

**City of Hollywood Employees' Retirement Fund  
Preliminary Market Value Update  
as of October 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>\$74,856,977</b>	<b>24.6%</b>	<b>25.0%</b>
Northern Trust	\$74,856,977	24.6%	
<b><u>Domestic Equity - Small Cap</u></b>	<b>\$38,157,014</b>	<b>12.5%</b>	<b>12.5%</b>
TSW	\$18,727,286	6.1%	
Frontier Capital	\$19,429,728	6.4%	
<b><u>International Equity</u></b>	<b>\$58,503,760</b>	<b>19.2%</b>	<b>20.0%</b>
Wellington	\$43,485,440	14.3%	
Brandes	\$15,018,320	4.9%	
<b><u>Fixed</u></b>	<b>\$96,286,189</b>	<b>31.6%</b>	<b>32.5%</b>
Neuberger & Berman	\$41,851,466	13.7%	
Baird Advisors	\$54,434,723	17.9%	
<b><u>Real Estate</u></b>	<b>\$36,760,987</b>	<b>12.1%</b>	<b>10.0%</b>
Morgan Stanley	\$28,030,322	9.2%	
Principal	\$8,730,665	2.9%	
<b>Total Fund*</b>	<b>\$304,564,927</b>	<b>100.0%</b>	<b>100.0%</b>

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

	Quarter ended December 31, 2014	Quarter ended March 31, 2015	Quarter ended June 30, 2015	Quarter ended September 30, 2015	1 Month ended October 31, 2015	Fiscal YTD October 31, 2015	Market Value October 31, 2015	Percent of Total Plan October 31, 2015
<b>Domestic Equity</b>								
Northern Trust S&P 500	4.93%	0.95%	0.29%	-6.44%	8.43%	8.43%	\$74,856,977	24.6%
<i>Northern Trust - net</i>	4.92%	0.95%	0.28%	-6.45%	8.43%	8.43%		
<i>S&amp;P 500 Index</i>	4.93%	0.95%	0.28%	-6.43%	8.44%	8.44%		
TSW	6.02%	5.63%	-1.25%	-7.02%	4.56%	4.56%	\$18,727,286	6.1%
<i>TSW - net</i>	5.82%	5.43%	-1.45%	-7.21%	4.49%	4.49%		
<i>Russell 2500 Value Index</i>	6.09%	3.02%	-1.28%	-9.59%	5.93%	5.93%		
Frontier Capital	8.50%	6.34%	-0.54%	-15.67%	6.61%	6.61%	\$19,429,728	6.4%
<i>Frontier Capital - net</i>	8.31%	6.15%	-0.73%	-15.83%	6.55%	6.55%		
<i>Russell 2500 Growth Index</i>	7.49%	7.44%	0.60%	-11.05%	5.23%	5.23%		
<b>International Equity</b>								
Wellington	-1.41%	4.51%	1.41%	-7.54%	6.66%	6.66%	\$43,485,440	14.3%
<i>Wellington- net</i>	-1.59%	4.34%	1.23%	-7.71%	6.60%	6.60%		
<i>MSCI ACWI - ex US (net)</i>	-3.87%	3.49%	0.53%	-12.15%	7.44%	7.44%		
Brandes	N/A	N/A	N/A	-3.68%	5.21%	5.21%	\$15,018,320	4.9%
<i>Brandes - net</i>	N/A	N/A	N/A	-3.92%	5.13%	5.13%		
<i>MSCI EAFE Small Cap (net)</i>	N/A	N/A	N/A	-6.82%	5.98%	5.98%		
<b>Fixed</b>								
Neuberger & Berman	0.52%	1.31%	-0.63%	0.73%	-0.03%	-0.03%	\$41,851,466	13.7%
<i>Neuberger &amp; Berman - net</i>	0.45%	1.22%	-0.70%	0.66%	-0.06%	-0.06%		
<i>Barclays Intermediate Gov't/Credit Index</i>	0.89%	1.47%	-0.63%	0.95%	-0.10%	-0.10%		
Baird Advisors	1.88%	1.80%	-1.67%	1.24%	-0.11%	-0.11%	\$54,434,723	17.9%
<i>Baird Advisors - net</i>	1.81%	1.70%	-1.74%	1.17%	-0.13%	-0.13%		
<i>Barclays Aggregate Index</i>	1.79%	1.61%	-1.68%	1.24%	0.02%	0.02%		
<b>Real Estate</b>								
Morgan Stanley*	4.44%	3.18%	4.42%	3.79%	0.21%	0.21%	\$28,030,322	9.2%
<i>Morgan Stanley - net</i>	4.23%	2.97%	4.21%	3.58%	0.00%	0.00%		
<i>NCREIF ODCE (ew) Index</i>	3.46%	3.46%	3.92%	3.63%	0.00%	0.00%		
Principal*	2.97%	3.93%	5.07%	2.18%	3.97%	3.97%	\$8,730,665	2.9%
<i>Principal - net</i>	2.64%	3.58%	4.74%	1.85%	3.64%	3.64%		
<i>NCREIF Property Index</i>	3.04%	3.04%	3.14%	3.09%	0.00%	0.00%		
<b>Total Fund</b>	<b>3.18%</b>	<b>2.77%</b>	<b>0.29%</b>	<b>-3.95%</b>	<b>4.05%</b>	<b>4.05%</b>	<b>\$304,564,927</b>	<b>100.0%</b>
<b>Total Fund - net</b>	<b>3.08%</b>	<b>2.66%</b>	<b>0.27%</b>	<b>-3.71%</b>	<b>4.03%</b>	<b>4.03%</b>		
<b>Policy Index**</b>	<b>2.44%</b>	<b>2.00%</b>	<b>0.28%</b>	<b>-4.77%</b>	<b>4.28%</b>	<b>4.28%</b>		

