RVK

New Mexico State Investment Council

Investment Performance Analysis

Period Ended: June 30, 2015

New Mexico State Investment Council

As of June 30, 2015

General Market Commentary

- The FOMC maintained the federal funds rate under 0.25 percent as inflation has continued to run below their long term objective of 2.0 percent.
- After a massive 150% run-up in stock prices, Chinese equity markets have fallen 17% since their peak on June 12th.
- Equity markets posted negative returns in June as the S&P 500 (Cap Wtd) Index returned -1.94% and the MSCI EAFE (Net) Index returned -2.83%. Emerging markets returned -2.60% as measured by the MSCI EM (Net) Index.
- The Barclays US Aggregate Bond Index returned -1.09% in June, underperforming the -0.41% return by the Barclays US Treasury Intermediate Term Index.
- The Cambridge US Private Equity Index returned 10.55% for the trailing one-year period and 15.25% for the trailing five-year period ending March 2015.
- Absolute return strategies, as measured by the HFN FOF Multi-Strat Index, returned -1.11% for the month and 3.48% over the trailing one-year period.
- Crude oil's price fell by 1.38% during the month and has decreased by 43.56% YoY.

Land Grant Asset Allocation vs. Interim Target

	Asset Allocation ($)	Asset Allocation (%)	Interim Target (%)	Differences (%)	Long-Term Target (%)
Land Grant TF Composite	14,813,485,234	100.00	100.00	0.00	100.00
US Equity	5,158,993,417	34.83	35.00	-0.17	22.00
Non-US Equity	1,870,405,997	12.63	15.00	-2.37	18.00
Fixed Income	3,356,534,162	22.66	20.00	2.66	19.00
Absolute Return	1,063,394,301	7.18	7.00	0.18	7.00
Private Equity	1,169,457,146	7.89	10.00	-2.11	12.00
Real Estate	1,112,278,487	7.51	8.00	-0.49	10.00
Real Return	1,042,320,610	7.04	5.00	2.04	12.00
Cash Equivalent	15,716,350	0.11	0.00	0.11	0.00
Beta Overlay	24,384,763	0.16	0.00	0.16	0.00

NMSIC Performance Attribution Summary

- Over the last 3 years, the average portfolio positioning deviated from the target allocation, as residuals intended for other asset classes are temporarily held as fixed income.
- Primary contributors to the Land Grant Total Fund's relative underperformance over the last 3 years were subpar performance by public and private equity managers and the temporary deviation from the fixed income target.
- Over the last 3 years, Fixed Income managers have provided strong performance relative to the Fixed Income Custom Index.
- During the past year, US Equity, Private Equity and Absolute Return managers have lagged from their respective benchmarks.
- The Land Grant benefited from being underweight in Non-US Equity, as international stocks posted negative returns over the one-year period.
- JP Morgan Asset Management, Templeton Int'l Small Cap Fund, and BlackRock Emg Mks Opp Fund provided the best relative performance among NMSIC's active managers; while Brown Brothers Harriman and the three active US Small/Mid Cap managers struggled to keep up with their benchmarks over the last year.

*Severance Tax (Ex ETI) Asset Allocation vs. Interim Target

	Asset Allocation ($)	Asset Allocation (%)	Interim Target (%)	Differences (%)	Long-Term Target (%)
Severance Tax TF Composite	4,447,746,999	100.00	100.00	0.00	100.00
US Equity	1,647,344,792	37.04	35.00	2.04	22.00
Non-US Equity	654,584,253	14.72	15.00	-0.28	18.00
Fixed Income	966,860,174	21.74	20.00	1.74	18.00
Absolute Return	323,225,919	7.27	7.00	0.27	7.00
Private Equity	275,600,209	6.20	10.00	-3.80	13.00
Real Estate	247,986,218	5.58	8.00	-2.42	10.00
Real Return	285,484,745	6.42	5.00	1.42	12.00
Cash Equivalent	46,660,690	1.05	0.00	1.05	0.00
Beta Overlay	-	0.00	0.00	0.00	0.00

	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	10 Years
NMSIC Total Fund Composite	**-0.84**	**0.60**	**2.31**	**3.58**	**3.58**	**10.72**	**10.85**	**6.38**
Land Grant Total Fund Composite	**-0.80**	**0.59**	**2.22**	**3.56**	**3.56**	**10.71**	**10.84**	**6.46**
Land Grant Policy Index	-0.50	0.79	2.83	4.54	4.54	11.16	11.95	6.62
Difference	-0.30	-0.20	-0.61	-0.98	-0.98	-0.45	-1.11	-0.16
Severance Tax Total Fund Composite	**-0.97**	**0.54**	**2.33**	**3.35**	**3.35**	**10.29**	**10.51**	**5.86**
Severance Tax Policy Index	-0.50	0.79	2.83	4.54	4.54	11.16	11.95	6.70
Difference	-0.47	-0.25	-0.50	-1.19	-1.19	-0.87	-1.44	-0.84

NMSIC Total Fund - Schedule of Investable Assets

Periods Ending	Beginning Market Value ($)	Net Cash Flow ($)	Gain/Loss ($)	Ending Market Value ($)	% Return
CYTD	**20,207,498,686**	**-78,779,389**	**466,948,844**	**20,595,668,141**	**2.31**

Performance shown is gross of fees. Performance is annualized for periods greater than one year. Fiscal year ends June 30.
*Severance Tax target allocation excludes economically targeted investments and the state private equity program.

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New Mexico State Investment Council

Asset Allocation & Performance - Composites

As of June 30, 2015

	Allocation		Performance (%)											
	Market Value ($)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011
NMSIC Total Fund Composite	20,595,668,141	100.00	-0.84	0.60	2.31	3.58	3.58	10.72	10.85	6.38	6.84	16.26	14.26	-0.93
Land Grant Total Fund Composite	14,813,485,234	71.93	-0.80	0.59	2.22	3.56	3.56	10.71	10.84	6.46	6.81	16.28	14.45	-0.87
Land Grant Policy Index			-0.50	0.79	2.83	4.54	4.54	11.16	11.95	6.62	7.99	16.03	14.11	2.48
Difference			-0.30	-0.20	-0.61	-0.98	-0.98	-0.45	-1.11	-0.16	-1.18	0.25	0.34	-3.35
Severance Tax Total Fund Composite	4,730,262,405	22.97	-0.97	0.54	2.33	3.35	3.35	10.29	10.51	5.86	6.58	15.61	13.52	-0.39
Severance Tax Policy Index			-0.50	0.79	2.83	4.54	4.54	11.16	11.95	6.70	7.99	16.03	14.11	2.48
Difference			-0.47	-0.25	-0.50	-1.19	-1.19	-0.87	-1.44	-0.84	-1.41	-0.42	-0.59	-2.87
Global Equity Composite	9,895,593,841	48.05	-2.04	0.63	2.59	3.30	3.30	14.69	13.66	7.68	6.45	27.18	16.32	-7.00
Global Equity Custom Index			-1.99	0.34	2.76	3.73	3.73	15.03	14.45	7.76	7.47	26.81	16.93	-3.84
Difference			-0.05	0.29	-0.17	-0.43	-0.43	-0.34	-0.79	-0.08	-1.02	0.37	-0.61	-3.16
US Equity Composite	7,198,903,555	34.95	-1.76	0.33	1.74	6.30	6.30	17.41	16.18	8.53	10.93	34.12	16.02	-4.34
Russell 3000 Index			-1.67	0.14	1.94	7.29	7.29	17.73	17.53	8.15	12.55	33.55	16.42	1.03
Difference			-0.09	0.19	-0.20	-0.99	-0.99	-0.32	-1.35	0.38	-1.62	0.57	-0.40	-5.37
Non-US Equity Composite	2,696,690,287	13.09	-2.77	1.60	5.26	-4.27	-4.27	7.83	6.90	5.79	-4.87	10.88	16.27	-14.99
Non-US Equity Custom Index			-2.74	0.68	4.53	-4.49	-4.49	8.69	7.27	6.46	-3.73	12.03	17.79	-14.54
Difference			-0.03	0.92	0.73	0.22	0.22	-0.86	-0.37	-0.67	-1.14	-1.15	-1.52	-0.45
Fixed Income Composite	4,655,697,386	22.61	-0.51	-0.36	1.00	2.17	2.17	5.14	6.77	4.24	6.20	1.74	12.78	6.65
Fixed Income Custom Index			-0.85	-0.75	0.98	1.78	1.78	1.96	2.90	1.38	4.53	-1.41	0.69	6.25
Difference			0.34	0.39	0.02	0.39	0.39	3.18	3.87	2.86	1.67	3.15	12.09	0.40
Cash Equivalent Composite	86,265,534	0.42	0.00	0.00	0.00	0.01	0.01	0.42	0.76	2.18	0.20	1.06	0.00	2.52
BofA ML 3 Mo US T-Bill Index			0.00	0.01	0.01	0.02	0.02	0.06	0.08	1.42	0.04	0.07	0.11	0.10
Difference			0.00	-0.01	-0.01	-0.01	-0.01	0.36	0.68	0.76	0.16	0.99	-0.11	2.42
Absolute Return Composite	1,434,546,263	6.97	-1.15	-0.32	1.07	0.18	0.18	5.83	4.12	N/A	2.75	10.71	6.50	-3.92
HFRI FOF Comp Index			-1.05	0.20	2.71	3.97	3.97	6.28	4.10	3.21	3.37	8.96	4.79	-5.72
Difference			-0.10	-0.52	-1.64	-3.79	-3.79	-0.45	0.02	N/A	-0.62	1.75	1.71	1.80
Private Equity Composite (Ex. State)	1,496,492,573	7.27	2.28	2.28	3.99	5.70	5.70	10.65	11.28	10.80	10.28	12.94	14.86	10.03
Cambridge US PE Index (Lagged 1 Qtr)			2.63	2.63	3.48	10.55	10.55	14.42	15.25	13.66	17.92	17.52	16.09	14.29
Difference			-0.35	-0.35	0.51	-4.85	-4.85	-3.77	-3.97	-2.86	-7.64	-4.58	-1.23	-4.26

Performance shown is gross of fees, except for Credit & Structured Finance, Absolute Return, Real Estate, Real Return, and Private Equity investments, which are shown net of fees. Performance is annualized for periods greater than one year. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies. Fiscal year ends June 30.

