INVESTMENT POLICY STATEMENT

Approved by the Board of Trustees

Adopted: November 19, 2015

District of Columbia Retirement Board

Investment Policy Statement

I. Introduction

The Board is an independent agency of the District of Columbia created by Congress in 1979 under the Retirement Reform Act ("Reform Act," Pub. L. 96-122, *codified at* D.C. Code §§ 1-701 *et seq*.) The Board was given exclusive authority and discretion to manage and control the following retirement funds (the "Funds"):

- The Police Officers and Fire Fighters' Retirement Fund (D.C. Code § 1-712)
- The Teachers' Retirement Fund (D.C. Code § 1-713)

The Reform Act was modified in 1997 with the National Capital Revitalization and Self-Government Improvement Act ("Revitalization Act," Title XI of Pub. L. 105-33, as amended). Under the Revitalization Act, as of June 30, 1997 (the "Freeze Date"), the District of Columbia assumed financial responsibility for retirement benefits for teachers, police officers, and fire fighters based on service accrued after the Freeze Date ("District Benefit Payments") and the U.S. Department of the Treasury assumed financial responsibility for retirement benefits accrued on or before the Freeze Date ("Federal Benefit Payments"). The District subsequently established "Replacement Plans" for the District Benefit Payments in the 1998 Police Officers, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Act ("Replacement Plan Act")[1] while the Federal Benefit Payments are based on terms of the Retirement Plans as of June 30, 1997 ('Frozen Plans"). The Replacement Plan Act modified certain Board responsibilities established in the Reform Act (D.C. Code §§ 1-901 *et seq*).

The Reform Act was further modified in 2004 when the Board assumed certain benefits administration responsibilities for the Retirement Plans from the District of Columbia in 2005 pursuant to the District of Columbia Retirement Protection Improvement Act of 2004 (Pub. L. 108-489) and the Fiscal Year 2005 Budget Support Act of 2004 (Title I, Subtitle B, "Office of Financial Operations and Systems Reorganization Act of 2004," D.C. Law 15-205). The Board also administers Federal Benefit Payments under the Frozen Plans on behalf of the Federal government.

To date, the majority of participants, survivors and beneficiaries currently receive Federal Benefit Payments exclusively. However, an increasing number of participants have service before and after the Freeze Date, and as such, receive both Federal Benefit Payments and District Benefit Payments (referred to as "Split Benefit Payments"). The smallest population of participants, survivors and beneficiaries receive District Benefit Payments only. The number of participants, survivors and beneficiaries receiving Federal Benefit Payments and Split Benefit Payments will decrease and eventually be reduced to zero as the number of participants,

[1] The Teachers' and Police Officers and Firefighters' Replacement Retirement Plans (the "Retirement Plans") can be found at D.C. Code §§ 38-2021.01 *et seq* and D.C. Code §§ 5-701 *et seq*.

survivors and beneficiaries who derive benefits from service accrued on or before the Freeze Date declines and District Benefit Payments increase. As of October 1, 2014, the Board administers retirement and survivor benefits for approximately 13,932 annuitants receiving both Federal and District Benefit Payments of which 5,966 annuitants are receiving District Benefit Payments only. There are approximately 10,050 active employees who may be eligible for future Split or District Benefit Payments. There are 1,226 terminated vested members who are not yet receiving deferred retirement annuity. All benefit payments are issued by the U. S. Treasury via an electronic payment/payroll system known as the System to Administer Retirement ("STAR").

The twelve person Board is charged with maintaining the Funds to pay District Benefit Payments, prudently investing the assets of the Plans, and managing them on an actuarially sound basis in accordance with its fiduciary duties. Consistent with its fiduciary role as Trustee of the Funds, one of the Board's essential roles is to establish policies and procedures to ensure that the Funds are appropriately governed and managed.

The assets of the Funds are held in trust for the exclusive benefit of all District Retirement Plan members and their eligible survivors and beneficiaries. The assets of the Funds are commingled for investment purposes, and can only be used to pay Retirement Plan benefits and associated reasonable administrative expenses.

