

**City of Hollywood Employees' Retirement Fund
Preliminary Market Value Update
as of April 30, 2016**

	Market Value	Percent of Total Plan	Target Allocation
<u>Domestic Equity - Large Cap</u>	\$72,791,040	24.8%	25.0%
Northern Trust	\$72,791,040	24.8%	
<u>Domestic Equity - SMID Cap</u>	\$38,925,067	13.3%	12.5%
TSW	\$19,430,534	6.6%	
Frontier Capital	\$19,494,533	6.7%	
<u>International Equity</u>	\$58,108,494	19.8%	20.0%
Wellington	\$42,185,196	14.4%	
Brandes	\$15,923,298	5.4%	
<u>Fixed</u>	\$86,989,806	29.7%	32.5%
Neuberger & Berman	\$36,707,977	12.5%	
Baird Advisors	\$50,281,829	17.2%	
<u>Real Estate</u>	\$36,186,967	12.4%	10.0%
Morgan Stanley*	\$26,940,246	9.2%	
Principal	\$9,246,721	3.2%	
Total Fund	\$293,001,374	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 April 30, 2016

	Quarter ended December 31, 2015	Quarter ended March 31, 2016	1 Month ended April 30, 2016	Fiscal YTD April 30, 2016	Market Value April 30, 2016	Percent of Total Plan April 30, 2016
Domestic Equity						
Northern Trust S&P 500	7.05%	1.30%	0.39%	8.86%	\$72,791,040	24.8%
<i>Northern Trust - net</i>	7.04%	1.29%	0.39%	8.84%		
<i>S&P 500 Index</i>	7.05%	1.35%	0.39%	8.92%		
TSW	2.04%	3.97%	0.97%	7.11%	\$19,430,534	6.6%
<i>TSW - net</i>	1.83%	3.76%	0.90%	6.62%		
<i>Russell 2500 Value Index</i>	2.78%	3.34%	1.94%	8.27%		
Frontier Capital	5.67%	1.73%	-0.12%	7.37%	\$19,494,533	6.7%
<i>Frontier Capital - net</i>	5.48%	1.54%	-0.18%	6.91%		
<i>Russell 2500 Growth Index</i>	3.81%	-2.66%	0.96%	2.02%		
International Equity						
Wellington	3.89%	-1.96%	1.59%	3.47%	\$42,185,196	14.4%
<i>Wellington- net</i>	3.71%	-2.14%	1.53%	3.05%		
<i>MSCI ACWI - ex US (net)</i>	3.25%	-0.37%	2.63%	5.57%		
Brandes	5.28%	4.34%	1.54%	11.54%	\$15,923,298	5.4%
<i>Brandes - net</i>	5.04%	4.09%	1.46%	10.93%		
<i>MSCI EAFE Small Cap (net)</i>	6.79%	-0.59%	2.30%	8.60%		
Fixed						
Neuberger & Berman	-0.46%	2.08%	0.21%	1.83%	\$36,707,977	12.5%
<i>Neuberger & Berman - net</i>	-0.53%	2.01%	0.19%	1.65%		
<i>Barclays Intermediate Gov't/Credit Index</i>	-0.69%	2.45%	0.27%	2.02%		
Baird Advisors	-0.91%	3.50%	0.68%	3.26%	\$50,281,829	17.2%
<i>Baird Advisors - net</i>	-0.98%	3.43%	0.66%	3.09%		
<i>Barclays Aggregate Index</i>	-0.56%	3.04%	0.38%	2.85%		
Real Estate						
Morgan Stanley*	3.30%	2.09%	0.21%	5.68%	\$26,940,246	9.2%
<i>Morgan Stanley - net</i>	3.09%	1.88%	0.00%	5.03%		
<i>NCREIF ODCE (ew) Index</i>	3.43%	2.44%	0.00%	5.95%		
Principal*	7.06%	3.56%	0.33%	11.22%	\$9,246,721	3.2%
<i>Principal - net</i>	6.73%	3.23%	0.00%	10.18%		
<i>NCREIF Property Index</i>	2.91%	2.21%	0.00%	5.19%		
Total Fund	3.31%	1.81%	0.60%	5.81%	\$293,001,374	100.0%
Total Fund - net	3.22%	1.68%	0.56%	5.72%		
Policy Index**	3.16%	1.29%	0.91%	5.35%		

<u>Asset Class</u>	<u>Market value</u>	<u>% of Plan</u>	<u>Target</u>	<u>Ranges</u>
Large Cap Equity	\$ 72,791,040	24.8%	25.0%	20-30%
Small Cap Equity	\$ 38,925,067	13.3%	12.5%	7.5-17.5%
International Equity	\$ 58,108,494	19.8%	20.0%	15-25%
Fixed Income	\$ 86,989,806	29.7%	32.5%	22.5-42.5%
Real Estate	\$ 36,186,967	12.4%	10.0%	5-15%
Total Fund	\$ 293,001,374	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)

