

Executive Summary Performance Review

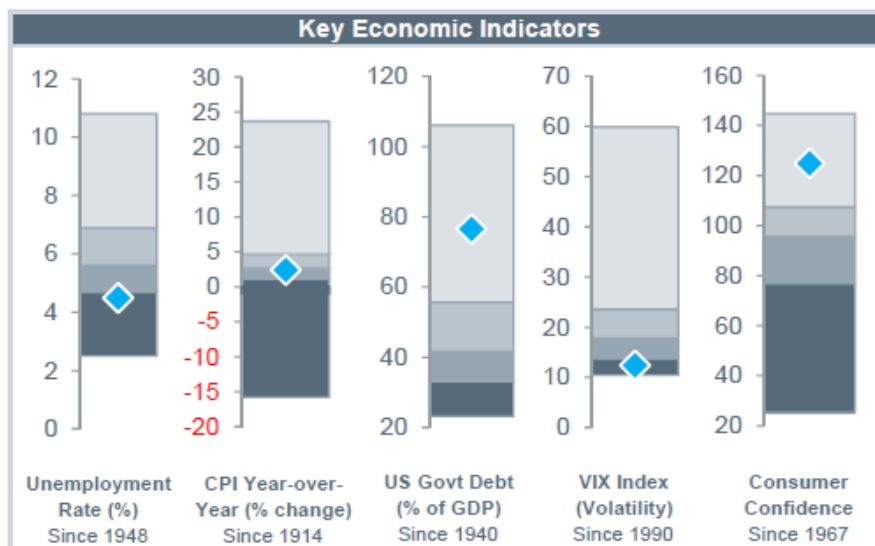
New Mexico State
Investment Council
As of March 31, 2017



Capital Markets Review

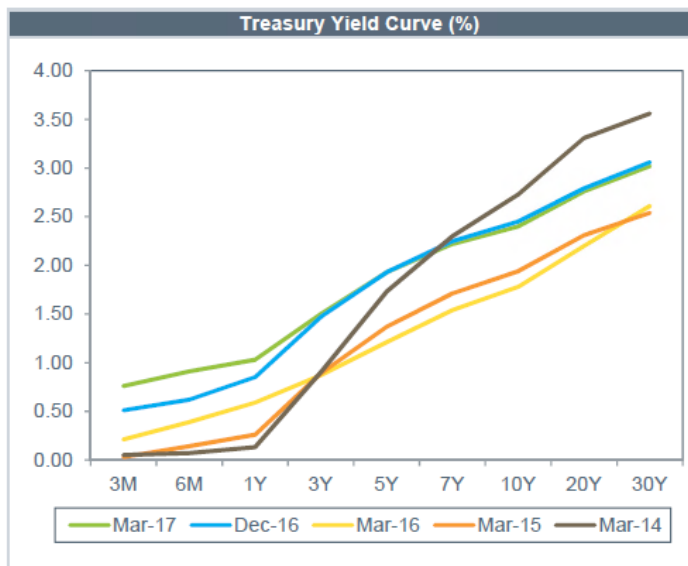


Capital Markets Review as of March 31, 2017



Economic Indicators	Mar-17	Dec-16	Mar-16	Mar-14	20 Yr
Federal Funds Rate (%)	0.82 ▲	0.55	0.25	0.06	2.29
Breakeven Infl. - 1 Yr (%)	2.06 ▲	1.27	2.10	1.79	N/A
Breakeven Infl. - 10 Yr (%)	1.98 ▲	1.97	1.63	2.14	N/A
CPI YoY (Headline) (%)	2.4 ▲	2.1	0.9	1.5	2.2
Unemployment Rate (%)	4.5 ▼	4.7	5.0	6.7	6.0
Real GDP YoY (%)	1.9 ▼	2.0	1.6	1.6	2.3
PMI - Manufacturing	57.20 ▲	54.50	51.70	55.00	52.24
USD Total Wtd Idx	94.01 ▼	95.76	89.73	76.63	86.89
WTI Crude Oil per Barrel (\$)	50.6 ▼	53.7	38.3	101.6	56.4
Gold Spot per Oz (\$)	1,249.4 ▲	1,152.3	1,232.7	1,284.0	795.0

Market Performance (%)	QTD	CYTD	1 Yr	5 Yr	10 Yr
S&P 500 (Cap Wtd)	6.07	6.07	17.17	13.30	7.51
Russell 2000	2.47	2.47	26.22	12.35	7.12
MSCI EAFE (Net)	7.25	7.25	11.67	5.83	1.05
MSCI EAFE SC (Net)	7.97	7.97	10.99	9.20	3.03
MSCI Emg Mkts (Net)	11.44	11.44	17.21	0.81	2.72
Bloomberg US Agg Bond	0.82	0.82	0.44	2.34	4.27
BofA ML 3 Mo US T-Bill	0.10	0.10	0.36	0.14	0.68
NCREIF ODCE (Gross)	1.77	1.77	8.34	11.98	5.59
Wilshire US REIT	0.03	0.03	1.98	9.76	4.42
HFRI FOF Comp	2.39	2.39	6.23	3.22	1.24
Bloomberg Cmdty (TR)	-2.33	-2.33	8.69	-9.54	-6.22



- Global risk assets rallied during the first quarter of 2017, driven largely by continued positive expectations for US fiscal policy, as well as continued improvements in global economic growth and inflation, more broadly.
- The first quarter of 2017 saw positive returns for US, International Developed, and Emerging Markets Equity.
- The Federal Open Markets Committee voted to increase the federal funds rate by 25 basis points. While the increase was much-anticipated, government bond yields slipped and equities saw a brief rally before tapering off towards the end of the quarter.
- Duration sensitive assets had modest returns as sovereign debt yields of developed economies ended the quarter relatively unchanged.

Treasury data courtesy of the U.S. Department of the Treasury. Economic data courtesy of Bloomberg Professional Service.

Capital Markets Review

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD
Best	61.34	33.16	34.00	35.97	39.38	8.44	78.51	28.60	22.49	20.00	38.82	31.78	15.02	21.31	11.44
	55.81	31.45	26.19	32.18	16.23	5.24	58.21	26.85	15.99	18.23	32.39	19.31	9.59	17.13	7.97
	47.25	25.55	21.39	26.34	15.97	2.06	46.78	22.04	13.56	17.59	29.30	13.69	4.23	11.96	7.25
	38.59	20.25	21.36	19.31	11.63	-2.35	31.78	18.88	9.24	17.32	22.78	12.50	1.38	11.74	6.07
	36.18	18.33	13.82	18.37	11.17	-10.01	28.60	16.83	7.84	16.35	13.94	5.97	0.55	11.19	2.70
	28.96	13.06	13.54	16.32	10.25	-21.37	27.17	16.36	4.98	16.00	8.96	4.89	0.05	8.77	2.47
	28.68	11.14	7.49	15.79	6.97	-26.16	26.46	15.12	2.11	15.81	7.44	3.64	-0.27	7.24	2.39
	23.93	10.88	5.34	11.86	6.60	-33.79	18.91	15.06	0.10	10.94	1.86	3.37	-0.81	6.67	1.77
	11.61	9.15	4.91	10.39	5.49	-35.65	11.47	10.16	-4.18	8.78	0.07	2.45	-1.44	4.68	1.58
	9.28	8.56	4.55	4.85	5.00	-37.00	11.41	7.75	-5.72	6.98	-2.02	0.04	-3.30	2.65	1.26
	8.39	8.46	3.07	4.34	1.87	-39.20	5.93	6.54	-12.14	4.79	-2.60	-2.19	-4.41	2.18	0.82
	5.88	6.86	2.84	2.72	1.45	-43.38	1.92	6.31	-13.32	4.21	-8.61	-4.90	-4.47	1.00	0.10
	4.11	4.34	2.74	2.07	-1.57	-47.01	0.21	5.70	-15.94	0.11	-8.83	-4.95	-14.92	0.51	0.03
Worst	1.15	1.33	2.43	0.49	-17.55	-53.33	-29.76	0.13	-18.42	-1.06	-9.52	-17.01	-24.66	0.33	-2.33
	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	Wilshire US REIT - REITs	HFRI FOF Comp Index - ARS	Bloombrg Cmdty (TR) - Commod.	BofA ML 3 Mo T-Bill - Cash Equiv	

SIC Total Fund Performance vs. Policy Index

May 3, 2024

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Allocations & Performance as of March 31, 2017

Strategic Asset Allocation Guidelines

Land Grant Total Fund Composite

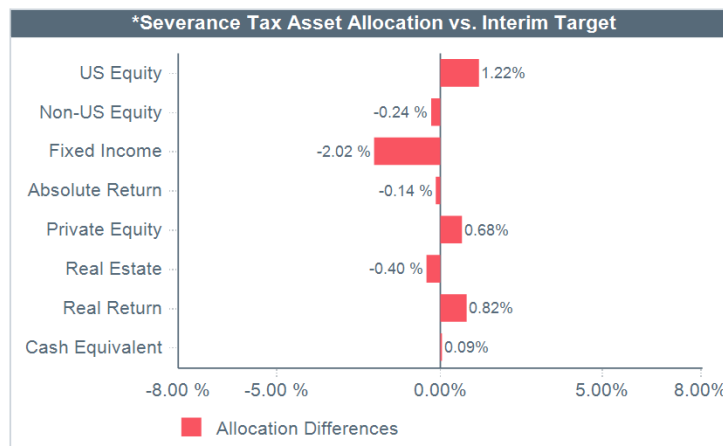
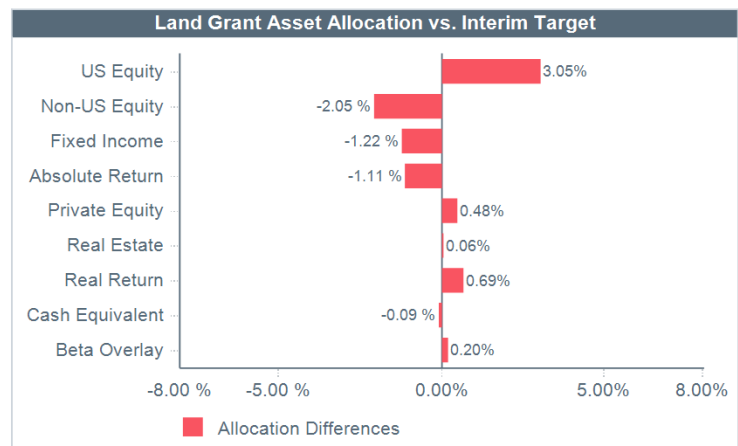
Asset Allocation	Min	Current	Max	Interim Target	Long-Term Target	Within Range?
US Equity	17.00	29.05	27.00	26.00	22.00	No
Non-US Equity	14.00	15.95	22.00	18.00	18.00	Yes
Fixed Income	16.00	21.78	23.00	23.00	19.00	Yes
Absolute Return	5.00	3.89	9.00	5.00	7.00	No
Private Equity	9.00	9.48	15.00	9.00	12.00	Yes
Real Estate	7.00	9.06	13.00	9.00	10.00	Yes
Real Return	9.00	9.69	15.00	9.00	12.00	Yes
Cash Equivalent	0.00	0.91	N/A	1.00	0.00	Yes
Beta Overlay	0.00	0.20	N/A	0.00	0.00	Yes

Severance Tax Total Fund (Ex. ETI) Composite

Asset Allocation	Min	Current	Max	Interim Target	Long-Term Target	Within Range?
US Equity	17.00	27.22	27.00	26.00	22.00	No
Non-US Equity	14.00	17.76	22.00	18.00	18.00	Yes
Fixed Income	15.00	19.98	22.00	22.00	18.00	Yes
Absolute Return	5.00	4.86	9.00	5.00	7.00	No
Private Equity	10.00	10.68	16.00	10.00	13.00	Yes
Real Estate	7.00	8.60	13.00	9.00	10.00	Yes
Real Return	9.00	9.82	15.00	9.00	12.00	Yes
Cash Equivalent	0.00	1.09	N/A	1.00	0.00	Yes

As of March 31, 2017, the Land Grant Interim Policy Index consists of:

- 23.8% Russell 1000 Index,
- 2.2% US Small/Mid Cap Equity Custom Index,
- 14.4% Non-US Developed Markets Custom Index,
- 3.6% MSCI Emerging Markets Index (Net),
- 10.4% Bloomberg US Universal Bond Index,
- 4.1% Bloomberg US Aggregate Bond Index,
- 1.6% Bloomberg US Gov't/Credit: 1-3 Yr Bond Index
- 3.45% C&SF Primary Benchmark,
- 3.45% ICE 3 Month LIBOR Index+2.50%,
- 5% Credit Suisse Hedge Fund Index (Lagged 1 Qtr),
- 9% Cambridge US Private Equity Index (Lagged 1 Qtr),
- 9% NCREIF ODCE Index (Net) (Lagged 1 Qtr),
- 9% Real Return Custom Index,
- 1% BofA ML 3 Mo US T-Bill Index.



