



Burgess Chambers & Associates, Inc.

Institutional Investment Advisors

www.burgesschambers.com

December 31, 2019

Boynton Beach Police Pension Fund

Investment Performance Period Ending December 31, 2019

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Boynton Beach Police Pension Fund
BCA Market Perspective ©
Why Economic and Capital Market Forecasting Is Flawed and Not A Science
January 2020
Burgess B. Chambers, President

In March 2007, during a presentation to Congress, then Federal Reserve chairman Ben Bernanke stated: “At this juncture the impact on the broader economy and financial markets of the problems in the subprime market seem likely to be contained.” He went on to say: “Overall the economy appears likely to expand at a moderate pace during the upcoming quarters.” Several months after Bernanke’s remarks to Congress, the U.S. experienced a seismic banking crisis and collapses of the equity and credit markets not witnessed since the Great Depression. With the many economists on his staff and sophisticated economic models at his fingertips, he was unaware of the massive economic crises only months away.

Forty years ago, Nobel Laureate Friedrich Hayek said: “Not only were economists unsure about their predictions, but their tendency to present their findings with certainty of the language of science were misleading and had deplorable effects.” In September 2017 (per Adam Shaw), Prakash Loungani of the International Monetary Fund, reviewed the accuracy of economic forecasters and found that only two (2) of the past 150 recessions were predicted in advance. It would appear in the words of Mark Pearson, of the Organization for Economic Co-operation and Development in Paris, “We are getting worse at making forecasts because the world is getting more complicated.”

Wall Street strategists now practice “the art of the plausible.” With the understanding that markets in any given year are inherently unpredictable, they construct a reasonable forecast using consensus assumptions. Yet what is plausible is not always probable, as the ultimate outcome (Michael Santoli, CNBC). The consensus strategist forecast for the S&P 500 typically falls in the 5% to 10% range. Currently, CNBC’s strategist survey shows an average predicted 2020 S&P 500 gain of 5% with the maximum forecast of 9%. This range seems reasonable since the long-term average annualized gain for U.S. stocks is around 8%. Yet counterintuitively, the short term rarely conforms to the long-term average. Since 1928, the S&P has only showed a gain of between 5% and 10% six out of the 91 calendar years – suggesting the consensus forecast for a high-single-digit rise in 2020 has a 93% chance of being wrong.

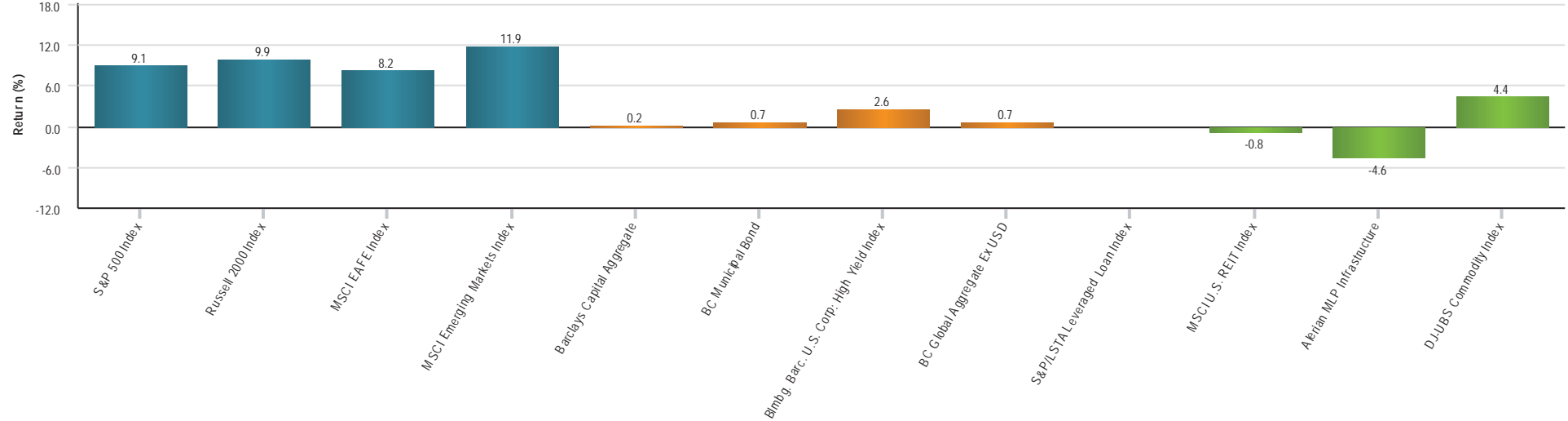
Going into 2019, equities were at bear market levels and strategists, as a group were looking for a rebound of 11%. This would simply have the index recovering back to its prior record high. Actual experience for 2019 was a huge run higher in stocks with the S&P 500 up over 31%. Moody’s reported in 2018: “It is smart to assume the price-to-earnings multiples will moderate by late 2018 because the end of this already-long expansion will be 12-months closer.” To the contrary, the S&P 500 experienced a multiple expansion from 14.4x to 18.2x on its forward P/E in 2019.

It is BCA’s view that Wall Street firms make predictions because their clients want to be informed, but in fact, stock and bond predictions invite investors to react by changing asset allocations and generating fees to their advisers. The problem with forecasting anything is that a small change in a few variables can make predictions impossibly complex. Reliable and meaningful predictions of capital markets is inherently impossible. It is not a science and remains an art.

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.

