

EDUCATION TRUST BOARD OF NEW MEXICO

Financial Statements and
Supplementary Information

Year Ended June 30, 2018



**EDUCATION TRUST BOARD OF NEW MEXICO
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**EDUCATION TRUST BOARD OF NEW MEXICO
OFFICIAL ROSTER
JUNE 30, 2018**

BOARD OF DIRECTORS

Dr. Barbara Damron, Ph.D.	Chair*/Cabinet Secretary, New Mexico Higher Education Department
Robert J. Desiderio, J.D.	Vice Chair
Dr. Jose Z. Garcia, Ph.D.	Member
David Jansen	Member
Mark Jarmie	Member

Theodore Miller	Executive Director
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* According to state statute, the Chair of the Education Trust Board is the Cabinet Secretary of the Department of Higher Education or the Secretary's designee.

INDEPENDENT AUDITORS' REPORT

Board of Directors
Education Trust Board of New Mexico
and Mr. Wayne Johnson
New Mexico State Auditor
Santa Fe, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Education Trust Board of New Mexico (NMETB), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the NMETB's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Board of Directors
Education Trust Board of New Mexico
and Mr. Wayne Johnson
New Mexico State Auditor

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the aggregate remaining fund information of the NMETB as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements of the NMETB are intended to present the financial position and changes in financial position of the NMETB. They do not purport to, and do not present fairly the financial position of the entire State of New Mexico as of June 30, 2018, and the changes in its financial position, or where applicable, its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

As discussed in Note N on page 36, NMETB reclassified the administrative fund to an enterprise fund, previously reported as a governmental fund, as the fund. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the NMETB's basic financial statements. The schedules listed as Supplementary Information and information listed as Other Supplementary Information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed as supplementary information in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed as supplementary information in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors
Education Trust Board of New Mexico
and Mr. Wayne Johnson
New Mexico State Auditor

The information listed in the table of contents as other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2018, on our consideration of the Education Trust Board of New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Education Trust Board of New Mexico's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Education Trust Board of New Mexico's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Albuquerque, New Mexico
October 30, 2018

EDUCATION TRUST BOARD OF NEW MEXICO
MANAGEMENT'S DISCUSSION ANALYSIS
YEAR ENDED JUNE 30, 2018

The following discussion and analysis provides an overview of the financial position and activities of the Education Trust Board of New Mexico (NMETB) as of and for the year ended June 30, 2018. This discussion should be read in conjunction with the accompanying financial statements and notes.

EDUCATION TRUST BOARD OF NEW MEXICO

NMETB operates as a self-sustaining state entity which is administratively connected to the New Mexico Department of Higher Education (NMHED). NMHED was created as a state agency in 2005 and NMSA 1978 §21-21K-4 (A) (1997) administratively attaches NMETB to NMHED. Case law holds that an administratively attached entity is a "constituent agency." Constituent agencies have the same legal status as their "parent" agency.

NMETB was established by New Mexico statute 21-21K-4 NMSA 1978 (Education Trust Act), which gives NMETB the authority to promulgate rules to carry out the Act, protect the financial integrity of the IRS 529 college savings plans, and to establish and maintain the program in compliance with Section 529 of the Internal Revenue Code. NMSA 1978 sections 21-21K-3 and 21-21K-5 give authority to enter into contracts with investors, review fund investments, pay institutions of higher education on behalf of beneficiaries, be a party to college investment agreements and approve circumstances for pre-designation of the beneficiary, and establish a refund policy.

The NMETB's Program Administration Fund, previously presented as a governmental fund, was reclassified during FY18, to an enterprise fund. See Note N for further information.

FINANCIAL HIGHLIGHTS

The assets of NMETB exceeded its liabilities at June 30, 2018 by \$9.4 million (net position). The entire amount is considered restricted net position and may be used to meet NMETB's ongoing obligations.

The fiduciary funds had an increase in net position of approximately \$29.2 million, or 1%.

OVERVIEW OF FINANCIAL STATEMENTS

This financial report is comprised of four components: 1) management's discussion and analysis (this section), 2) the basic financial statements, 3) notes to the financial statements, and 4) supplementary information.

The basic financial statements consist of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows and the notes thereto. The NMETB follows enterprise fund accounting. The financial statements offer information about the NMETB's activities and operations.

**EDUCATION TRUST BOARD OF NEW MEXICO
MANAGEMENT'S DISCUSSION ANALYSIS
YEAR ENDED JUNE 30, 2018**

OVERVIEW OF FINANCIAL STATEMENTS, continued

The statement of net position presents information on all of NMETB's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Administrative Fund is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position reports how NMETB's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The focus of the statement of activities is on both the gross and net cost of activities.

The final required financial statement is the Statements of Cash Flows. The primary purpose of this statement is to provide information about the NMETB's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments and net changes in cash resulting from operating, noncapital financing, capital and related financing and investing activities. The statement also provides information regarding the sources and uses of cash and the change in the cash balance during the reporting period.

The enterprise activities reflect NMETB's basic services, which include the administration of the Scholar's Edge and The Education Plan. These services are financed primarily through program fees and other general revenues (Investment Income).

Fiduciary fund financial statements present information about the status of the Scholar's Edge and The Education Plan fiduciary activities of NMETB. The financial statements are accompanied by notes that are essential to a full understanding of the financial information in this report.

FINANCIAL ANALYSIS - ENTERPRISE ACTIVITIES

Net Position. Assets of enterprise activities exceeded enterprise activities liabilities by \$9.4 million at June 30, 2018. The following table summarizes NMETB's summarized assets, liabilities, and net position as of June 30:

**EDUCATION TRUST BOARD OF NEW MEXICO
MANAGEMENT'S DISCUSSION ANALYSIS
YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS - ENTERPRISE ACTIVITIES, continued

Summarized Assets, Liabilities and Net Position

(in thousands)	2018	2017
ASSETS		
Current and Other Assets	\$ 9,475	\$ 8,740
Total Assets	9,475	8,740
LIABILITIES		
Other Liabilities	65	95
Total Liabilities	65	95
NET POSITION		
Restricted	9,410	8,644
Total Net Position	\$ 9,410	\$ 8,644

Changes in Net Position: Total revenues for the year ended June 30, 2018 were \$2.6 million compared with expenses of \$2.0 million. The following table summarizes NMETB's changes in net position for the years ended June 30:

Changes in Net Position - For the Year Ended

(in thousands)	2018	2017
REVENUES		
Program Revenues		
Charges for Goods and Services	\$ 2,623	\$ 2,929
Total Program Revenues	2,623	2,929
GENERAL REVENUES		
Investment Income	104	42
Total General Revenues	104	42
Total Revenues	2,727	2,971
EXPENSES		
Administration of Educational Savings Plan	1,961	1,964
Total Expenses	1,961	1,964
CHANGE IN NET POSITION		
	766	1,007
Net Position - Beginning of Year	8,644	7,637
NET POSITION - END OF YEAR	\$ 9,410	\$ 8,644

**EDUCATION TRUST BOARD OF NEW MEXICO
MANAGEMENT'S DISCUSSION ANALYSIS
YEAR ENDED JUNE 30, 2018**

FIDUCIARY FUNDS BACKGROUND INFORMATION

Scholar's Edge (Advisor Sold) and The Education Plan (Direct Sold). Scholar's Edge and The Education Plan (Plans) were established by NMETB. The Plans are maintained by the State of New Mexico and are administered by NMETB, which serves as trustee of the Education Trust of New Mexico (Trust). NMETB has the authority to appoint a Program Manager, adopt rules and regulations to implement and administer the Plans and Trust, and establish investment policies for the Trust. OFI Private Investments Inc. (OFIPI) is the Program Manager of the Plans. Oppenheimer Funds Distributor, Inc. (OFDI) is the sole distributor of the Plans. Brown Brothers Harriman (BBH) accounts for the Plans. Both the Plans are accounted for as fiduciary private trust funds.

The Plans are a savings vehicle for higher education expenses under Section 529 of the U.S. Internal Revenue Code of 1986, as amended (Section 529). The Plans are comprised of a variety of different investment portfolios. These portfolios offer different asset allocation mixes to investors based on their needs, time frames, and risk tolerances. In previous years, each portfolio was presented separately in the basic financial statements. Management has elected to present each portfolio as supplementary information following the basic financial statements and related notes.

FINANCIAL ANALYSIS - SCHOLAR'S EDGE

Scholar's Edge condensed statements of fiduciary net position as of June 30 are as follows:

(in thousands)	2018	2017
ASSETS		
Investments, at Fair Value	\$ 1,903,552	\$ 1,895,149
Cash	2,217	5,869
Receivables and Other Assets	4,283	4,099
Total Assets	1,910,052	1,905,117
LIABILITIES		
Payables and other Liabilities	4,211	3,812
Total Liabilities	4,211	3,812
NET POSITION	\$ 1,905,841	\$ 1,901,305

**EDUCATION TRUST BOARD OF NEW MEXICO
MANAGEMENT'S DISCUSSION ANALYSIS
YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS - SCHOLAR'S EDGE, continued

The investments of the Portfolios increased \$8.4 million from 2017 to 2018 mainly due to market appreciation. 2017 had net shareholder redemptions of \$76 million; and 2018 had net shareholder redemptions of \$75 million.

The majority of the receivables consist of shareholder contributions purchased but not received as of June 30. The majority of the liabilities consisted of shareholder redemptions processed but not yet delivered as of June 30 and payment for securities purchased June 30, but not yet cleared.

Scholar's Edge condensed statements of changes in fiduciary net position for the years ended June 30 are as follows:

(in thousands)	2018	2017
ADDITIONS		
Subscriptions	\$ 1,490,315	\$ 558,412
Investment Income:		
Dividend Income and Interest	61,114	35,123
Less: Expenses	10,663	10,912
Net Investment Income	50,451	24,211
Realized Investment Gains		
Capital Gains from Underlying Investments	193,699	14,910
Net (Decrease) Increase in Fair Value of Investments	(164,131)	133,935
Total Additions	1,570,334	731,468
DEDUCTIONS		
Redemptions	(1,565,798)	(634,082)
CHANGE IN NET POSITION	4,536	97,386
Net Position - Beginning of Year	1,901,305	1,803,919
NET POSITION - END OF YEAR	\$ 1,905,841	\$ 1,901,305

Investment income is comprised of dividend and interest income; expenses are primarily management, distribution, and administrative fees.

**EDUCATION TRUST BOARD OF NEW MEXICO
MANAGEMENT'S DISCUSSION ANALYSIS
YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS - THE EDUCATION PLAN

The Education Plan condensed statements of fiduciary net position as of June 30 are as follows:

(in thousands)	2018	2017
ASSETS		
Investments, at Fair Value	\$ 559,708	\$ 532,150
Cash	265	2,870
Receivables and Other Assets	1,877	1,073
Total Assets	561,850	536,093
LIABILITIES		
Payables and other Liabilities	1,875	766
Total Liabilities	1,875	766
NET POSITION	\$ 559,975	\$ 535,327

The investments of the Portfolios increased \$27.6 million from 2017 to 2018 mainly due to market appreciation. 2017 had net shareholder subscriptions of \$307 thousand; and 2018 had net shareholder redemptions of \$3.6 million.

The majority of the receivables consist of shareholder contributions purchased but not received as of June 30. The majority of the liabilities consisted of shareholder redemptions processed but not yet delivered as of June 30 and payment for securities purchased June 30, but not yet cleared.

**EDUCATION TRUST BOARD OF NEW MEXICO
MANAGEMENT'S DISCUSSION ANALYSIS
YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS - THE EDUCATION PLAN, continued

The Education Plan condensed statements of changes in fiduciary net position for the years ended June 30 are as follows:

(in thousands)	<u>2018</u>	<u>2017</u>
ADDITIONS		
Subscriptions	\$ 352,560	\$ 164,782
Investment Income:		
Dividend Income and Interest	13,242	5,095
Less: Expenses	<u>733</u>	<u>958</u>
Net Investment Income	12,509	4,137
Realized Investment Gains		
Capital Gains from Underlying Investments	88,480	8,471
Net Increase (Decrease) in Fair Value of Investments	<u>(72,761)</u>	<u>34,919</u>
Total Additions	380,788	212,309
DEDUCTIONS		
Redemptions	<u>(356,140)</u>	<u>(165,089)</u>
CHANGE IN NET POSITION	24,648	47,220
Net Position - Beginning of Year	<u>535,327</u>	<u>488,107</u>
NET POSITION - END OF YEAR	<u>\$ 559,975</u>	<u>\$ 535,327</u>

Investment income is comprised of dividend and interest income; expenses are primarily management and administrative fees.

**EDUCATION TRUST BOARD OF NEW MEXICO
MANAGEMENT'S DISCUSSION ANALYSIS
YEAR ENDED JUNE 30, 2018**

BUDGET

NMETB adopts an annual budget for the Administrative Fund based upon the recommendation of program staff. NMETB's budget is established through an annual budget adjustment request, subject to the review of the New Mexico Department of Finance and Administration (DFA) and the New Mexico Legislative Finance Committee (LFC). NMETB is not included in the General Appropriations Act (GAA) and does not receive state general fund appropriations, therefore, cash balances remaining at the end of the year do not revert to the New Mexico State General Fund.

Administrative Fund revenues of \$2.6 million were not included in the budget. Actual expenditures of \$2.0 million were less than budgeted expenditures of \$2.7 million.

ECONOMIC OUTLOOK

NMETB's economic outlook is closely related to the activities and status of the public investment markets. NMETB's Administrative Fund is dependent upon the automatic fee deposit that is made every month, as a percentage of the net position that resides in the two 529 savings plans: the Scholar's Edge and The Education Plan.

NMETB operates as a self-sustaining state entity and has two full-time equivalent employees. The State of New Mexico does not appropriate to NMETB any budgeted amounts.

CONTACTING MANAGEMENT

This financial report is designed to provide members of NMETB and others with a general overview of NMETB's Administrative and fiduciary funds. If you have questions about this report or need additional financial information, contact the Executive Director at the following address:

Education Trust Board of New Mexico
1516 Paseo de Peralta
Santa Fe, NM 87501

Financial Statements

EDUCATION TRUST BOARD OF NEW MEXICO
STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS

Investment in State General Fund Investment Pool	\$ 504,591
Investment in Local Government Investment Pool	8,533,745
Prepays	53,594
Accounts Receivable	<u>383,330</u>
 TOTAL ASSETS	 <u>9,475,260</u>

LIABILITIES

Accounts Payable	45,341
Accrued Expenses and Compensated Absences	<u>19,470</u>
 TOTAL LIABILITIES	 <u>64,811</u>

NET POSITION

Restricted for Administrative Purposes	<u>9,410,449</u>
 TOTAL NET POSITION	 <u><u>\$ 9,410,449</u></u>

See auditor's report and accompanying notes to financial statements

EDUCATION TRUST BOARD OF NEW MEXICO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

OPERATING REVENUES	
Program Revenue	\$ 2,022,978
Marketing Grass Roots	<u>599,687</u>
TOTAL REVENUE	2,622,665
OPERATING EXPENSES	
Administrative and Other Expenses	<u>1,960,858</u>
TOTAL OPERATING EXPENSES	1,960,858
OPERATING INCOME	661,807
NON-OPERATING REVENUES (EXPENSES)	
Investment Income, Net of Expenses	<u>104,449</u>
CHANGE IN NET POSITION	766,256
Net Position, Beginning of Year	<u>8,644,193</u>
NET POSITION, END OF YEAR	<u><u>\$ 9,410,449</u></u>

See auditor's report and accompanying notes to financial statements

**EDUCATION TRUST BOARD OF NEW MEXICO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash from grants and contracts	\$ 2,541,595
Cash paid to employees and suppliers	<u>(1,948,490)</u>

CASH PROVIDED BY OPERATING ACTIVITIES	<u>593,105</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	109,071
Investment expenses	<u>(4,622)</u>

CASH PROVIDED BY INVESTING ACTIVITIES	<u>104,449</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS	697,554
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>8,340,782</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 9,038,336</u></u>
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**RECONCILIATION OF OPERATING INCOME TO
NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$ 661,807
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Adjustments to reconcile operating income to net cash provided by operating activities:

Changes in assets and liabilities:

Prepays	43,036
Accounts receivable	(81,070)
Accounts payable	(32,595)
Accrued expenses	<u>1,927</u>

Total adjustments	<u>(68,702)</u>
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CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 593,105</u></u>
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See auditor's report and accompanying notes to financial statements

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EDUCATION TRUST BOARD OF NEW MEXICO
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018

	<u>Scholar's Edge</u>	<u>The Education Plan</u>	<u>Total (Memorandum Only)</u>
ASSETS			
Investments, at Fair Value (Scholar's Edge Cost \$1,751,774,600; The Education Plan Cost \$515,582,848)	\$ 1,903,552,047	\$ 559,708,097	\$ 2,463,260,144
Cash	2,216,888	264,088	2,480,976
Receivables and Other Assets:			
Receivable for Capital Shares Issued	1,867,374	678,171	2,545,545
Receivable for Securities Purchased	497,653	670,651	1,168,304
Accrued Income	1,917,776	528,910	2,446,686
 TOTAL ASSETS	 1,910,051,738	 561,849,917	 2,471,901,655
LIABILITIES			
Payable for Capital Shares Redeemed	2,203,760	714,646	2,918,406
Payable for Securities Purchased	2,007,250	1,159,868	\$ 3,167,118
 TOTAL LIABILITIES	 4,211,010	 1,874,514	 6,085,524
 FIDUCIARY NET POSITION	 <u><u>\$ 1,905,840,728</u></u>	 <u><u>\$ 559,975,403</u></u>	 <u><u>\$ 2,465,816,131</u></u>

See auditor's report and accompanying notes to financial statements

EDUCATION TRUST BOARD OF NEW MEXICO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2018

	Scholar's Edge	The Education Plan	Total (Memorandum Only)
ADDITIONS			
Subscriptions	\$ 1,490,314,707	\$ 352,560,076	\$ 1,842,874,783
Investment Income			
Dividends	61,062,988	13,227,811	74,290,799
Interest	51,122	14,587	65,709
Less: Expenses:			
Distribution Fees	6,854,557	-	6,854,557
Management Fees	2,144,141	377,536	2,521,677
State Administrative Fees	1,652,672	351,721	2,004,393
Other Reimbursement	11,428	3,497	14,925
NET INVESTMENT INCOME	50,451,312	12,509,644	62,960,956
Capital Gains from Underlying Investments	193,699,536	88,479,475	282,179,011
Net Increase in Fair Value of Investments	(164,131,320)	(72,761,049)	(236,892,369)
TOTAL ADDITIONS	1,570,334,235	380,788,146	1,951,122,381
DEDUCTIONS			
Redemptions	(1,565,798,100)	(356,139,674)	(1,921,937,774)
CHANGE IN NET POSITION	4,536,135	24,648,472	29,184,607
Fiduciary Net Position, Beginning of Year	1,901,304,593	535,326,931	2,436,631,524
FIDUCIARY NET POSITION, END OF YEAR	\$ 1,905,840,728	\$ 559,975,403	\$ 2,465,816,131

See auditor's report and accompanying notes to financial statements

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - ORGANIZATION AND BACKGROUND

The Education Trust Board of New Mexico (NMETB) operates as a self-sustaining state entity which is administratively connected to the New Mexico Department of Higher Education (NMHED). NMHED was created as a state agency in 2005 and NMSA 1978 §2121K-4 (A) (1997) administratively attaches NMETB to NMHED. Case law holds that an administratively attached entity is a "constituent agency." Constituent agencies have the same legal status as their "parent" agency. NMETB does not have any component units.

NMETB was established by New Mexico statute 21-21K-4 NMSA 1978 (Education Trust Act) gives NMETB the authority to promulgate rules to carry out the Act; protect the financial integrity of the IRS 529 college savings plans; and preserve program benefits and ensure appropriate use of tax benefits. NMSA 1978 sections 21-21K-3 and 21-21K-5 gives authority to enter into contract with investors, review investments, and pay institutions of higher education on behalf of beneficiaries, be a party to college investment agreements and approve circumstances for predesignation of the beneficiary, and establish a refund policy.

NMETB is the governing body for New Mexico's IRS section 529 college savings plans and their administration. Members are appointed by the Governor, Senate Pro Tem, and Speaker of the House of Representatives. The NMETB is responsible for making rules and regulations for the development and implementation of the Education Trust Act.

NMETB's financial statements include the statement of net position, statement of revenues, expenses and changes in net position, and statement of cash flows of the Administrative Fund, and the fiduciary funds statements of financial position and change in financial position. They are not intended to present the financial position or changes in financial position of the State of New Mexico.

NMETB's Administrative Fund is an enterprise fund used to account for the administrative operations of the NMETB. Scholar's Edge and The Education Plan College Savings Program (Plans) are NMETB's fiduciary funds used to account for New Mexico's IRS section 529 college savings plans. The Plans are maintained and administered by the Board, which serves as trustee of the Education Trust of New Mexico (Trust). The Board has the authority to appoint a program manager, adopt rules and regulations to implement and administer the Plans, and establish investment policies. OFI Private Investments Inc. (OFIPI) is the program manager of the Plans. OppenheimerFunds Distributor, Inc. (OFDI) is the sole distributor of the Plans.

