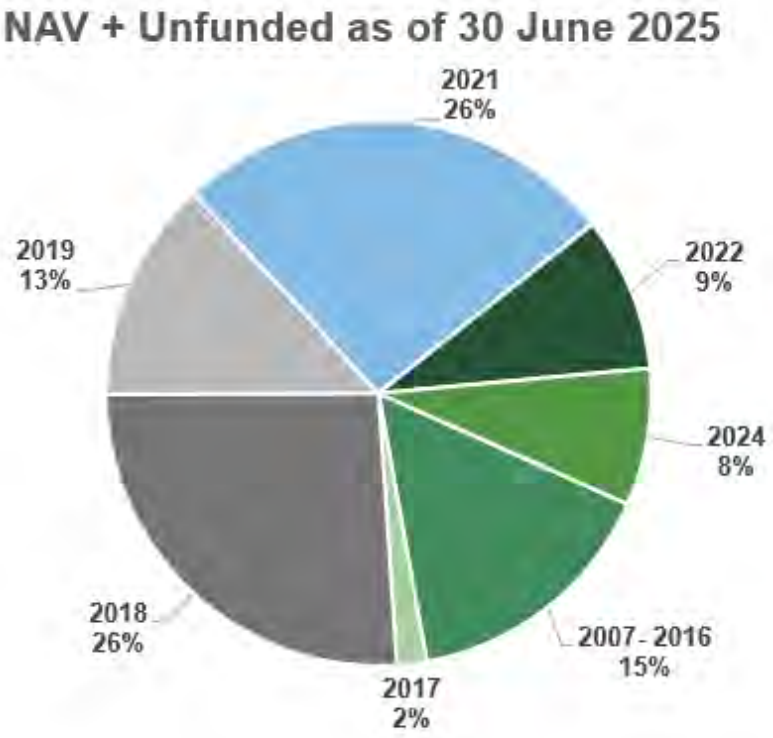
Portfolio Property Type Exposure by Market Value as of 30 June 2025



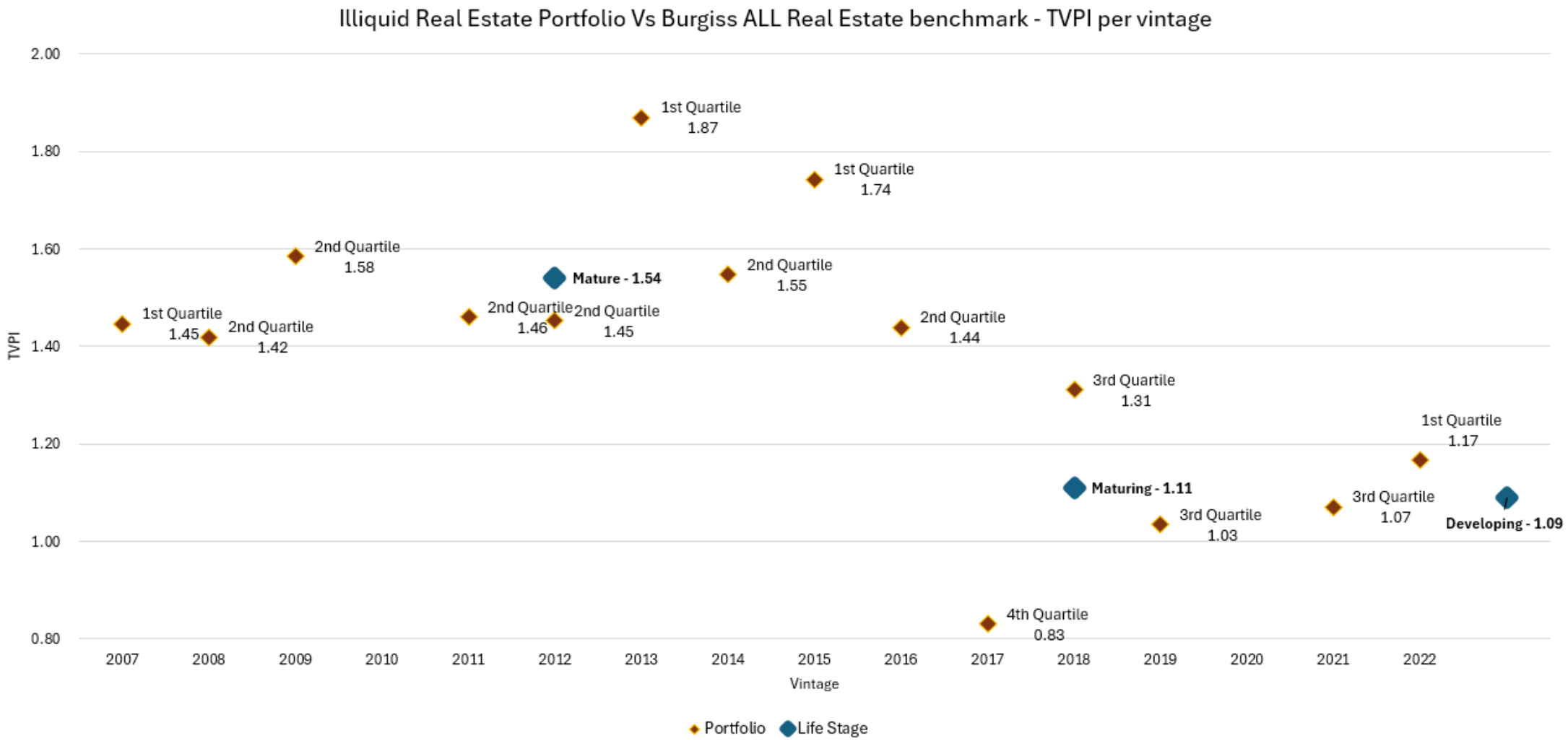
- Standard rounding has been conducted to the exposures; they may not add to 100% due to rounding.
- 100% of exposures updated as of 2Q 2025
- 'Other' includes exposures in Data Centers, Hotels, Senior Housing, Land, Manufactured Housing, and Other.

Exposures by Vintage Year

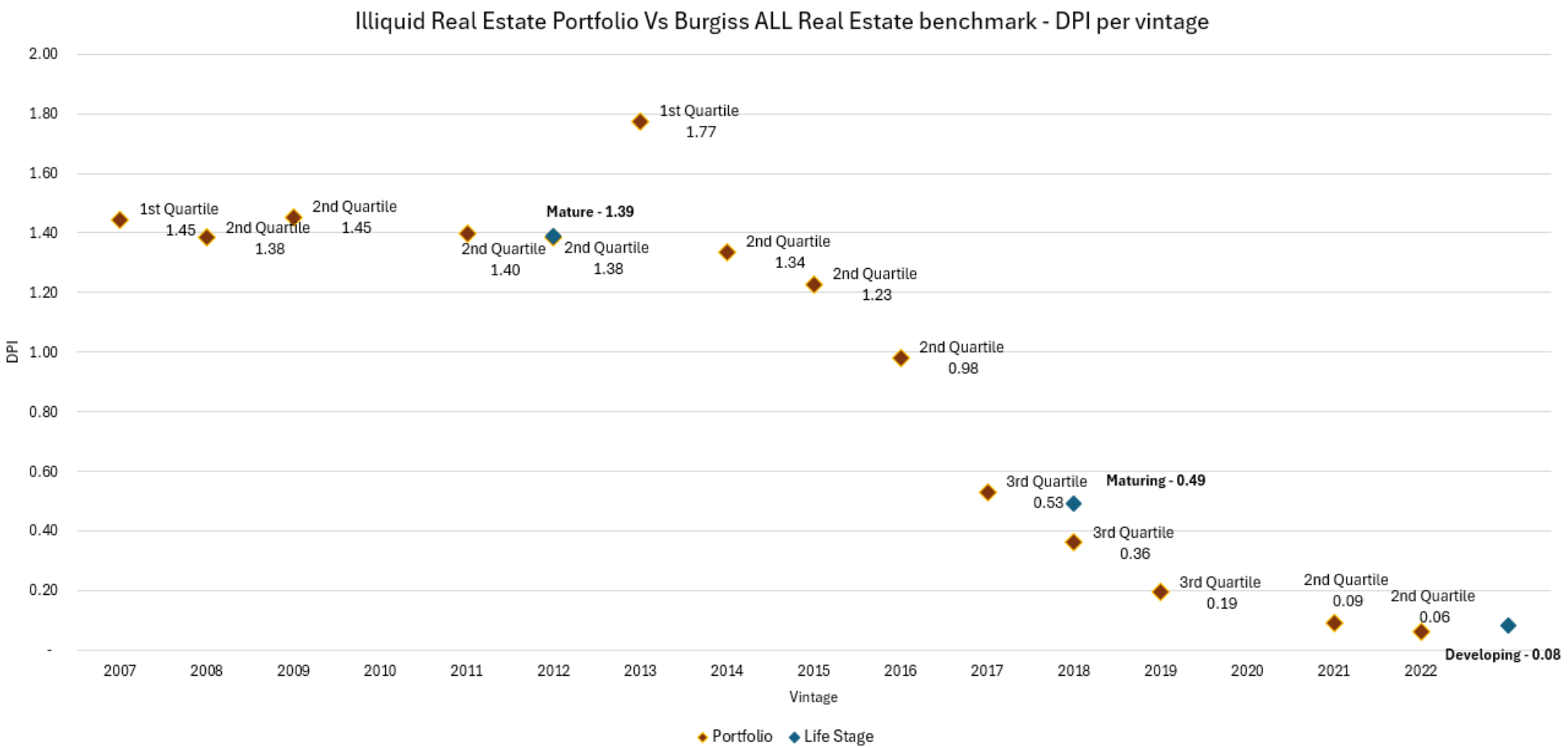




Benchmarking – Quartiles per Vintage



- Developing: 2020-2025 Vintages, Maturing 2015-2019 Vintages, Mature 2006-2014 Vintages
- Open-Ended funds are excluded
- The last three vintages are not included in direct benchmarking, but are included under the 'Developing' group for the Life Stage performance marker



- Developing: 2020-2025 Vintages, Maturing 2015-2019 Vintages, Mature 2006-2014 Vintages
- Open-Ended funds are excluded
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NEW MEXICO PERA – ILLIQUID REAL ASSETS

Portfolio Performance Review

2Q 2025

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Automated Primary Premia ("APP") indices are composite indices. However, the index "APP Commodities Beta" contains only one constituent, which means that its returns are identical to those of the index "BBG Commodity TR" (BCOMTR), provided by Bloomberg Index Services Limited ("BISL").

GBP Risk-Free Rate (RFR) is a temporally composite index comprised of GBP 3M LIBOR (BP0003M Index) from Feb 1987 (inclusive) to Oct 2008 (inclusive), and UK Generic T Bills 3M (UKGTB3M Index) from Nov 2008 (inclusive) onwards.

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Portfolio Performance Notes

- Returns calculated by Albourne
- Vintage is defined as the year of the first capital call
- Weighted Duration (Years) is defined as:

Duration for Group i:

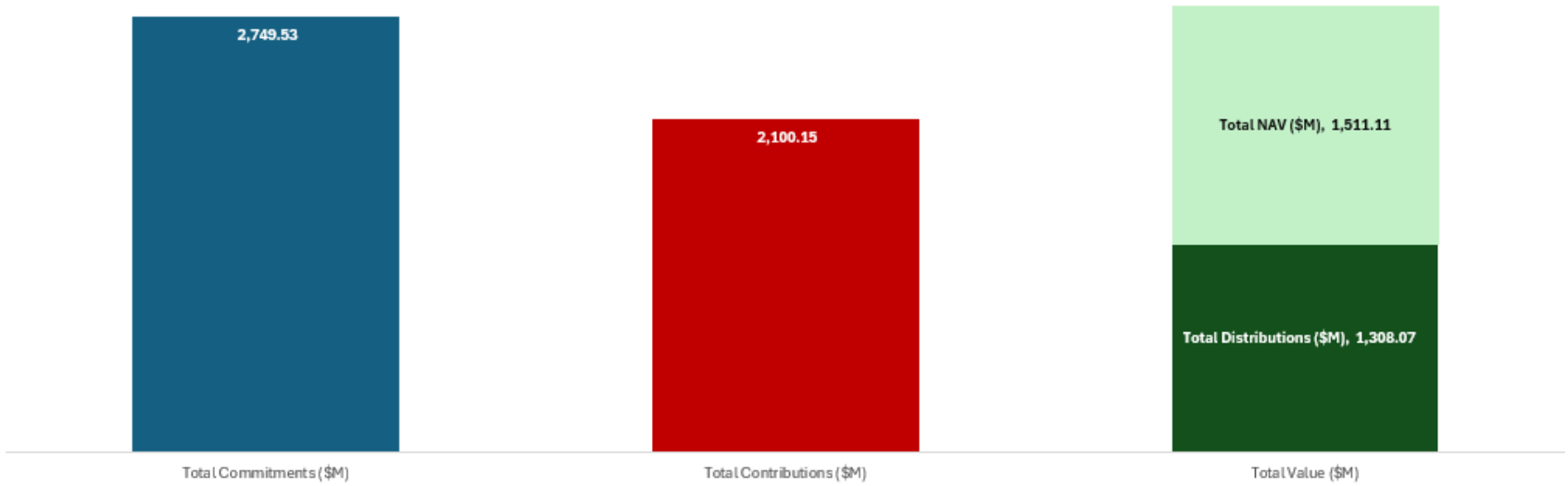
$$= \sum_{j \in Group\ i} \left(\frac{Termination\ Date\ or\ Latest\ Quarter\ Date_j - Inception\ Date_j}{365.25} \times \frac{Commitment_j}{Total\ Commitments\ of\ Group\ i} \right)$$

Where:
- **Inception Date** = Date of first capital call for constituent j.
- **Termination Date or Latest Quarter Date** = End date for constituent j.
- **365.25** accounts for leap years (average days per year).
- **Commitment** = Adjusted Current Commitment

- Modified Dietz TWR: $rModDietz = \frac{(V1 - V0 - CF)}{V0 + \sum_{i=1}^{n}(CFi \times Wi)}$

Where:
- $\boldsymbol{V_1}$ = full fair value of the portfolio (including accrued income) at the end of the period
- $\boldsymbol{V_0}$ = full fair value of the portfolio (including accrued income) at the beginning of the period
- $\boldsymbol{CF} = \sum C\ F_i$ = sum of each cash flow weighted by its time factor
- $\sum_{i=1}^{n}(\boldsymbol{CFi\ x\ Wi})$= sum of each cash flow weighted by its time factor
- $\boldsymbol{w_i} = \frac{CD - D_i}{CD}$ = weight for each cash flow
  - $\boldsymbol{CD}$= total number of calendar days in the period
  - $\boldsymbol{D_i}$ =number of days from the start of the period to the date of cash flow CF_i

Portfolio Overview



Inception	2007
Total Commitments ($M)	2,749.53
No. of Commitments	43
% Contributed	75.4%
Average age (years)	4.17
No. of Managers	24
Since Inception Net IRR	7.31%
TVPI	1.34

