

MINUTES

GENERAL EMPLOYEES' RETIREMENT COMMITTEE MEETING

TUESDAY - JUNE 16, 2015 - 3:00 PM

PRESENT

Larry Gordon
Lori Helton – Chair
Councilwoman Barbara Kramer
Kendra Woodroffe

ALSO PRESENT

Charlie Mulfinger – Graystone
Bob Sugarman – Sugarman & Susskind
Jayne Goldstein – Pomerantz LLP
Martin Lebowitz – Pension Administrator
Renaldo Gayle – Asst. Pension Admin.
Jose Smith – City Attorney
Steve Gordon – S.I. Gordon
Larry Wilson – GRS Actuary
Mark Rhein – Salem Trust

ABSENT

Councilman Frantz Pierre

DEPARTMENT REPRESENTATIVES

Janice Coakley

I. ROLL CALL

The meeting was called to order at 3:10 p.m. by Trustee Lori Helton, followed by a roll call of the Trustees by Martin Lebowitz.

II. PUBLIC COMMENTS

There were no public comments.

III. GRAYSTONE CONSULTING – Q/E 3/31/2015

Charlie Mulfinger started off by stating that there was slow growth this quarter. The reason was whether the plan was heavy in energy or not. The plan is slightly overweight in the two Large Caps and Mid Cap but underweight in the Small Cap and Internationals. The plan is currently at 60.83% in stocks versus the target of 60%. This means rebalancing is not necessary because the plan is within range. Fixed income, Hedge Funds, and Real Estate are also within range. He presented the performance report, indicating a total portfolio market value on 3/31/2015 of \$79,576,489 (including accrued income). This represents a net increase in value from the previous quarter of \$752,046. The plan made money during the quarter but less than the benchmark. **Please see attached Summary of Relevant Facts as of March 31, 2015.**

Mr. Mulfinger requested an increase in his consulting fees from \$27,500 to \$32,500 per year with a 3 year guarantee.

After discussion, motion by Trustee Barbara Kramer, seconded by Trustee Larry Gordon, to approve the increase of consulting fees for Graystone Consulting from \$27,500 to \$32,500 per year with a 3 year guarantee.

Motion carried unanimously

IV. PLAN ACTUARY'S REPORT – GRS 10/1/2014 VALUATION

Larry Wilson provided a summation of the October 1, 2014 actuarial valuation report and discussed new legislation. He mentioned that the required contribution for fiscal year ending September 30, 2016 is \$4,010,672. Historically, the City was contributing a percentage of pay as opposed to a fixed dollar amount. Last year the contribution was based on a fixed dollar amount. Despite both being appropriate for the plan currently, the State is recommending that the City not switch back and forth. The City should stick with one approach.

He stated that the contributions have gone down for this fiscal year. There was an actuarial gain this year, which means that the plan outperformed the actuarial assumptions. The gain was the result of investment returns. The market value exceeded the 7.75% assumption. Compared to last year, there were no changes in assumptions or methods. There is an actuarial gain of \$314,175.

The trustees had no questions or concerns regarding the report and Trustee Larry Gordon made a motion, seconded by Trustee Barbara Kramer, to accept and adopt the October 1, 2014 valuation report.

Motion carried unanimously

After the vote, Mr. Wilson stated that there are new requirements based on Senate Bill 534 that need to be addressed. One of the requirements is that the City's website provide certain pension information. Mr. Wilson will prepare the information they are looking for so it can be added to the City's pension website.

V. AUDITOR'S REPORT – 9/30/2014

Steve Gordon, CPA presented the September 30, 2014 Annual Financial Statement Audit. He opened up by stating that it is an unmodified opinion and this is what the Trustees, City and State are looking for. He went on to discuss the information in the report.

Trustee Larry Gordon asked if his concerns were resolved as it relates to Salem Trust audit. Mr. Sugarman also asked about the condition of the plan's books and records. Mr. Gordon's response was that the books and records are excellent. He was able to resolve all of his concerns and the pension office and Graystone have been very helpful.

