

District of Columbia Retirement Board

Quarterly Summary

March 31, 2024

Fund Evaluation Report

Allocation vs. Targets and Policy				
	Current Balance	Current Allocation (%)	Policy (%)	Policy Range (%)
US Equity	\$2,273,531,878	20	20	15 - 25
Developed Market Equity	\$1,805,886,199	16	16	12 - 20
Emerging Market Equity	\$1,125,214,311	10	10	7 - 13
Investment Grade Bonds	\$783,645,490	7	7	3 - 11
Long-Term Government Bonds	\$361,064,535	3	3	0 - 10
TIPS	\$645,711,458	6	5	0 - 10
Foreign Bonds	\$212,240,751	2	2	0 - 4
Emerging Market Bonds	\$474,013,503	4	4	0 - 8
High Yield Bonds	\$233,850,125	2	2	0 - 4
Bank Loans	\$247,690,224	2	2	0 - 4
Private Equity	\$1,268,076,296	11	9	4 - 14
Private Debt	\$346,724,905	3	3	0 - 8
Real Estate	\$901,145,159	8	8	6 - 10
Natural Resources	\$231,876,416	2	2	1 - 3
Infrastructure	\$487,560,015	4	6	4 - 8
Cash	\$143,602,075	1	1	0 - 5
Total	\$11,541,833,341	100	100	

Current Allocation represents the manager's market values, not their underlying exposures.

Asset Allocation | As of March 31, 2024

	<i>Total Fund</i>	
	\$	%
Total Fund Aggregate	11,541,833,341	100.0
Domestic Equity	2,273,531,878	19.7
Northern Trust S&P 500 Index	1,620,364,425	14.0
Channing Small Cap Value Equity	346,332,530	3.0
Earnest Partners SMID Cap Core	306,834,924	2.7
International Developed Market Equity	1,805,886,199	15.6
SSgA MSCI World (ex U.S.) Index	1,520,588,049	13.2
Altrinsic International Equity	285,298,150	2.5
International Emerging Market Equity	1,125,214,311	9.7
SSgA MSCI Emerging Markets Index	701,623,471	6.1
LSV Emerging Markets Value Equity	423,590,840	3.7
Fixed Income	2,958,216,086	25.6
BlackRock US Debt Index	374,617,079	3.2
BlackRock IT Government Bond Index- NL	409,028,411	3.5
Blackrock LT Govt Bond Index	361,064,535	3.1
BlackRock U.S. TIPS	645,711,458	5.6
Polen Capital Credit US Opportunistic High Yield	233,850,125	2.0
Wellington Blended Opportunistic Emerging Markets Debt	474,013,503	4.1
Mondrian International Fixed Income	212,240,751	1.8
Beach Point Loan Fund	247,690,224	2.1

Asset Allocation | As of March 31, 2024

	<i>Total Fund</i>	
	\$	%
Private Equity	1,268,076,296	11.0
Private Debt	346,724,905	3.0
Real Assets	1,620,581,590	14.0
Real Estate	901,145,159	7.8
Public Real Estate	267,152,227	2.3
Northern Trust Global Real Estate Index Fund	267,152,227	2.3
Private Real Estate	633,992,932	5.5
Infrastructure	487,560,015	4.2
Natural Resources	231,876,416	2.0
Cash	143,602,075	1.2
Northern Trust STIF	143,602,075	1.2