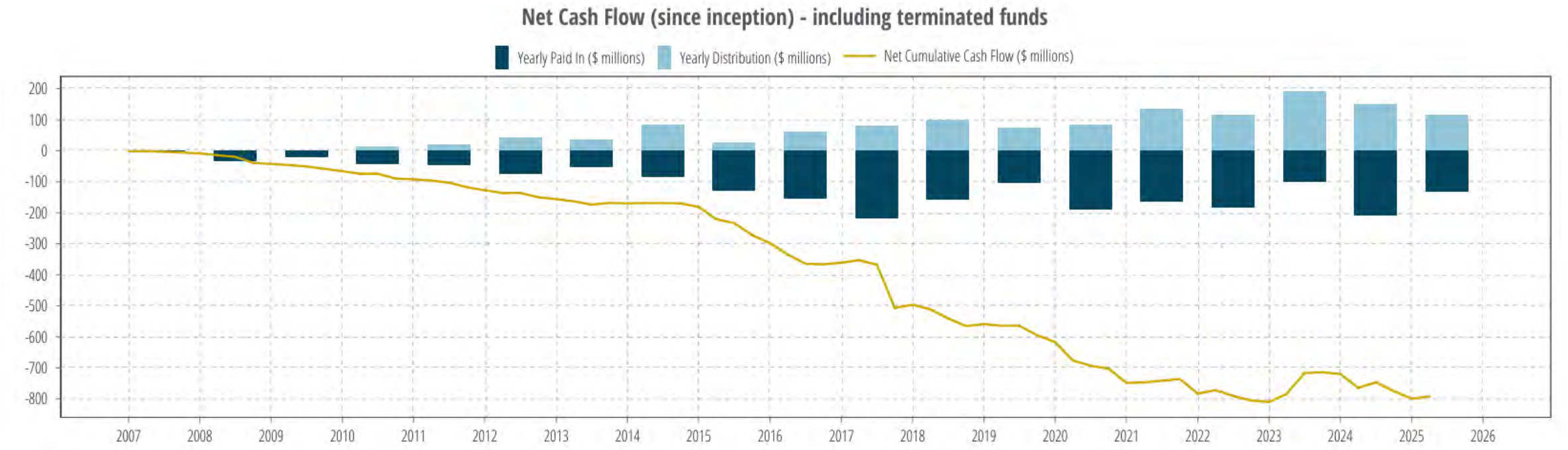
- Total commitments are Paid Ins + Unfunded where:

Unfunded = Adjusted Current Commitment - (Cumulative Paid In - Outside of Commitment) + Recallables
Adjusted Current Commitment = Primary Commitment + Commitment Adjustments

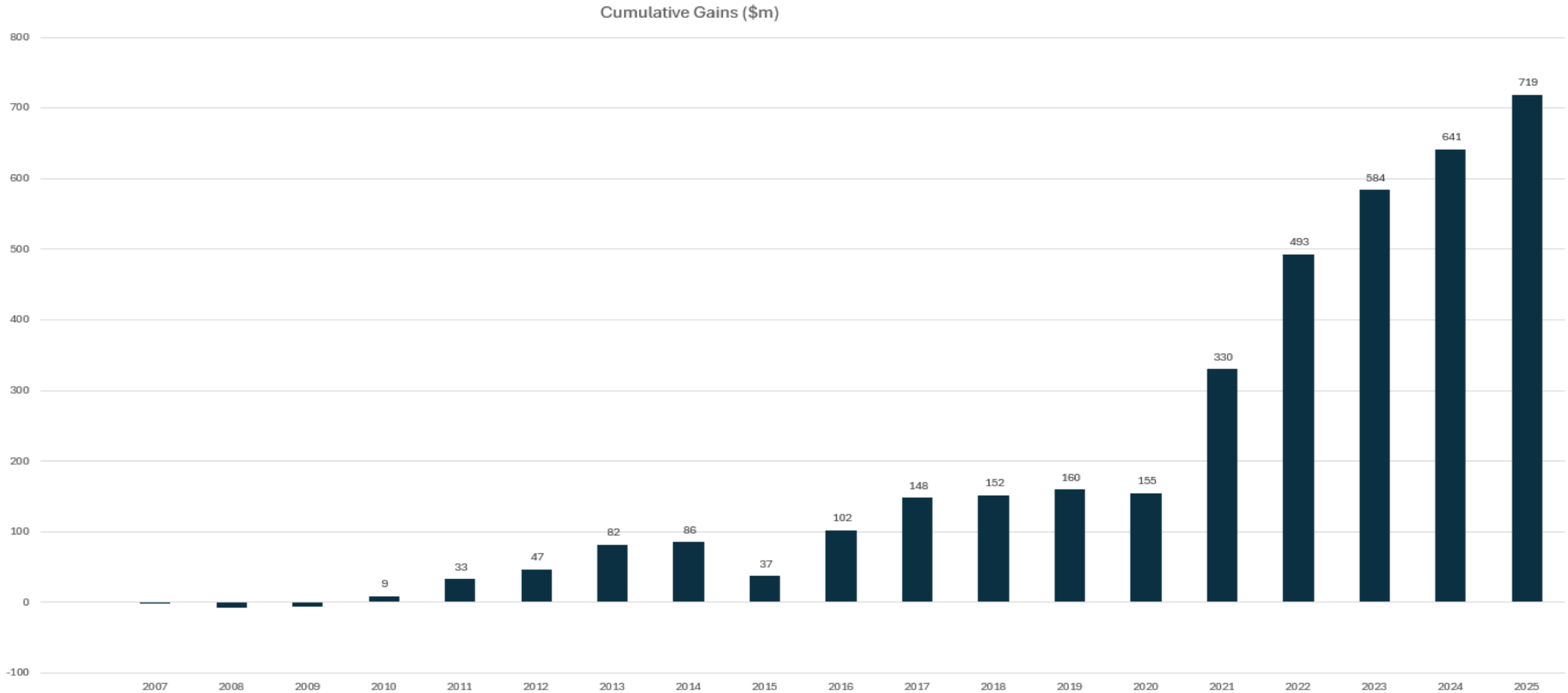
- % Contributed = Paid in / Adjusted Current Commitment
- Average Age (Holding Period) = LOG(TVPI) / LOG(1+IRR)

With FX effect

Funding Status & Performance Overview



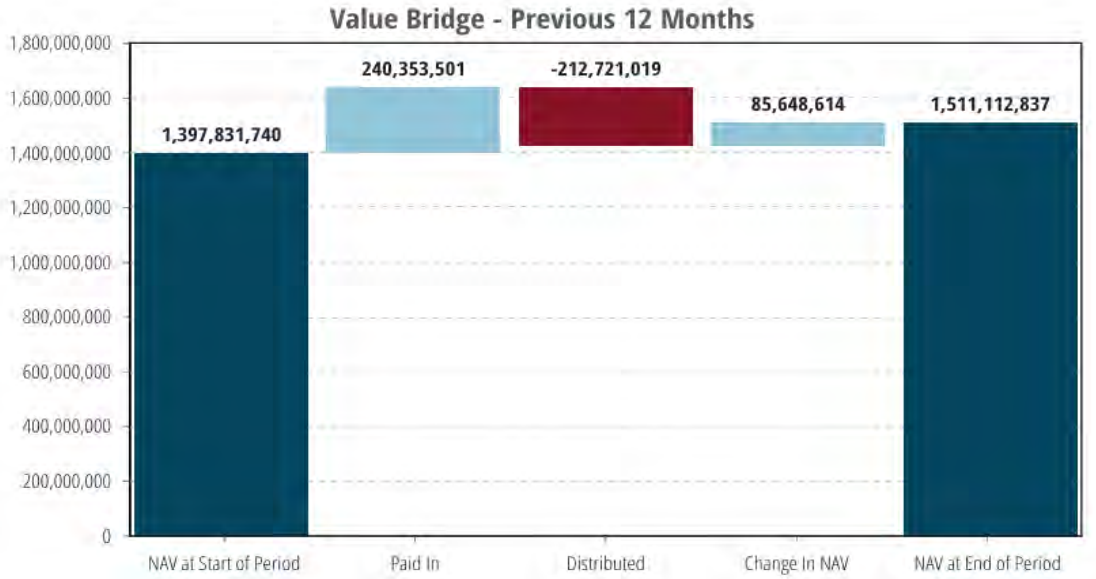
TWR 1-YEAR	TWR3-YEAR	TWR 5-YEAR	TWR 10-YEAR	TWR SINCE INCEPTION
6.04%	7.49%	11.62%	6.01%	3.52%

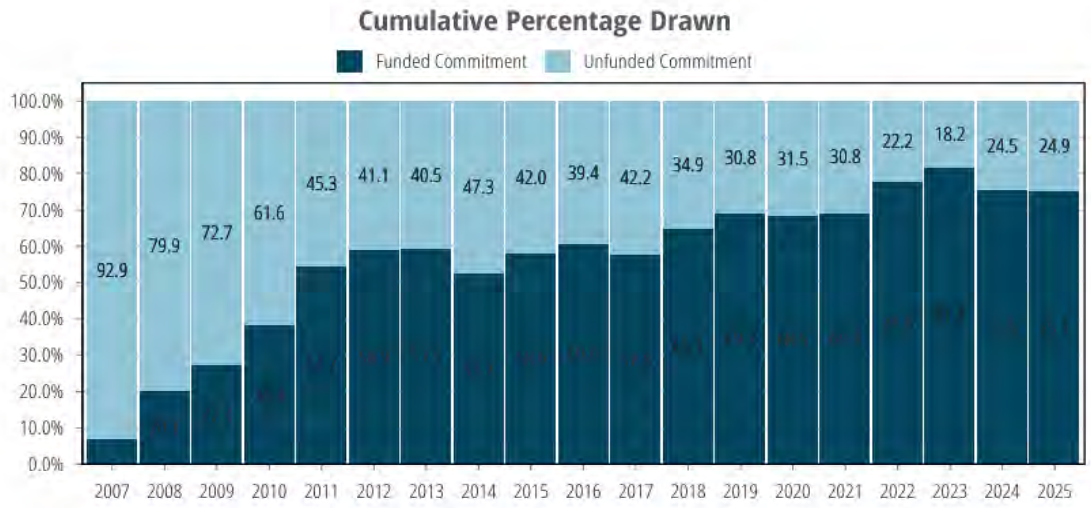


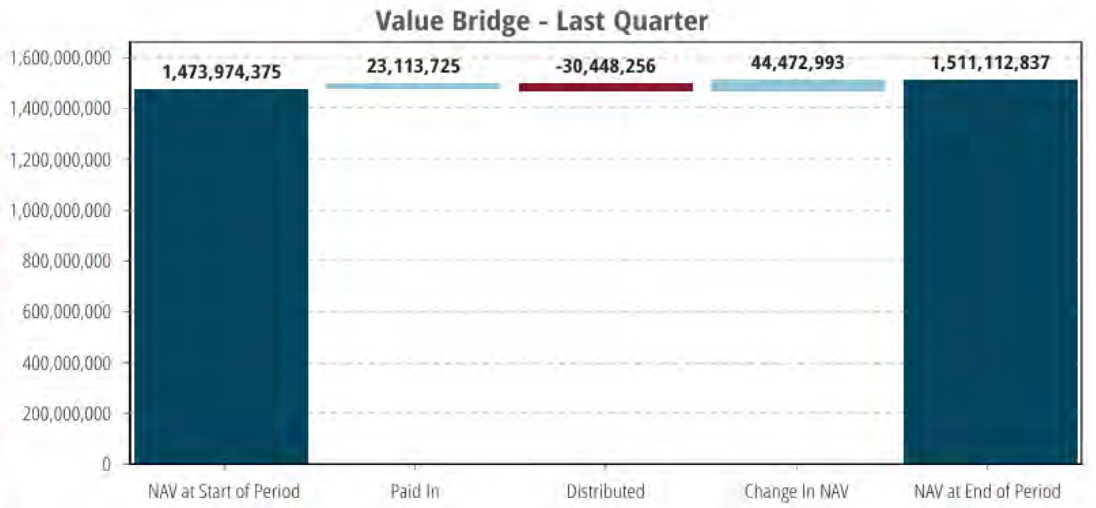
- Cumulative gains represent total distributions plus remaining value, less total contributions. Calculated on a calendar year basis
- Time Weighted Returns calculated by Albourne using Modified Dietz

Portfolio Summary









- Annual Commitments reflect Vintage Year assigned to each Commitment based on date of first cash flow
- Cumulative Percentage drawn calculated on Adjusted Commitments. Per Calendar Year

Summary By Asset Class - including terminated funds

Asset Class	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Agriculture	4	310,010	285,919	87%	39,203	39,937	185,089	12.25%	0.14	0.79	0.65	7.05
Energy	24	778,308	825,217	95%	35,784	921,549	185,153	12.25%	1.12	1.34	0.22	12.23
Infrastructure	15	1,552,172	989,012	63%	574,390	346,584	1,140,870	75.50%	0.35	1.50	1.15	4.72
Portfolio Total	**43**	**2,640,491**	**2,100,148**	**75%**	**649,377**	**1,308,070**	**1,511,113**	**100.00%**	**0.62**	**1.34**	**0.72**	**7.20**

Summary By Sub Strategy - including terminated funds

Sub Strategy	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Agriculture: Vertical	4	310,010	285,919	87%	39,203	39,937	185,089	12.25%	0.14	0.79	0.65	7.05
Energy E&P	18	645,146	679,942	95%	29,006	789,654	151,558	10.03%	1.16	1.38	0.22	12.15
Energy Midstream	2	51,795	64,782	98%	884	65,880	11,555	0.76%	1.02	1.20	0.18	11.68
Energy Multi-Strategy	2	55,002	57,129	100%	14	41,502	21,140	1.40%	0.73	1.10	0.37	12.55
Energy Production	1	4,149	4,149	100%	0	3,405	746	0.05%	0.82	1.00	0.18	0.62
Infrastructure Core	5	730,218	363,747	50%	363,854	56,251	474,584	31.41%	0.15	1.46	1.30	3.24
Infrastructure Multi-Strategy	7	502,126	451,697	88%	60,838	214,618	507,081	33.56%	0.48	1.60	1.12	8.10
Infrastructure Value-Added	3	242,046	125,867	50%	122,496	92,844	89,517	5.92%	0.74	1.45	0.71	4.65
Transportation Assets Multi-Strategy	1	100,000	66,916	67%	33,084	3,979	69,842	4.62%	0.06	1.10	1.04	1.24
Portfolio Total	**43**	**2,640,491**	**2,100,148**	**75%**	**649,377**	**1,308,070**	**1,511,113**	**100.00%**	**0.62**	**1.34**	**0.72**	**7.20**

- All investments have been converted to the USD
- Duration definition in portfolio performance notes

