

# Davie Police Pension Plan

Performance Review  
December 2016



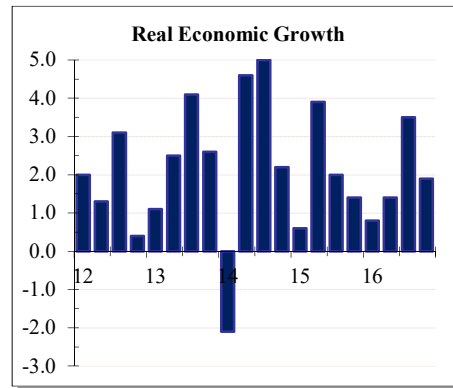
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## ECONOMIC ENVIRONMENT

### Good News All Around

The worldwide trend of nationalism over globalism that began with the Brexit vote in the second quarter continued in the fourth quarter of 2016 with the U.S. Presidential election victory of Donald Trump. Long-term economic forecasts are marked by high uncertainty, as no one can confidently predict what changes may come to domestic and global policy, regulations, NAFTA, and even NATO. The only real certainty is that Twitter has suddenly become more important than anyone could have predicted.

While the long-term is uncertain, many economic indicators helped reduce short-term angst. As the Obama Presidency comes to a close, the economic



policies advanced under his administration produced one last solid quarter. The advance estimate from the BEA for fourth quarter GDP was a 1.9% expansion. Third quarter GDP grew a solid 3.5% vs. 1.4% in Q2, reflecting housing, export and inventory investment gains. The jobs market was also favorable, if not as strong as in 2015. Home prices (through November)

continued upward, but at a less inflationary rate. Manufacturing activity was very strong, although services were less so. By December, consumer confidence was near a record high. Commodities came on strong, especially the energy and agricultural categories. Finally, the Fed followed through with its long-expected ¼% rate hike. With essentially all economic signals turning green, bond prices went south and yields rose accordingly, reflecting inflation concerns. Long maturity issues suffered the most. Economic details follow:

- 2016 job growth was 2.2 million, down moderately from 2.7 million in 2015. Q4 monthly job growth was 165,000. Q4 unemployment rate averaged 4.7% with 7.5 million unemployed, down slightly from the third quarter. The long-term unemployed totaled 1.8 million, down a significant 263,000 during the year. However, the jobs participation

rate for the year was unchanged at 62.7%. All told, the job market tightened and wages were up.

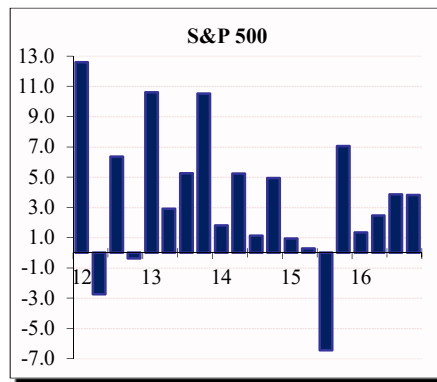
- Year-over-year, home prices have risen 7.1% (through November). This robust sector of the economy has increased for 58 consecutive months, but has settled down to an annualized rate well below 10%. Amidst a blistering housing market, the average single family home is still 4.1% below its April 2006 peak. On the one hand, homes in 14 states have reached new highs – especially Hawaii, New York, Washington, and Oregon. On the other hand, Nevada, Florida, Arizona, and Maryland are furthest away from their respective price peaks.
- December manufacturing activity was a robust 54.7% (a rate above 50% represents growth). New orders jumped from 53% in November to over 60% in December. Major growth sectors included energy, metals, food, and clothing. Among the modestly contracting sectors were plastics, furniture, printing, and textiles. The service sector remained the same in December, but at a 61+% level. However, new service orders rose substantially. The strongest service areas were mining, retail trade, finance, and information. Public administration, wholesale trade, and agriculture were relatively weak.
- As consumers digested the election results, the Consumer Confidence Index increased over 4% to 113.7% (100% is the base). The Index is comprised of two components: the present situation and expectations. The present situation confidence level actually dropped from 132% to 126%, reflecting post-election uncertainty; yet the level was still absolutely high. Just as important, expectations soared from 94.4% to a 13-year high of 105.5%! For the moment, at least, consumers appear very confident.
- Climbing out of the 2015 doldrums, commodities rose 11.8% this past year. Not surprisingly, crude oil was the driving force, with industrial metals not far behind. Crude oil gained 25.4%. Among metals, zinc rose a spectacular 57.5%. Precious metals climbed almost 10% for the year, but lost ground to stocks recently. Livestock did well in Q4, but experienced single-digit losses for the year. The so-called soft commodities, such as coffee and especially wheat, performed poorly for both the quarter and year. As a result, farmers had a difficult time.

- The Federal Reserve Board voted unanimously to raise rates at its December 13-14 meeting. The rationale for the modest ¼% increase was the expanding GDP, continued labor gains and inflation approaching its 2% target. The 2017 outlook was deemed a bit murkier, with only a slow path of rate increases expected. Basically, the Fed will wait and see how the Trump economic initiatives unfold. Meanwhile, the stock and bond markets took the long-expected rate increase in stride.

## DOMESTIC EQUITIES

### What a Quarter and What a Year!

The market fared poorly through November 8<sup>th</sup>, the day of the Presidential election. As the election results unfolded that evening, stock futures plunged as investors predicted an impending global sell-off. The market was actually up on November 9<sup>th</sup> and soared through year-end. For example, the S&P 500 fell 1.1% through November 8<sup>th</sup>, then rose 5.0% for the rest of the quarter. Its full quarter return was a healthy 3.8%. Small-cap names fell more (4.4%) and then climbed more (13.8%) during the same periods for an 8.8% quarter.



Some pundits ascribe the change to extremely favorable investor outlook due to announcements by the new Administration. In particular, companies that stood to gain the most were those that would participate in infrastructure spending and a loosening of regulations as well as favorable tax treatment. The market accommodated them with value stocks besting growth stocks in every size category. The clear winner was small-cap value, gaining a hefty 14.1%. The major indices all advanced, as the S&P rose 3.8%, the NASDAQ pushed up 1.7% and the value-tilted DJIA climbed 8.7%.

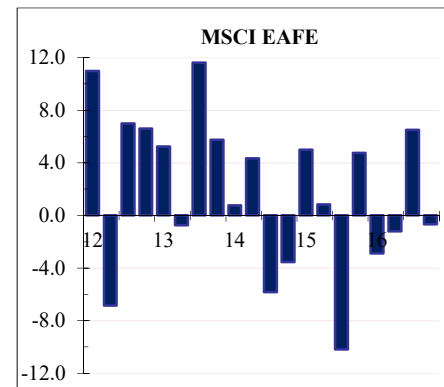
The full year 2016, which began with predictions of a negative or flat return, ended with a very good return. The S&P added 12.0%, the tech-

laden NASDAQ posted 8.9% and the more cyclical DJIA thundered ahead 16.5%. In Q4, financial companies shined as the highest-performer (17.2%) among all S&P sectors. This was expected because of fewer revenue-limiting regulations promised by the new administration. Other beneficiaries of the expected policy changes were transportation (14.0%), energy (8.3%) and basic industries (6.6%). Utilities and REITs suffered from reduced interest in high dividend bond proxies. Health care stocks were down 2.7% as investors digested a likely rise in drug prices and slashing of benefits under Obamacare. The S&P 500's dividend yield held steady at 2.1%. Higher prices led to an increase in the average price/earnings ratio from 22.6 in September to 23.1 at year-end. More than 54% of the S&P stocks have P/E ratios of 20 or more, suggesting that stock prices are relatively rich.

## INTERNATIONAL EQUITIES

### A Poor Quarter and Year

Non-US developed markets encountered tough times in the fourth quarter; the MSCI EAFE Index declined 0.7%. Some country markets did well in



local currency terms, but not when the performance was restated in US dollars. The EU region eked out a 0.3% gain in US dollars. German stocks rose 1.5% as the materials sector offset a general refugee fatigue and resurgence of the political right. French stocks rose a bit more or 3.1% on the strength of higher manufacturing output. The Italian market showed the most strength by far, rising

10.8%. Investors there were encouraged by the likely bailout of Italy's third largest bank Monte dei Paschi di Siena, and by the defeat of a political reform referendum. UK shares dropped back 0.9%, as the economy and investors continued to feel the effects of the late June Brexit surprise. On the other hand, the weaker pound sterling is helping to boost exports.

Australian shares moved up a meager 0.8%, despite rising exports and bank share gains. By comparison, the much smaller New Zealand market

dropped nearly 11%; while its economy was doing well, Prime Minister John Key abruptly stepped down, thereby unsettling investors. The Far East component fell 1.4%. Japan, the biggest regional player, was essentially flat in US dollars. However, in Yen terms, the Japanese market rose substantially. The return difference was due to a 13% drop in the Yen vs. the dollar! Hong Kong, also part of the Far East, swooned 9%, mainly due to poor real estate returns and troubles at insurer AIA. The Israeli market dropped 11.2% as giant generic drug maker Teva stumbled. Canada, technically not part of EAFE, was a relative star, rising 3.4%, fueled by a surge in energy exports.

For the year, EAFE rose a modest 1.5% overall. The EU region was a laggard, adding only 0.8%. The UK market was flat. The Far East region logged a weak but positive 2.6%. Breaking the pattern, commodity-heavy Australia and New Zealand turned in 11.7% and 19.3%, respectively. While portfolio diversification away from domestic equities failed to pay off in 2016, it has rewarded well, longer-term.

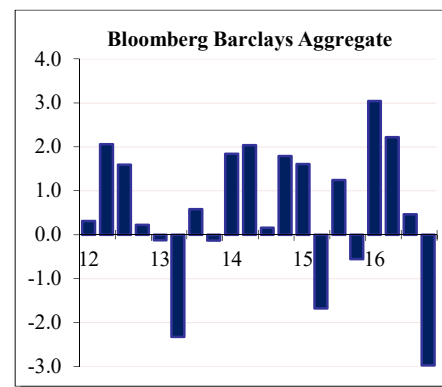
Emerging markets (EM) had a disappointing quarter as the MSCI EM Index fell 4.1%. Performance of the BRIC countries (Brazil, Russia, India, China) ranged from highly negative to quite positive. The **Brazilian** market gained 2.2% on the strength of commodity exports. **Russian** shares soared 18.7% due to a surge in oil prices coupled with an OPEC agreement limiting production. Prime Minister Modi tried his best to attack rampant corruption and tax evasion in **India** during the quarter, but in the end there was an 8% Indian market decline. President Trump has called into question the huge **China**-US trading relationship, and the Chinese market fell a significant 7.1% for the quarter. Elsewhere in the Far East, country after country was in the red, while in Latin America, stock results were mixed. Most EM countries returned double-digit positive returns for the full year, and the EM Index gained 11.6%.

## BOND MARKET

### It's Difficult to Offset Rising Rates

The Trump election, an inflation uptick, and the December Fed-rate hike contributed to a steepened yield curve. From T-bills to the 30-year Treasury bond, Q4 yields rose dramatically, leading the Bloomberg Barclays Aggregate Index to give back 3.0%. The Treasury component lost more (3.8%), with the 30-year issues down a whopping 13.7%.

Investment grade corporate bonds returned -3.0%. The financial bond subset fell a lesser 1.9% because investors had hopes for reduced banking regulation.



Residential mortgage debt (MBS) dropped 2%, while commercial mortgages (CMBS) returned -2.9%. The much shorter maturity asset-backed debt (ABS) fell only 0.7%. High yield/junk bonds with yields of 5% and higher plus low default rates (for the time being) still held allure for investors. BB credits earned a tiny 0.4%, while single B names returned 2%, CCCs were up 4.7%

and CC through D issues (lowest rated) jumped 12.2%. Combined, the high yield sector yielded a +1.8% return. The G-6 developed countries' sovereign debt results were a highly negative 12% on the long maturities of sovereigns and the currency weakness vs. the US dollar. By comparison, emerging market sovereigns lost 4.2%.

Year 2016 bond results were positive, but varied tremendously based on category, maturity and credit rating. The Barclays Aggregate rose 2.7%. The Treasury component added a low 1%. However, investment grade corporates rose 5.6%. Collateralized residential mortgages and asset-backed securities both gained approximately 2% and CMBS added 3.5%. High yield bonds extended their winning streak with a 17.1% advance. The lowest-rated and relatively illiquid credits (CC-D) soared a spectacular 83.1%! Overall, junk bonds were king.

## CASH EQUIVALENTS

### A Glimmer of Hope from the Fed

The hope derived from the Federal Reserve's increase of its (short term) federal funds rate, which increased from ¼% to ½%. As a result, yields increased accordingly on other short-term instruments. Still, being out of the 2016 bond and stock market entirely was a huge tactical mistake.

**MARKET SUMMARY**

**ECONOMIC STATISTICS**

	CURRENT QTR	LAST QTR
GDP	1.9	3.5
Unemployment	4.7	4.9
CPI All Items Year/Year	2.10	1.50
Fed Funds Rate	0.75	0.50
Industrial Capacity	75.5	75.3
US Dollars per Euro	1.06	1.12

**MAJOR INDEX QUARTER RETURNS**

INDEX	PERFORMANCE
Russell 3000	4.2
S&P 500	3.8
Russell Mid	3.2
Russell 2000	8.8
MSCI EAFE	-0.7
MSCI Emg Mkts	-4.1
NCREIF ODCE	2.1
Aggregate Index	-3.0
90 Day Tbills	0.1

**EQUITY RETURN DISTRIBUTIONS**

	QUARTER			TRAILING YEAR		
	VAL	COR	GRO	VAL	COR	GRO
LC	6.7	3.8	1.0	17.3	12.0	7.1
MC	5.5	3.2	0.5	20.0	13.8	7.3
SC	14.1	8.8	3.6	31.7	21.3	11.3

**MARKET SUMMARY**

- \* Q4 GDP grew by 1.9% (advance estimate).
- \* Unemployment dipped to 4.7%.
- \* CPI increased 2.1% year over year.
- \* The dollar strengthened relative to the euro.
- \* Value stocks raced ahead of their growth counterparts last quarter and were also ahead for the year. Smaller cap sizes bested larger ones in Q4. Mid caps joined in the lead with small names in outperforming for the year.

## **INVESTMENT RETURN**

On December 31st, 2016, the Davie Police Pension Plan was valued at \$141,107,095, representing an increase of \$7,991,848 from the September quarter's ending value of \$133,115,247. Last quarter, the Fund posted net contributions equaling \$5,802,449 plus a net investment gain equaling \$2,189,399. Total net investment return was the result of income receipts, which totaled \$585,259 and net realized and unrealized capital gains of \$1,604,140.

For the cumulative period since December 2011, the fund has recorded net contributions totaling \$14.1 million, and recorded net investment gains of \$45.4 million. For the period since December 2011, if the total fund had returned a compound annual rate of 7.6% it would have been valued at \$134.9 million or \$6.2 million less than the actual value as of December 31st, 2016.

## **RELATIVE PERFORMANCE**

### **Total Fund**

In the fourth quarter, the Composite portfolio gained 1.6%, which ranked in the 15th percentile of the Public Fund universe. Over the trailing twelve-month period, the portfolio returned 8.5%, which ranked in the 21st percentile. Since December 2011, the portfolio returned 8.7% per annum and ranked in the 42nd percentile.

### **Large Cap Equity**

For the fourth quarter, the large cap equity segment returned 3.9%, which was 0.1% above the S&P 500 Index's return of 3.8% and ranked in the 49th percentile of the Large Cap universe. Over the trailing year, this segment returned 11.0%, which was 1.0% less than the benchmark's 12.0% return, and ranked in the 49th percentile. Since December 2011, this component returned 11.9% on an annualized

basis and ranked in the 89th percentile. The S&P 500 returned an annualized 14.7% over the same time frame.

### **Mid Cap Equity**

In the fourth quarter, the mid cap equity component returned 6.1%, which was 1.3% less than the S&P 400 Index's return of 7.4% and ranked in the 32nd percentile of the Mid Cap universe. Over the trailing twelve-month period, this component returned 22.7%, which was 2.0% greater than the benchmark's 20.7% return, ranking in the 9th percentile. Since December 2011, this component returned 15.7% per annum and ranked in the 29th percentile. The S&P 400 returned an annualized 15.3% over the same time frame.

### **Small Cap Equity**

Last quarter, the small cap equity component returned 5.7%, which was 3.1% below the Russell 2000 Index's return of 8.8% and ranked in the 73rd percentile of the Small Cap universe.

### **International Equity**

The international equity assets lost 3.8% last quarter, 3.1% less than the MSCI EAFE Index's return of -0.7% and ranked in the 61st percentile of the International Equity universe. Over the trailing twelve months, this component returned 0.9%; that return was 0.6% below the benchmark's 1.5% return, and ranked in the 68th percentile. Since December 2011, this component returned 6.9% on an annualized basis and ranked in the 59th percentile. The MSCI EAFE Index returned an annualized 7.0% over the same period.

### **Real Estate**

During the fourth quarter, the real estate component returned 3.3%, which was 1.2% greater than the NCREIF NFI-ODCE Index's return of 2.1%. Over the trailing twelve-month period, this segment returned

9.9%, which was 1.2% above the benchmark's 8.7% performance. Since December 2011, this component returned 12.2% annualized, while the NCREIF NFI-ODCE Index returned an annualized 12.2% over the same time frame.

### **Fixed Income**

The fixed income portfolio returned -2.5% last quarter, 0.5% greater than the Custom Fixed Income Index's return of -3.0% and ranked in the 20th percentile of the Core Fixed Income universe. Over the trailing twelve months, this component returned 3.2%; that return was 0.5% greater than the benchmark's 2.7% return, and ranked in the 46th percentile. Since December 2011, this component returned 3.5% annualized and ranked in the 12th percentile. The Custom Fixed Income Index returned an annualized 2.1% over the same period.

### **ASSET ALLOCATION**

At the end of the fourth quarter, large cap equities comprised 28.8% of the total portfolio (\$40.6 million), while mid cap equities totaled 10.8% (\$15.2 million). The account's small cap equity segment was valued at \$14.8 million, representing 10.5% of the portfolio, while the international equity component's \$6.1 million totaled 4.4%. The real estate segment totaled 12.1% of the portfolio's value and the fixed income component made up 27.2% (\$38.4 million). The remaining 6.2% was comprised of cash & equivalents (\$8.8 million).

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	5 Years
<b>Total Portfolio - Gross</b>	1.6	1.6	8.5	5.2	8.7
<i>PUBLIC FUND RANK</i>	(15)	(15)	(21)	(23)	(42)
<b>Total Portfolio - Net</b>	1.4	1.4	7.8	4.6	8.2
<i>SHADOW INDEX</i>	2.0	2.0	9.2	6.0	9.5
<b>Large Cap Equity - Gross</b>	3.9	3.9	11.0	6.4	11.9
<i>LARGE CAP RANK</i>	(49)	(49)	(49)	(79)	(89)
S&P 500	3.8	3.8	12.0	8.9	14.7
RUSSELL 1000G	1.0	1.0	7.1	8.6	14.5
RUSSELL 1000V	6.7	6.7	17.3	8.6	14.8
<b>Mid Cap Equity - Gross</b>	6.1	6.1	22.7	9.7	15.7
<i>MID CAP RANK</i>	(32)	(32)	(9)	(16)	(29)
S&P 400	7.4	7.4	20.7	9.0	15.3
<b>Small Cap Equity - Gross</b>	5.7	5.7	----	----	----
<i>SMALL CAP RANK</i>	(73)	(73)	----	----	----
RUSSELL 2000	8.8	8.8	21.3	6.7	14.5
<b>International Equity - Gross</b>	-3.8	-3.8	0.9	-0.3	6.9
<i>INTERNATIONAL EQUITY RANK</i>	(61)	(61)	(68)	(50)	(59)
MSCI EAFE	-0.7	-0.7	1.5	-1.2	7.0
<b>Real Estate - Gross</b>	3.3	3.3	9.9	12.4	12.2
NCREIF ODCE	2.1	2.1	8.7	12.0	12.2
<b>Fixed Income - Gross</b>	-2.5	-2.5	3.2	3.6	3.5
<i>CORE FIXED INCOME RANK</i>	(20)	(20)	(46)	(30)	(12)
CUSTOM INDEX	-3.0	-3.0	2.7	2.7	2.1
AGGREGATE INDEX	-3.0	-3.0	2.7	3.0	2.2
GOV/CREDIT	-3.4	-3.4	3.0	3.0	2.3

**ASSET ALLOCATION**

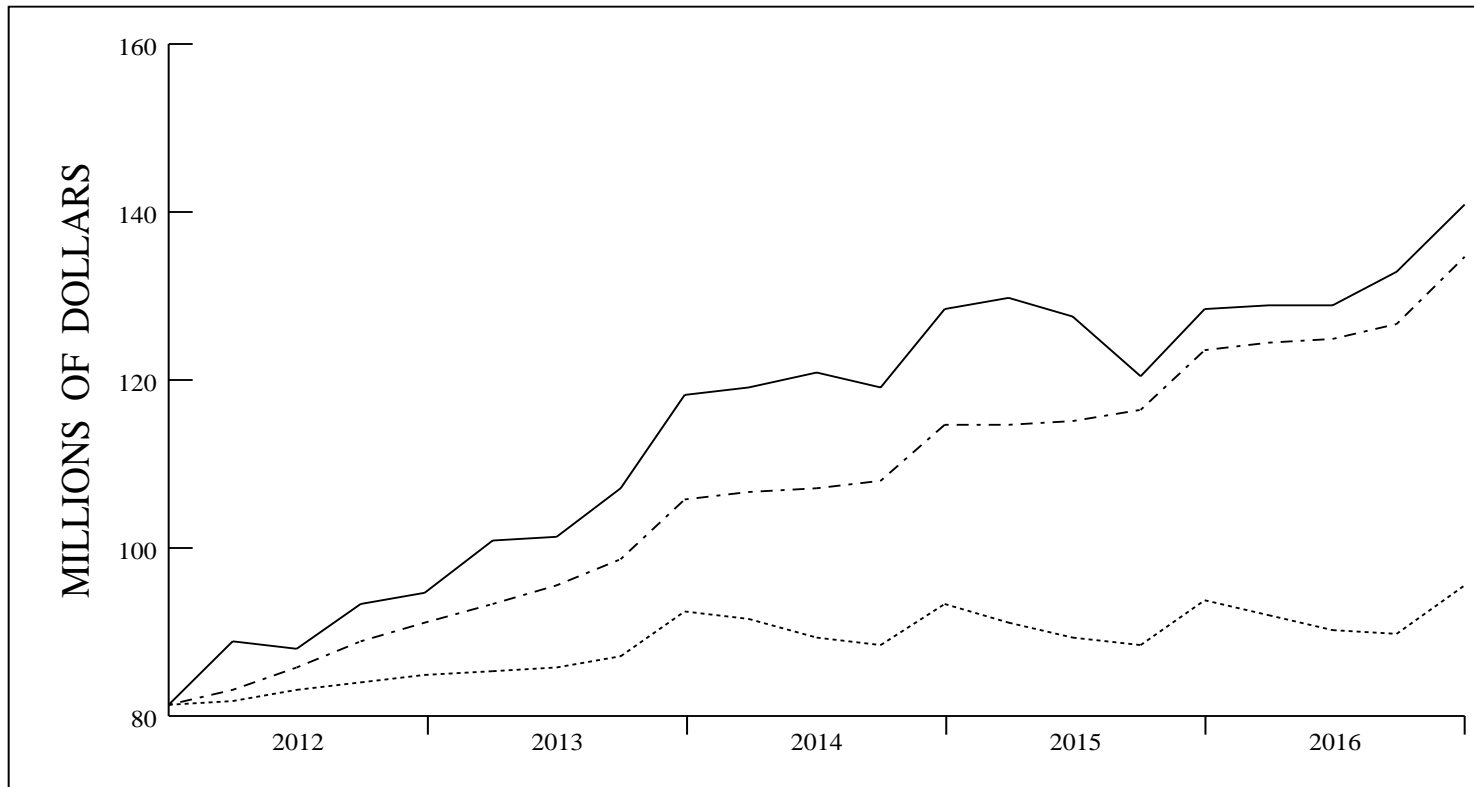
Large Cap Equity	28.8%	\$ 40,583,307
Mid Cap Equity	10.8%	15,244,273
Small Cap	10.5%	14,809,135
Int'l Equity	4.4%	6,142,371
Real Estate	12.1%	17,122,458
Fixed Income	27.2%	38,421,706
Cash	6.2%	8,783,845
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 141,107,095</b>

**INVESTMENT RETURN**

Market Value 9/2016	\$ 133,115,247
Contribs / Withdrawals	5,802,449
Income	585,259
Capital Gains / Losses	1,604,140
Market Value 12/2016	\$ 141,107,095



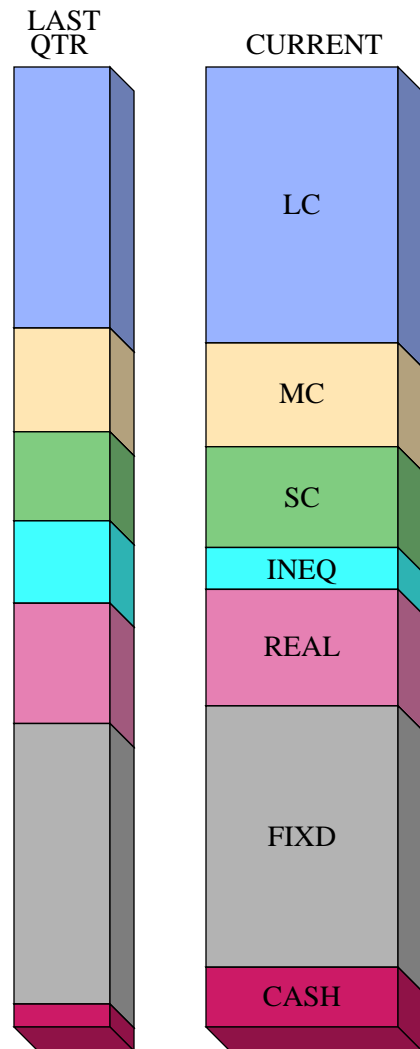
**INVESTMENT GROWTH**



— ACTUAL RETURN  
 - - - 7.6%  
 . . . 0.0%

VALUE ASSUMING  
 7.6% RETURN \$ 134,876,977

	LAST QUARTER	PERIOD 12/11 - 12/16
BEGINNING VALUE	\$ 133,115,247	\$ 81,613,016
NET CONTRIBUTIONS	5,802,449	14,058,285
INVESTMENT RETURN	2,189,399	45,435,792
ENDING VALUE	\$ 141,107,095	\$ 141,107,095
INCOME	585,259	13,330,760
CAPITAL GAINS (LOSSES)	1,604,140	32,105,032
INVESTMENT RETURN	2,189,399	45,435,792



	<u>VALUE</u>	<u>PERCENT</u>	<u>TARGET</u>	<u>DIFFERENCE</u> + / -
■ LARGE CAP EQUITY	\$ 40,583,307	28.8%	30.0%	-1.2%
■ MID CAP EQUITY	15,244,273	10.8%	10.0%	0.8%
■ SMALL CAP EQUITY	14,809,135	10.5%	10.0%	0.5%
■ INTERNATIONAL EQUITY	6,142,371	4.4%	12.5%	-8.1%
■ REAL ESTATE	17,122,458	12.1%	10.0%	2.1%
■ FIXED INCOME	38,421,706	27.2%	27.5%	-0.3%
■ CASH & EQUIVALENT	8,783,845	6.2%	0.0%	6.2%
<u>TOTAL FUND</u>	<u>\$ 141,107,095</u>	<u>100.0%</u>		

## MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years
Total Portfolio	(Public Fund)	1.6 (15)	1.6 (15)	8.5 (21)	5.2 (23)	8.7 (42)
<i>Shadow Index</i>		<b>2.0</b> ----	<b>2.0</b> ----	<b>9.2</b> ----	<b>6.0</b> ----	<b>9.5</b> ----
Vanguard 500	(LC Core)	3.8 (49)	3.8 (49)	12.0 (29)	8.9 (33)	---- ----
<i>S&amp;P 500</i>		<b>3.8</b> ----	<b>3.8</b> ----	<b>12.0</b> ----	<b>8.9</b> ----	<b>14.7</b> ----
Garcia Equity	(LC Growth)	0.8 (42)	0.8 (42)	7.4 (25)	6.9 (57)	12.3 (87)
<i>Russell 1000 Growth</i>		<b>1.0</b> ----	<b>1.0</b> ----	<b>7.1</b> ----	<b>8.6</b> ----	<b>14.5</b> ----
Lyrical LCV	(LC Value)	6.7 (47)	6.7 (47)	16.2 (35)	---- ----	---- ----
<i>Russell 1000 Value</i>		<b>6.7</b> ----	<b>6.7</b> ----	<b>17.3</b> ----	<b>8.6</b> ----	<b>14.8</b> ----
Clearbridge	(MC Core)	7.3 (38)	7.3 (38)	---- ----	---- ----	---- ----
<i>Russell Mid Cap</i>		<b>3.2</b> ----	<b>3.2</b> ----	<b>13.8</b> ----	<b>7.9</b> ----	<b>14.7</b> ----
Wedge	(MC Value)	4.7 (84)	4.7 (84)	---- ----	---- ----	---- ----
<i>Russell Mid Cap Value</i>		<b>5.5</b> ----	<b>5.5</b> ----	<b>20.0</b> ----	<b>9.4</b> ----	<b>15.7</b> ----
PNC	(SC Core)	8.1 (70)	8.1 (70)	---- ----	---- ----	---- ----
<i>Russell 2000</i>		<b>8.8</b> ----	<b>8.8</b> ----	<b>21.3</b> ----	<b>6.7</b> ----	<b>14.5</b> ----
LMCG	(SC Growth)	2.2 (61)	2.2 (61)	---- ----	---- ----	---- ----
<i>Russell 2000 Growth</i>		<b>3.6</b> ----	<b>3.6</b> ----	<b>11.3</b> ----	<b>5.0</b> ----	<b>13.7</b> ----
Johnston	(Intl Eq)	-5.1 (75)	-5.1 (75)	1.7 (62)	0.9 (32)	7.1 (55)
<i>MSCI EAFE</i>		<b>-0.7</b> ----	<b>-0.7</b> ----	<b>1.5</b> ----	<b>-1.2</b> ----	<b>7.0</b> ----
American Realty		1.2 ----	1.2 ----	7.2 ----	11.3 ----	11.5 ----
Intercontinental		5.7 ----	5.7 ----	13.2 ----	13.8 ----	---- ----
UBS		1.5 ----	1.5 ----	7.2 ----	10.6 ----	---- ----
<i>NCREIF NFI-ODCE Index</i>		<b>2.1</b> ----	<b>2.1</b> ----	<b>8.7</b> ----	<b>12.0</b> ----	<b>12.2</b> ----
Garcia Fixed	(Core Fixed)	-2.5 (16)	-2.5 (16)	3.2 (46)	3.9 (15)	4.2 (3)
<i>Custom Fixed Income Index</i>		<b>-3.0</b> ----	<b>-3.0</b> ----	<b>2.7</b> ----	<b>2.7</b> ----	<b>2.1</b> ----

**MANAGER VALUE ADDED**

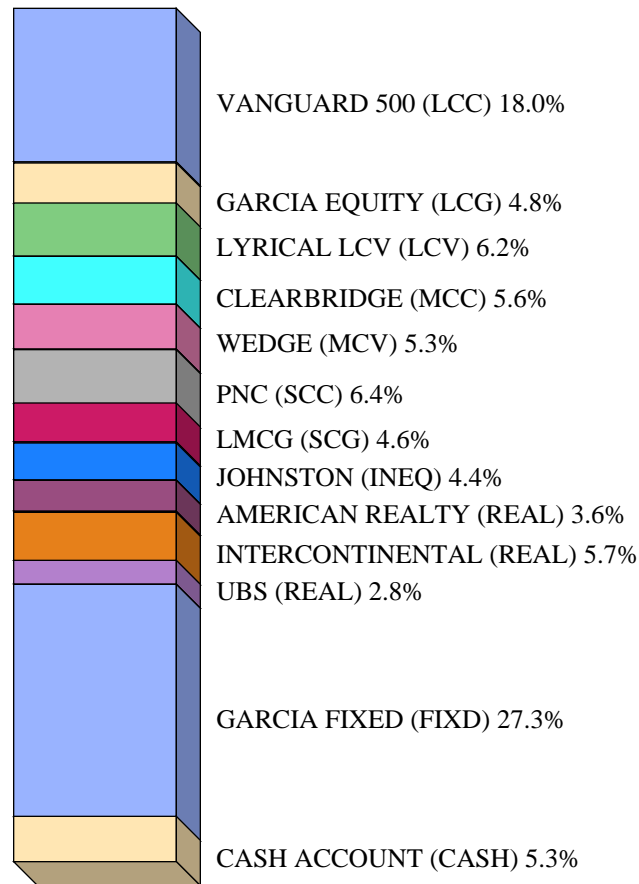
**Trailing Quarter**

Manager	Benchmark	Value Added Vs. Benchmark
Vanguard 500	S&P 500	0.0
Garcia Equity	Russell 1000G	-0.2
Lyrical LCV	Russell 1000V	0.0
Clearbridge	Russell Mid	4.1
Wedge	Russ Mid Val	-0.8
PNC	Russell 2000	-0.7
LMCG	Russell 2000G	-1.4
Johnston	MSCI EAFE	-4.4
American Realty	NCREIF ODCE	-0.9
Intercontinental	NCREIF ODCE	3.6
UBS	NCREIF ODCE	-0.6
Garcia Fixed	Custom Index	0.5
<b>Total Portfolio</b>	<b>Shadow Index</b>	-0.4

**Trailing Year**

Manager	Benchmark	Value Added Vs. Benchmark
Vanguard 500	S&P 500	0.0
Garcia Equity	Russell 1000G	0.3
Lyrical LCV	Russell 1000V	-1.1
Clearbridge	Russell Mid	N/A
Wedge	Russ Mid Val	N/A
PNC	Russell 2000	N/A
LMCG	Russell 2000G	N/A
Johnston	MSCI EAFE	0.2
American Realty	NCREIF ODCE	-1.5
Intercontinental	NCREIF ODCE	4.5
UBS	NCREIF ODCE	-1.5
Garcia Fixed	Custom Index	0.5
<b>Total Portfolio</b>	<b>Shadow Index</b>	-0.7

**MANAGER ALLOCATION SUMMARY**

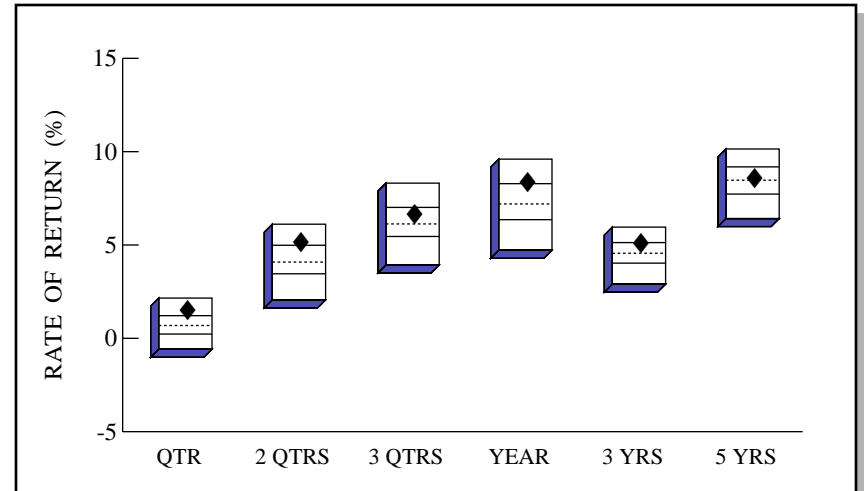
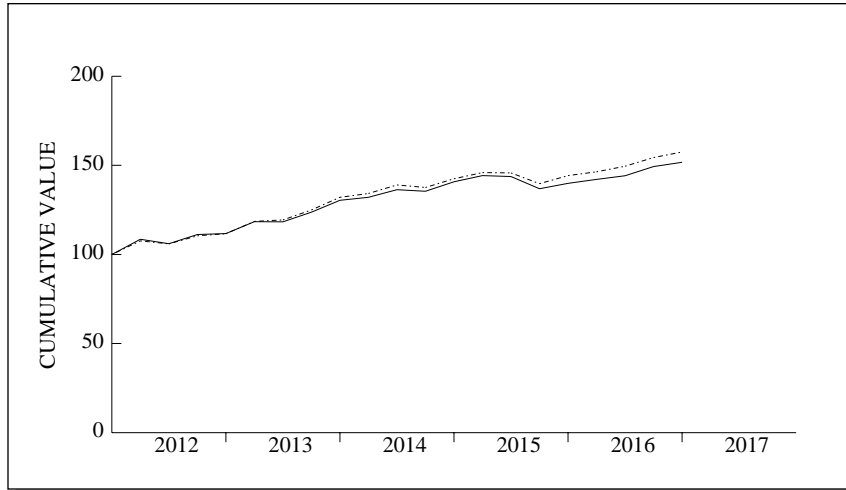


Name	Market Value	Percent
Vanguard 500 (LCC)	\$25,408,063	18.0
Garcia Equity (LCG)	\$6,788,262	4.8
Lyrical LCV (LCV)	\$8,802,963	6.2
Clearbridge (MCC)	\$7,955,449	5.6
Wedge (MCV)	\$7,420,205	5.3
PNC (SCC)	\$8,988,094	6.4
LMCG (SCG)	\$6,459,479	4.6
Johnston (INEQ)	\$6,142,371	4.4
American Realty (REAL)	\$5,099,292	3.6
Intercontinental (REAL)	\$8,032,878	5.7
UBS (REAL)	\$3,990,288	2.8
Garcia Fixed (FIXD)	\$38,504,598	27.3
Cash Account (CASH)	\$7,515,153	5.3
<b>Total</b>	<b>\$141,107,095</b>	<b>100.0</b>

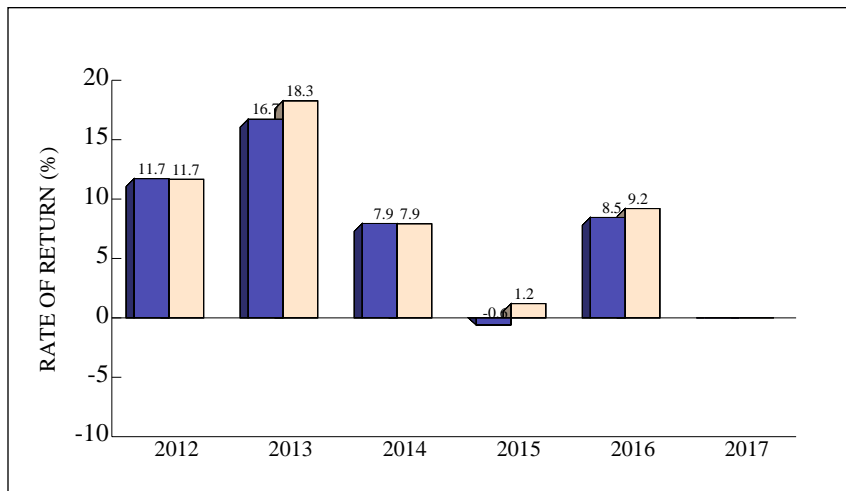
**INVESTMENT RETURN SUMMARY - ONE QUARTER**

<b>Name</b>	<b>Quarter Total Return</b>	<b>Market Value September 30th, 2016</b>	<b>Net Cashflow</b>	<b>Net Investment Return</b>	<b>Market Value December 31st, 2016</b>
Vanguard 500 (LCC)	3.8	21,583,802	3,000,000	824,261	25,408,063
Garcia Equity (LCG)	0.8	6,757,796	-22,113	52,579	6,788,262
Lyrical LCV (LCV)	6.7	8,265,310	-17,300	554,953	8,802,963
Clearbridge (MCC)	7.3	7,425,429	-13,761	543,781	7,955,449
Wedge (MCV)	4.7	7,085,016	0	335,189	7,420,205
PNC (SCC)	8.1	7,384,562	998,547	604,985	8,988,094
LMCG (SCG)	2.2	5,367,607	987,683	104,189	6,459,479
Johnston (INEQ)	-5.1	6,484,515	-13,504	-328,640	6,142,371
SSgA (INEQ)	---	4,946,617	-4,876,214	-70,403	0
American Realty (REAL)	1.2	5,052,809	-14,062	60,545	5,099,292
Intercontinental (REAL)	5.7	7,681,815	-87,092	438,155	8,032,878
UBS (REAL)	1.5	3,944,562	-11,848	57,574	3,990,288
Garcia Fixed (FIXD)	-2.5	39,526,638	-33,544	-988,496	38,504,598
Cash Account (CASH)	---	1,608,769	5,905,657	727	7,515,153
<b>Total Portfolio</b>	<b>1.6</b>	<b>133,115,247</b>	<b>5,802,449</b>	<b>2,189,399</b>	<b>141,107,095</b>

**TOTAL RETURN COMPARISONS**



Public Fund Universe

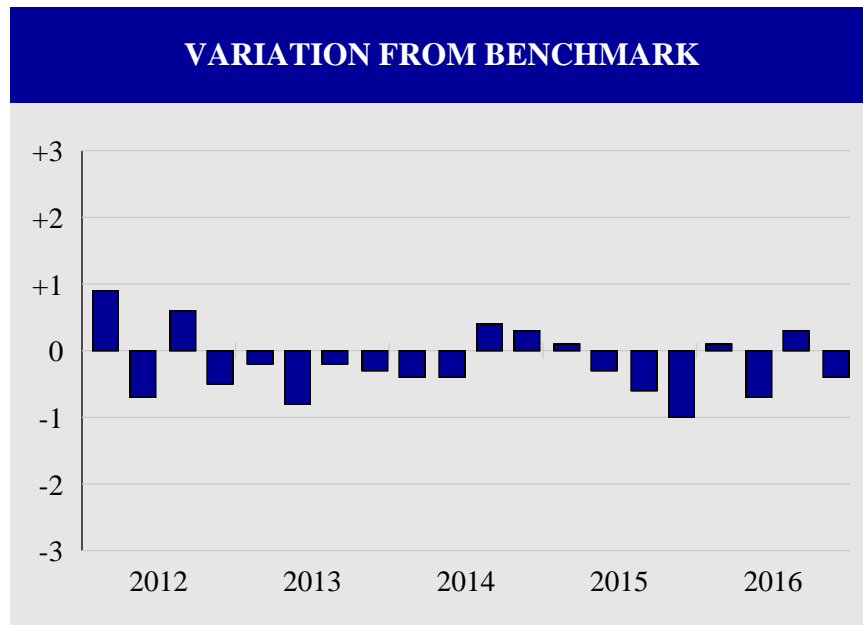


	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	1.6	5.2	6.7	8.5	5.2	8.7
(RANK)	(15)	(19)	(34)	(21)	(23)	(42)
5TH %ILE	2.2	6.1	8.3	9.6	6.0	10.1
25TH %ILE	1.2	5.0	7.0	8.3	5.1	9.2
MEDIAN	0.7	4.1	6.1	7.2	4.6	8.5
75TH %ILE	0.2	3.5	5.5	6.4	4.0	7.7
95TH %ILE	-0.6	2.1	3.9	4.7	2.9	6.4
<i>Shadow Idx</i>	<i>2.0</i>	<i>5.3</i>	<i>7.6</i>	<i>9.2</i>	<i>6.0</i>	<i>9.5</i>

Public Fund Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

**COMPARATIVE BENCHMARK: SHADOW INDEX**

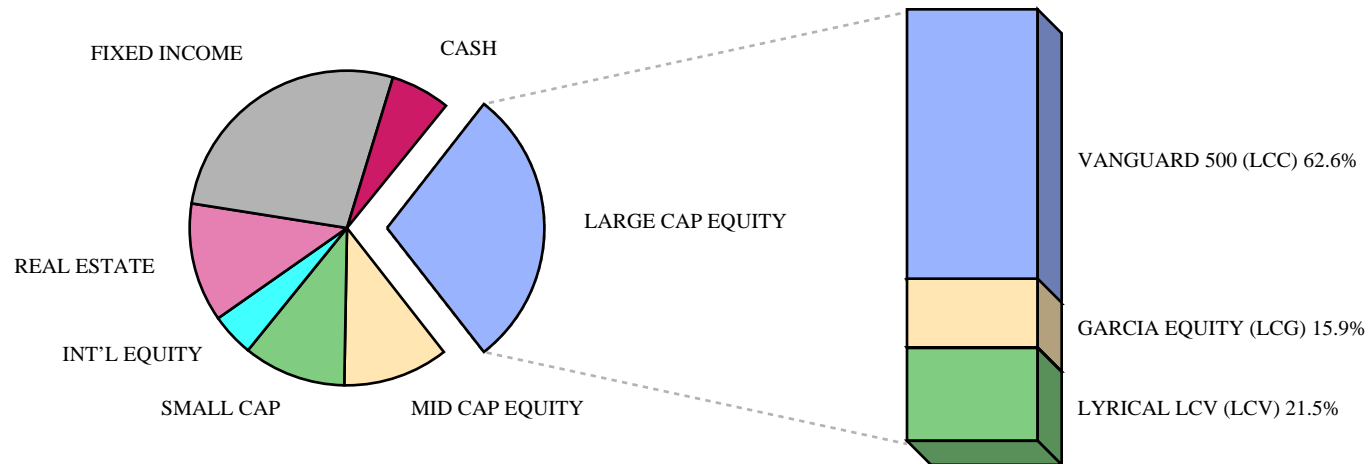


<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>7</b>
<b>Quarters Below the Benchmark</b>	<b>13</b>
<b>Batting Average</b>	<b>.350</b>

<b>RATES OF RETURN</b>			
Date	Portfolio	Benchmark	Difference
3/12	8.5	7.6	0.9
6/12	-2.3	-1.6	-0.7
9/12	4.9	4.3	0.6
12/12	0.5	1.0	-0.5
3/13	6.0	6.2	-0.2
6/13	-0.1	0.7	-0.8
9/13	4.5	4.7	-0.2
12/13	5.4	5.7	-0.3
3/14	1.3	1.7	-0.4
6/14	3.2	3.6	-0.4
9/14	-0.6	-1.0	0.4
12/14	3.9	3.6	0.3
3/15	2.5	2.4	0.1
6/15	-0.4	-0.1	-0.3
9/15	-4.8	-4.2	-0.6
12/15	2.2	3.2	-1.0
3/16	1.6	1.5	0.1
6/16	1.4	2.1	-0.7
9/16	3.6	3.3	0.3
12/16	1.6	2.0	-0.4

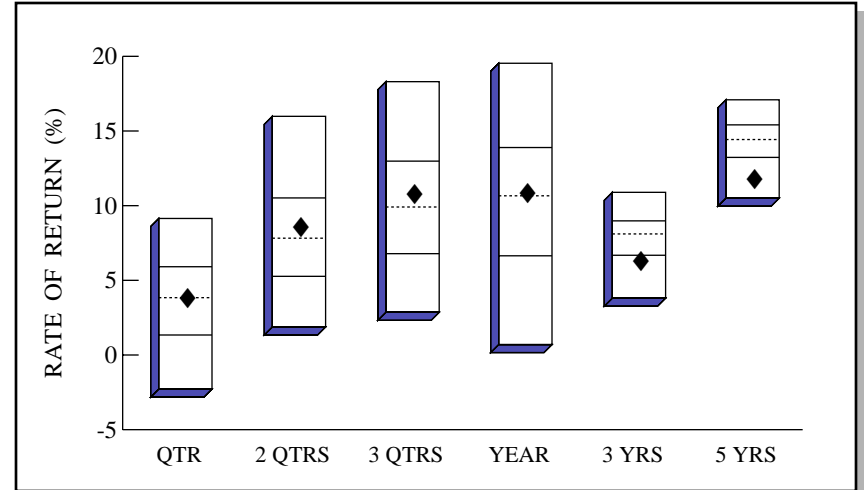
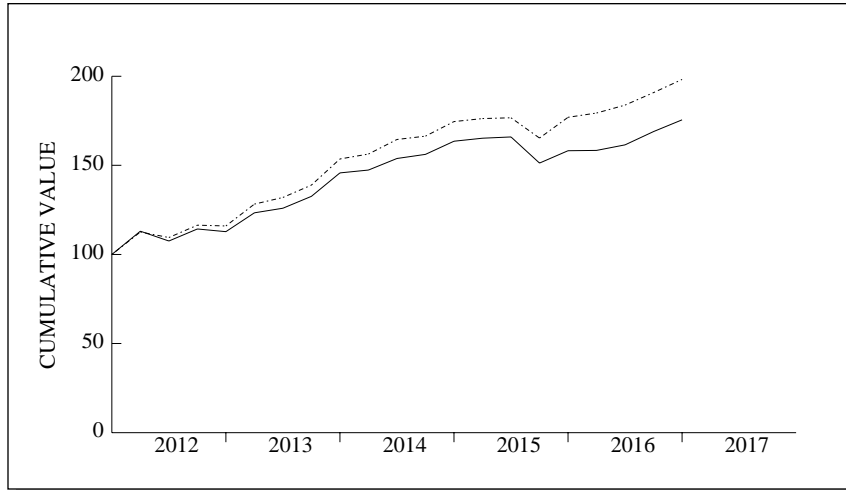


