

Board of Trustees Minutes Page Two	APRIL 28-30, 2011	TRUSTEES	M	S	Y	N
<p>The compliance checklist was reviewed. Cornerstone needs to address its performance during its presentation. Their philosophy is to buy high quality stocks, which seem to be coming back in favor, and, as a result, they participated well in the upward market movement. No firms were put on watch.</p> <p>Reference was made to the change in management at Lord Abbett as a result of the departure of Eli Salzman. Mr. Mulfingher noted that he is confident in Lord Abbett's direction in spite of this change and added that Mr. Hofer could provide more detail during his presentation the following morning.</p> <p>All the managers have added value to adjust for risk except Cornerstone. Investment managers in the equity markets have had strong returns.</p> <p>Mr. Mulfingher reported on the alternative investments. He was curious to hear the report from Invesco on its REIT fund since it had a return of 22.16% for the year. He had favorable reports on the hedge funds and was pleased with how they performed. Neuberger Berman showed a return of 38.97% for the quarter and they would be issuing more capital calls.</p> <p>Mr. Mulfingher introduced Milton Ezrati, lead economist of Lord Abbett, as the special guest speaker. Mr. Ezrati's focus was on the United States but he also discussed issues regarding Japan and the Middle East.</p> <p>The following managers presented their investment reports through lunch and the afternoon. All the manager reports and recordings of their presentations are available at the Pension Office.</p> <p><u>MUNDER CAPITAL MANAGEMENT</u> By: Edward D. Goard, Chief and Investment Officer, and Ian Hendry, Portfolio Services Manager.</p> <p><u>STANDISH MELLON ASSET MANAGEMENT</u> By: David Bowser, Senior Portfolio Manager, and Scott Mountain, Relationship Manager.</p> <p><u>INVESCO REAL ESTATE SECURITIES TRUST & INVESCO CORE REAL ESTATE</u> By: Laler DeCosta, Client Portfolio Manager.</p> <p><u>PINE GROVE ASSOCIATES, INC.</u> By: Manish Keshive, Head of Research, and John Feeley, Senior Relationship Manager.</p>						

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<p><u>IRONWOOD CAPITAL MANAGEMENT</u> By: Jonathan Gans, Chief Executive Officer & President, and Benjamin Zack, Managing Director, Investment & Risk Committee.</p> <p><u>UBP ALTERNATIVE INVESTMENTS</u> By: Matt Bruno, VP Institutional Services, and Michael Smith, Senior Portfolio Manager.</p> <p>The presentations for Thursday, April 22, 2010 ended at 4:41 p.m. A networking session was conducted from 5:00 – 7:00 pm, followed by dinner sponsored by the investment managers at The Station House in Deerfield Beach.</p> <p><u>FRIDAY, APRIL 29, 2011</u></p> <p>The Board of Trustees reconvened at the Embassy Suites Deerfield Beach Resort, 950 S. Ocean Blvd. in Deerfield Beach, Florida. Chairman O’Connell called the meeting back to order at 9:04 am.</p> <p><u>PRESENT:</u> Chairman Paul D. O’Connell Vice Chairman Richard E. Avallone Trustee Sharra Aaronian Trustee Daniel M. Christophers Trustee John P. DeVoe Trustee Patrick S. Fletcher Trustee Peter McGinnis Trustee Richard H. Samolewicz</p> <p><u>ALSO PRESENT:</u> Charles H. Mulfinger, II, Graystone Consulting Glenda Rowley, Deputy Administrator Brian Hall, Assistant to Deputy Administrator</p> <p>Member visitors included: Donald & Gloria Washington, Randy DeVore and Jerry Squadrito.</p> <p>The morning session was comprised of presentations by the following managers:</p> <p><u>LORD ABBETT & CO.</u> By: Charles Hofer, Partner & Client Portfolio Manager, and Deepak Khanna, Research Analyst & Portfolio Manager.</p> <p><u>SANDS CAPITAL MANAGEMENT</u> By: Andrew Giordano, Wealth Management Associate, and Tom Ricketts Sr. Research Analyst & Portfolio Manager.</p> <p><u>CORNERSTONE INVESTMENT PARTNERS, LLC</u> By: Chris Reynolds, Director of Marketing & Client Services, John Campbell, Chief Investment Officer, and Jerome Garffer, President, G Capital Investment Group.</p>						

WELLS CAPITAL MANAGEMENT

By: John Taphorn, Managing Director, Relationship Director.

Following the morning investment manager presentations, Chairman O'Connell called the pension meeting to order at 12:00 pm.

