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

***Institutional Investment Advisors***

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

***September 30, 2015***

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# **BOYNTON BEACH POLICE PENSION FUND**

## **INVESTMENT PERFORMANCE PERIOD ENDING SEPTEMBER 30, 2015**

The following investment information was prepared by BCA, relying upon data from statements provided by the plan custodian and/or investment manager(s).  
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 ©**  
**Ways to de-risk a portfolio**  
**October 2015**

Following a 6-year bull market, the anxiety among investors reached a tipping point. As witnessed during the third quarter, the S&P 500 pulled back as much as 12.4% from the August 24 peak. During the same time, the 10-year U.S. Treasury Yield fell below 2.0%. The uncertainties of the Federal Reserve policy, the effects of the currency volatility and a global slowdown have contributed to the severity of the recent pullback.

When evaluating portfolio asset allocation, many investors are looking to de-risk their portfolios using both traditional and “alternative” investments (examples below).

Traditional Equity / 10 Yr Beta	Equity Alternatives / 10 Yr Beta	Traditional Fixed / 10 Yr Beta	Fixed Inc. Alternatives / 10 Yr Beta
Large Cap Stocks / 1.0	Preferred Stock / 0.70	US Treasury / -0.34	Private Real Estate / 0.1
Mid Cap Stocks / 1.15	Convertible Securities / 0.79	US Agency / -0.28	Low Volatility Hedge Funds / 0.29
Small Cap Stocks / 1.17	MLP / 0.76	US Mortgage / -0.07	Private Equity / 0.45
Foreign Developed / 1.07	REIT / 1.30	US Corporates / 0.13	Infrastructure Assets / 0.80
Foreign Emerging / 1.17	Commodities / 0.64	Global Bonds / 0.03	Direct Lending / 0.05

Beta Benchmark: S&P 500; for illustrative purposes only.

One of the most important risk attributes to consider is *Beta*, a measure of the asset’s sensitivity to market movements (example below). A *Beta* of 1.0 could be explained as market-like sensitivity; when the market moves by 1.0%, the asset is expected to move by 1.0%. A *Beta* of 1.1% represents a higher degree of market sensitivity; when the market moves by 1.0%, the asset is expected to move by 1.1%. Consequently, one way to reduce portfolio risk is to identify and decrease exposure to assets with a *Beta* greater than 1.0.

The *Beta* reduction process, however, should be achieved within certain risk/return parameters. Assets in an investment portfolio should not be increased/decreased based solely on Beta; it is also important to consider how assets might change in price relative to how every other asset in the portfolio might change in price. This is known as correlation. Lower correlating assets should help to lower volatility and de-risk a portfolio. Tools such as the Efficient Frontier and Monte-Carlo simulations can guide the investor to maximize the probability of achieving an expected risk/return profile.

**Glossary:**

Efficient Frontier: a set of optimal portfolios that offer the highest expected return for a defined level of risk or the lowest risk for a given level of expected return. Portfolios that lie below the Efficient Frontier are sub-optimal.

Monte-Carlo Simulation: quantitative risk analysis technique that randomizes all possible outcomes and approximates the probability of certain outcomes.

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**  
**September 30, 2015**

- The broad market experienced heightened volatility during the third quarter. High quality fixed income securities gained approximately 1%, while global equities lost more than 10% and domestic equities fell 7%. These were the lowest quarterly returns for equities since the height of the European debt crisis four years ago.
- For the quarter, the Fund experienced an investment loss of -3.0% gross (or -3.2% net; -\$2.4 million), which performed ahead of the Policy Benchmark (-4.4%). The best performing asset category was the RTC Real Estate Equity Fund (+3.3%).
- For the Fiscal year, the Fund earned \$2.0 million or +2.3% gross (+1.5% net). This exceeded the Policy Benchmark by approximately 3.3% and ranked in the top 15th percentile.
- The best performing asset category for the year was the RTC Real Estate Equity Fund (+15.6%).
- **For the three-year period, the Fund earned \$16.3 million or +7.74% (+6.9% net), which was above the Policy Benchmark (+6.1%) and similar to the actuarial investment return assumption rate (+7.75%).**
- **For the five-year period, the Fund earned \$26.1 million or +8.2% (+7.4% net), which was similar to the Policy Benchmark (+7.5%) and the actuarial investment return assumption rate (+7.75%).**

**Boynton Beach Police Pension Fund**  
**Total Fund**  
**Investment Policy Review**  
**September 30, 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>
The total Fund's annualized three-year performance achieved the +7.75% actuarial assumption rate (+7.74%).	<input type="checkbox"/>	<input checked="" 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 Asset Core annualized three-year performance achieved the multi-asset benchmark.	<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 five-year performance achieved the real estate benchmark.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PFIA Compliant	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Investments in equity securities were <b>59.2%</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>18.7%</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>28.4%</b> (at market) within the 30% minimum limitation.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Asset allocation among alternatives was <b>12.4%</b> (at market) within the 20% maximum limitation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

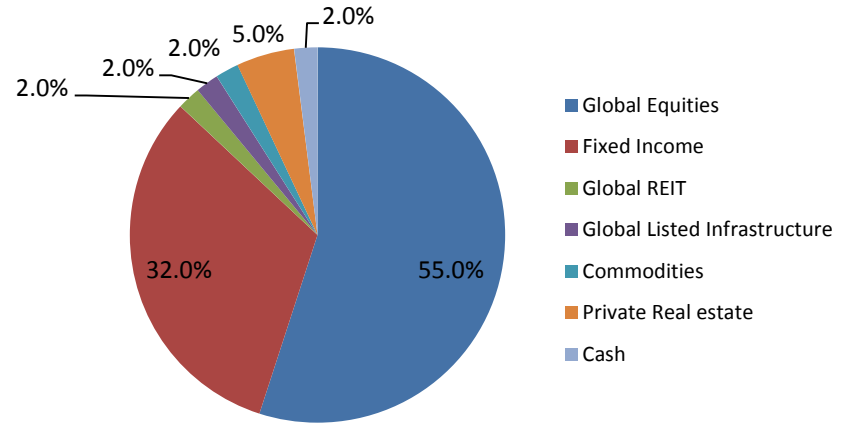
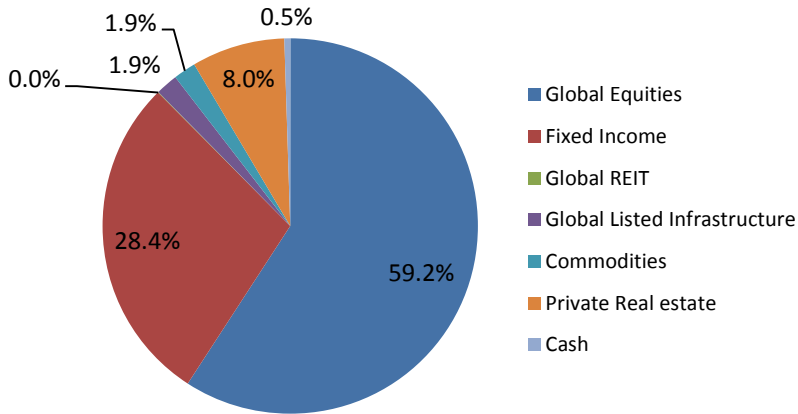


