

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

	December-14					September-14					Current FYTD		Prior Year FY14	
	Market Value	Allocation		Quarter		Market Value	Allocation		Quarter		Returns		Returns	
		Actual	Policy	Gross <sup>(1)</sup>	Net		Actual	Policy	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net
<b>TOTAL LEGACY FUND</b>	<b>2,131,999</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.23%</b>	<b>1.19%</b>	<b>1,878,733</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.53%</b>	<b>-0.58%</b>	<b>0.69%</b>	<b>0.61%</b>	<b>N/A</b>	<b>N/A</b>
<i>POLICY TARGET BENCHMARK</i>				<i>0.97%</i>	<i>0.97%</i>				<i>-0.46%</i>	<i>-0.46%</i>	<i>0.50%</i>	<i>0.50%</i>		
ATTRIBUTION ANALYSIS														
<b>Asset Allocation</b>				<b>-0.01%</b>	<b>-0.01%</b>				<b>-0.01%</b>	<b>-0.01%</b>	<b>-0.02%</b>	<b>-0.02%</b>		
<b>Manager Selection</b>				<b>0.27%</b>	<b>0.24%</b>				<b>-0.06%</b>	<b>-0.11%</b>	<b>0.20%</b>	<b>0.13%</b>		
<b>TOTAL RELATIVE RETURN</b>				<b>0.26%</b>	<b>0.23%</b>				<b>-0.07%</b>	<b>-0.12%</b>	<b>0.18%</b>	<b>0.11%</b>		
<b>LARGE CAP DOMESTIC EQUITY</b>														
Los Angeles Capital	70,328	3.3%	3.3%	5.47%	5.42%	61,184	3.3%	3.3%	1.58%	1.54%	7.14%	7.04%	N/A	N/A
<i>Russell 1000 Growth</i>				<b>4.78%</b>	<b>4.78%</b>				<b>1.49%</b>	<b>1.49%</b>	<b>6.34%</b>	<b>6.34%</b>		
LSV	71,133	3.3%	3.3%	5.54%	5.46%	60,901	3.2%	3.3%	-0.46%	-0.52%	5.06%	4.92%	N/A	N/A
<i>Russell 1000 Value</i>				<b>4.98%</b>	<b>4.98%</b>				<b>-0.19%</b>	<b>-0.19%</b>	<b>4.78%</b>	<b>4.78%</b>		
Los Angeles Capital	47,132	2.2%	2.2%	5.25%	5.22%	40,689	2.2%	2.2%	0.86%	0.83%	6.16%	6.09%	N/A	N/A
<i>Russell 1000</i>				<b>4.88%</b>	<b>4.88%</b>				<b>0.65%</b>	<b>0.65%</b>	<b>5.57%</b>	<b>5.57%</b>		
Clifton Group	47,136	2.2%	2.2%	5.15%	5.15%	41,128	2.2%	2.2%	1.18%	1.11%	6.38%	6.31%	N/A	N/A
<i>S&amp;P 500</i>				<b>4.93%</b>	<b>4.93%</b>				<b>1.13%</b>	<b>1.13%</b>	<b>6.12%</b>	<b>6.12%</b>		
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>235,729</b>	<b>11.1%</b>	<b>11.0%</b>	<b>5.40%</b>	<b>5.35%</b>	<b>203,901</b>	<b>10.9%</b>	<b>11.0%</b>	<b>0.73%</b>	<b>0.68%</b>	<b>6.17%</b>	<b>6.07%</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 1000</i>				<b>4.88%</b>	<b>4.88%</b>				<b>0.65%</b>	<b>0.65%</b>	<b>5.57%</b>	<b>5.57%</b>		
<b>SMALL CAP DOMESTIC EQUITY</b>														
Research Affiliates	19,126	0.9%	0.9%	10.52%	10.44%	16,975	0.9%	0.9%	-7.00%	-7.07%	2.79%	2.63%	N/A	N/A
