

**City of Hollywood Employees' Retirement Fund
Preliminary Market Value Update
as of March 31, 2015**

	Market Value	Percent of Total Plan	Target Allocation
<u>Domestic Equity - Large Cap</u>	\$93,968,145	31.0%	30.0%
Northern Trust	\$93,968,145	31.0%	
<u>Domestic Equity - Small Cap</u>	\$44,770,157	14.7%	12.5%
TSW	\$22,944,666	7.6%	
Frontier Capital	\$21,825,491	7.2%	
<u>International Equity</u>	\$43,458,854	14.3%	15.0%
Wellington	\$43,458,854	14.3%	
<u>Fixed</u>	\$88,038,758	29.0%	32.5%
Neuberger & Berman	\$43,502,638	14.3%	
Baird Advisors	\$44,536,121	14.7%	
<u>Real Estate</u>	\$33,331,267	11.0%	10.0%
Morgan Stanley	\$25,966,850	8.6%	
Principal	\$7,364,417	2.4%	
Total Fund	\$303,567,181	100.0%	100.0%

City of Hollywood Employees' Retirement Fund
Preliminary Performance Update
as of March 31, 2015

	Quarter ended December 31, 2014	Quarter ended March 31, 2014	Fiscal YTD March 31, 2014	Market Value March 31, 2014	Percent of Total Plan March 31, 2014
Domestic Equity					
Northern Trust S&P 500	4.93%	0.96%	5.93%	\$93,968,145	31.0%
<i>Northern Trust - net</i>	4.92%	0.95%	5.92%		
<i>S&P 500 Index</i>	4.93%	0.96%	5.94%		
TSW	6.02%	5.64%	12.00%	\$22,944,666	7.6%
<i>TSW - net</i>	5.82%	5.43%	11.57%		
<i>Russell 2500 Value Index</i>	6.09%	3.01%	9.29%		
Frontier Capital	8.50%	6.34%	15.38%	\$21,825,491	7.2%
<i>Frontier Capital - net</i>	8.31%	6.15%	14.97%		
<i>Russell 2500 Growth Index</i>	7.49%	7.44%	15.49%		
International Equity					
Wellington	-1.41%	4.52%	3.04%	\$43,458,854	14.3%
<i>Wellington - net</i>	-1.59%	4.34%	2.68%		
<i>MSCI ACWI - ex US (net)</i>	-3.87%	3.49%	-0.52%		
Fixed					
Neuberger & Berman	0.52%	1.30%	1.83%	\$43,502,638	14.3%
<i>Neuberger & Berman - net</i>	0.45%	1.22%	1.67%		
<i>Barclays Intermediate Gov't/Credit Index</i>	0.89%	1.44%	2.35%		
Baird Advisors	1.88%	1.77%	3.69%	\$44,536,121	14.7%
<i>Baird Advisors - net</i>	1.81%	1.70%	3.54%		
<i>Barclays Aggregate Index</i>	1.79%	1.61%	3.42%		
Real Estate					
Morgan Stanley*	4.44%	3.18%	7.76%	\$25,966,850	8.6%
<i>Morgan Stanley - net</i>	4.23%	2.97%	7.33%		
<i>NCREIF ODCE (ew) Index</i>	3.46%	N/A	N/A		
Principal*	2.97%	3.93%	7.01%	\$7,364,417	2.4%
<i>Principal - net</i>	2.64%	3.60%	6.34%		
<i>NCREIF Property Index</i>	3.04%	N/A	N/A		
Total Fund	3.18%	2.77%	6.04%	\$303,567,181	100.0%
Total Fund - net	3.08%	2.67%	5.83%		
Policy Index**	2.44%	2.02%	4.51%		

Asset Class	Market value	% of Plan	Target	Ranges
Large Cap Equity	\$ 93,968,145	31.0%	30.0%	20-40%
Small Cap Equity	\$ 44,770,157	14.7%	12.5%	7.5-17.5%
International Equity	\$ 43,458,854	14.3%	15.0%	10-20%
Fixed Income	\$ 88,038,758	29.0%	32.5%	22.5-42.5%
Real Estate	\$ 33,331,267	11.0%	10.0%	5-15%
Total Fund	\$ 303,567,181	100.0%	100.0%	

Note: Monthly performance is preliminary and provided by investment managers. The Total Fund return is a weighted average of the returns provided.

*Preliminary data as of 3/31/2015.

