

MINUTES

**POLICE OFFICERS' & FIREFIGHTERS'
RETIREMENT COMMITTEE MEETING**

MONDAY – FEBRUARY 11, 2019 - 9:00 AM

PRESENT

Capt. Mo Asim – Chair
(Ret) Chief Linda Loizzo
Commissioner McKenzie Fleurimond
Sgt. Gary Kogan

ALSO PRESENT

Charlie Mulfinger – Graystone Consulting
Andy Mcilvaine – Graystone Consulting
Bob Sugarman – Sugarman & Susskind
Kevin Spanier – Conduent HR Services
David Kershner – Conduent HR Services
Martin Lebowitz – Pension Administrator
Renaldo Gayle – Pension Administrator
Israel Diaz – KSDT

ABSENT

Jamie Miller

DEPARTMENT REPRESENTATIVES

I. ROLL CALL

The meeting was called to order at 9:07 a.m. by Chairman Mo Asim, followed by a roll call of the Trustees by Martin Lebowitz.

II. PUBLIC COMMENTS

There were no public comments.

III. 175 PREMIUM & SUPPLEMENTAL TAX CALCULATIONS

Firefighter representative Bill Dresback handed out a sheet providing the breakdown of the supplemental funds received by cities in Florida. He informed the board that he spoke to the attorneys and state officials at the Division of Retirement in November regarding the reduction in supplemental funds being received. A discussion followed with the board, the fund's attorney and Mr. Dresback about the handout and what options are available to further look into the matter.

Attorney Bob Sugarman said his firm will look further into the possible solutions.

IV. GRAYSTONE CONSULTING – Q/E 12/31/2018

Mr. Mulfinger stated that the fund suffered some losses and it was one of the worst quarters in recent years. The impact of the losses throughout the quarter was discussed further as it

relates to the markets, individual managers and investment returns by Andy Mcilvaine and Scott Owens. A performance summation of the individual managers was provided for the quarter. International Growth, International Value, Large Cap Value, Large Cap Growth, Small/Mid Cap Value, and Mid Cap Growth are all underweighted. Relative to the target, the plan is currently underweighted at 55.33% in stocks. The plan is in range of the Investment Policy Statement and rebalancing is not necessary. He presented the performance report, indicating a total portfolio market value on 12/31/2018 of \$96,851,003 (including accrued income). This represents a net decrease in value from the previous quarter of \$6,172,716. **Please see attached Summary of Relevant Facts as of December 31, 2018.**

V. PENSION ATTORNEY'S REPORT

Mr. Sugarman provided the board with an update about items addressed by the firm since the last meeting. They were the following:

- Live Nation Books and Records Request is currently being processed.
- The new contract with Buck was reviewed but there were a few items that presented concerns. The document has \$2 million worth of liability but Buck only carries \$1 million worth of insurance. Also, a provision in the contract states that if a mistake of theirs is not discovered within a year, the fund cannot take action against Buck. Mr. Sugarman added that the firm will be writing to Buck to fix this issue. However, if not addressed, he will be recommending that the board conduct an RFP.

Motion by Trustee Linda Loizzo, seconded by Trustee Gary Kogan to authorize the chairman to seek RFPs if a satisfactory contract cannot be worked out with BUCK.

Motion carried unanimously

- The contract with Milliman has been reviewed and completed.
- The firm is in the middle of arranging a follow-up Independent Medical Exam for a disability recipient and is in contact with the attorney representing the client. Mr. Gayle reminded the board that the plan document calls for periodic medical review of all individuals receiving a disability benefit.
- Mr. Sugarman rendered an opinion regarding members asking about retroactively entering the DROP. He told the board that this cannot be done and provided the reason.

VI. KSDT – AUDITOR’S REPORT – 9/30/2018

Mr. Israel Diaz, CPA presented the September 30, 2018 Annual Financial Statement Audit. He opened by stating that the audit report is a draft version because they are awaiting the GASB 67 supplemental information to make it complete. The report is a clean and unmodified one. He went into additional details and briefly discussed the changes from the prior year. It was highlighted that there were slight decreases in administrative expenses. Specific mention was also made of the fund’s internal controls. KSDT’s analysis stated that there was nothing that presented a cause for concern and everything was operating the way it is expected. The fund made \$2.5 million over the fiscal year.

