City of Hollywood Employees' Retirement Fund
Preliminary Market Value Update
as of July 31, 2017

	Market Value	Percent of Total Plan	New Target Allocation	Difference	Range
Domestic Equity - Large Cap	**$80,702,977**	**25.6%**	**20.0%**	**5.6%**	**15-30%**
Northern Trust	$80,702,977	25.6%			
Domestic Equity - SMID Cap	**$41,610,719**	**13.2%**	**10.0%**	**3.2%**	**7-15.5%**
TSW	$21,421,812	6.8%			
Frontier Capital	$20,188,907	6.4%			
International Equity	**$69,366,523**	**22.0%**	**20.0%**	**2.0%**	**15-25%**
Wellington	$50,945,738	16.1%			
Brandes	$18,420,785	5.8%			
Fixed Income	**$82,708,106**	**26.2%**	**30.0%**	**-3.8%**	**25-37.5%**
Neuberger & Berman	$27,453,168	8.7%			
Baird Core Plus Bond	$50,887,528	16.1%			
AG Direct Lending Fund II, LP	$4,367,410	1.4%			
Real Estate	**$34,230,300**	**10.8%**	**10.0%**	**0.8%**	**7-14%**
Morgan Stanley	$24,762,646	7.8%			
Principal	$9,467,654	3.0%			
Private Equity	**$7,139,378**	**2.3%**	**7.5%**	**-5.2%**	**0-15%**
Neuberger Berman Crossroads XXI	$5,854,535	1.9%			
HarbourVest Dover Fund IX	$1,284,843	0.4%			
Infrastructure	**$0**	**0.0%**	**2.5%**	**-2.5%**	**0-5%**
IFM Global Infrastructure	$0	0.0%			
Total Fund*	**$315,758,003**	**100.0%**	**100.0%**		

***Note:**

In July 2017 - $1.2M was called by AG and assets sourced from Northern Trust.

City of Hollywood Employees' Retirement Fund
Preliminary Performance Update
as of July 31, 2017

	Quarter ended March 31, 2017	Quarter ended June 30, 2017	1 Month ended July 31, 2017	Fiscal YTD July 31, 2017	Market Value July 31, 2017	Percent of Total Plan July 31, 2017
Domestic Equity						
Northern Trust S&P 500	6.04%	3.15%	2.06%	15.88%	$80,702,977	25.6%
Northern Trust - net	*6.03%*	*3.14%*	*2.06%*	*15.85%*		
S&P 500 Index	*6.07%*	*3.09%*	*2.06%*	*15.88%*		
TSW	3.10%	2.64%	1.33%	11.67%	$21,421,812	6.8%
TSW - net	*2.90%*	*2.44%*	*1.26%*	*11.00%*		
Russell 2500 Value Index	*1.62%*	*0.33%*	*0.78%*	*12.34%*		
Frontier Capital	6.26%	3.09%	1.70%	16.07%	$20,188,907	6.4%
Frontier Capital - net	*6.06%*	*2.90%*	*1.64%*	*15.44%*		
Russell 2500 Growth Index	*6.25%*	*4.13%*	*1.33%*	*15.02%*		
International Equity						
Wellington	7.32%	6.34%	3.42%	16.20%	$50,945,738	16.1%
Wellington- net	*7.13%*	*6.16%*	*3.36%*	*15.61%*		
MSCI ACWI - ex US (net)	*7.86%*	*5.79%*	*3.69%*	*16.82%*		
Brandes	6.65%	2.63%	1.22%	12.91%	$18,420,785	5.8%
Brandes - net	*6.41%*	*2.39%*	*1.14%*	*12.12%*		
MSCI EAFE Small Cap (net)	*7.97%*	*8.11%*	*3.62%*	*17.50%*		
Fixed						
Neuberger & Berman	0.72%	0.90%	0.44%	0.01%	$27,453,168	8.7%
Neuberger & Berman - net	*0.65%*	*0.83%*	*0.42%*	*-0.24%*		
Blmbg. Barclays Intermediate Gov't/Credit Index	*0.78%*	*0.94%*	*0.46%*	*0.09%*		
90 Day U.S. Treasury Bill	*0.10%*	*0.20%*	*0.09%*	*0.46%*		
Baird Core Plus Bond		*N/A*	*0.54%*	*N/A*	$50,887,528	16.1%
Baird Core Plus Bond - net		*N/A*	*0.51%*	*N/A*		
Blmbg. Barclays Aggregate Index		*1.44%*	*0.43%*	*-0.34%*		
AG Direct Lending Fund II, L.P.*		*N/A*	*0.00%*	*N/A*	$4,367,410	1.4%
Real Estate						
Morgan Stanley*	2.13%	2.44%	0.07%	7.40%	$24,762,646	7.8%
Morgan Stanley - net	1.92%	2.23%	*0.00%*	*6.70%*		
NCREIF ODCE (ew) Index	*1.83%*	*1.71%*	*0.00%*	*5.81%*		
Principal*	2.28%	2.81%	0.11%	9.06%	$9,467,654	3.0%
Principal - net	1.95%	2.48%	*0.00%*	*7.98%*		
NCREIF Property Index	*1.55%*	*1.75%*	*0.00%*	*5.11%*		
Private Equity						
NB Crossroads XXI*	0.00%	0.00%	0.00%	3.86%	$5,854,535	1.9%
HarborVest Dover Fund IX*	0.00%	0.00%	0.00%	N/A	$1,284,843	0.4%
Total Fund	**4.12%**	**2.89%**	**1.45%**	**9.79%**	**$315,758,003**	**100.0%**
Total Fund - net	**3.99%**	**2.76%**	**1.41%**	**9.35%**		
Policy Index**	***3.96%***	***2.78%***	***1.53%***	***9.63%***		

