Fund Evaluation Report

District of Columbia Retirement Board
Quarterly Summary
September 30, 2017

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## Allocation vs. Targets and Policy

<table>
<thead>
<tr>
<th>Category</th>
<th>Current Balance</th>
<th>Current Allocation</th>
<th>Policy</th>
<th>Policy Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Equity</td>
<td>$1,723,893,003</td>
<td>22%</td>
<td>20%</td>
<td>15% - 25%</td>
</tr>
<tr>
<td>Developed Market Equity</td>
<td>$1,484,662,224</td>
<td>19%</td>
<td>16%</td>
<td>12% - 20%</td>
</tr>
<tr>
<td>Emerging Market Equity</td>
<td>$898,788,105</td>
<td>12%</td>
<td>10%</td>
<td>7% - 13%</td>
</tr>
<tr>
<td>Investment Grade Bonds</td>
<td>$782,209,750</td>
<td>10%</td>
<td>11%</td>
<td>7% - 15%</td>
</tr>
<tr>
<td>TIPS</td>
<td>$539,795,370</td>
<td>7%</td>
<td>6%</td>
<td>4% - 8%</td>
</tr>
<tr>
<td>Foreign Bonds</td>
<td>$176,567,983</td>
<td>2%</td>
<td>2%</td>
<td>1% - 3%</td>
</tr>
<tr>
<td>Emerging Market Bonds</td>
<td>$322,430,246</td>
<td>4%</td>
<td>4%</td>
<td>2% - 6%</td>
</tr>
<tr>
<td>High Yield Bonds</td>
<td>$305,634,090</td>
<td>4%</td>
<td>4%</td>
<td>2% - 6%</td>
</tr>
<tr>
<td>Bank Loans</td>
<td>$229,339,017</td>
<td>3%</td>
<td>3%</td>
<td>2% - 5%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>$308,138,408</td>
<td>4%</td>
<td>9%</td>
<td>5% - 13%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>$430,308,477</td>
<td>6%</td>
<td>6%</td>
<td>4% - 8%</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>$77,635,102</td>
<td>1%</td>
<td>2%</td>
<td>1% - 5%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$116,384,571</td>
<td>2%</td>
<td>3%</td>
<td>1% - 5%</td>
</tr>
<tr>
<td>Absolute Return</td>
<td>$292,585,437</td>
<td>4%</td>
<td>4%</td>
<td>3% - 6%</td>
</tr>
<tr>
<td>Cash</td>
<td>$60,705,201</td>
<td>1%</td>
<td>0%</td>
<td>0% - 5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$7,749,076,984</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Market Value Summary</td>
<td>Market Value 6/30/17 ($)</td>
<td>Market Value 9/30/17 ($)</td>
<td>% of Sector</td>
<td>% of Portfolio</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------------------------</td>
<td>--------------------------</td>
<td>-------------</td>
<td>---------------</td>
</tr>
<tr>
<td><strong>Total Fund Aggregate</strong></td>
<td>7,485,023,391</td>
<td>7,749,076,984</td>
<td>--</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Domestic Equity</strong></td>
<td>1,667,691,836</td>
<td>1,723,893,003</td>
<td>22.2</td>
<td>22.2</td>
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<tr>
<td>Northern Trust Russell 3000 Index</td>
<td>1,361,805,917</td>
<td>1,424,007,846</td>
<td>82.6</td>
<td>18.4</td>
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<tr>
<td>Sands Large Cap Growth Equity</td>
<td>146,734,917</td>
<td>132,240,924</td>
<td>7.7</td>
<td>1.7</td>
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<tr>
<td>Channing Small Cap Value Equity</td>
<td>159,151,002</td>
<td>167,644,233</td>
<td>9.7</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>International Developed Market Equity</strong></td>
<td>1,424,890,899</td>
<td>1,484,662,224</td>
<td>19.2</td>
<td>19.2</td>
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<tr>
<td>SSGa MSCI World (ex U.S.) Index</td>
<td>1,126,745,025</td>
<td>1,170,478,037</td>
<td>78.8</td>
<td>15.1</td>
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<tr>
<td>Copper Rock International Small Cap</td>
<td>142,928,350</td>
<td>153,678,133</td>
<td>10.4</td>
<td>2.0</td>
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<td>Altrinsic International Equity</td>