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Preliminary Performance Update
as of April 30, 2016

	Quarter ended March 31, 2016	1 Month ended April 30, 2016	Calendar YTD April 30, 2016
<u>Domestic Equity</u>			
Northern Trust	1.30%	0.39%	1.69%
<i>S&P 500 Index</i>	<i>1.35%</i>	<i>0.39%</i>	<i>1.75%</i>
TSW SMID	3.97%	0.97%	4.98%
<i>Russell 2500 Value Index</i>	<i>3.34%</i>	<i>1.94%</i>	<i>5.34%</i>
Frontier Capital	1.73%	-0.12%	1.61%
<i>Russell 2500 Growth Index</i>	<i>-2.66%</i>	<i>0.96%</i>	<i>-1.73%</i>
<u>International Equity</u>			
Wellington	-1.96%	1.59%	-0.41%
<i>MSCI ACWI ex-US Index</i>	<i>-0.37%</i>	<i>2.63%</i>	<i>2.25%</i>
Brandes	4.34%	1.54%	5.94%
<i>MSCI EAFE Small Cap (net)</i>	<i>-0.59%</i>	<i>2.30%</i>	<i>1.70%</i>
<u>Fixed</u>			
Neuberger & Berman	2.08%	0.21%	2.30%
<i>Barclays Intermediate Gov't/Credit Index</i>	<i>2.45%</i>	<i>0.27%</i>	<i>2.72%</i>
Baird Advisors	3.50%	0.68%	4.20%
<i>Barclays Aggregate Index</i>	<i>3.04%</i>	<i>0.38%</i>	<i>3.43%</i>
<u>Real Estate</u>			
Morgan Stanley	2.09%	0.21%	2.30%
<i>NCREIF ODCE (ew) Index</i>	<i>2.44%</i>	<i>0.00%</i>	<i>2.44%</i>
Principal	3.56%	0.33%	3.89%
<i>NCREIF Property Index</i>	<i>2.21%</i>	<i>0.00%</i>	<i>2.21%</i>

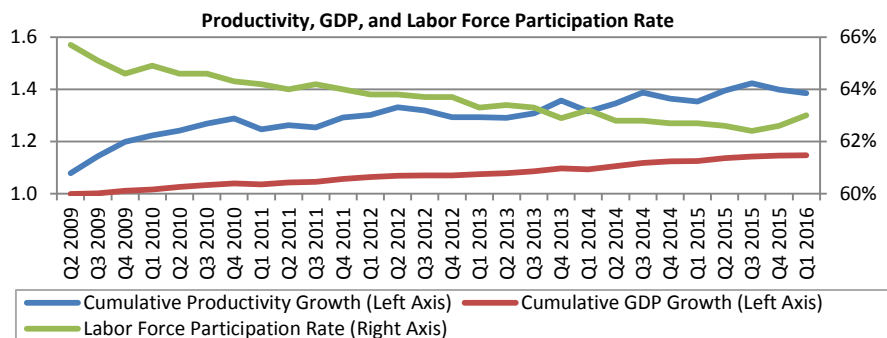
Investment Manager Fee Table
Period Ended April 30, 2016

<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	\$ 72,791,040	3.5 bps on assets	\$ 25,477	0.04%
TSW	SMID Cap Value Equity	\$ 19,430,534	80 bps on assets	\$ 155,444	0.80%
Frontier Capital	SMID Cap Growth Equity	\$ 19,494,533	75 bps on assets	\$ 146,209	0.75%
Wellington	International Equity	\$ 42,185,196	71 bps on assets	\$ 299,515	0.71%
Brandes	International Small Cap Equity	\$ 15,923,298	95 bps on first \$25MM, 90 bps on next \$25MM, 80 bps on balance	\$ 151,271	0.95%
Neuberger & Berman	Intermediate Fixed Income	\$ 36,707,977	30 bps on first \$50MM, 20 bps on next \$50mm, 15 bps on balance	\$ 110,124	0.30%
Baird Advisors	Core Plus Fixed Income	\$ 50,281,829	30 bps on first \$25MM, 25 bps on next \$25MM, 20 bps on next \$20MM, 15 bps on balance	\$ 138,205	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		\$ 293,001,374		\$ 1,372,750	0.47%
Segal Rogerscasey	Investment Consulting		\$130,000 annual retainer	\$ 130,000	0.04%
Wells Fargo	Custodian	\$ 293,001,374	2 bps on first \$50MM, 1 bps on next \$75MM, 0.5 bps on balance	\$ 25,900	0.01%
TOTAL FEES				\$ 1,528,650	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 was unchanged from March at 5.0%, while the labor force participation rate fell 0.2% to 62.8%. Nonfarm payrolls grew by 160,000 jobs. February and March employment gains were revised downward.
- The University of Michigan Consumer Sentiment Index fell from 91.0 in March to 89.0 in April. Views on present conditions improved, while expectations declined.
- The Purchasing Manager's Index (PMI) ended March at 51.8 and April at 50.8, indicating manufacturing growth continued at a slower rate of change.



