



# Executive Summary Performance Review

New Mexico State Investment Council  
As of December 31, 2022

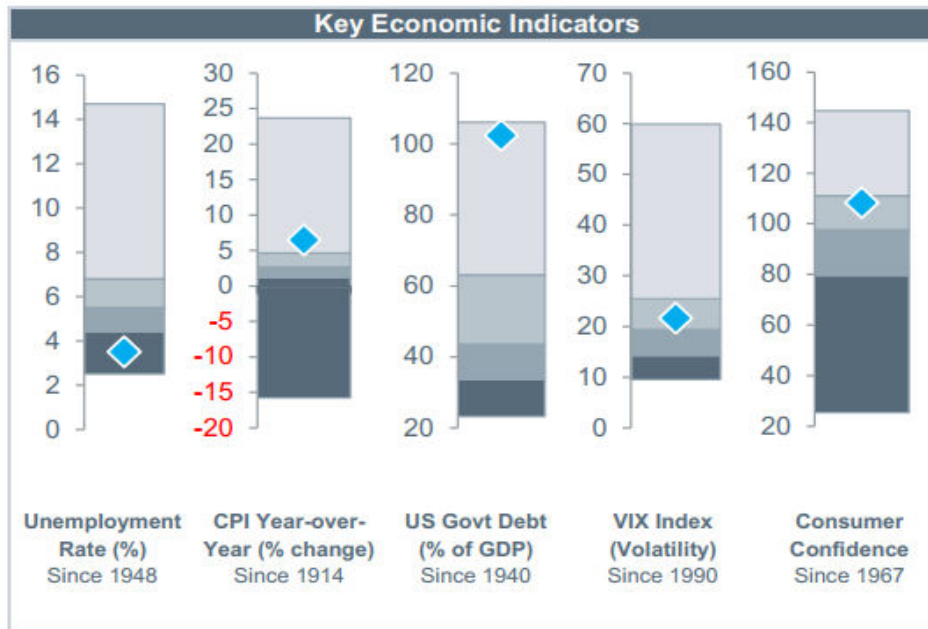


# Capital Markets Review





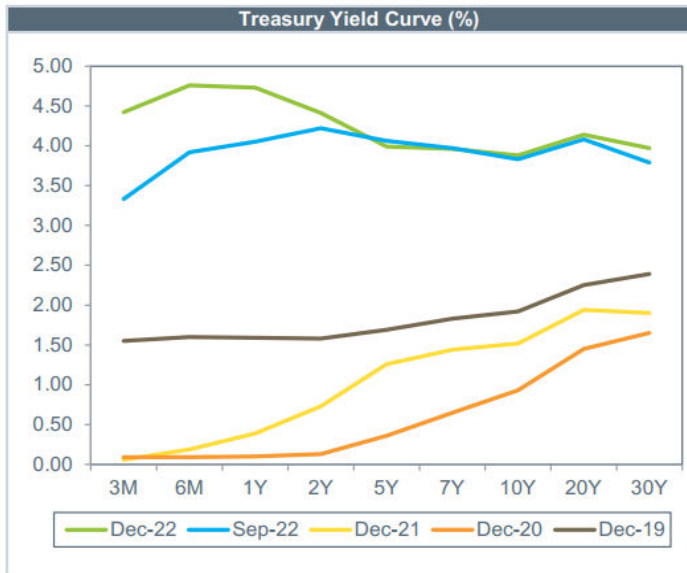
# Capital Markets Review As of December 31, 2022



- In Q4, equity and fixed income markets delivered improved results while continuing to experience elevated volatility. However, positive quarterly returns came on the tail of a significantly negative year for many investors.
- US Consumer Price Index declined for a sixth straight month in December with a reading of 6.5%, the lowest level since October 2021. In December, the FOMC did slow the pace of policy rate hikes with a 50-basis point increase, following a series of four straight 75 basis point increases.
- Global GDP growth forecasts continue to moderate with the OECD forecasting growth of 3.1% in 2022 with an expected decline to 2.2% global GDP growth in 2023.

Economic Indicators	Dec-22	Sep-22	Dec-21	Dec-19	20 Yr
Federal Funds Rate (%)	4.33 ▲	3.08	0.07	1.55	1.30
Breakeven Infl. - 5 Yr (%)	2.38 ▲	2.16	2.91	1.70	1.92
Breakeven Infl. - 10 Yr (%)	2.30 ▲	2.15	2.59	1.79	2.08
CPI YoY (Headline) (%)	6.5 ▼	8.2	7.0	2.3	2.5
Unemployment Rate (%)	3.5 —	3.5	3.9	3.6	6.0
Real GDP YoY (%)	1.0 ▼	1.8	5.7	2.6	2.0
PMI - Manufacturing	48.4 ▼	50.9	58.8	47.9	53.7
USD Total Wtd Idx	121.51 ▼	127.64	115.37	114.67	103.33
WTI Crude Oil per Barrel (\$)	80.3 ▲	79.5	75.2	61.1	67.9
Gold Spot per Oz (\$)	1,824 ▲	1,661	1,829	1,517	1,160

Market Performance (%)	QTD	CYTD	1 Yr	5 Yr	10 Yr
S&P 500 (Cap Wtd)	7.56	-18.11	-18.11	9.42	12.56
Russell 2000	6.23	-20.44	-20.44	4.13	9.01
MSCI EAFE (Net)	17.34	-14.45	-14.45	1.54	4.67
MSCI EAFE SC (Net)	15.79	-21.39	-21.39	-0.05	6.21
MSCI Emg Mkts (Net)	9.70	-20.09	-20.09	-1.40	1.44
Bloomberg US Agg Bond	1.87	-13.01	-13.01	0.02	1.06
ICE BofAML 3 Mo US T-Bill	0.84	1.46	1.46	1.26	0.76
NCREIF ODCE (Gross)	-4.96	7.47	7.47	8.68	10.10
FTSE NAREIT Eq REIT (TR)	5.24	-24.37	-24.37	3.68	6.53
HFRI FOF Comp	1.79	-5.25	-5.25	3.02	3.51
Bloomberg Cmtty (TR)	2.22	16.09	16.09	6.44	-1.29



Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service.

# Capital Markets Review

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	CYTD
Best	8.44	78.51	27.94	22.49	20.00	38.82	30.14	15.02	21.31	37.28	8.35	31.49	19.96	43.24	16.09
	5.24	58.21	26.85	15.99	18.23	32.39	19.31	9.59	17.13	33.01	1.87	26.00	18.40	28.71	7.47
	2.06	46.78	22.04	13.56	18.06	29.30	13.69	3.20	11.96	25.03	0.01	25.53	18.31	27.11	1.46
	-2.35	31.78	18.88	8.29	17.32	22.78	12.50	1.38	11.77	21.83	-1.26	24.96	16.12	22.17	-5.25
	-10.01	28.01	16.83	7.84	16.35	13.94	5.97	0.55	11.19	14.65	-2.08	22.01	12.34	14.82	-11.19
	-21.37	27.17	16.36	4.98	16.00	8.96	4.89	0.05	8.77	10.71	-4.02	19.59	10.99	11.26	-11.85
	-26.16	26.46	15.12	2.11	15.81	7.44	3.64	-0.27	8.52	7.77	-4.38	18.42	10.88	10.10	-13.01
	-33.79	18.91	15.06	0.10	10.94	2.47	3.37	-0.81	6.67	7.62	-4.62	14.32	7.82	6.17	-14.45
	-35.65	11.47	10.16	-4.18	8.78	0.07	2.45	-1.44	4.68	7.50	-4.68	8.72	7.51	5.96	-18.11
	-37.00	11.41	7.75	-5.72	6.98	-2.02	0.04	-3.30	2.65	5.23	-11.01	8.43	7.11	5.28	-20.09
	-37.74	5.93	6.54	-12.14	4.79	-2.60	-2.19	-4.41	2.18	3.54	-11.25	8.39	1.19	0.05	-20.44
	-43.38	1.92	6.31	-13.32	4.21	-8.61	-4.90	-4.47	1.00	3.01	-13.79	7.69	0.67	-1.55	-21.39
	-47.01	0.21	5.70	-15.94	0.11	-8.83	-4.95	-14.92	0.51	1.70	-14.57	5.34	-3.12	-2.52	-24.37
Worst	-53.33	-29.76	0.13	-18.42	-1.06	-9.52	-17.01	-24.66	0.33	0.86	-17.89	2.28	-8.00	-2.54	-27.09
S&P 500 - US Large Cap															
R 2000 - US Small Cap															
MSCI EAFE (Net) - Int'l Dev.															
MSCI EAFE SC (Net) - Int'l SC															
MSCI EM (Net) - Int'l Emg Mkts															
Bloombrg US Agg Bond - FI															
Bloombrg US Corp Hi Yield - FI															
Bloombrg US Trsy US TIPS - FI															
Bloombrg US Gov Credit Lng - FI															
NCREIF ODCE (Gross) - Real Estate															
FTSE NAREIT Eq REITs Index (TR)															
HFRI FOF Comp Index - ARS															
Bloombrg Cmdty (TR) - Commod.															
ICE BofAML 3 Mo T-Bill - Cash Equiv															



# SIC Permanent Fund Allocation vs. Policy Index



# Allocations As of December 31, 2022

## Strategic Asset Allocation Guidelines

### Land Grant Total Fund Composite

Asset Allocation	Min	Current	Max	Targets	Within Range ?
US Equity	15.0	18.9	25.0	20.0	Yes
Non-US Equity	15.0	18.4	25.0	20.0	Yes
Core FI	6.0	15.8	14.0	10.0	*N/A
Non-Core FI	11.0	10.9	19.0	15.0	*N/A
Real Return	7.0	8.4	13.0	10.0	Yes
Real Estate	8.0	12.0	16.0	12.0	Yes
Private Equity	8.0	11.9	18.0	13.0	Yes
Cash Equivalent	0.0	3.8	N/A	0.0	Yes

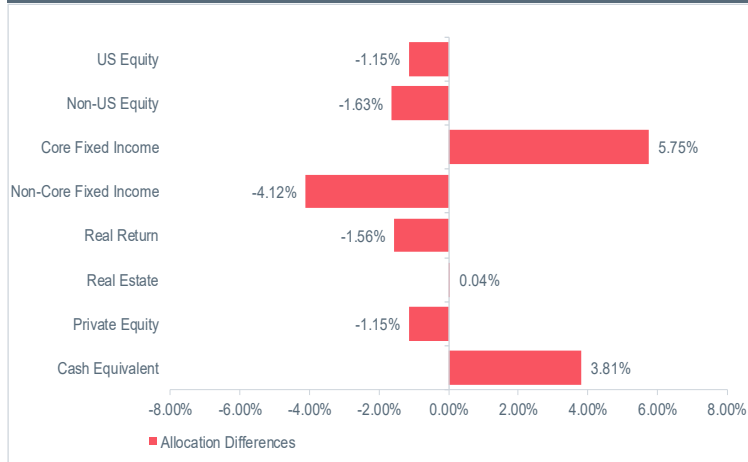
### Severance Tax Total Fund (Ex. ETI) Composite

Asset Allocation	Min	Current	Max	Targets	Within Range ?
US Equity	15.0	18.8	25.0	20.0	Yes
Non-US Equity	15.0	18.6	25.0	20.0	Yes
Core FI	8.0	20.3	16.0	12.0	*N/A
Non-Core FI	8.0	7.3	16.0	12.0	*N/A
Real Return	7.0	10.4	13.0	10.0	Yes
Real Estate	8.0	9.0	16.0	12.0	Yes
Private Equity	9.0	10.2	19.0	14.0	Yes
Cash Equivalent	0.0	5.3	N/A	0.0	Yes

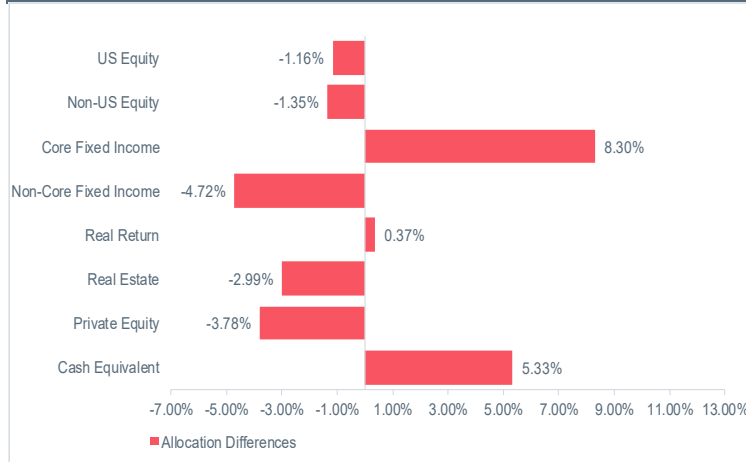
As of December 31, 2022, the Land Grant Policy Index consists of:

- 20% Russell 3000 Index,
- 20% Non-US Equity Custom Index
- 10% Bloomberg US Agg Bond Index,
- 15% Non-Core Fixed Income Custom Index,
- 10% Real Return Custom Index,
- 12% NCREIF ODCE Index (Net) (1 Qtr Lag),
- 13% Land Grant Private Equity Composite.

Land Grant Asset Allocation vs. Target



\*Severance Tax Asset Allocation vs. Target



Severance Tax target allocation excludes Economically Targeted Investments. New Policy Targets are effective 6/1/2021, and the new Policy Ranges will be proposed for approval at the next Investment Policy Review. Land Grant and Severance Tax asset allocation includes exposure to the overlay program. \*N/A denotes a suspension in target range limits.

# Allocations As of December 31, 2022

## Strategic Asset Allocation Guidelines

### Tax Stabilization Total Fund Composite

Asset Allocation	Min	Current	Max	Targets	Within Range?
Low Duration FI	25.0	29.6	35.0	30.0	Yes
Core FI	18.0	26.4	26.0	22.0	*N/A
Non-Core FI	21.0	24.2	35.0	28.0	*N/A
Real Estate	15.0	19.8	25.0	20.0	Yes
Cash Equivalent	0.0	0.0	N/A	0.0	Yes

### Water Trust Total Fund Composite

Asset Allocation	Min	Current	Max	Targets	Within Range?
US Equity	8.0	9.1	12.0	10.0	Yes
Non-US Equity	8.0	9.2	12.0	10.0	Yes
Core FI	5.0	7.2	12.0	8.0	*N/A
Non-Core FI	6.0	8.4	10.0	8.0	*N/A
Real Return	15.0	21.9	25.0	20.0	Yes
Real Estate	16.0	22.1	28.0	22.0	Yes
Private Equity	16.0	22.2	28.0	22.0	Yes
Cash Equivalent	0.0	0.1	N/A	0.0	Yes

### Early Childhood Total Fund Composite

Asset Allocation	Min	Current	Max	Targets	Within Range?
US Equity	5.5	10.3	10.5	8.5	Yes
Non-US Equity	5.5	7.4	10.5	8.5	Yes
Core FI	18.0	14.5	30.0	24.0	*N/A
Non-Core FI	19.0	9.5	31.0	25.0	*N/A
Real Return	7.0	7.8	13.0	10.0	Yes
Real Estate	8.0	9.2	16.0	12.0	Yes
Private Equity	8.0	8.2	16.0	12.0	Yes
Cash Equivalent	0.0	5.1	0.0	0.0	No

### Tobacco Settlement Total Fund Composite

Asset Allocation	Min	Current	Max	Targets	Within Range?
US Equity	8.0	11.5	12.0	10.0	Yes
Non-US Equity	8.0	8.6	12.0	10.0	Yes
Core FI	6.0	14.1	14.0	10.0	*N/A
Non-Core FI	19.0	21.3	31.0	25.0	*N/A
Real Return	19.0	25.2	31.0	25.0	Yes
Real Estate	15.0	19.4	25.0	20.0	Yes
Cash Equivalent	0.0	0.0	N/A	0.0	Yes

### Rural Libraries Total Fund Composite

Asset Allocation	Min	Current	Max	Targets	Within Range?
Low Duration FI	25.0	29.4	35.0	30.0	Yes
Core FI	18.0	22.2	26.0	22.0	*N/A
Non-Core FI	21.0	27.8	35.0	28.0	*N/A
Real Estate	15.0	20.1	25.0	20.0	Yes
Cash Equivalent	0.0	0.5	N/A	0.0	Yes

New Early Childhood Education Policy Targets are effective 6/1/2021, and the new Policy Ranges will be proposed for approval at the next Investment Policy Review. \*N/A denotes a suspension in target range limits.