Clifton	46,043	2.2%	2.2%	10.44%	10.44%	36,427	1.9%	1.9%	-7.23%	-7.41%	2.45%	2.25%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>65,168</b>	<b>3.1%</b>	<b>3.0%</b>	<b>10.38%</b>	<b>10.36%</b>	<b>53,403</b>	<b>2.8%</b>	<b>3.0%</b>	<b>-7.08%</b>	<b>-7.23%</b>	<b>2.56%</b>	<b>2.38%</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 2000</i>				<b>9.73%</b>	<b>9.73%</b>				<b>-7.36%</b>	<b>-7.36%</b>	<b>1.65%</b>	<b>1.65%</b>		
<b>INTERNATIONAL EQUITY</b>														
Capital Group	58,548	2.7%	2.7%	-1.43%	-1.52%	51,030	2.7%	2.7%	-5.78%	-5.86%	-7.12%	-7.29%	N/A	N/A
LSV	57,939	2.7%	2.7%	-3.60%	-3.70%	50,482	2.7%	2.7%	-6.45%	-6.53%	-9.81%	-9.99%	N/A	N/A
<i>MSCI EAFE</i>				<b>-3.57%</b>	<b>-3.57%</b>				<b>-5.88%</b>	<b>-5.88%</b>	<b>-9.24%</b>	<b>-9.24%</b>		
DFA	14,633	0.7%	0.7%	-3.97%	-3.97%	12,513	0.7%	0.7%	-8.53%	-8.53%	-12.15%	-12.15%	N/A	N/A
Vanguard (1)	14,668	0.7%	0.7%	-3.50%	-3.50%	12,676	0.7%	0.7%	-5.84%	-5.84%	-9.14%	-9.14%	N/A	N/A
<i>S&amp;P/Citigroup BMI EPAC &lt; \$2BN</i>				<b>-4.44%</b>	<b>-4.44%</b>				<b>-5.94%</b>	<b>-5.94%</b>	<b>-10.12%</b>	<b>-10.12%</b>		
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>145,788</b>	<b>6.8%</b>	<b>7.0%</b>	<b>-2.75%</b>	<b>-2.82%</b>	<b>126,701</b>	<b>6.7%</b>	<b>7.0%</b>	<b>-6.33%</b>	<b>-6.39%</b>	<b>-8.90%</b>	<b>-9.04%</b>	<b>N/A</b>	<b>N/A</b>
<i>MSCI EAFE</i>				<b>-3.57%</b>	<b>-3.57%</b>				<b>-5.88%</b>	<b>-5.88%</b>	<b>-9.24%</b>	<b>-9.24%</b>		
<b>FIXED INCOME</b>														
Western Asset	82,539	3.9%	3.9%	1.63%	1.60%	72,044	3.8%	3.8%	0.36%	0.32%	1.99%	1.92%	N/A	N/A
Prudential	20,645	1.0%	1.0%	1.97%	1.90%	18,214	1.0%	1.0%	-0.31%	-0.38%	1.65%	1.51%	N/A	N/A
PIMCO (DiSCO) (1)	9,932	0.5%	0.5%	-0.35%	-0.35%	10,544	0.6%	0.6%	1.43%	1.43%	1.08%	1.08%	N/A	N/A
PIMCO (BRAVO II) (1)	3,042	0.1%	0.1%	3.49%	3.49%	2,433	0.1%	0.1%	0.00%	0.00%	3.49%	3.49%	N/A	N/A
<i>BC Aggregate</i>				<b>1.78%</b>	<b>1.78%</b>				<b>0.17%</b>	<b>0.17%</b>	<b>2.0%</b>	<b>2.0%</b>		

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	Market Value	Allocation		Quarter		Market Value	Allocation		Quarter		Returns		Returns	
		Actual	Policy	Gross <sup>(1)</sup>	Net		Actual	Policy	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net
Declaration (Total Return) (1) <b>3m LIBOR</b>	19,629	0.9%	0.9%	0.99%	0.99%	18,777	1.0%	1.0%	0.65%	0.65%	1.65%	1.65%	N/A	N/A
				0.06%	0.06%				0.06%	0.06%	0.12%	0.12%		
State Street <b>BC Gov/Credit</b>	36,045	1.7%	1.7%	1.83%	1.82%	31,958	1.7%	1.7%	0.16%	0.15%	1.99%	1.98%	N/A	N/A