Motion by Trustee Linda Loizzo, seconded by Trustee Mo Asim, to approve the Annual Financial Statement Audit for the fiscal year ending September 30, 2018 pending receipt and inclusion of the GASB 67 report from the actuary.

Motion carried unanimously

VII. ACTUARY’S VALUATION REPORT – 10/01/2018

Mr. David Kershner and Kevin Spanier presented a summary of the October 1, 2018 actuarial valuation. The report develops the city’s contribution for fiscal 2020.

Based on the actuarial value of assets, the plan is approximately 70.0% funded as of 10/1/2018. This is down from 70.7% the previous year. However, adjustments resulted in the ratio falling to 69%. Per Ordinance 2010-22, if the funding ratio drops below 70%, the supplemental contribution will return to \$750,000. However, there is an extra contribution of \$400,000 made previously and this will reduce the city’s contribution to \$350,000. Based on the market value of assets, the plan is 69.3% funded. This reflects an increase from 68.5% the previous year. Note that the plan is funded on an actuarial basis and not based on the market value.

There was a return of 8.4% on the market value of assets. The return on the actuarial value was 6.2%. Overall, there was a \$2.7 million loss. Approximately \$1.7 million was due to invest performance losses and \$1.0 million in liabilities from plan experience. The contribution required to be made by the city is \$6,445,900, if made on a quarterly basis. However, if made on an annual basis (10/1/2019), the amount is \$6,273,855. The annual payment method results in a savings of \$172,045 to the city.

After discussion, motion by Trustee Linda Loizzo, seconded by Trustee Gary Kogan to adopt the 10/1/2018 actuarial valuation.

Motion carried unanimously

The pension office will send the valuation report to the state and the City.

VIII. RETIREE COMMUNICATION

Trustee Linda Loizzo stated that she spoke to a few retirees recently regarding communication from the pension office. She suggested that going forward, if there are any changes being made as it relates to the pension or its administration, communication of this information should be relayed to the retirees. She added that some sort of email blast to retirees or a quarterly document that provides some details about the performance of the fund would be welcomed by all.

Trustee Mo Asim agreed and added that in the email to retirees the administrators should add a link to the meetings to aid in keeping everyone informed.

Mr. Renaldo Gayle said he commenced the process of collecting email addresses from all retirees to get the process going. He is also going to add a line to the 2019 annual verification letters in order for retirees to provide their email addresses. Trustee Loizzo requested that a memorandum is attached to let the retirees know why their email addresses are being requested.

IX. FPPTA – NYC

Trustee Linda Loizzo informed the board that she was selected by the FPPTA to attend the 2019 NYSE Program in New York City.

The board had no concerns about her attendance and there was no need for a motion.

X. FPPTA GUEST REGISTRATION FEE

Mr. Renaldo Gayle informed the board that recent changes by the FPPTA requires that all guests of those attending the conferences will have to pay \$100 registration fee going forward.

The board agreed that the member attending will pay the \$100 to the pension office to pay it on their behalf during the registration process.

XI. FIDUCIARY LIABILITY POLICY – RENEWAL

Martin Lebowitz informed the board that the current policy will expire in April. The next meeting is scheduled after the expiration date and it must be addressed before. Mr. Lebowitz suggested that the board take the approach of previous years by delegating the chairman to sign off on the new policy and have it ratified at the next meeting.

Motion by Trustee Linda Loizzo, seconded by Trustee Gary Kogan, to delegate to the chairman the authority to approve the renewal of the fiduciary liability policy subject to ratification by the trustees at the next meeting.

Motion carried unanimously

XII. PENSION SYSTEM – STATUS

Mr. Lebowitz informed the board that he and Mr. Gayle have been meeting with the City's IT representative and Milliman on a bi-weekly basis to work on the data transfer and other matters to get the software going. He added that it will take a little longer than previously expected.

XIII. APPROVAL OF MINUTES – 11/9/2018

Motion by Trustee Linda Loizzo, seconded by Trustee Gary Kogan to approve minutes of 11/9/2018.

Motion carried unanimously

XIV. APPROVAL OF INVOICES

Motion by Trustee Linda Loizzo, seconded by Trustee Gary Kogan to approve all invoices.

