

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

	Market Value	Percent of Total Plan	Target Allocation
<u>Domestic Equity - Large Cap</u>	\$72,411,225	25.6%	25.0%
Northern Trust	\$72,411,225	25.6%	
<u>Domestic Equity - Small Cap</u>	\$40,866,589	14.4%	12.5%
TSW	\$21,558,549	7.6%	
Frontier Capital	\$19,308,040	6.8%	
<u>International Equity</u>	\$56,837,501	20.1%	20.0%
Wellington	\$42,297,813	14.9%	
Brandes	\$14,539,688	5.1%	
<u>Fixed</u>	\$77,550,900	27.4%	32.5%
Neuberger & Berman	\$38,424,527	13.6%	
Baird Advisors	\$39,126,373	13.8%	
<u>Real Estate</u>	\$35,456,265	12.5%	10.0%
Morgan Stanley	\$27,060,984	9.6%	
Principal	\$8,395,281	3.0%	
Total Fund	\$283,122,480	100.0%	100.0%

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

	Quarter ended December 31, 2014	Quarter ended March 31, 2015	Quarter ended June 30, 2015	1 Month ended July 31, 2015	1 Month ended August 31, 2015	Fiscal YTD August 31, 2015	Market Value August 31, 2015	Percent of Total Plan August 31, 2015
Domestic Equity								
Northern Trust S&P 500	4.93%	0.95%	0.29%	2.09%	-6.02%	1.92%	\$72,411,225	25.6%
<i>Northern Trust - net</i>	4.92%	0.95%	0.28%	2.09%	-6.02%	1.90%		
<i>S&P 500 Index</i>	4.93%	0.95%	0.28%	2.10%	-6.03%	1.92%		
TSW	6.02%	5.63%	-1.25%	0.19%	-5.10%	5.15%	\$21,558,549	7.6%
<i>TSW - net</i>	5.82%	5.43%	-1.45%	0.12%	-5.17%	4.40%		
<i>Russell 2500 Value Index</i>	6.09%	3.02%	-1.28%	-1.49%	-4.86%	1.13%		
Frontier Capital	8.50%	6.34%	-0.54%	-5.15%	-5.92%	2.41%	\$19,308,040	6.8%
<i>Frontier Capital - net</i>	8.31%	6.15%	-0.73%	-5.21%	-5.98%	1.72%		
<i>Russell 2500 Growth Index</i>	7.49%	7.44%	0.60%	1.19%	-7.01%	9.32%		
International Equity								
Wellington	-1.41%	4.51%	1.41%	2.40%	-6.33%	0.23%	\$42,297,813	14.9%
<i>Wellington- net</i>	-1.59%	4.34%	1.23%	2.34%	-6.39%	-0.42%		
<i>MSCI ACWI - ex US (net)</i>	-3.87%	3.49%	0.53%	-0.26%	-7.64%	-7.87%		
Brandes	N/A	N/A	N/A	1.87%	-3.69%	N/A	\$14,539,688	5.1%
<i>Brandes - net</i>	N/A	N/A	N/A	1.79%	-3.77%	N/A		
<i>MSCI EAFE Small Cap (net)</i>	N/A	N/A	N/A	0.86%	-4.39%	N/A		
Fixed								
Neuberger & Berman	0.52%	1.31%	-0.63%	0.25%	-0.10%	1.35%	\$38,424,527	13.6%
<i>Neuberger & Berman - net</i>	0.45%	1.22%	-0.70%	0.23%	-0.13%	1.06%		
<i>Barclays Intermediate Gov't/Credit Index</i>	0.89%	1.47%	-0.63%	0.36%	-0.08%	2.01%		
Baird Advisors	1.88%	1.80%	-1.67%	0.74%	-0.29%	2.44%	\$39,126,373	13.8%
<i>Baird Advisors - net</i>	1.81%	1.70%	-1.74%	0.72%	-0.31%	2.15%		
<i>Barclays Aggregate Index</i>	1.79%	1.61%	-1.68%	0.70%	-0.14%	2.25%		
Real Estate								
Morgan Stanley*	4.44%	3.18%	4.42%	0.00%	0.00%	12.52%	\$27,060,984	9.6%
<i>Morgan Stanley - net</i>	4.23%	2.97%	4.21%	0.00%	0.00%	11.84%		
<i>NCREIF ODCE (ew) Index</i>	3.46%	3.46%	3.92%	0.00%	0.00%	11.24%		
Principal*	2.97%	3.93%	5.07%	0.00%	0.00%	12.43%	\$8,395,281	3.0%
<i>Principal - net</i>	2.64%	3.58%	4.74%	0.00%	0.00%	11.35%		
<i>NCREIF Property Index</i>	3.04%	3.04%	3.14%	0.00%	0.00%	9.51%		
Total Fund	3.18%	2.77%	0.29%	0.79%	-3.52%	3.41%	\$283,122,480	100.0%
Total Fund - net	3.08%	2.66%	0.27%	0.76%	-3.55%	3.12%		
Policy Index**	2.44%	2.02%	0.28%	0.74%	-3.73%	1.64%		

