

FUND EVALUATION REPORT

District of Columbia Retirement Board

Quarterly Summary
September 30, 2015



M E K E T A I N V E S T M E N T G R O U P

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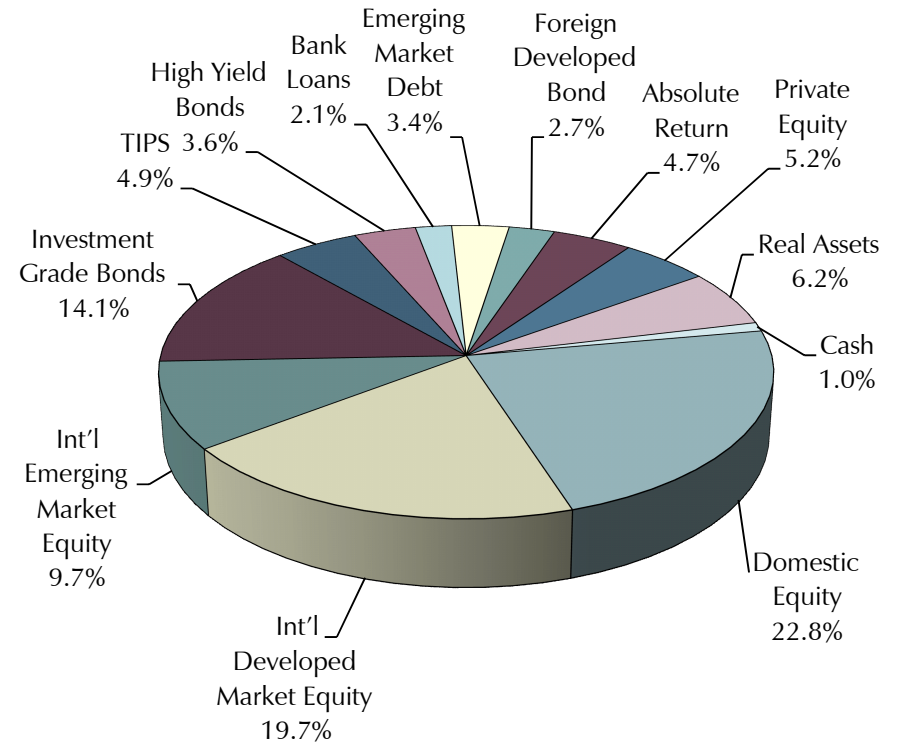
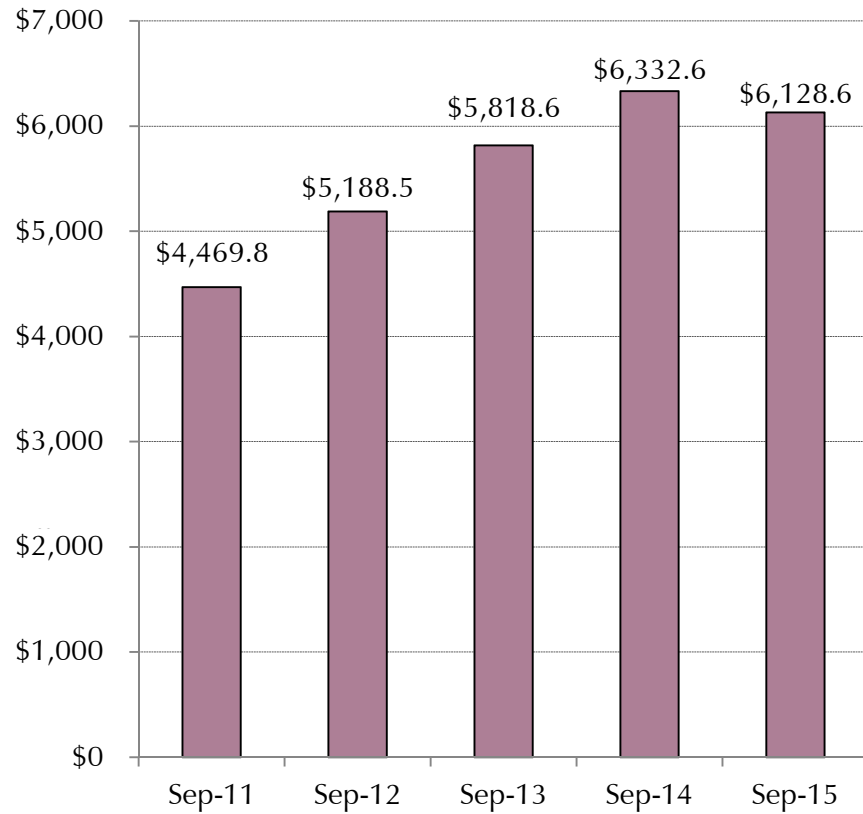
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Note: Figures represent underlying market exposure.



