



Burgess Chambers & Associates, Inc.

Institutional Investment Advisors
www.burgesschambers.com

September 30, 2018

Boynton Beach Police Pension Fund

Investment Performance Period Ending September 30, 2018

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Boynton Beach Police Pension Fund BCA Market Perspective © Stock Direction Post Election

Mitchel Brennan
October 2018

It's October, which means midterm races are heating up, but that's not the only thing. Volatility introduced itself back into the market to start the fourth quarter of the year, down over -6% through the first two weeks. Big daily drops in the S&P 500 of -3.3% and -2.1% followed one of the index's calmest quarters since 1963, having not closed up or down more than 1% since June 25 and generating positive returns for the each of the past six months.

It's not uncommon for volatility or a market correction to occur quickly and unexpectedly. It's par for the course in a maturing bull market. This rationalization of current market movements however should not instill confident complacency among investors. There are potential headwinds facing the market. All US equities, with the exception of small-cap value, are trading at a premium to their 20-year average price-to-earnings ratio. Tough tariff rhetoric between the U.S. and China threatens global GDP growth. The cost of US debt is rising as the Fed tightens, hiking up rates on the shorter end of the yield curve. The U.S. 10-Year Treasury has climbed from 2.4% to end 2017 to most recently closing over 3.2%.

One area of speculation recent market moves has been attributed to is "pre-midterm volatility". If history is our guide, what does it say about midterm elections and their impact on the U.S. stock market? Looking at the past 18 midterms (back to 1946), the S&P 500 has generated positive returns 100% of the twelve-month periods after polls closed, ending higher a year later every single time. This could be an indication that the midterm elections may in fact be a tailwind for investors, providing better clarity to what the political landscape will look like for at least the next two years. As the chart above displays, the S&P 500 gained on average +14.5% the year following midterm elections since 1946 and +5.0% after the three most recent elections, where the House, Senate, or both changed party control.

While there seems to be plenty of reason to invest with caution in the current market environment, history tells us that the upcoming elections should not be a reason to fear what equity assets will look like twelve months down the road.

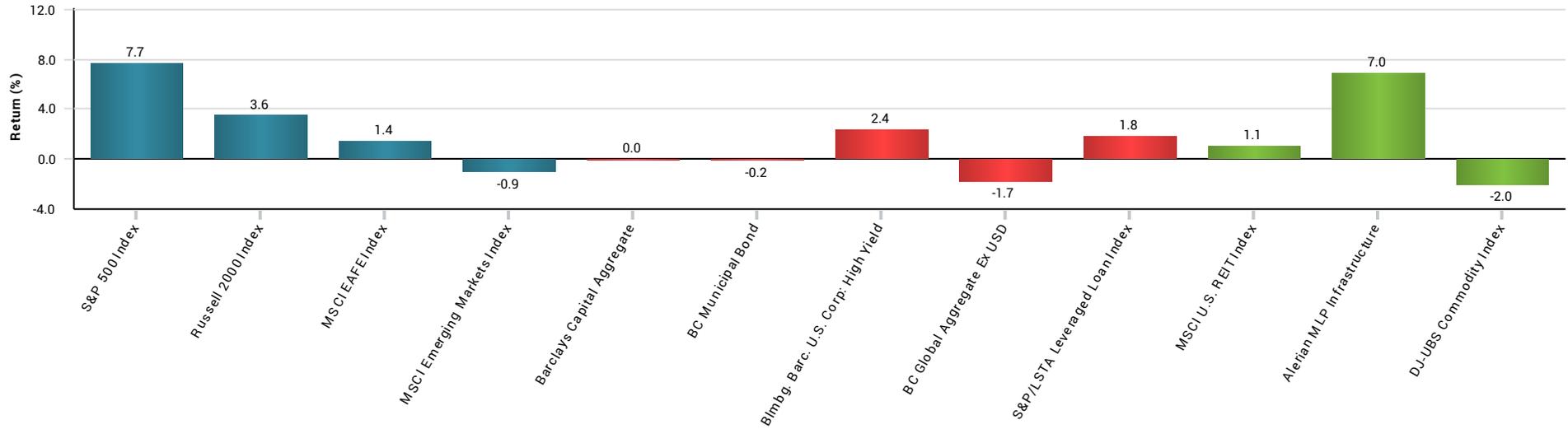
STOCKS ARE USUALLY STRONG AFTER A MIDTERM ELECTION					
Date of Midterm Election	President	Result of Midterm Election			S&P 500 Return 1 Year Later
		Senate	House	Congress Makeup	
11/05/46	Harry Truman	Democratic	Democratic	Democratic	0.1%
11/07/50	Harry Truman	Democratic	Democratic	Democratic	16.2%
11/02/54	Dwight D. Eisenhower	Republican	Republican	Republican	33.2%
11/04/58	Dwight D. Eisenhower	Democratic	Democratic	Democratic	11.1%
11/06/62	John F. Kennedy	Democratic	Democratic	Democratic	24.8%
11/08/66	Lyndon B. Johnson	Democratic	Democratic	Democratic	12.9%
11/03/70	Richard Nixon	Democratic	Democratic	Democratic	12.7%
11/05/74	Gerald Ford	Democratic	Democratic	Democratic	18.7%
11/07/78	Jimmy Carter	Democratic	Democratic	Democratic	6.4%
11/02/82	Ronald Reagan	Republican	Democratic	Split	19.9%
11/04/86	Ronald Reagan	Democratic	Democratic	Democratic	1.1%
11/06/90	George H.W. Bush	Democratic	Democratic	Democratic	25.1%
11/08/94	Bill Clinton	Republican	Republican	Republican	27.1%
11/03/98	Bill Clinton	Republican	Republican	Republican	22.0%
11/05/02	George W. Bush	Republican	Republican	Republican	14.9%
11/07/06	George W. Bush	Democratic	Democratic	Democratic	6.7%
11/02/10	Barak Obama	Democratic	Republican	Split	3.7%
11/04/14	Barak Obama	Republican	Republican	Republican	4.5%
11/06/18	Donald Trump	?	?	?	?
Average					14.5%
Median					13.9%
Count					18
% Higher					18

Source: LPL Research, FactSet 10/05/18

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.

