



Health Professionals and Allied Employees, AFT/AFL-CIO
RETIREE MEDICAL TRUST

140 Sylvan Avenue - Suite 303
Englewood Cliffs, NJ 07632

TO: BOARD OF TRUSTEES
HPAE RETIREE MEDICAL TRUST

DATE: OCTOBER 6, 2015

FROM: LUCILLE HART
BENSERCO, INC., ADMINISTRATOR

RE: ADMINISTRATOR'S REPORT

WE ARE PLEASED TO REPORT ON THE STATUS OF THE FOLLOWING TRUST MATTERS:

- 1. PARTICIPATING HOSPITALS.** CURRENTLY, TEN (10) EMPLOYERS HAVE SIGNED AGREEMENTS TO PARTICIPATE IN THE RETIREE MEDICAL TRUST. FOLLOWING IS THE STATUS OF EACH EMPLOYER:

HOSPITAL	NUMBER OF EMPLOYEES CONTRIBUTING	AVERAGE MONTHLY CONTRIBUTION	FIRST MONTH OF CONTRIBUTIONS
COOPER UNIVERSITY HOSPITAL & MEDICAL CENTER	949	\$30,439	JANUARY 2007
MEADOWLANDS HOSPITAL & MEDICAL CENTER	57	\$1,723	MARCH 2007
PALISADES MEDICAL CENTER	249	\$8,207	MARCH 2007
CHRIST HOSPITAL	274	\$7,815	AUGUST 2007
HPAE	37	\$1,356	JULY 2007 - EMPLOYER CONTRIBUTION
ENGLEWOOD HOSPITAL & MEDICAL CENTER	486	\$14,554	FEBRUARY 2008
VIRTUA/MEMORIAL HOSPITAL	591	\$16,038	FEBRUARY 2008
RUNNELLS HOSPITAL	25	\$557	JANUARY 2010 - EMPLOYER CONTRIBUTION
JERSEY SHORE MEDICAL CENTER	816	\$26,032	SEPTEMBER 2010
SOUTH JERSEY MEDICAL CENTER	658	30,944	JUNE 2015
TOTAL	4142	\$137,665	

2. CLAIM ACTIVITY

DURING THE EIGHT (8) MONTHS ENDING AUGUST 31, 2015, THE TRUST PAID BENEFITS TOTALING \$35,016.38 ON BEHALF OF 63 PARTICIPANTS, OF WHICH 18 PARTICIPANTS WERE REGULAR BENEFICIARIES AND 45 PARTICIPANTS WERE LIMITED BENEFICIARIES.

3. PARTICIPANT NOTICES

JUNE 12, 2015 - EMPLOYER LETTER, SUMMARY PLAN DESCRIPTION AND PARTICIPANT INFORMATION CARD MAILED TO ALL SOUTH JERSEY MEDICAL CENTER PARTICIPANTS (670)

JULY 30, 2015 - NOTICE OF PLAN AMENDMENTS 8 AND 9 MAILED TO ALL PARTICIPANTS (ACTIVE & INACTIVE) OF THE TRUST (6,441)

4. FINANCIAL INFORMATION

ATTACHED IS AN ASSET STATEMENT AND INCOME AND EXPENSE STATEMENT FOR THE TRUST AS OF AUGUST 31, 2015.



**HEALTH PROFESSIONALS AND ALLIED EMPLOYEES
RETIREE MEDICAL TRUST
STATEMENT OF FINANCIAL CONDITION
AUGUST 31, 2015
UNAUDITED**

AUGUST 31, 2015

ASSETS

CASH & CASH EQUIVALENTS	257,118
INVESTMENTS	<u>10,276,854</u>
TOTAL ASSETS	10,533,972

LIABILITIES AND NET ASSETS AVAILABLE

NET ASSETS	<u>10,533,972</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>10,533,972</u></u>



