

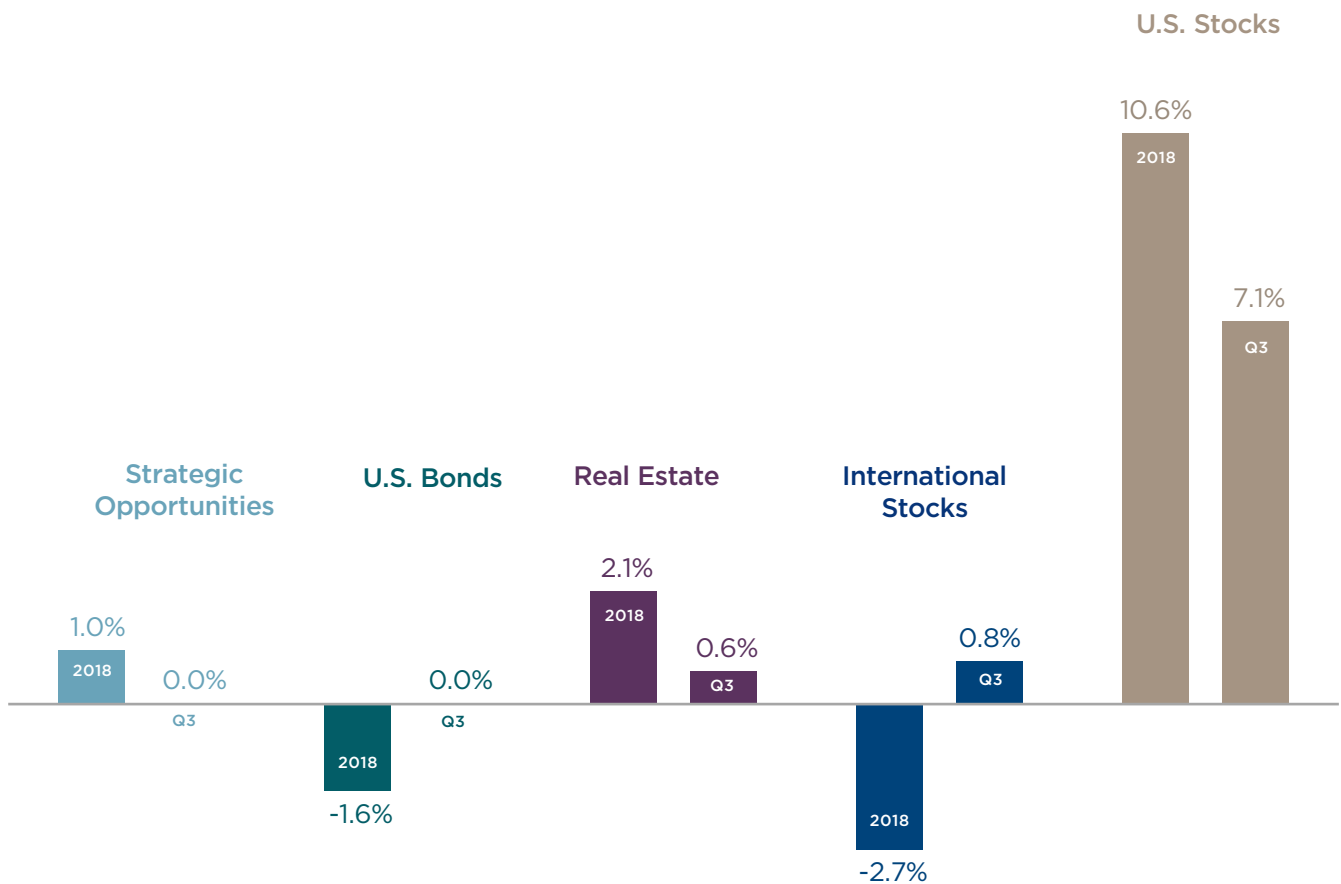
**CITY OF FORT LAUDERDALE
POLICE AND FIRE RETIREMENT SYSTEM**

**PERFORMANCE REVIEW
SEPTEMBER 30, 2018**

U.S. STOCKS LEAD THE WAY

U.S. stocks are a standout among the major asset classes so far this year. Although it has cooled somewhat, the U.S. economy continues to grow at an elevated pace, boosting stocks to double-digit returns this year. Meanwhile, sluggish growth outside the U.S. and rising interest rates have hampered other asset classes.

- U.S. stocks added to their gains for the year, as solid corporate earnings and strong economic growth offset concerns about escalating trade tensions. In the third quarter, large-cap stocks posted their best quarterly performance in nearly five years.
- International developed stocks are slightly negative due to sluggish economic growth and trade tensions.
- Bonds treaded water in the third quarter. They have logged a small loss for the year as interest rates reached their highest levels in five years.
- Public real estate rose slightly in Q3 and remains modestly positive for the year despite pressure from higher rates.
- Strategic opportunities notched a small loss in the third quarter but hang onto a small gain for the year.



Asset class returns are represented by the following indexes: Russell 3000 Index (U.S. stocks), MSCI All-Country World ex USA Index (international stocks), Bloomberg Barclays U.S. Aggregate Bond Index (U.S. bonds), Dow Jones U.S. Real Estate Index (real estate), and HFRX Absolute Return Index (strategic opportunities).

DIGGING DEEPER – STOCKS AND BONDS

Equities

	Q3 2018	YTD 2018	Last 12 Months
U.S. Stocks	7.7%	10.6%	17.9%
- Best Sector: Health Care	14.5%	16.6%	18.3%
- Worst Sector: Materials	0.4%	-2.7%	4.0%
International Stocks	1.4%	-1.0%	3.2%
Emerging Market Stocks	-0.9%	-7.4%	-0.4%

Fixed Income

	9.30.18	6.30.18	9.30.17
1-Year U.S. Treasury Yield	2.59%	2.33%	1.31%
10-Year U.S. Treasury Yield	3.05%	2.85%	2.33%
	QTD 2018	YTD 2018	Last 12 Months
10-Year U.S. Treasury Total Return	-1.09%	-3.73%	-3.75%

