

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

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

**BOARD OF TRUSTEES MINUTES
REGULAR MEETING
NOVEMBER 21, 2016**

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 (arrived at 3:05 PM)
Trustee Daniel Christophers
Trustee Robert Drago
Trustee David Hall
Trustee Peter McGinnis (arrived at 3:17 PM)
Trustee Jorge Rossi

ABSENT: Trustee Vincent Femia

ALSO PRESENT: Robert A. Sugarman, Esq., Board Attorney
Debra Tocarchick, Executive Director
Amanda Cintron, Deputy Director

VISITORS: Phyllis Korab, Assistant City Manager
Ed Beecher, HR Director
Pat Fletcher, Police Member
Andrea Levine, Police Member

AUDIENCE TO BE HEARD

None

APPROVAL OF AGENDA

MOTION: To approve the agenda for November 21, 2016, as presented. PASSED 6-0.

	MOTION	SECONDS	VOTED YES	VOTED NO
O'Connell			X	
Samolewicz		X	X	
Christophers			X	
Drago			X	
Hall	X		X	
Rossi			X	

APPROVAL OF MINUTES

MOTION: To 'Amend the Minutes Previously Adopted' of the Regular Board Meeting on September 19, 2016 in order to correct the three-year term of Trustee Rossi as expiring on September 12, 2019. PASSED 6-0.

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

<p>Board of Trustees Minutes Page Two</p> <p style="text-align: right;">November 21, 2016</p>	TRUSTEES	M	S	Y	N
<p>MOTION: To waive the reading of the minutes of the Regular Board meeting on October 17, 2016, and to approve same as presented. PASSED 6-0.</p>	<p>O'Connell Samolewicz Christophers Drago Hall Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X</p>	<p>X X X X X</p>
<p><u>RATIFICATION AND APPROVAL OF WARRANTS</u></p>					
<p>MOTION: To ratify and approve payment of benefits and expenses as set forth on Warrants No. 4785, \$50,000.00; No. 4786, \$118,188.39; No. 4787, \$6,118.56; No. 4788, \$165,278.00; No. 4789, \$54,633.55; No. 4790, \$4,179.42; No. 4791, \$1,129.28; No. 4792, \$246.87; No. 4793, \$2,450.45; No. 4794, \$5,978.46; No. 4795, \$9,315.15; No. 4796, \$20,236.66; No. 4797, \$43,172.09; No. 4798, \$36,059.74; No. 4799, \$3,907.00. PASSED 6-0.</p>	<p>O'Connell Samolewicz Christophers Drago Hall Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X</p>	<p>X X X X X</p>
<p><u>SEPTEMBER 30, 2016 INVESTMENT PERFORMANCE REPORT PRESENTED BY GRAYSTONE CONSULTING</u></p>					
<p>Charles Mulfinger and Scott Owens, on behalf of Graystone Consulting, presented the investment performance report for the quarter and year ending September 30, 2016.</p>					
<p>Mr. Owens discussed the general economy noting that it is still on strong footing and fundamentals are beginning to matter again. Graystone believes the market is in an 'earnings trough' which suggests that earnings will begin to improve quarter by quarter in the near and immediate future. In the quarter, eighty percent of companies reporting earnings beat earnings estimates, and sixty percent of companies beat their revenue estimates. Unemployment is still in the 4.9% range and wages are increasing. Third quarter GDP was up 2.9% and second quarter GDP was also revised up. The housing market continues to be strong; however, it is expected to slow a little in the coming quarter as interest rates begin to rise. Manufacturing and service sector numbers continue to expand slightly above 50. The expectation is still slow growth and muted returns.</p>					
<p>In the US capital markets, most of the major indices had very good returns for the quarter. The Russell indices showed that small companies outperformed large and midcap companies; and growth outperformed value. In the S&P 500, the Information Technology sector was a top performer with Telecommunications and Utilities being the laggards. Interestingly, last quarter Telecommunications and Utilities were the two best performers and Information Technology was the worst performer, thus illustrating the importance of diversification.</p>					
<p>In the international markets, both the broad market developed index and the emerging markets had positive returns.</p>					
<p>In the fixed income market, interest rates on the 10-year Treasury increased during the third quarter from 1.47% to 1.59%, and continue to increase during the fourth quarter. When interest rates increase, the</p>					

