



The New Mexico State Investment Council ("NMSIC")

Second Quarter 2017: Real Estate Performance Measurement Report

Proprietary & Confidential
November 2017

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Disclaimer: This is a public version of the original Performance Measurement Presentation, portions of which have been removed for confidentiality purposes.

1. Performance Measurement Highlights: 2Q 2017



Portfolio Highlights

- New Mexico State Investment Council's (NMSIC) current target allocation to real estate is 10.0%. In the third quarter, Council approved an increase to the real estate allocation from 10% to 12%. NMSIC's 2Q17 real estate market value represents 9.2% of total fund assets.
- The real estate portfolio continues to grow and provide positive performance. As of 2Q17, NMSIC outperformed the NFI-ODCE Index on a net basis over all standard measurement periods.

As of 2Q17	Quarter		One-Year		Three-Year		Five-Year	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
NMSIC*	2.6	2.2	10.0	8.1	14.0	11.6	14.0	11.5
NFI-ODCE*	1.7	1.5	7.9	6.9	11.3	10.3	11.8	10.8
Over/ Under Performance	0.9	0.7	2.2	1.2	2.7	1.2	2.2	0.7

*Time Weighted Returns over the quarter, one-, three-, and five-year periods.

- NMSIC real estate commitments made since 2011 (inception of rebalancing) have been accretive to the real estate portfolio, resulting in net time weighted returns of **9.1%**, **12.7%** and **13.1%** over the one, three and five- year periods, outperforming the ODCE benchmark by approximately 220 bps, 240 bps, and 240 bps over these respective time measurements.
- As of 2Q17, the Legacy Portfolio only represented approximately 6% of the portfolio NAV.

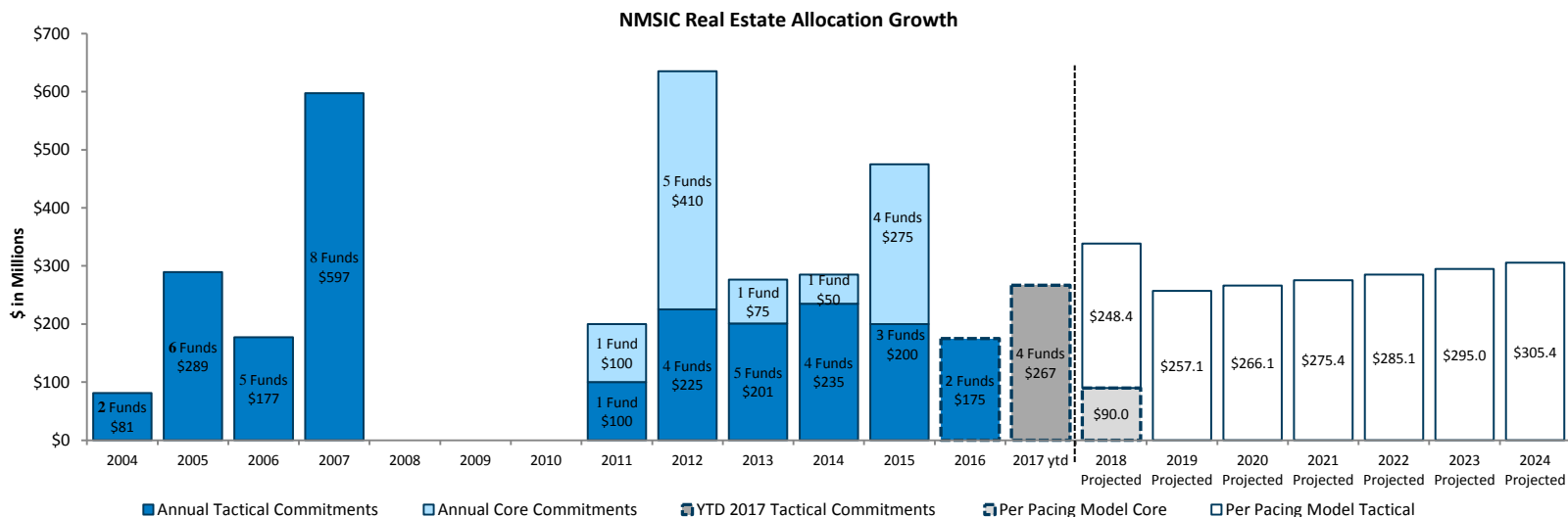
Portfolio Highlights

- As of 2Q17, NMSIC's portfolio consisted of 61% exposure to core investments and 39% exposure to tactical investments, on a NAV basis.
- During the quarter, managers called approximately \$71 million across the core and tactical investments; return-of-capital combined with income distributions totaled \$96 million, bringing total distributions to \$297.4 million over the last 12 months.
- Strategic Core Portfolio
 - Since December 2011, eight strategic core commitments have been made, totaling \$912.0 million.
 - Townsend and Staff will continue to consider rebalancing initiatives.
 - As of June 30, 2017, approximately \$48 million remains unfunded.
- Tactical Portfolio
 - Since December 2011, approximately \$1.2 billion has been committed to 21 tactical investments, including two commitments in 2017 of approximately \$42 million to a US industrial fund and \$50 million to a US multifamily fund.
 - Post quarter end, New Mexico made a \$75 million commitment to a European industrial fund and a \$100 million commitment to a diversified US fund.

Real Estate Portfolio Allocation

Portfolio Status

- Since the 2004 inception, NMSIC has committed approximately \$3.5 billion to real estate across seven joint ventures and 45 funds with 29 different managers.*
- Investment activity from 2004-2007 focused exclusively on tactical investments.
- In 2011, NMSIC and Townsend began to implement its portfolio repositioning through commitments to core open end funds as well as tactical strategies in order to maintain vintage year exposure and capitalize on market opportunities, while divesting of non-strategic JV relationships.
- In the third quarter, Council approved an increase to the real estate allocation from 10% to 12%. Based on the 12% allocation, the pacing calls for approximately \$248 million of non-core commitments and \$90 million of core commitments in 2018.



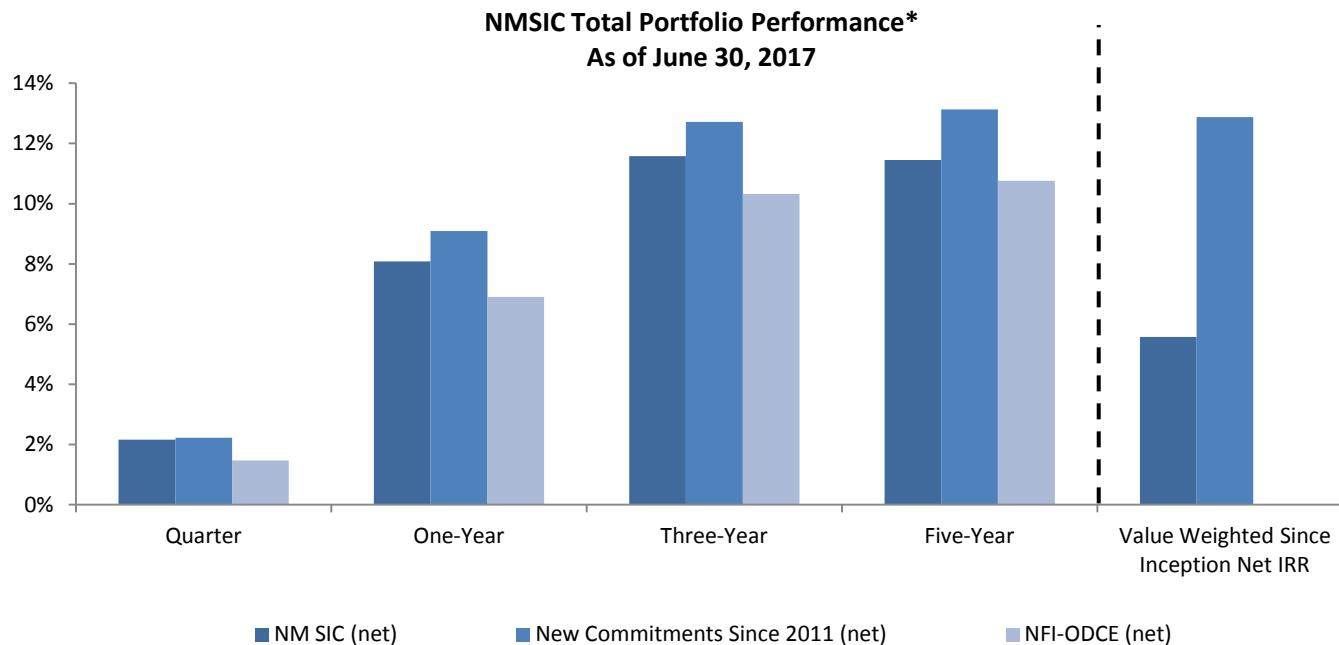
In 2011, NMSIC increased its real estate allocation from 5% to 10% of total assets. In 3Q17, NMSIC increased its real estate allocation from 10% to 12% of total assets.

