# CITY OF CLERMONT
# POLICE OFFICERS PENSION BOARD OF TRUSTEES
# AGENDA
# 2:00 PM, THURSDAY, MARCH 23, 2017

**CALL TO ORDER**

**OATH OF OFFICE**

Jason Sayre

Les Booker

**PUBLIC COMMENTS**

**APPROVAL OF MINUTES**

Approval of the December 15, 2016 Police Officer Pension Board Minutes

**UNFINISHED BUSINESS**

Discussion of Proposed City of Clermont Ordinance No. 2017-09 amending the Police Officers Pension Plan

**NEW BUSINESS**

Approval of Police Officers Pension Plan Actual Expenses - FY 2016

Approval of Police Officers Pension Plan Actuarial Valuation - October 1, 2016

Approval of Police Officers Pension Plan Annual Report - FY 2016

**PLAN ADMINISTRATOR REPORT**

Discussion of Investment Performance Report for Quarter Ending December 31, 2016

## ATTORNEY REPORT

## BILLS AND EXPENSES FOR APPROVAL

Approval of Plan Expenses - December 1, 2016 - March 16, 2017

Approval of Member Distributions - December 1, 2016 - March 16, 2017

**ADJOURN**

In accordance with Florida Statute 286.0105: Any person who desires to appeal any decision at this meeting will need a record of the proceedings and for this purpose may need to ensure that a verbatim record of the proceedings is made which includes the testimony and evidence upon which the appeal is based.

In accordance with Florida Statute 286.26: Persons with disabilities needing assistance to participate in any of these proceedings should contact Investigator Scott Tufts, Clermont Police Department, 352-394-5588, extension 136, at least 48 hours in advance of the meeting.

CITY OF CLERMONT

# AGENDA ITEM



| | |
|---|---|
| **Meeting Date** | |
| Thursday, March 23, 2017 | |
| **Agenda Item Name** | |
| Approval of the December 15, 2016 Police Officer Pension Board Minutes | |
| **Requested Action** | |
| | |
| **Staff Report** | |
| | |
| **Additional Analysis** | |
| | |
| **Fiscal Impact Summary** | |
| | |

| Fiscal Impact | Fund Number and Description | Available Budget Amount |
|---|---|---|
| | | |

| | |
|---|---|
| **Exhibits Attached** (copies of original agreements) | |
| 1. Minutes 12-15-2016 Police Pension Minutes.doc | |

*City of Clermont*
MINUTES
POLICE OFFICERS RETIREMENT PLAN BOARD OF TRUSTEES MEETING
December 15, 2016

The Police Officers Retirement Plan Board of Trustees met in a regular meeting on Thursday, December 15, 2016 in the Council Chambers at City Hall. Board Members present: Michael Scheller, Scott Tufts, John Baker, and Jason Sayre. Attorney Scott Christiansen was present via telephone conference call. Jeremy Langley and Rodney Walton; Florida League of Cities, were also present. Staff members present: Finance Director VanZile, Risk and Benefits Manager Ohlinger, and Deputy City Clerk Noak.

**CALL TO ORDER**

Board Member Tufts called the meeting to order at 2:20pm.

**PUBLIC COMMENTS**

Board Member Tufts opened for public comments. There were no public comments. Board Member Tufts closed public comments.

**MINUTES**

*Approval of minutes of the September 20, 2016 Police Pension Board Meeting.*

Board Member Backer moved for approval of the minutes; seconded by Board Member Sayre. The motion passed unanimously.

**NEW BUSINESS**

*Discussion of plan amendment to change the in line of duty death benefit for non-vested members.*

Finance Director VanZile stated the Firefighter Pension Board discussed plan changes regarding the in line of duty death benefit for non-vested members. The plan currently provides the beneficiary of a non-vested member who dies in the line of duty to receive only the accumulated contributions. The Firefighter Pension Board requested enhancement of the non-vested member benefit to a similar benefit of a vested member. The plan actuary has stated there are several plans which provide a similar benefit and the increase to the plan cost would be negligible.

The Board was interested in moving forward with changing the plan. Finance Director VanZile will work with the Firefighter and Police Officer Pension Board attorneys and present the options to the Board at the next meeting in March.

**PLAN ADMINISTRATOR REPORT**

*Discussion of Police Officers Pension Plan Investment Performance Report for Quarter Ended June 30, 2016. (Tabled from the September 20, 2016 meeting).*

Jeremy Langley presented an overview of the Police Officers Pension Plan Investment Performance Report for the quarter ending June 30, 2016.

*Discussion of Investment Performance Report for Quarter Ended September 30, 2016*

Jeremy Langley presented an overview of the Investment Performance Report for the fourth quarter of fiscal year 2016.

Chairman Scheller arrived at 2:39pm.

**ATTORNEY REPORT**

Attorney Christiansen stated Jason Sayre's term as the fifth member would end December 1, 2016.

Board Member Tufts moved to select Jason Sayre for another two year term as the fifth member; seconded by Chairman Scheller. The motion passed unanimously.

Attorney Christiansen indicated the Summary Plan description would need to be distributed to the Police Officers. Risk and Benefits Manager Ohlinger will distribute the Summary Plan.

Finance Director VanZile will provide the Fiscal Year end report to the City Council, along with Pension Letter Number 2, and attach a listing of all the assets of the Pension Board.

Finance Director VanZile will prepare the required Expense Report for approval by the Pension Board at the next meeting in March.

Attorney Christiansen requested moving the March 16, 2017 meeting to 2pm on March 23, 2016.

Finance Director VanZile inquired of moving forward with changes to the Share Plan.

The board agreed to review several different options at the March 23, 2017 meeting.

**BILLS AND EXPENSES FOR APPROVAL**

*Approval of Plan Expenses – September 9, 2016 – November 30, 2016*

Finance Director VanZile presented the following Plan Expenses:

| | |
|---|---|
| Invoice No. 29293 | $ 275.80 |
| Quarterly Fees | $6,134.20 |
| Annual Administration Fee | $1,000.00 |
| Letter of no impact | $ 300.00 |
| Invoice No. 29459 | $ 472.80 |

Board Member Baker moved for approval; seconded by Board Member Sayre. The motion passed unanimously.

*Approval of Member Distributions– September 9, 2016 – November 30, 2016*

Finance Director VanZile presented the Member Distributions:

| | |
|---|---|
| Rene Castro Lump Sum | $ 2,859.60 |
| Rene Castro Lump Sum – Rollover | $ 255,323.72 |
| Rene Castro Lump Sum | $ 7,722.10 |
| Rene Castro Lump Sum – Rollover | $ 50,000.00 |

Chairman Scheller moved for approval; seconded by Board Member Tufts. The motion passed unanimously.

**ADJOURN:** With no further comments, this meeting adjourned at 3:09pm.

**APPROVED:**

___________________________________
Chairman Scheller

**ATTEST:**

_____________________________
Tracy Ackroyd Howe, City Clerk

CITY OF CLERMONT

# AGENDA ITEM



| Meeting Date |
|---|
| Thursday, March 23, 2017 |
| **Agenda Item Name** |
| Discussion of Proposed City of Clermont Ordinance No. 2017-09 amending the Police Officers Pension Plan |
| **Requested Action** |
| |
| **Staff Report** |
| City of Clermont Ordinance No. 2017-09 is scheduled to be introduced at the March 28th City Council meeting and approved on April 11. The Ordinance formally amends the Police Officers Pension Plan in respect to Disability Benefits, Death Benefits, and the Share Plan. All of these changes have been discussed at previous board meetings. |
| **Additional Analysis** |
| |
| **Fiscal Impact Summary** |
| |

| Fiscal Impact | Fund Number and Description | Available Budget Amount |
|---|---|---|
| | | |

| Exhibits Attached (copies of original agreements) | | |
|---|---|---|
| 1. | Police Officers Plan Ordinance No. 2017-09 | Ordinance No 2017-09 - Police Officer Pension Plan - 3-16-17.doc |

*CITY OF CLERMONT*
**ORDINANCE No. 2017-09**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CLERMONT, LAKE COUNTY, FLORIDA, AMENDING THE CITY OF CLERMONT POLICE OFFICERS' PENSION TRUST FUND, AS ADOPTED BY ORDINANCE NO. 304-C; PROVIDING PLAN BENEFIT REVISIONS; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS,** the City of Clermont Police Officers' are presently provided pension and certain other benefits under Ordinance No. 304-C and;

**WHEREAS,** the City Council desires to amend the provisions of the Police Officers' Retirement Plan;

**SECTION 1.**

**NOW, THEREFORE BE IT ORDAINED,** by the City Council of the City of Clermont, Lake County, Florida that the following sections of the Police Officers' Retirement Plan Adoption Agreement shall be amended to read as follows (note: strikethrough indicates removed words and underlined indicates added):

**H. DISABILITY BENEFITS**

1. **Disability Benefits In-the-Line-Of-Duty**
   A member determined to be totally and permanently disabled from a service connected injury or disease will receive the greater of ~~(a) the accrued benefit, (b) the accumulated contributions at 5% interest or (c) 42% of average compensation.~~ (a) the member's accumulated contributions at 5% interest or (b) the greater of (i.) the member's accrued benefit or (ii.) 42% of the member's average finalcompensation.

2. **Disability Benefits Off-Duty**
   A member determined to be totally and permanently disabled from a non-service connected injury or disease must have completed at least ten (10) years of service in order to be eligible for a non-service connected disability benefit. A member determined to be totally and permanently disabled from a non-service connected injury or disease and who has completed the required years of service will receive the greater of ~~(a) the accrued benefit, (b) the accumulated contributions at 5% interest or (c) 25% of average compensation~~ (a) the member's accumulated contributions at 5% interest or (b) the greater of (i.) the member's accrued benefit or (ii.) 25% of the member's average final compensation. A member determined to be totally and permanently disabled from a non-service connected injury or disease and who has **not** completed ~~the required~~ ten (10) years of service shall receive a return of employee contributions with 5% interest.

## I. DEATH BENEFITS

### 1. Death Prior to Vesting – In-Line-Of-Duty

If a member dies prior to retirement in-the-line-of-duty, and he is not vested, his beneficiary shall receive ~~a refund of one hundred percent (100%) of the member's accumulated contributions.~~ the benefit provided for in I.2. below.

### 2. Death After Vesting – In-Line-Of-Duty

~~If a member dies prior to retirement in-the-line-of-duty, and he is vested, having completed the required years of credited service, his beneficiary shall receive the benefits otherwise payable to the member at the member's early or normal retirement date~~.

If a member, other than a participant in the DROP under Section M, dies in-the-line-of-duty, the following benefits are payable:

a. If the member dies leaving a surviving spouse, the surviving spouse may receive a monthly pension equal to one hundred percent (100%) of the monthly salary being received by the member at the time of the member's death for the rest of the surviving spouse's lifetime. Benefits provided by this paragraph supersede any other distribution that may have been provided by the member's designation of beneficiary. Such benefit ceases upon the surviving spouse's death unless the member's minor children survive the spouse as provided for in paragraph b of this subsection.

b. If the surviving spouse dies and the member's minor children survive the spouse, the monthly payments that otherwise would have been payable to such surviving spouse shall be paid for the use and benefit of the member's child or children under 18 years of age and unmarried until the 18th birthday of the member's youngest child. Such monthly payments may be extended until the 25th birthday of the member's child if the child is unmarried and enrolled as a full-time student at an accredited institution. If there is more than one minor child, the benefits shall be divided equally among the children. As each child reaches the benefit termination age, the remaining eligiblechildren will dividethe benefits.

c. If the member dies leaving no surviving spouse but is survived by a child or children under 18 years of age and unmarried, the benefits provided by subparagraph a., shall be paid for the use and benefit of such member's child or children under 18 years of age and unmarried until the 18th birthday of the member's youngest child. Such monthly payments may be extended until the 25th birthday of any of the member's children if the child is unmarried and enrolled as a full-time student at an accredited institution. If there is more than one minor child, the benefits shall be divided equally among the children. As each child reaches the benefit terminationage, the remaining eligiblechildren will dividethe benefits.

d. If the member dies leaving no surviving spouse and no child or children under 18 years of age and unmarried or no child under age 25 and unmarried and enrolled as a full-time student, then the member's beneficiary shall receive the greater of (i) the member's accrued benefit or (ii) 42% of the member's average final compensation, with the applicable annuity amount payable for 10 years. If the named beneficiary dies before the full 10 years of payments are made, the remaining benefit payments will be paid in a lump sum to the estate of the beneficiary.

e. For purposes of determining whether a death is in-the-line-of-duty, the presumption and additional presumption provided for in Section 8.01 (B) and (C) shall apply.

f. In all cases, the benefits paid in paragraphs a., b. and c. above will be at least the member's accrued benefit paid for 10 years. In the event that the surviving spouse or children's benefits cease due to death or reaching the age of majority as provided for herein, the benefit will be paid to the estate of the survivor payee (i.e. the surviving spouse or surviving children).

**N. SHARE PLAN**

The purpose of this Section is to implement the provisions of Chapter 185, Florida Statutes, and to provide a mechanism to pay required "extra benefits" to Police Officers based on the growth of premium tax revenue pursuant to Chapter 185. The monies shall be derived exclusively from monies received from the state and not from any additional taxes levied by the City.

Effective January 26, 2016, the City agrees to convert 100% of the Chapter 185 reserve fund to a Share Plan. The total amount shall be credited to each participant based on their completed months of credited service in proportion to the combined completed months of credited service of all participants.

Effective January 26, 2016, the Union agrees to allow the City to use 100% of all future Chapter 185 annual distributions up to the amount received in the 2012 calendar year ($211,000) and 50% of any future annual amounts in excess of the 2012 calendar year distribution to fund the normal cost of the pension plan. The remaining 50% of any future annual amounts in excess of the 2012 calendar year distribution shall be credited to participant share accounts, with each participant's account receiving an equal share of the total amount allocated.

All monies received will be placed in the fund, as outlined in Article 4 of the Basic Plan Document, and shall be commingled for investment purposes with the other assets of the City's retirement pension funds. Separate accounting shall be maintained for all co-mingled assets.

In accordance with provisions of Chapter 185, Florida Statutes and such other required authority, a police officer, who is a participant, shall be entitled to one share for each year of

credited service, as defined below, as a police officer of the City. Each participant shall thereupon have as many shares as years of credited service. The number of years of credited service rendered by each participant shall be determined and a record thereof shall be made on the participant's service record.
For purposes of this Section, the word, credited service shall mean all time served as a regularly appointed or employed police officer of the City for which regular compensation is paid by the City and all times during which a participant is absent on military leave. It shall include all leave of absences with pay, but shall not include leave of absences during which no regular compensation is paid by the City, except military leave. Credited service for the purposes of the Share Plan only, shall include participants in the DROP.

Available funds shall be credited to active participant share accounts, or participants in the DROP, as of September 30th of the applicable plan year. Available funds shall be prorated to each qualifying police officer in proportion to the number of individual shares for the plan year by credit to the fund.

The Board of Trustees shall pay all costs and expenses for the management and operation for the current fiscal year and shall set aside as much of the income as it considers advisable as a reserve for expenses for the next fiscal year. After deducting these monies, the remaining monies shall be allocated and credited to the fund on behalf of the respective participants. The City shall bear no expense in the operation of this Share Plan.

Upon termination of employment, ~~the~~ <u>a vested</u> Participant shall be paid the entire ~~amount standing to this credit in the Fund~~ <u>share balance</u> ~~in a lump sum to the Participant~~ as soon as administratively feasible following his termination of employment. <u>In addition,</u> ~~No~~ <u>a vested</u> Participant, or <u>his</u> designated beneficiary, shall be entitled to payment of the <u>entire</u> share balance ~~unless~~ <u>when</u> the Participant or beneficiary becomes eligible for a ~~normal, early~~, disability or death benefit from the defined benefit plan.

Upon the separation from service of a non-vested participant (as defined in Section J, of the Adoption Agreement), shares shall revert back into this Share Plan and shall be reallocated to the membership unless the former participant returns to service prior to the September 30th allocation date.

If any provisions of this Section or the Plan hereby created shall conflict with the provisions of Chapter 185, Florida Statutes, such conflict shall be resolved in favor of the statutory provisions which are intended to control.

**<u>SECTION 2.</u>**

Any portion of the City of Clermont Code or any Ordinance or part thereof in conflict with this Ordinance is hereby repealed to the extent of such conflict.

**<u>SECTION 3.</u>**

Should any Section or part of a Section be declared invalid by any court of competent jurisdiction, such adjudications shall not apply or affect any other provision of this Ordinance, except to the extent that the entire Section or part of the Section may in separable in meaning and effect from the section to which such holding shall apply.

**SECTION 4.**

This ordinance shall be published as provided by law, and it shall become law and take effect upon its Second Reading and Final passage.

**PASSED AND ADOPTED** by the City Council of the City of Clermont, Lake County, Florida on this 11th day of April, 2017.

CITY OF CLERMONT

__________________________________

Gail L. Ash, Mayor

ATTEST:

__________________________________

Tracy Ackroyd Howe, City Clerk

Approved as to form and legality:

__________________________________

Daniel F. Mantzaris, City Attorney

CITY OF CLERMONT

# AGENDA ITEM



| Meeting Date | |
|---|---|
| Thursday, March 23, 2017 | |
| **Agenda Item Name** | |
| Approval of Police Officers Pension Plan Actual Expenses - FY 2016 | |
| **Requested Action** | |
| | |
| **Staff Report** | |
| | |
| **Additional Analysis** | |
| | |
| **Fiscal Impact Summary** | |
| | |

| Fiscal Impact | Fund Number and Description | Available Budget Amount |
|---|---|---|
| | | |

| Exhibits Attached (copies of original agreements) | |
|---|---|
| 1. Police Officers Actual Expenses - FY 2016 | Police Officers Actual Expenses - FY 2016.pdf |

# City of Clermont Police Officers Pension Plan
# Administrative Expenses
# FY 2016

| | FY 2016 Budget | FY 2016 Actual |
|---|---|---|
| Administrative Fees | $26,000 | $25,211 |
| Actuary Fees | $11,500 | $1,275 |
| Legal Fees | $3,000 | $4,164 |
| Travel and Education | $3,000 | $0 |
| Miscellaneous | $500 | $0 |
| Total | $44,000 | $30,650 |

CITY OF CLERMONT

# AGENDA ITEM



| Meeting Date | |
|---|---|
| Thursday, March 23, 2017 | |
| **Agenda Item Name** | |
| Approval of Police Officers Pension Plan Actuarial Valuation - October 1, 2016 | |
| **Requested Action** | |
| | |
| **Staff Report** | |
| | |
| **Additional Analysis** | |
| | |
| **Fiscal Impact Summary** | |
| | |

| Fiscal Impact | Fund Number and Description | Available Budget Amount |
|---|---|---|
| | | |

| Exhibits Attached (copies of original agreements) | |
|---|---|
| 1. Police Officers Pension Plan Actuarial Valuation | Police Officers Valuation 10-1-16.pdf |

# Retirement Plan for the Police Officers Of the City of Clermont

## Actuarial Valuation As of October 1, 2016

## Determines the Contribution For the 2016/17 Fiscal Year

Southern Actuarial Services

March 13, 2017

Introduction

This report presents the results of the October 1, 2016 actuarial valuation for the Retirement Plan for the Police Officers of the City of Clermont. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2016 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2016/17 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the normal cost rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2016/17 plan year. The minimum required contribution rate is 22.58% of covered payroll, which represents an increase of 4.93% of payroll from the prior valuation.