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	Allocation		Performance (%)											
	Market Value ($)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	10 Years	2014	2013	2012	2011
Townsend-Reported Real Estate Composite	**1,310,422,410**	**6.36**	**2.10**	**2.10**	**6.11**	**13.01**	**13.01**	**11.29**	**10.05**	**3.00**	**13.70**	**10.50**	**9.63**	**10.34**
NCREIF ODCE Index (Net) (Lagged 1 Qtr)			*3.16*	*3.16*	*6.28*	*12.40*	*12.40*	*11.60*	*13.44*	*6.00*	*11.36*	*11.97*	*10.47*	*17.18*
Difference			-1.05	-1.05	-0.17	0.61	0.61	-0.31	-3.39	-3.00	2.34	-1.47	-0.84	-6.84
NCREIF/Townsend Wtd Index (Lagged 1 Qtr)			*2.55*	*2.55*	*5.86*	*11.73*	*11.73*	*10.93*	*12.03*	*5.58*	*11.20*	*10.46*	*10.01*	*14.45*
Difference			-0.45	-0.45	0.25	1.28	1.28	0.36	-1.98	-2.58	2.50	0.04	-0.38	-4.11
Real Return Composite	**1,330,071,129**	**6.46**	**-1.25**	**-1.25**	**-1.86**	**1.46**	**1.46**	**5.92**	**N/A**	**N/A**	**6.97**	**8.40**	**N/A**	**N/A**
Real Return Custom Index			*0.31*	*1.27*	*0.91*	*-4.44*	*-4.44*	*0.36*	*2.58*	*3.72*	*-0.42*	*-2.72*	*4.90*	*2.77*
Difference			-1.56	-2.52	-2.77	5.90	5.90	5.56	N/A	N/A	7.39	11.12	N/A	N/A
Beta Overlay Composite	**24,384,764**	**0.12**	**0.00**	**0.00**	**0.00**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

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Figure 1: Total Fund Performance

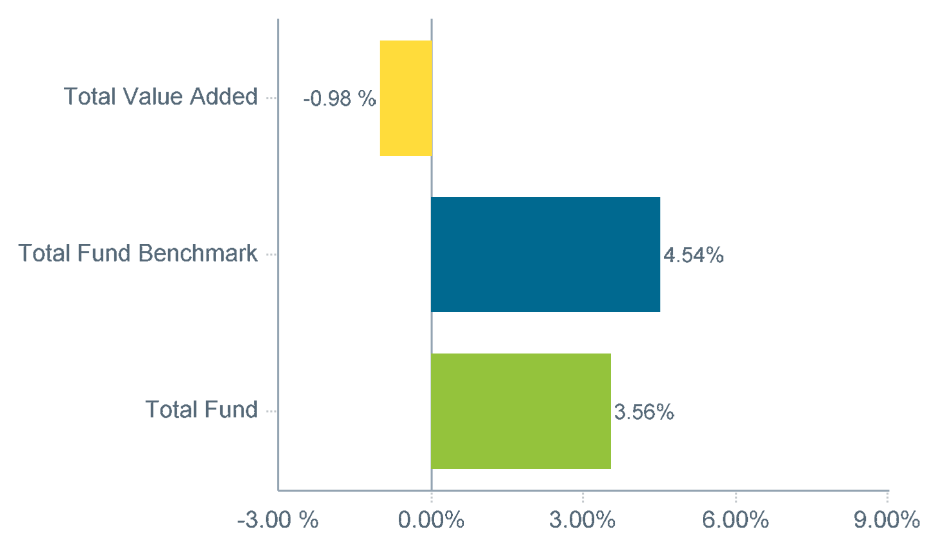


Figure 2: Total Value Added:-0.98 %

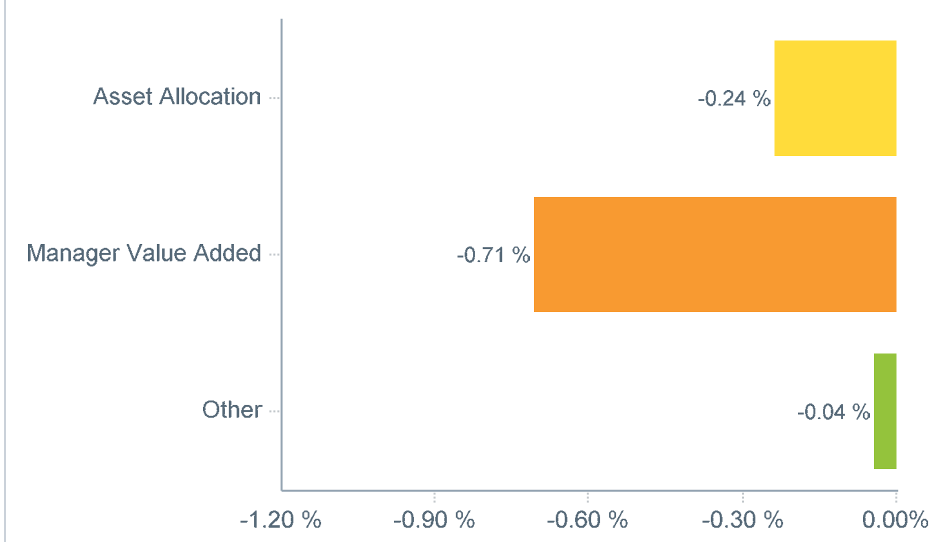
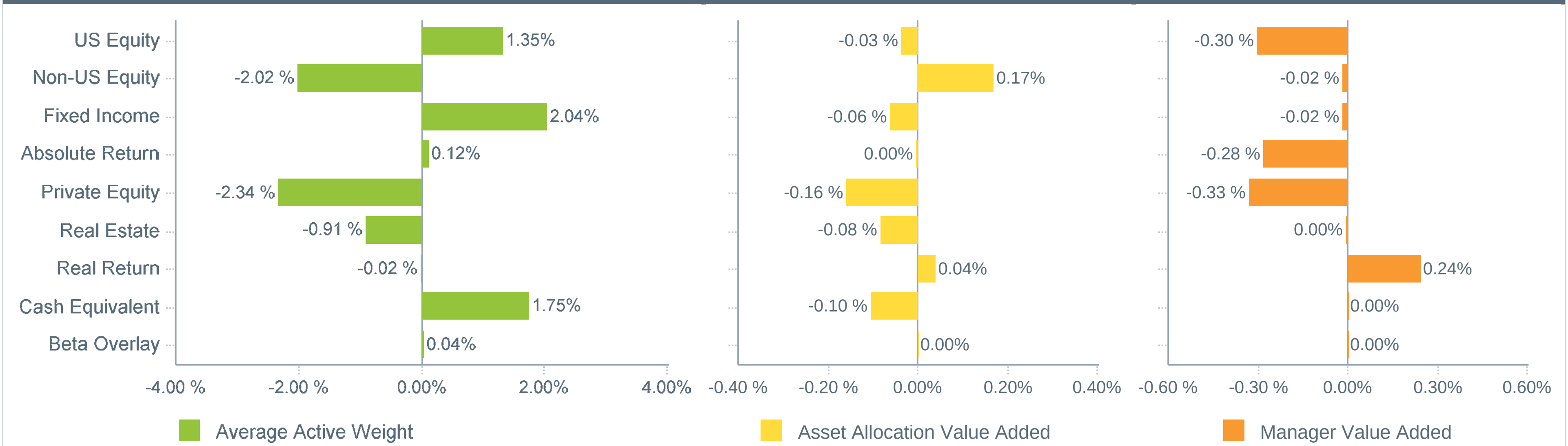


Figure 3: Total Asset Allocation:-0.24 %

Figure 4: Total Mgr Value Added:-0.71 %



Performance shown is gross of fees. Calculation is based on monthly periodicity. Total Value Added: The percentage over- or underperformance of the total fund as compared to the benchmark for the specified time period. Average Active Weight: The average percentage over- or underweight to each investment relative to the policy weights. Asset Allocation Value Added: How the variance of the fund's actual allocation from the policy weights added or subtracted from total fund performance. Manager Value Added: The portion of total value added attributable to the relative performance of the fund's investments, relative to the individual benchmarks that represent them in the Land Grant Policy Index. Other: The contribution of other residual factors, including estimation error and transaction timing.

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New Mexico State Investment Council **3 Years Ending June 30, 2015**

