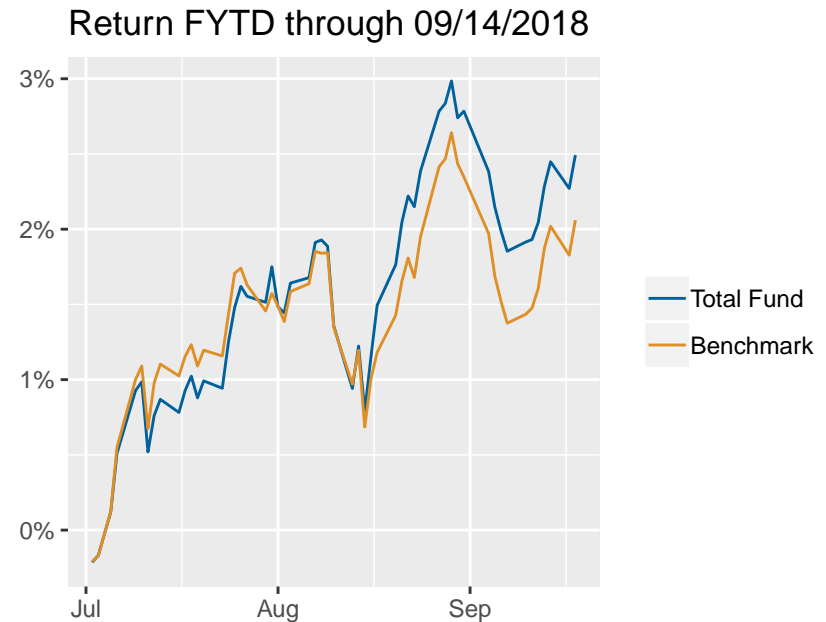
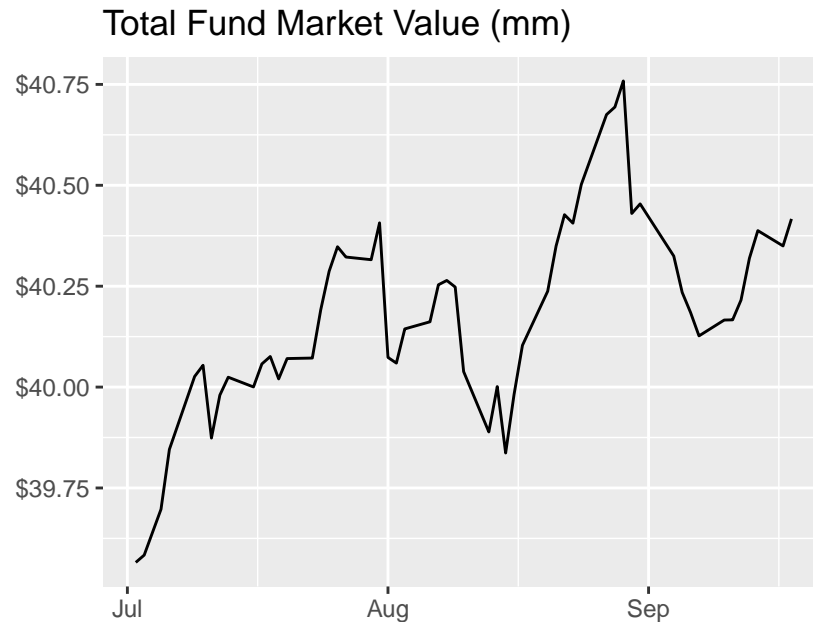


CIO Board Report

Arizona State Retirement System

September 28, 2018

Total Fund FYTD Return & Current Positioning



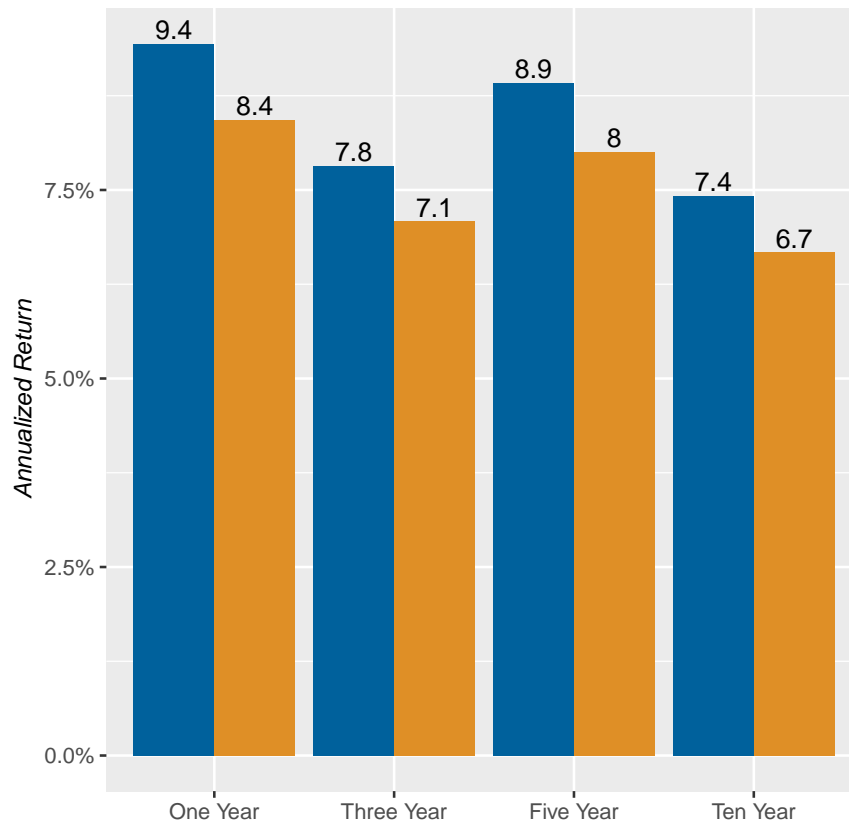
Total Fund Exposure

Name	NAV (\$ mm)	NAV (%)	Notional (\$ mm)	Exposure (%)	Target (%)	Active Weight (%)	Active Weight (\$ mm)
Cash	436.0	1.1	438.0	1.1	0.0	1.1	438.0
Bonds	3863.0	9.6	3863.0	9.6	12.0	-2.4	-984.0
Credit	6687.0	16.6	6687.0	16.6	17.0	-0.4	-179.0
Equity	23202.0	57.4	23202.0	57.4	59.0	-1.6	-627.0
Real Estate	4893.0	12.1	4893.0	12.1	12.0	0.1	47.0
Other	1307.0	3.2	1307.0	3.2	0.0	3.2	1307.0
Total Fund	40388.0	100.0	40388.0	100.0	100.0	0.0	0.0

