

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

	<b>Market Value</b>	<b>Percent of Total Plan</b>	<b>Target Allocation</b>
<b><u>Domestic Equity - Large Cap</u></b>	<b>\$78,578,956</b>	<b>26.5%</b>	<b>25.0%</b>
Northern Trust	\$78,578,956	26.5%	
<b><u>Domestic Equity - Small Cap</u></b>	<b>\$43,253,298</b>	<b>14.6%</b>	<b>12.5%</b>
TSW	\$22,716,241	7.6%	
Frontier Capital	\$20,537,058	6.9%	
<b><u>International Equity</u></b>	<b>\$60,250,740</b>	<b>20.3%</b>	<b>20.0%</b>
Wellington	\$45,154,447	15.2%	
Brandes*	\$15,096,293	5.1%	
<b><u>Fixed</u></b>	<b>\$79,657,051</b>	<b>26.8%</b>	<b>32.5%</b>
Neuberger & Berman	\$39,438,721	13.3%	
Baird Advisors	\$40,218,330	13.5%	
<b><u>Real Estate</u></b>	<b>\$35,316,365</b>	<b>11.9%</b>	<b>10.0%</b>
Morgan Stanley	\$27,060,834	9.1%	
Principal	\$8,255,531	2.8%	
<b>Total Fund</b>	<b>\$297,056,410</b>	<b>100.0%</b>	<b>100.0%</b>

\*Brandes market value includes a \$5M contribution that did not settle until the beginning of August.

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

	Quarter ended December 31, 2014	Quarter ended March 31, 2015	Quarter ended June 30, 2015	1 Month ended July 31, 2015	Fiscal YTD July 31, 2015	Market Value July 31, 2015	Percent of Total Plan July 31, 2015
<b>Domestic Equity</b>							
Northern Trust S&P 500	4.93%	0.95%	0.29%	2.09%	8.45%	\$78,578,956	26.5%
<i>Northern Trust - net</i>	4.92%	0.95%	0.28%	2.09%	8.43%		
<i>S&amp;P 500 Index</i>	4.93%	0.95%	0.28%	2.10%	8.46%		
TSW	6.02%	5.63%	-1.25%	0.19%	10.80%	\$22,716,241	7.6%
<i>TSW - net</i>	5.82%	5.43%	-1.45%	0.12%	10.09%		
<i>Russell 2500 Value Index</i>	6.09%	3.02%	-1.28%	-1.49%	6.29%		
Frontier Capital	8.50%	6.34%	-0.54%	-5.15%	8.85%	\$20,537,058	6.9%
<i>Frontier Capital - net</i>	8.31%	6.15%	-0.73%	-5.21%	8.19%		
<i>Russell 2500 Growth Index</i>	7.49%	7.44%	0.60%	1.19%	17.57%		
<b>International Equity</b>							
Wellington	-1.41%	4.51%	1.41%	2.40%	7.00%	\$45,154,447	15.2%
<i>Wellington - net</i>	-1.59%	4.34%	1.23%	2.34%	6.38%		
<i>MSCI ACWI - ex US (net)</i>	-3.87%	3.49%	0.53%	-0.26%	-0.25%		
Brandes*	N/A	N/A	N/A	1.87%	N/A	\$15,096,293	5.1%
<i>Brandes - net</i>	N/A	N/A	N/A	1.79%	N/A		
<i>MSCI EAFE Small Cap (net)</i>	N/A	N/A	N/A	0.86%	N/A		
<b>Fixed</b>							
Neuberger & Berman	0.52%	1.31%	-0.63%	0.25%	1.45%	\$39,438,721	13.3%
<i>Neuberger &amp; Berman - net</i>	0.45%	1.22%	-0.70%	0.23%	1.19%		
<i>Barclays Intermediate Gov't/Credit Index</i>	0.89%	1.47%	-0.63%	0.36%	2.09%		
Baird Advisors	1.88%	1.80%	-1.67%	0.74%	2.73%	\$40,218,330	13.5%
<i>Baird Advisors - net</i>	1.81%	1.70%	-1.74%	0.72%	2.47%		
<i>Barclays Aggregate Index</i>	1.79%	1.61%	-1.68%	0.70%	2.39%		
<b>Real Estate</b>							
Morgan Stanley*	4.44%	3.18%	4.42%	0.00%	12.52%	\$27,060,834	9.1%
<i>Morgan Stanley - net</i>	4.23%	2.97%	4.21%	0.00%	11.84%		
<i>NCREIF ODCE (ew) Index</i>	3.46%	3.46%	3.92%	0.00%	11.24%		
Principal*	2.97%	3.93%	5.07%	0.00%	12.43%	\$8,255,531	2.8%
<i>Principal - net</i>	2.64%	3.58%	4.74%	0.00%	11.35%		
<i>NCREIF Property Index</i>	3.04%	3.04%	3.14%	0.00%	9.51%		
<b>Total Fund</b>	<b>3.18%</b>	<b>2.77%</b>	<b>0.29%</b>	<b>0.80%</b>	<b>7.20%</b>	<b>\$297,056,410</b>	<b>100.0%</b>
<b>Total Fund - net</b>	<b>3.08%</b>	<b>2.66%</b>	<b>0.27%</b>	<b>0.78%</b>	<b>6.93%</b>		
<b>Policy Index**</b>	<b>2.44%</b>	<b>2.02%</b>	<b>0.28%</b>	<b>0.74%</b>	<b>5.58%</b>		