Land Grant Total Fund Composite vs. Land Grant Policy Index

Total Fund Attribution

Figure 1: Total Fund Performance

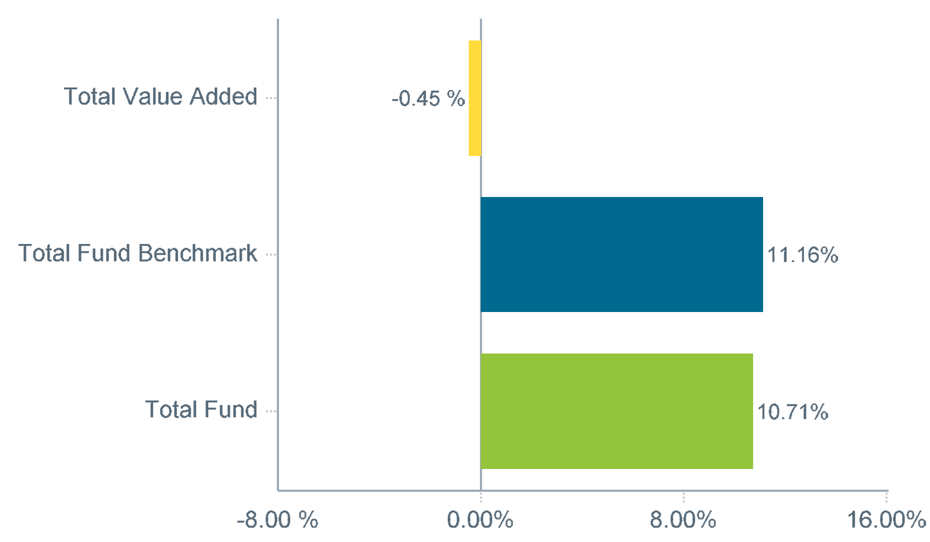

Figure 2: Total Value Added:-0.45 %

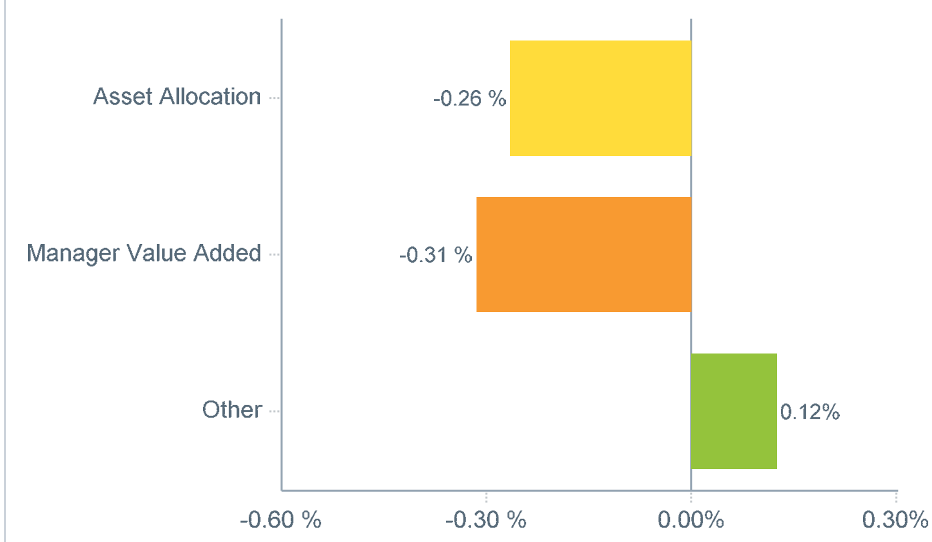

Figure 3: Total Asset Allocation:-0.26 %

Figure 4: Total Mgr Value Added:-0.31 %

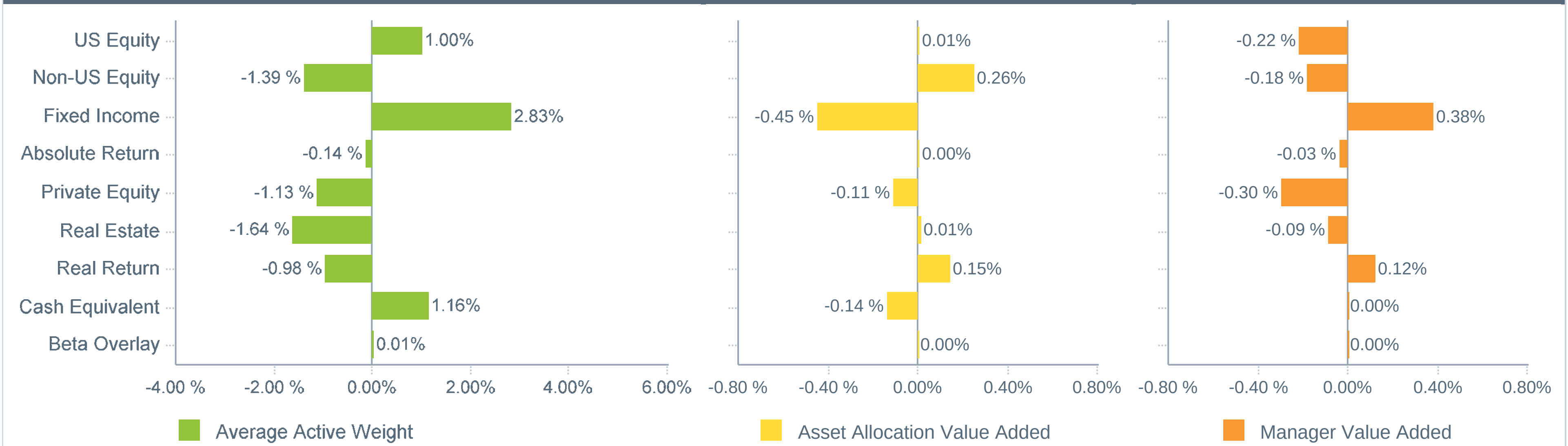

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Figure 1: Total Fund Performance

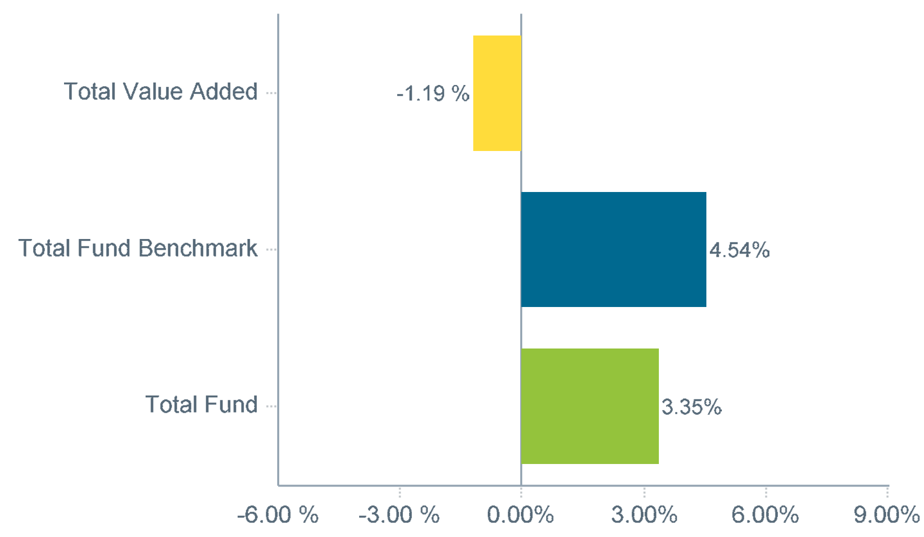


Figure 2: Total Value Added:-1.19 %

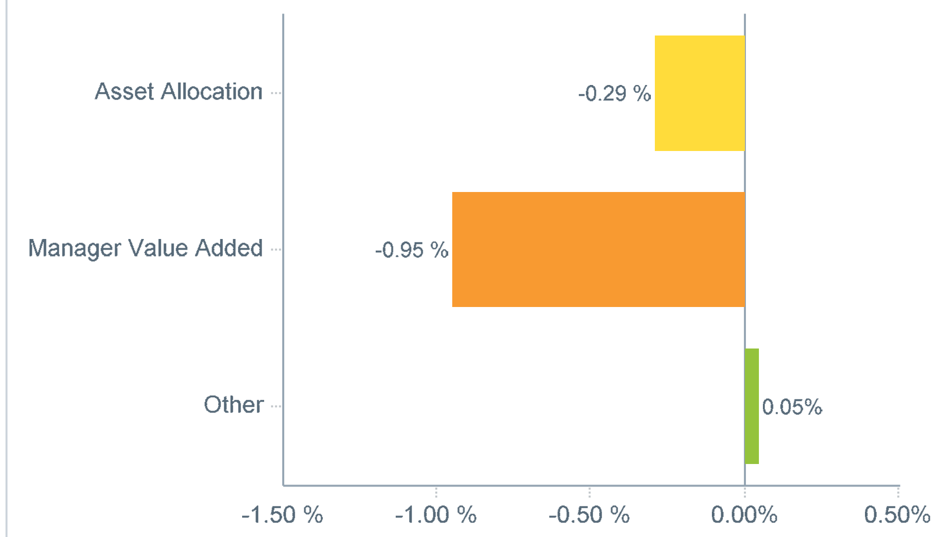
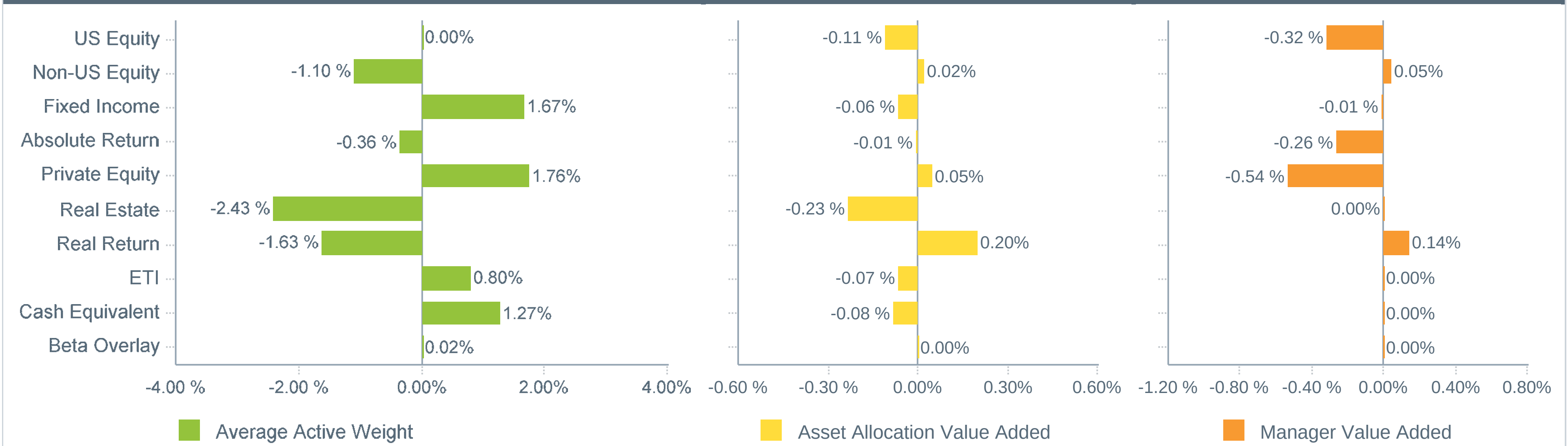


Figure 3: Total Asset Allocation:-0.29 %

Figure 4: Total Mgr Value Added:-0.95 %



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New Mexico State Investment Council
Severance Tax Total Fund Composite vs. Severance Tax Policy Index
Total Fund Attribution

