

BOYNTON BEACH POLICE PENSION FUND

INVESTMENT PERFORMANCE PERIOD ENDING JUNE 30, 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 ©

Why Are Bonds A Risk?

July 2013

Since the sudden drop in bond prices in June, investors have been reminded of interest rate risk. While we are continually focused on default risk, it is Fed's zero interest rate policy in its fifth year that has investors worried. A shift by the Fed towards allowing interest rates to rise will push down the value of bonds.

There are two major types of risk in the bond market. One is the risk that the bond issuer will default on the bond. Selecting higher quality bonds with limited exposure to each issue and/or hiring a professional bond manager with a focus on quality will significantly reduce the risk of a default in your portfolio.

The second major risk is interest rate risk – specifically the price depreciation of a bond during a rising interest rate environment. As interest rates rise, the price (or market value) of a bond will decline. Let's consider a simple example: Assume you own a fixed coupon bond that pays 3% interest each year. If the market moves the yield of this bond to 6%, its price will have dropped by 50%.

As an individual investor, you may not be concerned that your bond has declined in value. You will continue to receive the 3% coupon every year and your money (or par value) back at maturity. However, pension funds, endowments and foundations are required to report the bonds at their current market value.

The threat of a rising interest rate environment from the current historical lows is the reason many investors view the asset class as "risky". Many believe there is a high probability that the market value decline of bonds will be more than the interest received if rates begin to rise, resulting in a negative total return for the bond portion of your portfolio.

BCA has discussed the risk associated with bonds with its clients for the past two years and has offered several solutions. Shortening the maturities (or the duration) of the portfolio is one way to lessen the impact of rising rates as bonds closer to maturity have less sensitivity to interest rate movements. Other alternatives to consider include floating rate bonds which reset the coupon based on a spread above a predetermined index. However, each strategy or asset class has its own individual risk characteristics and should be monitored closely to ensure they are meeting your specific objectives.



Boynton Beach Police Pension Fund
Total Fund
Investment Summary
June 30, 2013

- For the quarter, the Fund had an investment loss of \$620K or -0.7% (-0.9% net), beating the Policy benchmark -3.0%. The difference was due to the under-weight to fixed-income and alternatives and the over-weight to equities. Foreign assets represented 31.2% of the total Fund on June 30, exceeding the 25% policy and Statute limitation.
- Fiscal YTD, the Fund earned \$3.9 million or +6.6% (+6.1% net), versus +4.4% for the Policy benchmark. The best performing asset category was the RTC Real Estate (+10.2%).
- For the 12-month period, the Fund earned \$6.6 million or +11.8% (+11.0% net), ranking in the bottom 57th percentile.
- **For the three-year period, the Fund earned \$16.8 million or +11.6% (+10.8% net), ranking in the top 47th 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.



**Boynton Beach Police Pension Fund
Total Fund
Investment Performance
June 30, 2013**

Dollars

	<u>Quarter</u>	<u>Fiscal YTD</u>	<u>One Year</u>
Beginning Market Value	68,320,578	61,416,117	58,809,456
Ending Market Value	66,902,413	66,902,413	66,902,413
Net Contributions	-798,430	+1,612,546	+1,522,702
Investment Gain/(Loss)	-619,735	+3,873,750	+6,570,255
Investment Return, net	-0.9%	+6.1%	+11.0%
Policy Benchmark	-3.0%	+4.4%	+9.2%
<i>Value Added (pts.)</i>	<i>+2.1</i>	<i>+1.7</i>	<i>+1.8</i>

Fiscal Year: October 1st – September 30th



**Boynton Beach Police Pension Fund
Total Fund
Investment Policy Review
June 30, 2013**

	<u>Yes</u>	<u>No</u>
The total Fund's annualized three-year performance achieved the Consultant's Benchmark.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The total Fund's annualized three-year performance ranked in the top 40th percentile of the universe. (Actual: 47th)	<input type="checkbox"/>	<input checked="" 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 66.5% which did not exceed 70% of Fund's assets at market value.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Foreign equity investments were 31.2%* (at market) and did not exceed the 25% of the total Fund's assets at market.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Asset allocation among fixed income was 29.6% (at market) within the 30% minimum limitation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Asset allocation among alternatives was 9.3%** (at market) within the 20% maximum limitation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

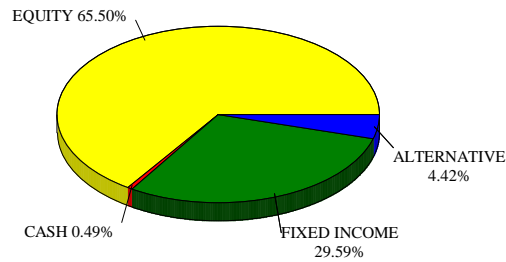
*Foreign Allocation: Multi Asset Core: 27.1% + Multi Bond Mgr: 4.1% + RE: 0% + Cash: 0%.

**Alternative Allocation: Multi Asset Core: 9.3% + Multi Mgr: 0.0% + RE: 4.4% + Cash: 0%

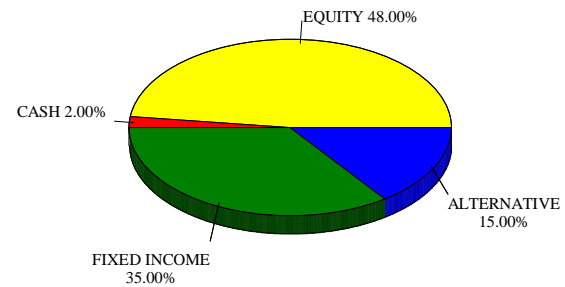


**BOYNTON BEACH POLICE PENSION FUND
TOTAL FUND
ACTUAL VS TARGET ASSET ALLOCATION
JUNE 30, 2013**

ACTUAL ASSET ALLOCATION



TARGET ASSET ALLOCATION



	MARKET VALUE ACTUAL	PERCENT ACTUAL	MARKET VALUE TARGET	PERCENT TARGET	MARKET VALUE DIFFERENCE	PERCENT DIFFERENCE
EQUITY	43,823,369.9	65.5%	32,113,158.3	48.0%	11,710,211.6	17.5%
FIXED INCOME	19,795,696.0	29.6%	23,415,844.6	35.0%	(3,620,148.6)	(5.4%)
ALTERNATIVE	2,954,106.3	4.4%	10,035,362.0	15.0%	(7,081,255.7)	(10.6%)
CASH	329,241.1	0.5%	1,338,048.3	2.0%	(1,008,807.2)	(1.5%)
TOTAL FUND	\$66,902,413.2	100.0%	\$66,902,413.2	100.0%	\$0.0	0.0%

