

**CITY OF FORT LAUDERDALE  
POLICE AND FIRE RETIREMENT SYSTEM**

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**PERFORMANCE REVIEW  
DECEMBER 31, 2014**



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## IMPORTANT DISCLAIMER INFORMATION

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The information contained herein was taken from sources believed to be reliable, but no representation or warranty is made as to its accuracy or completeness.

Performance Comparison Page Information:

Shaded areas represent where the investment objective was achieved either by:

- 1) The investment return versus the index;
- 2) The investment return universe ranking (The lower the number the better the ranking)

Due to methodologies utilized by our systems, the performance results presented are calculated and presented beginning on the last day of an account's inception month. Results do not include the interim period from an account's inception date to an account's first month-end. For example, for an account that has an inception date of March 15, this report begins measuring performance as of March 31. Omission of performance during this interim period is likely to result in different performance figures than if the interim period's performance was included in this report.

When applicable, any investment results depicted represent historical net of fees performance.

Past performance is no guarantee of future performance.

This report is not the official record of your account. However, it has been prepared to assist you with your investment planning and is for information purposes only. Your Client Statement is the official record of your account. Therefore, if there are any discrepancies between this report and your Client Statement, you should rely on the Client Statement and call your Financial Advisor if you have any questions. Transactions requiring tax consideration should be reviewed carefully with your accountant or tax advisor. This is not a substitute for your own records and the year-end 1099 form. Cost data and acquisition dates provided by you are not verified by CapTrust Advisors, LLC.

Indices are unmanaged and you cannot invest directly in an index.

For index definitions, please see the Capital Markets Review.



Index	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr
<b>Domestic Fixed Income</b>						
3 month T-Bill	0.00%	0.03%	0.03%	0.07%	0.09%	1.54%
Barclays Capital 1-3 year Gov't	0.19%	0.64%	0.64%	0.51%	1.09%	2.62%
Barclays Capital Interm Gov't	0.95%	2.52%	2.52%	0.99%	2.78%	3.76%
Barclays Capital Interm Credit	0.80%	4.16%	4.16%	3.98%	5.00%	4.88%
Barclays Capital Interm Govt/Cred	0.89%	3.13%	3.13%	2.03%	3.54%	4.10%
Barclays Capital Aggregate Bond	1.79%	5.97%	5.97%	2.66%	4.45%	4.71%
<b>Domestic Equity</b>						
Standard & Poor's 500	4.93%	13.69%	13.69%	20.41%	15.45%	7.67%
Dow Jones Industrial Average	5.20%	10.04%	10.04%	16.29%	14.22%	7.91%
Wilshire 5000 Total Market	5.26%	12.71%	12.71%	20.29%	15.54%	7.99%
Wilshire US REIT	15.13%	31.78%	31.78%	16.43%	17.26%	8.26%
<b>Russell 1000 - Large Cap</b>	<b>4.88%</b>	<b>13.24%</b>	<b>13.24%</b>	<b>20.62%</b>	<b>15.64%</b>	<b>7.96%</b>
Russell 1000 Growth - Large Cap	4.78%	13.05%	13.05%	20.26%	15.81%	8.49%
Russell 1000 Value - Large Cap	4.98%	13.45%	13.45%	20.89%	15.42%	7.30%
<b>Russell Midcap</b>	<b>5.94%</b>	<b>13.22%</b>	<b>13.22%</b>	<b>21.40%</b>	<b>17.19%</b>	<b>9.56%</b>
Russell Midcap Growth	5.84%	11.90%	11.90%	20.71%	16.94%	9.43%
Russell Midcap Value	6.05%	14.75%	14.75%	21.98%	17.43%	9.43%
<b>Russell 2000 - Small Cap</b>	<b>9.73%</b>	<b>4.89%</b>	<b>4.89%</b>	<b>19.21%</b>	<b>15.55%</b>	<b>7.77%</b>
Russell 2000 Growth - Small Cap	10.06%	5.60%	5.60%	20.14%	16.80%	8.54%
Russell 2000 Value - Small Cap	9.40%	4.22%	4.22%	18.29%	14.26%	6.89%
<b>International Equity</b>						
MSCI EAFE	-3.53%	-4.48%	-4.48%	11.56%	5.81%	4.91%
MSCI World	1.12%	5.50%	5.50%	16.13%	10.81%	6.61%
MSCI EM	-4.44%	-1.82%	-1.82%	4.41%	2.11%	8.78%
<b>Blended Benchmarks</b>						
30% S&P 500 / 70% Barclays Agg	2.74%	8.28%	8.28%	7.99%	7.75%	5.60%
40% S&P 500 / 60% Barclays Agg	3.05%	9.05%	9.05%	9.76%	8.85%	5.89%
50% S&P 500 / 50% Barclays Agg	3.36%	9.83%	9.83%	11.54%	9.95%	6.19%
60% S&P 500 / 40% Barclays Agg	3.68%	10.60%	10.60%	13.31%	11.05%	6.49%
70% S&P 500 / 30% Barclays Agg	3.99%	11.37%	11.37%	15.09%	12.15%	6.78%

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*Data Sources: Morningstar*

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## **Capital Markets Overview**

### **U.S. Markets**

U.S. markets began the fourth quarter with a continuation of the pullback that began late in the third quarter. The S&P 500 Index (S&P 500), Dow Jones Industrial Average (DJIA) and NASDAQ Composite Index (NASDAQ) all fell sharply at the start of the final quarter of the year. The S&P 500 was off as much as 5.5% by mid-October. Much of the decline was attributed to economic worries in Europe. These concerns were quickly negated after the start of earnings season in the U.S. markets. According to Bloomberg, more than 80% of companies reporting earnings by October 31 beat consensus projections. Better-than-forecast earnings coupled with improving economic data encouraged investors, and the markets quickly rebounded into positive territory by the end of the month.

The major averages continued their upward move in November supported by an improving U.S. economy as evidenced by a strong GDP growth number (3.9%) released for the third quarter. The labor market also showed signs of improvement with companies adding more than 200,000 workers to payrolls for the ninth consecutive month, and the jobless rate dropping to a six-year low of 5.8% during November. Slumping oil prices hurt the energy sector, but helped consumers just ahead of the holiday spending season.

Markets were mostly mixed during the last month of the year. The S&P 500 was down nearly 5% midway through the month, but managed to recover on the Federal Reserve's (the Fed) reiteration of their accommodative stance. The S&P 500 finished the month down only 0.42%. The DJIA lost just 0.03%, and the NASDAQ lost 1.16%.

Overall, the markets continued to fare well for the quarter and year. For the quarter, the NASDAQ's total return gain of 5.7% led the major averages, followed by the DJIA, up 5.2%. The S&P 500 was up 4.9%. For the year, the NASDAQ led the major averages, up 14.8%, followed by the S&P 500, up 13.7%. This was the third straight year of double digit gains for the S&P 500. The S&P 500 has managed this feat only three times in history (1942-45, 1949-52, 1995-99). The DJIA returned 10.0% for the year.

### **International Markets**

Most international markets declined in the fourth quarter. Unlike U.S. markets, European markets were unable to stage a rally in October, and equities suffered their largest monthly losses since June 2013. Stocks came under pressure amid slowing economic growth and concern the European Central Bank (ECB) asset purchases may not be enough to revive the region's economy. Weak employment numbers and manufacturing readings announced in November prompted ECB head Mario Draghi to reiterate the central bank's pledge to protect the region against deflation and further indicated the region's asset buying program may extend to government bonds. European markets responded enthusiastically to this news. However, as in the U.S., European markets pulled back in December. A strong U.S. dollar kept pressure on foreign markets. The European economy remained sluggish forcing Germany's Central Bank to lower its GDP growth forecast to 1.4% in 2014 and just 0.8% for 2015. For the quarter the German DAX rose 3.50%, while the French CAC 40 fell 3.25%.

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## **Capital Markets Overview**

### **International Markets – *Continued***

Asian markets continued in a positive direction during the fourth quarter. Markets in Japan were aided by the Bank of Japan's (BoJ) move to expand an already accommodative monetary stimulus plan. China's economic growth expanded by 7.3% from the prior quarter as demand for exports increased. China's President also announced accelerated market reforms and the restructuring of government-owned companies. China's central bank cut interest rates for the first time since 2012. However, weaker manufacturing data released in December showed a Chinese economy expanding less than economists had expected. For the year, China's Shanghai Composite Index was still up better than 52%. Japan's Nikkei 225 Index was up slightly better than 7% for the year. Emerging Markets generally fared worse than developed markets, with the MSCI Emerging Market Index down 4.82% for the quarter. Oil exporting countries were particularly hard hit; the Russian RTS Index fell over 29% during the quarter.

### **U.S. and Corporate Debt**

The U.S. bond market improved at the beginning of the quarter as Treasury prices strengthened amid worries over the sluggish economic conditions in Europe. The yield on the benchmark 10-year note dropped 17 basis points in October to yield 2.34%.

U.S. Government debt yields decreased further in November as investors shunned riskier fixed income investments in favor of the perceived safety of debt issued by the U.S. government. The 10-year note dropped another 17 basis points in November to yield 2.16%. Bond prices were little changed in December. 2014 was a year some investors speculated interest rates would rise. The 10-year note began the year yielding 3.03% and closed the year yielding 2.17%. Measuring returns, the Barclays U.S. Aggregate Bond Index was up nearly 6% for the year.

### **Commodities**

Commodities continued their losses into the new quarter. The fall was paced by the rapid decline in oil prices. For the year, West Texas Intermediate Crude declined 49.4%, ending at \$53.27 per barrel. The Euro declined 12% against the dollar in 2014 and ended the year at \$1.21. The stronger U.S. dollar kept pressure on precious metals. Gold finished the year down 1.5% while silver finished the year down nearly 20% following a 35% loss in 2013. Overall, the Bloomberg Commodity Index fell over 12% for the quarter and over 17% on the year.

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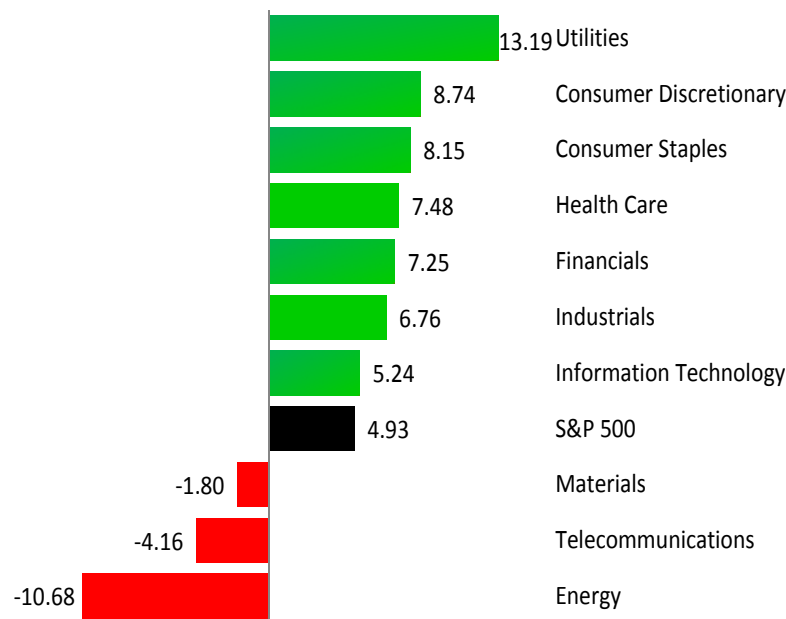
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**Seven of the ten sectors in the S&P 500 finished higher for the quarter**

- Utilities were the best performing stocks, rallying 29% on the year, as the group benefitted from investors seeking companies with big dividends during a year of low interest rates and bond yields.
- Energy was the sole loser in 2014, dropping 7.8%, as WTI crude fell by 50% in the second half of the year as abundant supplies of oil outstripped global demand.

Best Performing Subsectors	1 Quarter
S&P 500 Household Appliances (Sub Ind)	33.57%
S&P 500 Home Entertainment Software (Sub Ind)	32.03%
S&P 500 Airlines (Sub Ind)	31.68%
S&P 500 Automotive Retail (Sub Ind)	28.38%
S&P 500 Tires & Rubber (Sub Ind)	26.83%
Worst Performing Subsectors	1 Quarter
S&P 500 Oil & Gas Drilling (Sub Ind)	-30.94%
S&P 500 Diversified Metals & Mining (Sub Ind)	-27.72%
S&P 500 Oil & Gas Equipment & Services (Sub Ind)	-20.13%
S&P 500 Casinos & Gaming (Sub Ind)	-19.36%
S&P 500 Gold (Sub Ind)	-17.90%

**S&P 500 4Q14 Sector Returns**



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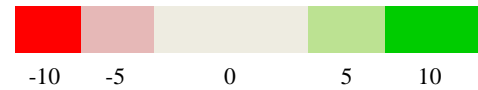
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**It was the year of the bulls**

- The S&P 500 Index rallied to 53 record highs and extended the bull market rally past 200% from its 2009 lows. The benchmark index finished with an annual total return of 13.7%, its third straight yearly advance of more than 10% for only the third time in history.
- The Nasdaq Composite Index recorded the best performance among the major averages as it rallied 14.8% (TR) in 2014, its third straight annual gain, and is within 2% of reaching its March 2000 high.

**Fourth Quarter  
 Domestic Equity Returns**

	Value	Growth
Russell 1000	4.98	4.78
Russell Midcap	6.05	5.84
Russell 2000	9.40	10.06



**S&P 500 & NASDAQ**

December 2004 - December 2014



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**The strength of the dollar is strong-arming investor returns in the international markets**

- The European Central Bank (ECB) has reined in inflation to below their target of 2%, falling to 0.3% year-over-year in November. The ECB has maintained their monetary policy by holding the main rate at 0.05% and bank deposit rate at 0.2%. The German economy expanded in the third quarter, but there is still a possibility of Greece leaving the Eurozone. The MSCI Europe Ex.-U.K. Index lost 5.8% in 2014.
- At the end of October, the BoJ took larger steps to stimulate their economy. Besides expanding their Japanese government bond buying to ¥80 trillion from ¥50 trillion (\$68T USD from \$42T USD approx.), they are increasing their maturities out to 7-10 yrs. instead of 6-8 yrs. The BoJ also removed the 2 year time limit for the Quantitative Easing (QE) program and will include ETFs and REITS. The move still didn't stop the official return to recession for Japan in 4Q14. The MSCI Japan Index ended down 3.7% for 2014.
- The U.K. GDP expanded an estimated 0.7% in 3Q2014, slower than the previous quarter. The drag was blamed mostly on the services sector. The inflation rate in December dropped to 0.5% and the MSCI United Kingdom was off 5.4% for 2014.

Country/Region	4Q14		2014	
	Local	USD	Local	USD
<b>Regions/Broad Indexes</b>				
USA (S&P 500)	-	4.9	-	13.7
EAFE	1.8	-3.5	6.4	-4.5
Europe ex-U.K.	0.2	-4.3	7.4	-5.8
Pacific ex-Japan	3.1	-1.5	5.8	-0.3
Emerging Markets	0.1	-4.4	5.6	-1.8
<b>MSCI: Selected Countries</b>				
United Kingdom	-0.4	-4.2	0.5	-5.4
France	-1.7	-5.8	3.6	-9.0
Germany	4.0	-0.4	2.8	-9.8
Japan	6.7	-2.4	9.8	-3.7
China	7.0	7.2	8.3	8.3
India	1.5	-0.7	26.4	23.9
Brazil	-7.5	-14.8	-2.8	-13.7
Russia	-5.9	-32.8	-12.1	-45.9

Returns are reported gross



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**China overtakes the US, Apple overtakes Russian Market, but there are falling oil prices...**

- In November, OPEC voted to maintain its current production levels even with a drop oil prices. The oil-heavy emerging markets, like Colombia and Russia, saw huge declines in their currencies against the dollar.
- In December, China overtook the U.S. as the largest economy in the world according to the IMF. The People's Bank of China cut interest rates for the first time in 2 years by reducing the benchmark lending rate 40 basis points to 5.6% and the one-year deposit rate 25 basis points to 2.75%. However, Chinese banks are losing deposits to higher returns from internet funds and investment products. The MSCI China Index ended 2014 up 8.3%.
- The Ukraine conflict, sanctions, and falling oil prices are putting a strain on the Russian economy. In October, they saw a four-year high rise in CPI of 8.3% year-over-year. Manufacturing continues to be a strong sector with industrial production rising 2.9% year-over-year in October. The MSCI Russia Index ended down 45.9% for 2014.
- India's inflation has eased under the Reserve Bank of India's January target of 8%. The CPI dropped from 6.5% year-over-year in September to 5.5% year-over-year in October. They did however see their trade deficit widen in October to \$13.4B USD. The MSCI India Index was up 23.9% for the year.



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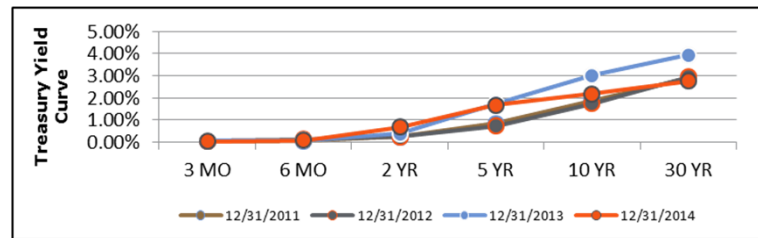
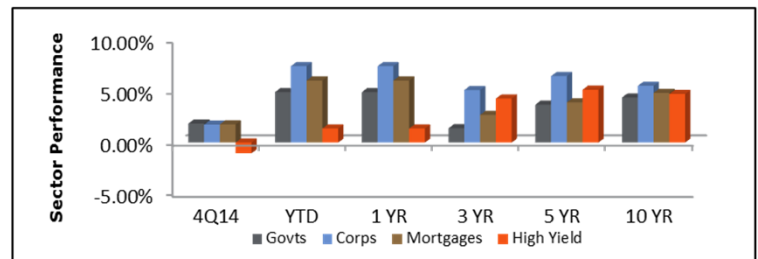
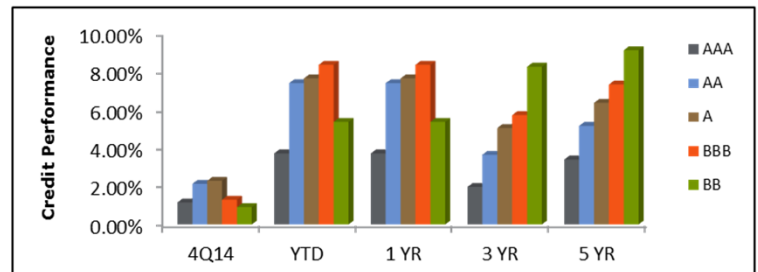
**Reduction of Quantitative Easing seems to have little impact on yields**

- The 10-year note continued to decline to a low of 2.07% in December. The benchmark ended the quarter down 25 basis points, yielding 2.17%.
- The Fed elected to end its bond buying program. However, since the policy to slow the bond buying program was announced last year the expectations have already been built into the market.



**Bonds make gains across credit quality and sectors**

- Fixed income markets were up this quarter. Returns ranged from 2.28% for A rated debt to 0.90% for BB rated bonds. The return for AAA paper was up, with a return of 1.15%.
- By sector, Government debt had the largest gain this quarter, up 1.86%, followed by mortgage paper, up 1.78%. Corporate debt gained 1.76% and high yield debt dropped 1.05%.
- Bonds moved lower as the interest rate curve flattened benefiting longer maturities the most.

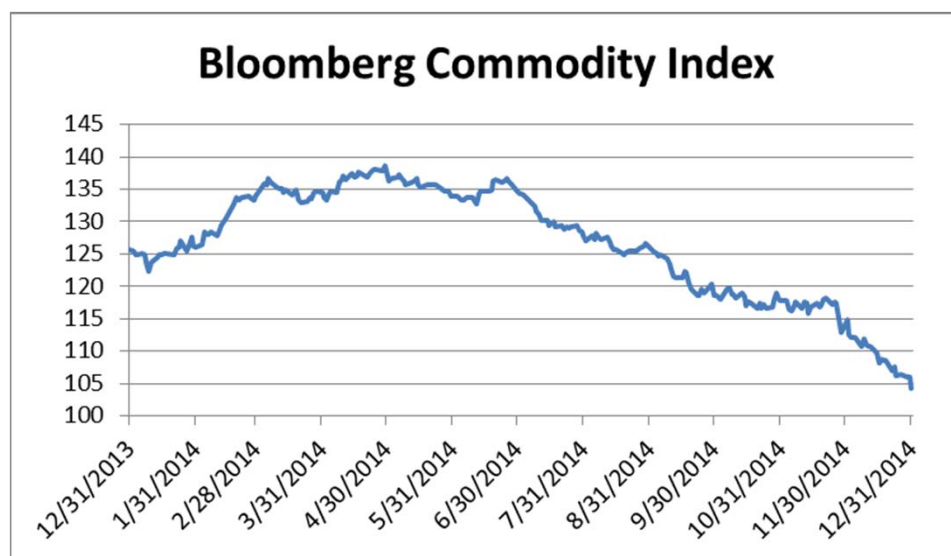


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**Commodities extend losses**

- The Bloomberg Commodity Index fell over 12% for the quarter and over 17% on the year.
- West Texas Intermediate Crude (WTI) prices fell more than 11% in October, the most in more than two years. Commodities continued their downward slide in November as the index lost another 6.5%. For the year, West Texas Intermediate Crude declined 49.4%, ending at \$53.27 per barrel.
- A stronger U.S. dollar kept pressure on precious metals. Gold declined more than 3% in October to its lowest level since December 2013 and finished the year down 1.5%.
- Silver continued its losses after staging a rally in 2013. Silver declined 5.6% in October, and nearly 4% in November. Silver finished the year down nearly 20% following a 35% loss in 2013.



Commodities	Current	3 Months Ago	1 Year Ago
	12/31/2014	9/30/2014	12/31/2013
Gold (per Troy ounce)	\$1,183.20	\$1,207.50	\$1,202.30
Oil (per barrel)	\$53.27	\$91.66	\$98.42
Copper (per pound)	\$2.83	\$3.01	\$3.40

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# CAPITAL MARKETS REVIEW

## DECEMBER 31, 2014



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
BEST	Russell 1000 Value	DJ Wilshire REIT	Russell 1000 Value	Russell 1000 Growth	Russell 2000 Growth	DJ Wilshire REIT	Russell 2000 Value	Barclays Agg Bond	Russell 2000 Growth	DJ Wilshire REIT	DJ Wilshire REIT	DJ Wilshire REIT	Russell 1000 Growth	Barclays Agg Bond	Russell 1000 Growth	Russell 2000 Growth	DJ Wilshire REIT	Russell 2000 Value	Russell 2000 Growth	DJ Wilshire REIT	
	38.35%	37.04%	35.18%	38.71%	43.09%	31.04%	13.96%	10.27%	48.53%	33.14%	14.00%	36.13%	11.81%	5.24%	37.21%	29.09%	9.37%	18.05%	43.30%	31.78%	
	S&P 500	Russell 1000 Growth	S&P 500	S&P 500	Russell 1000 Growth	Russell 2000 Value	DJ Wilshire REIT	DJ Wilshire REIT	Russell 2000 Value	Russell 2000 Value	MSCI EAFE	MSCI EAFE	MSCI EAFE	Russell 2000 Value	Russell 2000 Growth	DJ Wilshire REIT	Barclays Agg Bond	Russell 1000 Value	Russell 2000 Value	S&P 500	
	37.53%	23.12%	33.35%	28.57%	33.16%	22.83%	12.36%	3.60%	46.02%	22.25%	13.54%	26.34%	11.17%	-28.92%	34.47%	28.07%	7.84%	17.51%	34.52%	13.69%	
	Russell 1000 Growth	S&P 500	Russell 2000 Value	MSCI EAFE	MSCI EAFE	Barclays Agg Bond	Barclays Agg Bond	Russell 2000 Value	MSCI EAFE	MSCI EAFE	Russell 1000 Value	Russell 2000 Value	Russell 2000 Growth	Russell 1000 Value	MSCI EAFE	Russell 2000 Value	Russell 1000 Growth	MSCI EAFE	Russell 1000 Value	Russell 1000 Growth	Russell 1000 Value
	37.49%	22.94%	31.78%	20.33%	27.30%	11.63%	8.44%	-11.42%	39.16%	20.25%	7.05%	23.48%	7.05%	-36.85%	31.78%	24.50%	2.64%	17.32%	33.48%	13.45%	
	Russell 2000 Growth	Russell 1000 Value	Russell 1000 Growth	Russell 1000 Value	S&P 500	Russell 1000 Value	Russell 1000 Value	Russell 1000 Value	DJ Wilshire REIT	Russell 1000 Value	Russell 1000 Growth	Russell 1000 Value	Russell 1000 Value	Barclays Agg Bond	S&P 500	DJ Wilshire REIT	Russell 1000 Growth	S&P 500	DJ Wilshire REIT	Russell 1000 Value	Russell 1000 Growth
	31.04%	21.64%	30.49%	15.63%	21.04%	7.01%	-5.59%	-15.52%	36.06%	16.49%	5.26%	22.25%	6.97%	-37.00%	28.46%	16.71%	2.11%	17.12%	32.53%	13.05%	
	Russell 2000 Value	Russell 2000 Value	DJ Wilshire REIT	Barclays Agg Bond	Russell 1000 Value	Russell 2000 Value	MSCI EAFE	Russell 1000 Value	Russell 2000 Value	Russell 2000 Value	S&P 500	S&P 500	S&P 500	S&P 1000	S&P 500	Russell 1000 Value	Russell 1000 Value	Russell 1000 Value	S&P 500	S&P 500	Barclays Agg Bond
	25.75%	21.37%	19.67%	8.67%	7.35%	-9.10%	-9.22%	-15.94%	30.03%	14.31%	4.91%	15.79%	5.49%	-38.44%	26.46%	15.51%	0.39%	16.00%	32.39%	5.97%	
Barclays Agg Bond	Russell 2000 Growth	Russell 2000 Growth	Russell 2000 Growth	DJ Wilshire REIT	MSCI EAFE	S&P 500	S&P 500	Russell 1000 Growth	S&P 500	Russell 2000 Value	Russell 2000 Value	Russell 2000 Value	Russell 2000 Value	Russell 2000 Value	Russell 2000 Value	S&P 500	Russell 2000 Growth	Russell 1000 Growth	MSCI EAFE	Russell 2000 Growth	
18.48%	11.26%	12.95%	12.33%	-2.57%	-13.96%	-11.88%	-22.09%	29.76%	10.87%	4.71%	13.35%	-0.17%	-38.54%	20.58%	15.06%	-2.91%	15.26%	23.29%	5.60%		
DJ Wilshire REIT	MSCI EAFE	Barclays Agg Bond	Russell 2000 Value	Barclays Agg Bond	Russell 1000 Growth	Russell 1000 Growth	Russell 1000 Growth	S&P 500	Russell 1000 Growth	Russell 2000 Growth	Russell 2000 Growth	Russell 1000 Growth	Russell 2000 Value	DJ Wilshire REIT	Russell 1000 Value	MSCI EAFE	Russell 2000 Value	Russell 2000 Growth	DJ Wilshire REIT	Russell 2000 Value	
12.24%	6.36%	9.68%	-6.46%	-0.83%	-22.42%	-20.42%	-27.89%	28.67%	6.30%	4.15%	9.07%	-9.78%	-39.20%	19.69%	7.75%	-5.50%	14.59%	1.86%	4.22%		
MSCI EAFE	Barclays Agg Bond	MSCI EAFE	DJ Wilshire REIT	Russell 2000 Value	Russell 2000 Growth	MSCI EAFE	Russell 2000 Growth	Barclays Agg Bond	Barclays Agg Bond	Barclays Agg Bond	Barclays Agg Bond	Barclays Agg Bond	DJ Wilshire REIT	MSCI EAFE	Barclays Agg Bond	Barclays Agg Bond	MSCI EAFE	Barclays Agg Bond	Barclays Agg Bond	MSCI EAFE	
11.55%	3.61%	2.06%	-17.00%	-1.49%	-22.43%	-22.00%	-30.27%	4.11%	4.34%	2.43%	4.33%	-17.56%	-45.09%	5.93%	6.54%	-12.14%	4.22%	-2.02%	-4.48%		



**Russell 1000 Value** contains those Russell 1000 (larger capitalization) securities with a less-than-average growth orientation. Securities in this index generally have lower price-to-book and price-to-earnings ratios, higher dividend yields, and lower forecasted growth rates.



**Russell 1000 Growth** contains those Russell 1000 (larger capitalization) securities with a greater-than-average growth orientation. Securities in this index generally have higher price-to-book and price-to-earnings ratios, lower dividend yields, and higher forecasted growth rates.



**Russell 2000 Value** contains those Russell 2000 (smaller capitalization) securities with a less-than-average growth orientation. Securities in this index generally have lower price-to-book and price-to-earnings ratios than those in the Russell 2000 Growth Index.



**Russell 2000 Growth** contains those Russell 2000 (smaller capitalization) securities with a greater-than-average growth orientation. Securities in this index generally have higher price-to-book and price-to-earnings ratios than those in the Russell 2000 Value Index.



**MSCI EAFE** is the Morgan Stanley Capital International Europe, Australia, Far East Index designed to measure the performance of developed stock markets in these areas.



**Barclays Agg Bond** is the Lehman Brothers Aggregate Bond Index. This index includes U.S. government, corporate and mortgage-backed securities rated investment grade or higher with maturities up to 30 years.



**S&P 500** is a representative sample of 500 leading companies in leading industries of the U.S. economy.



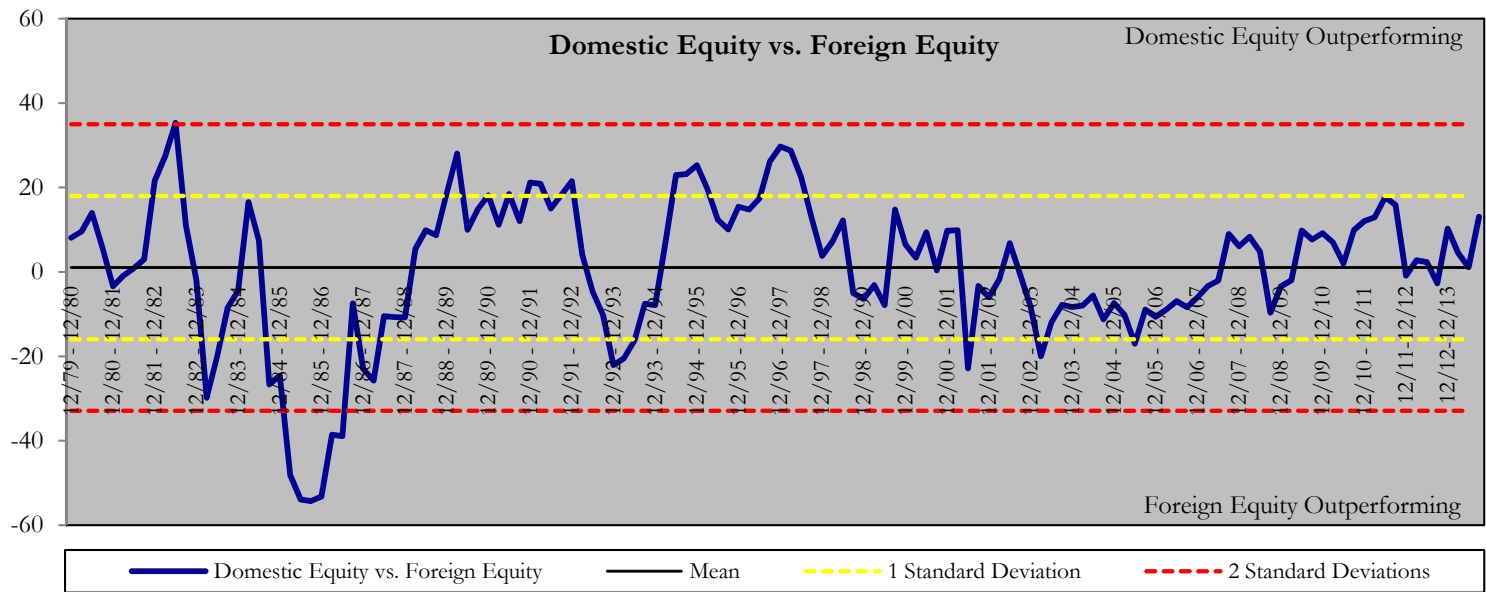
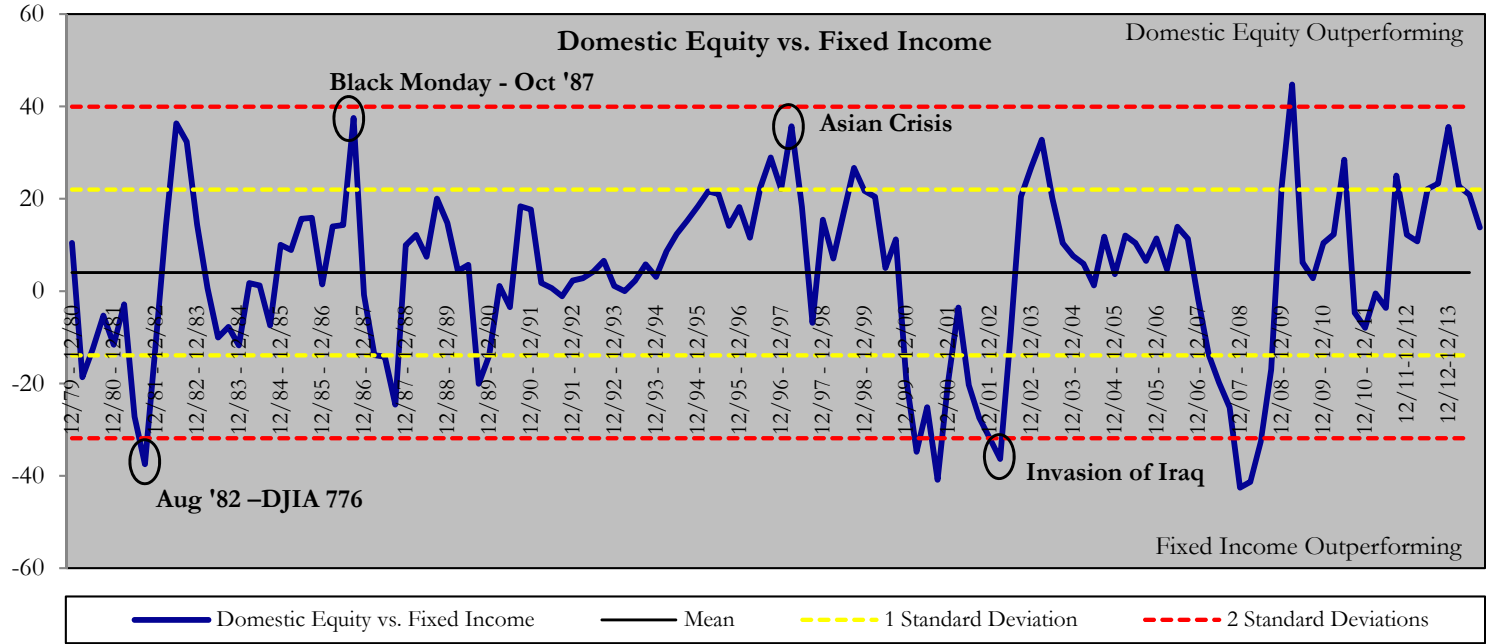
**DJ Wilshire REIT** is intended as a broad measure of the performance of publicly traded real estate equity. The index is comprised of companies whose charter is the equity ownership and operation of commercial real estate.

*This and/or the accompanying information was prepared by or obtained from sources which are believed to be reliable but does not guarantee its accuracy. Please see important disclosure and reference information at the conclusion of this report. Past performance is not indicative of future results.*

*Data Sources: Morningstar*

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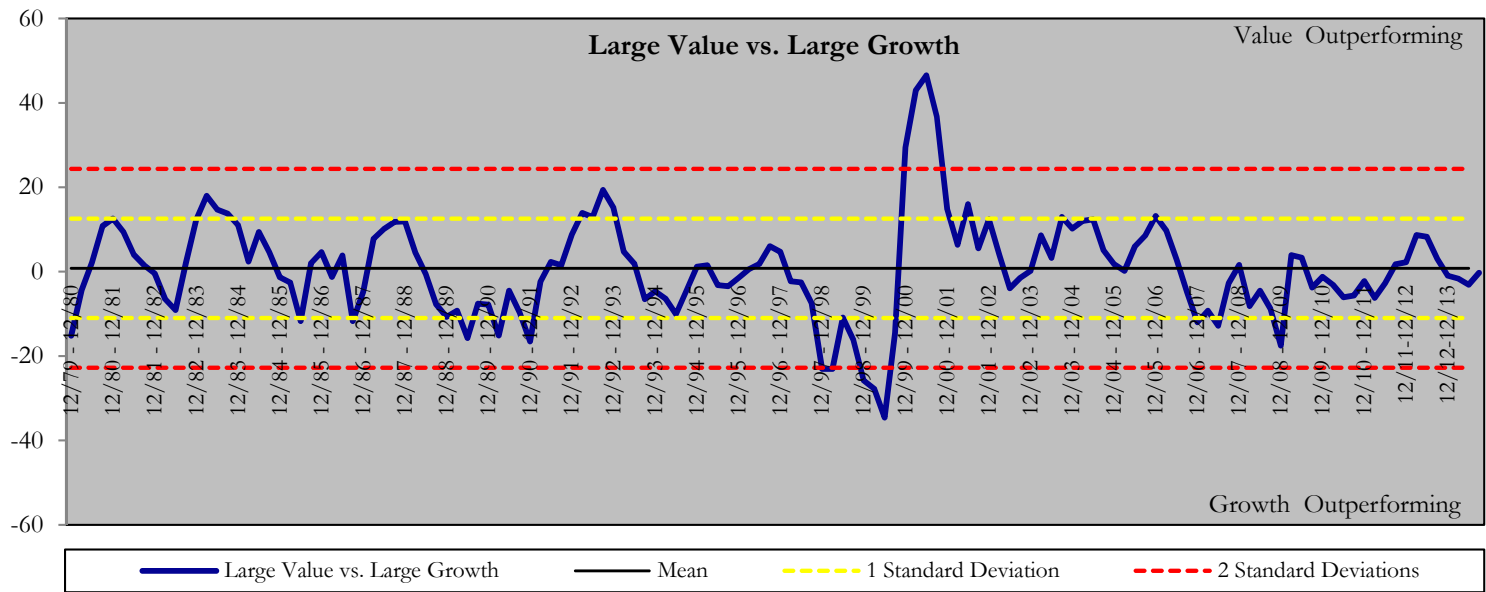
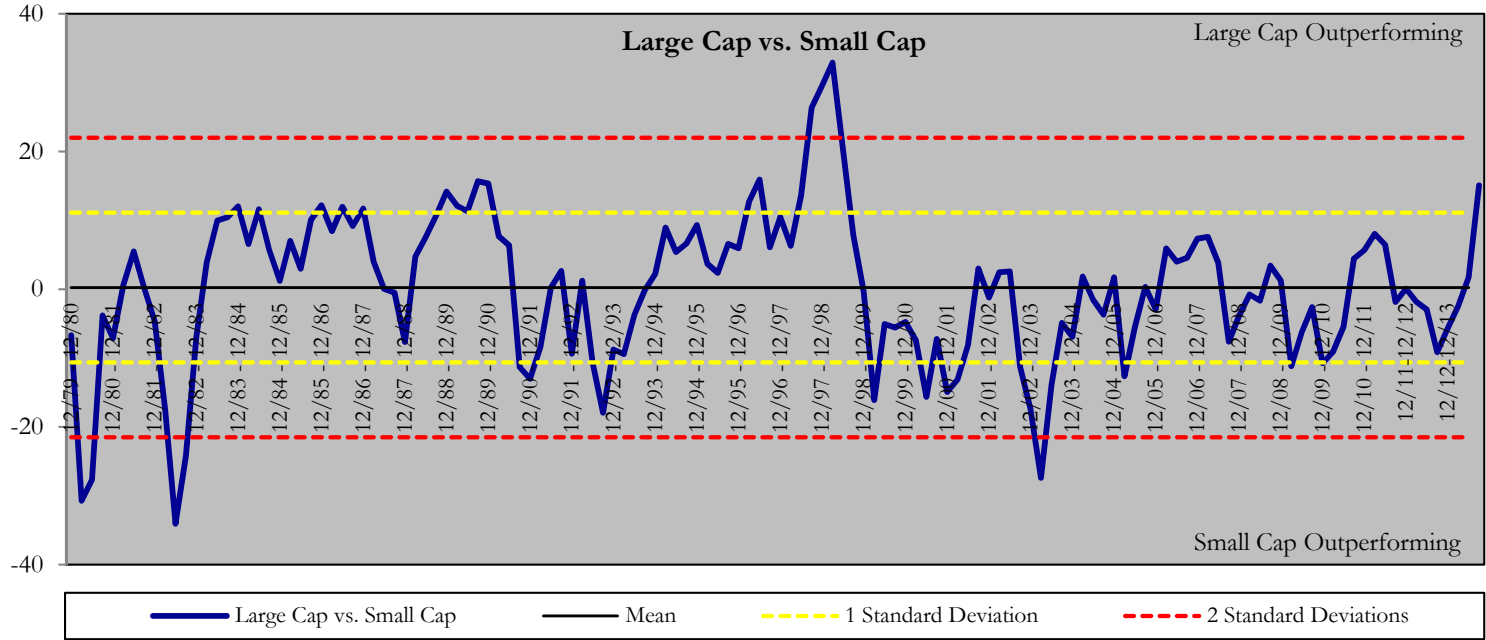




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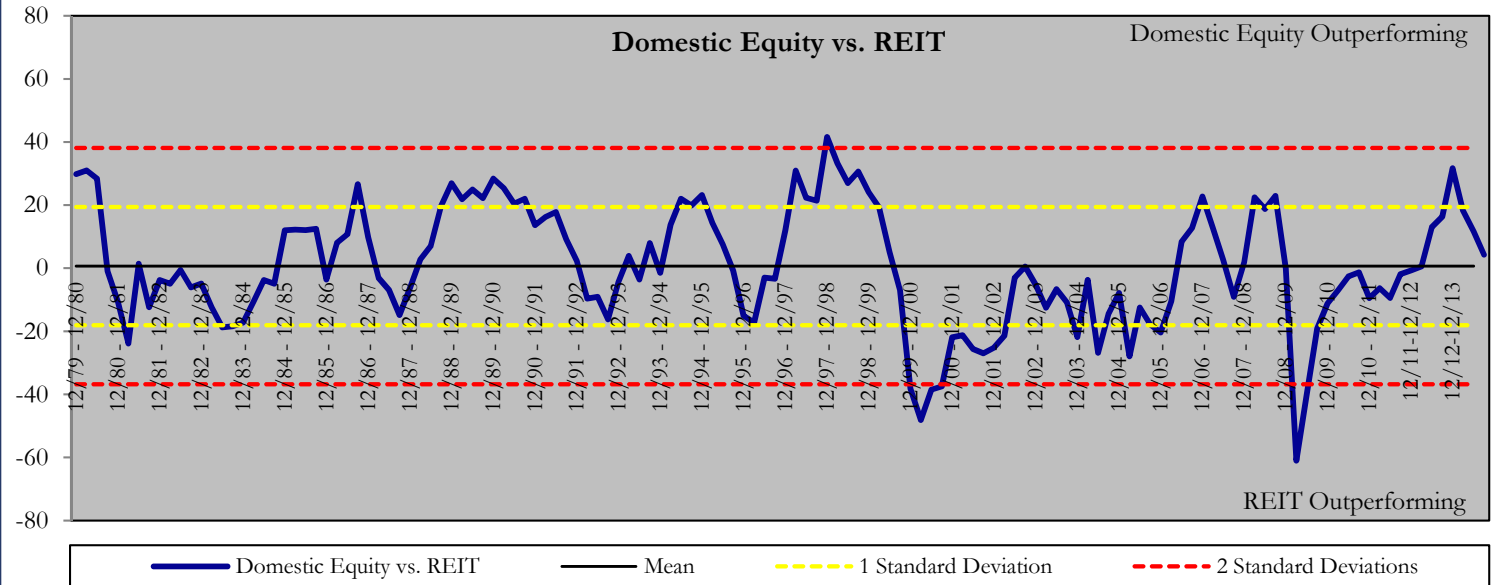
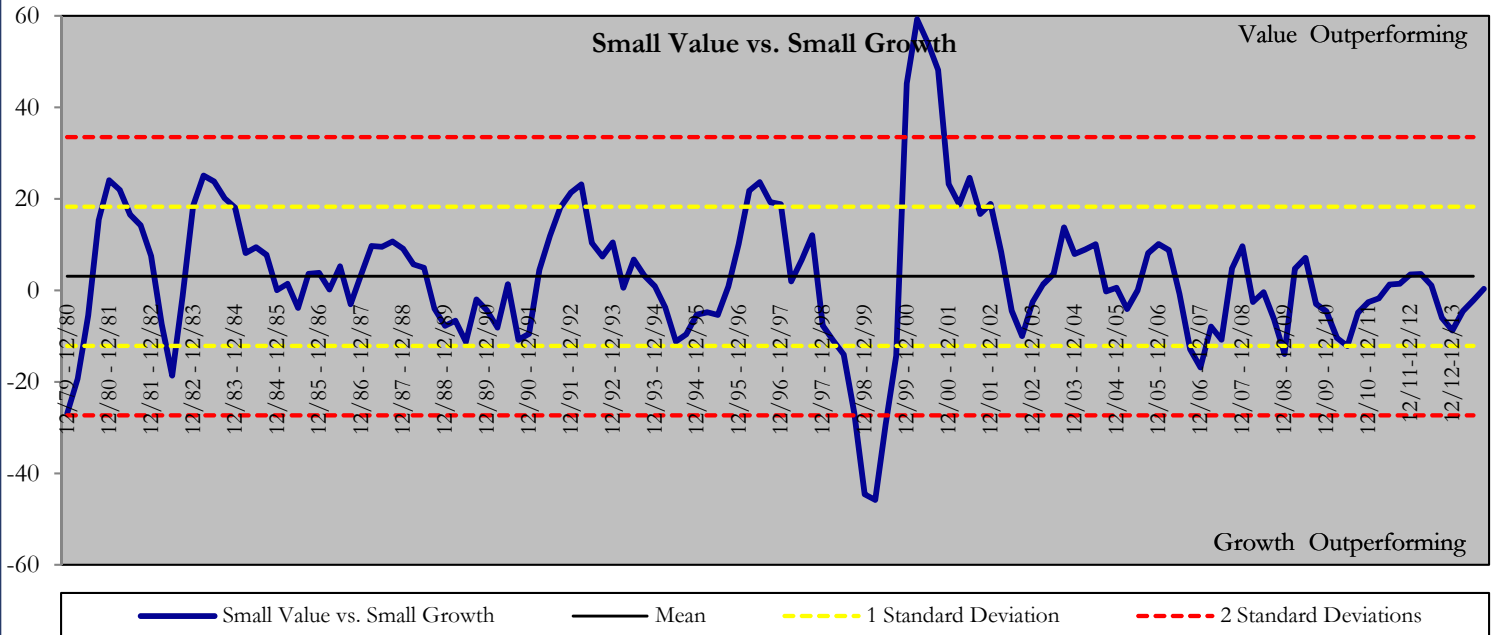
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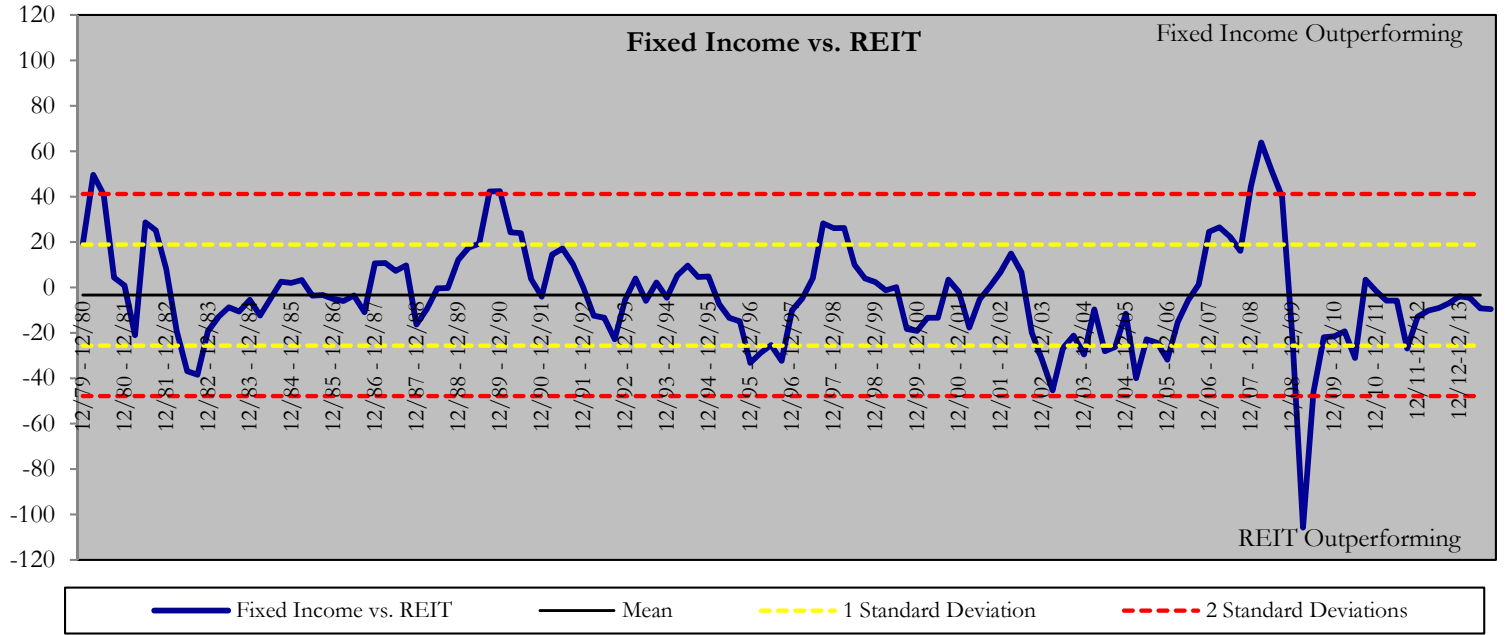
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**CAPITAL MARKETS REVIEW**  
**DECEMBER 31, 2014**  
**GENERAL DISCLOSURE STATEMENT**



**FIRM:** CapTrust Advisors, LLC is a registered investment advisor with the SEC. CapTrust Advisors' registration as an investment advisor with the U.S. Securities and Exchange Commission became effective on March 12, 2007. CapTrust is not a legal or tax advisor.

