

# **BOYNTON BEACH POLICE PENSION FUND**

## **INVESTMENT PERFORMANCE PERIOD ENDING MARCH 31, 2013**

NOTE: For a free copy of Part II (mailed w/ 5 bus. days from request receipt) of Burgess Chambers and Associates, Inc.'s most recent Form ADV which details pertinent business procedures, please contact:  
315 East Robinson Street, Orlando, Florida 32801, 407-644-0111, info@burgesschambers.com



## **Boynton Beach Police Pension Fund**

### **BCA Market Perspective ©**

### **BCA Reaches 25 Year Milestone**

**April 2013**

April 2013 marks a very special time for BCA, achieving the 25 year mark. BCA was born into the investment management business with a vision to represent institutional clients and to transform an industry-wide transaction based (brokerage) model to fee based. This approach was revolutionary, as it created transparency and a high standard of accountability – which is where the industry finds itself today.

The first client of BCA remains as the firm's founding brick of success. BCA has grown to 75 clients in Alabama, Tennessee and Florida; representing approximately \$3 billion. We give thanks to each and every client who has placed confidence in the firm for all these many years.

BCA's philosophy is to hire extraordinary people who have a passion for learning and a collective approach in solving problems and developing solutions for clients.

BCA wishes to dedicate its 25<sup>th</sup> year to all of the teachers, public employees, firefighters and police officers who have served their communities and made great sacrifices throughout America.



**Boynton Beach Police Pension Fund**  
**Total Fund**  
**Investment Summary**  
**March 31, 2013**

- For the quarter, the Fund earned \$3.0 million or +4.8% (+4.6% net), trailing the consultant's benchmark (+5.8%), in spite of a higher allocation to equities than the target allocation. The under-performance was found in the RTC multi-asset core fund, which was introduced in 2012.
- Fiscal YTD, the Fund earned \$4.5 million or +7.4% (+7.1% net), versus +7.6% for the consultant's benchmark. The top two performing asset categories were: RTC Multi-Asset Core (+10.3%) and RTC Real Estate (+5.4%).
- For the 12-month period, the Fund earned \$5.6 million or +9.8% (+9.0% net), ranking in the bottom 63<sup>rd</sup> percentile.
- **For the three-year period, the Fund earned \$14.6 million or +9.7% (+9.0% net), ranking in the top 36<sup>th</sup> percentile and ahead of the actuarial investment return assumption rate (+7.75%).**

**Manager Review:**

1. RTC multi-manager bonds: performance was ahead of the benchmark and ranked within the top 40th percentile for the one, two and three-years.
2. RTC real-estate fund: five-year results were below the benchmark, while three-year returns were ahead. Three and five-year rankings remain below the IPS objective.

**Investment Policy:**

- 1) The revised Investment Policy was fully executed and submitted to the Division of Retirement on April 2, 2013.



**Boynton Beach Police Pension Fund  
Total Fund  
Investment Performance  
March 31, 2013**

Dollars

	<u>Quarter</u>	<u>Fiscal YTD</u>	<u>One Year</u>
<b>Beginning Market Value</b>	66,282,023	61,416,117	61,323,655
<b>Ending Market Value</b>	68,320,578	68,320,578	68,320,578
<b>Net Contributions</b>	-979,251	+2,410,976	+1,433,834
<b>Investment Gain/(Loss)</b>	+3,017,806	+4,493,485	+5,563,089
<b>Investment Return, net</b>	+4.6%	+7.1%	+9.0%
<b>Consultant's Benchmark</b>	+5.8%	+7.6%	+10.7%
<b><i>Value Added (pts.)</i></b>	<b><i>-1.2</i></b>	<b><i>-0.5</i></b>	<b><i>-1.7</i></b>

Fiscal Year: October 1st – September 30th



**Boynton Beach Police Pension Fund  
Total Fund  
Investment Policy Review  
March 31, 2013**

**Yes**    **No**

The total Fund's annualized three-year performance achieved the Consultant's Benchmark.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
The total Fund's annualized three-year performance ranked in the top 40th percentile of the universe.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The total Fund's annualized five-year performance achieved the Consultant's Benchmark.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
The total Fund's annualized five-year performance ranked in the top 40th percentile of the universe.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
The total Fund's annualized three-year performance achieved the +7.75% actuarial assumption rate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The total Fund's annualized five-year performance achieved the +7.75% actuarial assumption rate.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Multi Mgr Bonds annualized three-year performance achieved the fixed income benchmark.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Multi Mgr Bonds annualized three-year performance ranked in the top 40th percentile of the universe.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Real Estate Equity's annualized three-year performance achieved the real estate benchmark.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Real Estate Equity's annualized three-year performance ranked in the top 40th percentile of the universe.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Real Estate Equity's annualized five-year performance achieved the real estate benchmark.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Real Estate Equity's annualized five-year performance ranked in the top 40th percentile of the universe.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PFIA Compliant	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Investments in equity securities were 66.2% which did not exceed 70% of Fund's assets at market value.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Foreign equity investments were 21.8%* (at market) and did not exceed the 25% of the total Fund's assets at market.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Asset allocation among fixed income was 29.3% (at market) within the 30% minimum limitation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Asset allocation among alternatives was 14.9%** (at market) within the 20% maximum limitation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

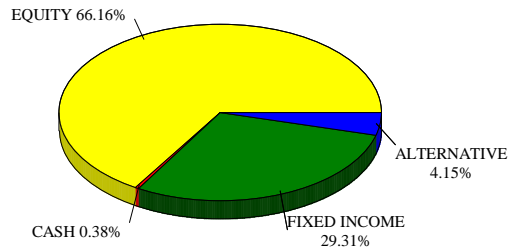
\*Foreign Allocation: Multi Asset Core: 17.1% + Multi Bond Mgr: 4.7% + RE: 0% + Cash: 0%.

\*\*Alternative Allocation: Multi Asset Core: 10.7% + Multi Mgr: 0.0001% + RE: 4.2% + Cash: 0%

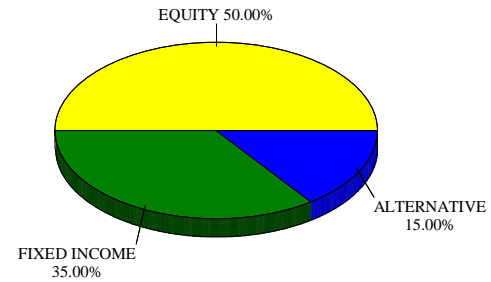


**BOYNTON BEACH POLICE PENSION FUND  
TOTAL FUND  
ACTUAL VS TARGET ASSET ALLOCATION  
MARCH 31, 2013**

**ACTUAL ASSET ALLOCATION**



**TARGET ASSET ALLOCATION**



	MARKET VALUE ACTUAL	PERCENT ACTUAL	MARKET VALUE TARGET	PERCENT TARGET	MARKET VALUE DIFFERENCE	PERCENT DIFFERENCE
EQUITY	45,198,370.3	66.2%	34,160,289.1	50.0%	11,038,081.3	16.2%
FIXED INCOME	20,028,078.5	29.3%	23,912,202.3	35.0%	(3,884,123.9)	(5.7%)
ALTERNATIVE	2,835,573.8	4.2%	10,248,086.7	15.0%	(7,412,512.9)	(10.8%)
CASH	258,555.5	0.4%	0.0	0.0%	258,555.5	0.4%
<b>TOTAL FUND</b>	<b>\$68,320,578.1</b>	<b>100.0%</b>	<b>\$68,320,578.1</b>	<b>100.0%</b>	<b>\$0.0</b>	<b>0.0%</b>

