

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

**2335 EAST ATLANTIC BLVD.
SUITE 400
POMPANO BEACH, FLORIDA**

**BOARD OF TRUSTEES MINUTES
REGULAR MEETING
AUGUST 17, 2015**

The Board of Trustees convened at the Pompano Beach Police and Firefighters' Pension Office, Pompano Beach, Florida. The Chairman called the meeting to order at 3:01 PM.

PRESENT: Chairman Paul O'Connell
Vice-Chairman Richard Samolewicz
Trustee Sharra Aaronian
Trustee Daniel Christophers (departed 5:50 pm)
Trustee David Hall
Trustee Peter McGinnis (entered 5:00 pm)
Trustee Jorge Rossi

ABSENT: Trustee Vincent Femia
Trustee Patrick Fletcher

ALSO PRESENT: Pedro Herrera, Esq., Board Attorney
Glenda Rowley, Executive Director
Debra Tocarchick, Deputy Director
Charles Mulfinger, Graystone
Scott Owens, Graystone
Adam Burns, police member
Debbie Burns, spouse
Andrea Wolfson, Esq., Wolfson & Konigsburg
Susan Silverman, Paralegal, Wolfson & Konigsburg
Chris Boyd, Court Reporter

AUDIENCE TO BE HEARD

None

APPROVAL OF AGENDA

MOTION: To approve the agenda for August 17, 2015, as presented.
PASSED 6-0.

O'Connell			X	
Samolewicz	X		X	
Aaronian			X	
Christophers			X	
Hall		X	X	
Rossi			X	

APPROVAL OF MINUTES

MOTION: To waive the reading of the Regular Board meeting on July 20, 2015, and to approve same as submitted. PASSED 6-0.

O'Connell			X	
Samolewicz			X	
Aaronian			X	
Christophers			X	
Hall	X		X	
Rossi		X	X	

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Board of Trustees Minutes Page Two	August 17, 2015	TRUSTEES	M	S	Y	N
<u>APPROVAL OF DROP LOAN APPLICATION</u>						
<p>MOTION: To approve the DROP loan application from David W. Smith. PASSED 6-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Hall Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X</p>	<p>X X X X X</p>	
<u>RATIFICATION AND APPROVAL OF WARRANTS</u>						
<p>MOTION: To ratify and approve payment of benefits and expenses as set forth on Warrant No. 4624, \$121,626.91; No. 4625, \$1,800.00; No. 4626, \$1,844.50; No. 4627, \$505,796.57; No. 4628, \$3,565.79; No. 4629, \$44,611.50; No. 4630, \$13,031.73; No. 4631, \$17.88; No. 4632, \$16,077.92; No. 4633, \$463,087.09; No. 4634, \$40,000.00; No. 4635, \$24,276.25. PASSED 6-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Hall Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X</p>	<p>X X X X X</p>	
<u>JUNE 30, 2015 PERFORMANCE REPORT PRESENTED BY GRAYSTONE CONSULTING</u>						
<p>Charles Mulfinger and Scott Owens, on behalf of Graystone Consulting, presented the investment performance report for the quarter and year ending June 30, 2015. Mr. Mulfinger characterized the US equity market as mixed across styles, size and capitalizations both positive and negative. The bond market was negative and it was a difficult quarter to make money, although the fund did have a slight gain.</p>						
<p>Mr. Owens described the general US economy as continuing to do well with unemployment down from 5.5% to 5.3%, and new claims at a four-decade low. GDP for the second quarter was very good at 2.3% and inflation remains in check below the 2.0% Fed mandate, although the impact of the devaluation of the Chinese currency remains to be seen. The manufacturing and service sector indicators are both positive above 50, marking a 64 consecutive month expansion.</p>						
<p>Mr. Owens reviewed the results of the major indices for the quarter, noting that the best performing US equity index was the small cap index, up 0.42%, and the worst performing was the mid-cap index, down -1.54%. The value and growth styles for large caps were both positive, for mid-caps both negative, and for small cap one positive and one negative; amounting to a mixed market with a little bit on the upside and slightly more downward pressure. The international markets did better than the domestic markets due to the US dollar value and the fixed income markets were negative as a result of interest rates rising during the quarter.</p>						
<p>The total fund portfolio was valued at \$228,762,778 as of June 30, gaining \$545,810 during the quarter. The portfolio was slightly overweight to target allocations in every US equity asset class, equal weighted in international value equities, and slightly underweight in international growth, but overall still within an acceptable target range.</p>						