*Includes \$175 million of commitments to two closed-end funds that occurred post quarter end.

Real Estate Portfolio Performance

Performance

- The NMSIC real estate portfolio seeks to outperform the NFI-ODCE (net of fees) on a time weighted return basis over a rolling five-year period.
- Recent total performance is strong. NMSIC outperforms over all standard measurement time periods.
- Performance of the rebalanced portfolio and corresponding commitments made since 2011 remains compelling, with significant outperformance reported against the ODCE benchmark over all measured periods.



¹NMSIC Legacy Holdings represent investments made prior to the rebalancing initiative beginning 1Q 2011.

*Time Weighted Returns over the quarter, one-, three-, and five-year periods.

Appendix A: Additional 2Q 2017 Performance Attribution



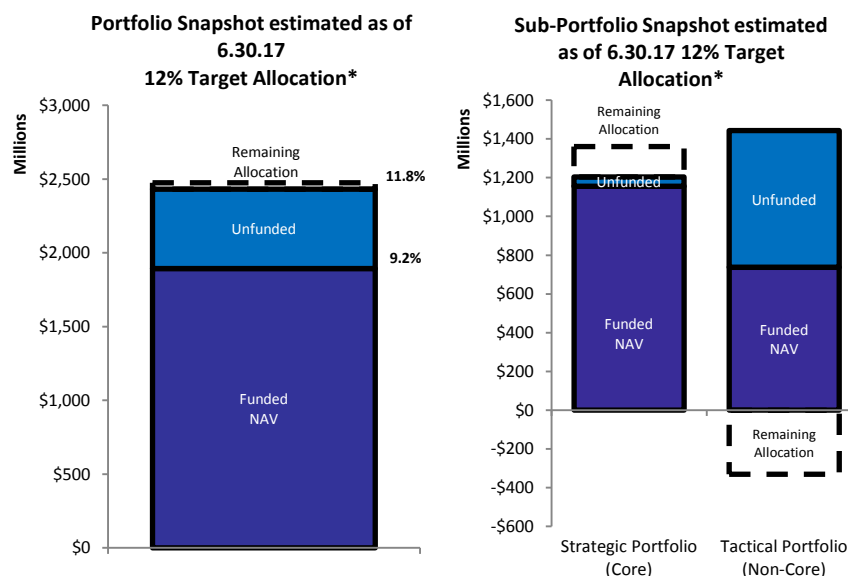
Real Estate Portfolio Performance

Portfolio Status

- As of 2Q17, NMSIC had \$1.9 billion invested in real estate representing 9.2% of total fund assets.
- Including new commitments made post quarter end, total unfunded commitments are \$664.4 million.
- The Tactical portfolio currently represents 39% of the portfolio on a funded basis and 50% on a funded plus unfunded basis. At the 55% / 45% target core/non-core blend, the tactical real estate allocation is over-committed by approximately \$154 million on a funded and committed basis, reflecting an over commitment factor of 1.1x¹, slightly less than the over-commitment target of 1.3x.
- The charts reflect the allocation at a point in time and do not take into account total plan growth, real estate sector NAV growth, or the projected timing of capital calls/distributions. The pacing model presented as part of the Real Estate Investment Plan takes into account all of these factors.

(\$ in millions)
as of 6/30/17

SIC's Target Allocation*	12.0%	\$2,473.3
Current Market Value	9.2%	\$1,893.3
Market Value + Unfunded Commitments	11.8%	\$2,430.8



¹ Unfunded commitments is based on 75% of all outstanding commitments to closed-end tactical funds to approximate the prolonged exposure. Figure includes \$175 million of commitments to two closed-end funds that occurred post quarter end.

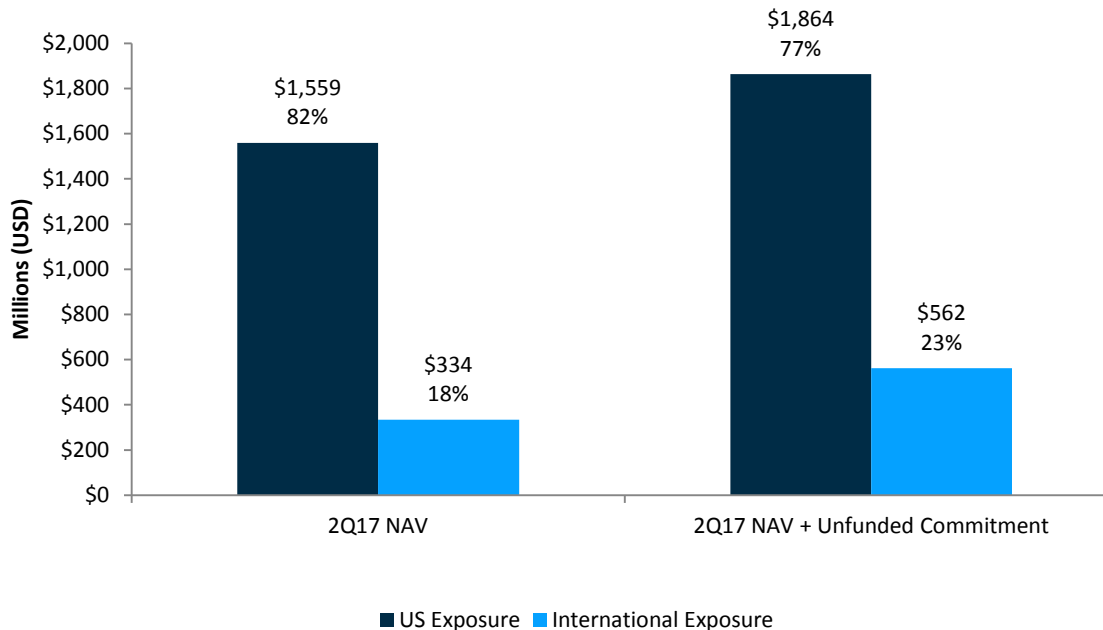
*Council approved an increase to the real estate allocation in 3Q17 from 10% to 12%. Data is based on the 12% allocation. Data includes all recent commitments approved to date.

Real Estate Portfolio Domestic and International Exposure

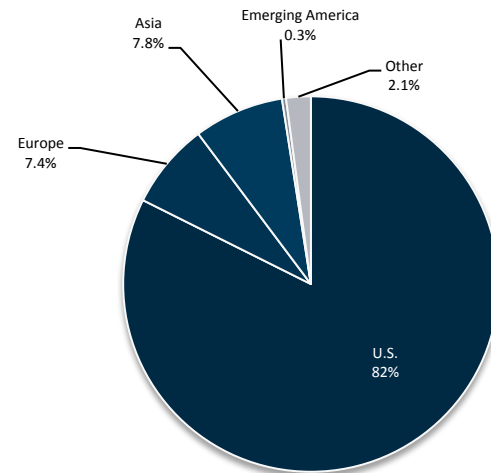
Portfolio Status

- As of 2Q17, NMSIC's U.S. exposure is approximately \$1.6 billion on a NAV basis, representing 82% of the total portfolio vs. 18% of international exposure. On a NAV plus unfunded basis, NMSIC's U.S. exposure is approximately \$1.9 billion, representing 77% vs. 23% of international exposure.
- As of 2Q17, NMSIC has committed approximately \$476.7 million to seven dedicated international investments over the last two years. These investments currently represent approximately 15% of the portfolio's NAV and have approximately \$177 million of unfunded commitments.

