

FUND EVALUATION REPORT

District of Columbia Retirement Board

Quarterly Summary

March 31, 2019



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

BOSTON
MASSACHUSETTS

CHICAGO
ILLINOIS

MIAMI
FLORIDA

NEW YORK
NEW YORK

PORTLAND
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As of March 31, 2019

Allocation vs. Targets and Policy

| | Current Balance | Current Allocation | Policy | Policy Range |
|-------------------------|------------------------|--------------------|-------------|--------------|
| US Equity | \$1,794,555,626 | 22% | 20% | 15% - 25% |
| Developed Market Equity | \$1,480,774,792 | 18% | 16% | 12% - 20% |
| Emerging Market Equity | \$946,632,108 | 11% | 10% | 7% - 13% |
| Investment Grade Bonds | \$907,632,769 | 11% | 11% | 7% - 15% |
| TIPS | \$602,852,210 | 7% | 6% | 4% - 8% |
| Foreign Bonds | \$151,222,951 | 2% | 2% | 1% - 3% |
| Emerging Market Bonds | \$349,454,458 | 4% | 4% | 2% - 6% |
| High Yield Bonds | \$303,670,877 | 4% | 4% | 2% - 6% |
| Bank Loans | \$312,520,740 | 4% | 3% | 2% - 5% |
| Private Equity | \$398,549,403 | 5% | 9% | 5% - 13% |
| Real Estate | \$445,661,930 | 5% | 6% | 5% - 7% |
| Natural Resources | \$120,476,363 | 1% | 2% | 1% - 3% |
| Infrastructure | \$141,912,270 | 2% | 3% | 2% - 4% |
| Absolute Return | \$321,813,013 | 4% | 4% | 1% - 7% |
| Cash | \$51,012,309 | 1% | 0% | 0% - 2% |
| Total | \$8,328,741,819 | 100% | 100% | |

Total Fund Aggregate

As of March 31, 2019

Market Value Summary

| | Market Value 12/31/18 (\$) | Market Value 3/31/19 (\$) | % of Sector | % of Portfolio |
|---|-------------------------------|------------------------------|-------------|----------------|
| Total Fund Aggregate | 7,792,076,813 | 8,328,741,819 | -- | 100.0 |
| Domestic Equity | 1,599,778,670 | 1,794,555,626 | 21.5 | 21.5 |
| Northern Trust Russell 3000 Index | 1,338,387,960 | 1,485,948,689 | 82.8 | 17.8 |
| Sands Large Cap Growth Equity | 102,454,279 | 125,292,173 | 7.0 | 1.5 |
| Channing Small Cap Value Equity | 158,936,431 | 183,314,764 | 10.2 | 2.2 |
| International Developed Market Equity | 1,332,499,604 | 1,480,774,792 | 17.8 | 17.8 |
| SSgA MSCI World (ex U.S.) Index | 1,158,287,639 | 1,291,353,382 | 87.2 | 15.5 |
| Altrinsic International Equity | 174,211,965 | 189,421,410 | 12.8 | 2.3 |
| International Emerging Market Equity | 883,530,563 | 946,632,108 | 11.4 | 11.4 |
| SSgA MSCI Emerging Markets Index | 681,645,250 | 728,636,239 | 77.0 | 8.7 |
| LSV Emerging Markets Value Equity | 201,885,313 | 217,995,869 | 23.0 | 2.6 |
| Fixed Income | 2,545,003,569 | 2,627,354,005 | 31.5 | 31.5 |
| BlackRock US Debt Index | 881,413,377 | 907,632,769 | 34.5 | 10.9 |
| BlackRock U.S. TIPS | 569,341,760 | 602,852,210 | 22.9 | 7.2 |
| DDJ High Yield Bond | 291,515,504 | 303,670,877 | 11.6 | 3.6 |
| Stone Harbor Emerging Markets Local Currency Debt | 338,597,931 | 349,454,458 | 13.3 | 4.2 |
| Mondrian International Fixed Income | 177,668,129 | 151,222,951 | 5.8 | 1.8 |
| Beach Point Loan Fund | 286,466,868 | 312,520,740 | 11.9 | 3.8 |