The normal cost rate is 21.75%, which is 4.74% higher than the normal cost rate that was developed in the prior valuation. Table I-C provides a breakdown of the sources of change in the normal cost rate. Significantly, the rate decreased by 4.70% of payroll due to investment gains, increased by 7.08% of payroll due to demographic experience, and increased by another 2.36% of payroll due to the assumption change that is described below. The market value of assets lost 0.11% during the 2014/15 plan year and earned 8.27% during the 2015/16 plan year, whereas a 7.50% annual investment return was required to maintain a stable contribution rate.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the City must contribute an amount equal to the annual normal cost of the plan plus an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the City's 2016/17 minimum required contribution will be equal to 22.58% multiplied by the total pensionable earnings for the 2016/17 plan year for the active employees who are covered by the plan and reduced by the portion of the Chapter 175/185 contribution that is allowed to be recognized during the 2016/17 plan year. Furthermore, if an actuarial valuation is not prepared as of October 1, 2017, then the 22.58% contribution rate should also be applied to the covered payroll for the 2017/18 plan year and offset by the allowable Chapter 175/185 contribution in order to determine the minimum required contribution for that year.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is $21,192,381. As illustrated in Table I-A, current assets are sufficient to cover $13,974,251 of this amount, the employer's 2016/17 expected contribution will cover $760,174 of this amount, and future employee contributions are expected to cover $874,935 of this amount, leaving $5,583,021 to be covered by future employer funding beyond the 2016/17 fiscal year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

## Advance Employer Contribution

The City has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an "advance employer contribution." As of October 1, 2016, the advance employer contribution is $125,434, which reflects the advance employer contribution of $194,513 as of October 1, 2014 minus the shortfall between the actual employer contributions and the minimum required contribution during the period October 1, 2014 through September 30, 2016 as shown in Table II-F.

The City may apply all or any portion of the advance employer contribution towards the minimum required contribution for the 2016/17 plan year or for any later plan year. The minimum required contribution for that plan year will be reduced dollar-for-dollar by the amount of the advance employer contribution that is applied in this manner.

Alternatively, at any time, the City may apply all or any portion of the advance employer contribution as an *extra* contribution in excess of the minimum required contribution. In this case, the immediate application of the entire balance of the advance employer contribution as of October 1, 2016 would reduce the minimum required contribution for the 2016/17 plan year to 22.13% of payroll.

Contents of the Report

Tables I-D through I-G provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2016, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Assumption Change

Pursuant to the requirements of State law, the mortality basis has been changed from a 2007 projection of the RP-2000 Mortality Table to a full generational projection using Scale BB of the RP-2000 Blue Collar Mortality Table. This change increased the minimum required contribution for the 2016/17 plan year by 2.45% of payroll.

Certification

This actuarial valuation was prepared by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate and, in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,

Charles T. Carr

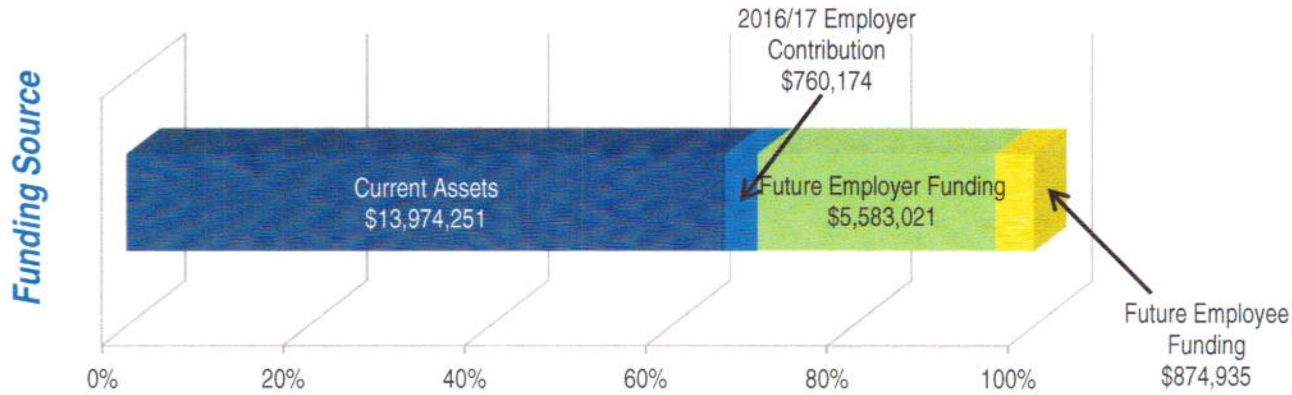
Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

Enrolled Actuary No. 17-04927

*The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.*

## Minimum Required Contribution

Table I-A




| | For the 2016/17 Plan Year |
|---|---|
| Present Value of Future Benefits | $20,879,193 |
| Present Value of Future Administrative Expenses | $313,188 |
| Actuarial Value of Assets | ($13,974,251) |
| Present Value of Future Employee Contributions | ($874,935) |
| Present Value of Future Normal Costs | $6,343,195 |
| Present Value of Future Payroll | *÷ $29,164,380* |
| Normal Cost Rate | *= 21.7498%* |
| Expected Payroll | *x $3,366,613* |
| Normal Cost | $732,232 |
| Adjustment to Reflect Semi-Monthly Employer Contributions | $27,942 |
| Preliminary Employer Contribution for the 2016/17 Plan Year | $760,174 |
| Expected Payroll for the 2016/17 Plan Year | *÷ $3,366,613* |
| ***Minimum Required Contribution Rate*** | **22.58%** |

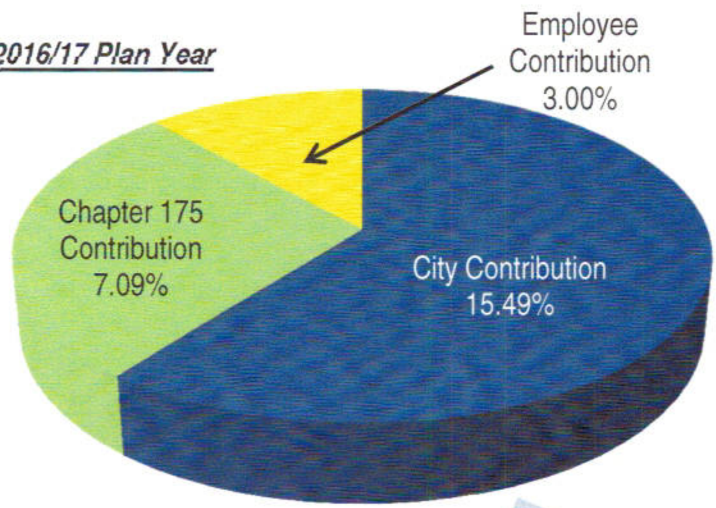
*(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the year.)*

# Minimum Required Contribution

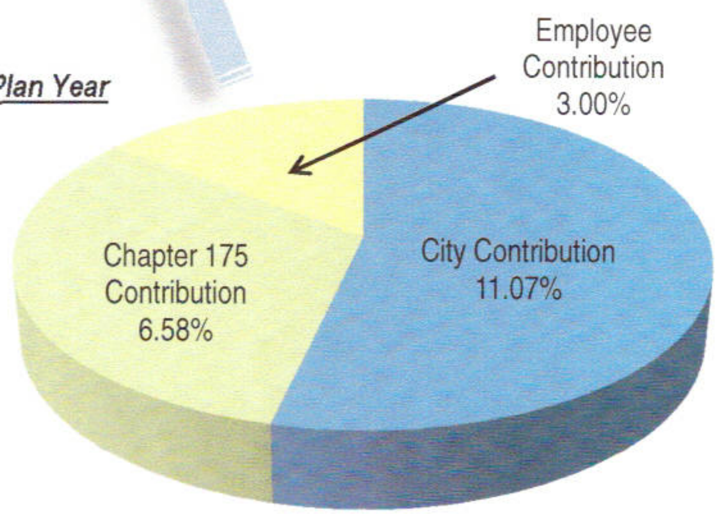
Table I-A
*(continued)*

The minimum required contribution rate of 22.58% includes both the City contribution and the allowable Chapter 185 contribution. In addition, employees are required to contribute 3.00% of pensionable earnings. The actual City contribution rate is expected to be approximately 15.49% based on the allowable Chapter 185 contribution for the previous year. The chart below shows the expected contribution rate by source for the 2016/17 plan year based on the expected payroll. A comparative chart shows the contribution rate by source for the previous plan year.

***For the 2016/17 Plan Year***

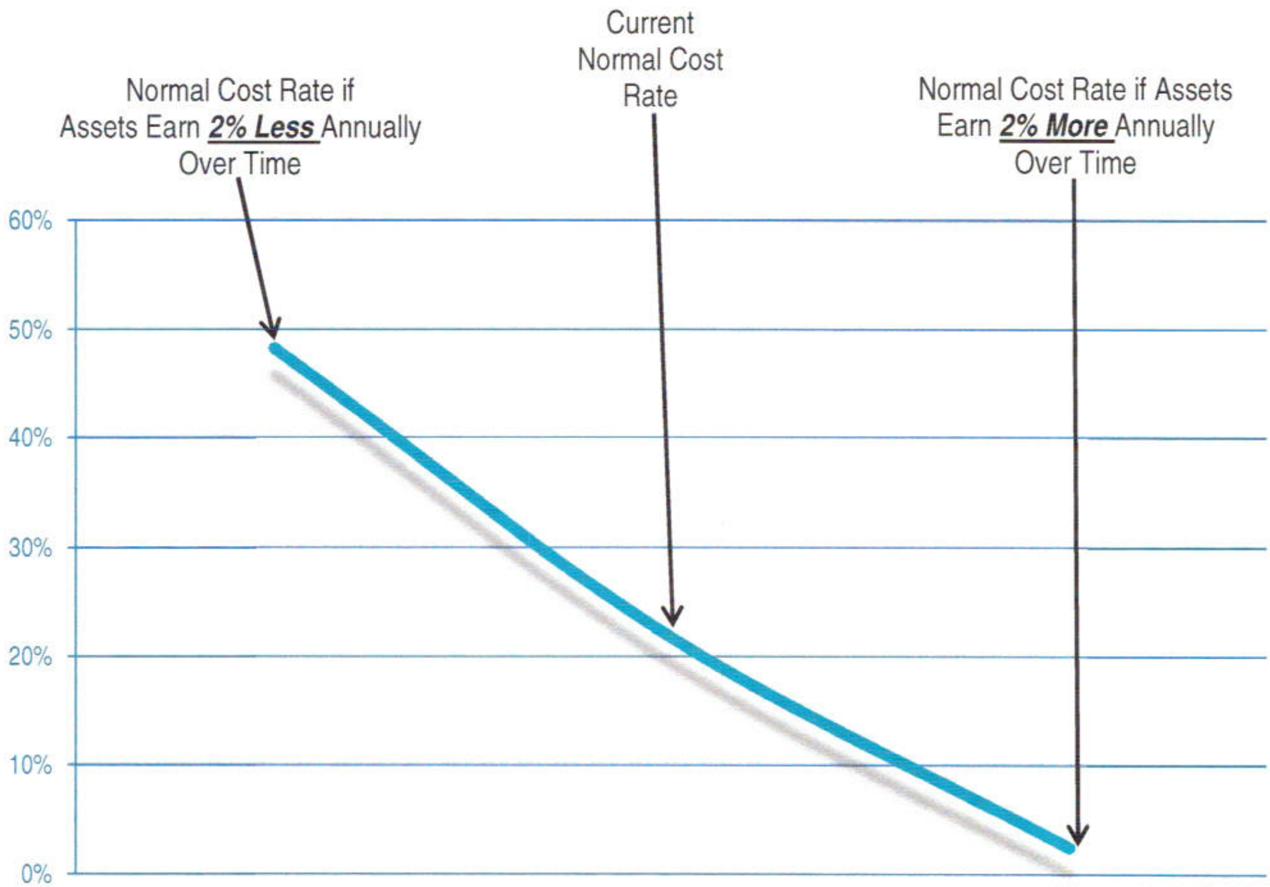



***For the 2015/16 Plan Year***



## Sensitivity Analysis

Table I-B




*The line above illustrates the sensitivity of the normal cost rate to changes in the long-term investment return.*

## Gain and Loss Analysis

Table I-C

| | |
|---|---|
| Previous normal cost rate | 17.01% |
| Increase (decrease) due to investment gains and losses | -4.70% |
| Increase (decrease) due to demographic experience | 7.08% |
| Increase (decrease) due to plan amendments | 0.00% |
| Increase (decrease) due to actuarial assumption changes | 2.36% |
| Increase (decrease) due to actuarial method changes | 0.00% |
| Current normal cost rate | 21.75% |

## Present Value of Future Benefits

Table I-D

| | Old Assumptions w/o Amendment | Old Assumptions w/ Amendment | New Assumptions w/ Amendment |
|---|---|---|---|
| *Actively Employed Participants* | | | |
| Retirement benefits | $15,381,312 | $15,381,312 | $15,864,059 |
| Termination benefits | $361,392 | $361,392 | $385,447 |
| Disability benefits | $118,418 | $118,418 | $121,339 |
| Death benefits | $66,621 | $66,621 | $91,068 |
| Refund of employee contributions | $7,201 | $7,201 | $7,264 |
| Sub-total | **$15,934,944** | **$15,934,944** | **$16,469,177** |
| *Deferred Vested Participants* | | | |
| Retirement benefits | $333,080 | $333,080 | $348,302 |
| Termination benefits | $0 | $0 | $0 |
| Disability benefits | $0 | $0 | $0 |
| Death benefits | $0 | $0 | $0 |
| Refund of employee contributions | $0 | $0 | $0 |
| Sub-total | **$333,080** | **$333,080** | **$348,302** |
| *Due a Refund of Contributions* | **$1,843** | **$1,843** | **$1,843** |
| *Deferred Beneficiaries* | **$0** | **$0** | **$0** |
| *Retired Participants* | | | |
| Service retirements | $2,699,192 | $2,699,192 | $2,782,527 |
| Disability retirements | $1,044,909 | $1,044,909 | $1,073,980 |
| Beneficiaries receiving | $195,338 | $195,338 | $203,364 |
| DROP participants | $0 | $0 | $0 |
| Sub-total | **$3,939,439** | **$3,939,439** | **$4,059,871** |
| *Grand Total* | **$20,209,306** | **$20,209,306** | **$20,879,193** |
| Present Value of Future Payroll | $29,206,427 | $29,206,427 | $29,164,380 |
| Present Value of Future Employee Contribs. | $876,191 | $876,191 | $874,935 |
| Present Value of Future Employer Contribs. | $5,662,004 | $5,662,004 | $6,343,195 |

# Present Value of Accrued Benefits

Table I-E

| | Old Assumptions w/o Amendment | Old Assumptions w/ Amendment | New Assumptions w/ Amendment |
|---|---|---|---|
| *Actively Employed Participants* | | | |
| Retirement benefits | $5,805,035 | $5,805,035 | $5,982,832 |
| Termination benefits | $162,169 | $162,169 | $172,715 |
| Disability benefits | $82,347 | $82,347 | $84,304 |
| Death benefits | $29,198 | $29,198 | $39,553 |
| Refund of employee contributions | $3,825 | $3,825 | $3,857 |
| Sub-total | **$6,082,574** | **$6,082,574** | **$6,283,261** |
| *Deferred Vested Participants* | | | |
| Retirement benefits | $333,080 | $333,080 | $348,302 |
| Termination benefits | $0 | $0 | $0 |
| Disability benefits | $0 | $0 | $0 |
| Death benefits | $0 | $0 | $0 |
| Refund of employee contributions | $0 | $0 | $0 |
| Sub-total | **$333,080** | **$333,080** | **$348,302** |
| *Due a Refund of Contributions* | **$1,843** | **$1,843** | **$1,843** |
| *Deferred Beneficiaries* | **$0** | **$0** | **$0** |
| *Retired Participants* | | | |
| Service retirements | $2,699,192 | $2,699,192 | $2,782,527 |
| Disability retirements | $1,044,909 | $1,044,909 | $1,073,980 |
| Beneficiaries receiving | $195,338 | $195,338 | $203,364 |
| DROP participants | $0 | $0 | $0 |
| Sub-total | **$3,939,439** | **$3,939,439** | **$4,059,871** |
| *Grand Total* | **$10,356,936** | **$10,356,936** | **$10,693,277** |
| *Funded Percentage* | 136.14% | 136.14% | 131.86% |

## Present Value of Vested Benefits

Table I-F

| | Old Assumptions w/o Amendment | Old Assumptions w/ Amendment | New Assumptions w/ Amendment |
|---|---|---|---|
| *Actively Employed Participants* | | | |
| Retirement benefits | $5,582,707 | $5,582,707 | $5,754,158 |
| Termination benefits | $131,679 | $131,679 | $140,135 |
| Disability benefits | $76,485 | $76,485 | $78,298 |
| Death benefits | $24,734 | $24,734 | $33,603 |
| Refund of employee contributions | $12,644 | $12,644 | $12,797 |
| Sub-total | **$5,828,249** | **$5,828,249** | **$6,018,991** |
| *Deferred Vested Participants* | | | |
| Retirement benefits | $333,080 | $333,080 | $348,302 |
| Termination benefits | $0 | $0 | $0 |
| Disability benefits | $0 | $0 | $0 |
| Death benefits | $0 | $0 | $0 |
| Refund of employee contributions | $0 | $0 | $0 |
| Sub-total | **$333,080** | **$333,080** | **$348,302** |
| *Due a Refund of Contributions* | **$1,843** | **$1,843** | **$1,843** |
| *Deferred Beneficiaries* | **$0** | **$0** | **$0** |
| *Retired Participants* | | | |
| Service retirements | $2,699,192 | $2,699,192 | $2,782,527 |
| Disability retirements | $1,044,909 | $1,044,909 | $1,073,980 |
| Beneficiaries receiving | $195,338 | $195,338 | $203,364 |
| DROP participants | $0 | $0 | $0 |
| Sub-total | **$3,939,439** | **$3,939,439** | **$4,059,871** |
| *Grand Total* | **$10,102,611** | **$10,102,611** | **$10,429,007** |