2. Original Commitment + Commitment Adjustments (Including Currency Exposure)

Summary By Vintage Year - including terminated funds

Vintage Year	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
2007	3	85,453	85,453	100%	0	110,657	0	0.00%	1.29	1.29	0.00	15.93
2008	5	127,012	128,921	92%	9,554	131,435	644	0.04%	1.02	1.02	0.00	16.77
2009	1	23,265	23,265	100%	0	33,703	0	0.00%	1.45	1.45	0.00	15.50
2010	2	44,884	48,479	100%	0	34,106	9,148	0.61%	0.70	0.89	0.19	14.55
2012	4	99,864	117,561	99%	1,195	95,073	10,783	0.71%	0.81	0.90	0.09	13.10
2013	3	80,065	82,197	97%	2,261	108,128	39,242	2.60%	1.32	1.79	0.48	11.80
2014	4	168,027	180,566	97%	4,651	228,001	61,434	4.07%	1.26	1.60	0.34	10.84
2015	3	267,774	253,219	93%	17,807	118,549	320,149	21.19%	0.47	1.73	1.26	10.16
2016	3	185,846	212,400	92%	14,023	184,272	98,187	6.50%	0.87	1.33	0.46	9.20
2017	5	399,765	347,293	85%	62,145	240,217	311,676	20.63%	0.69	1.59	0.90	8.04
2018	1	65,369	57,094	88%	8,274	7,559	77,954	5.16%	0.13	1.50	1.37	6.54
2020	2	300,000	273,938	91%	26,062	5,309	283,041	18.73%	0.02	1.05	1.03	4.92
2021	1	74,941	32,240	43%	42,700	1,243	34,296	2.27%	0.04	1.10	1.06	4.07
2022	1	114,078	36,458	34%	77,620	146	39,934	2.64%	0.00	1.10	1.10	2.52
2024	5	604,149	221,065	37%	383,084	9,672	224,626	14.86%	0.04	1.06	1.02	0.58
Portfolio Total	**43**	**2,640,491**	**2,100,148**	**75%**	**649,377**	**1,308,070**	**1,511,113**	**100.00%**	**0.62**	**1.34**	**0.72**	**7.20**

Summary By Life Stage - including terminated funds

Life Stage	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Developing	9	1,093,167	563,701	52%	529,466	16,370	581,897	38.51%	0.03	1.06	1.03	2.21
Liquidated	7	177,742	184,935	100%	0	228,671	0	0.00%	1.24	1.24	0.00	15.29
Mature	15	450,829	481,507	96%	17,662	512,432	121,250	8.02%	1.06	1.32	0.25	13.02
Maturing	12	918,753	870,006	89%	102,249	550,597	807,966	53.47%	0.63	1.56	0.93	8.77
Portfolio Total	**43**	**2,640,491**	**2,100,148**	**75%**	**649,377**	**1,308,070**	**1,511,113**	**100.00%**	**0.62**	**1.34**	**0.72**	**7.20**

- Developing: 2020-2025 Vintages, Maturing 2015-2019 Vintages, Mature 2006-2014 Vintages
- All investments have been converted to the USD
- Duration definition in portfolio performance notes

2. Original Commitment + Commitment Adjustments (Including Currency Exposure)

Summary By Fund Type - including terminated funds

Fund Main Type	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Co-Investment	2	250,000	133,199	53%	116,801	5,309	186,195	12.32%	0.04	1.44	1.40	3.01
Primary	41	2,390,491	1,966,949	78%	532,576	1,302,761	1,324,918	87.68%	0.66	1.34	0.67	7.63
Portfolio Total	**43**	**2,640,491**	**2,100,148**	**75%**	**649,377**	**1,308,070**	**1,511,113**	**100.00%**	**0.62**	**1.34**	**0.72**	**7.20**

Summary By Fund Status - including terminated funds

Fund Status	# Funds	Current Commitment (000's)[2]	Paid In (000's)	Funded	Unfunded Commitment (000's)	Distributions (000's)	Current NAV (000's)	% NAV	DPI	TVPI	RVPI	Duration (Years)
Current	37	2,484,544	1,944,201	74%	649,377	1,105,874	1,511,113	100.00%	0.57	1.35	0.78	6.67
Terminated	6	155,947	155,947	100%	0	202,196	0	0.00%	1.30	1.30	0.00	15.66
Portfolio Total	**43**	**2,640,491**	**2,100,148**	**75%**	**649,377**	**1,308,070**	**1,511,113**	**100.00%**	**0.62**	**1.34**	**0.72**	**7.20**

Inflows/Outflows 2Q 2025 - including terminated funds

Asset Class	# Funds	Paid In (000's)	Distributed (000's)	Net Cash Flow(000's)
Agriculture	4	4,479	0	-4,479
Energy	24	3,573	18,959	15,387
Infrastructure	15	15,062	11,489	-3,573
Total	**43**	**23,114**	**30,448**	**7,335**

Inflows/Outflows Year to Date 2025 - including terminated funds

Asset Class	# Funds	Paid In (000's)	Distributed (000's)	Net Cash Flow(000's)
Agriculture	4	4,508	0	-4,508
Energy	24	9,780	97,312	87,531
Infrastructure	15	118,374	17,931	-100,443
Total	**43**	**132,663**	**115,242**	**-17,420**

- All investments have been converted to the USD
- Duration definition in portfolio performance notes

2. Original Commitment + Commitment Adjustments (Including Currency Exposure)

Performance Summary

Performance Summary (1)

Asset Class	Vintage	TVPI	DPI	RVPI	Duration (Years)	Fund Type	Investment Status	Life Stage
Agriculture								
Paine Schwartz Food Chain Fund IV, L.P.	2015	1.36	0.50	0.86	10.47	Closed End Fund	Invested	Maturing
ACM Fund II, LLC	2016	0.53	0.21	0.32	8.89	Closed End Fund	Invested	Maturing
Tillridge Global Agribusiness Partners II, L.P.	2017	0.81	0.15	0.67	8.46	Closed End Fund	Invested	Maturing
Four Corners Farmland Fund LLC	2020	0.69	0.00	0.69	4.82	Closed End Fund	Invested	Maturing
Total - Agriculture		**0.79**	**0.14**	**0.65**	**7.05**			
Energy								
Encap Energy Capital Fund VII, L.P.	2007	1.33	1.33	0.00	15.26	Closed End Fund	Liquidated	Liquidated
Natural Gas Partners IX, L.P.	2007	1.43	1.43	0.00	17.05	Closed End Fund	Liquidated	Liquidated
Quantum Energy Partners IV, L.P.	2007	1.01	1.01	0.00	15.21	Closed End Fund	Liquidated	Liquidated
First Reserve Fund XII, L.P.	2008	0.52	0.52	0.00	16.62	Closed End Fund	Invested	Mature
Lime Rock Partners V, L.P.	2008	0.87	0.83	0.04	16.74	Closed End Fund	Invested	Mature
Quantum Energy Partners Fund V, L.P.	2008	1.51	1.50	0.00	16.67	Closed End Fund	Invested	Mature
Riverstone/Carlyle Global E&P Fund IV	2008	1.08	1.08	0.00	16.83	Closed End Fund	Liquidated	Liquidated
Riverstone/Carlyle Renewable and Alternative Energy Fund II	2008	1.11	1.10	0.01	17.03	Closed End Fund	Invested	Mature
Kayne Anderson Energy Fund V (QP), L.P.	2009	1.45[1]	1.45[1]	0.00	15.50	Closed End Fund	Liquidated	Liquidated
Bedrock Energy Partners, LLC (fka EnerVest Energy Institutional Fund XII)	2010	0.64	0.63	0.00	14.51	Closed End Fund	Invested - In Liquidation	Mature
EnCap Energy Capital Fund VIII, L.P.	2010	1.07	0.75	0.32	14.58	Closed End Fund	Invested	Mature
Denham Commodity Partners Fund VI LP	2012	0.89	0.55	0.34	13.19	Closed End Fund	Invested	Mature
Lime Rock Partners VI, L.P.	2012	0.91	0.91	0.00	12.65	Closed End Fund	Liquidated	Liquidated
NGP Natural Resources X, L.P.	2012	1.00	0.91	0.08	13.42	Closed End Fund	Invested	Mature
Riverstone Global Energy & Power Fund V	2012	0.83	0.82	0.02	13.11	Closed End Fund	Invested	Mature
Denham Commodity Partners Fund VI Oil and Gas Fund LP	2013	1.61	1.61	0.00	11.06	Closed End Fund	Liquidated	Liquidated
EnCap Energy Capital Fund IX, L.P.	2013	1.53	1.33	0.21	12.47	Closed End Fund	Invested	Mature

- All investments have been converted to the USD

1. PM benchmark is missing or has limited data (<5 funds)

Information in this section includes both active and liquidated investments

Performance Summary (2)

Asset Class	Vintage	TVPI	DPI	RVPI	Duration (Years)	Fund Type	Investment Status	Life Stage
EnCap Flatrock Midstream Fund III, L.P.	2014	1.42	1.10	0.32	10.97	Closed End Fund	Invested	Mature
Lime Rock Resources III-A, L.P.	2014	1.34	0.78	0.57	11.43	Closed End Fund	Invested	Mature
NGP Natural Resources XI, L.P.	2014	1.62	1.35	0.27	10.65	Closed End Fund	Invested	Mature
Carlyle Power Partners II, L.P.	2016	1.44	1.43	0.01	9.48	Closed End Fund	Invested	Maturing
EnCap Energy Capital Fund XI, L.P.	2017	1.94	1.30	0.64	7.95	Closed End Fund	Invested	Maturing
NGP Natural Resources XII, L.P.	2017	1.66	1.00	0.67	7.61	Closed End Fund	Invested	Maturing
KEPE Selling Fund II, L.P.	2024	1.00	0.82	0.18	0.62	Closed End Fund	Invested	Developing
Total - Energy		**1.34**	**1.12**	**0.22**	**12.23**			
Infrastructure								
Brookfield Infrastructure Fund II, L.P.	2013	2.06	1.21	0.86	11.61	Closed End Fund	Invested	Mature
KKR Global Infrastructure Investors II, L.P.	2014	1.87	1.60	0.27	10.53	Closed End Fund	Invested	Mature
Ardian Infrastructure Fund IV S.C.A., SICAR B	2015	1.66	0.78	0.88	9.94	Closed End Fund	Invested	Maturing
IFM Global Infrastructure (US)	2015	1.87	0.34	1.52	10.16	Open End Fund	Invested	Maturing
Brookfield Infrastructure Fund III, L.P.	2016	1.70	0.70	1.00	9.12	Closed End Fund	Invested	Maturing
Antin Infrastructure Partners III L.P.	2017	1.70	0.50	1.20	8.43	Closed End Fund	Invested	Maturing
Meridiam Infrastructure North America (Domestic) Fund III	2017	1.47	0.03	1.44	7.75	Closed End Fund	Invested	Maturing
Ardian Infrastructure Fund V	2018	1.50	0.13	1.37	6.54	Closed End Fund	Invested	Maturing
NM PERA Ardian Mass Ascension SMA	2020	1.44	0.04	1.40	5.01	Closed End Fund	Invested	Maturing
Ardian Americas Infrastructure Fund V LP - Class A	2021	1.10	0.04	1.06	4.07	Closed End Fund	Invested	Developing
Antin Infrastructure Partners Fund V	2022	1.10	0.00	1.10	2.52	Closed End Fund	Invested	Developing
ITE Diversified Transportation Asset Fund	2024	1.10	0.06	1.04	1.24	Open End Fund	Invested	Developing
KKR Diversified Core Infrastructure Fund	2024	1.04	0.02	1.03	0.74	Open End Fund	Invested	Developing
NM PERA Stonepeak Malpais SMA	2024					Open End Fund	Invested	Developing
Stonepeak Core Fund LP	2024					Open End Fund	Invested	Developing
Total - Infrastructure		**1.50**	**0.35**	**1.15**	**4.72**			
Portfolio Total		**1.34**	**0.62**	**0.72**	**7.20**			

- All investments have been converted to the USD

Information in this section includes both active and liquidated investments

Funding Status

Funding Status (1)

Asset Class	Vintage	Commitment Date	Fund Size (000's)	Current Commitment (000's)[1]	Paid In (000's)	Distributions (000's)	Funded	Current NAV (000's)	Data	Fund Type	Investment Status
Agriculture											
Paine Schwartz Food Chain Fund IV, L.P.	2015	23 Apr 14	893,000	45,010	43,973	22,159	85%	37,782	2Q 2025	Closed End Fund	Invested
ACM Fund II, LLC	2016	1 Jul 16	548,800	40,000	49,244	10,154	100%	15,741	2Q 2025	Closed End Fund	Invested
Tillridge Global Agribusiness Partners II, L.P.	2017	1 Jan 17	375,000	75,000	51,963	7,624	69%	34,720	2Q 2025	Closed End Fund	Invested
Four Corners Farmland Fund LLC	2020	1 Aug 20	300,000	150,000	140,739	0	94%	96,846	2Q 2025	Closed End Fund	Invested
Total - Agriculture				**310,010**	**285,919**	**39,937**	**87%**	**185,089**			
Energy											
Encap Energy Capital Fund VII, L.P.	2007	1 Jul 07	2,551,020	32,748	32,748	43,651	100%	0	4Q 2022	Closed End Fund	Liquidated
Natural Gas Partners IX, L.P.	2007	1 Oct 07	4,000,000	32,532	32,532	46,664	100%	0	4Q 2024	Closed End Fund	Liquidated
Quantum Energy Partners IV, L.P.	2007	1 Jan 07	1,325,000	20,173	20,173	20,341	100%	0	1Q 2022	Closed End Fund	Liquidated
First Reserve Fund XII, L.P.	2008	1 Oct 08	9,000,000	30,298	33,028	17,038	100%	16	2Q 2025	Closed End Fund	Invested
Lime Rock Partners V, L.P.	2008	1 Oct 08	1,434,500	10,000	11,088	9,192	99%	409	2Q 2025	Closed End Fund	Invested
Quantum Energy Partners Fund V, L.P.	2008	1 Oct 08	2,128,000	30,000	31,092	46,757	88%	66	2Q 2025	Closed End Fund	Invested
Riverstone/Carlyle Global E&P Fund IV	2008	1 Mar 08	5,979,700	34,497	34,497	37,340	100%	0	4Q 2024	Closed End Fund	Liquidated
Riverstone/Carlyle Renewable and Alternative Energy Fund II	2008	1 Apr 08	3,418,000	22,217	19,215	21,108	73%	154	2Q 2025	Closed End Fund	Invested
Kayne Anderson Energy Fund V (QP), L.P.	2009	1 Jul 09	798,418	23,265	23,265	33,703	100%	0	4Q 2024	Closed End Fund	Liquidated
Bedrock Energy Partners, LLC (fka EnerVest Energy Institutional Fund XII)	2010	1 Oct 10	1,500,000	20,002	20,002	12,690	100%	55	2Q 2025	Closed End Fund	Invested - In Liquidation
EnCap Energy Capital Fund VIII, L.P.	2010	1 Oct 10	3,608,200	24,882	28,477	21,416	100%	9,093	2Q 2025	Closed End Fund	Invested
Denham Commodity Partners Fund VI LP	2012	31 Mar 12	2,830,000	20,004	23,669	13,093	96%	7,935	2Q 2025	Closed End Fund	Invested
Lime Rock Partners VI, L.P.	2012	1 Sep 12	825,000	21,795	28,988	26,475	100%	0	2Q 2025	Closed End Fund	Liquidated
NGP Natural Resources X, L.P.	2012	1 Jan 12	3,590,000	25,000	26,156	23,908	100%	2,121	2Q 2025	Closed End Fund	Invested
Riverstone Global Energy & Power Fund V	2012	1 Apr 12	7,713,600	33,065	38,748	31,597	99%	726	2Q 2025	Closed End Fund	Invested
Denham Commodity Partners Fund VI Oil and Gas Fund LP	2013	1 Oct 13		12,731	12,731	20,497	100%	0	4Q 2024	Closed End Fund	Liquidated
EnCap Energy Capital Fund IX, L.P.	2013	1 Jan 13	5,154,600	25,950	31,089	41,337	100%	6,374	2Q 2025	Closed End Fund	Invested
EnCap Flatrock Midstream Fund III, L.P.	2014	1 Jul 14	3,061,200	30,000	35,794	39,405	97%	11,555	2Q 2025	Closed End Fund	Invested
Lime Rock Resources III-A, L.P.	2014	1 Jan 14	356,100	35,000	37,128	28,812	100%	21,085	2Q 2025	Closed End Fund	Invested
NGP Natural Resources XI, L.P.	2014	1 Oct 14	5,325,000	50,000	50,475	68,330	97%	13,506	2Q 2025	Closed End Fund	Invested