Trailing Returns & Dollar Value Add - 6/30/2018

Total Fund and SAA Benchmark

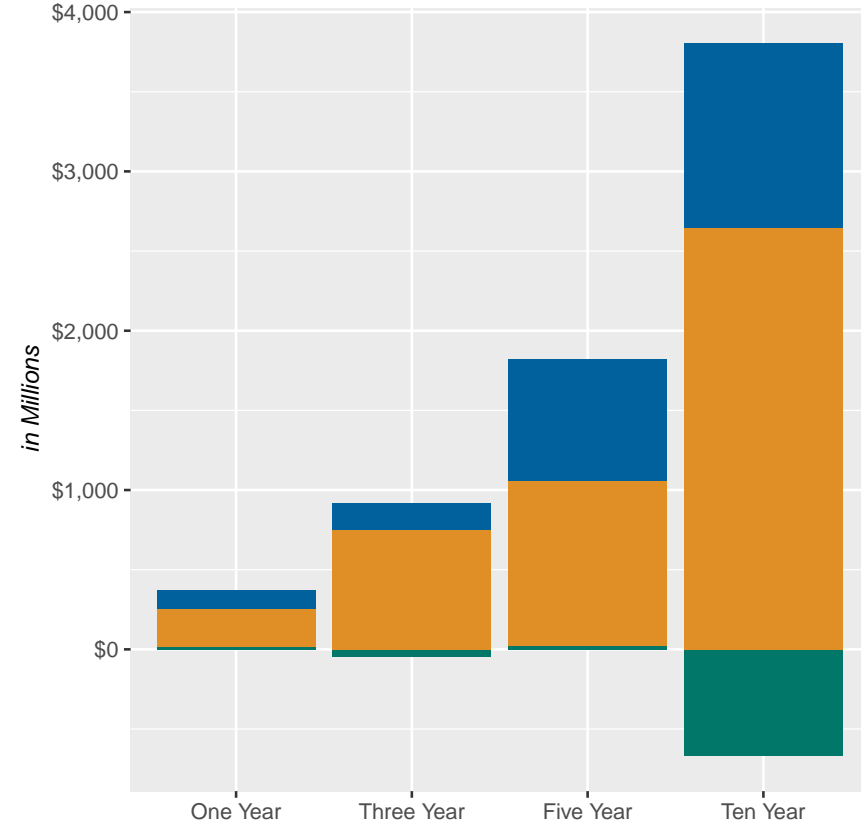
Trailing Period Returns as of 6/30/18



Total Fund SAA Benchmark

Total Fund Dollar Value Add

Relative to SAA Benchmark as of 6/30/18

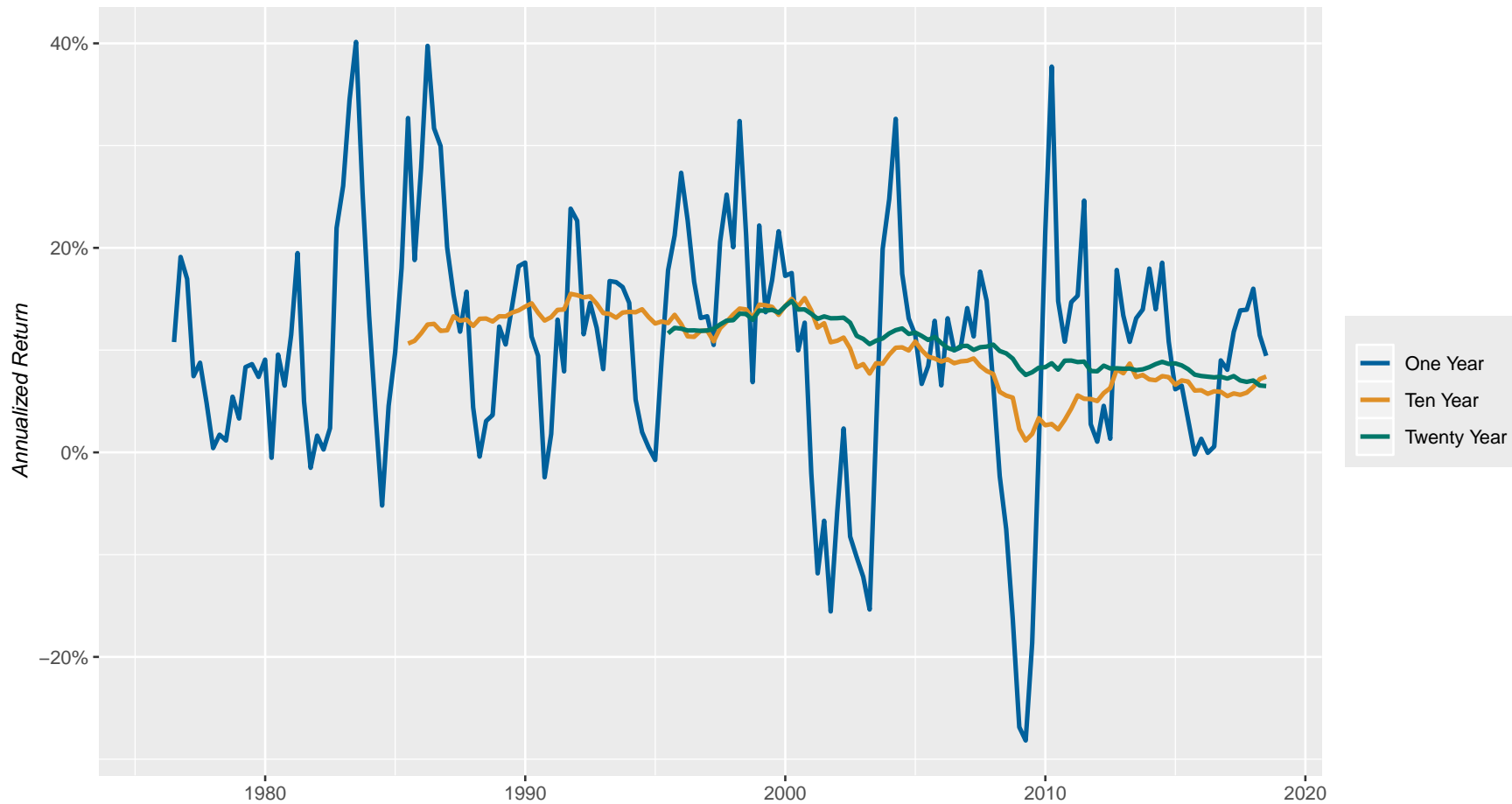


Allocation Selection Other

Total Fund Returns - 6/30/2018

Total Fund Rolling Returns

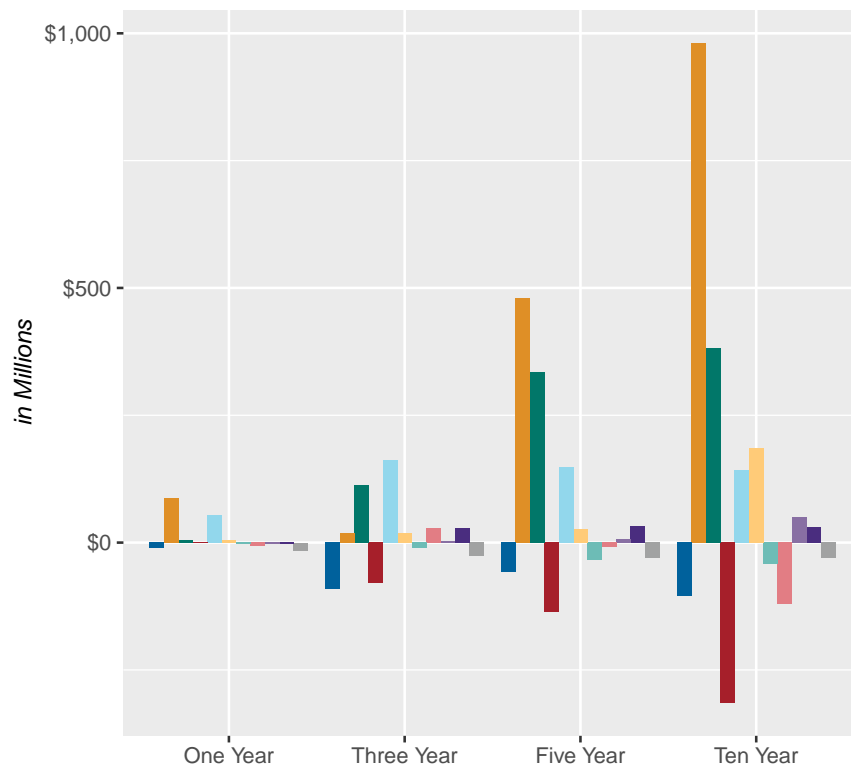
Trailing Period Returns as of 6/30/18



Allocation Effect - 6/30/2018

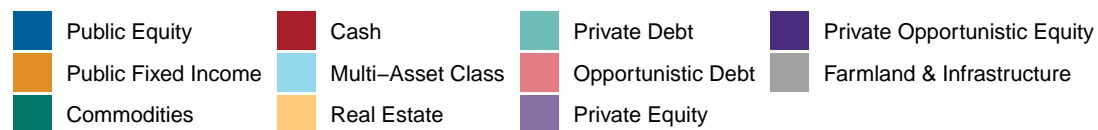
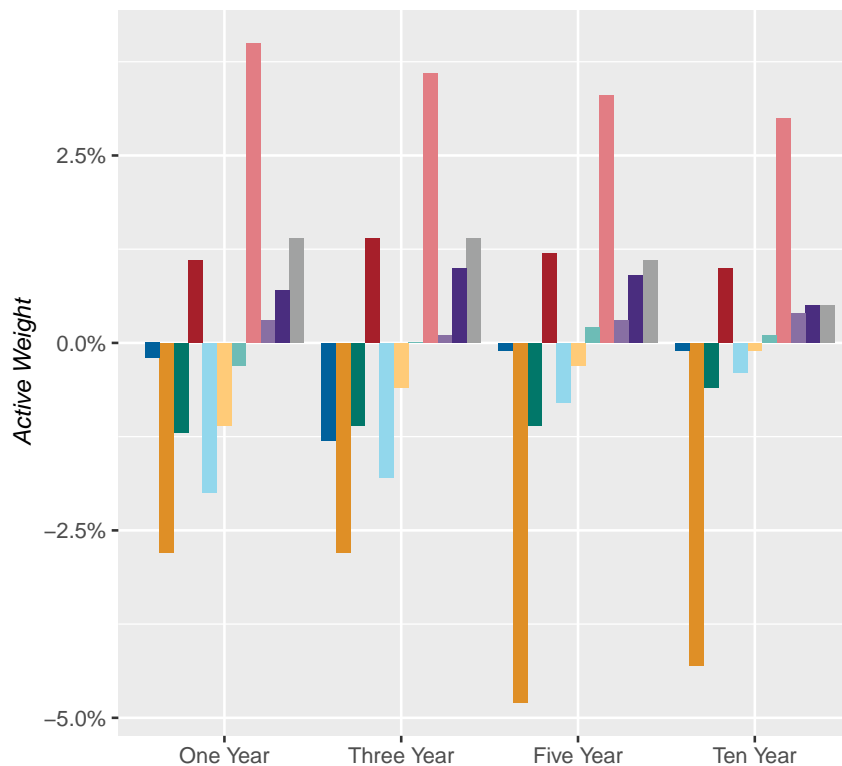
Allocation Effect by Asset Class

