

# Davie Police Pension Plan

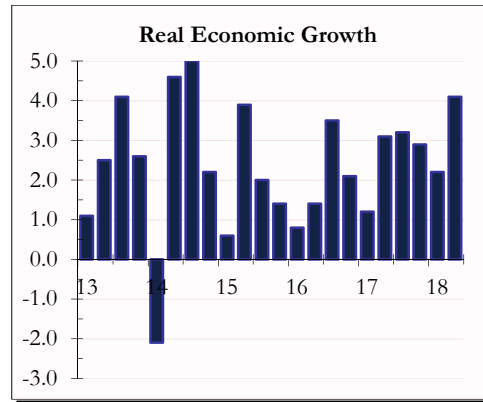
## Performance Review June 2018



## ECONOMIC ENVIRONMENT

### Healthy Despite Tariff Dispute

Global expansion slowed in Europe and Asia during the second quarter, while the US economy remained strong. Second quarter



GDP, according to the BEA's advance estimate met expectations, expanding at a rate of 4.1%. First quarter GDP was also revised upward to 2.2%. Job growth surprised to the upside, with 213,000 hires in June and 2.4 million for the latest 12-months and unemployment inched up

from 3.8% to 4.0%. Home sales remained brisk, while home prices rose 7.1%, year-over-year (through May). Interestingly, sales of lower-priced homes have been driving the market lately.

Corporate manufacturing and services supported the economy, as virtually all the component industries continued to grow. The one concern is that businesses are wary of the new tariffs' potential to impact them negatively in the near term. The same applies to consumer sentiment – very high regarding current conditions, but wary about the future. The Federal Reserve Board voted unanimously to raise the Fed funds rate again to 1.75-2.0%, in a nod to economic momentum, robust job growth and core inflation attaining the desired 2% level. The expectation is for two more rate increases this year.

Commodity prices were mixed for the quarter. Energy products were up nicely while many other commodities, especially grains, were down. More telling was the quarter's stock market volatility,

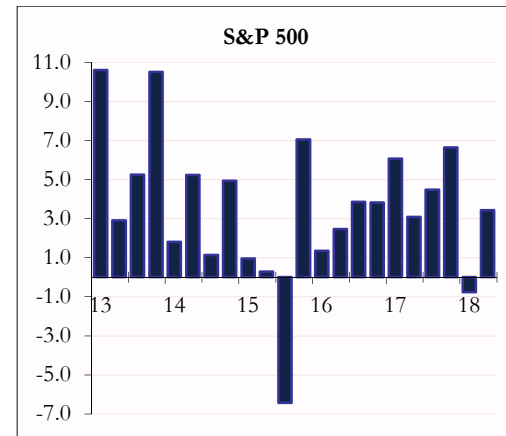
due largely to the newly implemented tariffs applicable to Canadian, Mexican, European, Japanese and Chinese imports sold in the US. The real question is whether the long-held US policy of relatively modest tariffs will now give way to a more damaging trade war.

## DOMESTIC EQUITIES

### Tariff Uncertainty Stirred Markets

Good news arrived on several fronts: high corporate earnings, lower taxes, sustained job growth, and short-term consumer optimism. Yet the stock market wavered during the quarter. Markets were weak in April, stronger in May and weak again in June, due to uncertainty regarding the new tariffs. Still, all major market indices ended the quarter in positive territory.

The industrial-heavy DJIA gained 1.3%, while the broader S&P 500 added 3.4%. The winner among the major indices was the tech-



heavy NASDAQ, which climbed 6.6%. Again in Q2, large-cap growth stocks, particularly tech names, bested the more traditional value sectors; the Russell 1000 Growth Index gained 5.8% vs. only 1.2% for large-cap value. Small-cap beat large-cap, as the Russell 2000 Growth Index

gained 7.2% and its value counterpart climbed 8.3%. The smaller stocks' outperformance reflected the expected shielding of smaller businesses from tariff impacts.

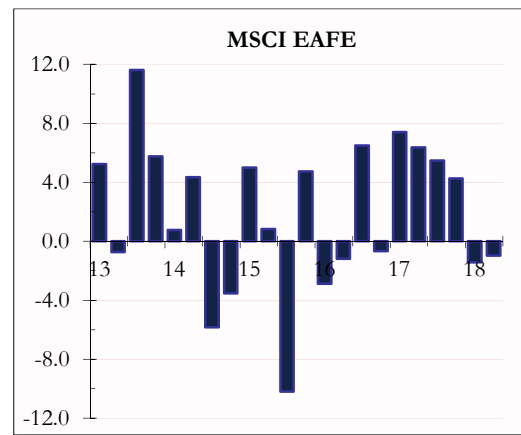
The energy sector surged 14.3%, as OPEC withheld some production in the face of greater US demand. Consumer Service stocks (+10.3%) and ubiquitous technology names (+8.1%) also performed well. On the downside, the financial sector return was nominal, as a relatively flat yield curve stymied bank profits, and basic industries lost ground (-1.1%), as tariff concerns dampened investor enthusiasm.

## INTERNATIONAL EQUITIES

### Trade Issues Tanked

The economies of Europe, Canada, Mexico, Japan and China were already losing steam during the quarter; but the bigger blow was the uncertainty regarding the outcome of trade negotiations. The US took an aggressive negotiating stance and the countries on the receiving end retaliated.

The MSCI EAFE Index fell 1% for the quarter. The UK market was up 3%, helped by surging employment and higher consumer confidence – despite fractious Brexit negotiations. The EU market was down 0.9%. In Germany (-3.4%), Chancellor Merkel saw her hold on the coalition government weakened. Concern over tariffs on German auto exports to the US was another issue. Italy fell 6.8%, due to its weak, populist government and continued troubles in its

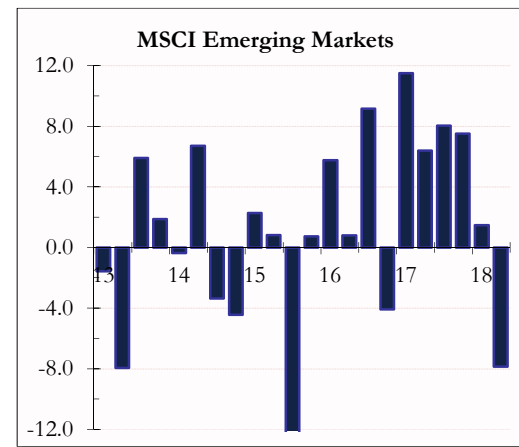


banking sector. While Spain's economy was strong, its market fell

4.1%, driven by both a decline in tourism and the presumed ineffectiveness of the country's new PM.

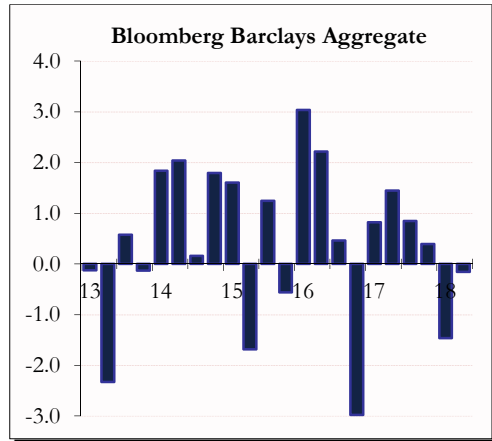
Australia (+5.3%) shined due to rebounding commodity exports and an increased minimum wage. Japan was down 2.8% due to its heavy exposure to tariffs on steel, aluminum and auto exports. Hong Kong (-1.2%) had record low unemployment and expanding government spending. Israel (+11%) was the most positive developed market, by far, driven by robust personal consumption and energy-related exports. Canada (+4.9%), separate from the EAFE Index, benefited directly from higher energy prices and business investment; however, NAFTA negotiations still threaten its economy.

So far this year, emerging market (EM) returns have been negative. The strengthening US dollar, trade tensions, and Latin American



elections were all key factors. The second quarter EM Index return dipped 7.9%. Brazil (-26.4%) was the big loser among the four BRIC countries. Upcoming elections in October, a nationwide trucking strike in May, rampant inflation, and relatively weak export growth all worked against the largest Latin American country. Russia was down (-5.8%) and India was slightly negative (-0.6%). In China (-3.4%), investors worried about a trade war escalation with the US. Korea, Malaysia, Singapore and the Philippines all enjoyed healthy economies, but were dragged down by global trading uncertainties.

Mexico (-3.5%) experienced the same NAFTA trade worries as Canada, although its oil exports quickly ramped up and other aspects of its economy were positive. Turkey (-25.7%) gave pause



to investors, as President Erdogan gained sweeping powers on his re-election, while hurt by soaring imports and stagnant exports.

Greece (-2.0%) has negotiated an encouraging June agreement with the EU, thereby steadying its economy. By contrast,

shares in Argentina, a member of the Frontier market, plunged almost 42%! Its rampant inflation and near bankrupt Treasury are repeats of past decades.

## BOND MARKET

### Short-term Rates Rose While the Yield Curve Flattened

In June, the Federal Reserve Board raised the Fed funds rates to a range of 1.75%–2.0% and the front end of the yield curve rose in sync with the Fed move. Rates in the 5-10 year maturity range rose marginally, but long rates were steady. As a result, the yield curve has flattened further, but is not inverted. An inverted yield curve will likely herald a recession.

The Barclays Aggregate Index was essentially flat for the quarter, down 0.2%. Treasuries, constituting 38% of the Index, were up a nominal 0.1%. Long-maturity Treasuries and mortgage-backed issues each gained ¼%. However, corporate issues lost 1%, partly

related to the tariff unease. High-yield issues gained 1%, helped by economic growth, low supply and less sensitivity to higher interest rates.

The G-6 Index (sovereign bonds among key developed economies x-US) lost a significant 4.8%, largely due to currency depreciation vs. the US dollar. Emerging market sovereign debt tumbled 3.6%. Almost all EM debt returns were in the red for the quarter.

## CASH EQUIVALENTS

### Fed Funds Rate Hike Spurs Tempting Savings Account Rates

The 3-month T-bill return rose along with the June hike in the Fed funds rate. The bellwether 90-day Treasury issue gained almost 0.5% vs. 0.3% in the first quarter. The year-over-year return rose to 1.4%. Around the country, bank teaser rates appear daily, guaranteeing 2% or higher on day-to-day savings accounts. As a result, conservative investors can now obtain a return that is more in line with inflation.

## Economic Statistics

	Current Quarter	Previous Quarter
GDP	4.1	2.2
Unemployment	4.0	4.1
CPI All Items Year/Year	2.9	2.4
Fed Funds Rate	2.0	1.75
Industrial Capacity	78.0	77.5
US Dollars per Euro	1.17	1.23

## Major Index Returns

Index	Quarter	12 Months
Russell 3000	3.9	14.8
S&P 500	3.4	14.4
Russell Midcap	2.8	12.3
Russell 2000	7.8	17.6
MSCI EAFE	-1.0	7.4
MSCI Emg Markets	-7.9	8.6
NCREIF ODCE	2.0	8.4
U.S. Aggregate	-0.2	-0.4
90 Day T-bills	0.5	1.5

## Domestic Equity Return Distributions

	Quarter			Trailing Year		
	VAL	COR	GRO	VAL	COR	GRO
LC	1.2	3.6	5.8	6.8	14.5	22.5
MC	2.4	2.8	3.2	7.6	12.3	18.5
SC	8.3	7.8	7.2	13.1	17.6	21.8

## Market Summary

- The BEA Advance estimate pegs 2<sup>nd</sup> quarter GDP at 4.1%.
- Unemployment rate was 4.0% in June.
- Year over year CPI for all items expanded 2.9%.
- The dollar was stronger against the euro than in the previous quarter.
- Growth continued to beat value, except among small cap names, where value fared better. Across styles, smaller companies bested larger ones.

## **INVESTMENT RETURN**

On June 30th, 2018, the Davie Police Pension Plan was valued at \$165,064,419, representing an increase of \$1,860,733 from the March quarter's ending value of \$163,203,686. Last quarter, the Fund posted withdrawals totaling \$1,490,176, which offset the portfolio's net investment return of \$3,350,909. Income receipts totaling \$622,995 plus net realized and unrealized capital gains of \$2,727,914 combined to produce the portfolio's net investment return.

## **RELATIVE PERFORMANCE**

### **Total Fund**

For the second quarter, the Composite account gained 2.1%, which ranked in the 17th percentile of the Public Fund universe. Over the trailing twelve-month period, this portfolio returned 9.8%, ranking in the 19th percentile. Since June 2008, the portfolio returned 7.4% on an annualized basis and ranked in the 27th percentile.

### **Large Cap Equity**

For the second quarter, the large cap equity segment gained 2.4%, which was 1.0% less than the S&P 500 Index's return of 3.4% and ranked in the 61st percentile of the Large Cap universe. Over the trailing year, this segment's return was 13.4%, which was 1.0% less than the benchmark's 14.4% performance, and ranked in the 55th percentile. Since June 2008, this component returned 9.0% annualized and ranked in the 84th percentile. The S&P 500 returned an annualized 10.2% during the same period.

### **Mid Cap Equity**

Last quarter, the mid cap equity portion of the portfolio returned 3.2%, which was 1.1% less than the S&P 400 Index's return of 4.3% and

ranked in the 51st percentile of the Mid Cap universe. Over the trailing twelve months, this segment's return was 7.0%, which was 6.5% below the benchmark's 13.5% return, ranking in the 93rd percentile. Since June 2008, this component returned 10.6% on an annualized basis and ranked in the 61st percentile. The S&P 400 returned an annualized 10.8% over the same time frame.

### **Small Cap Equity**

For the second quarter, the small cap equity segment returned 5.6%, which was 2.2% below the Russell 2000 Index's return of 7.8% and ranked in the 71st percentile of the Small Cap universe. Over the trailing year, this segment returned 20.5%, which was 2.9% greater than the benchmark's 17.6% performance, and ranked in the 33rd percentile.

### **International Equity**

For the second quarter, the international equity portion of the portfolio lost 0.2%, which was 0.8% above the MSCI EAFE Index's return of -1.0% and ranked in the 20th percentile of the International Equity universe. Over the trailing year, this segment's return was 15.0%, which was 7.6% greater than the benchmark's 7.4% performance, ranking in the 13th percentile. Since June 2008, this component returned 4.5% annualized and ranked in the 54th percentile. The MSCI EAFE Index returned an annualized 3.3% during the same time frame.

### **Real Estate**

In the second quarter, the real estate segment returned 2.4%, which was 0.4% greater than the NCREIF NFI-ODCE Index's return of 2.0%. Over the trailing year, this segment returned 9.6%, which was 1.2% greater than the benchmark's 8.4% return.

## **Fixed Income**

During the second quarter, the fixed income component gained 0.6%, which was 0.8% greater than the Custom Fixed Income Index's return of -0.2% and ranked in the 1st percentile of the Core Fixed Income universe. Over the trailing twelve months, the fixed income portfolio returned 1.4%, which was 1.8% above the benchmark's -0.4% performance, ranking in the 4th percentile. Since June 2008, this component returned 4.8% annualized and ranked in the 23rd percentile. The Custom Fixed Income Index returned an annualized 3.4% over the same time frame.

## **ASSET ALLOCATION**

On June 30th, 2018, large cap equities comprised 31.6% of the total portfolio (\$52.1 million), while mid cap equities totaled 10.7% (\$17.6 million). The account's small cap equity segment was valued at \$18.4 million, representing 11.1% of the portfolio, while the international equity component's \$19.3 million totaled 11.7%. The real estate segment totaled 11.6% of the portfolio's value and the fixed income component made up 21.0% (\$34.6 million). The remaining 2.4% was comprised of cash & equivalents (\$4.0 million).

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	5 Year	Since 06/08
<b>Total Portfolio - Gross</b>	2.1	6.2	9.8	7.5	8.6	7.4
<i>PUBLIC FUND RANK</i>	(17)	(13)	(19)	(28)	(32)	(27)
<b>Total Portfolio - Net</b>	1.9	5.8	9.2	6.9	8.0	6.9
<i>SHADOW INDEX</i>	2.5	5.8	9.2	7.7	8.8	7.4
<b>Large Cap Equity - Gross</b>	2.4	8.3	13.4	9.8	11.7	9.0
<i>LARGE CAP RANK</i>	(61)	(58)	(55)	(70)	(73)	(84)
S&P 500	3.4	9.5	14.4	11.9	13.4	10.2
Russell 1000G	5.8	15.7	22.5	15.0	16.4	11.8
Russell 1000V	1.2	3.5	6.8	8.2	10.3	8.5
<b>Mid Cap Equity - Gross</b>	3.2	4.3	7.0	10.2	12.3	10.6
<i>MID CAP RANK</i>	(51)	(90)	(93)	(49)	(65)	(61)
S&P 400	4.3	10.0	13.5	10.9	12.7	10.8
<b>Small Cap Equity - Gross</b>	5.6	14.4	20.5	----	----	----
<i>SMALL CAP RANK</i>	(71)	(30)	(33)	----	----	----
Russell 2000	7.8	11.3	17.6	11.0	12.5	10.6
<b>International Equity - Gross</b>	-0.2	6.5	15.0	9.9	10.1	4.5
<i>INTERNATIONAL EQUITY RANK</i>	(20)	(15)	(13)	(19)	(22)	(54)
MSCI EAFE	-1.0	1.8	7.4	5.4	6.9	3.3
<b>Real Estate - Gross</b>	2.4	7.3	9.6	10.4	11.5	----
NCREIF ODCE	2.0	6.4	8.4	9.4	11.0	5.3
<b>Fixed Income - Gross</b>	0.6	0.9	1.4	2.9	3.2	4.8
<i>CORE FIXED INCOME RANK</i>	(1)	(3)	(4)	(8)	(16)	(23)
Custom Index	-0.2	-1.2	-0.4	1.7	2.1	3.4
Aggregate Index	-0.2	-1.2	-0.4	1.7	2.3	3.7
Gov/Credit	-0.3	-1.4	-0.6	1.8	2.3	3.8

**ASSET ALLOCATION**

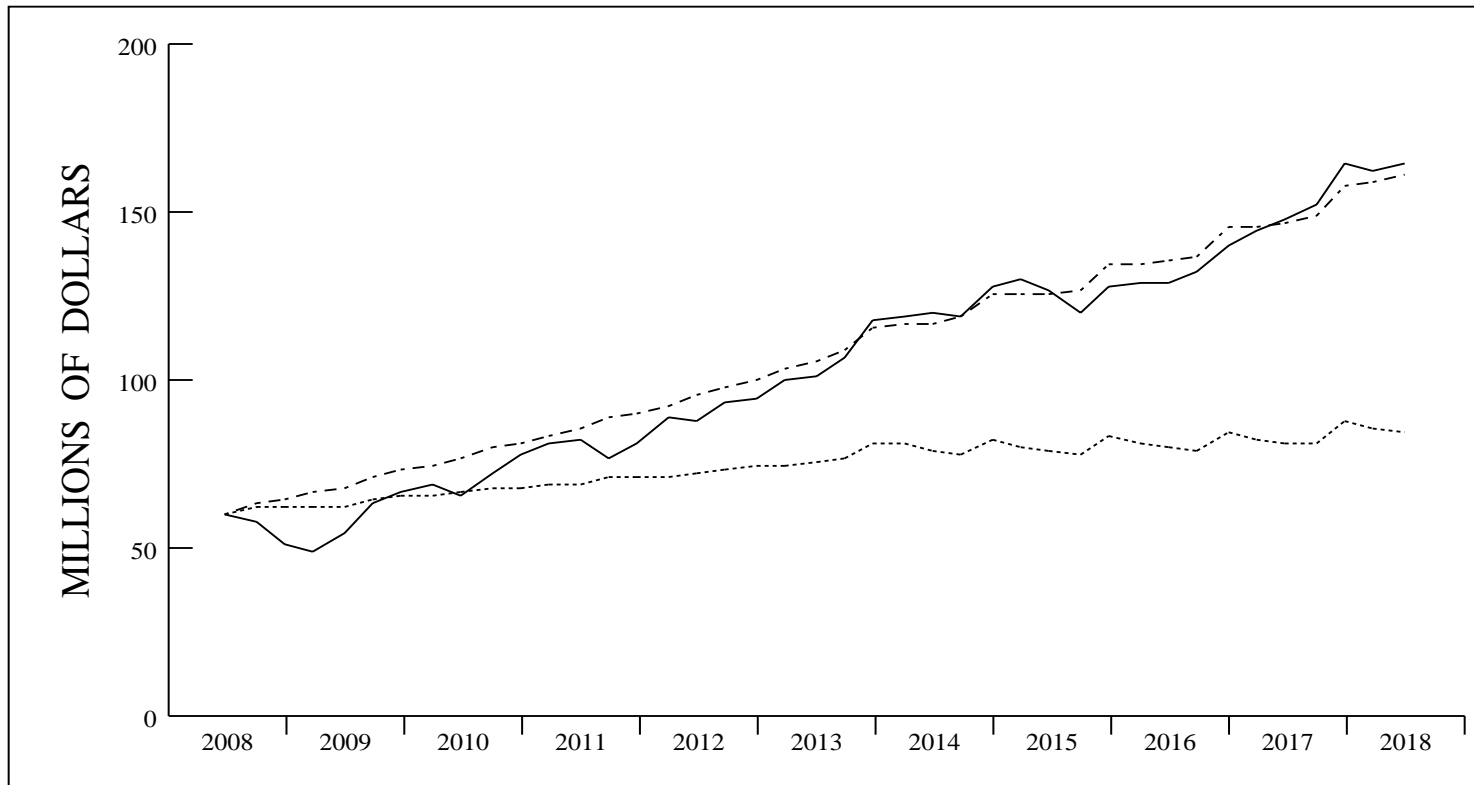
Large Cap Equity	31.6%	\$ 52,110,591
Mid Cap Equity	10.7%	17,620,648
Small Cap	11.1%	18,381,160
Int'l Equity	11.7%	19,250,386
Real Estate	11.6%	19,089,572
Fixed Income	21.0%	34,644,202
Cash	2.4%	3,967,860
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 165,064,419</b>

**INVESTMENT RETURN**

Market Value 3/2018	\$ 163,203,686
Contribs / Withdrawals	- 1,490,176
Income	622,995
Capital Gains / Losses	2,727,914
Market Value 6/2018	\$ 165,064,419



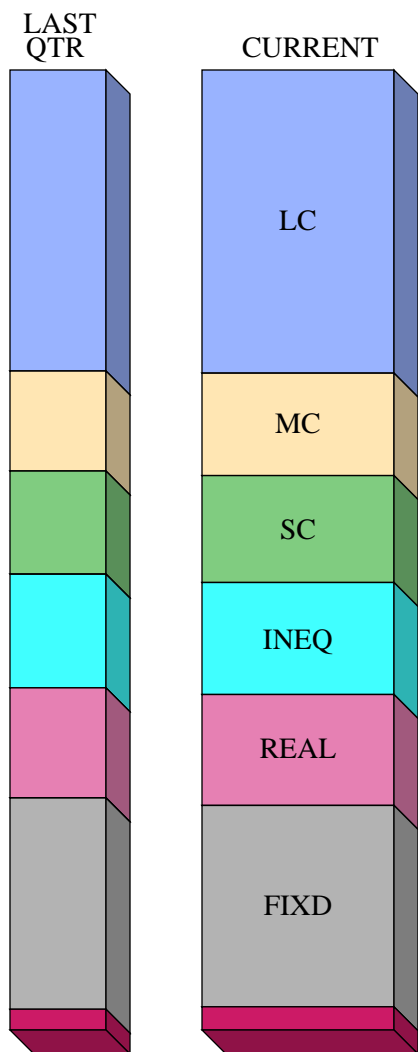
**INVESTMENT GROWTH**



— ACTUAL RETURN  
 - - - DAVIE BLENDED A/R  
 ..... 0.0%

VALUE ASSUMING  
 DAVIE A/R     \$ 161,146,978

	LAST QUARTER	PERIOD 6/08 - 6/18
BEGINNING VALUE	\$ 163,203,686	\$ 60,996,081
NET CONTRIBUTIONS	- 1,490,176	23,695,185
<u>INVESTMENT RETURN</u>	<u>3,350,909</u>	<u>80,373,153</u>
ENDING VALUE	\$ 165,064,419	\$ 165,064,419
INCOME	622,995	23,511,267
<u>CAPITAL GAINS (LOSSES)</u>	<u>2,727,914</u>	<u>56,861,886</u>
INVESTMENT RETURN	3,350,909	80,373,153



	<u>VALUE</u>	<u>PERCENT</u>	<u>TARGET</u>	<u>DIFFERENCE</u> <u>+ / -</u>
■ LARGE CAP EQUITY	\$ 52,110,591	31.6%	30.0%	1.6%
■ MID CAP EQUITY	17,620,648	10.7%	10.0%	0.7%
■ SMALL CAP EQUITY	18,381,160	11.1%	10.0%	1.1%
■ INTERNATIONAL EQUITY	19,250,386	11.7%	12.5%	-0.8%
■ REAL ESTATE	19,089,572	11.6%	10.0%	1.6%
■ FIXED INCOME	34,644,202	21.0%	27.5%	-6.5%
■ CASH & EQUIVALENT	3,967,860	2.4%	0.0%	2.4%
<u>TOTAL FUND</u>	<u>\$ 165,064,419</u>	<u>100.0%</u>		

## MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years
Total Portfolio	(Public Fund)	2.1 (17)	6.2 (13)	9.8 (19)	7.5 (28)	8.6 (32)
<i>Shadow Index</i>		<i>2.5 ----</i>	<i>5.8 ----</i>	<i>9.2 ----</i>	<i>7.7 ----</i>	<i>8.8 ----</i>
Vanguard 500	(LC Core)	3.4 (33)	9.5 (47)	14.4 (48)	11.9 (34)	---- ----
<i>S&amp;P 500</i>		<i>3.4 ----</i>	<i>9.5 ----</i>	<i>14.4 ----</i>	<i>11.9 ----</i>	<i>13.4 ----</i>
Clearbridge LCG	(LC Growth)	5.1 (54)	14.3 (55)	20.6 (58)	---- ----	---- ----
<i>Russell 1000 Growth</i>		<i>5.8 ----</i>	<i>15.7 ----</i>	<i>22.5 ----</i>	<i>15.0 ----</i>	<i>16.4 ----</i>
Lyrical LCV	(LC Value)	-1.5 (99)	0.8 (97)	5.4 (95)	8.0 (80)	---- ----
<i>Russell 1000 Value</i>		<i>1.2 ----</i>	<i>3.5 ----</i>	<i>6.8 ----</i>	<i>8.2 ----</i>	<i>10.3 ----</i>
Clearbridge	(MC Core)	3.5 (51)	3.8 (94)	6.5 (94)	---- ----	---- ----
<i>Russell Mid Cap</i>		<i>2.8 ----</i>	<i>8.5 ----</i>	<i>12.3 ----</i>	<i>9.6 ----</i>	<i>12.2 ----</i>
Wedge	(MC Value)	2.8 (37)	4.6 (71)	7.4 (79)	---- ----	---- ----
<i>Russell Mid Cap Value</i>		<i>2.4 ----</i>	<i>5.3 ----</i>	<i>7.6 ----</i>	<i>8.8 ----</i>	<i>11.3 ----</i>
PNC	(SC Core)	4.4 (93)	10.4 (52)	18.1 (40)	---- ----	---- ----
<i>Russell 2000</i>		<i>7.8 ----</i>	<i>11.3 ----</i>	<i>17.6 ----</i>	<i>11.0 ----</i>	<i>12.5 ----</i>
LMCG	(SC Growth)	6.7 (80)	18.6 (43)	22.1 (64)	---- ----	---- ----
<i>Russell 2000 Growth</i>		<i>7.2 ----</i>	<i>14.7 ----</i>	<i>21.8 ----</i>	<i>10.6 ----</i>	<i>13.6 ----</i>
Hardman Johnston	(Intl Eq)	-0.2 (20)	6.5 (15)	15.0 (13)	10.2 (17)	10.7 (18)
<i>MSCI EAFE</i>		<i>-1.0 ----</i>	<i>1.8 ----</i>	<i>7.4 ----</i>	<i>5.4 ----</i>	<i>6.9 ----</i>
American Realty		2.1 ----	6.2 ----	8.2 ----	8.8 ----	10.5 ----
Intercontinental		2.9 ----	8.7 ----	11.4 ----	12.6 ----	---- ----
UBS		1.8 ----	6.1 ----	7.7 ----	8.0 ----	9.4 ----
<i>NCREIF NFI-ODCE Index</i>		<i>2.0 ----</i>	<i>6.4 ----</i>	<i>8.4 ----</i>	<i>9.4 ----</i>	<i>11.0 ----</i>
Garcia Fixed	(Core Fixed)	0.6 (1)	0.9 (3)	1.4 (4)	2.9 (9)	3.4 (8)
<i>Custom Fixed Income Index</i>		<i>-0.2 ----</i>	<i>-1.2 ----</i>	<i>-0.4 ----</i>	<i>1.7 ----</i>	<i>2.1 ----</i>

**MANAGER VALUE ADDED**

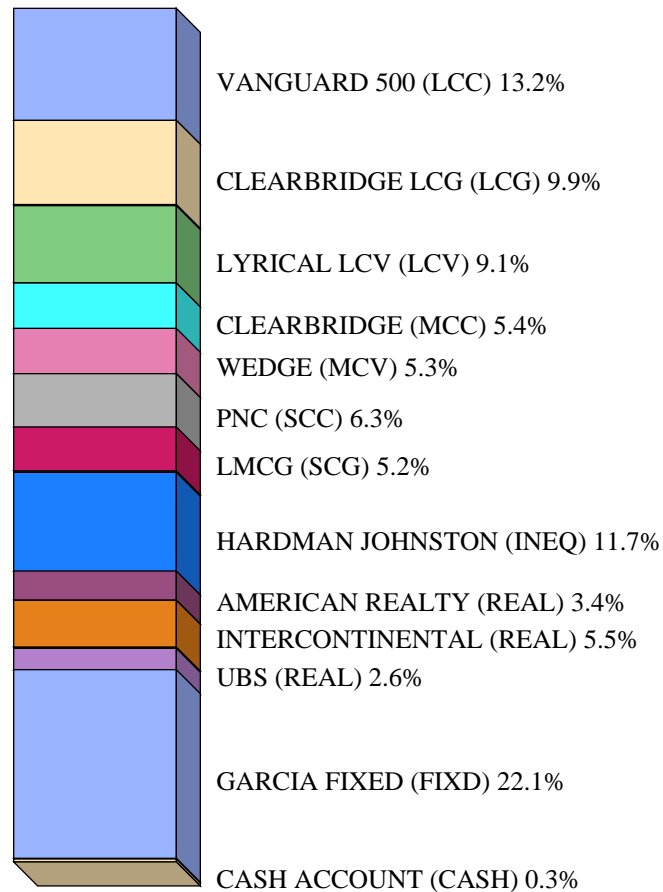
**Trailing Quarter**

Manager	Benchmark	Value Added Vs. Benchmark
Vanguard 500	S&P 500	0.0
Clearbridge LCG	Russell 1000G	-0.7
Lyrical LCV	Russell 1000V	-2.7
Clearbridge	Russell Mid	0.7
Wedge	Russ Mid Val	0.4
PNC	Russell 2000	-3.4
LMCG	Russell 2000G	-0.5
Hardman Johnston	MSCI EAFE	0.8
American Realty	NCREIF ODCE	0.1
Intercontinental	NCREIF ODCE	0.9
UBS	NCREIF ODCE	-0.2
Garcia Fixed	Custom Index	0.8
<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
Clearbridge LCG	Russell 1000G	-1.9
Lyrical LCV	Russell 1000V	-1.4
Clearbridge	Russell Mid	-5.8
Wedge	Russ Mid Val	-0.2
PNC	Russell 2000	0.5
LMCG	Russell 2000G	0.3
Hardman Johnston	MSCI EAFE	7.6
American Realty	NCREIF ODCE	-0.2
Intercontinental	NCREIF ODCE	3.0
UBS	NCREIF ODCE	-0.7
Garcia Fixed	Custom Index	1.8
<b>Total Portfolio</b>	<b>Shadow Index</b>	0.6

**MANAGER ALLOCATION SUMMARY**

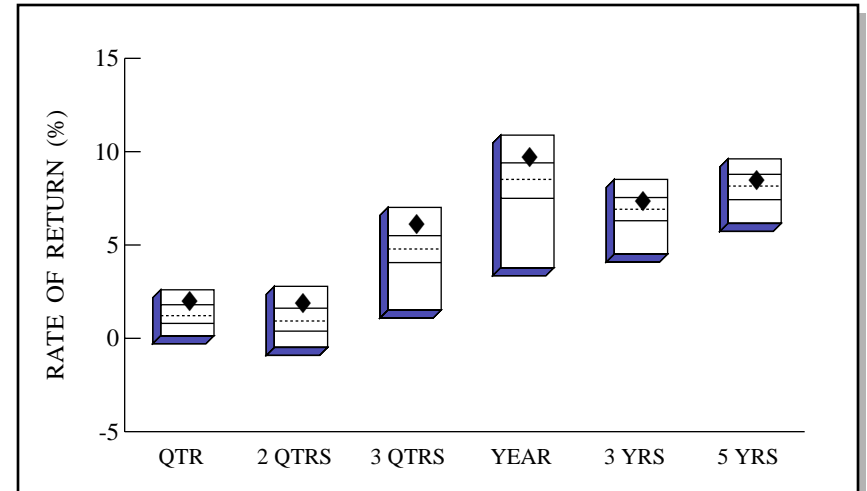
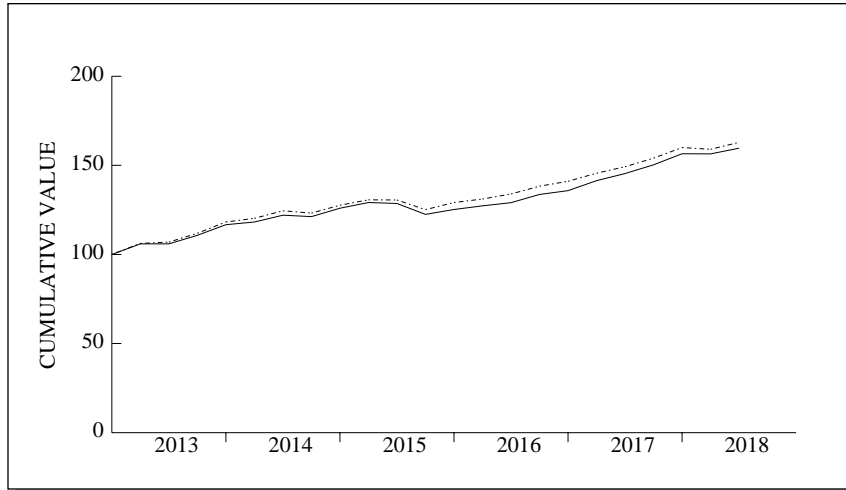


Name	Market Value	Percent
Vanguard 500 (LCC)	\$21,709,236	13.2
Clearbridge LCG (LCG)	\$16,320,884	9.9
Lyrical LCV (LCV)	\$14,976,743	9.1
Clearbridge (MCC)	\$8,984,425	5.4
Wedge (MCV)	\$8,747,819	5.3
PNC (SCC)	\$10,401,816	6.3
LMCG (SCG)	\$8,521,284	5.2
Hardman Johnston (INEQ)	\$19,250,386	11.7
American Realty (REAL)	\$5,657,874	3.4
Intercontinental (REAL)	\$9,102,372	5.5
UBS (REAL)	\$4,329,326	2.6
Garcia Fixed (FIXD)	\$36,506,961	22.1
Cash Account (CASH)	\$555,293	0.3
<b>Total</b>	<b>\$165,064,419</b>	<b>100.0</b>

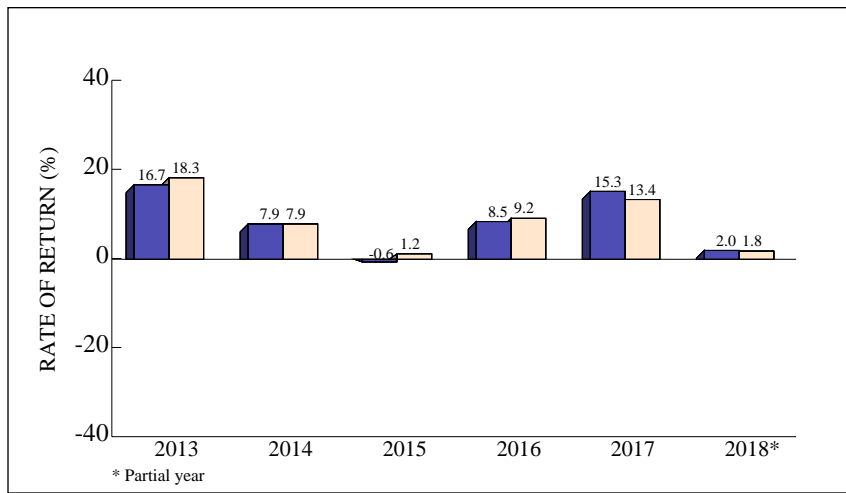
**INVESTMENT RETURN SUMMARY - ONE QUARTER**

<b>Name</b>	<b>Quarter Total Return</b>	<b>Market Value March 31st, 2018</b>	<b>Net Cashflow</b>	<b>Net Investment Return</b>	<b>Market Value June 30th, 2018</b>
Vanguard 500 (LCC)	3.4	30,712,638	-10,000,000	996,598	21,709,236
Clearbridge LCG (LCG)	5.1	10,777,606	4,985,500	557,778	16,320,884
Lyrical LCV (LCV)	-1.5	10,325,902	4,974,835	-323,994	14,976,743
Clearbridge (MCC)	3.5	8,694,312	-14,910	305,023	8,984,425
Wedge (MCV)	2.8	8,511,214	0	236,605	8,747,819
PNC (SCC)	4.4	9,987,431	-21,100	435,485	10,401,816
LMCG (SCG)	6.7	8,004,665	-17,941	534,560	8,521,284
Hardman Johnston (INEQ)	-0.2	19,334,721	-38,604	-45,731	19,250,386
American Realty (REAL)	2.1	5,557,335	-15,602	116,141	5,657,874
Intercontinental (REAL)	2.9	8,864,917	-18,371	255,826	9,102,372
UBS (REAL)	1.8	4,264,777	-9,950	74,499	4,329,326
Garcia Fixed (FIXD)	0.6	37,583,738	-1,282,425	205,648	36,506,961
Cash Account (CASH)	---	584,430	-31,608	2,471	555,293
<b>Total Portfolio</b>	<b>2.1</b>	<b>163,203,686</b>	<b>-1,490,176</b>	<b>3,350,909</b>	<b>165,064,419</b>

**TOTAL RETURN COMPARISONS**



Public Fund Universe

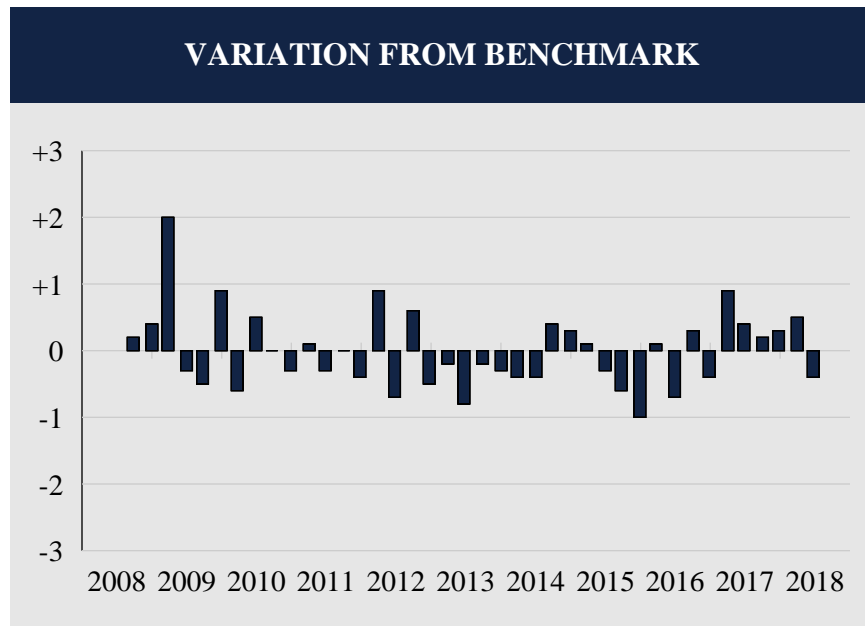


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	2.1	2.0	6.2	9.8	7.5	8.6
(RANK)	(17)	(15)	(13)	(19)	(28)	(32)
5TH %ILE	2.6	2.8	7.0	10.9	8.5	9.6
25TH %ILE	1.8	1.6	5.5	9.4	7.5	8.8
MEDIAN	1.2	0.9	4.8	8.5	6.9	8.2
75TH %ILE	0.8	0.4	4.1	7.5	6.3	7.4
95TH %ILE	0.1	-0.5	1.5	3.8	4.5	6.2
<i>Shadow Idx</i>	<i>2.5</i>	<i>1.8</i>	<i>5.8</i>	<i>9.2</i>	<i>7.7</i>	<i>8.8</i>

Public Fund Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

**COMPARATIVE BENCHMARK: SHADOW INDEX**

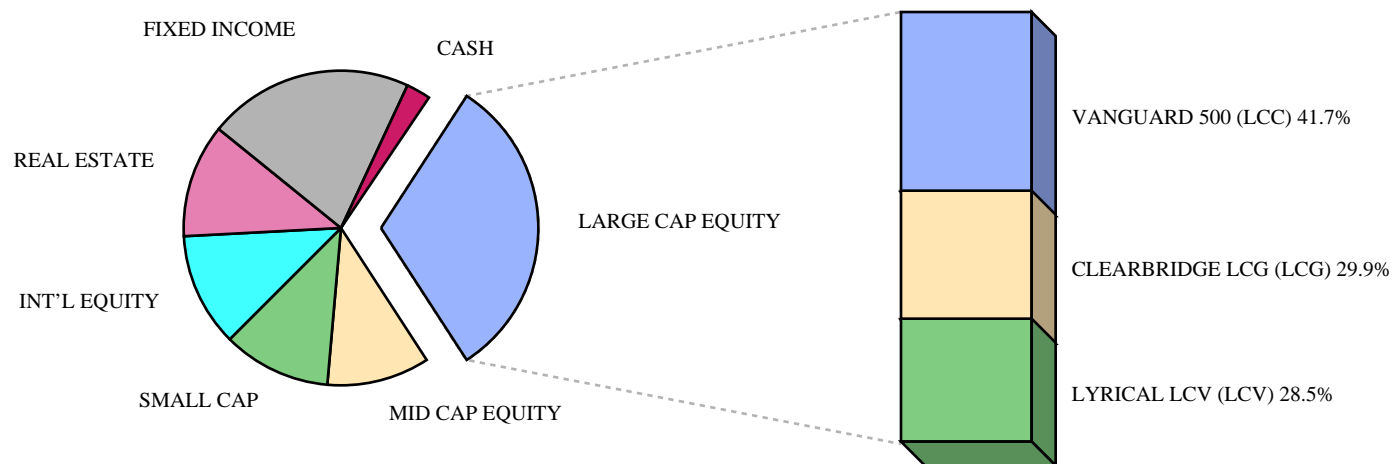


RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/08	-6.6	-6.8	0.2
12/08	-11.9	-12.3	0.4
3/09	-4.5	-6.5	2.0
6/09	10.5	10.8	-0.3
9/09	11.2	11.7	-0.5
12/09	4.6	3.7	0.9
3/10	3.4	4.0	-0.6
6/10	-6.0	-6.5	0.5
9/10	8.5	8.5	0.0
12/10	6.1	6.4	-0.3
3/11	4.2	4.1	0.1
6/11	0.6	0.9	-0.3
9/11	-9.1	-9.1	0.0
12/11	6.4	6.8	-0.4
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
3/17	4.1	3.2	0.9
6/17	2.9	2.5	0.4
9/17	3.4	3.2	0.2
12/17	4.1	3.8	0.3
3/18	-0.1	-0.6	0.5
6/18	2.1	2.5	-0.4

<b>Total Quarters Observed</b>	<b>40</b>
<b>Quarters At or Above the Benchmark</b>	<b>20</b>
<b>Quarters Below the Benchmark</b>	<b>20</b>
<b>Batting Average</b>	<b>.500</b>

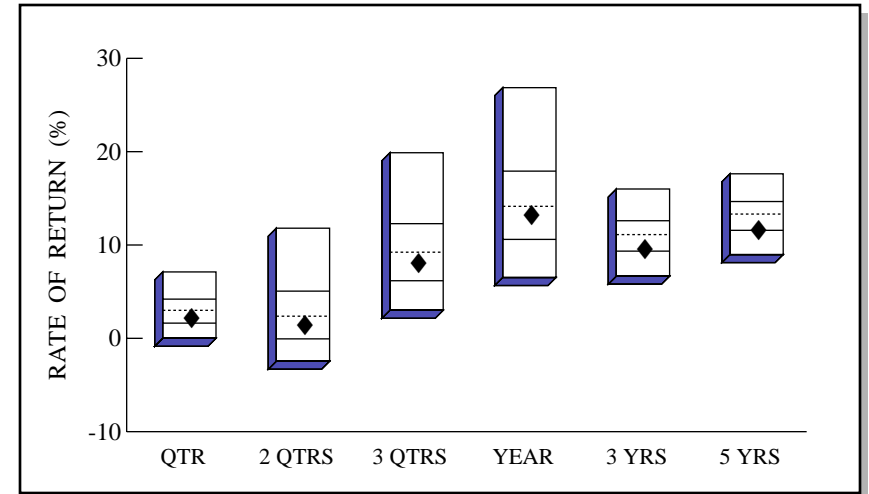
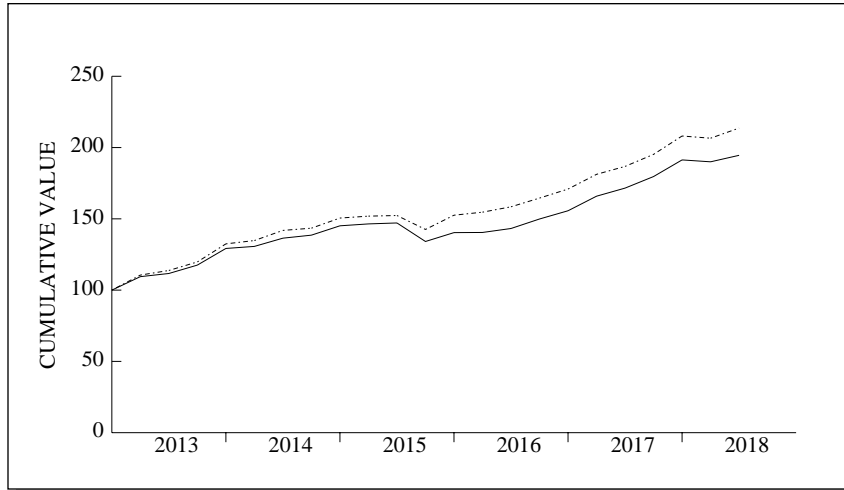


