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NEW MEXICO
EDUCATIONAL
RETIREMENT
BOARD

New Mexico Educational Retirement Board

Second Quarter 2013 Private Markets Review

October 2013

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Information Disclosure

- NEPC, LLC uses, as its data source, the plan's fund manager and custodian bank or fund service company, and NEPC, LLC relies on those sources for all transactions, including capital calls, distributions, income/expense and reported values. While NEPC, LLC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- The Investment Performance Analysis is provided as a management aid for the client's internal use only. Portfolio performance reported in the Investment Performance Analysis does not constitute a recommendation by NEPC, LLC.
- Information in this report on market indices and security characteristics is received from sources external to NEPC, LLC. While efforts are made to ensure that this external data is accurate, NEPC, LLC cannot accept responsibility for errors that may occur.



October 2013

Trustees

New Mexico Educational Retirement Board

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Suite 204

Albuquerque, NM 87110

RE: Private Equity Strategy – 2nd Quarter 2013

Dear Trustees,

We are pleased to present the June 30, 2013 Private Equity Report for the New Mexico ERB, (ERB). The report provides a variety of performance analyses for the overall portfolio. The reports include trailing performance, performance by investment stage, performance by strategy, and vintage year performance.

The ERB experienced a positive quarter, earning a nominal IRR of 2.22 % and a one year IRR of 14.05%. The annualized IRR of the private equity portfolio since inception was 10.13% at quarter end. Since inception, the Total Value to Paid In multiple (current valuation plus cumulative distributions, divided by total capital calls) was 1.26.

The following table presents the status of the ERB private markets portfolio as of June 30, 2013:

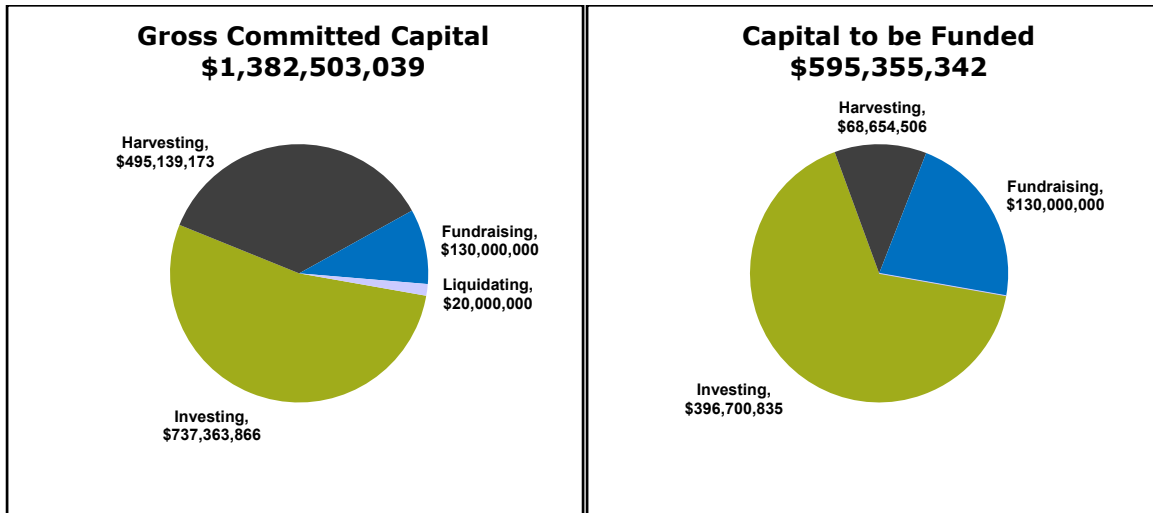
| Commitment | Terminated Commitments | Amount Funded | Amount Distributed | Reported Value | Call Ratio | Distribution Ratio |
|-------------------|-------------------------------|----------------------|---------------------------|-----------------------|-------------------|---------------------------|
| \$1,382,503,039 | \$833,000 | \$787,980,697 | \$314,856,923 | \$681,716,495 | 57% | 40% |

| Unfunded Commitment | Market Exposure (Reported Value + Unfunded Commitment) | Total Fund Composite as of 6/30/2013 | Private Markets Target | Reported Value of Total Fund | Market Exposure as a % Total Fund |
|----------------------------|---|---|-------------------------------|-------------------------------------|--|
| \$595,355,342 | \$1,277,071,837 | \$10,126,933,745 | 10% | 6.73% | 12.61% |

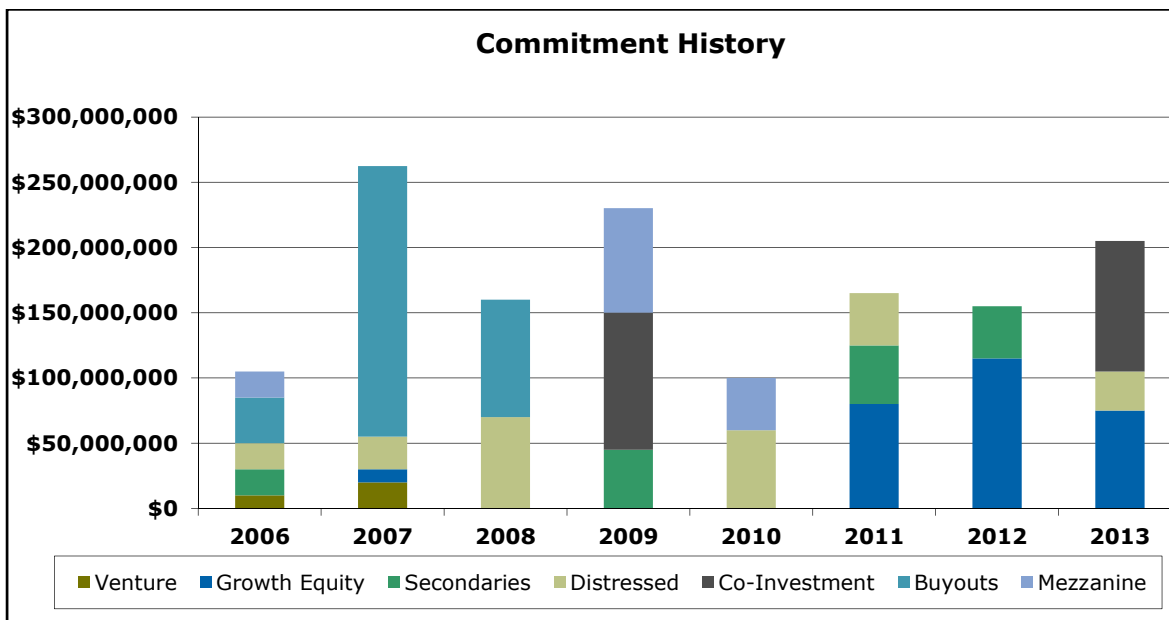
| Total Value (Reported Value + Distributions) | Total Value To Capital Call Ratio | Internal Rate of Return IRR, Since Inception (June 2006 funding) |
|---|--|---|
| \$996,573,418 | 1.26 | 10.13% |



At quarter end, the ERB had commitments totaling \$1.38 billion to 39 private equity funds. Of the 39 funds, 2 funds are in the fundraising stage, 18 funds are in the investing stage, 18 funds are in the harvesting stage, and 1 fund is in the liquidating stage. The following charts illustrate the program's current life cycle.

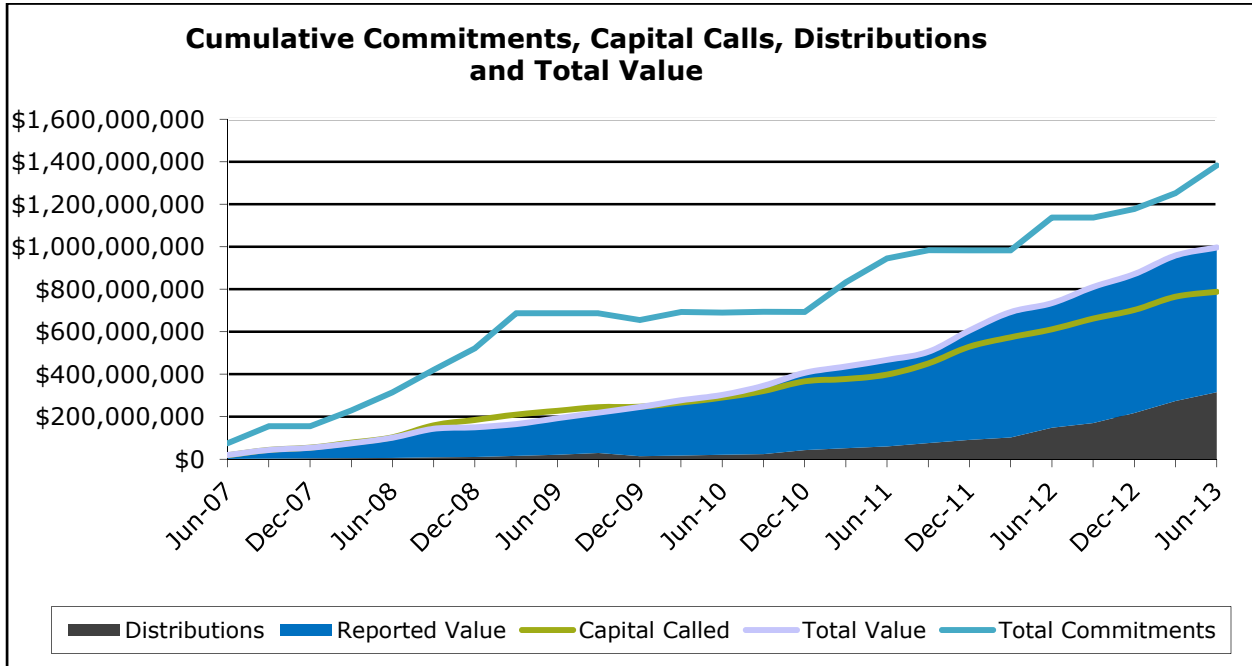


The following chart illustrates the commitment history of the private markets program through the quarter end:

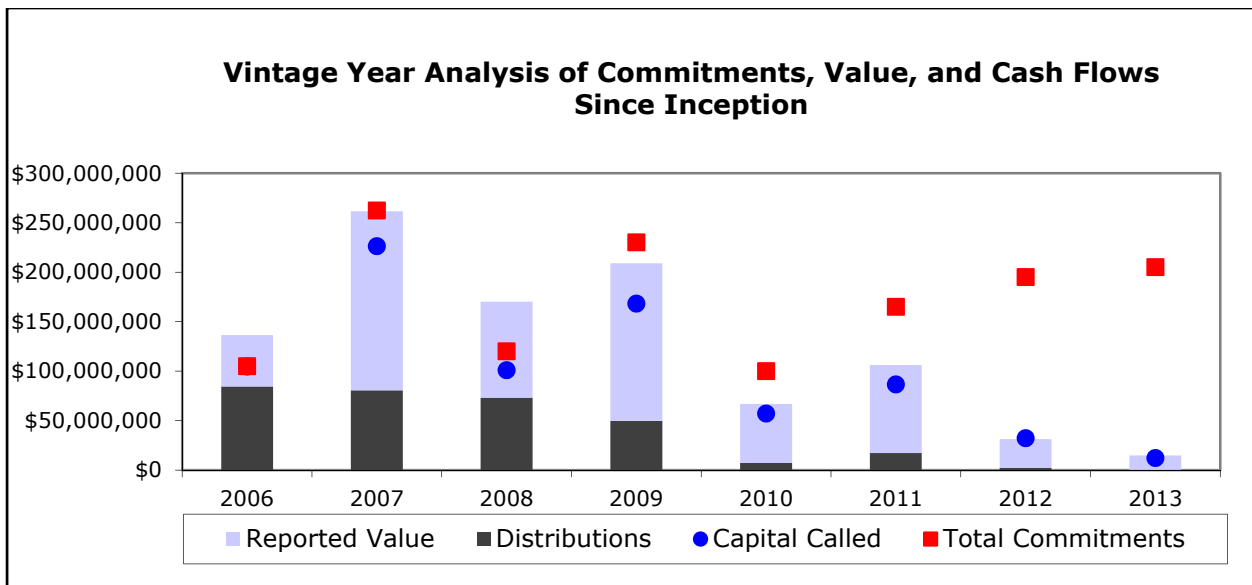




The following chart illustrates the cumulative commitment history, cumulative capital calls, cumulative distributions and reported value:



The following chart provides an analysis of the vintage year performance comparing the capital calls to the distributions and reported value.