Trustee Lori Helton asked if there were any negative impacts to the plan as a result of Salem's adverse opinion and what recommendations does he have going forward as to how the board should proceed with Salem Trust. Mr. Gordon said there was no negative impact other than the additional \$500 fee that will be covered by Salem Trust. He added that the board should give careful consideration and document their decisions regarding Salem Trust as it relates to keeping their services or not. The board should have rational reasons for retaining or discontinuing the services of Salem Trust.

Motion by Trustee Barbara Kramer, seconded by Trustee Larry Gordon, to accept the Annual Financial Statement Audit for the fiscal year ending September 30, 2014.

Motion carried unanimously

Mr. Sugarman told the trustees to ensure that they keep a copy of the audit in a safe place for a minimum of five years.

VI. ROCKWELL CLASS ACTION UPDATE

Jayne Goldstein of Pomerantz LLP came forward and presented an update on the Rockwell Class Action lawsuit. She stated that just prior to filing the suit, there were two similar ones filed in New Jersey. They worked with the plaintiffs in New Jersey and hired experts to review the merger. The result was that there were updated financial disclosures made and it was a fair deal. Both Pomerantz and other parties were satisfied with the disclosures and believed it was a good deal for the company. The matter will be settled and there was no cost to the pension fund.

VII. PENSION ATTORNEY'S REPORT

Mr. Sugarman started off by saying that the Board should consider the McGraw-Hill case as there is a recommendation for filing a lawsuit from the Plan's securities lawyers. He then introduced Mark Bogen of Spector Roseman Kodroff & Willis (SRKW) to address the board and provide details.

Mr. Bogen reminded the board that in 2011 they authorized his firm to do a books and records request against McGraw-Hill. This procedure allowed the firm to investigate and get documents from the company before proceeding with a lawsuit. He informed the board that McGraw-Hill fought against the request in court and won. However, his firm appealed and won the case. SRKW is now recommending the filing of a shareholder derivative lawsuit. This would be a lawsuit against the directors of McGraw-Hill and the officers who are responsible for stopping wrongful conduct. This is not a lawsuit against the company itself. Mr. Bogen informed the board that this will not cost the pension fund as it will be on a contingency basis. Mr. Sugarman disclosed that his firm will also work on the case as a local counsel on a contingency basis with

his firm's fee, if any, to come out of SRKW's fees and be fully disclosed to the Trustees when and if received.

Mr. Sugarman informed the board that it is their decision whether or not to participate in the lawsuit. Also, they have to maintain a sufficient amount of shares. Mr. Robert Roseman of SRKW called in via speakerphone, discussed the case and his firm's recommendation to file suit, and stated that he recommends a minimum of 10 shares.

After discussion, motion by Trustee Larry Gordon, seconded by Trustee Barbara Kramer, that based upon the recommendation of SRKW and contingent upon the fund having a minimum of 10 shares, the trustees authorize the filing of a derivative suit against the officers of Standard and Poor's and McGraw-Hill and authorize the chairman to sign the necessary documents and engagement letter on a contingent fee basis as explained with all costs, expenses and fees to be paid by SRKW should they lose or, if they win or settle, to be paid by the defendants in accordance with the order of the court.

Motion carried unanimously

Mr. Sugarman reported that after two years, the IRS has given the plan a favorable determination letter. This means that the plan will be in compliance with IRS regulations once the ordinance is amended. The letter is good through January 2019.

The IRS has finished its examination of the DROP issues. They have concluded that the pension fund is in compliance in this regard.

Mr. Sugarman also discussed Carlos Diaz, an employee who is in the process of switching to part-time status but is currently paying for 4 years of permissive service. The conclusion was that he can continue to pay for the 4 years of service while being a part-time employee. Mr. Diaz also wanted to know if he can have a refund of his employee contributions made after October 1, 2013. The answer to his question is no.