Total Fund Aggregate

As of March 31, 2019

| | Market Value 12/31/18 (\$) | Market Value 3/31/19 (\$) | % of Sector | % of Portfolio |
|--|-------------------------------|------------------------------|-------------|----------------|
| Absolute Return | 327,974,499 | 321,813,013 | 3.9 | 3.9 |
| Bridgewater Pure Alpha | 327,974,499 | 321,813,013 | 100.0 | 3.9 |
| Private Equity | 382,821,089 | 398,549,403 | 4.8 | 4.8 |
| Real Assets | 684,458,194 | 708,050,563 | 8.5 | 8.5 |
| Real Estate | 408,730,307 | 445,661,930 | 62.9 | 5.4 |
| Public Real Estate | 232,287,677 | 266,796,397 | 59.9 | 3.2 |
| Northern Trust Global Real Estate Index Fund | 232,287,677 | 266,796,397 | 100.0 | 3.2 |
| Private Real Estate | 176,442,630 | 178,865,533 | 40.1 | 2.1 |
| Infrastructure | 151,168,429 | 141,912,270 | 20.0 | 1.7 |
| Natural Resources | 124,559,458 | 120,476,363 | 17.0 | 1.4 |
| Cash | 36,010,625 | 51,012,309 | 0.6 | 0.6 |
| Northern Trust STIF | 36,010,625 | 51,012,309 | 100.0 | 0.6 |

As of March 31, 2019

Asset Class Performance Summary

| | Market Value (\$) | % of Portfolio | QTD (%) | Fiscal YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | 20 Yrs (%) | Inception (%) | Inception Date |
|--|----------------------|-------------------|-------------|----------------------|-------------|--------------|--------------|---------------|---------------|------------------|-------------------|
| Total Fund Aggregate (Gross of Fees) | 8,328,741,819 | 100.0 | 7.3 | 0.6 | 2.0 | 8.2 | 5.2 | 9.1 | 5.5 | 8.6 | Oct-82 |
| Total Fund Aggregate | | | 7.3 | 0.6 | 1.9 | 8.1 | 5.1 | 9.0 | 5.3 | -- | |
| <i>Interim Policy Benchmark</i> | | | 7.6 | 0.7 | 2.5 | 8.4 | 5.3 | 9.4 | 5.7 | 9.6 | Oct-82 |
| <i>Long-Term Policy Benchmark</i> | | | 8.1 | 0.8 | 3.0 | 8.4 | 5.6 | 9.7 | 5.4 | 9.5 | Oct-82 |
| <i>60% ACWI / 40% Barclays Global Aggregate</i> | | | 8.1 | 0.3 | 1.6 | 7.0 | 4.4 | 8.5 | 4.9 | -- | Oct-82 |
| Domestic Equity | 1,794,555,626 | 21.5 | 14.7 | -2.9 | 8.2 | 13.6 | 10.1 | 16.0 | 6.8 | 10.6 | Oct-82 |
| <i>Russell 3000</i> | | | 14.0 | -2.3 | 8.8 | 13.5 | 10.4 | 16.0 | 6.5 | 11.6 | Oct-82 |
| International Developed Market Equity | 1,480,774,792 | 17.8 | 10.3 | -3.4 | -2.7 | 7.8 | 2.9 | 10.0 | 4.7 | 5.7 | Apr-87 |
| <i>International Developed Equity Custom Benchmark</i> | | | 10.4 | -3.7 | -3.1 | 7.3 | 2.2 | 9.3 | 4.3 | 5.3 | Apr-87 |
| International Emerging Market Equity | 946,632,108 | 11.4 | 9.4 | 1.5 | -7.7 | 10.4 | 3.3 | -- | -- | 2.5 | Sep-11 |
| <i>MSCI Emerging Markets</i> | | | 9.9 | 1.7 | -7.4 | 10.7 | 3.7 | 8.9 | 8.4 | 2.7 | Sep-11 |
| Fixed Income | 2,627,354,005 | 31.5 | 3.2 | 3.2 | 1.2 | 3.3 | 2.2 | 4.7 | 4.9 | 7.2 | Dec-82 |
| <i>DCRB Fixed Income Custom Benchmark</i> | | | 3.7 | 3.7 | 2.5 | 3.3 | 2.5 | 4.1 | 4.7 | 7.1 | Dec-82 |
| Absolute Return | 321,813,013 | 3.9 | -1.9 | 5.2 | 3.9 | 5.3 | 3.2 | 6.5 | -- | 6.2 | Jul-06 |
| <i>HFRI Macro (Total) Index</i> | | | 2.6 | 0.2 | 0.0 | 0.0 | 1.2 | 1.4 | 5.0 | 2.6 | Jul-06 |
| <i>Spliced Hedge Fund Benchmark</i> | | | 1.9 | 3.9 | 7.7 | 6.6 | 6.1 | 3.4 | 3.4 | 3.5 | Jul-06 |
| Private Equity | 398,549,403 | 4.8 | -0.5 | 0.3 | 6.6 | 10.3 | 8.1 | 9.6 | 5.9 | 8.1 | Jan-87 |
| <i>Cambridge Spliced US/Global PE & VC Index</i> | | | -1.0 | 3.0 | 11.7 | 13.4 | 11.6 | 13.2 | 12.4 | 14.1 | Jan-87 |
| <i>Russell/MSCI+3% Index (1 Quarter Lagged)</i> | | | -12.1 | -7.6 | -6.7 | 9.8 | 7.4 | 12.7 | 7.0 | 11.9 | Jan-87 |