**STATEMENT OF OPINION:** This and/or the accompanying information was prepared by or obtained from sources which are believed to be reliable but does not guarantee its accuracy. Any opinions expressed or implied herein are subject to change without notice. The report herein is not a complete analysis of every material fact in respect to any company, industry or security. Any market prices are only indications of market values and are subject to change. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. Additional information is available upon request.

**ASSET CLASS SUITABILITY:** Stocks of small companies are typically more volatile than stocks of larger companies. They often involve higher risks because they may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions. High-yield, non-investment grade bonds are only suitable for aggressive investors willing to take greater risks, which could result in loss of principal and interest payments. Global/International investing involves risks not typically associated with US investing, including currency fluctuations, political instability, uncertain economic conditions and different accounting standards.

**PAST PERFORMANCE:** Past performance is not an indication of future results.

**ASSET CLASS PERFORMANCE REPRESENTATIONS:** Long Term Treasuries = BC Treasury Long; Municipals = BC Municipal; Foreign Bonds = Salomon World BIG – IB; US Govt/Credit = BC Govt/Credit; Mtge Backed Securities = ML Mortgage Master; Corporate Bonds = Salomon Corporate; 90 Day T-Bills = Salomon; Japanese Stocks = Salomon Japan BMI; High Yield Bonds = ML High Yield Master; Small Cap US Value = RU 2000 Value; MidCap US Stocks = RU Midcap; Large Cap US Value = RU 1000 Value; European Stocks = Salomon Europe BMI; Small Cap US Stocks = RU 2000; Lg Cap US Growth = RU 1000 Growth; Latin American Stocks = Salomon Latin America BMI; Sm Cap US Growth = RU 2000 Growth

**BROAD EQUITY MARKET & SECTOR PERFORMANCE REPRESENTATIONS:** Large-Cap = S&P 500 or Russell 1000; Mid-Cap = RU Midcap; Small-Cap = RU 2000; International = MSCI EAFE

**DATA SOURCES:** Information found in this document was derived from the following sources: Zephyr Associates StyleAdvisor, Informa M-Watch, Investor Force, Barclays Capital, MSCI Barra, and Standard & Poor's.

**Dow Jones Industrial Average** - This index is comprised of 30 "blue-chip" US stocks selected for their history of successful growth and wide interest among investors. The DJIA represents about 20% of the total market value of all US stocks and about 25% of the NYSE market capitalization. It is a price-weighted arithmetic average, with the divisor adjusted to reflect stock splits and the occasional stock switches in the index.

**NASDAQ Composite** - A cap-weighted index comprised of all common stocks that are listed on the NASDAQ Stock Market (National Association of Securities Dealers Automated Quotation system).

**S&P 500** - A broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks. This index does not contain the 500 largest companies nor the most expensive stocks traded in the U.S. While many of the stocks are among the largest, this index also includes many relatively small companies. This index consists of approximately 380 industrial, 40 utility, 10 transportation and 70 financial companies listed on U.S. market exchanges. It is a capitalization-weighted index (stock price times number of shares outstanding), calculated on a total return basis with dividends reinvested.

**S&P 500/Citigroup Growth** - The S&P/Citigroup Growth tracks the performance of those stocks in the S&P 500 with lower book-to-price ratios. A cap-weighted index, it is rebalanced semi-annually, based on its price-to-book ratios and market capitalizations at the close of trading one month prior. The index is adjusted each month to reflect changes in the S&P 500. This index is more heavily weighted in the consumer non-cyclical, health care, and technology sectors than the S&P 500.

**S&P 500/Citigroup Value** - The S&P Citigroup/Value tracks the performance of those stocks in the S&P 500 with higher book-to-price ratios. A cap-weighted index, it is rebalanced semi-annually on January 1 and July 1, based on its book-to-price ratios and market capitalizations at the close of trading one month prior. The index is adjusted each month to reflect changes in the S&P 500. This index tends to be more heavily concentrated in the energy and financial sectors than the S&P 500.

**Russell 1000** - The 1000 largest companies in the Russell 3000 index, based on market capitalization.

**Russell 1000 Growth** - A segment of the Russell 1000 with a greater-than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the Russell 1000 Value index.

**Russell 1000 Value** - Represents a segment of the Russell 1000 with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Russell 1000 Growth Index.

**Russell Mid Cap** - The index consisting of the bottom 800 securities in the Russell 1000 as ranked by total market capitalization, and it represents over 35% of the Russell 1000 total market cap.

**Russell 2000** - The 2000 smallest companies in the Russell 3000 index.

**Russell 2000 Growth** - A segment of the Russell 2000 with a greater-than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the Russell 2000 Value index.

**Russell 2000 Value** - A segment of the Russell 2000 with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Russell 2000 Growth index.

**Russell 2500** - The index consisting of the bottom 500 stocks in the Russell 1000(as ranked by market capitalization) and all of the stocks in the Russell 2000. This index is intended to be used as a measure of small to medium/small stock performance, and it represents over 22% of the Russell 3000 total market cap.

**MSCI EAFE** - A market capitalization-weighted index representing all of the MSCI developed markets outside North America. It comprises 20 of the 22 countries in the MSCI World. These 20 countries include the 14 European countries in the MSCI Europe and the 6 Pacific countries in the MSCI Pacific. This index is created by aggregating the 20 different country indexes, all of which are created separately.

**MSCI World** - This market capitalization-weighted index represents all 22 of the MSCI developed markets in the world. It is created by aggregating the 22 different country indexes, all of which are created separately.

**MSCI Emerging Markets Free (EMF)** - A market capitalization-weighted index representing 26 of the emerging markets in the world. Several factors are used to designate whether a country is considered to be emerging vs. developed, the most common of which is Gross Domestic Product Per Capita. The "Free" aspect indicates that this index includes only securities that are allowed to be purchased by global investors. This index is created by aggregating the 26 different country indexes, all of which are created separately.

**Barclays Capital Government/Credit** - This index includes all bonds that are in the Barclays Capital Government Bond and the Barclays Capital Credit Bond indices.

**Barclays Capital Government Intermediate** - All bonds covered by the Barclays Capital Government Bond index with maturities of 1 and 10 years.

**Barclays Capital Aggregate Bond** - This index is made up of the Barclays Capital Government/Credit, the Mortgage-Backed Securities, and the Asset-Backed Securities indices. All issues in the index are rated investment grade or higher, have at least one year to maturity, and have an outstanding par value of at least \$100 million.

**Barclays Capital Government Long Term** - All bonds covered by the Barclays Capital Government Bond index with maturities of 10 years or greater.

**Barclays Capital Municipal Bond** - This market cap weighted index includes investment grade tax-exempt bonds and is classified into four main sectors: General Obligation, Revenue, Insured, and Pre-refunded. To be included in this index, the original transaction size of a bond must have been greater than \$50 million.

**Merrill Lynch Convertibles** - The convertible securities used in this index span all corporate sectors and must have a par amount outstanding of \$25 million or more. The maturity must be at least one year. The coupon range must be equal to or greater than zero and all quality of bonds are included. Excluded from this index are preferred equity redemption stocks. When the component bonds of this index convert into common stock, the converted securities are dropped from the index.

**Merrill Lynch High Yield Master** - Market-cap weighted index providing a broad-based measure of bonds in the US domestic bond market rated below investment grade but not in default. Includes only issues with a credit rating of BB1 or below as rated by Moody's and/or S&P, at least \$100 million in face value outstanding and a remaining term to final maturity equal to or greater than one year.

**Dow Jones Wilshire REIT Index** - A measurement of equity REITs and Real Estate Operating Companies. No special-purpose or health care REITs are included. It is a market capitalization-weighted index for which returns are calculated monthly using buy and hold methodology; it is rebalanced monthly.

**Citigroup 3 Month Treasury Bill** - Representing the monthly return equivalents of yield averages that are not marked to market, this index is an average of the last three three-month Treasury bill issues.

**50/50 Blend (S&P 500/BCIGC)** - A blended benchmark consisting of 50% S&P 500 and 50% Barclays Capital Government/Credit Intermediate indices.





City of Fort Lauderdale Police and Fire  
Asset Allocation vs Target & Policy  
Total Fund Composite  
As of 12/31/14

Manager	Market Value	Actual %	Target %
Systematic Financial Management	21,894,003.67	2.75	3.00
Intech Large Core	21,094,593.78	2.65	2.75
Rhumblin Large Cap Fund	112,658,198.19	14.16	8.75
Sawgrass	22,384,650.24	2.81	3.00
Eagle Asset Management	30,782,247.16	3.87	3.75
Rhumblin Mid Cap Fund	77,988,500.65	9.80	8.75
<b>Total Domestic Equity</b>	<b>286,802,193.69</b>	<b>36.06</b>	<b>30.00</b>
Lazard International Equity	57,793,831.64	7.27	7.50
Dodge&Cox International Equity	54,928,759.42	6.91	7.50
<b>Total International Equity</b>	<b>112,722,591.06</b>	<b>14.17</b>	<b>15.00</b>
Agincourt	107,727,067.99	13.54	15.00
Boyd Watterson	94,835,036.74	11.92	15.00
<b>Total Domestic Fixed Income</b>	<b>202,562,104.73</b>	<b>25.47</b>	<b>30.00</b>
Cash	29,558,637.20	3.72	0.00
<b>Total Short Term</b>	<b>29,558,637.20</b>	<b>3.72</b>	<b>0.00</b>
Core Realty Fund	50,023,330.60	6.29	6.67
Prudential RE Investors PRISA II	32,598,547.96	4.10	3.33
<b>Total Real Estate</b>	<b>82,621,878.56</b>	<b>10.39</b>	<b>10.00</b>
EnTrust	38,301,343.00	4.82	12.00
Lazard Global Infrastructure	42,853,140.06	5.39	3.00
<b>Total Special Investments</b>	<b>81,154,483.06</b>	<b>10.20</b>	<b>15.00</b>
<b>Total Fund Composite</b>	<b>795,421,888.30</b>	<b>100.00</b>	<b>100.00</b>

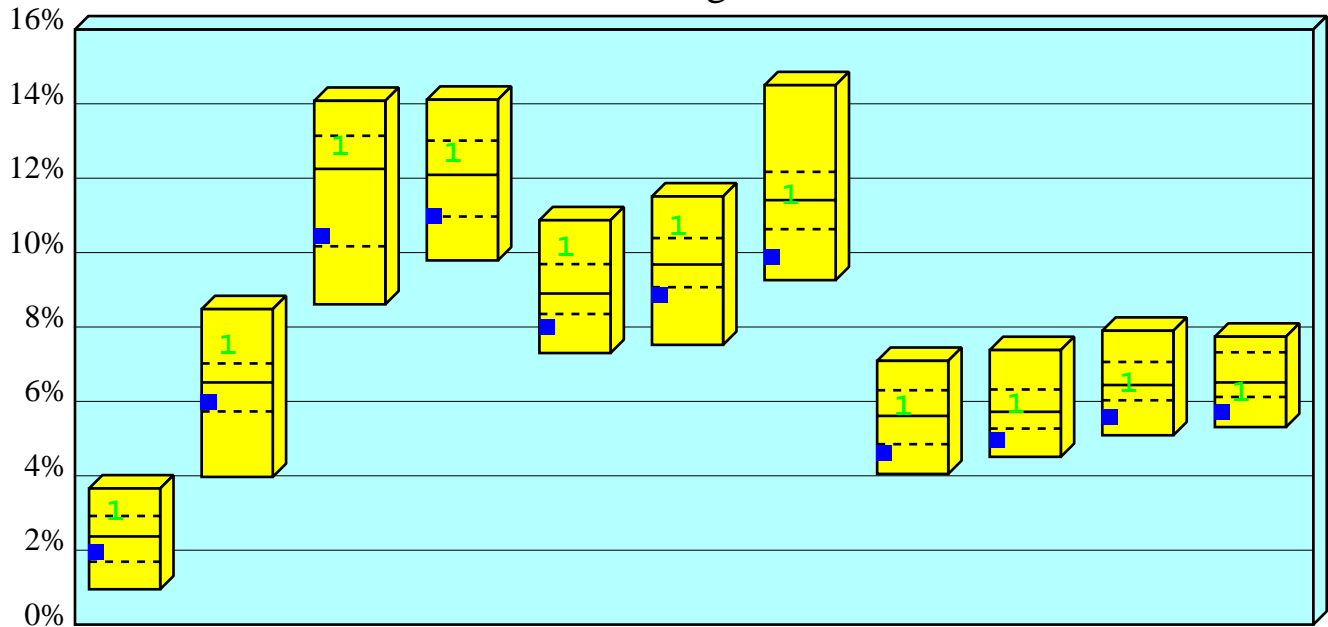
City of Fort Lauderdale Police and Fire  
Executive Summary Table  
Periods Ending December 31, 2014  
Net of Fee Return

Name	Value \$(000)	% of Fund	Periods Ending 12/31/14						Since Inception	
			Cur Qtr	2 Qtrs	3 Qtrs	1 Year	3 Yrs	5 Yrs	Ret	Date
<b>Total Fund Composite</b>	<b>795,422</b>	<b>100.0</b>	<b>1.91</b>	<b>0.80</b>	<b>4.15</b>	<b>5.95</b>	<b>10.96</b>	<b>8.83</b>	<b>7.43</b>	<b>9/30/95</b>
<i>Policy Index</i>			3.01	2.07	5.70	7.46	12.63	10.65	7.65	9/30/95
<b>Large Cap Composite</b>	<b>178,031</b>	<b>22.4</b>	<b>5.09</b>	<b>6.00</b>	<b>11.25</b>	<b>13.40</b>	<b>20.53</b>	<b>15.34</b>	<b>7.17</b>	<b>1/31/07</b>
Intech Large Core	21,095	2.7	6.23	7.52	13.00	15.04	20.50	16.06	9.00	3/31/04
<i>Standard &amp; Poors 500</i>			4.93	6.11	11.68	13.69	20.41	15.45	7.98	3/31/04
Rhumblin Large Cap Fund	112,658	14.2	4.97	6.13	11.65	13.63	20.32	15.46	8.89	9/30/95
<i>Standard &amp; Poors 500</i>			4.93	6.11	11.68	13.69	20.41	15.45	8.77	9/30/95
Sawgrass	22,385	2.8	5.97	7.55	11.49	13.22	20.11	15.78	8.44	3/31/07
<i>Russell 1000 Growth</i>			4.78	6.34	11.80	13.05	20.26	15.82	8.96	3/31/07
Systematic Financial Management	21,894	2.8	3.76	2.70	8.00	11.20	21.15	14.27	10.45	11/30/02
<i>Russell 1000 Value</i>			4.98	4.78	10.13	13.45	20.89	15.43	9.30	11/30/02
<b>Small/Mid Cap Composite</b>	<b>108,771</b>	<b>13.7</b>	<b>5.87</b>	<b>0.59</b>	<b>3.84</b>	<b>5.55</b>	<b>17.46</b>	<b>14.33</b>	<b>6.97</b>	<b>10/31/06</b>
Eagle Asset Management	30,782	3.9	8.54	3.76	5.70	5.57	18.71		10.62	6/30/11
<i>Russell 2000 Growth</i>			10.06	3.31	5.09	5.60	20.14		13.34	6/30/11
Rhumblin Mid Cap Fund	77,989	9.8	6.29	2.04	6.47	9.72	20.02		13.64	6/30/11
<i>S&amp;P Midcap 400</i>			6.35	2.11	6.53	9.77	19.99		13.63	6/30/11
<b>International Equity Composite</b>	<b>112,723</b>	<b>14.2</b>	<b>-3.13</b>	<b>-7.25</b>	<b>-2.69</b>	<b>-1.89</b>	<b>12.40</b>	<b>5.44</b>	<b>3.72</b>	<b>11/30/00</b>
Dodge&Cox International Equity	54,929	6.9	-4.66	-7.25	-2.62				4.62	1/31/14
<i>MSCI EAFE (Net)</i>			-3.57	-9.23	-5.53				-0.91	1/31/14
Lazard International Equity	57,794	7.3	-1.63	-7.26	-2.76	-1.79	15.17		14.24	11/30/11
<i>MSCI EAFE (Net)</i>			-3.57	-9.23	-5.53	-4.90	11.06		10.40	11/30/11
<b>Total Domestic Fixed Income</b>	<b>202,562</b>	<b>25.5</b>	<b>0.81</b>	<b>0.75</b>	<b>2.18</b>	<b>3.28</b>	<b>2.52</b>	<b>4.35</b>	<b>4.75</b>	<b>5/31/05</b>
Agincourt	107,727	13.5	0.76	0.63	2.11	3.30	2.76	4.70	5.81	12/31/95
<i>Barclays Int Govt/Credit</i>			0.89	0.86	2.10	3.13	2.12	4.12	5.51	12/31/95
Boyd Watterson	94,835	11.9	0.87	0.88	2.26	3.25	2.43		2.93	4/30/11
<i>Barclays Int Govt/Credit</i>			0.89	0.86	2.10	3.13	2.03		2.82	4/30/11
Cash	29,559	3.7	0.04	0.09	0.13	0.18	0.36	0.24	1.72	1/31/06
<i>Citigroup 3-month T-Bill</i>			0.00	0.01	0.02	0.03	0.05	0.07		1/31/06
<b>Real Estate Composite</b>	<b>82,622</b>	<b>10.4</b>	<b>1.98</b>	<b>5.01</b>	<b>7.80</b>	<b>10.86</b>	<b>10.90</b>	<b>12.62</b>	<b>2.08</b>	<b>6/30/07</b>
Core Realty Fund	50,023	6.3	1.31	4.21	6.62	9.51	9.56	10.50	2.10	7/31/07
<i>NCREIF Prop Index</i>			3.04	5.75	8.83	11.81	11.11	12.13	5.37	7/31/07
Prudential RE Investors PRISA II	32,599	4.1	3.08	6.34	9.77	13.12	13.37	16.74	0.74	7/31/07
<i>NCREIF Prop Index</i>			3.04	5.75	8.83	11.81	11.11	12.13	5.37	7/31/07
EnTrust	38,301	4.8	-1.30	-1.96	-0.08	1.81			7.53	10/31/12
<i>HFRI FOF: Diversified Index</i>			0.83	1.21	2.74	3.22			6.38	10/31/12

**City of Fort Lauderdale Police and Fire**  
**Executive Summary Table**  
**Periods Ending December 31, 2014**  
**Net of Fee Return**

Name	Value \$(000)	% of Fund	Periods Ending 12/31/14					Since Inception		
			Cur Qtr	2 Qtrs	3 Qtrs	1 Year	3 Yrs	5 Yrs	Ret	Date
Lazard Global Infrastructure	42,853	5.4	4.08	3.46	9.44	18.32			18.42	11/30/13
<i>S&amp;P Global Infrastructure Index</i>			<i>1.20</i>	<i>-2.62</i>	<i>5.57</i>	<i>12.98</i>			<i>13.40</i>	<i>11/30/13</i>

## City of Fort Lauderdale Police and Fire Cumulative Performance Comparison Total Returns of Total Fund Public Sponsors Periods Ending 12/14



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years	Last 8 Years	Last 9 Years	Last 10 Years
High	3.66	8.48	14.08	14.11	10.87	11.51	14.50	7.09	7.38	7.90	7.74
1st Qt	2.92	7.02	13.14	13.01	9.69	10.39	12.17	6.30	6.32	7.06	7.32
Median	2.37	6.51	12.25	12.09	8.90	9.68	11.41	5.61	5.72	6.44	6.51
3rd Qt	1.69	5.73	10.17	10.97	8.35	9.07	10.63	4.85	5.27	6.03	6.12
Low	0.95	3.97	8.61	9.79	7.30	7.52	9.26	4.05	4.51	5.09	5.31

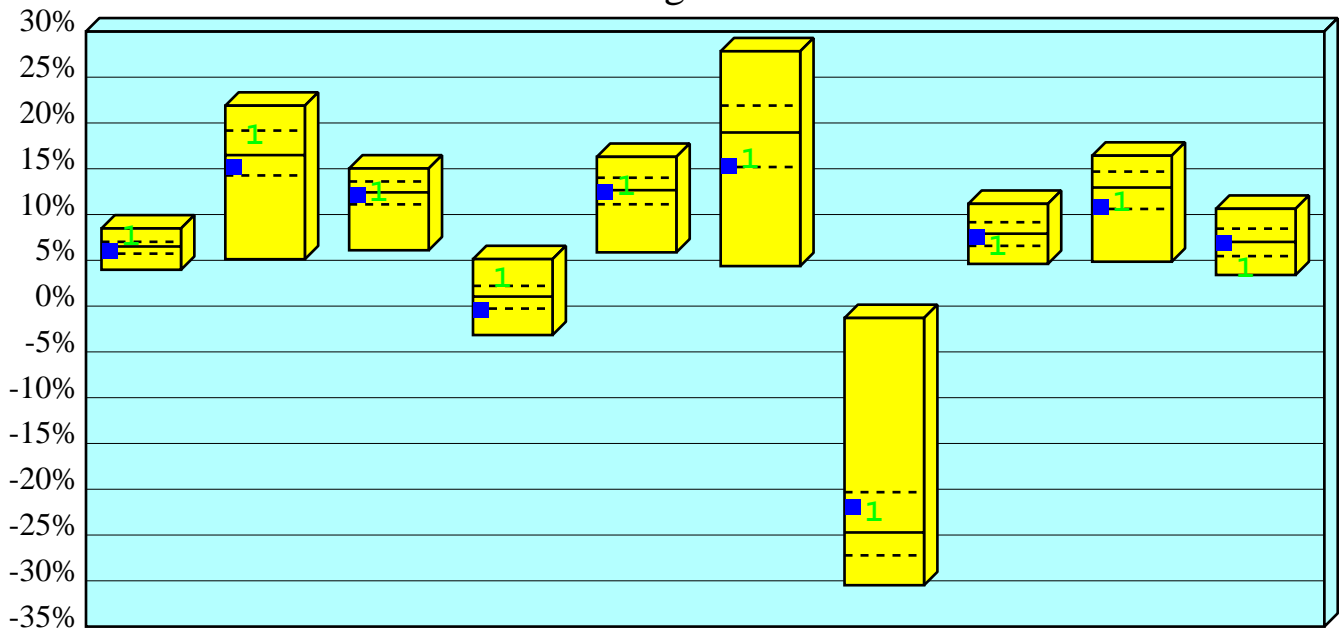
**■ Total Fund Composite**

Net Ret	1.91	5.95	10.42	10.96	7.97	8.83	9.85	4.59	4.94	5.56	5.68
Rank	64	71	71	75	82	78	89	85	85	90	89

**1 Policy Index**

Net Ret	3.01	7.46	12.81	12.63	10.09	10.65	11.50	5.82	5.88	6.45	6.20
Rank	16	14	32	35	8	17	46	42	45	47	72

## City of Fort Lauderdale Police and Fire Calendar Year Performance Comparison Total Returns of Total Fund Public Sponsors Years Ending December



	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
High	8.48	21.89	15.03	5.13	16.30	27.83	-1.30	11.17	16.43	10.63
1st Qt	7.02	19.17	13.61	2.21	14.02	21.90	-20.32	9.16	14.69	8.46
Median	6.51	16.49	12.42	1.04	12.66	18.96	-24.72	7.91	12.95	7.01
3rd Qt	5.73	14.27	11.11	-0.27	11.12	15.19	-27.22	6.58	10.61	5.46
Low	3.97	5.12	6.10	-3.16	5.87	4.37	-30.48	4.61	4.85	3.40

■ Total Fund Composite

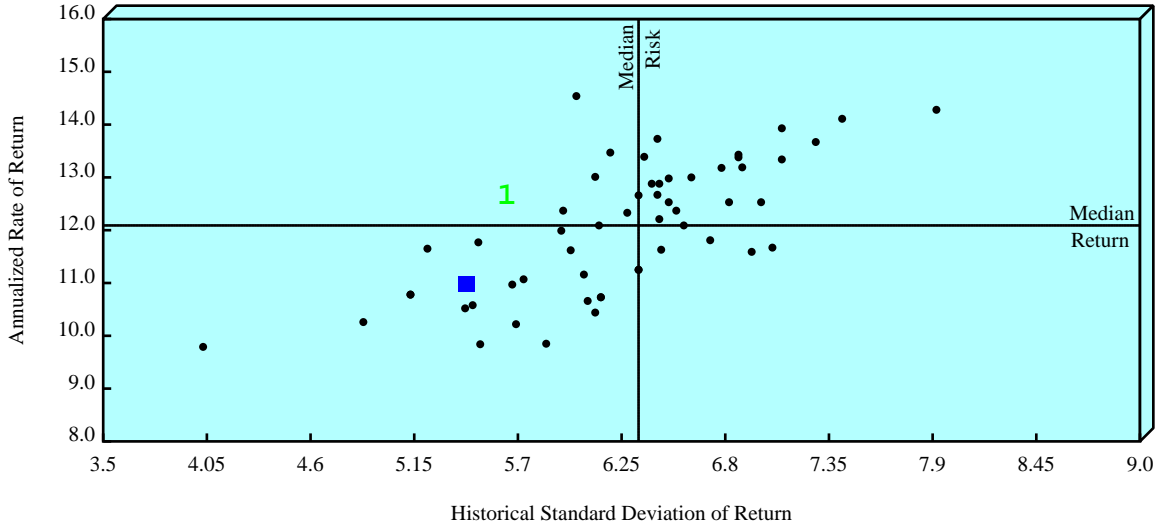
Net Ret	5.95	15.09	12.05	-0.54	12.33	15.13	-22.08	7.38	10.66	6.81
Rank	71	68	56	78	55	75	32	59	74	52

1 Policy Index

Net Ret	7.46	18.42	12.28	2.79	12.92	15.86	-22.66	6.30	11.14	3.93
Rank	14	34	53	16	45	70	35	81	69	93

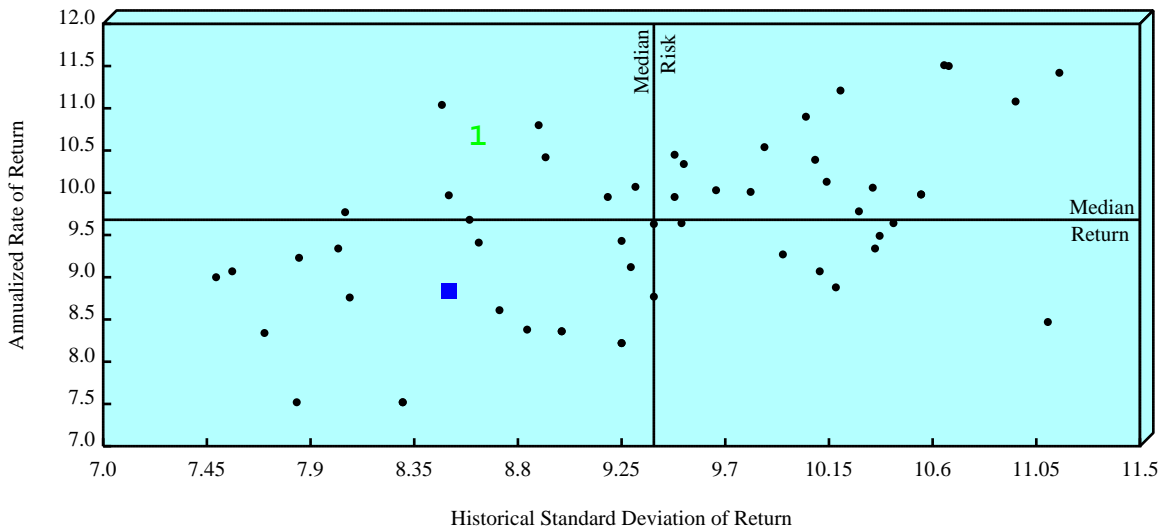
# City of Fort Lauderdale Police and Fire Return vs Risk Total Returns of Total Fund Public Sponsors

3 Years Ending 12/31/14



	Annualized Net of Fee Return		Standard Deviation	
	Value	Rank	Value	Rank
■ Total Fund Composite	10.96	75	5.46	15
1 Policy Index	12.63	35	5.67	21
Median	12.09		6.34	

5 Years Ending 12/31/14



	Annualized Net of Fee Return		Standard Deviation	
	Value	Rank	Value	Rank
■ Total Fund Composite	8.83	78	8.53	26
1 Policy Index	10.65	17	8.65	30
Median	9.68		9.39	

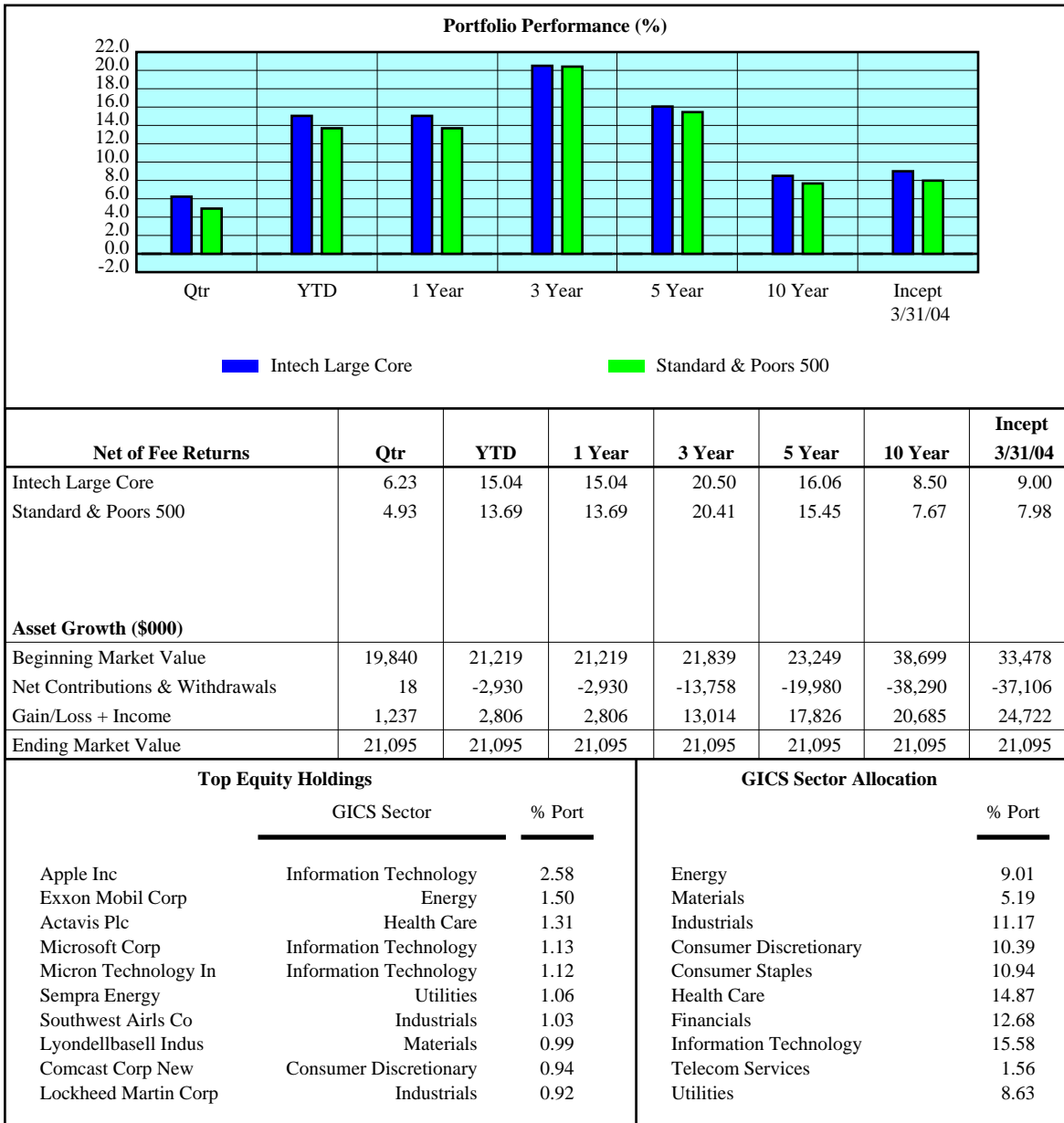
City of Fort Lauderdale Police and Fire  
Risk Measure Summary  
Total Fund Composite  
Quarterly Periods Ending 12/31/14

Risk Measures	1 Year		3 Years		5 Years		Inception	
	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench
Negative Periods	1	1	2	2	4	4	21	21
Positive Periods	3	3	10	10	16	16	56	56
Up Market Capture	0.85		0.90		0.90		0.96	
Down Market Capture	1.18		1.29		1.08		0.95	
Batting Average	0.25		0.25		0.20		0.44	
Worst Quarter	-1.07	-0.91	-2.04	-1.49	-9.73	-8.41	-11.33	-12.61
Best Quarter	3.34	3.56	7.23	7.63	7.68	8.68	14.12	12.93
Worst 4 Quarters	6.02	7.46	6.02	7.46	-0.49	2.44	-22.18	-24.64
Best 4 Quarters	6.02	7.46	15.22	18.42	19.56	21.56	33.57	32.86
Standard Deviation	3.70	3.98	5.46	5.67	8.53	8.65	9.81	10.09
Beta	0.88		0.94		0.98		0.95	
Alpha	-0.13		-0.18		-0.34		0.01	
R-Squared	0.95		0.97		0.98		0.96	
Sharpe Ratio	1.62	1.87	2.01	2.22	1.03	1.22	0.48	0.49
Treynor Ratio	6.81		11.68		9.03		4.97	
Tracking Error	1.01		1.05		1.13		1.94	
Information Ratio	-1.37		-1.40		-1.44		-0.12	

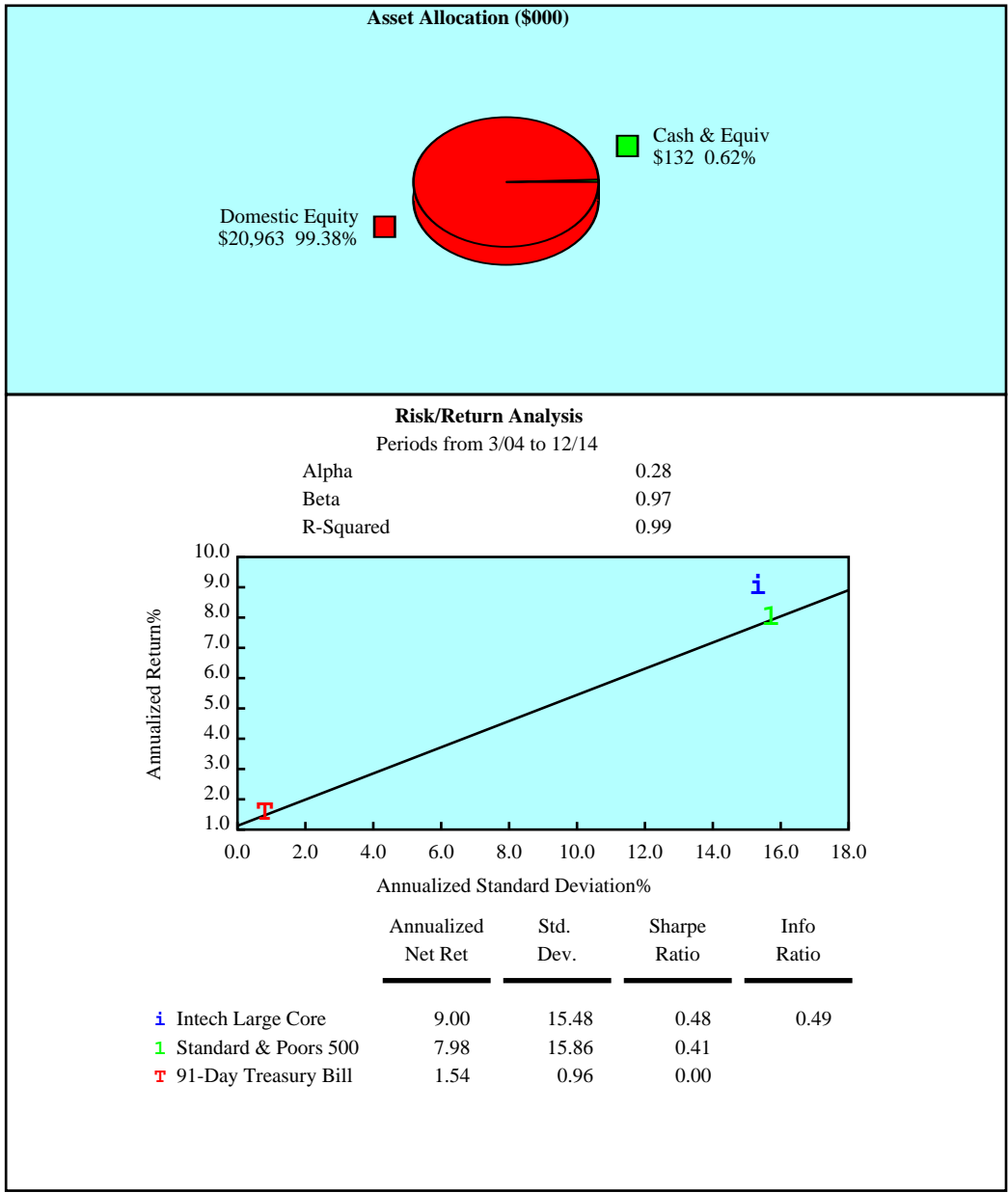




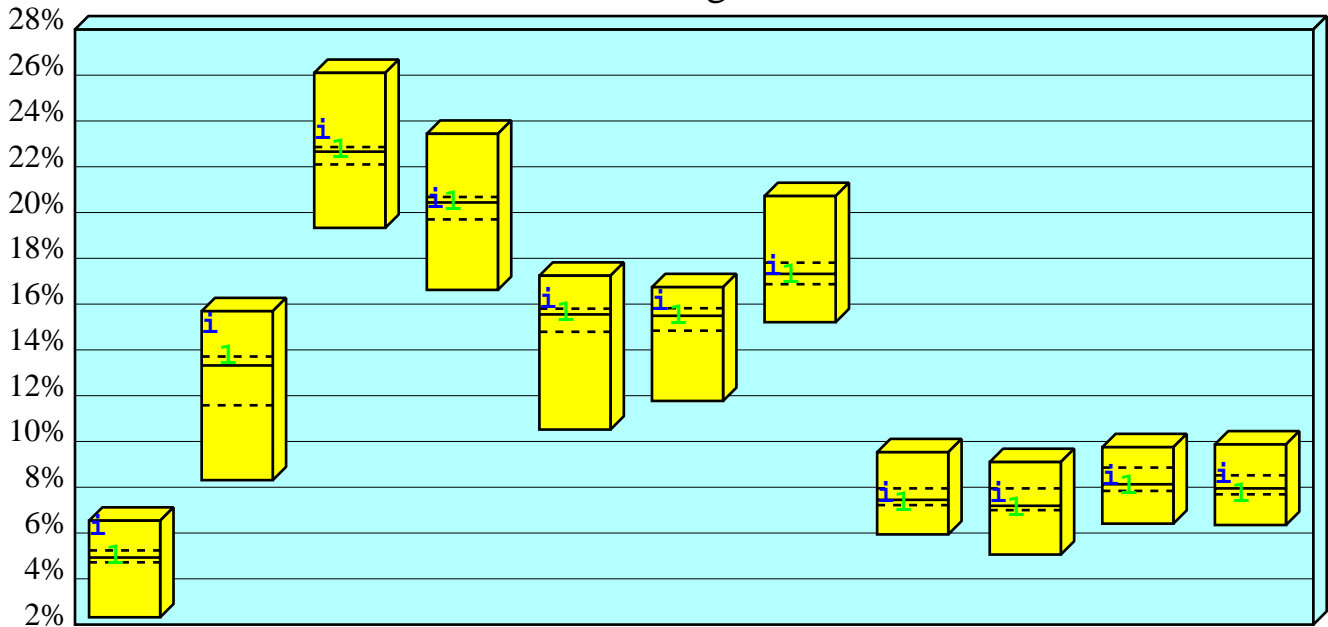
## City of Fort Lauderdale Police and Fire Intech Large Core as of 12/31/14



# City of Fort Lauderdale Police and Fire Intech Large Core as of 12/31/14



# City of Fort Lauderdale Police and Fire Large Neutral Cumulative Performance Comparisons Total Returns of Equity Portfolios Periods Ending 12/14



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years	Last 8 Years	Last 9 Years	Last 10 Years
High	6.54	15.69	26.10	23.44	17.24	16.74	20.72	9.53	9.10	9.75	9.87
1st Qt	5.24	13.71	22.86	20.68	15.80	15.82	17.81	7.95	7.95	8.86	8.52
Median	4.93	13.32	22.66	20.44	15.55	15.49	17.32	7.45	7.19	8.13	7.95
3rd Qt	4.72	11.58	22.10	19.70	14.79	14.84	16.87	7.22	7.00	7.84	7.69
Low	2.32	8.31	19.33	16.62	10.52	11.77	15.21	5.94	5.06	6.41	6.35

**i** Intech Large Core

Net Ret	6.23	15.04	23.51	20.50	16.13	16.06	17.58	7.65	7.64	8.42	8.50
Rank	7	9	19	40	19	21	37	41	31	36	29

**1** Standard & Poors 500

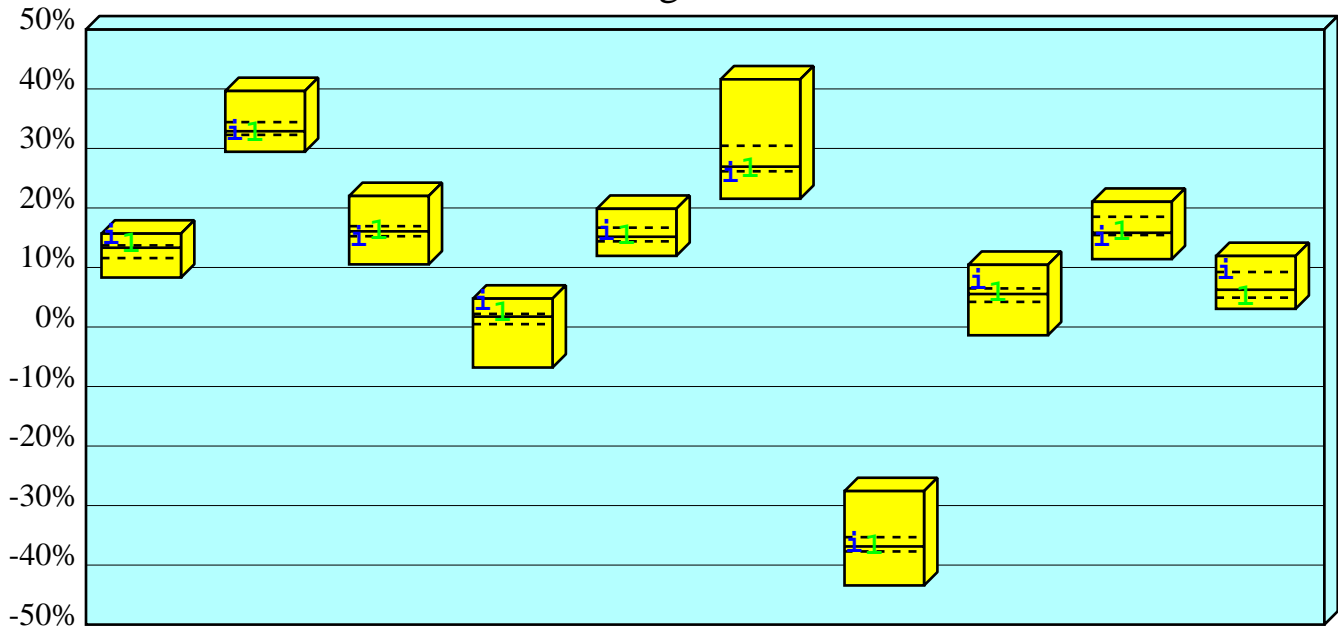
Net Ret	4.93	13.69	22.69	20.41	15.55	15.45	17.22	7.27	7.05	7.99	7.67
Rank	57	28	46	55	53	61	69	72	73	70	75

# City of Fort Lauderdale Police and Fire

## Large Neutral Consecutive Performance Comparisons

### Total Returns of Equity Portfolios

#### Years Ending December



	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
High	15.69	39.65	22.01	4.77	19.86	41.61	-27.57	10.45	21.04	11.93
1st Qt	13.71	34.42	16.94	2.20	16.69	30.45	-35.31	6.48	18.52	9.24
Median	13.32	32.89	16.07	1.74	15.16	26.94	-36.87	5.54	15.83	6.26
3rd Qt	11.58	32.28	15.25	0.48	14.39	26.16	-37.71	4.22	15.45	4.93
Low	8.31	29.44	10.52	-6.81	11.95	21.55	-43.42	-1.39	11.40	3.05

**i** Intech Large Core

Net Ret	15.04	32.60	14.70	3.95	15.77	25.49	-36.60	7.61	14.84	9.24
Rank	9	55	80	9	36	81	43	13	81	25

**1** Standard & Poors 500

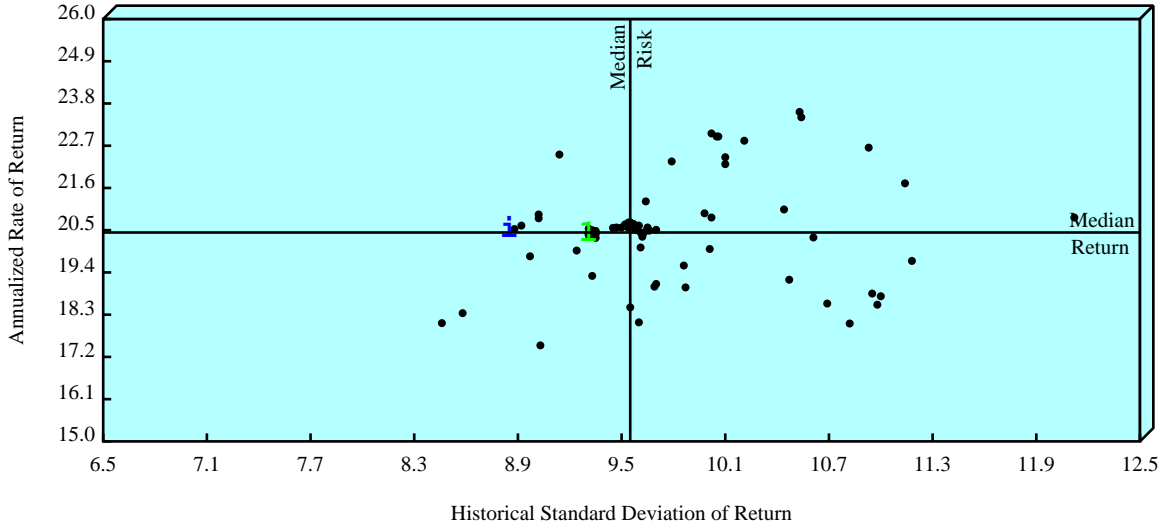
Net Ret	13.69	32.41	15.98	2.12	15.05	26.45	-36.99	5.52	15.81	4.89
Rank	28	63	66	36	64	71	64	54	55	83

# City of Fort Lauderdale Police and Fire

## Return vs Risk

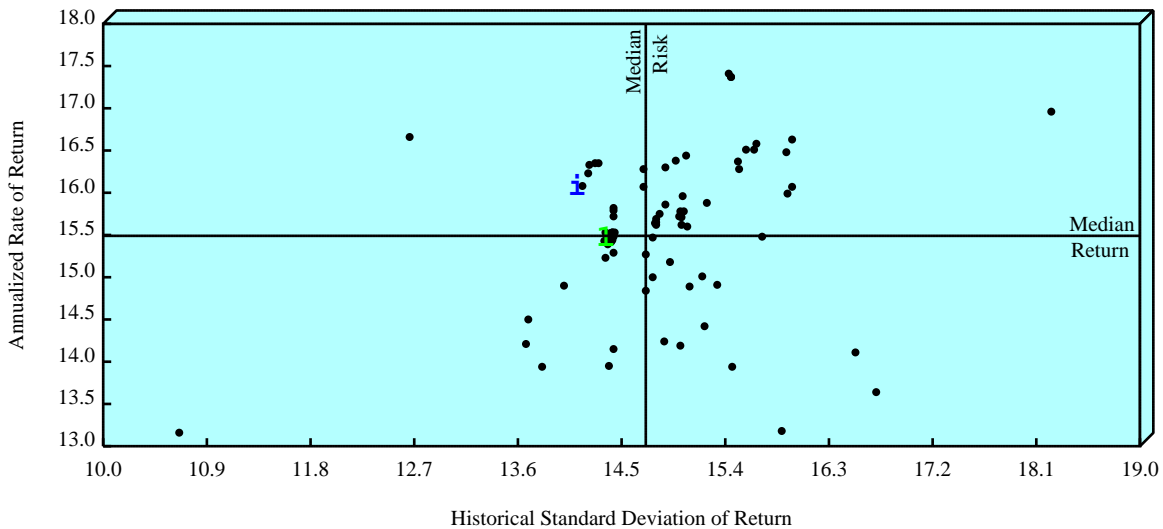
### Total Returns of Large Neutral Portfolios

3 Years Ending 12/31/14



	Annualized Net of Fee Return		Standard Deviation	
	Value	Rank	Value	Rank
i Intech Large Core	20.50	40	8.88	5
l Standard & Poors 500	20.41	55	9.34	29
Median	20.44		9.55	

5 Years Ending 12/31/14



	Annualized Net of Fee Return		Standard Deviation	
	Value	Rank	Value	Rank
i Intech Large Core	16.06	21	14.16	8
l Standard & Poors 500	15.45	61	14.41	29
Median	15.49		14.71	

City of Fort Lauderdale Police and Fire  
Risk Measure Summary  
Intech Large Core  
Quarterly Periods Ending 12/31/14

Risk Measures	1 Year		3 Years		5 Years		Inception	
	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench
Negative Periods	0	0	2	2	4	4	12	13
Positive Periods	4	4	10	10	16	16	31	30
Up Market Capture	1.10		1.00		1.02		1.01	
Down Market Capture			0.91		0.98		0.93	
Batting Average	0.75		0.58		0.65		0.65	
Worst Quarter	1.21	1.13	-2.04	-2.75	-14.27	-13.86	-21.62	-21.93
Best Quarter	6.23	5.24	10.91	12.58	12.48	12.58	15.35	15.93
Worst 4 Quarters	15.04	13.69	14.27	13.69	1.74	1.15	-37.08	-38.07
Best 4 Quarters	15.04	13.69	32.60	32.41	32.60	32.41	48.89	49.75
Standard Deviation	4.92	4.23	8.88	9.34	14.16	14.41	15.48	15.86
Beta	1.11		0.95		0.98		0.97	
Alpha	-0.06		0.27		0.21		0.28	
R-Squared	0.96		0.98		0.99		0.99	
Sharpe Ratio	3.05	3.23	2.30	2.18	1.13	1.07	0.48	0.41
Treynor Ratio	13.48		21.60		16.31		7.69	
Tracking Error	1.33		1.44		1.38		1.82	
Information Ratio	0.93		0.02		0.36		0.49	

