

**STATE BOARD OF MEDICINE
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2016**

	August-16					July-16					Current FYTD		Prior Year FY16	
	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
TOTAL BOARD OF MEDICINE FUND	2,240,409	100.0%	100.0%	0.22%	0.17%	2,236,911	100.0%	100.0%	1.28%	1.28%	1.50%	1.45%	1.84%	1.63%
<i>POLICY TARGET BENCHMARK</i>				<i>-0.03%</i>	<i>-0.03%</i>				<i>1.01%</i>	<i>1.01%</i>	<i>0.97%</i>	<i>0.97%</i>	<i>1.32%</i>	<i>1.32%</i>
ATTRIBUTION ANALYSIS														
Asset Allocation				0.00%	0.00%				-0.01%	-0.01%	-0.01%	-0.01%	0.08%	0.08%
Manager Selection				0.26%	0.21%				0.28%	0.28%	0.54%	0.49%	0.44%	0.24%
TOTAL RELATIVE RETURN				0.26%	0.21%				0.27%	0.27%	0.53%	0.48%	0.52%	0.31%
LARGE CAP DOMESTIC EQUITY														
Los Angeles Capital	72,773	3.2%	3.3%	-0.40%	-0.45%	74,553	3.3%	3.3%	3.70%	3.70%	3.28%	3.23%	5.44%	5.24%
<i>Russell 1000 Growth</i>				<i>-0.50%</i>	<i>-0.50%</i>				<i>4.72%</i>	<i>4.72%</i>	<i>4.20%</i>	<i>4.20%</i>	<i>3.02%</i>	<i>3.02%</i>
LSV	75,307	3.4%	3.3%	0.97%	0.90%	72,084	3.2%	3.3%	4.30%	4.30%	5.31%	5.23%	-3.01%	-3.30%
<i>Russell 1000 Value</i>				<i>0.77%</i>	<i>0.77%</i>				<i>2.90%</i>	<i>2.90%</i>	<i>3.70%</i>	<i>3.70%</i>	<i>2.86%</i>	<i>2.86%</i>
Los Angeles Capital	48,947	2.2%	2.2%	0.63%	0.59%	49,452	2.2%	2.2%	2.67%	2.67%	3.32%	3.28%	5.96%	5.82%
<i>Russell 1000</i>				<i>0.13%</i>	<i>0.13%</i>				<i>3.81%</i>	<i>3.81%</i>	<i>3.95%</i>	<i>3.95%</i>	<i>2.94%</i>	<i>2.94%</i>
Clifton Group	49,085	2.2%	2.2%	0.19%	0.00%	49,385	2.2%	2.2%	3.75%	3.75%	3.95%	3.75%	5.29%	5.22%
<i>S&P 500</i>				<i>0.14%</i>	<i>0.14%</i>				<i>3.69%</i>	<i>3.69%</i>	<i>3.83%</i>	<i>3.83%</i>	<i>3.99%</i>	<i>3.99%</i>
TOTAL LARGE CAP DOMESTIC EQUITY	246,112	11.0%	11.0%	0.33%	0.25%	245,474	11.0%	11.0%	3.67%	3.67%	4.02%	3.94%	2.91%	2.72%
<i>Russell 1000</i>				<i>0.13%</i>	<i>0.13%</i>				<i>3.81%</i>	<i>3.81%</i>	<i>3.95%</i>	<i>3.95%</i>	<i>2.94%</i>	<i>2.94%</i>
SMALL CAP DOMESTIC EQUITY														
PIMCO RAE (formerly Research Affiliates)	29,009	1.3%	1.3%	2.02%	1.95%	27,619	1.2%	1.2%	5.45%	5.45%	7.58%	7.51%	-3.87%	-4.14%
Clifton	38,485	1.7%	1.7%	1.95%	1.42%	38,786	1.7%	1.7%	6.06%	6.06%	8.12%	7.56%	-5.52%	-5.98%
TOTAL SMALL CAP DOMESTIC EQUITY	67,494	3.0%	3.0%	1.96%	1.62%	66,405	3.0%	3.0%	5.80%	5.80%	7.88%	7.52%	-4.85%	-5.27%
<i>Russell 2000</i>				<i>1.77%</i>	<i>1.77%</i>				<i>5.97%</i>	<i>5.97%</i>	<i>7.84%</i>	<i>7.84%</i>	<i>-6.73%</i>	<i>-6.73%</i>
INTERNATIONAL EQUITY														
LSV	67,398	3.0%	3.0%	0.91%	0.82%	66,852	3.0%	3.0%	5.64%	5.64%	6.61%	6.51%	-11.21%	-11.55%
<i>MSCI EAFE</i>				<i>0.07%</i>	<i>0.07%</i>				<i>5.07%</i>	<i>5.07%</i>	<i>5.14%</i>	<i>5.14%</i>	<i>-10.16%</i>	<i>-10.16%</i>
William Blair	57,592	2.6%	2.8%	1.14%	1.11%	56,962	2.5%	2.8%	5.48%	5.48%	6.68%	6.64%	N/A	N/A
<i>MSCI ACWI ex-US IMI (Net)</i>				<i>0.63%</i>	<i>0.63%</i>				<i>4.95%</i>	<i>4.95%</i>				
DFA	16,566	0.7%	0.7%	0.37%	0.37%	16,504	0.7%	0.7%	7.20%	7.20%	7.60%	7.60%	-9.28%	-9.28%
Vanguard (1)	16,708	0.7%	0.7%	-0.18%	-0.18%	16,738	0.7%	0.7%	5.62%	5.62%	5.43%	5.43%	-7.27%	-7.27%
<i>S&P/Citigroup BMI EPAC < \$2BN</i>				<i>-0.13%</i>	<i>-0.13%</i>				<i>6.06%</i>	<i>6.06%</i>	<i>5.92%</i>	<i>5.92%</i>	<i>-3.37%</i>	<i>-3.37%</i>
TOTAL INTERNATIONAL EQUITY	158,264	7.1%	7.0%	0.82%	0.77%	157,056	7.0%	7.0%	5.74%	5.74%	6.61%	6.55%	-10.44%	-10.74%
<i>MSCI EAFE</i>				<i>0.07%</i>	<i>0.07%</i>				<i>5.07%</i>	<i>5.07%</i>	<i>5.14%</i>	<i>5.14%</i>	<i>-10.16%</i>	<i>-10.16%</i>