**LARGE CAP EQUITY MANAGER SUMMARY**

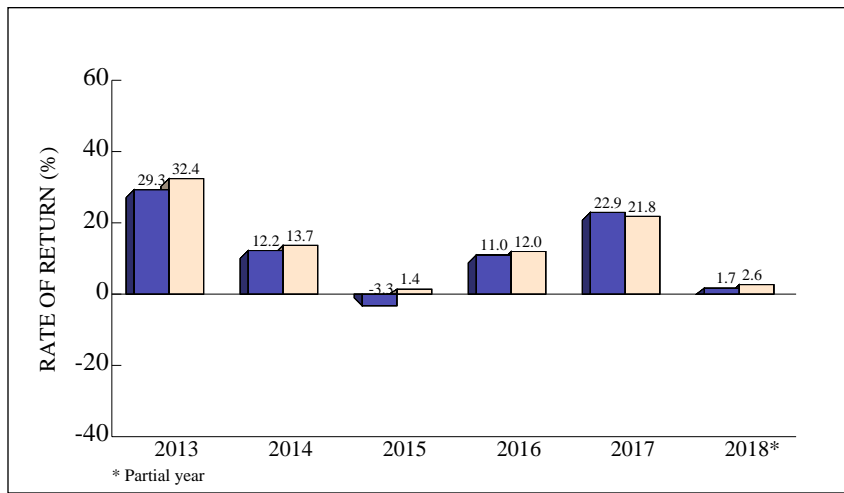


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
VANGUARD 500	(Large Cap Core)	3.4 (33)	9.5 (47)	14.4 (48)	11.9 (34)	----	\$21,706,337
<i>S&amp;P 500</i>		<i>3.4</i> ----	<i>9.5</i> ----	<i>14.4</i> ----	<i>11.9</i> ----	<i>13.4</i> ----	----
CLEARBRIDGE LCG	(Large Cap Growth)	5.1 (53)	14.7 (53)	21.2 (53)	----	----	\$15,577,901
<i>Russell 1000 Growth</i>		<i>5.8</i> ----	<i>15.7</i> ----	<i>22.5</i> ----	<i>15.0</i> ----	<i>16.4</i> ----	----
LYRICAL LCV	(Large Cap Value)	-1.6 (99)	0.7 (97)	5.4 (95)	8.0 (78)	----	\$14,826,353
<i>Russell 1000 Value</i>		<i>1.2</i> ----	<i>3.5</i> ----	<i>6.8</i> ----	<i>8.2</i> ----	<i>10.3</i> ----	----
<b>TOTAL</b>	<b>(Large Cap)</b>	<b>2.4 (61)</b>	<b>8.3 (58)</b>	<b>13.4 (55)</b>	<b>9.8 (70)</b>	<b>11.7 (73)</b>	<b>\$52,110,591</b>
<i>S&amp;P 500</i>		<i>3.4</i> ----	<i>9.5</i> ----	<i>14.4</i> ----	<i>11.9</i> ----	<i>13.4</i> ----	----

### LARGE CAP EQUITY RETURN COMPARISONS



Large Cap Universe

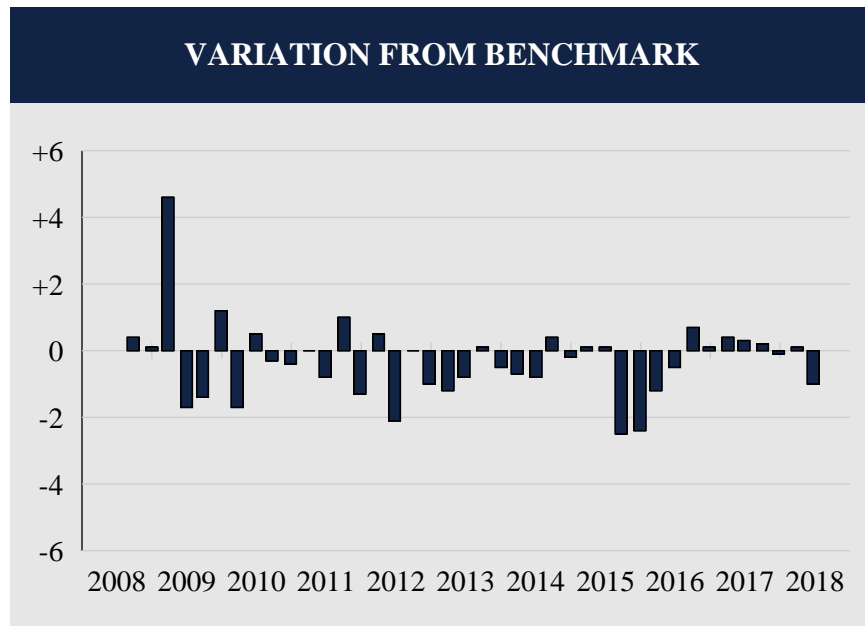


	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	2.4	1.7	8.3	13.4	9.8	11.7
(RANK)	(61)	(58)	(58)	(55)	(70)	(73)
5TH %ILE	7.1	11.8	19.9	26.9	16.0	17.6
25TH %ILE	4.2	5.1	12.3	17.9	12.6	14.7
MEDIAN	3.0	2.4	9.2	14.1	11.1	13.3
75TH %ILE	1.6	-0.1	6.2	10.6	9.3	11.6
95TH %ILE	0.0	-2.5	3.0	6.5	6.7	9.0
<b>S&amp;P 500</b>	<b>3.4</b>	<b>2.6</b>	<b>9.5</b>	<b>14.4</b>	<b>11.9</b>	<b>13.4</b>

Large Cap Universe

## LARGE CAP EQUITY QUARTERLY PERFORMANCE SUMMARY

**COMPARATIVE BENCHMARK: S&P 500**

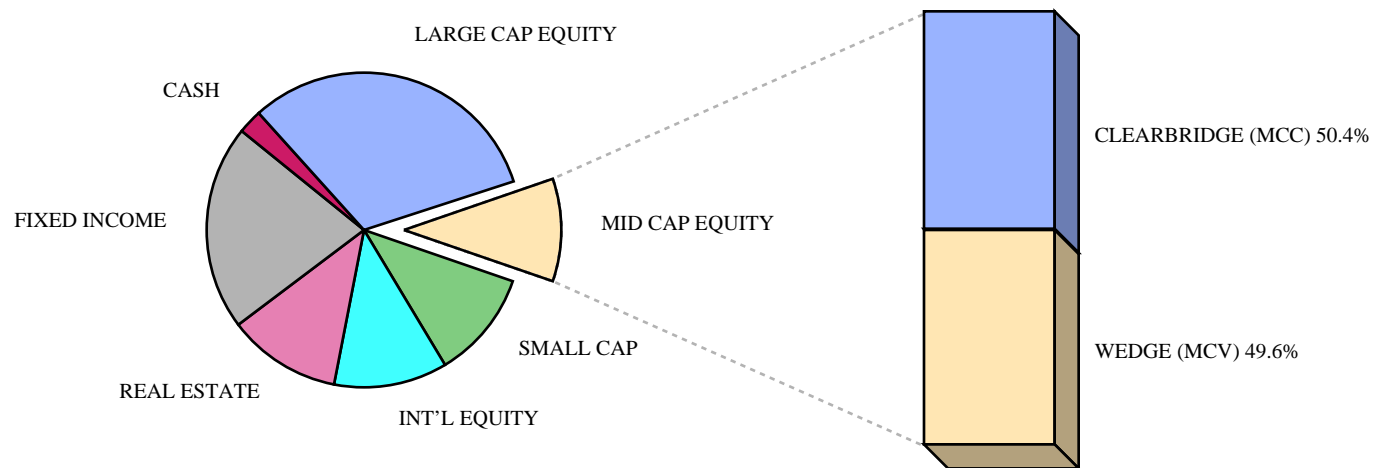


<b>Total Quarters Observed</b>	<b>40</b>
<b>Quarters At or Above the Benchmark</b>	<b>19</b>
<b>Quarters Below the Benchmark</b>	<b>21</b>
<b>Batting Average</b>	<b>.475</b>

### RATES OF RETURN

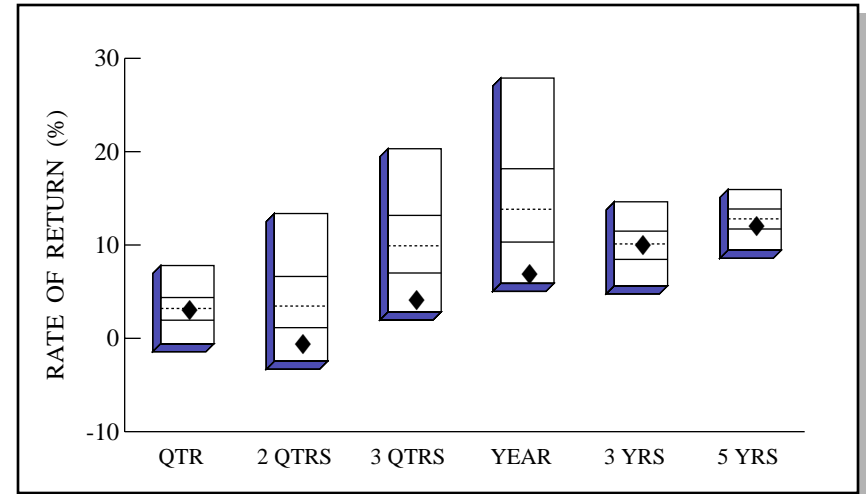
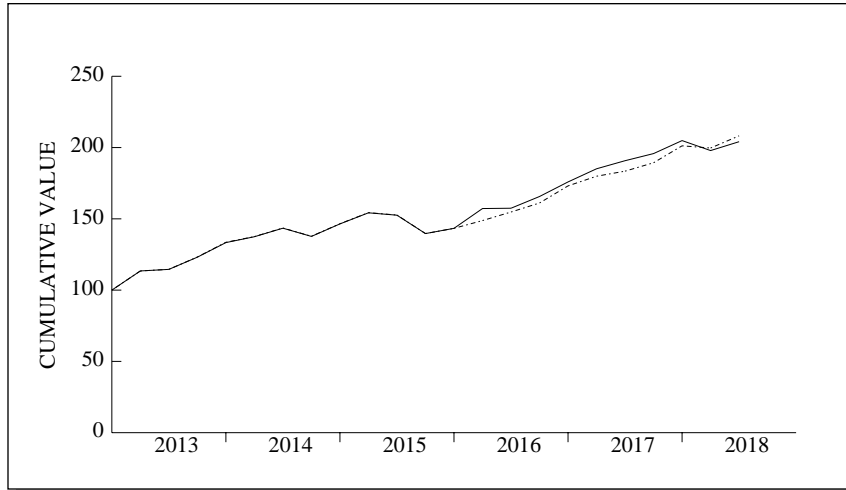
Date	Portfolio	Benchmark	Difference
9/08	-8.0	-8.4	0.4
12/08	-21.8	-21.9	0.1
3/09	-6.4	-11.0	4.6
6/09	14.2	15.9	-1.7
9/09	14.2	15.6	-1.4
12/09	7.2	6.0	1.2
3/10	3.6	5.3	-1.7
6/10	-10.9	-11.4	0.5
9/10	11.0	11.3	-0.3
12/10	10.4	10.8	-0.4
3/11	5.9	5.9	0.0
6/11	-0.7	0.1	-0.8
9/11	-12.9	-13.9	1.0
12/11	10.5	11.8	-1.3
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
3/17	6.5	6.1	0.4
6/17	3.4	3.1	0.3
9/17	4.7	4.5	0.2
12/17	6.5	6.6	-0.1
3/18	-0.7	-0.8	0.1
6/18	2.4	3.4	-1.0

**MID CAP EQUITY MANAGER SUMMARY**

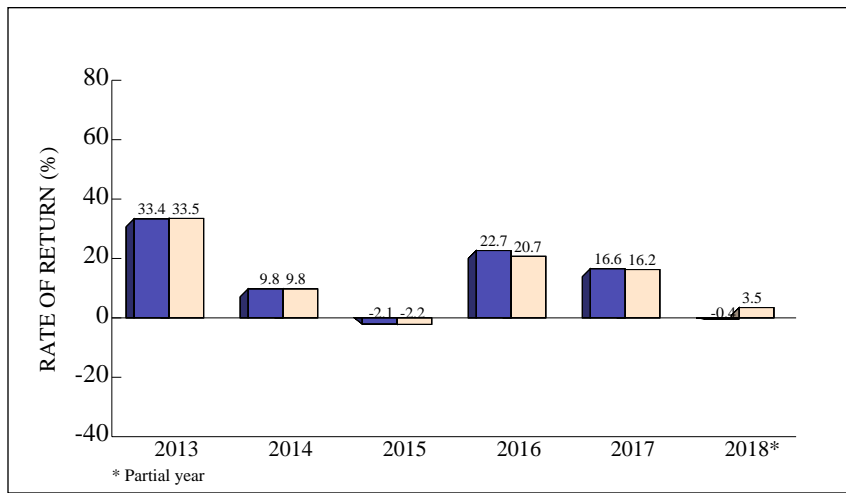


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
CLEARBRIDGE	(Mid Cap Core)	3.6 (51)	3.9 (94)	6.6 (94)	----	----	\$8,872,829
<i>Russell Mid Cap</i>		2.8 ----	8.5 ----	12.3 ----	9.6 ----	12.2 ----	----
WEDGE	(Mid Cap Value)	2.8 (37)	4.6 (71)	7.4 (79)	----	----	\$8,747,819
<i>Russell Mid Cap Value</i>		2.4 ----	5.3 ----	7.6 ----	8.8 ----	11.3 ----	----
<b>TOTAL</b>	<b>(Mid Cap)</b>	<b>3.2 (51)</b>	<b>4.3 (90)</b>	<b>7.0 (93)</b>	<b>10.2 (49)</b>	<b>12.3 (65)</b>	<b>\$17,620,648</b>
<i>S&amp;P 400</i>		4.3 ----	10.0 ----	13.5 ----	10.9 ----	12.7 ----	----

MID CAP EQUITY RETURN COMPARISONS



Mid Cap Universe

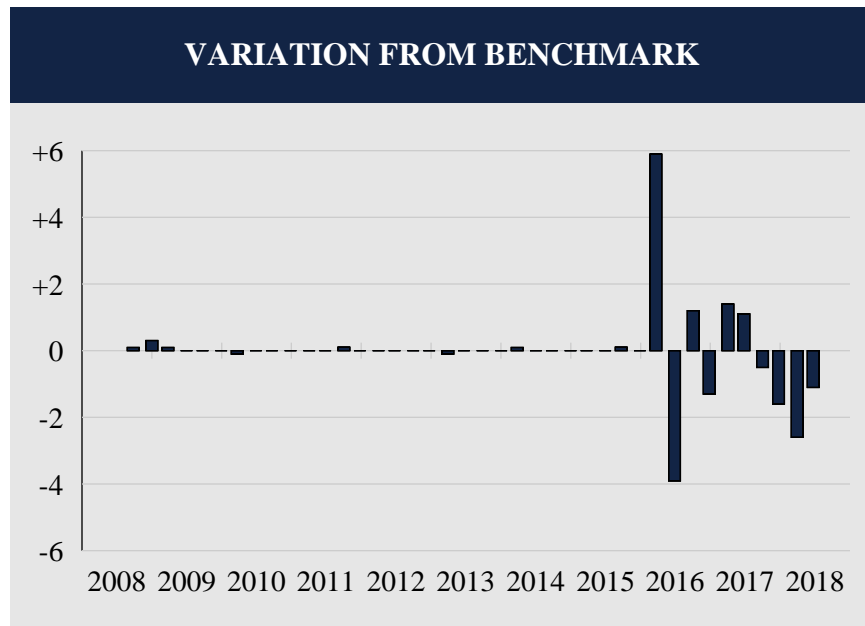


	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	3.2	-0.4	4.3	7.0	10.2	12.3
(RANK)	(51)	(86)	(90)	(93)	(49)	(65)
5TH %ILE	7.8	13.4	20.3	27.9	14.6	16.0
25TH %ILE	4.4	6.6	13.2	18.2	11.5	13.9
MEDIAN	3.2	3.5	9.9	13.8	10.1	12.8
75TH %ILE	1.9	1.1	7.0	10.3	8.5	11.7
95TH %ILE	-0.6	-2.5	2.8	5.9	5.6	9.4
<b>S&amp;P 400</b>	<b>4.3</b>	<b>3.5</b>	<b>10.0</b>	<b>13.5</b>	<b>10.9</b>	<b>12.7</b>

Mid Cap Universe

## MID CAP EQUITY QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: S&P 400

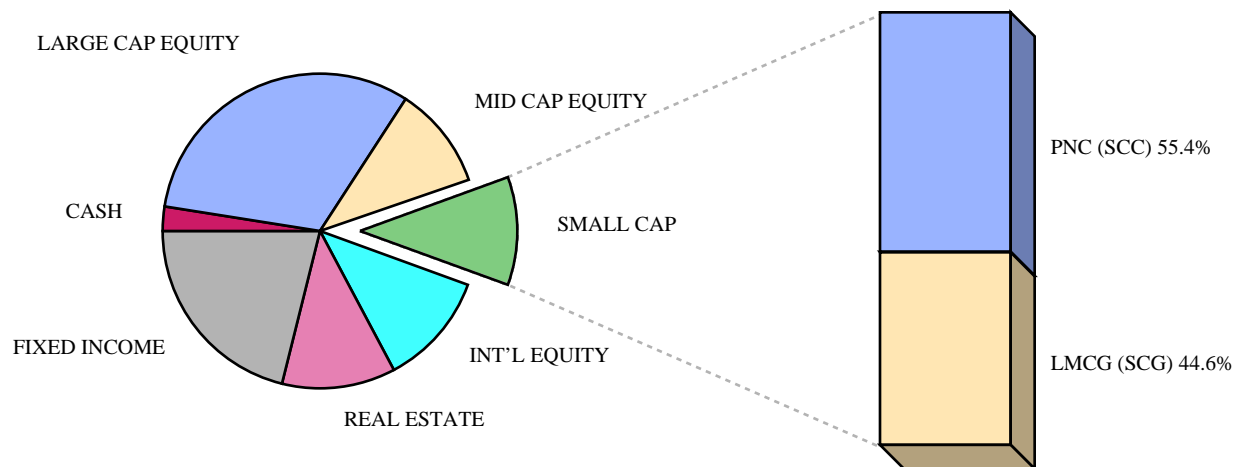


### RATES OF RETURN

Date	Portfolio	Benchmark	Difference
9/08	-10.8	-10.9	0.1
12/08	-25.3	-25.6	0.3
3/09	-8.6	-8.7	0.1
6/09	18.7	18.7	0.0
9/09	20.0	20.0	0.0
12/09	5.6	5.6	0.0
3/10	9.0	9.1	-0.1
6/10	-9.6	-9.6	0.0
9/10	13.1	13.1	0.0
12/10	13.5	13.5	0.0
3/11	9.4	9.4	0.0
6/11	-0.7	-0.7	0.0
9/11	-19.8	-19.9	0.1
12/11	13.0	13.0	0.0
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
3/17	5.3	3.9	1.4
6/17	3.1	2.0	1.1
9/17	2.7	3.2	-0.5
12/17	4.7	6.3	-1.6
3/18	-3.4	-0.8	-2.6
6/18	3.2	4.3	-1.1

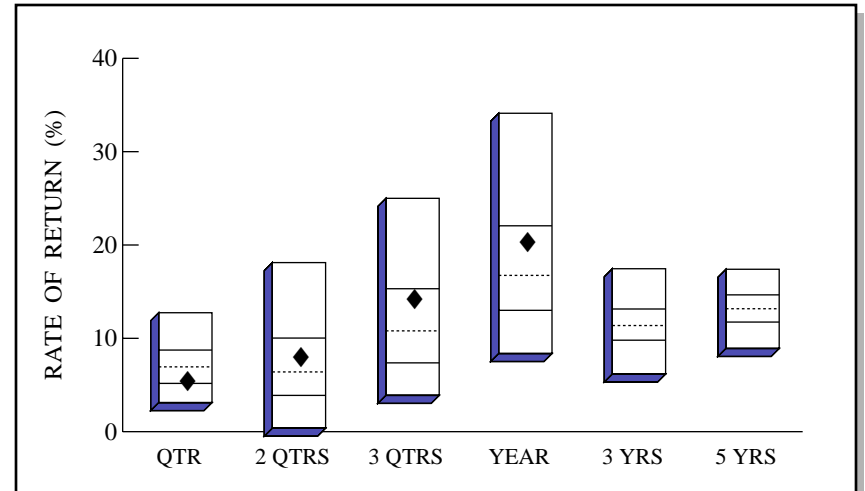
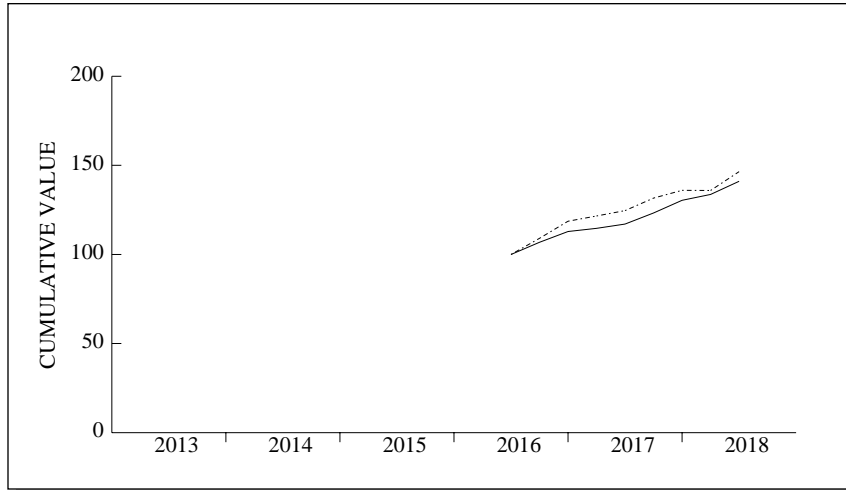
<b>Total Quarters Observed</b>	<b>40</b>
<b>Quarters At or Above the Benchmark</b>	<b>32</b>
<b>Quarters Below the Benchmark</b>	<b>8</b>
<b>Batting Average</b>	<b>.800</b>

**SMALL CAP EQUITY MANAGER SUMMARY**

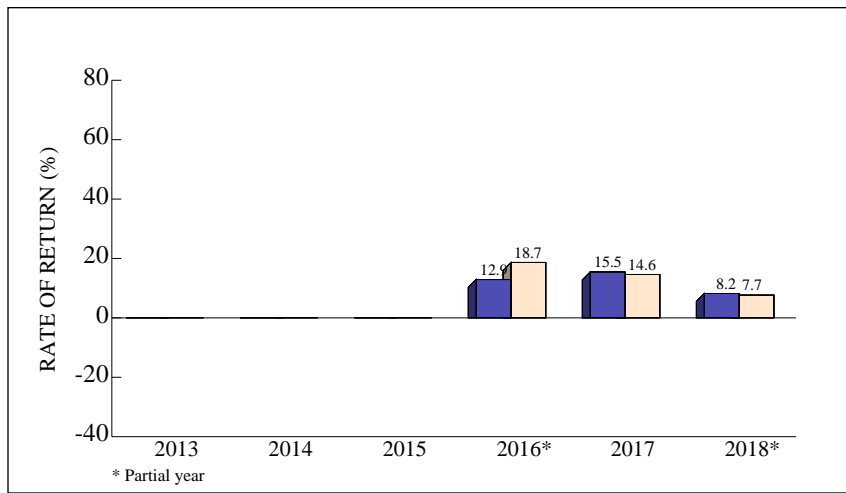


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
PNC	(Small Cap Core)	4.5 (92)	10.7 (47)	18.6 (37)	----	----	\$10,190,182
<i>Russell 2000</i>		7.8 ----	11.3 ----	17.6 ----	11.0 ----	12.5 ----	----
LMCG	(Small Cap Growth)	7.0 (75)	19.3 (41)	23.0 (58)	----	----	\$8,190,978
<i>Russell 2000 Growth</i>		7.2 ----	14.7 ----	21.8 ----	10.6 ----	13.6 ----	----
<b>TOTAL</b>	<b>(Small Cap)</b>	<b>5.6 (71)</b>	<b>14.4 (30)</b>	<b>20.5 (33)</b>	<b>----</b>	<b>----</b>	<b>\$18,381,160</b>
<i>Russell 2000</i>		7.8 ----	11.3 ----	17.6 ----	11.0 ----	12.5 ----	----

**SMALL CAP EQUITY RETURN COMPARISONS**



Small Cap Universe



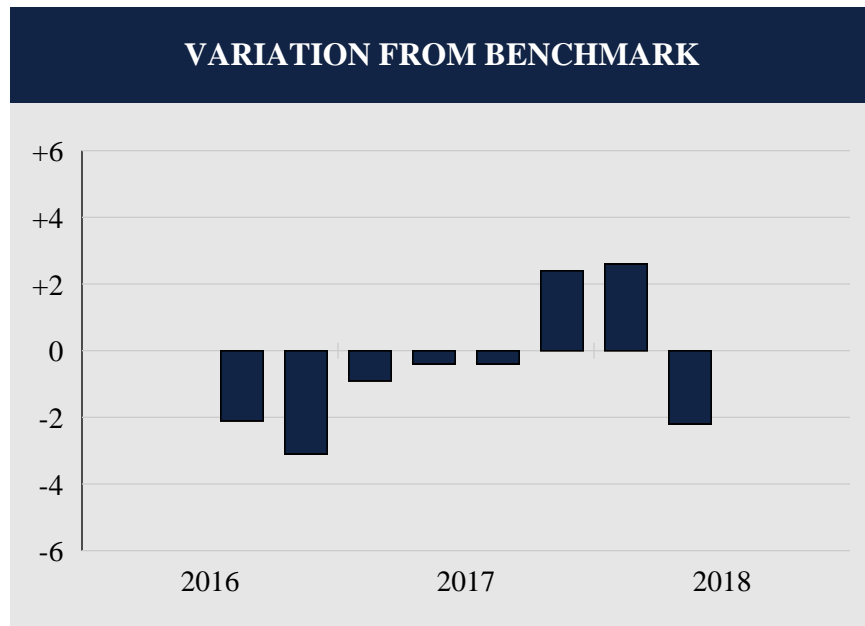
	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	5.6	8.2	14.4	20.5	----	----
(RANK)	(71)	(36)	(30)	(33)	----	----
5TH %ILE	12.8	18.1	25.0	34.1	17.5	17.4
25TH %ILE	8.8	10.0	15.3	22.1	13.1	14.7
MEDIAN	6.9	6.4	10.8	16.8	11.4	13.2
75TH %ILE	5.2	3.9	7.4	13.0	9.8	11.7
95TH %ILE	3.1	0.4	3.9	8.4	6.2	8.9
<b>Russ 2000</b>	<b>7.8</b>	<b>7.7</b>	<b>11.3</b>	<b>17.6</b>	<b>11.0</b>	<b>12.5</b>

Small Cap Universe



**SMALL CAP EQUITY QUARTERLY PERFORMANCE SUMMARY**

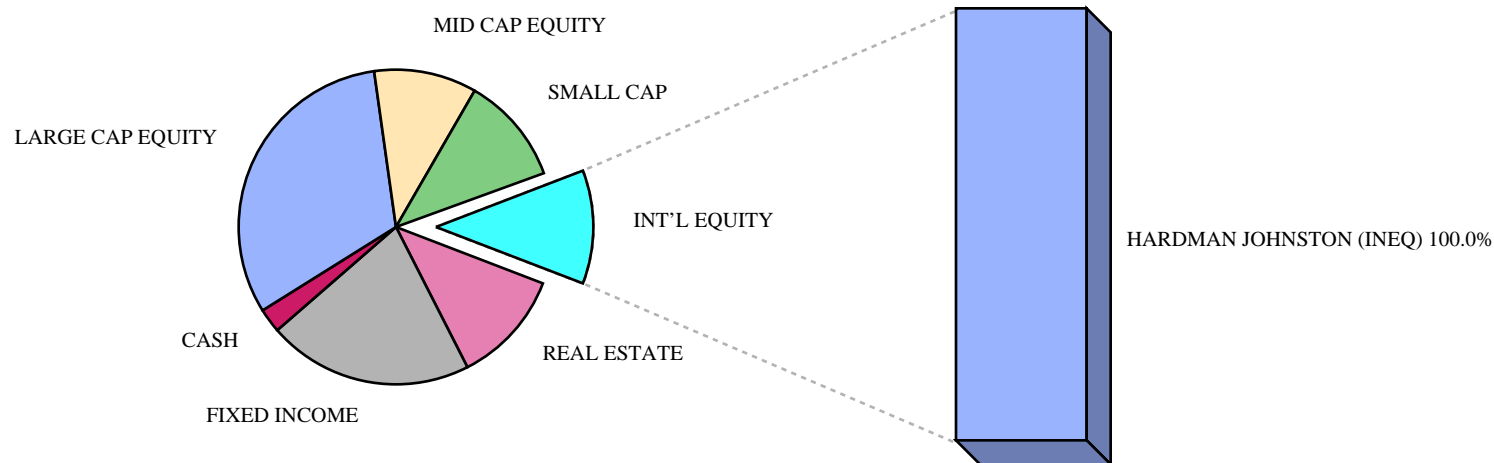
**COMPARATIVE BENCHMARK: RUSSELL 2000**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/16	6.9	9.0	-2.1
12/16	5.7	8.8	-3.1
3/17	1.6	2.5	-0.9
6/17	2.1	2.5	-0.4
9/17	5.3	5.7	-0.4
12/17	5.7	3.3	2.4
3/18	2.5	-0.1	2.6
6/18	5.6	7.8	-2.2

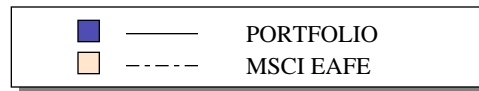
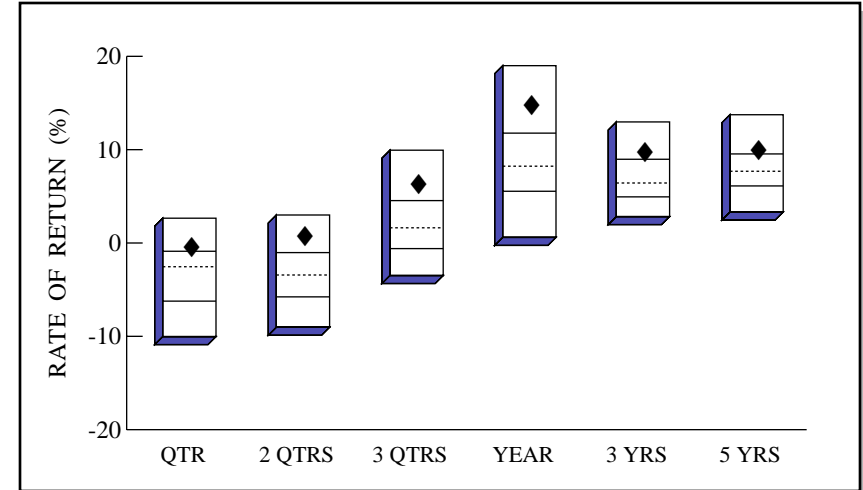
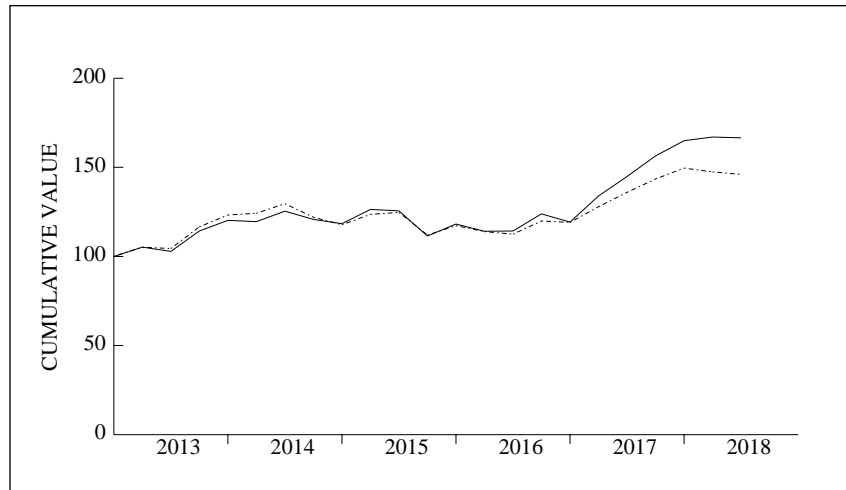
<b>Total Quarters Observed</b>	<b>8</b>
<b>Quarters At or Above the Benchmark</b>	<b>2</b>
<b>Quarters Below the Benchmark</b>	<b>6</b>
<b>Batting Average</b>	<b>.250</b>

**INTERNATIONAL EQUITY MANAGER SUMMARY**

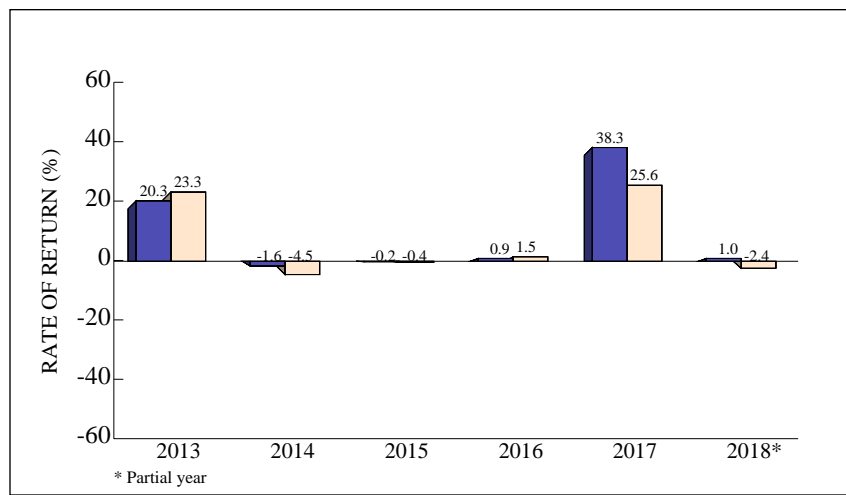


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
HARDMAN JOHNSTON	(International Equity)	-0.2 (20)	6.5 (15)	15.0 (13)	10.2 (17)	10.7 (18)	\$19,250,386
<i>MSCI EAFE</i>		-1.0 ---	1.8 ---	7.4 ---	5.4 ---	6.9 ---	---
<b>TOTAL</b>	<b>(International Equity)</b>	<b>-0.2 (20)</b>	<b>6.5 (15)</b>	<b>15.0 (13)</b>	<b>9.9 (19)</b>	<b>10.1 (22)</b>	<b>\$19,250,386</b>
<i>MSCI EAFE</i>		-1.0 ---	1.8 ---	7.4 ---	5.4 ---	6.9 ---	---

### INTERNATIONAL EQUITY RETURN COMPARISONS



International Equity Universe

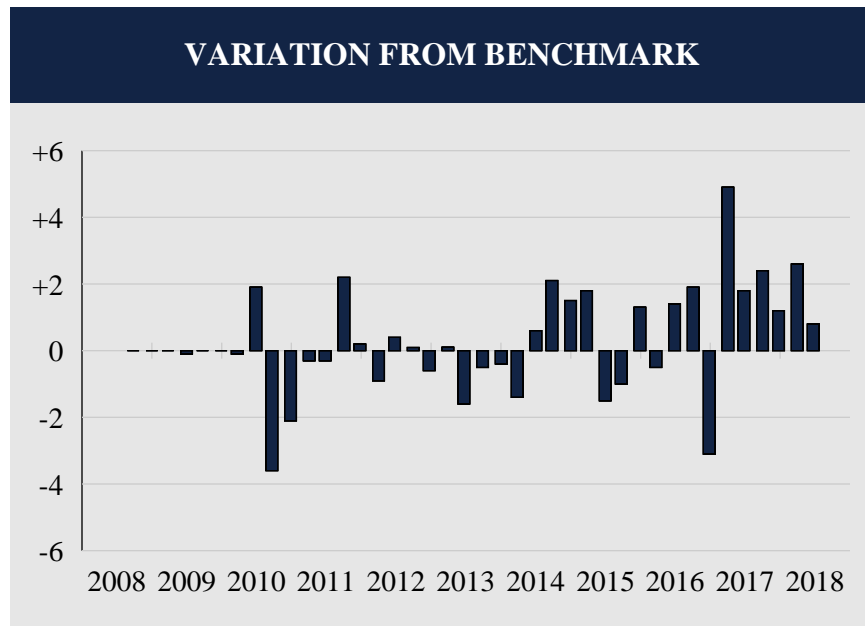


	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	-0.2	1.0	6.5	15.0	9.9	10.1
(RANK)	(20)	(11)	(15)	(13)	(19)	(22)
5TH %ILE	2.7	3.0	9.9	19.0	13.0	13.7
25TH %ILE	-0.9	-1.0	4.5	11.8	9.0	9.6
MEDIAN	-2.5	-3.4	1.6	8.2	6.4	7.7
75TH %ILE	-6.2	-5.8	-0.6	5.6	4.9	6.1
95TH %ILE	-10.0	-9.0	-3.5	0.6	2.8	3.3
<b>MSCI EAFE</b>	<b>-1.0</b>	<b>-2.4</b>	<b>1.8</b>	<b>7.4</b>	<b>5.4</b>	<b>6.9</b>

International Equity Universe

## INTERNATIONAL EQUITY QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: MSCI EAFE

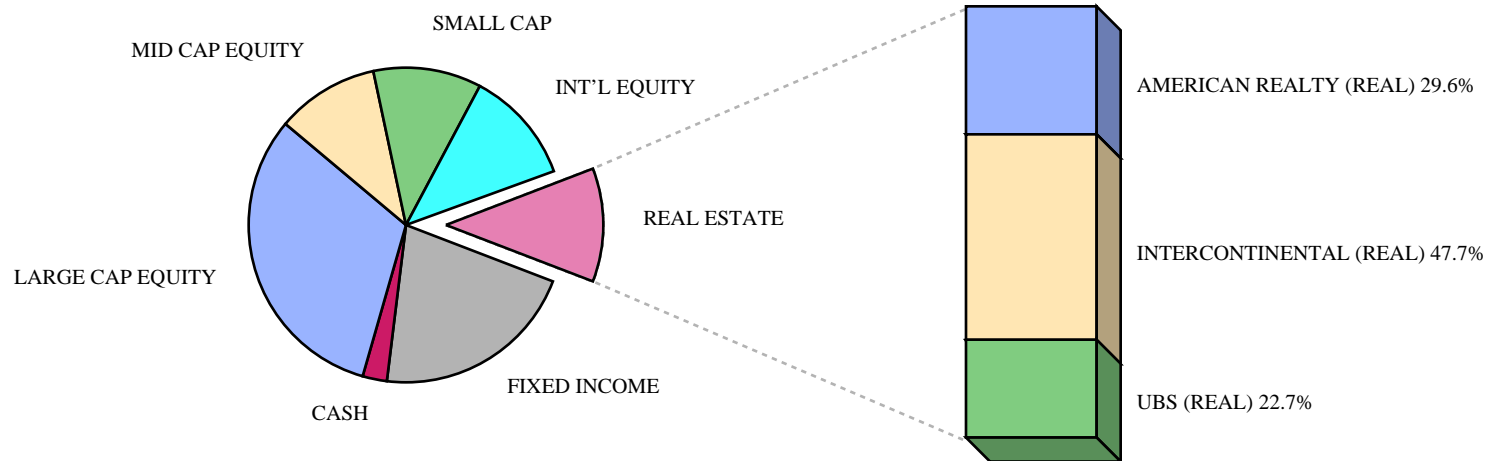


### RATES OF RETURN

Date	Portfolio	Benchmark	Difference
9/08	-20.5	-20.5	0.0
12/08	-19.9	-19.9	0.0
3/09	-13.9	-13.9	0.0
6/09	25.7	25.8	-0.1
9/09	19.5	19.5	0.0
12/09	2.2	2.2	0.0
3/10	0.8	0.9	-0.1
6/10	-11.8	-13.7	1.9
9/10	12.9	16.5	-3.6
12/10	4.6	6.7	-2.1
3/11	3.1	3.4	-0.3
6/11	1.5	1.8	-0.3
9/11	-16.8	-19.0	2.2
12/11	3.6	3.4	0.2
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
3/17	12.3	7.4	4.9
6/17	8.2	6.4	1.8
9/17	7.9	5.5	2.4
12/17	5.5	4.3	1.2
3/18	1.2	-1.4	2.6
6/18	-0.2	-1.0	0.8

<b>Total Quarters Observed</b>	<b>40</b>
<b>Quarters At or Above the Benchmark</b>	<b>24</b>
<b>Quarters Below the Benchmark</b>	<b>16</b>
<b>Batting Average</b>	<b>.600</b>

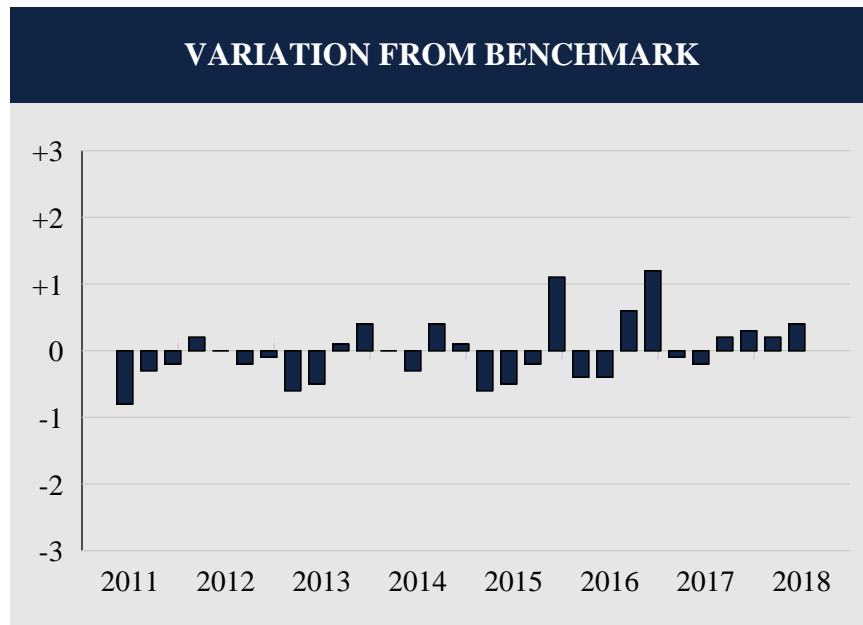
**REAL ESTATE MANAGER SUMMARY**



MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
AMERICAN REALTY		2.1 ---	6.2 ---	8.2 ---	8.8 ---	10.5 ---	\$5,657,874
INTERCONTINENTAL		2.9 ---	8.7 ---	11.4 ---	12.6 ---	---	\$9,102,372
UBS		1.8 ---	6.1 ---	7.7 ---	8.0 ---	9.4 ---	\$4,329,326
<i>NCREIF NFI-ODCE Index</i>		<i>2.0 ---</i>	<i>6.4 ---</i>	<i>8.4 ---</i>	<i>9.4 ---</i>	<i>11.0 ---</i>	---
<b>TOTAL</b>		<b>2.4 ---</b>	<b>7.3 ---</b>	<b>9.6 ---</b>	<b>10.4 ---</b>	<b>11.5 ---</b>	<b>\$19,089,572</b>
<i>NCREIF NFI-ODCE Index</i>		<i>2.0 ---</i>	<i>6.4 ---</i>	<i>8.4 ---</i>	<i>9.4 ---</i>	<i>11.0 ---</i>	---

## REAL ESTATE QUARTERLY PERFORMANCE SUMMARY

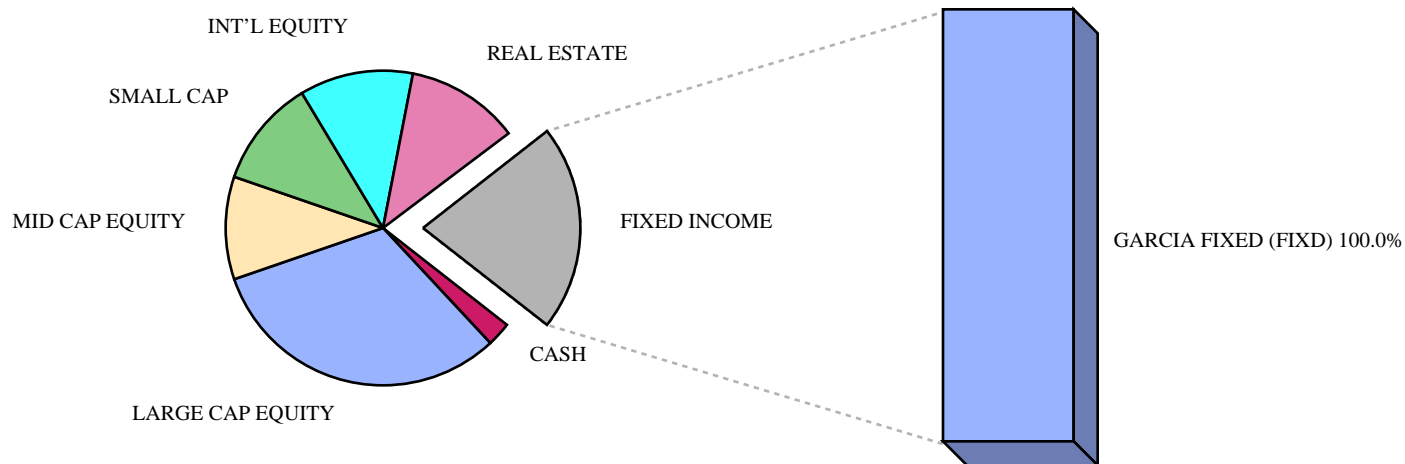
COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/11	3.8	4.6	-0.8
9/11	3.2	3.5	-0.3
12/11	2.8	3.0	-0.2
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
3/17	1.7	1.8	-0.1
6/17	1.5	1.7	-0.2
9/17	2.1	1.9	0.2
12/17	2.4	2.1	0.3
3/18	2.4	2.2	0.2
6/18	2.4	2.0	0.4

