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***Burgess Chambers & Associates, Inc.***

***Institutional Investment Advisors***

***[www.burgesschambers.com](http://www.burgesschambers.com)***

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# **BOYNTON BEACH POLICE PENSION FUND**

## **INVESTMENT PERFORMANCE PERIOD ENDING MARCH 31, 2015**

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BCA reviews transactions provided by the custodian and uses reasonable care to ensure the accuracy of the data contained herein.  
However, BCA cannot guarantee the accuracy of the custodian's statement.



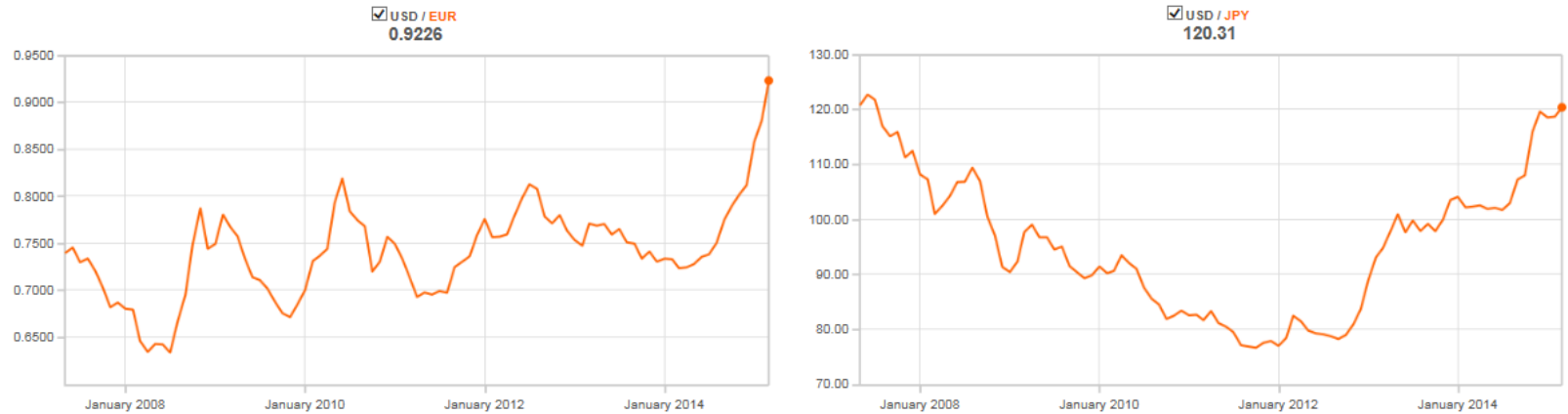
# Boynton Beach Police Pension Fund

## BCA Market Perspective ©

### Impact of a Strong U.S. Dollar

#### April 2015

The U.S. dollar has appreciated 25% against the euro since early 2014 and 45% to the yen since early 2012. The last time the dollar began this magnitude of strengthening in such a short period of time was during the early 1980s when the Federal Reserve, under Paul Volcker, began an aggressive anti-inflation policy of raising borrowing costs. Is a strengthening dollar good or bad policy? The answer depends on your perspective.



The strong dollar means that U.S. imports cost less to consumers, businesses and manufacturers. Oil, cars, trucks, tractors, clothing, electronics, and durable goods cost less. There is a wealth effect – which encourages more spending and consumption. This cycle leads to a worldwide glut of U.S. dollars that eventually leads to its weakening.

U.S. multinational corporations have already reported the strong dollar hurting sales. German export manufacturers reported strong sales growth in February and March.

Why would the Federal Reserve (FOMC) elect to raise policy interest rates during the summer or fall of 2015? This measure of tightening would risk moving the U.S. economy into a slower growth profile and perhaps a recession in 2016. Accordingly, it appears more likely, given the above, that the Fed will delay any meaningful policy to raise interest rates.

#### Disadvantages of a Strong Dollar

- Decreases U.S. exports – cuts revenues and market share
- U.S. firms can't raise local prices
- Fewer foreign tourists visit the U.S.
- Less direct investment by foreign investors
- Fewer foreign companies outsource facilities to the U.S.
- U.S. manufacturers move offshore (again)

#### Advantages of a Strong Dollar

- Lower import prices contribute to lower inflation
- Consumer wealth effect
- Cost to travel abroad decreases
- Foreign ownership (and influence) of U.S. assets decreases

Currency source: [www.oanda.com](http://www.oanda.com)

Disclosure: All expressions of opinion reflect the judgment of the author as of the date of publication and are subject to change. Content should not be regarded as a complete analysis of the subjects discussed or as personalized investment advice. All investment strategies have the potential for profit or loss. References to market performance in publications do not represent the returns achieved by Burgess Chambers & Associates or any of its advisory clients.

**Boynton Beach Police Pension Fund**  
**Total Fund**  
**Investment Summary**  
**March 31, 2015**

- For the quarter, the Fund earned +2.4% gross (or +2.2% net; \$1.8 million), which performed above the Policy Benchmark (+1.8%). The best performing asset category was the RTC Multi Asset Core Fund (+3.5%).
- For the Fiscal year, the Fund earned \$4.1 million or +5.5 gross (+5.1% net). This exceeded the Policy Benchmark by approximately 1.6%.
- For the year, the Fund earned \$6.3 million or +9.1% gross (+8.3% net), exceeding the Policy benchmark (+7.2%) and ranking in the top 21st percentile.
- The best performing asset category for the year was the RTC Real Estate Equity Fund (+14.3%).
- **For the three-year period, the Fund earned \$18.5 million or +9.7% (+8.9% net), which was above the Policy Benchmark (+8.8%) and above the actuarial investment return assumption rate (+7.75%).**
- **For the five-year period, the Fund earned \$27.6 million or +9.7% (+8.9% net), which was in line with the Policy Benchmark (+9.2%) and above the actuarial investment return assumption rate (+7.75%).**
- An additional \$1.4 million was added to the Real Estate allocation on March 31, 2015.