Pursuant to D.C. Code § 1-711(g)(1), the Board may delegate the management, acquisition, or disposal of assets of the Funds to one or more investment counsel pursuant to D.C. Code § 1-711(g)(1).

II. Statement of Purpose of Investment Policy

This Investment Policy Statement ("Investment Policy") outlines the Board's investment philosophy and practices; formalizes the Board's investment objectives and policies; serves as the governing document for the management of the assets of the Funds; and defines the duties and responsibilities of the individuals and entities involved in the investment process. The assets of the Funds are managed with the primary objective of achieving a net investment return with acceptable risk considerations and sufficient liquidity to maintain the fully funded status of the Funds. Therefore, the Board must adopt a long-term plan by which the assets of the Funds will be managed prudently to ensure the level of assets adequately covers the accumulated liabilities of the Funds.

III. Investment Policy and Objectives

The Funds are managed in a discretionary portfolio with specific return and risk objectives.

A. Return Objectives

1. Achieve a net return that meets or exceeds the actuarial investment return target (net 6.50% nominal return) over long periods of time, to allow for a high likelihood of attaining such a return.

2. Exceed the annualized return of the Funds' Policy Benchmark.

B. Risk Objectives
1. Maintain a level of risk commensurate with the expected levels of return and consistent with prudent investment practices.
2. Maintain an appropriate level of liquidity to ensure timely payment of benefits, other Funds obligations and expenses.
3. Diversify to manage exposure to asset class, manager industry, geographic and company-specific risks (diversifiable risks) in the aggregate investment portfolio, while acknowledging the risks associated with investing in the capital markets (market risks).

IV. Roles and Responsibilities

A. Key Roles in the Investment Process
1. Board of Trustees: The Trustees establish and maintain broad policies and objectives for the assets of the Funds. The Trustees provide oversight and set policy for the Funds consistent with the authority granted under the law. They strive to achieve appropriate and consistent investment results on a cost effective basis for Plan members and beneficiaries, while avoiding unacceptable risk levels.
2. Executive Director: The Executive Director ("ED") has broad authority to manage the daily operations of the Board, as well as limited authority to enter into, modify and terminate contracts in conjunction with the Chief Investment Officer. *See,* Appendix A: Board Delegation of Authority to the Executive Director.
3. Chief Investment Officer: The Chief Investment Officer ("CIO") has authority to manage the investment staff and investment-related duties, as well as limited authority to enter into, modify and terminate contracts in conjunction with the Executive Director. *See,* Appendix B: Certificate of Executive Director Delegation of Authority to the Chief Investment Officer for Investment Matters. This delegation allows the CIO to make further delegations to the Investment staff.
4. Investment Consultants: The investment consultants serve as fiduciaries who provide expert knowledge, non-discretionary consulting services and advice on the policies, strategies, and procedures related to the investment program. The investment consultants provide an independent third-party perspective and quarterly investment performance evaluation and analysis of the investment program. The investment consultants assist the CIO perform due diligence investigations, identify and access investment opportunities, recommend specific investments and sound asset allocation structure.
5. Custodian Bank: The Custodian Bank holds and safeguards the assets of the Funds, maintains the official books and records, forwards any proxies relating to securities or other property to the appropriate investment manager or the CIO and processes

them as directed, prepares and delivers securities for settlement, temporarily invests cash balances, provides performance reports and serves as an additional layer of risk control in the safekeeping of assets of the Funds by jointly monitoring the portfolio and investment manager guidelines.

6. Investment Managers: Investment Managers invest assets in accordance with their written contracts and guidelines. Generally Investment Managers execute investment transactions on behalf of the Board in a manner that maximizes the investment value of each transaction from the Funds' viewpoint, utilizing brokers and dealers as they deem appropriate to obtain the best execution capabilities.
7. Actuary: At the request of the Trustees, the Actuary performs an annual valuation on the basis of the entry age normal funding method and in accordance with generally accepted actuarial principles and practices with respect to each separate fund comprising the Funds. In every fifth year, the Board will request the Actuary to conduct an investigation of the economic and experience of the Funds in order to assess the reasonableness of the actuarial assumptions (Experience Study).