Mr. Sugarman informed the board of another employee, Marsha Alexander. She is currently in the DROP and out on disability but is expected to return on a part-time basis. Ms. Alexander wishes to commence her pension benefit and work as a part-time employee. He stated that each situation is fact-specific and he would like a list of all employees that are working part-time and collecting pension benefits to conduct additional research. The pension office will work with the HR department to gather this information for him.

Mr. Sugarman stated that Attorney Pedro Herrera will be in attendance at the next meeting because he will be on medical leave. He will return on December 8th.

VIII. SALEM TRUST COMPANY – REPORT ON CONTROL SYSTEMS

Mark Rhein is the Chief Operating Officer of Salem Trust and he spoke on behalf of Brad Rinsem, President of Salem Trust. Mr. Rhein started off by stating that there was no impact on the plan due to Salem's difficulties aside from the \$500 additional CPA fee that Salem will cover. He provided some historical information about computer system conversions in the past that also did not have any impact on the plan. He summed it up that the reason for the adverse opinion was the lack of the source documentation at the time of the audit. He added that the report from Salem's auditors did not assert that income and dividends were not correctly collected and trades were not performed correctly.

IX. DROP ADMINISTRATIVE RULES

The new DROP Administrative Rules were tabled for the next meeting. It was decided that there should be additional changes to the document. Mr. Sugarman and Trustee Helton decided that they will have a meeting prior to the next pension meeting to discuss additional changes.

X. ASST. PENSION ADMININ. CONTRACT – ANNUAL SALARY REVIEW

The Assistant Pension Administrator's contract was presented to the board for review. Trustee Helton reminded the board that at the February 24, 2015 meeting it was decided that the chair would meet with the chair of the Police & Fire board and Renaldo Gayle to discuss a recommendation regarding his employment contract. The recommendation was a \$1,500 salary increase retroactive to January 6, 2015 and an annual increase of 3% until January 2018.

After discussion, motion by Trustee Barbara Kramer, seconded by Trustee Larry Gordon, to approve a salary increase \$1,500 retroactive to January 6, 2015 and an annual increase of 3% until January 2018.

Motion carried

XI. OPEN DISCUSSION

There was no open discussion.

XII. APPROVAL OF MINUTES – 2/24/2015

Motion by Trustee Barbara Kramer, seconded by Trustee Larry Gordon, to accept the minutes of 2/24/2015.

Motion carried

XIII. APPROVAL OF INVOICES

Motion by Trustee Barbara Kramer, seconded by Trustee Larry Gordon, to approve payment of all invoices except Salem Trust custodian fees.

<u>INVOICES:</u>	<u>Motion carried</u>
Sawgrass – Investment Management Fees (Large Cap Growth)	10,459.00
Wedgewood – Investment Management Fees (Large Cap Growth)	9,844.00
Garcia Hamilton – Investment Management Fees (Fixed Income)	11,227.01
Buckhead Capital – Investment Management Fees (Large Cap Value)	12,780.88
GW Capital – Investment Management Fees (Small Cap Value)	7,316.56
Harding Loevner – Investment Management Fees (Int'l Growth)	7,870.00
Thornburg Management – Investment Management Fees (Int'l Value)	6,044.21
MDT – Investment Management Fees (Mid Cap Growth)	9,030.90
Gabriel, Roeder, Smith & Co. – Actuary Fees	7,662.00
Sugarman & Susskind – Legal Fees	6,600.00
Salem Trust Co. – Custodian Fees – 12/31/2014 <i>**kept on from 2/24/14**</i>	8,267.44
Salem Trust Co. – Custodian Fees – 3/31/2015	8,343.96
<i><u>Checks already issued since last meeting, for ratification by board:</u></i>	
Morgan Stanley Smith Barney (Graystone) – Consulting Fees	\$ 6,875.00
City of NMB – Health/Dental/Group Life Premiums (R. Gayle, Mar. 2015)	230.34
City of NMB – Health/Dental/Group Life Premiums (R. Gayle, Apr. 2015)	230.34
City of NMB – Health/Dental/Group Life Premiums (R. Gayle, May 2015)	230.34
City of NMB – Health/Dental/Group Life Premiums (R. Gayle, Jun. 2015)	230.34
Petty Cash	25.00
United Members Insurance	11,826.90
Office Depot – Supplies	173.98
Workers Compensation	35.48
FPPTA – Rental Cars (Lebowitz & Gayle)	288.66
<u>TOTAL</u>	<u>\$125,592.34</u>

The next scheduled meeting is on August 3, 2015. Meeting was adjourned at 5:55 p.m.

