

City of Hollywood Employees' Retirement Fund
Preliminary Market Value Update
as of November 30, 2016

	Market Value	Percent of Total Plan	New Target Allocation	Difference	Range
<u>Domestic Equity - Large Cap</u>	\$77,117,686	25.4%	20.0%	5.4%	15-30%
Northern Trust	\$77,117,686	25.4%			
<u>Domestic Equity - SMID Cap</u>	\$42,404,005	14.0%	10.0%	4.0%	7-15.5%
TSW	\$19,655,925	6.5%			
Frontier Capital	\$22,748,080	7.5%			
<u>International Equity</u>	\$57,843,188	19.1%	20.0%	-0.9%	15-25%
Wellington	\$41,805,913	13.8%			
Brandes	\$16,037,275	5.3%			
<u>Fixed</u>	\$86,430,387	28.5%	30.0%	-1.5%	25-37.5%
Neuberger & Berman	\$29,677,173	9.8%			
Baird Advisors	\$56,753,214	18.7%			
<u>Real Estate</u>	\$35,471,550	11.7%	10.0%	1.7%	7-14%
Morgan Stanley	\$25,648,353	8.5%			
Principal	\$9,823,197	3.2%			
<u>Private Equity</u>	\$4,200,000	1.4%	7.5%	-6.1%	0-15%
Neuberger Berman Crossroads XXI	\$4,200,000	1.4%			
HarbourVest Dover Fund IX	\$0	0.0%			
<u>Infrastructure</u>	\$0	0.0%	2.5%	-2.5%	0-5%
IFM Global Infrastructure	\$0	0.0%			
Total Fund	\$303,466,816	100.0%	100.0%		

City of Hollywood Employees' Retirement Fund
Preliminary Performance Update
as of November 30, 2016

	1 Month ended October 31, 2016	1 Month ended November 30, 2016	Fiscal YTD November 30, 2016	Market Value November 30, 2016	Percent of Total Plan November 30, 2016
Domestic Equity					
Northern Trust S&P 500	-1.82%	3.69%	1.79%	\$77,117,686	25.4%
<i>Northern Trust - net</i>	-1.82%	3.69%	1.78%		
<i>S&P 500 Index</i>	-1.82%	3.70%	1.81%		
TSW	-2.72%	5.34%	2.48%	\$19,655,925	6.5%
<i>TSW - net</i>	-2.79%	5.27%	2.35%		
<i>Russell 2500 Value Index</i>	-2.99%	9.59%	6.31%		
Frontier Capital	-3.66%	6.39%	2.50%	\$22,748,080	7.5%
<i>Frontier Capital - net</i>	-3.72%	6.33%	2.37%		
<i>Russell 2500 Growth Index</i>	-5.22%	7.29%	1.69%		
International Equity					
Wellington	-2.90%	-1.65%	-4.51%	\$41,805,913	13.8%
<i>Wellington- net</i>	-2.96%	-1.71%	-4.63%		
<i>MSCI ACWI - ex US (net)</i>	-1.44%	-2.31%	-3.72%		
Brandes	0.18%	-1.88%	-1.70%	\$16,037,275	5.3%
<i>Brandes - net</i>	0.10%	-1.96%	-1.86%		
<i>MSCI EAFE Small Cap (net)</i>	-2.83%	-2.81%	-5.56%		
Fixed					
Neuberger & Berman	-0.47%	-1.64%	-2.10%	\$29,677,173	9.8%
<i>Neuberger & Berman - net</i>	-0.50%	-1.67%	-2.15%		
<i>Blmbg. Barclays Intermediate Gov't/Credit Index</i>	-0.41%	-1.73%	-2.14%		
<i>90 Day U.S. Treasury Bill</i>	0.01%	0.01%	0.03%		
Baird Advisors	-0.67%	-2.25%	-2.91%	\$56,753,214	18.7%
<i>Baird Advisors - net</i>	-0.69%	-2.27%	-2.96%		
<i>Blmbg. Barclays Aggregate Index</i>	-0.76%	-2.37%	-3.11%		
Real Estate					
Morgan Stanley*	0.07%	0.07%	0.14%	\$25,648,353	8.5%
<i>Morgan Stanley - net</i>	0.00%	0.00%	0.00%		
<i>NCREIF ODCE (ew) Index</i>	0.00%	0.00%	0.00%		
Principal*	0.11%	0.11%	0.22%	\$9,823,197	3.2%
<i>Principal - net</i>	0.00%	0.00%	0.00%		
<i>NCREIF Property Index</i>	0.00%	0.00%	0.00%		
Private Equity					
NB Crossroads XXI*	N/A	N/A	N/A	\$4,200,000	1.4%
Total Fund	-1.49%	0.74%	-0.76%	\$303,466,816	100.0%
Total Fund - net	-1.53%	0.70%	-0.85%		
Policy Index**	-1.44%	0.94%	-0.55%		