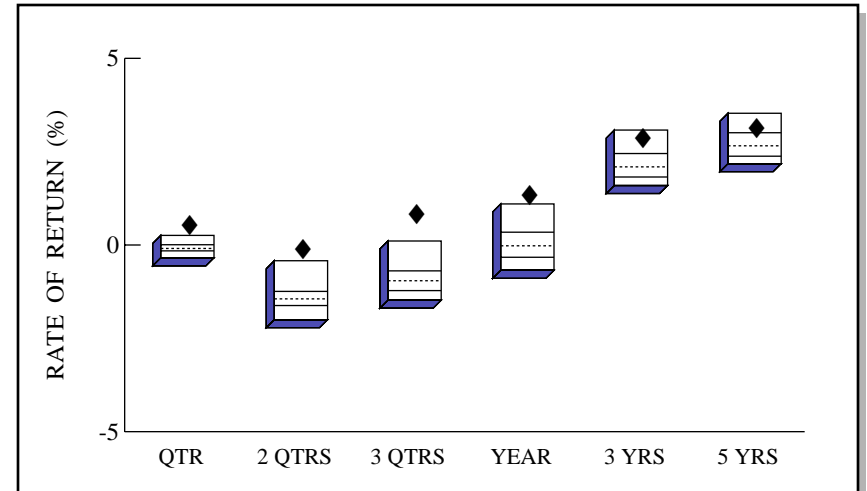
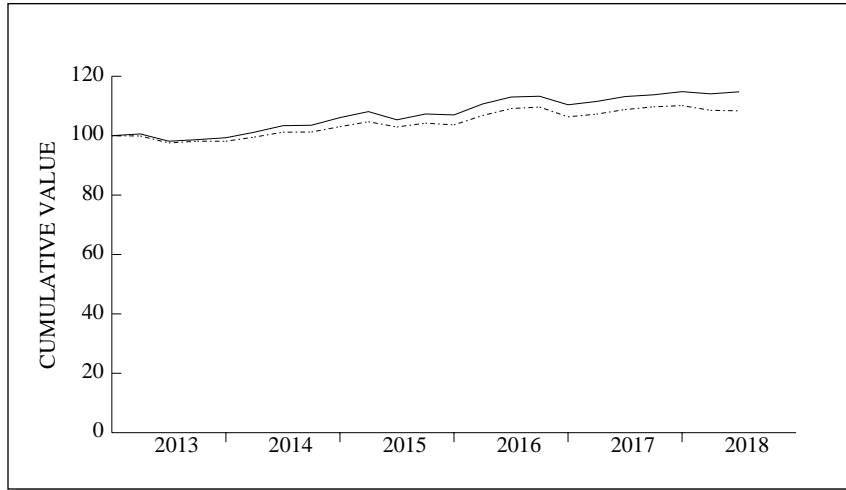
<b>Total Quarters Observed</b>	<b>29</b>
<b>Quarters At or Above the Benchmark</b>	<b>14</b>
<b>Quarters Below the Benchmark</b>	<b>15</b>
<b>Batting Average</b>	<b>.483</b>

**FIXED INCOME MANAGER SUMMARY**

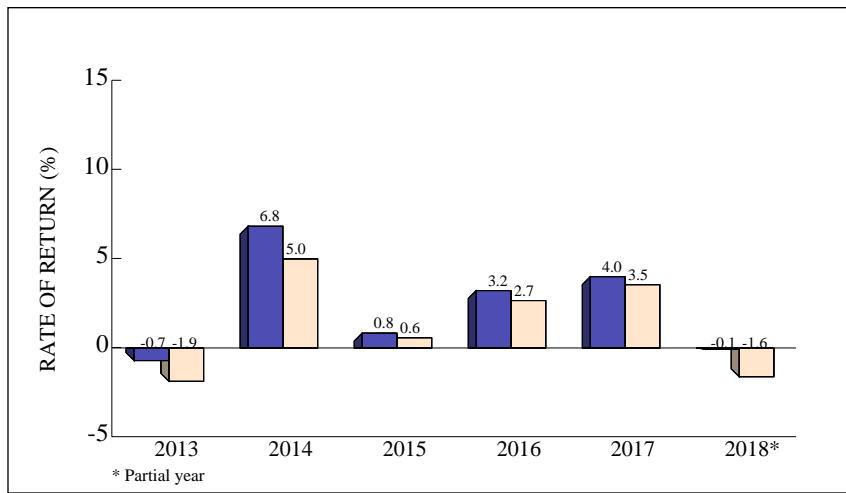


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
GARCIA FIXED	(Core Fixed Income)	0.6 (1)	0.9 (3)	1.4 (4)	2.9 (8)	3.5 (8)	\$34,644,202
<i>Custom Fixed Income Index</i>		-0.2 ----	-1.2 ----	-0.4 ----	1.7 ----	2.1 ----	----
<b>TOTAL</b>	<b>(Core Fixed Income)</b>	<b>0.6 (1)</b>	<b>0.9 (3)</b>	<b>1.4 (4)</b>	<b>2.9 (8)</b>	<b>3.2 (16)</b>	<b>\$34,644,202</b>
<i>Custom Fixed Income Index</i>		-0.2 ----	-1.2 ----	-0.4 ----	1.7 ----	2.1 ----	----

**FIXED INCOME RETURN COMPARISONS**



Core Fixed Income Universe



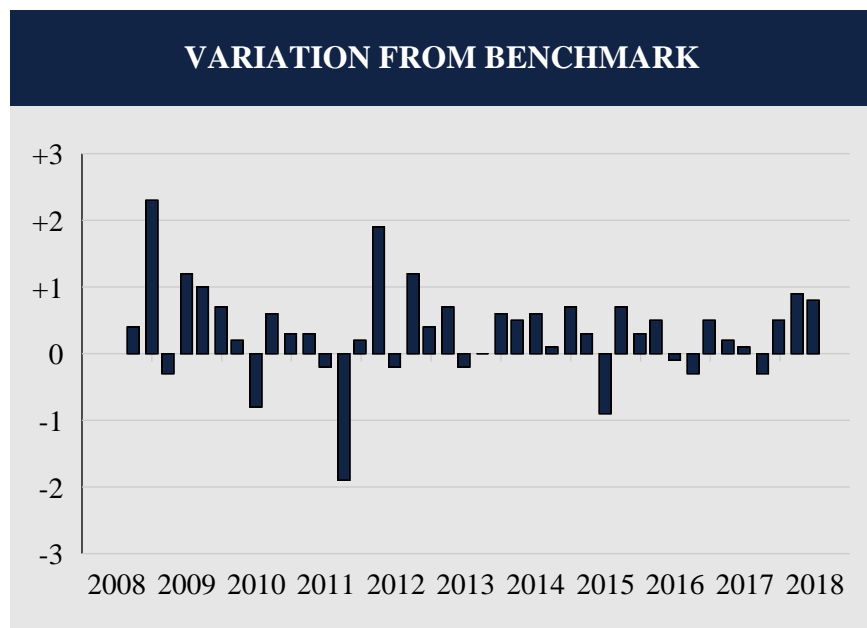
	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	0.6	-0.1	0.9	1.4	2.9	3.2
(RANK)	(1)	(3)	(3)	(4)	(8)	(16)
5TH %ILE	0.3	-0.4	0.1	1.1	3.1	3.5
25TH %ILE	0.0	-1.2	-0.7	0.3	2.5	3.0
MEDIAN	-0.1	-1.4	-1.0	0.0	2.1	2.7
75TH %ILE	-0.2	-1.6	-1.2	-0.3	1.8	2.4
95TH %ILE	-0.3	-2.0	-1.5	-0.7	1.6	2.2
<b>Custom Idx</b>	<b>-0.2</b>	<b>-1.6</b>	<b>-1.2</b>	<b>-0.4</b>	<b>1.7</b>	<b>2.1</b>

Core Fixed Income Universe



## FIXED INCOME QUARTERLY PERFORMANCE SUMMARY

**COMPARATIVE BENCHMARK: CUSTOM FIXED INCOME INDEX**

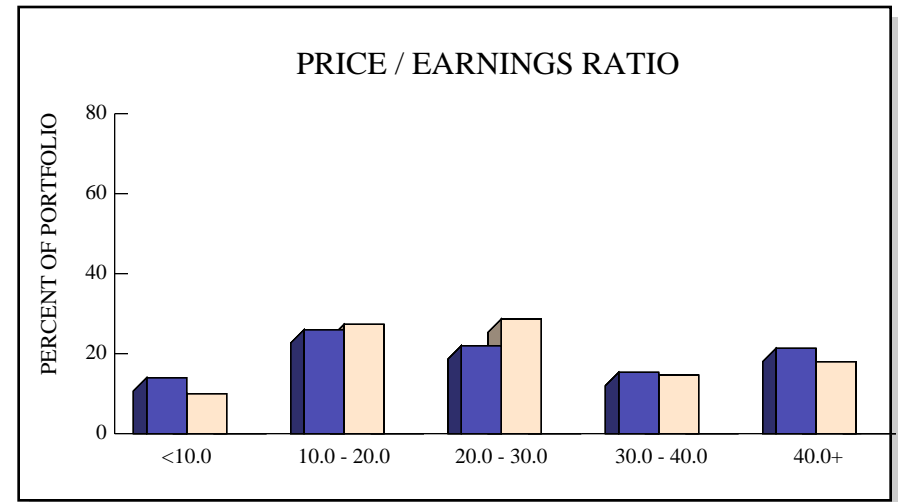
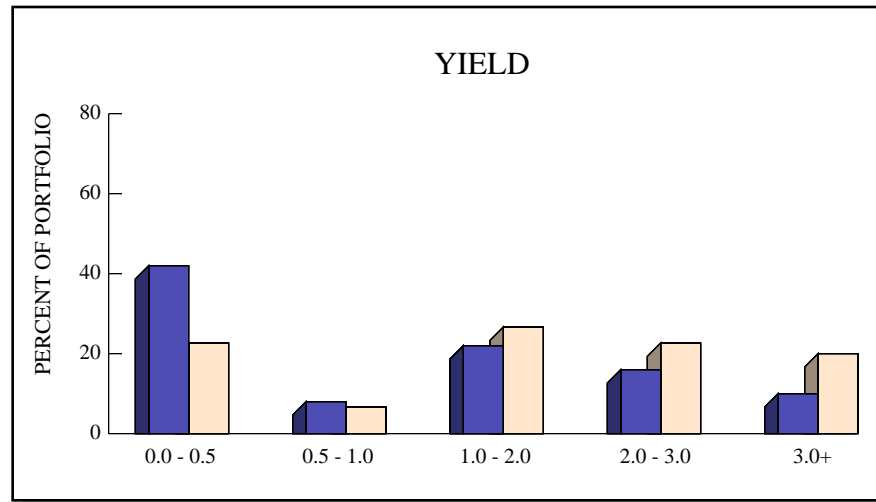


<b>Total Quarters Observed</b>	<b>40</b>
<b>Quarters At or Above the Benchmark</b>	<b>30</b>
<b>Quarters Below the Benchmark</b>	<b>10</b>
<b>Batting Average</b>	<b>.750</b>

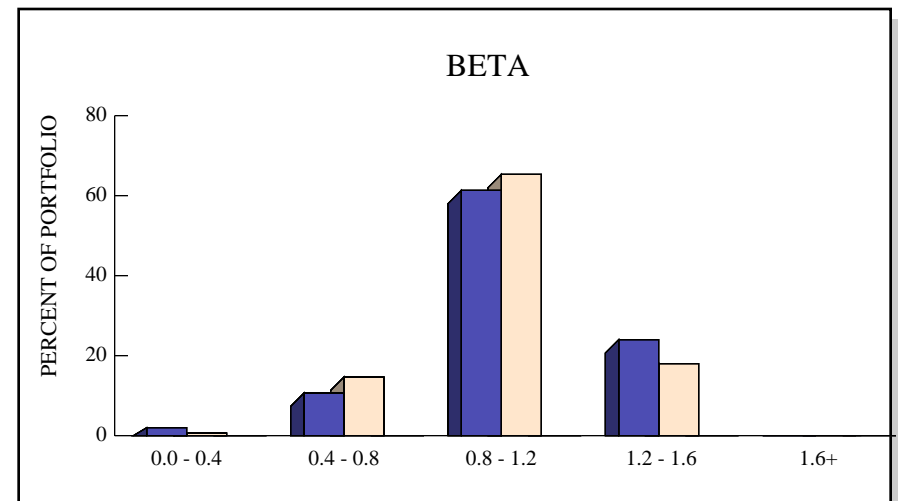
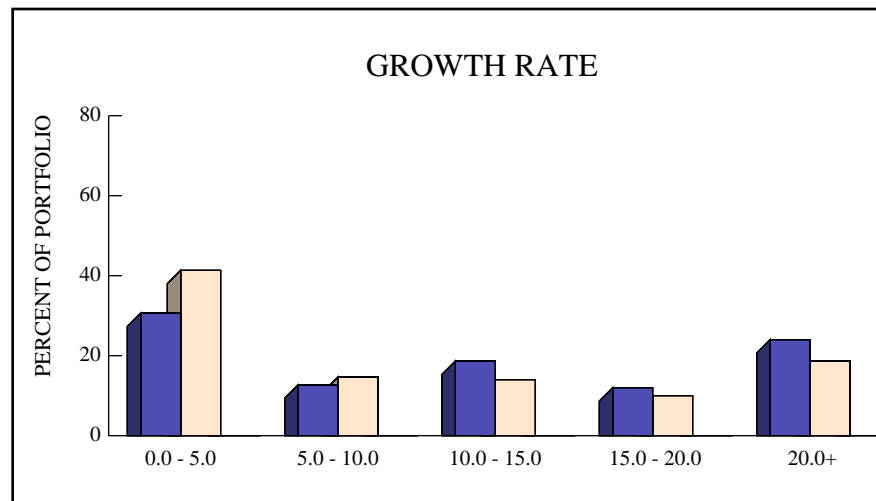
### RATES OF RETURN

Date	Portfolio	Benchmark	Difference
9/08	-1.2	-1.6	0.4
12/08	6.0	3.7	2.3
3/09	-0.2	0.1	-0.3
6/09	3.0	1.8	1.2
9/09	4.7	3.7	1.0
12/09	0.9	0.2	0.7
3/10	2.0	1.8	0.2
6/10	2.7	3.5	-0.8
9/10	3.1	2.5	0.6
12/10	-1.0	-1.3	0.3
3/11	0.7	0.4	0.3
6/11	2.1	2.3	-0.2
9/11	1.9	3.8	-1.9
12/11	1.3	1.1	0.2
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
3/17	1.0	0.8	0.2
6/17	1.5	1.4	0.1
9/17	0.5	0.8	-0.3
12/17	0.9	0.4	0.5
3/18	-0.6	-1.5	0.9
6/18	0.6	-0.2	0.8

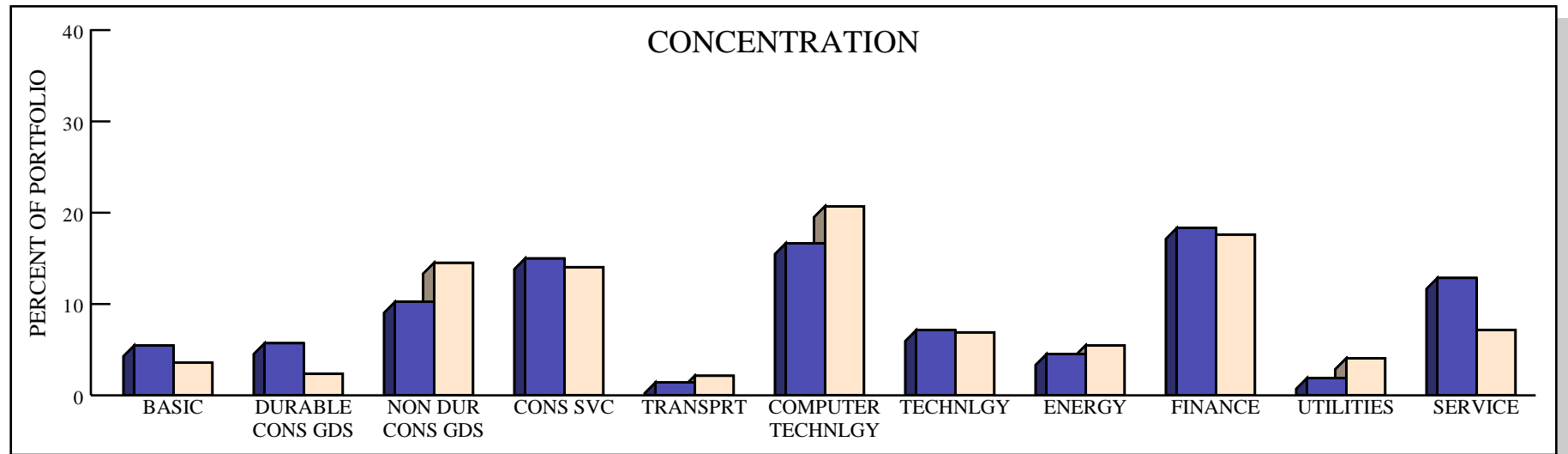
**STOCK CHARACTERISTICS**



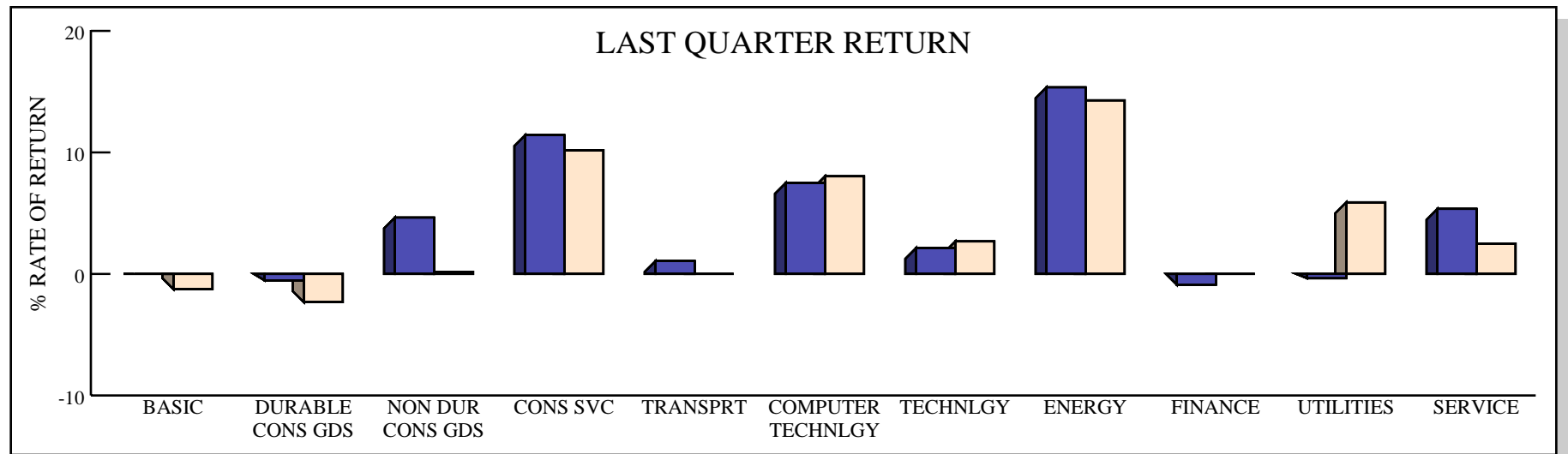
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	669	1.2%	11.7%	26.9	1.03
S&P 500	505	1.9%	9.0%	26.2	1.00



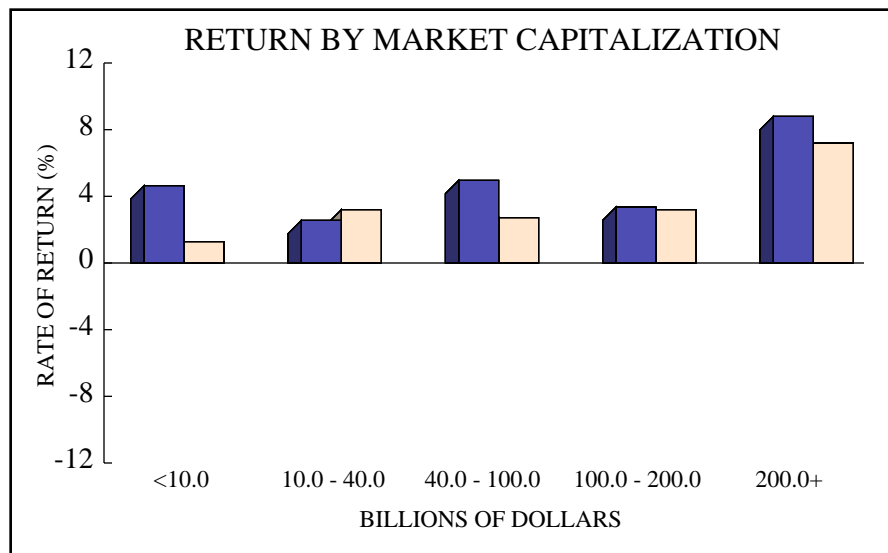
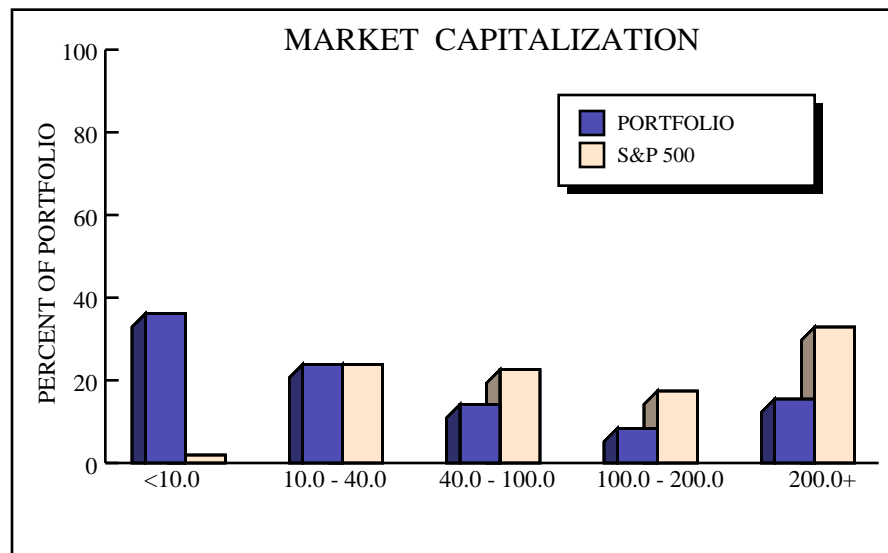
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ S&P 500



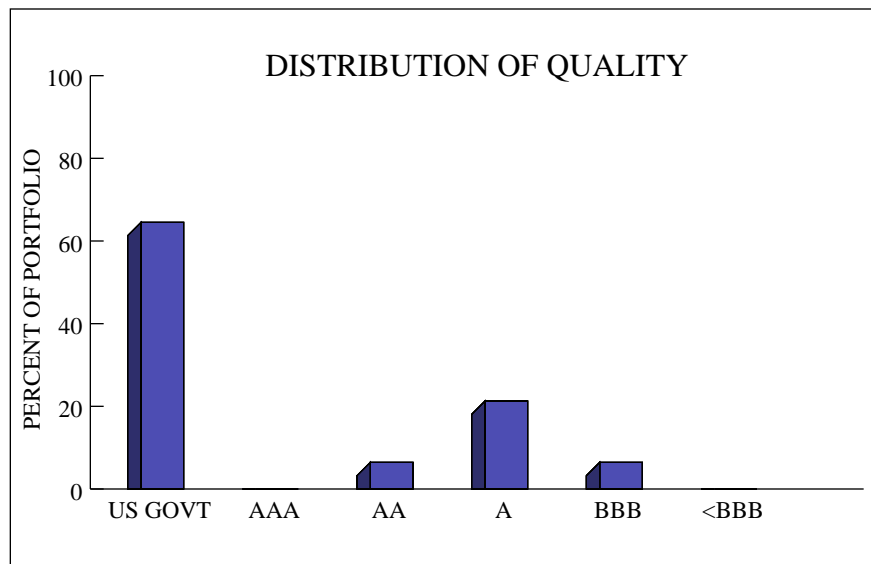
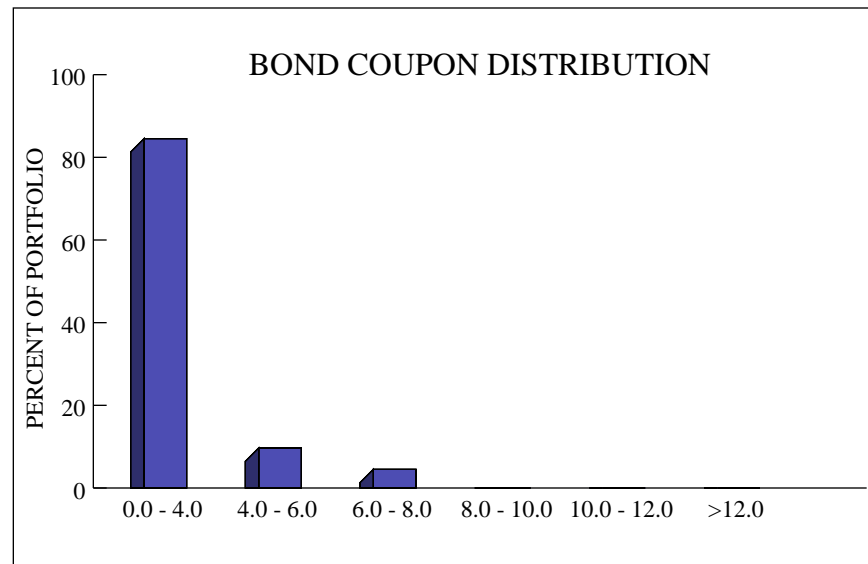
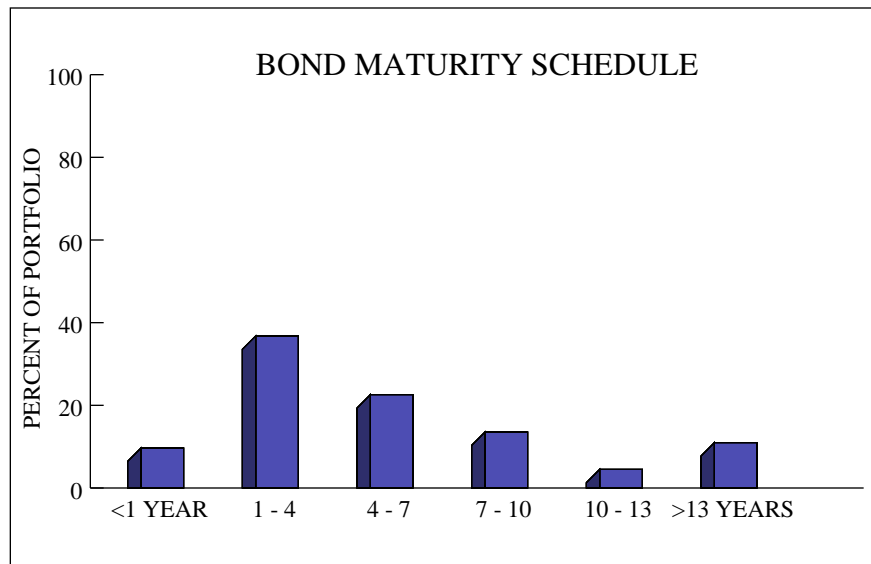
**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	AMAZON.COM INC	\$ 1,619,909	2.31%	17.4%	Consumer Service	\$ 824.8 B
2	MICROSOFT CORP	1,351,253	1.93%	8.5%	Computer Tech	757.6 B
3	APPLE INC	1,147,867	1.64%	10.8%	Computer Tech	909.8 B
4	FACEBOOK INC-A	941,675	1.35%	21.6%	Computer Tech	466.1 B
5	BROADCOM INC	932,466	1.33%	3.7%	Computer Tech	104.7 B
6	ANTHEM INC	923,556	1.32%	8.7%	Consumer Service	60.7 B
7	EOG RESOURCES INC	875,365	1.25%	18.4%	Energy	72.0 B
8	HCA HEALTHCARE INC	872,203	1.25%	6.1%	Consumer Service	35.8 B
9	ALPHABET INC-CL C	855,704	1.22%	8.1%	Computer Tech	389.3 B
10	VISA INC-CLASS A SHARES	801,587	1.15%	10.9%	Finance	236.6 B

**BOND CHARACTERISTICS**



	<b>PORTFOLIO</b>	<b>AGGREGATE INDEX</b>
No. of Securities	29	10,012
Duration	4.29	6.01
YTM	2.79	3.29
Average Coupon	3.06	3.11
Avg Maturity / WAL	6.95	8.39
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:	NO
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:	YES
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	53.4%	50.0%	40.0%	60.0%	YES
Int'l Equity	11.7%	12.5%	7.5%	17.5%	YES
Real Estate	11.6%	10.0%	5.0%	16.0%	YES
Fixed	21.0%	27.5%	20.0%	35.0%	YES
Cash	2.4%	---	---	---	---

<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	13.2%	15.0%	10.0%	20.0%	YES
Clearbridge - LCG	9.9%	7.5%	5.0%	12.5%	YES
Lyrical LCV	9.1%	7.5%	5.0%	12.5%	YES
Clearbridge - MCC	5.4%	5.0%	2.0%	8.0%	YES
Wedge Capital	5.3%	5.0%	2.0%	8.0%	YES
PNC	6.3%	5.0%	2.0%	8.0%	YES
LMCG	5.2%	5.0%	2.0%	8.0%	YES
Hardman Johnston	11.7%	12.5%	7.5%	17.5%	YES
American Realty	3.4%	3.0%	0.0%	6.0%	YES
Intercontinental	5.5%	4.0%	0.0%	7.0%	YES
UBS	2.6%	3.0%	0.0%	6.0%	YES
Garcia Hamilton - Fixed	22.1%	27.5%	20.0%	35.0%	YES
Cash account	0.3%	---	---	---	---

---

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

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
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

**Clearbridge LCG**

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 1.8:	YES
More than 65% of holdings have a market capitalization $\geq$ \$5 B:	YES
No individual holding comprises more than 5% of the portfolio:	NO



---

**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

**Clearbridge MCC**

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 1.8:	YES
No individual holding comprises more than 5% 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  
June 30th, 2018**

<b>Manager</b>	<b>Fee Schedule</b>	<b>June 2018 Balance</b>	<b>Fee Allocation</b>
Vanguard 500	4bps on balance	\$21,709,236	\$8,684
Cleabridge LCG	50bps on balance	\$16,320,884	\$81,604
Lyrical LCV	75bps on balance	\$14,976,743	\$112,326
Clearbridge MCC	65bps on balance	\$8,984,425	\$58,399
Wedge	75bps on balance	\$8,747,819	\$65,609
PNC	80bps on balance	\$10,401,816	\$83,215
LMCG	85bps on balance	\$8,521,284	\$72,431
Hardman Johnston	85bps on first \$10m 75bps on next \$15m 65bps on next \$25m 60bps on remainder	\$19,250,386	\$154,378
American Realty	110 bps on balance	\$5,657,874	\$62,237
Intercontinental	110 bps on balance Preferred Return 8% Carried Interest 20% per annum	\$9,102,372	\$100,126
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 Incentive fee range from 0% to 0.25%	\$4,329,326	\$41,345
Garcia Hamilton Fixed	25 bps on balance	\$36,506,961	\$91,267
Cash		\$555,293	
<b>Total</b>		<b>\$165,064,419</b>	<b>\$931,620</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	1.0	2.1	2.9	1.8	1.5
<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	3.9	9.8	14.8	11.6	13.3
S&P 500	Large Cap Core	3.4	9.5	14.4	11.9	13.4
Russell 1000	Large Cap	3.6	9.6	14.5	11.6	13.4
Russell 1000 Growth	Large Cap Growth	5.8	15.7	22.5	15.0	16.4
Russell 1000 Value	Large Cap Value	1.2	3.5	6.8	8.2	10.3
Russell Mid Cap	Midcap	2.8	8.5	12.3	9.6	12.2
Russell Mid Cap Growth	Midcap Growth	3.2	12.6	18.5	10.7	13.4
Russell Mid Cap Value	Midcap Value	2.4	5.3	7.6	8.8	11.3
Russell 2000	Small Cap	7.8	11.3	17.6	11.0	12.5
Russell 2000 Growth	Small Cap Growth	7.2	14.7	21.8	10.6	13.6
Russell 2000 Value	Small Cap Value	8.3	7.6	13.1	11.2	11.2
<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	-2.4	1.4	7.8	5.6	6.5
MSCI EAFE	Developed Markets Equity	-1.0	1.8	7.4	5.4	6.9
MSCI EAFE Growth	Developed Markets Growth	0.3	4.6	9.8	6.8	7.8
MSCI EAFE Value	Developed Markets Value	-2.3	-1.0	4.9	3.9	6.0
MSCI Emerging Markets	Emerging Markets Equity	-7.9	0.5	8.6	6.0	5.4
<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	-0.2	-1.2	-0.4	1.7	2.3
Bloomberg Barclays Capital Gov't Bond	Treasuries	0.1	-1.0	-0.6	1.0	1.5
Bloomberg Barclays Capital Credit Bond	Corporate Bonds	-0.9	-2.0	-0.6	2.9	3.4
Intermediate Aggregate	Core Intermediate	0.1	-1.0	-0.3	1.3	1.8
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.2	-0.2	0.1	0.4	0.6
Bloomberg Barclays Capital High Yield	High Yield Bonds	1.0	0.6	2.6	5.5	5.5
<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	-4.9	0.9	2.9	3.5	1.0
NCREIF NFI-ODCE Index	Real Estate	2.0	6.4	8.4	9.4	11.0
HFRI FOF Composite	Hedge Funds	0.8	3.1	5.5	2.0	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.
- \* The Blended Assumption Rate was formulated as follows:
  - 8.0% through September 30, 2009
  - 7.9% through September 30, 2014
  - 7.6% through September 30, 2017
  - 7.5% thereafter

DAVIE POLICE PENSION PLAN  
VANGUARD - INSTITUTIONAL INDEX FUND  
PERFORMANCE REVIEW  
JUNE 2018

## **INVESTMENT RETURN**

On June 30th, 2018, the Davie Police Pension Plan's Vanguard Institutional Index Fund was valued at \$21,709,236, a decrease of \$9,003,402 from the March ending value of \$30,712,638. Last quarter, the account recorded a net withdrawal of \$10,000,000, which overshadowed the fund's net investment return of \$996,598. Income receipts totaling \$99,109 and realized and unrealized capital gains of \$897,489 combined to produce the portfolio's net investment return.

## **RELATIVE PERFORMANCE**

During the second quarter, the Vanguard Institutional Index Fund gained 3.4%, which was equal to the S&P 500 Index's return of 3.4% and ranked in the 33rd percentile of the Large Cap Core universe. Over the trailing year, the portfolio returned 14.4%, which was equal to the benchmark's 14.4% performance, and ranked in the 48th percentile. Since December 2013, the account returned 11.3% per annum and ranked in the 40th percentile. For comparison, the S&P 500 returned an annualized 11.2% over the same time frame.

## **ASSET ALLOCATION**

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

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	5 Year	Since 12/13
<b>Total Portfolio - Gross</b>	3.4	9.5	14.4	11.9	----	11.3
<i>LARGE CAP CORE RANK</i>	(33)	(47)	(48)	(34)	----	(40)
<b>Total Portfolio - Net</b>	3.4	9.4	14.3	11.9	----	11.2
S&P 500	3.4	9.5	14.4	11.9	13.4	11.2
<b>Large Cap Equity - Gross</b>	3.4	9.5	14.4	11.9	----	11.3
<i>LARGE CAP CORE RANK</i>	(33)	(47)	(48)	(34)	----	(40)
S&P 500	3.4	9.5	14.4	11.9	13.4	11.2

**ASSET ALLOCATION**

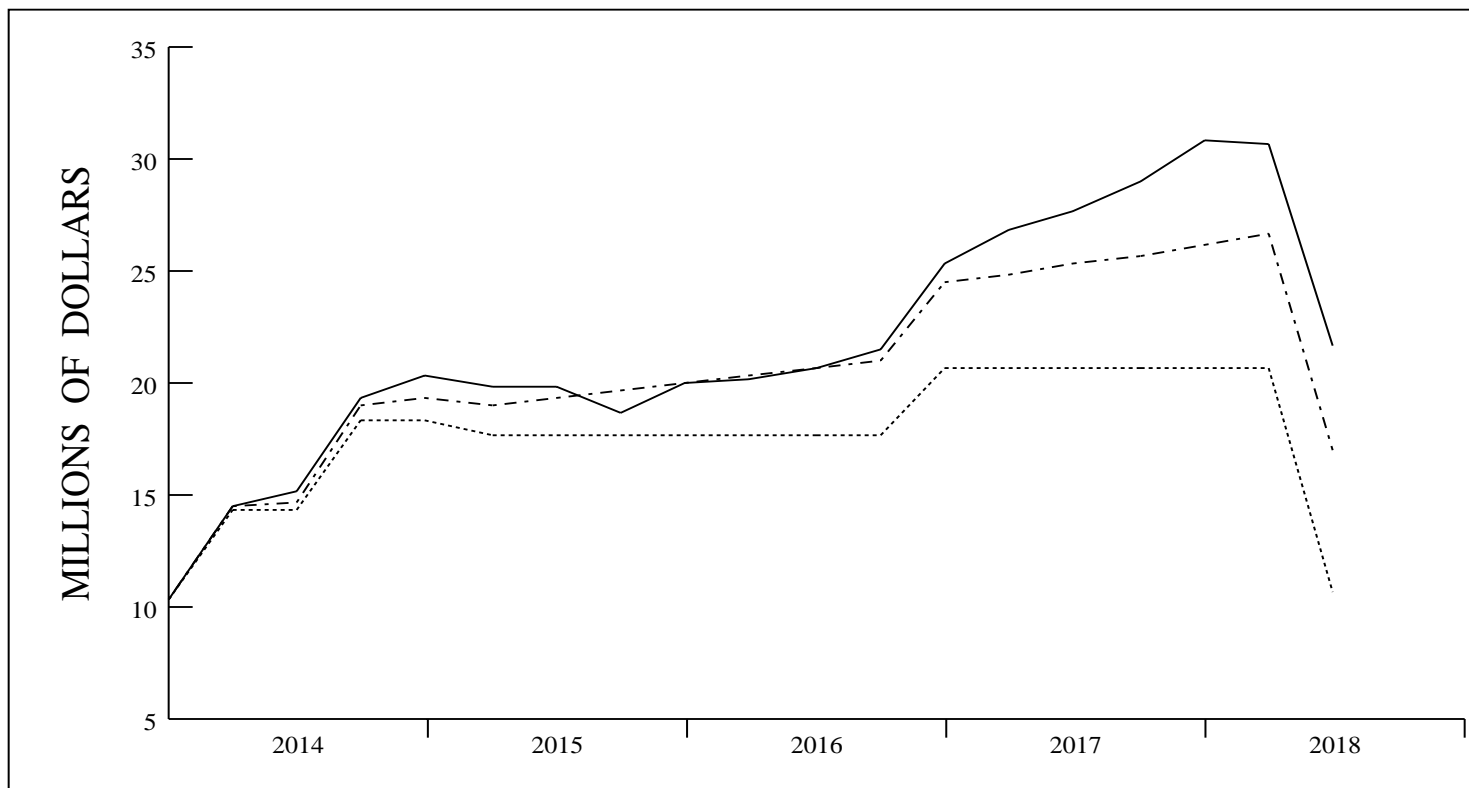
Large Cap Equity	100.0%	\$ 21,706,337
Cash	0.0%	2,899
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 21,709,236</b>

**INVESTMENT RETURN**

Market Value 3/2018	\$ 30,712,638
Contribs / Withdrawals	- 10,000,000
Income	99,109
Capital Gains / Losses	897,489
Market Value 6/2018	\$ 21,709,236



**INVESTMENT GROWTH**

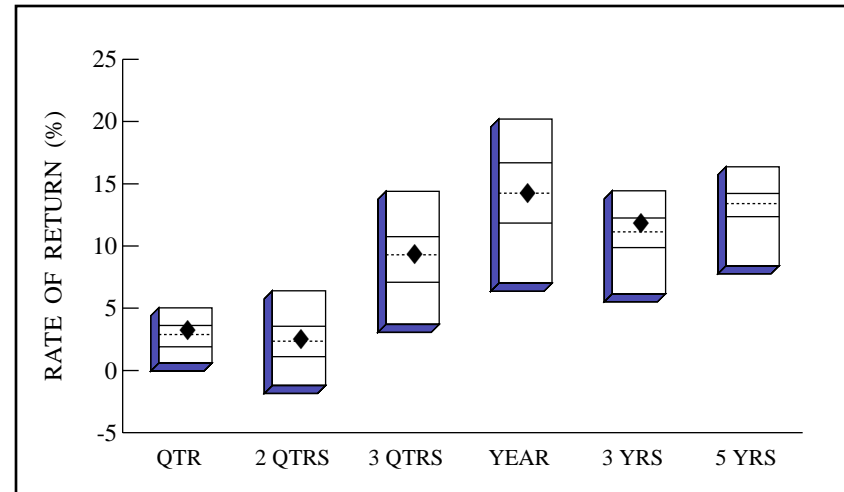
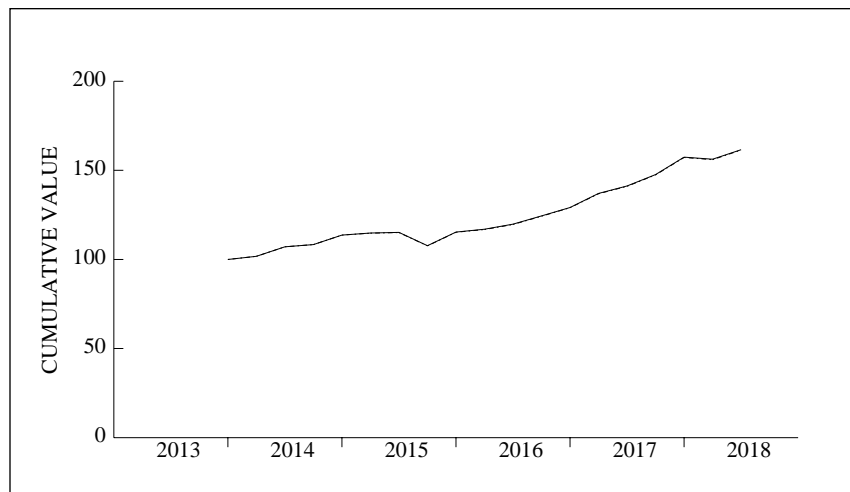


— ACTUAL RETURN  
 - - - DAVIE BLENDED A/R  
 ..... 0.0%

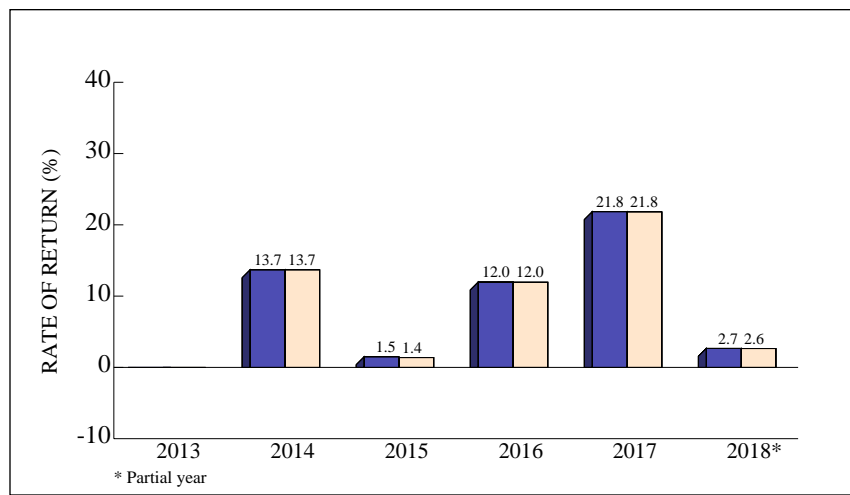
VALUE ASSUMING  
 DAVIE A/R \$ 17,124,600

	LAST QUARTER	PERIOD 12/13 - 6/18
BEGINNING VALUE	\$ 30,712,638	\$ 10,343,510
NET CONTRIBUTIONS	- 10,000,000	369,293
INVESTMENT RETURN	996,598	10,996,433
ENDING VALUE	\$ 21,709,236	\$ 21,709,236
INCOME	99,109	2,065,611
CAPITAL GAINS (LOSSES)	897,489	8,930,822
INVESTMENT RETURN	996,598	10,996,433

**TOTAL RETURN COMPARISONS**



Large Cap Core Universe

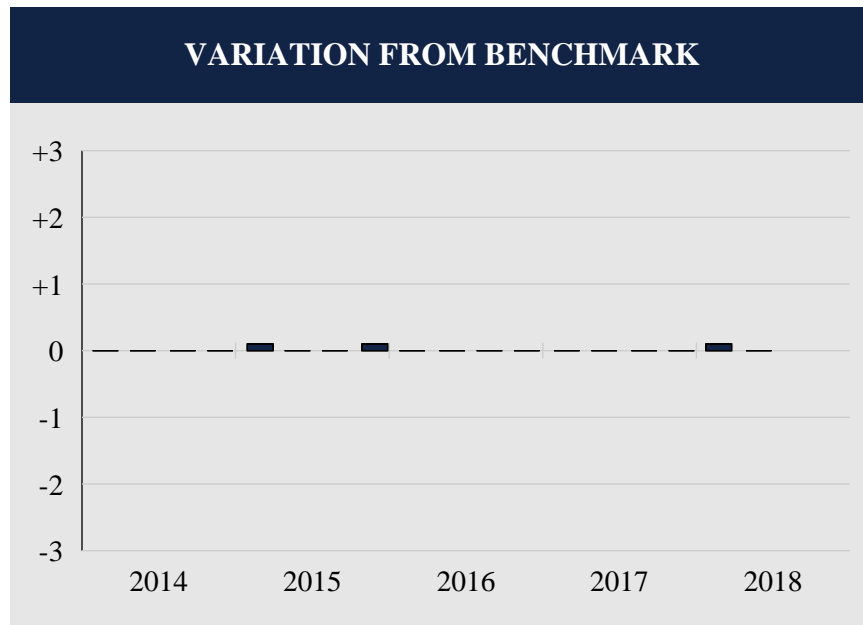


	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	3.4	2.7	9.5	14.4	11.9	---
(RANK)	(33)	(45)	(47)	(48)	(34)	---
5TH %ILE	5.0	6.4	14.4	20.2	14.4	16.4
25TH %ILE	3.6	3.6	10.8	16.7	12.2	14.2
MEDIAN	2.9	2.4	9.3	14.3	11.1	13.4
75TH %ILE	1.9	1.1	7.1	11.8	9.9	12.4
95TH %ILE	0.6	-1.2	3.7	7.0	6.2	8.4
<b>S&amp;P 500</b>	<b>3.4</b>	<b>2.6</b>	<b>9.5</b>	<b>14.4</b>	<b>11.9</b>	<b>13.4</b>