City of Fort Lauderdale Police and Fire  
Equity Summary Statistics  
Intech Large Core  
Period Ending 12/14

	<u>Portfolio</u>	<u>Standard &amp; Poors 500</u>
Total Number Of Securities	326	502
Equity Market Value	20,962,964	
Average Capitalization \$(000)	80,917,077	130,760,212
Median Capitalization \$(000)	23,094,222	18,716,518
Equity Segment Yield	1.86	2.00
Equity Segment P/E - Average	20.65	19.50
Equity Segment P/E - Median	21.47	21.00
Equity Segment Beta	0.94	1.00
Price/Book Ratio	2.94	2.36
Debt/Equity Ratio	61.24	54.06
Five Year Earnings Growth	11.63	10.43

Ten Largest Holdings	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Quarterly Ret</u>
Apple Inc	540,862	2.58	10.03
Exxon Mobil Corp	314,330	1.50	-1.00
Actavis Plc	274,399	1.31	6.69
Microsoft Corp	236,895	1.13	0.83
Micron Technology In	234,567	1.12	2.19
Sempra Energy	222,720	1.06	6.31
Southwest Airs Co	215,832	1.03	25.50
Lyondellbasell Indus	206,414	0.99	-26.37
Comcast Corp New	197,234	0.94	7.87
Lockheed Martin Corp	192,570	0.92	6.19

Ten Best Performers	<u>Quarterly Ret</u>	Ten Worst Performers	<u>Quarterly Ret</u>
Delta Air Lines Inc	36.36	Nabors Industries Lt	-42.67
Electronic Arts	32.03	Halliburton Co	-38.76
Macerich Co	31.92	Genworth Finl Inc	-35.11
Carefusion Corp	31.14	Helmerich & Payne In	-30.56
Lowes Cos Inc	30.57	Newfield Expl Co	-26.84
L Brands Inc	29.78	Lyondellbasell Indus	-26.37
Walgreens Boots Alli	29.21	Cameron Internationa	-24.75
O Reilly Automotive	28.11	Netflix Com Inc	-24.29
Goodyear Tire & Rubr	26.83	Marathon Oil Corp	-24.24
Southwest Airs Co	25.50	Oneok Inc New	-23.28

City of Fort Lauderdale Police and Fire  
Equity Contribution to Return  
Intech Large Core  
Period Ending 12/14

	<u>Portfolio</u>	<u>Standard &amp; Poors 500</u>
Total Number Of Securities	326	502
Equity Market Value	20,962,964	
Average Capitalization \$(000)	80,917,077	130,760,212
Median Capitalization \$(000)	23,094,222	18,716,518
Equity Segment Yield	1.86	2.00
Equity Segment P/E - Average	20.65	19.50
Equity Segment P/E - Median	21.47	21.00
Equity Segment Beta	0.94	1.00
Price/Book Ratio	2.94	2.36
Debt/Equity Ratio	61.24	54.06
Five Year Earnings Growth	11.63	10.43

Ten Best Contributors	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Quarterly Ret</u>
Delta Air Lines Inc	167,246	0.80	36.36
Southwest Airs Co	215,832	1.03	25.50
Apple Inc	540,862	2.58	10.03
Kroger Co	186,209	0.89	23.87
Cvs Corp	186,649	0.89	21.41
Visa Inc	157,320	0.75	23.12
O Reilly Automotive	115,572	0.55	28.11
Delphi Automotive Pl	167,256	0.80	18.98
Walgreens Boots Alli	99,060	0.47	29.21
Amerisourcebergen Co	153,272	0.73	17.02

Ten Worst Contributors	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Quarterly Ret</u>
Lyondellbasell Indus	206,414	0.99	-26.37
Halliburton Co	78,660	0.38	-38.76
Helmerich & Payne In	80,904	0.39	-30.56
Nabors Industries Lt	48,026	0.23	-42.67
Williams Cos	112,350	0.54	-17.77
Oneok Inc New	84,643	0.40	-23.28
Netflix Com Inc	68,322	0.33	-24.29
Gilead Sciences Inc	141,390	0.68	-11.45
Eqf Corp	90,840	0.43	-17.28
Schlumberger Ltd	85,410	0.41	-15.61



City of Fort Lauderdale Police and Fire  
Equity Sector Attribution Analysis  
Intech Large Core  
Quarter Ending 12/14

GICS Sectors	Weight		Return		Selection		
	Portfolio	Index	Portfolio	Index	Stock	Sector	Total
Energy	7.95	9.70	-11.94	-10.82	-0.09	0.28	0.19
Materials	4.59	3.45	-2.96	-1.68	-0.06	-0.07	-0.13
Industrials	11.77	10.28	9.55	6.77	0.33	0.03	0.35
Consumer Discretionary	12.31	11.70	8.54	8.71	-0.02	0.02	0.00
Consumer Staples	10.62	9.55	10.44	8.15	0.24	0.03	0.28
Health Care	15.47	13.89	8.94	7.47	0.23	0.04	0.27
Financials	12.32	16.34	7.50	7.25	0.03	-0.09	-0.06
Information Technology	17.16	19.66	8.57	5.29	0.56	-0.01	0.55
Telecom. Services	1.08	2.43	-4.23	-4.46	0.00	0.13	0.13
Utilities	6.74	3.00	11.21	13.19	-0.13	0.31	0.17
	100.00	100.00	6.69	4.94	1.09	0.66	1.75

Index - Standard & Poors 500

Stock Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

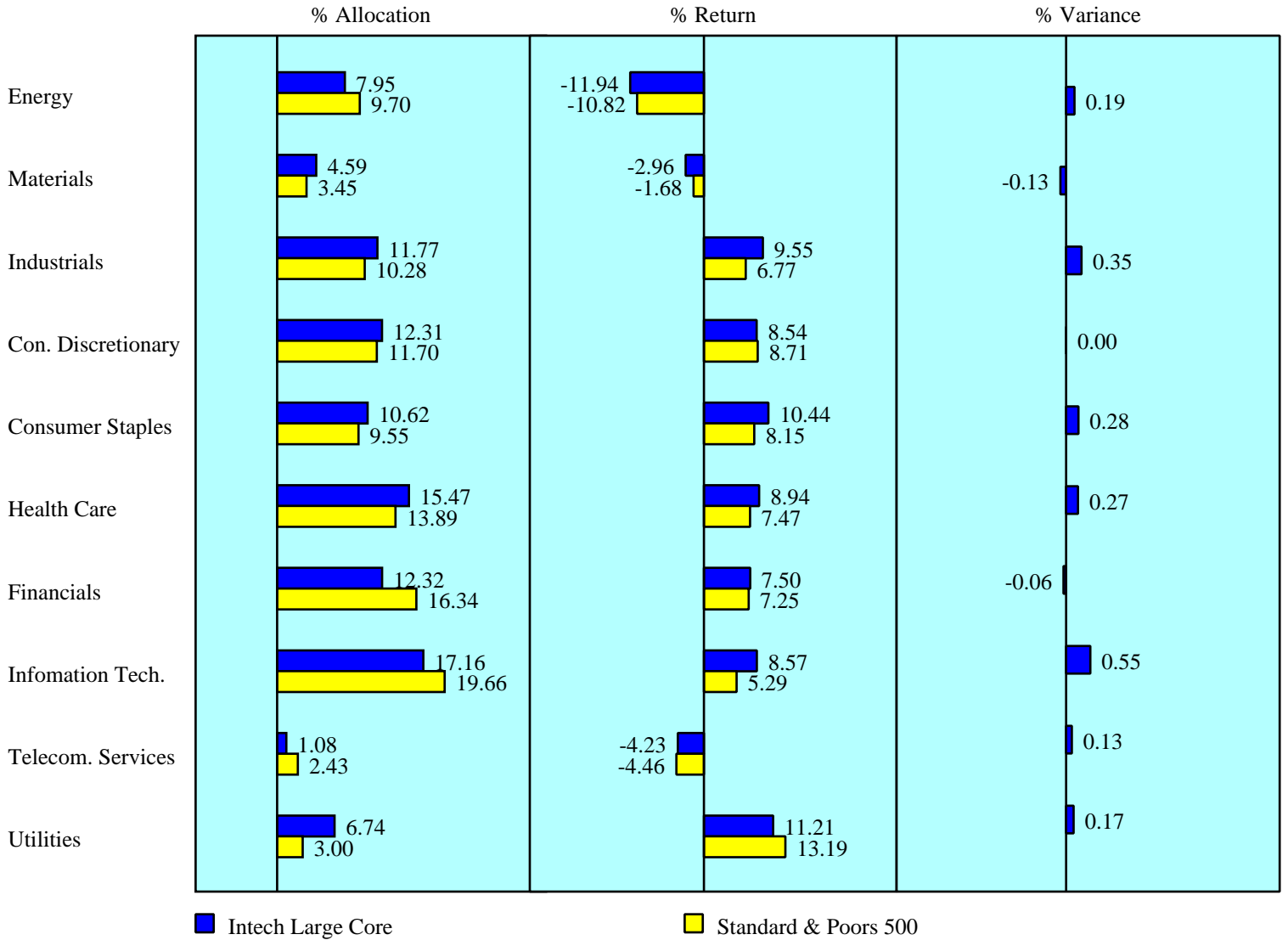
Sector Selection Return Attribution

[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

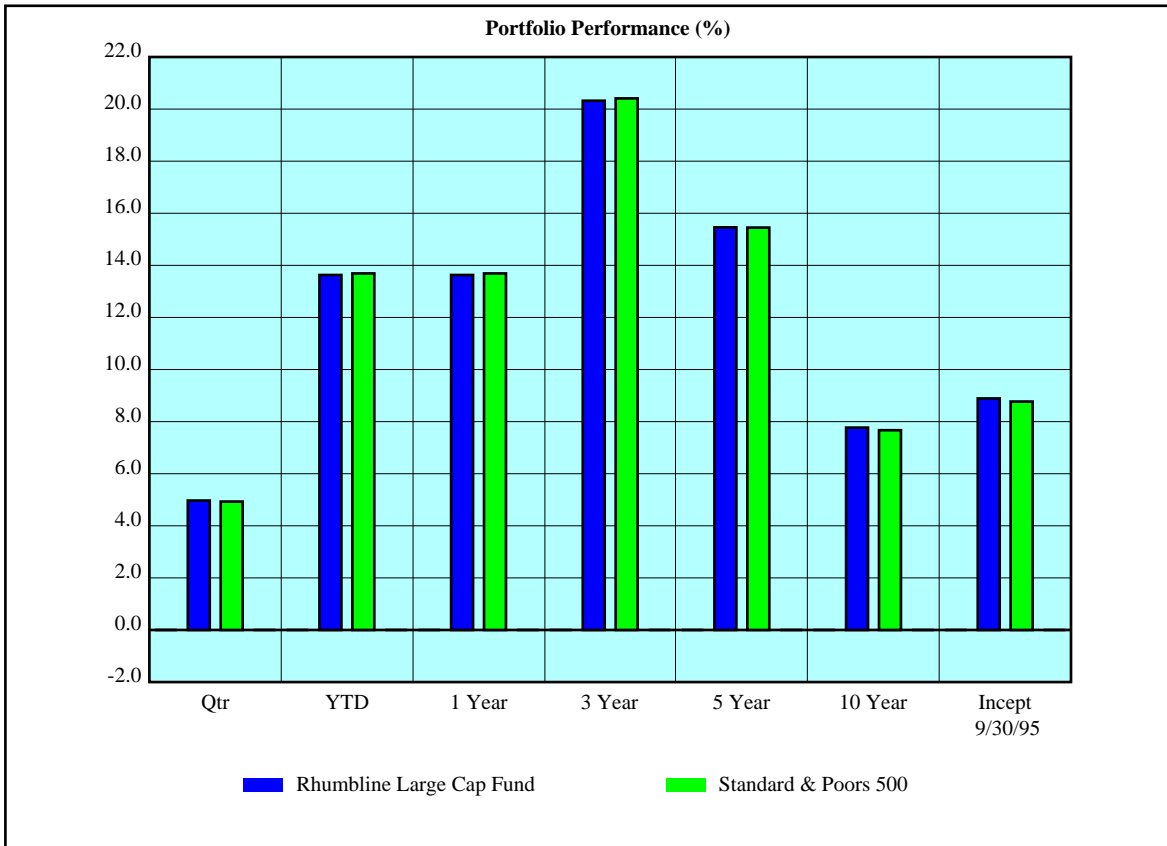
Trading Effect -0.32%

[ Actual Return 6.36% ] - [ Buy Hold Return 6.69% ]

# City of Fort Lauderdale Police and Fire Equity Sector Attribution Chart Intech Large Core Quarter Ending 12/14

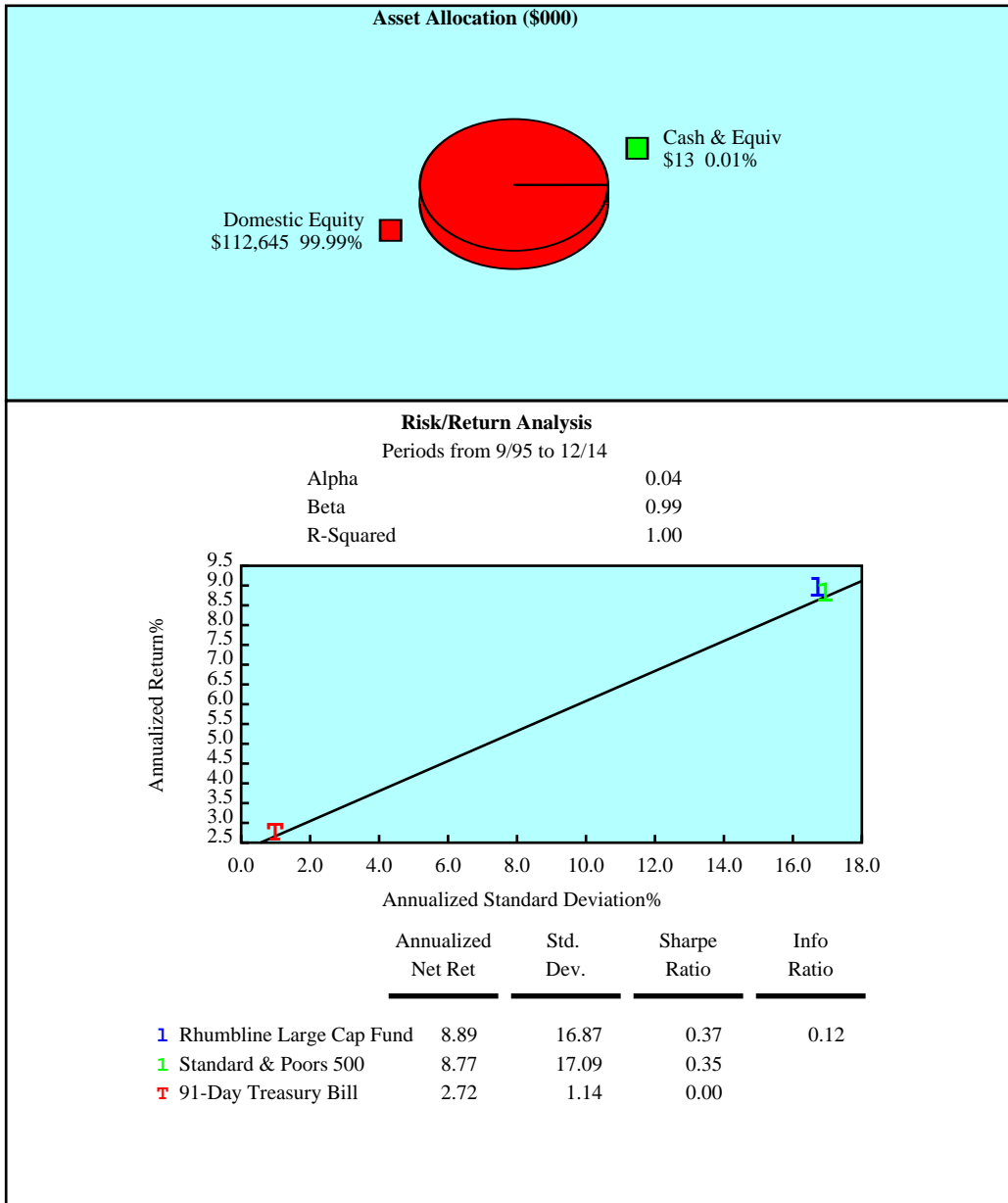


## City of Fort Lauderdale Police and Fire Rhumbline Large Cap Fund as of 12/31/14

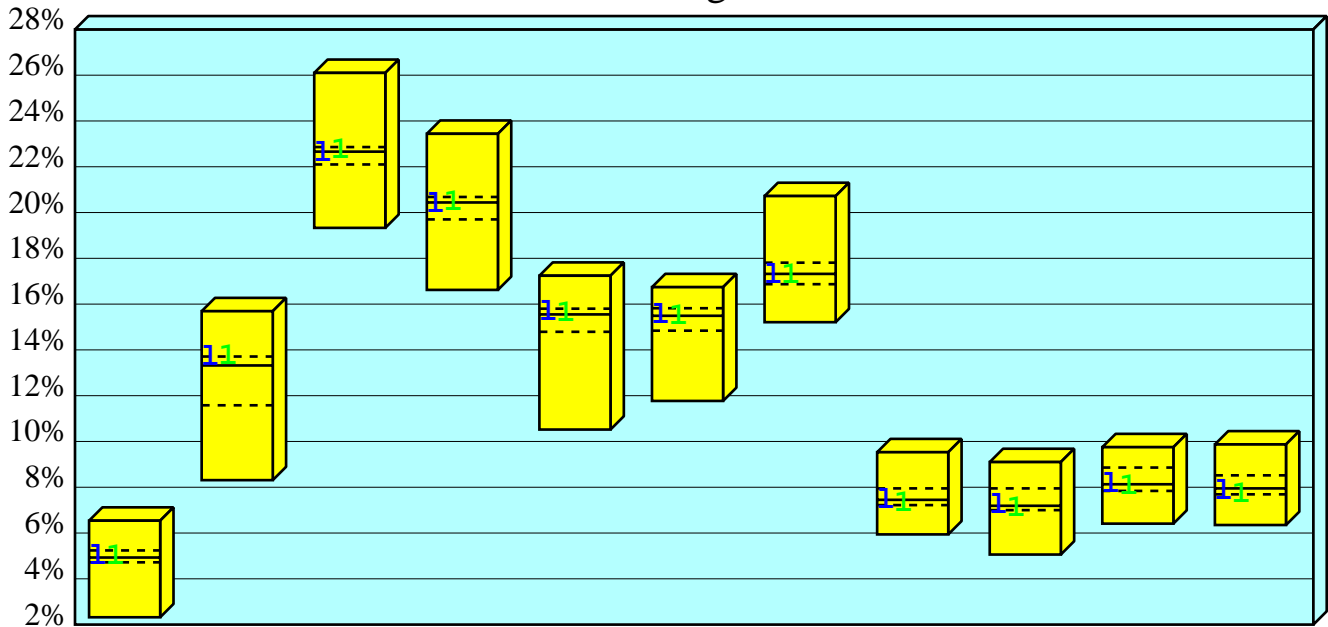


<b>Net of Fee Returns</b>	<b>Qtr</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>	<b>Incept 9/30/95</b>
Rhumbline Large Cap Fund	4.97	13.63	13.63	20.32	15.46	7.77	8.89
Standard & Poors 500	4.93	13.69	13.69	20.41	15.45	7.67	8.77
<b>Asset Growth (\$000)</b>							
Beginning Market Value	83,184	81,709	81,709	26,970	25,131	38,531	8,000
Net Contributions & Withdrawals	24,999	20,032	20,032	50,321	46,062	31,784	60,079
Gain/Loss + Income	4,475	10,917	10,917	35,367	41,465	42,343	44,579
Ending Market Value	112,658	112,658	112,658	112,658	112,658	112,658	112,658

# City of Fort Lauderdale Police and Fire Rhumbline Large Cap Fund as of 12/31/14



# City of Fort Lauderdale Police and Fire Large Neutral Cumulative Performance Comparisons Total Returns of Equity Portfolios Periods Ending 12/14



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years	Last 8 Years	Last 9 Years	Last 10 Years
High	6.54	15.69	26.10	23.44	17.24	16.74	20.72	9.53	9.10	9.75	9.87
1st Qt	5.24	13.71	22.86	20.68	15.80	15.82	17.81	7.95	7.95	8.86	8.52
Median	4.93	13.32	22.66	20.44	15.55	15.49	17.32	7.45	7.19	8.13	7.95
3rd Qt	4.72	11.58	22.10	19.70	14.79	14.84	16.87	7.22	7.00	7.84	7.69
Low	2.32	8.31	19.33	16.62	10.52	11.77	15.21	5.94	5.06	6.41	6.35

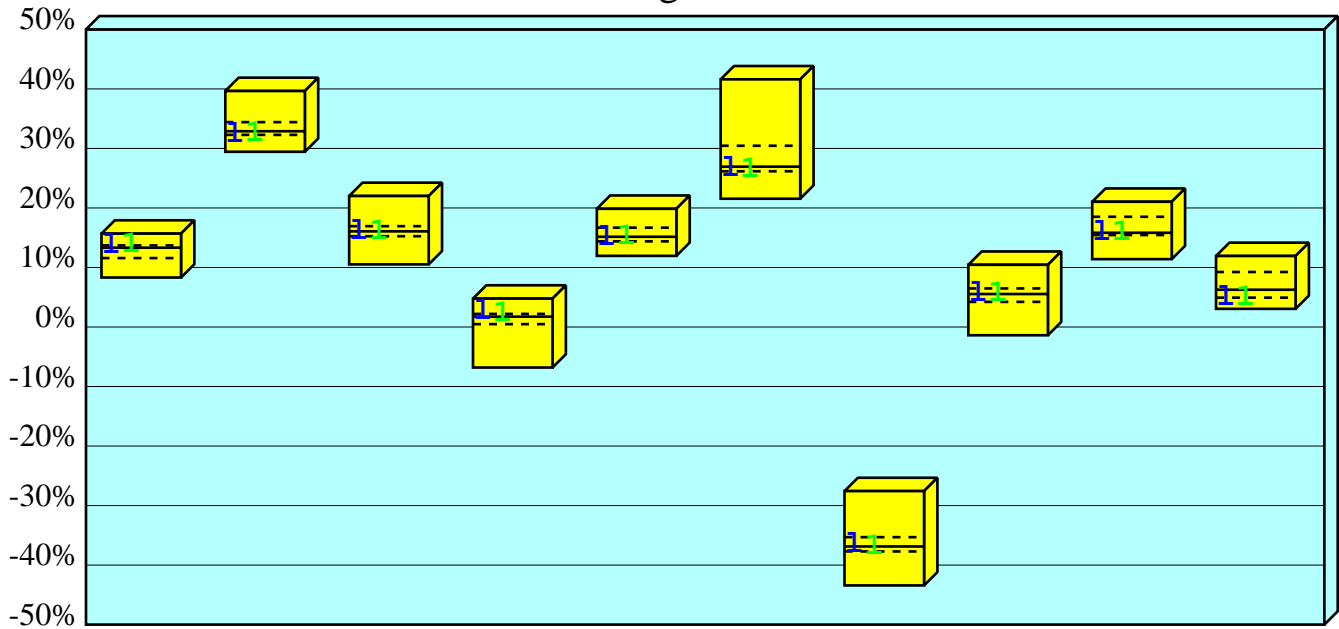
## 1 Rhumblin Large Cap Fund

Net Ret	4.97	13.63	22.57	20.32	15.59	15.46	17.23	7.38	7.16	8.09	7.77
Rank	41	38	65	65	40	59	66	56	52	56	64

## 1 Standard & Poors 500

Net Ret	4.93	13.69	22.69	20.41	15.55	15.45	17.22	7.27	7.05	7.99	7.67
Rank	57	28	46	55	53	61	69	72	73	70	75

# City of Fort Lauderdale Police and Fire Large Neutral Consecutive Performance Comparisons Total Returns of Equity Portfolios Years Ending December



	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
High	15.69	39.65	22.01	4.77	19.86	41.61	-27.57	10.45	21.04	11.93
1st Qt	13.71	34.42	16.94	2.20	16.69	30.45	-35.31	6.48	18.52	9.24
Median	13.32	32.89	16.07	1.74	15.16	26.94	-36.87	5.54	15.83	6.26
3rd Qt	11.58	32.28	15.25	0.48	14.39	26.16	-37.71	4.22	15.45	4.93
Low	8.31	29.44	10.52	-6.81	11.95	21.55	-43.42	-1.39	11.40	3.05

## 1 Rhumblin Large Cap Fund

Net Ret	13.63	32.22	15.94	2.48	14.93	26.51	-36.56	5.60	15.86	4.90
Rank	38	76	68	19	67	68	41	44	48	81

## 1 Standard & Poors 500

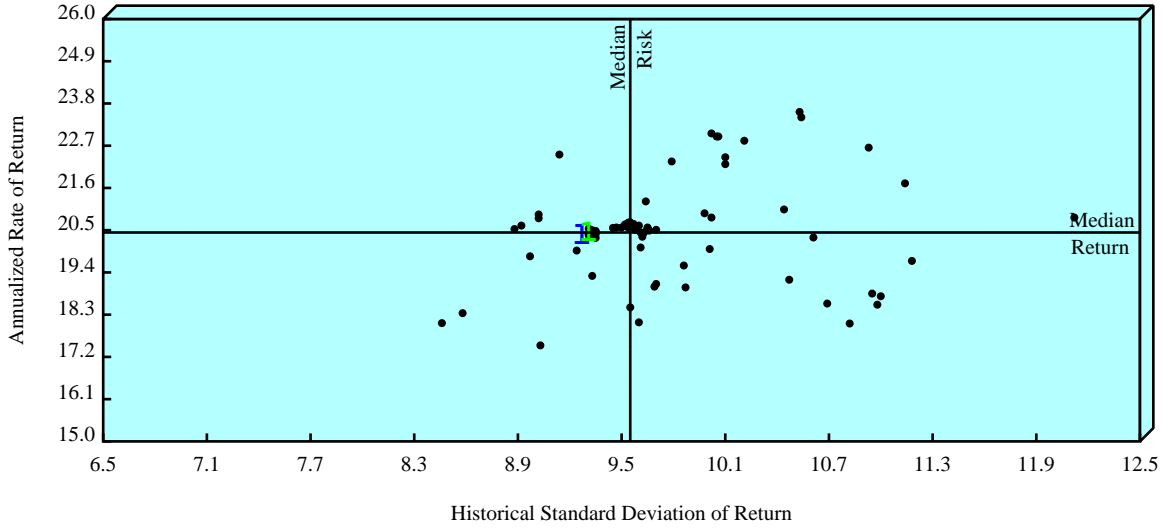
Net Ret	13.69	32.41	15.98	2.12	15.05	26.45	-36.99	5.52	15.81	4.89
Rank	28	63	66	36	64	71	64	54	55	83

# City of Fort Lauderdale Police and Fire

## Return vs Risk

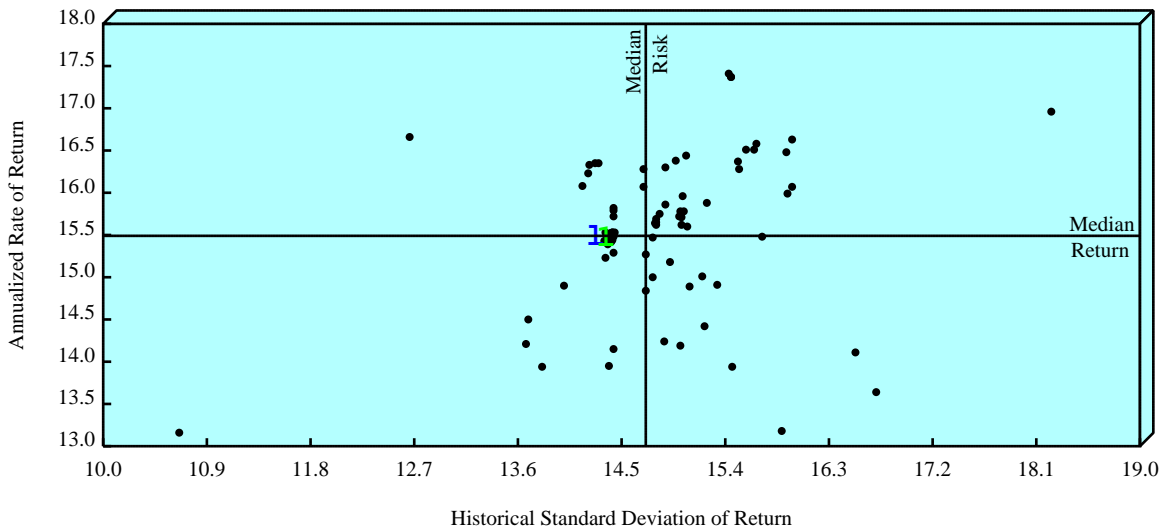
### Total Returns of Large Neutral Portfolios

3 Years Ending 12/31/14



	Annualized Net of Fee Return		Standard Deviation	
	Value	Rank	Value	Rank
1 Rhumblin Large Cap Fund	20.32	65	9.30	14
1 Standard & Poors 500	20.41	55	9.34	29
Median	20.44		9.55	

5 Years Ending 12/31/14



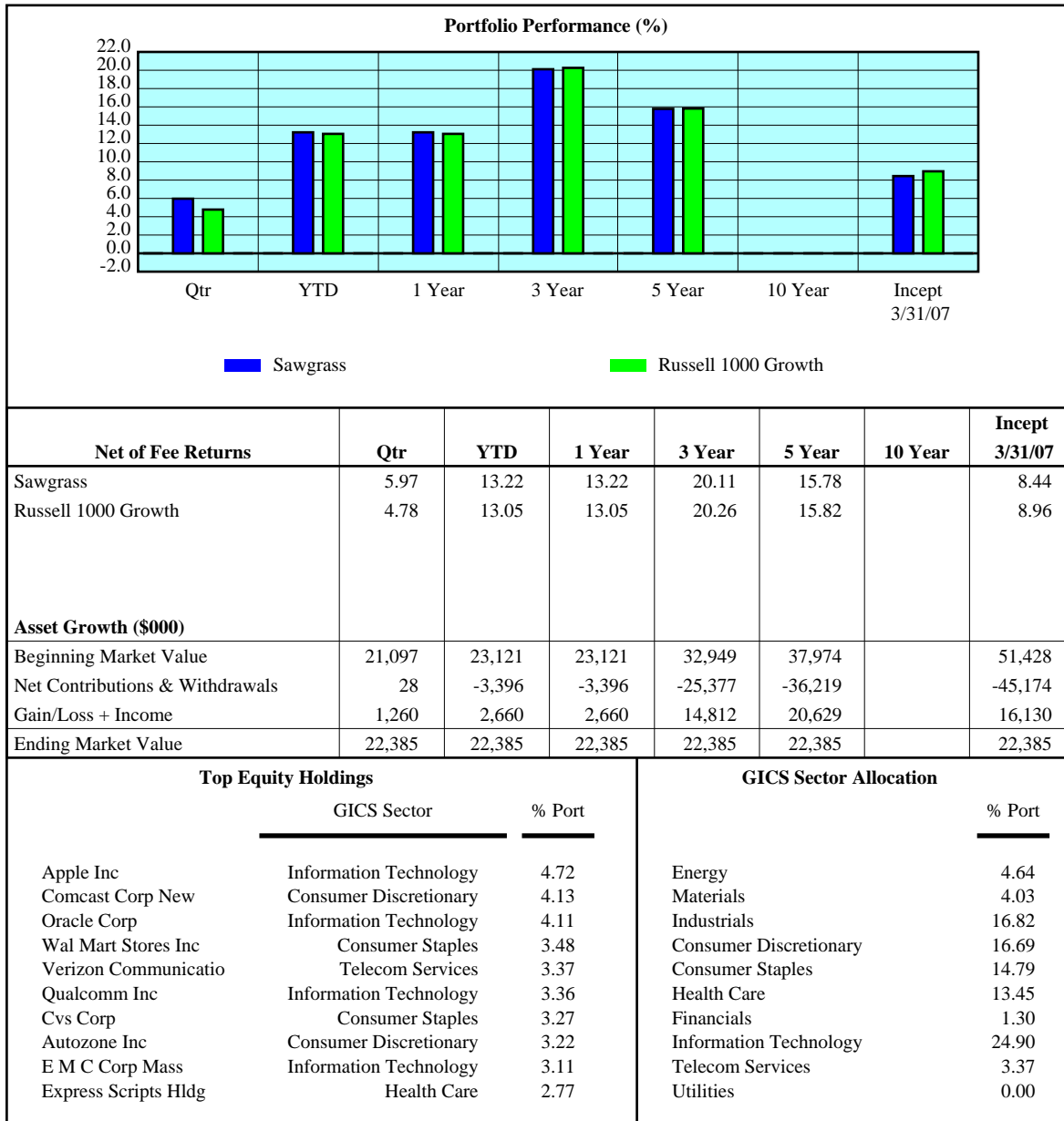
	Annualized Net of Fee Return		Standard Deviation	
	Value	Rank	Value	Rank
1 Rhumblin Large Cap Fund	15.46	59	14.32	12
1 Standard & Poors 500	15.45	61	14.41	29
Median	15.49		14.71	

City of Fort Lauderdale Police and Fire  
Risk Measure Summary  
Rhumblin Large Cap Fund  
Quarterly Periods Ending 12/31/14

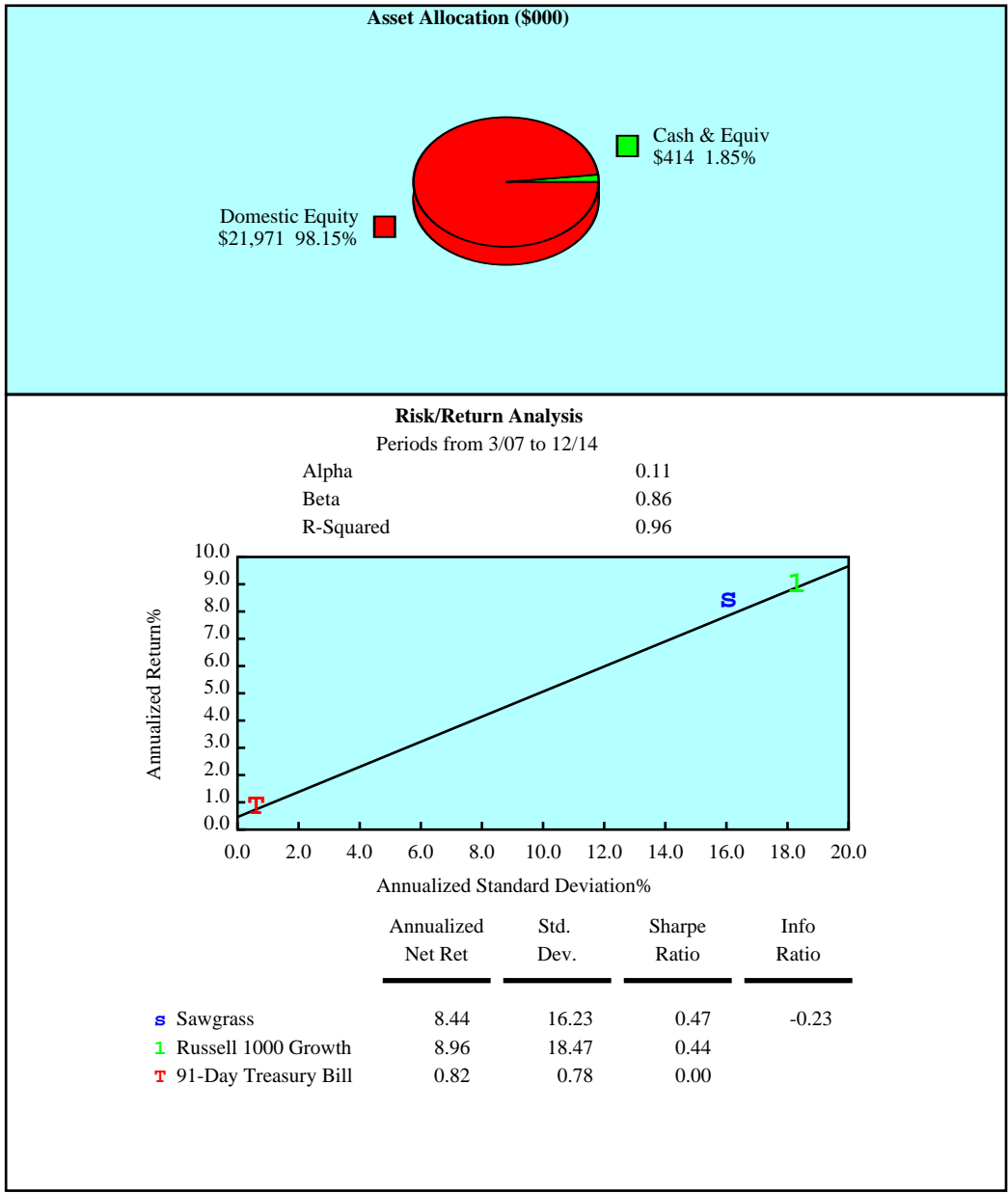
Risk Measures	1 Year		3 Years		5 Years		Inception	
	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench
Negative Periods	0	0	2	2	4	4	23	23
Positive Periods	4	4	10	10	16	16	54	54
Up Market Capture	1.00		1.00		1.00		1.00	
Down Market Capture			0.99		1.00		0.99	
Batting Average	0.25		0.25		0.30		0.57	
Worst Quarter	1.11	1.13	-2.75	-2.75	-13.83	-13.86	-21.62	-21.93
Best Quarter	5.19	5.24	12.55	12.58	12.55	12.58	21.07	21.32
Worst 4 Quarters	13.63	13.69	13.63	13.69	1.43	1.15	-37.64	-38.07
Best 4 Quarters	13.63	13.69	32.22	32.41	32.22	32.41	49.68	49.75
Standard Deviation	4.24	4.23	9.30	9.34	14.32	14.41	16.87	17.09
Beta	1.00		1.00		0.99		0.99	
Alpha	-0.01		-0.00		0.02		0.04	
R-Squared	1.00		1.00		1.00		1.00	
Sharpe Ratio	3.21	3.23	2.18	2.18	1.07	1.07	0.37	0.35
Treynor Ratio	13.60		20.33		15.47		6.26	
Tracking Error	0.07		0.06		0.28		0.62	
Information Ratio	-0.69		-1.31		-0.03		0.12	



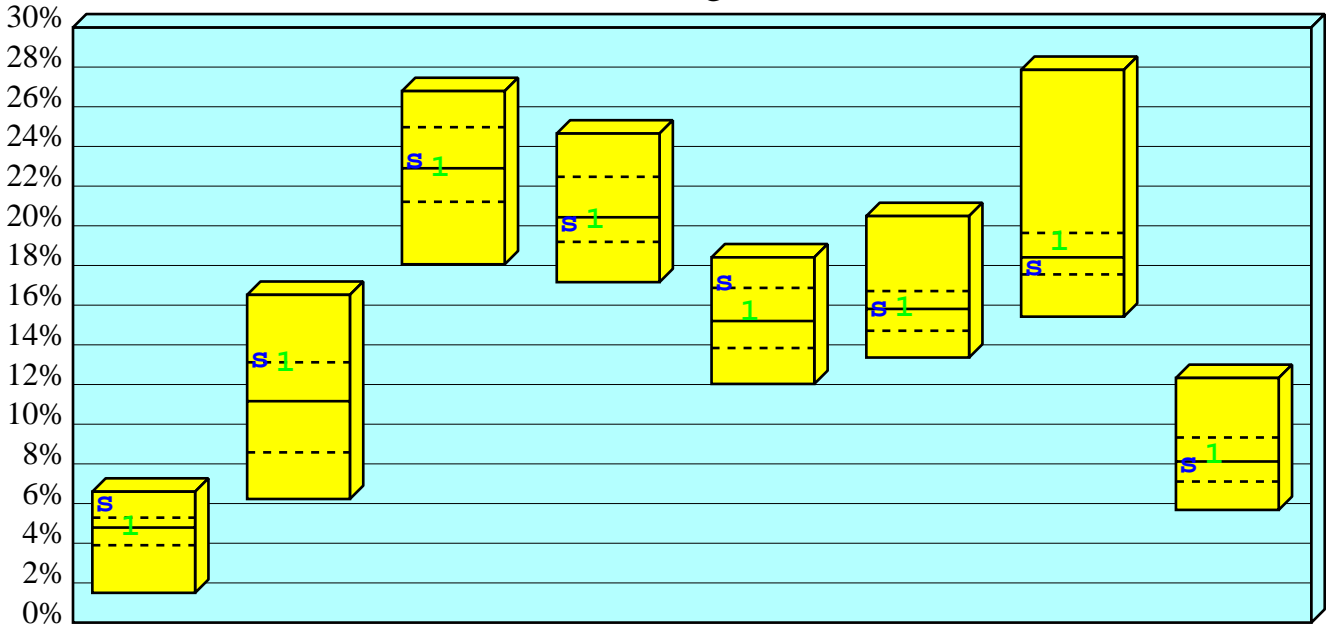
## City of Fort Lauderdale Police and Fire Sawgrass as of 12/31/14



# City of Fort Lauderdale Police and Fire Sawgrass as of 12/31/14

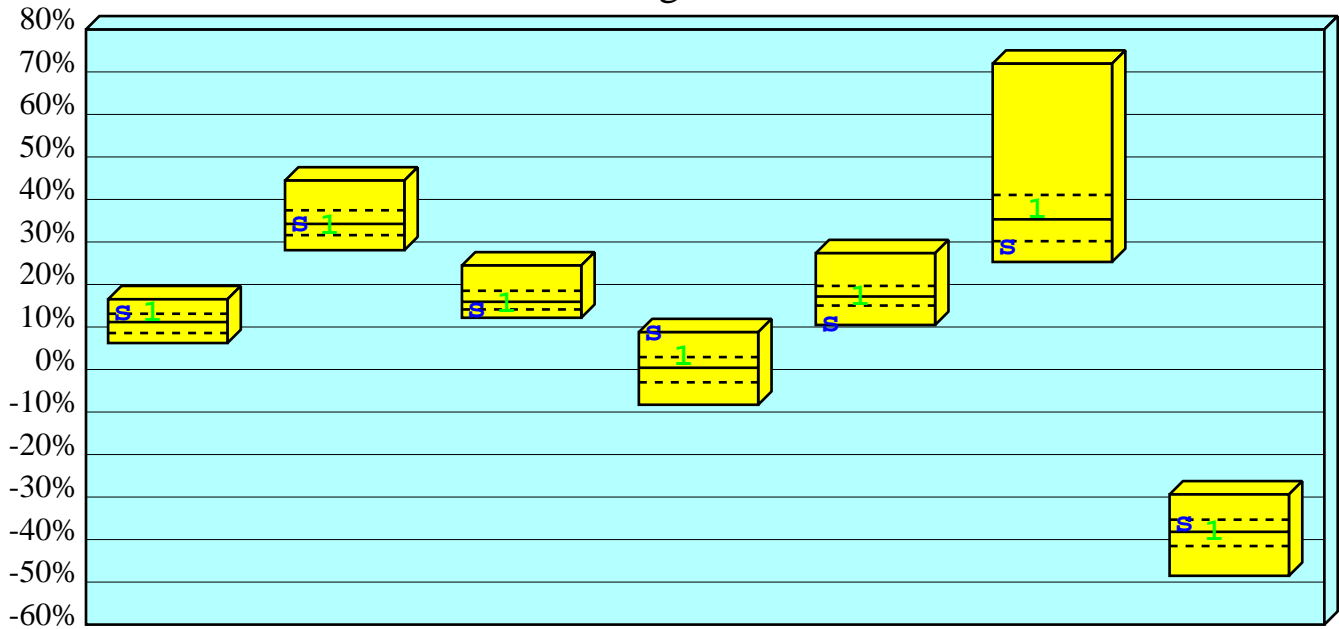


# City of Fort Lauderdale Police and Fire Large Growth Cumulative Performance Comparisons Total Returns of Equity Portfolios Periods Ending 12/14



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years
High	6.60	16.52	26.79	24.65	18.41	20.49	27.86	12.33
1st Qt	5.29	13.12	24.97	22.47	16.87	16.71	19.64	9.33
Median	4.79	11.16	22.90	20.43	15.20	15.81	18.41	8.12
3rd Qt	3.90	8.58	21.21	19.19	13.84	14.71	17.55	7.11
Low	1.50	6.23	18.06	17.16	12.03	13.36	15.42	5.68
<b>s</b> Sawgrass								
Net Ret	5.97	13.22	23.26	20.11	17.09	15.78	17.87	7.93
Rank	12	22	43	61	21	51	67	55
<b>1</b> Russell 1000 Growth								
Net Ret	4.78	13.05	22.85	20.26	15.59	15.82	19.13	8.41
Rank	51	29	52	58	44	47	39	39

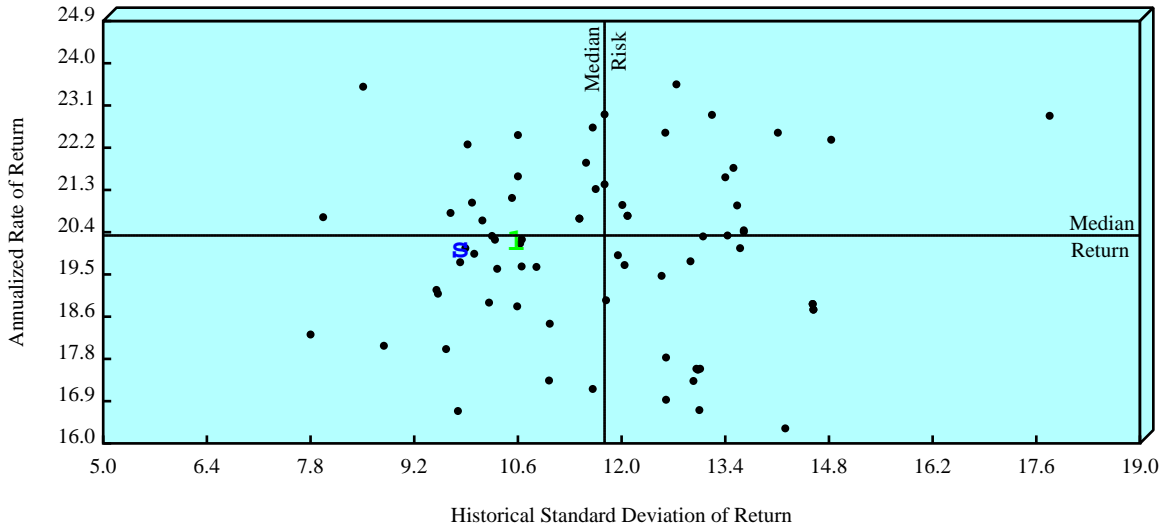
# City of Fort Lauderdale Police and Fire Large Growth Consecutive Performance Comparisons Total Returns of Equity Portfolios Years Ending December



	2014	2013	2012	2011	2010	2009	2008
High	16.52	44.45	24.47	8.78	27.36	71.94	-29.38
1st Qt	13.12	37.45	18.52	2.92	19.67	41.06	-35.32
Median	11.16	34.25	15.93	0.41	17.17	35.32	-38.18
3rd Qt	8.58	31.61	14.13	-3.01	15.04	30.19	-41.52
Low	6.23	28.07	12.17	-8.29	10.48	25.30	-48.52
<b>S</b> Sawgrass							
Net Ret	13.22	34.20	14.03	8.49	10.69	28.88	-36.37
Rank	22	50	77	5	93	80	35
<b>1</b> Russell 1000 Growth							
Net Ret	13.05	33.49	15.26	2.63	16.72	37.21	-38.44
Rank	29	56	61	29	60	36	51

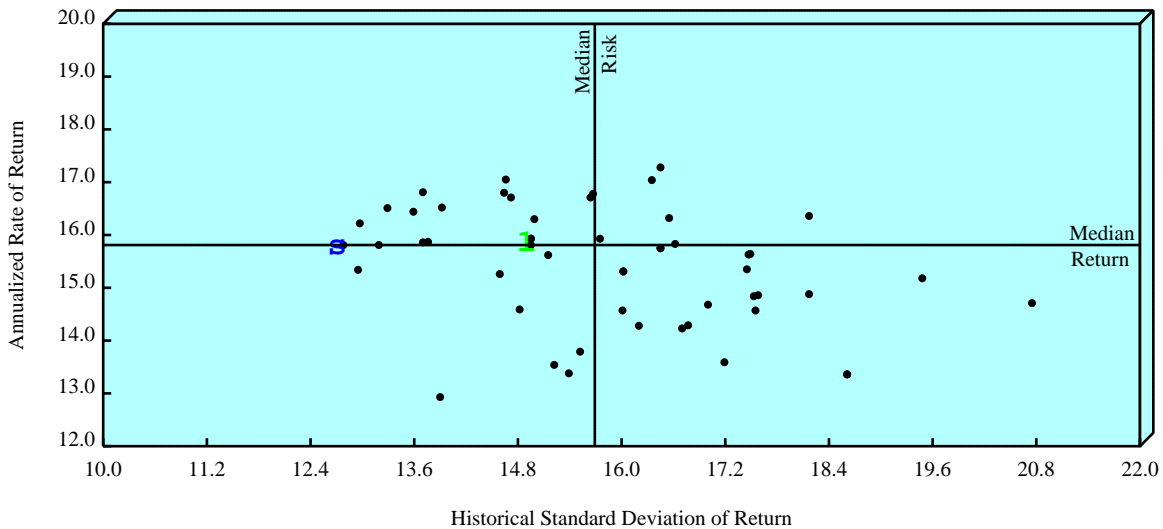
# City of Fort Lauderdale Police and Fire Return vs Risk Total Returns of Large Growth Portfolios

3 Years Ending 12/31/14



		Annualized Net of Fee Return		Standard Deviation	
		Value	Rank	Value	Rank
s	Sawgrass	20.11	61	9.89	17
l	Russell 1000 Growth	20.26	58	10.65	36
	Median	20.43		11.77	

