

**City of Hollywood Employees' Retirement Fund
Preliminary Market Value Update
as of March 31, 2016**

	Market Value	Percent of Total Plan	Target Allocation
<u>Domestic Equity - Large Cap</u>	\$72,509,757	24.7%	25.0%
Northern Trust	\$72,509,757	24.7%	
<u>Domestic Equity - SMID Cap</u>	\$38,772,226	13.2%	12.5%
TSW	\$19,243,359	6.6%	
Frontier Capital	\$19,528,867	6.7%	
<u>International Equity</u>	\$57,204,106	19.5%	20.0%
Wellington	\$41,522,932	14.2%	
Brandes	\$15,681,174	5.3%	
<u>Fixed</u>	\$88,515,210	30.2%	32.5%
Neuberger & Berman	\$37,603,940	12.8%	
Baird Advisors	\$50,911,270	17.4%	
<u>Real Estate</u>	\$36,186,967	12.3%	10.0%
Morgan Stanley*	\$26,940,246	9.2%	
Principal	\$9,246,721	3.2%	
Total Fund	\$293,188,266	100.0%	100.0%

*On March 31, 2016, \$2.5 million was transferred out of Morgan Stanley to cash to be used for future participant distributions. An additional \$2.5 million will be received by June 30, 2016.

City of Hollywood Employees' Retirement Fund
Preliminary Performance Update
as of March 31, 2016

	Quarter ended December 31, 2015	Quarter ended March 31, 2016	Fiscal YTD March 31, 2016	Market Value March 31, 2016	Percent of Total Plan March 31, 2016
Domestic Equity					
Northern Trust S&P 500	7.05%	1.30%	8.44%	\$72,509,757	24.7%
<i>Northern Trust - net</i>	7.04%	1.29%	8.42%		
<i>S&P 500 Index</i>	7.05%	1.35%	8.49%		
TSW	2.04%	3.97%	6.09%	\$19,243,359	6.6%
<i>TSW - net</i>	1.83%	3.76%	5.67%		
<i>Russell 2500 Value Index</i>	2.78%	3.34%	6.21%		
Frontier Capital	5.67%	1.73%	7.50%	\$19,528,867	6.7%
<i>Frontier Capital - net</i>	5.48%	1.54%	7.10%		
<i>Russell 2500 Growth Index</i>	3.81%	-2.66%	1.05%		
International Equity					
Wellington	3.89%	-1.96%	1.85%	\$41,522,932	14.2%
<i>Wellington - net</i>	3.71%	-2.14%	1.49%		
<i>MSCI ACWI - ex US (net)</i>	3.25%	-0.37%	2.86%		
Brandes	5.28%	4.34%	9.85%	\$15,681,174	5.3%
<i>Brandes - net</i>	5.04%	4.09%	9.33%		
<i>MSCI EAFE Small Cap (net)</i>	6.79%	-0.59%	6.16%		
Fixed					
Neuberger & Berman	-0.46%	2.08%	1.61%	\$37,603,940	12.8%
<i>Neuberger & Berman - net</i>	-0.53%	2.01%	1.46%		
<i>Barclays Intermediate Gov't/Credit Index</i>	-0.69%	2.45%	1.74%		
Baird Advisors	-0.91%	3.50%	2.56%	\$50,911,270	17.4%
<i>Baird Advisors - net</i>	-0.98%	3.43%	2.42%		
<i>Barclays Aggregate Index</i>	-0.56%	3.04%	2.46%		
Real Estate					
Morgan Stanley*	3.30%	2.09%	5.46%	\$26,940,246	9.2%
<i>Morgan Stanley - net</i>	3.09%	1.88%	5.03%		
<i>NCREIF ODCE (ew) Index</i>	3.43%	2.50%	6.02%		
Principal*	7.06%	3.56%	10.86%	\$9,246,721	3.2%
<i>Principal - net</i>	6.73%	3.23%	10.18%		
<i>NCREIF Property Index</i>	2.91%	0.00%	2.91%		
Total Fund	3.31%	1.81%	5.18%	\$293,188,266	100.0%
Total Fund - net	3.22%	1.68%	5.09%		
Policy Index**	3.16%	1.39%	4.36%		

Asset Class	Market value	% of Plan	Target	Ranges
Large Cap Equity	\$ 72,509,757	24.7%	25.0%	20-30%
Small Cap Equity	\$ 38,772,226	13.2%	12.5%	7.5-17.5%
International Equity	\$ 57,204,106	19.5%	20.0%	15-25%
Fixed Income	\$ 88,515,210	30.2%	32.5%	22.5-42.5%
Real Estate	\$ 36,186,967	12.3%	10.0%	5-15%
Total Fund	\$ 293,188,266	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.

*Performance is calculated on a quarterly basis.