**Boynton Beach Police Pension Fund  
Total Fund  
Investment Performance  
March 31, 2015**

Dollars

	<u>Quarter</u>	<u>One Year</u>
<b>Beginning Market Value</b>	81,540,326	75,731,397
<b>Ending Market Value</b>	82,350,304	82,350,304
<b>Net Contributions</b>	-976,166	+282,030
<b>Investment Gain/(Loss)</b>	+1,786,144	+6,336,877
<b>Investment Return, net</b>	+2.2%	+8.3%
<b>Policy Benchmark</b>	+1.8%	+7.2%
<b>Value Added (pts.)</b>	+0.4	+1.1

Fiscal Year: October 1st – September 30th



**Boynton Beach Police Pension Fund**  
**Total Fund**  
**Investment Policy Review**  
**March 31, 2015**

	<u>Yes</u>	<u>No</u>
The total Fund's annualized three-year performance achieved the Policy 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.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
The total Fund's annualized five-year performance achieved the Policy Benchmark.	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input 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"/>
Multi Mgr Bonds annualized five-year performance achieved the fixed income benchmark.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Multi Mgr Bonds annualized five-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 checked="" type="checkbox"/>	<input 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 <b>58.2%</b> which did not exceed 70% of Fund's assets at market value.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Foreign equity investments were <b>18.8%</b> (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 <b>29.8%</b> (at market) within the 30% minimum limitation.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Asset allocation among alternatives was <b>11.5%</b> (at market) within the 20% maximum limitation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

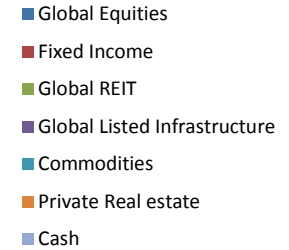
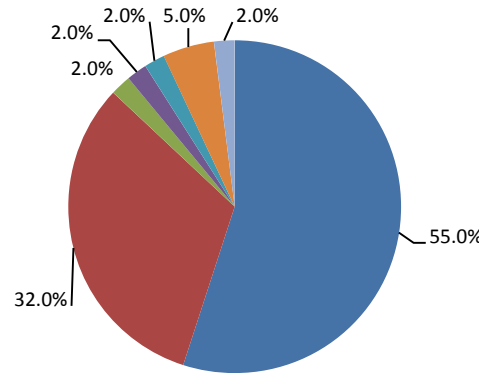
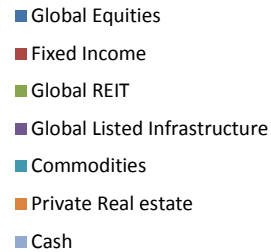
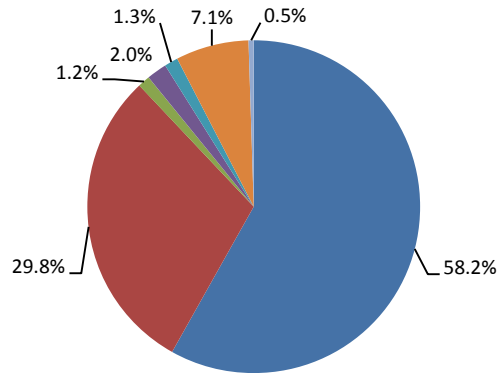


# Boynton Beach Police Pension Fund

## Total Fund

### March 31, 2015

### Actual vs. Target Asset Allocation

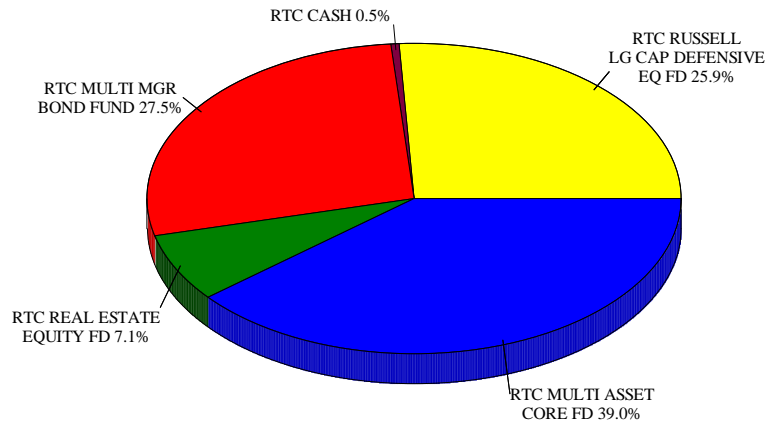


	MV(\$)	Current	Target	Difference
<b>Global Equities</b>	\$ 47,889,061	58.2%	55.0%	3.2%
<b>Fixed Income</b>	\$ 24,541,331	29.8%	32.0%	-2.2%
<b>Global REIT</b>	\$ 971,388	1.2%	2.0%	-0.8%
<b>Global Listed Infrastructu</b>	\$ 1,607,951	2.0%	2.0%	0.0%
<b>Commodities</b>	\$ 1,078,327	1.3%	2.0%	-0.7%
<b>Private Real estate</b>	\$ 5,852,120	7.1%	5.0%	2.1%
<b>Cash</b>	\$ 410,127	0.5%	2.0%	-1.5%
<b>Total</b>	<b>82,350,304</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