Fund	Market Value 6/30/15 (\$ mm)	Market Value 9/30/15 (\$ mm)	% of Retirement Fund	Target Allocation (%)	Target Range (%)
Fund	6,557.9	6,128.6	100	NA	NA
Public Equities	3,594.9	3,196.7	52	48	38-58
Domestic Equity Assets	1,504.4	1,394.3 ¹	23	21	17-25
International Developed Market Equity Assets	1,366.5	1,209.7 ¹	20	18	14-22
International Emerging Market Equity Assets	724.1	592.8 ¹	10	9	7-11
Fixed Income	1,935.2	1,887.5	31	27	22-32
Investment Grade Bond Assets	839.9	865.6 ¹	14	12	7-17
High Yield Assets	240.7	221.6 ¹	4	3	2-4
TIPS Assets	365.3	301.2 ¹	5	4	3-5
Emerging Market Debt Assets	202.5	205.5 ¹	3	3	2-4
Foreign Developed Bond Assets	162.9	163.7 ¹	3	2	1-3
Bank Loan Assets	123.9	129.8 ¹	2	3	2-4
Alternatives	994.0	984.8²	16	25	25
Absolute Return Assets	298.2	286.5 ²	5	10	8-12
Private Equity Assets	322.0	320.3 ²	5	8	5-11
Real Assets	373.8	378.0 ²	6	7	5-9
<i>Real Estate Assets</i>	263.9	257.0 ²	4	4	NA
<i>Infrastructure/Oppportunistic Assets</i>	88.9	97.8 ²	2	2	NA
<i>Private Energy Assets</i>	21.0	23.3 ²	< 1	1	NA
Cash	33.9	59.7	1	0	0

¹ Figures represent underlying market exposures.

² Based on June 30, 2015, reported values, adjusted for subsequent cash flows.



Fund	Market Value 6/30/15 (\$ mm)	Market Value 9/30/15 (\$ mm)	% of Asset Class	% of Retirement Fund
Fund	6,557.9	6,128.6	NA	100
Domestic Equity Assets¹	1,504.4	1,394.3	100	23
Northern Trust Russell 3000 Index	1,376.0	1,276.2	92	21
Sands Large Cap Growth Equity	128.4	118.1	8	2
International Developed Market Equity Assets¹	1,390.9	1,229.0	100	20
SSgA MSCI World (ex. U.S.) Index-NL	1,118.4	982.8	80	16
Copper Rock International Small Cap	137.8	127.0	10	2
Altrinsic International Equity	134.8	119.3	10	2
International Emerging Market Equity Assets¹	699.6	573.4	100	10
SSgA Emerging Markets Index-NL	575.2	472.6	82	8
LSV Emerging Markets Value Equity	124.3	100.8	18	2
Investment Grade Bond Assets¹	839.9	865.6	100	14
BlackRock U.S. Debt Index-Non Lending	839.9	865.6	100	14
TIPS Assets¹	365.3	301.2	100	5
BlackRock TIPS	365.3	301.2	100	5
High Yield Assets¹	364.7	351.4	100	6
DDJ High Yield Bond	364.7	351.4	100	6

¹ Figures reflect manager level market values and not underlying exposure.



	Market Value 6/30/15 (\$ mm)	Market Value 9/30/15 (\$ mm)	% of Asset Class	% of Retirement Fund
Emerging Market Debt Assets¹	202.5	205.5	100	3
Stone Harbor Emerging Markets Local Currency Debt	202.5	205.5	100	3
Foreign Developed Bond Assets¹	162.9	163.7	100	3
Mondrian International Fixed Income	162.9	163.7	100	3
Absolute Return Assets	298.2	286.5	100	5
Bridgewater Pure Alpha	298.2	286.5	100	5
Private Equity Assets²	322.0	320.3	100	5
Pantheon Capital Partners	173.9	167.3	52	3
Pantheon Global Secondary	36.7	35.0	11	< 1
Legacy Private Equity	84.5	78.2	24	1
Current Private Equity	26.7	39.7	12	< 1
Real Assets	373.8	378.0	100	6
Real Estate Assets	263.9	257.0	100	4
Northern Trust Global Real Estate Index Fund-NL	135.7	131.1	51	2
Private Real Estate	128.2	125.9	49	2
Infrastructure/Opportunistic Assets¹	88.9	97.8	100	2
Private Infrastructure	88.9	97.8	100	2
Private Energy Assets¹	21.0	23.3	100	< 1
Private Energy	21.0	23.3	100	< 1
Cash	33.9	59.7	100	1
SSgA STIF	33.9	59.7	100	1

¹ Figures reflect manager level market values and not underlying exposure.

² Based on June 30, 2015 reported values, adjusted for subsequent cash flows.

