

**City of Hollywood Employees' Retirement Fund  
Preliminary Market Value Update  
as of April 30, 2015**

|   | <b>Market Value</b>  | <b>Percent of Total Plan</b> | <b>Target Allocation</b> |
|---|----------------------|------------------------------|--------------------------|
| <b><u>Domestic Equity - Large Cap</u></b> | <b>\$89,420,221</b>  | <b>29.5%</b>                 | <b>25.0%</b>             |
| Northern Trust                            | \$89,420,221         | 29.5%                        |                          |
| <b><u>Domestic Equity - Small Cap</u></b> | <b>\$44,179,502</b>  | <b>14.6%</b>                 | <b>12.5%</b>             |
| TSW                                       | \$22,736,511         | 7.5%                         |                          |
| Frontier Capital                          | \$21,442,991         | 7.1%                         |                          |
| <b><u>International Equity</u></b>        | <b>\$50,166,462</b>  | <b>16.6%</b>                 | <b>20.0%</b>             |
| Wellington                                | \$45,166,462         | 14.9%                        |                          |
| Brandes*                                  | \$5,000,000          | 1.7%                         |                          |
| <b><u>Fixed</u></b>                       | <b>\$85,899,767</b>  | <b>28.4%</b>                 | <b>32.5%</b>             |
| Neuberger & Berman                        | \$42,477,700         | 14.0%                        |                          |
| Baird Advisors                            | \$43,422,067         | 14.3%                        |                          |
| <b><u>Real Estate</u></b>                 | <b>\$33,331,267</b>  | <b>11.0%</b>                 | <b>10.0%</b>             |
| Morgan Stanley                            | \$25,966,850         | 8.6%                         |                          |
| Principal                                 | \$7,364,417          | 2.4%                         |                          |
| <b>Total Fund</b>                         | <b>\$302,997,218</b> | <b>100.0%</b>                | <b>100.0%</b>            |

\*Brandes international small cap initial funding 5/1/2015.