** 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)

City of Hollywood Employees' Retirement Fund
Preliminary Performance Update
as of March 31, 2016

	Quarter ended March 31, 2015	Quarter ended June 30, 2015	Quarter ended September 30, 2015	Quarter ended December 31, 2015	Quarter ended March 31, 2016
Domestic Equity					
Northern Trust	0.95%	0.29%	-6.44%	7.05%	1.30%
<i>S&P 500 Index</i>	<i>0.95%</i>	<i>0.28%</i>	<i>-6.43%</i>	<i>7.05%</i>	<i>1.35%</i>
TSW SMID	5.63%	-1.25%	-7.02%	2.04%	3.97%
<i>Russell 2500 Value Index</i>	<i>3.02%</i>	<i>-1.28%</i>	<i>-9.59%</i>	<i>2.78%</i>	<i>3.34%</i>
Frontier Capital	6.34%	-0.54%	-15.67%	5.67%	1.73%
<i>Russell 2500 Growth Index</i>	<i>7.44%</i>	<i>0.60%</i>	<i>-11.05%</i>	<i>3.81%</i>	<i>-2.66%</i>
International Equity					
Wellington	4.51%	1.41%	-7.54%	3.89%	-1.96%
<i>MSCI ACWI ex-US Index</i>	<i>3.49%</i>	<i>0.53%</i>	<i>-12.15%</i>	<i>3.25%</i>	<i>-0.37%</i>
Brandes	N/A	N/A	-3.68%	5.28%	4.34%
<i>MSCI EAFE Small Cap (net)</i>	<i>N/A</i>	<i>N/A</i>	<i>-6.82%</i>	<i>6.79%</i>	<i>-0.59%</i>
Fixed					
Neuberger & Berman	1.31%	-0.63%	0.73%	-0.46%	2.08%
<i>Barclays Intermediate Gov't/Credit Index</i>	<i>1.47%</i>	<i>-0.63%</i>	<i>0.95%</i>	<i>-0.69%</i>	<i>2.45%</i>
Baird Advisors	1.80%	-1.67%	1.24%	-0.91%	3.50%
<i>Barclays Aggregate Index</i>	<i>1.61%</i>	<i>-1.68%</i>	<i>1.24%</i>	<i>-0.56%</i>	<i>3.04%</i>
Real Estate					
Morgan Stanley	3.18%	4.42%	3.79%	3.30%	2.09%
<i>NCREIF ODCE (ew) Index</i>	<i>3.40%</i>	<i>3.92%</i>	<i>3.63%</i>	<i>3.43%</i>	<i>2.50%</i>
Principal	3.93%	5.07%	4.16%	7.06%	3.56%
<i>NCREIF Property Index</i>	<i>3.57%</i>	<i>3.14%</i>	<i>3.09%</i>	<i>2.91%</i>	<i>0.00%</i>

Investment Manager Fee Table
Period Ended March 31, 2016

<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	\$ 72,509,757	3.5 bps on assets	\$ 25,378	0.04%
TSW	SMID Cap Value Equity	\$ 19,243,359	80 bps on assets	\$ 153,947	0.80%
Frontier Capital	SMID Cap Growth Equity	\$ 19,528,867	75 bps on assets	\$ 146,467	0.75%
Wellington	International Equity	\$ 41,522,932	71 bps on assets	\$ 294,813	0.71%
Brandes	International Small Cap Equity	\$ 15,681,174	95 bps on first \$25MM, 90 bps on next \$25MM, 80 bps on balance	\$ 148,971	0.95%
Neuberger & Berman	Intermediate Fixed Income	\$ 37,603,940	30 bps on first \$50MM, 20 bps on next \$50mm, 15 bps on balance	\$ 112,812	0.30%
Baird Advisors	Core Plus Fixed Income	\$ 50,911,270	30 bps on first \$25MM, 25 bps on next \$25MM, 20 bps on next \$20MM, 15 bps on balance	\$ 139,778	0.27%
Morgan Stanley	Real Estate	\$ 26,940,246	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	\$ 226,298	0.84%
Principal*	Real Estate	\$ 9,246,721	130 bps on assets + incentive fee	\$ 120,207	1.30%
Investment Management Fees		\$ 293,188,266		\$ 1,368,671	0.47%
Segal Rogerscasey	Investment Consulting		\$130,000 annual retainer	\$ 130,000	0.04%
Wells Fargo	Custodian	\$ 293,188,266	2 bps on first \$50MM, 1 bps on next \$75MM, 0.5 bps on balance	\$ 25,909	0.01%
TOTAL FEES				\$ 1,524,581	0.52%

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

U.S. Economy

- The U.S. unemployment rate and labor force participation rate each rose by 0.1% to 5.0% and 63.0%, respectively. Nonfarm payrolls grew by 215,000 jobs. January employment gains were revised downward and February payroll growth was revised upward.
- The University of Michigan Consumer Sentiment Index fell from 91.7 in February to 91.0 in March. Expectations and views on present conditions declined.
- The Purchasing Manager's Index (PMI) ended March at 51.8, indicating manufacturing growth during the month.

U.S. Equity

- The Russell style and size index returns:
- The Russell 3000 Index (7.0%) gained in March. Value outperformed growth within each market cap, and large caps underperformed within each style category. Mid cap value (9.2%) posted the best style return.
- All sectors were positive, but Energy (9.3%), Information Technology (9.2%) and Utilities (8.0%) fared the best.