	3Q15 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Fund	-6.1	-3.9	-3.9	5.1	6.4	4.7	1/1/87	8.0
Net of Fees	-6.2	-4.0	-4.0	5.0	6.3	4.4		7.8
<i>Policy Benchmark¹</i>	-4.9	-2.7	-2.4	5.4	6.4	5.3		8.5
<i>Actual Allocation Benchmark²</i>	-5.6	-3.4	-3.3	5.5	6.4	5.5		NA
<i>Active Management-Related Excess Return³</i>	-0.6	-0.6	-0.7	-0.5	-0.1	-1.1		NA
<i>Tactical Asset Allocation-Related Excess Return⁴</i>	-0.7	-0.7	-0.9	0.1	0.0	0.2		NA
<i>60% MSCI ACWI / 40% Barclays Global Aggregate</i>	-5.4	-5.0	-5.2	3.6	4.6	4.5		NA

¹ 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).

² 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, and measures the contribution from manager selection decisions.

³ Represents the difference between the Fund (net-of-fees) and the Actual Allocation Benchmark, and measures the contribution from active management.

⁴ Represents the difference between the Policy Benchmark and the Actual Allocation Benchmark, and measures the contribution from the variance of the Fund's current asset allocation relative to the long-term target allocation).

District of Columbia Retirement Board

Aggregate Assets Performance as of 9/30/15

	3Q15 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Fund	-6.1	-3.9	-3.9	5.1	6.4	4.7	1/1/87	8.0
Net of Fees	-6.2	-4.0	-4.0	5.0	6.3	4.4		7.8
Domestic Equity (net-of-fees)	-7.3	-5.7	-0.8	12.5	13.3	6.6	1/1/87	9.9
<i>Russell 3000</i>	-7.2	-5.4	-0.5	12.5	13.3	6.9		9.9
International Developed Market Equity (net-of-fees)	-10.4	-5.1	-8.1	5.7	3.8	4.0	4/1/87	5.7
<i>MSCI World (ex. US)¹</i>	-10.6	-6.7	-10.1	4.6	3.3	3.7		5.2
International Emerging Market Equity (net-of-fees)	-18.0	-16.2	-19.9	-5.3	NA	NA	9/1/11	-4.0
<i>MSCI Emerging Markets</i>	-17.9	-15.5	-19.3	-5.3	-3.6	4.3		-3.9
Fixed Income (net-of-fees) ²	-1.6	-1.7	-2.4	-0.1	2.3	4.0	12/1/82	7.6
<i>Barclays Universal</i>	0.7	1.0	2.3	1.9	3.4	4.8		NA
<i>DCRB Fixed Income Custom Benchmark³</i>	-1.1	-1.5	-1.6	-0.1	2.2	4.2		7.5
Absolute Return (net-of-fees)	-3.9	2.9	3.5	3.1	6.6	NA	7/1/06	7.3
<i>Spliced Benchmark⁴</i>	1.3	4.0	5.3	3.5	2.2	NA		2.4
<i>HFRI Macro Index</i>	-0.3	-0.6	1.6	1.2	0.9	3.8		3.4

¹ 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 April 2006 through September 2011, and the MSCI World (ex U.S.) thereafter.

² Prior to August 2011, Fixed Income performance included the performance of infrastructure assets.

³ The Fixed Income custom benchmark is comprised of the Barclays Aggregate prior to April 2006, the Barclays US Universal Index from April 2006 to March 2012, 60% Barclays US Aggregate Index, 12% Barclays US TIPS Index, 12% Barclays US High Yield Index, 8% Barclays Global Aggregate ex US Index, 8% JPM GBI-EM Global Diversified Index from April 2012 to September 2013, and 44% Barclays US Aggregate Index, 15% Barclays US TIPS Index, 11% Barclays US High Yield Index, 11% CSFB Leveraged Loan Index, 8% Barclays Global Aggregate ex US Index, 11% JPM GBI-EM Global Diversified Index thereafter.

⁴ LIBOR 1 Month rate from inception to September 30, 2013. 3 Month LIBOR + 500 bps from October 1, 2013 to present.



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Fund	-6.1	-3.9	-3.9	5.1	6.4	4.7	1/1/87	8.0
Net of Fees	-6.2	-4.0	-4.0	5.0	6.3	4.4		7.8
Private Equity (net-of-fees) ¹	3.3	6.4	3.5	12.9	13.1	8.8	1/1/87	8.1
<i>Russell 3000 + 3% (1-quarter lagged)</i>	-	-	-	-	-	10.2		13.2
<i>Cambridge Associates Private Equity Index</i>	3.8	7.4	8.9	15.9	15.7	13.1		NA
Real Assets (net-of-fees)	2.4	2.5	6.2	7.8	NA	NA	7/1/12	7.7
<i>CPI (inflation) + 7%</i>	1.4	6.6	7.0	8.0	8.8	8.9		8.2
Cash	0.6	-0.3	0.0	0.5	0.4	1.7	7/1/89	4.2
<i>90-Day T-Bills</i>	0.0	0.0	0.0	0.0	0.1	1.3		3.2

¹ Portfolio and index performance reported one quarter lagged.