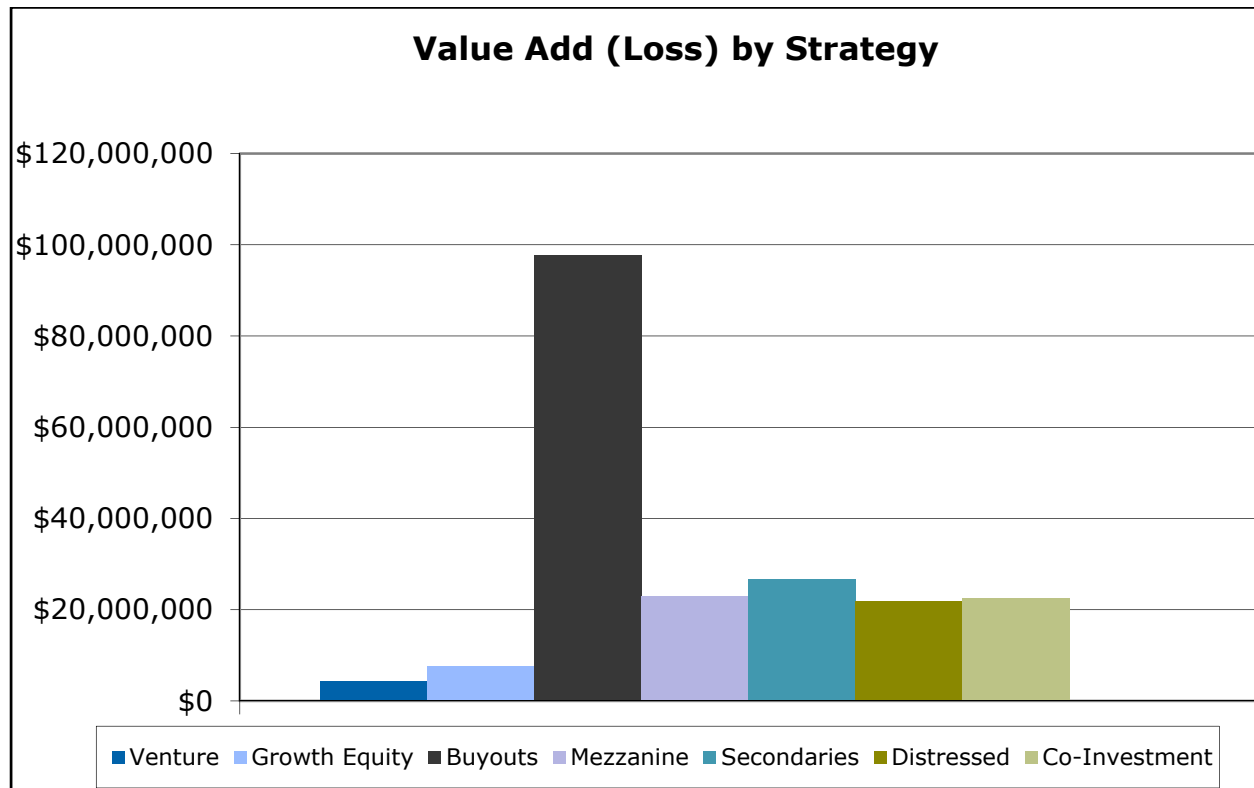




During the quarter-ended June 30, 2013 the ERB private markets portfolio funded 25 investments and received distributions from 23 funds. The summary of the cash flows is as follows:

| Amount Funded for the Quarter | Number of Funds Calling Capital | Distributions for the Quarter | Number of Funds Making Distributions | Net Cash/Stock Flows for the Quarter |
|-------------------------------|---------------------------------|-------------------------------|--------------------------------------|--------------------------------------|
| \$20,430,394 | 25 | \$40,850,847 | 23 | \$20,420,453 |

Since inception, the private markets program has gained \$203.45 million in value. The investment strategies adding value are Distressed, \$21.89 million; Mezzanine, \$23.01 million; Buyouts, \$97.62 million; Co-Investment, \$22.38 million; Secondaries, \$26.70 million; Growth Equity, \$7.58 million and Venture, \$4.28 million.

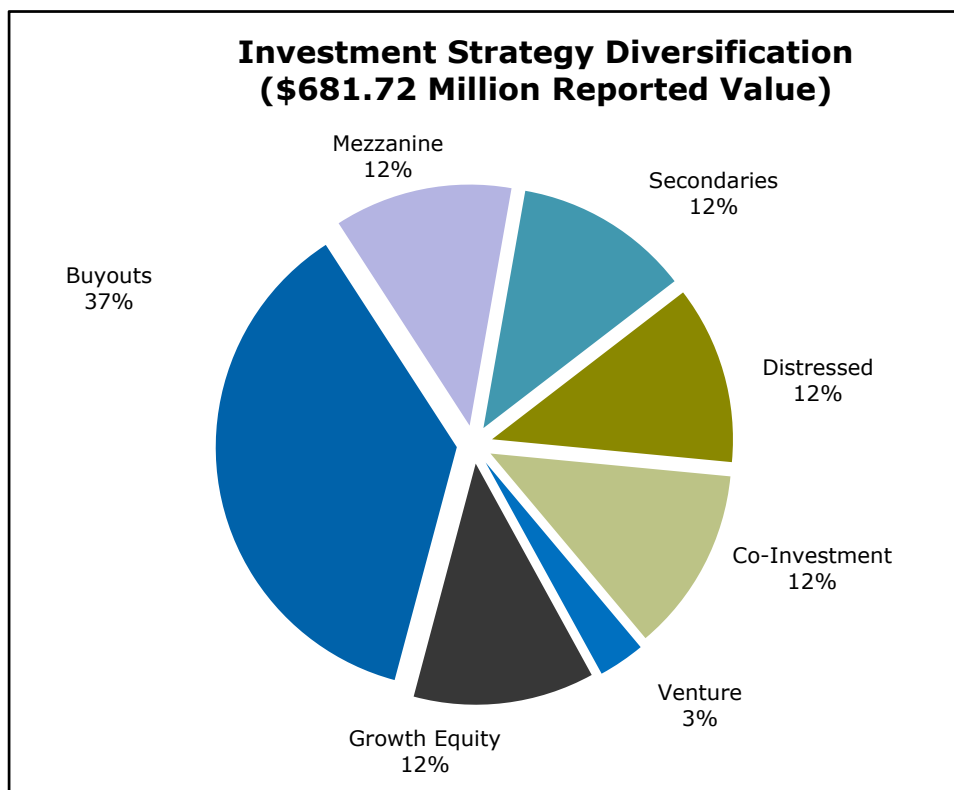




The program compared to typical long-term target allocations among the various private equity strategies is as follows:

| Investment Strategy | Target | Min. | Max. | Reported Value | Unfunded Commitment | Total Exposure |
|---------------------------------|---------------|----------|---------------|----------------|---------------------|----------------|
| Private Equity | 100.0% | - | 100.0% | 53.4% | 46.6% | 100.0% |
| <i>Venture</i> | 10.0% | - | 25.0% | 1.7% | 0.5% | 2.2% |
| <i>Growth Equity</i> | 20.0% | - | 30.0% | 6.5% | 15.9% | 22.4% |
| <i>Buyouts</i> | 20.0% | - | 50.0% | 19.6% | 3.4% | 23.0% |
| <i>Mezzanine</i> | 20.0% | - | 30.0% | 6.4% | 2.2% | 8.6% |
| <i>Secondaries</i> | 10.0% | - | 30.0% | 6.3% | 5.0% | 11.3% |
| <i>Distressed</i> | 15.0% | - | 30.0% | 6.4% | 9.2% | 15.6% |
| <i>Co-Investment</i> | 5.0% | - | 10.0% | 6.6% | 10.3% | 16.9% |
| Totals | 100.0% | | | 53.4% | 46.6% | 100.0% |
| <i>Variance due to rounding</i> | | | | | | |

At the quarter end, the private markets portfolio was diversified by investment strategy. The private markets valuation by strategy follows:





We thank you for the opportunity to work with New Mexico Educational Retirement Board and look forward to continued success in the future.

Best regards,

Allan Martin
Partner

Dan LeBeau
Consultant

New Mexico ERB
Executive Summary IRR Performance Report

6/30/2013

| Investment | Vintage Year | Commitment | Qtr TD | YTD | 1 Year | 3 Year | 5 Year | Inception |
|---|-----------------|----------------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Apollo Investment Fund VII, L.P. | 2008 | 40,000,000 | 7.68 | 19.67 | 43.14 | 30.50 | 25.28 | 25.12 |
| Ares Corporate Opportunities Fund | 2012 | 40,000,000 | -13.08 | -23.26 | N/A | N/A | N/A | -29.83 |
| Ares Special Situations III, LP | 2010 | 30,000,000 | 2.46 | 8.38 | 23.18 | N/A | N/A | 8.33 |
| Ares Special Situations, LP | 2008 | 30,000,000 | 3.40 | 14.84 | 29.72 | 16.04 | N/A | 12.48 |
| Audax Private Equity Fund IV | 2012 | 40,000,000 | 6.74 | 6.97 | N/A | N/A | N/A | 5.20 |
| BDCM Opportunity Fund III, LP | 2011 | 40,000,000 | 1.14 | 2.42 | 7.30 | N/A | N/A | 7.49 |
| BR Co-Investment (Transfer) | 2009 | 5,139,173 | -2.16 | -0.32 | -0.40 | 14.03 | N/A | 7.14 |
| BR/ERB Co-Investment Fund I (BlackRock) | 2009 | 100,000,000 | 7.72 | 14.42 | 17.43 | 18.34 | N/A | 15.78 |
| BR/ERB Co-Investment Fund II (BlackRock) | 2013 | 100,000,000 | N/A | N/A | N/A | N/A | N/A | N/A |
| Bridgepoint Europe IV D | 2007 | 26,723,157 | 6.63 | 5.13 | 16.51 | 14.23 | N/A | 9.80 |
| Clayton, Dubilier, and Rice Fund VIII, LP | 2007 | 40,000,000 | 2.28 | 14.45 | 31.45 | 20.32 | N/A | 19.73 |
| ComVest Investment Partners III, LP | 2007 | 25,000,000 | -15.44 | -25.05 | -36.20 | -18.96 | -3.28 | -3.39 |
| DRI II, L.P. | 2009 | 40,000,000 | 2.00 | 7.63 | 10.21 | 10.41 | N/A | 8.25 |
| EIG Energy Fund XV | 2010 | 40,000,000 | 2.80 | 8.35 | 15.78 | N/A | N/A | 20.55 |
| Edison Venture Fund VII, L.P. | 2011 | 40,000,000 | -0.62 | 0.84 | 13.20 | N/A | N/A | 21.16 |
| Fletcher Spaght Ventures II | 2007 | 20,000,000 | -0.97 | -1.93 | 29.69 | 8.94 | 4.21 | 1.69 |
| GF Capital Private Equity Fund, LP | 2007 | 15,000,000 | 5.38 | 4.93 | 21.61 | 22.26 | 19.81 | 16.34 |
| Goode Partners Consumer Fund I, L.P. | 2007 | 20,000,000 | 1.17 | 11.57 | 5.98 | 14.13 | 11.23 | 7.73 |
| HM Sector Performance Fund, L.P. | 2006 | 20,000,000 | -1.36 | -1.10 | -6.70 | 2.84 | -2.56 | -2.38 |
| Industrial Opportunity Partners, L.P. | 2006 | 15,000,000 | 5.56 | 8.72 | 34.90 | 50.26 | 27.87 | 24.64 |
| Industry Ventures Fund VI | 2011 | 45,000,000 | 3.67 | 9.11 | 10.32 | N/A | N/A | 35.63 |
| Leeds Equity Partners V, LP | 2007 | 20,000,000 | 5.00 | 8.91 | 11.50 | 10.59 | N/A | 10.62 |
| Levine Leichtman Deep Value Fund | 2006 | 20,000,000 | -1.49 | -0.64 | -5.76 | 7.31 | 7.88 | 2.31 |
| Levine Leichtman IV | 2008 | 50,000,000 | -1.47 | 7.14 | 21.12 | 29.23 | N/A | 24.91 |
| Lexington Capital Partners VI-B | 2006 | 20,000,000 | 2.56 | 5.46 | 10.83 | 13.13 | 6.11 | 6.16 |
| Lexington Capital Partners VII | 2009 | 45,000,000 | 3.26 | 4.27 | 16.03 | N/A | N/A | 18.61 |
| Lightyear Capital III | 2011 | 40,000,000 | 4.19 | 4.95 | 16.85 | N/A | N/A | 16.89 |
| Lion Capital Fund II | 2007 | 40,640,709 | -9.73 | -9.93 | -8.16 | -10.10 | -7.67 | -5.88 |
| Marlin Equity Partners IV, L.P. | 2013 | 30,000,000 | N/A | N/A | N/A | N/A | N/A | N/A |
| Newstone Capital Partners I, LP | 2006 | 20,000,000 | 1.95 | 4.10 | 12.95 | 9.90 | 8.33 | 8.01 |
| Perseus Partners VII, LP | 2007 | 15,000,000 | -9.51 | -25.40 | -46.72 | -32.22 | -23.60 | -22.42 |
| Platinum Equity Partners II, LP | 2007 | 30,000,000 | 6.27 | 3.43 | 21.34 | 21.52 | N/A | 15.94 |
| Psilos Group Partners III LP | 2006 | 10,000,000 | 6.01 | 4.42 | 9.69 | 21.22 | 12.89 | 8.75 |
| TPG Growth II, L.P. | 2012 | 75,000,000 | -2.97 | -5.27 | -24.31 | N/A | N/A | -24.31 |
| Tenex Capital Partners | 2010 | 30,000,000 | -1.30 | -1.76 | 3.76 | N/A | N/A | -9.86 |
| VSS Structured Capital Partners II | 2009 | 40,000,000 | 4.55 | 6.32 | 21.31 | 17.21 | N/A | 14.45 |
| Vicente Capital fka/K H Growth Equity Fund | 2007 | 10,000,000 | -2.38 | -2.74 | 49.10 | 22.92 | 12.51 | 9.49 |
| W Capital Partners III | 2012 | 40,000,000 | 10.31 | 8.85 | 46.27 | N/A | N/A | 32.12 |
| Warburg Pincus Private Equity XI, LP | 2013 | 75,000,000 | 0.77 | N/A | N/A | N/A | N/A | 6.07 |
| Total: New Mexico Educational Retirement Boa | | 1,382,503,039 | 2.22 | 5.77 | 14.05 | 13.69 | 10.81 | 10.13 |

