

MINUTES

GENERAL EMPLOYEES' RETIREMENT COMMITTEE MEETING

THURSDAY - JUNE 2, 2016 - 3:00 PM

PRESENT

Lori Helton – Chair
Kendra Woodroffe
Larry Gordon
Councilwoman Marlen Martell
Councilwoman Barbara Kramer

ALSO PRESENT

Charlie Mulfinger/Scott Owens – Graystone
Pedro Herrera – Sugarman & Suskind
Martin Lebowitz – Pension Administrator
Renaldo Gayle – Asst. Plan Administrator
Jose Smith – City Attorney
Kelly Adams – GRS
Eric Leventhal – Kabat Schertzer
Brad Rinsem – Salem Trust
Christopher Mackay/Laura Baird – Private Adv.

ABSENT

DEPARTMENT REPRESENTATIVES

I. ROLL CALL

The meeting was called to order at 3:03 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.

Trustee Lori Helton stated that Salem Trust will be taken out of order and allowed to present first. The trustees agreed.

III. SALEM TRUST – GLOBE TAX INFO.

Mr. Brad Rinsem is the president and CEO of Salem Trust Company. He presented the board with information on Globe Tax. Salem has partnered with Globe Tax in order to recover tax related expenditures on behalf of their clients. As it relates to the pension plan, there is approximately \$40,000 available to be reclaimed as of September 30, 2015. If the board decides to sign up for the service, they will monitor foreign tax investment activity on a monthly basis, calculate any taxes that are paid and file a reclaim for the amount. The service is paid for when a claim is made. If there are no funds claimed, only an annual fee of \$200 per account is

charged. There is an initial filing fee of \$85 that is paid to the taxing authority in the United States. Globe Tax charges 20% of any collected funds and Salem Trust charges 5%. Mr. Rinsem is recommending that the board sign up for the service.

Trustee Barbara Kramer wanted to know if other plans around the state have signed up for this service with Salem. Mr. Rinsem said that there are about 25 plans that have signed up for the service so far. He added that he will follow up with a complete list.

Trustee Larry Gordon asked about due diligence on the part of the pension attorney. His response was that there has been no due diligence as it relates to Globe Tax on their part as this presentation was the first time the matter had been raised. He said that although he cannot provide a legal opinion on the company itself as his office is not a forensic auditor and valuing companies was outside of the purview of their role as pension attorneys, he will perform some cursory research and have it available for the next pension meeting. He also advised that the pension fund would not be engaging Globe Tax directly and the pension fund's agreement was and remained solely with Salem Trust as its custodian. Globe Tax was a service provider to Salem Trust only. All fees paid by the pension fund would be paid directly to Salem. Any due diligence was presumably performed by Salem prior to entering into their service agreement. If anything went wrong with respect to Globe Tax, the pension fund's claim would be against Salem directly and exclusively. Pension fund counsel requested Mr. Rinsem to confirm that these understandings were accurate and he did so formally on the record. He stated that his company had vetted Globe Tax and any liability would fall on them as Salem was the entity that directly engaged Globe Tax and established a contractual relationship.

After discussion, motion by Trustee Larry Gordon, seconded by Trustee Barbara Kramer, to move forward with authorizing Salem Trust to utilize Globe Tax for foreign tax reclamations at the quoted fees pending the pension attorney's review and affirmative recommendation.

Motion carried unanimously

IV. GRAYSTONE CONSULTING – Q/E 3/31/2016

Charlie Mulfinger introduced representatives from Private Advisors. He stated they are in attendance to discuss the process of liquidating their fund. The board was recently notified of this by Mr. Mulfinger. The reason for liquidation is that they have large redemptions and they don't want any particular investment group to be treated unfairly. They want everyone to get their money back. The important part of this meeting was stressed because the board must decide where to put the funds upon receipt.