The Plans are a savings vehicle for higher education expenses under Section 529 of the U.S. Internal Revenue Code of 1986, as amended (Section 529). The Plans are comprised of 81 different investment portfolios (Portfolios).

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - ORGANIZATION AND BACKGROUND (continued)

The Portfolios offer different asset allocation mixes to provide for investors that have different needs, time frames, and risk tolerances. Each portfolio within Scholar's Edge is offered in retail Class A units, Class B units (which are no longer offered), and Class C units. All classes of units have identical rights to earnings and assets, except for class-specific expenses.

College Savings Plans' assets can be used for qualified educational expenses including tuition and fees, certain room and board expenses, books, and required supplies and equipment at any accredited post-secondary school that is eligible to participate in federal student financial aid programs. This includes most public or private universities, graduate schools, community colleges, and vocational schools. Assets in the plans are subject to investment risk and are not guaranteed by the state.

Investment Portfolios. Scholar's Edge and The Education Plan offer various investment portfolios to accommodate the needs of participants. Investment portfolios of each plan are as follows:

Scholar's Edge Portfolios: Age Based Portfolio 100, Age Based Portfolio 901, Age Based Portfolio 80, Age Based Portfolio 701, Age Based Portfolio 60, Age Based Portfolio 501, Age Based Portfolio 40, Age Based Portfolio 301, Age Based Portfolio 20, Age Based Portfolio 10, Portfolio 100, Portfolio 90, Portfolio 80, Portfolio 70, Portfolio 60, Portfolio 501, Portfolio 40, Portfolio 30, Portfolio 20, Portfolio 10, Dreyfus Research Growth Portfolio², Monetta Young Investor Portfolio, Value Portfolio, Main Street Mid Cap Portfolio, International Growth Portfolio, American Century Diversified Bond Portfolio, Global Strategic Income Portfolio, Institutional Government Money Market Portfolio, Capital Preservation Portfolio, Global Portfolio, Discovery Portfolio, Dividend Opportunity Portfolio, Equity Income Portfolio, Global Opportunities Portfolio, Gold & Special Minerals Portfolio, International Bond Portfolio, International Diversified Portfolio, Limited Term Government Portfolio, Main Street Portfolio, Real Estate Portfolio, Rising Dividends Portfolio, Senior Floating Rate Portfolio, Developing Markets Portfolio, Fixed Income Portfolio, Low Duration Fixed Income Portfolio, Capital Income Portfolio, Main Street Small Cap Portfolio, International Small-Mid Company Portfolio, Global Focus Portfolio, MainStay HighYield Corporate Bond Portfolio, Limited-Term Bond Portfolio, SteelPath Select 40 Portfolio, Total Return Bond Portfolio, American Century Short Duration Inflation Protected Portfolio, Global Allocation Portfolio, T. Row Price Blue Chip Growth Portfolio, Age Based Fixed Income Portfolio, and Age Based Low Duration Fixed Income Portfolio.

¹ Effective February 26, 2018, the following Portfolios were added to the plan: Age Based 90, Age Based 70, Age Based 50, Age Based 30, Portfolio 90, Portfolio 70, Portfolio 50, Portfolio 30, SteelPath Select 40 Portfolio, Total Return Bond Portfolio, American Century Short Duration Inflation Protected Portfolio, Global Allocation Portfolio and T. Row Price Blue Chip Growth Portfolio.

² Effective February 26, 2018, Dreyfus Research Growth Portfolio was merged into T. Row Price Blue Chip Growth Portfolio and Monetta Young Investor Portfolio was merged into Main Street Portfolio.

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - ORGANIZATION AND BACKGROUND (continued)

Investment Portfolios, continued:

Scholar's Edge Portfolios, continued. The Plan invests primarily in Underlying Investments managed by OFI Global Asset Management, Inc. ("OFI Global") and sub-advised by OppenheimerFunds, Inc. ("OFI"), Mainstay, American Century, Dreyfus and T. Rowe Price. The equity, fixed income, and money market mutual funds are registered under the Investment Company Act of 1940, as amended. The registered mutual funds include: Oppenheimer Value Fund, Dreyfus Research Growth Fund, Monetta Young Investor Fund, Oppenheimer Main Street Fund, Oppenheimer Main Street Mid Cap Fund, Oppenheimer International Growth Fund, American Century Diversified Bond Fund, Oppenheimer International Bond Fund, Oppenheimer Limited-Term Government Fund, Oppenheimer Global Strategic Income Fund, Mainstay High Yield Corporate Bond Fund, Oppenheimer Senior Floating Rate Fund, Oppenheimer Institutional Government Money Market Fund, Oppenheimer Global Fund, Oppenheimer Global Opportunities Fund, Oppenheimer Developing Markets Fund, Oppenheimer International Diversified Fund, Oppenheimer Rising Dividends Fund, Oppenheimer Equity Income Fund, Oppenheimer Dividend Opportunity Fund, Oppenheimer Discovery Fund, Oppenheimer Gold & Special Minerals Fund, Oppenheimer Real Estate Fund, Oppenheimer Limited-Term Bond Fund, Oppenheimer Global Value Fund, Oppenheimer Main Street Small Cap Fund, Oppenheimer International Small-Mid Company Fund, Oppenheimer Capital Income Fund, Oppenheimer SteelPath Select 40 Fund, Oppenheimer Total Return Bond Fund, American Century Short Duration Inflation Protected, Oppenheimer Global Allocation Fund, and T. Rowe Price Blue Chip Growth Fund.

Additionally, Scholar's Edge invests in nonregistered investments, including various fixed income products and contracts with New York Life. Both the registered and nonregistered funds are individually or collectively referred to as the Underlying Investments.

1 Effective June 29, 2018, Global Value Portfolio changed its name to Global Focus Portfolio.

2 Effective February 26, 2018, Age Based Fixed Income Portfolio and Age Based Low Duration Fixed Income Portfolio are no longer offered by the Plan.

3 Effective February 26, 2018, underlying investments managed by Dreyfus are no longer offered by the Plan.

4 Effective February 26, 2018, Dreyfus Research Growth Fund and Monetta Young Investor Fund are no longer offered by the Plan.

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - ORGANIZATION AND BACKGROUND (continued)

Investment Portfolios, continued:

The Education Plan Portfolios: Age Based Portfolio 100, Age Based Portfolio 90, Age Based Portfolio 80, Age Based Portfolio 70, Age Based Portfolio 60, Age Based Portfolio 50, Age Based Portfolio 40, Age Based Portfolio 30, Age Based Portfolio 20, Age Based Portfolio 10, Age Based Portfolio 5, Index Age Based Portfolio 100, Index Age Based Portfolio 90, Index Age Based Portfolio 80, Index Age Based Portfolio 70, Index Age Based Portfolio 60, Index Age Based Portfolio 501, Index Age Based Portfolio 40, Index Age Based Portfolio 30, Index Age Based Portfolio 20, Index Age Based Portfolio 10, Index Age Based Portfolio 51, Portfolio 100, Portfolio 90, Portfolio 80, Portfolio 70, Portfolio 60, Portfolio 50, Portfolio 40, Portfolio 30, Portfolio 20, Portfolio 10, Portfolio 5, Short Term Yield Portfolio, Index Portfolio 100, Index Portfolio 90, Index Portfolio 80, Index Portfolio 70, Index Portfolio 60, Index Portfolio 50, Index Portfolio 40, Index Portfolio 301, Index Portfolio 20, Index Portfolio 10, Index Portfolio 5, Age Based Fixed Income Portfolio, Age Based Low Duration Fixed Income Portfolio, Index Age Based Fixed Income Portfolio, Index Age Based Low Duration Fixed Income Portfolio, Fixed Income Portfolio, Low Duration Fixed Income Portfolio, Index Fixed Income Portfolio and Index Low Duration Fixed Income Portfolio.

The Plan invests its assets in partnerships and a combination of mutual funds managed by OFI Global Asset Management, Inc. ("OFI Global") and sub-advised by OppenheimerFunds, Inc ("OFI"), Dreyfus Corporation, TIAA-CREF3, and The Vanguard Group. The Underlying Investments include: Oppenheimer Value Fund, Oppenheimer International Growth Fund, Oppenheimer Main Street Fund, TIAA-CREF International Equity Fund, Dreyfus Bond Market Index Fund, Oppenheimer Institutional Government Money Market Fund, Oppenheimer Developing Markets Fund, Oppenheimer Real Estate Fund, Oppenheimer Limited-Term Government Fund, Oppenheimer Senior Floating Rate Fund, Oppenheimer Global Fund, Oppenheimer Main Street Mid Cap Fund, Vanguard Extended Market Index Fund, Vanguard Total Stock Market Index Fund, Vanguard Total International Stock Index Fund, Vanguard REIT Index Fund, Oppenheimer Limited-Term Bond Fund, Oppenheimer Main Street Small Cap Fund, Vanguard Developed Markets Index Fund, Vanguard Total Bond Market Index Fund, Vanguard Short-Term Inflation-Protected Securities Fund, Vanguard Short-Term Bond Index Fund. and Dreyfus Institutional S&P 500 Stock Index Fund⁴. These mutual funds are diversified management investment companies registered under the Investment Company Act of 1940, as amended.

¹ Effective February 26, 2018, Age Based Fixed Income Portfolio and Index Age Based fixed Income Portfolio's are no longer offered by the Plan.

² Effective February 26, 2018, underlying investments managed by Dreyfus Corporation and TIAA-CREF are no longer offered by the Plan.

³ Effective February 26, 2018, TIAA-CREF International Equity, Dreyfus Bond Market Index, and Dreyfus Institutional S&P 500 Stock Index Funds are no longer offered by the Plan.

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statements. The statement of net position, statement of revenue, expenses, and changes in net position, and statement of cash flows, provide operational accountability information for NMETB as an economic unit. They report the entity's ability to maintain service levels and continue to meet its obligations as they come due.

The accounts of NMETB are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, liabilities, fund balance, revenues, expenditures, and other financing sources and uses.

Funds include the Administrative Fund, an enterprise fund, and the Scholar's Edge Fund and The Education Plan, both fiduciary funds.

Basis of Accounting. For financial purposes, NMETB is considered an enterprise fund engaged in business-type activities. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred, regardless of when the related cash flow takes place. Revenue from grants, entitlements, and contributions is recognized in the fiscal year in which eligibility requirements have been satisfied.

As fiduciary funds, the Scholar's Edge and The Education Plan financial statements are presented using the economic resources measurement focus and the accrual basis of accounting in conformity with generally accepted accounting principles in the United States as defined by the Governmental Accounting Standards Board (GASB). Under this method of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows.

Dividends of equity securities are recognized as they are earned and become measurable and available to pay liabilities of the current period.

Net Position. The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources, is referred to as net position. Net position is categorized as net investment in capital assets (net of related debt), restricted, and unrestricted, based on the following:

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position, continued:

Restricted Net Position. Third-party statutory limitations on their use. When there is an option, NMETB spends restricted resources first. Restricting statute for net position is 21-21K-4 NMSA 1978 – Education Trust Act. Restricted net position was \$9,410,449 at June 30, 2018.

Unrestricted Net Position reflects net position of the NMETB not restricted for any project or other purpose. NMETB had no unrestricted net position at June 30, 2018.

Cash, Cash Equivalents and Investments. Cash equivalents are defined as highly liquid investments with original maturities of three months or less. NMETB Administrative Fund’s cash and cash equivalents consist of cash held at the New Mexico State Treasurer’s Office invested in the General Fund Investment Pool and Local Government Investment Pool.

Security Valuation. Each Portfolio calculates the net asset value of its units as of the close of The New York Stock Exchange (Exchange), normally 4:00 P.M. Eastern time, on each day the Exchange is open for business. The net asset values of the Underlying Investments are determined as of the close of the Exchange, on each day the Exchange is open for trading. Short-term “money market type” debt securities with remaining maturities of sixty days or less are valued at amortized cost (which approximates market value); “money market type” debt securities with no contractual maturities or redemption amounts are valued at fair market value.

Each investment asset or liability of the Portfolio is assigned a level at measurement date based on the significance and source of the inputs to its valuation. Various data inputs are used in determining the value of each of the Portfolios’ investments as of the reporting period end. These data inputs are categorized in the following hierarchy:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that can be accessed at the measurement date
- Level 2 Inputs other than unadjusted quoted prices that are observable for the asset or liability either directly or indirectly
- Level 3 Significant unobservable inputs

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment’s risk.

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Security Valuation, continued:

These investments are classified as follows:

Scholar's Edge:

	Valuation			
	Fair Value Measurements Using			
	June 30, 2017	Level I	Level 2	Level 3
Money Market	\$ 26,050,975	\$ 26,050,975	\$ -	\$ -
Investments:				
Domestic Equity	489,602,575	489,602,575	-	-
Global & International Equity	442,229,247	442,229,247	-	-
Domestic Fixed Income	715,828,559	715,828,559	-	-
Global Fixed Income	92,613,656	92,613,656	-	-
Balanced Funds	111,217,883	111,217,883	-	-
Total Investments by Fair Value Level	1,877,542,895	<u>\$ 1,877,542,895</u>	<u>\$ -</u>	<u>\$ -</u>
Contracts	26,009,152			
	<u>\$ 1,903,552,047</u>			

The Education Plan:

	Valuation			
	Fair Value Measurements Using			
	June 30, 2017	Level I	Level 2	Level 3
Money Market	\$ 16,031,730	\$ 16,031,730	\$ -	\$ -
Investments:				
Domestic Equity	189,221,152	189,221,152	-	-
Global & International Equity	108,151,737	108,151,737	-	-
Domestic Fixed Income	246,303,478	246,303,478	-	-
Global Fixed Income	-	-	-	-
Balanced Funds	-	-	-	-
Total Investments by Fair Value Level	\$ 559,708,097	<u>\$ 559,708,097</u>	<u>\$ -</u>	<u>\$ -</u>

The Guaranteed Investment contract is measured at contract value.

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Security Valuation (continued):

Guaranteed Investment Contract (GIC) - Scholar's Edge. GIC's are contractual arrangements, not securities and are therefore not subject to custodial credit risk. However, there is a risk that an insurance company could fail to perform its contractual obligations for financial or other reasons.

Security Transactions: Security transactions are recorded on the trade date. Realized gains and losses on securities sold are determined on the high cost method.

Contributions, Withdrawals, and Distributions. There is an unlimited number of no par value units that can be issued. Contributions and withdrawals are recorded at the unit value determined on the valuation date following receipt of notice of the contribution or withdrawal. Contributions and withdrawals are subject to sufficient advance notifications as outlined in the Plan Description and Participation Agreement. The portfolios' unit values (net asset values) are determined daily. Net investment income for all portfolios is retained and reflected in the net asset value of each.

Investment Income and Dividends. Dividend income is recorded on the ex-dividend date. Noncash dividends included in dividend income, if any, are recorded at the fair market value of the securities received.

Interest income, which includes accretion of discount and amortization of premium, is accrued as earned. Income and capital gain distributions from the Underlying Investments are recorded on the ex-dividend date. Dividends from income are included in investment income and capital gain distributions are included in net realized gain/loss.

Allocation of Income and Dividends. Income, expenses (other than those attributable to a specific class), gains, and losses are allocated on a daily basis to each class of units based upon the relative proportion of net position represented by such class. Operating expenses directly attributable to a specific class are charged against the operations of that class.

Use of Estimates. The preparation of financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources. The statement of net position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position and the balance sheet will also sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. NMETB reported no deferred outflows or inflows of resources as of June 30, 2018.

Revenues and Expenses. Operating revenues include activities that have the characteristics of an exchange transaction as well as those that relate directly to finance the administration of the Scholar's Edge and The Education Plans. Operating Revenue consists of Program Fees and related Marketing Grass Roots revenue. Operating expenses include activities that have the characteristics of an exchange transaction such as a) employee salaries, benefits, and related expense; b) utilities, supplies, and other services; and c) professional fees.

Budget. NMETB adopts an annual budget for the Administrative Fund based upon the recommendation of program staff. NMETB's budget is established through an annual budget adjustment request, subject to the review of the New Mexico Department of Finance and Administration (DFA) and the New Mexico Legislative Finance Committee (LFC). NMETB is not included in the General Appropriations Act (GAA) and does not receive state general fund appropriations, therefore, cash balances remaining at the end of the year do not revert to the New Mexico State General Fund.

NOTE C - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents reported in the Administrative Fund at June 30, 2018 include a balance of \$8,533,745 invested with New Mexico State Treasurer's Office (STO) Local Government Investment Pool (LGIP). LGIP deposits are not guaranteed or insured by the State of New Mexico, the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board, or any other agency or bank. These deposits involve certain investment risks and returns are not guaranteed. As of June 30, 2018, STO provides the following disclosure regarding the LGIP holdings:

New Mexico LGIP AAAM Rated \$8,533,745 [50] day WAM (R); [100] day WAM F

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE C - CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Limitations or restrictions on withdrawals:

- Amounts less than \$30 million may be withdrawn within 24 hours of notice to the STO;
- Amounts of \$30 million to \$60 million require notice of 2 business days to the STO;
- Amounts of \$60 million to \$100 million require notice of 5 business days to the STO;
- Amounts in excess of \$100 million require notification of 10 business days to the STO.

Funds are withdrawn from the Pool one business day prior to transfer to maintain the liquidity of the Pool for all participants. With prior approval by the LGIP Bureau Chief or a designee, participant withdrawals made within the 24-hour limitation will be treated as an emergency withdrawal. Participants will be charged an emergency withdrawal fee to cover the cost of the emergency wire. Emergency withdrawal requests must follow the withdrawal procedure outlined above and must include a letter explaining the emergency. The LGIP Bureau reserves the right to decline any emergency withdrawals.

Stability Protection—Notwithstanding the withdrawal guidelines, the STO reserves the right to limit participant withdrawals if the State Treasurer determines that doing so is required to ensure the stability of the LGIP.

The State General Fund Investment Pool balance held by the New Mexico State Treasurer was \$504,591 at June 30, 2018. Funds can be withdrawn from the New Mexico State Treasurer as needed. However, 2.2.2.12(A)(14) NMAC requires NMETB to report this cash balance as an investment. All earnings on deposits are retained by the New Mexico State Treasurer's Office General Fund investment pool; therefore, from the NMETB's perspective, the balances are noninterest bearing and stated at cost. The New Mexico State Treasurer deposits public monies with New Mexico financial institutions in denominations which generally are in excess of the \$250,000 insurance coverage provided by federal agencies.

Accordingly, the New Mexico State Treasurer requires the depository financial institutions provide additional collateral for such investments. The collateral generally is in the form of marketable debt securities and is required in amounts ranging from 50% to 102% of the par value of the investment dependent upon the institutions operating results and capital. Collateral is required in amounts equal to 50% of the average investment balance. To obtain pledged collateral, investment risk, custodial credit risk, and insurance coverage information for the NMETB's investment in the New Mexico State Treasurer's General Fund investment pool, a copy of separately issued financial statements as of June 30, 2018 can be obtained from the New Mexico State Treasurer's Office. All collateral is held in third-party safekeeping.

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE C - CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Interest Rate Risk—The New Mexico State Treasurer’s Office has an investment policy that limits investment maturities to five years or less on allowable investments. This policy is a means of managing exposure to fair value losses arising from increasing interest rates. This policy is reviewed and approved annually by the New Mexico State Board of Finance.

Credit Risk—The New Mexico State Treasurer’s pools are not rated.

For additional GASB 40 disclosure information regarding cash held by the New Mexico State Treasurer, the reader should see the separate audit report for the New Mexico State Treasurer’s Office for the fiscal year ended June 30, 2018.

The schedule of individual deposit accounts that the Administrative Fund held as of June 30, 2018 is presented as supplemental information to these financial statements.

Cash amounts reported in the Scholar’s Edge and The Education Plan are nonpublic participant deposits. Funds are managed by the program manager of the Plans, OFIPI, and are held by a custodian, CitiBank, a reputable financial institution. Cash balances for each portfolio constituting the Plans are deposited in separate custody accounts and insured by the FDIC up to \$250,000. Cash amounts deposited to these accounts are for re-investment purposes and occasionally may exceed \$250,000. However, cash is typically transferred out of the account to be re-invested and allocated to the underlying investments on a trade date plus one business day basis. As of June 30, 2018, the cash balances reported for the Scholar’s Edge and The Education Plan were \$2,216,888 and \$264,088, respectively.

NOTE D - INVESTMENT RISK

Certain investments are subject to investment risk based on the amount of risk in the underlying investments. The NMETB has adopted GASB Statement No. 40, Deposit and Investment Risk Disclosures. The standard requires disclosure of essential risk information about deposits and investments. Investments of the NMETB are uninsured and are held in the NMETB’s name.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of a failure, the NMETB’s deposits and investments may not be returned promptly. Because investments of the NMETB are generally in mutual funds and other Underlying Investments, this risk is significantly mitigated.

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE D - INVESTMENT RISK (continued)

Credit Risk. Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The NMETB invests directly in Underlying Investments. For registered Underlying Investments, prospectuses provide greater detail about the investment strategies and practices in compliance with federal regulations and specifically, the Form N-1A of the Investment Company Act of 1940. Form N-1A discloses information investment and policies objectives, as well as information on the company structure and operations. In addition, Program Disclosure Statement and the Participation Agreements provide greater detail about the credit risk, if any, associated with nonregistered Underlying Investments.