B. Tables of Roles and Responsibilities

1. The tables below summarize the roles and responsibilities of the various parties responsible for management and administration of the Board's investment program. All parties listed below are fiduciaries, except for certain private markets managers.

INVESTMENT POLICY ROLE	BOARD of TRUSTEES	STAFF	INDEPENDENT 3RD PARTY
Determine investment objectives and constraints	Approves	Input: CIO	Recommends: Investment Consultants
Conduct strategic asset allocation study, set target rate of return and select asset allocations mix, and target and ranges	Approves	Input: CIO	Recommends: Investment Consultants
Establish alpha risk budget	Approves	Input: CIO	Recommends: Investment Consultants
Select benchmarks for performance measurement	Monitors/ Reviews	Recommends: CIO	Input: Investment Consultants
Establish and modify investment policies	Approves	Recommends: CIO	Input: Investment Consultants
Conducts investment education	Attendance is Encouraged	Recommends: CIO	Input: Investment Consultants
Develops positions on investment-related legislation	Recommends and Approves	Recommends: CIO, ED, General Counsel (GC)	Input: Investment Consultants

INVESTMENT IMPLEMENTATION ROLE	BOARD of TRUSTEES	STAFF	INDEPENDENT 3RD PARTY
Selection of Custodian Bank, Investment Consultants and Actuary	Approves	Assists in Evaluation: CIO, ED, CFO, GC	Input: Investment Consultants, as needed
New strategies and products	Approves	Recommends: CIO	Recommends: Investment Consultants
Portfolio and asset class structuring	Approves	Recommends: CIO	Recommends: Investment Consultants
Manager hiring/terminations	Approves	Recommends: CIO	Recommends: Investment Consultant
Private Funds annual commitment budget	Approves	Recommends: CIO	Recommends: Investment Consultant
Investment guidelines for investment managers	Receives periodic updates	Executes: ED and CIO after consultation with GC	Input: Investment Consultants Reports: Custodian Bank, Investment Consultants Input/Adherence: Investment Managers
Contract execution (e.g. initiation, amendments and recommitments)	Monitors	Executes and Reports: ED and CIO after consultation with GC	Input: Investment Consultants and Investment Managers
Rebalancing within target allocation range and liquidity management	Monitors	Approves and Reports: CIO	Input: Investment Consultants
Rebalancing outside of target allocation range	Approves	Recommends: CIO	Input: Investment Consultants
INVESTMENT MONITORING AND REPORTING ROLE	**BOARD of TRUSTEES**	**STAFF**	**INDEPENDENT 3RD PARTY**
Investment manager oversight and due diligence	Receives periodic updates	Reports: CIO and GC	Reports: Investment Consultants/Custodian Bank
Evaluation of investment policy decisions (attribution, risk budgeting)	Monitors/Reviews	Reports: CIO	Reports: Investment Consultants
Investment performance evaluation (overall, sector-level, manager-level)	Monitors/Reviews	Reports: CIO	Reports: Investment Consultants/Investment Managers

Peer and benchmark comparison	Monitors/Reviews	Monitors/Reviews: CIO	Reports: Custodian Bank/ Investment Consultants
Annual review of asset classes	Reviews	Reviews:CIO and CFO	Reports: Investment Consultants
Quarterly investment activity (additions, withdrawals and terminations)	Monitors/Reviews	Reports/Monitors: CIO and CFO	Monitors: Investment Consultants and Custodian Bank

V. Asset Allocation

A. Policy Targets and Ranges

The Trustees will engage the Investment Consultants to conduct an asset and liability study (Asset Allocation Study) at least every three years from which a strategic asset allocation is established that identifies the percentage of the assets of the Funds that are to be invested in each asset class based on an analysis of the liability structure and expected market conditions over a specified time horizon.

The desire to maintain the constant strategic mix must be balanced with the cost of portfolio rebalancing. Trustees establish risk tolerance by considering the assets of the Funds' ability to withstand short and intermediate term characteristics of various asset classes, with a focus on balancing risk and expected return. The Trustees establish tactical ranges within which an asset allocation is allowed to move without it provoking any rebalancing transactions. The allowable ranges guide asset class and Investment Manager rebalancing decisions made by the CIO, in consultation with the Investment Consultant. The current target allocation and rebalancing ranges are shown in Appendix C.