- All investments have been converted to the USD

1. Original Commitment + Commitment Adjustments (Including Currency Exposure)

Information in this section includes both active and liquidated investments

Funding Status (2)

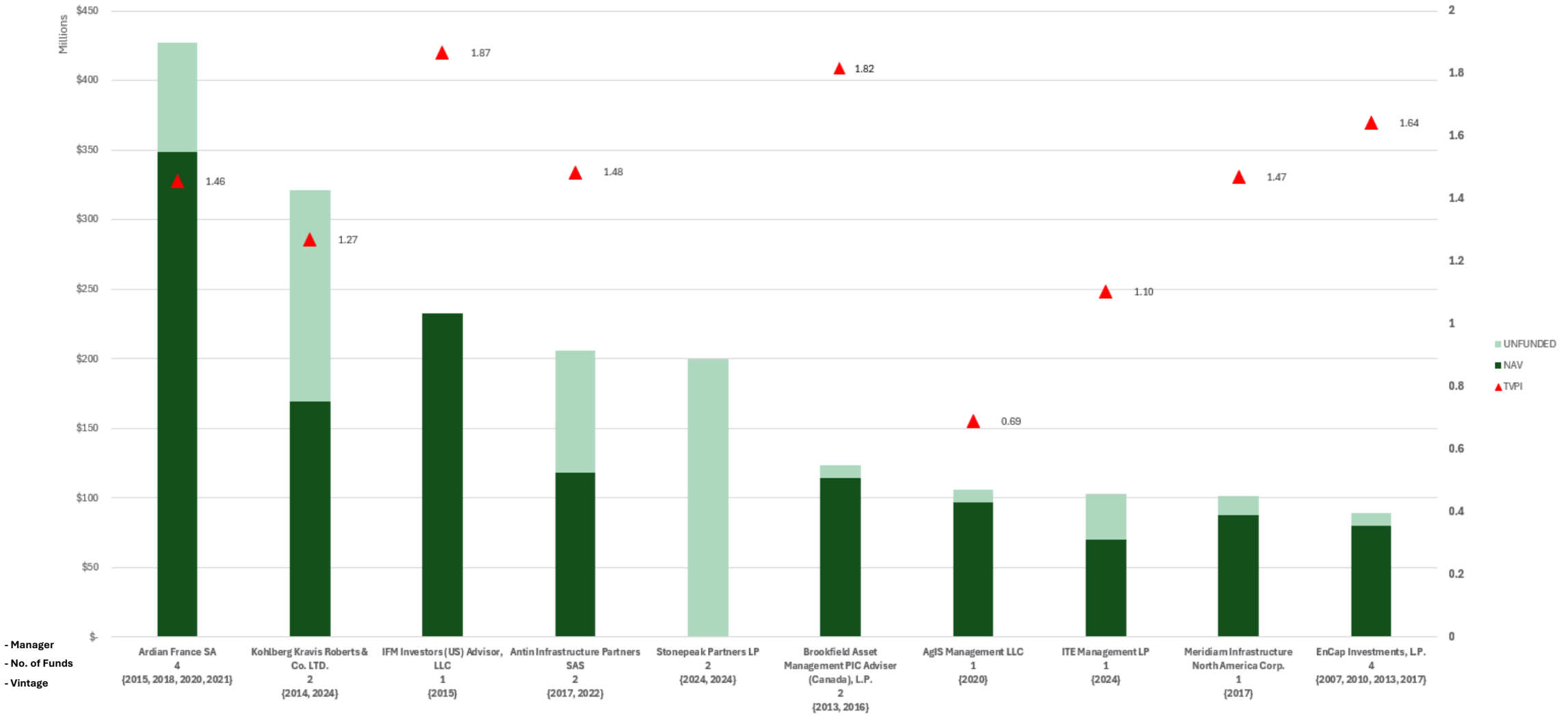
Asset Class	Vintage	Commitment Date	Fund Size (000's)	Current Commitment (000's)[1]	Paid In (000's)	Distributions (000's)	Funded	Current NAV (000's)	Data	Fund Type	Investment Status
Carlyle Power Partners II, L.P.	2016	31 Dec 15	1,530,000	65,000	81,149	116,375	89%	800	2Q 2025	Closed End Fund	Invested
EnCap Energy Capital Fund XI, L.P.	2017	1 Jul 17	7,000,000	100,000	100,176	129,829	91%	64,612	2Q 2025	Closed End Fund	Invested
NGP Natural Resources XII, L.P.	2017	1 Oct 17	4,300,000	75,000	68,848	68,585	92%	45,902	2Q 2025	Closed End Fund	Invested
KEPE Selling Fund II, L.P.	2024	15 Nov 24	500,000	4,149	4,149	3,405	100%	746	2Q 2025	Closed End Fund	Invested
Total - Energy				**778,308**	**825,217**	**921,549**	**95%**	**185,153**			
Infrastructure											
Brookfield Infrastructure Fund II, L.P.	2013	1 Oct 13	7,000,000	41,384	38,377	46,294	94%	32,868	2Q 2025	Closed End Fund	Invested
KKR Global Infrastructure Investors II, L.P.	2014	1 Oct 14	3,098,000	53,027	57,169	91,454	96%	15,287	2Q 2025	Closed End Fund	Invested
Ardian Infrastructure Fund IV S.C.A., SICAR B	2015	1 Jul 15	3,123,555	67,546	56,645	44,289	84%	49,785	2Q 2025	Closed End Fund	Invested
IFM Global Infrastructure (US)	2015	1 Apr 15	39,461,000	155,218	152,600	52,101	100%	232,582	2Q 2025	Open End Fund	Invested
Brookfield Infrastructure Fund III, L.P.	2016	1 Apr 16	14,000,000	80,846	82,008	57,743	91%	81,646	2Q 2025	Closed End Fund	Invested
Antin Infrastructure Partners III L.P.	2017	1 Jan 17	4,243,320	74,765	65,159	32,317	87%	78,479	2Q 2025	Closed End Fund	Invested
Meridiam Infrastructure North America (Domestic) Fund III	2017	1 Jul 17	1,209,000	75,000	61,146	1,862	82%	87,964	2Q 2025	Closed End Fund	Invested
Ardian Infrastructure Fund V	2018	1 Oct 18	7,190,070	65,369	57,094	7,559	88%	77,954	2Q 2025	Closed End Fund	Invested
NM PERA Ardian Mass Ascension SMA	2020	1 Jun 20		150,000	133,199	5,309	89%	186,195	2Q 2025	Closed End Fund	Invested
Ardian Americas Infrastructure Fund V LP - Class A	2021	1 Apr 21	2,080,000	74,941	32,240	1,243	43%	34,296	2Q 2025	Closed End Fund	Invested
Antin Infrastructure Partners Fund V	2022	1 Jan 21	11,988,115	114,078	36,458	146	34%	39,934	2Q 2025	Closed End Fund	Invested
ITE Diversified Transportation Asset Fund	2024	1 Jan 24	7,000,000	100,000	66,916	3,979	67%	69,842	2Q 2025	Open End Fund	Invested
KKR Diversified Core Infrastructure Fund	2024	1 Jan 24	11,800,000	300,000	150,000	2,288	50%	154,038	2Q 2025	Open End Fund	Invested
NM PERA Stonepeak Malpais SMA	2024	7 Nov 24		100,000	0	0	0%	0	2Q 2025	Open End Fund	Invested
Stonepeak Core Fund LP	2024	7 Nov 24	5,000,000	100,000	0	0	0%	0	2Q 2025	Open End Fund	Invested
Total - Infrastructure				**1,552,172**	**989,012**	**346,584**	**63%**	**1,140,870**			
Portfolio Total				**2,640,491**	**2,100,148**	**1,308,070**	**75%**	**1,511,113**			

- All investments have been converted to the USD

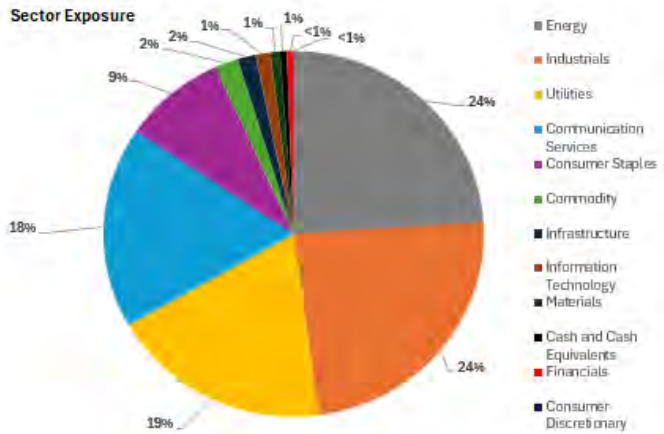
1. Original Commitment + Commitment Adjustments (Including Currency Exposure)

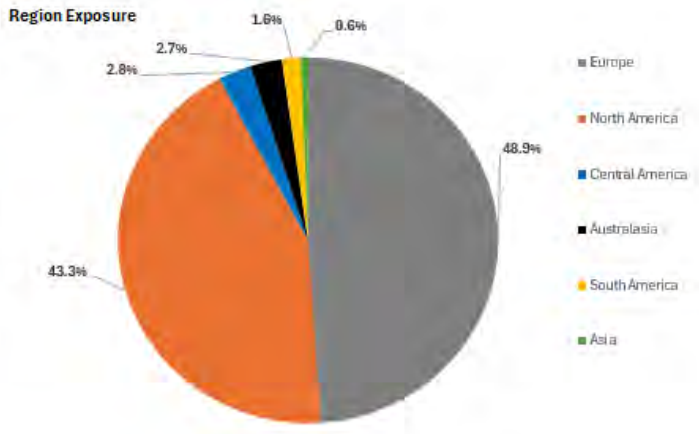
Information in this section includes both active and liquidated investments

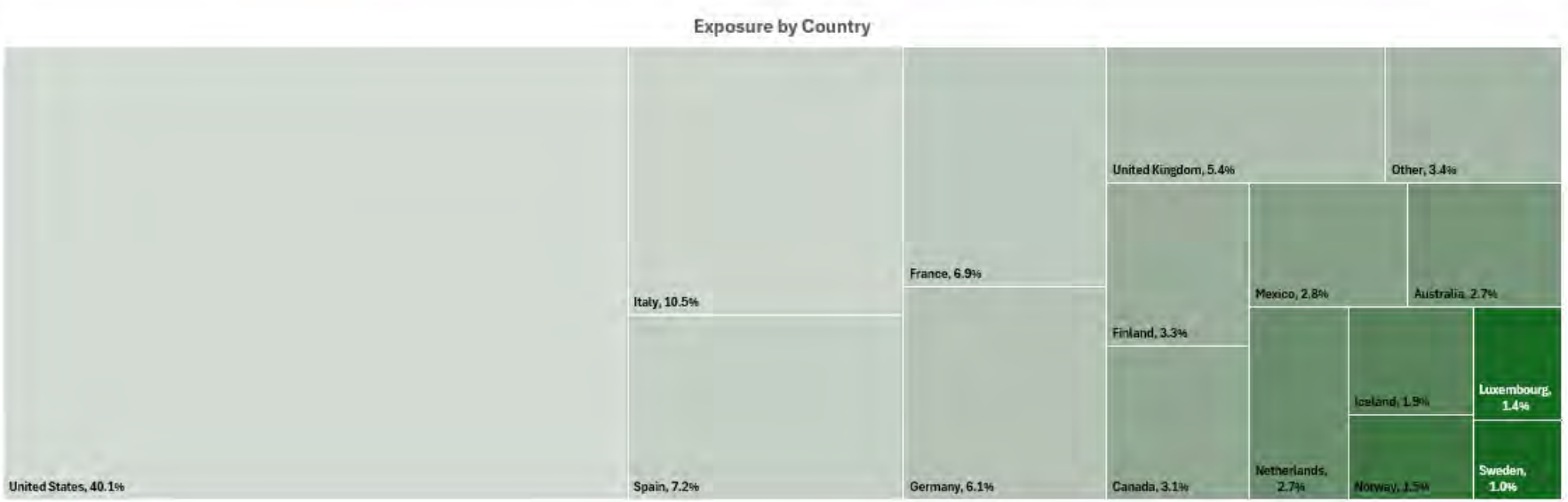
Largest Relationship Concentrations by Manager Group



Exposures by Region, Country and Asset Class







- All Exposures calculated by NAV.