Asset Class	Market value	% of Plan	Target	Ranges
Large Cap Equity	\$ 74,856,977	24.6%	25.0%	20-30%
Small Cap Equity	\$ 38,157,014	12.5%	12.5%	7.5-17.5%
International Equity	\$ 58,503,760	19.2%	20.0%	15-25%
Fixed Income	\$ 96,286,189	31.6%	32.5%	22.5-42.5%
Real Estate	\$ 36,760,987	12.1%	10.0%	5-15%
<b>Total Fund</b>	<b>\$ 304,564,927</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.

\*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)

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

	Quarter ended March 31, 2015	Quarter ended June 30, 2015	Quarter ended September 30, 2015	1 Month ended October 31, 2015	Calendar YTD October 31, 2015
<b><u>Domestic Equity</u></b>					
Northern Trust	0.95%	0.29%	-6.44%	8.43%	2.70%
<i>S&amp;P 500 Index</i>	<i>0.95%</i>	<i>0.28%</i>	<i>-6.43%</i>	<i>8.44%</i>	<i>2.72%</i>
TSW SMID	5.63%	-1.25%	-7.02%	4.56%	1.41%
<i>Russell 2500 Value Index</i>	<i>3.02%</i>	<i>-1.28%</i>	<i>-9.59%</i>	<i>5.93%</i>	<i>-2.59%</i>
Frontier Capital	6.34%	-0.54%	-15.67%	6.61%	-4.90%
<i>Russell 2500 Growth Index</i>	<i>7.44%</i>	<i>0.60%</i>	<i>-11.05%</i>	<i>5.23%</i>	<i>1.17%</i>
<b><u>International Equity</u></b>					
Wellington	4.51%	1.41%	-7.54%	6.66%	4.51%
<i>MSCI ACWI ex-US Index</i>	<i>3.49%</i>	<i>0.53%</i>	<i>-12.15%</i>	<i>7.44%</i>	<i>-1.81%</i>
Brandes	N/A	N/A	-3.68%	5.21%	N/A
<i>MSCI EAFE Small Cap (net)</i>	<i>N/A</i>	<i>N/A</i>	<i>-6.82%</i>	<i>5.98%</i>	<i>N/A</i>
<b><u>Fixed</u></b>					
Neuberger & Berman	1.31%	-0.63%	0.73%	-0.03%	1.38%
<i>Barclays Intermediate Gov't/Credit Index</i>	<i>1.47%</i>	<i>-0.63%</i>	<i>0.95%</i>	<i>-0.10%</i>	<i>1.69%</i>
Baird Advisors	1.80%	-1.67%	1.24%	-0.11%	1.23%
<i>Barclays Aggregate Index</i>	<i>1.61%</i>	<i>-1.68%</i>	<i>1.24%</i>	<i>0.02%</i>	<i>1.16%</i>
<b><u>Real Estate</u></b>					
Morgan Stanley	3.18%	4.42%	3.79%	0.21%	12.06%
<i>NCREIF ODCE (ew) Index</i>	<i>3.46%</i>	<i>3.92%</i>	<i>3.63%</i>	<i>0.00%</i>	<i>11.42%</i>
Principal	3.93%	5.07%	2.18%	3.97%	15.99%
<i>NCREIF Property Index</i>	<i>3.04%</i>	<i>3.14%</i>	<i>3.09%</i>	<i>0.00%</i>	<i>9.56%</i>