Private markets (alternatives) target allocations have a long-term horizon, therefore, funds to be invested in these asset classes may temporarily reside in other asset classes. The target allocation and allowable ranges of the affected asset classes may be temporarily altered to account for this.

B. Rebalancing

The primary strategic objectives of fund rebalancing are to mitigate risk and enhance returns while meeting the liquidity needs. The specific risk mitigation objective is to keep the asset allocation and overall investment structure of the Funds consistent with the strategic asset allocation. Due to changes in market movements, actual asset class balances will inevitably deviate from target allocations. These deviations cause the Funds to diverge from the asset allocations approved by the Board and the corresponding expected risk and return attributes. This divergence, or tracking error, heightens the risk that the Funds may not achieve returns expected by the Board at prudent risk levels. The CIO in consultation with the Investment Consultant is authorized to rebalance asset class exposures as necessary and prudent in accordance with the Board's Rebalancing Investment Policy[2] and report any rebalancing activity to the Trustees.

VI. Investment Program Structure

The allocation of funds to various types of investments is of utmost importance in structuring an efficient portfolio designed to meet the investment objectives. Investments are not restricted by asset class or type and may include any investment deemed prudent by the Trustees, except as noted below. All funds in the investment portfolio are managed by external Investment Managers who serve at the pleasure of the Board. Investment Managers are prohibited from entering into any transactions on behalf of the Funds that are not expressly authorized by this Investment Policy or by specific investment manager guidelines (incorporated by reference into the investment management agreement) and all applicable laws and regulations. All Investment Managers and Investment Consultants must disclose any and all economic positions that may conflict with the Board's investment objectives.

Periodically, an investment crisis arises that may require action between regularly scheduled Board meetings, such as an investment management key person may depart unexpectedly, a natural disaster may deny investment professionals access to necessary information, or some other unforeseen emergency situation. The Emergency Response Team is empowered to take necessary action between meetings for subsequent ratification by the Trustees to protect the integrity of the Funds.[3]

A. Investment Constraints

The Trustees desire the assets of the Funds to be invested at all times in accordance with applicable District and federal laws. The Trustees will retain legal counsel when appropriate to review contracts.

1. Time Horizon

   The Funds will be managed on a going-concern basis. The assets of the Funds will be invested with a long-term time horizon (twenty years or more), consistent with the Plan's demographics and the purpose of the assets of the Funds.

2. Liquidity

   The Board intends to maintain sufficient liquidity in the Funds to meet anticipated beneficiary payments and administrative expenses.

3. Tax Considerations

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[2] The Rebalancing Investment Policy was adopted and approved on October 21, 2010.

[3] The Emergency Response Team was formed November 18, 2010.

The Funds are tax-exempt organizations as described in Section 115 of the Internal Revenue Code ("Code") and the Funds are qualified trusts under Section 401(a) of the Code, thereby all gains and income associated with the assets of the Funds are exempt from federal income tax under Section 501(a) of the Code. Therefore, investments and strategies will be evaluated on a basis that is indifferent to taxable status, except when Unrelated Business Income Tax[4] (UBIT) is a concern.

B. Permissible Asset Classes

Investment in a particular asset class may or may not be consistent with the objectives of the Funds, and the Trustees have specifically indicated in Appendix D those asset classes that may be utilized when investing the assets of the Funds. In addition to the asset class categories, the Trustees decided that:

1. No single investment manager will be allocated in excess of 30% of the asset value of the Funds.
2. No single active product of an investment manager will be allocated in excess of 20% of the asset value of the Funds.
3. The Funds shall not comprise more than 20% of the capital committed to a single private commingled fund.

C. Expected Returns, Risks, and Correlations for Permissible Asset Classes

The risk and return behavior of the Funds will be driven primarily by the allocation of investments across asset classes. In determining the appropriate allocation, the expected return and risk behavior of each asset class and the likely interaction of various asset classes in a portfolio must be considered. Appendices E and F list the expected return, volatility, and correlations for each permissible asset class.