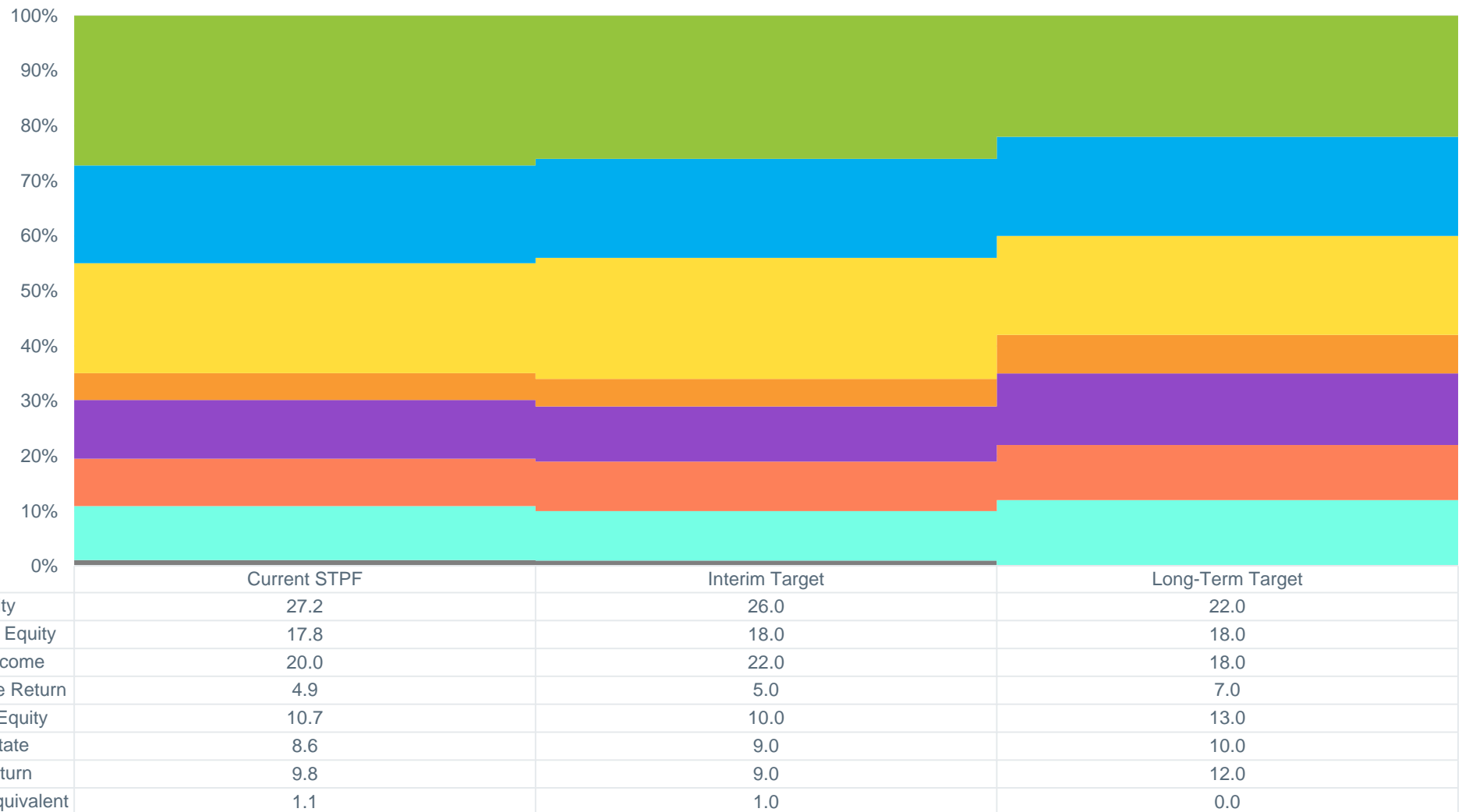
Severance Tax target allocation excludes Economically Targeted Investments.

Asset Allocation vs. Target Allocation LGPF



	Current LGPF	Interim Target	Long-Term Target
■ US Equity	29.1	26.0	22.0
■ Non-US Equity	16.0	18.0	18.0
■ Fixed Income	21.8	23.0	19.0
■ Absolute Return	3.9	5.0	7.0
■ Private Equity	9.5	9.0	12.0
■ Real Estate	9.1	9.0	10.0
■ Real Return	9.7	9.0	12.0
■ Cash Equivalent	0.9	1.0	0.0
■ Beta Overlay	0.2	0.0	0.0

Asset Allocation vs. Target Allocation STPF



SIC Total Fund Performance vs. Benchmarks

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Investment Policy Review – Total Fund

Investment Policy Objectives - Total Fund

Land Grant Total Fund Expectations	3 Years	Meets Return Objective
Exceed the return of the Land Grant Policy Index on a gross-of-fees basis over a trailing three-year period.	Land Grant Total Fund Composite 5.58	No
	Land Grant Interim Policy Index 5.68	
	Difference -0.10	

Explanation

Over the trailing three-year period, the Land Grant Total Fund Composite returned 5.58% vs. 5.68% for the Land Grant Interim Policy Index.

Severance Tax Total Fund Expectations	3 Years	Meets Return Objective
Exceed the return of the Severance Tax Policy Index on a gross-of-fees basis over a trailing three-year period.	Severance Tax Total Fund Composite 5.58	No
	Severance Tax Interim Policy Index 5.72	
	Difference -0.14	

Explanation

Over the trailing three-year period, the Severance Tax Total Fund Composite returned 5.58% vs. 5.72% for the Severance Tax Interim Policy Index.

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	FY 2016	FY 2015	FY 2014	FY 2013
Land Grant Total Fund Composite - Gross	4.34	4.34	9.58	11.50	5.58	7.86	8.08	5.28	0.37	3.54	15.67	13.28
Land Grant Total Fund Composite - Net	4.30	4.30	9.48	11.31	5.42	7.70	7.89	5.10	0.20	3.40	15.46	13.11
<i>Land Grant Interim Policy Index</i>	3.90	3.90	8.46	10.07	5.68	7.62	8.23	4.61	0.71	4.40	16.15	11.81
Severance Tax Total Fund Composite - Gross	4.01	4.01	9.55	11.32	5.58	7.70	7.76	4.70	0.44	3.35	15.75	12.15
Severance Tax Total Fund Composite - Net	3.97	3.97	9.46	11.13	5.42	7.54	7.56	4.51	0.28	3.20	15.54	11.99
<i>Severance Tax Interim Policy Index</i>	3.94	3.94	8.59	10.18	5.72	7.64	8.28	4.58	0.70	4.40	16.15	11.81

The Investment Policy Statement does not contain a performance objective relative to peers for the Total Fund or Investment Pools. Net performance shown through fiscal year 2008 is gross of fees and provided by the previous consultant. 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

LGPF outperformed its Interim Policy Index over the quarter ending March 31, 2017

Figure 1: Total Fund Performance

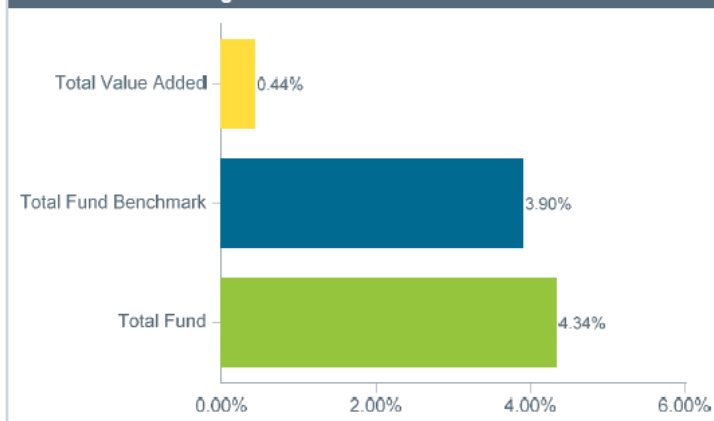


Figure 2: Total Value Added:0.44%



Figure 3: Total Asset Allocation:-0.12 %

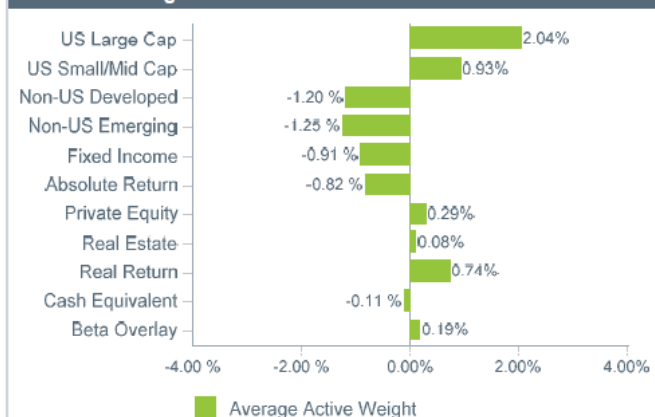
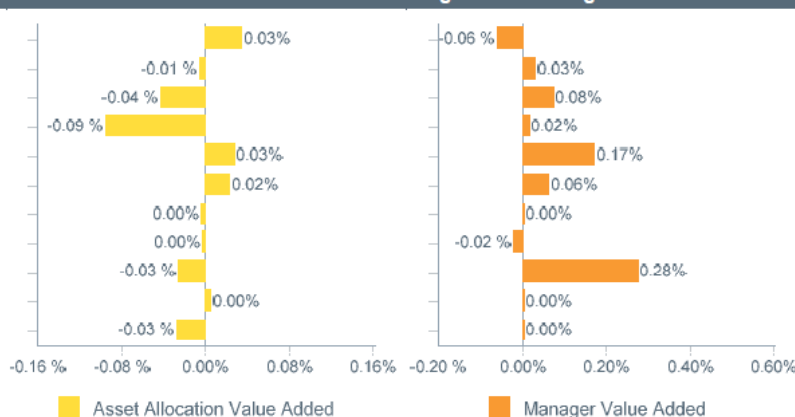


Figure 4: Total Mgr Value Added:0.55%

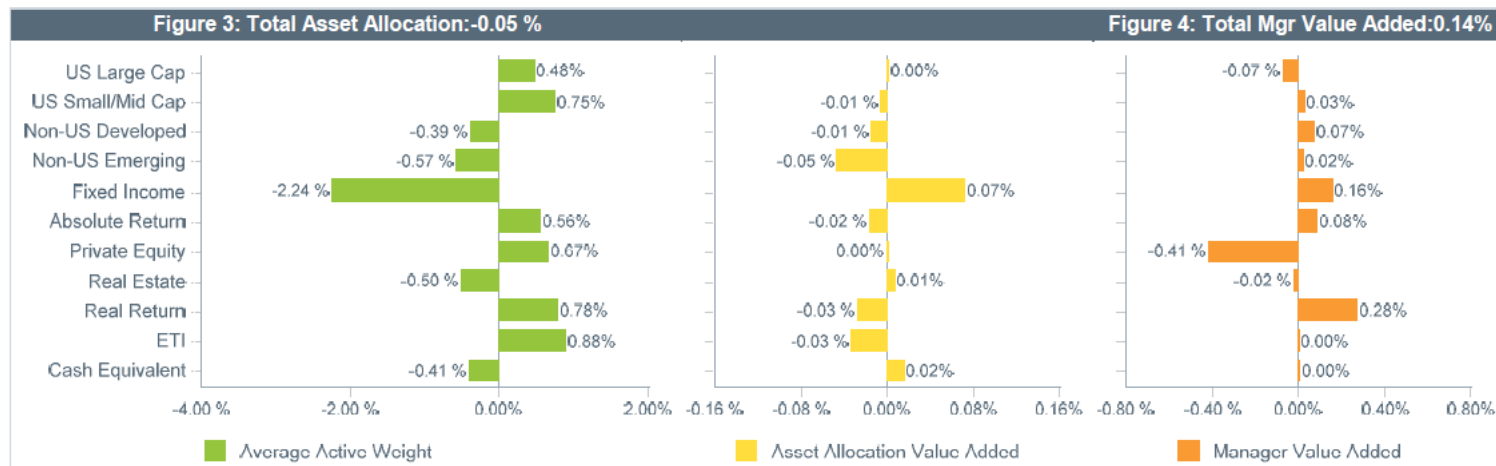
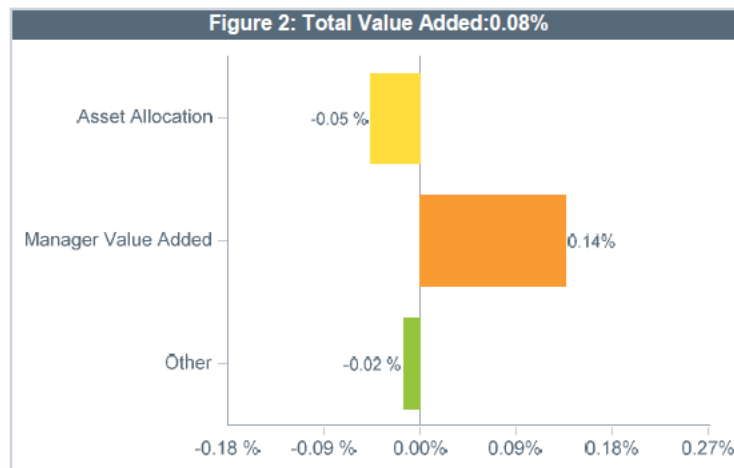
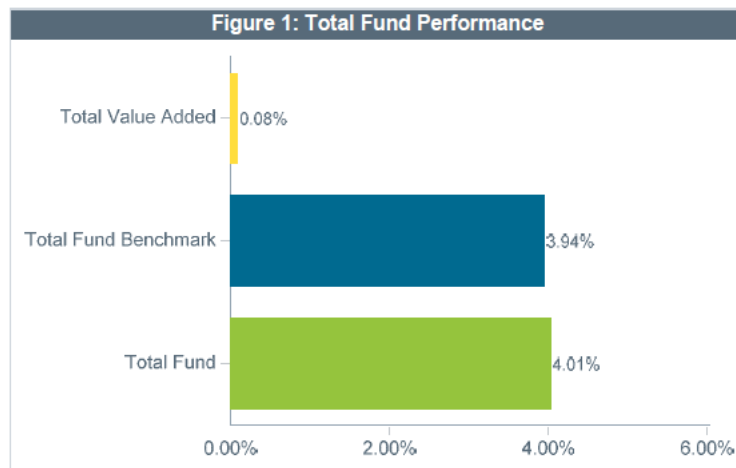


Performance shown is gross of fees, except for Absolute Return, Private Equity, Real Estate, and Real Return investments, which are net of fees. Calculation is based on monthly periodicity.

- The Land Grant Total Fund Composite outperformed its Interim Policy Index over the quarter as a result of the underlying manager performance contributing to the fund's relative return.
- Real Return managers had another strong quarter, outperforming their respective benchmarks and contributing the most to relative performance during the quarter. Fixed Income managers also contributed to performance while US Large Cap and Real Estate managers detracted modestly from performance.
- Following in line with the 2017 first quarter Capital Markets trends, the average overweight to US Equity along with the underweight to Fixed Income contributed to the total fund's outperformance relative to the Interim Policy Index, while the underweight to Non-US and Emerging Equity detracted from performance.

STPF Performance Attribution

STPF outperformed its Interim Policy Index over the quarter ending March 31, 2017



- The Severance Tax Total Fund Composite modestly outperformed its Interim Policy Index over the quarter, mainly due to the underlying Real Return managers' performance.
- Real Return managers had another strong quarter, outpacing their respective benchmarks and contributing significantly to the total fund's relative performance, while Private Equity managers, specifically the Severance Tax State PE Program, trailed their benchmarks detracting from the total fund's relative performance.
- Similar to the Land Grant, the average underweight to Fixed Income contributed to the total fund's outperformance relative to the Interim Policy Index, while the average underweight to Non-US Equity detracted from performance.