# SIC Permanent Fund Performance vs. Benchmarks





# Investment Policy Review – Total Fund

## Performance Objectives - Total Fund

Land Grant Total Fund Expectations	5 Years	Meets Return Objective
Exceed the return of the Land Grant Policy Index on a gross-of-fees basis over a trailing five-year period.	<b>Land Grant Total Fund</b> 6.13	No
	Land Grant Policy Index 6.24	
	Difference -0.11	

### Explanation

Over the trailing five-year period, the Land Grant Total Fund Composite returned 6.13% vs. 6.24% for the Land Grant Policy Index.

Severance Tax Total Fund Expectations	5 Years	Meets Return Objective
Exceed the return of the Severance Tax Policy Index on a gross-of-fees basis over a trailing five-year period.	<b>Severance Tax Total Fund</b> 4.84	No
	Severance Tax Policy Index 5.48	
	Difference -0.64	

### Explanation

Over the trailing five-year period, the Severance Tax Total Fund Composite returned 4.84% vs. 5.48% for the Severance Tax Policy Index.

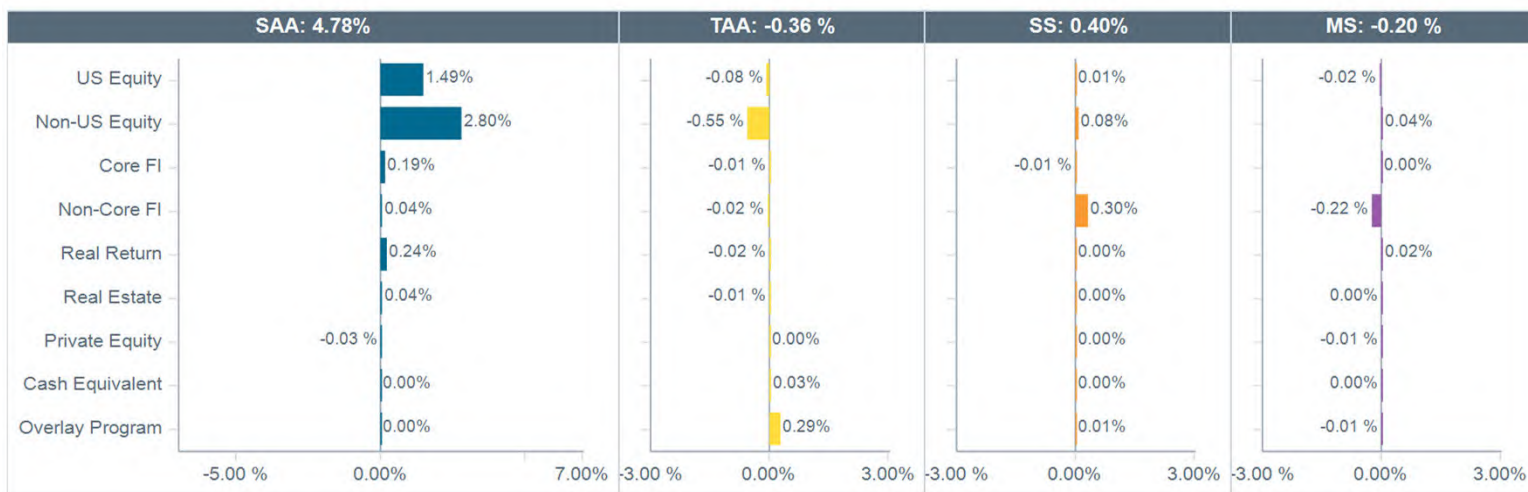
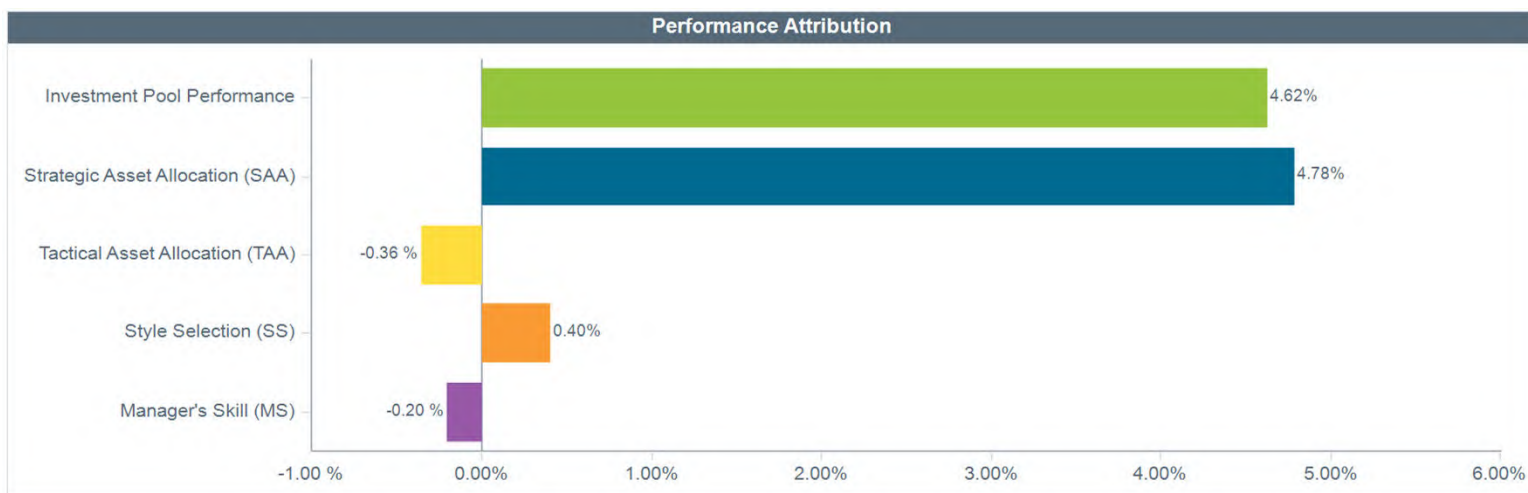
	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	FY 2022	FY 2021	FY 2020	FY 2019
Land Grant Total Fund - Gross	4.62	1.34	-6.76	-6.76	6.03	6.13	7.60	7.58	-2.11	25.88	0.38	5.89
Land Grant Total Fund - Net	4.60	1.32	-6.87	-6.87	5.90	5.98	7.44	7.43	-2.22	25.73	0.24	5.72
Land Grant Policy Index	4.78	1.19	-6.58	-6.58	6.18	6.24	7.46	7.57	-1.72	25.31	1.00	5.96
Severance Tax Total Fund - Gross	4.21	0.76	-7.74	-7.74	4.27	4.84	6.51	6.79	-4.28	22.49	-0.46	5.54
Severance Tax Total Fund - Net	4.19	0.74	-7.84	-7.84	4.15	4.70	6.36	6.64	-4.39	22.35	-0.60	5.37
Severance Tax Policy Index	4.59	0.57	-7.47	-7.47	4.86	5.48	6.94	7.20	-3.73	23.92	1.06	6.01

The Investment Policy Statement does not contain a performance objective relative to peers for the Total Fund or Investment Pools. Net performance from fiscal year 2009 through the third quarter of 2015 is calculated using the spread between net and gross Total Fund Composite returns, while net performance beyond the third quarter of 2015 is derived from fees reported in New Mexico SIC Investment Holdings Reports.



# LGPF Performance Attribution As of December 31, 2022

LGPF underperformed its Policy Index over the quarter



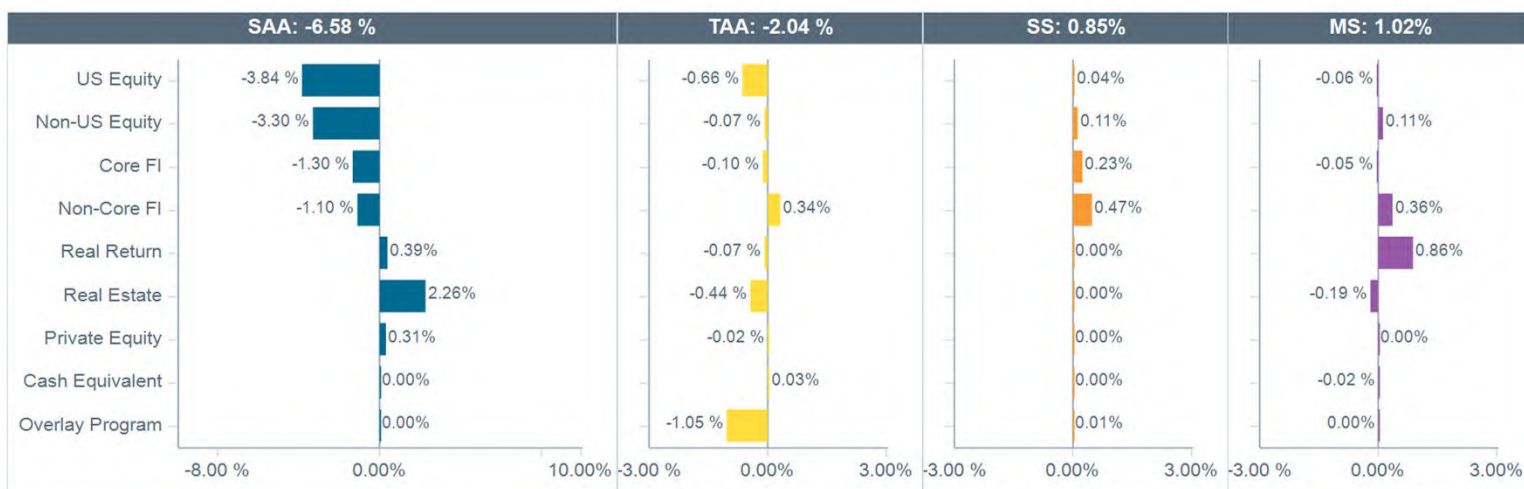
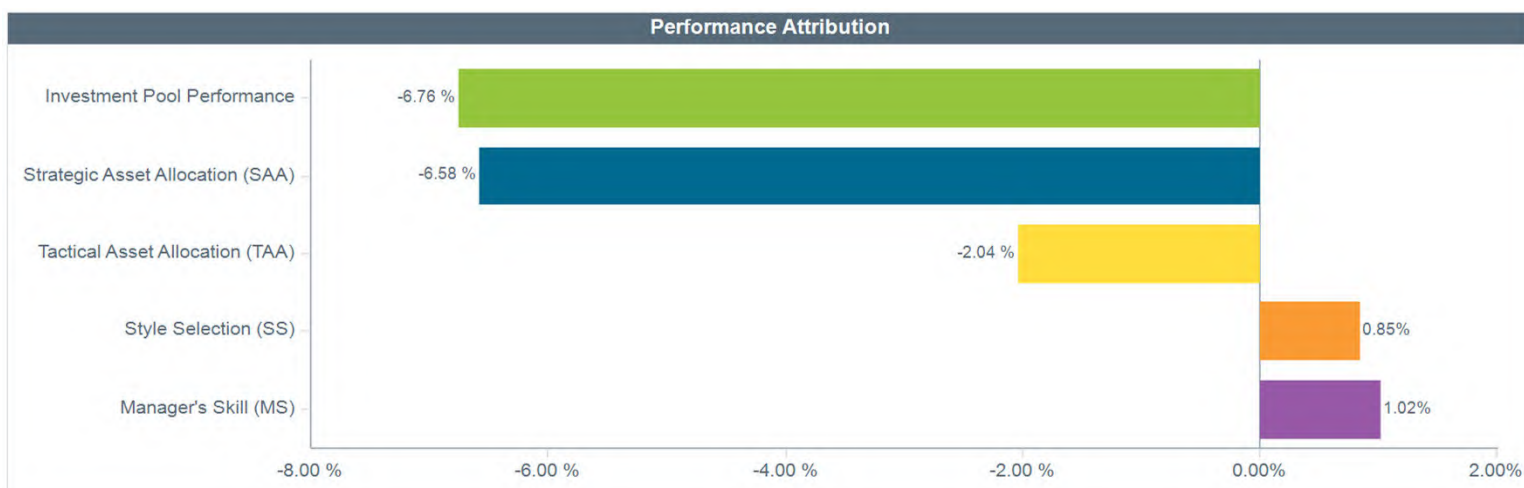
- The Land Grant's strategic asset allocation was the primary driver of positive returns over the last quarter, with exposure to non-US equity and US equity being the most significant contributors.
- Deviations from the policy index moderately detracted from performance, driven by non-US equity.
- Manager performance had a slightly negative impact on performance over the quarter, influenced by non-core fixed income.
- Asset class structures had a positive impact on performance driven by non-core fixed income.

Performance shown is gross of fees, except for Private Equity, Real Estate, and Real Return investments, which are net of fees. Calculation is based on monthly periodicity.