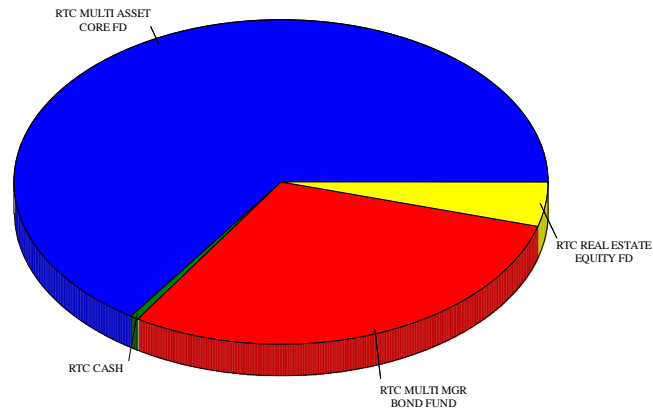


Boynton Beach Police Pension Fund

Total Fund

Asset Allocation

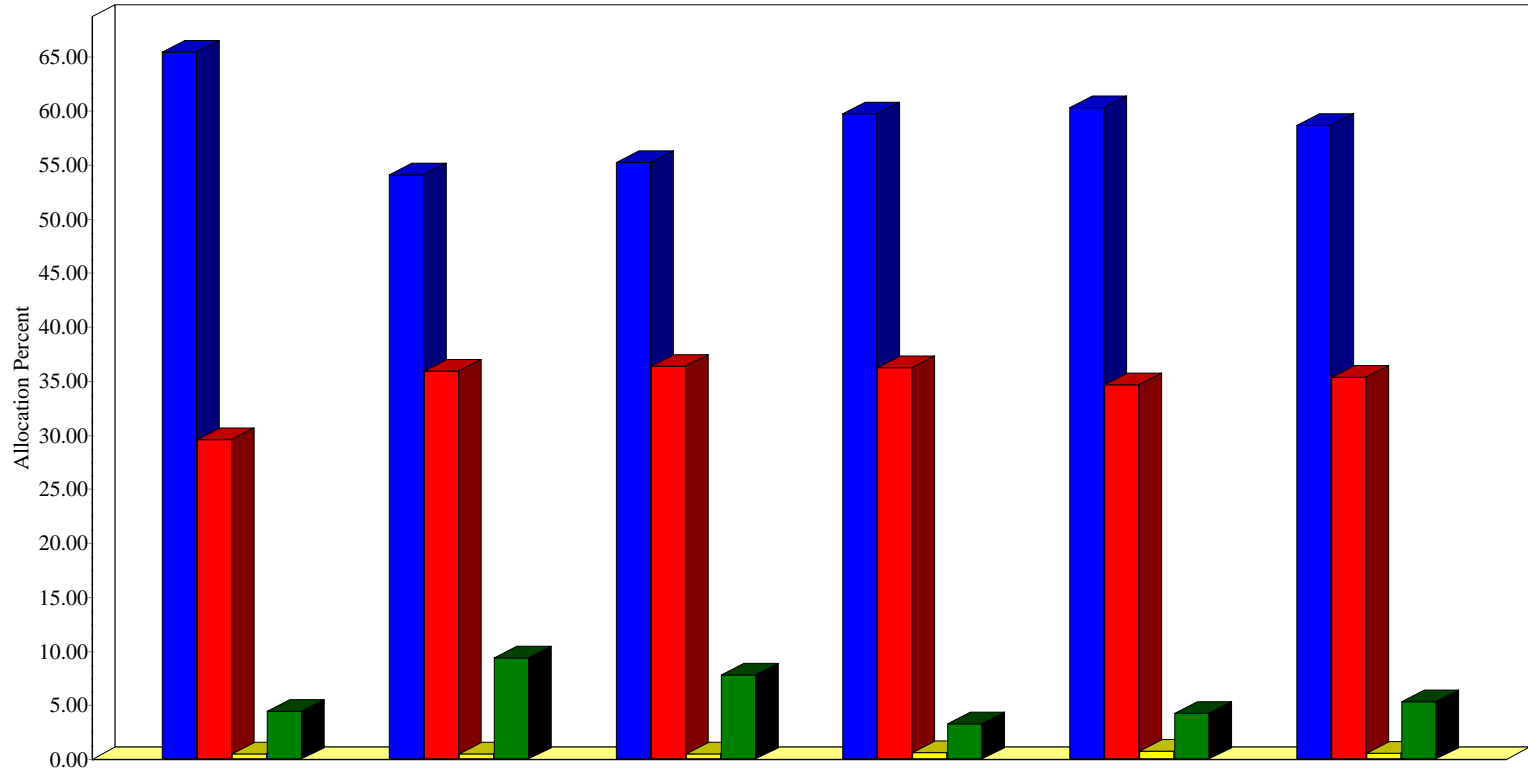
TOTAL MARKET VALUE
AS OF JUNE 30, 2013
\$ 66,902,413



	VALUE	PERCENT
■ RTC MULTI ASSET CORE FD	43,823,370	65.50
■ RTC MULTI MGR BOND FUND	19,795,696	29.59
■ RTC REAL ESTATE EQUITY FD	2,954,106	4.42
■ RTC CASH	329,241	0.49



Boynton Beach Police Pension Fund
Total Fund
Asset Distribution
June 30, 2013



	QUARTER TO DATE	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS
EQUITY	65.50	54.13	55.27	59.75	60.35	58.70
FIXED INCOME	29.59	35.94	36.41	36.28	34.65	35.40
CASH	0.49	0.53	0.52	0.66	0.73	0.59
ALTERNATIVE	4.42	9.40	7.80	3.32	4.27	5.31