5 Years Ending 12/31/14



		Annualized Net of Fee Return		Standard Deviation	
		Value	Rank	Value	Rank
s	Sawgrass	15.78	51	12.77	1
l	Russell 1000 Growth	15.82	47	14.96	38
	Median	15.81		15.69	

City of Fort Lauderdale Police and Fire  
 Risk Measure Summary  
 Sawgrass  
 Quarterly Periods Ending 12/31/14

Risk Measures	1 Year		3 Years		5 Years		Inception	
	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench
Negative Periods	0	0	2	2	4	4	10	9
Positive Periods	4	4	10	10	16	16	21	22
Up Market Capture	1.01		0.97		0.93		0.89	
Down Market Capture			0.77		0.82		0.89	
Batting Average	0.50		0.50		0.55		0.48	
Worst Quarter	1.49	1.12	-2.59	-4.01	-10.62	-13.14	-21.12	-22.79
Best Quarter	5.97	5.13	12.75	14.69	12.75	14.69	13.15	16.32
Worst 4 Quarters	13.22	13.05	12.89	10.09	5.22	2.63	-36.37	-38.44
Best 4 Quarters	13.22	13.05	34.20	33.49	34.20	35.01	40.15	49.75
Standard Deviation	4.25	4.24	9.89	10.65	12.77	14.96	16.23	18.47
Beta	0.93		0.91		0.84		0.86	
Alpha	0.27		0.39		0.57		0.11	
R-Squared	0.85		0.95		0.96		0.96	
Sharpe Ratio	3.10	3.07	2.03	1.90	1.23	1.05	0.47	0.44
Treynor Ratio	14.22		22.04		18.75		8.82	
Tracking Error	2.23		2.51		3.65		4.10	
Information Ratio	0.06		-0.09		-0.11		-0.23	

City of Fort Lauderdale Police and Fire  
Equity Summary Statistics  
Sawgrass  
Period Ending 12/14

	<u>Portfolio</u>	<u>Russell 1000 Growth</u>
Total Number Of Securities	44	682
Equity Market Value	21,970,673	
Average Capitalization \$(000)	133,078,019	119,033,561
Median Capitalization \$(000)	87,242,361	8,667,900
Equity Segment Yield	1.51	1.51
Equity Segment P/E - Average	19.77	23.98
Equity Segment P/E - Median	22.11	22.43
Equity Segment Beta	0.91	0.99
Price/Book Ratio	3.70	4.85
Debt/Equity Ratio	54.70	51.27
Five Year Earnings Growth	15.59	15.79

Ten Largest Holdings	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Quarterly Ret</u>
Apple Inc	1,035,364	4.72	10.03
Comcast Corp New	906,116	4.13	7.87
Oracle Corp	901,649	4.11	17.84
Wal Mart Stores Inc	763,473	3.48	12.94
Verizon Communicatio	739,592	3.37	-5.39
Qualcomm Inc	737,354	3.36	-0.01
Cvs Corp	717,510	3.27	21.41
Autozone Inc	705,785	3.22	21.48
E M C Corp Mass	682,236	3.11	2.03
Express Scripts Hldg	607,084	2.77	19.88

Ten Best Performers	<u>Quarterly Ret</u>	Ten Worst Performers	<u>Quarterly Ret</u>
Dollar Tree Inc	25.52	Southwestern Energy	-21.92
Southwest Aircls Co	25.50	Schlumberger Ltd	-15.61
Kroger Co	23.87	Intl Business McHn	-14.91
Autozone Inc	21.48	Google Inc	-9.81
Cvs Corp	21.41	Google Inc	-8.83
Express Scripts Hldg	19.88	Ecolab Inc	-8.68
Oracle Corp	17.84	Verizon Communicatio	-5.39
Mastercard Inc	16.73	Viacom Inc New -B	-1.75
3m Co	16.60	Johnson & Johnson	-1.26
TJX Cos Inc New	16.22	Coca Cola Co	-0.35

City of Fort Lauderdale Police and Fire  
Equity Contribution to Return  
Sawgrass  
Period Ending 12/14

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Total Number Of Securities	44	682
Equity Market Value	21,970,673	
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Price/Book Ratio	3.70	4.85
Debt/Equity Ratio	54.70	51.27
Five Year Earnings Growth	15.59	15.79

Ten Best Contributors	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Quarterly Ret</u>
Oracle Corp	901,649	4.11	17.84
Cvs Corp	717,510	3.27	21.41
Autozone Inc	705,785	3.22	21.48
Kroger Co	517,533	2.36	23.87
Express Scripts Hldg	607,084	2.77	19.88
Apple Inc	1,035,364	4.72	10.03
Wal Mart Stores Inc	763,473	3.48	12.94
3m Co	451,880	2.06	16.60
Southwest Aircls Co	286,506	1.31	25.50
Comcast Corp New	906,116	4.13	7.87

Ten Worst Contributors	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Quarterly Ret</u>
Southwestern Energy	441,279	2.01	-21.92
Schlumberger Ltd	577,372	2.63	-15.61
Intl Business McHn	473,298	2.16	-14.91
Google Inc	493,514	2.25	-9.81
Verizon Communicatio	739,592	3.37	-5.39
Google Inc	384,272	1.75	-8.83
Ecolab Inc	388,814	1.77	-8.68
Johnson & Johnson	522,850	2.38	-1.26
Viacom Inc New -B	342,388	1.56	-1.75
Coca Cola Co	441,199	2.01	-0.35



City of Fort Lauderdale Police and Fire  
Equity Sector Attribution Analysis  
Sawgrass  
Quarter Ending 12/14

GICS Sectors	Weight		Return		Selection		
	Portfolio	Index	Portfolio	Index	Stock	Sector	Total
Energy	4.52	5.68	-17.80	-18.59	0.04	0.27	0.31
Materials	5.75	4.22	-2.50	0.70	-0.18	-0.06	-0.25
Industrials	16.08	11.84	12.15	8.43	0.60	0.16	0.75
Consumer Discretionary	15.22	18.25	10.13	7.37	0.42	-0.08	0.34
Consumer Staples	15.07	10.34	12.39	7.08	0.80	0.11	0.91
Health Care	13.08	13.63	10.31	8.74	0.21	-0.02	0.18
Financials	1.31	5.16	6.60	7.95	-0.02	-0.12	-0.14
Information Technology	25.12	28.44	3.50	4.31	-0.20	0.02	-0.19
Telecom. Services	3.85	2.36	-5.39	-5.02	-0.01	-0.15	-0.16
Utilities	0.00	0.09		11.76	0.00	-0.01	-0.01
	100.00	100.00	6.52	4.77	1.64	0.11	1.75

Index - Russell 1000 Growth

Stock Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

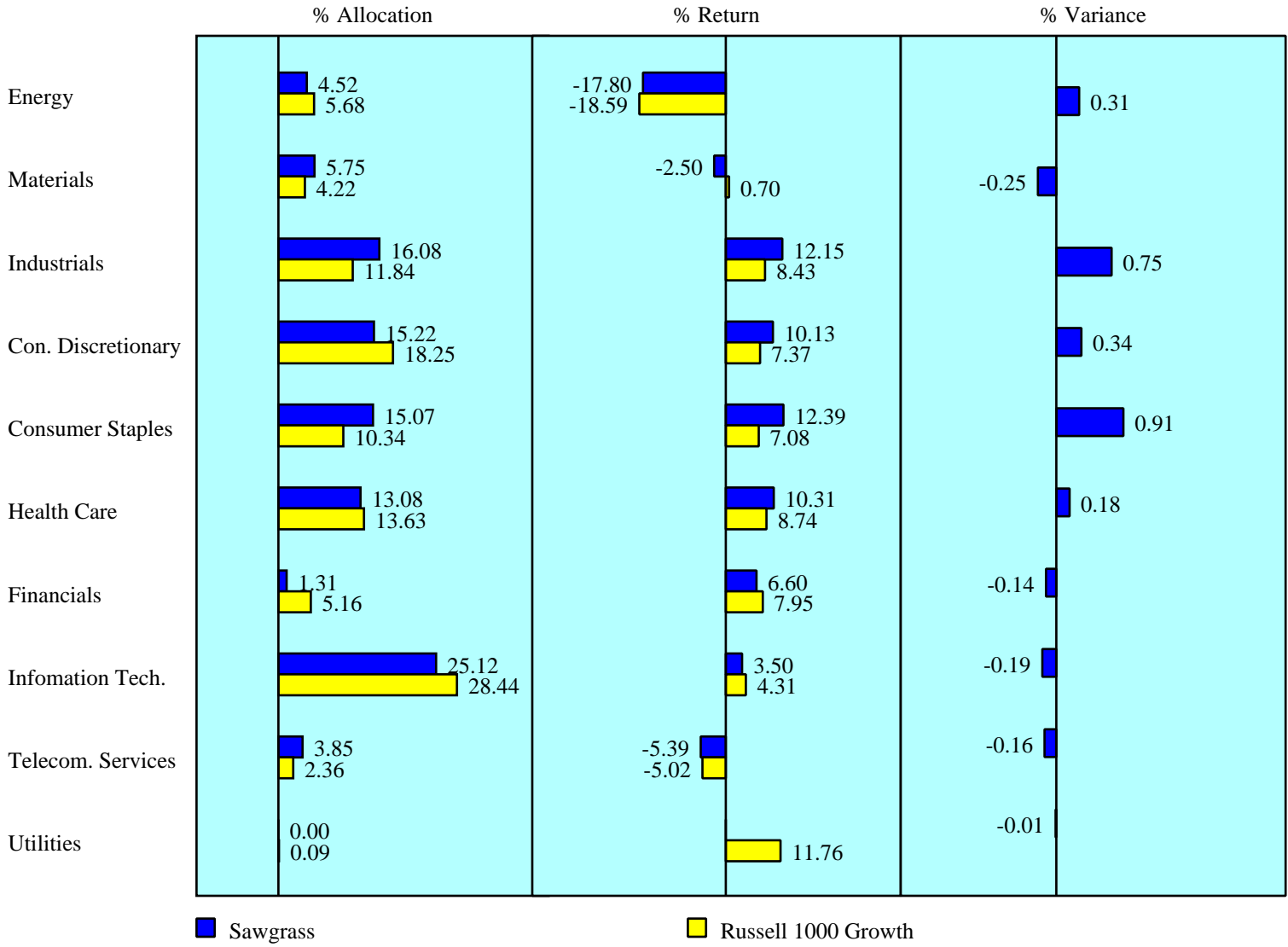
Sector Selection Return Attribution

[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

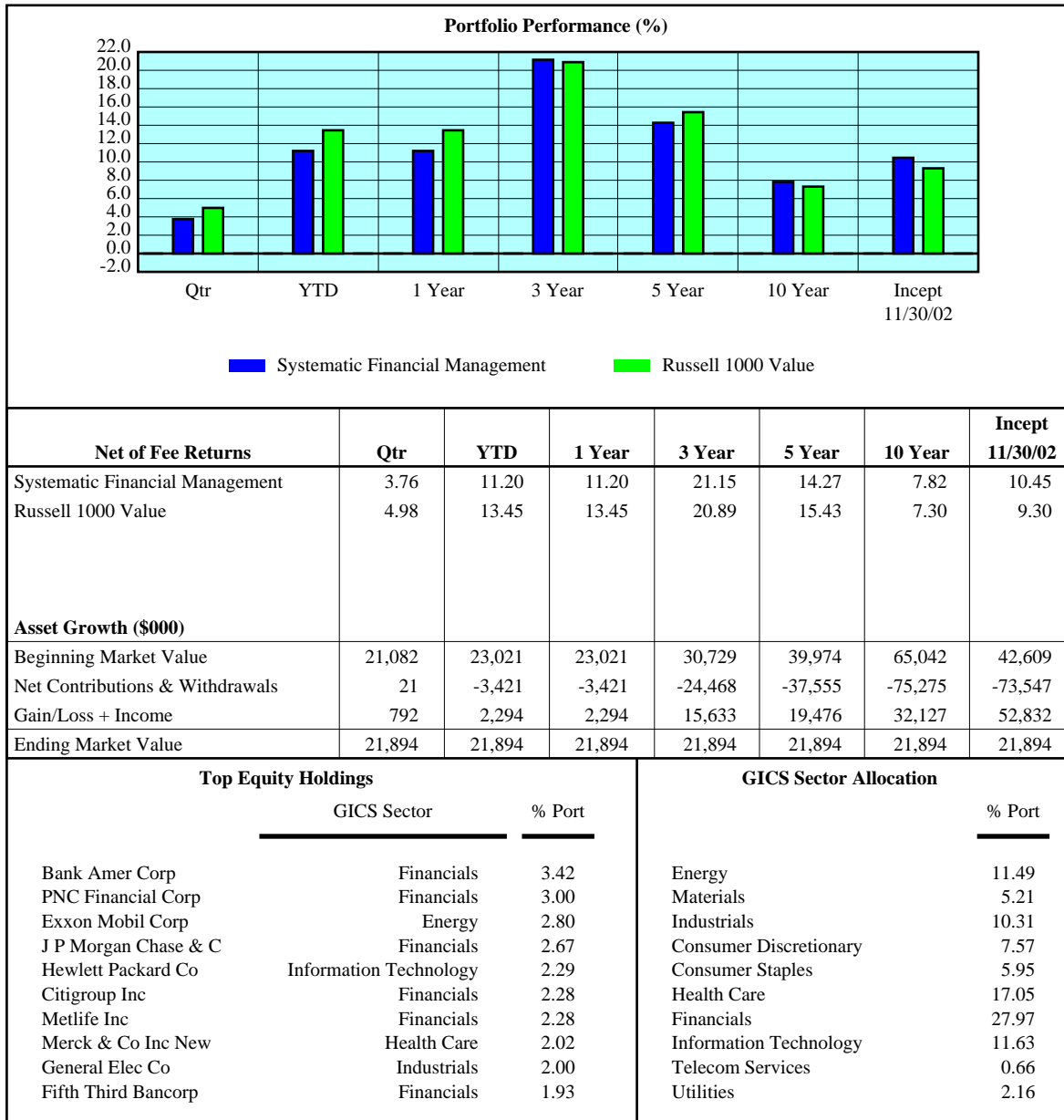
Trading Effect -0.14%

[ Actual Return 6.38% ] - [ Buy Hold Return 6.52% ]

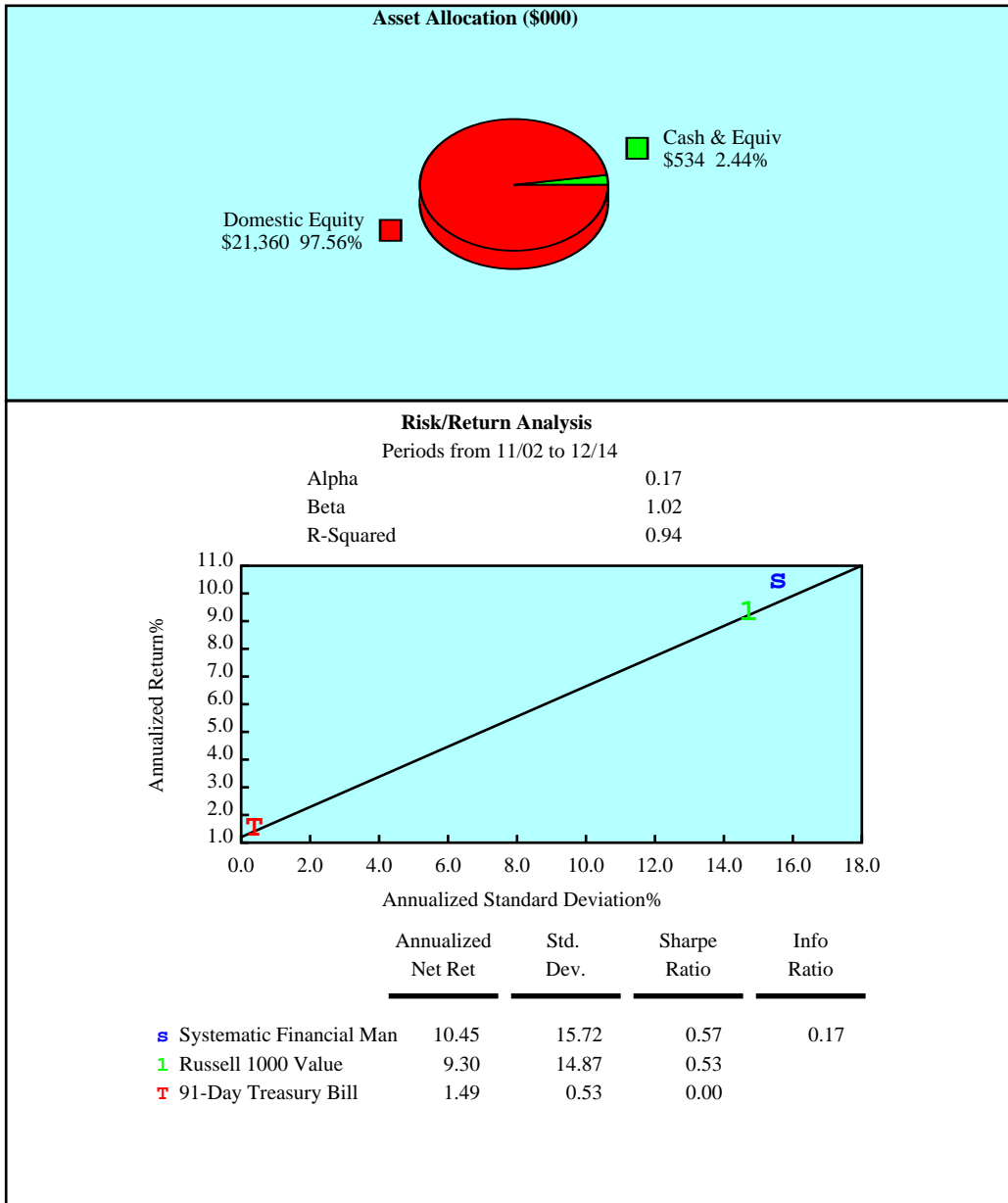
# City of Fort Lauderdale Police and Fire Equity Sector Attribution Chart Sawgrass Quarter Ending 12/14



# City of Fort Lauderdale Police and Fire Systematic Financial Management as of 12/31/14



# City of Fort Lauderdale Police and Fire Systematic Financial Management as of 12/31/14

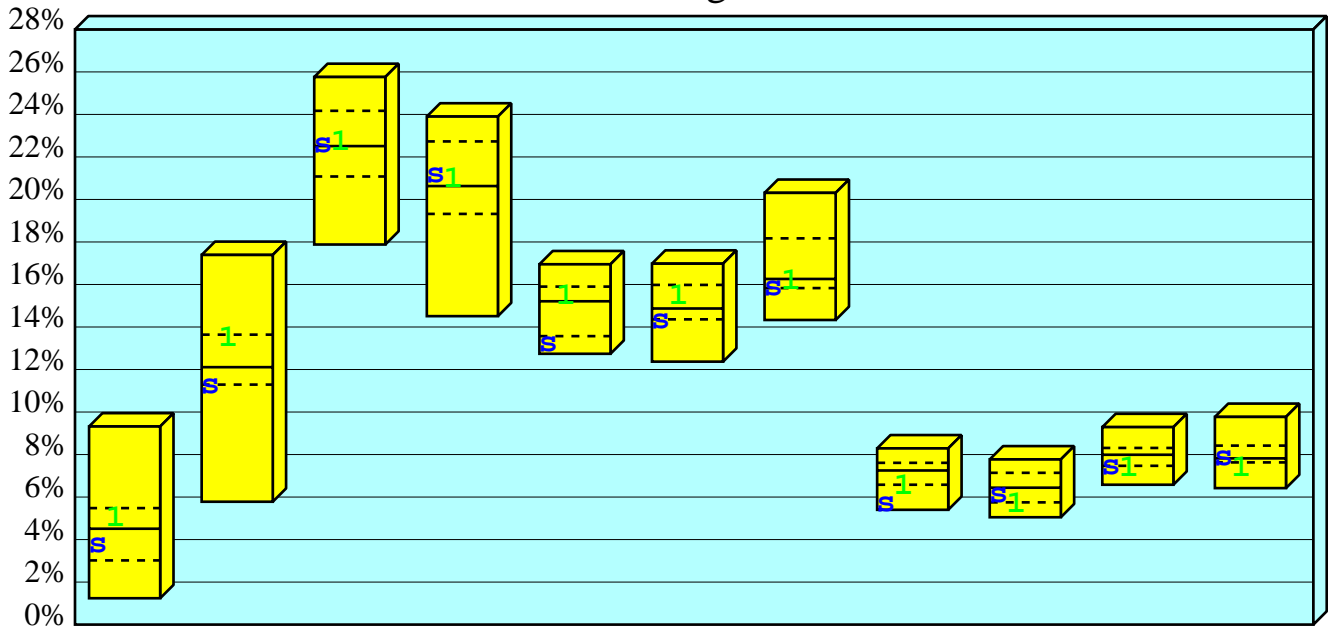


# City of Fort Lauderdale Police and Fire

## Large Value Cumulative Performance Comparisons

### Total Returns of Equity Portfolios

#### Periods Ending 12/14



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years	Last 8 Years	Last 9 Years	Last 10 Years
High	9.32	17.39	25.76	23.90	16.95	16.98	20.31	8.29	7.77	9.29	9.77
1st Qt	5.48	13.64	24.17	22.73	15.90	15.98	18.17	7.61	7.14	8.31	8.42
Median	4.51	12.11	22.51	20.63	15.21	14.87	16.26	7.25	6.44	7.99	7.82
3rd Qt	3.02	11.29	21.08	19.32	13.57	14.36	15.83	6.58	5.75	7.47	7.63
Low	1.24	5.78	17.88	14.51	12.74	12.37	14.33	5.40	5.05	6.58	6.42

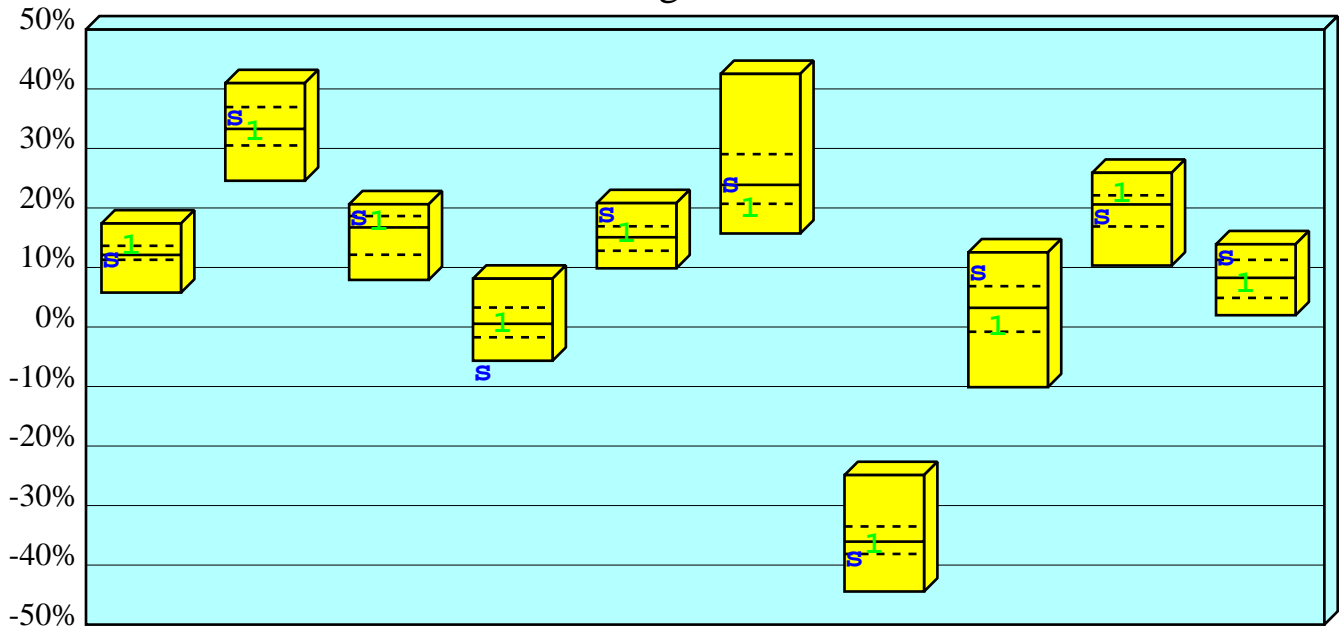
**s** Systematic Financial Management

Net Ret	3.76	11.20	22.56	21.15	13.19	14.27	15.83	5.68	6.10	7.41	7.82
Rank	66	77	46	32	87	79	75	91	66	81	50

**1** Russell 1000 Value

Net Ret	4.98	13.45	22.63	20.89	15.40	15.43	16.13	6.45	5.60	7.32	7.30
Rank	37	31	43	39	41	34	63	85	84	87	88

# City of Fort Lauderdale Police and Fire Large Value Consecutive Performance Comparisons Total Returns of Equity Portfolios Years Ending December



	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
High	17.39	40.97	20.62	8.12	20.81	42.52	-24.88	12.54	25.91	13.90
1st Qt	13.64	36.95	18.64	3.27	16.92	29.04	-33.51	6.86	22.12	11.28
Median	12.11	33.28	16.73	0.54	15.08	23.88	-36.06	3.22	20.59	8.26
3rd Qt	11.29	30.50	12.14	-1.73	12.81	20.70	-38.13	-0.80	16.89	4.89
Low	5.78	24.57	7.91	-5.67	9.86	15.71	-44.44	-10.11	10.33	1.98

**s** Systematic Financial Management

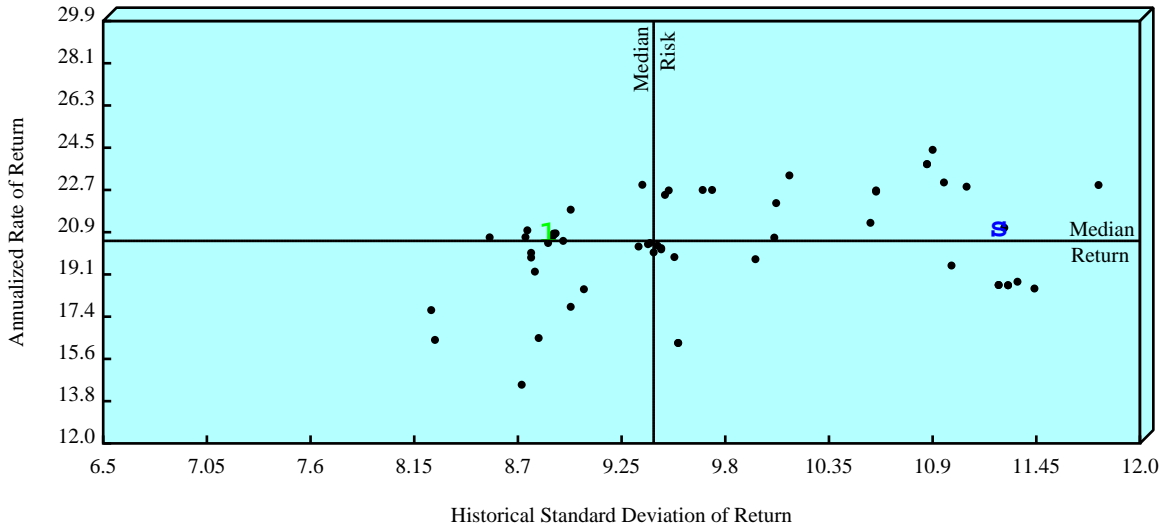
Net Ret	11.20	35.07	18.38	-7.69	18.73	23.93	-39.03	9.10	18.45	11.54
Rank	77	36	27	98	9	49	80	14	65	21

**1** Russell 1000 Value

Net Ret	13.45	32.54	17.50	0.39	15.51	19.69	-36.85	-0.17	22.21	7.04
Rank	31	59	37	56	46	87	63	67	18	61

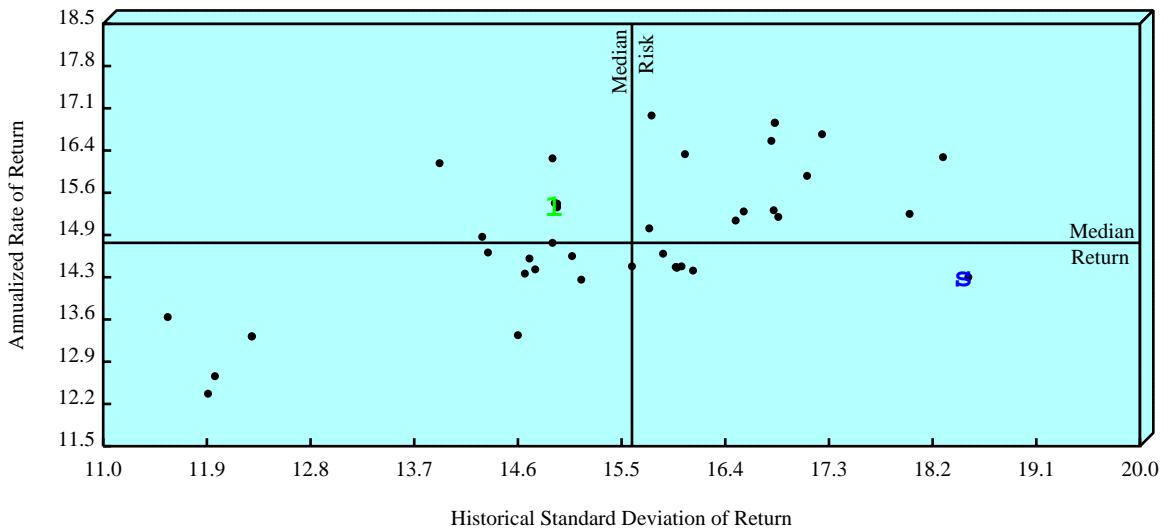
# City of Fort Lauderdale Police and Fire Return vs Risk Total Returns of Large Value Portfolios

3 Years Ending 12/31/14



		Annualized Net of Fee Return		Standard Deviation	
		Value	Rank	Value	Rank
s	Systematic Financial Management	21.15	32	11.28	93
l	Russell 1000 Value	20.89	39	8.89	26
	Median	20.63		9.42	

5 Years Ending 12/31/14



		Annualized Net of Fee Return		Standard Deviation	
		Value	Rank	Value	Rank
s	Systematic Financial Management	14.27	79	18.51	100
l	Russell 1000 Value	15.43	34	14.96	46
	Median	14.87		15.59	

City of Fort Lauderdale Police and Fire  
Risk Measure Summary  
Systematic Financial Management  
Quarterly Periods Ending 12/31/14

Risk Measures	1 Year		3 Years		5 Years		Inception	
	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench
Negative Periods	1	1	2	2	5	5	13	13
Positive Periods	3	3	10	10	15	15	35	35
Up Market Capture	0.90		1.09		1.10		1.07	
Down Market Capture	5.27		2.63		1.36		1.04	
Batting Average	0.25		0.42		0.45		0.54	
Worst Quarter	-1.02	-0.19	-5.31	-2.20	-22.49	-16.21	-22.49	-22.17
Best Quarter	5.16	5.10	15.46	12.31	15.46	13.11	19.48	18.24
Worst 4 Quarters	11.20	13.45	11.20	13.45	-7.69	-1.90	-39.78	-42.42
Best 4 Quarters	11.20	13.45	35.07	32.54	35.07	32.54	53.17	53.57
Standard Deviation	5.30	4.94	11.28	8.89	18.51	14.96	18.05	17.07
Beta	0.97		1.17		1.21		1.02	
Alpha	-0.42		-0.74		-0.93		0.17	
R-Squared	0.95		0.88		0.96		0.94	
Sharpe Ratio	2.11	2.71	1.87	2.34	0.77	1.03	0.50	0.49
Treynor Ratio	11.51		17.99		11.71		8.83	
Tracking Error	1.23		4.31		4.79		4.52	
Information Ratio	-1.66		0.08		-0.11		0.17	



City of Fort Lauderdale Police and Fire  
Equity Summary Statistics  
Systematic Financial Management  
Period Ending 12/14

	<u>Portfolio</u>	<u>Russell 1000 Value</u>
Total Number Of Securities	100	704
Equity Market Value	21,359,632	
Average Capitalization \$(000)	74,644,649	112,652,665
Median Capitalization \$(000)	25,679,611	7,352,277
Equity Segment Yield	1.79	2.31
Equity Segment P/E - Average	17.41	17.70
Equity Segment P/E - Median	16.72	19.06
Equity Segment Beta	1.19	1.03
Price/Book Ratio	1.36	1.56
Debt/Equity Ratio	60.04	55.96
Five Year Earnings Growth	8.93	5.60

Ten Largest Holdings	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Quarterly Ret</u>
Bank Amer Corp	729,465	3.42	5.23
PNC Financial Corp	639,978	3.00	7.23
Exxon Mobil Corp	596,303	2.80	-1.00
J P Morgan Chase & C	570,104	2.67	4.59
Hewlett Packard Co	487,780	2.29	13.61
Citigroup Inc	487,261	2.28	4.44
Metlife Inc	485,458	2.28	1.34
Merck & Co Inc New	431,604	2.02	-3.47
General Elec Co	427,063	2.00	-0.46
Fifth Third Bancorp	412,594	1.93	2.42

Ten Best Performers	<u>Quarterly Ret</u>	Ten Worst Performers	<u>Quarterly Ret</u>
Rite Aid Corp	55.37	Whiting Pete Corp Ne	-57.45
American Airls Group	51.53	Nabors Industries Lt	-42.67
United Contl Hldgs I	42.96	Trinity Inds Inc	-39.88
Delta Air Lines Inc	36.36	United States Stl Co	-31.64
Whole Foods Mkt Inc	32.30	Barrick Gold Corp	-26.39
Electronic Arts	32.03	Lyondellbasell Indus	-26.37
Skyworks Solutions I	25.51	Cameron Internationa	-24.75
Southwest Airls Co	25.50	Hess Corp	-21.44
Ross Stores Inc	24.99	Newmont Mng Corp Hld	-17.90
Columbia Sportswear	24.93	Cimarex Energy Co	-16.11

City of Fort Lauderdale Police and Fire  
Equity Contribution to Return  
Systematic Financial Management  
Period Ending 12/14

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Equity Segment P/E - Average	17.41	17.70
Equity Segment P/E - Median	16.72	19.06
Equity Segment Beta	1.19	1.03
Price/Book Ratio	1.36	1.56
Debt/Equity Ratio	60.04	55.96
Five Year Earnings Growth	8.93	5.60

Ten Best Contributors	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Quarterly Ret</u>
Rite Aid Corp	297,980	1.40	55.37
American Airs Group	254,474	1.19	51.53
United Contl Hldgs I	222,075	1.04	42.96
Delta Air Lines Inc	238,817	1.12	36.36
Hewlett Packard Co	487,780	2.29	13.61
Cvs Corp	275,447	1.29	21.41
Southwest Airs Co	223,873	1.05	25.50
Kroger Co	235,972	1.11	23.87
Western Digital Corp	324,351	1.52	14.64
PNC Financial Corp	639,978	3.00	7.23

Ten Worst Contributors	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Quarterly Ret</u>
Trinity Inds Inc	157,556	0.74	-39.88
Lyondellbasell Indus	218,719	1.03	-26.37
Nabors Industries Lt	122,012	0.57	-42.67
Whiting Pete Corp Ne	85,305	0.40	-57.45
Chesapeake Energy Co	267,131	1.25	-14.48
United States Stl Co	116,988	0.55	-31.64
Barrick Gold Corp	133,031	0.62	-26.39
Dow Chem Co	275,484	1.29	-12.23
Hess Corp	129,554	0.61	-21.44
Cameron Internationa	106,394	0.50	-24.75

City of Fort Lauderdale Police and Fire  
Equity Sector Attribution Analysis  
Systematic Financial Management  
Quarter Ending 12/14

GICS Sectors	Weight		Return		Selection		
	Portfolio	Index	Portfolio	Index	Stock	Sector	Total
Energy	11.14	12.86	-10.86	-9.34	-0.17	0.25	0.08
Materials	6.12	3.32	-21.87	-3.59	-1.12	-0.24	-1.36
Industrials	9.67	10.17	16.41	4.71	1.13	0.00	1.13
Consumer Discretionary	7.24	6.22	13.53	11.52	0.15	0.07	0.21
Consumer Staples	4.60	7.05	18.12	10.12	0.37	-0.13	0.24
Health Care	13.91	13.51	6.94	6.87	0.01	0.01	0.02
Financials	28.79	29.18	5.02	7.31	-0.66	-0.01	-0.67
Information Technology	12.89	9.38	8.80	6.89	0.25	0.07	0.31
Telecom. Services	3.36	2.29	-6.72	-3.70	-0.10	-0.09	-0.19
Utilities	2.27	6.03	11.37	12.69	-0.03	-0.29	-0.32
	100.00	100.00	4.43	4.98	-0.18	-0.37	-0.55

Index - Russell 1000 Value

Stock Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

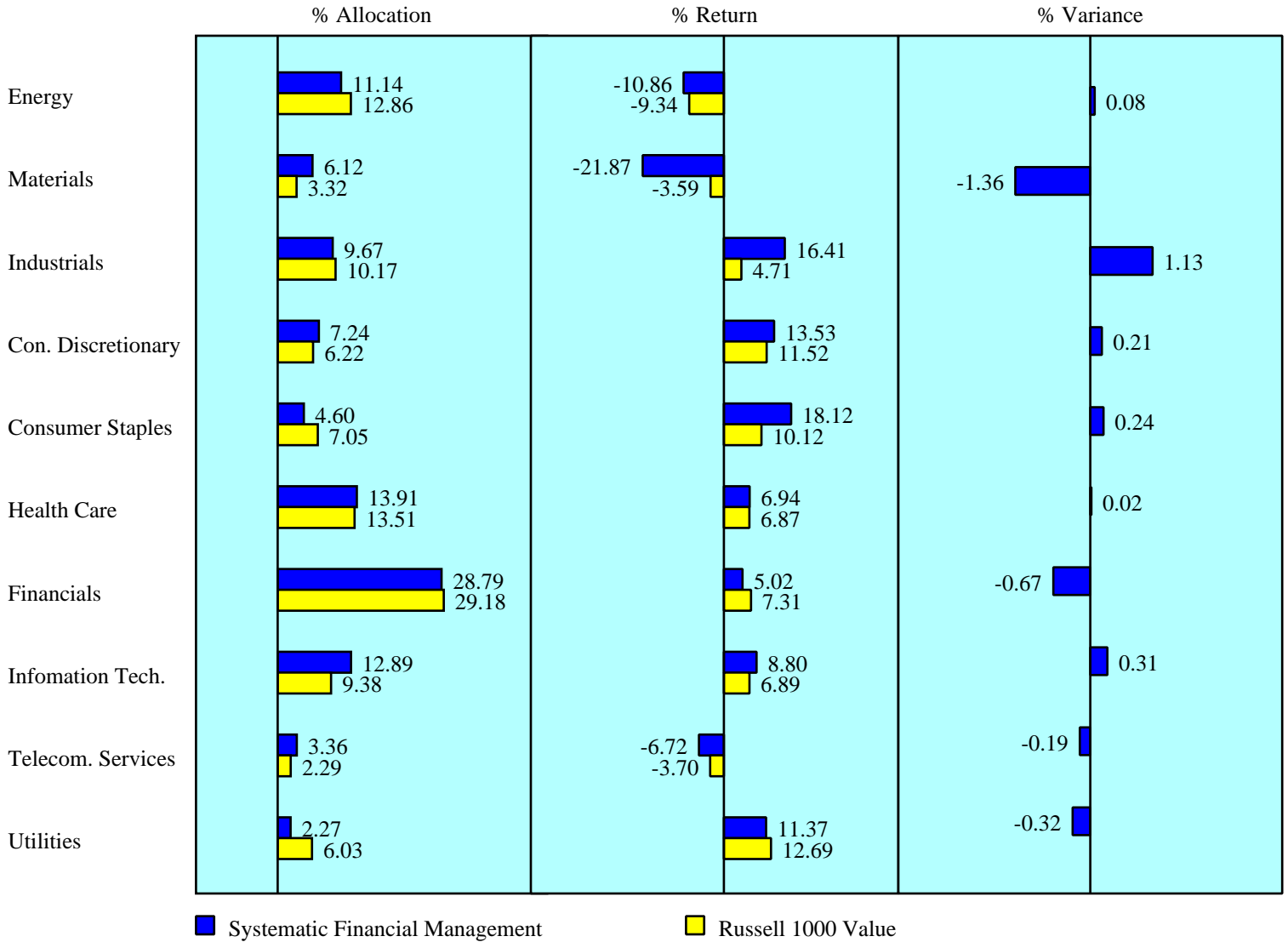
Sector Selection Return Attribution

[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

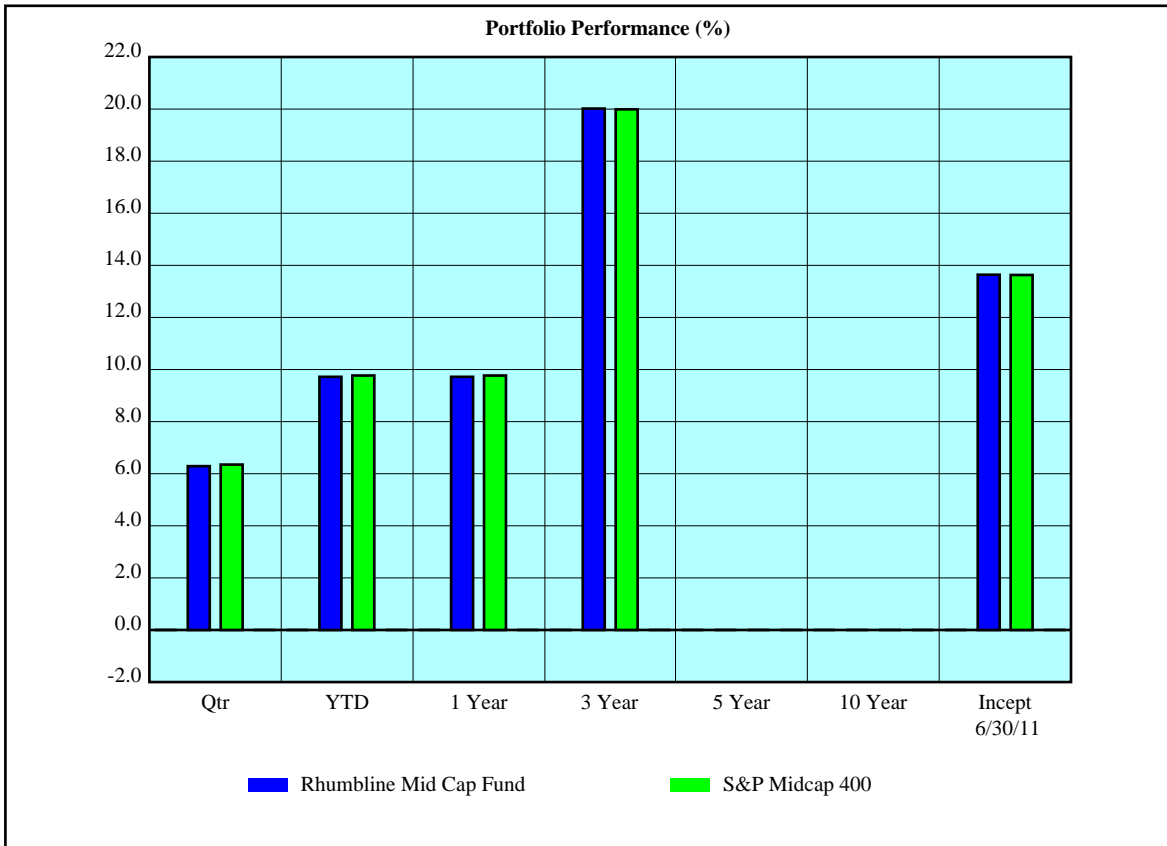
Trading Effect -0.49%

[ Actual Return 3.94% ] - [ Buy Hold Return 4.43% ]

# City of Fort Lauderdale Police and Fire Equity Sector Attribution Chart Systematic Financial Management Quarter Ending 12/14

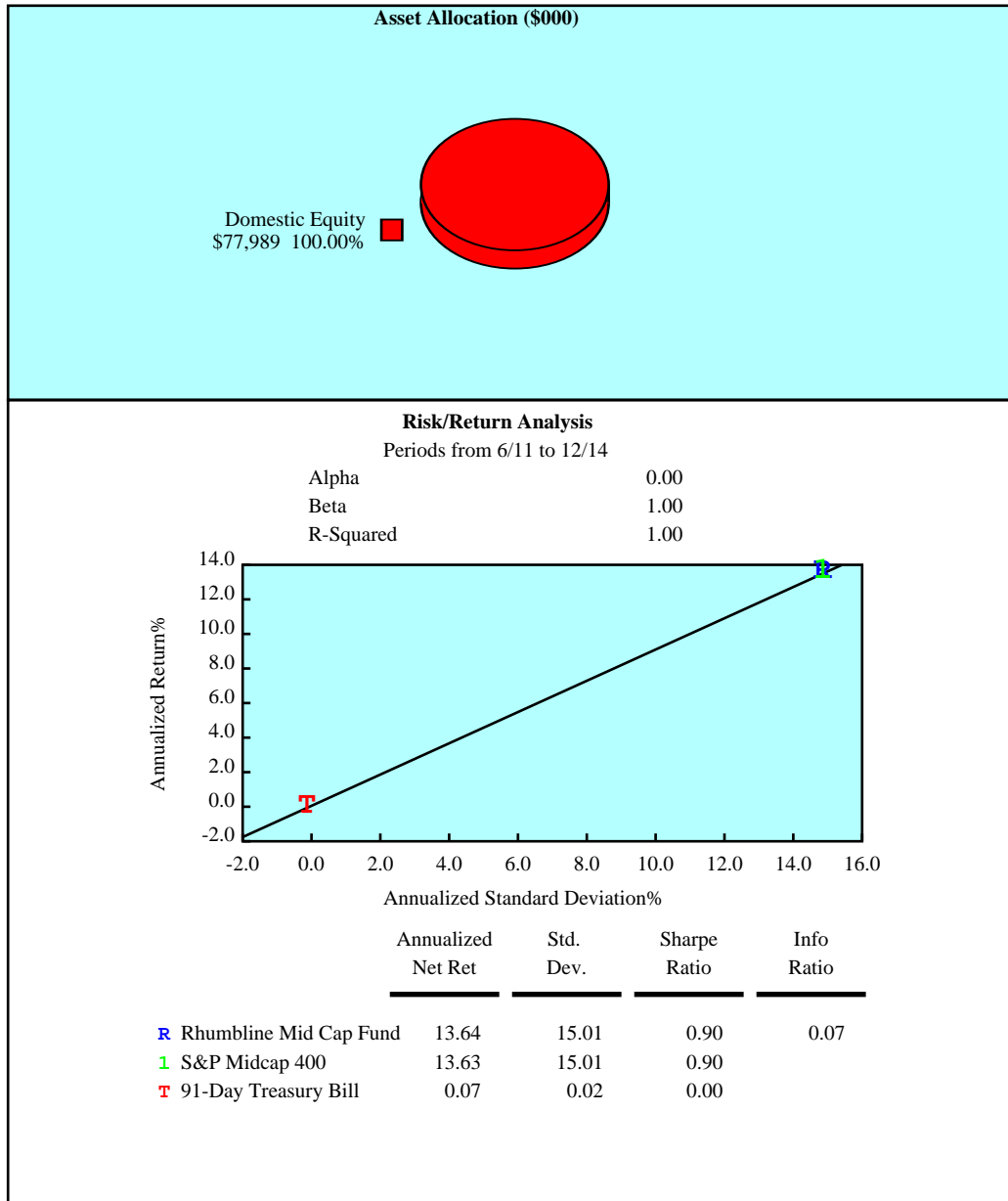


## City of Fort Lauderdale Police and Fire Rhumbline Mid Cap Fund as of 12/31/14

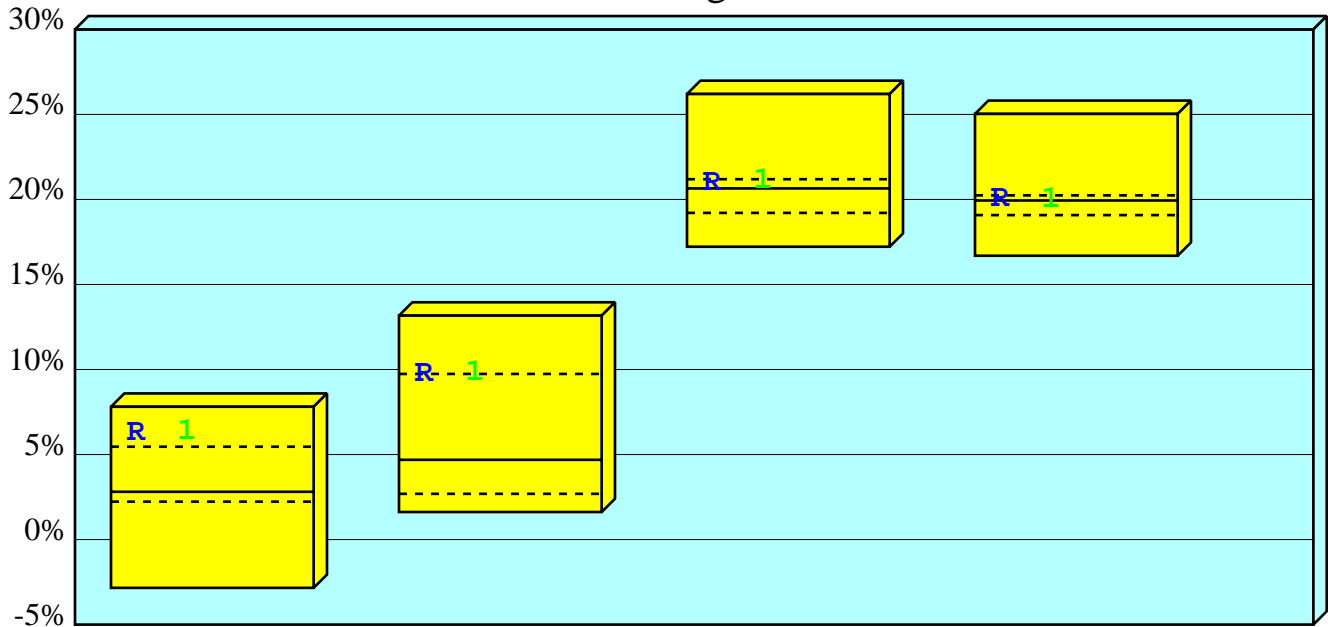


Net of Fee Returns	Qtr	YTD	1 Year	3 Year	5 Year	10 Year	Incept 6/30/11
Rhumbline Mid Cap Fund	6.29	9.72	9.72	20.02			13.64
S&P Midcap 400	6.35	9.77	9.77	19.99			13.63
<b>Asset Growth (\$000)</b>							
Beginning Market Value	43,562	47,038	47,038	14,242			13,182
Net Contributions & Withdrawals	29,008	24,026	24,026	42,184			44,689
Gain/Loss + Income	5,418	6,925	6,925	21,562			20,118
Ending Market Value	77,989	77,989	77,989	77,989			77,989