# LGPF Performance Attribution As of December 31, 2022

LGPF underperformed its Policy Index over the trailing year

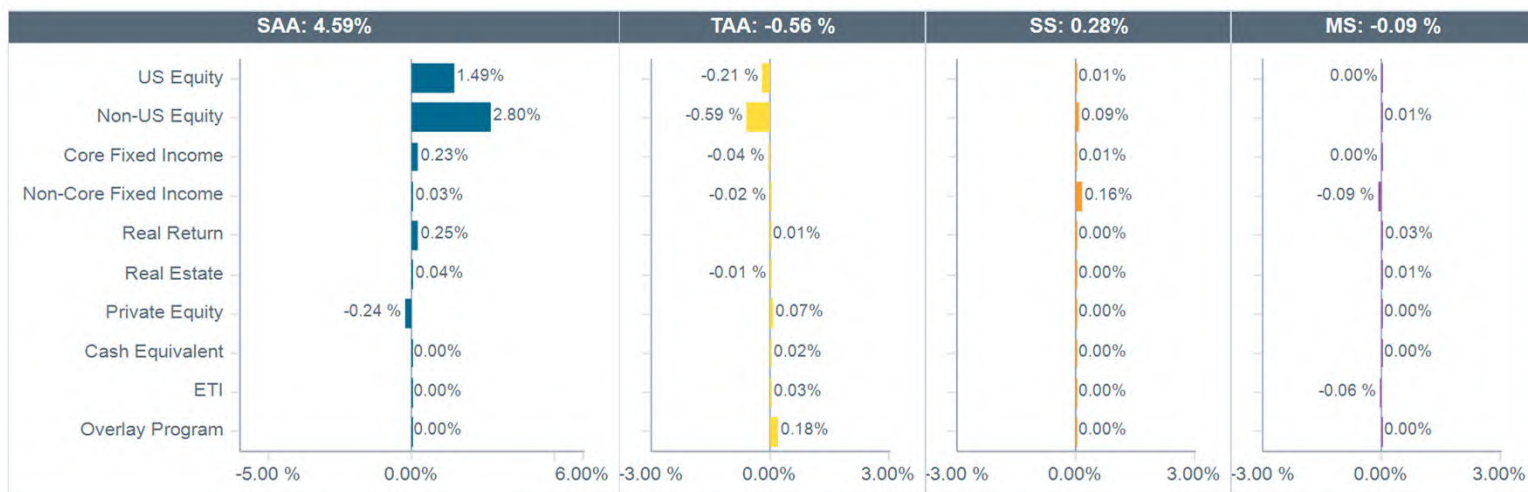
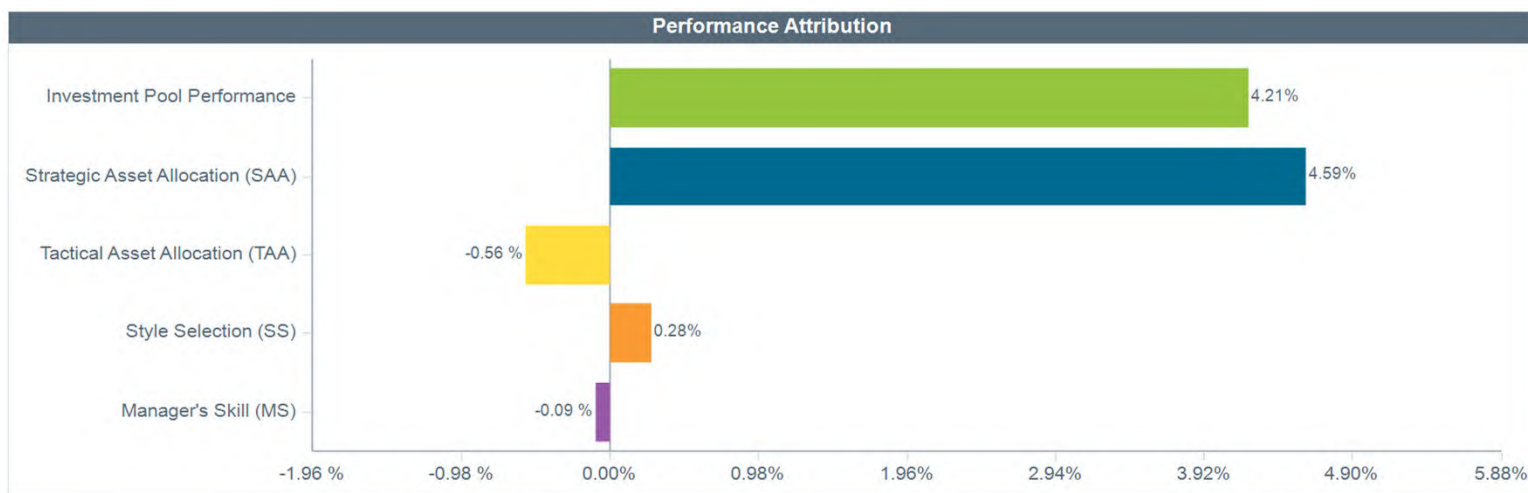


- The Land Grant's strategic asset allocation was the primary driver of negative returns over the last year, with exposure to US equity and non-US equity being the most significant detractors.
- Deviations from the policy index had a negative impact on returns, influenced by the overlay program, US equity, and real estate.
- Manager performance had the most positive impact on the Fund's relative returns over the past year, primarily driven by real return and non-core fixed income.
- Asset class structures relative to their respective primary benchmarks, had a positive effect on performance, notably influenced by fixed income.

Performance shown is gross of fees, except for Private Equity, Real Estate, and Real Return investments, which are net of fees. Calculation is based on monthly periodicity.

# STPF Performance Attribution As of December 31, 2022

STPF underperformed its Policy Index over the quarter



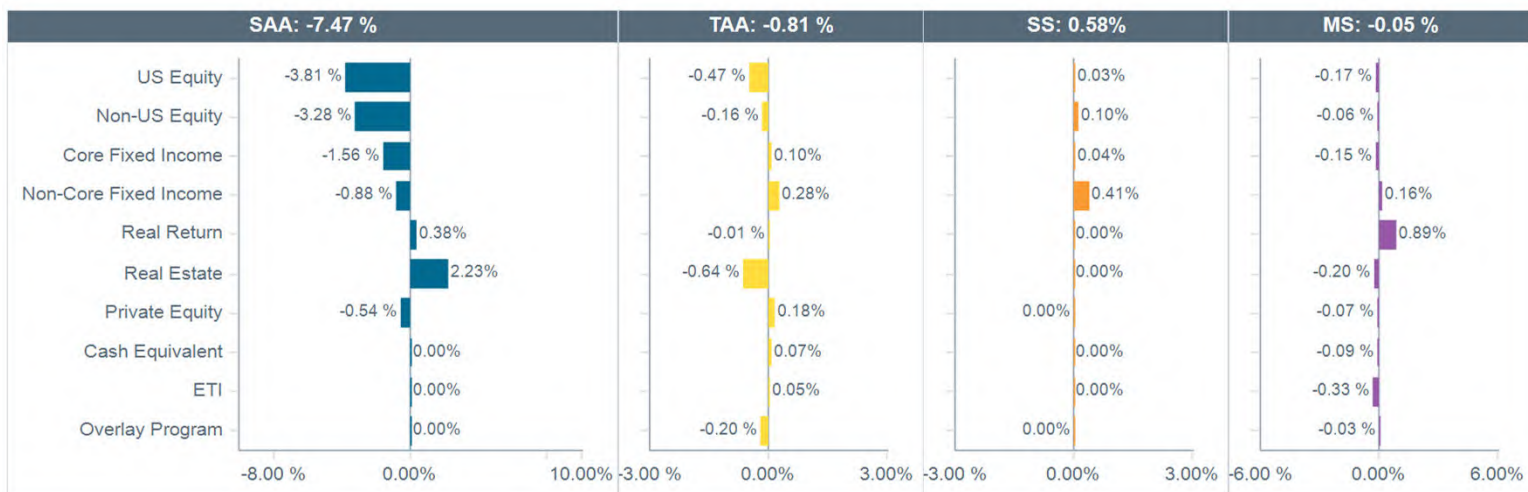
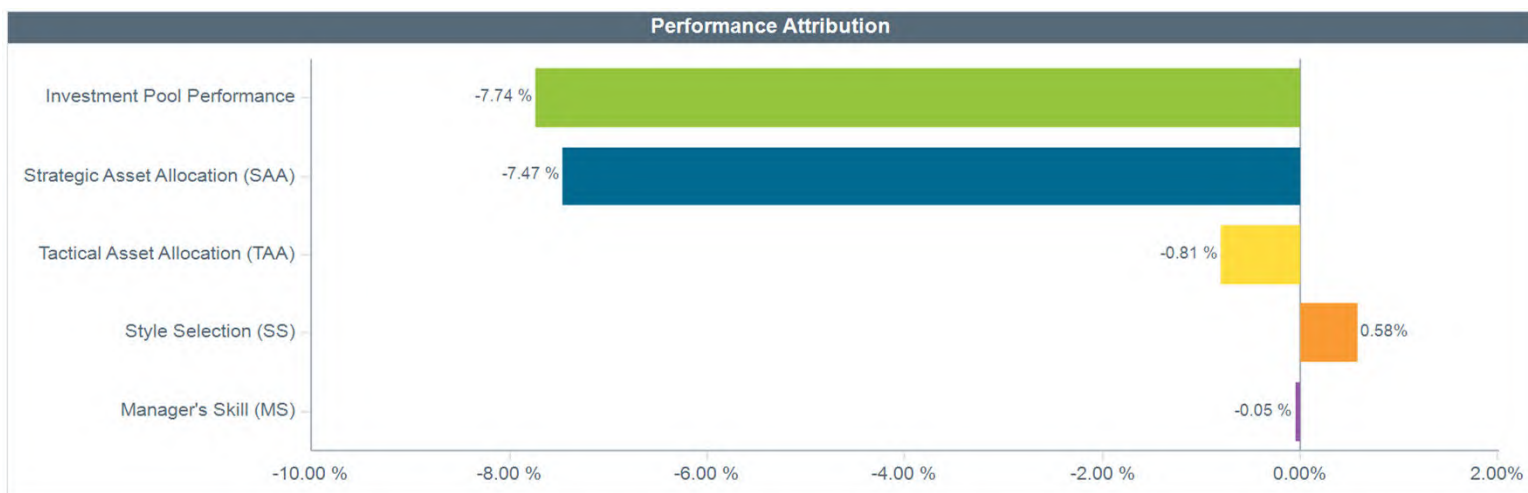
- The Severance Tax's strategic asset allocation was the primary driver of positive returns over the last quarter, with exposure to non-US equity and US equity being the most significant contributors.
- Deviations from the policy index detracted from performance over the last quarter, driven by non-US equity and US equity.
- Manager performance had a neutral impact on performance for the quarter.
- Asset class structures relative to their respective primary benchmarks, had a relatively positive effect on performance, notably influenced by non-core fixed income and non-US equity.

Performance shown is gross of fees, except for Private Equity, Real Estate, and Real Return investments, which are net of fees. Calculation is based on monthly periodicity.



# STPF Performance Attribution As of December 31, 2022

STPF underperformed its Policy Index over the trailing year



- The strategic asset allocation was the primary driver of negative returns over the last year, with exposure to US equity, non-US equity, and core fixed income being the most significant detractors.
- Deviations from the policy index had a negative impact on returns, influenced by real estate, US equity, and the overlay program.
- Manager performance had a neutral impact on performance over the quarter.
- Asset class structures relative to their respective primary benchmarks, had a positive effect on performance, notably influenced by non-core fixed and non-US equity.

Performance shown is gross of fees, except for Private Equity, Real Estate, and Real Return investments, which are net of fees. Calculation is based on monthly periodicity.

# Schedule of Investable Assets - Calendar Year to Date

NMSIC Total Fund					
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	36,444,121,591	4,350,740,822	-2,460,421,183	38,334,441,230	-6.61
Land Grant Total Fund					
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	25,627,548,783	1,670,126,387	-1,746,725,932	25,550,949,237	-6.76
Severance Tax Total Fund					
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	6,486,192,256	770,660,932	-510,854,666	6,745,998,522	-7.74
Tax Stabilization Reserve Total Fund					
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	1,856,479,480	-1,571,850	-9,735,012	1,845,172,618	-0.52
Tobacco Settlement Total Fund					
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	298,136,268	-219,210	8,181,872	306,098,931	2.81

Performance and cash flows shown are gross of fees. Composite gross performance is a mix of gross and net performance due to the valuation and reporting nature of underlying alternative investments. Cash flows shown are as reported by JP Morgan. External clients total fund represents the combined market values, cash flows, and performance of all third-party investors.



# Schedule of Investable Assets - Calendar Year to Date

Water Trust Total Fund					
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	43,935,159	-4,030,477	1,354,093	41,258,775	3.25
Rural Libraries Total Fund					
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	3,301,330	9,913,218	180,999	13,395,547	0.79
Early Childhood Education and Care Total Fund					
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	314,055,534	1,816,387,556	-8,577,191	2,121,865,899	-1.90
External Clients Total Fund					
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	1,814,472,662	89,443,788	-194,214,793	1,709,701,657	-10.62

Performance and cash flows shown are gross of fees. Composite gross performance is a mix of gross and net performance due to the valuation and reporting nature of underlying alternative investments. Cash flows shown are as reported by JP Morgan. External clients total fund represents the combined market values, cash flows, and performance of all third-party investors.

# Permanent Fund Performance As of December 31, 2022

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	FY 2022	FY 2021	FY 2020	FY 2019
Tax Stabilization Reserve Total Fund - Net	1.32	0.65	-0.61	-0.61	3.32	N/A	N/A	N/A	2.10	4.72	4.78	N/A
Tax Stabilization Reserve Total Fund - Gross	1.34	0.67	-0.52	-0.52	3.43	N/A	N/A	N/A	2.19	4.84	4.94	N/A
Tobacco Settlement Total Fund - Net	3.30	3.13	2.73	2.73	6.22	6.25	7.56	8.02	5.92	15.85	-1.80	7.87
Tobacco Settlement Total Fund - Gross	3.32	3.15	2.81	2.81	6.29	6.32	7.63	8.08	6.00	15.93	-1.74	7.96
Water Trust Total Fund - Net	2.67	1.83	3.18	3.18	9.99	8.72	9.45	9.23	11.53	23.37	-0.96	7.17
Water Trust Total Fund - Gross	2.69	1.85	3.25	3.25	10.06	8.80	9.52	9.28	11.61	23.45	-0.90	7.25
Rural Libraries Total Fund - Net	1.06	1.28	0.74	0.74	3.97	N/A	N/A	N/A	3.66	6.35	1.72	N/A
Rural Libraries Total Fund - Gross	1.07	1.29	0.79	0.79	4.04	N/A	N/A	N/A	3.72	6.45	1.79	N/A
Early Childhood Total Fund - Net	2.61	1.84	-1.99	-1.99	N/A	N/A	N/A	N/A	2.91	N/A	N/A	N/A
Early Childhood Total Fund - Gross	2.63	1.86	-1.90	-1.90	N/A	N/A	N/A	N/A	3.00	N/A	N/A	N/A



# SIC Permanent Fund Performance vs. Peers

NMSIC has unique objectives and its assets are allocated to best meet those goals. While performance relative to peer funds is not a specific objective for NMSIC, it is prudent to remain aware of the performance they deliver.

# Land Grant Total Fund vs. Peers As of December 31, 2022

**Fund Objective:** The objectives of the Land Grant Permanent Fund are as follows:

1. Provide the annual distribution to beneficiaries as defined in State statute;
2. Protect the purchasing power of the corpus of the fund such that future distributions from the fund stay stable or increase in economic value; and
3. Provide some growth in real value, to keep up with population growth and other growth factors of the beneficiaries.