Composite IRRs include all flows of the selected investments regardless of the start date of the investment.
"N/A" will be displayed if the investment has insufficient cash flows for the period

**New Mexico ERB
Performance Analysis**

6/30/2013

| Partnership Name | Vintage Year | Commitment | Paid In Capital | Capital To Be Funded | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | Call Ratio | DPI Ratio | TVPI Ratio | IRR |
|--|--------------|-------------|-----------------|----------------------|-----------------|--------------------------|------------|-------------|-------------|------------|-----------|------------|----------|
| 1 Apollo Investment Fund VII, L.P. | 2008 | 40,000,000 | 32,577,909 | 7,422,091 | 6,524 | 26,312,068 | 31,281,618 | 57,593,686 | 25,009,253 | 81 % | 0.81 | 1.77 | 25.12 % |
| 2 Ares Corporate Opportunities Fund | 2012 | 40,000,000 | 1,686,617 | 38,313,383 | 0 | 0 | 1,223,312 | 1,223,312 | -463,305 | 4 % | 0.00 | 0.73 | -29.83 % |
| 3 Ares Special Situations III, LP | 2010 | 30,000,000 | 18,704,797 | 11,295,203 | 279,745 | 567,142 | 21,639,522 | 22,206,664 | 3,222,122 | 62 % | 0.03 | 1.17 | 8.33 % |
| 4 Ares Special Situations, LP | 2008 | 30,000,000 | 30,000,000 | 0 | -1,194,527 | 35,824,392 | 11,929,054 | 47,753,446 | 18,947,974 | 100 % | 1.19 | 1.66 | 12.48 % |
| 5 Audax Private Equity Fund IV | 2012 | 40,000,000 | 6,449,665 | 33,550,335 | 106,720 | 0 | 6,862,890 | 6,862,890 | 306,505 | 16 % | 0.00 | 1.05 | 5.20 % |
| 6 BDCM Opportunity Fund III, LP | 2011 | 40,000,000 | 22,663,009 | 17,336,991 | 173,251 | 6,501,527 | 17,921,413 | 24,422,940 | 1,586,680 | 57 % | 0.29 | 1.07 | 7.49 % |
| 7 BR Co-Investment (Transfer) | 2009 | 5,139,173 | 4,975,125 | 164,048 | 164,048 | 3,264,132 | 3,286,103 | 6,550,235 | 1,411,062 | 97 % | 0.66 | 1.27 | 7.14 % |
| 8 BR/ERB Co-Investment Fund I (Blac | 2009 | 100,000,000 | 68,143,180 | 31,856,820 | -1,390,717 | 6,680,051 | 81,042,172 | 87,722,223 | 20,969,760 | 68 % | 0.10 | 1.31 | 15.78 % |
| 9 BR/ERB Co-Investment Fund II (Bla | 2013 | 100,000,000 | 0 | 100,000,000 | 0 | 0 | 0 | 0 | 0 | 0 % | 0.00 | N/A | N/A |
| 10 Bridgepoint Europe IV D | 2007 | 26,723,157 | 19,867,783 | 6,855,373 | 0 | 1,382,270 | 23,052,598 | 24,434,868 | 4,567,085 | 74 % | 0.07 | 1.23 | 9.80 % |
| 11 Clayton, Dubilier, and Rice Fund VII | 2007 | 40,000,000 | 33,358,382 | 6,641,618 | -84,189 | 12,955,866 | 35,613,531 | 48,569,397 | 15,295,204 | 83 % | 0.39 | 1.46 | 19.73 % |
| 12 ComVest Investment Partners III, LI | 2007 | 25,000,000 | 22,466,146 | 2,533,854 | 431,428 | 10,542,035 | 10,276,804 | 20,818,839 | -2,078,735 | 90 % | 0.47 | 0.91 | -3.39 % |
| 13 DRI II, L.P. | 2009 | 40,000,000 | 27,648,620 | 12,351,380 | 558,923 | 14,786,432 | 15,517,289 | 30,303,721 | 2,096,178 | 69 % | 0.53 | 1.07 | 8.25 % |
| 14 EIG Energy Fund XV | 2010 | 40,000,000 | 26,334,678 | 13,665,322 | 41,667 | 5,277,944 | 28,240,501 | 33,518,445 | 7,142,100 | 66 % | 0.20 | 1.27 | 20.55 % |
| 15 Edison Venture Fund VII, L.P. | 2011 | 40,000,000 | 14,400,000 | 25,600,000 | 454,315 | 0 | 18,810,676 | 18,810,676 | 3,956,361 | 36 % | 0.00 | 1.27 | 21.16 % |
| 16 Fletcher Spaght Ventures II | 2007 | 20,000,000 | 13,764,317 | 6,235,684 | 238,763 | 1,720,201 | 12,897,687 | 14,617,888 | 614,808 | 69 % | 0.12 | 1.04 | 1.69 % |
| 17 GF Capital Private Equity Fund, LP | 2007 | 15,000,000 | 14,866,806 | 133,194 | -46,128 | 10,512,856 | 12,275,924 | 22,788,780 | 7,968,102 | 99 % | 0.71 | 1.54 | 16.34 % |
| 18 Goode Partners Consumer Fund I, L | 2007 | 20,000,000 | 21,323,782 | -1,323,782 | 56,355 | 17,122,018 | 11,319,512 | 28,441,530 | 7,061,393 | 107 % | 0.80 | 1.33 | 7.73 % |
| 19 HM Sector Performance Fund, L.P. | 2006 | 20,000,000 | 20,833,000 | 0 | -127,485 | 18,458,643 | 478,676 | 18,937,319 | -1,768,196 | 104 % | 0.89 | 0.91 | -2.38 % |
| 20 Industrial Opportunity Partners, L.P. | 2006 | 15,000,000 | 13,980,061 | 1,019,939 | -365,900 | 12,839,625 | 15,103,011 | 27,942,636 | 14,328,475 | 93 % | 0.92 | 2.05 | 24.64 % |
| 21 Industry Ventures Fund VI | 2011 | 45,000,000 | 28,350,000 | 16,650,000 | 0 | 8,233,534 | 30,664,550 | 38,898,084 | 10,548,084 | 63 % | 0.29 | 1.37 | 35.63 % |
| 22 Leeds Equity Partners V, LP | 2007 | 20,000,000 | 13,435,739 | 6,564,261 | -277,663 | 2,709,190 | 13,093,409 | 15,802,599 | 2,644,523 | 67 % | 0.20 | 1.20 | 10.62 % |
| 23 Levine Leichtman Deep Value Fund | 2006 | 20,000,000 | 20,000,000 | 0 | 2,810,428 | 16,178,798 | 8,595,835 | 24,774,633 | 1,964,205 | 100 % | 0.81 | 1.09 | 2.31 % |
| 24 Levine Leichtman IV | 2008 | 50,000,000 | 38,377,277 | 11,622,723 | 282,863 | 11,015,798 | 53,855,070 | 64,870,868 | 26,210,728 | 77 % | 0.29 | 1.68 | 24.91 % |
| 25 Lexington Capital Partners VI-B | 2006 | 20,000,000 | 20,439,758 | -439,758 | -19,645 | 12,975,454 | 12,610,676 | 25,586,130 | 5,166,016 | 102 % | 0.63 | 1.25 | 6.16 % |
| 26 Lexington Capital Partners VII | 2009 | 45,000,000 | 29,265,731 | 15,734,269 | -114,241 | 9,759,683 | 28,646,557 | 38,406,240 | 9,254,750 | 65 % | 0.33 | 1.32 | 18.61 % |
| 27 Lightyear Capital III | 2011 | 40,000,000 | 21,117,102 | 18,882,898 | 0 | 2,525,988 | 21,525,828 | 24,051,816 | 2,934,714 | 53 % | 0.12 | 1.14 | 16.89 % |
| 28 Lion Capital Fund II | 2007 | 40,640,709 | 38,008,333 | 2,632,376 | 274,962 | 3,783,385 | 25,828,225 | 29,611,610 | -8,671,686 | 94 % | 0.10 | 0.77 | -5.88 % |
| 29 Marlin Equity Partners IV, L.P. | 2013 | 30,000,000 | 0 | 30,000,000 | 0 | 0 | 0 | 0 | 0 | 0 % | 0.00 | N/A | N/A |
| 30 Newstone Capital Partners I, LP | 2006 | 20,000,000 | 19,809,845 | 190,155 | 242,554 | 19,171,012 | 6,701,221 | 25,872,233 | 5,819,834 | 99 % | 0.97 | 1.29 | 8.01 % |
| 31 Perseus Partners VII, LP | 2007 | 15,000,000 | 15,167,838 | -167,838 | 114,277 | 1,064,969 | 5,381,574 | 6,446,543 | -8,835,572 | 101 % | 0.07 | 0.42 | -22.42 % |
| 32 Platinum Equity Partners II, LP | 2007 | 30,000,000 | 27,513,282 | 2,486,718 | 377,257 | 18,745,695 | 22,950,302 | 41,695,997 | 13,805,458 | 92 % | 0.68 | 1.49 | 15.94 % |
| 33 Psilos Group Partners III LP | 2006 | 10,000,000 | 9,550,000 | 450,000 | 26,981 | 4,845,456 | 8,393,954 | 13,239,410 | 3,662,429 | 96 % | 0.51 | 1.38 | 8.75 % |
| 34 TPG Growth II, L.P. | 2012 | 75,000,000 | 15,883,515 | 59,116,485 | 0 | 869,768 | 12,581,360 | 13,451,128 | -2,432,387 | 21 % | 0.05 | 0.85 | -24.31 % |
| 35 Tenex Capital Partners | 2010 | 30,000,000 | 12,113,546 | 17,886,454 | 355,228 | 1,317,353 | 9,858,025 | 11,175,378 | -1,293,396 | 40 % | 0.11 | 0.90 | -9.86 % |
| 36 VSS Structured Capital Partners II | 2009 | 40,000,000 | 38,133,420 | 1,866,580 | -9,464 | 15,219,934 | 30,851,066 | 46,071,000 | 7,947,044 | 95 % | 0.40 | 1.21 | 14.45 % |
| 37 Vicente Capital fka/K H Growth Equi | 2007 | 10,000,000 | 6,530,513 | 3,469,487 | 46,258 | 34,348 | 8,395,250 | 8,429,598 | 1,852,827 | 65 % | 0.01 | 1.28 | 9.49 % |
| 38 W Capital Partners III | 2012 | 40,000,000 | 8,100,000 | 31,900,000 | 0 | 1,404,357 | 8,430,838 | 9,835,195 | 1,735,195 | 20 % | 0.17 | 1.21 | 32.12 % |