**LARGE CAP EQUITY MANAGER SUMMARY**

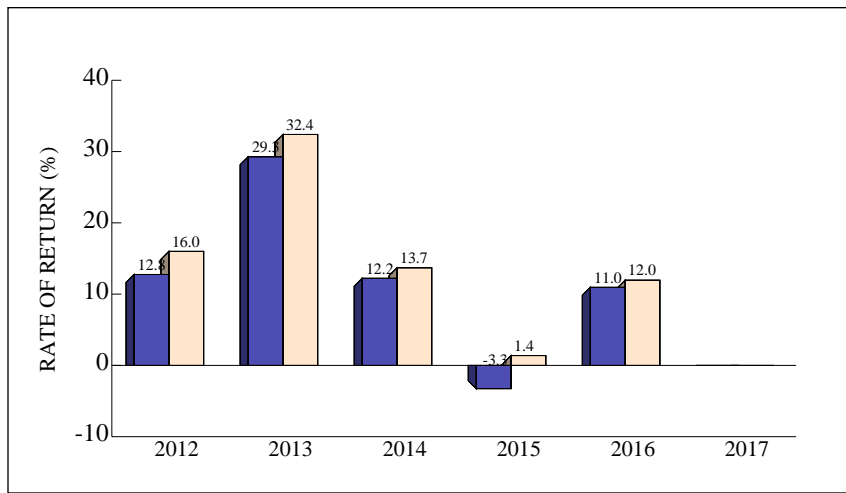


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
VANGUARD 500	(Large Cap Core)	3.8 (49)	3.8 (49)	12.0 (29)	8.9 (33)	----	\$25,408,063
<i>S&amp;P 500</i>		<i>3.8 ----</i>	<i>3.8 ----</i>	<i>12.0 ----</i>	<i>8.9 ----</i>	<i>14.7 ----</i>	<i>----</i>
GARCIA EQUITY	(Large Cap Growth)	0.8 (41)	0.8 (41)	7.9 (22)	7.2 (52)	12.5 (86)	\$6,460,524
<i>Russell 1000 Growth</i>		<i>1.0 ----</i>	<i>1.0 ----</i>	<i>7.1 ----</i>	<i>8.6 ----</i>	<i>14.5 ----</i>	<i>----</i>
LYRICAL LCV	(Large Cap Value)	6.8 (45)	6.8 (45)	16.4 (32)	----	----	\$8,714,720
<i>Russell 1000 Value</i>		<i>6.7 ----</i>	<i>6.7 ----</i>	<i>17.3 ----</i>	<i>8.6 ----</i>	<i>14.8 ----</i>	<i>----</i>
<b>TOTAL</b>	<b>(Large Cap)</b>	<b>3.9 (49)</b>	<b>3.9 (49)</b>	<b>11.0 (49)</b>	<b>6.4 (79)</b>	<b>11.9 (89)</b>	<b>\$40,583,307</b>
<i>S&amp;P 500</i>		<i>3.8 ----</i>	<i>3.8 ----</i>	<i>12.0 ----</i>	<i>8.9 ----</i>	<i>14.7 ----</i>	<i>----</i>

**LARGE CAP EQUITY RETURN COMPARISONS**



Large Cap Universe

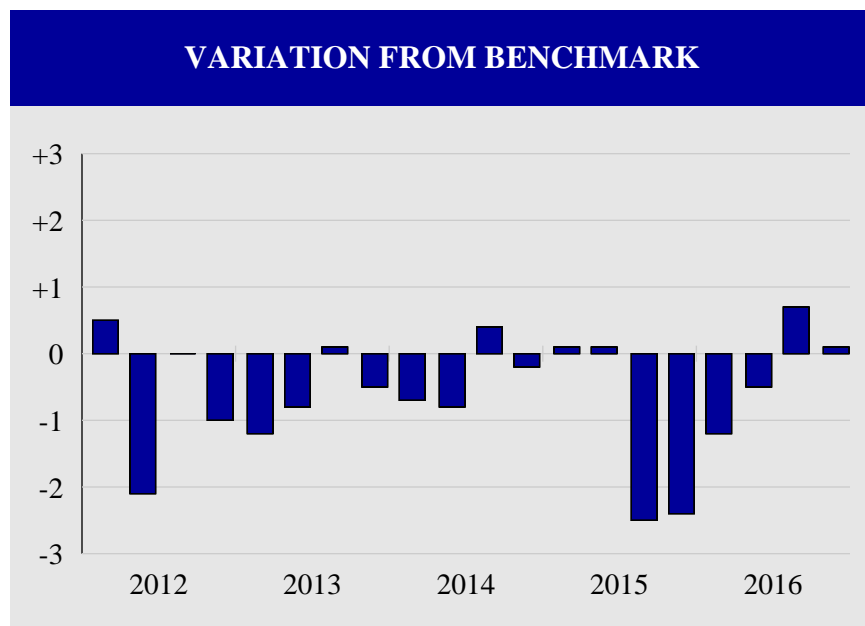


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	3.9	8.7	10.9	11.0	6.4	11.9
(RANK)	(49)	(41)	(41)	(49)	(79)	(89)
5TH %ILE	9.1	16.0	18.3	19.5	10.9	17.1
25TH %ILE	5.9	10.5	13.0	13.9	9.0	15.4
MEDIAN	3.8	7.8	9.9	10.7	8.1	14.4
75TH %ILE	1.3	5.3	6.8	6.6	6.7	13.2
95TH %ILE	-2.3	1.9	2.9	0.7	3.8	10.5
<b>S&amp;P 500</b>	<b>3.8</b>	<b>7.8</b>	<b>10.5</b>	<b>12.0</b>	<b>8.9</b>	<b>14.7</b>

Large Cap Universe

## LARGE CAP EQUITY QUARTERLY PERFORMANCE SUMMARY

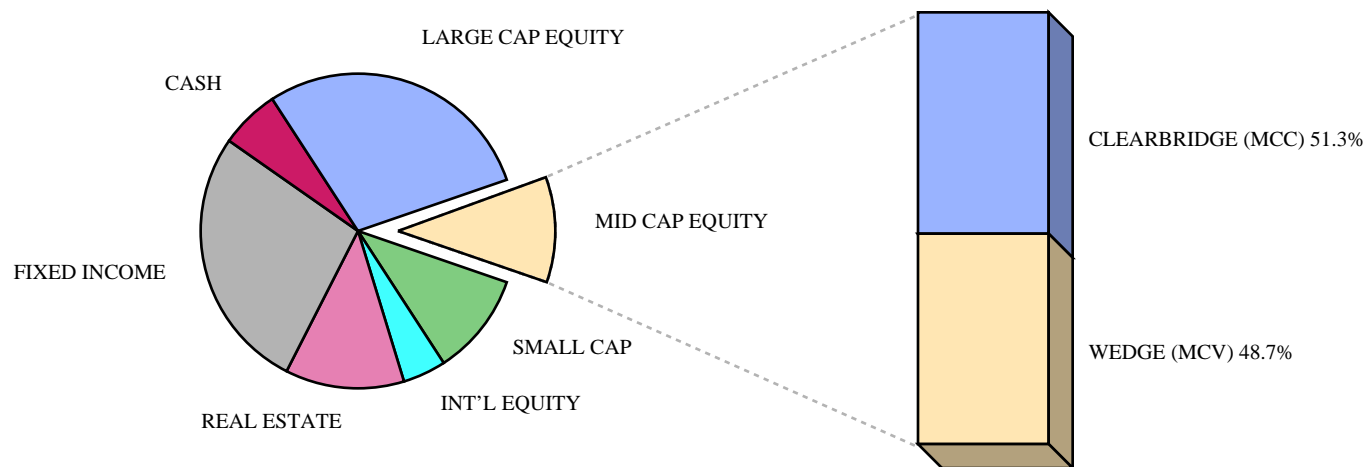
COMPARATIVE BENCHMARK: S&P 500



<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>8</b>
<b>Quarters Below the Benchmark</b>	<b>12</b>
<b>Batting Average</b>	<b>.400</b>

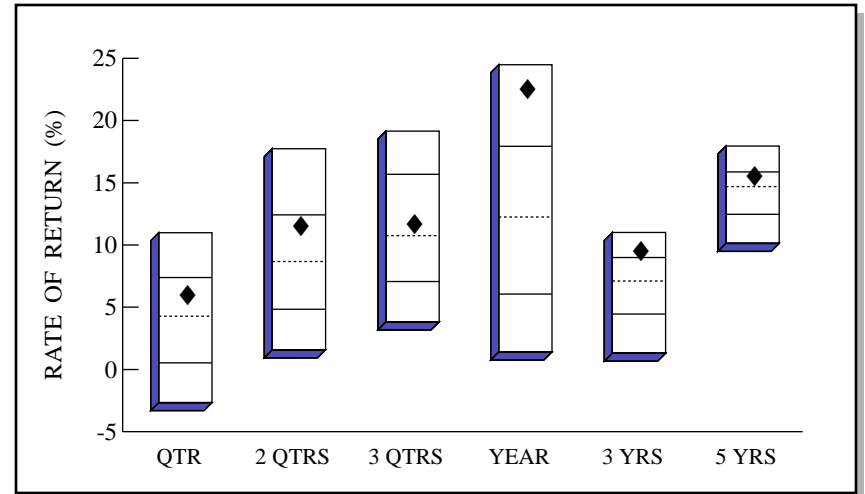
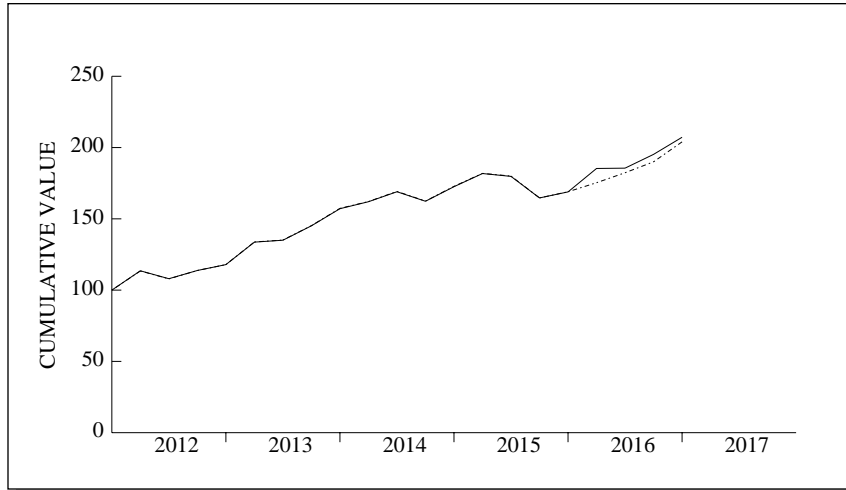
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
3/12	13.1	12.6	0.5
6/12	-4.9	-2.8	-2.1
9/12	6.3	6.3	0.0
12/12	-1.4	-0.4	-1.0
3/13	9.4	10.6	-1.2
6/13	2.1	2.9	-0.8
9/13	5.3	5.2	0.1
12/13	10.0	10.5	-0.5
3/14	1.1	1.8	-0.7
6/14	4.4	5.2	-0.8
9/14	1.5	1.1	0.4
12/14	4.7	4.9	-0.2
3/15	1.0	0.9	0.1
6/15	0.4	0.3	0.1
9/15	-8.9	-6.4	-2.5
12/15	4.6	7.0	-2.4
3/16	0.1	1.3	-1.2
6/16	2.0	2.5	-0.5
9/16	4.6	3.9	0.7
12/16	3.9	3.8	0.1

**MID CAP EQUITY MANAGER SUMMARY**

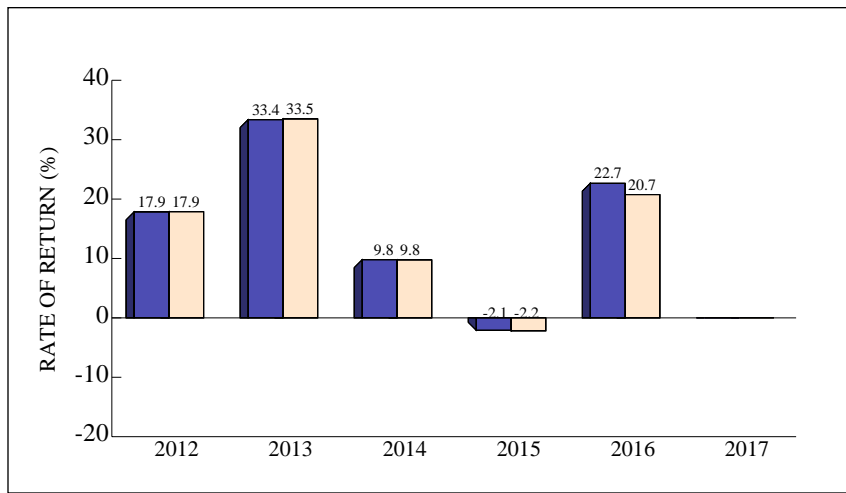


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
CLEARBRIDGE	(Mid Cap Core)	7.5 (27)	7.5 (27)	----	----	----	\$7,824,121
<i>Russell Mid Cap</i>		3.2 ----	3.2 ----	13.8 ----	7.9 ----	14.7 ----	----
WEDGE	(Mid Cap Value)	4.7 (84)	4.7 (84)	----	----	----	\$7,420,152
<i>Russell Mid Cap Value</i>		5.5 ----	5.5 ----	20.0 ----	9.4 ----	15.7 ----	----
<b>TOTAL</b>	<b>(Mid Cap)</b>	<b>6.1 (32)</b>	<b>6.1 (32)</b>	<b>22.7 (9)</b>	<b>9.7 (16)</b>	<b>15.7 (29)</b>	<b>\$15,244,273</b>
<i>S&amp;P 400</i>		7.4 ----	7.4 ----	20.7 ----	9.0 ----	15.3 ----	----

MID CAP EQUITY RETURN COMPARISONS



Mid Cap Universe

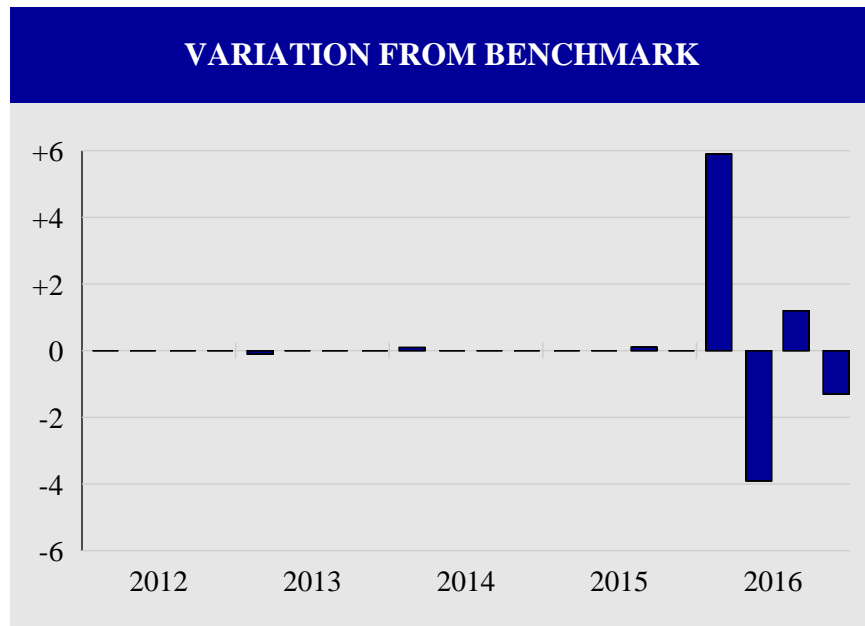


	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	6.1	11.7	11.8	22.7	9.7	15.7
(RANK)	(32)	(32)	(44)	(9)	(16)	(29)
5TH %ILE	11.0	17.7	19.2	24.5	11.0	18.0
25TH %ILE	7.4	12.4	15.7	17.9	9.0	15.9
MEDIAN	4.3	8.7	10.8	12.3	7.1	14.7
75TH %ILE	0.5	4.8	7.1	6.1	4.5	12.5
95TH %ILE	-2.7	1.6	3.8	1.4	1.3	10.1
<b>S&amp;P 400</b>	<b>7.4</b>	<b>11.9</b>	<b>16.3</b>	<b>20.7</b>	<b>9.0</b>	<b>15.3</b>

Mid Cap Universe

**MID CAP EQUITY QUARTERLY PERFORMANCE SUMMARY**

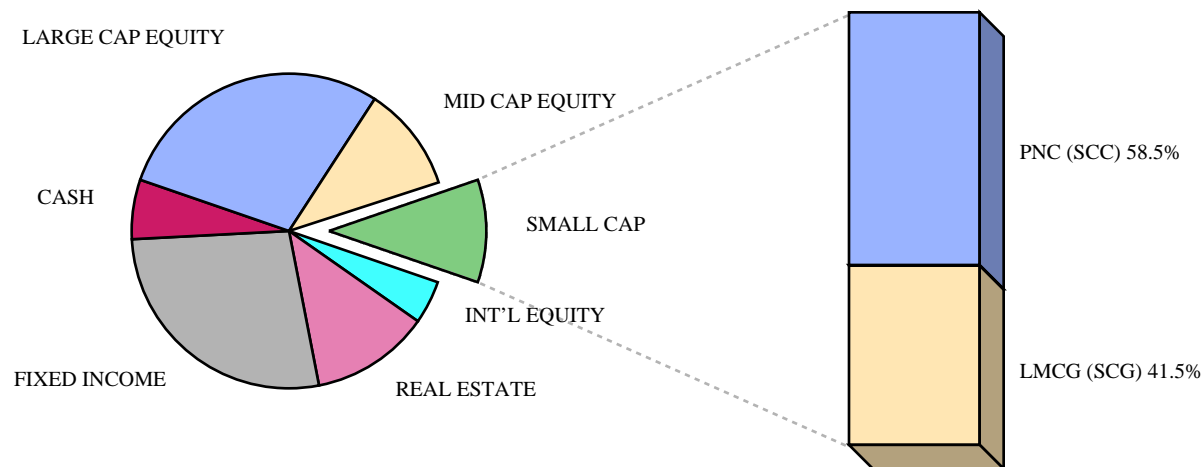
**COMPARATIVE BENCHMARK: S&P 400**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
3/12	13.5	13.5	0.0
6/12	-4.9	-4.9	0.0
9/12	5.4	5.4	0.0
12/12	3.6	3.6	0.0
3/13	13.4	13.5	-0.1
6/13	1.0	1.0	0.0
9/13	7.5	7.5	0.0
12/13	8.3	8.3	0.0
3/14	3.1	3.0	0.1
6/14	4.3	4.3	0.0
9/14	-4.0	-4.0	0.0
12/14	6.3	6.3	0.0
3/15	5.3	5.3	0.0
6/15	-1.1	-1.1	0.0
9/15	-8.4	-8.5	0.1
12/15	2.6	2.6	0.0
3/16	9.7	3.8	5.9
6/16	0.1	4.0	-3.9
9/16	5.3	4.1	1.2
12/16	6.1	7.4	-1.3

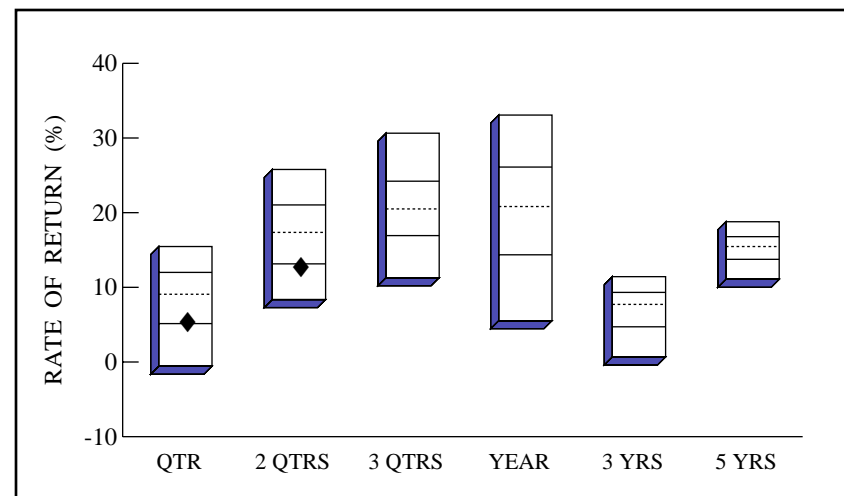
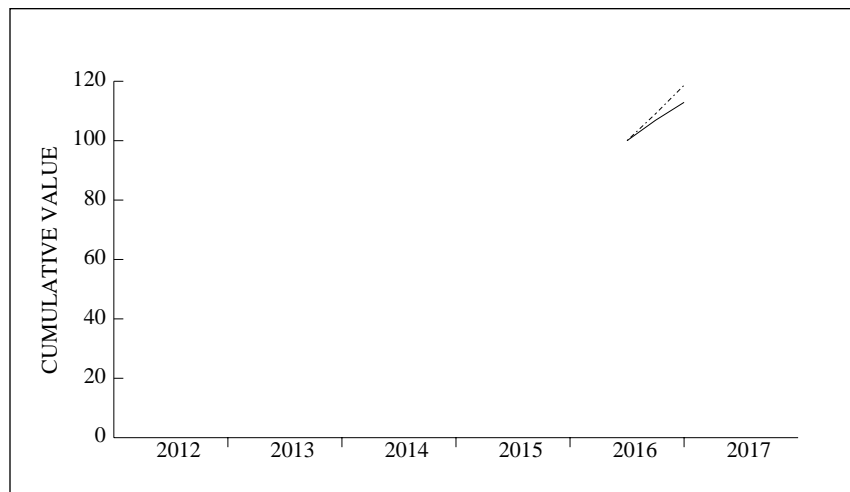
<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>17</b>
<b>Quarters Below the Benchmark</b>	<b>3</b>
<b>Batting Average</b>	<b>.850</b>

**SMALL CAP EQUITY MANAGER SUMMARY**

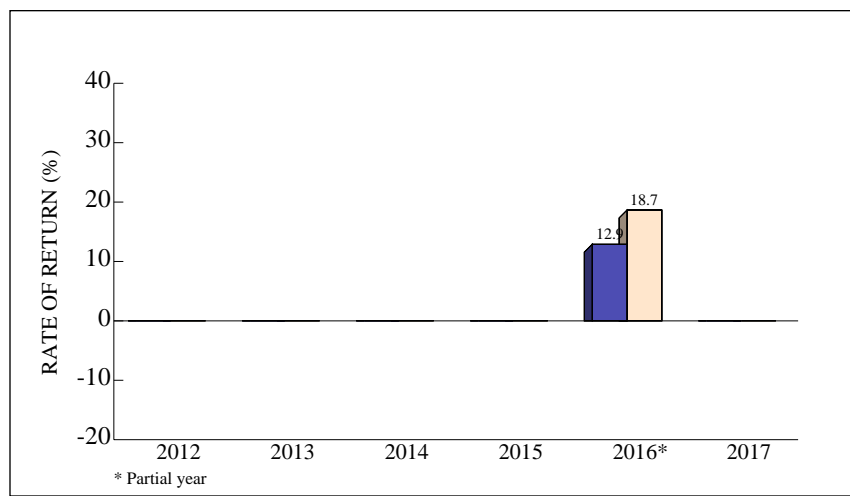


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
PNC	(Small Cap Core)	8.3 (67)	8.3 (67)	----	----	----	\$8,666,190
<i>Russell 2000</i>		8.8 ----	8.8 ----	21.3 ----	6.7 ----	14.5 ----	----
LMCG	(Small Cap Growth)	2.5 (60)	2.5 (60)	----	----	----	\$6,142,945
<i>Russell 2000 Growth</i>		3.6 ----	3.6 ----	11.3 ----	5.0 ----	13.7 ----	----
<b>TOTAL</b>	<b>(Small Cap)</b>	<b>5.7 (73)</b>	<b>5.7 (73)</b>	----	----	----	<b>\$14,809,135</b>
<i>Russell 2000</i>		8.8 ----	8.8 ----	21.3 ----	6.7 ----	14.5 ----	----

### SMALL CAP EQUITY RETURN COMPARISONS



Small Cap Universe



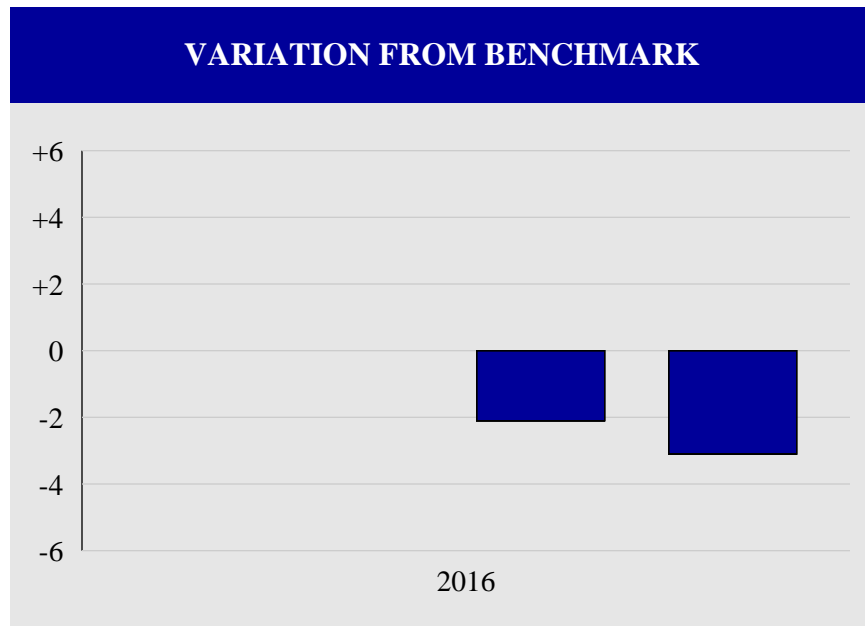
	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	5.7	12.9	---	---	---	---
(RANK)	(73)	(77)	---	---	---	---
5TH %ILE	15.5	25.8	30.7	33.1	11.4	18.8
25TH %ILE	12.0	21.0	24.2	26.1	9.3	16.8
MEDIAN	9.1	17.4	20.5	20.8	7.7	15.5
75TH %ILE	5.2	13.2	16.9	14.4	4.7	13.7
95TH %ILE	-0.6	8.3	11.3	5.5	0.7	11.1
<b>Russ 2000</b>	<b>8.8</b>	<b>18.7</b>	<b>23.2</b>	<b>21.3</b>	<b>6.7</b>	<b>14.5</b>

Small Cap Universe



**SMALL CAP EQUITY QUARTERLY PERFORMANCE SUMMARY**

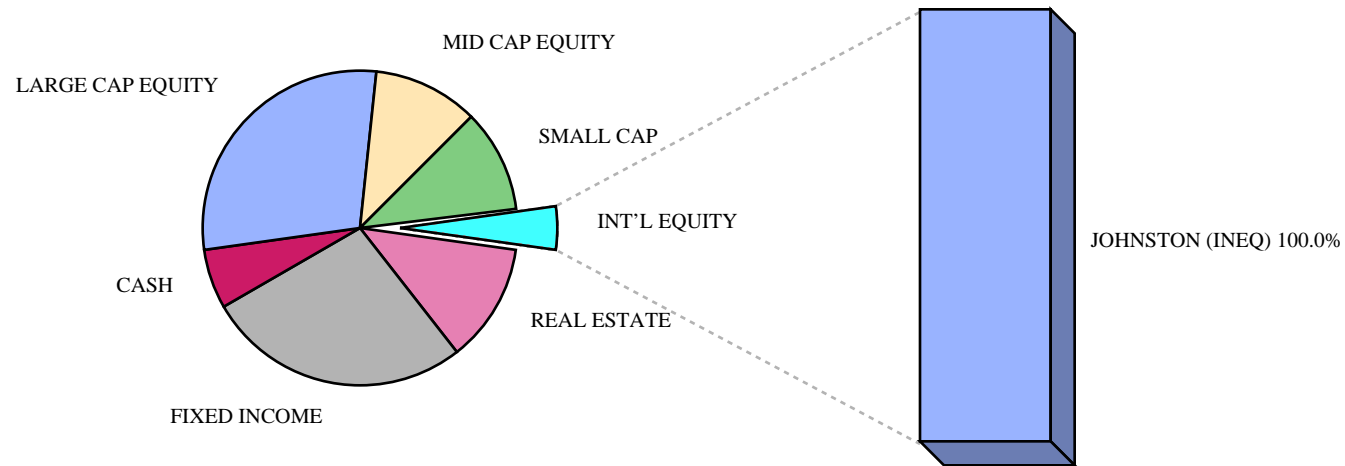
**COMPARATIVE BENCHMARK: RUSSELL 2000**



<b>RATES OF RETURN</b>			
Date	Portfolio	Benchmark	Difference
9/16	6.9	9.0	-2.1
12/16	5.7	8.8	-3.1

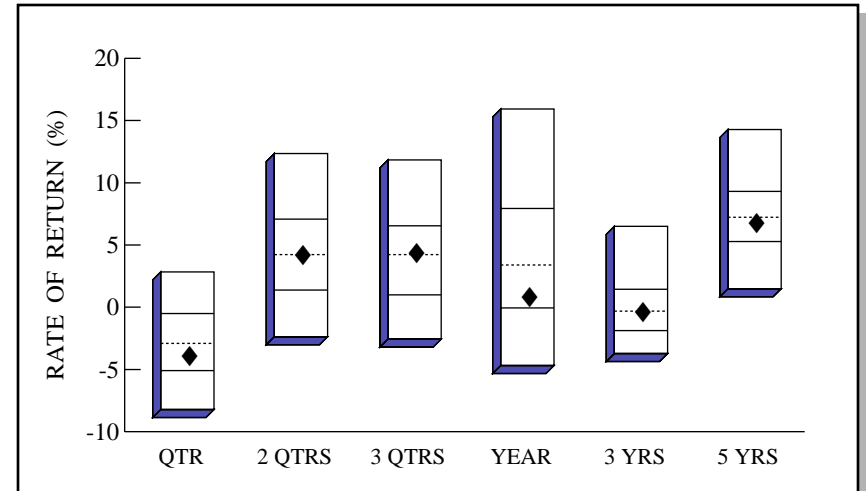
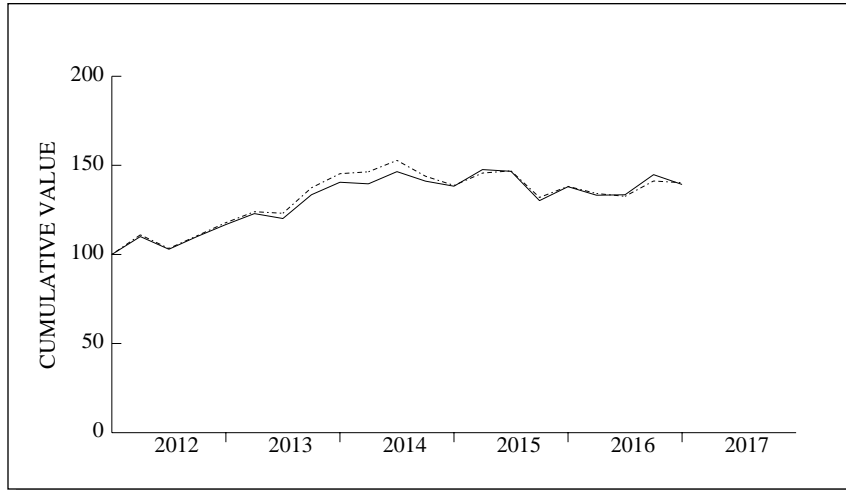
<b>Total Quarters Observed</b>	<b>2</b>
<b>Quarters At or Above the Benchmark</b>	<b>0</b>
<b>Quarters Below the Benchmark</b>	<b>2</b>
<b>Batting Average</b>	<b>.000</b>

**INTERNATIONAL EQUITY MANAGER SUMMARY**

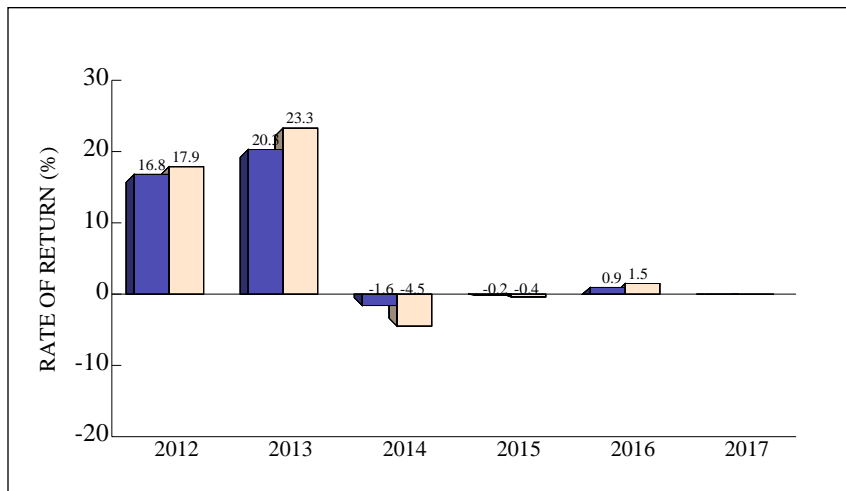


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
JOHNSTON	(International Equity)	-5.1 (75)	-5.1 (75)	1.7 (62)	0.9 (32)	7.1 (55)	\$6,142,371
<i>MSCI EAFE</i>		<i>-0.7 ---</i>	<i>-0.7 ---</i>	<i>1.5 ---</i>	<i>-1.2 ---</i>	<i>7.0 ---</i>	<i>---</i>
<b>TOTAL</b>	<b>(International Equity)</b>	<b>-3.8 (61)</b>	<b>-3.8 (61)</b>	<b>0.9 (68)</b>	<b>-0.3 (50)</b>	<b>6.9 (59)</b>	<b>\$6,142,371</b>
<i>MSCI EAFE</i>		<i>-0.7 ---</i>	<i>-0.7 ---</i>	<i>1.5 ---</i>	<i>-1.2 ---</i>	<i>7.0 ---</i>	<i>---</i>

### INTERNATIONAL EQUITY RETURN COMPARISONS



International Equity Universe

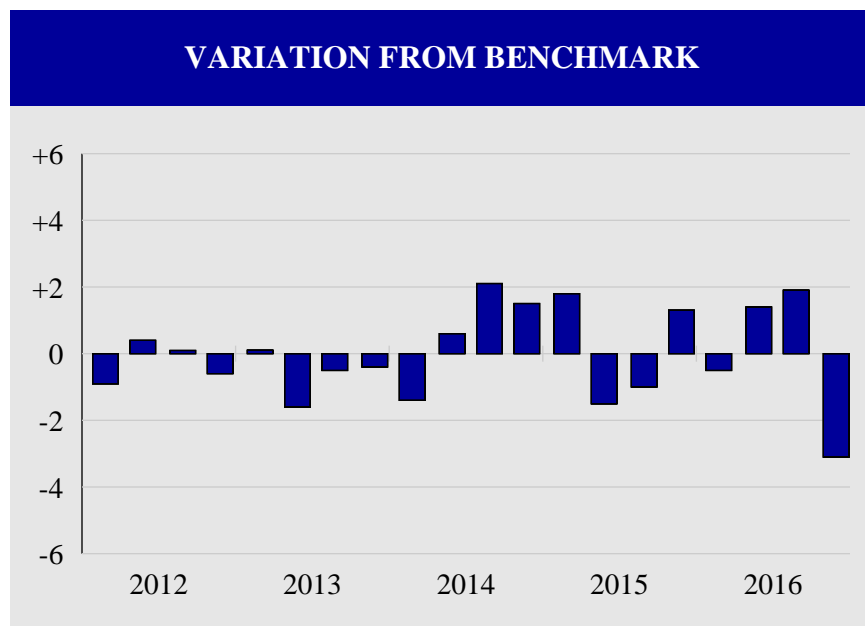


	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	-3.8	4.3	4.5	0.9	-0.3	6.9
(RANK)	(61)	(50)	(46)	(68)	(50)	(59)
5TH %ILE	2.8	12.4	11.8	15.9	6.5	14.3
25TH %ILE	-0.5	7.1	6.5	7.9	1.5	9.3
MEDIAN	-2.9	4.2	4.2	3.4	-0.3	7.2
75TH %ILE	-5.1	1.4	1.0	-0.1	-1.9	5.3
95TH %ILE	-8.2	-2.4	-2.6	-4.7	-3.7	1.5
<b>MSCI EAFE</b>	<b>-0.7</b>	<b>5.8</b>	<b>4.5</b>	<b>1.5</b>	<b>-1.2</b>	<b>7.0</b>

International Equity Universe

**INTERNATIONAL EQUITY QUARTERLY PERFORMANCE SUMMARY**

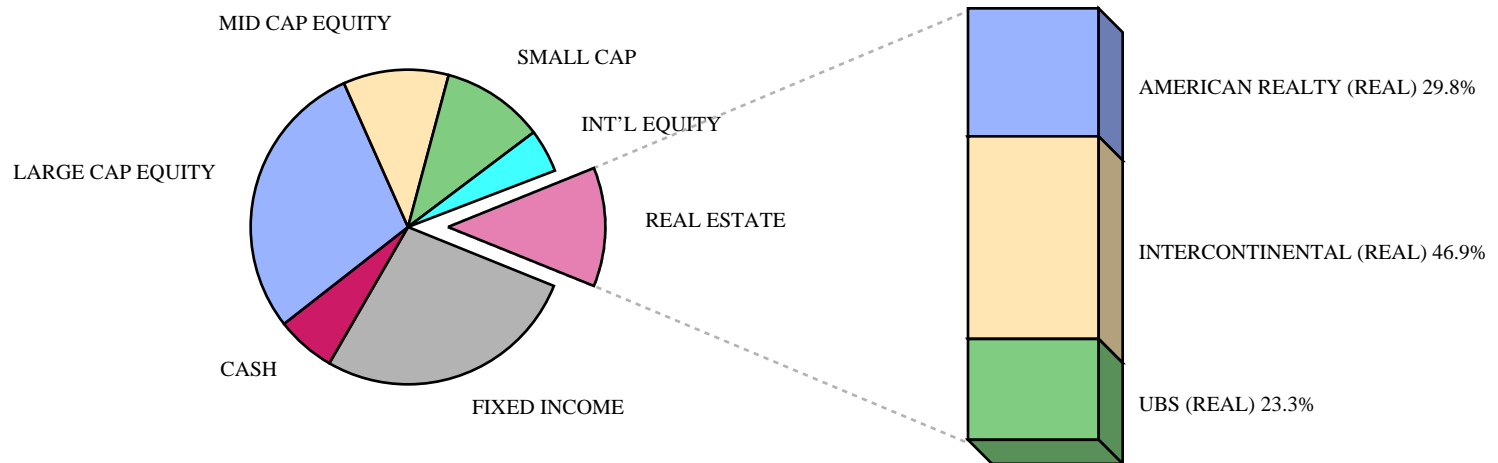
**COMPARATIVE BENCHMARK: MSCI EAFE**



<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>10</b>
<b>Quarters Below the Benchmark</b>	<b>10</b>
<b>Batting Average</b>	<b>.500</b>

<b>RATES OF RETURN</b>			
Date	Portfolio	Benchmark	Difference
3/12	10.1	11.0	-0.9
6/12	-6.5	-6.9	0.4
9/12	7.1	7.0	0.1
12/12	6.0	6.6	-0.6
3/13	5.3	5.2	0.1
6/13	-2.3	-0.7	-1.6
9/13	11.1	11.6	-0.5
12/13	5.3	5.7	-0.4
3/14	-0.6	0.8	-1.4
6/14	4.9	4.3	0.6
9/14	-3.7	-5.8	2.1
12/14	-2.0	-3.5	1.5
3/15	6.8	5.0	1.8
6/15	-0.7	0.8	-1.5
9/15	-11.2	-10.2	-1.0
12/15	6.0	4.7	1.3
3/16	-3.4	-2.9	-0.5
6/16	0.2	-1.2	1.4
9/16	8.4	6.5	1.9
12/16	-3.8	-0.7	-3.1

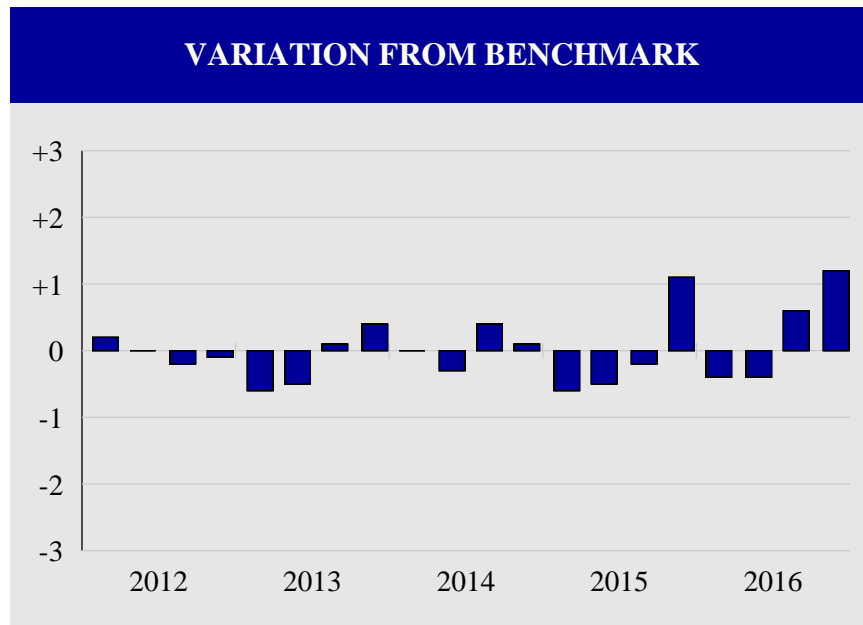
**REAL ESTATE MANAGER SUMMARY**



MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
AMERICAN REALTY		1.2 ---	1.2 ---	7.2 ---	11.3 ---	11.5 ---	\$5,099,292
INTERCONTINENTAL		5.7 ---	5.7 ---	13.2 ---	13.8 ---	---	\$8,032,878
UBS		1.5 ---	1.5 ---	7.2 ---	10.6 ---	---	\$3,990,288
<i>NCREIF NFI-ODCE Index</i>		<i>2.1 ---</i>	<i>2.1 ---</i>	<i>8.7 ---</i>	<i>12.0 ---</i>	<i>12.2 ---</i>	---
<b>TOTAL</b>		<b>3.3 ---</b>	<b>3.3 ---</b>	<b>9.9 ---</b>	<b>12.4 ---</b>	<b>12.2 ---</b>	<b>\$17,122,458</b>
<i>NCREIF NFI-ODCE Index</i>		<i>2.1 ---</i>	<i>2.1 ---</i>	<i>8.7 ---</i>	<i>12.0 ---</i>	<i>12.2 ---</i>	---

**REAL ESTATE QUARTERLY PERFORMANCE SUMMARY**

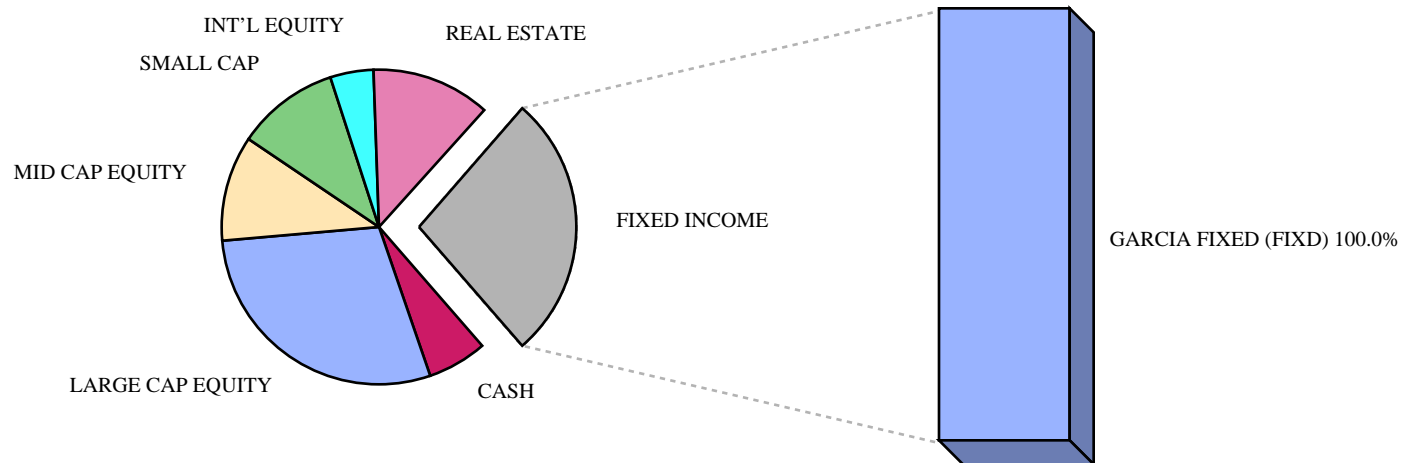
**COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
3/12	3.0	2.8	0.2
6/12	2.5	2.5	0.0
9/12	2.6	2.8	-0.2
12/12	2.2	2.3	-0.1
3/13	2.1	2.7	-0.6
6/13	3.4	3.9	-0.5
9/13	3.7	3.6	0.1
12/13	3.6	3.2	0.4
3/14	2.5	2.5	0.0
6/14	2.6	2.9	-0.3
9/14	3.6	3.2	0.4
12/14	3.4	3.3	0.1
3/15	2.8	3.4	-0.6
6/15	3.3	3.8	-0.5
9/15	3.5	3.7	-0.2
12/15	4.4	3.3	1.1
3/16	1.8	2.2	-0.4
6/16	1.7	2.1	-0.4
9/16	2.7	2.1	0.6
12/16	3.3	2.1	1.2

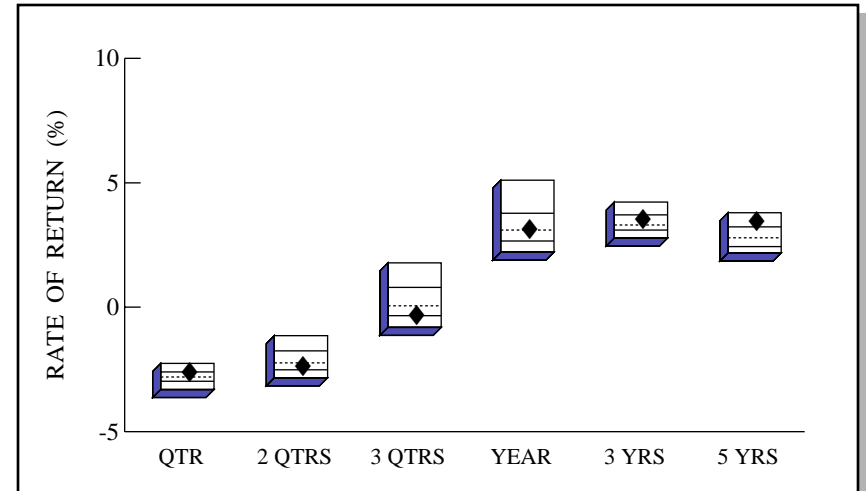
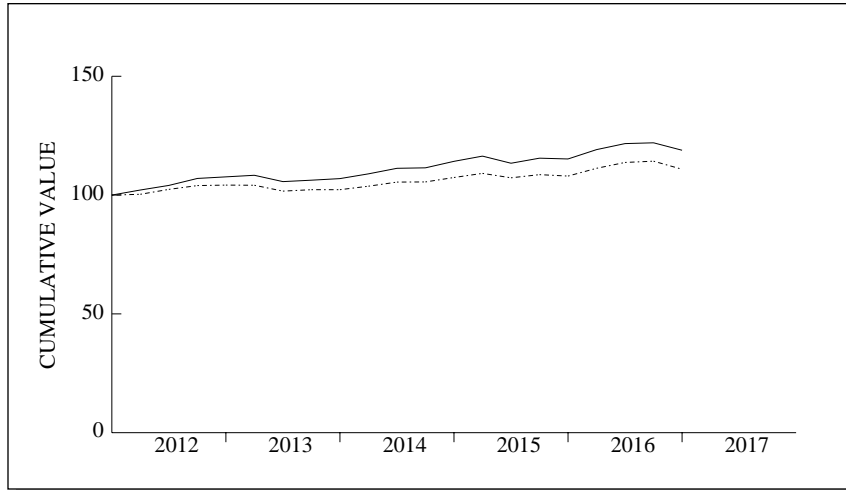
<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>10</b>
<b>Quarters Below the Benchmark</b>	<b>10</b>
<b>Batting Average</b>	<b>.500</b>