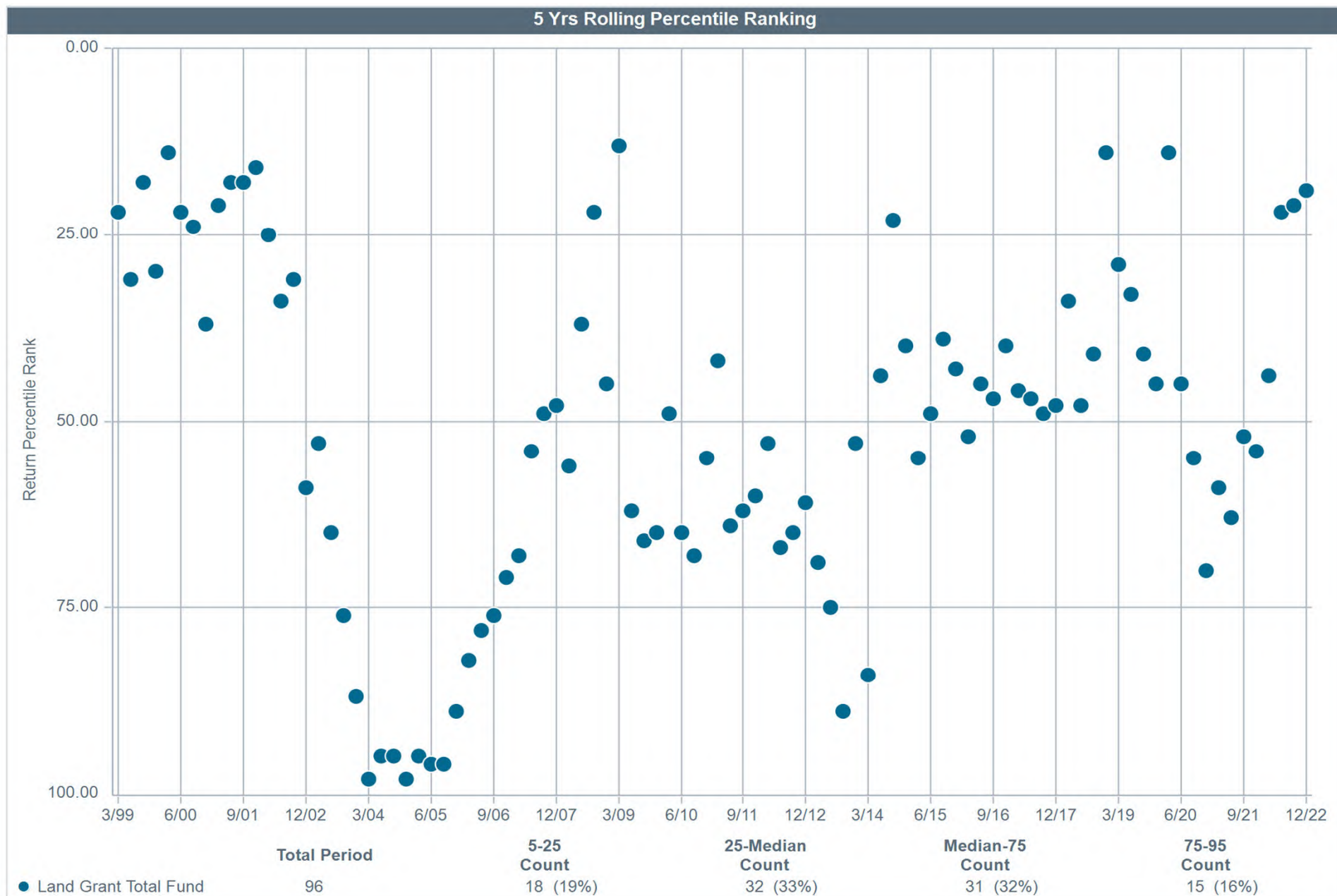
	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Land Grant Total Fund	4.60	1.32	-6.87	-6.87	5.90	5.98	7.44	7.43	-2.22	25.73	0.24	5.72	8.36
Land Grant Policy Index	4.78	1.19	-6.58	-6.58	6.18	6.24	7.46	7.57	-1.72	25.31	1.00	5.96	8.30
<b>All Public Plans (&gt;\$1B) (Custom PG) Median</b>	5.15	0.84	-11.44	-11.44	4.25	4.91	6.75	6.83	-7.28	26.92	1.28	5.72	8.25
Land Grant Total Fund Rank	72	22	7	7	17	19	25	34	13	67	77	50	44
Land Grant Policy Index Rank	68	31	5	5	10	15	25	21	10	73	60	42	49
Population	71	71	67	67	62	61	61	58	104	152	144	116	92
<b>All Public Plans (&gt;\$10B) (Custom PG) Median</b>	4.73	0.46	-9.75	-9.75	5.71	5.95	7.43	7.50	-3.69	27.74	1.64	5.99	9.00
Land Grant Total Fund Rank	53	18	15	15	42	46	46	61	27	74	81	67	76
Land Grant Policy Index Rank	49	24	9	9	24	37	44	37	20	82	57	56	79
Population	18	18	15	15	13	12	12	11	27	42	37	28	26
<b>All Public Plans - Total Fund Median</b>	5.70	1.02	-13.85	-13.85	3.56	4.91	6.62	6.84	-11.39	26.65	3.69	6.42	8.22
Land Grant Total Fund Rank	82	35	3	3	6	12	15	25	3	64	92	73	46
Land Grant Policy Index Rank	79	42	3	3	4	8	15	19	2	68	86	67	48
Population	631	628	615	615	593	570	544	463	941	1057	1062	919	762

Plan Sponsor Peer Group	Median	Average
All Public Plans (>\$1B) (Custom PG)	\$4.5B	\$16.4B
All Public Plans (>\$10B) (Custom PG)	\$23.1B	\$37.3B
All Public Plans - Total Fund	\$90.0M	\$3.1B

Performance shown is net of fees. Performance is annualized for periods greater than one year. Long-term allocation data is backfilled using data as of August 2011. Fund Objective Source: Annual Investment Plan.



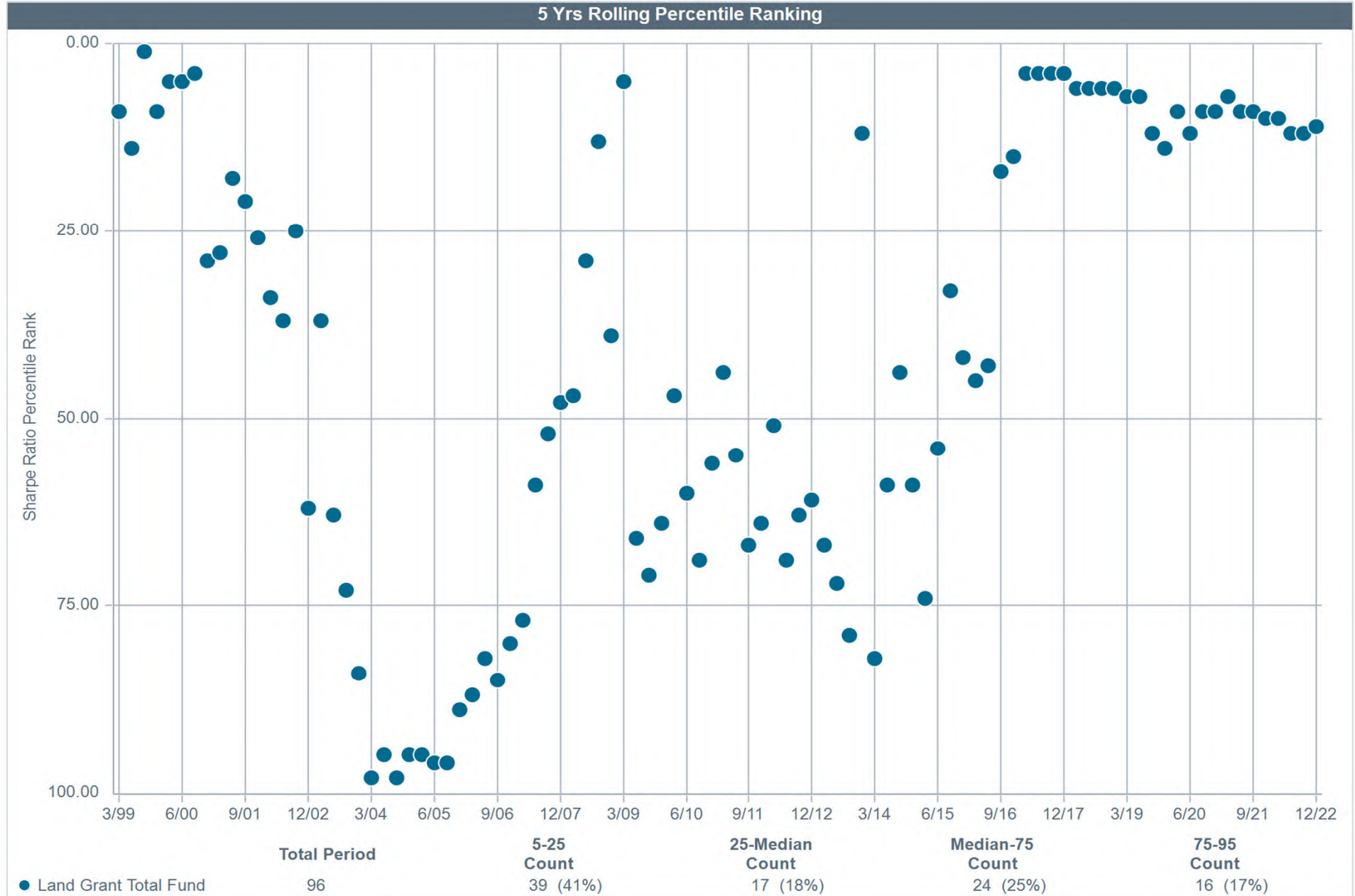
# Land Grant Rolling Return 5-Year Peer Rank vs. All Public Plans >\$1B



Performance shown is net of fees. Performance is annualized for periods greater than one year.



# Land Grant Rolling Sharpe Ratio 5-Year Peer Rank vs. All Public Plans >\$1B



Performance shown is net of fees. Performance is annualized for periods greater than one year. Sharpe ratio calculation assumes a risk free benchmark of ICE BofAML 3 Mo T-Bill Index.

# Severance Tax Total Fund vs. Peers As of December 31, 2022

**Fund Objective:** The objectives of the Severance Tax Permanent Fund are as follows:

1. Provide the annual distribution to beneficiaries as defined in State statute;
2. Protect the purchasing power of the corpus of the fund such that future distributions from the fund stay stable or increase in economic value; and
3. Provide some growth in real value, to keep up with population growth and other growth factors of the beneficiaries.

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
<b>Severance Tax Total Fund</b>	<b>4.19</b>	<b>0.74</b>	<b>-7.84</b>	<b>-7.84</b>	<b>4.15</b>	<b>4.70</b>	<b>6.36</b>	<b>6.64</b>	<b>-4.39</b>	<b>22.35</b>	<b>-0.60</b>	<b>5.37</b>	<b>8.43</b>
<b>Severance Tax Policy Index</b>	<b>4.59</b>	<b>0.57</b>	<b>-7.47</b>	<b>-7.47</b>	<b>4.86</b>	<b>5.48</b>	<b>6.94</b>	<b>7.20</b>	<b>-3.73</b>	<b>23.92</b>	<b>1.06</b>	<b>6.01</b>	<b>8.45</b>
<b>All Public Plans (&gt;\$1B) (Custom PG) Median</b>	<b>5.15</b>	<b>0.84</b>	<b>-11.44</b>	<b>-11.44</b>	<b>4.25</b>	<b>4.91</b>	<b>6.75</b>	<b>6.83</b>	<b>-7.28</b>	<b>26.92</b>	<b>1.28</b>	<b>5.72</b>	<b>8.25</b>
Severance Tax Total Fund Rank	82	62	16	16	58	59	69	60	30	92	86	59	43
Severance Tax Policy Index Rank	73	65	12	12	30	38	46	38	22	86	59	38	42
Population	71	71	67	67	62	61	61	58	104	152	144	116	92
<b>All Public Plans (&gt;\$10B) (Custom PG) Median</b>	<b>4.73</b>	<b>0.46</b>	<b>-9.75</b>	<b>-9.75</b>	<b>5.71</b>	<b>5.95</b>	<b>7.43</b>	<b>7.50</b>	<b>-3.69</b>	<b>27.74</b>	<b>1.64</b>	<b>5.99</b>	<b>9.00</b>
Severance Tax Total Fund Rank	71	43	25	25	90	90	99	90	60	94	88	70	73
Severance Tax Policy Index Rank	54	47	24	24	81	79	87	75	54	93	56	48	71
Population	18	18	15	15	13	12	12	11	27	42	37	28	26
<b>All Public Plans - Total Fund Median</b>	<b>5.70</b>	<b>1.02</b>	<b>-13.85</b>	<b>-13.85</b>	<b>3.56</b>	<b>4.91</b>	<b>6.62</b>	<b>6.84</b>	<b>-11.39</b>	<b>26.65</b>	<b>3.69</b>	<b>6.42</b>	<b>8.22</b>
Severance Tax Total Fund Rank	90	66	6	6	32	59	65	63	7	87	96	79	43
Severance Tax Policy Index Rank	82	72	5	5	16	27	37	33	5	80	86	66	43
Population	631	628	615	615	593	570	544	463	941	1057	1062	919	762
<b>Plan Sponsor Peer Group</b>	<b>Median</b>	<b>Average</b>											
All Public Plans (>\$1B) (Custom PG)	\$4.5B	\$16.4B											
All Public Plans (>\$10B) (Custom PG)	\$23.1B	\$37.3B											
All Public Plans - Total Fund	\$90.0M	\$3.1B											

Performance shown is net of fees. Performance is annualized for periods greater than one year. Long-term allocation data is backfilled using data as of August 2011. Fund Objective Source: Annual Investment Plan.



# Asset Allocation vs. Peers As of December 31, 2022

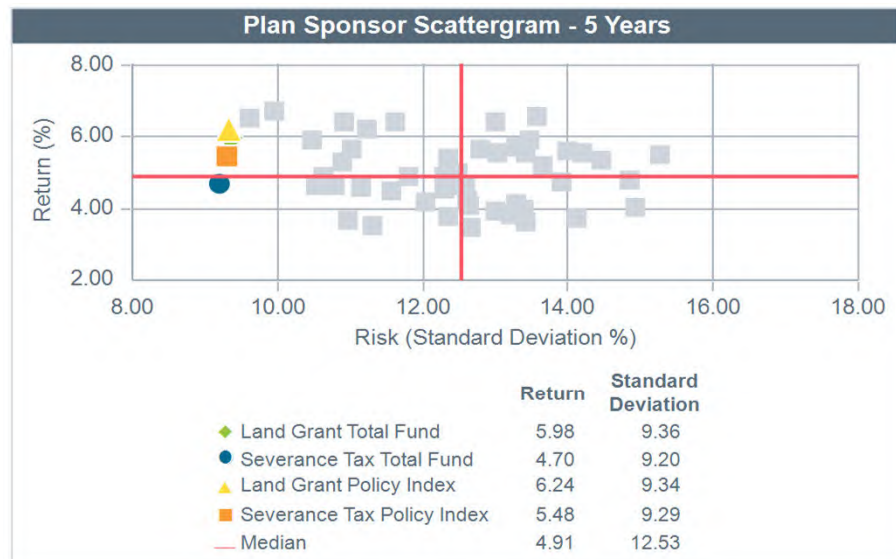


Parentheses contain percentile ranks. Alternatives include Absolute Return, Real Return, and Private Equity investments. Severance Tax Total Fund Composite allocations exclude allocation to ETI. Land Grant and Severance Tax asset allocation includes exposure to the overlay program

