

City of Hollywood Employees' Retirement Fund

PRELIMINARY PERFORMANCE

February 29, 2020

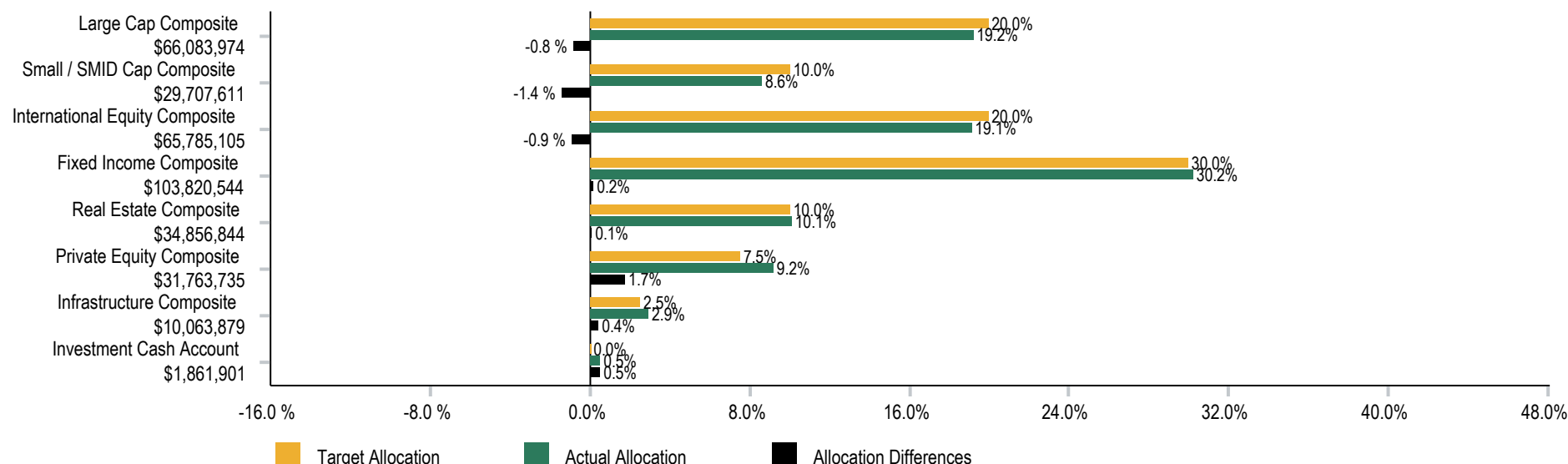
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The City of Hollywood

Total Fund Composite

As of February 29, 2020



	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund Composite	343,943,592	100.00	100.00	0.00	N/A	N/A
Large Cap Composite	66,083,974	19.21	20.00	-0.79	15.00	30.00
Small / SMID Cap Composite	29,707,611	8.64	10.00	-1.36	7.00	15.50
International Equity Composite	65,785,105	19.13	20.00	-0.87	15.00	25.00
Fixed Income Composite	103,820,544	30.19	30.00	0.19	25.00	37.50
Real Estate Composite	34,856,844	10.13	10.00	0.13	7.00	14.00
Private Equity Composite	31,763,735	9.24	7.50	1.74	0.00	15.00
Infrastructure Composite	10,063,879	2.93	2.50	0.43	0.00	5.00
Investment Cash Account	1,861,901	0.54	0.00	0.54	0.00	5.00

*Total does not include non-investment cash account

**Fixed Income Composite includes AG Direct Lending Fund II, L.P.

	Total Fund	
	(\$)	%
Total Fund Composite*	343,943,592	100.00
Domestic Equity Composite	95,791,586	27.85
Large Cap Composite	66,083,974	19.21
Northern Trust S&P 500	66,083,974	19.21
Small / SMID Cap Composite	29,707,611	8.64
TSW - SMID Value	13,666,599	3.97
Northern Trust Extended Equity Market Index	16,041,012	4.66
International Equity Composite	65,785,105	19.13
Brandes International Small Cap	12,716,847	3.70
Wellington International	53,068,258	15.43
Fixed Income Composite	103,820,544	30.19
Baird Core Plus Bond	39,919,298	11.61
Neuberger & Berman Short Duration	36,246,937	10.54
AG Direct Lending Fund II, L.P.	11,126,189	3.23
GoldenTree Multi-Sector LP	16,528,121	4.81
Real Estate Composite	34,856,844	10.13
Morgan Stanley	21,163,745	6.15
Principal Enhanced Property Fund	11,754,063	3.42
AG Realty Value Fund X	1,939,035	0.56
Private Equity Composite	31,763,735	9.24
NB Crossroads Fund XXI	18,585,745	5.40
HarbourVest Dover Fund IX	7,476,565	2.17
GoldPoint Co-Investment VI	5,701,425	1.66
Infrastructure Composite	10,063,879	2.93
IFM Global Infrastructure	10,063,879	2.93
Investment Cash Account	1,861,901	0.54