Large Cap Core Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

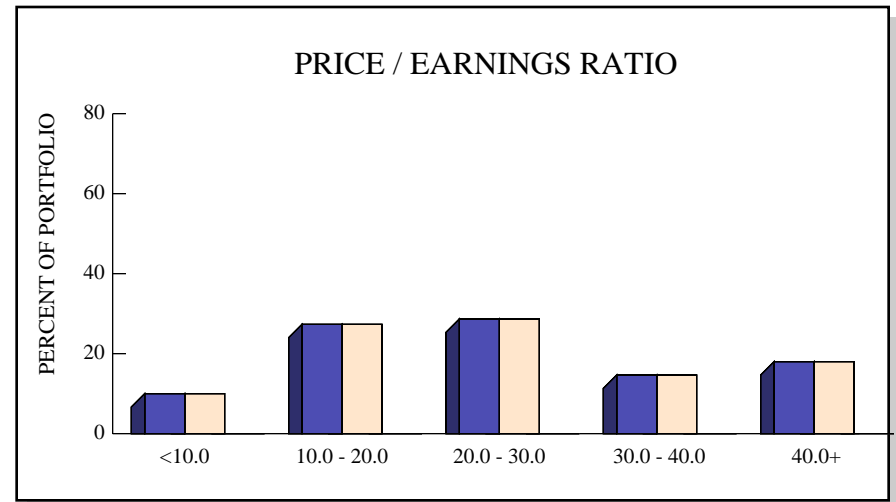
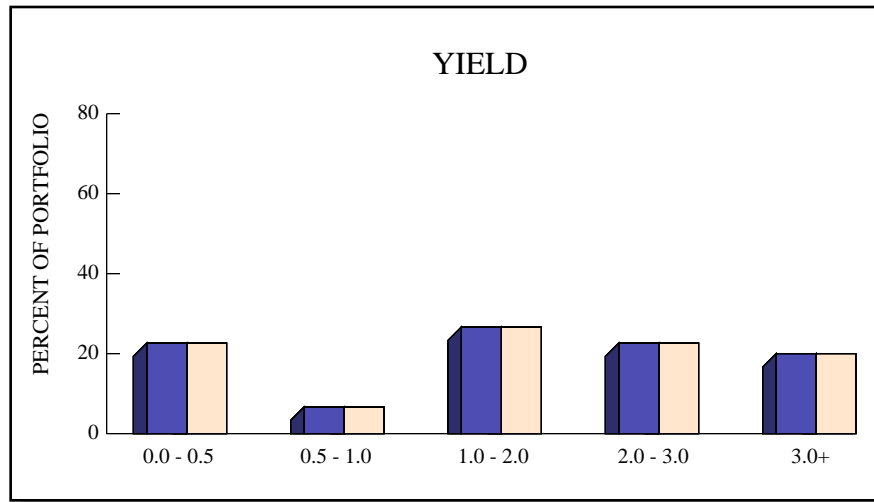
**COMPARATIVE BENCHMARK: S&P 500**



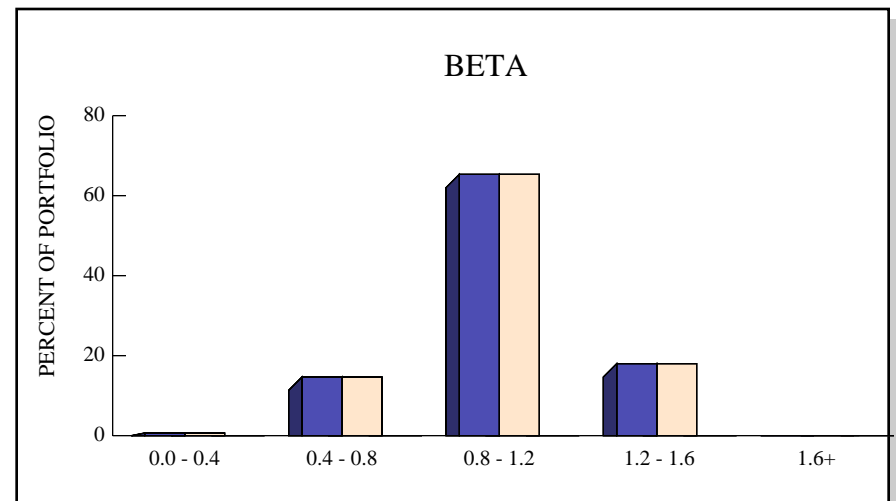
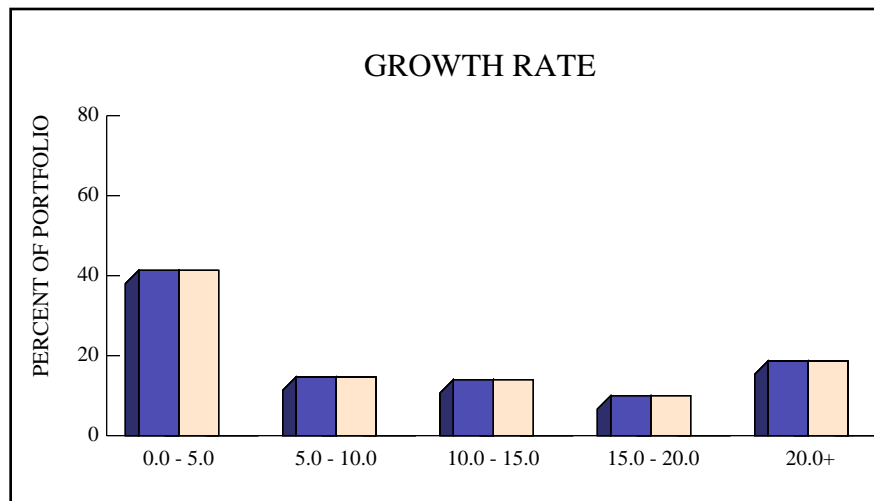
<b>Total Quarters Observed</b>	<b>18</b>
<b>Quarters At or Above the Benchmark</b>	<b>18</b>
<b>Quarters Below the Benchmark</b>	<b>0</b>
<b>Batting Average</b>	<b>1.000</b>

<b>RATES OF RETURN</b>			
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
3/17	6.1	6.1	0.0
6/17	3.1	3.1	0.0
9/17	4.5	4.5	0.0
12/17	6.6	6.6	0.0
3/18	-0.7	-0.8	0.1
6/18	3.4	3.4	0.0

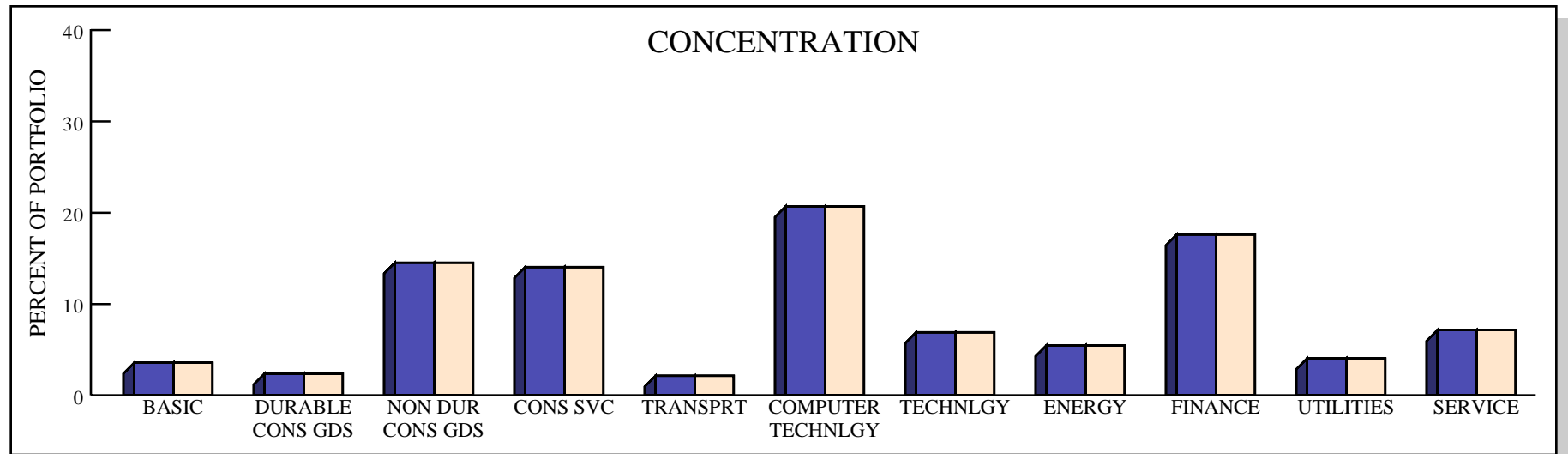
**STOCK CHARACTERISTICS**



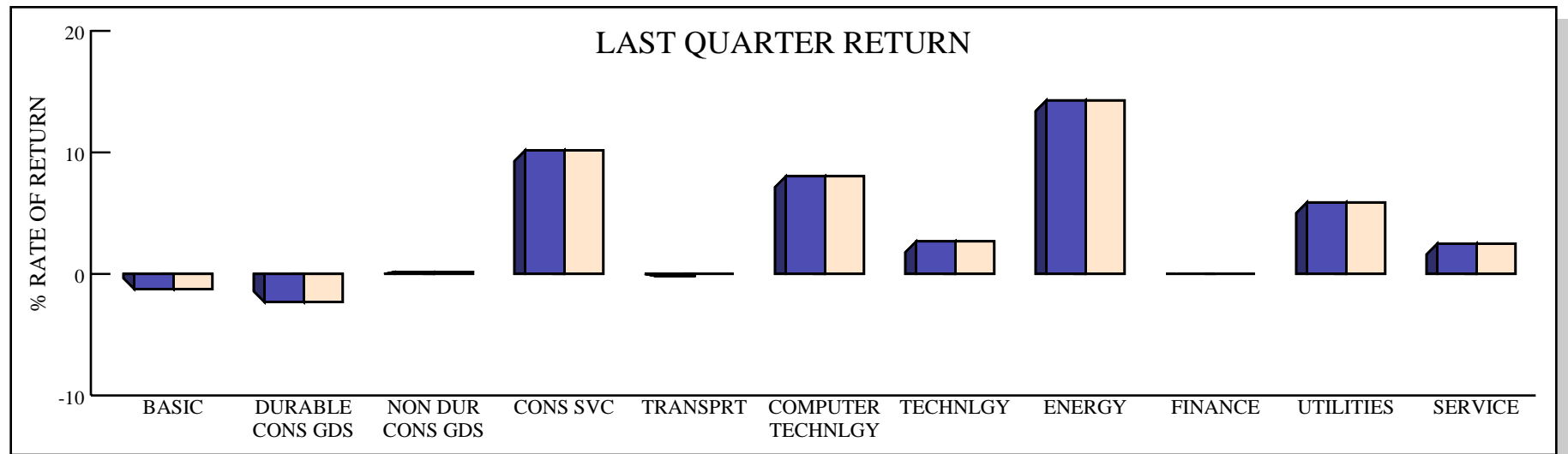
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	505	1.9%	9.0%	26.2	1.00
S&P 500	505	1.9%	9.0%	26.2	1.00



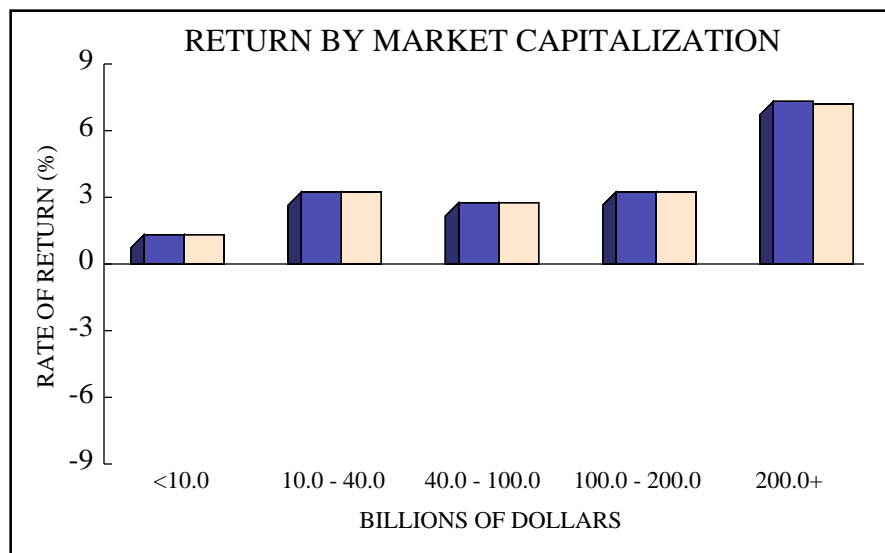
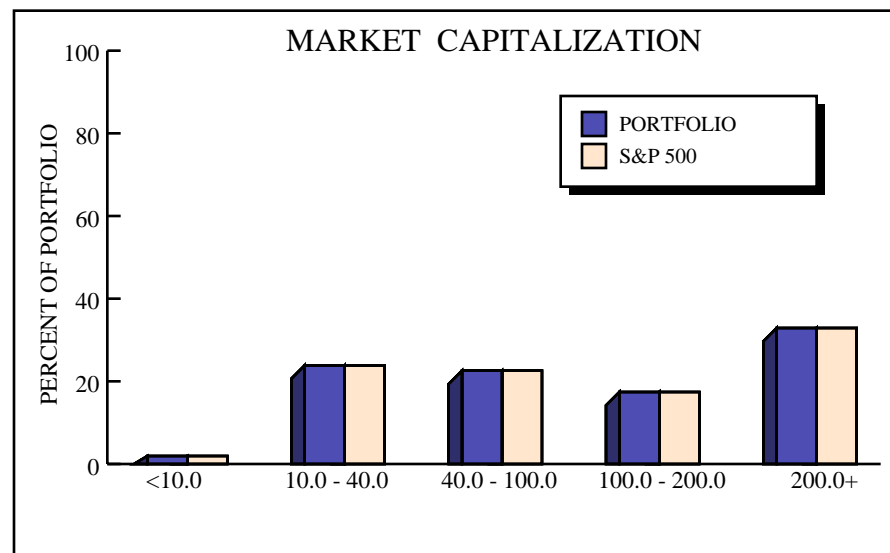
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ S&P 500



**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	APPLE INC	\$ 825,035	3.80%	10.8%	Computer Tech	\$ 909.8 B
2	AMAZON.COM INC	747,912	3.45%	17.4%	Consumer Service	824.8 B
3	MICROSOFT CORP	687,114	3.17%	8.5%	Computer Tech	757.6 B
4	FACEBOOK INC-A	422,646	1.95%	21.6%	Computer Tech	466.1 B
5	ALPHABET INC-CL C	352,545	1.62%	8.1%	Computer Tech	389.3 B
6	JPMORGAN CHASE & CO	321,770	1.48%	-4.8%	Finance	354.8 B
7	EXXON MOBIL CORP	317,600	1.46%	12.0%	Energy	350.3 B
8	ALPHABET INC-CL A	306,010	1.41%	8.9%	Computer Tech	337.2 B
9	JOHNSON & JOHNSON	295,099	1.36%	-4.6%	NonDur Cons Goods	325.5 B
10	BANK OF AMERICA CORP	259,207	1.19%	-5.6%	Finance	285.8 B

DAVIE POLICE PENSION PLAN  
CLEARBRIDGE - LARGE CAP GROWTH  
PERFORMANCE REVIEW  
JUNE 2018

## **INVESTMENT RETURN**

On June 30th, 2018, the Davie Police Pension Plan's Clearbridge Large Cap Growth portfolio was valued at \$16,320,884, which represented an increase of \$5,543,278 from the March ending value of \$10,777,606. Over the last three months, the portfolio recorded net contributions totaling \$4,985,500 and net investment gains of \$557,778. The portfolio's net investment return figure was the result of income receipts, which totaled \$38,040 plus \$519,738 in net realized and unrealized capital gains.

## **RELATIVE PERFORMANCE**

### **Total Fund**

In the second quarter, the Clearbridge Large Cap Growth portfolio gained 5.1%, which was 0.7% less than the Russell 1000 Growth Index's return of 5.8% and ranked in the 54th percentile of the Large Cap Growth universe. Over the trailing year, the portfolio returned 20.6%, which was 1.9% below the benchmark's 22.5% return, and ranked in the 58th percentile.

## **ASSET ALLOCATION**

At the end of the second quarter, large cap equities comprised 95.4% of the total portfolio (\$15.6 million), while cash & equivalents comprised the remaining 4.6% (\$742,983).

## **ANALYSIS**

At the close of the second quarter, the Clearbridge portfolio was diversified across ten of the eleven industry sectors utilized in our analysis, with the Utilities sector being excluded. Relative to the Russell 1000 Growth index, the portfolio was notably overweight in the Non-Durable Consumer Goods, Energy, Finance, and Service sectors, while underweight in Consumer Service, Computer Technology, and Technology.

Mixed industry sector returns did not favor the Clearbridge large cap portfolio in the second quarter, as five of the ten invested sectors underperformed their benchmark. Most notably, the single most allocated sector in the fund, Computer Technology, underperformed its counterpart while composing over 30% of the portfolio. Top ten holding Red Hat Inc. was largely responsible for the deficit, returning a loss of 10.1% for the period. The Technology sector was also in the red while the index posted gains. Moreover, the overweight Finance and Service sectors both underperformed, further deepening the losses garnered. On the other hand, the heavily allocated Non-Durable Consumer Goods and Consumer Service sectors both managed slight gains over the index, keeping the fund from falling too far behind.



**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	5 Year
<b>Total Portfolio - Gross</b>	5.1	14.3	20.6	----	----
<i>LARGE CAP GROWTH RANK</i>	(54)	(55)	(58)	----	----
<b>Total Portfolio - Net</b>	4.9	13.9	20.0	----	----
Russell 1000G	5.8	15.7	22.5	15.0	16.4
<b>Large Cap Equity - Gross</b>	5.1	14.7	21.2	----	----
<i>LARGE CAP GROWTH RANK</i>	(53)	(53)	(53)	----	----
Russell 1000G	5.8	15.7	22.5	15.0	16.4

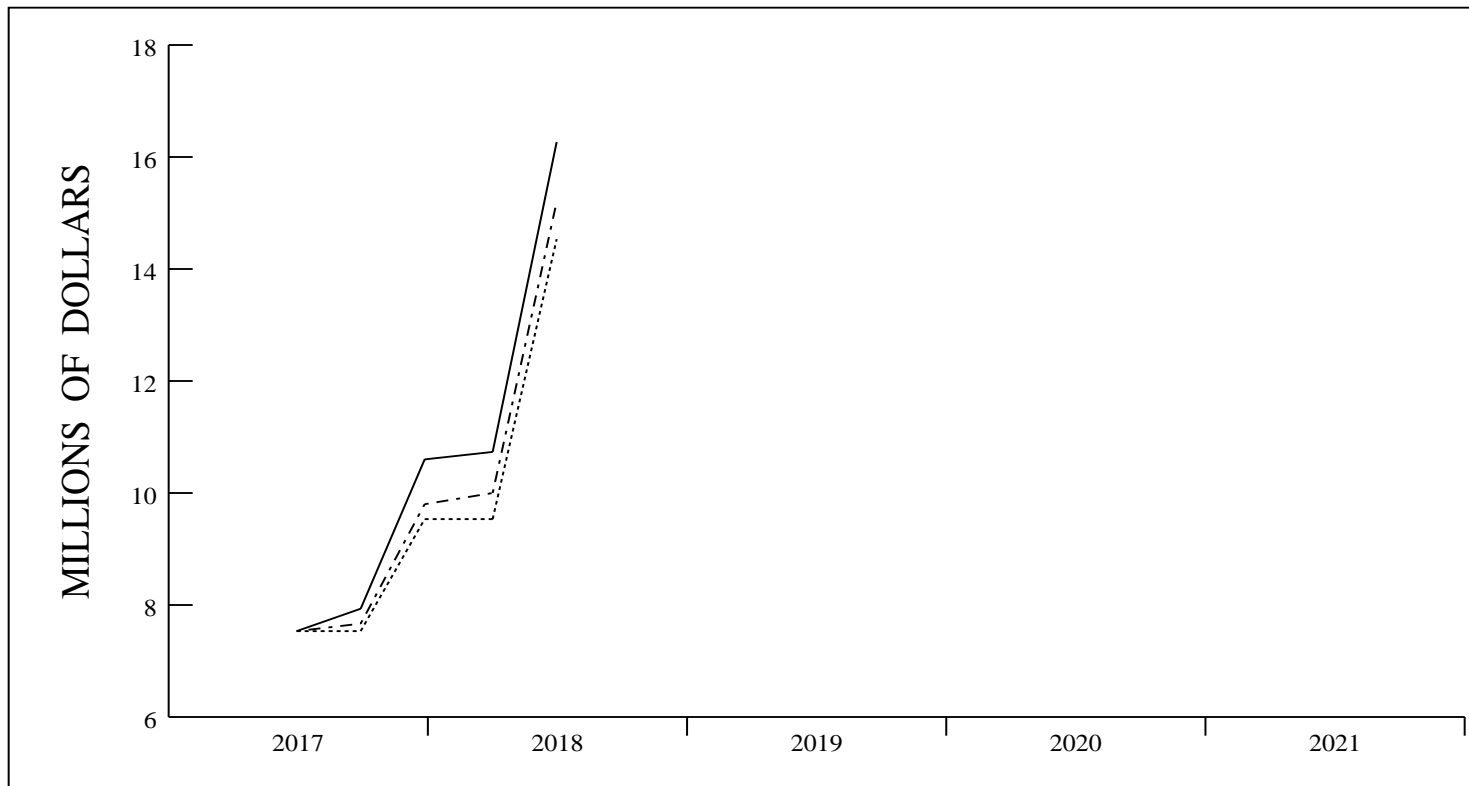
**ASSET ALLOCATION**

Large Cap Equity	95.4%	\$ 15,577,901
Cash	4.6%	742,983
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 16,320,884</b>

**INVESTMENT RETURN**

Market Value 3/2018	\$ 10,777,606
Contribs / Withdrawals	4,985,500
Income	38,040
Capital Gains / Losses	519,738
Market Value 6/2018	\$ 16,320,884

**INVESTMENT GROWTH**

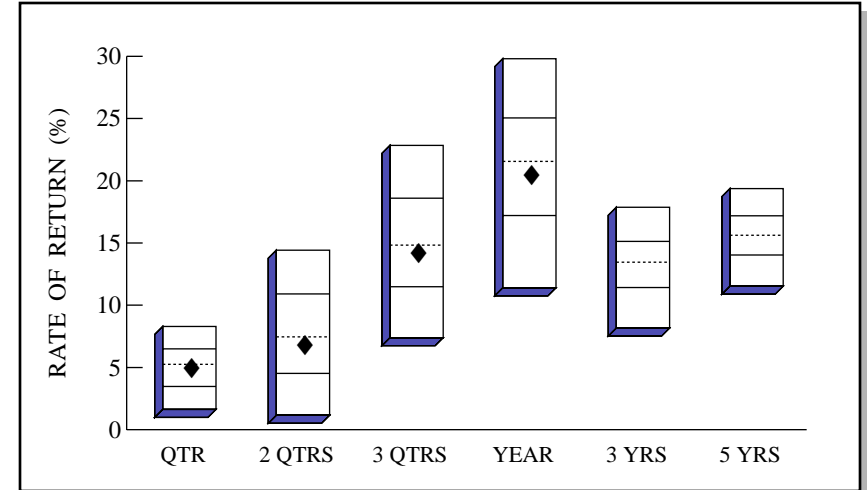
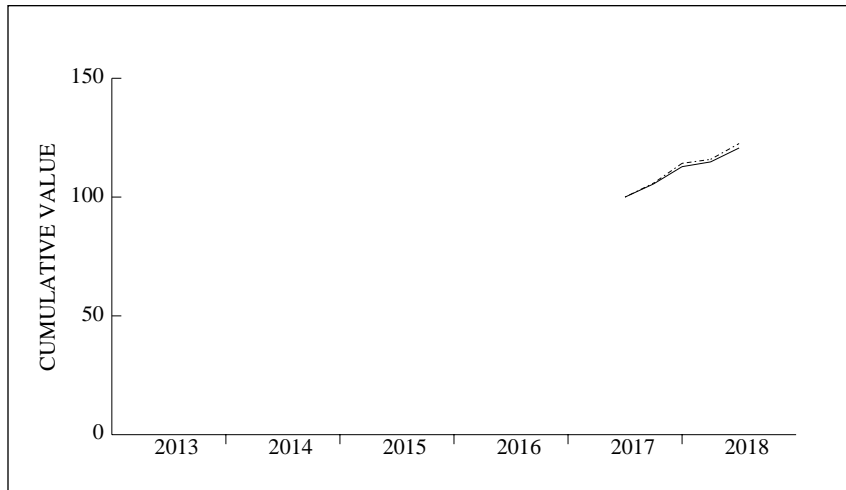


— ACTUAL RETURN  
 - - - DAVIE BLENDED A/R  
 ..... 0.0%

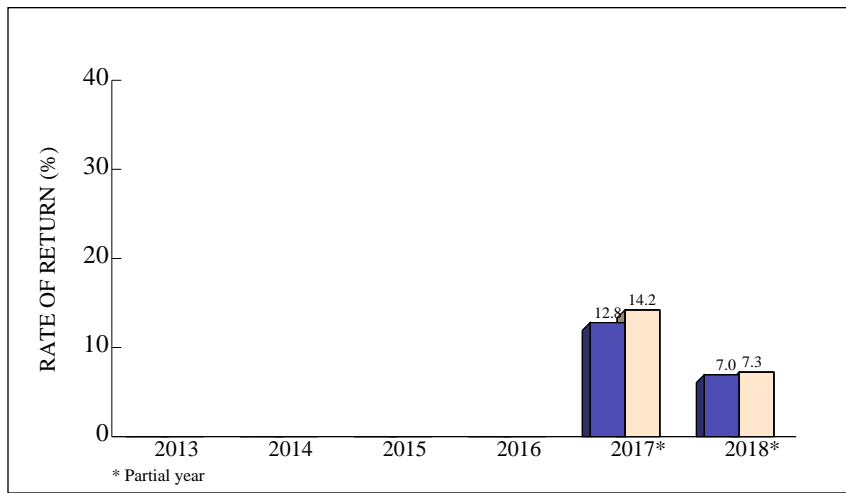
VALUE ASSUMING  
 DAVIE A/R     \$ 15,222,559

	LAST QUARTER	ONE YEAR
BEGINNING VALUE	\$ 10,777,606	\$ 7,585,524
NET CONTRIBUTIONS	4,985,500	6,950,696
<u>INVESTMENT RETURN</u>	<u>557,778</u>	<u>1,784,664</u>
ENDING VALUE	\$ 16,320,884	\$ 16,320,884
INCOME	38,040	109,158
<u>CAPITAL GAINS (LOSSES)</u>	<u>519,738</u>	<u>1,675,506</u>
INVESTMENT RETURN	557,778	1,784,664

**TOTAL RETURN COMPARISONS**



Large Cap Growth Universe

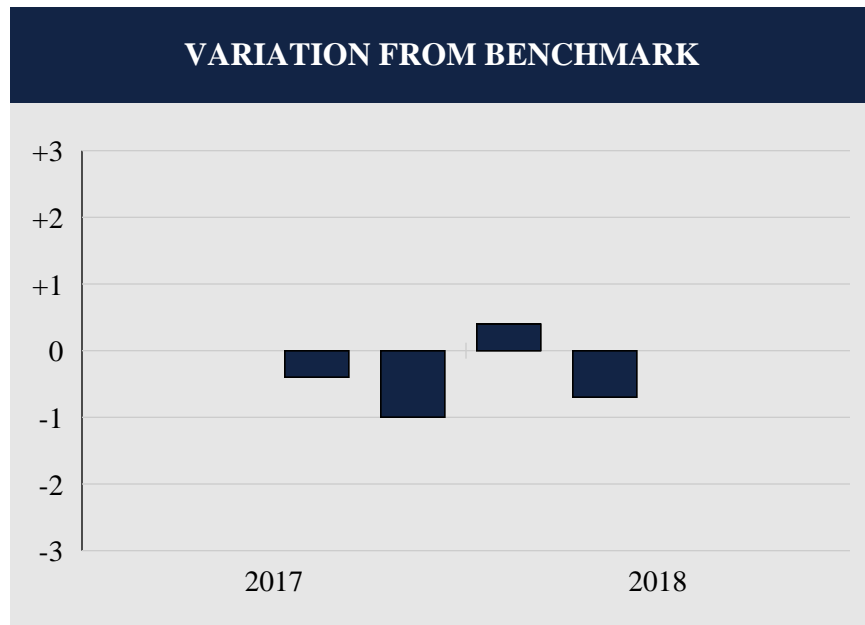


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	5.1	7.0	14.3	20.6	----	----
(RANK)	(54)	(53)	(55)	(58)	----	----
5TH %ILE	8.3	14.4	22.8	29.8	17.9	19.4
25TH %ILE	6.5	10.9	18.6	25.0	15.1	17.2
MEDIAN	5.2	7.5	14.8	21.6	13.5	15.6
75TH %ILE	3.5	4.5	11.5	17.2	11.4	14.0
95TH %ILE	1.6	1.2	7.4	11.4	8.2	11.5
<b>Russ 1000G</b>	<b>5.8</b>	<b>7.3</b>	<b>15.7</b>	<b>22.5</b>	<b>15.0</b>	<b>16.4</b>

Large Cap Growth Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

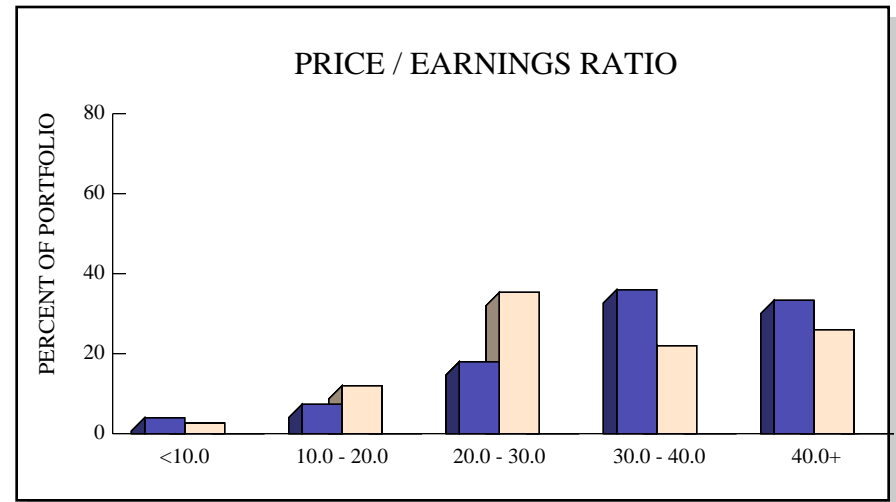
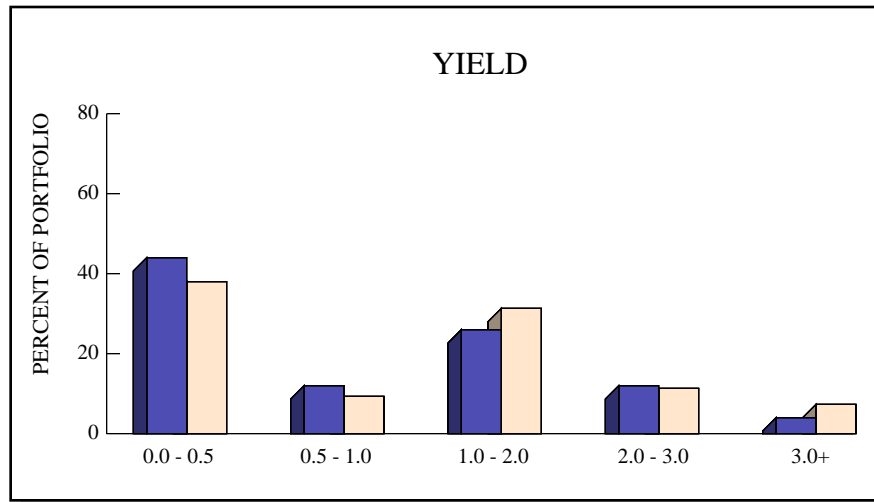
**COMPARATIVE BENCHMARK: RUSSELL 1000 GROWTH**



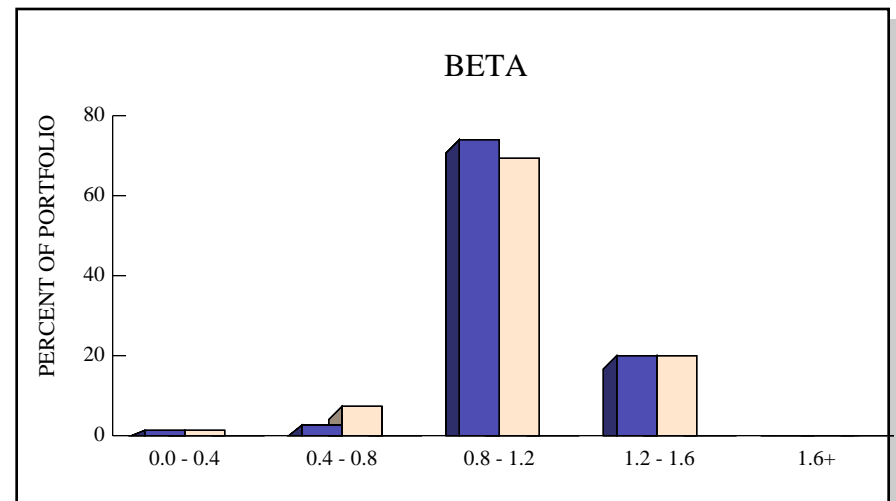
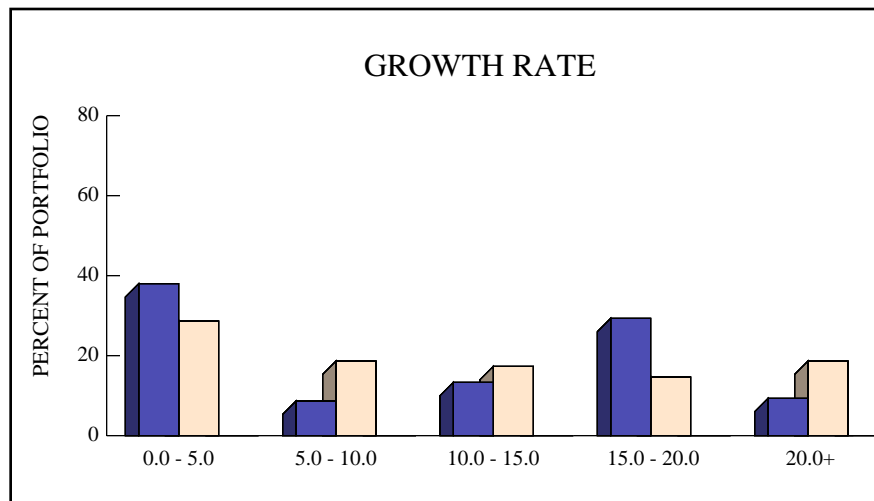
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/17	5.5	5.9	-0.4
12/17	6.9	7.9	-1.0
3/18	1.8	1.4	0.4
6/18	5.1	5.8	-0.7

<b>Total Quarters Observed</b>	<b>4</b>
<b>Quarters At or Above the Benchmark</b>	<b>1</b>
<b>Quarters Below the Benchmark</b>	<b>3</b>
<b>Batting Average</b>	<b>.250</b>

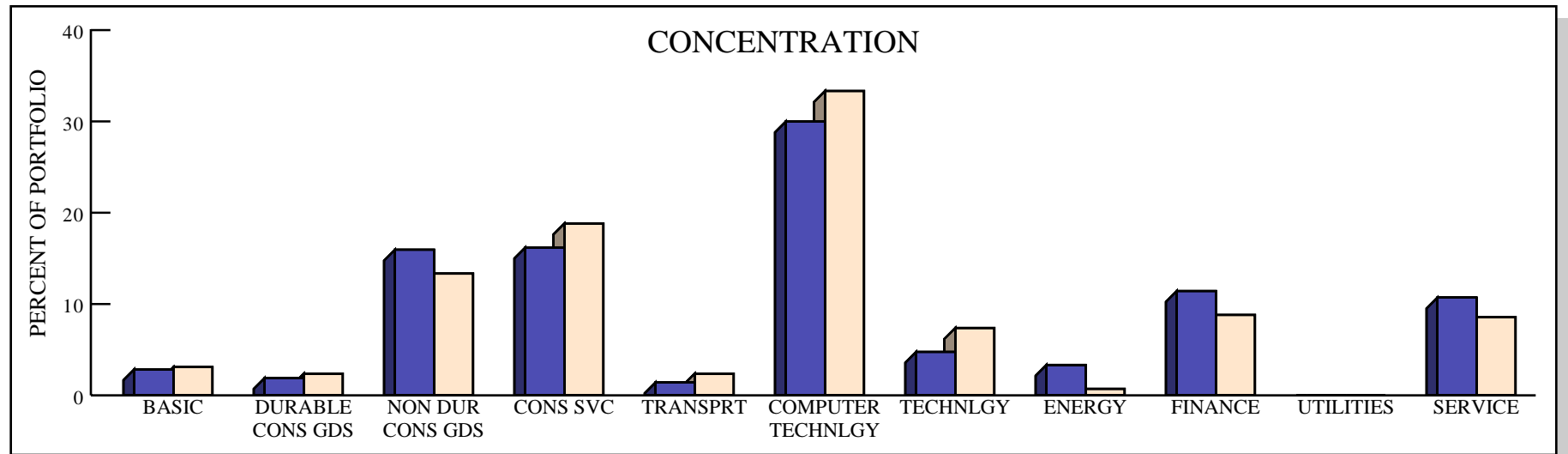
**STOCK CHARACTERISTICS**



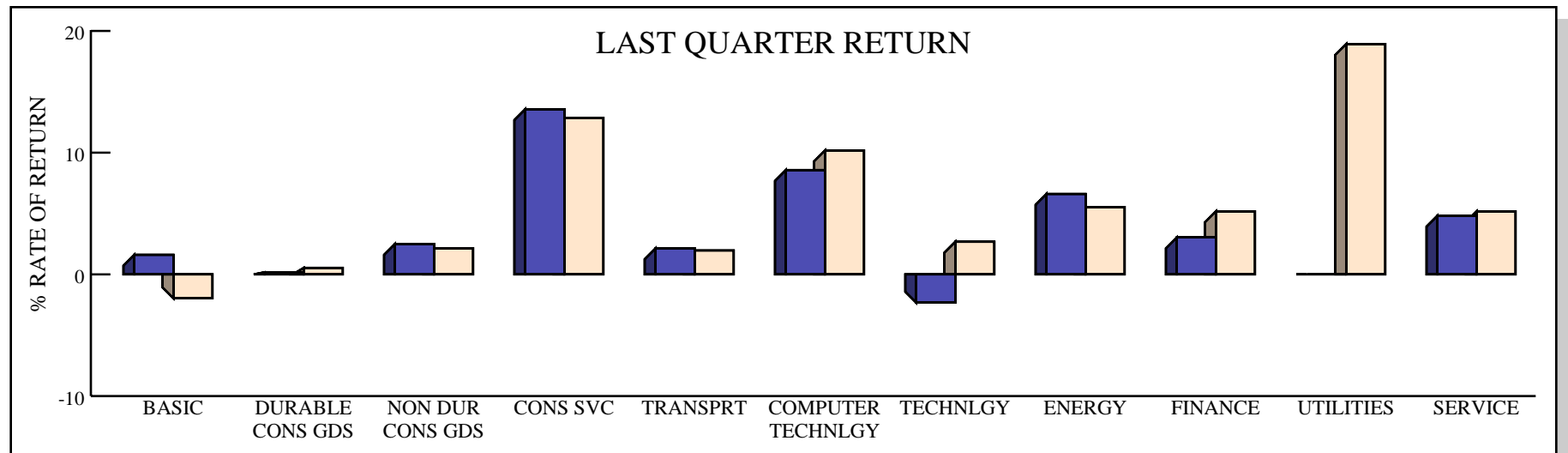
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	48	1.0%	7.9%	38.1	1.04
RUSSELL 1000G	542	1.2%	11.8%	32.4	1.03



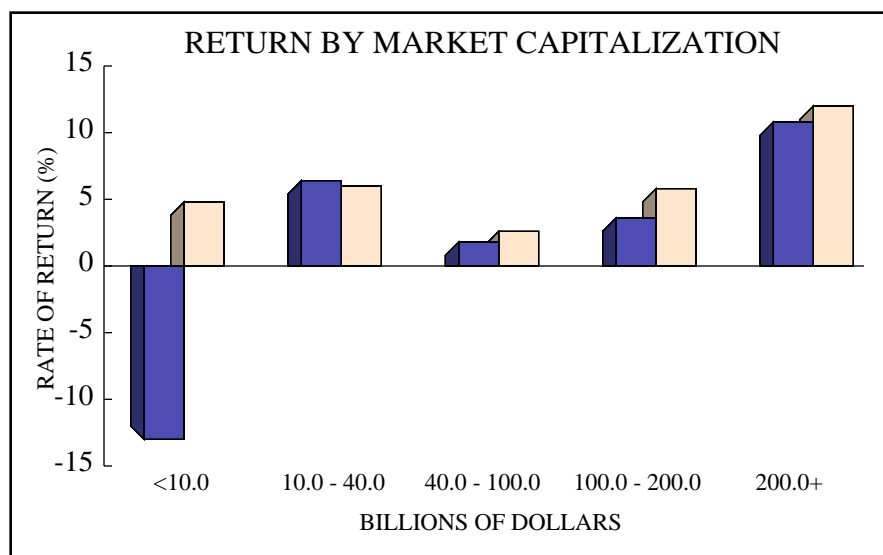
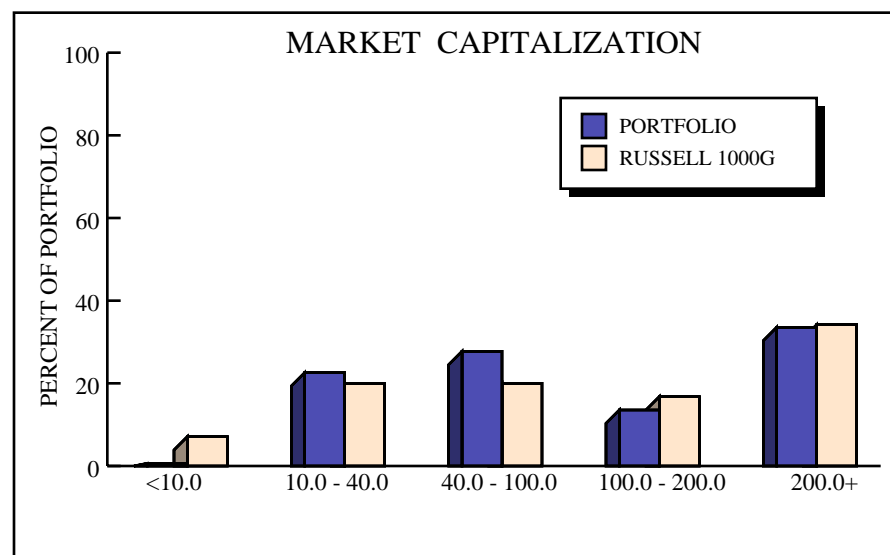
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ RUSSELL 1000 GROWTH



**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	AMAZON.COM INC	\$ 871,997	5.60%	17.4%	Consumer Service	\$ 824.8 B
2	MICROSOFT CORP	664,138	4.26%	8.5%	Computer Tech	757.6 B
3	VISA INC-CLASS A SHARES	587,018	3.77%	10.9%	Finance	236.6 B
4	FACEBOOK INC-A	519,029	3.33%	21.6%	Computer Tech	466.1 B
5	ALPHABET INC-CL C	503,158	3.23%	8.1%	Computer Tech	389.3 B
6	ADOBE SYSTEMS INC	496,153	3.18%	12.8%	Computer Tech	119.4 B
7	UNITEDHEALTH GROUP INC	481,357	3.09%	15.1%	Consumer Service	235.8 B
8	HOME DEPOT INC	398,980	2.56%	10.1%	Consumer Service	225.1 B
9	AKAMAI TECHNOLOGIES INC	387,167	2.49%	3.2%	Service	12.5 B
10	RED HAT INC	369,249	2.37%	-10.1%	Computer Tech	23.8 B

DAVIE POLICE PENSION PLAN  
LYRICAL ASSET MANAGEMENT - U.S VALUE EQUITY  
PERFORMANCE REVIEW  
JUNE 2018



## **INVESTMENT RETURN**

On June 30th, 2018, the Davie Police Pension Plan's Lyrical Asset Management U.S Value Equity portfolio was valued at \$14,976,743, representing an increase of \$4,650,841 from the March quarter's ending value of \$10,325,902. Last quarter, the Fund posted net contributions totaling \$4,974,835, which overshadowed the account's \$323,994 net investment loss that was sustained during the quarter. The fund's net investment loss was a result of income receipts totaling \$52,024 and realized and unrealized capital losses totaling \$376,018.

## **RELATIVE PERFORMANCE**

### **Total Fund**

During the second quarter, the Lyrical Asset Management U.S Value Equity portfolio lost 1.5%, which was 2.7% less than the Russell 1000 Value Index's return of 1.2% and ranked in the 99th percentile of the Large Cap Value universe. Over the trailing year, the portfolio returned 5.4%, which was 1.4% less than the benchmark's 6.8% performance, and ranked in the 95th percentile. Since March 2015, the account returned 7.1% per annum and ranked in the 82nd percentile. For comparison, the Russell 1000 Value returned an annualized 7.6% over the same time frame.

## **ASSET ALLOCATION**

At the end of the second quarter, large cap equities comprised 99.0% of the total portfolio (\$14.8 million), while cash & equivalents comprised the remaining 1.0% (\$150,390).

## **ANALYSIS**

At the end of the second 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. It was underweight in the Non-Durable Consumer Goods and Finance sectors, and held no assets under Transportation or Utilities.