# City of Fort Lauderdale Police and Fire Rhumbline Mid Cap Fund as of 12/31/14



City of Fort Lauderdale Police and Fire  
 Midcap Neutral Cumulative Performance Comparisons  
 Total Returns of Equity Portfolios  
 Periods Ending 12/14



	Last Qtr	Last Year	Last 2 Years	Last 3 Years
High	7.81	13.17	26.20	25.03
1st Qt	5.46	9.74	21.19	20.24
Median	2.81	4.69	20.65	19.94
3rd Qt	2.23	2.69	19.21	19.08
Low	-2.84	1.62	17.22	16.69

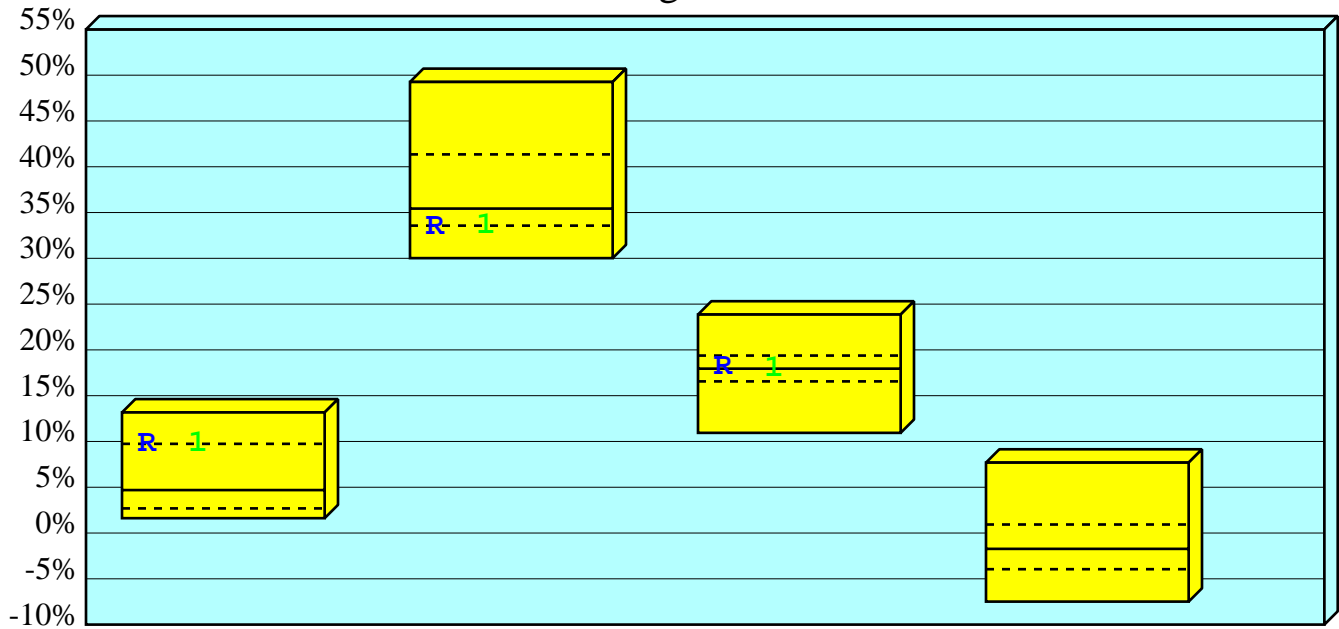
**R** Rhumblin Mid Cap Fund

Net Ret	6.29	9.72	20.98	20.02
Rank	21	27	44	39

**1** S&P Midcap 400

Net Ret	6.35	9.77	21.06	19.99
Rank	15	22	38	42

# City of Fort Lauderdale Police and Fire Midcap Neutral Consecutive Performance Comparisons Total Returns of Equity Portfolios Years Ending December



	2014	2013	2012	2011
High	13.17	49.26	23.86	7.69
1st Qt	9.74	41.35	19.38	0.93
Median	4.69	35.43	17.95	-1.73
3rd Qt	2.69	33.57	16.56	-3.95
Low	1.62	30.02	10.94	-7.49

**R** Rhumblin Mid Cap Fund

Net Ret	9.72	33.39	18.14
Rank	27	82	43

**1** S&P Midcap 400

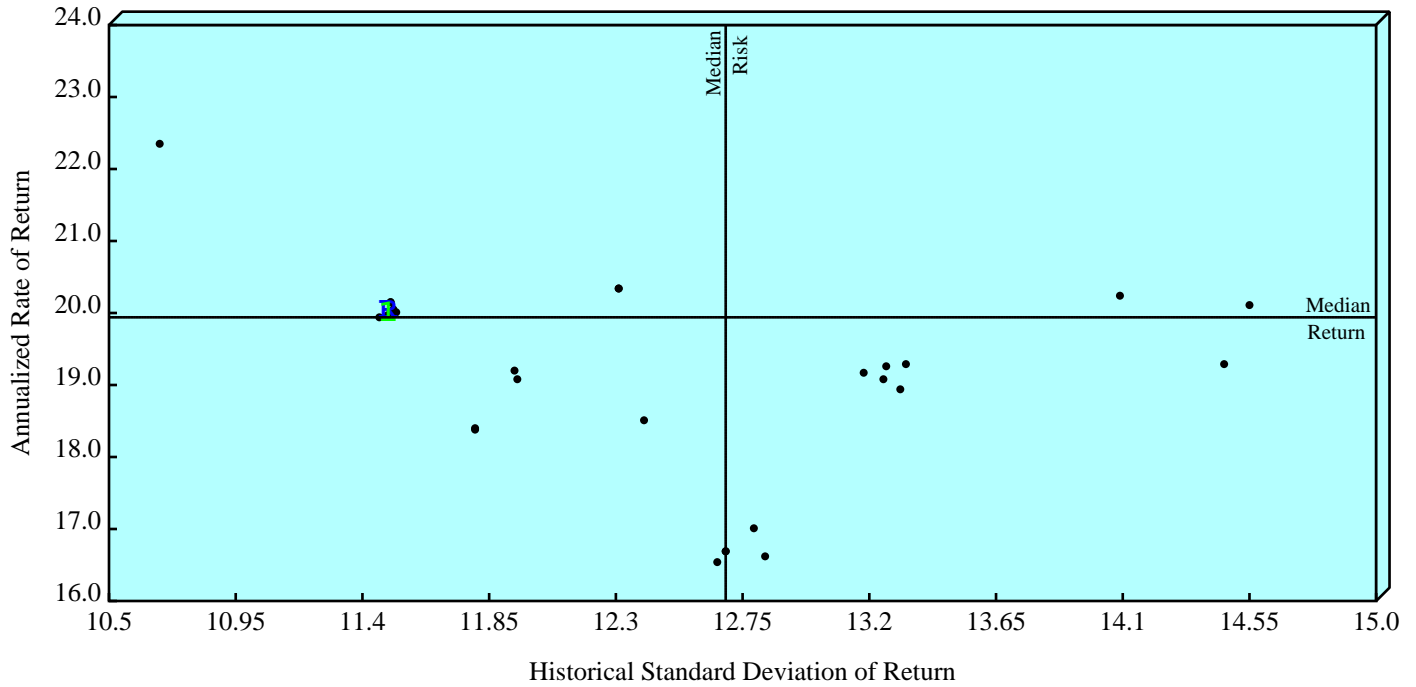
Net Ret	9.77	33.51	17.88
Rank	22	77	54



# City of Fort Lauderdale Police and Fire

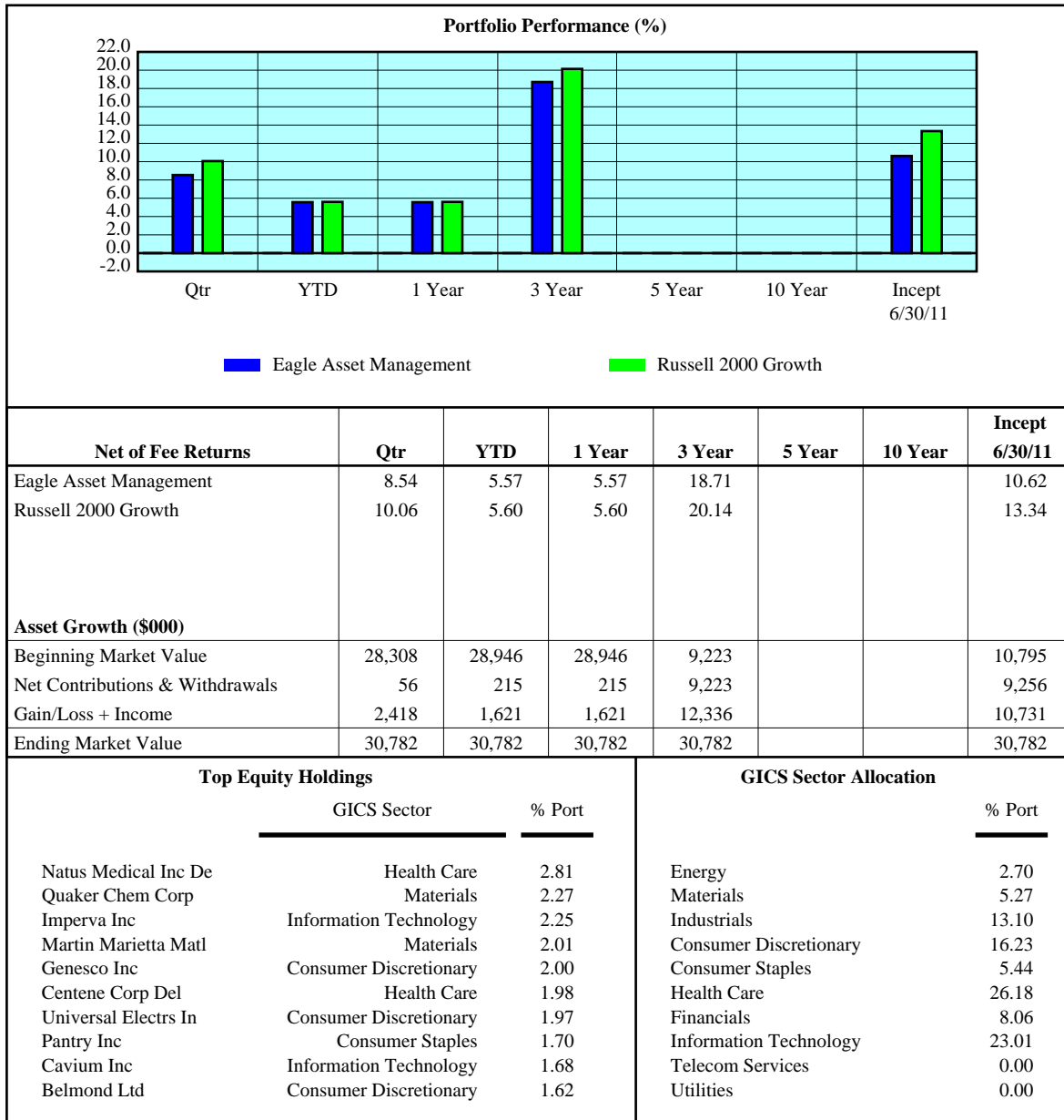
## Return vs Risk

### Total Returns of Midcap Neutral Portfolios 3 Years Ending 12/31/14

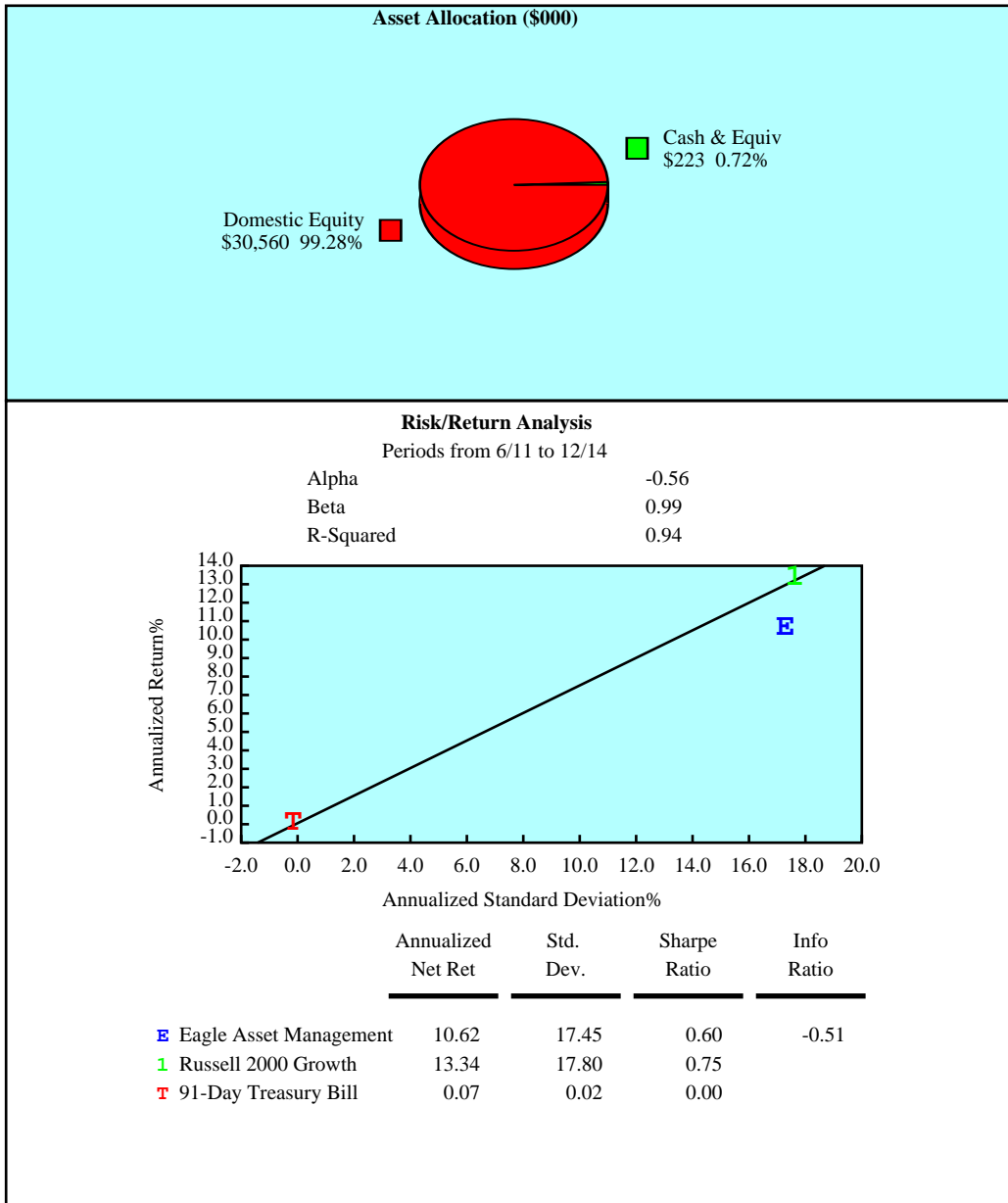


	Annualized Net of Fee Return		Standard Deviation	
	Value	Rank	Value	Rank
R Rhumbline Mid Cap Fund	20.02	39	11.51	14
I S&P Midcap 400	19.99	42	11.51	14
Median	19.94		12.69	

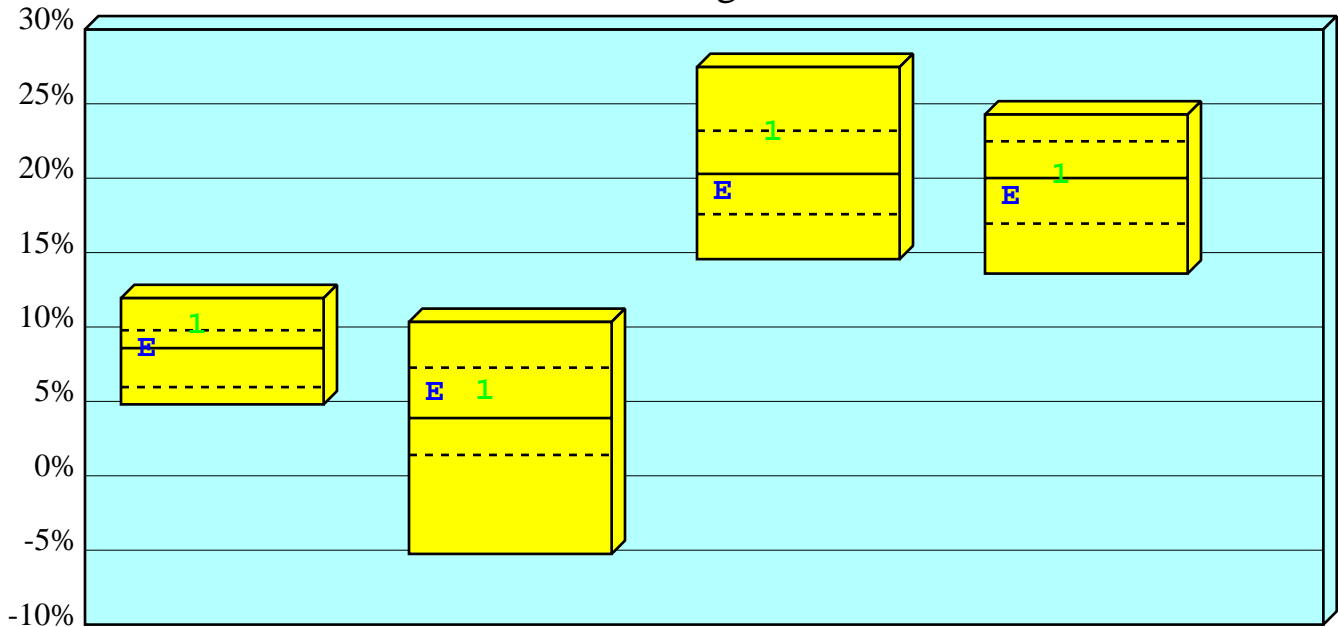
# City of Fort Lauderdale Police and Fire Eagle Asset Management as of 12/31/14



# City of Fort Lauderdale Police and Fire Eagle Asset Management as of 12/31/14



City of Fort Lauderdale Police and Fire  
 Small Growth Cumulative Performance Comparisons  
 Total Returns of Equity Portfolios  
 Periods Ending 12/14



	Last Qtr	Last Year	Last 2 Years	Last 3 Years
High	11.94	10.34	27.47	24.28
1st Qt	9.78	7.27	23.19	22.48
Median	8.58	3.88	20.29	20.01
3rd Qt	5.96	1.40	17.58	16.95
Low	4.80	-5.25	14.56	13.59

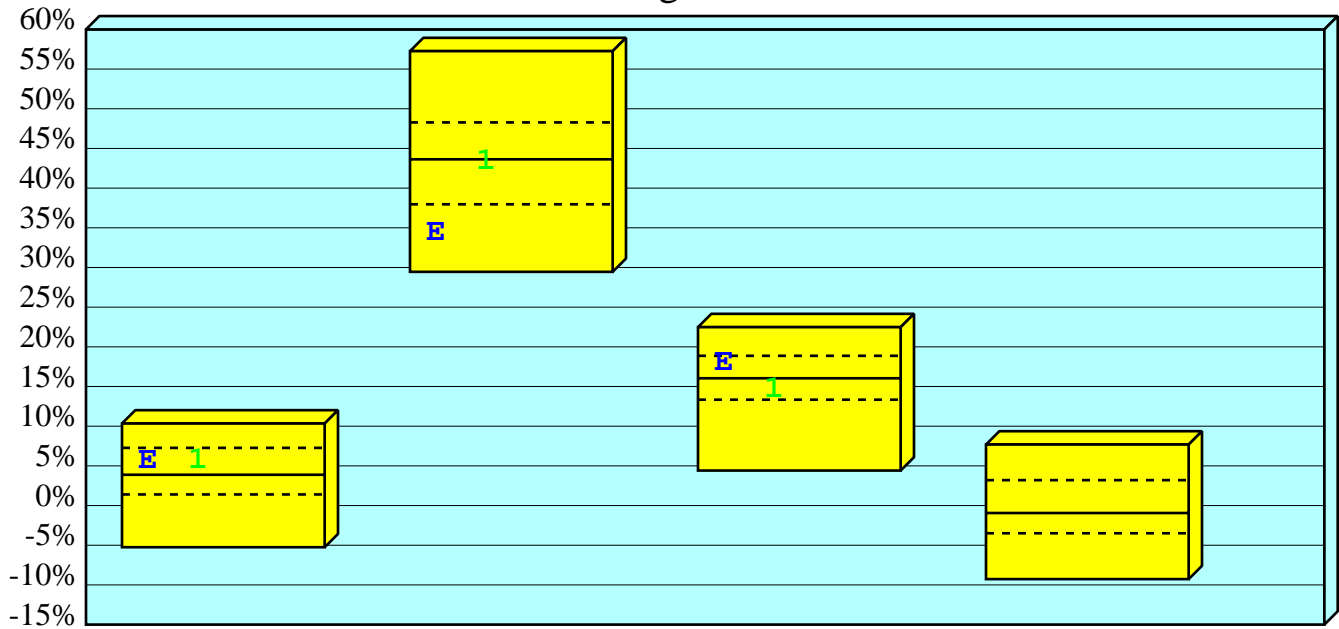
**E** Eagle Asset Management

Net Ret	8.54	5.57	19.07	18.71
Rank	52	38	64	64

**1** Russell 2000 Growth

Net Ret	10.06	5.60	23.01	20.14
Rank	23	38	27	46

## City of Fort Lauderdale Police and Fire Small Growth Consecutive Performance Comparisons Total Returns of Equity Portfolios Years Ending December



	2014	2013	2012	2011
High	10.34	57.26	22.48	7.69
1st Qt	7.27	48.28	18.87	3.20
Median	3.88	43.63	16.04	-0.94
3rd Qt	1.40	37.96	13.34	-3.49
Low	-5.25	29.45	4.41	-9.27

**E** Eagle Asset Management

Net Ret	5.57	34.30	17.98
Rank	38	81	33

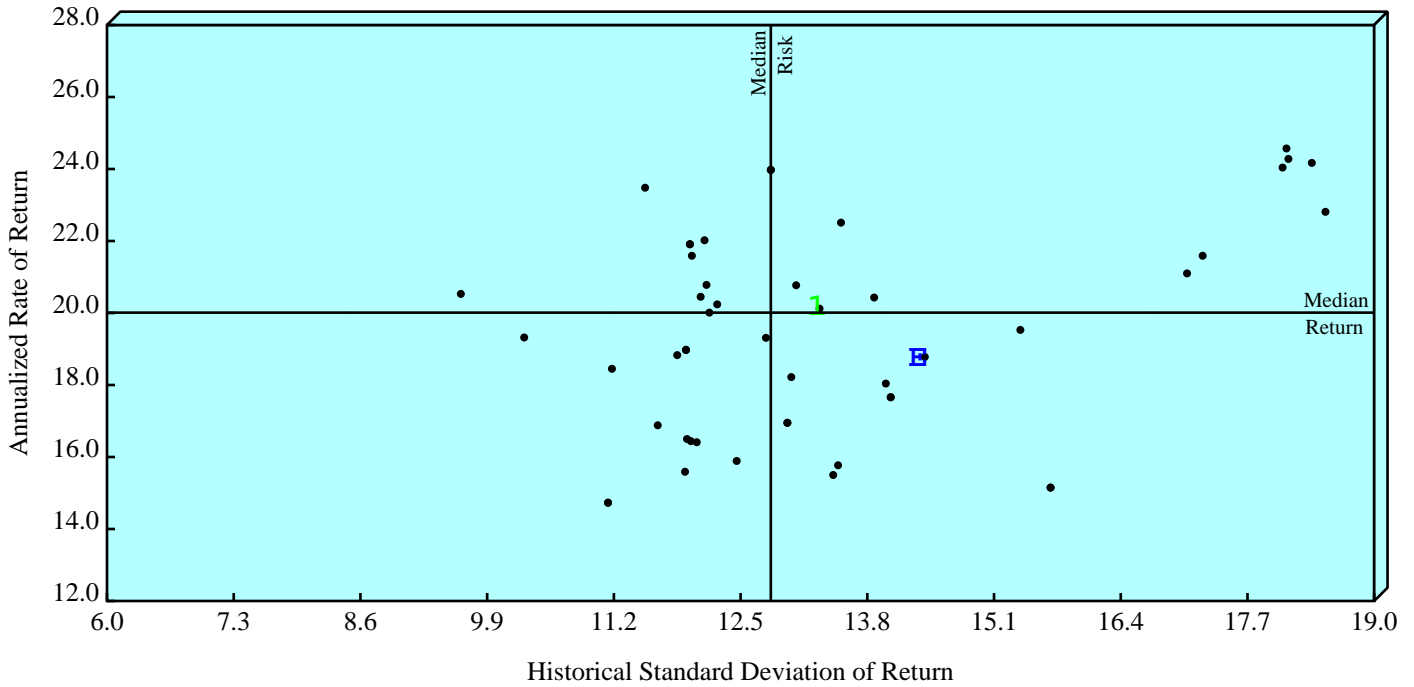
**1** Russell 2000 Growth

Net Ret	5.60	43.29	14.59
Rank	38	52	66

# City of Fort Lauderdale Police and Fire

## Return vs Risk

### Total Returns of Small Growth Portfolios 3 Years Ending 12/31/14



	Annualized Net of Fee Return		Standard Deviation	
	Value	Rank	Value	Rank
E Eagle Asset Management	18.71	64	14.37	78
I Russell 2000 Growth	20.14	46	13.34	64
Median	20.01		12.81	

City of Fort Lauderdale Police and Fire  
Equity Summary Statistics  
Eagle Asset Management  
Period Ending 12/14

	<u>Portfolio</u>	<u>Russell 2000 Growth</u>
Total Number Of Securities	99	1,202
Equity Market Value	30,559,544	
Average Capitalization \$(000)	2,575,529	2,037,426
Median Capitalization \$(000)	1,885,136	820,885
Equity Segment Yield	0.41	0.63
Equity Segment P/E - Average	54.12	52.68
Equity Segment P/E - Median	21.49	18.94
Equity Segment Beta	1.34	1.23
Price/Book Ratio	3.61	4.20
Debt/Equity Ratio	36.10	38.94
Five Year Earnings Growth	9.92	12.85

Ten Largest Holdings	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Quarterly Ret</u>
Natus Medical Inc De	858,257	2.81	22.13
Quaker Chem Corp	694,810	2.27	28.94
Imperva Inc	685,990	2.25	72.05
Martin Marietta Matl	615,586	2.01	-14.17
Genesco Inc	611,045	2.00	2.50
Centene Corp Del	605,238	1.98	25.56
Universal Electrs In	600,877	1.97	31.72
Pantry Inc	520,730	1.70	83.19
Cavium Inc	514,342	1.68	24.31
Belmond Ltd	493,922	1.62	6.09

Ten Best Performers	<u>Quarterly Ret</u>	Ten Worst Performers	<u>Quarterly Ret</u>
Receptos Inc	97.25	Akebia Therapeutics	-47.40
Celladon Corp	86.71	Chart Inds Inc	-44.05
Pantry Inc	83.19	Geospace Technologie	-24.61
Imperva Inc	72.05	Gulfport Energy Corp	-21.84
Isis Pharmaceuticals	59.00	Rice Energy Inc	-21.17
Varonis Sys Inc	55.59	Air Methods Corp	-20.74
Jetblue Awys Corp	49.34	Puma Biotechnology I	-20.66
Chimerix Inc	45.76	Diamondback Energy I	-20.06
Rf Microdevices Inc	43.76	Allot Communications	-19.61
Realpage Inc	41.68	Homeaway Inc	-16.11

City of Fort Lauderdale Police and Fire  
Equity Contribution to Return  
Eagle Asset Management  
Period Ending 12/14

	<u>Portfolio</u>	<u>Russell 2000 Growth</u>
Total Number Of Securities	99	1,202
Equity Market Value	30,559,544	
Average Capitalization \$(000)	2,575,529	2,037,426
Median Capitalization \$(000)	1,885,136	820,885
Equity Segment Yield	0.41	0.63
Equity Segment P/E - Average	54.12	52.68
Equity Segment P/E - Median	21.49	18.94
Equity Segment Beta	1.34	1.23
Price/Book Ratio	3.61	4.20
Debt/Equity Ratio	36.10	38.94
Five Year Earnings Growth	9.92	12.85

Ten Best Contributors	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Quarterly Ret</u>
Imperva Inc	685,990	2.25	72.05
Pantry Inc	520,730	1.70	83.19
Receptos Inc	333,350	1.09	97.25
Jetblue Awys Corp	462,319	1.51	49.34
Quaker Chem Corp	694,810	2.27	28.94
Isis Pharmaceuticals	339,385	1.11	59.00
Universal Electrs In	600,877	1.97	31.72
Natus Medical Inc De	858,257	2.81	22.13
Varonis Sys Inc	322,062	1.05	55.59
Celladon Corp	197,351	0.65	86.71

Ten Worst Contributors	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Quarterly Ret</u>
Martin Marietta Matl	615,586	2.01	-14.17
Akebia Therapeutics	154,637	0.51	-47.40
Homeaway Inc	424,782	1.39	-16.11
Air Methods Corp	289,894	0.95	-20.74
Rice Energy Inc	266,885	0.87	-21.17
Chart Inds Inc	124,556	0.41	-44.05
Gulfport Energy Corp	246,141	0.81	-21.84
Aruba Networks Inc	231,195	0.76	-15.76
Geospace Technologe	146,068	0.48	-24.61
Waste Connections In	382,009	1.25	-9.10



City of Fort Lauderdale Police and Fire  
Equity Sector Attribution Analysis  
Eagle Asset Management  
Quarter Ending 12/14

GICS Sectors	Weight		Return		Selection		
	Portfolio	Index	Portfolio	Index	Stock	Sector	Total
Energy	3.93	4.76	-22.26	-35.30	0.51	0.38	0.89
Materials	5.66	5.33	3.98	5.23	-0.07	-0.02	-0.09
Industrials	15.23	14.62	2.11	9.11	-1.06	-0.01	-1.07
Consumer Discretionary	15.69	15.15	7.04	13.75	-1.05	0.02	-1.03
Consumer Staples	5.70	3.83	30.24	10.89	1.10	0.01	1.12
Health Care	23.30	22.00	17.78	17.35	0.10	0.09	0.19
Financials	7.68	7.60	11.88	10.52	0.10	0.00	0.10
Information Technology	22.81	25.71	7.22	11.81	-1.05	-0.05	-1.09
Telecom. Services	0.00	0.76		13.27	0.00	-0.02	-0.02
Utilities	0.00	0.25		-7.73	0.00	0.04	0.04
	100.00	100.00	9.20	10.16	-1.41	0.45	-0.96

Index - Russell 2000 Growth

Stock Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

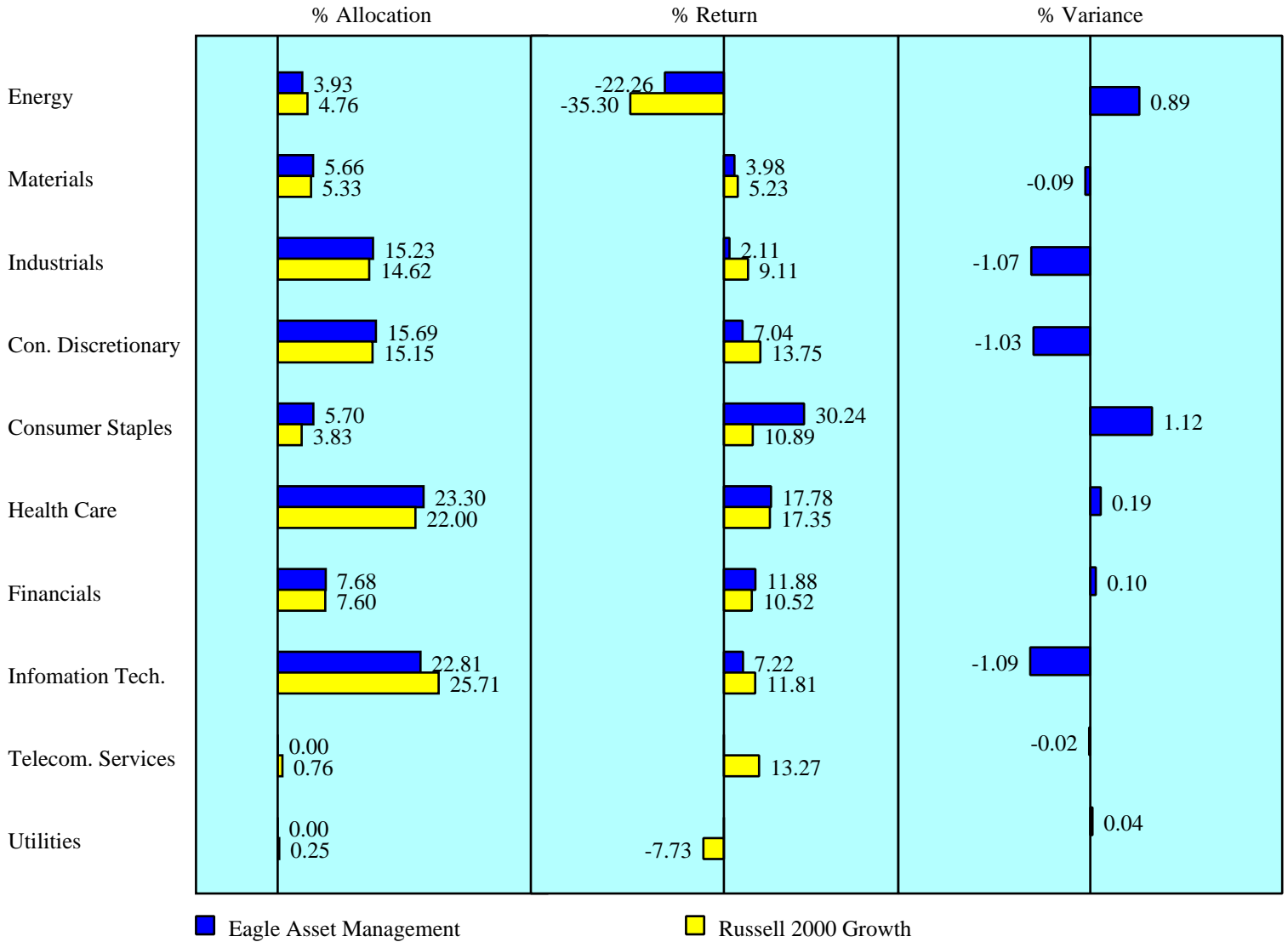
Sector Selection Return Attribution

[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

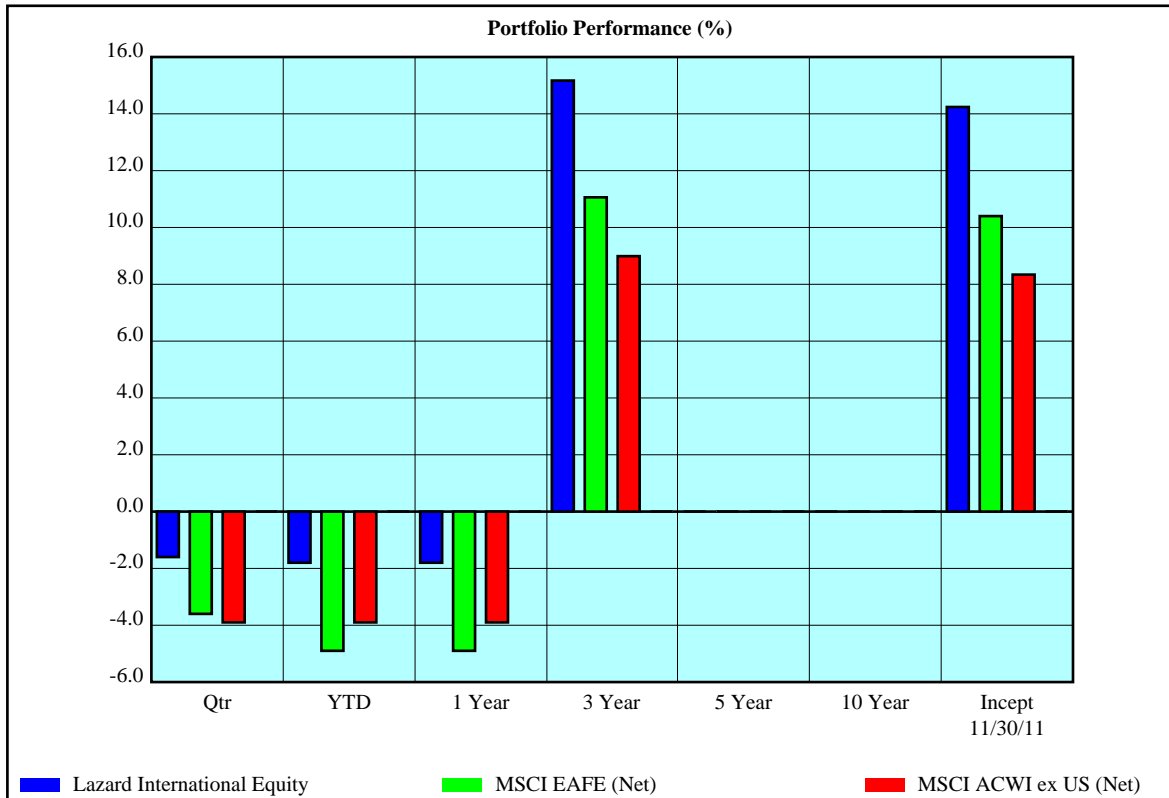
Trading Effect -0.26%

[ Actual Return 8.94% ] - [ Buy Hold Return 9.20% ]

# City of Fort Lauderdale Police and Fire Equity Sector Attribution Chart Eagle Asset Management Quarter Ending 12/14

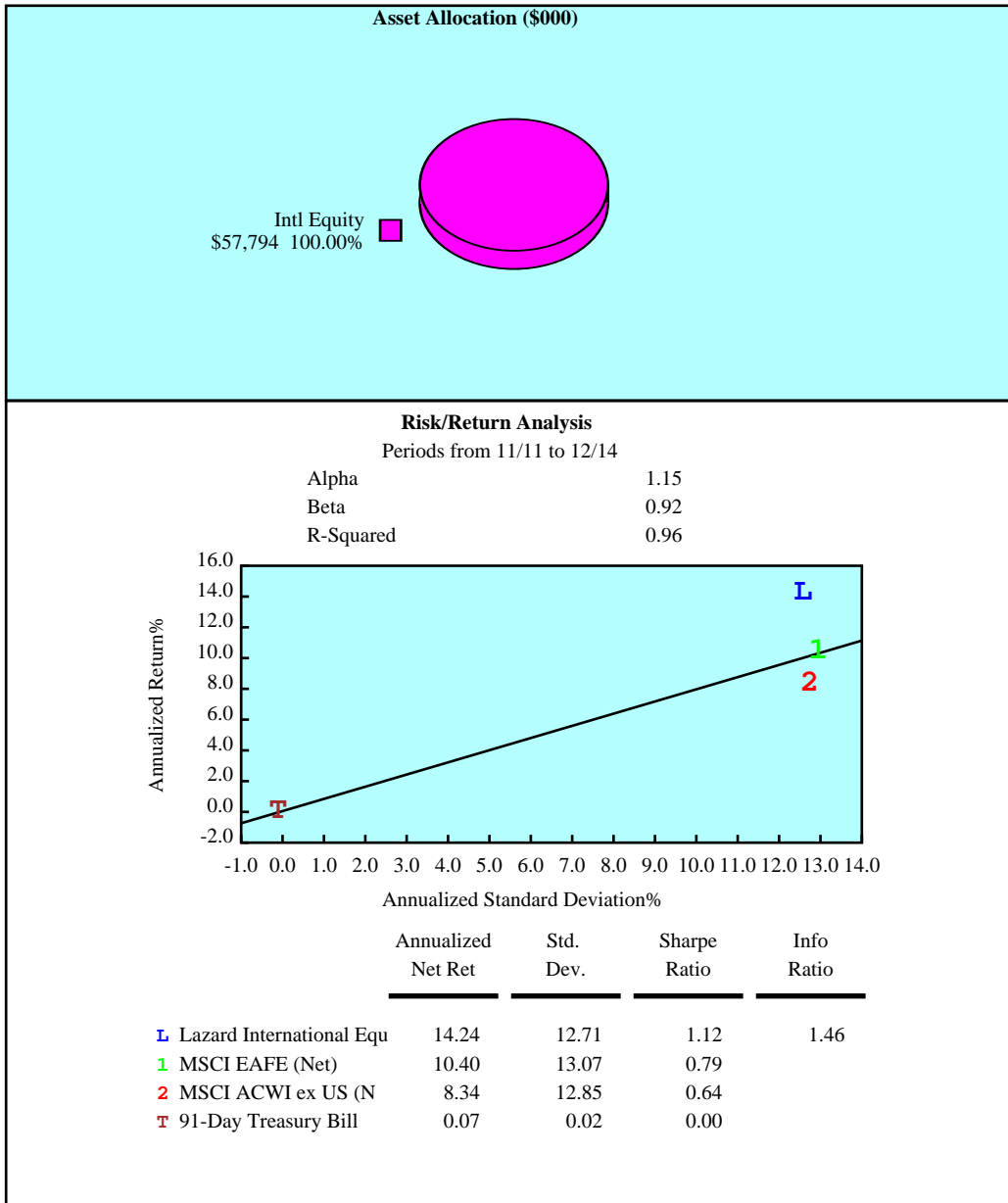


## City of Fort Lauderdale Police and Fire Lazard International Equity as of 12/31/14

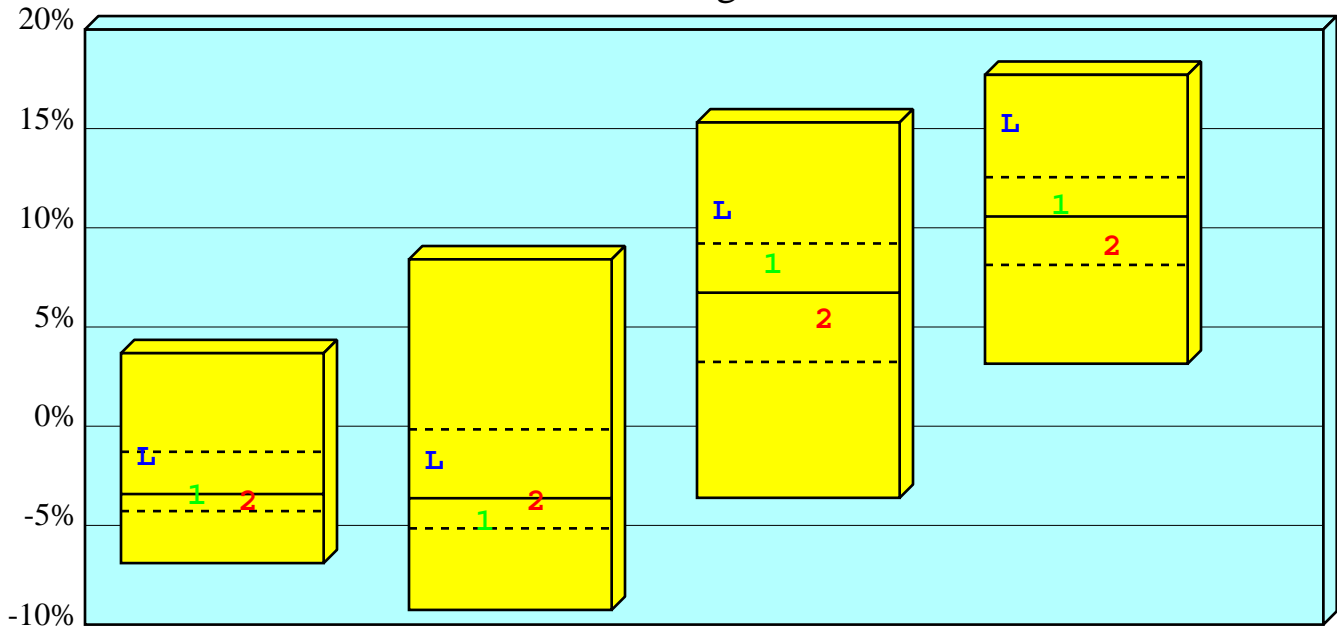


<b>Net of Fee Returns</b>	<b>Qtr</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>	<b>Incept 11/30/11</b>
Lazard International Equity	-1.63	-1.79	-1.79	15.17			14.24
MSCI EAFE (Net)	-3.57	-4.90	-4.90	11.06			10.40
MSCI ACWI ex US (Net)	-3.87	-3.87	-3.87	8.99			8.34
<b>Asset Growth (\$000)</b>							
Beginning Market Value	58,751	68,741	68,741	22,921			23,225
Net Contributions & Withdrawals	0	-10,000	-10,000	14,000			14,000
Gain/Loss + Income	-957	-948	-948	20,873			20,569
Ending Market Value	57,794	57,794	57,794	57,794			57,794

# City of Fort Lauderdale Police and Fire Lazard International Equity as of 12/31/14



## City of Fort Lauderdale Police and Fire Cumulative Performance Comparison Total Returns of International Equity Portfolios Periods Ending 12/14



	Last Qtr	Last Year	Last 2 Years	Last 3 Years
High	3.68	8.41	15.31	17.71
1st Qt	-1.29	-0.16	9.21	12.55
Median	-3.42	-3.63	6.73	10.57
3rd Qt	-4.28	-5.15	3.24	8.13
Low	-6.90	-9.26	-3.61	3.15

### L Lazard International Equity

Net Ret	-1.63	-1.79	10.81	15.17
Rank	29	34	18	10

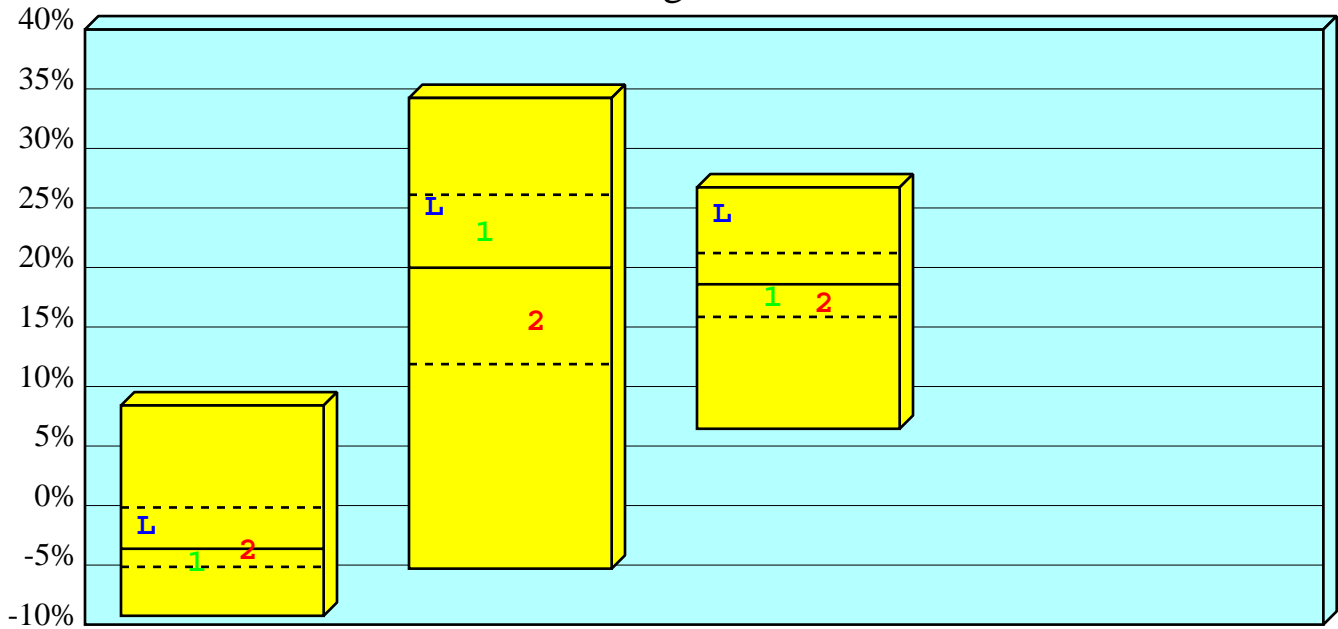
### 1 MSCI EAFE (Net)

Net Ret	-3.57	-4.90	8.06	11.06
Rank	52	73	36	44

### 2 MSCI ACWI ex US (Net)

Net Ret	-3.87	-3.87	5.28	8.99
Rank	59	53	61	69

## City of Fort Lauderdale Police and Fire Calendar Year Performance Comparison Total Returns of International Equity Portfolios Years Ending December



	2014	2013	2012
High	8.41	34.24	26.73
1st Qt	-0.16	26.11	21.21
Median	-3.63	19.98	18.59
3rd Qt	-5.15	11.88	15.85
Low	-9.26	-5.30	6.45