**City of Hollywood Employees' Retirement Fund**  
**Preliminary Performance Update**  
as of April 30, 2015

|   | Quarter ended<br>December 31, 2014 | Quarter ended<br>March 31, 2015 | 1 Month ended<br>April 30, 2015 | Fiscal YTD<br>April 30, 2015 | Market Value<br>April 30, 2015 | Percent of Total Plan<br>April 30, 2015 |
|---|------------------------------------|---------------------------------|---------------------------------|------------------------------|--------------------------------|---|
| <b>Domestic Equity</b>                          |                                    |                                 |                                 |                              |                                |   |
| Northern Trust S&P 500                          | 4.93%                              | 0.95%                           | 0.96%                           | 6.94%                        | \$89,420,221                   | 29.5%                                   |
| <i>Northern Trust - net</i>                     | <i>4.92%</i>                       | <i>0.95%</i>                    | <i>0.96%</i>                    | <i>6.93%</i>                 |                                |   |
| <i>S&amp;P 500 Index</i>                        | <i>4.93%</i>                       | <i>0.95%</i>                    | <i>0.96%</i>                    | <i>6.95%</i>                 |                                |   |
| TSW   | 6.02%                              | 5.63%                           | -0.98%                          | 10.89%                       | \$22,736,511                   | 7.5%                                    |
| <i>TSW - net</i>                                | <i>5.82%</i>                       | <i>5.43%</i>                    | <i>-1.05%</i>                   | <i>10.40%</i>                |                                |   |
| <i>Russell 2500 Value Index</i>                 | <i>6.09%</i>                       | <i>3.02%</i>                    | <i>-1.43%</i>                   | <i>7.73%</i>                 |                                |   |
| Frontier Capital                                | 8.50%                              | 6.34%                           | -1.69%                          | 13.44%                       | \$21,442,991                   | 7.1%                                    |
| <i>Frontier Capital - net</i>                   | <i>8.31%</i>                       | <i>6.15%</i>                    | <i>-1.75%</i>                   | <i>12.96%</i>                |                                |   |
| <i>Russell 2500 Growth Index</i>                | <i>7.49%</i>                       | <i>7.44%</i>                    | <i>-2.08%</i>                   | <i>13.09%</i>                |                                |   |
| <b>International Equity</b>                     |                                    |                                 |                                 |                              |                                |   |
| Wellington                                      | -1.41%                             | 4.51%                           | 3.90%                           | 7.05%                        | \$45,166,462                   | 14.9%                                   |
| <i>Wellington - net</i>                         | <i>-1.59%</i>                      | <i>4.34%</i>                    | <i>3.84%</i>                    | <i>6.62%</i>                 |                                |   |
| <i>MSCI ACWI - ex US (net)</i>                  | <i>-3.87%</i>                      | <i>3.49%</i>                    | <i>5.05%</i>                    | <i>4.51%</i>                 |                                |   |
| Brandes*  | N/A                                | N/A                             | N/A                             | N/A                          | \$5,000,000                    | 1.7%                                    |
| <b>Fixed</b>                                    |                                    |                                 |                                 |                              |                                |   |
| Neuberger & Berman                              | 0.52%                              | 1.31%                           | -0.11%                          | 1.73%                        | \$42,477,700                   | 14.0%                                   |
| <i>Neuberger &amp; Berman - net</i>             | <i>0.45%</i>                       | <i>1.22%</i>                    | <i>-0.14%</i>                   | <i>1.54%</i>                 |                                |   |
| <i>Barclays Intermediate Gov't/Credit Index</i> | <i>0.89%</i>                       | <i>1.47%</i>                    | <i>-0.04%</i>                   | <i>2.33%</i>                 |                                |   |
| Baird Advisors                                  | 1.88%                              | 1.80%                           | -0.31%                          | 3.39%                        | \$43,422,067                   | 14.3%                                   |
| <i>Baird Advisors - net</i>                     | <i>1.81%</i>                       | <i>1.70%</i>                    | <i>-0.33%</i>                   | <i>3.20%</i>                 |                                |   |
| <i>Barclays Aggregate Index</i>                 | <i>1.79%</i>                       | <i>1.61%</i>                    | <i>-0.36%</i>                   | <i>3.05%</i>                 |                                |   |
| <b>Real Estate</b>                              |                                    |                                 |                                 |                              |                                |   |
| Morgan Stanley*                                 | 4.44%                              | 3.18%                           | 0.00%                           | 7.76%                        | \$25,966,850                   | 8.6%                                    |
| <i>Morgan Stanley - net</i>                     | <i>4.23%</i>                       | <i>2.97%</i>                    | <i>0.00%</i>                    | <i>7.33%</i>                 |                                |   |
| <i>NCREIF ODCE (ew) Index</i>                   | <i>3.46%</i>                       | <i>3.46%</i>                    | <i>0.00%</i>                    | <i>0.00%</i>                 |                                |   |
| Principal*                                      | 2.97%                              | 3.93%                           | 0.00%                           | 7.01%                        | \$7,364,417                    | 2.4%                                    |
| <i>Principal - net</i>                          | <i>2.64%</i>                       | <i>3.58%</i>                    | <i>0.00%</i>                    | <i>6.31%</i>                 |                                |   |
| <i>NCREIF Property Index</i>                    | <i>3.04%</i>                       | <i>3.04%</i>                    | <i>0.00%</i>                    | <i>0.00%</i>                 |                                |   |
| <b>Total Fund</b>                               | <b>3.18%</b>                       | <b>2.77%</b>                    | <b>0.61%</b>                    | <b>6.68%</b>                 | <b>\$302,997,218</b>           | <b>100.0%</b>                           |
| <b>Total Fund - net</b>                         | <b>3.08%</b>                       | <b>2.66%</b>                    | <b>0.59%</b>                    | <b>6.44%</b>                 |                                |   |
| <b>Policy Index**</b>                           | <b>2.44%</b>                       | <b>2.02%</b>                    | <b>0.76%</b>                    | <b>5.31%</b>                 |                                |   |