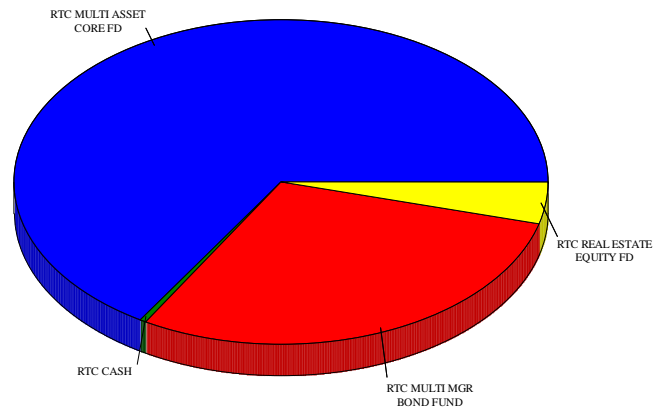


# Boynton Beach Police Pension Fund

## Total Fund

### Asset Allocation

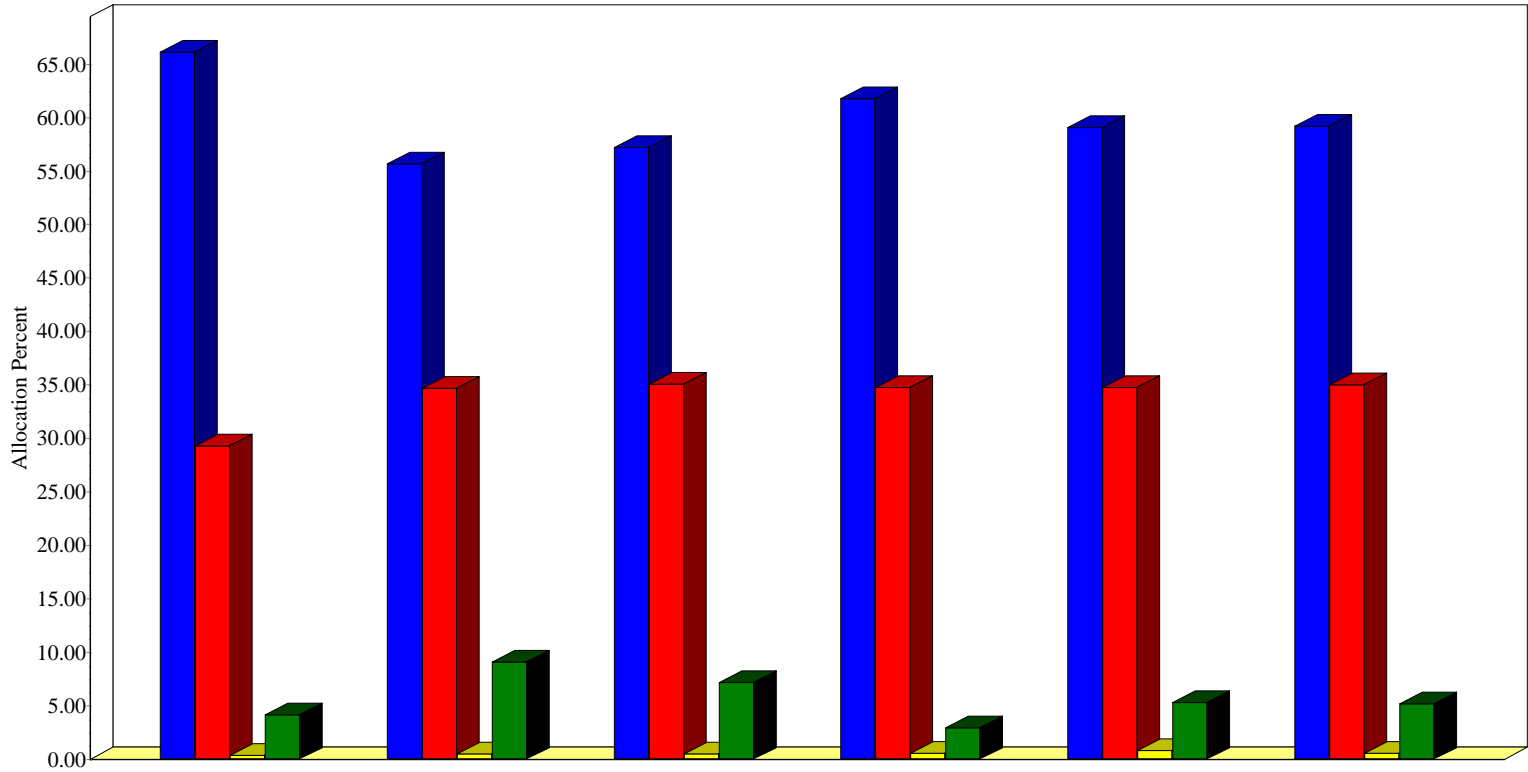
TOTAL MARKET VALUE  
AS OF MARCH 31, 2013  
\$ 68,320,578



	VALUE	PERCENT
■ RTC MULTI ASSET CORE FD	45,198,370	66.16
■ RTC MULTI MGR BOND FUND	20,028,078	29.31
■ RTC REAL ESTATE EQUITY FD	2,835,574	4.15
■ RTC CASH	258,555	0.38



**Boynton Beach Police Pension Fund**  
**Total Fund**  
**Asset Distribution**  
**March 31, 2013**



	QUARTER TO DATE	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS
EQUITY	66.16	55.66	57.23	61.75	59.06	59.21
FIXED INCOME	29.31	34.71	35.10	34.73	34.79	35.03
CASH	0.38	0.50	0.52	0.59	0.80	0.58
ALTERNATIVE	4.15	9.13	7.15	2.93	5.34	5.19