## Entry Age Normal Accrued Liability

Table I-G

| | Old Assumptions w/o Amendment | Old Assumptions w/ Amendment | New Assumptions w/ Amendment |
|---|---|---|---|
| *Actively Employed Participants* | | | |
| Retirement benefits | $8,610,945 | $8,610,945 | $8,879,115 |
| Termination benefits | $210,051 | $210,051 | $223,822 |
| Disability benefits | $70,439 | $70,439 | $72,159 |
| Death benefits | $38,923 | $38,923 | $53,004 |
| Refund of employee contributions | $3,598 | $3,598 | $3,622 |
| Sub-total | **$8,933,956** | **$8,933,956** | **$9,231,722** |
| *Deferred Vested Participants* | | | |
| Retirement benefits | $333,080 | $333,080 | $348,302 |
| Termination benefits | $0 | $0 | $0 |
| Disability benefits | $0 | $0 | $0 |
| Death benefits | $0 | $0 | $0 |
| Refund of employee contributions | $0 | $0 | $0 |
| Sub-total | **$333,080** | **$333,080** | **$348,302** |
| *Due a Refund of Contributions* | **$1,843** | **$1,843** | **$1,843** |
| *Deferred Beneficiaries* | **$0** | **$0** | **$0** |
| *Retired Participants* | | | |
| Service retirements | $2,699,192 | $2,699,192 | $2,782,527 |
| Disability retirements | $1,044,909 | $1,044,909 | $1,073,980 |
| Beneficiaries receiving | $195,338 | $195,338 | $203,364 |
| DROP participants | $0 | $0 | $0 |
| Sub-total | **$3,939,439** | **$3,939,439** | **$4,059,871** |
| *Grand Total* | $13,208,318 | $13,208,318 | $13,641,738 |

## Actuarial Value of Assets

Table II-A

| | |
|---|---|
| Market Value of Assets as of October 1, 2016 | $14,099,685 |
| Minus DROP account balances | $0 |
| Minus advance employer contributions | ($125,434) |
| Minus excess Chapter 175/185 contributions | $0 |
| **Actuarial Value of Assets as of October 1, 2016** | **$13,974,251** |

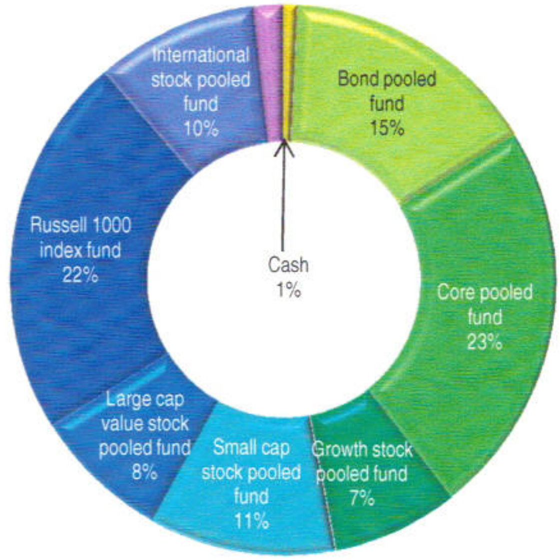
**Historical Actuarial Value of Assets**

| | |
|---|---|
| October 1, 2007 | $4,905,071 |
| October 1, 2008 | $4,675,377 |
| October 1, 2009 | $5,289,564 |
| October 1, 2010 | $6,557,368 |
| October 1, 2011 | $7,341,114 |
| October 1, 2012 | $9,291,324 |
| October 1, 2013 | $10,879,150 |
| October 1, 2014 | $12,281,709 |
| October 1, 2015 | $12,541,760 |
| October 1, 2016 | $13,974,251 |

## Market Value of Assets

Table II-B

| | As of October 1, 2016 |
|---|---|
| **Market Value of Assets** | **$14,099,685** |
| Cash | $114,863 |
| Bond pooled fund | $2,239,827 |
| Core pooled fund | $3,417,171 |
| Growth stock pooled fund | $1,091,198 |
| Small cap stock pooled fund | $1,622,438 |
| Large cap value stock pooled fund | $1,177,345 |
| Russell 1000 index fund | $3,287,951 |
| International stock pooled fund | $1,407,071 |
| Employee contribution receivable | $4 |
| DROP account payable | ($258,183) |

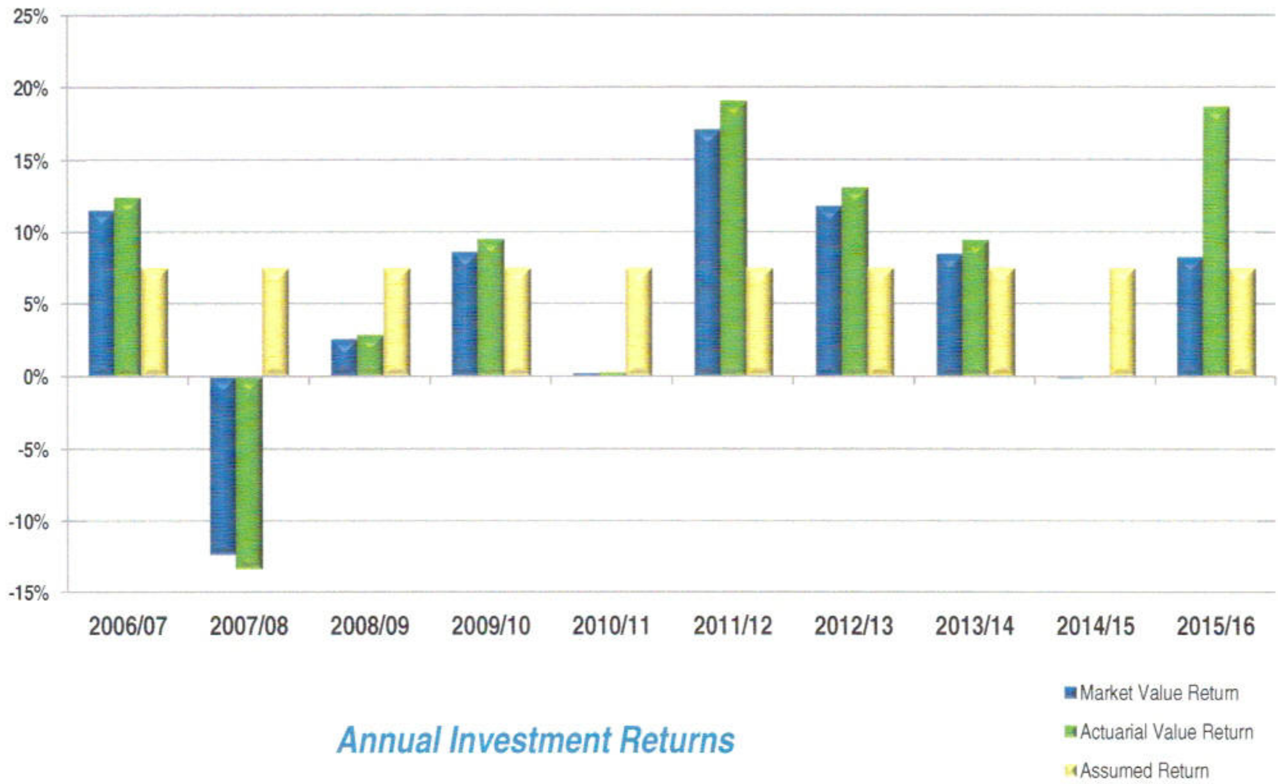



**Historical Market Value of Assets**

| | |
|---|---|
| October 1, 2007 | $5,265,403 |
| October 1, 2008 | $5,132,327 |
| October 1, 2009 | $5,839,876 |
| October 1, 2010 | $7,200,333 |
| October 1, 2011 | $8,186,716 |
| October 1, 2012 | $10,158,337 |
| October 1, 2013 | $12,031,622 |
| October 1, 2014 | $13,622,129 |
| October 1, 2015 | $13,994,534 |
| October 1, 2016 | $14,099,685 |

# Investment Return

Table II-C




*Annual Investment Returns*

| Plan Year | Market Value Return | Actuarial Value Return | Assumed Return |
|---|---|---|---|
| 2006/07 | 11.57% | 12.43% | 7.50% |
| 2007/08 | -12.35% | -13.34% | 7.50% |
| 2008/09 | 2.58% | 2.85% | 7.50% |
| 2009/10 | 8.63% | 9.54% | 7.50% |
| 2010/11 | 0.24% | 0.27% | 7.50% |
| 2011/12 | 17.12% | 19.05% | 7.50% |
| 2012/13 | 11.86% | 13.13% | 7.50% |
| 2013/14 | 8.48% | 9.44% | 7.50% |
| 2014/15 | -0.11% | -0.12% | 7.50% |
| 2015/16 | 8.27% | 18.66% | 7.50% |
| 10yr. Avg. | 5.32% | 6.76% | 7.50% |

## Asset Reconciliation

Table II-D

| | Market Value | Actuarial Value |
|---|---|---|
| **As of October 1, 2014** | **$13,622,129** | **$12,281,709** |
| ***Increases Due To:*** | | |
| Employer Contributions | $794,182 | $794,182 |
| Chapter 175/185 Contributions | ($640,689) | ($640,689) |
| Employee Contributions | $207,994 | $207,994 |
| Service Purchase Contributions | $0 | $0 |
| Total Contributions | $361,487 | $361,487 |
| Interest and Dividends | $0 | |
| Realized Gains (Losses) | $0 | |
| Unrealized Gains (Losses) | $1,100,652 | |
| Total Investment Income | $1,100,652 | $2,248,411 |
| Other Income | $0 | |
| **Total Income** | **$1,462,139** | **$2,609,898** |
| ***Decreases Due To:*** | | |
| Monthly Benefit Payments | ($861,224) | ($861,224) |
| Refund of Employee Contributions | ($38,214) | ($38,214) |
| DROP Credits | | $144,781 |
| Total Benefit Payments | ($899,438) | ($754,657) |
| Investment Expenses | $0 | |
| Administrative Expenses | ($85,145) | ($85,145) |
| Advance Employer Contribution | | $69,079 |
| Excess Chapter 175/185 Contribution | | ($146,633) |
| **Total Expenses** | **($984,583)** | **($917,356)** |
| **As of October 1, 2016** | **$14,099,685** | **$13,974,251** |

# Historical Trust Fund Detail

Table II-E

## *Income*

| Plan Year | Employer Contribs. | Chapter Contribs. | Employee Contribs. | Service Purchase Contribs. | Interest / Dividends | Realized Gains / Losses | Unrealized Gains / Losses | Other Income |
|---|---|---|---|---|---|---|---|---|
| 2006/07 | $254,873 | $211,850 | $65,289 | $0 | $0 | $0 | $525,859 | $0 |
| 2007/08 | $420,052 | $218,263 | $68,977 | $0 | $0 | $0 | -$684,471 | $0 |
| 2008/09 | $449,224 | $215,007 | $77,036 | $0 | $0 | $0 | $139,764 | $0 |
| 2009/10 | $697,663 | $214,298 | $85,593 | $0 | $0 | $0 | $539,567 | $0 |
| 2010/11 | $855,643 | $212,565 | $90,477 | $0 | $0 | $0 | $18,538 | $0 |
| 2011/12 | $508,321 | $203,523 | $84,197 | $0 | $0 | $0 | $1,446,261 | $0 |
| 2012/13 | $623,754 | $211,000 | $90,850 | $0 | $0 | $0 | $1,242,473 | $0 |
| 2013/14 | $548,481 | $217,653 | $95,733 | $0 | $0 | $0 | $1,043,670 | $0 |
| 2014/15 | $400,563 | $240,486 | $99,188 | $0 | $0 | $0 | -$14,780 | $0 |
| 2015/16 | $393,619 | -$881,175 | $108,806 | $0 | $0 | $0 | $1,115,432 | $0 |

## *Expenses* / *Other Actuarial Adjustments*

| Plan Year | Monthly Benefit Payments | Contrib. Refunds | Admin. Expenses | Invest. Expenses | DROP Credits | Advance Employer Contribs. | Excess Chapter Contribs. |
|---|---|---|---|---|---|---|---|
| 2006/07 | $109,085 | $19,837 | $14,884 | $0 | $0 | $0 | $90,205 |
| 2007/08 | $128,997 | $6,871 | $20,029 | $0 | $0 | $0 | $96,618 |
| 2008/09 | $135,910 | $25,159 | $12,413 | $0 | $0 | $0 | $93,362 |
| 2009/10 | $136,119 | $14,638 | $25,907 | $0 | $0 | $0 | $92,653 |
| 2010/11 | $149,658 | $10,307 | $30,875 | $0 | $0 | $111,717 | $90,920 |
| 2011/12 | $232,402 | $0 | $38,279 | $0 | $45,168 | -$105,635 | $81,878 |
| 2012/13 | $259,574 | $3,174 | $32,044 | $0 | $48,193 | $147,911 | $89,355 |
| 2013/14 | $267,809 | $15,370 | $31,851 | $0 | $51,420 | $40,520 | $96,008 |
| 2014/15 | $291,187 | $7,371 | $54,494 | $0 | $54,864 | -$61,351 | $118,841 |
| 2015/16 | $570,037 | $30,843 | $30,651 | $0 | -$199,645 | -$7,728 | $27,792 |

Note: Information was not available to separate the investment expenses from the investment income nor was information available to separate the investment income by source.

# Other Reconciliations

Table II-F

### Advance Employer Contribution

| | |
|---|---|
| Advance Employer Contribution as of October 1, 2014 | $194,513 |
| Additional Employer Contribution | $522,208 |
| Minimum Required Contribution | ($583,559) |
| Net Increase in Advance Employer Contribution | ($61,351) |
| Advance Employer Contribution as of October 1, 2015 | $133,162 |
| Additional Employer Contribution | $632,411 |
| Minimum Required Contribution | ($640,139) |
| Net Increase in Advance Employer Contribution | ($7,728) |
| Advance Employer Contribution as of October 1, 2016 | $125,434 |

### Excess Chapter 175/185 Contribution

| | |
|---|---|
| Excess Chapter 175/185 Contribution as of October 1, 2014 | $1,001,126 |
| Additional Chapter 175/185 Contribution | $240,486 |
| Allowable Chapter 175/185 Contribution | ($121,645) |
| Net Increase in Excess Chapter 175/185 Contribution | $118,841 |
| Excess Chapter 175/185 Contribution as of October 1, 2015 | $1,119,967 |
| Additional Chapter 175/185 Contribution | $266,584 |
| Allowable Chapter 175/185 Contribution | ($238,792) |
| Net Increase in Excess Chapter 175/185 Contribution | $27,792 |
| Transfer to Share Plan | ($1,147,759) |
| Excess Chapter 175/185 Contribution as of October 1, 2016 | $0 |

# Other Reconciliations

Table II-F

*(continued)*

***DROP Account Reconciliation***

| | |
|---|---|
| DROP Balance as of October 1, 2014 | $144,781 |
| DROP Benefit Credits | $43,838 |
| DROP Investment Credits | $11,026 |
| DROP Benefits Paid Out | $0 |
| Net DROP Credit | $54,864 |
| DROP Balance as of October 1, 2015 | $199,645 |
| DROP Benefit Credits | $43,838 |
| DROP Investment Credits | $14,700 |
| DROP Benefits Paid Out | ($258,183) |
| Net DROP Credit | ($199,645) |
| DROP Balance as of October 1, 2016 | $0 |

# Historical Chapter 175/185 Contributions

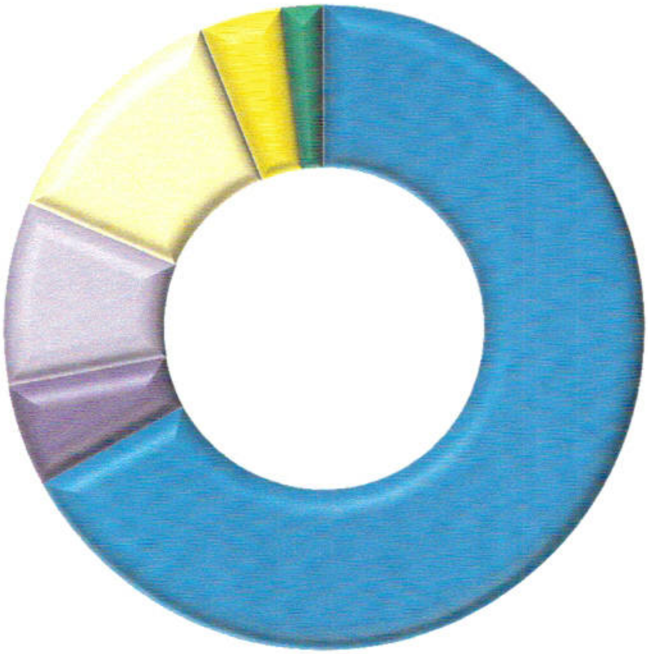
## Table II-G

| ***Total Accumulated Excess Chapter 175/185 Contribution*** | **$0** |
|---|---|

| | Chapter 175 Regular Distribution | Chapter 175 Supplemental Distribution | Chapter 185 Distribution | Allowable Amount |
|---|---|---|---|---|
| 1998 Distribution | $0 | $0 | $80,472 | ($71,123) |
| 1999 Distribution | $0 | $0 | $87,387 | ($71,123) |
| 2000 Distribution | $0 | $0 | $98,660 | ($71,123) |
| 2001 Distribution | $0 | $0 | $113,749 | ($100,150) |
| 2002 Distribution | $0 | $0 | $152,815 | ($121,645) |
| 2003 Distribution | $0 | $0 | $167,661 | ($121,645) |
| 2004 Distribution | $0 | $0 | $183,852 | ($121,645) |
| 2005 Distribution | $0 | $0 | $199,035 | ($121,645) |
| 2006 Distribution | $0 | $0 | $211,850 | ($121,645) |
| 2007 Distribution | $0 | $0 | $218,263 | ($121,645) |
| 2008 Distribution | $0 | $0 | $215,007 | ($121,645) |
| 2009 Distribution | $0 | $0 | $214,298 | ($121,645) |
| 2010 Distribution | $0 | $0 | $212,565 | ($121,645) |
| 2011 Distribution | $0 | $0 | $203,523 | ($121,645) |
| 2012 Distribution | $0 | $0 | $211,000 | ($121,645) |
| 2013 Distribution | $0 | $0 | $217,653 | ($121,645) |
| 2014 Distribution | $0 | $0 | $240,486 | ($121,645) |
| 2015 Distribution | $0 | $0 | $266,584 | ($238,792) |
| Interest Adjustment | | | | $15,655 |
| Ordinance 342-C | | | | ($29,060) |
| Transfer to Share Plan | | | | ($1,147,759) |