Boynton Beach Police Pension Fund

**Total Fund
June 30, 2013**

Gross of Fees

Name	Market Values	QTD ROR	FYTD ROR	1 Year ROR	2 Year ROR	3 Year ROR	5 Year ROR
<u>Equity</u>							
RTC Multi Asset Core Fd	43,823,370	-0.3%	10.0%	N/A	N/A	N/A	N/A
Total Equity	43,823,370	-0.3%	10.0%	16.1%	5.8%	14.4%	4.0%
<u>Fixed Income</u>							
RTC Multi Mgr Bond Fund	19,795,696	-2.5%	-1.1%	1.4%	4.4%	5.2%	N/A
Total Fixed Income	19,795,696	-2.5%	-1.1%	1.4%	4.4%	5.2%	7.2%
<u>Cash</u>							
RTC Cash	329,241	0.0%	0.1%	0.1%	0.1%	0.1%	1.4%
<u>Alternative</u>							
RTC Real Estate Equity Fd	2,954,106	4.6%	10.2%	13.4%	13.1%	15.9%	-0.9%
Total Alternative	2,954,106	4.6%	10.2%	16.1%	9.3%	13.0%	-2.4%
TOTAL: (1, 2, 3, 4)	66,902,413	-0.7%	6.6%	11.8%	6.3%	11.6%	4.6%
Policy Benchmark		-3.0%	4.4%	9.2%	5.9%	11.2%	5.5%
MSCI AC Wrld X US		-2.9%	6.2%	14.1%	-1.0%	8.5%	-0.3%
BC Aggregate		-2.3%	-2.2%	-0.7%	3.3%	3.5%	5.2%
FTSE EPRA/NAREIT		-3.9%	7.7%	13.5%	7.4%	15.2%	N/A
NCREIF ODCE		3.9%	9.1%	12.2%	12.3%	15.0%	-0.1%
DJUBS Commodities TR		-9.4%	-16.1%	-8.0%	-11.2%	N/A	N/A
ML 3M TBill		0.0%	0.1%	0.1%	0.1%	0.1%	0.3%
RTC Multi-Asset Core		-0.9%	7.5%	N/A	N/A	N/A	N/A
Fixed Income Bnch		-2.3%	-2.2%	-0.7%	3.3%	3.5%	5.2%
Real Estate Bnch		3.9%	9.1%	12.2%	12.3%	15.0%	2.8%

1 Consultant's Bnch (IPS hybrid benchmark objective): May'13 48% MSCI ACWI + 35% BC Aggregate + 5% FTSE/NAREIT + 5% NCREIF ODCE + 5% DJ UBS Commodities + 2% ML 3M T-Bills; 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.

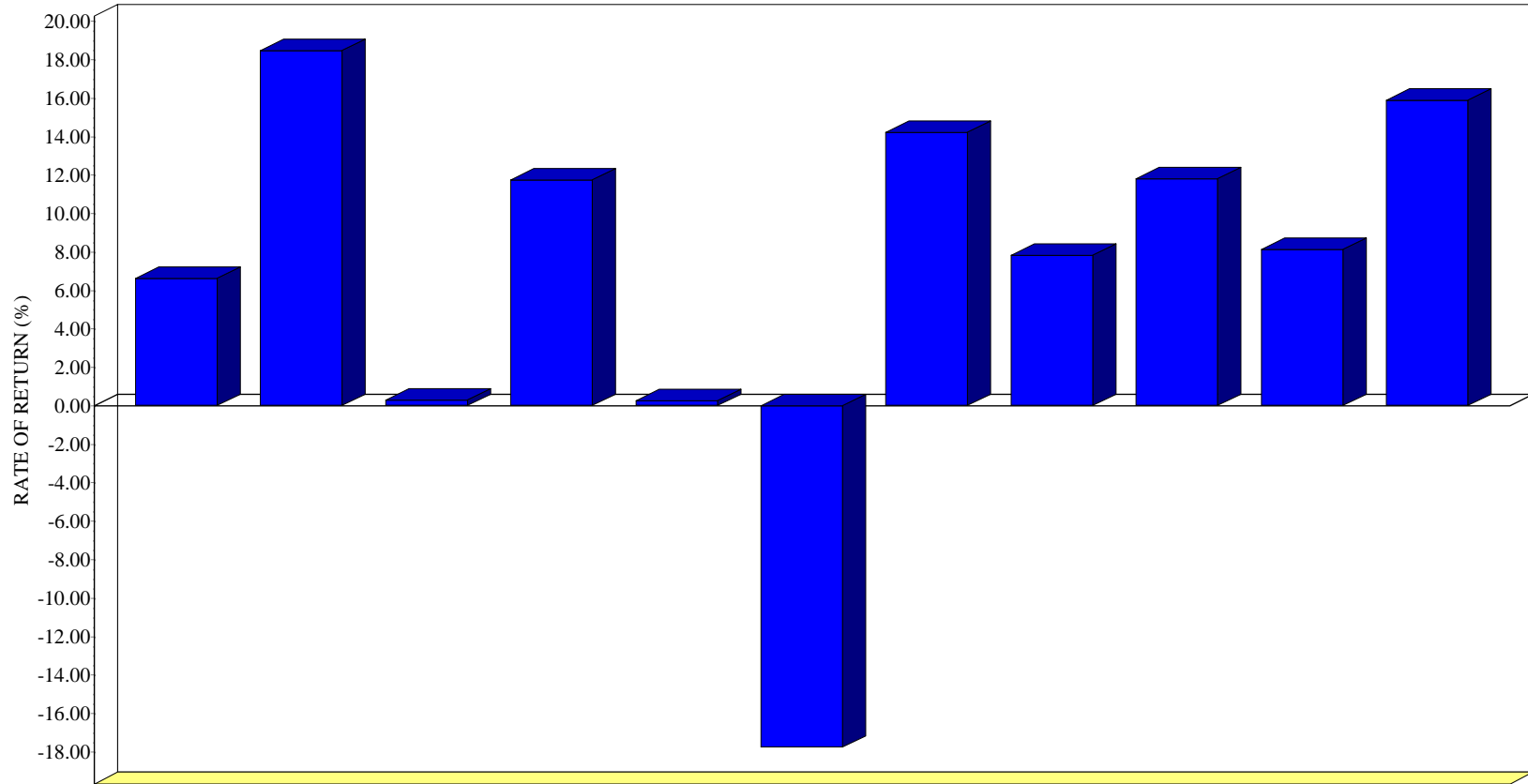
2 The Multi-Asset Core Composite Benchmark is comprised of 75.0% Russell World Cap 50% Hedged Net Index / 7.5% Dow Jones UBS Commodity Index / 7.5% FTSE EPRA/NAREIT Developed Real Estate Index (Net) / 7.0% Barclays U.S. Aggregate Bond Index / 3.0% Barclays U.S. 1-3 Month Treasury Bill Index. This benchmark is appropriate for evaluating the Russell Multi-Asset Core Fund over a 3 to 5 year horizon.

3 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.

