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

***Institutional Investment Advisors***

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

***June 30, 2018***

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# Boynton Beach Police Pension Fund

## Investment Performance Period Ending June 30, 2018

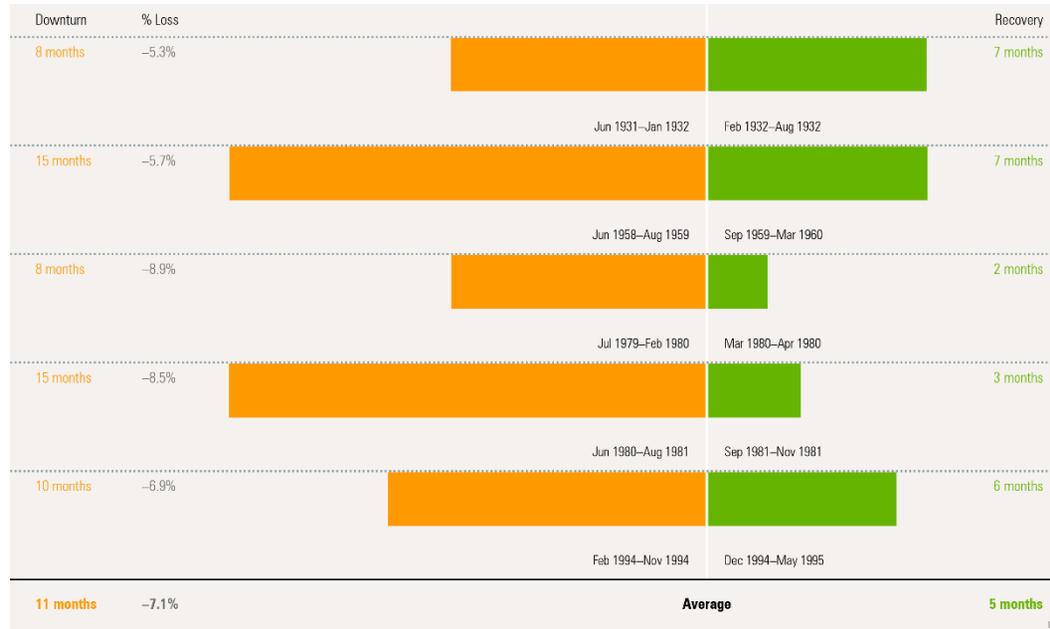
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BCA reviews transactions provided by the custodian and uses reasonable care to ensure the accuracy of the data contained herein.  
However, BCA cannot guarantee the accuracy of the custodian's statement.



# Boynton Beach Police Pension Fund BCA Market Perspective © The Bond “Bubble”

Frank Wan  
July 2018

Former Federal Reserve Chairman Alan Greenspan told CNBC in March that “we are in a bond market bubble” and “prices are too high”. This warning should be taken under consideration, but first, let’s examine the empirical data behind past *bubbles*.



Between 1926 to 2018, there have been only five time periods when intermediate bonds lost more than 5%. Furthermore, the average recovery period (breakeven) during these five periods was **five months**.

While rates will likely be higher five years from now, it should be noted that bonds, at different maturities along the yield curve, are not affected by the same magnitude. In 2017, the Federal Reserve raised the fed funds rate three times, from 0.75% to 1.5%, while 30-year treasuries fell to 2.74% from 3.04%.

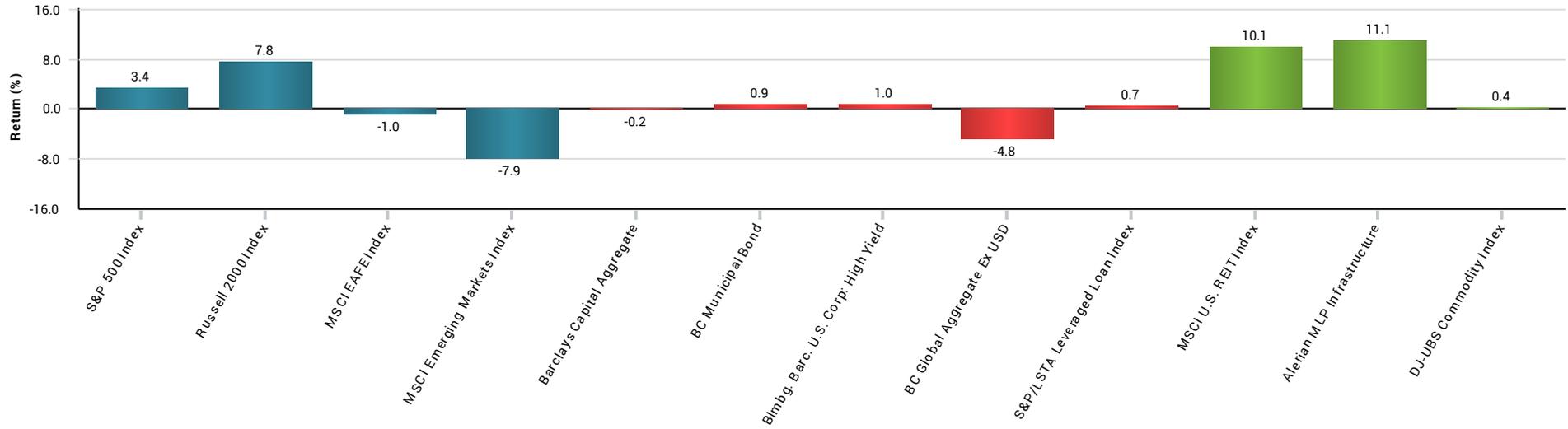
Due to the unpredictable nature of yield curve changes, investors are unable to consistently time the redemption AND repurchase of fixed income securities, especially when factoring transaction costs.

The statutory objectives for monetary policy are: maximum employment, stable prices and moderate long-term interest rates. Given that our GDP is growing at 2.2% and core CPI is increasing at 2.1%, the FOMC is not expected to increase rates rapidly, and the “bubble” is not expected to burst in the near future.

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.