PRESENT: Chairman Paul D. O'Connell
 Vice Chairman Richard E. Avallone
 Trustee Sharra Aaronian
 Trustee Daniel M. Christophers
 Trustee John P. DeVoe
 Trustee Patrick S. Fletcher (12:10 pm)
 Trustee Peter McGinnis
 Trustee Richard H. Samolewicz

ALSO PRESENT: Pedro Herrera, Sugarman & Susskind
 Glenda Rowley, Deputy Administrator
 Brian Hall, Assistant to Deputy Administrator
 Charles Mulfinger, II, Graystone Consulting

Visitors included: Donald & Gloria Washington, Randy DeVore, Jerry Squadrito, Richard Sandell and Ken Campbell.

APPROVAL OF AGENDA

MOTION: To approve the meeting agenda. PASSED 7-0.

O'Connell			X	
Avallone	X		X	
Aaronian			X	
Christophers			X	
DeVoe			X	
McGinnis			X	
Samolewicz		X	X	

APPROVAL OF MINUTES

MOTION: To approve and waive the reading of the minutes of March 21, 2011. PASSED 7-0.

O'Connell			X	
Avallone	X		X	
Aaronian			X	
Christophers		X	X	
DeVoe			X	
McGinnis			X	
Samolewicz			X	

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<u>APPROVAL OF RETIREMENT APPLICATIONS</u>						
<p>MOTION: To approve a Normal Retirement application from Deputy Sheriff Brian K. McDonald effective 05/02/2011. PASSED 7-0.</p>	<p>O'Connell Avallone Aaronian Christophers DeVoe McGinnis Samolewicz</p>	<p>X</p>	<p>X</p>	<p>X X X X X X</p>	<p>X X X X X X</p>	<p>X X X X X X</p>
<u>APPROVAL OF DROP LOAN APPLICATIONS</u>						
<p>MOTION: To approve DROP loan applications from James Pendergast for \$10,000 and from John Stabile for \$30,000. PASSED 7-0.</p>	<p>O'Connell Avallone Aaronian Christophers DeVoe McGinnis Samolewicz</p>	<p>X</p>	<p>X</p>	<p>X X X X X X</p>	<p>X X X X X X</p>	<p>X X X X X X</p>
<u>APPROVAL OF WARRANT NOS. 4064 THROUGH 4081</u>						
<p>MOTION: To approve payment of bills set forth on Warrant Nos. 4064, \$238.09; No. 4065, \$62,273.40; No. 4066, \$406.94; No. 4067, \$175,000.00; No. 4068, \$324.76; No. 4069, \$483.63; No. 4070, \$396.14; No. 4071, \$3,981.68; No. 4072, \$2,765.72; No. 4073, \$83,279.87; No. 4074, \$8,514.90; No. 4075, \$200.00; No. 4076, \$16,748.75; No. 4077, \$10,000.00; No. 4078, \$30,000.00; No. 4079, \$500.00; No. 4080, \$11,100.79; and No. 4081, \$46,117.78. PASSED 7-0.</p>	<p>O'Connell Avallone Aaronian Christophers DeVoe McGinnis Samolewicz</p>	<p>X</p>	<p>X</p>	<p>X X X X X X</p>	<p>X X X X X X</p>	<p>X X X X X X</p>
<u>SET NET INVESTMENT RATE OF RETURN FOR 3/31/11 FUND DROP EARNINGS</u>						
<p>Mr. Mulfinger explained that with only preliminary estimates available for the alternative investments, he was not able to certify a DROP rate of return for this meeting. It will probably be another month before final numbers are available. This delay is due to the timing of the Symposium in relation to when Comerica finalizes the investment accounts.</p>						
<p>MOTION: To table this item until the June 20 Board meeting when Mr. Mulfinger submits a certified DROP rate of return. DROP statements will not be distributed until after this meeting. PASSED 7-0.</p>	<p>O'Connell Avallone Aaronian Christophers DeVoe McGinnis Samolewicz</p>	<p>X</p>	<p>X</p>	<p>X X X X X X</p>	<p>X X X X X X</p>	<p>X X X X X X</p>
<u>SUGARMAN & SUSSKIND</u>						
<p>Mr. Herrera discussed the proposed ordinance that changes the definitions</p>						