				<b>1.80%</b>	<b>1.80%</b>				<b>0.17%</b>	<b>0.17%</b>	<b>1.98%</b>	<b>1.98%</b>		
Wells Capital <b>BC Credit Baa</b>	82,642	3.9%	3.9%	1.59%	1.55%	72,328	3.8%	3.8%	-0.12%	-0.17%	1.47%	1.37%	N/A	N/A
				<b>1.26%</b>	<b>1.26%</b>				<b>-1.60%</b>	<b>-1.60%</b>	<b>-0.36%</b>	<b>-0.36%</b>		
<b>TOTAL FIXED INCOME</b> <b>BC Aggregate</b>	<b>254,475</b>	<b>11.9%</b>	<b>12.0%</b>	<b>1.55%</b>	<b>1.52%</b>	<b>226,299</b>	<b>12.0%</b>	<b>12.0%</b>	<b>0.20%</b>	<b>0.16%</b>	<b>1.75%</b>	<b>1.68%</b>	<b>N/A</b>	<b>N/A</b>
				<b>1.78%</b>	<b>1.78%</b>				<b>0.17%</b>	<b>0.17%</b>	<b>1.95%</b>	<b>1.95%</b>		
<b>REAL ESTATE</b>														
JP Morgan	23,157	1.1%	1.0%	3.84%	3.57%	22,692	1.2%	1.0%	0.00%	0.04%	3.84%	3.61%	N/A	N/A
Invesco	19,671	0.9%	1.0%	3.50%	3.40%	16,736	0.9%	1.0%	3.44%	3.35%	7.06%	6.87%	N/A	N/A
<b>TOTAL REAL ESTATE</b>	<b>42,828</b>	<b>2.0%</b>	<b>2.0%</b>	<b>3.69%</b>	<b>3.50%</b>	<b>39,428</b>	<b>2.1%</b>	<b>2.0%</b>	<b>1.43%</b>	<b>1.42%</b>	<b>5.18%</b>	<b>4.96%</b>	<b>N/A</b>	<b>N/A</b>
<b>NCREIF Total Index</b>				<b>3.04%</b>	<b>3.04%</b>				<b>2.63%</b>	<b>2.63%</b>	<b>5.76%</b>	<b>5.76%</b>		
<b>CASH EQUIVALENTS</b>														
Northern Trust (1)	4,192			0.00%	0.00%	2,887			0.00%	0.00%	0.01%	0.01%	N/A	N/A
<b>TOTAL CASH EQUIVALENTS</b> <b>90 Day T-Bill</b>	<b>4,192</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>2,887</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>N/A</b>	<b>N/A</b>
				<b>0.00%</b>	<b>0.00%</b>				<b>0.01%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.01%</b>		
<b>SHORT TERM FIXED INCOME</b>														
Babson Capital <b>BC 1-3 Year US Gov't Index</b>	694,525	32.6%	32.5%	0.61%	0.57%	615,615	32.8%	32.5%	0.00%	-0.03%	0.61%	0.54%	N/A	N/A
				<b>0.19%</b>	<b>0.19%</b>				<b>0.03%</b>	<b>0.03%</b>	<b>0.23%</b>	<b>0.23%</b>		
JP Morgan <b>BC 1-3 Year Gov/Credit Index</b>	689,294	32.3%	32.5%	0.22%	0.22%	610,499	32.5%	32.5%	0.05%	0.00%	0.27%	0.23%	N/A	N/A
				<b>0.17%</b>	<b>0.17%</b>				<b>0.04%</b>	<b>0.04%</b>	<b>0.21%</b>	<b>0.21%</b>		
<b>TOTAL SHORT TERM FIXED INCOME</b> <b>BC 1-3 Year US Gov't Index</b>	<b>1,383,819</b>	<b>64.9%</b>	<b>65.0%</b>	<b>0.34%</b>	<b>0.32%</b>	<b>1,226,114</b>	<b>65.3%</b>	<b>65.0%</b>	<b>0.09%</b>	<b>0.04%</b>	<b>0.22%</b>	<b>0.19%</b>	<b>N/A</b>	<b>N/A</b>
				<b>0.19%</b>	<b>0.19%</b>				<b>0.03%</b>	<b>0.03%</b>	<b>0.23%</b>	<b>0.23%</b>		

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.