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

SIC Total 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 March 31, 2017

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	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
Land Grant Total Fund Composite	4.34	4.34	9.58	11.50	5.58	7.86	8.08	5.28	0.37	3.54	15.67	13.28	0.74
Land Grant Interim Policy Index	3.90	3.90	8.46	10.07	5.68	7.62	8.23	4.61	0.71	4.40	16.15	11.81	1.54
Land Grant Policy Index (Long Term)	4.02	4.02	8.77	10.38	5.60	7.92	8.60	5.41	0.60	4.08	15.82	12.09	2.81
All Public Plans (>\$10B) (Custom PG) Median	4.31	4.31	8.97	11.11	5.55	7.80	7.92	5.37	1.01	3.31	17.36	12.19	1.35
Land Grant Total Fund Composite Rank	48	48	29	37	50	36	46	63	64	45	78	19	63
Land Grant Interim Policy Index Rank	78	78	77	79	48	60	43	91	56	17	61	59	44
Land Grant Policy Index (Long Term) Rank	76	76	67	68	50	34	20	43	60	26	72	56	21
Population	24	24	24	24	23	23	23	22	35	27	25	19	21
All Public Plans - Total Fund Median	4.47	4.47	8.87	10.93	5.63	7.83	8.11	5.64	0.70	3.62	16.94	12.28	1.11
Land Grant Total Fund Composite Rank	60	60	32	38	52	50	53	73	59	52	76	32	59
Land Grant Interim Policy Index Rank	81	81	63	73	48	60	45	92	50	30	67	60	42
Land Grant Policy Index (Long Term) Rank	76	76	55	68	52	46	27	66	54	36	74	55	17
Population	382	382	377	375	362	350	339	245	564	525	493	485	482
All Public Plans (>\$1B) (Custom PG) Median	4.40	4.40	9.08	11.11	5.48	7.74	8.07	5.41	0.26	3.19	17.41	12.18	1.24
Land Grant Total Fund Composite Rank	53	53	37	43	48	41	50	63	47	42	76	31	66
Land Grant Interim Policy Index Rank	76	76	69	78	44	57	45	87	39	18	66	61	43
Land Grant Policy Index (Long Term) Rank	72	72	63	71	48	39	29	51	44	26	74	54	18
Population	88	88	86	86	84	82	80	77	104	84	68	58	58

Performance shown is gross 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: NMSIC 2014-2015 Annual Investment Plan.

Plan Sponsor Peer Group

All Public Plans (>\$10B) (Custom PG)

Median Average

\$28.4B \$45.1B

All Public Plans - Total Fund

\$72.6M \$3.5B

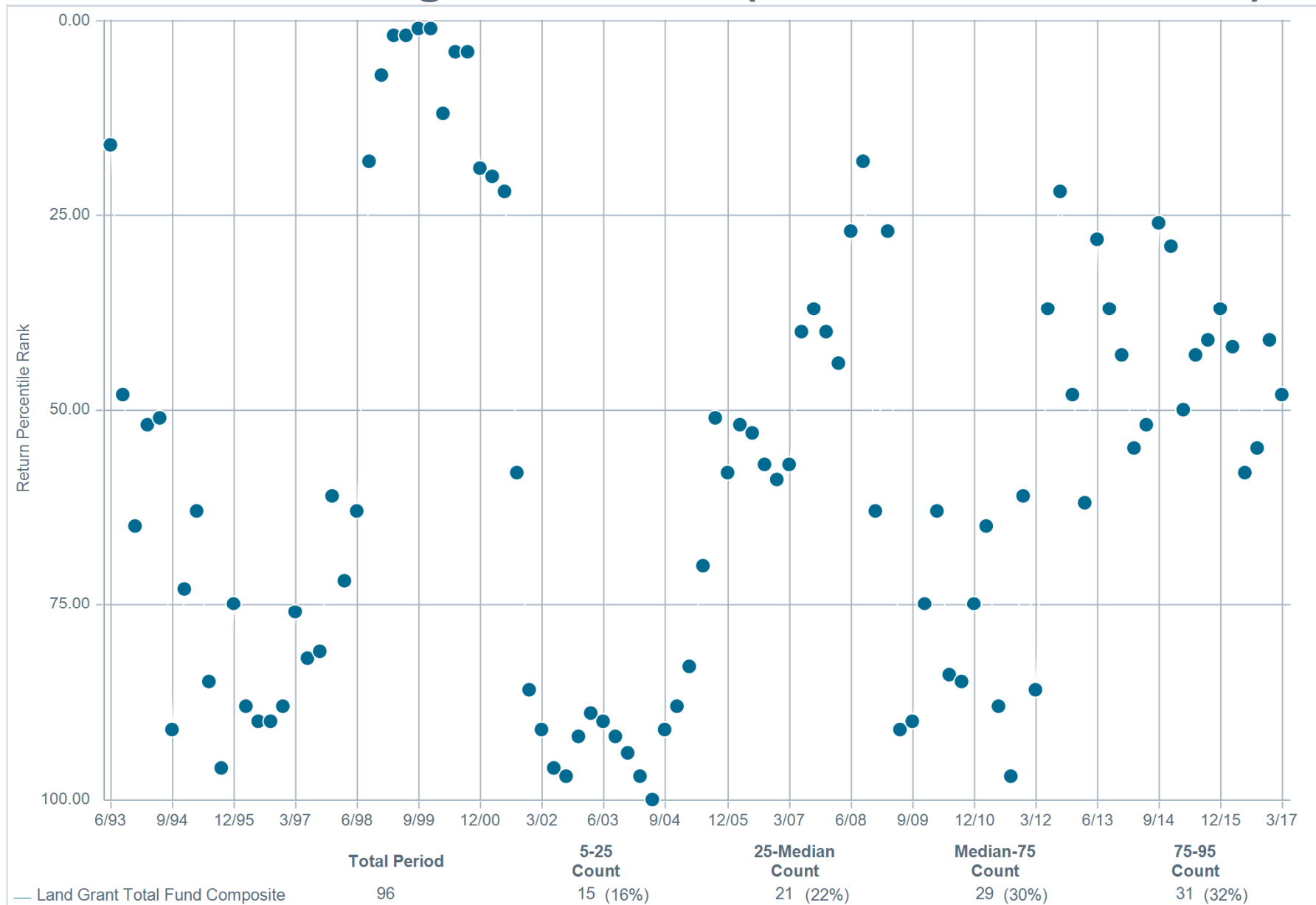
All Public Plans (>\$1B) (Custom PG)

\$3.0B \$14.6B

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Land Grant Rolling 3-Year Rank (All Public Plans > \$1B)



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

Severance Tax Total Fund vs. Peers as of March 31, 2017

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	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
Severance Tax Total Fund Composite	4.01	4.01	9.55	11.32	5.58	7.70	7.76	4.70	0.44	3.35	15.75	12.15	0.19
Severance Tax Interim Policy Index	3.94	3.94	8.59	10.18	5.72	7.64	8.28	4.58	0.70	4.40	16.15	11.81	1.54
Severance Tax Policy Index (Long Term)	4.05	4.05	8.88	10.46	5.78	8.02	8.65	5.44	0.60	4.49	15.98	11.90	2.82
All Public Plans (>\$10B) (Custom PG) Median	4.31	4.31	8.97	11.11	5.55	7.80	7.92	5.37	1.01	3.31	17.36	12.19	1.35
Severance Tax Total Fund Composite Rank	76	76	29	39	50	57	66	88	63	47	77	54	89
Severance Tax Interim Policy Index Rank	78	78	74	74	48	59	42	94	56	17	61	59	44
Severance Tax Policy Index (Long Term) Rank	75	75	54	68	47	29	18	36	60	16	62	58	21
Population	24	24	24	24	23	23	23	22	35	27	25	19	21
All Public Plans - Total Fund Median	4.47	4.47	8.87	10.93	5.63	7.83	8.11	5.64	0.70	3.62	16.94	12.28	1.11
Severance Tax Total Fund Composite Rank	76	76	33	39	52	56	67	90	58	57	76	54	73
Severance Tax Interim Policy Index Rank	80	80	60	72	47	59	43	92	50	30	67	60	42
Severance Tax Policy Index (Long Term) Rank	75	75	50	66	43	42	25	63	54	26	71	58	17
Population	382	382	377	375	362	350	339	245	564	525	493	485	482
All Public Plans (>\$1B) (Custom PG) Median	4.40	4.40	9.08	11.11	5.48	7.74	8.07	5.41	0.26	3.19	17.41	12.18	1.24
Severance Tax Total Fund Composite Rank	72	72	37	44	48	52	67	85	47	45	76	52	83
Severance Tax Interim Policy Index Rank	74	74	67	76	43	56	44	88	39	18	66	61	43
Severance Tax Policy Index (Long Term) Rank	71	71	58	70	37	35	28	48	44	16	69	60	18
Population	88	88	86	86	84	82	80	77	104	84	68	58	58

Performance shown is gross 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: NMSIC 2014-2015 Annual Investment Plan.

Plan Sponsor Peer Group

All Public Plans (>\$10B) (Custom PG)

Median Average

\$28.4B \$45.1B

All Public Plans - Total Fund

\$72.6M \$3.5B

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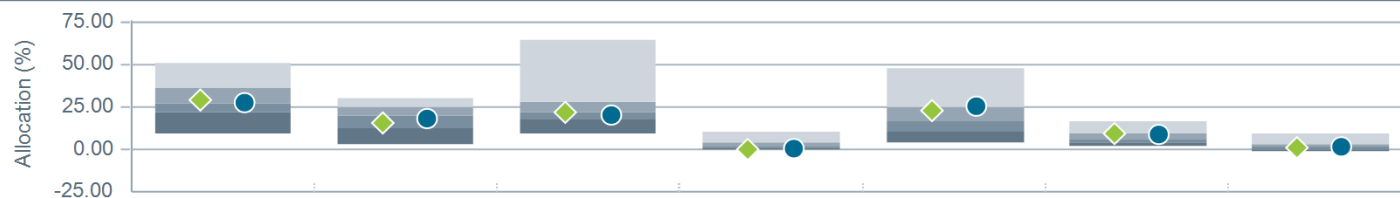
All Public Plans (>\$1B) (Custom PG)

\$3.0B \$14.6B



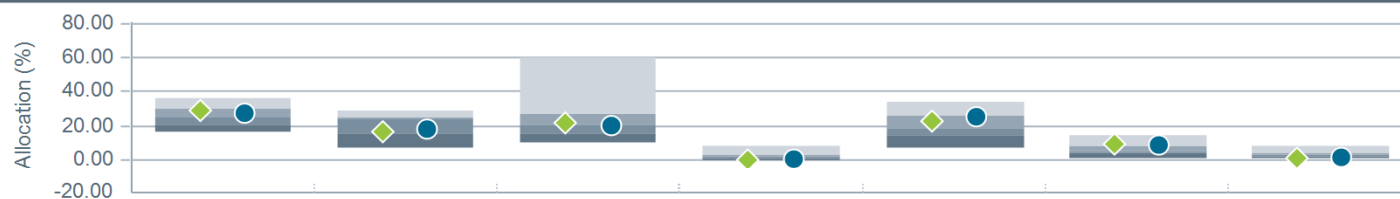
Asset Allocation vs. Peers as of March 31, 2017

Plan Sponsor TF Asset Allocation - All Public Plans > \$1 Billion



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
◆ Land Grant Total Fund Composite	29.05 (48)	16.14 (62)	21.78 (52)	0.00	23.06 (35)	9.06 (24)	0.91 (63)
● Severance Tax Total Fund Composite	26.98 (53)	17.61 (62)	19.80 (66)	0.00	25.14 (27)	8.52 (34)	1.14 (60)
5th Percentile	51.23	30.25	64.22	10.17	47.99	16.25	9.63
1st Quartile	36.46	25.17	28.01	4.58	25.37	8.99	3.62
Median	27.27	19.99	22.25	2.30	16.51	6.52	1.64
3rd Quartile	21.72	12.83	17.43	0.80	10.30	4.24	0.48
95th Percentile	8.88	3.15	9.89	0.04	3.91	2.08	0.07
Population	79	80	80	41	63	57	65

Plan Sponsor TF Asset Allocation - All Public Plans > \$10 Billion

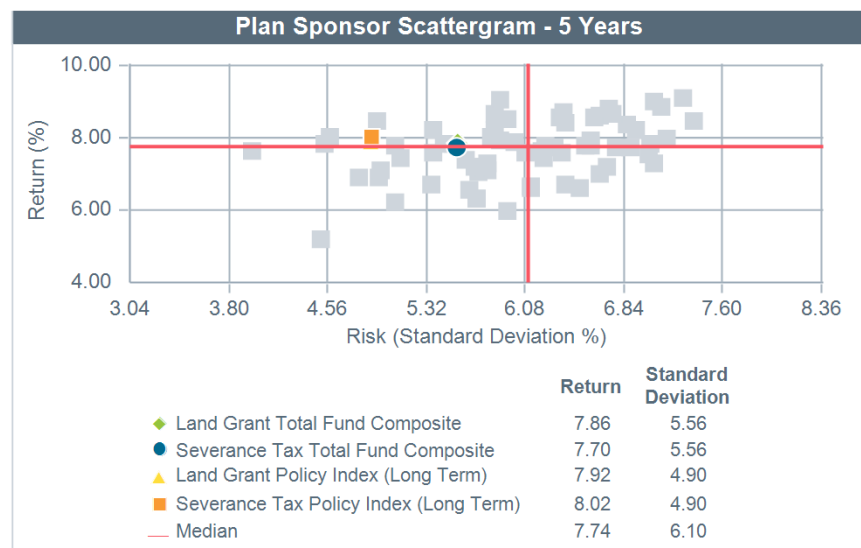


	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
◆ Land Grant Total Fund Composite	29.05 (32)	16.14 (75)	21.78 (49)	0.00	23.06 (38)	9.06 (20)	0.91 (89)
● Severance Tax Total Fund Composite	26.98 (38)	17.61 (73)	19.80 (57)	0.00	25.14 (27)	8.52 (27)	1.14 (86)
5th Percentile	36.61	29.01	59.78	7.74	33.94	14.50	8.38
1st Quartile	30.11	25.23	26.77	2.90	25.35	8.53	4.05
Median	24.28	23.43	21.09	1.65	18.60	4.72	2.68
3rd Quartile	21.05	15.56	15.08	0.72	14.22	3.58	1.64
95th Percentile	16.09	6.82	9.95	0.03	7.49	0.33	0.34
Population	22	22	23	17	21	20	17