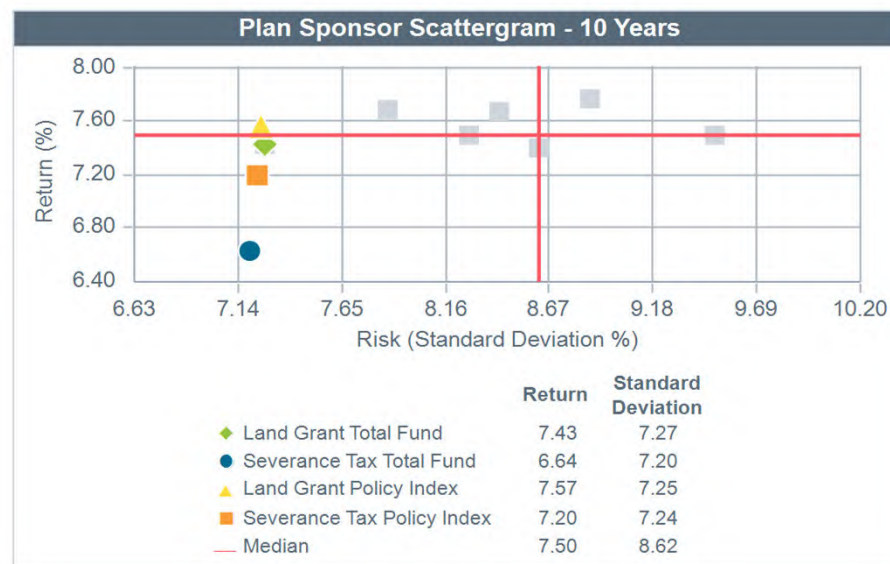
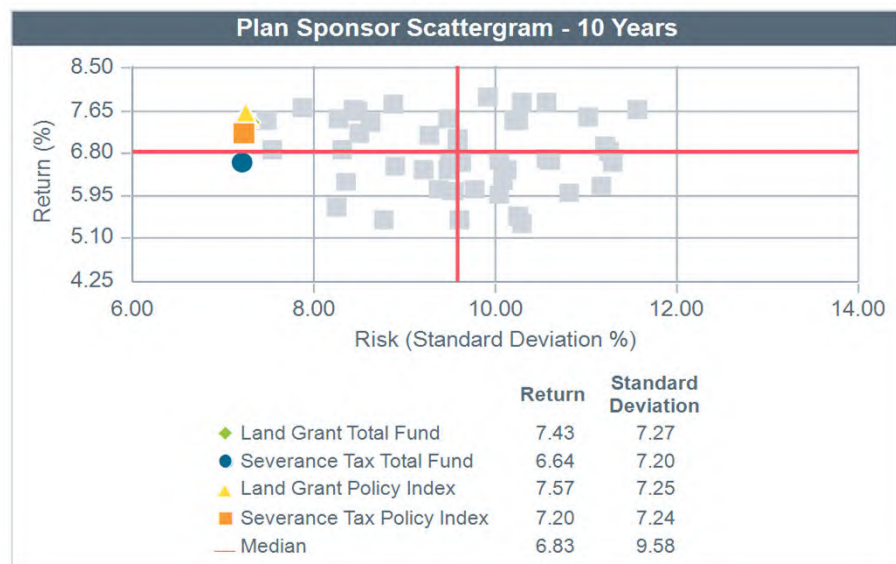
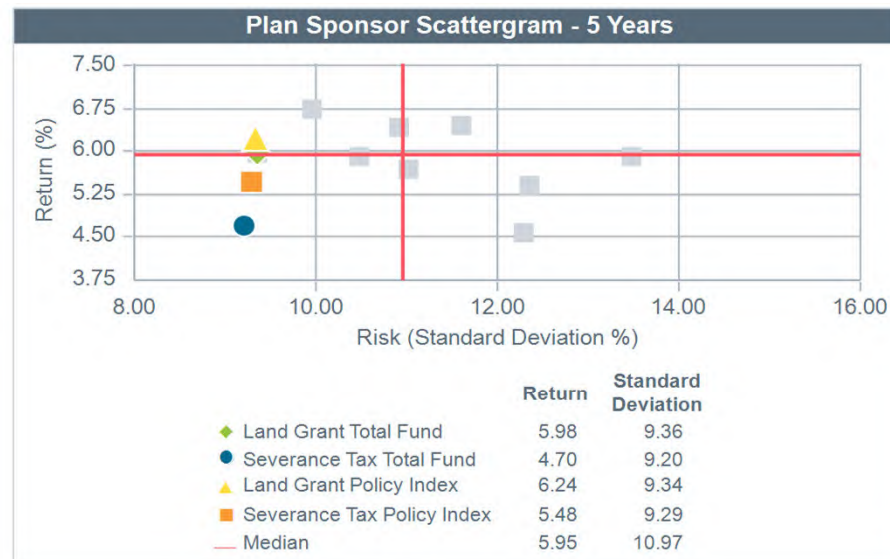


# Risk / Return vs. Peers As of December 31, 2022

All Public Plans > \$1B - Total Fund Universe



All Public Plans > \$10B - Total Fund Universe



Performance shown is net of fees. Calculation is based on quarterly periodicity.

# Asset Class Performance



# Asset Class Composite Performance

	Allocation	Performance (%)							
	Market Value (\$)	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years
<b>US Equity Composite</b>	<b>6,828,776,867</b>	<b>7.21</b>	<b>2.42</b>	<b>-19.33</b>	<b>-19.33</b>	<b>6.12</b>	<b>7.87</b>	<b>10.27</b>	<b>11.49</b>
<i>Russell 3000 Index</i>		7.18	2.40	-19.21	-19.21	7.07	8.79	11.04	12.13
Difference		0.03	0.02	-0.12	-0.12	-0.95	-0.92	-0.77	-0.64
<b>Non-US Equity Composite</b>	<b>6,089,312,454</b>	<b>14.83</b>	<b>3.94</b>	<b>-15.58</b>	<b>-15.58</b>	<b>0.55</b>	<b>1.44</b>	<b>5.54</b>	<b>3.83</b>
<i>Non-US Equity Custom Index</i>		14.15	3.09	-16.58	-16.58	0.20	0.85	4.84	3.51
Difference		0.68	0.85	1.00	1.00	0.35	0.59	0.70	0.32
<b>Core Fixed Income Composite</b>	<b>6,320,585,460</b>	<b>1.78</b>	<b>-1.46</b>	<b>-11.12</b>	<b>-11.12</b>	<b>-1.35</b>	<b>1.03</b>	<b>2.15</b>	<b>2.13</b>
<i>Bloomberg US Agg Bond Index</i>		1.87	-2.97	-13.01	-13.01	-2.71	0.02	0.89	1.06
Difference		-0.09	1.51	1.89	1.89	1.36	1.01	1.26	1.07
<b>Non-Core Fixed Income Composite</b>	<b>4,191,224,091</b>	<b>0.94</b>	<b>0.73</b>	<b>0.49</b>	<b>0.49</b>	<b>5.14</b>	<b>4.45</b>	<b>4.93</b>	<b>4.86</b>
<i>Non-Core FI Custom Index</i>		0.24	-0.92	-7.87	-7.87	-1.31	0.84	3.37	3.57
Difference		0.70	1.65	8.36	8.36	6.45	3.61	1.56	1.29
<i>ICE BofAML 3 Mo US T-Bill Index+4%</i>		1.84	3.32	5.51	5.51	4.75	5.31	5.11	4.79
Difference		-0.90	-2.59	-5.02	-5.02	0.39	-0.86	-0.18	0.07
<b>Cash Equivalent Composite</b>	<b>1,020,343,395</b>	<b>0.84</b>	<b>1.33</b>	<b>1.51</b>	<b>1.51</b>	<b>1.69</b>	<b>1.88</b>	<b>1.58</b>	<b>1.24</b>
<i>ICE BofAML 3 Mo US T-Bill Index</i>		0.84	1.31	1.46	1.46	0.72	1.26	1.07	0.76
Difference		0.00	0.02	0.05	0.05	0.97	0.62	0.51	0.48
<b>Private Equity Composite (Ex. State)*</b>	<b>3,676,419,352</b>	<b>-0.17</b>	<b>-3.35</b>	<b>2.70</b>	<b>2.70</b>	<b>19.91</b>	<b>16.59</b>	<b>15.13</b>	<b>13.45</b>
<i>Cambridge US Prvt Eq Index (Lagged 1 Qtr)</i>		0.05	-3.98	2.60	2.60	19.91	17.17	15.97	15.37
Difference		-0.22	0.63	0.10	0.10	0.00	-0.58	-0.84	-1.92
<i>MSCI All Country World Index (USD) (Net)+3%</i>		10.58	3.80	-15.91	-15.91	7.12	8.38	11.34	11.22
Difference		-10.75	-7.15	18.61	18.61	12.79	8.21	3.79	2.23
<b>Townsend-Reported Real Estate Composite*</b>	<b>3,963,758,551</b>	<b>-0.23</b>	<b>2.61</b>	<b>19.05</b>	<b>19.05</b>	<b>12.68</b>	<b>10.76</b>	<b>10.46</b>	<b>11.16</b>
<i>NCREIF ODCE Index (Net) (Lagged 1 Qtr)</i>		0.31	4.87	20.96	20.96	11.38	9.26	8.87	9.91
Difference		-0.54	-2.26	-1.91	-1.91	1.30	1.50	1.59	1.25
<b>Real Return Composite*</b>	<b>3,170,607,666</b>	<b>2.68</b>	<b>5.93</b>	<b>15.02</b>	<b>15.02</b>	<b>7.26</b>	<b>5.53</b>	<b>6.09</b>	<b>4.81</b>
<i>Real Return Custom Index</i>		2.43	0.28	4.20	4.20	7.01	5.07	4.97	2.55
Difference		0.25	5.65	10.82	10.82	0.25	0.46	1.12	2.26

Performance shown is gross of fees, except for Private Equity, Real Estate, and Real Return investments, which are shown net of fees. Performance is annualized for periods greater than one year. Fiscal year ends June 30. For other performance-related comments, please see the Addendum.

\*Indicates performance is lagged. Cash Equivalent Composite performance includes payments received from the SIC's Administrative Fund and is reflected as income.





# Asset Class: US Equity



# NMSIC US Equity Structure Update

## Recent Manager Hires:

- There were no new managers funded during the quarter.

## Recent Manager Terminations:

- There were no managers terminated during the quarter.

## Target Changes:

- Policy Targets as of 1/1/2021
  - 20% LGPF and STPF

## Manager Events:

- There were no significant manager events during the quarter.

# NMSIC US Equity As of December 31, 2022

## Performance Objectives - Asset Class Composites

US Equity	Performance Objectives	Meets Objective	Performance	5 Years
	Exceed the return of the Russell 3000 Index on a gross-of-fees basis over a trailing five-year period.	No	US Equity Composite	7.87
			Russell 3000 Index	8.79
			Difference	-0.92

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years
<b>NMSIC US Equity Composite - Gross</b>	<b>7.21</b>	<b>2.42</b>	<b>-19.33</b>	<b>-19.33</b>	<b>6.12</b>	<b>7.87</b>	<b>10.27</b>	<b>11.49</b>
<i>Russell 3000 Index</i>	<i>7.18</i>	<i>2.40</i>	<i>-19.21</i>	<i>-19.21</i>	<i>7.07</i>	<i>8.79</i>	<i>11.04</i>	<i>12.13</i>
<b>NMSIC US Equity Composite - Net</b>	<b>7.19</b>	<b>2.40</b>	<b>-19.40</b>	<b>-19.40</b>	<b>6.02</b>	<b>7.73</b>	<b>10.11</b>	<b>11.30</b>
<i>Russell 3000 Index</i>	<i>7.18</i>	<i>2.40</i>	<i>-19.21</i>	<i>-19.21</i>	<i>7.07</i>	<i>8.79</i>	<i>11.04</i>	<i>12.13</i>
<b>US Large Cap Equity Composite</b>	<b>7.11</b>	<b>2.20</b>	<b>-19.41</b>	<b>-19.41</b>	<b>6.31</b>	<b>8.18</b>	<b>10.46</b>	<b>11.73</b>
<i>Russell 1000 Index</i>	<i>7.24</i>	<i>2.30</i>	<i>-19.13</i>	<i>-19.13</i>	<i>7.35</i>	<i>9.13</i>	<i>11.26</i>	<i>12.37</i>
<b>US Small/Mid Cap Equity Composite</b>	<b>8.27</b>	<b>4.82</b>	<b>-18.59</b>	<b>-18.59</b>	<b>3.60</b>	<b>4.42</b>	<b>8.00</b>	<b>8.80</b>
<i>US Small/Mid Cap Equity Custom Index</i>	<i>6.23</i>	<i>3.91</i>	<i>-20.44</i>	<i>-20.44</i>	<i>3.10</i>	<i>4.40</i>	<i>7.97</i>	<i>9.30</i>

## Performance Commentary:

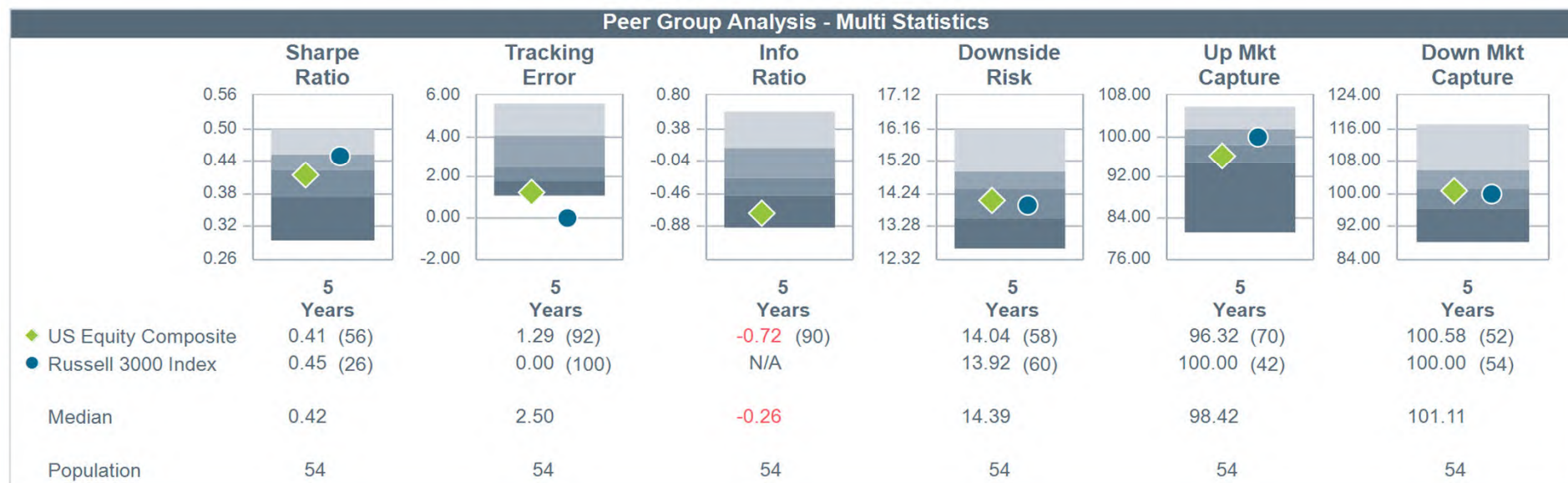
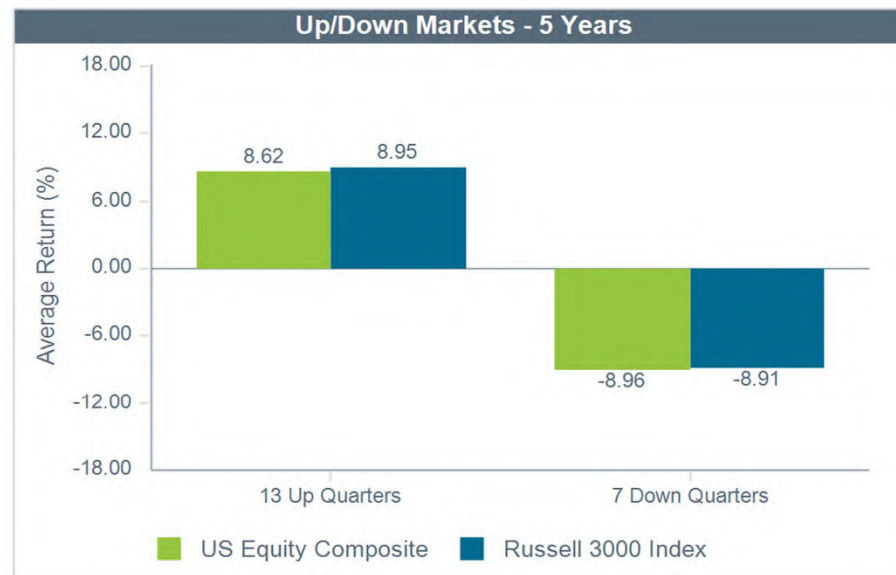
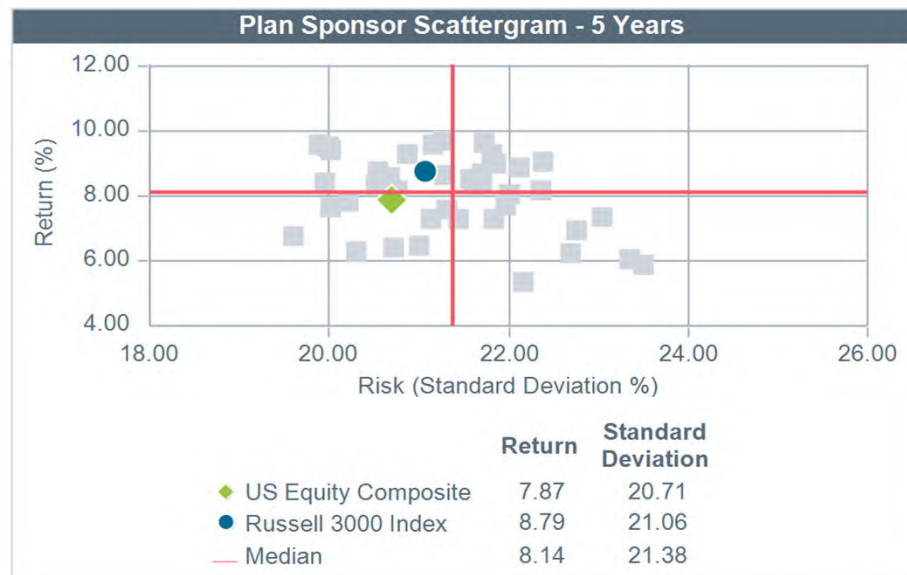
- The US equity composite outperformed the Russell 3000 Index during the quarter (7.21% vs. 7.18%). Relative performance from active managers within the US equity composite was mixed. BlackRock Alpha Tilts led managers within the composite, outperforming the Russell 2000 Growth Index by 171 bps.
- The US small/mid cap composite outperformed its custom index by 204 basis points for the quarter.
- The US large cap equity trailed the Russell 1000 index over the quarter by 13 bps over the quarter.
- Overweight allocations to health care combined with underweight allocations to real estate were the biggest contributors to relative performance during the quarter.

