

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

	Market Value	Percent of Total Plan	Target Allocation
<u>Domestic Equity - Large Cap</u>	\$90,569,787	29.9%	25.0%
Northern Trust	\$90,569,787	29.9%	
<u>Domestic Equity - Small Cap</u>	\$44,706,708	14.8%	12.5%
TSW	\$22,836,695	7.5%	
Frontier Capital	\$21,870,013	7.2%	
<u>International Equity</u>	\$50,136,821	16.6%	20.0%
Wellington	\$45,084,758	14.9%	
Brandes	\$5,052,063	1.7%	
<u>Fixed</u>	\$83,794,612	27.7%	32.5%
Neuberger & Berman	\$41,472,011	13.7%	
Baird Advisors	\$42,322,601	14.0%	
<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	\$302,539,194	100.0%	100.0%

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

	Quarter ended December 31, 2014	Quarter ended March 31, 2015	1 Month ended April 30, 2015	1 Month ended May 31, 2015	Fiscal YTD May 31, 2015	Market Value May 31, 2015	Percent of Total Plan May 31, 2015
Domestic Equity							
Northern Trust S&P 500	4.93%	0.95%	0.96%	1.29%	8.32%	\$90,569,787	29.9%
<i>Northern Trust - net</i>	4.92%	0.95%	0.96%	1.29%	8.31%		
<i>S&P 500 Index</i>	4.93%	0.95%	0.96%	1.29%	8.33%		
TSW	6.02%	5.63%	-0.98%	0.44%	11.38%	\$22,836,695	7.5%
<i>TSW - net</i>	5.82%	5.43%	-1.05%	0.37%	10.81%		
<i>Russell 2500 Value Index</i>	6.09%	3.02%	-1.43%	1.22%	9.05%		
Frontier Capital	8.50%	6.34%	-1.69%	2.05%	15.76%	\$21,870,013	7.2%
<i>Frontier Capital - net</i>	8.31%	6.15%	-1.75%	1.99%	15.20%		
<i>Russell 2500 Growth Index</i>	7.49%	7.44%	-2.08%	3.08%	16.57%		
International Equity							
Wellington	-1.41%	4.51%	3.90%	-0.20%	6.84%	\$45,084,758	14.9%
<i>Wellington - net</i>	-1.59%	4.34%	3.84%	-0.26%	6.35%		
<i>MSCI ACWI - ex US (net)</i>	-3.87%	3.49%	5.05%	-1.56%	2.88%		
Brandes*	N/A	N/A	N/A	1.04%	1.04%	\$5,052,063	1.7%
<i>Brandes - net</i>	N/A	N/A	N/A	0.96%	0.96%		
<i>MSCI EAFE Small Cap (net)</i>	N/A	N/A	N/A	1.05%	1.05%		
Fixed							
Neuberger & Berman	0.52%	1.31%	-0.11%	-0.07%	1.66%	\$41,472,011	13.7%
<i>Neuberger & Berman - net</i>	0.45%	1.22%	-0.14%	-0.10%	1.44%		
<i>Barclays Intermediate Gov't/Credit Index</i>	0.89%	1.47%	-0.04%	0.01%	2.34%		
Baird Advisors	1.88%	1.80%	-0.31%	-0.29%	3.09%	\$42,322,601	14.0%
<i>Baird Advisors - net</i>	1.81%	1.70%	-0.33%	-0.31%	2.87%		
<i>Barclays Aggregate Index</i>	1.79%	1.61%	-0.36%	-0.24%	2.80%		
Real Estate							
Morgan Stanley*	4.44%	3.18%	0.00%	0.00%	7.76%	\$25,966,850	8.6%
<i>Morgan Stanley - net</i>	4.23%	2.97%	0.00%	0.00%	7.33%		
<i>NCREIF ODCE (ew) Index</i>	3.46%	3.46%	0.00%	0.00%	7.04%		
Principal*	2.97%	3.93%	0.00%	0.00%	7.01%	\$7,364,417	2.4%
<i>Principal - net</i>	2.64%	3.58%	0.00%	0.00%	6.31%		
<i>NCREIF Property Index</i>	3.04%	3.04%	0.00%	0.00%	6.17%		
Total Fund	3.18%	2.77%	0.61%	0.49%	7.20%	\$302,539,194	100.0%
<i>Total Fund - net</i>	<i>3.08%</i>	<i>2.66%</i>	<i>0.59%</i>	<i>0.48%</i>	<i>6.95%</i>		
<i>Policy Index**</i>	<i>2.44%</i>	<i>2.02%</i>	<i>0.76%</i>	<i>0.38%</i>	<i>5.71%</i>		