Interest Rate Risk. Interest rate risk refers to value fluctuations of fixed-income securities resulting from the inverse relationship between price and yield. The market value fluctuations of fixed-income securities already held will not affect the interest payable on those securities. However, the fluctuations will affect the market value and in turn will affect net asset values.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment in a foreign security. NMETB's Underlying Investments invest in assets denominated in various foreign currencies in pooled vehicles. For registered Underlying Investments, prospectuses provide greater detail about the investment strategies and practices, in compliance with federal regulations and specifically, the Form N-1A of the Investment Company Act of 1940. Form N-1A discloses information and policies about the Underlying Investment and its investment objectives, as well as information on the company structure and operations. In addition, the Program Disclosure Statement and the Participation Agreement provide greater detail about the risks of investing in foreign currencies by certain nonregistered Underlying Investments.

Concentration of Credit Risk. NMETB's investment policy requires diversification of the portfolio, but does not specify maximum amounts that can be invested in any one investment vehicle, maturity, issuer, or class of securities.

Scholar's Edge:

Issue Name	% of Investment
Oppenheimer Global Fund	9 %
Oppenheimer Total Return Bond Fund	8
Oppenheimer International Growth Fund	7
Oppenheimer Main Street Fund	6
Oppenheimer Capital Income	5
Oppenheimer International Bond Fund	5
Oppenheimer Limited Term Government Fund	5

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE D - INVESTMENT RISK (continued)

Concentration of Credit Risk, continued:

Scholar's Edge, continued:

Issue Name	% of Investment
American Century Diversified Bond Fund	5 %
T. Rowe Price Blue Chip Growth	5
Oppenheimer Limited Term Bond Fund	5

The Education Plan:

Issue Name	% of Investment
Vanguard Total Stock Market	18 %
Vanguard Total Bond Market Index	14
Oppenheimer Limited Term Bond Fund	7
Oppenheimer Limited Term Government Fund	7
Vanguard Total	6
Oppenheimer International Growth Fund	5

Credit Risk. As of June 30, 2018, credit ratings for the fixed-income Underlying Investments are as follows:

Scholar's Edge:

	Total Investments									
	Oppenheimer Global Strategic Income Fund	Oppenheimer Limited-Term Government Fund	Oppenheimer International Bond Fund	American Century Diversified Bond Fund	Mainstay High Yield Corporate Bond Fund	Limited Term Bond Fund	Oppenheimer Floating Rate Fund	Oppenheimer Total Return Bond Fund	American Century Short Duration Fund	
AAA	24.69 %	91.51 %	16.65 %	49.67 %	0.00 %	25.50 %	4.48 %	34.39 %	29.69 %	
AA	1.17	0.87	5.53	4.74	0.00	5.08	0.00	4.98	7.36	
A	4.53	2.10	11.95	14.3	0.00	17.69	0.00	19.86	12.94	
BBB	16.40	4.02	26.72	22.75	4.70	45.08	90.32	33.94	29.08	
BB and lower	48.13	0.13	31.92	7.46	90.60	6.15	0.00	6.33	18.31	
NRSRO-Rated Total	94.92	98.63	92.77	98.92	95.30	99.50	94.80	99.50	97.38	
Not Rated	5.08	1.37	7.23	1.08	4.70	0.50	5.20	0.50	2.62	
Total	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE D - INVESTMENT RISK (continued)

Credit Risk, continued:

The Education Plan:

	Total Investments					
	Oppenheimer Limited-Term Government Fund	Oppenheimer Limited Term Bond Fund	Oppenheimer Senior Floating rate Fund	Vanguard Total Bond Market Index	Vanguard Short Term Bond Index	Vanguard Short Term TIPS
AAA	91.51 %	18.66 %	4.48 %	70.08 %	70.28 %	100.00 %
AA	0.87	5.84	0.00	3.52	4.7	0.00
A	2.10	19.4	0.00	11.92	12.78	0.00
BBB	4.02	49.44	1.8	14.48	12.24	0.00
BB and lower	0.13	6.35	88.52	0.00	0.00	0.00
NRSRO-Rated Total	98.63	99.69	94.80	100.00	100.00	100.00
Not Rated	1.37	0.31	5.20	0.00	0.00	0.00
Total	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

Equity Risk. Equity Risk is the risk that stocks and other equity securities held by the Underlying Investments may fluctuate in price, which could cause portfolios to lose value. The price movement of individual equity securities may not occur uniformly across industry or capitalization and can be impacted by the factors at the market, sector, or individual company level.

Interest Rate Risk. As of June 30, 2018, the duration for the fixed-income Underlying Investments of the Scholar's Edge Plan are as follows:

Fund	2018 (In Years)
American Century Diversified Bond Fund	5.57
Oppenheimer Total Return Bond Fund	5.07
Oppenheimer International Bond Fund	3.90
Oppenheimer Global Strategic Income Fund	3.63
Mainstay High Yield Corporate Bond Fund	3.52
American Century Short Duration Fund	1.57
Oppenheimer Limited-Term Government Fund	1.56
Oppenheimer Limited Term Bond Fund	1.18
Oppenheimer Senior Floating Rate Fund	0.21

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE D - INVESTMENT RISK (continued)

Interest Rate Risk, continued:

As of June 30, 2018, the duration for the fixed-income Underlying Investments of The Education Plan are as follows:

Fund	2018 (In Years)
Vanguard Short Term Bond Fund	2.70
Vanguard Short Term TIPS Fund	2.58
Oppenheimer Limited-Term Government Fund	1.56
Oppenheimer International Bond Fund	1.11
Oppenheimer Senior Floating Rate Fund	0.21
Vanguard Total Bond Market Index	0.67

NOTE E - ACCOUNTS RECEIVABLE

The accounts receivable reported in the Administrative fund in the amount of \$147,237 represent the administrative fee revenues earned in June but collected in July. In addition, the remaining amount of \$236,093 relates to marketing fee revenues that have not yet been expended by NMETB.

NOTE F - RETIREMENT BENEFITS - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

NMETB, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Association (PERA). Disclosure requirements for governmental funds apply to the primary government as a whole, and as such, this information will be presented in the Component Appropriation Funds Annual Financial Report (General Fund) and the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico.

Information concerning the net pension liability, pension expense and pension-related deferred inflows and outflows of resources of the primary government will be contained in the CAFR and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE G - POSTEMPLOYMENT BENEFITS - STATE RETIREE HEALTHCARE PLAN (RHCA)

Compliance with the requirement of Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State of New Mexico has implemented this standard for the fiscal year ended June 30, 2018.

The NMETB, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple-employer defined benefit postemployment health care plan that provides comprehensive group health insurance for persons who have retired from certain public service positions in New Mexico. The other postemployment benefits (OPEB) Plan is administered by the Retiree Health Care Authority of the State of New Mexico. Overall, total OPEB liability exceeds OPEB Plan net position resulting in a net OPEB liability. The state has determined the State's share of the net OPEB liability to be a liability of the State as a whole, rather than any agency or department of the State and the liability will not be reported in the department or agency level financial statements of the State. All required disclosures will be presented in the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico.

Information concerning the net liability, benefit expense, and benefit-related deferred inflows and deferred outflows of resources of the primary government will be contained in the State of New Mexico Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2018 and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

NOTE H - PROGRAM FEE REVENUES

During fiscal year 2018, NMETB received revenue from the program managers to pay its expenses. The agreement prior to November 17, 2017 provided fees between 5 and 10 basis points from Oppenheimer Funds based on assets under management. Effective November 17, 2018, the fee is 5 basis points 8 basis points of the average daily net assets of the plan on Scholar's Edge and The Education Plan portfolio's, respectively.

NOTE I - RELATED PARTY INFORMATION AND FEES

Administration. NMETB is administratively connected to the New Mexico Department of Higher Education (NMHED). In accordance with the state statute, the Chair of the Education Trust Board is the Cabinet Secretary of the Department of Higher Education.

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - RELATED PARTY INFORMATION AND FEES (continued)

Expenses. The Plans of the fiduciary fund bear certain ongoing fees, which are charged against the assets of the Portfolios, to provide for the cost associated with the distribution, servicing, and administration. There are also indirect fees and expenses of the Underlying Investments in which the Portfolios invest. In addition, there may be certain fees and expenses the NMETB may impose from time to time. The NMETB may change or add new fees at any time.

Program Management Fees. The Portfolios pay an annualized fee on the average daily net position of the Plans of the fiduciary fund, which is paid on a monthly basis to OFIPI for plan administration and investment management services. Prior to November 17, 2017, the Portfolios paid an annualized fee of .10%. OFI Global, an affiliate of the Program Manager, may receive compensation directly from certain of the Underlying Investments in which the Portfolios invest for serving as the investment adviser of those funds. Certain Underlying Investments charge fees at the investing partner level (i.e. Portfolio). Effective November 17, 2017, the Scholar's Edge Portfolios pay an annualized fee of .12%, and The Education Plan Portfolios' pay an annualized fee of .05%.

The Plan Manager and the NMETB have agreed to voluntarily waive the program management fee and the administrative fee respectively, (but not below zero) to the extent necessary to assist the Short-Term Yield Portfolio in attempting to maintain at least a zero percent return. There is no guarantee that the Short-Term Yield Portfolio will maintain this return. This undertaking may be amended or withdrawn at any time.

Service Plan for Class A Units-Scholar's Edge. The Portfolios adopted a service plan for Class A units which reimburse the Distributor for a portion of its costs incurred for services provided to accounts that hold Class A units. Reimbursement is made quarterly at an annual rate of up to 0.25% of the average annual net position of Class A units of the Portfolio. The Distributor currently uses those fees to pay dealers, brokers, banks, and other financial institutions quarterly for providing personal services and maintenance of accounts of their customers that hold Class A units. Any unreimbursed expenses the Distributor incurs with respect to Class A units in any fiscal year cannot be recovered in subsequent years.

Service Plan for Class C Units-Scholar's Edge. Distribution and service plans for Class C units compensate the Distributor for its services in connection with the distribution of those units and servicing accounts. Under the plans, the Portfolios pay the Distributor an annual asset-based sales charge of 1.00% per year on Class C units. The Distributor also receives a service fee of up to 1% per year for Class C units. If Class C plan is terminated by the Portfolios or by the participants of a class, the board of trustees and its independent trustees must determine whether the Distributor shall be entitled to pay from the Portfolios on all or a portion of the service fee and/or asset-based sales charge in respect to units sold prior to the effective date of such termination.

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE I - RELATED PARTY INFORMATION AND FEES, (continued)

Sales Charges - Scholar's Edge. Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Portfolios. They are deducted from the proceeds of sales of Portfolio units prior to investment or from redemption proceeds prior to remittance, as applicable. Class A units include a maximum initial sales charge of 3.50%, except the Short-Term Yield Portfolio, which Financial Advisors and the brokers who sell Units of the Short-Term Yield Portfolio do not receive any initial or ongoing compensation. Prior to November 17, 2017, Class A units included a maximum initial sales charge of 4.75%. Class C units include the CDSC of 1% for the one-year period.

NOTE J - INCOME TAXES

The Plans of the fiduciary fund were established under Section 529 of the Internal Revenue Code, which provides that all Portfolios within the Plans shall be exempt from income taxes. Therefore, no federal income tax provision is required. Individual account owners may be subject to federal income tax under certain conditions.

NOTE K - COMPENSATED ABSENCES

Certain amounts of vacation and sick pay earned and not taken are obligations of NMETB and recorded as payables. Sick leave accumulated in excess of 600 hours, not to exceed 120 hours, is payable semiannually at a rate equal to 50% of the employee's hourly wage. Upon termination, vacation pay up to 240 hours becomes immediately payable. Vacation in excess of 240 hours and the first 600 hours of sick leave are forfeited upon termination. Upon retirement, sick leave is limited to 400 hours accumulated in excess of 600 hours at the 50% hourly rate. Accrued vacation and sick pay is recorded as a liability, and the net change during the current year is recorded as an expense in NMETB's governmental activities.

A summary of changes in accrued vacation and sick pay is as follows:

	2017	Additions	Deletions	2018
Compensated absences	\$ 9,868	11,539	(9,868)	\$ 11,539

Of the balance outstanding at June 30, 2018, the full amount of \$11,539 is estimated to be due within one year.

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE L - RISK MANAGEMENT

The NMETB, as a state agency defined in the New Mexico Tort Claims Act, is insured through the Risk Management Division of the New Mexico General Services Department. The Office of Risk Management Division pays annual premiums for coverage provided in the following areas:

- Liability and civil rights protection for claims made by others against the State of New Mexico;
- Coverage to protect the State of New Mexico's property and assets; and
- Fringe benefit coverage for the State of New Mexico employees.

NOTE M - STATE GENERAL FUND INVESTMENT POOL

As provided for in Section 8-6 of the New Mexico Statutes Annotated 1978, the State Treasurer shall receive and keep all monies of the State, except when otherwise provided, and shall disburse the public money upon lawful warrants. The State Treasurer's Organization (STO) acts as the State's bank. Agency cash receipts are deposited with STO and pooled in a State Investment Fund, when amounts are greater than immediate needs they are placed into short-term investments. When agencies make payments to vendors and employees they are made from this pool and their claims on the pool reduced.

The comprehensive cash reconciliation model, which compares aggregated agency claims on the State General Fund Investment Pool to the associated resources held by the State Treasurer's Office, is now in its third year. This process has been reviewed multiple times by the IPAs during the audits of the General Fund, the Department of Finance and Administration and the State of New Mexico's Comprehensive Annual Financial Report. The reviews have deemed the process to be sound and the Department fully compliant with the requirements of the monthly process. As of June 30, 2018, the Department of Finance and Administration provides the following assertions:

- 1) Resources held in the pool were equivalent to the corresponding business unit claims on those resources.
- 2) All claims as recorded in SHARE shall be honored at face value.

NOTE N - RECLASSIFICATIONS

The Program Administration Fund (Fund) has historically been presented as a governmental fund, utilizing the current financial resources measurement focus and modified accrual basis of accounting. Governmental funds, per Generally Accepted Accounting Principles (GAAP), are used to account for activities primarily supported by taxes, grants and similar revenue sources. For the past several years, the Fund has not received any such revenue and has operated as a self-sustaining fund through the use of program fee revenue.

EDUCATION TRUST BOARD OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE N - RECLASSIFICATIONS (continued)

Based on the nature and source of revenues, NMETB determined that the Fund is best reflected as an Enterprise Fund, utilizing the economic resources measurement focus and full accrual basis of accounting. GAAP provides that enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services and such fee(s) are sufficient to cover the cost of the goods or services provided. The Fund meets this requirement. As a result of this reclassification, the Fund no longer presents fund level financial statements or fund balances.

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Supplementary Information

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF FIDUCIARY NET POSITION - SCHOLAR'S EDGE
JUNE 30, 2018

	<u>Age Based Portfolio 100</u>	<u>Age Based Portfolio 90</u>	<u>Age Based Portfolio 80</u>
ASSETS			
Investments, at Value	\$ 10,089,471	\$ 19,153,533	\$ 33,080,590
Cash	10,162	18,547	33,078
Receivables and Other Assets:			
Receivable for Capital Shares Issued	11,071	8,632	25,394
Receivable for Securities Purchased	52,615	-	43,865
Accrued Income	135	5,573	20,703
	<u>10,163,454</u>	<u>19,186,285</u>	<u>33,203,630</u>
TOTAL ASSETS	10,163,454	19,186,285	33,203,630
LIABILITIES			
Cash Overdraft			
Payable for Capital Shares Redeemed	4,554	23,406	64,066
Payable for Securities Purchased	-	48,906	20,255
	<u>4,554</u>	<u>72,312</u>	<u>84,321</u>
TOTAL LIABILITIES	4,554	72,312	84,321
FIDUCIARY NET POSITION	<u>\$ 10,158,900</u>	<u>\$ 19,113,973</u>	<u>\$ 33,119,309</u>

<u>Age Based Portfolio 70</u>	<u>Age Based Portfolio 60</u>	<u>Age Based Portfolio 50</u>	<u>Age Based Portfolio 40</u>	<u>Age Based Portfolio 30</u>
\$ 53,178,035	\$ 81,371,054	\$ 130,922,225	\$ 213,434,243	\$ 275,307,662
53,064	99,171	130,947	260,559	275,258
66,559	137,000	173,735	448,515	164,312
23,991	17,966	38,083	9,713	171,074
48,311	70,654	159,298	236,298	399,992
<u>53,369,960</u>	<u>81,695,845</u>	<u>131,424,288</u>	<u>214,389,328</u>	<u>276,318,298</u>
79,372	124,973	431,941	151,313	399,486
48,052	87,473	150,349	266,923	372,824
<u>127,424</u>	<u>212,446</u>	<u>582,290</u>	<u>418,236</u>	<u>772,310</u>
<u>\$ 53,242,536</u>	<u>\$ 81,483,399</u>	<u>\$ 130,841,998</u>	<u>\$ 213,971,092</u>	<u>\$ 275,545,988</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF FIDUCIARY NET POSITION - SCHOLAR'S EDGE
JUNE 30, 2018

	<u>Age Based Portfolio 20</u>	<u>Age Based Portfolio 10</u>	<u>Age Based Fixed Income</u>
ASSETS			
Investments, at Value	\$ 215,325,315	\$ 212,662,662	\$ -
Cash	215,173	254,508	-
Receivables and Other Assets:			
Receivable for Capital Shares Issued	421,300	333,437	-
Receivable for Securities Purchased	7,936	-	-
Accrued Income	<u>327,932</u>	<u>293,346</u>	<u>-</u>
 TOTAL ASSETS	 216,297,656	 213,543,953	 -
LIABILITIES			
 Payable for Capital Shares Redeemed	 488,674	 164,417	 -
Payable for Securities Purchased	<u>295,225</u>	<u>345,877</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>783,899</u>	 <u>510,294</u>	 <u>-</u>
 FIDUCIARY NET POSITION	 <u><u>\$ 215,513,757</u></u>	 <u><u>\$ 213,033,659</u></u>	 <u><u>\$ -</u></u>

Age Based Low Duration Fixed Income	Portfolio 100	Portfolio 90	Portfolio 80	Portfolio 70
\$ -	\$ 177,405,349	\$ 515,186	\$ 128,224,159	\$ 1,095,882
-	176,599	513	127,840	1,087
-	20,016	-	2,288	10,153
-	22,613	-	42,336	-
-	319	153	79,034	948
-	177,624,896	515,852	128,475,657	1,108,070
-	113,492	-	43,452	-
-	-	148	78,747	961
-	113,492	148	122,199	961
<u>\$ -</u>	<u>\$ 177,511,404</u>	<u>\$ 515,704</u>	<u>\$ 128,353,458</u>	<u>\$ 1,107,109</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF FIDUCIARY NET POSITION - SCHOLAR'S EDGE
JUNE 30, 2018

	<u>Portfolio 60</u>	<u>Portfolio 50</u>	<u>Portfolio 40</u>
ASSETS			
Investments, at Value	\$ 97,577,933	\$ 709,098	\$ 38,569,058
Cash	97,267	707	38,529
Receivables and Other Assets:			
Receivable for Capital Shares Issued	4,971	-	813
Receivable for Securities Purchased	7,631	-	1,665
Accrued Income	105,360	861	51,023
	<u>97,793,162</u>	<u>710,666</u>	<u>38,661,088</u>
TOTAL ASSETS	97,793,162	710,666	38,661,088
LIABILITIES			
Payable for Capital Shares Redeemed	8,048	-	15,449
Payable for Securities Purchased	105,172	801	48,256
	<u>113,220</u>	<u>801</u>	<u>63,705</u>
TOTAL LIABILITIES	113,220	801	63,705
FIDUCIARY NET POSITION	<u>\$ 97,679,942</u>	<u>\$ 709,865</u>	<u>\$ 38,597,383</u>

<u>Portfolio 30</u>	<u>Portfolio 20</u>	<u>Portfolio 10</u>	<u>Fixed Income</u>	<u>Low Duration Fixed Income</u>
\$ 215,692	\$ 13,106,929	\$ 10,371,531	\$ 2,022,663	\$ 1,622,505
220	13,129	10,389	1,303	1,628
-	193	-	-	355
-	12,026	2,324	-	-
176	19,990	16,547	4,138	2,801
<u>216,088</u>	<u>13,152,267</u>	<u>10,400,791</u>	<u>2,028,104</u>	<u>1,627,289</u>
-	2,000	2	-	-
198	18,248	14,336	15,411	2,457
<u>198</u>	<u>20,248</u>	<u>14,338</u>	<u>15,411</u>	<u>2,457</u>
<u>\$ 215,890</u>	<u>\$ 13,132,019</u>	<u>\$ 10,386,453</u>	<u>\$ 2,012,693</u>	<u>\$ 1,624,832</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF FIDUCIARY NET POSITION - SCHOLAR'S EDGE
JUNE 30, 2018

	Dreyfus Research Growth	Value Portfolio	Main Street Mid Cap
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Investments, at Value	\$ -	\$ 12,961,688	\$ 22,291,702
Cash	-	12,886	22,150
Receivables and Other Assets:			
Receivable for Capital Shares Issued	-	160	964
Receivable for Securities Purchased	-	-	-
Accrued Income	-	28	36
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	-	12,974,762	22,314,852
LIABILITIES			
Payable for Capital Shares Redeemed	-	1,964	15,817
Payable for Securities Purchased	-	15,310	5,572
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	-	17,274	21,389
	<u> </u>	<u> </u>	<u> </u>
FIDUCIARY NET POSITION	<u>\$ -</u>	<u>\$ 12,957,488</u>	<u>\$ 22,293,463</u>