**FIXED INCOME MANAGER SUMMARY**

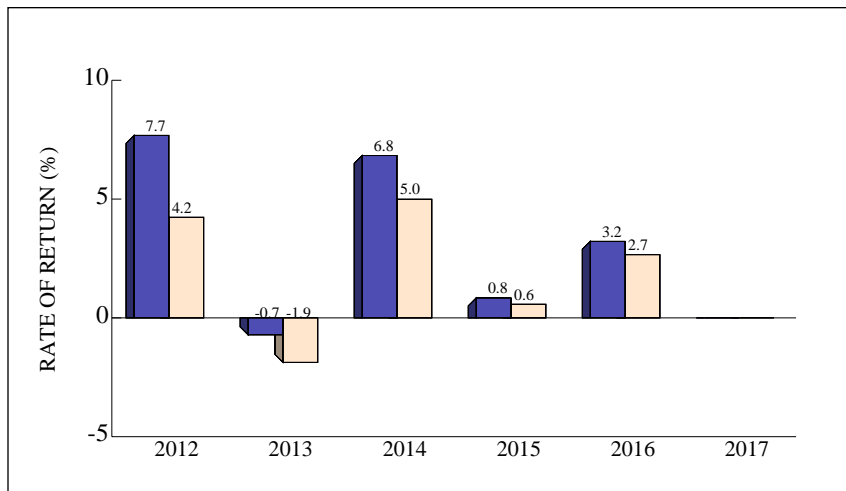


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
GARCIA FIXED	(Core Fixed Income)	-2.5 (20)	-2.5 (20)	3.2 (46)	3.9 (15)	4.3 (3)	\$38,421,706
<i>Custom Fixed Income Index</i>		-3.0 ----	-3.0 ----	2.7 ----	2.7 ----	2.1 ----	----
<b>TOTAL</b>	<b>(Core Fixed Income)</b>	<b>-2.5 (20)</b>	<b>-2.5 (20)</b>	<b>3.2 (46)</b>	<b>3.6 (30)</b>	<b>3.5 (12)</b>	<b>\$38,421,706</b>
<i>Custom Fixed Income Index</i>		-3.0 ----	-3.0 ----	2.7 ----	2.7 ----	2.1 ----	----

**FIXED INCOME RETURN COMPARISONS**



Core Fixed Income Universe



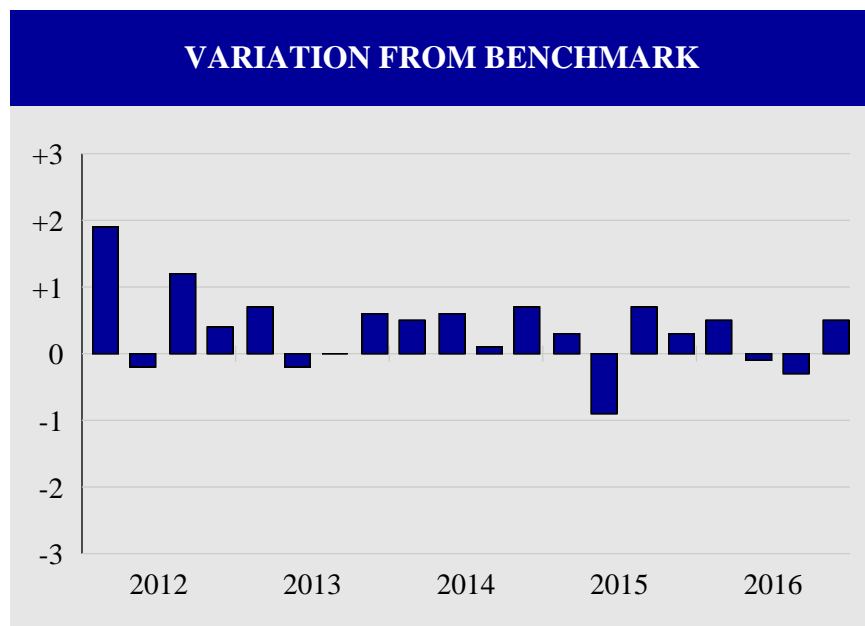
	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-2.5	-2.3	-0.2	3.2	3.6	3.5
(RANK)	(20)	(56)	(69)	(46)	(30)	(12)
5TH %ILE	-2.3	-1.1	1.8	5.1	4.2	3.8
25TH %ILE	-2.6	-1.8	0.8	3.8	3.7	3.2
MEDIAN	-2.8	-2.2	0.1	3.1	3.3	2.8
75TH %ILE	-3.0	-2.5	-0.3	2.7	3.1	2.4
95TH %ILE	-3.3	-2.8	-0.8	2.2	2.8	2.2
<b>Custom Idx</b>	<b>-3.0</b>	<b>-2.5</b>	<b>-0.4</b>	<b>2.7</b>	<b>2.7</b>	<b>2.1</b>

Core Fixed Income Universe



## FIXED INCOME QUARTERLY PERFORMANCE SUMMARY

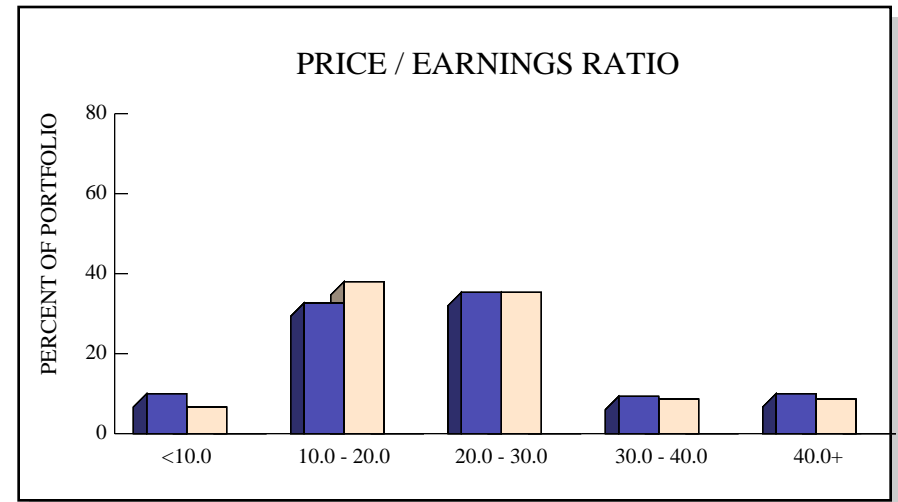
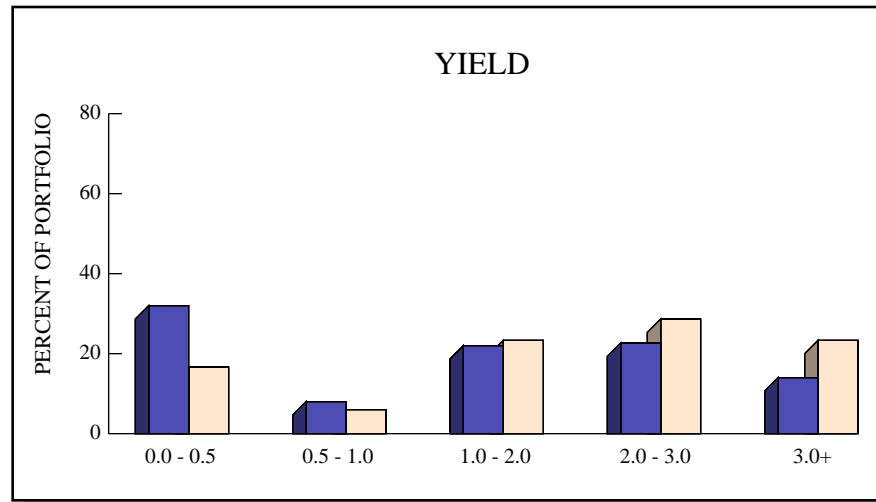
COMPARATIVE BENCHMARK: CUSTOM FIXED INCOME INDEX



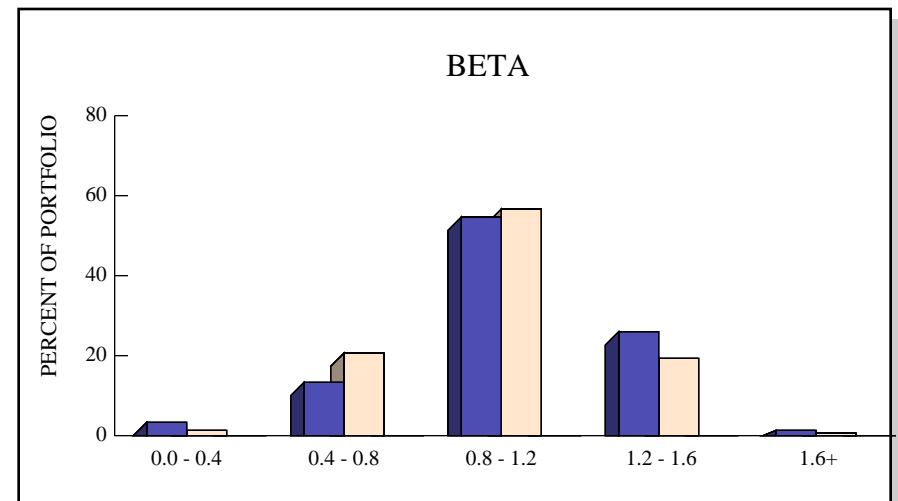
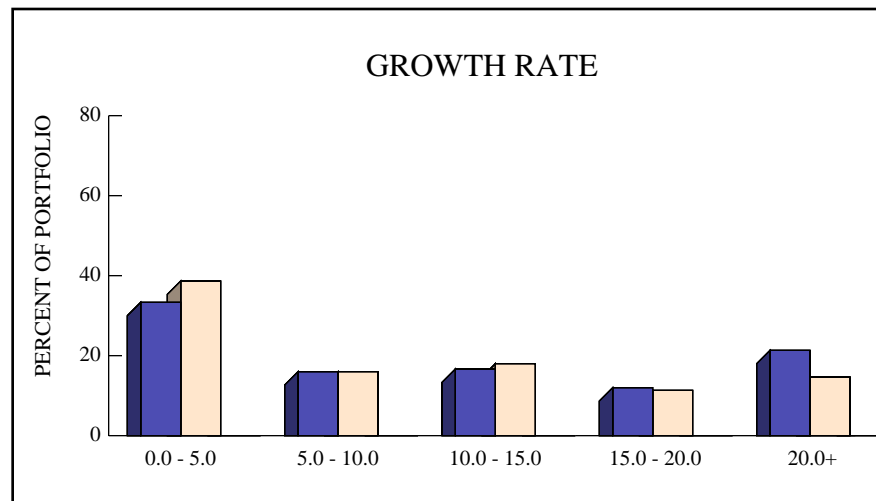
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
3/12	2.2	0.3	1.9
6/12	1.9	2.1	-0.2
9/12	2.8	1.6	1.2
12/12	0.6	0.2	0.4
3/13	0.6	-0.1	0.7
6/13	-2.5	-2.3	-0.2
9/13	0.6	0.6	0.0
12/13	0.6	0.0	0.6
3/14	1.9	1.4	0.5
6/14	2.2	1.6	0.6
9/14	0.2	0.1	0.1
12/14	2.5	1.8	0.7
3/15	1.9	1.6	0.3
6/15	-2.6	-1.7	-0.9
9/15	1.9	1.2	0.7
12/15	-0.3	-0.6	0.3
3/16	3.5	3.0	0.5
6/16	2.1	2.2	-0.1
9/16	0.2	0.5	-0.3
12/16	-2.5	-3.0	0.5

<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>15</b>
<b>Quarters Below the Benchmark</b>	<b>5</b>
<b>Batting Average</b>	<b>.750</b>

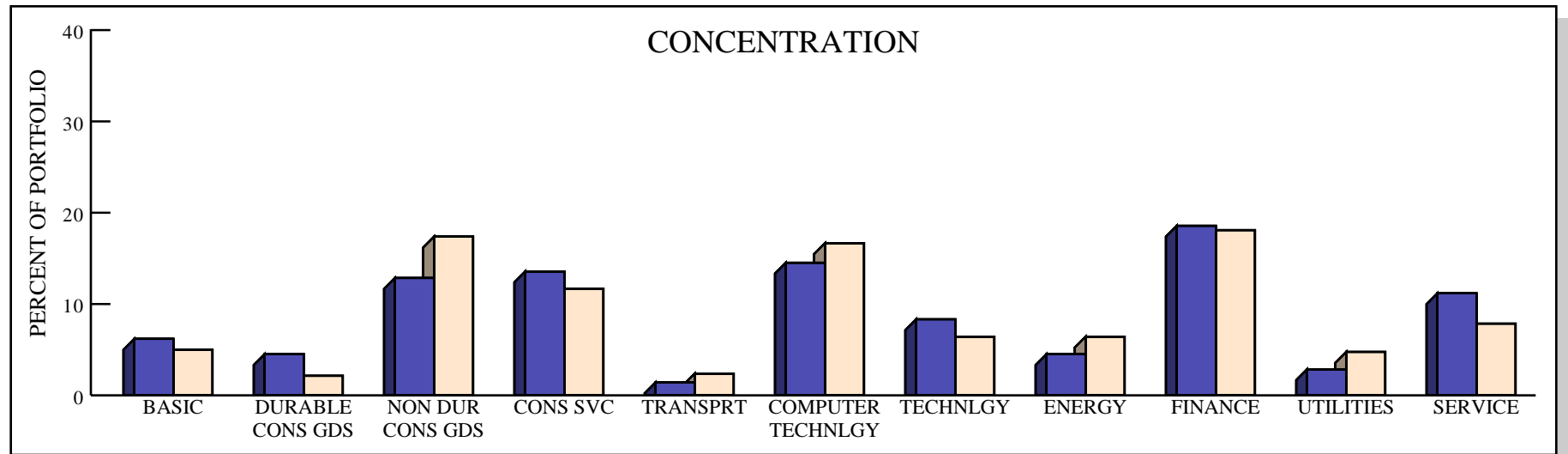
**STOCK CHARACTERISTICS**



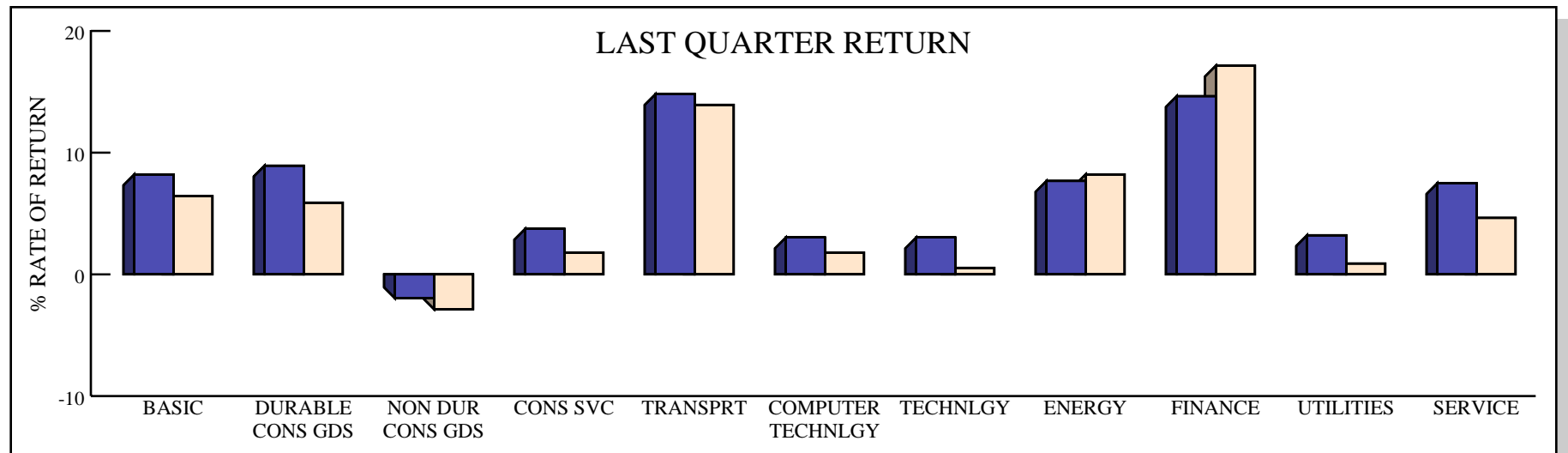
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	662	1.6%	11.4%	22.3	1.04
S&P 500	504	2.1%	8.6%	23.1	1.00



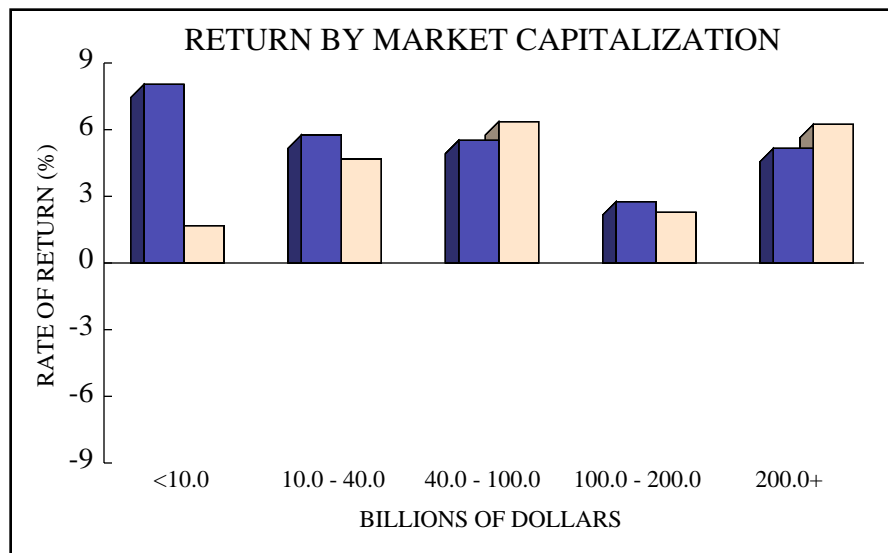
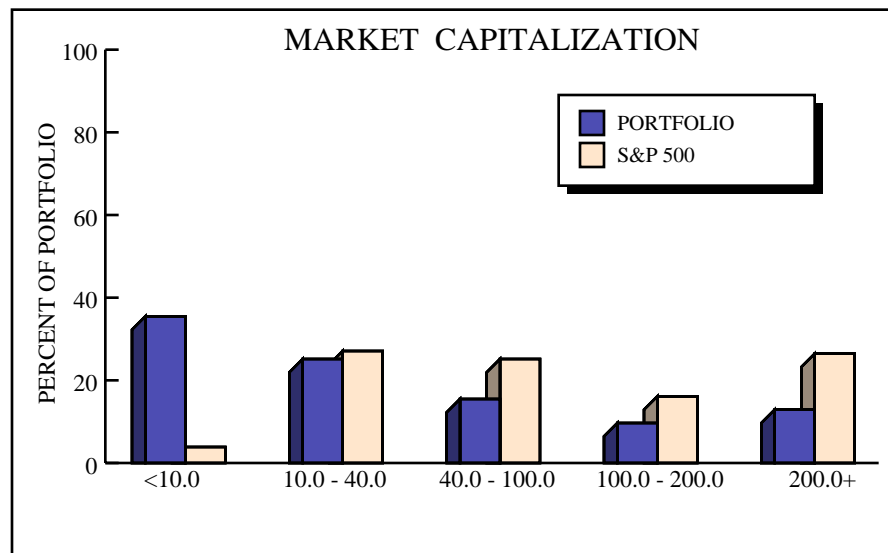
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ S&P 500



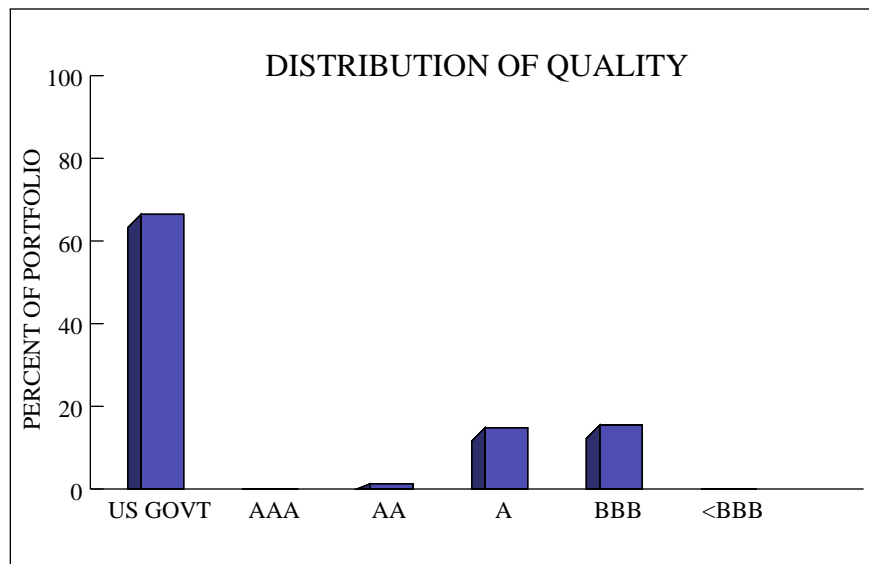
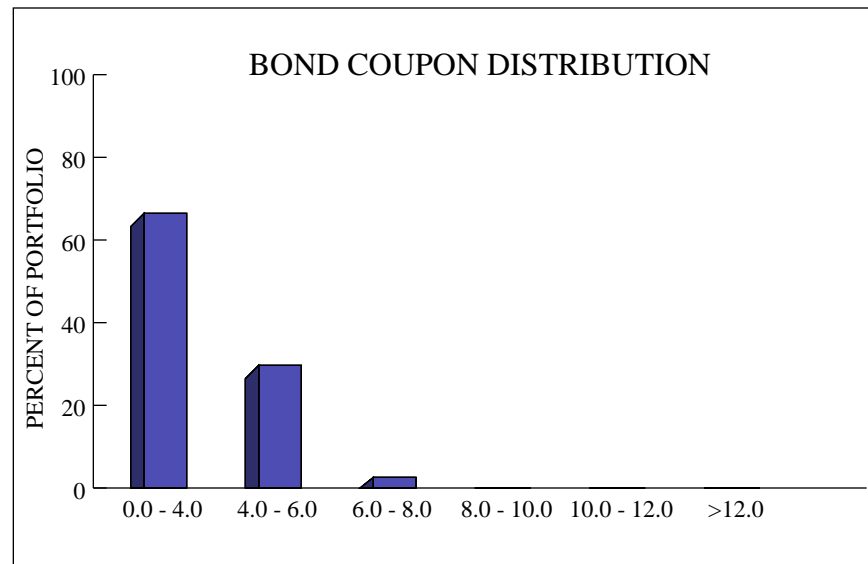
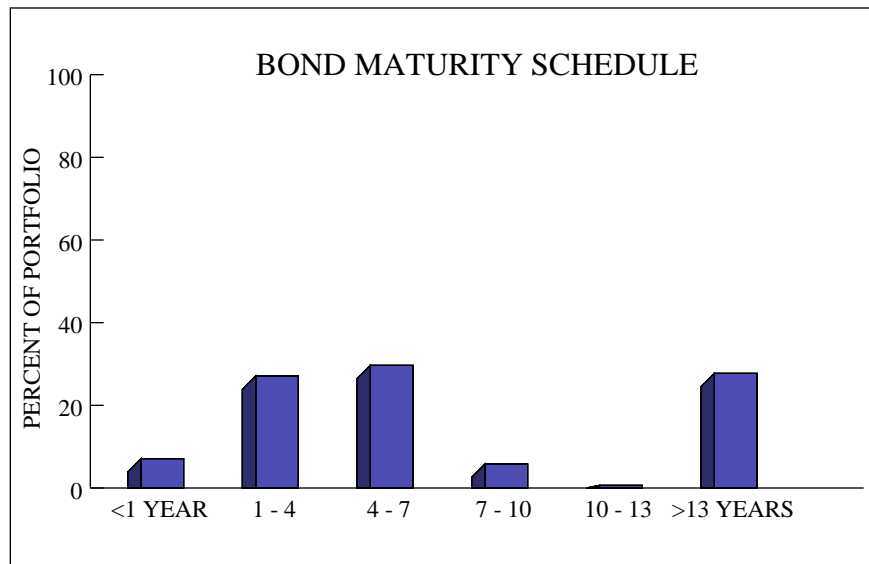
**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	APPLE INC	\$ 1,093,920	2.89%	2.9%	Computer Tech	\$ 617.6 B
2	MICROSOFT CORP	853,182	2.26%	8.5%	Computer Tech	483.2 B
3	COMCAST CORP-CLASS A	784,546	2.08%	4.5%	Service	164.6 B
4	AMAZON.COM INC	632,140	1.67%	-10.4%	Consumer Service	356.3 B
5	JOHNSON & JOHNSON	547,478	1.45%	-1.8%	NonDur Cons Goods	313.4 B
6	ALPHABET INC-CL A	495,281	1.31%	-1.4%	Computer Tech	234.6 B
7	EXXON MOBIL CORP	490,924	1.30%	4.2%	Energy	374.3 B
8	BROADCOM LTD	481,698	1.27%	2.7%	Computer Tech	70.5 B
9	EOG RESOURCES INC	476,181	1.26%	4.7%	Energy	58.3 B
10	WHIRLPOOL CORP	465,513	1.23%	12.6%	Durable Cons Goods	13.7 B

**BOND CHARACTERISTICS**



	<b>PORTFOLIO</b>	<b>AGGREGATE INDEX</b>
No. of Securities	33	10,069
Duration	6.39	5.89
YTM	2.25	2.61
Average Coupon	3.15	3.08
Avg Maturity / WAL	10.39	8.19
Average Quality	AAA	USG-AAA

**COMPLIANCE REPORT****Total Portfolio**

Total Portfolio return exceeds the Shadow Index for the three or five year period:	NO
Large Cap Portfolio return exceeds the S&P 500 Index for the three or five year period:	NO
Large Cap Portfolio rank exceeds the median for the three or five year period:	NO
Mid Cap Portfolio return exceeds the S&P 400 Index for the three or five year period:	YES
Mid Cap Portfolio rank exceeds the median for the three or five year period:	YES
International Equity Portfolio return exceeds the MSCI EAFE Index for the three or five year period:	YES
International Equity Portfolio rank exceeds the median for the three or five year period:	NO
Real Estate Portfolio return exceeds the NCREIF ODCE Index for the three or five year period:	YES
Fixed Income Portfolio return exceeds the Barclays Aggregate Index for the three or five year period:	YES
Fixed Income Portfolio rank exceeds the median for the three or five year period:	YES

**COMPLIANCE REPORT**

<i><b>Total Fund Asset Allocation</b></i>	<i><b>Actual</b></i>	<i><b>Target</b></i>	<i><b>Minimum</b></i>	<i><b>Maximum</b></i>	<i><b>Compliance</b></i>
Domestic Equity	50.1%	50.0%	40.0%	60.0%	YES
Int'l Equity	4.4%	12.5%	7.5%	17.5%	NO
Real Estate	12.1%	10.0%	5.0%	16.0%	YES
Fixed	27.2%	27.5%	20.0%	35.0%	YES
Cash	6.2%	---	---	---	---

<i><b>Manager Allocation</b></i>	<i><b>Actual</b></i>	<i><b>Target</b></i>	<i><b>Minimum</b></i>	<i><b>Maximum</b></i>	<i><b>Compliance</b></i>
Vanguard Institutional Index	18.0%	10.0%	5.0%	15.0%	NO
Garcia Hamilton - LCG	4.8%	10.0%	5.0%	15.0%	NO
Lyrical LCV	6.2%	5.0%	2.5%	7.5%	YES
Clearbridge	5.6%	5.0%	2.5%	7.5%	YES
Wedge Capital	5.3%	5.0%	2.5%	7.5%	YES
PNC	6.4%	5.0%	2.5%	7.5%	YES
LMCG	4.6%	5.0%	2.5%	7.5%	YES
Johnston	4.4%	7.5%	4.0%	10.0%	YES
SSgA - EAFE Index Fund	0.0%	5.0%	3.0%	7.0%	NO
American Realty	3.6%	3.0%	0.0%	6.0%	YES
Intercontinental	5.7%	4.0%	0.0%	7.0%	YES
UBS	2.8%	3.0%	0.0%	6.0%	YES
Garcia Hamilton - Fixed	27.3%	27.5%	20.0%	35.0%	YES
Cash account	5.3%	---	---	---	---

**COMPLIANCE REPORT****Garcia Hamilton**

Equity Portfolio return exceeds the Russell 1000 Growth Index for the three or five year period:	NO
Equity Portfolio rank exceeds the median for the three or five year period:	NO
Fixed Income Portfolio return exceeds the Barclay's Aggregate Index for the three or five year period:	YES
Fixed Income rank exceeds the median for the three or five year period:	YES
All portfolio holdings are listed on national stock exchanges:	YES
Portfolio holdings include a maximum of 10% ADR / foreign multinational companies:	YES
Portfolio Beta does not exceed 1.3:	YES
All portfolio holdings have $\geq 5$ year operating history:	YES
All portfolio holdings have a market capitalization $\geq$ \$.100 B:	YES
No more than 15% of portfolio is comprised of holdings with market caps $<$ \$5 B:	YES
No individual holding comprises more than 5% of the portfolio:	YES
Corporate bonds hold an average rating of at least A:	YES
No more than 5% of Fixed Income holdings are in a single non-USG bond:	YES



**COMPLIANCE REPORT****Lyrical Capital**

All portfolio holdings are listed on national stock exchanges:	YES
Portfolio holdings include a maximum of 15% ADR / foreign multinational companies:	YES
Portfolio Beta does not exceed 1.3:	YES
More than 65% of holdings have a market capitalization $\geq$ \$5 B:	YES
No individual holding comprises more than 10% of the portfolio:	YES

**PNC**

All portfolio holdings are listed on national stock exchanges:	YES
Portfolio holdings include a maximum of 15% ADR / foreign multinational companies:	YES
Portfolio Beta does not exceed 1.8:	YES
More than 80% of holdings have a market capitalization $\geq$ \$500mm and $<$ \$15B:	YES
No individual holding comprises more than 5% of the portfolio:	YES

**Davie Police Pension  
Manager Fee Schedules  
December 31, 2016**

<b>Manager</b>	<b>Fee Schedule</b>	<b>Dec 2016 Balance</b>	<b>Fee Allocation</b>
Vanguard 500	4bps on balance	\$25,408,063	\$10,163
Garcia Hamilton Equity	50 bps on first \$25m 25bps on remainder	\$6,788,262	\$33,941
Lyrical LCV	75bps on balance	\$8,802,963	\$66,022
Clearbridge	65bps on balance	\$7,955,449	\$51,710
Wedge	75bps on balance	\$7,420,205	\$55,652
PNC	80bps on balance	\$8,988,094	\$71,905
LMCG	85bps on balance	\$6,459,479	\$54,906
Johnston	85bps on first \$10m 75bps on next \$15m 65bps on next \$25m 60bps on remainder	\$6,142,371	\$52,210
American Realty	110 bps on balance	\$5,099,292	\$56,092
Intercontinental		\$8,032,878	\$88,362
UBS	95.5bps on first \$10m 82.5bps on next \$15m 80.5bps on next \$25m 79bps on next \$50m 67bps on next \$150m 60bps on next \$150m	\$3,990,288	\$38,107
Garcia Hamilton Fixed	25 bps on balance	\$38,504,598	\$96,262
Cash		\$7,515,153	
<b>Total</b>		<b>\$141,107,095</b>	<b>\$675,332</b>

## APPENDIX - MAJOR MARKET INDEX RETURNS

<b>Economic Data</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
Consumer Price Index	Economic Data	0.0	0.0	2.1	1.2	1.4
<b>Domestic Equity</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
Russell 3000	Broad Equity	4.2	4.2	12.7	8.4	14.7
S&P 500	Large Cap Core	3.8	3.8	12.0	8.9	14.7
Russell 1000	Large Cap	3.8	3.8	12.0	8.6	14.7
Russell 1000 Growth	Large Cap Growth	1.0	1.0	7.1	8.6	14.5
Russell 1000 Value	Large Cap Value	6.7	6.7	17.3	8.6	14.8
Russell Mid Cap	Midcap	3.2	3.2	13.8	7.9	14.7
Russell Mid Cap Growth	Midcap Growth	0.5	0.5	7.3	6.2	13.5
Russell Mid Cap Value	Midcap Value	5.5	5.5	20.0	9.4	15.7
Russell 2000	Small Cap	8.8	8.8	21.3	6.7	14.5
Russell 2000 Growth	Small Cap Growth	3.6	3.6	11.3	5.0	13.7
Russell 2000 Value	Small Cap Value	14.1	14.1	31.7	8.3	15.1
<b>International Equity</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
MSCI All Country World Ex US	Foreign Equity	-1.2	-1.2	5.0	-1.3	5.5
MSCI EAFE	Developed Markets Equity	-0.7	-0.7	1.5	-1.2	7.0
MSCI EAFE Growth	Developed Markets Growth	-5.5	-5.5	-2.6	-0.8	7.1
MSCI EAFE Value	Developed Markets Value	4.2	4.2	5.7	-1.6	6.9
MSCI Emerging Markets	Emerging Markets Equity	-4.1	-4.1	11.6	-2.2	1.6
<b>Domestic Fixed Income</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
Bloomberg Barclays Aggregate Index	Core Fixed Income	-3.0	-3.0	2.7	3.0	2.2
Bloomberg Barclays Capital Gov't Bond	Treasuries	-3.7	-3.7	1.0	2.3	1.2
Bloomberg Barclays Capital Credit Bond	Corporate Bonds	-3.0	-3.0	5.6	4.1	3.8
Intermediate Aggregate	Core Intermediate	-2.0	-2.0	2.0	2.4	1.9
ML/BoA 1-3 Year Treasury	Short Term Treasuries	-0.4	-0.4	0.9	0.7	0.5
Citi High Yield BB & B Index	High Yield Bonds	1.5	1.5	15.4	4.4	6.7
<b>Alternative Assets</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
Bloomberg Barclays Global Treasury Ex US	International Treasuries	-11.3	-11.3	1.9	-1.9	-1.7
NCREIF NFI-ODCE Index	Real Estate	2.1	2.1	8.7	12.0	12.2
HFRI FOF Composite	Hedge Funds	1.1	1.1	0.7	1.2	3.5

**APPENDIX - DISCLOSURES**

\* The shadow index is a passive allocation-weighted index that was constructed using actual quarterly allocations and the following benchmarks:

Large Cap Equity	S&P 500
Mid Cap Equity	S&P 400
Small Cap Equity	Russell 2000
International Equity	MSCI EAFE
Real Estate	NCREIF NFI-ODCE Index
Fixed Income	Custom Fixed Income Index
Cash & Equivalent	90 Day T Bill

\* The Custom Fixed Income Index is a hybrid index that was 100% Barclays Gov/Credit through December 2008. From December 2008 through October 2013, the index was 100% Barclays Aggregate. From October 2013 through September 2014, the hybrid index was 50% Barclays Gov/Credit and 50% Barclays Aggregate. Since September 2014, this index is 100% Barclays Aggregate.

\* Dahab Associates utilizes data provided by a custodian and other vendors it believes are reliable. However, it cannot assume responsibility for errors and omissions therefrom.

\* All returns were calculated on a time-weighted basis, and are gross of fees unless otherwise noted.

\* All returns for periods greater than one year are annualized.

\* Dahab Associates uses the modified duration measure to present average duration.

\* All values are in US dollars.

\* In the second quarter of 2014 the balanced Buckhead & Garcia Hamilton accounts were each split into two different custodial accounts. The equity portfolios maintained the original account numbers, while the Fixed Income portfolios were given new account numbers. Fixed income securities stayed in the Equity accounts until they had reached maturity. The custodian shows the proceeds of these maturities in the Equity accounts; however, we have shown these securities as part of the fixed income accounts from the start of the quarter. As a result, the cash balances were adjusted.

DAVIE POLICE PENSION PLAN  
VANGUARD - INSTITUTIONAL INDEX FUND  
PERFORMANCE REVIEW  
DECEMBER 2016

## **INVESTMENT RETURN**

On December 31st, 2016, the Davie Police Pension Plan's Vanguard Institutional Index Fund was valued at \$25,408,063, representing an increase of \$3,824,261 from the September quarter's ending value of \$21,583,802. Last quarter, the Fund posted net contributions equaling \$3,000,000 plus a net investment gain equaling \$824,261. Total net investment return was the result of income receipts, which totaled \$155,910 and net realized and unrealized capital gains of \$668,351.

For the cumulative period since December 2013, the fund has recorded net contributions totaling \$10.4 million, and recorded net investment gains of \$4.7 million. For the period since December 2013, if the total fund had returned a compound annual rate of 7.6% it would have been valued at \$24.8 million or \$601,218 less than the actual value as of December 31st, 2016.

## **RELATIVE PERFORMANCE**

In the fourth quarter, the Vanguard Institutional Index Fund gained 3.8%, which was equal to the S&P 500 Index's return of 3.8% and ranked in the 49th percentile of the Large Cap Core universe. Over the trailing year, the portfolio returned 12.0%, which was equal to the benchmark's 12.0% performance, and ranked in the 29th percentile. Since December 2013, the portfolio returned 8.9% on an annualized basis and ranked in the 33rd percentile. For comparison, the S&P 500 returned an annualized 8.9% over the same period.

## **ASSET ALLOCATION**

The plan was fully invested in the Vanguard Institutional Index Fund (VINIX).

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	Since 12/13
<b>Total Portfolio - Gross</b>	3.8	3.8	12.0	8.9	8.9
<i>LARGE CAP CORE RANK</i>	(49)	(49)	(29)	(33)	(33)
<b>Total Portfolio - Net</b>	3.8	3.8	11.9	8.9	8.9
S&P 500	3.8	3.8	12.0	8.9	8.9
<b>Large Cap Equity - Gross</b>	3.8	3.8	12.0	8.9	8.9
<i>LARGE CAP CORE RANK</i>	(49)	(49)	(29)	(33)	(33)
S&P 500	3.8	3.8	12.0	8.9	8.9

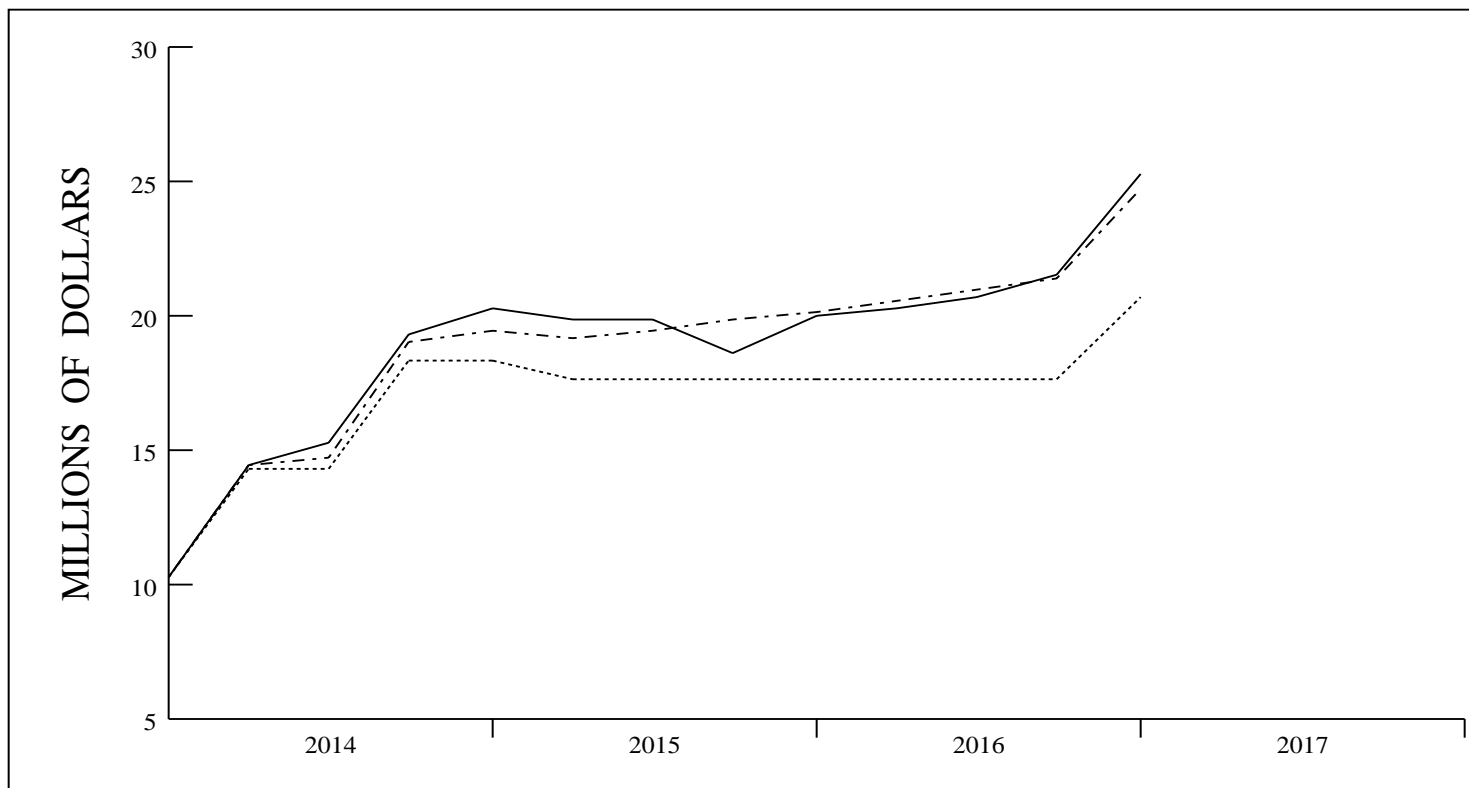
**ASSET ALLOCATION**

Large Cap Equity	100.0%	\$ 25,408,063
Total Portfolio	100.0%	\$ 25,408,063

**INVESTMENT RETURN**

Market Value 9/2016	\$ 21,583,802
Contribs / Withdrawals	3,000,000
Income	155,910
Capital Gains / Losses	668,351
Market Value 12/2016	\$ 25,408,063

**INVESTMENT GROWTH**



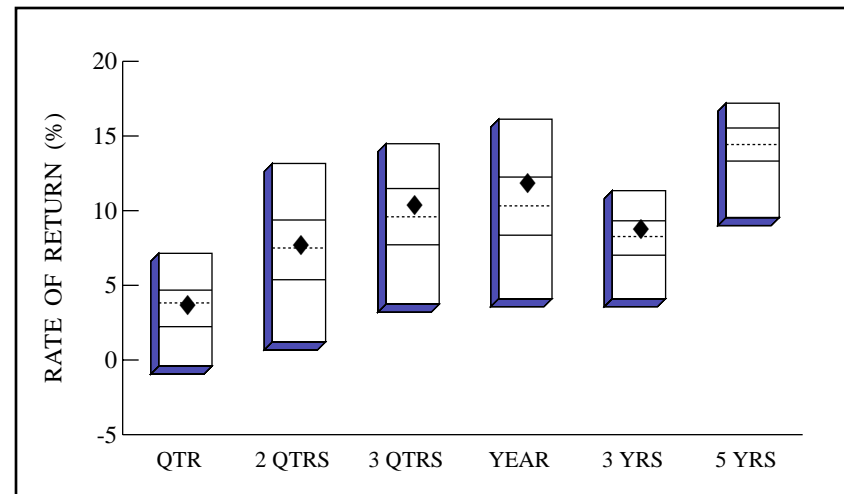
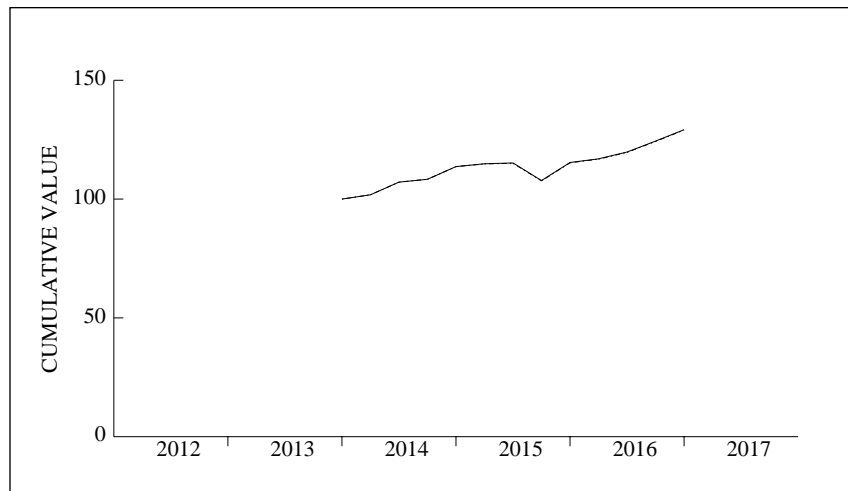
— ACTUAL RETURN  
 - - - 7.6%  
 ..... 0.0%

VALUE ASSUMING  
 7.6% RETURN \$ 24,806,845

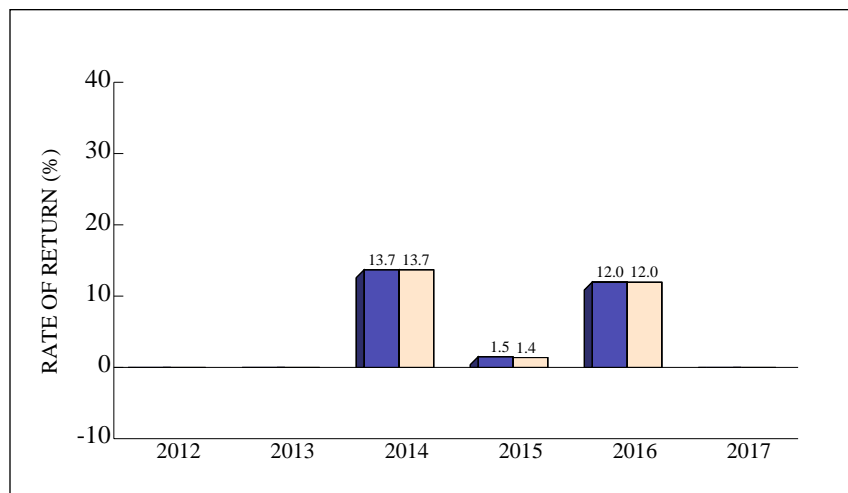
	LAST QUARTER	PERIOD 12/13 - 12/16
BEGINNING VALUE	\$ 21,583,802	\$ 10,343,510
NET CONTRIBUTIONS	3,000,000	10,366,434
INVESTMENT RETURN	824,261	4,698,119
ENDING VALUE	\$ 25,408,063	\$ 25,408,063
INCOME	155,910	1,282,292
CAPITAL GAINS (LOSSES)	668,351	3,415,827
INVESTMENT RETURN	824,261	4,698,119



**TOTAL RETURN COMPARISONS**



Large Cap Core Universe

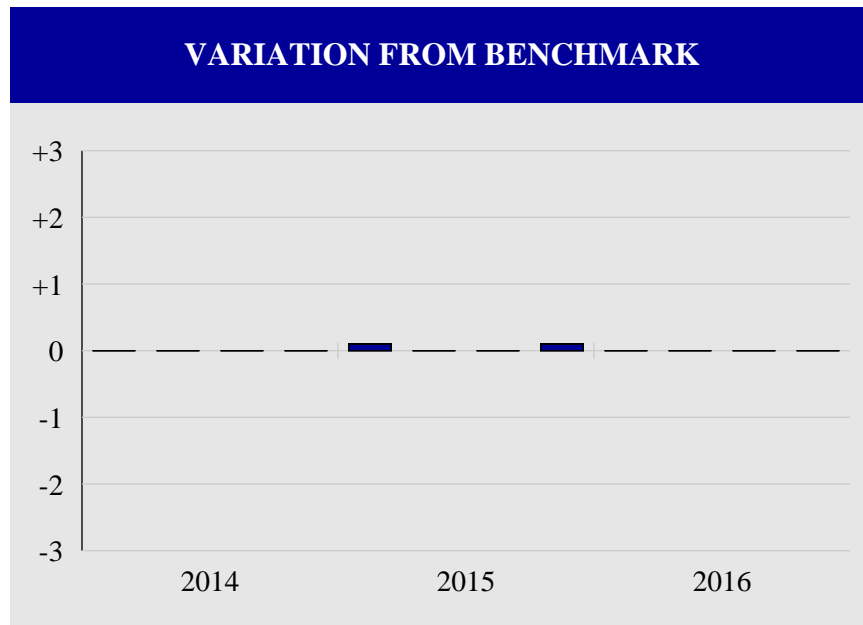


	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	3.8	7.8	10.5	12.0	8.9	----
(RANK)	(49)	(45)	(39)	(29)	(33)	----
5TH %ILE	7.1	13.2	14.5	16.1	11.3	17.2
25TH %ILE	4.7	9.4	11.5	12.3	9.3	15.5
MEDIAN	3.8	7.5	9.6	10.3	8.3	14.4
75TH %ILE	2.2	5.4	7.7	8.4	7.0	13.3
95TH %ILE	-0.4	1.2	3.7	4.1	4.1	9.5
<b>S&amp;P 500</b>	<b>3.8</b>	<b>7.8</b>	<b>10.5</b>	<b>12.0</b>	<b>8.9</b>	<b>14.7</b>