<u>Asset Class</u>	<u>Market value</u>	<u>% of Plan</u>	<u>Target</u>	<u>Ranges</u>	<u>Ranges</u>
Large Cap Equity	\$ 90,569,787	29.9%	30.0%	20-40%	20-40%
Small Cap Equity	\$ 44,706,708	14.8%	12.5%	7.5-17.5%	7.5-17.5%
International Equity	\$ 50,136,821	16.6%	15.0%	10-20%	10-20%
Fixed Income	\$ 83,794,612	27.7%	32.5%	22.5-42.5%	22.5-42.5%
Real Estate	\$ 33,331,267	11.0%	10.0%	5-15%	5-15%
Total Fund	\$ 302,539,194	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.

** 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, 2015	1 Month ended April 30, 2015	1 Month ended May 31, 2015	Calendar YTD May 31, 2015
<u>Domestic Equity</u>				
Northern Trust	0.95%	0.96%	1.29%	3.23%
<i>S&P 500 Index</i>	<i>0.95%</i>	<i>0.96%</i>	<i>1.29%</i>	<i>3.23%</i>
TSW SMID	5.63%	-0.98%	0.44%	5.06%
<i>Russell 2500 Value Index</i>	<i>3.02%</i>	<i>-1.43%</i>	<i>1.22%</i>	<i>2.79%</i>
Frontier Capital	6.34%	-1.69%	2.05%	6.69%
<i>Russell 2500 Growth Index</i>	<i>7.44%</i>	<i>-2.08%</i>	<i>3.08%</i>	<i>8.45%</i>
<u>International Equity</u>				
Wellington	4.51%	3.90%	-0.20%	8.37%
<i>MSCI ACWI ex-US Index</i>	<i>3.49%</i>	<i>5.05%</i>	<i>-1.56%</i>	<i>7.02%</i>
Brandes	N/A	N/A	1.04%	1.04%
<i>MSCI EAFE Small Cap (net)</i>	<i>N/A</i>	<i>N/A</i>	<i>1.05%</i>	<i>1.05%</i>
<u>Fixed</u>				
Neuberger & Berman	1.31%	-0.11%	-0.07%	1.13%
<i>Barclays Intermediate Gov't/Credit Index</i>	<i>1.47%</i>	<i>-0.04%</i>	<i>0.01%</i>	<i>1.44%</i>
Baird Advisors	1.80%	-0.31%	-0.29%	1.19%
<i>Barclays Aggregate Index</i>	<i>1.61%</i>	<i>-0.36%</i>	<i>-0.24%</i>	<i>1.00%</i>
<u>Real Estate</u>				
Morgan Stanley	3.18%	0.00%	0.00%	3.18%
<i>NCREIF ODCE (ew) Index</i>	<i>3.46%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>3.46%</i>
Principal	3.93%	0.00%	0.00%	3.93%
<i>NCREIF Property Index</i>	<i>3.04%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>3.04%</i>