**Boynton Beach Police Pension Fund**  
**Total Fund**  
**March 31, 2013**  
**Gross of Fees**

Name	Market Values	QTR ROR	FYTD ROR	1 Year ROR	2 Year ROR	3 Year ROR	5 Year ROR
<u>Equity</u>							
RTC Multi Asset Core Fd	45,198,370	6.9%	10.3%	N/A	N/A	N/A	N/A
<b>Total Equity</b>	<b>45,198,370</b>	<b>6.9%</b>	<b>10.3%</b>	<b>9.5%</b>	<b>6.1%</b>	<b>9.9%</b>	<b>4.0%</b>
<u>Fixed Income</u>							
RTC Multi Mgr Bond Fund	20,028,078	0.5%	1.4%	6.3%	6.8%	7.4%	N/A
<b>Total Fixed Income</b>	<b>20,028,078</b>	<b>0.5%</b>	<b>1.4%</b>	<b>6.3%</b>	<b>6.8%</b>	<b>7.4%</b>	<b>7.6%</b>
<u>Cash</u>							
RTC Cash	258,555	0.0%	0.1%	0.1%	0.1%	0.1%	1.4%
<u>Alternative</u>							
RTC Real Estate Equity Fd	2,835,574	2.9%	5.4%	11.1%	13.3%	15.9%	-1.7%
<b>Total Alternative</b>	<b>2,835,574</b>	<b>2.9%</b>	<b>5.4%</b>	<b>11.9%</b>	<b>8.8%</b>	<b>13.0%</b>	<b>-3.1%</b>
<b>TOTAL: (1, 2, 3, 4)</b>	<b>68,320,578</b>	<b>4.8%</b>	<b>7.4%</b>	<b>9.8%</b>	<b>7.3%</b>	<b>9.7%</b>	<b>4.7%</b>
Consultant's Bnch		5.8%	7.6%	10.7%	8.2%	10.0%	6.0%
Russell Custom Bnch		5.2%	6.6%	9.8%	7.6%	9.5%	N/A
Fixed Income Bnch		-0.1%	0.1%	3.8%	5.7%	5.5%	5.5%
ML 3M TBill		0.0%	0.1%	0.1%	0.1%	0.1%	0.3%
Real Estate Bnch		2.7%	5.1%	10.8%	12.7%	15.1%	2.2%

1 Consultant's Bnch (IPS hybrid benchmark objective): Mar'12 is 34% Russell 1000 + 11% Russell Mid-Cap + 11% MSCI Net EAFE + 4% MSCI Net EM + 5% FTSE/NAREIT + 30% BC Aggregate + 5% BC TIPS; from Sep'09 was 34% Russell 1000 + 11% Russell Mid-Cap+ 11% MSCI Net EAFE + 4% MSCI Net EM + 5% Wilshire REIT + 30% BC Aggregate + 5% BC TIPS; from May'05 was 34% Russell 1000 + 16% Russell Mid-Cap+ 10% MSCI Gross EAFE +5% Wilshire REIT + 30% LB Intermediate Aggregate + 5% Lehman Intermediate TIPS; from Jun'02 was 60% S&P 500 + 35 Lehman Gov't/Credit.

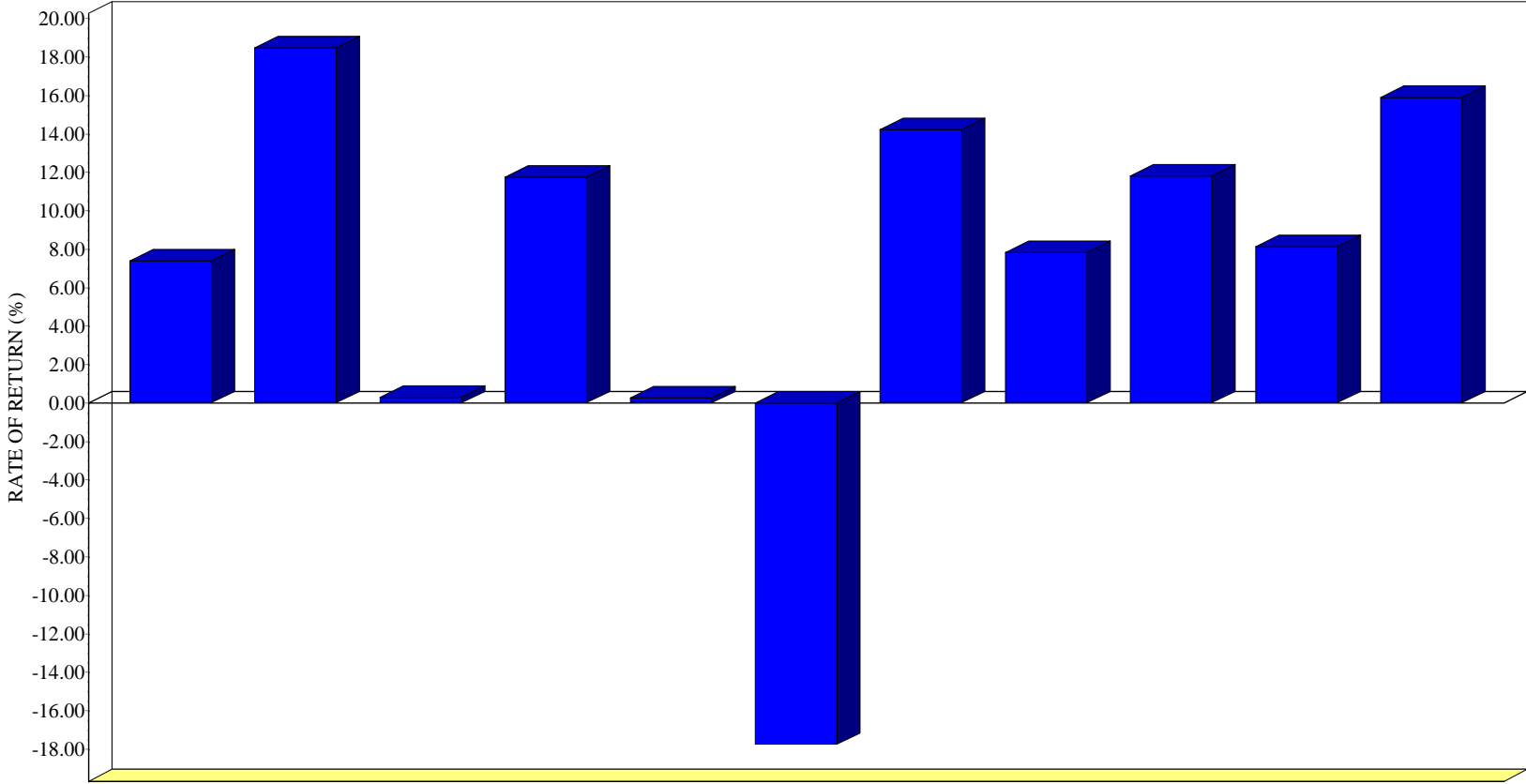
2 Russell Custom Bnch: Mar'12 is 26% Russell 1000 + 8% Russell 2000 + 10% AIM Composite (90% Russell Developed ex-US Large Cap Net + 10% Russell Emerging Markets Large Cap Net) + 10% Russell Developed Large Cap Net + 36% BC Aggregate + 5% NCREIF ODCE +3% FTSE EPRA-NAREIT Dev RE Net + 2% Dow Jones UBS Commodities Net; from Sep'09 was 35% Russell 1000 + 10% Russell 2000 + 15% AIM Composite (90% MSCI NET EAFE + 10% MSCI Net EM) + 35% BC Aggregate + 5% NCREIF ODCE; from Jun'08 was 41% Russell 1000 + 10% Russell 2000 + 9% AIM Composite (90% MSCI NET EAFE + 10% MSCI Net EM) + 5% NCREIF + 35% LB Aggregate.

3 Real Estate Bnch: from Sept'09 is 100% NCREIF ODCE; prior was 100% NCREIF.

4 Fixed Income Bnch (IPS fixed income hybrid) Sep'09 is 100% BC Aggregate; from May'05 was 100% LB Intermediate Aggregate; from Jun'02 was 100% Lehman Gov't/Credit.