# Summary of Participant Data

Table III-A



Participant Distribution by Status

**As of October 1, 2016**

| | |
|---|---|
| *Actively Employed Participants* | |
| Active Participants | 65 |
| DROP Participants | 0 |
| *Inactive Participants* | |
| Deferred Vested Participants | 5 |
| Due a Refund of Contributions | 9 |
| Deferred Beneficiaries | 0 |
| *Participants Receiving a Benefit* | |
| Service Retirements | 12 |
| Disability Retirements | 4 |
| Beneficiaries Receiving | 2 |
| **Total Participants** | **97** |

**Number of Participants Included in Prior Valuations**

| | *Active* | *DROP* | *Inactive* | *Retired* | *Total* |
|---|---|---|---|---|---|
| October 1, 2007 | 49 | 0 | 20 | 6 | 75 |
| October 1, 2008 | N/A | N/A | N/A | N/A | N/A |
| October 1, 2009 | 50 | 0 | 20 | 7 | 77 |
| October 1, 2010 | N/A | N/A | N/A | N/A | N/A |
| October 1, 2011 | 52 | 1 | 22 | 11 | 86 |
| October 1, 2012 | 52 | 1 | 25 | 12 | 90 |
| October 1, 2013 | N/A | N/A | N/A | N/A | N/A |
| October 1, 2014 | 59 | 1 | 14 | 15 | 89 |
| October 1, 2015 | N/A | N/A | N/A | N/A | N/A |
| October 1, 2016 | 65 | 0 | 14 | 18 | 97 |

## Data Reconciliation

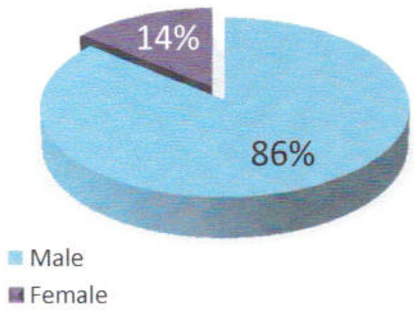
Table III-B

| | Active | DROP | Deferred Vested | Due a Refund | Def. Benef. | Service Retiree | Disabled Retiree | Benef. Rec'v. | Total |
|---|---|---|---|---|---|---|---|---|---|
| *October 1, 2014* | 59 | 1 | 5 | 9 | 0 | 10 | 3 | 2 | **89** |
| *Change in Status* | | | | | | | | | |
| *Re-employed* | | | | | | | | | |
| *Terminated* | (9) | | 2 | 7 | | | | | |
| *Retired* | (1) | (1) | (1) | | | 2 | 1 | | |
| *Participation Ended* | | | | | | | | | |
| *Transferred Out* | | | | | | | | | |
| *Cashed Out* | | | | (7) | | | | | **(7)** |
| *Died* | | | (1) | | | | | | **(1)** |
| *Participation Began* | | | | | | | | | |
| *Newly Hired* | 16 | | | | | | | | **16** |
| *Transferred In* | | | | | | | | | |
| *New Beneficiary* | | | | | | | | | |
| *Other Adjustment* | | | | | | | | | |
| *October 1, 2016* | 65 | 0 | 5 | 9 | 0 | 12 | 4 | 2 | **97** |

# Active Participant Data

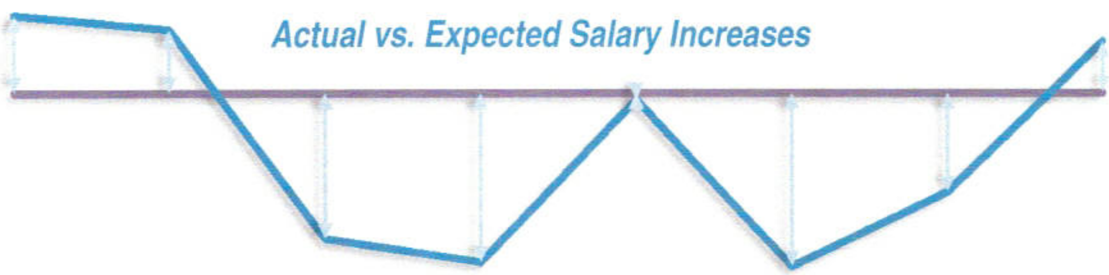
Table III-C

## Gender Mix




**As of October 1, 2016**

| | |
|---|---|
| *Average Age* | 38.8 years |
| *Average Service* | 6.9 years |
| *Total Annualized Compensation for the Prior Year* | $3,709,979 |
| *Total Expected Compensation for the Current Year* | $3,366,613 |
| *Average Increase in Compensation for the Prior Year* | 7.01% |
| *Expected Increase in Compensation for the Current Year* | 5.50% |

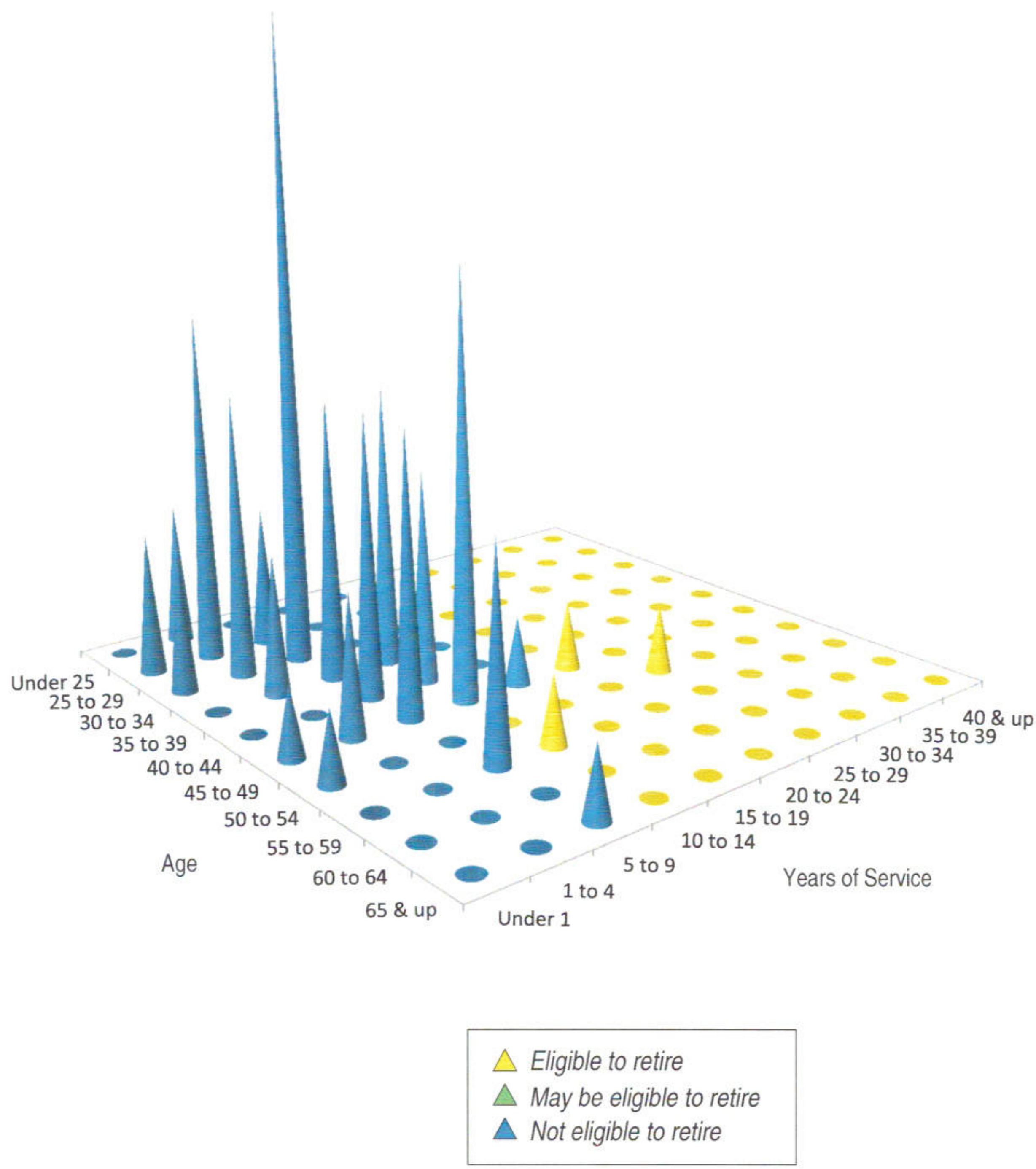



**Active Participant Statistics From Prior Valuations**

| | *Average Age* | *Average Service* | *Average Salary* | *Average Expected Salary Increase* | *Average Actual Salary Increase* |
|---|---|---|---|---|---|
| October 1, 2007 | 36.5 | 4.8 | $47,078 | 5.50% | 15.23% |
| October 1, 2008 | N/A | N/A | N/A | 5.50% | 8.62% |
| October 1, 2009 | 38.6 | 5.1 | $51,884 | 5.50% | 7.77% |
| October 1, 2010 | N/A | N/A | N/A | 5.50% | 7.36% |
| October 1, 2011 | 37.2 | 4.7 | $53,483 | 5.50% | 1.20% |
| October 1, 2012 | 37.3 | 5.2 | $53,121 | 5.50% | 0.49% |
| October 1, 2013 | N/A | N/A | N/A | 5.50% | 5.31% |
| October 1, 2014 | 38.5 | 6.3 | $55,774 | 5.50% | 0.36% |
| October 1, 2015 | N/A | N/A | N/A | 5.50% | 2.60% |
| October 1, 2016 | 38.8 | 6.9 | $57,077 | 5.50% | 7.01% |

## Active Age-Service Distribution

Table III-D



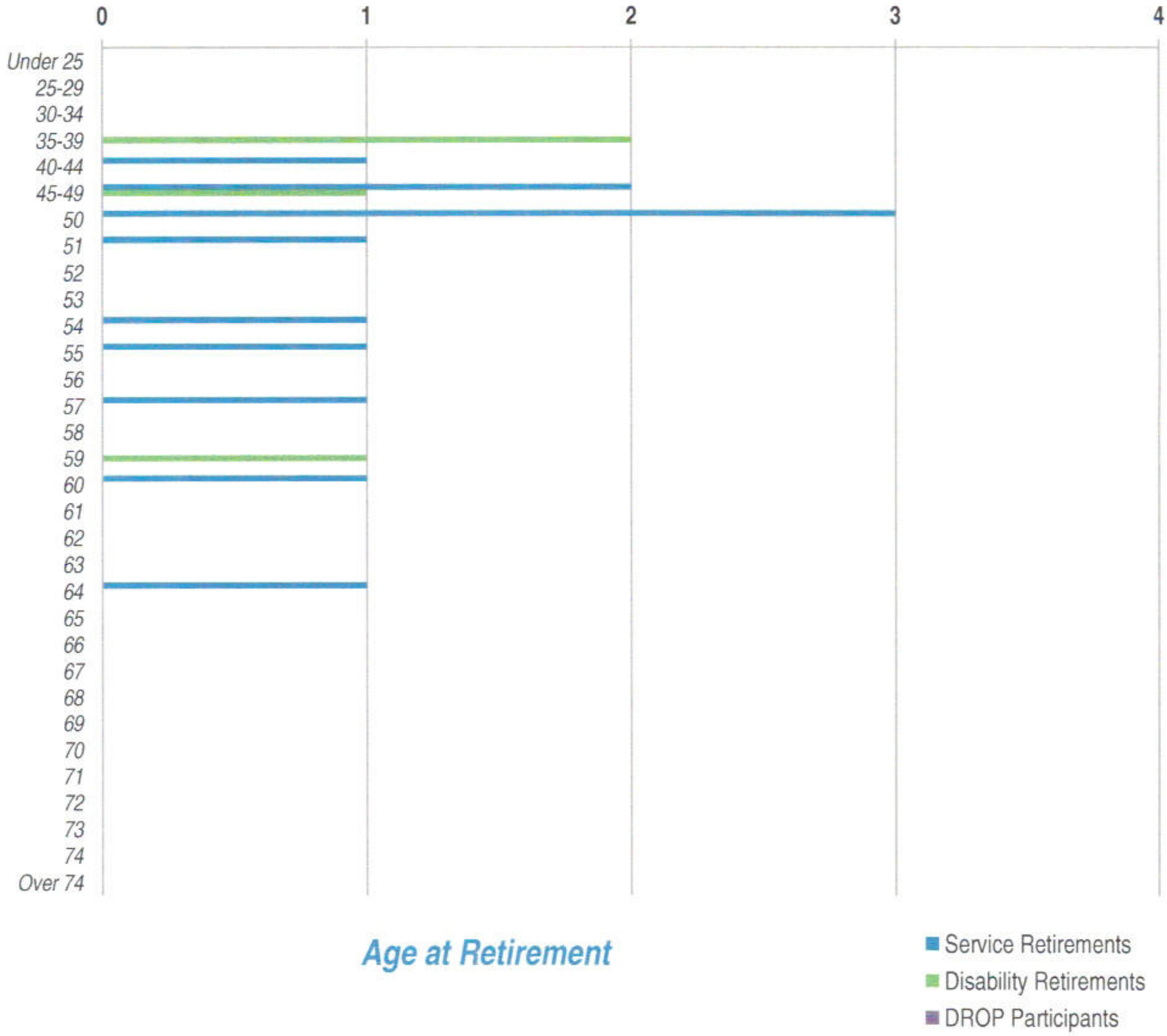
# Active Age-Service-Salary Table

Table III-E

| Attained Age | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 & up | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Completed Years of Service | | | | | | | | | | |
| **Under 25** | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Avg.Pay | 0 | 34,638 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 34,638 |
| **25 to 29** | 2 | 5 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 |
| Avg.Pay | 42,668 | 51,569 | 53,133 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 49,938 |
| **30 to 34** | 2 | 4 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15 |
| Avg.Pay | 27,268 | 48,997 | 55,466 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 49,981 |
| **35 to 39** | 0 | 2 | 4 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 10 |
| Avg.Pay | 0 | 50,323 | 57,919 | 68,104 | 0 | 0 | 0 | 0 | 0 | 0 | 60,474 |
| **40 to 44** | 0 | 0 | 4 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 7 |
| Avg.Pay | 0 | 0 | 66,574 | 62,385 | 0 | 0 | 0 | 0 | 0 | 0 | 64,779 |
| **45 to 49** | 1 | 2 | 4 | 6 | 1 | 1 | 0 | 0 | 0 | 0 | 15 |
| Avg.Pay | 35,576 | 61,162 | 58,939 | 69,135 | 68,645 | 73,092 | 0 | 0 | 0 | 0 | 63,347 |
| **50 to 54** | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| Avg.Pay | 63,597 | 0 | 0 | 0 | 0 | 0 | 90,940 | 0 | 0 | 0 | 77,269 |
| **55 to 59** | 0 | 0 | 3 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| Avg.Pay | 0 | 0 | 52,527 | 60,539 | 0 | 0 | 0 | 0 | 0 | 0 | 54,530 |
| **60 to 64** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Avg.Pay | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **65 & up** | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Avg.Pay | 0 | 0 | 60,494 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 60,494 |
| **Total** | 6 | 15 | 27 | 14 | 1 | 1 | 1 | 0 | 0 | 0 | 65 |
| Avg.Pay | 39,841 | 49,738 | 57,676 | 66,780 | 68,645 | 73,092 | 90,940 | 0 | 0 | 0 | 57,077 |

## Inactive Participant Data

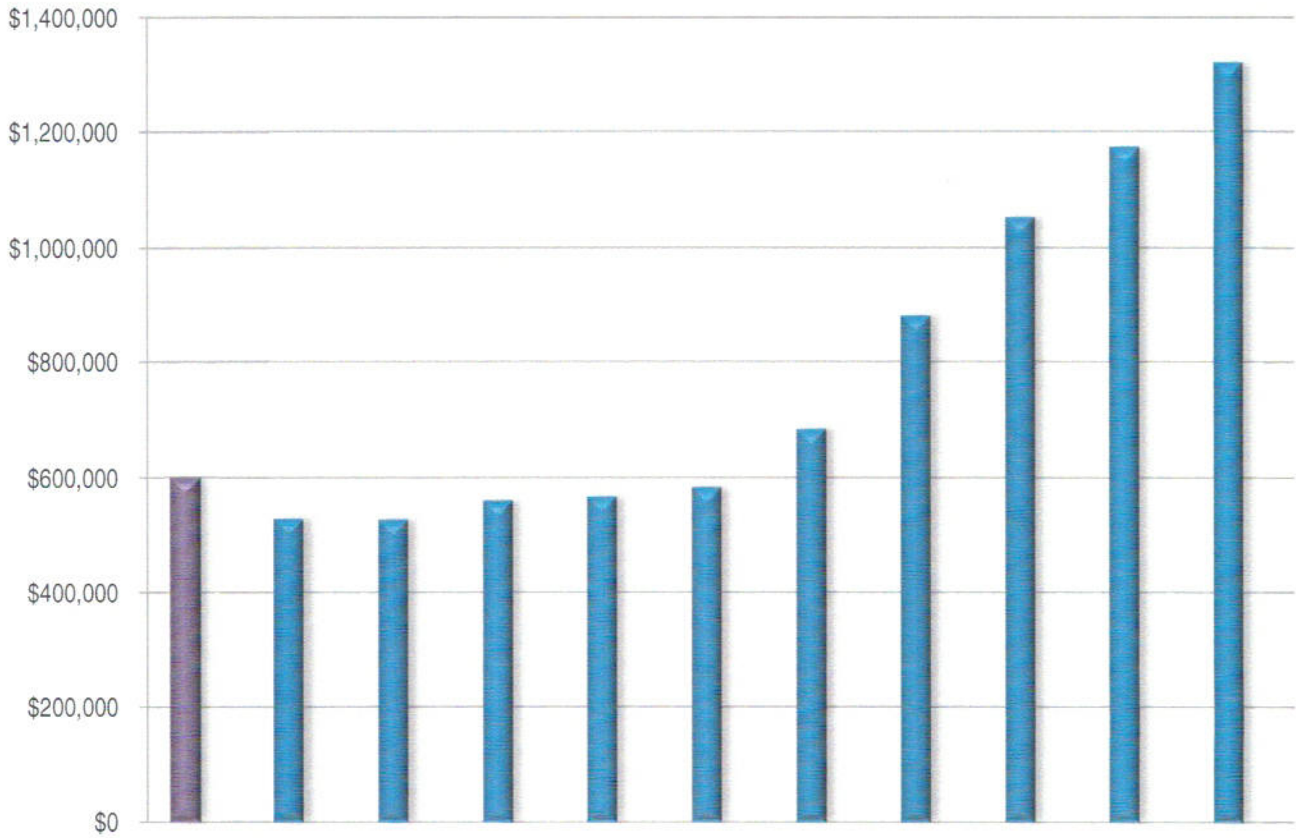
Table III-F




| | Average Monthly Benefit |
|---|---|
| Service Retirements | $1,659.38 |
| Disability Retirements | $1,850.05 |
| Beneficiaries Receiving | $1,164.16 |
| DROP Participants | Not applicable |
| Deferred Vested Participants | $815.10 |
| Deferred Beneficiaries | Not applicable |

## Projected Benefit Payments

Table III-G




| | |
|---|---|
| *Actual* | |
| For the period October 1, 2015 through September 30, 2016 | $600,880 |
| *Projected* | |
| For the period October 1, 2016 through September 30, 2017 | $529,910 |
| For the period October 1, 2017 through September 30, 2018 | $527,805 |
| For the period October 1, 2018 through September 30, 2019 | $561,366 |
| For the period October 1, 2019 through September 30, 2020 | $568,385 |
| For the period October 1, 2020 through September 30, 2021 | $584,133 |
| For the period October 1, 2021 through September 30, 2022 | $684,786 |
| For the period October 1, 2022 through September 30, 2023 | $881,623 |
| For the period October 1, 2023 through September 30, 2024 | $1,053,661 |
| For the period October 1, 2024 through September 30, 2025 | $1,174,539 |
| For the period October 1, 2025 through September 30, 2026 | $1,320,803 |

# Summary of Actuarial Methods and Assumptions — Table IV-A

*NOTE: The following assumptions and methods have been selected and approved by the Board of Trustees based in part on the advice of the plan's enrolled actuary in accordance with the authority granted to the Board under the pension ordinances and State law.*

1. **Actuarial Cost Method**

Aggregate cost method. Under this actuarial cost method, a funding cost is developed for the plan as a level percentage of payroll. The level funding percentage is calculated as the excess of the total future benefit liability over accumulated assets and future employee contributions, with this excess spread over the expected future payroll for current active participants. The normal cost is equal to the level funding percentage multiplied by the expected payroll for the year immediately following the valuation date. The actuarial accrued liability is equal to the accumulated assets. Therefore, under the aggregate cost method, no unfunded accrued liability is developed.