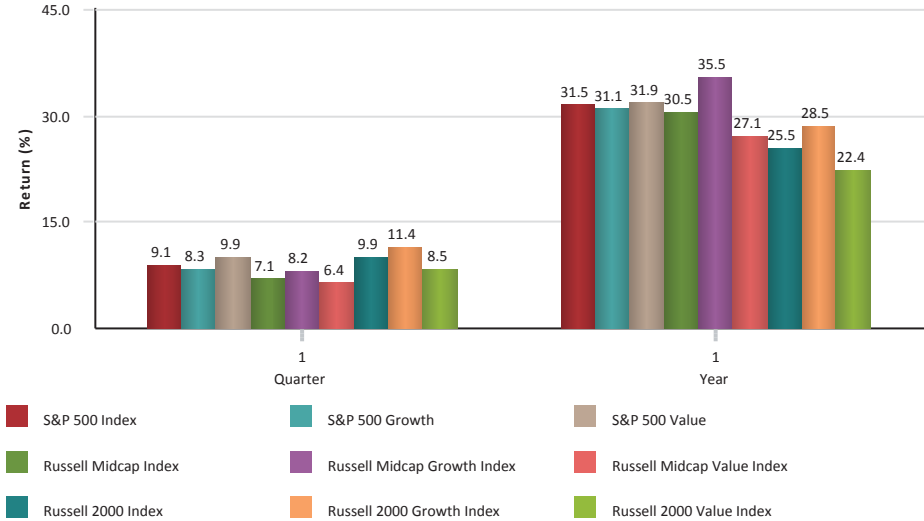


1 Quarter Performance



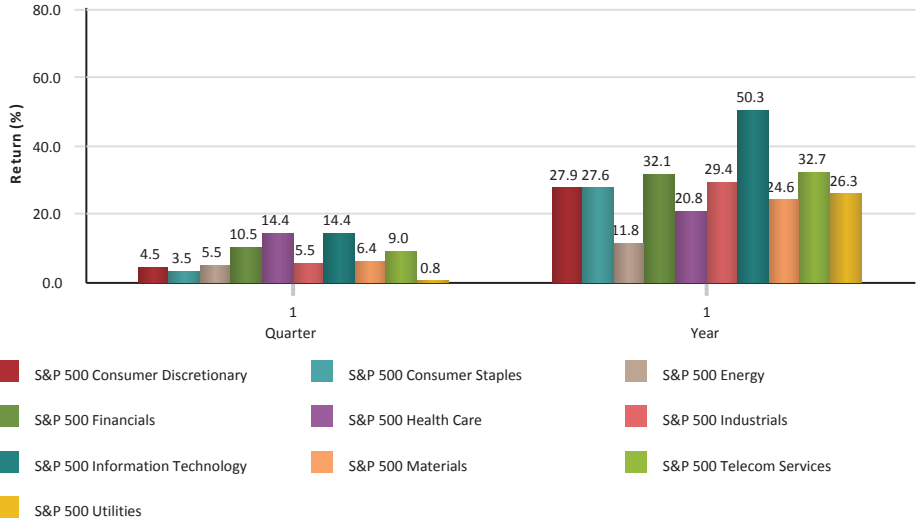
Source: Investment Metrics, LLC

US Market Indices Performance



Source: Investment Metrics, LLC

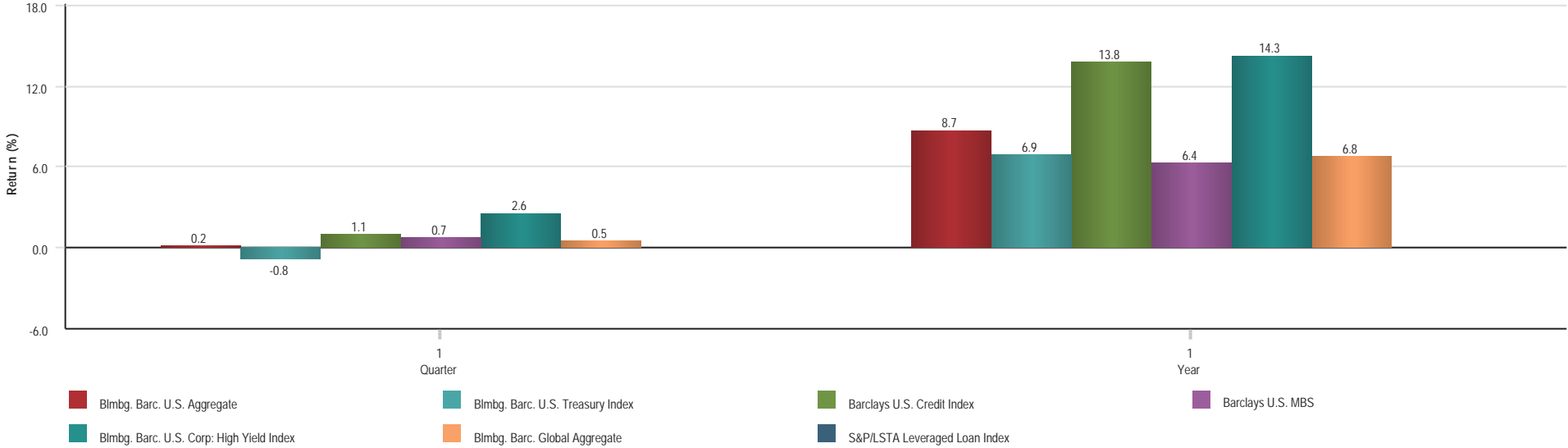
US Market Sector Performance



Source: Investment Metrics, LLC

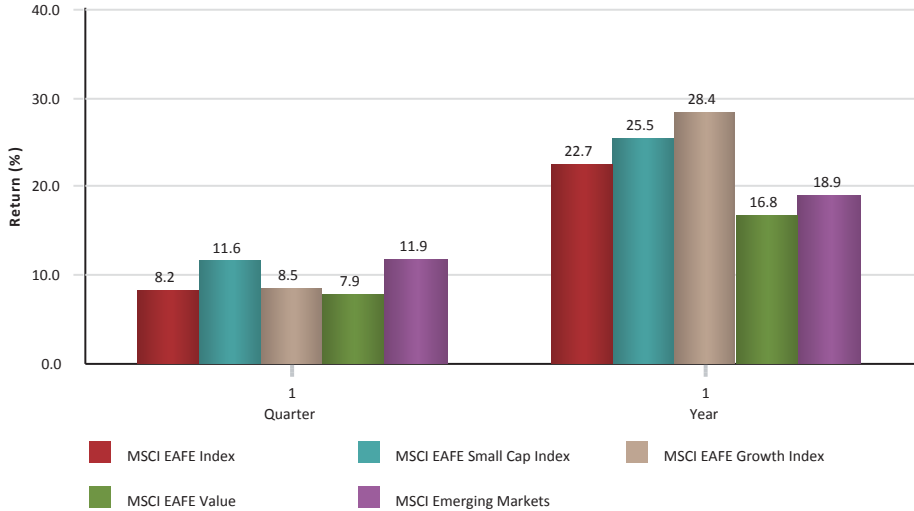


Fixed Income Market Sector Performance



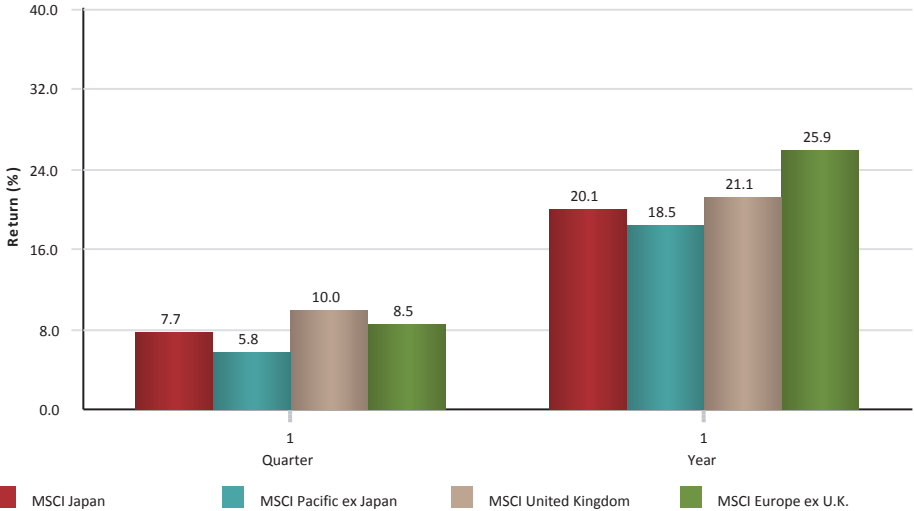
Source: Investment Metrics, LLC

Intl Equity Indices Performance



Source: Investment Metrics, LLC

Intl Equity Region Performance



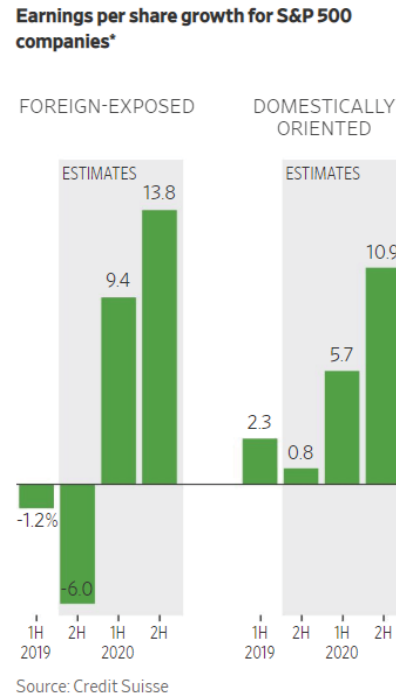
Source: Investment Metrics, LLC



**Boynton Beach Police Pension Fund
Total Fund
Investment Summary
December 31, 2019**

Despite an inverted yield curve late last summer and fears over global trade and a looming recession, U.S. stocks recorded their second-best calendar year return since the financial crisis. As we enter 2020, we are faced with several shifts in market risk: abating trade conflict, rising political risk in the U.S. and the Middle East, expanded P/E ratios, and continued manufacturing slowdown.

In order for the bull market to continue, investors are expecting higher growth rates over the next 12 months. See chart below:



- For the quarter, the Fund earned +4.8% gross (or +4.6% net; \$5.3 million), behind the Policy Benchmark (+5.4%). The best performing asset category was the Russell Large Cap Defensive equity fund (+8.2%).
- For the one-year period, the Fund experienced a market-based gain of \$17.5 million or +17.9% gross (+17.1% net), behind the Policy Benchmark (+20.1%). The best performing asset category was the Russell Large Cap Defensive equity fund (+27.9%).
- **For the three and five-year periods, the Fund earned +8.7% and +7.1% net, respectively.**

**Boynton Beach Police Pension Fund
Total Fund
Investment Policy Review
December 31, 2019**

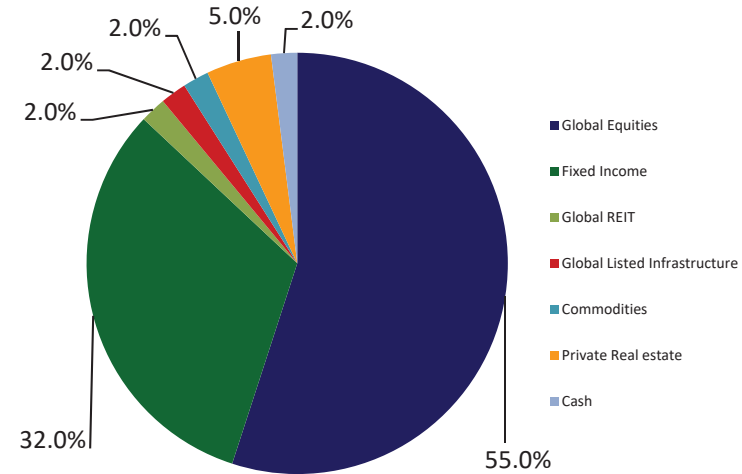
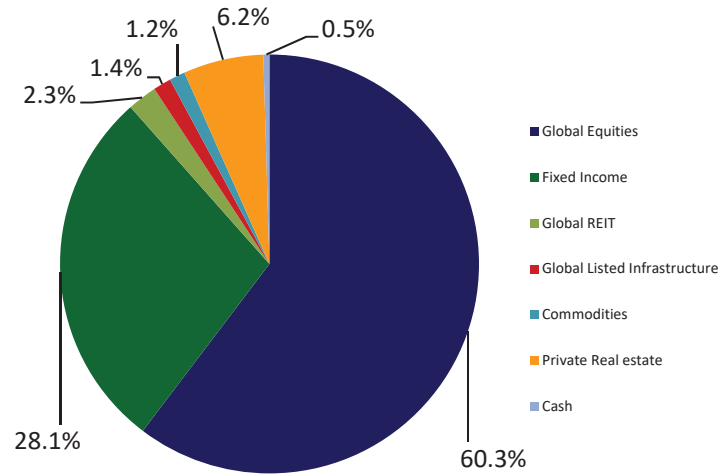
	<u>Yes</u>	<u>No</u>
Total Fund annualized three-year performance achieved the Policy Benchmark (+9.5% vs. +9.9%).	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Total Fund annualized three-year performance ranked in the top 40th percentile of the universe (Actual: 45th).	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Total Fund annualized three-year performance (gross) achieved the +7.25% 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 +7.25% 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 checked="" type="checkbox"/>	<input type="checkbox"/>
Multi Asset Core annualized three-year performance achieved the multi-asset benchmark.	<input type="checkbox"/>	<input checked="" 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.	<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 60.3% which did not exceed 70% of Fund's assets at market value.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Foreign equity investments were 21.0% (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 28.1% (at market) within the 25% minimum limitation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Asset allocation among alternatives was 11.1% (at market) within the 20% maximum limitation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Boynton Beach Police Pension Fund
Investment Performance - Net
December 31, 2019**

	<u>Quarter</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
Beginning Market Value	107,023,136	99,698,110	90,060,300	81,540,326
Contributions	3,391,977	-1,487,853	-1,598,746	-1,874,189
Gain/Loss	5,284,747	17,489,602	27,238,305	36,033,722
Ending Market Value	115,699,859	115,699,859	115,699,859	115,699,859
Total Fund (%)	4.6	17.1	8.7	7.1
Policy Benchmark (%)	5.4	20.1	9.9	7.4