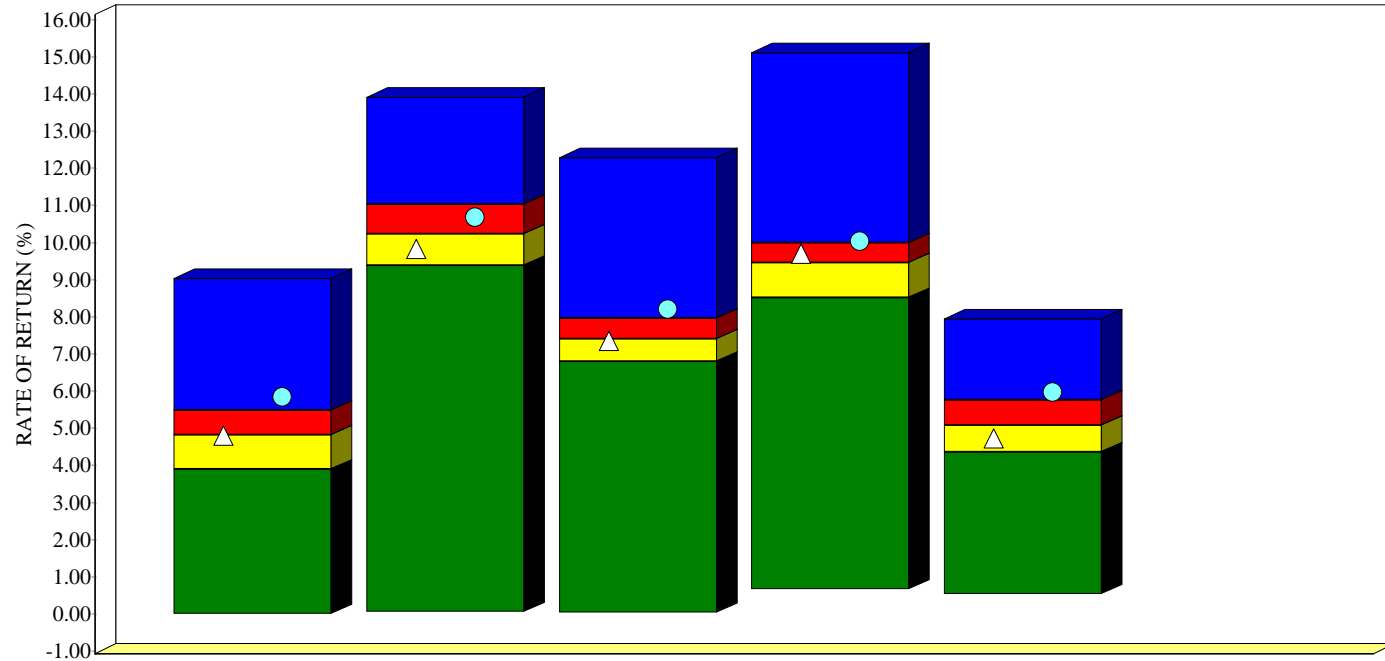
**Boynton Beach Police Pension Fund  
Total Fund  
Fiscal Year Rates of Return  
September 30, 2002 Through March 31, 2013**



	FISCAL YTD	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
TF	7.40	18.47	0.29	11.73	0.25	-17.78	14.22	7.85	11.83	8.14	15.90



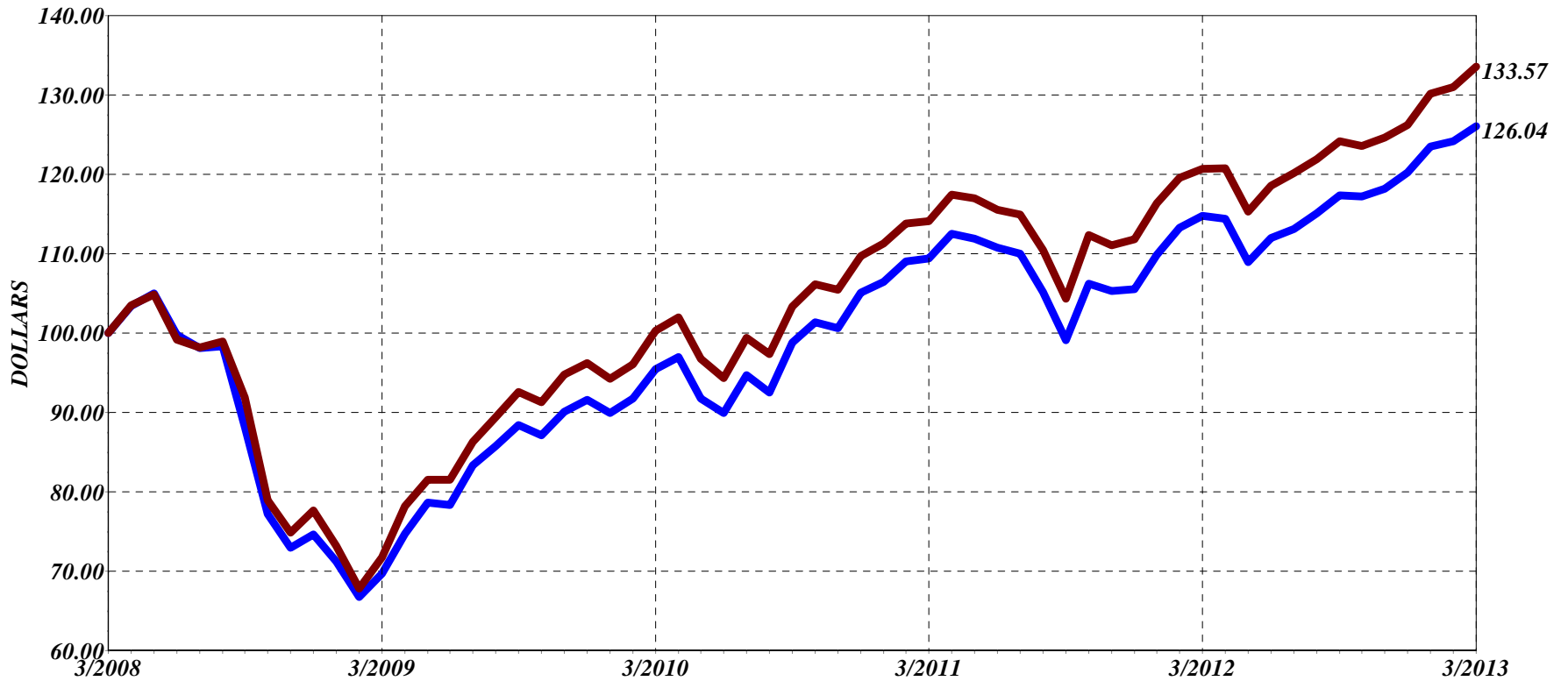
**Boynton Beach Police Pension Fund  
 Quartile Ranking  
 Total Fund Versus BNY Mellon Public Funds Universe  
 March 31, 2008 Through March 31, 2013**