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



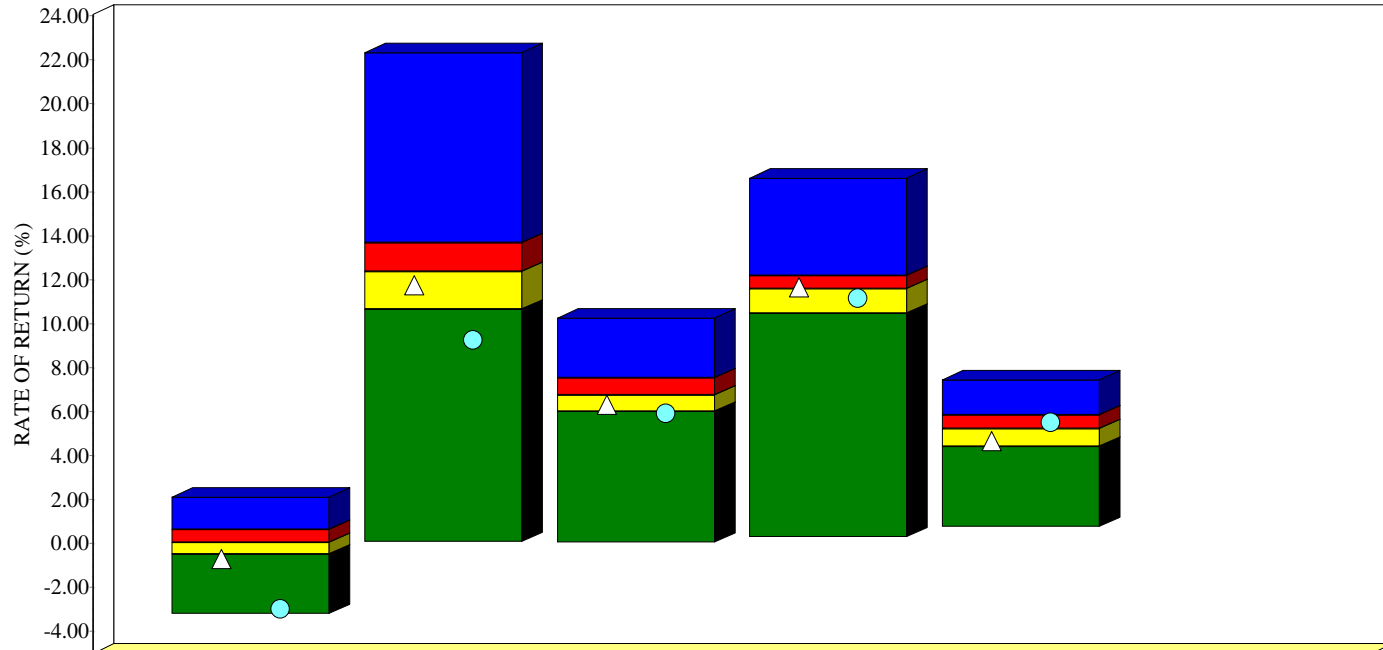
**Boynton Beach Police Pension Fund
Total Fund
Fiscal Year Rates of Return
September 30, 2002 Through June 30, 2013**











FISCAL YTD	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	
TF	6.63	18.47	0.29	11.73	0.25	-17.78	14.22	7.85	11.83	8.14	15.90



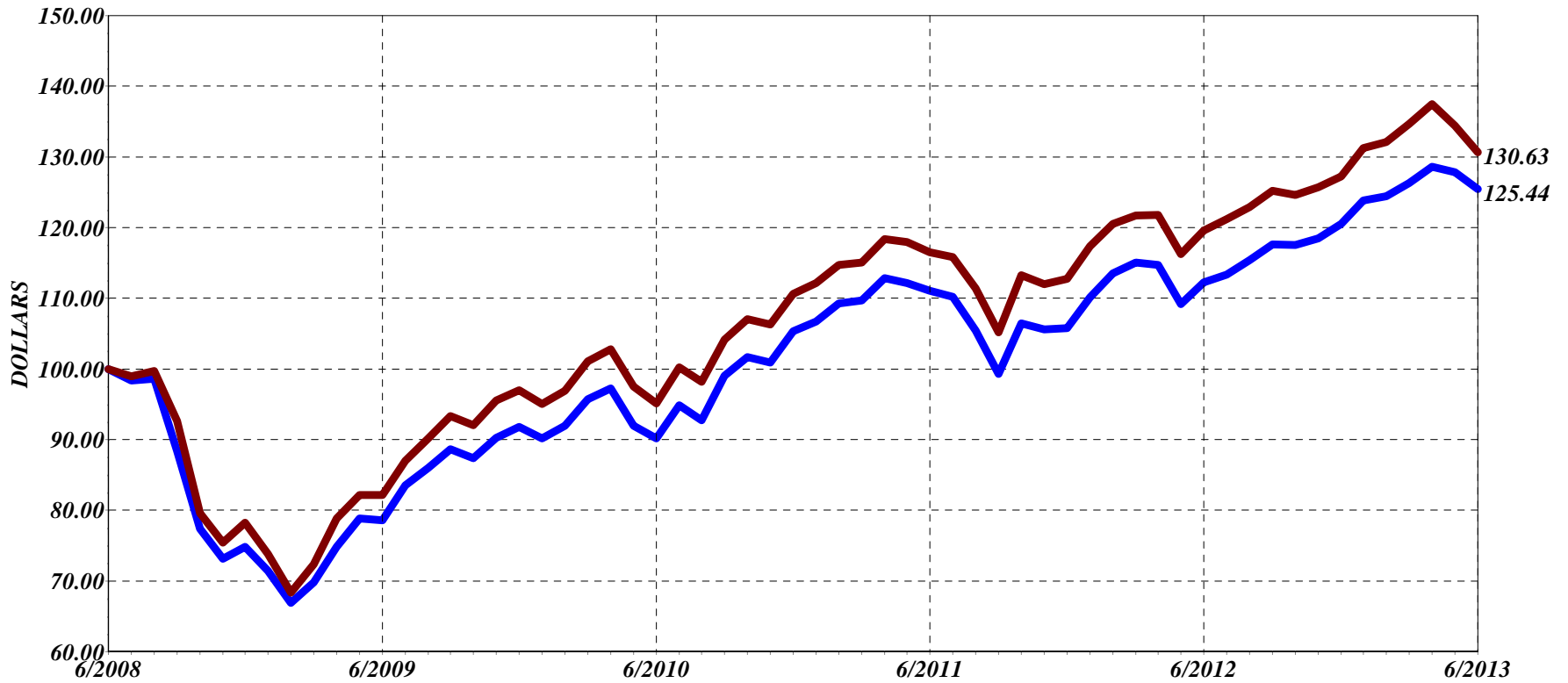
**Boynton Beach Police Pension Fund
 Quartile Ranking
 Total Fund Versus BNY Mellon Public Funds Universe
 June 30, 2008 Through June 30, 2013**