**Investment Manager Fee Table  
Period Ended October 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	\$ 74,856,977	3.5 bps on assets	\$ 26,200	0.04%
TSW	SMID Cap Value Equity	\$ 18,727,286	80 bps on assets	\$ 149,818	0.80%
Frontier Capital	SMID Cap Growth Equity	\$ 19,429,728	75 bps on assets	\$ 145,723	0.75%
Wellington	International Equity	\$ 43,485,440	71 bps on assets	\$ 308,747	0.71%
Brandes	International Small Cap Equity	\$ 15,018,320	95 bps on first \$25MM, 90 bps on next \$25MM, 80 bps on balance	\$ 142,674	0.95%
Neuberger & Berman	Intermediate Fixed Income	\$ 41,851,466	30 bps on first \$50MM, 20 bps on next \$50mm, 15 bps on balance	\$ 125,554	0.30%
Baird Advisors	Core Plus Fixed Income	\$ 54,434,723	30 bps on first \$25MM, 25 bps on next \$25MM, 20 bps on next \$20MM, 15 bps on balance	\$ 148,587	0.27%
Morgan Stanley	Real Estate	\$ 28,030,322	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	\$ 235,455	0.84%
Principal*	Real Estate	\$ 8,730,665	130 bps on assets + incentive fee	\$ 113,499	1.30%
<b>Investment Management Fees</b>		<b>\$ 304,564,927</b>		<b>\$ 1,396,256</b>	<b>0.46%</b>
Segal Rogerscasey	Investment Consulting		\$76,500 annual retainer	\$ 76,500	
Wells Fargo	Custodian	\$ 304,564,927	2 bps on first \$50MM, 1 bps on next \$75MM, 0.5 bps on balance	\$ 26,478	0.01%
<b>TOTAL FEES</b>				<b>\$ 1,499,235</b>	<b>0.49%</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 fell by 0.1% to 5.0% in October. The labor force participation rate held steady at 62.4%. Nonfarm payrolls increased by 271,000 jobs in October. Revised employment gains rose for August and decreased for September.
- The University of Michigan Consumer Sentiment Index increased from 87.2 in September to 90.0 in October. Views on both present conditions and expectations improved.
- The Purchasing Manager's Index (PMI) ended September at 50.2 and October at 50.1, indicating that manufacturing growth continued, but at a slower rate of change.

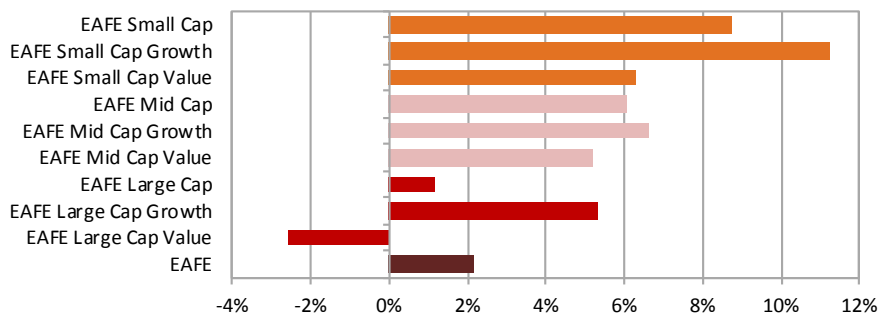
**U.S. Equity**

- The Russell style and size index returns:
- |           | Value | Core | Growth |
|-----------|-------|------|--------|
| Large Cap | 7.6%  | 8.1% | 8.6%   |
| Mid Cap   | 6.1%  | 6.2% | 6.3%   |
| Small Cap | 5.6%  | 5.6% | 5.7%   |
- The Russell 3000 Index (7.9%) rebounded strongly in October. All size and style returns were positive. Overall, large caps outpaced their smaller cap peers. Growth outperformed value within each market cap, but the differential was a bit greater among large caps.
  - All sectors were positive. Materials (13.5%) increased the most, while Utilities (1.1%) gained the least.