*Total does not include non-investment cash account.

	Performance (%)			
	1 Month Ended January 31, 2020	1 Month Ended February 29, 2020	Quarter To Date	Oct-2019 To Feb-2020
Total Fund Composite (Gross)	-0.27	-3.68	-3.94	1.00
<i>Total Fund Composite (Net)</i>	<i>-0.29</i>	<i>-3.69</i>	<i>-3.97</i>	<i>0.92</i>
<i>Policy Index*</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Domestic Equity				
Northern Trust S&P 500 (Gross)	-0.04	-8.23	-8.27	0.06
<i>Northern Trust S&P 500 (Net)</i>	<i>-0.04</i>	<i>-8.23</i>	<i>-8.27</i>	<i>0.06</i>
<i>S&P 500</i>	<i>-0.04</i>	<i>-8.23</i>	<i>-8.27</i>	<i>0.05</i>
TSW - SMID Value (Gross)	-1.89	-9.80	-11.51	-6.38
<i>TSW - SMID Value (Net)</i>	<i>-1.96</i>	<i>-9.85</i>	<i>-11.62</i>	<i>-6.76</i>
<i>Russell 2500 Value Index</i>	<i>-3.64</i>	<i>-9.64</i>	<i>-12.94</i>	<i>-6.78</i>
Northern Trust Extended Equity Market Index (Gross)	-0.61	-7.98	-8.54	-0.33
<i>Northern Trust Extended Equity Market Index (Net)</i>	<i>-0.61</i>	<i>-7.98</i>	<i>-8.54</i>	<i>-0.41</i>
<i>Dow Jones U.S. Completion Total Stock Market Indx</i>	<i>-0.55</i>	<i>-7.96</i>	<i>-8.47</i>	<i>-0.36</i>
International Equity				
Brandes International Small Cap (Gross)	-4.23	-7.83	-11.74	-4.01
<i>Brandes International Small Cap (Net)</i>	<i>-4.31</i>	<i>-7.91</i>	<i>-11.88</i>	<i>-4.40</i>
<i>MSCI EAFE Small Cap (Net)</i>	<i>-2.90</i>	<i>-9.80</i>	<i>-12.42</i>	<i>-2.33</i>
Wellington International (Gross)	-1.94	-6.50	-8.31	0.22
<i>Wellington International (Net)</i>	<i>-1.99</i>	<i>-6.56</i>	<i>-8.42</i>	<i>-0.05</i>
<i>MSCI AC World ex USA (Net)</i>	<i>-2.69</i>	<i>-7.90</i>	<i>-10.38</i>	<i>-2.38</i>

	Performance (%)			
	1 Month Ended January 31, 2020	1 Month Ended February 29, 2020	Quarter To Date	Oct-2019 To Feb-2020
Fixed Income				
Baird Core Plus Bond**	1.91	1.49	3.43	4.04
<i>Blmbg. Barc. U.S. Aggregate</i>	1.92	1.80	3.76	3.95
Neuberger & Berman Short Duration**	0.60	0.07	0.67	2.06
<i>NB Blended Benchmark***</i>	0.30	0.42	0.72	1.23
<i>Blmbg. Barc. Intermed. U.S. Government/Credit</i>	1.42	1.41	2.85	3.23
GoldenTree Multi-Sector LP**	1.11	-1.55	-0.46	1.91
<i>GT Blended Index****</i>	0.39	-1.16	-0.77	1.16
<i>Blmbg. Barc. U.S. Aggregate</i>	1.92	1.80	3.76	3.95
Real Estate				
Morgan Stanley**	0.00	0.00	0.00	1.53
<i>NCREIF ODCE Equal Weighted</i>	0.00	0.00	0.00	1.53
Principal Enhanced Property Fund**	0.00	0.00	0.00	2.50
<i>NCREIF Property Index</i>	N/A	N/A	N/A	N/A
Infrastructure				
IFM Global Infrastructure**	-0.11	-0.57	-0.68	5.35