The second quarter proved to be difficult for the Lyrical portfolio, as seven of the nine invested sectors underperformed their counterparts. There were losses across the board, as six invested sectors were in the red. The overweight Durable Consumer Goods, Computer Technology, Technology, and Service all posted losses greater than their benchmarks, delivering a strong headwind to the portfolio. Furthermore, Technology and Service were negative while the index was in the black. The most highly allocated sector, Finance, underperformed its counterpart as well. The overweight Basic and Energy sectors managed to keep pace, but their combined weight was not enough to turn the total fund around this quarter.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	5 Year	Since 03/15
<b>Total Portfolio - Gross</b>	-1.5	0.8	5.4	8.0	----	7.1
<i>LARGE CAP VALUE RANK</i>	(99)	(97)	(95)	(80)	----	(82)
<b>Total Portfolio - Net</b>	-1.7	0.2	4.7	7.2	----	6.4
Russell 1000V	1.2	3.5	6.8	8.2	10.3	7.6
<b>Large Cap Equity - Gross</b>	-1.6	0.7	5.4	8.0	----	7.2
<i>LARGE CAP VALUE RANK</i>	(99)	(97)	(95)	(78)	----	(82)
Russell 1000V	1.2	3.5	6.8	8.2	10.3	7.6

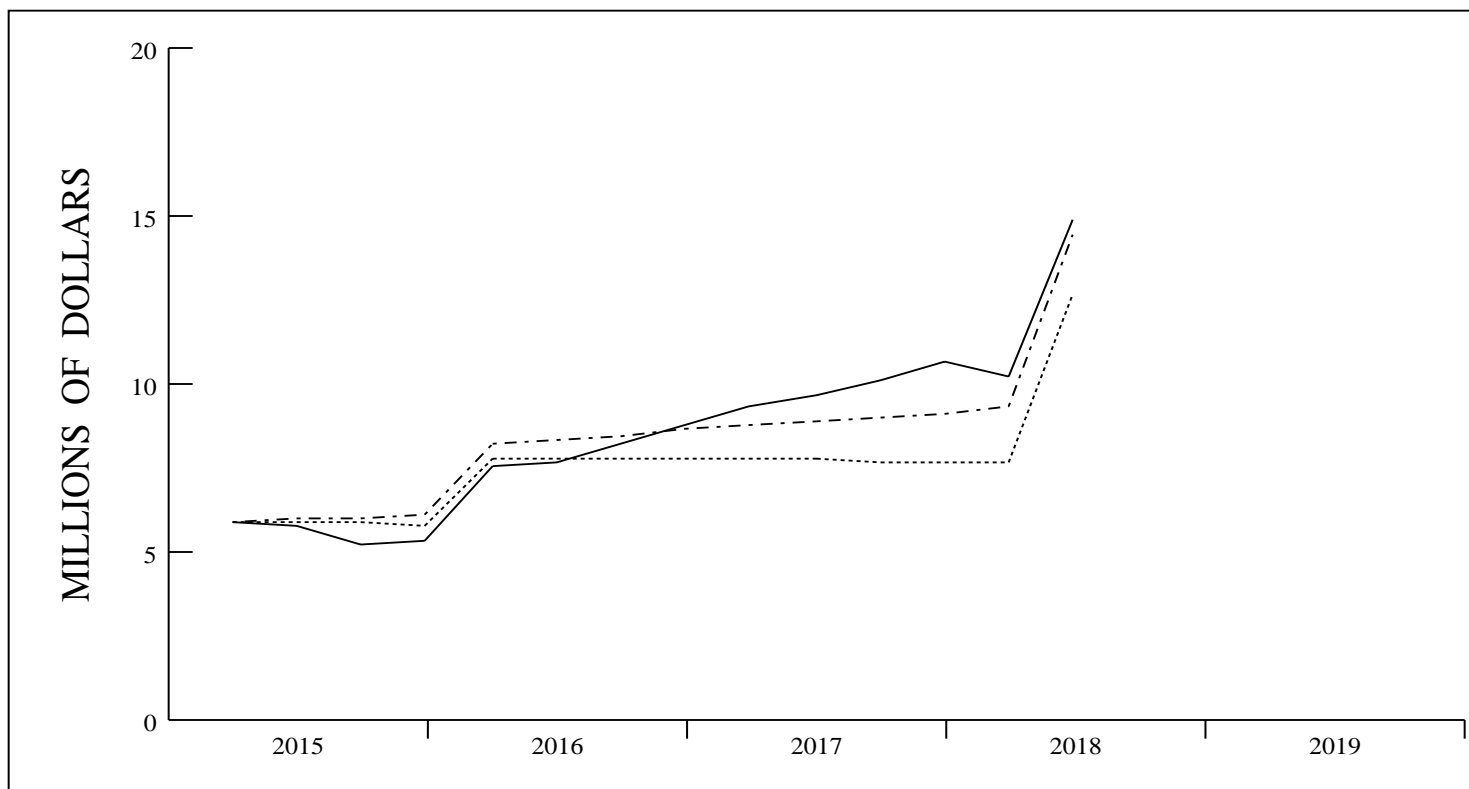
**ASSET ALLOCATION**

Large Cap Equity	99.0%	\$ 14,826,353
Cash	1.0%	150,390
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 14,976,743</b>

**INVESTMENT RETURN**

Market Value 3/2018	\$ 10,325,902
Contribs / Withdrawals	4,974,835
Income	52,024
Capital Gains / Losses	-376,018
Market Value 6/2018	\$ 14,976,743

**INVESTMENT GROWTH**

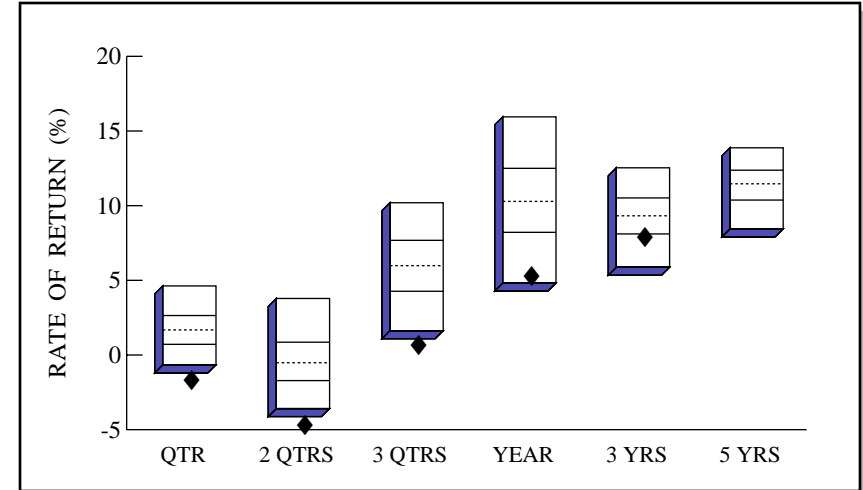
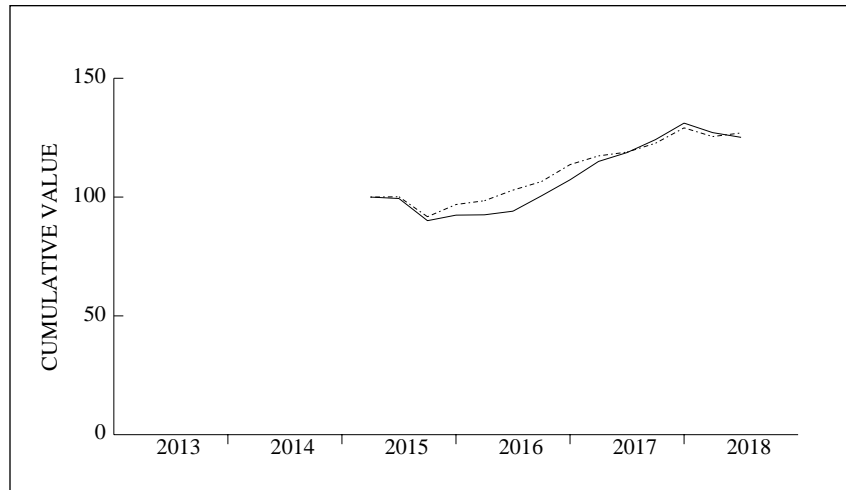


—	ACTUAL RETURN
- - - -	DAVIE BLENDED A/R
.....	0.0%

VALUE ASSUMING	
DAVIE A/R	\$ 14,550,811

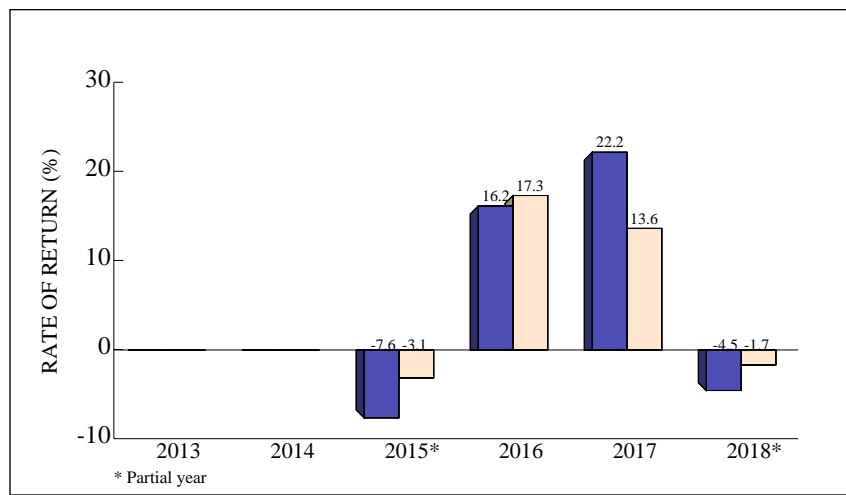
	LAST QUARTER	PERIOD 3/15 - 6/18
BEGINNING VALUE	\$ 10,325,902	\$ 5,919,873
NET CONTRIBUTIONS	4,974,835	6,780,364
INVESTMENT RETURN	<u>-323,994</u>	<u>2,276,506</u>
ENDING VALUE	\$ 14,976,743	\$ 14,976,743
INCOME	52,024	502,621
CAPITAL GAINS (LOSSES)	<u>-376,018</u>	<u>1,773,885</u>
INVESTMENT RETURN	-323,994	2,276,506

**TOTAL RETURN COMPARISONS**



■ ——— PORTFOLIO  
■ - - - - RUSSELL 1000V

Large Cap Value Universe



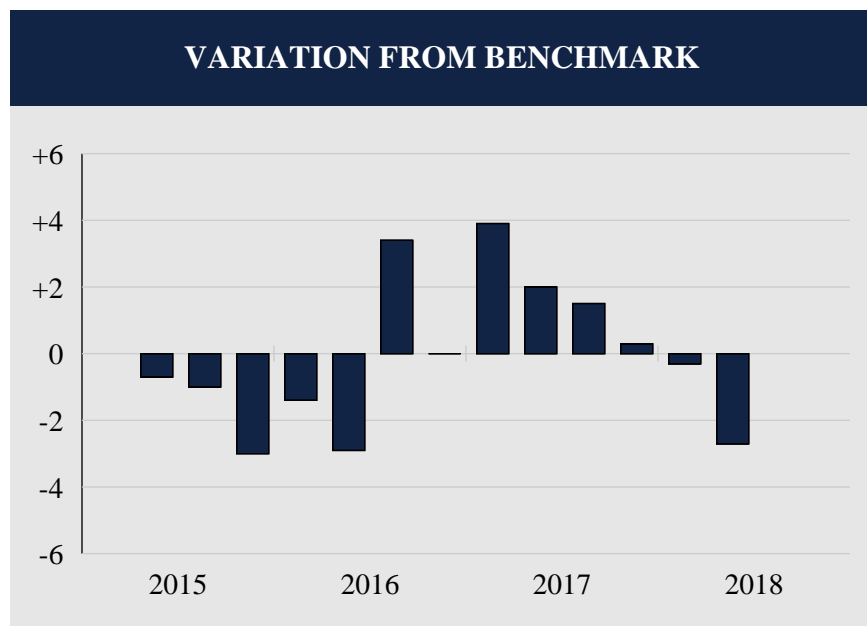
\* Partial year

	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	-1.5	-4.5	0.8	5.4	8.0	----
(RANK)	(99)	(99)	(97)	(95)	(80)	----
5TH %ILE	4.6	3.8	10.2	16.0	12.5	13.9
25TH %ILE	2.6	0.9	7.7	12.5	10.5	12.4
MEDIAN	1.7	-0.5	6.0	10.3	9.3	11.5
75TH %ILE	0.7	-1.7	4.3	8.2	8.1	10.4
95TH %ILE	-0.7	-3.6	1.6	4.8	5.9	8.4
<b>Russ 1000V</b>	<b>1.2</b>	<b>-1.7</b>	<b>3.5</b>	<b>6.8</b>	<b>8.2</b>	<b>10.3</b>

Large Cap Value Universe

### TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

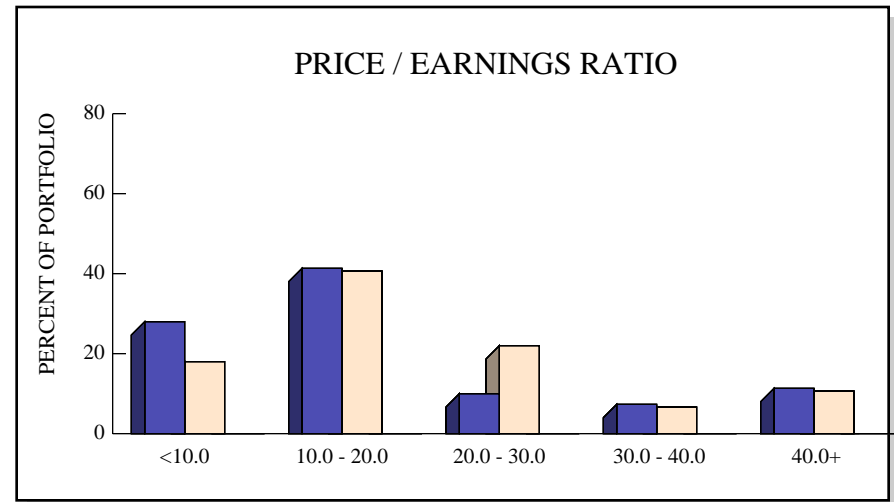
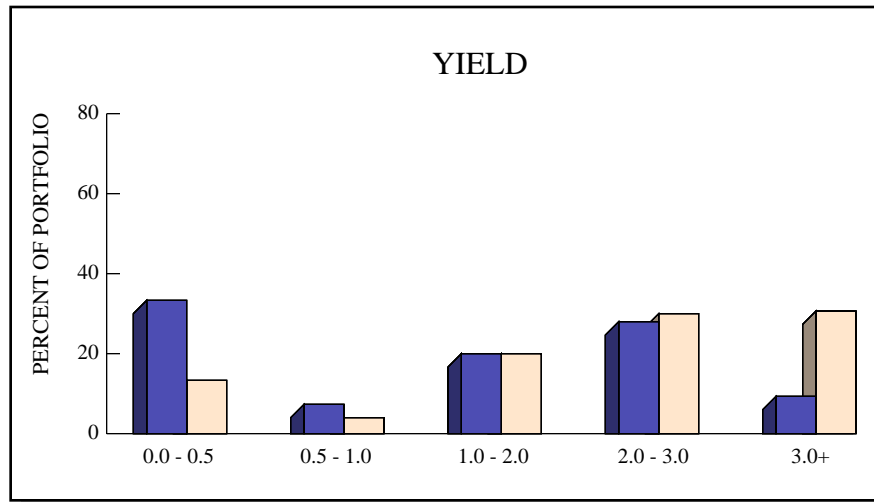
COMPARATIVE BENCHMARK: RUSSELL 1000 VALUE



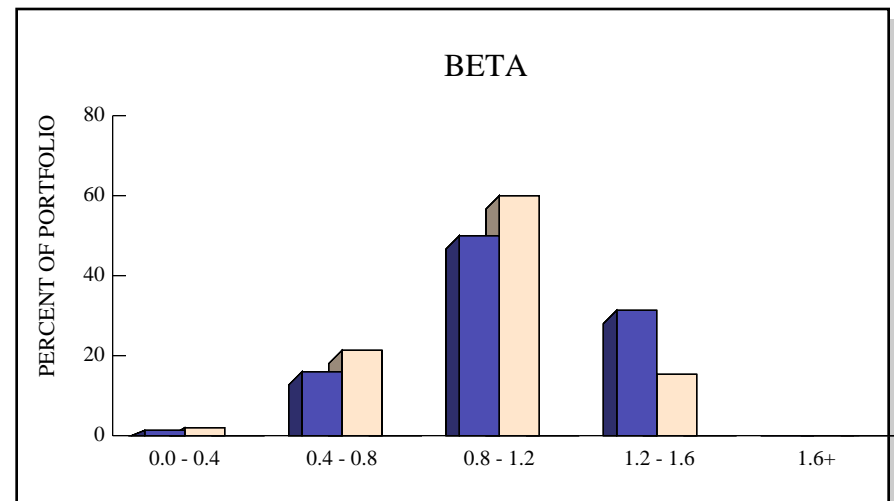
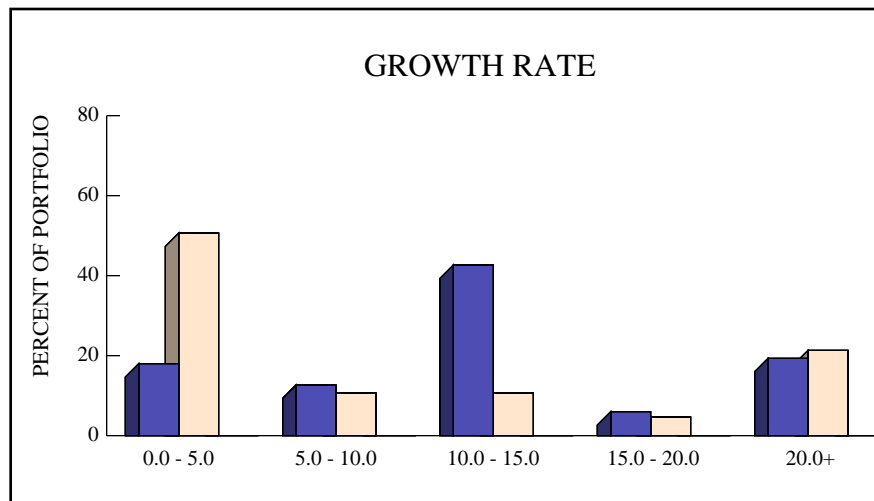
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/15	-0.6	0.1	-0.7
9/15	-9.4	-8.4	-1.0
12/15	2.6	5.6	-3.0
3/16	0.2	1.6	-1.4
6/16	1.7	4.6	-2.9
9/16	6.9	3.5	3.4
12/16	6.7	6.7	0.0
3/17	7.2	3.3	3.9
6/17	3.3	1.3	2.0
9/17	4.6	3.1	1.5
12/17	5.6	5.3	0.3
3/18	-3.1	-2.8	-0.3
6/18	-1.5	1.2	-2.7

<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>

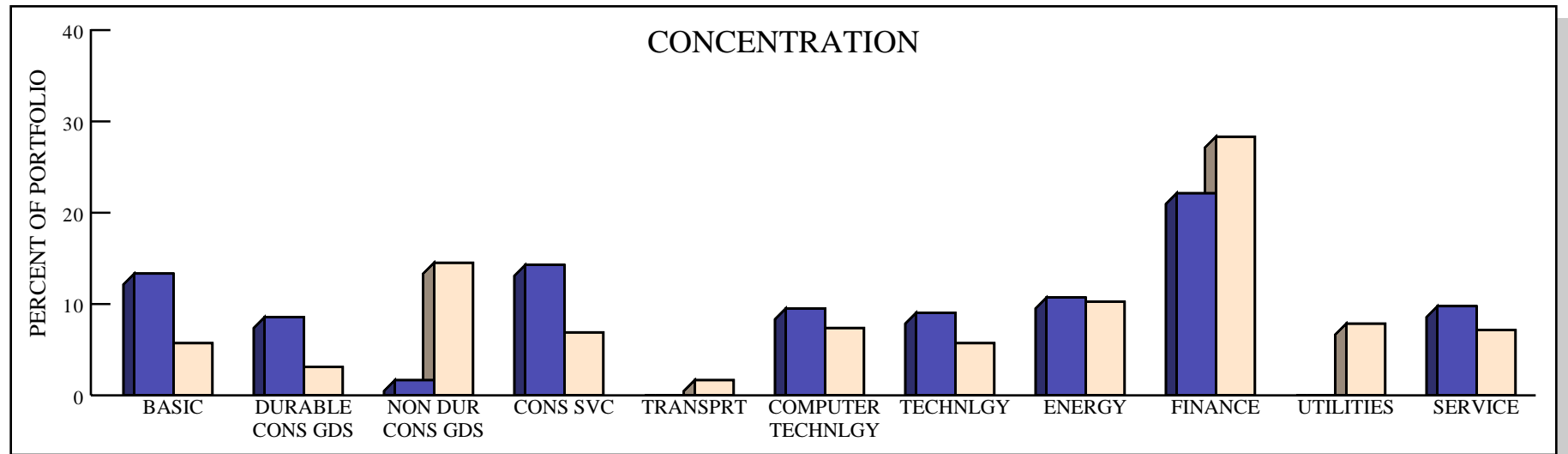
**STOCK CHARACTERISTICS**



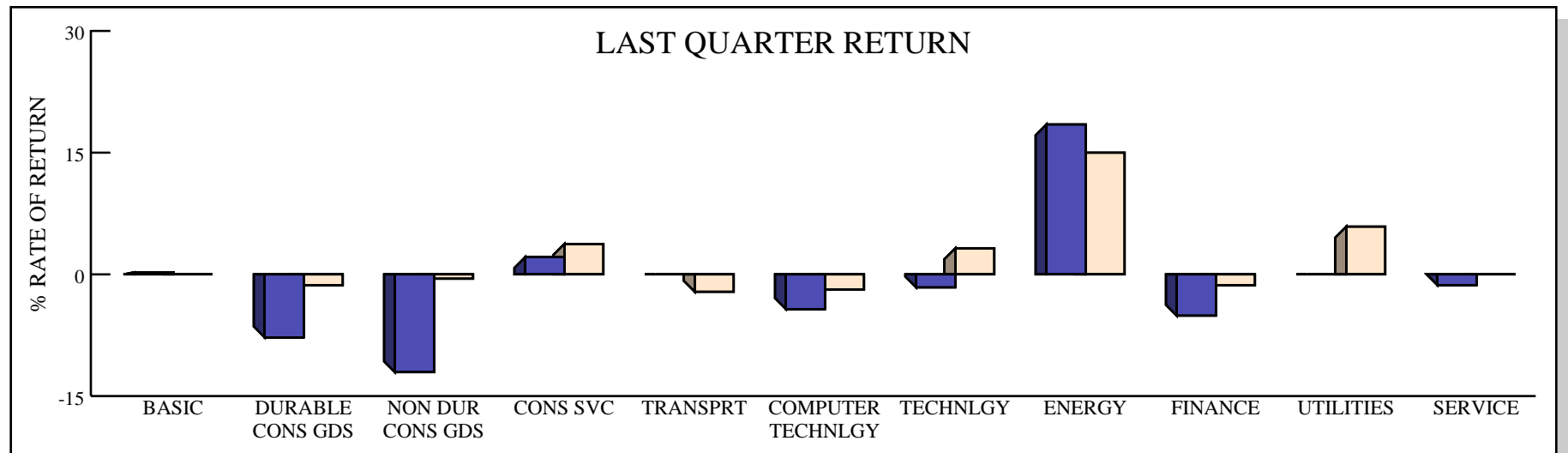
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	33	1.3%	12.6%	17.7	1.05
RUSSELL 1000V	729	2.4%	7.5%	20.4	0.96



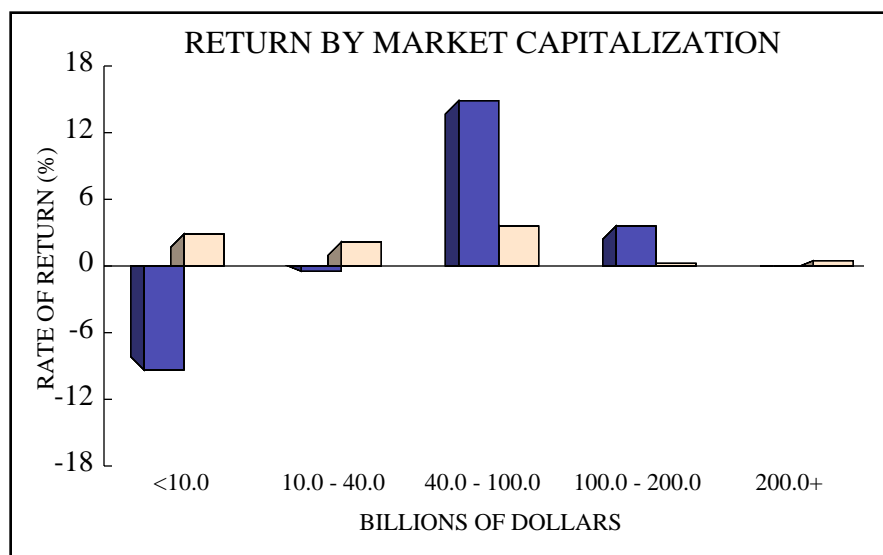
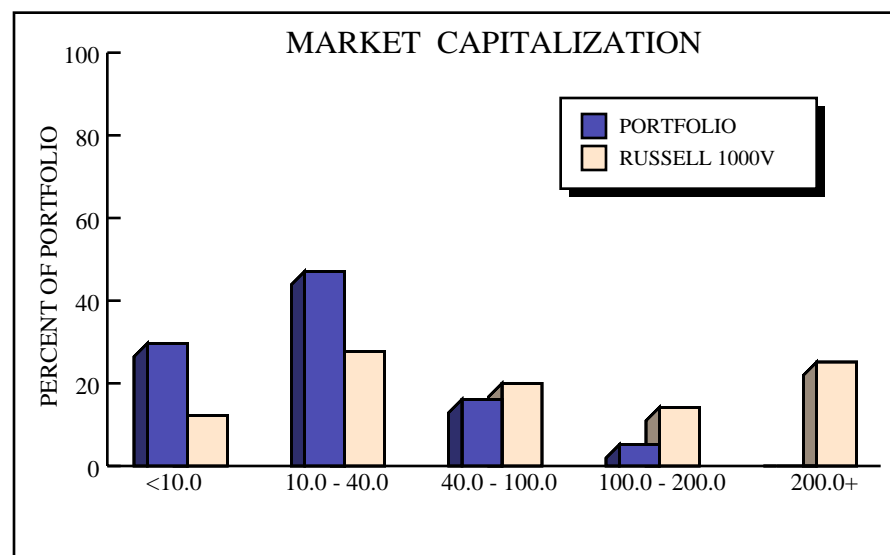
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ RUSSELL 1000 VALUE



**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	ANTHEM INC	\$ 868,571	5.86%	8.7%	Consumer Service	\$ 60.7 B
2	HCA HEALTHCARE INC	839,678	5.66%	6.1%	Consumer Service	35.8 B
3	BROADCOM INC	837,593	5.65%	3.7%	Computer Tech	104.7 B
4	EOG RESOURCES INC	810,039	5.46%	18.4%	Energy	72.0 B
5	SUNCOR ENERGY INC	782,236	5.28%	18.6%	Energy	66.5 B
6	AFLAC INC	753,753	5.08%	-1.1%	Finance	33.3 B
7	CELANESE CORP-SERIES A	705,009	4.76%	11.4%	Basic	15.1 B
8	AMERIPRISE FINANCIAL INC	695,483	4.69%	-4.8%	Finance	20.2 B
9	CORNING INC	690,886	4.66%	-0.7%	Basic	22.8 B
10	WILLIS TOWERS WATSON PLC	611,554	4.12%	0.0%	Finance	20.0 B



DAVIE POLICE PENSION PLAN  
CLEARBRIDGE - MID CAP CORE  
PERFORMANCE REVIEW  
JUNE 2018

## **INVESTMENT RETURN**

On June 30th, 2018, the Davie Police Pension Plan's Clearbridge Mid Cap Core portfolio was valued at \$8,984,425, representing an increase of \$290,113 from the March quarter's ending value of \$8,694,312. Last quarter, the Fund posted withdrawals totaling \$14,910, which partially offset the portfolio's net investment return of \$305,023. Income receipts totaling \$28,080 plus net realized and unrealized capital gains of \$276,943 combined to produce the portfolio's net investment return.

## **RELATIVE PERFORMANCE**

### **Total Fund**

For the second quarter, the Clearbridge Mid Cap Core portfolio returned 3.5%, which was 0.7% above the Russell Mid Cap's return of 2.8% and ranked in the 51st percentile of the Mid Cap Core universe. Over the trailing year, the portfolio returned 6.5%, which was 5.8% below the benchmark's 12.3% return, ranking in the 94th percentile. Since March 2016, the portfolio returned 11.5% annualized and ranked in the 93rd percentile. The Russell Mid Cap returned an annualized 14.3% over the same period.

## **ASSET ALLOCATION**

At the end of the second quarter, mid cap equities comprised 98.8% of the total portfolio (\$8.9 million), while cash & equivalents totaled 1.2% (\$111,596).

## **ANALYSIS**

At the end of the second 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, Energy, Utilities, and Service sectors. All other industry sectors tracked the index in weight.

Mixed industry sector performance favored the Clearbridge portfolio, as six of the eleven sectors outperformed the index. The most notable headwinds were delivered by the Durable Consumer Goods, Consumer Service, and Non-Durable Consumer Goods, as they were all overweight while managing to surpass their counterparts. Unfortunately the most heavily allocated sector, Finance posted a loss to the index's gains, pushing the portfolio back slightly. The Basic sector posted a loss much larger than the benchmark, fortunately its effect on the total fund was hampered by a very low allocation.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	5 Year	Since 03/16
<b>Total Portfolio - Gross</b>	3.5	3.8	6.5	----	----	11.5
<i>MID CAP CORE RANK</i>	(51)	(94)	(94)	----	----	(93)
<b>Total Portfolio - Net</b>	3.3	3.3	5.9	----	----	10.8
Russell Mid	2.8	8.5	12.3	9.6	12.2	14.3
<b>Mid Cap Equity - Gross</b>	3.6	3.9	6.6	----	----	11.8
<i>MID CAP CORE RANK</i>	(51)	(94)	(94)	----	----	(93)
Russell Mid	2.8	8.5	12.3	9.6	12.2	14.3

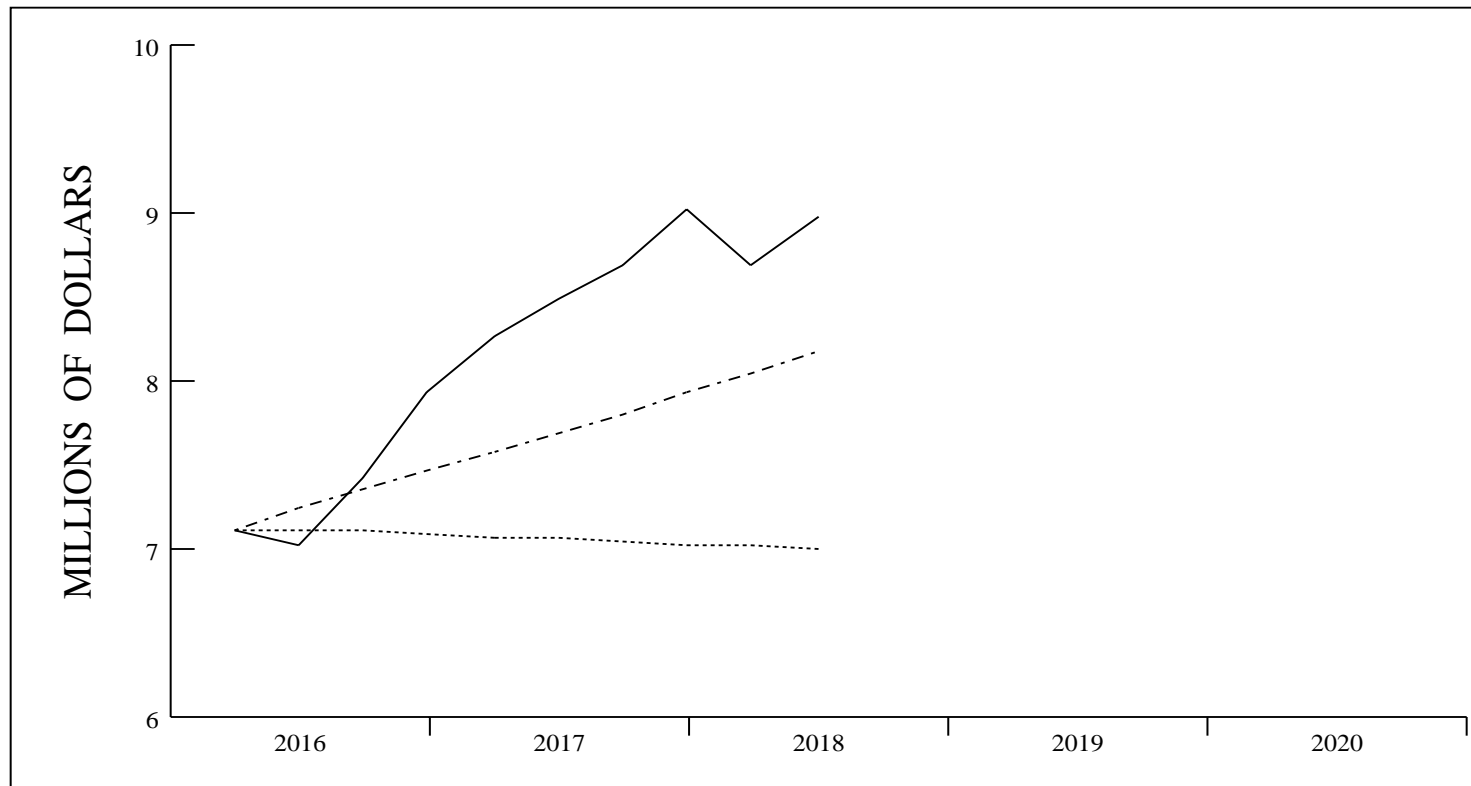
**ASSET ALLOCATION**

Mid Cap Equity	98.8%	\$ 8,872,829
Cash	1.2%	111,596
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 8,984,425</b>

**INVESTMENT RETURN**

Market Value 3/2018	\$ 8,694,312
Contribs / Withdrawals	- 14,910
Income	28,080
Capital Gains / Losses	276,943
Market Value 6/2018	\$ 8,984,425

**INVESTMENT GROWTH**

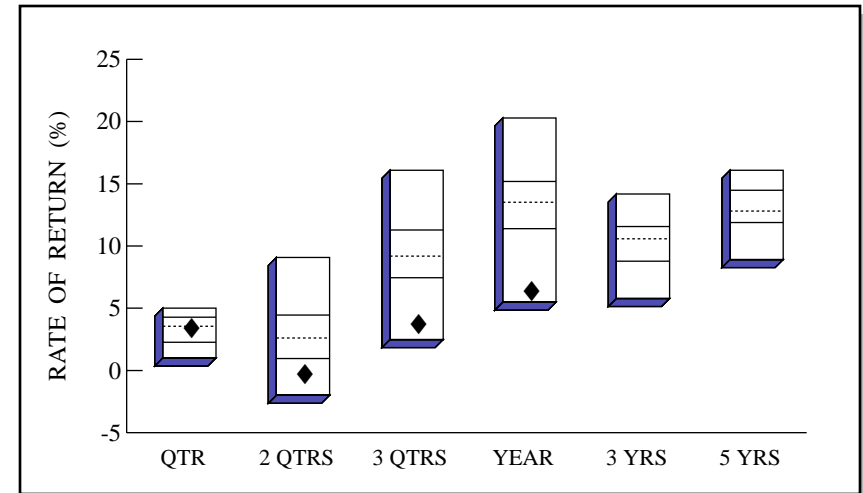
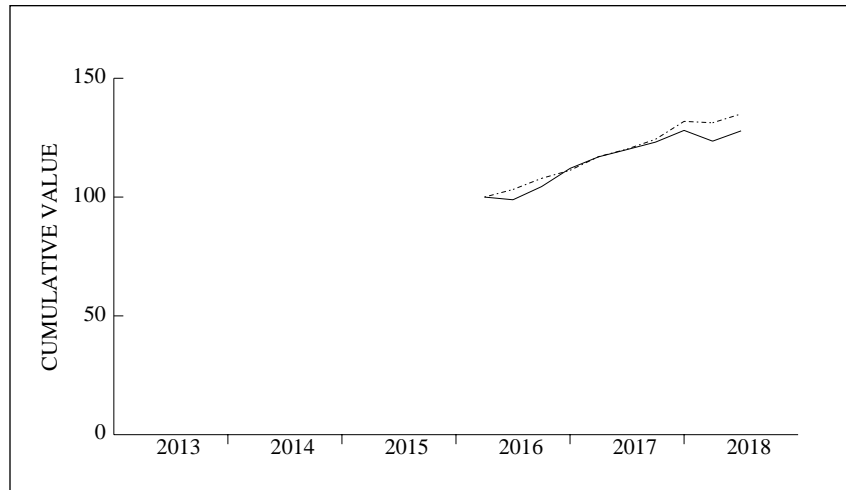


— ACTUAL RETURN  
 - - - DAVIE BLENDED A/R  
 ..... 0.0%

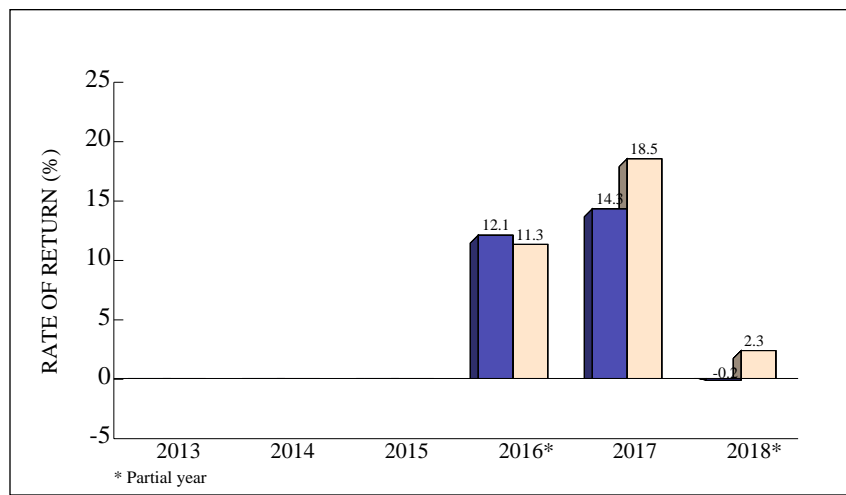
VALUE ASSUMING  
 DAVIE A/R      \$ 8,194,293

	LAST QUARTER	PERIOD 3/16 - 6/18
BEGINNING VALUE	\$ 8,694,312	\$ 7,131,663
NET CONTRIBUTIONS	- 14,910	-122,576
INVESTMENT RETURN	<u>305,023</u>	<u>1,975,338</u>
ENDING VALUE	\$ 8,984,425	\$ 8,984,425
INCOME	28,080	249,108
CAPITAL GAINS (LOSSES)	<u>276,943</u>	<u>1,726,230</u>
INVESTMENT RETURN	305,023	1,975,338

**TOTAL RETURN COMPARISONS**



Mid Cap Core Universe



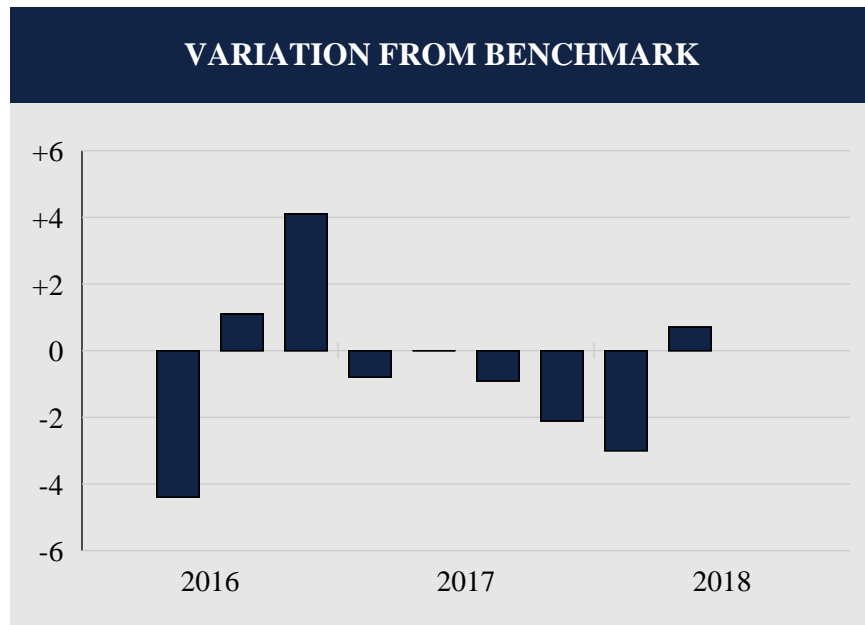
\* Partial year

	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	3.5	-0.2	3.8	6.5	----	----
(RANK)	(51)	(89)	(94)	(94)	----	----
5TH %ILE	5.0	9.1	16.1	20.3	14.2	16.1
25TH %ILE	4.3	4.4	11.3	15.2	11.6	14.5
MEDIAN	3.6	2.6	9.2	13.5	10.6	12.8
75TH %ILE	2.3	1.0	7.5	11.4	8.8	11.9
95TH %ILE	1.0	-2.0	2.5	5.5	5.8	8.9
<b>Russ MC</b>	<b>2.8</b>	<b>2.3</b>	<b>8.5</b>	<b>12.3</b>	<b>9.6</b>	<b>12.2</b>

Mid Cap Core Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

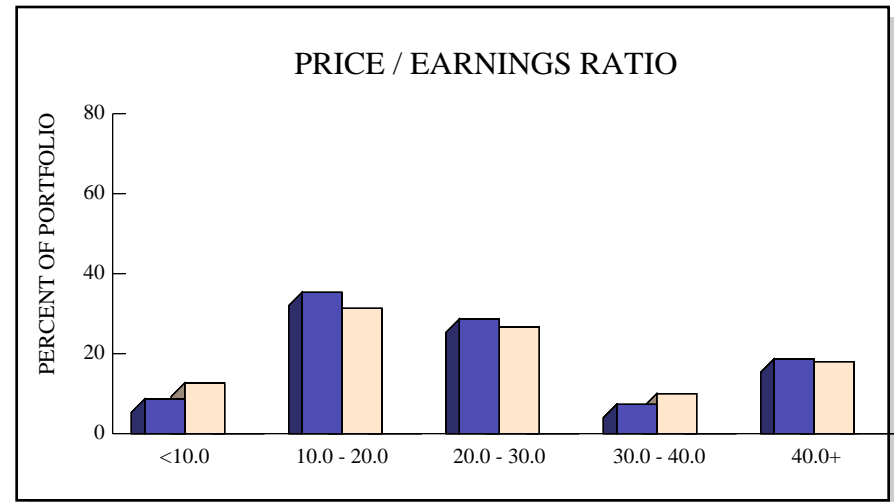
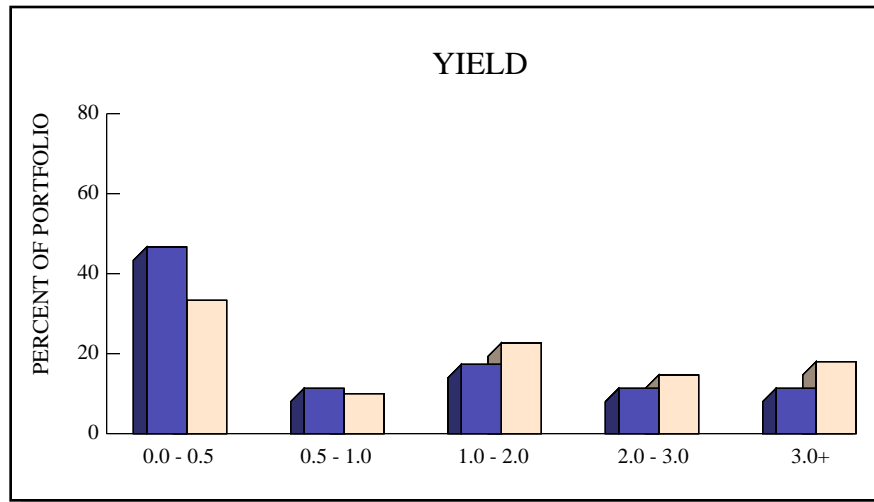
**COMPARATIVE BENCHMARK: RUSSELL MID CAP**



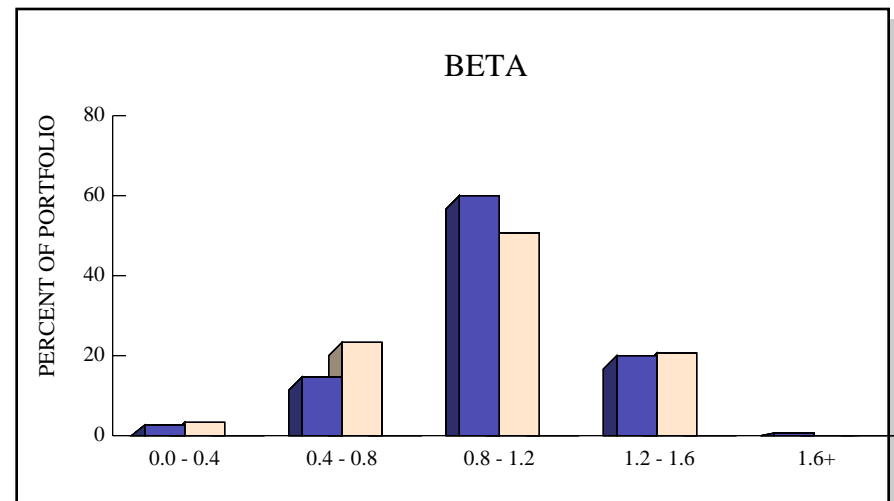
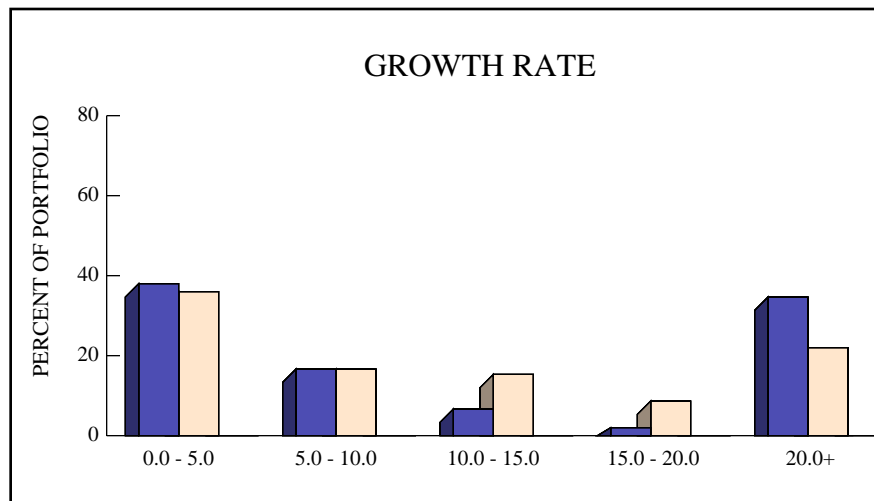
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/16	-1.2	3.2	-4.4
9/16	5.6	4.5	1.1
12/16	7.3	3.2	4.1
3/17	4.3	5.1	-0.8
6/17	2.7	2.7	0.0
9/17	2.6	3.5	-0.9
12/17	4.0	6.1	-2.1
3/18	-3.5	-0.5	-3.0
6/18	3.5	2.8	0.7

<b>Total Quarters Observed</b>	<b>9</b>
<b>Quarters At or Above the Benchmark</b>	<b>4</b>
<b>Quarters Below the Benchmark</b>	<b>5</b>
<b>Batting Average</b>	<b>.444</b>