American Century Diversified Bond	Global Strategic Income	Institutional Government Money Market	Capital Preservation	Global
\$ 3,396,216	\$ 12,568,535	\$ 26,050,975	\$ 26,009,152	\$ 1,707,825
3,406	12,629	26,212	264,543	1,696
-	-	31,312	1,891	173
2,862	-	-	-	-
37	9,602	36,847	1,305	8
3,402,521	12,590,766	26,145,346	26,276,891	1,709,702
45	1,572	48,899	7,269	-
-	3,159	-	-	77
45	4,731	48,899	7,269	77
<u>\$ 3,402,476</u>	<u>\$ 12,586,035</u>	<u>\$ 26,096,447</u>	<u>\$ 26,269,622</u>	<u>\$ 1,709,625</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF FIDUCIARY NET POSITION - SCHOLAR'S EDGE
JUNE 30, 2018

	<u>Discovery</u>	<u>Global Opportunities</u>	<u>Gold & Special Minerals</u>
ASSETS			
Investments, at Value	\$ 1,957,199	\$ 4,434,631	\$ 1,216,366
Cash	1,945	4,388	1,189
Receivables and Other Assets:			
Receivable for Capital Shares Issued	51	74	576
Receivable for Securities Purchased	-	-	-
Accrued Income	11	70	15
	<u>1,959,206</u>	<u>4,439,163</u>	<u>1,218,146</u>
TOTAL ASSETS	1,959,206	4,439,163	1,218,146
LIABILITIES			
Payable for Capital Shares Redeemed	22	-	-
Payable for Securities Purchased	387	5,768	6
	<u>409</u>	<u>5,768</u>	<u>6</u>
TOTAL LIABILITIES	409	5,768	6
FIDUCIARY NET POSITION	<u>\$ 1,958,797</u>	<u>\$ 4,433,395</u>	<u>\$ 1,218,140</u>

<u>International Bond</u>	<u>International Diversified</u>	<u>International Growth</u>	<u>Limited Term Government</u>	<u>Main Street</u>
\$ 596,562	\$ 2,001,376	\$ 15,494,191	\$ 1,026,895	\$ 20,425,876
594	1,983	15,513	1,022	20,315
575	-	48	-	74
-	-	-	-	-
2,349	14	38	1,707	35
<u>600,080</u>	<u>2,003,373</u>	<u>15,509,790</u>	<u>1,029,624</u>	<u>20,446,300</u>
44	93	6,390	-	6,257
2,357	5,008	2,354	1,698	12,164
<u>2,401</u>	<u>5,101</u>	<u>8,744</u>	<u>1,698</u>	<u>18,421</u>
<u>\$ 597,679</u>	<u>\$ 1,998,272</u>	<u>\$ 15,501,046</u>	<u>\$ 1,027,926</u>	<u>\$ 20,427,879</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF FIDUCIARY NET POSITION - SCHOLAR'S EDGE
JUNE 30, 2018

	<u>Real Estate</u>	<u>Senior Floating Rate</u>	<u>Developing Markets</u>
ASSETS			
Investments, at Value	\$ 1,326,487	\$ 3,440,534	\$ 2,317,972
Cash	1,312	3,435	2,294
Receivables and Other Assets:			
Receivable for Capital Shares Issued	-	-	19
Receivable for Securities Purchased	-	-	-
Accrued Income	18	13,014	31
	<u>1,327,817</u>	<u>3,456,983</u>	<u>2,320,316</u>
TOTAL ASSETS	1,327,817	3,456,983	2,320,316
LIABILITIES			
Payable for Capital Shares Redeemed	45	122	-
Payable for Securities Purchased	83	13,041	207
	<u>128</u>	<u>13,163</u>	<u>207</u>
TOTAL LIABILITIES	128	13,163	207
FIDUCIARY NET POSITION	<u><u>\$ 1,327,689</u></u>	<u><u>\$ 3,443,820</u></u>	<u><u>\$ 2,320,109</u></u>

<u>Capital Income</u>	<u>Global Focus</u>	<u>International Small-Mid Company</u>	<u>Limited Term Bond</u>	<u>Main Street Small Cap</u>
\$ 1,004,654	\$ 579,770	\$ 932,893	\$ 847,453	\$ 1,680,165
1,008	574	919	848	1,672
-	-	13	-	561
-	-	-	-	-
13	2	14	2,233	19
<u>1,005,675</u>	<u>580,346</u>	<u>933,839</u>	<u>850,534</u>	<u>1,682,417</u>
-	-	-	-	-
-	-	4,722	2,221	624
-	-	4,722	2,221	624
<u>\$ 1,005,675</u>	<u>\$ 580,346</u>	<u>\$ 929,117</u>	<u>\$ 848,313</u>	<u>\$ 1,681,793</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF FIDUCIARY NET POSITION - SCHOLAR'S EDGE
JUNE 30, 2018

	Mainstay High Yield Corporate Bond	Monetta Young Investor	Dividend Opportunity
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Investments, at Value	\$ 1,272,321	\$ -	\$ 3,091,061
Cash	-	-	3,077
Receivables and Other Assets:			
Receivable for Capital Shares Issued	5	-	-
Receivable for Securities Purchased	40,953	-	-
Accrued Income	6,494	-	9
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	1,319,773	-	3,094,147
LIABILITIES			
Cash overdraft	27,188	-	-
Payable for Capital Shares Redeemed	-	-	-
Payable for Securities Purchased	6,475	-	787
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	33,663	-	787
	<u> </u>	<u> </u>	<u> </u>
FIDUCIARY NET POSITION	<u><u>\$ 1,286,110</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,093,360</u></u>

American Century Short Duration Inflation Project	Global Allocation	Steelpath Select 40	T. Row Price Blue Chip Growth	Total Return Bond
\$ 42,959 43	\$ 56,049 56	\$ 80,426 81	\$ 18,712,525 18,541	\$ 66,814 67
-	-	-	2,134	-
-	-	-	-	-
-	-	-	32	203
43,002	56,105	80,507	18,733,232	67,084
-	-	-	-	-
-	-	-	576	-
-	5	-	4,403	203
-	5	-	4,979	203
<u>\$ 43,002</u>	<u>\$ 56,100</u>	<u>\$ 80,507</u>	<u>\$ 18,728,253</u>	<u>\$ 66,881</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF FIDUCIARY NET POSITION - SCHOLAR'S EDGE
JUNE 30, 2018

	Total
ASSETS	
Investments, at Value	\$ 1,903,552,047
Cash	2,244,076
Receivables and Other Assets:	
Receivable for Capital Shares Issued	1,867,374
Receivable for Securities Purchased	497,653
Accrued Income	1,917,776
 TOTAL ASSETS	 1,910,078,926
LIABILITIES	
Cash Overdraft	27,188
Payable for Capital Shares Redeemed	2,203,760
Payable for Securities Purchased	2,007,250
 TOTAL LIABILITIES	 4,238,198
 FIDUCIARY NET POSITION	 \$ 1,905,840,728

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EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF FIDUCIARY NET POSITION - THE EDUCATION PLAN
JUNE 30, 2018

	<u>Age Based Portfolio 100</u>	<u>Age Based Portfolio 90</u>	<u>Age Based Portfolio 80</u>
ASSETS			
Investments, at Value	\$ 966,607	\$ 2,115,088	\$ 4,277,662
Cash	968	2,101	4,300
Receivables and Other Assets:			
Receivable for Capital Shares Issued	100	32,193	111
Receivable for Securities Purchased	-	-	21,311
Accrued Income	16	547	2,284
	<u>967,691</u>	<u>2,149,929</u>	<u>4,305,668</u>
TOTAL ASSETS	967,691	2,149,929	4,305,668
LIABILITIES			
Cash Overdraft	-	-	-
Payable for Capital Shares Redeemed	32,193	-	1,534
Payable for Securities Purchased	150	944	2,199
	<u>32,343</u>	<u>944</u>	<u>3,733</u>
TOTAL LIABILITIES	32,343	944	3,733
 FIDUCIARY NET POSITION	 <u><u>\$ 935,348</u></u>	 <u><u>\$ 2,148,985</u></u>	 <u><u>\$ 4,301,935</u></u>

<u>Age Based Portfolio 70</u>	<u>Age Based Portfolio 60</u>	<u>Age Based Portfolio 50</u>	<u>Age Based Portfolio 40</u>	<u>Age Based Portfolio 30</u>
\$ 8,581,651	\$ 14,597,918	\$ 26,203,307	\$ 40,096,559	\$ 53,328,064
8,510	-	25,688	39,979	53,268
15,343	93,834	9,539	76,245	77,064
-	276,990	-	-	1,521
6,643	15,712	29,387	53,128	76,505
<u>8,612,147</u>	<u>14,984,454</u>	<u>26,267,921</u>	<u>40,265,911</u>	<u>53,536,422</u>
-	98,935	-	-	-
75,591	2,000	63,344	74,183	68,788
28,442	15,292	293,603	50,673	68,338
<u>104,033</u>	<u>116,227</u>	<u>356,947</u>	<u>124,856</u>	<u>137,126</u>
<u>\$ 8,508,114</u>	<u>\$ 14,868,227</u>	<u>\$ 25,910,974</u>	<u>\$ 40,141,055</u>	<u>\$ 53,399,296</u>

EDUCATION TRUST BOARD OF NEW MEXICO
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	<u>Age Based Portfolio 20</u>	<u>Age Based Portfolio 10</u>	<u>Age Based Portfolio 5</u>
ASSETS			
Investments, at Value	\$ 51,067,512	\$ 35,982,020	\$ 450,996
Cash	51,183	35,942	452
Receivables and Other Assets:			
Receivable for Capital Shares Issued	70,292	157,924	-
Receivable for Securities Purchased	49,662	-	-
Accrued Income	79,091	59,758	732
	<u>51,317,740</u>	<u>36,235,644</u>	<u>452,180</u>
TOTAL ASSETS	51,317,740	36,235,644	452,180
LIABILITIES AND NET POSITION			
Cash Overdraft	-	-	-
Payable for Capital Shares Redeemed	210,632	47,998	-
Payable for Securities Purchased	70,668	84,155	675
	<u>281,300</u>	<u>132,153</u>	<u>675</u>
TOTAL LIABILITIES	281,300	132,153	675
 FIDUCIARY NET POSITION	 <u><u>\$ 51,036,440</u></u>	 <u><u>\$ 36,103,491</u></u>	 <u><u>\$ 451,505</u></u>

<u>Age Based Fixed Income</u>	<u>Age Based Low Duration Fixed Income</u>	<u>Portfolio 100</u>	<u>Portfolio 90</u>	<u>Portfolio 80</u>
\$ -	\$ 640,978	\$ 78,239,508	\$ 52,140	\$ 27,434,933
-	641	77,732	50	27,302
-	-	20,231	8	2,483
-	-	1,283	-	14,231
-	1,014	655	13	14,477
-	642,633	78,339,409	52,211	27,493,426
-	-	-	-	-
-	-	9,595	-	749
-	875	-	93	13,903
-	875	9,595	93	14,652
<u>\$ -</u>	<u>\$ 641,758</u>	<u>\$ 78,329,814</u>	<u>\$ 52,118</u>	<u>\$ 27,478,774</u>

EDUCATION TRUST BOARD OF NEW MEXICO
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	<u>Portfolio 70</u>	<u>Portfolio 60</u>	<u>Portfolio 50</u>
ASSETS			
Investments, at Value	\$ 11,448	\$ 16,806,409	\$ 154,912
Cash	11	16,513	155
Receivables and Other Assets:			
Receivable for Capital Shares Issued	25	1,749	-
Receivable for Securities Purchased	-	-	-
Accrued Income	9	16,212	180
	<u>11,493</u>	<u>16,840,883</u>	<u>155,247</u>
TOTAL ASSETS	11,493	16,840,883	155,247
LIABILITIES AND NET POSITION			
Cash Overdraft	-	-	-
Payable for Capital Shares Redeemed	-	7,840	-
Payable for Securities Purchased	9	139,102	164
	<u>9</u>	<u>146,942</u>	<u>164</u>
TOTAL LIABILITIES	9	146,942	164
FIDUCIARY NET POSITION	<u><u>\$ 11,484</u></u>	<u><u>\$ 16,693,941</u></u>	<u><u>\$ 155,083</u></u>

<u>Portfolio 40</u>	<u>Portfolio 30</u>	<u>Portfolio 20</u>	<u>Portfolio 10</u>	<u>Portfolio 5</u>
\$ 8,478,086	\$ 5,113	\$ 5,051,851	\$ 6,758,589	\$ 110,391
8,464	5	5,053	6,762	110
695	-	376	155	-
-	-	-	-	-
11,035	7	7,875	11,331	181
<u>8,498,280</u>	<u>5,125</u>	<u>5,065,155</u>	<u>6,776,837</u>	<u>110,682</u>
-	-	-	-	-
-	-	395	-	-
11,198	7	7,468	10,176	156
<u>11,198</u>	<u>7</u>	<u>7,863</u>	<u>10,176</u>	<u>156</u>
<u>\$ 8,487,082</u>	<u>\$ 5,118</u>	<u>\$ 5,057,292</u>	<u>\$ 6,766,661</u>	<u>\$ 110,526</u>

EDUCATION TRUST BOARD OF NEW MEXICO
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	Short Term Yield	Fixed Income	Low Duration Fixed Income
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Investments, at Value	\$ 16,031,730	\$ 2,665,116	\$ 1,930,288
Cash	16,105	-	1,932
Receivables and Other Assets:			
Receivable for Capital Shares Issued	12,571	250	25
Receivable for Securities Purchased	-	99,941	-
Accrued Income	22,745	4,982	3,018
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	16,083,151	2,770,289	1,935,263
LIABILITIES AND NET POSITION			
Cash Overdraft	-	66,869	-
Payable for Capital Shares Redeemed	1,901	-	-
Payable for Securities Purchased	-	4,306	2,600
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	1,901	71,175	2,600
	<u> </u>	<u> </u>	<u> </u>
FIDUCIARY NET POSITION	<u><u>\$ 16,081,250</u></u>	<u><u>\$ 2,699,114</u></u>	<u><u>\$ 1,932,663</u></u>

<u>Index Age Based 100</u>	<u>Index Age Based 90</u>	<u>Index Age Based 80</u>	<u>Index Age Based 70</u>	<u>Index Age Based 60</u>
\$ 1,746,347	\$ 3,810,514	\$ 5,412,216	\$ 8,465,989	\$ 6,863,791
1,752	3,768	5,375	8,036	6,795
275	69	728	15,922	2,582
-	-	-	-	-
24	956	2,213	5,069	5,379
<u>1,748,398</u>	<u>3,815,307</u>	<u>5,420,532</u>	<u>8,495,016</u>	<u>6,878,547</u>
-	-	-	-	-
-	-	-	-	403
<u>152</u>	<u>1,160</u>	<u>5,050</u>	<u>201,628</u>	<u>24,812</u>
<u>152</u>	<u>1,160</u>	<u>5,050</u>	<u>201,628</u>	<u>25,215</u>
<u><u>\$ 1,748,246</u></u>	<u><u>\$ 3,814,147</u></u>	<u><u>\$ 5,415,482</u></u>	<u><u>\$ 8,293,388</u></u>	<u><u>\$ 6,853,332</u></u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF FIDUCIARY NET POSITION - THE EDUCATION PLAN
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	Index Age Based 50	Index Age Based 40	Index Age Based 30
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Investments, at Value	\$ 7,086,410	\$ 8,820,176	\$ 10,299,789
Cash	7,115	-	10,244
Receivables and Other Assets:			
Receivable for Capital Shares Issued	2,133	6,110	12,407
Receivable for Securities Purchased	-	197,035	-
Accrued Income	7,364	9,535	12,002
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	7,103,022	9,032,856	10,334,442
LIABILITIES AND NET POSITION			
Cash Overdraft	-	101,153	-
Payable for Capital Shares Redeemed	22,648	8,845	3,790
Payable for Securities Purchased	7,267	8,348	29,197
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	29,915	118,346	32,987
	<u> </u>	<u> </u>	<u> </u>
FIDUCIARY NET POSITION	<u><u>\$ 7,073,107</u></u>	<u><u>\$ 8,914,510</u></u>	<u><u>\$ 10,301,455</u></u>

<u>Index Age Based 20</u>	<u>Index Age Based 10</u>	<u>Index Age Based 5</u>	<u>Index Age Based Fixed Income</u>	<u>Index Age Based Low Duration Fixed Income</u>
\$ 7,131,447	\$ 6,787,018	\$ 449,960	\$ -	\$ 1,571,886
7,129	6,807	449	-	1,572
3,903	-	-	-	55,971
-	8,677	-	-	-
9,364	9,247	603	-	1,988
<u>7,151,843</u>	<u>6,811,749</u>	<u>451,012</u>	<u>-</u>	<u>1,631,417</u>
-	-	-	-	-
6,501	5,234	55,872	-	-
8,207	7,727	494	-	2,451
<u>14,708</u>	<u>12,961</u>	<u>56,366</u>	<u>-</u>	<u>2,451</u>
<u>\$ 7,137,135</u>	<u>\$ 6,798,788</u>	<u>\$ 394,646</u>	<u>\$ -</u>	<u>\$ 1,628,966</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF FIDUCIARY NET POSITION - THE EDUCATION PLAN
JUNE 30, 2018

	<u>Index 100</u>	<u>Index 90</u>	<u>Index 80</u>
ASSETS			
Investments, at Value	\$ 36,542,848	\$ 78,459	\$ 15,000,680
Cash	36,262	75	14,917
Receivables and Other Assets:			
Receivable for Capital Shares Issued	3,286	5	864
Receivable for Securities Purchased	-	-	-
Accrued Income	511	19	6,194
	<u>36,582,907</u>	<u>78,558</u>	<u>15,022,655</u>
TOTAL ASSETS	36,582,907	78,558	15,022,655
LIABILITIES AND NET POSITION			
Cash Overdraft	-	-	-
Payable for Capital Shares Redeemed	1,150	-	125
Payable for Securities Purchased	6,089	418	6,775
	<u>7,239</u>	<u>418</u>	<u>6,900</u>
TOTAL LIABILITIES	7,239	418	6,900
FIDUCIARY NET POSITION	<u><u>\$ 36,575,668</u></u>	<u><u>\$ 78,140</u></u>	<u><u>\$ 15,015,755</u></u>

<u>Index 70</u>	<u>Index 60</u>	<u>Index 50</u>	<u>Index 40</u>	<u>Index 30</u>
\$ 331,981	\$ 12,821,407	\$ 429,386	\$ 8,249,388	\$ 62,063
330	12,760	427	8,230	61
-	740	-	502	-
-	-	-	-	-
198	10,392	405	8,885	73
<u>332,509</u>	<u>12,845,299</u>	<u>430,218</u>	<u>8,267,005</u>	<u>62,197</u>
-	-	-	-	-
-	-	-	1,085	-
187	15,298	357	8,417	61
<u>187</u>	<u>15,298</u>	<u>357</u>	<u>9,502</u>	<u>61</u>
<u>\$ 332,322</u>	<u>\$ 12,830,001</u>	<u>\$ 429,861</u>	<u>\$ 8,257,503</u>	<u>\$ 62,136</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF FIDUCIARY NET POSITION - THE EDUCATION PLAN
JUNE 30, 2018

	<u>Index 20</u>	<u>Index 10</u>	<u>Index 5</u>
ASSETS			
Investments, at Value	\$ 6,390,991	\$ 4,429,844	\$ 38,097
Cash	6,385	4,431	38
Receivables and Other Assets:			
Receivable for Capital Shares Issued	1,276	35	-
Receivable for Securities Purchased	-	-	-
Accrued Income	8,170	6,160	53
	<u>6,406,822</u>	<u>4,440,470</u>	<u>38,188</u>
TOTAL ASSETS	6,406,822	4,440,470	38,188
LIABILITIES AND NET POSITION			
Cash Overdraft	-	-	-
Payable for Capital Shares Redeemed	250	-	-
Payable for Securities Purchased	9,910	5,275	43
	<u>10,160</u>	<u>5,275</u>	<u>43</u>
TOTAL LIABILITIES	10,160	5,275	43
FIDUCIARY NET POSITION	<u>\$ 6,396,662</u>	<u>\$ 4,435,195</u>	<u>\$ 38,145</u>

<u>Index Fixed Income</u>	<u>Index Low Duration Fixed Income</u>	<u>Total</u>
\$ 2,098,377	\$ 2,750,157	\$ 559,708,097
2,100	2,761	531,045
25	125	678,171
-	-	670,651
3,112	3,457	528,910
2,103,614	2,756,500	562,116,874
-	-	266,957
-	12,000	714,646
2,581	2,768	1,159,868
2,581	14,768	2,141,471
\$ 2,101,033	\$ 2,741,732	\$ 559,975,403

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - SCHOLAR'S EDGE
YEAR ENDED JUNE 30, 2018