\*Total International = 18.84%

**Boynton Beach Police Pension Fund**  
**Total Fund**  
**Asset Allocation**

TOTAL MARKET VALUE  
AS OF MARCH 31, 2015  
\$ 82,350,304

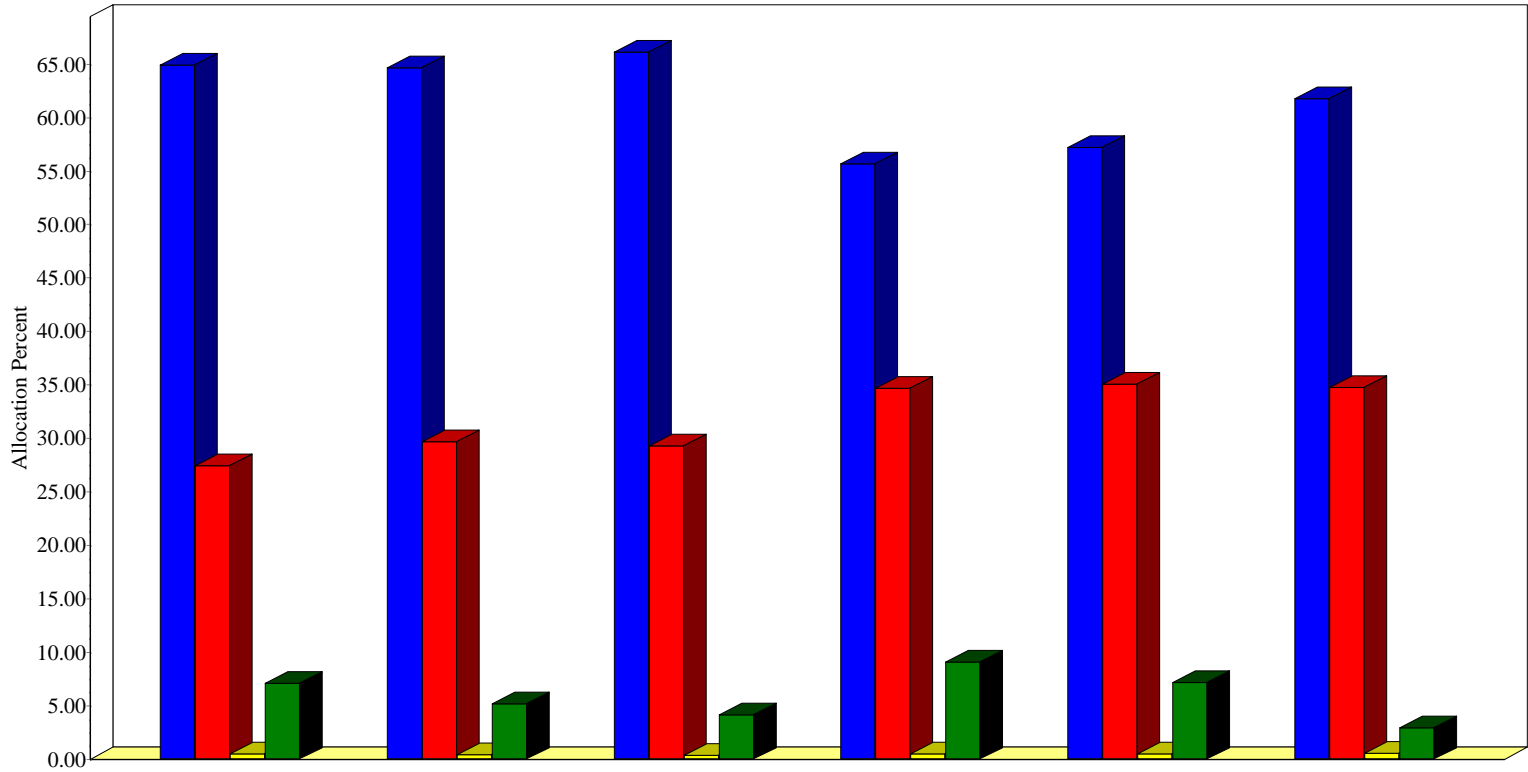


	VALUE	PERCENT
RTC MULTI ASSET CORE FD	32,141,704	39.03
RTC MULTI MGR BOND FUND	22,623,077	27.47
RTC RUSSELL LG CAP DEFENSIVE EQ FD	21,323,276	25.89
RTC REAL ESTATE EQUITY FD	5,852,120	7.11
RTC CASH	410,127	0.50





**Boynton Beach Police Pension Fund**  
**Total Fund**  
**Asset Distribution**  
**March 31, 2015**



	QUARTER TO DATE	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS
EQUITY	64.92	64.64	66.16	55.66	57.23	61.75
FIXED INCOME	27.47	29.67	29.31	34.71	35.10	34.73
CASH	0.50	0.46	0.38	0.50	0.52	0.59
ALTERNATIVE	7.11	5.22	4.15	9.13	7.15	2.93

# Boynton Beach Police Pension Fund

## Total Fund March 31, 2015

### 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	32,141,704	3.5%	5.9%	8.0%	10.6%	N/A	N/A
RTC Russell Lg Cap Defensive Eq Fd	21,323,276	1.1%	6.7%	12.4%	N/A	N/A	N/A
<b>Total Equity</b>	<b>53,464,981</b>	<b>2.5%</b>	<b>6.3%</b>	<b>9.8%</b>	<b>12.1%</b>	<b>11.2%</b>	<b>10.8%</b>
<u>Fixed Income</u>							
RTC Multi Mgr Bond Fund	22,623,077	1.9%	3.6%	6.7%	3.6%	4.5%	5.8%
<b>Total Fixed Income</b>	<b>22,623,077</b>	<b>1.9%</b>	<b>3.6%</b>	<b>6.7%</b>	<b>3.6%</b>	<b>4.5%</b>	<b>5.8%</b>
<u>Cash</u>							
RTC Cash	410,127	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
<u>Alternative</u>							
RTC Real Estate Equity Fd	5,852,120	3.4%	7.3%	14.3%	14.2%	13.2%	15.2%
<b>Total Alternative</b>	<b>5,852,120</b>	<b>3.4%</b>	<b>7.3%</b>	<b>14.3%</b>	<b>14.2%</b>	<b>13.5%</b>	<b>13.5%</b>
<b>TOTAL: (1, 2, 3, 4)</b>	<b>82,350,304</b>	<b>2.4%</b>	<b>5.5%</b>	<b>9.1%</b>	<b>9.7%</b>	<b>9.7%</b>	<b>9.7%</b>
Policy Benchmark		1.8%	3.9%	7.2%	8.0%	8.8%	9.2%
RTC Multi-Asset Core		2.7%	4.2%	6.6%	9.8%	N/A	N/A
MSCI ACWI NR		2.3%	2.7%	5.4%	10.8%	10.7%	9.0%
SP GI Infrastructure		-0.9%	0.0%	3.9%	N/A	N/A	N/A
DJUBS Commodities		-5.9%	-17.3%	-27.0%	-15.5%	-11.5%	-5.7%
Russell 1000 Index		1.6%	6.6%	12.7%	17.5%	16.4%	14.7%
Fixed Income Bnch		1.6%	3.4%	5.7%	2.8%	3.1%	4.4%
ML 3M TBill		0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Real Estate Bnch		3.4%	6.6%	13.3%	13.3%	12.5%	14.4%
NFI ODCE EQ		3.4%	6.6%	13.3%	13.3%	12.5%	14.4%
NAREIT		4.0%	17.4%	22.7%	12.5%	14.0%	15.6%

1 Policy Benchmark (IPS hybrid benchmark objective): March '14 30% MSCI ACWI + 25% Russell 1000 + 32% BC Aggregate + 2% NAREIT + 2% S&P Global Infrastructure Index + 5% NFI ODCE EQ + 2% DJ UBS Commodities + 2% ML 3M T-Bills; prior from May'13 48% MSCI ACWI + 35% BC Aggregate + 5% NAREIT + 5% NFI ODCE EQ + 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 Net EAFE +5% Wilshire REIT + 30% LB Interm Aggregate + 5% Lehman Interm TIPS; from Jul'02 was 60% S&P 500 + 35 LB Gov't/Credit.