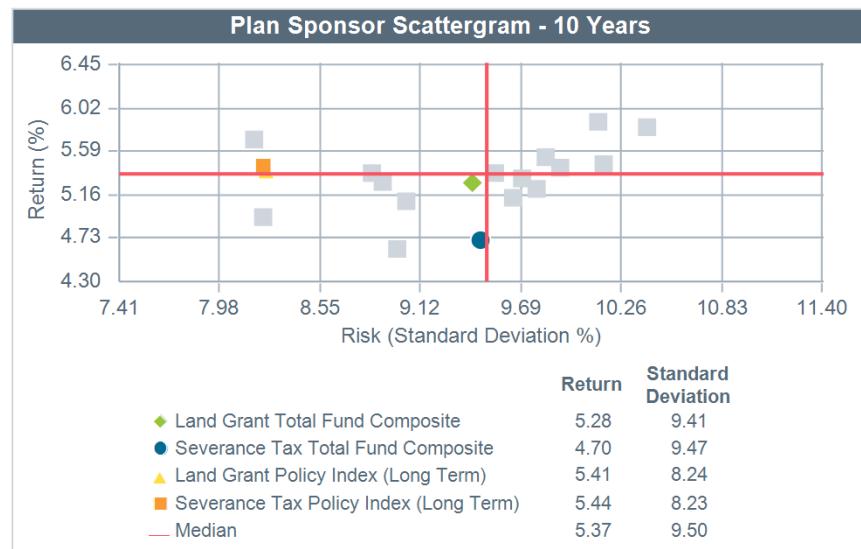
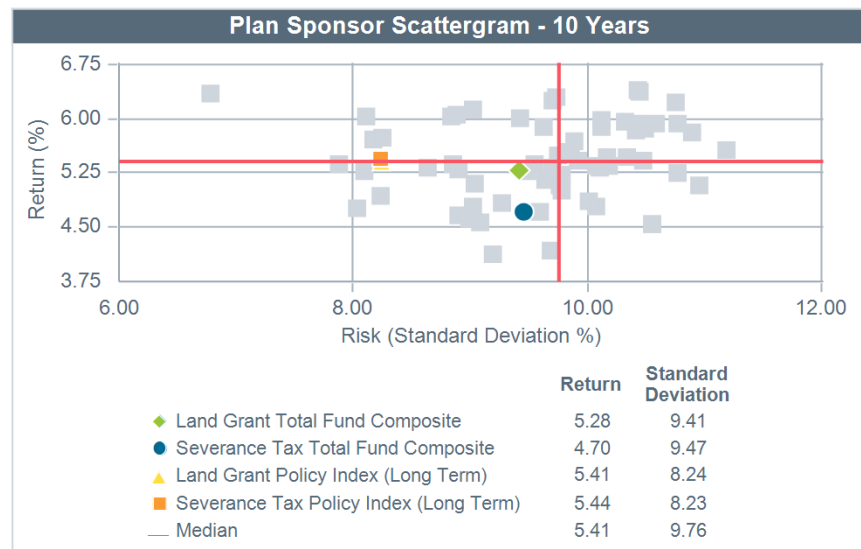
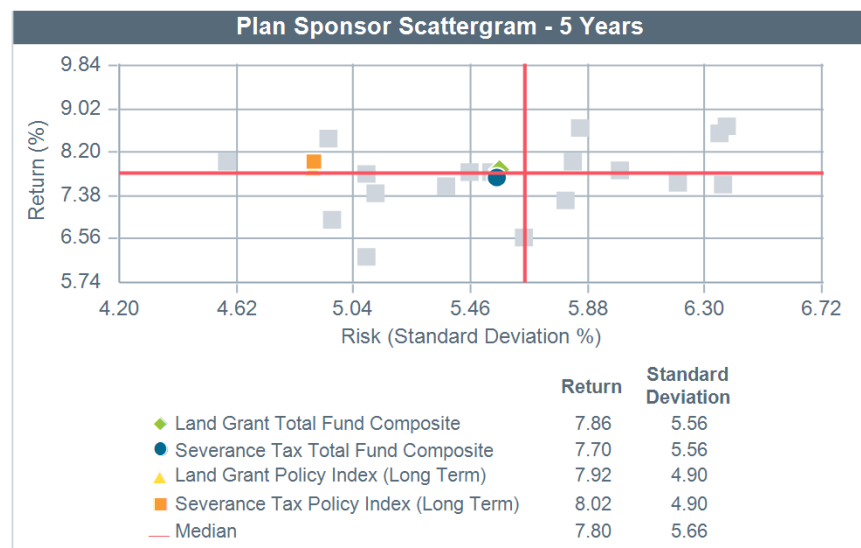
Parentheses contain percentile ranks. Intl. Equity includes Beta Overlay. Alternatives include Absolute Return, Real Return, and Private Equity investments. Severance Tax Total Fund Composite allocations include allocation to ETI.

Risk / Return vs. Peers as of March 31, 2017

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



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



Performance shown is gross of fees. Calculation is based on monthly periodicity.

Asset Class Performance

May 3, 2024

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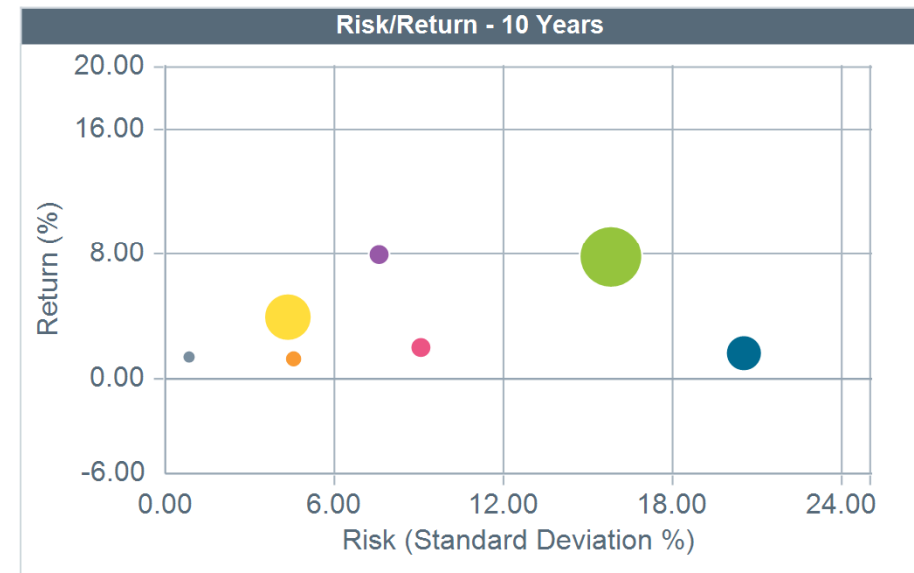
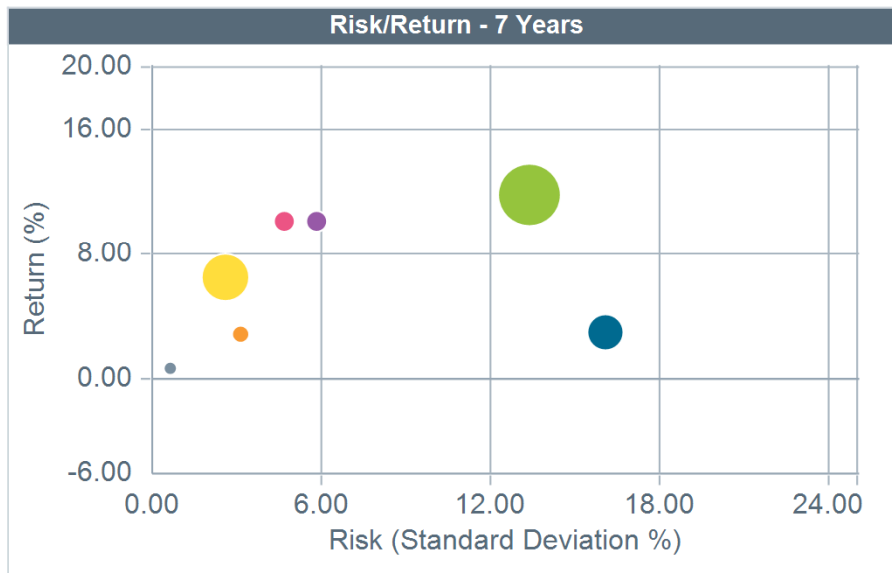
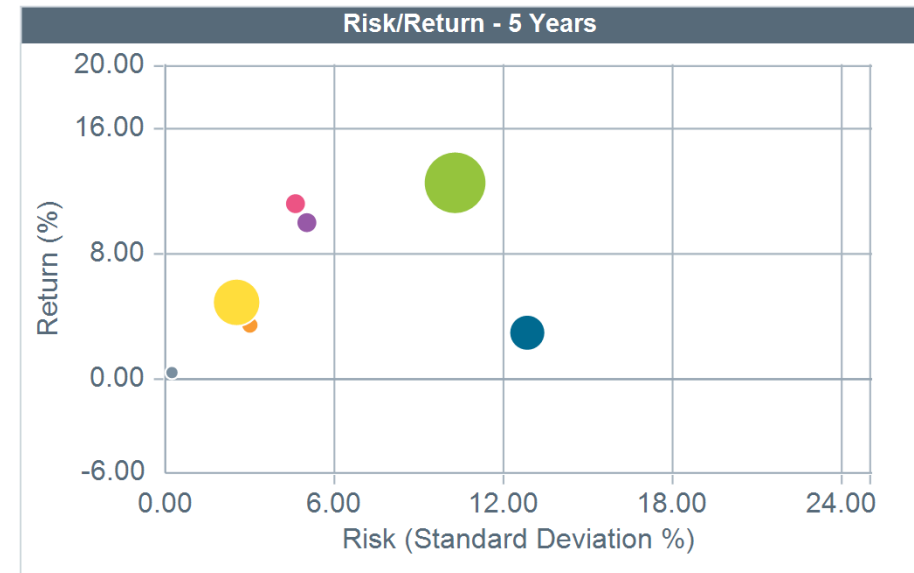
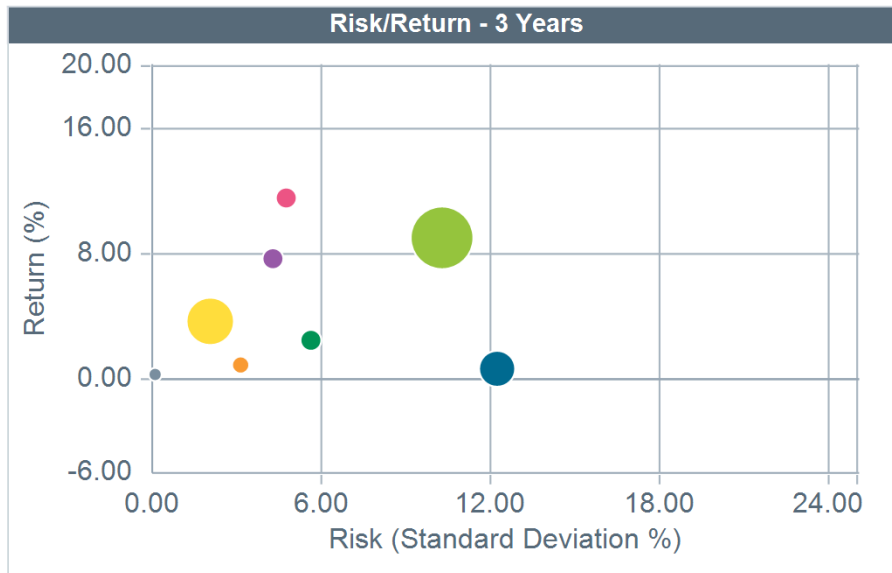


Asset Class Composite Performance

	Allocation	Performance (%)							
	Market Value (\$)	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years
US Equity Composite	6,288,811,647	5.61	5.61	14.92	17.85	9.05	12.51	11.78	7.83
<i>Russell 3000 Index</i>		5.74	5.74	15.04	18.07	9.76	13.18	12.89	7.54
Difference		-0.13	-0.13	-0.12	-0.22	-0.71	-0.67	-1.11	0.29
<i>All Public Plans-US Equity Segment Median</i>		5.44	5.44	14.91	18.03	9.11	12.73	12.71	7.51
Rank		39	39	50	52	54	59	84	23
Non-US Equity Composite	3,563,050,611	8.61	8.61	14.04	12.92	0.71	2.95	2.96	1.62
<i>Non-US Equity Custom Index</i>		7.99	7.99	13.78	13.01	0.62	3.73	3.50	1.79
Difference		0.62	0.62	0.26	-0.09	0.09	-0.78	-0.54	-0.17
<i>All Public Plans-Intl. Equity Segment Median</i>		8.32	8.32	13.55	13.16	1.95	6.03	5.45	2.41
Rank		35	35	38	58	93	100	99	85
Fixed Income Composite	4,759,870,524	1.88	1.88	3.01	5.57	3.69	4.91	6.41	3.98
<i>Fixed Income Custom Index</i>		1.11	1.11	1.27	3.80	3.18	1.98	3.56	1.46
Difference		0.77	0.77	1.74	1.77	0.51	2.93	2.85	2.52
<i>All Public Plans-US Fixed Income Segment Median</i>		1.26	1.26	0.55	3.09	3.20	3.09	4.46	4.75
Rank		11	11	11	19	33	11	7	82
Cash Equivalent Composite	199,324,254	0.23	0.23	0.47	0.53	0.25	0.40	0.66	1.42
<i>BofA ML 3 Mo US T-Bill Index</i>		0.10	0.10	0.28	0.36	0.17	0.14	0.13	0.68
Difference		0.13	0.13	0.19	0.17	0.08	0.26	0.53	0.74
Absolute Return Composite*	887,737,561	1.13	1.13	4.98	2.66	0.86	3.48	2.82	1.31
<i>Credit Suisse Hedge Fund Index (Lagged 1 Qtr)</i>		1.14	1.14	3.53	1.26	1.23	3.52	3.79	3.41
Difference		-0.01	-0.01	1.45	1.40	-0.37	-0.04	-0.97	-2.10
<i>HFRI FOF Comp Index (Lagged 1 Qtr)</i>		0.86	0.86	3.75	0.51	1.00	2.74	2.18	1.00
Difference		0.27	0.27	1.23	2.15	-0.14	0.74	0.64	0.31
Private Equity Composite (Ex. State)*	1,776,424,077	4.75	4.75	10.80	11.23	7.73	10.14	10.35	8.84
<i>Cambridge US Pvt Eq Index (Lagged 1 Qtr)</i>		4.74	4.74	12.99	13.25	9.97	13.00	13.83	9.94
Difference		0.01	0.01	-2.19	-2.02	-2.24	-2.86	-3.48	-1.10
Townsend-Reported Real Estate Composite*	1,743,602,772	1.53	1.53	6.23	7.99	11.56	11.14	10.03	2.04
<i>NCREIF ODCE Index (Net) (Lagged 1 Qtr)</i>		1.88	1.88	5.72	7.79	11.04	11.16	12.27	4.84
Difference		-0.35	-0.35	0.51	0.20	0.52	-0.02	-2.24	-2.80
<i>NCREIF/Townsend Wtd Index (Lagged 1 Qtr)</i>		2.29	2.29	6.65	8.89	12.40	12.03	12.74	4.41
Difference		-0.76	-0.76	-0.42	-0.90	-0.84	-0.89	-2.71	-2.37
Real Return Composite*	2,004,069,013	3.16	3.16	9.18	14.95	2.52	N/A	N/A	N/A
<i>Real Return Custom Index</i>		0.36	0.36	0.26	4.61	-0.91	0.27	1.90	2.27
Difference		2.80	2.80	8.92	10.34	3.43	N/A	N/A	N/A

Performance shown is gross of fees, except for Absolute Return, 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. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies. For other performance-related comments, please see the Addendum.