- **PRIVATE ADVISORS**

Christopher Mackay and Laura Baird introduced themselves to the board. A brief history of their investment strategies was provided. Mr. Mackay described it as a low volatility hedge fund. He provided the board with printouts of how Private Advisors performed relative to their peers. He stated that the fund underperformed and went into details about the contributing factors. Funds are available for redemption or liquidity semi-annually; December 31st and June 30th. As of June 30th, Private Advisors will no longer be charging any fees, however, the individual hedge fund managers comprising the portfolio will continue to charge its respective management fees. All capital will be returned to all clients. The goal now is to maximize the liquidity of the fund. He assured the board that the remaining portfolio will still remain invested in the strategy that they were hired for in order to maximize its value. Despite no fees being charged by Private Advisors, they will still have a team in place that will continue to monitor the investments but no new investments in underlying hedge funds will be made.

Scott Owens discussed the economy and market. He elaborated on the impact it has had on the previous quarters and stated that there was and will be a lot of volatility.

Mr. Mulfinger provided a performance summation of the individual managers for the quarter. The plan is slightly overweighted in Large Cap Value, Large Cap Growth, Small Cap Value, Mid Cap Growth, and International Growth. International Value is slightly underweighted. The plan is currently at 61.14% in stocks versus the target of 60%. Fixed Income, Hedge Funds and Real Estate are all within range. This means rebalancing is not necessary but asset allocation will have to be reviewed based on the decision of Private Advisors. He presented the performance report, indicating a total portfolio market value on 3/31/2016 of \$77,519,435 (including accrued income). This represents a net decrease in value from the previous quarter of \$831,972. **Please see attached Summary of Relevant Facts as of March 31, 2016.**

Mr. Mulfinger went on to discuss the next steps as it relates to the closing of the Private Advisors fund and asset allocation. The board has to make a decision regarding the 5% that is currently allocated to Private Advisors. He presented an Asset Allocation Analysis to the board. **See attached Asset Allocation Analysis.**

After discussion, motion by Trustee Larry Gordon, seconded by Trustee Marlen Martell, to split the 5% by increasing Real Estate by 2.5% and placing the other 2.5% into BlackRock.

Roll Call:

Trustee Barbara Kramer	Yes
Trustee Larry Gordon	Yes
Trustee Marlen Martell	Yes
Trustee Lori Helton	No
Trustee Kendra Woodroffe	No

Motion carried

The trustees then discussed changes to the investment policy. Legal counsel advised that based on state law, the new policy will become effective in 31 days (or 30 days from adoption).

Trustee Larry Gordon made motion, seconded by Trustee Marlen Martell to revise the Investment Policy Statement to reflect an increase in the Real Estate allocation to 10% and a decrease in the Hedge Funds of Funds to 7.5%. Also, adjust the ranges appropriately.

Motion carried unanimously

Mr. Mulfinger stated that the first 50% that comes in should fund real estate and should go in by September 30th. The remaining amount will go to BlackRock based on the new policy. He suggested that BlackRock attend the next meeting and make a presentation. He will work on getting them to attend. The trustees were all in agreement.

V. PLAN ACTUARY'S REPORT – GRS 10/1/2015 VALUATION REPORT

Kelly Adams provided a summation of the October 1, 2015 actuarial valuation report. The numbers are very similar to the October 1, 2014 valuation but contributions have gone down slightly for this fiscal year. She mentioned that the required contribution for fiscal year ending September 30, 2016 is \$3,839,638. One factor is that the contributions were made on a quarterly basis last year versus a one-time payment at the beginning of the fiscal year this year.

There was an actuarial gain this year of \$418,958, which means that the plan outperformed the actuarial assumptions.

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, 2015 valuation report setting forth the required City contribution for next fiscal year.

Motion carried unanimously

VI. AUDITOR'S REPORT – 9/30/2015

Eric Leventhal, CPA presented the September 30, 2015 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 briefly discussed the information in the report.

There being no questions or concerns from the trustees, they moved to approve the report.

Motion by Trustee Larry Gordon, seconded by Trustee Marlen Martell, to accept the Annual Financial Statement Audit for the fiscal year ending September 30, 2015.

Motion carried unanimously

VII. APPOINTMENT OF 5TH SEAT ON THE COMMITTEE

Mr. Lebowitz informed the board that the two years have expired for the 5th seat and it is time to make an appointment.

Trustee Marlen Martell made motion, seconded by Trustee Barbara Kramer to retain Trustee Larry Gordon as the 5th committee member.