<td>155,217,524</td>
<td>160,506,054</td>
<td>10.8</td>
<td>2.1</td>
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<td><strong>International Emerging Market Equity</strong></td>
<td>890,710,555</td>
<td>898,788,105</td>
<td>11.6</td>
<td>11.6</td>
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<td>SSGa MSCI Emerging Markets Index</td>
<td>726,799,893</td>
<td>725,094,670</td>
<td>80.7</td>
<td>9.4</td>
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<tr>
<td>LSV Emerging Markets Value Equity</td>
<td>163,910,662</td>
<td>173,693,435</td>
<td>19.3</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>Fixed Income</strong></td>
<td>2,285,540,573</td>
<td>2,355,976,456</td>
<td>30.4</td>
<td>30.4</td>
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<tr>
<td>BlackRock US Debt Index</td>
<td>775,508,675</td>
<td>782,209,750</td>
<td>33.2</td>
<td>10.1</td>
</tr>
<tr>
<td>BlackRock U.S. TIPS</td>
<td>505,504,084</td>
<td>539,795,370</td>
<td>22.9</td>
<td>7.0</td>
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<tr>
<td>DDJ High Yield Bond</td>
<td>294,029,221</td>
<td>305,634,090</td>
<td>13.0</td>
<td>3.9</td>
</tr>
<tr>
<td>Stone Harbor Emerging Markets Local Currency Debt</td>
<td>310,591,393</td>
<td>322,430,246</td>
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<td>4.2</td>
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<td>Mondrian International Fixed Income</td>
<td>172,153,658</td>
<td>176,567,983</td>
<td>7.5</td>
<td>2.3</td>
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<tr>
<td>Beach Point Loan Fund</td>
<td>227,753,542</td>
<td>229,339,017</td>
<td>9.7</td>
<td>3.0</td>
</tr>
<tr>
<td>Category</td>
<td>Market Value 6/30/17 ($)</td>
<td>Market Value 9/30/17 ($)</td>
<td>% of Sector</td>
<td>% of Portfolio</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>--------------------------</td>
<td>--------------------------</td>
<td>-------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Absolute Return</td>
<td>291,365,863</td>
<td>292,585,437</td>
<td>3.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Bridgewater Pure Alpha</td>
<td>291,365,863</td>
<td>292,585,437</td>
<td>100.0</td>
<td>3.8</td>
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<tr>
<td>Private Equity</td>
<td>309,082,205</td>
<td>308,138,408</td>
<td>4.0</td>
<td>4.0</td>
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<tr>
<td>Real Assets</td>
<td>593,550,383</td>
<td>624,328,150</td>
<td>8.1</td>
<td>8.1</td>
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<tr>
<td>Real Estate</td>
<td>410,042,911</td>
<td>430,308,477</td>
<td>68.9</td>
<td>5.6</td>
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<tr>
<td>Northern Trust Global Real Estate Index Fund</td>
<td>276,667,680</td>
<td>285,652,469</td>
<td>66.4</td>
<td>3.7</td>
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<tr>
<td>Private Real Estate</td>
<td>133,375,231</td>
<td>144,656,008</td>
<td>33.6</td>
<td>1.9</td>
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<tr>
<td>Infrastructure</td>
<td>111,051,952</td>
<td>116,384,571</td>
<td>18.6</td>
<td>1.5</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>72,455,520</td>
<td>77,635,102</td>
<td>12.4</td>
<td>1.0</td>
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<tr>
<td>Cash</td>
<td>22,191,077</td>
<td>60,705,201</td>
<td>0.8</td>
<td>0.8</td>
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<tr>
<td>Northern Trust STIF</td>
<td>22,191,077</td>
<td>60,705,201</td>
<td>100.0</td>
<td>0.8</td>
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</table>
### District of Columbia Retirement Board

