

FUND EVALUATION REPORT

District of Columbia Retirement Board

Quarterly Summary
March 31, 2014



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Fund	Market Value 12/31/13 (\$ mm)	Market Value 3/31/14 (\$ mm)	% of Retirement Fund	Target Allocation ¹ (%)	Target Range (%)
Fund	6,182.6	6,238.7	100	NA	NA
Public Equities	3,331.9	3,369.4	54	48	38-58
Domestic Equity Assets	1,412.7	1,439.5	23	21	17-25
International Developed Market Equity Assets	1,264.5 ²	1,277.3 ²	21	18	14-22
International Emerging Market Equity Assets	654.6 ²	652.6 ²	10	9	7-17
Fixed Income	1,799.1	1,837.5	29	27	22-32
Investment Grade Bond Assets	772.9 ²	756.0 ²	12	12	7-17
TIPS Assets	286.4 ²	291.8 ²	5	4	3-5
High Yield Assets	248.1 ²	286.1 ²	5	3	2-4
Bank Loan Assets	138.9 ²	114.3 ²	2	3	2-4
Emerging Market Debt Assets	230.6 ²	237.9 ²	4	3	2-4
Foreign Developed Bond Assets	122.2 ²	151.3 ²	2	2	1-3
Alternatives	978.7	992.0	16	25	25
Absolute Return Assets	271.0 ³	275.4 ³	4	10	8-12
Private Equity Assets	376.9 ³	374.8 ³	6	8	5-11
Real Assets	330.8 ³	341.7 ³	5	7	5-9
<i>Real Estate Assets</i>	240.1 ³	244.2 ³	4	4	NA
<i>Infrastructure/Opportunistic Assets</i>	80.5 ³	84.6 ³	1	2	NA
<i>Private Energy Assets</i>	10.2 ³	12.8 ³	< 1	1	NA
Cash	73.0	39.8	1	0	0

¹ Reflects the new target asset allocation made effective on October 1, 2013.

² Figures represent underlying market exposures.

³ Based on December 31, 2013 reported values, adjusted for subsequent cash flows.

District of Columbia Retirement Board

Aggregate Assets Performance as of 3/31/14

Fund	1Q14	Fiscal ¹	1 YR	3 YR	5 YR	10 YR	Since	Inception
	(%)	YTD (%)	(%)	(%)	(%)	(%)	Inception (%)	Inception Date
	1.9	6.0	10.8	7.8	13.3	6.2	8.5	1/1/87
Net of Fees	1.8	5.9	10.7	7.7	13.0	5.9	8.3	
<i>Policy Benchmark²</i>	2.0	6.0	10.3	7.1	13.6	7.0	9.0	
<i>Actual Allocation Benchmark³</i>	1.9	6.1	11.2	7.6	13.5	7.1	NA	
<i>60% Russell 3000 / 40% Barclays Aggregate</i>	2.0	8.0	13.1	10.4	15.1	6.8	9.2	
Domestic Equity (net-of-fees)	1.9	12.1	23.5	14.7	22.2	7.5	10.3	1/1/87
<i>Russell 3000</i>	2.0	12.3	22.6	14.6	21.9	7.9	10.3	
International Developed Market Equity (net-of-fees)	1.2	7.1	17.4	6.5	17.7	7.3	6.4	4/1/87
<i>MSCI World (ex. US)⁴</i>	0.7	6.3	16.5	6.2	16.9	7.7	5.9	
International Emerging Markets Equity (net-of-fees)	-0.6	1.5	-1.7	NA	NA	NA	0.9	9/1/11
<i>MSCI Emerging Markets</i>	-0.4	1.4	-1.4	-2.9	14.5	10.1	0.9	
Fixed Income (net-of-fees) ⁵	2.1	1.9	-0.4	4.3	7.2	4.6	8.0	12/1/82
<i>Custom Benchmark⁶</i>	2.1	2.1	-0.2	4.1	5.7	4.6	7.9	

¹ Fiscal year ends September 30.

² Policy Benchmark, as reported by State Street Bank, reflects targets set forth in the Fund's Investment Policy Statement. The benchmark uses the following indexes as proxies: 21% Russell 3000 (domestic equity), 18% MSCI World ex. U.S., 9% MSCI EM (international equity), 12% Barclays Aggregate (investment grade bonds), 4% Barclays U.S. TIPS (TIPS), 3% Barclays U.S. High Yield (high yield), 3% CSFB Leveraged Loan (bank loans), 2% Barclays Global Aggregate ex. U.S. (foreign bonds), 3% JPM GBI-EM Global Diversified (emerging market bonds), 7% CPI-U + 700 bps (real assets), 10% 3-month LIBOR + 5% (hedge funds), and 8% Cambridge Private Equity (lagged) (alternatives).

³ Actual Allocation Benchmark, as reported by State Street Bank, is constructed with the same market indices as the Policy Benchmark, weighted by the Fund's monthly asset allocation.

⁴ The International Developed Market Equity custom benchmark is comprised of the MSCI EAFE Index prior to April 2006, the MSCI ACWI (ex U.S.) Index from April 2006 through September 2011, and the MSCI World (ex U.S.) thereafter.

⁵ Prior to August 2011, Fixed Income performance included the performance of infrastructure assets.

⁶ The Fixed Income custom benchmark reflects the components of the fixed income allocation set forth in the Investment Policy Statement. The benchmark uses the following indexed: 44% Barclays Aggregate Index, 15% Barclays U.S. TIPS Index, 11% Barclays U.S. High Yield Index, 11% CSFB Leveraged Loan Index, 8% Barclays Global Aggregate ex U.S. Index, and 11% JPM GBI-EM Global Diversified Index.



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Aggregate Assets Performance as of 3/31/14

	1Q14 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Since Inception (%)	Inception Date
Net of Fees (continued)	1.8	5.9	10.7	7.7	13.0	5.9	8.3	1/1/87
Absolute Return (net-of-fees)	1.6	2.4	6.0	6.5	9.9	NA	8.2	7/1/06
<i>3 Month LIBOR + 5%</i>	1.3	2.6	2.7	1.1	0.7	2.2	1.9	
<i>HFRI Macro Index</i>	-0.5	1.3	-2.2	-1.6	1.5	3.8	3.4	
Private Equity (net-of-fees) ²	6.0	12.3	18.8	13.1	11.1	9.3	8.1	1/1/87
<i>Russell 3000 + 3% (1-quarter lagged)</i>	–	–	–	–	20.8	10.4	13.4	
<i>Cambridge Associates Private Equity Index³</i>	7.2	12.7	21.2	15.1	15.9	15.0	14.0	
Real Assets (net-of-fees)	3.0	4.2	5.5	NA	NA	NA	8.2	7/1/12
<i>CPI (inflation) + 7%</i>	3.1	4.4	8.6	9.0	9.3	9.5	8.8	
Cash (net-of-fees)	0.0	0.0	0.1	0.2	0.2	1.9	4.4	7/1/89
<i>90-Day T-Bills</i>	0.0	0.0	0.0	0.1	0.1	1.6	3.4	

¹ Fiscal year ends September 30.

² Portfolio and index performance reported one quarter lagged.

³ Returns for Cambridge Associates Private Equity Index are preliminary.