*** Indicates Estimated Valuation for the fund

**New Mexico ERB
Performance Analysis**

6/30/2013

| Partnership Name | Vintage Year | Commitment | Paid In Capital | Capital To Be Funded | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | Call Ratio | DPI Ratio | TVPI Ratio | IRR |
|---|--------------|----------------------|--------------------|----------------------|------------------|--------------------------|--------------------|--------------------|--------------------|-------------|-------------|-------------|----------------|
| 39 Warburg Pincus Private Equity XI, LI | 2013 | 75,000,000 | 12,140,921 | 62,859,079 | 1,734,079 | 255,000 | 14,580,462 | 14,835,462 | 960,462 | 16 % | 0.02 | 1.07 | 6.07 % |
| 39 Total Partnerships | | 1,382,503,039 | 787,980,697 | 595,355,342 | 5,146,666 | 314,856,923 | 681,716,495 | 996,573,418 | 203,446,055 | 57 % | 0.40 | 1.26 | 10.13 % |

*** Indicates Estimated Valuation for the fund

**New Mexico Educational Retirement Board
Lifecycle Performance Analysis**

6/30/2013

| Lifecycle | Commitment | Paid In Capital | Capital To Be Funded | Additional Fees | Cumulative Distributions | Adjusted Valuation | Total Value | Net Benefit | Call Ratio | DPI Ratio | TVPI Ratio | IRR |
|-----------------------|---------------|-----------------|----------------------|-----------------|--------------------------|--------------------|-------------|-------------|------------|-----------|------------|---------|
| 1 Fundraising Summary | 130,000,000 | 0 | 130,000,000 | 0 | 0 | 0 | 0 | 0 | 0 % | 0.00 | N/A | N/A |
| 2 Investing Summary | 737,363,866 | 340,663,030 | 396,700,835 | 3,549,689 | 57,323,140 | 349,712,923 | 407,036,063 | 62,823,343 | 46 % | 0.17 | 1.18 | 9.74 % |
| 3 Harvesting Summary | 495,139,173 | 426,484,667 | 68,654,506 | 1,724,462 | 239,075,140 | 331,524,896 | 570,600,036 | 142,390,907 | 86 % | 0.56 | 1.33 | 11.06 % |
| 4 Liquidating Summary | 20,000,000 | 20,833,000 | 0 | -127,485 | 18,458,643 | 478,676 | 18,937,319 | -1,768,196 | 100 % | 0.89 | 0.91 | -2.38 % |
| 39 Total Partnerships | 1,382,503,039 | 787,980,697 | 595,355,342 | 5,146,666 | 314,856,923 | 681,716,495 | 996,573,418 | 203,446,055 | 57 % | 0.40 | 1.26 | 10.13 % |

New Mexico ERB
Lifecycle Performance Analysis

6/30/2013

| Partnership Name | Vintage Year | Commitment | Paid In Capital | Capital To Be Funded | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | Call Ratio | DPI Ratio | TVPI Ratio | IRR |
|---|--------------|--------------------|--------------------|----------------------|------------------|--------------------------|--------------------|--------------------|-------------------|-------------|-------------|-------------|---------------|
| 1 Fundraising | | | | | | | | | | | | | |
| 1 BR/ERB Co-Investment Fund II (Black | 2013 | 100,000,000 | 0 | 100,000,000 | 0 | 0 | 0 | 0 | 0 | 0 % | 0.00 | N/A | N/A |
| 2 Marlin Equity Partners IV, L.P. | 2013 | 30,000,000 | 0 | 30,000,000 | 0 | 0 | 0 | 0 | 0 | 0 % | 0.00 | N/A | N/A |
| 1 Fundraising Subtotal | | 130,000,000 | 0 | 130,000,000 | 0 | 0 | 0 | 0 | 0 | 0 % | 0.00 | N/A | N/A |
| 2 Investing | | | | | | | | | | | | | |
| 3 Ares Corporate Opportunities Fund | 2012 | 40,000,000 | 1,686,617 | 38,313,383 | 0 | 0 | 1,223,312 | 1,223,312 | -463,305 | 4 % | 0.00 | 0.73 | -29.83 % |
| 4 Ares Special Situations III, LP | 2010 | 30,000,000 | 18,704,797 | 11,295,203 | 279,745 | 567,142 | 21,639,522 | 22,206,664 | 3,222,122 | 62 % | 0.03 | 1.17 | 8.33 % |
| 5 Audax Private Equity Fund IV | 2012 | 40,000,000 | 6,449,665 | 33,550,335 | 106,720 | 0 | 6,862,890 | 6,862,890 | 306,505 | 16 % | 0.00 | 1.05 | 5.20 % |
| 6 BDCM Opportunity Fund III, LP | 2011 | 40,000,000 | 22,663,009 | 17,336,991 | 173,251 | 6,501,527 | 17,921,413 | 24,422,940 | 1,586,680 | 57 % | 0.29 | 1.07 | 7.49 % |
| 7 Bridgepoint Europe IV D | 2007 | 26,723,157 | 19,867,783 | 6,855,373 | 0 | 1,382,270 | 23,052,598 | 24,434,868 | 4,567,085 | 74 % | 0.07 | 1.23 | 9.80 % |
| 8 EIG Energy Fund XV | 2010 | 40,000,000 | 26,334,678 | 13,665,322 | 41,667 | 5,277,944 | 28,240,501 | 33,518,445 | 7,142,100 | 66 % | 0.20 | 1.27 | 20.55 % |
| 9 Edison Venture Fund VII, L.P. | 2011 | 40,000,000 | 14,400,000 | 25,600,000 | 454,315 | 0 | 18,810,676 | 18,810,676 | 3,956,361 | 36 % | 0.00 | 1.27 | 21.16 % |
| 10 Fletcher Spaght Ventures II | 2007 | 20,000,000 | 13,764,317 | 6,235,684 | 238,763 | 1,720,201 | 12,897,687 | 14,617,888 | 614,808 | 69 % | 0.12 | 1.04 | 1.69 % |
| 11 Industry Ventures Fund VI | 2011 | 45,000,000 | 28,350,000 | 16,650,000 | 0 | 8,233,534 | 30,664,550 | 38,898,084 | 10,548,084 | 63 % | 0.29 | 1.37 | 35.63 % |
| 12 Leeds Equity Partners V, LP | 2007 | 20,000,000 | 13,435,739 | 6,564,261 | -277,663 | 2,709,190 | 13,093,409 | 15,802,599 | 2,644,523 | 67 % | 0.20 | 1.20 | 10.62 % |
| 13 Levine Leichtman IV | 2008 | 50,000,000 | 38,377,277 | 11,622,723 | 282,863 | 11,015,798 | 53,855,070 | 64,870,868 | 26,210,728 | 77 % | 0.29 | 1.68 | 24.91 % |
| 14 Lexington Capital Partners VII | 2009 | 45,000,000 | 29,265,731 | 15,734,269 | -114,241 | 9,759,683 | 28,646,557 | 38,406,240 | 9,254,750 | 65 % | 0.33 | 1.32 | 18.61 % |
| 15 Lightyear Capital III | 2011 | 40,000,000 | 21,117,102 | 18,882,898 | 0 | 2,525,988 | 21,525,828 | 24,051,816 | 2,934,714 | 53 % | 0.12 | 1.14 | 16.89 % |
| 16 Lion Capital Fund II | 2007 | 40,640,709 | 38,008,333 | 2,632,376 | 274,962 | 3,783,385 | 25,828,225 | 29,611,610 | -8,671,686 | 94 % | 0.10 | 0.77 | -5.88 % |
| 17 TPG Growth II, L.P. | 2012 | 75,000,000 | 15,883,515 | 59,116,485 | 0 | 869,768 | 12,581,360 | 13,451,128 | -2,432,387 | 21 % | 0.05 | 0.85 | -24.31 % |
| 18 Tenex Capital Partners | 2010 | 30,000,000 | 12,113,546 | 17,886,454 | 355,228 | 1,317,353 | 9,858,025 | 11,175,378 | -1,293,396 | 40 % | 0.11 | 0.90 | -9.86 % |
| 19 W Capital Partners III | 2012 | 40,000,000 | 8,100,000 | 31,900,000 | 0 | 1,404,357 | 8,430,838 | 9,835,195 | 1,735,195 | 20 % | 0.17 | 1.21 | 32.12 % |
| 20 Warburg Pincus Private Equity XI, LP | 2013 | 75,000,000 | 12,140,921 | 62,859,079 | 1,734,079 | 255,000 | 14,580,462 | 14,835,462 | 960,462 | 16 % | 0.02 | 1.07 | 6.07 % |
| 2 Investing Subtotal | | 737,363,866 | 340,663,030 | 396,700,835 | 3,549,689 | 57,323,140 | 349,712,923 | 407,036,063 | 62,823,343 | 46 % | 0.17 | 1.18 | 9.74 % |