#### Total Fund Aggregate

As of September 30, 2017

#### Asset Class Performance Summary

<table>
<thead>
<tr>
<th></th>
<th>Market Value ($)</th>
<th>% of Portfolio</th>
<th>QTD (%)</th>
<th>Fiscal YTD (%)</th>
<th>1 Yr (%)</th>
<th>3 Yrs (%)</th>
<th>5 Yrs (%)</th>
<th>10 Yrs (%)</th>
<th>20 Yrs (%)</th>
<th>Return (%)</th>
<th>Since</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Fund Aggregate (Gross of Fees)</strong></td>
<td>7,749,076,984</td>
<td>100.0</td>
<td>4.0</td>
<td>13.0</td>
<td>13.0</td>
<td>5.9</td>
<td>7.5</td>
<td>4.2</td>
<td>6.0</td>
<td>8.8</td>
<td>Oct-82</td>
</tr>
<tr>
<td><strong>Total Fund Aggregate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interim Policy Benchmark</td>
<td>3.9</td>
<td>12.7</td>
<td>12.7</td>
<td>6.3</td>
<td>4.3</td>
<td>3.4</td>
<td>4.3</td>
<td>3.6</td>
<td>4.0</td>
<td>5.9</td>
<td>Oct-82</td>
</tr>
<tr>
<td>Long-Term Policy Benchmark</td>
<td>3.8</td>
<td>12.6</td>
<td>12.6</td>
<td>6.3</td>
<td>4.3</td>
<td>3.4</td>
<td>4.3</td>
<td>3.6</td>
<td>4.0</td>
<td>5.9</td>
<td>Oct-82</td>
</tr>
<tr>
<td>60% MSCI ACWI / 40% Barclays Global Aggregate</td>
<td>3.8</td>
<td>10.3</td>
<td>10.3</td>
<td>6.3</td>
<td>4.3</td>
<td>3.4</td>
<td>4.3</td>
<td>3.6</td>
<td>4.0</td>
<td>5.9</td>
<td>Oct-82</td>
</tr>
<tr>
<td><strong>Domestic Equity</strong></td>
<td>1,723,893,003</td>
<td>22.2</td>
<td>4.8</td>
<td>19.0</td>
<td>19.0</td>
<td>10.5</td>
<td>14.2</td>
<td>7.3</td>
<td>7.2</td>
<td>10.7</td>
<td>Oct-82</td>
</tr>
<tr>
<td>Russell 3000</td>
<td>4.6</td>
<td>18.7</td>
<td>18.7</td>
<td>10.7</td>
<td>14.2</td>
<td>7.6</td>
<td>7.6</td>
<td>11.7</td>
<td>7.2</td>
<td>11.7</td>
<td>Oct-82</td>
</tr>
<tr>
<td><strong>International Developed Market Equity</strong></td>
<td>1,484,662,224</td>
<td>19.2</td>
<td>5.6</td>
<td>18.6</td>
<td>18.6</td>
<td>6.6</td>
<td>8.6</td>
<td>2.2</td>
<td>5.0</td>
<td>6.0</td>
<td>Apr-87</td>
</tr>
<tr>
<td>International Developed Equity Custom Benchmark</td>
<td>5.6</td>
<td>18.7</td>
<td>18.7</td>
<td>10.7</td>
<td>14.2</td>
<td>7.6</td>
<td>7.6</td>
<td>11.7</td>
<td>7.2</td>
<td>11.7</td>
<td>Oct-82</td>
</tr>
<tr>