	<u>LATEST QUARTER</u>		<u>ONE YEAR</u>		<u>TWO YEARS</u>		<u>THREE YEARS</u>		<u>FIVE YEARS</u>	
HIGHEST VALUE	9.04		13.91		12.28		15.11		7.94	
FIRST QUARTILE	5.49		11.03		7.97		9.99		5.77	
MEDIAN VALUE	4.83		10.24		7.40		9.46		5.08	
THIRD QUARTILE	3.89		9.39		6.79		8.51		4.36	
LOWEST VALUE	0.01		0.05		0.04		0.67		0.54	
MEAN	4.68		9.37		7.06		8.95		4.85	
	<u>LATEST QUARTER</u>		<u>ONE YEAR</u>		<u>TWO YEARS</u>		<u>THREE YEARS</u>		<u>FIVE YEARS</u>	
	<u>RETURN</u>	<u>RANK</u>	<u>RETURN</u>	<u>RANK</u>	<u>RETURN</u>	<u>RANK</u>	<u>RETURN</u>	<u>RANK</u>	<u>RETURN</u>	<u>RANK</u>
TF	4.81	52	9.82	63	7.35	52	9.70	36	4.74	63
CONSULTANT'S BNCH	5.83	21	10.67	36	8.21	21	10.03	21	5.96	21



**Boynton Beach Police Pension Fund  
Total Fund  
Growth of a Dollar Analysis  
March 31, 2008 Through March 31, 2013**



	LATEST QUARTER	FISCAL YTD	ONE YEAR	THREE YEARS	FIVE YEARS
TF	4.81	7.40	9.82	9.70	4.74
CONSULTANT'S BNCH	5.83	7.60	10.67	10.03	5.96



**Boynton Beach Police Pension Fund  
RTC Multi Mgr Bond Fund  
Performance Profile  
Through March 31, 2013**

	ENDED	RETURN
BEST QUARTER	9/2010	3.87
WORST QUARTER	12/2010	-0.60
BEST 4 QUARTERS	3/2011	8.37
WORST 4 QUARTERS	3/2013	6.28

TOTAL # OF PERIODS: 36  
# OF POSITIVE PERIODS: 28  
# OF NEGATIVE PERIODS: 8

	QUARTER TO DATE	FISCAL YTD	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	0.46	1.44	6.28	6.84	7.35
FIXED INCOME BNCH	-0.12	0.09	3.77	5.73	5.52
EXCESS	0.58	1.35	2.51	1.12	1.83
RISKLESS INDEX	0.02	0.06	0.12	0.09	0.11
REAL ROR	-0.94	0.83	4.70	4.63	4.91

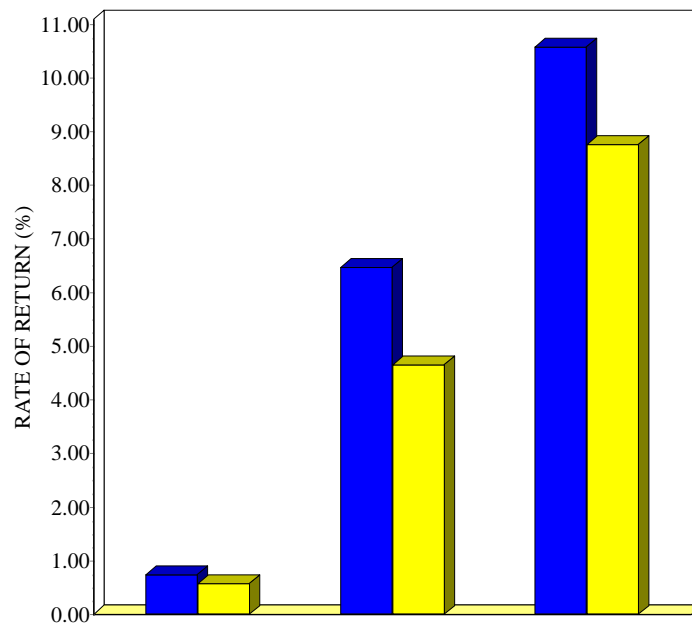
PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	6.28	29	1.63	3.78	3.03	0.82	93.05	4.43
TWO YEARS	6.84	33	2.17	3.11	2.41	0.76	62.91	0.73
THREE YEARS	7.35	25	2.49	2.91	2.53	0.85	66.41	1.16

*The risk benchmark for this analysis is the Fixed Income Bnch.  
The universe used was the Fixed Income*



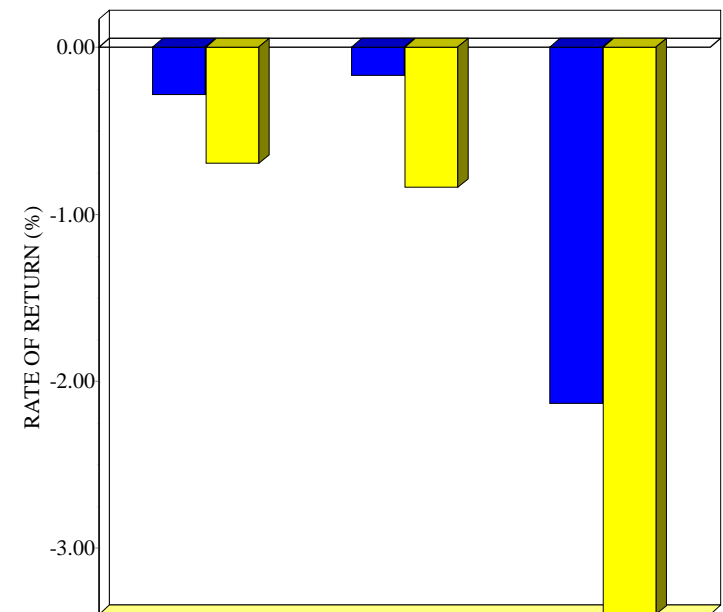
**Boynton Beach Police Pension Fund  
RTC Multi Mgr Bond Fund  
Performance in Rising and Declining Markets  
March 31, 2010 Through March 31, 2013**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	0.75	6.47	10.57
FIXED INCOME BNCH	0.58	4.65	8.75
DIFFERENCE	0.16	1.81	1.81
RATIO	1.28	1.39	1.21
UP PERIODS	2	10	28

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	-0.29	-0.17	-2.14
FIXED INCOME BNCH	-0.70	-0.84	-3.40
DIFFERENCE	0.41	0.67	1.26
RATIO	0.41	0.20	0.63
DOWN PERIODS	1	2	8



**Boynton Beach Police Pension Fund  
RTC Real Estate Equity Fd  
Performance Profile  
Through March 31, 2013**

	ENDED	RETURN
BEST QUARTER	12/2010	5.62
WORST QUARTER	3/2009	-14.72
BEST 4 QUARTERS	3/2011	21.28
WORST 4 QUARTERS	3/2009	-24.14

TOTAL # OF PERIODS: 60  
# OF POSITIVE PERIODS: 55  
# OF NEGATIVE PERIODS: 5

	QUARTER TO DATE	FISCAL YTD	ONE YEAR	TWO YEARS	THREE YEARS	FIVE YEARS
TOTAL FUND	2.87	5.35	11.05	13.29	15.89	-1.68
REAL ESTATE BNCH	2.68	5.09	10.80	12.72	15.13	2.16
EXCESS	0.19	0.26	0.25	0.57	0.76	-3.83
RISKLESS INDEX	0.02	0.06	0.12	0.09	0.11	0.34
REAL ROR	1.44	4.72	9.40	10.94	13.28	-3.38