Board of Trustees Minutes Page Three	November 21, 2016	TRUSTEES	M	S	Y	N
<p>value of bonds declines. The quarter could be described as a ‘risk on’ trade where riskier small cap growth equities did well, equity overall performed well and fixed income did not. Graystone expects fixed income to continue to struggle in the fourth quarter due to the high probability of an interest rate hike in December.</p> <p>Mr. Mulfinger attributed the strong market performance since the presidential election as a result of the President-Elect’s pro-growth campaign promises; i.e. increased fiscal spending on infrastructure projects, strengthening of the military, cutting taxes, repatriating taxes back into America.</p> <p>In reviewing the Plan’s asset allocation, the fact that the Board reduced the fixed income holdings should benefit the Plan as bond prices decrease. The diversification to other assets which act ‘bond-like’ should help the Plan achieve its investment assumption rate. Private real estate is a little overweight as the investment continues to increase in value. Hedge Funds are another diversifier, and both Pine Grove and Ironwood performed well in the quarter. Master limited partnerships have finally increased in value after the initial decline in the investment, and Graystone still views the MLP space as a good opportunity. The private equity investments are still being called.</p> <p>Moving to the total fund portfolio, the Plan’s market value was \$217,697,523 as of September 30, gaining \$7,933,241 for the quarter.</p> <p>Mr. Mulfinger reviewed each individual investment manager’s performance relative to their benchmark and commented on specific active managers who were positively impacted during the quarter as a result of their sector weightings.</p> <p>Last quarter Sands was the lowest performing equity manager, but this quarter they were up 11.31% versus their benchmark of 4.58%, with an aggressive 55% overweight in the Technology sector driving their gains.</p> <p>RBC Global was up 8.45% versus their index of 4.45% due to an overweight to Technology and Consumer Discretionary sectors, and an underweight to Utilities and Telecommunications.</p> <p>The gains for the private equity investment managers were reported as zero for the quarter due to the timing of receiving their quarterly valuations. These managers were compared to the Treasury Bill as the return for the combined dynamic index for comparison purposes.</p> <p>Total gross returns for the quarter, 1-year and 3-year periods were 3.74%, 8.29% and 5.79%, respectively. Going back to the fourth quarter of 2002, the Plan’s return has been 7.47% to the policy index of 7.31%, with higher return, mixed risk, positive alpha and positive Sharpe Ratio. The dollar-weighted return beat the 7.50% actuarial assumption for the 1-year period at 7.68%. The “Summary of Relevant Facts” and “Breakdown of Returns”, showing values and returns by manager, are attached on the backup.</p>						

Board of Trustees Minutes Page Four	November 21, 2016	TRUSTEES	M	S	Y	N
<p>A question was raised regarding the renegotiation of investment manager fees. Mr. Mulfinger answered that most of the investment managers have Most Favored Nations clauses in their agreements. Graystone will provide an investment manager fee analysis for discussion at the next quarterly investment performance presentation.</p> <p>Graystone presented an education piece that analyzes the universe of all active managers from 1999 to 2016 against the S&P 500 during those same time periods. Graystone assembled this study in response to their other clients who have inquired whether Plans should be investing passively in the S&P 500 given that the market has gone up for the past seven years. Based on the analysis and discussion, the time to go passive is when the market is down and everything is priced low.</p> <p>Mr. Mulfinger presented the DROP Quarterly Performance Evaluation Report noting that over 70% of the participant DROP monies are invested in the fund rate option. Of those invested in the mutual fund option, 15.9% are in the money market fund and the remainder in the mutual fund lineup.</p> <p>It is the Board's responsibility to monitor the type and quality of investment funds offered. The Board offers 21 investment options which is viewed as a sound number. Seven funds are on watch, mostly because they are more conservative and have not captured as much of the up market, but are intended to protect in a down market. Graystone is not recommending any terminations at this time.</p>						
<p>MOTION: To approve the September 30, 2016 Performance Evaluation Reports as submitted by Graystone Consulting. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Drago Hall McGinnis Rossi</p>	<p>X</p>		<p>X X X X X X X</p>		
<p>MOTION: To set the net investment rate of return for the quarter ended 9/30/2016 at 3.74% for purposes of the Fund Rate DROP earnings in accordance with Mr. Mulfinger's 11/9/2016 letter of certification. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Drago Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>		
<p>Mr. Mulfinger addressed a communication dated 10/28/2016 from Wells Fargo Asset Management regarding the penalties and investigations on their retail banking side. The company that manages the Retirement System's money is a separate subsidiary and is not involved in opening retail accounts in any way. The investigation does not directly impact the people managing the Retirement System's funds but it does hurt Wells Fargo's image and their stock price. Graystone feels that is a sufficient firewall between Wells Fargo asset management and Wells Fargo retail divisions.</p>		<p>X</p>		<p>X X X X X X X</p>		