Renaldo Gayle, Asst. Pension Administrator

SUMMARY OF RELEVANT FACTS
City of North Miami Beach General Employees' Retirement Plan
As of March 31, 2015

Distribution of Assets:

Equity	
- Large Cap. Value	\$16,041,170
- Large Cap. Growth	\$16,201,050
- Small Cap. Value	\$3,942,755
- Mid Cap Growth	\$4,516,407
- International Value	\$3,768,754
- International Growth	\$3,932,712
Total Equity	\$48,402,848
Fixed Income	\$17,982,826
Hedge Fund of Funds	\$7,487,793
Core Private Real Estate	\$5,169,099
Cash (R&D/Residuals)	\$523,922
Total Portfolio	\$79,576,489

Distribution by Percentages:

Equity Breakdown	Policy	Current
- Large Cap. Value	20.00%	20.16%
- Large Cap. Growth	20.00%	20.36%
- Small Cap. Value	5.00%	4.95%
- Mid Cap Growth	5.00%	5.68%
- International Value	5.00%	4.74%
- International Growth	5.00%	4.94%
Total Equity	60.00%	60.83%
Fixed Income	22.50%	22.60%
Hedge Fund of Funds	10.00%	9.42%
Core Private Real Estate	7.50%	6.50%
Cash (R&D/Residuals)	0.00%	0.66%
Total Portfolio	100.00%	100.00%

Other Important Facts:

Total Portfolio	\$79,576,489
Total Gain or (Loss) (Gross-of-Fees)	\$1,374,003
Total Gain or (Loss) (Net-of-Fees)	\$1,284,422
Total Fees	(\$89,582)

Buckhead (Large Cap Value)

Total Assets	100.00%	\$16,041,170	100.00%	\$7,834,085
Equity	99.50%	\$15,960,509	97.31%	\$7,623,599
Cash	0.50%	\$80,661	2.69%	\$210,486
Fees		(\$12,861)		(\$10,415)
Gain or (Loss) - Gross		\$97,361		\$64,503
Gain or (Loss) - Net		\$84,499		\$54,088

Wedgewood (Large Cap Growth)

Total Assets	100.00%	\$3,942,755	100.00%	\$3,942,755
Equity	99.27%	\$3,913,824	99.27%	\$3,913,824
Cash	0.73%	\$28,931	0.73%	\$28,931
Fees		(\$6,277)		(\$7,332)
Gain or (Loss) - Gross		\$137,031		\$64,066
Gain or (Loss) - Net		\$126,794		\$56,734

Sawgrass (Large Cap Growth)

Total Assets	100.00%	\$8,366,965	100.00%	\$8,366,965
Equity	99.21%	\$8,300,688	99.27%	\$8,300,688
Cash	0.79%	\$66,277	0.73%	\$66,277
Fees		(\$10,237)		(\$10,237)
Gain or (Loss) - Gross		\$137,031		\$64,066
Gain or (Loss) - Net		\$126,794		\$56,734

GW Capital (Small Cap Value)

Total Assets	100.00%	\$3,768,754	100.00%	\$4,516,407
Equity	95.70%	\$3,606,782	99.43%	\$4,490,629
Cash	4.30%	\$161,971	0.57%	\$25,778
Fees		(\$6,042)		(\$8,825)
Gain or (Loss) - Gross		\$154,664		\$167,988
Gain or (Loss) - Net		\$148,621		\$159,164

Thornburg (Int'l Value)