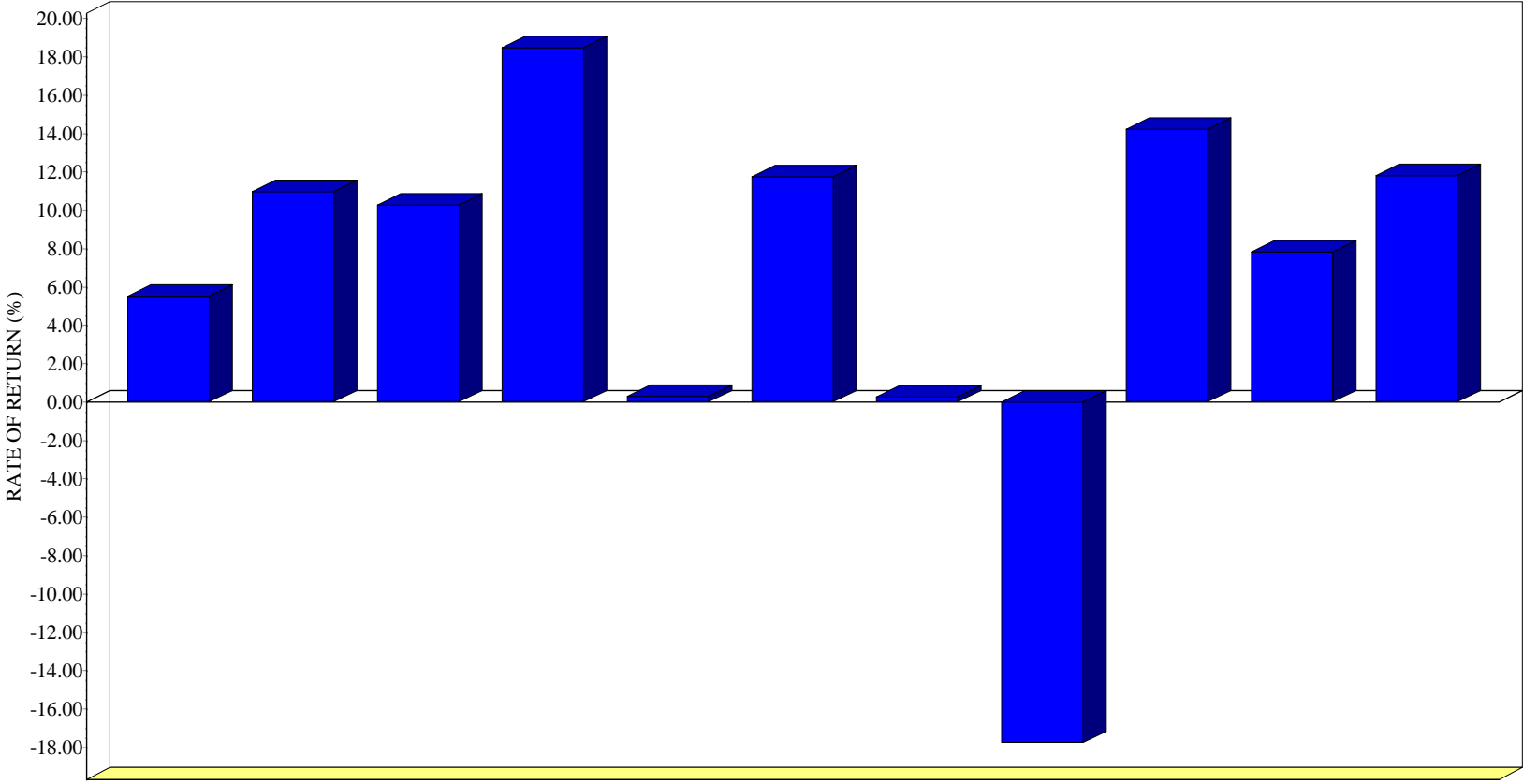
2 The Multi-Asset Core Composite Benchmark is comprised of 75.0% Russell World Cap 50% Hedged Net Index / 7.5% Dow Jones UBS Commodity Index / 7.5% FTSE EPRA/NAREIT Developed Real Estate Index (Net) / 7.0% Barclays U.S. Aggregate Bond Index / 3.0% Barclays U.S. 1-3 Month Treasury Bill Index. This benchmark 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% NFI ODCE EQ; prior was 100% NCREIF.



**Boynton Beach Police Pension Fund**  
**Total Fund**  
**Fiscal Year Rates of Return (September 30)**  
**September 30, 2004 Through March 31, 2015**



	FYTD	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
TF	5.53	10.99	10.28	18.47	0.29	11.73	0.25	-17.78	14.22	7.85	11.83



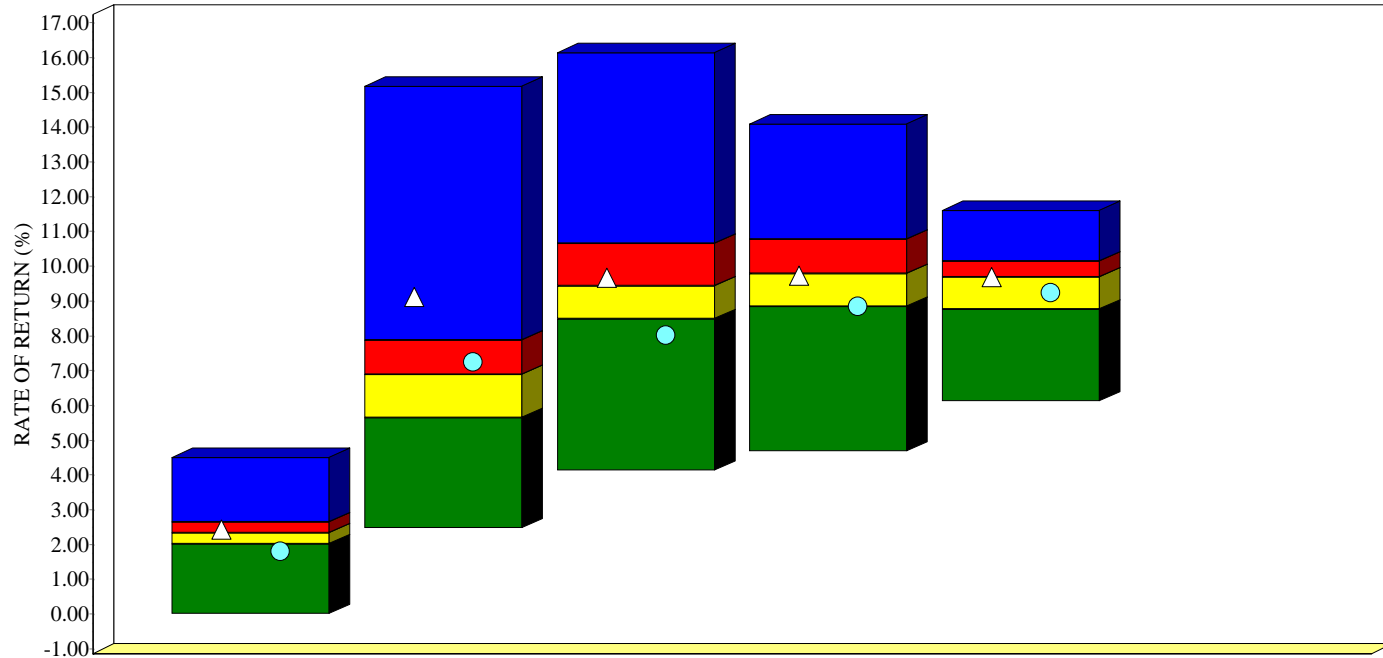
**Boynton Beach Police Officers' Retirement Plan**  
**Total Fund**  
**December 31, 2014**  
**Performance Rankings**