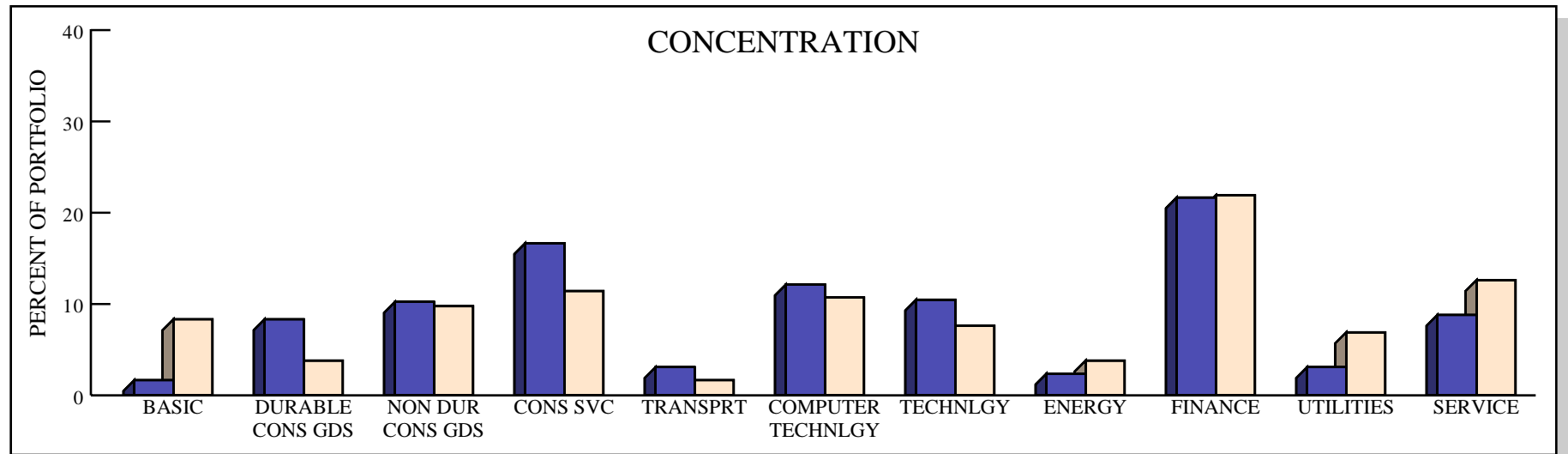
**STOCK CHARACTERISTICS**



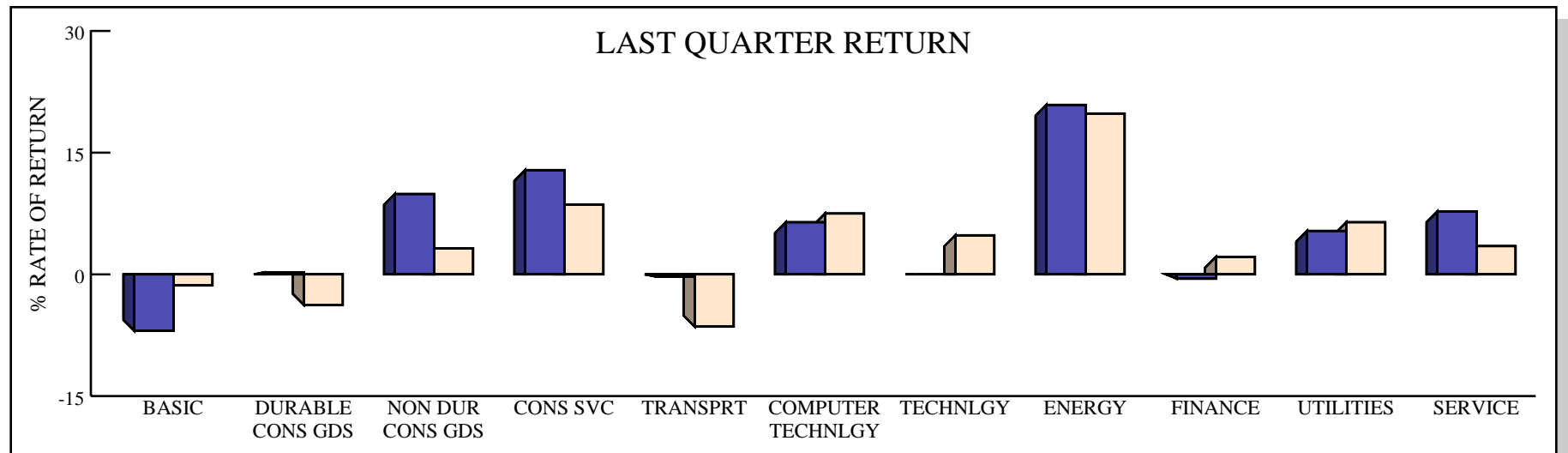
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	63	1.2%	13.4%	25.8	1.00
RUSSELL MID	793	1.6%	10.5%	24.6	0.95



**STOCK INDUSTRY ANALYSIS**

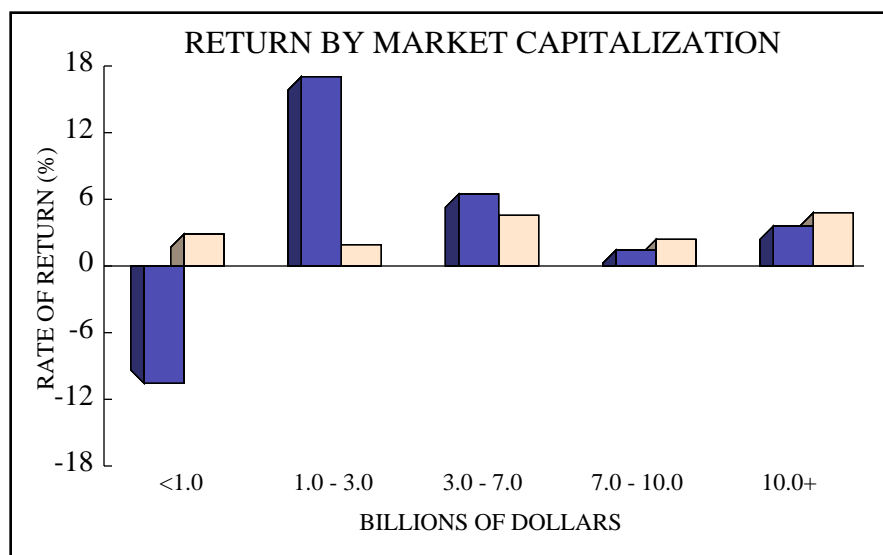
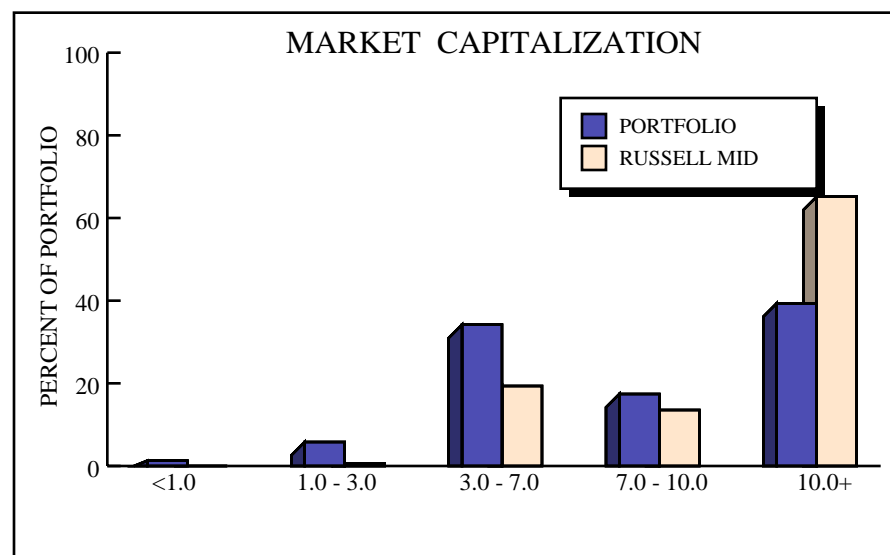


■ PORTFOLIO      ■ RUSSELL MID CAP





**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	JONES LANG LASALLE INC	\$ 248,985	2.81%	-4.7%	Finance	\$ 7.6 B
2	ASPEN TECHNOLOGY INC	222,576	2.51%	17.6%	Computer Tech	6.6 B
3	US FOODS HOLDING CORP	219,356	2.47%	15.4%	Service	8.2 B
4	MASONITE INTERNATIONAL CORP	215,550	2.43%	17.1%	Durable Cons Goods	2.0 B
5	STARWOOD PROPERTY TRUST INC	214,929	2.42%	5.9%	Finance	5.7 B
6	HASBRO INC	212,313	2.39%	10.3%	NonDur Cons Goods	11.8 B
7	LIVE NATION ENTERTAINMENT IN	203,994	2.30%	15.3%	Consumer Service	10.1 B
8	ALEXANDRIA REAL ESTATE EQUIT	201,872	2.28%	1.8%	Finance	13.0 B
9	TELEDYNE TECHNOLOGIES INC	199,060	2.24%	6.4%	Technology	7.1 B
10	PREMIER INC-CLASS A	196,452	2.21%	16.2%	Consumer Service	1.9 B

DAVIE POLICE PENSION PLAN  
WEDGE CAPITAL MANAGEMENT - MID CAP VALUE  
PERFORMANCE REVIEW  
JUNE 2018

## **INVESTMENT RETURN**

On June 30th, 2018, the Davie Police Pension Plan's Wedge Capital Management Mid Cap Value portfolio was valued at \$8,747,819, representing an increase of \$236,605 from the March quarter's ending value of \$8,511,214. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$236,605 in net investment returns. Since there were no income receipts for the second quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling \$236,605.

## **RELATIVE PERFORMANCE**

During the second quarter, the Wedge Capital Management Mid Cap Value portfolio gained 2.8%, which was 0.4% greater than the Russell Mid Cap Value Index's return of 2.4% and ranked in the 37th percentile of the Mid Cap Value universe. Over the trailing twelve-month period, this portfolio returned 7.4%, which was 0.2% below the benchmark's 7.6% return, and ranked in the 79th percentile. Since March 2016, the portfolio returned 13.7% per annum and ranked in the 55th percentile. For comparison, the Russell Mid Cap Value returned an annualized 12.6% over the same period.

## **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	5 Year	Since 03/16
<b>Total Portfolio - Gross</b>	2.8	4.6	7.4	----	----	13.7
<i>MID CAP VALUE RANK</i>	(37)	(71)	(79)	----	----	(55)
<b>Total Portfolio - Net</b>	2.6	4.1	6.6	----	----	12.8
Russ Mid Val	2.4	5.3	7.6	8.8	11.3	12.6
<b>Mid Cap Equity - Gross</b>	2.8	4.6	7.4	----	----	13.7
<i>MID CAP VALUE RANK</i>	(37)	(71)	(79)	----	----	(55)
Russ Mid Val	2.4	5.3	7.6	8.8	11.3	12.6

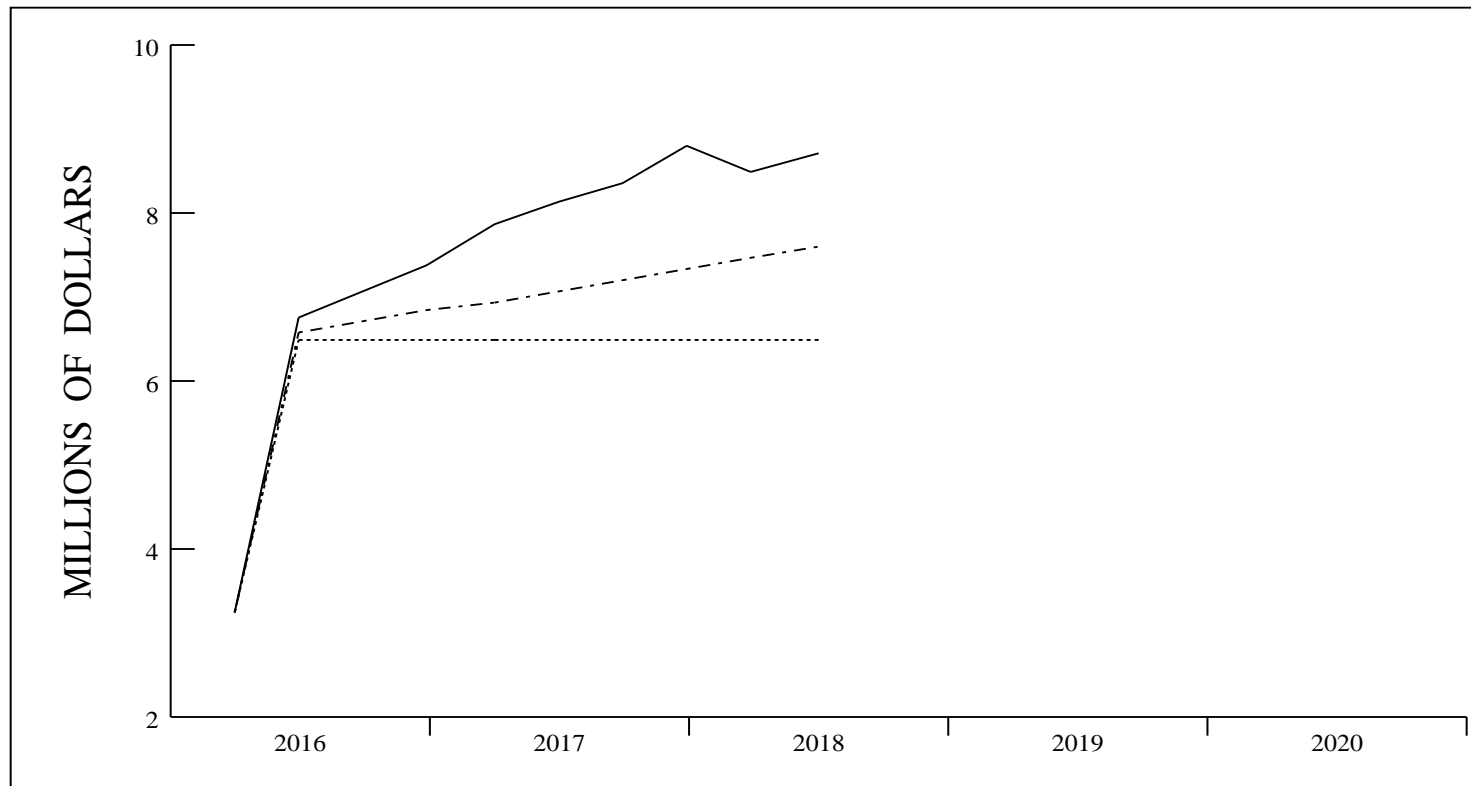
**ASSET ALLOCATION**

Mid Cap Equity	100.0%	\$ 8,747,819
Total Portfolio	100.0%	\$ 8,747,819

**INVESTMENT RETURN**

Market Value 3/2018	\$ 8,511,214
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	236,605
Market Value 6/2018	\$ 8,747,819

**INVESTMENT GROWTH**

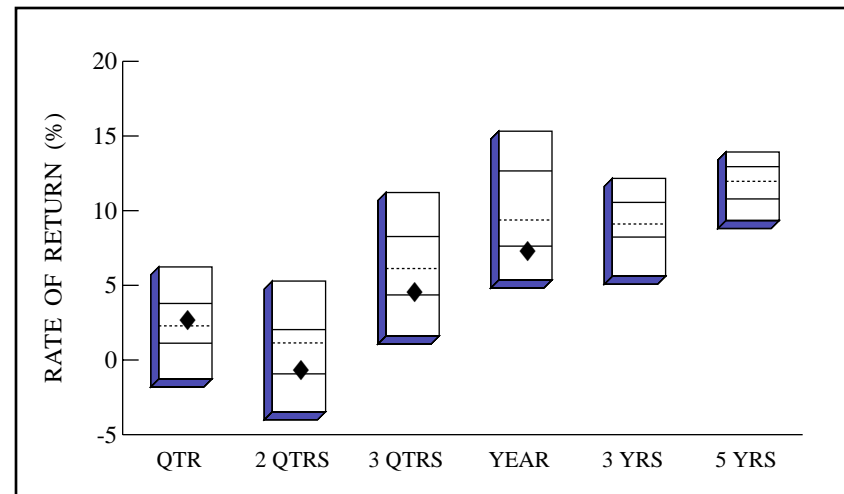
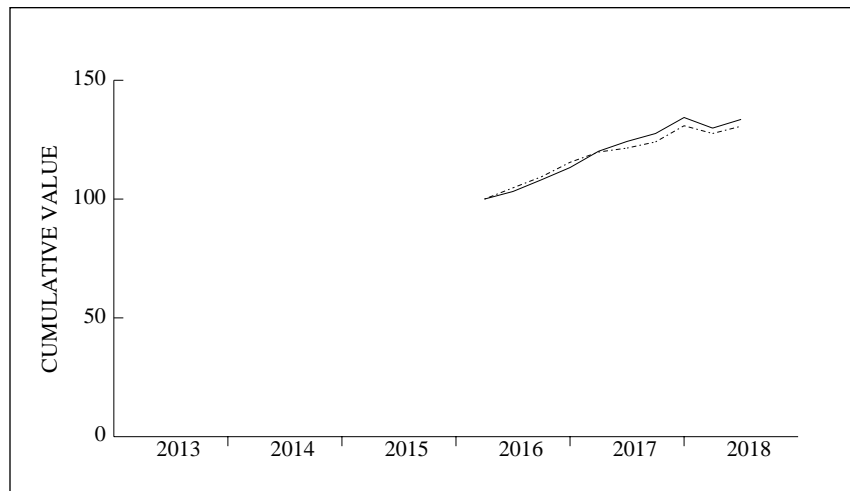


— ACTUAL RETURN  
 - - - DAVIE BLENDED A/R  
 ..... 0.0%

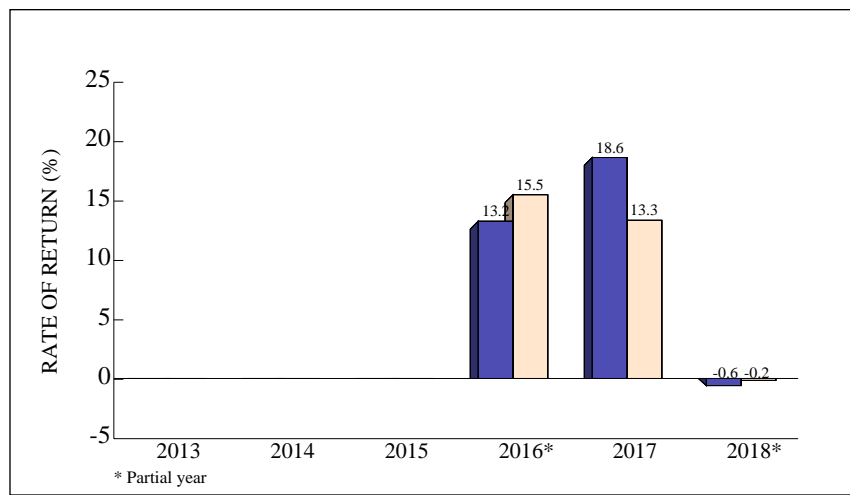
VALUE ASSUMING  
 DAVIE A/R      \$ 7,600,974

	LAST QUARTER	PERIOD 3/16 - 6/18
BEGINNING VALUE	\$ 8,511,214	\$ 3,269,703
NET CONTRIBUTIONS	0	3,250,000
INVESTMENT RETURN	236,605	2,228,116
ENDING VALUE	\$ 8,747,819	\$ 8,747,819
INCOME	0	53
CAPITAL GAINS (LOSSES)	236,605	2,228,063
INVESTMENT RETURN	236,605	2,228,116

**TOTAL RETURN COMPARISONS**



Mid Cap Value Universe

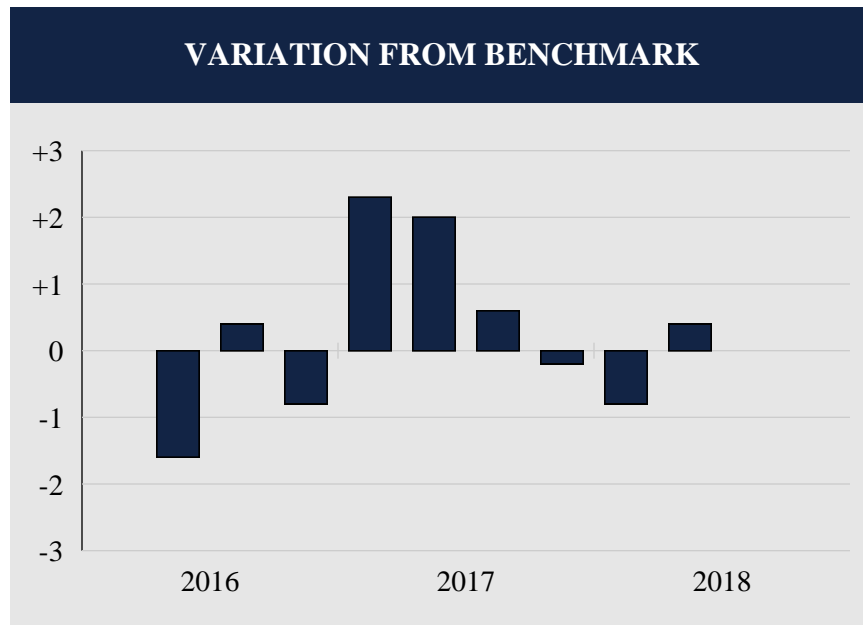


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	2.8	-0.6	4.6	7.4	----	----
(RANK)	(37)	(71)	(71)	(79)	----	----
5TH %ILE	6.2	5.3	11.2	15.3	12.2	13.9
25TH %ILE	3.8	2.0	8.3	12.7	10.6	13.0
MEDIAN	2.3	1.1	6.1	9.4	9.1	12.0
75TH %ILE	1.1	-0.9	4.4	7.6	8.2	10.8
95TH %ILE	-1.3	-3.5	1.6	5.4	5.6	9.3
<b>Russ MCV</b>	<b>2.4</b>	<b>-0.2</b>	<b>5.3</b>	<b>7.6</b>	<b>8.8</b>	<b>11.3</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
3/17	6.1	3.8	2.3
6/17	3.4	1.4	2.0
9/17	2.7	2.1	0.6
12/17	5.3	5.5	-0.2
3/18	-3.3	-2.5	-0.8
6/18	2.8	2.4	0.4

<b>Total Quarters Observed</b>	<b>9</b>
<b>Quarters At or Above the Benchmark</b>	<b>5</b>
<b>Quarters Below the Benchmark</b>	<b>4</b>
<b>Batting Average</b>	<b>.556</b>

DAVIE POLICE PENSION PLAN  
LMCG INVESTMENTS - SMALL CAP GROWTH  
PERFORMANCE REVIEW  
JUNE 2018



## **INVESTMENT RETURN**

On June 30th, 2018, the Davie Police Pension Plan's LMCg Investments Small Cap Growth portfolio was valued at \$8,521,284, representing an increase of \$516,619 from the March quarter's ending value of \$8,004,665. Last quarter, the Fund posted withdrawals totaling \$17,941, which partially offset the portfolio's net investment return of \$534,560. Income receipts totaling \$10,052 plus net realized and unrealized capital gains of \$524,508 combined to produce the portfolio's net investment return.

## **RELATIVE PERFORMANCE**

### **Total Fund**

For the second quarter, the LMCg Investments Small Cap Growth portfolio returned 6.7%, which was 0.5% below the Russell 2000 Growth Index's return of 7.2% and ranked in the 80th percentile of the Small Cap Growth universe. Over the trailing year, the portfolio returned 22.1%, which was 0.3% above the benchmark's 21.8% return, ranking in the 64th percentile. Since June 2016, the portfolio returned 20.5% annualized and ranked in the 81st percentile. The Russell 2000 Growth returned an annualized 23.1% over the same period.

## **ASSET ALLOCATION**

At the end of the second quarter, small cap equities comprised 96.1% of the total portfolio (\$8.2 million), while cash & equivalents totaled 3.9% (\$330,306).

## **ANALYSIS**

At the end of the second quarter, the LMCg Small Cap Growth portfolio was invested in ten of the eleven industry sectors used in our analysis. It was 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 Energy sector was left unfunded.

The LMCg portfolio was not able to surpass the Russell 2000 growth index in the second quarter, as six of the ten invested sectors underperformed. Poor selection damaged the fund in the Basic, Finance, and Utilities sectors. They all posted losses relative to the benchmarks' gains, Finance and Utilities being particularly damaging as they were both overweight in their allocations. Furthermore, the single most allocated sector, Service, making up over 20% of the fund, notably underperformed the index as well. On the other hand, the overweight Consumer Service and Transportation sectors outpaced their counterparts. The Durable Consumer Goods and Non-Durable Consumer Goods sectors also outperformed, keeping the total return closely behind the index.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	5 Year	Since 06/16
<b>Total Portfolio - Gross</b>	6.7	18.6	22.1	----	----	20.5
<i>SMALL CAP GROWTH RANK</i>	(80)	(43)	(64)	----	----	(81)
<b>Total Portfolio - Net</b>	6.5	17.8	21.1	----	----	19.4
Russell 2000G	7.2	14.7	21.8	10.6	13.6	23.1
<b>Small Cap Equity - Gross</b>	7.0	19.3	23.0	----	----	21.5
<i>SMALL CAP GROWTH RANK</i>	(75)	(41)	(58)	----	----	(75)
Russell 2000G	7.2	14.7	21.8	10.6	13.6	23.1

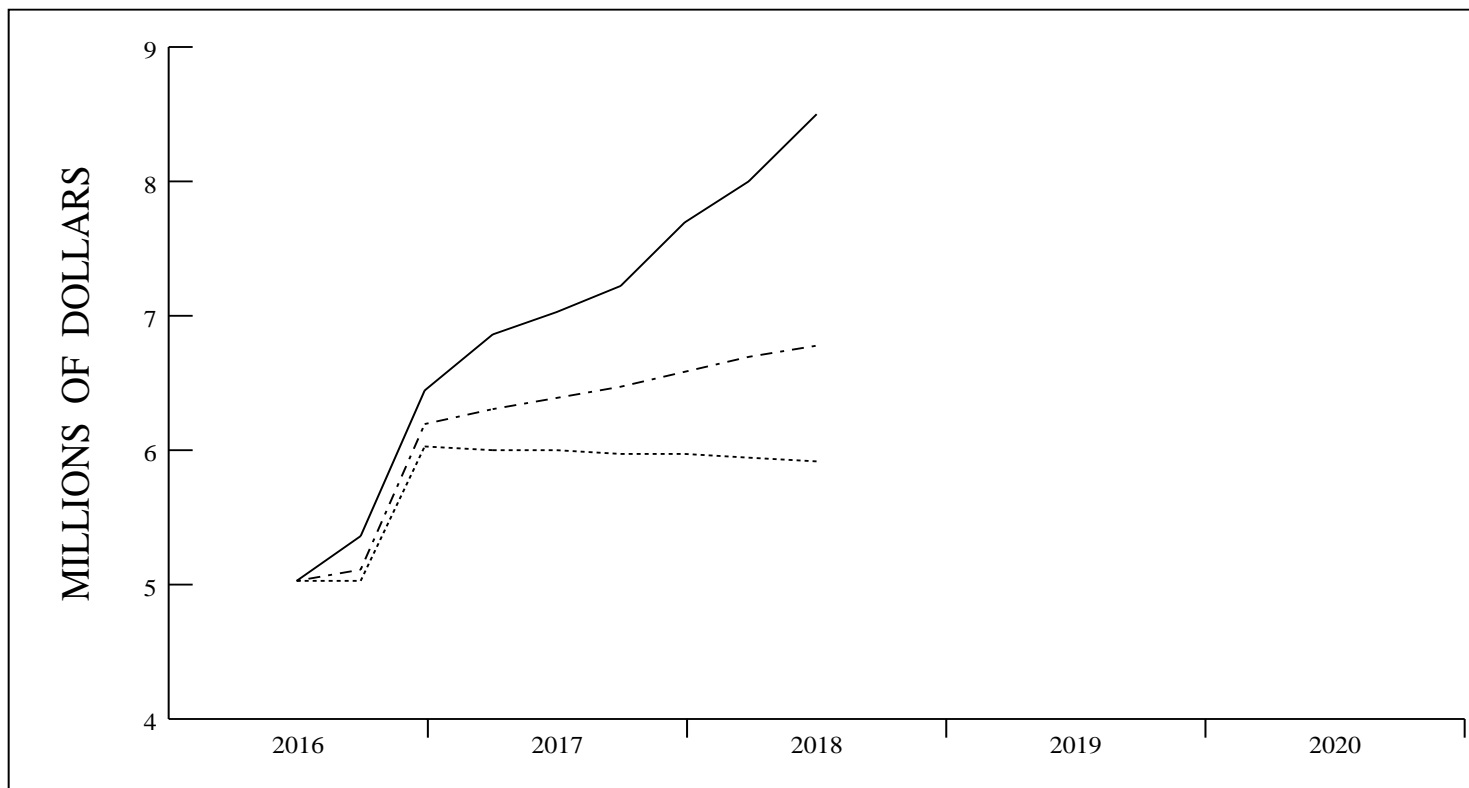
**ASSET ALLOCATION**

Small Cap	96.1%	\$ 8,190,978
Cash	3.9%	330,306
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 8,521,284</b>

**INVESTMENT RETURN**

Market Value 3/2018	\$ 8,004,665
Contribs / Withdrawals	- 17,941
Income	10,052
Capital Gains / Losses	524,508
Market Value 6/2018	\$ 8,521,284

**INVESTMENT GROWTH**

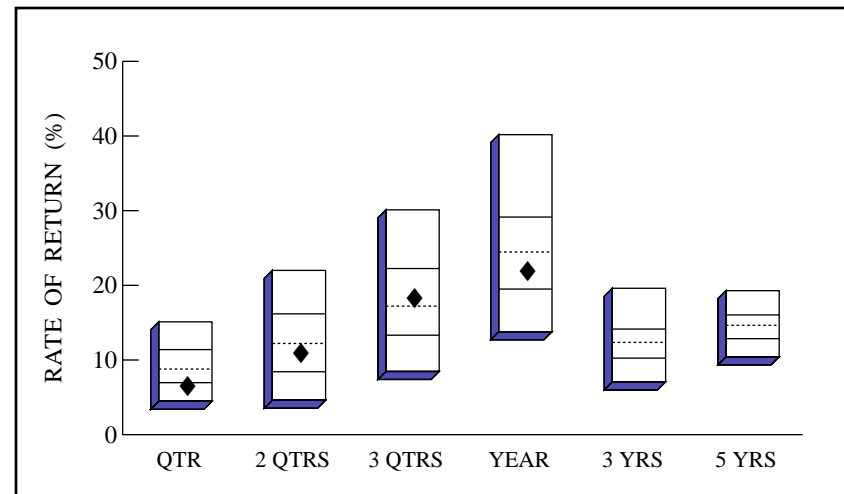
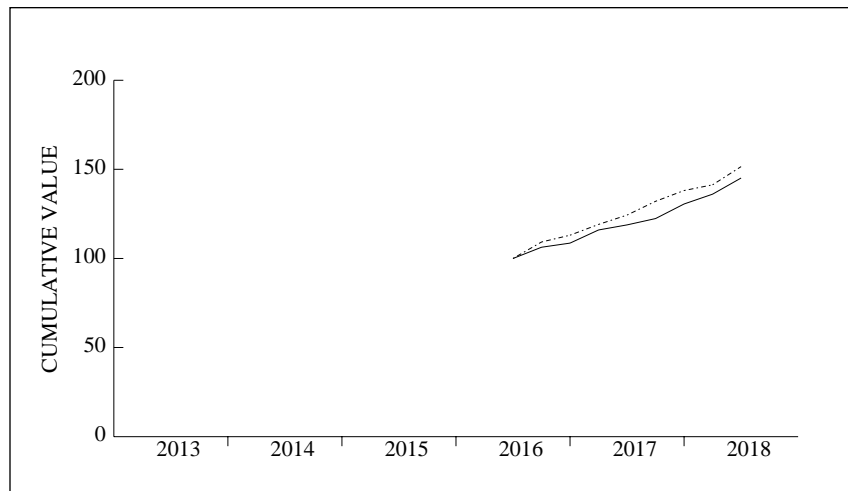


— ACTUAL RETURN  
 - - - DAVIE BLENDED A/R  
 ..... 0.0%

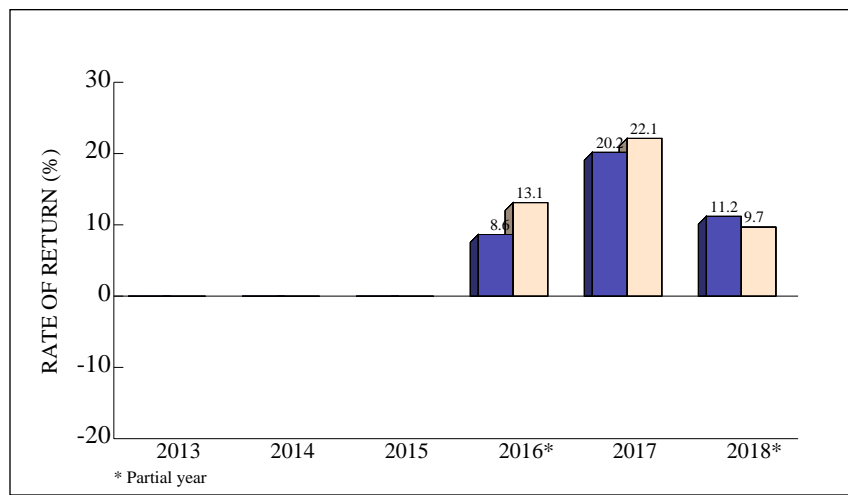
VALUE ASSUMING  
 DAVIE A/R      \$ 6,796,682

	LAST QUARTER	PERIOD 6/16 - 6/18
BEGINNING VALUE	\$ 8,004,665	\$ 5,053,772
NET CONTRIBUTIONS	- 17,941	889,848
INVESTMENT RETURN	534,560	2,577,664
ENDING VALUE	\$ 8,521,284	\$ 8,521,284
INCOME	10,052	87,152
CAPITAL GAINS (LOSSES)	524,508	2,490,512
INVESTMENT RETURN	534,560	2,577,664

**TOTAL RETURN COMPARISONS**



Small Cap Growth Universe

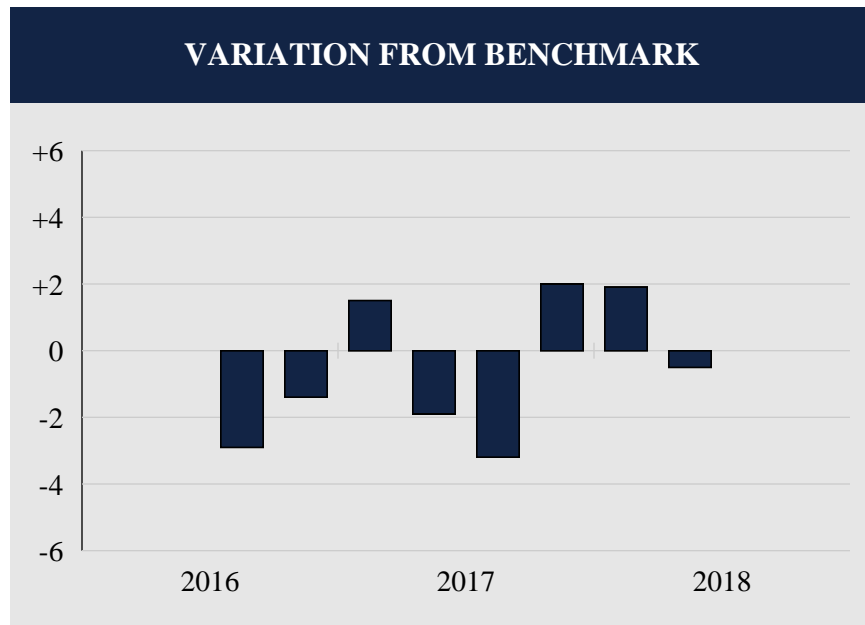


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	6.7	11.2	18.6	22.1	----	----
(RANK)	(80)	(55)	(43)	(64)	----	----
5TH %ILE	15.1	22.0	30.1	40.2	19.6	19.3
25TH %ILE	11.4	16.2	22.2	29.2	14.1	16.0
MEDIAN	8.8	12.2	17.2	24.5	12.3	14.6
75TH %ILE	7.0	8.4	13.3	19.5	10.3	12.9
95TH %ILE	4.5	4.6	8.5	13.8	7.1	10.4
<b>Russ 2000G</b>	<b>7.2</b>	<b>9.7</b>	<b>14.7</b>	<b>21.8</b>	<b>10.6</b>	<b>13.6</b>

Small Cap Growth Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

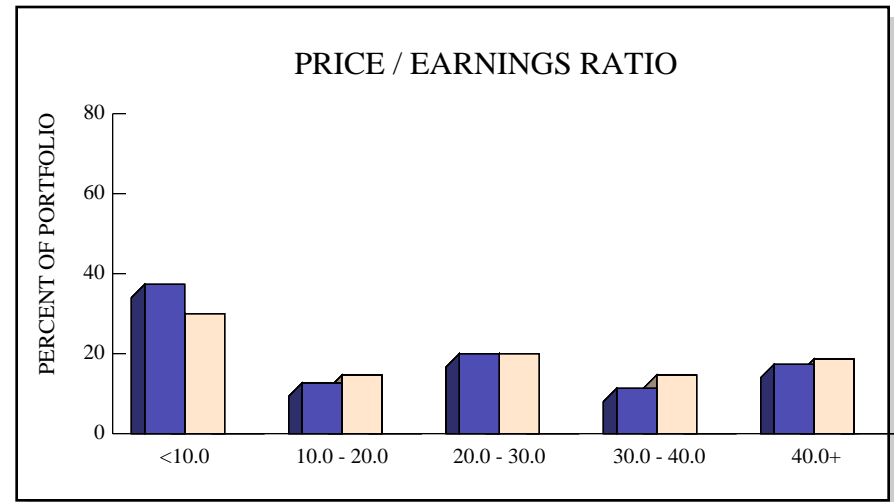
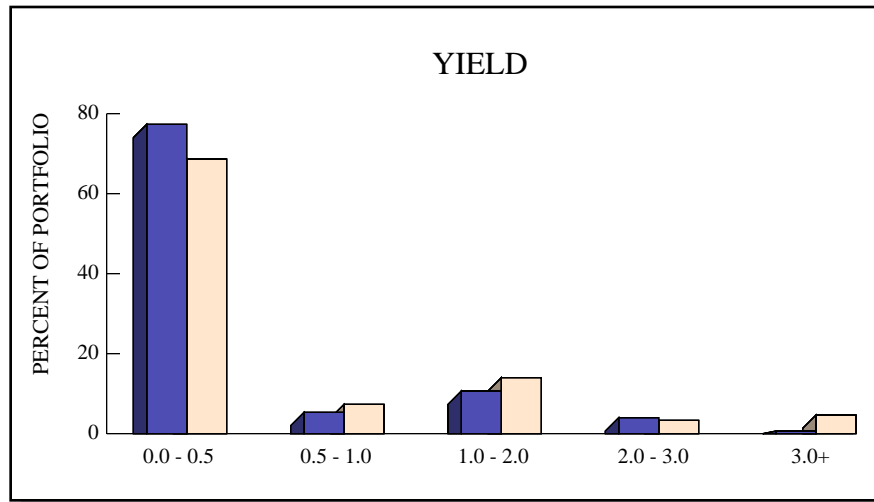
**COMPARATIVE BENCHMARK: RUSSELL 2000 GROWTH**



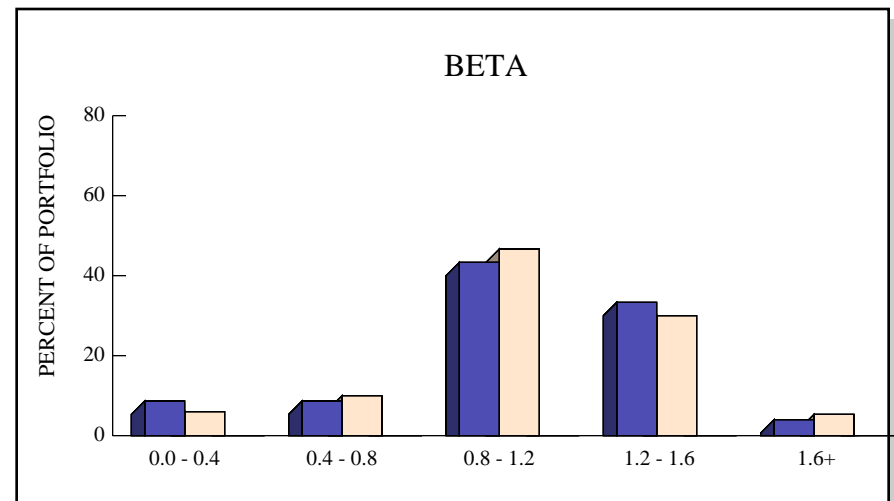
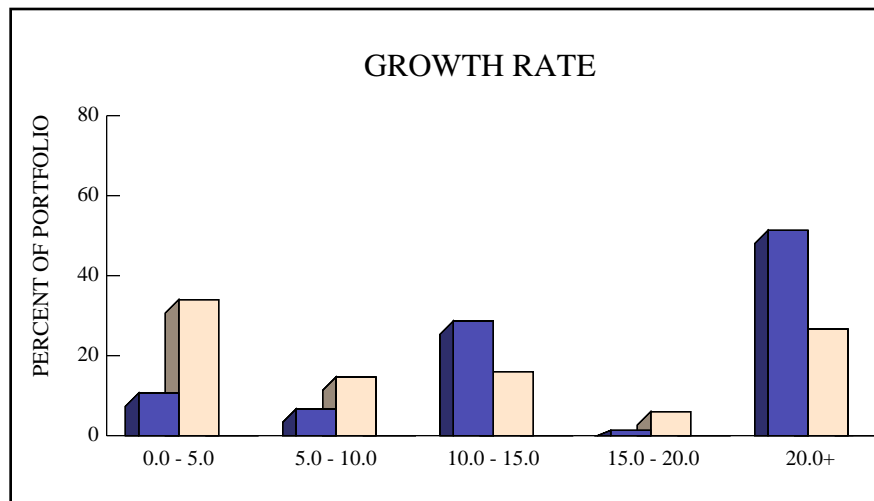
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/16	6.3	9.2	-2.9
12/16	2.2	3.6	-1.4
3/17	6.8	5.3	1.5
6/17	2.5	4.4	-1.9
9/17	3.0	6.2	-3.2
12/17	6.6	4.6	2.0
3/18	4.2	2.3	1.9
6/18	6.7	7.2	-0.5

<b>Total Quarters Observed</b>	<b>8</b>
<b>Quarters At or Above the Benchmark</b>	<b>3</b>
<b>Quarters Below the Benchmark</b>	<b>5</b>
<b>Batting Average</b>	<b>.375</b>

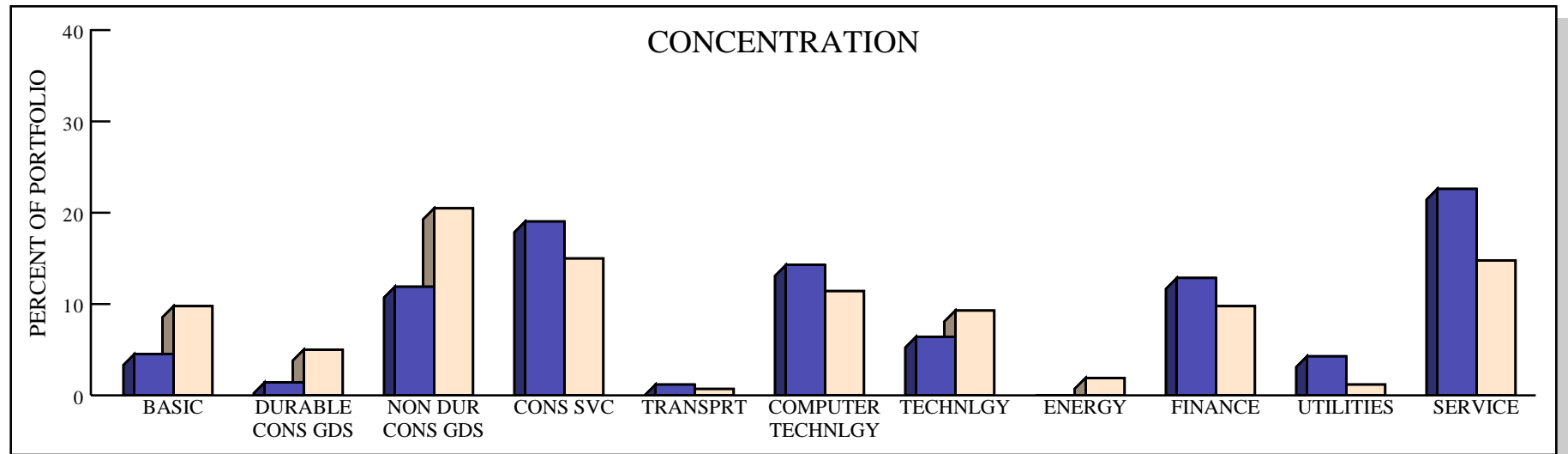
**STOCK CHARACTERISTICS**



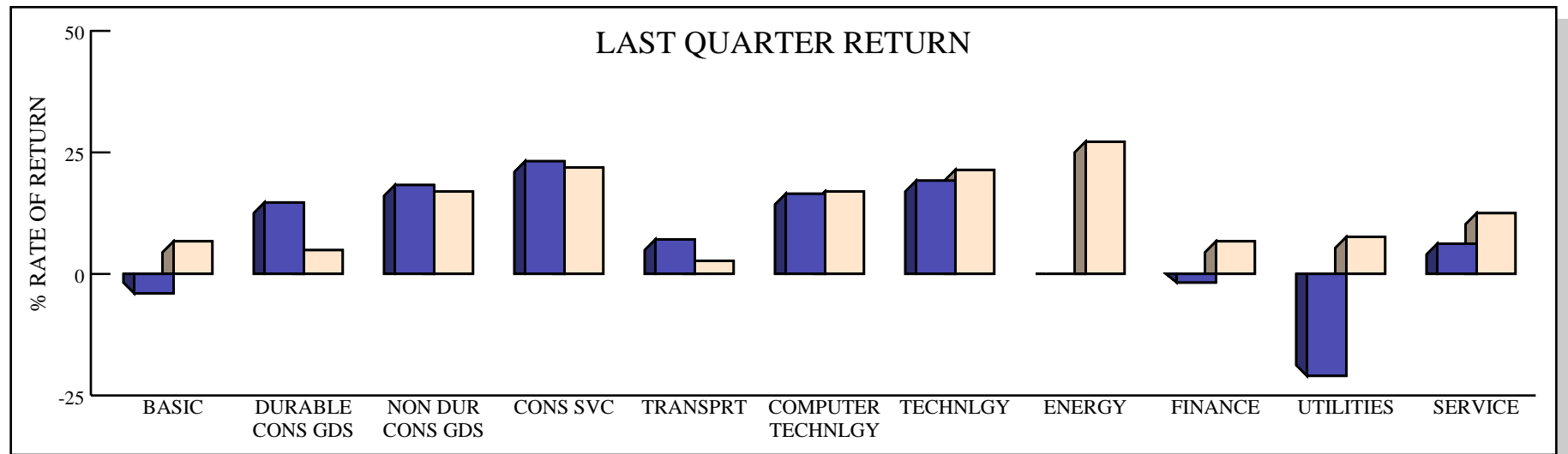
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	64	0.4%	23.1%	16.9	1.05
RUSSELL 2000G	1,225	0.6%	12.0%	20.5	1.07



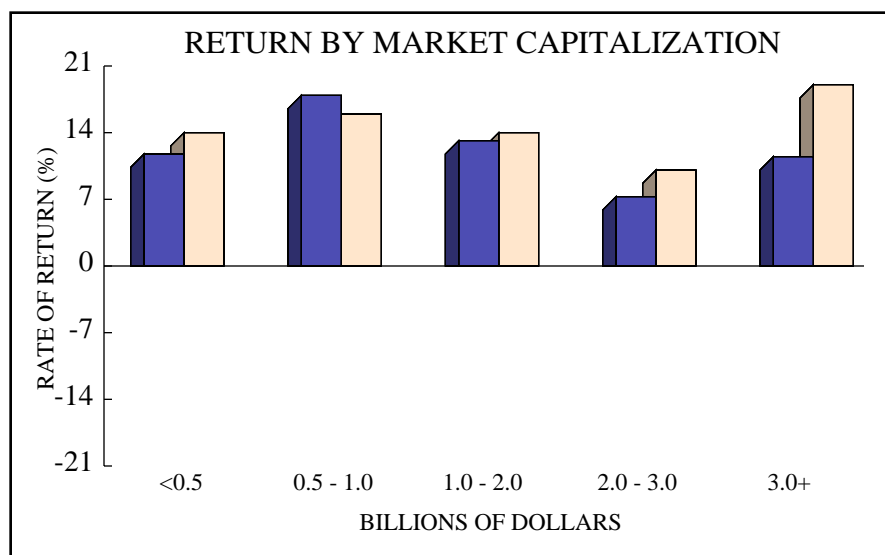
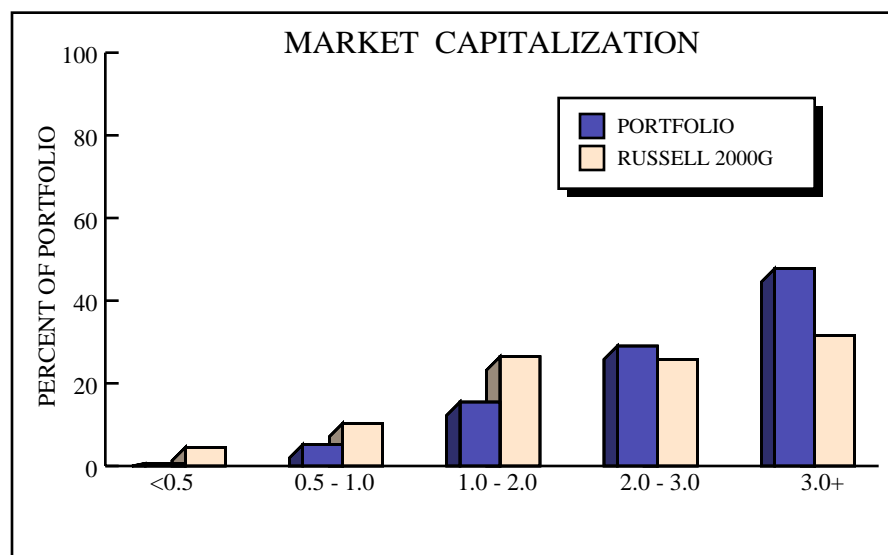
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ RUSSELL 2000 GROWTH



**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	LHC GROUP INC	\$ 431,973	5.27%	39.0%	Consumer Service	\$ 2.8 B
2	SINCLAIR BROADCAST GROUP -A	362,781	4.43%	3.4%	Service	2.5 B
3	GTT COMMUNICATIONS INC	352,800	4.31%	-20.6%	Utilities	2.5 B
4	MIMECAST LTD	264,857	3.23%	16.3%	Technology	2.1 B
5	MARRIOTT VACATIONS WORLD	244,671	2.99%	-14.9%	Finance	3.0 B
6	GRAY TELEVISION INC	215,717	2.63%	24.4%	Service	1.3 B
7	PAYLOCITY HOLDING CORP	205,009	2.50%	14.9%	Computer Tech	3.1 B
8	CENTRAL GARDEN AND PET CO-A	197,494	2.41%	2.2%	Service	1.5 B
9	CURTISS-WRIGHT CORP	196,502	2.40%	-11.8%	Basic	5.3 B
10	AT HOME GROUP INC	188,312	2.30%	22.2%	Consumer Service	2.5 B



DAVIE POLICE PENSION PLAN  
PNC CAPITAL ADVISORS - SMALL CAP CORE  
PERFORMANCE REVIEW  
JUNE 2018

## **INVESTMENT RETURN**

On June 30th, 2018, the Davie Police Pension Plan's PNC Capital Advisors Small Cap Core portfolio was valued at \$10,401,816, representing an increase of \$414,385 from the March quarter's ending value of \$9,987,431. Last quarter, the Fund posted withdrawals totaling \$21,100, which partially offset the portfolio's net investment return of \$435,485. Income receipts totaling \$17,109 plus net realized and unrealized capital gains of \$418,376 combined to produce the portfolio's net investment return.