VII. Investment Manager Evaluations

The Trustees' time horizon to review performance trends will normally be over a full market cycle, although other time periods may be deemed important. Any extreme or unusual events or trends will be considered when evaluating intermediate and short-term investment results. The Investment Watch List Policy[5] assists the Trustees, CIO, and Investment Consultants in applying consistent criteria to evaluate Investment Managers.

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[4] Even though an organization is recognized as tax exempt, it still may be liable for tax on its unrelated business income. For most organizations, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the tax-exempt purpose of that organization.

[5] The Investment Watch List Policy was approved and adopted on November 18, 2010.

VIII. Investment Costs

The CIO and Investment Consultants will monitor and attempt to control investment costs at every level of the Funds.

A. Professional fees and expenses will be negotiated whenever possible.
B. Where appropriate, passive portfolios will be used to minimize investment management fees, risk, and portfolio turnover as well as to replicate index returns.
C. If possible, assets will be transferred in-kind during investment manager transitions and restructurings of the assets of the Funds to eliminate unnecessary turnover expenses.
D. Investment Managers of public securities will be instructed to minimize brokerage and execution costs.

IX. Disclosure of Information

The Board is not required to disclose information relating to trade secrets or financial or commercial information that is required to be kept confidential by an Act of Congress or the District of Columbia, or that has been received by the Board on a confidential basis in order to prevent undue injury to the competitive position of any person. In addition, the Board will not release deliberations or tentative or final decisions on investment or other financial matter, the disclosure of which may jeopardize the ability of the Board to implement an investment decision or achieve investment objectives.[6] Accordingly, investment recommendations will not be released to the public until (1) the release of the information would not adversely affect the negotiation for or market price of a security and (2) completion of a proposed purchase or sale of certain assets has been completed or full implementation of the decision of the Board.

A. Policy with regard to "top line" information

Top line information in alternative investment funds structured as limited partnerships or similar investment entities include the following data:

1. Name of Fund;
2. Investment Focus of Fund;
3. Vintage Year of Fund;
4. Amount of the Board Capital Commitment to Fund (broken down by Funded and Unfunded Capital Commitments);
5. Total Amount of Distributions from the Fund to the Board;
6. Reported Value of the Board's interest in the Fund; and
7. Internal Rate of Return

B. Policy with regard to "bottom line" information

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[6] See, D.C. Code §§ See D.C. Code §§ 2-575(b)(1), (2), (11) and 1-909.05(e), (f) (2001).

The Board should not voluntarily disclose "bottom line" information. Bottom line information includes the following data:

1. Name of each portfolio company within a Fund and description of the portfolio company's business;
2. Cost of each portfolio company;
3. Current value of each portfolio company; and
4. Material events related to a portfolio company

X. Corporate Governance Standards

The Board is committed to improve corporate governance practices of the companies within the Funds by periodically updating its Environmental, Social and Governance Policy, by voting proxies, and by responding to regulatory and legislative proposals that affect the asset value of the Funds.

The Board's staff will seek to develop best practices by fostering relationships with groups working to improve and enhance corporate governance practices, soliciting input from other plan sponsors, and considering best corporate governance practice recommendations from organizations.

XI. Separate Documents Related to this Policy Statement

The following documents are incorporated by reference into this Investment Policy and are appended.

A. Asset Allocation Investment Policy, adopted and approved July 18, 2013
B. Conflict of Interest Guidelines, amended March 2006
C. Investment Committee Charter, adopted and approved July 17, 2014
D. Derivative Policy and Procedure Addendum, adopted and approved May 16, 2013
E. Environmental, Social, and Governance Policy, adopted and approved November 21, 2013
F. Funding Policy, adopted and approved November 15, 2012
G. Governance Policy for Alternative Investments, amended January 22, 2015
H. Investment Policy Statement for Absolute Return Investments, adopted and approved September 20, 2012
I. Investment Policy Statement for Private Equity Investments, adopted and approved July 19, 2012
J. Investment Policy Statement for Real Assets, adopted and approved January 22, 2015
K. Rebalancing Investment Policy, adopted and approved October 21, 2010
L. Securities Litigation Policy, amended May 18, 2006
M. Investment Watch List Policy, adopted and approved November 18, 2010

XII. Procedures for Amending this Policy Statement

This Investment Policy may be amended from time to time by a majority vote of the Trustees.