Motion carried unanimously

INVOICES:

| | |
|---|----------------------------|
| Boston Partners – Equity Management Fees | \$ 12,782.57 |
| Clear Bridge Investment – Management Fees | 19,856.00 |
| Garcia Hamilton – Fixed Management Fees | 19,517.56 |
| Morgan Stanley Smith Barney – Consulting Fees | 8,125.00 |
| HGK – Management Fees | 16,155.26 |
| MDT – Management Fees | 9,524.94 |
| Renaissance – Management Fees | 9,245.41 |
| Thornburg – Management Fees | 8,161.65 |
| Buck – Actuary Fees | 5,514.00 |
| Sugarman & Susskind – Legal Fees | 7,050.00 |
| KSDT - Auditors | 6,550.00 |
| Milliman – Pension System | 583.50 |
| Salem Trust Co. – Custodian Fees | 15,119.83 |
| <u>TOTAL</u> | <u>\$138,185.72</u> |

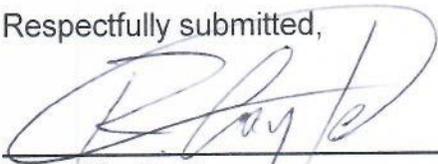
XV. NEXT REGULARLY SCHEDULED MEETING

The next scheduled meeting is on May 20, 2019.

XVI. ADJOURNMENT

There being no further business, the Trustees officially adjourned the meeting at 10:53 a.m.

Respectfully submitted,



Renaldo Gayle
Plan Administrator

SUMMARY OF RELEVANT FACTS
City of North Miami Beach Police & Fire Retirement Plan
As of December 31, 2018

| Distribution of Assets: | |
|--------------------------------|--------------|
| Equity | |
| - Large Cap Value | \$16,175,386 |
| - Large Cap Growth | \$16,657,446 |
| - Small/Mid Cap Value | \$4,703,989 |
| - Mid Cap Growth | \$4,767,473 |
| - International Value | \$5,652,910 |
| - International Growth | \$5,632,742 |
| Total Equity | \$53,589,945 |
| Fixed Income | \$31,218,794 |
| Long/Short Credit | \$1,030,525 |
| Multi-Strategy | \$1,048,262 |
| Hedge Fund of Funds | \$2,097,255 |
| Core Private Real Estate | \$7,833,841 |
| Cash (R&D & Residuals) | \$32,380 |
| Total Portfolio | \$96,851,003 |

| Distribution by Percentages: | | |
|-------------------------------------|---------|---------|
| Equity Breakdown | Policy | Current |
| - Large Cap Value | 17.50% | 16.70% |
| - Large Cap Growth | 17.50% | 17.20% |
| - Small/Mid Cap Value | 5.00% | 4.86% |
| - Mid Cap Growth | 5.00% | 4.92% |
| - International Value | 6.25% | 5.84% |
| - International Growth | 6.25% | 5.82% |
| Total Equity | 57.50% | 55.33% |
| Fixed Income | 30.00% | 32.23% |
| Long/Short Credit* | 1.50% | 1.06% |
| Multi-Strategy* | 1.50% | 1.08% |
| Hedge Fund of Funds | 2.00% | 2.17% |
| Core Private Real Estate | 7.50% | 8.09% |
| Cash | 0.00% | 0.03% |
| Total Portfolio | 100.00% | 100.00% |

* Target allocations for Long/Short Credit & Multi-Strategy will be 2.5% each once Entrust is fully redeemed.