December 31 2014		Qtr	1 YR	2 YRS	3 YRS	5 YRS
Boynton Beach Police	Return	3.00%	8.70%	10.90%	11.90%	10.10%
Boynton Beach Police	Rank	14th	4th	78th	55th	29th

Note: Returns above are gross of fees. For illustrative purposes only.  
 \*BCA Public Pension Universe contains of 51 clients.



**Boynton Beach Police Pension Fund  
 Quartile Ranking  
 Total Fund Versus BNY Mellon Public Funds Universe  
 March 31, 2010 Through March 31, 2015**



		<u>LATEST QUARTER</u>	<u>ONE YEAR</u>	<u>TWO YEARS</u>	<u>THREE YEARS</u>	<u>FIVE YEARS</u>					
	HIGHEST VALUE	4.50	15.17	16.14	14.08	11.60					
	FIRST QUARTILE	2.64	7.88	10.65	10.77	10.14					
	MEDIAN VALUE	2.32	6.88	9.43	9.78	9.68					
	THIRD QUARTILE	2.02	5.65	8.48	8.84	8.76					
	LOWEST VALUE	0.00	2.47	4.13	4.68	6.12					
	MEAN	2.31	7.34	9.68	9.68	9.35					
		<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	2.43	42	9.12	21	9.67	47	9.72	52	9.69	47
	POLICY BENCHMARK	1.79	78	7.24	42	8.02	78	8.85	73	9.23	63



**Boynton Beach Police Pension Fund**  
**Total Fund**  
**Growth of a Dollar Analysis**  
**March 31, 2010 Through March 31, 2015**

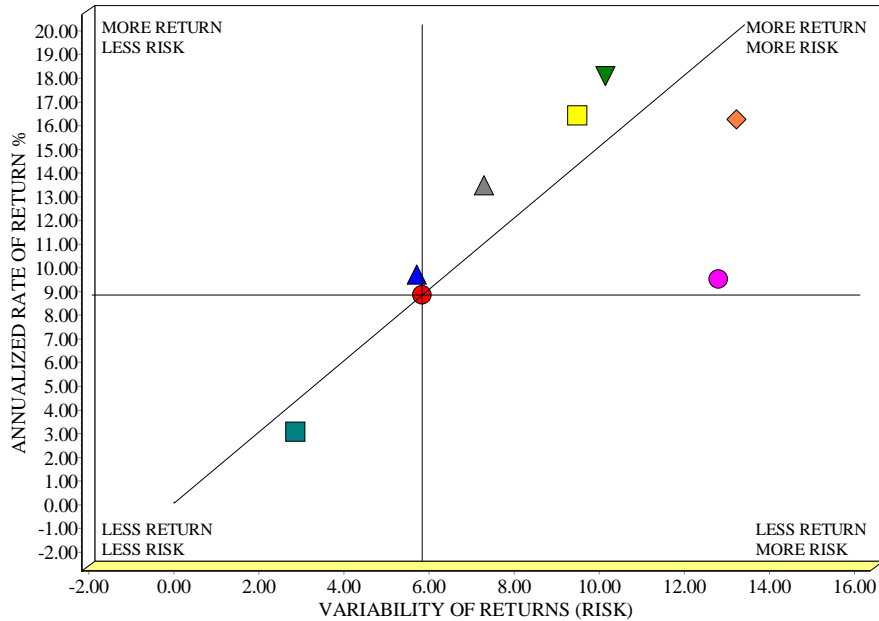


	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
<b>TOTAL FUND</b>	2.43	9.12	9.72	9.69
<b>POLICY BENCHMARK</b>	1.79	7.24	8.85	9.23



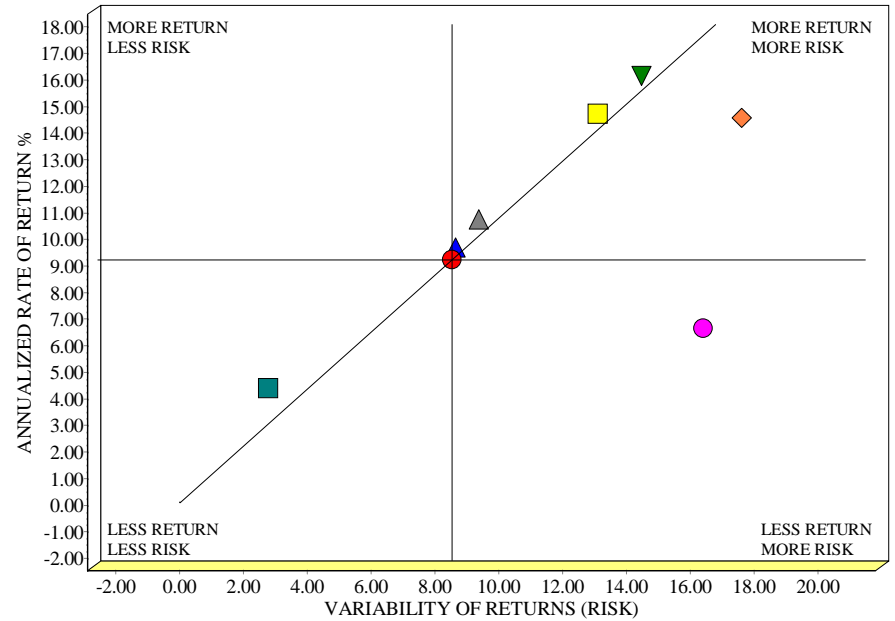
# Boynton Beach Police Pension Fund Total Fund Capital Market Line Period Ending March 31, 2015