Board of Trustees Minutes Page Six	November 21, 2016	TRUSTEES	M	S	Y	N
<p>Sugarman & Susskind reported on correspondence from Saxena White dated November 8 regarding Wells Fargo class action. Saxena White is evaluating a securities fraud case where the lead plaintiff will be a Plan with the largest holdings and will likely be a large statewide fund. Derivative suits can be made by any shareholder - which is the type of suit that Guttman Buschner & Brooks, PLLC is currently evaluating on behalf of the Board.</p> <p>Sugarman & Susskind reported the Q3 Litigation Report from Robbins Geller in the ongoing Las Vegas Sands case.</p> <p>Sugarman & Susskind reported that they are ready with their Motion for Summary Judgment in the Richard Sandell interpleader case requesting an order of interpleader and that a trustee be appointed to the Trust. They are also moving to dismiss the counter-suit filed by Diana Sandell. The defense of the counter-suit is being paid for, in part, by the Board's fiduciary liability insurance company. Sugarman & Susskind confirmed to the auditors that the Board was being sued but that the amount of money to be paid when the case is over will be equivalent to the amount of money set aside by the Plan to pay Mr. Sandell's benefit.</p> <p>Sugarman & Susskind reported that the SEC changed the rules on STIF money market accounts. Graystone Consulting confirmed that the Plan's funds are appropriately invested in governmental money market accounts.</p> <p>Sugarman & Susskind confirmed that Grant & Eisenhofer will sponsor the holiday dinner.</p> <p>Mr. Sugarman turned his discussion to the matter of the proposed police share plan ordinance. He went on to state that when his firm was hired, he informed the Board that it was his job to protect the Board and it was the Board's job to protect the Plan and participants. Along those lines, Mr. Sugarman indicated that it is now his job to protect the Board from the displeasure, discord and disagreement that the police members have shown over the proposed share plan and to protect the flow of Chapter 185 premium tax monies. His recommendation is two-fold: 1) to cease Board efforts to craft the police share plan ordinance, and 2) to not send a request for clarification letter to the Division of Retirement (DOR).</p> <p>The state law recently changed the rules on defined contribution compliance of police and fire pension plans. In order to deviate from or to use the default mechanism, there has to be consent of the bargaining representative and the municipality. State law makes it clear that the Board of Trustees is not involved in pension plan design. Pension plan design is done by the City Commission through the adoption of an ordinance for their unionized employees which should be collectively bargained. Competing claims for benefits are mediated by unions and city commissions – not pension boards.</p> <p>The Board sought to assist in establishing a police share plan when the union and employers did not negotiate. Unfortunately, the proposed share plan was not unanimously or even overwhelmingly accepted by all affected</p>						