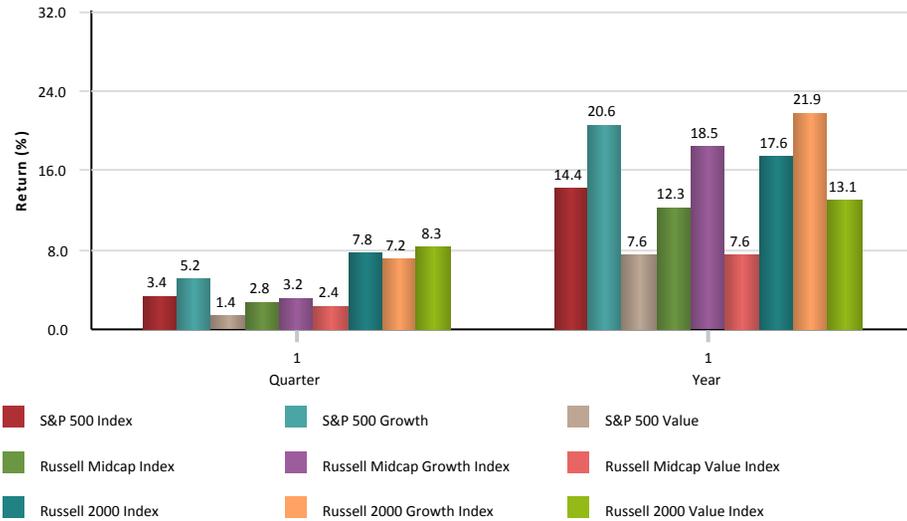


## 1 Quarter Performance



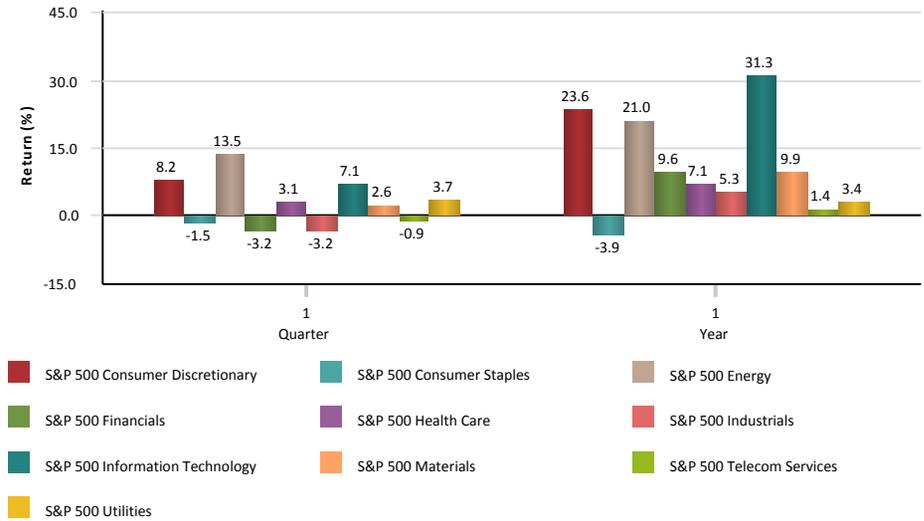
Source: Investment Metrics, LLC

## US Market Indices Performance



Source: Investment Metrics, LLC

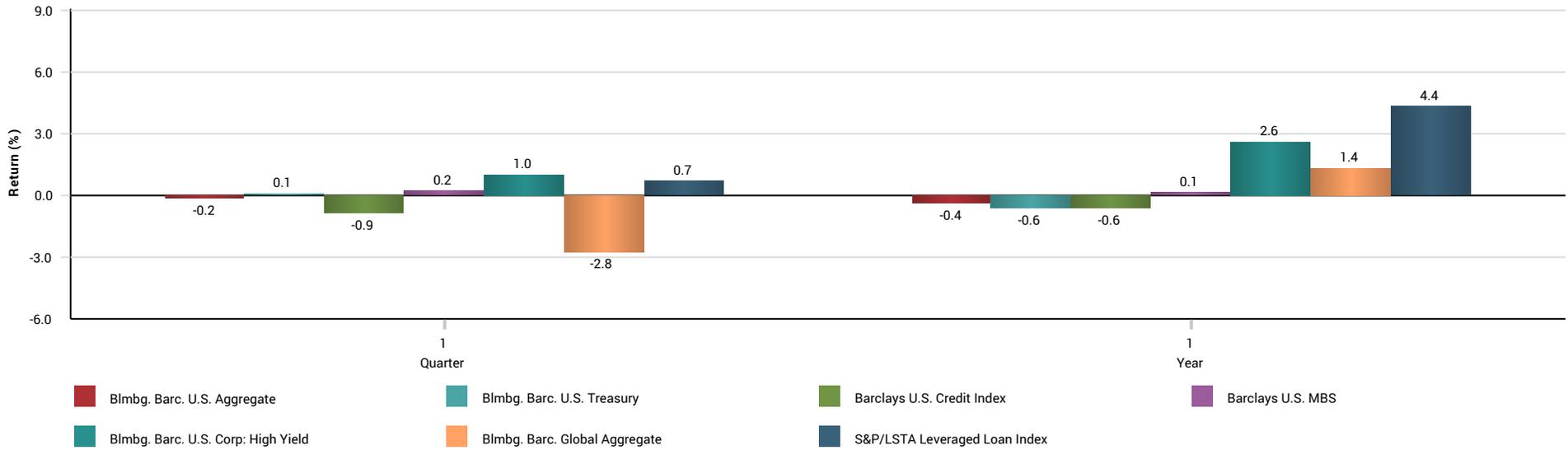
## US Market Sector Performance



Source: Investment Metrics, LLC

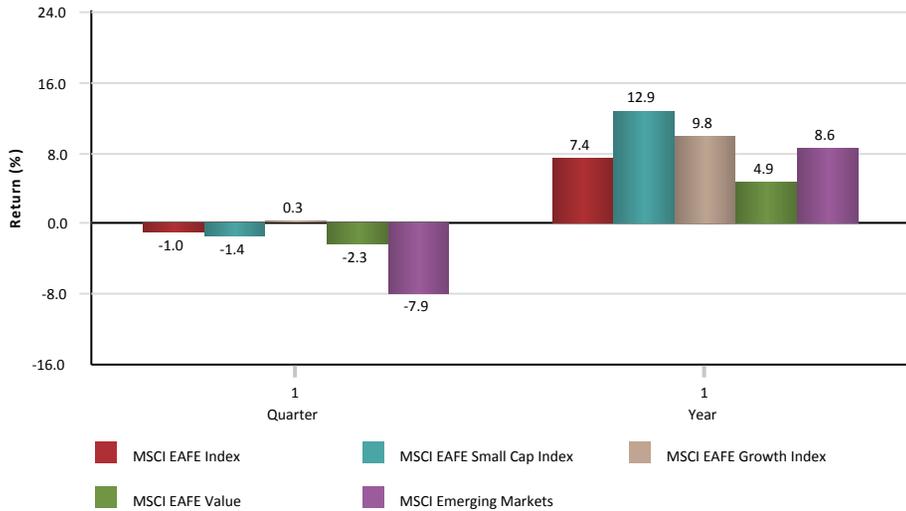


Fixed Income Market Sector Performance



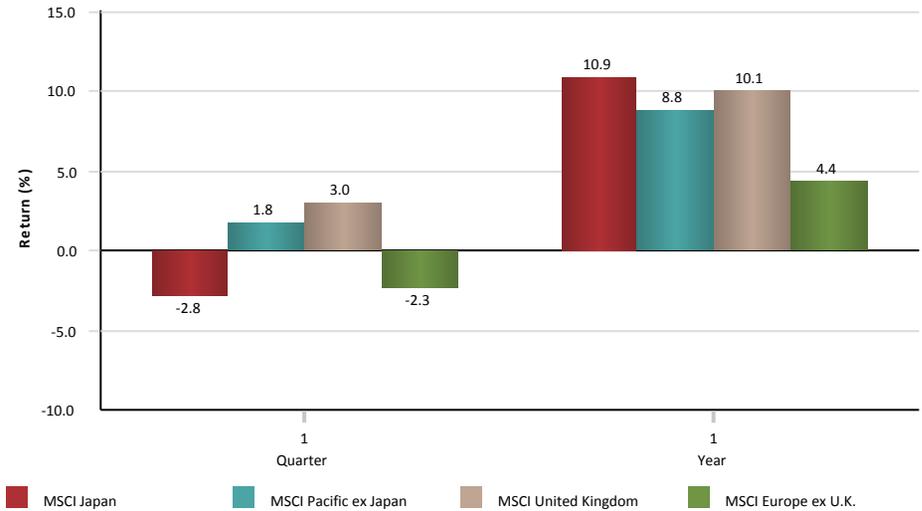
Source: Investment Metrics, LLC

Intl Equity Indices Performance



Source: Investment Metrics, LLC

Intl Equity Region Performance



Source: Investment Metrics, LLC



**Boynton Beach Police Pension Fund**  
**Total Fund**  
**Investment Summary**  
**June 30, 2018**

During the second quarter, the Federal Reserve gained the confidence to raise interest rates again. This is a contrast to our peers around world, as the ECB delayed any potential hikes to July 2019. Along with a stronger economy, the dollar rallied against most currencies, and the pain is felt the most in emerging market economies (MSCI EM Index -7.9%).

- For the quarter, the Fund earned +1.3% gross (or +1.1% net; \$1.3 million), in line with the Policy Benchmark (+1.3%). The best performing asset category was the Russell Large Cap Defensive Equity (+2.7%).
- For the one-year period, the Fund earned \$6.8 million or +7.3% gross (+6.5% net), similar to the Policy Benchmark (+7.6%). The best performing asset category was the Russell Large-Cap Defensive Fund (+12.8%).
- **For the three-year period, the Fund earned \$19.9 million or +7.7% (+6.9% net), ahead of the Policy Benchmark (+6.8%) and ranked in the top 21st percentile.**
- **For the five-year period, the Fund ranked in the top 32nd percentile and earned \$34.4 million or +8.6% (+7.8% net), ahead of the Policy Benchmark (+7.5%).**

**Boynton Beach Police Pension Fund  
Total Fund  
Investment Policy Review  
June 30, 2018**

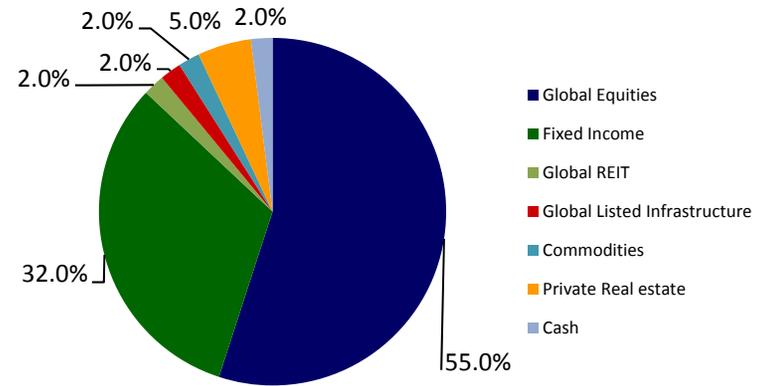
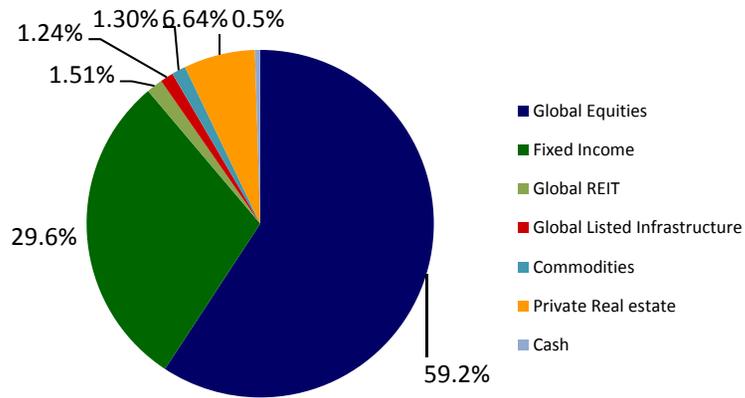
|   | <u><b>Yes</b></u>                   | <u><b>No</b></u>                    |
|---|-------------------------------------|-------------------------------------|
| Total Fund annualized three-year performance achieved the Policy Benchmark.   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Total Fund annualized three-year performance ranked in the top 40th percentile of the universe.                           | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Total Fund annualized three-year performance (gross) achieved the +7.5% actuarial assumption rate.                        | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Total Fund annualized five-year performance achieved the Policy Benchmark.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Total Fund annualized five-year performance ranked in the top 40th percentile of the universe.                            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Total Fund annualized five-year performance (gross) achieved the +7.5% actuarial assumption rate.                         | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <br>  |                                     |                                     |
| Russell Large Cap Defensive Equity annualized three-year performance achieved the Russell 1000 benchmark.                 | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <br>  |                                     |                                     |
| Multi Asset Core annualized three-year performance achieved the multi-asset benchmark.                                    | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Multi Asset Core annualized five-year performance achieved the multi-asset benchmark.                                     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <br>  |                                     |                                     |
| 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"/>            |
| <br>  |                                     |                                     |
| Real Estate Equity's annualized three-year performance achieved the real estate benchmark (+9.3% vs. +9.6%).              | <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"/>            |
| <br>  |                                     |                                     |
| 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>20.4%</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>29.6%</b> (at market) within the 25% minimum limitation.                       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Asset allocation among alternatives was <b>10.7%</b> (at market) within the 20% maximum limitation.                       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

**Boynton Beach Police Pension Fund  
Investment Performance - Net  
June 30, 2018**

|                        | <u>Quarter</u> | <u>FYTD</u> | <u>One Year</u> | <u>Three Years</u> | <u>Five Years</u> |
|------------------------|----------------|-------------|-----------------|--------------------|-------------------|
| Beginning Market Value | 100,374,251    | 95,020,618  | 93,294,862      | 80,967,512         | 66,902,413        |
| Contributions          | -1,950,385     | 498,193     | -363,619        | -1,167,840         | -1,602,188        |
| Gain/Loss              | 1,285,810      | 4,190,865   | 6,778,433       | 19,910,004         | 34,409,450        |
| Ending Market Value    | 99,709,675     | 99,709,675  | 99,709,675      | 99,709,675         | 99,709,675        |
| Total Fund (%)         | 1.1            | 3.8         | 6.5             | 6.9                | 7.8               |
| Policy Benchmark (%)   | 1.3            | 4.2         | 7.6             | 6.8                | 7.5               |