**Boynton Beach Police Pension Fund
Actual vs. Target Asset Allocation
December 31, 2019**



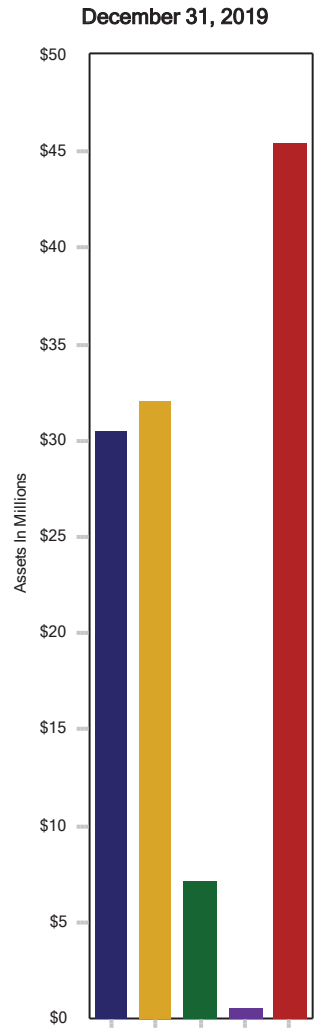
		MV (\$)	Current	Target	Difference
Global Equities	\$	69,802,985	60.3%	55.0%	5.3%
Fixed Income	\$	32,547,186	28.1%	32.0%	-3.9%
Global REIT	\$	2,638,857	2.3%	2.0%	0.3%
Global Listed Infrastructure	\$	1,607,699	1.4%	2.0%	-0.6%
Commodities	\$	1,400,849	1.2%	2.0%	-0.8%
Private Real estate	\$	7,160,329	6.2%	5.0%	1.2%
Cash	\$	541,954	0.5%	2.0%	-1.5%
Total		115,699,859	100.0%	100.0%	0.0%

Total International = 21.0% (This calculation includes foreign equity, REIT, listed infrastructure, and fixed income)

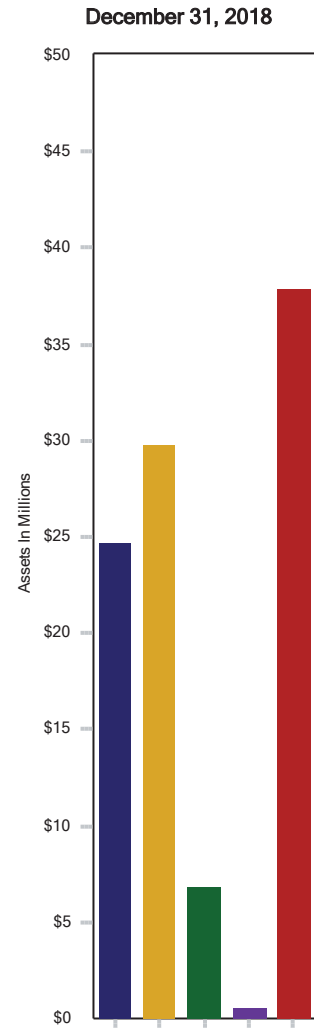
Note: For illustrative purposes only.



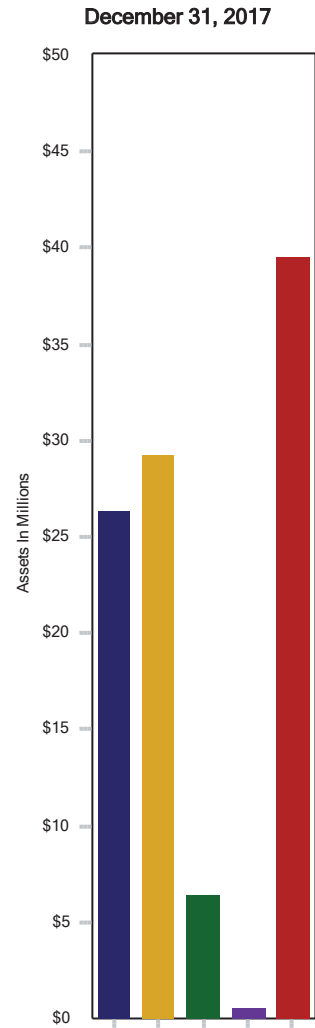
Boynton Beach Police Pension Fund Historical Asset Allocation December 31, 2019



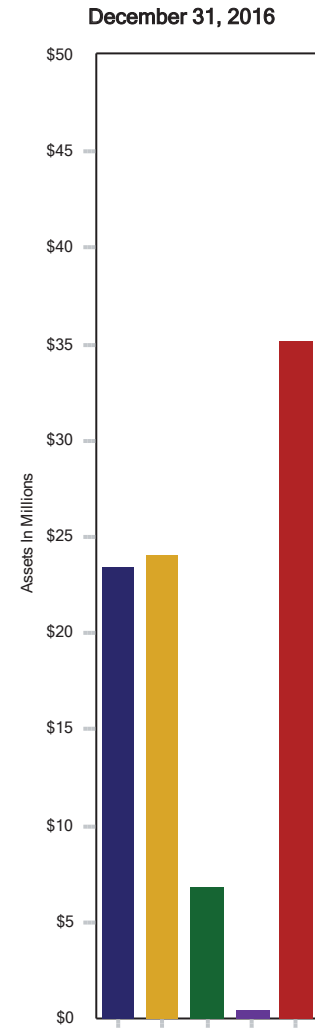
■ US Equity	26.33
■ US Fixed Income	27.71
■ US Private Real Estate	6.19
■ US Cash	0.47
■ Global Mixed Assets	39.30



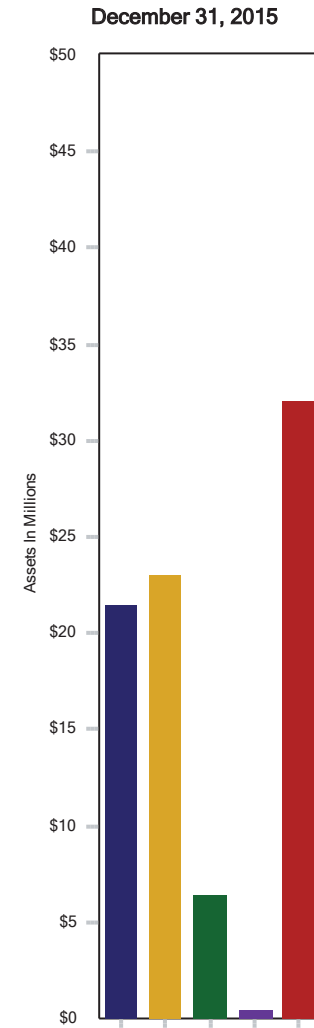
■ US Equity	24.78
■ US Fixed Income	29.83
■ US Private Real Estate	6.86
■ US Cash	0.51
■ Global Mixed Assets	38.02



■ US Equity	25.84
■ US Fixed Income	28.73
■ US Private Real Estate	6.27
■ US Cash	0.46
■ Global Mixed Assets	38.71



■ US Equity	26.07
■ US Fixed Income	26.77
■ US Private Real Estate	7.65
■ US Cash	0.51
■ Global Mixed Assets	39.00



■ US Equity	25.71
■ US Fixed Income	27.64
■ US Private Real Estate	7.70
■ US Cash	0.48
■ Global Mixed Assets	38.47



Boynton Beach Police Pension Fund
Asset Allocation & Performance - Gross
December 31, 2019

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	115,699,859	4.8 (68)	17.9 (57)	9.5 (45)	7.9 (11)
Policy Benchmark		5.4	20.1	9.9	7.4
Russell Large Cap Defensive Equity (CF)	30,461,628	8.2	27.9	14.7	11.5
Russell 1000 Index		9.0	31.4	15.0	11.5
Russell 1000 Defensive Index		6.3	30.5	16.3	12.2
Russell Multi-Asset Core (CF)	45,472,595	6.2	19.2	9.9	8.1
Multi-Asset Core Composite Index		6.9	23.8	10.6	7.5
Russell Multi-Manager Bond (CF)	32,063,353	0.2 (45)	10.1 (10)	4.6 (27)	3.7 (23)
Fixed Income Benchmark		0.2	8.7	4.0	3.0
Russell Real Estate Equity (CF)	7,160,329	1.6	6.3	7.6	9.3
Real Estate Benchmark		1.5	6.0	7.3	9.2
Russell ST Inv Cash Sweep (CF)	541,954	1.8	2.3	2.9	1.8
ICE BofAML 3 Month U.S. T-Bill		0.5	2.3	1.7	1.1



**Boynton Beach Police Pension Fund
Asset Allocation & Performance - Net
December 31, 2019**

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	115,699,859	4.6	17.1	8.7	7.1
Policy Benchmark		5.4	20.1	9.9	7.4
Russell Large Cap Defensive Equity (CF)	30,461,628	8.1	27.1	14.0	10.8
Russell 1000 Index		9.0	31.4	15.0	11.5
Russell 1000 Defensive Index		6.3	30.5	16.3	12.2
Russell Multi-Asset Core (CF)	45,472,595	5.9	18.1	8.9	7.2
Multi-Asset Core Composite Index		6.9	23.8	10.6	7.5
Russell Multi-Manager Bond (CF)	32,063,353	0.1	9.6	4.1	3.2
Fixed Income Benchmark		0.2	8.7	4.0	3.0
Russell Real Estate Equity (CF)	7,160,329	1.3	4.8	6.1	7.7
Real Estate Benchmark		1.5	6.0	7.3	9.2
Russell ST Inv Cash Sweep (CF)	541,954	1.8	2.3	2.9	1.8
ICE BofAML 3 Month U.S. T-Bill		0.5	2.3	1.7	1.1

1 Policy Benchmark (IPS hybrid benchmark objective): Since 07/2019 is 30% MSCI ACWI + 25% Russell 1000 + 32% BC Aggregate + 2% NAREIT + 2% S&P Global Infrastructure Index + 5% NCREIF Open-End Diversified Core Equity + 2% DJ UBS Commodities + 2% ML 3M T-Bills; prior from 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.