**Boynton Beach Police Pension Fund**  
**Total Fund**  
**Opportunity Gains & Losses**  
**September 30, 2010 Through September 30, 2015**

	<u>QUARTER TO DATE</u>	<u>ONE YEAR</u>	<u>THREE YEARS</u>	<u>FIVE YEARS</u>
BEGINNING MKT VALUE	80,967,512.32	76,153,462.68	61,416,116.54	46,784,250.48
NET CONTRIBUTIONS	(513,616.45)	(75,855.06)	277,828.02	5,157,834.25
INVESTMENT EARNINGS	(2,416,165.37)	1,960,122.88	16,343,785.94	26,095,645.77
ENDING MKT VALUE	78,037,730.50	78,037,730.50	78,037,730.50	78,037,730.50
NET TIME WEIGHTED RETURN	(3.18)	1.51	6.93	7.43
POLICY BENCHMARK	(4.42)	(1.00)	6.14	7.53



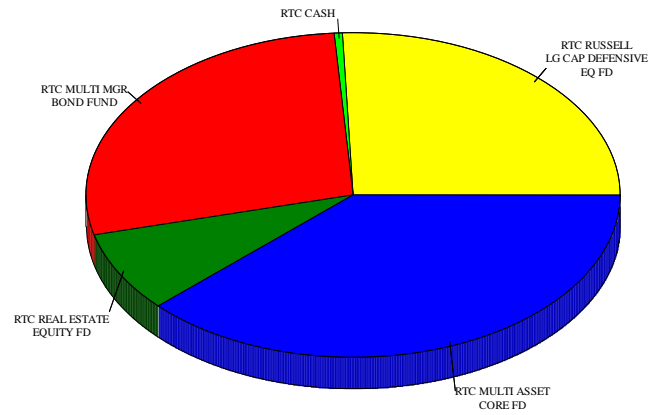
## Boynton Beach Police Pension Fund Total Fund September 30, 2015 Actual vs. Target Asset Allocation



	MV (\$)	Current	Target	Difference
<b>Global Equities</b>	\$ 46,184,992	59.2%	55.0%	4.2%
<b>Fixed Income</b>	\$ 22,155,522	28.4%	32.0%	-3.6%
<b>Global REIT</b>	\$ 38,286	0.05%	2.0%	-2.0%
<b>Global Listed Infrastructu</b>	\$ 1,487,441	1.91%	2.0%	-0.1%
<b>Commodities</b>	\$ 1,516,362	1.94%	2.0%	-0.1%
<b>Private Real estate</b>	\$ 6,259,818	8.02%	5.0%	3.0%
<b>Cash</b>	\$ 395,310	0.5%	2.0%	-1.5%
<b>Total</b>	<b>78,037,731</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

Total International = 18.7% (This calculation includes foreign equity, REIT, listed infrastructure, and fixed income)