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<p>of actuarial equivalence and continuous service and corrects the pension adjustment provision. The actuary reviewed this and opined that it does not have an actuarial cost to the plan.</p> <p>MOTION: To approve the proposed ordinance as submitted. PASSED 7-0.</p>		<p>O'Connell Avallone Aaronian Christophers DeVoe McGinnis Samolewicz</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>	
<p>Trustee Avallone's irrevocable deduction authorization for payments to his ex-spouse was discussed. Mr. Herrera stated that the Board is authorized to deduct alimony or child support payments from a member's pension. Trustee Fletcher arrived during this discussion and Trustee Avallone excused himself from the meeting.</p>						
<p>MOTION: To approve payment of 50% of Richard Avallone's monthly retirement benefit to his ex-spouse until a total of \$87,850.00 has been paid. PASSED 7-0.</p>		<p>O'Connell Aaronian Christophers DeVoe Fletcher McGinnis Samolewicz</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>	
<p>Trustee Avallone returned to the meeting.</p>						
<p>Mr. Herrera recommended that the Board adopt a set of policies and procedures regarding divorce settlements to ensure having a uniform policy going forward. A policy will be developed and brought back to the Board at a future meeting.</p>						
<p>Comerica's offer of a Business Rewards Credit Card was discussed. Although the Board currently has a credit card arrangement with Bank of America, Comerica's card provides for 1% cash back plus reward points. However, under Comerica's application process, Chairman O'Connell would have to accept personal liability and provide all his personal information. In addition, each trustee would have to submit an application and be subject to a credit check. Comerica has a procedure to waive liability but it cannot be considered until after the cards are in effect. Mr. Herrera was not comfortable with the bank's procedures and the liability issue. The issue died for lack of a motion.</p>						
<p>Mr. Herrera gave a brief legislative update from Tallahassee but noted that things change almost daily; a full update will be prepared when the session ends on May 6th. He also reviewed the dates of some upcoming educational opportunities through the FPPTA.</p>						
<p>There was discussion about proxy voting policies and procedures. Mr. Herrera noted that the Dept. of Labor is starting to focus on this issue and</p>						

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<p>the responsibility trustees have as fiduciaries to vote proxies appropriately. It is important that Boards vote consistently and uniformly based on established policy. A proxy voting policy exists but Mr. Herrera said it probably should be revised to comply with recent changes in federal laws. Boards may establish a policy and vote their own proxies or delegate this responsibility to their investment managers. If delegated, the Board can ask the managers to use its policy or the Board can review and adopt each manager's policy. At the end of the proxy season, each manager must report how proxies were voted on behalf of the Board. Another alternative is to hire a proxy voting administrator who would develop a custom policy for the Board and act as liaison with the managers. The cost for this service is usually passed on to the managers.</p> <p>Sugarman and Susskind has two clients, Sarasota and Lakeland, who are currently taking action. Sarasota is gathering their managers' proxy voting policies and then will put together a comparison. Lakeland is reviewing how their managers voted their proxies to see if they are voting in line with the Board's philosophy and will then determine what action they need to take, if any. Mr. Herrera said his preference is to have the Board direct the investment managers the way the Board wants them to vote.</p> <p>Chairman O'Connell stated that he wanted to see what Sarasota and Lakeland are doing with their review and to monitor their findings and actions. The Board can then evaluate what is in the best interest of the Fund and proceed.</p> <p><u>COMMITTEE REPORTS</u></p> <p><u>Building Committee:</u> Chairman O'Connell stated that this report would be deferred until Trade Street's presentation on Saturday morning. The upcoming elevator and CRA projects would be discussed at that time.</p> <p><u>Investment Committee:</u> Chairman O'Connell acknowledged the work done by Trustee Avallone on the preparation of the Symposium booklets. Trustee Avallone reported that the process would be streamlined in the future by eliminating the names of the investment manager representatives because too many changes are made at the last minute. The investment manager lineup is all that is necessary.</p> <p>Mr. Mulfinger was asked to address comments made by INVESCO with regard to their real estate funds. He noted that the most important decision the Board makes with regard to its investments is the asset allocation, taking into account the returns and risks of each asset class. The Fund's equity target is 55% with the rest allocated to fixed income and alternative investments. The alternative investments are more conservative and help to lower the Fund's volatility. In the current market environment, the equities have grown to about 60%, which is still within the policy's highest range of 62.5%. Although the Board should start to consider reducing the equity exposure, the fixed income environment is not considered a viable alternative at this point in time.</p>						