Board of Trustees Minutes Page Seven	November 21, 2016	TRUSTEES	M	S	Y	N
<p>members of the Plan. There is also a question as to whom should have voted on it. The Board has a duty to all members, active and retired. If all parties could have agreed on the proposed plan then perhaps it could have moved forward; however, that is not the case.</p> <p>Despite the Board's best efforts it is unable on its own to accomplish a police share plan mechanism. The responsibility for plan design should be referred back to the unions, the City and BSO. When the parties decide on a mutually agreeable share plan ordinance, it can then be forwarded to Sugarman & Susskind for drafting. The City is incentivized to sit down with the bargaining units to insure continued receipt of their Chapter 185 premium tax monies of approximately \$1 million dollars per year. The deadline for reporting to the DOR for local law Plans is March 15.</p> <p>Mr. Sugarman then turned to the matter of the draft letter to the DOR requesting clarification as to who is eligible to participate in the share plan and who is eligible to vote on a proposed share plan. If the DOR were to opine that only active members may vote and participate then it would mean that the share plan monies could end in as little as ten years and revert to the City. Sugarman & Susskind prefers to create plans which allow for the benefit to extend for as long as possible which is why retirees were included in the original draft.</p> <p>MOTION: To not send a letter to the Division of Retirement requesting clarifications surrounding the creation of a Share Plan as recommended by Sugarman & Susskind. PASSED 8-0.</p> <p>Upon discussion on the motion, Mr. Sugarman indicated that he did not believe the DOR would return an answer to the inquiry if sent.</p> <p>The City, BSO, IUPA, PBA, and a retiree representative (since the unions do not bargain for retirees) need to come together to draft a share plan as an amendment to the collective bargaining agreements. Sugarman & Susskind will participate as an informational resource.</p> <p>Phyllis Korab, Assistant City Manager, and Ed Beecher, City HR Director, were present and acknowledged the uniqueness of the situation, all parties involved, and the importance that a police share ordinance be adopted by the City to insure the continued receipt of Chapter 185 monies.</p> <p>Mr. Sugarman recommended that the meeting be posted as public and that a letter be sent to all retirees informing them of the meeting and letting them know they are welcome to attend or can designate someone to attend on their behalf.</p>	<p>O'Connell Samolewicz Aaronian Christophers Drago 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>	

Board of Trustees Minutes Page Nine	November 21, 2016	TRUSTEES	M	S	Y	N
<p>Trustee Drago suggested donating the funds to maintain the lobby memorial and add plants and greenery; however, this would be subject to Grover Corlew's discretion as the building owner. It was suggested that the funds could be spent enhancing the park and adding a plaque or memorial of some kind.</p> <p>Ms. Korab suggested viewing a monument to victims of violence in the City cemetery to see if this is something that the Board may have in mind for installing in the park; and if so, she would provide the contact information for the Public Works Director for follow-up after the December 13 meeting.</p> <p>The Executive Director submitted a request for staff bonuses based on the investment performance return in accordance with Compensation Policy.</p> <p>MOTION: To approve the staff performance bonus for fiscal year ended 9/30/216 in accordance with the Compensation, Merit Increase and Bonus Provisions Policy. PASSED 8-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Drago Hall McGinnis Rossi</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X X</p>	<p>X X X X X X X X</p>	
<p>The Board reviewed the Your Pension Matters newsletter for quarter ended 9/30/2016.</p>						
<p><u>COMMITTEE REPORTS</u></p>						
<p>No reports were rendered.</p>						
<p><u>EXECUTIVE DIRECTOR'S REPORT</u></p>						
<ul style="list-style-type: none"> ➤ A Notification of Benefits Form for signed for Elizabeth Rodriguez ➤ PTG provided a flyer they would like permission to use for advertizing purposes. Their intent is to send an email blast to FPPTA members. The Board agreed by consensus to permit the use of the flyer. ➤ Staff has completed the process of archiving old PBI, LLC records. A comprehensive records management process has been put in place to document, review, and dispose of records on an annual basis in compliance with the state records retention guidelines. ➤ The Holiday Dinner is set for Gianni's in Pompano Beach at 6 PM, following the December 19th meeting. ➤ Project Status of Pension Administration System Implementation <ul style="list-style-type: none"> ○ Raw data has been loaded into the PTG systems and staff has begun the process of design discussion with PTG. Staff will participate in weekly conference calls with PTG. 						