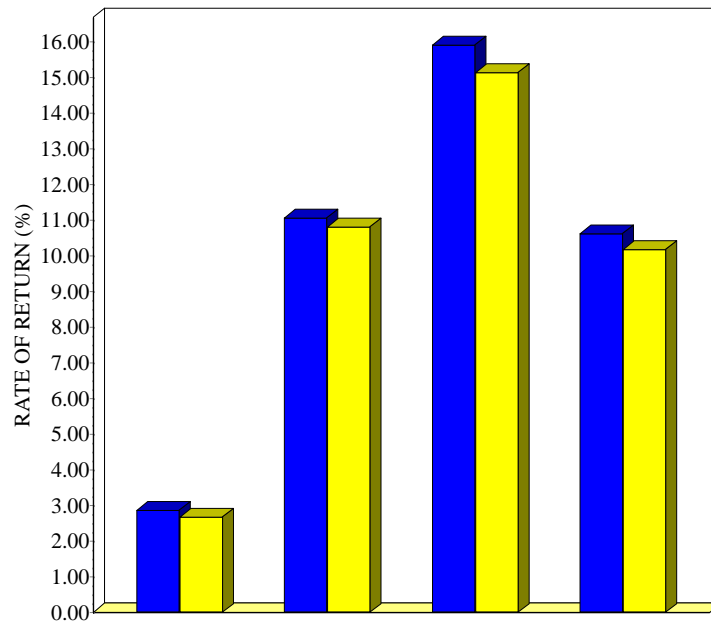
PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	11.05	89	4.36	2.51	-0.01	1.02	99.72	0.93
TWO YEARS	13.29	13	5.42	2.43	-0.10	1.05	99.55	1.16
THREE YEARS	15.89	50	6.54	2.41	-0.07	1.05	99.61	1.31
FIVE YEARS	-1.68	99	12.38	-0.16	-4.19	1.36	92.64	-0.75

*The risk benchmark for this analysis is the Real Estate Bnch.  
The universe used was the MS Real Estate*



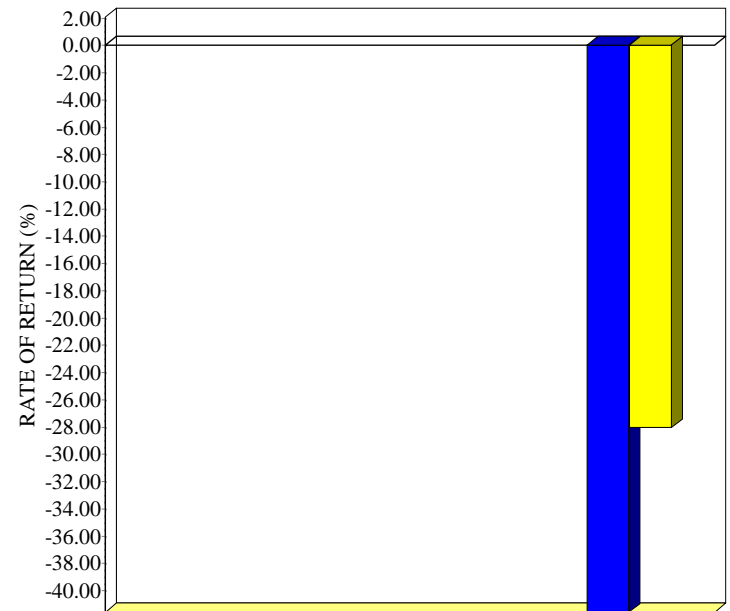
**Boynton Beach Police Pension Fund  
 RTC Real Estate Equity Fd  
 Performance in Rising and Declining Markets  
 March 31, 2008 Through March 31, 2013**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	2.87	11.05	15.89	10.60
REAL ESTATE BNCH	2.68	10.80	15.13	10.17
DIFFERENCE	0.19	0.25	0.76	0.43
RATIO	1.07	1.02	1.05	1.04
UP PERIODS	3	12	36	54

DOWN MARKET PERFORMANCE

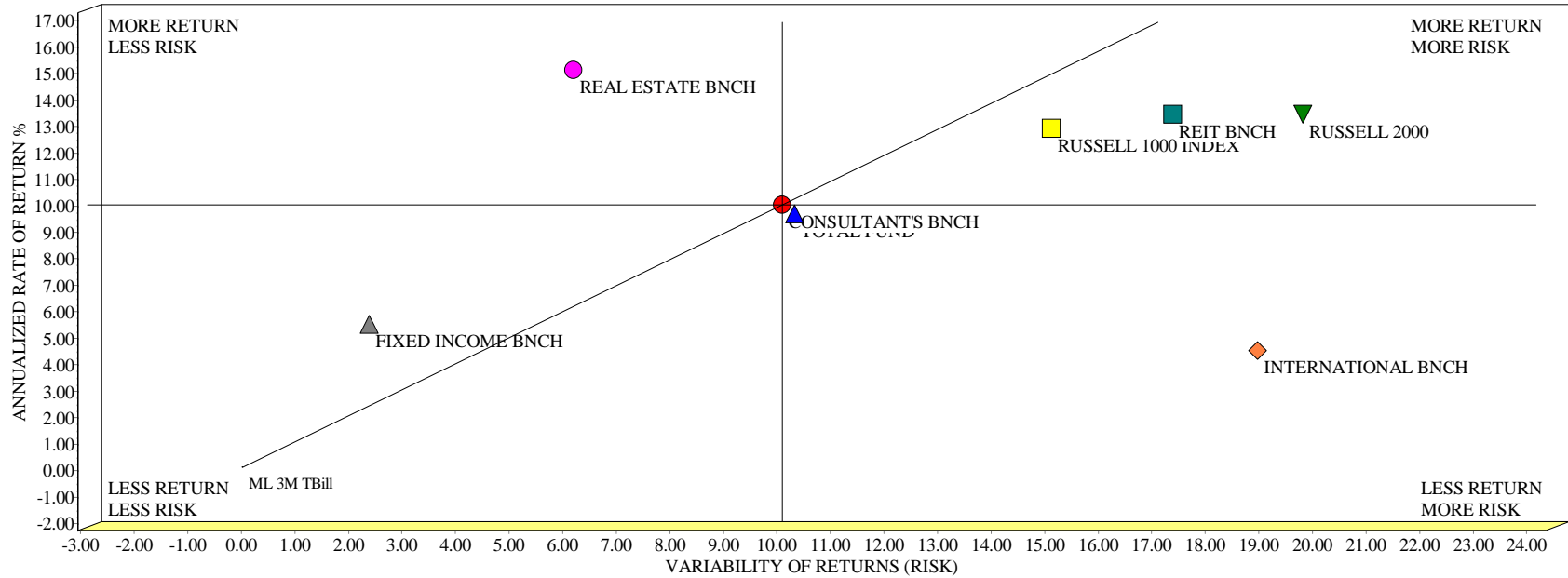


	YTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	N/A	N/A	N/A	-41.61
REAL ESTATE BNCH	N/A	N/A	N/A	-28.05
DIFFERENCE	N/A	N/A	N/A	-13.56
RATIO	N/A	N/A	N/A	1.48
DOWN PERIODS	0	0	0	6