| Other Important Facts: | |
|--|---------------|
| Total Portfolio | \$96,851,003 |
| Total Gain or (Loss) (Gross-of-Fees) | (\$9,326,666) |
| Total Gain or (Loss) (Net-of-Fees) | (\$9,452,911) |
| Total Fees | (\$126,245) |
| HGK (Large Cap Value) | |
| Total Assets | 100.00% |
| Equity | 95.81% |
| Cash | 4.19% |
| Fees | (\$18,261) |
| Gain or (Loss) - Gross | (\$2,877,241) |
| Gain or (Loss) - Net | (\$2,895,502) |
| Boston Partners (Small/Mid Cap Value) | |
| Total Assets | 100.00% |
| Equity | 98.78% |
| Cash | 1.22% |
| Fees | (\$13,264) |
| Gain or (Loss) - Gross | (\$1,100,740) |
| Gain or (Loss) - Net | (\$1,114,004) |
| Cambiar/Thornburg (Int'l Value) | |
| Total Assets | 100.00% |
| Equity | 96.83% |
| Cash | 3.17% |
| Fees | (\$10,119) |
| Gain or (Loss) - Gross | (\$1,057,010) |
| Gain or (Loss) - Net | (\$1,067,128) |
| Garcia Hamilton (Fixed Income) | |
| Total Assets | 100.00% |
| Fixed Income | 96.11% |
| Cash | 3.89% |
| Fees | (\$18,825) |
| Gain or (Loss) - Gross | \$417,460 |
| Gain or (Loss) - Net | \$398,635 |
| Blackrock L/S Credit | |
| Total Assets | 100.00% |
| HFOF | 100.00% |
| Fees | \$0 |
| Gain or (Loss) - Gross | (\$21,343) |
| Gain or (Loss) - Net | (\$21,343) |
| UBS (Core Private Real Estate) | |
| Total Assets | 100.00% |
| HFOF | 100.00% |
| Fees | (\$17,513) |
| Gain or (Loss) - Gross | \$133,293 |
| Gain or (Loss) - Net | \$115,780 |
| Clearbridge (Large Cap Growth) | |
| Total Assets | 100.00% |
| Equity | 96.89% |
| Cash | 3.11% |
| Fees | (\$20,920) |
| Gain or (Loss) - Gross | (\$2,505,803) |
| Gain or (Loss) - Net | (\$2,526,723) |
| MDT (Mid Cap Growth) | |
| Total Assets | 100.00% |
| Equity | 99.01% |
| Cash | 0.99% |
| Fees | (\$47,162) |
| Gain or (Loss) - Gross | (\$1,065,434) |
| Gain or (Loss) - Net | (\$1,077,100) |
| Renaissance (Int'l Growth) | |
| Total Assets | 100.00% |
| Equity | 98.30% |
| Cash | 1.70% |
| Fees | (\$95,566) |
| Gain or (Loss) - Gross | (\$10,523) |
| Gain or (Loss) - Net | (\$1,107,035) |
| Gain or (Loss) - Net | (\$1,117,558) |
| Entrust (HFOF) | |
| Total Assets | 100.00% |
| Fixed Income | 100.00% |
| Cash | \$0 |
| Fees | (\$5,155) |
| Gain or (Loss) - Gross | (\$144,681) |
| Gain or (Loss) - Net | (\$149,837) |
| Blackstone | |
| Total Assets | 100.00% |
| HFOF | 100.00% |
| Fees | \$0 |
| Gain or (Loss) - Gross | (\$3,606) |
| Gain or (Loss) - Net | (\$3,606) |
| Receipts & Disbursements Acct | |
| Total Assets | 100.00% |
| HFOF | 100.00% |
| Fees | \$7,833,841 |
| Gain or (Loss) - Gross | \$7,833,841 |
| Gain or (Loss) - Net | \$5,476 |