REGULAR MEETING – NOVEMBER 21, 2016

ITEM NO. 5 - WARRANT NOS. 4785 THROUGH 4799

Ratified and Approved on 11/21/2016

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
4785	David W. Smith Florida Department of Revenue Alerus Financial	DROP loan net amount to David W. Smith; \$49,725.00 Documentary stamps for David W. Smith's DROP loan; \$175.00 Loan processing fee for David W. Smith; \$100.00	50,000.00
4786	BlackRock Renaissance Sands Capital Victory Capital	Inv mgmt fees qtr beginning 10/1/2016; \$38,653.23 Inv mgmt fees qtr ended 9/30/2016; \$26,399.10 Inv mgmt fees qtr ended 9/30/2016; \$40,917.06 Inv mgmt fees qtr ended 9/30/2016; \$12,219.00	118,188.39
4787	IFEBP Office Depot Sugarman & Susskind FPPTA	2017 Annual Membership dues; \$1,300.00 Inv No. 871723424001, office supplies, \$132.58; Inv No 875078114001, 2 trustee computers, \$395.98, Total \$528.56 Inv No. 116609, \$450.00; Inv No. 117117, \$3,630.00, interpleader complaint re Sandell benefit, Total \$4,080.00 CPPT re-certification fees (Aaronian, Hall, O'Connell, Rossi, Samolewicz, Tocarchick, Cintron); \$210.00	6,118.56
4788	Vantagepoint Transfer Agents/457 FBO Kevin T. Stickley	Lump sum distribution of Fund Rate DROP account via trustee-to-trustee transfer to Vantagepoint Transfer Agents/457 due to separation of service on 1/29/2014; \$165,278.00	165,278.00
4789	RBC Global Lazard Wells Capital	Inv mgmt fees qtr ended 9/30/2016; \$9,624.98 Inv mgmt fees qtr ended 9/30/2016; \$20,338.28 Inv mgmt fees qtr ended 9/30/2016; \$24,670.29	54,633.55
4790	Manya C. Ondriska	Normal retirement benefit commencing 12/1/2016 as a result of reaching end of DROP period on 11/2/2016; \$4,179.42	4,179.42
4791	Economic Computers	Inv. No. 3125, on and off-site service dates 9/12, 9/16, 9/30, 10/10, 10/11; \$1,049.33, Inv. No. 3206, on-site service date 11/1; \$79.95, Total \$1,129.28	1,129.28
4792	Bank of America	Debra Tocarchick: Courier, \$21.34; service plaque, \$100.00, Total, \$121.34 Amanda Cintron: Office supplies, \$61.09, meeting supplies, \$44.44, Total, \$105.53 Richard Samolewicz: Ticket for State of the City Address; \$20.00	246.87
4793	Allianz FBO Rhonda Wardlaw (IRA)	Trustee-to-trustee transfer of residual Fund Rate DROP account earnings less fees for quarter ended 9/30/2016 due to separation of service on 9/2/2016; \$2,450.45	2,450.45
4794	Vantagepoint Transfer Agents – 457 FBO Kevin Stickley	Trustee-to-trustee transfer of residual Fund Rate DROP account earnings less fees for quarter ended 9/30/2016 due to separation of service on 1/29/2014; \$5,978.46	5,978.46

REGULAR MEETING – NOVEMBER 21, 2016

ITEM NO. 5 - WARRANT NOS. 4785 THROUGH 4799

Ratified and Approved on 11/21/2016

4795	Vantagepoint Transfer Agents – 457 FBO Cheryl Nielsen	Trustee-to-trustee transfer of residual Fund Rate DROP account earnings less fees for quarter ended 9/30/2016 due to separation of service on 8/2/2016; \$9,315.15	9,315.15
4796	Vantagepoint Transfer Agents – 457 FBO Larry Wolverton	Trustee-to-trustee transfer of residual Fund Rate DROP account earnings less fees for quarter ended 9/30/2016 due to separation of service on 8/29/2016; \$20,236.66	20,236.66
4797	Manya C. Ondriska	Lump sum distribution of Share Plan account as a result of separation of service on 11/2/2016; \$43,172.09	43,172.09
4798	FP Mailing Solutions Xerox Corporation Morgan Stanley Comerica Bank	Inv No. RI103021806, 11/02/16 – 02/01/17, quarterly postage meter lease; \$78.00 Inv No. 086943018, October lease; \$172.94; excess print charges; \$18.64, Total \$191.58 Investment consulting fee quarter ended 9/30/2016; \$20,432.43 Inv No. 427576, custodial fee quarter ended 9/30/2016; \$15,357.73	36,059.74
4799	Debra L. Tocarchick Amanda C. Cintron	Pension Fund Performance Bonus; \$2,302.65 Pension Fund Performance Bonus; \$1,604.35	3,907.00