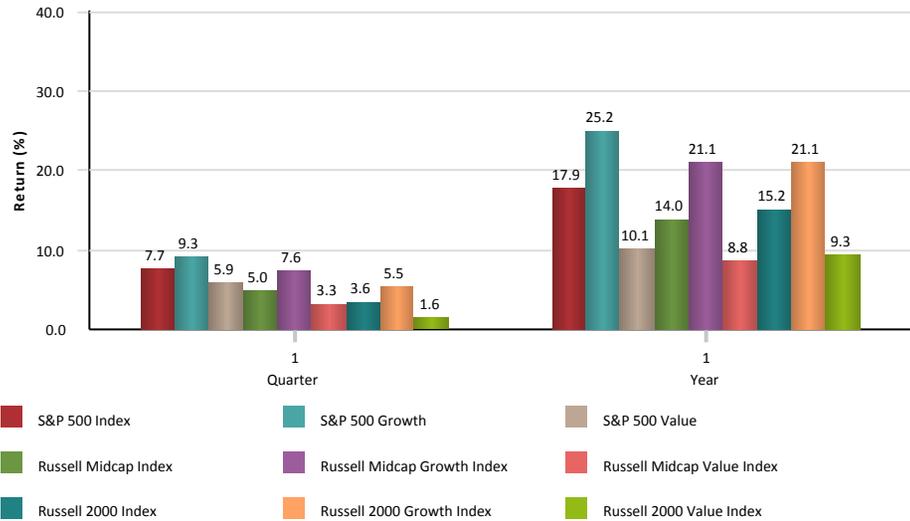


1 Quarter Performance



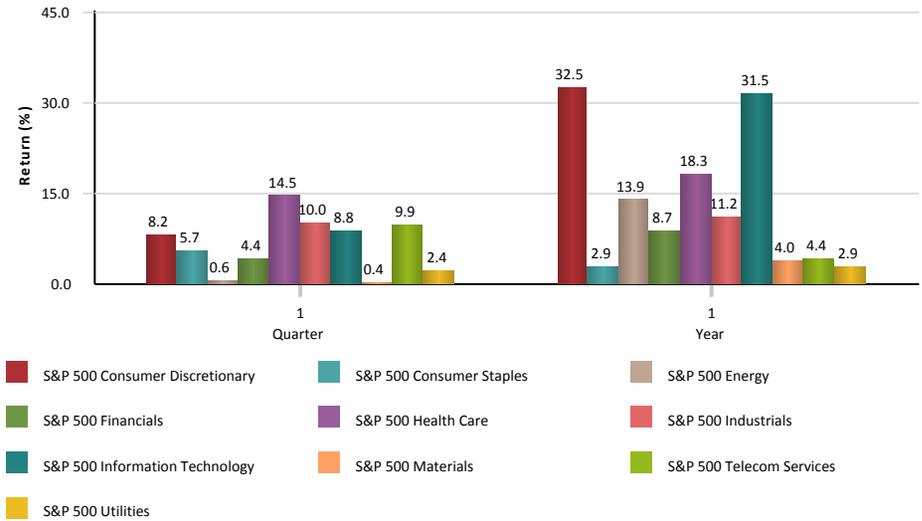
Source: Investment Metrics, LLC

US Market Indices Performance



Source: Investment Metrics, LLC

US Market Sector Performance

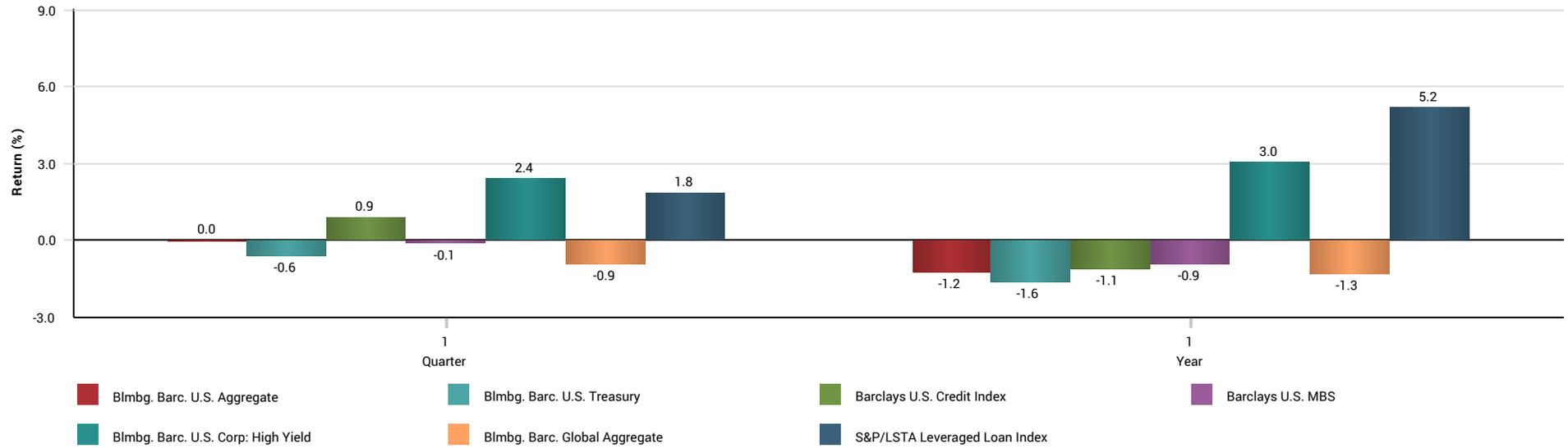


Source: Investment Metrics, LLC

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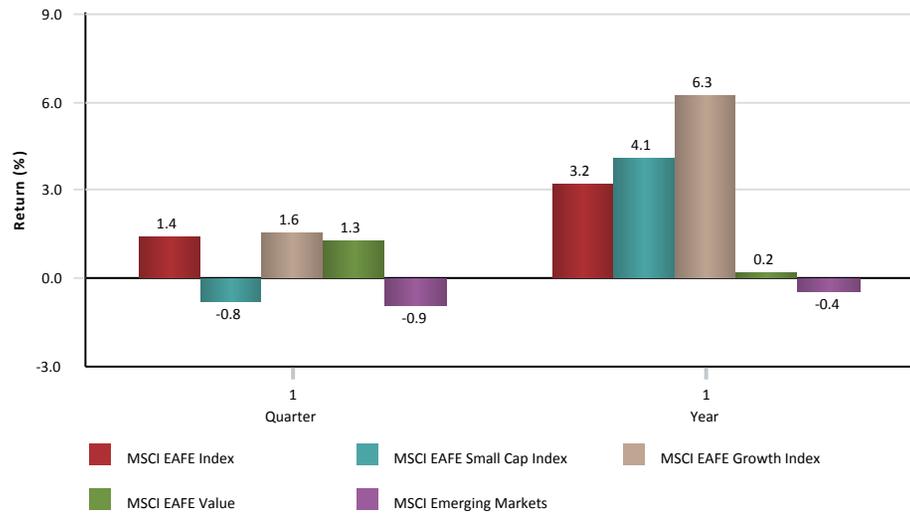


Fixed Income Market Sector Performance



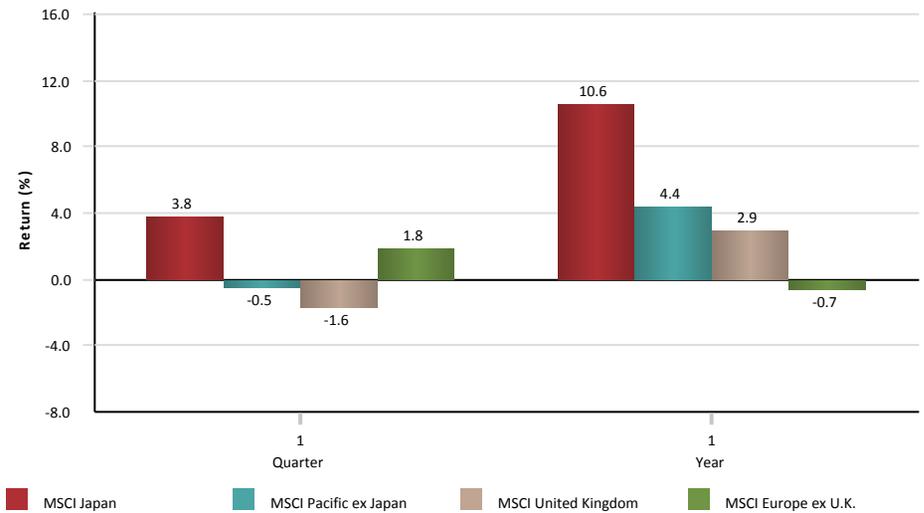
Source: Investment Metrics, LLC

Intl Equity Indices Performance



Source: Investment Metrics, LLC

Intl Equity Region Performance

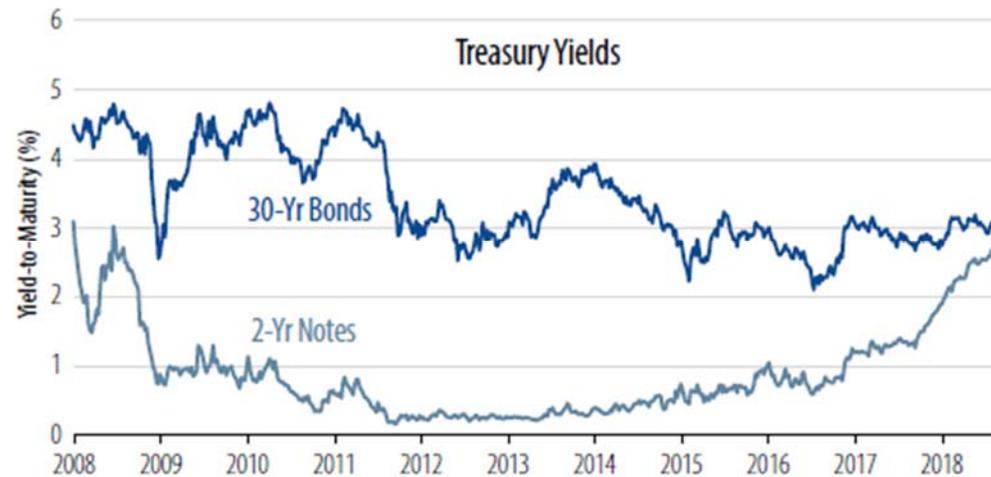


Source: Investment Metrics, LLC



Boynton Beach Police Pension Fund Total Fund Investment Summary September 30, 2018

The U.S. stock market ignored global trade concerns during the third quarter. The S&P 500 index earned 7.7% for the quarter. Wall Street analysts believed that central banks would remain accommodative and growth and inflation would remain subdued. Therefore, longer-dated treasuries remained range bound despite another hike in short-term rates.



- For the quarter, the Fund earned +2.9% gross (or +2.7% net; \$2.9 million), slightly trailing the Policy Benchmark (+3.2%) and ranked in the 58th percentile. The best performing asset category was the Russell Large Cap Defensive Equity (+7.2%).
- For the fiscal-year, the Fund earned \$7.1 million or +7.4% gross (+6.6% net), similar to the Policy Benchmark (+7.6%). The best performing asset category was the Russell Large-Cap Defensive Fund (+16.8%).
- **For the three-year period, the Fund earned \$25.2 million or +9.8% (+9.0% net), ahead of the Policy Benchmark (+9.6%) and ranked in the 57th percentile.**
- **For the five-year period, the Fund ranked in the top 24th percentile and earned \$34.9 million or +8.5% (+7.7% net), ahead of the Policy Benchmark (+7.3%).**
- The Fund's 2017 state insurance premium of \$825,507.29 was deposited on September 21, 2018. Approximately 20% of the contribution was allocated to the Multi Asset Core investment and 80% to the Multi Manager Bond investment.
- The Fund received the 2018 Employer contribution of \$5,809,713 was received and allocated as follows: \$2,427,311.09 to the Multi Asset Core Fund, \$1,810,885.96 to the Multi Manager Bond Fund and \$1,571,515.95 to the Large Cap Defensive Equity Fund.