Asset Class Performance Summary										
	Market Value \$	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	20 Yrs (%)	Inception (%)	Inception Date
Total Fund Aggregate (Gross of Fees)	11,541,833,341	100.0	2.8	10.8	4.6	7.2	6.2	6.2	8.5	Oct-82
Total Fund Aggregate			2.7	10.7	4.5	7.2	6.1	6.0	6.6	Jul-96
<i>Interim Policy Benchmark</i>			3.2	10.6	3.4	6.9	6.1	6.5	6.9	
<i>Long-Term Policy Benchmark</i>			6.0	13.9	3.1	6.7	6.2	6.3	6.7	
<i>60% MSCI ACWI / 40% Barclays Global Aggregate</i>			4.0	13.7	2.3	6.2	5.3	5.8	5.9	
Domestic Equity	2,273,531,878	19.7	9.5	26.9	8.1	13.8	11.9	9.7	11.0	Oct-82
<i>Russell 3000 Index</i>			10.0	29.3	9.8	14.3	12.3	10.1	11.9	
International Developed Market Equity	1,805,886,199	15.6	5.5	15.4	5.3	8.0	5.4	6.3	6.0	Apr-87
<i>International Developed Equity Custom Benchmark</i>			5.6	15.3	4.9	7.5	4.8	6.1	5.6	
International Emerging Market Equity	1,125,214,311	9.7	2.8	13.0	-2.1	3.7	3.5	--	3.0	Sep-11
<i>MSCI Emerging Markets (Net)</i>			2.4	8.2	-5.1	2.2	2.9	6.5	2.5	
Fixed Income	2,958,216,086	25.6	-0.3	3.6	-0.8	1.4	1.8	3.2	6.4	Dec-82
<i>DCRB Fixed Income Custom Benchmark</i>			-0.5	3.8	-1.1	1.4	2.0	3.3	6.4	
Private Equity	1,268,076,296	11.0	1.6	9.8	18.4	19.0	13.4	11.3	9.5	Jan-87
<i>Cambridge Spliced US/Global PE & VC Index (1 Quarter Lagged)</i>			2.6	5.8	9.9	16.0	13.7	13.3	14.3	
<i>Long-Term Private Equity Benchmark</i>			11.3	22.3	6.2	13.3	10.3	10.2	--	
Private Debt	346,724,905	3.0	2.0	12.7	9.8	--	--	--	9.8	Apr-21
<i>Cambridge Private Credit (1 Quarter Lagged)</i>			3.1	9.2	9.4	--	--	--	9.4	
<i>Bloomberg U.S. High Yield 1Q Lagged</i>			7.2	13.4	2.0	5.4	4.6	6.6	2.0	

All Private Equity and Real Asset funds and related benchmarks are lagged by a quarter and adjusted for interim cash flows. Unless specified as gross, all returns reported are net of fees.

Fund Summary | As of March 31, 2024

	Market Value \$	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	20 Yrs (%)	Inception (%)	Inception Date
Real Assets	1,620,581,590	14.0	-2.5	-2.1	8.7	6.5	7.5	6.1	4.9	Mar-96
<i>Interim Real Assets Benchmark</i>			0.0	2.2	7.9	5.9	7.1	--	--	
<i>Long Term Real Assets Benchmark</i>			11.1	8.2	1.7	3.9	5.5	6.7	7.1	
Real Estate	901,145,159	7.8	-3.8	-4.6	3.5	4.0	6.1	5.0	2.8	Apr-88
<i>Interim Real Estate Benchmark</i>			-1.6	-1.4	3.6	3.7	6.4	--	--	
<i>Long Term Real Estate Benchmark</i>			14.5	8.7	0.1	2.0	6.2	7.4	7.7	
Public Real Estate	267,152,227	2.3	-1.4	7.1	-1.4	-0.1	3.6	--	4.7	Apr-05
<i>Public Real Estate Benchmark</i>			-1.5	6.5	-2.2	-1.0	2.7	5.1	4.9	
Private Real Estate	633,992,932	5.5	-4.7	-9.3	6.9	6.9	8.1	5.8	3.2	Apr-88
<i>Cambridge Real Estate (1 Quarter Lagged)</i>			-1.5	-3.9	7.3	6.4	8.6	8.3	8.0	
Infrastructure	487,560,015	4.2	-0.6	3.6	14.5	13.1	10.8	--	9.4	Jun-08
<i>Cambridge Infrastructure (1 Quarter Lagged)</i>			3.5	8.5	10.3	10.5	10.3	9.8	7.7	
<i>Infrastructure Long-Term Benchmark</i>			9.2	9.1	0.3	3.0	5.0	--	5.4	
Natural Resources	231,876,416	2.0	-1.4	-2.7	24.3	9.4	8.9	--	10.1	Oct-12
<i>CA Energy Upstream, Royalties, and PE (1 Quarter Lagged)</i>			-1.3	3.0	18.2	5.5	-0.8	9.7	-0.1	
<i>S&P Global Natural Resources (1-Qtr Lag)</i>			3.6	4.1	12.9	11.1	5.1	7.4	5.4	
Cash	143,602,075	1.2	1.4	5.5	2.8	2.1	1.5	1.7	3.5	Jul-89
<i>90 Day U.S. Treasury Bill</i>			1.3	5.2	2.6	2.0	1.4	1.5	2.8	

All Private Equity and Real Asset funds and related benchmarks are lagged by a quarter and adjusted for interim cash flows. The cash balance includes the residual value of Lime Rock Partners VI which closed in December 2022.

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Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} * (\text{market return} - \text{Risk Free Rate})]$.

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

Yield to Worst: The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

NCREIF Property Index (NPI): Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE): Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.