3 Years Ending June 30, 2015

Figure 1: Total Fund Performance

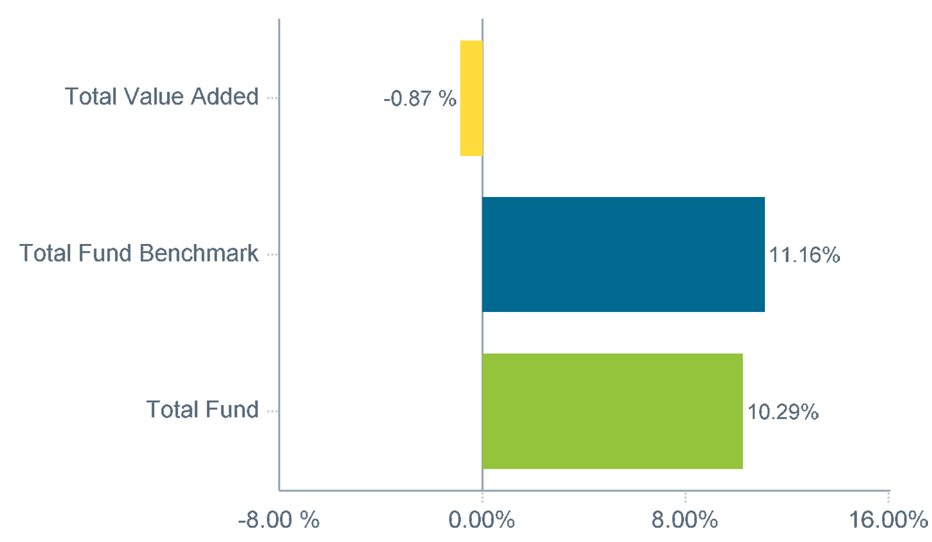


Figure 2: Total Value Added:-0.87 %

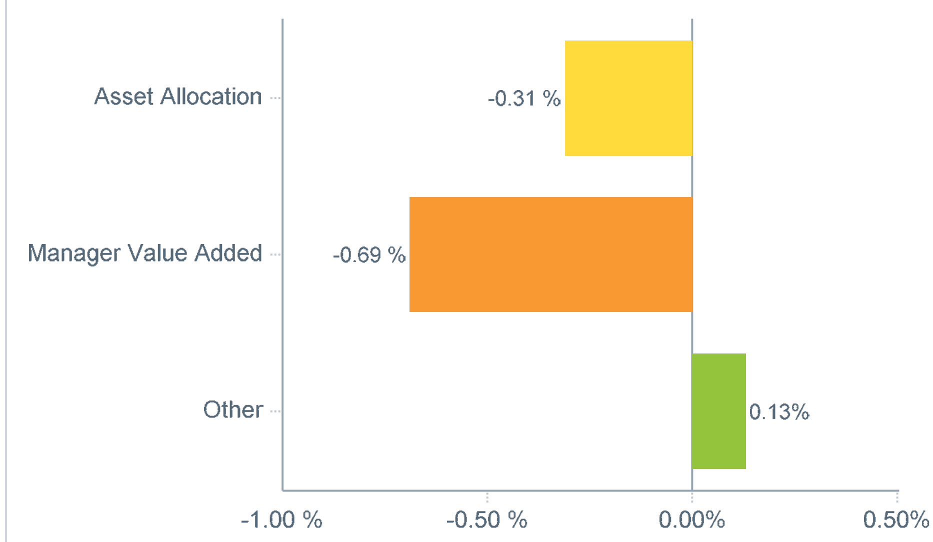
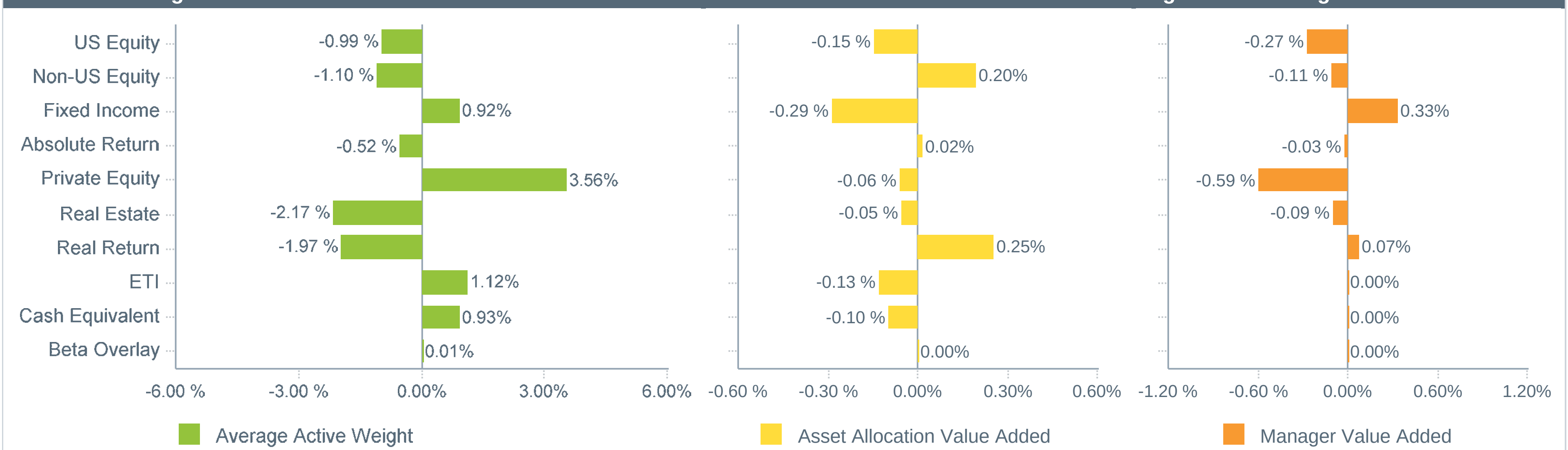


Figure 3: Total Asset Allocation:-0.31 %

Figure 4: Total Mgr Value Added:-0.69 %



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Asset Allocation & Performance - Composites & Managers

	Allocation		Performance (%)											
	Market Value ($)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	10 Years	2014	2013	Since Incep.	Inception Date
US Equity														
US Equity Composite	**7,198,903,555**	**34.95**	**-1.76**	**0.33**	**1.74**	**6.30**	**6.30**	**17.41**	**16.18**	**8.53**	**10.93**	**34.12**	**5.62**	**05/01/1999**
Russell 3000 Index			*-1.67*	*0.14*	*1.94*	*7.29*	*7.29*	*17.73*	*17.53*	*8.15*	*12.55*	*33.55*	*5.32*	
US Large Cap Equity Composite	**6,524,173,974**	**31.68**	**-1.87**	**0.25**	**1.67**	**7.34**	**7.34**	**17.19**	**16.06**	**8.81**	**12.28**	**32.57**	**5.02**	**05/01/1999**
Russell 1000 Index			*-1.88*	*0.11*	*1.71*	*7.37*	*7.37*	*17.73*	*17.58*	*8.13*	*13.24*	*33.11*	*5.09*	
US Large Cap Active Pool	**2,214,878,257**	**10.75**	**-1.57**	**0.80**	**3.02**	**9.06**	**9.06**	**17.08**	**15.45**	**8.65**	**11.33**	**32.34**	**4.65**	**05/01/1999**
Wellington Management Company	522,328,601	2.54	-2.08	0.45	0.82	6.14	6.14	16.23	N/A	N/A	13.46	28.72	17.45	06/01/2012
Russell 1000 Val Index			*-2.00*	*0.11*	*-0.61*	*4.13*	*4.13*	*17.34*	*16.50*	*7.05*	*13.45*	*32.53*	*18.69*	
Brown Brothers Harriman	568,624,298	2.76	-1.90	-0.30	-1.35	1.86	1.86	14.63	N/A	N/A	9.34	28.51	14.63	07/01/2012
Russell 1000 Index			*-1.88*	*0.11*	*1.71*	*7.37*	*7.37*	*17.73*	*17.58*	*8.13*	*13.24*	*33.11*	*17.73*	
J.P. Morgan Asset Management	548,231,875	2.66	-1.01	2.39	7.08	16.46	16.46	18.02	N/A	N/A	11.72	34.13	18.13	06/01/2012
T. Rowe Price LC Growth	577,222,503	2.80	-1.31	0.74	6.54	12.39	12.39	21.54	N/A	N/A	9.40	45.43	22.03	06/01/2012
Russell 1000 Grth Index			*-1.76*	*0.12*	*3.96*	*10.56*	*10.56*	*17.99*	*18.59*	*9.11*	*13.05*	*33.48*	*18.49*	
US Large Cap Alternative Wgtd Index Pool	**1,141,380,091**	**5.54**	**-2.44**	**-0.63**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**2.44**	**02/01/2015**
NT Russell Fundamental LC Index Fund	754,096,201	3.66	-2.27	-0.33	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.36	02/01/2015
NT FTSE RAFI Low Volatility Index	273,160,119	1.33	-3.04	-1.64	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-0.60	02/01/2015
NT Russell 1000 Equal Wtd Index	57,046,450	0.28	-2.54	-1.08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-1.60	03/01/2015
NT Russell Top 200 Index Fund	56,832,622	0.28	-1.78	0.87	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.85	02/01/2015
Russell 1000 Index			*-1.88*	*0.11*	*1.71*	*7.37*	*7.37*	*17.73*	*17.58*	*8.13*	*13.24*	*33.11*	*4.58*	
US Large Cap Index Pool	**3,167,915,625**	**15.38**	**-1.88**	**0.21**	**1.79**	**7.46**	**7.46**	**17.74**	**17.41**	**9.04**	**13.24**	**33.10**	**5.63**	**05/01/1999**
NT Russell 1000 Index Fund	3,167,735,913	15.38	-1.88	0.11	1.71	7.38	7.38	17.71	N/A	N/A	13.24	33.10	15.10	08/01/2011
Russell 1000 Index			*-1.88*	*0.11*	*1.71*	*7.37*	*7.37*	*17.73*	*17.58*	*8.13*	*13.24*	*33.11*	*15.21*	
US Small/Mid Cap Equity Composite	**674,729,581**	**3.28**	**-0.64**	**1.06**	**2.34**	**0.12**	**0.12**	**18.17**	**N/A**	**N/A**	**2.83**	**42.39**	**10.18**	**05/01/2011**
US Small/Mid Cap Equity Custom Index			*-0.10*	*-0.16*	*4.05*	*6.60*	*6.60*	*18.29*	*17.46*	*8.74*	*7.39*	*37.62*	*11.33*	
US Small/Mid Cap Active Pool	**441,090,188**	**2.14**	**-1.14**	**1.03**	**1.02**	**-2.36**	**-2.36**	**17.23**	**15.75**	**7.44**	**0.88**	**43.97**	**8.42**	**11/01/1998**
Seizert Capital Partners	133,686,227	0.65	-2.74	-0.41	1.86	2.07	2.07	24.39	N/A	N/A	6.38	49.44	21.65	01/01/2012
Russell Mid Cap Index			*-2.07*	*-1.54*	*2.35*	*6.63*	*6.63*	*19.26*	*18.23*	*9.40*	*13.22*	*34.76*	*18.87*	
Donald Smith & Company	119,787,142	0.58	-4.50	-1.04	-4.58	-11.18	-11.18	15.71	N/A	N/A	4.64	32.42	14.07	01/01/2012
Russell 2000 Val Index			*0.13*	*-1.20*	*0.76*	*0.78*	*0.78*	*15.50*	*14.81*	*6.87*	*4.22*	*34.52*	*15.73*	
Cortina Asset Management	188,258,340	0.91	2.36	3.49	4.18	0.45	0.45	12.83	N/A	N/A	-7.72	49.08	13.21	01/01/2012
Russell 2000 Grth Index			*1.34*	*1.98*	*8.74*	*12.34*	*12.34*	*20.11*	*19.32*	*9.86*	*5.60*	*43.30*	*19.87*	

