

STATE BOARD OF MEDICINE
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2015

	December-15					September-15					Current FYTD		Prior Year FY15	
	Market Value	Allocation		Quarter		Market Value	Allocation		Quarter		Returns		Returns	
		Actual	Policy	Gross ⁽¹⁾	Net		Actual	Policy	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net
TOTAL BOARD OF MEDICINE FUND	2,156,260	100.0%	100.0%	0.92%	0.88%	2,138,284	100.0%	100.0%	-1.58%	-1.66%	-0.67%	-0.79%	2.86%	2.70%
<i>POLICY TARGET BENCHMARK</i>				<i>0.89%</i>	<i>0.89%</i>				<i>-1.43%</i>	<i>-1.43%</i>	<i>-0.56%</i>	<i>-0.56%</i>	<i>1.84%</i>	<i>1.84%</i>
ATTRIBUTION ANALYSIS														
Asset Allocation				0.07%	0.07%				0.01%	0.01%	0.08%	0.08%	-0.05%	-0.05%
Manager Selection				-0.04%	-0.08%				-0.16%	-0.23%	-0.19%	-0.31%	1.07%	0.92%
TOTAL RELATIVE RETURN				0.04%	-0.01%				-0.15%	-0.22%	-0.12%	-0.23%	1.02%	0.86%
LARGE CAP DOMESTIC EQUITY														
Los Angeles Capital	70,539	3.3%	3.3%	6.11%	6.05%	74,899	3.5%	3.3%	-4.79%	-4.83%	1.03%	0.93%	12.53%	12.32%
<i>Russell 1000 Growth</i>				7.32%	7.32%				-5.29%	-5.29%	1.64%	1.64%	10.56%	10.56%
LSV	70,920	3.3%	3.3%	4.81%	4.74%	71,509	3.3%	3.3%	-8.15%	-8.21%	-3.73%	-3.86%	7.16%	6.87%
<i>Russell 1000 Value</i>				5.63%	5.63%				-8.40%	-8.40%	-3.23%	-3.23%	4.13%	4.13%
Los Angeles Capital	48,223	2.2%	2.2%	6.18%	6.15%	48,805	2.3%	2.2%	-5.29%	-5.32%	0.57%	0.51%	8.45%	8.31%
<i>Russell 1000</i>				6.50%	6.50%				-6.83%	-6.83%	-0.78%	-0.78%	7.37%	7.37%
Clifton Group	48,013	2.2%	2.2%	7.87%	7.87%	47,750	2.2%	2.2%	-6.35%	-6.41%	1.02%	0.96%	7.17%	7.10%
<i>S&P 500</i>				7.04%	7.04%				-6.44%	-6.44%	0.15%	0.15%	7.42%	7.42%
TOTAL LARGE CAP DOMESTIC EQUITY	237,695	11.0%	11.0%	6.07%	6.02%	242,963	11.4%	11.0%	-6.20%	-6.25%	-0.52%	-0.61%	9.02%	8.83%
<i>Russell 1000</i>				6.50%	6.50%				-6.83%	-6.83%	-0.78%	-0.78%	7.37%	7.37%
SMALL CAP DOMESTIC EQUITY														
PIMCO RAE (formerly Research Affiliates)	20,850	1.0%	1.0%	3.01%	2.94%	19,336	0.9%	0.9%	-11.43%	-11.50%	-8.77%	-8.90%	5.51%	5.18%
Clifton	43,991	2.0%	2.0%	3.80%	3.80%	47,684	2.2%	2.2%	-11.63%	-12.06%	-8.27%	-8.72%	8.24%	8.03%
TOTAL SMALL CAP DOMESTIC EQUITY	64,841	3.0%	3.0%	3.50%	3.48%	67,020	3.1%	3.0%	-11.58%	-11.90%	-8.48%	-8.84%	7.46%	7.23%
<i>Russell 2000</i>				3.59%	3.59%				-11.92%	-11.92%	-8.75%	-8.75%	6.49%	6.49%
INTERNATIONAL EQUITY														
Capital Group	57,456	2.7%	2.7%	5.10%	4.97%	62,062	2.9%	2.9%	-13.68%	-13.79%	-9.28%	-9.50%	-1.35%	-1.73%
LSV	59,872	2.8%	2.8%	5.26%	5.16%	63,735	3.0%	3.0%	-10.43%	-10.52%	-5.72%	-5.90%	-3.33%	-3.73%
<i>MSCI EAFE</i>				4.71%	4.71%				-10.23%	-10.23%	-6.01%	-6.01%	-4.22%	-4.22%
DFA	16,668	0.8%	0.8%	4.03%	4.03%	16,703	0.8%	0.8%	-9.22%	-9.22%	-5.56%	-5.56%	-3.27%	-3.27%
Vanguard (1)	17,437	0.8%	0.8%	5.34%	5.34%	17,288	0.8%	0.8%	-6.86%	-6.86%	-1.88%	-1.88%	0.57%	0.57%
<i>S&P/Citigroup BMI EPAC < \$2BN</i>				6.01%	6.01%				-8.35%	-8.35%	-2.84%	-2.84%	1.14%	1.14%
TOTAL INTERNATIONAL EQUITY	151,433	7.0%	7.0%	5.06%	4.97%	159,788	7.5%	7.0%	-11.24%	-11.32%	-6.75%	-6.91%	-2.11%	-2.43%
<i>MSCI EAFE</i>				4.71%	4.71%				-10.23%	-10.23%	-6.01%	-6.01%	-4.22%	-4.22%
FIXED INCOME														
Western Asset	79,842	3.7%	3.8%	-0.05%	-0.08%	81,837	3.8%	3.9%	0.82%	0.79%	0.78%	0.71%	2.76%	2.62%
Prudential	26,119	1.2%	1.0%	-0.41%	-0.48%	23,424	1.1%	1.0%	0.53%	0.46%	0.12%	-0.02%	2.32%	2.05%
PIMCO (DISCO II) (1)	10,289	0.5%	0.5%	1.49%	1.49%	10,138	0.5%	0.5%	0.39%	0.39%	1.89%	1.89%	4.32%	4.32%
PIMCO (BRAVO II) (1)	5,716	0.3%	0.3%	1.62%	1.62%	4,524	0.2%	0.2%	0.00%	0.00%	1.62%	1.62%	10.36%	10.36%
<i>BC Aggregate</i>				-0.57%	-0.57%				1.23%	1.23%	0.65%	0.65%	1.85%	1.85%