Note: Monthly performance is preliminary and provided by investment managers. The Total Fund
*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-

City of Hollywood Employees' Retirement Fund
Preliminary Performance Update
as of July 31, 2017

	Quarter ended March 31, 2017	Quarter ended June 30, 2017	1 Month ended July 31, 2017	Calendar YTD July 31, 2017
Domestic Equity				
Northern Trust	6.04%	3.15%	2.06%	11.64%
S&P 500 Index	*6.07%*	*3.09%*	*2.06%*	*11.60%*
TSW SMID	3.10%	2.64%	1.33%	7.23%
Russell 2500 Value Index	*1.62%*	*0.33%*	*0.78%*	*2.75%*
Frontier Capital	6.26%	3.09%	1.70%	11.41%
Russell 2500 Growth Index	*6.25%*	*4.13%*	*1.33%*	*12.11%*
International Equity				
Wellington	7.32%	6.34%	3.42%	18.02%
MSCI ACWI ex-US Index	*7.86%*	*5.79%*	*3.69%*	*18.31%*
Brandes	6.65%	2.63%	1.22%	10.80%
MSCI EAFE Small Cap (net)	*7.97%*	*8.11%*	*3.62%*	*20.94%*
Fixed				
Neuberger & Berman	0.72%	0.90%	0.44%	2.08%
Barclays Intermediate Gov't/Credit Index	*0.78%*	*0.94%*	*0.46%*	*2.20%*
90 Day U.S. Treasury Bill	*0.10%*	*0.20%*	*0.09%*	*0.39%*
Baird Core Plus Bond		N/A	0.54%	N/A
Barclays Aggregate Index		*1.44%*	*0.43%*	*2.72%*
Real Estate				
Morgan Stanley	2.13%	2.44%	0.07%	4.70%
NCREIF ODCE (ew) Index	*1.83%*	*1.71%*	*0.00%*	*3.57%*
Principal	2.28%	2.81%	0.11%	5.27%
NCREIF Property Index	*1.55%*	*1.75%*	*0.00%*	*3.33%*

City of Hollywood Employees' Retirement Fund
Investment Manager Fee Table
Period Ended July 31, 2017

Manager	Mandate	Market Value	Fee Schedule	Estimated Annual Fee ($)	Estimated Annual Fee (%)
Northern Trust	Passive Large Cap Equity	$ 80,702,977	3.5 bps on assets	$ 28,246	0.04%
TSW	SMID Cap Value Equity	$ 21,421,812	80 bps on assets	$ 171,374	0.80%
Frontier Capital	SMID Cap Growth Equity	$ 20,188,907	75 bps on assets	$ 151,417	0.75%
Wellington	International Equity	$ 50,945,738	71 bps on assets	$ 361,715	0.71%
Brandes	International Small Cap Equity	$ 18,420,785	95 bps on first $25MM, 90 bps on next $25MM, 80 bps on balance	$ 174,997	0.95%
Neuberger & Berman	Intermediate Fixed Income	$ 27,453,168	30 bps on first $50MM, 20 bps on next $50mm, 15 bps on balance	$ 82,360	0.30%
Baird Core Plus Bond	Core Plus Fixed Income	$ 50,887,528	30 bps on assets	$ 152,663	0.30%
AG Direct Lending Fund II, LP[1]	Direct Lending Fixed Income	$ 4,367,410	85 bps on first $50MM, 80 bps on next $100MM, 60 bps on balance	$ 37,123	0.85%
Morgan Stanley	Real Estate	$ 24,762,646	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	$ 208,006	0.84%
Principal[2]	Real Estate	$ 9,467,654	130 bps on assets + incentive fee	$ 123,080	1.30%
Neuberger Berman Crossroads XXI[3]	Private Equity	$ 5,854,535	25.8 bps on assets	$ 15,105	0.26%
HarbourVest Dover Fund IX[4]	Private Equity	$ 1,284,843	70 bps on assets	$ 8,994	0.70%
IFM Global Infrasturcture[5]	Infrastructure	$ -	77 bps on assets	$ -	-
Investment Management Fees		**$ 315,758,003**		**$ 1,515,079**	**0.48%**
Segal Marco	**Investment Consulting**		**$130,000 annual retainer**	**$ 130,000**	**0.04%**
Wells Fargo	**Custodian**	**$ 315,758,003**	**2 bps on first $50MM, 1 bps on next $75MM, 0.5 bps on balance**	**$ 27,038**	**0.01%**
TOTAL FEES				**$ 1,672,117**	**0.53%**

