



Payden & Rygel

LOS ANGELES | BOSTON | LONDON | PARIS

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

September 19, 2016

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Senior Vice President

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Portfolio Analyst

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Portfolio Characteristics

As of August 31, 2016



Portfolio Characteristics

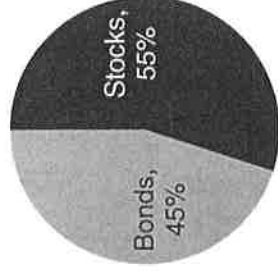
Market Value: \$12.7 million
 Portfolio Yield: 2.4%

Stocks

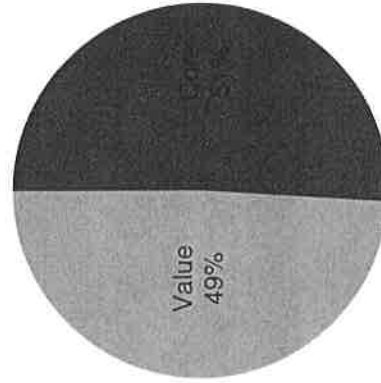
PE Ratio: 18.9x
 Avg Market Cap: \$126.6 B
 Distribution Yield: 2.7%

Bonds

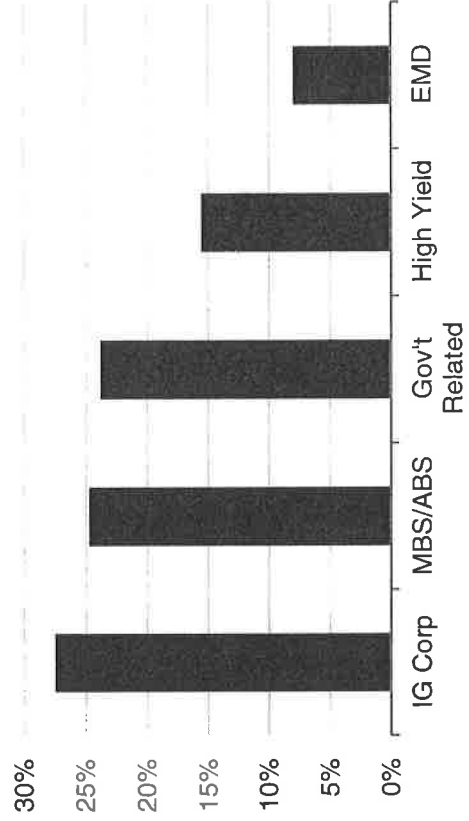
Avg Credit Quality: A
 Avg Duration: 5.1 yrs
 SEC Yield: 2.2%



Stocks



Bonds





Portfolio Holdings

As of August 31, 2016

Security Description	Market Value	% Class	% of Total	Comments
Payden Core Bond Fund	\$ 3,298,047	58%	26%	Diversified bonds
Payden Strategic Income Fund	658,470	12%	5%	Multi-sector approach, including HY & EMD
iShares 10-20 Year Treasury Bond ETF	609,416	11%	5%	Focused duration exposure
Payden Limited Maturity Fund	623,730	11%	5%	Short, liquid bonds for tactical redeployment
Payden Floating Rate Fund	506,648	9%	4%	Floating rate bank note exposure
Bonds Total:	5,696,311	100%	45%	
Payden Equity Income Fund	\$ 3,413,311	49%	27%	High dividend strategy
Schwab S&P 500 Index Fund/SPDR S&P 500 ETF	3,542,514	51%	28%	Diversified large cap stocks
Stocks Total:	\$ 6,955,825	100%	55%	
Schwab US Gov't Money Market Fund	\$ 20,634		0.3%	Additional Liquidity
Cash	70,000		0.7%	Additional Liquidity
Account Total:	\$ 12,742,770		100%	

Portfolio Performance

As of August 31, 2016



PORTFOLIO RETURNS

	YTD 2016	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception (2/25/2008)
Portfolio Total Return*	7.31%	9.35%	8.65%	9.34%	8.33%
Portfolio Net Return**	7.20%	9.24%	8.54%	9.23%	8.22%
Benchmark***	7.13%	10.07%	9.21%	10.15%	6.90%
S&P500 Index	7.80%	12.52%	12.27%	14.65%	7.85%
Barclays Aggregate Index	5.86%	5.97%	4.37%	3.24%	4.65%