**Boynton Beach Police Pension Fund**  
**Total Fund**  
**Asset Allocation**  
**September 30, 2015**

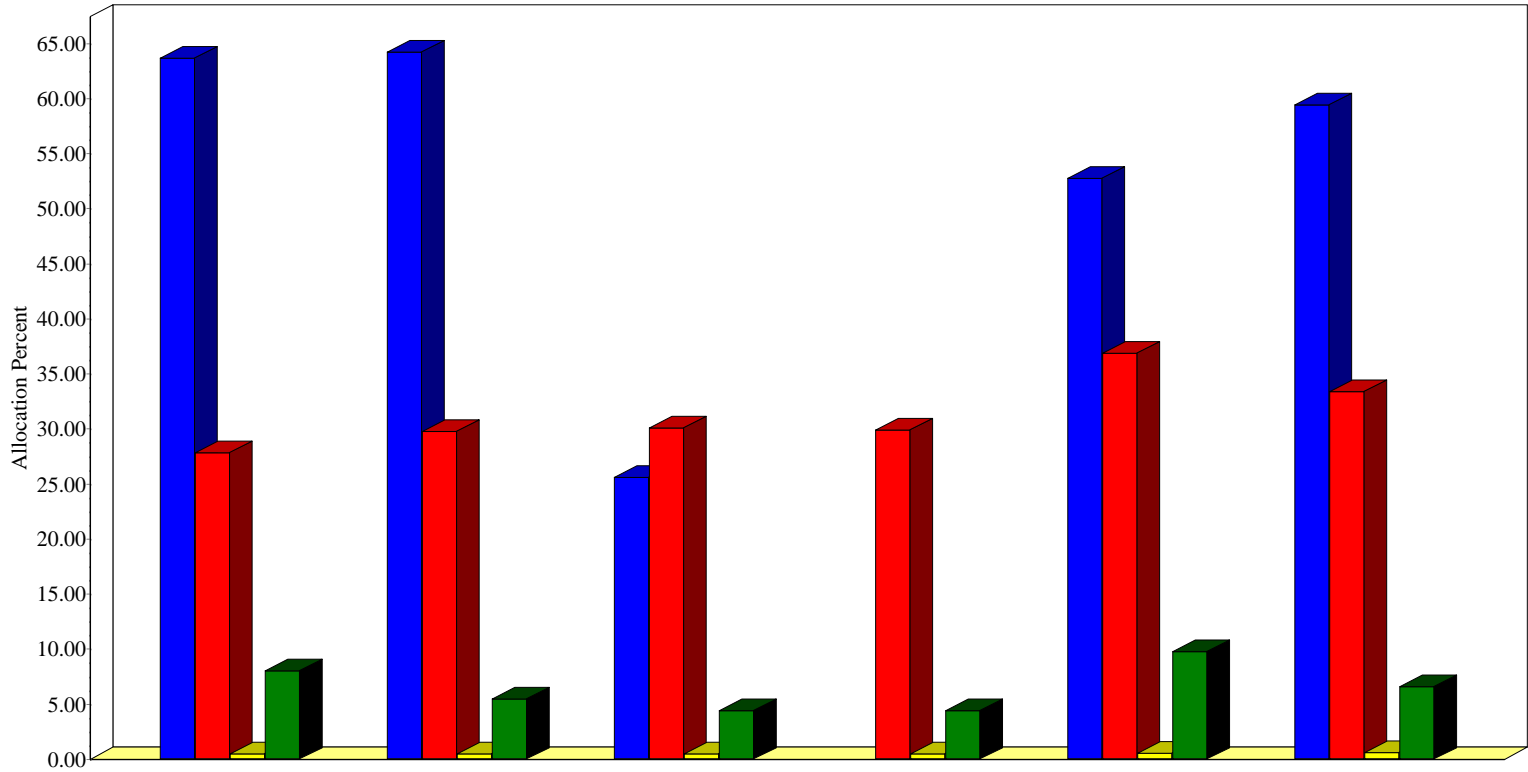


	VALUE	PERCENT
RTC MULTI ASSET CORE FD	29,668,247	38.02
RTC MULTI MGR BOND FUND	21,709,238	27.82
RTC RUSSELL LG CAP DEFENSIVE EQ FD	20,005,118	25.64
RTC REAL ESTATE EQUITY FD	6,259,818	8.02
RTC CASH	395,310	0.50
<b>TOTAL</b>	<b>78,037,731</b>	<b>100.00</b>





**Boynton Beach Police Pension Fund**  
**Total Fund**  
**Asset Distribution**  
**September 30, 2015**



	QUARTER TO DATE	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS
<b>EQUITY</b>	63.65	64.25	25.63	N/A	52.79	59.41
<b>FIXED INCOME</b>	27.82	29.77	30.10	29.92	36.87	33.41
<b>CASH</b>	0.51	0.49	0.51	0.51	0.56	0.60
<b>ALTERNATIVE</b>	8.02	5.49	4.41	4.42	9.78	6.58

# Boynton Beach Police Pension Fund

## Total Fund

September 30, 2015

### Gross of Fees

Name	Market Values	QTD ROR	1 Year ROR	2 Year ROR	3 Year ROR	5 Year ROR
<u>Equity</u>						
RTC Multi Asset Core Fd	29,668,247	-6.6%	-0.6%	4.6%	8.2%	N/A
RTC Russell Lg Cap Defensive Eq Fd	20,005,118	-3.7%	2.3%	10.1%	N/A	N/A
<b>Total Equity</b>	<b>49,673,365</b>	<b>-5.4%</b>	<b>0.6%</b>	<b>8.7%</b>	<b>N/A</b>	<b>N/A</b>
<u>Fixed Income</u>						
RTC Multi Mgr Bond Fund	21,709,238	1.0%	2.9%	4.2%	2.7%	4.2%
<b>Total Fixed Income</b>	<b>21,709,238</b>	<b>1.0%</b>	<b>2.9%</b>	<b>4.2%</b>	<b>2.7%</b>	<b>4.2%</b>
<u>Cash</u>						
RTC Cash	395,310	0.0%	0.0%	0.0%	0.0%	0.1%
<u>Alternative</u>						
RTC Real Estate Equity Fd	6,259,818	3.3%	15.6%	14.1%	14.0%	14.7%
<b>Total Alternative</b>	<b>6,259,818</b>	<b>3.3%</b>	<b>15.6%</b>	<b>14.1%</b>	<b>14.0%</b>	<b>12.7%</b>
<b>TOTAL: (1, 2, 3, 4)</b>	<b>78,037,731</b>	<b>-3.0%</b>	<b>2.3%</b>	<b>6.6%</b>	<b>7.7%</b>	<b>8.2%</b>
Policy Benchmark		-4.4%	-1.0%	4.0%	6.1%	7.5%
RTC Multi-Asset Core		-7.8%	-4.4%	2.6%	6.3%	N/A
MSCI ACWI NR		-9.5%	-6.7%	1.9%	7.0%	6.8%
SP GI Infrastructure		-7.2%	-9.1%	N/A	N/A	N/A
DJUBS Commodities		-14.5%	-26.0%	-16.8%	-16.0%	-8.9%
Russell 1000 Index		-6.8%	-0.6%	8.8%	12.7%	13.4%
Fixed Income Bnch		1.2%	2.9%	3.4%	1.7%	3.1%
ML 3M TBill		0.0%	0.0%	0.0%	0.1%	0.1%
Real Estate Bnch		3.6%	14.8%	13.6%	13.2%	13.9%
NFI ODCE EQ		3.6%	14.8%	13.6%	13.2%	13.9%
NAREIT		1.0%	7.8%	10.5%	9.0%	11.9%

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.