Roll Call:

Trustee Marlen Martell	Yes
Trustee Barbara Kramer	Yes
Trustee Lori Helton	Yes

Motion carried

VIII. ATTORNEY'S REPORT

Mr. Herrera discussed a retiree that is requesting a change in the form of benefit her pension is based on. The retiree wants to change from a Joint & Contingent 100% to one of the lower options.

Mr. Lebowitz informed the board that he is in receipt of an opinion from the pension attorney that this change cannot be done.

The final decision by the trustees was that this cannot be done.

The pending disability case for Peter Sirjue was briefly discussed. The pension office is awaiting some final records from two hospitals before moving forward with an Independent Medical Exam.

Mr. Herrera reminded the board of the importance of filing the Financial Disclosure form and that Trustees should get a receipt when this is done. The form must be filed with the Supervisor of Elections office in the county that the trustee resides.

IX. MARIA WILSON – DEFERRED VESTED – BUYBACK OF 4 YEARS

Mr. Lebowitz discussed Maria Wilson's pending Buyback. He requested calculations from the actuary regarding the different costs associated with the options that Ms. Wilson has to pay off the Buyback. He presented the board with the details of each option and then asked if there are any issues or concerns with the pension office allowing Ms. Wilson to make payments towards the outstanding balance on a monthly basis. The trustees had no concerns about Ms. Wilson making monthly payments. If she decides not to move forward with purchasing the time, she will only get credit for what she already bought or receive a refund.

X. FIDUCIARY LIABILITY POLICY – ULLICO CASUALTY

Mr. Lebowitz informed the board that the policy has been paid in full and coverage runs from May 1, 2016 to May 1, 2017.

XI. OPEN DISCUSSION

There was no open discussion.

XII. APPROVAL OF MINUTES – 3/3/2016

Motion by Trustee Barbara Kramer, seconded by Trustee Larry Gordon, to accept the minutes of 3/3/2016.

Motion carried unanimously

XIII. APPROVAL OF INVOICES

Motion by Trustee Larry Gordon, seconded by Trustee Barbara Kramer, to approve payment of all invoices.

Motion carried unanimously

**General Employees'
Retirement Committee Meeting
June 2, 2016
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DESCRIPTION	AMOUNT
1. Morgan Stanley Smith Barney (Graystone) – Consulting Fees	\$8,125.00
2. Sawgrass – Investment Management Fees (Large Cap Growth)	9,937.66
3. Wedgewood – Investment Management Fees (Large Cap Growth)	9,387.00
4. Garcia Hamilton – Investment Management Fees (Fixed Income)	10,651.46
5. Buckhead Capital – Investment Management Fees (Large Cap Value)	21,061.20
6. GW Capital – Investment Management Fees (Small Cap Value)	6,976.55
7. GW Capital – Investment Management Fees (Small Cap Value) – Final Invoice	643.49
8. Harding Loevner – Investment Management Fees (Int'l Growth)	7,608.00
9. Thornburg Management – Investment Management Fees (Int'l Value)	6,066.73
10. MDT – Investment Management Fees (Mid Cap Growth)	8,246.21
11. Gabriel, Roeder, Smith & Co. – Actuary Fees	12,928.00
12. Sugarman & Susskind – Legal Fees	6,600.00
13. Salem Trust Co. – Custodian Fees	8,077.47
<u>Checks already issued since last meeting, for ratification by board:</u>	
14. City of NMB – Health/Dental/Group Life Premiums (R. Gayle, Apr. 2016)	224.83
15. City of NMB – Health/Dental/Group Life Premiums (R. Gayle, May 2016)	224.83
16. City of NMB – Health/Dental/Group Life Premiums (R. Gayle, June 2016)	224.83
17. Liability Insurance extension – United Members	1,971.65
18. Liability Insurance – United Members	12,115.00
19. Renaldo Gayle – FPPTA Airline Reimburse	122.10
20. Renaldo Gayle – FPPTA Per Diem	125.00
21. Office Depot – supplies	39.09
22. Renaldo Gayle – FPPTA Hotel and Cabs	732.77
23. FPPTA – Rental Car (Gayle)	90.75
TOTALS	\$132,179.62

The next scheduled meeting is on September 12, 2016. Meeting was adjourned at 6:14 p.m.