APPENDIX A

DELEGATION OF AUTHORITY TO THE EXECUTIVE DIRECTOR

WHEREAS, it is the duty of the District of Columbia Retirement Board ("Board"),an independent agency of the District of Columbia, and its Executive Director to administer the Board's governing laws faithfully without prejudice and consistent with the expressed intent of the United States Congress and the Council of the District of Columbia;

WHEREAS, the Board's mission is to prudently invest the assets of the District of Columbia Police Officers and Firefighters' Retirement Plan and the District of Columbia Teachers' Retirement Plan established under the 1998 Police Officers, Firefighters, and Teachers Retirement Benefit Replacement Plan Act (the "Replacement Plans"), while providing the participants, and their survivors and beneficiaries, of the Replacement Plans with total retirement services;

WHEREAS, the Board and its Executive Director shall act in their respective capacities with a fiduciary obligation to the membership of the Replacement Plans and to exercise exclusive authority and discretion in the management of the assets of the Replacement Plans maintained in the underlying District of Columbia Police Officers and Fire Fighters' Retirement Fund and District of Columbia Teachers' Retirement Fund (collectively, the "Trust Fund") held in trust by the Board for the exclusive purpose of providing benefits to all Replacement Plan participants and their survivors and beneficiaries (collectively referred to herein as the "Retirement Program");

WHEREAS, D.C. Official Code §1-711(g)(2)(C) requires the Board to appoint an Executive Director to manage the day-to-day operations of the Board;

WHEREAS, the Board has appointed an Executive Director and is hereby delegating authority to the Executive Director to act subject to review, ratification, or reversal by the Board; and

WHEREAS, the Board desires to clarify the Executive Director's authority with respect to Trust Fund investments.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby delegates to the Executive Director investment authority as follows:

I.
Authority with Respect to General Matters

The management of the Retirement Program is vested in the Executive Director who shall operate the Retirement Program in accordance with all governing laws, rules, regulations, and other governing authorities including any Board polices and guidelines. The Executive Director shall act as advisor to the Board on all matters pertaining to the Retirement Program, cooperate with and act as liaison between the Board, the Board staff, Retirement Program members, member organizations, employers, employer organizations, departments and agencies of the District of Columbia, the Council of the District of Columbia, and the U.S. Treasury Department's Office of D.C. Pensions. Notwithstanding this section, the Executive Director shall bring to the attention of the Board all matters which are sensitive in nature or have a significant novel or policy impact on the Retirement Program or Board.

II.
Authority and Duties with Respect to Investments and Investment-Related Activities of the Retirement Program

In coordination with the Board's Chief Investment Officer (CIO), the Executive Director shall monitor investment related activities of the Retirement Program. Based on the CIO's recommendations, the Executive Director shall, within resources available, provide all administrative services to implement the Board's investment management plan, consistent with the Board's laws, rules, regulations, and other governing authorities including any Board policies and guidelines.

In accordance with the above authorities and/or the Board's express prior approval of an investment transaction, the Executive Director shall have the authority to act with respect to the following matters:

1. Enter into and amend contracts for investment consultants, investment management firms and external advisors and consultants. Contract actions shall be executed after approval by the Board and in conjunction with the CIO, following the General Counsel's legal review and approval;

2. Subject to the annual spending authority or resolution specifying any spending limitations, authorize expenditures to investment consultants, legal counsel, investment management firms and external advisors and consultants, subject to the annual spending authority or resolution specifying any spending limitations;

3. Conduct audits of investment operations as needed;

4. Conduct a peer group benchmarking of Fund investment costs performed by an independent entity every two to three years;

5. Oversee the Investment Program and keep the Investment Committee Chair informed;

6. Conduct periodic asset liability studies with the assistance of Investment Consultants and actuaries and recommend asset allocation targets and ranges;

7. Recommend changes as needed for approval by the Board to the Investment Policy Statement and the Investment Committee Charter;