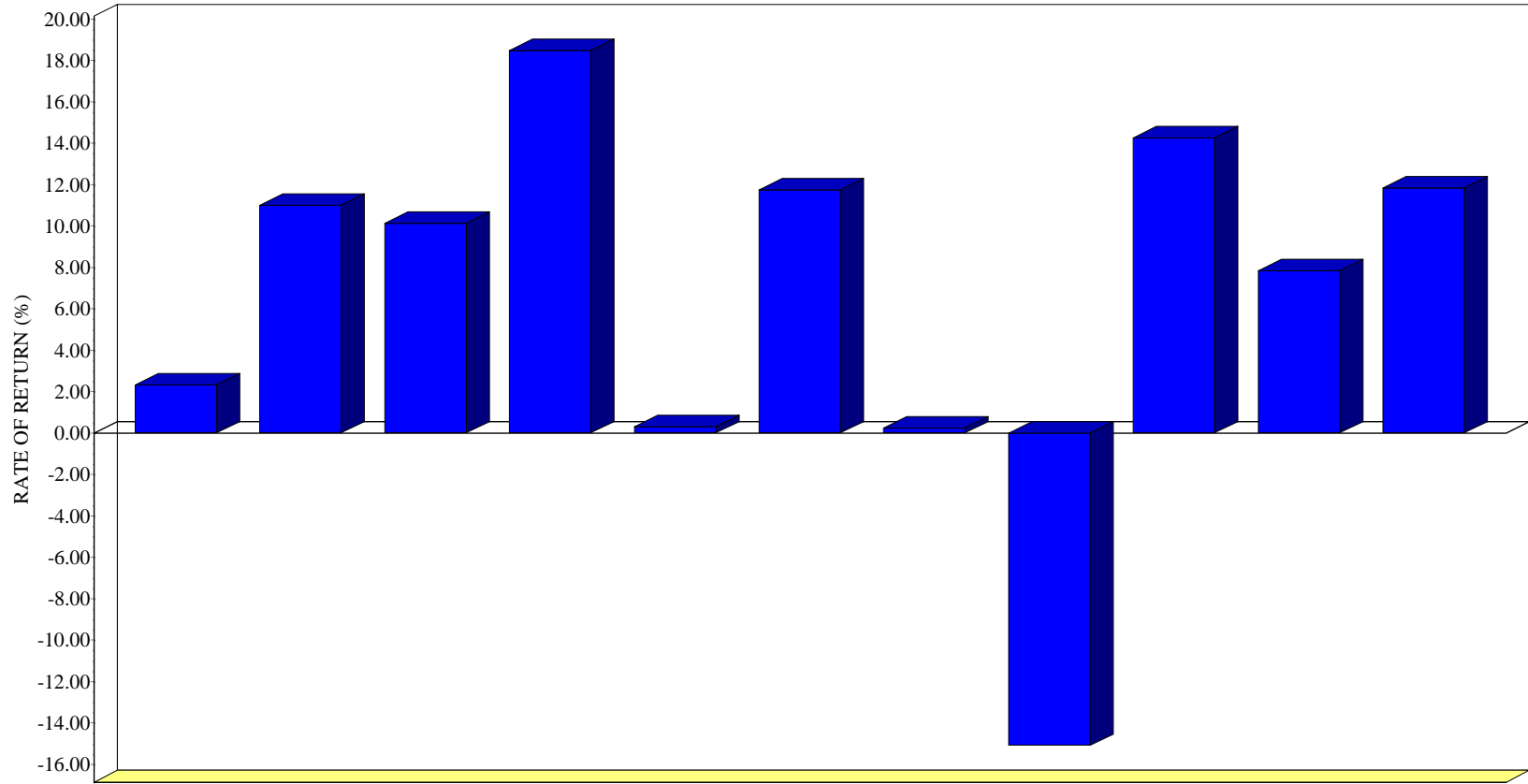
2 The Multi-Asset Core Composite Benchmark is comprised of 75.0% Russell World Cap 50% Hedged Net Index / 7.5% Dow Jones UBS Commodity Index / 7.5% FTSE EPRA/NAREIT Developed Real Estate Index (Net) / 7.0% Barclays U.S. Aggregate Bond Index / 3.0% Barclays U.S. 1-3 Month Treasury Bill Index. This benchmark 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 May05 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.

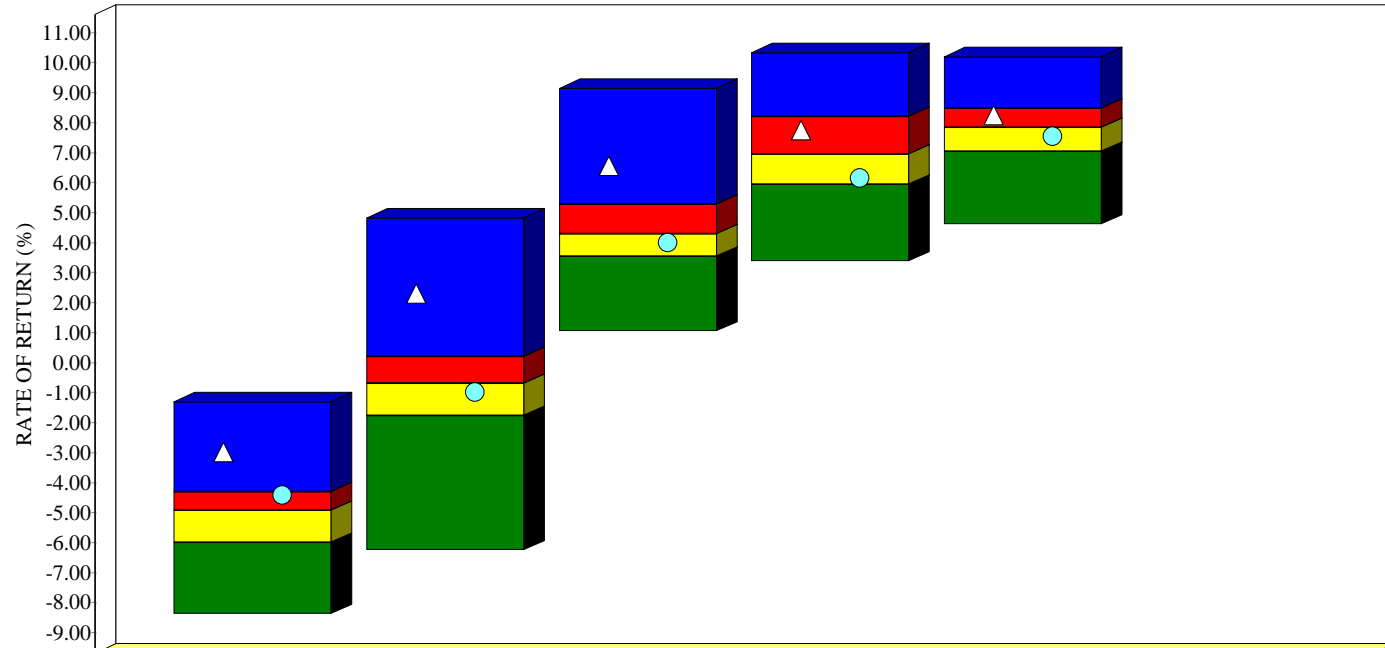










**Boynton Beach Police Pension Fund  
Total Fund  
Fiscal Year Rates of Return  
September 30, 2004 Through September 30, 2015**