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	Allocation		Performance (%)											
	Market Value ($)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	10 Years	2014	2013	Since Incep.	Inception Date
US Small/Mid Cap Enhanced Index Pool	**173,833,324**	**0.84**	**0.15**	**1.35**	**5.39**	**6.11**	**6.11**	**N/A**	**N/A**	**N/A**	**7.96**	**40.57**	**21.47**	**12/01/2012**
BlackRock Alpha Tilts	173,833,324	0.84	0.15	1.35	5.39	6.11	6.11	20.79	N/A	N/A	7.96	40.59	18.82	02/01/2012
Russell 2000 Index			*0.75*	*0.42*	*4.75*	*6.49*	*6.49*	*17.81*	*17.08*	*8.40*	*4.89*	*38.82*	*15.94*	
US Small/Mid Cap Index Pool	**59,806,069**	**0.29**	**0.75**	**0.41**	**4.58**	**-0.39**	**-0.39**	**N/A**	**N/A**	**N/A**	**0.98**	**33.79**	**17.29**	**12/01/2012**
NT Russell 2000 Index Fund	59,801,632	0.29	0.75	0.41	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8.22	02/01/2015
Russell 2000 Index			*0.75*	*0.42*	*4.75*	*6.49*	*6.49*	*17.81*	*17.08*	*8.40*	*4.89*	*38.82*	*8.24*	
Non-US Equity														
Non-US Equity Composite	**2,696,690,287**	**13.09**	**-2.77**	**1.60**	**5.26**	**-4.27**	**-4.27**	**7.83**	**6.90**	**5.79**	**-4.87**	**10.88**	**5.62**	**05/01/1999**
Non-US Equity Custom Index			*-2.74*	*0.68*	*4.53*	*-4.49*	*-4.49*	*8.69*	*7.27*	*6.46*	*-3.73*	*12.03*	*5.90*	
Non-US Developed Markets Composite	**1,551,638,553**	**7.53**	**-2.78**	**1.38**	**6.28**	**-2.79**	**-2.79**	**12.51**	**10.28**	**5.16**	**-3.82**	**22.22**	**4.43**	**05/01/1999**
MSCI EAFE Index (Net)			*-2.83*	*0.62*	*5.52*	*-4.22*	*-4.22*	*11.97*	*9.54*	*5.12*	*-4.90*	*22.78*	*3.88*	
Non-US Developed Markets Active Pool	**1,277,999,884**	**6.21**	**-2.76**	**1.60**	**6.52**	**-2.43**	**-2.43**	**N/A**	**N/A**	**N/A**	**-3.57**	**N/A**	**8.01**	**09/01/2013**
LSV Int'l Large Cap Value	274,640,343	1.33	-2.73	1.42	4.38	-6.95	-6.95	N/A	N/A	N/A	-4.58	N/A	6.83	09/01/2013
MSCI ACW Ex US Val Index (Net)			*-2.97*	*0.47*	*2.62*	*-8.44*	*-8.44*	*8.68*	*6.99*	*5.02*	*-5.10*	*15.04*	*5.12*	
T. Rowe Price Int'l Core	354,849,765	1.72	-2.56	1.23	6.88	-1.23	-1.23	N/A	N/A	N/A	-3.63	N/A	9.58	09/01/2013
MSCI EAFE Index (Net)			*-2.83*	*0.62*	*5.52*	*-4.22*	*-4.22*	*11.97*	*9.54*	*5.12*	*-4.90*	*22.78*	*7.37*	
MFS Int'l Large Cap Growth	349,452,037	1.70	-2.57	0.69	5.75	-2.36	-2.36	N/A	N/A	N/A	-3.86	N/A	3.26	10/01/2013
MSCI ACW Ex US Grth Index (Net)			*-2.61*	*0.59*	*5.40*	*-2.06*	*-2.06*	*10.16*	*8.48*	*6.02*	*-2.65*	*15.49*	*4.16*	
Templeton Int'l Small Cap Equity	299,057,158	1.45	-3.22	3.31	9.05	0.51	0.51	N/A	N/A	N/A	-2.17	N/A	6.80	10/01/2013
MSCI ACW Ex US Sm Cap Index (Net)			*-2.20*	*4.22*	*8.32*	*-3.07*	*-3.07*	*12.32*	*9.72*	*7.39*	*-4.03*	*19.73*	*4.91*	
Non-US Developed Markets Index Pool	**273,638,669**	**1.33**	**-2.88**	**0.34**	**5.20**	**-4.57**	**-4.57**	**11.53**	**9.71**	**4.89**	**-5.61**	**22.56**	**4.26**	**05/01/1999**
Alliance Bernstein MSCI EAFE Int'l Index	273,590,340	1.33	-2.74	0.51	5.42	-4.38	-4.38	11.82	9.75	5.15	-4.99	22.59	5.74	06/01/1998
MSCI EAFE Index (Net)			*-2.83*	*0.62*	*5.52*	*-4.22*	*-4.22*	*11.97*	*9.54*	*5.12*	*-4.90*	*22.78*	*4.25*	
Non-US Emerging Markets Composite	**1,145,051,734**	**5.56**	**-2.75**	**1.92**	**3.86**	**-6.53**	**-6.53**	**1.49**	**1.44**	**6.40**	**-6.40**	**-3.55**	**8.68**	**05/01/1999**
MSCI Emg Mkts Index (Net)			*-2.60*	*0.69*	*2.95*	*-5.12*	*-5.12*	*3.71*	*3.69*	*8.11*	*-2.19*	*-2.60*	*8.54*	
Non-US Emerging Markets Active Pool	**491,353,892**	**2.39**	**-2.67**	**3.23**	**5.90**	**-5.76**	**-5.76**	**N/A**	**N/A**	**N/A**	**-8.74**	**N/A**	**-1.03**	**10/01/2013**
BlackRock Emg Mkts Opp Fund	490,611,641	2.38	-2.68	3.18	5.85	-0.44	-0.44	N/A	N/A	N/A	-1.44	N/A	3.53	10/01/2013
MSCI Emg Mkts Index (Net)			*-2.60*	*0.69*	*2.95*	*-5.12*	*-5.12*	*3.71*	*3.69*	*8.11*	*-2.19*	*-2.60*	*1.44*	
Non-US Emerging Markets Index Pool	**653,697,842**	**3.17**	**-2.81**	**0.95**	**2.34**	**-5.75**	**-5.75**	**2.82**	**2.23**	**6.82**	**-2.20**	**-2.61**	**8.95**	**05/01/1999**
Alliance Bernstein Emerging Markets Index	653,867,902	3.17	-2.81	0.95	2.86	-5.27	-5.27	N/A	N/A	N/A	-2.19	-2.61	1.54	11/01/2012
MSCI Emg Mkts Index (Net)			*-2.60*	*0.69*	*2.95*	*-5.12*	*-5.12*	*3.71*	*3.69*	*8.11*	*-2.19*	*-2.60*	*1.55*	

