

**STATE BOARD OF MEDICAL EXAMINERS
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2014**

	August-14					July-14					Current FYTD		Prior Year FY14	
	Allocation		Month			Allocation		Month			Returns		Returns	
	Market Value	Actual	Policy	Gross ⁽¹⁾	Net	Market Value	Actual	Policy	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net
TOTAL LEGACY FUND	1,896,011	100.0%	100.0%	0.94%	0.91%	1,879,186	100.0%	100.0%	-0.53%	-0.55%	0.40%	0.36%	N/A	N/A
<i>POLICY TARGET BENCHMARK</i>				<i>0.86%</i>	<i>0.86%</i>				<i>-0.56%</i>	<i>-0.56%</i>	<i>0.29%</i>	<i>0.29%</i>		
ATTRIBUTION ANALYSIS														
Asset Allocation				-0.01%	-0.01%				-0.01%	-0.01%	-0.01%	-0.01%		
Manager Selection				0.09%	0.06%				0.04%	0.02%	0.12%	0.08%		
TOTAL RELATIVE RETURN				0.08%	0.06%				0.03%	0.01%	0.11%	0.07%		
LARGE CAP DOMESTIC EQUITY														
Los Angeles Capital	62,696	3.3%	3.3%	4.15%	4.11%	61,624	3.3%	3.3%	-0.74%	-0.74%	3.38%	3.34%	N/A	N/A
<i>Russell 1000 Growth</i>				<i>4.58%</i>	<i>4.58%</i>				<i>-1.53%</i>	<i>-1.53%</i>	<i>2.98%</i>	<i>2.98%</i>		
LSV	62,119	3.3%	3.3%	3.79%	3.79%	61,203	3.3%	3.3%	-1.45%	-1.51%	2.28%	2.22%	N/A	N/A
<i>Russell 1000 Value</i>				<i>3.68%</i>	<i>3.68%</i>				<i>-1.70%</i>	<i>-1.70%</i>	<i>1.91%</i>	<i>1.91%</i>		
Los Angeles Capital	41,739	2.2%	2.2%	3.77%	3.74%	40,880	2.2%	2.2%	-0.80%	-0.80%	2.94%	2.91%	N/A	N/A
<i>Russell 1000</i>				<i>4.13%</i>	<i>4.13%</i>				<i>-1.62%</i>	<i>-1.62%</i>	<i>2.45%</i>	<i>2.45%</i>		
Clifton Group	41,567	2.2%	2.2%	4.15%	4.08%	40,855	2.2%	2.2%	-1.43%	-1.43%	2.66%	2.59%	N/A	N/A
<i>S&P 500</i>				<i>4.00%</i>	<i>4.00%</i>				<i>-1.38%</i>	<i>-1.38%</i>	<i>2.57%</i>	<i>2.57%</i>		
TOTAL LARGE CAP DOMESTIC EQUITY	208,121	11.0%	11.0%	3.96%	3.93%	204,562	10.9%	11.0%	-1.12%	-1.13%	2.80%	2.75%	N/A	N/A
<i>Russell 1000</i>				<i>4.13%</i>	<i>4.13%</i>				<i>-1.62%</i>	<i>-1.62%</i>	<i>2.45%</i>	<i>2.45%</i>		
SMALL CAP DOMESTIC EQUITY														
Research Affiliates	18,329	1.0%	1.0%	4.49%	4.40%	20,254	1.1%	1.1%	-5.61%	-5.61%	-1.37%	-1.45%	N/A	N/A
Clifton	38,474	2.0%	2.0%	5.27%	5.06%	35,465	1.9%	1.9%	-6.13%	-6.13%	-1.18%	-1.38%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	56,804	3.0%	3.0%	4.97%	4.81%	55,719	3.0%	3.0%	-5.85%	-5.85%	-1.17%	-1.32%	N/A	N/A
<i>Russell 2000</i>				<i>4.96%</i>	<i>4.96%</i>				<i>-6.05%</i>	<i>-6.05%</i>	<i>-1.39%</i>	<i>-1.39%</i>		
INTERNATIONAL EQUITY														
Capital Group	53,095	2.8%	2.8%	0.05%	0.05%	51,773	2.8%	2.8%	-1.99%	-2.07%	-1.93%	-2.02%	N/A	N/A
LSV	53,123	2.8%	2.8%	-0.45%	-0.45%	52,067	2.8%	2.8%	-1.53%	-1.62%	-1.97%	-2.06%	N/A	N/A
<i>MSCI EAFE</i>				<i>-0.15%</i>	<i>-0.15%</i>				<i>-1.97%</i>	<i>-1.97%</i>	<i>-2.12%</i>	<i>-2.12%</i>		
DFA	13,122	0.7%	0.7%	0.66%	0.66%	12,729	0.7%	0.7%	-3.51%	-3.51%	-2.87%	-2.87%	N/A	N/A
Vanguard (1)	13,228	0.7%	0.7%	0.62%	0.62%	12,847	0.7%	0.7%	-2.08%	-2.08%	-1.47%	-1.47%	N/A	N/A
<i>S&P/Citigroup BMI EPAC < \$2BN</i>				<i>0.63%</i>	<i>0.63%</i>				<i>-1.27%</i>	<i>-1.27%</i>	<i>-0.65%</i>	<i>-0.65%</i>		
TOTAL INTERNATIONAL EQUITY	132,568	7.0%	7.0%	-0.03%	-0.03%	129,415	6.9%	7.0%	-1.97%	-2.04%	-2.00%	-2.07%	N/A	N/A
<i>MSCI EAFE</i>				<i>-0.15%</i>	<i>-0.15%</i>				<i>-1.97%</i>	<i>-1.97%</i>	<i>-2.12%</i>	<i>-2.12%</i>		
FIXED INCOME														
Western Asset	71,499	3.8%	3.8%	1.23%	1.23%	71,443	3.8%	3.8%	-0.09%	-0.13%	1.14%	1.10%	N/A	N/A
Prudential	18,122	1.0%	1.0%	1.22%	1.15%	18,129	1.0%	1.0%	-0.21%	-0.21%	1.01%	0.94%	N/A	N/A
PIMCO (DiSCO) (1)	11,196	0.6%	0.6%	0.62%	0.62%	11,638	0.6%	0.6%	0.00%	0.00%	0.62%	0.62%	N/A	N/A
PIMCO (BRAVO II) (1)	1,870	0.1%	0.1%	0.00%	0.00%	1,955	0.1%	0.1%	0.00%	0.00%	0.00%	0.00%	N/A	N/A
<i>BC Aggregate</i>				<i>1.10%</i>	<i>1.10%</i>				<i>-0.25%</i>	<i>-0.25%</i>	<i>0.9%</i>	<i>0.9%</i>		