	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
TF	2.31	10.99	10.13	18.47	0.30	11.73	0.25	-15.12	14.24	7.85	11.83

## Boynton Beach Police Pension Fund Quartile Ranking Total Fund Versus BNY Mellon Public Funds Universe September 30, 2010 Through September 30, 2015



	<u>LATEST QUARTER</u>		<u>ONE YEAR</u>		<u>TWO YEARS</u>		<u>THREE YEARS</u>		<u>FIVE YEARS</u>	
 HIGHEST VALUE		-1.32		4.82		9.13		10.33		10.18
 FIRST QUARTILE		-4.30		0.20		5.27		8.21		8.47
 MEDIAN VALUE		-4.93		-0.70		4.28		6.95		7.83
 THIRD QUARTILE		-6.00		-1.76		3.53		5.94		7.03
 LOWEST VALUE		-8.38		-6.25		1.05		3.38		4.62
 MEAN		-5.01		-0.74		4.55		6.99		7.68
	<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	-2.99	15	2.31	15	6.56	15	7.74	31	8.24	31
 POLICY BENCHMARK	-4.42	26	-1.00	57	3.99	57	6.14	73	7.53	57

**Boynton Beach Police Pension Fund**  
**Total Fund**  
**Growth of a Dollar Analysis**  
**September 30, 2010 Through September 30, 2015**

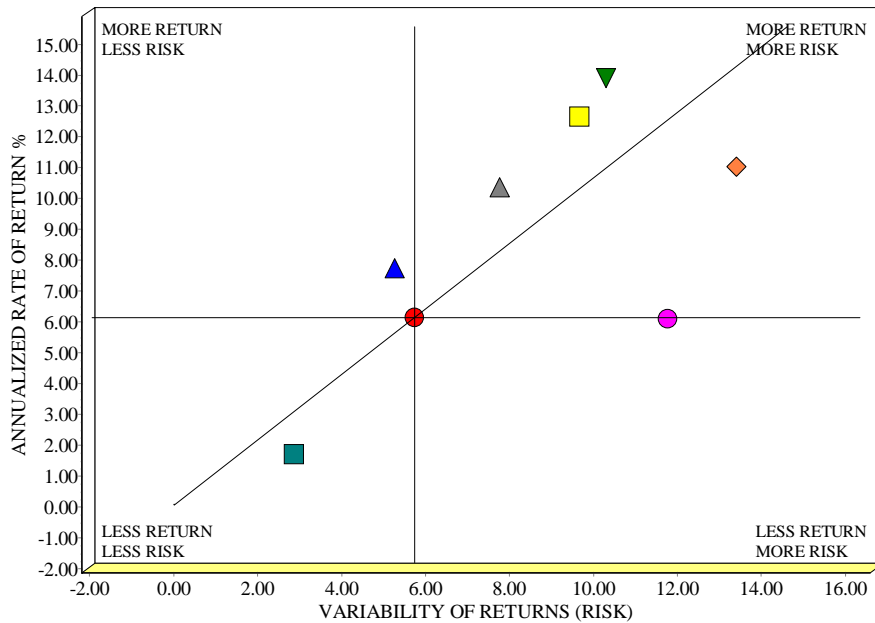


	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
TF	-2.99	2.31	7.74	8.24
POLICY BENCHMARK	-4.42	-1.00	6.14	7.53



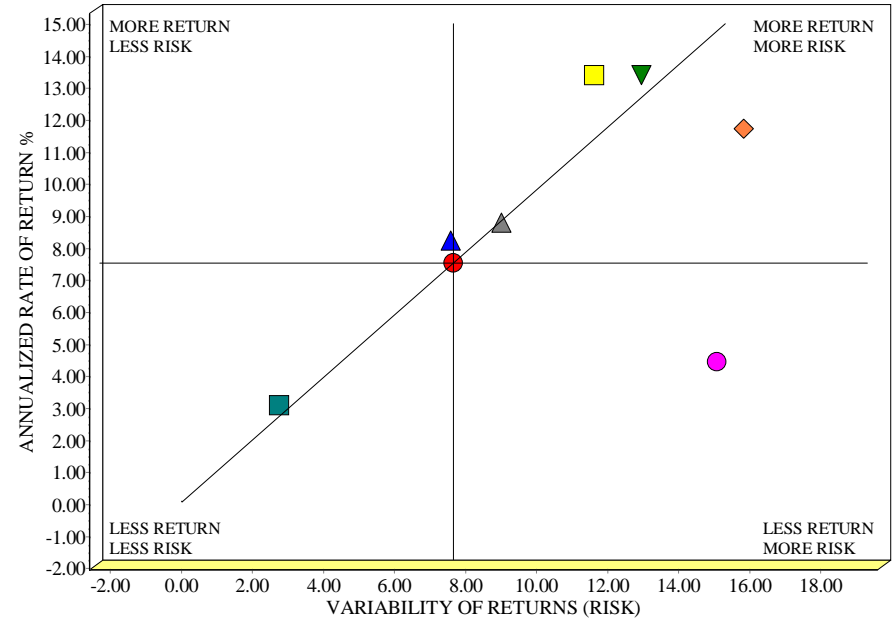
## Boynton Beach Police Pension Fund Total Fund Capital Market Line Period Ending September 30, 2015

**3-Year Risk/Reward**



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	7.74	5.27	0.90	2.10	95.54
● POLICY BENCHMARK	6.14	5.74	1.00	0.00	100.00
■ RUSSELL 1000 INDEX	12.66	9.66	1.00	0.00	100.00
▼ RUSSELL MIDCAP	13.91	10.30	1.00	0.00	100.00
◆ RUSSELL 2000	11.02	13.40	1.00	0.00	100.00
▲ ML CNV X144A ALLQUAL	10.37	7.76	1.00	0.00	100.00
● MSCI GROSS EAFE	6.08	11.78	1.00	0.00	100.00
■ BC AGGREGATE	1.71	2.86	1.00	0.00	100.00