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RVK

	Allocation		Performance (%)											
	Market Value ($)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	10 Years	2014	2013	Since Incep.	Inception Date
Fixed Income														
Fixed Income Composite	**4,655,697,386**	**22.61**	**-0.51**	**-0.36**	**1.00**	**2.17**	**2.17**	**5.14**	**6.77**	**4.24**	**6.20**	**1.74**	**5.35**	**05/01/1999**
Fixed Income Custom Index			*-0.85*	*-0.75*	*0.98*	*1.78*	*1.78*	*1.96*	*2.90*	*1.38*	*4.53*	*-1.41*	*3.31*	
US Core Plus Bonds Pool	**2,155,176,227**	**10.46**	**-1.00**	**-1.19**	**0.74**	**1.98**	**1.98**	**4.10**	**5.17**	**5.07**	**6.61**	**-0.34**	**5.73**	**05/01/1999**
PIMCO Barclays US Universal	975,999,928	4.74	-0.69	-0.97	0.77	1.99	1.99	3.75	N/A	N/A	6.01	-0.69	4.54	04/01/2011
Prudential Barclays US Universal	591,509,010	2.87	-1.18	-1.66	0.74	2.33	2.33	4.71	N/A	N/A	7.08	0.77	6.09	04/01/2011
Loomis Sayles Barclays US Universal	588,835,374	2.86	-1.33	-1.08	0.71	1.59	1.59	3.95	N/A	N/A	6.98	-0.84	5.54	04/01/2011
Barclays US Unv Bond Index			*-1.12*	*-1.40*	*0.30*	*1.61*	*1.61*	*2.33*	*3.81*	*4.68*	*5.56*	*-1.35*	*3.89*	
US Core Bonds Index Pool	**884,288,281**	**4.29**	**-1.01**	**-1.62**	**-0.02**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**0.81**	**11/01/2014**
BlackRock Core Bonds Fund	884,288,281	4.29	-1.01	-1.62	-0.02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.78	11/01/2014
Barclays US Agg Bond Index			*-1.09*	*-1.68*	*-0.10*	*1.86*	*1.86*	*1.83*	*3.35*	*4.44*	*5.97*	*-2.02*	*0.70*	
Credit & Structured Finance Pool	**844,999,786**	**4.10**	**0.54**	**1.88**	**1.89**	**3.03**	**3.03**	**10.62**	**14.60**	**N/A**	**6.63**	**11.61**	**2.42**	**04/01/2006**
C&SF Primary Benchmark			*-0.92*	*0.37*	*2.69*	*0.81*	*0.81*	*2.89*	*0.98*	*N/A*	*2.29*	*1.45*	*N/A*	
C&SF Secondary Benchmark			*-1.23*	*-0.82*	*1.49*	*0.82*	*0.82*	*3.06*	*1.08*	*N/A*	*4.00*	*1.45*	*N/A*	
Unconstrained Fixed Income Pool	**771,233,092**	**3.74**	**0.33**	**0.76**	**1.63**	**2.11**	**2.11**	**N/A**	**N/A**	**N/A**	**2.51**	**N/A**	**2.59**	**12/01/2013**
GAM Unconstrained	304,752,980	1.48	1.68	2.29	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.29	04/01/2015
PIMCO Unconstrained	255,686,864	1.24	-0.39	-0.23	0.49	0.49	0.49	N/A	N/A	N/A	1.88	N/A	1.30	12/01/2013
Loomis Sayles Unconstrained	210,792,107	1.02	-0.71	-0.21	1.40	2.47	2.47	N/A	N/A	N/A	3.49	N/A	3.28	12/01/2013
3 Month LIBOR + 2.5%			*0.23*	*0.69*	*1.38*	*2.76*	*2.76*	*2.78*	*2.82*	*4.31*	*2.74*	*2.78*	*2.75*	
Cash Equivalent Composite	**86,265,534**	**0.42**	**0.00**	**0.00**	**0.00**	**0.01**	**0.01**	**0.42**	**0.76**	**2.18**	**0.20**	**1.06**	**3.89**	**07/01/1988**
BofA ML 3 Mo US T-Bill Index			*0.00*	*0.01*	*0.01*	*0.02*	*0.02*	*0.06*	*0.08*	*1.42*	*0.04*	*0.07*	*3.53*	
Absolute Return														
Absolute Return Composite	**1,434,546,263**	**6.97**	**-1.15**	**-0.32**	**1.07**	**0.18**	**0.18**	**5.83**	**4.12**	**N/A**	**2.75**	**10.71**	**2.64**	**09/01/2005**
Mariner Matador, LLC	503,634,843	2.45	-1.38	-0.71	0.28	-4.44	-4.44	5.75	3.64	N/A	-0.57	14.75	3.25	10/01/2005
AAM High Desert Fund	461,217,159	2.24	-1.17	0.28	2.59	5.47	5.47	8.99	N/A	N/A	6.26	12.83	5.92	12/01/2010
Crestline Enchantment Fund Class A	410,005,521	1.99	-0.95	-0.33	0.64	0.59	0.59	4.27	3.56	N/A	3.58	7.16	3.13	10/01/2005
Crestline Enchantment Fund Class B	24,920,030	0.12	0.00	0.00	0.79	-1.02	-1.02	-0.03	2.09	N/A	0.58	-2.04	0.26	06/01/2006
Crestline Offshore Recovery	4,005,085	0.02	0.00	-10.03	-9.88	-9.62	-9.62	-4.54	-0.90	N/A	1.75	-5.50	9.87	02/01/2009
CT Preferred Investors Management LLC	2,765,792	0.01	0.00	0.00	0.00	1.11	1.11	5.95	4.91	N/A	8.65	6.73	0.96	11/01/2005
HFRI FOF Comp Index			*-1.05*	*0.20*	*2.71*	*3.97*	*3.97*	*6.28*	*4.10*	*3.21*	*3.37*	*8.96*	*3.04*	

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RVK

	Allocation		Performance (%)											
	Market Value ($)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	10 Years	2014	2013	Since Incep.	Inception Date
Private Equity														
Private Equity Composite (Ex. State)	**1,496,492,573**	**7.27**	**2.28**	**2.28**	**3.99**	**5.70**	**5.70**	**10.65**	**11.28**	**10.80**	**10.28**	**12.94**	**4.36**	**06/01/2001**
Cambridge US PE Index (Lagged 1 Qtr)			*2.63*	*2.63*	*3.48*	*10.55*	*10.55*	*14.42*	*15.25*	*13.66*	*17.92*	*17.52*	*11.46*	
Real Estate														
Townsend-Reported Real Estate Composite	**1,310,422,410**	**6.36**	**2.10**	**2.10**	**6.11**	**13.01**	**13.01**	**11.29**	**10.05**	**3.00**	**13.70**	**10.50**	**3.42**	**10/01/2004**
NCREIF ODCE Index (Net) (Lagged 1 Qtr)			*3.16*	*3.16*	*6.28*	*12.40*	*12.40*	*11.60*	*13.44*	*6.00*	*11.36*	*11.97*	*6.60*	
NCREIF/Townsend Wtd Index (Lagged 1 Qtr)			*2.55*	*2.55*	*5.86*	*11.73*	*11.73*	*10.93*	*12.03*	*5.58*	*11.20*	*10.46*	*6.39*	
Real Return														
Real Return Composite	**1,330,071,129**	**6.46**	**-1.25**	**-1.25**	**-1.86**	**1.46**	**1.46**	**5.92**	**N/A**	**N/A**	**6.97**	**8.40**	**5.51**	**06/01/2012**
Financial Real Return Composite	765,894,779	3.72	-1.82	-1.82	0.43	1.92	1.92	N/A	N/A	N/A	5.22	N/A	4.34	06/01/2013
Townsend-Reported Other Real Return	337,324,888	1.64	-2.28	-2.28	-7.71	-0.31	-0.31	10.31	N/A	N/A	10.89	22.87	10.66	04/01/2011
Real Return Custom Index			*0.31*	*1.27*	*0.91*	*-4.44*	*-4.44*	*0.36*	*2.58*	*3.72*	*-0.42*	*-2.72*	*0.65*	
ETI														
Economically Targeted Investments	**37,786,193**	**0.18**	**-1.72**	**2.08**	**4.14**	**-3.45**	**-3.45**	**1.46**	**0.59**	**-0.68**	**2.21**	**-1.15**	**-1.25**	**07/01/1998**
BofA ML 3 Mo US T-Bill Index			*0.00*	*0.01*	*0.01*	*0.02*	*0.02*	*0.06*	*0.08*	*1.42*	*0.04*	*0.07*	*2.21*	
Severance Tax State PE Program	**244,729,212**	**1.19**	**-0.72**	**-0.72**	**3.53**	**4.86**	**4.86**	**7.31**	**8.75**	**0.36**	**6.81**	**6.85**	**-4.09**	**08/01/2001**
Cambridge US VC Index (1 Qtr Lag)			*3.79*	*3.79*	*14.04*	*20.38*	*20.38*	*18.28*	*17.18*	*10.98*	*24.13*	*15.28*	*2.65*	
Beta Overlay Composite	**24,384,764**	**0.12**	**0.00**	**0.00**	**0.00**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**4.72**	**08/01/2014**
NMSIC Total Fund Composite	**20,595,668,141**	**100.00**	**-0.84**	**0.60**	**2.31**	**3.58**	**3.58**	**10.72**	**10.85**	**6.38**	**6.84**	**16.26**	**5.05**	**01/01/2000**

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New Mexico State Investment Council
Asset Allocation, Performance & Schedule of Investable Assets

As of June 30, 2015

	Allocation		Perf. (%)	
	Market Value ($)	%	QTD	1 Year
NMSIC Total Fund Composite	**20,595,668,141**	**100.00**	**0.60**	**3.58**
US Equity Composite	**7,198,903,555**	**34.95**	**0.33**	**6.30**
NT Russell 1000 Index Fund	3,167,735,913	15.38	0.11	7.38
NT Russell Fundamental LC Index Fund	754,096,201	3.66	-0.33	N/A
T. Rowe Price LC Growth	577,222,503	2.80	0.74	12.39
Brown Brothers Harriman	568,624,298	2.76	-0.30	1.86
J.P. Morgan Asset Management	548,231,875	2.66	2.39	16.46
Wellington Management Company	522,328,601	2.54	0.45	6.14
NT FTSE RAFI Low Volatility Index	273,160,119	1.33	-1.64	N/A
Cortina Asset Management	188,258,340	0.91	3.49	0.45
BlackRock Alpha Tilts	173,833,324	0.84	1.35	6.11
Seizert Capital Partners	133,686,227	0.65	-0.41	2.07
Donald Smith & Company	119,787,142	0.58	-1.04	-11.18
NT Russell 2000 Index Fund	59,801,632	0.29	0.41	N/A
NT Russell 1000 Equal Wtd Index	57,046,450	0.28	-1.08	N/A
NT Russell Top 200 Index Fund	56,832,622	0.28	0.87	N/A
US Large Cap Active (Cash Account)	796,036	0.00	N/A	N/A
US Large Cap Index Pool (Cash Account)	355,497	0.00	N/A	N/A
US Large Cap Alternative Weighted Transition	244,700	0.00	-0.74	N/A
US Small/Mid Cap Active Pool (Cash Account)	92,450	0.00	0.00	0.01
US Small/Mid Cap Index Pool (Cash Account)	4,437	0.00	0.00	0.01
Non-US Equity Composite	**2,696,690,287**	**13.09**	**1.60**	**-4.27**
Alliance Bernstein Emerging Markets Index	653,867,902	3.17	0.95	-5.27
BlackRock Emg Mkts Opp Fund	490,611,641	2.38	3.18	-0.44
T. Rowe Price Int'l Core	354,849,765	1.72	1.23	-1.23
MFS Int'l Large Cap Growth	349,452,037	1.70	0.69	-2.36
Templeton Int'l Small Cap Equity	299,057,158	1.45	3.31	0.51
LSV Int'l Large Cap Value	274,640,343	1.33	1.42	-6.95
Alliance Bernstein MSCI EAFE Int'l Index	273,590,340	1.33	0.51	-4.38
Non-US Emerging Markets Pool (Cash Account)	534,072	0.00	N/A	N/A
DuPont Capital Management	204,896	0.00	N/A	N/A