**Investment Manager Fee Table
Period Ended May 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	\$ 90,569,787	3.5 bps on assets	\$ 31,699	0.04%
TSW	SMID Cap Value Equity	\$ 22,836,695	80 bps on assets	\$ 182,694	0.80%
Frontier Capital	SMID Cap Growth Equity	\$ 21,870,013	75 bps on assets	\$ 164,025	0.75%
Wellington	International Equity	\$ 45,084,758	71 bps on assets	\$ 320,102	0.71%
Brandes	International Small Cap Equity	\$ 5,052,063	95 bps on first \$25MM, 90 bps on next \$25MM, 80 bps on balance	\$ 47,995	0.95%
Neuberger & Berman	Intermediate Fixed Income	\$ 41,472,011	30 bps on first \$50MM, 20 bps on next \$50mm, 15 bps on balance	\$ 124,416	0.30%
Baird Advisors	Core Plus Fixed Income	\$ 42,322,601	30 bps on first \$25MM, 25 bps on next \$25MM, 20 bps on next \$20MM, 15 bps on balance	\$ 118,307	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		\$ 302,539,194		\$ 1,303,096	0.43%
Segal Rogerscasey	Investment Consulting		\$76,500 annual retainer	\$ 76,500	
Wells Fargo	Custodian	\$ 302,539,194	2 bps on first \$50MM, 1 bps on next \$75MM, 0.5 bps on balance	\$ 26,377	0.01%
TOTAL FEES				\$ 1,405,973	0.46%

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

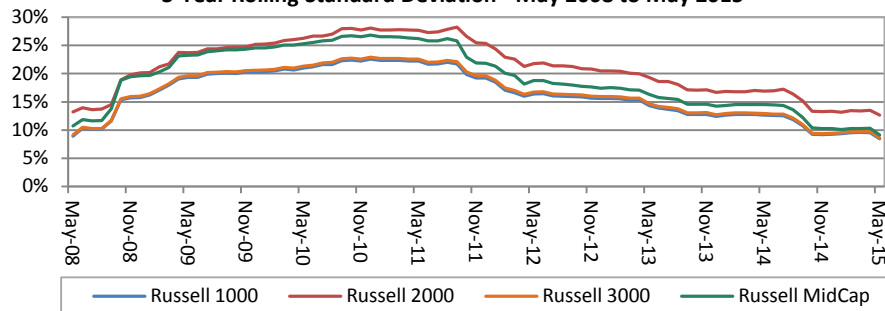
Economy

- The U.S. unemployment rate ticked up 0.1% to end May at 5.5%. The labor force participation rate also rose 0.1% to 62.9%. Nonfarm payrolls increased by 280,000 jobs.
- The University of Michigan Consumer Sentiment Index fell from 95.9 in April to 90.7 in May. Views on present conditions and expectations declined.
- The Purchasing Manager’s Index (PMI) ended April at 51.5 and May at 52.8, indicating that manufacturing growth continued at a faster rate of change.

U.S. Equity

- The Russell style and size index returns:
- | | Value | Core | Growth |
|-----------|-------|------|--------|
| Large Cap | 1.2% | 1.3% | 1.4% |
| Mid Cap | 1.8% | 1.5% | 1.2% |
| Small Cap | 0.8% | 2.3% | 3.7% |
- The Russell 3000 Index (1.4%) rose in May. All style and size returns were positive. Growth outperformed value except in the mid cap space. Small cap growth (3.7%) fared the best.
 - Most sectors performed well. Energy (-4.8%) and Telecom (-1.8%) posted the only losses. Healthcare (4.5%) had the strongest gain.