U.S. vs. International Exposure



Global Geographic Diversification on NAV Basis

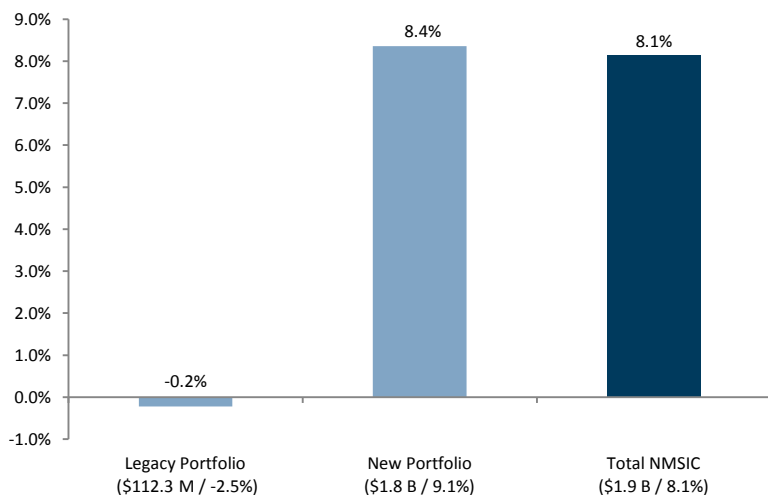


Real Estate Portfolio Performance – Portfolio One-Year Attribution

One-Year Time Weighted Return Performance

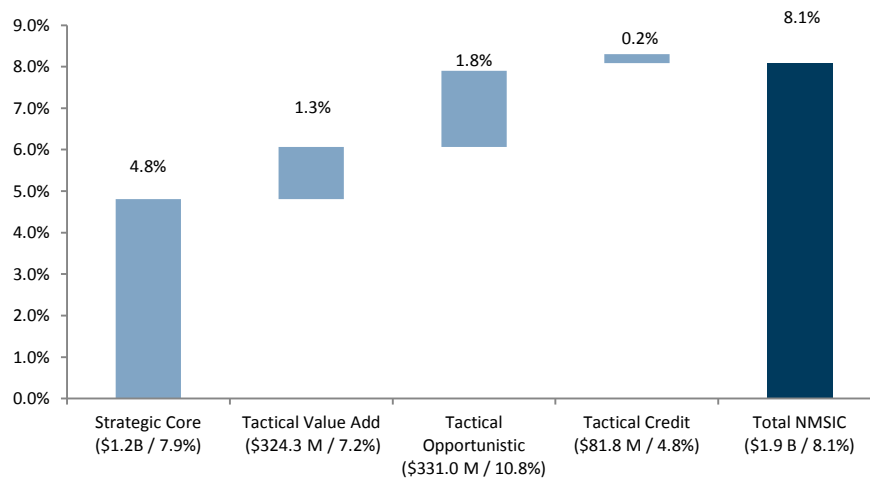
- The charts below show the contribution of each the New Portfolio and the Legacy Portfolio to the total one-year net return, as well as the return contribution of each portfolio by asset risk type.
- Over the one-year period, the New Portfolio continues to be the main driver of NMSIC’s total net return. The New Portfolio’s share of return was 8.4% vs. -0.2% from the Legacy Portfolio. The New Portfolio continues to grow as new commitments are made, which further minimize the effects of the Legacy Portfolio on shorter-term returns.
- Over the one-year period, the Strategic Core Portfolio represented 4.8% of NMSIC’s one-year net return and had the largest impact on the portfolio shorter-term returns due to its weight combined with strong returns.

2Q17 One-Year Net Contribution Legacy and New Investments



NAV/One-Year net TWR

2Q17 One-Year Net Contribution by Risk Type

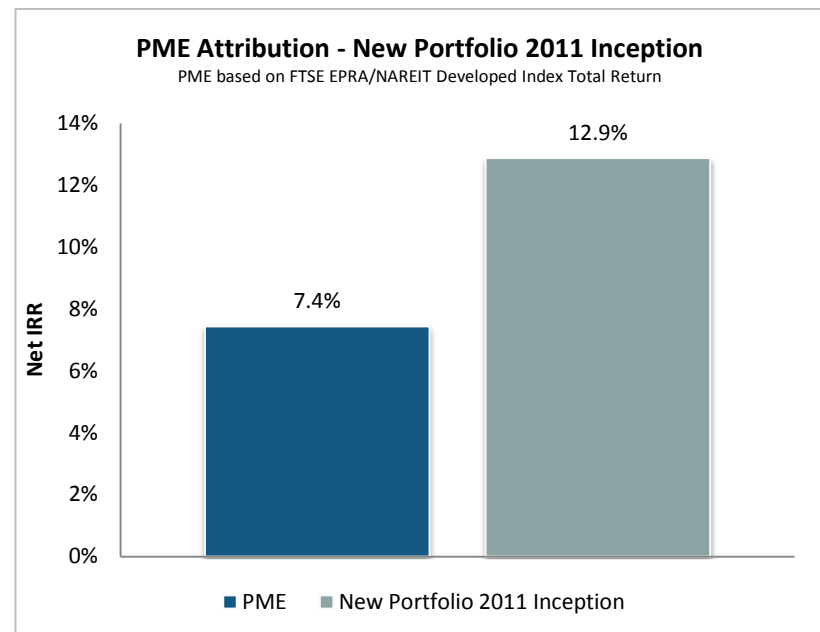
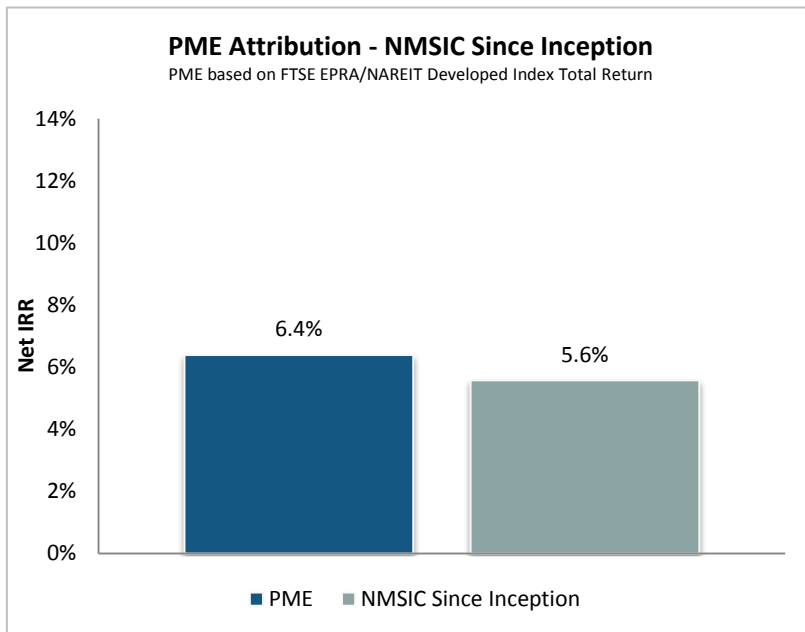


NAV/One-Year net TWR

Real Estate Portfolio Performance – Portfolio PME Analysis

PME Analysis

- The charts below show the relative performance of NMSIC’s real estate portfolio versus a global public real estate index. The public index performance is weighted based on the timing and value of contributions/distributions made within the real estate portfolio.
- Since inception, NMSIC’s Real Estate portfolio has underperformed the public index by approximately 80 bps.
- Performance of the rebalanced portfolio and corresponding commitments made since 2011 has outperformed the public index by approximately 540 bps.



Investment Guidelines & Compliance

- The Real Estate portfolio's objectives are: portfolio diversification and volatility reduction, inflation hedging, income generation, attractive risk adjusted returns, and capital preservation.

Category	Strategic Plan Requirement	Compliance
Funding Status		
Allocation target (and range)	10% of total Plan Assets (\$1.9 billion)	✓
Return Targets/Benchmark		
Private Real Estate	ODCE net over a rolling five years	✓
Investment Style Allocations		
Private (Core, Non-Core)	Core (40%-70%), Non-Core (30%-60%)	✓
Public	REITs (0%-10%)	✓
Risk Policies		
Manager/Fund Diversification	35% to one manager	✓
Max LP share of fund	25%	✓
Property Type Diversification	Core +/- 15% from ODCE	✓
Property Location Diversification	None. Portfolio strives to be well diversified by location	✓
International Exposure	30% max ex-US	✓
Leverage	Core 50% / Non-Core 75%	✓



1. Appendix B: 2Q17 Economic Dashboard – Market Outlook



United States Real Estate Market Update (2Q17)

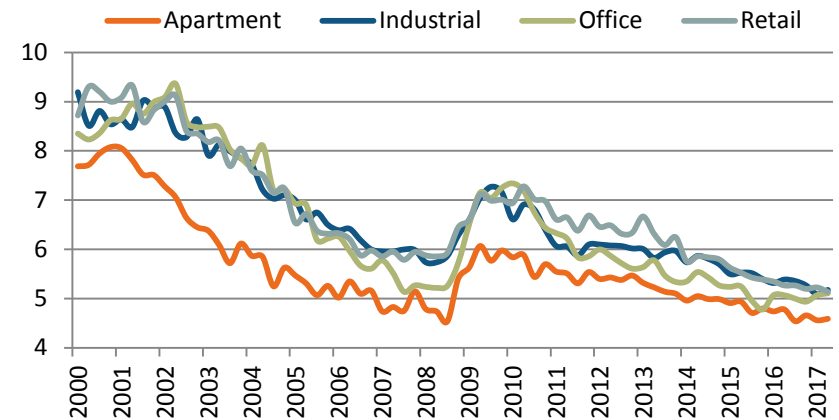
General

- The S&P 500 produced a gross total return of 3.1% during the Quarter, as market have continued to rally to new heights. Likewise, the MSCI US REIT index produced a more moderate return of 1.7%. Consumer Sentiment cooled off during the Quarter, with a final value of 95.1 in June, but remains elevated. US 10 year treasury bond yields compressed an additional 8 bps, from March 31 to June 30, to 2.3%.
- Macro indicators for U.S. real estate surpassed expectation, GDP growth for the 2nd quarter was revised up to an annualized rate of 3.0%, beating the 2.7% expected. With the conclusion of June, the economy has now experienced 81 consecutive months of job growth. Furthermore, headline inflation remained healthy at 1.9%, just shy of the fed's 2% target. The Federal reserve did not raises rates as initially expected, and now the futures market implied probabilities indicate that another rate hike is not likely until 2018.

