



# Investment Performance FY 2018

## **Trust Funds**

August 27, 2018

# Capital Markets Benchmark Return and Market Index Components

		<u>1st qtr</u>	<u>2nd qtr</u>	<u>3rd qtr</u>	<u>4th qtr</u>	<u>FY 2018</u>
<b>Capital Markets Benchmark</b>		3.0%	3.3%	-1.7%	2.0%	6.82%
<b><u>Benchmark Index Components-weights</u></b>						
<b><u>Global Equity</u></b>	<b>51%</b>					
Global Equity Benchmark (MSCI ACW 2/3 + MSCI US 1/3)		4.9%	6.0%	-0.9%	1.5%	11.78%
<b><u>Real Estate</u></b>	<b>10%</b>					
MSCI REITS		0.9%	1.4%	-8.1%	10.1%	3.57%
<b><u>High Yield Debt</u></b>	<b>7%</b>					
Citigroup High Yield		1.9%	0.5%	-0.7%	1.1%	2.81%
<b><u>Investment Grade Fixed Income</u></b>	<b>30%</b>					
Citigroup Broad Investment Grade		0.8%	0.4%	-1.5%	-0.2%	-0.45%
<b><u>Cash</u></b>	<b>2%</b>					
Citigroup 3 mo Treasury bills		0.3%	0.3%	0.3%	0.4%	1.33%

Time weighted rate-of-return

# Actual to Benchmark Allocation Comparison - June 30, 2018

	<b>Avg. Actual Asset <u>Allocation</u></b>	<b>Benchmark Asset <u>Allocation</u></b>	<b><u>Difference</u></b>	<b><u>Permissible Range</u></b>
Global Equity	27%	51%	-24%	75% to 25%
Real Estate Core & Opportunistic	0%	10%	-10%	20% to 2%
High Yield Corporate Debt	4%	7%	-3%	15% to 0%
Investment Grade Fixed Income	18%	30%	-12%	50% to 13%
Cash	33%	2%	31%	50% to 0%
Private Equity	5%	0%	5%	10% to 0%
Opportunistic Real Estate	6%	0%	6%	10% to 0%
High Yield Real Estate Debt	6%	0%	6%	10% to 0%
US Treasury TIPS	0%	0%	0%	10% to 0%
Commodity	0%	0%	0%	5% to 0%
Equity Like Risk	45%	63%	-18%	77% to 45%

# Total Portfolio Performance Attribution

## Dakota Cement Trust to CMB

<b>DCT Total Fund Return</b>	<b>6.78%</b>
Capital Markets Benchmark Return	<u>6.82%</u>
Difference	<u><b>-0.04%</b></u>

Fair Value 6/30/18 \$325,465,103

<b>Primary Asset Allocation</b>	
Equity-Like Risk	-1.48%
Bond-Like Risk	0.05%
Cash-Like Risk	<u>0.32%</u>
<b>Total Primary Asset Allocation</b>	<b>-1.10%</b>

<b>Secondary Asset Allocation</b>	
Global Equity	N/A
Investment Grade Debt	N/A
Cash	N/A
REITS / Core	0.61%
High Yield Corporate Debt	0.08%
High Yield Distressed aggressive	-0.01%
High Yield Real Estate Debt	-0.07%
High Yield RE Debt aggressive	-0.05%
Real Estate Opportunistic	-0.53%
Private Equity	N/A
Hedge Fund	N/A
Short S&P 500 Futures	<u>N/A</u>
<b>Total Secondary Asset Allocation</b>	<b>0.03%</b>

**Total Asset Allocation** **-1.07%**

<b>Portfolio Added Value (Alpha)</b>	
Global Equity	0.14%
Investment Grade Debt	-0.01%
Cash	-0.03%
REITS / Core	N/A
High Yield Corporate Debt	-0.07%
High Yield Distressed aggressive	0.00%
High Yield Real Estate Debt	0.23%
High Yield RE Debt aggressive	0.07%
Real Estate Opportunistic	0.59%
Private Equity	0.28%
Hedge Fund	N/A
Short S&P 500 Futures	<u>N/A</u>
<b>Total Portfolio Added Value (Alpha)</b>	<b>1.20%</b>