Risk / Return of Major Asset Classes



● US Equity Composite ● Non-US Equity Composite ● Fixed Income Composite ● Absolute Return Composite*
● Private Equity Composite* ● Townsend-Reported Real Estate Composite* ● Real Return Composite* ● Cash Equivalent Composite

Size of bubble represents relative asset class size. Performance shown is gross of fees except for Absolute Return, Private Equity, Real Estate, and Real Return investments, which are shown net of fees. Funds with less history than the specified period will not appear on the chart.

Asset Class: US Equity

May 3, 2024

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NMSIC US Equity Structure Update

Recent Manager Hires:

- There were no US equity managers hired over the last quarter.

Recent Manager Terminations:

- There were no US equity managers terminated over the last quarter.

Target Changes:

- New Interim Targets as of 07/1/2016
 - 26% LGPF and STPF
- Prior Interim Targets
 - 32% LGPF
 - 33% STPF
- Long-Term Targets
 - 22% LGPF and STPF

Manager Events:

- T. Rowe - Brian Rogers, Chairman and CIO, retired on March 31, 2017. The firm has appointed six senior investment leaders as CIOs to be effective at that time.

NMSIC US Equity as of March 31, 2017

Investment Policy Objectives - Asset Class Composites

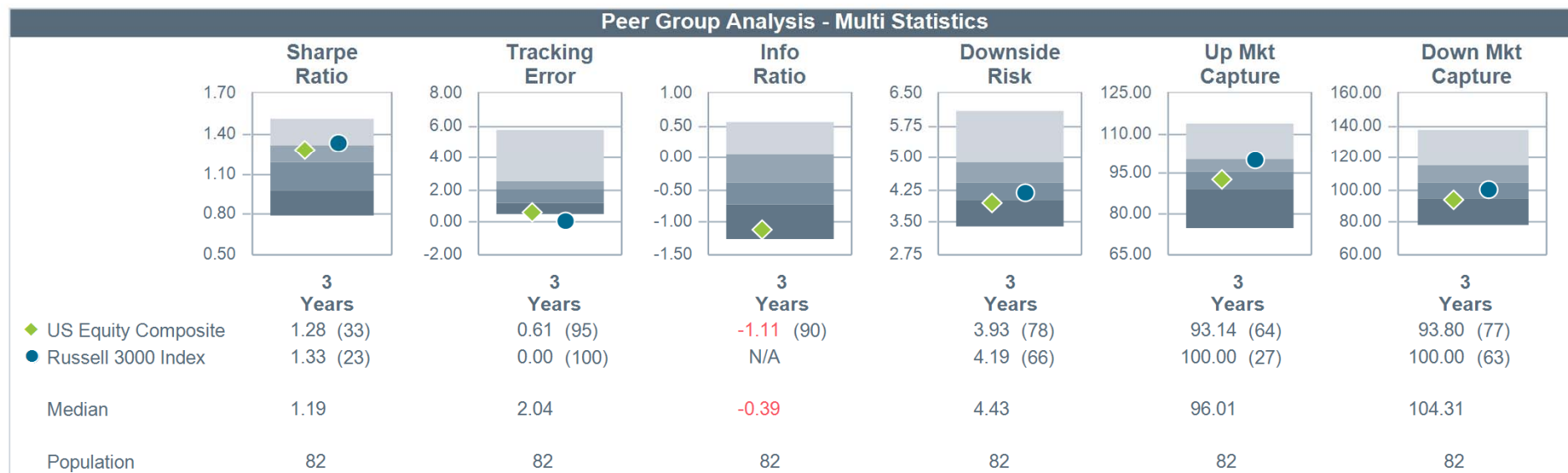
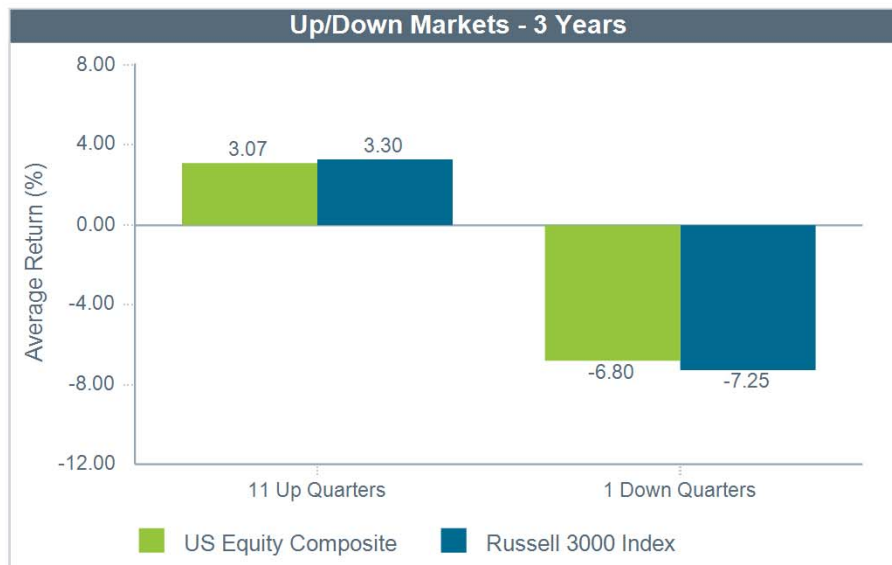
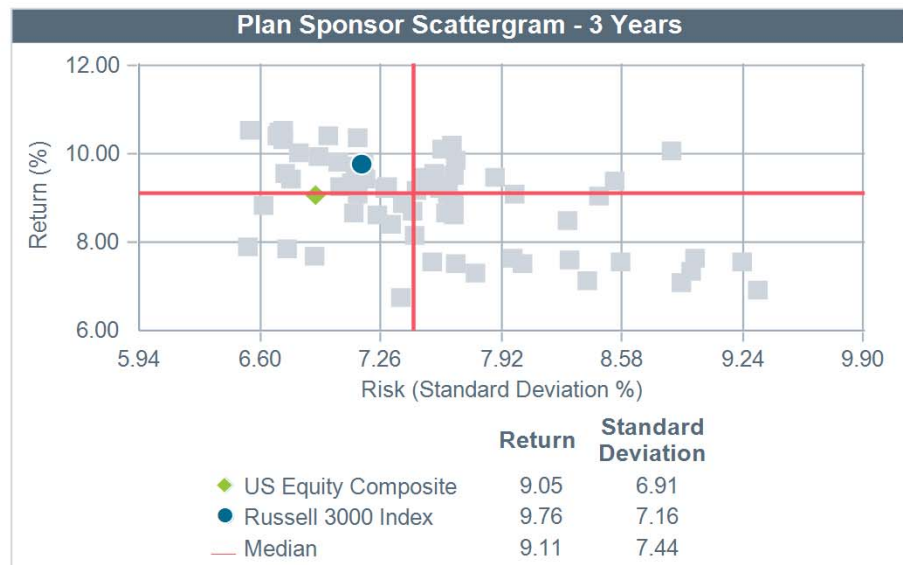
US Equity	Performance Objectives	Meets Objective	Performance	3 Years
	Exceed the return of the Russell 3000 Index on a gross-of-fees basis over a trailing three-year period.	No	US Equity Composite	9.05
			Russell 3000 Index	9.76
			Difference	-0.71
	Objective	Meets Objective	Explanation	
	Rank at a minimum in the top two-thirds of a nationally recognized plan sponsor universe of equity segments possessing a similar style.	Yes	Over the trailing three-year period, the US Equity Composite returned 9.05% vs. 9.76% for the Russell 3000 Index. For the same time period, the fund had a percentile ranking of 54 when compared to other U.S. Equity segments within the All Public Plans universe.	

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years
NMSIC US Equity Composite - Gross	5.61	5.61	14.92	17.85	9.05	12.51	11.78	7.83
<i>Russell 3000 Index</i>	5.74	5.74	15.04	18.07	9.76	13.18	12.89	7.54
All Public Plans-US Equity Segment Median	5.44	5.44	14.91	18.03	9.11	12.73	12.71	7.51
<i>Rank</i>	39	39	50	52	54	59	84	23
NMSIC US Equity Composite - Net	5.56	5.56	14.81	17.61	8.81	12.25	11.54	7.59
<i>Russell 3000 Index</i>	5.74	5.74	15.04	18.07	9.76	13.18	12.89	7.54
US Large Cap Equity Composite	5.80	5.80	14.06	16.91	9.60	12.55	11.55	8.10
<i>Russell 1000 Index</i>	6.03	6.03	14.52	17.43	9.99	13.26	12.95	7.58
US Small/Mid Cap Equity Composite	4.20	4.20	23.08	26.82	5.32	11.67	N/A	N/A
<i>US Small/Mid Cap Equity Custom Index</i>	3.27	3.27	19.15	23.45	7.65	12.62	12.57	7.41

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

NMSIC US Equity as of March 31, 2017 - Continued

All Public Plans – US Equity Segment



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

Asset Class: Non-US Equity



NMSIC Non-US Equity Structure Update

Recent Manager Hires:

- There were no Non-US Equity managers hired over the last quarter.

Recent Manager Terminations:

- There were no Non-US Equity managers terminated over the last quarter.

Target Changes:

- Long-Term Targets
 - 18% LGPF and STPF
- Interim Targets as of 11/1/2015
 - 18% LGPF and STPF
- No Interim target changes

Asset Class Constraint Changes:

- In November 2014 Constitutional Amendment 5 was passed by New Mexico voters, eliminating the 15% (percent) statutory cap on international securities.

Manager Events:

- T. Rowe - Brian Rogers, Chairman and CIO, retired on March 31, 2017. The firm has appointed six senior investment leaders as CIOs to be effective at that time.
- Alliance Bernstein – Peter Kraus, CEO, was terminated from his position on April 28, 2017. Seth Bernstein, a former JP Morgan executive, has been named chief executive and was given a seat on the company's board.
- William Blair – A settlement was reached with the SEC regarding a 2013 examination that found that the firm had failed to properly disclose information to investors.

NMSIC Non-US Equity as of March 31, 2017

Investment Policy Objectives - Asset Class Composites

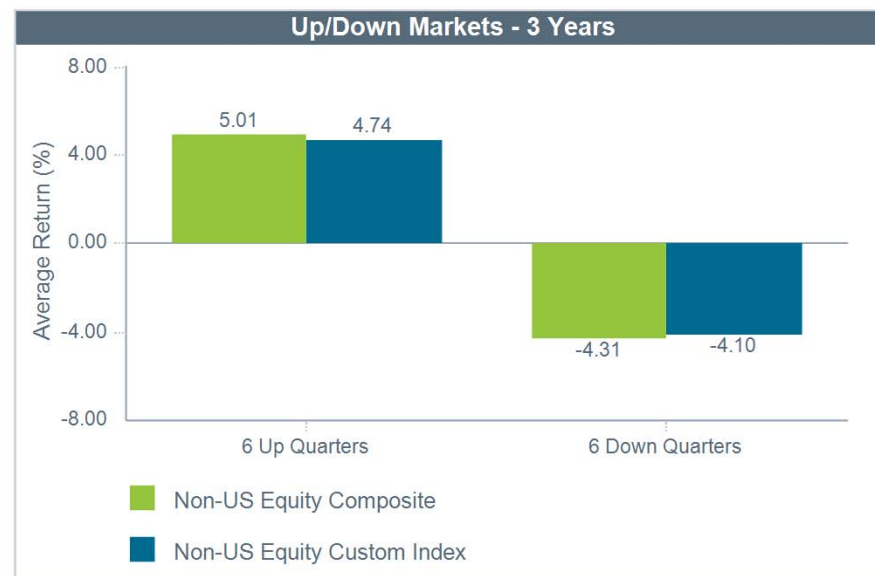
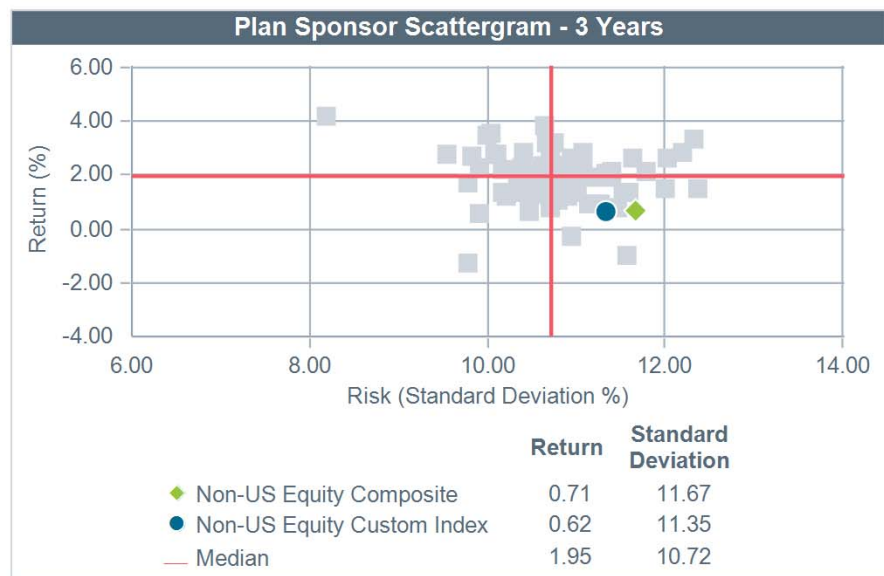
Non-US Equity	Performance Objectives	Meets Objective	Performance	3 Years
	Exceed the return of the Non-US Equity Custom Index on a gross-of-fees basis over a trailing three-year period.	Yes	Non-US Equity Composite	0.71
			Non-US Equity Custom Index	0.62
			Difference	0.09
	Objective	Meets Objective	Explanation	
	Rank at a minimum in the top two-thirds of a nationally recognized plan sponsor universe of equity segments possessing a similar style.	No	Over the trailing three-year period, the Non-US Equity Composite returned 0.71% vs. 0.62% for the Non-US Equity Custom Index. For the same time period, the fund had a percentile ranking of 93 when compared to other Non-US Equity segments within the All Public Plans universe.	