<td><strong>International Emerging Market Equity</strong></td>
<td>898,788,105</td>
<td>11.6</td>
<td>7.7</td>
<td>22.4</td>
<td>22.4</td>
<td>22.4</td>
<td>22.4</td>
<td>22.4</td>
<td>22.4</td>
<td>3.1</td>
<td>Sep-11</td>
</tr>
<tr>
<td>MSCI Emerging Markets</td>
<td>7.9</td>
<td>22.5</td>
<td>22.5</td>
<td>14.9</td>
<td>14.9</td>
<td>14.9</td>
<td>14.9</td>
<td>14.9</td>
<td>14.9</td>
<td>3.2</td>
<td>Sep-11</td>
</tr>
<tr>
<td><strong>Fixed Income</strong></td>
<td>2,355,976,456</td>
<td>30.4</td>
<td>1.5</td>
<td>2.8</td>
<td>2.8</td>
<td>2.8</td>
<td>2.8</td>
<td>2.8</td>
<td>2.8</td>
<td>4.0</td>
<td>Dec-82</td>
</tr>
<tr>
<td>DCRB Fixed Income Custom Benchmark</td>
<td>1.3</td>
<td>2.1</td>
<td>1.9</td>
<td>4.3</td>
<td>4.3</td>
<td>4.3</td>
<td>4.3</td>
<td>4.3</td>
<td>4.3</td>
<td>7.3</td>
<td>Dec-82</td>
</tr>
<tr>
<td><strong>Absolute Return</strong></td>
<td>292,585,437</td>
<td>3.8</td>
<td>3.7</td>
<td>13.1</td>
<td>13.1</td>
<td>3.3</td>
<td>3.3</td>
<td>7.1</td>
<td>--</td>
<td>6.6</td>
<td>Jul-06</td>
</tr>
<tr>
<td>HFRI Macro (Total) Index</td>
<td>0.6</td>
<td>-0.8</td>
<td>-0.8</td>
<td>0.6</td>
<td>0.6</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.8</td>
<td>Jul-06</td>
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<tr>
<td>Spliced Hedge Fund Benchmark</td>
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<td>6.2</td>
<td>6.2</td>
<td>5.7</td>
<td>4.5</td>
<td>2.8</td>
<td>2.8</td>
<td>3.3</td>
<td>3.3</td>
<td>3.1</td>
<td>Jul-06</td>
</tr>
<tr>
<td><strong>Private Equity</strong></td>
<td>308,138,408</td>
<td>4.0</td>
<td>5.5</td>
<td>15.3</td>
<td>15.3</td>
<td>6.2</td>
<td>10.7</td>
<td>7.1</td>
<td>6.6</td>
<td>8.1</td>
<td>Jan-87</td>
</tr>
<tr>
<td>Cambridge Spliced US/Global PE &amp; VC Index</td>
<td>4.5</td>
<td>15.8</td>
<td>15.8</td>
<td>9.2</td>
<td>12.8</td>
<td>8.3</td>
<td>8.3</td>
<td>13.1</td>
<td>13.1</td>
<td>14.1</td>
<td>Jan-87</td>
</tr>
<tr>
<td>Russell/MSCI+3% Index (1 Quarter Lagged)</td>
<td>5.0</td>
<td>22.3</td>
<td>22.3</td>
<td>8.0</td>
<td>13.8</td>
<td>6.6</td>
<td>6.6</td>
<td>8.7</td>
<td>8.7</td>
<td>12.3</td>
<td>Jan-87</td>
</tr>
</tbody>
</table>