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<p>The economist and fixed income managers from Thursday's presentations believed that earnings growth would continue. They also believed that interest rates would ultimately rise and fixed income values would ultimately decline. Mr. Mulfinger said that appears to be the general consensus out in the market place and admitted he starts to worry when everyone is in agreement. Although he was not recommending an immediate rebalancing, he noted that at some point in time the portfolio's equities need to be scaled back to 55%.</p> <p>Mr. Mulfinger discussed the INVESCO real estate investments, one being a Real Estate Investment Trust (REIT) and the other a Core Real Estate Fund (CREF). The REIT is more aggressive and highly volatile, similar to an equity fund. On the other hand, the CREF is more conservative and acts more like a fixed income security. The REIT anticipates the price of real estate before it moves and has already seen a big upward movement, whereas the CREF lags and has not seen as much of an increase. As a result, he feels that the timing is right to move the REIT funds to the CREF, taking advantage of INVESCO's open queue, as suggested by Mr. DeCosta of INVESCO. He feels this is moving risk off the table by shifting about 2½% of the portfolio from equities to alternative investments. He added that he would not be making this recommendation if the Fund had liquidity issues. Also, this action will require a change to the investment policy.</p> <p>MOTION: To commit the balance of the INVESCO REIT account to its CREF account, use this commitment to enter the CREF queue and authorize the Chairman to execute the necessary paperwork. When the CREF funds are called, the REIT account will be liquidated and the funds transferred. PASSED 8-0.</p> <p>Mr. Mulfinger gave a summary of the investment managers' presentations that were made the previous day and in the morning. He feels the Fund is very well positioned.</p> <p><u>DEPUTY ADMINISTRATOR'S REPORT</u></p> <p>Mrs. Rowley reported that she signed Notification of Benefits forms for David Smith, Mark Copley and Michael Auriemmo.</p> <p>It was noted that approximately \$100,000 worth of dividends was sitting in the INVESCO Core Real Estate account and Mr. Mulfinger recommended reinvesting the dividends in the future. INVESCO said they just need a letter of instruction.</p>	<p>O'Connell Avallone Aaronian Christophers DeVoe Fletcher McGinnis Samolewicz</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>	<p>X X X X X X X</p>	

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<p><u>INVESCO INTERNATIONAL</u> By: Justin Boller, Client Portfolio Manager.</p> <p>The investment manager presentations for Friday, April 29, 2011 concluded at 3:21 p.m. They were followed by a networking session from 3:25 – 6:00 pm and a dinner meeting, sponsored by the investment managers, at 7:00 pm at Ill Forks in Boca Raton.</p> <p><u>SATURDAY, APRIL 30, 2011</u></p> <p>The Board of Trustees reconvened at the Embassy Suites Deerfield Beach Resort, 950 S. Ocean Blvd. in Deerfield Beach, Florida. Chairman O’Connell called the meeting back to order at 9:05 am.</p> <p><u>PRESENT:</u> Chairman Paul D. O’Connell Vice Chairman Richard E. Avallone Trustee Sharra Aaronian Trustee Daniel M. Christophers Trustee John P. DeVoe Trustee Patrick S. Fletcher Trustee Peter McGinnis Trustee Richard H. Samolewicz</p> <p><u>ALSO PRESENT:</u> Charles H. Mulfinger, II, Graystone Consulting Glenda Rowley, Deputy Administrator</p> <p>Visitors included: Donald & Gloria Washington, Randy DeVore and Richard Sandell.</p> <p>The morning session started with a presentation by Neuberger Berman.</p> <p><u>NEUBERGER BERMAN PRIVATE EQUITY</u> By: Brien Smith, Managing Director, Daniel Parant, Vice President, and Christopher Frattaroli, Senior Vice President.</p> <p>MOTION: To increase the \$4.1 million private equity investment to NB Crossroads 2010 Fund to \$5 million. This is still within the 2.5% investment policy range. The request for the additional \$900K investment will be placed in their queue. When the investment is called, the funds will come from the Sands Capital account. PASSED 7-1.</p> <p>Trustee Samolewicz asked to go back on the record to yesterday’s Board meeting for a report of the Professional Advisors Committee. He noted that Mrs. Rowley has now been employed 16 months and should have had an annual review in January. As chairman of the committee, he suggested consideration of a 5% increase. He also recommended that employee reviews be placed on the agenda the month prior to their anniversary date. Mrs. Rowley noted that she had not planned to have this considered until her next anniversary.</p>	<p>O’Connell Avallone Aaronian Christophers DeVoe Fletcher McGinnis Samolewicz</p>	<p>X</p>	<p>X</p>	<p>X X X X X X</p>	<p>X</p>	