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years
NMSIC Non-US Equity Composite - Gross	8.61	8.61	14.04	12.92	0.71	2.95	2.96	1.62
<i>Non-US Equity Custom Index</i>	7.99	7.99	13.78	13.01	0.62	3.73	3.50	1.79
All Public Plans-Intl. Equity Segment Median	8.32	8.32	13.55	13.16	1.95	6.03	5.45	2.41
<i>Rank</i>	35	35	38	58	93	100	99	85
NMSIC Non-US Equity Composite - Net	8.51	8.51	13.82	12.50	0.30	2.61	2.63	1.28
<i>Non-US Equity Custom Index</i>	7.99	7.99	13.78	13.01	0.62	3.73	3.50	1.79
Non-US Developed Markets Composite	7.90	7.90	13.74	11.89	1.82	6.57	5.68	1.81
<i>Non-US Developed Markets Custom Index</i>	7.35	7.35	13.42	11.57	0.67	5.94	4.80	1.11
Non-US Emerging Markets Composite	11.98	11.98	15.45	17.78	0.62	-0.98	-0.54	1.15
<i>MSCI Emg Mkts Index (USD) (Net)</i>	11.44	11.44	16.44	17.21	1.18	0.81	1.69	2.72

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 March 31, 2017 - Continued

All Public Plans – Non-US Equity Segment



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

Asset Class: Fixed Income



NMSIC Fixed Income Structure Update

Recent Manager Hires:

- There were no Fixed Income managers hired over the last quarter.

Recent Manager Terminations:

- There were no Fixed Income managers terminated over the last year.

Target Changes:

- New Interim Targets as of 07/1/2016
 - 23% LGPF
 - 22% STPF
- Prior Interim Targets
 - 20% LGPF and STPF
- Long-Term Targets
 - 19% LGPF
 - 18% STPF

Manager Events:

- Prudential - Prudential Fixed Income, consolidated its brands under a single name – PGIM Fixed Income, effective January 1, 2017.

NMSIC Fixed Income as of March 31, 2017

Investment Policy Objectives - Asset Class Composites

Fixed Income	Performance Objectives	Meets Objective	Performance	3 Years
	Exceed the return of the Fixed Income Custom Index Index on a gross-of-fees basis over a trailing three-year period.	Yes	Fixed Income Composite	3.69
			Fixed Income Custom Index	3.18
			Difference	0.51
Fixed Income	Objective	Meets Objective	Explanation	
	Rank at a minimum in the top two-thirds of a nationally recognized plan sponsor universe of fixed income segments possessing a similar style.	Yes	Over the trailing three-year period, the Fixed Income Composite returned 3.69% vs. 3.18% for the Fixed Income Custom Index. For the same time period, the fund had a percentile ranking of 33 when compared to other US Fixed Income segments within the All Public Plans universe.	

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years
NMSIC Fixed Income Composite - Gross	1.88	1.88	3.01	5.57	3.69	4.91	6.41	3.98
<i>Fixed Income Custom Index</i>	1.11	1.11	1.27	3.80	3.18	1.98	3.56	1.46
All Public Plans-US Fixed Income Segment Median	1.26	1.26	0.55	3.09	3.20	3.09	4.46	4.75
Rank	11	11	11	19	33	11	7	82
NMSIC Fixed Income Composite - Net	1.84	1.84	2.92	5.40	3.53	4.75	6.26	3.84
<i>Fixed Income Custom Index</i>	1.11	1.11	1.27	3.80	3.18	1.98	3.56	1.46
US Core & Core Plus Bonds Composite	1.64	1.64	0.79	3.62	3.63	4.24	5.19	4.86
<i>US Core & Core Plus Bonds Custom Index</i>	0.90	0.90	-1.38	0.91	2.81	2.41	4.04	1.79
US Core Plus Bonds Pool	2.02	2.02	1.99	5.17	4.00	4.46	5.35	4.97
<i>Bloomberg US Unv Bond Index</i>	1.09	1.09	-0.60	1.92	2.99	2.83	3.91	4.52
US Core Bonds Index Pool	0.79	0.79	-1.82	0.35	N/A	N/A	N/A	N/A
<i>Bloomberg US Agg Bond Index</i>	0.82	0.82	-1.73	0.44	2.68	2.34	3.48	4.27
US Short Duration Fixed Income Pool	0.43	0.43	0.17	N/A	N/A	N/A	N/A	N/A
<i>Bloomberg US Gov't/Crdt: 1-3 Yr Bond Index</i>	0.41	0.41	0.04	0.71	0.96	0.93	1.21	2.34
Credit & Structured Finance Pool	2.59	2.59	9.20	11.78	4.68	8.62	12.46	2.29
<i>C&SF Primary Benchmark</i>	1.95	1.95	8.53	13.27	4.19	0.24	3.31	-9.58
<i>C&SF Secondary Benchmark</i>	1.71	1.71	5.53	9.87	4.03	0.20	3.28	-9.60
Unconstrained Fixed Income Pool	2.79	2.79	6.39	8.29	3.20	N/A	N/A	N/A
<i>ICE 3 Month LIBOR Index+2.50%</i>	0.85	0.85	2.46	3.26	2.94	2.91	2.90	3.70

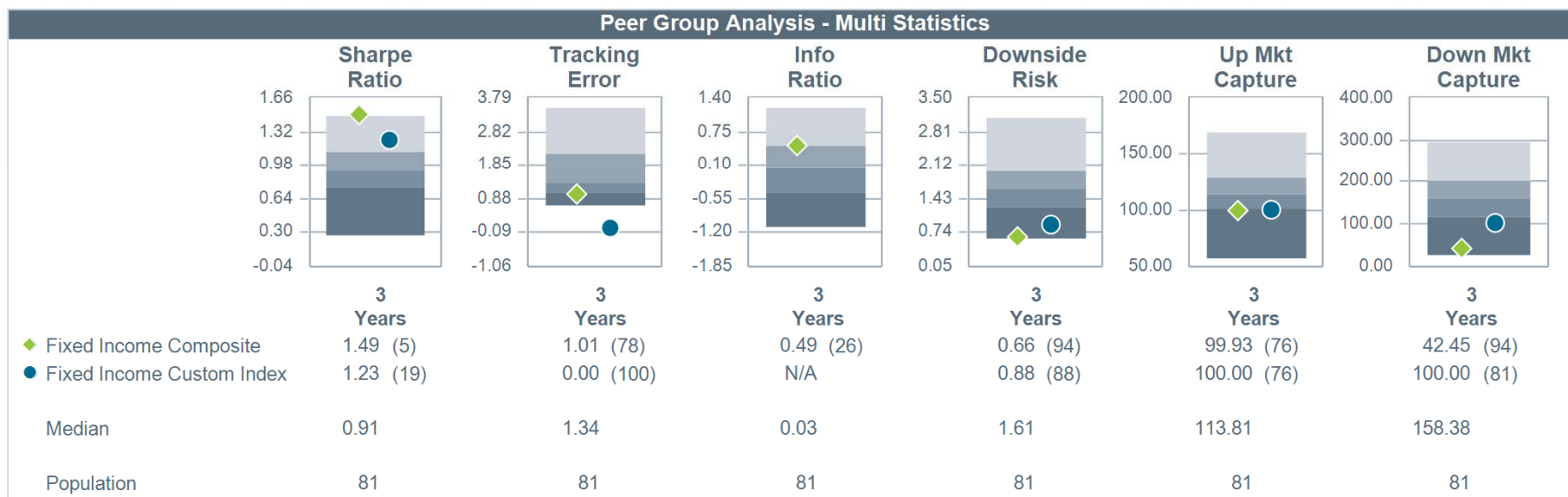
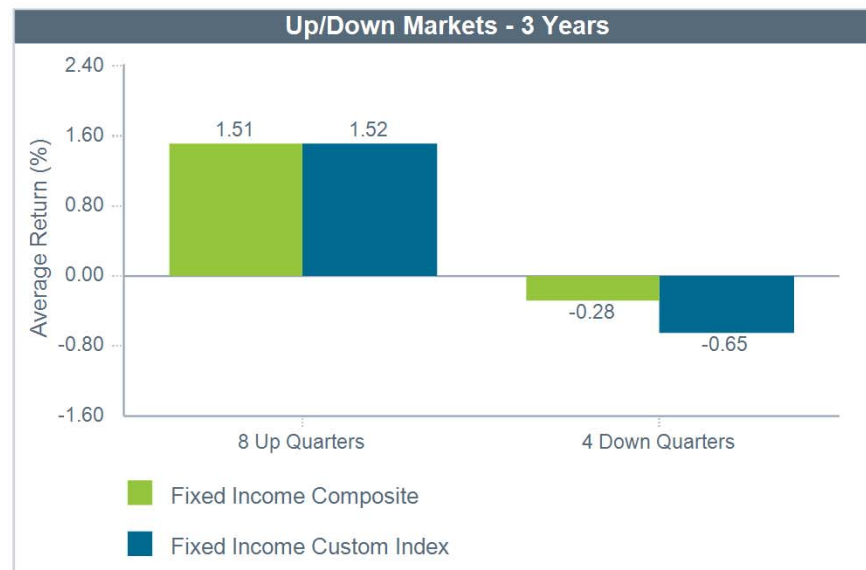
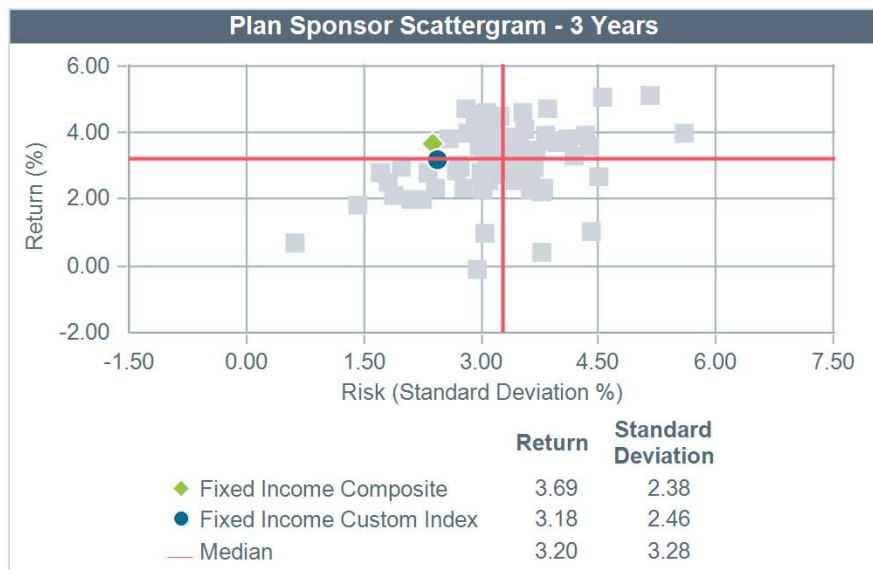
Performance shown is gross of fees, except where noted otherwise. Performance is annualized for periods greater than one year.

The Fixed Income Composite is inclusive of the Credit & Structure Finance Composite. Page 32



NMSIC Fixed Income as of March 31, 2017

All Public Plans – US Fixed Income Segment



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

The Fixed Income Composite is inclusive of the Credit & Structure Finance Composite.

Asset Class: Alternative Investments



Investment Policy Review

Investment Policy Objectives - Asset Class Composites

Absolute Return	Performance Objectives Exceed the return of the Credit Suisse Hedge Fund Index (Lagged 1 Qtr) on a net-of-fees basis over a trailing three-year period.	Meets Objective No	Performance Absolute Return Composite* 3 Years 0.86 Credit Suisse Hedge Fund Index (Lagged 1 Qtr) 1.23 HFRI FOF Comp Index (Lagged 1 Qtr) 1.00
	Exceed the return of the HFRI FOF Comp Index (Lagged 1 Qtr) on a net-of-fees basis over a trailing three-year period.	Meets Objective No	Explanation Over the trailing three-year period, the Absolute Return Composite returned 0.86% vs. 1.23% for the Credit Suisse Hedge Fund Index (Lagged 1 Qtr) and 1.00% for the HFRI FOF Comp Index (Lagged 1 Qtr).
Private Equity	Performance Objectives Exceed the return of the Cambridge US Pvt Eq Index (Lagged 1 Qtr) on a net-of-fees basis over a trailing three-year period.	Meets Objective No	Performance Private Equity Composite (Ex. State)* 3 Years 7.73 Cambridge US Pvt Eq Index (Lagged 1 Qtr) 9.97 Difference -2.24
			Explanation Over the trailing three-year period, the Private Equity Composite (Ex. State) returned 7.73% vs. 9.97% for the Cambridge US Pvt Eq Index (Lagged 1 Qtr).

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years
Absolute Return Composite - Net*	1.13	1.13	4.98	2.66	0.86	3.48	2.82	1.31
Credit Suisse Hedge Fund Index (Lagged 1 Qtr)	1.14	1.14	3.53	1.26	1.23	3.52	3.79	3.41
HFRI FOF Comp Index (Lagged 1 Qtr)	0.86	0.86	3.75	0.51	1.00	2.74	2.18	1.00
Private Equity Composite (Ex. State) - Net*	4.75	4.75	10.80	11.23	7.73	10.14	10.35	8.84
Cambridge US Pvt Eq Index (Lagged 1 Qtr)	4.74	4.74	12.99	13.25	9.97	13.00	13.83	9.94

Performance shown is net of fees, except where noted otherwise. Performance is annualized for periods greater than one year. Please see the Addendum for Absolute Return performance comments. *Indicates performance is lagged 1 quarter.

