

City of Hollywood Employees' Retirement Fund
Preliminary Market Value Update
as of April 30, 2017

	Market Value	Percent of Total Plan	New Target Allocation	Difference	Range
<u>Domestic Equity - Large Cap</u>	\$84,324,893	27.0%	20.0%	7.0%	15-30%
Northern Trust	\$84,324,893	27.0%			
<u>Domestic Equity - SMID Cap</u>	\$45,385,741	14.6%	10.0%	4.6%	7-15.5%
TSW	\$20,791,138	6.7%			
Frontier Capital	\$24,594,603	7.9%			
<u>International Equity</u>	\$65,446,796	21.0%	20.0%	1.0%	15-25%
Wellington	\$47,455,726	15.2%			
Brandes	\$17,991,070	5.8%			
<u>Fixed</u>	\$78,226,861	25.1%	30.0%	-4.9%	25-37.5%
Neuberger & Berman	\$25,184,341	8.1%			
Baird Advisors	\$53,042,520	17.0%			
<u>Real Estate</u>	\$33,612,790	10.8%	10.0%	0.8%	7-14%
Morgan Stanley	\$24,221,866	7.8%			
Principal	\$9,390,924	3.0%			
<u>Private Equity</u>	\$4,877,064	1.6%	7.5%	-5.9%	0-15%
Neuberger Berman Crossroads XXI	\$4,155,005	1.3%			
HarbourVest Dover Fund IX	\$722,059	0.2%			
<u>Infrastructure</u>	\$0	0.0%	2.5%	-2.5%	0-5%
IFM Global Infrastructure	\$0	0.0%			
Total Fund	\$311,874,145	100.0%	100.0%		

City of Hollywood Employees' Retirement Fund
Preliminary Performance Update
as of April 30, 2017

	Quarter ended December 31, 2016	Quarter ended March 31, 2017	1 Month ended April 30, 2017	Fiscal YTD April 30, 2017	Market Value April 30, 2017	Percent of Total Plan April 30, 2017
Domestic Equity						
Northern Trust S&P 500	3.83%	6.04%	1.03%	11.22%	\$84,324,893	27.0%
<i>Northern Trust - net</i>	3.82%	6.03%	1.03%	11.20%		
<i>S&P 500 Index</i>	3.83%	6.07%	1.03%	11.25%		
TSW	4.13%	3.10%	0.96%	8.40%	\$20,791,138	6.7%
<i>TSW - net</i>	3.93%	2.90%	0.89%	7.93%		
<i>Russell 2500 Value Index</i>	9.34%	1.62%	-0.10%	11.00%		
Frontier Capital	3.91%	5.74%	1.18%	11.13%	\$24,594,603	7.9%
<i>Frontier Capital - net</i>	3.72%	5.55%	1.12%	10.69%		
<i>Russell 2500 Growth Index</i>	2.59%	6.25%	1.76%	10.93%		
International Equity						
Wellington	-1.54%	7.32%	2.44%	8.24%	\$47,455,726	15.2%
<i>Wellington- net</i>	-1.72%	7.13%	2.38%	7.83%		
<i>MSCI ACWI - ex US (net)</i>	-1.25%	7.86%	2.14%	8.79%		
Brandes	1.89%	6.65%	1.46%	10.28%	\$17,991,070	5.8%
<i>Brandes - net</i>	1.65%	6.41%	1.38%	9.73%		
<i>MSCI EAFE Small Cap (net)</i>	-2.85%	7.97%	4.28%	9.38%		
Fixed						
Neuberger & Berman	-2.03%	0.72%	0.63%	-0.70%	\$25,184,341	8.1%
<i>Neuberger & Berman - net</i>	-2.11%	0.65%	0.61%	-0.88%		
<i>Blmbg. Barclays Intermediate Gov't/Credit Index</i>	-2.06%	0.78%	0.62%	-0.69%		
<i>90 Day U.S. Treasury Bill</i>	0.06%	0.10%	0.07%	0.24%		
Baird Advisors	-2.72%	1.11%	0.84%	-0.82%	\$53,042,520	17.0%
<i>Baird Advisors - net</i>	-2.79%	1.04%	0.82%	-0.98%		
<i>Blmbg. Barclays Aggregate Index</i>	-2.98%	0.82%	0.77%	-1.43%		
Real Estate						
Morgan Stanley*	2.61%	2.13%	0.07%	4.86%	\$24,221,866	7.8%
<i>Morgan Stanley - net</i>	2.40%	1.92%	0.00%	4.37%		
<i>NCREIF ODCE (ew) Index</i>	2.16%	1.83%	0.00%	4.03%		
Principal*	4.05%	2.28%	0.11%	6.50%	\$9,390,924	3.0%
<i>Principal - net</i>	3.72%	1.95%	0.00%	5.74%		
<i>NCREIF Property Index</i>	1.73%	1.55%	0.00%	3.31%		
Private Equity						
NB Crossroads XXI*	N/A	0.00%	0.00%	1.65%	\$4,155,005	1.3%
HarborVest Dover Fund IX*	N/A	0.00%	0.00%	N/A	\$722,059	0.2%
Total Fund	0.94%	4.10%	1.07%	6.23%	\$311,874,145	100.0%
Total Fund - net	0.81%	3.97%	1.03%	5.93%		
Policy Index**	0.93%	3.96%	1.09%	6.11%		