Board of Trustees Minutes Page Three	August 17, 2015	TRUSTEES	M	S	Y	N
<p>Fixed income was slightly overweight to target allocation and also within an acceptable range. No rebalancing was recommended at this time. Private real estate continues to do well. Hedge fund-of-funds are slightly behind but within an acceptable range. Master limited partnerships have taken a short-term loss due to oil prices being at a six and a half year low; however, Mr. Mulfinger is not concerned on a longer-term basis. Private equity returns are coming up due to moving beyond the J-Curve.</p> <p>Mr. Mulfinger reviewed each individual investment manager's performance relative to their benchmark and commented on the specific managers as noted below.</p> <p>The only equity manager that did not beat their benchmark for the quarter was BlackRock, at -0.63% versus 0.10%, due to underweighting financials and telecom and their stock selection within industrials and telecom. Their one-year performance is also below their benchmark at 2.88% vs. 4.14%; however, they are more conservative and defensive. They buy higher dividend paying stocks versus owning companies without earnings, and some of the companies without earnings were the biggest performers.</p> <p>Standish Mellon's CEO departed and their CIO moved into the CEO position but will be performing dual roles. Mr. Mulfinger has no concerns with the organizational change.</p> <p>Since Pine Grove is a more fixed income credit focused hedge fund-of-funds, their quarter, one and three year underperformance is reflecting that interest rates have been kept down; however, their five-year and "since inception" performance is still good.</p> <p>With regard to Center Coast's performance, oil prices are at a six and a half year low. As a mid-stream distribution MLP, Center Coast's belief is that their distributions are still intact and they aren't as affected by commodity price swings.</p> <p>Total gross returns for the quarter, 1-year and 3-year periods were 0.23%, 4.76% and 11.46%, respectively, and exceed the benchmark for all time periods. The "Summary of Relevant Facts" and "Breakdown of Returns", showing values and returns by manager, are attached as backup.</p> <p>Mr. Mulfinger reviewed the DROP performance report for quarter ended June 30, 2015 noting that the total fund was \$19,448,051, a gain of \$110,730. There are 21 funds in the investment line-up. Five funds are on watch for not meeting investment policy criteria; however, they do not qualify for termination.</p> <p>The Chairman requested that the DROP performance report be made available on the website for the benefit of the members participating in the DROP self-directed investment option. The newsletter will be revised to include a notice regarding the availability of the report on the website.</p>						

Board of Trustees Minutes Page Four	August 17, 2015	TRUSTEES	M	S	Y	N
<p>MOTION: To approve the June 30, 2015 Performance Evaluation Reports as submitted by Graystone Consulting. PASSED 6-0.</p> <p>MOTION: To set the net investment rate of return for the quarter ended 6/30/2015 at 0.23% for purposes of the Fund Rate DROP earnings in accordance with Mr. Mulfinger's 8/7/2015 letter of certification. PASSED 6-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Hall Rossi</p> <p>O'Connell Samolewicz Aaronian Christophers Hall Rossi</p>	<p>X</p> <p>X</p>	<p>X</p> <p>X</p>	<p>X</p> <p>X</p>	<p>X</p> <p>X</p>	<p>X</p> <p>X</p>
<p><u>CONTINUATION OF INFORMAL SERVICE-INCURRED DISABILITY HEARING FOR ADAM BURNS</u></p>						
<p>Mr. Burns and Ms. Wolfson brought a court reporter to the informal disability hearing. The meeting attendees identified themselves for the benefit of the court reporter's record.</p>						
<p>Mr. Herrera briefed the Board with respect to its prior action of identifying and obtaining additional medical records that were not made part of the original application and providing them to the IME doctor for his review and response as to whether these records changed his original opinion. The IME doctor's response dated July 17 is included in the record.</p>						
<p>Mr. Herrera reiterated to Mr. Burns and Ms. Wolfson that the Ordinance requires five affirmative votes for any Board action. Currently there are six Trustees present and three absent/excused. Sugarman & Suskind's opinion is that absent Trustees can participate in the meeting via telecommunication; however, they cannot vote. Ms. Wolfson indicated that her client made a decision to move forward without a full Board; however, for the record, she claimed to not have received the email indicating that absent Trustees cannot vote.</p>						
<p>Ms. Wolfson reasoned to the Board that because the IME doctor had an opportunity to review records, and readdress his opinion three times, she was requesting that the Board permit the treating physician, Dr. Shapiro, to communicate by telephone his differing opinion from the IME doctor's opinion. The Chairman had no objections but felt that it would be difficult to measure and might be lost in translation over the telephone.</p>						
<p>Ms. Wolfson questioned the appropriateness of Dr. Mena to perform the IME. She claimed that he is a pain doctor and Mr. Burns should have been sent to someone in the same specialty as his treating physicians. However, Mr. Herrera pointed out that Dr. Mena, as a physiatrist, is trained in treating and rehabilitating orthopedic injuries and therefore was an appropriate choice for Mr. Burns.</p>						