**Boynton Beach Police Pension Fund  
Actual vs. Target Asset Allocation  
June 30, 2018**



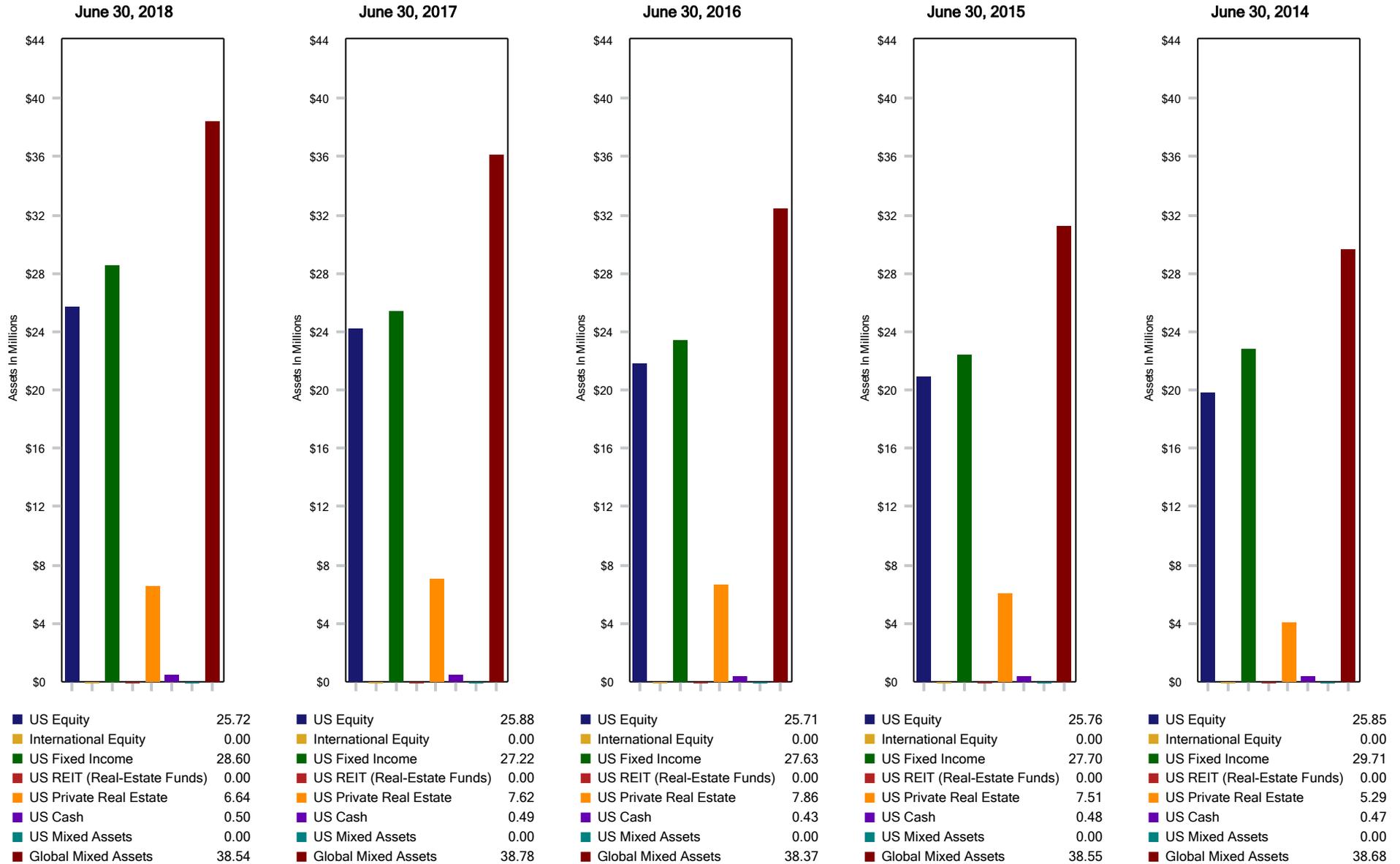
|                                     |    | MV (\$)           | Current       | Target        | Difference  |
|-------------------------------------|----|-------------------|---------------|---------------|-------------|
| <b>Global Equities</b>              | \$ | 59,072,905        | 59.2%         | 55.0%         | 4.2%        |
| <b>Fixed Income</b>                 | \$ | 29,492,521        | 29.6%         | 32.0%         | -2.4%       |
| <b>Global REIT</b>                  | \$ | 1,501,632         | 1.51%         | 2.0%          | -0.5%       |
| <b>Global Listed Infrastructure</b> | \$ | 1,233,780         | 1.24%         | 2.0%          | -0.8%       |
| <b>Commodities</b>                  | \$ | 1,297,916         | 1.30%         | 2.0%          | -0.7%       |
| <b>Private Real estate</b>          | \$ | 6,617,313         | 6.64%         | 5.0%          | 1.6%        |
| <b>Cash</b>                         | \$ | 493,608           | 0.5%          | 2.0%          | -1.5%       |
| <b>Total</b>                        |    | <b>99,709,675</b> | <b>100.0%</b> | <b>100.0%</b> | <b>0.0%</b> |

Total International = 20.4% (This calculation includes foreign equity, REIT, listed infrastructure, and fixed income)

Note: For illustrative purposes only.



## Boynton Beach Police Pension Fund Historical Asset Allocation June 30, 2018



**Boynton Beach Police Pension Fund**  
**Asset Allocation & Performance - Gross**  
**June 30, 2018**

|  | Market Value      | QTD<br>ROR - Rank | FYTD<br>ROR - Rank | 1 Year<br>ROR - Rank | 3 Year<br>ROR - Rank | 5 Year<br>ROR - Rank |
|--|-------------------|-------------------|--------------------|----------------------|----------------------|----------------------|
| <b>Total Fund</b>                              | <b>99,709,675</b> | <b>1.3 (48)</b>   | <b>4.3 (67)</b>    | <b>7.3 (77)</b>      | <b>7.7 (21)</b>      | <b>8.6 (32)</b>      |
| Policy Benchmark                               |                   | 1.3               | 4.2                | 7.6                  | 6.8                  | 7.5                  |
| <b>Russell Large Cap Defensive Equity (CF)</b> | <b>25,649,855</b> | <b>2.7</b>        | <b>8.9</b>         | <b>12.8</b>          | <b>11.7</b>          | <b>N/A</b>           |
| Russell 1000 Defensive Index                   |                   | 2.9               | 8.5                | 12.7                 | 11.4                 | 12.4                 |
| Russell 1000 Index                             |                   | 3.6               | 9.6                | 14.5                 | 11.6                 | 13.4                 |
| <b>Russell Multi-Asset Core (CF)</b>           | <b>38,428,483</b> | <b>1.7</b>        | <b>5.3</b>         | <b>9.5</b>           | <b>8.6</b>           | <b>9.6</b>           |
| Multi-Asset Core Composite Index               |                   | 1.9               | 5.0                | 9.2                  | 7.0                  | 8.2                  |
| <b>Russell Multi-Manager Bond (CF)</b>         | <b>28,520,416</b> | <b>-0.6 (97)</b>  | <b>-1.4 (91)</b>   | <b>-0.6 (93)</b>     | <b>2.3 (32)</b>      | <b>3.0 (23)</b>      |
| Fixed Income Benchmark                         |                   | -0.2              | -1.2               | -0.4                 | 1.7                  | 2.3                  |
| <b>Russell Real Estate Equity (CF)</b>         | <b>6,617,313</b>  | <b>2.0</b>        | <b>6.5</b>         | <b>8.5</b>           | <b>9.3</b>           | <b>11.2</b>          |
| Real Estate Benchmark                          |                   | 2.1               | 6.6                | 8.6                  | 9.6                  | 11.1                 |
| <b>Russell ST Inv Cash Sweep (CF)</b>          | <b>493,608</b>    | <b>0.1</b>        | <b>0.7</b>         | <b>1.1</b>           | <b>0.5</b>           | <b>0.3</b>           |
| ICE BofAML 3 Month U.S. T-Bill                 |                   | 0.5               | 1.1                | 1.4                  | 0.7                  | 0.4                  |

**Boynton Beach Police Pension Fund  
Asset Allocation & Performance - Net  
June 30, 2018**

|  | Market Value      | QTD<br>ROR - Rank | FYTD<br>ROR - Rank | 1 Year<br>ROR - Rank | 3 Year<br>ROR - Rank | 5 Year<br>ROR - Rank |
|--|-------------------|-------------------|--------------------|----------------------|----------------------|----------------------|
| <b>Total Fund</b>                              | <b>99,709,675</b> | <b>1.1</b>        | <b>3.8</b>         | <b>6.5</b>           | <b>6.9</b>           | <b>7.8</b>           |
| <b>Policy Benchmark</b>                        |                   | <b>1.3</b>        | <b>4.2</b>         | <b>7.6</b>           | <b>6.8</b>           | <b>7.5</b>           |
| <b>Russell Large Cap Defensive Equity (CF)</b> | <b>25,649,855</b> | <b>2.5</b>        | <b>8.4</b>         | <b>12.1</b>          | <b>11.0</b>          | <b>N/A</b>           |
| Russell 1000 Defensive Index                   |                   | 2.9               | 8.5                | 12.7                 | 11.4                 | 12.4                 |
| Russell 1000 Index                             |                   | 3.6               | 9.6                | 14.5                 | 11.6                 | 13.4                 |
| <b>Russell Multi-Asset Core (CF)</b>           | <b>38,428,483</b> | <b>1.5</b>        | <b>4.6</b>         | <b>8.5</b>           | <b>7.7</b>           | <b>8.6</b>           |
| Multi-Asset Core Composite Index               |                   | 1.9               | 5.0                | 9.2                  | 7.0                  | 8.2                  |
| <b>Russell Multi-Manager Bond (CF)</b>         | <b>28,520,416</b> | <b>-0.7</b>       | <b>-1.7</b>        | <b>-1.1</b>          | <b>1.9</b>           | <b>2.4</b>           |
| Fixed Income Benchmark                         |                   | -0.2              | -1.2               | -0.4                 | 1.7                  | 2.3                  |
| <b>Russell Real Estate Equity (CF)</b>         | <b>6,617,313</b>  | <b>1.6</b>        | <b>5.4</b>         | <b>6.9</b>           | <b>7.7</b>           | <b>9.8</b>           |
| Real Estate Benchmark                          |                   | 2.1               | 6.6                | 8.6                  | 9.6                  | 11.1                 |
| <b>Russell ST Inv Cash Sweep (CF)</b>          | <b>493,608</b>    | <b>0.1</b>        | <b>0.7</b>         | <b>1.1</b>           | <b>0.5</b>           | <b>0.1</b>           |
| ICE BofAML 3 Month U.S. T-Bill                 |                   | 0.5               | 1.1                | 1.4                  | 0.7                  | 0.4                  |

**1 Policy Benchmark (IPS hybrid benchmark objective):** March '14 is 30% MSCI ACWI + 25% Russell 1000 + 32% BC Aggregate + 2% NAREIT + 2% S&P Global Infrastructure Index + 5% NCREIF ODCE EQ (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.