**3-Year Risk/Reward**



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	9.72	5.72	0.96	1.16	95.64
● POLICY BENCHMARK	8.85	5.84	1.00	0.00	100.00
■ RUSSELL 1000 INDEX	16.45	9.49	1.00	0.00	100.00
▼ RUSSELL MIDCAP	18.10	10.15	1.00	0.00	100.00
◆ RUSSELL 2000	16.27	13.22	1.00	0.00	100.00
▲ ML CNV X144A ALLQUAL	13.49	7.29	1.00	0.00	100.00
● MSCI GROSS EAFE	9.52	12.82	1.00	0.00	100.00
■ BC AGGREGATE	3.10	2.86	1.00	0.00	100.00

**5-Year Risk/Reward**

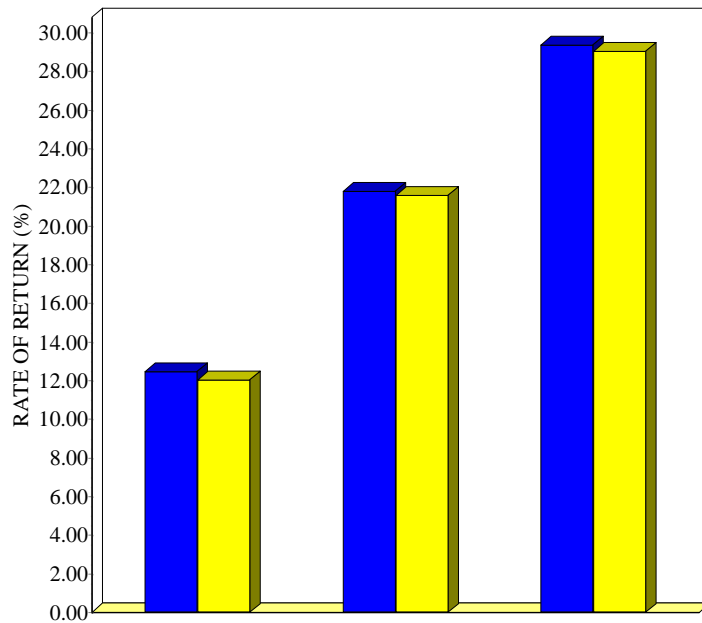


	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	9.69	8.64	1.00	0.41	98.21
● POLICY BENCHMARK	9.23	8.55	1.00	0.00	100.00
■ RUSSELL 1000 INDEX	14.73	13.09	1.00	0.00	100.00
▼ RUSSELL MIDCAP	16.16	14.48	1.00	0.00	100.00
◆ RUSSELL 2000	14.57	17.61	1.00	0.00	100.00
▲ ML CNV X144A ALLQUAL	10.77	9.39	1.00	0.00	100.00
● MSCI GROSS EAFE	6.64	16.40	1.00	0.00	100.00
■ BC AGGREGATE	4.41	2.78	1.00	0.00	100.00



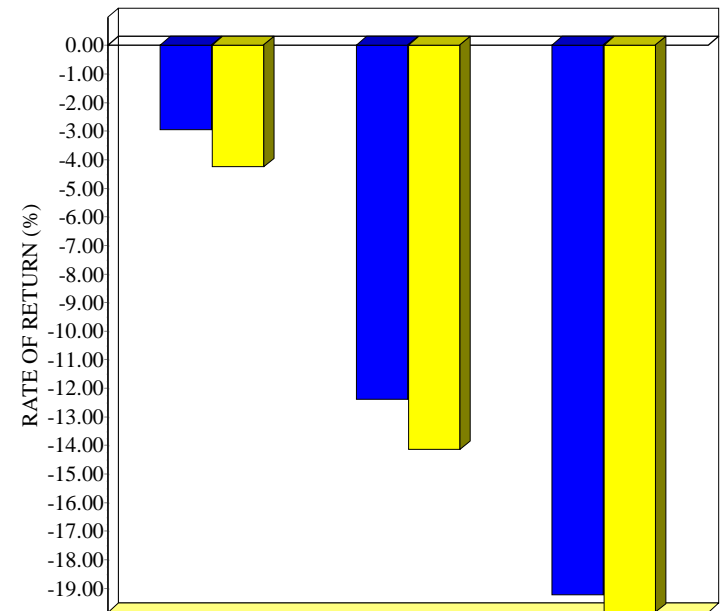
**Boynton Beach Police Pension Fund  
Total Fund  
Performance in Rising and Declining Markets  
March 31, 2010 Through March 31, 2015**

UP MARKET PERFORMANCE



	ONE YEAR	THREE YEARS	FIVE YEARS
<b>TOTAL FUND</b>	12.44	21.79	29.34
<b>POLICY BENCHMARK</b>	12.03	21.58	29.05
<b>DIFFERENCE</b>	0.42	0.21	0.30
<b>RATIO</b>	1.03	1.01	1.01
<b>UP PERIODS</b>	7	25	39

DOWN MARKET PERFORMANCE



	ONE YEAR	THREE YEARS	FIVE YEARS
<b>TOTAL FUND</b>	-2.96	-12.40	-19.24
<b>POLICY BENCHMARK</b>	-4.27	-14.16	-19.85
<b>DIFFERENCE</b>	1.31	1.76	0.61
<b>RATIO</b>	0.69	0.88	0.97
<b>DOWN PERIODS</b>	5	11	21

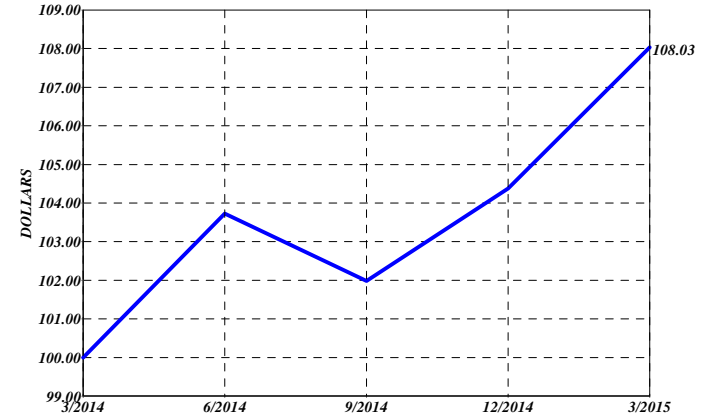




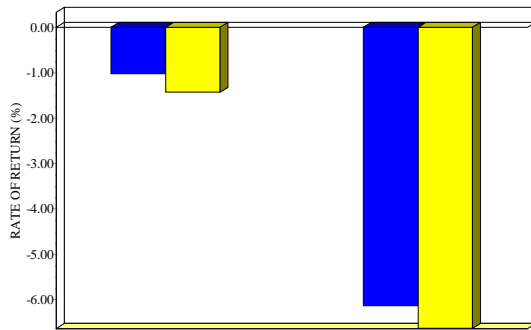
**Boynton Beach Police Pension Fund  
RTC Multi Asset Core Fd  
Performance Profile  
Period Ending March 31, 2015**