Large Cap Core Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

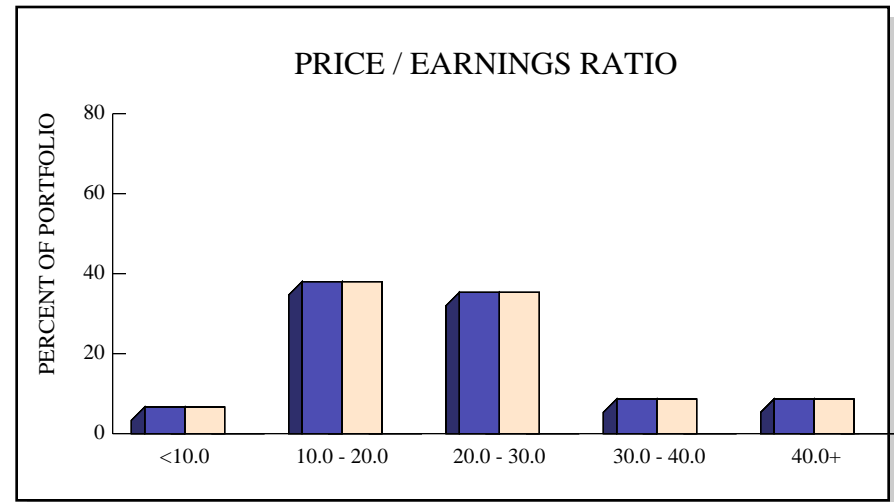
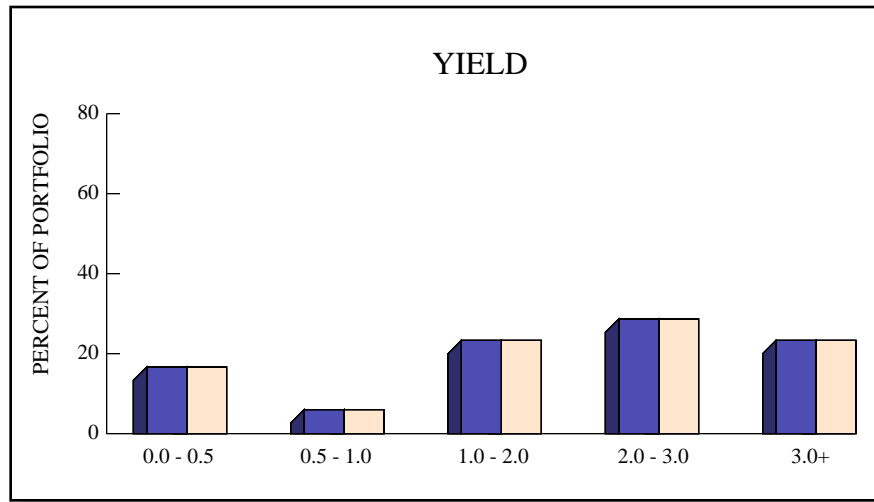
**COMPARATIVE BENCHMARK: S&P 500**



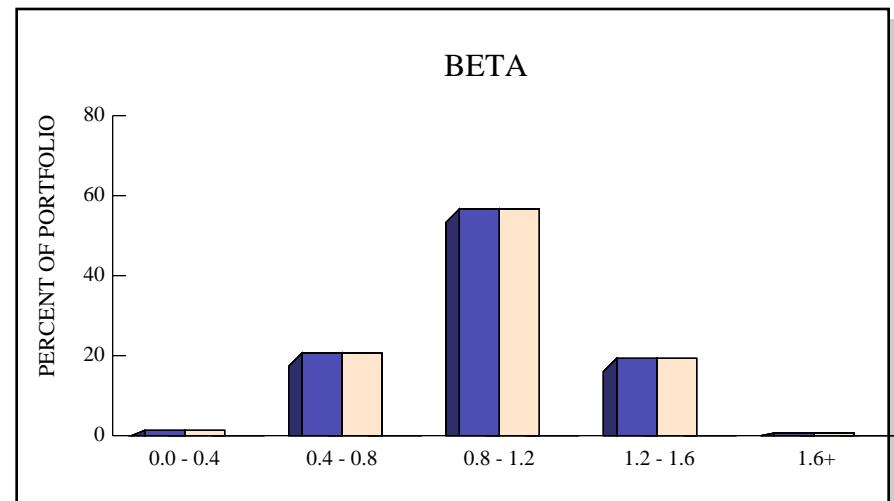
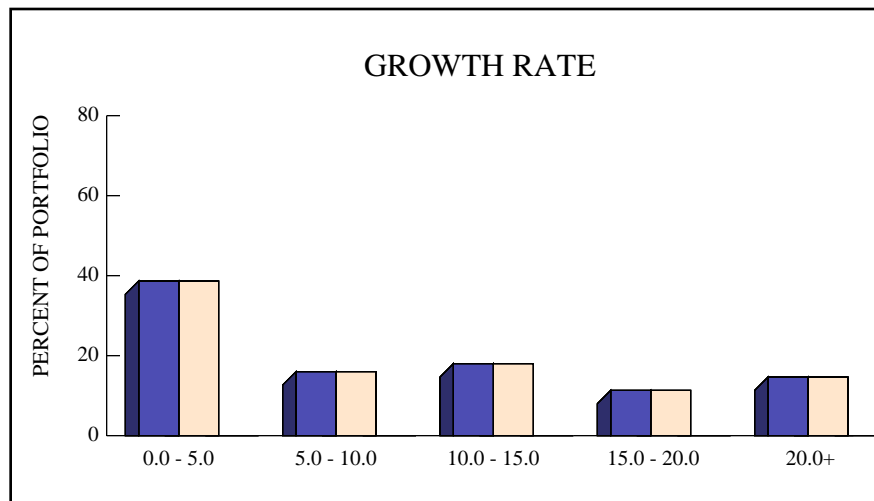
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
3/14	1.8	1.8	0.0
6/14	5.2	5.2	0.0
9/14	1.1	1.1	0.0
12/14	4.9	4.9	0.0
3/15	1.0	0.9	0.1
6/15	0.3	0.3	0.0
9/15	-6.4	-6.4	0.0
12/15	7.1	7.0	0.1
3/16	1.3	1.3	0.0
6/16	2.5	2.5	0.0
9/16	3.9	3.9	0.0
12/16	3.8	3.8	0.0

<b>Total Quarters Observed</b>	<b>12</b>
<b>Quarters At or Above the Benchmark</b>	<b>12</b>
<b>Quarters Below the Benchmark</b>	<b>0</b>
<b>Batting Average</b>	<b>1.000</b>

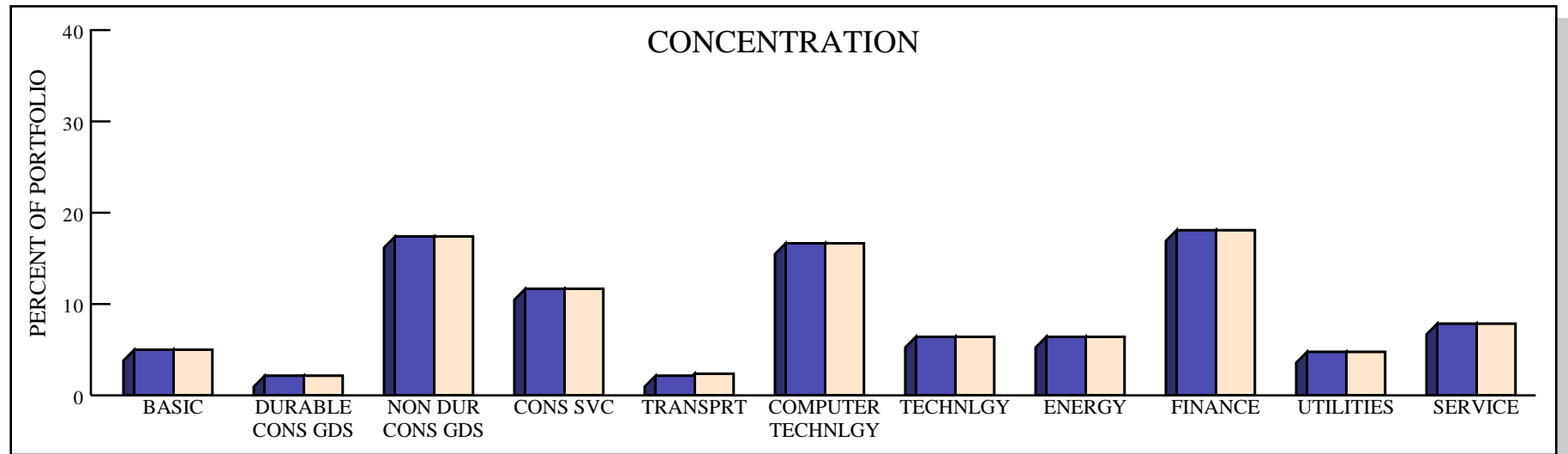
**STOCK CHARACTERISTICS**



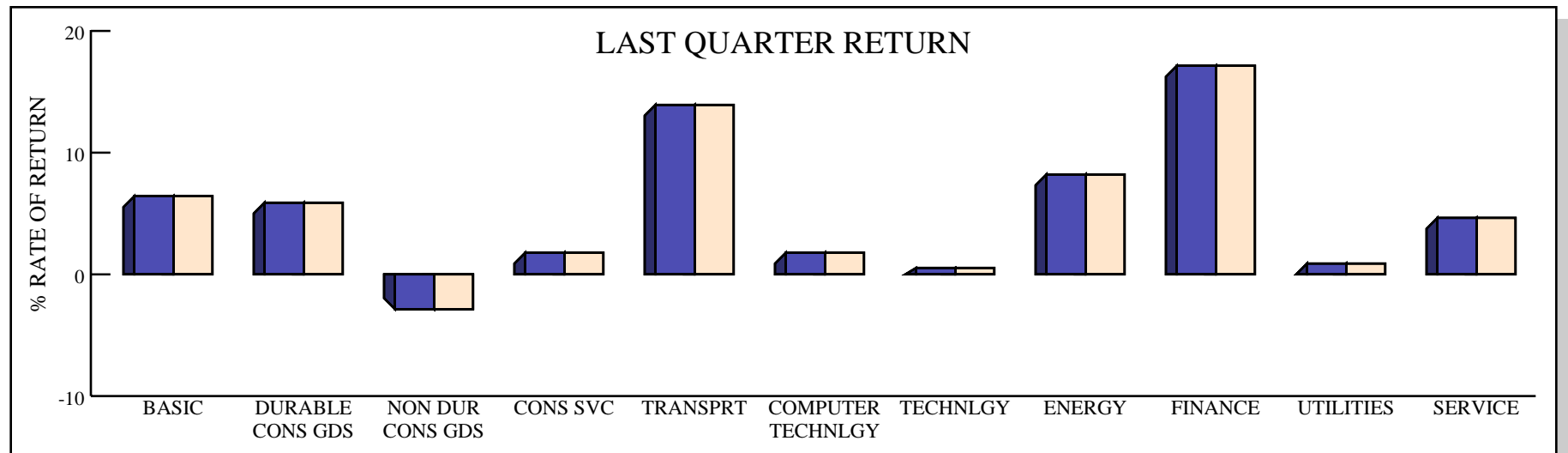
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	504	2.1%	8.6%	23.1	0.99
S&P 500	504	2.1%	8.6%	23.1	1.00



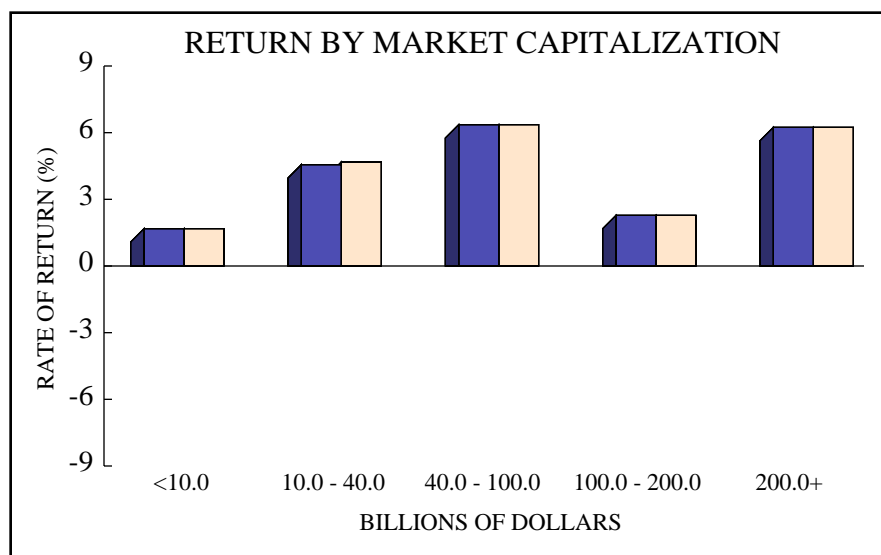
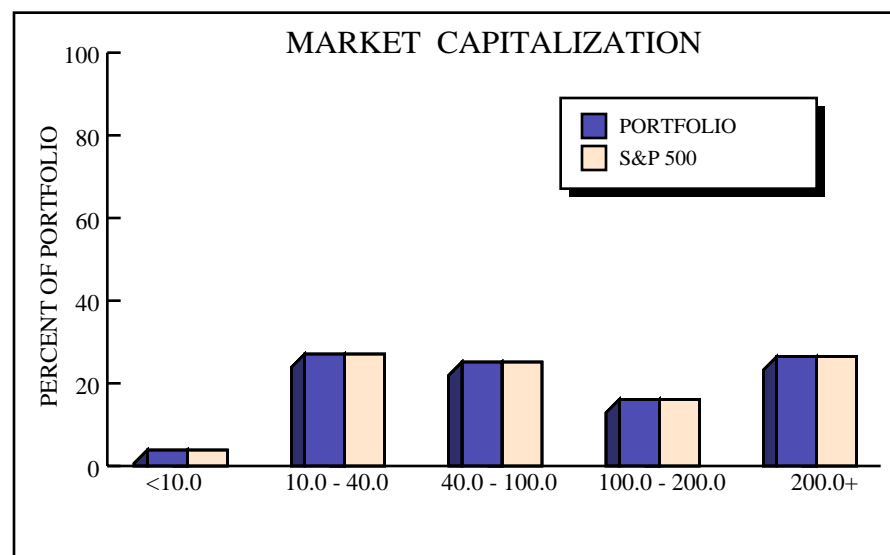
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ S&P 500



**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	APPLE INC	\$ 783,986	3.09%	2.9%	Computer Tech	\$ 617.6 B
2	MICROSOFT CORP	613,384	2.41%	8.5%	Computer Tech	483.2 B
3	EXXON MOBIL CORP	475,129	1.87%	4.2%	Energy	374.3 B
4	AMAZON.COM INC	452,172	1.78%	-10.4%	Consumer Service	356.3 B
5	JOHNSON & JOHNSON	397,935	1.57%	-1.8%	NonDur Cons Goods	313.4 B
6	JPMORGAN CHASE & CO	392,015	1.54%	30.1%	Finance	308.8 B
7	GENERAL ELECTRIC CO	354,868	1.40%	7.4%	Basic	279.5 B
8	WELLS FARGO & CO	351,381	1.38%	25.2%	Finance	276.8 B
9	FACEBOOK INC-A	341,929	1.35%	-10.3%	Computer Tech	269.3 B
10	ALPHABET INC-CL C	338,057	1.33%	-0.7%	Computer Tech	266.3 B

DAVIE POLICE PENSION PLAN  
GARCIA HAMILTON - EQUITY  
PERFORMANCE REVIEW  
DECEMBER 2016

## **INVESTMENT RETURN**

On December 31st, 2016, the Davie Police Pension Plan's Garcia Hamilton Equity portfolio was valued at \$6,788,262, representing an increase of \$30,466 from the September quarter's ending value of \$6,757,796. Last quarter, the Fund posted withdrawals totaling \$22,113, which offset the portfolio's net investment return of \$52,579. Income receipts totaling \$29,307 plus net realized and unrealized capital gains of \$23,272 combined to produce the portfolio's net investment return.

For the cumulative period since December 2011, the fund has recorded net withdrawals totaling \$18.2 million and posted net investment gains of \$9.4 million. For the period since December 2011, if the total fund had returned a compound annual rate of 7.6% it would have been valued at \$835,285 or \$6.0 million less than the actual value as of December 31st, 2016.

## **RELATIVE PERFORMANCE**

### **Total Fund**

In the fourth quarter, the Garcia Hamilton Equity portfolio gained 0.8%, which was 0.2% below the Russell 1000 Growth Index's return of 1.0% and ranked in the 42nd percentile of the Large Cap Growth universe. Over the trailing year, the portfolio returned 7.4%, which was 0.3% greater than the benchmark's 7.1% performance, and ranked in the 25th percentile. Since December 2011, the portfolio returned 12.3% on an annualized basis and ranked in the 87th percentile. For comparison, the Russell 1000 Growth returned an annualized 14.5% over the same period.

## **ASSET ALLOCATION**

On December 31st, 2016, large cap equities comprised 95.2% of the total portfolio (\$6.5 million), while cash & equivalents totaled 4.8% (\$327,738).

## **ANALYSIS**

At the end of the fourth quarter, the Garcia Hamilton Equity portfolio was invested in all eleven industry sectors utilized in our data analysis. Relative to the Russell 1000 Growth index, the portfolio was notably overweight in the Non-Durable Consumer Goods, Transportation, and Technology sectors, while being underweight in the Durable Consumer Goods, Computer Technology, Finance, and Service sectors. All other sectors closely mirrored the index in weight.

At the end of the fourth quarter the portfolio underperformed relative to the Russell 1000 Growth index. Seven of the eleven invested sectors lost ground to their counterparts. The three most allocated sectors, Non-Durable Consumer Goods, Consumer Service, and Computer Technology were the most harmful to the total return due to a combination of high weight and underperformance. The Durable Consumer Goods sector also fell significantly short of the benchmark, but fortunately a negligible allocation curbed the losses. The Technology, Finance, and Service sectors outpaced the index, keeping the total return from straying too far. At quarter end the fund returned 20 basis points below the benchmark.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	5 Years
<b>Total Portfolio - Gross</b>	0.8	0.8	7.4	6.9	12.3
<i>LARGE CAP GROWTH RANK</i>	(42)	(42)	(25)	(57)	(87)
<b>Total Portfolio - Net</b>	0.7	0.7	6.9	6.4	12.0
RUSSELL 1000G	1.0	1.0	7.1	8.6	14.5
<b>Large Cap Equity - Gross</b>	0.8	0.8	7.9	7.2	12.5
<i>LARGE CAP GROWTH RANK</i>	(41)	(41)	(22)	(52)	(86)
RUSSELL 1000G	1.0	1.0	7.1	8.6	14.5
S&P 500	3.8	3.8	12.0	8.9	14.7

**ASSET ALLOCATION**

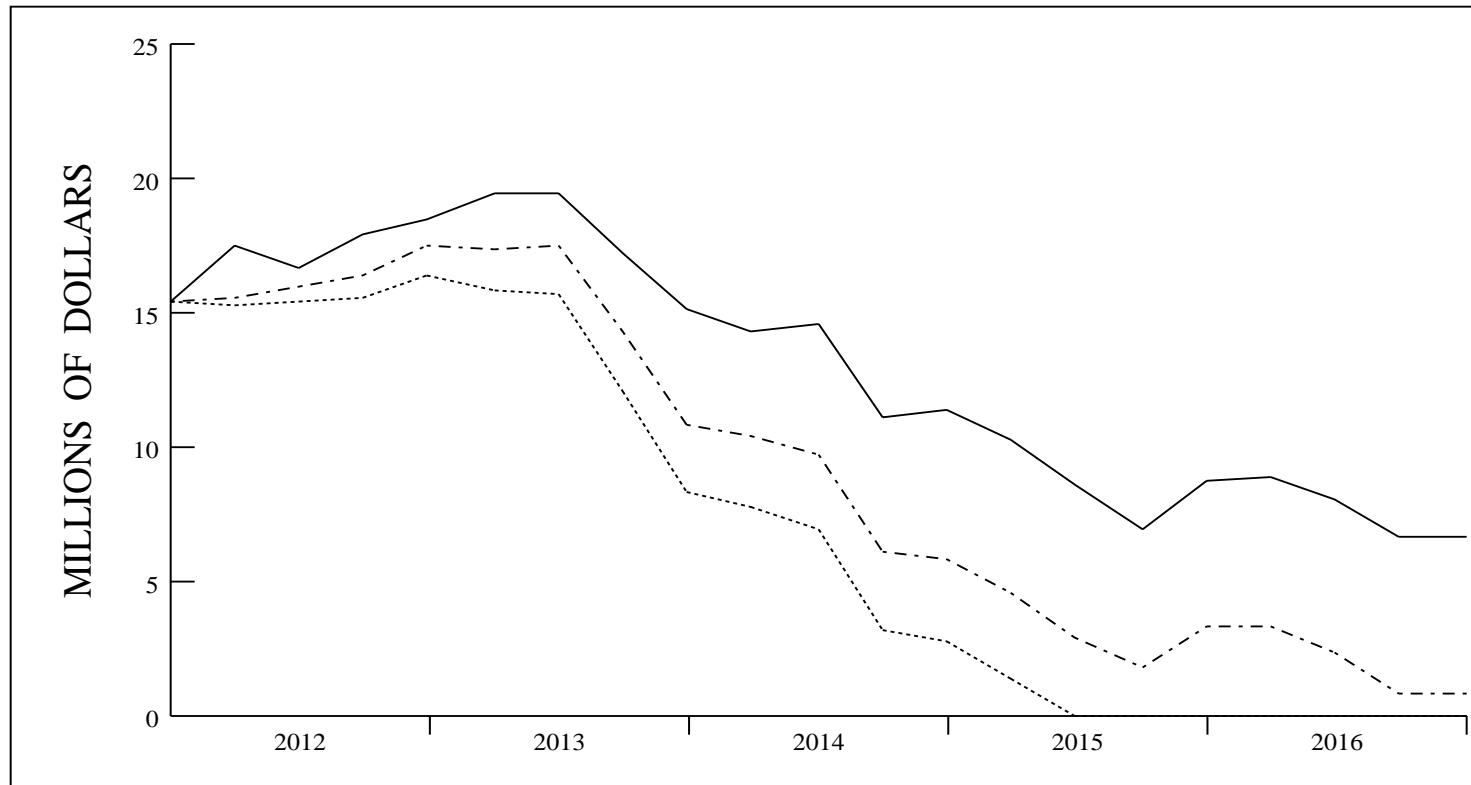
Large Cap Equity	95.2%	\$ 6,460,524
Cash	4.8%	327,738
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 6,788,262</b>

**INVESTMENT RETURN**

Market Value 9/2016	\$ 6,757,796
Contribs / Withdrawals	- 22,113
Income	29,307
Capital Gains / Losses	23,272
Market Value 12/2016	\$ 6,788,262



**INVESTMENT GROWTH**

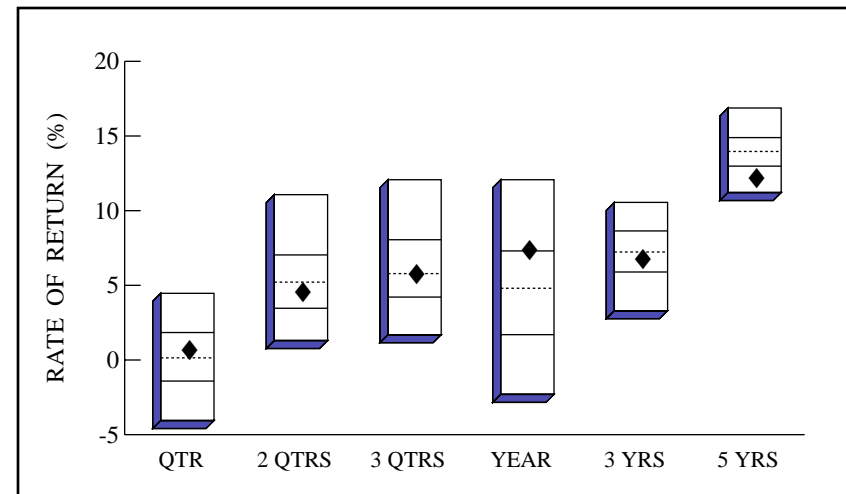
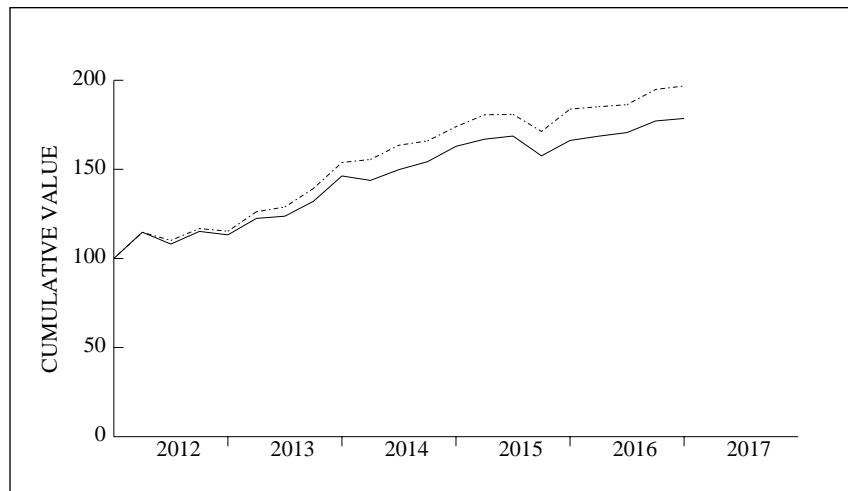


— ACTUAL RETURN  
 - - - 7.6%  
 . . . 0.0%

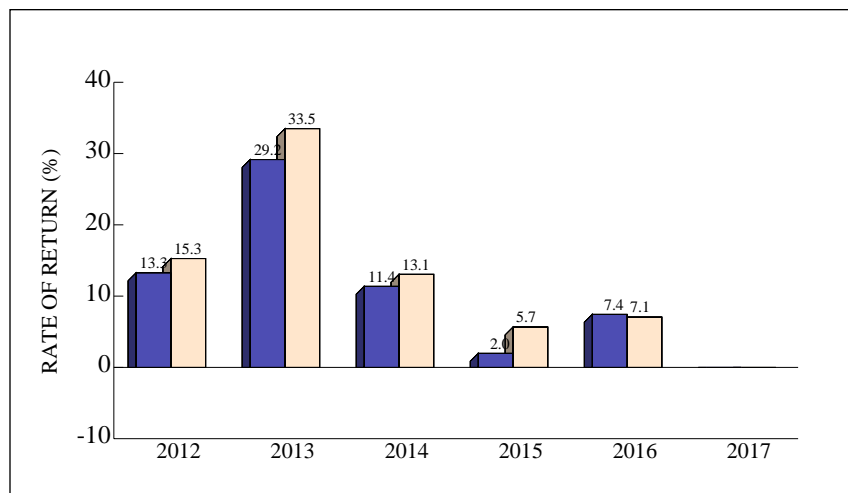
VALUE ASSUMING  
 7.6% RETURN    \$    835,285

	LAST QUARTER	PERIOD 12/11 - 12/16
BEGINNING VALUE	\$ 6,757,796	\$ 15,553,255
NET CONTRIBUTIONS	- 22,113	- 18,206,901
<u>INVESTMENT RETURN</u>	<u>52,579</u>	<u>9,441,907</u>
ENDING VALUE	\$ 6,788,262	\$ 6,788,262
INCOME	29,307	1,111,041
<u>CAPITAL GAINS (LOSSES)</u>	<u>23,272</u>	<u>8,330,866</u>
INVESTMENT RETURN	52,579	9,441,907

**TOTAL RETURN COMPARISONS**



Large Cap Growth Universe

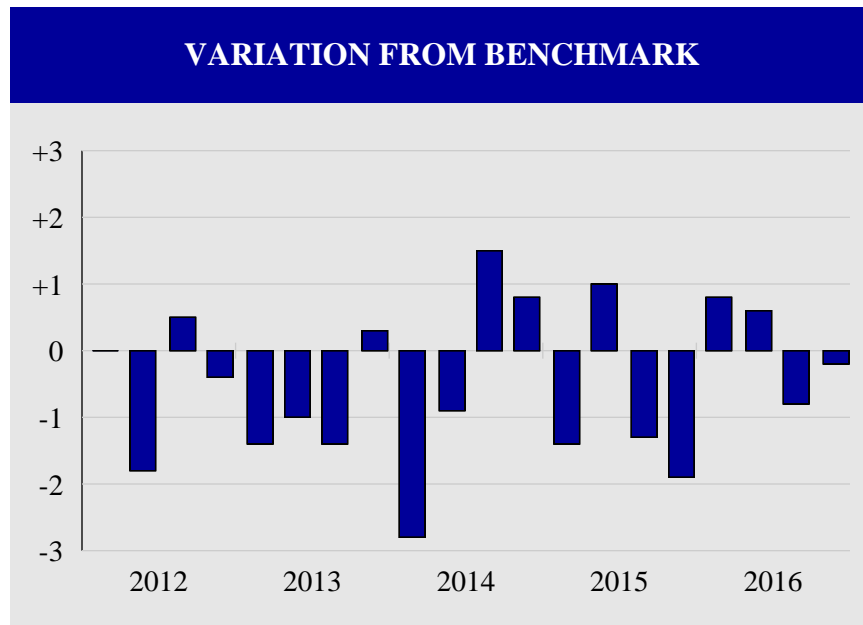


	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	0.8	4.6	5.9	7.4	6.9	12.3
(RANK)	(42)	(56)	(49)	(25)	(57)	(87)
5TH %ILE	4.5	11.1	12.1	12.1	10.6	16.9
25TH %ILE	1.8	7.0	8.1	7.3	8.7	14.9
MEDIAN	0.2	5.2	5.8	4.8	7.2	14.0
75TH %ILE	-1.4	3.5	4.2	1.7	5.9	13.0
95TH %ILE	-4.1	1.3	1.7	-2.3	3.3	11.2
<b>Russ 1000G</b>	<b>1.0</b>	<b>5.6</b>	<b>6.3</b>	<b>7.1</b>	<b>8.6</b>	<b>14.5</b>

Large Cap Growth Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

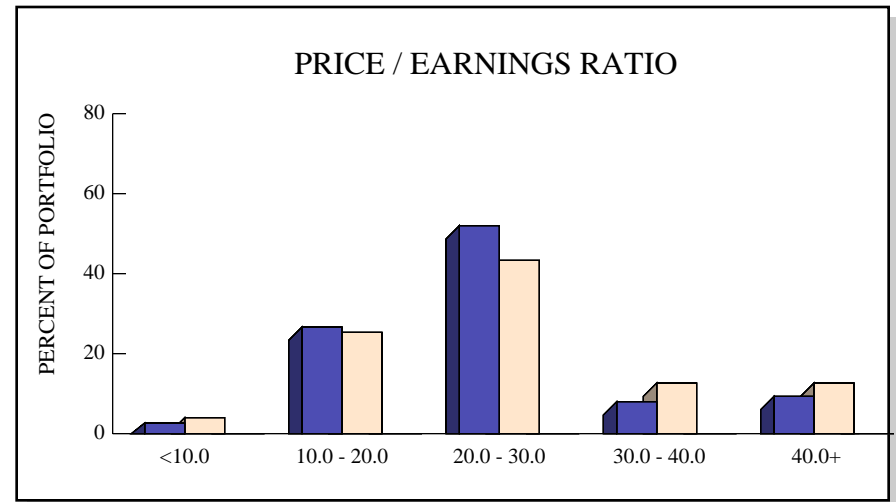
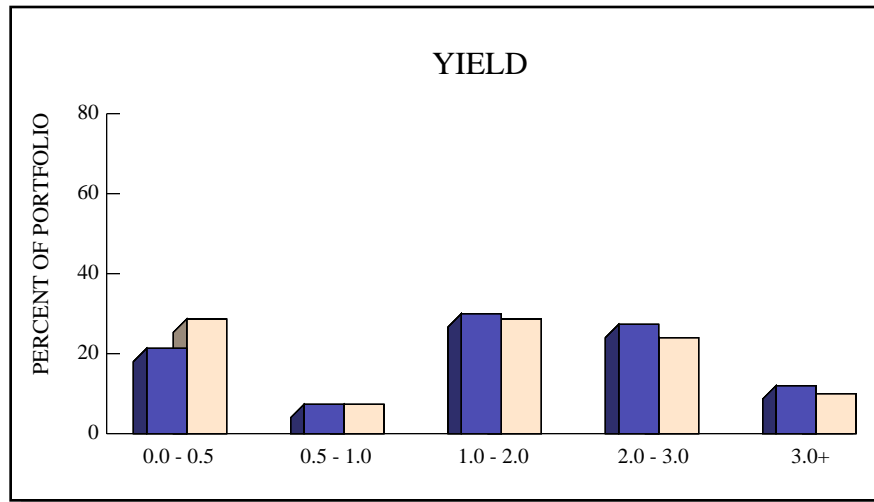
**COMPARATIVE BENCHMARK: RUSSELL 1000 GROWTH**



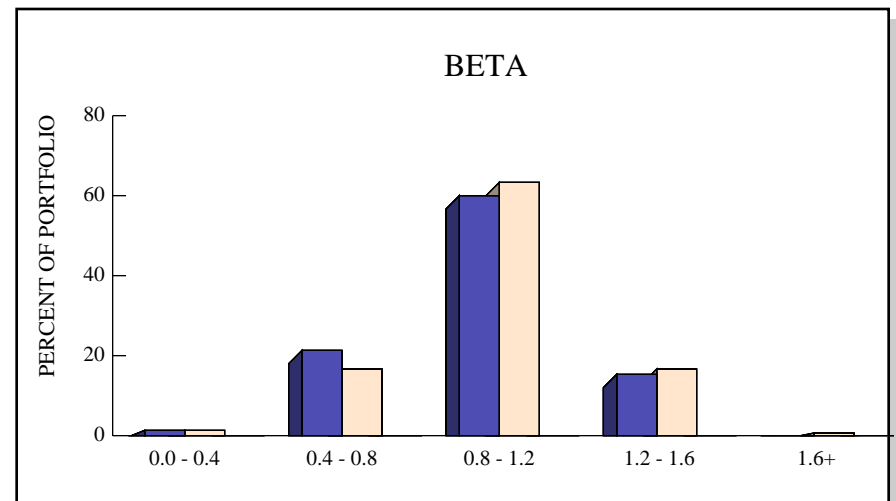
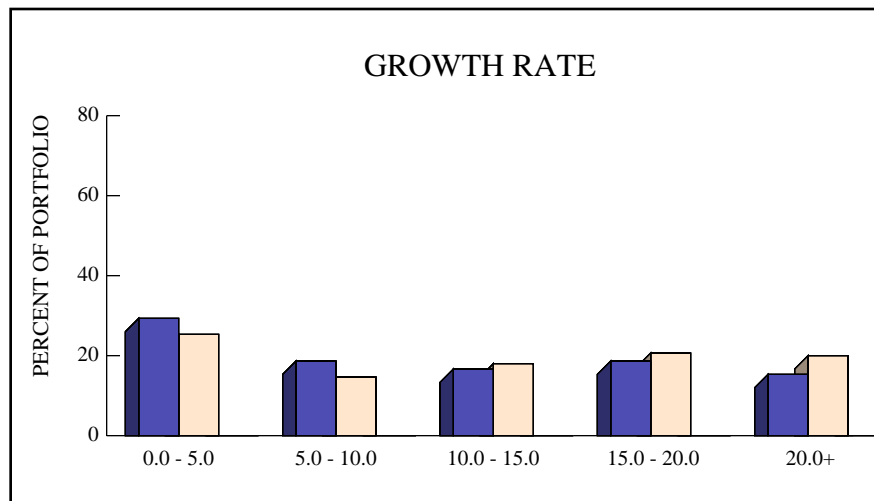
<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>8</b>
<b>Quarters Below the Benchmark</b>	<b>12</b>
<b>Batting Average</b>	<b>.400</b>

<b>RATES OF RETURN</b>			
Date	Portfolio	Benchmark	Difference
3/12	14.7	14.7	0.0
6/12	-5.8	-4.0	-1.8
9/12	6.6	6.1	0.5
12/12	-1.7	-1.3	-0.4
3/13	8.1	9.5	-1.4
6/13	1.1	2.1	-1.0
9/13	6.7	8.1	-1.4
12/13	10.7	10.4	0.3
3/14	-1.7	1.1	-2.8
6/14	4.2	5.1	-0.9
9/14	3.0	1.5	1.5
12/14	5.6	4.8	0.8
3/15	2.4	3.8	-1.4
6/15	1.1	0.1	1.0
9/15	-6.6	-5.3	-1.3
12/15	5.4	7.3	-1.9
3/16	1.5	0.7	0.8
6/16	1.2	0.6	0.6
9/16	3.8	4.6	-0.8
12/16	0.8	1.0	-0.2

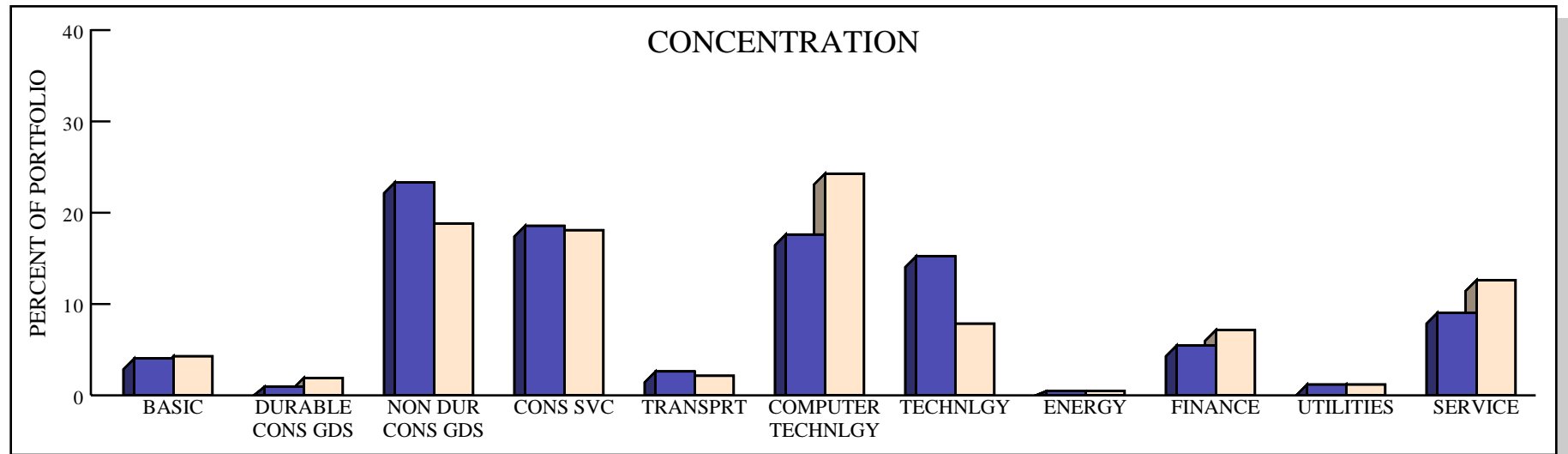
**STOCK CHARACTERISTICS**



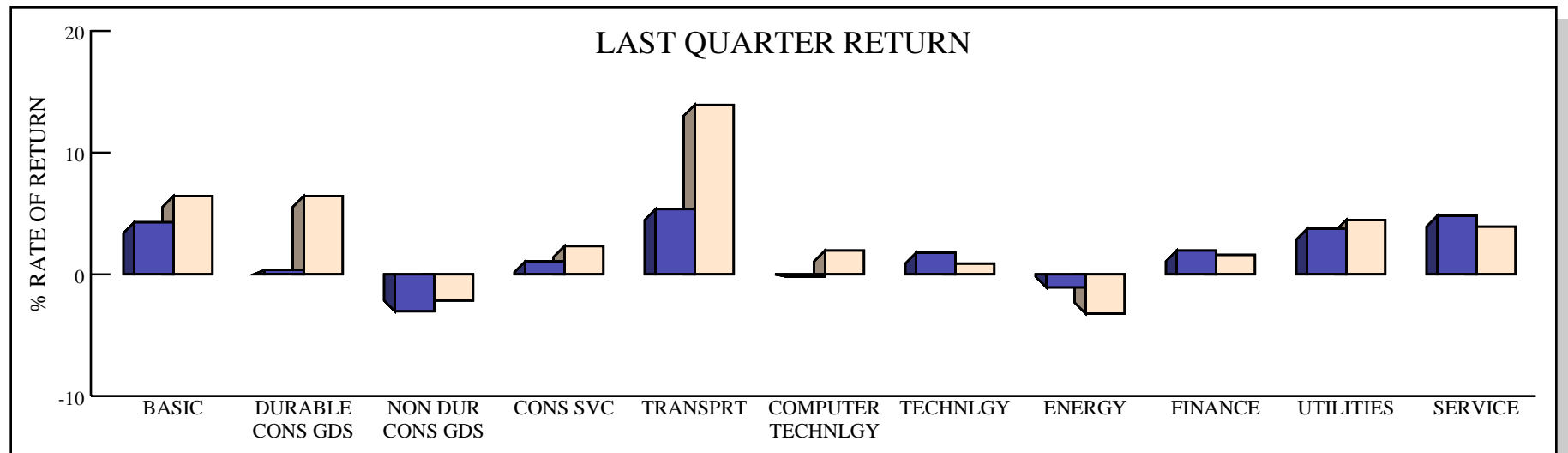
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	74	1.7%	10.4%	26.1	0.97
RUSSELL 1000G	606	1.5%	12.1%	27.0	1.01



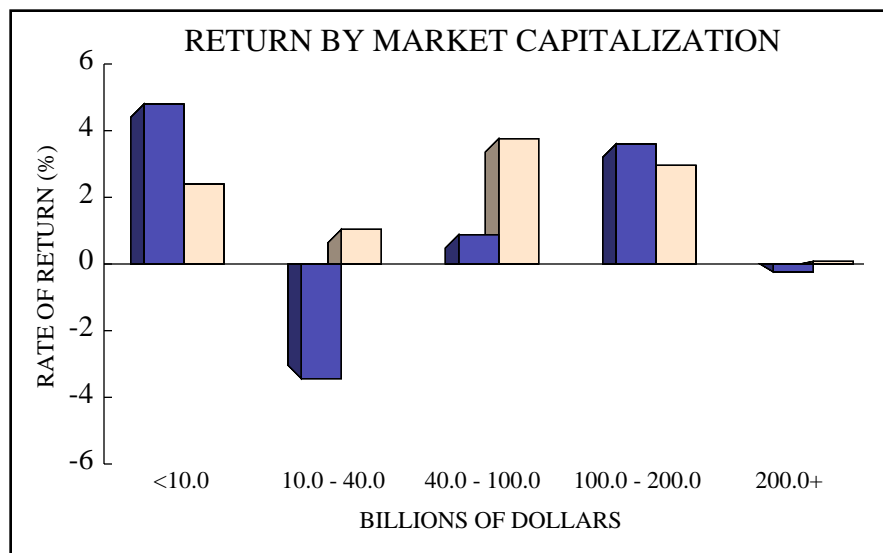
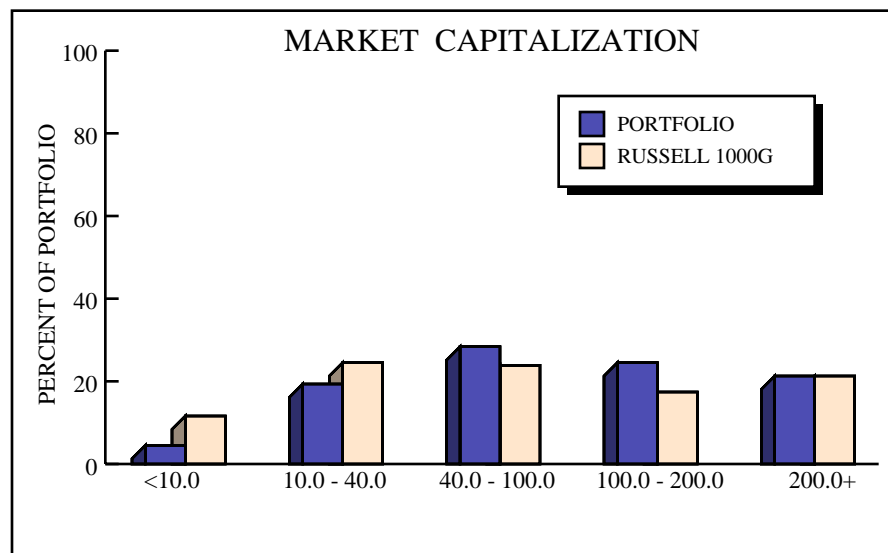
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ RUSSELL 1000 GROWTH



**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	APPLE INC	\$ 309,934	4.80%	2.9%	Computer Tech	\$ 617.6 B
2	MICROSOFT CORP	239,798	3.71%	8.5%	Computer Tech	483.2 B
3	HOME DEPOT INC	239,065	3.70%	4.7%	Consumer Service	163.3 B
4	ALPHABET INC-CL A	197,320	3.05%	-1.4%	Computer Tech	234.6 B
5	COMCAST CORP-CLASS A	185,814	2.88%	4.5%	Service	164.6 B
6	WALT DISNEY CO/THE	184,053	2.85%	12.6%	Service	165.9 B
7	VISA INC-CLASS A SHARES	180,382	2.79%	-5.5%	Finance	144.7 B
8	AMAZON.COM INC	179,969	2.79%	-10.4%	Consumer Service	356.3 B
9	UNITEDHEALTH GROUP INC	163,721	2.53%	14.7%	Consumer Service	152.3 B
10	COCA-COLA CO/THE	158,294	2.45%	-1.2%	NonDur Cons Goods	178.8 B

DAVIE POLICE PENSION PLAN  
LYRICAL ASSET MANAGEMENT - U.S VALUE EQUITY  
PERFORMANCE REVIEW  
DECEMBER 2016

## **INVESTMENT RETURN**

On December 31st, 2016, the Davie Police Pension Plan's Lyrical Asset Management U.S Value Equity portfolio was valued at \$8,802,963, representing an increase of \$537,653 from the September quarter's ending value of \$8,265,310. Last quarter, the Fund posted withdrawals totaling \$17,300, which partially offset the portfolio's net investment return of \$554,953. Income receipts totaling \$32,678 plus net realized and unrealized capital gains of \$522,275 combined to produce the portfolio's net investment return.

For the cumulative period since March 2015, the fund has recorded net contributions totaling \$1.9 million, and recorded net investment gains of \$980,691. For the period since March 2015, if the total fund had returned a compound annual rate of 7.6% it would have been valued at \$8.8 million or \$45,368 less than the actual value as of December 31st, 2016.

## **RELATIVE PERFORMANCE**

### **Total Fund**

In the fourth quarter, the Lyrical Asset Management U.S Value Equity portfolio gained 6.7%, which was equal to the Russell 1000 Value Index's return of 6.7% and ranked in the 47th percentile of the Large Cap Value universe. Over the trailing year, the portfolio returned 16.2%, which was 1.1% less than the benchmark's 17.3% performance, and ranked in the 35th percentile. Since March 2015, the portfolio returned 4.1% on an annualized basis and ranked in the 79th percentile. For comparison, the Russell 1000 Value returned an annualized 7.6% over the same period.

## **ASSET ALLOCATION**

On December 31st, 2016, large cap equities comprised 99.0% of the total portfolio (\$8.7 million), while cash & equivalents totaled 1.0% (\$88,243).

## **ANALYSIS**

At the end of the fourth quarter, the Lyrical portfolio was invested across nine of the eleven industry sectors utilized in our analysis. Relative to the Russell 1000 Value Index, the portfolio was overweight in the Basic, Durable Consumer Goods, Consumer Service, Computer Technology, Technology, and Service sectors. They were underweight in the Non-Durable Consumer Goods, Energy and Finance sectors, and held no assets under Transportation or Utilities.