**HEALTH PROFESSIONALS AND ALLIED EMPLOYEES
RETIREE MEDICAL TRUST
COMPARATIVE INCOME STATEMENT
FOR THE EIGHT MONTHS ENDED
AUGUST 31, 2015 AND AUGUST 31, 2014
MODIFIED CASH BASIS UNAUDITED**

INCOME	8/31/2015	8/31/2014	DIFFERENCE	% DIFFERENCE
MANDATORY EMPLOYEE CONTRIBUTIONS	869,556	699,663	169,893	24.28%
EMPLOYER CONTRIBUTIONS	17,029	19,645	(2,616)	-13.32%
COBRA CONTRIBUTIONS	91	243	(152)	-62.50%
TOTAL INCOME	886,676	719,551	167,125	23.23%
BENEFITS				
LIMITED BENEFICIARY	28,989	26,279	2,710	10.31%
REGULAR BENEFICIARY	6,027	5,194	833	16.03%
TOTAL BENEFITS	35,016	31,474	3,543	11.26%
GROSS	851,660	688,077	163,582	23.77%
OPERATING EXPENSES:				
ADMINISTRATIVE FEE	58,039	55,550	2,489	4.48%
ACTUARY	0	975	(975)	-100.00%
ACCOUNTING	15,741	11,052	4,689	42.43%
BANK CHARGES	511	338	173	51.27%
FIDUCIARY INSURANCE	6,544	5,721	823	14.39%
LEGAL	31,111	25,826	5,285	20.46%
PCORI FEES	2,153	750	1,403	187.07%
PRINTING & POSTAGE	707	14,427	(13,720)	-95.10%
PAYROLL AUDITS	0	4,252	(4,252)	-100.00%
TRUSTEE MEETING EXPENSES	191	258	(66)	-25.73%
TOTAL OPERATING EXPENSES	114,997	119,148	(4,151)	-3.48%
NET INCOME FROM OPERATIONS	736,663	568,930	167,733	29.48%
INVESTMENT INCOME				
DIVIDEND INCOME - INVESTMENTS	101,969	94,364	7,605	8.06%
NET APPRECIATION(DEPRECIATION) IN FAIR VALUE OF INVESTMENTS	(181,407)	543,183	(724,590)	-133.40%
TOTAL INVESTMENT INCOME	(79,438)	637,547	(716,985)	-112.46%
INVESTMENT EXPENSES				
INVESTMENT MANAGEMENT FEE	10,469	9,478	991	10.46%
TOTAL INVESTMENT EXPENSE	10,469	9,478	991	10.46%
NET INVESTMENT INCOME	(89,907)	628,069	(717,976)	-114.31%
NET INCOME	646,755	1,196,999	(550,243)	-45.97%