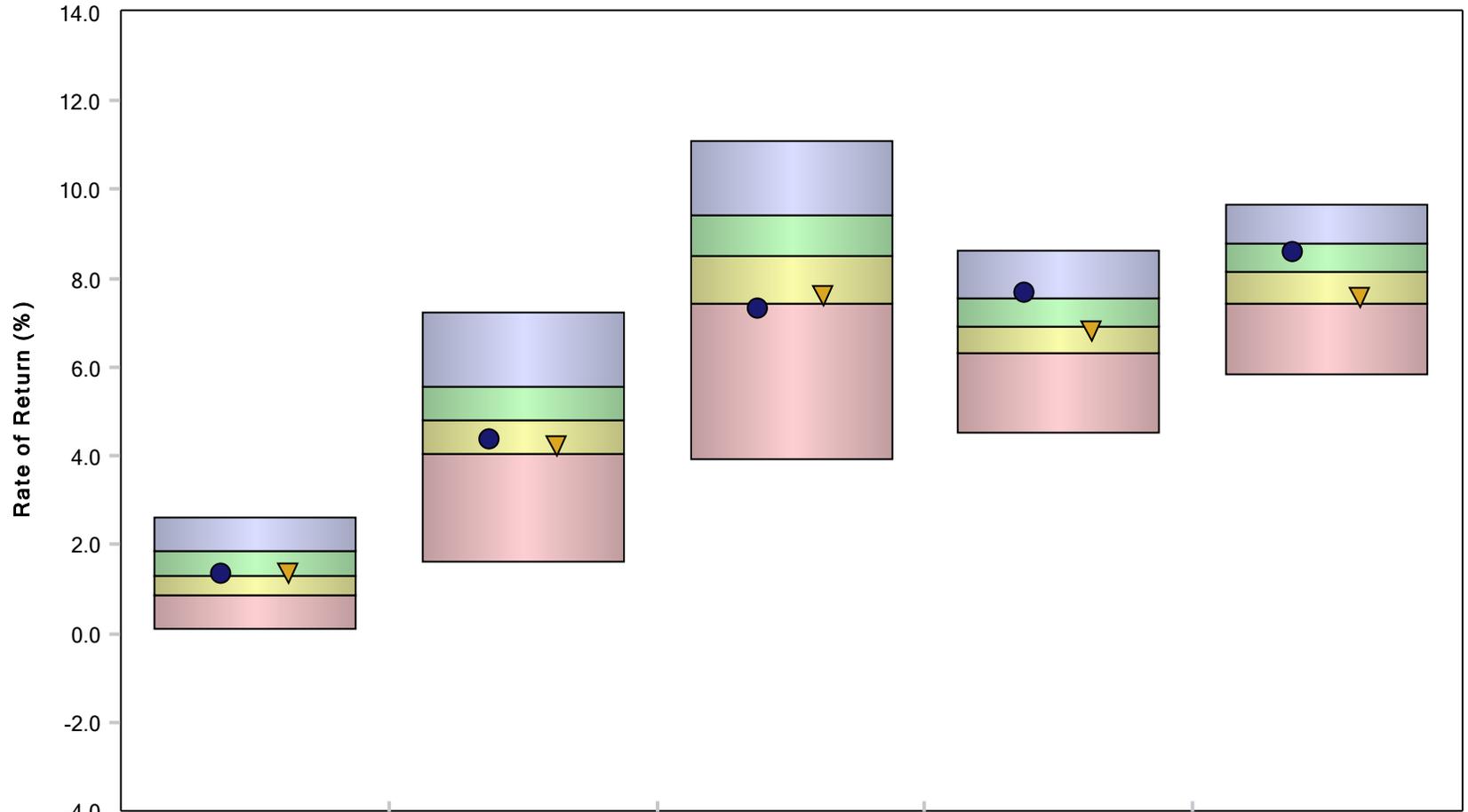
**2 The Multi-Asset Core Composite Benchmark:** 75.0% Russell World Cap 50% Hedged Net Index / 5.0% Bloomberg Commodity Index / 5.0% FTSE EPRA/NAREIT Developed Real Estate Index (Net) / 5.0% S&P Global Infrastructure Index Net / 7.0% Barclays U.S. Aggregate Bond Index / 3.0% Barclays U.S. 1-3 Month Treasury Bill Index. This benchmark is appropriate for evaluating the Russell Multi-Asset Core Fund over a 3 to 5 year horizon.

**3 Fixed Income Benchmark (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 Benchmark:** from Sept'09 is 100% NCREIF ODCE EQ (NFI ODCE EQ); prior was 100% NCREIF Index.



**Boynton Beach Police Pension Fund  
Peer Universe Quartile Ranking  
June 30, 2018**

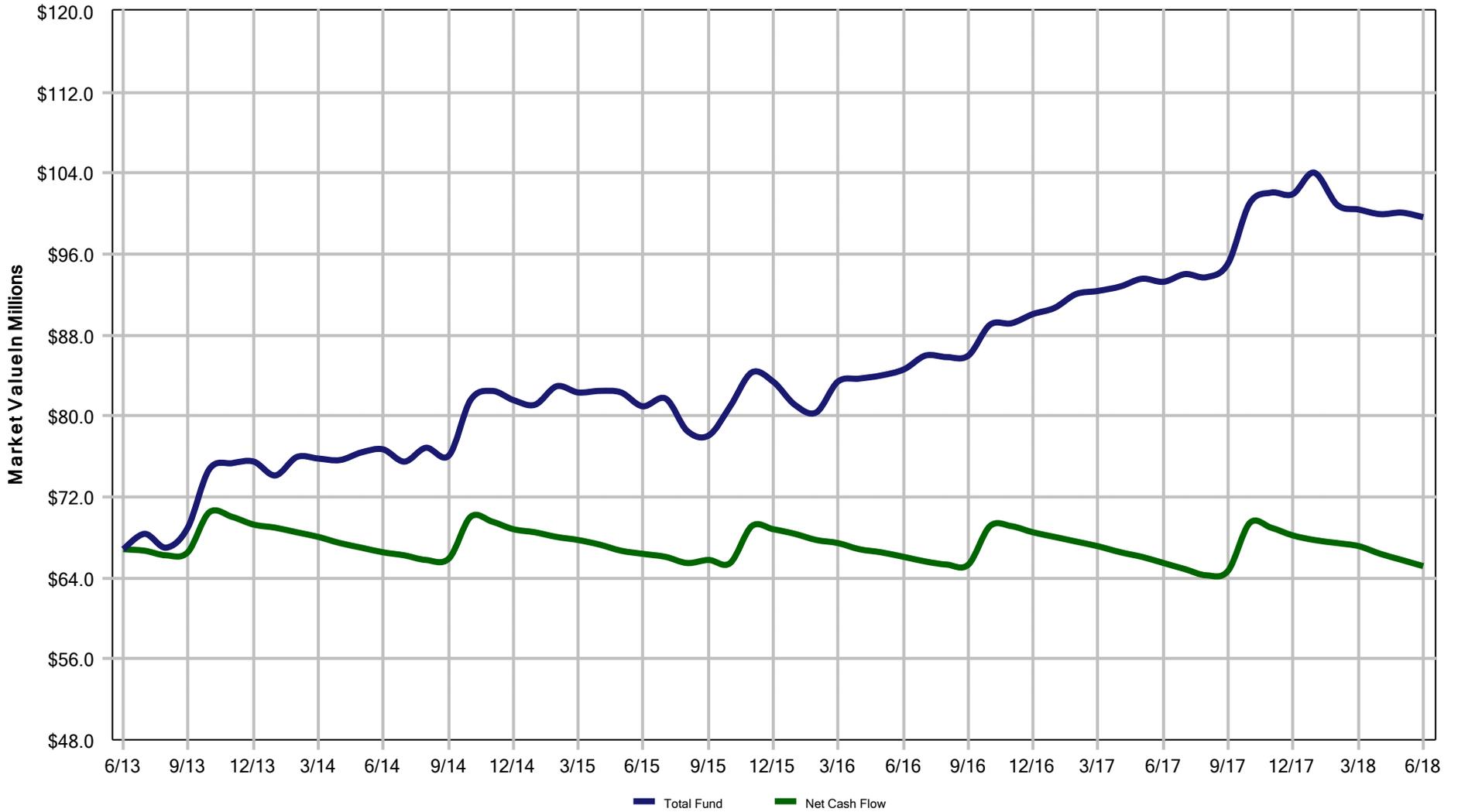


|                    | <u>Quarter</u> | <u>FYTD</u> | <u>One Year</u> | <u>Three Years</u> | <u>Five Years</u> |
|--------------------|----------------|-------------|-----------------|--------------------|-------------------|
| ● Total Fund       | 1.3 (48)       | 4.3 (67)    | 7.3 (77)        | 7.7 (21)           | 8.6 (32)          |
| ▼ Policy Benchmark | 1.3 (47)       | 4.2 (72)    | 7.6 (73)        | 6.8 (54)           | 7.5 (72)          |
| 5th Percentile     | 2.6            | 7.2         | 11.1            | 8.6                | 9.7               |
| 1st Quartile       | 1.8            | 5.6         | 9.4             | 7.6                | 8.8               |
| Median             | 1.3            | 4.8         | 8.5             | 6.9                | 8.1               |
| 3rd Quartile       | 0.8            | 4.0         | 7.4             | 6.3                | 7.4               |
| 95th Percentile    | 0.1            | 1.6         | 3.9             | 4.5                | 5.8               |

Parentheses contain percentile rankings.  
Calculation based on quarterly data.