	<u>Age Based Portfolio 100</u>	<u>Age Based Portfolio 90</u>	<u>Age Based Portfolio 80</u>
ADDITIONS			
Subscriptions	\$ 12,737,774	\$ 24,293,133	\$ 41,761,149
Investment Income			
Dividends	1,378,697	58,247	2,650,194
Interest	884	124	1,897
Less: Expenses:			
Distribution Fees	101,376	23,691	234,724
Management Fees	32,118	8,166	71,850
State Administrative Fees	26,315	5,446	58,197
Other Reimbursement	256	-	403
	<u>1,219,516</u>	<u>21,068</u>	<u>2,286,917</u>
NET INVESTMENT INCOME	1,219,516	21,068	2,286,917
Capital Gains from Underlying Investments	12,793,350	(36,117)	19,500,736
Net Increase in Fair Value of Investments	<u>(10,198,383)</u>	<u>(244,546)</u>	<u>(15,319,780)</u>
TOTAL ADDITIONS	16,552,257	24,033,538	48,229,022
DEDUCTIONS			
Redemptions	<u>(45,658,287)</u>	<u>(4,919,565)</u>	<u>(96,371,076)</u>
CHANGE IN NET POSITION	(29,106,030)	19,113,973	(48,142,054)
Fiduciary Net Position, Beginning of Year	<u>39,264,930</u>	<u>-</u>	<u>81,261,363</u>
FIDUCIARY NET POSITION, END OF YEAR	<u><u>\$ 10,158,900</u></u>	<u><u>\$ 19,113,973</u></u>	<u><u>\$ 33,119,309</u></u>

<u>Age Based Portfolio 70</u>	<u>Age Based Portfolio 60</u>	<u>Age Based Portfolio 50</u>	<u>Age Based Portfolio 40</u>	<u>Age Based Portfolio 30</u>
\$ 70,339,913	\$ 59,521,587	\$ 183,579,472	\$ 126,649,831	\$ 359,586,563
306,620	4,892,676	940,352	9,495,996	2,048,589
342	3,792	859	8,115	1,661
60,088	473,605	142,233	1,010,687	273,363
22,588	145,491	56,606	319,916	112,968
15,063	116,733	37,744	254,535	75,312
-	767	-	1,731	256
209,223	4,159,872	704,628	7,917,242	1,588,351
(98,718)	30,020,695	(168,401)	37,163,873	(105,078)
(963,601)	(24,738,658)	(2,312,750)	(32,755,917)	(3,849,815)
69,486,817	68,963,496	181,802,949	138,975,029	357,220,021
(16,244,281)	(145,717,363)	(50,960,951)	(256,444,858)	(81,674,033)
53,242,536	(76,753,867)	130,841,998	(117,469,829)	275,545,988
-	158,237,266	-	331,440,921	-
<u>\$ 53,242,536</u>	<u>\$ 81,483,399</u>	<u>\$ 130,841,998</u>	<u>\$ 213,971,092</u>	<u>\$ 275,545,988</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - SCHOLAR'S EDGE
YEAR ENDED JUNE 30, 2018

	<u>Age Based Portfolio 20</u>	<u>Age Based Portfolio 10</u>	<u>Age Based Fixed Income</u>
ADDITIONS			
Subscriptions	\$ 262,590,318	\$ 139,671,278	\$ 2,438,475
Investment Income			
Dividends	9,476,579	6,730,956	58,260
Interest	8,888	6,954	78
Less: Expenses:			
Distribution Fees	1,158,937	967,116	14,896
Management Fees	354,167	286,315	2,827
State Administrative Fees	282,606	226,657	2,351
Other Reimbursement	2,125	2,185	15
NET INVESTMENT INCOME	7,687,632	5,255,637	38,249
Capital Gains from Underlying Investments	22,323,366	10,952,419	(7,348)
Net Increase in Fair Value of Investments	<u>(22,434,892)</u>	<u>(13,362,756)</u>	<u>(30,428)</u>
TOTAL ADDITIONS	270,166,424	142,516,578	2,438,948
DEDUCTIONS			
Redemptions	<u>(407,781,773)</u>	<u>(218,066,633)</u>	<u>(5,691,433)</u>
CHANGE IN NET POSITION	(137,615,349)	(75,550,055)	(3,252,485)
Fiduciary Net Position, Beginning of Year	<u>353,129,106</u>	<u>288,583,714</u>	<u>3,252,485</u>
FIDUCIARY NET POSITION, END OF YEAR	<u><u>\$ 215,513,757</u></u>	<u><u>\$ 213,033,659</u></u>	<u><u>\$ -</u></u>

Age Based Low Duration Fixed Income	Portfolio 100	Portfolio 90	Portfolio 80	Portfolio 70
\$ 820,812	\$ 43,258,599	\$ 520,259	\$ 31,847,104	\$ 1,110,692
31,879	6,584,896	1,139	4,602,284	3,095
46	4,777	2	3,457	1
6,911	655,627	330	491,423	527
1,623	199,275	154	145,413	214
1,378	154,944	103	113,228	143
17	858	6	647	-
21,996 -	5,578,969	548	3,855,030	2,212
(29,064)	22,172,693	(278)	14,830,351	(298)
1,853	(11,652,343)	(4,825)	(9,329,533)	(5,497)
815,597	59,357,918	515,704	41,202,952	1,107,109
(3,115,713)	(55,541,939)	-	(40,515,755)	-
(2,300,116)	3,815,979	515,704	687,197	1,107,109
2,300,116	173,695,425	-	127,666,261	-
<u>\$ -</u>	<u>\$ 177,511,404</u>	<u>\$ 515,704</u>	<u>\$ 128,353,458</u>	<u>\$ 1,107,109</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - SCHOLAR'S EDGE
YEAR ENDED JUNE 30, 2018

	<u>Portfolio 60</u>	<u>Portfolio 50</u>	<u>Portfolio 40</u>
ADDITIONS			
Subscriptions	\$ 26,550,302	\$ 815,984	\$ 13,378,582
Investment Income			
Dividends	3,462,089	2,991	1,263,834
Interest	2,658	1	1,041
Less: Expenses:			
Distribution Fees	392,077	503	157,374
Management Fees	111,686	170	43,901
State Administrative Fees	87,009	117	34,197
Other Reimbursement	494	-	176
	<u>2,873,481</u>	<u>2,202</u>	<u>1,029,227</u>
NET INVESTMENT INCOME	2,873,481	2,202	1,029,227
Capital Gains from Underlying Investments	11,341,373	(2,154)	3,802,183
Net Increase in Fair Value of Investments	<u>(8,775,802)</u>	<u>(1,172)</u>	<u>(3,469,715)</u>
	31,989,354	814,860	14,740,277
TOTAL ADDITIONS	31,989,354	814,860	14,740,277
DEDUCTIONS			
Redemptions	<u>(33,704,273)</u>	<u>(104,995)</u>	<u>(14,710,906)</u>
CHANGE IN NET POSITION	(1,714,919)	709,865	29,371
Fiduciary Net Position, Beginning of Year	<u>99,394,861</u>	<u>-</u>	<u>38,568,012</u>
FIDUCIARY NET POSITION, END OF YEAR	<u><u>\$ 97,679,942</u></u>	<u><u>\$ 709,865</u></u>	<u><u>\$ 38,597,383</u></u>

<u>Portfolio 30</u>	<u>Portfolio 20</u>	<u>Portfolio 10</u>	<u>Fixed Income</u>	<u>Low Duration Fixed Income</u>
\$ 261,594	\$ 6,006,895	\$ 4,098,067	\$ 1,399,348	\$ 920,378
528	357,601	276,648	43,223	36,778
-	336	289	50	46
83	47,691	44,120	6,869	8,565
24	14,290	12,029	2,120	1,984
16	11,105	9,396	1,620	1,570
-	33	39	-	-
405	284,818	211,353	32,664	24,705
(18)	762,079	558,327	(5,728)	(11,059)
(954)	(830,497)	(678,478)	(28,688)	(15,928)
261,027	6,223,295	4,189,269	1,397,596	918,096
(45,137)	(5,854,184)	(4,736,701)	(847,985)	(1,100,151)
215,890	369,111	(547,432)	549,611	(182,055)
-	12,762,908	10,933,885	1,463,082	1,806,887
<u>\$ 215,890</u>	<u>\$ 13,132,019</u>	<u>\$ 10,386,453</u>	<u>\$ 2,012,693</u>	<u>\$ 1,624,832</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - SCHOLAR'S EDGE
YEAR ENDED JUNE 30, 2018

	Dreyfus Research Growth	Value Portfolio	Main Street Mid Cap
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS			
Subscriptions	\$ 963,411	\$ 3,179,602	\$ 4,799,437
Investment Income			
Dividends	204	770,744	2,029,162
Interest	350	342	576
Less: Expenses:			
Distribution Fees	41,743	46,609	77,443
Management Fees	11,524	14,513	24,300
State Administrative Fees	10,198	11,256	18,856
Other Reimbursement	61	52	106
	<u> </u>	<u> </u>	<u> </u>
NET INVESTMENT INCOME	(62,972)	698,656	1,909,033
Capital Gains from Underlying Investments	6,996,146	13,217	691,108
Net Increase in Fair Value of Investments	<u>(4,371,616)</u>	<u>166,624</u>	<u>(461,325)</u>
TOTAL ADDITIONS	3,524,969	4,058,099	6,938,253
DEDUCTIONS			
Redemptions	<u>(19,949,600)</u>	<u>(3,418,742)</u>	<u>(5,772,522)</u>
CHANGE IN NET POSITION	(16,424,631)	639,357	1,165,731
Fiduciary Net Position, Beginning of Year	<u>16,424,631</u>	<u>12,318,131</u>	<u>21,127,732</u>
FIDUCIARY NET POSITION, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 12,957,488</u></u>	<u><u>\$ 22,293,463</u></u>

American Century Diversified Bond	Global Strategic Income	Institutional Government Money Market	Capital Preservation	Global
\$ 836,244	\$ 2,582,371	\$ 13,241,563	\$ 7,921,755	\$ 668,812
311	672,233	305,671	382,790	81,285
99	373	684	716	34
12,758	48,619	28,926	77,380	4,886
4,074	15,318	22,602	29,881	1,579
3,190	12,009	130	23,368	1,195
1	70	-	133	10
(19,613)	596,590	254,697	252,744	73,649
65,018	(130,668)	970	260	(1,500)
(116,257)	(583,144)	-	-	95,925
765,392	2,465,149	13,497,230	8,174,759	836,886
(1,191,197)	(4,346,717)	(14,451,848)	(9,628,370)	(152,484)
(425,805)	(1,881,568)	(954,618)	(1,453,611)	684,402
3,828,281	14,467,603	27,051,065	27,723,233	1,025,223
<u>\$ 3,402,476</u>	<u>\$ 12,586,035</u>	<u>\$ 26,096,447</u>	<u>\$ 26,269,622</u>	<u>\$ 1,709,625</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - SCHOLAR'S EDGE
YEAR ENDED JUNE 30, 2018

	<u>Discovery</u>	<u>Global Opportunities</u>	<u>Gold & Special Minerals</u>
ADDITIONS			
Subscriptions	\$ 640,276	\$ 2,504,832	\$ 627,905
Investment Income			
Dividends	130,959	59,549	33,357
Interest	36	79	29
Less: Expenses:			
Distribution Fees	5,620	11,837	4,781
Management Fees	1,649	3,711	1,238
State Administrative Fees	1,253	2,764	953
Other Reimbursement	10	21	5
	<u>122,463</u>	<u>41,295</u>	<u>26,409</u>
NET INVESTMENT INCOME	122,463	41,295	26,409
Capital Gains from Underlying Investments	(775)	1,406	(9,520)
Net Increase in Fair Value of Investments	<u>203,356</u>	<u>475,737</u>	<u>(54,233)</u>
	965,320	3,023,270	590,561
TOTAL ADDITIONS	965,320	3,023,270	590,561
DEDUCTIONS			
Redemptions	<u>(184,828)</u>	<u>(639,197)</u>	<u>(333,068)</u>
CHANGE IN NET POSITION	780,492	2,384,073	257,493
Fiduciary Net Position, Beginning of Year	<u>1,178,305</u>	<u>2,049,322</u>	<u>960,647</u>
FIDUCIARY NET POSITION, END OF YEAR	<u><u>\$ 1,958,797</u></u>	<u><u>\$ 4,433,395</u></u>	<u><u>\$ 1,218,140</u></u>

<u>International Bond</u>	<u>International Diversified</u>	<u>International Growth</u>	<u>Limited Term Government</u>	<u>Main Street</u>
\$ 334,485	\$ 1,081,098	\$ 3,524,797	\$ 490,204	\$ 4,949,482
23,589	10,814	168,630	20,652	1,189,688
13	38	422	22	515
2,202	5,711	56,100	3,219	70,728
575	1,759	17,926	970	21,944
438	1,324	13,931	757	16,992
6	11	79	-	99
20,381	2,047	81,016	15,728	1,080,440
(1,651)	(147)	67,143	(7,169)	228,756
(35,750)	97,437	758,106	(12,257)	(146,391)
317,465	1,180,435	4,431,062	486,506	6,112,287
(110,258)	(247,620)	(4,183,149)	(344,352)	(3,890,023)
207,207	932,815	247,913	142,154	2,222,264
390,472	1,065,457	15,253,133	885,772	18,205,615
<u>\$ 597,679</u>	<u>\$ 1,998,272</u>	<u>\$ 15,501,046</u>	<u>\$ 1,027,926</u>	<u>\$ 20,427,879</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - SCHOLAR'S EDGE
YEAR ENDED JUNE 30, 2018

	<u>Real Estate</u>	<u>Senior Floating Rate</u>	<u>Developing Markets</u>
ADDITIONS			
Subscriptions	\$ 473,858	\$ 1,281,381	\$ 1,096,212
Investment Income			
Dividends	63,726	149,632	13,215
Interest	34	90	47
Less: Expenses:			
Distribution Fees	5,446	16,963	6,939
Management Fees	1,442	3,798	2,146
State Administrative Fees	1,125	2,963	1,628
Other Reimbursement	10	36	15
	<hr/>	<hr/>	<hr/>
NET INVESTMENT INCOME	55,737	125,962	2,534
Capital Gains from Underlying Investments	(52,497)	(24,709)	(2,168)
Net Increase in Fair Value of Investments	26,023	19,448	149,603
	<hr/>	<hr/>	<hr/>
TOTAL ADDITIONS	503,121	1,402,082	1,246,181
DEDUCTIONS			
Redemptions	(448,268)	(1,293,449)	(341,849)
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION	54,853	108,633	904,332
Fiduciary Net Position, Beginning of Year	<hr/> 1,272,836	<hr/> 3,335,187	<hr/> 1,415,777
FIDUCIARY NET POSITION, END OF YEAR	<hr/> <u>\$ 1,327,689</u>	<hr/> <u>\$ 3,443,820</u>	<hr/> <u>\$ 2,320,109</u>

<u>Capital Income</u>	<u>Global Focus</u>	<u>Small-Mid Company</u>	<u>Limited Term Bond</u>	<u>Main Street Small Cap</u>
\$ 508,908	\$ 351,203	\$ 415,102	\$ 384,008	\$ 795,503
27,332	1,611	17,095	25,822	49,990
23	10	17	23	31
4,740	1,916	2,544	2,615	5,353
1,017	498	815	1,023	1,464
786	374	618	802	1,106
9	7	3	32	9
20,803	(1,174)	13,132	21,373	42,089
(234)	5,224	7,398	(7,408)	17,588
(8,635)	42,914	98,017	(12,445)	117,306
520,842	398,167	533,649	385,528	972,486
(320,266)	(103,188)	(178,475)	(439,982)	(186,580)
200,576	294,979	355,174	(54,454)	785,906
805,099	285,367	573,943	902,767	895,887
<u>\$ 1,005,675</u>	<u>\$ 580,346</u>	<u>\$ 929,117</u>	<u>\$ 848,313</u>	<u>\$ 1,681,793</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - SCHOLAR'S EDGE
YEAR ENDED JUNE 30, 2018

	High Yield Corporate Bond	Mainstay Monetta Young Investor	Dividend Opportunity
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS			
Subscriptions	\$ 468,940	\$ 115,912	\$ 689,046
Investment Income			
Dividends	79,000	9,975	40,684
Interest	33	7	72
Less: Expenses:			
Distribution Fees	4,811	1,198	12,166
Management Fees	1,447	263	3,258
State Administrative Fees	1,131	218	2,511
Other Reimbursement	4	2	5
	<u> </u>	<u> </u>	<u> </u>
NET INVESTMENT INCOME	71,640	8,301	22,816
Capital Gains from Underlying Investments	(3,445)	59,547	37,040
Net Increase in Fair Value of Investments	<u>(34,229)</u>	<u>(13,909)</u>	<u>129,546</u>
TOTAL ADDITIONS	502,906	169,851	878,448
DEDUCTIONS			
Redemptions	<u>(374,034)</u>	<u>(454,137)</u>	<u>(445,450)</u>
CHANGE IN NET POSITION	128,872	(284,286)	432,998
Fiduciary Net Position, Beginning of Year	<u>1,157,238</u>	<u>284,286</u>	<u>2,660,362</u>
FIDUCIARY NET POSITION, END OF YEAR	<u><u>\$ 1,286,110</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,093,360</u></u>

Short Duration Inflation Project	Global Allocation	Steelpath Select 40	T. Row Price Blue Chip Growth	Total Return Bond
\$ 42,762	\$ 56,157	\$ 81,581	\$ 20,982,966	\$ 66,785
2	2	615	169	347
-	-	-	109	-
29	25	78	18,333	23
11	11	11	7,468	11
10	8	7	4,978	8
-	-	-	624	-
(48)	(42)	519	(31,125)	305
1	-	(3)	(6,594)	-
287	(15)	(1,590)	343,461	(209)
43,002	56,100	80,507	21,288,708	66,881
-	-	-	(2,560,455)	-
43,002	56,100	80,507	18,728,253	66,881
-	-	-	-	-
<u>\$ 43,002</u>	<u>\$ 56,100</u>	<u>\$ 80,507</u>	<u>\$ 18,728,253</u>	<u>\$ 66,881</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - SCHOLAR'S EDGE
YEAR ENDED JUNE 30, 2018

	Total
ADDITIONS	
Subscriptions	\$ 1,490,314,707
Investment Income	
Dividends	61,063,006
Interest	51,122
Less: Expenses:	
Distribution Fees	6,854,557
Management Fees	2,144,141
State Administrative Fees	1,652,672
Other Reimbursement	11,428
	50,451,330
NET INVESTMENT INCOME	50,451,330
Capital Gains from Underlying Investments	193,699,518
Net Increase in Fair Value of Investments	(164,131,320)
	1,570,334,235
TOTAL ADDITIONS	1,570,334,235
DEDUCTIONS	
Redemptions	\$ (1,565,798,100)
CHANGE IN NET POSITION	4,536,135
Fiduciary Net Position, Beginning of Year	\$ 1,901,304,593
FIDUCIARY NET POSITION, END OF YEAR	1,905,840,728

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EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - THE EDUCATION PLAN
YEAR ENDED JUNE 30, 2018

	Age Based Portfolio 100	Age Based Portfolio 90	Age Based Portfolio 80
ADDITIONS			
Subscriptions	\$ 1,329,304	\$ 2,603,522	\$ 5,344,636
Investment Income			
Dividends	138,491	10,654	317,069
Interest	110	10	297
Less: Expenses:			
Distribution Fees	-	-	-
Management Fees	2,727	370	7,439
State Administrative Fees	2,727	370	7,439
Other Reimbursement	30	1	94
NET INVESTMENT INCOME	133,117	9,923	302,394
Capital Gains from Underlying Investments	2,179,024	(4,063)	4,830,879
Net Increase in Fair Value of Investments	(1,813,161)	(15,883)	(4,090,546)
TOTAL ADDITIONS	1,828,284	2,593,499	6,387,363
DEDUCTIONS			
Redemptions	(5,903,684)	(444,514)	(15,562,387)
CHANGE IN NET POSITION	(4,075,400)	2,148,985	(9,175,024)
Fiduciary Net Position, Beginning of Year	5,010,748	-	13,476,959
FIDUCIARY NET POSITION, END OF YEAR	<u>\$ 935,348</u>	<u>\$ 2,148,985</u>	<u>\$ 4,301,935</u>

<u>Age Based Portfolio 70</u>	<u>Age Based Portfolio 60</u>	<u>Age Based Portfolio 50</u>	<u>Age Based Portfolio 40</u>	<u>Age Based Portfolio 30</u>
\$ 10,962,689	\$ 9,577,439	\$ 32,867,269	\$ 19,735,127	\$ 64,676,368
56,826	696,880	183,370	1,365,722	405,069
56	717	165	1,537	331
-	-	-	-	-
1,557	17,838	4,472	39,327	9,256
1,556	17,838	4,474	39,327	9,256
4	186	-	357	-
53,765	661,735	174,589	1,288,248	386,888
(12,348)	8,686,137	(38,831)	11,918,911	(33,205)
(84,605)	(7,612,556)	(197,490)	(10,597,824)	(377,776)
10,919,501	11,312,755	32,805,537	22,344,462	64,652,275
(2,411,387)	(26,396,859)	(6,894,563)	(43,744,755)	(11,252,979)
8,508,114	(15,084,104)	25,910,974	(21,400,293)	53,399,296
-	29,952,331	-	61,541,348	-
<u>\$ 8,508,114</u>	<u>\$ 14,868,227</u>	<u>\$ 25,910,974</u>	<u>\$ 40,141,055</u>	<u>\$ 53,399,296</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - THE EDUCATION PLAN
YEAR ENDED JUNE 30, 2018