	<u>LATEST QUARTER</u>		<u>ONE YEAR</u>		<u>TWO YEARS</u>		<u>THREE YEARS</u>		<u>FIVE YEARS</u>	
 HIGHEST VALUE		2.08		22.33		10.23		16.62		7.42
 FIRST QUARTILE		0.61		13.67		7.51		12.16		5.83
 MEDIAN VALUE		0.01		12.36		6.74		11.57		5.20
 THIRD QUARTILE		-0.52		10.63		5.98		10.44		4.39
 LOWEST VALUE		-3.23		0.04		0.03		0.27		0.75
 MEAN		-0.13		11.95		6.32		10.62		4.86
	<u>LATEST QUARTER</u>		<u>ONE YEAR</u>		<u>TWO YEARS</u>		<u>THREE YEARS</u>		<u>FIVE YEARS</u>	
	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK
 TF	-0.72	78	11.75	57	6.30	63	11.63	47	4.64	68
 POLICY BENCHMARK	-3.01	94	9.24	78	5.89	78	11.15	57	5.49	36



**Boynton Beach Police Pension Fund
Total Fund
Growth of a Dollar Analysis
June 30, 2008 Through June 30, 2013**



	LATEST QUARTER	FISCAL YTD	YEAR TO DATE	ONE YEAR	THREE YEARS	FIVE YEARS
TF	-0.72	6.63	4.06	11.75	11.63	4.64
POLICY BENCHMARK	-3.01	4.36	2.65	9.24	11.15	5.49



**BOYNTON BEACH POLICE PENSION FUND
RTC MULTI ASSET CORE FD
TOTAL FUND TIME-WEIGHTED RATES OF RETURN
AUGUST 31, 2012 THROUGH JUNE 30, 2013**

DATE	ACCOUNT					MULTI-ASSET INDEX				
	MONTHLY	QUARTERLY	SEMI ANNUALLY	ANNUALLY	SINCE 08/2012	MONTHLY	QUARTERLY	SEMI ANNUALLY	ANNUALLY	SINCE 08/2012
09/2012	2.54	*			2.54	2.35				2.35
10/2012	-0.41	*			2.13	-0.66				1.67
11/2012	1.10	*			3.25	1.07				2.76
12/2012	2.46	*	3.17	*	5.79	1.79	2.20			4.60
01/2013	4.23	*			10.27	4.00				8.79
02/2013	0.55	*			10.88	0.20				9.00
03/2013	2.02	*	6.93	*	10.31	1.85	6.14	8.47		11.02
04/2013	2.07				13.12	2.19				13.45
05/2013	-0.07	*			15.37	-0.27				13.15
06/2013	-2.21	*	-0.26	*	12.83	-2.73	-0.87			10.06

THE POLICY INDEX REFLECTS THE RETURNS OF THE MANAGER'S ASSET ALLOCATION IF INVESTED IN THE MARKETS REPRESENTED BY THE FOLLOWING INDEXES:

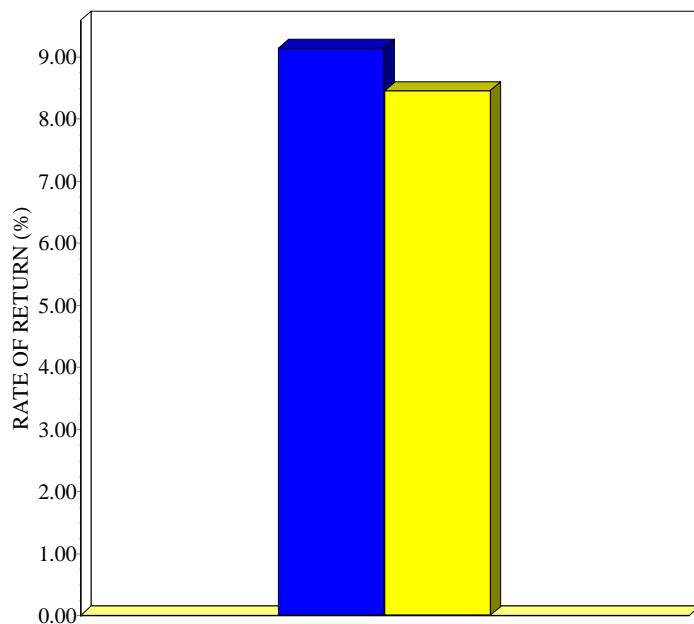
8/30/2012 - PRESENT

100% RTC MULTI-ASSET CORE COMPOSITE BMK (FROM BOYNTON-RUSSELL)

The asterisks indicate those periods during which the Total Fund over performed the RTC Multi-Asset Core Composite Bmk (From Boynton-Russell).

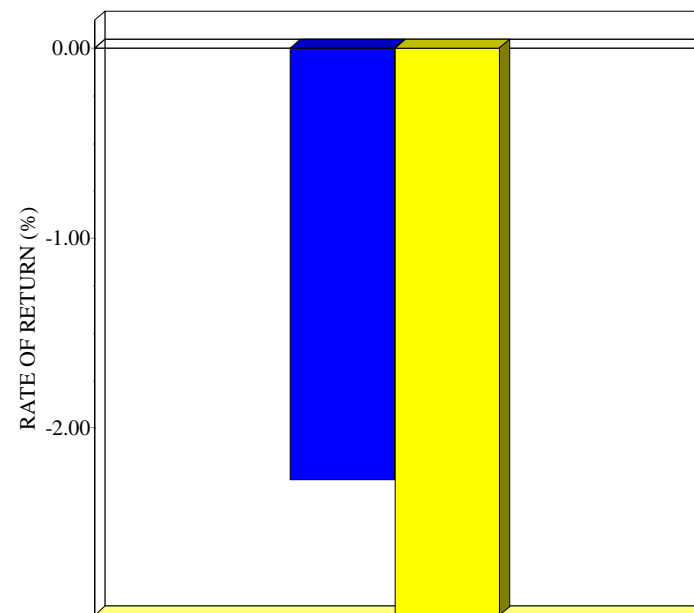
**Boynton Beach Police Pension Fund
 RTC Multi Asset Core Fd
 Performance in Rising and Declining Markets
 December 31, 2012 Through June 30, 2013**

UP MARKET PERFORMANCE



	YTD
TOTAL FUND	9.14
MULTI-ASSET INDEX	8.46
DIFFERENCE	0.68
RATIO	1.08
UP PERIODS	4

DOWN MARKET PERFORMANCE



	YTD
TOTAL FUND	-2.28
MULTI-ASSET INDEX	-2.99
DIFFERENCE	0.71
RATIO	0.76
DOWN PERIODS	2



**Boynton Beach Police Pension Fund
RTC Multi Mgr Bond Fund
Performance Profile
Through June 30, 2013**

	ENDED	RETURN
BEST QUARTER	9/2010	3.87
WORST QUARTER	6/2013	-2.50
BEST 4 QUARTERS	6/2012	7.55
WORST 4 QUARTERS	6/2013	1.36