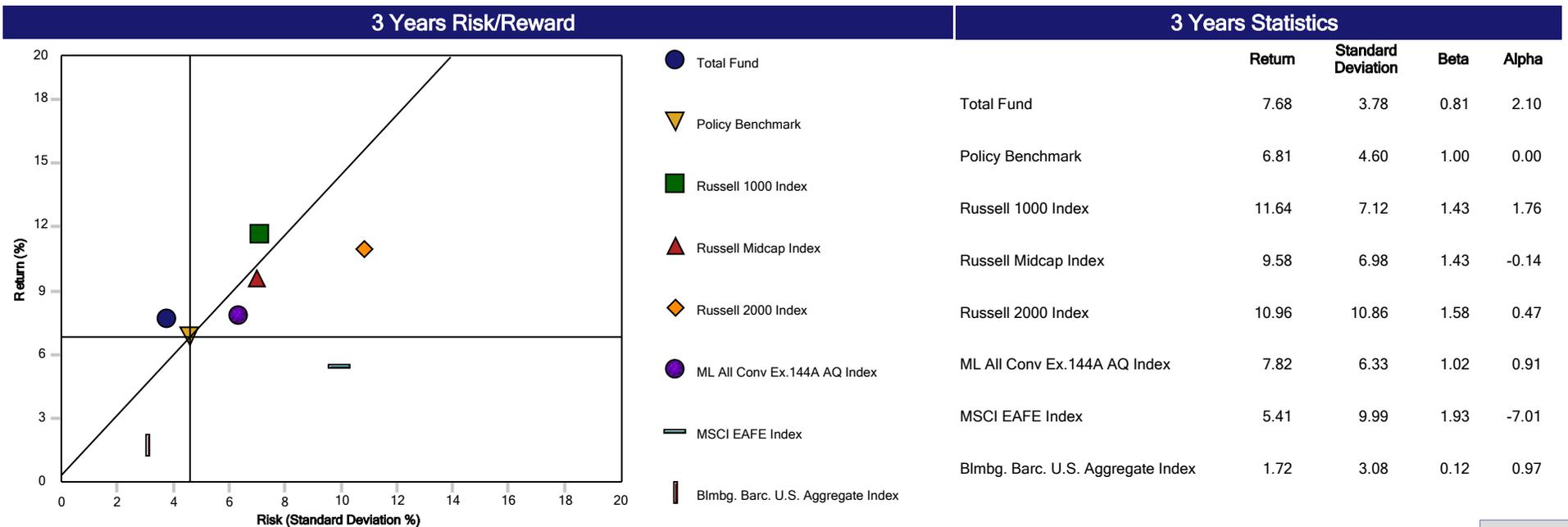
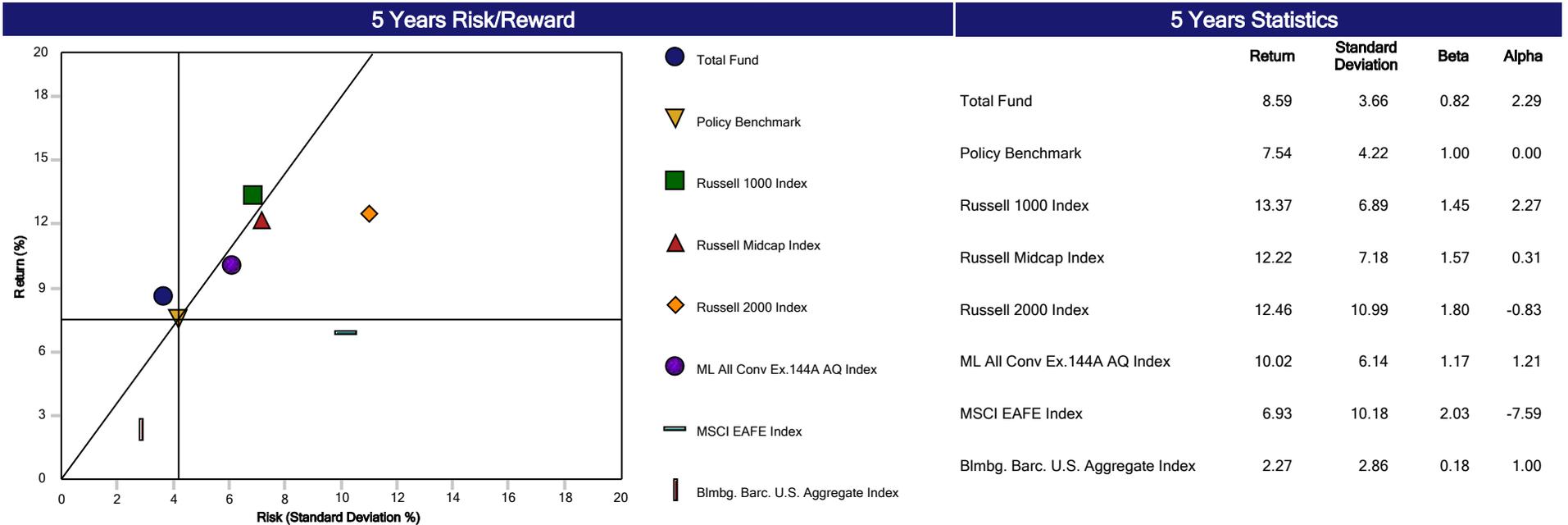
**Boynton Beach Police Pension Fund  
Growth of Investments  
July 1, 2013 Through June 30, 2018**



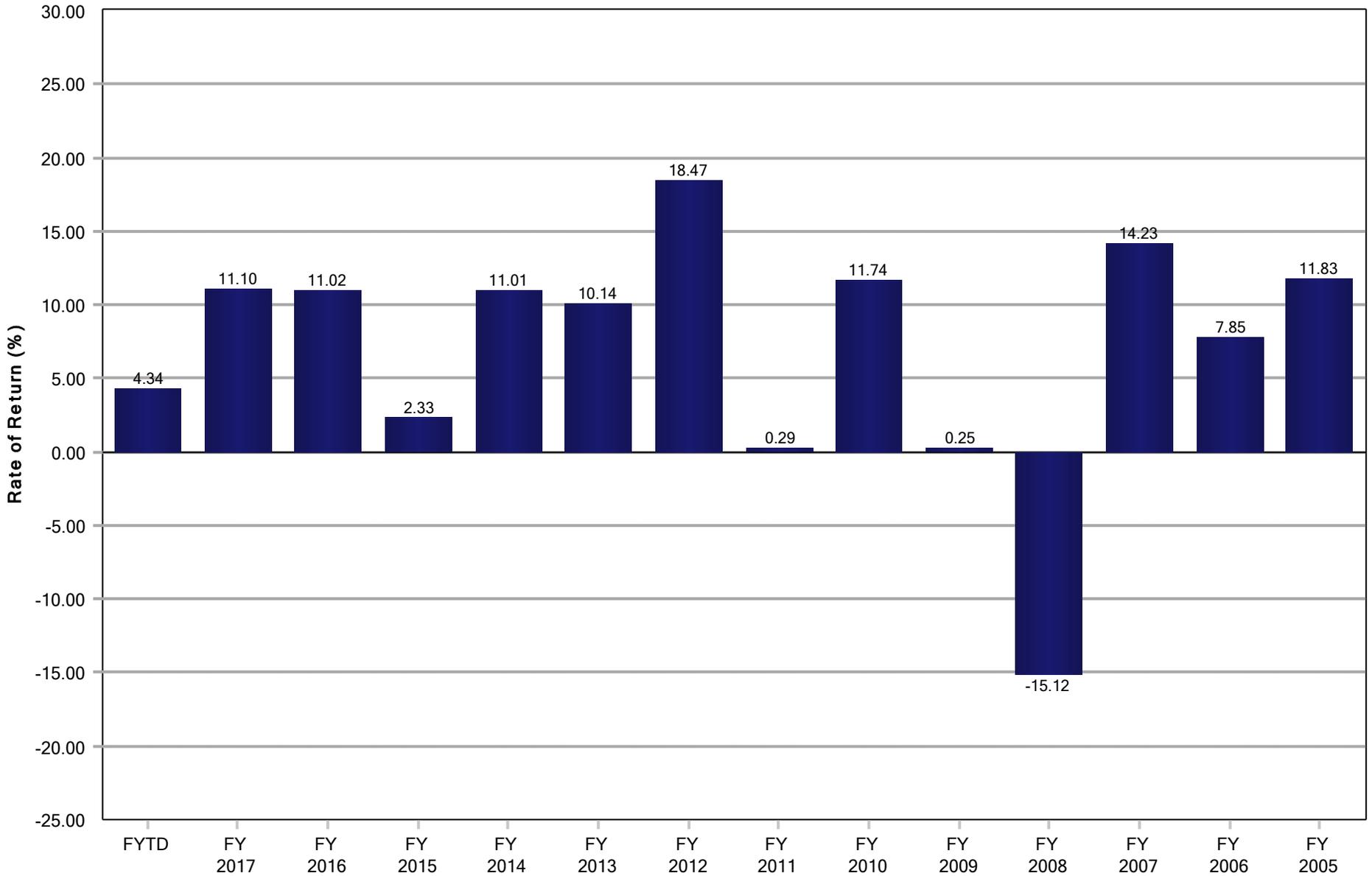
| <u>Beginning MV</u> | <u>Ending MV</u> | <u>Annualized ROR</u> |
|---------------------|------------------|-----------------------|
| \$66,902,413        | \$99,709,675     | 8.6                   |



