

traffic light table

Executive Limits Analytics 9/30/2015		Total Risk				% Contribution Total Risk Total Plan				Active Risk			
	Dates	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2014	3/31/2015	6/30/2015	9/30/2015
Total Plan	CORE FIXED INCOME	10.75	11.28	10.55	10.05	-0.63	-0.82	-1.12	-0.87	0.70	0.29	0.37	0.28
	GLOBAL EQUITY	13.25	13.07	12.76	13.52	65.56	65.56	66.03	65.25	0.55	0.59	0.55	0.56
	DOMESTIC EQUITY	13.34	13.39	13.01	13.43	44.70	44.87	42.72	41.48	0.34	0.34	0.34	0.39
	INTERNATIONAL EQUITY	14.17	14.33	14.19	15.04	38.18	39.74	41.65	41.29	0.95	1.03	1.06	1.17
	EMERGING MARKETS	15.70	14.54	14.85	16.41	17.12	15.39	15.62	17.23	0.94	1.49	1.48	1.46
	HEDGE FUNDS	3.21	3.29	3.33	3.36	2.79	2.84	2.86	2.64	2.17	2.16	2.00	2.01
	PRIVATE EQUITY	12.95	12.92	12.46	13.22	15.10	14.59	14.48	15.31	0.00	0.00	0.00	0.00
	REAL ESTATE	9.01	8.80	8.83	8.95	7.23	7.38	7.37	7.52	1.80	1.72	1.82	1.94
	TOTAL TIMBER-NATURAL RESOURCES	9.80	9.45	9.15	9.16	3.84	3.84	3.81	3.61	5.03	5.13	5.24	6.11
	VALUE-ADDED FIXED INCOME	6.35	7.14	6.92	6.99	6.11	6.62	6.58	6.54	0.47	0.46	0.53	0.48
	TOTAL PLAN	8.37	8.21	8.19	8.68	0.00	0.00	0.00	0.00	0.69	0.74	0.53	0.57

benchmark error?

eg. distressed debt

Executive Limits Analytics 9/30/2015		Beta				Monte Carlo Var (on Month 95%)				Effective Duration only for fixed income			
	Dates	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2014	3/31/2015	6/30/2015	9/30/2015
Total Plan	CORE FIXED INCOME	-0.21	-0.23	-0.21	-0.18	6.28	6.37	6.02	5.51	16.90	16.70	15.44	15.05
	GLOBAL EQUITY	0.96	0.94	0.93	0.95	6.19	6.22	6.09	6.58	0.64	0.56	0.09	-0.20
	DOMESTIC EQUITY	1.03	1.03	1.03	1.02	6.45	6.36	6.24	6.47	0.84	0.81	0.12	-0.29
	INTERNATIONAL EQUITY	0.90	0.87	0.87	0.90	6.72	6.86	6.82	7.17	0.00	0.00	0.00	0.00
	EMERGING MARKETS	0.94	0.84	0.81	0.87	7.37	6.95	7.23	7.90	0.00	0.00	0.00	0.00
	HEDGE FUNDS	0.21	0.22	0.23	0.22	1.55	1.55	1.61	1.61	0.00	0.00	0.00	0.00
	PRIVATE EQUITY	0.98	0.97	0.97	0.98	6.16	6.07	5.95	6.28	0.00	0.00	0.00	0.00
	REAL ESTATE	0.40	0.34	0.35	0.34	4.16	4.23	4.31	4.28	0.00	0.00	0.00	0.00
	TOTAL TIMBER-NATURAL RESOURCES	0.63	0.60	0.60	0.56	4.58	4.53	4.33	4.40	0.00	0.00	0.00	0.00
	VALUE-ADDED FIXED INCOME	0.43	0.47	0.46	0.46	2.91	3.44	3.38	3.33	5.07	4.13	4.06	4.05
	TOTAL PLAN	0.60	0.58	0.60	0.61	3.96	3.83	3.94	4.17	2.89	2.84	2.40	2.28

benchmarking done

Total Risk: The total (gross) risk to an asset, which is the standard deviation of the asset's total return distribution, expressed in percent and annualized

Active Total Risk: The annualized expected standard deviation of the differential return between the portfolio and the benchmark.

Beta: The systematic risk coefficient that expresses the expected response of asset or portfolio excess return to excess return on a market portfolio.

Value at Risk (VaR) is the maximum loss not exceeded with a given probability defined as the confidence level, over a given period of time.

Monte Carlo simulation implements the great variety of the outcomes and scenarios to define VaR, and, therefore, works in

Effective Duration: A duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change.

Marginal Contribution to Risk: Marginal contribution to risk is an asset's contribution, on the margin, to a particular risk characteristic of a portfolio.

It measures the change in that characteristic caused by a one percent change in that asset's or group's percent holding (while shorting an equal amount of cash to keep all other asset weights constant).

→ relative to benchmark . how different from the benchmark

Limit Legend:	
Absolute Limit	Font color
No limit	Within rel limit
Within Limit	Outside rel limit
warning	
Outside	

xx	outside absolute limit
xx	outside relative limit
xx	outside both relative and absolute limit
xx	warning for absolute limit
xx	outside relative limit
xx	warning for absolute limits and outside relative limits
xx	within absolute limits
xx	within absolute limits but outside relative limits
xx	no absolute limits
xx	no absolute limits but outside relative limits