Renaldo Gayle, Asst. Pension Administrator

City of North Miami Beach General Employees' Retirement Plan

Asset Allocation Analysis

June 2, 2016

Risk / Return Characteristics		Mix 1	Mix 2	Current Target	Mix 3	Mix 4
7-Year Strategic Assumptions Return = 7.75% Actuarial Return + 0.55% Estimated Fees	Expected Return					
	Risk	5.0%	5.6%	5.7%	5.7%	5.8%
	Sharpe Ratio	10.9%	11.2%	11.2%	11.3%	11.3%
	Probability of Loss in Any Given Year	0.30%	0.33%	0.34%	0.35%	0.35%
20-Year Secular Assumptions Return = 7.75% Actuarial Return + 0.55% Estimated Fees	Probability > 8.30% ROR - Any Given Year	31.4%	30.0%	29.8%	29.5%	29.3%
	Expected Return	39.0%	41.1%	41.6%	42.0%	42.3%
	Risk	8.2%	8.4%	8.5%	8.5%	8.5%
	Sharpe Ratio	10.1%	10.3%	10.4%	10.5%	10.5%
Global Equities	Probability of Loss in Any Given Year	0.49%	0.49%	0.49%	0.50%	0.50%
	Probability > 8.30% ROR - Any Given Year	20.8%	20.8%	20.8%	20.8%	20.9%
	Expected Return	50.1%	51.0%	51.2%	51.3%	51.4%
	Risk					
Fixed Income	US Large Cap Value Equities	20.00%	20.00%	20.00%	20.00%	20.00%
	US Large Cap Growth Equities	20.00%	20.00%	20.00%	20.00%	20.00%
	US Small/Mid Cap Value Equities	5.00%	5.00%	5.00%	5.00%	5.00%
	US Mid Cap Growth Equities	5.00%	5.00%	5.00%	5.00%	5.00%
	International Value Equities	5.00%	5.00%	5.00%	5.00%	5.00%
	International Growth Equities	5.00%	5.00%	5.00%	5.00%	5.00%
	Total Equities	60.00%	60.00%	60.00%	60.00%	60.00%
	US Core Fixed Income	40.00%	27.50%	22.50%	22.50%	22.50%
	Total Fixed Income	40.00%	27.50%	22.50%	22.50%	22.50%
	Liquid Alternatives		5.00%	10.00%	7.50%	5.00%
Illiquid Alternatives	Total More Liquid Alternatives	0.00%	5.00%	10.00%	7.50%	5.00%
	Private Real Estate		7.50%	7.50%	10.00%	12.50%
	Total Illiquid Alternatives	0.00%	7.50%	7.50%	10.00%	12.50%
	TOTAL ASSETS	100.00%	100.00%	100.00%	100.00%	100.00%

IMPORTANT: The projections and other information generated by the Morgan Stanley Asset Allocation Center regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

SUMMARY OF RELEVANT FACTS
City of North Miami Beach General Employees' Retirement Plan
As of March 31, 2016

Distribution of Assets:	
Equity	
- Large Cap. Value	\$15,848,563
- Large Cap. Growth	\$15,746,073
- Small Cap. Value	\$3,920,745
- Mid Cap Growth	\$4,124,328
- International Value	\$3,844,308
- International Growth	\$3,911,643
Total Equity	\$47,395,660
Fixed Income	\$16,854,040
Hedge Fund of Funds	\$7,033,778
Core Private Real Estate	\$5,718,197
Cash (R&D/Residuals)	\$517,760
Total Portfolio	\$77,519,435

Distribution by Percentages:		
	Policy	Current
Equity Breakdown		
- Large Cap. Value	20.00%	20.44%
- Large Cap. Growth	20.00%	20.31%
- Small Cap. Value	5.00%	5.06%
- Mid Cap Growth	5.00%	5.32%
- International Value	5.00%	4.96%
- International Growth	5.00%	5.05%
Total Equity	60.00%	61.14%
Fixed Income	22.50%	21.74%
Hedge Fund of Funds	10.00%	9.07%
Core Private Real Estate	7.50%	7.38%
Cash (R&D/Residuals)	0.00%	0.67%
Total Portfolio	100.00%	100.00%