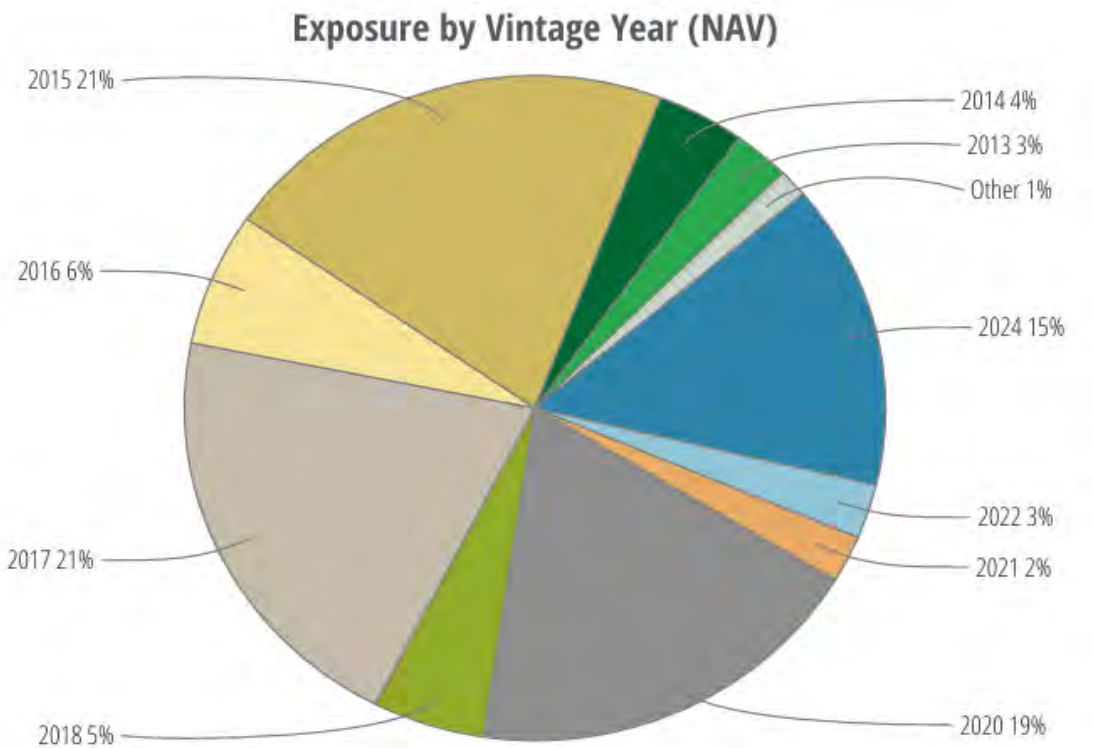
The charts are based on data collected representing **~98%** of total NAV, with the following breakdown:

- ~97% is calculated using the allocation of investment level data as of 06/30/2025

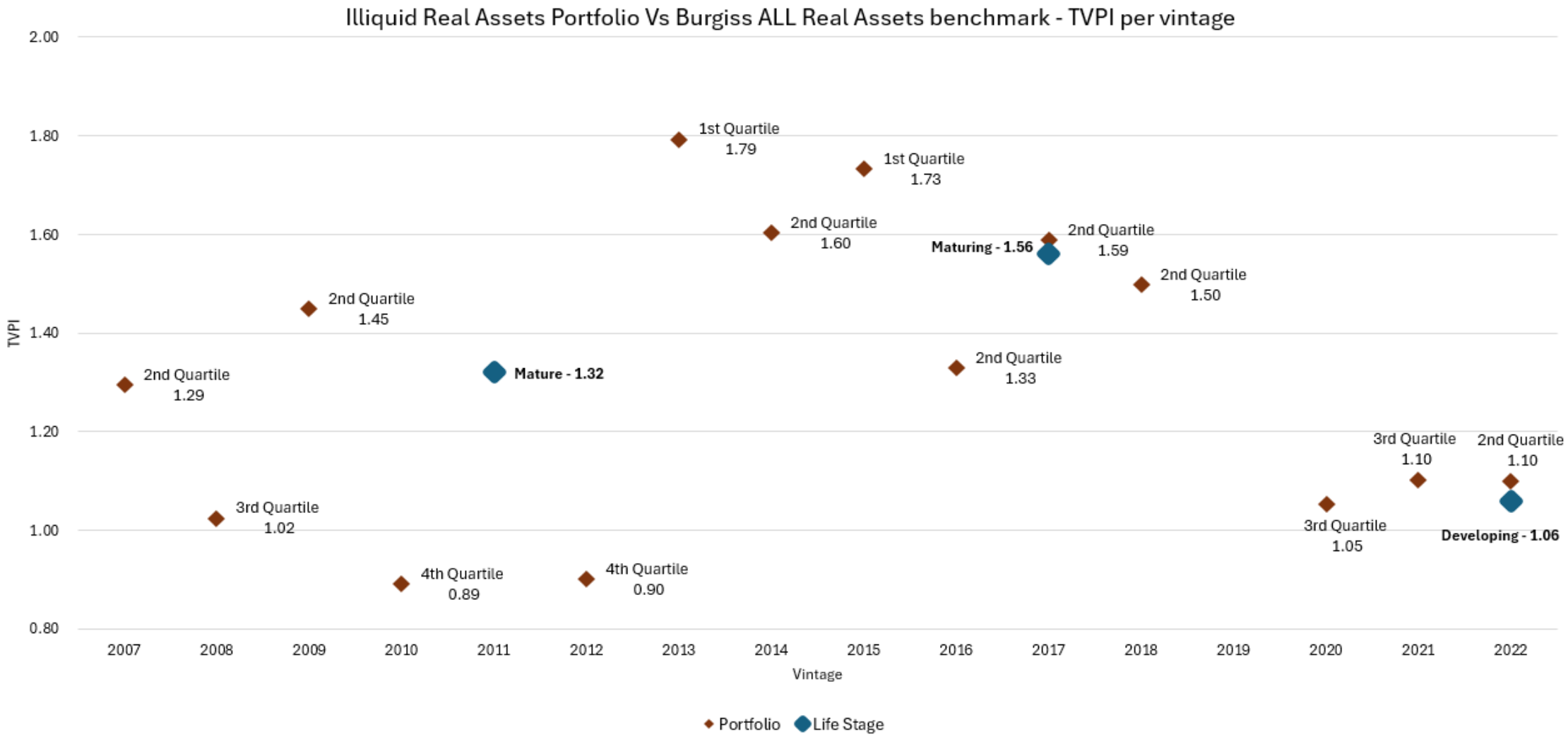
~1% is calculated using the allocation of historical investment level data, where we assume that the fund continues to have similar sector/region allocation

- 'Other' category in countries exposure chart, includes all countries that have <1% exposure

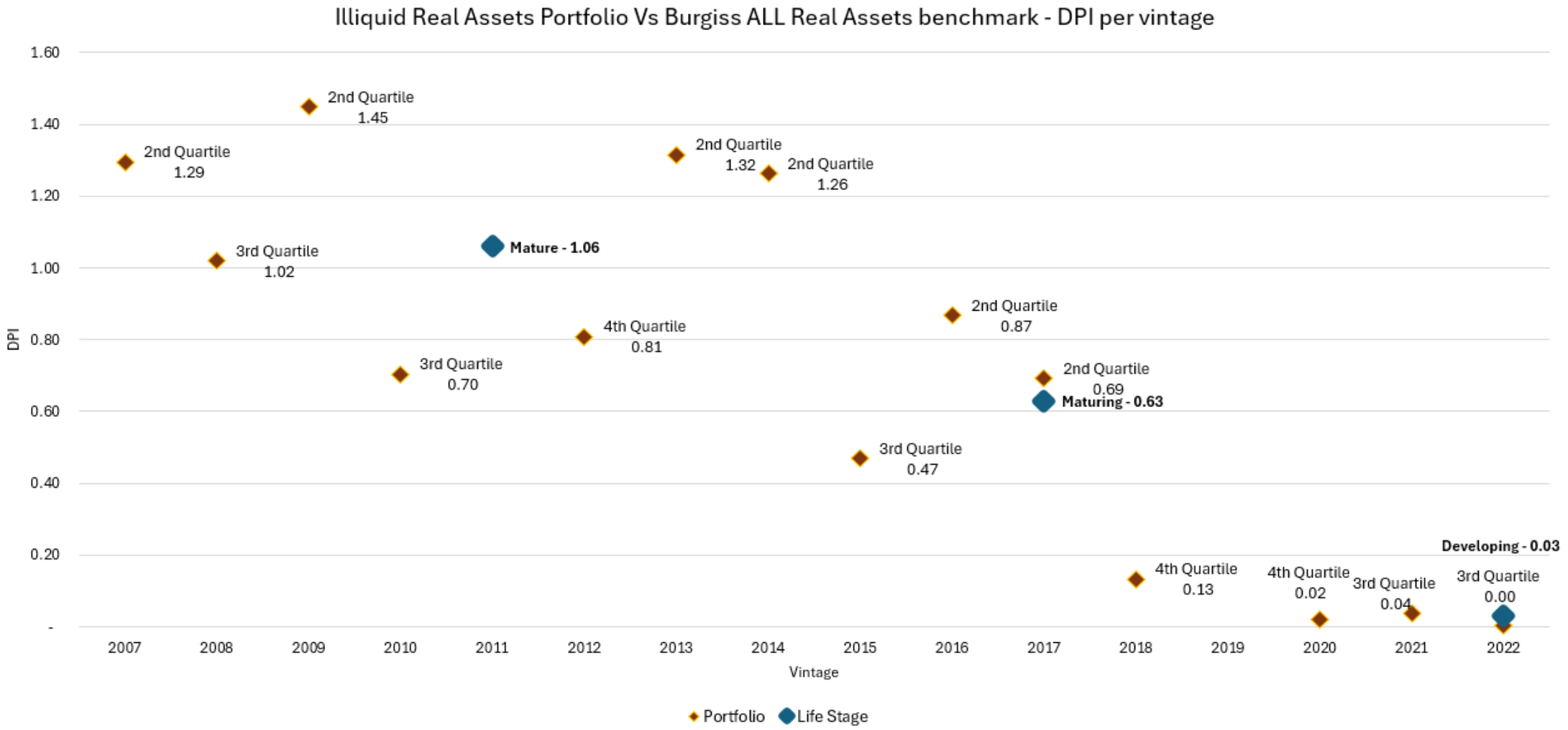
Exposures by Vintage Year



Benchmarking – Quartiles per Vintage



- Developing: 2020-2025 Vintages, Maturing 2015-2019 Vintages, Mature 2006-2014 Vintages
- The last three vintages are not included in direct benchmarking, but are included under the 'Developing' group for the Life Stage performance marker



- Developing: 2020-2025 Vintages, Maturing 2015-2019 Vintages, Mature 2006-2014 Vintages
- The last three vintages are not included in direct benchmarking, but are included under the 'Developing' group for the Life Stage performance marker

ALBOURNE



2025

Albourne PM IDD Reports, Ratings and Process Overview

30+ YRS the road less traveled

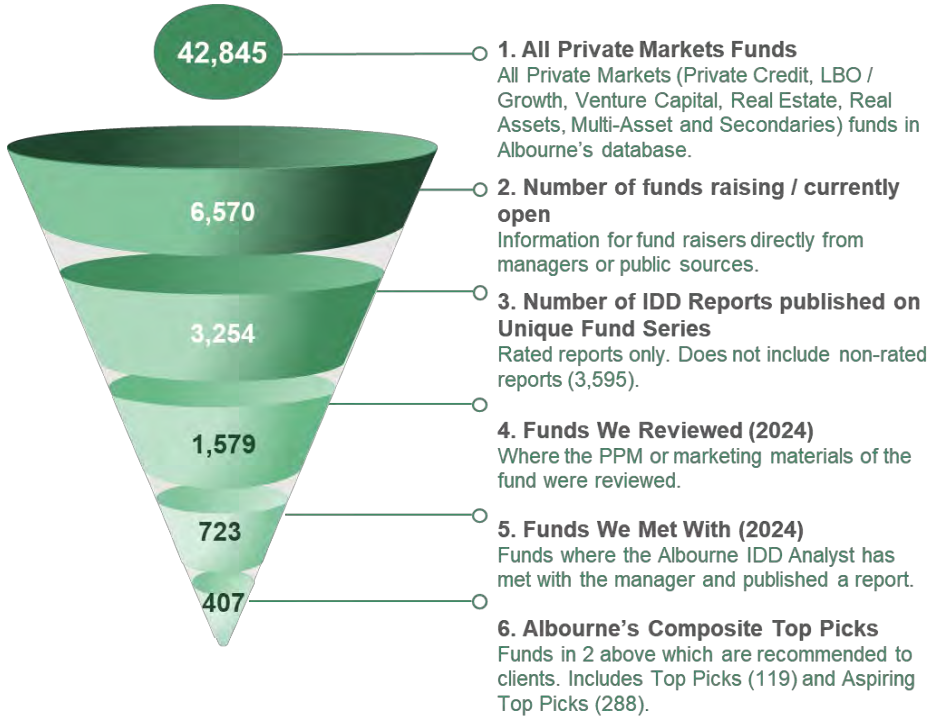
Introduction: Goal of IDD Ratings and Process

Manager Selection

Investment Due Diligence is a **critical component of identifying best in class managers** and opportunities that meet the objectives and tolerances of the investment program

Due diligence **can be difficult** since:

- It involves significant judgement
- Information and data availability on each opportunity is at best imperfect
- Managers are experienced marketers
- Amongst the huge numbers of opportunities it is difficult but critical to filter the list of candidates
- Further operational and quantitative due diligence reports (Operational Due Diligence & Quantitative Due Diligence) are often needed to provide a more insightful understanding of selected firms



(1) All Private Markets Funds within Albourne's database. (2) A fund series may include several related funds
(3) Next or Current fund in the market is rated A or B (4) Includes Aspiring Top Picks (288). As of 23 February 2025

Ratings

- Ratings are set relative to Fund Main Strategy Peer Group.
  - An "A" analyst assessment is the highest while an "E" analyst assessment is the lowest.
  - A "1" conviction is the lowest while a 5 conviction is the highest
- Niche strategies with few participants are rated relative to a ‘realistic hypothetical ideal’ based on strategy, size of fund, fees.

Rating	Rating Type	Notes
IDD Analyst Assessment	A-E	Expected long-term performance relative to peers
Conviction	1-5	Number of Meetings and Length of Relationship, Transparency and Stability
Expected Alpha	High, Medium, Low	Terciled PME against the nearest equivalent liquid index.
Expected Beta	High, Medium, Low	Correlation with the performance of the given strategy. Concentration and Unusual strategies will lower Beta.
Expected Risk	High, Medium, Low	Fund exposure to various drivers of fund underperformance historically.
Strategy	A-E	Quality relative to peers
Management & Team		
Track Record		
Portfolio		
Terms		

Rating Approval Process



Lead Analyst

IDD Pod Discussion

PM IDD Pods
Real Assets
Real Estate
North American Credit
North American Buyout
Venture Capital
PM Europe
PM Asia

Private Markets Investment Committee

Chaired by Head of PM IDD

All PM IDD Analysts (57)* including 16 PM IDD Partners

Meets every Tuesday

**Includes 12 Multi-Asset Class Analysts*

Planning

Due Diligence Process



- Assign **responsibilities, goals and deadlines** based on planning and design phase work
- **Contact manager(s)** – best to initiate contact early, potentially even pre-fundraising

- **Collect materials** (marketing deck, PPM*, LPA*, DDQ*, performance materials, case studies)
- Identify **initial issues/risks and strengths/opportunities** (points of focus in full due diligence)
- Decide whether to pursue additional due diligence – an efficient **early screening process** is ideal!

- Create and communicate a **review timeline**, including required calls/meetings
- Request any additional diligence materials necessary for detailed analysis
- Keep a **detailed list of questions** to ask based on initial assessment

- **Full document review** – detailed analysis of due diligence materials
- Onsite meeting(s), video conference call(s), case study review, reference calls
- **Additional analysis** on performance (quantitative diligence), benchmarking/peer comparison

- **Final assessment** of strengths and issues, suitability, expected risk/return
- Documentation of findings, **incorporate into manager selection** and investment decisions
- Identify any additional work that may be required to increase conviction, understand risks, etc.

*PPM: Private Placement Memorandum; LPA: Limited Partnership Agreement; DDQ: Due Diligence Questionnaire. These are documents provided to prospective investors that describe the offering and its terms.