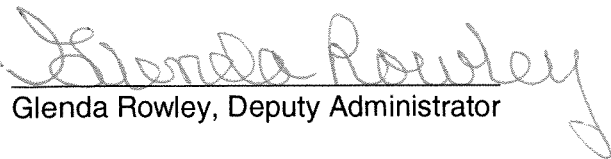
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<p>MOTION: To give the Deputy Administrator a 5% pay increase retroactive to January 2011. PASSED 8-0.</p> <p>The meeting continued with the final presentation.</p> <p><u>TRADE STREET CAPITAL</u> By: Ryan Hanks, Managing Director, and Collin Ross, Asset Manager</p> <p>Mr. Ross reported that although the Bank of America building was only 50% occupied, a slight profit of \$23K was attained for 2010. 2011 is also expected to be about break-even based on conservative estimates. There has been some interest in tenancy and he believes this will pick up as CRA developments on Atlantic Blvd. are completed. Projects for the building this year include exterior painting and lighting, removing the curb cut on Atlantic, redesigning and landscaping the front parking lot and installing a new elevator. He is still working with the CRA on the amount of their funding. There was a concern that landscaping the front parking lot might trigger a requirement to bring the entire property up to code; however, the City has indicated it will not require that. The CRA recommendation of a tenant like a coffee or bagel shop was reviewed but Mr. Ross does not think it will be financially feasible.</p> <p>There was discussion about the elevator project and how it would impact one tenant. Trade Street and Midgard are attempting to accommodate him with a temporary, portable office space in the parking lot. In addition, he is requesting a new lease and lower rent. A question was raised as to how important it is to retain him and Mr. Ross said it would cause the building budget to go negative if a replacement tenant is not found. The portable office is expected to cost about \$2,500 for three months. Replacement of the elevator is on hold pending settlement of issues with this tenant and permits for the temporary office, if needed. Mr. Ross said the office would be ADA compliant and would be covered by the building's liability insurance.</p> <p>Trustee McGinnis suggested approaching the CRA about putting a construction trailer on the property for their projects. We would not charge them if they did it now and allowed it to be used by the tenant in question. He also noted that all the contractors working on the CRA projects would rent office space during these extended projects and suggested that Mr. Ross inquire as to whether any would be interested in renting space in our building.</p>	<p>O'Connell Avalone Aaronian Christophers DeVoe Fletcher McGinnis Samolewicz</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X X</p>		

Mr. Ross was anticipating 2011 to be a status quo year and hoped for a better leasing year in 2012. He will follow up on some of the Board's ideas.

ADJOURNMENT

MOTION: To adjourn the Fifth Annual Educational Symposium meeting at 11:00 a.m. PASSED 8-0.

Respectfully submitted,


Glenda Rowley, Deputy Administrator

Distribution:
Board of Trustees
Robert A. Sugarman, Esq.
J. Stephen Palmquist
Charles H. Mulfinger, II
City Manager
Mayor
City Commission
Marcum
Webmaster

O'Connell
Aaronian
Avallone
Christophers
DeVoe
Fletcher
McGinnis
Samolewicz

X

X

X
X
X
X
X
X
X
X

SUMMARY OF RELEVANT FACTS
Pompano Beach Police & Firefighters' Retirement System
As of March 31, 2011

Distribution of Assets:

Equity		
-Large Cap. Value	\$30,485,875	
-Large Cap. Growth	\$23,863,327	
-Large Cap. Core	\$19,504,565	
-Mid Cap. Value	\$10,975,737	
-Small/Mid Cap. Growth	\$11,026,693	
-International Value	\$9,451,051	
-International Growth	\$10,244,803	
Total Equity		\$115,552,051
Fixed Income	\$45,247,145	
Real Estate (REIT)	\$4,656,451	
Private Real Estate	\$7,461,639	
Fund of Hedge Funds	\$17,223,012	
Private Equity	\$763,826	
Cash (Non-Managed Account)	\$1,687,871	
Total Portfolio	\$192,591,995	

Distribution by Percentages:

	Policy	Current
Equity Breakdown		
-Large Cap. Value	15.00%	15.83%
-Large Cap. Growth	10.00%	12.39%
-Large Cap. Core	10.00%	10.13%
-Mid Cap. Value	5.00%	5.70%
-Small/Mid Cap. Growth	5.00%	5.73%
-International Value	5.00%	4.91%
-International Growth	5.00%	5.32%
Total Equity	55.00%	60.00%
Fixed Income	25.00%	23.49%
Real Estate (REIT)	2.50%	2.42%
Private Real Estate	5.00%	3.87%
Fund of Hedge Funds	10.00%	8.94%
Private Equity	2.50%	0.40%
Cash (Non-Managed Account)	0.00%	0.88%
Total Portfolio	100.00%	100.00%

UBP Fund of Hedge Fund		
Fund of Hedge Fund	100.00%	\$5,536,726
Gain or (Loss)		\$60,627

Ironwood Fund of Hedge Fund		
Fund of Hedge Fund	100.00%	\$5,296,263
Gain or (Loss)		\$189,297

Pine Grove Fund of Hedge Fund		
Fund of Hedge Fund	100.00%	\$6,390,023
Gain or (Loss)		\$93,611