Board of Trustees Minutes Page Five	August 17, 2015	TRUSTEES	M	S	Y	N
<p>Mr. Herrera advised that it was the Board's decision whether to permit Dr. Shapiro to communicate by telephone. It would have been better to have Dr. Shapiro present or to have him provide a written report regarding his additional comments, which could be reviewed by the Board's IME doctor. It was noted that there was no way to confirm who might be on the telephone and he would not be giving sworn testimony.</p> <p>During discussion, Mr. Herrera added that this is an informal hearing so the doctor should be asked to state who he is for the record, the Board can listen to his comments, and afterward may request a written report for the record.</p> <p>Much discussion ensued with regard to the conclusions in Mr. Burns' medical records, the various physicians' specialties, and Mr. Burns' mediation, resignation, and workers' compensation issues.</p> <p>MOTION: To conference in Mr. Burns' orthopedic surgeon via telephone. FAILED IN A ROLL CALL VOTE 4-2.</p> <p>Ms. Wolfson further presented her client's case, commenting that the IME doctor's latest report indicates a few things that he didn't comment on before because he didn't look at the films.</p> <ul style="list-style-type: none"> ➤ He didn't see that there was a significant disc with foramina encroachment at C6-C7, whereas the neurosurgeon and orthopedic surgeons authorized under workers' compensation did. ➤ In hopes of getting better, Mr. Burns underwent an injection that the IME doctor had said he should consult with a neurosurgeon first about. The IME doctor did not see in the record that Mr. Burns did see a neurosurgeon exactly as the IME doctor said he should. The neurosurgeon indicated that you cannot safely do the job of a police officer with the C6-C7 disc condition. Mr. Burns had not qualified on the shooting range for nearly two years. ➤ The IME doctor did not question or comment as to how Mr. Burns could perform his job as a police officer with his dominant hand in a splint, although he recognized this was a restriction he was under based on Dr. Cummings record. Although both doctors indicate he can return to full duty using the splint, they believed that Mr. Burns can return to a desk job at BSO. Under BSO's policy, if you cannot perform the full duties of a police officer, you cannot return to work as a police officer. <p>The Trustees had the opportunity to ask questions which were answered by Mr. Burns and his attorney. In response to a question from the Vice-Chairman, Mr. Herrera advised that although the IME report opines that Mr. Burns is not totally and permanently disabled, other doctors' reports do. It is up to each Trustee to determine what is a reasonable decision based on the credible evidence.</p>	<p>O'Connell Samolewicz Aaronian Christophers Hall Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X</p>	<p>X X</p>	