**New Mexico ERB
Lifecycle Performance Analysis**

6/30/2013

| Partnership Name | Vintage Year | Commitment | Paid In Capital | Capital To Be Funded | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | Call Ratio | DPI Ratio | TVPI Ratio | IRR |
|---|--------------|----------------------|--------------------|----------------------|------------------|--------------------------|--------------------|--------------------|--------------------|--------------|-------------|-------------|----------------|
| 3 Harvesting | | | | | | | | | | | | | |
| 21 Apollo Investment Fund VII, L.P. | 2008 | 40,000,000 | 32,577,909 | 7,422,091 | 6,524 | 26,312,068 | 31,281,618 | 57,593,686 | 25,009,253 | 81 % | 0.81 | 1.77 | 25.12 % |
| 22 Ares Special Situations, LP | 2008 | 30,000,000 | 30,000,000 | 0 | -1,194,527 | 35,824,392 | 11,929,054 | 47,753,446 | 18,947,974 | 100 % | 1.19 | 1.66 | 12.48 % |
| 23 BR Co-Investment (Transfer) | 2009 | 5,139,173 | 4,975,125 | 164,048 | 164,048 | 3,264,132 | 3,286,103 | 6,550,235 | 1,411,062 | 97 % | 0.66 | 1.27 | 7.14 % |
| 24 BR/ERB Co-Investment Fund I (Blackf | 2009 | 100,000,000 | 68,143,180 | 31,856,820 | -1,390,717 | 6,680,051 | 81,042,172 | 87,722,223 | 20,969,760 | 68 % | 0.10 | 1.31 | 15.78 % |
| 25 Clayton, Dubilier, and Rice Fund VIII, I | 2007 | 40,000,000 | 33,358,382 | 6,641,618 | -84,189 | 12,955,866 | 35,613,531 | 48,569,397 | 15,295,204 | 83 % | 0.39 | 1.46 | 19.73 % |
| 26 ComVest Investment Partners III, LP | 2007 | 25,000,000 | 22,466,146 | 2,533,854 | 431,428 | 10,542,035 | 10,276,804 | 20,818,839 | -2,078,735 | 90 % | 0.47 | 0.91 | -3.39 % |
| 27 DRI II, L.P. | 2009 | 40,000,000 | 27,648,620 | 12,351,380 | 558,923 | 14,786,432 | 15,517,289 | 30,303,721 | 2,096,178 | 69 % | 0.53 | 1.07 | 8.25 % |
| 28 GF Capital Private Equity Fund, LP | 2007 | 15,000,000 | 14,866,806 | 133,194 | -46,128 | 10,512,856 | 12,275,924 | 22,788,780 | 7,968,102 | 99 % | 0.71 | 1.54 | 16.34 % |
| 29 Goode Partners Consumer Fund I, L.P. | 2007 | 20,000,000 | 21,323,782 | -1,323,782 | 56,355 | 17,122,018 | 11,319,512 | 28,441,530 | 7,061,393 | 107 % | 0.80 | 1.33 | 7.73 % |
| 30 Industrial Opportunity Partners, L.P. | 2006 | 15,000,000 | 13,980,061 | 1,019,939 | -365,900 | 12,839,625 | 15,103,011 | 27,942,636 | 14,328,475 | 93 % | 0.92 | 2.05 | 24.64 % |
| 31 Levine Leichtman Deep Value Fund | 2006 | 20,000,000 | 20,000,000 | 0 | 2,810,428 | 16,178,798 | 8,595,835 | 24,774,633 | 1,964,205 | 100 % | 0.81 | 1.09 | 2.31 % |
| 32 Lexington Capital Partners VI-B | 2006 | 20,000,000 | 20,439,758 | -439,758 | -19,645 | 12,975,454 | 12,610,676 | 25,586,130 | 5,166,016 | 102 % | 0.63 | 1.25 | 6.16 % |
| 33 Newstone Capital Partners I, LP | 2006 | 20,000,000 | 19,809,845 | 190,155 | 242,554 | 19,171,012 | 6,701,221 | 25,872,233 | 5,819,834 | 99 % | 0.97 | 1.29 | 8.01 % |
| 34 Perseus Partners VII, LP | 2007 | 15,000,000 | 15,167,838 | -167,838 | 114,277 | 1,064,969 | 5,381,574 | 6,446,543 | -8,835,572 | 101 % | 0.07 | 0.42 | -22.42 % |
| 35 Platinum Equity Partners II, LP | 2007 | 30,000,000 | 27,513,282 | 2,486,718 | 377,257 | 18,745,695 | 22,950,302 | 41,695,997 | 13,805,458 | 92 % | 0.68 | 1.49 | 15.94 % |
| 36 Psilos Group Partners III LP | 2006 | 10,000,000 | 9,550,000 | 450,000 | 26,981 | 4,845,456 | 8,393,954 | 13,239,410 | 3,662,429 | 96 % | 0.51 | 1.38 | 8.75 % |
| 37 VSS Structured Capital Partners II | 2009 | 40,000,000 | 38,133,420 | 1,866,580 | -9,464 | 15,219,934 | 30,851,066 | 46,071,000 | 7,947,044 | 95 % | 0.40 | 1.21 | 14.45 % |
| 38 Vicente Capital fka/K H Growth Equity | 2007 | 10,000,000 | 6,530,513 | 3,469,487 | 46,258 | 34,348 | 8,395,250 | 8,429,598 | 1,852,827 | 65 % | 0.01 | 1.28 | 9.49 % |
| 3 Harvesting Subtotal | | 495,139,173 | 426,484,667 | 68,654,506 | 1,724,462 | 239,075,140 | 331,524,896 | 570,600,036 | 142,390,907 | 86 % | 0.56 | 1.33 | 11.06 % |
| 4 Liquidating | | | | | | | | | | | | | |
| 39 HM Sector Performance Fund, L.P. | 2006 | 20,000,000 | 20,833,000 | 0 | -127,485 | 18,458,643 | 478,676 | 18,937,319 | -1,768,196 | 104 % | 0.89 | 0.91 | -2.38 % |
| 4 Liquidating Subtotal | | 20,000,000 | 20,833,000 | 0 | -127,485 | 18,458,643 | 478,676 | 18,937,319 | -1,768,196 | 100 % | 0.89 | 0.91 | -2.38 % |
| 39 Total Partnerships | | 1,382,503,039 | 787,980,697 | 595,355,342 | 5,146,666 | 314,856,923 | 681,716,495 | 996,573,418 | 203,446,055 | 57 % | 0.40 | 1.26 | 10.13 % |

**New Mexico Educational Retirement Board
Vintage Year Performance Analysis**

6/30/2013

| Vintage Year | Commitment | Paid In Capital | Capital To Be Funded | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | Call Ratio | DPI Ratio | TVPI Ratio | IRR |
|-----------------------|---------------|-----------------|----------------------|-----------------|--------------------------|-------------|-------------|-------------|------------|-----------|------------|---------|
| 2006 Summary | 105,000,000 | 104,612,664 | 1,220,336 | 2,566,933 | 84,468,988 | 51,883,373 | 136,352,361 | 29,172,764 | 100 % | 0.81 | 1.27 | 6.91 % |
| 2007 Summary | 262,363,866 | 226,302,921 | 36,060,945 | 1,131,320 | 80,572,832 | 181,084,816 | 261,657,648 | 34,223,407 | 86 % | 0.36 | 1.15 | 4.85 % |
| 2008 Summary | 120,000,000 | 100,955,185 | 19,044,815 | -905,140 | 73,152,259 | 97,065,742 | 170,218,001 | 70,167,955 | 84 % | 0.72 | 1.70 | 19.29 % |
| 2009 Summary | 230,139,173 | 168,166,076 | 61,973,097 | -791,451 | 49,710,232 | 159,343,187 | 209,053,419 | 41,678,794 | 73 % | 0.30 | 1.25 | 14.63 % |
| 2010 Summary | 100,000,000 | 57,153,021 | 42,846,979 | 676,639 | 7,162,439 | 59,738,048 | 66,900,487 | 9,070,827 | 57 % | 0.13 | 1.16 | 10.49 % |
| 2011 Summary | 165,000,000 | 86,530,111 | 78,469,889 | 627,566 | 17,261,049 | 88,922,467 | 106,183,516 | 19,025,839 | 52 % | 0.20 | 1.22 | 21.86 % |
| 2012 Summary | 195,000,000 | 32,119,797 | 162,880,203 | 106,720 | 2,274,125 | 29,098,400 | 31,372,525 | -853,992 | 16 % | 0.07 | 0.97 | -4.45 % |
| 2013 Summary | 205,000,000 | 12,140,921 | 192,859,079 | 1,734,079 | 255,000 | 14,580,462 | 14,835,462 | 960,462 | 6 % | 0.02 | 1.07 | 6.07 % |
| 39 Total Partnerships | 1,382,503,039 | 787,980,697 | 595,355,342 | 5,146,666 | 314,856,923 | 681,716,495 | 996,573,418 | 203,446,055 | 57 % | 0.40 | 1.26 | 10.13 % |

New Mexico ERB
Vintage Year Performance Analysis

6/30/2013

| Partnership Name | Vintage Year | Commitment | Paid In Capital | Capital To Be Funded | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | Call Ratio | DPI Ratio | TVPI Ratio | IRR |
|--|--------------|--------------------|--------------------|----------------------|------------------|--------------------------|--------------------|--------------------|-------------------|--------------|-------------|-------------|----------------|
| 2006 | | | | | | | | | | | | | |
| 1 HM Sector Performance Fund, L.P. | 2006 | 20,000,000 | 20,833,000 | 0 | -127,485 | 18,458,643 | 478,676 | 18,937,319 | -1,768,196 | 104 % | 0.89 | 0.91 | -2.38 % |
| 2 Industrial Opportunity Partners, L.P. | 2006 | 15,000,000 | 13,980,061 | 1,019,939 | -365,900 | 12,839,625 | 15,103,011 | 27,942,636 | 14,328,475 | 93 % | 0.92 | 2.05 | 24.64 % |
| 3 Levine Leichtman Deep Value Fund | 2006 | 20,000,000 | 20,000,000 | 0 | 2,810,428 | 16,178,798 | 8,595,835 | 24,774,633 | 1,964,205 | 100 % | 0.81 | 1.09 | 2.31 % |
| 4 Lexington Capital Partners VI-B | 2006 | 20,000,000 | 20,439,758 | -439,758 | -19,645 | 12,975,454 | 12,610,676 | 25,586,130 | 5,166,016 | 102 % | 0.63 | 1.25 | 6.16 % |
| 5 Newstone Capital Partners I, LP | 2006 | 20,000,000 | 19,809,845 | 190,155 | 242,554 | 19,171,012 | 6,701,221 | 25,872,233 | 5,819,834 | 99 % | 0.97 | 1.29 | 8.01 % |
| 6 Psilos Group Partners III LP | 2006 | 10,000,000 | 9,550,000 | 450,000 | 26,981 | 4,845,456 | 8,393,954 | 13,239,410 | 3,662,429 | 96 % | 0.51 | 1.38 | 8.75 % |
| 2006 Subtotal | | 105,000,000 | 104,612,664 | 1,220,336 | 2,566,933 | 84,468,988 | 51,883,373 | 136,352,361 | 29,172,764 | 100 % | 0.81 | 1.27 | 6.91 % |
| 2007 | | | | | | | | | | | | | |
| 7 Bridgepoint Europe IV D | 2007 | 26,723,157 | 19,867,783 | 6,855,373 | 0 | 1,382,270 | 23,052,598 | 24,434,868 | 4,567,085 | 74 % | 0.07 | 1.23 | 9.80 % |
| 8 Clayton, Dubilier, and Rice Fund VIII, I | 2007 | 40,000,000 | 33,358,382 | 6,641,618 | -84,189 | 12,955,866 | 35,613,531 | 48,569,397 | 15,295,204 | 83 % | 0.39 | 1.46 | 19.73 % |
| 9 ComVest Investment Partners III, LP | 2007 | 25,000,000 | 22,466,146 | 2,533,854 | 431,428 | 10,542,035 | 10,276,804 | 20,818,839 | -2,078,735 | 90 % | 0.47 | 0.91 | -3.39 % |
| 10 Fletcher Spaght Ventures II | 2007 | 20,000,000 | 13,764,317 | 6,235,684 | 238,763 | 1,720,201 | 12,897,687 | 14,617,888 | 614,808 | 69 % | 0.12 | 1.04 | 1.69 % |
| 11 GF Capital Private Equity Fund, LP | 2007 | 15,000,000 | 14,866,806 | 133,194 | -46,128 | 10,512,856 | 12,275,924 | 22,788,780 | 7,968,102 | 99 % | 0.71 | 1.54 | 16.34 % |
| 12 Goode Partners Consumer Fund I, L.P. | 2007 | 20,000,000 | 21,323,782 | -1,323,782 | 56,355 | 17,122,018 | 11,319,512 | 28,441,530 | 7,061,393 | 107 % | 0.80 | 1.33 | 7.73 % |
| 13 Leeds Equity Partners V, LP | 2007 | 20,000,000 | 13,435,739 | 6,564,261 | -277,663 | 2,709,190 | 13,093,409 | 15,802,599 | 2,644,523 | 67 % | 0.20 | 1.20 | 10.62 % |
| 14 Lion Capital Fund II | 2007 | 40,640,709 | 38,008,333 | 2,632,376 | 274,962 | 3,783,385 | 25,828,225 | 29,611,610 | -8,671,686 | 94 % | 0.10 | 0.77 | -5.88 % |
| 15 Perseus Partners VII, LP | 2007 | 15,000,000 | 15,167,838 | -167,838 | 114,277 | 1,064,969 | 5,381,574 | 6,446,543 | -8,835,572 | 101 % | 0.07 | 0.42 | -22.42 % |
| 16 Platinum Equity Partners II, LP | 2007 | 30,000,000 | 27,513,282 | 2,486,718 | 377,257 | 18,745,695 | 22,950,302 | 41,695,997 | 13,805,458 | 92 % | 0.68 | 1.49 | 15.94 % |
| 17 Vicente Capital fka/K H Growth Equity | 2007 | 10,000,000 | 6,530,513 | 3,469,487 | 46,258 | 34,348 | 8,395,250 | 8,429,598 | 1,852,827 | 65 % | 0.01 | 1.28 | 9.49 % |
| 2007 Subtotal | | 262,363,866 | 226,302,921 | 36,060,945 | 1,131,320 | 80,572,832 | 181,084,816 | 261,657,648 | 34,223,407 | 86 % | 0.36 | 1.15 | 4.85 % |
| 2008 | | | | | | | | | | | | | |
| 18 Apollo Investment Fund VII, L.P. | 2008 | 40,000,000 | 32,577,909 | 7,422,091 | 6,524 | 26,312,068 | 31,281,618 | 57,593,686 | 25,009,253 | 81 % | 0.81 | 1.77 | 25.12 % |
| 19 Ares Special Situations, LP | 2008 | 30,000,000 | 30,000,000 | 0 | -1,194,527 | 35,824,392 | 11,929,054 | 47,753,446 | 18,947,974 | 100 % | 1.19 | 1.66 | 12.48 % |
| 20 Levine Leichtman IV | 2008 | 50,000,000 | 38,377,277 | 11,622,723 | 282,863 | 11,015,798 | 53,855,070 | 64,870,868 | 26,210,728 | 77 % | 0.29 | 1.68 | 24.91 % |
| 2008 Subtotal | | 120,000,000 | 100,955,185 | 19,044,815 | -905,140 | 73,152,259 | 97,065,742 | 170,218,001 | 70,167,955 | 84 % | 0.72 | 1.70 | 19.29 % |
| 2009 | | | | | | | | | | | | | |
| 21 BR Co-Investment (Transfer) | 2009 | 5,139,173 | 4,975,125 | 164,048 | 164,048 | 3,264,132 | 3,286,103 | 6,550,235 | 1,411,062 | 97 % | 0.66 | 1.27 | 7.14 % |
| 22 BR/ERB Co-Investment Fund I (Blackf | 2009 | 100,000,000 | 68,143,180 | 31,856,820 | -1,390,717 | 6,680,051 | 81,042,172 | 87,722,223 | 20,969,760 | 68 % | 0.10 | 1.31 | 15.78 % |
| 23 DRI II, L.P. | 2009 | 40,000,000 | 27,648,620 | 12,351,380 | 558,923 | 14,786,432 | 15,517,289 | 30,303,721 | 2,096,178 | 69 % | 0.53 | 1.07 | 8.25 % |
| 24 Lexington Capital Partners VII | 2009 | 45,000,000 | 29,265,731 | 15,734,269 | -114,241 | 9,759,683 | 28,646,557 | 38,406,240 | 9,254,750 | 65 % | 0.33 | 1.32 | 18.61 % |
| 25 VSS Structured Capital Partners II | 2009 | 40,000,000 | 38,133,420 | 1,866,580 | -9,464 | 15,219,934 | 30,851,066 | 46,071,000 | 7,947,044 | 95 % | 0.40 | 1.21 | 14.45 % |
| 2009 Subtotal | | 230,139,173 | 168,166,076 | 61,973,097 | -791,451 | 49,710,232 | 159,343,187 | 209,053,419 | 41,678,794 | 73 % | 0.30 | 1.25 | 14.63 % |