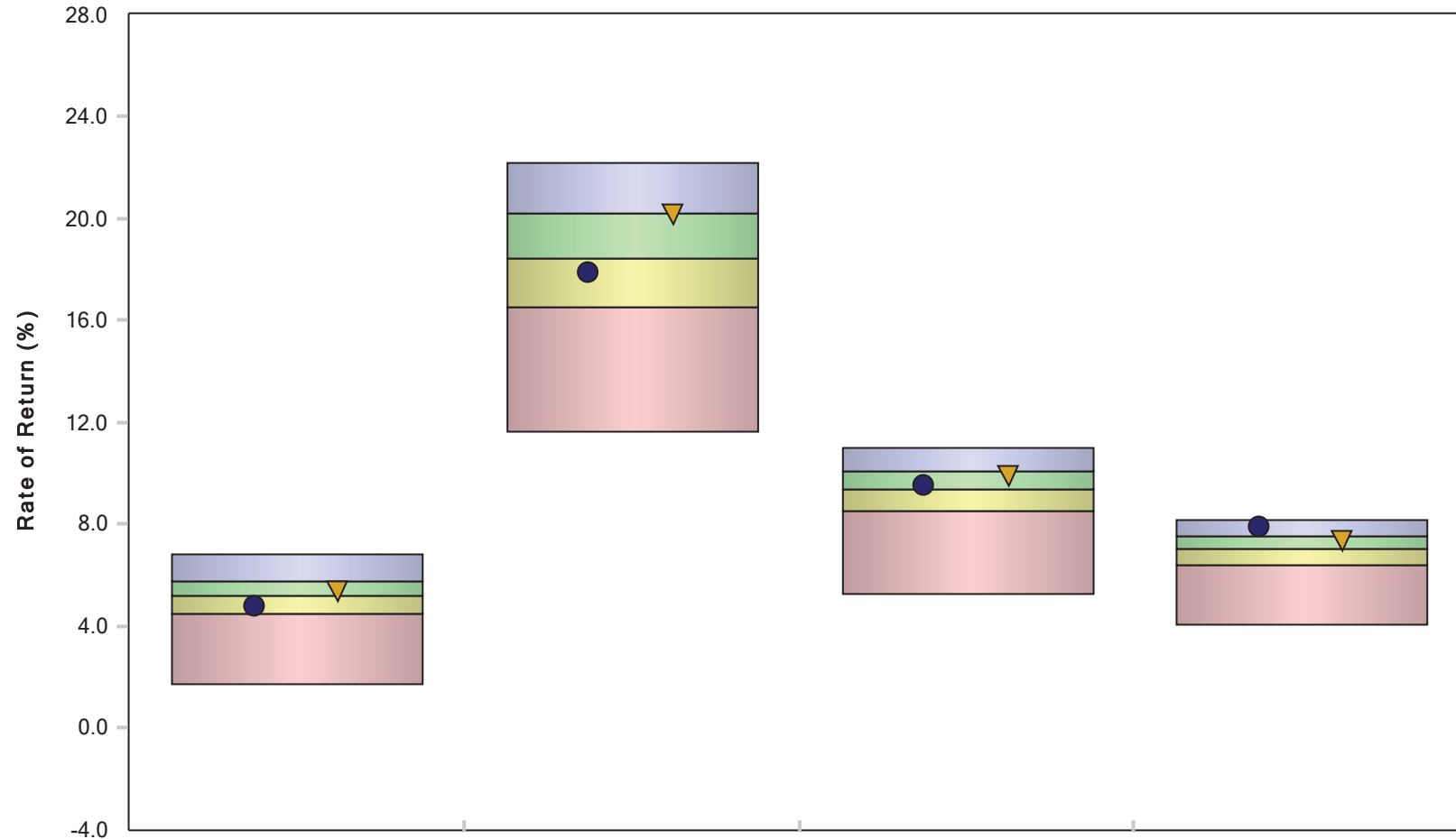
2 The Multi-Asset Core Composite Benchmark: 75.0% Russell World Cap 50% Hedged Net Index / 5.0% Bloomberg Commodity Index / 5.0% FTSE EPRA/NAREIT Developed Real Estate Index (Net) / 5.0% S&P Global Infrastructure Index Net / 7.0% Barclays U.S. Aggregate Bond Index / 3.0% Barclays U.S. 1-3 Month Treasury 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: Since July 2019 is 100% NCREIF Open-End Diversified Core Equity; prior from Sept'09 was 100% NCREIF ODCE EQ (NFI ODCE EQ); prior was 100% NCREIF Index.



**Boynton Beach Police Pension Fund
Peer Universe Quartile Ranking
December 31, 2019**



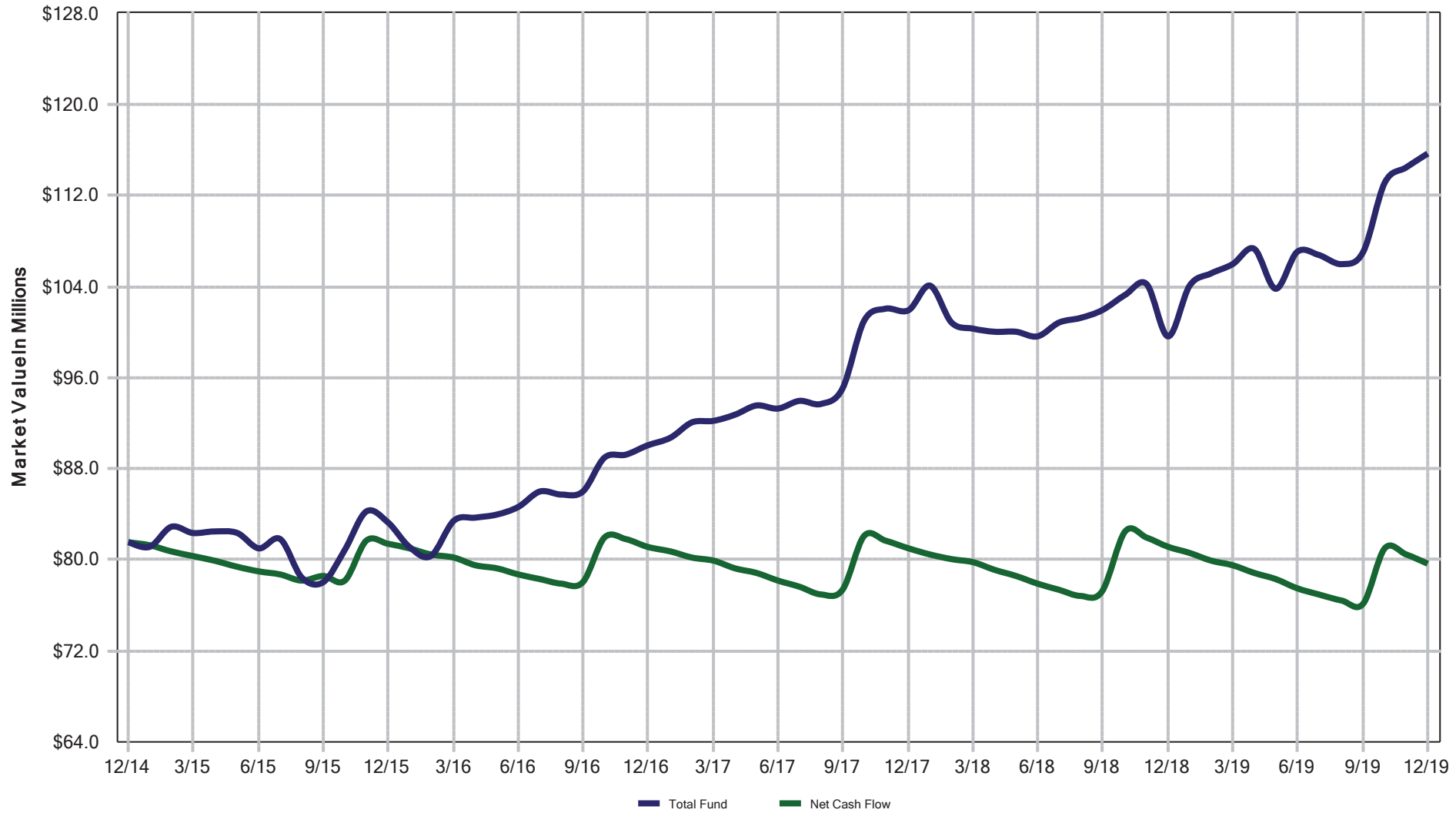
	<u>Quarter</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
● Total Fund	4.8 (68)	17.9 (57)	9.5 (45)	7.9 (11)
▼ Policy Benchmark	5.4 (42)	20.1 (26)	9.9 (32)	7.4 (36)
5th Percentile	6.8	22.2	11.0	8.2
1st Quartile	5.7	20.2	10.1	7.6
Median	5.2	18.5	9.4	7.0
3rd Quartile	4.5	16.6	8.5	6.4
95th Percentile	1.8	11.7	5.3	4.1

Parentheses contain percentile rankings.

Calculation based on quarterly data.