Relative to SAA Benchmark as of 6/30/18



Asset Class Average Active Weights

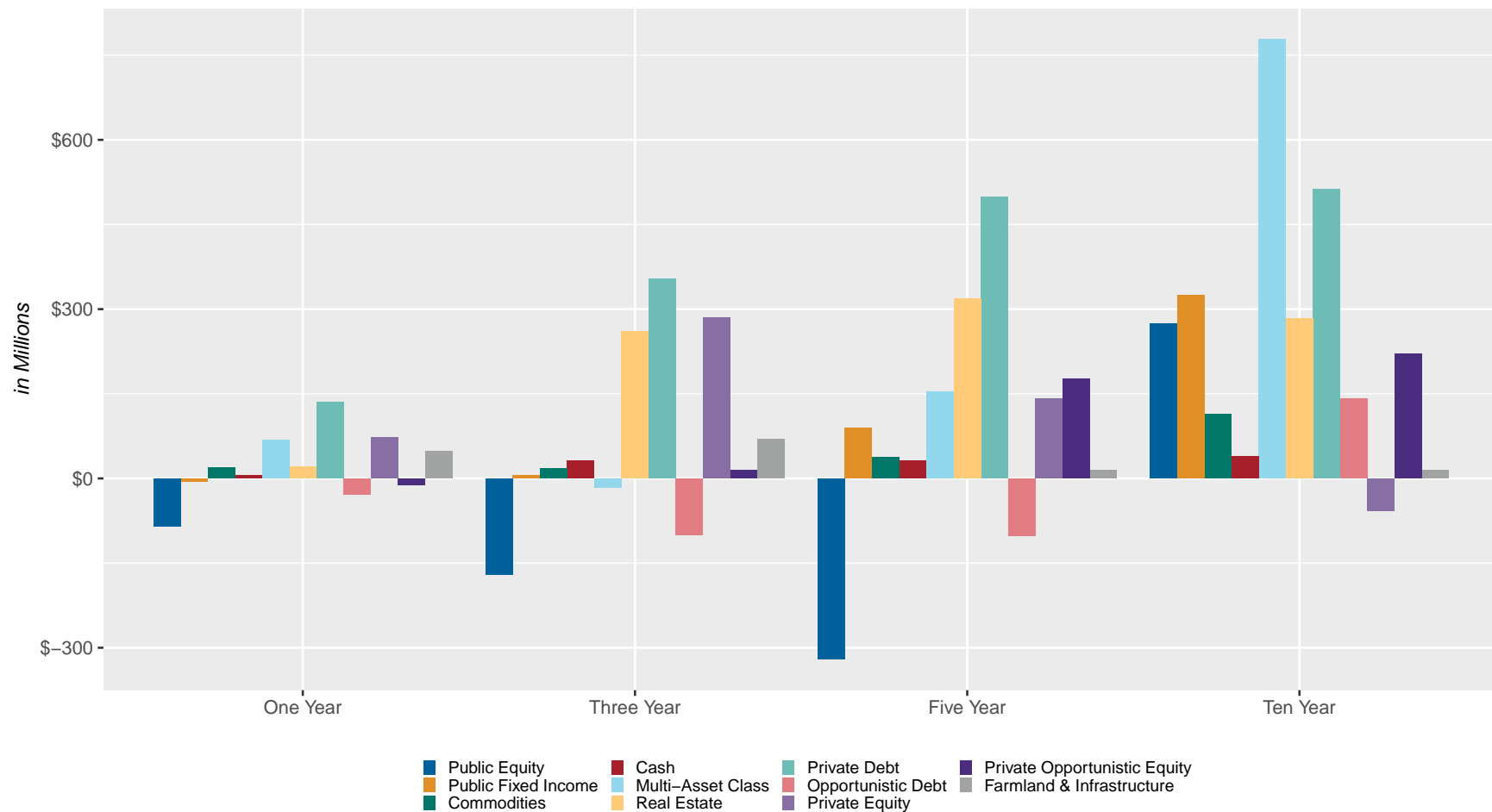
Relative to SAAP as of 6/30/18



Selection Effect - 6/30/2018

Selection Effect by Asset Class

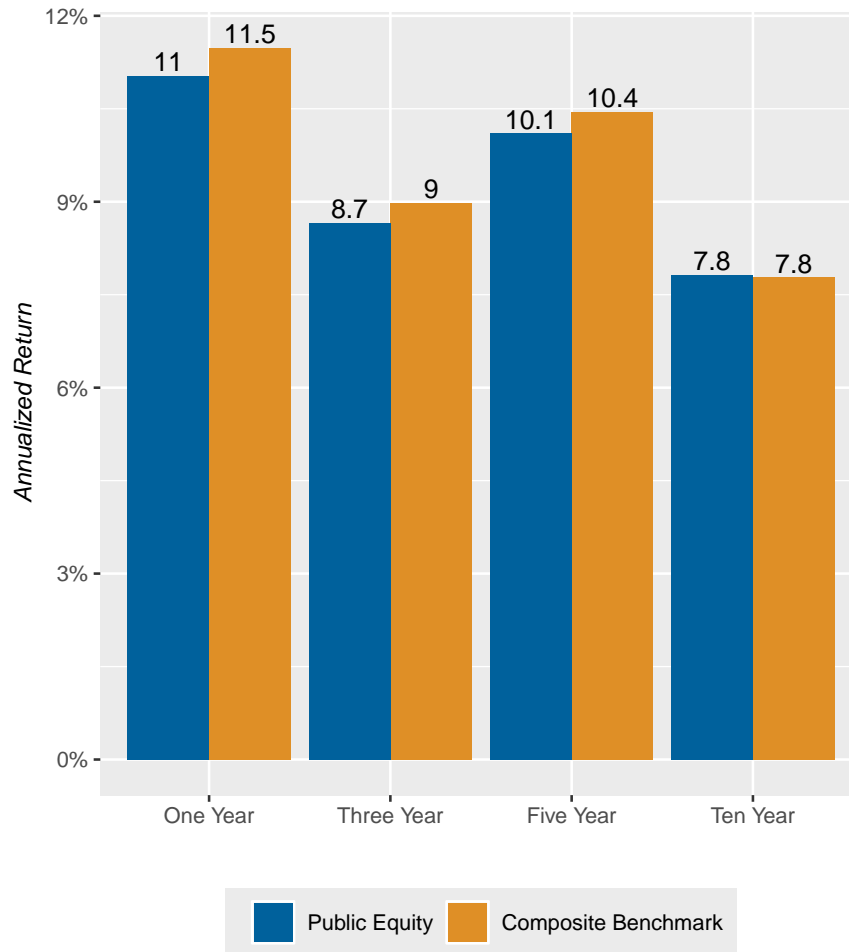
Relative to SAA Benchmark as of 6/30/18



Public Equities Returns & DVA - 6/30/2018