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: (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-US, 32.5% Barclays Intermediate Aggregate, 7.5% NCREIF ODCE (ew)

City of Hollywood Employees' Retirement Fund
Preliminary Performance Update
as of November 30, 2016

	Quarter ended March 31, 2016	Quarter ended June 30, 2016	Quarter ended September 30, 2016	1 Month ended October 31, 2016	1 Month ended November 30, 2016	Calendar YTD November 30, 2016
Domestic Equity						
Northern Trust	1.30%	2.44%	3.86%	-1.82%	3.69%	9.72%
<i>S&P 500 Index</i>	<i>1.35%</i>	<i>2.46%</i>	<i>3.86%</i>	<i>-1.82%</i>	<i>3.70%</i>	<i>9.81%</i>
TSW SMID	3.97%	3.67%	6.18%	-2.72%	5.34%	17.28%
<i>Russell 2500 Value Index</i>	<i>3.34%</i>	<i>4.37%</i>	<i>6.18%</i>	<i>-2.99%</i>	<i>9.59%</i>	<i>21.74%</i>
Frontier Capital	1.73%	0.89%	13.31%	-3.66%	6.39%	19.21%
<i>Russell 2500 Growth Index</i>	<i>-2.66%</i>	<i>2.70%</i>	<i>6.98%</i>	<i>-5.22%</i>	<i>7.29%</i>	<i>8.75%</i>
International Equity						
Wellington	-1.96%	-1.39%	6.91%	-2.90%	-1.65%	-1.30%
<i>MSCI ACWI ex-US Index</i>	<i>-0.37%</i>	<i>-0.65%</i>	<i>6.91%</i>	<i>-1.44%</i>	<i>-2.31%</i>	<i>1.89%</i>
Brandes	4.34%	-2.77%	6.98%	0.18%	-1.88%	6.68%
<i>MSCI EAFE Small Cap (net)</i>	<i>-0.59%</i>	<i>-2.60%</i>	<i>8.64%</i>	<i>-2.83%</i>	<i>-2.81%</i>	<i>-0.66%</i>
Fixed						
Neuberger & Berman	2.08%	1.29%	0.20%	-0.47%	-1.64%	1.43%
<i>Barclays Intermediate Gov't/Credit Index</i>	<i>2.45%</i>	<i>1.59%</i>	<i>0.15%</i>	<i>-0.41%</i>	<i>-1.73%</i>	<i>2.01%</i>
<i>90 Day U.S. Treasury Bill</i>	<i>0.06%</i>	<i>0.06%</i>	<i>0.07%</i>	<i>0.01%</i>	<i>0.01%</i>	<i>0.22%</i>
Baird Advisors	3.50%	2.70%	0.87%	-0.67%	-2.25%	4.10%
<i>Barclays Aggregate Index</i>	<i>3.04%</i>	<i>2.22%</i>	<i>0.46%</i>	<i>-0.76%</i>	<i>-2.37%</i>	<i>2.51%</i>
Real Estate						
Morgan Stanley	2.09%	2.59%	2.47%	0.07%	0.07%	7.47%
<i>NCREIF ODCE (ew) Index</i>	<i>2.44%</i>	<i>2.18%</i>	<i>2.13%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>6.90%</i>
Principal	3.19%	3.83%	2.97%	0.11%	0.11%	10.55%
<i>NCREIF Property Index</i>	<i>2.21%</i>	<i>2.03%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>4.28%</i>