Performance shown is gross of fees, except where noted otherwise. Performance is annualized for periods greater than one year.



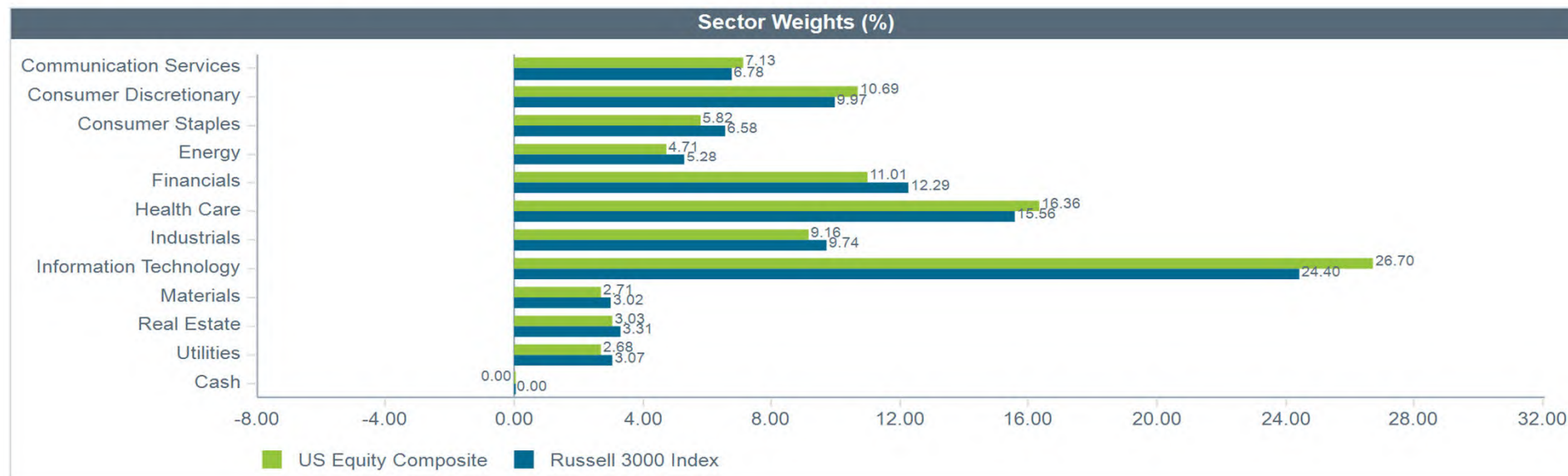
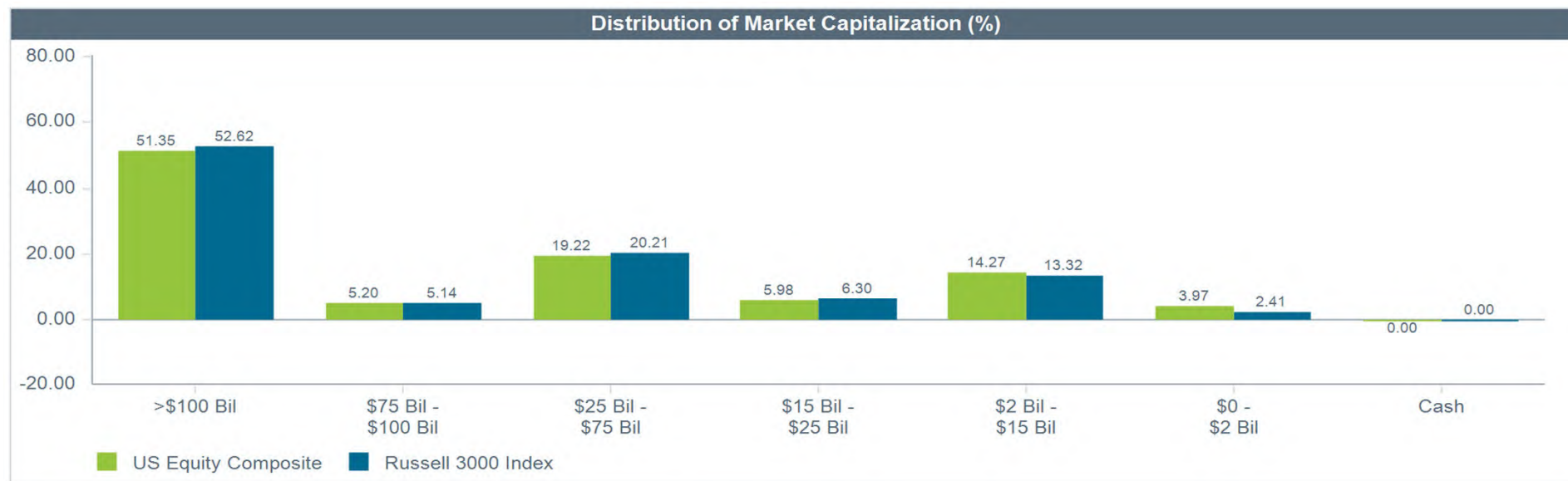
# NMSIC US Equity As of December 31, 2022 - Continued

## All Public Plans – US Equity Segment



Performance shown is gross of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.

# NMSIC US Equity As of December 31, 2022 - Continued



# Asset Class: Non-US Equity





# NMSIC Non-US Equity Structure Update

## Recent Manager Hires:

- There were no new managers funded during the quarter.

## Recent Manager Terminations:

- There were no managers terminated during the quarter.

## Target Changes:

- Policy Targets as of 1/1/2021
  - 20% LGPF and STPF

## Manager Events:

- There were no significant manager events during the quarter.

# NMSIC Non-US Equity As of December 31, 2022

## Performance Objectives - Asset Class Composites

Non-US Equity	Performance Objectives	Meets Objective	Performance	5 Years
	Exceed the return of the Non-US Equity Custom Index on a gross-of-fees basis over a trailing five-year period.	Yes	Non-US Equity Composite	1.44
			Non-US Equity Custom Index	0.85
			Difference	0.59

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years
<b>NMSIC Non-US Equity Composite - Gross</b>	<b>14.83</b>	<b>3.94</b>	<b>-15.58</b>	<b>-15.58</b>	<b>0.55</b>	<b>1.44</b>	<b>5.54</b>	<b>3.83</b>
<i>Non-US Equity Custom Index</i>	<i>14.15</i>	<i>3.09</i>	<i>-16.58</i>	<i>-16.58</i>	<i>0.20</i>	<i>0.85</i>	<i>4.84</i>	<i>3.51</i>
<b>NMSIC Non-US Equity Composite - Net</b>	<b>14.75</b>	<b>3.87</b>	<b>-15.86</b>	<b>-15.86</b>	<b>0.23</b>	<b>1.10</b>	<b>5.18</b>	<b>3.47</b>
<i>Non-US Equity Custom Index</i>	<i>14.15</i>	<i>3.09</i>	<i>-16.58</i>	<i>-16.58</i>	<i>0.20</i>	<i>0.85</i>	<i>4.84</i>	<i>3.51</i>
<b>Non-US Developed Markets Composite</b>	<b>16.15</b>	<b>5.46</b>	<b>-14.05</b>	<b>-14.05</b>	<b>1.39</b>	<b>2.13</b>	<b>5.65</b>	<b>5.57</b>
<i>Non-US Developed Markets Custom Index</i>	<i>17.11</i>	<i>6.07</i>	<i>-15.53</i>	<i>-15.53</i>	<i>0.59</i>	<i>1.30</i>	<i>4.50</i>	<i>4.68</i>
<b>Non-US Emerging Markets Composite</b>	<b>8.96</b>	<b>-2.74</b>	<b>-22.26</b>	<b>-22.26</b>	<b>-3.13</b>	<b>-1.35</b>	<b>5.40</b>	<b>1.21</b>
<i>MSCI Emg Mkts Index (USD) (Net)</i>	<i>9.70</i>	<i>-2.99</i>	<i>-20.09</i>	<i>-20.09</i>	<i>-2.69</i>	<i>-1.40</i>	<i>5.17</i>	<i>1.44</i>

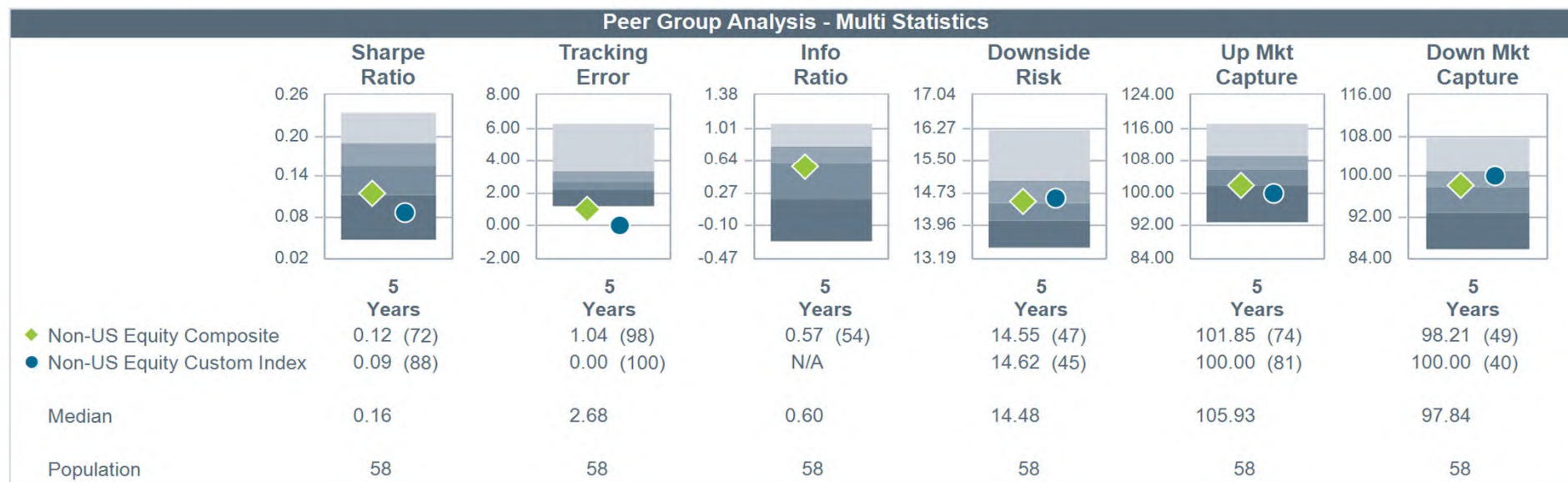
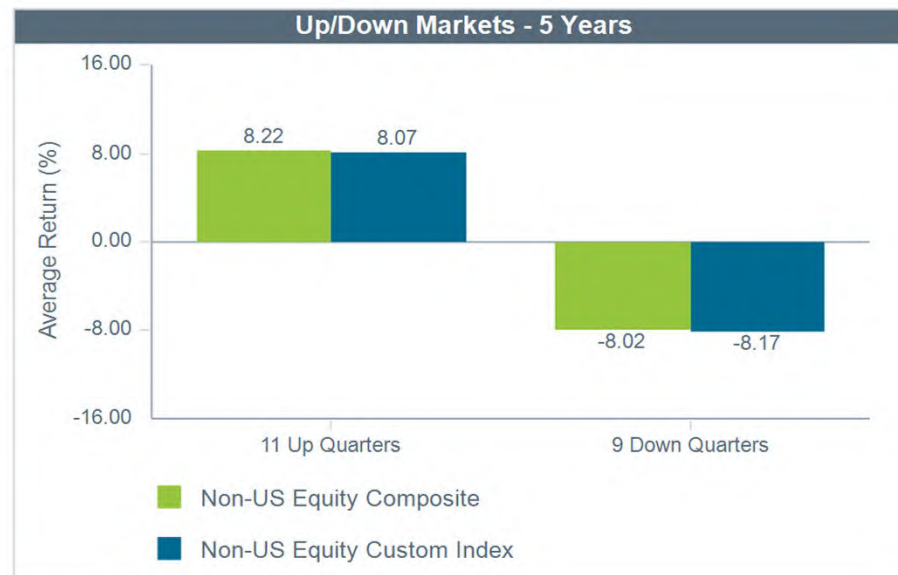
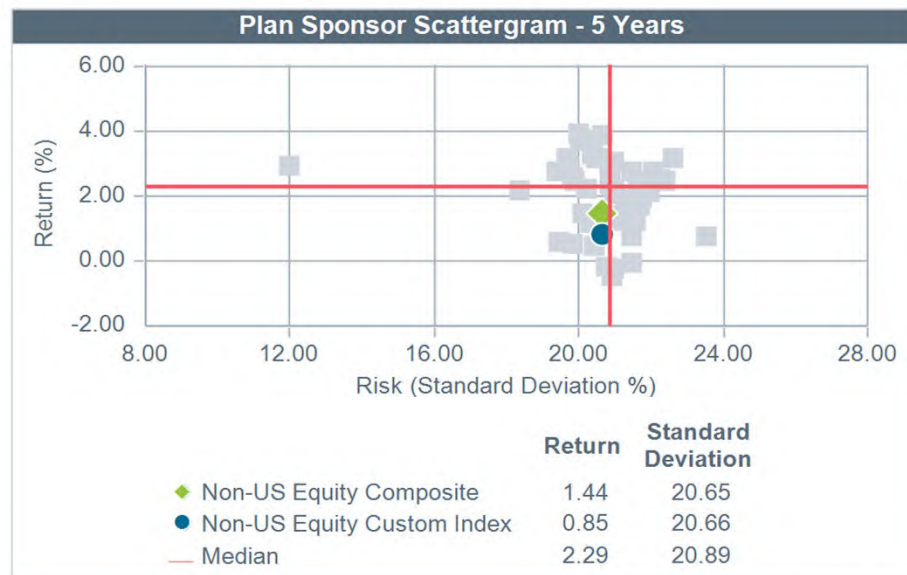
## Performance Commentary:

- The non-US equity composite outperformed its custom index (14.83% vs. 14.15%). During the quarter, the developed markets composite underperformed its custom index by 96 basis points. Relative performance from active managers within the developed markets composite was mixed, LSV Int'l Large Cap Value generated the highest returns, outperforming the MSCI ACW Ex US Value Index by 413 basis points.
- The emerging markets composite underperformed the MSCI Emerging Markets Index by 74 basis points, during the quarter. Of the active managers, BlackRock Emg Mkts Opp Fund outperformed the MSCI Emg Mkts Index by 72 basis points.
- Overweight allocations to Europe ex UK and United Kingdom combined with underweight allocations to EM Asia, EM Mid East + Africa, Frontier Markets, Middle East, and North America were the biggest contributors during the quarter.