Commercial Real Estate

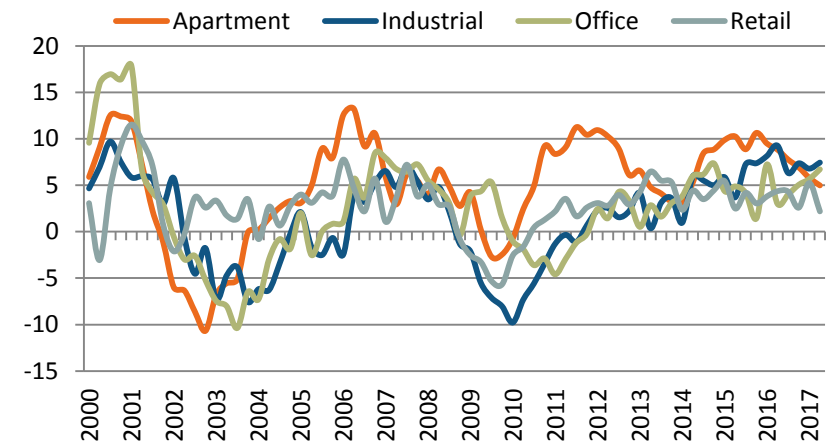
- In 2016, \$124.1bn of aggregate capital was raised by US real estate funds. During the 1st half of 2017, an additional \$56.3bn of capital was raised which represents a decline of 10% compared to the 1st half of 2016. Continuing on trend since 2012, 2017 (YTD) has witnessed the largest average fund size at \$449m thus far.
- According to RCA, deal volume dropped 8% during the 1st half of 2017 in the US compared to 2016, although capital markets remains healthy at this point. NOI Growth remains positive for all major property types tracked in the NPI, even retail despite recent negative headlines.
- Transaction cap rates (6.06%) on average remained flat during the 2nd Quarter of 2017. Multifamily, industrial and office witnessed less than 10 bps of expansion, while retail experienced 9 bps of compression.
- 10 year treasury bond yields compressed an additional 10 bps to 2.3% during the quarter and, subsequent to quarter end, have continued to decline. It appears now the pro-growth political agenda the market expected will be more difficult to achieve than initially implied by the markets reaction.

Current Value Cap Rates by Property Type



Source: NCREIF

4-Qtr Rolling NOI Growth By Property Type



Source: NCREIF



United States Property Matrix (2Q17)



INDUSTRIAL

- As of 2Q17, Industrial properties returned 3.1% and outperformed the NPI by 132 bps.
- During the quarter, net absorption was exceeded by new deliveries for the first time in seven years. However, net deliveries still lags net absorption for the first half of the year.
- A lack of investment opportunities persists, driving a continued increase in investor demand for secondary and tertiary markets. Tertiary market activity has increased 36.2% since 2014.
- First half volumes totaled \$23.8 billion, amounting to 245.0 million sqft of activity, representing year-over-year growth of 20.7%.
- The 50 bps vacancy rate decrease over the past 12 months has led to an historical low of 5.2%. A lack of supply continues to increase rental rates, reaching an all-time high of \$5.35 psf equating to 12-month rental rate growth of 9.2%.

MULTIFAMILY

- Sales volume totaled \$30.5 billion in the second quarter, compared to the \$24.8 billion the prior quarter. First half sales are down 22.3% from 2016's record setting pace of activity.
- Investors continue to shift their focus to untapped submarkets with limited exposure to construction. This shift has caused garden-style transactions to represent 70.6% of year-to-date activity, the highest level since 2009.
- Declines in primary markets transactions continues to elevate the liquidity in secondary and tertiary markets. Secondary markets comprised a two-decade record 44.6% of first half transactions.
- Annual rent growth in the second quarter was 2.5%. The pace of rent growth has now declined 190 bps year-over-year, with concessions increasing alongside recent deliveries.
- The apartment sector delivered a 1.5% return during the Quarter, underperforming the NPI by 30 bps.

OFFICE

- The Office sector returned 1.6% in 2Q17, 16 bps below the NPI.
- Year-to-date absorption in the office sector has totaled 9.9 million sqft, marking 29 consecutive quarters of positive absorption.
- Construction volumes held steady at 108.8 million sqft, remaining near the cycle high. Development and financing markets have begun to pull back, with construction starts now below the long-term quarterly average of 11.1 million sqft.
- With the market realizing increased new deliveries, year-over-year Class A vacancy has increased approximately 50 bps. The increase in deliveries has not impacted rent growth, which is up 3.2% over the past 12 months.
- Volumes recovered modestly this quarter, falling just 3.6% year-over-year, reaching \$31.5 billion. The first half of 2017 has still seen an 11.9% year-over-year decline. Investor selectivity in the market led to a forecasted volume decline of 10.0% from 2016 levels.

RETAIL

- First half retail sales volumes declined 18.7% at midyear to \$27.0 billion in transactions. Investors are returning to strong gateway markets to place capital with less risk, given the uncertainty surrounding retail.
- Transactions over \$1.0 billion accounted for 31.7% of retail volume in the first half of 2017, the highest level since 2014.
- Outside of power center vacancy softening by 62 bps year-over-year, all other retail product are experiencing vacancy declines with a 20 bps reduction over the past 12 months.
- Institutional retail investment declined 67.1% year-over-year. Private sources of capital increasingly represent a potential opportunity to divest, if sellers are willing to meet these buyers' pricing expectations.
- As of 2Q17, the retail sector delivered a quarterly return of 1.5%, performing 23 bps below the NPI.



Global Real Estate Market Update (2Q17)

Global

- Global investment activity remained stable during 2Q 2017 totaling \$153 billion, unchanged from 2Q 2016 levels. Existing political tension and uncertainties continued into the second quarter, but global markets were largely unaffected and commercial real estate investments continue to be accretive. London maintained its top global investment position, followed by New York and Los Angeles in second and third place, respectively.

Direct Commercial Real Estate Investment - Regional Volumes, 2016 - 2017

\$ US Billions	Q1 2017	Q2 2017	% Change		% Change		H1 2016	H1 2017	% Change
			Q1 17 - Q2 17	Q2 2016	Q2 16 - Q2 17	H1 2016 - H1 17			
Americas	58	64	10%	69	-7%	130	122	-6%	
EMEA	56	58	4%	56	4%	106	114	8%	
Asia Pacific	29	31	7%	28	11%	54	61	13%	
Total	143	153	7%	153	0%	290	297	2%	

Source: Jones Lang LaSalle, July 2017

Europe

- European investment increased 4% y/y in 2Q 2017 to \$58 billion. While France saw a 45% decline y/y, this was compensated for by a strong 8% annual increase by Germany. The U.K. performed well, with \$18 billion in Q2, or an increase of 18% y/y. Southern Europe posted a 58% y/y jump, with Spain and Italy being the significant contributors. Further, Greece had a large increase in investment volumes with \$400M in 2Q 2017 as compared to \$38 million in 2Q 2016. Central and Eastern Europe was down 5% y/y, mostly due to a 28% decrease by Poland. However, Russia saw a major \$1 billion hike in investment volumes resulting in a 285% y/y increase. The Nordics saw a 6% y/y increase in activity.

Asia

- Asia Pacific investment for 1H 2017 increased 13% from 1H 2016, coming in at \$60.7 billion. China was the strongest contributor with \$12.4 billion of investment volumes, or a 36% y/y increase, but activity also increased in South Korea and Japan and remained stable in Australia, Singapore, and Hong Kong. Domestic buyers dominated the Japanese market by making up 30% of total transactions, and a significant portion of demand in Australia came from offshore capital sources. Cross border investments accounted for 30% of total transaction volumes.