Asset Class	Market value	% of Plan	Target	Ranges
Large Cap Equity	\$ 78,578,956	26.5%	30.0%	20-40%
Small Cap Equity	\$ 43,253,298	14.6%	12.5%	7.5-17.5%
International Equity	\$ 60,250,740	20.3%	15.0%	10-20%
Fixed Income	\$ 79,657,051	26.8%	32.5%	22.5-42.5%
Real Estate	\$ 35,316,365	11.9%	10.0%	5-15%
<b>Total Fund</b>	<b>\$ 297,056,410</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 market value includes a \$5M contribution that did not settle until the beginning of August.

\*\* 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 July 31, 2015**

	Quarter ended March 31, 2015	Quarter ended June 30, 2015	1 Month ended July 31, 2015	Calendar YTD July 31, 2015
<b><u>Domestic Equity</u></b>				
Northern Trust	0.95%	0.29%	2.09%	3.36%
<i>S&amp;P 500 Index</i>	<i>0.95%</i>	<i>0.28%</i>	<i>2.10%</i>	<i>3.36%</i>
TSW SMID	5.63%	-1.25%	0.19%	4.51%
<i>Russell 2500 Value Index</i>	<i>3.02%</i>	<i>-1.28%</i>	<i>-1.49%</i>	<i>0.19%</i>
Frontier Capital	6.34%	-0.54%	-5.15%	0.32%
<i>Russell 2500 Growth Index</i>	<i>7.44%</i>	<i>0.60%</i>	<i>1.19%</i>	<i>9.37%</i>
<b><u>International Equity</u></b>				
Wellington	4.51%	1.41%	2.40%	8.53%
<i>MSCI ACWI ex-US Index</i>	<i>3.49%</i>	<i>0.53%</i>	<i>-0.26%</i>	<i>3.76%</i>
Brandes	N/A	N/A	1.87%	N/A
<i>MSCI EAFE Small Cap (net)</i>	<i>N/A</i>	<i>N/A</i>	<i>0.86%</i>	<i>N/A</i>
<b><u>Fixed</u></b>				
Neuberger & Berman	1.31%	-0.63%	0.25%	0.92%
<i>Barclays Intermediate Gov't/Credit Index</i>	<i>1.47%</i>	<i>-0.63%</i>	<i>0.36%</i>	<i>1.19%</i>
Baird Advisors	1.80%	-1.67%	0.74%	0.84%
<i>Barclays Aggregate Index</i>	<i>1.61%</i>	<i>-1.68%</i>	<i>0.70%</i>	<i>0.60%</i>
<b><u>Real Estate</u></b>				
Morgan Stanley	3.18%	4.42%	0.00%	7.74%
<i>NCREIF ODCE (ew) Index</i>	<i>3.46%</i>	<i>3.92%</i>	<i>0.00%</i>	<i>7.52%</i>
Principal	3.93%	5.07%	0.00%	9.19%
<i>NCREIF Property Index</i>	<i>3.04%</i>	<i>3.14%</i>	<i>0.00%</i>	<i>6.28%</i>