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

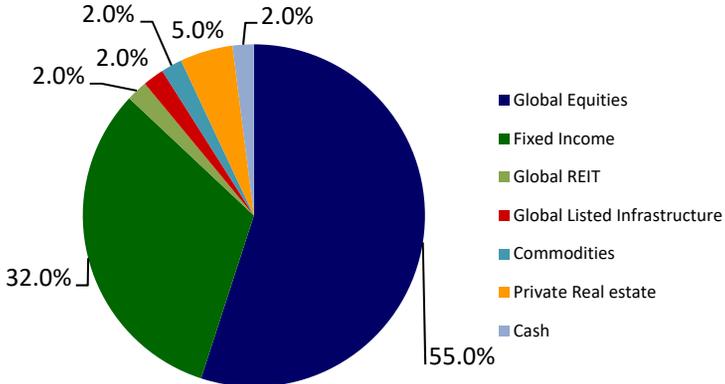
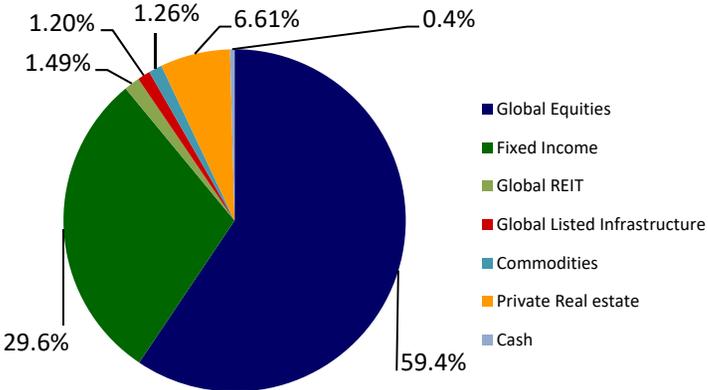
	<u>Yes</u>	<u>No</u>
Total Fund annualized three-year performance achieved the Policy Benchmark.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Total Fund annualized three-year performance ranked in the top 40th percentile of the universe (Actual: 57th).	<input type="checkbox"/>	<input checked="" 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"/>
Russell Large Cap Defensive Equity annualized three-year performance achieved the Russell 1000 benchmark.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Russell Large Cap Defensive Equity annualized five-year performance achieved the Russell 1000 benchmark.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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"/>
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 (Actual: 46th).	<input type="checkbox"/>	<input checked="" 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 (+8.9% vs. +9.1%).	<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"/>
PFIA Compliant	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Investments in equity securities were 59.4% which did not exceed 70% of Fund's assets at market value.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Foreign equity investments were 20.1% (at market) and did not exceed the 25% of the total Fund's assets at market.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Asset allocation among fixed income was 29.6% (at market) within the 25% minimum limitation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Asset allocation among alternatives was 10.6% (at market) within the 20% maximum limitation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

	<u>Quarter</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
Beginning Market Value	99,709,675	95,020,618	78,037,731	68,964,431
Contributions	-681,532	-183,339	-1,335,756	-1,941,644
Gain/Loss	2,869,751	7,060,617	25,195,920	34,875,108
Ending Market Value	101,897,895	101,897,895	101,897,895	101,897,895
Total Fund (%)	2.7	6.6	9.0	7.7
Policy Benchmark (%)	3.2	7.6	9.6	7.3



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



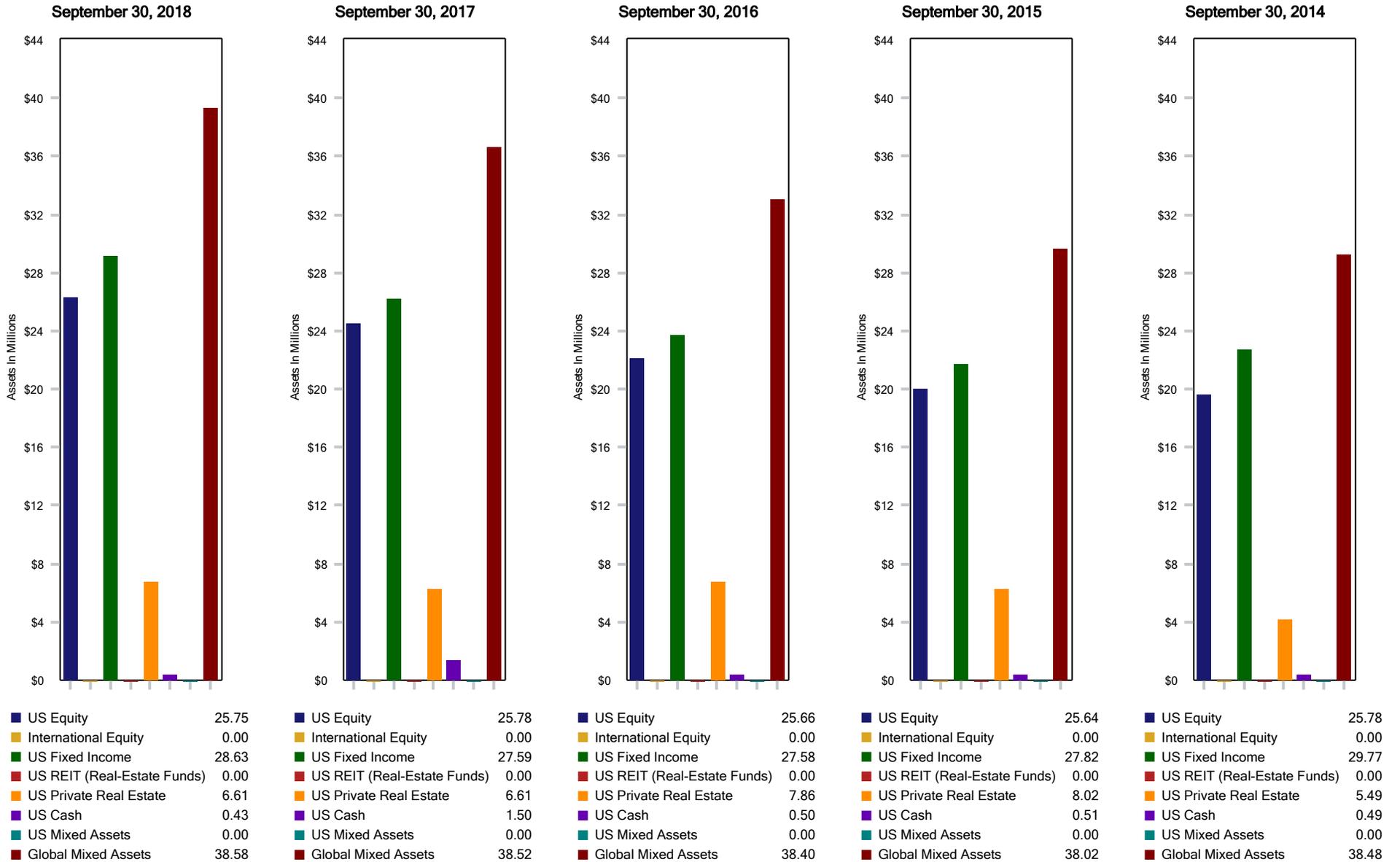
	MV (\$)	Current	Target	Difference
Global Equities	\$ 60,543,613	59.4%	55.0%	4.4%
Fixed Income	\$ 30,145,815	29.6%	32.0%	-2.4%
Global REIT	\$ 1,516,191	1.49%	2.0%	-0.5%
Global Listed Infrastructure	\$ 1,224,302	1.20%	2.0%	-0.8%
Commodities	\$ 1,288,491	1.26%	2.0%	-0.7%
Private Real estate	\$ 6,740,412	6.61%	5.0%	1.6%
Cash	\$ 439,071	0.4%	2.0%	-1.6%
Total	101,897,895	100.0%	100.0%	0.0%

Total International = 20.1% (This calculation includes foreign equity, REIT, listed infrastructure, and fixed income)

Note: For illustrative purposes only.