Board of Trustees Minutes Page Seven	August 17, 2015	TRUSTEES	M	S	Y	N
<p>Mr. Herrera also reported that 2015-037, amending Chapters 175 and 185, is in effect. It essentially redefines how premium tax monies are allocated and establishes a default mechanism. By mutual consent, the union/members and the plan sponsor may negotiate the allocation of the excess premium monies. Absent an agreement, a default of a 50/50 split applies.</p> <p>For the firefighters, the new law will take effect with the first collectively bargained agreement after July 1, 2015. The parties may agree to the existing arrangement, or negotiate something different. Absent an agreement, the default mechanism applies.</p> <p>For the police members, who are not represented by a collective bargaining agreement, a mutual agreement may be reached between the City and a majority of the active and DROP members (defined by statute); otherwise, it goes to the default. This applies to the incoming monies as well as the monies being held in reserve, which currently totals \$215,163.</p> <p>The default for the reserve account would require 50% to go into a share plan for the active and DROP police members, and 50% to the City. The default mechanism for the future premium tax revenues allocation would apply to anything over the base amount with the new base year established as 2002. According to the statute, a share plan must be established by October 1.</p> <p>The Board agreed to arrange a meeting and provide its legal counsel as a resource to explain the statute to the remaining active police members and authorized the Chairman to discuss the matter with counsel in the interim. The informal meeting will be held at the Pension Office and will be noticed. Afterward, a letter will be sent to the City Manager. The Board agreed by consensus to direct the actuary to prepare an impact statement for the new Chapter 2015-037 default mechanism for both the police and firefighter groups.</p> <p>The new statute also requires that an expense budget is required to be adopted for the new fiscal year.</p> <p>It was reported that Carl Tuttle's IME is scheduled for September 2 with Dr. Sehayik and Executive Director Rowley said that the hearing is tentatively scheduled for the September 21 meeting.</p> <p>Educational opportunities with FPPTA and DOR were discussed.</p> <p><u>ADMINISTRATIVE AND MISCELLANEOUS ISSUES</u></p> <p>Mrs. Rowley submitted a memorandum regarding the annual review of the disability retirees. Under the Board's policy, everyone has met one or more of the criteria to be exempted from the review except for Kimberly Leonard, Mark Munson, Mark Rider and John Sinks. Chairman O'Connell attested to the continued disability of Mr. Sinks.</p>						

Board of Trustees Minutes Page Eight	August 17, 2015	TRUSTEES	M	S	Y	N
<p>The question was raised as to what would occur if someone was deemed to no longer be disabled. Mr. Herrera advised that the pension would be discontinued pursuant to Chapters 175 or 185 unless they had attained normal retirement requirements. The employer is not obligated to return them to their former position.</p> <p>MOTION: To accept all disability retirees as exempt from the annual review with no further action except for Kim Leonard, Mark Munson and Mark Rider. PASSED 6-0.</p> <p>The appropriate paperwork for the disability review of these three members will be gathered and brought back to the Board for review and further action as needed.</p> <p>The 'Your Pension Matters' newsletter will be revised to include information regarding the DROP Performance Review.</p> <p>Trustee Hall reported that the insurance agents still believe that travel insurance falls under the same provisions as an individual's policy and withdrew his request to explore the issue of travel insurance any further.</p> <p><u>COMMITTEE REPORTS</u></p> <p><i>Professional Advisors Review Committee:</i> Chairman Samolewicz reported that three applications were received in response to the Deputy Director search. The information was disseminated to the Committee members for review. A Committee meeting will be convened to review and discuss whether to interview the three individuals in order to make a recommendation to the Board.</p> <p>No reports were rendered for the Investment or Communications Committees.</p> <p><u>EXECUTIVE DIRECTOR'S REPORT</u></p> <p>The new Workcentre 5955 copier was installed on August 12.</p> <p>The RFP for a new pension administration system was issued with a deadline of August 28 for vendor questions and a deadline of September 18 for responses.</p> <p>Trustee McGinnis reported that the template for the memorial lobby plaques should be available at the September 21 meeting to review. The Chairman reported that Mark Corlew generously donated lobby space for the plaques and is paying the full cost. An unveiling is planned for January 24, 2016.</p>	<p>O'Connell Samolewicz Aaronian Christophers Hall McGinnis Rossi</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>	

ADJOURNMENT

MOTION: To adjourn the August 17, 2015 meeting at 6:19 PM.