8. Manage the selection, monitoring and discharge of investment service providers;

9. Negotiate and approve investment service providers guidelines and any associated amendments;

10. Investigate, research and recommend new and emerging investment concepts and strategies, and implement appropriate strategies in accordance with approved policies and procedures;

11. Inform investment managers, investment consultants and others providing investment services to the Board about the requirements of applicable laws and Board policies, and monitor their compliance with these laws and policies;

12. Adjust allocations to asset classes, investment managers and Fund vehicles as needed, subject to any approved allocation ranges and the rebalancing policy;

13. Recommend appointment and discharge of investment managers and investments in or redemptions from Fund vehicles subject to conditions and guidelines in the Investment Policy Statement;

14. Identify and, in concert with the CIO and Investment Consultants, resolve compliance violations by Investment Managers relative to their respective investment guidelines; ensure that those accounts with guideline violations are efficiently and effectively brought back into compliance;

15. Report proxy voting activity to the Investment Committee periodically and highlight any emerging issues related to this activity;

16. Supervise the CIO; and

17. Ensure the Board receives periodic status reports of the Fund assets and its multi-period performance relative to benchmarks and actuarial investment return target. Performance shall be calculated on a net-of-fees basis, and, in the case of alternative investments, net-of-fee internal rate of return, and net-of-fee equity multiples.
    The Executive Director may delegate any and all of the matters in Paragraph II above to Board staff.

Eric O. Stanchfield is the duly appointed and incumbent Executive Director of the Board.

RESOLVED further, that this Resolution shall be effective when executed by the Chairperson, and that all previous delegations of authority to the Executive Director are hereby canceled.

November ___, 2015

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Joseph M. Bress
Board Chair

NOTARY SEAL

APPENDIX B

CERTIFICATE OF EXECUTIVE DIRECTOR
DISTRICT OF COLUMBIA RETIREMENT BOARD

DELEGATION OF AUTHORITY TO THE
CHIEF INVESTMENT OFFICER
(FOR INVESTMENT MATTERS)

The undersigned hereby states that:

1. I am the duly appointed and incumbent Executive Director of the District of Columbia Retirement Board.

2. As Executive Director, I keep a record of all Board and Investment Committee meetings.

3. I hereby delegate my authority with respect to the investment operations of the Board to the Chief Investment Officer (CIO), including the authority to:

a. Oversee the Investment Program and keep the Investment Committee Chair informed and ensure that reports of the Fund's investment performance are presented on a timely basis;

b. Conduct periodic asset liability studies with the assistance of Investment Consultants and actuaries and recommend asset allocation targets and ranges;

c. Recommend changes as needed for approval by the Board to the Investment Policy Statement and the Investment Committee Charter;

d. Manage the selection, monitoring and discharge of investment service providers;

e. Negotiate and approve investment service providers guidelines and any associated amendments;

f. Investigate, research and recommend new and emerging investment concepts and strategies, and implement appropriate strategies in accordance with approved policies and procedures;

g. Inform investment managers, investment consultants and others providing investment services to the Board about the requirements of applicable laws and Board policies, and monitor their compliance with these laws and policies;

h. Adjust allocations to asset classes, investment managers and Fund vehicles as needed, subject to any approved allocation ranges and the rebalancing policy;

i. Recommend appointment and discharge of investment managers and investments in or redemptions from Fund vehicles subject to conditions and guidelines in the Investment Policy Statement;

j. Identify and, in concert with Investment Consultants, resolve compliance violations by Investment Managers relative to their respective investment guidelines; ensure that those accounts with guideline violations are efficiently and effectively brought back into compliance;

k. Report proxy voting activity to the Investment Committee periodically and highlight any emerging issues related to this activity;

l. Supervise the Investment Staff; and

m. Regularly report the status of the Fund and its multi-period performance to the Board relative to benchmarks and actuarial investment return target. Performance will be calculated on a net-of-fees basis, and, in the case of alternative investments, net of fee internal rate of return, and net of fee equity multiples.

4. This Delegation was duly made by me, remains unmodified and in full force and effect and applies to and vests in the CIO the authority to carry out the responsibilities delegated herein.

5. The CIO may delegate any and all of the matters in Section 3 above to the Investment Staff.

6. Sheila Morgan-Johnson is the duly appointed and incumbent Chief Investment Officer of the District of Columbia Retirement Board.