TOTAL # OF PERIODS: 36
OF POSITIVE PERIODS: 27
OF NEGATIVE PERIODS: 9

	QUARTER TO DATE	FISCAL YTD	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	-2.50	-1.10	1.36	4.41	5.20
FIXED INCOME BNCH	-2.32	-2.24	-0.69	3.31	3.51
EXCESS	-0.18	1.14	2.05	1.10	1.69
RISKLESS INDEX	0.02	0.08	0.11	0.08	0.11
REAL ROR	-2.80	-2.00	-0.37	2.59	2.77

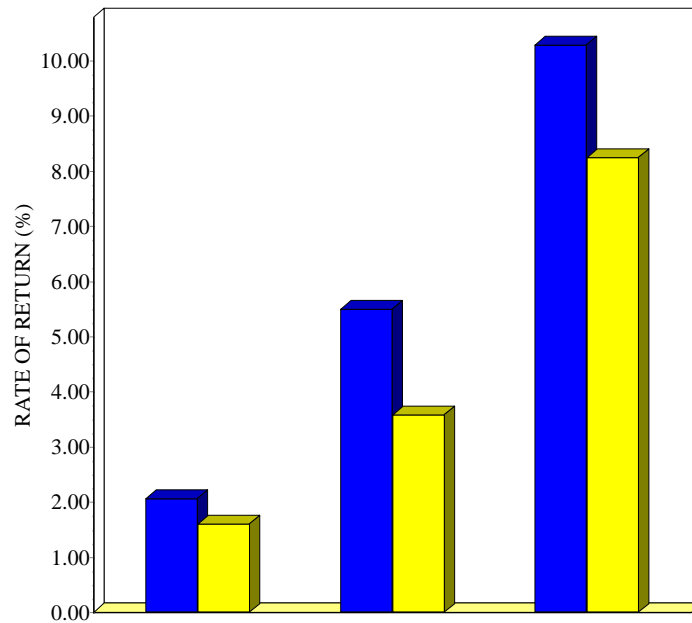
PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	1.36	33	3.54	0.35	2.16	1.14	96.09	2.55
TWO YEARS	4.41	35	3.08	1.40	1.30	0.93	77.37	0.71
THREE YEARS	5.20	27	3.00	1.70	1.78	0.96	80.32	1.22

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



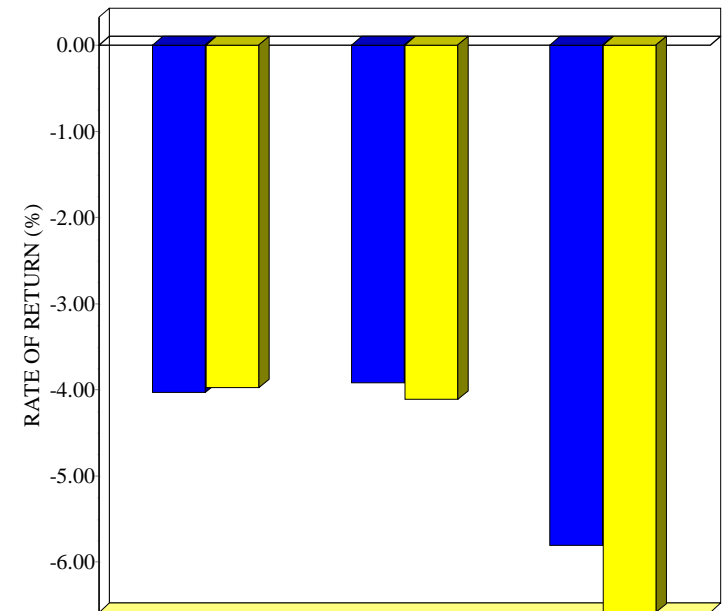
**Boynton Beach Police Pension Fund
RTC Multi Mgr Bond Fund
Performance in Rising and Declining Markets
June 30, 2010 Through June 30, 2013**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	2.06	5.50	10.28
FIXED INCOME BNCH	1.60	3.58	8.24
DIFFERENCE	0.46	1.92	2.04
RATIO	1.29	1.54	1.25
UP PERIODS	3	8	26

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	-4.04	-3.93	-5.82
FIXED INCOME BNCH	-3.98	-4.12	-6.59
DIFFERENCE	-0.06	0.19	0.77
RATIO	1.01	0.95	0.88
DOWN PERIODS	3	4	10



**Boynton Beach Police Pension Fund
RTC Real Estate Equity Fd
Performance Profile
Through June 30, 2013**

	ENDED	RETURN
BEST QUARTER	12/2010	5.62
WORST QUARTER	3/2009	-14.72
BEST 4 QUARTERS	6/2011	21.67
WORST 4 QUARTERS	6/2009	-33.47

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	4.57	10.17	13.35	13.09	15.88	-0.91
REAL ESTATE BNCH	3.86	9.15	12.18	12.31	14.96	2.82
EXCESS	0.71	1.02	1.17	0.78	0.91	-3.73
RISKLESS INDEX	0.02	0.08	0.11	0.08	0.11	0.29
REAL ROR	4.27	9.19	11.46	11.14	13.23	-2.20

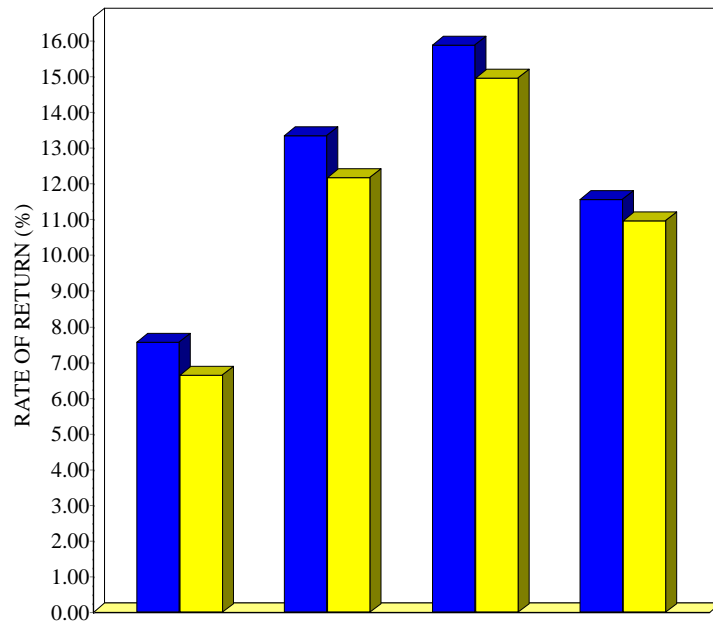
PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	13.35	1	5.46	2.43	-0.21	1.11	99.45	1.59
TWO YEARS	13.09	1	5.30	2.45	-0.17	1.08	99.13	1.16
THREE YEARS	15.88	83	6.54	2.41	-0.07	1.06	99.42	1.31
FIVE YEARS	-0.91	99	12.54	-0.10	-4.31	1.36	92.83	-0.72