**5-Year Risk/Reward**

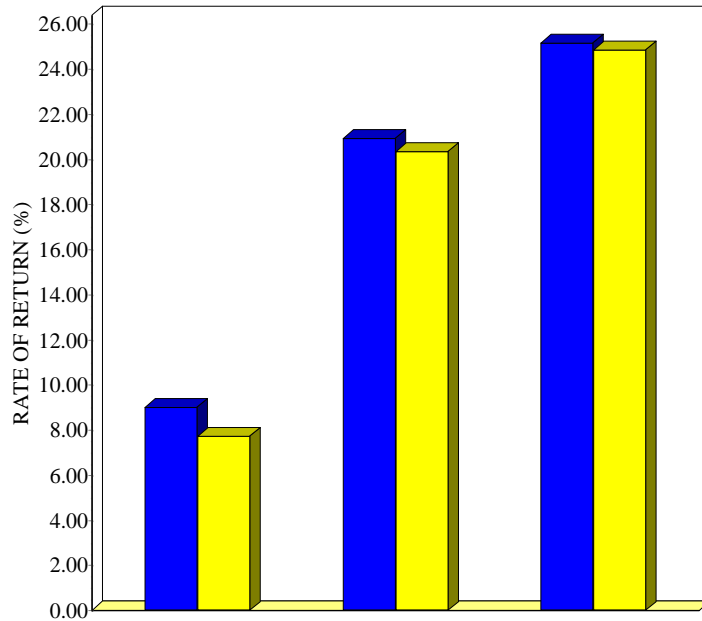


	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	8.24	7.58	0.98	0.82	97.61
● POLICY BENCHMARK	7.53	7.65	1.00	0.00	100.00
■ RUSSELL 1000 INDEX	13.42	11.62	1.00	0.00	100.00
▼ RUSSELL MIDCAP	13.40	12.95	1.00	0.00	100.00
◆ RUSSELL 2000	11.73	15.83	1.00	0.00	100.00
▲ ML CNV X144A ALLQUAL	8.81	9.01	1.00	0.00	100.00
● MSCI GROSS EAFE	4.45	15.08	1.00	0.00	100.00
■ BC AGGREGATE	3.10	2.75	1.00	0.00	100.00



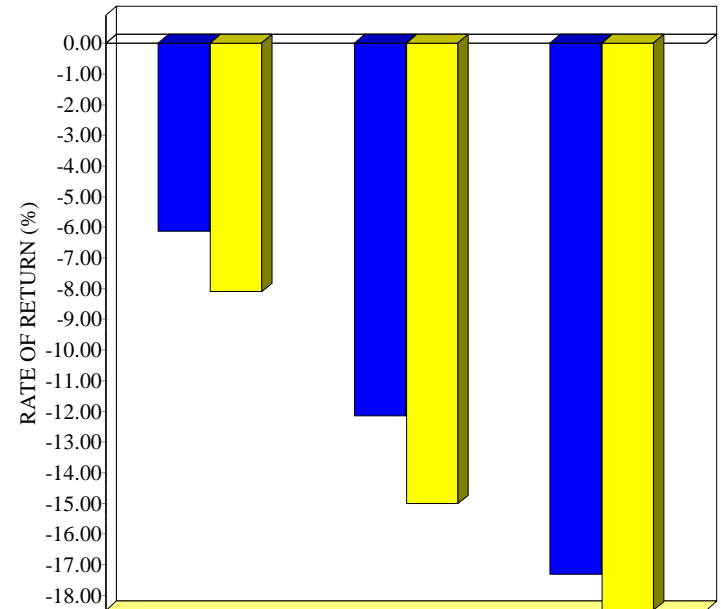
**Boynton Beach Police Pension Fund**  
**Total Fund**  
**Performance in Rising and Declining Markets**  
**September 30, 2010 Through September 30, 2015**

UP MARKET PERFORMANCE



	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	9.02	20.92	25.15
POLICY BENCHMARK	7.73	20.36	24.84
DIFFERENCE	1.28	0.56	0.31
RATIO	1.17	1.03	1.01
UP PERIODS	6	23	39

DOWN MARKET PERFORMANCE



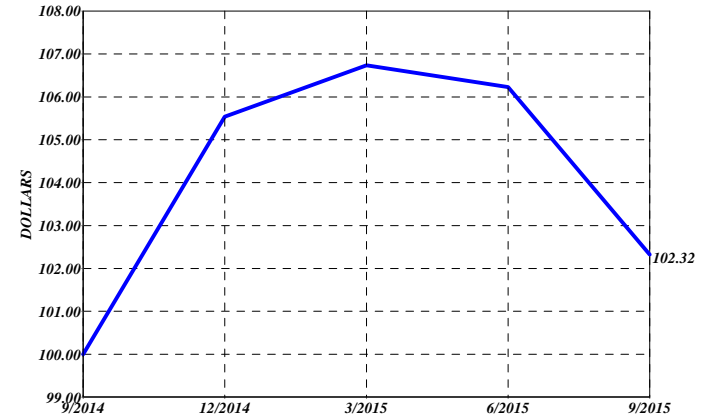
	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	-6.16	-12.16	-17.33
POLICY BENCHMARK	-8.11	-15.03	-18.50
DIFFERENCE	1.95	2.87	1.17
RATIO	0.76	0.81	0.94
DOWN PERIODS	6	13	21



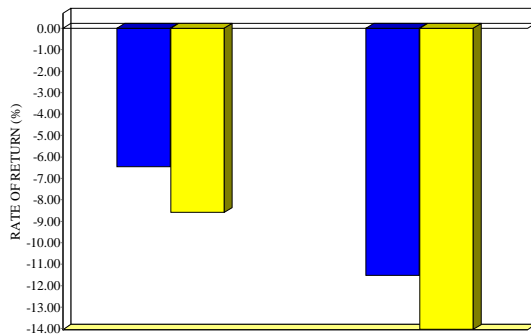
## Boynton Beach Police Pension Fund RTC Russell Lg Cap Defensive Eq Fd Performance Profile Period Ending September 30, 2015