PERIOD	RETURN	BETA	ALPHA	STD DEV	SHARPE RATIO
ONE YEAR	8.03	1.02	1.19	6.68	1.20

	QTD	ONE YEAR
TOTAL FUND	3.50	8.03
MULTI-ASSET INDEX	2.70	6.63
EXCESS	0.80	1.40
RISKLESS INDEX	0.00	0.03
REAL ROR	3.00	8.25

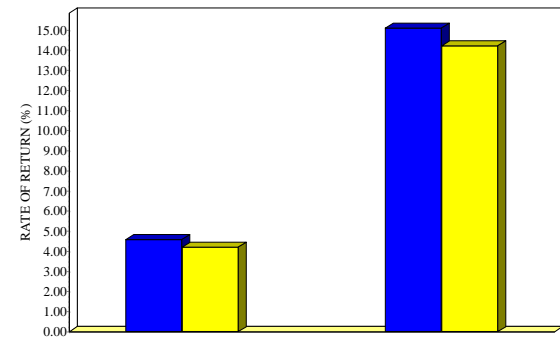


DOWN MARKET PERFORMANCE



	QTD	ONE YEAR
TOTAL FUND	-1.03	-6.14
MULTI-ASSET INDEX	-1.44	-6.64
DIFFERENCE	0.40	0.50
RATIO	0.72	0.92
DOWN PERIODS	2	5

UP MARKET PERFORMANCE

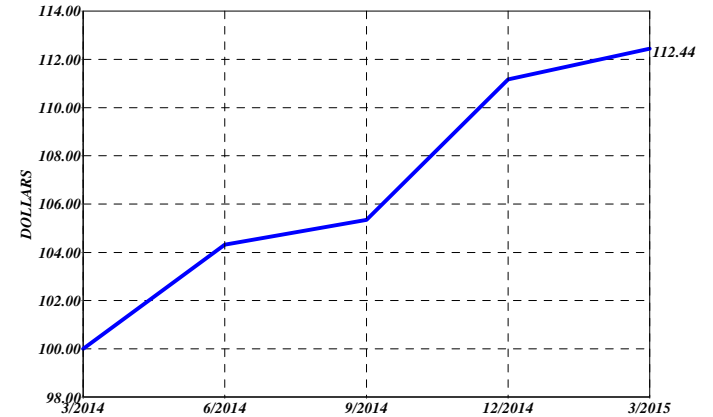


	QTD	ONE YEAR
TOTAL FUND	4.58	15.10
MULTI-ASSET INDEX	4.20	14.21
DIFFERENCE	0.38	0.89
RATIO	1.09	1.06
UP PERIODS	1	7

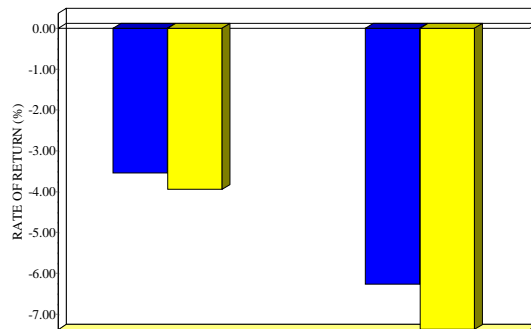
**Boynton Beach Police Pension Fund  
RTC Russell Lg Cap Defensive Eq Fd  
Performance Profile  
Period Ending March 31, 2015**

PERIOD	RETURN	BETA	ALPHA	STD DEV	SHARPE RATIO
ONE YEAR	12.44	0.87	1.23	7.78	1.60

	QTD	ONE YEAR
TOTAL FUND	1.14	12.44
RUSSELL 1000 INDEX	1.59	12.73
EXCESS	-0.45	-0.29
RISKLESS INDEX	0.00	0.03
REAL ROR	0.65	12.66

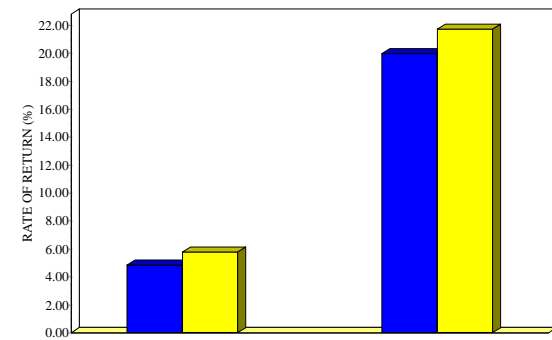


DOWN MARKET PERFORMANCE



	QTD	ONE YEAR
TOTAL FUND	-3.55	-6.27
RUSSELL 1000 INDEX	-3.96	-7.38
DIFFERENCE	0.41	1.11
RATIO	0.90	0.85
DOWN PERIODS	2	5

UP MARKET PERFORMANCE

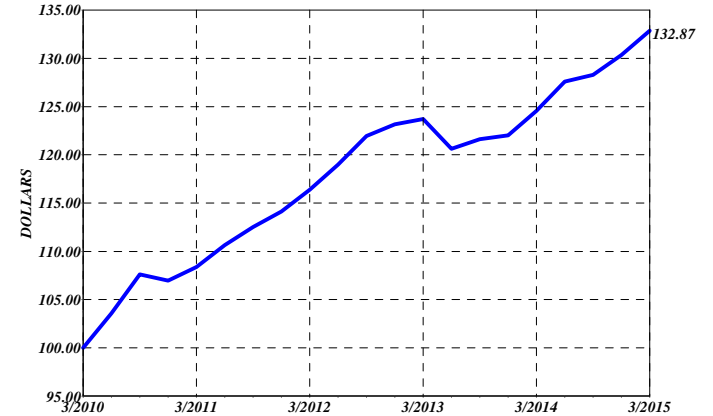


	QTD	ONE YEAR
TOTAL FUND	4.86	19.97
RUSSELL 1000 INDEX	5.78	21.72
DIFFERENCE	-0.92	-1.76
RATIO	0.84	0.92
UP PERIODS	1	7

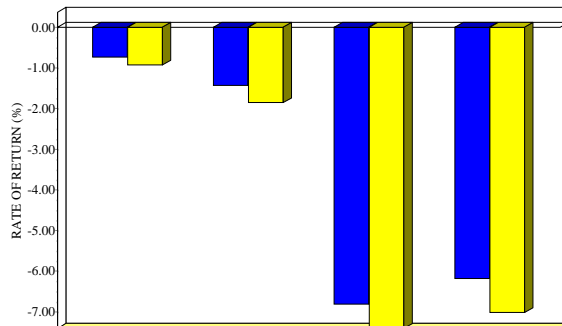
## Boynton Beach Police Pension Fund RTC Multi Mgr Bond Fund Performance Profile Period Ending March 31, 2015