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	Market Value	Allocation		Month		Market Value	Allocation		Month		Returns		Returns	
		Actual	Policy	Gross ⁽¹⁾	Net		Actual	Policy	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net
Declaration (Total Return) (1) <i>3m LIBOR</i>	19,963	1.1%	1.1%	-0.03%	-0.03%	19,815	1.1%	1.1%	0.00%	0.00%	-0.03%	-0.03%	N/A	N/A
				0.02%	0.02%				0.02%	0.02%	0.04%	0.04%		
State Street <i>BC Gov/Credit</i>	32,083	1.7%	1.7%	1.20%	1.20%	31,944	1.7%	1.7%	-0.11%	-0.11%	1.08%	1.08%	N/A	N/A
				1.20%	1.20%				-0.11%	-0.11%	1.09%	1.09%		
Wells Capital <i>BC Credit Baa</i>	72,812	3.8%	3.8%	1.62%	1.57%	72,555	3.9%	3.8%	-0.20%	-0.20%	1.42%	1.37%	N/A	N/A
				1.61%	1.61%				-1.40%	-1.40%	0.18%	0.18%		
TOTAL FIXED INCOME <i>BC Aggregate</i>	227,544	12.0%	12.0%	1.20%	1.17%	227,480	12.1%	12.0%	-0.12%	-0.13%	1.07%	1.04%	N/A	N/A
				1.10%	1.10%				-0.25%	-0.25%	0.85%	0.85%		
REAL ESTATE														
JP Morgan	22,692	1.2%	1.0%	0.00%	0.00%	22,692	1.2%	1.0%	0.00%	0.04%	0.00%	0.04%	N/A	N/A
Invesco	16,073	0.8%	1.0%	0.00%	0.00%	16,194	0.9%	1.0%	0.00%	0.00%	0.00%	0.00%	N/A	N/A
TOTAL REAL ESTATE <i>NCREIF Total Index</i>	38,766	2.0%	2.0%	0.00%	0.00%	38,886	2.1%	2.0%	0.00%	0.03%	0.01%	0.03%	N/A	N/A
				0.96%	0.96%				0.96%	0.96%	1.93%	1.93%		
CASH EQUIVALENTS														
Northern Trust (1)	1,612			0.00%	0.00%	8,334			0.00%	0.00%	0.00%	0.00%	N/A	N/A
TOTAL CASH EQUIVALENTS <i>90 Day T-Bill</i>	1,612	0.1%	0.0%	0.00%	0.00%	8,334	0.4%	0.0%	0.00%	0.00%	0.00%	0.00%	N/A	N/A
				0.00%	0.00%				0.00%	0.00%	0.01%	0.01%		
SHORT TERM FIXED INCOME														
Babson Capital <i>BC 1-3 Year US Gov't Index</i>	618,463	32.6%	32.5%	0.45%	0.41%	609,932	32.5%	32.5%	-0.14%	-0.14%	0.30%	0.27%	N/A	N/A
				0.17%	0.17%				-0.08%	-0.08%	0.09%	0.09%		
JP Morgan <i>BC 1-3 Year Gov/Credit Index</i>	612,134	32.3%	32.5%	0.22%	0.22%	604,857	32.2%	32.5%	-0.09%	-0.11%	0.13%	0.11%	N/A	N/A
				0.18%	0.18%				-0.07%	-0.07%	0.12%	0.12%		
TOTAL SHORT TERM FIXED INCOME <i>BC 1-3 Year US Gov't Index</i>	1,230,597	64.9%	65.0%	0.33%	0.31%	1,214,789	64.6%	65.0%	-0.12%	-0.13%	0.22%	0.19%	N/A	N/A
				0.17%	0.17%				-0.08%	-0.08%	0.09%	0.09%		

Initial funding: April 30, 2014

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) All limited partnership-type (and mutual funds as of 7/1/14) investment returns will only be reported net of fees, which is standard practice by the investment consultant.