Mixed industry sector performance led the Lyrical portfolio to match the Russell 1000 Value index at 6.7% for the fourth quarter. On the one hand, the overweight Basic, Consumer Service, Computer Technology, and Technology sectors all managed to surpass their counterparts, with the latter two featuring a surplus of over 7.0%. On the other hand, the Durable Consumer Goods, Finance, and Service sectors all lost ground relative to the benchmark, undoing much of the previously mentioned gains. Furthermore, electing to keep the Transportation sector vacated led them to miss out on some of the highest returns for the quarter.



**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	Since 03/15
<b>Total Portfolio - Gross</b>	6.7	6.7	16.2	----	4.1
<i>LARGE CAP VALUE RANK</i>	(47)	(47)	(35)	----	(79)
<b>Total Portfolio - Net</b>	6.5	6.5	15.3	----	3.3
RUSSELL 1000V	6.7	6.7	17.3	8.6	7.6
<b>Large Cap Equity - Gross</b>	6.8	6.8	16.4	----	4.1
<i>LARGE CAP VALUE RANK</i>	(45)	(45)	(32)	----	(79)
RUSSELL 1000V	6.7	6.7	17.3	8.6	7.6

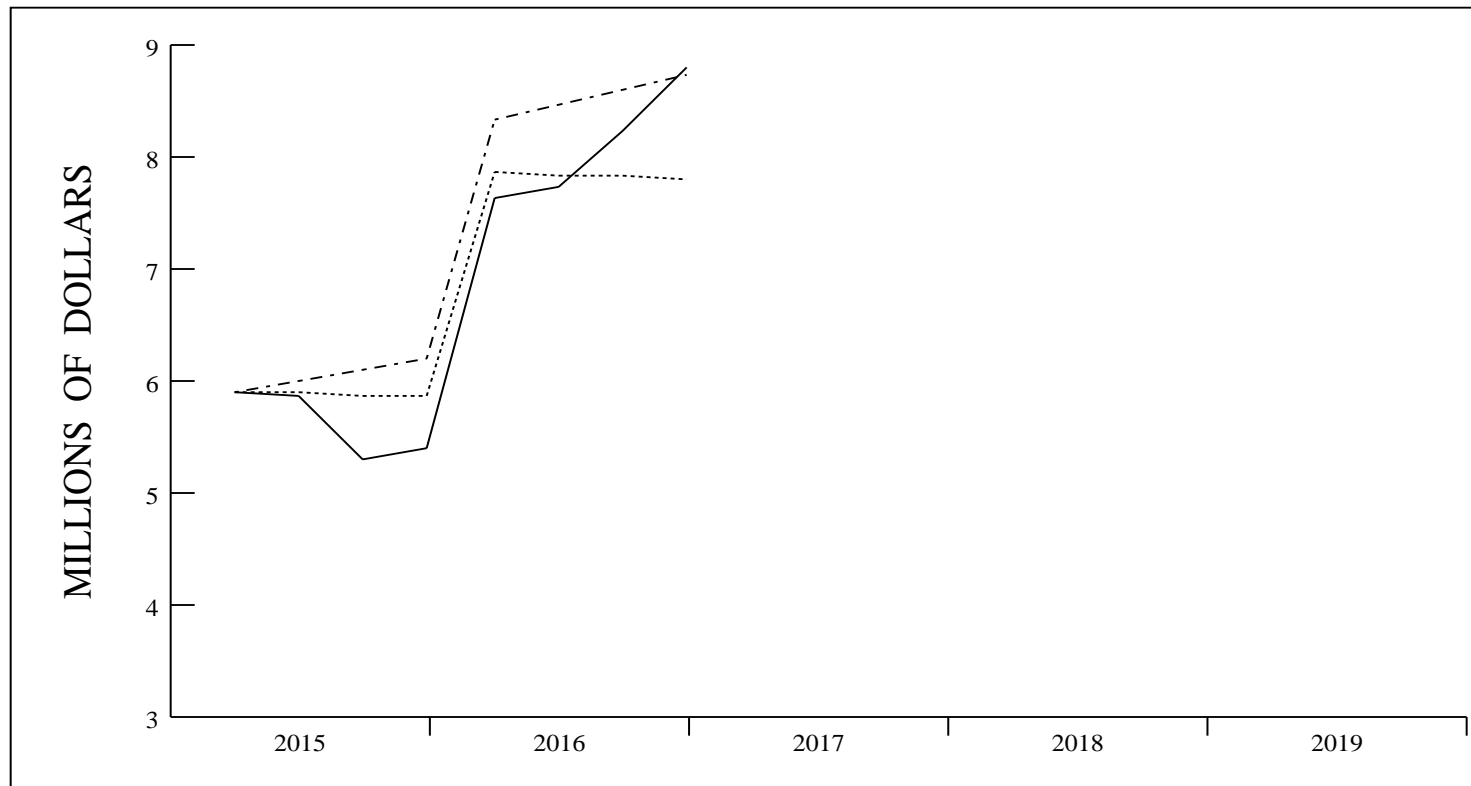
**ASSET ALLOCATION**

Large Cap Equity	99.0%	\$ 8,714,720
Cash	1.0%	88,243
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 8,802,963</b>

**INVESTMENT RETURN**

Market Value 9/2016	\$ 8,265,310
Contribs / Withdrawals	- 17,300
Income	32,678
Capital Gains / Losses	522,275
Market Value 12/2016	\$ 8,802,963

**INVESTMENT GROWTH**

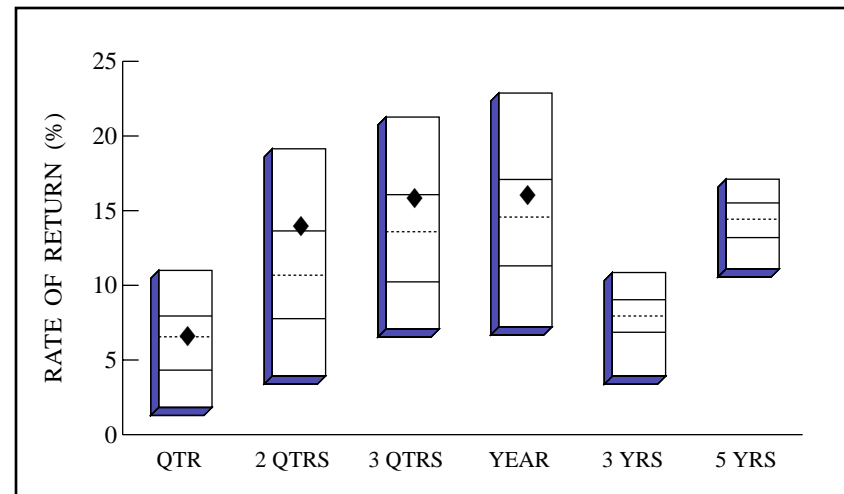


— ACTUAL RETURN  
 - - - 7.6%  
 . . . 0.0%

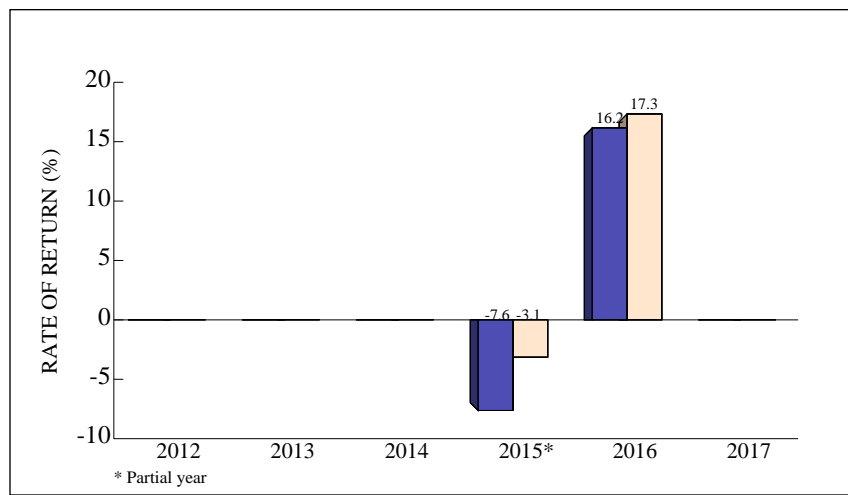
VALUE ASSUMING  
 7.6% RETURN    \$ 8,757,595

	LAST QUARTER	PERIOD 3/15 - 12/16
BEGINNING VALUE	\$ 8,265,310	\$ 5,919,873
NET CONTRIBUTIONS	- 17,300	1,902,399
INVESTMENT RETURN	<u>554,953</u>	<u>980,691</u>
ENDING VALUE	\$ 8,802,963	\$ 8,802,963
INCOME	32,678	263,435
CAPITAL GAINS (LOSSES)	<u>522,275</u>	<u>717,256</u>
INVESTMENT RETURN	554,953	980,691

**TOTAL RETURN COMPARISONS**



Large Cap Value Universe

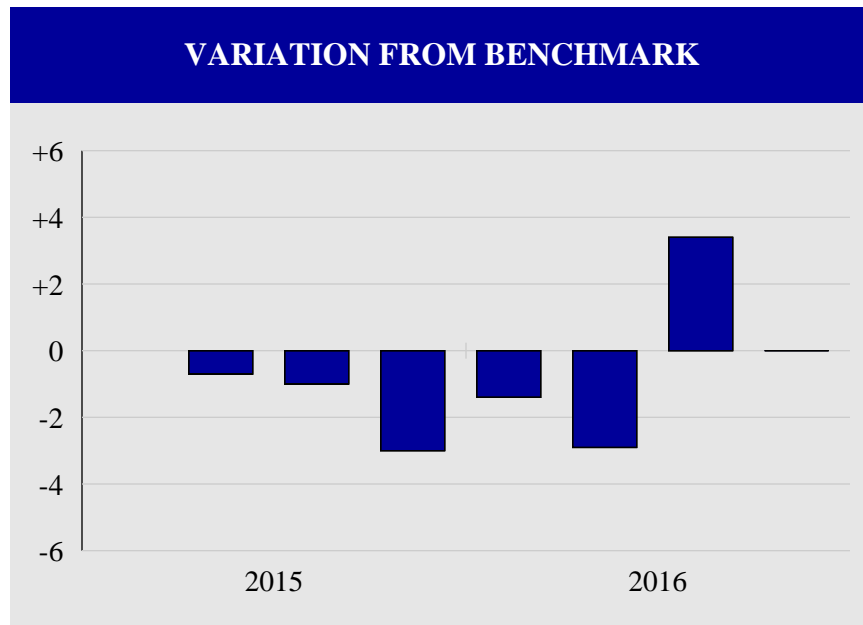


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	6.7	14.1	15.9	16.2	----	----
(RANK)	(47)	(23)	(26)	(35)	----	----
5TH %ILE	11.0	19.1	21.3	22.9	10.9	17.1
25TH %ILE	7.9	13.6	16.1	17.1	9.0	15.5
MEDIAN	6.6	10.7	13.6	14.6	7.9	14.4
75TH %ILE	4.3	7.8	10.2	11.3	6.9	13.2
95TH %ILE	1.8	3.9	7.1	7.2	3.9	11.1
<b>Russ 1000V</b>	<b>6.7</b>	<b>10.4</b>	<b>15.4</b>	<b>17.3</b>	<b>8.6</b>	<b>14.8</b>

Large Cap Value Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

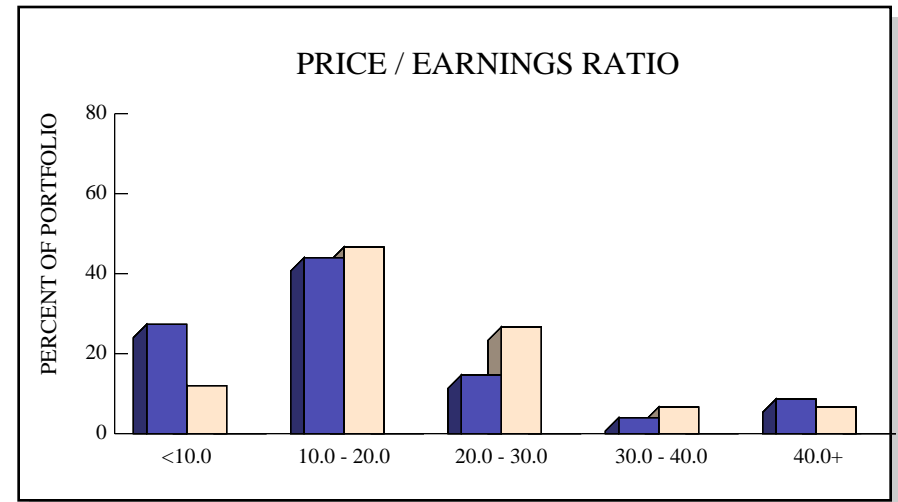
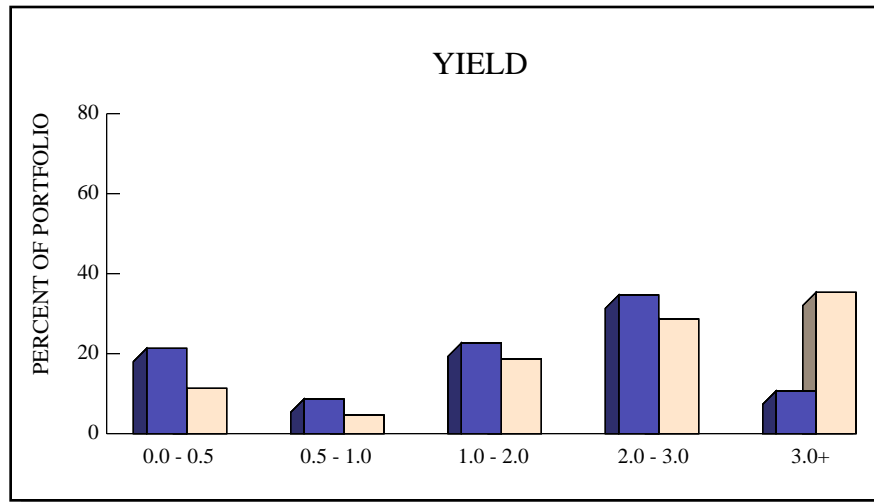
**COMPARATIVE BENCHMARK: RUSSELL 1000 VALUE**



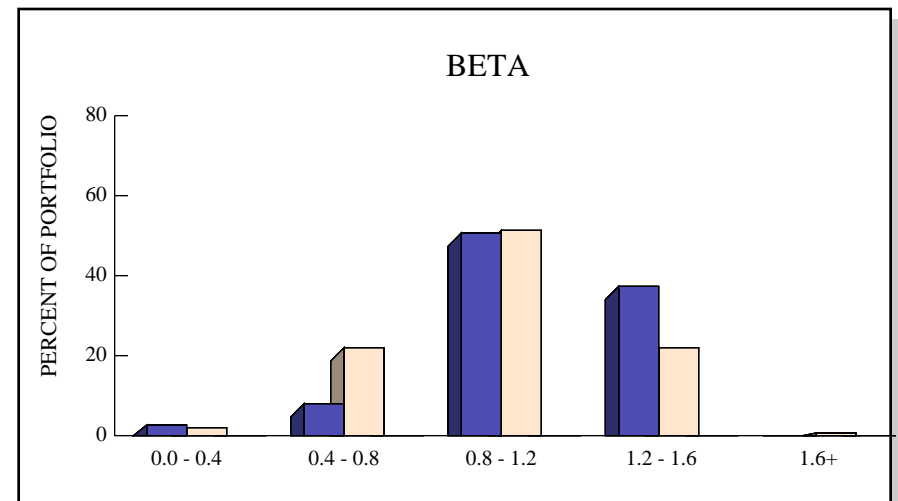
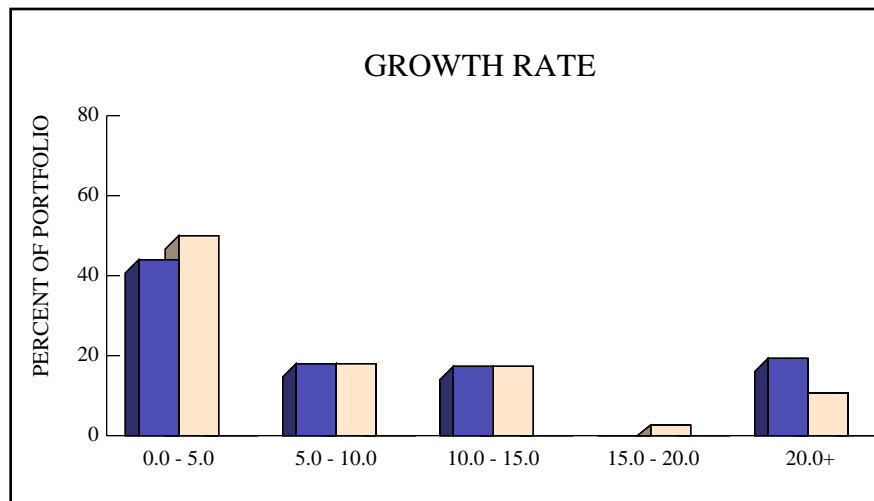
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/15	-0.6	0.1	-0.7
9/15	-9.4	-8.4	-1.0
12/15	2.6	5.6	-3.0
3/16	0.2	1.6	-1.4
6/16	1.7	4.6	-2.9
9/16	6.9	3.5	3.4
12/16	6.7	6.7	0.0

<b>Total Quarters Observed</b>	<b>7</b>
<b>Quarters At or Above the Benchmark</b>	<b>2</b>
<b>Quarters Below the Benchmark</b>	<b>5</b>
<b>Batting Average</b>	<b>.286</b>

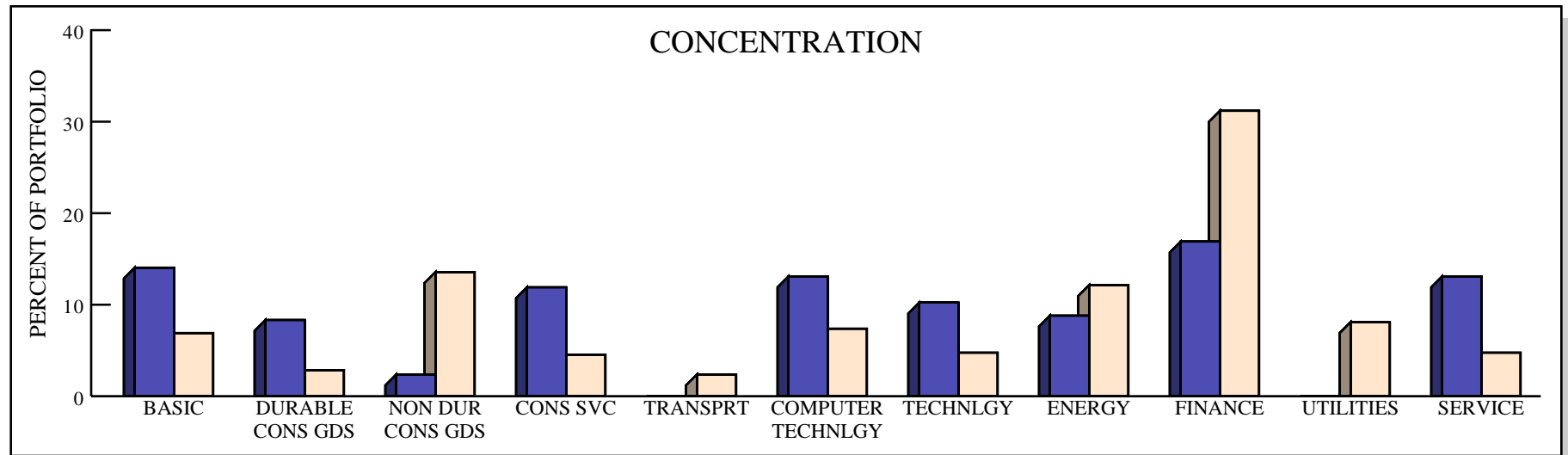
**STOCK CHARACTERISTICS**



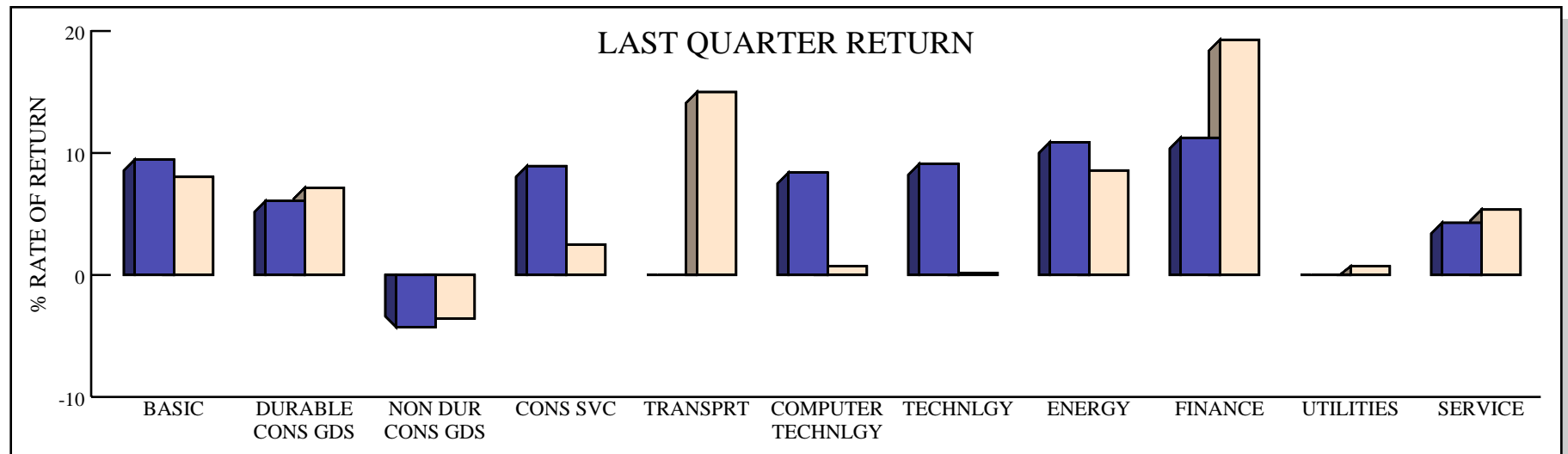
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	33	2.2%	8.0%	11.6	1.12
RUSSELL 1000V	696	2.5%	5.7%	19.1	0.99



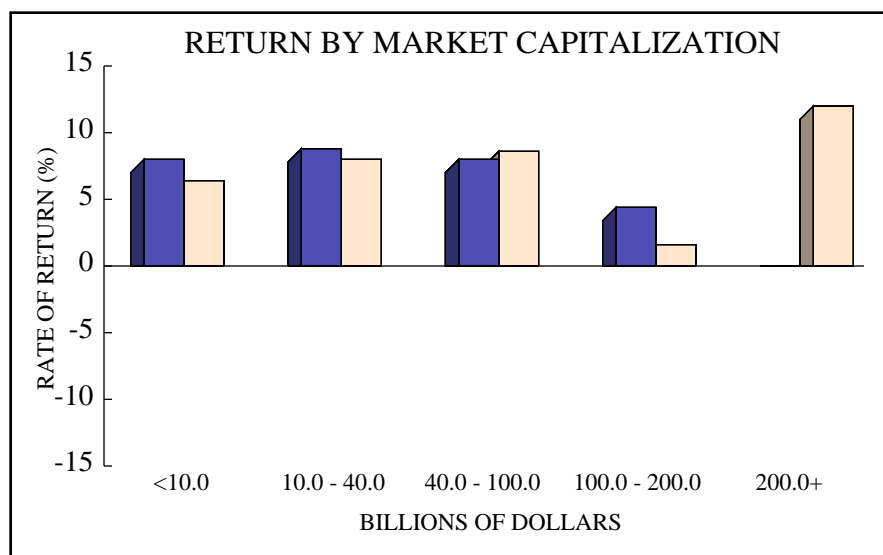
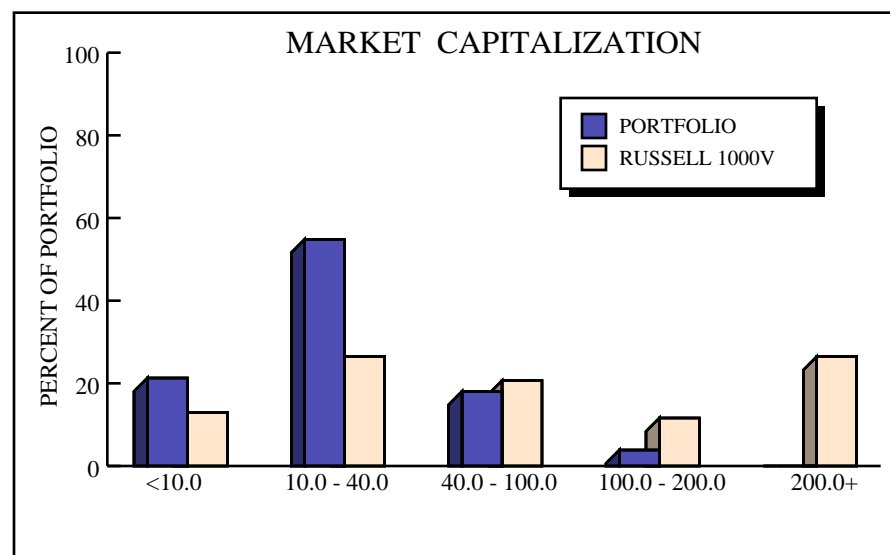
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ RUSSELL 1000 VALUE



**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	AETNA INC	\$ 404,397	4.64%	7.6%	Consumer Service	\$ 43.5 B
2	EOG RESOURCES INC	402,176	4.61%	4.7%	Energy	58.3 B
3	BROADCOM LTD	392,076	4.50%	2.7%	Computer Tech	70.5 B
4	COMCAST CORP-CLASS A	389,787	4.47%	4.5%	Service	164.6 B
5	SUNCOR ENERGY INC	383,061	4.40%	17.7%	Energy	54.5 B
6	AFLAC INC	376,258	4.32%	-2.6%	Finance	28.4 B
7	LINCOLN NATIONAL CORP	374,823	4.30%	41.4%	Finance	15.1 B
8	CORNING INC	357,400	4.10%	3.2%	Basic	23.1 B
9	TE CONNECTIVITY LTD	343,005	3.94%	8.1%	Technology	24.6 B
10	SYMANTEC CORP	342,200	3.93%	-0.2%	Computer Tech	14.9 B

DAVIE POLICE PENSION PLAN  
CLEARBRIDGE - MID CAP CORE  
PERFORMANCE REVIEW  
DECEMBER 2016



## **INVESTMENT RETURN**

On December 31st, 2016, the Davie Police Pension Plan's Clearbridge Mid Cap Core portfolio was valued at \$7,955,449, representing an increase of \$530,020 from the September quarter's ending value of \$7,425,429. Last quarter, the Fund posted withdrawals totaling \$13,761, which partially offset the portfolio's net investment return of \$543,781. Income receipts totaling \$24,394 plus net realized and unrealized capital gains of \$519,387 combined to produce the portfolio's net investment return.

For the cumulative period since March 2016, the fund has recorded net withdrawals totaling \$33,818 and posted net investment gains of \$857,604. For the period since March 2016, if the total fund had returned a compound annual rate of 7.6% it would have been valued at \$7.5 million or \$455,633 less than the actual value as of December 31st, 2016.

## **RELATIVE PERFORMANCE**

### **Total Fund**

In the fourth quarter, the Clearbridge Mid Cap Core portfolio gained 7.3%, which was 4.1% above the Russell Mid Cap's return of 3.2% and ranked in the 38th percentile of the Mid Cap Core universe.

## **ASSET ALLOCATION**

On December 31st, 2016, mid cap equities comprised 98.3% of the total portfolio (\$7.8 million), while cash & equivalents comprised the remaining 1.7% (\$131,328).

## **ANALYSIS**

At the end of the fourth quarter, the Clearbridge Mid Cap Core Portfolio was invested in all eleven industry sectors used in our analysis. Relative to the Russell Mid Cap Index, the portfolio was overweight in the Durable Consumer Goods, Non-Durable Consumer Goods, Consumer Service, Computer Technology, and Technology sectors. Conversely it was underweight in the Basic, Finance, Utilities, and Service sectors. All other industry sectors tracked the index in weight.

In the fourth quarter the portfolio posted a gain over the Russell Mid Cap index. Strong selection led nine of the eleven invested sectors to outperform. The most notable surpluses were seen in the Non-Durable Consumer Goods, Consumer Service, Computer Technology, and Finance sectors. Their combined weight and strong output boosted the total return significantly. The Transportation sector managed an outstanding return, partially due to top ten holding Alaska Air Group Inc., which returned a (+35.0%) over the quarter. Unfortunately a relatively low allocation hindered its effectiveness. The Basic sector posted a loss to the benchmark's gain, but the damage was mitigated by a light weight. At quarter end the fund returned 410 basis points above the index.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	Since 03/16
<b>Total Portfolio - Gross</b>	7.3	7.3	----	----	12.1
<i>MID CAP CORE RANK</i>	(38)	(38)	----	----	(50)
<b>Total Portfolio - Net</b>	7.1	7.1	----	----	11.4
RUSSELL MID	3.2	3.2	13.8	7.9	11.3
<b>Mid Cap Equity - Gross</b>	7.5	7.5	----	----	12.3
<i>MID CAP CORE RANK</i>	(27)	(27)	----	----	(50)
RUSSELL MID	3.2	3.2	13.8	7.9	11.3

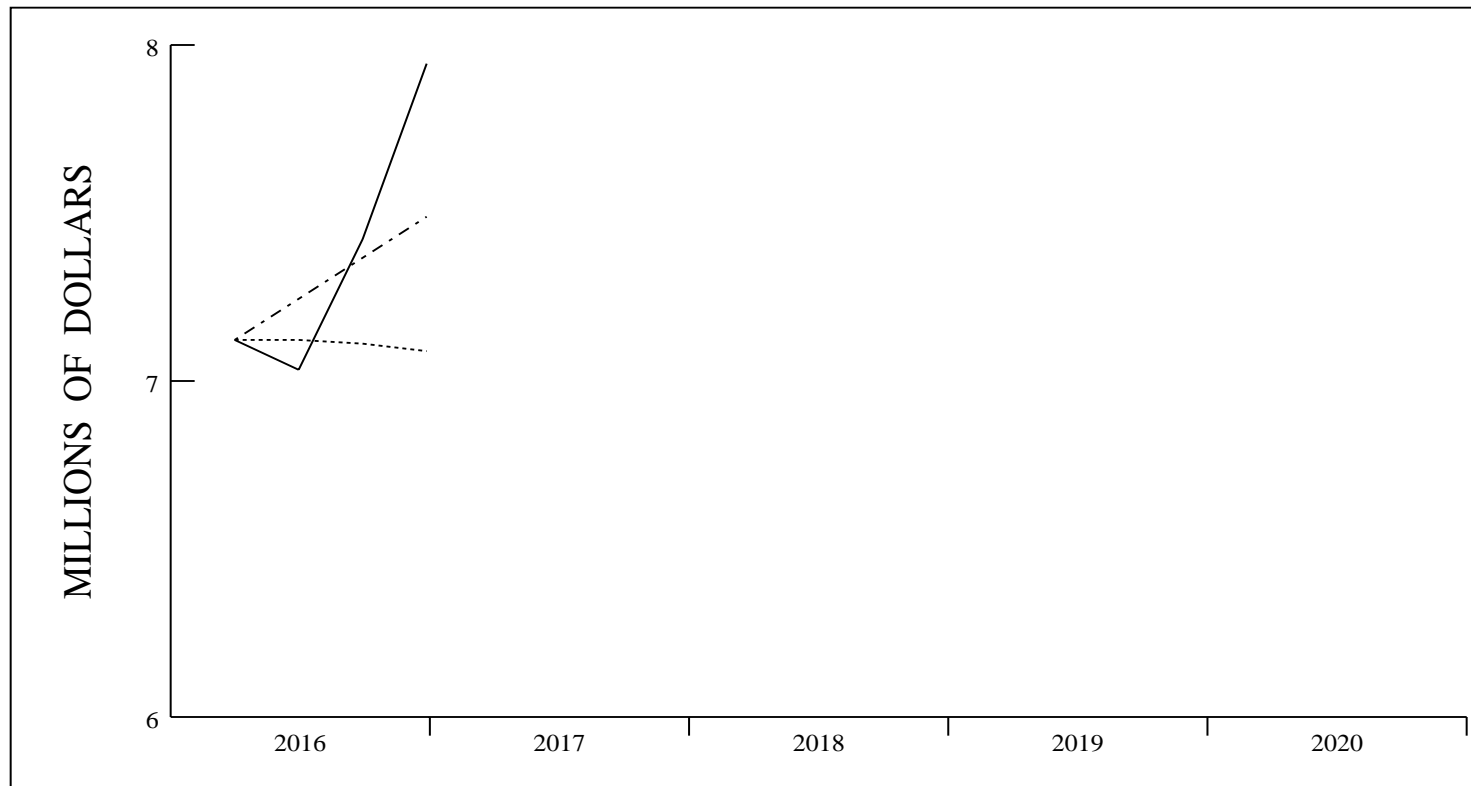
**ASSET ALLOCATION**

Mid Cap Equity	98.3%	\$ 7,824,121
Cash	1.7%	131,328
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 7,955,449</b>

**INVESTMENT RETURN**

Market Value 9/2016	\$ 7,425,429
Contribs / Withdrawals	- 13,761
Income	24,394
Capital Gains / Losses	519,387
Market Value 12/2016	\$ 7,955,449

**INVESTMENT GROWTH**

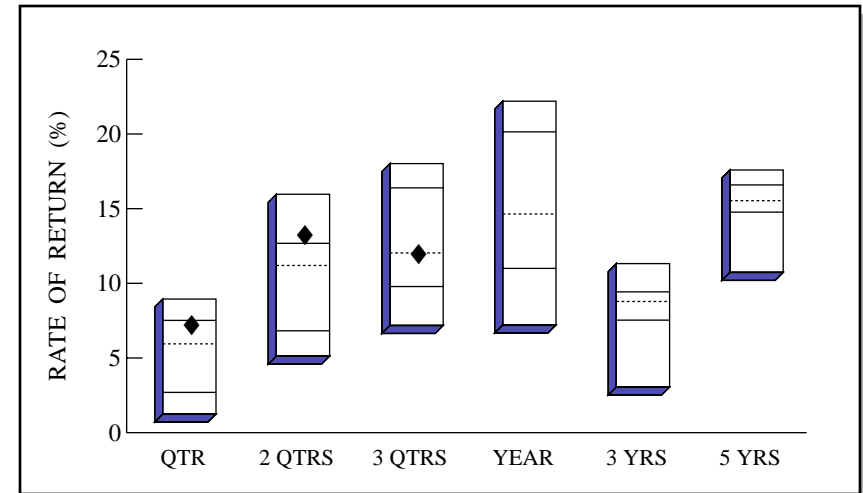
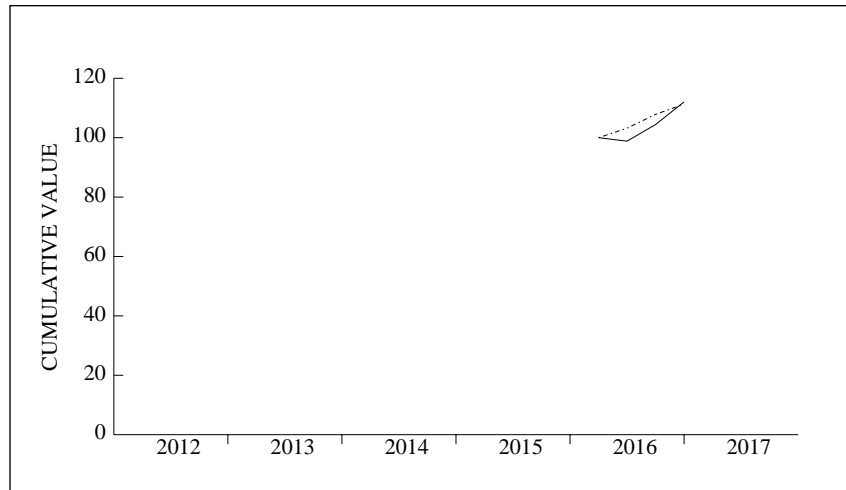


———	ACTUAL RETURN
- - - - -	7.6%
.....	0.0%

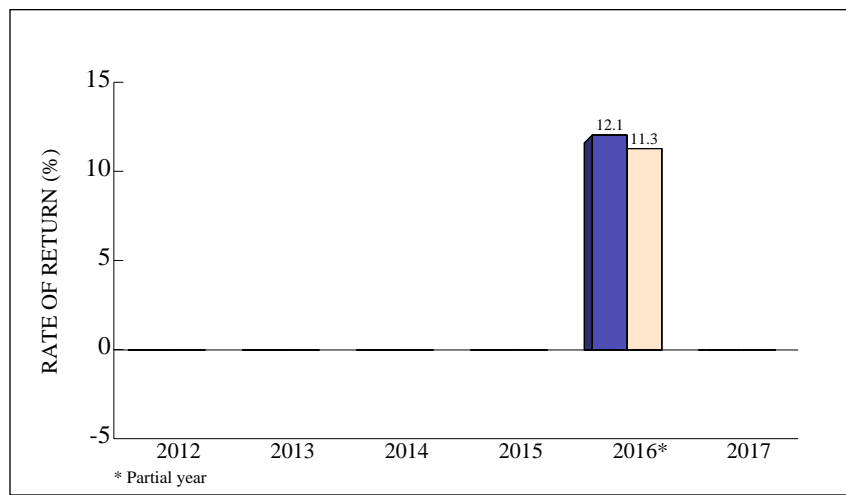
VALUE ASSUMING	
7.6% RETURN	\$ 7,499,816

	LAST QUARTER	PERIOD 3/16 - 12/16
BEGINNING VALUE	\$ 7,425,429	\$ 7,131,663
NET CONTRIBUTIONS	- 13,761	- 33,818
<u>INVESTMENT RETURN</u>	<u>543,781</u>	<u>857,604</u>
ENDING VALUE	\$ 7,955,449	\$ 7,955,449
INCOME	24,394	75,405
<u>CAPITAL GAINS (LOSSES)</u>	<u>519,387</u>	<u>782,199</u>
INVESTMENT RETURN	543,781	857,604

**TOTAL RETURN COMPARISONS**



Mid Cap Core Universe

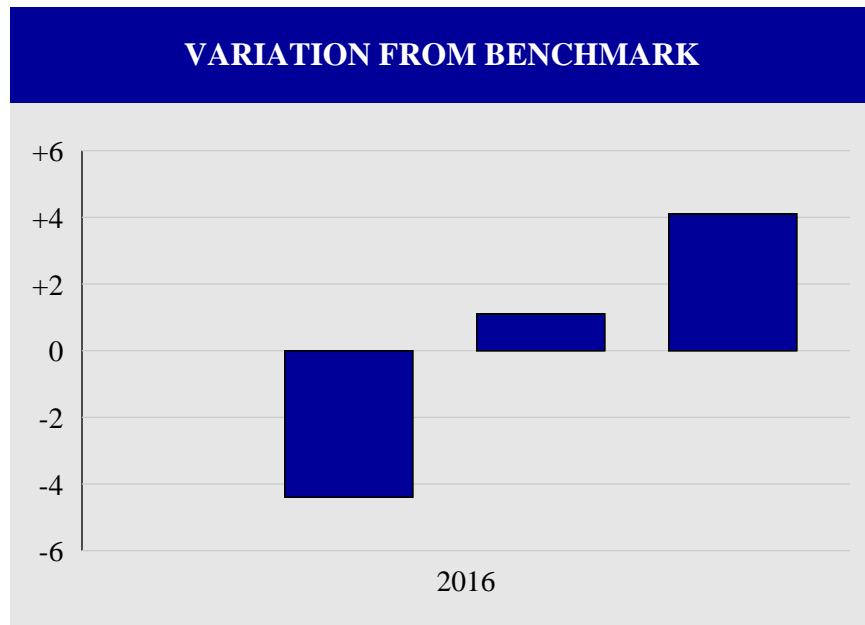


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	7.3	13.4	12.1	---	---	---
(RANK)	(38)	(18)	(50)	---	---	---
5TH %ILE	9.0	16.0	18.0	22.2	11.3	17.6
25TH %ILE	7.5	12.7	16.4	20.1	9.4	16.6
MEDIAN	6.0	11.2	12.0	14.6	8.8	15.5
75TH %ILE	2.7	6.8	9.8	11.0	7.5	14.8
95TH %ILE	1.3	5.1	7.2	7.2	3.1	10.7
<b>Russ MC</b>	<b>3.2</b>	<b>7.9</b>	<b>11.3</b>	<b>13.8</b>	<b>7.9</b>	<b>14.7</b>

Mid Cap Core Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

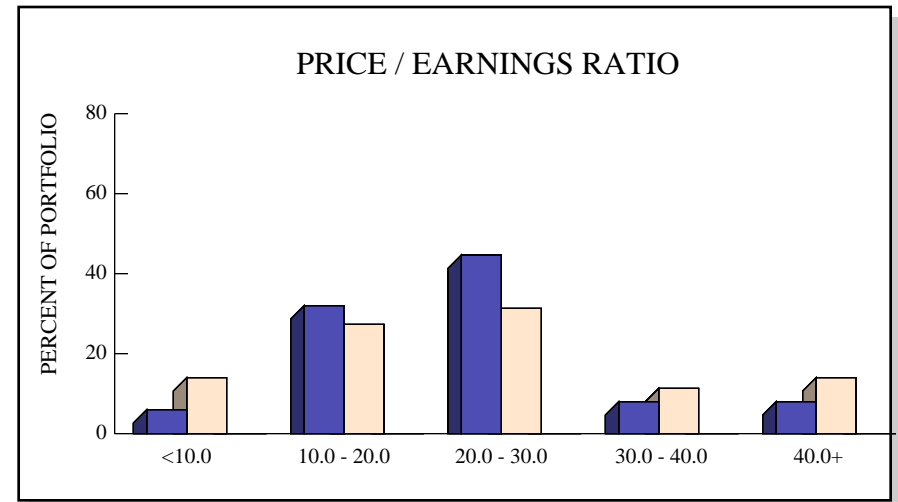
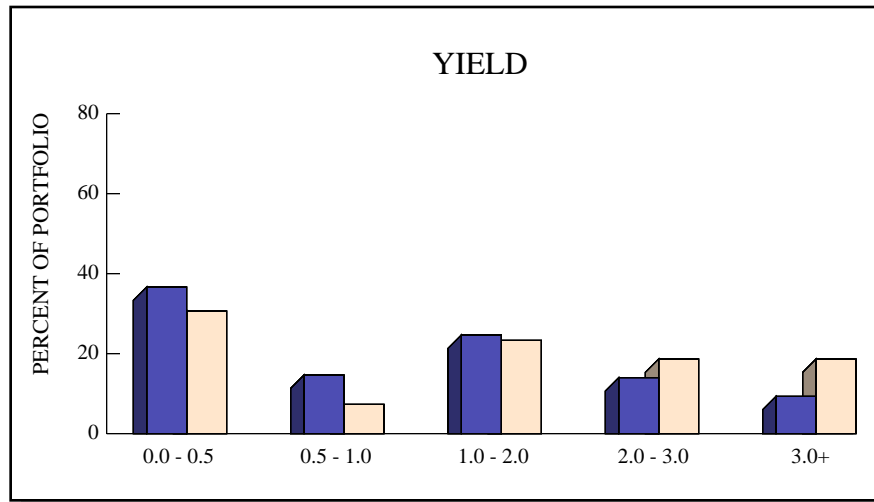
**COMPARATIVE BENCHMARK: RUSSELL MID CAP**



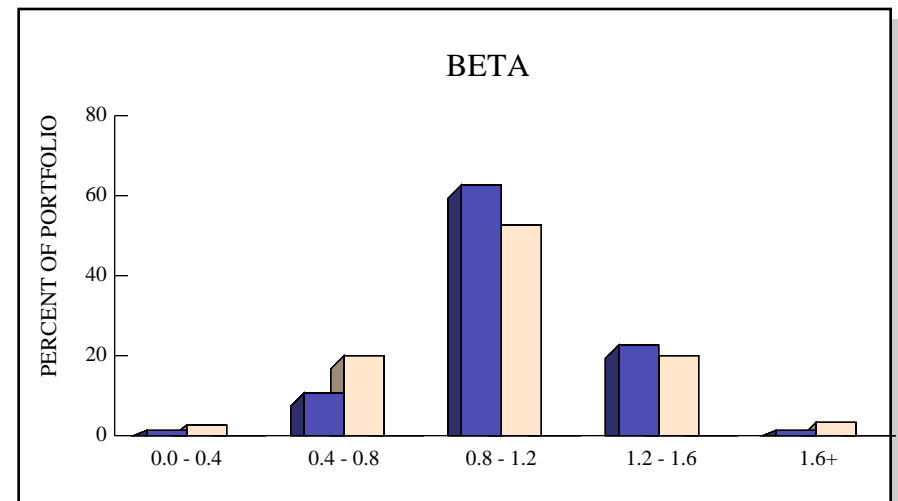
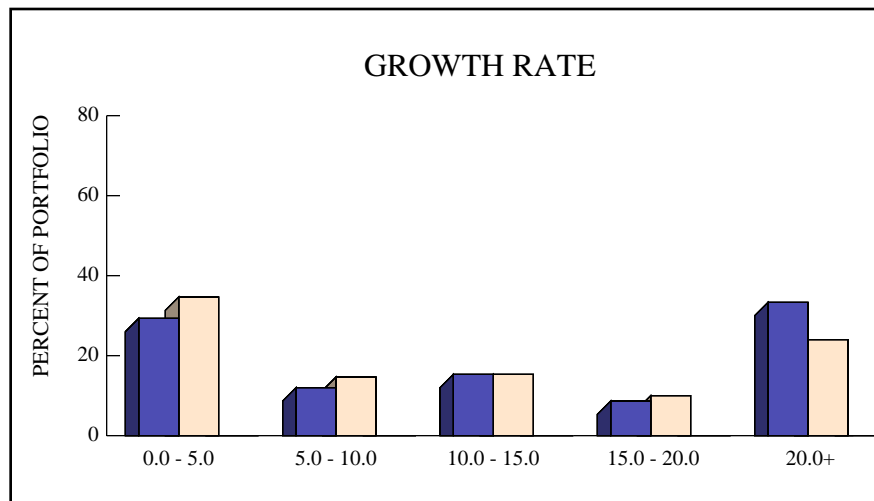
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/16	-1.2	3.2	-4.4
9/16	5.6	4.5	1.1
12/16	7.3	3.2	4.1

<b>Total Quarters Observed</b>	<b>3</b>
<b>Quarters At or Above the Benchmark</b>	<b>2</b>
<b>Quarters Below the Benchmark</b>	<b>1</b>
<b>Batting Average</b>	<b>.667</b>