3-Year Rolling Standard Deviation - May 2008 to May 2015



Source: eVestment Alliance

Non-U.S. Equity

- (All returns in USD unless otherwise stated.)
- The MSCI EAFE Index (-0.4% USD; 1.7% local currency) gained. The local currency return improved over last month due to a stronger USD. Style returns were mixed. Investors favored small caps over larger caps and growth over value. Small cap growth (1.8%) gained the most, while large cap value (-1.1%) fell the most.
 - All regions fell in May, but Pacific ex Japan (-2.5%) posted the steepest decline. About one-third of the countries in the EAFE index gained in USD terms, but in local currency terms, more than half of them posted gains, highlighting the disparity caused by USD strength. In USD terms, Italy (1.4%), Japan (1.3%) and Switzerland (1.3%) performed the best, while New Zealand (-6.9%) and Singapore (-5.4%) experienced the weakest returns.
 - Most sectors fell during the month, but Energy (-5.5%) and Telecom (-2.0%) suffered the greatest losses. IT (1.9%) and Utilities (1.2%) posted the only gains.

	MSCI EAFE			MSCI EM		
	Value	Core	Growth	Value	Core	Growth
Large Cap	-1.1%	-0.7%	-0.3%	-4.6%	-4.1%	-3.6%
Mid Cap	-0.2%	0.3%	0.6%	-4.0%	-3.5%	-3.1%
Small Cap	0.3%	1.1%	1.8%	0.0%	0.4%	0.8%

Emerging Markets Equity

- (All returns in USD unless otherwise stated.)
- The MSCI EM Index (-4.0% USD; -2.5% local currency) declined in May. EM currencies significantly reduced the returns to U.S. investors, as has been the case for much of the past year. Small caps posted modestly positive results, while mid and large caps fell.
 - All regions declined, but Latin America (-7.0%) lost the most. Brazil, Colombia and Hungary experienced the greatest currency headwind, as a strong USD detracted more than 4% from their local returns. Conversely, investors in Turkey benefitted slightly from exposure to the lira.
 - All sectors fell, reversing April’s significant gains. Energy (-7.0%), last month’s best performer, posted May’s weakest result. Consumer Staples (-1.7%) fell the least.

U.S. Fixed Income

- Core fixed income markets fell, as measured by the BC Aggregate Index (-0.2%).
- Spread sectors in the BC Aggregate Index posted mixed results. Agencies and ABS posted the highest excess returns relative to Treasuries.

Corporates: -36 bps Agencies: 5 bps
MBS: 2 bps CMBS: 2 bps ABS: 9 bps

- The U.S. Treasury yield curve steepened during May. The 30-year U.S. Treasury yield increased 10 bps to 2.9% and the 10-year yield increased 4 bps to 2.1%. Yields rose in response to signs of reacceleration in U.S. economic activity, as housing activity outpaced projections and employment increases rebounded from April.

BC 1-3 Year Gov/Credit 0.1% BC Intermed Gov/Credit 0.0% BC Long Gov/Credit -1.7%

- The BC Corporate High Yield Index (0.3%) gained. The average OAS narrowed by 6 bps to end May at 433 bps.
- The BC U.S. TIPS Index (-0.8%) fell in May.

Non-U.S. Fixed Income

- The Citigroup Non-U.S. WGBI Index declined in both currency-unhedged (-3.4%) and currency-hedged (-0.8%) terms.
- Emerging market debt was negative per the JPM EMBI Global Index (-0.5%).

Commodities

- The S&P GSCI (-2.0%) and the Bloomberg Commodity Index (-2.7%) declined in May. Energy, agriculture and industrial metals all fell, but industrial metals lost the most (down almost 8% in each index). Precious metals and livestock posted positive results.
- The price of crude oil remained at \$60/barrel in May, and the price of gold increased from \$1,184/troy ounce to \$1,191/troy ounce.

Hedge Funds

- The HFRI Fund Weighted Composite Index (0.7%) posted a gain in May.
- The HFRI Fund of Funds Composite Index (1.1%) rose during the month.
- All of the major hedge fund strategies gained except Macro and EM, which were flat.

	Month	YTD
HFRI Equity Hedge Index	1.3%	5.1%
HFRI Relative Value Index	0.5%	3.5%
HFRI Event-Driven Index	0.6%	3.9%
HFRI Emerging Markets Index	0.0%	6.5%
HFRI Macro Index	0.0%	2.0%