Equities – Relative Performance by Market Capitalization and Style

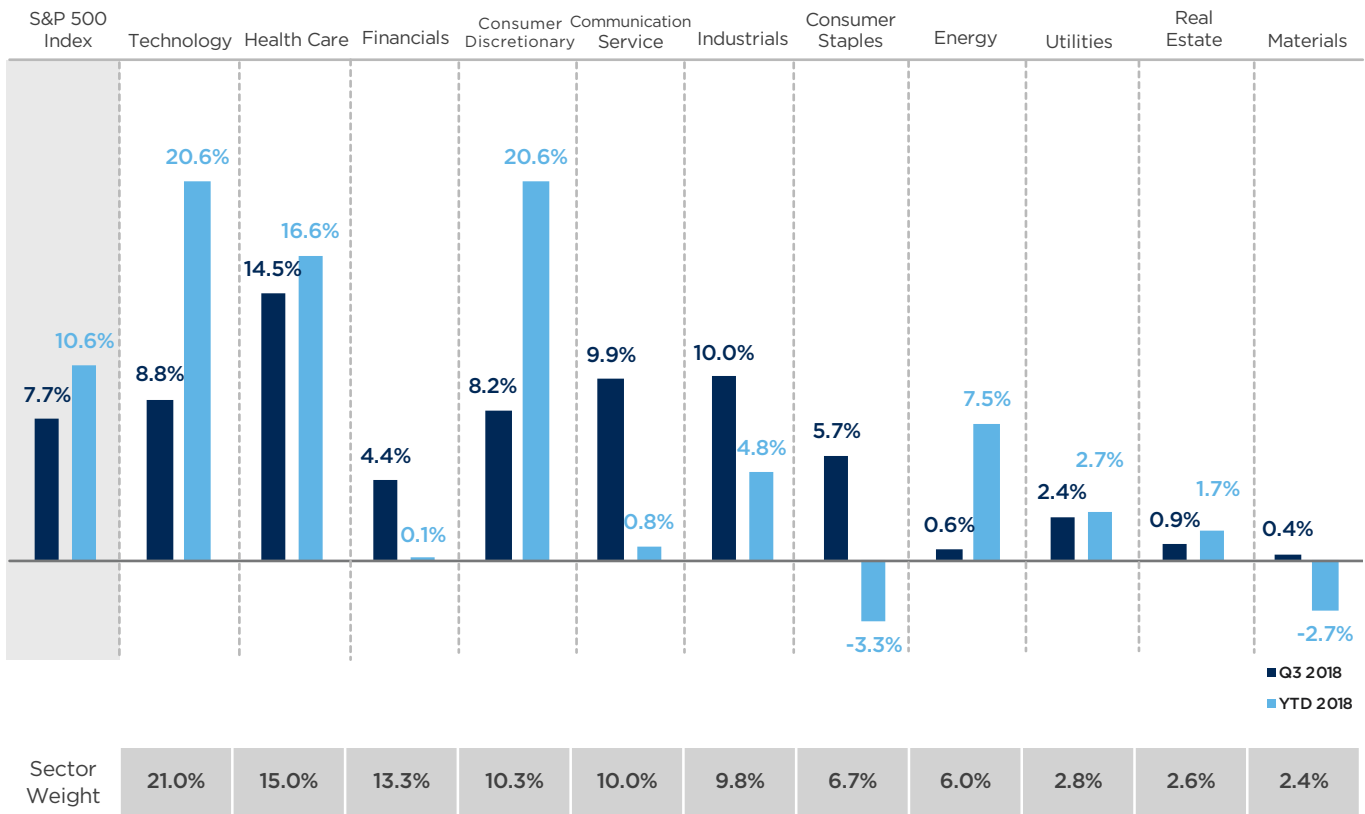
	Q3 2018			YTD 2018			2017		
	Value	Blend	Growth	Value	Blend	Growth	Value	Blend	Growth
Large	5.7%	7.7%	9.2%	3.9%	10.6%	17.1%	13.7%	21.8%	30.2%
Mid	3.3%	5.0%	7.6%	3.1%	7.5%	13.4%	13.3%	18.5%	25.3%
Small	1.6%	3.6%	5.5%	7.1%	11.5%	15.8%	7.8%	14.6%	22.2%

Asset class returns are represented by the following indexes: S&P 500 Index (U.S. stocks), MSCI EAFE Index (international stocks), and MSCI Emerging Markets Index (emerging market stocks). Relative performance by market capitalization and style is based upon the Russell Pure Style Indexes except for large-cap blend, which is based upon the S&P 500 Index. Source: Bloomberg, U.S. Treasury, Barclays Live.

DIGGING DEEPER: U.S. EQUITY MARKETS

The S&P 500 Index is a market-capitalization-weighted index of U.S. large-cap stocks across a diversity of industry sectors. The stocks represented in those 11 sectors generated a range of returns in 2018.

Returns by S&P 500 Sector



Source: Bloomberg. Data as of 9.30.2018. All calculations are cumulative total return, not annualized, including dividends for the stated period. Past performance is not indicative of future returns.

DIGGING DEEPER: FIXED INCOME MARKET

Interest Rates	3 Month	2 Year	5 Year	10 Year	30 Year	Mortgage Rate
June 2018	1.93%	2.52%	2.73%	2.85%	2.98%	4.40%
September 2018	2.19%	2.81%	2.94%	3.05%	3.19%	4.57%
Change	0.26%	0.29%	0.21%	0.20%	0.21%	0.17%

Interest rates rose relatively evenly across the curve in the third quarter, buoyed by the Federal Reserve on the front and solid growth and inflation on the longer end. Mortgage rates rose roughly in line with treasury rates for the quarter.

Bloomberg Barclays U.S. Aggregate Bond Index	Yield to Worst	Duration	Total Return	Spread	Treasury Rate	AA Spread	BBB Spread
June 2018	3.29%	6.01		0.44%	2.85%	0.62%	1.57%
September 2018	3.46%	6.03		0.39%	3.07%	0.53%	1.36%
Change	0.17%	0.02	0.02%	-0.05%	0.22%	-0.09%	-0.21%

The Bloomberg Barclays Aggregate Index was flat for the quarter. The index's yield and modest spread tightening offset the negative impact from rising rates.

Bloomberg Barclays U.S. Long Credit Index	Yield to Worst	Duration	Total Return	Spread	Treasury Rate	AA Spread	BBB Spread
June 2018	4.69%	13.41		1.74%	2.95%	1.08%	2.17%
September 2018	4.68%	13.39		1.53%	3.15%	0.96%	1.89%
Change	-0.01%	-0.02	1.26%	-0.21%	0.20%	-0.12%	-0.28%

Following a weak second quarter, long credit performed well with a 1.26% return for Q3. The negative impact of rising rates was more than offset by yield and spread tightening, particularly from BBB credits.

Source: Bloomberg, Barclays Live, CAPTRUST, U.S. Treasury.

ECONOMIC OUTLOOK

The global economic picture typically consists of favorable attributes (tailwinds) and challenges (headwinds). Here, we provide our perspective on both and offer our view on which side has the upper hand.

TAILWINDS

The U.S. Economy Remains Strong



- The U.S. economy continues to grow at an elevated pace—although not quite as fast as the last two quarters.
- Jobs continue to be plentiful, and wage growth remains contained with few signs of overheating.

Business Confidence Bodes Well

- The NFIB Index of Small Business Optimism has reached a 45-year high. Small business owners are ebullient about business expectations, driven by changes in the tax and regulatory landscape.
- Corporate reinvestment (CapEx) and stock buybacks both continue to increase.

Rising Rates: Good for Savers

- Interest rates on savings have gone from near zero to 2% between December 2015 and September 2018.
- Savers should start to feel the benefits of rising interest rates as short-term savings rates turn into more income.

Expansionary Policies in China

- China has increased policy measures to encourage lending and expand economic growth.