	Allocation		Perf. (%)	
	Market Value ($)	%	QTD	1 Year
Reclaims (Jarislowksy Fraser)	82,431	0.00	-81.49	-81.68
Non-US Emerging Markets Transition	4,248	0.00	0.11	N/A
SSGM Transition Mgmt Non-US Emerging	3,283	0.00	-1.66	-12.01
Non-US Developed Mrkts Index Pool (Cash Account)	18	0.00	0.00	0.01
Fixed Income Composite	**4,655,697,386**	**22.61**	**-0.36**	**2.17**
PIMCO Barclays US Universal	975,999,928	4.74	-0.97	1.99
BlackRock Core Bonds Fund	884,288,281	4.29	-1.62	N/A
Credit & Structured Finance Pool	844,999,786	4.10	1.88	3.03
Prudential Barclays US Universal	591,509,010	2.87	-1.66	2.33
Loomis Sayles Barclays US Universal	588,835,374	2.86	-1.08	1.59
GAM Unconstrained	304,752,980	1.48	2.29	N/A
PIMCO Unconstrained	255,686,864	1.24	-0.23	0.49
Loomis Sayles Unconstrained	210,792,107	1.02	-0.21	2.47
Economically Targeted Investments	37,786,193	0.18	2.08	-3.45
SIC Managed Core Plus Bonds Fund	82,555	0.00	0.00	14.15
Unconstrained Fixed Income Pool (Cash Account)	1,141	0.00	0.00	0.00
Cash Equivalent Composite	**86,265,534**	**0.42**	**0.00**	**0.01**
Absolute Return Composite	**1,434,546,263**	**6.97**	**-0.32**	**0.18**
Mariner Matador, LLC	503,634,843	2.45	-0.71	-4.44
AAM High Desert Fund	461,217,159	2.24	0.28	5.47
Crestline Enchantment Fund Class A	410,005,521	1.99	-0.33	0.59
ARS Pool (Cash Account)	27,997,834	0.14	0.00	0.01
Crestline Enchantment Fund Class B	24,920,030	0.12	0.00	-1.02
Crestline Offshore Recovery	4,005,085	0.02	-10.03	-9.62
CT Preferred Investors Management LLC	2,765,792	0.01	0.00	1.11
Private Equity Composite	**1,741,221,785**	**8.45**	**1.85**	**5.58**
Townsend-Reported Real Estate	**1,310,422,410**	**6.36**	**2.10**	**13.01**
Real Return Composite	**1,330,071,129**	**6.46**	**-1.25**	**1.46**
Financial Real Return Composite	765,894,779	3.72	-1.82	1.92
Townsend-Reported Other Real Return	337,324,888	1.64	-2.28	-0.31
Beta Overlay Composite	**24,384,764**	**0.12**	**0.00**	**N/A**

NMSIC Total Fund - Schedule of Investable Assets

Periods Ending	Beginning Market Value ($)	Net Cash Flow ($)	Gain/Loss ($)	Ending Market Value ($)	% Return
FYTD	**19,831,581,882**	**49,147,345**	**714,938,914**	**20,595,668,141**	**3.58**

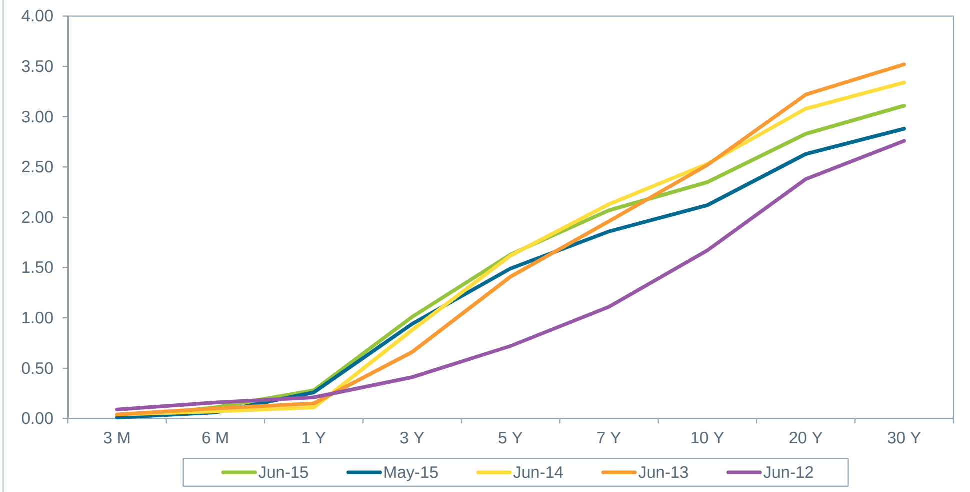
Allocations shown may not sum up to 100% exactly due to rounding. Performance shown is gross of fees, except for Credit & Structured Finance, Absolute Return, Real Estate, Real Return, and Private Equity, which are net of fees. Market values and performance are preliminary and subject to change. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies. Fiscal year ends June 30.

RVK

General Market Commentary

- The FOMC maintained the federal funds rate under 0.25 percent, as inflation has continued to run below their long term objective of 2.0 percent.
- After defaulting on the latest loan repayment to the IMF, Greek Prime Minister Alexis Tsipras called for a referendum to let the people decide whether to accept the newest economic measures proposed by the Troika. On July 5th, Greece voted to reject the austerity proposals, further endangering the country's relationship with the rest of Europe.
- After a massive 150% run-up in stock prices, Chinese equity markets have fallen 17% since their peak on June 12th.
- Equity markets posted negative returns in June as the S&P 500 (Cap Wtd) Index returned -1.94% and the MSCI EAFE (Net) Index returned -2.83%. Emerging markets returned -2.60% as measured by the MSCI EM (Net) Index.
- The Barclays US Aggregate Bond Index returned -1.09% in June, underperforming the -0.41% return by the Barclays US Treasury Intermediate Term Index. International fixed income markets returned 0.01%, as measured by the Citi Non-US World Government Bond Index.
- Public real estate, as measured by the Wilshire US REIT Index, returned -4.28% in June and 14.73% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 10.55% for the trailing one-year period and 15.25% for the trailing five-year period ending March 2015.
- Absolute return strategies, as measured by the HFN FOF Multi-Strat Index, returned -1.11% for the month and 3.48% over the trailing one-year period.
- Crude oil's price fell by 1.38% during the month and has decreased by 43.56% YoY.

Treasury Yield Curve (%)



Economic Indicators	Jun-15		May-15	Jun-14	10 Yr	20 Yr
Federal Funds Rate (%)	0.08	—	0.08	0.09	1.46	2.74
Breakeven Inflation - 1 Year (%)	0.73	▼	0.80	1.46	1.08	N/A
Breakeven Inflation - 5 Year (%)	1.67	▲	1.61	2.07	1.85	N/A
Breakeven Inflation - 10 Year (%)	1.89	▲	1.83	2.24	2.14	N/A
Breakeven Inflation - 30 Year (%)	2.03	▲	1.96	2.35	2.37	N/A
Barclays US Agg Bond Index - Yield (%)	2.39	▲	2.19	2.22	3.52	4.65
Barclays US Agg Bond Index - OAS (%)	0.51	▲	0.46	0.38	0.71	0.68
Barclays US Agg Credit Index - OAS (%)	1.37	▲	1.27	0.96	1.62	1.52
Barclays US Corp: HY Index - OAS (%)	4.76	▲	4.33	3.37	5.69	5.77
Capacity Utilization (%)	77.82	▲	77.73	78.17	76.82	78.42
Unemployment Rate (%)	5.3	▼	5.5	6.1	7.0	6.0
PMI - Manufacturing (%)	53.5	▲	52.8	55.7	52.4	52.0
Baltic Dry Index - Shipping	800	▲	589	934	2,847	2,357
Consumer Conf (Conf Board)	99.76	▲	94.57	86.37	75.28	93.34
CPI YoY (Headline) (%)	0.1	▲	0.0	2.1	2.1	2.3
CPI YoY (Core) (%)	1.8	▲	1.7	1.9	1.9	2.1
PPI YoY (%)	-2.6	▲	-3.0	2.8	2.7	2.3
M2 YoY (%)	5.8	—	5.8	6.5	6.2	6.2
US Dollar Total Weighted Index	89.94	▼	90.92	75.73	77.43	86.43
WTI Crude Oil per Barrel ($)	59	▼	60	105	82	54
Gold Spot per Oz ($)	1,172	▼	1,191	1,327	1,112	723

Treasury Yield Curve (%)	Jun-15	May-15	Jun-14	Jun-13	Jun-12
3 Month	0.01	0.01	0.04	0.04	0.09
6 Month	0.11	0.06	0.07	0.10	0.16
1 Year	0.28	0.26	0.11	0.15	0.21
3 Year	1.01	0.94	0.88	0.66	0.41
5 Year	1.63	1.49	1.62	1.41	0.72
7 Year	2.07	1.86	2.13	1.96	1.11
10 Year	2.35	2.12	2.53	2.52	1.67
20 Year	2.83	2.63	3.08	3.22	2.38
30 Year	3.11	2.88	3.34	3.52	2.76

Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	-1.94	0.28	1.23	7.42	17.31	17.34	9.42	7.89
R 2000	0.75	0.42	4.75	6.49	17.81	17.08	10.44	8.40
MSCI EAFE (Net)	-2.83	0.62	5.52	-4.22	11.97	9.54	1.97	5.12
MSCI EAFE SC (Net)	-1.27	4.34	10.15	-0.77	15.69	12.40	5.43	6.59
MSCI EM (Net)	-2.60	0.69	2.95	-5.12	3.71	3.69	0.86	8.11
Barclays US Agg Bond	-1.09	-1.68	-0.10	1.86	1.83	3.35	4.59	4.44
BofA ML 3 Mo US T-Bill	0.00	0.01	0.01	0.02	0.06	0.08	0.22	1.42
NCREIF ODCE (Gross)	3.82	3.82	7.34	14.43	13.11	14.41	3.60	6.85
Wilshire US REIT	-4.28	-9.93	-5.73	5.21	9.00	14.73	7.80	6.92
HFN FOF Multi-Strat	-1.11	0.10	2.63	3.48	6.12	3.97	0.89	2.95
Bloomberg Cmdty Index (TR)	1.73	4.66	-1.56	-23.71	-8.76	-3.91	-10.91	-2.62

Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service.
Breakeven Inflation does not have 20 years of history; therefore, its 20-year average is shown as N/A.