Other Important Facts:	
Total Portfolio	\$77,519,435
Total Gain or (Loss) (Gross-of-Fees)	\$916,767
Total Gain or (Loss) (Net-of-Fees)	\$817,839
Total Fees	(\$98,928)

Buckhead (Large Cap Value)	
Total Assets	100.00%
Equity	97.84%
Cash	2.16%
Fees	
Gain or (Loss) - Gross	
Gain or (Loss) - Net	

Sawgrass (Large Cap Growth)	
Total Assets	100.00%
Equity	97.78%
Cash	2.22%
Fees	
Gain or (Loss) - Gross	
Gain or (Loss) - Net	

Wedgehead (Large Cap Growth)	
Total Assets	100.00%
Equity	92.40%
Cash	7.60%
Fees	
Gain or (Loss) - Gross	
Gain or (Loss) - Net	

GW Capital (Small Cap Value)	
Total Assets	100.00%
Equity	91.84%
Cash	8.16%
Fees	
Gain or (Loss) - Gross	
Gain or (Loss) - Net	

MDT (Mid Cap Growth)	
Total Assets	100.00%
Equity	98.79%
Cash	1.21%
Fees	
Gain or (Loss) - Gross	
Gain or (Loss) - Net	

Thornburg (Int'l Value)	
Total Assets	100.00%
Equity	97.74%
Cash	2.26%
Fees	
Gain or (Loss) - Gross	
Gain or (Loss) - Net	

Garcia Hamilton (Fixed Income)	
Total Assets	100.00%
Fixed Income	99.17%
Cash	0.83%
Fees	
Gain or (Loss) - Gross	
Gain or (Loss) - Net	

Pine Grove (HFOF)	
Total Assets	100.00%
HFOF	100.00%
Fees	
Gain or (Loss) - Gross	
Gain or (Loss) - Net	

Receipts & Disbursements Acct	
Total Assets	\$517,760
Cash	\$517,760
Gain or (Loss) - Gross	\$0
Gain or (Loss) - Net	(\$81,570)

UBS (Core Private Real Estate)	
Total Assets	\$5,718,197
Private Real Estate	\$5,718,197
Fees	(\$16,707)
Gain or (Loss) - Gross	\$116,257
Gain or (Loss) - Net	\$99,550

Private Advisors (HFOF)	
Total Assets	\$3,517,808
Private Real Estate	\$3,517,808
Fees	\$0
Gain or (Loss) - Gross	(\$27,098)
Gain or (Loss) - Net	(\$27,098)

The prices, quotes or statistics contained herein have been obtained from sources believed reliable, however, the accuracy cannot be guaranteed. Past performance is not a guarantee of future results. Page 4

Breakdown of Returns
City of North Miami Beach General Employees' Retirement Plan
As of March 31, 2016