Boynton Beach Police Pension Fund Historical Asset Allocation September 30, 2018



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

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	101,897,895	2.9 (58)	7.4 (68)	9.8 (57)	8.5 (24)
Policy Benchmark		3.2	7.6	9.6	7.3
Russell Large Cap Defensive Equity (CF)	26,237,000	7.2	16.8	15.7	13.4
Russell 1000 Defensive Index		8.7	17.9	16.0	13.4
Russell 1000 Index		7.4	17.8	17.1	13.7
Russell Multi-Asset Core (CF)	39,308,141	2.6	8.1	12.0	9.0
Multi-Asset Core Composite Index		3.2	8.3	11.1	7.6
Russell Multi-Manager Bond (CF)	29,173,271	-0.3 (97)	-1.7 (99)	1.9 (46)	2.8 (31)
Fixed Income Benchmark		0.0	-1.2	1.3	2.2
Russell Real Estate Equity (CF)	6,740,412	2.2	8.9	8.9	10.9
Real Estate Benchmark		2.1	8.8	9.1	10.8
Russell ST Inv Cash Sweep (CF)	439,071	0.1	0.8	0.5	0.3
ICE BofAML 3 Month U.S. T-Bill		0.5	1.6	0.8	0.5

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

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	101,897,895	2.7	6.6	9.0	7.7
Policy Benchmark		3.2	7.6	9.6	7.3
Russell Large Cap Defensive Equity (CF)	26,237,000	7.0	16.0	15.0	12.7
Russell 1000 Defensive Index		8.7	17.9	16.0	13.4
Russell 1000 Index		7.4	17.8	17.1	13.7
Russell Multi-Asset Core (CF)	39,308,141	2.4	7.1	11.1	8.1
Multi-Asset Core Composite Index		3.2	8.3	11.1	7.6
Russell Multi-Manager Bond (CF)	29,173,271	-0.4	-2.1	1.4	2.2
Fixed Income Benchmark		0.0	-1.2	1.3	2.2
Russell Real Estate Equity (CF)	6,740,412	1.9	7.3	7.4	9.6
Real Estate Benchmark		2.1	8.8	9.1	10.8
Russell ST Inv Cash Sweep (CF)	439,071	0.1	0.8	0.5	0.1
ICE BofAML 3 Month U.S. T-Bill		0.5	1.6	0.8	0.5

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.

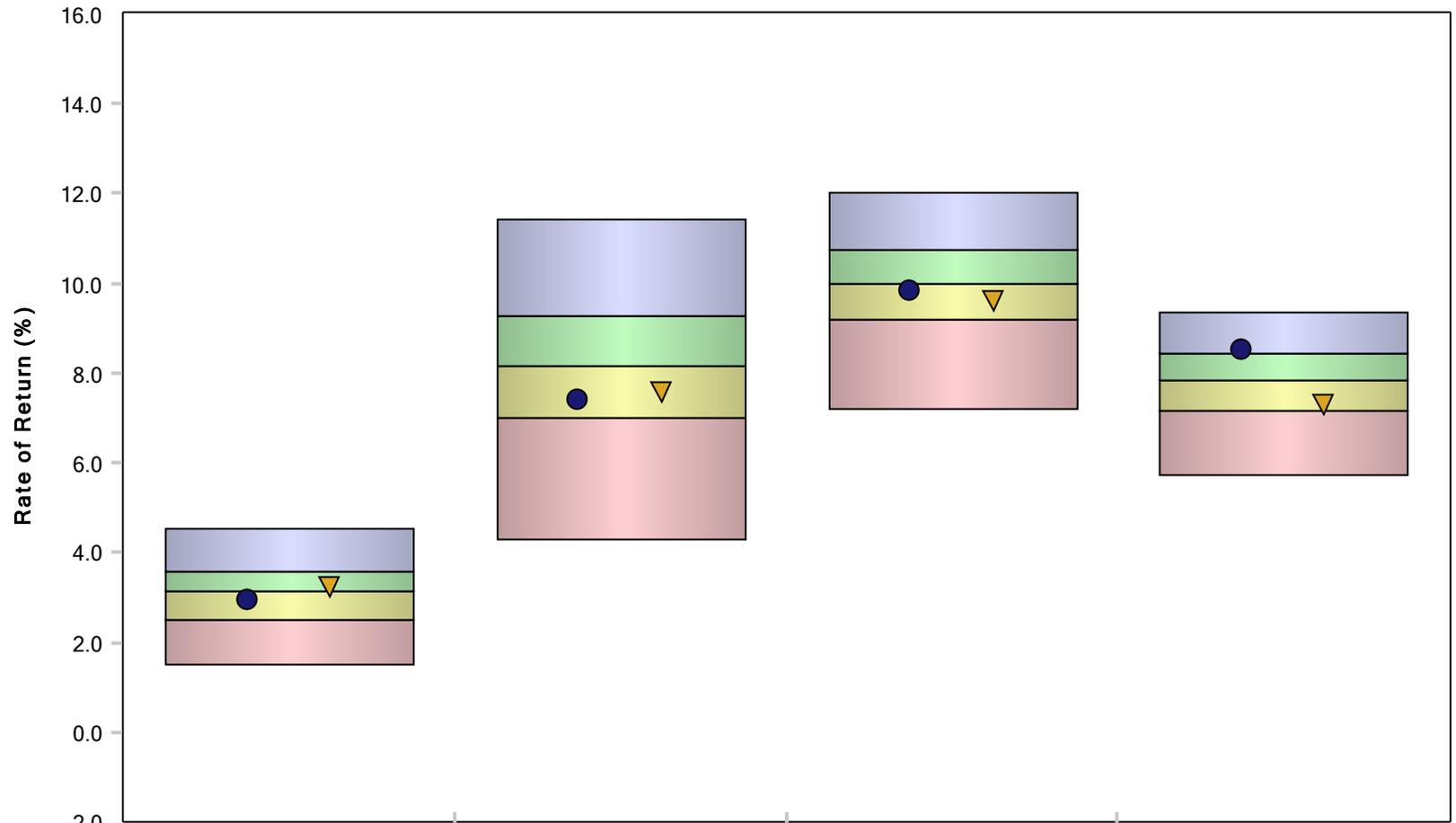
2 The Multi-Asset Core Composite Benchmark: 75.0% Russell World Cap 50% Hedged Net Index / 5.0% Bloomberg Commodity Index / 5.0% FTSE EPRA/NAREIT Developed Real Estate Index (Net) / 5.0% S&P Global Infrastructure Index Net / 7.0% Barclays U.S. Aggregate Bond Index / 3.0% Barclays U.S. 1-3 Month Treasury 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
September 30, 2018**



● Total Fund
▼ Policy Benchmark

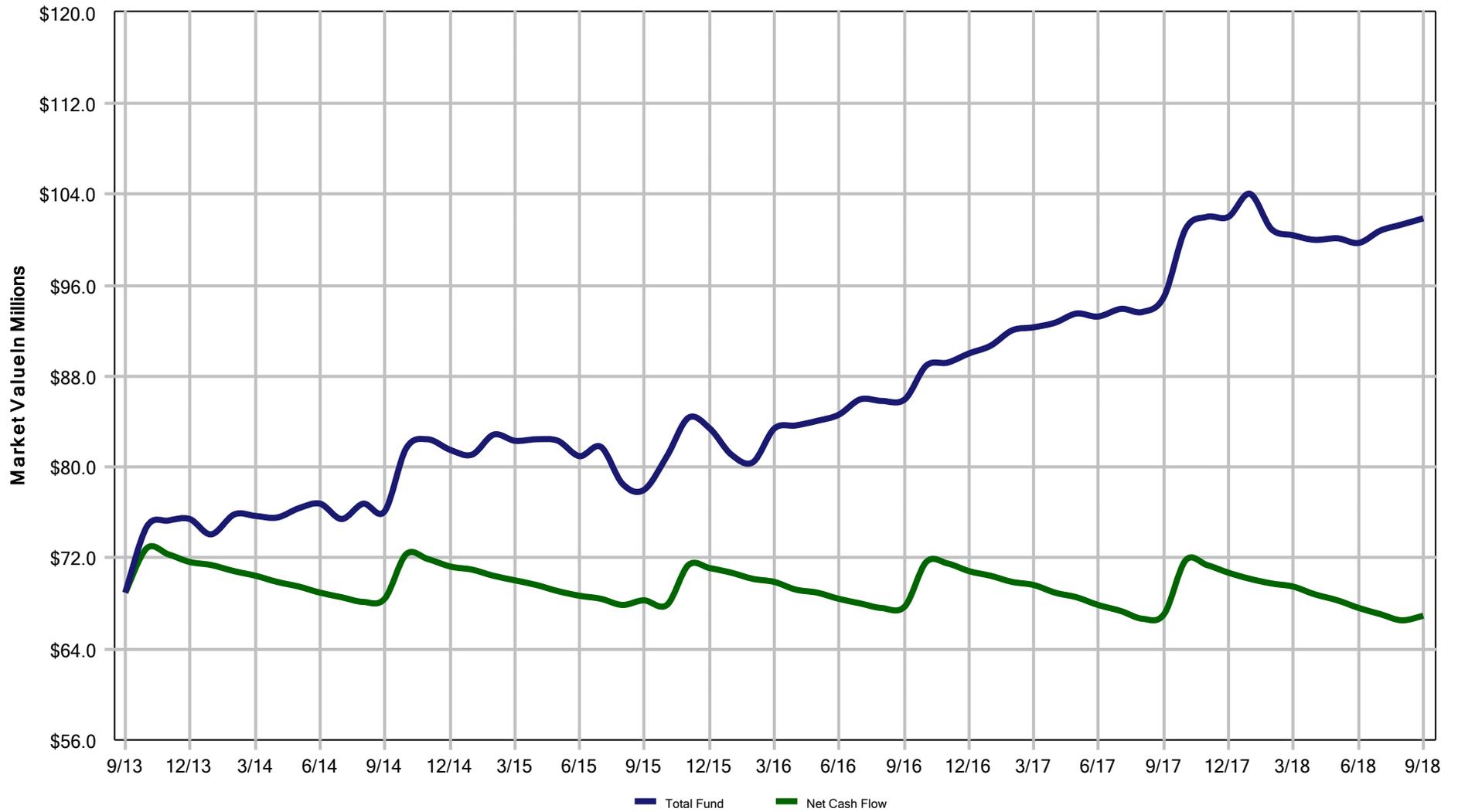
	<u>Quarter</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
● Total Fund	2.9 (58)	7.4 (68)	9.8 (57)	8.5 (24)
▼ Policy Benchmark	3.2 (43)	7.6 (66)	9.6 (66)	7.3 (72)

5th Percentile	4.5	11.4	12.0	9.3
1st Quartile	3.6	9.3	10.7	8.4
Median	3.1	8.1	10.0	7.8
3rd Quartile	2.5	7.0	9.2	7.2
95th Percentile	1.5	4.3	7.2	5.7

Parenteses contain percentile rankings.
Calculation based on quarterly data.