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.



As of March 31, 2019

| | Market Value (\$) | % of Portfolio | QTD (%) | Fiscal YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | 20 Yrs (%) | Inception (%) | Inception Date |
|--|----------------------|-------------------|-------------|----------------------|-------------|--------------|--------------|---------------|---------------|------------------|-------------------|
| Real Assets | 708,050,563 | 8.5 | 5.2 | 4.4 | 6.8 | 8.5 | 8.6 | 6.5 | 4.3 | 4.6 | Mar-96 |
| Interim Real Assets Benchmark | | | 4.3 | 3.4 | 7.1 | 9.6 | 7.1 | -- | -- | -- | Mar-96 |
| CPI + 5.5% (1Q Lagged) | | | 0.9 | 2.4 | 7.5 | 7.6 | 7.1 | 7.4 | 7.8 | 7.8 | Mar-96 |
| Real Estate | 445,661,930 | 5.4 | 9.5 | 6.0 | 8.7 | 7.7 | 8.3 | 5.7 | 3.8 | 2.6 | Apr-88 |
| Interim Real Estate Benchmark | | | 8.9 | 5.9 | 9.3 | 8.7 | 9.1 | 7.3 | -- | -- | Apr-88 |
| Long Term Real Estate Benchmark | | | 3.6 | 2.7 | 6.6 | 10.1 | 10.3 | 9.3 | 9.5 | 8.0 | Apr-88 |
| Public Real Estate | 266,796,397 | 3.2 | 14.9 | 9.2 | 12.2 | 7.5 | 7.3 | 16.1 | -- | 6.4 | Apr-05 |
| Public Real Estate Benchmark | | | 14.7 | 9.0 | 11.4 | 6.6 | 6.6 | 16.5 | -- | 7.2 | Apr-05 |
| Private Real Estate | 178,865,533 | 2.1 | 2.3 | 1.8 | 4.0 | 8.4 | 9.5 | 5.6 | 4.2 | 2.8 | Apr-88 |
| Cambridge Real Estate (1 Quarter Lagged) | | | 0.9 | 2.4 | 7.0 | 10.5 | 10.8 | 7.2 | 9.0 | 8.3 | Apr-88 |
| Infrastructure | 141,912,270 | 1.7 | 2.4 | 4.2 | 5.0 | 6.3 | 8.6 | 8.8 | -- | 7.7 | Jun-08 |
| Cambridge Infrastructure (1 Quarter Lagged) | | | 1.2 | 4.5 | 9.5 | 13.2 | 10.4 | 8.6 | 6.9 | 6.6 | Jun-08 |
| Natural Resources | 120,476,363 | 1.4 | -5.4 | -0.8 | 3.1 | 16.1 | 8.4 | -- | -- | 10.6 | Oct-12 |
| CA Energy Upstream, Royalties, and PE (1 Quarter Lagged) | | | -7.3 | -5.3 | -0.3 | 7.5 | -6.8 | 1.3 | 9.4 | -4.1 | Oct-12 |
| Cash | 51,012,309 | 0.6 | 0.6 | 1.2 | 2.2 | 1.4 | 0.9 | 0.6 | 2.1 | 3.8 | Jul-89 |
| 91 Day T-Bills | | | 0.6 | 1.2 | 2.1 | 1.2 | 0.8 | 0.4 | 1.7 | 2.8 | Jul-89 |

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.