Global Outlook - GDP (Real) Growth % pa, 2016-2018

	2016	2017	2018
Global	3.1	3.5	3.7
Asia Pacific	5.5	5.4	5.3
Australia	2.5	2.5	2.4
China	6.7	6.6	6.1
India	7.9	6.9	7.5
Japan	1.0	1.4	1.3
North America	0.8	1.9	2.5
US	1.6	2.2	2.7
MENA*	3.2	2.5	3.7
European Union	2.0	2.2	1.9
France	1.1	1.6	1.7
Germany	1.8	2.0	1.6
UK	1.8	1.7	1.5

*Middle East North Africa

Source: Jones Lang LaSalle (Oxford Economics), July 2017



Appendix C: Definitions



New Mexico State Investment Council

Definitions:

Townsend classifies risk into two main groups – Strategic Core and Tactical Non-Core Real Estate. Within Tactical Non-Core we utilize the sub-categories of Value-Added and Opportunistic. The definitions of these classifications for the NMSIC’s program are noted below:

- Strategic Core – Operating and substantially leased (typically 80% or higher at the time of acquisition) properties; typically included in this category are the traditional asset types including office, retail, industrial, and multifamily residential, although as the real estate asset class matures, we are beginning to see alternative property types being included in this category (e.g., hotels, self-storage). Leverage is usually limited to less than 30% of value although in some instances, leverage can be as high as 50%.
- Tactical Non-Core – Consists of both Value-Added and Opportunistic Return strategies and includes leasing and/or development risk, asset repositioning, distressed assets, and/or specialty property types; NMSIC’s program allows for an international component up to 30% of the real estate program. Tactical Non-Core investments can be made through a variety of structures.
 - Value-Added – Properties that take on moderate additional risk from one or more of the following sources: leasing, redevelopment, repositioning, and require certain specialized operating expertise. Leverage is usually limited to less than 50% of value although in some instances, leverage can be as high as 65%.
 - Opportunistic – Investments include direct real estate assets (such as development or major redevelopment of office, retail, industrial, residential or specialized property types). Other forms of investment are also included such as land plays, operating companies, distressed debt/properties, and other specialized investments (e.g., brown fields). Leverage is usually 75% of value or greater.
 - Credit – Investments include debt focused strategies with real estate serving as collateral. Typical investments include mezzanine financing, recapitalizations, legacy debt instruments, listed debt securities, and preferred equity.

New Mexico State Investment Council

Definitions (continued):

- Townsend Portfolio Weighted Index – This Index is a combination of the equal weighted ODCE, Townsend Value Added Fund Index, Townsend Opportunistic Return Fund Index. The equal weighted Index provides a comparison of the investable universe since the NMSIC initiated its real estate portfolio.
- The NCREIF Property Index (NPI) – The NCREIF Property Index represents data collected from the Data Contributing Members of the National Council of Real Estate Investment Fiduciaries (NCREIF). The NPI is an unlevered domestic index, gross of fees, that aggregates the returns of over 7,000 privately owned institutional investment properties valued at over \$500 billion. All properties have been acquired, at least in part, on behalf of tax-exempt institutions and held in a fiduciary environment. The properties are wholly owned and joint venture investments consisting of operating properties only – no development projects. It is not possible for investors to invest in or duplicate the NPI.
- NFI-ODCE – The NFI-ODCE, like the NCREIF Property Index and other stock and bond indices, is a capitalization-weighted index based on each fund's Net Invested Capital. The NFI-ODCE is a gross of fee and net of fee time-weighted return index consisting of Open-end Core Funds. Open-end Funds are defined as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests, thereby providing a degree of potential investment liquidity.
- We believe that given the inherent valuation lag and lack of leverage in the NPI that the Townsend Indices provide the proper comparison to Investors' Real Estate Portfolios. The composition of these respective Indices represents the investable universe of funds in each sector and includes leverage.

New Mexico State Investment Council

Definitions (continued):

- Internal Rate of Return (“IRR”) – IRR is the average rate earned by each and every dollar invested during the period. This rate is influenced not only by movements in financial markets and decisions made by portfolio managers, but also by the timing and size of cash inflows and outflows and the beginning and ending market values.
- Time-Weighted Return (“TWR”) – A rate-of-return measure of portfolio performance that gives equal weight to each period regardless of any differences in amounts invested in each period. TWR are designed to eliminate the effect that the size and timing of cash flows has on the IRR since the pattern of cash flows varies significantly among funds.

New Mexico State Investment Council

Definitions (continued):

Geographic Diversification								
Developed Americas (2)	Developed Europe (21)	Developed Asia (5)	Developed Middle East and Africa (1)	Emerging Americas (6)	Emerging Europe (5)	Emerging Asia (8)	Emerging Middle East and Africa (3)	Frontier* (151)
United States	Austria	Australia	Israel	Brazil	Czech Republic	China	Egypt	Other Developing and Third World countries
Canada	Belgium	Hong Kong		Chile	Hungary	India	South Africa	