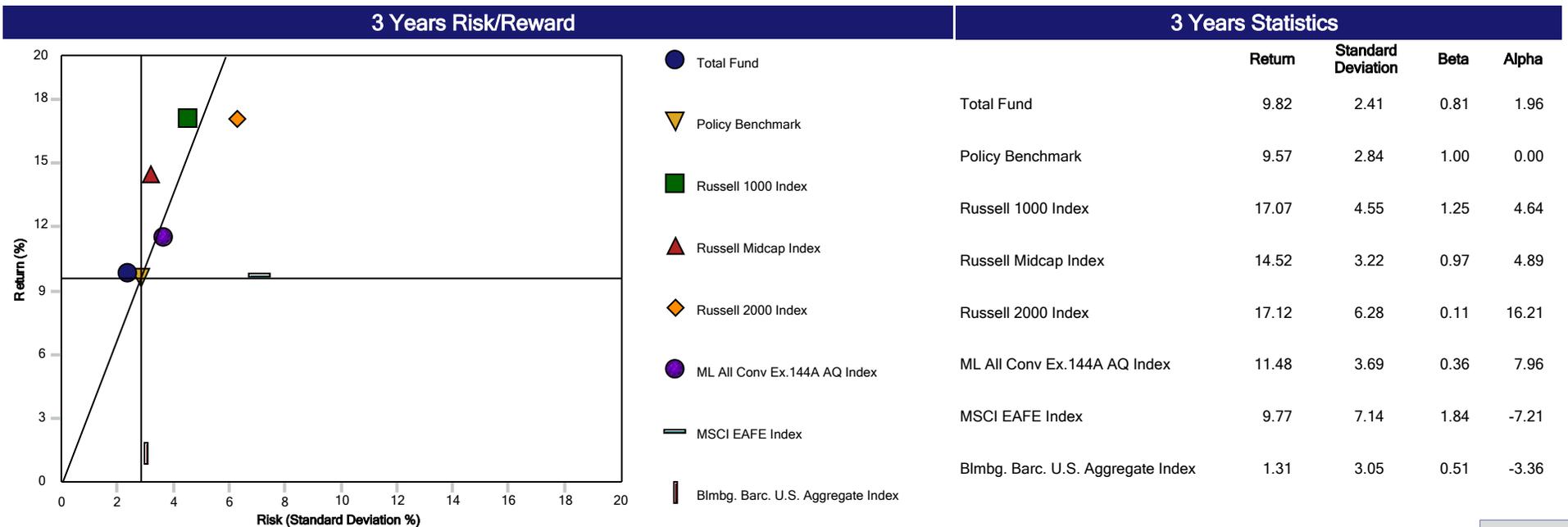
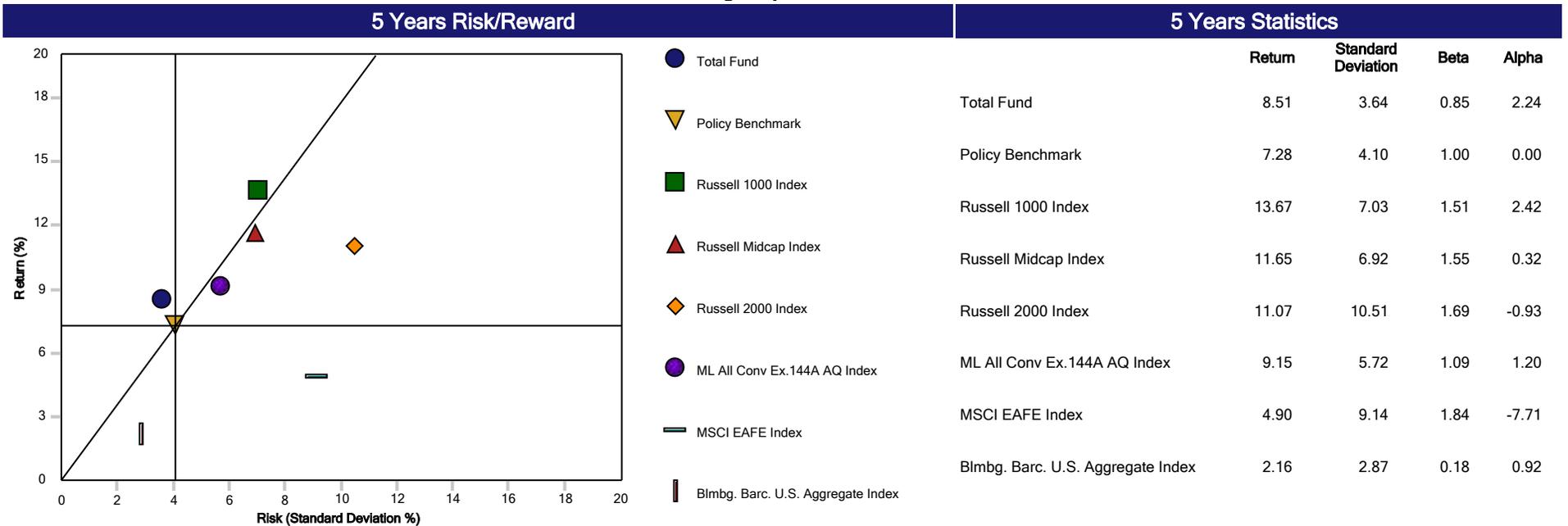
**Boynton Beach Police Pension Fund
Growth of Investments
October 1, 2013 Through September 30, 2018**



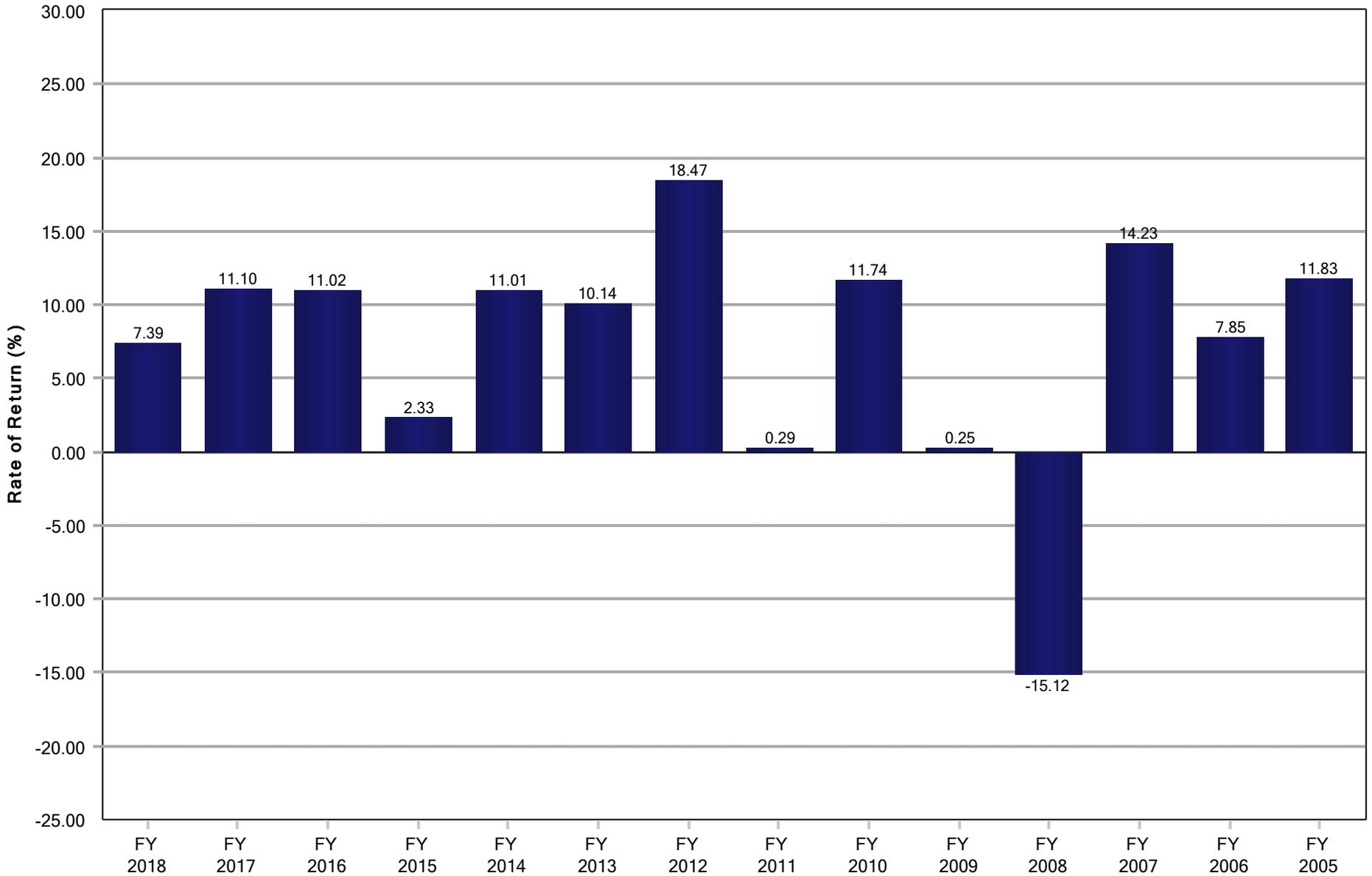
<u>Beginning MV</u>	<u>Ending MV</u>	<u>Annualized ROR</u>
\$68,964,431	\$101,897,895	8.5