Performance shown is gross of fees, except where noted otherwise. Performance is annualized for periods greater than one year.

# NMSIC Non-US Equity As of December 31, 2022 - Continued

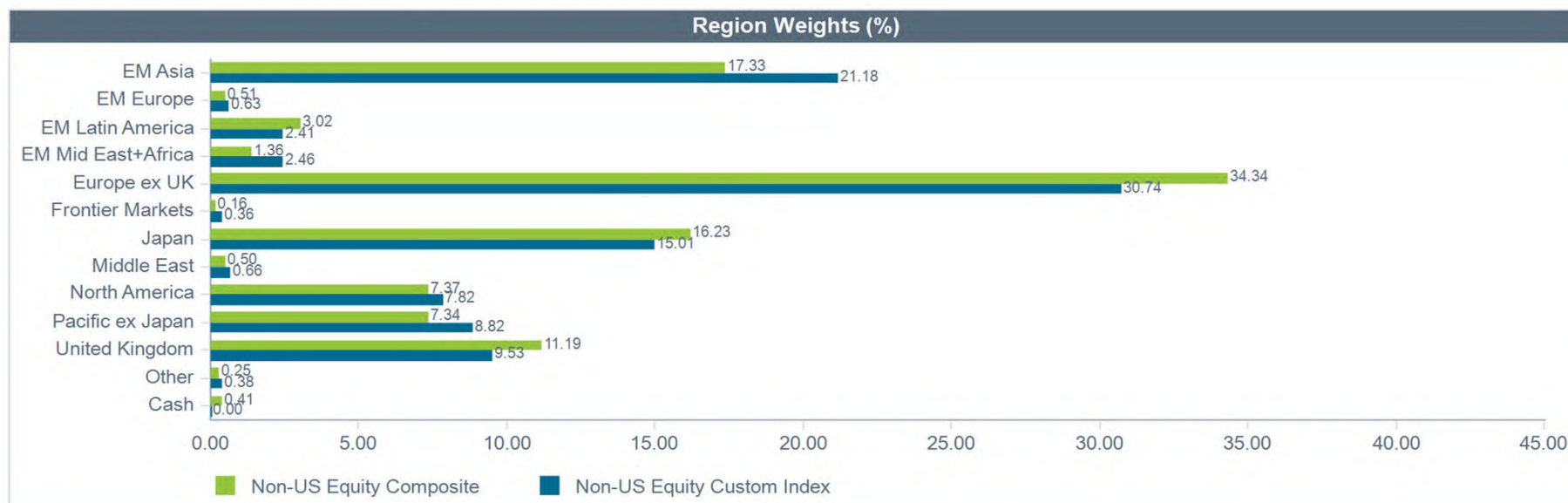
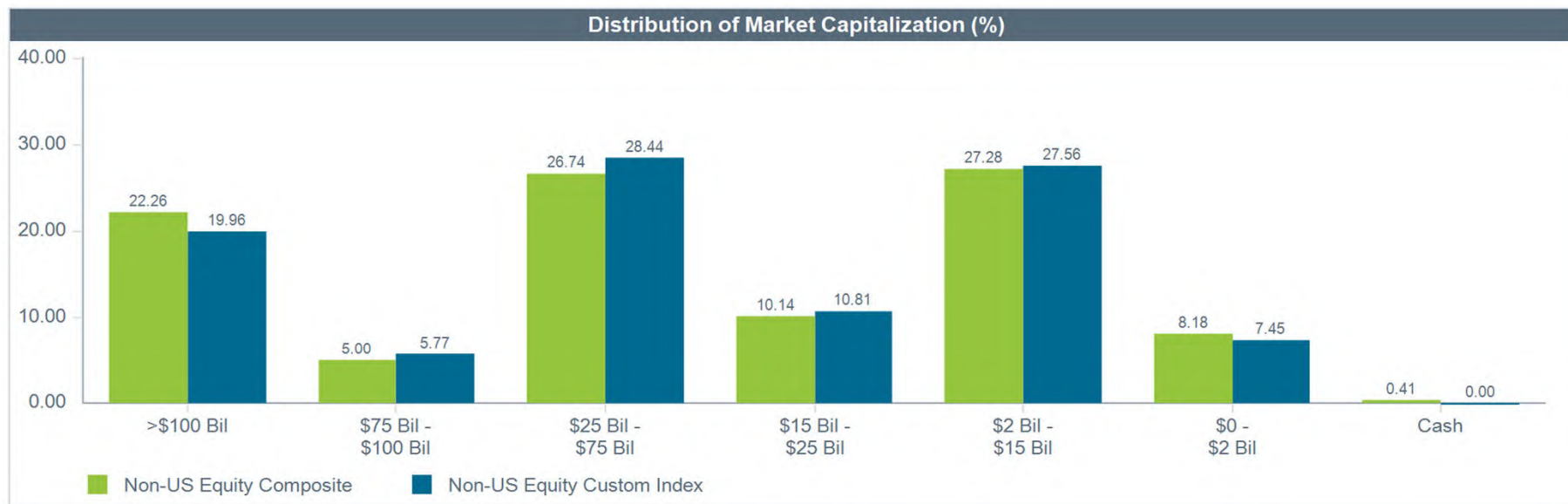
## All Public Plans – Non-US Equity Segment



Performance shown is gross of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.



# NMSIC Non-US Equity As of December 31, 2022 - Continued



# Asset Class: Fixed Income



# NMSIC Fixed Income Structure Update

## Recent Manager Hires:

- There were no new managers funded during the quarter.

## Recent Manager Terminations:

- There were no managers terminated during the quarter.

## Target Changes:

- Policy Targets as of 1/1/2021
  - 10% Core FI / 15% Non-Core FI - LGPF
  - 12% Core FI / 12% Non-Core FI - STPF

## Manager Events:

- There were no significant manager events during the quarter.



# NMSIC Fixed Income As of December 31, 2022

## Performance Objectives - Asset Class Composites

Core Fixed Income	Performance Objectives	Meets Objective	Performance	5 Years
	Exceed the return of the Bloomberg US Agg Bond Index on a gross-of-fees basis over a trailing five-year period.	Yes	<b>Core Fixed Income Composite</b>	<b>1.03</b>
			Bloomberg US Agg Bond Index	0.02
			Difference	1.01

Non-Core Fixed Income	Performance Objective	Meets Objective	Performance	5 Years
	Exceed the return of the Non-Core FI Custom Index on a gross-of-fees basis over a trailing five-year period.	Yes	<b>Non-Core Fixed Income Composite</b>	<b>4.45</b>
			Non-Core FI Custom Index	0.84
			Difference	3.61

Explanation	
Over the trailing five-year period, the Non-Core Fixed Income Composite returned 4.45% vs. 0.84% for the Non-Core FI Custom Index.	

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years
<b>Core Fixed Income Composite</b>	<b>1.78</b>	<b>-1.46</b>	<b>-11.12</b>	<b>-11.12</b>	<b>-1.35</b>	<b>1.03</b>	<b>2.15</b>	<b>2.13</b>
<i>Bloomberg US Agg Bond Index</i>	1.87	-2.97	-13.01	-13.01	-2.71	0.02	0.89	1.06
<b>Non-Core Fixed Income Composite</b>	<b>0.94</b>	<b>0.73</b>	<b>0.49</b>	<b>0.49</b>	<b>5.14</b>	<b>4.45</b>	<b>4.93</b>	<b>4.86</b>
<i>Non-Core FI Custom Index</i>	0.24	-0.92	-7.87	-7.87	-1.31	0.84	3.37	3.57
<i>ICE BofAML 3 Mo US T-Bill Index+4%</i>	1.84	3.32	5.51	5.51	4.75	5.31	5.11	4.79

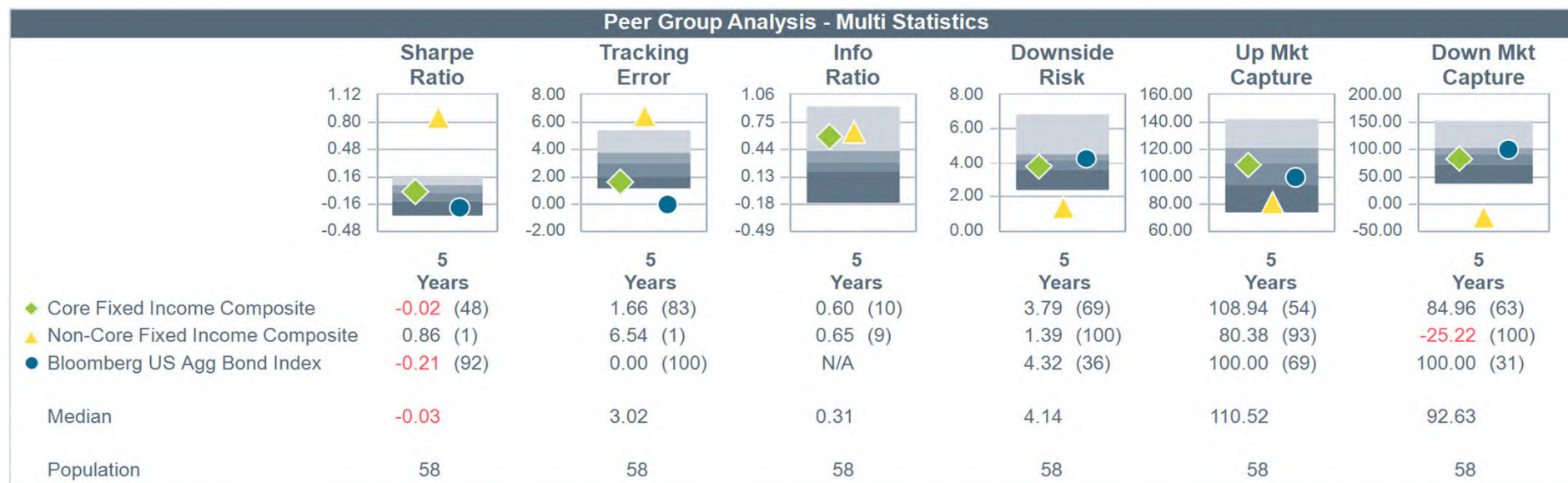
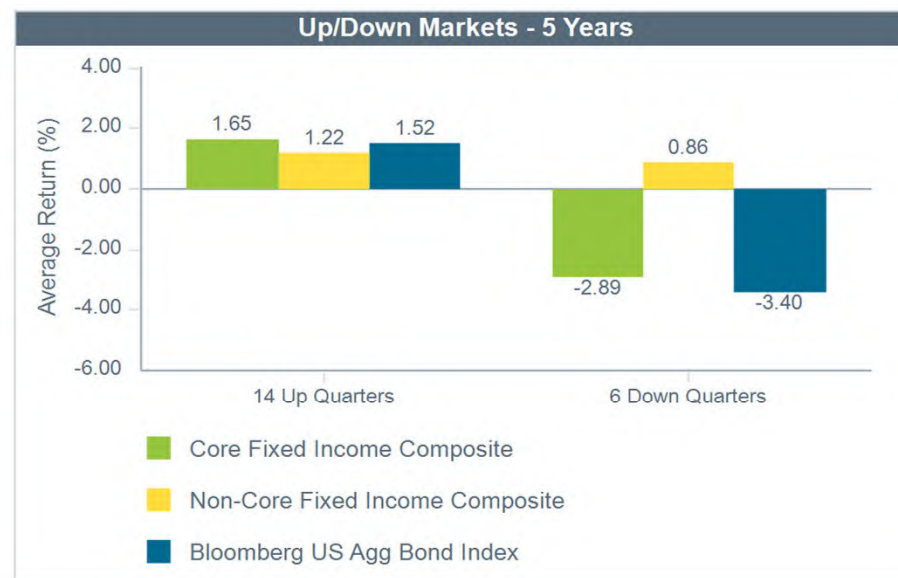
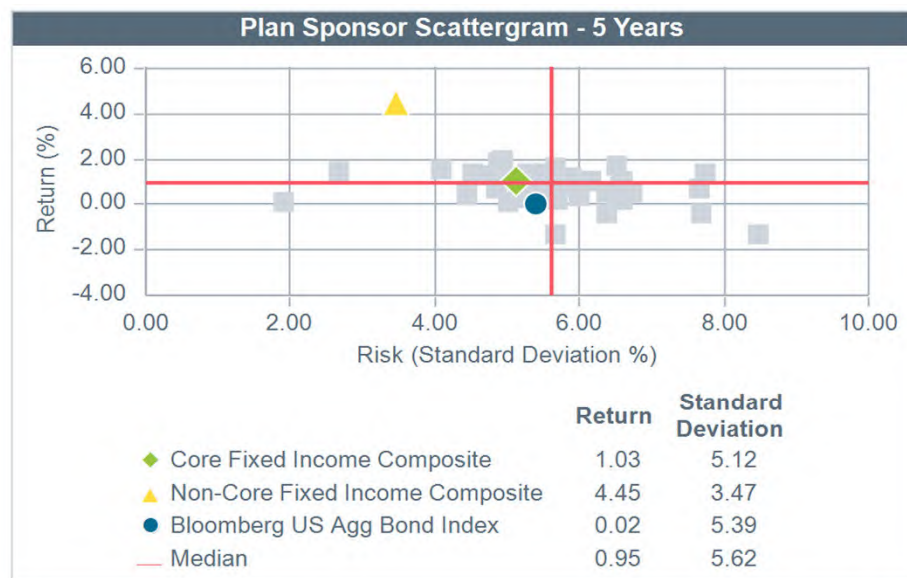
### Performance Commentary:

- Over the quarter, the core fixed income composite underperformed the Bloomberg US Aggregate Bond Index by 9 basis points (1.78% vs 1.87%).
- During the same period, non-core fixed income outperformed its custom benchmark by 70 basis points (0.94% vs 0.24%) and underperformed the ICE BofAML 3 Mo US T-Bill Index+4% by 90 basis points (0.94% vs 1.84%).