**Investment Manager Fee Table  
Period Ended July 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	\$ 78,578,956	3.5 bps on assets	\$ 27,503	0.04%
TSW	SMID Cap Value Equity	\$ 22,716,241	80 bps on assets	\$ 181,730	0.80%
Frontier Capital	SMID Cap Growth Equity	\$ 20,537,058	75 bps on assets	\$ 154,028	0.75%
Wellington	International Equity	\$ 45,154,447	71 bps on assets	\$ 320,597	0.71%
Brandes	International Small Cap Equity	\$ 15,096,293	95 bps on first \$25MM, 90 bps on next \$25MM, 80 bps on balance	\$ 143,415	0.95%
Neuberger & Berman	Intermediate Fixed Income	\$ 39,438,721	30 bps on first \$50MM, 20 bps on next \$50mm, 15 bps on balance	\$ 118,316	0.30%
Baird Advisors	Core Plus Fixed Income	\$ 40,218,330	30 bps on first \$25MM, 25 bps on next \$25MM, 20 bps on next \$20MM, 15 bps on balance	\$ 113,046	0.28%
Morgan Stanley	Real Estate	\$ 27,060,834	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	\$ 227,311	0.84%
Principal*	Real Estate	\$ 8,255,531	130 bps on assets + incentive fee	\$ 107,322	1.30%
<b>Investment Management Fees</b>		<b>\$ 297,056,410</b>		<b>\$ 1,393,267</b>	<b>0.47%</b>
Segal Rogerscasey	Investment Consulting		\$76,500 annual retainer	\$ 76,500	
Wells Fargo	Custodian	\$ 297,056,410	2 bps on first \$50MM, 1 bps on next \$75MM, 0.5 bps on balance	\$ 26,103	0.01%
<b>TOTAL FEES</b>				<b>\$ 1,495,870</b>	<b>0.50%</b>

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

**Economy**

- The U.S. unemployment rate remained 5.3% in July. The labor force participation rate was also unchanged at 62.6%. Nonfarm payrolls increased by 215,000 jobs in July. May and June employment gains were revised upward.
- The University of Michigan Consumer Sentiment Index fell from 96.1 in June to 93.1 in July. Views on present conditions and expectations declined.
- The Purchasing Manager's Index (PMI) ended June at 53.5 and ended July at 52.7, indicating that manufacturing growth continued, but at a slower rate of change.

**U.S. Equity**

	Value	Core	Growth
Large Cap	0.4%	1.9%	3.4%
Mid Cap	-0.1%	0.7%	1.6%
Small Cap	-2.8%	-1.2%	0.4%

- The Russell style and size index returns:
- The Russell 3000 Index (1.7%) gained in July. Large cap returns were positive across all styles, while small and mid caps posted mixed results. Growth continued to outpace value. Large cap growth (3.4%) fared the best, while small cap value (-2.8%) declined the most.
- S&P 500 sector returns were mixed. Utilities (6.1%) and Consumer Staples (5.5%) posted the greatest gains. Energy (-7.7%) and Materials (-5.0%) experienced the steepest losses.

**Non-U.S. Equity**

(All returns in USD unless otherwise stated.)

- All broad international equity markets rose as a bailout deal was reached for Greece and its banks reopened. The MSCI EAFE Index (2.1% USD; 3.5% local currency) was positive, more so in local terms as the USD strengthened. Large caps outperformed their smaller cap counterparts and growth outpaced value.
- All regions gained except Pacific ex Japan (-1.2%). Although investor fears over Greece lessened, China remained challenged, which hurt Asian markets in July. Singapore (-3.2%) and Hong Kong (-1.7%) were the only two countries to post negative local returns. Among the remaining markets, Israel (12.8%) and Switzerland (7.4%) fared the best in local terms.
- Materials (-3.2%), Energy (-1.3%) and Technology (-0.9%) posted the only losses among sectors. Healthcare (6.8%) and Consumer Staples (5.2%) led all sectors in gains.

**Emerging Markets Equity**

(All returns in USD unless otherwise stated.)