**City of Hollywood Employees' Retirement Fund
Investment Manager Fee Table
Period Ended November 30, 2016**

<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	\$ 77,117,686	3.5 bps on assets	\$ 26,991	0.04%
TSW	SMID Cap Value Equity	\$ 19,655,925	80 bps on assets	\$ 157,247	0.80%
Frontier Capital	SMID Cap Growth Equity	\$ 22,748,080	75 bps on assets	\$ 170,611	0.75%
Wellington	International Equity	\$ 41,805,913	71 bps on assets	\$ 296,822	0.71%
Brandes	International Small Cap Equity	\$ 16,037,275	95 bps on first \$25MM, 90 bps on next \$25MM, 80 bps on balance	\$ 152,354	0.95%
Neuberger & Berman	Intermediate Fixed Income	\$ 29,677,173	30 bps on first \$50MM, 20 bps on next \$50mm, 15 bps on balance	\$ 89,032	0.30%
Baird Advisors	Core Plus Fixed Income	\$ 56,753,214	30 bps on first \$25MM, 25 bps on next \$25MM, 20 bps on next \$20MM, 15 bps on balance	\$ 154,383	0.27%
Morgan Stanley	Real Estate	\$ 25,648,353	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	\$ 215,446	0.84%
Principal ¹	Real Estate	\$ 9,823,197	130 bps on assets + incentive fee	\$ 127,702	1.30%
Neuberger Berman Crossroads XXI ²	Private Equity	\$ 4,200,000	25.8 bps on assets	\$ 10,836	0.26%
HarbourVest Dover Fund IX ³	Private Equity	\$ -	70 bps on assets	\$ -	-
IFM Global Infrastructure ⁴	Infrastructure	\$ -	77 bps on assets	\$ -	-
Investment Management Fees		\$ 303,466,816		\$ 1,401,424	0.46%
Segal Rogerscasey	Investment Consulting		\$130,000 annual retainer	\$ 130,000	0.04%
Wells Fargo	Custodian	\$ 303,466,816	2 bps on first \$50MM, 1 bps on next \$75MM, 0.5 bps on balance	\$ 26,423	0.01%
TOTAL FEES				\$ 1,557,847	0.51%

¹Incentive fee is equal to 15% of the profits in excess of an 11% net IRR to investors.

²NB is aggregating commitments to provide best pricing for SRC 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.

³The fee for the Dover IX Fund is 75 bps, but the City of Hollywood is receiving a 5 bps fee discount.

⁴Incentive fee is equal to 10% of the profits in excess of an 8% per annum.

Monthly Market Highlights

U.S. Economy

- In November, the U.S. unemployment rate fell by 0.3% to 4.6%, while the labor force participation rate ticked downward by 0.1% to 62.7%. Nonfarm payrolls grew by 178,000 jobs. Employment gains were revised upward for September and downward for October.
- The University of Michigan Consumer Sentiment Index rose from 87.2 in October to 93.8 in November. Views on both present conditions and expectations improved.
- The Purchasing Manager's Index (PMI) ended October at 51.9 and November at 53.2, indicating that manufacturing growth occurred at a faster rate of change.

U.S. Equity

- The Russell style and size index returns:

	Value	Core	Growth
Large Cap	5.7%	3.9%	2.2%
Mid Cap	6.3%	5.4%	4.4%
Small Cap	13.3%	11.2%	9.0%
- The Russell 3000 Index (4.5%) gained in November. All size and style indices rebounded from October's losses. Small caps posted the strongest returns. Value gained more than growth within each market capitalization.
- Sector returns were mixed. Financials (13.9%) outperformed all sectors, while Utilities (-5.4%) lost the most.

Non-U.S. Equity

- The MSCI EAFE Index (-2.0% USD; 1.2% local) posted mixed results for U.S. and local investors. All size and style returns were negative, but value lost less than growth within each market cap.
- All regions declined, but Europe ex U.K. (-3.2%) fell the most, as countries such as Spain (-8.5%), Denmark (-7.3%) and Portugal (-7.1%) posted some of the steepest losses of the EAFE Index. Pacific ex Japan (-0.1%) declined the least, as gains in Singapore (2.2%) and Australia (0.4%) cushioned its fall.
- Financials (2.1%) and Materials (0.1%) were the only two sectors to post gains. Of the sectors that lost, Telecom (-8.1%) and Utilities (-7.5%) declined the most.