HEADWINDS

Trade Talks and Tariff Tensions



- While trade tensions with Mexico and Canada are subsiding, tension with China persists.
- Tariffs on Chinese goods grab the headlines, but the estimated impact of tariffs pales in comparison to the current level of stimulus.

Midterm Maelstrom

- Uncertainty remains about the potential market impact of midterm elections, and policy making may slow down as Congress focuses on reelection.
- Polls suggest the Democrats will take control of the House and Republicans will retain the Senate. A Democratic sweep could result in drug price legislation and greater infrastructure spending, goals shared by President Trump.

Global Economic Growth Slows Down

- Major economies continue expanding, but at a slower pace.

Rising Rates: Trouble on the Horizon?

- Higher interest rates mean higher mortgage rates for many, which may dampen household income and housing demand.
- Yield curve inversion is not a reliable signal of a near-term recession or stock market selloff.

Overall, the global economic backdrop continues to be strong. At current valuations, U.S. stocks are close to their 25-year median valuations.

DOLLARS FOR BOTH BUYBACK AND CAPEX

The Tax Cuts and Jobs Act enacted late last year led many to wonder how companies would invest their windfalls from lower tax rates and repatriated cash. Would they continue their high levels of stock buybacks or would they reinvest in plant and equipment to fuel future growth? Early data suggests that companies have been able to do both.

Growth of CapEx and Share Repurchases (\$Billion)

	CASH SPENDING	H1 2017	H1 2018	Y-O-Y GROWTH
S&P 500	Repurchases	\$253.3	\$379.7	50%
	CAPEX	\$288.6	\$344.1	19%
Apple	Repurchases	\$18.0	\$33.6	87%
	CAPEX	\$5.4	\$7.3	35%
Google	Repurchases	\$5.3	\$12.8	142%
	CAPEX	\$2.7	\$4.2	56%

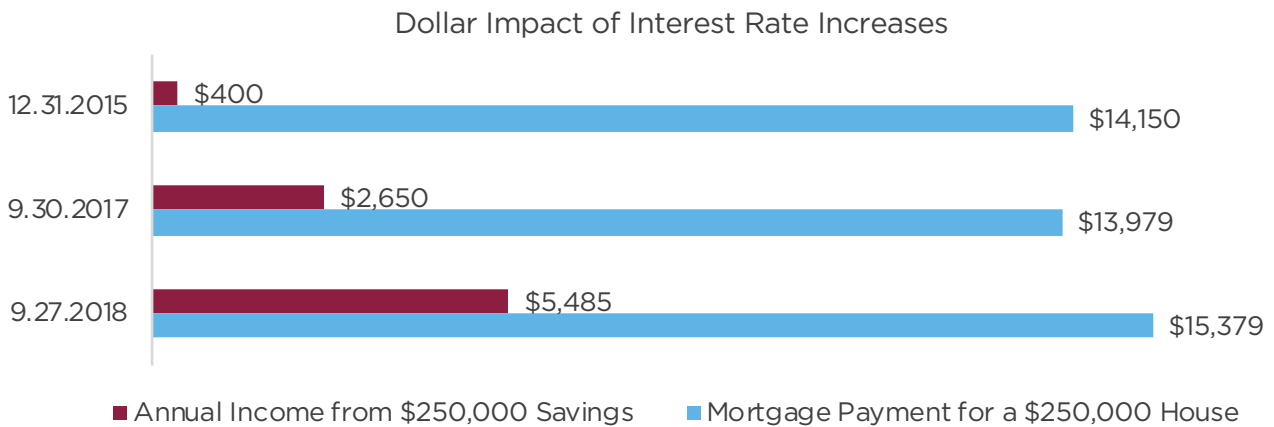
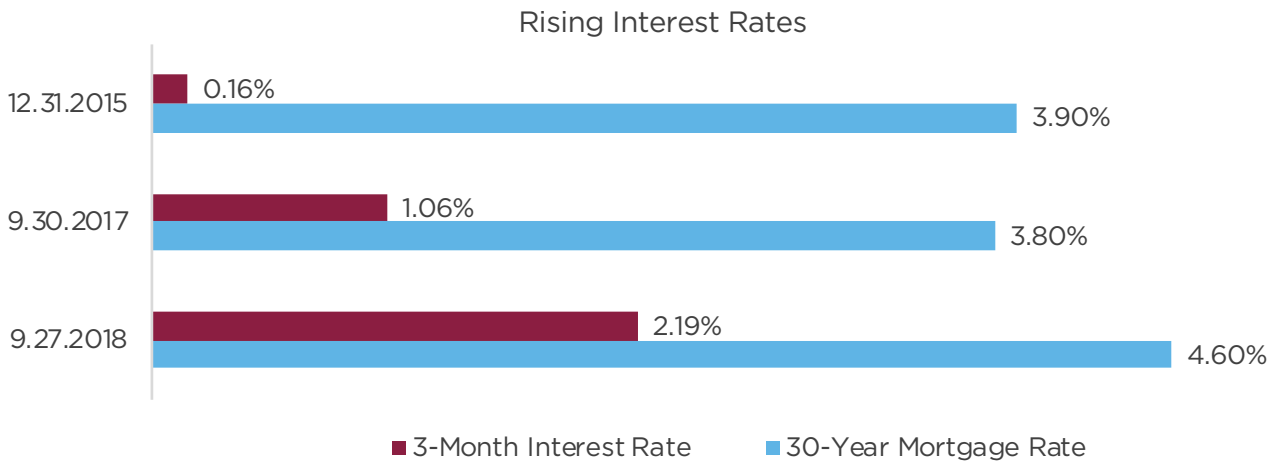
Source: S&P Dow Jones, Apple, Google, Cornerstone Macro

OBSERVATIONS

- S&P 1500 companies have reported a sharp acceleration in capital expenditures in the second quarter, a year-over-year increase of more than 22%.
- The S&P 1500 is a broad index of domestic stocks, representing 90% of U.S. market capitalization.
- This level of growth is the fastest pace of business investment since 2011.
- Higher capital expenditures could lead to higher wages, corporate profits, and GDP growth. Meanwhile, share repurchases support stock prices and earnings growth.

HIGHER INTEREST RATES—A MIXED BLESSING

The Federal Reserve has raised short-term rates eight times since December 2015, with an increase each time of 0.25%. Higher rates can have positive and negative effects—benefiting savers seeking income while causing mortgage and other debt payments to rise.