2. **Asset Method**

The actuarial value of assets is equal to the market value of assets.

3. **Interest (or Discount) Rate**

7.50% per annum

4. **Salary Increases**

Plan compensation is generally assumed to increase at the rate of 5.50% per annum, unless actual plan compensation is known for a prior plan year. In addition, average final compensation has been increased to account for accumulated sick leave and vacation for terminations prior to October 1, 2031. The percentage increase is equal to 5.00% for terminations prior to October 1, 2015, 4.00% for terminations during the period October 1, 2015 through September 30, 2019, 3.00% for terminations during the period October 1, 2019 through September 30, 2023, 2.00% for terminations during the period October 1, 2023 through September 30, 2027, and 1.00% for terminations during the period October 1, 2027 through September 30, 2031.

5. **Decrements**

- Pre-retirement mortality: Sex-distinct rates set forth in the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale BB

- Post-retirement mortality: Sex-distinct rates set forth in the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale BB

## Summary of Actuarial Methods and Assumptions — Table IV-A

(continued)

- Disability: Age-based rates of disability were assumed, ranging from 0.03% at age 20, 0.04% at age 30, 0.07% at age 40, and 0.18% at age 50; 75% of all disabilities are assumed to be service-related.

- Termination: Age-based rates of termination were assumed, ranging from 5.00% at age 20, 3.80% at age 30, 1.50% at age 40, and 0.00% at age 50.

- Retirement: Retirement is assumed to occur at normal retirement age, except that those individuals who are eligible for early retirement at ages 52 through 54 are assumed to retire at the rate of 20% per year.

6. **Form of Payment**

Future retirees have been assumed to select the 10-year certain and life annuity.

7. **Expenses**

The total projected benefit liability has been loaded by 1.50% to account for anticipated administrative expenses. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.

## Changes in Actuarial Methods and Assumptions

Table IV-B

Since the completion of the previous valuation, the mortality basis was changed from a 2007 projection of the RP-2000 Mortality Table to a full generational projection using Scale BB of the RP-2000 Blue Collar Mortality Table as required by State law.

# Summary of Plan Provisions

Table V-A

1. **Monthly Accrued Benefit**

   2.25% of Average Final Compensation multiplied by Credited Service earned prior to October 1, 2002, plus 3.00% of Average Final Compensation multiplied by Credited Service earned after September 30, 2002

2. **Normal Retirement Age and Benefit**

   - **Age**
     Age 55 with at least 10 years of Credited Service; or
     Any age with at least 20 years of Credited Service
   - **Amount**
     Monthly Accrued Benefit
   - **Form of Payment**
     Actuarially increased single life annuity (optional);
     10-year certain and life annuity (normal form of payment);
     Actuarially reduced 50% joint and contingent annuity (optional);
     Actuarially reduced $66^2/_3$% joint and contingent annuity (optional);
     Actuarially reduced 75% joint and contingent annuity (optional);
     Actuarially reduced 100% joint and contingent annuity (optional);
     Any other actuarially equivalent form of payment approved by the Board; or
     Actuarially equivalent lump sum distribution (automatic if the single sum value of the participant's benefit is less than or equal to $5,000 or the monthly annuity is less than $100)

   *(Note: A participant may change his joint annuitant up to two times after retirement.)*

3. **Early Retirement Age and Benefit**

   - **Age**
     Age 50 with at least 10 years of Credited Service
   - **Amount**
     Monthly Accrued Benefit (payable at Normal Retirement Age); or
     Monthly Accrued Benefit reduced by 3% for each year by which the participant's Early Retirement Date precedes his Normal Retirement Date (payable at Early Retirement Age)
   - **Form of Payment**
     Same as for Normal Retirement

# Summary of Plan Provisions

Table V-A

(continued)

## 4. Service Incurred Disability Eligibility and Benefit

- **Eligibility**
  The participant is eligible if his disability was incurred during the course of his employment with the City.
- **Condition**
  The Board must find that the participant has a physical or mental condition resulting from bodily injury, disease, or a mental disorder which renders him incapable of employment as a police officer.
- **Amount Payable**
  A monthly 10-year certain and life annuity equal to the larger of (a) or (b), as follows, but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other City-provided disability compensation from exceeding his Average Final Compensation:
  (a) Monthly Accrued Benefit; or
  (b) 42% of Average Final Compensation

## 5. Non-Service Incurred Disability Eligibility and Benefit

- **Eligibility**
  The participant must have earned at least 10 years of Credited Service if his disability was incurred other than during the course of his employment with the City.
- **Condition**
  Same as for a Service Incurred Disability Benefit
- **Amount Payable**
  A monthly 10-year certain and life annuity equal to the larger of (a) or (b), as follows, but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other City-provided disability compensation from exceeding his Average Final Compensation:
  (a) Monthly Accrued Benefit; or
  (b) 25% of Average Final Compensation

## 6. Delayed Retirement Age and Benefit

- **Age**
  After Normal Retirement Age
- **Amount**
  Monthly Accrued Benefit
- **Form of Payment**
  Same as for Normal Retirement

# Summary of Plan Provisions

Table V-A

(continued)

## 7. Deferred Vested Benefit

- **Age**

  Any age with at least five years of Credited Service
- **Amount**

  Vested portion of the Monthly Accrued Benefit (payable at Normal Retirement Age); or

  Vested portion of the Monthly Accrued Benefit reduced by 3% for each year by which the participant's Early Retirement Date precedes his Normal Retirement Date (payable at Early Retirement Age)

  *Exception: Those individuals who terminated their service prior to October 1, 1990 may not commence receipt of their Monthly Accrued Benefit prior to age 60.*

- **Form of Payment**

  Same as for Normal Retirement

## 8. Pre-Retirement Death Benefit

In the case of the death of a fully or partially vested participant, his beneficiary will receive the vested portion of the participant's Monthly Accrued Benefit payable for 10 years beginning on the participant's early or normal retirement date. In the case of the death of a non-vested participant prior to retirement, his beneficiary will receive the participant's Accumulated Contributions in lieu of any other benefits payable from the plan.

## 9. Average Final Compensation

Average of the highest five years of Compensation out of the last 10 years of employment (or career average, if higher).

## 10. Compensation

Actual compensation for services rendered, including overtime, but excluding bonuses; compensation excludes overtime in excess of 300 hours per year after February 14, 2012 and excludes unused sick and annual leave accrued after February 14, 2012; annual compensation in excess of $200,000 (as indexed) is excluded in accordance with IRC §401(a)(17).

# Summary of Plan Provisions  Table V-A

(continued)

**11. Credited Service**

The elapsed time from the participant's date of hire until his date of termination, retirement, or death, calculated to the nearest number of whole months, provided that the participant made all required contributions. A participant may purchase up to five years of additional credited service for service with the military or employment as a police officer under the conditions outlined in the plan.

**12. Vesting Requirement**

Participants with at least five years of Credited Service are 50% vested, with an additional 10% vesting granted for each additional year of Credited Service, to a maximum of 100% vested after 10 years of Credited Service.

**13. Participation Requirement**

All police officers of the City of Clermont automatically become a participant in the plan on their date of hire.

**14. Accumulated Contributions**

The Employee Contributions accumulated with interest at the rate of 5.00% per annum; if the participant terminates his employment with less than five years of Credited Service, he receives his Accumulated Contributions in lieu of any other benefits payable from the plan.

**15. Participant Contribution**

3.00% of earnings

**16. Definition of Actuarially Equivalent**

- **Interest Rate**
  7.50% per annum
- **Mortality Table**
  The unisex mortality table promulgated by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 417(e)(3)

**17. Plan Effective Date**

October 1, 1979

## Summary of Plan Provisions

## Table V-A

(continued)

**18. Deferred Retirement Option Plan (DROP)**

A participant who reaches his Normal Retirement Age is eligible to participate in the DROP for a period of up to 60 months.

## Summary of Plan Amendments

Table V-B

Since the completion of the previous valuation, Ordinances 2015-05, 2016-07, and 2016-37 were adopted. These ordinances allow a participant to purchase up to five years of additional credited service for service with the military or employment as a police officer under the conditions specified in the plan; clarify that purchased service is applicable for vesting purposes, as well as benefit accrual credit and eligibility; establish a share plan to receive the accumulated excess Chapter 185 contributions and 50% of the Chapter 185 contributions greater than $211,000 per year; and clarify that a participant may enter the DROP at any time after he has attained his normal retirement age. These ordinances had no actuarial impact on the plan.

CITY OF CLERMONT

# AGENDA ITEM



| Meeting Date | |
|---|---|
| Thursday, March 23, 2017 | |
| **Agenda Item Name** | |
| Approval of Police Officers Pension Plan Annual Report - FY 2016 | |
| **Requested Action** | |
| | |
| **Staff Report** | |
| | |
| **Additional Analysis** | |
| | |
| **Fiscal Impact Summary** | |
| | |

| Fiscal Impact | Fund Number and Description | Available Budget Amount |
|---|---|---|
| | | |

| Exhibits Attached (copies of original agreements) | |
|---|---|
| | |

CITY OF CLERMONT

# AGENDA ITEM



| **Meeting Date** | |
|---|---|
| Thursday, March 23, 2017 | |
| **Agenda Item Name** | |
| Discussion of Investment Performance Report for Quarter Ending December 31, 2016 | |
| **Requested Action** | |
| | |
| **Staff Report** | |
| | |
| **Additional Analysis** | |
| | |
| **Fiscal Impact Summary** | |
| | |

| **Fiscal Impact** | **Fund Number and Description** | **Available Budget Amount** |
|---|---|---|
| | | |

| **Exhibits Attached** (copies of original agreements) |
|---|
| 1. Investment Performance Report Police Officers Investment Report - Quarter Ended December 31, 2016.pdf |

# Plan Information for the Quarter Ending

# December 31, 2016

# Clermont Police Officers

| | |
|---|---|
| **Beginning Balance** | $14,357,863.68 |
| **Contributions** | $191,928.21 |
| **Earnings** | $227,847.99 |
| **Distributions** | ($407,130.70) |
| **Expenses** | ($8,234.20) |
| **Other** | $0.00 |
| **Ending Balance** | $14,362,274.98 |

| | | |
|---|---|---|
| **Cash** | $57,449.10 | 0.4% |
| **Broad Market HQ Bond Fund** | $2,197,428.07 | 15.3% |
| **Core Plus Fixed Income** | $3,375,134.62 | 23.5% |
| **High Quality Growth** | $1,091,532.90 | 7.6% |
| **Diversified Value** | $1,249,517.92 | 8.7% |
| **Russell 1000 enhanced Index** | $3,332,047.80 | 23.2% |
| **Diversified Small to Mid Cap** | $1,651,661.62 | 11.5% |
| **International Blend** | $1,407,502.95 | 9.8% |

301 S. Bronough Street
P.O. Box 1757
Tallahassee, FL 32302
(800) 342 - 8112

# Clermont Police Officers

## Plan Account Statement for 10/01/2016 to 12/31/2016

| Beginning Balance | Contributions | Earnings/(Losses) | Distributions | Fees / Req. / Exp. | Other | Ending Balance |
|---|---|---|---|---|---|---|
| $14,357,863.68 | $191,928.21 | $227,847.99 | ($407,130.70) | ($8,234.20) | $0.00 | $14,362,274.98 |

## Transaction Detail

### Contributions

#### Contribution Detail

| Date | Payroll Ending | Employer | EE Pre-Tax | EE After-Tax | State Excise | Subtotal |
|---|---|---|---|---|---|---|
| 10/07/2016 | 09/30/2016 | $0.00 | $4.32 | $0.00 | $0.00 | $4.32 |
| 10/07/2016 | 10/07/2016 | $21,076.97 | $0.00 | $0.00 | $0.00 | $21,076.97 |
| 10/07/2016 | 10/07/2016 | $0.00 | $4,211.09 | $0.00 | $0.00 | $4,211.09 |
| 10/21/2016 | 10/21/2016 | $21,052.32 | $0.00 | $0.00 | $0.00 | $21,052.32 |
| 10/21/2016 | 10/21/2016 | $0.00 | $4,210.49 | $0.00 | $0.00 | $4,210.49 |
| 11/04/2016 | 11/04/2016 | $20,671.16 | $0.00 | $0.00 | $0.00 | $20,671.16 |
| 11/04/2016 | 11/04/2016 | $0.00 | $4,134.23 | $0.00 | $0.00 | $4,134.23 |
| 11/18/2016 | 11/18/2016 | $22,626.28 | $0.00 | $0.00 | $0.00 | $22,626.28 |
| 11/18/2016 | 11/18/2016 | $0.00 | $4,529.57 | $0.00 | $0.00 | $4,529.57 |
| 12/02/2016 | 12/02/2016 | $25,152.38 | $0.00 | $0.00 | $0.00 | $25,152.38 |
| 12/02/2016 | 12/02/2016 | $0.00 | $5,030.48 | $0.00 | $0.00 | $5,030.48 |
| 12/16/2016 | 12/16/2016 | $23,777.87 | $0.00 | $0.00 | $0.00 | $23,777.87 |
| 12/16/2016 | 12/16/2016 | $0.00 | $4,755.57 | $0.00 | $0.00 | $4,755.57 |
| 12/29/2016 | 12/30/2016 | $25,579.54 | $0.00 | $0.00 | $0.00 | $25,579.54 |
| 12/29/2016 | 12/30/2016 | $0.00 | $5,115.94 | $0.00 | $0.00 | $5,115.94 |
| Total | | | | | | $191,928.21 |

#### Rollover Detail

| Date | Participant | EE Pre-Tax Rollover | EE After Tax Rollover | Total |
|---|---|---|---|---|
| Total | | | | $0.00 |

### Fees, Requisitions and Expenses

| Date | Req. Num | Description | Amount |
|---|---|---|---|
| 10/01/2016 | R-2016-Qrtrly4-008 | FMPTF - 09/30/2016 Quarterly Fees | ($6,134.20) |
| 10/01/2016 | R2017-ANNL-008 | FMPTF - 2016-2017 Annual Administration Fee (1000) | ($1,000.00) |
| 10/14/2016 | R-2017-10-00009 | FMPTF - 383-0816 Letter of no impact for Ordinance No 2016-37 submitted 8/25/16 (From I-2016-09-0022 | ($300.00) |
| 10/14/2016 | R-2017-10-00010 | Christiansen & Dehner, P.A. - INVOICE #29459 | ($472.80) |
| 12/22/2016 | R-2017-12-00081 | Christiansen & Dehner, P.A. - Invoice #29721 | ($327.20) |
| Total | | | ($8,234.20) |

### Other

| Date | Description | Amount |
|---|---|---|
| Total | | $0.00 |

### Earnings / (Losses)

| Date | Amount |
|---|---|
| 10/31/2016 | ($175,122.10) |
| 11/30/2016 | $219,144.28 |
| 12/31/2016 | $183,825.81 |
| Total | $227,847.99 |

### Distributions

301 S. Bronough Street
P.O. Box 1757
Tallahassee, FL 32302
(800) 342 - 8112

# Clermont Police Officers

## Plan Account Statement for 10/01/2016 to 12/31/2016

### Lump Sum Detail

| Date | Participant | Type | Amount |
|---|---|---|---|
| 10/14/2016 | Rene Castro | Lump Sum | ($2,859.60) |
| 10/14/2016 | Rene Castro | Lump Sum - Rollover | ($255,323.72) |
| 11/10/2016 | Rene Castro | | ($7,722.10) |
| 11/11/2016 | Rene Castro | Lump Sum - Rollover | ($50,000.00) |
| 12/16/2016 | MAURICE WILLIAMS | Lump Sum | ($2,306.08) |
| Total | | | ($318,211.50) |