O'Connell			X	
Samolewicz			X	
Aaronian			X	
Christophers			X	
Hall	X		X	
McGinnis		X	X	
Rossi			X	

Respectfully submitted,



Glenda Rowley, Executive Director

Distribution:

- Board of Trustees
- Robert A. Sugarman, Esq.
- Pedro Herrera, Esq.
- David Harris, Actuary
- City Manager
- Mayor and City Commission Webmaster
- City Clerk
- Assistant City Attorney
- City HR Director
- President IAFF Local 1549
- Marcum

REGULAR MEETING – AUGUST 17, 2015

ITEM NO. 6 - WARRANT NOS. 4624 THROUGH 4635

Ratified and Approved on 08/17/2015

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
4624	BlackRock Investment Management, LLC Lazard Asset Management RBC Global Asset Management Wells Fargo Bank, NA	Investment management fees quarter ended 9/30/15; \$40,815.51 Investment management fees quarter ended 6/30/15; \$17,924.62 Investment management fees quarter ended 6/30/15; \$33,378.20 Investment management fees quarter ended 6/30/15; \$29,508.58	121,626.91
4625	Dr. Roni Sehayik	IME for Carl Tuttle; \$1,800.00	1,800.00
4626	Pompano Beach Chamber of Commerce Paul O'Connell Xerox Corporation Jose Mena	Annual membership for period ending 8/31/16; \$350.00 Harvard 'Senior Executives in State and Local Government' expense reimbursement; \$535.04 Inv No. 080586784, July lease; \$159.46 Adam Burns Disability Records Review; \$800.00	1,844.50
4627	Comerica Bank FBO Cheryl A. Nielsen	Wire transfer from Alerus Retirement Solutions to Comerica Bank the current DROP account balance of Cheryl A. Nielsen, who has elected the fund rate option; \$505,796.57	505,796.57
4628	Bank of America	Glenda Rowley: Medical records, \$52.36; Trustee laptops and mice, \$84.69; office computer battery backup, \$131.43; Get Well gift, \$100.00, Total: \$368.48 Debbie Tocarchick: Board meeting expense, \$15.97; medical records, \$78.90; Envelopes, \$228.00; Comcast cable/internet, \$258.98; FPPTA Fall School, \$646.90; Total: \$1,228.75 Paul O'Connell: Harvard Program educational expense, \$685.36 Vincent Femia: FPPTA Fall Trustees' School, \$636.30 Jorge Rossi: FPPTA Fall Trustees' School, \$646.90	3,565.79
4629	Raymond James & Associates, Inc. FBO Patricia A. Bradley	Trustee-to-trustee transfer of share plan balance due to separation of service on 8/31/15; \$44,611.50	44,611.50
4630	Victory Capital Management, Inc. FP Mailing Solutions Office Depot The Nyhart Company, Inc.	Investment management fees quarter ended 9/30/15; \$12,795.00 Inv No. RI102518321, 8/2/15 – 11/1/15, quarterly postage meter lease; \$78.00 Inv No. 1821893908, Office supplies; \$53.73 Inv No. 011407, 7/1-7/31/15, variable COLA letter; \$105.00	13,031.73
4631	UBS Financial Services FBO Peter J. Clavell	Trustee-to-trustee transfer of final residual balance of Fund Rate DROP account earnings less fees for quarter ended 6/30/15; \$17.88	17.88
4632	Comerica Bank	Inv. No. 414874, custodial fees qtr ended 6/30/15; \$16,077.92	16,077.92

REGULAR MEETING – AUGUST 17, 2015

ITEM NO. 6 - WARRANT NOS. 4624 THROUGH 4635

Ratified and Approved on 08/17/2015

4633	Alerus Retirement Solutions FBO Ted T. Patton	Wire transfer to Alerus Retirement Solutions the current DROP account balance of Ted T. Patton who has elected the employee-directed mutual fund option. The balance does not include earnings less fees for quarter ending 9/30/15; \$463,087.09	463,087.09
4634	David W. Smith Florida Department of Revenue Alerus Financial	DROP loan net amount to David W. Smith; \$39,760.00 Documentary stamps for David W. Smith's DROP loan; \$140.00 Loan processing fee for David W. Smith; \$100.00	40,000.00
4635	Morgan Stanley Smith Barney	Inv consulting fee qtr ending 6/30/15; \$20,526.25 DROP consulting fee qtr starting 7/1/15; \$3,750.00, Total \$24,276.25	24,276.25