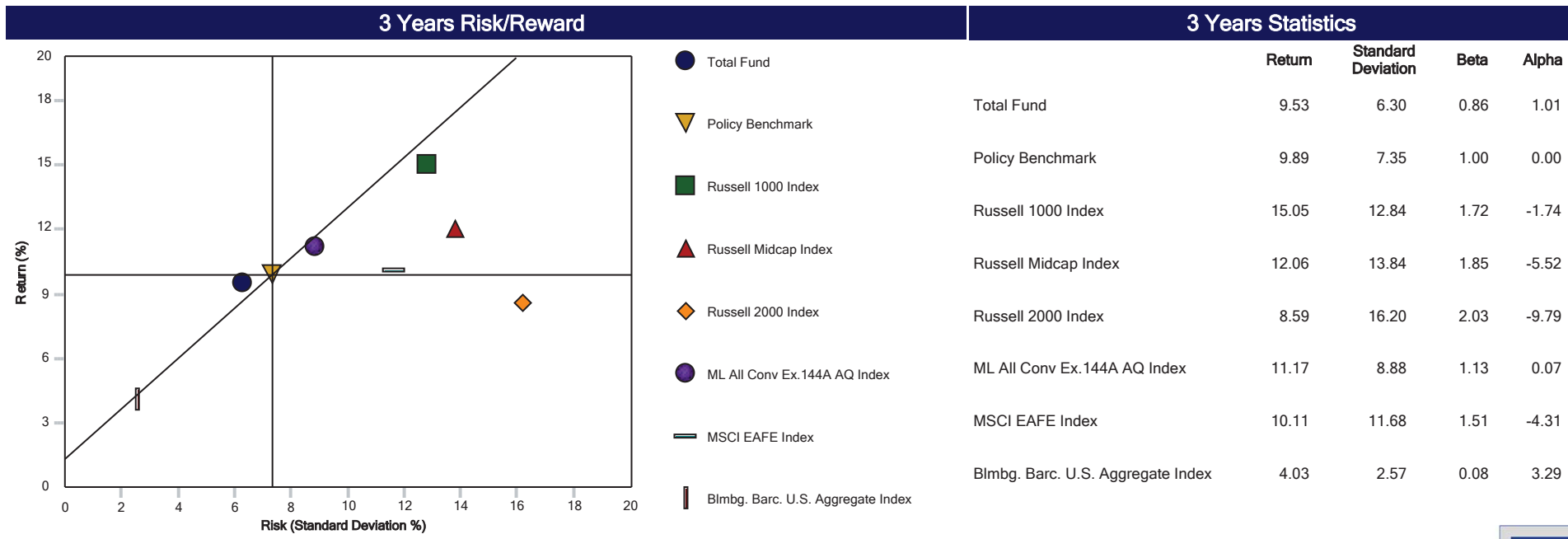
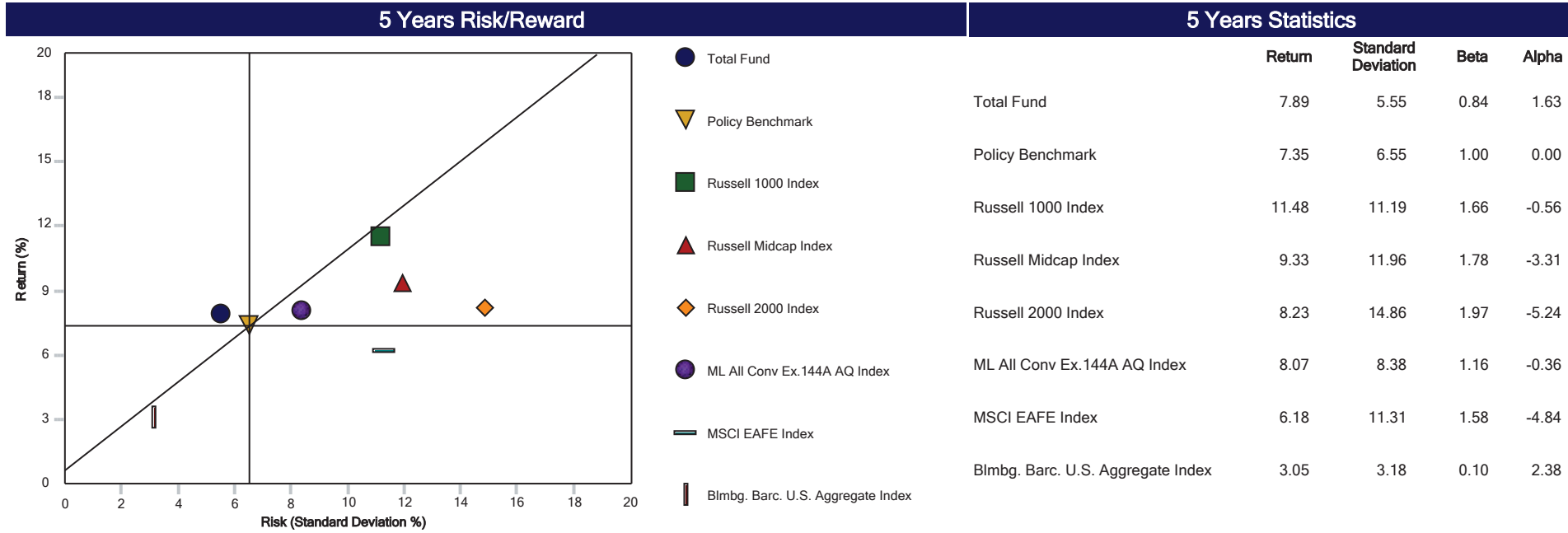
**Boynton Beach Police Pension Fund
Growth of Investments
January 1, 2015 Through December 31, 2019**



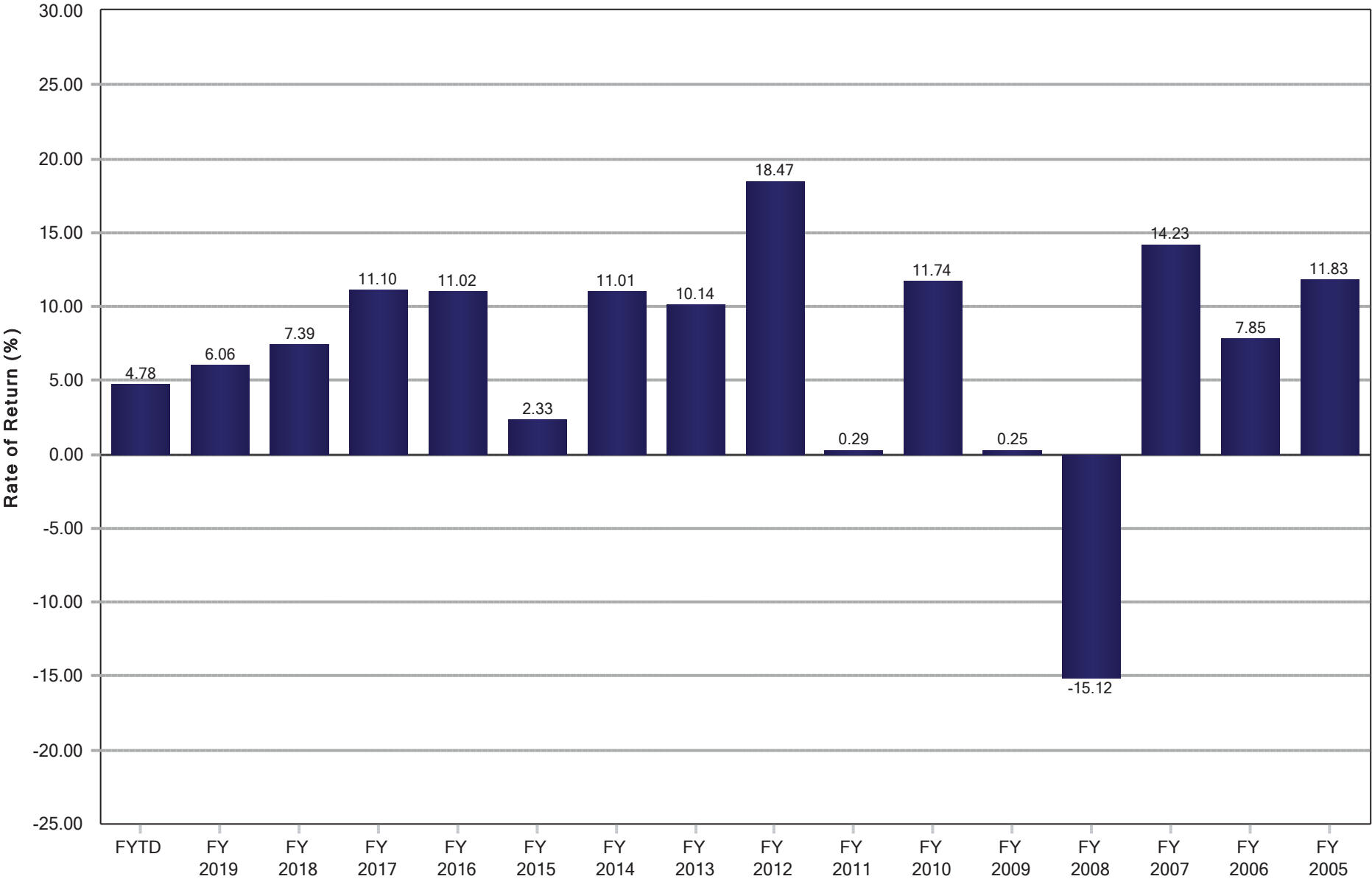
<u>Beginning MV</u>	<u>Ending MV</u>	<u>Annualized ROR</u>
\$81,540,326	\$115,699,859	7.9