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



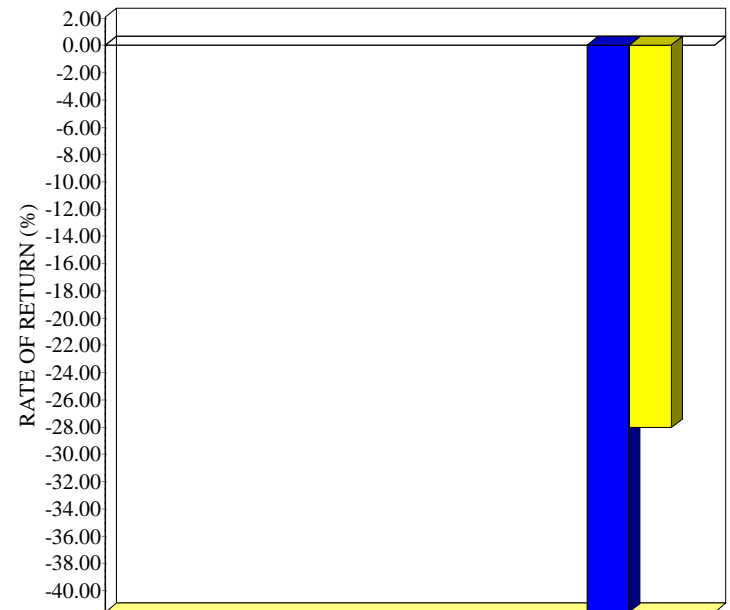
**Boynton Beach Police Pension Fund
RTC Real Estate Equity Fd
Performance in Rising and Declining Markets
June 30, 2008 Through June 30, 2013**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	7.57	13.35	15.88	11.56
REAL ESTATE BNCH	6.64	12.18	14.96	10.96
DIFFERENCE	0.92	1.17	0.91	0.60
RATIO	1.14	1.10	1.06	1.05
UP PERIODS	6	12	36	54