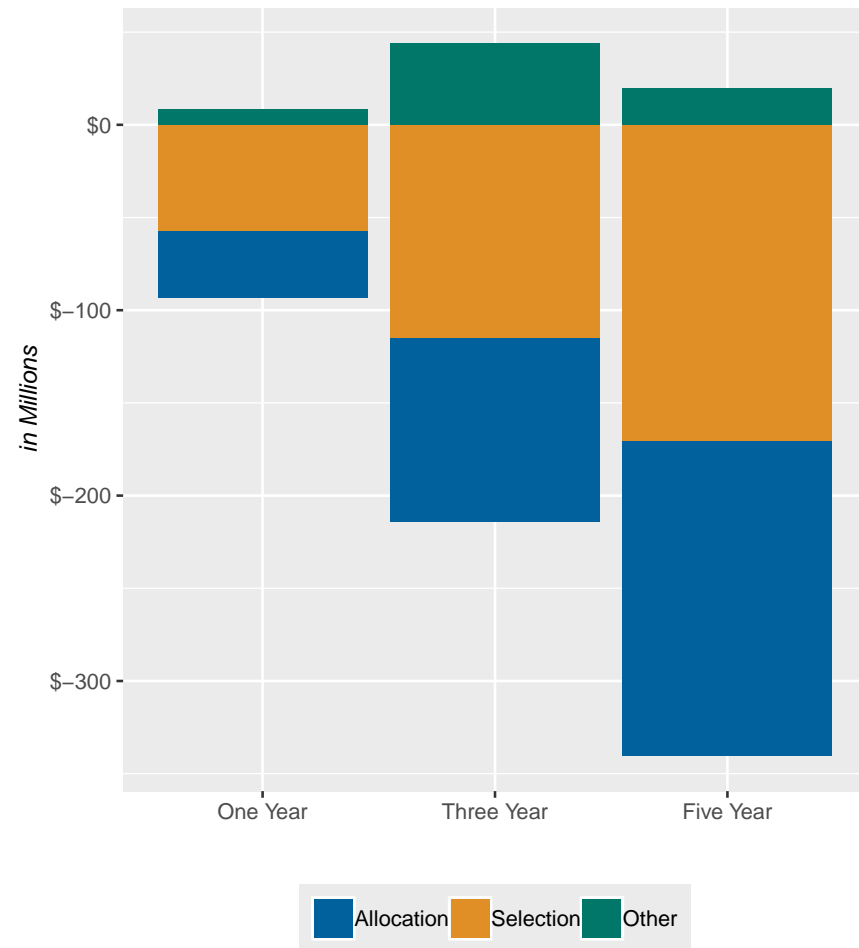
Public Equity and Composite Benchmark

Trailing Period Returns as of 6/30/18



Public Equity Dollar Value Add

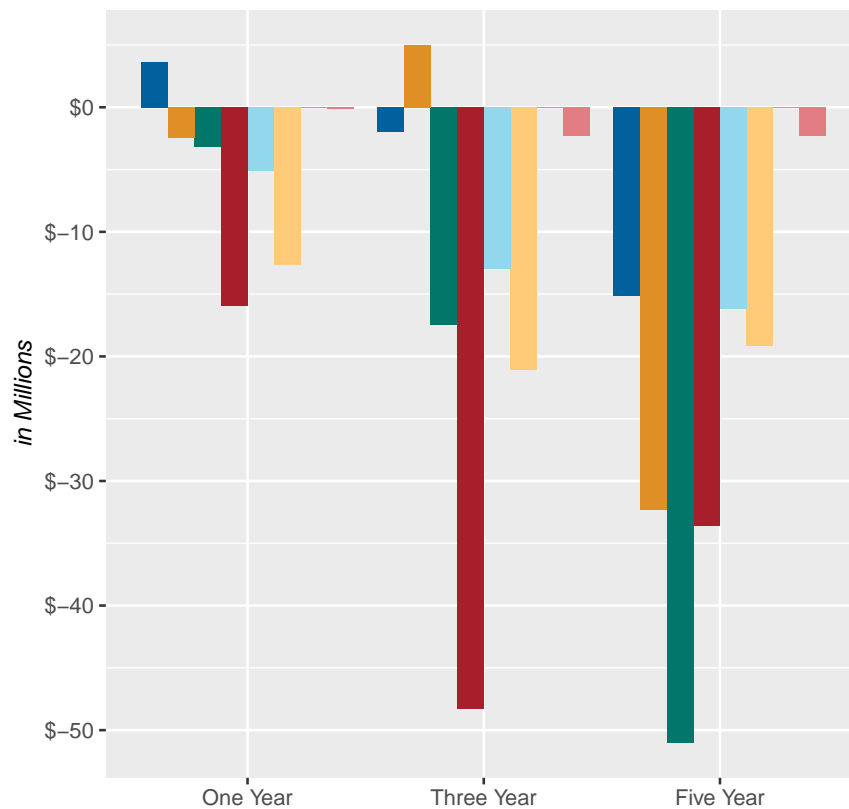
Relative to Composite Benchmark as of 6/30/18



Allocation Effect - 6/30/2018

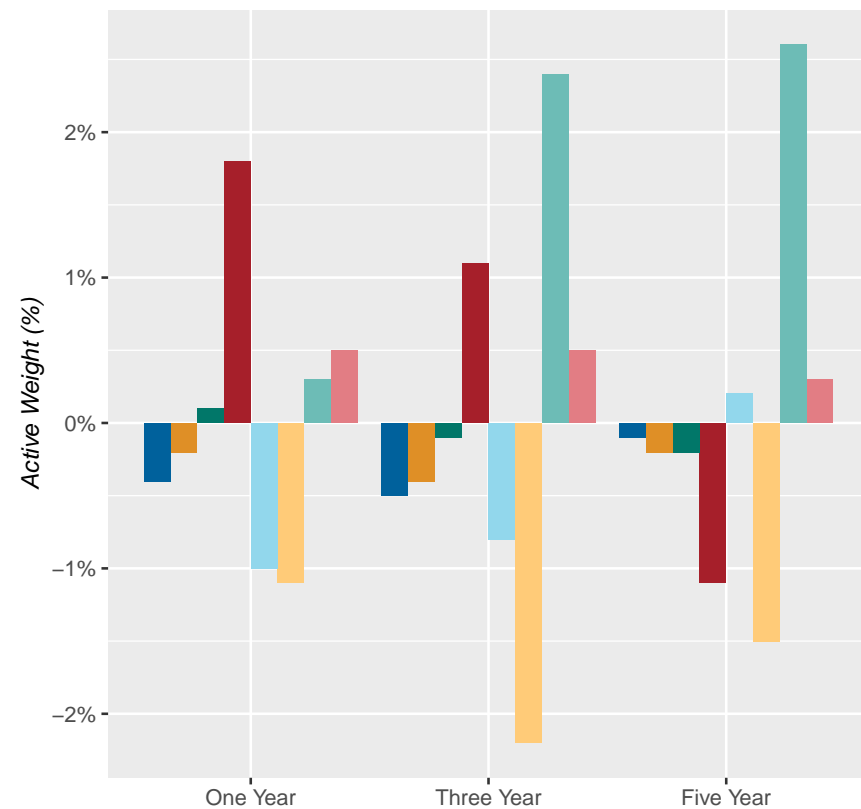
Public Equity Allocation Effect by Sub Asset Class