Buckhead Large Cap. Value	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			
Quarter	1.28	1.14	1.64	1.58	1.64	1.58	1.34
1 year	1.53	1.03	(1.55)	(1.65)	(1.55)	(1.65)	1.80
3 year	10.20	9.77	9.38	9.62	9.38	9.62	11.83
5 year	9.82	9.33	10.25	10.19	10.25	10.19	11.59
Since 9/30/2006	5.79	5.27	5.29	6.72	5.29	6.72	6.94
Wedgewood							
Large Cap. Growth	Russ 1000 Growth		PSN Money Mgrs				
Quarter	1.39	1.26	0.74	1.58	0.74	1.58	
1 year	(5.44)	(5.91)	2.53	(1.65)	2.53	(1.65)	
Since 10/31/2014	(2.13)	(2.56)	6.06	NA	6.06	NA	
Sawgrass							
Large Cap. Growth	Russ 1000 Growth		PSN Money Mgrs				
Quarter	3.18	3.05	0.74	1.58	0.74	1.58	
1 year	3.50	2.99	2.53	(1.65)	2.53	(1.65)	
Since 10/31/2014	5.82	5.36	6.06	NA	6.06	NA	
GW Capital							
Small Cap. Value	Russ 2000 Value		PSN Money Mgrs				
Quarter	(1.03)	(1.22)	1.70	3.15	1.70	3.15	
1 year	(11.89)	(12.56)	(7.72)	(4.48)	(7.72)	(4.48)	
3 year	0.62	(0.13)	5.73	9.15	5.73	9.15	
5 year	3.56	2.78	6.66	9.50	6.66	9.50	
Since 2/28/2009	15.59	14.77	16.74	NA	16.74	NA	
MDT Advisers							
Mfid Cap. Growth	Russ Mid Growth		PSN Money Mgrs				
Quarter	1.30	1.09	0.58	(1.73)	0.58	(1.73)	
1 year	(5.62)	(6.39)	(4.74)	(6.05)	(4.74)	(6.05)	
3 year	12.30	11.42	11.00	10.04	11.00	10.04	
5 year	12.64	11.76	10.00	9.21	10.00	9.21	
Since 5/31/2009	19.56	18.65	16.06	NA	16.06	NA	
Thornburg							
International Value	MSCI AC Wld x US		PSN Money Mgrs				
Quarter	(3.99)	(4.16)	(0.37)		(0.37)		
1 year	(7.11)	(7.72)	(9.18)		(9.18)		
3 year	1.62	0.97	0.32		0.32		
5 year	1.05	0.40	0.31		0.31		
Since 9/30/2009	4.43	3.78	2.99		2.99		

Harding Loevner International Growth		MSCI AC Wld x US					
Quarter	0.13	(0.09)	(0.37)				
1 year	(5.78)	(6.54)	(9.18)				
3 year	3.24	2.43	0.32				
5 year	3.02	2.21	0.31				
Since 3/31/2009	10.99	10.15	9.18				
Garcia Hamilton & Associates Fixed Income		BC Int. Gov/Credit		BC Int. Aggregate		90-Day T-Bill	
Quarter	2.96	2.89	2.45	2.31	0.06		
1 year	2.77	2.50	2.07	2.20	0.08		
3 year	3.28	3.01	1.83	2.14	0.05		
5 year	4.63	4.36	3.01	3.11	0.06		
Since 2/28/2009	5.95	5.68	3.88	4.10	0.08		
Private Advisors Alternative Investments		HFRI FOF Con		BG Agg			
Quarter	(0.77)	(0.77)	(2.04)	3.03			
1 year	(5.67)	(5.67)	(3.54)	1.96			
Since 10/31/2013	(1.28)	(1.28)	1.26	3.53			
Pine Grove Alternative Investments		HFRI FOF Con		BG Agg			
Quarter	(2.27)	(2.27)	(2.04)	3.03			
1 year	(6.70)	(6.70)	(3.54)	1.96			
Since 11/30/2013	(1.20)	(1.20)	0.95	3.82			
UBS Trumbull Property Fund Core Private Real Estate		NCREIF		ODCE		BG Agg	
Quarter	2.07	1.77	2.21	2.18	3.03		
1 year	11.92	10.62	11.85	13.66	1.96		
3 year	11.81	10.50	11.91	13.62	2.50		
Since 7/31/2012	11.39	10.14	11.87	13.06	2.12		

TOTAL RETURN				
Time-Weighted Return (TWR)				
		Policy Index	Composite Index	
Quarter	1.23	1.10	1.16	1.21
1 year	(0.63)	(1.12)	(0.19)	(0.17)
3 year	6.52	6.05	6.96	7.13
5 year	6.81	6.32	7.30	7.34
Since 9/30/2006	6.28	5.87	5.98	6.46
Dollar-Weighted Net (IRR)				
		Actuarial Rate	CPI + 4	
Quarter	1.06	1.88		1.06
1 year	(1.13)	7.75		5.24
3 year	6.14	7.75		4.89
5 year	6.37	7.75		5.32
Since 9/30/2006	5.86	7.75		5.72