Investment Policy Review

Investment Policy Objectives - Asset Class Composites

Real Estate	Performance Objective Exceed the return of the NCREIF ODCE Index (Net) (Lagged 1 Qtr) on a net-of-fees basis over a trailing three-year period.	Meets Objective Yes	Performance Townsend-Reported Real Estate Composite* 11.56 NCREIF ODCE Index (Net) (Lagged 1 Qtr) 11.04 NCREIF/Townsend Wtd Index (Lagged 1 Qtr) 12.40	3 Years
	Exceed the return of the NCREIF/Townsend Wtd Index (Lagged 1 Qtr) on a net-of-fees basis over a trailing three-year period.	Meets Objective No	Explanation Over the trailing three-year period, the Townsend-Reported Real Estate Composite returned 11.56% vs. 11.04% for the NCREIF ODCE Index (Net) (Lagged 1 Qtr) and 12.40% for the NCREIF/Townsend Wtd Index (Lagged 1 Qtr).	
Real Return	Performance Objectives Exceed the return of the Real Return Custom Index on a net-of-fees basis over a trailing three-year period.	Meets Objective Yes	Performance Real Return Composite* 2.52 Real Return Custom Index -0.91 Difference 3.43	3 Years
			Explanation Over the trailing three-year period, the Real Return Composite returned 2.52% vs. -0.91% for the Real Return Custom Index.	

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years
Townsend-Reported Real Estate Composite - Net*	1.53	1.53	6.23	7.99	11.56	11.14	10.03	2.04
NCREIF ODCE Index (Net) (Lagged 1 Qtr)	1.88	1.88	5.72	7.79	11.04	11.16	12.27	4.84
NCREIF/Townsend Wtd Index (Lagged 1 Qtr)	2.29	2.29	6.65	8.89	12.40	12.03	12.74	4.41
Real Return Composite - Net*	3.16	3.16	9.18	14.95	2.52	N/A	N/A	N/A
Real Return Custom Index	0.36	0.36	0.26	4.61	-0.91	0.27	1.90	2.27

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.
- Performance shown for Absolute Return investments and benchmark is lagged 1 quarter effective January 2016 and beyond. Performance assumes 0.00% from October through December 2015 to reflect a 1 quarter lag initiation period. Prior performance was not lagged and provided by NMSIC Staff.
- 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.

Custom Index Comments

- **Land Grant Interim Policy Index** is based on the target allocation and currently consists of 23.8% Russell 1000 Index, 2.2% US Small/Mid Cap Equity Custom Index, 14.4% Non-US Developed Markets Custom Index, 3.6% MSCI Emg Mkts Index (USD) (Net), 10.4% Bloomberg US Unv Bond Index, 4.1% Bloomberg US Agg Bond Index, 1.6% Bloomberg US Gov't/Credit: 1-3 Yr Bond Index, 3.45% C&SF Primary Benchmark, 3.45% ICE 3 Month LIBOR Index+2.50%, 5% Credit Suisse Hedge Fund Index (Lagged 1 Qtr), 9% Cambridge US Prvt Eq Index (Lagged 1 Qtr), 9% NCREIF ODCE Index (AWA) (Net) (Lagged 1 Qtr), 9% Real Return Custom Index, and 1% BofA ML 3 Mo US T-Bill Index.
- **Severance Tax Interim Policy Index** is based on the target allocation and currently consists of 23.8% Russell 1000 Index, 2.2% US Small/Mid Cap Equity Custom Index, 14.4% Non-US Developed Markets Custom Index, 3.6% MSCI Emg Mkts Index (USD) (Net), 9.9% Bloomberg US Unv Bond Index, 4.0% Bloomberg US Agg Bond Index, 1.5% Bloomberg US Gov't/Credit: 1-3 Yr Bond Index, 3.3% C&SF Primary Benchmark, 3.3% ICE 3 Month LIBOR Index+2.50%, 5% Credit Suisse Hedge Fund Index (Lagged 1 Qtr), 10% Cambridge US Prvt Eq Index (Lagged 1 Qtr), 9% NCREIF ODCE Index (AWA) (Net) (Lagged 1 Qtr), 9% Real Return Custom Index, and 1% BofA ML 3 Mo US T-Bill Index.
- **Land Grant Policy Index (Long Term)** is based on the long-term target allocation and currently consists of 18.9% Russell 1000 Index, 3.1% US Small/Mid Cap Equity Custom Index, 10.8% Non-US Developed Markets Custom Index, 7.2% MSCI Emg Mkts Index (USD) (Net), 13.3% Bloomberg US Unv Bond Index, 5.7% Credit and Structure Finance Composite, 7% HFRI FOF Composite Index (Lagged 1 Qtr), 12% Cambridge US Prvt Eq Index (Lagged 1 Qtr), 10% NCREIF ODCE Index (AWA) (Net) (Lagged 1 Qtr), and 12% Real Return Custom Index.
- **Severance Tax Policy Index (Long Term)** is based on the long-term target allocation and currently consists of 18.9% Russell 1000 Index, 3.1% US Small/Mid Cap Equity Custom Index, 10.8% Non-US Developed Markets Custom Index, 7.2% MSCI Emg Mkts Index (USD) (Net), 12.6% Bloomberg US Unv Bond Index, 5.4% Credit and Structure Finance Composite, 7% HFRI FOF Composite Index (Lagged 1 Qtr), 13% Cambridge US Prvt Eq Index (Lagged 1 Qtr), 10% NCREIF ODCE Index (AWA) (Net) (Lagged 1 Qtr), and 12% Real Return Custom Index.
- **Global Equity Custom Index** consists of 70% Russell 3000 Index, 18% MSCI EAFE Index (Net), and 12% MSCI Emg Mkts Index (Net) through October 2015; 64% Russell 3000 Index, 28% MSCI EAFE Index (Net), and 8% MSCI Emg Mkts Index (Net) through June 2016; and 59% Russell 3000 Index, 32% MSCI EAFE Index (Net), and 9% MSCI Emg Mkts Index (Net) thereafter.
- **US Small/Mid Cap Equity Custom Index** consists of 70% Russell 2000 Index and 30% Russell Mid Cap Index.
- **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 IMI Index 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.
- **Fixed Income Custom Index** consists of the Bloomberg US Agg Bond Index prior to March 2007 and is calculated using beginning of month weights applied to each corresponding primary benchmark return thereafter.
- **US Core & Core Plus Bonds Custom Index** consists of the Bloomberg US Agg Bond Index prior to March 2007 and is calculated using beginning of month weights applied to each corresponding primary benchmark return thereafter.
- **C&SF Primary Benchmark** consists of 45% ABX.HE.BBB-06-1, 45% S&P LTSA 1100 Names Index, and 10% CDX 15 (Lagged 1 Month) through December 31, 2013, and 50% BofA ML US High Yield Master II Index, 50% CS Lvg'd Loan Index thereafter.
- **C&SF Secondary Benchmark** consists of 45% ABX.HE.BBB-06-1, 45% S&P LTSA 1100 Names Index, and 10% CDX 15 (Lagged 1 Month) through December 31, 2013, and 33% BofA ML US High Yield Master II Index, 33% CS Lvg'd Loan Index, and 33% Bloomberg US Corporate Investment Grade Index thereafter.
- The Private Equity benchmark was updated to the *Cambridge US Prvt Eq Index (Lagged 1 Qtr)* in November 2014.
- **NCREIF/Townsend Wtd Index** is calculated by Townsend, lagged 1 quarter, and is a weighted benchmark based on target allocations to each real estate sector in the universe.
- **Real Return Custom Index** consists of 35% Bloomberg US Treasury: US TIPS Index, 25% Bloomberg Commodity Index (TR), 20% NCREIF Timberland Index, and 20% CPI+3%.

Permanent Fund Market Values as of March 31, 2017

	Market Value (\$)
NMSIC Total Fund Composite	21,730,939,552
Land Grant Total Fund Composite	15,809,652,219
Severance Tax Total Fund Composite	4,826,263,793
Tobacco Settlement Total Fund Composite	128,907,456
Water Trust Total Fund Composite	43,801,829
Third Party Investors Total Fund Composite	922,307,377

Market values shown may not sum up to the Total Fund exactly due to unitization rounding.

LGPF Performance Attribution

LGPF underperformed its Interim Policy Index over 3 years ending March 31, 2017

Figure 1: Total Fund Performance

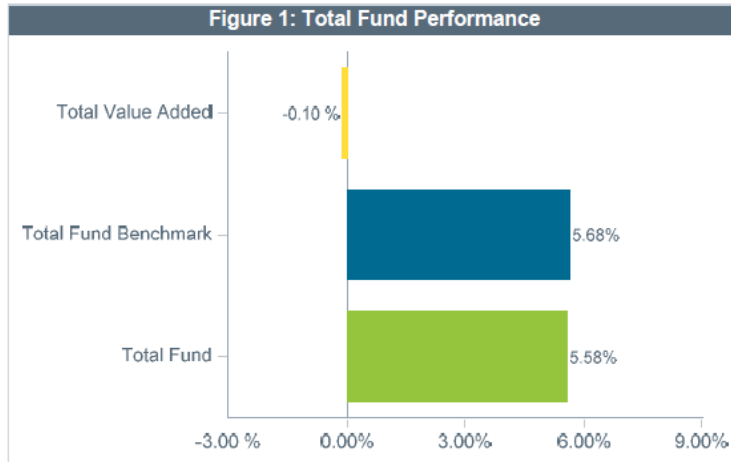


Figure 2: Total Value Added:-0.10 %

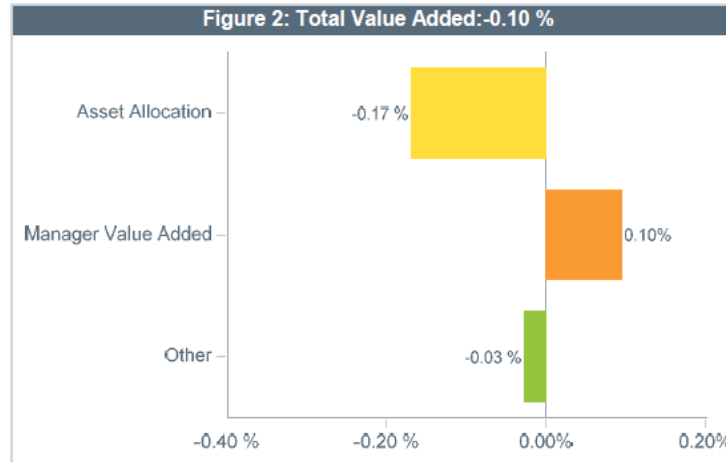


Figure 3: Total Asset Allocation:-0.17 %

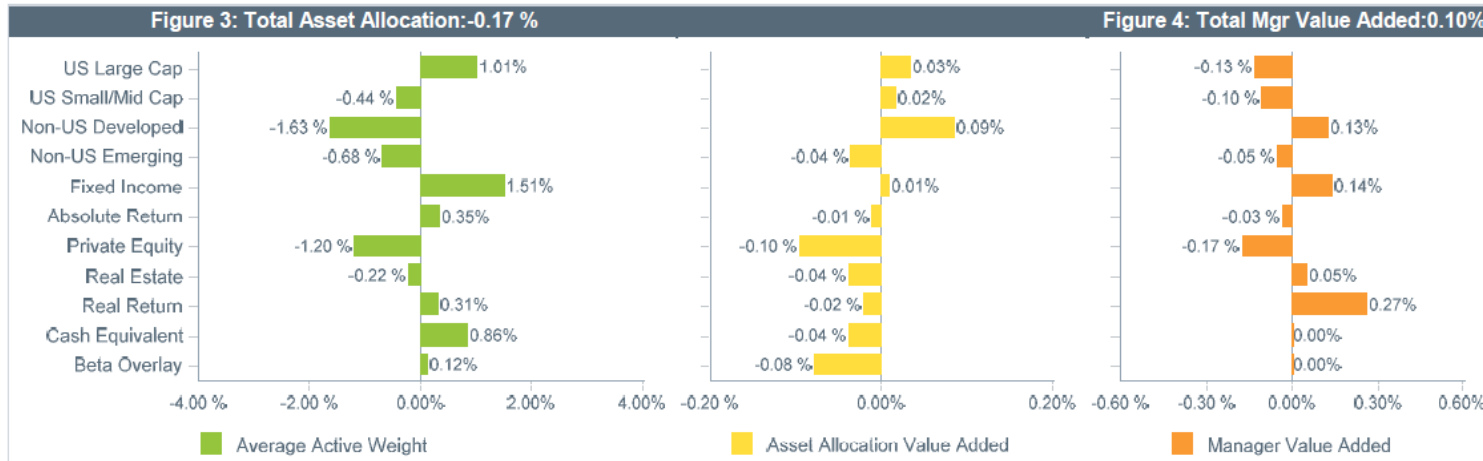
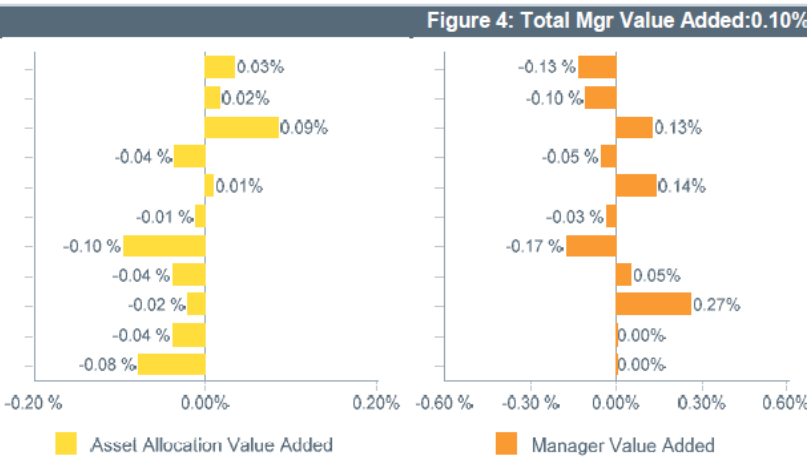