Planning

Variability in Due Diligence

Hedge Funds	vs	**Private Markets** vehicle type
Equity	vs	**Credit** strategy and sub-strategies
Established	vs	**New** manager
Developed	vs	**Emerging** geography
Mature	vs	**Nascent** asset class
High	vs	**Low** Conviction

Management & Team

Firm Overview & Background	• History/origins/evolution of the Firm; total AUM*, headcount, locations • Lays the foundation of the broader organization and resources
Team Experience	• Team members' experience and whether relevant, unique skills • Any third-party teams that participate in implementing the strategy
Work Together as a Group	• How team members work together currently and any shared work history • Integration of the team into the wider network of manager resources
Additions & Departures	• Turnover level – opinion on the frequency and level of seniority of turnover • Importance (or not) of departures and/or hires
Operating Capabilities	• Importance of operation capabilities will vary by strategy/fund • Type of operating partners and structure of their involvement & pay

* AUM: Assets Under Management Total capital managed by the Firm across its various funds/offerings.

Management & Team

Compensation	• Level of information that can be gathered will vary • Compensation structure & alignment – salary, bonus, carry split
Investment in Own Funds	• Important part of assessing a team's alignment of interests with investors • GP commitment amount and type – who participates & whether meaningful
Involvement in Other Funds	• Team members' other responsibilities outside of the fund – distractions • Another piece of the puzzle when assessing alignment of interests
Key Person Dependency	• Whether dependent on certain team member(s) – appropriate protections? • How likely the team would be able to recover from their departure
Alignment of Interests	• Whether the GP and LPs are well aligned based on a complete review of the fund/team's motivations

Strategy & Investment Process

Strategy Overview	• Focus on unique characteristics – what is differentiating relative to peers • Understand any relevant strategy history/changes
Expected Portfolio Composition	• Diversification/allocation by sector, geography, size, deal type, churn, etc. • Expected investment count, average size, security type, etc.
Sustainability	• Sustainability* during sourcing, ownership & exit assessed – varies by strategy • Request copy of Sustainability policy, team, templates/memos used
Market Opportunity	• Market context for considering strategy implementation • Current size and quality of the opportunity set – e.g., potential cyclicality
Deal Sourcing	• Hunting grounds (size, competitors, deal type, seller types & motivations) • Quantity and quality of deal flow – focused on any points of differentiation

*Sustainability. Albourne's approach to Sustainability is to evaluate the degree to which a manager has considered and understood the key Sustainability factors (risks & return opportunities) relevant to their investment program.

Strategy & Investment Process

Structuring	• Manager's expected deal structures and structuring skillset – return bridge • Investment level leverage and fund level leverage; Hedging
Decision Making	• Sense for who the key decision makers are; deal team structure • IC composition and process; technically vs practically
Ownership Strategy	• How do they increase value and prepare an investment for exit • Can vary from essentially nothing (buy and hold) to extremely involved
Exit Strategy	• What the typical exit paths are and who the potential (likely) buyers are • Timing, volatility, binary profile, market cycle exposure, strategic elements
Peer Group	• Important to understand the universe of competitors – direct & indirect • Strengths and weaknesses versus peers and where "fits" in peer group

Track Record & Current Portfolio

Quantitative Due Diligence

The manager's ability to execute on its proposed strategy, identify/generate alpha, control risks, source deals, structure investments and exit can be seen (at least in part) in its performance

Fund market **level** cash flow analysis:

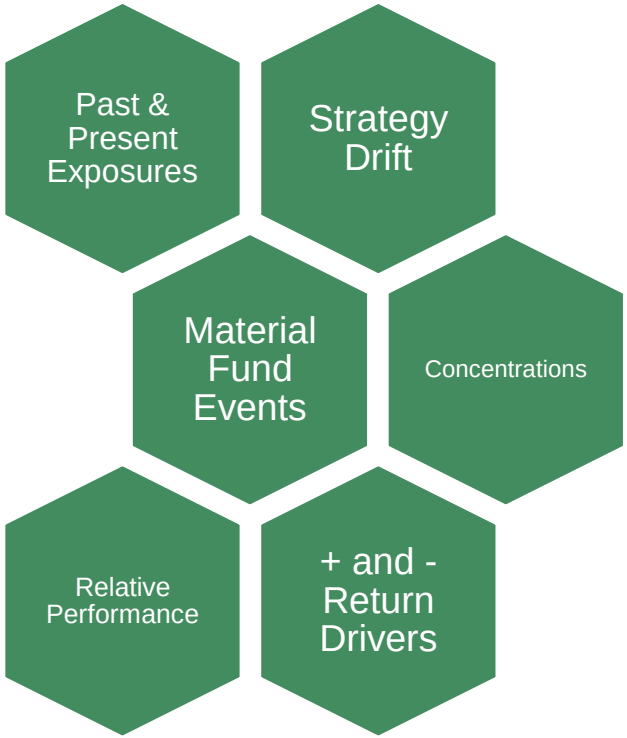
- Peer group benchmarking
- Public equivalent (PME alpha) analysis

Deal level exposure & outcome analysis:

- By sector/geography/security/acquisition date/size
- By TVPI/DPI/IRR/Alpha*

Detailed **return attribution** analysis:

- Value bridges (fund and deal level)
- Alpha breakdown charts (fund and deal level)
- Fair value estimates (equity only)



*TVPI: Total Value to Paid In; DPI: Distributed to Paid In; IRR: Internal Rate of Return;
Alpha: represents the market- adjusted equivalent to the traditional IRR of a fund; gauges the performance of a fund against a market index

Terms

Key Terms

A review of fund Terms are included as part of every Investment Due Diligence process

Summary of **Key Terms**:

- Investment Period
- Fund Life (plus extension)
- Distribution Waterfall (whole fund vs deal by deal)
- Management Fee (initial & taildown)
- Carried Interest
- Hurdle (Preferred Return)
- GP Commitment
- Transaction Fee Offset

Terms **documents**:

- Marketing materials
- PPM & DDQ
- LPA

Terms **review**:

- As with the rest of the review process, Terms review can range from Initial to Standard to Complicated
- Assessed on an absolute basis and relative to peer set (i.e., standard market terms for the strategy)
- Terms can have a material impact on returns & alignment

Disclaimer

IMPORTANT NOTICE

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Disclaimer

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NM Public Employees Retirement Association
Cash Flow Projection - FY 26

	Actuals	Projected											Month's Activity
	July	August	September	October	November	December	January	February	March	April	May	June	
													No rebalancing in July
Month Beginning Cash, BNYM	$285	$234	$224	$214	$204	$194	$184	$174	$164	$154	$144	$134	
Uses of Cash													
Asset Class Purchases													
Liquid Asset Purchases	0												
Illiquid Asset Capital Calls	103	70	70	70	70	70	70	70	70	70	70	70	GE, CR, RA Capital Calls
Alt./Hedged Asset Purchases	25												
Total Benefit Payments	129	130	130	130	130	130	130	130	130	130	130	130	
Benefit Payments (BNYM)	29	45	45	45	45	45	45	45	45	45	45	45	
Benefit Payments (STO)	100	85	85	85	85	85	85	85	85	85	85	85	
Refunds	7	5	5	5	5	5	5	5	5	5	5	5	
Operational Expense	1	2	2	2	2	2	2	2	2	2	2	2	
Other													
Sources of Cash													
Asset Class Sales													
Liquid Asset Redemptions	0	40	40	40	40	40	40	40	40	40	40	40	
Liquid Asset Distributions	11	10	10	10	10	10	10	10	10	10	10	10	CR Income
Illiquid Asset Distributions	54	55	55	55	55	55	55	55	55	55	55	55	GE, CR, RA, RE Distributions
Alt./Hedged Asset Redemptions	37												
Employee / Employer Contributions	91	90	90	90	90	90	90	90	90	90	90	90	
Other	3												
Month Ending Cash, BNYM	234	224	214	204	194	184	174	164	154	144	134	124	
Corporate Action/Suspense	2	2	2	2	2	2	2	2	2	2	2	2	
Month Ending Cash, STO	26	40	40	40	40	40	40	40	40	40	40	40	
Month-End Capital Allocations													
Global Equity	8,847	8,650	8,697	8,745	8,793	8,841	8,890	8,938	8,987	9,037	9,086	9,136	
Core Fixed Income	2,442	2,444	2,458	2,471	2,485	2,499	2,512	2,526	2,540	2,554	2,568	2,582	
Credit	3,385	3,197	3,214	3,232	3,250	3,267	3,285	3,303	3,321	3,340	3,358	3,376	
Real Assets	2,988	3,385	3,403	3,422	3,441	3,460	3,479	3,498	3,517	3,536	3,556	3,575	
Absolute Return	1,052	1,128	1,134	1,141	1,147	1,153	1,160	1,166	1,172	1,179	1,185	1,192	
STO Cash	26	40	40	40	40	40	40	40	40	40	40	40	
Total (net of cash flows)	$18,741	$18,843	$18,947	$19,050	$19,155	$19,260	$19,365	$19,471	$19,578	$19,685	$19,793	$19,901	
Month-End Percentage Allocations													
Fund Balance (less STO)	$18,715	$18,803	$18,907	$19,010	$19,115	$19,220	$19,325	$19,431	$19,538	$19,645	$19,753	$19,861	
Global Equity	47.3%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	
Core Fixed Income	13.1%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	
Credit	18.1%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	
Real Assets	16.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	
Absolute Return	5.6%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

July Change in Value
30
(59)
(9)
70
23
(19)
36

Current Month's Weights			
Actual	Target	Var.	Range
47%	46%	1.2%	+/-5%
13%	13%	0.0%	+/-3%
18%	17%	1.1%	+/-4%
16%	18%	-2.1%	+/-4%
6%	6%	-0.4%	+/-3%
0%	0%	0.1%	
100%	100%		

Tier
Tier 1 (1-5 days)
Tier 2 (5-90 days)
Tier 3 (90-365 days)
Tier 4 (1 year +)

Liquidity Summary		
	$ (M) Allocation	% Allocation
$	2,433	13%
$	8,517	46%
$	1,052	6%
$	6,712	36%

NM Public Employees Retirement Association
Cash Flow Projection - FY 26

	Actuals		Projected										Month's Activity
	July	August	September	October	November	December	January	February	March	April	May	June	
													No rebalancing in August
Month Beginning Cash, BNYM	$285	$234	$304	$294	$284	$274	$264	$254	$244	$234	$224	$214	
Uses of Cash													
Asset Class Purchases													
Liquid Asset Purchases	0	0											
Illiquid Asset Capital Calls	103	86	70	70	70	70	70	70	70	70	70	70	RA, CR, GE Capital Calls
Alt./Hedged Asset Purchases	25	0											
Total Benefit Payments	129	131	130	130	130	130	130	130	130	130	130	130	
Benefit Payments (BNYM)	29	45	45	45	45	45	45	45	45	45	45	45	
Benefit Payments (STO)	100	86	85	85	85	85	85	85	85	85	85	85	
Refunds	7	4	5	5	5	5	5	5	5	5	5	5	
Operational Expense	1	2	2	2	2	2	2	2	2	2	2	2	
Other		0											
Sources of Cash													
Asset Class Sales													
Liquid Asset Redemptions	0	75	40	40	40	40	40	40	40	40	40	40	GE Cash Raise
Liquid Asset Distributions	11	6	10	10	10	10	10	10	10	10	10	10	CR Income
Illiquid Asset Distributions	54	118	55	55	55	55	55	55	55	55	55	55	RA, RE, GE, CR Distributions
Alt./Hedged Asset Redemptions	37	1											
Employee / Employer Contributions	91	87	90	90	90	90	90	90	90	90	90	90	
Other	3	2											
Month Ending Cash, BNYM	234	304	294	284	274	264	254	244	234	224	214	204	
Corporate Action/Suspense	2	2	2	2	2	2	2	2	2	2	2	2	
Month Ending Cash, STO	26	24	40	40	40	40	40	40	40	40	40	40	
Month-End Capital Allocations													
Global Equity	8,847	8,962	8,792	8,840	8,889	8,938	8,987	9,036	9,086	9,135	9,186	9,000	
Core Fixed Income	2,442	2,539	2,485	2,498	2,512	2,526	2,540	2,554	2,568	2,582	2,473	2,544	
Credit	3,385	3,483	3,249	3,267	3,285	3,303	3,321	3,339	3,358	3,376	3,234	3,326	
Real Assets	2,988	2,986	3,440	3,459	3,478	3,497	3,517	3,536	3,555	3,575	3,425	3,522	
Absolute Return	1,052	1,054	1,147	1,153	1,159	1,166	1,172	1,179	1,185	1,192	1,142	1,174	
STO Cash	26	24	40	40	40	40	40	40	40	40	40	40	
Total (net of cash flows)	$18,741	$19,049	$19,153	$19,258	$19,364	$19,470	$19,576	$19,683	$19,791	$19,900	$19,499	$19,606	
Month-End Percentage Allocations													
Fund Balance (less STO)	$18,715	$19,025	$19,113	$19,218	$19,324	$19,430	$19,536	$19,643	$19,751	$19,860	$19,969	$19,566	
Global Equity	47.3%	47.1%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	
Core Fixed Income	13.1%	13.4%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	
Credit	18.1%	18.3%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	
Real Assets	16.0%	15.7%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	
Absolute Return	5.6%	5.5%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

August Change in Value
116
97
98
(2)
2
(3)
308

Current Month's Weights			
Actual	Target	Var.	Range
47%	46%	1.0%	+/-5%
13%	13%	0.3%	+/-3%
18%	17%	1.3%	+/-4%
16%	18%	-2.3%	+/-4%
6%	6%	-0.5%	+/-3%
0%	0%	0.1%	
100%	100%		

Tier
Tier 1 (1-5 days)
Tier 2 (5-90 days)
Tier 3 (90-365 days)
Tier 4 (1 year +)

Liquidity Summary		
	$ (M) Allocation	% Allocation
Tier 1 (1-5 days)	$ 2,530	13%
Tier 2 (5-90 days)	$ 8,616	45%
Tier 3 (90-365 days)	$ 1,054	6%
Tier 4 (1 year +)	$ 6,826	36%