Performance Related Comments

- Performance shown is gross of fees unless otherwise noted. Fiscal year ends on June 30.
- Performance is annualized for periods greater than one year.
- Absolute Return market values are lagged 1 month and provided by J.P. Morgan. Performance for Absolute Return is preliminary and shown as of the most current month end.
- Historical performance for Crestline Enchantment Fund Class A shares prior to January 2011 consists of Crestline Partners LP. Class B shares before this date consist of Vintage Classic LLC.
- Performance for Mariner Matador, LLC prior to August 2008 consists of Mariner Select LP.
- Real Estate, Private Equity, and Real Return investments assume a 0.00% return during interim months. Real Estate and Private Equity investments are lagged 1 quarter.
- Since Inception performance shown for the HFRI FOF Comp Index is as of October 1, 2005.
- The BlackRock Core Bonds Fund was funded on 11/3/2014, but per client request, the Since Inception date shown is 11/1/2014.
- 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.
- Performance and market values for the Real Estate Composite and Other Real Return Composite might differ from Townsend-reported data due to factors such as timing, differing valuation sources, or historical updates.

Custom Index Comments

- *Land Grant Policy Index* is based on the target allocation and currently consists of 30% Russell 1000 Index, 5% US Small/Mid Cap Equity Custom Index, 9% MSCI EAFE Index (Net), 6% MSCI Emerging Markets Index (Net), 14% Barclays US Universal Bond Index, 6% Credit and Structure Finance Composite, 7% HFRI FOF Composite Index (Lagged 1 Month), 10% Cambridge US PE Index (Lagged 1 Quarter), 8% NCREIF ODCE Index (Net) (Lagged 1 Quarter), and 5% Real Return Custom Index.
- *Severance Tax Policy Index* is based on the target allocation and currently consists of 30% Russell 1000 Index, 5% US Small/Mid Cap Equity Custom Index, 9% MSCI EAFE Index (Net), 6% MSCI Emerging Markets Index (Net), 14% Barclays US Universal Bond Index, 6% Credit and Structure Finance Composite, 7% HFRI FOF Composite Index (Lagged 1 Month), 10% Cambridge US PE Index (Lagged 1 Quarter), 8% NCREIF ODCE Index (Net) (Lagged 1 Quarter), and 5% Real Return Custom Index.
- *Global Equity Custom Index* consists of 70% Russell 3000 Index, 18% MSCI EAFE Index (Net), 12% MSCI Emg Mkts Index (Net).
- *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).
- *Fixed Income Custom Index* consists of the Barclays 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% Credit Suisse Leveraged 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% Credit Suisse Leveraged Loan Index, and 33% Barclays US Corporate Investment Grade Index thereafter.
- The Private Equity benchmark was updated to the *Cambridge US PE Index (Lagged 1 Quarter)* in November 2014.
- *NCREIF/Townsend Weighted 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% Barclays US Treasury: US TIPS Index, 25% Bloomberg Commodity Index (TR), 20% NCREIF Timberland Index, and 20% CPI + 3%.

Absolute Return Strategies

Fund of Hedge Funds - Event Driven

- Mariner Matador, LLC

Fund of Hedge Funds - Equity Hedge

- AAM High Desert Fund

Fund of Hedge Funds - Relative Value

- Crestline Enchantment Fund Class A

Liquidation

- Crestline Enchantment Fund Class B
- Crestline Offshore Recovery
- CT Preferred Investors Management LLC

PORTLAND CHICAGO NEW YORK

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RVK

Investment Returns as of 6/30/15

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Land Grant Composite	**0.59**	**3.56**	**2.22**	**3.56**	**10.71**	**10.84**	**6.46**	**5.03**	**7.56**
Land Grant Composite NET	**0.54**	**3.36**	**2.12**	**3.36**	**10.50**	**10.65**	**6.27**	**4.84**	**7.40**
Land Grant Interim Policy Index	*0.79*	*4.54*	*2.83*	*4.54*	*11.16*	*11.95*	*6.62*	*N/A*	*N/A*
Difference	-0.25	-1.18	-0.71	-1.18	-0.66	-1.30	-0.35	N/A	N/A

Severance Tax Composite	**0.54**	**3.35**	**2.33**	**3.35**	**10.29**	**10.51**	**5.86**	**4.40**	**7.10**
Severance Tax Composite NET	**0.50**	**3.17**	**2.24**	**3.17**	**10.11**	**10.32**	**5.66**	**4.20**	**6.95**
Severance Tax Interim Policy Index	*0.79*	*4.54*	*2.83*	*4.54*	*11.16*	*11.95*	*6.70*	*N/A*	*N/A*
Difference	-0.29	-1.37	-0.59	-1.37	-1.05	-1.63	-1.04	N/A	N/A

General Market Commentary

- US equity markets posted solid returns for the month, while international markets experienced increased turbulence as the Shanghai Composite tumbled 15% adding to the 7% drop in June.
- Greek Parliament approved financial reform to open doors for bailout talks. Additionally, Greek banks were able to reopen after being closed for three weeks.
- The US and Iran came to terms on a nuclear agreement, easing tension in the region and enabling potential trade discussions to begin.
- Equity markets posted positive returns in July as the S&P 500 (Cap Wtd) Index returned 2.10% and the MSCI EAFE (Net) Index returned 2.08%. Emerging markets returned -6.93% as measured by the MSCI EM (Net) Index.
- The Barclays US Aggregate Bond Index returned 0.70% in July, outperforming the 0.42% return by the Barclays US Treasury Intermediate Term Index.
- The Cambridge US Private Equity Index returned 10.55% for the trailing one-year period and 15.25% for the trailing five-year period ending March 2015.
- Absolute return strategies, as measured by the HFN FOF Multi-Strat Index, returned 0.13% for the month and 4.05% over the trailing one-year period.

Land Grant Asset Allocation vs. Interim Target

	Asset Allocation ($)	Asset Allocation (%)	Interim Target (%)	Differences (%)	Long-Term Target (%)
Land Grant TF Composite	14,849,080,949	100.00	100.00	0.00	100.00
US Equity	5,263,968,147	35.45	32.00	3.45	22.00
Non-US Equity	1,819,614,733	12.25	18.00	-5.75	18.00
Fixed Income	3,361,778,348	22.64	20.00	2.64	19.00
Absolute Return	1,051,342,836	7.08	7.00	0.08	7.00
Private Equity	1,141,979,176	7.69	10.00	-2.31	12.00
Real Estate	1,087,059,309	7.32	8.00	-0.68	10.00
Real Return	1,040,484,200	7.01	5.00	2.01	12.00
Cash Equivalent	58,632,023	0.39	0.00	0.39	0.00
Beta Overlay	24,222,176	0.16	0.00	0.16	0.00

NMSIC Performance Attribution Summary

- Over the last 3 years, the average portfolio positioning deviated from the target allocation, as residuals intended for other asset classes are temporarily held as fixed income.
- Primary contributors to the Land Grant Total Fund's relative underperformance over the last 3 years were subpar performance by Public and Private Equity managers and the temporary deviation from the fixed income target.
- Over the last 3 years, Fixed Income managers have provided strong performance relative to the Fixed Income Custom Index.
- During the past year, Public Equity, Private Equity and Absolute Return managers have lagged from their respective benchmarks.
- The Land Grant benefited from being underweight in Non-US Equity, as international stocks posted negative returns over the one-year period.
- JP Morgan Asset Management, Templeton Int'l Small Cap Fund, and BlackRock Emg Mks Opp Fund provided the best relative performance among NMSIC's active managers; while Brown Brothers Harriman and the three active US Small/Mid Cap managers struggled to keep up with their benchmarks over the last year.

*Severance Tax (Ex ETI) Asset Allocation vs. Interim Target

	Asset Allocation ($)	Asset Allocation (%)	Interim Target (%)	Differences (%)	Long-Term Target (%)
Severance Tax TF Composite	4,445,432,602	100.00	100.00	0.00	100.00
US Equity	1,680,760,658	37.81	32.00	5.81	22.00
Non-US Equity	638,629,216	14.37	18.00	-3.63	18.00
Fixed Income	968,733,062	21.79	20.00	1.79	18.00
Absolute Return	319,562,794	7.19	7.00	0.19	7.00
Private Equity	274,917,188	6.18	10.00	-3.82	13.00
Real Estate	247,936,229	5.58	8.00	-2.42	10.00
Real Return	284,981,764	6.41	5.00	1.41	12.00
Cash Equivalent	29,911,689	0.67	0.00	0.67	0.00
Beta Overlay	1	0.00	0.00	0.00	0.00

	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	10 Years
NMSIC Total Fund Composite	**0.29**	**0.29**	**0.29**	**2.61**	**4.60**	**10.56**	**9.95**	**6.09**
Land Grant Total Fund Composite	**0.29**	**0.29**	**0.29**	**2.51**	**4.56**	**10.52**	**9.94**	**6.18**
Land Grant Interim Policy Index	0.31	0.31	0.31	3.15	5.66	10.93	11.05	6.40
Difference	-0.02	-0.02	-0.02	-0.64	-1.10	-0.41	-1.11	-0.22
Severance Tax Total Fund Composite	**0.31**	**0.31**	**0.31**	**2.64**	**4.36**	**10.22**	**9.62**	**5.56**
Severance Tax Interim Policy Index	0.31	0.31	0.31	3.15	5.66	10.93	11.05	6.48
Difference	0.00	0.00	0.00	-0.51	-1.30	-0.71	-1.43	-0.92

NMSIC Total Fund - Schedule of Investable Assets

Periods Ending	Beginning Market Value ($)	Net Cash Flow ($)	Gain/Loss ($)	Ending Market Value ($)	% Return
CYTD	**20,207,498,686**	**-110,425,541**	**527,289,072**	**20,624,362,217**	**2.61**

Performance shown is gross of fees. Performance is annualized for periods greater than one year. Fiscal year ends June 30.
*Severance Tax target allocation excludes economically targeted investments and the state private equity program.