- The MSCI EM Index (-6.9% USD; -4.4% local currency) declined in July due to falling commodity prices, a sharp drop in Chinese shares and concerns about economic growth in China, along with renewed concerns of a U.S. interest rate increase by year end. All styles and market caps experienced losses during the month. Mid cap growth (-3.5%) posted the most modest decline on a relative basis.
- All regions fell in July, but Latin America (-8.4%) dropped the most due to a steep decline in Brazil (-12.2%) where stocks struggled amid weaker economic forecasts and sovereign debt downgrade concerns. In Asia, China (-10.8%) fell due to turmoil in the domestic A-share market. Overall, five countries gained, and Hungary (4.9%) performed the best.
- All sectors declined, but Energy (-9.4%) fell the most and Healthcare (-2.0%) lost the least.

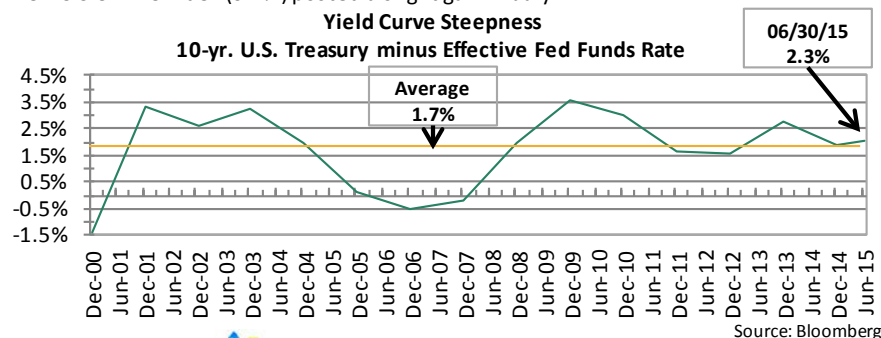
	MSCI EAFE			MSCI EM		
	Value	Core	Growth	Value	Core	Growth
Large Cap	1.7%	2.1%	2.5%	-7.3%	-7.2%	-7.1%
Mid Cap	1.9%	2.0%	2.1%	-7.4%	-5.3%	-3.5%
Small Cap	0.0%	0.9%	1.7%	-8.1%	-7.8%	-7.5%

**U.S. Fixed Income**

- Core fixed income markets gained, as measured by the BC Aggregate Index (0.7%).
- Spread sector performance in the BC Aggregate Index was mixed. Excess returns relative to Treasuries were:
 

Corporates:	-52 bps	Agencies:	-19 bps
MBS:	-9 bps	CMBS:	3 bps
ABS:	2 bps		
- The U.S. Treasury yield curve flattened in July in response to weaker U.S. growth activity and paltry wage inflation, a declining Chinese stock market and lower commodity prices. The 30-year U.S. Treasury yield decreased 18 bps to 2.9%, the 10-year yield fell 13 bps to 2.2% and the 5-year yield dropped 8 bps to 1.6%.
 

BC 1-3 Year Gov/Credit	0.1%	BC Intermed Gov/Credit	0.4%	BC Long Gov/Credit	2.2%
------------------------	------	------------------------	------	--------------------	------
- The BC Corporate High Yield Index (-0.6%) fell. The average OAS widened by 37 bps to end July at 513 bps.
- The BC U.S. TIPS Index (0.2%) posted a slight gain in July.



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

- The Citigroup Non-U.S. WGBI Index gained on a currency-unhedged basis (0.3%) and in currency-hedged terms (1.5%).
- Emerging market debt was positive per the JPM EMBI Global Index (0.4%).

**Commodities**

- The Bloomberg Commodity Index (BCOM) (-10.6%) and the S&P GSCI Index (-14.1%) posted sharp losses. All sectors declined, but Energy (-14.5% BCOM; -17.4% GSCI) fell the most. Agriculture, which was last month's strongest performer, fell more than 10% in each index.
- The price of crude oil dropped from \$59/barrel in June to \$47/barrel in July, and the price of gold fell from \$1,172/troy ounce to \$1,096/troy ounce.

**Hedge Funds**

- The HFRI Fund Weighted Composite Index (0.0%) was flat in July.
- The HFRI Fund of Funds Composite Index (0.3%) posted a slight gain.
- Macro was the only positive monthly performer of all of the major hedge fund strategies.

	Month	YTD
HFRI Equity Hedge Index	-0.8%	3.1%
HFRI Relative Value Index	0.0%	2.5%
HFRI Event-Driven Index	-0.3%	2.1%
HFRI Emerging Markets Index	-3.7%	0.9%
HFRI Macro Index	1.2%	0.9%