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

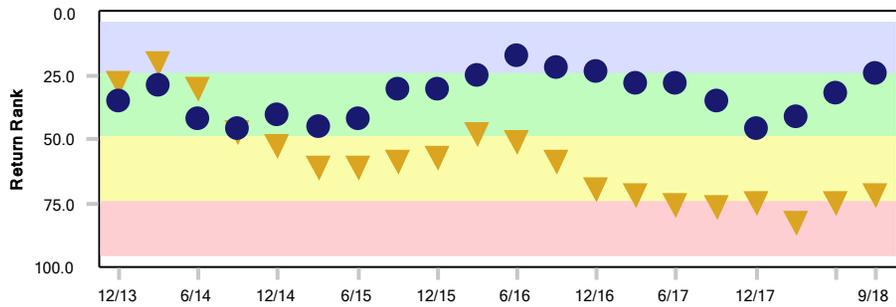


Boynton Beach Police Pension Fund
Fiscal Year Rates of Return
September 30, 2018



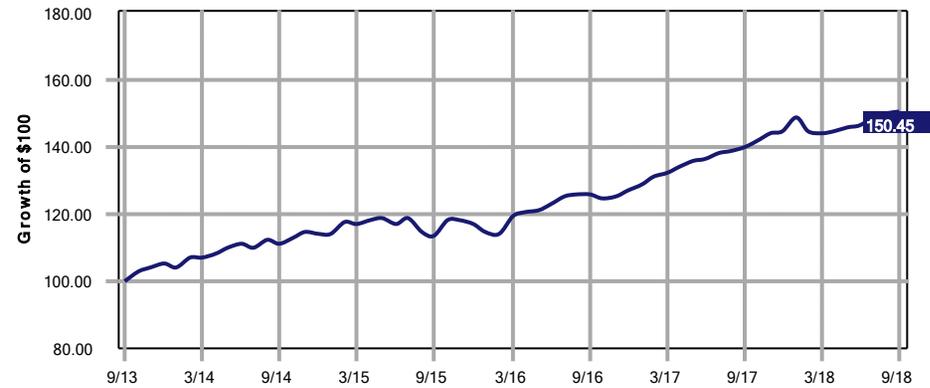
Boynton Beach Police Pension Fund Total Fund September 30, 2018

5 Years Rolling Percentile Ranking - 5 Years

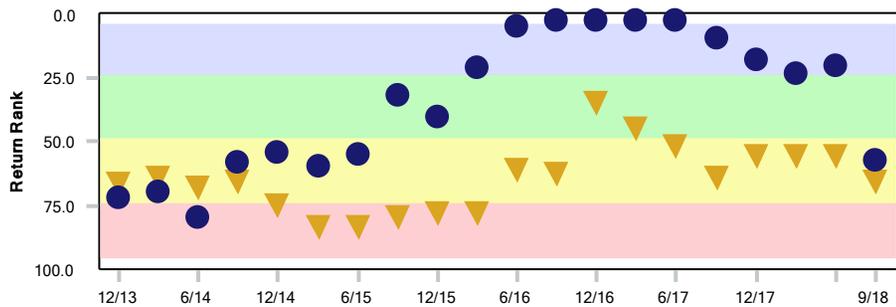


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Total Fund	20	5 (25%)	15 (75%)	0 (0%)	0 (0%)
▼ Policy Benchmark	20	1 (5%)	4 (20%)	12 (60%)	3 (15%)

Growth of a Dollar

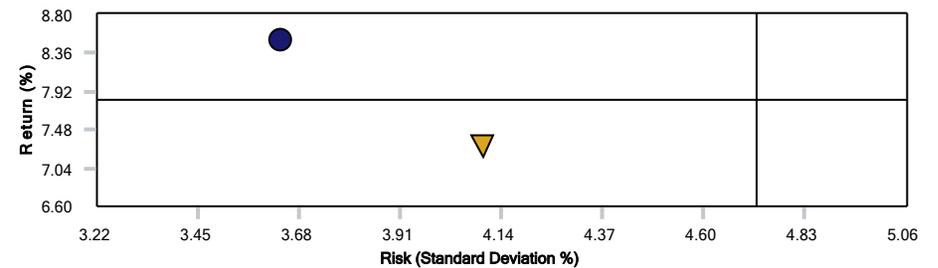


3 Years Rolling Percentile Ranking - 5 Years



	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%)	2 (10%)	13 (65%)	5 (25%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● Total Fund	8.51	3.64
▼ Policy Benchmark	7.28	4.10
— Median	7.84	4.72

Historical Statistics - 5 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	8.51	3.64	2.24	0.85	2.14	56.28	107.05
Policy Benchmark	7.28	4.10	0.00	1.00	1.64	100.00	100.00

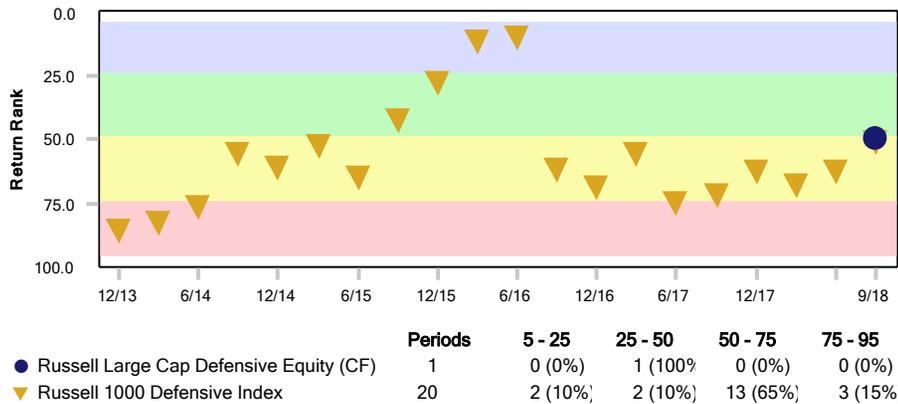
Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	9.82	2.41	1.96	0.81	3.46	45.10	100.45
Policy Benchmark	9.57	2.84	0.00	1.00	2.93	100.00	100.00

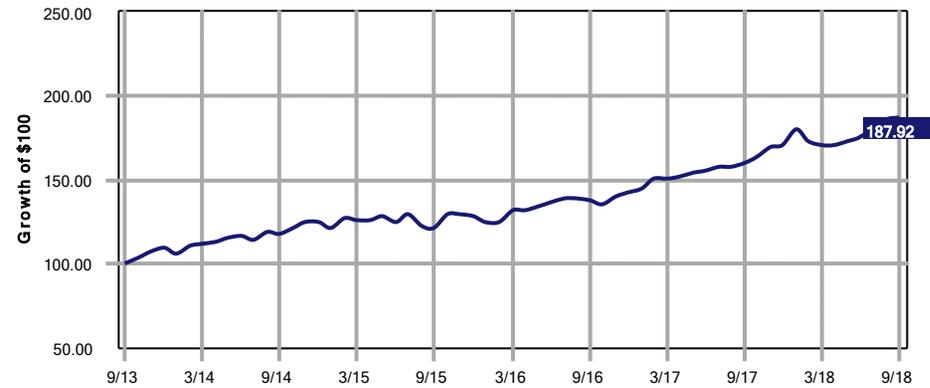


Boynton Beach Police Pension Fund Russell Large Cap Defensive Equity (CF) September 30, 2018