Relative to Composite Benchmark as of 6/30/18



Public Equity Average Monthly Active Weight

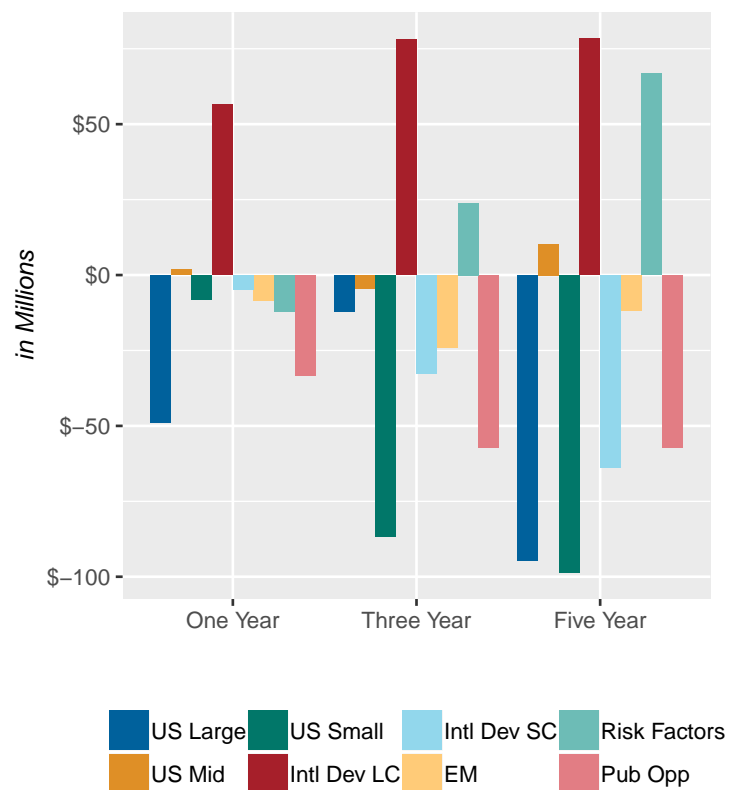
Relative to Composite Benchmark as of 6/30/18



Selection Effect - 6/30/2018

Public Equity Selection Effect

Relative to Composite Benchmark as of 6/30/18



Annualized Returns

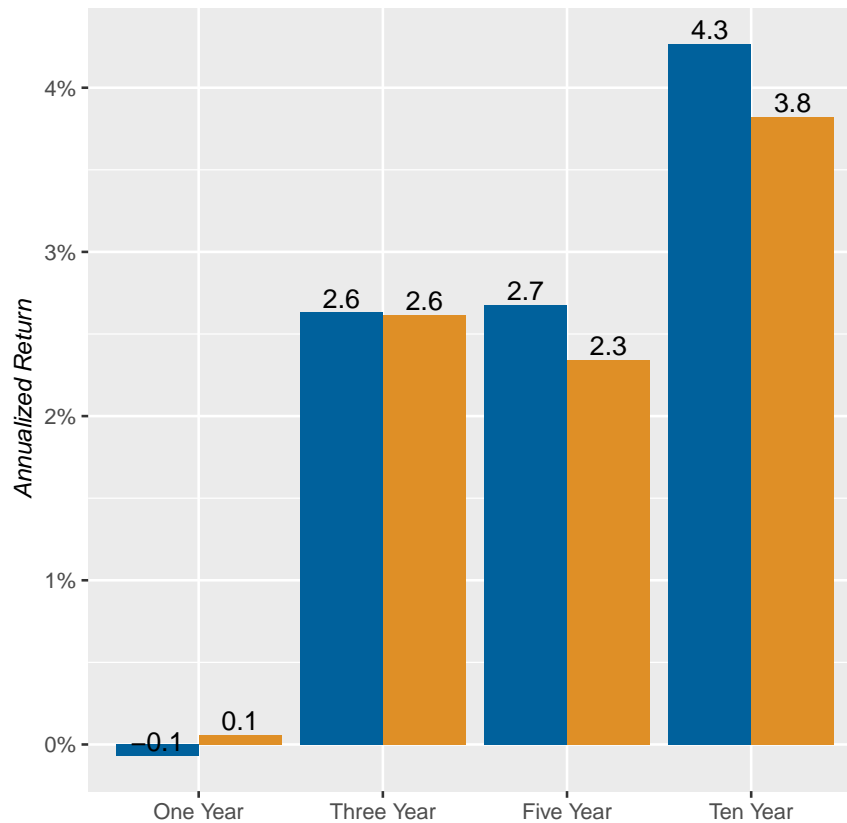
as of 6/30/18

	Composite	One Year	Three Year	Five Year	Ten Year
US Large Cap	13.67%	13.67%	11.86%	13.19%	10.18%
Benchmark	14.37%	14.37%	11.93%	13.42%	10.17%
Excess	-0.7%	-0.7%	-0.07%	-0.23%	0.01%
US Mid Cap	13.69%	13.69%	10.8%	12.79%	10.76%
Benchmark	13.5%	13.5%	10.89%	12.69%	10.78%
Excess	0.18%	0.18%	-0.09%	0.1%	-0.02%
US Small Cap	19.62%	19.62%	11.09%	12.84%	11.77%
Benchmark	20.5%	20.5%	13.84%	14.6%	12.25%
Excess	-0.88%	-0.88%	-2.74%	-1.76%	-0.48%
Int'l Dev Large Cap	7.67%	7.67%	5.28%	6.65%	NA%
Benchmark	6.84%	6.84%	4.9%	6.46%	NA%
Excess	0.83%	0.83%	0.38%	0.19%	NA%
Int'l Dev Small Cap	11.5%	11.5%	8.74%	10.09%	NA%
Benchmark	12.45%	12.45%	10.09%	11.33%	NA%
Excess	-0.95%	-0.95%	-1.35%	-1.25%	NA%
Emerging Markets	7.75%	7.75%	5.07%	4.83%	NA%
Benchmark	8.2%	8.2%	5.6%	5.05%	NA%
Excess	-0.46%	-0.46%	-0.53%	-0.21%	NA%
Public Opportunistic	-7.15%	-7.15%	NA%	NA%	NA%
Benchmark	15.02%	15.02%	NA%	NA%	NA%
Excess	-22.17%	-22.17%	NA%	NA%	NA%