**Total Explained Difference** **0.13%**

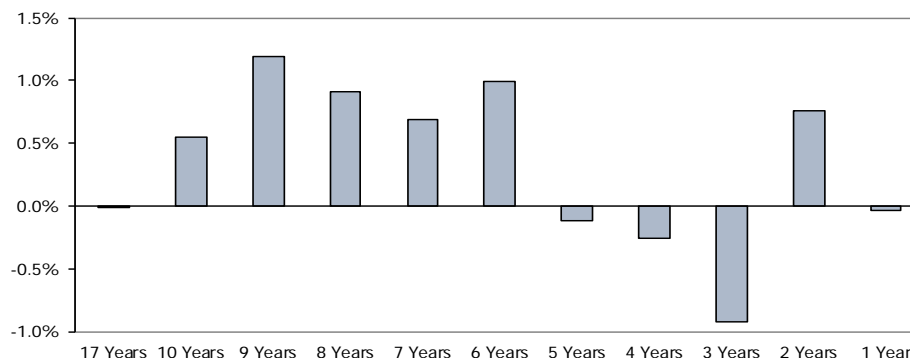
Other - interperiod trading/asset allocation -0.17%

**Total Difference** **-0.04%**

# Dakota Cement Trust Total Fund Return Comparison

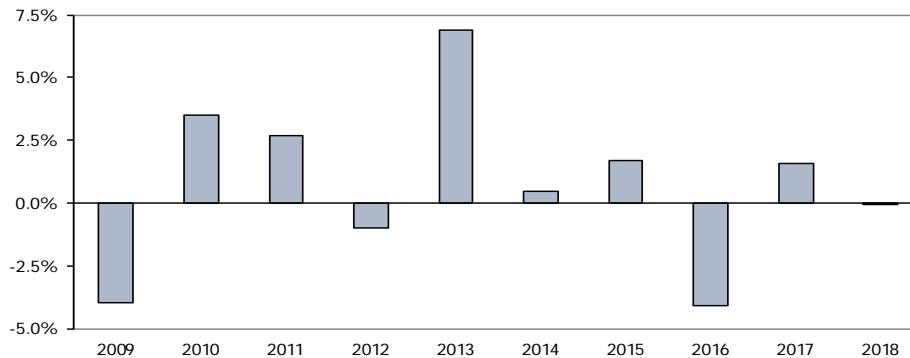
Annualized	DCT Total Fund	DCT Capital Markets Benchmark	Over/Under Performance
17 Years	7.03%	7.05%	-0.01%
10 Years	7.32%	6.77%	0.55%
9 Years	10.37%	9.18%	1.20%
8 Years	9.89%	8.97%	0.91%
7 Years	8.38%	7.69%	0.69%
6 Years	9.34%	8.35%	0.99%
5 Years	7.73%	7.85%	-0.12%
4 Years	5.70%	5.96%	-0.26%
3 Years	6.08%	7.00%	-0.92%
2 Years	9.14%	8.38%	0.76%
1 Year	6.78%	6.82%	-0.04%

**DCT Total Fund Over/Under Performance Chart**



Annual Returns	DCT Total Fund	DCT Capital Markets Benchmark	Over/Under Performance
2009	-16.64%	-12.67%	-3.97%
2010	14.34%	10.83%	3.51%
2011	21.03%	18.37%	2.66%
2012	2.80%	3.82%	-1.02%
2013	17.76%	10.89%	6.87%
2014	16.25%	15.77%	0.49%
2015	4.56%	2.89%	1.67%
2016	0.21%	4.30%	-4.08%
2017	11.55%	9.96%	1.59%
2018	6.78%	6.82%	-0.04%

**DCT Total Fund Over/Under Performance Chart**



\* Total Fund Return History  
 | 2002 - 2013 is gross-of-fee  
 | 2014 - 2018 is net-of-fee

# Total Portfolio Performance Attribution Education Enhancement Trust to CMB

<b>EET Total Fund Return</b>	<b>6.82%</b>
Capital Markets Benchmark Return	<u>6.90%</u>
Difference	<u><u>-0.09%</u></u>

Fair Value 6/30/18 \$602,643,318

<b>Primary Asset Allocation</b>	
Equity-Like Risk	-1.48%
Bond-Like Risk	0.05%
Cash-Like Risk	<u>0.35%</u>
<b>Total Primary Asset Allocation</b>	<u>-1.08%</u>