November ___, 2015

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Eric O. Stanchfield
Executive Director

NOTARY SEAL

APPENDIX C

ASSET ALLOCATION POLICY TARGETS AND RANGES

	Target Allocation	Allowable Ranges
Public Equities	48%	38-58%
Domestic Equity	21%	17-25%
International Developed Market Equity	18%	14-22%
International Emerging Market Equity	9%	7-11%
Fixed Income	27%	22-32%
Investment Grade Bond	12%	7-17%
TIPS	4%	3-5%
Bank Loan	3%	2-4%
Emerging Market Debt	3%	2-4%
High Yield	3%	2-4%
Emerging Market Debt	3%	2-4%
Foreign Developed Bond	2%	1-3%
Alternatives	25%	25%
Absolute Return	10%	8-12%
Private Equity	8%	5-11%
Real Assets	7%	5-9%
Real Estate	4%	N/A
Infrastructure/Opportunistic	2%	N/A
Private Energy	1%	N/A
Cash	0	0

APPENDIX D

PERMISSIBLE ASSET CLASSES

Asset Class
Public Domestic Equity
Public Foreign Developed Market Equity
Public Foreign Emerging Market Equity
Private Equity
Investment Grade Bonds
TIPS
High Yields Bonds
Bank Loans
Foreign Bonds
Emerging Market Debt
Public and Private Real Estate
Infrastructure
Energy/Natural Resources
Absolute Return Funds

APPENDIX E

The below data reflects Meketa's 2013 asset study, which was used in the last asset allocation review.

Twenty-Year, Single Asset Class and Sub-Asset Class Forecast

Asset Class	Expected Return (%)	Volatility (%)
Fixed Income		
Investment Grade Bonds	3.1	5.0
TIPS	3.1	8.0
High Yield Bonds	5.9	12.0
Bank Loans	5.1	9.5
Foreign Bonds	3.0	9.5
Emerging Market Bonds (local)	6.0	12.5
Equities		
US Equity	9.3	18.0
Developed Market Equity	10.0	20.0
Emerging Market Equity	11.6	25.0
Private Equity	10.4	24.0
Buyouts	10.7	25.0
Venture Capital	12.0	35.0
Mezzanine Debt	8.6	20.0
Distressed Debt	9.5	27.0
Real Assets		
Real Estate	8.1	18.0
REITs	7.5	26.5
Core Private Real Estate	7.0	12.5
Value Added Real Estate	8.5	20.0
Opportunistic Real Estate	10.4	25.0
Natural Resources (Private)	9.3	21.0
Core Infrastructure (Private)	7.7	16.0
Non-Core Infrastructure (Private)	10.0	22.0
Other		
Absolute Return	6.1	10.5
Long-Short	5.2	12.0
Event-Driven	6.9	11.0
Global Macro	6.7	9.0

APPENDIX F

Correlation Expectations for Major Asset Classes

	TIPS	Invest ment Grade Bonds	High Yield Bonds	U.S. Equity	Developed Market Equity	Emerging Market Equity	Private Equity	Real Estate	Natural Resources (private)	Core Infrastructure (private)	Absolute Return Funds
TIPS	1.00										
Investment Grade Bonds	0.80	1.00									
High Yield Bonds	0.30	0.20	1.0								
U.S. Equity	0.00	0.05	0.70	1.0							
Developed Market Equity	0.15	0.05	0.70	0.90	1.00						
Emerging Market Equity	0.15	0.05	0.70	0.80	0.90	1.00					
Private Equity	0.05	0.05	0.65	0.85	0.80	0.75	1.00				
Real Estate	0.10	0.20	0.50	0.50	0.45	0.40	0.45	1.00			
Natural Resources (private)	0.10	0.10	0.45	0.65	0.60	0.60	0.55	0.45	1.00		
Core Infrastructure (private)	0.30	0.30	0.65	0.65	0.70	0.60	0.55	0.50	0.55	1.00	
Absolute Return Funds	0.20	0.05	0.70	0.80	0.85	0.85	0.65	0.45	0.50	0.60	1.00