	<u>Age Based Portfolio 20</u>	<u>Age Based Portfolio 10</u>	<u>Age Based Portfolio 5</u>
ADDITIONS			
Subscriptions	\$ 48,102,316	\$ 23,646,418	\$ 559,671
Investment Income			
Dividends	1,620,104	972,589	3,119
Interest	1,933	1,205	2
Less: Expenses:			
Distribution Fees	-	-	-
Management Fees	49,826	31,510	66
State Administrative Fees	49,826	31,510	66
Other Reimbursement	497	356	23
	<u>1,521,888</u>	<u>910,418</u>	<u>2,966</u>
NET INVESTMENT INCOME	1,521,888	910,418	2,966
Capital Gains from Underlying Investments	7,263,150	3,136,816	(202)
Net Increase in Fair Value of Investments	<u>(7,031,719)</u>	<u>(3,469,199)</u>	<u>(1,504)</u>
	49,855,635	24,224,453	560,931
TOTAL ADDITIONS	49,855,635	24,224,453	560,931
DEDUCTIONS			
Redemptions	<u>(77,735,019)</u>	<u>(37,601,000)</u>	<u>(109,426)</u>
CHANGE IN NET POSITION	(27,879,384)	(13,376,547)	451,505
Fiduciary Net Position, Beginning of Year	<u>78,915,824</u>	<u>49,480,038</u>	<u>-</u>
FIDUCIARY NET POSITION, END OF YEAR	<u><u>\$ 51,036,440</u></u>	<u><u>\$ 36,103,491</u></u>	<u><u>\$ 451,505</u></u>

<u>Age Based Fixed Income</u>	<u>Age Based Low Duration Fixed Income</u>	<u>Portfolio 100</u>	<u>Portfolio 90</u>	<u>Portfolio 80</u>
\$ 436,006	\$ 575,404	\$ 6,263,592	\$ 57,156	\$ 2,322,204
12,600	11,713	2,576,323	219	845,741
17	11	2,115	-	764
-	-	-	-	-
499	304	54,760	7	19,684
446	305	54,760	7	19,684
5	11	445	2	120
11,667	11,104	2,468,473	203	807,017
(6,577)	(3,095)	18,474,477	(104)	6,891,964
(6,513)	(5,891)	(13,190,861)	104	(5,411,824)
434,583	577,522	14,015,681	57,359	4,609,361
(1,234,696)	(299,798)	(13,895,828)	(5,241)	(5,735,030)
(800,113)	277,724	119,853	52,118	(1,125,669)
800,113	364,034	78,209,961	-	28,604,443
<u>\$ -</u>	<u>\$ 641,758</u>	<u>\$ 78,329,814</u>	<u>\$ 52,118</u>	<u>\$ 27,478,774</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - THE EDUCATION PLAN
YEAR ENDED JUNE 30, 2018

	<u>Portfolio 70</u>	<u>Portfolio 60</u>	<u>Portfolio 50</u>
ADDITIONS			
Subscriptions	\$ 12,283	\$ 2,628,423	\$ 153,145
Investment Income			
Dividends	67	449,317	789
Interest	1	438	-
Less: Expenses:			
Distribution Fees	-	-	-
Management Fees	2	11,357	19
State Administrative Fees	2	11,358	19
Other Reimbursement	1	77	3
	<u>63</u>	<u>426,963</u>	<u>748</u>
NET INVESTMENT INCOME	63	426,963	748
Capital Gains from Underlying Investments	(23)	3,602,372	(39)
Net Increase in Fair Value of Investments	<u>(103)</u>	<u>(3,050,348)</u>	<u>1,229</u>
TOTAL ADDITIONS	12,220	3,607,410	155,083
DEDUCTIONS			
Redemptions	<u>(736)</u>	<u>(3,562,295)</u>	<u>-</u>
CHANGE IN NET POSITION	11,484	45,115	155,083
Fiduciary Net Position, Beginning of Year	<u>-</u>	<u>16,648,826</u>	<u>-</u>
FIDUCIARY NET POSITION, END OF YEAR	<u><u>\$ 11,484</u></u>	<u><u>\$ 16,693,941</u></u>	<u><u>\$ 155,083</u></u>

<u>Portfolio 40</u>	<u>Portfolio 30</u>	<u>Portfolio 20</u>	<u>Portfolio 10</u>	<u>Portfolio 5</u>
\$ 1,424,550	\$ 5,125	\$ 1,387,260	\$ 1,741,445	\$ 110,497
211,737	16	114,605	148,601	486
232	-	132	183	-
-	-	-	-	-
6,013	-	3,400	4,740	7
6,013	-	3,399	4,740	9
42	1	35	17	-
199,901	15	107,903	139,287	470
1,641,451	(1)	582,193	634,218	4
<u>(1,478,865)</u>	<u>(21)</u>	<u>(576,187)</u>	<u>(686,186)</u>	<u>(45)</u>
1,787,037	5,118	1,501,169	1,828,764	110,926
<u>(2,195,779)</u>	<u>-</u>	<u>(1,321,576)</u>	<u>(2,003,586)</u>	<u>(400)</u>
(408,742)	5,118	179,593	(174,822)	110,526
<u>8,895,824</u>	<u>-</u>	<u>4,877,699</u>	<u>6,941,483</u>	<u>-</u>
<u>\$ 8,487,082</u>	<u>\$ 5,118</u>	<u>\$ 5,057,292</u>	<u>\$ 6,766,661</u>	<u>\$ 110,526</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - THE EDUCATION PLAN
YEAR ENDED JUNE 30, 2018

	Short Term Yield	Fixed Income	Low Duration Fixed Income
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS			
Subscriptions	\$ 6,534,730	\$ 1,564,335	\$ 1,248,754
Investment Income			
Dividends	184,971	58,122	36,330
Interest	417	67	37
Less: Expenses:			
Distribution Fees	-	-	-
Management Fees	10,786	1,711	1,000
State Administrative Fees	10,787	1,711	1,000
Other Reimbursement	79	10	8
	<u> </u>	<u> </u>	<u> </u>
NET INVESTMENT INCOME	163,736	54,757	34,359
Capital Gains from Underlying Investments	547	10,645	(8,249)
Net Increase in Fair Value of Investments	<u> </u>	<u> </u>	<u> </u>
	-	(57,837)	(18,646)
TOTAL ADDITIONS	6,699,013	1,571,900	1,256,218
DEDUCTIONS			
Redemptions	<u> </u>	<u> </u>	<u> </u>
	(7,105,007)	(968,283)	(495,914)
CHANGE IN NET POSITION	(405,994)	603,617	760,304
Fiduciary Net Position, Beginning of Year	<u> </u>	<u> </u>	<u> </u>
	16,487,244	2,095,497	1,172,359
FIDUCIARY NET POSITION, END OF YEAR	<u> </u>	<u> </u>	<u> </u>
	\$ 16,081,250	\$ 2,699,114	\$ 1,932,663

<u>Index Age Based 100</u>	<u>Index Age Based 90</u>	<u>Index Age Based 80</u>	<u>Index Age Based 70</u>	<u>Index Age Based 60</u>
\$ 2,414,000	\$ 5,054,447	\$ 6,679,871	\$ 9,912,064	\$ 4,812,724
81,107	40,972	144,725	80,672	151,806
157	24	240	52	239
-	-	-	-	-
3,893	717	6,064	1,466	6,090
2,596	717	4,216	1,465	4,309
58	8	73	7	61
<u>74,717</u>	<u>39,554</u>	<u>134,612</u>	<u>77,786</u>	<u>141,585</u>
2,970,455	(11,033)	2,071,035	(11,906)	1,605,161
<u>(2,280,981)</u>	<u>(63,512)</u>	<u>(1,341,927)</u>	<u>(127,778)</u>	<u>(1,146,903)</u>
3,178,191	5,019,456	7,543,591	9,850,166	5,412,567
<u>(8,309,659)</u>	<u>(1,205,309)</u>	<u>(11,184,126)</u>	<u>(1,556,778)</u>	<u>(7,678,216)</u>
(5,131,468)	3,814,147	(3,640,535)	8,293,388	(2,265,649)
<u>6,879,714</u>	<u>-</u>	<u>9,056,017</u>	<u>-</u>	<u>9,118,981</u>
<u>\$ 1,748,246</u>	<u>\$ 3,814,147</u>	<u>\$ 5,415,482</u>	<u>\$ 8,293,388</u>	<u>\$ 6,853,332</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - THE EDUCATION PLAN
YEAR ENDED JUNE 30, 2018

	Index <u>Age Based 50</u>	Index <u>Age Based 40</u>	Index <u>Age Based 30</u>
ADDITIONS			
Subscriptions	\$ 9,275,308	\$ 6,211,630	\$ 12,032,268
Investment Income			
Dividends	70,221	190,358	84,301
Interest	48	300	62
Less: Expenses:			
Distribution Fees	-	-	-
Management Fees	1,308	7,818	1,748
State Administrative Fees	1,308	5,480	1,749
Other Reimbursement	4	64	5
	<u>67,649</u>	<u>177,296</u>	<u>80,861</u>
NET INVESTMENT INCOME	67,649	177,296	80,861
Capital Gains from Underlying Investments	(17,952)	1,212,723	(12,450)
Net Increase in Fair Value of Investments	<u>(82,694)</u>	<u>(883,088)</u>	<u>(67,841)</u>
TOTAL ADDITIONS	9,242,311	6,718,561	12,032,838
DEDUCTIONS			
Redemptions	<u>(2,169,204)</u>	<u>(10,080,863)</u>	<u>(1,731,383)</u>
CHANGE IN NET POSITION	7,073,107	(3,362,302)	10,301,455
Fiduciary Net Position, Beginning of Year	<u>-</u>	<u>12,276,812</u>	<u>-</u>
FIDUCIARY NET POSITION, END OF YEAR	<u><u>\$ 7,073,107</u></u>	<u><u>\$ 8,914,510</u></u>	<u><u>\$ 10,301,455</u></u>

<u>Index Age Based 20</u>	<u>Index Age Based 10</u>	<u>Index Age Based 5</u>	<u>Index Age Based Fixed Income</u>	<u>Index Age Based Low Duration Fixed Income</u>
\$ 10,104,494	\$ 6,532,787	\$ 519,789	\$ 1,399,064	\$ 1,819,269
179,878	142,887	3,160	16,551	18,481
287	210	1	27	21
-	-	-	-	-
7,429	5,511	77	684	577
5,190	3,945	76	464	472
57	76	6	-	4
167,489	133,565	3,002	15,430	17,449
593,509	101,713	(354)	(23,745)	(8,144)
(515,437)	(164,984)	(1,220)	(5,235)	(5,572)
10,350,055	6,603,081	521,217	1,385,514	1,823,002
(14,434,291)	(7,702,994)	(126,571)	(2,175,047)	(607,735)
(4,084,236)	(1,099,913)	394,646	(789,533)	1,215,267
11,221,371	7,898,701	-	789,533	413,699
<u>\$ 7,137,135</u>	<u>\$ 6,798,788</u>	<u>\$ 394,646</u>	<u>\$ -</u>	<u>\$ 1,628,966</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - THE EDUCATION PLAN
YEAR ENDED JUNE 30, 2018

	<u>Index 100</u>	<u>Index 90</u>	<u>Index 80</u>
ADDITIONS			
Subscriptions	\$ 10,770,288	\$ 78,471	\$ 3,774,885
Investment Income			
Dividends	672,041	730	276,371
Interest	843	-	385
Less: Expenses:			
Distribution Fees	-	-	-
Management Fees	21,848	9	9,891
State Administrative Fees	16,331	11	7,257
Other Reimbursement	205	-	81
	<u>634,500</u>	<u>710</u>	<u>259,527</u>
NET INVESTMENT INCOME	634,500	710	259,527
Capital Gains from Underlying Investments	5,013,391	(27)	2,413,129
Net Increase in Fair Value of Investments	<u>(2,537,305)</u>	<u>(1,014)</u>	<u>(1,522,431)</u>
TOTAL ADDITIONS	13,880,874	78,140	4,925,110
DEDUCTIONS			
Redemptions	<u>(5,301,363)</u>	<u>-</u>	<u>(3,674,615)</u>
CHANGE IN NET POSITION	8,579,511	78,140	1,250,495
Fiduciary Net Position, Beginning of Year	<u>27,996,157</u>	<u>-</u>	<u>13,765,260</u>
FIDUCIARY NET POSITION, END OF YEAR	<u><u>\$ 36,575,668</u></u>	<u><u>\$ 78,140</u></u>	<u><u>\$ 15,015,755</u></u>

<u>Index 70</u>	<u>Index 60</u>	<u>Index 50</u>	<u>Index 40</u>	<u>Index 30</u>
\$ 333,958	\$ 3,646,576	\$ 431,342	\$ 3,448,231	\$ 61,859
2,851	235,431	3,372	143,771	419
-	332	2	202	-
-	-	-	0	-
43	8,635	57	5,142	8
45	6,317	58	3,836	9
-	166	5	80	7
<u>2,763</u>	<u>220,645</u>	<u>3,254</u>	<u>134,915</u>	<u>395</u>
(87)	1,598,497	(108)	681,699	(75)
<u>(4,312)</u>	<u>(1,053,793)</u>	<u>(4,627)</u>	<u>(535,848)</u>	<u>(43)</u>
332,322	4,411,925	429,861	3,728,997	62,136
-	(3,277,449)	-	\$ (2,187,515)	-
<u>332,322</u>	<u>1,134,476</u>	<u>429,861</u>	<u>1,541,482</u>	<u>62,136</u>
-	11,695,525	-	6,716,021	-
<u>\$ 332,322</u>	<u>\$ 12,830,001</u>	<u>\$ 429,861</u>	<u>\$ 8,257,503</u>	<u>\$ 62,136</u>

EDUCATION TRUST BOARD OF NEW MEXICO
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - THE EDUCATION PLAN
YEAR ENDED JUNE 30, 2018

	<u>Index 20</u>	<u>Index 10</u>	<u>Index 5</u>
ADDITIONS			
Subscriptions	\$ 2,373,803	\$ 1,825,321	\$ 38,026
Investment Income			
Dividends	111,477	75,037	223
Interest	163	106	-
Less: Expenses:			
Distribution Fees	-	-	-
Management Fees	4,192	2,743	3
State Administrative Fees	3,072	2,026	5
Other Reimbursement	56	34	-
	<u>104,320</u>	<u>70,340</u>	<u>215</u>
NET INVESTMENT INCOME	104,320	70,340	215
Capital Gains from Underlying Investments	440,005	108,446	(28)
Net Increase in Fair Value of Investments	<u>(423,222)</u>	<u>(139,363)</u>	<u>(68)</u>
	2,494,906	1,864,744	38,145
TOTAL ADDITIONS	2,494,906	1,864,744	38,145
DEDUCTIONS			
Redemptions	<u>(1,955,195)</u>	<u>(1,344,293)</u>	<u>-</u>
CHANGE IN NET POSITION	539,711	520,451	38,145
Fiduciary Net Position, Beginning of Year	<u>5,856,951</u>	<u>3,914,744</u>	<u>-</u>
FIDUCIARY NET POSITION, END OF YEAR	<u><u>\$ 6,396,662</u></u>	<u><u>\$ 4,435,195</u></u>	<u><u>\$ 38,145</u></u>

<u>Index Fixed Income</u>	<u>Index Low Duration Fixed Income</u>	<u>Total</u>
\$ 1,029,896	\$ 2,110,037	\$ 352,560,076
36,233	43,206	13,227,811
52	57	14,587
-	-	-
1,406	1,500	377,536
1,016	1,122	351,721
33	3	3,497
33,830	40,638	12,509,644
23,197	(13,627)	88,479,475
(54,576)	(23,018)	(72,761,049)
1,032,347	2,114,030	380,788,146
(1,148,033)	(1,408,293)	(356,139,674)
(115,686)	705,737	24,648,472
2,216,719	2,035,995	535,326,931
<u>\$ 2,101,033</u>	<u>\$ 2,741,732</u>	<u>\$ 559,975,403</u>

EDUCATION TRUST BOARD OF NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL -
ADMINISTRATIVE FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Program - Fees	\$ -	\$ -	\$ 2,622,665	\$ 2,622,665
Investment Income	-	-	109,071	109,071
Total Revenues	-	-	2,731,736	2,731,736
Budgeted Net Position	2,677,883	2,677,883	-	(2,677,883)
Total Revenues & Budgeted Net Position	2,677,883	2,677,883	2,731,736	53,853
EXPENSES				
Personnel services and employee benefits	220,511	220,511	207,019	13,492
Contractual services	1,760,802	1,760,802	1,232,210	528,592
Other costs	696,570	696,570	526,251	170,319
	\$ 2,677,883	\$ 2,677,883	1,965,480	\$ 712,403
CHANGE IN NET POSITION			766,256	
Net Position - Beginning of Year			8,644,193	
NET POSITION - END OF YEAR			\$ 9,410,449	

*P785 Education Trust is the only P-Code NMETB had for the fiscal year ended June 30, 2018.

**EDUCATION TRUST BOARD OF NEW MEXICO
SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Name of Institution</u>	<u>Account Name</u>	<u>Share Fund No.</u>	<u>Deposit Type</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<i>Enterprise Fund:</i>					
NM State Treasurer's Office	Education Trust Board of New Mexico - Administrative Fund	11250	Interest in SGFIP	\$ 504,591	\$ 504,591
NM State Treasurer's Office	Education Trust Board of New Mexico - Administrative Fund	11250	Local Government Investment Pool	<u>8,533,745</u>	<u>8,533,745</u>
Total Enterprise Fund Types - Administrative Fund				<u>\$ 9,038,336</u>	<u>\$ 9,038,336</u>
<i>Fiduciary Funds:</i>					
CitiBank	Multiple Portfolio Custody Accounts - Scholar's Edge		Cash Deposits	\$ 2,216,888	\$ 2,216,888
CitiBank	Multiple Portfolio Custody Accounts - The Education Plan		Cash Deposits	<u>264,088</u>	<u>264,088</u>
Total Fiduciary Fund Types				<u>\$ 2,480,976</u>	<u>\$ 2,480,976</u>

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Other Supplementary Information

EDUCATION TRUST BOARD OF NEW MEXICO
FUND PERFORMANCE SUMMARY - BY PORTFOLIO - SCHOLAR'S EDGE (ADVISOR SOLD)
FOR THE YEAR ENDED JUNE 30, 2018

The table below presents the Average Annual Total Returns for each portfolio in the New Mexico Scholar's Edge Savings Program for the 12-month period ended June 30, 2018:

	<u>A Unit Total</u> <u>Returns</u>	<u>C Unit Total</u> <u>Returns</u>	<u>Benchmark</u> <u>Return</u>
Age Based Portfolio 100	9.61 %	8.79 %	10.87 %
Age Based Portfolio 90	(1.30)	(1.50)	(1.52)
Age Based Portfolio 80	7.55	6.74	9.03
Age Based Portfolio 70	(1.50)	(1.70)	(1.44)
Age Based Portfolio 60	5.72	4.96	7.01
Age Based Portfolio 50	(1.20)	(1.60)	(0.91)
Age Based Portfolio 40	3.64	2.92	4.91
Age Based Portfolio 30	(0.80)	(1.00)	(0.33)
Age Based Portfolio 20	1.84	1.09	2.85
Age Based Portfolio 10	1.00	0.24	1.93
Portfolio 100	9.74	8.91	10.87
Portfolio 90	(0.40)	(0.90)	(1.52)
Portfolio 80	7.68	6.84	9.03
Portfolio 70	0.20	(0.50)	(1.44)
Portfolio 60	5.78	5.00	7.01
Portfolio 50	(1.50)	(1.80)	(0.91)
Portfolio 40	3.66	2.91	4.91
Portfolio 30	(0.40)	0.30	(0.33)
Portfolio 20	1.85	1.09	2.85
Portfolio 10	1.00	0.20	1.93
Fixed Income Portfolio	0.19	(0.49)	1.64
Low Duration Fixed Income Portfolio	0.10	(0.60)	0.17
Value Portfolio	7.30	6.50	6.77
Main Street Mid Cap Portfolio	10.59	9.76	12.33
American Century Diversified Bond Portfolio	(1.79)	(2.54)	(0.40)
Global Strategic Income Portfolio	10.73	(1.70)	(0.40)
Institutional Government Money Market	1.03	0.99	1.01
Capital Preservation Portfolio	0.99	23.36	-
Global Portfolio	15.28	14.50	10.73
Discovery Portfolio	25.98	25.09	(1.74)
Global Opportunities Portfolio	24.28	9.40	10.73
Gold & Special Minerals	(1.79)	(2.61)	1.69
International Bond Portfolio	(1.04)	(0.29)	3.22
International Diversified Portfolio	10.24	5.79	7.28
International Growth Portfolio	6.13	1.29	7.28
Limited Term Government Portfolio	3.92	(1.00)	0.03
Main Street Portfolio	6.56	10.91	14.37
Real Estate Portfolio	2.11	1.28	3.50