Source: Bloomberg, Treasury.gov

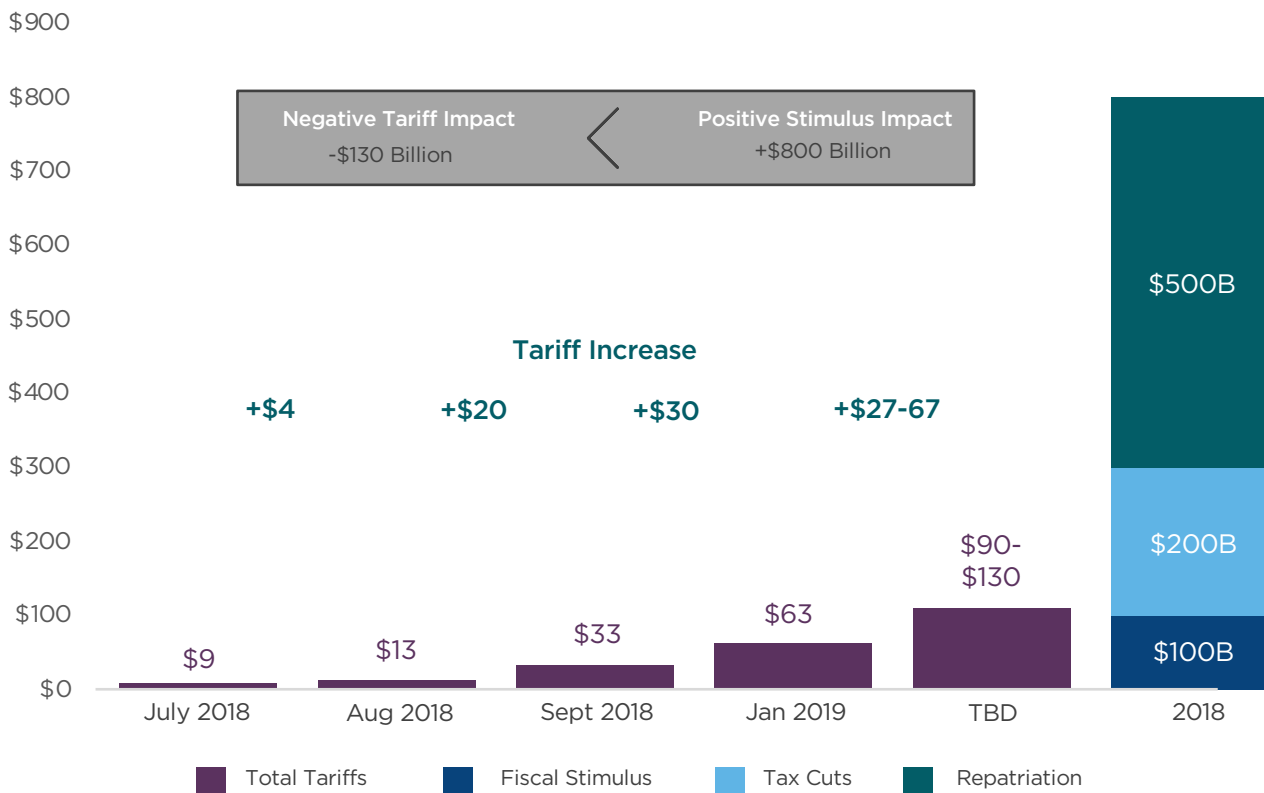
OBSERVATIONS

- While the interest rates on savings and borrowing have increased, mortgage rates have ticked up only slightly, while savings rates have risen more dramatically.
- A saver with \$250,000 would earn \$5,085 more in interest income each year, while a homeowner with a \$250,000 mortgage would see his or her annual payment rise by \$1,229.

FISCAL STIMULUS TRUMPS TARIFF TALK

The estimated impact of tariffs enacted so far is \$33 billion, and this amount could reach \$63 billion by the start of 2019 (based upon tariffs announced but not yet enacted). The total number could grow further, depending upon the actions (and reactions) of the U.S. and China. While these seem like big numbers that could potentially hamper the U.S. economy, the total tariff number is dwarfed by the total amount of stimulus generated by tax cuts, increased spending, and repatriations.

Timeline for Tariff Announced by U.S. Government on Chinese Goods (\$Billion)



Source: whitehouse.gov, Cornerstone Macro, Strategas

OBSERVATIONS

- An estimated tariff impact of \$90-\$130 billion would represent approximately 0.6% of U.S. gross domestic product. This amount is lamentable but manageable, and we still expect economic growth.
- The previous estimate of \$500 billion of stimulus from repatriation could prove to be conservative. Preliminary data shows a potential for as much as \$700 billion in repatriations.
- This could bring the combined stimulus from tax cuts, increased spending, and repatriations to a total of approximately \$1 trillion.

YIELD CURVE: AN INVERSION IS NOT AN OMEN

An *inverted yield curve* happens when short-term interest rates exceed longer-term interest rates. Many market watchers suggest that an inverted yield curve signals a coming recession. Although inverted yield curves have preceded every recession over the past six decades, they don't cause recessions or market selloffs. In fact, positive stock market returns can persist for some time after an inversion occurs. Here, we show the last five recessions and subsequent stock market returns.

Date of Yield Curve Inverts	S&P 500 RETURN				INFLATION
	3 Months Later	6 Months Later	12 Months Later	18 Months Later	Consumer Price Index (CPI)
9.30.78	-6.3%	-0.9%	6.6%	-0.4%	8%
9.30.80	8.2%	8.4%	-7.4%	-10.8%	13%
1.31.89	4.1%	16.3%	10.6%	19.7%	4%
2.28.00	5.4%	12.6%	-8.0%	-15.9%	3%
2.28.06	-0.8%	1.8%	9.9%	15.1%	4%

Source: Strategas, Federal Reserve

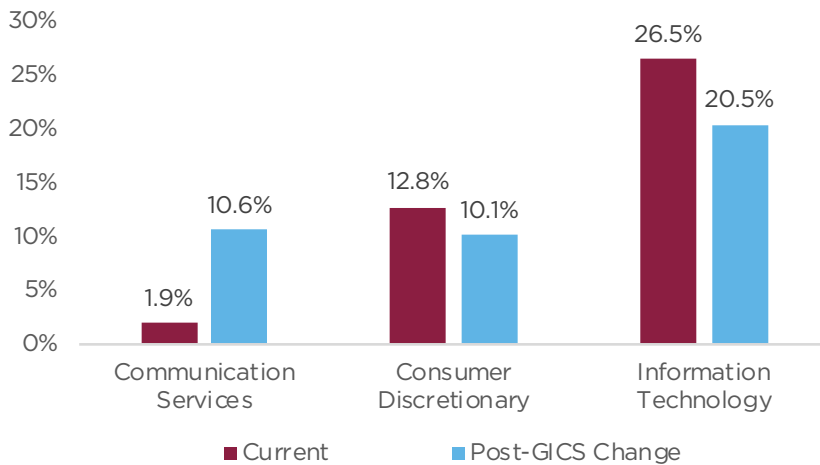
OBSERVATIONS

- Looking at data from the past five yield curve inversions tells us that stock market returns as measured by the S&P 500 Index were mostly positive three to six months later.
- In the intermediate term—12 to 18 months later—and especially in normal inflation environments, stocks can continue to perform well.

MSCI GICS SECTORS CHANGES

On September 28, the widely used MSCI Global Industry Classification Standard (GICS) system made several significant changes to its sector composition, causing impacts to prominent stock market indexes and funds that track them. The telecommunications services sector was renamed the communication services sector. This sector will include some companies previously assigned to the consumer discretionary and information technology sectors.