Asset Class	Market value	% of Plan	Target	Ranges
Large Cap Equity	\$ 72,411,225	25.6%	30.0%	20-40%
Small Cap Equity	\$ 40,866,589	14.4%	12.5%	7.5-17.5%
International Equity	\$ 56,837,501	20.1%	15.0%	10-20%
Fixed Income	\$ 77,550,900	27.4%	32.5%	22.5-42.5%
Real Estate	\$ 35,456,265	12.5%	10.0%	5-15%
Total Fund	\$ 283,122,480	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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	Quarter ended March 31, 2015	Quarter ended June 30, 2015	1 Month ended July 31, 2015	1 Month ended August 31, 2015	Calendar YTD August 31, 2015
<u>Domestic Equity</u>					
Northern Trust	0.95%	0.29%	2.09%	-6.02%	-2.86%
<i>S&P 500 Index</i>	<i>0.95%</i>	<i>0.28%</i>	<i>2.10%</i>	<i>-6.03%</i>	<i>-2.88%</i>
TSW SMID	5.63%	-1.25%	0.19%	-5.10%	-0.82%
<i>Russell 2500 Value Index</i>	<i>3.02%</i>	<i>-1.28%</i>	<i>-1.49%</i>	<i>-4.86%</i>	<i>-4.68%</i>
Frontier Capital	6.34%	-0.54%	-5.15%	-5.92%	-5.61%
<i>Russell 2500 Growth Index</i>	<i>7.44%</i>	<i>0.60%</i>	<i>1.19%</i>	<i>-7.01%</i>	<i>1.71%</i>
<u>International Equity</u>					
Wellington	4.51%	1.41%	2.40%	-6.33%	1.66%
<i>MSCI ACWI ex-US Index</i>	<i>3.49%</i>	<i>0.53%</i>	<i>-0.26%</i>	<i>-7.64%</i>	<i>-4.17%</i>
Brandes	N/A	N/A	1.87%	-3.69%	N/A
<i>MSCI EAFE Small Cap (net)</i>	<i>N/A</i>	<i>N/A</i>	<i>0.86%</i>	<i>-4.39%</i>	<i>N/A</i>
<u>Fixed</u>					
Neuberger & Berman	1.31%	-0.63%	0.25%	-0.10%	0.82%
<i>Barclays Intermediate Gov't/Credit Index</i>	<i>1.47%</i>	<i>-0.63%</i>	<i>0.36%</i>	<i>-0.08%</i>	<i>1.11%</i>
Baird Advisors	1.80%	-1.67%	0.74%	-0.29%	0.55%
<i>Barclays Aggregate Index</i>	<i>1.61%</i>	<i>-1.68%</i>	<i>0.70%</i>	<i>-0.14%</i>	<i>0.45%</i>
<u>Real Estate</u>					
Morgan Stanley	3.18%	4.42%	0.00%	0.00%	7.74%
<i>NCREIF ODCE (ew) Index</i>	<i>3.46%</i>	<i>3.92%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>7.52%</i>
Principal	3.93%	5.07%	0.00%	0.00%	9.19%
<i>NCREIF Property Index</i>	<i>3.04%</i>	<i>3.14%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>6.28%</i>