SUMMARY OF RELEVANT FACTS
Pompano Beach Police & Firefighters' Retirement System
As of June 30, 2015

Distribution of Assets:	
Equity	
-Large Cap. Value	\$28,691,943
-Large Cap. Growth	\$29,031,554
-Large Cap. Core	\$3,581
-Mid Cap. Value	\$12,747,069
-Small/Mid Cap. Growth	\$13,228,650
-International Value	\$17,146,871
-International Growth	\$17,138,031
Total Equity	\$117,987,699
Fixed Income	\$51,745,135
Private Real Estate	\$16,201,230
Fund of Hedge Funds	\$20,930,482
Master Limited Partnerships	\$11,060,025
Private Equity	\$8,380,861
Cash (Non-Managed Account)	\$2,457,346
Total Portfolio	\$228,762,778

Distribution by Percentages:	Policy	Current
Equity Breakdown		
-Large Cap. Value	12.50%	12.54%
-Large Cap. Growth	12.50%	12.69%
-Large Cap. Core	0.00%	0.00%
-Mid Cap. Value	5.00%	5.57%
-Small/Mid Cap. Growth	5.00%	5.78%
-International Value	7.50%	7.50%
-International Growth	7.50%	7.49%
Total Equity	50.00%	51.58%
Fixed Income	22.50%	22.62%
Private Real Estate	7.50%	7.08%
Fund of Hedge Funds	10.00%	9.15%
Master Limited Partnerships	5.00%	4.83%
Private Equity	5.00%	3.66%
Cash (Non-Managed Account)	0.00%	1.07%
Total Portfolio	100.00%	100.00%

INVESCO (Private Real Estate)		
Private Real Estate	100.00%	\$13,201,230
Fees		(\$36,495)
Gain or (Loss)		\$667,768

OFFICE BUILDING		
Total Assets	100.00%	\$3,000,000
Gain or (Loss)		\$24,454

UBP Fund of Hedge Fund		
Fund of Hedge Fund	100.00%	\$752,325
Gain or (Loss)		\$974

MAIN ACCOUNT (NON-MANAGED)		
Cash	100.00%	\$2,457,346
Gain or (Loss)		\$92

Other Important Facts:	
Total Portfolio	\$228,762,778
Total Gain or (Loss) - Gross of Fees	\$545,810

BLACKROCK			
Total Assets	100.00%	\$28,691,943	
Equity	96.05%	\$27,557,423	
Cash	3.95%	\$1,134,520	
Fees		(\$34,896)	
Gain or (Loss)		(\$264,738)	

SANDS CAPITAL MANAGEMENT			
Total Assets	100.00%	\$29,031,554	
Equity	98.50%	\$28,596,739	
Cash	1.50%	\$434,815	
Fees		(\$36,659)	
Gain or (Loss)		(\$96,967)	

CORNERSTONE			
Total Assets	100.00%	\$3,581	
Equity	99.83%	\$3,575	
Cash	0.17%	\$6	
Fees		(\$33,165)	
Gain or (Loss)		\$391,173	

RBC GLOBAL			
Total Assets	100.00%	\$12,747,069	
Equity	99.38%	\$12,667,822	
Cash	0.62%	\$79,247	
Fees		(\$12,102)	
Gain or (Loss)		\$268,479	

WELLS			
Total Assets	100.00%	\$13,228,650	
Equity	95.87%	\$12,681,963	
Cash	4.13%	\$546,687	
Fees		(\$29,612)	
Gain or (Loss)		\$444,701	

Ironwood Fund of Hedge Fund			
Fund of Hedge Fund	100.00%	\$10,453,605	
Gain or (Loss)		\$70,924	

Pine Grove Fund of Hedge Fund			
Fund of Hedge Fund	100.00%	\$9,724,552	
Gain or (Loss)		(\$25,385)	

Center Coast Master Limited Partnerships			
Fund of Hedge Fund	100.00%	\$11,060,025	
Gain or (Loss)		(\$464,812)	

LAZARD (International Value)			
Total Assets	100.00%	\$17,146,871	
Equity	98.29%	\$16,854,123	
Cash	1.71%	\$292,748	
Fees		(\$15,161)	
Gain or (Loss)		\$182,513	