Note: Market values and performance for the Private Equity and Real Assets portfolios and benchmarks are reported one quarter lagged, adjusted for current quarter cash flows. The REIT portfolio is reported in real time.
### Real Assets
- **Market Value ($):** 624,328,150
- **% of Portfolio:** 8.1
- **QTD (%)**
  - 2.8
- **Fiscal YTD (%)**
  - 9.8
- **1 Yr (%)**
  - 9.7
- **3 Yrs (%)**
  - 9.2
- **5 Yrs (%)**
  - 2.7
- **10 Yrs (%)**
  - 4.2
- **Return (%) Since:** 4.4 Mar-96

  **Interim Real Assets Benchmark**
  - 2.9
  - 10.4
  - 10.4
  - 6.1
  - 7.9
  - --
  - --
  - -- Mar-96

  **CPI + 5.5%**
  - 1.7
  - 7.3
  - 7.3
  - 6.9
  - 7.1
  - 7.2
  - 7.5
  - 7.5 Mar-96

### Real Estate
- **Market Value ($):** 430,308,477
- **% of Portfolio:** 5.6
- **QTD (%)**
  - 2.9
- **Fiscal YTD (%)**
  - 6.6
- **1 Yr (%)**
  - 8.9
- **3 Yrs (%)**
  - 8.6
- **5 Yrs (%)**
  - 1.4
- **10 Yrs (%)**
  - 3.7
- **Return (%) Since:** 2.4 Apr-88

  **Interim Real Estate Benchmark**
  - 3.7
  - 8.9
  - 8.9
  - 9.8
  - 10.7
  - 1.6
  - --
  - -- Apr-88

  **Long Term Real Estate Benchmark**
  - 4.1
  - 12.8
  - 12.8
  - 11.3
  - 11.5
  - 3.2
  - 9.6
  - 9.6 Apr-88

  **Private Real Estate**
  - 144,666,008
  - 1.9
  - 2.2
  - 8.6
  - 8.6
  - 10.7
  - 10.4
  - 3.0
  - 4.0
  - 2.6 Apr-88

  **Cambridge Real Estate (1 Quarter Lagged)**
  - 4.2
  - 14.8
  - 14.8
  - 12.1
  - 12.7
  - 2.3
  - 9.8
  - 9.8 Apr-88

### Infrastructure
- **Market Value ($):** 116,384,571
- **% of Portfolio:** 1.5
- **QTD (%)**
  - 4.3
- **Fiscal YTD (%)**
  - 5.2
- **1 Yr (%)**
  - 10.2
- **3 Yrs (%)**
  - 9.3
- **5 Yrs (%)**
  - --
- **10 Yrs (%)**
  - --
- **Return (%) Since:** 8.3 Jun-08

  **Cambridge Infrastructure (1 Quarter Lagged)**
  - 3.0
  - 11.2
  - 11.2
  - 8.8
  - 9.3
  - 6.1
  - 4.6
  - 4.6 Jun-08

### Natural Resources
- **Market Value ($):** 77,635,102
- **% of Portfolio:** 1.0
- **QTD (%)**
  - -0.2
- **Fiscal YTD (%)**
  - 35.3
- **1 Yr (%)**
  - 35.3
- **3 Yrs (%)**
  - 12.9
- **5 Yrs (%)**
  - 12.9
- **10 Yrs (%)**
  - --
- **20 Yrs (%)**
  - --
- **Return (%) Since:** 12.9 Oct-12

  **CA Energy Upstream, Royalties, and PE (1 Quarter Lagged)**
  - -0.4
  - 14.4
  - 14.4
  - -13.5
  - -6.3
  - 0.9
  - 9.1
  - 9.1 Oct-12

### Cash
- **Market Value ($):** 60,705,201
- **% of Portfolio:** 0.8
- **QTD (%)**
  - 0.3
- **Fiscal YTD (%)**
  - 1.0
- **1 Yr (%)**
  - 1.0
- **3 Yrs (%)**
  - 0.5
- **5 Yrs (%)**
  - 0.3
- **10 Yrs (%)**
  - 0.7
- **20 Yrs (%)**
  - 2.4
- **Return (%) Since:** 3.9 Jul-89

  **91 Day T-Bills**
  - 0.3
  - 0.7
  - 0.7
  - 0.3
  - 0.2
  - 0.4
  - 2.0
  - 2.9 Jul-89

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*Note: Market values and performance for the Private Equity and Real Assets portfolios and benchmarks are reported one quarter lagged, adjusted for current quarter cash flows. The REIT portfolio is reported in real time.*