**Investment Manager Fee Table
Period Ended August 31, 2015**

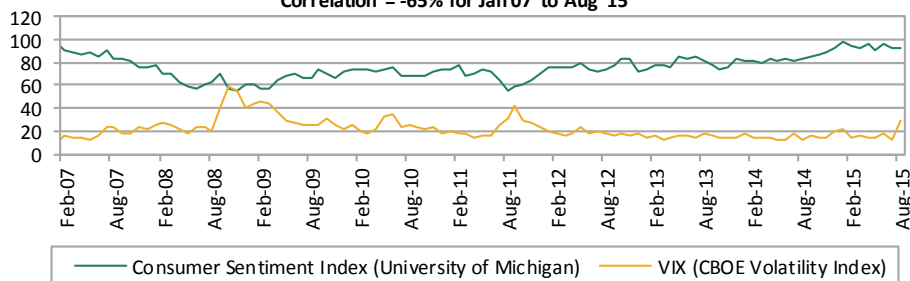
<u>Manager</u>	<u>Mandate</u>	<u>Market Value</u>	<u>Fee Schedule</u>	<u>Estimated Annual Fee (\$)</u>	<u>Estimated Annual Fee (%)</u>
Northern Trust	Passive Large Cap Equity	\$ 72,411,225	3.5 bps on assets	\$ 25,344	0.04%
TSW	SMID Cap Value Equity	\$ 21,558,549	80 bps on assets	\$ 172,468	0.80%
Frontier Capital	SMID Cap Growth Equity	\$ 19,308,040	75 bps on assets	\$ 144,810	0.75%
Wellington	International Equity	\$ 42,297,813	71 bps on assets	\$ 300,314	0.71%
Brandes	International Small Cap Equity	\$ 14,539,688	95 bps on first \$25MM, 90 bps on next \$25MM, 80 bps on balance	\$ 138,127	0.95%
Neuberger & Berman	Intermediate Fixed Income	\$ 38,424,527	30 bps on first \$50MM, 20 bps on next \$50mm, 15 bps on balance	\$ 115,274	0.30%
Baird Advisors	Core Plus Fixed Income	\$ 39,126,373	30 bps on first \$25MM, 25 bps on next \$25MM, 20 bps on next \$20MM, 15 bps on balance	\$ 110,316	0.28%
Morgan Stanley	Real Estate	\$ 27,060,984	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	\$ 227,312	0.84%
Principal*	Real Estate	\$ 8,395,281	130 bps on assets + incentive fee	\$ 109,139	1.30%
Investment Management Fees		\$ 283,122,480		\$ 1,343,105	0.47%
Segal Rogerscasey	Investment Consulting		\$76,500 annual retainer	\$ 76,500	
Wells Fargo	Custodian	\$ 283,122,480	2 bps on first \$50MM, 1 bps on next \$75MM, 0.5 bps on balance	\$ 25,406	0.01%
TOTAL FEES				\$ 1,445,011	0.51%

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

Economy

- The U.S. unemployment rate fell 0.2% to 5.1% in August. The labor force participation rate was unchanged at 62.6%. Nonfarm payrolls increased by 173,000 jobs. June and July employment gains were revised upward.
- The University of Michigan Consumer Sentiment Index fell from 93.1 in July to 91.9 in August. Views on present conditions and expectations declined.
- The Purchasing Manager's Index (PMI) ended July at 52.7 and August at 51.1, indicating that manufacturing growth continued, but at a slower rate of change.

Consumer Sentiment and Volatility
Correlation = -65% for Jan'07 to Aug '15



Sources: University of Michigan and Chicago Board Options Exchange

U.S. Equity

- The Russell style and size index returns:

	Value	Core	Growth
Large Cap	-6.0%	-6.0%	-6.1%
Mid Cap	-4.7%	-5.3%	-5.8%
Small Cap	-4.9%	-6.3%	-7.6%
- The Russell 3000 Index (-6.0%) fell in August. Uncertainty surrounding China, Brazil, Greece and the Fed's reaction to volatile global developments caused markets to decline. All style and market capitalization returns fell, but overall, value fared better than growth and market cap losses varied among styles.
- All sectors in the S&P 500 declined, but Healthcare (-7.9%) dropped the most.