### **L** Lazard International Equity

Net Ret	-1.79	25.02	24.42
Rank	34	29	10

### **1** MSCI EAFE (Net)

Net Ret	-4.90	22.78	17.31
Rank	73	38	62

### **2** MSCI ACWI ex US (Net)

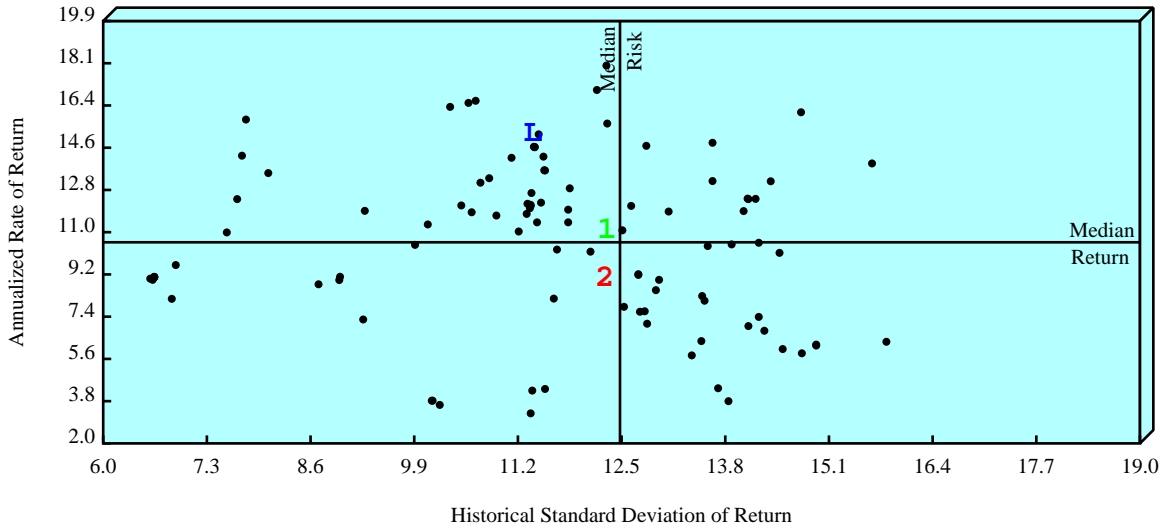
Net Ret	-3.87	15.29	16.83
Rank	53	66	67

# City of Fort Lauderdale Police and Fire

## Return vs Risk

### Total Returns of International Equity Portfolios

3 Years Ending 12/31/14



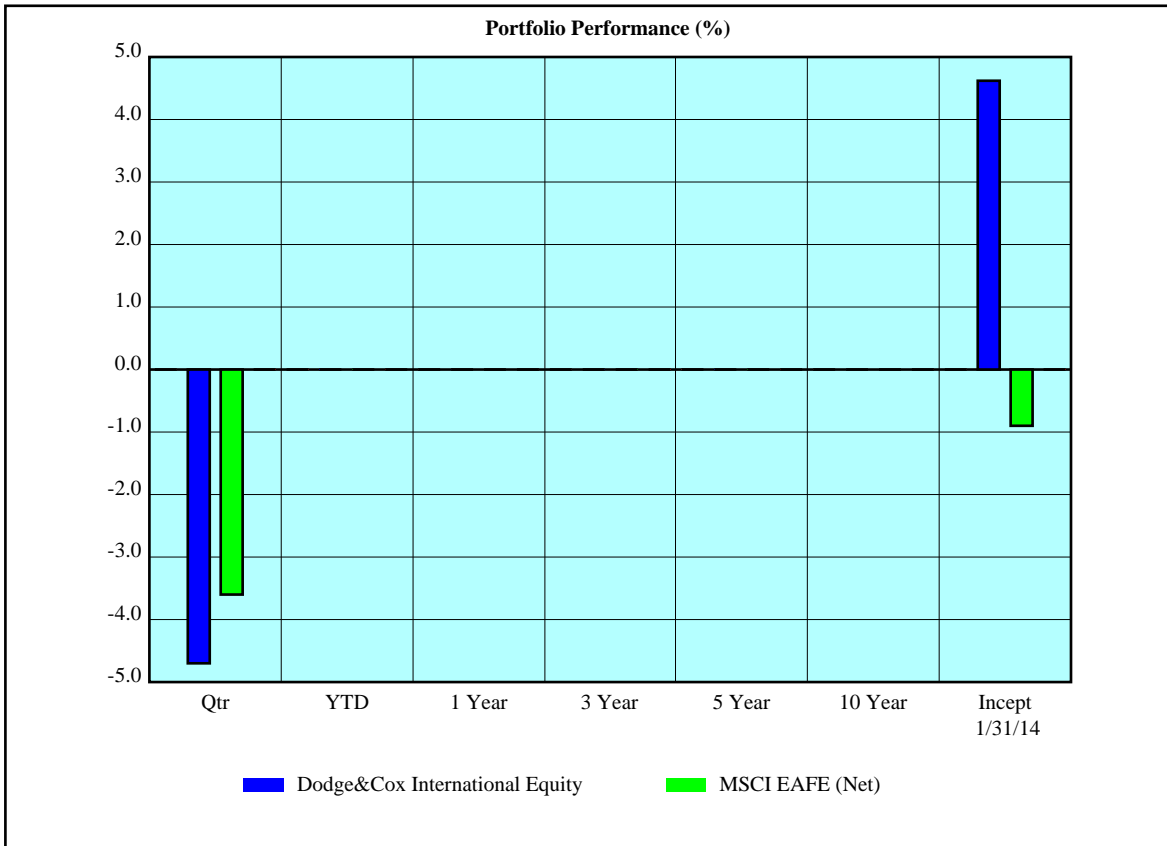
	Annualized Net of Fee Return		Standard Deviation	
	Value	Rank	Value	Rank
L Lazard International Equity	15.17	10	11.46	30
1 MSCI EAFE (Net)	11.06	44	12.38	49
2 MSCI ACWI ex US (Net)	8.99	69	12.35	48
Median	10.57		12.48	

City of Fort Lauderdale Police and Fire  
Risk Measure Summary  
Lazard International Equity  
Quarterly Periods Ending 12/31/14

Risk Measures	1 Year		3 Years		5 Years		Inception	
	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench
Negative Periods	2	2	3	4			3	4
Positive Periods	2	2	9	8			9	8
Up Market Capture	1.23		1.09				1.09	
Down Market Capture	0.79		0.64				0.64	
Batting Average	1.00		0.83				0.83	
Worst Quarter	-5.72	-5.87	-5.72	-7.13			-5.72	-7.13
Best Quarter	4.85	4.09	12.97	11.56			12.97	11.56
Worst 4 Quarters	-1.79	-4.90	-1.79	-4.90			-1.79	-4.90
Best 4 Quarters	-1.79	-4.90	25.02	23.77			25.02	23.77
Standard Deviation	8.89	8.86	11.46	12.38			11.46	12.38
Beta	0.97		0.92				0.92	
Alpha	0.76		1.15				1.15	
R-Squared	0.96		0.96				0.96	
Sharpe Ratio	-0.21	-0.56	1.32	0.89			1.32	0.89
Treynor Ratio	-1.88		16.50				16.50	
Tracking Error	1.61		2.52				2.52	
Information Ratio	2.00		1.46				1.46	

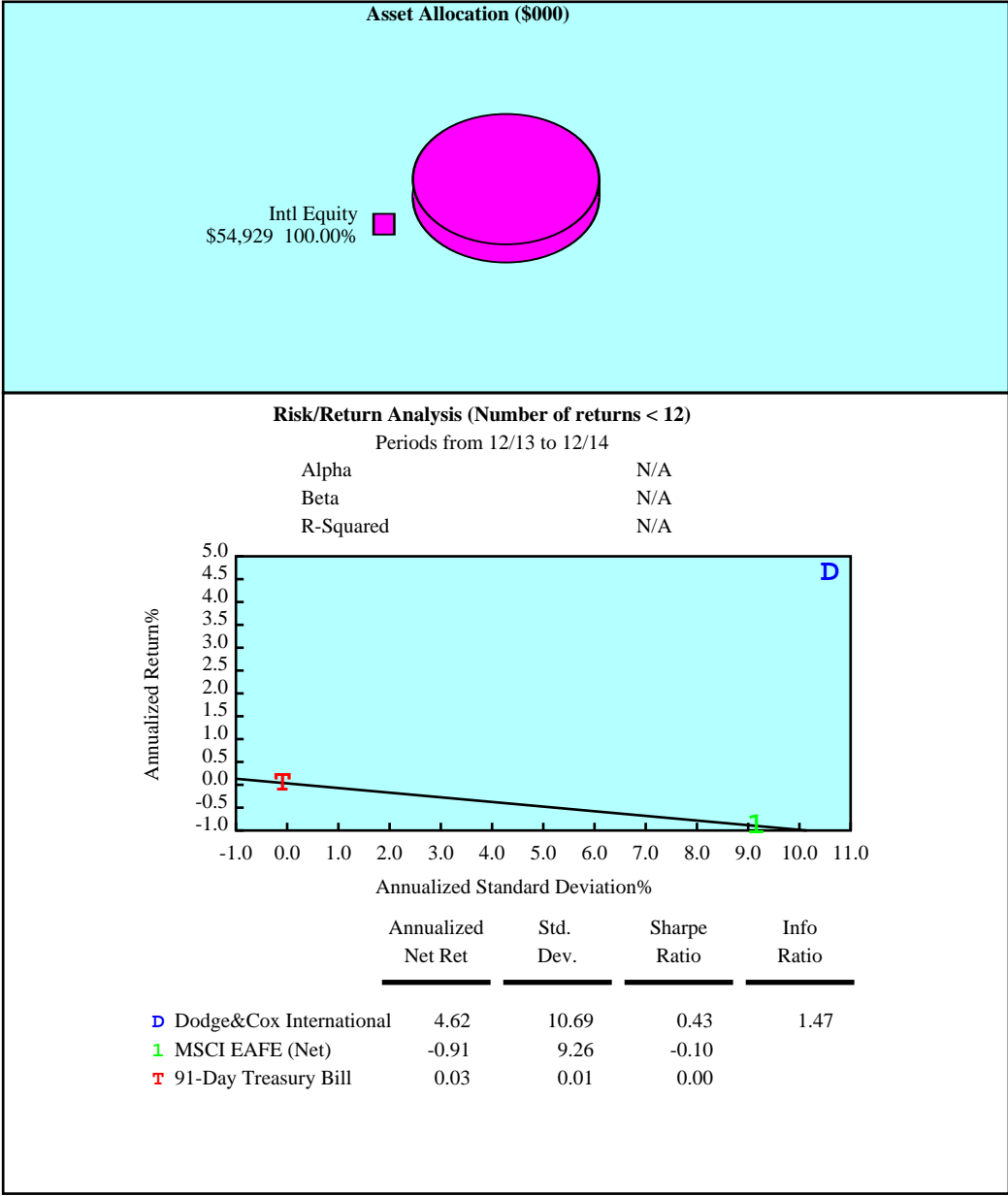


## City of Fort Lauderdale Police and Fire Dodge&Cox International Equity as of 12/31/14

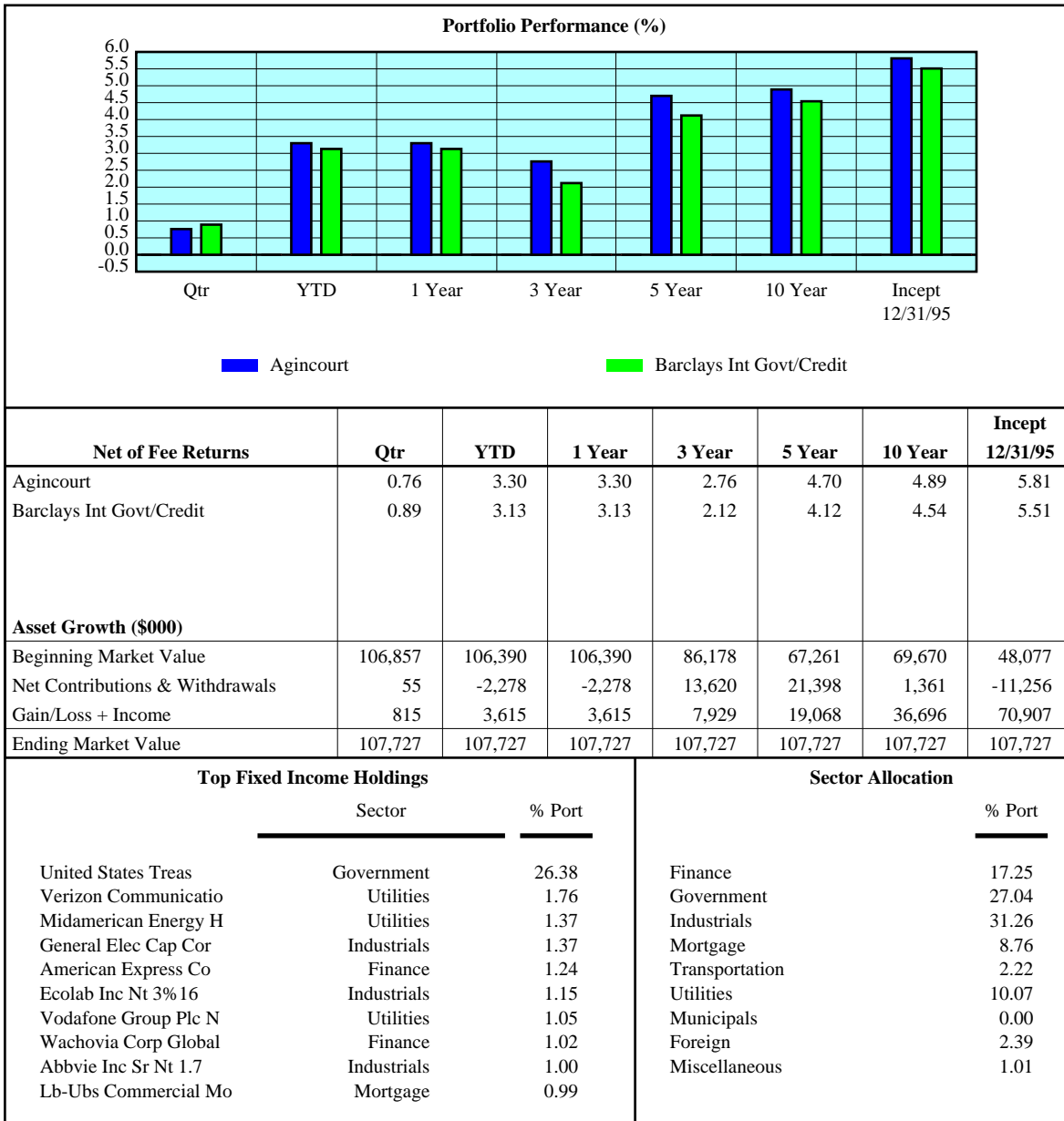


<b>Net of Fee Returns</b>	<b>Qtr</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>	<b>Incept 1/31/14</b>
Dodge&Cox International Equity	-4.66						4.62
MSCI EAFE (Net)	-3.57						-0.91
<b>Asset Growth (\$000)</b>							
Beginning Market Value	57,616						52,502
Net Contributions & Withdrawals	0						0
Gain/Loss + Income	-2,687						2,427
Ending Market Value	54,929						54,929

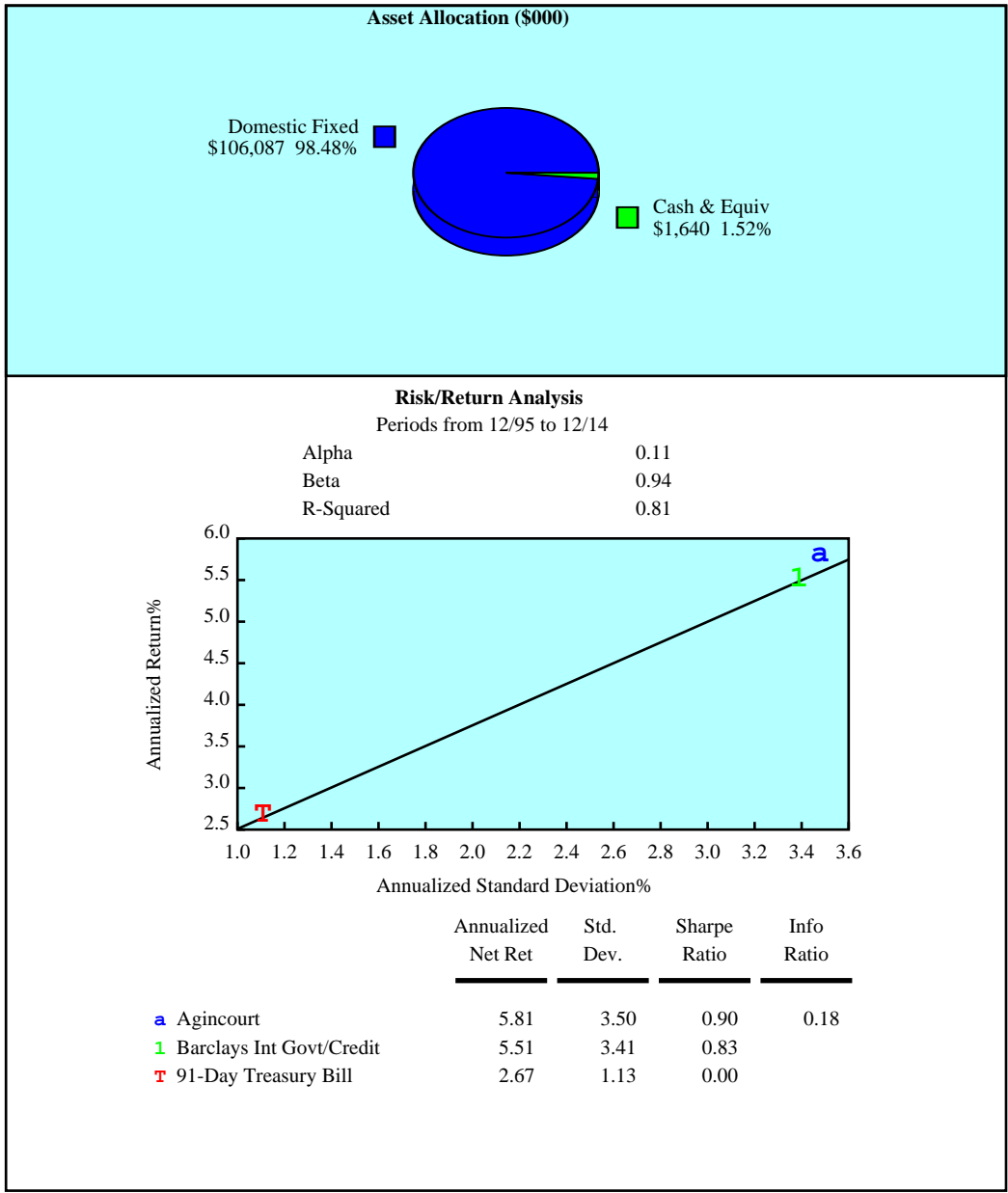
# City of Fort Lauderdale Police and Fire Dodge&Cox International Equity as of 12/31/14



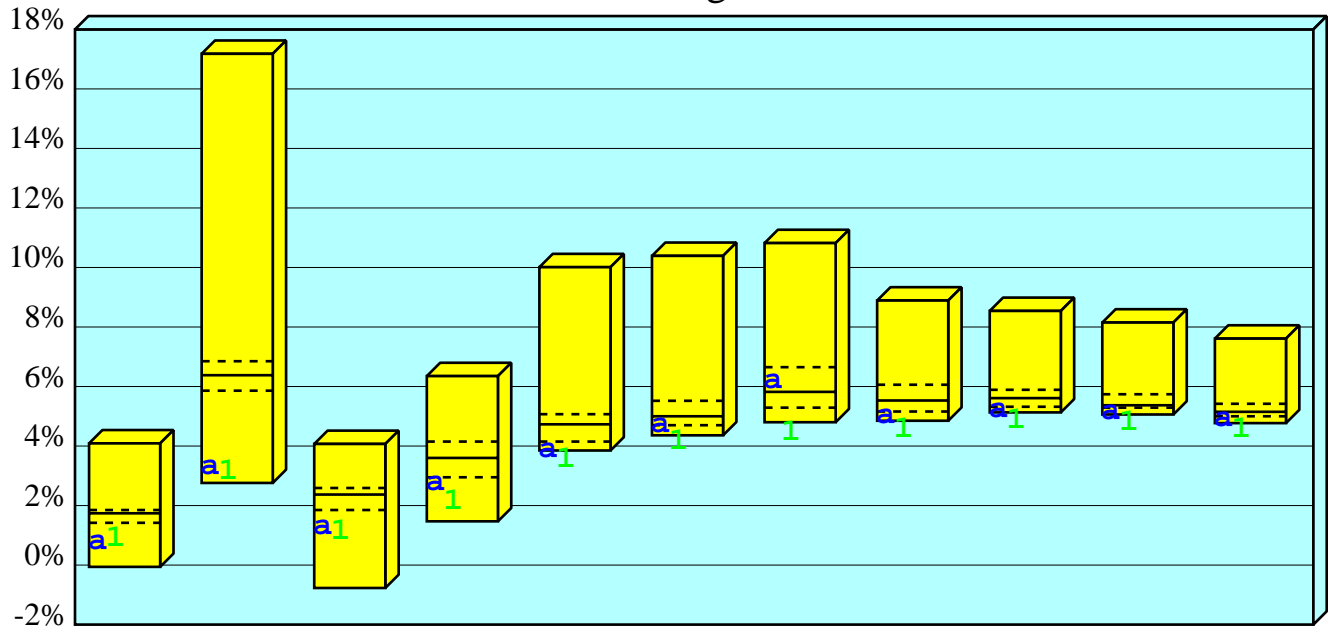
# City of Fort Lauderdale Police and Fire Agincourt as of 12/31/14



# City of Fort Lauderdale Police and Fire Agincourt as of 12/31/14



# City of Fort Lauderdale Police and Fire Fixed Income Core Cumulative Performance Comparisons Total Returns of Fixed Income Portfolios Periods Ending 12/14



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years	Last 8 Years	Last 9 Years	Last 10 Years
High	4.09	17.18	4.07	6.35	10.01	10.39	10.82	8.89	8.54	8.15	7.61
1st Qt	1.85	6.85	2.59	4.15	5.07	5.52	6.65	6.06	5.89	5.74	5.42
Median	1.74	6.38	2.37	3.60	4.73	5.00	5.82	5.53	5.61	5.37	5.15
3rd Qt	1.42	5.86	1.85	2.95	4.15	4.70	5.29	5.16	5.32	5.29	5.00
Low	-0.06	2.76	-0.77	1.47	3.85	4.36	4.80	4.85	5.13	5.06	4.77

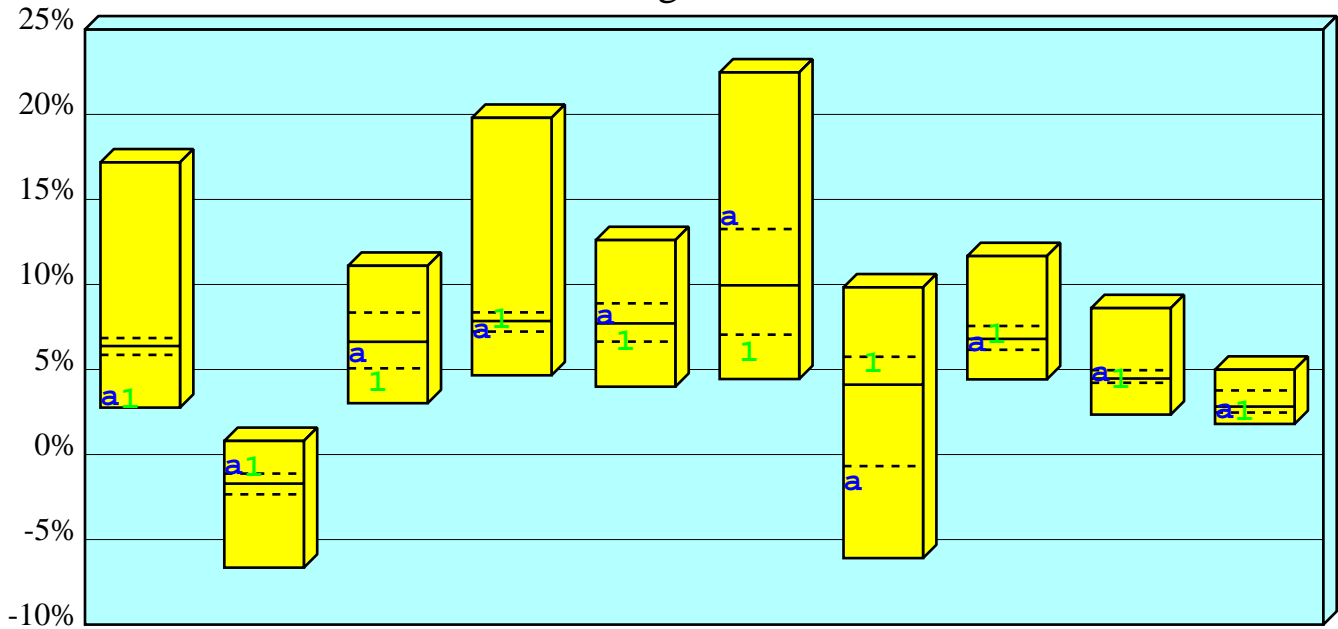
**a** Agincourt

Net Ret	0.76	3.30	1.27	2.76	3.87	4.70	6.18	5.02	5.20	5.15	4.89
Rank	83	94	94	84	93	75	37	84	89	85	82

**1** Barclays Int Govt/Credit

Net Ret	0.89	3.13	1.11	2.12	3.52	4.12	4.42	4.54	4.84	4.78	4.54
Rank	83	94	94	93	100	99	99	100	100	100	100

## City of Fort Lauderdale Police and Fire Fixed Income Core Consecutive Performance Comparisons Total Returns of Fixed Income Portfolios Years Ending December



	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
High	17.18	0.80	11.10	19.80	12.61	22.47	9.83	11.67	8.61	4.99
1st Qt	6.85	-1.12	8.35	8.36	8.89	13.26	5.75	7.56	4.96	3.77
Median	6.38	-1.71	6.63	7.85	7.71	9.95	4.11	6.80	4.47	2.82
3rd Qt	5.86	-2.34	5.07	7.23	6.64	7.05	-0.68	6.16	4.22	2.47
Low	2.76	-6.65	3.02	4.66	3.99	4.44	-6.09	4.42	2.35	1.80

**a** Agincourt

Net Ret	3.30	-0.73	5.83	7.27	8.10	13.88	-1.67	6.49	4.71	2.57
Rank	94	17	60	73	41	22	81	67	39	67

**1** Barclays Int Govt/Credit

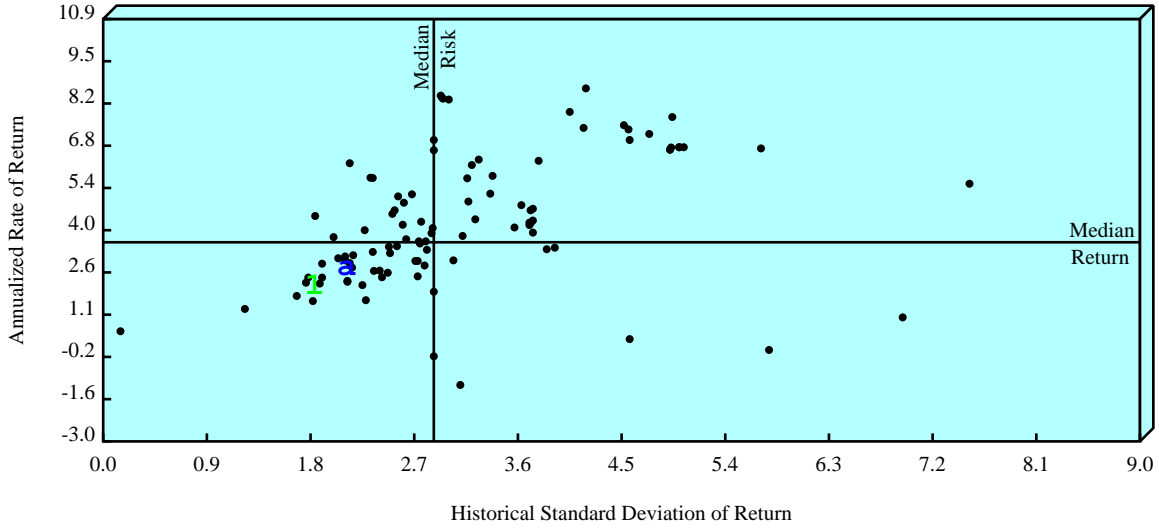
Net Ret	3.13	-0.86	4.17	7.84	6.54	5.93	5.24	6.96	4.33	2.43
Rank	94	21	85	50	81	85	29	43	61	80

# City of Fort Lauderdale Police and Fire

## Return vs Risk

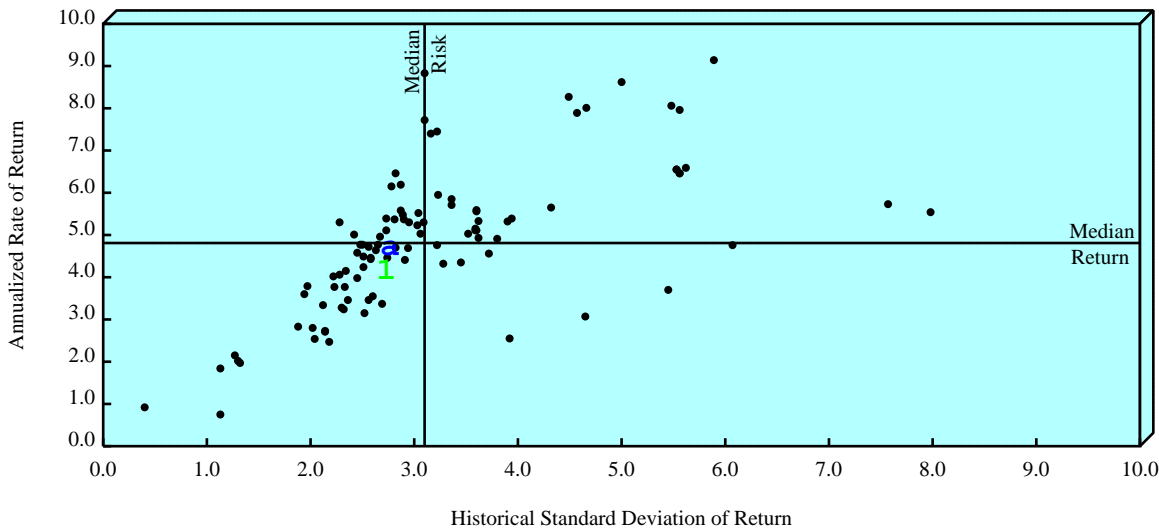
### Total Returns of Fixed Income Portfolios

3 Years Ending 12/31/14



		Annualized Net of Fee Return		Standard Deviation	
		Value	Rank	Value	Rank
a	Agincourt	2.76	65	2.16	26
l	Barclays Int Govt/Credit	2.12	78	1.88	21
	Median	3.60		2.87	

5 Years Ending 12/31/14



		Annualized Net of Fee Return		Standard Deviation	
		Value	Rank	Value	Rank
a	Agincourt	4.70	55	2.82	35
l	Barclays Int Govt/Credit	4.12	70	2.78	34
	Median	4.81		3.10	

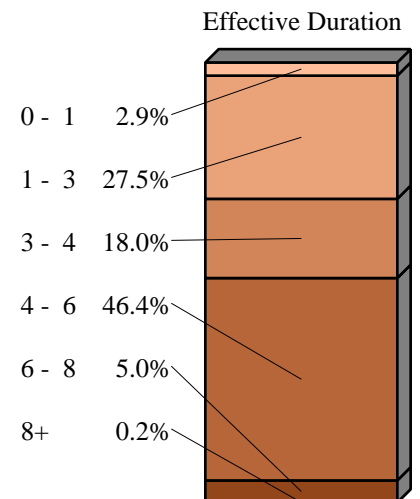
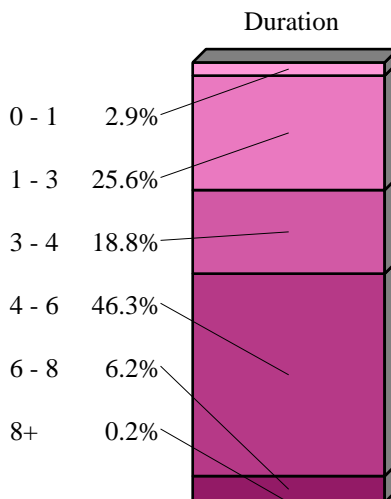
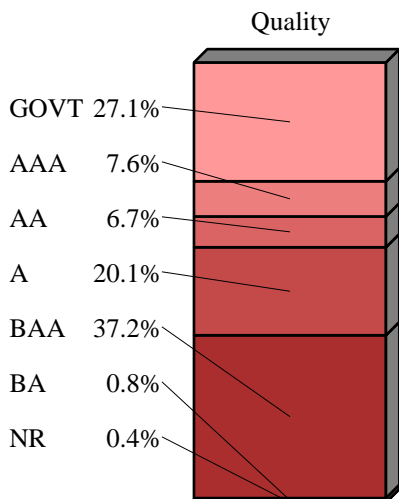
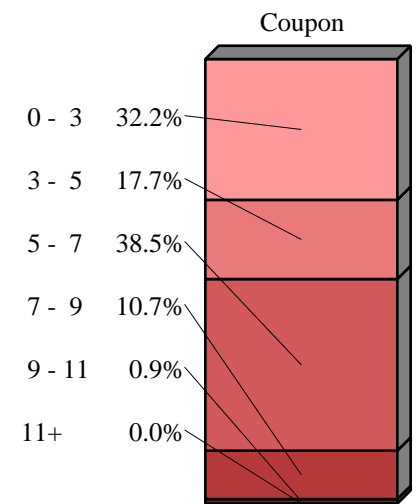
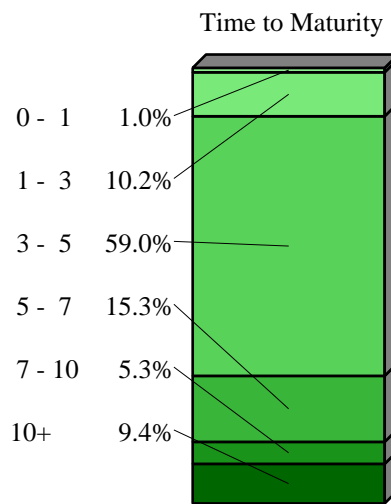
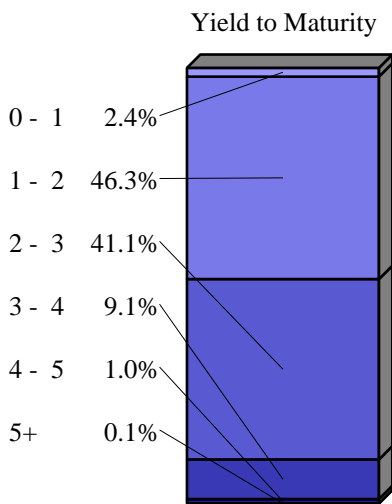
City of Fort Lauderdale Police and Fire  
Risk Measure Summary  
Agincourt  
Quarterly Periods Ending 12/31/14

Risk Measures	1 Year		3 Years		5 Years		Inception	
	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench
Negative Periods	1	1	2	3	3	4	16	18
Positive Periods	3	3	10	9	17	16	60	58
Up Market Capture	1.09		1.26		1.13		1.05	
Down Market Capture	4.16		1.10		1.08		1.01	
Batting Average	0.50		0.67		0.70		0.68	
Worst Quarter	-0.13	-0.03	-1.96	-1.70	-1.96	-1.70	-2.41	-2.44
Best Quarter	1.48	1.23	2.01	2.06	3.64	3.82	5.72	4.62
Worst 4 Quarters	3.30	3.13	-0.73	-0.86	-0.73	-0.86	-1.67	-0.86
Best 4 Quarters	3.30	3.13	5.83	4.17	8.10	7.84	15.10	12.95
Standard Deviation	1.40	1.11	2.16	1.88	2.82	2.78	3.50	3.41
Beta	1.16		1.10		0.97		0.94	
Alpha	-0.08		0.11		0.17		0.11	
R-Squared	0.97		0.91		0.91		0.81	
Sharpe Ratio	2.34	2.78	1.25	1.09	1.64	1.45	0.90	0.83
Treynor Ratio	2.81		2.44		4.74		3.32	
Tracking Error	0.37		0.67		0.85		1.55	
Information Ratio	0.47		0.95		0.66		0.18	



# City of Fort Lauderdale Police and Fire Fixed Income, Mortgage and Municipals Summary Statistics Agincourt Quarter Ending 12/14

	Portfolio	Barclays Int Govt/Credit
Total Number Of Securities	191	4,854
Total Market Value	106,086,914	9,584,016,097,280
Yield to Maturity	1.95	1.68
Time to Maturity	6.73	4.22
Current Coupon	4.42	2.57
Duration	3.80	3.88
Effective Convexity	0.18	0.20
Effective Duration	3.73	3.89
Effective Maturity	4.15	4.22



City of Fort Lauderdale Police and Fire  
Percent Invested by Sector and Quality  
Agincourt  
As of 12/31/14

Name	Moody's Quality Ratings								Total
	Aaa	Aa	A	Baa	Ba	B	Other	NR	
<b>Government</b>	27.04	---	---	---	---	---	---	---	27.04
Treasury	27.04	---	---	---	---	---	---	---	27.04
Agency	---	---	---	---	---	---	---	---	---
<b>Corporate</b>	---	4.72	19.43	35.73	0.83	---	---	0.26	60.97
Industrial	---	1.89	8.47	19.92	0.83	---	---	0.14	31.25
Utility	---	0.03	3.83	6.22	---	---	---	---	10.08
Finance	---	0.41	7.12	9.59	---	---	---	0.12	17.24
Yankee	---	2.39	---	---	---	---	---	---	2.39
<b>Transportation</b>	---	0.11	0.63	1.48	---	---	---	---	2.22
<b>Mortgage</b>	6.73	1.92	---	---	---	---	---	0.11	8.76
GNMA	---	---	---	---	---	---	---	---	---
FHLMC	1.27	---	---	---	---	---	---	0.11	1.38
FNMA	0.67	---	---	---	---	---	---	---	0.67
Other Mortgage	4.79	1.92	---	---	---	---	---	---	6.71
<b>Municipals</b>	---	---	---	---	---	---	---	---	---
<b>Cash</b>	---	---	---	---	---	---	---	---	---
<b>Other</b>	1.01	---	---	---	---	---	---	---	1.01
<b>Total</b>	34.78	6.74	20.05	37.21	0.83	---	---	0.37	100.00

City of Fort Lauderdale Police and Fire  
Fixed Income Sector Attribution Analysis  
Agincourt  
Quarter Ending 12/14

	Weight		Return		Selection		
	Portfolio	Index	Portfolio	Index	Security	Sector	Total
Finance	18.58	0.00	0.68	0.00	0.13	0.00	0.13
Government	25.67	0.00	1.11	0.00	0.28	0.00	0.28
Industrials	31.43	16.75	0.79	0.00	0.25	0.00	0.25
Mortgage	8.62	0.00	0.76	0.00	0.07	0.00	0.07
Transportation	2.24	0.00	0.68	0.00	0.02	0.00	0.02
Utilities	10.34	1.60	0.80	0.00	0.08	0.00	0.08
Municipals	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign	2.36	0.00	1.96	0.00	0.05	0.00	0.05
Miscellaneous	0.76	0.00		0.00	0.00	0.00	0.00
	100.00	100.00	0.87	0.00	0.87	0.00	0.87

Index - Barclays Int Govt/Credit

Security Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

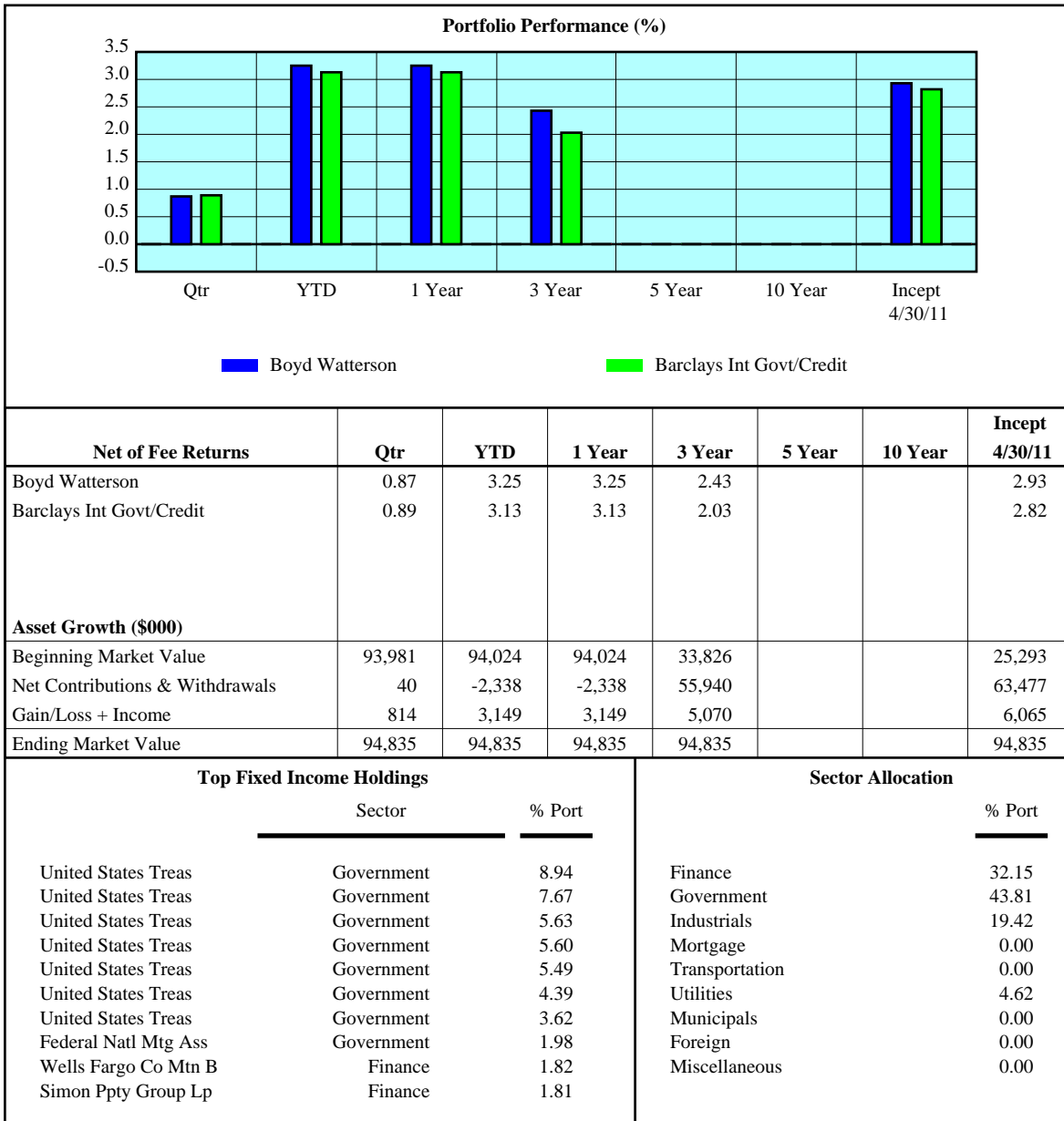
Sector Selection Return Attribution

[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

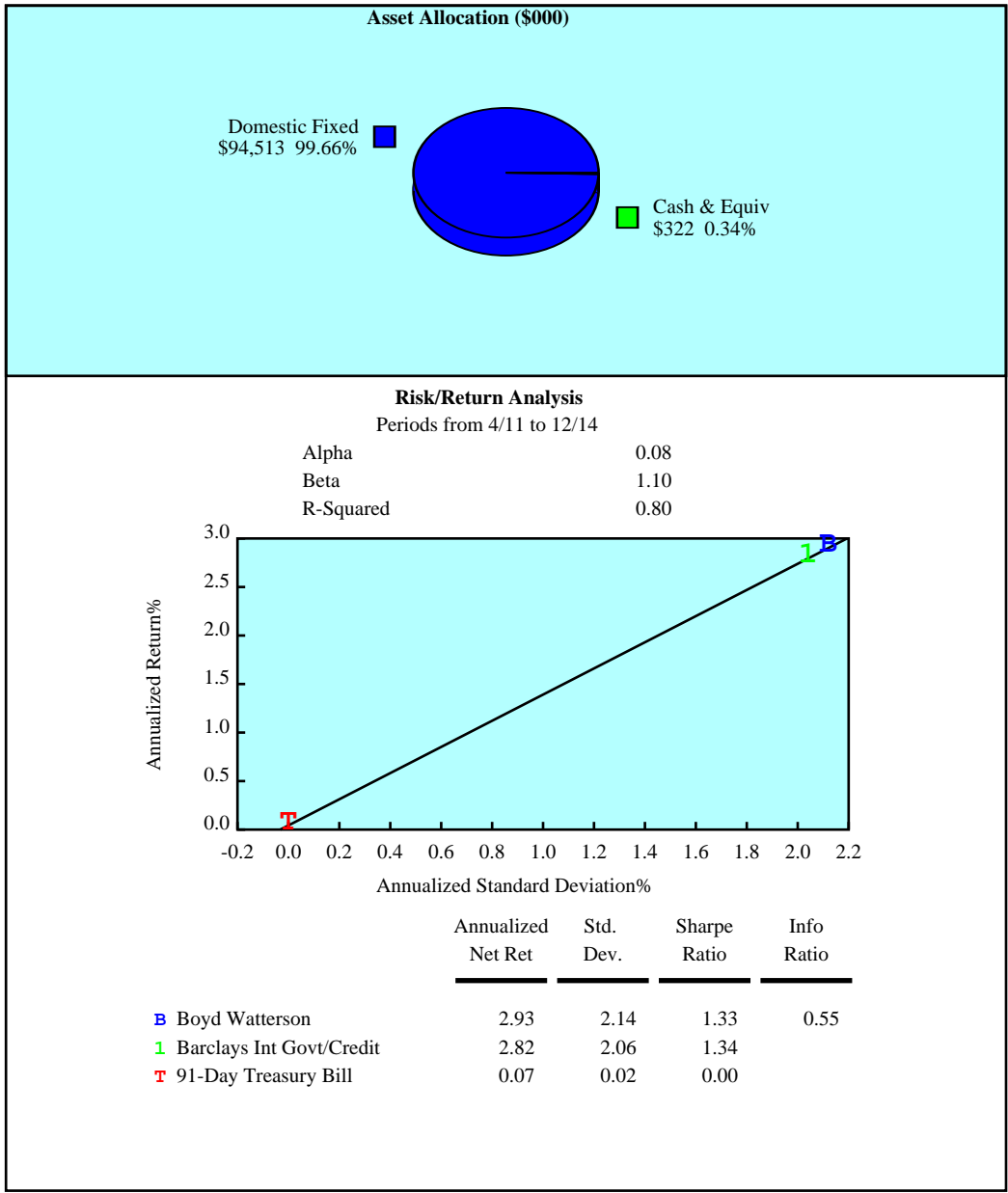
Trading Effect -0.04%

[ Actual Return 0.83% ] - [ Buy Hold Return 0.87% ]

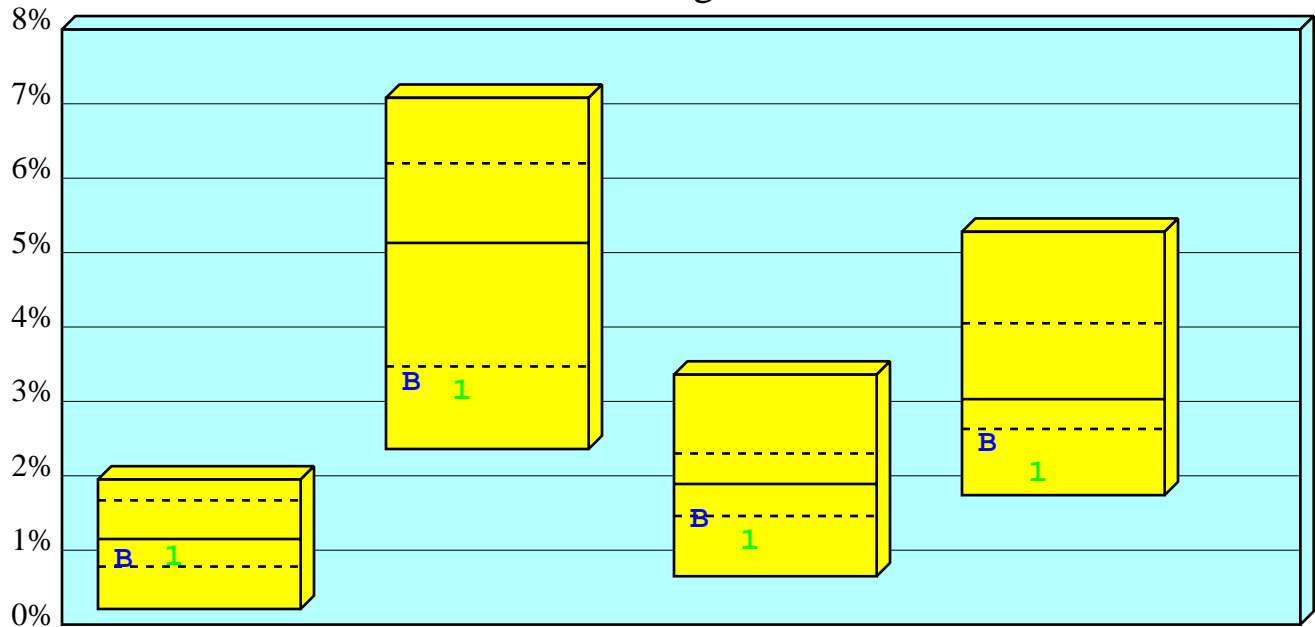
# City of Fort Lauderdale Police and Fire Boyd Watterson as of 12/31/14



# City of Fort Lauderdale Police and Fire Boyd Watterson as of 12/31/14



## City of Fort Lauderdale Police and Fire Intermediate Gov/Corp Cumulative Performance Comparisons Total Returns of Fixed Income Portfolios Periods Ending 12/14



	Last Qtr	Last Year	Last 2 Years	Last 3 Years
High	1.95	7.08	3.36	5.28
1st Qt	1.67	6.20	2.30	4.05
Median	1.15	5.13	1.89	3.03
3rd Qt	0.78	3.47	1.46	2.63
Low	0.21	2.36	0.65	1.74