## **RELATIVE PERFORMANCE**

### **Total Fund**

For the second quarter, the PNC Capital Advisors Small Cap Core portfolio returned 4.4%, which was 3.4% below the Russell 2000 Index's return of 7.8% and ranked in the 93rd percentile of the Small Cap Core universe. Over the trailing year, the portfolio returned 18.1%, which was 0.5% above the benchmark's 17.6% return, ranking in the 40th percentile. Since June 2016, the portfolio returned 16.4% annualized and ranked in the 93rd percentile. The Russell 2000 returned an annualized 21.0% over the same period.

## **ASSET ALLOCATION**

At the end of the second quarter, small cap equities comprised 98.0% of the total portfolio (\$10.2 million), while cash & equivalents totaled 2.0% (\$211,634).

## **ANALYSIS**

At the end of the second quarter, the PNC Capital Advisors portfolio was invested in eight 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, Computer Technology, and Technology sectors, while leaving the Transportation, Energy and Utilities sectors unfunded.

The PNC portfolio was unable to surpass the Russell 2000 Index in the second quarter, as seven of the eight invested sectors underperformed. The largest performance headwinds were delivered by the Durable Consumer Goods, Finance, and Service sectors. They were all highly allocated, and overweight relative to the benchmark while underperforming their counterparts. The Consumer Service, Computer Technology, and Technology sectors also notably underperformed. Avoiding the Energy sector led the fund to miss out on the highest returning sector this quarter. The Non-Durable Consumer Goods sector was the sole outperformer this quarter, which was unfortunately not enough to undo the setbacks from the rest of the fund.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	5 Year	Since 06/16
<b>Total Portfolio - Gross</b>	4.4	10.4	18.1	----	----	16.4
<i>SMALL CAP CORE RANK</i>	(93)	(52)	(40)	----	----	(93)
<b>Total Portfolio - Net</b>	4.2	9.8	17.2	----	----	15.5
Russell 2000	7.8	11.3	17.6	11.0	12.5	21.0
<b>Small Cap Equity - Gross</b>	4.5	10.7	18.6	----	----	16.9
<i>SMALL CAP CORE RANK</i>	(92)	(47)	(37)	----	----	(91)
Russell 2000	7.8	11.3	17.6	11.0	12.5	21.0

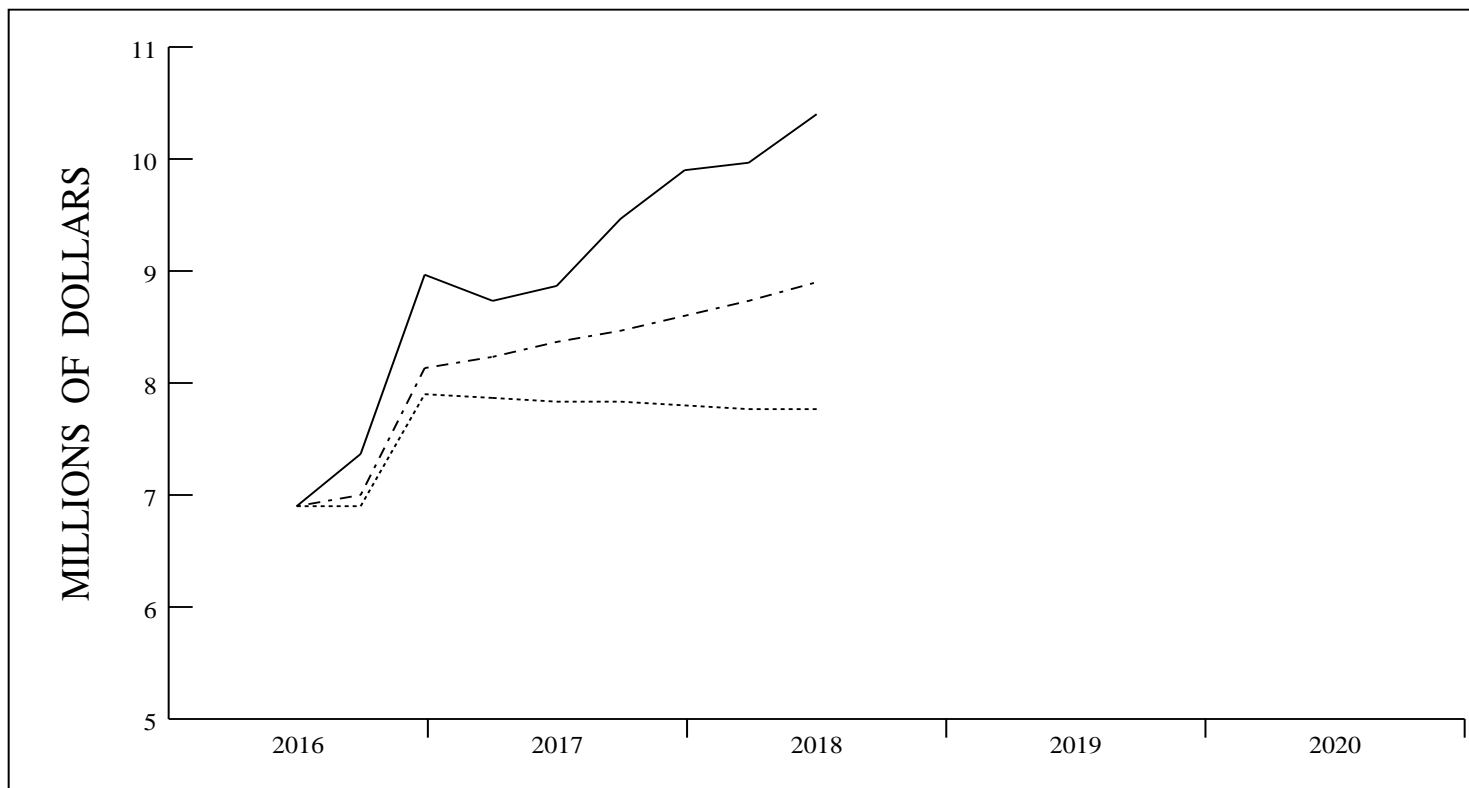
**ASSET ALLOCATION**

Small Cap	98.0%	\$ 10,190,182
Cash	2.0%	211,634
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 10,401,816</b>

**INVESTMENT RETURN**

Market Value 3/2018	\$ 9,987,431
Contribs / Withdrawals	- 21,100
Income	17,109
Capital Gains / Losses	418,376
Market Value 6/2018	\$ 10,401,816

**INVESTMENT GROWTH**

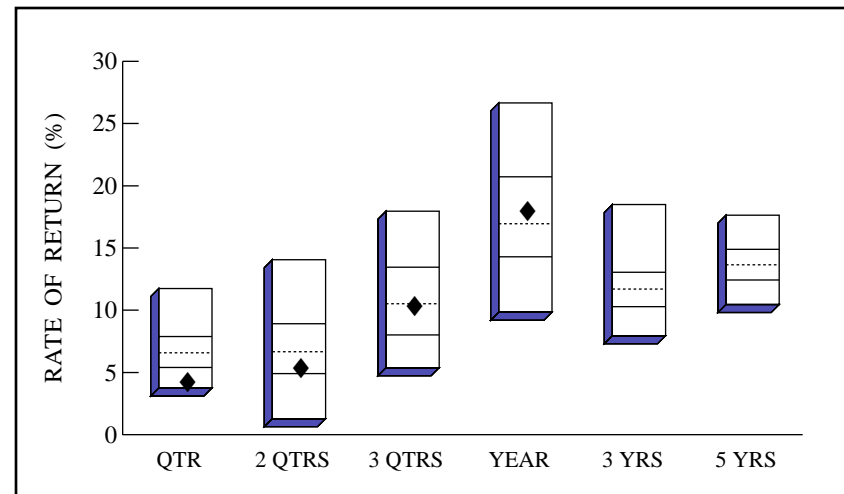
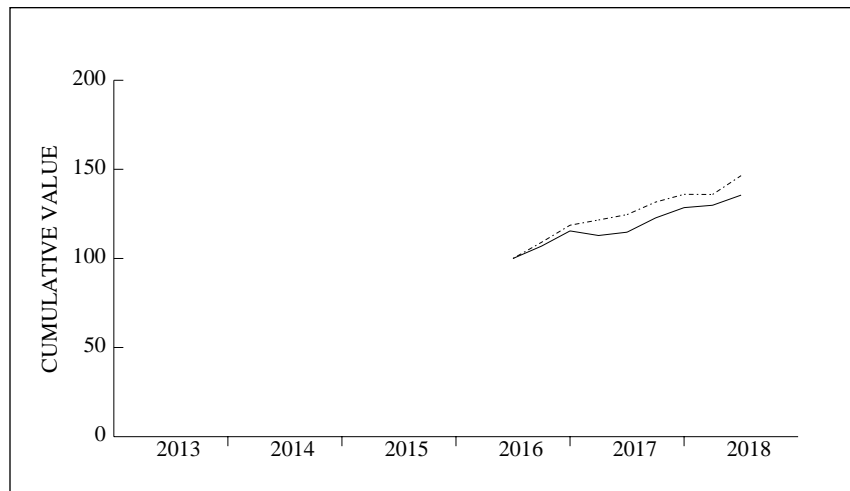


— ACTUAL RETURN  
 - - - DAVIE BLENDED A/R  
 ..... 0.0%

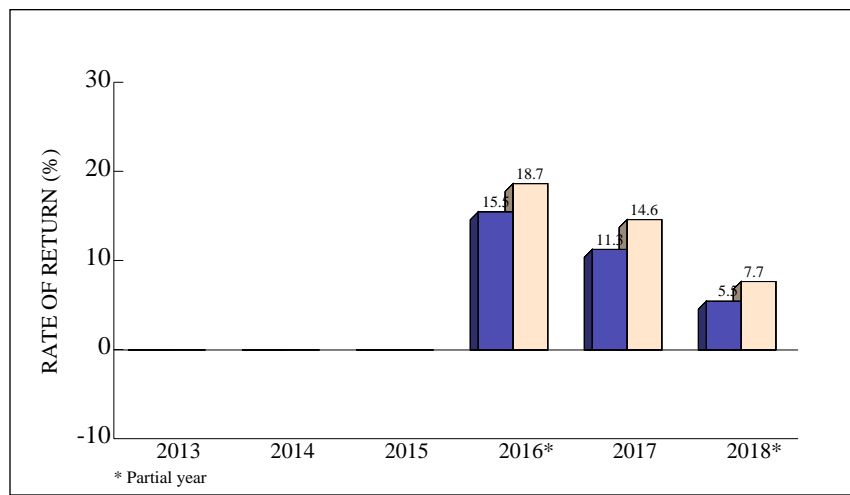
VALUE ASSUMING  
 DAVIE A/R      \$ 8,901,216

	LAST QUARTER	PERIOD 6/16 - 6/18
BEGINNING VALUE	\$ 9,987,431	\$ 6,919,944
NET CONTRIBUTIONS	- 21,100	854,528
INVESTMENT RETURN	435,485	2,627,344
ENDING VALUE	\$ 10,401,816	\$ 10,401,816
INCOME	17,109	154,820
CAPITAL GAINS (LOSSES)	418,376	2,472,524
INVESTMENT RETURN	435,485	2,627,344

**TOTAL RETURN COMPARISONS**



Small Cap Core Universe

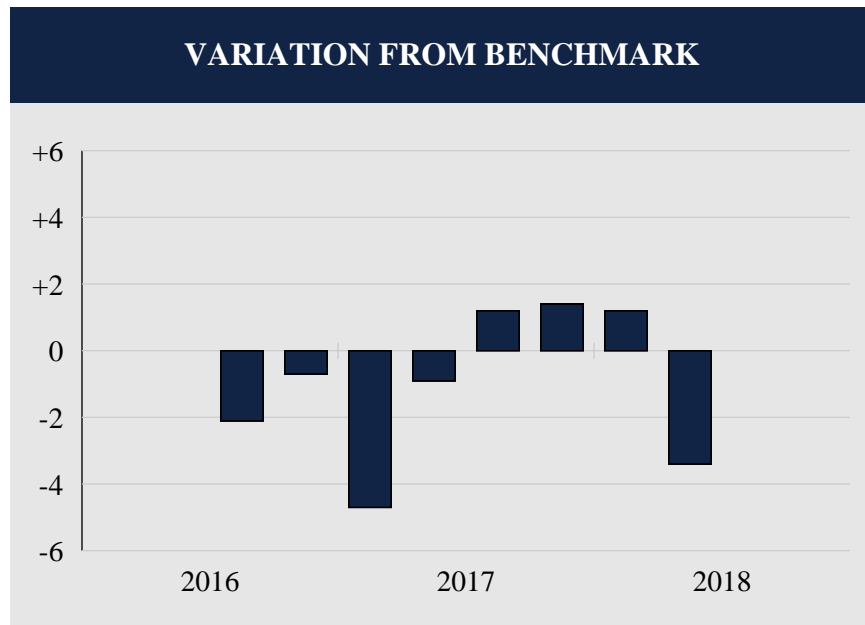


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	4.4	5.5	10.4	18.1	----	----
(RANK)	(93)	(68)	(52)	(40)	----	----
5TH %ILE	11.7	14.1	18.0	26.7	18.5	17.6
25TH %ILE	7.9	8.9	13.5	20.7	13.1	14.9
MEDIAN	6.6	6.7	10.5	16.9	11.7	13.7
75TH %ILE	5.4	4.9	8.0	14.3	10.3	12.4
95TH %ILE	3.8	1.3	5.4	9.8	7.9	10.5
<b>Russ 2000</b>	<b>7.8</b>	<b>7.7</b>	<b>11.3</b>	<b>17.6</b>	<b>11.0</b>	<b>12.5</b>

Small Cap Core Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

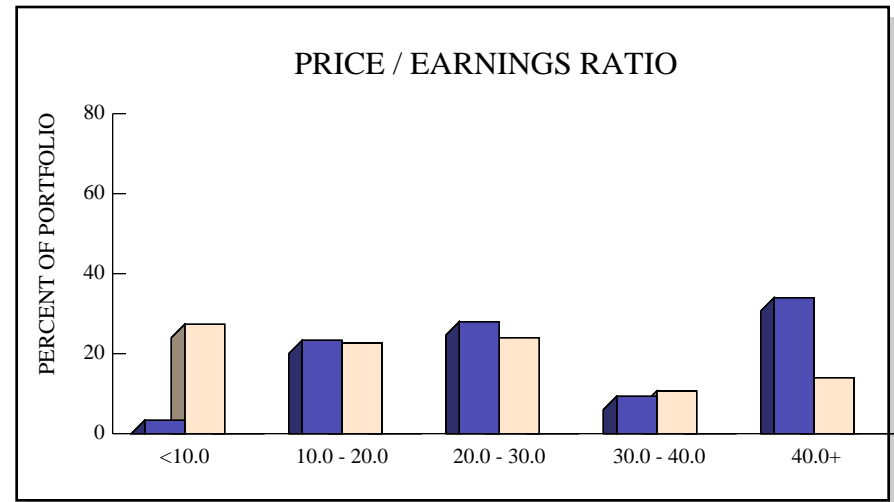
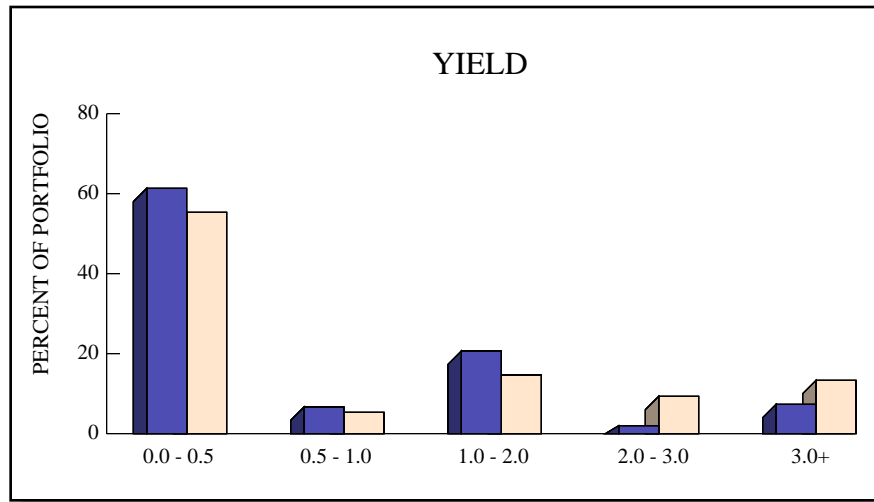
**COMPARATIVE BENCHMARK: RUSSELL 2000**



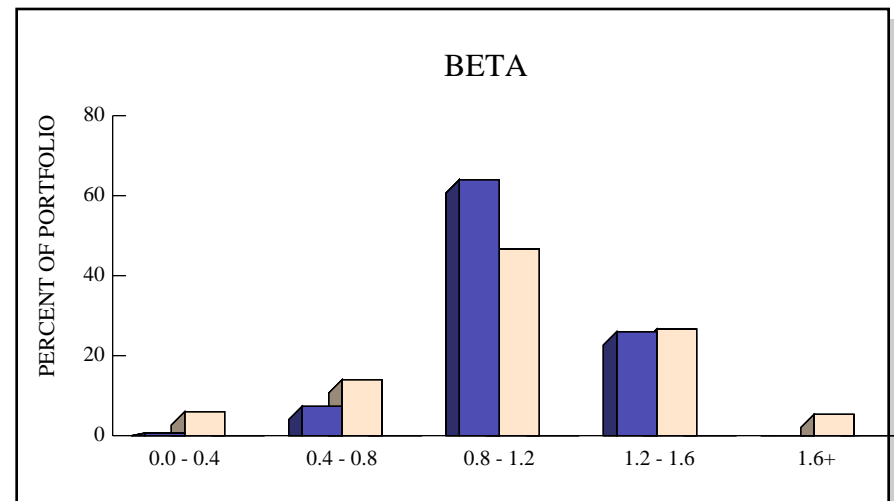
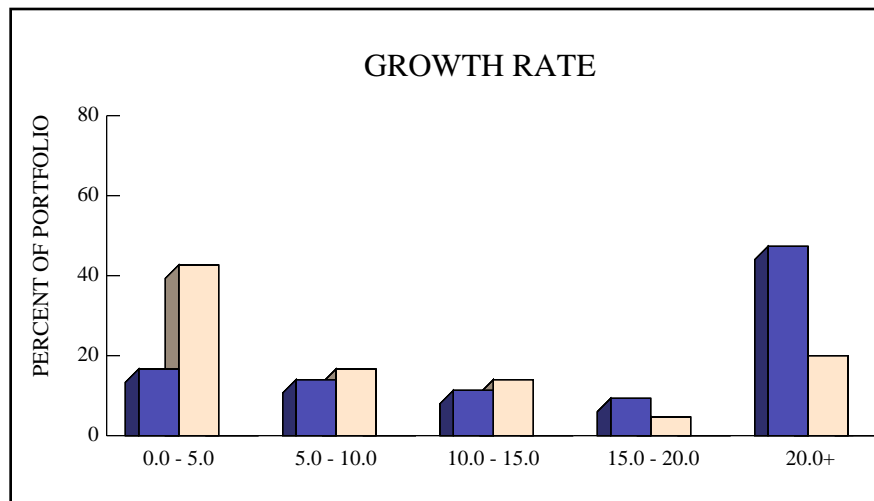
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/16	6.9	9.0	-2.1
12/16	8.1	8.8	-0.7
3/17	-2.2	2.5	-4.7
6/17	1.6	2.5	-0.9
9/17	6.9	5.7	1.2
12/17	4.7	3.3	1.4
3/18	1.1	-0.1	1.2
6/18	4.4	7.8	-3.4

<b>Total Quarters Observed</b>	<b>8</b>
<b>Quarters At or Above the Benchmark</b>	<b>3</b>
<b>Quarters Below the Benchmark</b>	<b>5</b>
<b>Batting Average</b>	<b>.375</b>

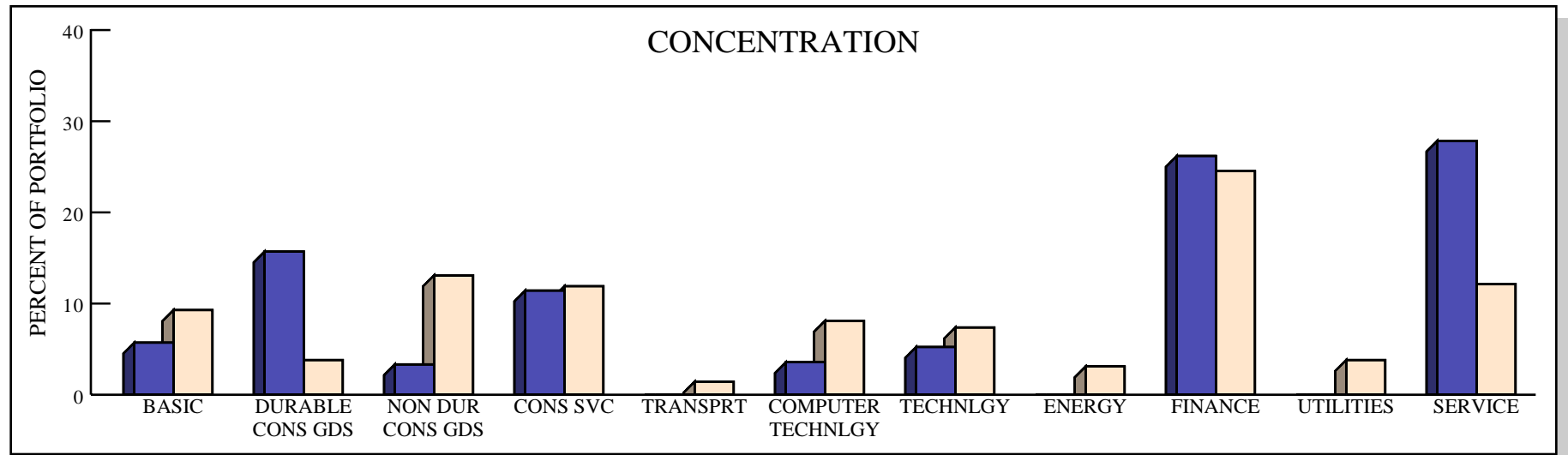
**STOCK CHARACTERISTICS**



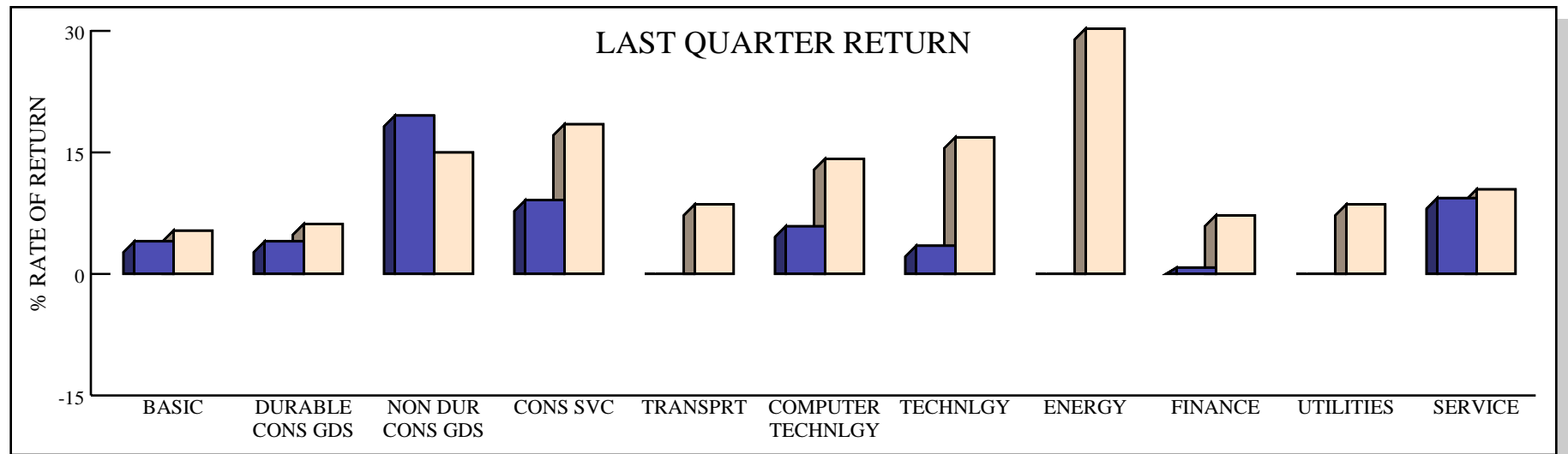
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	48	0.9%	16.3%	34.6	1.07
RUSSELL 2000	2,021	1.3%	8.7%	19.1	1.04



**STOCK INDUSTRY ANALYSIS**

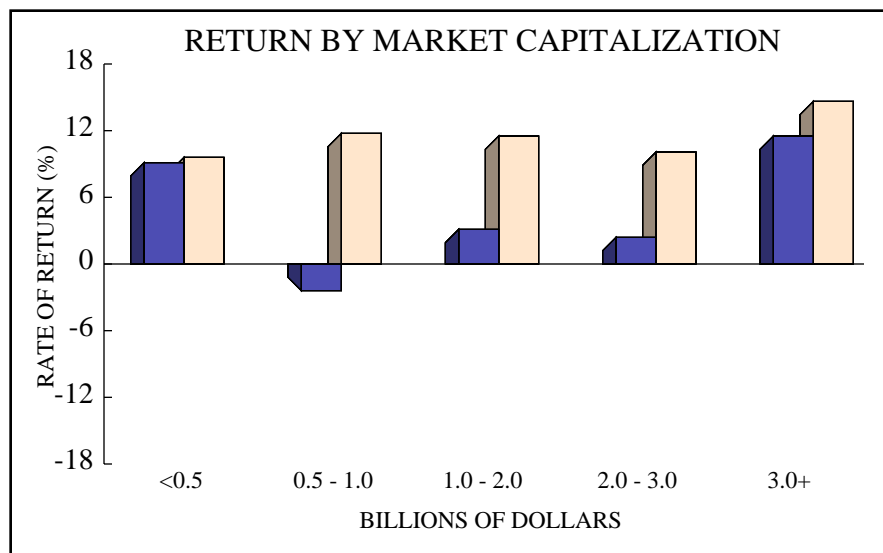
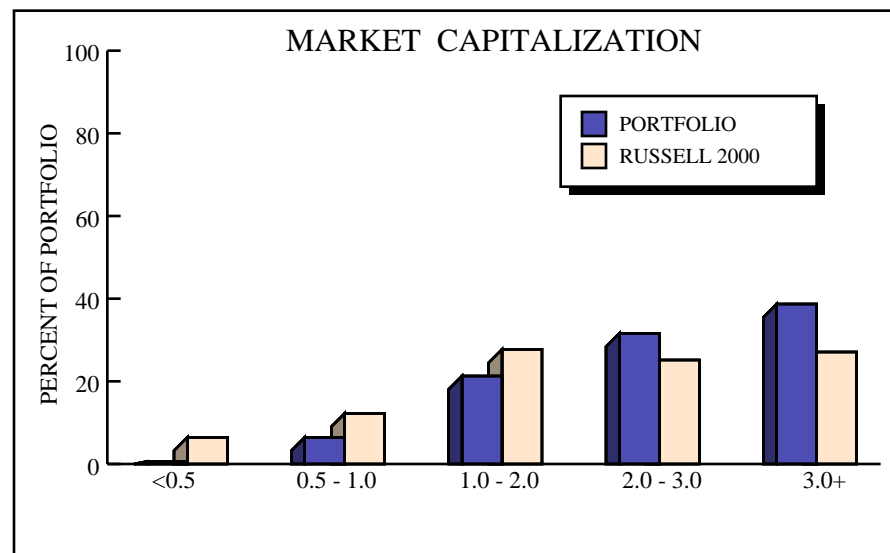


■ PORTFOLIO      ■ RUSSELL 2000





**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	CREDIT ACCEPTANCE CORP	\$ 415,952	4.08%	7.0%	Finance	\$ 6.8 B
2	INSPERITY INC	413,480	4.06%	37.2%	Service	4.0 B
3	AMN HEALTHCARE SERVICES INC	379,376	3.72%	3.3%	Service	2.8 B
4	ASGN INC	362,411	3.56%	-4.5%	Service	4.1 B
5	HEICO CORP	344,594	3.38%	5.0%	Technology	3.9 B
6	NEOGEN CORP	333,350	3.27%	19.7%	NonDur Cons Goods	4.1 B
7	BANK OF THE OZARKS	328,972	3.23%	-6.3%	Finance	5.8 B
8	MADISON SQUARE GARDEN CO- A	319,496	3.14%	26.2%	Consumer Service	5.9 B
9	FIRSTSERVICE CORP	305,072	2.99%	4.1%	Finance	2.6 B
10	EXPONENT INC	301,972	2.96%	23.1%	Consumer Service	2.5 B

DAVIE POLICE PENSION PLAN  
HARDMAN JOHNSTON GLOBAL ADVISORS - INTERNATIONAL EQUITY GROUP TRUST  
PERFORMANCE REVIEW  
JUNE 2018

## **INVESTMENT RETURN**

On June 30th, 2018, the Davie Police Pension Plan's Hardman Johnston Global Advisors International Equity Group Trust portfolio was valued at \$19,250,386, a decrease of \$84,335 from the March ending value of \$19,334,721. Last quarter, the account recorded total net withdrawals of \$38,604 in addition to \$45,731 in net investment losses. Because there were no income receipts during the second quarter, the portfolio's net investment losses were entirely made up of capital losses (realized and unrealized).

## **RELATIVE PERFORMANCE**

During the second quarter, the Hardman Johnston Global Advisors International Equity Group Trust portfolio lost 0.2%, which was 0.8% greater than the MSCI EAFE Index's return of -1.0% and ranked in the 20th percentile of the International Equity universe. Over the trailing twelve-month period, this portfolio returned 15.0%, which was 7.6% above the benchmark's 7.4% return, and ranked in the 13th percentile. Since December 2012, the portfolio returned 10.1% per annum and ranked in the 23rd percentile. For comparison, the MSCI EAFE Index returned an annualized 7.1% over the same period.

## **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 Year	Since 12/12
<b>Total Portfolio - Gross</b>	-0.2	6.5	15.0	10.2	10.7	10.1
<i>INTERNATIONAL EQUITY RANK</i>	(20)	(15)	(13)	(17)	(18)	(23)
<b>Total Portfolio - Net</b>	-0.4	5.9	14.1	9.3	9.8	9.2
MSCI EAFE	-1.0	1.8	7.4	5.4	6.9	7.1
<b>International Equity - Gross</b>	-0.2	6.5	15.0	10.2	10.7	10.1
<i>INTERNATIONAL EQUITY RANK</i>	(20)	(15)	(13)	(17)	(18)	(23)
MSCI EAFE	-1.0	1.8	7.4	5.4	6.9	7.1

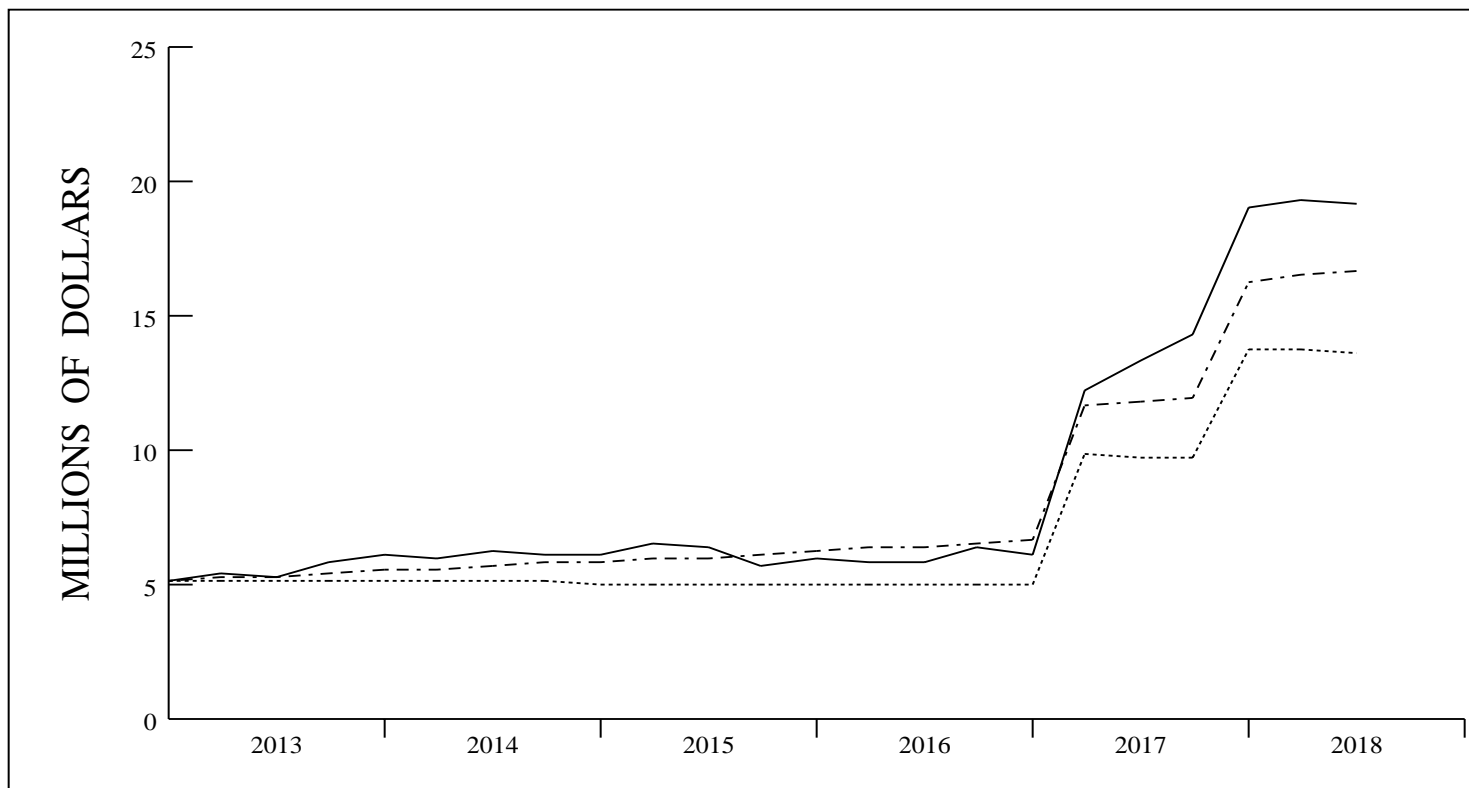
**ASSET ALLOCATION**

Int'l Equity	100.0%	\$ 19,250,386
Total Portfolio	100.0%	\$ 19,250,386

**INVESTMENT RETURN**

Market Value 3/2018	\$ 19,334,721
Contribs / Withdrawals	- 38,604
Income	0
Capital Gains / Losses	- 45,731
Market Value 6/2018	\$ 19,250,386

**INVESTMENT GROWTH**

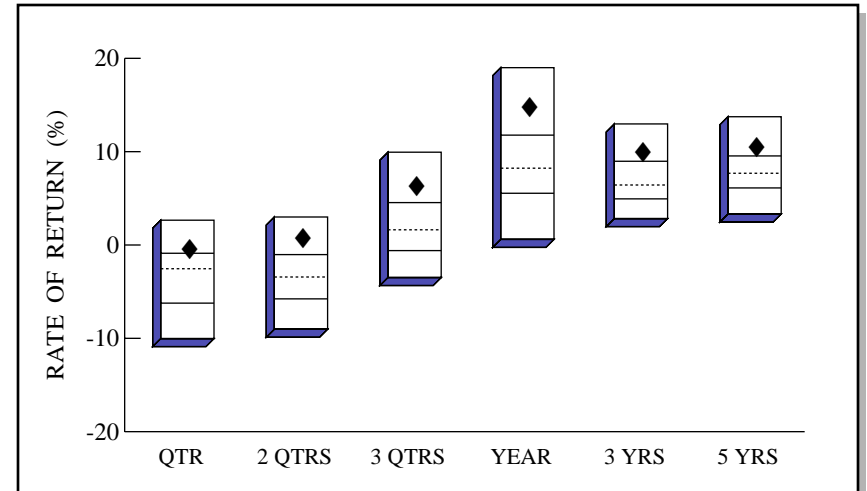
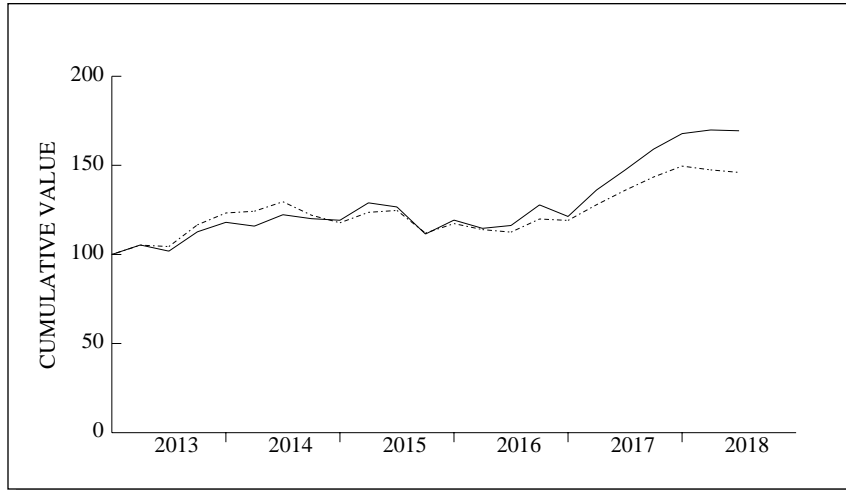


— ACTUAL RETURN  
 - - - DAVIE BLENDED A/R  
 ..... 0.0%

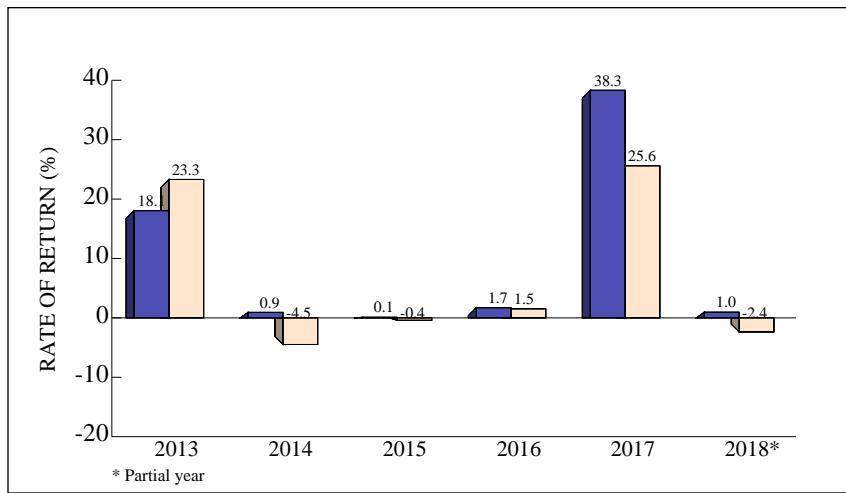
**VALUE ASSUMING**  
 DAVIE A/R     \$ 16,800,685

	LAST QUARTER	PERIOD 12/12 - 6/18
BEGINNING VALUE	\$ 19,334,721	\$ 5,214,635
NET CONTRIBUTIONS	- 38,604	8,506,613
INVESTMENT RETURN	- 45,731	5,529,138
<b>ENDING VALUE</b>	<b>\$ 19,250,386</b>	<b>\$ 19,250,386</b>
INCOME	0	144
CAPITAL GAINS (LOSSES)	- 45,731	5,528,994
INVESTMENT RETURN	- 45,731	5,529,138

**TOTAL RETURN COMPARISONS**



International Equity Universe

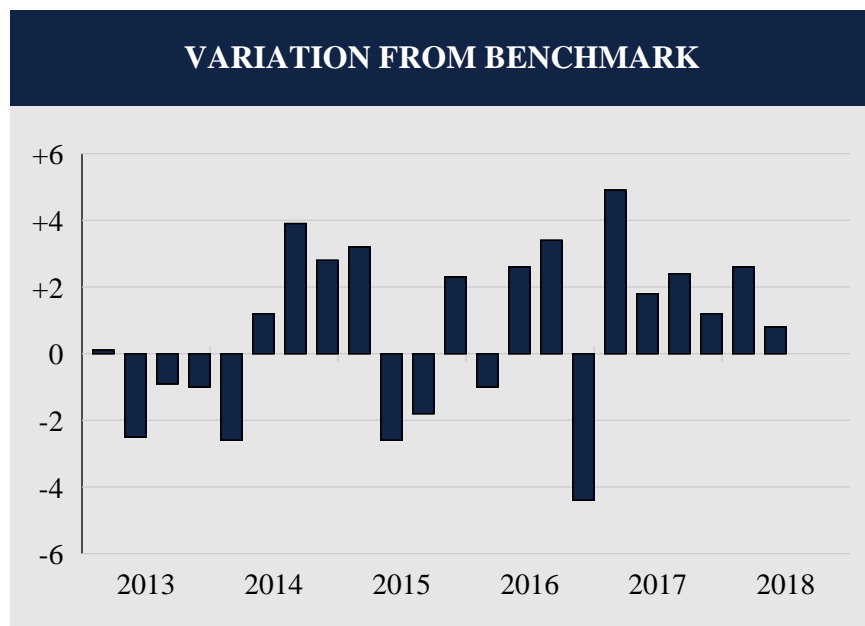


	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	-0.2	1.0	6.5	15.0	10.2	10.7
(RANK)	(20)	(11)	(15)	(13)	(17)	(18)
5TH %ILE	2.7	3.0	9.9	19.0	13.0	13.7
25TH %ILE	-0.9	-1.0	4.5	11.8	9.0	9.6
MEDIAN	-2.5	-3.4	1.6	8.2	6.4	7.7
75TH %ILE	-6.2	-5.8	-0.6	5.6	4.9	6.1
95TH %ILE	-10.0	-9.0	-3.5	0.6	2.8	3.3
<b>MSCI EAFE</b>	<b>-1.0</b>	<b>-2.4</b>	<b>1.8</b>	<b>7.4</b>	<b>5.4</b>	<b>6.9</b>

International Equity Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

**COMPARATIVE BENCHMARK: MSCI EAFE**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
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
3/17	12.3	7.4	4.9
6/17	8.2	6.4	1.8
9/17	7.9	5.5	2.4
12/17	5.5	4.3	1.2
3/18	1.2	-1.4	2.6
6/18	-0.2	-1.0	0.8

<b>Total Quarters Observed</b>	<b>22</b>
<b>Quarters At or Above the Benchmark</b>	<b>14</b>
<b>Quarters Below the Benchmark</b>	<b>8</b>
<b>Batting Average</b>	<b>.636</b>

DAVIE POLICE PENSION PLAN  
AMERICAN REALTY ADVISORS - AMERICAN CORE REALTY FUND  
PERFORMANCE REVIEW  
JUNE 2018



## **INVESTMENT RETURN**

On June 30th, 2018, the Davie Police Pension Plan's American Realty Advisors American Core Realty Fund was valued at \$5,657,874, representing an increase of \$100,539 from the March quarter's ending value of \$5,557,335. Last quarter, the Fund posted withdrawals totaling \$15,602, which partially offset the portfolio's net investment return of \$116,141. Income receipts totaling \$83,360 plus net realized and unrealized capital gains of \$32,781 combined to produce the portfolio's net investment return.