## Boynton Beach Police Pension Fund Capital Market Line Period Ending June 30, 2018

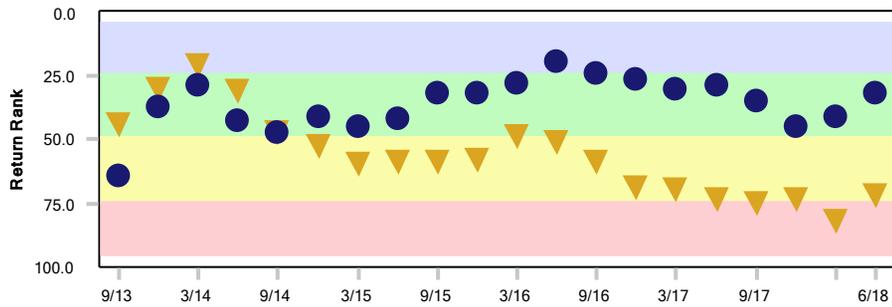


Boynton Beach Police Pension Fund  
Fiscal Year Rates of Return  
June 30, 2018



## Boynton Beach Police Pension Fund Total Fund June 30, 2018

### 5 Years Rolling Percentile Ranking - 5 Years

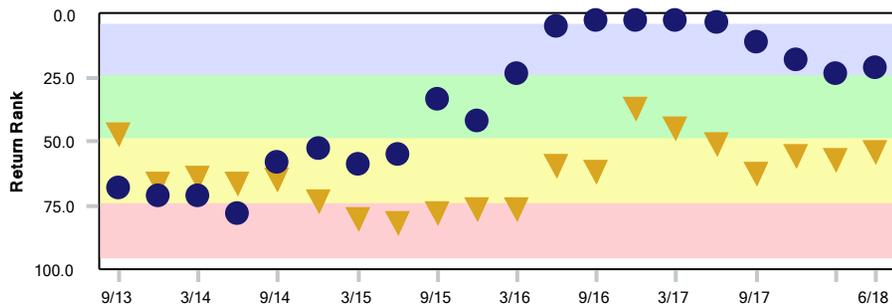


|                    | Periods | 5 - 25  | 25 - 50  | 50 - 75  | 75 - 95 |
|--------------------|---------|---------|----------|----------|---------|
| ● Total Fund       | 20      | 2 (10%) | 17 (85%) | 1 (5%)   | 0 (0%)  |
| ▼ Policy Benchmark | 20      | 1 (5%)  | 5 (25%)  | 13 (65%) | 1 (5%)  |

### Growth of a Dollar

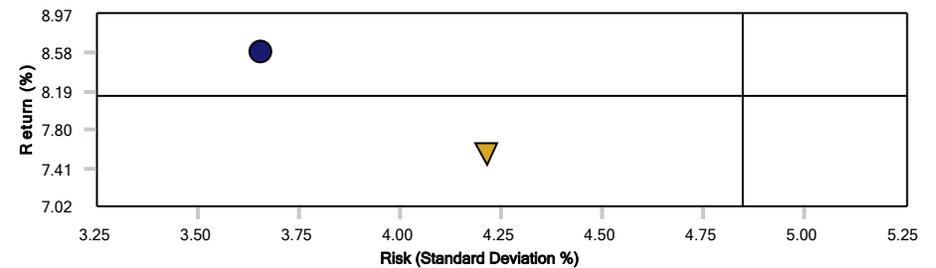


### 3 Years Rolling Percentile Ranking - 5 Years



|                    | Periods | 5 - 25   | 25 - 50 | 50 - 75  | 75 - 95 |
|--------------------|---------|----------|---------|----------|---------|
| ● Total Fund       | 20      | 10 (50%) | 2 (10%) | 7 (35%)  | 1 (5%)  |
| ▼ Policy Benchmark | 20      | 0 (0%)   | 3 (15%) | 12 (60%) | 5 (25%) |

### Peer Group Risk/Reward - 5 Years



|                    | Return | Standard Deviation |
|--------------------|--------|--------------------|
| ● Total Fund       | 8.59   | 3.66               |
| ▼ Policy Benchmark | 7.54   | 4.22               |
| — Median           | 8.15   | 4.85               |

### Historical Statistics - 5 Years

|                  | Return | Standard Deviation | Alpha | Beta | Sharpe Ratio | Down Market Capture | Up Market Capture |
|------------------|--------|--------------------|-------|------|--------------|---------------------|-------------------|
| Total Fund       | 8.59   | 3.66               | 2.29  | 0.82 | 2.17         | 56.28               | 104.87            |
| Policy Benchmark | 7.54   | 4.22               | 0.00  | 1.00 | 1.66         | 100.00              | 100.00            |

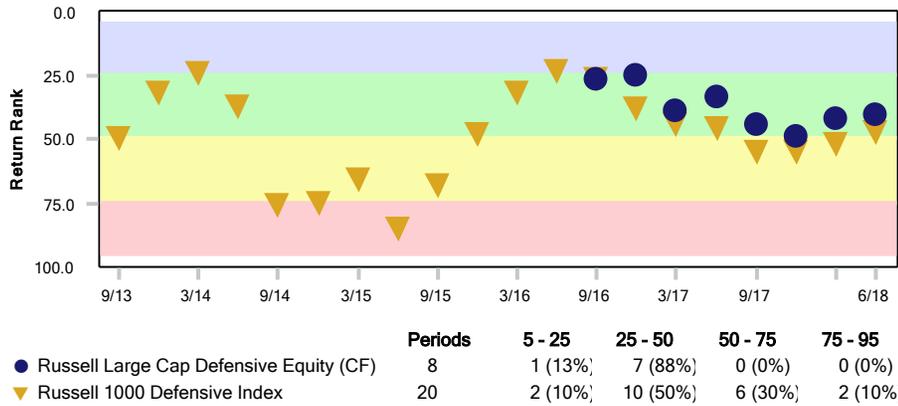
### Historical Statistics - 3 Years

|                  | Return | Standard Deviation | Alpha | Beta | Sharpe Ratio | Down Market Capture | Up Market Capture |
|------------------|--------|--------------------|-------|------|--------------|---------------------|-------------------|
| Total Fund       | 7.68   | 3.78               | 2.10  | 0.81 | 1.82         | 63.66               | 101.67            |
| Policy Benchmark | 6.81   | 4.60               | 0.00  | 1.00 | 1.33         | 100.00              | 100.00            |

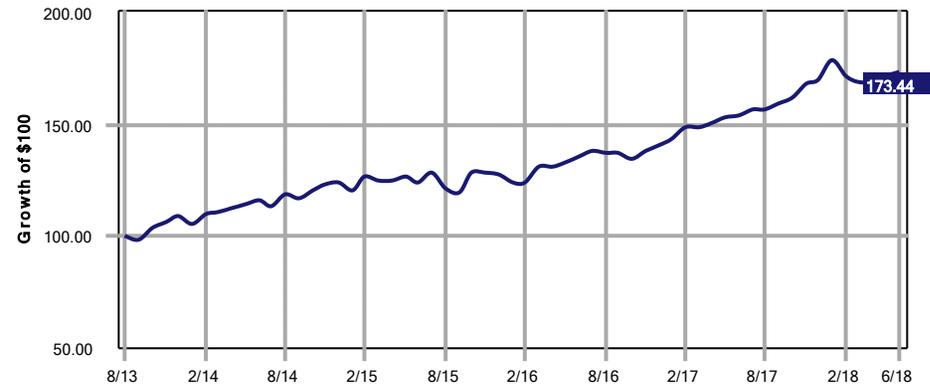


## Boynton Beach Police Pension Fund Russell Large Cap Defensive Equity (CF) June 30, 2018

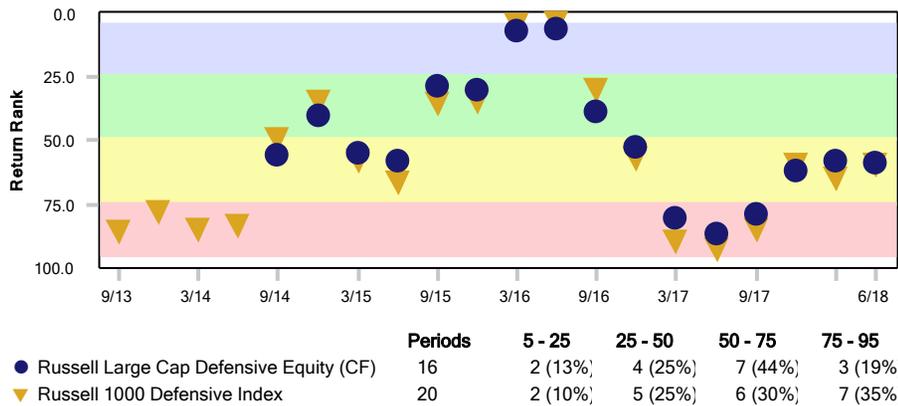
### 3 Years Rolling Percentile Ranking - 5 Years



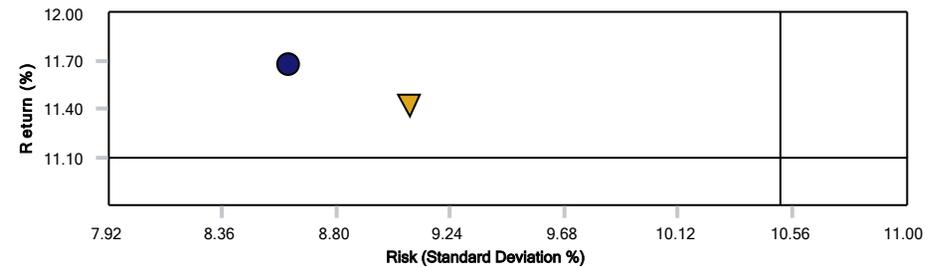
### Growth of a Dollar



### 1 Year Rolling Percentile Ranking - 5 Years



### Peer Group Risk/Reward - 3 Years



|   | Return | Standard Deviation |
|---|--------|--------------------|
| ● Russell Large Cap Defensive Equity (CF) | 11.68  | 8.62               |
| ▼ Russell 1000 Defensive Index            | 11.42  | 9.08               |
| — Median                                  | 11.10  | 10.52              |