New Mexico ERB
Vintage Year Performance Analysis

6/30/2013

| Partnership Name | Vintage Year | Commitment | Paid In Capital | Capital To Be Funded | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | Call Ratio | DPI Ratio | TVPI Ratio | IRR |
|---|--------------|----------------------|--------------------|----------------------|------------------|--------------------------|--------------------|--------------------|--------------------|-------------|-------------|-------------|----------------|
| 2010 | | | | | | | | | | | | | |
| 26 Ares Special Situations III, LP | 2010 | 30,000,000 | 18,704,797 | 11,295,203 | 279,745 | 567,142 | 21,639,522 | 22,206,664 | 3,222,122 | 62 % | 0.03 | 1.17 | 8.33 % |
| 27 EIG Energy Fund XV | 2010 | 40,000,000 | 26,334,678 | 13,665,322 | 41,667 | 5,277,944 | 28,240,501 | 33,518,445 | 7,142,100 | 66 % | 0.20 | 1.27 | 20.55 % |
| 28 Tenex Capital Partners | 2010 | 30,000,000 | 12,113,546 | 17,886,454 | 355,228 | 1,317,353 | 9,858,025 | 11,175,378 | -1,293,396 | 40 % | 0.11 | 0.90 | -9.86 % |
| 2010 Subtotal | | 100,000,000 | 57,153,021 | 42,846,979 | 676,639 | 7,162,439 | 59,738,048 | 66,900,487 | 9,070,827 | 57 % | 0.13 | 1.16 | 10.49 % |
| 2011 | | | | | | | | | | | | | |
| 29 BDCM Opportunity Fund III, LP | 2011 | 40,000,000 | 22,663,009 | 17,336,991 | 173,251 | 6,501,527 | 17,921,413 | 24,422,940 | 1,586,680 | 57 % | 0.29 | 1.07 | 7.49 % |
| 30 Edison Venture Fund VII, L.P. | 2011 | 40,000,000 | 14,400,000 | 25,600,000 | 454,315 | 0 | 18,810,676 | 18,810,676 | 3,956,361 | 36 % | 0.00 | 1.27 | 21.16 % |
| 31 Industry Ventures Fund VI | 2011 | 45,000,000 | 28,350,000 | 16,650,000 | 0 | 8,233,534 | 30,664,550 | 38,898,084 | 10,548,084 | 63 % | 0.29 | 1.37 | 35.63 % |
| 32 Lightyear Capital III | 2011 | 40,000,000 | 21,117,102 | 18,882,898 | 0 | 2,525,988 | 21,525,828 | 24,051,816 | 2,934,714 | 53 % | 0.12 | 1.14 | 16.89 % |
| 2011 Subtotal | | 165,000,000 | 86,530,111 | 78,469,889 | 627,566 | 17,261,049 | 88,922,467 | 106,183,516 | 19,025,839 | 52 % | 0.20 | 1.22 | 21.86 % |
| 2012 | | | | | | | | | | | | | |
| 33 Ares Corporate Opportunities Fund | 2012 | 40,000,000 | 1,686,617 | 38,313,383 | 0 | 0 | 1,223,312 | 1,223,312 | -463,305 | 4 % | 0.00 | 0.73 | -29.83 % |
| 34 Audax Private Equity Fund IV | 2012 | 40,000,000 | 6,449,665 | 33,550,335 | 106,720 | 0 | 6,862,890 | 6,862,890 | 306,505 | 16 % | 0.00 | 1.05 | 5.20 % |
| 35 TPG Growth II, L.P. | 2012 | 75,000,000 | 15,883,515 | 59,116,485 | 0 | 869,768 | 12,581,360 | 13,451,128 | -2,432,387 | 21 % | 0.05 | 0.85 | -24.31 % |
| 36 W Capital Partners III | 2012 | 40,000,000 | 8,100,000 | 31,900,000 | 0 | 1,404,357 | 8,430,838 | 9,835,195 | 1,735,195 | 20 % | 0.17 | 1.21 | 32.12 % |
| 2012 Subtotal | | 195,000,000 | 32,119,797 | 162,880,203 | 106,720 | 2,274,125 | 29,098,400 | 31,372,525 | -853,992 | 16 % | 0.07 | 0.97 | -4.45 % |
| 2013 | | | | | | | | | | | | | |
| 37 BR/ERB Co-Investment Fund II (Black | 2013 | 100,000,000 | 0 | 100,000,000 | 0 | 0 | 0 | 0 | 0 | 0 % | 0.00 | N/A | N/A |
| 38 Marlin Equity Partners IV, L.P. | 2013 | 30,000,000 | 0 | 30,000,000 | 0 | 0 | 0 | 0 | 0 | 0 % | 0.00 | N/A | N/A |
| 39 Warburg Pincus Private Equity XI, LP | 2013 | 75,000,000 | 12,140,921 | 62,859,079 | 1,734,079 | 255,000 | 14,580,462 | 14,835,462 | 960,462 | 16 % | 0.02 | 1.07 | 6.07 % |
| 2013 Subtotal | | 205,000,000 | 12,140,921 | 192,859,079 | 1,734,079 | 255,000 | 14,580,462 | 14,835,462 | 960,462 | 6 % | 0.02 | 1.07 | 6.07 % |
| 39 Total Partnerships | | 1,382,503,039 | 787,980,697 | 595,355,342 | 5,146,666 | 314,856,923 | 681,716,495 | 996,573,418 | 203,446,055 | 57 % | 0.40 | 1.26 | 10.13 % |

**New Mexico Educational Retirement Board
Investment Strategy Performance Analysis**

6/30/2013

| Investment Strategy | Commitment | Paid In Capital | Capital To Be Funded | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | Call Ratio | DPI Ratio | TVPI Ratio | IRR |
|---------------------------|---------------|-----------------|----------------------|-----------------|--------------------------|-------------|-------------|-------------|------------|-----------|------------|---------|
| 100 Venture Summary | 30,000,000 | 23,314,317 | 6,685,684 | 265,744 | 6,565,657 | 21,291,641 | 27,857,298 | 4,277,237 | 78 % | 0.28 | 1.18 | 5.53 % |
| 110 Growth Equity Summary | 280,000,000 | 76,521,716 | 203,478,284 | 2,341,372 | 3,685,104 | 82,756,466 | 86,441,570 | 7,578,482 | 27 % | 0.05 | 1.10 | 10.33 % |
| 120 Buyouts Summary | 332,363,866 | 289,310,192 | 43,886,674 | 210,874 | 136,902,383 | 250,233,450 | 387,135,833 | 97,614,767 | 87 % | 0.47 | 1.34 | 10.35 % |
| 130 Mezzanine Summary | 140,000,000 | 111,926,563 | 28,073,437 | 833,679 | 54,455,322 | 81,310,077 | 135,765,399 | 23,005,156 | 80 % | 0.49 | 1.20 | 11.82 % |
| 140 Secondaries Summary | 150,000,000 | 86,155,489 | 63,844,511 | -133,886 | 32,373,028 | 80,352,621 | 112,725,649 | 26,704,045 | 57 % | 0.38 | 1.31 | 14.61 % |
| 150 Distressed Summary | 245,000,000 | 127,634,116 | 117,365,884 | 2,855,552 | 70,931,248 | 81,443,965 | 152,375,213 | 21,885,545 | 52 % | 0.56 | 1.17 | 5.87 % |
| 200 Co-Investment Summary | 205,139,173 | 73,118,305 | 132,020,868 | -1,226,669 | 9,944,183 | 84,328,275 | 94,272,458 | 22,380,822 | 36 % | 0.14 | 1.31 | 14.48 % |
| 39 Total Partnerships | 1,382,503,039 | 787,980,697 | 595,355,342 | 5,146,666 | 314,856,923 | 681,716,495 | 996,573,418 | 203,446,055 | 57 % | 0.40 | 1.26 | 10.13 % |