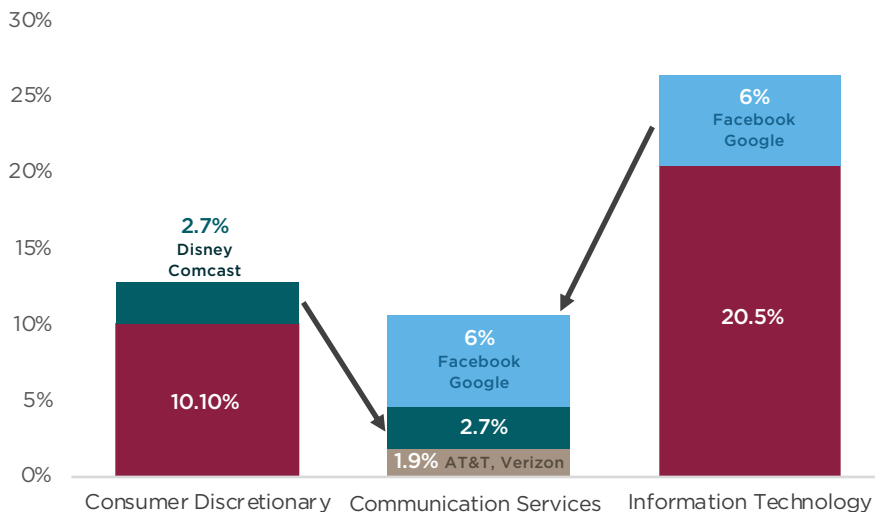
S&P 500 Sector Weights Before and After GICS Change



OBSERVATIONS

- The September GICS changes increase the weight of the communication services sector within the S&P 500 and reduce the weight of the technology and consumer discretionary sectors.
- The expanded communication services sector will include more growth-oriented companies, including several of the so-called FANG stocks, in addition to more value-leaning companies previously included.

Key Changes of GICS Sector Composition



Source: Strategas, S&P Dow Jones

ASSET CLASS RETURNS

Period Ending 9.30.18 | Q3 18

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD 2018
International Equities 17.11%	Real Estate 35.92%	International Equities 17.12%	Fixed Income 5.24%	International Equities 42.14%	Real Estate 28.48%	Real Estate 8.69%	Real Estate 17.77%	Small-Cap Stocks 38.82%	Real Estate 30.38%	Strategic Opportunities 2.86%	Small-Cap Stocks 21.31%	International Equities 27.77%	Small-Cap Stocks 11.51%
Mid-Cap Stocks 12.65%	International Equities 27.16%	Fixed Income 6.97%	Cash 1.51%	Mid-Cap Stocks 40.48%	Small-Cap Stocks 26.85%	Fixed Income 7.84%	International Equities 17.39%	Mid-Cap Stocks 34.76%	Large-Cap Stocks 13.24%	Real Estate 2.14%	Mid-Cap Stocks 13.80%	Large-Cap Stocks 21.69%	Large-Cap Stocks 10.49%
Real Estate 12.13%	Small-Cap Stocks 18.37%	Strategic Opportunities 6.68%	Strategic Opportunities -13.09%	Real Estate 28.61%	Mid-Cap Stocks 25.48%	Large-Cap Stocks 1.50%	Mid-Cap Stocks 17.28%	Large-Cap Stocks 33.11%	Mid-Cap Stocks 13.22%	Large-Cap Stocks 0.92%	Large-Cap Stocks 12.05%	Mid-Cap Stocks 18.52%	Mid-Cap Stocks 7.46%
Large-Cap Stocks 6.27%	Large-Cap Stocks 15.46%	Large-Cap Stocks 5.77%	Small-Cap Stocks -33.79%	Large-Cap Stocks 28.43%	Large-Cap Stocks 16.10%	Cash 0.10%	Large-Cap Stocks 16.42%	International Equities 15.78%	Fixed Income 5.97%	Fixed Income 0.55%	Real Estate 7.56%	Small-Cap Stocks 14.65%	Real Estate 2.07%
Small-Cap Stocks 4.55%	Mid-Cap Stocks 15.26%	Mid-Cap Stocks 5.60%	Large-Cap Stocks -37.60%	Small-Cap Stocks 27.17%	International Equities 11.60%	Mid-Cap Stocks -1.55%	Small-Cap Stocks 16.35%	Strategic Opportunities 3.58%	Small-Cap Stocks 4.89%	Cash 0.05%	International Equities 5.01%	Real Estate 9.84%	Cash 1.30%
Cash 3.35%	Strategic Opportunities 7.43%	Cash 4.71%	Real Estate -37.97%	Fixed Income 5.93%	Fixed Income 6.54%	Strategic Opportunities -3.71%	Fixed Income 4.22%	Real Estate 2.47%	Strategic Opportunities 0.79%	Mid-Cap Stocks -2.44%	Fixed Income 2.65%	Fixed Income 3.54%	Strategic Opportunities 0.78%
Fixed Income 2.43%	Cash 5.08%	Small-Cap Stocks -1.57%	Mid-Cap Stocks -41.46%	Cash 0.21%	Cash 0.13%	Small-Cap Stocks -4.18%	Strategic Opportunities 0.88%	Cash 0.07%	Cash 0.03%	Small-Cap Stocks -4.41%	Cash 0.33%	Strategic Opportunities 3.40%	Fixed Income -1.60%
Strategic Opportunities -0.02%	Fixed Income 4.33%	Real Estate -16.82%	International Equities -45.25%	Strategic Opportunities -3.58%	Strategic Opportunities -0.12%	International Equities -13.33%	Cash 0.11%	Fixed Income -2.02%	International Equities -3.44%	International Equities -5.25%	Strategic Opportunities 0.31%	Cash 0.86%	International Equities -2.67%

Source: Markov Processes, Inc., Bloomberg, Mobius

Large-Cap Stocks (Russell 1000 Index)

The Russell 1000 Index tracks the performance of 1,000 of the largest public companies in the U.S. It includes more than 90% of the total market capitalization of all listed U.S. stocks.

Mid-Cap Stocks (Russell Mid-Cap Index)

The Russell Mid-Cap Index is a market-capitalization-weighted index representing the smallest 800 companies in the Russell 1000 Index.

Small-Cap Stocks (Russell 2000 Index)

The Russell 2000 Index tracks the performance of approximately 2,000 small-cap companies contained in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks.

International Equities (MSCI ACWI Ex-US Index)

The MSCI ACWI Ex-US Index tracks large- and mid-cap stocks from 22 of 23 developed market countries (excluding the U.S.) and 24 emerging markets countries. This index covers approximately 85% of the global equity opportunity set outside the United States.

Fixed Income (Bloomberg Barclays U.S. Aggregate Bond Index)

The Bloomberg Barclays U.S. Aggregate Bond Index is a market capitalization-weighted index that tracks the majority of U.S.-traded investment grade bonds. The index includes Treasuries, agency bonds, mortgage-backed bonds, corporate bonds, and a small amount of foreign bonds traded in United States.