| Asset Class          | Market value          | % of Plan     | Target        | Ranges     |
|----------------------|-----------------------|---------------|---------------|------------|
| Large Cap Equity     | \$ 89,420,221         | 29.5%         | 30.0%         | 20-40%     |
| Small Cap Equity     | \$ 44,179,502         | 14.6%         | 12.5%         | 7.5-17.5%  |
| International Equity | \$ 50,166,462         | 16.6%         | 15.0%         | 10-20%     |
| Fixed Income         | \$ 85,899,767         | 28.4%         | 32.5%         | 22.5-42.5% |
| Real Estate          | \$ 33,331,267         | 11.0%         | 10.0%         | 5-15%      |
| <b>Total Fund</b>    | <b>\$ 302,997,218</b> | <b>100.0%</b> | <b>100.0%</b> |            |

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

\*Brandes international small cap funded 5/1/2015 with \$5M.

\*\* 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 April 30, 2015**

|   | Quarter ended<br>March 31, 2015 | 1 Month ended<br>April 30, 2015 | Calendar YTD<br>April 30, 2015 |
|---|---------------------------------|---------------------------------|--------------------------------|
| <b><u>Domestic Equity</u></b>                   |                                 |                                 |                                |
| Northern Trust                                  | 0.95%                           | 0.96%                           | 1.92%                          |
| <i>S&amp;P 500 Index</i>                        | <i>0.95%</i>                    | <i>0.96%</i>                    | <i>1.92%</i>                   |
| TSW SMID  | 5.63%                           | -0.98%                          | 4.59%                          |
| <i>Russell 2500 Value Index</i>                 | <i>3.02%</i>                    | <i>-1.43%</i>                   | <i>1.55%</i>                   |
| Frontier Capital                                | 6.34%                           | -1.69%                          | 4.55%                          |
| <i>Russell 2500 Growth Index</i>                | <i>7.44%</i>                    | <i>-2.08%</i>                   | <i>5.21%</i>                   |
| <b><u>International Equity</u></b>              |                                 |                                 |                                |
| Wellington                                      | 4.51%                           | 3.90%                           | 8.59%                          |
| <i>MSCI ACWI ex-US Index</i>                    | <i>3.49%</i>                    | <i>5.05%</i>                    | <i>8.71%</i>                   |
| <b><u>Fixed</u></b>                             |                                 |                                 |                                |
| Neuberger & Berman                              | 1.31%                           | -0.11%                          | 1.20%                          |
| <i>Barclays Intermediate Gov't/Credit Index</i> | <i>1.47%</i>                    | <i>-0.04%</i>                   | <i>1.43%</i>                   |
| Baird Advisors                                  | 1.80%                           | -0.31%                          | 1.48%                          |
| <i>Barclays Aggregate Index</i>                 | <i>1.61%</i>                    | <i>-0.36%</i>                   | <i>1.24%</i>                   |
| <b><u>Real Estate</u></b>                       |                                 |                                 |                                |
| Morgan Stanley                                  | 3.18%                           | 0.00%                           | 3.18%                          |
| <i>NCREIF ODCE (ew) Index</i>                   | <i>3.46%</i>                    | <i>0.00%</i>                    | <i>3.46%</i>                   |
| Principal                                       | 3.93%                           | 0.00%                           | 3.93%                          |
| <i>NCREIF Property Index</i>                    | <i>3.04%</i>                    | <i>0.00%</i>                    | <i>3.04%</i>                   |