INVESCO (REIT)		
REIT	100.00%	\$4,656,451
Fees		(\$8,420)
Gain or (Loss)		\$281,806

INVESCO (Private Real Estate)		
Private Real Estate	100.00%	\$4,461,639
Fees		(\$11,790)
Gain or (Loss)		\$155,943

MAIN ACCOUNT (NON-MANAGED)		
Cash	100.00%	\$1,687,871
Gain or (Loss)		\$200

OFFICE BUILDING		
Total Assets	100.00%	\$3,000,000
Fees		\$0
Gain or (Loss)		(\$14,933)

NB Crossroads (Private Equity)		
Total Assets	100.00%	\$763,826
Fees		\$0
Gain or (Loss)		\$193,236

Other Important Facts:

Total Portfolio	\$192,591,995
Total Gain or (Loss) - Gross of Fees	\$7,173,101

LORD ABBETT

Total Assets	100.00%	\$30,485,875
Equity	97.08%	\$29,594,972
Cash	2.92%	\$890,903
Fees		(\$43,752)
Gain or (Loss)		\$1,549,491

SANDS CAPITAL MANAGEMENT

Total Assets	100.00%	\$23,863,327
Equity	99.27%	\$23,690,235
Cash	0.73%	\$173,091
Fees		(\$35,081)
Gain or (Loss)		\$1,064,176

CORNERSTONE

Total Assets	100.00%	\$19,504,565
Equity	98.30%	\$19,172,017
Cash	1.70%	\$332,547
Fees		(\$29,676)
Gain or (Loss)		\$901,396

RBC GLOBAL

Total Assets	100.00%	\$10,975,737
Equity	98.38%	\$10,797,552
Cash	1.62%	\$178,185
Fees		(\$17,619)
Gain or (Loss)		\$800,991

WELLS

Total Assets	100.00%	\$11,026,693
Equity	97.67%	\$10,769,658
Cash	2.33%	\$257,035
Fees		(\$21,416)
Gain or (Loss)		\$1,099,103

INVESCO (International Value)

Total Assets	100.00%	\$9,451,051
Equity	96.41%	\$9,111,497
Cash	3.59%	\$339,555
Fees		(\$15,208)
Gain or (Loss)		\$97,851

RENAISSANCE (International Growth)

Total Assets	100.00%	\$10,244,803
Equity	98.91%	\$10,132,977
Cash	1.09%	\$111,826
Fees		(\$16,036)
Gain or (Loss)		\$452,554

STANDISH MELLON

Total Assets	100.00%	\$21,555,929
Fixed	98.53%	\$21,238,669
Cash	1.47%	\$317,260
Fees		(\$16,220)
Gain or (Loss)		\$125,113

MUNDER CAPITAL MANAGEMENT

Total Assets	100.00%	\$21,289,761
Fixed	73.63%	\$15,676,456
Cash	26.37%	\$5,613,304
Fees		(\$14,379)
Gain or (Loss)		\$101,109

MUNDER - OTHER ASSETS

Total Assets	100.00%	\$2,401,455
Fixed	82.91%	\$1,991,134
Cash	17.09%	\$410,321
Fees		\$0
Gain or (Loss)		\$21,530

BREAKDOWN OF RETURNS
Pompano Beach Police & Firefighters' Retirement System
As of March 31, 2011