Real Estate (Dow Jones US Real Estate Index)

The Dow Jones US Real Estate Index tracks the performance of publicly traded real estate equity. It is comprised of companies whose charter is the equity ownership and operation of commercial real estate.

Strategic Opportunities (HFRX Absolute Return Index)

The HFRX Absolute Return Index measures the overall returns of hedge funds. Since hedge funds explore unique investment strategies and seek to generate absolute returns rather than focus on beating a benchmark, the HFRX is representative of all hedge fund strategies.

Cash (BofA Merrill Lynch 3-Month Treasury Bill Index)

The BofA Merrill Lynch 3-Month Treasury Bill Index tracks the performance of the U.S. dollar denominated U.S. Treasury Bills publicly issued in the U.S. domestic market with a remaining term to maturity of less than 3 months.

The information contained in this report is from sources believed to be reliable, but not warranted by CAPTRUST Financial Advisors to be accurate or complete.



INDEX PERFORMANCE

Period Ending 9.30.18 | Q3 18

INDEXES	Q3 2018	YTD 2018	2017	2016	2015	2014	2013	1 YEAR	3 YEAR	5 YEAR	10 YEAR
90-Day US Treasury	0.49%	1.30%	0.86%	0.33%	0.05%	0.03%	0.07%	1.59%	0.84%	0.52%	0.34%
Bloomberg Barclays Government 1-3 Year	0.20%	0.26%	0.45%	0.87%	0.57%	0.64%	0.37%	-0.01%	0.38%	0.57%	1.20%
Bloomberg Barclays Intermediate Govt	-0.11%	-0.78%	1.14%	1.05%	1.18%	2.52%	-1.25%	-1.18%	0.19%	0.93%	2.22%
Bloomberg Barclays Muni Bond	-0.15%	-0.40%	5.45%	0.25%	3.30%	9.05%	-2.55%	0.35%	2.24%	3.54%	4.75%
Bloomberg Barclays Intermediate Govt/Credit	0.21%	-0.76%	2.14%	2.08%	1.07%	3.13%	-0.86%	-0.96%	0.91%	1.52%	3.22%
Bloomberg Barclays Intermediate Credit	0.73%	-0.73%	3.67%	3.68%	0.90%	4.16%	-0.17%	-0.62%	2.03%	2.46%	5.05%
Bloomberg Barclays Aggregate Bond	0.02%	-1.60%	3.54%	2.65%	0.55%	5.97%	-2.02%	-1.22%	1.31%	2.16%	3.77%
Bloomberg Barclays Corporate IG Bond	0.97%	-2.33%	6.42%	6.11%	-0.68%	7.46%	-1.53%	-1.19%	3.12%	3.54%	6.35%
Bloomberg Barclays High Yield	2.40%	2.57%	7.50%	17.13%	-4.47%	2.45%	7.44%	3.05%	8.15%	5.54%	9.46%
Bloomberg Barclays US Long Corporate	1.32%	-5.54%	12.09%	10.97%	-4.61%	15.73%	-5.68%	-2.38%	5.18%	5.74%	8.69%
S&P 500	7.71%	10.56%	21.83%	11.96%	1.38%	13.69%	32.39%	17.91%	17.31%	13.95%	11.97%
Dow Jones Industrial Average	9.63%	8.83%	28.11%	16.50%	0.21%	10.04%	29.65%	20.76%	20.49%	14.57%	12.22%
NASDAQ Composite	7.14%	16.56%	28.24%	7.50%	5.73%	13.40%	38.32%	23.87%	20.31%	16.36%	14.42%
Russell 1000 Value	5.70%	3.92%	13.66%	17.34%	-3.83%	13.45%	32.53%	9.45%	13.55%	10.72%	9.79%
Russell 1000	7.42%	10.49%	21.69%	12.05%	0.92%	13.24%	33.11%	17.76%	17.07%	13.67%	12.09%
Russell 1000 Growth	9.17%	17.09%	30.21%	7.08%	5.67%	13.05%	33.48%	26.30%	20.55%	16.58%	14.31%
Russell Mid-Cap Value Index	3.30%	3.13%	13.34%	20.00%	-4.78%	14.75%	33.46%	8.81%	13.09%	10.72%	11.29%
Russell Mid-Cap Index	5.00%	7.46%	18.52%	13.80%	-2.44%	13.22%	34.76%	13.98%	14.52%	11.65%	12.31%
Russell Mid-Cap Growth Index	7.57%	13.38%	25.27%	7.33%	-0.20%	11.90%	35.74%	21.10%	16.65%	13.00%	13.46%
MSCI EAFE	1.42%	-0.98%	25.62%	1.51%	-0.39%	-4.48%	23.29%	3.25%	9.77%	4.90%	5.87%
MSCI ACWI ex US	0.80%	-2.67%	27.77%	5.01%	-5.25%	-3.44%	15.78%	2.25%	10.49%	4.60%	5.67%
Russell 2000 Value	1.60%	7.14%	7.84%	31.74%	-7.47%	4.22%	34.52%	9.33%	16.12%	9.91%	9.52%
Russell 2000	3.58%	11.51%	14.65%	21.31%	-4.41%	4.89%	38.82%	15.24%	17.12%	11.07%	11.11%
Russell 2000 Growth	5.52%	15.76%	22.17%	11.32%	-1.38%	5.60%	43.30%	21.06%	17.98%	12.14%	12.65%
MSCI Emerging Markets	-0.95%	-7.39%	37.75%	11.60%	-14.60%	-1.82%	-2.27%	-0.44%	12.77%	3.99%	5.76%
Dow Jones US Real Estate Index	0.65%	2.07%	9.84%	7.56%	2.14%	27.24%	1.77%	4.69%	8.94%	9.39%	7.46%
HFRX Absolute Return Index	-0.04%	1.00%	3.39%	0.31%	2.86%	0.79%	3.58%	2.59%	2.88%	2.94%	3.05%
Consumer Price Index (Inflation)	0.06%	2.22%	2.11%	2.07%	0.73%	0.76%	1.50%	2.70%	1.95%	1.49%	1.43%
BLENDED BENCHMARKS	Q3 2018	YTD 2018	2017	2016	2015	2014	2013	1 YEAR	3 YEAR	5 YEAR	10 YEAR
25% S&P 500/5% MSCI EAFE/70% Barclays Agg	1.98%	1.44%	8.93%	5.00%	0.92%	7.37%	7.01%	3.60%	5.64%	5.26%	6.14%
30% S&P 500/10% MSCI EAFE/60% Barclays Agg	2.44%	2.08%	10.90%	5.43%	0.95%	7.21%	9.92%	4.77%	6.87%	6.00%	6.70%
35% S&P 500/15% MSCI EAFE/50% Barclays Agg	2.89%	2.72%	12.90%	5.85%	0.97%	7.04%	12.89%	5.95%	8.11%	6.73%	7.24%
40% S&P 500/20% MSCI EAFE/40% Barclays Agg	3.35%	3.36%	14.93%	6.26%	0.96%	6.87%	15.93%	7.13%	9.34%	7.46%	7.76%
45% S&P 500/25% MSCI EAFE/30% Barclays Agg	3.81%	3.99%	16.99%	6.65%	0.93%	6.69%	19.04%	8.31%	10.58%	8.18%	8.25%
60% S&P 500/40% Barclays Agg	4.59%	5.74%	14.25%	8.41%	1.40%	10.75%	17.57%	10.08%	10.85%	9.32%	9.17%