Policy Index Composition

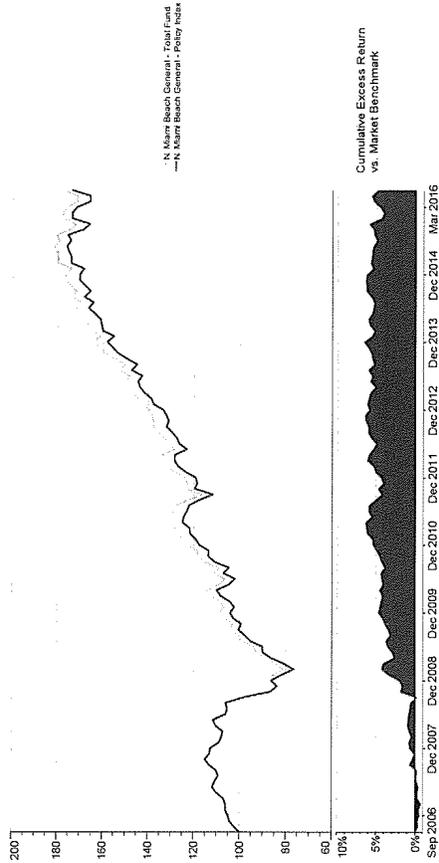
- 20% Russ 1000 Value / 20% Russ 1000 Growth / 5% Russ 2000 Value / 5% Russ Mid Growth / 10% MSCI AC Wd x US (net) / 22.5% BC Int G/C / 10.0% HFRI FOF Cont / 7.5% NCREIF for periods since 10/31/2013
- 20% Russ 1000 Value / 20% Russ 1000 Growth / 5% Russ 2000 Value / 5% Russ Mid Growth / 10% MSCI AC Wd 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 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

Risk/Return Analysis- Since Inception

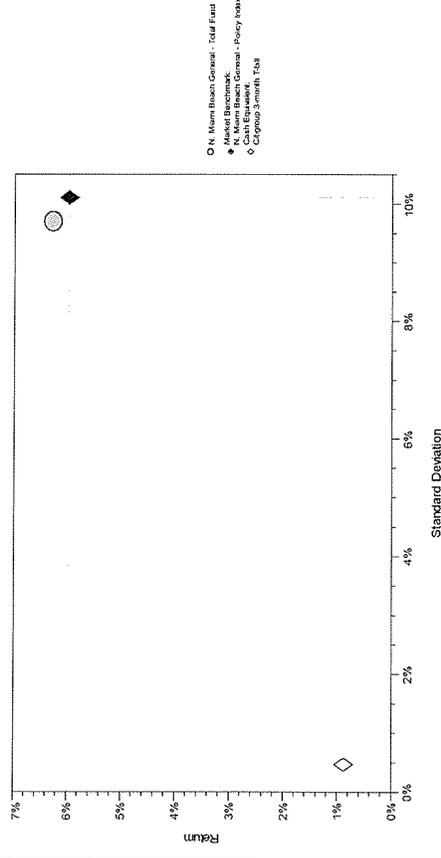
Zephyr StyleADVISOR

Zephyr StyleADVISOR - Graystone Consulting

Manager Performance
October 2006 - March 2016 (Single Computation)



Risk / Return
October 2006 - March 2016 (Single Computation)



Return & Risk Analysis

October 2006 - March 2016: Summary Statistics

	Return	Excess Return vs. Market	Standard Deviation	Beta vs. Market	Maximum Drawdown	Up Capture vs. Market	Down Capture vs. Market	Alpha vs. Market	Sharpe Ratio	R-Squared vs. Market
N. Miami Beach General - Total Fund	6.28%	0.30%	9.69%	0.95	-29.90%	99.85%	97.49%	0.58%	0.56	97.49%
N. Miami Beach General - Policy Index	5.98%	0.00%	10.10%	1.00	-33.40%	100.00%	100.00%	0.00%	0.51	100.00%