RENAISSANCE (International Growth)			
Total Assets	100.00%	\$17,138,031	
Equity	98.79%	\$16,931,108	
Cash	1.21%	\$206,922	
Fees		(\$19,743)	
Gain or (Loss)		\$47,905	

STANDISH MELLON			
Total Assets	100.00%	\$25,847,706	
Fixed	85.59%	\$22,123,557	
Cash	14.41%	\$3,724,149	
Fees		(\$19,371)	
Gain or (Loss)		(\$455,126)	

MUNDER CAPITAL MANAGEMENT			
Total Assets	100.00%	\$25,897,428	
Fixed	92.72%	\$24,013,178	
Cash	7.28%	\$1,884,251	
Fees		\$0	
Gain or (Loss)		(\$414,361)	

NB CROSSROADS (PRIVATE EQUITY) #1			
Total Assets	100.00%	\$3,789,873	
Gain or (Loss)		\$0	

NB CROSSROADS (PRIVATE EQUITY) #2			
Fund of Hedge Fund	100.00%	\$758,891	
Gain or (Loss)		\$0	

BLACKSTONE (PRIVATE EQUITY)			
Total Assets	100.00%	\$2,346,714	
Gain or (Loss)		\$94,156	

GOLDMAN SACHS (PRIVATE EQUITY)			
Total Assets	100.00%	\$1,485,383	
Gain or (Loss)		\$74,059	

BREAKDOWN OF RETURNS
Pompano Beach Police & Firefighters' Retirement System
As of June 30, 2015

TRADITIONAL INVESTMENTS

BLACKROCK		Your Returns				
<i>Large Cap. Value</i>		Gross	Net	Russ 1000 Value	PSN Money Mgrs.	S&P 500
	Quarter	(0.63)	(0.78)	0.10	(0.15)	0.28
	1 year	2.88	2.26	4.14	4.58	7.43
	Since 1/31/2013	10.97	10.32	15.05	NA	16.58
SANDS CAPITAL				Russ 1000 Growth	PSN Money Mgrs.	
<i>Large Cap. Growth</i>						
	Quarter	0.32	0.17	0.12	0.63	
	1 year	8.43	7.79	10.57	10.41	
	3 year	19.55	18.84	17.99	18.22	
	5 year	22.56	21.83	18.59	17.96	
	Since 5/31/2003	12.73	12.10	9.23	NA	
RBC GLOBAL				Russ Mid Value	PSN Money Mgrs.	
<i>Mid Cap. Value</i>						
	Quarter	2.10	2.01	(1.97)	(0.95)	
	1 year	11.71	11.12	3.68	3.95	
	3 year	23.65	23.01	19.13	17.40	
	5 year	20.29	19.59	17.73	17.00	
	Since 1/31/2009	21.33	20.62	20.76	NA	
WELLS				Russ 2500 Growth	PSN Money Mgrs.	
<i>Small/Mid Cap. Growth</i>						
	Quarter	3.44	3.21	0.60	1.49	
	1 year	12.79	11.80	11.28	10.08	
	3 year	19.52	18.47	20.33	19.86	
	5 year	20.74	19.67	19.54	19.38	
	Since 1/31/2009	23.50	22.46	22.16	NA	
LAZARD				MSCI AC Wld x US		
<i>International Value</i>						
	Quarter	2.18	2.05	0.53		
	1 year	(3.91)	(4.42)	(5.27)		
	Since 1/31/2013	5.61	5.12	4.33		
RENAISSANCE				MSCI AC Wld x US		
<i>International Growth</i>						
	Quarter	1.52	1.31	0.53		
	1 year	(2.24)	(2.92)	(5.27)		
	3 year	13.26	12.52	9.44		
	5 year	11.50	10.78	7.76		
	Since 1/31/2009	13.42	12.72	11.45		
STANDISH MELLON				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
<i>Fixed Income</i>						
	Quarter	(1.76)	(1.83)	(1.68)	(0.67)	(0.62)
	1 year	1.47	1.09	1.85	1.89	1.68
	3 year	2.19	1.84	1.82	1.74	1.60
	5 year	3.76	3.42	3.35	2.89	2.79
	Since 4/30/2003	4.52	4.18	4.36	4.08	3.85
MUNDER CAPITAL				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
<i>Fixed Income</i>						
	Quarter	(1.62)	(1.62)	(1.68)	(0.67)	(0.62)
	1 year	1.83	1.67	1.85	1.89	1.68
	3 year	2.43	2.31	1.82	1.74	1.60
	5 year	3.89	3.70	3.35	2.89	2.79
	Since 9/30/2002	4.82	4.59	4.47	4.17	3.99