** Policy Index: (Nov 13-current) 30% S&P 500, 12.5% R2500, 15% MSCI ACWI ex US (net), 32.5% Barclays Intermediate Aggregate, 7.5% NCREIF ODCE (ew), 2.5% NCREIF NPI (May 13-Oct 13) 32.5% S&P 500, 12.5% Russell 2000, 15% MSCI ACWI ex-US, 32.5% Barclays Intermediate Aggregate, 7.5% NCREIF ODCE (ew)

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	Quarter ended March 31, 2014	Calendar YTD March 31, 2014
<u>Domestic Equity</u>		
Northern Trust	0.96%	0.96%
<i>S&P 500 Index</i>	<i>0.96%</i>	<i>0.96%</i>
TSW SMID	5.64%	5.64%
<i>Russell 2500 Value Index</i>	<i>3.01%</i>	<i>3.01%</i>
Frontier Capital	6.34%	6.34%
<i>Russell 2500 Growth Index</i>	<i>7.44%</i>	<i>7.44%</i>
<u>International Equity</u>		
Wellington	4.52%	4.52%
<i>MSCI ACWI ex-US Index</i>	<i>3.49%</i>	<i>3.49%</i>
<u>Fixed</u>		
Neuberger & Berman	1.30%	1.30%
<i>Barclays Intermediate Gov't/Credit Index</i>	<i>1.44%</i>	<i>1.44%</i>
Baird Advisors	1.77%	1.77%
<i>Barclays Aggregate Index</i>	<i>1.61%</i>	<i>1.61%</i>
<u>Real Estate</u>		
Morgan Stanley	3.18%	3.18%
<i>NCREIF ODCE (ew) Index</i>	<i>N/A</i>	<i>N/A</i>
Principal	3.93%	3.93%
<i>NCREIF Property Index</i>	<i>N/A</i>	<i>N/A</i>

Investment Manager Fee Table
Period Ended March 31, 2015

<u>Manager</u>	<u>Mandate</u>	<u>Market Value</u>	<u>Fee Schedule</u>	<u>Estimated Annual Fee (\$)</u>	<u>Estimated Annual Fee (%)</u>
Northern Trust	Passive Large Cap Equity	\$ 93,968,145	3.5 bps on assets	\$ 32,889	0.04%
TSW	SMID Cap Value Equity	\$ 22,944,666	80 bps on assets	\$ 183,557	0.80%
Frontier Capital	SMID Cap Growth Equity	\$ 21,825,491	75 bps on assets	\$ 163,691	0.75%
Wellington	International Equity	\$ 43,458,854	71 bps on assets	\$ 308,558	0.71%
Neuberger & Berman	Intermediate Fixed Income	\$ 43,502,638	30 bps on first \$50MM, 20 bps on next \$50mm, 15 bps on balance	\$ 130,508	0.30%
Baird Advisors	Core Plus Fixed Income	\$ 44,536,121	30 bps on first \$25MM, 25 bps on next \$25MM, 20 bps on next \$20MM, 15 bps on balance	\$ 123,840	0.28%
Morgan Stanley	Real Estate	\$ 25,966,850	84 basis points base fee, plus a monthly accrued performance based fee equal to 5% multiplied by NAV multiplied by comparable property NOI growth for the month	\$ 218,122	0.84%
Principal*	Real Estate	\$ 7,364,417	130 bps on assets + incentive fee	\$ 95,737	1.30%
Investment Management Fees		\$ 303,567,181		\$ 1,256,902	0.41%
Segal Rogerscasey	Investment Consulting		\$76,500 annual retainer	\$ 76,500	
Wells Fargo	Custodian	\$ 303,567,181	2 bps on first \$50MM, 1 bps on next \$75MM, 0.5 bps on balance	\$ 26,428	0.01%
TOTAL FEES				\$ 1,359,831	0.45%

*Incentive fee is equal to 15% of the profits in excess of an 11% net IRR to investors.

Economy

- The U.S. unemployment rate remained 5.5% in March. The labor force participation rate fell by 0.1% to 62.7%. Nonfarm payrolls increased by 126,000 jobs. January and February payroll gains were revised downward.
- The University of Michigan Consumer Sentiment Index decreased from 95.4 in February to 93.0 in March. Views on present conditions and expectations declined.
- The Purchasing Manager’s Index (PMI) stood at 52.9 in February and 51.5 in March, indicating that manufacturing growth occurred at a slower rate of change.

U.S. Equity

- The Russell style and size index returns:

	Value	Core	Growth
Large Cap	-1.4%	-1.3%	-1.1%
Mid Cap	-0.2%	0.1%	0.3%
Small Cap	1.7%	1.7%	1.8%
- The Russell 3000 Index (-1.0%) fell in March. Within each market cap, style return differences were modest. Overall, growth outperformed value and small caps outpaced their larger cap peers. Accordingly, large cap value (-1.4%) fared the worst.
- All sectors in the S&P 500 fell except Healthcare (0.9%). Materials (-4.7%) and Telecom (-3.7%) posted the weakest returns.

Non-U.S. Equity (All returns in USD unless otherwise stated.)