Public Fixed Income Returns & DVA - 6/30/2018

Public Fixed Income and Composite Benchmark

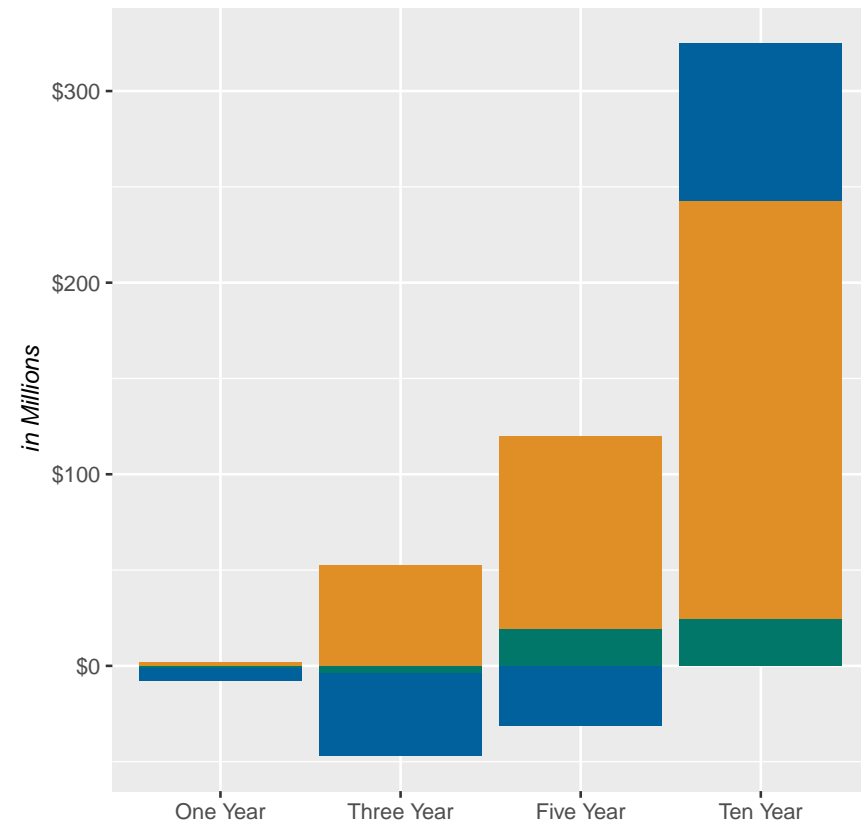
Trailing Period Returns as of 6/30/18



Public Fixed Income Composite Benchmark

Public Fixed Income Dollar Value Add

Relative to Composite Benchmark as of 6/30/18

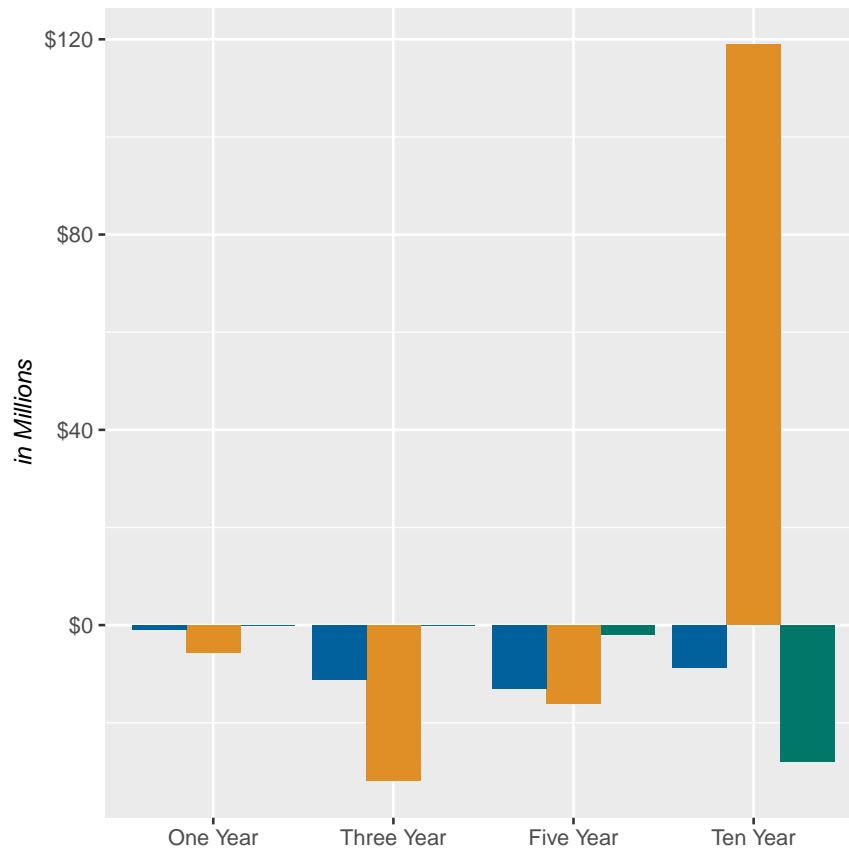


Effect: Allocation Selection Other

Allocation Effect - 6/30/2018

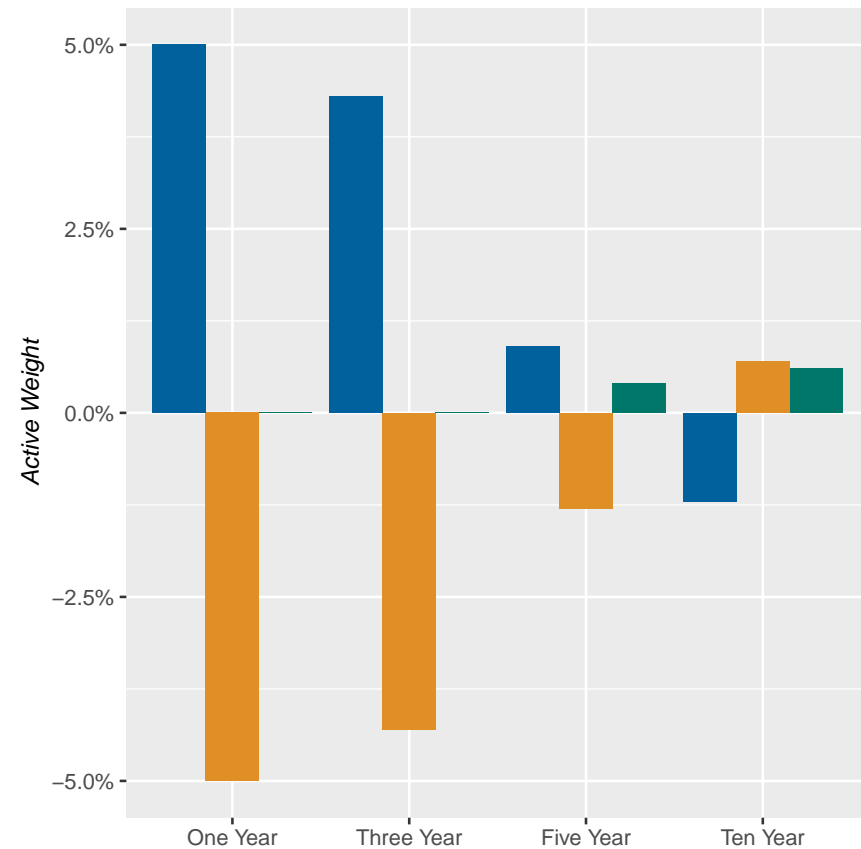
Fixed Income Allocation Effect by Sub Asset Class