Figure 4: Total Mgr Value Added:0.10%

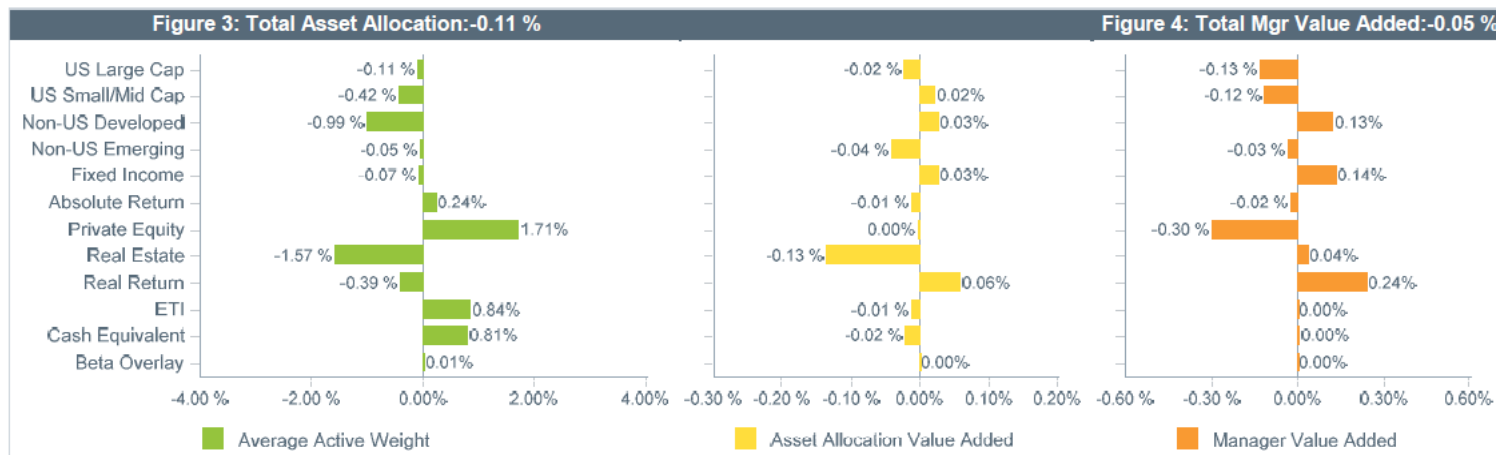
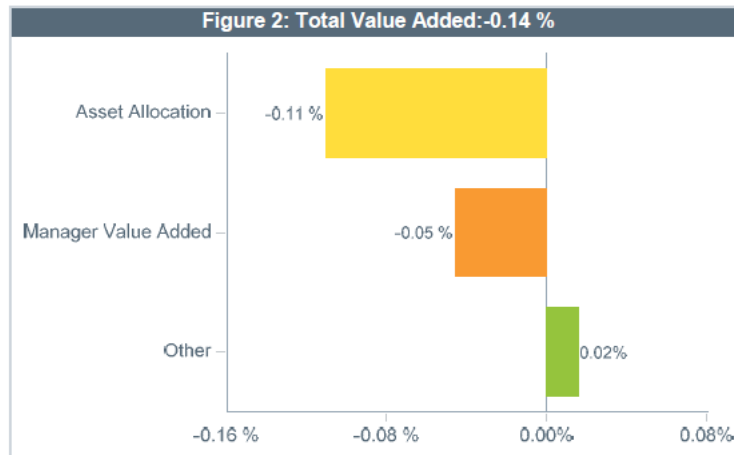
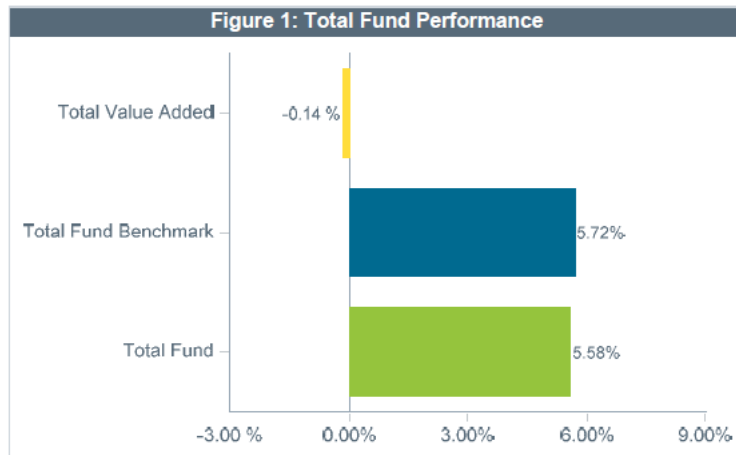


- The Land Grant Total Fund Composite trailed its Interim Policy Index over the trailing 3-year period due to portfolio positioning.
- The lower allocation to Private Equity relative to the Interim Policy Index and exposure to Cash and Beta Overlay resulted in lower performance.
- Conversely, a relatively lower allocation to Non-US Developed Equity has been beneficial to overall performance.
- Real Return, Fixed Income, and Non-US Equity Managers contributed the most to performance, outperforming their respective benchmarks over the trailing 3-year period. US and Private Equity managers detracted the most from performance by trailing their respective benchmarks over the trailing 3-year period.

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

STPF Performance Attribution

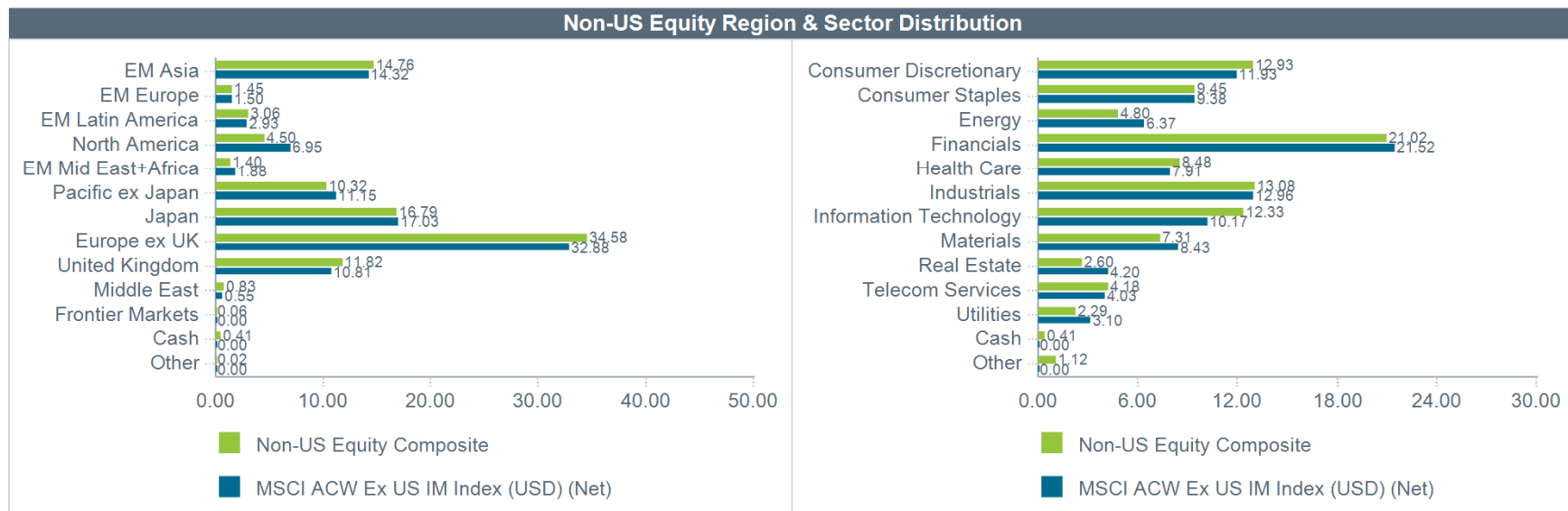
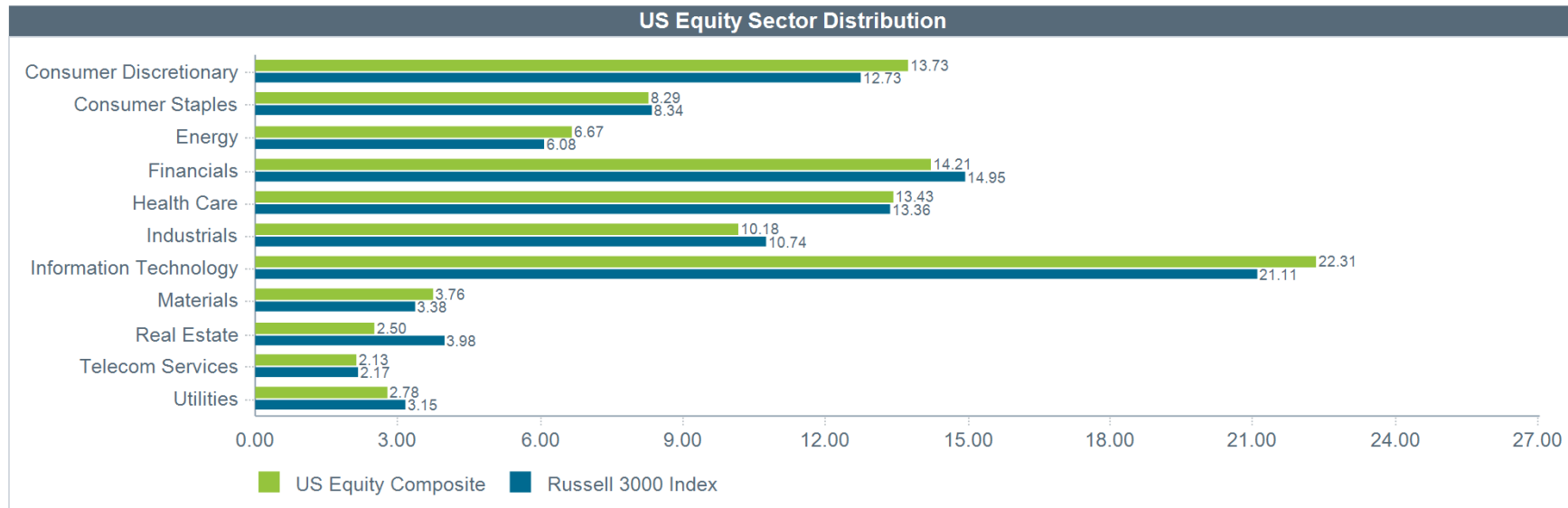
STPF underperformed its Interim Policy Index over 3 years ending March 31, 2017



- The Severance Tax Total Fund Composite trailed its Interim Policy Index over the 3-year period due to portfolio positioning and underlying manager performance.
- The lower allocation to Real Estate detracted from the Severance Tax performance, while lower relative allocations to Non-US Developed Equity and Real Return compared to the Interim Policy Index have been beneficial to the Severance Tax performance.
- Similar to the Land Grant, US and Private Equity managers detracted the most from performance, underperforming their respective benchmarks over the trailing 3-year period, while Real Return, Fixed Income, and Non-US Developed managers contributed the most from performance over the trailing 3-year period.

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

US & Non-US Equity Holdings Distribution as of March 31, 2017

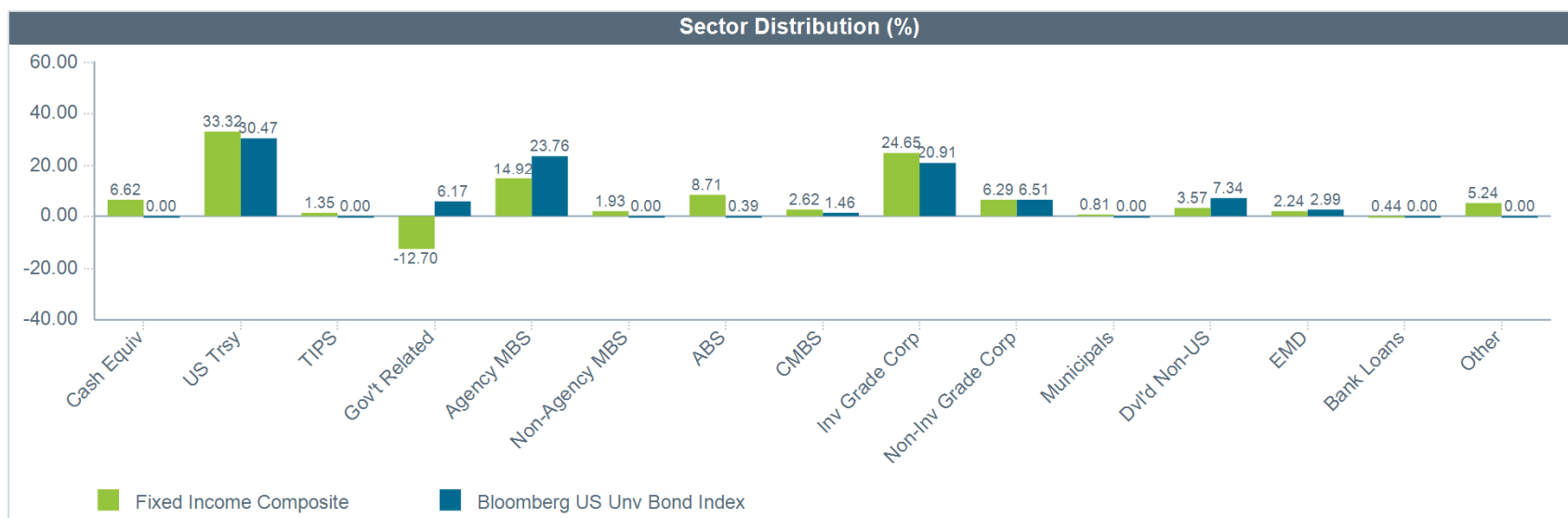


Region allocation to "Other" consists of holdings domiciled in countries/regions that do not meet the economic development, size, liquidity, or market accessibility criteria as defined by the MSCI region standards. Sector allocation to "Other" consists of ETF holdings.

NMSIC Fixed Income as of March 31, 2017

Fixed Income Composite Characteristics

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	4.62	5.78
Avg. Maturity	6.84	7.99
Avg. Quality	A1	N/A
Yield To Maturity (%)	3.27	2.98
Coupon Rate (%)	2.99	3.43
Current Yield (%)	2.97	0.20



Characteristics shown exclude characteristics for the Credit & Structure Finance Composite. Negative sector allocation reflects the managers' use of derivatives, short selling, or interest rate swaps. Allocation to "Other" consists of Preferred, RMBS, Euro/Yankees, Swaps, Convertibles, Currency Forward, Derivative securities held by the underlying managers.

PORTLAND

CHICAGO

NEW YORK

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May 3, 2017