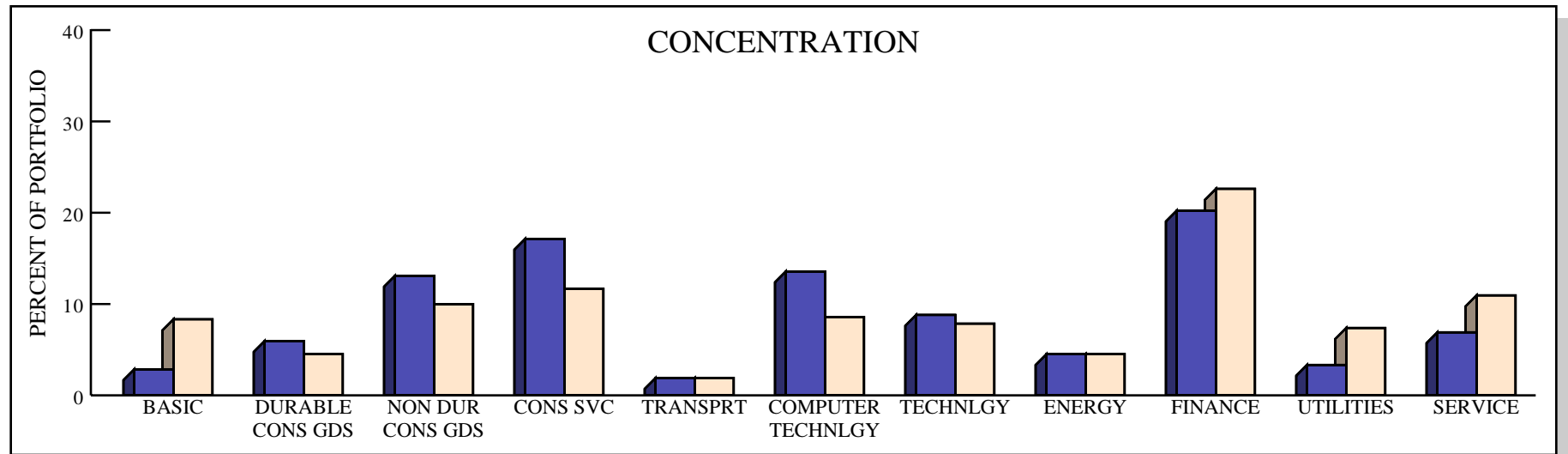
**STOCK CHARACTERISTICS**



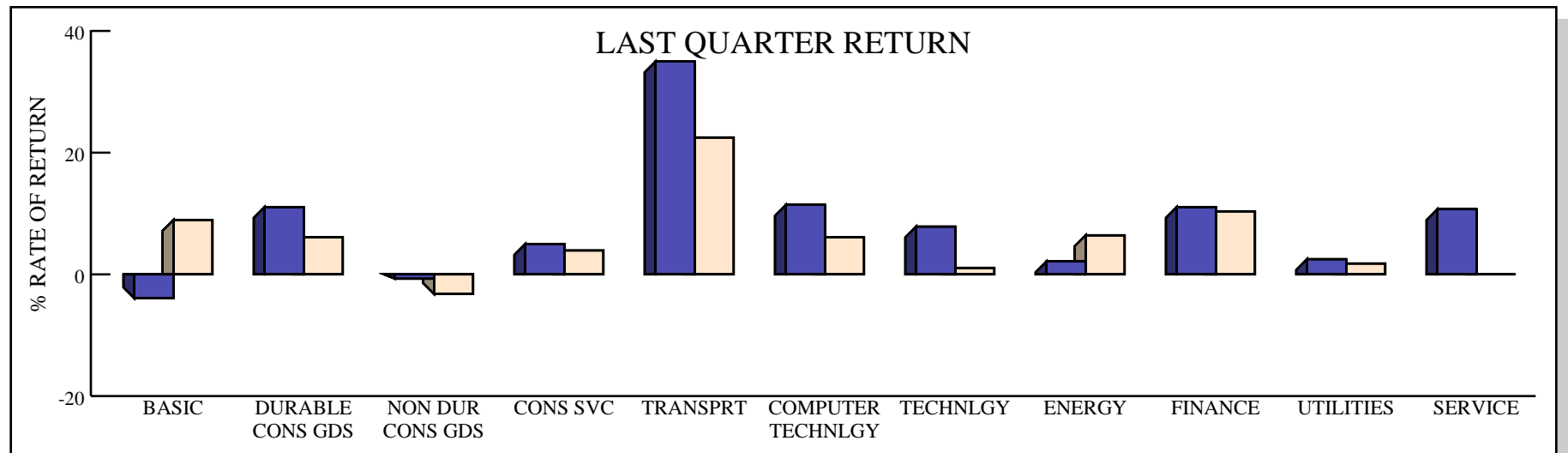
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	62	1.4%	14.4%	22.0	1.06
RUSSELL MID	796	1.8%	10.9%	23.0	1.00



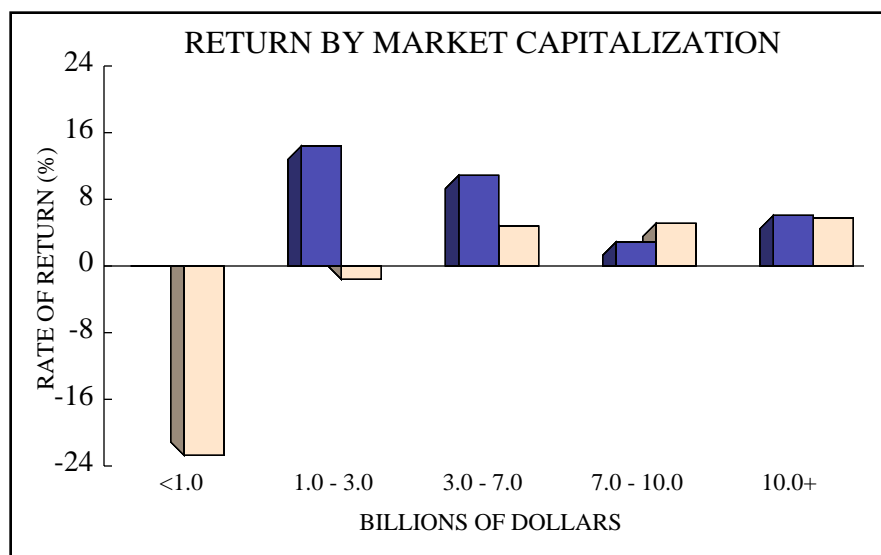
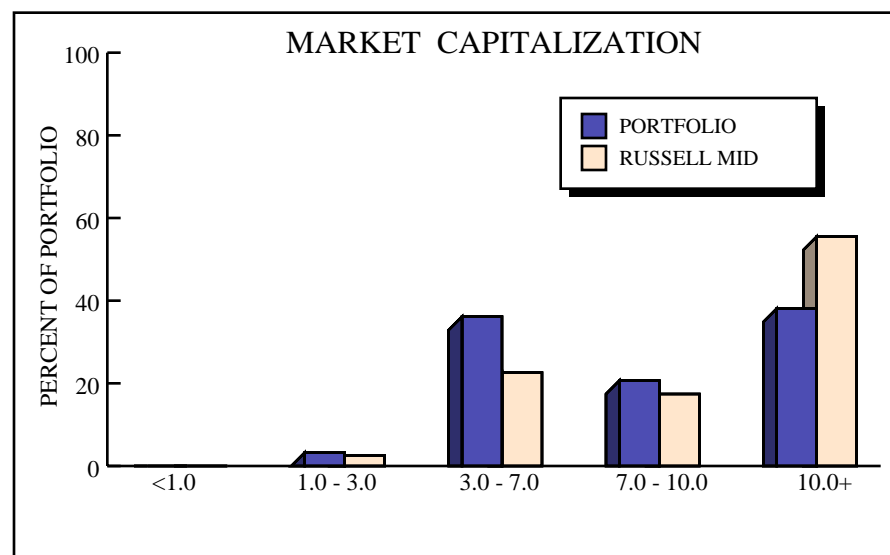
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ RUSSELL MID CAP



**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	HARTFORD FINANCIAL SVCS GRP	\$ 166,775	2.13%	11.7%	Finance	\$ 18.0 B
2	SIGNATURE BANK	165,220	2.11%	26.8%	Finance	8.2 B
3	PAREXEL INTERNATIONAL CORP	164,300	2.10%	-5.4%	Consumer Service	3.5 B
4	LAZARD LTD-CL A	160,251	2.05%	14.6%	Finance	5.3 B
5	AFFILIATED MANAGERS GROUP	159,830	2.04%	0.4%	Finance	8.0 B
6	ALASKA AIR GROUP INC	159,714	2.04%	35.0%	Transportation	10.9 B
7	CDW CORP/DE	156,270	2.00%	14.1%	Consumer Service	8.4 B
8	DENTSPLY SIRONA INC	155,871	1.99%	-2.7%	Technology	13.3 B
9	STARWOOD PROPERTY TRUST INC	155,845	1.99%	-0.3%	Finance	5.6 B
10	ALEXANDRIA REAL ESTATE EQUIT	155,582	1.99%	2.9%	Finance	8.8 B



DAVIE POLICE PENSION PLAN  
WEDGE CAPITAL MANAGEMENT - MID CAP VALUE  
PERFORMANCE REVIEW  
DECEMBER 2016

## **INVESTMENT RETURN**

On December 31st, 2016, the Davie Police Pension Plan's Wedge Capital Management Mid Cap Value portfolio was valued at \$7,420,205, representing an increase of \$335,189 from the September quarter's ending value of \$7,085,016. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$335,189 in net investment returns. Since there were no income receipts for the fourth quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling \$335,189.

For the cumulative period since March 2016, the portfolio has posted net contributions totaling \$3.3 million, and recorded net investment gains totaling \$900,502. For the period since March 2016, if the fund returned a compound annual rate of 7.6% it would have been valued at \$6.9 million or \$542,750 less than the actual value as of December 31st, 2016.

## **RELATIVE PERFORMANCE**

For the fourth quarter, the Wedge Capital Management Mid Cap Value portfolio returned 4.7%, which was 0.8% less than the Russell Mid Cap Value Index's return of 5.5% and ranked in the 84th percentile of the Mid Cap Value universe.

## **ASSET ALLOCATION**

The plan was fully invested in the Wedge Capital Management Mid Cap Value CIT CL C.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	Since 03/16
<b>Total Portfolio - Gross</b>	4.7	4.7	----	----	13.2
<i>MID CAP VALUE RANK</i>	(84)	(84)	----	----	(68)
<b>Total Portfolio - Net</b>	4.5	4.5	----	----	12.5
RUSS MID VAL	5.5	5.5	20.0	9.4	15.5
<b>Mid Cap Equity - Gross</b>	4.7	4.7	----	----	13.2
<i>MID CAP VALUE RANK</i>	(84)	(84)	----	----	(68)
RUSS MID VAL	5.5	5.5	20.0	9.4	15.5

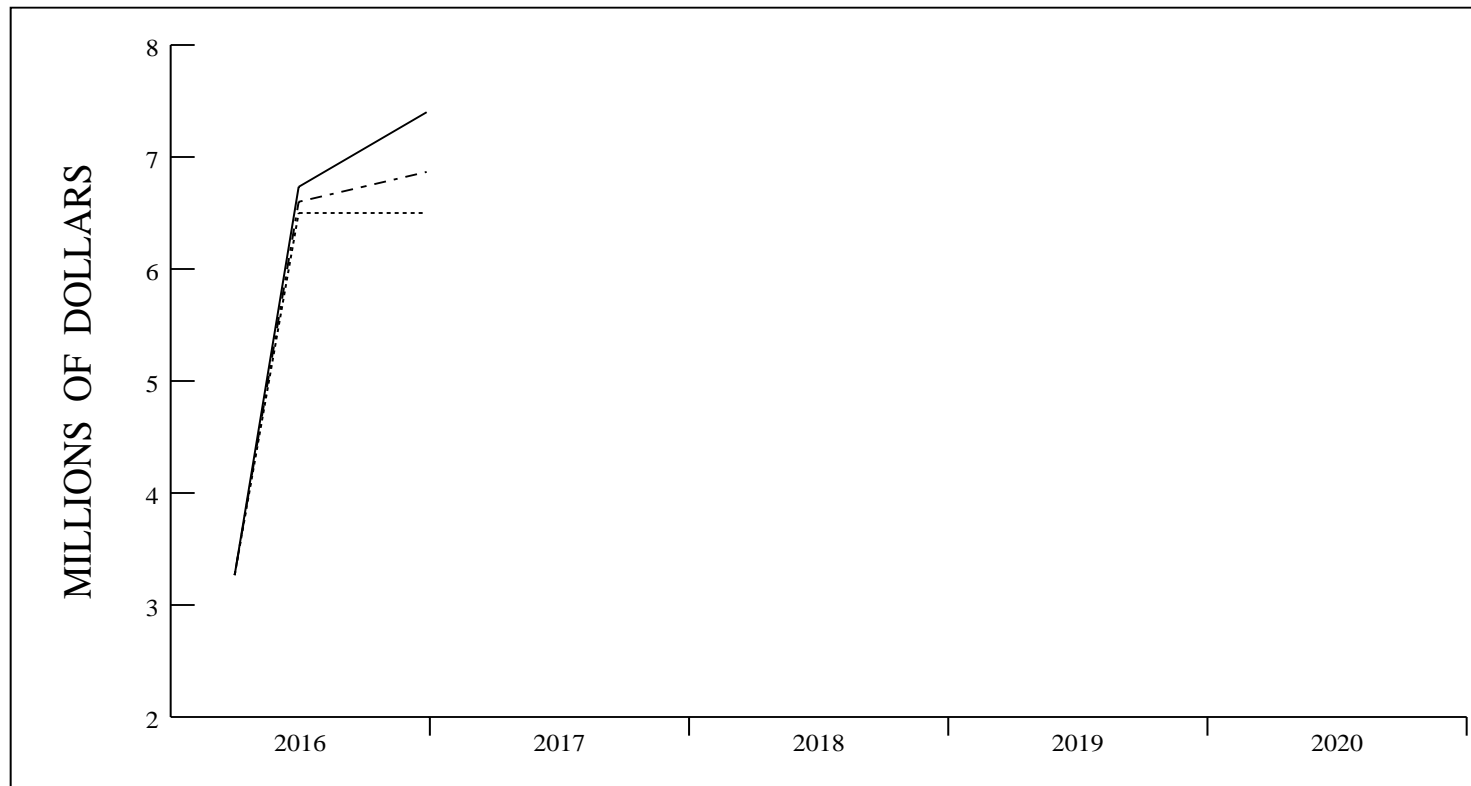
**ASSET ALLOCATION**

Mid Cap Equity	100.0%	\$ 7,420,152
Cash	0.0%	53
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 7,420,205</b>

**INVESTMENT RETURN**

Market Value 9/2016	\$ 7,085,016
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	335,189
Market Value 12/2016	\$ 7,420,205

**INVESTMENT GROWTH**

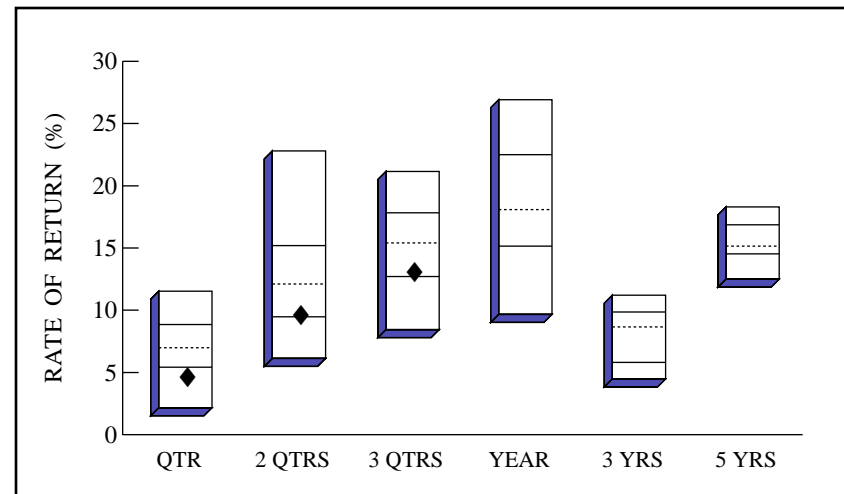
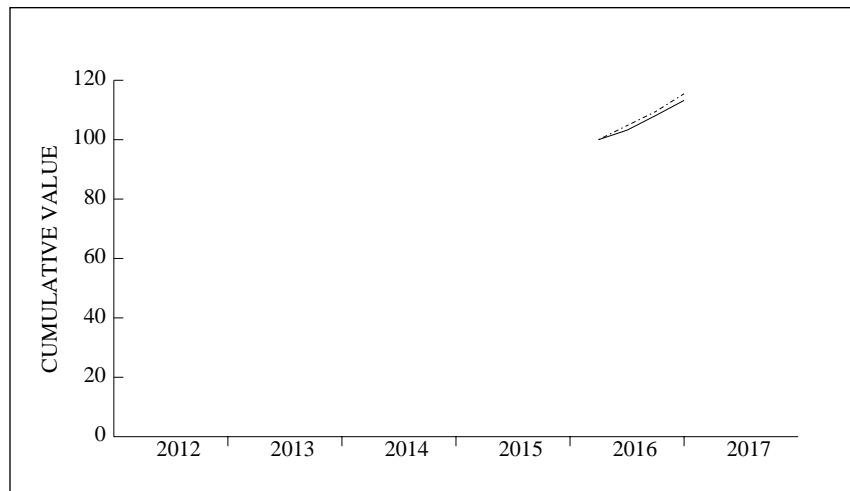


— ACTUAL RETURN  
 - - - 7.6%  
 . . . 0.0%

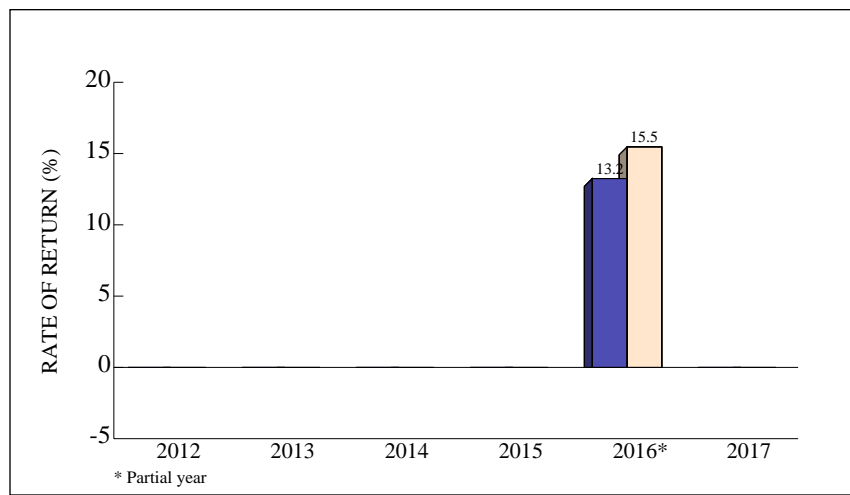
VALUE ASSUMING  
 7.6% RETURN    \$ 6,877,455

	LAST QUARTER	PERIOD 3/16 - 12/16
BEGINNING VALUE	\$ 7,085,016	\$ 3,269,703
NET CONTRIBUTIONS	0	3,250,000
INVESTMENT RETURN	335,189	900,502
ENDING VALUE	\$ 7,420,205	\$ 7,420,205
INCOME	0	53
CAPITAL GAINS (LOSSES)	335,189	900,449
INVESTMENT RETURN	335,189	900,502

**TOTAL RETURN COMPARISONS**



Mid Cap Value Universe

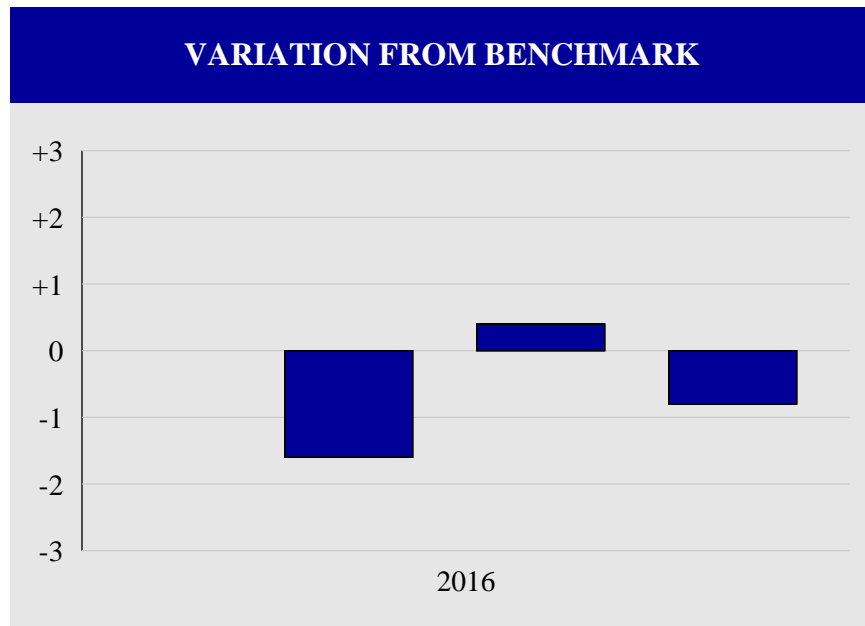


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	4.7	9.7	13.2	----	----	----
(RANK)	(84)	(74)	(68)	----	----	----
5TH %ILE	11.5	22.8	21.2	26.9	11.2	18.3
25TH %ILE	8.9	15.2	17.8	22.5	9.9	16.9
MEDIAN	7.0	12.1	15.4	18.1	8.7	15.1
75TH %ILE	5.4	9.5	12.7	15.2	5.8	14.5
95TH %ILE	2.2	6.1	8.5	9.7	4.5	12.5
<b>Russ MCV</b>	<b>5.5</b>	<b>10.2</b>	<b>15.5</b>	<b>20.0</b>	<b>9.4</b>	<b>15.7</b>

Mid Cap Value Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

**COMPARATIVE BENCHMARK: RUSSELL MID CAP VALUE**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/16	3.2	4.8	-1.6
9/16	4.8	4.4	0.4
12/16	4.7	5.5	-0.8

<b>Total Quarters Observed</b>	<b>3</b>
<b>Quarters At or Above the Benchmark</b>	<b>1</b>
<b>Quarters Below the Benchmark</b>	<b>2</b>
<b>Batting Average</b>	<b>.333</b>

DAVIE POLICE PENSION PLAN  
LMCG INVESTMENTS - SMALL CAP GROWTH  
PERFORMANCE REVIEW  
DECEMBER 2016

## **INVESTMENT RETURN**

On December 31st, 2016, the Davie Police Pension Plan's LMCG Investments Small Cap Growth portfolio was valued at \$6,459,479, representing an increase of \$1,091,872 from the September quarter's ending value of \$5,367,607. Last quarter, the Fund posted net contributions equaling \$987,683 plus a net investment gain equaling \$104,189. Total net investment return was the result of income receipts, which totaled \$11,262 and net realized and unrealized capital gains of \$92,927.

For the cumulative period since June 2016, the fund has recorded net contributions totaling \$983,940, and recorded net investment gains of \$421,767. For the period since June 2016, if the total fund had returned a compound annual rate of 7.6% it would have been valued at \$6.2 million or \$230,414 less than the actual value as of December 31st, 2016.

## **RELATIVE PERFORMANCE**

### **Total Fund**

In the fourth quarter, the LMCG Investments Small Cap Growth portfolio gained 2.2%, which was 1.4% below the Russell 2000 Growth Index's return of 3.6% and ranked in the 61st percentile of the Small Cap Growth universe.

## **ASSET ALLOCATION**

On December 31st, 2016, small cap equities comprised 95.1% of the total portfolio (\$6.1 million), while cash & equivalents comprised the remaining 4.9% (\$316,534).

## **ANALYSIS**

At the end of the fourth quarter, the LMCG Small Cap Growth portfolio was invested in ten of the eleven industry sectors used in our analysis. They were overweight in the Consumer Service, Computer Technology, Finance, Utilities, and Service sectors. Conversely they were underweight in the Basic, Durable Consumer Goods, Non-Durable Consumer Goods, and Technology sectors. The Transportation sector was left unfunded.

Poor selection effects led the LMCG portfolio to underperform the Russell 2000 Growth index in seven of the ten invested industry sectors. The Consumer Service, Computer Technology, and Finance sectors featured the most notable losses this quarter. Each was considerably allocated, magnifying their negative impact on the total return. Fortunately the most allocated sector, Service, managed to outpace its counterpart, along with the Basic and Utilities sectors. While Technology and Energy posted losses to the benchmark's gains, their lower portfolio weights curbed the overall impact. Electing to vacate Transportation led the fund to miss out on the highest performance this quarter.



**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	Since 06/16
<b>Total Portfolio - Gross</b>	2.2	2.2	----	----	8.6
<i>SMALL CAP GROWTH RANK</i>	(61)	(61)	----	----	(83)
<b>Total Portfolio - Net</b>	2.0	2.0	----	----	8.1
RUSSELL 2000G	3.6	3.6	11.3	5.0	13.1
<b>Small Cap Equity - Gross</b>	2.5	2.5	----	----	9.2
<i>SMALL CAP GROWTH RANK</i>	(60)	(60)	----	----	(77)
RUSSELL 2000G	3.6	3.6	11.3	5.0	13.1

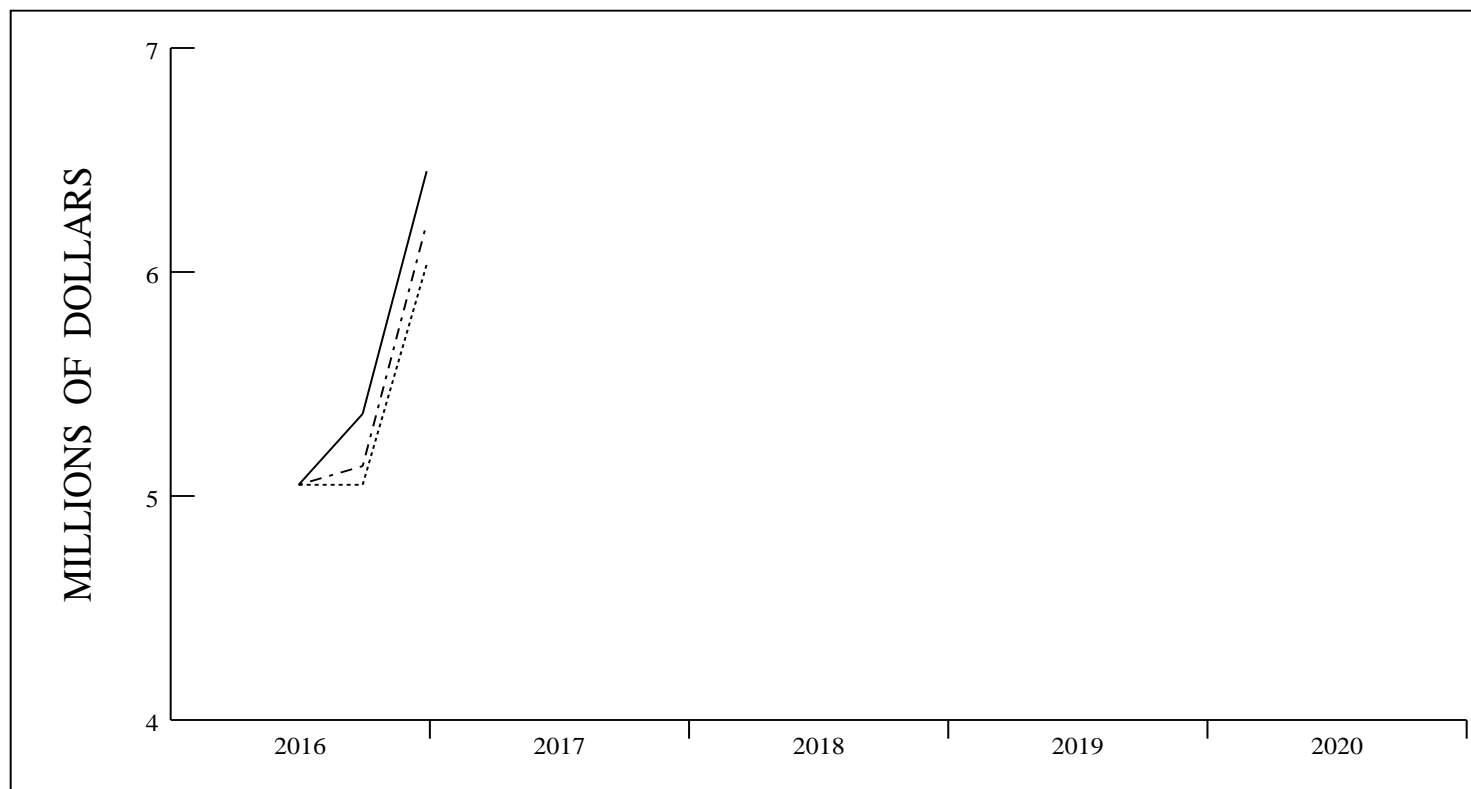
**ASSET ALLOCATION**

Small Cap	95.1%	\$ 6,142,945
Cash	4.9%	316,534
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 6,459,479</b>

**INVESTMENT RETURN**

Market Value 9/2016	\$ 5,367,607
Contribs / Withdrawals	987,683
Income	11,262
Capital Gains / Losses	92,927
Market Value 12/2016	\$ 6,459,479

**INVESTMENT GROWTH**

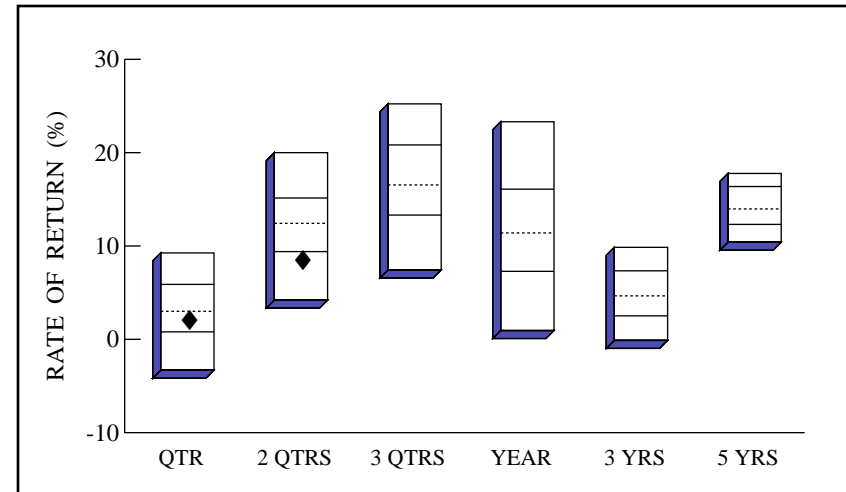
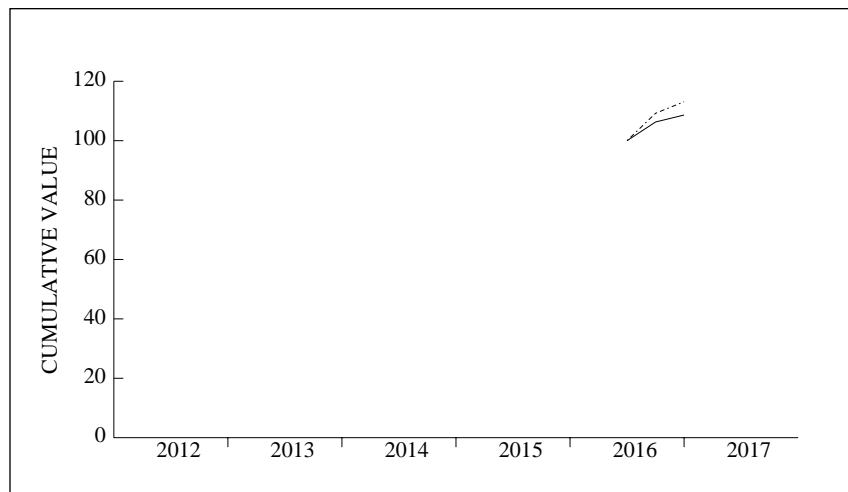


—	ACTUAL RETURN
- - - - -	7.6%
.....	0.0%

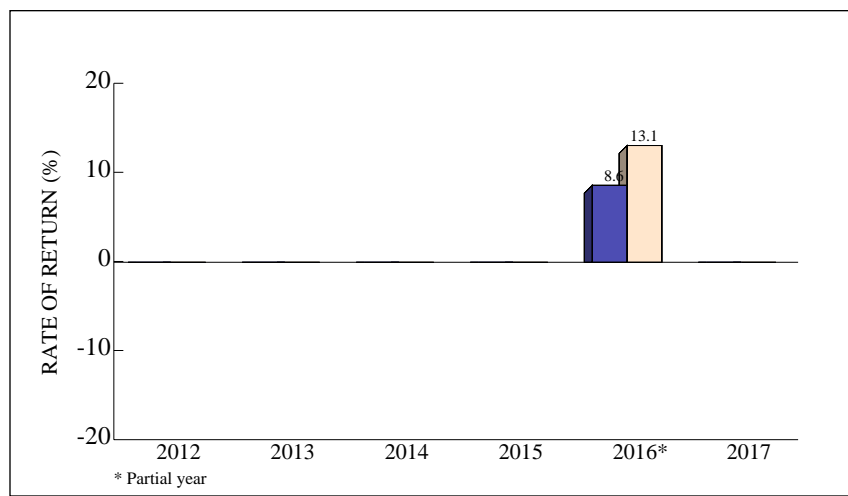
VALUE ASSUMING	
7.6% RETURN	\$ 6,229,065

	LAST QUARTER	PERIOD 6/16 - 12/16
BEGINNING VALUE	\$ 5,367,607	\$ 5,053,772
NET CONTRIBUTIONS	987,683	983,940
INVESTMENT RETURN	104,189	421,767
ENDING VALUE	\$ 6,459,479	\$ 6,459,479
INCOME	11,262	19,334
CAPITAL GAINS (LOSSES)	92,927	402,433
INVESTMENT RETURN	104,189	421,767

**TOTAL RETURN COMPARISONS**



Small Cap Growth Universe

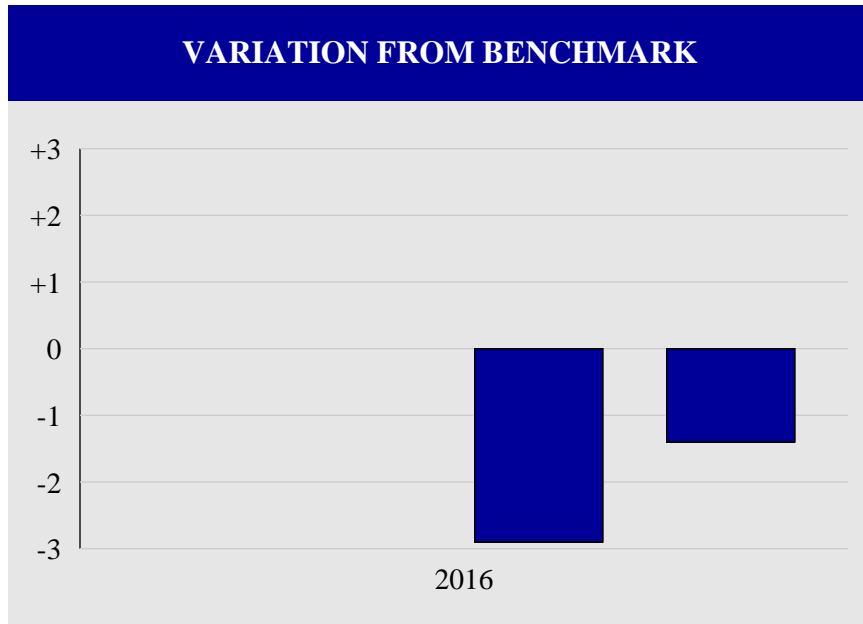


	<u>QTR</u>	<u>2 QTRS</u>	<u>3 QTRS</u>	<u>YEAR</u>	-----ANNUALIZED-----	
					<u>3 YRS</u>	<u>5 YRS</u>
RETURN	2.2	8.6	---	---	---	---
(RANK)	(61)	(83)	---	---	---	---
5TH %ILE	9.3	20.0	25.2	23.3	9.9	17.8
25TH %ILE	5.9	15.1	20.8	16.1	7.3	16.4
MEDIAN	3.0	12.4	16.5	11.4	4.7	14.0
75TH %ILE	0.8	9.4	13.3	7.3	2.5	12.3
95TH %ILE	-3.3	4.2	7.4	0.9	-0.1	10.4
<b>Russ 2000G</b>	<b>3.6</b>	<b>13.1</b>	<b>16.8</b>	<b>11.3</b>	<b>5.0</b>	<b>13.7</b>

Small Cap Growth Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

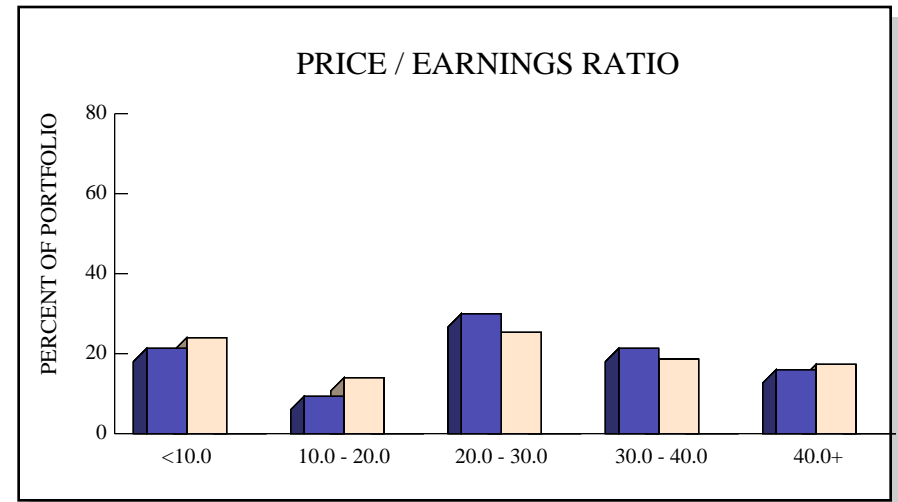
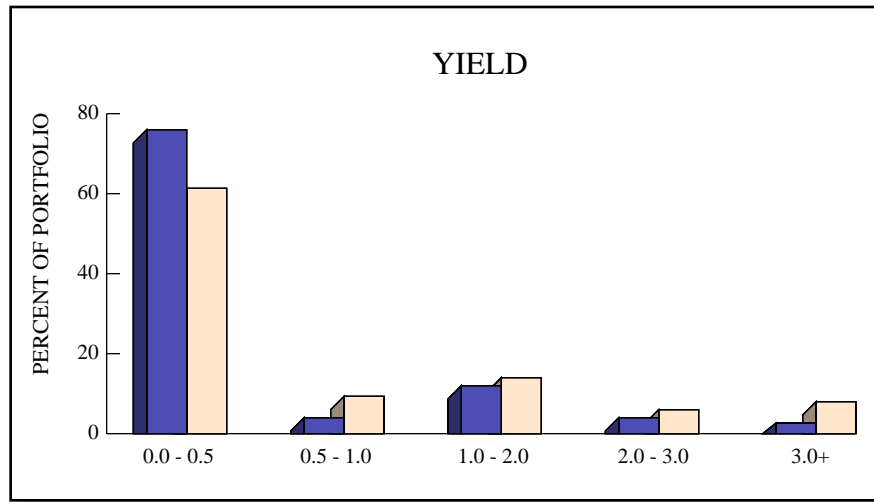
**COMPARATIVE BENCHMARK: RUSSELL 2000 GROWTH**



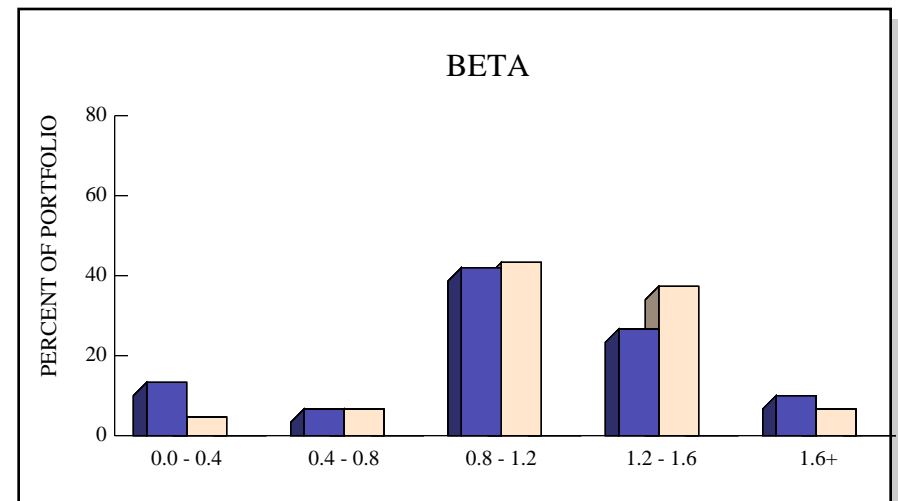
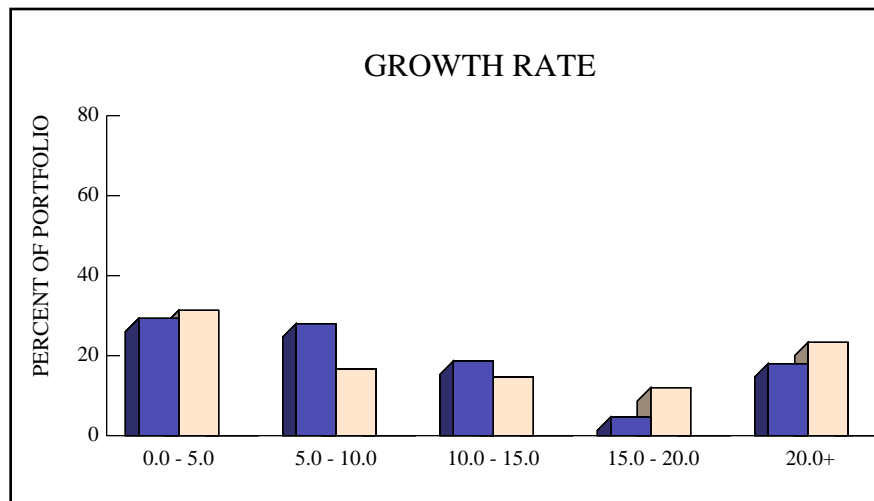
<b>RATES OF RETURN</b>			
Date	Portfolio	Benchmark	Difference
9/16	6.3	9.2	-2.9
12/16	2.2	3.6	-1.4

<b>Total Quarters Observed</b>	<b>2</b>
<b>Quarters At or Above the Benchmark</b>	<b>0</b>
<b>Quarters Below the Benchmark</b>	<b>2</b>
<b>Batting Average</b>	<b>.000</b>

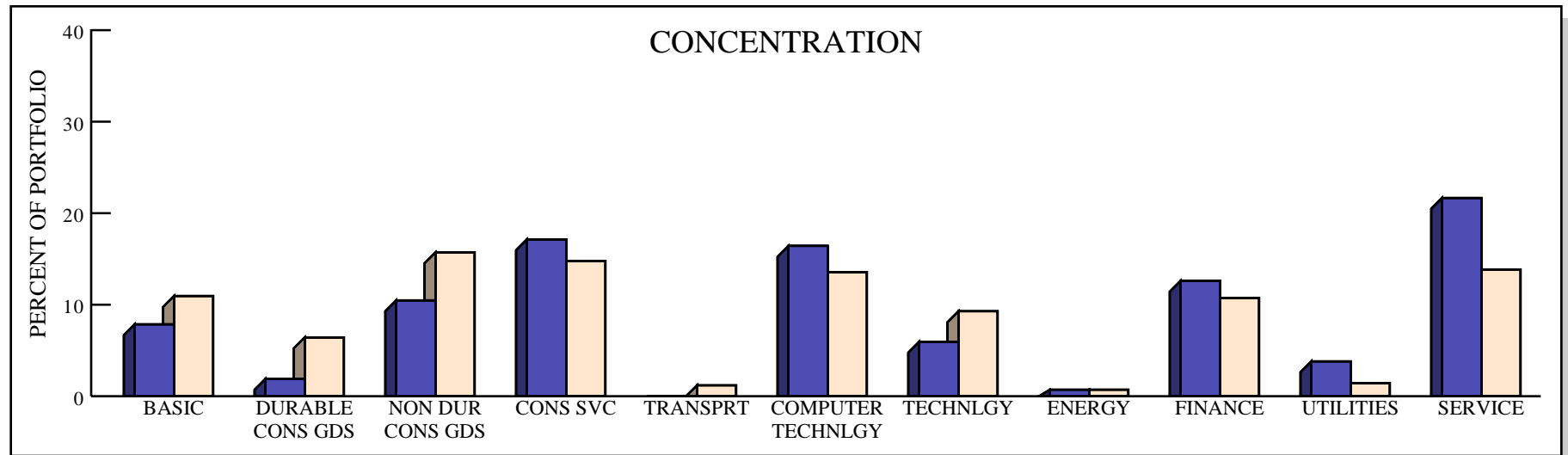
**STOCK CHARACTERISTICS**



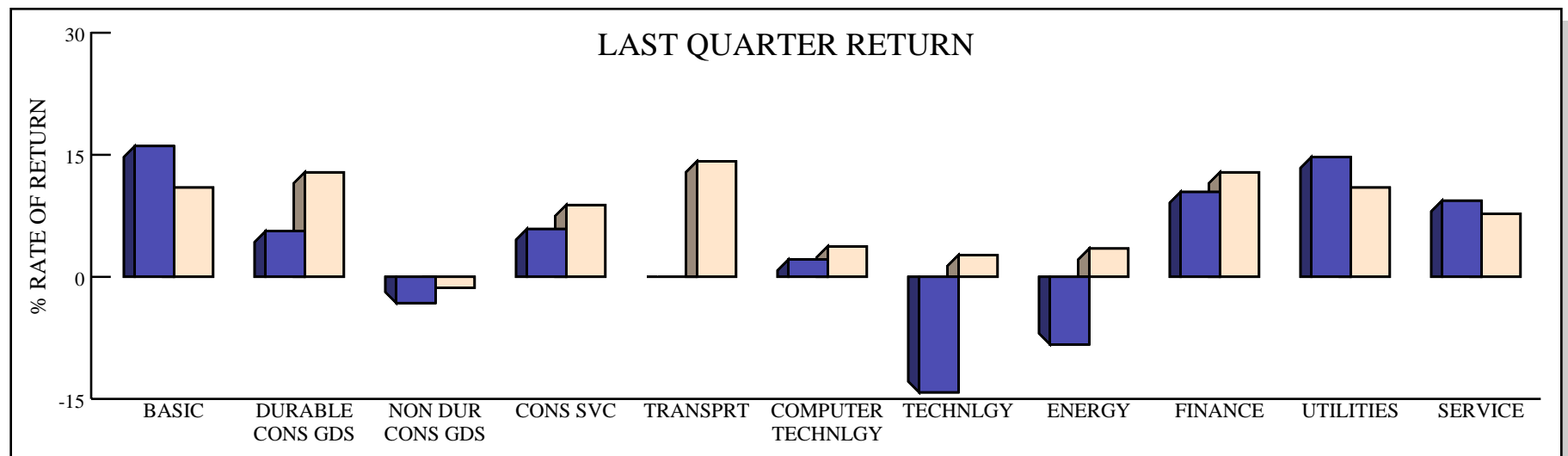
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	69	0.5%	12.0%	22.7	1.03
RUSSELL 2000G	1,177	0.8%	12.9%	21.3	1.13



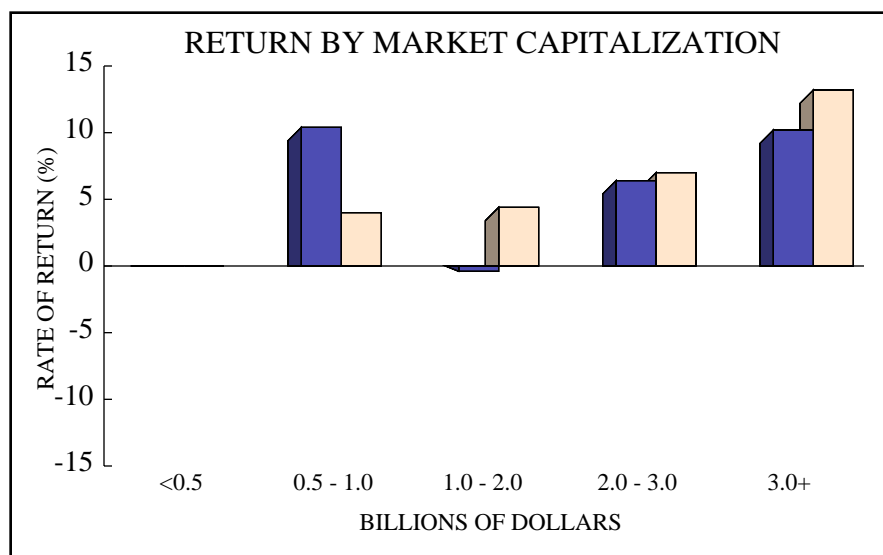
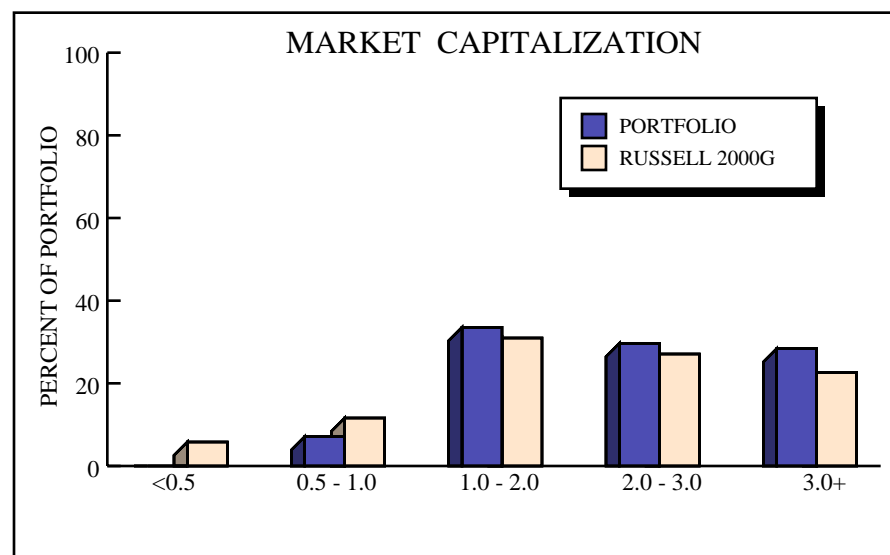
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ RUSSELL 2000 GROWTH



**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	NEXSTAR BROADCASTING GROUP-A	\$ 240,413	3.91%	10.1%	Service	\$ 1.9 B
2	SYNCHRONOSS TECHNOLOGIES INC	196,134	3.19%	-7.0%	Computer Tech	1.7 B
3	MONRO MUFFLER BRAKE INC	177,377	2.89%	-6.2%	Consumer Service	1.8 B
4	NATIONAL BEVERAGE CORP	171,476	2.79%	19.3%	NonDur Cons Goods	2.4 B
5	INC RESEARCH HOLDINGS INC-A	160,693	2.62%	18.0%	Consumer Service	2.8 B
6	SITEONE LANDSCAPE SUPPLY INC	151,492	2.47%	-3.3%	Service	1.4 B
7	GTT COMMUNICATIONS INC	148,494	2.42%	22.2%	Utilities	1.1 B
8	ENVISION HEALTHCARE CORP	148,099	2.41%	0.0%	Consumer Service	7.4 B
9	NEVRO CORP	140,088	2.28%	-30.4%	Technology	2.1 B
10	CAVIUM INC	137,118	2.23%	7.3%	Computer Tech	4.2 B

DAVIE POLICE PENSION PLAN  
PNC CAPITAL ADVISORS - SMALL CAP CORE  
PERFORMANCE REVIEW  
DECEMBER 2016



## **INVESTMENT RETURN**

On December 31st, 2016, the Davie Police Pension Plan's PNC Capital Advisors Small Cap Core portfolio was valued at \$8,988,094, representing an increase of \$1,603,532 from the September quarter's ending value of \$7,384,562. Last quarter, the Fund posted net contributions equaling \$998,547 plus a net investment gain equaling \$604,985. Total net investment return was the result of income receipts, which totaled \$28,463 and net realized and unrealized capital gains of \$576,522.