PERIOD	RETURN	BETA	ALPHA	STD DEV	SHARPE RATIO
ONE YEAR	2.32	0.89	2.82	9.54	0.24

	QTD	ONE YEAR
TOTAL FUND	-3.68	2.32
RUSSELL 1000 INDEX	-6.83	-0.61
EXCESS	3.15	2.94
RISKLESS INDEX	0.01	0.02
REAL ROR	-3.38	2.42

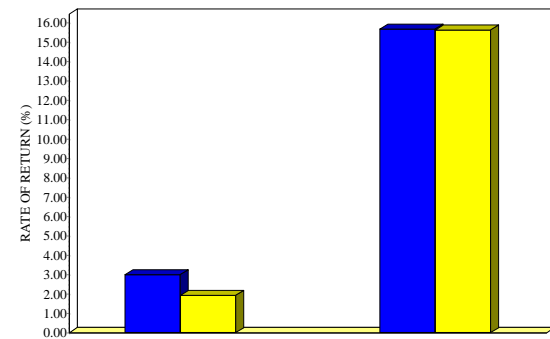


DOWN MARKET PERFORMANCE



	QTD	ONE YEAR
TOTAL FUND	-6.48	-11.55
RUSSELL 1000 INDEX	-8.59	-14.06
DIFFERENCE	2.11	2.51
RATIO	0.75	0.82
DOWN PERIODS	2	6

UP MARKET PERFORMANCE



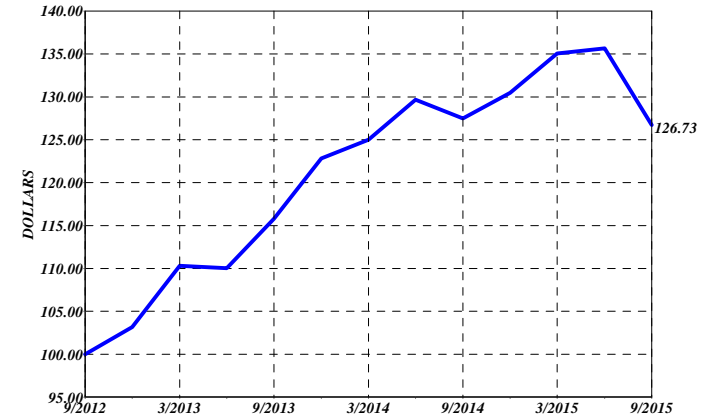
	QTD	ONE YEAR
TOTAL FUND	3.00	15.68
RUSSELL 1000 INDEX	1.93	15.64
DIFFERENCE	1.07	0.04
RATIO	1.56	1.00
UP PERIODS	1	6



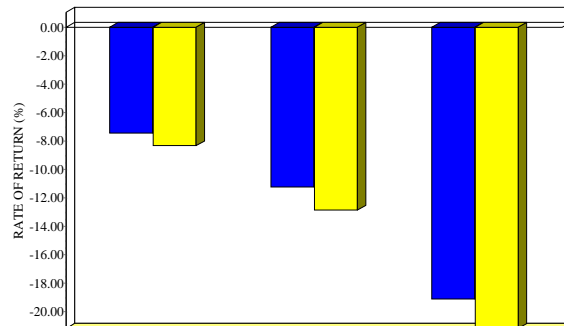
## Boynton Beach Police Pension Fund RTC Multi Asset Core Fd Performance Profile Period Ending September 30, 2015

PERIOD	RETURN	BETA	ALPHA	STD DEV	SHARPE RATIO
ONE YEAR	-0.59	0.98	3.76	8.34	-0.07
THREE YEARS	8.22	0.96	2.05	7.68	1.06

	QTD	ONE YEAR	THREE YEARS
TOTAL FUND	-6.58	-0.59	8.22
MULTI-ASSET INDEX	-7.82	-4.35	6.27
EXCESS	1.24	3.76	1.94
RISKLESS INDEX	0.01	0.02	0.06
REAL ROR	-6.29	-0.49	7.28

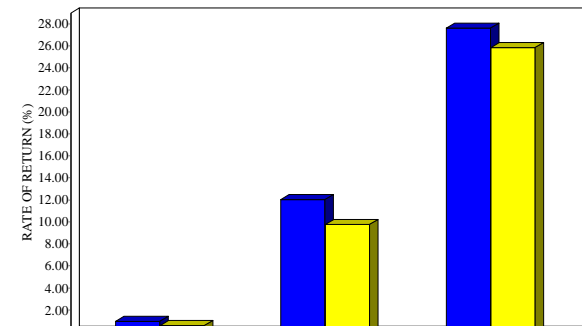


DOWN MARKET PERFORMANCE



	QTD	ONE YEAR	THREE YEARS
TOTAL FUND	-7.46	-11.27	-19.17
MULTI-ASSET INDEX	-8.35	-12.88	-21.22
DIFFERENCE	0.89	1.61	2.05
RATIO	0.89	0.87	0.90
DOWN PERIODS	2	6	13

UP MARKET PERFORMANCE

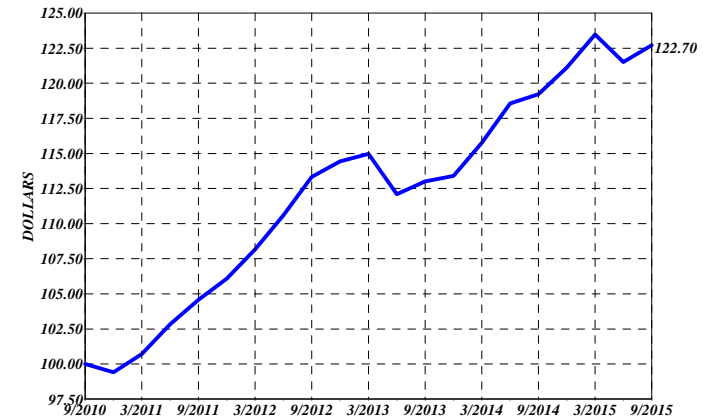


	QTD	ONE YEAR	THREE YEARS
TOTAL FUND	0.95	12.03	27.61
MULTI-ASSET INDEX	0.58	9.79	25.86
DIFFERENCE	0.37	2.24	1.76
RATIO	1.64	1.23	1.07
UP PERIODS	1	6	23