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. Performance shown is IRR.

** Policy Index: (May 15-current) 25% S&P 500, 12.5% Russell 2500, 15% MSCI ACWI ex US (net), 5% MSCI EAFE Small Cap (Net), 32.5% Barclays Intermediate Aggregate, 7.5% NCREIF ODCE (ew), 2.5% NCREIF NPI (Nov 13-Apr 15) 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, 2017**

	Quarter ended March 31, 2017	1 Month ended April 30, 2017	Calendar YTD April 30, 2017
<u>Domestic Equity</u>			
Northern Trust	6.04%	1.03%	7.13%
<i>S&P 500 Index</i>	<i>6.07%</i>	<i>1.03%</i>	<i>7.17%</i>
TSW SMID	3.10%	0.96%	4.09%
<i>Russell 2500 Value Index</i>	<i>1.62%</i>	<i>-0.10%</i>	<i>1.52%</i>
Frontier Capital	5.74%	1.18%	6.99%
<i>Russell 2500 Growth Index</i>	<i>6.25%</i>	<i>1.76%</i>	<i>8.12%</i>
<u>International Equity</u>			
Wellington	7.32%	2.44%	9.93%
<i>MSCI ACWI ex-US Index</i>	<i>7.86%</i>	<i>2.14%</i>	<i>10.17%</i>
Brandes	6.65%	1.46%	8.21%
<i>MSCI EAFE Small Cap (net)</i>	<i>7.97%</i>	<i>4.28%</i>	<i>12.59%</i>
<u>Fixed</u>			
Neuberger & Berman	0.72%	0.63%	1.36%
<i>Barclays Intermediate Gov't/Credit Index</i>	<i>0.78%</i>	<i>0.62%</i>	<i>1.41%</i>
<i>90 Day U.S. Treasury Bill</i>	<i>0.10%</i>	<i>0.07%</i>	<i>0.17%</i>
Baird Advisors	1.11%	0.84%	1.96%
<i>Barclays Aggregate Index</i>	<i>0.82%</i>	<i>0.77%</i>	<i>1.60%</i>
<u>Real Estate</u>			
Morgan Stanley	2.13%	0.07%	2.20%
<i>NCREIF ODCE (ew) Index</i>	<i>1.83%</i>	<i>0.00%</i>	<i>1.83%</i>
Principal	2.28%	0.11%	2.39%
<i>NCREIF Property Index</i>	<i>1.55%</i>	<i>0.00%</i>	<i>1.55%</i>