COMPLIANCE CHECKLIST

City of North Miami Beach General Employees' Retirement Plan

As of March 31, 2016

GUIDELINES	In Compliance	
	3 years	Since Inception
Equity Portfolio		
Listed on recognized exchange	Yes	Yes
Single issue not to exceed 10% at market value for each equity in each separately managed portfolio	Yes	No
Total equity portfolio < 62.5% & > 57.5% of total fund at market	Yes	Yes
Single issue not to exceed 5% at market value for the total portfolio	Yes	No
Foreign equities < 25% of total portfolio at market	Yes	Yes
Buckhead		
Large Capitalization Value Equity Portfolio		
Market Value < 22.5% & > 17.5% of total fund	Yes	Yes
Performance (Inception 9/30/2006)	3 years	Since Inception
Rank in the Top 50% of manager universe	Yes	No
Return > Russell 1000 Value	Yes	Yes
Wedgewood		
Large Capitalization Growth Equity Portfolio		
Market Value < 11.25% & > 8.75% of total fund	Yes	Yes
Performance (Inception 10/31/2014)	3 years	Since Inception
Rank in the Top 50% of manager universe	N/A	No
Return > Russell 1000 Growth	N/A	No
Sawgrass		
Large Capitalization Growth Equity Portfolio		
Market Value < 11.25% & > 8.75% of total fund	Yes	Yes
Performance (Inception 10/31/2014)	3 years	Since Inception
Rank in the Top 50% of manager universe	N/A	No
Return > Russell 1000 Growth	N/A	No
GW Capital		
Small Capitalization Value Equity Portfolio		
Market Value < 7.5% & > 2.5% of total fund	Yes	Yes
Performance (Inception 2/28/2009)	3 years	Since Inception
Rank in the Top 50% of manager universe	No	No
Return > Russell 1000 Growth	No	No
MDT Advisers		
Mid Capitalization Growth Equity Portfolio		
Market Value < 7.5% & > 2.5% of total fund	Yes	Yes
Performance (Inception 5/31/2009)	3 years	Since Inception
Rank in the Top 50% of manager universe	Yes	Yes
Return > Russell 2000 Growth	Yes	Yes
UBS		
Private Real Estate		
Market Value < 10.0% & > 0.0% of total fund	Yes	Yes
Performance (Inception 7/31/2012)	3 year	Since Inception
Performance > NCREIF/BC Agg	No	No
Performance > NCREIF ODCE	No	No
Performance > BC Aggregate	Yes	Yes
OBJECTIVES		
Total Portfolio		
Exceed Target Index	No	Yes
Exceed actuarial assumption (7.75%)*	No	No
Exceed CPI + 4%*	Yes	Yes
* Measured using Net Dollar-Weighted Rate of Return		
Thornburg		
International Value Equity Portfolio		
Market Value < 7.5% & > 2.5% of total fund	Yes	Yes
Performance (Inception 9/30/2009)	3 years	Since Inception
Return > MSCI EAFE (Net)	Yes	Yes
Harding Loevner		
International Growth Equity Portfolio		
Market Value < 7.5% & > 2.5% of total fund	Yes	Yes
Performance (Inception 3/31/2009)	3 years	Since Inception
Return > MSCI All Country World ex US	Yes	Yes
Garcia Hamilton & Associates		
Fixed Income Portfolio		
Market Value < 25.0% & > 20.0% of total fund	Yes	Yes
Performance (Inception 2/28/2009)	3 years	Since Inception
Return > Barclays Cap Interim. Govt/Credit	Yes	Yes
U.S. Government / Agency or U.S. Corporations	Yes	Yes
Bonds rated "A" or better	Yes	Yes
Single corporate issuer not exceed 10% of bond portfolio (except U.S. Government/Agency)	Yes	Yes
Private Advisers		
Hedge Fund of Funds		
Market Value < 5.0% & > 0% of total fund	Yes	Yes
Performance (Inception 10/31/2013)	3 years	Since Inception
Performance > HFRI FOF Conservative	N/A	No
Performance > BC Aggregate	N/A	No
Pine Grove		
Hedge Fund of Funds		
Market Value < 5.0% & > 0% of total fund	Yes	Yes
Performance (Inception 11/30/2013)	3 years	Since Inception
Performance > HFRI FOF Conservative	N/A	No
Performance > BC Aggregate	N/A	No

The information contained herein has been compiled from sources believed to be reliable, however, the accuracy or completeness cannot be guaranteed.