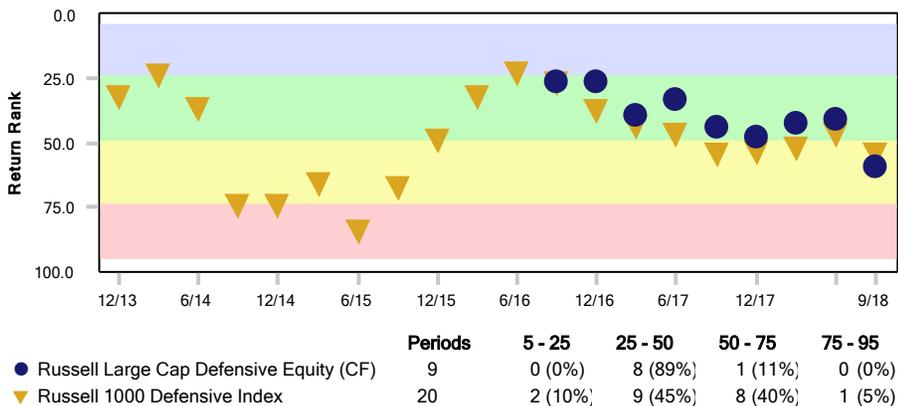
5 Years Rolling Percentile Ranking - 5 Years



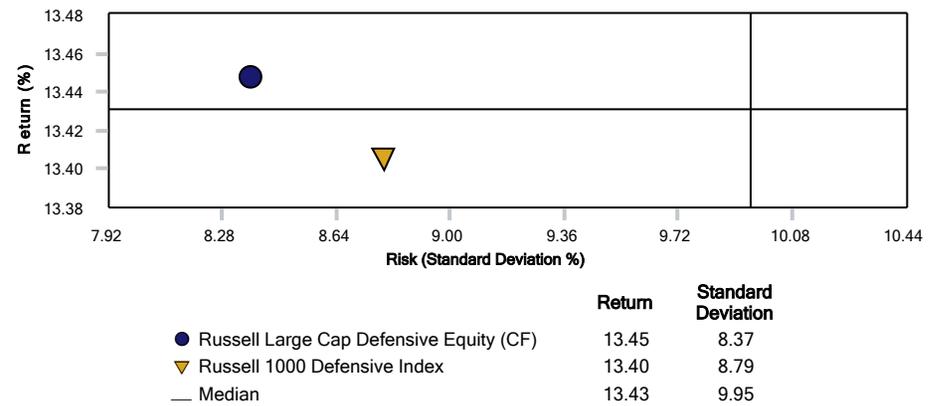
Growth of a Dollar



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 Large Cap Defensive Equity (CF)	13.45	8.37	0.75	0.94	1.50	87.09	95.60
<i>Russell 1000 Defensive Index</i>	<i>13.40</i>	<i>8.79</i>	<i>0.00</i>	<i>1.00</i>	<i>1.43</i>	<i>100.00</i>	<i>100.00</i>

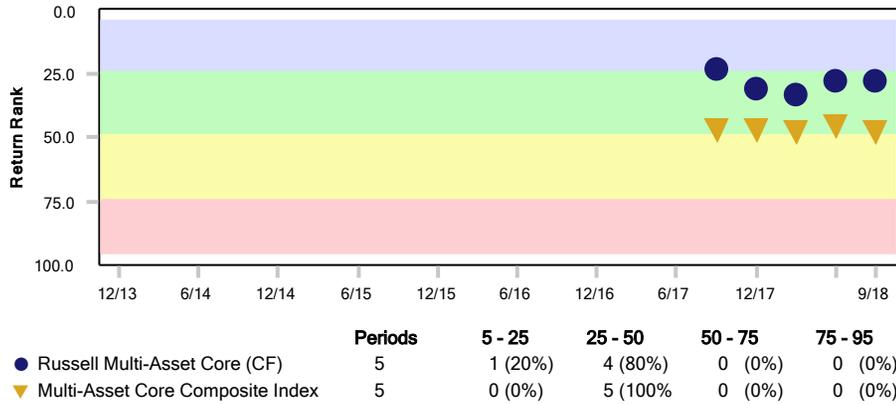
Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Russell Large Cap Defensive Equity (CF)	15.73	7.74	1.00	0.92	1.84	78.18	93.52
<i>Russell 1000 Defensive Index</i>	<i>15.97</i>	<i>8.31</i>	<i>0.00</i>	<i>1.00</i>	<i>1.74</i>	<i>100.00</i>	<i>100.00</i>

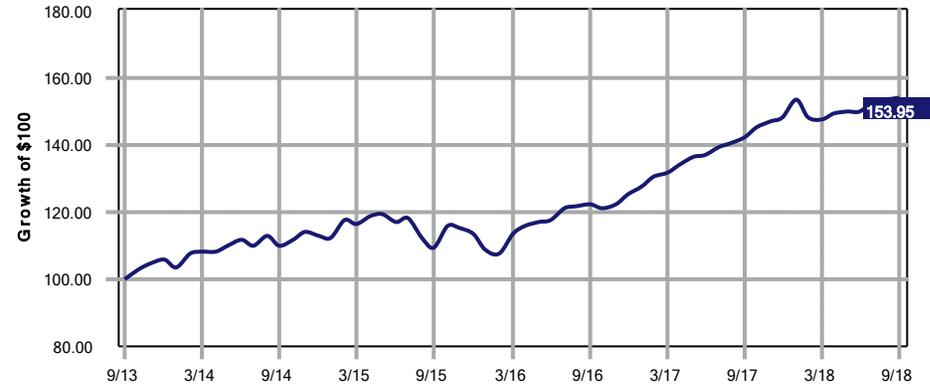


Boynton Beach Police Pension Fund Russell Multi-Asset Core (CF) September 30, 2018

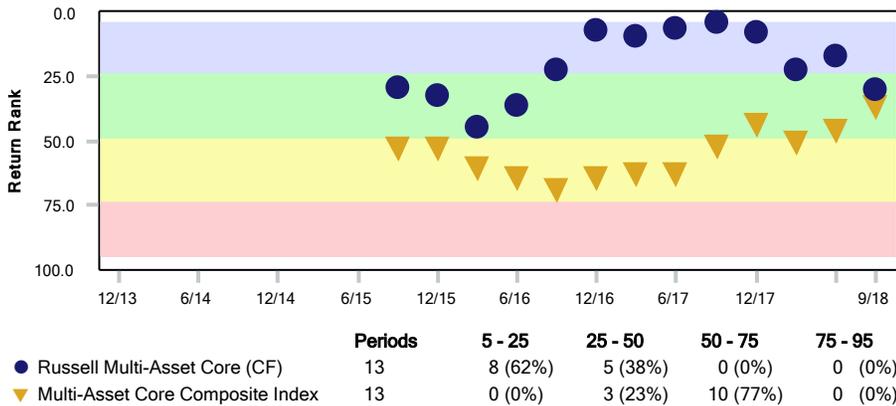
5 Years Rolling Percentile Ranking - 5 Years



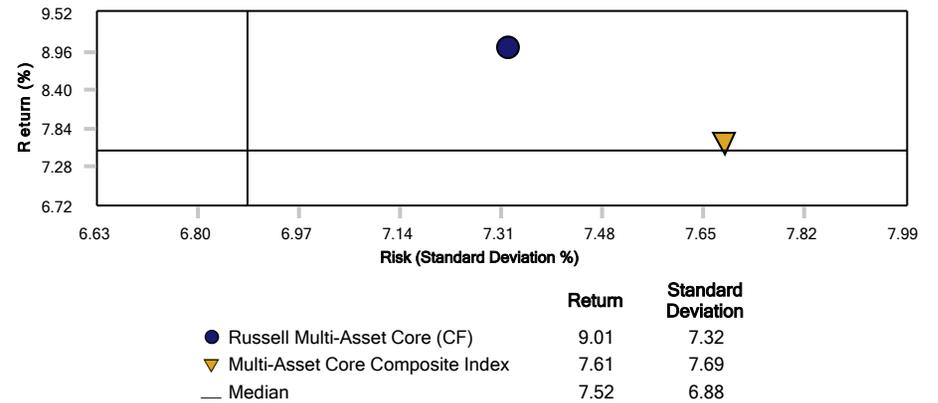
Growth of a Dollar



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)	9.01	7.32	1.73	0.94	1.15	89.08	103.52
Multi-Asset Core Composite Index	7.61	7.69	0.00	1.00	0.93	100.00	100.00