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City of Fort Lauderdale Police and Fire
Asset Allocation vs Target & Policy
Total Fund Composite
As of 9/30/18

Manager	Market Value	Actual %	Target %
Intech Large Core	24,446,532.24	2.58	2.75
Rhumblin Large Cap Fund	141,174,926.53	14.89	8.75
Sawgrass	26,896,292.79	2.84	3.00
Aristotle Capital Management	24,402,951.25	2.57	3.00
Eagle Asset Management	27,546,988.09	2.91	3.75
Rhumblin Mid Cap Fund	61,769,391.61	6.52	5.00
Vaughan Nelson	22,103,594.59	2.33	3.75
Rhumblin Small Cap Fund	21,870,331.09	2.31	0.00
Total Domestic Equity	350,211,008.19	36.94	30.00
Lazard International Equity	69,884,070.15	7.37	7.50
Dodge&Cox International Equity	61,162,473.90	6.45	7.50
Total International Equity	131,046,544.05	13.82	15.00
Agincourt	97,532,314.47	10.29	15.00
Boyd Watterson	95,490,135.48	10.07	15.00
Total Domestic Fixed Income	193,022,449.95	20.36	30.00
Cash	19,435,232.52	2.05	0.00
Total Short Term	19,435,232.52	2.05	0.00
Core Realty Fund	63,807,945.30	6.73	6.88
Prudential RE Investors PRISA II	49,610,712.74	5.23	3.13
American Strategic Value Realty	22,234,313.02	2.35	2.50
Total Real Estate	135,652,971.06	14.31	12.50
Lazard Global Infrastructure	65,375,835.34	6.90	7.00
EnTrust Special Opportunities III	36,294,630.00	3.83	4.00
Invesco International Fund VI	3,139,966.00	0.33	0.55
Invesco US Private Equity Fund VI	5,517,199.00	0.58	0.70
Invesco Venture Fund VI	4,113,600.00	0.43	0.25
Entrust Diversified Class X Series	1,422,368.00	0.15	0.00
Capital Dynamics US MM Credit Fund	2,750,000.00	0.29	0.00
Total Special Investments	118,613,598.34	12.51	12.50
Total Fund Composite	947,981,804.11	100.00	100.00

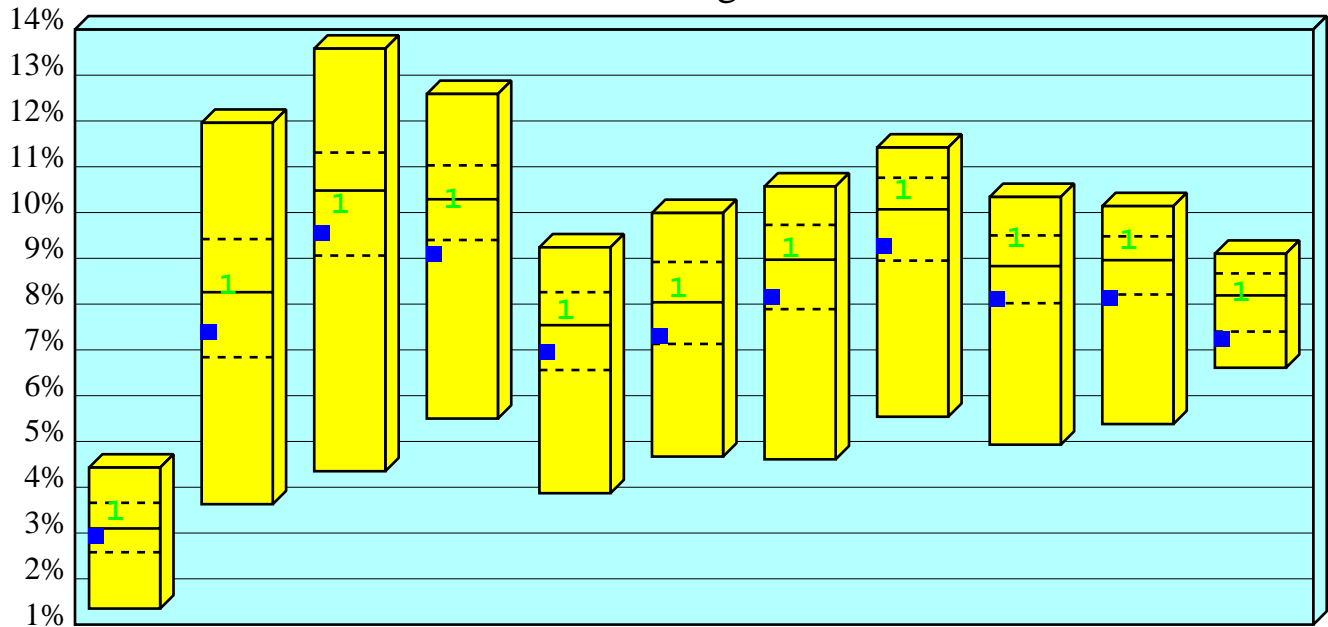
City of Fort Lauderdale Police and Fire
Executive Summary Table
Periods Ending September 30, 2018
Net of Fee Return