Relative to Composite Benchmark as of 6/30/18



Fixed Income Average Monthly Active Weights

Relative to Composite Benchmark as of 6/30/18

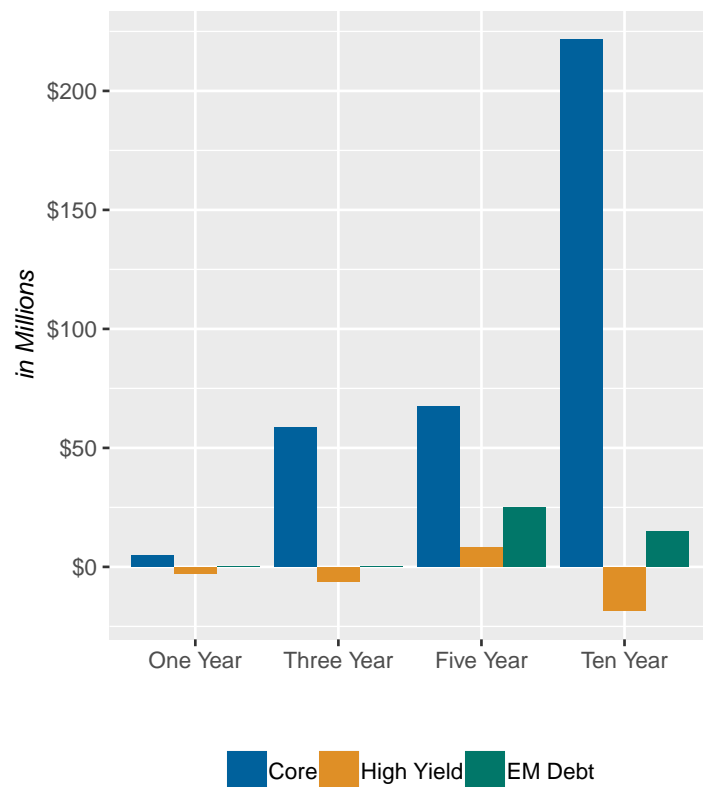


Interest Rate Sensitive High Yield Composite Emerging Market Debt

Selection Effect - 6/30/2018

Fixed Income Selection Effect

Relative to Composite Benchmark



Annualized Returns

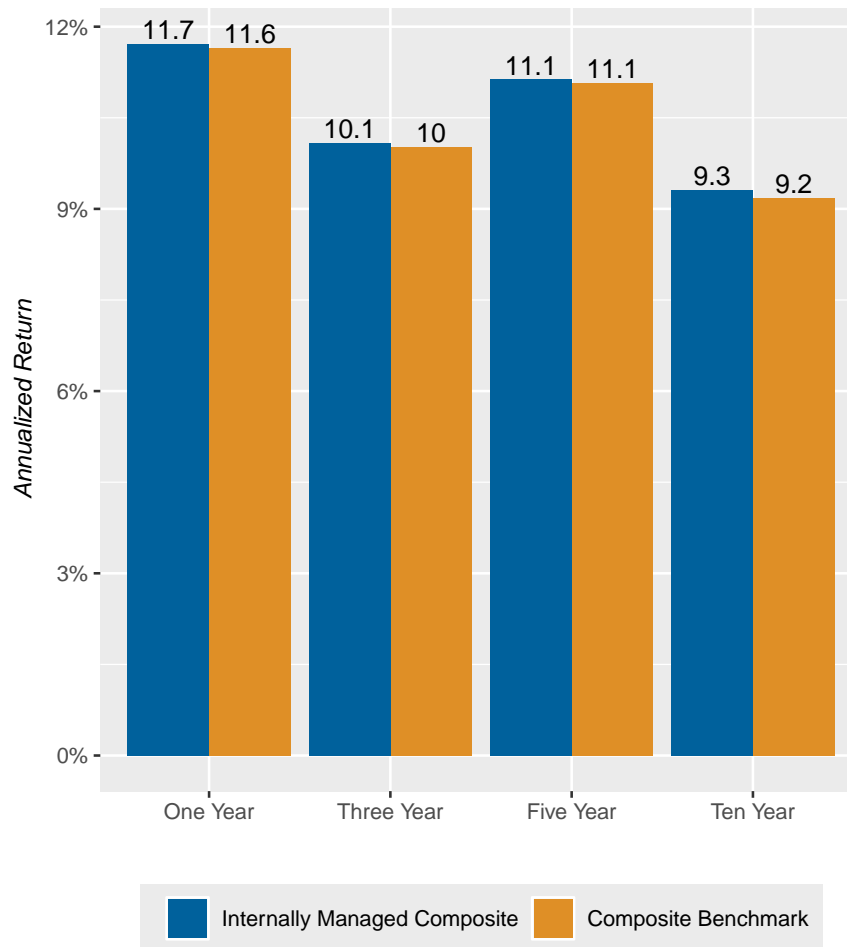
as of 6/30/18

	Composite	One Year	Three Year	Five Year	Ten Year
Interest Rate Sensitive		-0.28%	2.13%	2.58%	4.07%
Benchmark		-0.4%	1.72%	2.27%	3.72%
Excess		0.12%	0.41%	0.3%	0.35%
High Yield Composite		1.9%	5.1%	5.47%	NA%
Benchmark		2.62%	5.53%	5.51%	NA%
Excess		-0.72%	-0.43%	-0.05%	NA%

Internally Managed Portfolios - 6/30/2018

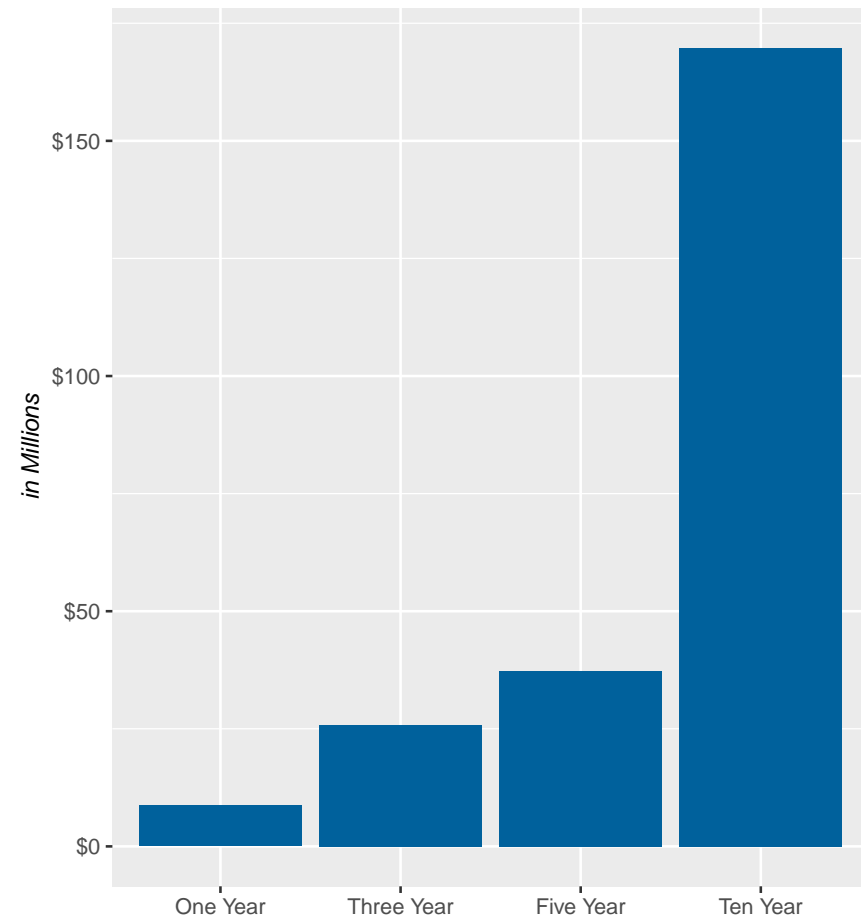
Internally Managed Portfolios and Composite Benchmark

Trailing Period Returns as of 6/30/18



Internally Managed Portfolios Dollar Value Add

Relative to Composite Benchmark as of 6/30/18



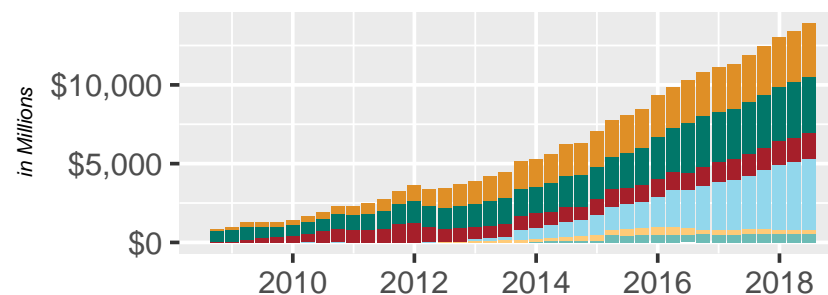
Private Markets Decomposition - 6/30/2018