New Mexico ERB
Investment Strategy Performance Analysis

6/30/2013

| Partnership Name | Vintage Year | Commitment | Paid In Capital | Capital To Be Funded | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | Call Ratio | DPI Ratio | TVPI Ratio | IRR |
|--|--------------|--------------------|--------------------|----------------------|------------------|--------------------------|--------------------|--------------------|-------------------|-------------|-------------|-------------|----------------|
| 100 Venture | | | | | | | | | | | | | |
| 1 Fletcher Spaght Ventures II | 2007 | 20,000,000 | 13,764,317 | 6,235,684 | 238,763 | 1,720,201 | 12,897,687 | 14,617,888 | 614,808 | 69 % | 0.12 | 1.04 | 1.69 % |
| 2 Psilos Group Partners III LP | 2006 | 10,000,000 | 9,550,000 | 450,000 | 26,981 | 4,845,456 | 8,393,954 | 13,239,410 | 3,662,429 | 96 % | 0.51 | 1.38 | 8.75 % |
| 100 Venture Subtotal | | 30,000,000 | 23,314,317 | 6,685,684 | 265,744 | 6,565,657 | 21,291,641 | 27,857,298 | 4,277,237 | 78 % | 0.28 | 1.18 | 5.53 % |
| 110 Growth Equity | | | | | | | | | | | | | |
| 1 Audax Private Equity Fund IV | 2012 | 40,000,000 | 6,449,665 | 33,550,335 | 106,720 | 0 | 6,862,890 | 6,862,890 | 306,505 | 16 % | 0.00 | 1.05 | 5.20 % |
| 2 Edison Venture Fund VII, L.P. | 2011 | 40,000,000 | 14,400,000 | 25,600,000 | 454,315 | 0 | 18,810,676 | 18,810,676 | 3,956,361 | 36 % | 0.00 | 1.27 | 21.16 % |
| 3 Lightyear Capital III | 2011 | 40,000,000 | 21,117,102 | 18,882,898 | 0 | 2,525,988 | 21,525,828 | 24,051,816 | 2,934,714 | 53 % | 0.12 | 1.14 | 16.89 % |
| 4 TPG Growth II, L.P. | 2012 | 75,000,000 | 15,883,515 | 59,116,485 | 0 | 869,768 | 12,581,360 | 13,451,128 | -2,432,387 | 21 % | 0.05 | 0.85 | -24.31 % |
| 5 Vicente Capital fka/K H Growth Equity | 2007 | 10,000,000 | 6,530,513 | 3,469,487 | 46,258 | 34,348 | 8,395,250 | 8,429,598 | 1,852,827 | 65 % | 0.01 | 1.28 | 9.49 % |
| 6 Warburg Pincus Private Equity XI, LP | 2013 | 75,000,000 | 12,140,921 | 62,859,079 | 1,734,079 | 255,000 | 14,580,462 | 14,835,462 | 960,462 | 16 % | 0.02 | 1.07 | 6.07 % |
| 110 Growth Equity Subtotal | | 280,000,000 | 76,521,716 | 203,478,284 | 2,341,372 | 3,685,104 | 82,756,466 | 86,441,570 | 7,578,482 | 27 % | 0.05 | 1.10 | 10.33 % |
| 120 Buyouts | | | | | | | | | | | | | |
| 1 Apollo Investment Fund VII, L.P. | 2008 | 40,000,000 | 32,577,909 | 7,422,091 | 6,524 | 26,312,068 | 31,281,618 | 57,593,686 | 25,009,253 | 81 % | 0.81 | 1.77 | 25.12 % |
| 2 Bridgepoint Europe IV D | 2007 | 26,723,157 | 19,867,783 | 6,855,373 | 0 | 1,382,270 | 23,052,598 | 24,434,868 | 4,567,085 | 74 % | 0.07 | 1.23 | 9.80 % |
| 3 Clayton, Dubilier, and Rice Fund VIII, I | 2007 | 40,000,000 | 33,358,382 | 6,641,618 | -84,189 | 12,955,866 | 35,613,531 | 48,569,397 | 15,295,204 | 83 % | 0.39 | 1.46 | 19.73 % |
| 4 GF Capital Private Equity Fund, LP | 2007 | 15,000,000 | 14,866,806 | 133,194 | -46,128 | 10,512,856 | 12,275,924 | 22,788,780 | 7,968,102 | 99 % | 0.71 | 1.54 | 16.34 % |
| 5 Goode Partners Consumer Fund I, L.P. | 2007 | 20,000,000 | 21,323,782 | -1,323,782 | 56,355 | 17,122,018 | 11,319,512 | 28,441,530 | 7,061,393 | 107 % | 0.80 | 1.33 | 7.73 % |
| 6 HM Sector Performance Fund, L.P. | 2006 | 20,000,000 | 20,833,000 | 0 | -127,485 | 18,458,643 | 478,676 | 18,937,319 | -1,768,196 | 104 % | 0.89 | 0.91 | -2.38 % |
| 7 Industrial Opportunity Partners, L.P. | 2006 | 15,000,000 | 13,980,061 | 1,019,939 | -365,900 | 12,839,625 | 15,103,011 | 27,942,636 | 14,328,475 | 93 % | 0.92 | 2.05 | 24.64 % |
| 8 Leeds Equity Partners V, LP | 2007 | 20,000,000 | 13,435,739 | 6,564,261 | -277,663 | 2,709,190 | 13,093,409 | 15,802,599 | 2,644,523 | 67 % | 0.20 | 1.20 | 10.62 % |
| 9 Levine Leichtman IV | 2008 | 50,000,000 | 38,377,277 | 11,622,723 | 282,863 | 11,015,798 | 53,855,070 | 64,870,868 | 26,210,728 | 77 % | 0.29 | 1.68 | 24.91 % |
| 10 Lion Capital Fund II | 2007 | 40,640,709 | 38,008,333 | 2,632,376 | 274,962 | 3,783,385 | 25,828,225 | 29,611,610 | -8,671,686 | 94 % | 0.10 | 0.77 | -5.88 % |
| 11 Perseus Partners VII, LP | 2007 | 15,000,000 | 15,167,838 | -167,838 | 114,277 | 1,064,969 | 5,381,574 | 6,446,543 | -8,835,572 | 101 % | 0.07 | 0.42 | -22.42 % |
| 12 Platinum Equity Partners II, LP | 2007 | 30,000,000 | 27,513,282 | 2,486,718 | 377,257 | 18,745,695 | 22,950,302 | 41,695,997 | 13,805,458 | 92 % | 0.68 | 1.49 | 15.94 % |
| 120 Buyouts Subtotal | | 332,363,866 | 289,310,192 | 43,886,674 | 210,874 | 136,902,383 | 250,233,450 | 387,135,833 | 97,614,767 | 87 % | 0.47 | 1.34 | 10.35 % |
| 130 Mezzanine | | | | | | | | | | | | | |
| 1 DRI II, L.P. | 2009 | 40,000,000 | 27,648,620 | 12,351,380 | 558,923 | 14,786,432 | 15,517,289 | 30,303,721 | 2,096,178 | 69 % | 0.53 | 1.07 | 8.25 % |
| 2 EIG Energy Fund XV | 2010 | 40,000,000 | 26,334,678 | 13,665,322 | 41,667 | 5,277,944 | 28,240,501 | 33,518,445 | 7,142,100 | 66 % | 0.20 | 1.27 | 20.55 % |
| 3 Newstone Capital Partners I, LP | 2006 | 20,000,000 | 19,809,845 | 190,155 | 242,554 | 19,171,012 | 6,701,221 | 25,872,233 | 5,819,834 | 99 % | 0.97 | 1.29 | 8.01 % |
| 4 VSS Structured Capital Partners II | 2009 | 40,000,000 | 38,133,420 | 1,866,580 | -9,464 | 15,219,934 | 30,851,066 | 46,071,000 | 7,947,044 | 95 % | 0.40 | 1.21 | 14.45 % |
| 130 Mezzanine Subtotal | | 140,000,000 | 111,926,563 | 28,073,437 | 833,679 | 54,455,322 | 81,310,077 | 135,765,399 | 23,005,156 | 80 % | 0.49 | 1.20 | 11.82 % |

New Mexico ERB
Investment Strategy Performance Analysis

6/30/2013

| Partnership Name | Vintage Year | Commitment | Paid In Capital | Capital To Be Funded | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | Call Ratio | DPI Ratio | TVPI Ratio | IRR |
|---------------------------------------|--------------|----------------------|--------------------|----------------------|-------------------|--------------------------|--------------------|--------------------|--------------------|-------------|-------------|-------------|----------------|
| 140 Secondaries | | | | | | | | | | | | | |
| 1 Industry Ventures Fund VI | 2011 | 45,000,000 | 28,350,000 | 16,650,000 | 0 | 8,233,534 | 30,664,550 | 38,898,084 | 10,548,084 | 63 % | 0.29 | 1.37 | 35.63 % |
| 2 Lexington Capital Partners VI-B | 2006 | 20,000,000 | 20,439,758 | -439,758 | -19,645 | 12,975,454 | 12,610,676 | 25,586,130 | 5,166,016 | 102 % | 0.63 | 1.25 | 6.16 % |
| 3 Lexington Capital Partners VII | 2009 | 45,000,000 | 29,265,731 | 15,734,269 | -114,241 | 9,759,683 | 28,646,557 | 38,406,240 | 9,254,750 | 65 % | 0.33 | 1.32 | 18.61 % |
| 4 W Capital Partners III | 2012 | 40,000,000 | 8,100,000 | 31,900,000 | 0 | 1,404,357 | 8,430,838 | 9,835,195 | 1,735,195 | 20 % | 0.17 | 1.21 | 32.12 % |
| 140 Secondaries Subtotal | | 150,000,000 | 86,155,489 | 63,844,511 | -133,886 | 32,373,028 | 80,352,621 | 112,725,649 | 26,704,045 | 57 % | 0.38 | 1.31 | 14.61 % |
| 150 Distressed | | | | | | | | | | | | | |
| 1 Ares Corporate Opportunities Fund | 2012 | 40,000,000 | 1,686,617 | 38,313,383 | 0 | 0 | 1,223,312 | 1,223,312 | -463,305 | 4 % | 0.00 | 0.73 | -29.83 % |
| 2 Ares Special Situations III, LP | 2010 | 30,000,000 | 18,704,797 | 11,295,203 | 279,745 | 567,142 | 21,639,522 | 22,206,664 | 3,222,122 | 62 % | 0.03 | 1.17 | 8.33 % |
| 3 Ares Special Situations, LP | 2008 | 30,000,000 | 30,000,000 | 0 | -1,194,527 | 35,824,392 | 11,929,054 | 47,753,446 | 18,947,974 | 100 % | 1.19 | 1.66 | 12.48 % |
| 4 BDCM Opportunity Fund III, LP | 2011 | 40,000,000 | 22,663,009 | 17,336,991 | 173,251 | 6,501,527 | 17,921,413 | 24,422,940 | 1,586,680 | 57 % | 0.29 | 1.07 | 7.49 % |
| 5 ComVest Investment Partners III, LP | 2007 | 25,000,000 | 22,466,146 | 2,533,854 | 431,428 | 10,542,035 | 10,276,804 | 20,818,839 | -2,078,735 | 90 % | 0.47 | 0.91 | -3.39 % |
| 6 Levine Leichtman Deep Value Fund | 2006 | 20,000,000 | 20,000,000 | 0 | 2,810,428 | 16,178,798 | 8,595,835 | 24,774,633 | 1,964,205 | 100 % | 0.81 | 1.09 | 2.31 % |
| 7 Marlin Equity Partners IV, L.P. | 2013 | 30,000,000 | 0 | 30,000,000 | 0 | 0 | 0 | 0 | 0 | 0 % | 0.00 | N/A | N/A |
| 8 Tenex Capital Partners | 2010 | 30,000,000 | 12,113,546 | 17,886,454 | 355,228 | 1,317,353 | 9,858,025 | 11,175,378 | -1,293,396 | 40 % | 0.11 | 0.90 | -9.86 % |
| 150 Distressed Subtotal | | 245,000,000 | 127,634,116 | 117,365,884 | 2,855,552 | 70,931,248 | 81,443,965 | 152,375,213 | 21,885,545 | 52 % | 0.56 | 1.17 | 5.87 % |
| 200 Co-Investment | | | | | | | | | | | | | |
| 1 BR Co-Investment (Transfer) | 2009 | 5,139,173 | 4,975,125 | 164,048 | 164,048 | 3,264,132 | 3,286,103 | 6,550,235 | 1,411,062 | 97 % | 0.66 | 1.27 | 7.14 % |
| 2 BR/ERB Co-Investment Fund I (Blackf | 2009 | 100,000,000 | 68,143,180 | 31,856,820 | -1,390,717 | 6,680,051 | 81,042,172 | 87,722,223 | 20,969,760 | 68 % | 0.10 | 1.31 | 15.78 % |
| 3 BR/ERB Co-Investment Fund II (Black | 2013 | 100,000,000 | 0 | 100,000,000 | 0 | 0 | 0 | 0 | 0 | 0 % | 0.00 | N/A | N/A |
| 200 Co-Investment Subtotal | | 205,139,173 | 73,118,305 | 132,020,868 | -1,226,669 | 9,944,183 | 84,328,275 | 94,272,458 | 22,380,822 | 36 % | 0.14 | 1.31 | 14.48 % |
| 39 Total Partnerships | | 1,382,503,039 | 787,980,697 | 595,355,342 | 5,146,666 | 314,856,923 | 681,716,495 | 996,573,418 | 203,446,055 | 57 % | 0.40 | 1.26 | 10.13 % |