TRADITIONAL INVESTMENTS

LORD ABBETT		Your Returns		Russ 1000 Value	PSN Money Mgrs.	S&P 500
Large Cap. Value		Gross	Net			
	Quarter	5.20	5.20	6.46	6.34	5.92
	1 year	14.58	14.06	15.16	15.07	15.65
	3 year	1.83	1.26	0.61	2.59	2.35
	5 year	2.41	1.83	1.37	2.94	2.62
	Since 10/31/2004	4.40	3.83	4.39	NA	4.65
	<i>Lord Abbett/Boston - Since 9/30/2002</i>	8.11		8.55	8.95	8.01
	<i>Lord Abbett/Boston - Since 6/30/1995</i>	7.84		8.69	9.25	7.74
SANDS CAPITAL				Russ 1000 Growth	PSN Money Mgrs.	
Large Cap. Growth						
	Quarter	4.55	4.55	6.02	6.20	
	1 year	28.35	27.79	18.25	18.13	
	3 year	12.76	12.16	5.19	4.43	
	5 year	6.83	6.26	4.34	4.19	
	Since 5/31/2003	10.44	9.85	6.68	NA	
CORNERSTONE				S&P 500	PSN Money Mgrs.	
Large Cap. Core						
	Quarter	4.85	4.85	5.92	6.16	
	1 year	11.98	11.50	15.65	15.62	
	Since 1/31/2009	23.32	22.69	27.16	NA	
RBC GLOBAL				Russ Mid Value	PSN Money Mgrs.	
Mid Cap. Value						
	Quarter	7.77	7.60	7.44	6.32	
	1 year	25.66	24.82	22.29	17.97	
	Since 1/31/2009	35.07	34.25	37.89	NA	
WELLS				Russ 2500 Growth	PSN Money Mgrs.	
Small/Mid Cap. Growth						
	Quarter	10.93	10.93	9.83	9.38	
	1 year	39.09	38.18	30.07	30.11	
	Since 1/31/2009	44.58	43.61	41.85	NA	
INVESCO				MSCI EAFE Net		
International Value						
	Quarter	1.05	1.05	3.37		
	1 year	5.05	4.53	10.43		
	3 year	(1.33)	(1.96)	(3.02)		
	5 year	1.57	0.95	1.30		
	Since 1/31/2004	6.50	5.86	6.51		
RENAISSANCE				MSCI AC Wld x US		
International Growth						
	Quarter	4.62	4.62	3.40		
	1 year	15.22	14.66	13.15		
	Since 1/31/2009	28.04	27.43	30.61		
STANDISH MELLON				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
Fixed Income						
	Quarter	0.58	0.58	0.42	0.48	0.34
	1 year	5.97	5.73	5.12	4.76	4.63
	3 year	5.64	5.35	5.30	5.17	4.49
	5 year	5.99	5.70	6.02	5.96	5.69
	Since 4/30/2003	4.84	4.51	4.79	4.68	4.36
MUNDER CAPITAL				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
Fixed Income						
	Quarter	0.48	0.48	0.42	0.48	0.34
	1 year	4.98	4.77	5.12	4.76	4.63
	3 year	5.96	5.71	5.30	5.17	4.49
	5 year	6.50	6.26	6.02	5.96	5.69
	Since 9/30/2002	5.20	4.94	4.92	4.77	4.53

ALTERNATIVE INVESTMENTS

INVESCO					
<i>REIT</i>		Gross	Net	NAREIT	
	Quarter	6.43	6.24	7.49	
	1 year	22.16	21.48	25.00	
	3 year	3.72	3.07	2.63	
	Since 6/30/2006	3.22	2.52	2.13	
INVESCO					
<i>Private Real Estate</i>				NCREIF/BC AGG	NCREIF ODCE
	Quarter	3.62	3.34	0.42	4.01
	1 year	19.27	18.38	12.74	20.13
	3 year	(9.29)	(9.51)	(4.55)	(8.95)
	Since 7/31/2006	(2.70)	(2.85)	2.21	NA
OFFICE BUILDING					
<i>Private Real Estate</i>				BC Aggregate	90-Day T-Bill
	Quarter	(0.50)	(0.50)	0.42	0.03
	1 year	6.03	6.03	5.12	0.14
	3 year	(10.67)	(10.67)	5.30	0.38
	Since 3/31/2007	(7.04)	(7.04)	5.88	1.16
UBP					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	1.11	1.11	1.38	
	1 year	5.17	5.17	4.73	
	Since 4/30/2008	(1.29)	(1.29)	(1.46)	
Ironwood					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	3.71	3.71	1.38	
	1 year	10.42	10.42	4.73	
	Since 7/31/2008	(1.41)	(1.41)	(1.32)	
Pine Grove					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	1.49	1.49	1.38	
	1 year	5.93	5.93	4.73	
	Since 9/30/2008	6.18	6.18	1.34	
Neuberger Berman					
<i>Private Equity</i>					
	Quarter	38.97	38.97		
	Since 3/31/2010	(30.79)	(30.79)		
TOTAL FUND					
				Policy Index	Composite Index
	Quarter	3.86	3.73	3.82	4.10
	1 year	14.20	13.64	12.84	13.18
	3 year	5.42	4.93	3.98	4.81
	5 year	4.75	4.28	4.39	4.95
	Since 9/30/2002	7.74	7.28	7.71	8.03
	Since 6/30/1995	7.03			

Per the Board's request, all performance results (including but not limited to rates of return, risk, measures, unit values, and dollar values) prior to September 30, 2002, were provided by GRS Asset Consulting Group, who was the previous consultant. The performance data is believed to be accurate, but there is no assurance. Graystone Consulting has not calculated or independently verified the accuracy of the returns or market values and is not responsible or liable for any mistake or miscalculations. Effective September 30, 2002, all valuations and rates of return are calculated by Graystone Consulting.