SUMMARY OF RELEVANT FACTS
Pompano Beach Police & Firefighters' Retirement System
As of September 30, 2016

Distribution of Assets:	
Equity	
-Large Cap. Value	\$26,762,208
-Large Cap. Growth	\$27,740,668
-Mid Cap. Value	\$10,972,275
-Small/Mid Cap. Growth	\$10,914,560
-International Value	\$16,200,647
-International Growth	\$16,151,989
Total Equity	\$108,742,346
Fixed Income	\$48,810,062
Private Real Estate	\$17,698,169
Fund of Hedge Funds	\$19,861,633
Master Limited Partnerships	\$11,316,094
Private Equity	\$9,546,362
Cash (Non-Managed Account)	\$1,722,856
Total Portfolio	\$217,697,523

Distribution by Percentages:	Policy	Current
Equity Breakdown		
-Large Cap. Value	12.50%	12.29%
-Large Cap. Growth	12.50%	12.74%
-Mid Cap. Value	5.00%	5.04%
-Small/Mid Cap. Growth	5.00%	5.01%
-International Value	7.50%	7.44%
-International Growth	7.50%	7.42%
Total Equity	50.00%	49.95%
Fixed Income	22.50%	22.42%
Private Real Estate	7.50%	8.13%
Fund of Hedge Funds	10.00%	9.12%
Master Limited Partnerships	5.00%	5.20%
Private Equity	5.00%	4.39%
Cash (Non-Managed Account)	0.00%	0.79%
Total Portfolio	100.00%	100.00%

INVESCO (Private Real Estate)		
Private Real Estate	100.00%	\$14,698,169
Fees		(\$40,758)
Gain or (Loss)		\$243,614

OFFICE BUILDING		
Total Assets	100.00%	\$3,000,000
Gain or (Loss)		\$31,875

Ironwood Fund of Hedge Fund		
Fund of Hedge Fund	100.00%	\$10,369,688
Gain or (Loss)		\$297,707

MAIN ACCOUNT (NON-MANAGED)		
Cash	100.00%	\$1,722,856
Gain or (Loss)		\$549

Other Important Facts:		
Total Portfolio		\$217,697,523
Total Gain or (Loss) - Gross of Fees		\$7,933,241

BLACKROCK			
Total Assets	100.00%	\$26,762,208	
Equity	98.08%	\$26,248,432	
Cash	1.92%	\$513,776	
Fees		(\$39,338)	
Gain or (Loss)		\$434,332	

SANDS CAPITAL MANAGEMENT			
Total Assets	100.00%	\$27,740,668	
Equity	98.51%	\$27,326,284	
Cash	1.49%	\$414,384	
Fees		(\$38,604)	
Gain or (Loss)		\$2,889,861	

RBC GLOBAL			
Total Assets	100.00%	\$10,972,275	
Equity	99.73%	\$10,942,532	
Cash	0.27%	\$29,743	
Fees		(\$9,461)	
Gain or (Loss)		\$880,203	

WELLS			
Total Assets	100.00%	\$10,914,560	
Equity	97.58%	\$10,649,945	
Cash	2.42%	\$264,614	
Fees		(\$24,485)	
Gain or (Loss)		\$576,030	

Pine Grove Fund of Hedge Fund			
Fund of Hedge Fund	100.00%	\$9,491,945	
Gain or (Loss)		\$275,970	

Center Coast Master Limited Partnerships			
Fund of Hedge Fund	100.00%	\$11,316,094	
Gain or (Loss)		\$79,711	

NB CROSSROADS (PRIVATE EQUITY) #1			
Total Assets	100.00%	\$3,717,828	
Gain or (Loss)		\$0	