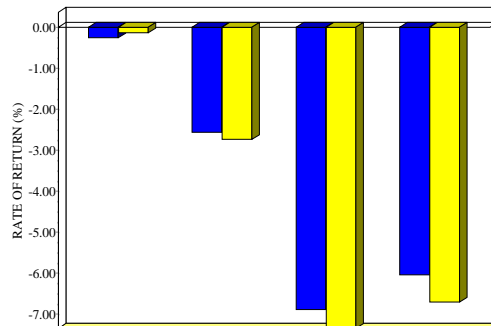
## Boynton Beach Police Pension Fund RTC Multi Mgr Bond Fund Performance Profile Period Ending September 30, 2015

PERIOD	RETURN	UNIVERSE RANKING	BETA	ALPHA	STD DEV	SHARPE RATIO
ONE YEAR	2.92	25	0.97	0.06	2.90	1.00
THREE YEARS	2.68	26	1.04	0.89	3.05	0.86
FIVE YEARS	4.18	32	0.97	1.15	2.86	1.43

	QTD	ONE YEAR	THREE YEARS	FIVE YEARS
RTC MULTI MGR BOND FUN	0.97	2.92	2.68	4.18
FIXED INCOME BNCH	1.23	2.94	1.71	3.10
EXCESS	-0.26	-0.02	0.97	1.08
RISKLESS INDEX	0.01	0.02	0.06	0.08
REAL ROR	1.27	2.96	1.77	2.41

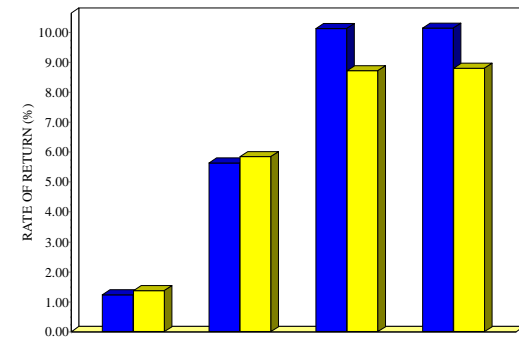


DOWN MARKET PERFORMANCE



	QTD	ONE YEAR	THREE YEARS	FIVE YEARS
RTC MULTI MGR BOND FUND	-0.26	-2.57	-6.89	-6.05
FIXED INCOME BNCH	-0.14	-2.75	-7.35	-6.71
DIFFERENCE	-0.12	0.18	0.46	0.67
RATIO	1.84	0.94	0.94	0.90
DOWN PERIODS	1	5	15	21

UP MARKET PERFORMANCE

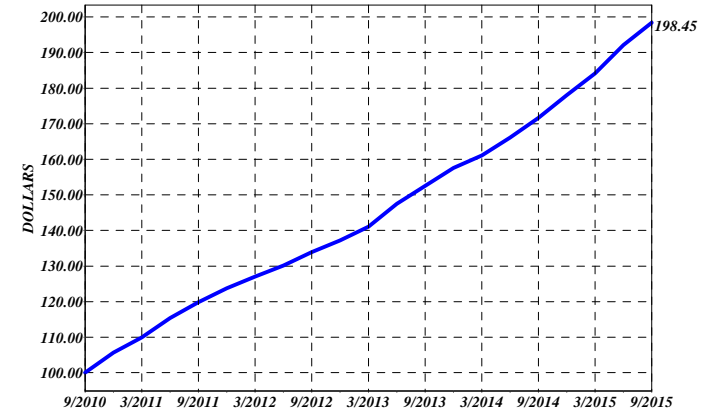


	QTD	ONE YEAR	THREE YEARS	FIVE YEARS
RTC MULTI MGR BOND FUND	1.24	5.63	10.11	10.13
FIXED INCOME BNCH	1.38	5.85	8.72	8.80
DIFFERENCE	-0.14	-0.21	1.40	1.34
RATIO	0.90	0.96	1.16	1.15
UP PERIODS	2	7	21	39

## Boynton Beach Police Pension Fund RTC Real Estate Equity Fd Performance Profile Period Ending September 30, 2015

PERIOD	RETURN	BETA	ALPHA	STD DEV	SHARPE RATIO
ONE YEAR	15.60	1.05	0.06	6.08	2.56
THREE YEARS	14.01	1.06	-0.03	5.59	2.49
FIVE YEARS	14.69	1.07	-0.12	5.95	2.46

	QTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	3.29	15.60	14.01	14.69
REAL ESTATE BNCH	3.63	14.82	13.22	13.87
EXCESS	-0.34	0.78	0.79	0.82
RISKLESS INDEX	0.01	0.02	0.06	0.08
REAL ROR	3.60	15.72	13.03	12.78

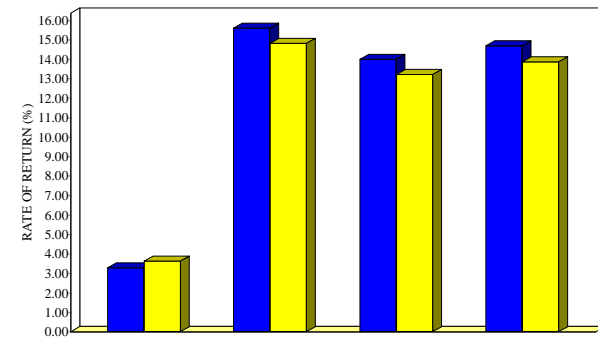


DOWN MARKET PERFORMANCE



	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	3.29	15.60	14.01	14.69
REAL ESTATE BNCH	3.63	14.82	13.22	13.87
DIFFERENCE	-0.34	0.78	0.79	0.82
RATIO	0.91	1.05	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. 18



## **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.

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

11. For a free copy of Part II (mailed w/i 5 bus. days from request receipt) of Burgess Chambers & Associates, Inc.'s most recent Form ADV which details pertinent business procedures, please contact: 315 East Robinson Street Suite #690, Orlando, Florida 32801, 407-644-0111, [info@burgesschambers.com](mailto:info@burgesschambers.com).



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