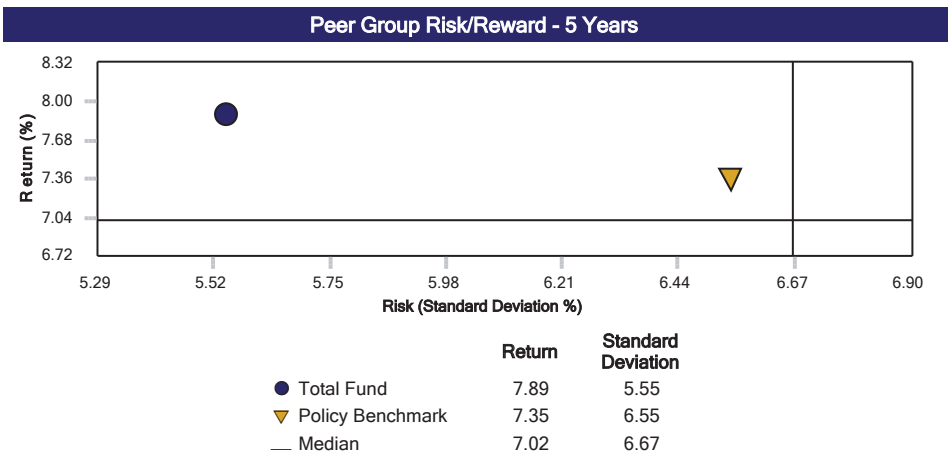
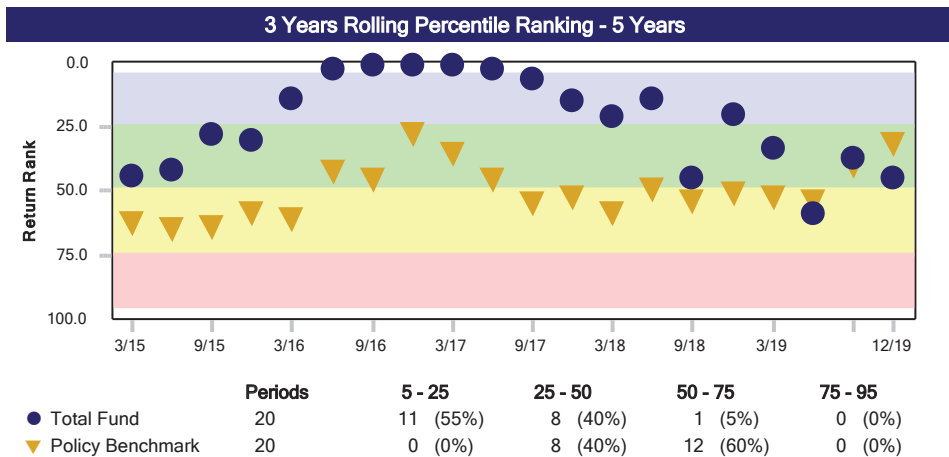
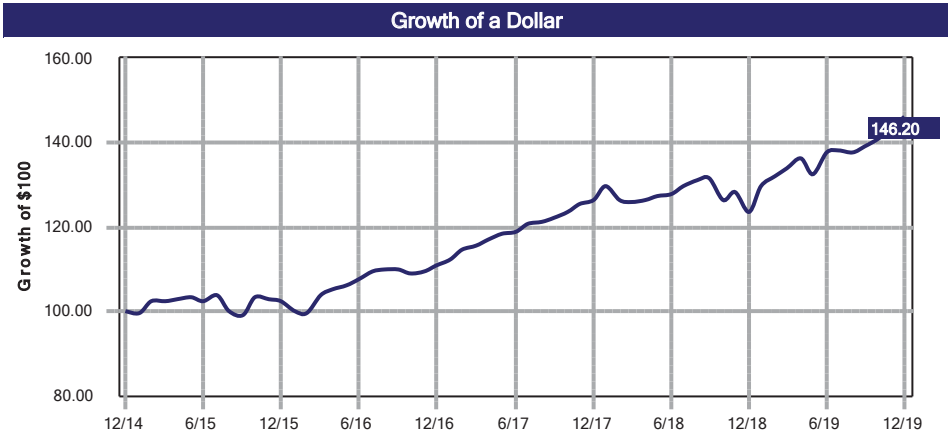
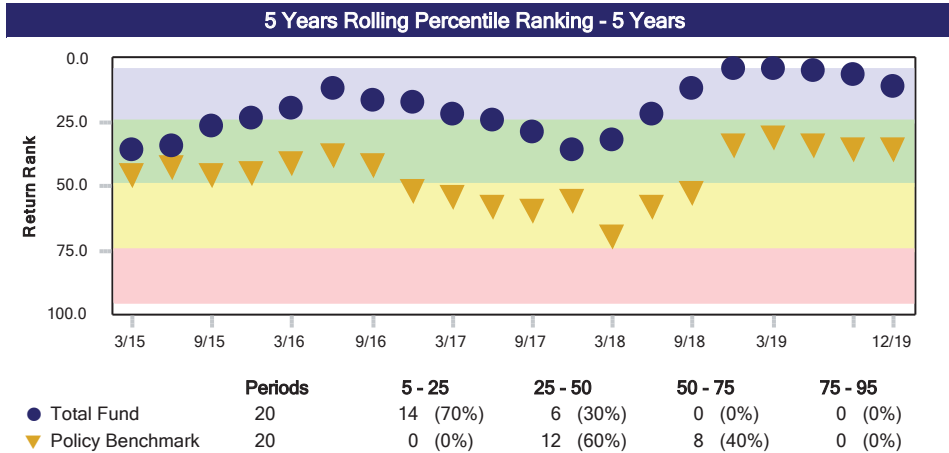
**Boynton Beach Police Pension Fund
Capital Market Line
Period Ending December 31, 2019**



Boynton Beach Police Pension Fund
Fiscal Year Rates of Return
December 31, 2019



**Boynton Beach Police Pension Fund
Total Fund
December 31, 2019**



Historical Statistics - 5 Years

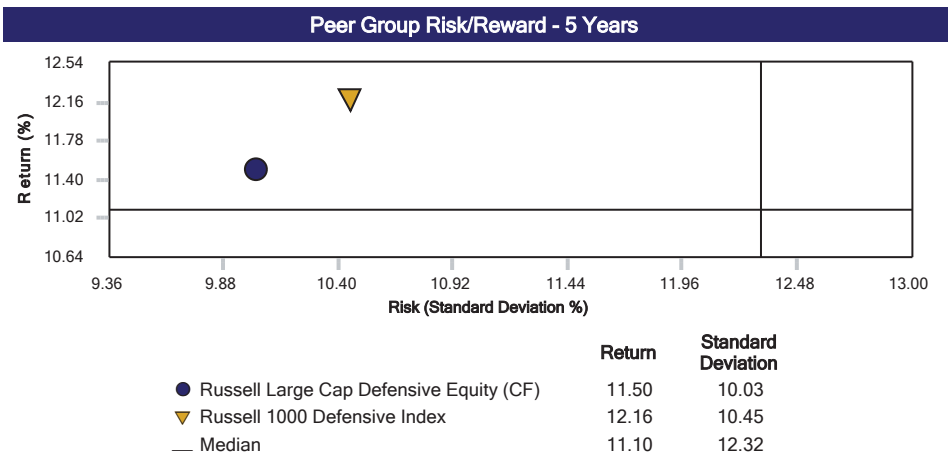
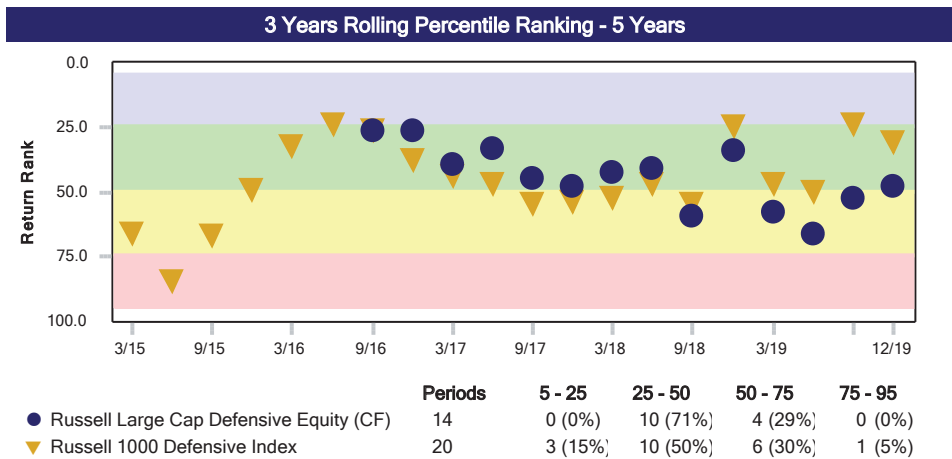
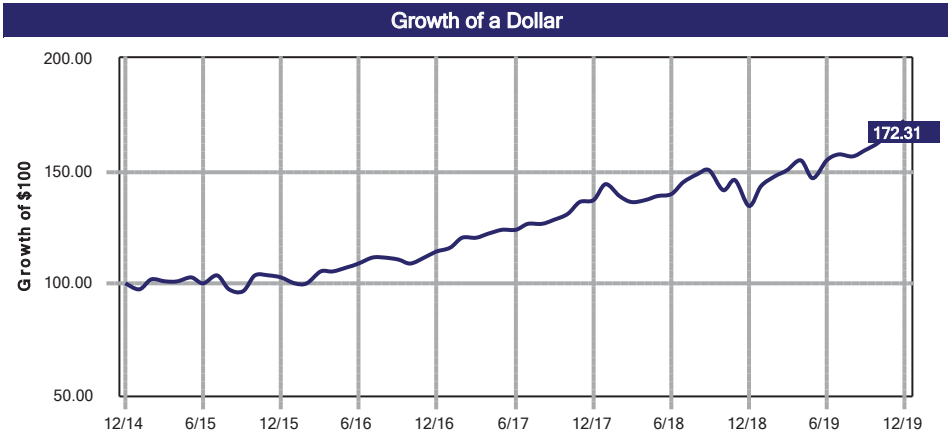
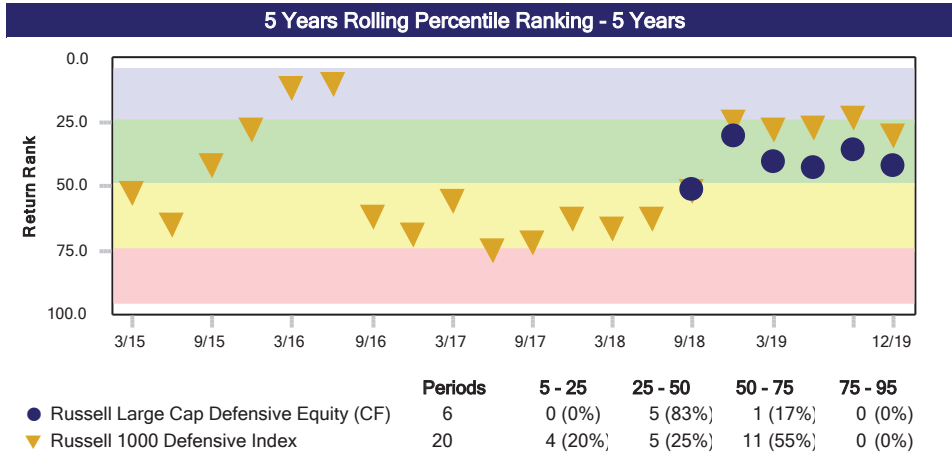
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	7.89	5.55	1.63	0.84	1.23	72.98	97.64
<i>Policy Benchmark</i>	<i>7.35</i>	<i>6.55</i>	<i>0.00</i>	<i>1.00</i>	<i>0.97</i>	<i>100.00</i>	<i>100.00</i>

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	9.53	6.30	1.01	0.86	1.22	77.17	91.85
<i>Policy Benchmark</i>	<i>9.89</i>	<i>7.35</i>	<i>0.00</i>	<i>1.00</i>	<i>1.10</i>	<i>100.00</i>	<i>100.00</i>