<b>Secondary Asset Allocation</b>	
Global Equity	N/A
Investment Grade Debt	N/A
Cash	N/A
REITS / Core	0.61%
Tax-Exempt Debt	-0.02%
High Yield Corporate Debt	0.08%
High Yield Distressed aggressive	-0.01%
High Yield Real Estate Debt	-0.07%
High Yield RE Debt aggressive	-0.05%
Real Estate Opportunistic	-0.54%
Private Equity	N/A
Hedge Fund	N/A
Short S&P 500 Futures	<u>N/A</u>
<b>Total Secondary Asset Allocation</b>	<u>0.02%</u>

<b>Total Asset Allocation</b>	<b>-1.06%</b>
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<b>Portfolio Added Value (Alpha)</b>	
Global Equity	0.18%
Investment Grade Debt	-0.01%
Cash	-0.03%
REITS / Core	N/A
Tax-Exempt Debt	0.02%
High Yield Corporate Debt	-0.07%
High Yield Distressed aggressive	0.00%
High Yield Real Estate Debt	0.22%
High Yield RE Debt aggressive	0.07%
Real Estate Opportunistic	0.59%
Private Equity	0.23%
Hedge Fund	N/A
Short S&P 500 Futures	<u>N/A</u>
<b>Total Portfolio Added Value (Alpha)</b>	<b>1.21%</b>

<b>Total Explained Difference</b>	<b>0.15%</b>
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Other - interperiod trading/asset allocation -0.23%

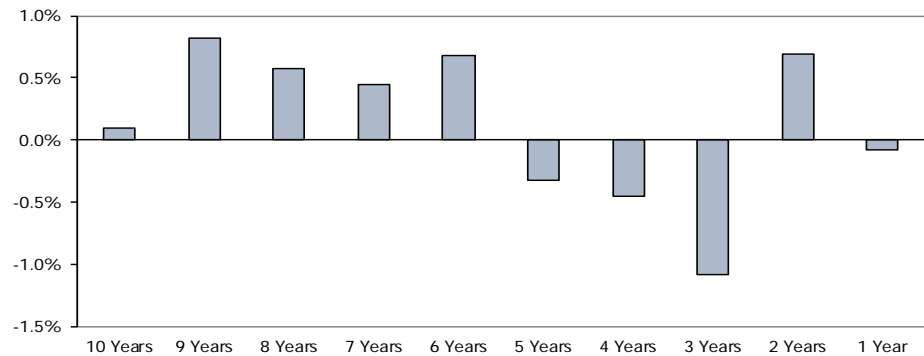
<b>Total Difference</b>	<b><u><u>-0.09%</u></u></b>
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# Education Enhancement Trust Total Fund Return Comparison

Annualized

	<u>EET Total Fund</u>	<u>EET Capital Markets Benchmark</u>	<u>Over/Under Performance</u>
16 Years	6.55%	7.31%	-0.76%
10 Years	6.94%	6.84%	0.10%
9 Years	10.08%	9.26%	0.81%
8 Years	9.69%	9.12%	0.57%
7 Years	8.24%	7.80%	0.44%
6 Years	9.15%	8.47%	0.68%
5 Years	7.59%	7.91%	-0.32%
4 Years	5.56%	6.01%	-0.45%
3 Years	5.97%	7.06%	-1.08%
2 Years	9.14%	8.45%	0.70%
1 Year	6.82%	6.90%	-0.09%

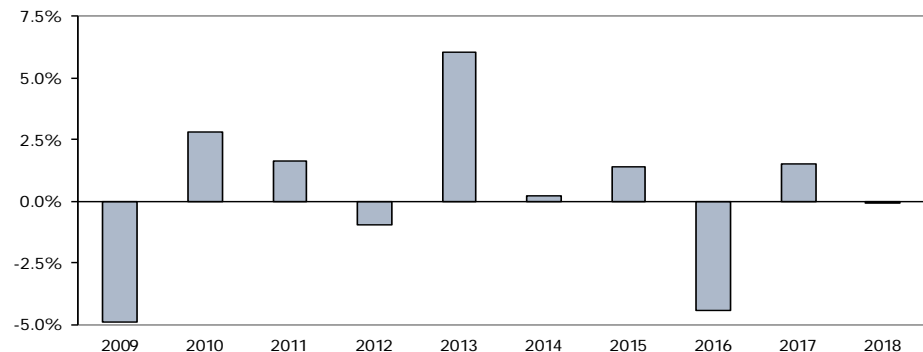
**EET Total Fund Over/Under Performance Chart**