LAZARD (International Value)			
Total Assets	100.00%	\$16,200,647	
Equity	97.78%	\$15,841,369	
Cash	2.22%	\$359,278	
Fees		(\$20,949)	
Gain or (Loss)		\$724,457	

RENAISSANCE (International Growth)			
Total Assets	100.00%	\$16,151,989	
Equity	98.86%	\$15,968,246	
Cash	1.14%	\$183,743	
Fees		(\$24,766)	
Gain or (Loss)		\$1,113,075	

STANDISH MELLON			
Total Assets	100.00%	\$24,376,220	
Fixed	97.74%	\$23,826,454	
Cash	2.26%	\$549,766	
Fees		(\$18,509)	
Gain or (Loss)		\$111,229	

INCORE/VICTORY (FORMERLY MUNDER)			
Total Assets	100.00%	\$24,433,842	
Fixed	98.83%	\$24,147,938	
Cash	1.17%	\$285,904	
Fees		(\$12,351)	
Gain or (Loss)		\$169,583	

NB CROSSROADS (PRIVATE EQUITY) #2			
Fund of Hedge Fund	100.00%	\$1,542,349	
Gain or (Loss)		\$0	

BLACKSTONE (PRIVATE EQUITY)			
Total Assets	100.00%	\$2,607,421	
Gain or (Loss)		\$105,045	

GOLDMAN SACHS (PRIVATE EQUITY)			
Total Assets	100.00%	\$1,678,764	
Gain or (Loss)		\$0	

BREAKDOWN OF RETURNS
Pompano Beach Police & Firefighters' Retirement System
As of September 30, 2016

TRADITIONAL INVESTMENTS

BLACKROCK		Your Returns				
<i>Large Cap. Value</i>		Gross	Net	Russ 1000 Value	PSN Money Mgrs.	S&P 500
Quarter		1.54	1.39	3.48	3.23	3.85
1 year		14.76	14.10	16.20	14.52	15.43
3 year		8.21	7.58	9.70	9.18	11.17
Since 1/31/2013		9.25	8.61	11.57	NA	12.99
SANDS CAPITAL				Russ 1000 Growth	PSN Money Mgrs.	
<i>Large Cap. Growth</i>						
Quarter		11.31	11.15	4.58	4.93	
1 year		12.26	11.59	13.76	11.18	
3 year		8.12	7.48	11.83	10.50	
5 year		17.44	16.75	16.60	16.06	
Since 5/31/2003		11.77	11.13	8.93	NA	
RBC GLOBAL				Russ Mid Value	PSN Money Mgrs.	
<i>Mid Cap. Value</i>						
Quarter		8.45	8.36	4.45	4.30	
1 year		9.87	9.08	17.26	15.46	
3 year		10.73	10.07	10.48	9.27	
5 year		18.15	17.43	17.37	15.88	
Since 1/31/2009		17.19	16.47	18.26	NA	
WELLS				Russ 2500 Growth	PSN Money Mgrs.	
<i>Small/Mid Cap. Growth</i>						
Quarter		5.29	5.05	6.99	8.02	
1 year		8.78	7.78	11.03	11.23	
3 year		5.38	4.42	7.42	6.91	
5 year		16.08	15.04	16.20	16.36	
Since 1/31/2009		18.73	17.71	18.04	NA	
LAZARD				MSCI AC Wld x US		
<i>International Value</i>						
Quarter		4.59	4.45	6.91		
1 year		9.55	8.97	9.26		
3 year		2.35	1.82	0.18		
Since 1/31/2013		3.29	2.79	1.68		
RENAISSANCE				MSCI AC Wld x US		
<i>International Growth</i>						
Quarter		7.29	7.12	6.91		
1 year		9.44	8.73	9.26		
3 year		2.91	2.22	0.18		
5 year		9.43	8.72	6.04		
Since 1/31/2009		10.50	9.81	8.91		
STANDISH MELLON				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
<i>Fixed Income</i>						
Quarter		0.45	0.38	0.46	0.31	0.16
1 year		5.19	4.88	5.19	3.57	3.52
3 year		4.01	3.65	4.02	3.08	2.80
5 year		3.37	3.03	3.08	2.56	2.45
Since 4/30/2003		4.57	4.23	4.44	4.05	3.82
INCORE/VICTORY (Munder)				BC Aggregate	BC Int. Aggregate	BC Int. Gov/Credit
<i>Fixed Income</i>						
Quarter		0.69	0.64	0.46	0.31	0.16
1 year		5.07	4.91	5.19	3.57	3.52
3 year		4.11	4.00	4.02	3.08	2.80
5 year		3.63	3.49	3.08	2.56	2.45
Since 9/30/2002		4.83	4.61	4.53	4.13	3.95