### Recurring Payment Detail

| Date | Participant | Amount |
|---|---|---|
| 10/01/2016 | Blackmon, Michael | ($2,338.27) |
| 10/01/2016 | Castro, Rene | ($3,653.16) |
| 10/01/2016 | Cheatham, Daniel | ($829.81) |
| 10/01/2016 | Conlee, Lori | ($1,544.69) |
| 10/01/2016 | Graham, Stephen | ($1,282.69) |
| 10/01/2016 | Hildreth, Clifton | ($1,277.36) |
| 10/01/2016 | Holmes, Gary L. | ($1,200.57) |
| 10/01/2016 | Homelius, Katherine | ($1,588.31) |
| 10/01/2016 | Jensen, Eric | ($3,565.28) |
| 10/01/2016 | Johnson, Jon | ($496.46) |
| 10/01/2016 | Robbins, Robert | ($902.03) |
| 10/01/2016 | Rogers, Mary | ($1,526.87) |
| 10/01/2016 | Rooney, James | ($2,239.87) |
| 10/01/2016 | Simmons, Raymond | ($795.32) |
| 10/01/2016 | Story, Randall | ($2,003.34) |
| 10/01/2016 | Swanson, Robert | ($224.63) |
| 10/01/2016 | Torres-Rodriguez , Evelyn | ($801.44) |
| 10/01/2016 | Tyndal, Prentice | ($3,370.92) |
| 11/01/2016 | Blackmon, Michael | ($2,338.27) |
| 11/01/2016 | Castro, Rene | ($3,651.23) |
| 11/01/2016 | Cheatham, Daniel | ($829.81) |
| 11/01/2016 | Conlee, Lori | ($1,544.69) |
| 11/01/2016 | Graham, Stephen | ($1,282.69) |
| 11/01/2016 | Hildreth, Clifton | ($1,277.36) |
| 11/01/2016 | Holmes, Gary L. | ($1,200.57) |
| 11/01/2016 | Homelius, Katherine | ($1,588.31) |
| 11/01/2016 | Jensen, Eric | ($3,565.28) |
| 11/01/2016 | Johnson, Jon | ($496.46) |
| 11/01/2016 | Robbins, Robert | ($902.03) |
| 11/01/2016 | Rogers, Mary | ($1,526.87) |
| 11/01/2016 | Rooney, James | ($2,239.87) |
| 11/01/2016 | Simmons, Raymond | ($795.32) |
| 11/01/2016 | Story, Randall | ($2,003.34) |
| 11/01/2016 | Swanson, Robert | ($224.63) |
| 11/01/2016 | Torres-Rodriguez , Evelyn | ($801.44) |
| 11/01/2016 | Tyndal, Prentice | ($3,370.92) |
| 12/01/2016 | Blackmon, Michael | ($2,338.27) |
| 12/01/2016 | Castro, Rene | ($3,651.23) |
| 12/01/2016 | Cheatham, Daniel | ($829.81) |
| 12/01/2016 | Conlee, Lori | ($1,544.69) |
| 12/01/2016 | Graham, Stephen | ($1,282.69) |
| 12/01/2016 | Hildreth, Clifton | ($1,277.36) |
| 12/01/2016 | Holmes, Gary L. | ($1,200.57) |
| 12/01/2016 | Homelius, Katherine | ($1,588.31) |
| 12/01/2016 | Jensen, Eric | ($3,565.28) |
| 12/01/2016 | Johnson, Jon | ($496.46) |
| 12/01/2016 | Robbins, Robert | ($902.03) |
| 12/01/2016 | Rogers, Mary | ($1,526.87) |
| 12/01/2016 | Rooney, James | ($2,239.87) |
| 12/01/2016 | Simmons, Raymond | ($795.32) |

301 S. Bronough Street
P.O. Box 1757
Tallahassee, FL 32302
(800) 342 - 8112

# Clermont Police Officers

## Plan Account Statement for 10/01/2016 to 12/31/2016

| | | |
|---|---|---|
| 12/01/2016 | Story, Randall | ($2,003.34) |
| 12/01/2016 | Swanson, Robert | ($224.63) |
| 12/01/2016 | Torres-Rodriguez , Evelyn | ($801.44) |
| 12/01/2016 | Tyndal, Prentice | ($3,370.92) |
| Total | | ($88,919.20) |

# Plan Information for the Quarter Ending

# December 31, 2016

# Clermont Police Share Plan

| | |
|---|---|
| Beginning Balance | $1,174,189.01 |
| Contributions | $0.00 |
| Earnings | $19,234.53 |
| Distributions | $0.00 |
| Expenses | ($587.09) |
| Other | $0.00 |
| Ending Balance | $1,192,836.45 |

| | | |
|---|---|---|
| Cash | $4,771.34 | 0.4% |
| Broad Market HQ Bond Fund | $182,503.98 | 15.3% |
| Core Plus Fixed Income | $280,316.57 | 23.5% |
| High Quality Growth | $90,655.57 | 7.6% |
| Diversified Value | $103,776.77 | 8.7% |
| Russell 1000 enhanced Index | $276,738.06 | 23.2% |
| Diversified Small to Mid Cap | $137,176.19 | 11.5% |
| International Blend | $116,897.97 | 9.8% |

301 S. Bronough Street
P.O. Box 1757
Tallahassee, FL 32302
(800) 342 - 8112

# Clermont Police Share Plan

## Plan Account Statement for 10/01/2016 to 12/31/2016

| Beginning Balance | Contributions | Earnings/(Losses) | Distributions | Fees / Req. / Exp. | Other | Ending Balance |
|---|---|---|---|---|---|---|
| $1,174,189.01 | $0.00 | $19,234.53 | $0.00 | ($587.09) | $0.00 | $1,192,836.45 |

## Transaction Detail

### Contributions

#### Contribution Detail

| Date | Payroll Ending | Employer | EE Pre-Tax | EE After-Tax | State Excise | Subtotal |
|---|---|---|---|---|---|---|
| Total | | | | | | $0.00 |

#### Rollover Detail

| Date | Participant | EE Pre-Tax Rollover | EE After Tax Rollover | Total |
|---|---|---|---|---|
| Total | | | | $0.00 |

### Fees, Requisitions and Expenses

| Date | Req. Num | Description | Amount |
|---|---|---|---|
| 10/01/2016 | R-2016-Qrtrly4-009 | FMPTF - 09/30/2016 Quarterly Fees | ($587.09) |
| Total | | | ($587.09) |

### Other

| Date | Description | Amount |
|---|---|---|
| Total | | $0.00 |

### Earnings / (Losses)

| Date | Amount |
|---|---|
| 10/31/2016 | ($14,321.52) |
| 11/30/2016 | $18,227.70 |
| 12/31/2016 | $15,328.35 |
| Total | $19,234.53 |

### Distributions

#### Lump Sum Detail

| Date | Participant | Type | Amount |
|---|---|---|---|
| Total | | | $0.00 |

#### Recurring Payment Detail

| Date | Participant | Amount |
|---|---|---|
| Total | | $0.00 |

# Florida Municipal Pension Trust Fund – DB 60/40 Allocation

***Executive Summary***

*As of December 31, 2016*

**60/40 Allocation**

- The 60/40 Allocation rose 1.7% in the fourth quarter, well ahead of the target index (up 0.9%) as strong relative results in the large cap value and core plus fixed income funds paced more challenging results in the other equity and fixed income strategies.
- Recent results have narrowed the underperformance of this allocation compared to the target index over the past year, although this allocation remains below the target index primarily due to the quality bias being a headwind during most of this period.
- While this allocation has been challenged to keep pace with the target index over the past 10 years, it has performed in line with similarly-allocated funds and the public fund universe, with a lower risk profile and a more favorable risk-adjusted return comparison.

**FMIvT Broad Market High Quality Bond Fund**

- The Broad Market High Quality Bond Fund declined 2.6% in the fourth quarter, which was modestly ahead of both the BloomBar Capital Aggregate A+ Index and the core bond manager peer group as the stability in asset-backed securities provided downside protection.
- The fund has displayed a consistent pattern of performance, posting absolute returns of 4.0% on average annually over the past 10 years. These results were modestly below objectives as the high quality focus provided a headwind, particularly over the past several years.
- The portfolio's conservative risk profile and high quality bias are in line with the objectives for this fund. This bias has rewarded investors in the form of a favorable relative risk-adjusted return profile compared with its primary benchmark over the long-term.

**FMIvT Core Plus Fixed Income Fund**

- The Core Plus Fixed Income Fund generated the strong returns in the FMIvT fixed income line-up during the fourth quarter, advancing 2.7% while the BloomBar Multiverse Index and core plus bond manager peer group declined 6.7% and 2.3%, respectively.
- In light of recent strong relative performance, this fund is now outperforming its benchmark in the 2 years since inception, rising 2.2% while the index declined 0.3%, as the diversification away from the weak domestic markets bolstered returns.
- One of the managers for this fund, Pioneer, has signed a definitive agreement to merge with Amundi which would resolve the on-going need for its current owner (UniCredit) to raise capital. Additionally, the modest overlap between Amundi and Pioneer in the fixed income arena should benefit Pioneer's current platform, although we will continue to monitor this through its 2Q17 anticipated closing.
- The Core Plus Fixed Income Fund was added to the FMIvT lineup in April 2014 to provide broad global fixed income exposure, through equal allocation to two strategies (Pioneer Multi-Sector Fixed Income Fund and the Franklin Templeton Global Multi-Sector Plus Fund).

**FMIvT High Quality Growth Equity Fund**

- The High Quality Growth Equity Fund declined 0.5% in the fourth quarter, below that of the Russell 1000 Growth Index (up 1.0%) and the large cap growth manager peer group (up 0.2%) primarily due to low exposure to the rally in cyclical and financial stocks during this period.
- This strategy has struggled to keep pace with the very strong equity market over the past several years, which has moderated the longer-term return profile. Strong equity markets during most of this period served to downplay the historic downside protection of this strategy.
- The high quality and growth oriented focus of this strategy positions this fund to provide consistent performance over long periods of time, while also representing a strong complement to the large cap value-oriented strategy within the FMIvT lineup.

# Florida Municipal Pension Trust Fund – DB 60/40 Allocation

***Executive Summary***

*As of December 31, 2016*

**FMIvT Diversified Value Fund**

- The Diversified Value Fund rose 10.5% in the fourth quarter, well ahead of the Russell 1000 Value Index (up 6.7%) and the large cap value manager peer group (up 6.2%) as above average exposure to the strengthening consumer cyclicals and financial sectors were beneficial.
- Despite the performance challenges last year, this strategy remains ahead of both the benchmark and peer group over the past 5-7 years, ranking in the top quartile within the universe of large cap value managers.
- While performance for this strategy can be volatile, its focus on economic principles and valuations as the key drivers of stock selection, not momentum or growth, provides a strong complement to other large cap managers in the FMIvT lineup.

**FMIvT Russell 1000 Enhanced Index**

- The Russell 1000 Enhanced Index Fund was up 2.8% in the fourth quarter, compared to returns of 3.8% for the Russell 1000 Index and 1.9% for the large cap core equity manager universe due to modest exposure to the strong financial and cyclical market sectors.
- This enhanced large cap strategy is focused on producing a consistent enhancement to the Russell 1000 Index, and has achieved this objective over the long-term, outperforming the benchmark by over 30 percentage points on average annually over the past 10 years.

**FMIvT Diversified Small to Mid Cap Equity Fund**

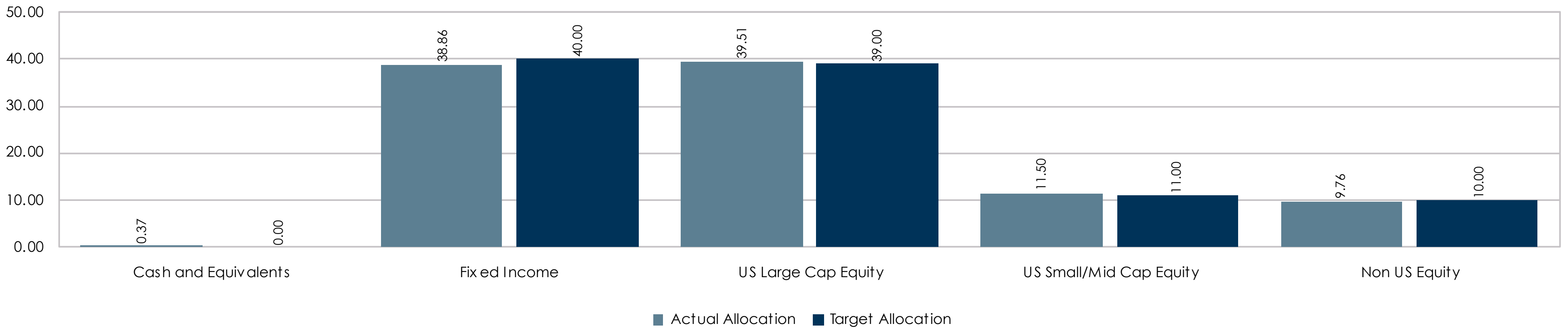
- On the heels of very strong relative performance for the Diversified Small to Mid Cap Equity Fund earlier this year, this strategy rose 3.0% in the fourth quarter, lagging both the Russell 2500 Index (up 6.1%) and the small cap manager peer group (up 5.7%) due to adverse stock selection in the energy, financial and cyclical sectors of the market.
- This strategy has generated very strong results over the past 10 years, rising 12.2% on average annually compared with 7.3% for the benchmark. Furthermore, the fund ranked in the top 3rd percentile of its peer group, with a more modest risk profile and very strong risk-adjusted returns.

**FMIvT International Equity Portfolio**

- The FMIvT International Equity Portfolio declined 2.4% in the fourth quarter, reversing the positive trend earlier in the year, as challenging stock selection in the rallying financial sector and lagging consumer staples stocks hindered results and pulled down full year comparisons as well.
- The manager for this strategy was changed to Investec in October 2014. In the seven quarters since inception of this new manager, the portfolio has displayed strong downside protection earlier in this period, although recent results have moderated this performance advantage.
- This strategy is intended to provide strong diversification across the broad spectrum of equity markets outside the US, with exposure to both developed and emerging markets.

## Total Portfolio

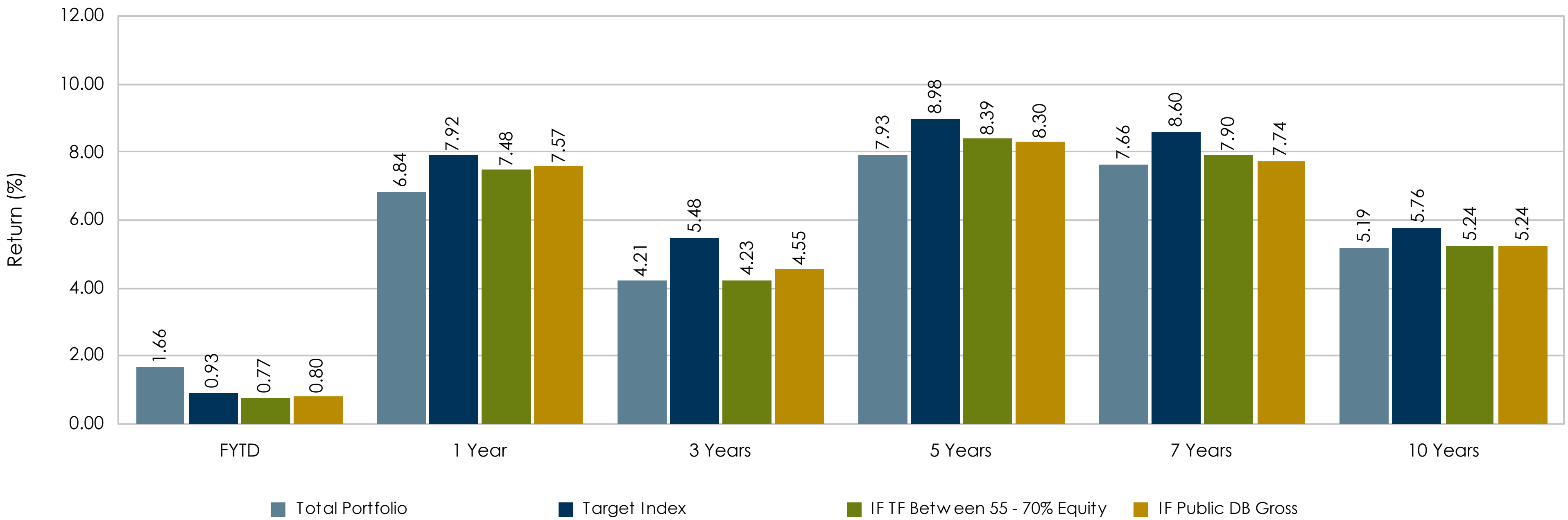
*For the Period Ending December 31, 2016*




| | Market Value ($000s) | Actual Allocation (%) | Target Allocation (%) | Over/Under Target (%) |
|---|---|---|---|---|
| **Total Portfolio** | **362,466** | **100.00** | **100.00** | |
| **Cash and Equivalents** | **1,355** | **0.37** | **0.00** | **0.37** |
| **Fixed Income** | **140,848** | **38.86** | **40.00** | **-1.14** |
| **Equity** | **220,263** | **60.77** | **60.00** | **0.77** |
| US Equity | 184,882 | 51.01 | 50.00 | 1.01 |
| US Large Cap Equity | 143,203 | 39.51 | 39.00 | 0.51 |
| US Small/Mid Cap Equity | 41,678 | 11.50 | 11.00 | 0.50 |
| Non US Equity | 35,381 | 9.76 | 10.00 | -0.24 |

## Total Portfolio

*For the Periods Ending December 31, 2016*

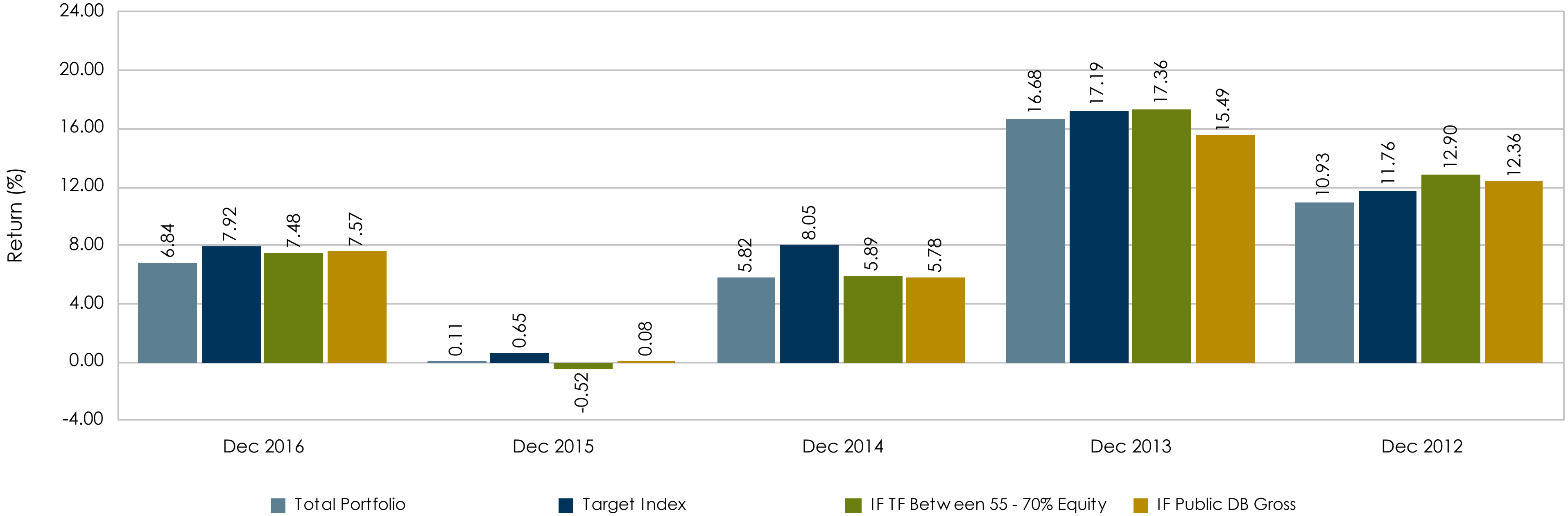



| | FYTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years |
|---|---|---|---|---|---|---|
| Ranking | 17 / 9 | 69 / 75 | 51 / 62 | 67 / 58 | 59 / 52 | 55 / 54 |
| 5th Percentile | 2.41 / 1.90 | 9.84 / 9.27 | 6.26 / 5.74 | 10.15 / 9.80 | 9.50 / 9.28 | 6.67 / 6.33 |
| 25th Percentile | 1.39 / 1.20 | 8.52 / 8.32 | 4.97 / 5.03 | 9.15 / 9.05 | 8.49 / 8.37 | 5.72 / 5.68 |
| 50th Percentile | 0.77 / 0.80 | 7.48 / 7.57 | 4.23 / 4.55 | 8.39 / 8.30 | 7.90 / 7.74 | 5.24 / 5.24 |
| 75th Percentile | 0.20 / 0.33 | 6.65 / 6.78 | 3.27 / 3.80 | 7.67 / 7.39 | 7.08 / 7.07 | 4.61 / 4.67 |
| 95th Percentile | -0.97 / -0.42 | 5.02 / 5.38 | 2.01 / 2.67 | 6.15 / 5.94 | 5.75 / 5.99 | 3.60 / 3.71 |
| Observations | 495 / 261 | 484 / 255 | 450 / 235 | 394 / 221 | 352 / 192 | 304 / 179 |