Emerging Markets Equity

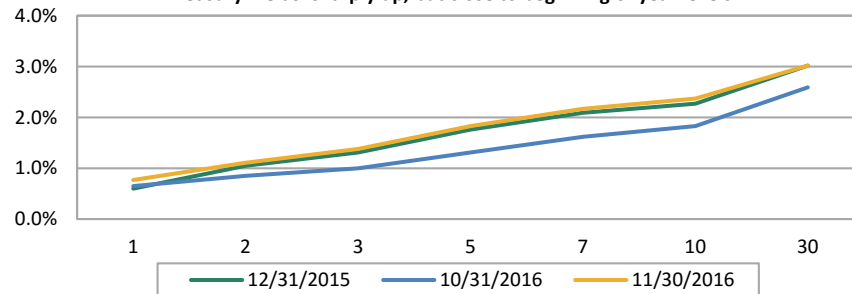
- The MSCI EM Index (-4.6% USD; -2.2% local) fell in November, hurt by uncertainty surrounding U.S. foreign and trade policies and the prospect of tighter U.S. dollar liquidity. All size and style returns were negative, and as was the case in the U.S. and developed equity markets, value fared better than growth within each market cap.
- All regions fell, but Latin America (-10.6%) was the worst performer, dragged down by double-digit declines in Mexico (-12.7%) and Brazil (-11.2%). The countries with the steepest losses of the EM Index were Egypt (-33.5%) and Turkey (-15.0%). Greece (9.8%), Russia (4.8%) and Peru (3.5%) generated the only positive results of the EM Index.
- All sectors declined except Materials (0.7%). Consumer Staples (-8.4%) and Consumer Discretionary (-8.2%) suffered the greatest losses.

	MSCI EAFE			MSCI EM		
	Value	Core	Growth	Value	Core	Growth
Large Cap	-0.5%	-2.0%	-3.6%	-3.1%	-4.3%	-5.6%
Mid Cap	-1.0%	-2.1%	-2.8%	-4.5%	-6.0%	-7.2%
Small Cap	-2.0%	-2.8%	-3.7%	-3.9%	-4.7%	-5.5%

U.S. Fixed Income

- The Bloomberg Barclays U.S. Aggregate Index returned -2.4% in November. Treasuries returned -2.7% and spread sector excess returns on a duration-matched basis were as follows: corporate (+52 bps), CMBS (+73 bps), ABS (+10 bps), agencies (+2 bps), and MBS (-47 bps). In particular, long Treasuries (-7.4%) underperformed long corporates (-4.7%).
- Spreads mostly tightened during the month: corporates (-3 bps to 129 bps), CMBS (-15 bps to 67 bps), ABS (-3 bps to 50 bps), MBS (+3 bps to 16 bps), and agencies (-2 bps to 18 bps). The Bloomberg Barclays U.S. Corporate High Yield Index returned -0.5% and spreads declined 22 bps to 455 bps.
- Treasury yields rose and the curve steepened: 1-3 year (+27 bps to 1.14%), 3-5 year (+50 bps to 1.70%), 5-7 year (+58 bps to 2.08%), 7-10 year (+58 bps to 2.32%), 10-20 year (+55 bps to 2.52%), and 20+ year (+46 bps to 2.98%).

Treasury Yields: sharply up, but close to beginning of year levels



Source: Barclays Live

Non-U.S. Fixed Income

- In Global, the Citigroup WGBI Index returned -4.6% on an unhedged basis and -1.7% on a hedged basis. Emerging markets debt also declined during the month as the JPM GBI-EM returned -7.0% and the JPM EMBI Index returned -4.2%.

Commodities

- The Bloomberg Commodity Index (1.3%) and the S&P GSCI (2.5%) gained as a result of strong returns in Industrial Metals (10.3% BCOM; 10.4% GSCI), Livestock (4.3% BCOM; 5.7% GSCI), and Energy (4.3% BCOM; 3.9% GSCI). Precious Metals (-8.0% BCOM; -8.0% GSCI) and Agriculture (-2.9% BCOM; -4.2% GSCI) both fell during the month.
- The price of crude oil rose from \$47/barrel in October to \$49/barrel in November, and the price of gold dropped from \$1,277/troy ounce to \$1,173/troy ounce.

Hedge Funds

- The HFRI Fund Weighted Composite Index (0.9%) gained in November.
- The HFRI Fund of Funds Composite Index (-0.2%) posted a loss.
- The major hedge fund strategies posted mixed results during the month.

	Month	YTD
HFRI Equity Hedge Index	1.5%	4.8%
HFRI Relative Value Index	0.4%	6.4%
HFRI Event-Driven Index	2.2%	9.4%
HFRI Emerging Markets Index	-2.4%	5.9%
HFRI Macro Index	-0.2%	0.3%