**Breakdown of Returns
City of North Miami Beach Police & Fire Retirement Plan
As of December 31, 2018**

| H GK | Your Returns Gross-of-Fees | Your Returns Net-of-Fees | Russ 1000 Value | | PSN Money Mgrs | | S&P 500 | |
|-------------------------------------|-------------------------------|-----------------------------|-----------------|---------|----------------|---------|---------|--|
| | | | | | | | | |
| Large Cap. Value | Quarter | (15.25) | (15.34) | (11.72) | (12.70) | (13.52) | | |
| | 1 year | (9.69) | (10.06) | (8.27) | (7.95) | (4.38) | | |
| | 3 year | 8.22 | 7.79 | 6.95 | 7.42 | 9.26 | | |
| | 5 year | 4.04 | 3.62 | 5.95 | 6.23 | 8.49 | | |
| | Since 3/31/2009 | 11.67 | 11.24 | 13.60 | 13.70 | 14.84 | | |
| Clearbridge | | | | | | | | |
| Large Cap. Growth | Quarter | (13.19) | (13.30) | (15.89) | (15.14) | | | |
| | 1 year | 1.01 | 0.61 | (1.51) | (2.19) | | | |
| | Since 11/30/2017 | 2.28 | 1.90 | (0.69) | NA | | | |
| Boston Partners | | | | | | | | |
| Small/Mid Cap. Value | Quarter | (19.40) | (19.61) | (17.12) | (19.38) | | | |
| | 1 year | (18.31) | (19.14) | (12.36) | (13.61) | | | |
| | Since 4/30/2016 | 4.61 | 3.60 | 5.37 | NA | | | |
| | Boston/GW - 3 year | 4.41 | 3.44 | 6.09 | 6.43 | | | |
| | Boston/GW - 5 year | 0.45 | (0.41) | 2.86 | 4.28 | | | |
| Boston/GW - Since 2/28/2009 | 12.74 | 11.87 | 13.63 | NA | | | | |
| MDT Advisers | | | | | | | | |
| Mid Cap. Growth | Quarter | (18.27) | (18.46) | (15.99) | (17.54) | | | |
| | 1 year | (1.46) | (2.26) | (4.75) | (4.96) | | | |
| | 3 year | 11.08 | 10.20 | 8.59 | 7.91 | | | |
| | 5 year | 8.74 | 7.88 | 7.42 | 6.50 | | | |
| | Since 5/31/2009 | 17.44 | 16.54 | 14.04 | NA | | | |
| Cambiar/Thornburg | | | | | | | | |
| International Value | Quarter | (16.15) | (16.29) | (11.46) | | | | |
| | Cambiar/Thornburg - Quarter | (24.04) | (24.55) | (14.19) | | | | |
| | Cambiar/Thornburg - 1 year | (3.42) | (4.04) | 4.48 | | | | |
| | Cambiar/Thornburg - 3 year | (2.93) | (3.55) | 0.68 | | | | |
| | Cambiar/Thornburg - 5 year | 2.41 | 1.77 | 3.59 | | | | |
| Cambiar/Thornburg - Since 9/30/2009 | | | | | | | | |
| Renaissance | | | | | | | | |
| International Growth | Quarter | (16.64) | (16.79) | (11.46) | | | | |
| | 1 year | (19.55) | (20.09) | (14.19) | | | | |
| | 3 year | 0.59 | (0.05) | 4.48 | | | | |
| | 5 year | (0.73) | (1.37) | 0.68 | | | | |
| | Since 5/31/2009 | 5.77 | 5.11 | 5.30 | | | | |

| Garcia Hamilton & Associates Fixed Income | | BC Int. Gov/Credit | BC Int. Aggregate | 90-Day T-Bill |
|--|--------|--------------------|-------------------|---------------|
| Quarter | 1.31 | 1.65 | 1.80 | 0.57 |
| 1 year | 1.47 | 0.88 | 0.92 | 1.86 |
| 3 year | 2.27 | 1.70 | 1.72 | 0.99 |
| 5 year | 2.59 | 1.86 | 2.09 | 0.60 |
| Since 9/30/2006 | 3.64 | 3.46 | 3.63 | 0.92 |
| Entrust | | | | |
| Alternative Investments | | HFRI FOF Div | BC Agg | |
| Quarter | (5.72) | (4.71) | 1.64 | |
| 1 year | (4.73) | (3.37) | 0.01 | |
| 3 year | (0.59) | 1.23 | 2.06 | |
| Since 11/30/2013 | (0.79) | 1.66 | 2.36 | |
| UBS Trumbull Property Fund | | | | |
| Core Private Real Estate | | NCREIF | ODCE | BC Agg |
| Quarter | 1.73 | 1.37 | 0.00 | 1.64 |
| 1 year | 6.97 | 6.71 | 6.47 | 0.01 |
| 3 year | 6.83 | 7.22 | 7.62 | 2.06 |
| 5 year | 8.99 | 9.33 | 10.03 | 2.52 |
| Since 7/31/2012 | 9.35 | 9.77 | 10.82 | 1.70 |

| TOTAL RETURN | | Policy Index | |
|----------------------------|--------|----------------|--------|
| Time-Weighted Return (TWR) | | | |
| Quarter | (8.79) | (8.91) | (7.66) |
| 1 year | (4.90) | (5.40) | (3.59) |
| 3 year | 4.86 | 4.32 | 5.66 |
| 5 year | 3.39 | 2.87 | 4.86 |
| Since 9/30/2006 | 5.24 | 4.77 | 5.84 |
| Dollar-Weighted Net (IRR) | | Actuarial Rate | |
| Quarter | (8.85) | 1.94 | 1.22 |
| 1 year | (5.39) | 8.00 | 5.99 |
| 3 year | 4.49 | 8.00 | 6.03 |
| 5 year | 2.92 | 8.00 | 5.53 |
| | | CPI + 4 | |