	Denmark	Japan		Colombia	Morocco	Indonesia	Turkey	
	England	New Zealand		Mexico	Poland	South Korea		
	Finland	Singapore		Peru	Russia	Malaysia		
	France			Puerto Rico		Philippines		
	Germany					Taiwan		
	Greece					Thailand		
	Ireland							
	Italy							
	Luxembourg							
	Netherlands							
	Northern Ireland							
	Norway							
	Portugal							
	Scotland							
	Spain							
	Sweden							
	Switzerland							
	United Kingdom							
	Wales							

*Frontier is comprised of 151 countries mainly consisting of other developing countries not listed in the Emerging regions as well as Third World countries.



Appendix D: 2Q 2017 Flash Report



Portfolio Composition (\$)								
Total Plan Assets	Allocation		Market Value		Unfunded Commitments		Remaining Allocation	
20,611,157,007	2,061,115,701	10.0%	1,893,258,291	9.2%	537,546,520	2.6%	-369,689,110	-1.8%

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
New Mexico State Investment Council	2.6	2.2	10.0	8.1	14.0	11.6	14.0	11.5
NCREIF Fund Index – Open End Diversified Core Equity “NFI-ODCE Value Weight”	1.7	1.5	7.9	6.9	11.3	10.3	11.8	10.8

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Strategic Core Investments								
Berkshire Multifamily Income Realty Fund	2015	75,000,000	78,478,464	0	3,471,855	92,154,461	4.9	3.8
Heitman HART	2012	75,000,000	75,000,000	0	14,480,832	104,236,669	5.5	4.3
Invesco Real Estate Asia Fund	2016	150,000,000	136,110,047	14,500,000	2,598,385	141,294,494	7.5	6.4
Jamestown Premier Property Fund	2012	102,000,000	92,169,343	28,989,587	39,355,165	115,217,571	6.1	5.9
Lion Industrial Trust - 2007	2012	85,000,000	94,121,709	0	11,363,352	125,669,750	6.6	5.2
PRISA LP	2011	175,000,000	184,899,176	0	33,485,746	256,308,128	13.5	10.5
UBS Trumbull Property Fund	2013	150,000,000	150,000,000	0	17,190,599	183,588,044	9.7	7.6
USAA Eagle Real Estate Fund	2013	100,000,000	95,336,672	4,663,328	0	137,729,111	7.3	5.9
Strategic Core Investments	2011	912,000,000	906,115,411	48,152,915	121,945,934	1,156,198,228	61.1	49.5
Tactical Value-Added Investments								
AG Core Plus Realty Fund	2004	50,000,000	47,500,000	2,500,000	71,961,304	229,224	0.0	0.1
AG Core Plus Realty Fund II	2007	50,000,000	47,250,000	2,750,000	61,526,979	1,912,852	0.1	0.2
AG Core Plus Realty Fund III	2011	100,000,000	100,000,000	5,000,000	130,638,049	38,390,275	2.0	1.8
AG Core Plus Realty Fund IV	2015	75,000,000	29,250,000	45,750,000	458,013	31,341,981	1.7	3.2
Almanac Realty Securities VI	2012	50,000,000	30,951,138	7,500,000	23,130,794	20,616,191	1.1	1.2
Almanac Realty Securities VII	2015	50,000,000	18,269,382	32,719,264	2,313,187	18,736,266	1.0	2.1
American Value Partners Fund I	2007	50,000,000	37,852,856	12,147,144	29,737,141	9,762,135	0.5	0.9
Asana Partners Fund I	2017	75,000,000	20,655,978	54,344,022	0	20,798,968	1.1	3.1
Berkshire Multifamily Value Plus Fund III	2013	50,000,000	51,703,459	1,001,450	33,139,066	44,052,675	2.3	1.9
Cypress Acquisition Partners Retail Fund	2013	50,000,000	51,913,797	6,532,847	14,121,516	50,987,077	2.7	2.4
Exeter Industrial Value Fund III	2014	35,000,000	33,949,363	1,050,637	3,492,317	39,792,845	2.1	1.7
Exeter Industrial Value Fund IV	2017	42,000,000	0	42,000,000	0	-251,980	0.0	1.7
Place / BV Student Housing Fund	2007	50,000,000	50,000,000	0	16,153,221	31,530,991	1.7	1.3
SIC/Leed, LLC	2005	15,000,000	10,221,674	0	9,724,667	15,555,997	0.8	0.6
Strategic Partners Value Enhancement Fund	2006	38,125,000	38,225,238	0	42,234,875	469,626	0.0	0.0
Trammell Crow Investment Fund II	2007	150,000,000	147,763,060	2,236,942	83,679,368	379,531	0.0	0.1
Tactical Value-Added Investments	2004	930,125,000	715,505,945	215,532,306	522,310,497	324,304,654	17.1	22.2
Tactical Opportunistic Investments								
AG Realty Fund VII	2007	75,000,000	70,500,000	4,500,000	100,215,580	7,114,423	0.4	0.5
ARES European Real Estate Fund IV	2014	75,000,000	49,708,990	31,680,945	10,175,288	47,806,913	2.5	3.3
Blackstone Real Estate Partners Asia	2014	50,000,000	32,625,714	28,887,103	14,959,773	27,882,795	1.5	2.3
Blackstone Real Estate Partners VII	2012	75,000,000	80,921,280	12,333,537	53,044,736	68,839,636	3.6	3.3
Blackstone Real Estate Partners VIII	2015	75,000,000	38,101,340	46,916,770	10,449,571	35,501,970	1.9	3.4
CIM Real Estate Fund III	2007	50,000,000	53,784,764	0	60,232,176	31,146,491	1.6	1.3
Harrison Street Real Estate Partners IV	2013	50,000,000	46,716,667	12,551,432	25,580,941	34,100,299	1.8	1.9
Landmark Real Estate Fund V	2005	75,000,000	62,758,583	11,444,490	37,415,662	8,669,369	0.5	0.8
Paladin Realty Latin America Investors II	2006	25,000,000	25,040,019	0	13,402,286	5,581,398	0.3	0.2
Perella Weinberg Real Estate Fund II LP	2013	65,547,981	39,416,738	20,106,059	9,276,856	36,619,572	1.9	2.3
Rockpoint Real Estate Fund IV	2012	50,000,000	51,787,127	0	39,864,722	27,702,930	1.5	1.1
Tactical Opportunistic Investments	2005	665,547,981	551,361,222	168,420,336	374,617,591	330,965,796	17.5	20.5
Tactical Credit								
Brookfield Real Estate Finance IV	2014	75,000,000	61,911,419	24,032,588	25,800,017	43,801,847	2.3	2.8
M&G Real Estate Debt Fund II	2013	23,008,275	15,371,684	7,544,240	6,339,920	9,377,227	0.5	0.7
M&G Real Estate Debt Fund III	2013	12,656,174	9,961,664	3,508,546	3,566,254	6,208,760	0.3	0.4
Pramerica Real Estate Capital VI (PRECap VI)	2016	100,516,944	53,862,274	70,355,589	31,616,896	22,401,779	1.2	3.8
Tactical Credit	2014	211,181,393	141,107,041	105,440,963	67,323,087	81,789,613	4.3	7.7
Total Tactical	2004	1,806,854,374	1,407,974,208	489,393,605	964,251,175	737,060,063	38.9	50.5
Total Current Portfolio								
New Mexico State Investment Council	2004	2,718,854,374	2,314,089,619	537,546,520	1,086,197,109	1,893,258,291	100.0	100.0