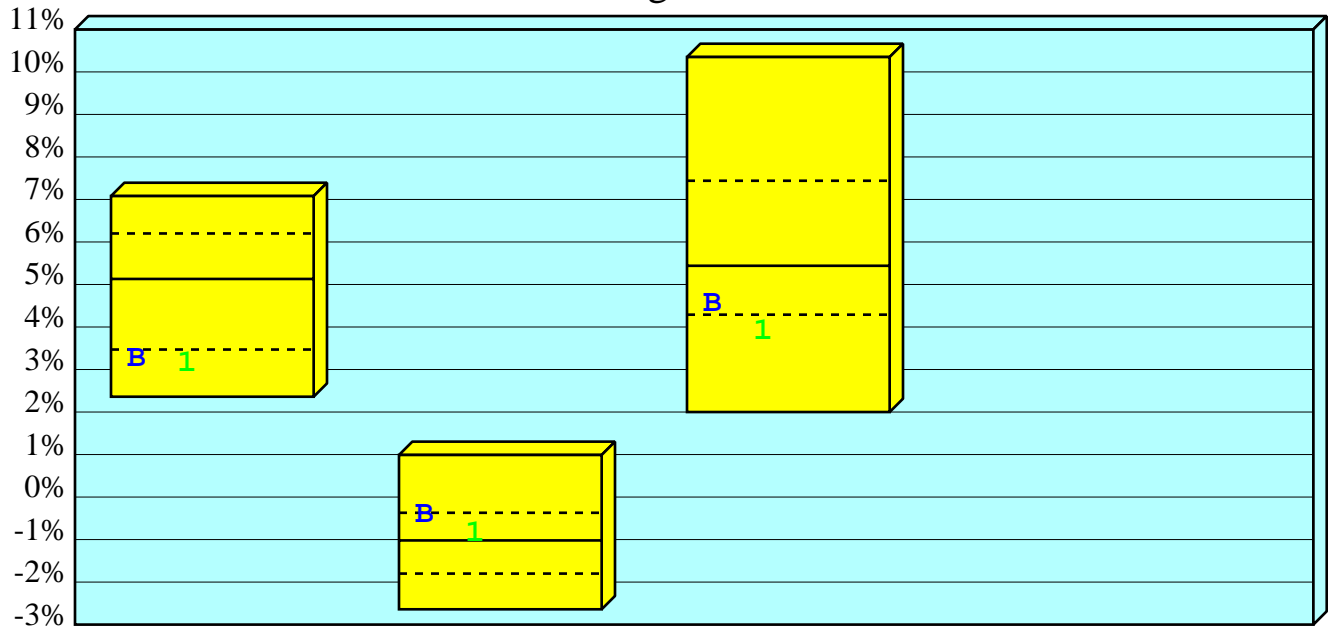
**B** Boyd Watterson

Net Ret	0.87	3.25	1.40	2.43
Rank	73	80	76	81

**1** Barclays Int Govt/Credit

Net Ret	0.89	3.13	1.11	2.03
Rank	71	84	89	91

City of Fort Lauderdale Police and Fire  
Intermediate Gov/Corp Consecutive Performance Comparisons  
Total Returns of Fixed Income Portfolios  
Years Ending December



	2014	2013	2012
High	7.08	0.99	10.35
1st Qt	6.20	-0.37	7.44
Median	5.13	-1.02	5.44
3rd Qt	3.47	-1.80	4.29
Low	2.36	-2.64	2.00

**B** Boyd Watterson

Net Ret	3.25	-0.42	4.53
Rank	80	27	67

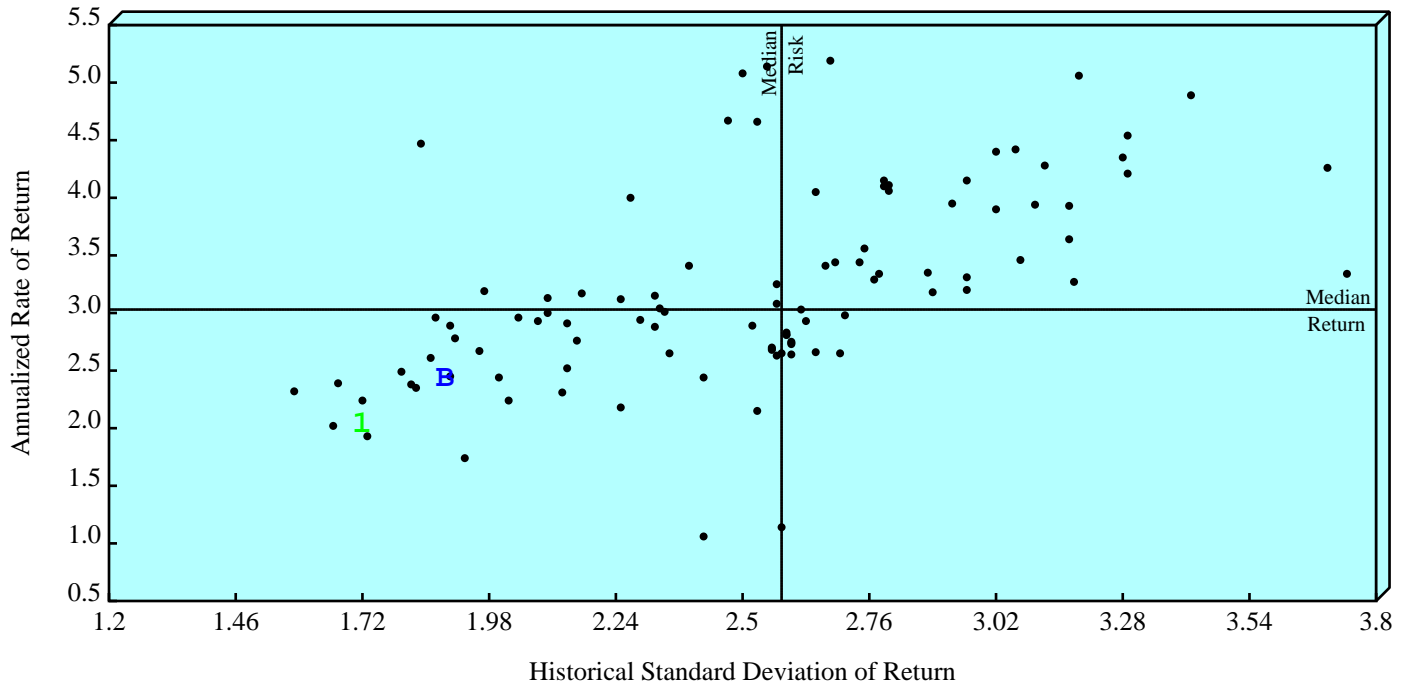
**1** Barclays Int Govt/Credit

Net Ret	3.13	-0.86	3.89
Rank	84	46	82

# City of Fort Lauderdale Police and Fire

## Return vs Risk

### Total Returns of Intermediate Gov/Corp Portfolios 3 Years Ending 12/31/14



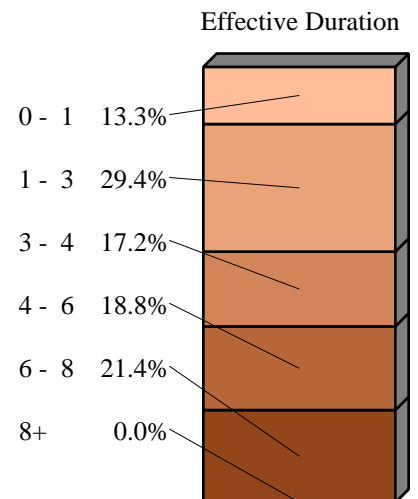
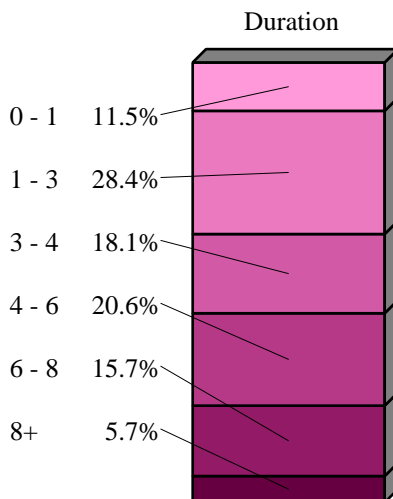
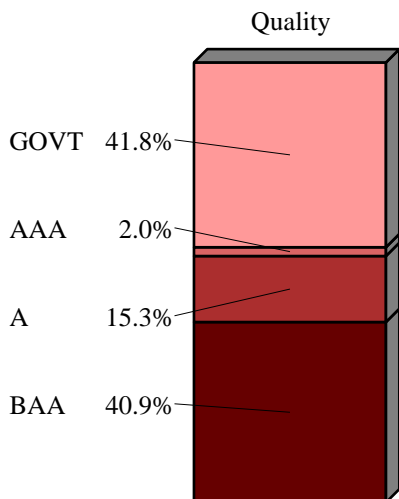
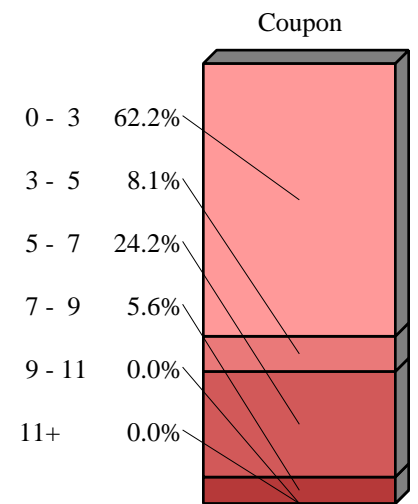
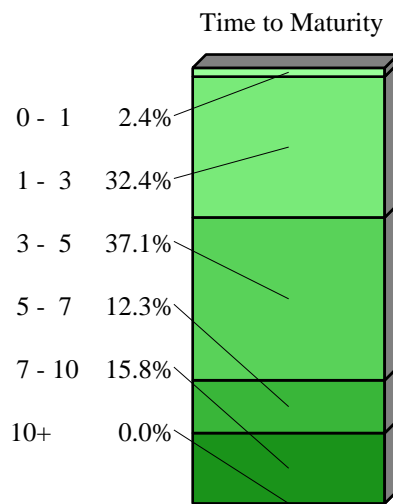
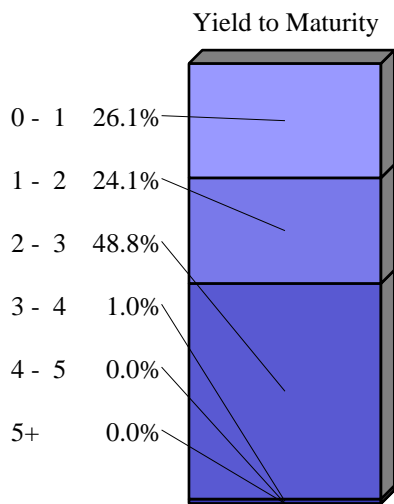
	Annualized Net of Fee Return		Standard Deviation	
	Value	Rank	Value	Rank
B Boyd Watterson	2.43	81	1.90	15
1 Barclays Int Govt/Credit	2.03	91	1.73	7
Median	3.03		2.58	



# City of Fort Lauderdale Police and Fire Fixed Income, Mortgage and Municipals Summary Statistics

Boyd Watterson  
Quarter Ending 12/14

	Portfolio	Barclays Int Govt/Credit
Total Number Of Securities	53	4,854
Total Market Value	94,513,119	9,584,016,097,280
Yield to Maturity	1.68	1.68
Time to Maturity	4.06	4.22
Current Coupon	3.53	2.57
Duration	3.77	3.88
Effective Convexity	0.21	0.20
Effective Duration	3.66	3.89
Effective Maturity	4.06	4.22



City of Fort Lauderdale Police and Fire  
Percent Invested by Sector and Quality  
Boyd Watterson  
As of 12/31/14

Name	Moody's Quality Ratings								Total
	Aaa	Aa	A	Baa	Ba	B	Other	NR	
<b>Government</b>	43.81	---	---	---	---	---	---	---	43.81
Treasury	41.81	---	---	---	---	---	---	---	41.81
Agency	2.00	---	---	---	---	---	---	---	2.00
<b>Corporate</b>	---	---	15.29	40.90	---	---	---	---	56.19
Industrial	---	---	3.64	15.78	---	---	---	---	19.42
Utility	---	---	---	4.62	---	---	---	---	4.62
Finance	---	---	11.65	20.50	---	---	---	---	32.15
Yankee	---	---	---	---	---	---	---	---	---
<b>Transportation</b>	---	---	---	---	---	---	---	---	---
<b>Mortgage</b>	---	---	---	---	---	---	---	---	---
GNMA	---	---	---	---	---	---	---	---	---
FHLMC	---	---	---	---	---	---	---	---	---
FNMA	---	---	---	---	---	---	---	---	---
Other Mortgage	---	---	---	---	---	---	---	---	---
<b>Municipals</b>	---	---	---	---	---	---	---	---	---
<b>Cash</b>	---	---	---	---	---	---	---	---	---
<b>Other</b>	---	---	---	---	---	---	---	---	---
<b>Total</b>	43.81	---	15.29	40.90	---	---	---	---	100.00

City of Fort Lauderdale Police and Fire  
Fixed Income Sector Attribution Analysis  
Boyd Watterson  
Quarter Ending 12/14

	Weight		Return		Selection		
	Portfolio	Index	Portfolio	Index	Security	Sector	Total
Finance	32.61	0.00	0.36	0.00	0.12	0.00	0.12
Government	42.79	0.00	1.68	0.00	0.72	0.00	0.72
Industrials	17.64	16.75	0.14	0.00	0.03	0.00	0.03
Mortgage	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transportation	1.10	0.00	-3.44	0.00	-0.04	0.00	-0.04
Utilities	4.69	1.60	0.49	0.00	0.02	0.00	0.02
Municipals	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign	1.17	0.00	-0.81	0.00	-0.01	0.00	-0.01
Miscellaneous	0.00	0.00		0.00	0.00	0.00	0.00
	100.00	100.00	0.84	0.00	0.84	0.00	0.84

Index - Barclays Int Govt/Credit

Security Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

Sector Selection Return Attribution

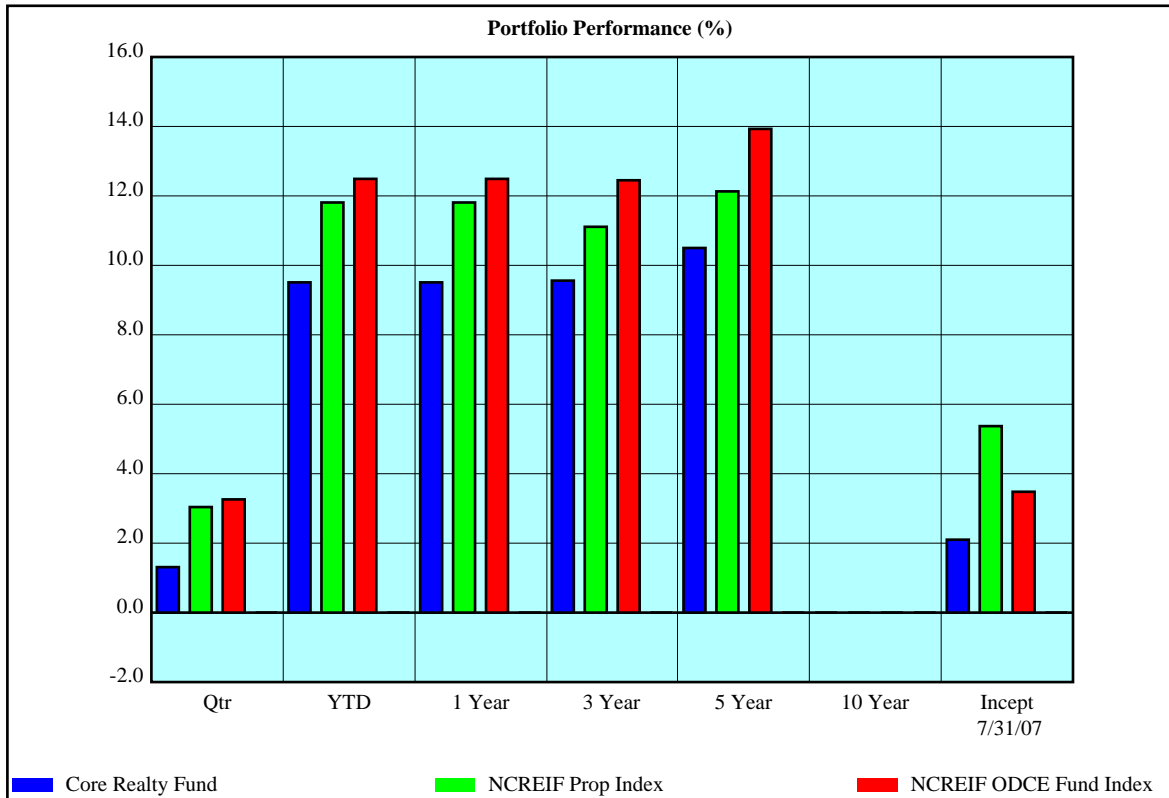
[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

Trading Effect 0.08%

[ Actual Return 0.92% ] - [ Buy Hold Return 0.84% ]

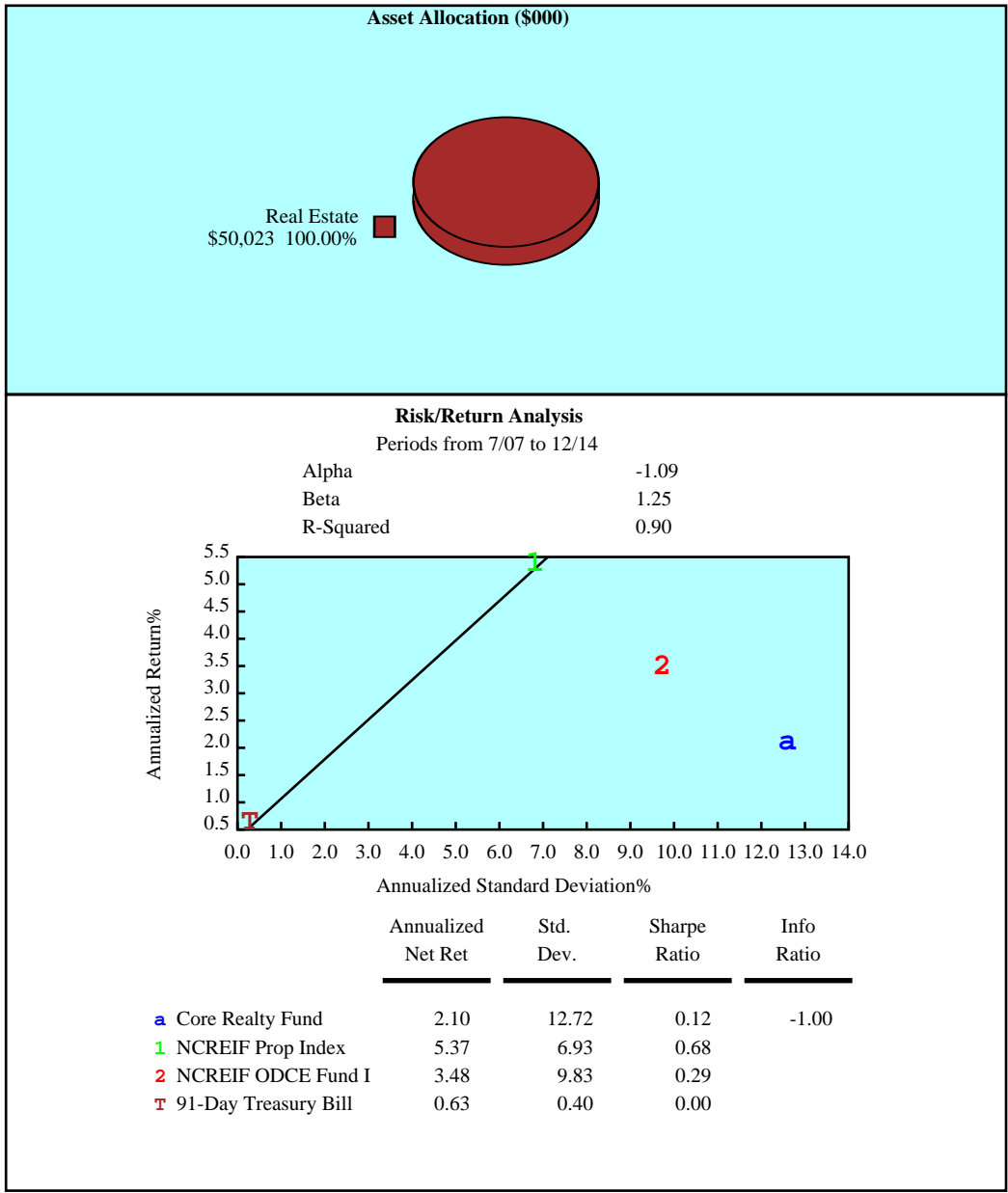


## City of Fort Lauderdale Police and Fire Core Realty Fund as of 12/31/14

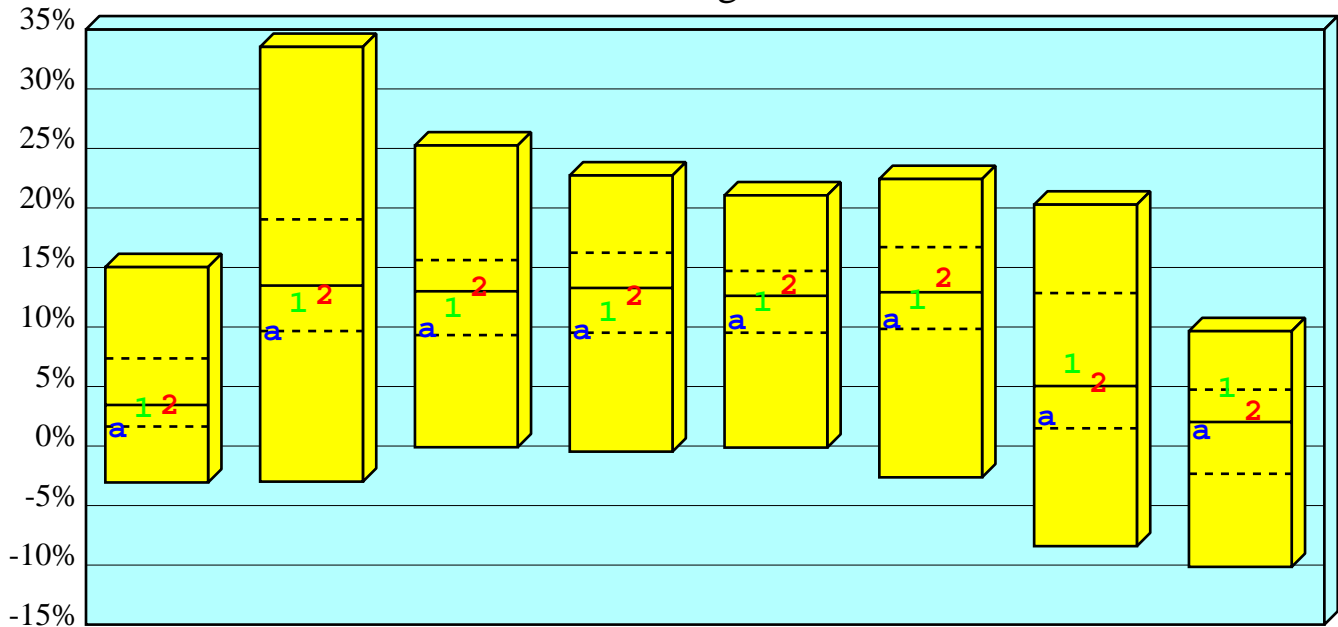


Net of Fee Returns	Qtr	YTD	1 Year	3 Year	5 Year	10 Year	Incept 7/31/07
Core Realty Fund	1.31	9.51	9.51	9.56	10.50		2.10
NCREIF Prop Index	3.04	11.81	11.81	11.11	12.13		5.37
NCREIF ODCE Fund Index	3.26	12.49	12.49	12.45	13.93		3.48
<b>Asset Growth (\$000)</b>							
Beginning Market Value	49,258	45,245	45,245	27,743	17,428		24,999
Net Contributions & Withdrawals	117	450	450	11,511	17,101		16,768
Gain/Loss + Income	648	4,329	4,329	10,769	15,494		8,255
Ending Market Value	50,023	50,023	50,023	50,023	50,023		50,023

# City of Fort Lauderdale Police and Fire Core Realty Fund as of 12/31/14



## City of Fort Lauderdale Police and Fire Cumulative Performance Comparison Total Returns of Real Estate Portfolios Periods Ending 12/14



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years
High	15.03	33.53	25.25	22.73	21.06	22.43	20.28	9.65
1st Qt	7.36	19.04	15.62	16.24	14.71	16.71	12.85	4.74
Median	3.45	13.48	13.00	13.28	12.62	12.92	5.04	2.02
3rd Qt	1.64	9.66	9.32	9.52	9.52	9.84	1.49	-2.33
Low	-3.06	-2.99	-0.10	-0.47	-0.13	-2.63	-8.41	-10.15

**a** Core Realty Fund

Net Ret	1.31	9.51	9.74	9.56	10.38	10.50	2.36	1.16
Rank	76	75	73	72	65	72	73	56

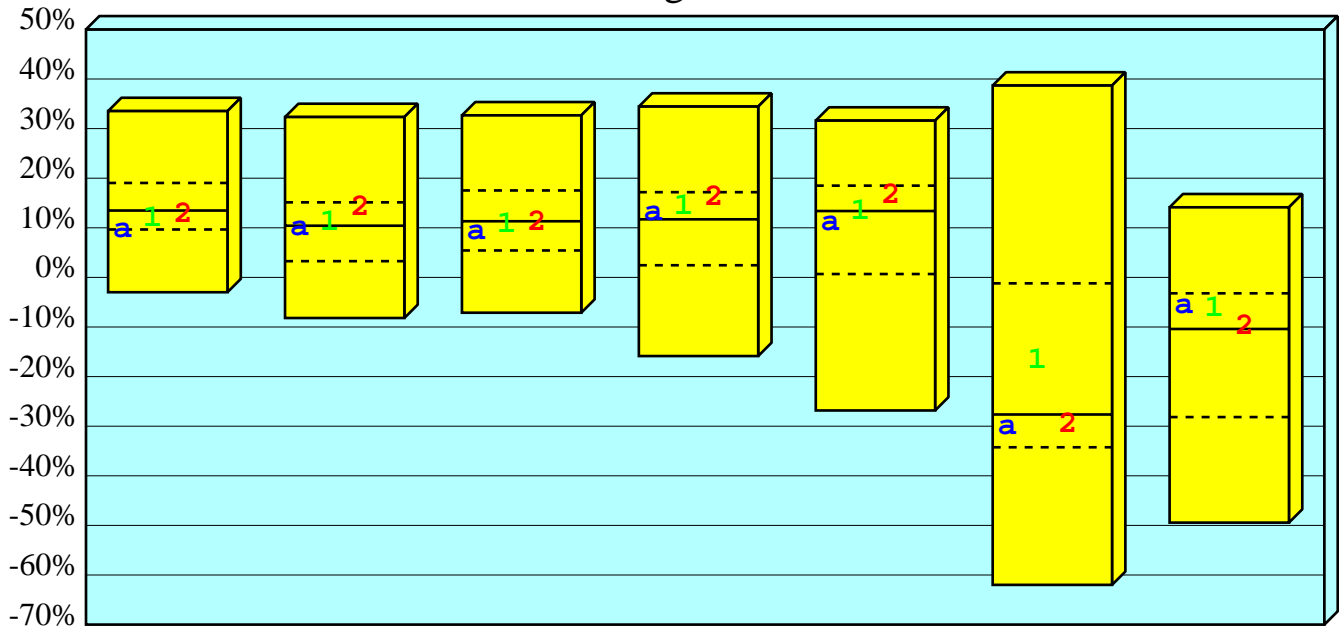
**1** NCREIF Prop Index

Net Ret	3.04	11.81	11.40	11.11	11.89	12.13	6.68	4.70
Rank	57	65	60	65	53	55	34	27

**2** NCREIF ODCE Fund Index

Net Ret	3.26	12.49	13.22	12.45	13.33	13.93	5.10	2.80
Rank	53	60	46	58	46	43	49	42

# City of Fort Lauderdale Police and Fire Calendar Year Performance Comparison Total Returns of Real Estate Portfolios Years Ending December

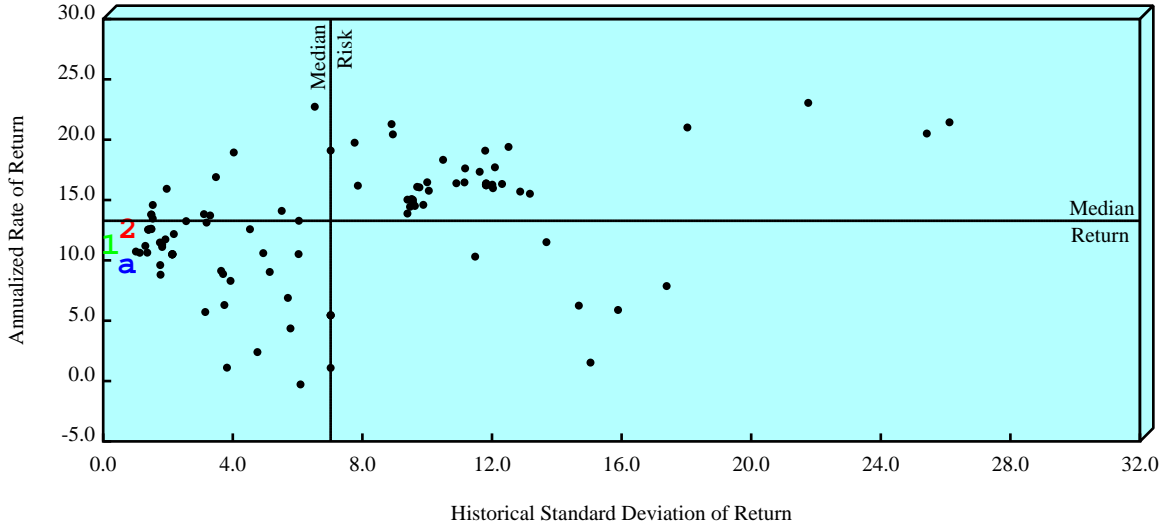


	2014	2013	2012	2011	2010	2009	2008
High	33.53	32.33	32.67	34.44	31.61	38.68	14.13
1st Qt	19.04	15.13	17.53	17.18	18.50	-1.20	-3.21
Median	13.48	10.42	11.32	11.71	13.38	-27.64	-10.40
3rd Qt	9.66	3.27	5.43	2.45	0.68	-34.25	-28.16
Low	-2.99	-8.19	-7.12	-15.86	-26.83	-61.99	-49.44
<b>a Core Realty Fund</b>							
Net Ret	9.51	9.97	9.20	12.88	10.99	-30.19	-5.73
Rank	75	52	64	46	57	65	34
<b>1 NCREIF Prop Index</b>							
Net Ret	11.81	10.99	10.54	14.26	13.11	-16.86	-6.46
Rank	65	46	55	36	50	33	35
<b>2 NCREIF ODCE Fund Index</b>							
Net Ret	12.49	13.94	10.94	15.99	16.36	-29.76	-10.00
Rank	60	31	53	28	35	62	46



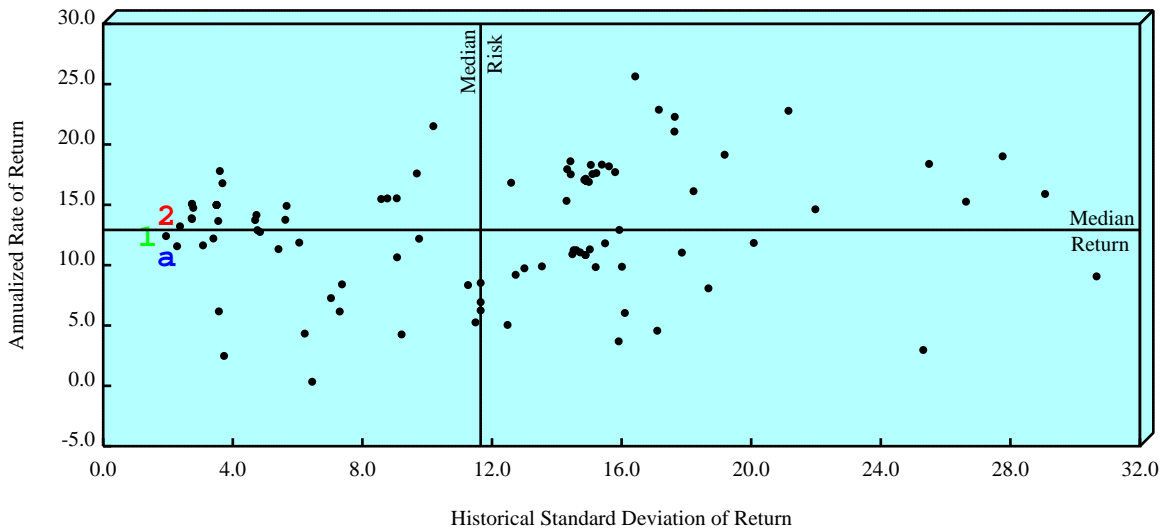
# City of Fort Lauderdale Police and Fire Return vs Risk Total Returns of Real Estate Portfolios

3 Years Ending 12/31/14



	Annualized Net of Fee Return		Standard Deviation	
	Value	Rank	Value	Rank
a Core Realty Fund	9.56	72	0.90	2
1 NCREIF Prop Index	11.11	65	0.39	2
2 NCREIF ODCE Fund Index	12.45	58	0.90	2
Median	13.28		7.02	

5 Years Ending 12/31/14

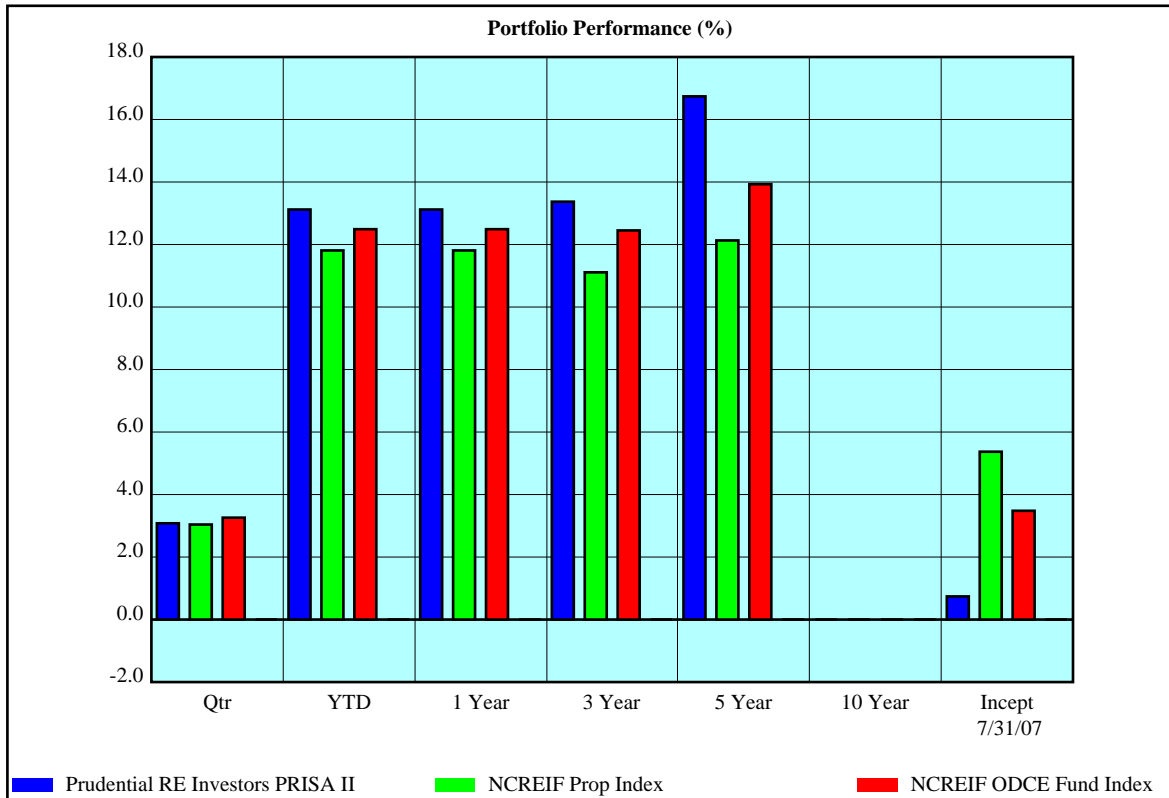


	Annualized Net of Fee Return		Standard Deviation	
	Value	Rank	Value	Rank
a Core Realty Fund	10.50	72	2.13	5
1 NCREIF Prop Index	12.13	55	1.53	2
2 NCREIF ODCE Fund Index	13.93	43	2.10	5
Median	12.92		11.65	

City of Fort Lauderdale Police and Fire  
Risk Measure Summary  
Core Realty Fund  
Quarterly Periods Ending 12/31/14

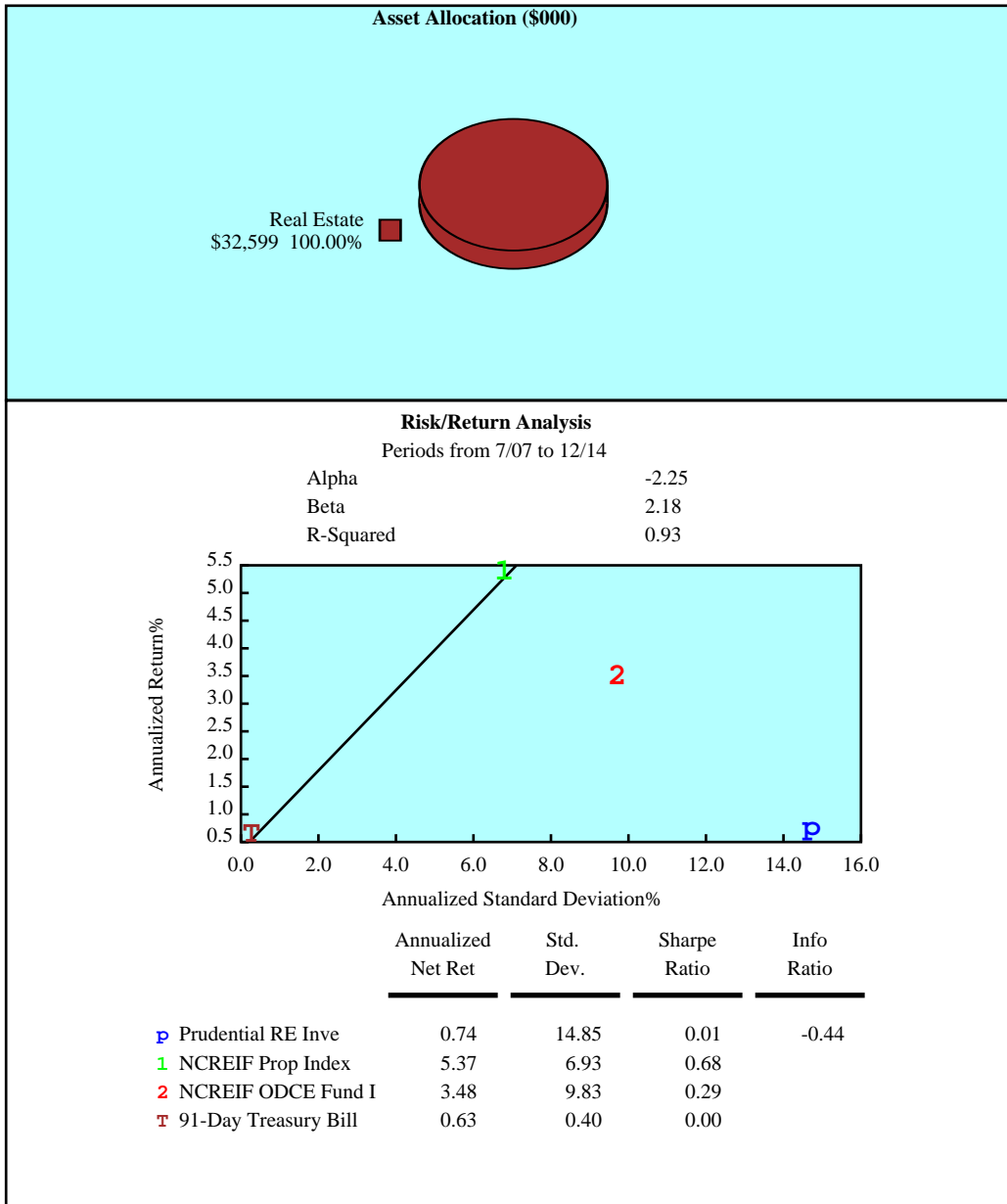
Risk Measures	1 Year		3 Years		5 Years		Inception	
	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench
Negative Periods	0	0	0	0	1	0	7	6
Positive Periods	4	4	12	12	19	20	23	24
Up Market Capture	0.81		0.86		0.87		0.91	
Down Market Capture							1.54	
Batting Average	0.25		0.17		0.20		0.23	
Worst Quarter	1.31	2.63	1.31	2.34	-0.67	0.76	-12.88	-8.29
Best Quarter	2.87	3.04	2.87	3.04	4.57	4.62	4.68	4.62
Worst 4 Quarters	9.51	11.81	8.62	10.52	8.62	10.52	-32.60	-22.11
Best 4 Quarters	9.51	11.81	10.73	11.81	16.52	16.73	16.52	16.73
Standard Deviation	1.40	0.36	0.90	0.39	2.15	1.53	8.82	6.60
Beta	0.76		0.79		1.04		1.26	
Alpha	0.16		0.20		-0.49		-1.04	
R-Squared	0.69		0.62		0.75		0.90	
Sharpe Ratio	6.78	32.47	10.55	28.61	4.86	7.87	0.16	0.70
Treynor Ratio	12.52		12.00		10.02		1.14	
Tracking Error	1.74		1.05		1.22		3.25	
Information Ratio	-1.21		-1.37		-1.19		-0.91	

## City of Fort Lauderdale Police and Fire Prudential RE Investors PRISA II as of 12/31/14

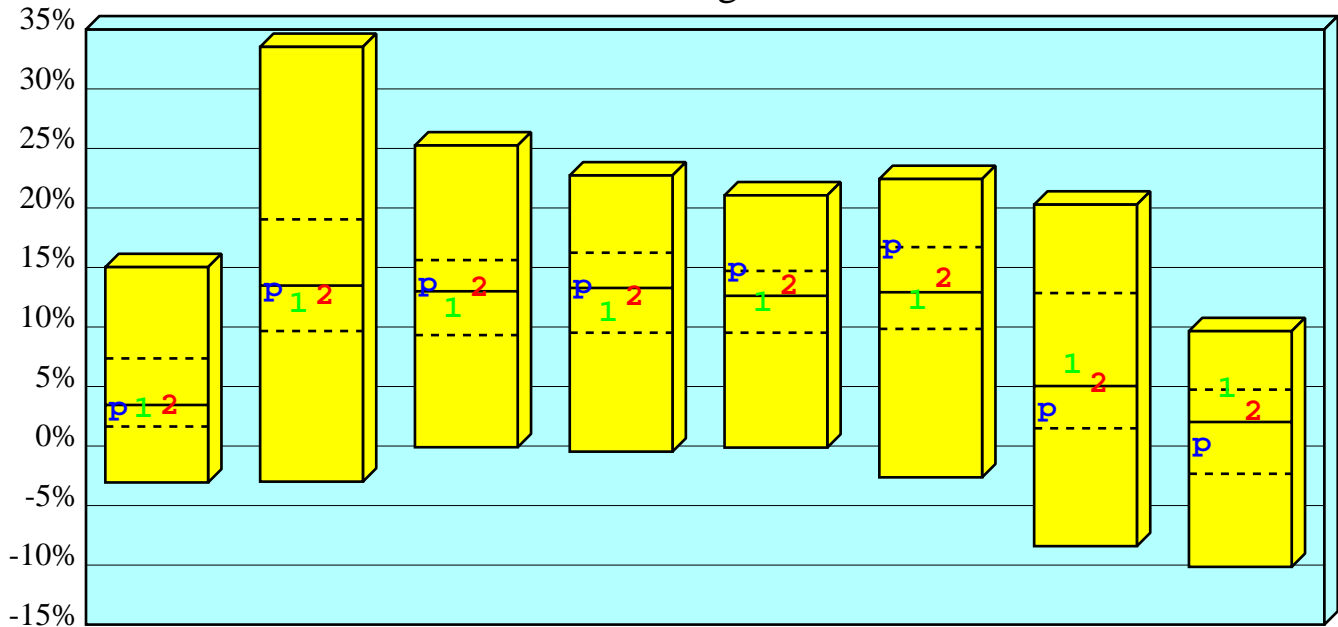


<b>Net of Fee Returns</b>	<b>Qtr</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>	<b>Incept 7/31/07</b>
Prudential RE Investors PRISA II	3.08	13.12	13.12	13.37	16.74		0.74
NCREIF Prop Index	3.04	11.81	11.81	11.11	12.13		5.37
NCREIF ODCE Fund Index	3.26	12.49	12.49	12.45	13.93		3.48
<b>Asset Growth (\$000)</b>							
Beginning Market Value	29,981	26,599	26,599	13,313	7,391		3,000
Net Contributions & Withdrawals	1,694	2,478	2,478	11,349	13,034		23,486
Gain/Loss + Income	923	3,521	3,521	7,936	12,173		6,113
Ending Market Value	32,599	32,599	32,599	32,599	32,599		32,599

# City of Fort Lauderdale Police and Fire Prudential RE Investors PRISA II as of 12/31/14



## City of Fort Lauderdale Police and Fire Cumulative Performance Comparison Total Returns of Real Estate Portfolios Periods Ending 12/14



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years
High	15.03	33.53	25.25	22.73	21.06	22.43	20.28	9.65
1st Qt	7.36	19.04	15.62	16.24	14.71	16.71	12.85	4.74
Median	3.45	13.48	13.00	13.28	12.62	12.92	5.04	2.02
3rd Qt	1.64	9.66	9.32	9.52	9.52	9.84	1.49	-2.33
Low	-3.06	-2.99	-0.10	-0.47	-0.13	-2.63	-8.41	-10.15

**p** Prudential RE Investors PRISA II

Net Ret	3.08	13.12	13.51	13.37	14.81	16.74	3.03	0.05
Rank	57	55	41	49	24	24	72	70

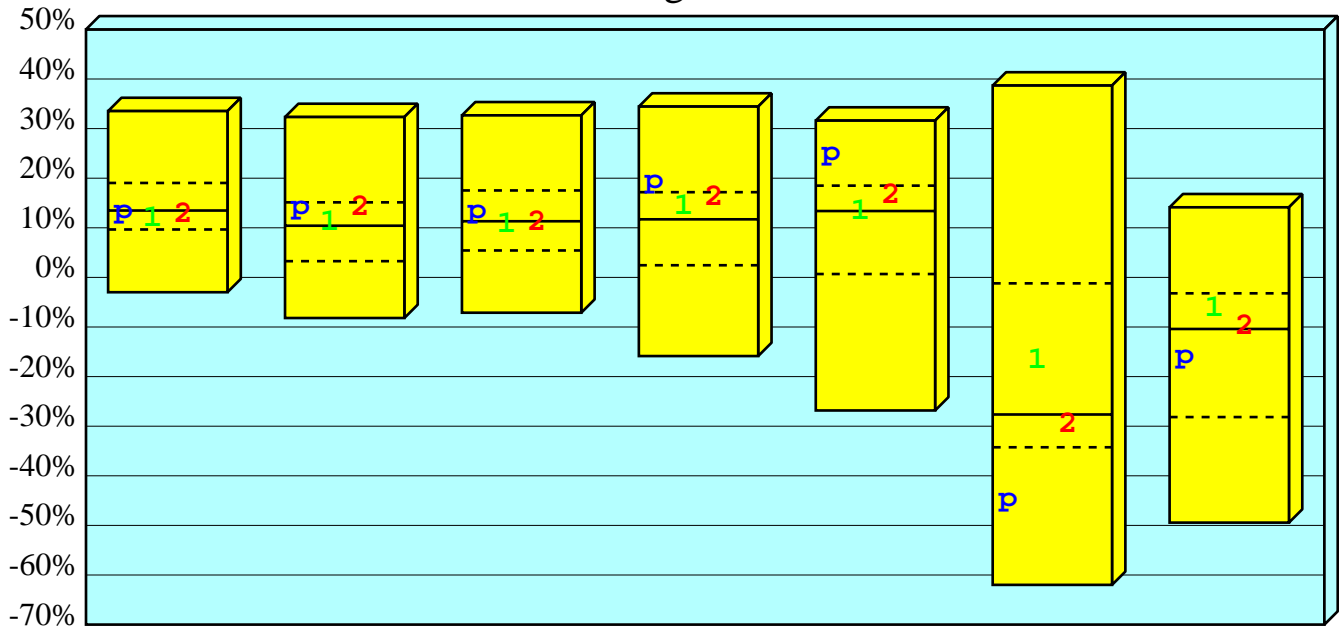
**1** NCREIF Prop Index

Net Ret	3.04	11.81	11.40	11.11	11.89	12.13	6.68	4.70
Rank	57	65	60	65	53	55	34	27

**2** NCREIF ODCE Fund Index

Net Ret	3.26	12.49	13.22	12.45	13.33	13.93	5.10	2.80
Rank	53	60	46	58	46	43	49	42

# City of Fort Lauderdale Police and Fire Calendar Year Performance Comparison Total Returns of Real Estate Portfolios Years Ending December



	2014	2013	2012	2011	2010	2009	2008
High	33.53	32.33	32.67	34.44	31.61	38.68	14.13
1st Qt	19.04	15.13	17.53	17.18	18.50	-1.20	-3.21
Median	13.48	10.42	11.32	11.71	13.38	-27.64	-10.40
3rd Qt	9.66	3.27	5.43	2.45	0.68	-34.25	-28.16
Low	-2.99	-8.19	-7.12	-15.86	-26.83	-61.99	-49.44

**p** Prudential RE Investors PRISA II

Net Ret	13.12	13.90	13.09	19.23	24.79	-44.82	-16.14
Rank	55	31	38	18	14	86	66

**1** NCREIF Prop Index

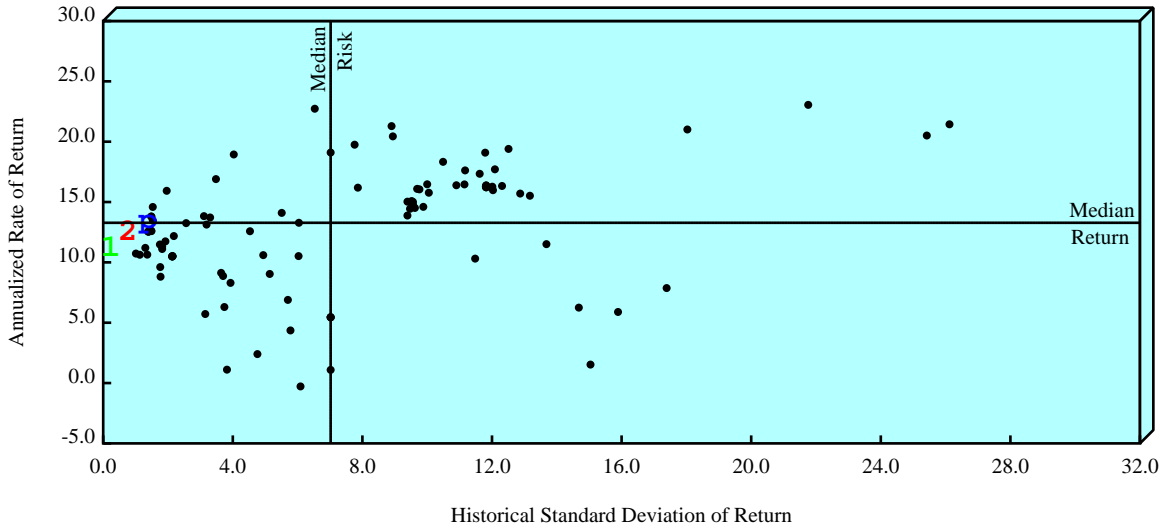
Net Ret	11.81	10.99	10.54	14.26	13.11	-16.86	-6.46
Rank	65	46	55	36	50	33	35