Policy Index Composition

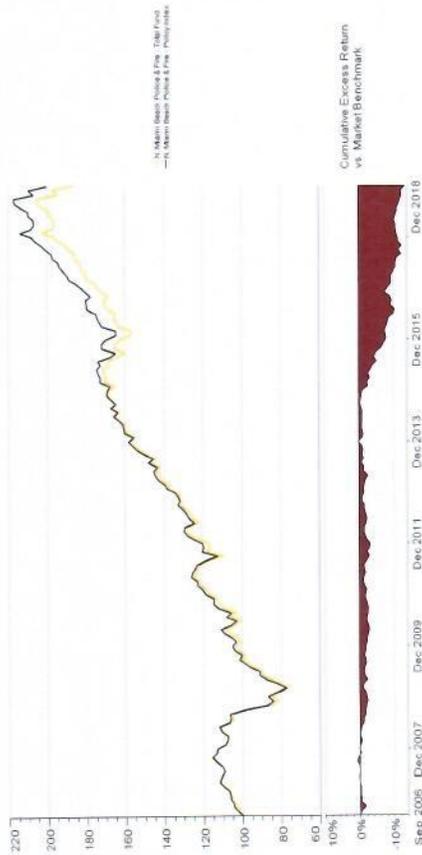
- 17.5% Russ 1000 Value / 17.5% Russ 1000 Growth / 5% Russ 2500 Value / 5% Russ Mid Growth / 12.5% MSCI AC Wd x US (net) / 30% BC Int GIC / 5% HFRI FOF Div / 7.5% NCREIF for periods since 9/30/2016
- 17.5% Russ 1000 Value / 17.5% Russ 1000 Growth / 5% Russ 2500 Value / 5% Russ Mid Growth / 10% MSCI AC Wd x US (net) / 30% BC Int GIC / 15% HFRI FOF Div / 5% NCREIF from 4/30/2016 to 9/30/2016
- 17.5% Russ 1000 Value / 17.5% Russ 1000 Growth / 5% Russ 2500 Value / 5% Russ Mid Growth / 10% MSCI AC Wd x US (net) / 30% BC Int GIC / 5% HFRI FOF Div / 5% NCREIF from 10/31/2013 to 4/30/2016
- 20% Russ 1000 Value / 20% Russ 1000 Growth / 5% Russ 2000 Value / 5% Russ Mid Growth / 10% MSCI AC Wd x US (net) / 35% BC Int GIC / 5% NCREIF for periods from 6/30/2012 to 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 GIC 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 Cap Growth / 5% MSCI EAFE (net) / 5% MSCI AC Wd x US (net) / 40% BC Int GIC for periods from 5/31/2009 to 9/30/2009
- 20% Russ 1000 Value / 20% Russ 1000 Growth / 5% Russ 2000 Value / 5% Russ Mid Growth / 10% MSCI EAFE (net) / 40% BC Int GIC 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 GIC / 20% BC Agg for periods prior to 2/28/2009

Risk/Return Analysis- Since Inception

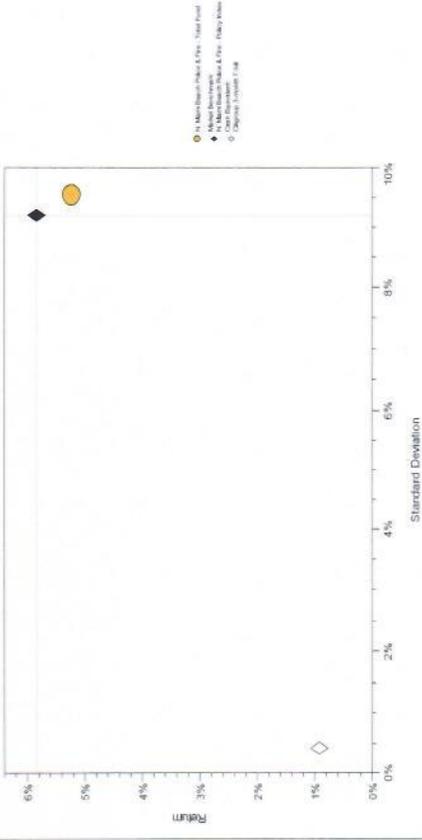
Zephyr StyleADVISOR

Zephyr StyleADVISOR, MSSB - Tampa, FL

Manager Performance
October 2006 - December 2018 (Single Computation)