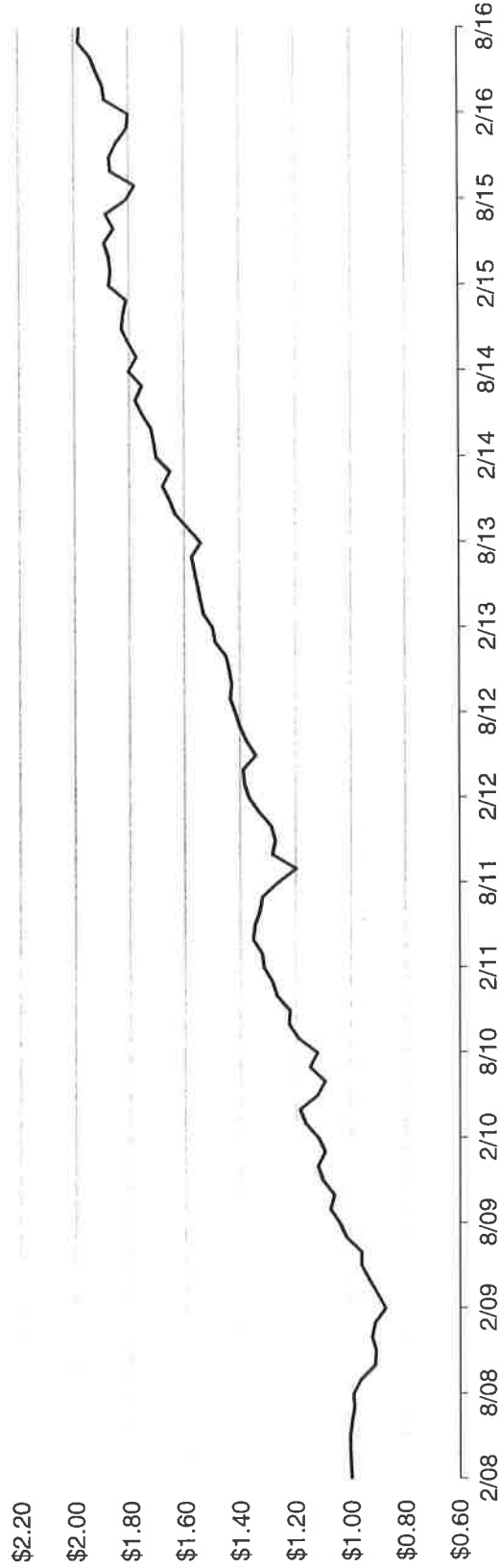
Periods over one year are annualized.

*Gross of investment management fees, net of mutual fund fees

**Assumes 11 bps investment management fee, net of mutual fund fees

* *60% S&P 500, 40% Barclays Aggregate. Benchmark inception 3/1/2008.

Economic Return



Inflation Adjusted Portfolio Returns

As of August 31, 2016



PORTFOLIO RETURNS			
	Trailing 3 Years	Trailing 5 Years	Since Inception (2/25/08)
Trust Portfolio Return*	8.65%	9.34%	8.33%
- Estimated Investment Mgmt. Fee	0.11%	0.11%	0.11%
= Portfolio Return After IM Fee	8.54%	9.23%	8.21%
- CPI Inflation**	1.10%	1.30%	1.30%
Trust Portfolio Real Return	7.44%	7.93%	6.91%
- Actuarial Target	6.00%	6.00%	6.00%
Excess Real Return	1.44%	1.93%	0.91%

Periods over one year are annualized.

**Gross of investment management fees, net of mutual fund fees*

***Consumer Price Index (CPI) is one of the most widely recognized price measures for tracking the price of a market basket of goods or services purchased by individuals. The weights of the components are based on consumer spending patterns.*

HPAE - Portfolio Cost



Fee Disclosure

Investment Manager advisory fees - Actual January 2015 to December 2015	\$13,837	0.11%
Internal fund fees - estimate Projection, based on current portfolio. Sept 2016 to August 2017	\$ 59,991	0.47%