	Value	Core	Growth
Large Cap	7.2%	7.0%	6.7%
Mid Cap	9.2%	8.2%	7.1%
Small Cap	8.3%	8.0%	7.7%

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

- The MSCI EAFE Index (6.6% USD; 3.0% local) rebounded in March. The local currency return was more subdued due to a weaker USD. Small and mid caps outperformed large caps, and there was very little differentiation among style returns within each market cap.
- All regional indices gained, but Pacific ex Japan (11.8%) increased the most. On a country basis, Israel (-0.2%) was the only underperformer of the EAFE Index. New Zealand (15.5%) and Portugal (14.4%) posted the strongest returns.
- All sectors ended March in positive territory, as stimulus measures announced by global central banks and a slight recovery in oil prices improved investor confidence. Materials (10.2%) and Industrials (7.0%) fared the best, while Healthcare (2.3%) gained the least.

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

- The MSCI EM Index (13.3% USD; 8.3% local) rallied in March, boosted by deferred expectations of monetary policy tightening in the U.S., improved commodity prices and a weaker USD. All style indices registered double-digit gains except small cap growth (8.9%), which still posted a strong return.
- All regions gained, but Latin America (20.4%) was the best performer, buoyed by a solid return in Brazil (30.5%) where equities gained sharply due to expectations of political change and rebounding commodity prices. All countries within the EM Index ended March in positive territory.
- All sector returns were strong. Energy (17.1%) and Materials (15.1%) gained the most, while Healthcare (8.5%) underperformed on a relative basis.

	MSCI EAFE			MSCI EM		
	Value	Core	Growth	Value	Core	Growth
Large Cap	6.3%	6.2%	6.1%	14.6%	13.3%	12.0%
Mid Cap	8.0%	7.6%	7.4%	14.9%	12.7%	10.8%
Small Cap	8.0%	8.0%	8.0%	11.1%	10.0%	8.9%

U.S. Fixed Income

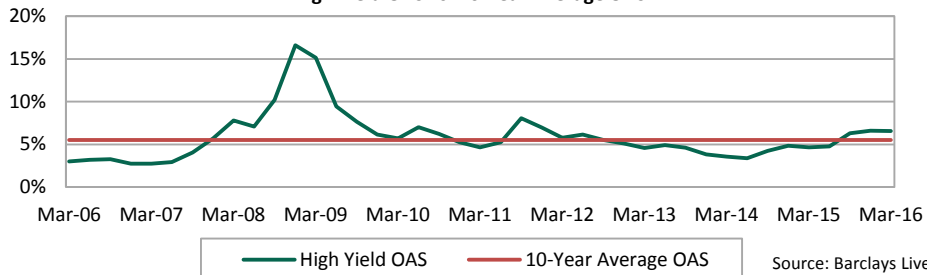
- Core fixed income gained, as measured by the BC U.S. Aggregate (Agg) Index (0.9%).
- BC Agg spread sectors posted positive results relative to Treasuries except for ABS:

Corporates: 262 bps	Agencies: 5 bps
MBS: 15 bps	CMBS: 105 bps
	ABS: -6 bps
- The U.S. Treasury yield curve was virtually flat. Intermediate and longer-duration Treasuries expanded modestly, while 1- and 2-year Treasuries contracted by 2 and 6 bps, respectively. Despite a volatile start to the first quarter, markets rebounded in March due to positive headlines regarding oil prices and global central banks.

BC 1-3 Year Gov/Credit	0.4%	BC Interm Gov/Credit	0.7%	BC Long Gov/Credit	2.8%
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- The BC Corporate High Yield Index (4.4%) gained. The average OAS narrowed by 70 bps to end March at 656 bps.
- The BC U.S. TIPS Index (1.8%) posted a positive return.

High Yield OAS vs. 10-Year Average OAS



Source: Barclays Live

Non-U.S. Fixed Income

- The Citigroup Non-U.S. WGBI Index increased on both a currency-hedged (0.7%) and currency-unhedged (3.9%) basis.
- Emerging market debt was positive per the JPM EMBI Global Index (3.3%).

Commodities

- Commodities gained, as measured by the Bloomberg Commodity Index (3.8%) and the S&P GSCI (4.9%). All sectors were positive except Livestock (-1.1% BCOM; -1.4% GSCI). Energy (7.8% BCOM; 8.3% GSCI) was the best-performing sector of the month.
- The price of crude oil increased from \$34/barrel in February to \$38/barrel in March, and the price of gold fell slightly from \$1,239/troy ounce to \$1,233/troy ounce.

Hedge Funds

- The HFRI Fund Weighted Composite Index (1.8%) increased.
- The HFRI Fund of Funds Composite Index (1.1%) also gained.
- All of the major hedge fund strategies posted positive returns for the month except Macro.

	Month	YTD
HFRI Equity Hedge Index	3.4%	-1.7%
HFRI Relative Value Index	2.3%	0.1%
HFRI Event-Driven Index	2.7%	-1.0%
HFRI Emerging Markets Index	6.9%	0.8%
HFRI Macro Index	-1.4%	1.2%