**Boynton Beach Police Pension Fund
Russell Large Cap Defensive Equity (CF)
December 31, 2019**



Historical Statistics - 5 Years

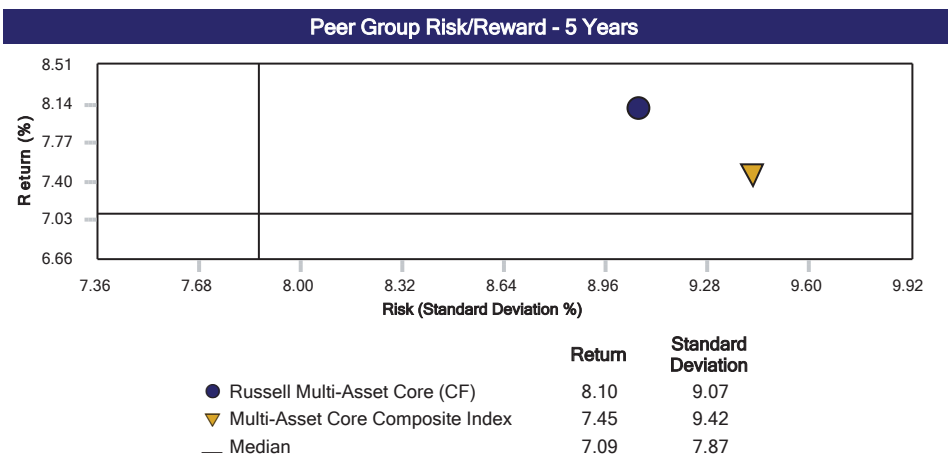
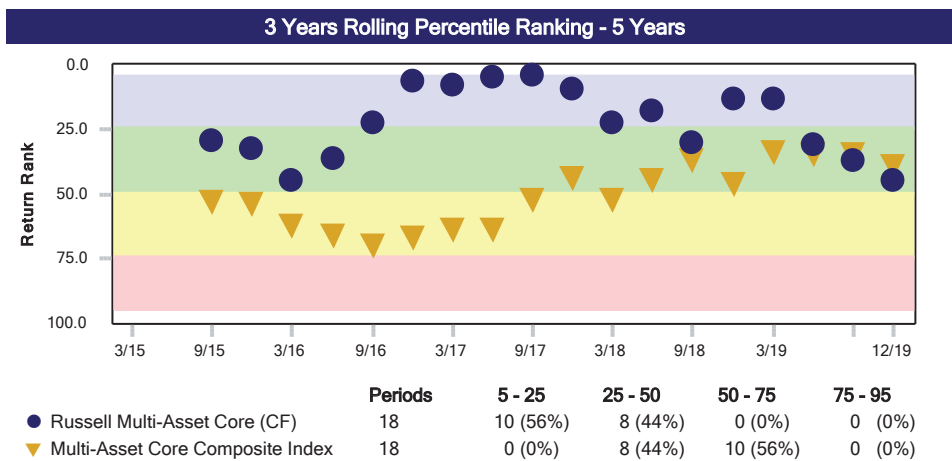
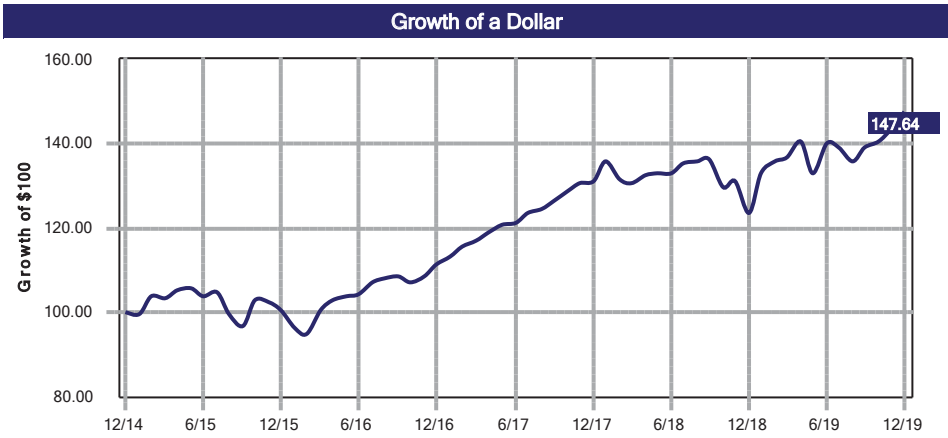
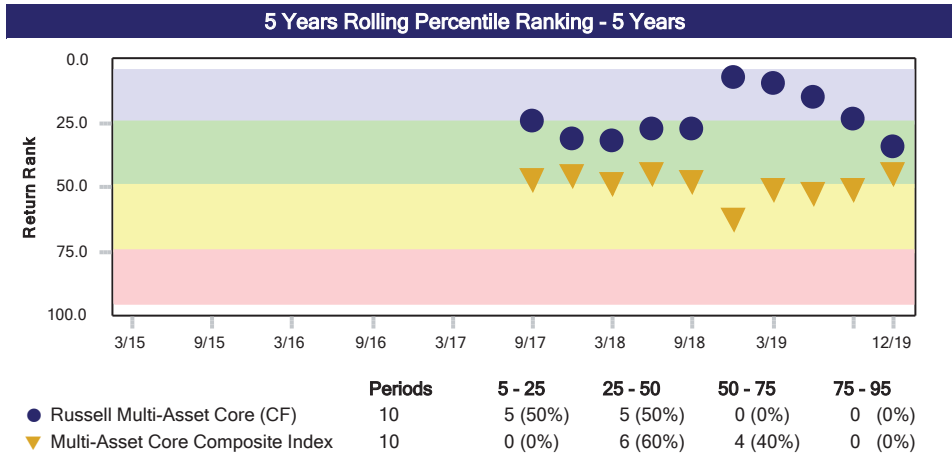
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Russell Large Cap Defensive Equity (CF)	11.50	10.03	-0.01	0.95	1.04	92.25	93.63
<i>Russell 1000 Defensive Index</i>	<i>12.16</i>	<i>10.45</i>	<i>0.00</i>	<i>1.00</i>	<i>1.06</i>	<i>100.00</i>	<i>100.00</i>

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Russell Large Cap Defensive Equity (CF)	14.72	10.19	-0.89	0.97	1.24	97.84	93.34
<i>Russell 1000 Defensive Index</i>	<i>16.31</i>	<i>10.36</i>	<i>0.00</i>	<i>1.00</i>	<i>1.36</i>	<i>100.00</i>	<i>100.00</i>



**Boynton Beach Police Pension Fund
Russell Multi-Asset Core (CF)
December 31, 2019**



Historical Statistics - 5 Years

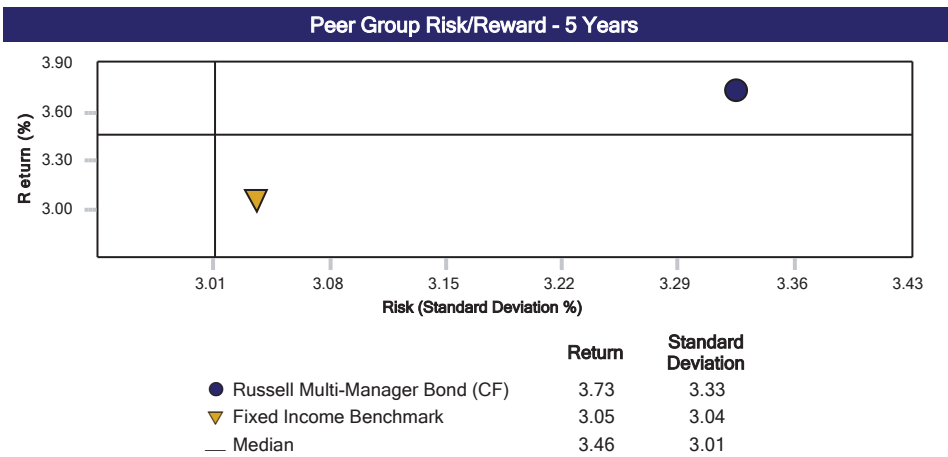
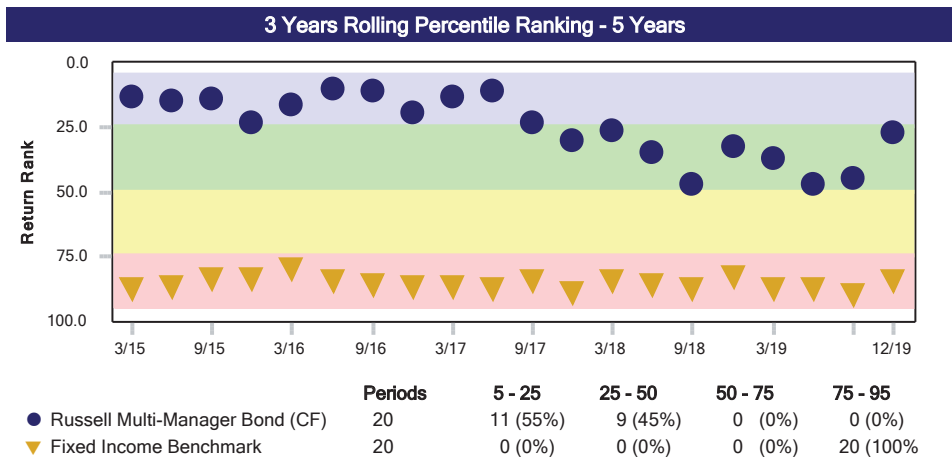
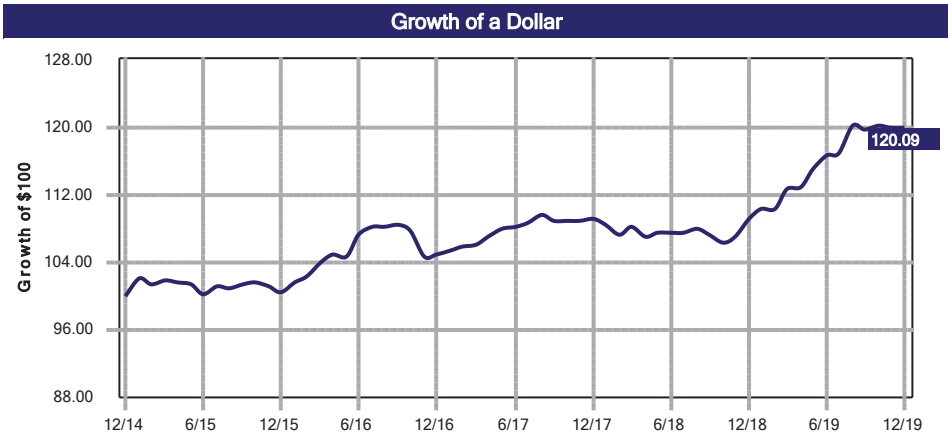
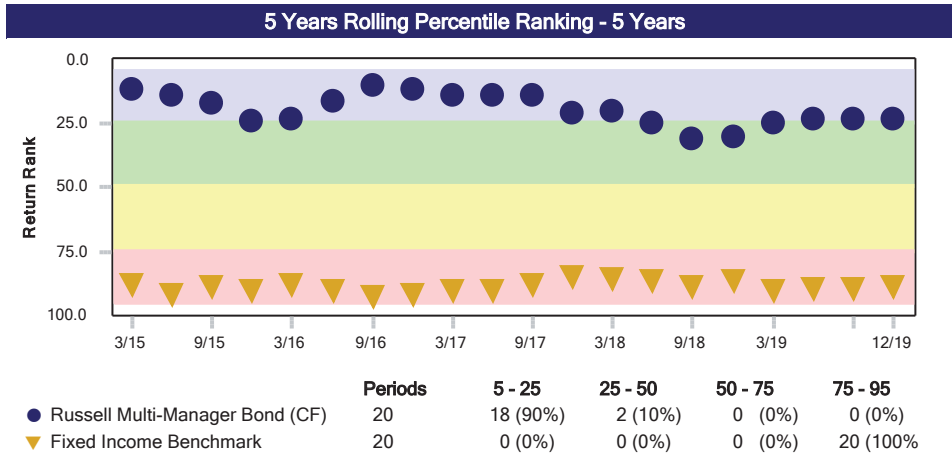
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Russell Multi-Asset Core (CF)	8.10	9.07	0.95	0.95	0.79	92.29	99.30
Multi-Asset Core Composite Index	7.45	9.42	0.00	1.00	0.70	100.00	100.00