*Policy Index (Oct 2018-current) consists of 20% S&P 500, 5% Russell 2500 Value, 5% DJ U.S. Completion Total Market, 15% MSCI ACWI ex US (net), 5% MSCI EAFE Small Cap (Net), 30% Bloomberg Barclays Aggregate, 7.5% NCREIF ODCE (ew), 2.5% NCREIF NPI, 7.5% Russell 3000+3.0% and 2.5% CPI+3.5%

**Performance shown net of fees

***NB Blended Benchmark consists of 40% Bloomberg Barclays 1-3 Year Gov/Credit and 60% BofA Merrill Lynch 3 Month T-Bill.

****GT Blended Index consists of 33.34% BofA Merrill Lynch High Yield Master II, 33.33% HFRI RV: Fixed Income-Corporate Index, and 33.33% S&P/LSTA Leveraged Loan Index.

The City of Hollywood

Comparative Performance - IRR

As of February 29, 2020

	Market Value (\$)	%	1 Month	Quarter To Date	Oct-2019 To Feb-2020	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
Private Equity											
Private Equity Composite	31,763,735	9.24	0.00	0.00	0.35	13.07	13.80	N/A	N/A	13.45	06/23/2016
NB Crossroads Fund XXI	18,585,745	5.40	0.00	0.00	0.00	10.00	12.13	N/A	N/A	10.95	06/23/2016
HarbourVest Dover Fund IX	7,476,565	2.17	0.00	0.00	1.46	21.49	25.00	N/A	N/A	28.98	12/16/2016
GoldPoint Co-Investment VI	5,701,425	1.66	0.00	0.00	0.00	12.60	N/A	N/A	N/A	3.80	04/23/2018
Private Debt											
AG Direct Lending Fund II, L.P.	11,126,189	3.24	0.00	0.00	2.43	10.24	N/A	N/A	N/A	9.99	05/31/2017
Private Real Estate											
AG Realty Value Fund X	1,939,035	0.56	0.00	0.00	0.00	N/A	N/A	N/A	N/A	-6.66	06/10/2019

Watch List – February 29, 2020

Equity Managers	Strategy	Rating	Performance Criteria*											Comments
			Benchmark Criteria									Exceed Peer Median		
			3-Yr	Manager Returns %	Benchmark Returns %	5-Yr	Manager Returns %	Benchmark Returns %	Inception*	Manager Returns %	Benchmark Returns %	3-Yr	5-Yr	
Brandes ¹	Intl Small Cap Equity	Recommended	No	-5.7	4.1	NA	NA	NA	No	-0.9	4.1	N/A	N/A	Performance
TSW ²	SMID Cap Value Equity	Recommended	No	-0.6	0.5	No	2.3	3.8	No	4.4	5.2	N/A	N/A	Performance

*Performance is Net of Fees.

¹Brandes placed on "Watch List" August 23, 2018. Inception Date - Brandes: 5/1/2015

²TSW placed on "Watch List" November 12, 2019. Inception Date - TSW: 11/1/2013

Cash Flow Activity – Inception to Date

- Since the December 2017 inception of the Administrative Services relationship, the SMA Client Services team has administered the following investment activity for the Fund:

City of Hollywood Employees' Retirement Fund	12/2017 - 2/2020 Activity	
	Dollars	Count
Subscriptions / Redemptions	238,650,000	49
Benefits	-	-
Capital Calls	23,810,000	39
Capital Distributions	115,840,000	52
Mutual Fund Trades	41,100,000	12
Internal Bank Transfers	185,550,000	51
Invoice Payments	-	-
Other Directives	-	-
TOTALS:	\$ 604,950,000	203

Cash Flow Activity Detail – February 2020

Manager	Product	Wire Type	Transfer Date	Transfer Amount
Wells Fargo	DB Account	Internal Bank Transfer	2/27/2020	\$3,000,000
Baird Advisors	Core Plus Bond Fund	Mutual Funds Trade	2/26.2020	\$3,000,000
Total				\$6,000,000