SECURITY DESCRIPTION	TICKER	MARKET VALUE	% Sector	% Portfolio	Weighted Expense Ratio	Full Expense Ratio
BONDS						
PAYDEN CORE BOND FUND INVESTOR	PYCIZ	3,298,047	58%	26%	0.15%	0.59%
PAYDEN STRATEGIC INCOME FUND	PYSGX	658,470	12%	5%	0.04%	0.80%
iSHARES 10-20 YEAR TRSY BOND ETF	TLH	609,416	11%	5%	0.01%	0.15%
PAYDEN LIMITED MATURITY FUND	PYLMX	623,730	11%	5%	0.01%	0.25%
PAYDEN FLOATING RATE FUND	PYFRX	506,648	9%	4%	0.03%	0.75%
	Bonds Total: \$	5,696,311	100%	45%		
STOCKS						
PAYDEN EQUITY INCOME FUND	PYVLX	3,413,311	49%	27%	0.21%	0.80%
SCHWAB S&P 500 INDEX FUND	SWPPX	2,296,537	33%	18%	0.02%	0.09%
SPDR S&P 500 ETF	SPY	1,245,976	18%	10%	0.01%	0.09%
	Stocks Total: \$	6,955,825	100%	55%		
CASH						
CASH & SCHWAB GOVT MM FUND		90,634	100%	1%	0.00%	0.00%
	Cash Total: \$	90,634	100%	1%		
ACCOUNT TOTAL:		\$ 12,742,770				

All data as of 8/31/2016

Past performance is no indication of future results



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

FROM: LUCILLE HART *Lucille Hart*
 BENSERCO, INC., ADMINISTRATOR

DATE: SEPTEMBER 19, 2016

RE: ADMINISTRATOR'S REPORT

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

1. PARTICIPATING HOSPITALS. CURRENTLY, TWELVE (12) 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	972	\$29,326	JANUARY 2007
MEADOWLANDS HOSPITAL & MEDICAL CENTER	54	\$1,522	MARCH 2007
PALISADES MEDICAL CENTER	263	\$8,021	MARCH 2007
CHRIST HOSPITAL	276	\$8,372	AUGUST 2007
HPAE	40	\$1,338	JULY 2007 - EMPLOYER CONTRIBUTION
ENGLEWOOD HOSPITAL & MEDICAL CENTER	497	\$14,811	FEBRUARY 2008
VIRTUA/MEMORIAL HOSPITAL	589	\$15,833	FEBRUARY 2008
RUNNELLS HOSPITAL	25	\$543	JANUARY 2010 - EMPLOYER CONTRIBUTION
JERSEY SHORE MEDICAL CENTER	862	\$26,801	SEPTEMBER 2010
SOUTH JERSEY MEDICAL CENTER	635	\$18,731	JUNE 2015
SOUTHERN OCEAN MEDICAL CENTER	253	\$6,395	JANUARY 2016
INSPIRA/WOODBURY HEALTHCARE	279	\$6,777	FEBRUARY 2016
TOTAL	4745	\$138,470	

2. CLAIM ACTIVITY

DURING THE EIGHT (8) MONTHS ENDING AUGUST 31, 2016, THE TRUST PAID BENEFITS TOTALING \$28,518.75 ON BEHALF OF 79 PARTICIPANTS, OF WHICH 49 PARTICIPANTS WERE REGULAR BENEFICIARIES AND 30 PARTICIPANTS WERE LIMITED BENEFICIARIES.

3. PARTICIPANT NOTICES

AUGUST 26, 2016 – EMPLOYEE LETTER, SUMMARY PLAN DESCRIPTION AND PARTICIPANT INFORMATION CARD MAILED TO ALL BERGEN REGIONAL MEDICAL CENTER PARTICIPANTS (350)

4. FINANCIAL INFORMATION

ATTACHED IS AN ASSET STATEMENT AND INCOME AND EXPENSE STATEMENT FOR THE TRUST AS OF AUGUST 31, 2016.



**HEALTH PROFESSIONALS AND ALLIED EMPLOYEES
RETIREE MEDICAL TRUST
STATEMENT OF FINANCIAL CONDITION
AUGUST 31, 2016
UNAUDITED**

		AUGUST 31, 2016
<i>ASSETS</i>		
CASH & CASH EQUIVALENTS		175,718
INVESTMENTS		<u>12,652,136</u>
	TOTAL ASSETS	<u>12,827,853</u>
 <i>LIABILITIES AND NET ASSETS AVAILABLE</i>		
NET ASSETS		<u>12,827,853</u>
	TOTAL LIABILITIES AND NET ASSETS	<u><u>12,827,853</u></u>