ICM Adjusted Ending Value

6/30/2013

New Mexico ERB Private Equity

| Investment | Index Set Name | Cumulative Contributions | Cumulative Distributions | Adjusted Valuation | Valuation _{ICM} | Valuation Spread | IRR | IRR _{ICM} ¹ | IRR Spread |
|--|----------------------|--------------------------|--------------------------|--------------------|--------------------------|------------------|--------|---------------------------------|------------|
| New Mexico Educational Retirement Board | | | | | | | | | |
| Apollo Investment Fund VII, L.P. | S&P 500 Total Return | 32,584,433 | 26,312,068 | 31,281,618 | 15,623,305 | 15,658,313 | 25.12 | 11.71 | 13.41 |
| Ares Corporate Opportunities Fund | S&P 500 Total Return | 1,686,617 | 0 | 1,223,312 | 1,921,445 | -698,133 | -29.83 | 15.29 | -45.11 |
| Ares Special Situations III, LP | S&P 500 Total Return | 18,984,542 | 567,142 | 21,639,522 | 24,915,957 | -3,276,435 | 8.33 | 16.19 | -7.86 |
| Ares Special Situations, LP | S&P 500 Total Return | 28,805,473 | 35,824,392 | 11,929,054 | 4,675,863 | 7,253,191 | 12.48 | 8.39 | 4.09 |
| Audax Private Equity Fund IV | S&P 500 Total Return | 6,556,385 | 0 | 6,862,890 | 7,183,043 | -320,153 | 5.20 | 10.67 | -5.46 |
| BDCM Opportunity Fund III, LP | S&P 500 Total Return | 22,836,260 | 6,501,527 | 17,921,413 | 19,792,317 | -1,870,904 | 7.49 | 15.92 | -8.43 |
| BR Co-Investment (Transfer) | S&P 500 Total Return | 5,139,173 | 3,264,132 | 3,286,103 | 6,370,462 | -3,084,359 | 7.14 | 18.20 | -11.05 |
| BR/ERB Co-Investment Fund I (BlackRock) | S&P 500 Total Return | 66,752,463 | 6,680,051 | 81,042,172 | 82,569,763 | -1,527,591 | 15.78 | 16.80 | -1.02 |
| BR/ERB Co-Investment Fund II (BlackRock) | S&P 500 Total Return | 0 | 0 | 0 | 0 | 0 | N/A | N/A | N/A |
| Bridgepoint Europe IV D | MSCI EAFE | 19,867,783 | 1,382,270 | 23,052,598 | 20,492,109 | 2,560,489 | 9.80 | 4.51 | 5.29 |
| Clayton, Dubilier, and Rice Fund VIII, LP | S&P 500 Total Return | 33,274,193 | 12,955,866 | 35,613,531 | 31,363,876 | 4,249,655 | 19.73 | 14.98 | 4.75 |
| ComVest Investment Partners III, LP | S&P 500 Total Return | 22,897,574 | 10,542,035 | 10,276,804 | 21,106,918 | -10,830,114 | -3.39 | 10.79 | -14.18 |
| DRI II, L.P. | S&P 500 Total Return | 28,207,543 | 14,786,432 | 15,517,289 | 18,071,026 | -2,553,737 | 8.25 | 16.97 | -8.72 |
| EIG Energy Fund XV | S&P 500 Total Return | 26,376,344 | 5,277,944 | 28,240,501 | 27,365,442 | 875,059 | 20.55 | 18.16 | 2.39 |
| Edison Venture Fund VII, L.P. | S&P 500 Total Return | 14,854,315 | 0 | 18,810,676 | 19,152,032 | -341,356 | 21.16 | 22.90 | -1.74 |
| Fletcher Spaght Ventures II | S&P 500 Total Return | 14,003,079 | 1,720,201 | 12,897,687 | 17,238,613 | -4,340,926 | 1.69 | 11.73 | -10.04 |
| GF Capital Private Equity Fund, LP | S&P 500 Total Return | 14,820,678 | 10,512,856 | 12,275,924 | 9,537,152 | 2,738,772 | 16.34 | 11.63 | 4.71 |
| Goode Partners Consumer Fund I, L.P. | S&P 500 Total Return | 21,380,137 | 17,122,018 | 11,319,512 | 11,540,673 | -221,161 | 7.73 | 7.93 | -0.21 |
| HM Sector Performance Fund, L.P. | S&P 500 Total Return | 20,705,515 | 18,458,643 | 478,676 | 10,116,546 | -9,637,870 | -2.38 | 8.44 | -10.82 |
| Industrial Opportunity Partners, L.P. | S&P 500 Total Return | 13,614,161 | 12,839,625 | 15,103,011 | 5,105,260 | 9,997,751 | 24.64 | 10.00 | 14.64 |
| Industry Ventures Fund VI | S&P 500 Total Return | 28,350,000 | 8,233,534 | 30,664,550 | 25,730,147 | 4,934,403 | 35.63 | 19.59 | 16.04 |

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¹ If Valuation ICM is negative and IRR ICM is incalculable. -100 will be displayed

ICM Adjusted Ending Value

6/30/2013

New Mexico ERB Private Equity

| Investment | Index Set Name | Cumulative Contributions | Cumulative Distributions | Adjusted Valuation | Valuation _{ICM} | Valuation Spread | IRR | IRR ¹ _{ICM} | IRR Spread |
|---|----------------------|--------------------------|--------------------------|--------------------|--------------------------|------------------|--------------|---------------------------------|--------------|
| <i>New Mexico Educational Retirement Board</i> | | | | | | | | | |
| Leeds Equity Partners V, LP | S&P 500 Total Return | 13,158,076 | 2,709,190 | 13,093,409 | 14,959,086 | -1,865,677 | 10.62 | 16.95 | -6.34 |
| Levine Leichtman Deep Value Fund | S&P 500 Total Return | 22,810,428 | 16,178,798 | 8,595,835 | 10,850,157 | -2,254,322 | 2.31 | 4.67 | -2.36 |
| Levine Leichtman IV | S&P 500 Total Return | 38,660,140 | 11,015,798 | 53,855,070 | 40,583,526 | 13,271,544 | 24.91 | 13.93 | 10.98 |
| Lexington Capital Partners VI-B | S&P 500 Total Return | 20,420,114 | 12,975,454 | 12,610,676 | 12,573,447 | 37,229 | 6.16 | 6.12 | 0.04 |
| Lexington Capital Partners VII | S&P 500 Total Return | 29,151,490 | 9,759,683 | 28,646,557 | 27,020,772 | 1,625,785 | 18.61 | 15.68 | 2.93 |
| Lightyear Capital III | S&P 500 Total Return | 21,117,102 | 2,525,988 | 21,525,828 | 21,374,697 | 151,131 | 16.89 | 16.03 | 0.86 |
| Lion Capital Fund II | MSCI EAFE | 38,283,296 | 3,783,385 | 25,828,225 | 35,128,722 | -9,300,498 | -5.88 | 0.38 | -6.26 |
| Marlin Equity Partners IV, L.P. | S&P 500 Total Return | 0 | 0 | 0 | 0 | 0 | N/A | N/A | N/A |
| Newstone Capital Partners I, LP | S&P 500 Total Return | 20,052,399 | 19,171,012 | 6,701,221 | 288,248 | 6,412,973 | 8.01 | -1.07 | 9.09 |
| Perseus Partners VII, LP | S&P 500 Total Return | 15,282,115 | 1,064,969 | 5,381,574 | 22,493,363 | -17,111,789 | -22.42 | 11.62 | -34.05 |
| Platinum Equity Partners II, LP | S&P 500 Total Return | 27,890,539 | 18,745,695 | 22,950,302 | 16,726,329 | 6,223,973 | 15.94 | 9.79 | 6.15 |
| Psilos Group Partners III LP | S&P 500 Total Return | 9,576,981 | 4,845,456 | 8,393,954 | 7,201,854 | 1,192,100 | 8.75 | 6.25 | 2.51 |
| TPG Growth II, L.P. | S&P 500 Total Return | 15,883,515 | 869,768 | 12,581,360 | 17,014,395 | -4,433,035 | -24.31 | 20.88 | -45.20 |
| Tenex Capital Partners | S&P 500 Total Return | 12,468,774 | 1,317,353 | 9,858,025 | 14,275,742 | -4,417,717 | -9.86 | 22.37 | -32.23 |
| VSS Structured Capital Partners II | S&P 500 Total Return | 38,123,956 | 15,219,934 | 30,851,066 | 31,327,624 | -476,558 | 14.45 | 15.19 | -0.74 |
| Vicente Capital fka/K H Growth Equity Fund | S&P 500 Total Return | 6,576,770 | 34,348 | 8,395,250 | 9,323,737 | -928,487 | 9.49 | 13.46 | -3.98 |
| W Capital Partners III | S&P 500 Total Return | 8,100,000 | 1,404,357 | 8,430,838 | 7,772,805 | 658,033 | 32.12 | 19.92 | 12.19 |
| Warburg Pincus Private Equity XI, LP | MSCI ACWI | 13,875,000 | 255,000 | 14,580,462 | 13,716,636 | 863,826 | 6.07 | 0.61 | 5.46 |
| Total: New Mexico Educational Retirement Board | | 793,127,363 | 314,856,923 | 681,716,495 | 682,503,089 | -786,594 | 10.13 | 10.16 | -0.03 |
| Total Investments: 39 | | 793,127,363 | 314,856,923 | 681,716,495 | 682,503,089 | -786,594 | 10.13 | 10.16 | -0.03 |

¹ If Valuation ICM is negative and IRR ICM is incalculable. -100 will be displayed

New Mexico ERB

Vintage Year Performance Benchmarking

6/30/2013

| | Commitment | Paid In Capital | Capital To Be Funded | Call Ratio | DPI Ratio | TVPI Ratio | IRR |
|--------------------------------------|--------------------|--------------------|-------------------------|-------------|-------------|-------------|--------------|
| 2006 Vintage Total | 105,000,000 | 104,612,664 | 387,336 | 100% | 0.81 | 1.27 | 6.8% |
| 2006 Venture Economics All PE | | | | | | | |
| 1st Quartile | | | | | 0.60 | 1.38 | 8.8% |
| Median | | | | | 0.29 | 1.20 | 4.5% |
| Pooled Average | | | | | 0.44 | 1.20 | 4.6% |
| 3rd Quartile | | | | | 0.14 | 0.98 | -0.5% |
| 2007 Vintage Total | 262,363,866 | 226,302,921 | 36,060,945 | 86% | 0.36 | 1.15 | 4.9% |
| 2007 Venture Economics All PE | | | | | | | |
| 1st Quartile | | | | | 0.67 | 1.50 | 14.9% |
| Median | | | | | 0.38 | 1.31 | 8.4% |
| Pooled Average | | | | | 0.45 | 1.34 | 9.0% |
| 3rd Quartile | | | | | 0.14 | 1.11 | 4.1% |
| 2008 Vintage Total | 120,000,000 | 100,955,185 | 19,044,815 | 84% | 0.72 | 1.70 | 19.3% |
| 2008 Venture Economics All PE | | | | | | | |
| 1st Quartile | | | | | 0.46 | 1.49 | 17.3% |
| Median | | | | | 0.24 | 1.25 | 10.4% |
| Pooled Average | | | | | 0.30 | 1.34 | 11.5% |
| 3rd Quartile | | | | | 0.06 | 1.11 | 5.3% |
| 2009 Vintage Total | 230,139,173 | 168,166,076 | 61,973,097 | 73% | 0.30 | 1.25 | 14.6% |
| 2009 Venture Economics All PE | | | | | | | |
| 1st Quartile | | | | | 0.27 | 1.39 | 18.6% |
| Median | | | | | 0.09 | 1.25 | 11.9% |
| Pooled Average | | | | | 0.15 | 1.28 | 12.6% |
| 3rd Quartile | | | | | 0.01 | 1.12 | 5.9% |
| 2010 Vintage Total | 100,000,000 | 57,153,021 | 42,846,979 | 57% | 0.13 | 1.16 | 10.5% |
| 2010 Venture Economics All PE | | | | | | | |
| 1st Quartile | | | | | 0.25 | 1.22 | 17.8% |
| Median | | | | | 0.07 | 1.13 | 10.5% |
| Pooled Average | | | | | 0.17 | 1.22 | 13.7% |
| 3rd Quartile | | | | | 0.00 | 1.04 | 2.0% |
| 2011 Vintage Total | 165,000,000 | 86,530,111 | 78,469,889 | 52% | 0.20 | 1.22 | 21.9% |
| 2011 Venture Economics All PE | | | | | | | |
| 1st Quartile | | | | | 0.03 | 1.13 | 16.0% |
| Median | | | | | 0.00 | 1.02 | 1.4% |
| Pooled Average | | | | | 0.03 | 1.03 | 2.4% |
| 3rd Quartile | | | | | 0.00 | 0.92 | -8.3% |
| 2012 Vintage Total | 195,000,000 | 32,119,797 | 162,880,203 | 16% | 0.07 | 0.97 | -4.5% |
| 2012 Venture Economics All PE | | | | | | | |
| 1st Quartile | | | | | <i>n.m</i> | <i>n.m</i> | <i>n.m</i> |
| Median | | | | | <i>n.m</i> | <i>n.m</i> | <i>n.m</i> |
| Pooled Average | | | | | <i>n.m</i> | <i>n.m</i> | <i>n.m</i> |
| 3rd Quartile | | | | | <i>n.m</i> | <i>n.m</i> | <i>n.m</i> |
| 2013 Vintage Total | 205,000,000 | 12,140,921 | 192,859,079 | 6% | 0.02 | 1.07 | 6.1% |
| 2013 Venture Economics All PE | | | | | | | |
| 1st Quartile | | | | | <i>n.m</i> | <i>n.m</i> | <i>n.m</i> |
| Median | | | | | <i>n.m</i> | <i>n.m</i> | <i>n.m</i> |
| Pooled Average | | | | | <i>n.m</i> | <i>n.m</i> | <i>n.m</i> |
| 3rd Quartile | | | | | <i>n.m</i> | <i>n.m</i> | <i>n.m</i> |

*Thomson One numbers are as of 03/31/13 for All PE
n.m- benchmarking of very recent years not meaningful.