Based on the real estate allocation as of 2Q17. In 3Q17, Council approved an increase to the real estate allocation from 10% to 12%.



New Mexico State Investment Council Real Estate

Second Quarter 2017

Returns (%)	Market Value (\$)	Quarter				1 Year				3 Year				5 Year				Inception		TWR Calculation Inception	Net IRR	Equity Multiple
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
Strategic Core Investments																						
Berkshire Multifamily Income Realty Fund	92,154,461	0.8	0.1	1.0	0.8	4.2	3.0	7.3	6.5									8.2	7.4	1Q16	13.4	1.2
Heitman HART	104,236,669	1.1	0.3	1.4	1.2	4.7	3.1	7.8	6.9	4.8	6.1	11.2	10.2					12.1	11.1	1Q13	11.5	1.6
Invesco Real Estate Asia Fund	141,294,494	1.2	0.9	2.0	1.8													1.4	0.7	4Q16	14.5	1.1
Jamestown Premier Property Fund	115,217,571	1.2	1.3	2.5	2.0	4.6	3.7	8.4	6.6	4.7	8.2	13.1	10.5	4.6	10.2	15.2	12.2	17.4	14.2	1Q12	13.0	1.7
Lion Industrial Trust - 2007	125,669,750	1.3	2.5	3.8	3.2	5.4	9.8	15.7	13.4	5.7	10.4	16.5	14.1	5.8	9.8	16.0	13.7	16.0	13.7	3Q12	13.5	1.5
PRISA LP	256,308,128	1.1	0.4	1.5	1.3	4.6	3.1	7.8	6.9	4.9	6.3	11.4	10.5	4.9	6.4	11.5	10.7	12.2	11.4	2Q11	11.2	1.4
UBS Trumbull Property Fund	183,588,044	1.1	0.0	1.2	0.9	4.5	1.0	5.6	4.6	4.8	4.6	9.6	8.5					9.7	8.7	4Q13	8.8	1.3
USAA Eagle Real Estate Fund	137,729,111	1.2	1.5	2.7	2.5	4.5	5.6	10.3	9.3	4.4	10.1	14.9	13.6					16.2	14.9	3Q13	13.8	1.4
Strategic Core Investments	1,156,198,228	1.2	0.8	2.0	1.7	4.6	4.3	9.1	7.9	4.8	7.5	12.6	11.2	4.9	7.9	13.1	11.7	14.0	12.6	2Q11	11.7	1.4
Tactical Value-Added Investments																						
AG Core Plus Realty Fund	229,224	-2.9	0.0	-2.9	-2.5	-9.1	-0.1	-9.2	-7.8	0.7	6.2	7.3	6.0	2.6	1.6	4.4	3.1	8.9	6.7	3Q04	17.5	1.5
AG Core Plus Realty Fund II	1,912,852	1.3	0.0	1.3	0.8	-0.4	-14.6	-15.2	-13.9	7.8	0.3	8.7	6.0	7.5	7.2	15.4	10.6	9.7	6.6	4Q07	8.4	1.3
AG Core Plus Realty Fund III	38,390,275	0.8	0.1	0.9	0.5	4.1	3.3	7.5	5.3	5.6	22.5	29.1	23.3	6.6	19.8	27.4	21.8	24.7	19.8	4Q11	22.2	1.7
AG Core Plus Realty Fund IV	31,341,981	1.4	4.2	5.6	5.0	4.7	6.2	11.1	8.3									9.2	6.0	1Q16	8.0	1.1
Almanac Realty Securities VI	20,616,191	1.7	-0.3	1.4	1.3	7.2	5.8	13.4	12.6	6.8	9.3	16.6	15.0					18.3	16.0	1Q13	16.7	1.4
Almanac Realty Securities VII	18,736,266	2.8	1.4	4.2	3.4	10.3	5.2	15.9	11.6									16.3	10.4	3Q15	10.7	1.2
American Value Partners Fund I	9,762,135	0.1	0.9	1.0	0.5	-3.3	0.5	-2.0	-3.8	9.3	-0.8	8.8	6.8	7.9	2.2	10.5	8.6	-28.7	-33.9	1Q08	0.8	1.0
Asana Partners Fund I	20,798,968	0.9	1.2	2.1	0.1													2.1	0.1	2Q17	3.4	1.0
Berkshire Multifamily Value Plus Fund III	44,052,675	0.5	2.2	2.7	2.0	1.9	11.1	13.2	9.8	1.6	18.3	20.2	15.2					17.9	13.2	2Q13	13.2	1.5
Cypress Acquisition Partners Retail Fund	50,987,077	0.0	4.3	4.3	3.3	5.2	14.4	20.2	16.0	2.7	14.9	17.8	13.2					20.6	15.5	3Q13	13.2	1.3
Exeter Industrial Value Fund III	39,792,845	2.0	4.8	6.8	5.3	8.6	15.5	25.0	18.8									23.9	16.7	4Q14	18.1	1.3
Exeter Industrial Value Fund IV	-251,980																			4Q17	NM	NM
Place / BV Student Housing Fund	31,530,991	-7.1	5.8	-1.2	-1.2	-3.9	-8.3	-11.0	-11.7	2.2	0.4	3.1	1.8	0.8	3.1	4.5	3.1	0.8	-1.7	2Q07	-0.6	1.0
SIC/Leed, LLC	15,555,997	5.4	-0.8	4.6	4.6	17.1	-3.3	13.4	13.4	17.1	-3.5	13.2	13.2	16.4	-5.5	10.2	10.1	10.8	10.7	3Q05	10.5	2.5
Strategic Partners Value Enhancement Fund	469,626	-5.9	0.0	-5.9	-5.9	-0.6	-22.7	-24.4	-24.4	5.2	-5.1	-0.5	-0.9	5.8	-4.4	1.1	0.3	1.4	-0.9	1Q07	1.6	1.1
Trammell Crow Investment Fund II	379,531	-22.5	21.6	-0.9	-1.4	-52.5	74.1	-6.6	-8.4	-46.3	69.9	2.3	0.5	-28.6	28.2	-1.6	-2.9	-6.0	-7.6	3Q07	-12.2	0.6
Tactical Value-Added Investments	324,304,655	0.3	2.7	3.0	2.3	4.1	5.9	10.2	7.2	5.4	12.5	18.4	14.5	5.5	9.6	15.5	12.1	9.0	5.9	3Q04	3.7	1.2
Tactical Opportunistic Investments																						
AG Realty Fund VII	7,114,423	4.5	-5.9	-1.4	-1.5	14.5	-34.2	-23.7	-20.2	22.4	-21.9	-3.0	-3.1	14.1	-3.3	11.2	7.5	11.1	7.4	1Q08	13.0	1.5
ARES European Real Estate Fund IV	47,806,913	1.6	5.3	6.9	6.2	3.0	29.2	32.9	28.0									25.0	16.0	1Q15	13.7	1.2
Blackstone Real Estate Partners Asia	27,882,795	0.2	7.5	7.7	5.6	0.5	30.7	31.3	21.6	0.2	27.0	27.3	17.3					27.3	17.3	3Q14	18.0	1.3
Blackstone Real Estate Partners VII	68,839,636	0.8	1.5	2.3	1.6	4.2	6.9	11.3	8.0	4.1	12.8	17.2	12.5					25.6	18.3	4Q12	16.7	1.5
Blackstone Real Estate Partners VIII	35,501,970	0.4	6.1	6.5	4.5	1.1	25.0	26.3	17.1									27.5	17.5	4Q15	18.7	1.2
CIM Real Estate Fund III	31,146,491	0.2	3.3	3.5	3.1	13.1	-5.8	7.4	5.8	8.1	-1.9	7.8	6.5	6.2	4.5	12.1	10.7	NM	NM	1Q08	10.4	1.7
Harrison Street Real Estate Partners IV	34,100,299	0.2	1.7	1.9	1.6	5.1	6.4	11.6	10.4	7.4	9.1	16.8	14.8					13.1	10.3	4Q13	11.1	1.3
Landmark Real Estate Fund V	8,669,369	-0.1	5.7	5.6	5.4	-1.2	7.8	6.5	5.5	0.6	1.5	2.1	1.4	0.8	6.1	7.0	6.1	4.1	3.6	3Q05	-5.5	0.7
Paladin Realty Latin America Investors II	5,581,398	1.1	-5.8	-4.6	-4.8	2.4	-7.0	-4.8	-5.6	5.9	-20.9	-15.7	-18.1	6.1	-14.3	-8.5	-10.8	-2.4	-9.2	1Q07	-4.9	0.8
Perella Weinberg Real Estate Fund II LP	36,619,572	-0.1	7.0	6.9	8.3	-0.4	17.3	16.9	15.0	-0.9	16.3	15.4	10.4					12.1	-1.2	1Q14	8.5	1.2
Rockpoint Real Estate Fund IV	27,702,930	0.0	2.5	2.5	2.1	1.2	3.1	4.4	3.0	1.4	14.1	15.7	13.9					22.8	18.9	1Q13	19.6	1.3
Tactical Opportunistic Investments	330,965,796	0.6	3.6	4.2	3.6	4.4	9.4	14.1	10.8	5.4	8.5	14.3	10.5	4.1	11.6	16.1	11.7	6.4	3.5	2Q05	2.5	1.1
Tactical Credit																						
Brookfield Real Estate Finance IV	43,801,847	2.5	0.0	2.5	2.0	12.4	0.0	12.4	9.0									15.4	11.7	1Q15	10.4	1.1
M&G Real Estate Debt Fund II	9,377,227	3.0	3.7	6.7	6.3	11.4	-2.2	8.9	7.3	12.0	-8.8	2.4	0.8					3.5	1.8	1Q14	1.3	1.0
M&G Real Estate Debt Fund III	6,208,760	2.2	3.9	6.0	5.8	7.6	-2.1	5.3	4.3	8.0	-8.4	-0.9	-1.9					-0.8	-1.9	2Q14	-1.1	1.0
Pramerica Real Estate Capital VI (PRECap VI)	22,401,779	0.5	0.6	1.0	1.1	3.3	-1.4	1.9	-0.8									1.9	-0.8	3Q16	0.5	1.0
Tactical Credit	81,789,614	2.0	0.9	2.9	2.6	8.8	-1.2	7.5	4.8	13.6	-4.4	8.8	5.7					8.5	5.5	1Q14	5.4	1.1
Total Tactical	737,060,065	0.6	2.9	3.5	2.9	4.8	6.5	11.5	8.5	5.8	9.6	15.9	12.1	5.2	9.6	15.2	11.5	7.7	4.6	3Q04	3.2	1.1
Total Portfolio																						
New Mexico State Investment Council	1,893,258,293	0.9	1.6	2.6	2.2	4.7	5.1	10.0	8.1	5.3	8.4	14.0	11.6	5.0	8.7	14.0	11.5	7.3	4.7	3Q04	5.6	1.2
Indices																						
NCREIF Fund Index – Open End Diversified Core Equity “NFI-ODCE Value Weight”		1.1	0.6	1.7	1.5	4.4	3.3	7.9	6.9	4.6	6.5	11.3	10.3	4.9	6.7	11.8	10.8	8.1	7.1	3Q04		
NCREIF Property Index “NPI”		1.2	0.6	1.7		4.7	2.2	7.0		4.9	5.1	10.2		5.2	5.1	10.5		9.0		3Q04		
FTSE EPRA/NAREIT Developed Index in USD				3.0				1.1				4.6				8.4		8.0		3Q04		