NM Public Employees Retirement Association
Cash Flow Projection - FY 26

	Actuals			Projected									Month's Activity
	July	August	September	October	November	December	January	February	March	April	May	June	
Month Beginning Cash, BNYM	$285	$234	$304	$315	$305	$295	$285	$275	$265	$255	$245	$235	No rebalancing in September
Uses of Cash													
Asset Class Purchases													
Liquid Asset Purchases	0	0	0										
Illiquid Asset Capital Calls	103	86	29	70	70	70	70	70	70	70	70	70	RA, RE, GE, CR Capital Calls
Alt./Hedged Asset Purchases	25	0	0										
Total Benefit Payments	129	131	130	130	130	130	130	130	130	130	130	130	
Benefit Payments (BNYM)	29	45	36	45	45	45	45	45	45	45	45	45	
Benefit Payments (STO)	100	86	94	85	85	85	85	85	85	85	85	85	
Refunds	7	4	6	5	5	5	5	5	5	5	5	5	
Operational Expense	1	2	2	2	2	2	2	2	2	2	2	2	
Other		0	0										
Sources of Cash													
Asset Class Sales													
Liquid Asset Redemptions	0	75	0	40	40	40	40	40	40	40	40	40	
Liquid Asset Distributions	11	6	5	10	10	10	10	10	10	10	10	10	CR Income
Illiquid Asset Distributions	54	118	67	55	55	55	55	55	55	55	55	55	RA, RE, GE, CR Distributions
Alt./Hedged Asset Redemptions	37	1	2										
Employee / Employer Contributions	91	87	104	90	90	90	90	90	90	90	90	90	
Other	3	2	2										
Month Ending Cash, BNYM	234	304	315	305	295	285	275	265	255	245	235	225	
Corporate Action/Suspense	2	2	2	2	2	2	2	2	2	2	2	2	
Month Ending Cash, STO	26	24	31	40	40	40	40	40	40	40	40	40	
Month-End Capital Allocations													
Global Equity	8,847	8,962	9,131	8,894	8,942	8,992	9,041	9,091	9,140	9,191	9,241	9,292	
Core Fixed Income	2,442	2,539	2,573	2,513	2,527	2,541	2,555	2,569	2,583	2,597	2,612	2,626	
Credit	3,385	3,483	3,492	3,287	3,305	3,323	3,341	3,360	3,378	3,397	3,415	3,434	
Real Assets	2,988	2,986	2,978	3,480	3,499	3,518	3,538	3,557	3,577	3,596	3,616	3,636	
Absolute Return	1,052	1,054	1,063	1,160	1,166	1,173	1,179	1,186	1,192	1,199	1,205	1,212	
STO Cash	26	24	31	40	40	40	40	40	40	40	40	40	
Total (net of cash flows)	$18,741	$19,049	$19,269	$19,374	$19,480	$19,587	$19,694	$19,802	$19,910	$20,019	$20,129	$20,239	
Month-End Percentage Allocations													
Fund Balance (less STO)	$18,715	$19,025	$19,237	$19,334	$19,440	$19,547	$19,654	$19,762	$19,870	$19,979	$20,089	$20,199	
Global Equity	47.3%	47.1%	47.5%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	
Core Fixed Income	13.1%	13.4%	13.4%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	
Credit	18.1%	18.3%	18.2%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	
Real Assets	16.0%	15.7%	15.5%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	
Absolute Return	5.6%	5.5%	5.5%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

September Change in Value
169
34
9
(9)
8
8
220

Current Month's Weights			
Actual	Target	Var.	Range
47%	46%	1.4%	+/-5%
13%	13%	0.4%	+/-3%
18%	17%	1.1%	+/-4%
15%	18%	-2.5%	+/-4%
6%	6%	-0.5%	+/-3%
0%	0%	0.2%	
100%	100%		

Tier
Tier 1 (1-5 days)
Tier 2 (5-90 days)
Tier 3 (90-365 days)
Tier 4 (1 year +)

Liquidity Summary		
$ (M) Allocation		% Allocation
$	2,564	13%
$	8,788	46%
$	1,063	6%
$	6,822	35%

YTD Monthly History – Volume

For the month ending 09/30/2025

BNY Securities Lending

Public Employees Retirement of New Mexico
LEI: HPFHU0OQ28E4N0NFVK49 | USD | GSL203

	ENDING BALANCES FOR THE MONTH				AVERAGE BALANCES FOR THE MONTH			PERFORMANCE	
Month	Market Value Lendable Securities	Market Value Lendable on Loan	Percent of Portfolio on Loan	Monthly Gross Client Earnings	Market Value Lendable Securities	Market Value Securities on Loan	Percent of Portfolio on Loan	Return on Available Assets for Lending	Return on Loaned Assets
July	4,920,636,709.20	941,546,117.11	19.13%	253,420.23	4,924,460,996.48	951,717,263.71	19.33%	6.18 bp	31.95 bp
August	5,031,183,968.25	951,800,207.67	18.92%	245,906.30	4,997,938,027.15	965,877,337.19	19.33%	5.90 bp	30.55 bp
September	5,022,596,458.40	940,366,607.48	18.72%	269,310.23	5,061,849,453.92	959,911,413.43	18.96%	6.38 bp	33.67 bp
AVERAGE	4,991,472,378.62	944,570,977.42	18.92%	256,212.25	4,994,749,492.52	959,168,671.44	19.20%	6.16 bp	32.05 bp

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

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

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Public Employees Retirement Association

FY 25 Management Fees

Asset Class (11)	Management Fees FY2025	NAV (1) 6/30/2025	Unfunded (10) 6/30/2025	NAV + Unfunded 6/30/2025	Annual Cost in BPS (12)	Carried Interest Profit Sharing
Global Equity	**30,279,548**	**8,817,467,250**	**900,228,760**	**9,717,696,010**	**31**	**36,203,641**
Liquid Global Equity (2)	1,909,171	6,024,718,183	-	6,024,718,183	3	1,414,686
Illiquid Global Equity (3)	28,370,378	2,792,749,067	900,228,760	3,692,977,827	77	34,788,955
Core Fixed Income	**346,160**	**2,501,994,265**	**-**	**2,501,994,265**	**1**	**-**
Liquid Core Fixed Income (4)	346,160	2,501,994,265	-	2,501,994,265	1	-
Credit	**17,872,155**	**3,394,868,269**	**104,865,716**	**3,499,733,986**	**51**	**34,433,938**
Liquid Credit (5)	11,616,905	2,448,371,288	-	2,448,371,288	47	10,842,412
Illiquid Credit (6)	6,255,251	946,496,981	104,865,716	1,051,362,698	59	23,591,526
Real Assets	**28,544,671**	**2,918,193,375**	**414,801,252**	**3,332,994,627**	**86**	**26,535,765**
Illiquid Real Assets (7)	28,544,671	2,918,193,375	414,801,252	3,332,994,627	86	26,535,765
Absolute Return	**13,744,271**	**1,028,695,805**	**55,000,000**	**1,083,695,805**	**127**	**17,186,442**
Absolute Return (8)	13,744,271	1,028,695,805	55,000,000	1,083,695,805	127	17,186,442
Total Fund FY25	**90,786,805**	**18,661,218,964**	**1,474,895,728**	**20,136,114,692**	**45**	**114,359,785**
Total FY24					**46**	
Total FY23					**49**	
Total FY22					**50**	
Total FY21					**45**	
Total FY20					**45**	
Total FY19					**44**	
Total FY18					**46**	
Total FY17					**39**	
Total FY16					**36**	
Total FY15					**42**	
Total FY14					**47**	

Administration Fees bps (9)	**3.7**

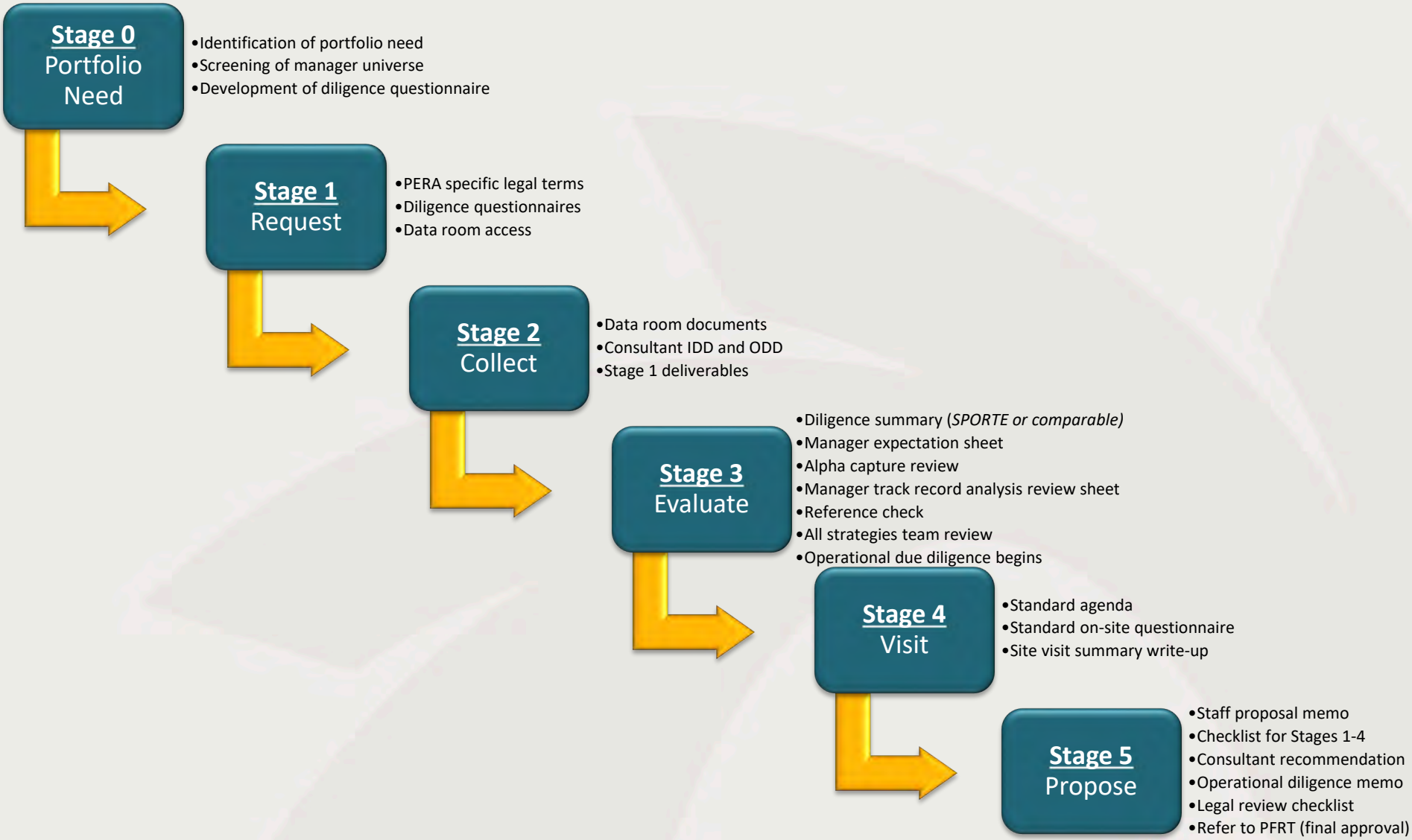
NOTES

1.NAV	Includes: June 30, 2025, inclusive of lagged private market values, which does not match FY25 financial statements.
2.Liquid Global Equity	Includes: Global Public Stock and Global Low Vol Equity.
3.Illiquid Global Equity	Includes: Buyout Private Equity, Venture Private Equity, Secondary Private Equity, and Growth Private Equity.
4.Liquid Core Fixed Income	Includes: Domestic and Global Core Fixed Income, Cash, Suspense, and Risk Reduction Synthetic Overlays.
5.Liquid Credit	Includes: Global High Yield.
6.Illiquid Credit	Includes: Private Debt, Distressed Debt, and Leveraged/Structured Credit.
7.Illiquid Real Assets	Includes: Illiquid Real Estate (core, value-add, opportunistic), and Illiquid Real Assets (energy, infrastructure, agriculture).
8. Absolute Return	Includes: Hedge Funds.
9.Administrative Expenses	Includes: Consultant Fees, Custody Bank Fees, Investment Staff Salaries, IT Software & Subscriptions, and Legal Fees.
10.Unfunded Commitments	PERA committed ~$2.1 Billion in illiquid investments in FY25. Many funds committed to in FY23 - FY25 have yet to call capital and have not charged a Management Fee as of 6/30/2025. This total of unfunded commitments (not included in cell F19) is $3,260,134,163 and are Global Private Equity, Credit, Real Asset, and Real Estate funds. Of this amount, $365,985,791, is co-investment (no management fee, no carry).
11. Strategic Asset Allocation	A new Strategic Asset Allocation was approved by the Board in December 2023, and effective April 1, 2024. SAA categories are reflective of current SAA.
12.Basis Point (bps)	Is 1/100 of a percentage.

Manager Selection Activity Report

December 9, 2025

Overview: Manager Selection Process



PERA

Manager Selection Pipeline

Illiquid Investments	Allocation	Commitment	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
IFM Global Infrastructure (US), L.P. Summary: Open-end Infrastructure (top-up)	Real Assets	$100m	Complete	Complete	Complete	Complete	Complete
Venture Capital – Early to Late Stage Summary: Private Equity (follow on)	Global Equity	-	Complete	Complete	Complete	Complete	
Real Estate – Diversified Income Summary: Open-end Real Estate (new mandate)	Real Assets	-	Complete	Complete	Complete		
Real Estate – Diversified General Summary: Open-end Real Estate (new mandate)	Real Assets	-	Complete	Complete	Complete		
Real Assets – EnCap Flatrock Midstream III, L.P. Summary: Secondary fund sale. Midstream energy	Real Assets	$7m	Complete	Complete	Complete	Complete	Complete

Liquid Investments	Allocation	Commitment	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Payden and Rygel (separately managed account) Summary: Credit restructure - US high yield bonds	Credit	2% of total fund	Complete	Complete	Complete	Complete	Complete

Note: All completed opportunities are subject to satisfactory legal review, prior to final execution.
Red denotes expected cash from 100% fund interest sale.

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Manager Selection Pipeline

Total Fund	Allocation	Commitment	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5

Absolute Return	Allocation	Commitment	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5

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

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Portfolio Fit and Process Review Team

Opportunities Reviewed	Date	Members	IC Observer	Agreement
IFM Global Infrastructure (US), L.P. Summary: Open-end Infrastructure (top-up)	Nov. 21, 2025	Michael Shackelford, Greg Trujillo Michael Killfoil Presenting: Rachel Eacker	Valerie Barela	Yes
Payden and Rygel (separately managed account) Summary: Credit restructure - US high yield bonds	Nov. 21, 2025	Michael Shackelford, Greg Trujillo Michael Killfoil Presenting: Clayton Cleek	Valerie Barela	Yes
Real Assets – EnCap Flatrock Midstream III, L.P. Summary: Secondary fund sale. Midstream energy	Nov. 21, 2025	Michael Shackelford, Greg Trujillo Michael Killfoil Presenting: Michael Killfoil	Valerie Barela	Yes
Venture Capital – Early to Late Stage Summary: Private Equity (follow on)	Dec. 18, 2025	Michael Shackelford, Greg Trujillo Michael Killfoil Presenting: Mingli Liang	Shirley Ragin Paula Fisher	TBD
Real Estate – Diversified General Summary: Open-end Real Estate (new mandate)	Dec. 18, 2025	Michael Shackelford, Greg Trujillo Michael Killfoil Presenting: Mike Wang	Shirley Ragin Paula Fisher	TBD

Note: All completed opportunities are subject to satisfactory legal review, prior to final execution.
Note: TBD (to be determined)

PERA

Real Assets Investment Proposal: IFM Global Infrastructure Fund

Rachel Eacker, Portfolio Manager

November 19, 2025

Proposal:
IFM Global Infrastructure Fund

The Investment Team proposes a top-up commitment of to $100 million to IFM Global Infrastructure Fund (IFM GIF) with the option to reinvest all distributions. This illiquid real assets fund focuses on taking control, co-control, and minority positions in Core and Core-Plus private infrastructure assets in the utilities, energy, and transportation subsectors. Geographies for investment are primarily OECD countries with historical focus on Europe and North America. The Fund principally invests into brownfield assets that are able to provide immediate cash flow generation.

IFM will employ a core strategy through an open-end structure targeting an overall time-weighted net return of 8-12% per annum. Since GIF's inception in 2004, the fund has continued to produce a net time-weighted return meeting these expectations.