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		Actual	Policy	Gross ⁽¹⁾	Net		Actual	Policy	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net
FIXED INCOME														
Western Asset	82,030	3.7%	3.8%	0.22%	0.19%	81,540	3.6%	3.8%	1.30%	1.30%	1.52%	1.49%	6.79%	6.64%
Prudential	29,325	1.3%	1.0%	0.19%	0.13%	29,168	1.3%	1.0%	1.39%	1.39%	1.58%	1.52%	7.12%	6.83%
PIMCO (DiSCO II) (1)	10,822	0.5%	0.5%	1.07%	1.07%	10,708	0.5%	0.5%	1.57%	1.57%	2.65%	2.65%	4.39%	4.39%
PIMCO (BRAVO II) (1)	6,020	0.3%	0.3%	0.00%	0.00%	6,020	0.3%	0.3%	0.00%	0.00%	0.00%	0.00%	7.02%	7.02%
BC Aggregate				-0.11%	-0.11%				0.63%	0.63%	0.52%	0.52%	6.00%	6.00%
Declaration (Total Return) (1)	21,260	0.9%	0.9%	0.57%	0.57%	21,060	0.9%	0.9%	1.02%	1.02%	1.60%	1.60%	2.59%	2.59%
3m LIBOR				0.07%	0.07%				0.06%	0.06%	0.12%	0.12%	0.49%	0.49%
State Street	37,712	1.7%	1.7%	-0.20%	-0.21%	37,636	1.7%	1.7%	0.80%	0.80%	0.59%	0.58%	6.71%	6.68%
BC Gov/Credit				-0.20%	-0.20%				0.80%	0.80%	0.59%	0.59%	6.70%	6.70%
Wells Capital	82,814	3.7%	3.8%	0.74%	0.70%	82,941	3.7%	3.8%	1.93%	1.93%	2.68%	2.63%	7.19%	6.99%
BC Credit Baa				0.54%	0.54%				1.59%	1.59%	2.14%	2.14%	6.93%	6.93%
TOTAL FIXED INCOME	269,983	12.1%	12.0%	0.39%	0.36%	269,073	12.0%	12.0%	1.37%	1.37%	1.76%	1.73%	6.42%	6.29%
BC Aggregate				-0.11%	-0.11%				0.63%	0.63%	0.52%	0.52%	6.00%	6.00%
REAL ESTATE														
JP Morgan	24,780	1.1%	1.0%	0.00%	0.00%	24,780	1.1%	1.0%	0.00%	0.00%	0.00%	0.00%	10.11%	9.03%
Invesco	22,106	1.0%	1.0%	0.00%	0.00%	22,106	1.0%	1.0%	0.00%	0.00%	0.00%	0.00%	10.96%	10.58%
TOTAL REAL ESTATE	46,886	2.1%	2.0%	0.00%	0.00%	46,886	2.1%	2.0%	0.00%	0.00%	0.00%	0.00%	10.51%	9.75%
NCREIF Total Index				0.67%	0.67%				0.67%	0.67%	1.35%	1.35%	10.64%	10.64%
CASH EQUIVALENTS														
Northern Trust (1)	2,913			0.02%	0.02%	3,256			0.02%	0.02%	0.03%	0.03%	0.12%	0.12%
TOTAL CASH EQUIVALENTS	2,913	0.1%	0.0%	0.02%	0.02%	3,256	0.1%	0.0%	0.02%	0.02%	0.03%	0.03%	0.12%	0.12%
90 Day T-Bill				0.02%	0.02%				0.03%	0.03%	0.05%	0.05%	0.19%	0.19%
SHORT TERM FIXED INCOME														
Babson Capital	792,530	35.4%	32.5%	0.14%	0.10%	791,723	35.4%	32.5%	0.36%	0.36%	0.50%	0.46%	1.95%	1.73%
BC 1-3 Year US Gov't Index				-0.16%	-0.16%				-0.06%	-0.06%	-0.22%	-0.22%	1.31%	1.31%
JP Morgan	656,226	29.3%	32.5%	-0.10%	-0.12%	657,037	29.4%	32.5%	0.05%	0.05%	-0.04%	-0.07%	1.82%	1.67%
BC 1-3 Year Gov/Credit Index				-0.11%	-0.11%				0.02%	0.02%	-0.09%	-0.09%	1.59%	1.59%
TOTAL SHORT TERM FIXED INCOME	1,448,756	64.7%	65.0%	0.04%	0.00%	1,448,760	64.8%	65.0%	0.22%	0.22%	0.22%	0.22%	0.05%	0.02%
BC 1-3 Year US Gov't Index				-0.16%	-0.16%				-0.06%	-0.06%	-0.22%	-0.22%	1.31%	1.31%

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.