*The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.*

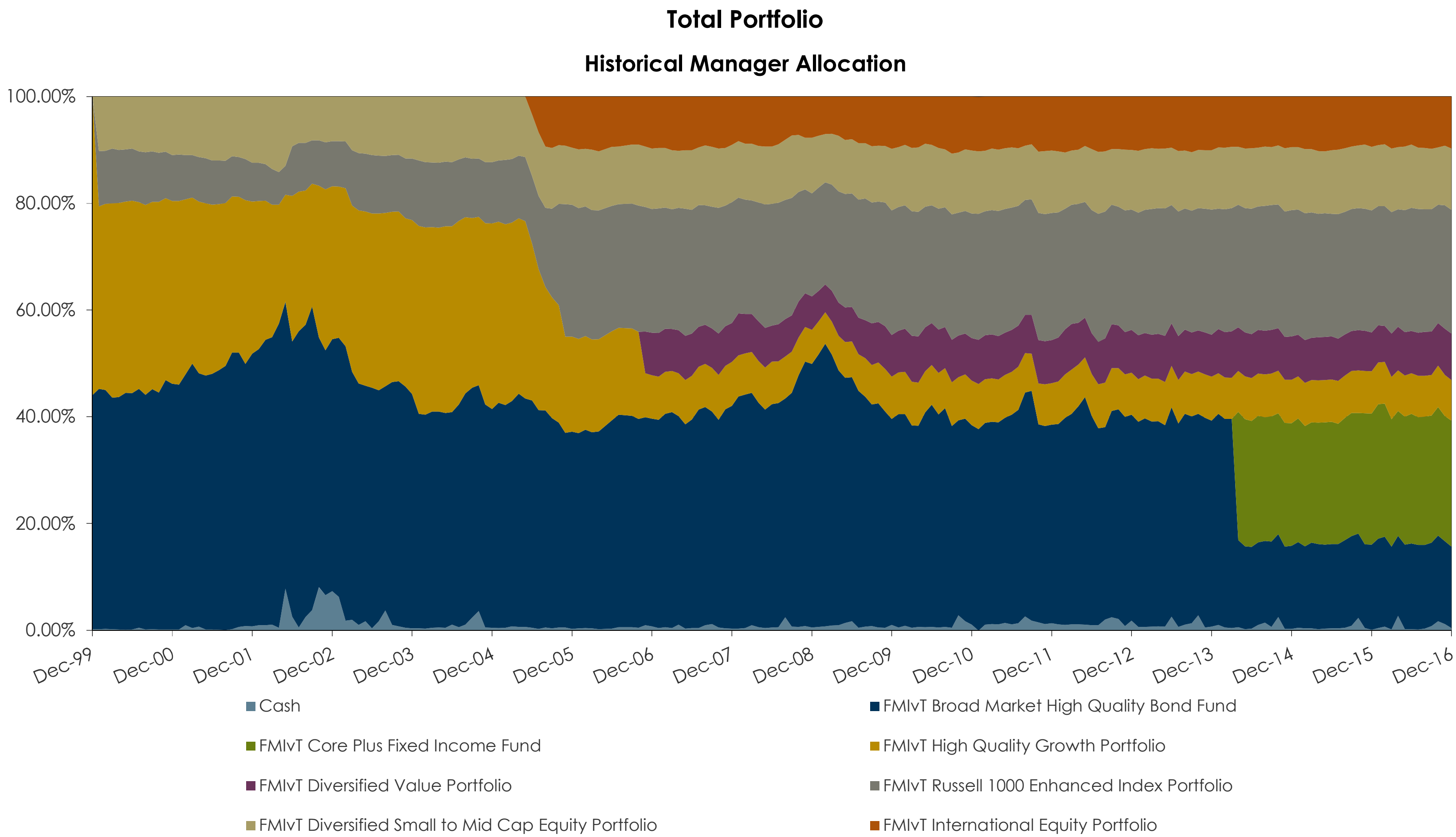
## Total Portfolio

*For the One Year Periods Ending December*




| | | | | | |
|---|---|---|---|---|---|
| Ranking | 69 / 75 | 36 / 49 | 51 / 49 | 58 / 39 | 88 / 73 |
| 5th Percentile | 9.84 / 9.27 | 1.92 / 2.19 | 9.12 / 7.97 | 21.94 / 20.79 | 15.75 / 14.62 |
| 25th Percentile | 8.52 / 8.32 | 0.50 / 0.87 | 6.99 / 6.82 | 19.33 / 18.01 | 13.96 / 13.35 |
| 50th Percentile | 7.48 / 7.57 | -0.52 / 0.08 | 5.89 / 5.78 | 17.36 / 15.49 | 12.90 / 12.36 |
| 75th Percentile | 6.65 / 6.78 | -1.91 / -0.86 | 4.54 / 4.63 | 14.94 / 13.30 | 11.73 / 10.65 |
| 95th Percentile | 5.02 / 5.38 | -3.89 / -2.62 | 2.43 / 3.21 | 10.93 / 8.52 | 9.53 / 7.75 |
| Observations | 484 / 255 | 500 / 316 | 480 / 248 | 443 / 231 | 423 / 236 |

*The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.*




January 1998: Initial allocation to Broad Market HQ Bond and HQ Growth Equity only.
January 2000: Added exposure to Small Cap markets and passive Large Cap.
February 2004: Increased equity portfolio exposure through reduction in the Broad Market HQ Bond Fund.
May 2005: Added International exposure; increased the Large Core allocation to reduce the Fund's growth bias.
November 2006: Added Large Cap Value allocation to balance the style exposure.
June 2007: Added exposure to Expanded High Yield Bond.
April 2014: Added Core Plus Fixed Income.

## Performance vs. Objectives

*For the Periods Ending December 31, 2016*

| | Benchmark (%) | Rank | Total Portfolio (%) | Rank | Objective Met? |
|---|---|---|---|---|---|
| | 5 Years | | | | |
| ▪ The Total Portfolio's annualized total return should exceed the total return of the Target Index. | 8.98 | | 7.93 | | No |
| ▪ The Total Portfolio's annualized total return should rank at median or above when compared to a universe of total fund portfolios with a similar allocation to equities (55%-70%). | 8.39 | 50th | 7.93 | 67th | No |

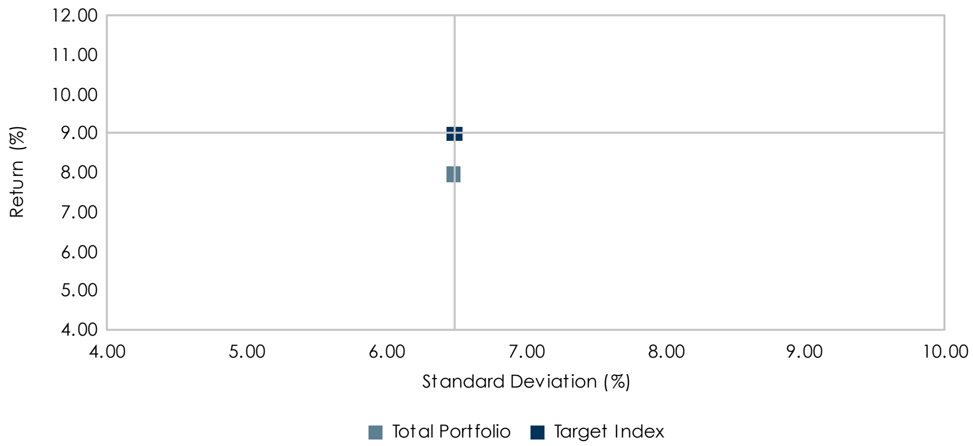
Performance and Statistics are calculated using monthly return data.

Target Index: Effective June 2010, the index consists of 40.0% BloomBar US Aggregate, 39.0% S&P 500, 11.0% Russell 2500, 10.0% MSCI EAFE.

# Total Portfolio

*For the Periods Ending December 31, 2016*

## 5 Year Risk / Return



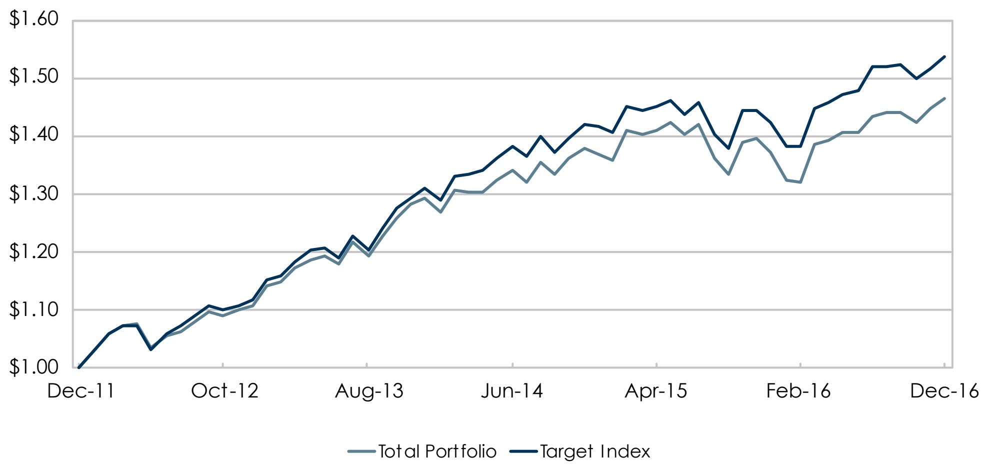

## 5 Year Portfolio Statistics

| | FMPTF - DB 60/40 | Target Index |
|---|---|---|
| **Return (%)** | 7.93 | 8.98 |
| **Standard Deviation (%)** | 6.48 | 6.49 |
| **Sharpe Ratio** | 1.21 | 1.37 |

## Benchmark Relative Statistics

| | |
|---|---|
| **Beta** | 0.98 |
| **Up Capture (%)** | 93.63 |
| **Down Capture (%)** | 102.47 |

## 5 Year Growth of a Dollar




## 5 Year Return Analysis

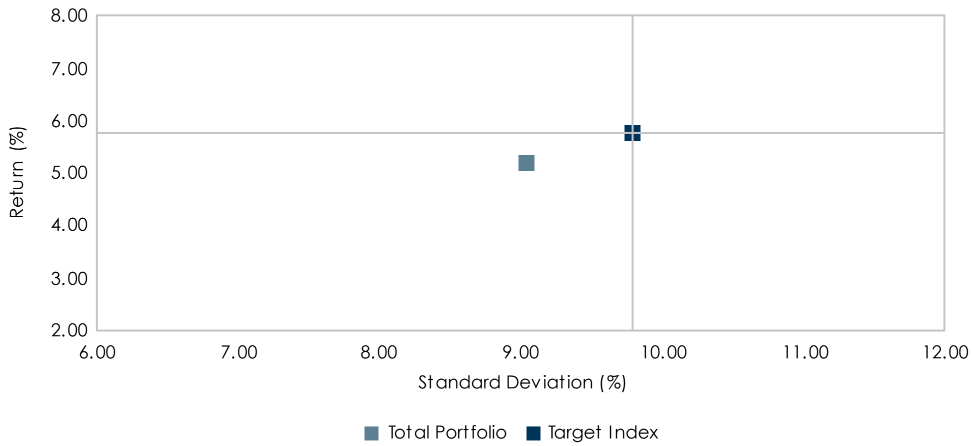
| | FMPTF - DB 60/40 | Target Index |
|---|---|---|
| **Number of Months** | 60 | 60 |
| **Highest Monthly Return (%)** | 4.88 | 4.69 |
| **Lowest Monthly Return (%)** | -4.13 | -3.87 |
| **Number of Positive Months** | 39 | 43 |
| **Number of Negative Months** | 21 | 17 |
| **% of Positive Months** | 65.00 | 71.67 |

*Statistics are calculated using monthly return data.*

# Total Portfolio

*For the Periods Ending December 31, 2016*

## 10 Year Risk / Return



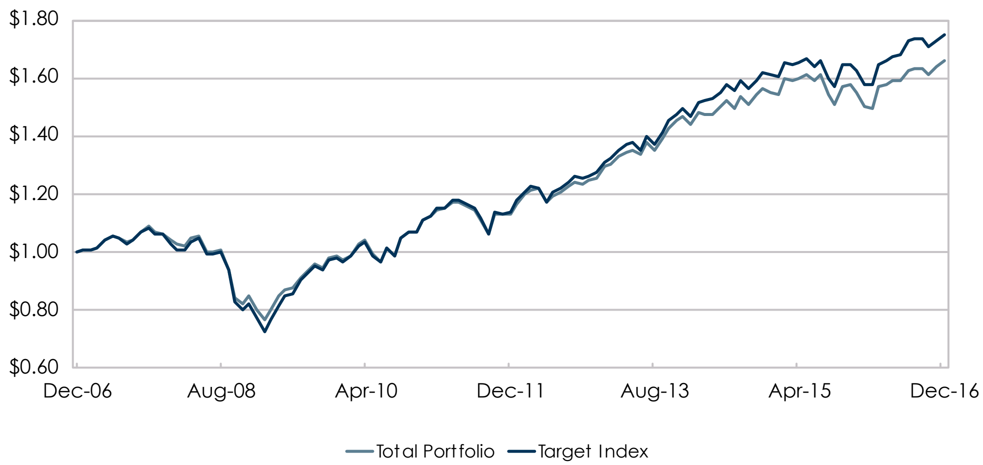

## 10 Year Portfolio Statistics

| | FMPTF - DB 60/40 | Target Index |
|---|---|---|
| **Return (%)** | 5.19 | 5.76 |
| **Standard Deviation (%)** | 9.04 | 9.79 |
| **Sharpe Ratio** | 0.50 | 0.52 |

## Benchmark Relative Statistics

| | |
|---|---|
| **Beta** | 0.91 |
| **Up Capture (%)** | 91.29 |
| **Down Capture (%)** | 94.07 |

## 10 Year Growth of a Dollar




## 10 Year Return Analysis

| | FMPTF - DB 60/40 | Target Index |
|---|---|---|
| **Number of Months** | 120 | 120 |
| **Highest Monthly Return (%)** | 6.64 | 6.92 |
| **Lowest Monthly Return (%)** | -10.07 | -11.80 |
| **Number of Positive Months** | 73 | 76 |
| **Number of Negative Months** | 47 | 44 |
| **% of Positive Months** | 60.83 | 63.33 |

*Statistics are calculated using monthly return data.*

**Florida Municipal Investment Trust**

***Protecting Florida Investment Act - Quarterly Disclosure***

*As of December 31, 2016*

This Disclosure is intended to provide information with respect to Chapter 175 and 185 Police and Fire Plan's required disclosure of direct or indirect holdings in any "scrutinized companies" as defined in the FSBA PFIA Quarterly Report for Quarter 4 2016.

It is important to note that individual Police and Fire Plan's have no direct interests in any scrutinized companies. Police and Fire Plan's hold an interest in the Florida Municipal Pension Trust Fund. It is also important to note that the Florida Municipal Pension Trust Fund has no direct interests in any scrutinized companies as all of its interests are invested in the Florida Municipal Investment Trust.

The Florida Municipal Investment Trust is the only entity that could possibly have direct interests in any scrutinized companies. ACG has reviewed the **Protecting Florida's Investments Act (PFIA) Quarterly Report-December 6, 2016** that is available on the Florida SBA website. In particular we have reviewed the list of companies appearing in **Tables 1 and 3- Scrutinized Companies with Activities in Sudan and Iran,** and compared these lists to securities of companies held directly by the Florida Municipal Investment Trust. As of 12/31/16, the Florida Municipal Investment Trust had no direct interest in securities on the above referenced lists.

ACG also requested that investment managers, who manage commingled funds that are owned by the Florida Municipal Investment Trust, review the **Protecting Florida's Investments Act (PFIA) Quarterly Report- December 6, 2016** and disclose whether the Florida Municipal Investment Trust may hold any scrutinized companies indirectly through investment in their respective commingled funds. They have confirmed that they do not hold any of these securities.

## Market Overview

*For the Period Ending December 31, 2016*

Economic activity continued as the US economy gained momentum during the second half of 2016 from the tepid pace set earlier this year. Although still heavily reliant on the US consumer, signs of firming business activity are appearing. A steady pace of job gains and rising household wealth buoyed consumer spending, helping drive confidence back to pre-recessionary levels. Additionally, key measures of business activity indicated a stabilizing manufacturing sector that was earlier hurt by a rising US dollar (USD) and sluggish overseas activity. Finally, the Federal Reserve (Fed) took steps to normalize interest rates, hiking for the first time in 2016, but maintained its view that future rate hikes are likely to remain at a gradual pace.

***Labor market still healthy, unemployment tumbles…***

US employers exhibited confidence in the economic recovery, adding 495,000 jobs during the quarter, following 636,000 during 3Q16. This resulted in an average monthly rate of 180,000 in 2016 versus an average of 229,000 in 2015. The nation's unemployment rate fell to 4.7% from 4.9% in 3Q16, driven by a decline in the workforce mainly due to retiring baby boomers. The labor market showed signs of tightening, potentially providing better employment prospects in the form of higher wages and thereby drawing more people into the workforce.