Total Assets	100.00%	\$3,768,754	100.00%	\$4,516,407
Equity	95.70%	\$3,606,782	99.43%	\$4,490,629
Cash	4.30%	\$161,971	0.57%	\$25,778
Fees		(\$6,042)		(\$8,825)
Gain or (Loss) - Gross		\$154,664		\$167,988
Gain or (Loss) - Net		\$148,621		\$159,164

MDT (Mid Cap Growth)

Total Assets	100.00%	\$17,982,826	100.00%	\$3,932,712
Fixed Income	99.88%	\$17,961,244	99.22%	\$3,902,153
Cash	0.12%	\$21,582	0.78%	\$30,560
Fees		(\$11,053)		(\$7,750)
Gain or (Loss) - Gross		\$301,084		\$193,965
Gain or (Loss) - Net		\$290,030		\$186,215

Garcia Hamilton (Fixed Income)

Total Assets	100.00%	\$3,768,754	100.00%	\$4,516,407
Equity	95.70%	\$3,606,782	99.43%	\$4,490,629
Cash	4.30%	\$161,971	0.57%	\$25,778
Fees		(\$6,042)		(\$8,825)
Gain or (Loss) - Gross		\$154,664		\$167,988
Gain or (Loss) - Net		\$148,621		\$159,164

Harding Loevner (Int'l Growth)

Total Assets	100.00%	\$3,768,754	100.00%	\$4,516,407
Equity	95.70%	\$3,606,782	99.43%	\$4,490,629
Cash	4.30%	\$161,971	0.57%	\$25,778
Fees		(\$6,042)		(\$8,825)
Gain or (Loss) - Gross		\$154,664		\$167,988
Gain or (Loss) - Net		\$148,621		\$159,164

Pine Grove (HFOF)

Total Assets	100.00%	\$3,768,754	100.00%	\$4,516,407
HFOF	100.00%	\$3,768,754	100.00%	\$4,516,407
Fees		\$0		\$0
Gain or (Loss) - Gross		\$21,771		\$21,771
Gain or (Loss) - Net		\$21,771		\$21,771

Receipts & Disbursements Acct

Total Assets	\$523,922
Cash	\$523,922
Gain or (Loss) - Gross	\$0

UBS (Core Private Real Estate)

Total Assets	100.00%	\$5,169,099	100.00%	\$3,729,289
Private Real Estate	100.00%	\$5,169,099	100.00%	\$3,729,289
Fees		(\$15,065)		\$0
Gain or (Loss) - Gross		\$150,166		\$21,404
Gain or (Loss) - Net		\$135,101		\$21,404

Private Advisors (HFOF)

Total Assets	\$3,729,289
Cash	\$3,729,289
Gain or (Loss) - Gross	\$0
Gain or (Loss) - Net	\$21,404

Breakdown of Returns
City of North Miami Beach General Employees' Retirement Plan
As of March 31, 2015

Fund Name	Your Returns		Your Returns		Russ 1000 Value	PSN Money Mgrs	S&P 500
	Gross-of-Fees	Net-of-Fees	Russ 1000 Growth	PSN Money Mgrs			
Buckhead Large Cap. Value							
	Quarter	0.60	0.52	(0.72)	0.25	0.96	
	1 year	8.87	8.53	9.34	9.56	12.75	
	3 year	13.81	13.35	16.44	16.01	16.12	
	5 year	11.46	10.95	13.76	14.09	14.47	
	Since 9/30/2006	6.30	5.78	6.13	7.80	7.56	
Wedgewood Large Cap. Growth							
	Quarter	0.78	0.65	3.84	3.58		
	Since 10/31/2014	2.58	2.44	6.01	NA		
Sawgrass Large Cap. Growth							
	Quarter	1.65	1.52	3.84	3.58		
	Since 10/31/2014	4.69	4.56	6.01	NA		
GW Capital Small Cap. Value							
	Quarter	1.64	1.45	1.98	3.20		
	1 year	(1.53)	(2.27)	4.43	7.77		
	3 year	13.84	13.01	14.78	15.94		
	5 year	12.16	11.34	12.53	15.46		
	Since 2/28/2009	20.87	20.02	21.34	NA		
MDT Advisers Mid Cap. Growth							
	Quarter	3.83	3.62	5.38	5.38		
	1 year	15.23	14.33	15.57	13.34		
	3 year	20.35	19.41	17.42	16.38		
	5 year	21.56	20.62	16.44	16.38		
	Since 5/31/2009	24.50	23.57	20.06	NA		
Thornburg International Value							
	Quarter	4.28	4.11	3.49			
	1 year	0.76	0.13	(1.03)			
	3 year	6.18	5.51	6.41			
	5 year	6.02	5.35	4.82			
	Since 9/30/2009	6.67	6.02	5.37			