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

- The MSCI EAFE Index (7.8% USD; 7.9% local currency) also rebounded in October. Larger caps fared better than small caps during the month, but on a year-to-date basis, small caps have performed notably better. Growth outpaced value across all market segments, but did so more modestly among mid and small caps.
- All regions posted gains in October, but Japan's return was the strongest (10.1%). All countries within the EAFE index rose as well. New Zealand (15.1%) gained the most.
- All sectors rose. Energy (10.8%) posted the best return, followed by Technology (9.5%).

**MSCI EAFE: Rise of the Small Caps**  
2015 YTD Returns



Source: Bloomberg

	MSCI EAFE			MSCI EM		
	Value	Core	Growth	Value	Core	Growth
Large Cap	7.4%	7.9%	8.5%	7.2%	7.3%	7.5%
Mid Cap	7.3%	7.3%	7.4%	6.0%	6.1%	6.2%
Small Cap	5.9%	6.0%	6.1%	6.2%	5.9%	5.6%

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

- The MSCI EM Index (7.1% USD; 5.4% local currency) gained in October. All style and market cap returns were positive. Large caps posted greater gains than their smaller cap counterparts, and growth slightly outpaced value except within the small cap space.
- All regions posted strong returns, but Asia (7.8%) gained the most, followed by Latin America (6.1%) and EMEA (5.4%). Gains in Asia were led by Indonesia (15.8%), which was October's best performer overall. Colombia (8.0%) posted the strongest gain within Latin America, and Turkey (12.3%) produced the greatest return within the EMEA region.
- All sectors were positive. Technology (9.9%) rose the most, while Telecommunications (2.5%) gained the least.

**U.S. Fixed Income**

- Core fixed income markets were flat, as measured by the BC Aggregate (Agg) Index (0.0%).
  - BC Agg spread sector performance relative to Treasuries was positive except for ABS:
- |             |        |           |        |
|-------------|--------|-----------|--------|
| Corporates: | 85 bps | Agencies: | 40 bps |
| MBS:        | 37 bps | CMBS:     | 25 bps |
|             |        | ABS:      | -6 bps |
- The U.S. Treasury yield curve widened across the curve, but short and intermediate duration Treasuries expanded the most. Global central banks eased macro concerns with positive policy responses, which contributed to the outward movements of the yield curve. The 3-, 5-, and 10-year Treasury yields widened by 13, 15, and 10 bps, respectively.

BC 1-3 Year Gov/Credit	BC Intermed Gov/Credit	BC Long Gov/Credit
0.0%	-0.1%	0.4%

- The BC Corporate High Yield Index (2.8%) increased. The average OAS narrowed by 70 bps to end October at 560 bps.
- The BC U.S. TIPS Index (0.3%) was positive.

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

- The Citigroup Non-U.S. WGBI Index was flat on a currency-unhedged basis (0.0%) and gained in currency-hedged terms (0.3%).
- Emerging market debt was positive per the JPM EMBI Global Index (3.2%).

**Commodities**

- Commodities performance varied by index (0.2% S&P GSCI; -0.4% Bloomberg Commodity Index). Agriculture, Livestock and Precious Metals contributed positively to performance in each index, while Energy and Industrial Metals were detractors.
- The price of crude oil increased from \$45/barrel in September to \$47/barrel in October, and the price of gold rose from \$1,115/troy ounce to \$1,142/troy ounce.

**Hedge Funds**

- The HFRI Fund Weighted Composite Index (1.7%) rose in October.
- The HFRI Fund of Funds Composite Index (0.9%) also gained.
- All of the major hedge fund strategies except Macro posted positive returns for the month.

	Month	YTD
HFRI Equity Hedge Index	3.2%	0.7%
HFRI Relative Value Index	1.8%	1.8%
HFRI Event-Driven Index	1.7%	-1.4%
HFRI Emerging Markets Index	3.5%	-1.7%
HFRI Macro Index	-0.5%	-1.5%