COMPLIANCE CHECKLIST

Pompano Beach Police & Firefighters' Retirement System

As of March 31, 2011

GUIDELINES	In Compliance	OBJECTIVES	In Compliance
Equity Portfolio Listed on recognized exchange Single issue not to exceed 10% at market value for each equity in each separately managed portfolio Total equity portfolio < 62.5% of total fund at market value Foreign equities < 25% of total portfolio at market value No scrutinized companies (Sudani/Iran) held per Protecting Florida's Investments Act requirement	Yes Yes Yes Yes Yes	Total Portfolio Exceed Target Index - 3+ years Exceed actuarial assumption (8.1%) - 3+ years Exceed CPI + 3% - 3+ years * Inception date used = 9/30/02	Yes No No Yes
Lord Abbott & Company <u>Large Capitalization Value Equity Portfolio</u> Market Value 17.50% & > 12.50% of total fund Performance (Inception 10/31/04) Rank in the Top 50% of manager universe Performance > Russell 1000 Value	Yes Since Inception No Yes	Invesco <u>Private Real Estate Portfolio</u> Market Value < 7.5% of total fund Performance (Inception 9/3/06) Performance > NCREIF Property Performance > NCREIF ODCE	Yes Since Inception N/A N/A
Sands Capital Management <u>Large Capitalization Growth Equity Portfolio</u> Market Value < 12.50% & > 7.50% of total fund Performance (Inception 5/12/03) Rank in the Top 50% of manager universe Performance > Russell 1000 Growth	Yes Since Inception Yes Yes	Standish Mellon <u>Fixed Income Portfolio</u> Market Value < 13.75% & > 11.25% of total fund Performance (Inception 4/30/03) Performance > Barclays Capital Aggregate U.S. Government / Agency or U.S. Corporations Bonds rated "BBB" or better BBB rated bonds < 15% of fixed income portfolio at market Single corporate issuer not exceed 10% of bond portfolio (except U.S. Government/Agency)	Yes Since Inception Yes Yes Yes Yes Yes
Cornerstone <u>Large Capitalization Core Portfolio</u> Market Value < 12.50% & > 7.50% of total fund Performance (Inception 1/20/09) Rank in the Top 50% of manager universe Performance > S&P 500	Yes Since Inception No No	Munder Capital Management <u>Fixed Income Portfolio</u> Market Value < 13.75% & > 11.25% of total fund Performance (Inception 9/30/02) Performance > Barclays Capital Aggregate U.S. Government / Agency or U.S. Corporations Bonds rated "BBB" or better BBB rated bonds < 15% of fixed income portfolio at market Single corporate issuer not exceed 10% of bond portfolio (except U.S. Government/Agency)	Yes Since Inception Yes Yes Yes Yes
RBC Global <u>Mid Capitalization Value</u> Market Value < 7.5% & > 2.5% of total fund Performance (Inception 1/20/09) Rank in the Top 50% of manager universe Performance > Russell Midcap Value	Yes Since Inception Yes Yes	UBP <u>Fund of Hedge Funds</u> Market Value < 3.33% of total fund Performance (Inception 4/30/08) Performance > HFRI FOF Conservative Index	Yes Since Inception Yes Yes
Wells Capital <u>Small/Mid Capitalization Growth</u> Market Value < 7.5% & > 2.5% of total fund Performance (Inception 1/20/09) Rank in the Top 50% of manager universe Performance > Russell 2500 Growth	Yes Since Inception Yes Yes	Ironwood <u>Fund of Hedge Funds</u> Market Value < 3.33% of total fund Performance (Inception 7/31/08) Performance > HFRI FOF Conservative Index	Yes Since Inception No No
Invesco <u>International Value Equity Portfolio</u> Market Value < 7.5% & > 2.5% of total fund Performance (Inception 1/22/04) Performance > MSCI EAFE (Net)	Yes Since Inception Yes No	Pine Grove <u>Fund of Hedge Funds</u> Market Value < 3.33% of total fund Performance (Inception 9/30/08) Performance > HFRI FOF Conservative Index	Yes Since Inception Yes No
Renaissance <u>International Growth Equity Portfolio</u> Market Value < 7.5% & > 2.5% of total fund Performance (Inception 1/22/04) Performance > MSCI AC World ex US	Yes Since Inception No No	Neuberger Berman Crossroads <u>Private Equity</u> Market Value < 2.5% of total fund	Yes Since Inception Yes Yes
Invesco <u>Real Estate Investment Trust (REIT) Portfolio</u> Market Value < 5% of total fund Performance (Inception 6/1/06) Performance > FTSE NAREIT	Yes Since Inception Yes Yes		Yes