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Declaration (Total Return) (1) 3m LIBOR	21,275	1.0%	1.0%	-0.54%	-0.54%	20,718	1.0%	1.0%	0.89%	0.89%	0.35%	0.35%	3.55%	3.55%
				0.09%	0.09%				0.08%	0.08%	0.17%	0.17%	0.26%	0.26%
State Street BC Gov/Credit	36,800	1.7%	1.7%	-0.74%	-0.75%	35,901	1.7%	1.7%	1.20%	1.19%	0.45%	0.44%	1.70%	1.66%
				-0.74%	-0.74%				1.20%	1.20%	0.44%	0.44%	1.68%	1.68%
Wells Capital BC Credit Baa	80,348	3.7%	3.8%	-0.54%	-0.59%	79,568	3.7%	3.9%	-0.44%	-0.48%	-0.97%	-1.06%	0.96%	0.78%
				-1.01%	-1.01%				-0.74%	-0.74%	-1.74%	-1.74%	-1.37%	-1.37%
TOTAL FIXED INCOME BC Aggregate	260,390	12.1%	12.0%	-0.17%	-0.20%	256,110	12.0%	12.0%	0.42%	0.39%	0.25%	0.19%	2.40%	2.27%
				-0.57%	-0.57%				1.23%	1.23%	0.65%	0.65%	1.85%	1.85%
REAL ESTATE														
JP Morgan	23,486	1.1%	1.0%	3.32%	3.05%	22,801	1.1%	1.0%	0.07%	0.16%	3.39%	3.22%	16.68%	15.44%
Invesco	21,061	1.0%	1.0%	2.50%	2.41%	20,583	1.0%	1.0%	2.96%	2.88%	5.54%	5.36%	16.38%	15.97%
TOTAL REAL ESTATE	44,547	2.1%	2.0%	2.93%	2.75%	43,384	2.0%	2.0%	1.42%	1.43%	4.39%	4.22%	16.36%	15.50%
NCREIF Total Index				2.91%	2.91%				3.09%	3.09%	6.09%	6.09%	12.98%	12.98%
CASH EQUIVALENTS														
Northern Trust (1)	300			0.00%	0.00%	1,530			0.00%	0.00%	0.01%	0.01%	0.01%	0.01%
TOTAL CASH EQUIVALENTS 90 Day T-Bill	300	0.0%	0.0%	0.00%	0.00%	1,530	0.1%	0.0%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%
				0.03%	0.03%				0.01%	0.01%	0.04%	0.04%	0.02%	0.02%
SHORT TERM FIXED INCOME														
Babson Capital BC 1-3 Year US Gov't Index	697,828	32.4%	32.5%	-0.68%	-0.72%	688,229	32.2%	32.5%	0.21%	0.13%	-0.47%	-0.60%	2.55%	2.43%
				-0.43%	-0.43%				0.32%	0.32%	-0.11%	-0.11%	0.91%	0.91%
JP Morgan BC 1-3 Year Gov/Credit Index	699,226	32.4%	32.5%	-0.31%	-0.34%	679,259	31.8%	32.5%	0.34%	0.28%	0.03%	-0.06%	1.11%	1.01%
				-0.36%	-0.36%				0.29%	0.29%	-0.07%	-0.07%	1.62%	1.62%
TOTAL SHORT TERM FIXED INCOME BC 1-3 Year US Gov't Index	1,397,054	64.8%	65.0%	-0.49%	-0.53%	1,367,488	64.0%	65.0%	0.28%	0.20%	0.05%	0.02%	1.76%	1.61%
				-0.43%	-0.43%				0.32%	0.32%	-0.11%	-0.11%	0.91%	0.91%

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.