ALTERNATIVE INVESTMENTS

INVESCO					
<i>Private Real Estate</i>		Gross	Net	NCREIF	NCREIF ODCE
	Quarter	1.68	1.40	1.77	2.07
	1 year	9.62	8.41	9.22	10.07
	3 year	12.57	11.35	11.31	12.45
	5 year	11.99	10.80	11.19	12.40
	Since 7/31/2006	6.03	4.91	7.47	6.23
OFFICE BUILDING					
<i>Private Real Estate</i>				90-Day T-Bill	BC Aggregate
	Quarter	1.07	1.07	0.07	0.46
	1 year	4.34	4.34	0.20	5.19
	3 year	11.63	11.63	0.09	4.02
	5 year	6.12	6.12	0.08	3.08
	Since 3/31/2007	(0.10)	(0.18)	0.53	4.75
Ironwood					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	2.96	2.96	1.91	
	1 year	0.58	0.58	0.34	
	3 year	4.57	4.57	2.17	
	5 year	6.14	6.14	3.13	
	Since 7/31/2008	2.95	2.95	0.84	
Pine Grove					
<i>Fund of Hedge Funds</i>				HFRI FOF Cons	
	Quarter	2.99	2.99	1.91	
	1 year	0.38	0.38	0.34	
	3 year	1.05	1.05	2.17	
	5 year	3.19	3.19	3.13	
	Since 9/30/2008	3.34	3.34	1.73	
Center Coast					
<i>Master Limited Partnerships</i>				Alerian MLP	
	Quarter	0.71	0.58	1.07	
	1 year	9.48	8.93	12.74	
	Since 1/31/2015	(13.00)	(13.33)	(12.13)	
Neuberger Berman					
<i>Private Equity #1</i>		Time-Wtd	Dollar-Wtd	Dynamic S&P 500	
	Quarter	0.00	0.00	0.07	
	1 year	4.37	4.34	11.23	
	3 year	11.89	11.82	9.80	
	5 year	10.30	10.86	15.52	
	Since 3/31/2010	1.65	9.20	11.69	
Neuberger Berman					
<i>Private Equity #2</i>		Time-Wtd	Dollar-Wtd	Dynamic S&P 500	
	Quarter	0.00	0.00	0.07	
	1 year	3.70	3.19	11.23	
	Since 7/31/2014	0.35	1.42	5.97	
Blackstone					
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	S&P 500	
	Quarter	4.12	3.65	3.85	
	1 year	6.60	4.89	15.43	
	Since 11/30/2013	9.98	6.54	8.94	
Goldman Sachs					
<i>Private Equity</i>		Time-Wtd	Dollar-Wtd	Dynamic S&P 500	
	Quarter	0.00	0.00	0.07	
	1 year	0.05	0.25	11.23	
	Since 12/31/2013	4.63	5.91	6.79	

TOTAL FUND				Policy Index
<i>Time-Weighted Return (TWR)</i>				
Quarter	3.74	3.62	3.10	
1 year	8.29	7.74	9.68	
3 year	5.79	5.26	6.14	
5 year	9.72	9.17	9.73	
Since 9/30/2002	7.47	6.98	7.31	
Since 6/30/1995	7.01			

TOTAL FUND				Actuarial Rate	CPI +3
<i>Dollar-Weighted Net Return (IRR)</i>					
Quarter		3.63	1.82	0.99	
1 year		7.68	7.50	4.56	
3 year		5.33	7.50	4.02	
5 year		9.37	7.50	4.21	

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.