Performance shown is gross of fees, except where noted otherwise. Performance is annualized for periods greater than one year.

# NMSIC Fixed Income As of December 31, 2022

## All Public Plans – US Fixed Income Segment



Performance shown is gross of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.

# Asset Class: Alternative Investments





# Investment Policy Review

## Performance Objectives - Asset Class Composites

Private Equity	Performance Objectives	Meets Objective	Performance	5 Years
	Exceed the return of the Cambridge US Prvt Eq Index (Lagged 1 Qtr) on a net-of-fees basis over a trailing five-year period.		Private Equity Composite (Ex. State)*	16.59
			Cambridge US Prvt Eq Index (Lagged 1 Qtr)	17.17
			Difference	-0.58
Explanation				
Over the trailing five-year period, the Private Equity Composite (Ex. State) returned 16.59% vs. 17.17% for the Cambridge US Prvt Eq Index (Lagged 1 Qtr).				
Real Estate	Performance Objective	Meets Objective	Performance	5 Years
	Exceed the return of the NCREIF ODCE Index (Net) (Lagged 1 Qtr) on a net-of-fees basis over a trailing five-year period.		Townsend-Reported Real Estate Composite*	10.76
			NCREIF ODCE Index (Net) (Lagged 1 Qtr)	9.26
			Difference	1.50
Explanation				
Over the trailing five-year period, the Townsend-Reported Real Estate Composite returned 10.76% vs. 9.26% for the NCREIF ODCE Index (Net) (Lagged 1 Qtr).				
Real Return	Performance Objectives	Meets Objective	Performance	5 Years
	Exceed the return of the Real Return Custom Index on a net-of-fees basis over a trailing five-year period.		Real Return Composite*	5.53
			Real Return Custom Index	5.07
			Difference	0.46
Explanation				
Over the trailing five-year period, the Real Return Composite returned 5.53% vs. 5.07% for the Real Return Custom Index.				

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years
<b>Private Equity Composite (Ex. State) - Net*</b>	<b>-0.17</b>	<b>-3.35</b>	<b>2.70</b>	<b>2.70</b>	<b>19.91</b>	<b>16.59</b>	<b>15.13</b>	<b>13.45</b>
Cambridge US Prvt Eq Index (Lagged 1 Qtr)	0.05	-3.98	2.60	2.60	19.91	17.17	15.97	15.37
MSCI All Country World Index (USD) (Net)+3%	10.58	3.80	-15.91	-15.91	7.12	8.38	11.34	11.22
<b>Townsend-Reported Real Estate Composite - Net*</b>	<b>-0.23</b>	<b>2.61</b>	<b>19.05</b>	<b>19.05</b>	<b>12.68</b>	<b>10.76</b>	<b>10.46</b>	<b>11.16</b>
NCREIF ODCE Index (Net) (Lagged 1 Qtr)	0.31	4.87	20.96	20.96	11.38	9.26	8.87	9.91
<b>Real Return Composite - Net*</b>	<b>2.68</b>	<b>5.93</b>	<b>15.02</b>	<b>15.02</b>	<b>7.26</b>	<b>5.53</b>	<b>6.09</b>	<b>4.81</b>
Real Return Custom Index	2.43	0.28	4.20	4.20	7.01	5.07	4.97	2.55

Performance shown is net of fees, except where noted otherwise. Performance is annualized for periods greater than one year. \*Indicates performance is lagged 1 quarter.



# Supplemental Information



# Addendum

## Performance Related Comments

- Performance shown is gross of fees unless otherwise noted. Performance is annualized for periods greater than one year. Fiscal year ends on June 30.
- Private Equity, Real Estate, and Townsend-Reported Other Real Return investments are lagged 1 quarter, and performance assumes a 0.00% return during interim-quarter months.
- Market values shown for the Real Estate and Other Real Return composites may differ from Townsend-reported data due to factors such as timing, pending contributions or distributions, differing valuation sources, or historical updates. As such, the underlying constituents may not sum up to the total respective asset class composite.
- With the exception of Financial Real Return investments, performance shown for the Real Return investments assumes a 0.00% return during interim-quarter months.
- Indices show N/A for since inception returns when the fund contains more history than the corresponding benchmark.
- Since Inception dates reflect first month of reliable and verifiable data and may not reflect the actual full month following initial funding.
- RVK began calculating performance in May 2011 using data provided by J.P. Morgan. Historical performance prior to this date was provided by NEPC.
- Performance and market values for Total Fund Composites and the Cash Equivalent Composite may not match J.P. Morgan. RVK includes Beta Overlay Futures and Options within each Total Fund Composite, as well as Beta Overlay Cash within the Cash Equivalent Composite.
- \*Indicates performance is lagged 1 quarter.
- Due to the Severance Tax portfolio's current composition, overall valuation of the Severance Tax State PE program is heavily influenced by changes in valuation of its largest holdings. During the last reporting period, significant markdowns were recorded in some of the largest positions in the program. Note that some of these same positions saw a significant increase in valuation in 2018 and that this portfolio will continue to experience higher levels of volatility.
- February 2020 Cash Equivalent Composite performance includes payments received from the SIC's Administrative Fund and is reflected as income.
- During Q4 2022, fixed income target return limits were suspended.

## Custom Index Comments

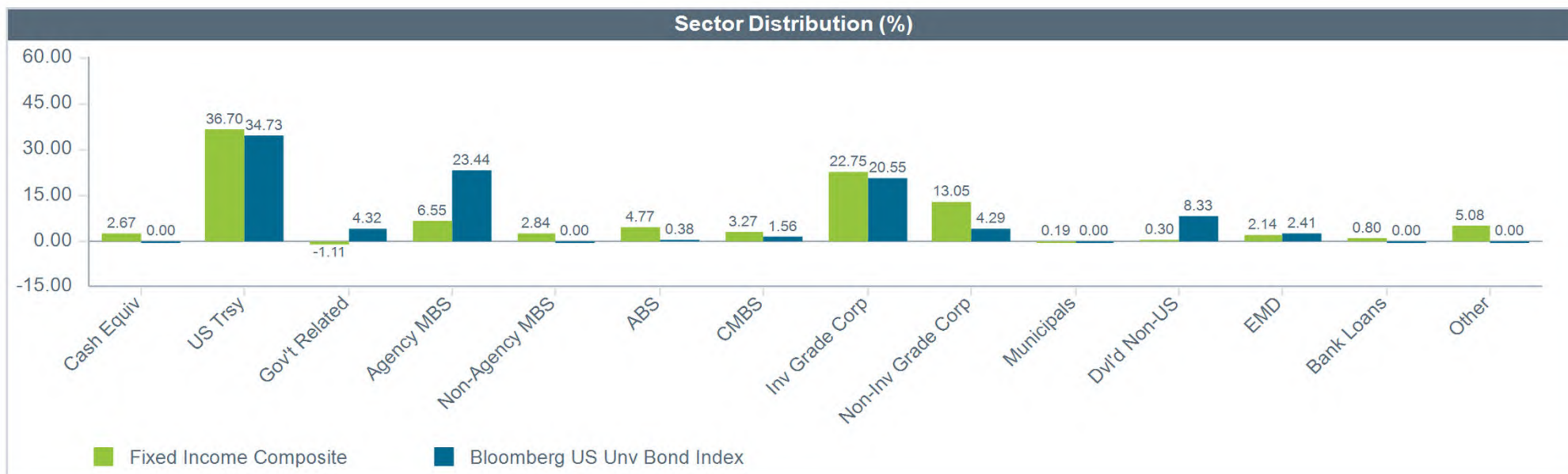
- **Land Grant Policy Index** is based on the target allocation and currently consists of 20% Russell 3000 Index, 20% Non-US Equity Custom Index, 10% Bloomberg US Agg Bond Index, 15% Non-Core Fixed Income Custom Index, 10% Real Return Custom Index, 12% NCREIF ODCE Index (AWA) (Net) (Lagged 1 Qtr) and 13% Land Grant Private Equity Composite.
- **Severance Tax Policy Index** is based on the target allocation and currently consists of 20% Russell 3000 Index, 20% Non-US Equity Custom Index, 12% Bloomberg US Agg Bond Index, 12% Non-Core Fixed Income Custom Index, 10% Real Return Custom Index, 12% NCREIF ODCE Index (AWA) (Net) (Lagged 1 Qtr) and 14% Severance Tax Private Equity Composite.
- **Global Equity Custom Index** consists of 70% Russell 3000 Index, 18% MSCI EAFE Index (Net), and 12% MSCI Emg Mkts Index (Net) through December 2000; 70% Russell 3000 Index and 30% 60% EAFE/40% MSCI Emg Mkts Index through October 2015; 64% Russell 3000 Index, 28% MSCI EAFE Index (Net), and 8% MSCI Emg Mkts Index (Net) through June 2016; 59% Russell 3000 Index, 32% MSCI EAFE Index (Net), and 9% MSCI Emg Mkts Index (Net) through April 2018, 54.5% Russell 3000 Index, 37.5% MSCI EAFE Index (Net), and 8% MSCI Emg Mkts Index (Net) through February 2019 and 100% MSCI ACWI IM Index (USD) (Net) thereafter.
- **US Small/Mid Cap Equity Custom Index** consists of 70% Russell 2000 Index and 30% Russell Mid Cap Index through April 2019, and 100% Russell 2000 Index thereafter.
- **Non-US Equity Custom Index** consists of 60% MSCI EAFE Index (Net) and 40% MSCI Emg Mkts Index (Net) through October 2015, and the MSCI ACWI ex-US IM Index (Net) thereafter.
- **Non-US Developed Markets Custom Index** consists of the MSCI EAFE Index (Net) through November 2015 and the MSCI EAFE IM Index (Net) thereafter.
- **Core Fixed Income Custom Index** consists of 10% Bloomberg US Trsy Index, 5% Bloomberg US Gov't/Crdt 1-3Yr Bond Index, 15% Bloomberg US Corp IG Index, 55% Bloomberg US Unv Bond Index, and 15% ICE BofAML HY US Corp Cash Pay BB-B 1-5Yr Constrained Index.
- **Non-Core Fixed Income Custom Index** consists of 20% ICE BofAML US Hi Yld Master II Index, 30% CS Lvg'd Loan Index (1 Mo Lag), 20% ICE BofA US Hi Yld CCC & Lower Index (1 Mo Lag), and 30% ICE BofAML US Hi Yld Master II Index (1 Mo Lag).
- The Private Equity benchmark was updated to the Cambridge US Prvt Eq Index (Lagged 1 Qtr) in November 2014.
- **Real Return Custom Index** consists of 35% Bloomberg US Trsy US TIPS Index, 25% Bloomberg Commodity Index (TR), 20% NCREIF Timberland Index, and 20% CPI+3%.



# NMSIC Fixed Income As of December 31, 2022

## Fixed Income Characteristics vs. the Bloomberg US Unv Bond Index

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	4.66	5.96
Avg. Maturity	6.22	8.25
Avg. Quality	A2	N/A
Yield To Maturity (%)	5.72	5.10
Coupon Rate (%)	3.49	2.96
Current Yield (%)	3.97	0.17

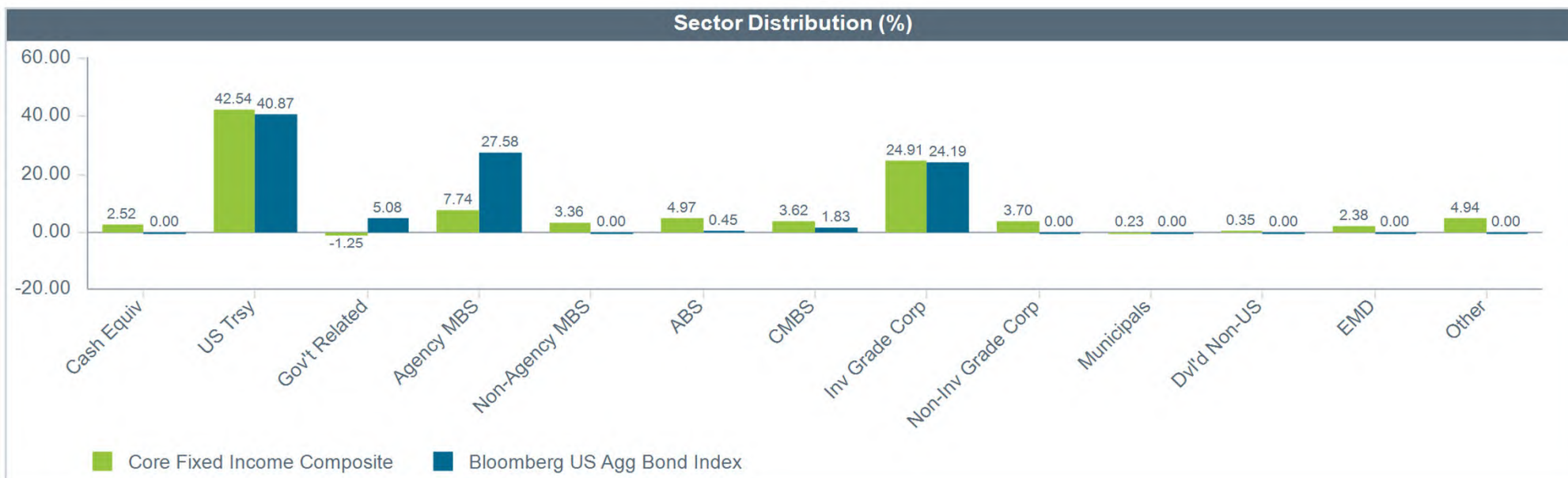


Characteristics shown represent the Core Fixed Income composite, as well as, Loomis Sayles Unconstrained, Shenkman High Yield Short Duration, and the Bank Loan Pool from the Non-Core Fixed Income composite. Negative sector allocation reflects the managers' use of derivatives, short selling, or interest rate swaps. Allocation to "Other" consists of Swaps, RMBS, Euro/Yankee securities, Convertibles, Non-USD currency, and CLOs held by the underlying managers.

# NMSIC Core Fixed Income As of December 31, 2022

## Core Fixed Income Characteristics vs. the Bloomberg US Agg Bond Index

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	4.93	6.17
Avg. Maturity	6.55	8.44
Avg. Quality	A1	Aa1/Aa2
Yield To Maturity (%)	5.38	4.68
Coupon Rate (%)	3.13	2.69
Current Yield (%)	3.63	N/A



Characteristics shown represent the Core Fixed Income Composite, which consists of Loomis Sayles Bloomberg US Universal, PGIM Bloomberg US Universal, PIMCO Investment Grade, BlackRock US Treasury Index, and J.P. Morgan Asset Mgmt Short Duration only. Negative sector allocation reflects the managers' use of derivatives, short selling, or interest rate swaps. Allocation to "Other" consists of RMBS, Euro/Yankees, Swaps, and CLOs held by the underlying managers.

# NMSIC Non-Core Fixed Income As of December 31, 2022

Portfolio Characteristics	
	Portfolio
Effective Duration	3.19
Avg. Maturity	4.41
Avg. Quality	Ba2
Yield To Maturity (%)	7.59
Coupon Rate (%)	5.46
Current Yield (%)	5.81



Characteristics shown represent the Non-Core Fixed Income Composite, which consists of Loomis Sayles Unconstrained and Shenkman High Yield Short Duration only. Negative sector allocation reflects the managers' use of derivatives, short selling, or interest rate swaps. Allocation to "Other" consists of RMBS, CDO/CLOs, Convertibles, and Non-USD Currency held by the underlying managers.



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