Annual Returns

	<u>EET Total Fund</u>	<u>EET Capital Markets Benchmark</u>	<u>Over/Under Performance</u>
2009	-17.53%	-12.64%	-4.88%
2010	13.20%	10.41%	2.79%
2011	20.44%	18.83%	1.61%
2012	2.90%	3.86%	-0.96%
2013	17.32%	11.30%	6.02%
2014	16.13%	15.88%	0.24%
2015	4.31%	2.92%	1.39%
2016	-0.09%	4.33%	-4.42%
2017	11.52%	10.01%	1.51%
2018	6.82%	6.90%	-0.09%

**EET Total Fund Over/Under Performance Chart**



\* Total Fund Return History  
 2003 - 2013 is gross-of-fee  
 2014 - 2018 is net-of-fee

# Total Portfolio Performance Attribution Health Care Trust to CMB

<b>HCT Total Fund Return</b>	<b>6.76%</b>
Capital Markets Benchmark Return	<u>6.82%</u>
Difference	<u><u>-0.06%</u></u>

Fair Value 6/30/18 \$147,135,167

<b>Primary Asset Allocation</b>	
Equity-Like Risk	-1.48%
Bond-Like Risk	0.05%
Cash-Like Risk	<u>0.32%</u>
<b>Total Primary Asset Allocation</b>	<u>-1.11%</u>

<b>Portfolio Added Value (Alpha)</b>	
Global Equity	0.14%
Investment Grade Debt	-0.01%
Cash	-0.03%
REITS / Core	N/A
High Yield Corporate Debt	-0.07%
High Yield Distressed aggressive	0.00%
High Yield Real Estate Debt	0.25%
High Yield RE Debt aggressive	0.07%
Real Estate Opportunistic	0.61%
Private Equity	0.28%
Hedge Fund	N/A
Short S&P 500 Futures	N/A

**Total Portfolio Added Value (Alpha) 1.23%**

<b>Secondary Asset Allocation</b>	
Global Equity	N/A
Investment Grade Debt	N/A
Cash	N/A
REITS / Core	0.61%
High Yield Corporate Debt	0.08%
High Yield Distressed aggressive	-0.01%
High Yield Real Estate Debt	-0.07%
High Yield RE Debt aggressive	-0.05%
Real Estate Opportunistic	-0.56%
Private Equity	N/A
Hedge Fund	N/A
Short S&P 500 Futures	<u>N/A</u>
<b>Total Secondary Asset Allocation</b>	<u>0.01%</u>