**EDUCATION TRUST BOARD OF NEW MEXICO
FUND PERFORMANCE SUMMARY - BY PORTFOLIO - SCHOLAR'S EDGE (ADVISOR SOLD),
CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>A Unit Total</u> Returns	<u>C Unit Total</u> Returns	<u>Benchmark</u> Return
Senior Floating Rate Portfolio	3.92 %	3.14 %	4.75 %
Developing Markets Portfolio	11.71	19.59	8.20
Capital Income Portfolio	2.00	1.28	4.88
Global Focus Portfolio	13.60	12.75	10.73
International Small-Mid Company Portfolio	19.59	18.66	9.69
Limited Term Bond Portfolio	6.52	(0.59)	0.22
Main Street Small Cap Inflation	14.51	13.69	17.57
MainStay High Yield Corporate	2.70	1.99	2.54
Dividend Opportunity Portfolio	7.33	(0.60)	7.25
American Century Short Duration	0.60	-	1.19
Global Allocation Fund	-	(0.60)	7.12
SteelPath Select 40 Portfolio	5.40	(1.50)	(4.58)
T. Rowe Price Blue Growth Portfolio	1.70	1.40	14.37
Total Return Bond Portfolio	0.10	-	(0.40)

**EDUCATION TRUST BOARD OF NEW MEXICO
FUND PERFORMANCE SUMMARY - BY PORTFOLIO - SCHOLAR'S EDGE (ADVISOR SOLD),
CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018**

The benchmarks for the Scholar's Edge® Portfolios are based on a blend of the benchmarks applicable to each Underlying Investment category, as follows:

Oppenheimer Value Fund	Russel 1000® Value Index
Oppenheimer Main Street Fund®	S&P 500® Index
Oppenheimer Main Street Mid Cap Fund®	Russel® Midcap Index
Oppenheimer International Growth Fund	MSCI® AC World ex-U.S. Index
American Century Diversified Bond Fund	Bloomberg Barclays US Aggregate Bond Index
Oppenheimer International Bond Fund	FTSE World Government Bond Index ex U.S.
Oppenheimer Limited-Term Government Fund	Bloomberg Barclays US Government 1-3 Year Bond Index
Oppenheimer Global Strategic Income Fund	Bloomberg Barclays U.S. Aggregate Bond Index
MainStay High Yield Corporate Bond Fund	BofA ML US HY Master II Constrained Index
Oppenheimer Senior Floating Rate Fund	JP Morgan Leveraged Loan Index
Oppenheimer Institutional Government Money Market Fund	iMoneyNet Government Institutional Index
Oppenheimer Global Fund	MSCI® AC World Index
Oppenheimer Global Opportunities Fund	MSCI® AC World Index
Oppenheimer Developing Markets Fund	MSCI® Emerging Markets Index
Oppenheimer International Diversified Fund	MSCI® AC World ex-U.S. Index
Oppenheimer Dividend Opportunity Fund	Russel 3000® Value Index

**EDUCATION TRUST BOARD OF NEW MEXICO
 FUND PERFORMANCE SUMMARY - BY PORTFOLIO - SCHOLAR'S EDGE (ADVISOR SOLD),
 CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2018**

Oppenheimer Discovery Fund	Russel 2000 [®] Value Index
Oppenheimer Gold & Special Minerals Fund	Philadelphia Gold and Silver Index
Oppenheimer Real Estate Fund	FTSE NAREIT Equity REITs Index
Oppenheimer Limited Term Bond Fund	Barclays u.S. Agg 1-3 Year Bond Index
Oppenheimer Global Focus Fund	MCSI AC World Index
Oppenheimer Main Street Small Cap Fund	Russell 2000 Index
Oppenheimer International Small-Mid Company Fund	MCSI ACWI ex-US SMID Index
Oppenheimer Capital Income Fund	65% bloomberg Barclays U.S. Aggregate Bond Index/35% Russell 3000 Index
Oppenheimer Total Return Bond Fund	Bloomberg Barclays US Aggregate Bond Index
Oppenheimer SteelPath MLP Selet 40 Fund	Alerian MLP Index Total Return
American Century Short Duration Inflation Protection Bond Fund	Bloomberg Barclays US 1-5 TIPS Index
Oppenheimer Global Allocation Fund	60% MSCI All Country World Index / 40% Bloomberg Barclays Global Aggregate Bond
T. Rowe Price Blue Chip Growth Fund	S&P 500 [®] Index

EDUCATION TRUST BOARD OF NEW MEXICO

**PORTFOLIO INVESTMENT ALLOCATIONS - SCHOLAR'S EDGE (ADVISOR SOLD), CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018**

Custom Choice Portfolios	Investment Return	Benchmark	Benchmark Return	Portfolio 100	Portfolio 90	Portfolio 80	Portfolio 70	Portfolio 60	Portfolio 50
Age Based Portfolios				Age Based Portfolio 100	Age Based Portfolio 90	Age Based Portfolio 80	Age Based Portfolio 70	Age Based Portfolio 60	Age Based Portfolio 50
Oppenheimer Value Fund	7.81%	Russell 1000® Value Index	6.77%	7 %	7%	7%	7 %	6%	5%
T. Rowe Price Blue Chip Growth Fund	28.00%	S&P 500® Index	14.37%	12 %	11 %	10 %	8 %	7%	5%
Oppenheimer Main Street Fund	7.06%	S&P 500® Index	14.37%	13 %	13 %	10 %	8 %	7%	6%
Oppenheimer Main Street Mid Cap Fund	11.11%	Russell® Midcap Index	12.33%	6 %	4%	4%	3.5 %	3%	2%
Oppenheimer Main Street Small Cap Fund	15.00%	Russell 2000 Index	17.57%	6 %	4%	3%	2.5 %	2%	1%
Oppenheimer Capital Income Fund	2.50%	65% Bloomberg Barclays U.S. Aggregate Bond Index/35% Russell 3000 Index	4.88%	0 %	0%	1%	3 %	5%	7%
Oppenheimer Developing Markets Fund	12.63%	MSCI® Emerging Markets Index	8.20%	5 %	5%	4%	4 %	3%	2%
Oppenheimer International Growth Fund	6.63%	MSCI® AC World ex-U.S. Index	7.28%	16 %	15 %	13 %	11 %	9%	8%
Oppenheimer Global Fund	15.94%	MSCI® AC World Index	10.73%	16 %	15 %	14 %	13 %	12 %	11%
Oppenheimer Global Focus Fund	14.17%	MSCI AC World Index	10.73%	10 %	9%	8%	7 %	6%	5%
Oppenheimer Real Estate Fund	2.52%	FTSE NAREIT Equity REITs Index	3.50%	5 %	4%	3%	2 %	2%	2%
Oppenheimer SteelPath MLP Select 40 Fund	(4.00%)	Alerian MLP Index Total Return	(4.58%)	4 %	3%	3%	2 %	1%	1%
American Century Diversified Bond Fund	(1.14%)	Bloomberg Barclays US Aggregate Bond Index	(0.40%)	— %	2%	3%	5 %	6%	7%
Oppenheimer Total Return Bond Fund	(0.40%)	Bloomberg Barclays US Aggregate Bond Index	(0.40%)	— %	3%	6%	7 %	9%	10%
Oppenheimer International Bond Fund	(0.59%)	FTSE World Government Bond Index ex U.S.	3.22%	— %	3%	5%	7.5 %	7.5 %	7.5%
Oppenheimer Limited-Term Bond Fund	0.64%	Barclays U.S. Agg 1-3 Year Bond Index	0.22%	— %	—%	—%	— %	3%	3.5%
Oppenheimer Limited-Term Government Fund	0.11%	Bloomberg Barclays U.S. Government 1-3 Year Bond Index	0.03%	— %	—%	—%	— %	2%	2.5%
Oppenheimer Senior Floating Rate Fund	4.41%	JP Morgan Leveraged Loan Index	4.75%	— %	1%	4%	5 %	5%	5%
MainStay High Yield Corporate Bond Fund	3.19%	BofA ML US HY Master II Constrained Index	2.54%	— %	1%	2%	4.5 %	4.5 %	4.5%
American Century Short Duration Inflation Protection Bond Fund	1.21%	Bloomberg Barclays US 1-5 TIPS Index	1.19%	— %	—%	—%	— %	—%	—%
Oppenheimer Institutional Government Money Market Fund	1.20%	iMoneyNet Government Institutional Index	1.01%	— %	—%	—%	— %	—%	5%
NYLIM Funding Agreement				—%	—%	—%	— %	—%	—%

EDUCATION TRUST BOARD OF NEW MEXICO

**PORTFOLIO INVESTMENT ALLOCATIONS - SCHOLAR'S EDGE (ADVISOR SOLD), CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018**

	Investment Return	Benchmark	Benchmark Return	Portfolio 40	Portfolio 30	Portfolio 20	Portfolio 10	Fixed Income Portfolio
Custom Choice Portfolios				Age Based Portfolio 40	Age Based Portfolio 30	Age Based Portfolio 20	Age Based Portfolio 10	
Age Based Portfolios								
Oppenheimer Value Fund	7.81%	Russell 1000® Value Index	6.77%	4 %	3%	2%	1 %	—%
T. Rowe Price Blue Chip Growth Fund	28.00%	S&P 500® Index	14.37%	3 %	2%	1%	— %	—%
Oppenheimer Main Street Fund	7.06%	S&P 500® Index	14.37%	5 %	3.5 %	3%	1.5 %	—%
Oppenheimer Main Street Mid Cap Fund	11.11%	Russell® Midcap Index	12.33%	1.5 %	1%	0.5 %	0.5 %	—%
Oppenheimer Main Street Small Cap Fund	15.00%	Russell 2000 Index	17.57%	1 %	0.5 %	0.5 %	— %	—%
Oppenheimer Capital Income Fund	2.50%	65% Bloomberg Barclays U.S. Aggregate Bond Index/35% Russell 3000 Index	4.88%	9 %	8%	8%	8 %	—%
Oppenheimer Developing Markets Fund	12.63%	MSCI® Emerging Markets Index	8.20%	1.5 %	1%	1%	— %	—%
Oppenheimer International Growth Fund	6.63%	MSCI® AC World ex-U.S. Index	7.28%	6 %	4%	2%	2 %	—%
Oppenheimer Global Fund	15.94%	MSCI® AC World Index	10.73%	10 %	9%	7%	4 %	—%
Oppenheimer Global Focus Fund	14.17%	MSCI AC World Index	10.73%	4 %	3%	1%	— %	—%
Oppenheimer Real Estate Fund	2.52%	FTSE NAREIT Equity REITs Index	3.50%	2 %	2%	1%	1 %	—%
Oppenheimer SteelPath MLP Select 40 Fund	(4.00%)	Alerian MLP Index Total Return	(4.58%)	— %	—%	—%	— %	—%
American Century Diversified Bond Fund	(1.14%)	Bloomberg Barclays US Aggregate Bond Index	(0.40%)	7 %	7%	7%	6 %	5%
Oppenheimer Total Return Bond Fund	(0.40%)	Bloomberg Barclays US Aggregate Bond Index	(0.40%)	11 %	12 %	13 %	12 %	10 %
Oppenheimer International Bond Fund	(0.59%)	FTSE World Government Bond Index ex U.S.	3.22%	7 %	7%	5%	4 %	—%
Oppenheimer Limited-Term Bond Fund	0.64%	Barclays U.S. Agg 1-3 Year Bond Index	0.22%	5.5 %	7.5 %	10 %	13 %	—%
Oppenheimer Limited-Term Government Fund	0.11%	Bloomberg Barclays U.S. Government 1-3 Year Bond Index	0.03%	5 %	7.5 %	10 %	13 %	25 %
Oppenheimer Senior Floating Rate Fund	4.41%	JP Morgan Leveraged Loan Index	4.75%	5 %	5%	4%	2 %	25 %
MainStay High Yield Corporate Bond Fund	3.19%	BofA ML US HY Master II Constrained Index	2.54%	4.5 %	4%	4%	4 %	—%
American Century Short Duration Inflation Protection Bond Fund	1.21%	Bloomberg Barclays US 1-5 TIPS Index	1.19%	3 %	6%	10 %	13 %	20 %
Oppenheimer Institutional Government Money Market Fund	1.20%	iMoneyNet Government Institutional Index	1.01%	5 %	7%	10 %	15 %	15 %
NYLIM Funding Agreement				—%	—%	—%	— %	—%

EDUCATION TRUST BOARD OF NEW MEXICO

**PORTFOLIO INVESTMENT ALLOCATIONS - SCHOLAR'S EDGE (ADVISOR SOLD), CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018**

Custom Choice Portfolios	Investment Return	Benchmark	Benchmark Return	Capital Preservation Portfolio
Age Based Portfolios				
Oppenheimer Value Fund	7.81%	Russell 1000® Value Index	6.77%	— %
T. Rowe Price Blue Chip Growth Fund	28.00%	S&P 500® Index	14.37%	— %
Oppenheimer Main Street Fund	7.06%	S&P 500® Index	14.37%	— %
Oppenheimer Main Street Mid Cap Fund	11.11%	Russell® Midcap Index	12.33%	— %
Oppenheimer Main Street Small Cap Fund	15.00%	Russell 2000 Index	17.57%	— %
Oppenheimer Capital Income Fund	2.50%	65% Bloomberg Barclays U.S. Aggregate Bond Index /35% Russell 3000 Index	4.88%	— %
Oppenheimer Developing Markets Fund	12.63%	MSCI® Emerging Markets Index	8.20%	— %
Oppenheimer International Growth Fund	6.63%	MSCI® AC World ex-U.S. Index	7.28%	— %
Oppenheimer Global Fund	15.94%	MSCI® AC World Index	10.73%	— %
Oppenheimer Global Focus Fund	14.17%	MSCI AC World Index	10.73%	— %
Oppenheimer Real Estate Fund	2.52%	FTSE NAREIT Equity REITs Index	3.50%	— %
Oppenheimer SteelPath MLP Select 40 Fund	(4.00%)	Alenian MLP Index Total Return	(4.58%)	— %
American Century Diversified Bond Fund	(1.14%)	Bloomberg Barclays US Aggregate Bond Index	(0.40%)	— %
Oppenheimer Total Return Bond Fund	(0.40%)	Bloomberg Barclays US Aggregate Bond Index	(0.40%)	— %
Oppenheimer International Bond Fund	(0.59%)	FTSE World Government Bond Index ex U.S.	3.22%	— %
Oppenheimer Limited-Term Bond Fund	0.64%	Barclays U.S. Agg 1-3 Year Bond Index	0.22%	— %
Oppenheimer Limited-Term Government Fund	0.11%	Bloomberg Barclays U.S. Government 1-3 Year Bond Index	0.03%	— %
Oppenheimer Senior Floating Rate Fund	4.41%	JP Morgan Leveraged Loan Index	4.75%	— %
MainStay High Yield Corporate Bond Fund	3.19%	BofA ML US HY Master II Constrained Index	2.54%	— %
American Century Short Duration Inflation Protection Bond Fund	1.21%	Bloomberg Barclays US 1-5 TIPS Index	1.19%	— %
Oppenheimer Institutional Government Money Market Fund	1.20%	iMoneyNet Government Institutional Index	1.01%	5 %
NYLIM Funding Agreement				95 %

EDUCATION TRUST BOARD OF NEW MEXICO

**PORTFOLIO INVESTMENT ALLOCATIONS - SCHOLAR'S EDGE (ADVISOR SOLD), CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018**

Investment	Investment Return	Benchmark	Benchmark Return	Discovery Portfolio	Dividend Opportunity Portfolio	Value Portfolio	Main Street Portfolio	Main Street Mid Cap Portfolio	Main Street Small Cap Portfolio
Oppenheimer Discovery Fund	26.88%	Russell 2000® Growth Index	21.86%	100 %	— %	— %	— %	— %	— %
Oppenheimer Dividend Opportunity Fund	7.90%	Russell 3000® Value Index	7.25%	— %	100 %	— %	— %	— %	— %
Oppenheimer Value Fund	7.81%	Russell 1000® Value Index	6.77%	— %	— %	100 %	— %	— %	— %
Oppenheimer Main Street Fund	7.06%	S&P 500® Index	14.37%	— %	— %	— %	100 %	— %	— %
Oppenheimer Main Street Mid Cap Fund	11.11%	Russell® Midcap Index	12.33%	— %	— %	— %	— %	100 %	— %
Oppenheimer Main Street Small Cap Fund	15.00%	Russell 2000 Index	17.57%	— %	— %	— %	— %	— %	100 %
Investment	Investment Return	Benchmark	Benchmark Return	Developing Markets Portfolio	Global Opportunities Portfolio	Global Portfolio	International Diversified Portfolio	International Growth Portfolio	Global Focus Portfolio
Oppenheimer Developing Markets Fund	12.63%	MSCI® Emerging Markets Index	8.20%	100 %	— %	— %	— %	— %	— %
Oppenheimer Global Opportunities Fund	25.43%	MSCI® AC World Index	10.73%	— %	100 %	— %	— %	— %	— %
Oppenheimer Global Fund	15.94%	MSCI® AC World Index	10.73%	— %	— %	100 %	— %	— %	— %
Oppenheimer International Diversified Fund	10.92%	MSCI® AC World ex-U.S.	7.28%	— %	— %	— %	100 %	— %	— %
Oppenheimer International Growth Fund	6.63%	MSCI® AC World ex-U.S.	7.28%	— %	— %	— %	— %	100 %	— %
Oppenheimer Global Focus Fund	14.17%	MSCI AC World Index	10.73%	— %	— %	— %	— %	— %	100 %
Investment	Investment Return	Benchmark	Benchmark Return	International Small-Mid Company Portfolio	Limited-Term Government Portfolio	Limited-Term Bond Portfolio	MainStay High Yield Corporate Bond Portfolio	Senior Floating Rate Portfolio	American Century Diversified Bond Portfolio
Oppenheimer International Small-Mid Company Fund	20.35%	MSCI ACWI ex-US SMID Index	9.69%	100 %	— %	— %	— %	— %	— %
Oppenheimer Limited-Term Government Fund	0.11%	Bloomberg Barclays U.S. Government 1-3 Year Bond Index	0.03%	— %	100 %	— %	— %	— %	— %
Oppenheimer Limited-Term Bond Fund	0.64%	Barclays U.S. Agg 1-3 Year Bond Index	0.22%	— %	— %	100 %	— %	— %	— %
MainStay High Yield Corporate Bond Fund	3.19%	BofA ML US HY Master II Constrained Index	2.54%	— %	— %	— %	100 %	— %	— %
Oppenheimer Senior Floating Rate Fund	4.41%	J.P. Morgan Leveraged Loan Index	4.75%	— %	— %	— %	— %	100 %	— %
American Century Diversified Bond Fund	(1.14%)	Bloomberg Barclays US Aggregate Bond Index	(0.40%)	— %	— %	— %	— %	— %	100 %

EDUCATION TRUST BOARD OF NEW MEXICO

**PORTFOLIO INVESTMENT ALLOCATIONS - SCHOLAR'S EDGE (ADVISOR SOLD), CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018**

Investment	Investment Return	Benchmark	Benchmark Return	International Bond Portfolio	Global Strategic Income Portfolio	Gold & Special Minerals Portfolio	Real Estate Portfolio	Capital Income Portfolio	SteelPath MLP Select 40 Portfolio
Oppenheimer International Bond Fund	(0.59%)	FTSE World Government Bond Index ex U.S.	3.22%	100%	—%	—%	—%	—%	—%
Oppenheimer Global Strategic Income Fund	(0.53%)	Bloomberg Barclays U.S. Aggregate Bond Index	(0.40%)	—%	100%	—%	—%	—%	—%
Oppenheimer Gold & Special Minerals Fund	(1.53%)	Philadelphia Gold and Silver Index	1.69%	—%	—%	100%	—%	—%	—%
Oppenheimer Real Estate Fund	2.52%	FTSE NAREIT Equity REITs Index	3.50%	—%	—%	—%	100%	—%	—%
Oppenheimer Capital Income Fund	2.50%	65% Bloomberg Barclays U.S. Aggregate Bond Index/35% Russell 3000 Index	4.88%	—%	—%	—%	—%	100%	—%
Oppenheimer SteelPath MLP Select 40 Fund	(4.00%)	Alerian MLP Index Total Return	(4.58%)	—%	—%	—%	—%	—%	100%
Investment	Investment Return	Benchmark	Benchmark Return	Total Return Bond Portfolio	American Century Short Duration Inflation Protection Bond Portfolio	Global Allocation Portfolio	T. Rowe Price Blue Chip Growth Portfolio	Institutional Government Money Market Portfolio	
Oppenheimer Total Return Bond Fund	(0.40%)	Bloomberg Barclays US Aggregate Bond Index	(0.40%)	100%	—%	—%	—%	—%	
American Century Short Duration Inflation Protection Bond Fund	1.21%	Bloomberg Barclays US 1-5 TIPS Index	1.19%	—%	100%	—%	—%	—%	
Oppenheimer Global Allocation Fund	3.75%	60% MSCI All Country World Index / 40% Bloomberg Barclays Global Aggregate Bond Index, Hedged	7.12%	—%	—%	100%	—%	—%	
T. Rowe Price Blue Chip Growth Fund	28.00%	S&P 500® Index	14.37%	—%	—%	—%	100%	—%	
Oppenheimer Institutional Government Money Market Fund	1.20%	iMoneyNet Government Institutional Index	1.01%	—%	—%	—%	—%	100%	

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EDUCATION TRUST BOARD OF NEW MEXICO
FUND PERFORMANCE SUMMARY - BY PORTFOLIO - THE EDUCATION PLAN (DIRECT SOLD),
CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

The table below presents the Average Annual total Returns for each portfolio in The Education Plan College Savings Program for the 12-month ended June 30, 2018.