For the cumulative period since June 2016, the fund has recorded net contributions totaling \$986,836, and recorded net investment gains of \$1.1 million. For the period since June 2016, if the total fund had returned a compound annual rate of 7.6% it would have been valued at \$8.2 million or \$820,440 less than the actual value as of December 31st, 2016.

## **RELATIVE PERFORMANCE**

### **Total Fund**

In the fourth quarter, the PNC Capital Advisors Small Cap Core portfolio gained 8.1%, which was 0.7% below the Russell 2000 Index's return of 8.8% and ranked in the 70th percentile of the Small Cap Core universe.

## **ASSET ALLOCATION**

On December 31st, 2016, small cap equities comprised 96.4% of the total portfolio (\$8.7 million), while cash & equivalents comprised the remaining 3.6% (\$321,904).

## **ANALYSIS**

At the end of the fourth quarter, the PNC Capital Advisors portfolio was invested in nine of the eleven industry sectors utilized in our analysis. They were notably overweight in the Durable Consumer Goods, Finance, and Service sectors. Conversely they were underweight in the Basic, Non-Durable Consumer Goods, and Computer Technology sectors, while leaving the Energy and Utilities sectors unfunded.

In the fourth quarter the portfolio underperformed relative to the Russell 2000 index. Poor selection led the fund to fall behind the index in six of the nine invested sectors. The most notable impact was brought forth by the overweight Finance sector, which underperformed while making up over 30% of the fund. The Durable Consumer Goods, Consumer Service, and Computer Technology sectors also fell behind, further pushing the total return down. Fortunately the overweight Service sector surpassed the benchmark, curbing some of the losses along with the Non-Durable Consumer Goods and Technology sectors. Overall PNC returned a strong 8.1% for the quarter, but it fell short of the index.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	Since 06/16
<b>Total Portfolio - Gross</b>	8.1	8.1	----	----	15.5
<i>SMALL CAP CORE RANK</i>	(70)	(70)	----	----	(72)
<b>Total Portfolio - Net</b>	7.8	7.8	----	----	14.9
RUSSELL 2000	8.8	8.8	21.3	6.7	18.7
<b>Small Cap Equity - Gross</b>	8.3	8.3	----	----	15.9
<i>SMALL CAP CORE RANK</i>	(67)	(67)	----	----	(69)
RUSSELL 2000	8.8	8.8	21.3	6.7	18.7

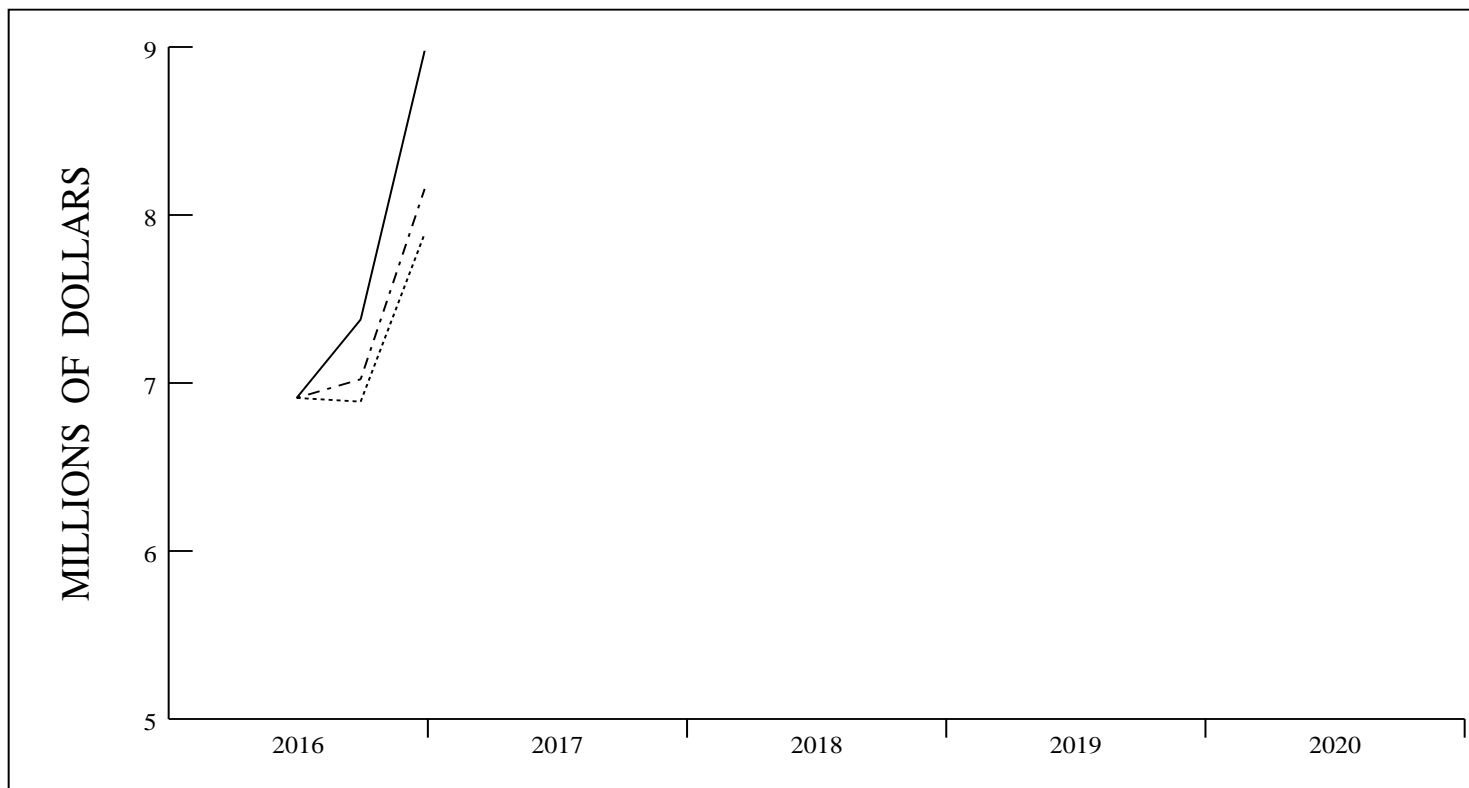
**ASSET ALLOCATION**

Small Cap	96.4%	\$ 8,666,190
Cash	3.6%	321,904
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 8,988,094</b>

**INVESTMENT RETURN**

Market Value 9/2016	\$ 7,384,562
Contribs / Withdrawals	998,547
Income	28,463
Capital Gains / Losses	576,522
Market Value 12/2016	\$ 8,988,094

**INVESTMENT GROWTH**

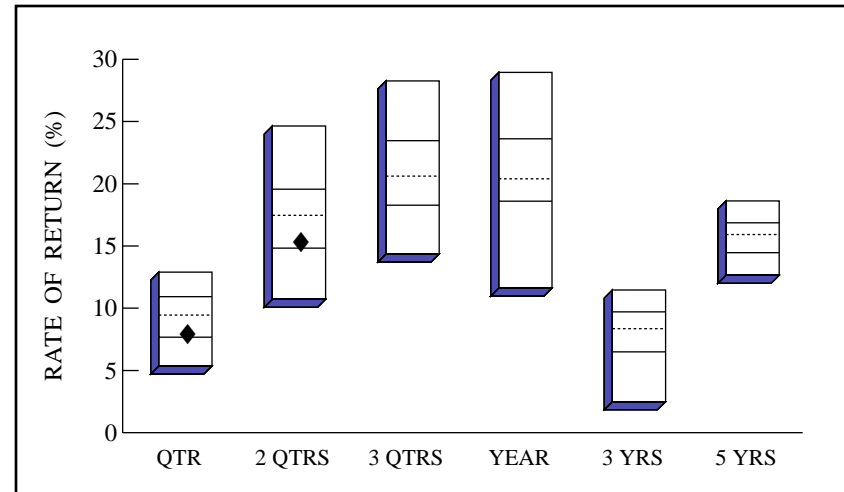
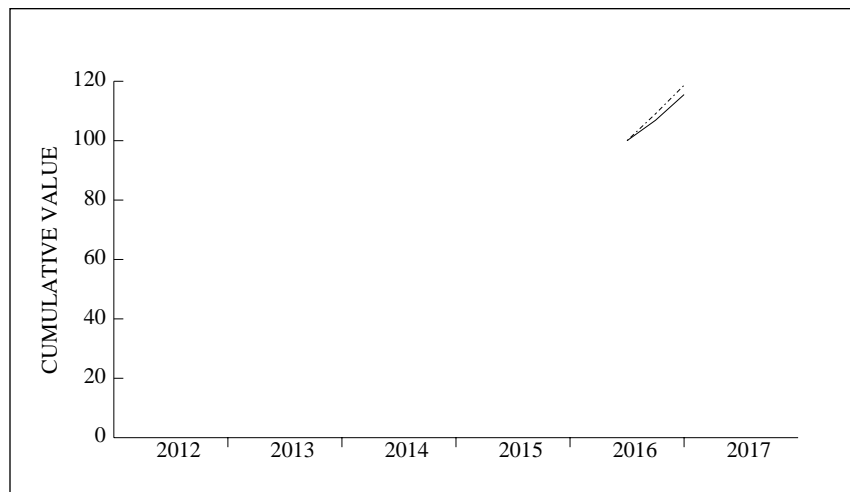


— ACTUAL RETURN  
 - - - 7.6%  
 . . . 0.0%

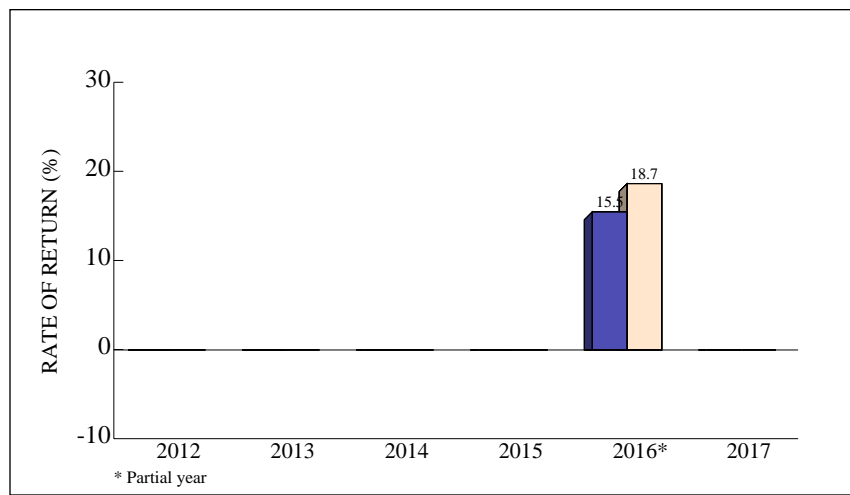
VALUE ASSUMING  
 7.6% RETURN    \$ 8,167,654

	LAST QUARTER	PERIOD 6/16 - 12/16
BEGINNING VALUE	\$ 7,384,562	\$ 6,919,944
NET CONTRIBUTIONS	998,547	986,836
INVESTMENT RETURN	604,985	1,081,314
ENDING VALUE	\$ 8,988,094	\$ 8,988,094
INCOME	28,463	39,273
CAPITAL GAINS (LOSSES)	576,522	1,042,041
INVESTMENT RETURN	604,985	1,081,314

**TOTAL RETURN COMPARISONS**



Small Cap Core Universe

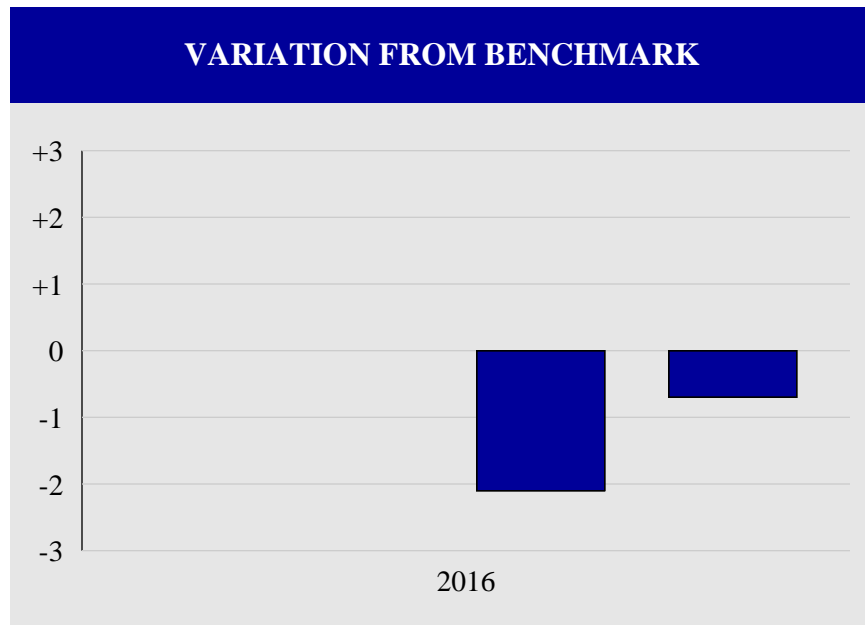


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	8.1	15.5	---	---	---	---
(RANK)	(70)	(72)	---	---	---	---
5TH %ILE	12.9	24.6	28.3	29.0	11.5	18.6
25TH %ILE	10.9	19.6	23.5	23.6	9.7	16.9
MEDIAN	9.4	17.5	20.6	20.4	8.4	15.9
75TH %ILE	7.7	14.8	18.3	18.6	6.5	14.5
95TH %ILE	5.4	10.7	14.4	11.6	2.5	12.6
<b>Russ 2000</b>	<b>8.8</b>	<b>18.7</b>	<b>23.2</b>	<b>21.3</b>	<b>6.7</b>	<b>14.5</b>

Small Cap Core Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

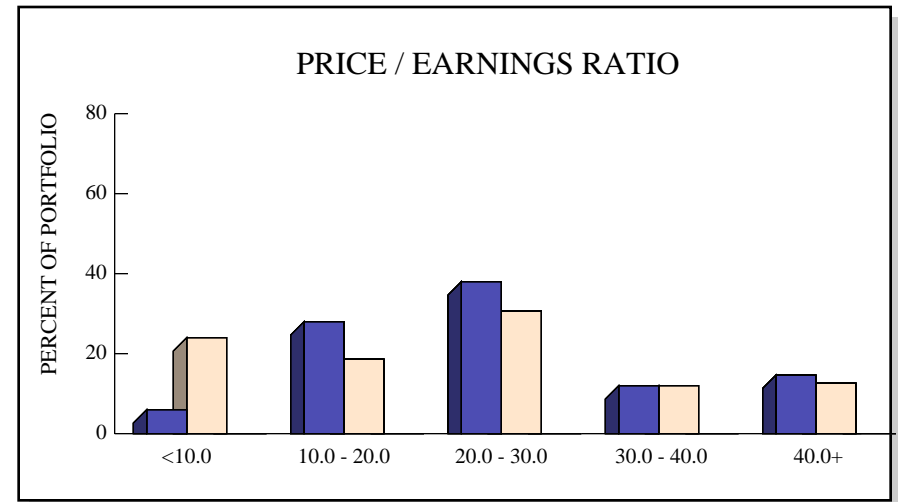
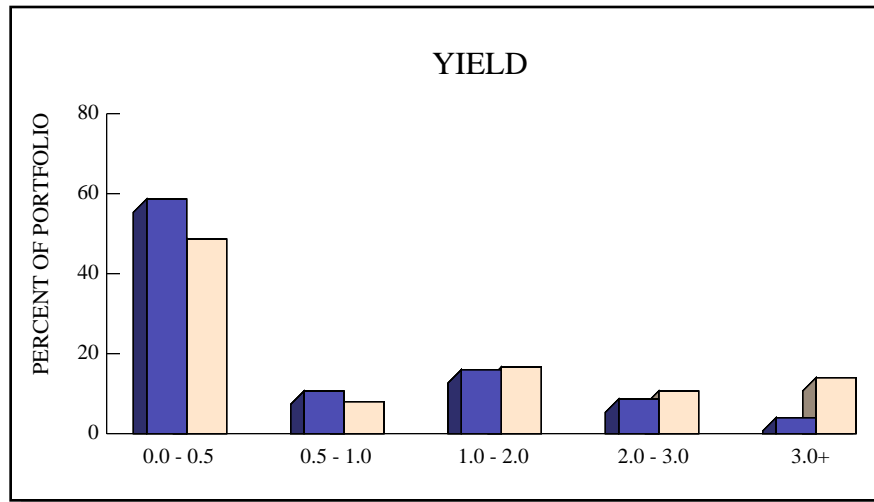
**COMPARATIVE BENCHMARK: RUSSELL 2000**



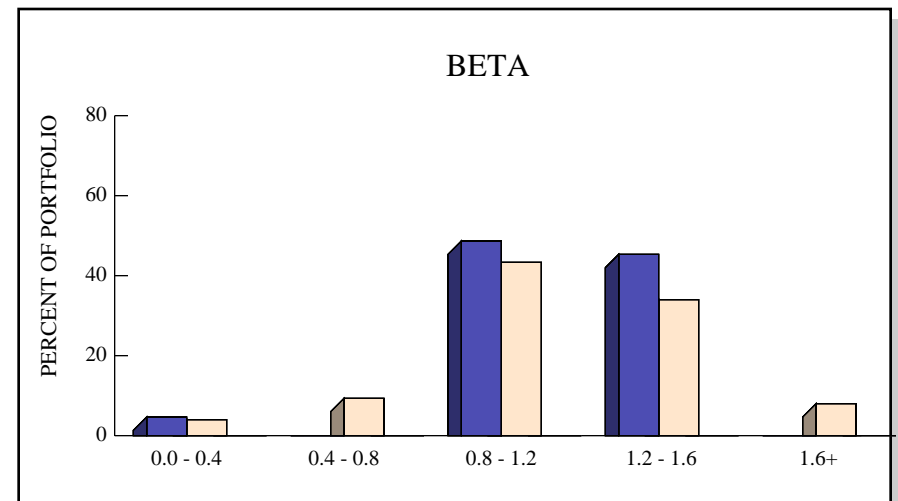
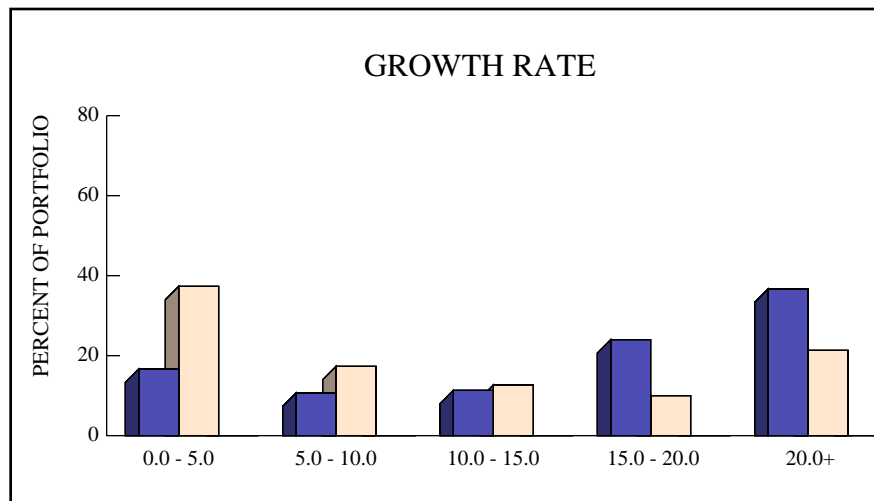
<b>RATES OF RETURN</b>			
Date	Portfolio	Benchmark	Difference
9/16	6.9	9.0	-2.1
12/16	8.1	8.8	-0.7

<b>Total Quarters Observed</b>	<b>2</b>
<b>Quarters At or Above the Benchmark</b>	<b>0</b>
<b>Quarters Below the Benchmark</b>	<b>2</b>
<b>Batting Average</b>	<b>.000</b>

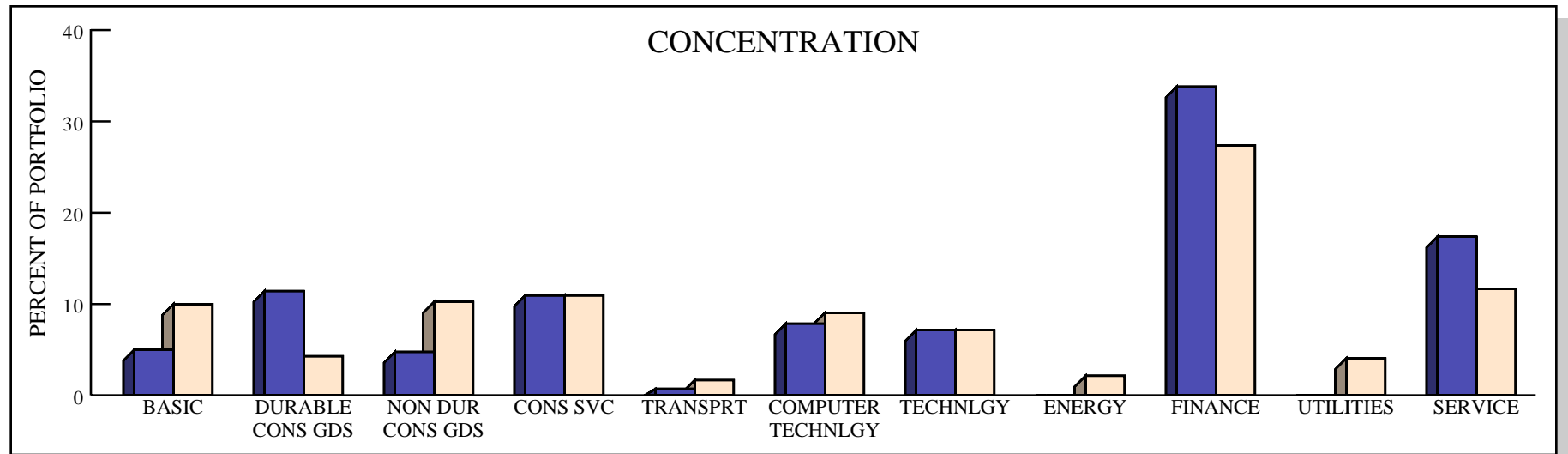
**STOCK CHARACTERISTICS**



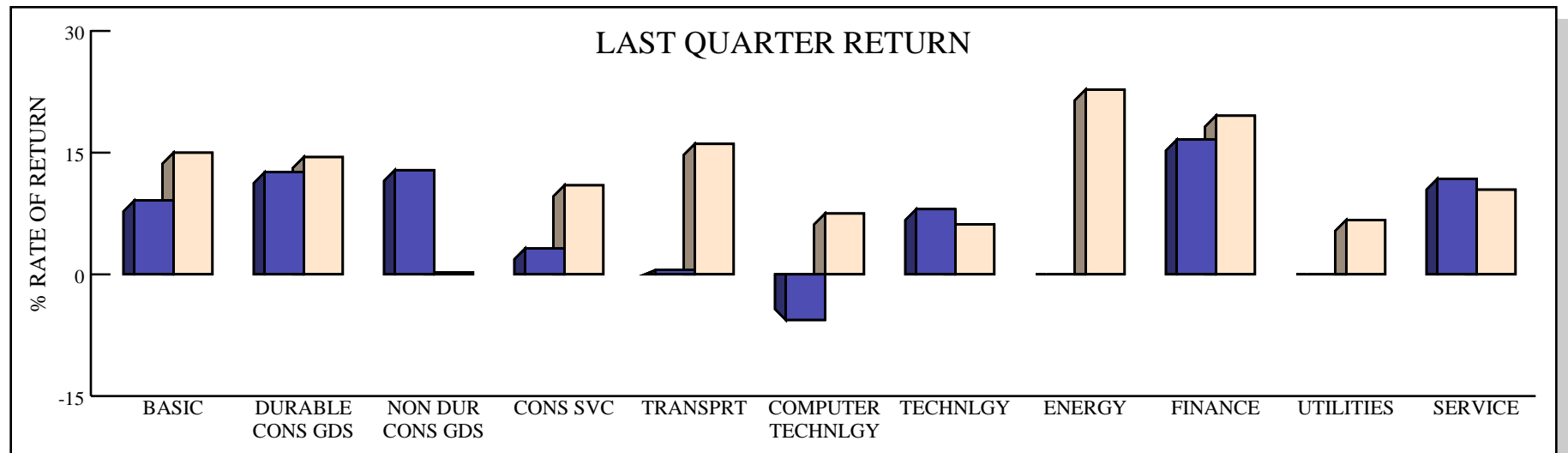
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	47	0.7%	20.5%	28.0	1.13
RUSSELL 2000	1,979	1.4%	10.9%	19.3	1.13



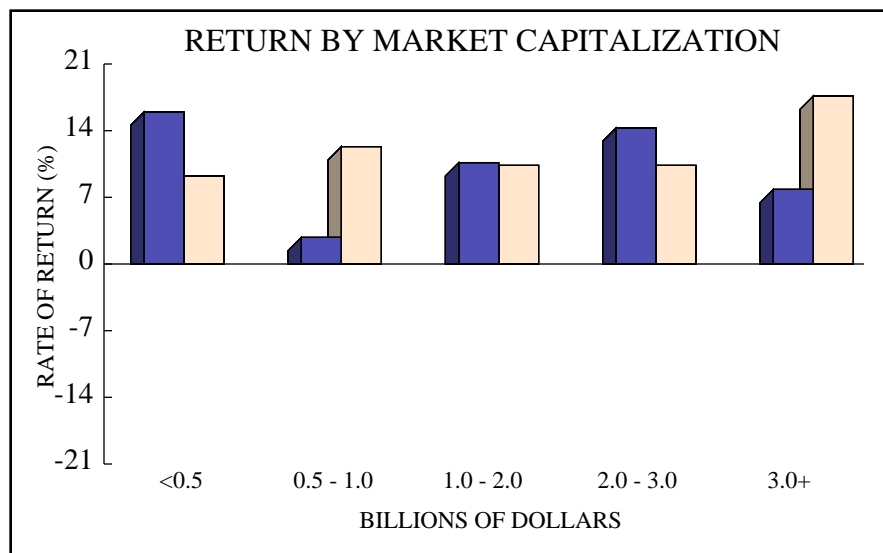
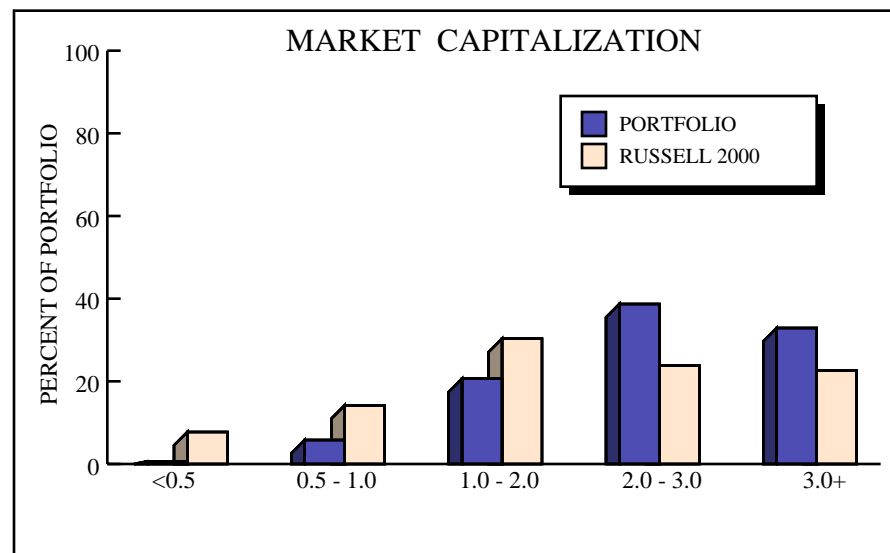
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ RUSSELL 2000



**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	BANK OF THE OZARKS	\$ 387,746	4.47%	37.2%	Finance	\$ 6.4 B
2	PRA GROUP INC	369,769	4.27%	13.2%	Service	1.8 B
3	DREW INDUSTRIES INC	359,239	4.15%	10.5%	Durable Cons Goods	2.7 B
4	EAGLE BANCORP INC	353,266	4.08%	23.6%	Finance	2.1 B
5	NEOGEN CORP	318,582	3.68%	18.0%	NonDur Cons Goods	2.5 B
6	AMTRUST FINANCIAL SERVICES	318,019	3.67%	2.6%	Finance	4.7 B
7	LITHIA MOTORS INC-CL A	310,921	3.59%	1.6%	Consumer Service	2.3 B
8	LEGACYTEXAS FINANCIAL GROUP	299,310	3.45%	36.5%	Finance	2.1 B
9	ENERSYS	280,145	3.23%	13.1%	Service	3.4 B
10	DORMAN PRODUCTS INC	279,820	3.23%	14.3%	Durable Cons Goods	2.5 B



DAVIE POLICE PENSION PLAN  
JOHNSTON - INTERNATIONAL EQUITY GROUP TRUST  
PERFORMANCE REVIEW  
DECEMBER 2016

## **INVESTMENT RETURN**

On December 31st, 2016, the Davie Police Pension Plan's Johnston International Equity Group Trust portfolio was valued at \$6,142,371, a decrease of \$342,144 from the September ending value of \$6,484,515. Last quarter, the account recorded total net withdrawals of \$13,504 in addition to \$328,640 in net investment losses. Because there were no income receipts during the fourth quarter, the portfolio's net investment losses were entirely made up of capital losses (realized and unrealized).

For the cumulative period since December 2011, the portfolio has posted net withdrawals totaling \$220,546 and recorded net investment gains totaling \$1.8 million. For the period since December 2011, if the fund had returned a compound annual rate of 7.6% it would have been valued at \$6.3 million or \$128,526 more than the actual value as of December 31st, 2016.

## **RELATIVE PERFORMANCE**

For the fourth quarter, the Johnston International Equity Group Trust portfolio returned -5.1%, which was 4.4% less than the MSCI EAFE Index's return of -0.7% and ranked in the 75th percentile of the International Equity universe. Over the trailing year, this portfolio returned 1.7%, which was 0.2% above the benchmark's 1.5% return, ranking in the 62nd percentile. Since December 2011, the account returned 7.1% on an annualized basis and ranked in the 55th percentile. For comparison, the MSCI EAFE Index returned an annualized 7.0% over the same time frame.

## **ASSET ALLOCATION**

This account was fully invested in the Johnston International Equity Group Trust at the end of the quarter.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	5 Years
<b>Total Portfolio - Gross</b>	-5.1	-5.1	1.7	0.9	7.1
<i>INTERNATIONAL EQUITY RANK</i>	(75)	(75)	(62)	(32)	(55)
<b>Total Portfolio - Net</b>	-5.3	-5.3	0.8	0.0	6.2
MSCI EAFE	-0.7	-0.7	1.5	-1.2	7.0
<b>International Equity - Gross</b>	-5.1	-5.1	1.7	0.9	7.1
<i>INTERNATIONAL EQUITY RANK</i>	(75)	(75)	(62)	(32)	(55)
MSCI EAFE	-0.7	-0.7	1.5	-1.2	7.0

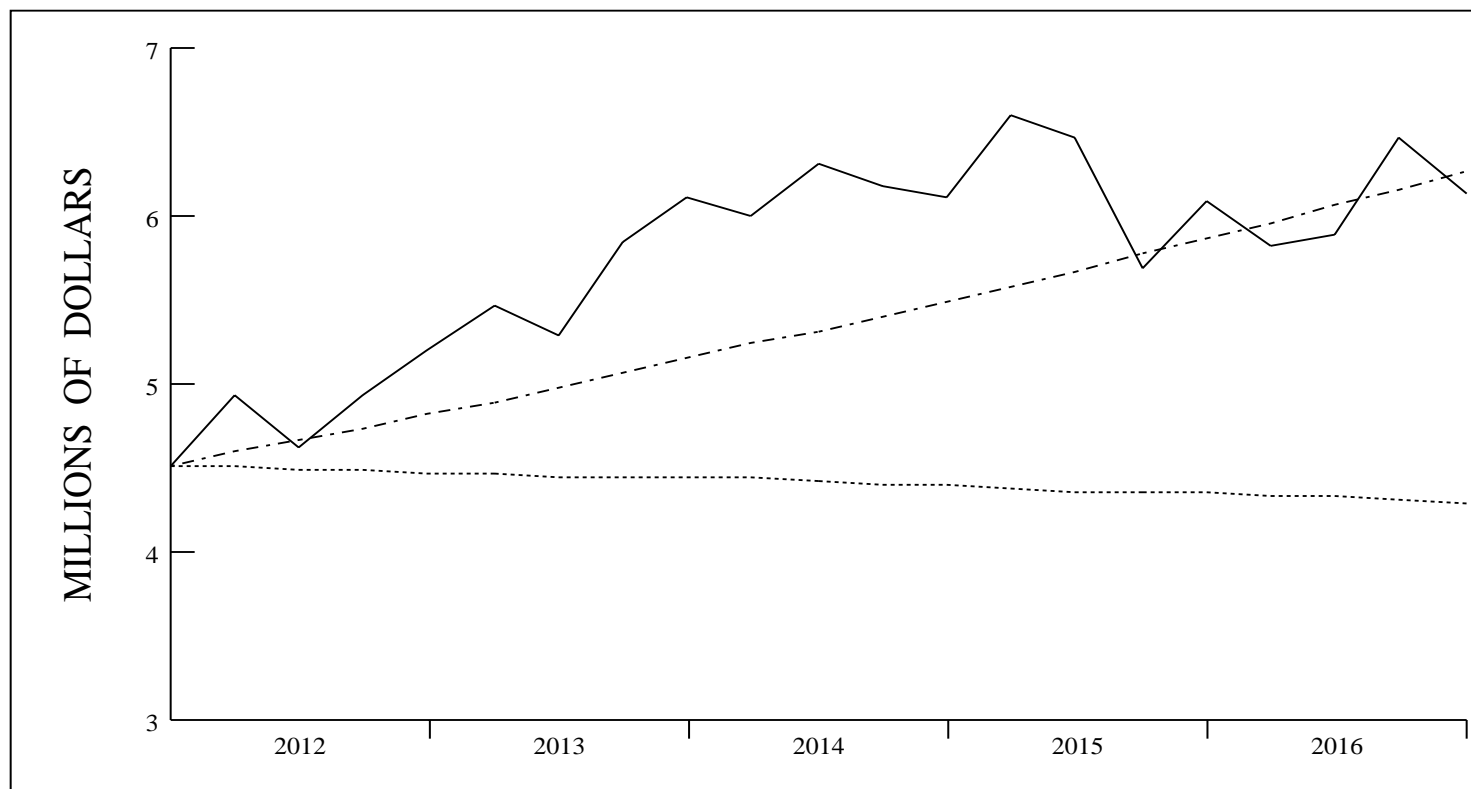
**ASSET ALLOCATION**

Int'l Equity	100.0%	\$ 6,142,371
Total Portfolio	100.0%	\$ 6,142,371

**INVESTMENT RETURN**

Market Value 9/2016	\$ 6,484,515
Contribs / Withdrawals	- 13,504
Income	0
Capital Gains / Losses	-328,640
Market Value 12/2016	\$ 6,142,371

**INVESTMENT GROWTH**

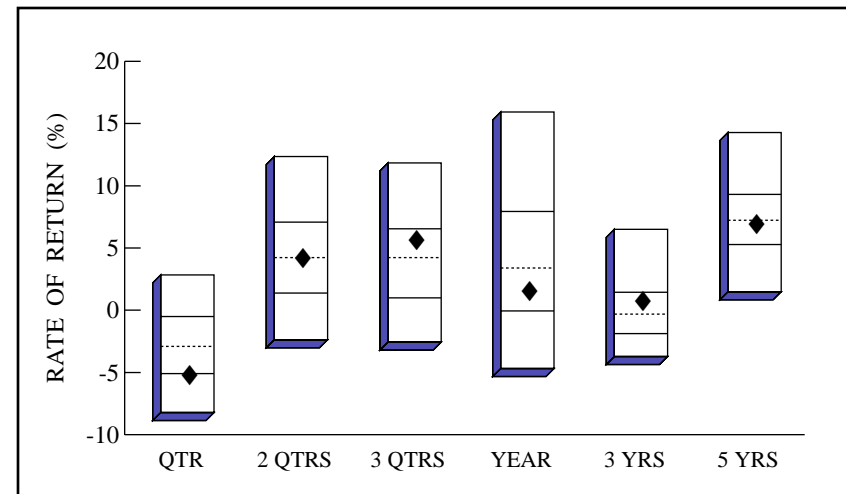
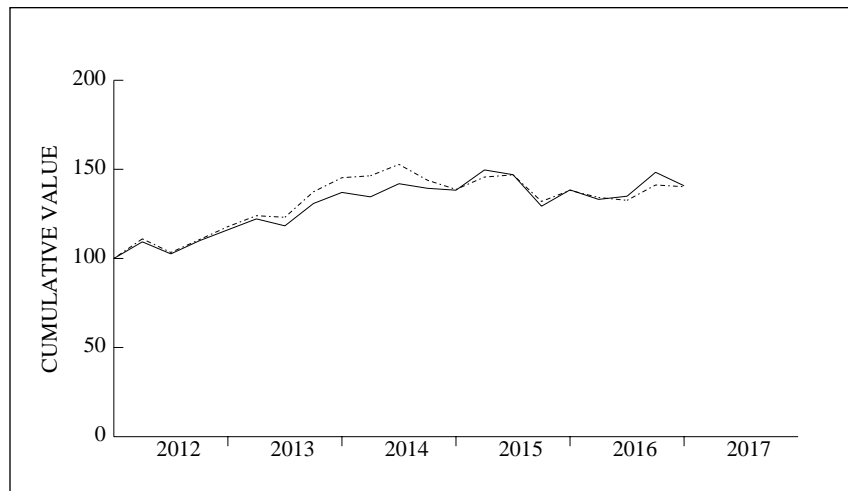


—	ACTUAL RETURN
- - -	7.6%
.....	0.0%

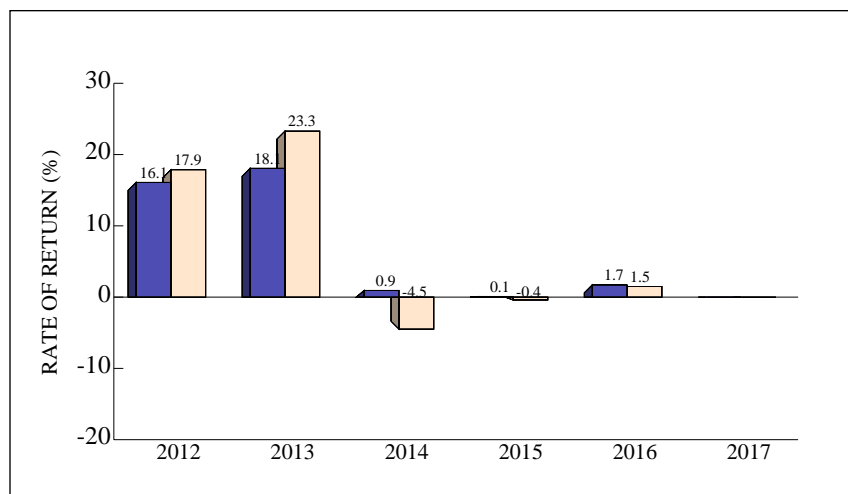
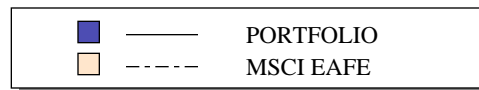
VALUE ASSUMING	
7.6% RETURN	\$ 6,270,897

	LAST QUARTER	PERIOD 12/11 - 12/16
BEGINNING VALUE	\$ 6,484,515	\$ 4,529,903
NET CONTRIBUTIONS	- 13,504	-220,546
INVESTMENT RETURN	<u>-328,640</u>	<u>1,833,014</u>
ENDING VALUE	\$ 6,142,371	\$ 6,142,371
INCOME	0	0
CAPITAL GAINS (LOSSES)	<u>-328,640</u>	<u>1,833,014</u>
INVESTMENT RETURN	-328,640	1,833,014

**TOTAL RETURN COMPARISONS**



International Equity Universe

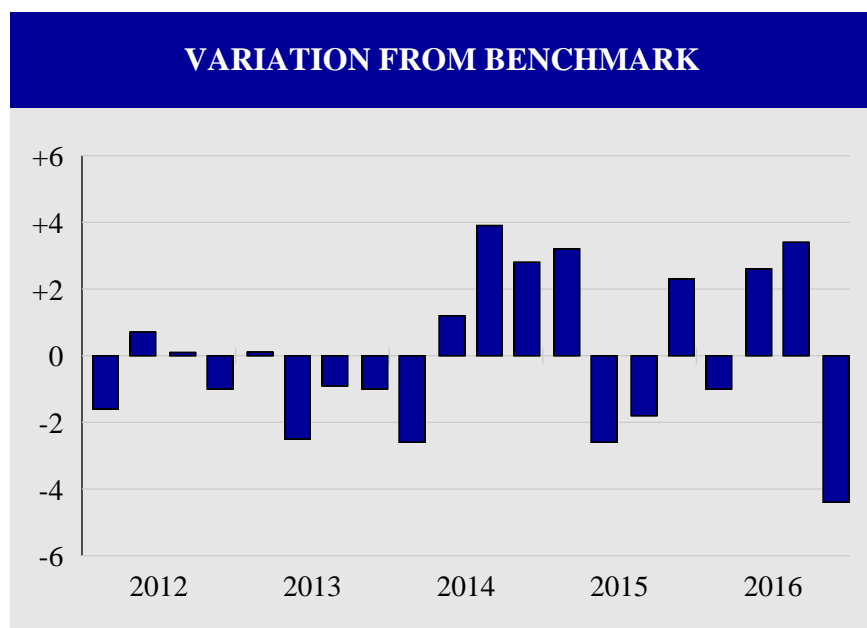


	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	-5.1	4.4	5.8	1.7	0.9	7.1
(RANK)	(75)	(50)	(31)	(62)	(32)	(55)
5TH %ILE	2.8	12.4	11.8	15.9	6.5	14.3
25TH %ILE	-0.5	7.1	6.5	7.9	1.5	9.3
MEDIAN	-2.9	4.2	4.2	3.4	-0.3	7.2
75TH %ILE	-5.1	1.4	1.0	-0.1	-1.9	5.3
95TH %ILE	-8.2	-2.4	-2.6	-4.7	-3.7	1.5
<b>MSCI EAFE</b>	<b>-0.7</b>	<b>5.8</b>	<b>4.5</b>	<b>1.5</b>	<b>-1.2</b>	<b>7.0</b>

International Equity Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

**COMPARATIVE BENCHMARK: MSCI EAFE**



<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>10</b>
<b>Quarters Below the Benchmark</b>	<b>10</b>
<b>Batting Average</b>	<b>.500</b>

<b>RATES OF RETURN</b>			
Date	Portfolio	Benchmark	Difference
3/12	9.4	11.0	-1.6
6/12	-6.2	-6.9	0.7
9/12	7.1	7.0	0.1
12/12	5.6	6.6	-1.0
3/13	5.3	5.2	0.1
6/13	-3.2	-0.7	-2.5
9/13	10.7	11.6	-0.9
12/13	4.7	5.7	-1.0
3/14	-1.8	0.8	-2.6
6/14	5.5	4.3	1.2
9/14	-1.9	-5.8	3.9
12/14	-0.7	-3.5	2.8
3/15	8.2	5.0	3.2
6/15	-1.8	0.8	-2.6
9/15	-12.0	-10.2	-1.8
12/15	7.0	4.7	2.3
3/16	-3.9	-2.9	-1.0
6/16	1.4	-1.2	2.6
9/16	9.9	6.5	3.4
12/16	-5.1	-0.7	-4.4

DAVIE POLICE PENSION PLAN  
AMERICAN REALTY ADVISORS - AMERICAN CORE REALTY FUND  
PERFORMANCE REVIEW  
DECEMBER 2016

## **INVESTMENT RETURN**

On December 31st, 2016, the Davie Police Pension Plan's American Realty Advisors American Core Realty Fund was valued at \$5,099,292, representing an increase of \$46,483 from the September quarter's ending value of \$5,052,809. Last quarter, the Fund posted withdrawals totaling \$14,062, which offset the portfolio's net investment return of \$60,545. Net investment return was a product of income receipts totaling \$75,792 and realized and unrealized capital losses of \$15,247.

For the cumulative period since December 2011, the fund has recorded net contributions totaling \$1.3 million, and recorded net investment gains of \$1.6 million. For the period since December 2011, if the total fund had returned a compound annual rate of 7.6% it would have been valued at \$4.5 million or \$586,288 less than the actual value as of December 31st, 2016.

## **RELATIVE PERFORMANCE**

In the fourth quarter, the American Realty Advisors American Core Realty Fund gained 1.2%, which was 0.9% less than the NCREIF NFI-ODCE Index's return of 2.1%. Over the trailing twelve-month period, the portfolio returned 7.2%, which was 1.5% below the benchmark's 8.7% return. Since December 2011, the account returned 11.5% on an annualized basis, while the NCREIF NFI-ODCE Index returned an annualized 12.2% over the same time frame.

## **ASSET ALLOCATION**

This account was fully invested in the American Core Realty Fund, LLC at the end of the quarter.