### Historical Statistics - 3 Years

|   | Return | Standard Deviation | Alpha | Beta | Sharpe Ratio | Down Market Capture | Up Market Capture |
|---|--------|--------------------|-------|------|--------------|---------------------|-------------------|
| Russell Large Cap Defensive Equity (CF) | 11.68  | 8.62               | 0.88  | 0.94 | 1.26         | 84.94               | 95.32             |
| Russell 1000 Defensive Index            | 11.42  | 9.08               | 0.00  | 1.00 | 1.17         | 100.00              | 100.00            |

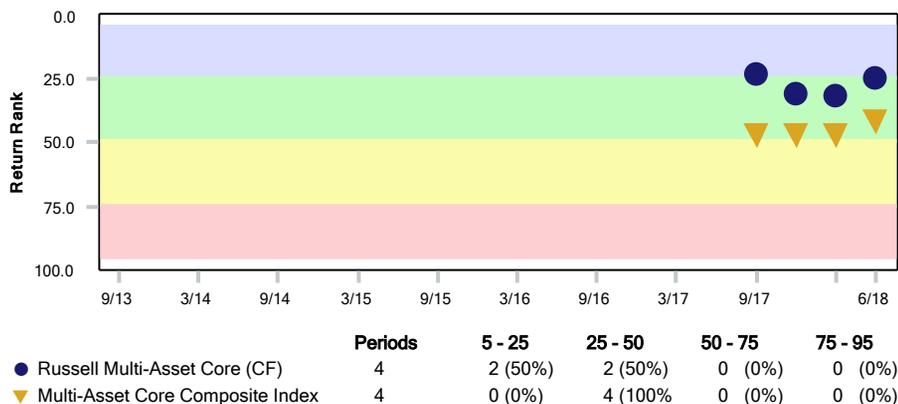
### Historical Statistics - 1 Year

|   | Return | Standard Deviation | Alpha | Beta | Sharpe Ratio | Down Market Capture | Up Market Capture |
|---|--------|--------------------|-------|------|--------------|---------------------|-------------------|
| Russell Large Cap Defensive Equity (CF) | 12.80  | 7.83               | 0.37  | 0.98 | 1.41         | 85.49               | 95.78             |
| Russell 1000 Defensive Index            | 12.68  | 7.84               | 0.00  | 1.00 | 1.40         | 100.00              | 100.00            |

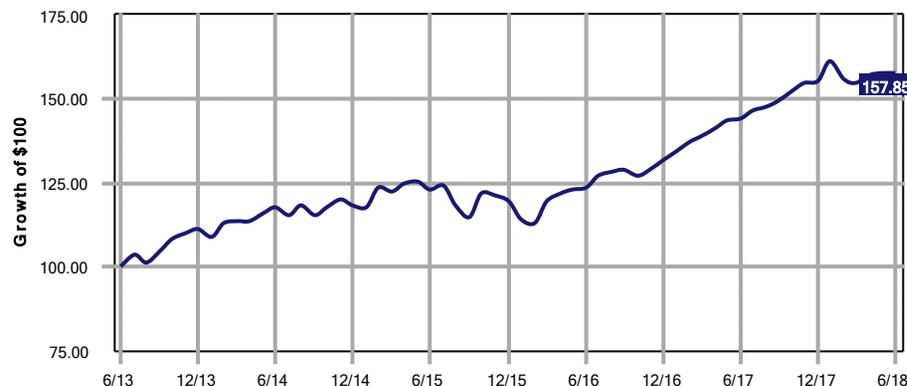


## Boynton Beach Police Pension Fund Russell Multi-Asset Core (CF) June 30, 2018

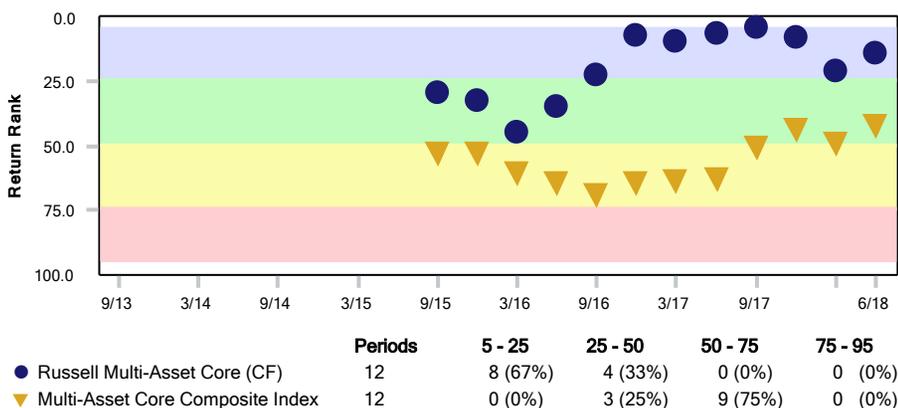
### 5 Years Rolling Percentile Ranking - 5 Years



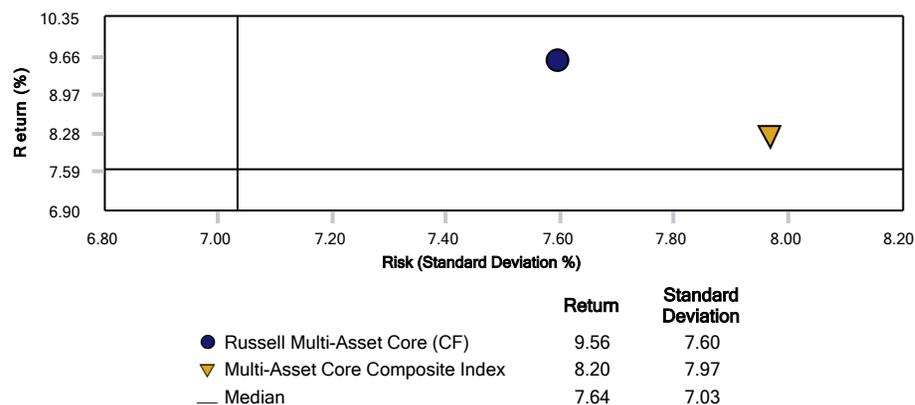
### Growth of a Dollar



### 3 Years Rolling Percentile Ranking - 5 Years



### Peer Group Risk/Reward - 5 Years



### Historical Statistics - 5 Years

|                                  | Return | Standard Deviation | Alpha | Beta | Sharpe Ratio | Down Market Capture | Up Market Capture |
|----------------------------------|--------|--------------------|-------|------|--------------|---------------------|-------------------|
| Russell Multi-Asset Core (CF)    | 9.56   | 7.60               | 1.71  | 0.94 | 1.19         | 90.15               | 103.30            |
| Multi-Asset Core Composite Index | 8.20   | 7.97               | 0.00  | 1.00 | 0.98         | 100.00              | 100.00            |

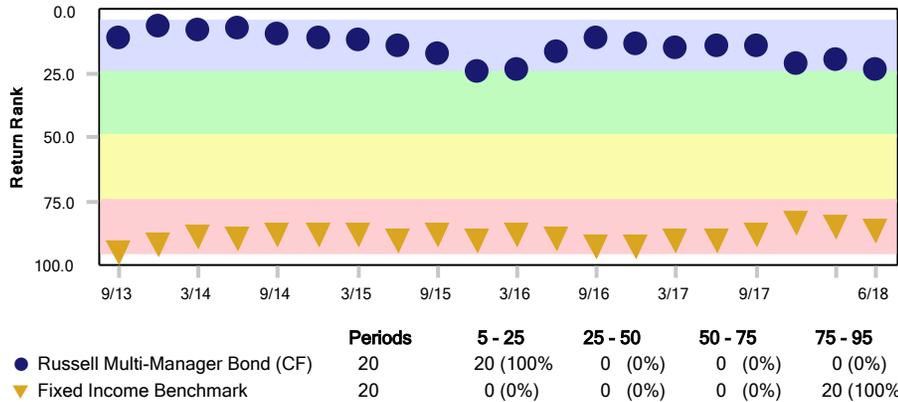
### Historical Statistics - 3 Years

|                                  | Return | Standard Deviation | Alpha | Beta | Sharpe Ratio | Down Market Capture | Up Market Capture |
|----------------------------------|--------|--------------------|-------|------|--------------|---------------------|-------------------|
| Russell Multi-Asset Core (CF)    | 8.59   | 7.84               | 1.99  | 0.93 | 1.01         | 87.94               | 103.48            |
| Multi-Asset Core Composite Index | 6.99   | 8.39               | 0.00  | 1.00 | 0.78         | 100.00              | 100.00            |



**Boynton Beach Police Pension Fund  
Russell Multi-Manager Bond (CF)  
June 30, 2018**

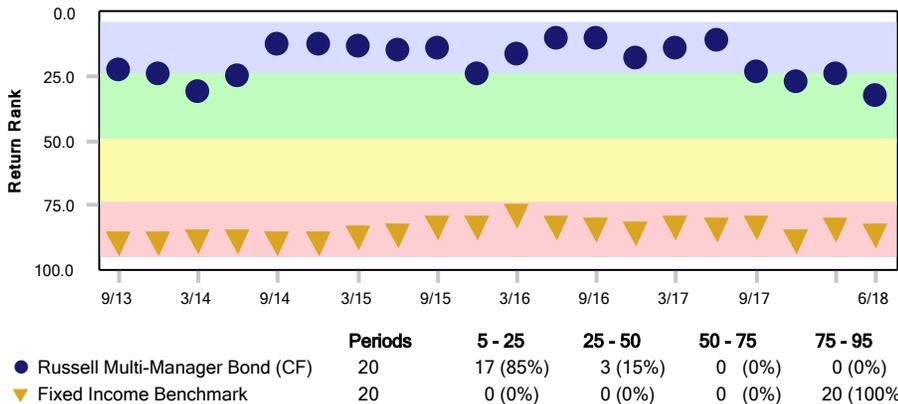
**5 Years Rolling Percentile Ranking - 5 Years**