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Russell Multi-Asset Core (CF)	9.87	8.89	-0.29	0.96	0.92	94.93	94.17
Multi-Asset Core Composite Index	10.58	9.09	0.00	1.00	0.97	100.00	100.00



**Boynton Beach Police Pension Fund
Russell Multi-Manager Bond (CF)
December 31, 2019**



Historical Statistics - 5 Years

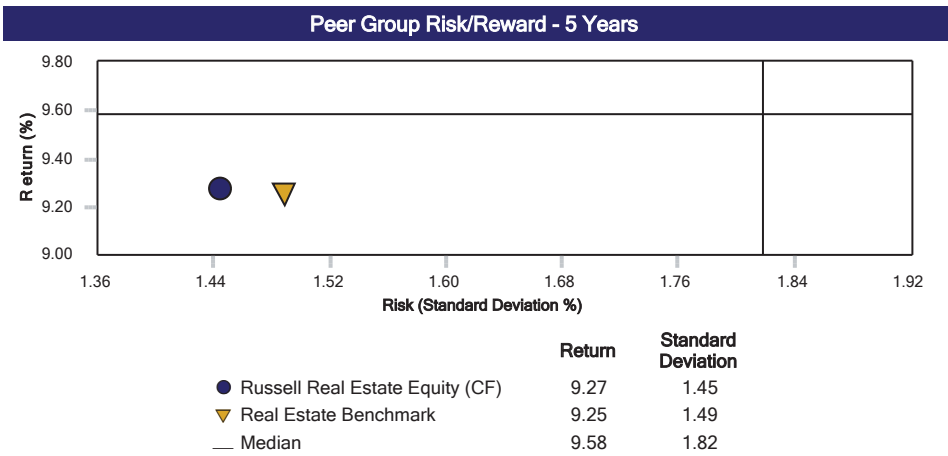
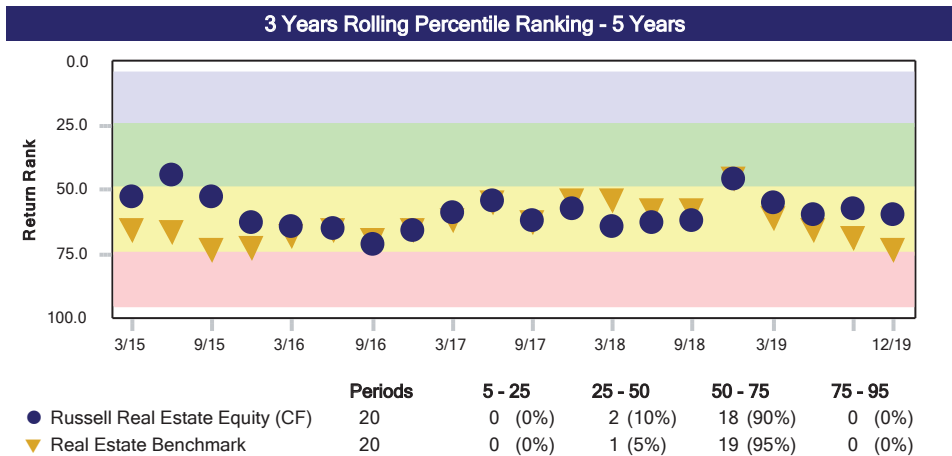
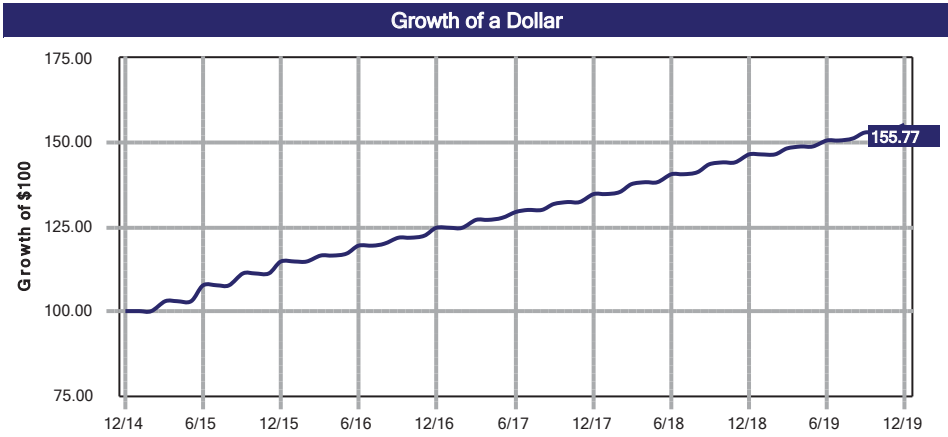
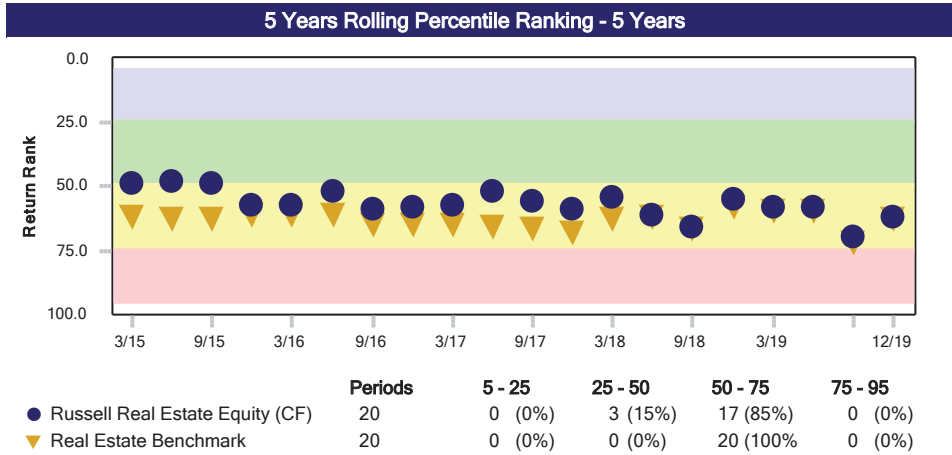
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Russell Multi-Manager Bond (CF)	3.73	3.33	0.47	1.07	0.82	96.36	110.43
Fixed Income Benchmark	3.05	3.04	0.00	1.00	0.67	100.00	100.00

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Russell Multi-Manager Bond (CF)	4.63	3.00	0.48	1.03	1.00	87.32	105.66
Fixed Income Benchmark	4.03	2.87	0.00	1.00	0.83	100.00	100.00



**Boynton Beach Police Pension Fund
Russell Real Estate Equity (CF)
December 31, 2019**



Historical Statistics - 5 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Russell Real Estate Equity (CF)	9.27	1.45	0.87	0.91	4.44	N/A	100.23
<i>Real Estate Benchmark</i>	<i>9.25</i>	<i>1.49</i>	<i>0.00</i>	<i>1.00</i>	<i>4.28</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)	7.63	0.54	1.72	0.80	7.40	N/A	103.94
<i>Real Estate Benchmark</i>	<i>7.34</i>	<i>0.59</i>	<i>0.00</i>	<i>1.00</i>	<i>6.84</i>	<i>N/A</i>	<i>100.00</i>



Boynton Beach Police Pension Fund
Glossary
December 31, 2019

- 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
December 31, 2019

-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
December 31, 2019**

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 relies on third party vendors to supply tax cost and market values, In the event that cost values are not available, market values may be used as a substitute.
9. BCA has not reviewed the risks of individual security holdings.
10. BCA investment reports are not indicative of future results.
11. Performance rankings are time sensitive and subject to change.
12. Mutual Fund (MF), Collective Investment Trusts (CIT) and Exchange Traded Funds (ETF) are ranked in net of fee universes.
13. Separately Managed Account (SMA) and Commingled Fund (CF) returns are ranked in gross of fees universes.
14. Composite returns are ranked in universes that encompass both gross and net of fee returns.
15. Total Fund returns are ranked in a gross of fee universe.
16. 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.



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