## **RELATIVE PERFORMANCE**

For the second quarter, the American Realty Advisors American Core Realty Fund gained 2.1%, which was 0.1% greater than the NCREIF NFI-ODCE Index's return of 2.0%. Over the trailing twelve-month period, the account returned 8.2%, which was 0.2% below the benchmark's 8.4% performance. Since December 2012, the portfolio returned 10.7% per annum, while the NCREIF NFI-ODCE Index returned an annualized 11.3% over the same period.

## **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 Year	Since 12/12
<b>Total Portfolio - Gross</b>	2.1	6.2	8.2	8.8	10.5	10.7
<b>Total Portfolio - Net</b>	1.8	5.3	7.0	7.5	9.3	9.5
NCREIF ODCE	2.0	6.4	8.4	9.4	11.0	11.3
<b>Real Estate - Gross</b>	2.1	6.2	8.2	8.8	10.5	10.7
NCREIF ODCE	2.0	6.4	8.4	9.4	11.0	11.3

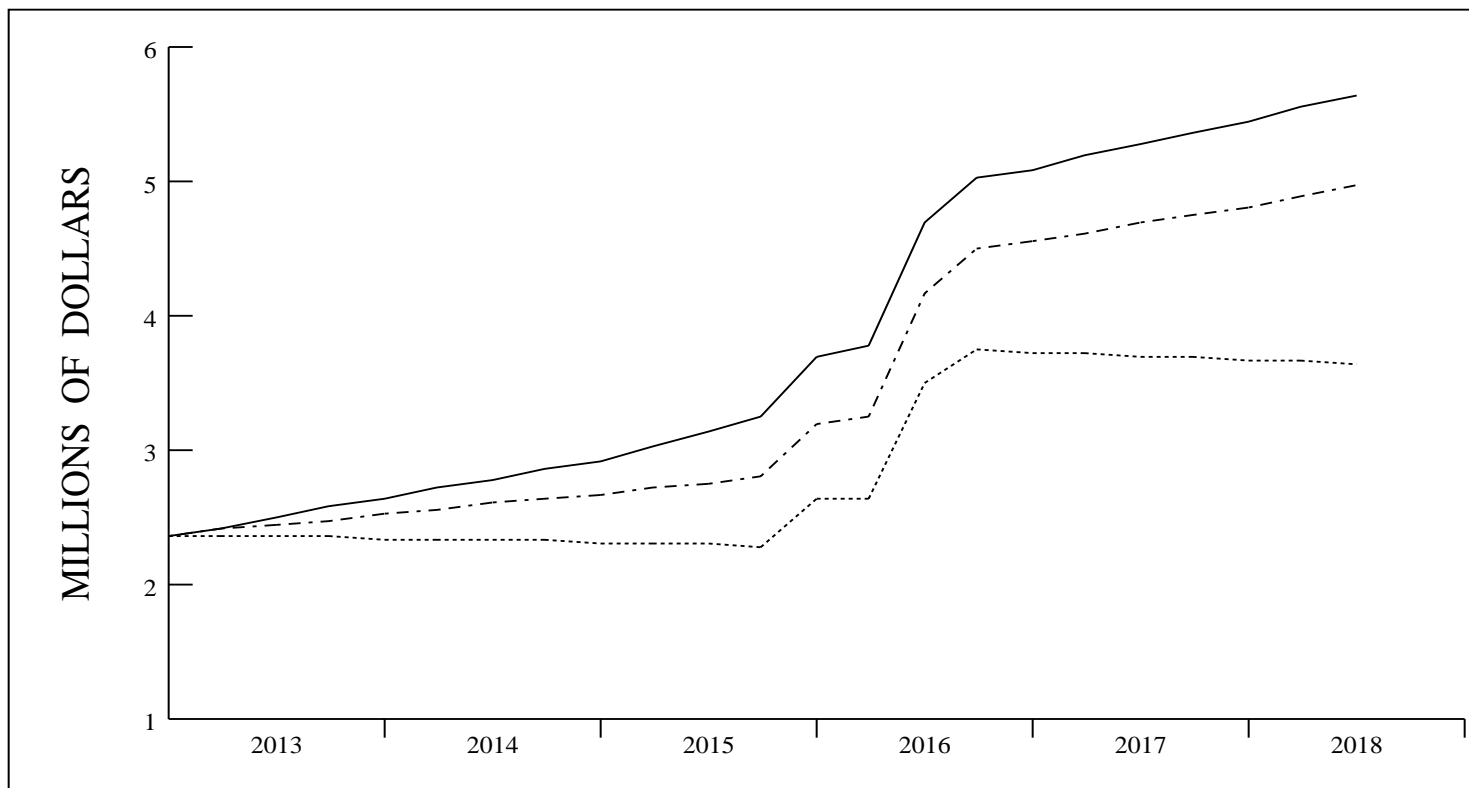
**ASSET ALLOCATION**

Real Estate	100.0%	\$ 5,657,874
Total Portfolio	100.0%	\$ 5,657,874

**INVESTMENT RETURN**

Market Value 3/2018	\$ 5,557,335
Contribs / Withdrawals	- 15,602
Income	83,360
Capital Gains / Losses	32,781
Market Value 6/2018	\$ 5,657,874

**INVESTMENT GROWTH**



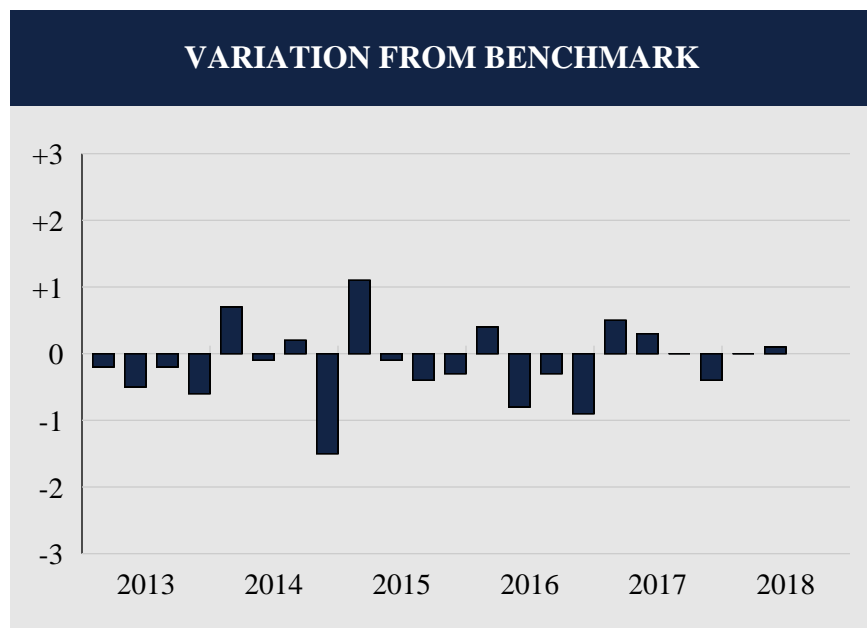
— ACTUAL RETURN  
 - - - DAVIE BLENDED A/R  
 ..... 0.0%

VALUE ASSUMING  
 DAVIE A/R \$ 4,976,324

	LAST QUARTER	PERIOD 12/12 - 6/18
BEGINNING VALUE	\$ 5,557,335	\$ 2,387,595
NET CONTRIBUTIONS	- 15,602	1,264,051
INVESTMENT RETURN	116,141	2,006,228
ENDING VALUE	\$ 5,657,874	\$ 5,657,874
INCOME	83,360	1,217,053
CAPITAL GAINS (LOSSES)	32,781	789,175
INVESTMENT RETURN	116,141	2,006,228

### TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX



<b>Total Quarters Observed</b>	<b>22</b>
<b>Quarters At or Above the Benchmark</b>	<b>9</b>
<b>Quarters Below the Benchmark</b>	<b>13</b>
<b>Batting Average</b>	<b>.409</b>

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
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
3/17	2.3	1.8	0.5
6/17	2.0	1.7	0.3
9/17	1.9	1.9	0.0
12/17	1.7	2.1	-0.4
3/18	2.2	2.2	0.0
6/18	2.1	2.0	0.1

DAVIE POLICE PENSION PLAN  
INTERCONTINENTAL - US REAL ESTATE INVESTMENT FUND  
PERFORMANCE REVIEW  
JUNE 2018

## **INVESTMENT RETURN**

On June 30th, 2018, the Davie Police Pension Plan's Intercontinental US Real Estate Investment Fund was valued at \$9,102,372, representing an increase of \$237,455 from the March quarter's ending value of \$8,864,917. Last quarter, the Fund posted withdrawals totaling \$18,371, which partially offset the portfolio's net investment return of \$255,826. Since there were no income receipts for the second quarter, the portfolio's net investment return figure was the product of net realized and unrealized capital gains totaling \$255,826.

## **RELATIVE PERFORMANCE**

During the second quarter, the Intercontinental US Real Estate Investment Fund returned 2.9%, which was 0.9% above the NCREIF NFI-ODCE Index's return of 2.0%. Over the trailing year, the portfolio returned 11.4%, which was 3.0% above the benchmark's 8.4% return. Since September 2013, the Intercontinental US Real Estate Investment Fund returned 12.8% per annum, while the NCREIF NFI-ODCE Index returned an annualized 10.8% 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	5 Year	Since 09/13
<b>Total Portfolio - Gross</b>	2.9	8.7	11.4	12.6	----	12.8
<b>Total Portfolio - Net</b>	2.7	7.8	10.3	10.8	----	10.7
NCREIF ODCE	2.0	6.4	8.4	9.4	11.0	10.8
<b>Real Estate - Gross</b>	2.9	8.7	11.4	12.6	----	12.8
NCREIF ODCE	2.0	6.4	8.4	9.4	11.0	10.8

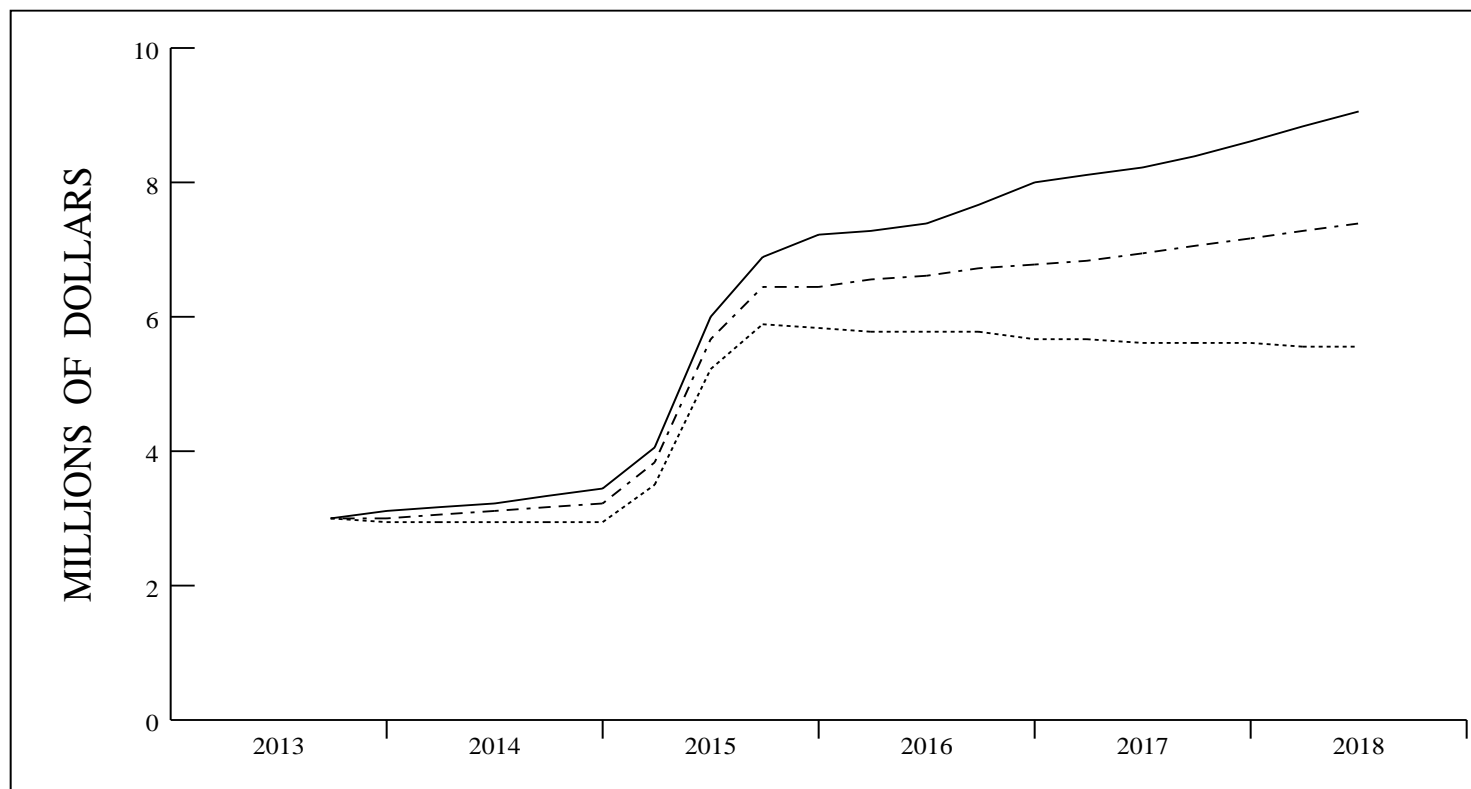
**ASSET ALLOCATION**

Real Estate	100.0%	\$ 9,102,372
Total Portfolio	100.0%	\$ 9,102,372

**INVESTMENT RETURN**

Market Value 3/2018	\$ 8,864,917
Contribs / Withdrawals	- 18,371
Income	0
Capital Gains / Losses	255,826
Market Value 6/2018	\$ 9,102,372

**INVESTMENT GROWTH**



— ACTUAL RETURN  
 - - - DAVIE BLENDED A/R  
 ..... 0.0%

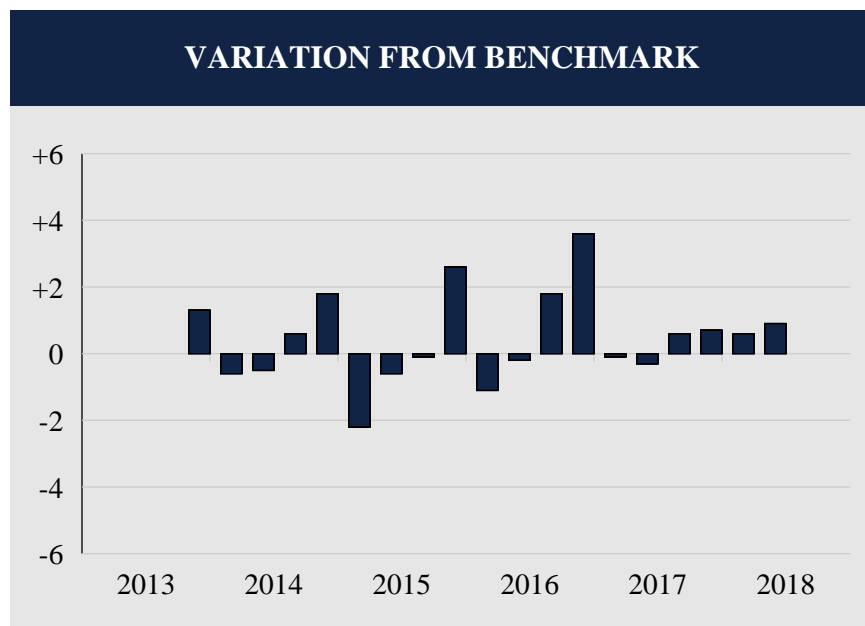
VALUE ASSUMING  
 DAVIE A/R      \$ 7,403,017

	LAST QUARTER	PERIOD 9/13 - 6/18
BEGINNING VALUE	\$ 8,864,917	\$ 3,032,373
NET CONTRIBUTIONS	- 18,371	2,542,253
INVESTMENT RETURN	255,826	3,527,746
ENDING VALUE	\$ 9,102,372	\$ 9,102,372
INCOME	0	310,772
CAPITAL GAINS (LOSSES)	255,826	3,216,974
INVESTMENT RETURN	255,826	3,527,746



### 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
3/17	1.7	1.8	-0.1
6/17	1.4	1.7	-0.3
9/17	2.5	1.9	0.6
12/17	2.8	2.1	0.7
3/18	2.8	2.2	0.6
6/18	2.9	2.0	0.9

<b>Total Quarters Observed</b>	<b>19</b>
<b>Quarters At or Above the Benchmark</b>	<b>10</b>
<b>Quarters Below the Benchmark</b>	<b>9</b>
<b>Batting Average</b>	<b>.526</b>

**Real Estate Investor Report**  
**Intercontinental US Real Estate Investment Fund**  
**As of June 30th, 2018**

<b>Market Value</b>	<b>\$ 9,102,372</b>	Last Appraisal Date: 6/30/2018
Initial Commitment	\$ 6,000,000	100.00%
Paid In Capital	\$ 6,846,466	114.11%
Net Distributions	\$ 1,074,964	

	<b>Date</b>	<b>Paid In Capital</b>	<b>Distributions</b>	<b>Reinvested Distributions</b>
2013		\$ 3,000,000	\$ 9,494	\$ 7,053
2014		\$ -	\$ 117,499	\$ 84,126
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
Q1 2017		\$ -	\$ 68,879	\$ 51,019
Q2 2017		\$ -	\$ 87,427	\$ 69,769
Q3 2017		\$ -	\$ 89,426	\$ 71,381
Q4 2017		\$ -	\$ 84,392	\$ 65,950
Q1 2018		\$ -	\$ 74,340	\$ 55,716
Q2 2018		\$ -	\$ 91,097	\$ 72,726
<b>Total</b>		<b>\$ 6,000,000</b>	<b>\$ 1,108,487</b>	<b>\$ 846,466</b>

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

DAVIE POLICE PENSION PLAN  
UBS - TRUMBULL PROPERTY FUND  
PERFORMANCE REVIEW  
JUNE 2018

## **INVESTMENT RETURN**

On June 30th, 2018, the Davie Police Pension Plan's UBS Trumbull Property Fund was valued at \$4,329,326, representing an increase of \$64,549 from the March quarter's ending value of \$4,264,777. Last quarter, the Fund posted withdrawals totaling \$9,950, which partially offset the portfolio's net investment return of \$74,499. Income receipts totaling \$33,092 plus net realized and unrealized capital gains of \$41,407 combined to produce the portfolio's net investment return.

## **RELATIVE PERFORMANCE**

For the second quarter, the UBS Trumbull Property Fund gained 1.8%, which was 0.2% less than the NCREIF NFI-ODCE Index's return of 2.0%. Over the trailing twelve-month period, the account returned 7.7%, which was 0.7% below the benchmark's 8.4% performance. Since December 2012, the portfolio returned 9.5% per annum, while the NCREIF NFI-ODCE Index returned an annualized 11.3% over the same period.

## **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	5 Year	Since 12/12
<b>Total Portfolio - Gross</b>	1.8	6.1	7.7	8.0	9.4	9.5
<b>Total Portfolio - Net</b>	1.5	5.3	6.6	6.8	8.2	8.3
NCREIF ODCE	2.0	6.4	8.4	9.4	11.0	11.3
<b>Real Estate - Gross</b>	1.8	6.1	7.7	8.0	9.4	9.5
NCREIF ODCE	2.0	6.4	8.4	9.4	11.0	11.3

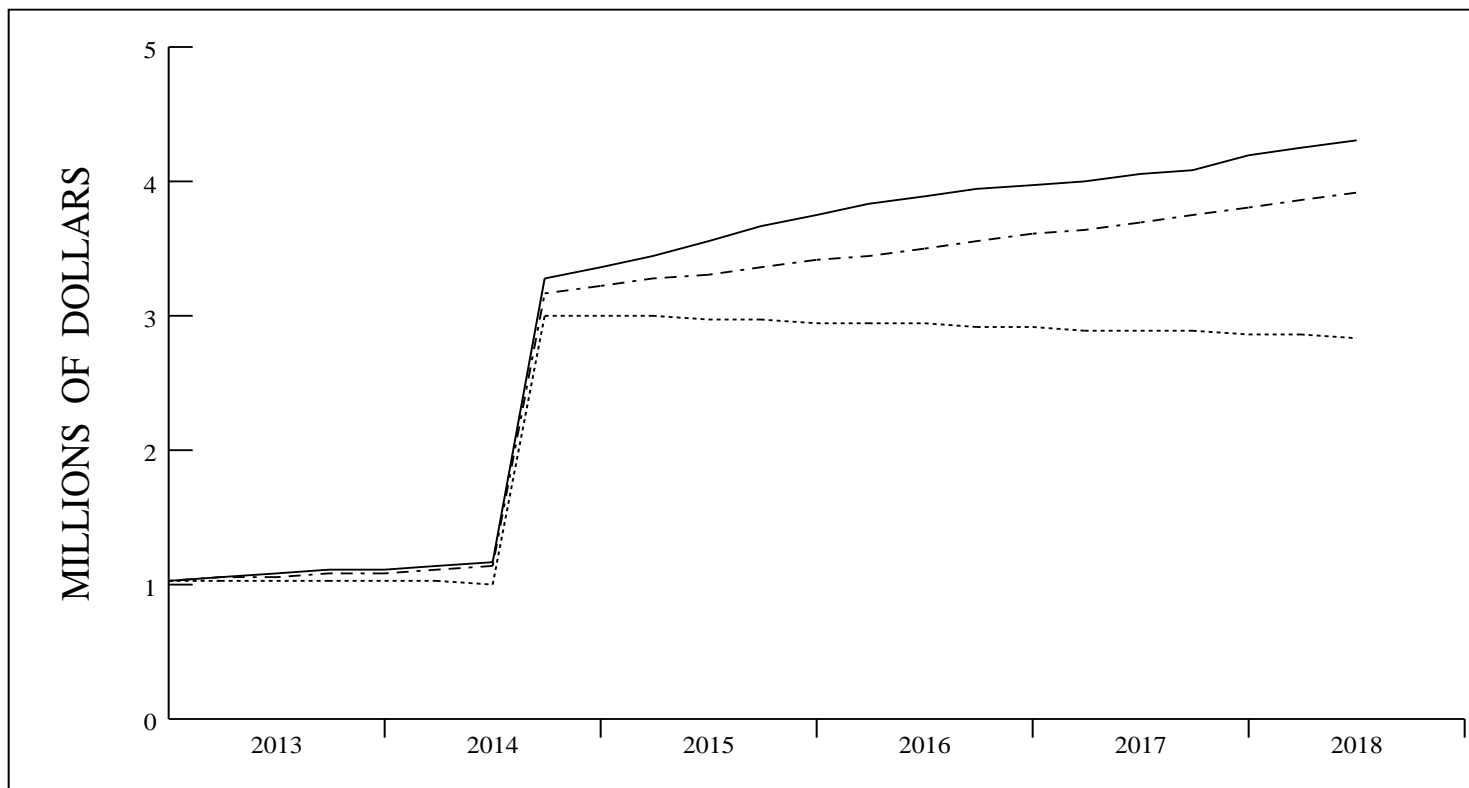
**ASSET ALLOCATION**

Real Estate	100.0%	\$ 4,329,326
Total Portfolio	100.0%	\$ 4,329,326

**INVESTMENT RETURN**

Market Value 3/2018	\$ 4,264,777
Contribs / Withdrawals	- 9,950
Income	33,092
Capital Gains / Losses	41,407
Market Value 6/2018	\$ 4,329,326

**INVESTMENT GROWTH**



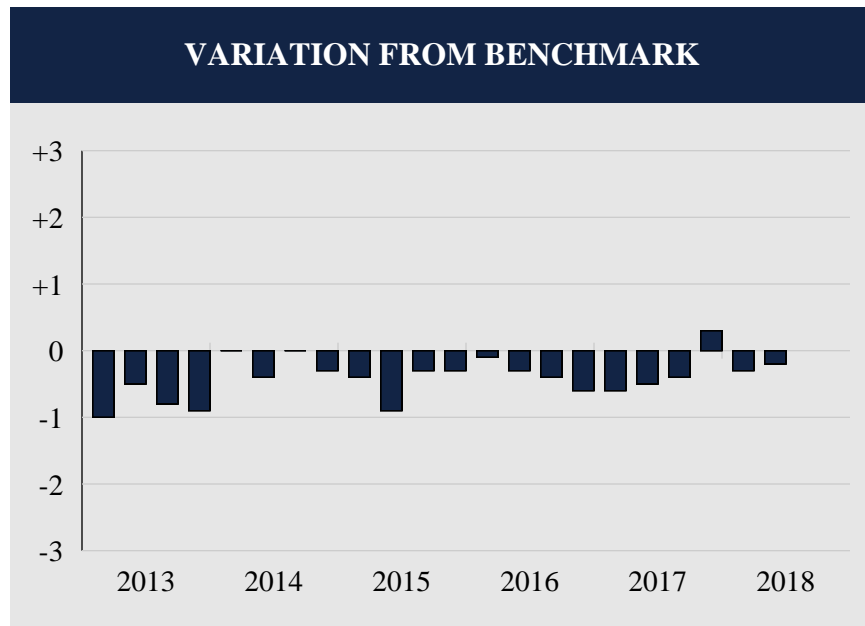
— ACTUAL RETURN  
 - - - DAVIE BLENDED A/R  
 ..... 0.0%

VALUE ASSUMING  
 DAVIE A/R      \$ 3,940,144

	LAST QUARTER	PERIOD 12/12 - 6/18
BEGINNING VALUE	\$ 4,264,777	\$ 1,042,104
NET CONTRIBUTIONS	- 9,950	1,818,616
INVESTMENT RETURN	74,499	1,468,606
ENDING VALUE	\$ 4,329,326	\$ 4,329,326
INCOME	33,092	549,466
CAPITAL GAINS (LOSSES)	41,407	919,140
INVESTMENT RETURN	74,499	1,468,606

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

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



<b>Total Quarters Observed</b>	<b>22</b>
<b>Quarters At or Above the Benchmark</b>	<b>3</b>
<b>Quarters Below the Benchmark</b>	<b>19</b>
<b>Batting Average</b>	<b>.136</b>

<b>RATES OF RETURN</b>			
Date	Portfolio	Benchmark	Difference
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
3/17	1.2	1.8	-0.6
6/17	1.2	1.7	-0.5
9/17	1.5	1.9	-0.4
12/17	2.4	2.1	0.3
3/18	1.9	2.2	-0.3
6/18	1.8	2.0	-0.2

**Real Estate Investor Report**  
**UBS Trumbull Property Fund**  
**As of June 30th, 2018**

<b>Market Value</b>	<b>\$ 4,329,326</b>	Last Appraisal Date: 6/30/2018	
Initial Commitment	\$ 3,000,000	100.00%	
Paid In Capital	\$ 3,000,000	100.00%	
Remaining Commitment	\$ -	0.00%	

<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
Q1 2017	\$ -	0.00%	\$ -	0.00%	\$ 28,472
Q2 2017	\$ -	0.00%	\$ -	0.00%	\$ 30,870
Q3 2017	\$ -	0.00%	\$ -	0.00%	\$ 31,946
Q4 2017	\$ -	0.00%	\$ -	0.00%	\$ 31,965
Q1 2018	\$ -	0.00%	\$ -	0.00%	\$ 32,776
Q2 2018	\$ -	0.00%	\$ -	0.00%	\$ 33,092
<b>Total</b>	<b>\$ 3,000,000</b>	<b>100.00%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 475,502</b>

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



DAVIE POLICE PENSION PLAN  
GARCIA HAMILTON - FIXED  
PERFORMANCE REVIEW  
JUNE 2018

## **INVESTMENT RETURN**

On June 30th, 2018, the Davie Police Pension Plan's Garcia Hamilton Fixed portfolio was valued at \$36,506,961, a decrease of \$1,076,777 from the March ending value of \$37,583,738. Last quarter, the account recorded a net withdrawal of \$1,282,425, which overshadowed the fund's net investment return of \$205,648. The fund's net investment return was a result of income receipts totaling \$260,313 and realized and unrealized capital losses totaling \$54,665.

## **RELATIVE PERFORMANCE**

### **Total Fund**

During the second quarter, the Garcia Hamilton Fixed portfolio gained 0.6%, which was 0.8% greater than the Custom Fixed Income Index's return of -0.2% and ranked in the 1st percentile of the Core Fixed Income universe. Over the trailing year, the portfolio returned 1.4%, which was 1.8% greater than the benchmark's -0.4% performance, and ranked in the 4th percentile. Since June 2013, the account returned 3.4% per annum and ranked in the 8th percentile. For comparison, the Custom Fixed Income Index returned an annualized 2.1% over the same time frame.

## **ASSET ALLOCATION**

At the end of the second quarter, fixed income comprised 94.9% of the total portfolio (\$34.6 million), while cash & equivalents comprised the remaining 5.1% (\$1.9 million).

## **ANALYSIS**

At the end of the quarter, nearly 65% of the total bond portfolio was comprised of USG quality securities. Corporate securities, rated AA through BBB made up the remainder, giving the portfolio an overall average quality rating of AAA. The average maturity of the portfolio was 6.95 years, less than the Bloomberg Barclays Aggregate Index's 8.39-year maturity. The average coupon was 3.06%.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	3 Year	5 Year
<b>Total Portfolio - Gross</b>	0.6	0.9	1.4	2.9	3.4
<i>CORE FIXED INCOME RANK</i>	( 1)	( 3)	( 4)	( 9)	( 8)
<b>Total Portfolio - Net</b>	0.5	0.7	1.1	2.5	3.0
Custom Index	-0.2	-1.2	-0.4	1.7	2.1
<b>Fixed Income - Gross</b>	0.6	0.9	1.4	2.9	3.5
<i>CORE FIXED INCOME RANK</i>	( 1)	( 3)	( 4)	( 8)	( 8)
Custom Index	-0.2	-1.2	-0.4	1.7	2.1
Aggregate Index	-0.2	-1.2	-0.4	1.7	2.3
Gov/Credit	-0.3	-1.4	-0.6	1.8	2.3

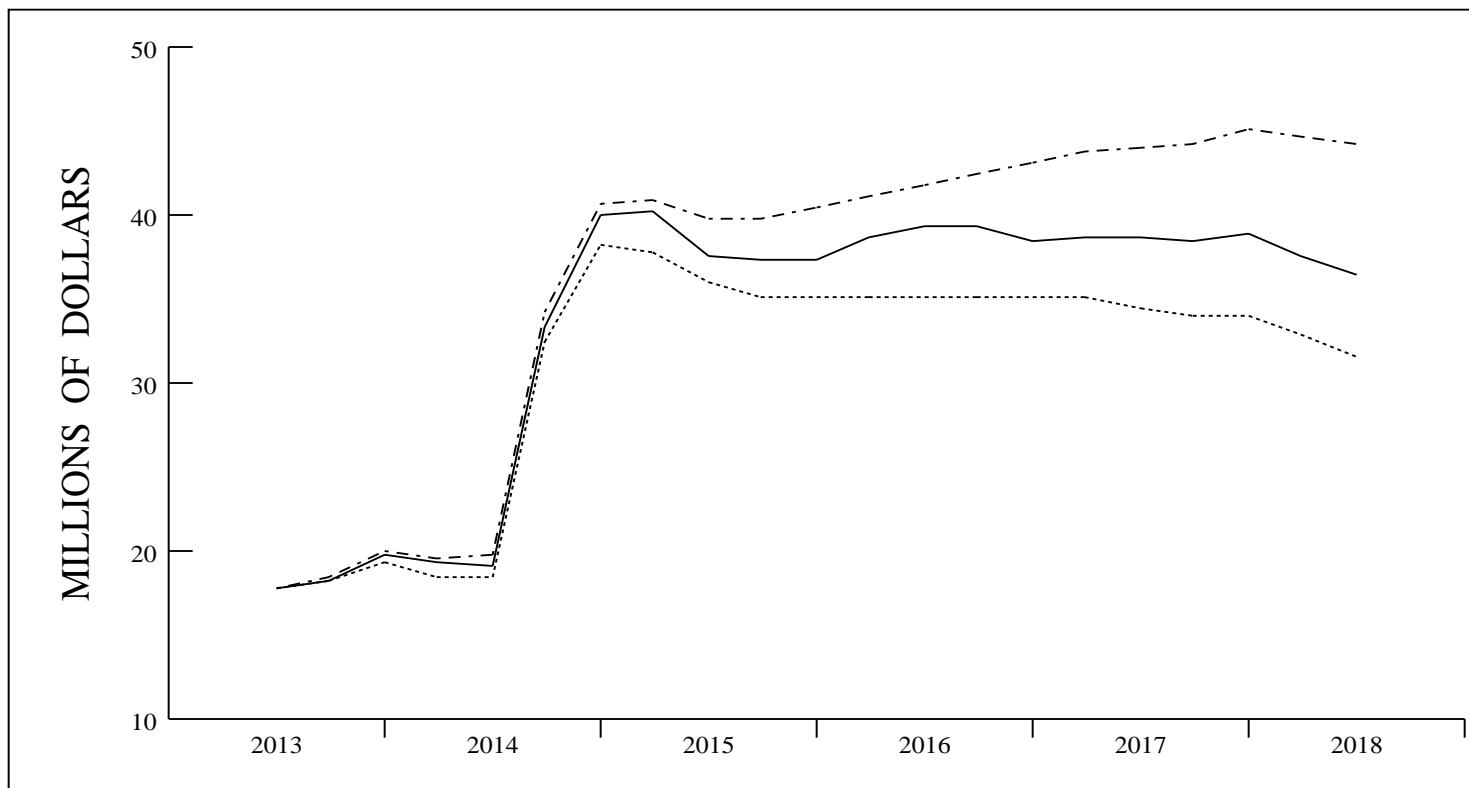
**ASSET ALLOCATION**

Fixed Income	94.9%	\$ 34,644,202
Cash	5.1%	1,862,759
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 36,506,961</b>

**INVESTMENT RETURN**

Market Value 3/2018	\$ 37,583,738
Contribs / Withdrawals	- 1,282,425
Income	260,313
Capital Gains / Losses	- 54,665
Market Value 6/2018	\$ 36,506,961

**INVESTMENT GROWTH**

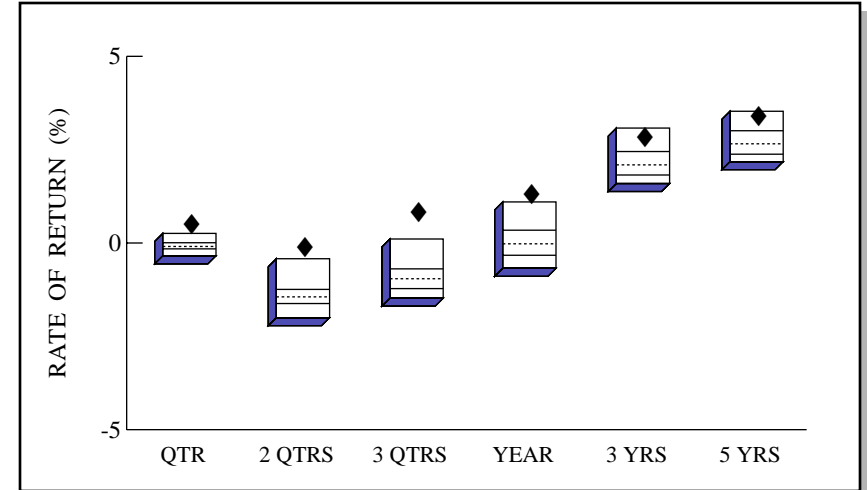
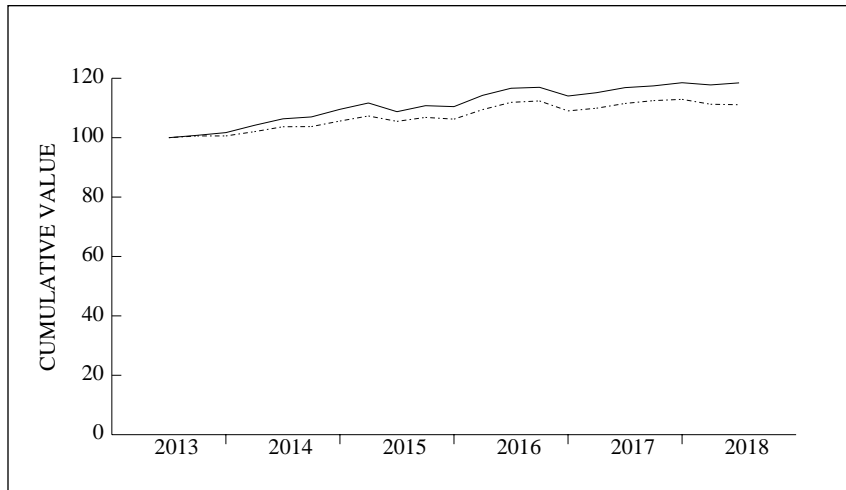


— ACTUAL RETURN  
 - - - DAVIE BLENDED A/R  
 ..... 0.0%

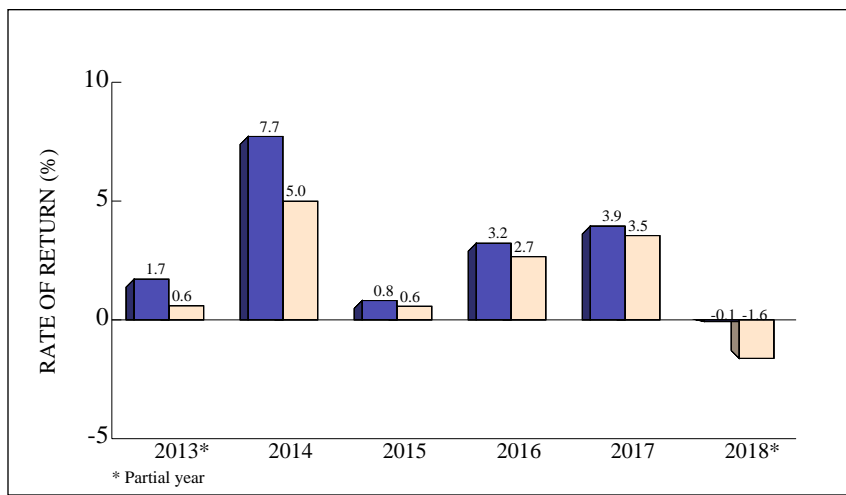
VALUE ASSUMING  
 DAVIE A/R \$ 44,348,052

	LAST QUARTER	FIVE YEARS
BEGINNING VALUE	\$ 37,583,738	\$ 17,878,444
NET CONTRIBUTIONS	- 1,282,425	13,822,692
INVESTMENT RETURN	205,648	4,805,825
ENDING VALUE	\$ 36,506,961	\$ 36,506,961
INCOME	260,313	5,796,811
CAPITAL GAINS (LOSSES)	- 54,665	-990,985
INVESTMENT RETURN	205,648	4,805,825

**TOTAL RETURN COMPARISONS**



Core Fixed Income Universe

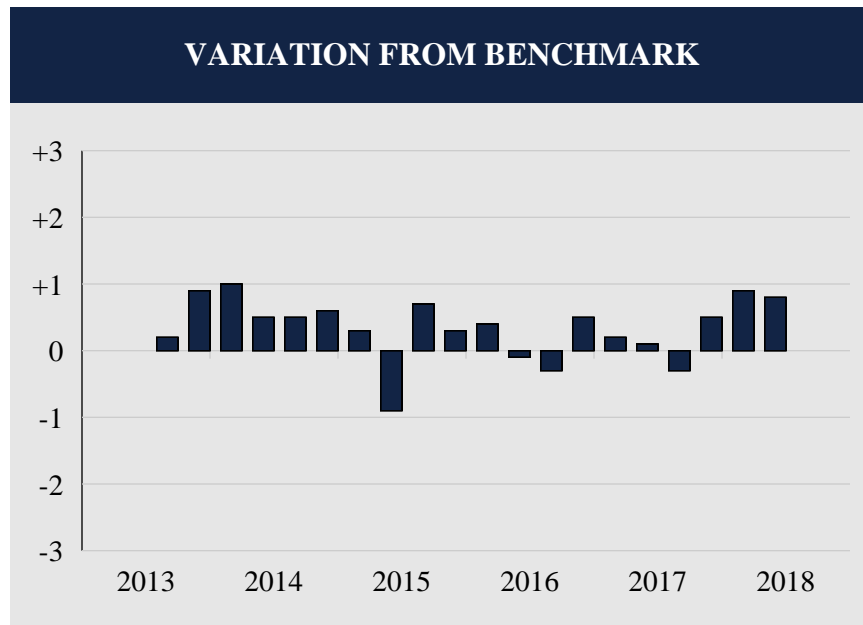


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	0.6	-0.1	0.9	1.4	2.9	3.4
(RANK)	(1)	(3)	(3)	(4)	(9)	(8)
5TH %ILE	0.3	-0.4	0.1	1.1	3.1	3.5
25TH %ILE	0.0	-1.2	-0.7	0.3	2.5	3.0
MEDIAN	-0.1	-1.4	-1.0	0.0	2.1	2.7
75TH %ILE	-0.2	-1.6	-1.2	-0.3	1.8	2.4
95TH %ILE	-0.3	-2.0	-1.5	-0.7	1.6	2.2
<b>Custom Idx</b>	<b>-0.2</b>	<b>-1.6</b>	<b>-1.2</b>	<b>-0.4</b>	<b>1.7</b>	<b>2.1</b>

Core Fixed Income Universe

### TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

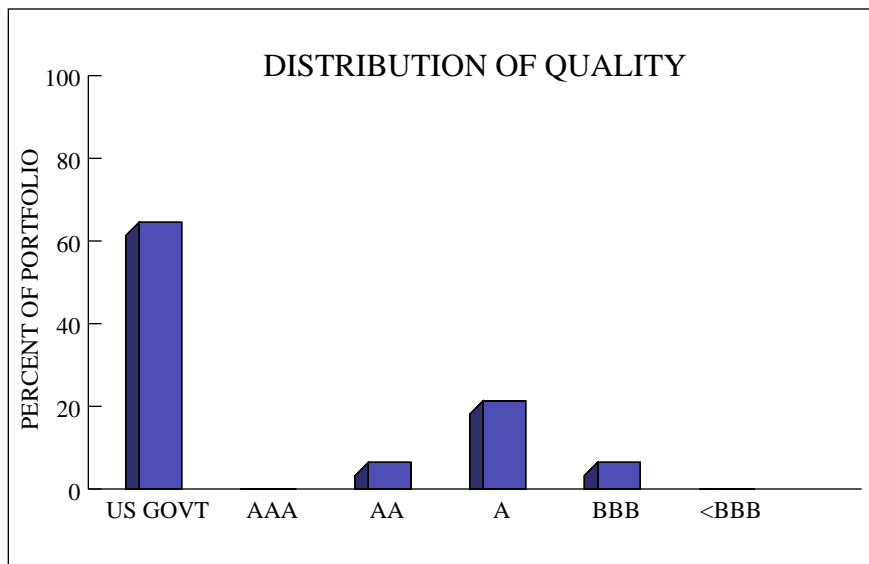
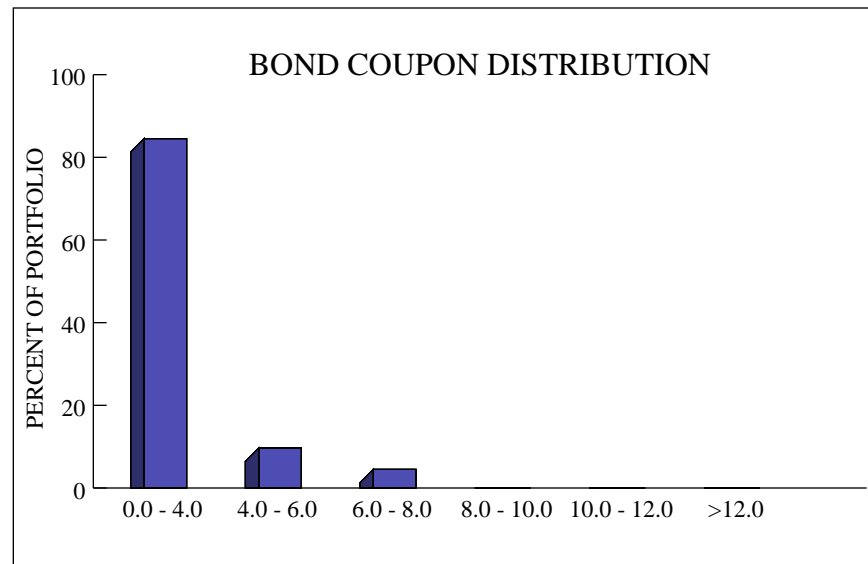
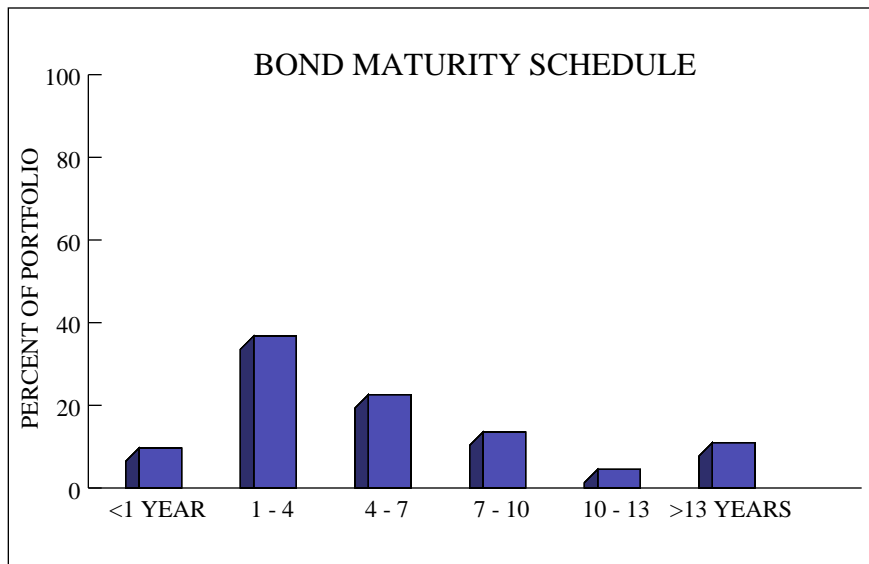
COMPARATIVE BENCHMARK: CUSTOM FIXED INCOME INDEX



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
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
3/17	1.0	0.8	0.2
6/17	1.5	1.4	0.1
9/17	0.5	0.8	-0.3
12/17	0.9	0.4	0.5
3/18	-0.6	-1.5	0.9
6/18	0.6	-0.2	0.8

<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	29	10,012
Duration	4.29	6.01
YTM	2.79	3.29
Average Coupon	3.06	3.11
Avg Maturity / WAL	6.95	8.39
Average Quality	AAA	USG-AAA