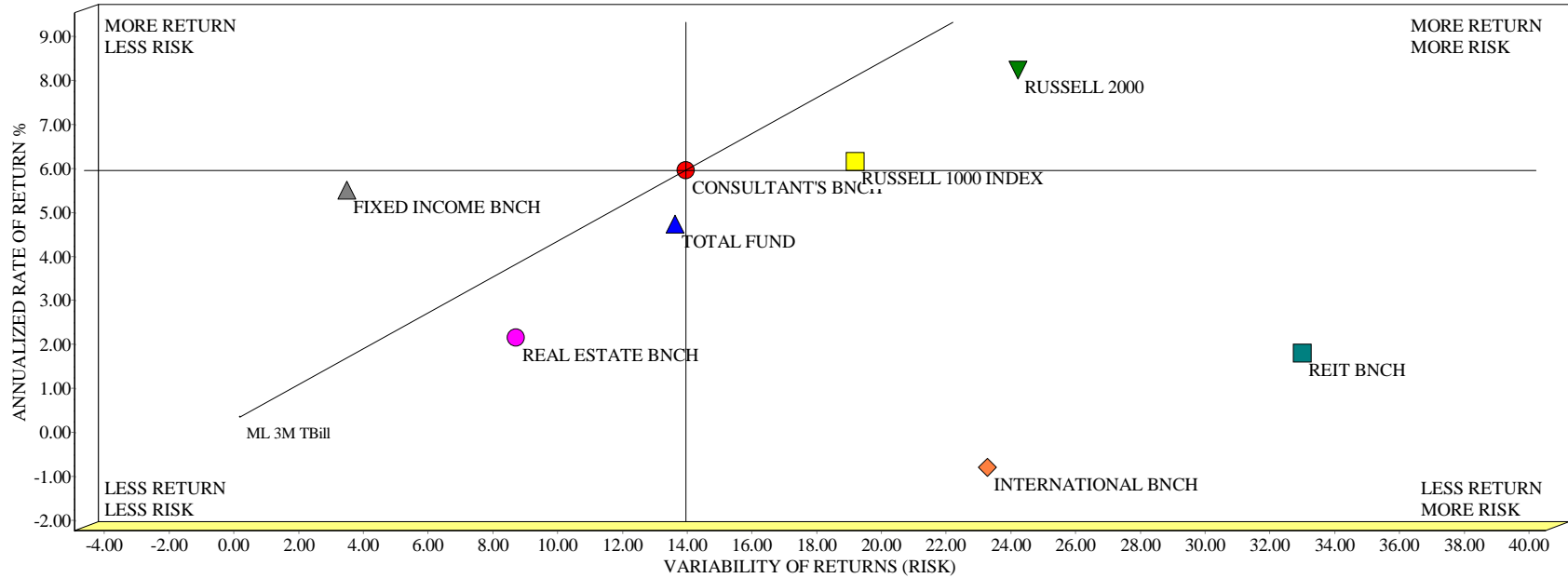
**Boynton Beach Police Pension Fund  
Total Fund  
Capital Market Line  
March 31, 2010 Through March 31, 2013**



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	9.70	10.33	1.02	-0.46	98.97
● CONSULTANT'S BNCH	10.03	10.10	1.00	0.00	100.00
■ RUSSELL 1000 INDEX	12.93	15.13	1.00	0.00	100.00
▼ RUSSELL 2000	13.45	19.82	1.00	0.00	100.00
◆ INTERNATIONAL BNCH	4.55	18.97	1.00	0.00	100.00
▲ FIXED INCOME BNCH	5.52	2.39	1.00	0.00	100.00
● REAL ESTATE BNCH	15.13	6.20	1.00	0.00	100.00
■ REIT BNCH	13.47	17.39	1.00	0.00	100.00



**Boynton Beach Police Pension Fund  
Total Fund  
Capital Market Line  
March 31, 2008 Through March 31, 2013**

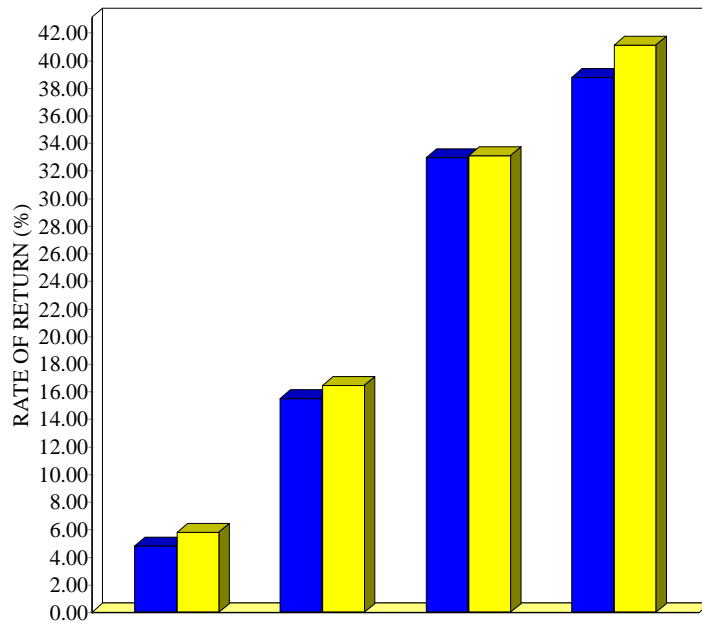


	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	4.74	13.64	0.96	-0.97	96.99
● CONSULTANT'S BNCH	5.96	13.96	1.00	0.00	100.00
■ RUSSELL 1000 INDEX	6.15	19.18	1.00	0.00	100.00
▼ RUSSELL 2000	8.24	24.22	1.00	0.00	100.00
◆ INTERNATIONAL BNCH	-0.80	23.27	1.00	0.00	100.00
▲ FIXED INCOME BNCH	5.50	3.49	1.00	0.00	100.00
● REAL ESTATE BNCH	2.16	8.72	1.00	0.00	100.00
■ REIT BNCH	1.80	33.00	1.00	0.00	100.00



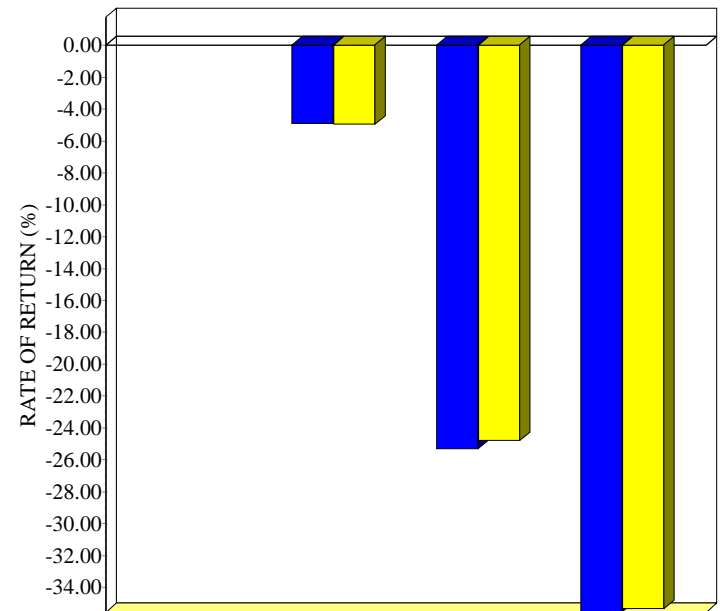
**Boynton Beach Police Pension Fund  
Total Fund  
Performance in Rising and Declining Markets  
March 31, 2008 Through March 31, 2013**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	4.81	15.50	32.96	38.78
CONSULTANT'S BNCH	5.83	16.44	33.12	41.10
DIFFERENCE	-1.02	-0.94	-0.16	-2.32
RATIO	0.82	0.94	1.00	0.94
UP PERIODS	3	10	24	38