Risk / Return
October 2006 - December 2018 (Single Computation)



Return & Risk Analysis October 2006 - December 2018: 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 Police & Fire - Total Fund | 5.24% | -0.60% | 9.55% | 1.03 | -34.00% | 100.44% | 105.82% | -0.69% | 0.45 | 97.56% |
| N. Miami Beach Police & Fire - Policy Index | 5.84% | 0.00% | 9.20% | 1.00 | -33.01% | 100.00% | 100.00% | 0.00% | 0.54 | 100.00% |

COMPLIANCE CHECKLIST

City of North Miami Beach Police & Fire Retirement Plan

As of December 31, 2018

| 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 < 60.0% & > 50.0% 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 |
| No scrutinized companies (Sudan/Iran) held per Protecting Florida's Investments Act requirement | Yes |
| HGK | |
| Large Capitalization Value Equity Portfolio | |
| Market Value < 20.0% & > 15.0% of total fund | Yes |
| Performance (Inception 3/31/2009) | Since Inception No |
| Rank in the Top 50% of manager universe | No |
| Return > Russell 1000 Value | No |
| Clearbridge | |
| Large Capitalization Growth Equity Portfolio | |
| Market Value < 20.0% & > 15.0% of total fund | Yes |
| Performance (Inception 11/30/2017) | Since Inception Yes |
| Rank in the Top 50% of manager universe | Yes |
| Return > Russell 1000 Growth | Yes |
| Boston Partners | |
| Small/Mid Capitalization Value Equity Portfolio | |
| Market Value < 7.5% & > 2.5% of total fund | Yes |
| Performance (Inception 4/30/2016) | Since Inception No |
| Rank in the Top 50% of manager universe | Yes |
| Return > Russell 200 Value | Yes |
| MDT Advisers | |
| Mid Capitalization Growth Equity Portfolio | |
| Market Value < 7.5% & > 2.5% of total fund | Yes |
| Performance (Inception 5/31/2009) | Since Inception Yes |
| Rank in the Top 50% of manager universe | Yes |
| Return > Russell Mid Growth | Yes |
| Cambiar/Thornburg | |
| International Value Equity Portfolio | |
| Market Value < 10.0% & > 2.5% of total fund | Yes |
| Performance (Inception 9/30/2009) | Since Inception No |
| Return > MSCI All Country World ex US | No |

| OBJECTIVES | In Compliance |
|--|------------------------|
| Total Portfolio | |
| Exceed Target Index | 5 years No |
| Exceed actuarial assumption (8.0%) * | No |
| Exceed CPI + 4% * | Yes |
| * Measured using Net Dollar-Weighted Rate of Return | |
| Renaissance Investment Management | |
| International Growth Equity Portfolio | |
| Market Value < 10.0% & > 2.5% of total fund | Yes |
| Performance (Inception 5/31/2009) | Since Inception No |
| Return > MSCI All Country World ex US | Yes |
| Garcia Hamilton & Associates | |
| Fixed Income Portfolio | |
| Market Value < 32.5% & > 27.5% of total fund | Yes |
| Performance (Inception 9/30/2008) | Since Inception Yes |
| Return > Barclays Cap Interim Gov/ICredit | 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 |
| Entrust | |
| Hedge Fund of Funds | |
| Market Value < 10.0% & > 0% of total fund | Yes |
| Performance (Inception 11/30/2013) | Since Inception No |
| Performance > HFRI FOF Diversified | No |
| Performance > BC Aggregate | No |
| UBS Trumbull Property Fund | |
| Core Private Real Estate | |
| Market Value < 10.0% & > 0% of total fund | Yes |
| Performance (Inception 7/31/2012) | Since Inception No |
| Performance > NCREIF | No |
| Performance > NCREIF ODCE | No |
| Performance > BC Aggregate | Yes |