GW Capital
Small Cap.
Value

Harding Loevner International Growth		MSCI AC Wld x US		
Quarter	5.11	4.90	3.49	
1 year	5.32	4.50	(1.03)	
3 year	8.57	7.72	6.41	
5 year	7.77	6.93	4.82	
Since 3/31/2009	14.06	13.21	12.58	
Garcia Hamilton & Associates Fixed Income		BC Int. Gov/Credit	BC Int. Aggregate	90-Day T-Bill
Quarter	1.70	1.64	1.32	0.01
1 year	5.10	4.84	3.58	0.03
3 year	4.75	4.48	2.31	0.05
5 year	5.30	5.03	3.52	0.07
Since 2/28/2009	6.48	6.22	4.18	0.08
Private Advisors Alternative Investments		HFRI FOF Con		
Quarter	0.58	0.58	1.82	
1 year	(0.13)	(0.13)	3.65	
Since 10/31/2013	1.94	1.94	4.71	
Pine Grove Alternative Investments		HFRI FOF Con		
Quarter	0.58	0.58	1.82	
1 year	0.55	0.55	3.65	
Since 11/30/2013	3.13	3.13	4.38	
UBS Trumbull Property Fund Core Private Real Estate		NCREIF	ODCE	
Quarter	2.99	2.68	3.57	3.39
1 year	12.16	10.85	12.72	13.45
Since 7/31/2012	11.18	9.96	11.88	12.84

TOTAL RETURN					
Time-Weighted Return (TWR)					
	1.74	1.63	Policy Index	Composite Index	
Quarter			2.17	2.17	
1 year	7.70	7.26	8.15	8.26	
3 year	10.02	9.53	10.57	10.65	
5 year	9.78	9.28	9.91	10.06	
Since 9/30/2006	7.12	6.73	6.73	7.26	
Dollar-Weighted Net (IRR)					
			Actuarial Rate	CPI + 4	
Quarter			1.88	0.75	
1 year	7.28	7.75	7.75	3.99	
3 year	9.53	7.75	7.75	4.99	
5 year	9.27	7.75	7.75	5.60	
Since 9/30/2006	6.67	7.75	7.75	5.78	

Policy Index Composition

- 20% Russ 1000 Value / 20% Russ 1000 Growth / 5% Russ 2000 Value / 5% Russ Mid Growth / 10% MSCI AC Wd x US (net) / 22.5% BC Int G/C / 10.0% HFRI FOF Cont / 7.5% NCREIF for periods since 10/31/2013
- 20% Russ 1000 Value / 20% Russ 1000 Growth / 5% Russ 2000 Value / 5% Russ Mid Growth / 10% MSCI AC Wd x US (net) / 40% BC Int G/C for periods from 9/30/2009 to 6/30/2012
- 20% Russ 1000 Value / 20% Russ 1000 Growth / 5% Russ 2000 Value / 5% Russ Mid Growth / 5% MSCI EAFE (net) / 5% MSCI AC Wd x US (net) / 40% BC Int G/C for periods from 5/31/2009 to 9/30/2009
- 20% Russ 1000 Value / 20% Russ 1000 Growth / 5% Russ 2000 Value / 5% Russ 2000 Growth / 10% MSCI EAFE (net) / 40% BC Int G/C for periods from 2/28/2009 to 5/31/2009
- 12.5% Russ 1000 Value / 27.5% Russ 1000 Growth / 5% Russ Mid Value / 5% Russ 2000 Growth / 10% MSCI EAFE (net) / 20% BC Int G/C / 20% BC Agg for periods prior to 2/28/2009