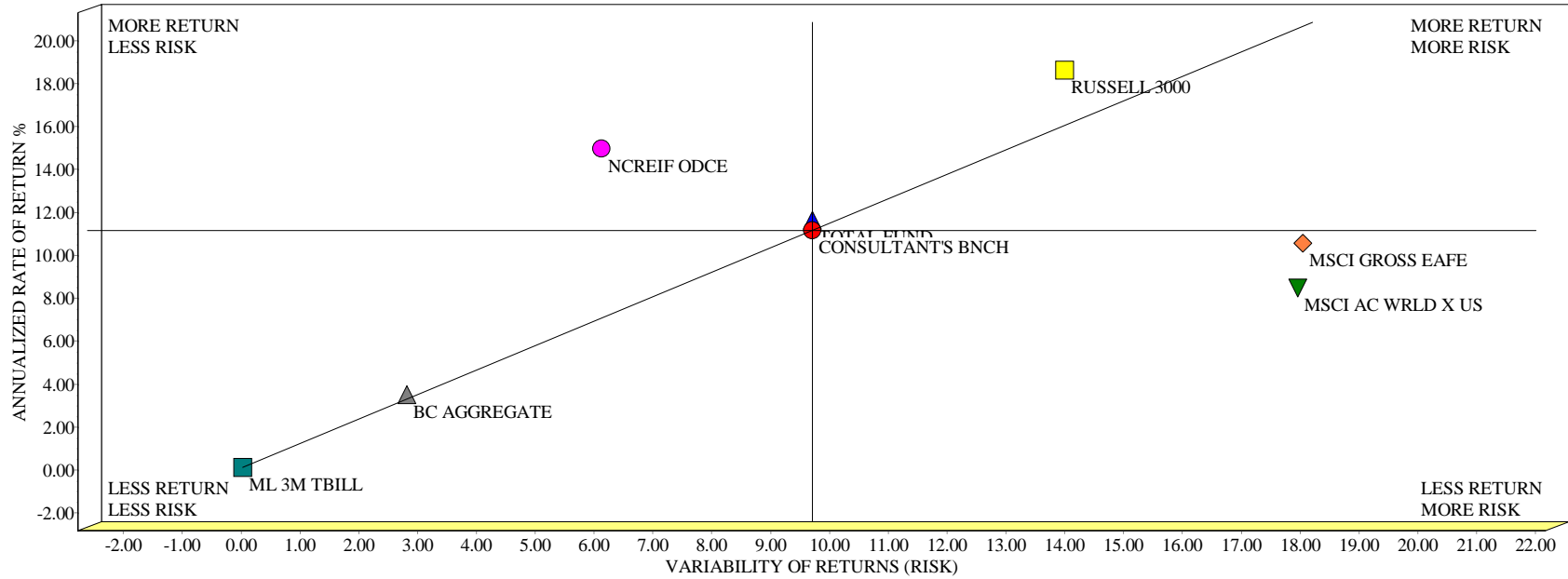
DOWN MARKET PERFORMANCE



	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



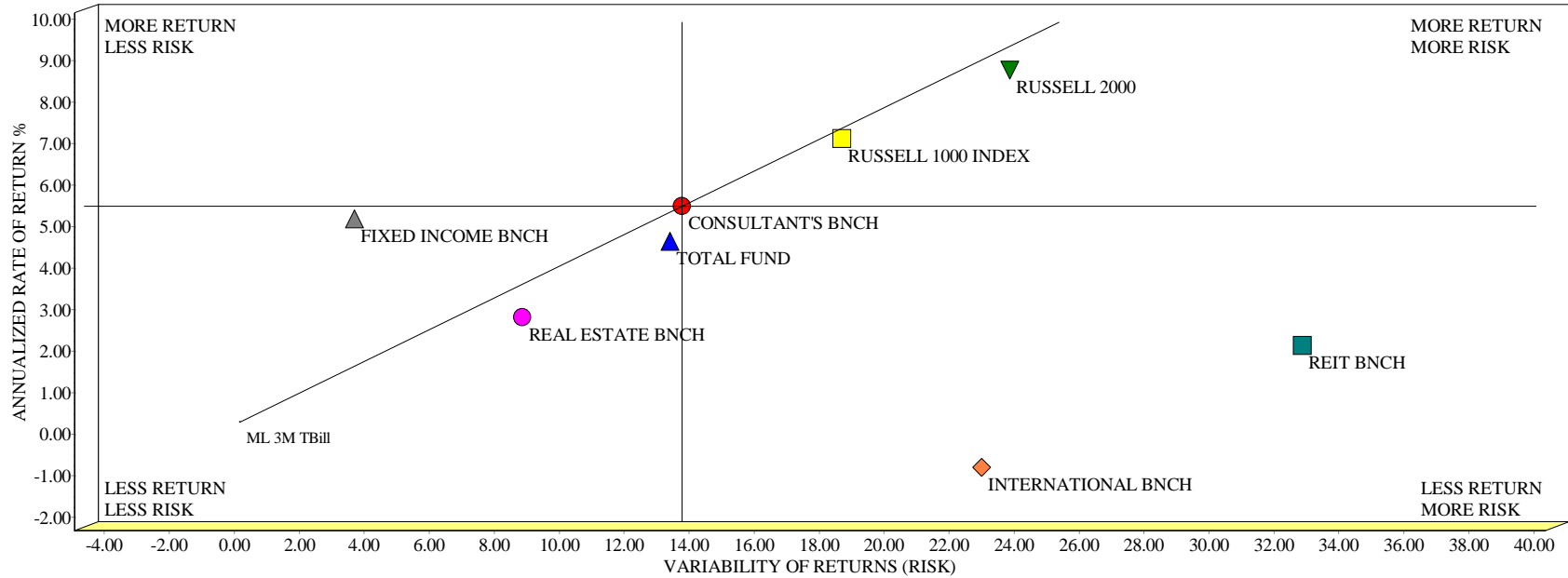
**Boynton Beach Police Pension Fund
Total Fund
Capital Market Line
June 30, 2010 Through June 30, 2013**



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	11.63	9.71	0.99	0.56	97.63
● CONSULTANT'S BNCH	11.15	9.71	1.00	0.00	100.00
■ RUSSELL 3000	18.63	14.00	1.00	0.00	100.00
▼ MSCI AC WRLD X US	8.48	17.96	1.00	0.00	100.00
◆ MSCI GROSS EAFE	10.55	18.05	1.00	0.00	100.00
▲ BC AGGREGATE	3.51	2.81	1.00	0.00	100.00
● NCREIF ODCE	14.96	6.13	1.00	0.00	100.00
■ ML 3M TBILL	0.11	0.03	1.00	0.00	100.00



**Boynton Beach Police Pension Fund
Total Fund
Capital Market Line
June 30, 2008 Through June 30, 2013**

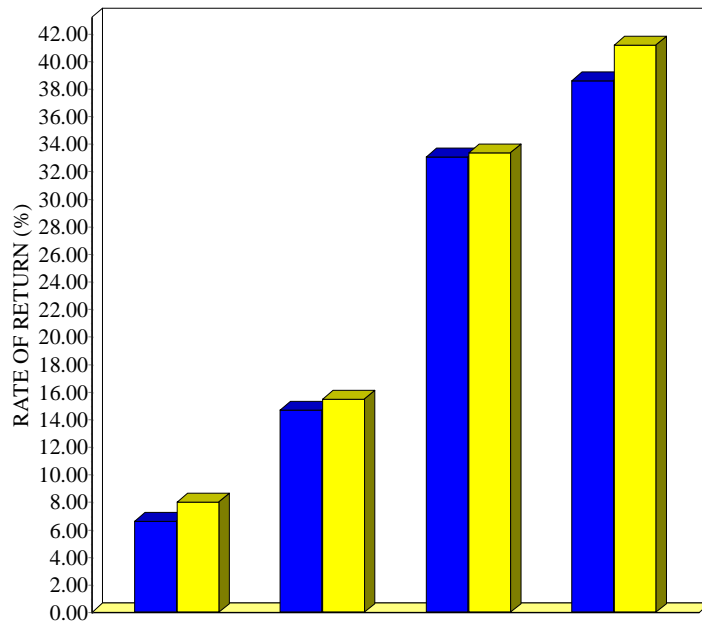


	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	4.64	13.41	0.96	-0.61	96.53
● CONSULTANT'S BNCH	5.49	13.78	1.00	0.00	100.00
■ RUSSELL 1000 INDEX	7.12	18.69	1.00	0.00	100.00
▼ RUSSELL 2000	8.77	23.86	1.00	0.00	100.00
◆ INTERNATIONAL BNCH	-0.80	22.99	1.00	0.00	100.00
▲ FIXED INCOME BNCH	5.19	3.70	1.00	0.00	100.00
● REAL ESTATE BNCH	2.82	8.87	1.00	0.00	100.00
■ REIT BNCH	2.13	32.87	1.00	0.00	100.00



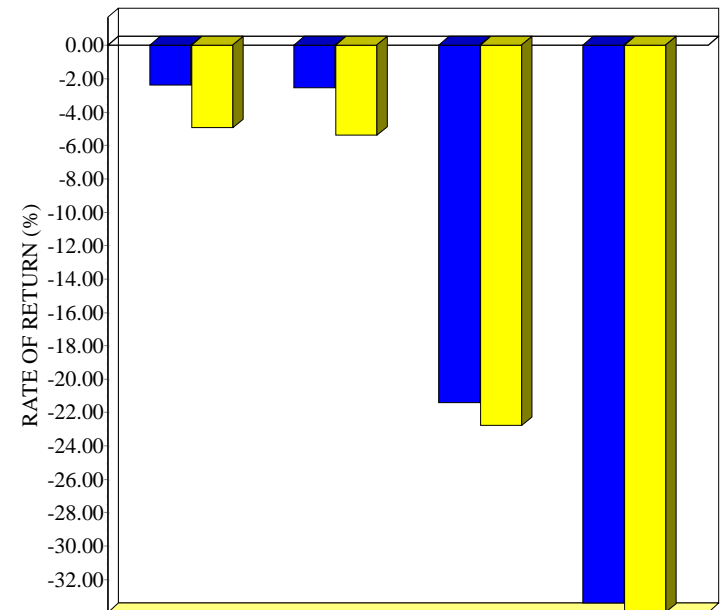
**Boynton Beach Police Pension Fund
Total Fund
Performance in Rising and Declining Markets
June 30, 2008 Through June 30, 2013**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	6.65	14.68	33.08	38.61
POLICY BENCHMARK	8.01	15.50	33.37	41.17
DIFFERENCE	-1.37	-0.82	-0.29	-2.56
RATIO	0.83	0.95	0.99	0.94
UP PERIODS	4	9	24	37

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	-2.43	-2.56	-21.45	-33.43
POLICY BENCHMARK	-4.97	-5.42	-22.80	-33.98
DIFFERENCE	2.54	2.86	1.35	0.55
RATIO	0.49	0.47	0.94	0.98
DOWN PERIODS	2	3	12	23



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.