Payden & Rygel

LOS ANGELES | BOSTON | LONDON | PARIS

Health Professionals & Allied Employees AFT/AFL-CIO Retiree Medical Trust

October 6, 2015

Elizabeth M. Westvold, CFA
Senior Vice President

617-807-1996
ewestvold@payden.com

Jeffrey W. Murphy
Portfolio Analyst

617-807-1994
jmurphy@payden.com



Portfolio Structure

As of August 31, 2015



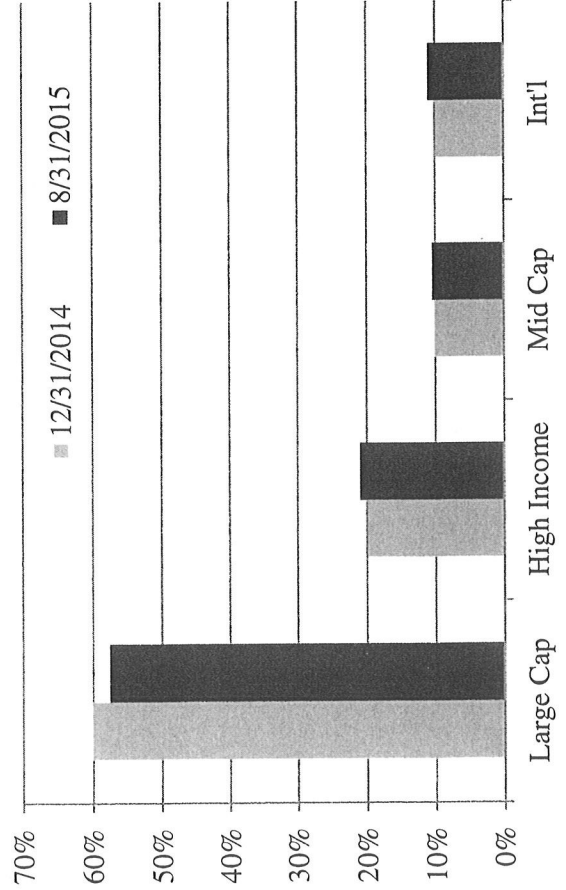
PORTFOLIO CHARACTERISTICS

Market Value \$10.4 MM		Stocks		Bonds	
% of MV	58%	% of MV	42%		
P/E	17.5x	Quality	A+		
Average Market Cap	\$97.5 bn	Duration	3.8 yrs		
Distribution Yield	2.24%	SEC Yield	2.14%		

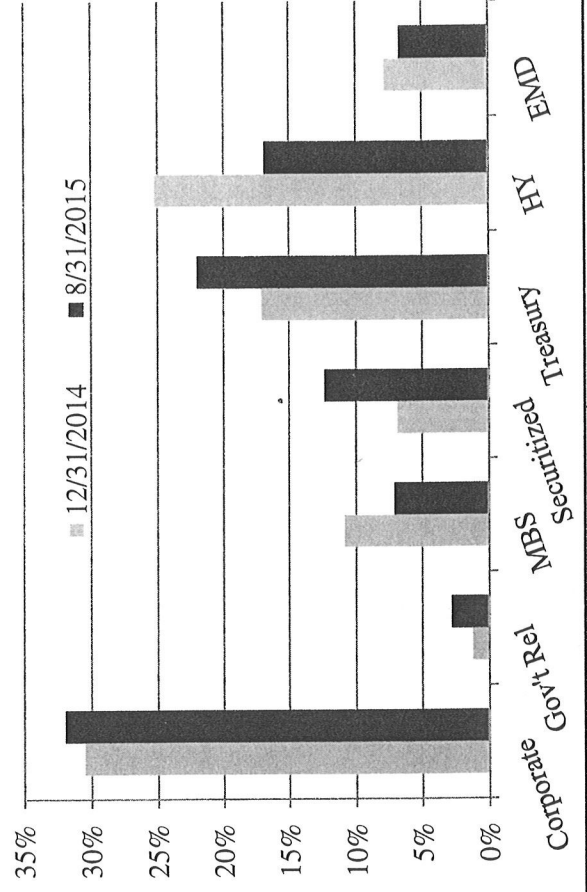
Asset Allocation

	12/31/14	8/31/15	YTD Change
Stocks	65%	58%	-7%
Bonds	35%	42%	+7%

Stocks



Bonds



HPAE Holdings

As of August 31, 2015



Investment Vehicles	Market Value	% Port.	% Asset Class	Comments
Bonds				
Core Holdings				
Core Bond Fund	\$ 2,473,492	24%	57%	Diversified bonds
Diversification/Opportunity				
Floating Rate Fund	355,189	3%	8%	High yield loan focus
iShares 3-7 Year Treasury	426,993	4%	10%	3-7 Year Treasuries
Limited Maturity Fund	522,799	5%	12%	Short, mostly IG bonds
Strategic Income	468,016	5%	11%	Opportunistic, unconstrained
BONDS	4,335,365	42%	98%	
Equity				
Core Holdings				
Equity Income	1,266,529	12%	21%	High dividend strategy
Schwab 500 Index Fund	1,880,747	18%	31%	Diversified large cap stocks
SPDR S&P 500	628,454	6%	10%	Diversified large cap stocks
Vanguard Total Stock Market	963,073	9%	16%	Total stock market
Diversification/Opportunity				
SPDR Mid-Cap Index Fund	626,843	6%	10%	US mid-cap stocks
Europe Hedged Equity	331,875	3%	6%	Euro Hedged European stocks
Japan Hedged Equity	332,845	3%	6%	JPY Hedged Japanese stocks
STOCKS	6,030,366	58%	100%	
TOTAL	\$ 10,365,731	100%		
Cash	88,876			