[1]Incentive fee is equal to 15% of the profits in excess of an 7% net IRR to investors.

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

[3]NB 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.

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

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

Market Environment

July 2017

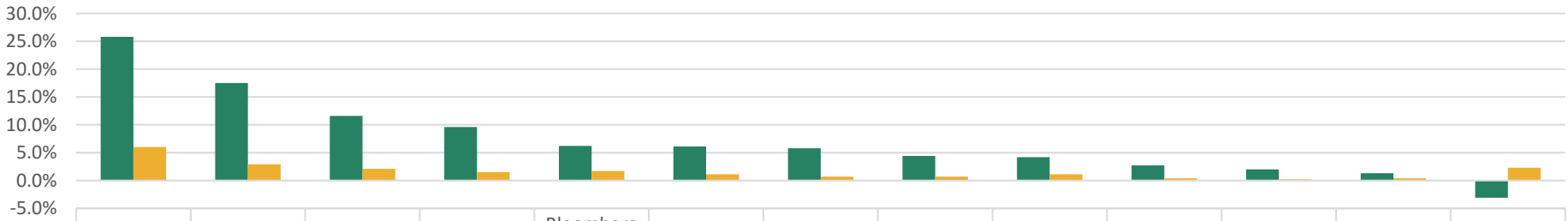
July Highlights

- The U.S. unemployment and labor force participation rates were minimally changed in July. Nonfarm payrolls grew by 209,000. The University of Michigan Index of Consumer Sentiment fell by 1.8% to a still-strong level of 93.4. Record-level favorability regarding current economic conditions was offset by a decline in consumers' expectations.
- Large cap stocks outperformed in July. All sectors of the S&P 500 were positive, but Telecom gained the most while Industrials was nearly flat.
- Continued positive economic momentum lifted developed market stocks in July. Emerging market stocks benefited from strong economic growth and the weak U.S. dollar (USD).
- The Bloomberg Barclays U.S. Aggregate Index rose in July. Credit led Treasuries with investors anticipating more U.S. interest rate hikes in 2017. TIPS lagged other bond categories as U.S. inflation remained relatively modest. High yield made somewhat bigger gains with defaults still low.
- Commodities had a positive month. Oil posted its biggest monthly gain since April 2016.
- Funds of hedge funds were helped by equity hedge and emerging markets.

YTD Highlights

- Unemployment has crept lower from the start of the year, ending July at 4.3%, but labor force participation has barely changed year-to-date. Gains in the Consumer Sentiment Index have stemmed from consumers' positive views about their personal finances, while expectations for the future, though still at a strong index level, have fallen almost 10 points since January.
- Investors have favored 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. Investors' greater risk appetite boosted small caps but also held true across the capitalization spectrum.
- An improving economy and political stability in Europe have advanced developed market stocks. USD weakness and economic growth have fueled emerging market stocks YTD.
- The Fed's March and June rate hikes, and anticipation of further hikes, have hurt Treasuries YTD relative to credit. Treasuries are still positive YTD, though, even as rate hikes push up the short end of the curve. TIPS have lagged amid 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



	MSCI EM	MSCI EAFE	S&P 500	Russell Mid Cap	Bloomberg Barclays Global Aggregate	Bloomberg Barclays U.S. High Yield	Russell 2000	Bloomberg Barclays U.S. Credit	HFRI FOF: Composite	Bloomberg Barclays U.S. Aggregate	Bloomberg Barclays U.S. Treasury	Bloomberg Barclays U.S. TIPS	Bloomberg Commodity
YTD	25.8%	17.5%	11.6%	9.6%	6.2%	6.1%	5.8%	4.4%	4.2%	2.7%	2.0%	1.3%	-3.1%
July	6.0%	2.9%	2.1%	1.5%	1.7%	1.1%	0.7%	0.7%	1.1%	0.4%	0.2%	0.4%	2.3%