Source: BLS

U.S. Equity

- The Russell style and size index returns:

	Value	Core	Growth
Large Cap	2.1%	0.5%	-0.9%
Mid Cap	2.2%	1.1%	-0.1%
Small Cap	2.1%	1.6%	1.0%
- The Russell 3000 Index (0.6%) gained in April. Value outperformed growth across all market caps. Small caps generally outperformed mid and large caps with the exception of mid cap value (2.2%), which posted the best style return.
- Sector returns were mixed. Energy (8.7%) fared the best, while IT (-5.4%) fell the most.

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

- The MSCI EAFE Index (3.0% USD; 1.4% local) was positive in April. The local currency return was more subdued due to a weaker USD. All style indices gained, but large cap value (4.1%) fared the best. Broadly speaking, value outperformed growth during the month.
- All regional indices gained, but World ex U.S. (3.2%) increased the most. On a country basis, only Finland (-0.2%) and Ireland (-0.4%) fell. Norway (7.9%) and Canada (6.8%) posted the strongest returns.
- Given the upward trend in commodity prices, Energy (8.5%) and Materials (8.1%) were the best-performing sectors. All sectors gained except Consumer Discretionary (-0.9%).

	MSCI EAFE			MSCI EM		
	Value	Core	Growth	Value	Core	Growth
Large Cap	4.1%	3.0%	1.9%	1.3%	0.4%	-0.5%
Mid Cap	3.3%	2.4%	1.8%	1.7%	1.2%	0.8%
Small Cap	3.2%	2.3%	1.4%	2.0%	1.5%	0.9%

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

- The MSCI EM Index (0.6% USD; -0.1% local) posted lukewarm results in April. A weaker USD and an improvement in commodity prices were beneficial for a number of emerging markets. All style returns were positive except large cap growth (-0.5%).
- Latin America (6.0%) was the best-performing region, buoyed by solid gains in Brazil (10.4%) and Peru (13.6%). EMEA (3.8%) rose as well, supported by gains in Egypt (13.3%) and Russia (7.8%). Asia (-1.3%) fell, hurt by declines in Taiwan (-5.3%) and China (-0.2%).
- Sector returns were mixed. Energy (6.3%) and Materials (5.3%) were the strongest performers for the second consecutive month. IT (-3.6%) lost the most.

U.S. Fixed Income

- Core fixed income gained, as measured by the BC U.S. Aggregate (Agg) Index (0.4%).
- BC Agg spread sectors posted positive results relative to Treasuries:

Corporates: 150 bps	Agencies: 28 bps
MBS: 16 bps	CMBS: 43 bps
	ABS: 21 bps
- The U.S. Treasury yield curve expanded modestly. Short, intermediate and longer-duration Treasuries experienced similar increases, while the 1-year Treasury yield contracted by 3 bps. Positive results in April can be attributed to continued monetary stimulus driven by global central banks and a stabilization in China.

BC 1-3 Year Gov/Credit	BC Intermed Gov/Credit	BC Long Gov/Credit
0.1%	0.3%	1.2%

- The BC Corporate High Yield Index (3.9%) gained. The average OAS narrowed by 79 bps to end April at 577 bps.
- The BC U.S. TIPS Index (0.4%) posted a positive return.

Non-U.S. Fixed Income

- The Citigroup Non-U.S. WGBI Index gained on a currency-unhedged basis (1.9%), but fell on a currency-hedged basis (-0.2%).
- Emerging market debt was positive per the JPM EMBI Global Index (1.9%).

Commodities

- Commodities gained, as measured by the Bloomberg Commodity Index (8.5%) and the S&P GSCI (10.1%). All sectors were positive except Livestock (-3.5% BCOM; -5.0% GSCI). Energy (13.4% BCOM; 15.1% GSCI) performed the best for the second straight month.
- The price of crude oil increased from \$38/barrel in March to \$46/barrel in April, and the price of gold increased from \$1,233/troy ounce to \$1,293/troy ounce.

Hedge Funds

- The HFRI Fund Weighted Composite Index (1.0%) increased.
- The HFRI Fund of Funds Composite Index (0.0%) was flat.
- All of the major hedge fund strategies posted positive returns for the month except Macro.

	Month	YTD
HFRI Equity Hedge Index	1.3%	-0.5%
HFRI Relative Value Index	2.1%	1.5%
HFRI Event-Driven Index	1.5%	1.0%
HFRI Emerging Markets Index	2.3%	1.9%
HFRI Macro Index	-0.3%	1.2%