Name	Value \$(000)	% of Fund	Periods Ending 9/30/18						Since Inception	
			Cur Qtr	2 Qtrs	3 Qtrs	1 Year	3 Yrs	5 Yrs	Ret	Date
Total Fund Composite	947,982	100.0	2.92	4.78	4.28	7.36	9.08	7.28	7.36	9/30/95
<i>Policy Index</i>			3.43	5.42	4.61	8.37	10.24	8.30	7.63	9/30/95
Large Cap Composite	216,921	22.9	7.38	10.65	10.06	17.18	16.81	13.48	8.56	1/31/07
Aristotle Capital Management	24,403	2.6	3.81	5.49	4.70	11.12			14.51	11/30/15
<i>Russell 1000 Value</i>			5.70	6.95	3.92	9.45			11.35	11/30/15
Intech Large Core	24,447	2.6	6.52	7.73	8.54	14.26	15.18	13.62	9.55	3/31/04
<i>Standard & Poors 500</i>			7.71	11.41	10.57	17.92	17.31	13.95	9.01	3/31/04
Rhumblin Large Cap Fund	141,175	14.9	7.69	11.37	10.48	17.79	17.22	13.87	9.38	9/30/95
<i>Standard & Poors 500</i>			7.71	11.41	10.57	17.92	17.31	13.95	9.29	9/30/95
Sawgrass	26,896	2.8	9.94	14.67	14.63	22.73	16.32	13.61	9.48	3/31/07
<i>Russell 1000 Growth</i>			9.17	15.45	17.09	26.30	20.55	16.58	11.10	3/31/07
Small/Mid Cap Composite	133,290	14.1	5.21	11.26	11.18	17.04	15.76	11.16	8.37	10/31/06
Eagle Asset Management	27,547	2.9	10.77	20.70	24.37	31.30	20.83	13.11	12.79	6/30/11
<i>Russell 2000 Growth</i>			5.52	13.16	15.76	21.06	17.98	12.14	12.88	6/30/11
Rhumblin Mid Cap Fund	61,769	6.5	3.84	8.26	7.42	14.12	15.56	11.83	12.19	6/30/11
<i>S&P Midcap 400</i>			3.86	8.32	7.49	14.21	15.68	11.91	12.23	6/30/11
Rhumblin Small Cap Fund	21,870	2.3	4.70	13.87	14.50	19.00			20.95	7/31/17
<i>S&P Smallcap 600</i>			4.71	13.90	14.54	19.08			21.05	7/31/17
Vaughan Nelson	22,104	2.3	3.06	6.70	4.62	8.34	11.00		8.67	8/31/15
<i>Russell 2000 Value</i>			1.60	10.04	7.14	9.33	16.12		14.34	8/31/15
International Equity Composite	131,047	13.8	0.77	-2.63	-2.50	1.07	8.27	3.73	3.79	11/30/00
Dodge&Cox International Equity	61,162	6.5	0.81	-4.35	-6.39	-5.26	8.20		3.33	1/31/14
<i>MSCI EAFE (Net)</i>			1.36	0.10	-1.43	2.74	9.23		4.41	1/31/14
Lazard International Equity	69,884	7.4	0.73	-1.08	1.19	7.37	8.34	4.75	9.15	11/30/11
<i>MSCI EAFE (Net)</i>			1.36	0.10	-1.43	2.74	9.23	4.42	7.84	11/30/11
Total Domestic Fixed Income	193,022	20.4	0.46	0.53	-0.58	-0.45	1.24	1.80	3.81	5/31/05
Agincourt	97,532	10.3	0.44	0.49	-0.66	-0.70	1.32	1.86	5.10	12/31/95
<i>Barclays Int Govt/Credit</i>			0.21	0.22	-0.76	-0.96	0.91	1.52	4.78	12/31/95
Boyd Watterson	95,490	10.1	0.48	0.57	-0.50	-0.19	1.14	1.73	2.15	4/30/11
<i>Barclays Int Govt/Credit</i>			0.21	0.22	-0.76	-0.96	0.91	1.52	2.00	4/30/11
Cash	19,435	2.1	0.39	0.75	0.97	1.27	0.77	0.54	1.40	1/31/06
<i>Citigroup 3-month T-Bill</i>			0.50	0.94	1.29	1.57	0.80	0.49		1/31/06
Real Estate Composite	135,653	14.3	1.92	3.97	6.41	8.35	8.26	10.20	4.78	6/30/07
American Strategic Value Realty	22,234	2.3	1.69	4.58	6.88	9.00	10.44		11.26	3/31/15
<i>NCREIF Prop Index</i>			1.67	3.51	5.27	7.16	7.76		8.50	3/31/15

City of Fort Lauderdale Police and Fire
Executive Summary Table
Periods Ending September 30, 2018
Net of Fee Return

Name	Value \$(000)	% of Fund	Periods Ending 9/30/18						Since Inception	
			Cur Qtr	2 Qtrs	3 Qtrs	1 Year	3 Yrs	5 Yrs	Ret	Date
Core Realty Fund	63,808	6.7	1.94	3.82	5.88	7.45	7.31	9.21	4.68	7/31/07
<i>NCREIF Prop Index</i>			1.67	3.51	5.27	7.16	7.76	9.57	6.55	7/31/07
Prudential RE Investors PRISA II	49,611	5.2	2.00	4.00	6.96	9.35	9.27	11.51	3.94	7/31/07
<i>NCREIF Prop Index</i>			1.67	3.51	5.27	7.16	7.76	9.57	6.55	7/31/07
Capital Dynamics US MM Credit Fund	2,750	0.3								9/30/18
<i>Barclays Int Govt/Credit</i>										
EnTrust Special Opportunities III	36,295	3.8	2.61	5.56	2.74	3.07	9.11		7.50	2/28/15
<i>HFRI FOF: Diversified Index</i>			0.64	1.34	1.41	3.49	3.01		1.78	2/28/15
Entrust Diversified Class X Series	1,422	0.2	-0.78	-1.68	-2.32	-3.15			-3.36	1/31/17
<i>HFRI FOF: Diversified Index</i>			0.64	1.34	1.41	3.49			4.47	1/31/17
Invesco International Fund VI	3,140	0.3	0.00	6.84	13.48	18.92			14.93	12/31/15
<i>MSCI EAFE (Net)</i>			1.36	0.10	-1.43	2.74			8.29	12/31/15
Invesco US Private Equity Fund VI	5,517	0.6	0.00	5.24	8.81	17.20			15.82	12/31/15
<i>Standard & Poors 500</i>			7.71	11.41	10.57	17.92			16.12	12/31/15
Invesco Venture Fund VI	4,114	0.4	0.00	1.33	7.29	11.47			8.55	12/31/15
<i>Standard & Poors 500</i>			7.71	11.41	10.57	17.92			16.12	12/31/15
Lazard Global Infrastructure	65,376	6.9	-0.02	6.42	0.37	0.54	10.95		12.13	11/30/13
<i>S&P Global Infrastructure Index</i>			-1.61	0.95	-4.62	-2.84	8.01		5.70	11/30/13

City of Fort Lauderdale Police and Fire Cumulative Performance Comparison Total Returns of Total Fund Public Sponsors Periods Ending 9/18



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years	Last 8 Years	Last 9 Years	Last 10 Years
High	4.43	11.96	13.58	12.59	9.24	9.99	10.57	11.42	10.34	10.14	9.10
1st Qt	3.66	9.42	11.31	11.03	8.26	8.92	9.73	10.76	9.50	9.48	8.67
Median	3.10	8.26	10.48	10.29	7.54	8.04	8.97	10.07	8.83	8.96	8.19
3rd Qt	2.58	6.84	9.06	9.40	6.56	7.13	7.89	8.95	8.02	8.21	7.40
Low	1.35	3.63	4.35	5.50	3.87	4.67	4.61	5.54	4.93	5.38	6.61

■ Total Fund Composite

Net Ret	2.92	7.36	9.54	9.08	6.94	7.28	8.14	9.25	8.08	8.10	7.22
Rank	53	65	67	78	64	69	63	70	71	77	81

1 Policy Index

Net Ret	3.43	8.37	10.15	10.24	7.83	8.30	9.17	10.44	9.40	9.35	8.22
Rank	34	46	56	50	39	38	44	35	28	32	48