**Total Explained Difference 0.12%**

Other - interperiod trading/asset allo -0.19%

**Total Difference -0.06%**

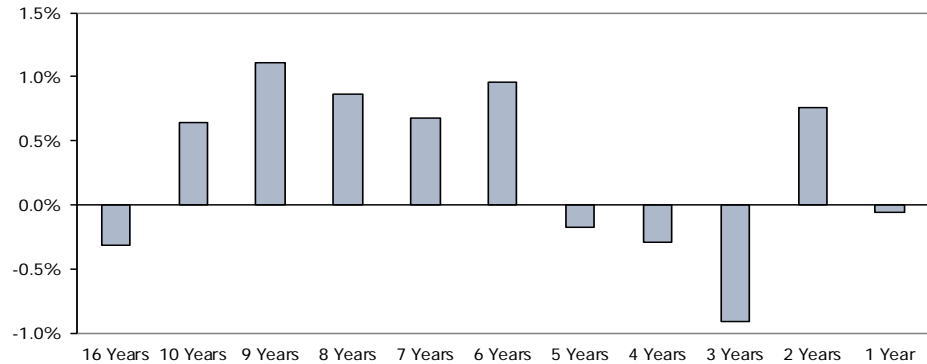
**Total Asset Allocation -1.11%**



# Health Care Trust Total Fund Return Comparison

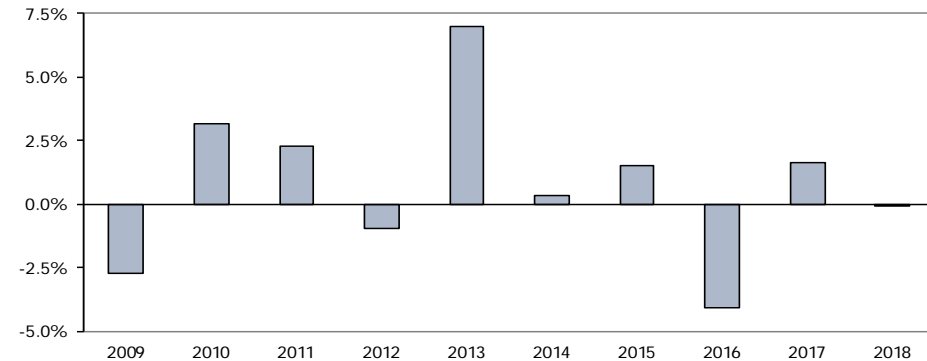
Annualized	HCT Total Fund	HCT Capital Markets Benchmark	Over/Under Performance
16 Years	7.04%	7.36%	-0.32%
10 Years	7.40%	6.77%	0.64%
9 Years	10.29%	9.18%	1.11%
8 Years	9.83%	8.97%	0.86%
7 Years	8.37%	7.69%	0.68%
6 Years	9.31%	8.35%	0.96%
5 Years	7.68%	7.85%	-0.17%
4 Years	5.67%	5.96%	-0.29%
3 Years	6.09%	7.00%	-0.91%
2 Years	9.14%	8.38%	0.76%
1 Year	6.76%	6.82%	-0.06%

HCT Total Fund Over/Under Performance Chart



Annual Returns	HCT Total Fund	HCT Capital Markets Benchmark	Over/Under Performance
2009	-15.39%	-12.67%	-2.72%
2010	13.99%	10.83%	3.16%
2011	20.65%	18.37%	2.28%
2012	2.87%	3.82%	-0.95%
2013	17.86%	10.89%	6.97%
2014	16.11%	15.77%	0.34%
2015	4.43%	2.89%	1.54%
2016	0.23%	4.30%	-4.07%
2017	11.58%	9.96%	1.62%
2018	6.76%	6.82%	-0.06%

HCT Total Fund Over/Under Performance Chart



\* Total Fund Return History  
2003 - 2013 is gross-of-fee  
2014 - 2018 is net-of-fee

# Total Portfolio Performance Attribution School & Public Lands to CMB

<b>SPL Total Fund Return</b>	<b>6.80%</b>
Capital Markets Benchmark Return	6.82%
Difference	<u><u>-0.02%</u></u>

Fair Value 6/30/18 \$302,239,678

<b>Primary Asset Allocation</b>	
Equity-Like Risk	-1.45%
Bond-Like Risk	0.07%
Cash-Like Risk	0.35%
<b>Total Primary Asset Allocation</b>	<u><u>-1.03%</u></u>

<b>Secondary Asset Allocation</b>	
Global Equity	N/A
Investment Grade Debt	N/A
Cash	N/A
REITS / Core	0.61%
High Yield Corporate Debt	0.08%
High Yield Distressed aggressive	0.00%
High Yield Real Estate Debt	-0.07%
High Yield RE Debt aggressive	-0.05%
Real Estate Opportunistic	-0.48%
Private Equity	N/A
Hedge Fund	N/A
Short S&P 500 Futures	N/A
<b>Total Secondary Asset Allocation</b>	<u>0.09%</u>

**Total Asset Allocation** -0.94%

<b>Portfolio Added Value (Alpha)</b>	
Global Equity	0.16%
Investment Grade Debt	-0.01%
Cash	-0.03%
REITS / Core	N/A
High Yield Corporate Debt	-0.07%
High Yield Distressed aggressive	0.00%
High Yield Real Estate Debt	0.22%
High Yield RE Debt aggressive	0.07%
Real Estate Opportunistic	0.54%
Private Equity	0.22%
Hedge Fund	N/A
Short S&P 500 Futures	N/A