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	N/A	-4.92	-25.32	-35.59
CONSULTANT'S BNCH	N/A	-4.96	-24.82	-35.39
DIFFERENCE	N/A	0.04	-0.50	-0.20
RATIO	N/A	0.99	1.02	1.01
DOWN PERIODS	0	2	12	22



## **Boynton Beach Police Pension Fund Glossary of Terms**

- ACCRUED INTEREST- Bond interest earned since the last interest payment, but not yet received.
- ALPHA- A linear regressive constant that measures expected return independent of Beta.
- ASSET ALLOCATION- The division of portfolio asset classes in order to achieve an expected investment objective.
- BALANCED UNIVERSES - BNY Mellon Public Funds, Endowments & Foundations, Corporate peer groups, and PSN peer groups.
- BETA- A measure of portfolio sensitivity (volatility) in relation to the market, based upon past experience.
- BOND DURATION- A measure of portfolio sensitivity to interest rate risk.
- COMMINGLED FUND- An investment fund which is similar to a mutual fund in that investors are permitted to purchase and redeem units that represent ownership in a pool of securities.
- CONVERTIBLE BONDS - Hybrid securities' that offer equity returns during rising equity markets and improved down-market protection.
- CORE- An equal weighting in both growth and value stocks.
- CORRELATION COEFFICIENT- A measure of how two assets move together. The measure is bounded by +1 and -1; +1 means that the two assets move together positively, while a measure of -1 means that the assets are perfectly negatively correlated.
- GROWTH MANAGER- Generally invests in companies that have either experienced above-average growth rates and/or are expected to experience above-average growth rates in the future. Growth portfolios tend to have high price/earnings ratios and generally pay little to no dividends.
- INDEXES- Indexes are used as "independent representations of markets" (e.g., S&P 500).
- INFORMATION RATIO- Annualized excess return above the benchmark relative to the annualized tracking error.
- LARGE CAP- Generally, the term refers to a company that has a market capitalization that exceeds \$10 billion.
- MANAGER UNIVERSE- A collection of quarterly investment returns from various investment management firms that may be subdivided by style (e.g. growth, value, core).
- MID CAP- Generally, the term refers to a company that has a market capitalization between \$2 and \$10 billion.
- NCREIF - A quarterly time series composite total rate of return measure of investment performance of a large pool of individual commercial real estate properties acquired in the private market for investment purposes only.
- NCREIF ODCE - Open End Diversified Core Equity index which consists of historical and current returns from 26 open-end commingled funds pursuing core strategy. This index is capitalization weighted, time weighted and gross of fees.



## **Boynton Beach Police Pension Fund Glossary of Terms**

-NET- Investment return accounts only for manager fees.

-PROTECTING FLORIDA INVESTMENT ACT (PFIA) - SBA publishes a list of prohibited investments (scrutinized companies).

-RATE OF RETURN- The percentage change in the value of an investment in a portfolio over a specified time period, excluding contributions.

-RISK MEASURES- Measures of the investment risk level, including beta, credit, duration, standard deviation, and others that are based on current and historical data.

-R-SQUARED- Measures how closely portfolio returns and those of the market are correlated, or how much variation in the portfolio returns may be explained by the market. An R2 of 40 means that 40% of the variation in a fund's price changes could be attributed to changes in the market index over the time period.

-SHARPE RATIO- The ratio of the rate of return earned above the risk-free rate to the standard deviation of the portfolio. It measures the number of units of return per unit of risk.

-SMALL CAP- Generally refers to a company with a market capitalization \$300 million to \$2 billion.

-STANDARD DEVIATION- Measure of the variability (dispersion) of historical returns around the mean. It measures how much exposure to volatility was experienced by the implementation of an investment strategy.

-SYSTEMATIC RISK- Measured by beta, it is the risk that cannot be diversified away (market risk).

- TIME WEIGHTED (TW) RETURN - A measure of the investments versus the investor. When there are no flows the TW & DOLLAR weighted (DW) returns are the same and vice versa.

-TRACKING ERROR- A measure of how closely a manager's performance tracks an index; it is the annualized standard deviation of the differences between the quarterly returns for the manager and the benchmark.

-TREYNOR RATIO- A measure of reward per unit of risk. (excess return divided by beta)

-UP AND DOWN-MARKET CAPTURE RATIO- Ratio that illustrates how a manager performed relative to the market during rising and declining market periods.

-VALUE MANAGER- Generally invests in companies that have low price-to-earnings and price-to-book ratios and/or above-average dividend yields.



## **Boynton Beach Police Pension Fund Disclosure**

Advisory services are offered through or by Burgess Chambers and Associates, Inc., a registered SEC investment advisor.

### Performance Reporting:

- 1.Changes in portfolio valuations due to capital gains or losses, dividends, interest, income and management fees are included in the calculation of returns. All calculations are made in accordance with generally accepted industry standards.
- 2.Transaction costs, such as commissions, are included in the purchase cost or deducted from the proceeds or sale of a security. Differences in transaction costs may affect comparisons.
- 3.Individual client returns may vary due to a variety of factors, including differences in investment objectives, asset allocating and timing of investment decisions.
- 4.BCA does not have discretion or decision making authority over any investments. All decisions regarding investment manager selection and retention, asset allocation, and other investment policies were made by the client. While BCA provides recommendations and choices regarding suitable investments, not all clients take these recommendations or select from the choices offered.
- 5.Performance reports are generated from information supplied by the client, custodian, and/or investment managers. BCA relies upon the accuracy of this data when preparing reports.
- 6.The market indexes do not include transaction costs, and an investment in a product similar to the index would have lower performance dependent upon costs, fees, dividend reinvestments, and timing. Benchmarks and indexes are for comparison purposes only, and there is no assurance or guarantee that such performance will be achieved.
- 7.Performance information prepared by third party sources may differ from that shown by BCA. These differences may be due to different methods of analysis, different time periods being evaluated, different pricing sources for securities, treatment of accrued income, treatment of cash, and different accounting procedures.
- 8.Certain valuations, such as alternative assets, ETF, and mutual funds, are prepared based on information from third party sources, the accuracy of such information cannot be guaranteed by BCA. Such data may include estimates and maybe subject to revision.
- 9.BCA has not reviewed the risks of individual security holdings. The firm's ADV, Part II, is available upon request.
- 10.BCA investment reports are not indicative of future results.