**Investment Manager Fee Table  
Period Ended April 30, 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       | \$ 89,420,221         | 3.5 bps on assets   | \$ 31,297                        | 0.04%                           |
| TSW                               | SMID Cap Value Equity          | \$ 22,736,511         | 80 bps on assets  | \$ 181,892                       | 0.80%                           |
| Frontier Capital                  | SMID Cap Growth Equity         | \$ 21,442,991         | 75 bps on assets  | \$ 160,822                       | 0.75%                           |
| Wellington                        | International Equity           | \$ 45,166,462         | 71 bps on assets  | \$ 320,682                       | 0.71%                           |
| Brandes**                         | International Small Cap Equity | \$ 5,000,000          | N/A   | N/A                              | N/A                             |
| Neuberger & Berman                | Intermediate Fixed Income      | \$ 42,477,700         | 30 bps on first \$50MM, 20 bps on next \$50mm, 15 bps on balance  | \$ 127,433                       | 0.30%                           |
| Baird Advisors                    | Core Plus Fixed Income         | \$ 43,422,067         | 30 bps on first \$25MM, 25 bps on next \$25MM, 20 bps on next \$20MM, 15 bps on balance   | \$ 121,055                       | 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%                           |
| <b>Investment Management Fees</b> |                                | <b>\$ 302,997,218</b> |   | <b>\$ 1,257,041</b>              | <b>0.41%</b>                    |
| Segal Rogerscasey                 | Investment Consulting          |                       | \$76,500 annual retainer  | \$ 76,500                        |                                 |
| Wells Fargo                       | Custodian                      | \$ 302,997,218        | 2 bps on first \$50MM, 1 bps on next \$75MM, 0.5 bps on balance   | \$ 26,400                        | 0.01%                           |
| <b>TOTAL FEES</b>                 |                                |                       |   | <b>\$ 1,359,941</b>              | <b>0.45%</b>                    |

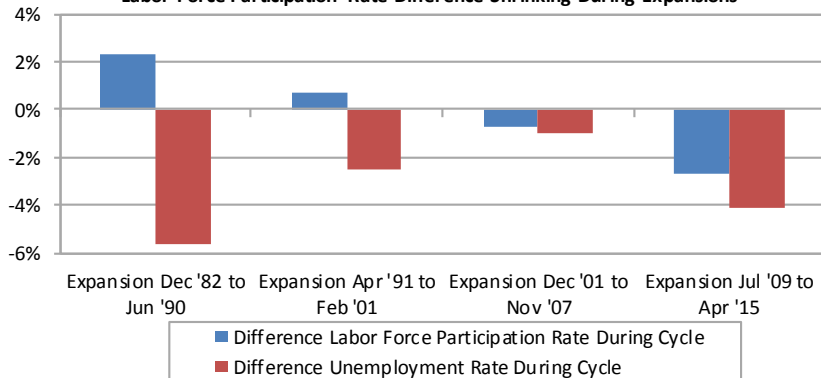
\*Incentive fee is equal to 15% of the profits in excess of an 11% net IRR to investors.

\*\*Brandes international small cap initial funding 5/1/2015.

**Economy**

- The U.S. unemployment rate fell 0.1% to end April at 5.4%. The labor force participation rate rose 0.1% to 62.8%. Nonfarm payrolls increased by 223,000 jobs. February payroll gains were revised upward, while March payrolls were revised downward.
- The University of Michigan Consumer Sentiment Index rose from 93.0 in March to 95.9 in April. Views on present conditions and expectations improved.
- The Purchasing Manager's Index (PMI) ended April unchanged from 51.5 in March, indicating that manufacturing growth continued at the same rate of change.

**Labor Force Participation Rate Difference Shrinking During Expansions**



**U.S. Equity**

- The Russell style and size index returns:
 

|           | Value | Core  | Growth |
|-----------|-------|-------|--------|
| Large Cap | 0.9%  | 0.7%  | 0.5%   |
| Mid Cap   | -1.1% | -0.9% | -0.7%  |
| Small Cap | -2.1% | -2.6% | -2.9%  |
- The Russell 3000 Index (0.5%) posted a slight gain in April. Within each market cap, style return differences were modest, but across market caps, large caps significantly outpaced their smaller cap peers. Small cap growth (-2.9%) fared the worst.
- S&P 500 sector returns were mixed. Energy (6.7%) increased the most, while Healthcare (-1.3%) posted the weakest return.