COMPLIANCE CHECKLIST

City of North Miami Beach General Employees' Retirement Plan

As of March 31, 2015

GUIDELINES	In Compliance
Equity Portfolio	
Listed on recognized exchange	Yes
Single issue not to exceed 10% at market value for each equity in each separately managed portfolio	Yes
Total equity portfolio < 62.5% & > 57.5% of total fund at market	Yes
Single issue not to exceed 5% at market value for the total portfolio	Yes
Foreign equities < 25% of total portfolio at market	Yes
Buckhead	
Large Capitalization Value Equity Portfolio	
Market Value < 22.5% & > 17.5% of total fund	Yes
Performance (Inception 9/30/2006)	Since Inception No
Rank in the Top 50% of manager universe	No
Return > Russell 1000 Value	Yes
Wedgewood	
Large Capitalization Growth Equity Portfolio	
Market Value < 11.25% & > 8.75% of total fund	Yes
Performance (Inception 10/31/2014)	Since Inception No
Rank in the Top 50% of manager universe	No
Return > Russell 1000 Growth	No
Sawgrass	
Large Capitalization Growth Equity Portfolio	
Market Value < 11.25% & > 8.75% of total fund	Yes
Performance (Inception 10/31/2014)	Since Inception No
Rank in the Top 50% of manager universe	No
Return > Russell 1000 Growth	No
GW Capital	
Small Capitalization Value Equity Portfolio	
Market Value < 7.5% & > 2.5% of total fund	Yes
Performance (Inception 2/28/2009)	Since Inception No
Rank in the Top 50% of manager universe	No
Return > Russell 1000 Growth	No
MDT Advisers	
Mid Capitalization Growth Equity Portfolio	
Market Value < 7.5% & > 2.5% of total fund	Yes
Performance (Inception 5/31/2009)	Since Inception No
Rank in the Top 50% of manager universe	Yes
Return > Russell 2000 Growth	Yes
UBS	
Private Real Estate	
Market Value < 10.0% & > 0.0% of total fund	Yes
Performance (Inception 7/31/2012)	3 year N/A
Performance > NCREIF Ppty Index	No
Performance > NCREIF ODCE	No

OBJECTIVES	In Compliance
Total Portfolio	
Exceed Target Index	3 years No
Exceed actuarial assumption (7.75%)*	Yes
Exceed CPI + 4%*	No
* Measured using Net Dollar-Weighted Rate of Return	Yes
Thornburg	
International Value Equity Portfolio	
Market Value < 7.5% & > 2.5% of total fund	Yes
Performance (Inception 9/30/2009)	Since Inception No
Return > MSCI EAFE (Net)	Yes
Harding Loevner	
International Growth Equity Portfolio	
Market Value < 7.5% & > 2.5% of total fund	Yes
Performance (Inception 3/31/2009)	Since Inception Yes
Return > MSCI All Country World ex US	Yes
Garcia Hamilton & Associates	
Fixed Income Portfolio	
Market Value < 25.0% & > 20.0% of total fund	Yes
Performance (Inception 2/28/2009)	Since Inception Yes
Return > Barclays Cap Intern. Gov/VCredit	Yes
U.S. Government / Agency or U.S. Corporations	Yes
Bonds rated "A" or better	Yes
Single corporate issuer not exceed 10% of bond portfolio (except U.S. Government/Agency)	Yes
Private Advisors	
Hedge Fund of Funds	
Market Value < 5.0% & > 0% of total fund	Yes
Performance (Inception 10/31/2013)	Since Inception No
Performance > HFRI FOF Conservative	N/A
Pine Grove	
Hedge Fund of Funds	
Market Value < 5.0% & > 0% of total fund	Yes
Performance (Inception 11/30/2013)	Since Inception No
Performance > HFRI FOF Conservative	N/A