**Total Portfolio Added Value (Alpha)** 1.09%

**Total Explained Difference** 0.15%

Other - interperiod trading/asset allo -0.18%

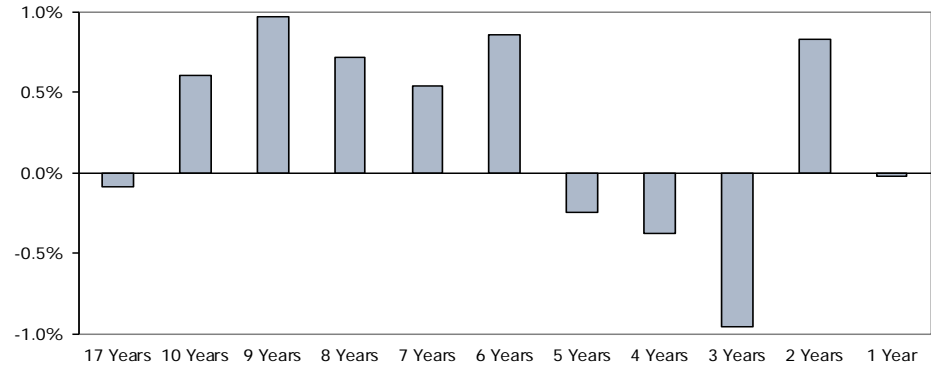
**Total Difference** -0.02%

# School & Public Lands Total Fund Return Comparison

Annualized

	<u>SPL Total Fund</u>	<u>SPL Capital Markets Benchmark</u>	<u>Over/Under Performance</u>
17 Years	6.74%	6.83%	-0.09%
10 Years	7.37%	6.77%	0.61%
9 Years	10.14%	9.18%	0.97%
8 Years	9.69%	8.97%	0.71%
7 Years	8.23%	7.69%	0.54%
6 Years	9.20%	8.35%	0.85%
5 Years	7.60%	7.85%	-0.25%
4 Years	5.58%	5.96%	-0.38%
3 Years	6.04%	7.00%	-0.96%
2 Years	9.21%	8.38%	0.83%
1 Year	6.80%	6.82%	-0.02%

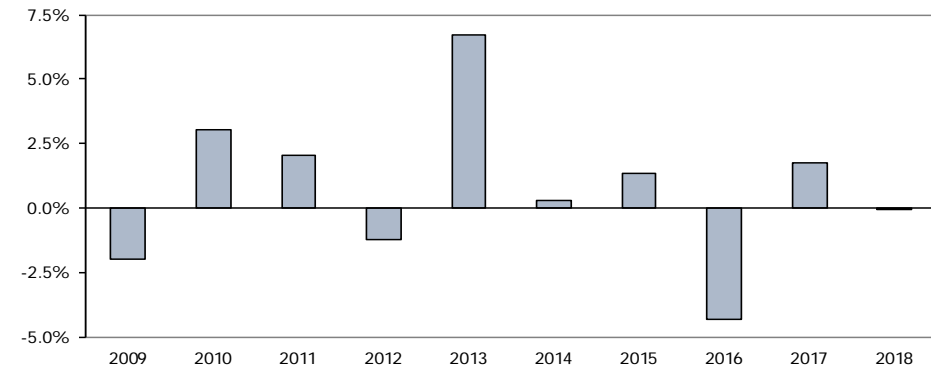
**SPL Total Fund Over/Under Performance Chart**



Annual Returns

	<u>SPL Total Fund</u>	<u>SPL Capital Markets Benchmark</u>	<u>Over/Under Performance</u>
2009	-14.64%	-12.67%	-1.97%
2010	13.87%	10.83%	3.05%
2011	20.42%	18.37%	2.05%
2012	2.59%	3.82%	-1.23%
2013	17.58%	10.89%	6.70%
2014	16.07%	15.77%	0.30%
2015	4.20%	2.89%	1.31%
2016	-0.01%	4.30%	-4.31%
2017	11.68%	9.96%	1.72%
2018	6.80%	6.82%	-0.02%

**SPL Total Fund Over/Under Performance Chart**



\* Total Fund Return History  
 2002 - 2013 is gross-of-fee  
 2014 - 2018 is net-of-fee