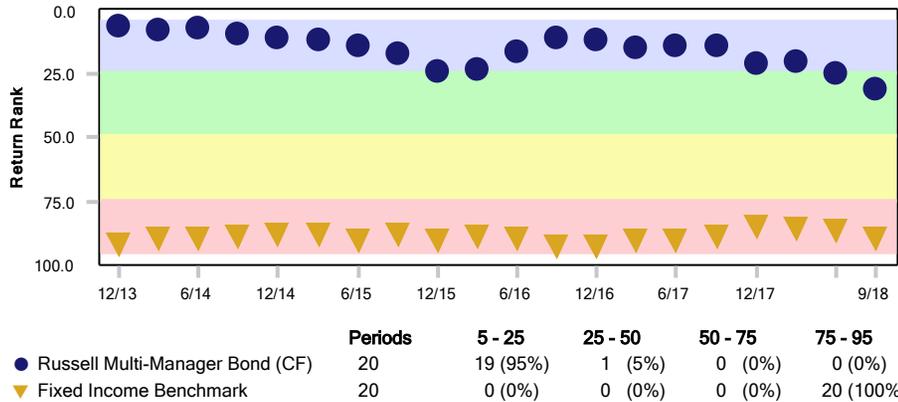
Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Russell Multi-Asset Core (CF)	12.04	6.85	1.65	0.93	1.58	87.29	101.41
Multi-Asset Core Composite Index	11.08	7.30	0.00	1.00	1.37	100.00	100.00



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

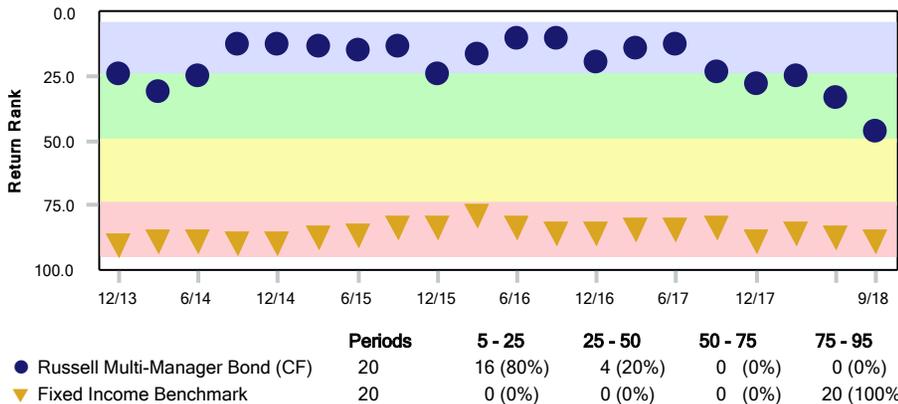
5 Years Rolling Percentile Ranking - 5 Years



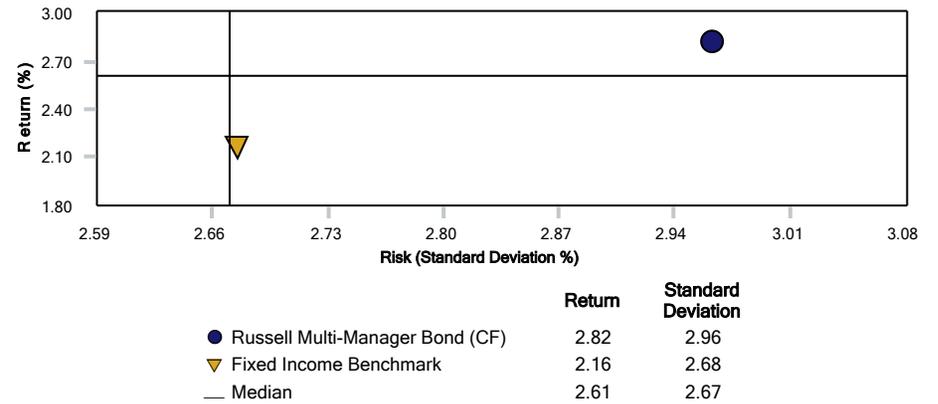
Growth of a Dollar



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)	2.82	2.96	0.50	1.07	0.78	95.47	111.05
Fixed Income Benchmark	2.16	2.68	0.00	1.00	0.62	100.00	100.00

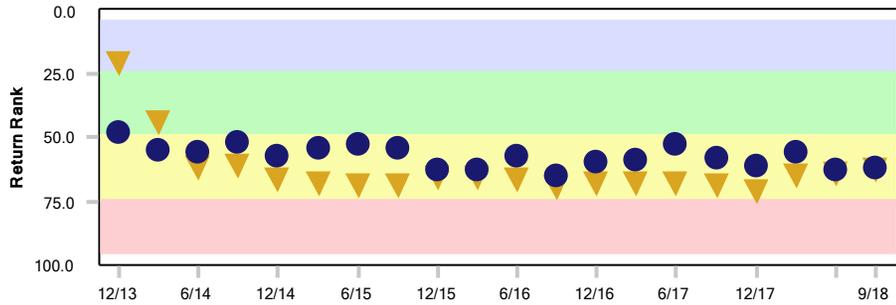
Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Russell Multi-Manager Bond (CF)	1.89	3.05	0.44	1.11	0.37	98.92	113.59
Fixed Income Benchmark	1.31	2.62	0.00	1.00	0.20	100.00	100.00



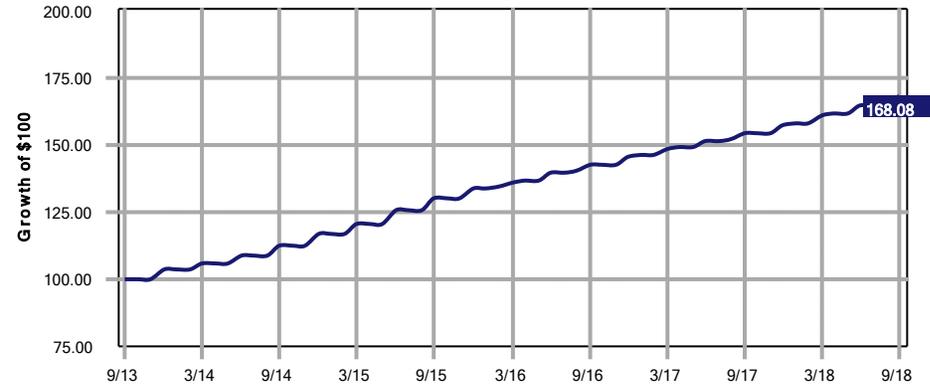
Boynton Beach Police Pension Fund Russell Real Estate Equity (CF) September 30, 2018

5 Years Rolling Percentile Ranking - 5 Years

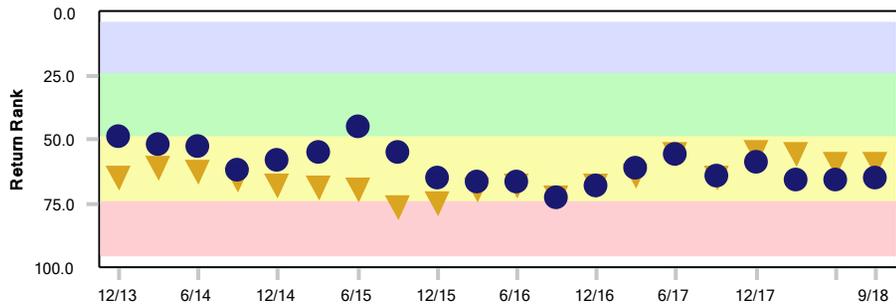


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Russell Real Estate Equity (CF)	20	0 (0%)	1 (5%)	19 (95%)	0 (0%)
▼ Real Estate Benchmark	20	1 (5%)	1 (5%)	18 (90%)	0 (0%)

Growth of a Dollar

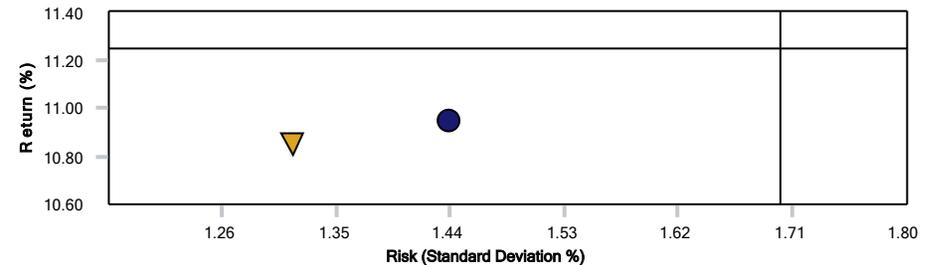


3 Years Rolling Percentile Ranking - 5 Years



	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)	10.94	1.44
▼ Real Estate Benchmark	10.84	1.32
— Median	11.25	1.70

Historical Statistics - 5 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Russell Real Estate Equity (CF)	10.94	1.44	0.24	0.99	6.13	N/A	100.91
<i>Real Estate Benchmark</i>	<i>10.84</i>	<i>1.32</i>	<i>0.00</i>	<i>1.00</i>	<i>6.51</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)	8.91	0.62	3.88	0.55	10.06	N/A	98.16
<i>Real Estate Benchmark</i>	<i>9.08</i>	<i>0.83</i>	<i>0.00</i>	<i>1.00</i>	<i>7.98</i>	<i>N/A</i>	<i>100.00</i>



Boynton Beach Police Pension Fund
Glossary
September 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
September 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
September 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, 315 East Robinson Street Suite #690, Orlando, Florida 32801.



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