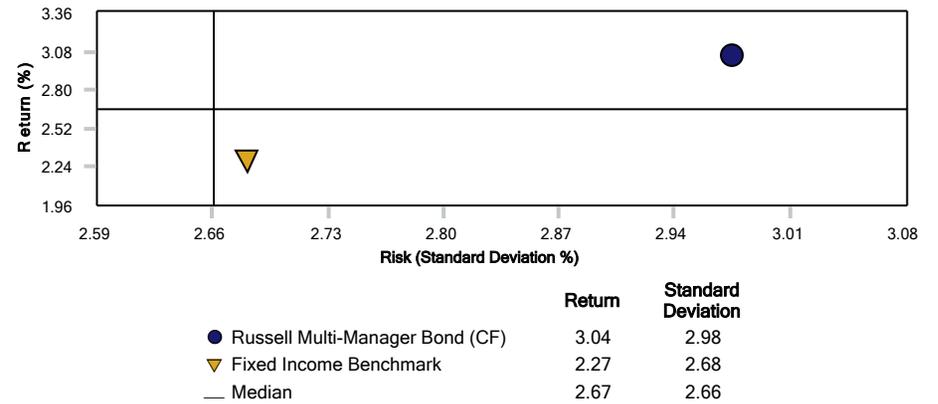
**Growth of a Dollar**



**3 Years Rolling Percentile Ranking - 5 Years**



**Peer Group Risk/Reward - 5 Years**



**Historical Statistics - 5 Years**

|                                 | Return | Standard Deviation | Alpha | Beta | Sharpe Ratio | Down Market Capture | Up Market Capture |
|---------------------------------|--------|--------------------|-------|------|--------------|---------------------|-------------------|
| Russell Multi-Manager Bond (CF) | 3.04   | 2.98               | 0.60  | 1.07 | 0.88         | 95.23               | 113.05            |
| Fixed Income Benchmark          | 2.27   | 2.68               | 0.00  | 1.00 | 0.70         | 100.00              | 100.00            |

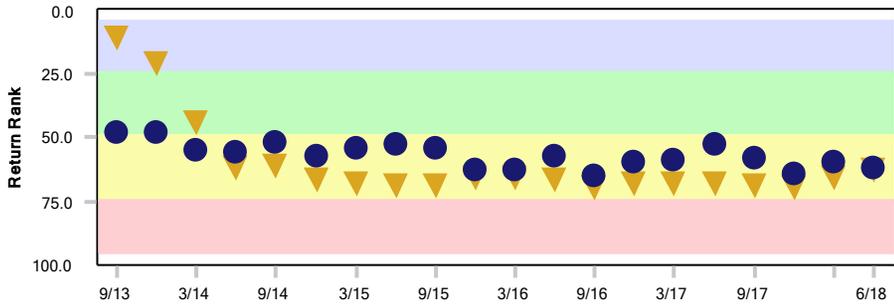
**Historical Statistics - 3 Years**

|                                 | Return | Standard Deviation | Alpha | Beta | Sharpe Ratio | Down Market Capture | Up Market Capture |
|---------------------------------|--------|--------------------|-------|------|--------------|---------------------|-------------------|
| Russell Multi-Manager Bond (CF) | 2.33   | 3.04               | 0.42  | 1.11 | 0.56         | 99.13               | 113.50            |
| Fixed Income Benchmark          | 1.72   | 2.61               | 0.00  | 1.00 | 0.42         | 100.00              | 100.00            |



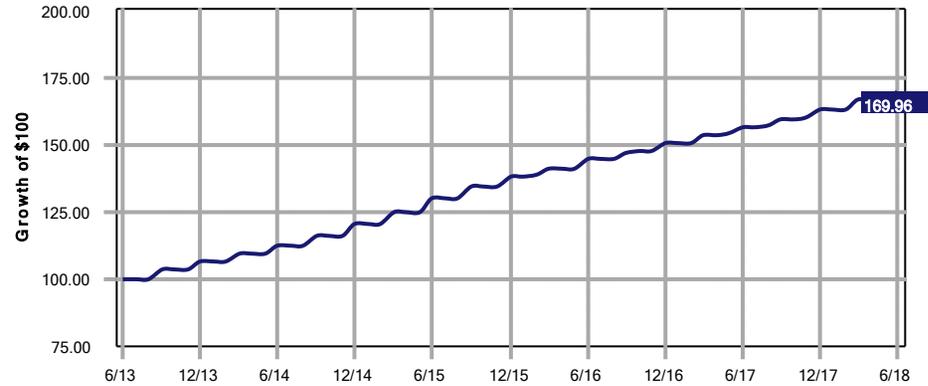
**Boynton Beach Police Pension Fund  
Russell Real Estate Equity (CF)  
June 30, 2018**

**5 Years Rolling Percentile Ranking - 5 Years**

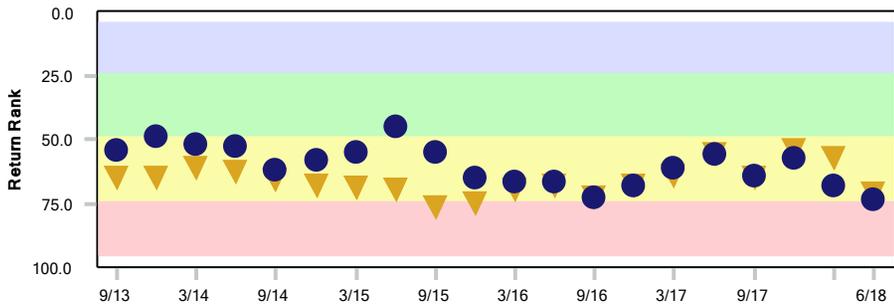


|                                   | Periods | 5 - 25  | 25 - 50 | 50 - 75  | 75 - 95 |
|-----------------------------------|---------|---------|---------|----------|---------|
| ● Russell Real Estate Equity (CF) | 20      | 0 (0%)  | 2 (10%) | 18 (90%) | 0 (0%)  |
| ▼ Real Estate Benchmark           | 20      | 2 (10%) | 1 (5%)  | 17 (85%) | 0 (0%)  |

**Growth of a Dollar**

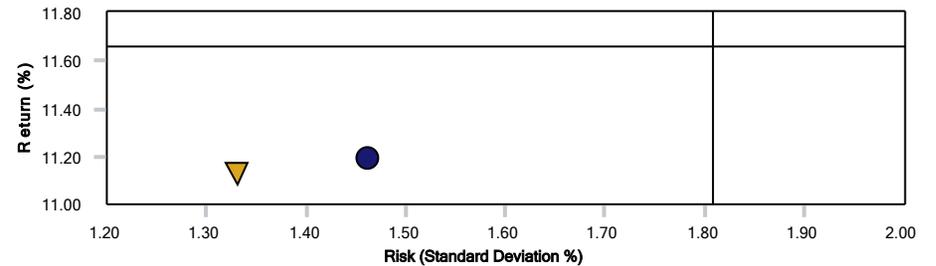


**3 Years Rolling Percentile Ranking - 5 Years**



|                                   | Periods | 5 - 25 | 25 - 50 | 50 - 75  | 75 - 95 |
|-----------------------------------|---------|--------|---------|----------|---------|
| ● Russell Real Estate Equity (CF) | 20      | 0 (0%) | 2 (10%) | 18 (90%) | 0 (0%)  |
| ▼ Real Estate Benchmark           | 20      | 0 (0%) | 0 (0%)  | 19 (95%) | 1 (5%)  |

**Peer Group Risk/Reward - 5 Years**



|                                   | Return | Standard Deviation |
|-----------------------------------|--------|--------------------|
| ● Russell Real Estate Equity (CF) | 11.19  | 1.46               |
| ▼ Real Estate Benchmark           | 11.12  | 1.33               |
| — Median                          | 11.66  | 1.81               |

**Historical Statistics - 5 Years**

|                                 | Return       | Standard Deviation | Alpha       | Beta        | Sharpe Ratio | Down Market Capture | Up Market Capture |
|---------------------------------|--------------|--------------------|-------------|-------------|--------------|---------------------|-------------------|
| Russell Real Estate Equity (CF) | 11.19        | 1.46               | 0.15        | 0.99        | 6.33         | N/A                 | 100.63            |
| <i>Real Estate Benchmark</i>    | <i>11.12</i> | <i>1.33</i>        | <i>0.00</i> | <i>1.00</i> | <i>6.80</i>  | <i>N/A</i>          | <i>100.00</i>     |

**Historical Statistics - 3 Years**

|                                 | Return      | Standard Deviation | Alpha       | Beta        | Sharpe Ratio | Down Market Capture | Up Market Capture |
|---------------------------------|-------------|--------------------|-------------|-------------|--------------|---------------------|-------------------|
| Russell Real Estate Equity (CF) | 9.28        | 0.88               | 2.76        | 0.67        | 7.95         | N/A                 | 96.55             |
| <i>Real Estate Benchmark</i>    | <i>9.62</i> | <i>1.14</i>        | <i>0.00</i> | <i>1.00</i> | <i>6.64</i>  | <i>N/A</i>          | <i>100.00</i>     |



**Boynton Beach Police Pension Fund**  
**Glossary**  
**June 30, 2018**

- 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 - 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.
- 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.



**Boynton Beach Police Pension Fund**  
**Glossary**  
**June 30, 2018**

- 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  
June 30, 2018**

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.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.
- 5.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.
- 6.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.
- 7.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.
- 8.BCA has not reviewed the risks of individual security holdings.
- 9.BCA investment reports are not indicative of future results.
10. Performance rankings are time sensitive and subject to change.
11. Mutual Fund (MF) and ETF returns are presented net of fees and ranked in net of fee universes.
12. Separately Managed Account (SMA) and Commingled Fund (CF) returns are presented gross of fees and ranked in gross of fees universes.
13. Composite returns are reported gross of fees and ranked in universes that encompass both gross and net of fee returns.
14. Total Fund returns are presented gross of fees and ranked in a gross of fee universe.
15. 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: 407-644-0111, [info@burgesschambers.com](mailto:info@burgesschambers.com), 315 East Robinson Street Suite #690, Orlando, Florida 32801.



***Burgess Chambers & Associates, Inc.***  
***Institutional Investment Advisors***  
***[www.burgesschambers.com](http://www.burgesschambers.com)***

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