- There are no loads, transaction fees or redemption costs on the fund vehicles and ETFs
- There are no custodial or electronic transfer fees

Portfolio Review

As of August 31, 2015

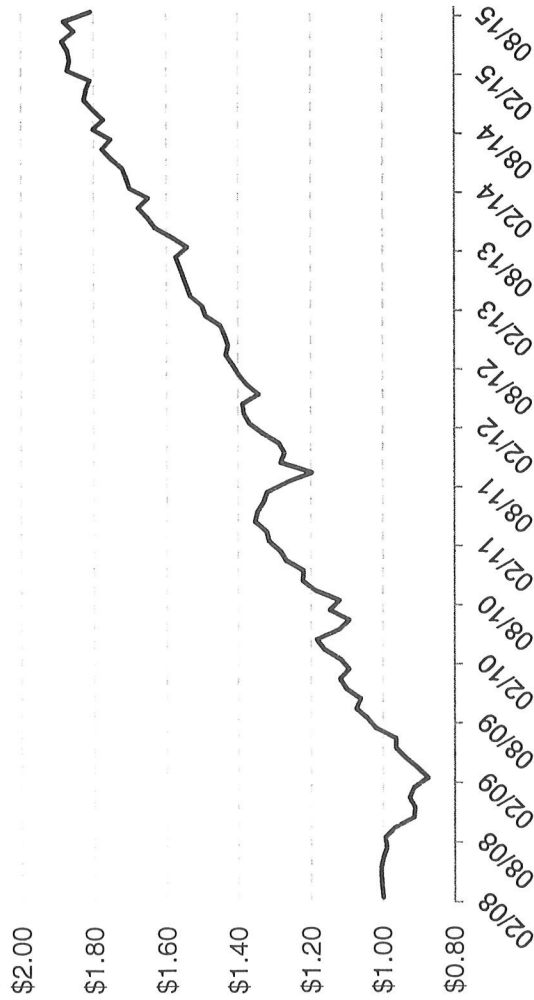


PORTFOLIO RETURNS

	YTD 2015	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception (2/25/08)
Trust Portfolio (gross of fees)	-0.69%	0.34%	8.52%	10.03%	8.21%
Benchmark*	-1.42%	1.06%	9.15%	10.74%	6.66%

Periods over one year are annualized.
 * 60% S&P 500, 40% Barclays Aggregate. Benchmark inception 3/1/2008.

Economic Return



This chart shows the total return (income +/- price changes) of \$1 since the account's inception. The total return is adjusted for any contributions and withdrawals.

Fee Disclosure as of 8/31/15 – Annualized Estimate

Weighted Fund Expense Ratio	0.40%	\$41,367
Investment Management Fee	0.13%	\$13,199
Total Portfolio Cost	0.53%	\$54,567
Custody Costs		None
Trading Costs		None
Remuneration from Other Sources		None

Cost assume current portfolio is constant for 12 months
 Investment management fee is 0.25% on outside assets

Review of Objectives and Guidelines



Objectives

- Long-term growth of assets
- Preservation of capital
- Provide liquidity as needed
- Actuarial target 6.0%

Guidelines

Bond Quality	Minimum weighted average fixed income rating of "Investment Grade".		
Bond Duration	Average duration not to exceed 7 years.		
Diversification	Treasury, Agency obligations, mutual funds, fixed income securities, mortgage-backed securities, asset-backed securities, equities, and comingled funds are permitted		
Allocation	Asset Class	Target	Range
	Equity	60%	50% - 70%
	Fixed Income	40%	30% - 50%