New Mexico State Investment Council Real Estate

Second Quarter 2017

Returns (%)	Market Value (\$)	Quarter				1 Year				3 Year				5 Year				Inception		TWR Calculation Inception	Net IRR	Equity Multiple
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
Legacy Portfolio																						
AG Core Plus Realty Fund	229,224	-2.9	0.0	-2.9	-2.5	-9.1	-0.1	-9.2	-7.8	0.7	6.2	7.3	6.0	2.6	1.6	4.4	3.1	8.9	6.7	3Q04	17.5	1.5
AG Core Plus Realty Fund II	1,912,852	1.3	0.0	1.3	0.8	-0.4	-14.6	-15.2	-13.9	7.8	0.3	8.7	6.0	7.5	7.2	15.4	10.6	9.7	6.6	4Q07	8.4	1.3
AG Realty Fund VII	7,114,423	4.5	-5.9	-1.4	-1.5	14.5	-34.2	-23.7	-20.2	22.4	-21.9	-3.0	-3.1	14.1	-3.3	11.2	7.5	11.1	7.4	1Q08	13.0	1.5
American Value Partners Fund I	9,762,135	0.1	0.9	1.0	0.5	-3.3	0.5	-2.0	-3.8	9.3	-0.8	8.8	6.8	7.9	2.2	10.5	8.6	-28.7	-33.9	1Q08	0.8	1.0
CIM Real Estate Fund III	31,146,491	0.2	3.3	3.5	3.1	13.1	-5.8	7.4	5.8	8.1	-1.9	7.8	6.5	6.2	4.5	12.1	10.7	NM	NM	1Q08	10.4	1.7
Landmark Real Estate Fund V	8,669,369	-0.1	5.7	5.6	5.4	-1.2	7.8	6.5	5.5	0.6	1.5	2.1	1.4	0.8	6.1	7.0	6.1	4.1	3.6	3Q05	-5.5	0.7
Paladin Realty Latin America Investors II	5,581,398	1.1	-5.8	-4.6	-4.8	2.4	-7.0	-4.8	-5.6	5.9	-20.9	-15.7	-18.1	6.1	-14.3	-8.5	-10.8	-2.4	-9.2	1Q07	-4.9	0.8
Place / BV Student Housing Fund	31,530,991	-7.1	5.8	-1.2	-1.2	-3.9	-8.3	-11.0	-11.7	2.2	0.4	3.1	1.8	0.8	3.1	4.5	3.1	0.8	-1.7	2Q07	-0.6	1.0
SIC/Leed, LLC	15,555,997	5.4	-0.8	4.6	4.6	17.1	-3.3	13.4	13.4	17.1	-3.5	13.2	13.2	16.4	-5.5	10.2	10.1	10.8	10.7	3Q05	10.5	2.5
Strategic Partners Value Enhancement Fund	469,626	-5.9	0.0	-5.9	-5.9	-0.6	-22.7	-24.4	-24.4	5.2	-5.1	-0.5	-0.9	5.8	-4.4	1.1	0.3	1.4	-0.9	1Q07	1.6	1.1
Trammell Crow Investment Fund II	379,531	-22.5	21.6	-0.9	-1.4	-52.5	74.1	-6.6	-8.4	-46.3	69.9	2.3	0.5	-28.6	28.2	-1.6	-2.9	-6.0	-7.6	3Q07	-12.2	0.6
Legacy Portfolio	112,352,037	-1.2	2.5	1.3	1.1	5.5	-7.3	-1.8	-2.5	8.0	-3.0	5.1	3.8	6.7	0.4	7.3	5.5	4.8	2.4	3Q04	-0.4	1.0
New Portfolio 2011 Inception																						
AG Core Plus Realty Fund III	38,390,275	0.8	0.1	0.9	0.5	4.1	3.3	7.5	5.3	5.6	22.5	29.1	23.3	6.6	19.8	27.4	21.8	24.7	19.8	4Q11	22.2	1.7
AG Core Plus Realty Fund IV	31,341,981	1.4	4.2	5.6	5.0	4.7	6.2	11.1	8.3									9.2	6.0	1Q16	8.0	1.1
Almanac Realty Securities VI	20,616,191	1.7	-0.3	1.4	1.3	7.2	5.8	13.4	12.6	6.8	9.3	16.6	15.0					18.3	16.0	1Q13	16.7	1.4
Almanac Realty Securities VII	18,736,266	2.8	1.4	4.2	3.4	10.3	5.2	15.9	11.6									16.3	10.4	3Q15	10.7	1.2
ARES European Real Estate Fund IV	47,806,913	1.6	5.3	6.9	6.2	3.0	29.2	32.9	28.0									25.0	16.0	1Q15	13.7	1.2
Asana Partners Fund I	20,798,968	0.9	1.2	2.1	0.1													2.1	0.1	2Q17	3.4	1.0
Berkshire Multifamily Income Realty Fund	92,154,461	0.8	0.1	1.0	0.8	4.2	3.0	7.3	6.5									8.2	7.4	1Q16	13.4	1.2
Berkshire Multifamily Value Plus Fund III	44,052,675	0.5	2.2	2.7	2.0	1.9	11.1	13.2	9.8	1.6	18.3	20.2	15.2					17.9	13.2	2Q13	13.2	1.5
Blackstone Real Estate Partners Asia	27,882,795	0.2	7.5	7.7	5.6	0.5	30.7	31.3	21.6	0.2	27.0	27.3	17.3					27.3	17.3	3Q14	18.0	1.3
Blackstone Real Estate Partners VII	68,839,636	0.8	1.5	2.3	1.6	4.2	6.9	11.3	8.0	4.1	12.8	17.2	12.5					25.6	18.3	4Q12	16.7	1.5
Blackstone Real Estate Partners VIII	35,501,970	0.4	6.1	6.5	4.5	1.1	25.0	26.3	17.1									27.5	17.5	4Q15	18.7	1.2
Brookfield Real Estate Finance IV	43,801,847	2.5	0.0	2.5	2.0	12.4	0.0	12.4	9.0									15.4	11.7	1Q15	10.4	1.1
Cypress Acquisition Partners Retail Fund	50,987,077	0.0	4.3	4.3	3.3	5.2	14.4	20.2	16.0	2.7	14.9	17.8	13.2					20.6	15.5	3Q13	13.2	1.3
Exeter Industrial Value Fund III	39,792,845	2.0	4.8	6.8	5.3	8.6	15.5	25.0	18.8									23.9	16.7	4Q14	18.1	1.3
Exeter Industrial Value Fund IV	-251,980																			4Q17	NM	NM
Harrison Street Real Estate Partners IV	34,100,299	0.2	1.7	1.9	1.6	5.1	6.4	11.6	10.4	7.4	9.1	16.8	14.8					13.1	10.3	4Q13	11.1	1.3
Heitman HART	104,236,669	1.1	0.3	1.4	1.2	4.7	3.1	7.8	6.9	4.8	6.1	11.2	10.2					12.1	11.1	1Q13	11.5	1.6
Invesco Real Estate Asia Fund	141,294,494	1.2	0.9	2.0	1.8													1.4	0.7	4Q16	14.5	1.1
Jamestown Premier Property Fund	115,217,571	1.2	1.3	2.5	2.0	4.6	3.7	8.4	6.6	4.7	8.2	13.1	10.5	4.6	10.2	15.2	12.2	17.4	14.2	1Q12	13.0	1.7
Lion Industrial Trust - 2007	125,669,750	1.3	2.5	3.8	3.2	5.4	9.8	15.7	13.4	5.7	10.4	16.5	14.1	5.8	9.8	16.0	13.7	16.0	13.7	3Q12	13.5	1.5
M&G Real Estate Debt Fund II	9,377,227	3.0	3.7	6.7	6.3	11.4	-2.2	8.9	7.3	12.0	-8.8	2.4	0.8					3.5	1.8	1Q14	1.3	1.0
M&G Real Estate Debt Fund III	6,208,760	2.2	3.9	6.0	5.8	7.6	-2.1	5.3	4.3	8.0	-8.4	-0.9	-1.9					-0.8	-1.9	2Q14	-1.1	1.0
Perella Weinberg Real Estate Fund II LP	36,619,572	-0.1	7.0	6.9	8.3	-0.4	17.3	16.9	15.0	-0.9	16.3	15.4	10.4					12.1	-1.2	1Q14	8.5	1.2
Pramerica Real Estate Capital VI (PRECap VI)	22,401,779	0.5	0.6	1.0	1.1	3.3	-1.4	1.9	-0.8									1.9	-0.8	3Q16	0.5	1.0
PRISA LP	256,308,128	1.1	0.4	1.5	1.3	4.6	3.1	7.8	6.9	4.9	6.3	11.4	10.5	4.9	6.4	11.5	10.7	12.2	11.4	2Q11	11.2	1.4
Rockpoint Real Estate Fund IV	27,702,930	0.0	2.5	2.5	2.1	1.2	3.1	4.4	3.0	1.4	14.1	15.7	13.9					22.8	18.9	1Q13	19.6	1.3
UBS Trumbull Property Fund	183,588,044	1.1	0.0	1.2	0.9	4.5	1.0	5.6	4.6	4.8	4.6	9.6	8.5					9.7	8.7	4Q13	8.8	1.3
USAA Eagle Real Estate Fund	137,729,111	1.2	1.5	2.7	2.5	4.5	5.6	10.3	9.3	4.4	10.1	14.9	13.6					16.2	14.9	3Q13	13.8	1.4
New Portfolio 2011 Inception	1,780,906,256	1.1	1.6	2.6	2.2	4.6	6.4	11.2	9.1	4.8	10.2	15.3	12.7	4.7	10.8	15.9	13.1	15.9	13.4	2Q11	12.9	1.3
Total Portfolio																						
New Mexico State Investment Council	1,893,258,293	0.9	1.6	2.6	2.2	4.7	5.1	10.0	8.1	5.3	8.4	14.0	11.6	5.0	8.7	14.0	11.5	7.3	4.7	3Q04	5.6	1.2
Indices																						
NCREIF Fund Index – Open End Diversified Core Equity “NFI-ODCE Value Weight”		1.1	0.6	1.7	1.5	4.4	3.3	7.9	6.9	4.6	6.5	11.3	10.3	4.9	6.7	11.8	10.8	8.1	7.1	3Q04		
NCREIF Property Index “NPI”		1.2	0.6	1.7		4.7	2.2	7.0		4.9	5.1	10.2		5.2	5.1	10.5		9.0		3Q04		
FTSE EPRA/NAREIT Developed Index in USD				3.0				1.1				4.6				8.4		8.0		3Q04		



Advisory Disclosures and Definitions

Disclosure

Past performance is not indicative of future results.

Investing involves risk, including the possible loss of principal.

Returns are presented on a time weighted basis and shown both gross and net of underlying third party fees and expenses and may include income, appreciation and/or other earnings. In addition, other fees and expenses are reported.

The Townsend Group, on behalf of its client base, collects quarterly limited partner/client level performance data based upon inputs from the underlying investment managers. Data collection includes client level performance as well as aggregating and reporting client level total portfolio performance. Quarterly limited partner/client level performance data is collected directly¹ from the investment managers.

¹In select instances where underlying investment managers have ceased reporting limited partner/client level performance data directly to The Townsend Group via a secure data collection site, performance data on behalf of its client based upon the investment managers quarterly capital account statements which are supplied to The Townsend Group and the client alike.

Benchmarks

The potential universe of available real asset benchmarks are infinite. Any one benchmark, or combination thereof, may be utilized on a gross or net of fees basis with or without basis point premium and may be a blended composition with varying weighting methodologies, including market weighted and static weighted approaches.