

FUND EVALUATION REPORT

District of Columbia Retirement Board

Quarterly Summary
June 30, 2014



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District of Columbia Retirement Board

Aggregate Assets Asset Summary as of 6/30/14

Fund	Market Value 3/31/14 (\$ mm)	Market Value 6/30/14 (\$ mm)	% of Retirement Fund	Target Allocation (%)	Target Range (%)
Fund	6,238.7	6,467.1	100	NA	NA
Public Equities	3,369.4	3,533.2	55	48	38-58
Domestic Equity Assets	1,439.5	1,507.6	23	21	17-25
International Developed Market Equity Assets	1,277.3 ¹	1,326.7 ¹	21	18	14-22
International Emerging Market Equity Assets	652.6 ¹	698.9 ¹	11	9	7-11
Fixed Income	1,837.5	1,885.1	29	27	22-32
Investment Grade Bond Assets	756.0 ¹	782.7 ¹	12	12	7-17
TIPS Assets	291.8 ¹	310.4 ¹	5	4	3-5
High Yield Assets	286.1 ¹	250.2 ¹	4	3	2-4
Emerging Market Debt Assets	237.9 ¹	239.0 ¹	4	3	2-4
Bank Loan Assets	114.3 ¹	125.4 ¹	2	3	2-4
Foreign Developed Bond Assets	151.3 ¹	177.3 ¹	3	2	1-3
Alternatives	992.0	1,005.6	16	25	25
Absolute Return Assets	275.4	285.2 ²	4	10	8-12
Private Equity Assets	374.8	372.1 ²	6	8	5-11
Real Assets	341.7	348.4 ²	5	7	5-9
<i>Real Estate Assets</i>	244.2	249.7 ²	4	4	NA
<i>Infrastructure/Opportunistic Assets</i>	84.6	86.2 ²	1	2	NA
<i>Private Energy Assets</i>	12.8	13.1 ²	< 1	1	NA
Cash	39.8	43.2	< 1	0	0

¹ Figures represent underlying market exposures.

² Based on March 31, 2013 reported values, adjusted for subsequent cash flows.



District of Columbia Retirement Board

Aggregate Assets Performance as of 6/30/14

Fund	2Q14	YTD	Fiscal ¹	1 YR	3 YR	5 YR	10 YR	Inception	Since
	(%)	(%)	YTD	(%)	(%)	(%)	(%)	Date	Inception
	4.0	5.9	10.2	16.2	8.6	12.1	6.6	1/1/87	8.6
Net of Fees	4.0	5.9	10.1	16.0	8.5	11.9	6.3		8.4
<i>Policy Benchmark²</i>	3.7	5.8	9.9	15.1	8.0	11.8	7.3		9.0
<i>Actual Allocation Benchmark³</i>	3.9	6.0	10.3	16.3	8.5	12.0	7.5		NA
<i>Asset Allocation Excess Return⁴</i>	0.2	0.2	0.4	1.2	0.5	0.2	0.2		NA
<i>60% Russell 3000 / 40% Barclays Aggregate</i>	3.7	5.8	12.1	16.6	11.4	13.6	7.2		9.3
Domestic Equity (net-of-fees)	4.5	6.5	17.2	25.9	16.3	19.5	7.8	1/1/87	10.4
<i>Russell 3000</i>	4.9	6.9	17.7	25.2	16.5	19.3	8.2		10.4
International Developed Market Equity (net-of-fees)	3.9	5.1	11.3	23.7	7.5	12.8	7.8	4/1/87	6.5
<i>MSCI World (ex. US)⁵</i>	4.6	5.4	11.3	23.8	7.6	12.3	7.9		6.0
International Emerging Markets Equity (net-of-fees)	7.1	6.4	8.7	15.1	NA	NA	NA	9/1/11	3.2
<i>MSCI Emerging Markets</i>	6.6	6.1	8.1	14.3	-0.4	9.2	11.9		3.1
Fixed Income (net-of-fees) ⁶	2.6	4.8	4.5	5.5	4.4	6.6	5.2	12/1/82	8.0
<i>Barclays Universal</i>	2.2	4.2	4.4	5.2	4.2	5.6	5.3		NA
<i>Custom Benchmark⁷</i>	2.6	4.7	4.7	5.8	4.2	5.6	5.1		7.9

¹ Fiscal Year begins October 1.

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 Associates 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 Represents the difference between the Actual Allocation Benchmark and Policy Benchmark.

⁵ 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.

⁶ Prior to August 2011, Fixed Income performance included the performance of infrastructure assets.

⁷ 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.



District of Columbia Retirement Board

Aggregate Assets Performance as of 6/30/14

	2Q14 (%)	YTD (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Net of Fees (continued)	4.0	5.9	10.1	16.0	8.5	11.9	6.3		8.4
Absolute Return (net-of-fees)	3.5	5.2	6.1	10.0	6.3	11.8	NA	7/1/06	8.4
3 Month Libor + 5%	1.3	2.6	3.9	5.3	5.4	5.4	7.2		6.8
HFRI Macro Index	1.5	1.1	2.9	1.6	-0.5	1.4	4.3		3.5
Private Equity (net-of-fees) ²	4.2	10.4	17.0	19.4	12.5	13.3	9.7	1/1/87	8.1
Russell 3000 + 3% (1-quarter lagged)	–	–	–	–	–	–	10.4		13.4
Cambridge Associates Private Equity Index	3.1	10.2	15.8	19.3	14.3	17.4	15.0		14.0
Real Assets (net-of-fees)	3.9	7.0	8.3	7.1	NA	NA	NA	7/1/12	9.2
CPI (inflation) + 7%	2.6	5.8	7.1	9.2	8.9	9.1	9.5		9.0
Cash (net-of-fees)	0.0	0.0	0.0	0.1	0.2	0.2	1.9	7/1/89	4.3
90-Day T-Bills	0.0	0.0	0.0	0.0	0.1	0.1	1.5		3.3

¹ Fiscal Year begins October 1.

² Portfolio and index performance reported one quarter lagged.