PERIOD	RETURN	BETA	ALPHA	STD DEV	SHARPE RATIO
ONE YEAR	6.67	0.97	1.09	2.78	2.39
THREE YEARS	4.51	1.03	1.27	3.02	1.47
FIVE YEARS	5.85	0.97	1.49	2.97	1.94

	QTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	1.95	6.67	4.51	5.85
FIXED INCOME BNCH	1.61	5.72	3.10	4.41
EXCESS	0.34	0.95	1.41	1.44
RISKLESS INDEX	0.00	0.03	0.07	0.09
REAL ROR	1.42	6.87	3.56	4.14

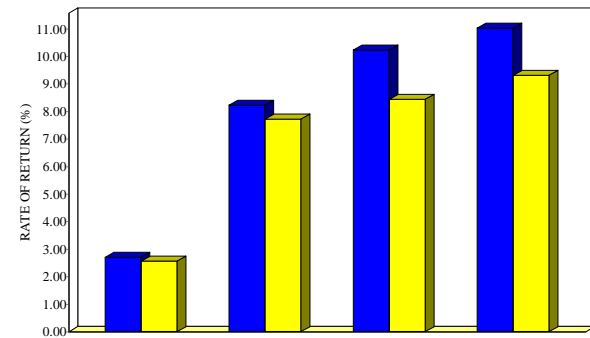


DOWN MARKET PERFORMANCE



	QTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	-0.74	-1.44	-6.82	-6.19
FIXED INCOME BNCH	-0.94	-1.86	-7.42	-7.02
DIFFERENCE	0.20	0.42	0.60	0.83
RATIO	0.79	0.77	0.92	0.88
DOWN PERIODS	1	3	11	17

UP MARKET PERFORMANCE

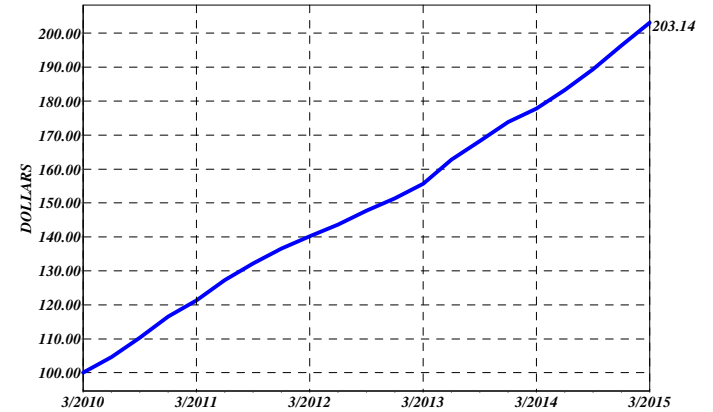


	QTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	2.71	8.23	10.23	11.02
FIXED INCOME BNCH	2.57	7.72	8.44	9.31
DIFFERENCE	0.13	0.51	1.79	1.71
RATIO	1.05	1.07	1.21	1.18
UP PERIODS	2	9	25	43

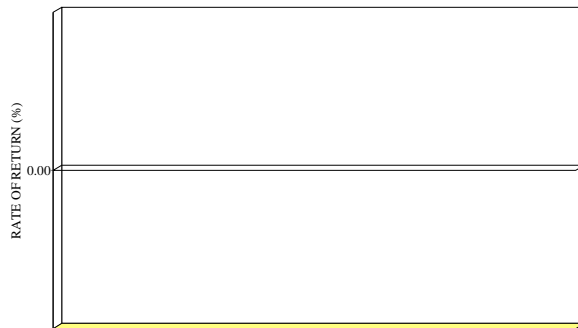
## Boynton Beach Police Pension Fund RTC Real Estate Equity Fd Performance Profile Period Ending March 31, 2015

PERIOD	RETURN	BETA	ALPHA	STD DEV	SHARPE RATIO
ONE YEAR	14.28	1.06	0.10	5.56	2.56
THREE YEARS	13.17	1.06	-0.08	5.28	2.48
FIVE YEARS	15.23	1.06	-0.06	6.21	2.44

	QTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	3.45	14.28	13.17	15.23
REAL ESTATE BNCH	3.40	13.35	12.46	14.35
EXCESS	0.05	0.93	0.71	0.88
RISKLESS INDEX	0.00	0.03	0.07	0.09
REAL ROR	2.95	14.51	12.16	13.39

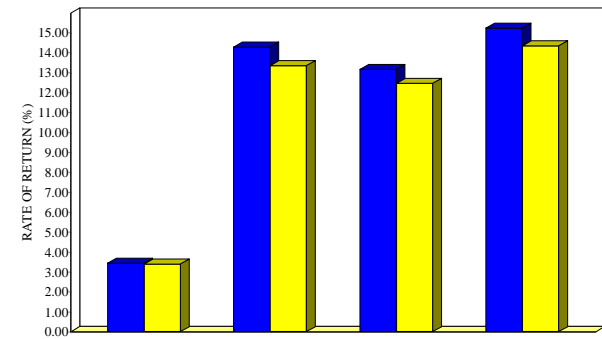


DOWN MARKET PERFORMANCE



	QTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	N/A	N/A	N/A	N/A
REAL ESTATE BNCH	N/A	N/A	N/A	N/A
DIFFERENCE	N/A	N/A	N/A	N/A
RATIO	N/A	N/A	N/A	N/A
DOWN PERIODS	0	0	0	0

UP MARKET PERFORMANCE



	QTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	3.45	14.28	13.17	15.23
REAL ESTATE BNCH	3.40	13.35	12.46	14.35
DIFFERENCE	0.05	0.93	0.71	0.88
RATIO	1.01	1.07	1.06	1.06
UP PERIODS	3	12	36	60

# 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. 19



## **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**

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### 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.

10.BCA investment reports are not indicative of future results.

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***Burgess Chambers & Associates, Inc.***  
***Institutional Investment Advisors***

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315 East Robinson Street, Suite 690, Orlando, Florida 32801  
P: 407-644-0111 F: 407-644-0694

*www.burgesschambers.com*