IFM GIF is recognized for their "all weather" infrastructure portfolio approach that can generate attractive risk-adjusted returns in all market environments. IFM's strategy to add value is to buy well, manage actively, and sell opportunistically.

IFM is an established partner with NM PERA as GIF is an existing investment in the illiquid real assets portfolio. An initial commitment of $25 million was made to GIF in 2013. An additional $75 million was committed to GIF in 2016 followed by an additional $50 million commitment in 2019. As of 3/31/2025, NM PERA's total $150 million existing commitment to GIF has a net asset value of $227.69 million, TVPI of 1.83x, DPI 0.33x, and net IRR of 10.84%.

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

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FIVE Stage Process Results – Reasons to Invest

Fit in Portfolio	Per the 12/2023 SAA, Real Assets should constitute 18% of the total portfolio, of which 11% is targeted towards infrastructure. In consultation with Albourne, staff have targeted to build a portfolio that is diversified by geography, sector, risk, and cash flows. An allocation to this fund will assist in geographic diversification, infrastructure sub-sector diversification, and enhance returns in the illiquid real assets portfolio with the benefit of an evergreen structure that mitigates the j-curve and provides immediate vintage year diversification.
Implementation of Strategy	(1) Target assets with strong market positions, high barriers to entry, long lives, inflation protection, benefits from regional or global economic growth, stable and predictable revenues, stable regulatory environments, and investment-grade financing. (2) Conservative use of leverage to enhance downside protection. (3) Seek a portfolio diversified in terms of geography, revenue type, and asset type.
Value Add	(1) Asset Allocation (2) Geographic Diversification (3) Risk Management (4) Inflation protection (5) Volume linked assets provide upside
Edge	(1) Scale of IFM's infrastructure platform and global presence with one of the largest dedicated infrastructure teams in the industry. (2) Proprietary portfolio construction framework, inFRAME, used to optimize sizing and portfolio diversification to enhance returns. (3) Mature, diversified Core infrastructure portfolio that would be difficult to replicate by newer Core infrastructure funds.

PERA

Real Assets Secondary Sale Proposal: EnCap Flatrock Midstream Fund III, L.P.

Michael Killfoil, Deputy Chief Investment Officer

November 19, 2025

Proposal:
EnCap Flatrock Midstream Fund III, L.P.

The Investment Team proposes a secondary sale of 100% of PERA's fund interests in EnCap Flatrock Midstream Fund III, L.P. as of the June 30, 2025, valuation.

The EnCap Flatrock Midstream Fund III (EFM III) invests in private midstream companies based in the United States with a focus on basins and regions characterized by oil and gas producing regions lacking the required midstream infrastructure assets needed to deliver the hydrocarbons to major pipelines, storage facilities, and marketing hubs.

EFM III also focused on the development of greenfield midstream gathering, processing, transportation, and storage of midstream energy systems with a focus on crude oil and natural gas liquids.

Geographies for investment are in the US.

EFM III is a closed-end, illiquid energy fund, vintage 2014.

EnCap is recognized for its consistency across multiple industry and hydrocarbon price cycles and their approach of applying a lower-risk, disciplined philosophy.

EnCap is a current partner for NM PERA, with active investments in EnCap VIII, IX, and XI, and previous investments in EnCap VII.

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

PERA

FIVE Stage Process Results – Reasons to Sell

Fit in Portfolio	Per the 12/2023 SAA, illiquid Real Assets should constitute 18% of the total portfolio (11% infrastructure and 7% real estate). In consultation with Albourne, staff have targeted to build a portfolio that is diversified by geography, sector, risk, and cash flows.
Implementation of Strategy	100% cash transaction.
Value Add	A secondary sale of this fund will assist in deploying more capital towards investment opportunities with low-double digit percentage target returns with improved risk-adjusted returns, tempering the overall risk profile of the Portfolio by adding to the diversification needs of the portfolio and reducing volatility. Continues towards alignment with overall investment strategy. Adds to certainty of cash flow.
Edge	100% fund interest sale allows for fund to sell to the greatest advantage.

PERA

Liquid Credit Investment Proposal: Payden & Rygel High Yield SMA

November 19, 2025

Clayton Cleek, Senior Portfolio Manager

Proposal

The Investment Team proposes to establish a separately managed account with Payden & Rygel and transfer 100% of the assets currently held in the PineBridge High Yield SMA. Per Liquid Credit Manager RFI approved at June 18, 2025 PRISM, the Investment Team in consultation with Verus has selected Payden & Rygel as finalist for the US High Yield Bond mandate.

The high yield portfolio managers, Jordan Lopez, and Nicholas Burns, have ultimate decision-making authority and accountability for portfolio construction and risk management. However, Payden & Rygel is team-oriented and encourages active dialogue and participation from the various analyst teams. Its credit research team is a distinct team within the firm that works closely with the High Yield strategy team. Credit research analysts' coverage of their assigned sectors includes development and analysis of new ideas, ongoing monitoring of existing holdings, and macroeconomic forecasts with our portfolio management teams and economists. All analysts coordinate closely with each portfolio management team to ensure that appropriate ideas are developed for each mandate. Each analyst is an industry specialist and covers issuers across the ratings spectrum.

The analyst platform is a key component in Payden & Rygel's competitive advantage, and the analyst position allows for an individual to branch out into other positions depending on their aspirations and skills, while also allowing the analyst role to be a career in itself with many of the firm's analysts having extensive direct experience in the sectors that they cover. Payden & Rygel has excelled at being able to balance the staffing needs of the firm with employees' personal career desires, as proven by the average employee longevity within the firm.

Payden & Rygel has focused on the management of institutional fixed income assets since its founding in 1983, and that remains its only revenue source. The firm is 100% privately held by employee shareholders, all of whom are active in the firm and have senior management functions. Joan Payden, President and Chief Executive Officer, owns a majority interest in the firm and the remainder is spread between 29 other employee owners. Upon Joan's departure from the firm, the company will purchase 100% of her shares in return for a promissory note providing for long-term payment to a non for profit. The Managing Committee will remain responsible for the day-to-day management of the firm, investment management oversight and strategic direction as is currently the case.

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

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

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Selection of Semi-Finalists: Overview

- Verus provided screenings of risk, tenure, track record, platform and performance-based statistics of the US High Yield Bond universe of managers
- The Selection Committee met and selected 13 managers to invite to submit RFI proposals
- The RFI was issued on June 23, 2025, with 12 managers responding
- Four products were selected for semi-finalist interviews after further analysis and discussion of proposals
- Interviews were conducted at NM PERA's office with the four semi-finalists (Nomura Asset Management, BlackRock, Blackstone Credit and Payden & Rygel) on September 24th and 25th
- The Selection Committee met and selected Payden & Rygel as finalist
- A final comprehensive on site meeting was conducted by NM PERA staff and Verus on October 14th, 2025

PERA

Credit Portfolio Guidelines and Segments

- **Guidelines**[1]
  - Deliver positive returns over a complete market cycle while maintaining sufficient liquidity
  - Provide current income and total return with a strong focus on preservation of capital
  - Bloomberg US High Yield 2% Issuer Constrained Index benchmark

- **Segments**
  - Liquid Credit: 5-90 day Tier 2 liquidity
    - Bloomberg US High Yield 2% Issuer Constrained Index benchmark
  - Illiquid Credit: 1 year+ Tier 4 liquidity
    - Morningstar LSTA Leveraged Loan Index benchmark

Asset Allocation Targets and Ranges

Asset Class	Lower Limit	SAA Target	Upper Limit
Global Equity	41%	46%	51%
Core Fixed Income	10%	13%	16%
Credit	**13%**	**17%**	**21%**
Liquid Credit		8%	
Illiquid Credit		9%	
Absolute Return	3%	6%	9%
Real Assets	14%	18%	22%

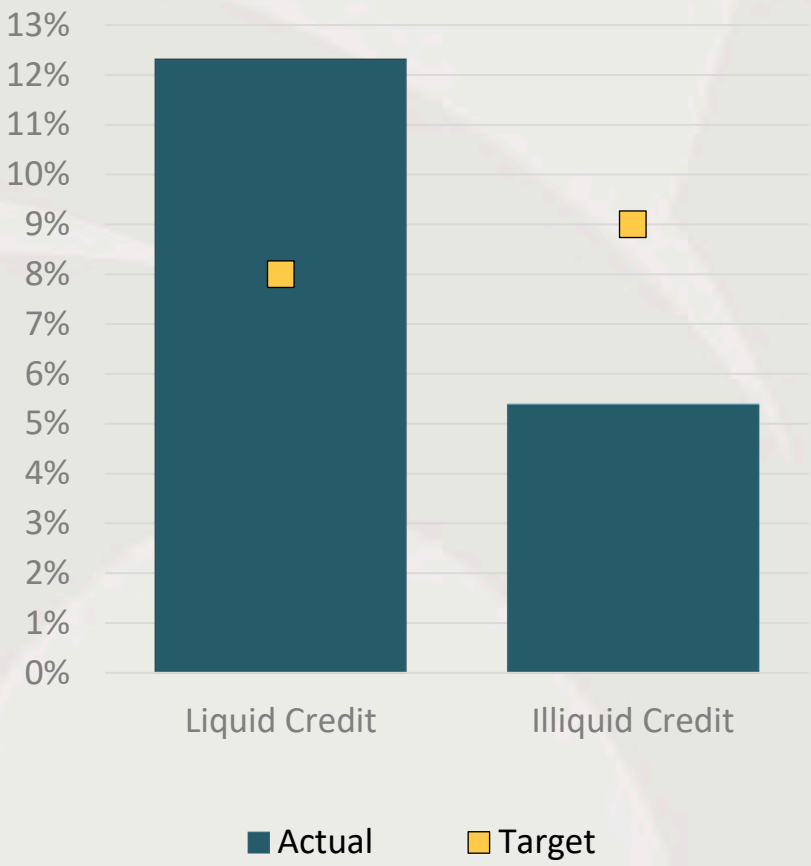
1. NM PERA Strategic Asset Allocation revised December 2023

PERA

Credit Portfolio Guidelines and Segments

- The Strategic Asset Allocation approved December 12, 2023 and effective April 1, 2024 increased the Illiquid Credit target to 9% and combined Liquid Credit and Alternative Liquid Credit to form an 8% allocation.
- The Liquid Credit overweight will reduce as Illiquid Credit commitments are made and drawn.

As of 9/30/2025	Target	Actual	Difference
Credit Composite	17.0%	18.2%	1.2%
Liquid Credit	8.0%	12.3%	4.3%
Illiquid Credit	9.0%	5.4%	(3.6)%



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Current Liquid Credit Portfolio

Manager	Format	Market Segment	9.30.25 Weight	Target Weight
PineBridge High Yield	SMA	US High Yield	5.6%	2%
New Mexico Ellington Income	Fund of One	Structured Credit	2.1%	2%
Sixth Street Wheeler Peak	Fund of One	Bank loans & CLO liabilities	2.0%	2%
Octagon Credit Investors	SMA	Bank loans & CLO liabilities	2.0%	2%

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RFI Minimum Qualifications

Characteristic	Notes
Manager Type	The Offeror must be an investment advisor registered with the SEC or otherwise exempt from registration.
Liquidity	The Offeror must be able to liquidate the portfolio within 90 days.
Managed Assets	• Have at least $15 billion in total AUM at the firm level. • The Offeror must have a high yield bond platform in excess of $3.5 billion in discretionary assets. • The Offeror must have at least three separate account client accounts each >$100 million. • The Offeror must have at least five years of experience managing high yield bond mandates for institutional investors of similar size to NM PERA.
Professional Staff	The investment professionals (i.e.: portfolio managers, analysts, traders, etc.) must have at least five continuous years of performance history in the proposed strategy.
Firm Resources & Portfolio Oversight	There should be adequate resources and experience within the team and performance should not be overly reliant on key individuals. The firm should have diversification of strategy.
Investment Vehicle	Separate account
Historical Performance and Risk Criteria	The Offeror's high yield bond strategies must have a minimum of five-year GIPS-compliant track record. The performance history must be documented, and real time (i.e. not simulated or back-tested).
Representations and Warranties	The Offeror must agree to incorporate the warranties, as stated in Part VII (Section H), Contractor Warranties and Representations, into any contract entered as the result of a contract award made under the RFI.
Benchmark	The Offeror must agree to accept the Bloomberg High Yield 2% Issuer Constrained Index as the mandate benchmark.

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RFI Minimum Qualifications

Characteristic	Notes
Authority	The Offeror must be directly responsible for the management of the account, and all personnel responsible for the account must be employees of The Offeror or a legal joint venture partner.
Fees	The Offeror must agree to submit a fee proposal with the RFI response.
Form ADV	The Offeror must be prepared to submit entire Form ADV, including Part 1 and Part 2 brochures and relevant Schedules, if selected as a semi-finalist.

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PERA
Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

Paula Fisher
Chair, State Member
Greg Trujillo
Executive Director

Phone: (505) 542-6220
Toll Free: 1(866) 678-0670
Website: www.nmpera.org

MEMORANDUM

DATE: December 9, 2025

TO: Investment Committee Chair for 2026

FROM: Shirley Ragin, IC Chair, Michael Shackelford, CIO, and Michael Killfoil, DCIO

SUBJECT: Memo of Continuity

The following items were completed by the Investment Committee in 2025:

- Reviewed and Approved 2025 Work Plan (March 2025)
- Total Fund Quarterly Performance and Market Review
  - Q4 2024
  - Q1 2025
  - Q2 2025
  - Q3 2025
- Reviewed Investment Division Compliance Update Quarterly
  - Manager Selection Activity Report
  - Cash Activity & Rebalance Update
  - Securities Lending Update
  - Staffing
- Bi-annual Illiquid Asset Class Performance Reporting
  - Q4 2024
  - Q2 2025
- Portfolio Reviews
  - Public Equity
  - Absolute Return
  - Fixed Income/Liquid Credit
- Education Sessions
  - *IDR*: Constructing an index fund of illiquid assets
  - *Albourne*: Employment Practices and Demographic Data
  - *ITE*: Transportation Infrastructure
  - *Blue Owl*: Alternative Credit
  - *Albourne*: Private market consultant due diligence and process education
  - Trustee Primer – *Verus*
  - Fiduciary Education – *Foster Garvey*
  - Member Service Account Receivables

  - Securities Lending
  - Legislative Landscape – *Broad Spectrum*
  - Actuarial Session – *Gabriel, Roeder, Smith & Company*
  - Geopolitical landscape – *Lazard*
  - Private Market Portfolio Construction
  - Manager Selection Process
  - Asset Class Overviews
  - SmartSave 457b Plan
  - Artificial Intelligence – *Thoma Bravo*
  - Compensation
- Policies:
  - Reviewed and Approved Investment Committee Charter (Oct. – Dec. 2025)
  - Reviewed and Approved Investment Policy Statement (Oct. – Dec. 2025)
  - Reviewed and Approved Investment Procurement Policy (Oct. – Dec 2025)
- Reviewed Proxy Voting Policy (October – December 2025)
- Reviewed Fiscal Year 2025 Fee Review (December 2025)

The following items are currently in progress:

- None