**2** NCREIF ODCE Fund Index

Net Ret	12.49	13.94	10.94	15.99	16.36	-29.76	-10.00
Rank	60	31	53	28	35	62	46

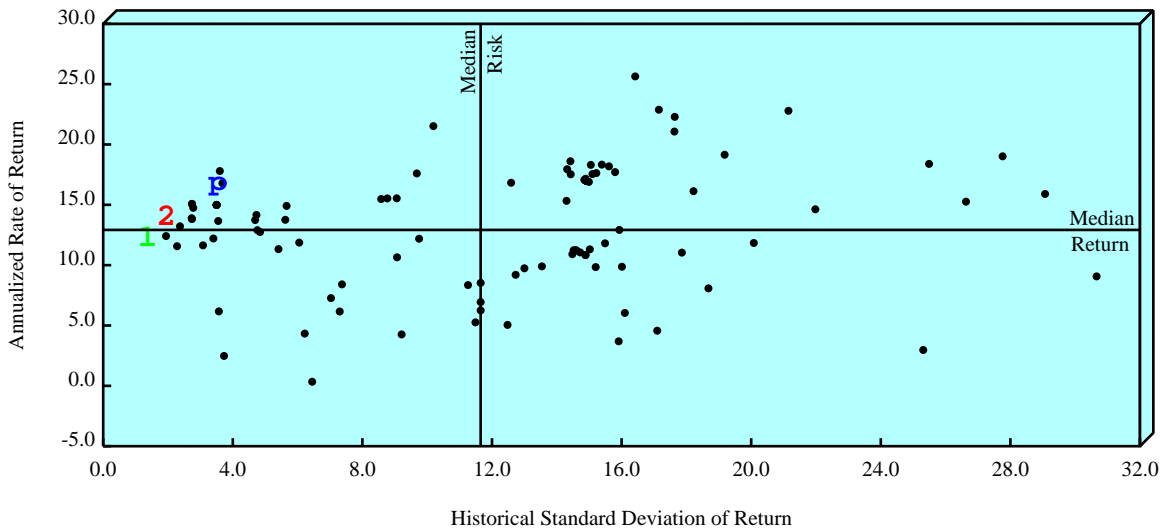
# City of Fort Lauderdale Police and Fire Return vs Risk Total Returns of Real Estate Portfolios

3 Years Ending 12/31/14



		Annualized Net of Fee Return		Standard Deviation	
		Value	Rank	Value	Rank
p	Prudential RE Investors PRISA II	13.37	49	1.53	13
1	NCREIF Prop Index	11.11	65	0.39	2
2	NCREIF ODCE Fund Index	12.45	58	0.90	2
	Median	13.28		7.02	

5 Years Ending 12/31/14



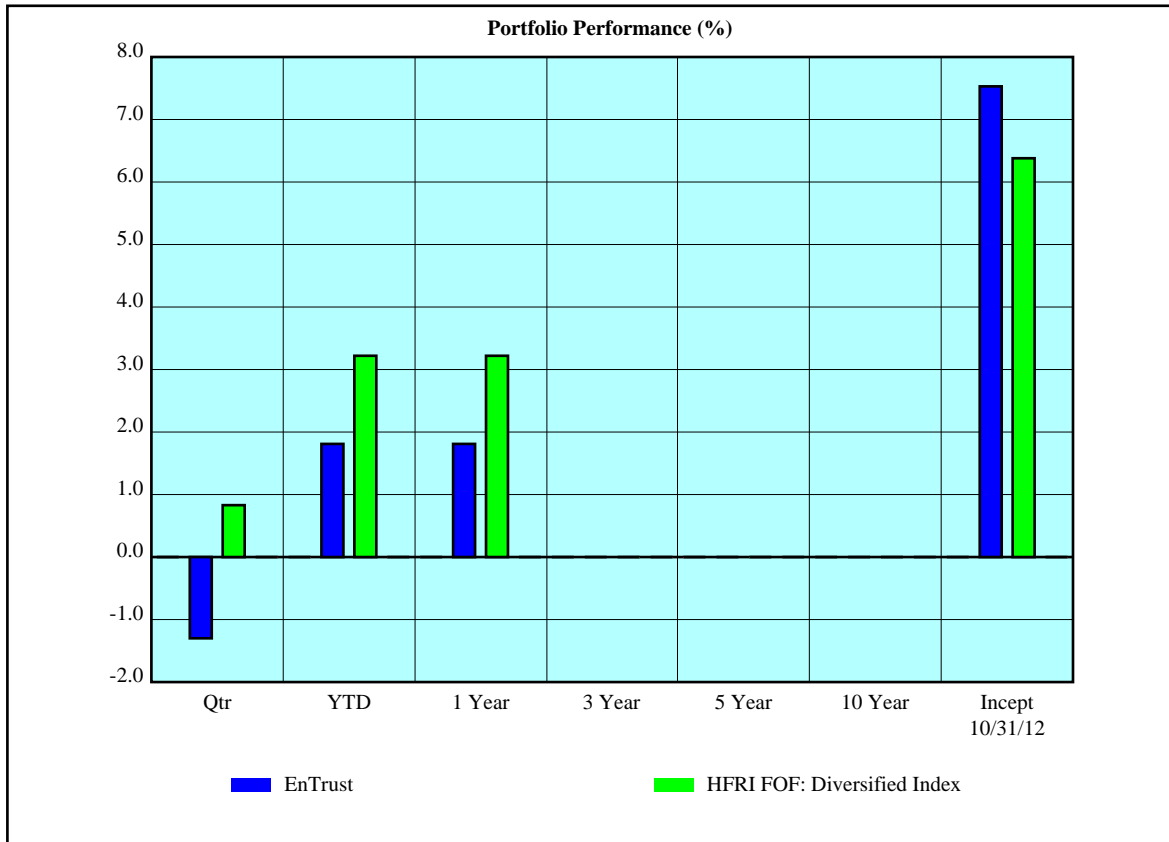
		Annualized Net of Fee Return		Standard Deviation	
		Value	Rank	Value	Rank
p	Prudential RE Investors PRISA II	16.74	24	3.69	26
1	NCREIF Prop Index	12.13	55	1.53	2
2	NCREIF ODCE Fund Index	13.93	43	2.10	5
	Median	12.92		11.65	

City of Fort Lauderdale Police and Fire  
Risk Measure Summary  
Prudential RE Investors PRISA II  
Quarterly Periods Ending 12/31/14

Risk Measures	1 Year		3 Years		5 Years		Inception	
	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench
Negative Periods	0	0	0	0	0	0	5	6
Positive Periods	4	4	12	12	20	20	25	24
Up Market Capture	1.11		1.20		1.38		1.29	
Down Market Capture							2.45	
Batting Average	1.00		0.83		0.85		0.63	
Worst Quarter	3.05	2.63	1.79	2.34	0.80	0.76	-24.78	-8.29
Best Quarter	3.23	3.04	4.52	3.04	8.23	4.62	8.23	4.62
Worst 4 Quarters	13.12	11.81	10.25	10.52	10.25	10.52	-51.17	-22.11
Best 4 Quarters	13.12	11.81	15.35	11.81	30.17	16.73	30.17	16.73
Standard Deviation	0.16	0.36	1.53	0.39	3.69	1.53	14.92	6.60
Beta	1.09		1.14		1.64		2.18	
Alpha	0.04		0.14		-0.80		-2.27	
R-Squared	0.99		0.59		0.65		0.93	
Sharpe Ratio	80.35	32.47	8.68	28.61	4.51	7.87	0.00	0.70
Treynor Ratio	11.98		11.62		10.14		0.03	
Tracking Error	0.40		1.56		2.70		8.71	
Information Ratio	3.00		1.34		1.57		-0.44	

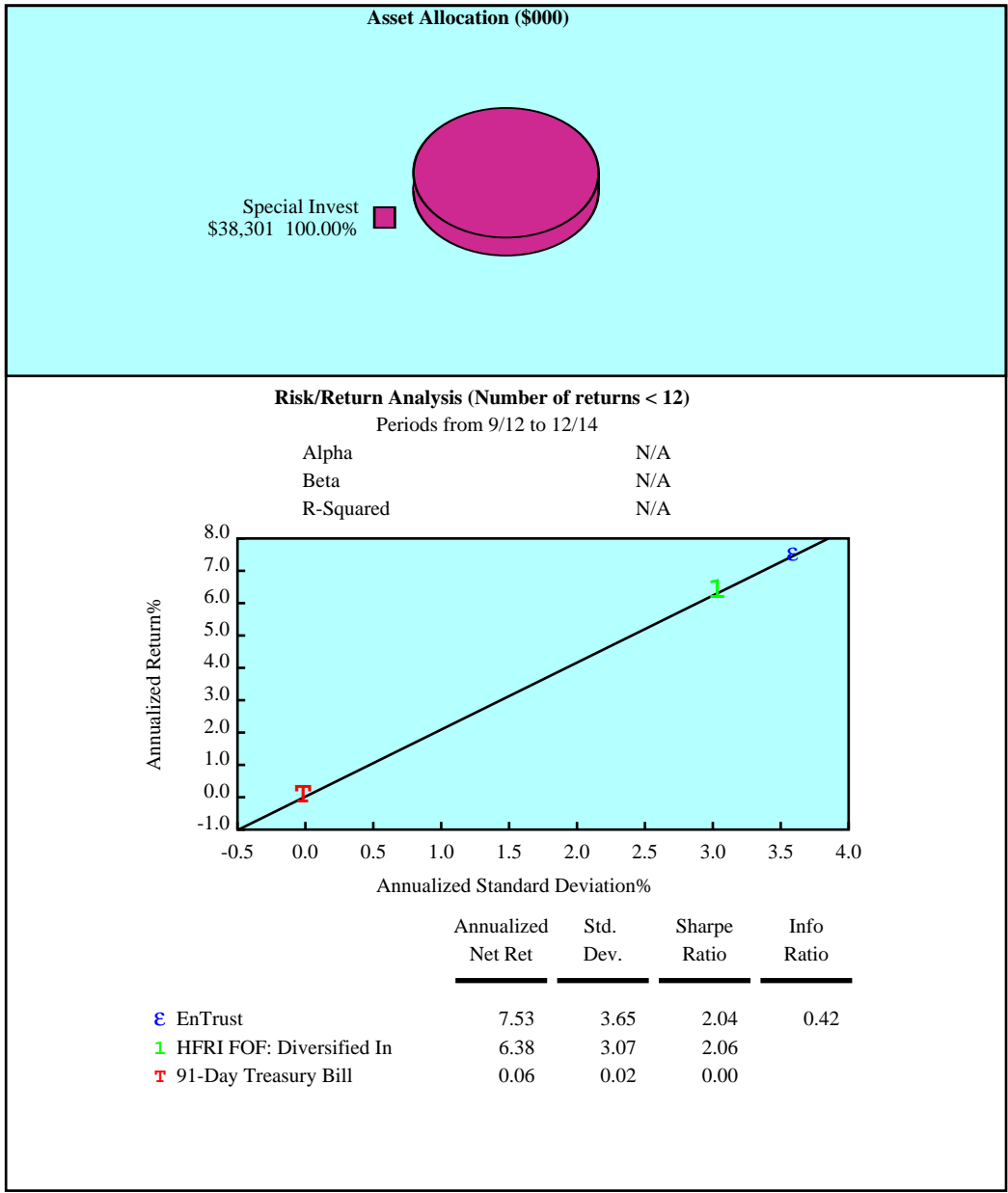


## City of Fort Lauderdale Police and Fire EnTrust as of 12/31/14



Net of Fee Returns	Qtr	YTD	1 Year	3 Year	5 Year	10 Year	Incept 10/31/12
EnTrust	-1.30	1.81	1.81				7.53
HFRI FOF: Diversified Index	0.83	3.22	3.22				6.38
<b>Asset Growth (\$000)</b>							
Beginning Market Value	38,806	37,610	37,610				32,700
Net Contributions & Withdrawals	-127	-514	-514				-1,068
Gain/Loss + Income	-377	1,205	1,205				6,669
Ending Market Value	38,301	38,301	38,301				38,301

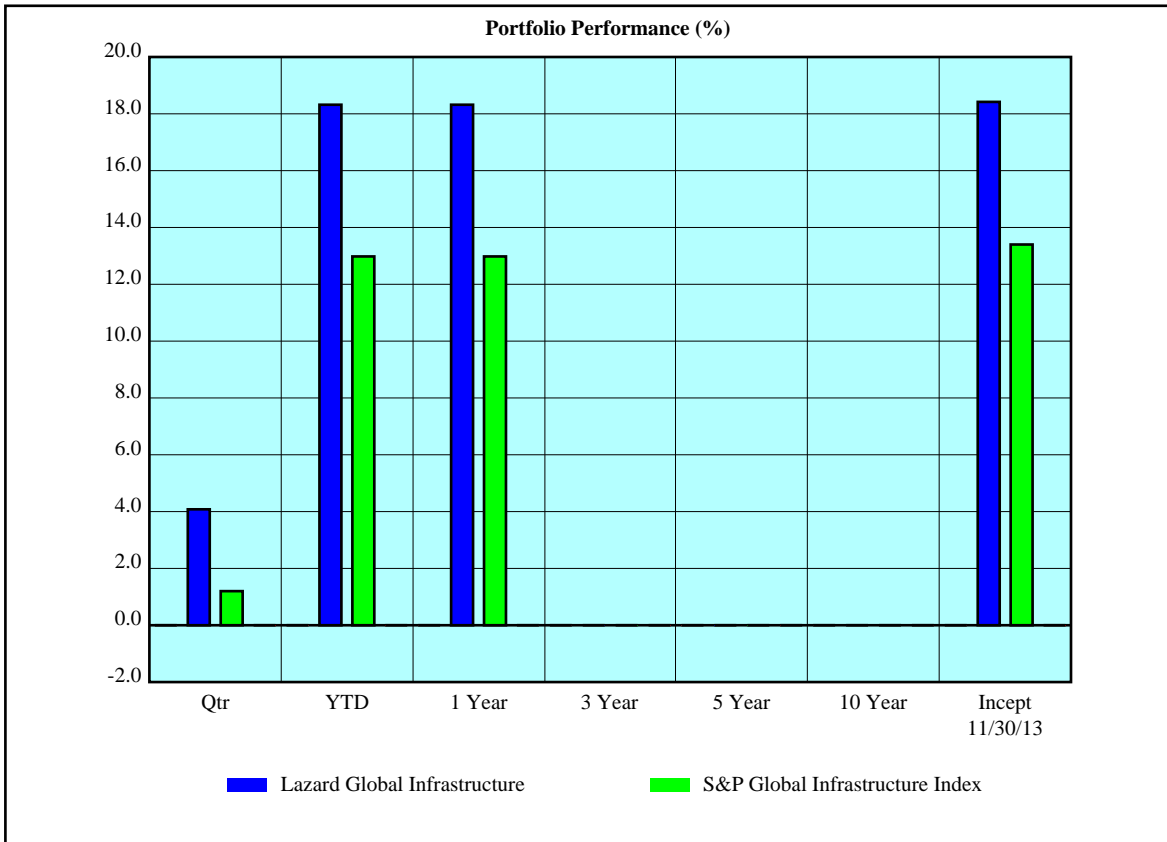
# City of Fort Lauderdale Police and Fire EnTrust as of 12/31/14



City of Fort Lauderdale Police and Fire  
 Risk Measure Summary  
 EnTrust  
 Quarterly Periods Ending 12/31/14

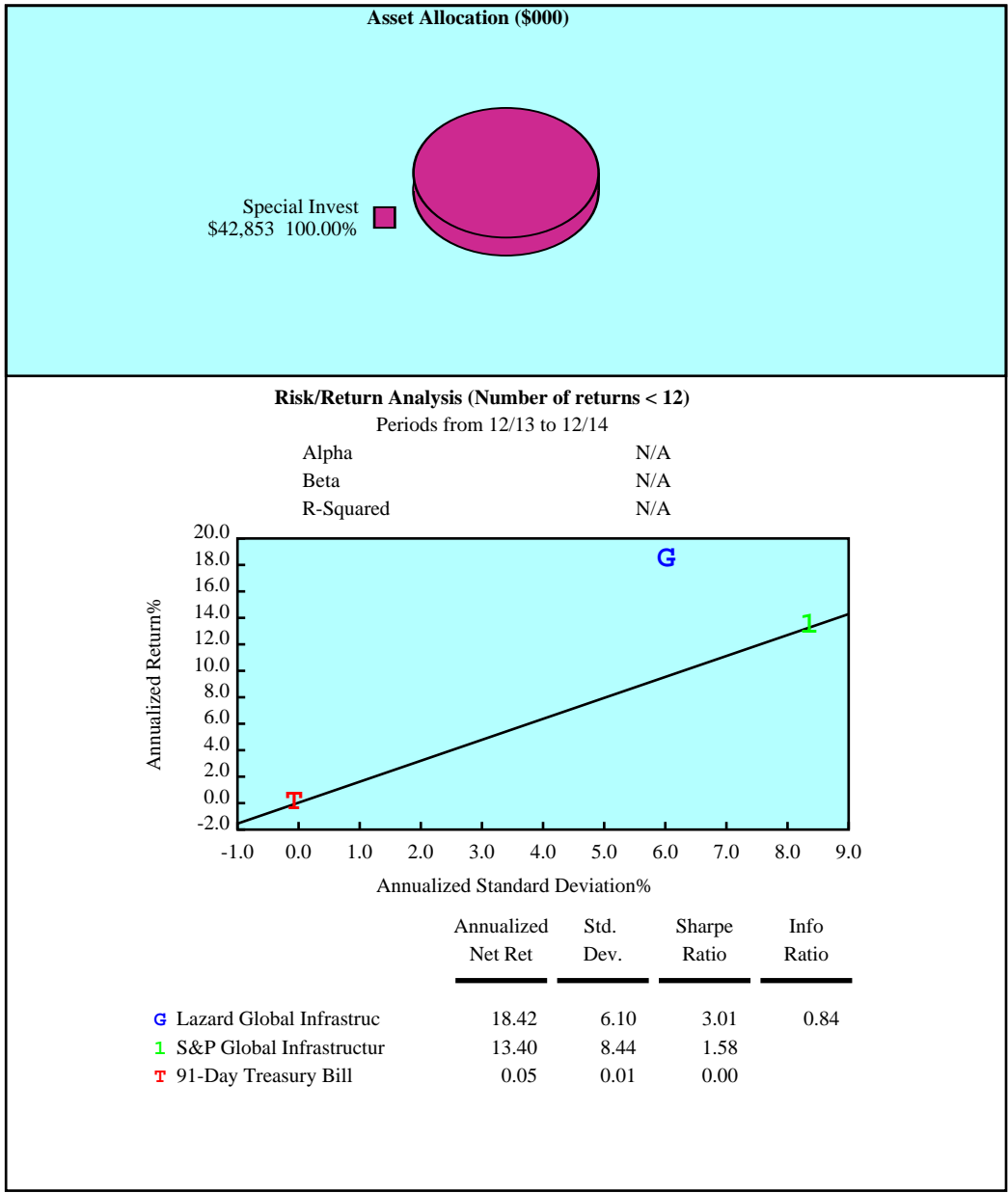
Risk Measures	1 Year		3 Years		5 Years		Inception	
	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench
Negative Periods	2	0					2	0
Positive Periods	2	4					7	9
Up Market Capture	0.99						1.43	
Down Market Capture								
Batting Average	0.50						0.67	
Worst Quarter	-0.97	0.38					-0.97	0.15
Best Quarter	2.26	1.51					4.43	3.94
Worst 4 Quarters	3.17	3.22					3.17	3.22
Best 4 Quarters	3.17	3.22					12.44	9.04
Standard Deviation	3.39	1.02					3.67	2.62
Beta	1.13						1.02	
Alpha	-0.11						0.59	
R-Squared	0.20						0.53	
Sharpe Ratio	0.93	3.12					2.33	2.28
Treynor Ratio	2.77						8.39	
Tracking Error	3.14						2.67	
Information Ratio	-0.01						0.92	

## City of Fort Lauderdale Police and Fire Lazard Global Infrastructure as of 12/31/14



Net of Fee Returns	Qtr	YTD	1 Year	3 Year	5 Year	10 Year	Incept 11/30/13
Lazard Global Infrastructure	4.08	18.32	18.32				18.42
S&P Global Infrastructure Index	1.20	12.98	12.98				13.40
<b>Asset Growth (\$000)</b>							
Beginning Market Value	41,173	22,314	22,314				21,984
Net Contributions & Withdrawals	0	15,000	15,000				15,000
Gain/Loss + Income	1,680	5,539	5,539				5,870
Ending Market Value	42,853	42,853	42,853				42,853

# City of Fort Lauderdale Police and Fire Lazard Global Infrastructure as of 12/31/14



City of Fort Lauderdale Police and Fire  
Risk Measure Summary  
Lazard Global Infrastructure  
Quarterly Periods Ending 12/31/14

Risk Measures	1 Year		3 Years		5 Years		Inception	
	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench	Portfolio	Bench
Negative Periods	1	1					1	1
Positive Periods	3	3					3	3
Up Market Capture	1.09						1.09	
Down Market Capture	0.16						0.16	
Batting Average	0.75						0.75	
Worst Quarter	-0.59	-3.78					-0.59	-3.78
Best Quarter	8.12	8.42					8.12	8.42
Worst 4 Quarters	18.32	12.98					18.32	12.98
Best 4 Quarters	18.32	12.98					18.32	12.98
Standard Deviation	7.37	11.23					7.37	11.23
Beta	0.68						0.68	
Alpha	2.17						2.17	
R-Squared	0.80						0.80	
Sharpe Ratio	2.48	1.15					2.48	1.15
Treynor Ratio	27.09						27.09	
Tracking Error	5.36						5.36	
Information Ratio	0.84						0.84	

# Investment Policy Statement

The Trustees of the Police & Fire Retirement System Pension Fund, in adopting the following Investment Policy Statement, intend its provisions to act as guidelines for the investment managers employed by the Fund. It shall be the responsibility of the investment managers to bring to the attention of the Trustees any term of the Statement, which the investment managers believe to inhibit or in any way affect their exercise of management discretion.

## I. PURPOSE OF STATEMENT

The Trustees are charged by law with the responsibility for the investment of assets of the Trust Fund. To discharge this function, the Trustees are authorized by law to engage the services of Investment Managers who possess the necessary specialized research facilities and skilled personnel to provide expertise with respect to investment of assets entrusted to them.

In performing its investment duties, the Trustee shall comply with the fiduciary standards set forth in the Employee Retirement Income Security Act of 1974, 29 U.S.C. §1104(a)(1)(A)-(C), meaning that the Trustee must discharge all duties with respect to the Plan solely in the interest of participants and beneficiaries and for the exclusive purpose of: (a) providing benefits to participants and their beneficiaries and (b) defraying reasonable expenses of administering the Plan; with the care, skill, prudence and diligence under circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; by diversifying investments of the Plan so as to minimize risk of large losses, unless under the circumstances it is clearly prudent not to do so. In the event of conflict with other provisions of law authorizing investments, the investment and fiduciary standards set forth in this section shall prevail.

In keeping with the duties of Chapter 20 of Fort Lauderdale Ordinances, this statement of investment goals and objectives is set forth.

Its purpose is to:

Determine the Trust's projected financial needs.

Express the Trustees' position with respect to the funds risk-volatility posture.

Formulate an appropriate set of goals and objectives for the Fund's assets.

## II. INVESTMENT OBJECTIVES

- A. Assets of the Fund shall be invested in a manner consistent with the fiduciary's acceptable standards of Chapter 112, Florida Statutes, namely:

1. The safeguards and diversity that a professional, prudent investment manager would adhere to must be present.
  2. All transactions undertaken on behalf of the Trust must be for the sole interest of Plan participants and their beneficiaries.
- B. The Fund shall be invested in a manner consistent with the primary emphasis upon consistency of performance to protect the Fund from excessive volatility in current market value.
- C. The Fund shall be invested with emphasis upon capital protection, i.e., the achievement of adequate investment growth so that the purchasing power of the principal amount of these assets is at least maintained and preferably increased.
- D. The Plan's total return will be expected to provide equal or superior results based on a five year investment horizon, relative to the objectives enumerated below. It is anticipated that achievement of this rate of return will raise the funded status of the plan and lower the contribution rate as a percent of payroll.
1. The Retirement System's annualized total return should equal or exceed the Retirement System's actuarial interest rate assumption, which is currently 7.50%. The Board will file with the City, the Department of Management Services, and the actuary the expected annual rate of return for the current year, for each of the next several years, and for the long term for each annual actuarial valuation.
  2. The Retirement System's total return should exceed the total return of an index composed as follows:
    - 28% S&P 500
    - 12.5% Russell 2500
    - 15% MSCI EAFE
    - 34.5 % Barclays Capital Intermediate Government/Credit Bond Index
    - 10% NCREIF Index

Please note that the 15% target weight to alternatives in the Total Plan performance benchmark has been split 70% to the S&P 500 Index and 30% to the Barclays Intermediate Government/Credit Bond Index.
  3. The Retirement System's total return should exceed the total return of the median plan in the consultant's peer group universe.

### III. INVESTMENT GUIDELINES

- A. It shall be the policy of the Fund to invest the assets in accordance with the following asset allocation levels outlined below:



<u>Asset Class</u>	<u>Target Allocation</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic Equity:			
<b>Large Cap Equity</b>	<b>17.5%</b>	<b>10%</b>	<b>30%</b>
<i>Large Cap Equity is further defined as:</i>			
Large Cap Core	8.5%	5.0%	12%
Large Cap Value	4.5%	2.5%	7.5%
Large Cap Growth	4.5%	2.5%	7.5%
<b>Mid/Small Cap Equity</b>	<b>12.5%</b>	<b>5%</b>	<b>20%</b>
<i>Mid/Small Cap Equity is further defined as:</i>			
Mid Cap Equity	5%	2.5%	7.5%
Small Cap Value	3.75%	0%	7.5%
Small Cap Growth	3.75%	0%	7.5%
International Equity	15%	10%	20%
Alternative Investments:			
Global Infrastructure	5%	2.5%	7.5%
Real Estate	10%	5%	15%
Multi-Strategy	10%	5%	15%
Fixed Income (incl. Cash)	30%	25%	35%

The Board of Trustees has adopted the asset allocation policy set forth above, which is expressed in terms of target levels and allocation ranges, as measured by market value of assets. Percentage allocations are intended to serve as guidelines; the Board will not be required to remain strictly within the designated ranges. Market conditions or an investment transition (asset class or manager) may require an interim investment strategy, and, therefore, a temporary imbalance in asset mix. At each quarterly meeting of the Fund's Board of Trustees, Staff and Consultant will review with the Board the asset allocation structure of the plan relative to the policy target allocations and acceptable ranges. Staff and Consultant are responsible for providing the Board with a recommendation relative to rebalancing the overall investment portfolio based on predetermined target allocations, and the Fund's current allocation relative to those targets. The large cap, small/mid cap and international allocations are implemented through multiple managers utilizing both value and growth styles. It is intended that these allocations maintain relative style neutrality; therefore rebalancing reviews and recommendation shall also attempt to maintain a balance between growth and value.

This investment policy has been chosen to provide a high likelihood of meeting the objectives outlined above. The asset allocation established by this investment policy represents a long term perspective. As such rapid unanticipated shifts may cause the assets to temporarily fall outside the policy range. Any divergence should be of a short term nature. The Board demands that any such divergences shall be kept as brief as possible. The system administrator shall promptly notify the Board whenever divergences exist.

The Board shall periodically review the Investment Policy Statement and solicit the recommendations of the Investment Consultant with respect to any proposed changes. The Board may also solicit input from the investment managers during this process.

- B. Full discretion consistent with the guidelines described herein is granted to each investment manager in respect to the sector mix of the assets, the selection of securities and the timing of their transactions. Pooled funds or other commingled vehicles may be utilized that are invested in substantially the same manner and same investments as stated in this Investment Policy Statement. The manager of such pooled or commingled fund shall promptly advise the Board of any potential exceptions to or violations of the Investment Policy Statement which may arise for any reason.
- C. The investment managers shall not hold (without the Board's written consent) unsecured investments in a single company in a total amount exceeding 5% of the market value of the assets which they manage **(with the exception of the enhanced equity index and equity index manager, in which case investments in a single company are permitted to be +/-1% of that company's weight in the benchmark at time of rebalance)**, nor shall any investment manager hold investments in any one particular sector exceeding 40% of the equity portfolio or 130% of the S&P500 Sector Weighted, whichever is higher. Only securities issued by or guaranteed by the U.S. Government shall be considered "secured".

The market value basis of Foreign Securities shall not exceed 25% of the total market value of assets of the fund. A Foreign Security is defined as a security issued by a corporation or other issuer that is not organized under the laws of the United States Government, any U. S. state government, or the District of Columbia. Such Securities organized under the laws of foreign governments shall be considered foreign securities, regardless of whether they are traded on United States exchanges, regardless of the ownership of the foreign corporation and regardless of whether the security is denominated in United States dollars.

The Domestic Large Cap Value Equity manager is authorized to invest up to 15 % of its respective portfolio in ADR's or common stocks of non-U.S. companies listed on a major U.S exchange.

All other Domestic Equity managers are authorized to invest up to 7.5% of their respective portfolios in ADR's or common stocks of non-U.S companies listed on a major U.S. exchange.

The specifically hired International Equity managers are expected to be invested primarily if not exclusively in non-U.S. securities.

The Global Infrastructure mutual fund in which the System is invested may invest in U.S. and Non-U.S securities. The percentage of Non-U.S securities will be monitored by the Investment Consultant and counted toward the 25% of the total funds market value limitation to Foreign Securities.

- E. The Board of Trustees will comply with the provisions of the Protecting Florida's Investment Act (PFIA) with respect to its investments. The Board shall not hold any direct securities of any scrutinized company appearing on the SBA website. The Board will review and monitor the SBA's quarterly update to the scrutinized company list to determine whether divestment of any direct holding is required. Each quarter the Board's Investment Consultant shall prepare a written report to the Board advising whether or not any divestment is required or whether any direct holding is on the scrutinized company list as defined by the SBA.
- F. In the event of a spin-off from a company currently held in the portfolio, which prior to the spin-off was a qualified investment, the manager should report on a quarterly basis with a recommendation as to whether we should continue to hold such spin-off. However, it is the intent for the spin-off to meet the Boards equity restrictions as soon as possible.
- G. The use of fixed income investments may include U.S. Government and agency obligations, marketable corporates, Ginny Mae's, U.S. Agency Collateralized Mortgage-backed securities, asset-backed securities, debentures, preferred stocks, commercial paper, certificates of deposit and other such instruments as deemed prudent by the investment manager. The bond manager (including any balanced fund manager with respect to the fixed-income segment of the portfolio) is authorized to invest up to 10% of their respective portfolios in issuers not domiciled in the U.S.
- H. Fixed-Income type securities shall be selected from among those rated within the top five major categories of any recognized bond rating service such as, (Moody's, Standard & Poors and Fitch's). In those cases in which the rating services give different ratings, the lowest rating shall apply. Notwithstanding anything herein to the contrary, **active bond managers are permitted to invest up to 15% of the market value of their portfolio in securities rated in the fifth major rating category by all recognized rating services, provided that such investments are consistent with the mandate of the manager. The overall portfolio quality of the active bond portfolios shall be maintained at A or higher.**
- I. Fixed-income type securities are to be selected and managed so as to assure appropriate balances in qualities and maturities consistent with current money market and economic conditions. Active bond management is encouraged **in instances of non-indexed management**, as deemed appropriate by the investment, although this is not intended to encourage excessive emphasis on short-term trading techniques.
- J. The real estate portfolio is designed as a core mandate. Investments in real estate properties will be broadly diversified geographically, by property type, size of the property and number of properties. Income and appreciation are dual considerations; however more emphasis will be placed on high quality, and income-producing properties in the portfolio. It is expected that the income component will compromise the majority of the portfolio's total return. The manager should not assume excessive risk in terms of leverage utilized. The portfolio may be invested in commingled or partnership vehicles. The selection of properties/investments will be at the discretion of each manager.

- K. The dynamic, flexible management of the portfolio is both permitted and encouraged. Shifts of emphasis among equity, fixed income and cash equivalent sectors of the aggregate asset base are at the discretion of the investment manager. However, major restructuring would require prior consent of the Trustees.
- L. Cash equivalent securities should be viewed not only as avenues to meet the liquidity requirements of the Trust, but also as alternative investment vehicles. In either case, however, selection of particular investments should be determined primarily by the safety and liquidity of the investment and only secondarily by available yield.
- M. It is understood that the managers at any point in time may not be fully invested. While in fact the System's assets may be partially invested in cash equivalents, for asset allocation purposes these funds shall be considered invested in the asset classes of the respective managers. In turn, each manager's performance will be evaluated on the total amount of funds under their direct management.
- N. The Trustees recognize that market performance varies from period to period and that a 4.6% real rate of return may not be meaningful during some periods. Accordingly, relative performance benchmarks for the managers are set forth in Section V, Basis for Measurement.
- O. Certain Securities are deemed to be ineligible for inclusion among this Trust's asset base:

The following transactions would be prohibited:

1. A sale, exchange or lease of any property between the Plan and interested party (interested party being defined as a person rendering services to the Plan for which remuneration is received, i.e., stockbroker, real estate broker, etc.)
2. A direct loan or an extension of a line of credit between the Plan assets and any interested party.
3. A transfer of Plan assets to an interested party for the exclusive benefit or use of the interested party.
4. An acquisition of securities, which would exceed stated limitations, 5% in any one company. Any exceptions to the foregoing restrictions would require written Board approval with the specifics detailed.
5. Instrumentalities which are or may be deemed in violation of prohibitive transaction standards as may be specified in the Florida Statutes, specifically Chapters 112, 175 and 185.

P. Investments not classified as equities or fixed income will be designated as alternative investments. Alternative investments are typically (but not always) less liquid than traditional asset classes and will be expected to provide diversification from traditional capital market risk. Alternative investments that may be allocation to the Plan include real estate, tactical asset allocation mutual funds, global infrastructure, hedge funds

(including fund-of-funds and long/short equity vehicles), private equities, commodities, and income-oriented alternatives (i.e. preferred stock, Master Limited Partnerships, multi-sector fixed income strategies).

#### **IV. MATURITY AND LIQUIDITY REQUIREMENTS**

The investment portfolio is structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. The Plan will not be expected to maintain a significant cash balance but will rather raise cash to fund obligations on an as needed basis in accordance with the Plan's target asset allocation. Managers will be notified of any change in the foregoing circumstances.

#### **V. THIRD-PARTY CUSTODIAL AGREEMENTS**

All assets shall be held by a third party, and all securities purchased by, and all collateral obtained by, the Trustee shall be properly designated as an asset of the Plan. No withdrawal of assets, in whole or in part, shall be made except upon authorization by the Trustee. Securities transactions between a broker-dealer and the Custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis to ensure that the Custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

#### **VI. COMMUNICATIONS**

##### **A. Documentation**

Statements are to be supplied at least quarterly by each investment manager and/or bank custodian to the Trustees indicating:

1. The Fund composition, i.e., at book or original cost and at current market value (by sector, including equity, fixed income, cash equivalents, and "pure" cash balances);
2. Position, by individually named securities, showing their respective book and market values, the number of shares by date secured or sold;
3. All income cash transactions, including sources of all interest and dividends in sufficient descriptive detail. The investment manager is expected to provide written confirmation and documentation of all principal transactions, with the exception of cash equivalent trades, within one week of occurrence.

##### **B. Meetings**

Investment managers are expected to meet on a quarterly basis, or more often upon request, with the Trustees to review the portfolio and to discuss investment results in terms of these goals, objectives and policies.

## **VII. BASIS FOR MEASUREMENT**

Performance of this Fund is to be measured, both currently and historically, in context with these goals and objectives. In order to ensure that investment opportunities available over a specific time period are fairly evaluated, the Trustees will use comparative performance statistics to evaluate investment results.

The Fund's investment performance results will be compared, on a time-weighted basis, with that of unmanaged market indices as well as with a universe of managed funds. Such comparative performance statistics shall be used for evaluation purposes.

In that context, then, the Fund's equity performance will be compared with the Standard & Poor's 500 and with a universe of managed equity funds. The performance of each investment manager, in turn, will be compared to the relevant index and a universe of peers categorized by investment style.

The Fund's fixed income performance will be compared with the total return of recognized bond indexes, e.g., Barclays Intermediate Government/Credit Bond Index or the Barclays Capital Aggregate Bond Index, as well as with a universe of similarly managed fixed income funds.

The Fund's real estate performance will be compared with the total return of the NCREIF Index as well as with a universe of core real estate funds.

The Fund's alternative investments will be compared against a performance benchmark consistent with their specific asset class, and will also generally be expected to outperform an absolute performance benchmark (i.e. CPI + 5%).

In addition, it is also recommended that a total Fund's investment performance be compared with a "composite" market consisting of the above unmanaged indices weighted in proportion to the Fund's actual per cent investment in each of these equivalent security classes. The total Fund will also be compared to a universe of local government funds. The fund's performance should also be compared with the annual percent change in the Consumer Price Index.

Consistency of performance results is to be given high priority and the degree will be determined by computing the mean absolute deviation of the total fund and the respective money managers' total rate of return from quarter to quarter and comparing this data with the same statistics measured for the "composite" market described above, with a goal of near or below market volatility.

## **VIII. VALUATION OF ILLIQUID INVESTMENTS**

Investments and assets for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism are prohibited.

## **IX. MASTER REPURCHASE AGREEMENT**

All approved institutions and dealers transacting repurchase agreements shall execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to requirements of the Master Repurchase Agreement. This provision does not restrict or limit the terms of any such Master Repurchase Agreement.

## **X. BID REQUIREMENT**

All securities shall be competitively bid where feasible and appropriate. Except as otherwise required by law, the most economically advantageous bid must be selected. Executions must be made on a best-execution basis.

## **XI. INTERNAL CONTROLS**

As part of the City's annual financial audit the external CPA firm will review the internal controls of the Fund. The hiring or termination of all money managers, consultants or safekeeping custodians must be made by the Trustees. No individual associated with the Fund may authorize any movement of monies or securities without the approval of the Trustees. Trustee approval is not required for rebalancing of the portfolio. Internal controls will be designed to prevent losses of funds which might arise from fraud, error, and misrepresentation by third parties or imprudent actions by the Trustees or City employees.

## **XII. OTHER CONSIDERATIONS**

It is the intent of the Board of Trustees of the Police & Fire Retirement System Trust to revise this statement of goals and objectives to reflect modifications and revisions to the Trust, which may develop from time to time. It is also the policy of the Trustees to review these goals and objectives at least once per year and to communicate any material changes thereto to the Investment Managers and the Fund's custodian.

## **XIII. CONTINUING EDUCATION**

All trustees are encouraged and expected to attend continuing education seminars concerning matters related to investments and responsibilities of Board members. Attendance at two public pension fund seminars during each term of office is suggested.

## **XIV. REPORTING**

The Trustees shall submit periodic reports to the City of Fort Lauderdale, at least on an annual basis or more frequently if available. The report shall include investments in the portfolio by class or type, income earned and market value. The periodic report shall be available to the public.

**XV. FILING OF INVESTMENT POLICY**

Upon adoption by the Trustee, this Investment Policy shall be promptly filed with the Florida Department of Management Services, the City of Fort Lauderdale, Florida, and the Actuary. The effective date of this Investment Policy, and any amendment hereto, shall be the 31st calendar day following the filing date with the City of Fort Lauderdale.

Approved May 2014



# City of Ft. Lauderdale Police and Fire

## Appendix

**Dow Jones Industrial Average:** This index is comprised of 30 "blue-chip" US stocks selected for their history of successful growth and wide interest among investors. The DJIA represents about 20% of the total market value of all US stocks and about 25% of the NYSE market capitalization. It is a price-weighted arithmetic average, with the divisor adjusted to reflect stock splits and the occasional stock switches in the index.

**NASDAQ Composite:** A cap-weighted index comprised of all common stocks listed on the NASDAQ Stock Market (National Association of Securities Dealers Automated Quote system).

**S&P 500:** A broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks. This index does not contain the 500 largest companies or the most expensive stocks traded in the US. While many of the stocks are among the largest, this index also includes many relatively small companies. This index consists of approximately 380 industrial, 40 utility, 10 transportation, and 70 financial companies listed on the US market exchanges. It is a capitalization-weighted index (stock price times number of shares outstanding), calculated on a total return basis with dividend reinvested.

**Russell 1000:** The 1000 largest companies in the Russell 3000 index, based on market capitalization.

**Russell 1000 Growth:** A segment of the Russell 1000 with a greater-than-average growth orientation. Companies in this index have higher price-to-book and price-to-earnings ratios, lower dividend yields and higher forecasted growth values than the Russell 1000 Growth index.

**Russell 1000 Value:** Represents a segment of the Russell 1000 with a less-than-average growth orientation. Companies in this index have low price-to book and price-to-earnings ratios, higher dividend yields and lower forecasted growth values than the Russell 1000 Growth index.

**Russell Mid-Cap:** This index consists of the bottom 800 securities in the Russell 1000 as ranked by total market capitalization, and represents over 35% of the Russell 1000 total market cap.

**Russell Mid-Cap Growth:** The Russell Mid-cap Growth Index offers investors access to the mid-cap growth segment of the U.S. equity universe. The Russell Midcap Growth Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap growth market. Based on ongoing empirical research of investment manager behavior, the methodology used to determine growth probability approximates the aggregate mid-cap growth manager's opportunity set.

**Russell Mid-Cap Value:** Measures the performance of the Russell 3000 Index extended to include micro-cap securities of the Russell Micro-cap Index. The index represents approximately 99% of the U.S. Equity Market. As of the latest reconstitution, the average market capitalization was approximately \$3.8 billion; the median market capitalization was approximately \$612 million. The index had a total market capitalization range of approximately \$368.5 billion to \$67.3 million.

**Russell 2000:** the 2000 smallest companies in the Russell 3000 index.

**Russell 2000 Growth:** A segment of the Russell 2000 with a greater-than-average growth orientation. Companies in this index have higher price-to book and price-to-earnings ratios, lower dividend yields and higher forecasted growth values than the Russell 2000 Value index.

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**Russell 2000 Value:** A segment of the Russell 2000 with a less-than-average growth orientation. Companies in this index have low price-to-book and price-to-earnings ratios, higher dividend yields and lower forecasted growth values than the Russell 2000 Growth index.

**Russell 2500:** This index consists of the bottom 500 stocks in the Russell 1000 (as ranked by market capitalization) and all of the stocks in the Russell 2000. This index is intended to be used as a measure of small to medium/small stock performance.

**Russell 2500 Growth:** A segment of the Russell 2500 with a greater-than-average growth orientation. Companies in this index have higher price-to book and price-to-earnings ratios, lower dividend yields and higher forecasted growth values than the Russell 2500 Value index.

**Russell 2500 Value:** A segment of the Russell 2500 with a less-than-average growth orientation. Companies in this index have low price-to-book and price-to-earnings ratios, higher dividend yields and lower forecasted growth values than the Russell 2500 Growth index.

**Russell 3000:** is composed of the 3,000 largest U.S. securities, as determined by total market capitalization.

**Russell 3000 Growth:** This index measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.

**Russell 3000 Value:** This index measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index are also members of either the Russell 1000 Value or the Russell 2000 Value indexes.

**MSCI EAFE:** A market capitalization-weighted index representing all of the MSCI developed markets outside North America. It comprises 20 of the 22 countries in the MSCI World. These 20 countries include the 14 European countries in the MSCI Europe and the 6 Pacific countries in the MSCI Pacific. This index is created by aggregating the 20 different country indexes, all of which are created separately.

**MSCI World:** A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. As of June 2007 the MSCI World Index consisted of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

**MSCI World ex U.S.:** The MSCI World index excluding the U.S. portion of the index.

**MSCI All Country World Index:** a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. As of January 2009 the MSCI ACWI consisted of 46 country indices comprising 23 developed and 23 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indices included are: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Morocco, Peru,

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MSCI All Country World Index ex U.S.: The MSCI All Country World Index excluding the U.S. portion of the index.

MSCI Emerging Markets Free (EMF): A market capitalization-weighted index representing 2 of the emerging markets in the world. Several factors are used to designate whether a country is considered to be emerging vs. developed, the most common of which is Gross Domestic Product Per Capita. The "Free" aspect indicates that this index includes only securities that are allowed to be purchased by global investors. This index is created by aggregating the 26 different country indexes, all of which are created separately.

Barclays Capital U.S. Aggregate Bond: This index is made up of the Barclays Capital U.S. Government/Credit, the Mortgage-Backed Securities, and the Asset-Backed Securities indices. All issues in the index are rated investment grade or higher, have at least on year maturity, and have an outstanding par value of at least \$100 million.

Barclays Capital U.S. Government/Credit: This index includes all bonds that are in the Barclays Capital U.S. Government Bond and the Barclays Capital U.S. Credit Bond indices.

Barclays Capital U.S. Government/Credit Intermediate: All bonds by the Barclays Capital U.S. Government/Credit Bond index with maturities of 1 to 10 years.

Barclays Capital Municipal Bond: This market capitalization-weighted index includes investment grade tax-exempt bonds and is classified into four main sectors General Obligation, Revenue, Insured, and Pre-refunded. To be included in this index, the original transaction size of a bond must have been greater than \$50 million.

Barclays Capital U.S. Treasury Index: This index includes public obligations of the U.S. Treasury. Treasury bills are excluded by the maturity constraint, but are part of a separate Short Treasury Index. In addition, certain special issues, such as state and local government series bonds (SLGs), as well as U.S. Treasury TIPS, are excluded. STRIPS are excluded from the index because their inclusion would result in double-counting. Securities in the Index roll up to the U.S. Aggregate, U.S. Universal and Global Aggregate Indices.

Barclays Capital U.S. TIPS: This index measures the performance of U.S. Treasury Inflation Protection Securities.

Merrill Lynch Convertibles: The convertible securities used in this index span all corporate sectors and must have a par amount outstanding of \$25 million or more. The maturity must be at least on year. The coupon range must be equal to or greater than zero and all equity of bonds are included. Excluded from this index are preferred equity redemption stocks. When the component bonds of this index convert into common stock, the converted securities are dropped from the index.

Merrill Lynch Corp/Govt 1-3 Years A or Better: An unmanaged index of government and corporate fixed-rate debt issues with maturities between one and 3 years.

Merrill Lynch High Yield Master: Market capitalization weighted index providing a broad-based measure of bonds in the US domestic bond market rated below investment grade, but not in default. Includes only issues with a credit rating of BB1 or below as rated by Moody's and/or S&P, at least \$100 million in face value outstanding and a remaining term to final maturity equal to or greater than one year.

Dow Wilshire REIT: A measurement of equity REITs and Real Estate operating Companies. No special-purpose or health care REITs are included. It is a market capitalization weighted index for which returns are calculated monthly

# City of Ft. Lauderdale Police and Fire

## Appendix

**Alpha:** A risk-adjusted measure of 'excess return' on an investment. That is, it measures an active manager's performance in excess of a benchmark index or 'risk-free' investment. An alpha of 1.0 means the manager outperformed the market 1.0%. A positive alpha is the extra return awarded to the investor for taking additional risk rather than accepting the market return.

**Batting Average:** The percent of periods the manager has beaten the benchmark. A high average for the fund (e.g. over 50) is desirable, indicating the fund has beaten the policy frequently.

**Beta:** A measure of systematic risk, or the sensitivity of a manager to movements in the benchmark. A beta of 1 implies that you can expect the movement of a manager's return series to match that of the benchmark used to measure beta.

**Down Market Capture Ratio:** A measure of a manager's performance in down markets. A down-market is defined as those periods (months or quarters) in which market return is less than 0. It tells you what percentage of the down-market was captured by the manager.

**Information Ratio:** The Information Ratio measures the consistency with which a manager beats a benchmark.

**R-squared:** The R-Squared (R<sup>2</sup>) of a manager versus a benchmark is a measure of how closely related the variance of the manager returns and the variance of the benchmark returns are.

**Sharpe Ratio:** The Sharpe Ratio is a risk-adjusted measure of return which uses standard deviation to represent risk. It is calculated by subtracting the risk-free rate from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns.

**Standard Deviation:** Standard deviation of return measures the average deviations of a return series from its mean, and is often used as a measure of risk. A large standard deviation implies that there have been large swings in the return series of the manager.

**Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark.

**Treynor Ratio:** The Treynor Ratio is a risk-adjusted measure of return which uses beta to represent risk. It is calculated by subtracting the risk-free rate from the rate of return for a portfolio and dividing the result by the portfolio's beta value.

**Up Market Capture Ratio:** A measure of a manager's performance in up markets. An up-market is defined as those periods (months or quarters) in which market return is greater than 0. It tells you what percentage of the up-market was captured by the manager.

## IMPORTANT DISCLAIMER INFORMATION

This report has been created as a courtesy for the clients of CapTrust Advisors, LLC.

The information contained herein was taken from sources believed to be reliable, but no representation or warranty is made as to its accuracy or completeness.

Performance Comparison Page Information:

Shaded areas represent where the investment objective was achieved either by:

- 1) The investment return versus the index;
- 2) The investment return universe ranking (The lower the number the better the ranking)

Due to methodologies utilized by our systems, the performance results presented are calculated and presented beginning on the last day of an account's inception month. Results do not include the interim period from an account's inception date to an account's first month-end. For example, for an account that has an inception date of March 15, this report begins measuring performance as of March 31. Omission of performance during this interim period is likely to result in different performance figures than if the interim period's performance was included in this report.

When applicable, any investment results depicted represent historical net of fees performance.

Past performance is no guarantee of future performance.

This report is not the official record of your account. However, it has been prepared to assist you with your investment planning and is for information purposes only. Your Client Statement is the official record of your account. Therefore, if there are any discrepancies between this report and your Client Statement, you should rely on the Client Statement and call your Financial Advisor if you have any questions. Transactions requiring tax consideration should be reviewed carefully with your accountant or tax advisor. This is not a substitute for your own records and the year-end 1099 form. Cost data and acquisition dates provided by you are not verified by CapTrust Advisors, LLC.

Indices are unmanaged and you cannot invest directly in an index.

For index definitions, please see the Capital Markets Review.