- The MSCI EAFE Index (-1.4% USD; 1.4% local currency) fell in USD terms, but gained in local currency terms, as the strong USD continued to be a headwind for U.S. investors. All size and style returns were negative, but growth fell slightly less than value and size returns were mixed across market caps. Small cap growth (-0.4%) lost the least.
- All regional indices fell, but Europe (-2.6%) declined the most, as the euro continued to depreciate against the USD. The U.K. (-5.9%) and Norway (-5.3%) saw the steepest losses within Europe and the EAFE Index. Overall, Israel (10.3%) posted March’s best return.
- Energy (-8.2%) was once again the worst performing sector, as oil price uncertainty returned in March. IT (1.8%) and Healthcare (0.9%) posted the only gains among sectors.

Emerging Markets Equity (All returns in USD unless otherwise stated.)

- The MSCI EM Index (-1.4% USD; 0.1% local currency) fell in USD terms, but rose modestly in local currency terms. These results were similar to non-U.S. developed equities despite the continued weakness in commodity prices. All style and capitalization returns were negative with the exception of small cap growth (0.1%) and mid cap growth (0.2%).
- EM Asia (0.4%) posted a positive return, buoyed by China (2.4%), where interest rate cuts in late February and expected further stimulus measures to address the slowing economy spurred gains. Overall, country returns were mixed. Hungary (7.5%) was the strongest performer, while Greece (-16.6%) fell the most.
- Most sector returns were negative, except Healthcare (2.0%), IT (1.1%) and Consumer Discretionary (0.9%). Materials (-5.2%) and Energy (-3.7%) were the worst performers.

	MSCI EAFE			MSCI EM		
	Value	Core	Growth	Value	Core	Growth
Large Cap	-2.0%	-1.5%	-1.0%	-2.2%	-1.5%	-0.8%
Mid Cap	-1.9%	-1.7%	-1.5%	-2.5%	-1.0%	0.2%
Small Cap	-1.7%	-1.0%	-0.4%	-0.4%	-0.1%	0.1%

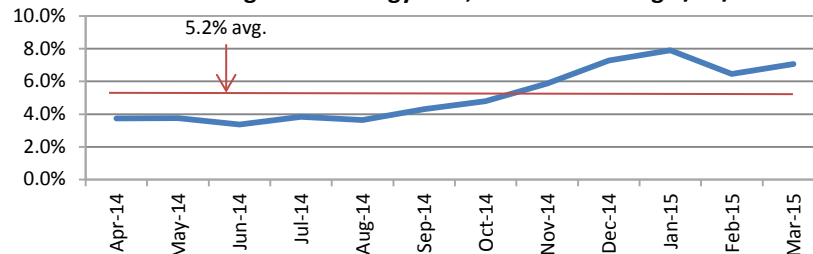
U.S. Fixed Income

- Core fixed income markets were positive, as measured by the BC Aggregate Index (0.5%).
- Spread sectors in the BC Aggregate Index posted mixed results. MBS and Corporates underperformed, while other sectors remained positive. ABS added the most value.

Corporates:	-43 bps	Agencies:	3 bps
MBS:	-7 bps	CMBS:	6 bps
		ABS:	10 bps
- U.S. yields fell across the curve in March, but the largest drop occurred in the middle. The Fed’s expectation for mediocre growth was the primary driver of the rate decline during the month. The 10-year U.S. Treasury yield ended March at 1.9%, down 6 bps from February.

- | BC 1-3 Year Gov/Credit | BC Intermed Gov/Credit | BC Long Gov/Credit |
|------------------------|------------------------|--------------------|
| 0.2% | 0.5% | 0.5% |
- The BC Corporate High Yield Index (-0.6%) fell. The average OAS widened by 35 bps to end March at 466 bps.
- The BC U.S. TIPS Index (-0.5%) posted a loss.
- BC High Yield Energy spreads widened in March and ended the month at 707 bps.

BC High Yield Energy OAS, One-Year Ending 3/31/15



Non-U.S. Fixed Income

- The Citigroup Non-U.S. WGBI Index declined in currency-unhedged terms (-1.9%), but gained in currency-hedged terms (0.8%).
- Emerging markets debt was positive per the JPM EMBI Global Index (0.5%).

Commodities

- The S&P GSCI (-6.8%) and the Bloomberg Commodity Index (-5.1%) declined. All sectors fell except Livestock. Energy (-10.0% S&P GSCI; -9.2% BCI) was the largest detractor.
- The price of crude oil fell from \$50/barrel in February to \$48/barrel in March, and the price of gold fell from \$1,213/troy ounce to \$1,184/troy ounce.

Hedge Funds

- The HFRI Fund Weighted Composite Index (0.5%) posted a gain in March.
- The HFRI Fund of Funds Composite Index (0.6%) rose during the month.
- All of the major hedge fund strategies posted positive results.

	Month	YTD
HFRI Equity Hedge Index	0.5%	2.3%
HFRI Relative Value Index	0.3%	1.7%
HFRI Event-Driven Index	0.6%	2.0%
HFRI Emerging Markets Index	0.2%	1.0%
HFRI Macro Index	0.7%	3.4%