**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	5 Years
<b>Total Portfolio - Gross</b>	1.2	1.2	7.2	11.3	11.5
<b>Total Portfolio - Net</b>	0.9	0.9	5.9	10.1	10.3
NCREIF ODCE	2.1	2.1	8.7	12.0	12.2
<b>Real Estate - Gross</b>	1.2	1.2	7.2	11.3	11.5
NCREIF ODCE	2.1	2.1	8.7	12.0	12.2

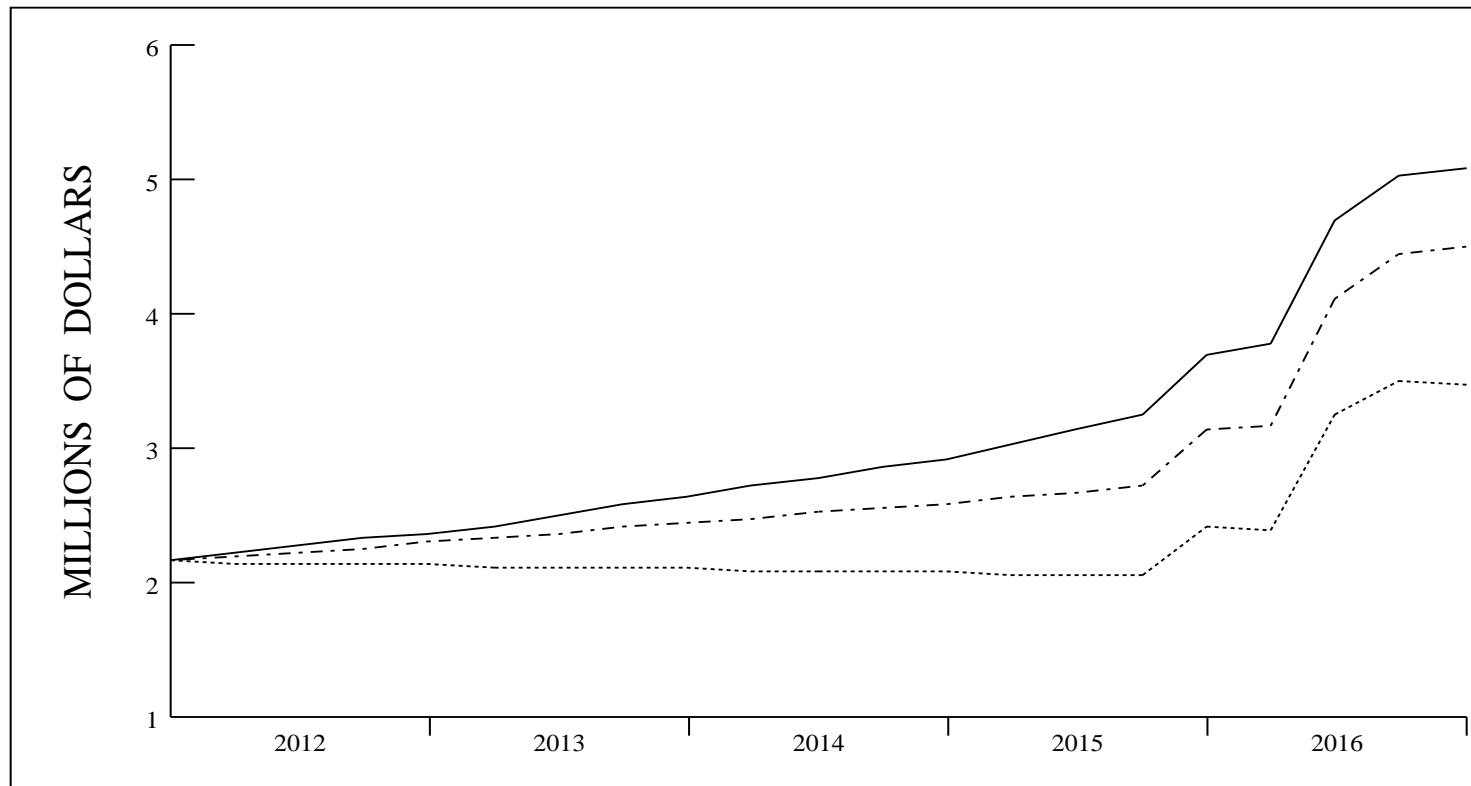
**ASSET ALLOCATION**

Real Estate	100.0%	\$ 5,099,292
Total Portfolio	100.0%	\$ 5,099,292

**INVESTMENT RETURN**

Market Value 9/2016	\$ 5,052,809
Contribs / Withdrawals	- 14,062
Income	75,792
Capital Gains / Losses	- 15,247
Market Value 12/2016	\$ 5,099,292

**INVESTMENT GROWTH**



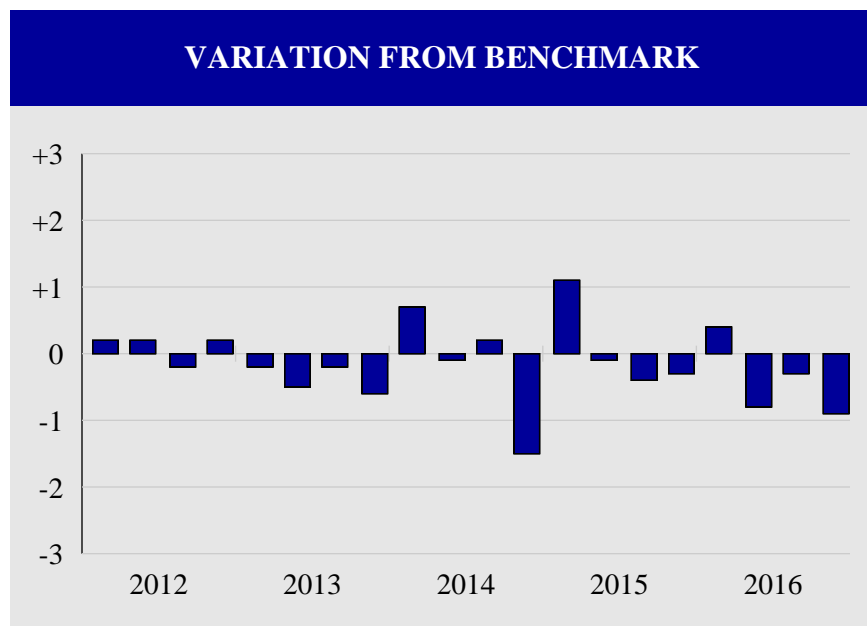
— ACTUAL RETURN  
 - - - 7.6%  
 ..... 0.0%

VALUE ASSUMING  
 7.6% RETURN \$ 4,513,004

	LAST QUARTER	PERIOD 12/11 - 12/16
BEGINNING VALUE	\$ 5,052,809	\$ 2,168,905
NET CONTRIBUTIONS	- 14,062	1,328,984
INVESTMENT RETURN	<u>60,545</u>	<u>1,601,404</u>
ENDING VALUE	\$ 5,099,292	\$ 5,099,292
INCOME	75,792	872,756
CAPITAL GAINS (LOSSES)	<u>- 15,247</u>	<u>728,648</u>
INVESTMENT RETURN	60,545	1,601,404

### TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX



<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>7</b>
<b>Quarters Below the Benchmark</b>	<b>13</b>
<b>Batting Average</b>	<b>.350</b>

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
3/12	3.0	2.8	0.2
6/12	2.7	2.5	0.2
9/12	2.6	2.8	-0.2
12/12	2.5	2.3	0.2
3/13	2.5	2.7	-0.2
6/13	3.4	3.9	-0.5
9/13	3.4	3.6	-0.2
12/13	2.6	3.2	-0.6
3/14	3.2	2.5	0.7
6/14	2.8	2.9	-0.1
9/14	3.4	3.2	0.2
12/14	1.8	3.3	-1.5
3/15	4.5	3.4	1.1
6/15	3.7	3.8	-0.1
9/15	3.3	3.7	-0.4
12/15	3.0	3.3	-0.3
3/16	2.6	2.2	0.4
6/16	1.3	2.1	-0.8
9/16	1.8	2.1	-0.3
12/16	1.2	2.1	-0.9

DAVIE POLICE PENSION PLAN  
INTERCONTINENTAL - US REAL ESTATE INVESTMENT FUND  
PERFORMANCE REVIEW  
DECEMBER 2016

## **INVESTMENT RETURN**

On December 31st, 2016, the Davie Police Pension Plan's Intercontinental US Real Estate Investment Fund was valued at \$8,032,878, representing an increase of \$351,063 from the September quarter's ending value of \$7,681,815. Last quarter, the Fund posted withdrawals totaling \$87,092, which partially offset the portfolio's net investment return of \$438,155. Since there were no income receipts for the fourth quarter, the portfolio's net investment return figure was the product of net realized and unrealized capital gains totaling \$438,155.

For the cumulative period since September 2013, the account has posted net contributions totaling \$2.7 million, and has recorded net investment gains totaling \$2.3 million. Since September 2013, if the portfolio had returned a compound annual rate of 7.6% it would have been valued at \$6.9 million or \$1.2 million less than its actual value as of December 31st, 2016.

## **RELATIVE PERFORMANCE**

For the fourth quarter, the Intercontinental US Real Estate Investment Fund gained 5.7%, which was 3.6% greater than the NCREIF NFI-ODCE Index's return of 2.1%. Over the trailing twelve-month period, the portfolio returned 13.2%, which was 4.5% greater than the benchmark's 8.7% performance. Since September 2013, the Intercontinental US Real Estate Investment Fund returned 14.3% per annum, while the NCREIF NFI-ODCE Index returned an annualized 12.1% over the same time frame.

## **ASSET ALLOCATION**

The portfolio was fully invested in the Intercontinental Real Estate Investment Fund at the end of the quarter.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	Since 09/13
<b>Total Portfolio - Gross</b>	5.7	5.7	13.2	13.8	14.3
<b>Total Portfolio - Net</b>	4.6	4.6	11.2	11.6	11.7
NCREIF ODCE	2.1	2.1	8.7	12.0	12.1
<b>Real Estate - Gross</b>	5.7	5.7	13.2	13.8	14.3
NCREIF ODCE	2.1	2.1	8.7	12.0	12.1

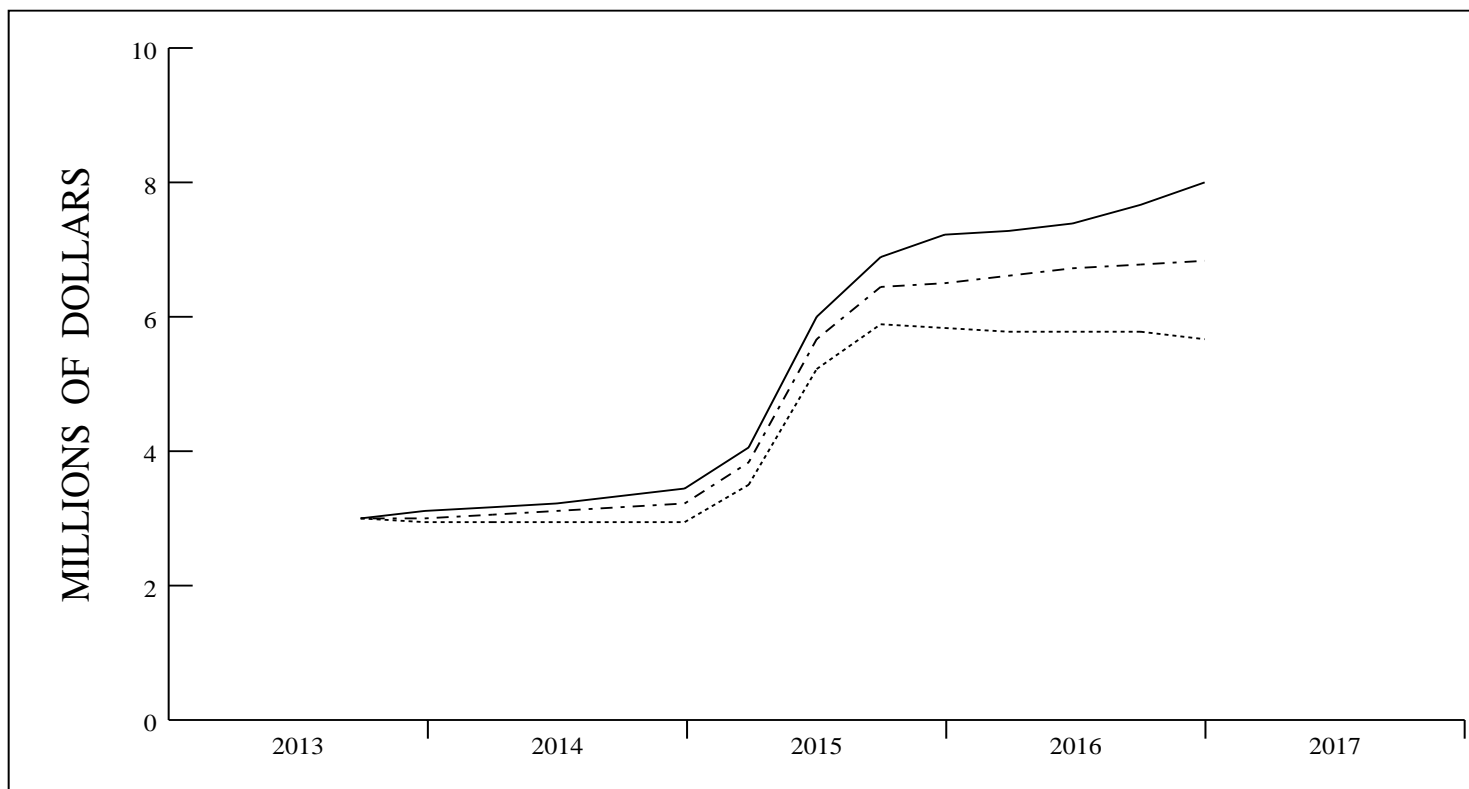
**ASSET ALLOCATION**

Real Estate	100.0%	\$ 8,032,878
Total Portfolio	100.0%	\$ 8,032,878

**INVESTMENT RETURN**

Market Value 9/2016	\$ 7,681,815
Contribs / Withdrawals	- 87,092
Income	0
Capital Gains / Losses	438,155
Market Value 12/2016	\$ 8,032,878

**INVESTMENT GROWTH**



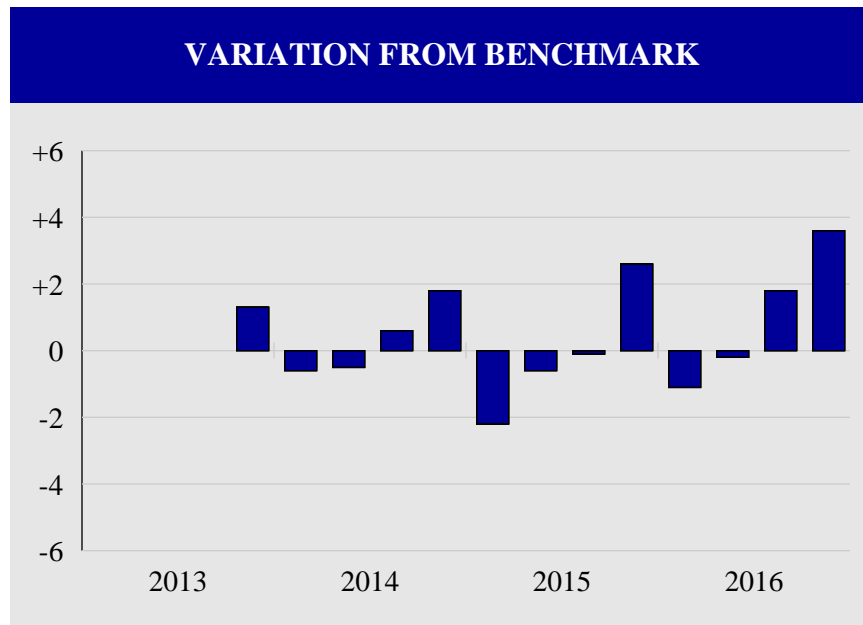
— ACTUAL RETURN  
 - - - 7.6%  
 . . . 0.0%

VALUE ASSUMING  
 7.6% RETURN \$ 6,868,648

	LAST QUARTER	PERIOD 9/13 - 12/16
BEGINNING VALUE	\$ 7,681,815	\$ 3,032,373
NET CONTRIBUTIONS	- 87,092	2,664,967
<u>INVESTMENT RETURN</u>	<u>438,155</u>	<u>2,335,538</u>
ENDING VALUE	\$ 8,032,878	\$ 8,032,878
INCOME	0	310,772
<u>CAPITAL GAINS (LOSSES)</u>	<u>438,155</u>	<u>2,024,766</u>
INVESTMENT RETURN	438,155	2,335,538

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

**COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/13	4.5	3.2	1.3
3/14	1.9	2.5	-0.6
6/14	2.4	2.9	-0.5
9/14	3.8	3.2	0.6
12/14	5.1	3.3	1.8
3/15	1.2	3.4	-2.2
6/15	3.2	3.8	-0.6
9/15	3.6	3.7	-0.1
12/15	5.9	3.3	2.6
3/16	1.1	2.2	-1.1
6/16	1.9	2.1	-0.2
9/16	3.9	2.1	1.8
12/16	5.7	2.1	3.6

<b>Total Quarters Observed</b>	<b>13</b>
<b>Quarters At or Above the Benchmark</b>	<b>6</b>
<b>Quarters Below the Benchmark</b>	<b>7</b>
<b>Batting Average</b>	<b>.462</b>



**Real Estate Investor Report**  
**Intercontinental US Real Estate Investment Fund**  
**As of December 31st, 2016**

<b>Market Value</b>	<b>\$ 8,032,878</b>	Last Appraisal Date: 12/31/2016
Initial Commitment	\$ 6,000,000	100.00%
Paid In Capital	\$ 6,459,905	107.67%
Net Distributions	\$ 670,500	
Net IRR Since Inception	13.64%	

	<b>Date</b>	<b>Paid In Capital</b>	<b>Distributions</b>	<b>Reinvested Income</b>
2013		\$ 3,000,000	\$ 9,494	\$ 7,053
Q1 2014		\$ -	\$ 22,646	\$ 14,309
Q2 2014		\$ -	\$ 26,601	\$ 18,407
Q3 2014		\$ -	\$ 36,627	\$ 28,291
Q4 2014		\$ -	\$ 31,625	\$ 23,119
Q1 2015		\$ 555,350	\$ 22,982	\$ 14,412
Q2 2015		\$ 1,769,105	\$ 34,735	\$ 25,960
Q3 2015		\$ 675,545	\$ 61,993	\$ 48,599
Q4 2015		\$ -	\$ 72,796	\$ 55,825
Q1 2016		\$ -	\$ 64,165	\$ 46,877
Q2 2016		\$ -	\$ 69,606	\$ 52,377
Q3 2016		\$ -	\$ 84,723	\$ 67,445
Q4 2016		\$ -	\$ 74,933	\$ 57,231
<b>Total</b>		<b>\$ 6,000,000</b>	<b>\$ 612,926</b>	<b>\$ 459,905</b>

Valuations are provided by Intercontinental, based on current market conditions.

DAVIE POLICE PENSION PLAN  
UBS - TRUMBULL PROPERTY FUND  
PERFORMANCE REVIEW  
DECEMBER 2016

## **INVESTMENT RETURN**

On December 31st, 2016, the Davie Police Pension Plan's UBS Trumbull Property Fund was valued at \$3,990,288, representing an increase of \$45,726 from the September quarter's ending value of \$3,944,562. Last quarter, the Fund posted withdrawals totaling \$11,848, which offset the portfolio's net investment return of \$57,574. Income receipts totaling \$28,332 plus net realized and unrealized capital gains of \$29,242 combined to produce the portfolio's net investment return.

For the cumulative period since June 2012, the fund has recorded net contributions totaling \$1.9 million, and recorded net investment gains of \$1.1 million. For the period since June 2012, if the total fund had returned a compound annual rate of 7.6% it would have been valued at \$3.7 million or \$335,966 less than the actual value as of December 31st, 2016.

## **RELATIVE PERFORMANCE**

In the fourth quarter, the UBS Trumbull Property Fund gained 1.5%, which was 0.6% less than the NCREIF NFI-ODCE Index's return of 2.1%. Over the trailing twelve-month period, the portfolio returned 7.2%, which was 1.5% below the benchmark's 8.7% return. Since June 2012, the account returned 10.4% on an annualized basis, while the NCREIF NFI-ODCE Index returned an annualized 12.3% over the same time frame.

## **ASSET ALLOCATION**

This account was fully invested in the UBS Trumbull Property Fund at the end of the quarter.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	Since 06/12
<b>Total Portfolio - Gross</b>	1.5	1.5	7.2	10.6	10.4
<b>Total Portfolio - Net</b>	1.2	1.2	6.0	9.3	9.2
NCREIF ODCE	2.1	2.1	8.7	12.0	12.3
<b>Real Estate - Gross</b>	1.5	1.5	7.2	10.6	10.4
NCREIF ODCE	2.1	2.1	8.7	12.0	12.3

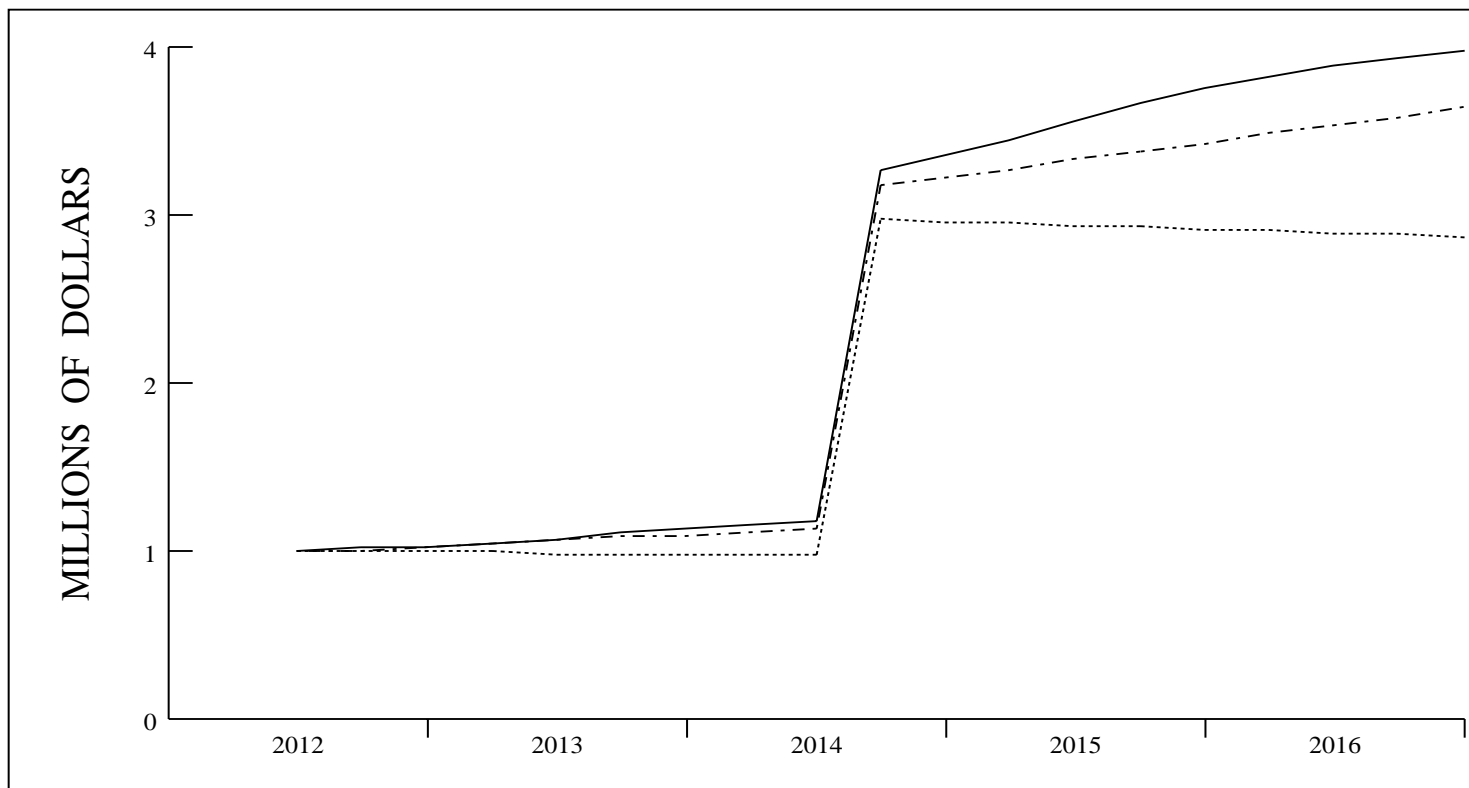
**ASSET ALLOCATION**

Real Estate	100.0%	\$ 3,990,288
Total Portfolio	100.0%	\$ 3,990,288

**INVESTMENT RETURN**

Market Value 9/2016	\$ 3,944,562
Contribs / Withdrawals	- 11,848
Income	28,332
Capital Gains / Losses	29,242
Market Value 12/2016	\$ 3,990,288

**INVESTMENT GROWTH**



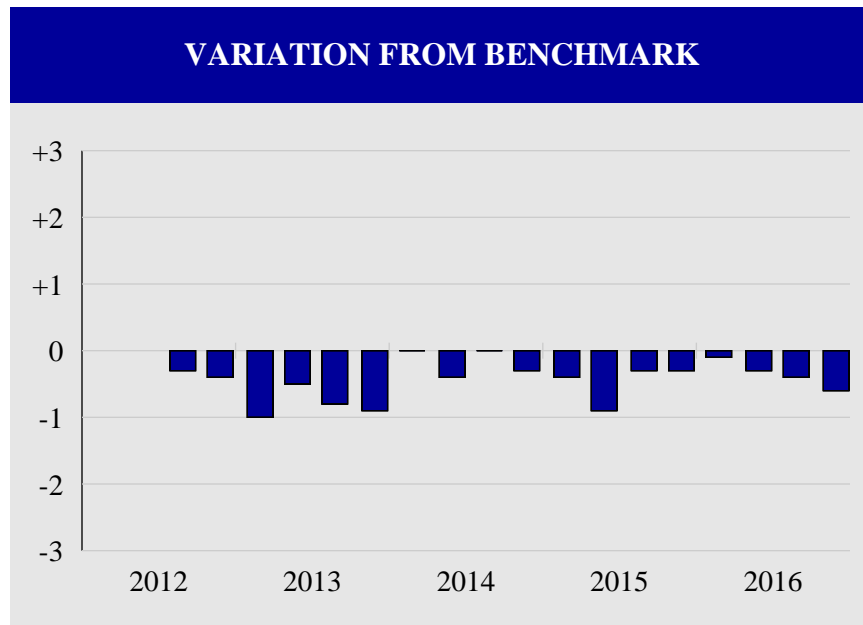
—	ACTUAL RETURN
- - -	7.6%
.....	0.0%

VALUE ASSUMING	
7.6% RETURN	\$ 3,654,322

	LAST QUARTER	PERIOD 6/12 - 12/16
BEGINNING VALUE	\$ 3,944,562	\$ 1,000,000
NET CONTRIBUTIONS	- 11,848	1,882,377
INVESTMENT RETURN	57,574	1,107,911
ENDING VALUE	\$ 3,990,288	\$ 3,990,288
INCOME	28,332	373,592
CAPITAL GAINS (LOSSES)	29,242	734,319
INVESTMENT RETURN	57,574	1,107,911

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

**COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/12	2.5	2.8	-0.3
12/12	1.9	2.3	-0.4
3/13	1.7	2.7	-1.0
6/13	3.4	3.9	-0.5
9/13	2.8	3.6	-0.8
12/13	2.3	3.2	-0.9
3/14	2.5	2.5	0.0
6/14	2.5	2.9	-0.4
9/14	3.2	3.2	0.0
12/14	3.0	3.3	-0.3
3/15	3.0	3.4	-0.4
6/15	2.9	3.8	-0.9
9/15	3.4	3.7	-0.3
12/15	3.0	3.3	-0.3
3/16	2.1	2.2	-0.1
6/16	1.8	2.1	-0.3
9/16	1.7	2.1	-0.4
12/16	1.5	2.1	-0.6

<b>Total Quarters Observed</b>	<b>18</b>
<b>Quarters At or Above the Benchmark</b>	<b>2</b>
<b>Quarters Below the Benchmark</b>	<b>16</b>
<b>Batting Average</b>	<b>.111</b>

**Real Estate Investor Report  
UBS Trumbull Property Fund  
As of December 31st, 2016**

<b>Market Value</b>	<b>\$ 3,990,288</b>	Last Appraisal Date: 12/31/2016	
Initial Commitment	\$ 3,000,000	100.00%	
Paid In Capital	\$ 3,000,000	100.00%	
Remaining Commitment	\$ -	0.00%	
IRR Since Inception	9.29%		

<b>Date</b>	<b>Contributions</b>	<b>% of Commitment</b>	<b>Recallable Contributions</b>	<b>% of Commitment</b>	<b>Distributions / Reinvestments</b>
2012	\$ 1,000,000	33.33%	\$ -	0.00%	\$ 7,030
2013	\$ -	0.00%	\$ -	0.00%	\$ 29,792
2014	\$ 2,000,000	66.67%	\$ -	0.00%	\$ 44,798
2015	\$ -	0.00%	\$ -	0.00%	\$ 95,387
Q1 2016	\$ -	0.00%	\$ -	0.00%	\$ 24,485
Q2 2016	\$ -	0.00%	\$ -	0.00%	\$ 28,224
Q3 2016	\$ -	0.00%	\$ -	0.00%	\$ 28,333
Q4 2016	\$ -	0.00%	\$ -	0.00%	\$ 28,332
<b>Total</b>	<b>\$ 3,000,000</b>	<b>100.00%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 286,381</b>

Valuations are provided by UBS, based on current market conditions.

DAVIE POLICE PENSION PLAN  
GARCIA HAMILTON - FIXED  
PERFORMANCE REVIEW  
DECEMBER 2016



## **INVESTMENT RETURN**

On December 31st, 2016, the Davie Police Pension Plan's Garcia Hamilton Fixed portfolio was valued at \$38,504,598, a decrease of \$1,022,040 from the September ending value of \$39,526,638. Last quarter, the account recorded total net withdrawals of \$33,544 in addition to \$988,496 in net investment losses. The fund's net investment loss was a result of income receipts totaling \$198,804 and realized and unrealized capital losses totaling \$1,187,300.

Since December 2011, the account has recorded net contributions totaling \$19.8 million, and generated net investment gains totaling \$4.5 million. Since December 2011, if the account had earned a compound annual rate of 7.6% it would have been valued at \$44.5 million or \$6.0 million more than the actual value as of December 31st, 2016.

## **RELATIVE PERFORMANCE**

### **Total Fund**

For the fourth quarter, the Garcia Hamilton Fixed portfolio lost 2.5%, which was 0.5% above the Custom Fixed Income Index's return of -3.0% and ranked in the 16th percentile of the Core Fixed Income universe. Over the trailing twelve-month period, this portfolio returned 3.2%, which was 0.5% greater than the benchmark's 2.7% performance, and ranked in the 46th percentile. Since December 2011, the portfolio returned 4.2% annualized and ranked in the 3rd percentile. The Custom Fixed Income Index returned an annualized 2.1% over the same time frame.

## **ASSET ALLOCATION**

On December 31st, 2016, fixed income comprised 99.8% of the total portfolio (\$38.4 million), while cash & equivalents comprised the remaining 0.2% (\$82,892).

## **ANALYSIS**

At the end of the quarter, USG rated securities comprised approximately 65% of the bond portfolio, while corporate securities, rated AA through BBB, comprised the remainder, giving the bond portfolio an overall average quality rating of AAA. The average maturity of the portfolio was 10.39 years, longer than the Bloomberg Barclays Aggregate Index's 8.19-year maturity. The average coupon was 3.15%.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	5 Years
<b>Total Portfolio - Gross</b>	-2.5	-2.5	3.2	3.9	4.2
<i>CORE FIXED INCOME RANK</i>	(16)	(16)	(46)	(15)	(3)
<b>Total Portfolio - Net</b>	-2.6	-2.6	2.7	3.4	3.7
CUSTOM INDEX	-3.0	-3.0	2.7	2.7	2.1
<b>Fixed Income - Gross</b>	-2.5	-2.5	3.2	3.9	4.3
<i>CORE FIXED INCOME RANK</i>	(20)	(20)	(46)	(15)	(3)
CUSTOM INDEX	-3.0	-3.0	2.7	2.7	2.1
AGGREGATE INDEX	-3.0	-3.0	2.7	3.0	2.2
GOV/CREDIT	-3.4	-3.4	3.0	3.0	2.3

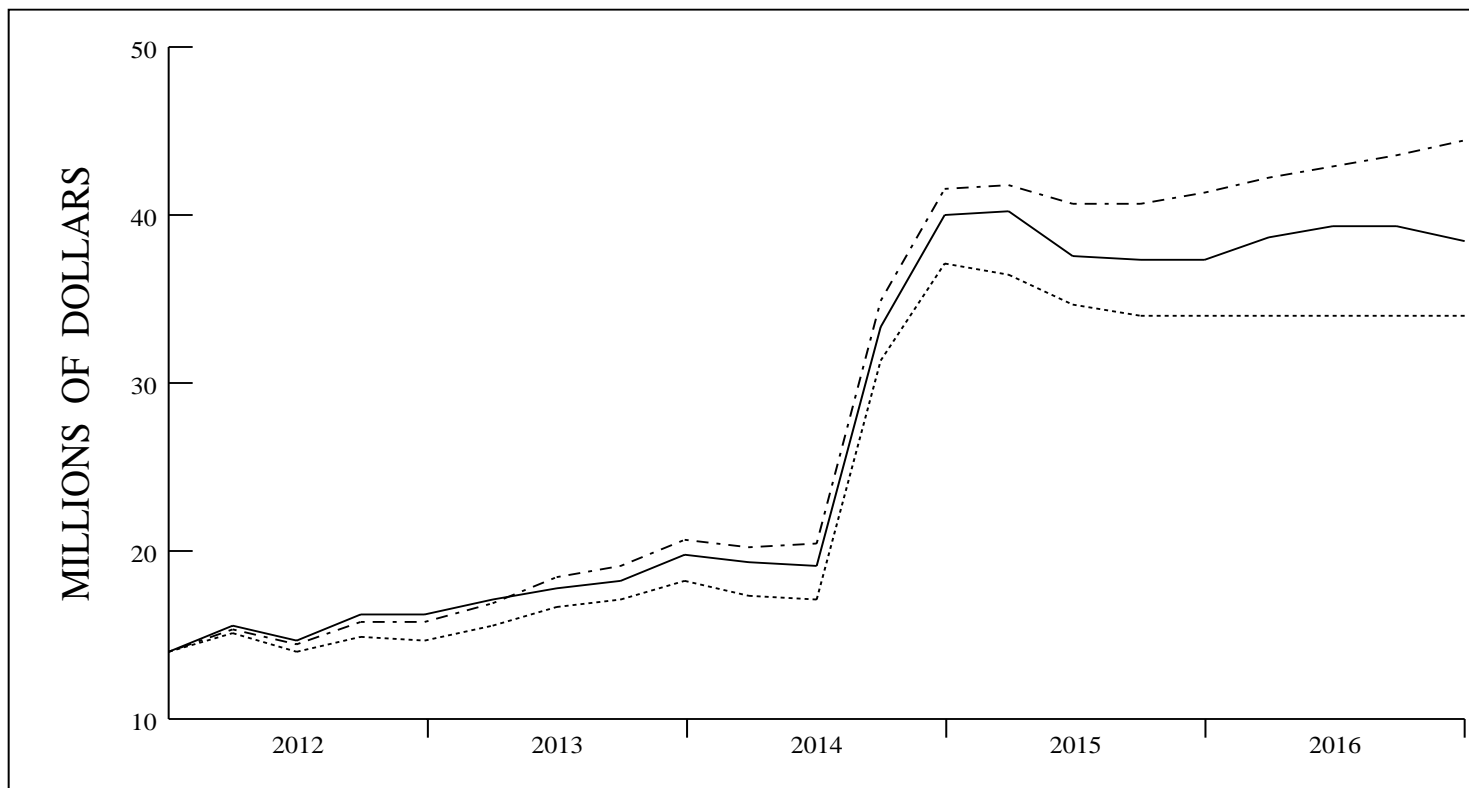
**ASSET ALLOCATION**

Fixed Income	99.8%	\$ 38,421,706
Cash	0.2%	82,892
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 38,504,598</b>

**INVESTMENT RETURN**

Market Value 9/2016	\$ 39,526,638
Contribs / Withdrawals	- 33,544
Income	198,804
Capital Gains / Losses	- 1,187,300
Market Value 12/2016	\$ 38,504,598

**INVESTMENT GROWTH**

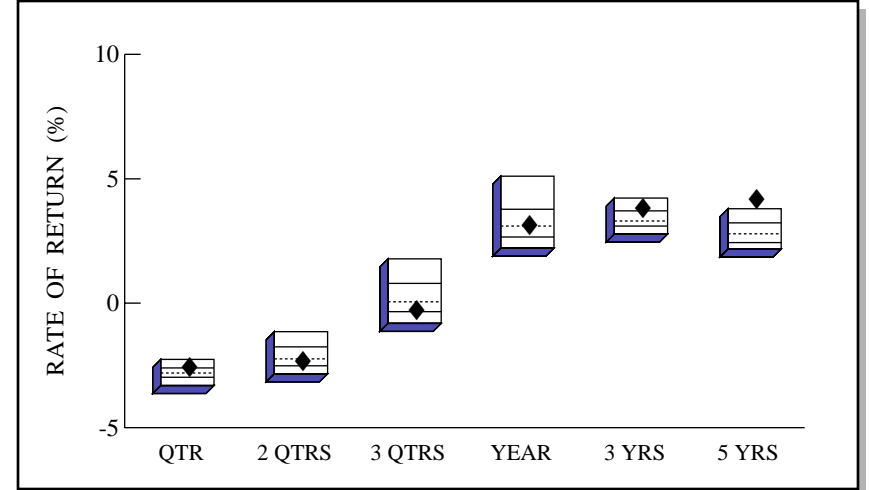
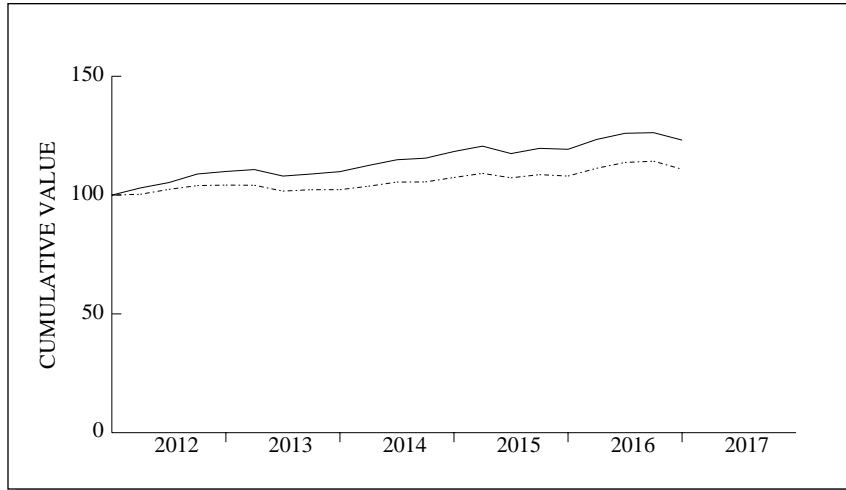


— ACTUAL RETURN  
 - - - 7.6%  
 . . . 0.0%

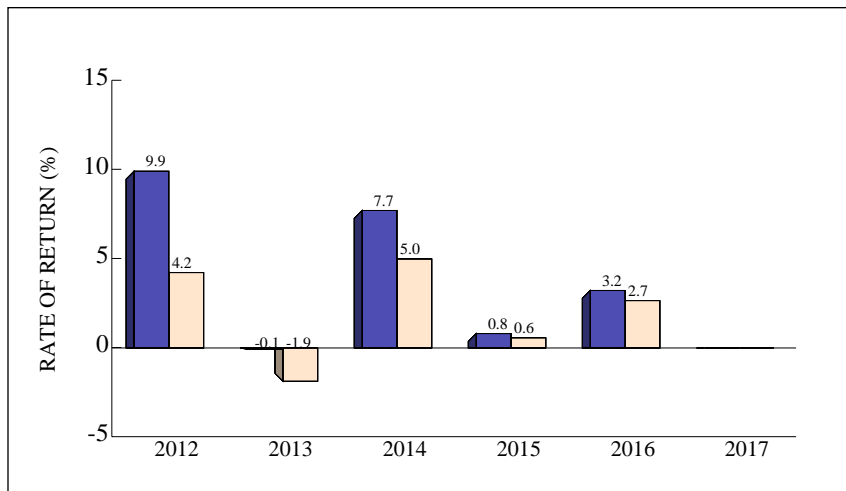
VALUE ASSUMING  
 7.6% RETURN \$ 44,545,706

	LAST QUARTER	PERIOD 12/11 - 12/16
BEGINNING VALUE	\$ 39,526,638	\$ 14,182,553
NET CONTRIBUTIONS	- 33,544	19,831,463
INVESTMENT RETURN	-988,496	4,490,577
ENDING VALUE	\$ 38,504,598	\$ 38,504,598
INCOME	198,804	5,390,106
CAPITAL GAINS (LOSSES)	- 1,187,300	-899,529
INVESTMENT RETURN	-988,496	4,490,577

**TOTAL RETURN COMPARISONS**



Core Fixed Income Universe

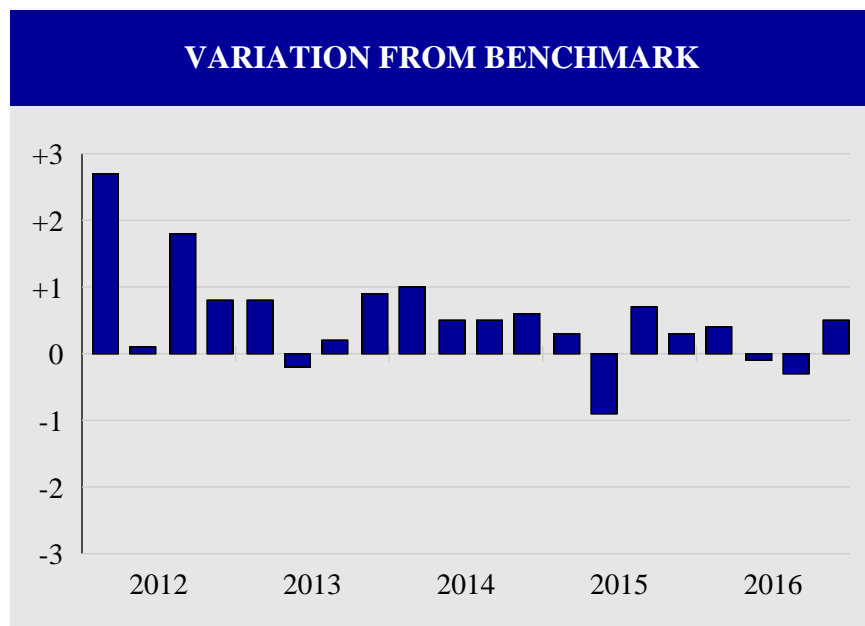


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-2.5	-2.3	-0.2	3.2	3.9	4.2
(RANK)	(16)	(51)	(66)	(46)	(15)	(3)
5TH %ILE	-2.3	-1.1	1.8	5.1	4.2	3.8
25TH %ILE	-2.6	-1.8	0.8	3.8	3.7	3.2
MEDIAN	-2.8	-2.2	0.1	3.1	3.3	2.8
75TH %ILE	-3.0	-2.5	-0.3	2.7	3.1	2.4
95TH %ILE	-3.3	-2.8	-0.8	2.2	2.8	2.2
<b>Custom Idx</b>	<b>-3.0</b>	<b>-2.5</b>	<b>-0.4</b>	<b>2.7</b>	<b>2.7</b>	<b>2.1</b>

Core Fixed Income Universe

### TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

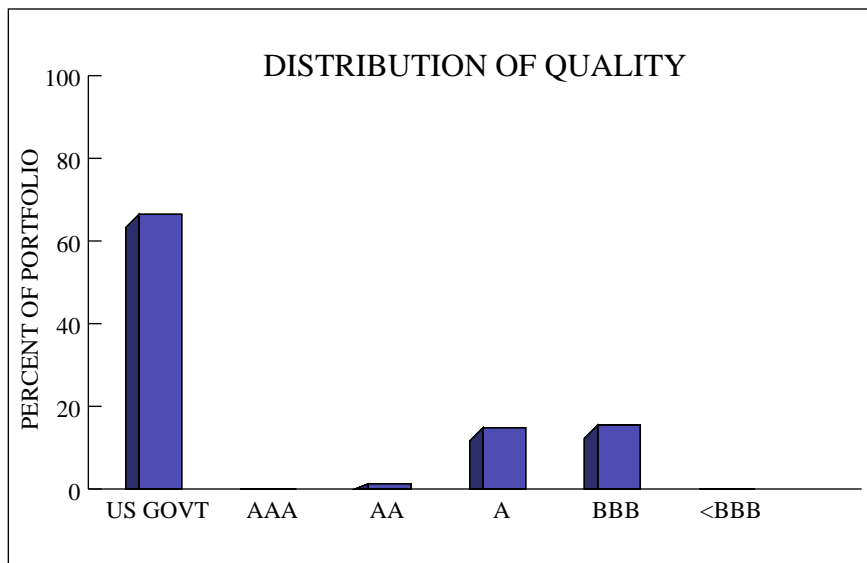
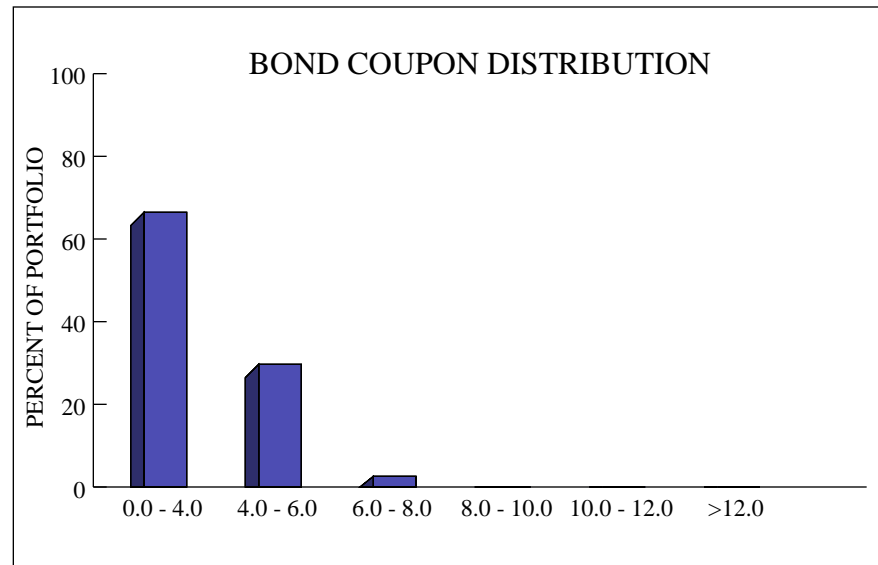
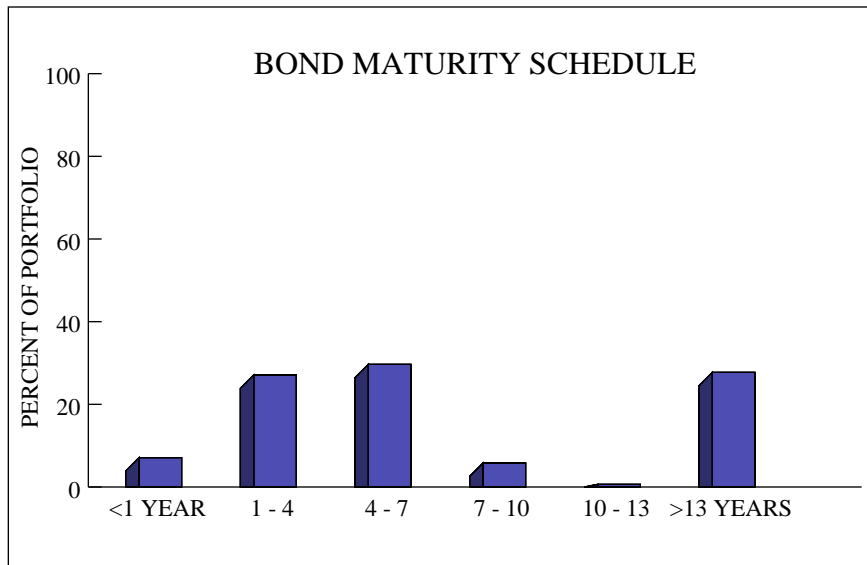
COMPARATIVE BENCHMARK: CUSTOM FIXED INCOME INDEX



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
3/12	3.0	0.3	2.7
6/12	2.2	2.1	0.1
9/12	3.4	1.6	1.8
12/12	1.0	0.2	0.8
3/13	0.7	-0.1	0.8
6/13	-2.5	-2.3	-0.2
9/13	0.8	0.6	0.2
12/13	0.9	0.0	0.9
3/14	2.4	1.4	1.0
6/14	2.1	1.6	0.5
9/14	0.6	0.1	0.5
12/14	2.4	1.8	0.6
3/15	1.9	1.6	0.3
6/15	-2.6	-1.7	-0.9
9/15	1.9	1.2	0.7
12/15	-0.3	-0.6	0.3
3/16	3.4	3.0	0.4
6/16	2.1	2.2	-0.1
9/16	0.2	0.5	-0.3
12/16	-2.5	-3.0	0.5

<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>16</b>
<b>Quarters Below the Benchmark</b>	<b>4</b>
<b>Batting Average</b>	<b>.800</b>

**BOND CHARACTERISTICS**



	<b>PORTFOLIO</b>	<b>AGGREGATE INDEX</b>
No. of Securities	33	10,069
Duration	6.39	5.89
YTM	2.25	2.61
Average Coupon	3.15	3.08
Avg Maturity / WAL	10.39	8.19
Average Quality	AAA	USG-AAA