	Direct Sold Total Return (%)	Benchmark Return (%)
Age Based Portfolio 100	9.92%	10.90%
Age Based Portfolio 90	(0.60)*	(0.67)*
Age Based Portfolio 80	8.11	9.00
Age Based Portfolio 70	(0.50)*	(0.42)*
Age Based Portfolio 60	5.94	6.83
Age Based Portfolio 50	(0.20)*	(0.06)*
Age Based Portfolio 40	4.21	4.76
Age Based Portfolio 30	0.00*	0.09*
Age Based Portfolio 20	2.31	2.66
Age Based Portfolio 10	1.21	1.63
Age Based Portfolio 5	0.30*	0.47*
Age Based Low Duration Fixed Income Portfolio	0.49	0.38
Portfolio 100	10.13	10.90
Portfolio 90	0.80*	(0.67)*
Portfolio 80	8.22	9.00
Portfolio 70	(0.50)*	(0.42)*
Portfolio 60	6.07	6.83
Portfolio 50	0.30*	(0.06)*
Portfolio 40	4.20	4.76
Portfolio 30	(0.20)*	0.09*
Portfolio 20	2.31	2.66
Portfolio 10	1.28	1.63
Portfolio 5	1.10*	0.47*
Short Term Yield Portfolio	1.11	1.01
Fixed Income Portfolio	0.39	0.45
Low Duration Fixed Income Portfolio	0.49	0.38
Index Age Based Portfolio 100	11.31	11.55
Index Age Based Portfolio 90	(1.20)*	(0.86)*
Index Age Based Portfolio 80	8.64	9.21
Index Age Based Portfolio 70	(0.90)*	(0.68)*
Index Age Based Portfolio 60	6.24	6.81
Index Age Based Portfolio 50	(0.40)*	(0.31)*
Index Age Based Portfolio 40	4.13	4.50
Index Age Based Portfolio 30	0.00*	0.11*
Index Age Based Portfolio 20	2.12	2.31
Index Age Based Portfolio 10	1.04	1.16
Index Age Based Portfolio 5	0.40*	0.41*
Index Age Based Low Duration Fixed Income Portfolio	0.10	0.22

EDUCATION TRUST BOARD OF NEW MEXICO
FUND PERFORMANCE SUMMARY - BY PORTFOLIO - THE EDUCATION PLAN (DIRECT SOLD),
CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

	Direct Sold Total Return (%)	Benchmark Return (%)
Index Portfolio 100	11.01%	11.55%
Index Portfolio 90	(0.30)*	(0.86)*
Index Portfolio 80	8.67	9.21
Index Portfolio 70	(0.10)*	(0.68)*
Index Portfolio 60	6.46	6.81
Index Portfolio 50	0.30*	(0.31)*
Index Portfolio 40	4.22	4.50
Index Portfolio 30	0.30*	0.11*
Index Portfolio 20	2.11	2.31
Index Portfolio 10	1.04	1.16
Index Portfolio 5	0.30*	0.41*
Index Fixed Income Portfolio	0.10	0.25
Index Low Duration Fixed Income Portfolio	0.10	0.22

*Returns since inception February 26, 2018.

EDUCATION TRUST BOARD OF NEW MEXICO
FUND PERFORMANCE SUMMARY - BY PORTFOLIO - THE EDUCATION PLAN (DIRECT SOLD),
CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

Oppenheimer Value Fund	Russell 1000® Value Index
Oppenheimer International Growth Fund	MSCI® All Country World ex-U.S. Index
Oppenheimer Main Street Fund®	S&P 500® Index
Oppenheimer Institutional Government Money Market Fund	iMoneyNet Government Institutional Index
Oppenheimer Limited-Term Government Fund	Bloomberg Barclays U.S. Government 1-3 Year Bond Index
Oppenheimer Senior Floating Rate Fund	J P Morgan Leveraged Loan Index
Oppenheimer Main Street Mid Cap Fund®	Russell Midcap Index
Vanguard Extended Market Index Fund	S&P Completion Index
Vanguard Total Stock Market Index Fund	CRSP U.S. Total Market Index
Oppenheimer Global Fund	MSCI All Country World Index
Oppenheimer Limited-Term Bond Fund	Bloomberg Barclays US Aggregate 1-3 Year Bond Index
Oppenheimer Main Street Small Cap Fund	Russell 2000 Index
Vanguard Short-Term Bond Index Fund	Bloomberg Barclays US 1-5 Years Government/Credit Float Adjusted Index
Vanguard Total International Stock Index Fund	FTSE Global All Cap ex US Index
Vanguard Total Bond Market Index Fund	Bloomberg Barclays U.S. Aggregate Float Adjusted Index
Vanguard Real Estate Index Fund	MSCI® US Investable Market Real Estate 25/50 Transition Index
Vanguard Short-Term Inflation-Protected Securities Index Fund	Bloomberg Barclays US 0-5 Year TIPS Index
Oppenheimer Developing Markets Fund	MSCI® Emerging Markets Index
Vanguard Developed Markets Index Fund	FTSE Developed All Cap ex US Index
Oppenheimer Real Estate Fund	FTSE NAREIT Equity REITs Index

EDUCATION TRUST BOARD OF NEW MEXICO
PORTFOLIO INVESTMENT ALLOCATIONS - THE EDUCATION PLAN (DIRECT SOLD),
CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

Custom Choice Portfolios	Investment Return	Benchmark	Benchmark Return	Portfolio 100	Portfolio 90	Portfolio 80	Portfolio 70	Portfolio 60	Portfolio 50
Age Based Portfolios				Age Based Portfolio 100	Age Based Portfolio 90	Age Based Portfolio 80	Age Based Portfolio 70	Age Based Portfolio 60	Age Based Portfolio 50
Vanguard Total Stock Market Index Fund	14.82%	CRSP U.S. Total Market Index	14.83%	20 %	19 %	18 %	16 %	12 %	10%
Oppenheimer Value Fund	7.81%	Russell 1000® Value Index	6.77%	7 %	6 %	5 %	5 %	5 %	4%
Oppenheimer Main Street Fund®	7.06%	S&P 500® Index	14.37%	12 %	11 %	9 %	8 %	7 %	6%
Vanguard Extended Market Index Fund	16.79%	S&P Completion Index	16.72%	10 %	9 %	8 %	7 %	7 %	6%
Oppenheimer Main Street Mid Cap Fund®	11.11%	Russell Midcap Index	12.33%	3.5 %	3 %	2.5 %	2 %	1.5 %	1%
Oppenheimer Main Street Small Cap Fund	15.00%	Russell 2000 Index	17.57%	3.5 %	3 %	2.5 %	2 %	1.5 %	1%
Oppenheimer Global Fund	15.94%	MSCI All Country World Index	10.73%	10 %	9 %	8 %	7 %	6 %	5%
Oppenheimer International Growth Fund	6.63%	MSCI® All Country World ex-U.S. Index	7.28%	14 %	13 %	12 %	10 %	8 %	7%
Oppenheimer Developing Markets Fund	12.63%	MSCI® Emerging Markets Index	8.20%	4 %	3 %	2 %	2 %	2 %	1%
Vanguard Developed Markets Index Fund	7.33%	FTSE Developed All Cap ex US Index	7.52%	12 %	11 %	10 %	9 %	8 %	7%
Oppenheimer Real Estate Fund	2.52%	FTSE NAREIT Equity REITs Index	3.50%	4 %	3 %	3 %	2 %	2 %	2%
Vanguard Total Bond Market Index Fund	(0.50%)	Bloomberg Barclays U.S. Aggregate Float Adjusted Index	(0.45%)	— %	9 %	10 %	15 %	20 %	25%
Oppenheimer Limited-Term Bond Fund	0.64%	Bloomberg Barclays US Aggregate 1-3 Year Bond Index	0.22%	— %	— %	3 %	5 %	8 %	8%
Oppenheimer Limited-Term Government Fund	0.11%	Bloomberg Barclays U.S. Government 1-3 Year Bond Index	0.03%	— %	— %	3 %	5 %	8 %	8%
Oppenheimer Senior Floating Rate Fund	4.41%	JP Morgan Leveraged Loan Index	4.75%	— %	1 %	4 %	5 %	4 %	4%
Vanguard Short-Term Inflation-Protected Securities Fund	1.28%	Bloomberg Barclays US 0-5 Year TIPS Index	1.39%	— %	— %	— %	— %	— %	—%
Oppenheimer Institutional Government Money Market Fund	1.20%	iMoneyNet Government Institutional Index	1.01%	— %	— %	— %	— %	— %	5%

EDUCATION TRUST BOARD OF NEW MEXICO
PORTFOLIO INVESTMENT ALLOCATIONS - THE EDUCATION PLAN (DIRECT SOLD),
CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

	Investment Return	Benchmark	Benchmark Return	Portfolio 40	Portfolio 30	Portfolio 20	Portfolio 10	Portfolio 5	Low Duration Fixed Income Portfolio
Custom Choice Portfolios									
Age Based Portfolios				Age Based Portfolio 40	Age Based Portfolio 30	Age Based Portfolio 20	Age Based Portfolio 10	Age Based Portfolio 5	Low Duration Fixed Income Portfolio
Vanguard Total Stock Market Index Fund	14.82%	CRSP U.S. Total Market Index	14.83%	8 %	6 %	5 %	2 %	1 %	— %
Oppenheimer Value Fund	7.81%	Russell 1000® Value Index	6.77%	3 %	3 %	2 %	1 %	0.5 %	— %
Oppenheimer Main Street Fund®	7.06%	S&P 500® Index	14.37%	5 %	4 %	3 %	2 %	1.5 %	— %
Vanguard Extended Market Index Fund	16.79%	S&P Completion Index	16.72%	5 %	3 %	2 %	1 %	1 %	— %
Oppenheimer Main Street Mid Cap Fund®	11.11%	Russell Midcap Index	12.33%	0.5 %	0.5 %	— %	— %	— %	— %
Oppenheimer Main Street Small Cap Fund	15.00%	Russell 2000 Index	17.57%	0.5 %	0.5 %	— %	— %	— %	— %
Oppenheimer Global Fund	15.94%	MSCI All Country World Index	10.73%	4 %	3 %	1 %	— %	— %	— %
Oppenheimer International Growth Fund	6.63%	MSCI® All Country World ex-U.S. Index	7.28%	6 %	4 %	2 %	1 %	1 %	— %
Oppenheimer Developing Markets Fund	12.63%	MSCI® Emerging Markets Index	8.20%	1 %	1 %	1 %	— %	— %	— %
Vanguard Developed Markets Index Fund	7.33%	FTSE Developed All Cap ex US Index	7.52%	5 %	4 %	3 %	2 %	1 %	— %
Oppenheimer Real Estate Fund	2.52%	FTSE NAREIT Equity REITs Index	3.50%	2 %	1 %	1 %	1 %	— %	— %
Vanguard Total Bond Market Index Fund	(0.50%)	Bloomberg Barclays U.S. Aggregate Float Adjusted Index	(0.45%)	20 %	20 %	20 %	20 %	18 %	5 %
Oppenheimer Limited-Term Bond Fund	0.64%	Bloomberg Barclays US Aggregate 1-3 Year Bond Index	0.22%	13 %	15 %	18.5 %	21 %	22 %	28 %
Oppenheimer Limited-Term Government Fund	0.11%	Bloomberg Barclays U.S. Government 1-3 Year Bond Index	0.03%	13 %	15 %	18.5 %	21 %	22 %	27 %
Oppenheimer Senior Floating Rate Fund	4.41%	JP Morgan Leveraged Loan Index	4.75%	4 %	4 %	3 %	2 %	2 %	— %
Vanguard Short-Term Inflation-Protected Securities Fund	1.28%	Bloomberg Barclays US 0-5 Year TIPS Index	1.39%	3 %	6 %	10 %	13 %	15 %	25 %
Oppenheimer Institutional Government Money Market Fund	1.20%	iMoneyNet Government Institutional Index	1.01%	7 %	10 %	10 %	13 %	15 %	15 %

EDUCATION TRUST BOARD OF NEW MEXICO
PORTFOLIO INVESTMENT ALLOCATIONS - THE EDUCATION PLAN (DIRECT SOLD),
CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

Custom Choice Portfolios	Investment Return	Benchmark	Benchmark Return	Fixed Income Portfolio	Short Term Yield Portfolio
Age Based Portfolios					
Vanguard Total Stock Market Index Fund	14.82%	CRSP U.S. Total Market Index	14.83%	— %	— %
Oppenheimer Value Fund	7.81%	Russell 1000® Value Index	6.77%	— %	— %
Oppenheimer Main Street Fund®	7.06%	S&P 500® Index	14.37%	— %	— %
Vanguard Extended Market Index Fund	16.79%	S&P Completion Index	16.72%	— %	— %
Oppenheimer Main Street Mid Cap Fund®	11.11%	Russell Midcap Index	12.33%	— %	— %
Oppenheimer Main Street Small Cap Fund	15.00%	Russell 2000 Index	17.57%	— %	— %
Oppenheimer Global Fund	15.94%	MSCI All Country World Index	10.73%	— %	— %
Oppenheimer International Growth Fund	6.63%	MSCI® All Country World ex-U.S. Index	7.28%	— %	— %
Oppenheimer Developing Markets Fund	12.63%	MSCI® Emerging Markets Index	8.20%	— %	— %
Vanguard Developed Markets Index Fund	7.33%	FTSE Developed All Cap ex US Index	7.52%	— %	— %
Oppenheimer Real Estate Fund	2.52%	FTSE NAREIT Equity REITs Index	3.50%	— %	— %
Vanguard Total Bond Market Index Fund	(0.50%)	Bloomberg Barclays U.S. Aggregate Float Adjusted Index	(0.45%)	25 %	— %
Oppenheimer Limited-Term Bond Fund	0.64%	Bloomberg Barclays US Aggregate 1-3 Year Bond Index	0.22%	20 %	— %
Oppenheimer Limited-Term Government Fund	0.11%	Bloomberg Barclays U.S. Government 1-3 Year Bond Index	0.03%	20 %	— %
Oppenheimer Senior Floating Rate Fund	4.41%	J.P. Morgan Leveraged Loan Index	4.75%	— %	— %
Vanguard Short-Term Inflation-Protected Securities Fund	1.28%	Bloomberg Barclays US 0-5 Year TIPS Index	1.39%	20 %	— %
Oppenheimer Institutional Government Money Market Fund	1.20%	iMoneyNet Government Institutional Index	1.01%	15 %	100 %

EDUCATION TRUST BOARD OF NEW MEXICO
PORTFOLIO INVESTMENT ALLOCATIONS - THE EDUCATION PLAN (DIRECT SOLD),
CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

Index Custom Choice Portfolios	Investment Return	Benchmark	Benchmark Return	Portfolio 100	Portfolio 90	Portfolio 80	Portfolio 70	Portfolio 60	Portfolio 50
Index Age Based Portfolios				Age Based Portfolio 100	Age Based Portfolio 90	Age Based Portfolio 80	Age Based Portfolio 70	Age Based Portfolio 60	Age Based Portfolio 50
Vanguard Total Stock Market Index Fund	14.82%	CRSP U.S. Total Market Index	14.83%	60%	54%	49%	43%	37%	30%
Vanguard Total International Stock Index Fund	7.03%	FTSE Global All Cap ex US Index	7.89%	35%	32%	28%	25%	21%	18%
Vanguard Real Estate Index Fund	2.28%	MSCI® US Investable Market Real Estate 25/50 Transition Index	(0.50%) ¹	5%	4%	3%	2%	2%	2%
Vanguard Total Bond Market Index Fund	(0.50%)	Bloomberg Barclays U.S. Aggregate Float Adjusted Index	(0.45%)	—%	10%	10%	15%	20%	25%
Vanguard Short-Term Bond Index Fund	(0.21%)	Bloomberg Barclays US 1-5 Years Government/Credit Float Adjusted Index	(0.20%)	—%	—%	10%	15%	20%	20%
Vanguard Short-Term Inflation-Protected Securities Fund	1.28%	Bloomberg Barclays US 0-5 Year TIPS Index	1.39%	—%	—%	—%	—%	—%	—%
Oppenheimer Institutional Government Money Market Fund	1.20%	iMoneyNet Government Institutional Index	1.01%	—%	—%	—%	—%	—%	5%

Index Custom Choice Portfolios	Investment Return	Benchmark	Benchmark Return	Portfolio 40	Portfolio 30	Portfolio 20	Portfolio 10	Portfolio 5	Low Duration Fixed Income Portfolio
Index Age Based Portfolios				Age Based Portfolio 40	Age Based Portfolio 30	Age Based Portfolio 20	Age Based Portfolio 10	Age Based Portfolio 5	Low Duration Fixed Income Portfolio
Vanguard Total Stock Market Index Fund	14.82%	CRSP U.S. Total Market Index	14.83%	24%	17.5%	12%	6%	4%	—%
Vanguard Total International Stock Index Fund	7.03%	FTSE Global All Cap ex US Index	7.89%	14%	10.5%	7%	3%	2%	—%
Vanguard Real Estate Index Fund	2.28%	MSCI® US Investable Market Real Estate 25/50 Transition Index	(0.50%) ¹	2%	2%	1%	1%	—%	—%
Vanguard Total Bond Market Index Fund	(0.50%)	Bloomberg Barclays U.S. Aggregate Float Adjusted Index	(0.45%)	20%	18%	18%	18%	18%	5%
Vanguard Short-Term Bond Index Fund	(0.21%)	Bloomberg Barclays US 1-5 Years Government/Credit Float Adjusted Index	(0.20%)	30%	36%	42%	46%	46%	55%
Vanguard Short-Term Inflation-Protected Securities Fund	1.28%	Bloomberg Barclays US 0-5 Year TIPS Index	1.39%	3%	6%	10%	13%	15%	25%
Oppenheimer Institutional Government Money Market Fund	1.20%	iMoneyNet Government Institutional Index	1.01%	7%	10%	10%	13%	15%	15%

1. Year to date return.

EDUCATION TRUST BOARD OF NEW MEXICO
PORTFOLIO INVESTMENT ALLOCATIONS - THE EDUCATION PLAN (DIRECT SOLD),
CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

Index Custom Choice Portfolios Index Age Based Portfolios	Investment Return	Benchmark	Benchmark Return	Fixed Income Portfolio
Vanguard Total Stock Market Index Fund	14.82%	CRSP U.S. Total Market Index	14.83%	— %
Vanguard Total International Stock Index Fund	7.03%	FTSE Global All Cap ex US Index	7.89%	— %
Vanguard Real Estate Index Fund	2.28%	MSCI® US Investable Market Real Estate 25/50 Transition Index	(0.50%) ¹	— %
Vanguard Total Bond Market Index Fund	(0.50%)	Bloomberg Barclays U.S. Aggregate Float Adjusted Index	(0.45%)	25 %
Vanguard Short-Term Bond Index Fund	(0.21%)	Bloomberg Barclays US 1-5 Years Government Credit Float Adjusted Index	(0.20%)	40 %
Vanguard Short-Term Inflation-Protected Securities Fund	1.28%	Bloomberg Barclays US 0-5 Year TIPS Index	1.39%	20 %
Oppenheimer Institutional Government Money Market Fund	1.20%	iMoneyNet Government Institutional Index	1.01%	15 %

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Government Auditing Standards Section

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Education Trust Board of New Mexico
and Mr. Wayne Johnson
New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of the Education Trust Board of New Mexico (NMETB) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the NMETB's basic financial statements, and have issued our report thereon dated October 30, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the NMETB's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the NMETB's internal control. Accordingly, we do not express an opinion on the effectiveness of the NMETB's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors
Education Trust Board of New Mexico
and Mr. Wayne Johnson
New Mexico State Auditor

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the NMETB's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Albuquerque, New Mexico
October 30, 2018

**EDUCATION TRUST BOARD OF NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018**

Section II - Financial Statement Findings:

None.

**EDUCATION TRUST BOARD OF NEW MEXICO
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

The finding from the prior year audit's schedule of findings and responses is discussed below.

2017-001 - Internal Control over Financial Reporting Administrative Fund (Material Weakness)

Condition: During the audit, a restatement to the beginning fund balance of the administrative fund in the amount of \$700,000 was required due to the incorrect classification of funds received prior to June 30, 2016 as deferred inflows of resources.

Status: Corrective action was taken.

**EDUCATION TRUST BOARD OF NEW MEXICO
EXIT CONFERENCE
FOR THE YEAR ENDED JUNE 30, 2018**

An exit conference was held with NMETB on October 31, 2018. The conference was held at NMETB's offices in Santa Fe, New Mexico. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

EDUCATION TRUST BOARD OF NEW MEXICO

Dr. Barbara Damron	Board Chair
Theodore Miller	Executive Director
Vera Lyons	Financial Coordinator
Janet Pacheco-Morton, CPA, CGFM	Board Consultant, Morton Accounting Services, LLC

CLIFTONLARSONALLEN LLP

Matt Bone, CPA, CGFM, CGMA	Principal
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