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

- The MSCI EAFE Index (-7.4% USD; -7.6% local currency) fell, less so in USD terms as the dollar weakened versus local currencies. All market cap and style returns were negative. Small caps lost the least and growth fared very little better than value.
- All regions fell, but Pacific ex Japan (-11.8%) declined the most due to the People's Bank of China's decision to devalue the renminbi, which caused panic and sell-offs. All country returns within the broader index were negative, but Hong Kong (-12.9%) and Singapore (-11.6%) were among the most significant underperformers.
- All sectors declined, but Energy (-9.8%) and Financials (-9.2%) fell the most.

	MSCI EAFE			MSCI EM		
	Value	Core	Growth	Value	Core	Growth
Large Cap	-7.8%	-7.7%	-7.6%	-9.5%	-9.1%	-8.7%
Mid Cap	-6.2%	-6.0%	-5.8%	-10.2%	-9.0%	-8.0%
Small Cap	-4.5%	-4.4%	-4.3%	-10.0%	-9.7%	-9.3%

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

- The MSCI EM Index (-9.0% USD; -6.5% local currency) declined in August due to concerns about economic conditions in China and Brazil. All style and market cap returns were negative, but small and mid-cap value fared the worst with double-digit losses.
- All regions fell in August, but Latin America (-10.5%) dropped the most due to a steep decline in Brazil (-14.1%) where the economy continued to deteriorate. Brazil's GDP contracted by 2.6% year over year in Q2, its consensus GDP forecasts for 2015 and 2016 were cut, and its sovereign debt outlook was lowered to negative by S&P. All countries in the broader index fell, but Qatar (-1.9%) and Czech Republic (-2.8%) lost the least.
- All sectors declined, but Financials (-11.1%) and Utilities (-11.0%) saw the steepest losses.

U.S. Fixed Income

- Core fixed income markets fell, as measured by the BC Aggregate Index (-0.1%).
- Spread sector performance in the BC Aggregate Index was mixed. Excess returns relative to Treasuries were:

Corporates:	-60 bps	Agencies:	-34 bps
MBS:	8 bps	CMBS:	-35 bps
ABS:	11 bps		
- The U.S. Treasury yield curve widened on the front end, as the one-, two-, and three-year Treasury yields increased. The 10- and 30-year yields remained unchanged from July, flattening yields at the long end of the curve. China's economic situation along with a sharp decline (and quick rebound) in the S&P 500 mid-month sparked volatility.

BC 1-3 Year Gov/Credit	-0.1%	BC Intermed Gov/Credit	-0.1%	BC Long Gov/Credit	-0.8%
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- The BC Corporate High Yield Index (-1.7%) fell. The average OAS widened by 31 bps to end August at 544 bps.
- The BC U.S. TIPS Index (-0.8%) declined in August.

Non-U.S. Fixed Income

- The Citigroup Non-U.S. WGBI Index gained on a currency-unhedged basis (1.0%), but fell in currency-hedged terms (-0.3%).
- Emerging market debt was negative per the JPM EMBI Global Index (-1.1%).

Commodities

- Commodity index returns were mixed, as the S&P GSCI (0.3%) gained and the Bloomberg Commodity Index (-0.9%) fell. Energy and Precious Metals were positive, but gains in these sectors were offset by declines in Industrial Metals and Agriculture.
- The price of crude oil increased from \$47/barrel in July to \$49/barrel in August, and the price of gold rose from \$1,096/troy ounce to \$1,135/troy ounce.

Hedge Funds

- The HFRI Fund Weighted Composite Index (-1.9%) fell in August.
- The HFRI Fund of Funds Composite Index (-1.7%) also declined.
- All of the major hedge fund strategies posted losses for the month.

	Month	YTD
HFRI Equity Hedge Index	-2.6%	0.1%
HFRI Relative Value Index	-1.3%	1.1%
HFRI Event-Driven Index	-1.7%	-0.1%
HFRI Emerging Markets Index	-4.5%	-3.2%
HFRI Macro Index	-1.2%	-0.7%