**City of Hollywood Employees' Retirement Fund
Investment Manager Fee Table
Period Ended April 30, 2017**

<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	\$ 84,324,893	3.5 bps on assets	\$ 29,514	0.04%
TSW	SMID Cap Value Equity	\$ 20,791,138	80 bps on assets	\$ 166,329	0.80%
Frontier Capital	SMID Cap Growth Equity	\$ 24,594,603	75 bps on assets	\$ 184,460	0.75%
Wellington	International Equity	\$ 47,455,726	71 bps on assets	\$ 336,936	0.71%
Brandes	International Small Cap Equity	\$ 17,991,070	95 bps on first \$25MM, 90 bps on next \$25MM, 80 bps on balance	\$ 170,915	0.95%
Neuberger & Berman	Intermediate Fixed Income	\$ 25,184,341	30 bps on first \$50MM, 20 bps on next \$50mm, 15 bps on balance	\$ 75,553	0.30%
Baird Advisors	Core Plus Fixed Income	\$ 53,042,520	30 bps on first \$25MM, 25 bps on next \$25MM, 20 bps on next \$20MM, 15 bps on balance	\$ 143,585	0.27%
Morgan Stanley	Real Estate	\$ 24,221,866	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	\$ 203,464	0.84%
Principal ¹	Real Estate	\$ 9,390,924	130 bps on assets + incentive fee	\$ 122,082	1.30%
Neuberger Berman Crossroads XXI ²	Private Equity	\$ 4,155,005	25.8 bps on assets	\$ 10,720	0.26%
HarbourVest Dover Fund IX ³	Private Equity	\$ 722,059	70 bps on assets	\$ 5,054	0.70%
IFM Global Infrastructure ⁴	Infrastructure	\$ -	77 bps on assets	\$ -	-
Investment Management Fees		\$ 311,874,145		\$ 1,448,611	0.46%
Segal Marco	Investment Consulting		\$130,000 annual retainer	\$ 130,000	0.04%
Wells Fargo	Custodian	\$ 311,874,145	2 bps on first \$50MM, 1 bps on next \$75MM, 0.5 bps on balance	\$ 26,844	0.01%
TOTAL FEES				\$ 1,605,455	0.51%

¹Incentive fee is equal to 15% of the profits in excess of an 11% net IRR to investors.

²NB is aggregating commitments to provide best pricing for SMA clients, and as a result the City of Hollywood \$20 million is saving 10.5 bps; if the commitment had not be aggregated the fee would have been 36.3 bps.

³The fee for the Dover IX Fund is 75 bps, but the City of Hollywood is receiving a 5 bps fee discount.

⁴Incentive fee is equal to 10% of the profits in excess of an 8% per annum.

April Highlights

- The U.S. unemployment rate fell by 0.1% to 4.4%. Nonfarm payrolls grew by 211,000 jobs. The University of Michigan Index of Consumer Sentiment was essentially unchanged month-over-month, but ended April 9% higher on a year-over-year basis.
- Small and large caps were almost even, with healthcare and utilities performing well. U.S. large cap sector returns were mixed. Info tech was the best performer, while telecom fared the worst.
- Strong economic news and U.S. dollar (USD) weakness boosted emerging market stocks. Diminishing likelihood that France will leave the EU also helped developed market stocks.
- The Bloomberg Barclays U.S. Aggregate Index gained in April. Treasuries lagged credit strategies with investors anticipating more U.S. rate hikes in 2017. TIPS lagged other bond categories with U.S. inflation not much higher. High yield was buoyed by a still-growing U.S. economy and solid corporate earnings.
- Struggles for oil and copper led commodities lower.
- Funds of hedge funds were held back by macro and commodity strategies.

YTD Highlights

- Financial markets barely reacted to a strong April jobs report, including unemployment reaching its lowest point in about a decade, but the news could keep the Fed on track to continue to raise interest rates this year. Consumer sentiment has been strong YTD despite notable partisan divergence.
- Investors still favor U.S. large caps in 2017 for their stability and quality. Mid cap performance has also been strong YTD with continued U.S. economic strength.
- An improving economy and political stability in Europe have boosted developed market stocks. USD weakness and economic growth have fueled emerging market stocks YTD.
- The Fed's March rate hike, and anticipation of further hikes, have hurt Treasuries YTD. The Treasury-heavy U.S. Aggregate index was also stung by rising rates. TIPS have lagged amid rate hike fears and still-middling inflation levels in the U.S.
- Continued concerns about a supply glut plagued oil prices YTD, and is a major reason for commodities' negative performance.

Returns