ALTERNATIVE INVESTMENTS

INVESCO					
<i>Private Real Estate</i>		Gross	Net	NCREIF	NCREIF ODCE
	Quarter	5.32	5.02	3.14	
	1 year	16.55	15.25	12.97	
	3 year	13.67	12.40	11.64	
	5 year	14.51	13.20	12.72	
	Since 7/31/2006	4.38	3.21	7.12	
OFFICE BUILDING					
<i>Private Real Estate</i>				90-Day T-Bill	BC Aggregate
	Quarter	0.63	0.63	0.00	(1.68)
	1 year	117.41	117.41	0.02	1.85
	3 year	8.82	8.82	0.05	1.82
	5 year	6.57	6.57	0.06	3.35
	Since 3/31/2007	(0.76)	(0.76)	0.59	4.68
UBP					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	0.13	0.13	0.32	
	1 year	1.98	1.98	2.75	
	3 year	2.60	2.60	5.53	
	5 year	2.21	2.21	3.67	
	Since 4/30/2008	0.09	0.09	1.07	
Ironwood					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	0.68	0.68	0.32	
	1 year	5.73	5.73	2.75	
	3 year	9.34	9.34	5.53	
	5 year	8.12	8.12	3.67	
	Since 7/31/2008	3.61	3.61	1.21	
Pine Grove					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	(0.26)	(0.26)	0.32	
	1 year	(1.59)	(1.59)	2.75	
	3 year	5.27	5.27	5.53	
	5 year	4.22	4.22	3.67	
	Since 9/30/2008	4.35	4.35	2.28	
Center Coast					
<i>Master Limited Partnerships</i>				Alerian MLP	
	Quarter	(4.16)	(4.16)	(6.09)	
	Since 1/31/2015	(4.57)	(4.57)	(8.20)	
Neuberger Berman					
<i>Private Equity #1</i>		Time-Wtd	Dollar-Wtd	S&P 500	
	Quarter	0.00	0.00	0.28	
	1 year	11.78	11.85	7.43	
	3 year	13.07	13.54	17.31	
	5 year	0.54	10.21	17.35	
	Since 3/31/2010	0.52	10.16	13.80	
Neuberger Berman					
<i>Private Equity #2</i>		Time-Wtd	Dollar-Wtd	S&P 500	
	Quarter	0.00	0.00	0.28	
	Since 7/31/2014	(4.12)	(3.87)	8.93	
Blackstone					
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	S&P 500	
	Quarter	4.22	3.87	0.28	
	1 year	9.07	7.47	7.43	
	Since 11/30/2013	12.71	8.65	11.02	
Goldman Sachs					
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	S&P 500	
	Quarter	5.95	5.80	0.28	
	1 year	15.26	15.05	7.43	
	Since 12/31/2013	8.21	14.88	9.83	

TOTAL FUND					
<i>Time-Weighted Return (TWR)</i>				Policy Index	Composite Index
Quarter		0.23	0.12	(0.41)	(0.41)
1 year		4.76	4.26	3.77	3.97
3 year		11.46	10.90	10.83	11.29
5 year		11.49	10.93	11.04	11.32
Since 9/30/2002		8.02	7.51	7.91	8.19
Since 6/30/1995		7.35			

TOTAL FUND					
<i>Dollar-Weighted Net Return (IRR)</i>				Actuarial Rate	CPI +3
Quarter			0.13	1.82	1.61
1 year			4.25	7.50	2.99
3 year			11.06	7.50	4.29
5 year			11.10	7.50	4.83
Since 9/30/2002			7.51	7.50	5.19

Note

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.