Market Environment

February 2020

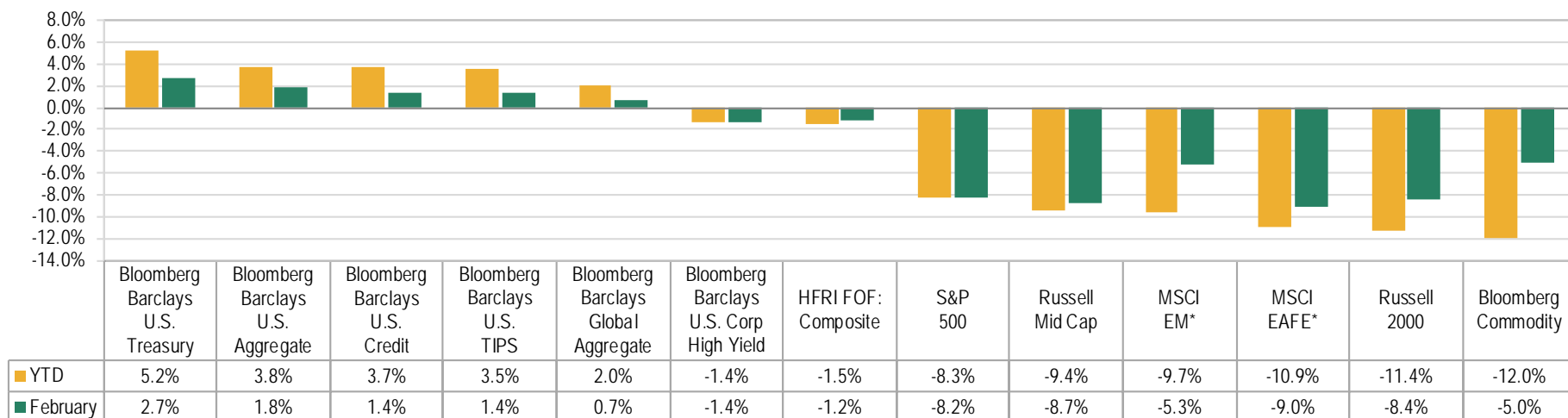
February Highlights

- ❑ The U.S. unemployment rate fell to 3.5% in February. Nonfarm payrolls grew by 273,000 jobs.
- ❑ U.S. equities were sharply negative in February. Worries about the spreading coronavirus outbreak and its effect on the global economy led shares lower. All S&P 500 sectors were negative in the month, with energy (-11.6%) and financials (-11.2%) posting the biggest losses.
- ❑ Coronavirus fears impacted both developed and emerging market stocks. Developed market sectors that rely most on economic growth, such as industrials and materials, lagged the most. USD strength also hurt EM stocks.
- ❑ The U.S. Treasury index rose as investors sought out safe haven assets. IG credit was also positive, while high yield fell. Global bonds increased though gains were tempered by underperformance of corporate bonds.
- ❑ Hedge funds declined in February. Equity hedge strategies (-2.75%) lost the most in the month.
- ❑ Commodities sank again with worries that declining global growth would hurt demand, particularly from China. Energy (-11.6%) declined the most in the month. Every commodity subsector was lower.

YTD Highlights

- ❑ Unemployment rate is still historically low. While U.S. economic fundamentals have been relatively solid, the global picture has been clouded by investor reactions to the virus outbreak.
- ❑ US stocks are posting sharply negative returns after a strong 2019. Mid and large caps outpaced small caps. Large caps are down substantially but have lost less than small and mid caps.
- ❑ Developed and emerging market stocks are struggling this year. Optimism about U.S./China trade relations had been a tailwind for international stocks until the virus outbreak.
- ❑ Treasuries are off to a solid start in 2020 in a risk-off environment. IG credit continues to gain, though high yield has turned negative YTD.
- ❑ Hedge funds ended 2019 with a solid return but are now lower YTD. Equity hedge strategies have lost the most so far in 2020, though they had the biggest sector gains in 2019.
- ❑ Commodities have been hit hard by investor fears about global demand. Volatility in energy prices and other areas of commodities mean that performance swings are the norm here.

Returns



*Net dividends reinvested