Annualized IRRs

as Reported 6/30/18

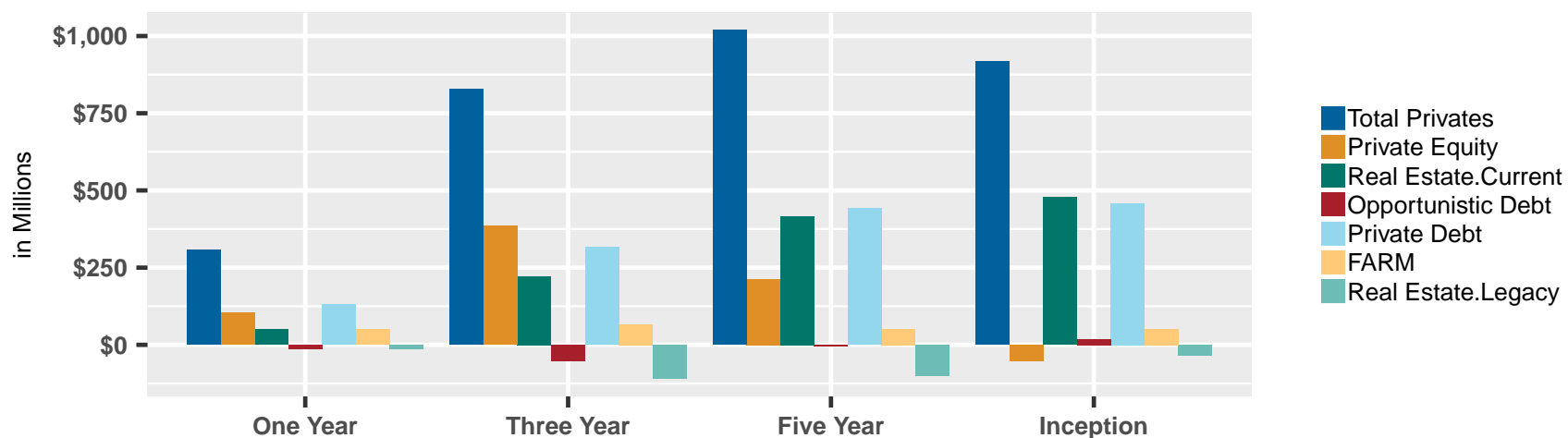
	One Year	Three Year	Five Year	Inception
Total Private Markets	10.2%	10.47%	11.28%	10.25%
Benchmark	7.77%	8.11%	9.28%	9.08%
Excess	2.43%	2.36%	2%	1.17%

Private Market Values as of 6/30/18



Private Equity Opportunistic Debt Private Opportunistic Equity
Real Estate Private Debt Farmland and Infrastructure

Private Markets Dollar Value Add Relative to Composite Benchmarks



Private Markets Composites - 6/30/2018

Annualized IRRs

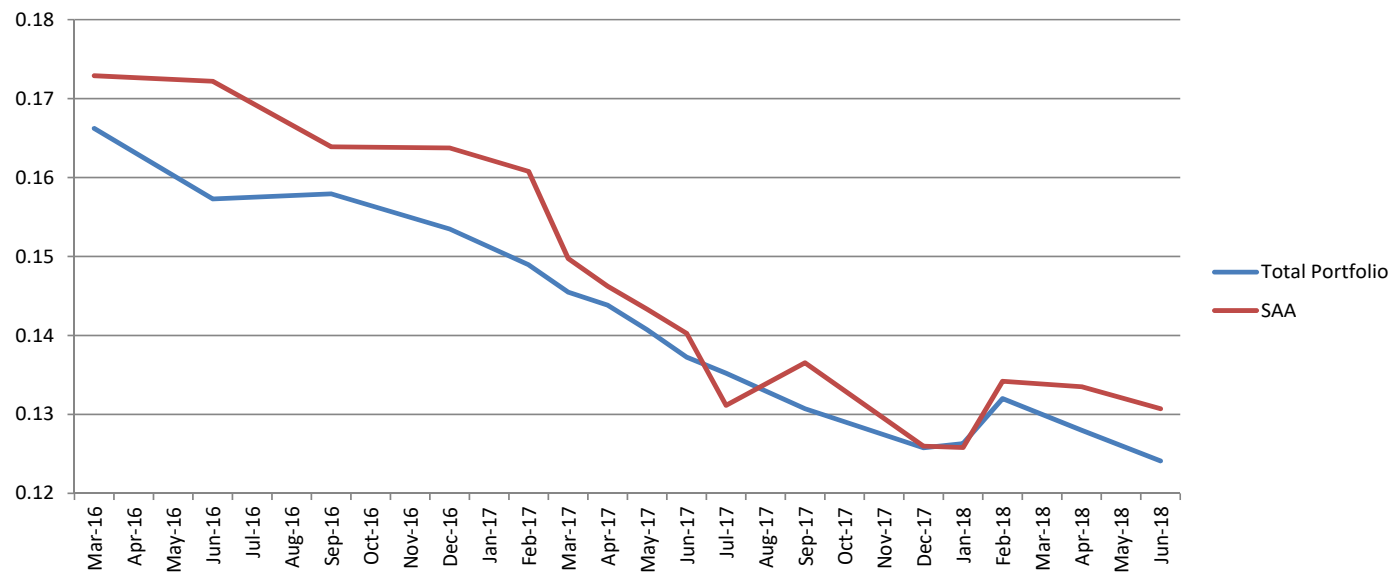
as Reported 6/30/18

	One Year	Three Year	Five Year	Inception
Private Equity	13.56%	12.17%	12.66%	12.24%
PE Benchmark	10.39%	8.2%	11.29%	12.46%
PE Excess	3.17%	3.96%	1.38%	-0.23%
Real Estate Current	8.34%	11.99%	14.12%	14.53%
RE Current Benchmark	6.67%	9.21%	9.92%	9.93%
RE Current Excess	1.66%	2.78%	4.19%	4.6%
Real Estate Legacy	3.08%	5.82%	10.06%	5.87%
RE Legacy Benchmark	6.61%	10.68%	11.85%	6.09%
RE Legacy Excess	-3.52%	-4.85%	-1.78%	-0.22%
Opportunistic Debt	6.07%	5.71%	6.56%	9.4%
Opp Debt Benchmark	7.08%	6.95%	6.61%	9.24%
Opp Debt Excess	-1%	-1.24%	-0.05%	0.16%
Private Debt	10.41%	10.82%	10.98%	11.16%
PD Benchmark	7.08%	7.39%	7.1%	7.2%
PD Excess	3.33%	3.43%	3.88%	3.96%
Farmland & Infrastructure	14.96%	9.75%	NA%	8.2%
Farmland Benchmark	5.68%	5.66%	NA%	5.6%
Farmland Excess	9.28%	4.09%	NA%	2.61%

Value at Risk

TOTAL PORTFOLIO VALUE-AT-RISK (VAR)

As of June 30, 2018, total VaR for ASRS Portfolio was 12.80%, indicating that there is a 5% chance that portfolio could lose ~\$5B in a given year. Note that a 5% event is expected to occur every 20 years



- The asset class committees met on the following days in 2018:

Date	Combined Asset Class Committee	Investment Committee
January 18	X	
February 5, 27	X	
March 16, 23, 27	X	
April 5	X	
April 17		X
May 1, 10, 22	X	
May 22		X
June 19	X	
July 7, 27	X	
June 22		X
Aug 21, 27, 30	X	
Sept 6, 17, 18	X	

IMD Project Status

ASRS Investment Management Division Projects