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

- The MSCI EAFE Index (4.2% USD; 1.2% local currency) gained. The local currency return was slightly subdued by a weaker USD. All style returns were positive. Small cap companies were favored over larger caps, but there was no distinct style preference.
- All regions within the EAFE Index rose in April, but Europe (4.5%) increased the most. All countries gained except Germany (-0.1%), Israel (-0.9%) and Finland (-1.2%).
- All sectors were positive. Energy (12.2%) recovered significantly in April due to rising crude oil prices. Utilities (4.4%) and Telecom (5.7%) also benefitted from the oil price rebound.

|           | MSCI EAFE |      |        | MSCI EM |      |        |
|-----------|-----------|------|--------|---------|------|--------|
|           | Value     | Core | Growth | Value   | Core | Growth |
| Large Cap | 4.4%      | 4.1% | 3.8%   | 9.5%    | 7.6% | 5.8%   |
| Mid Cap   | 4.3%      | 4.0% | 3.7%   | 8.7%    | 8.2% | 7.9%   |
| Small Cap | 4.5%      | 4.6% | 4.7%   | 9.8%    | 9.1% | 8.4%   |

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

- The MSCI EM Index (7.7% USD; 5.7% local currency) posted strong returns. Investors were comforted by a likely delay in U.S. interest rate increases and higher commodity prices following last year's sharp declines. All style returns were positive.
- All regions within the EM Index gained, led by Latin America (10.3%), which was buoyed by Brazil (16.8%) where shares of oil giant Petrobras rose by 59% after it announced a \$17b write-down due to a recent corruption scandal. Country returns were mixed, but Hungary (20.7%) rose the most and Indonesia (-9.7%) posted the steepest loss.
- All sector returns were positive. Energy (16.8%) fared the best, while Technology (2.4%) gained the least.

**U.S. Fixed Income**

- Core fixed income markets fell, as measured by the BC Aggregate Index (-0.4%).
- Spread sectors in the BC Aggregate Index posted positive results. Agencies and MBS posted the greatest excess returns relative to Treasuries.

|             |        |           |        |
|-------------|--------|-----------|--------|
| Corporates: | 9 bps  | Agencies: | 31 bps |
| MBS:        | 24 bps | CMBS:     | 11 bps |
|             |        | ABS:      | 8 bps  |

- Despite disappointing GDP growth in Q1 (0.2%), the U.S. Treasury yield curve steepened amid positive momentum in the labor market. Longer-maturity bonds fared the worst. The 30-year U.S. Treasury yield increased 20 bps to 2.7% and the 10-year rose 11 bps to 2.0%.

|  | BC 1-3 Year Gov/Credit | BC Intermed Gov/Credit | BC Long Gov/Credit |
|--|------------------------|------------------------|--------------------|
|  | 0.1%                   | 0.0%                   | -2.4%              |

- The BC Corporate High Yield Index (1.2%) gained. The average OAS narrowed by 27 bps to end March at 439 bps.
- The BC U.S. TIPS Index (0.7%) rose in April.

**Non-U.S. Fixed Income**

- The Citigroup Non-U.S. WGBI Index gained in currency-unhedged terms (1.9%), but fell in currency-hedged terms (-0.9%).
- Emerging market debt was positive per the JPM EMBI Global Index (2.0%).

**Commodities**

- The S&P GSCI (11.1%) and the Bloomberg Commodity Index (5.7%) posted strong performance in April. The largest contributor to these gains was Energy, which generated double-digit returns for the month (17.4% S&P GSCI; 13.8% BCI).
- The price of crude oil increased from \$48/barrel in March to \$60/barrel in April, and the price of gold held steady at \$1,184/troy ounce.

**Hedge Funds**

- The HFRI Fund Weighted Composite Index (0.8%) posted a gain in April.
- The HFRI Fund of Funds Composite Index (0.3%) rose during the month.
- All of the major hedge fund strategies posted positive results except Macro.

|                             | Month | YTD  |
|-----------------------------|-------|------|
| HFRI Equity Hedge Index     | 2.0%  | 4.1% |
| HFRI Relative Value Index   | 1.4%  | 3.2% |
| HFRI Event-Driven Index     | 1.2%  | 3.0% |
| HFRI Emerging Markets Index | 7.0%  | 8.3% |
| HFRI Macro Index            | -1.2% | 2.0% |