***Manufacturing rebounding, service industries still expanding…***

A key gauge of US manufacturing activity showed the sector expanded during the quarter, rebounding from first half weakness as production climbed to an almost two-year high, amid improving new orders. Similarly, the US service industries that include retail and healthcare, strengthened. A measure of the group's business activity jumped to the highest level in over a year. While business investment has been a source of weakness in 2016, recent data highlighted that business demand was gaining momentum, broadening the scope of the economic recovery.

***US housing activity picks up, inflation moderately accelerating…***

A combination of rising household incomes, low borrowing costs and lean inventories kept sales activity in the US housing market at a brisk pace as sales of US existing homes in November registered the strongest levels since early 2007. The National Association of Realtors data showed sales increased 18.2% from November 2015 as inventories dropped 9.3% and median sales prices climbed 6.8% from the same period. In addition, inflation accelerated moderately during the quarter due to rising prices for housing and gasoline.

The Fed, as was widely anticipated by financial markets, raised its benchmark federal funds rate in December by 25 basis points to a range of 0.50% to 0.75%. This marked only the second hike since the central bank cut borrowing costs to near zero in 2008. Policy makers viewed it appropriate to raise rates citing a tightening labor market and inflation expectations that have increased "considerably." Furthermore, the Fed judged the economy had moved closer to its dual mandate of maximum employment and stabilized prices, projecting a higher path for interest rates of three quarter point rate increases in 2017. This was up from the two seen in previous forecasts in September.

# Market Overview

*For the Period Ending December 31, 2016*

## Global Equities

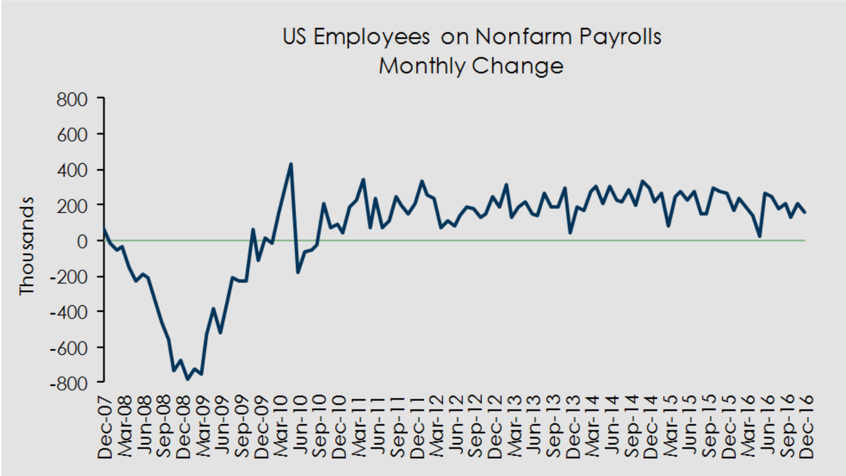
Global stock market performance was mixed as developed markets were lifted amid optimism the potential for increased US fiscal stimulus would give a boost to US economic growth. However, projections of higher US interest rates weighed on the performance of riskier emerging market equities. Key US equity benchmarks hit record highs following the November 8 elections on prospects the newly elected administration would introduce pro-growth policies, benefiting US companies. The S&P 500 hit an intra-day all time high of 2,277.53 on December 30, before posting a 3.8% quarterly advance. At the sector level, investor expectations for higher interest rates and reduced regulation pushed financials stocks higher. The probability of increased fiscal stimulus, via infrastructure spending, lifted industrials and material stocks higher. Healthcare incurred weakness after newly elected lawmakers pledged to reform existing health care programs. Higher dividend paying sectors such as utilities were pressured after rising US bond yields reduced their income appeal. S&P 500 third quarter corporate profits posted a 3.1% gain year over year, as 78% of the companies met or exceeded analyst expectations. Small cap stocks reached all time highs as investors speculated accelerating US economic growth would benefit earnings as small caps are more domestically focused. The Russell 2000 advanced 14% after the November 8 election and posted an 8.8% gain for the quarter. Global stock markets posted slight gains, as the MSCI All Country Index climbed 1.3% in the quarter aided by US stocks but ex-US stocks fell 1.2%. European stocks came under pressure as investors awaited the results from key political events. The MSCI Europe index declined 0.4%. Japanese stocks marched higher in local currency as a weaker yen versus the USD was seen as providing a boost to corporate profits for companies in the export sector. However, the index fell slightly on a USD basis. After delivering strong third quarter returns, emerging market stocks reversed course as investors pulled money from riskier assets driven by the appeal of prospects for higher US interest rates. The MSCI Emerging Markets index lost 4.1%.

## Global Bonds

Global bonds suffered losses after interest rates surged following expectations higher US economic growth could spur a rise in inflation. In the US, US Treasury (UST) yields soared following a Fed interest rate hike and projections of tighter monetary policy in 2017. Short dated UST yields climbed and yields on five year notes rose 78 basis points (bps) to 1.93%, the highest since 2011. Benchmark 10-year yields traded in a range of 1.69% in early October to a high of 2.64% on December 15. Ultimately, rates rose 85 bps for the quarter to close at 2.45%. The BloomBar US Treasury index fell 3.8% and the BloomBar Aggregate index lost 3.0%, as average yields rose to 2.61% from 1.96% at the start of the quarter. US investment grade corporate yields to UST tightened 32 bps to 0.92%, while high yield corporate spreads narrowed 90 bps to 3.67% versus UST. Municipal bonds lost 3.62%. European bond markets were weaker following the European Central Bank's decision to pare back its monthly bond purchases to 60 billion euros from 80 billion euros starting in April 2017. However, they extended the stimulus to the end of 2017. The yield on Germany's benchmark 10-year bund rose 33 bps to 0.21% from -0.12% in September. Likewise, Italian 10-year yields jumped 63 bps to 1.82%, while Spanish 10-year yields climbed 50 bps to 1.38%. The Bank of Japan remained committed to easy monetary policy and will keep expanding the monetary base until inflation is above 2%. Japan's 10-year yield emerged from negative territory, climbing 14 bps to 0.05%. USD denominated emerging market bonds lost ground hurt by rising yields as the JPMorgan EMBI Global index declined 4.2%.

# Market Overview

*For the Period Ending December 31, 2016*




**Economy at a Glance**

| Recent growth indicators | Sep-16 | Oct-16 | Nov-16 | Dec-16 |
|---|---|---|---|---|
| ISM Manufacturing Composite* | 51.5 | 51.9 | 53.2 | 54.7 |
| ISM Non-Manufacturing Composite* | 57.1 | 54.8 | 57.2 | 57.2 |
| U. of Michigan Survey of Consumer Confidence** | 91.2 | 87.2 | 93.8 | 98.2 |
| Change in Payrolls (m-o-m, 000)*** | 208 | 135 | 204 | 156 |
| Personal Income (% m-o-m)**** | 0.4 | 0.5 | 0 | na |
| Personal Spending (% m-o-m)**** | 0.7 | 0.4 | 0.2 | na |

**Sources:**

*Institute for Supply Management

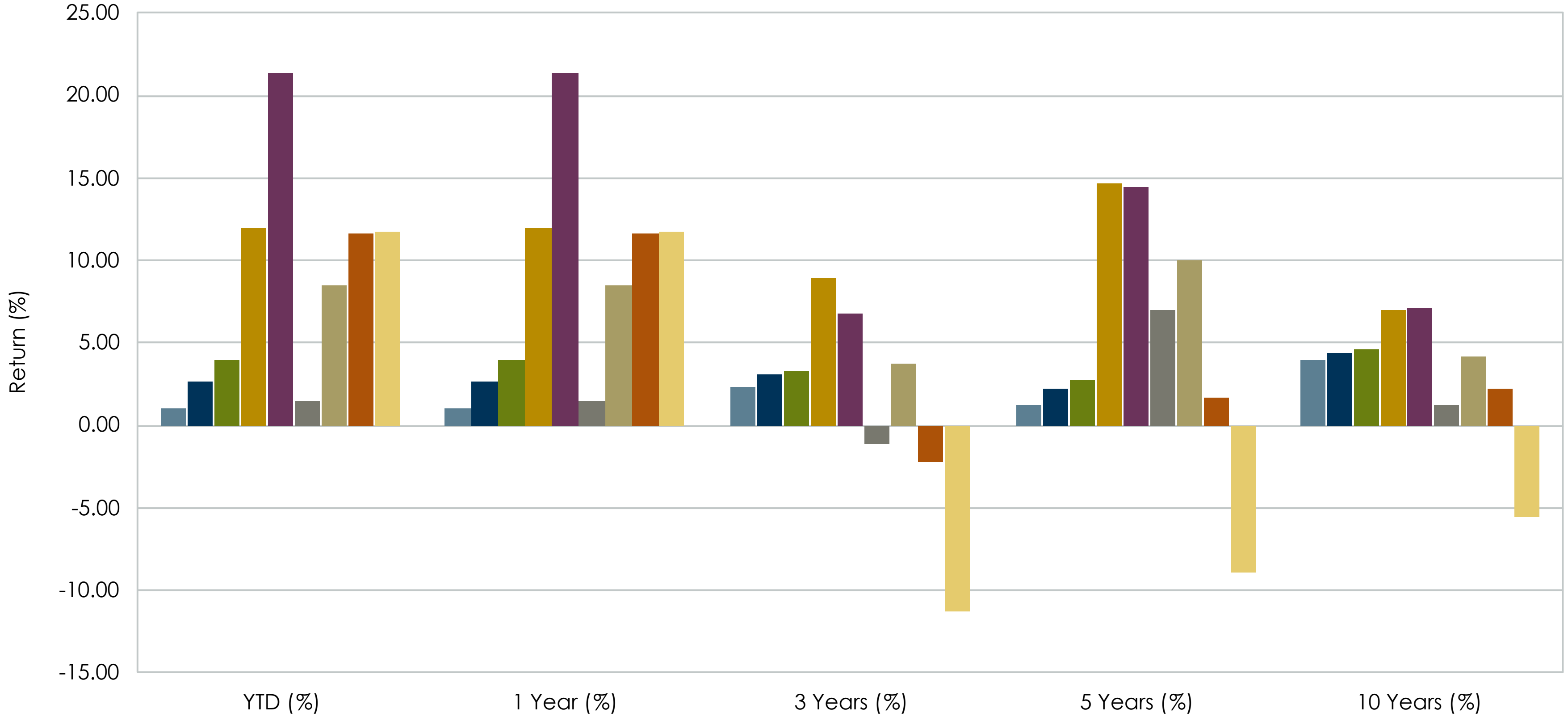
**U. of Michigan Survey Research

***Bureau of Labor Statistics

****Bureau of Economic Analysis

## Market Environment

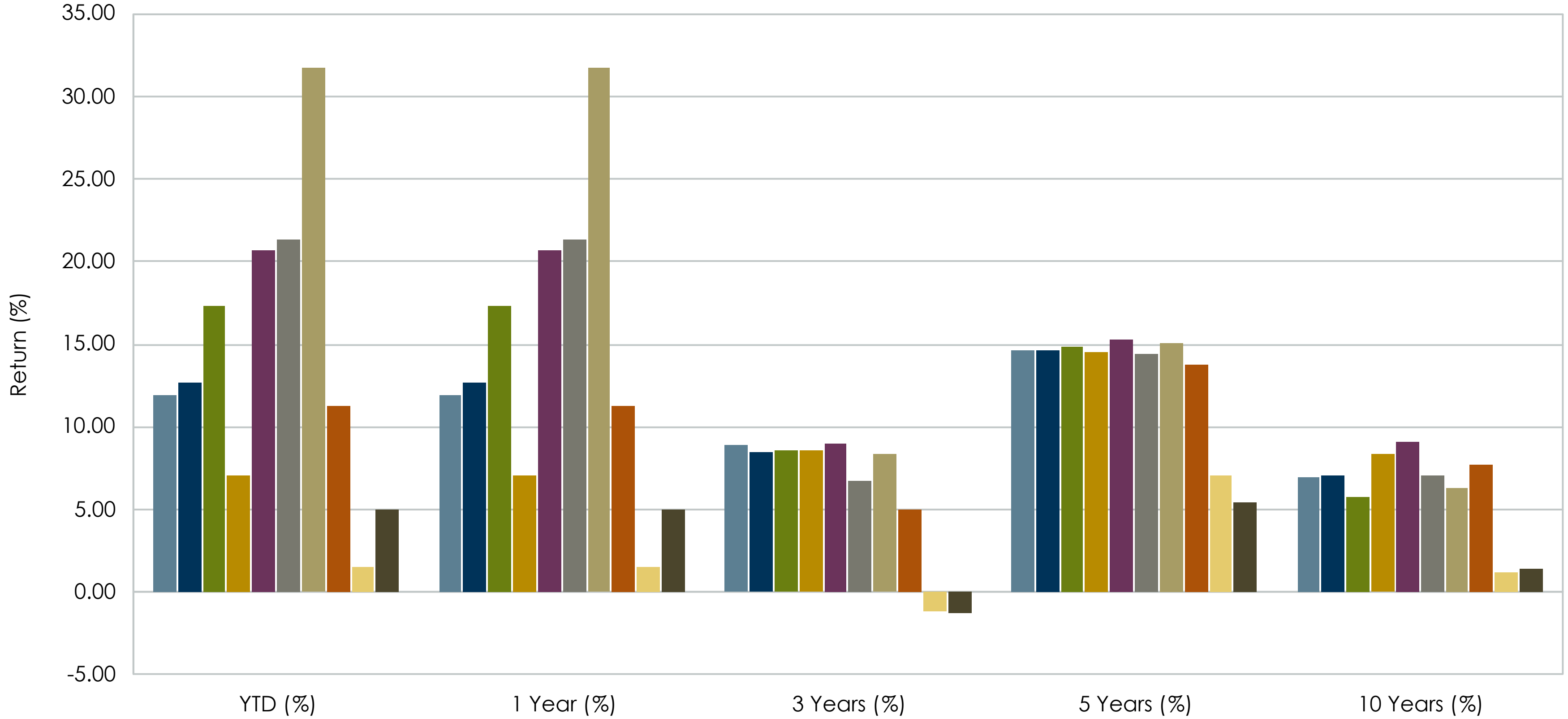
*For the Periods Ending December 31, 2016*




| | YTD (%) | 1 Year (%) | 3 Years (%) | 5 Years (%) | 10 Years (%) |
|---|---|---|---|---|---|
| BloomBar US Treasury | 1.04 | 1.04 | 2.29 | 1.20 | 3.97 |
| BloomBar US Aggregate | 2.65 | 2.65 | 3.03 | 2.23 | 4.34 |
| BloomBar Universal | 3.91 | 3.91 | 3.28 | 2.78 | 4.57 |
| S&P 500 | 11.96 | 11.96 | 8.87 | 14.66 | 6.95 |
| Russell 2000 | 21.31 | 21.31 | 6.74 | 14.46 | 7.07 |
| MSCI EAFE | 1.51 | 1.51 | -1.15 | 7.02 | 1.22 |
| MSCI ACWI | 8.49 | 8.49 | 3.70 | 9.96 | 4.12 |
| MSCI Emerging Markets | 11.60 | 11.60 | -2.19 | 1.64 | 2.17 |
| Bloomberg Commodity | 11.77 | 11.77 | -11.26 | -8.95 | -5.58 |

## Equity Index Returns

*For the Periods Ending December 31, 2016*

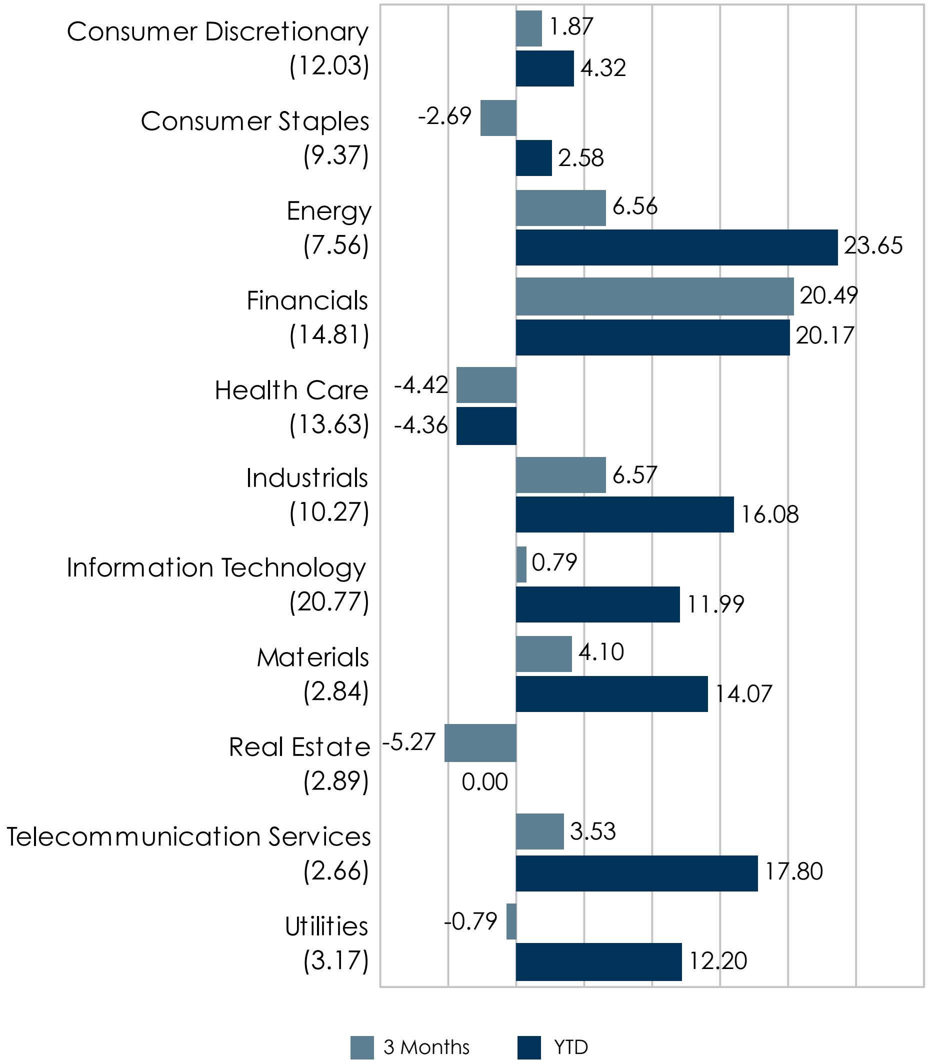



| | YTD (%) | 1 Year (%) | 3 Years (%) | 5 Years (%) | 10 Years (%) |
|---|---|---|---|---|---|
| S&P 500 | 11.96 | 11.96 | 8.87 | 14.66 | 6.95 |
| Russell 3000 | 12.74 | 12.74 | 8.43 | 14.67 | 7.07 |
| Russell 1000 Value | 17.34 | 17.34 | 8.59 | 14.80 | 5.72 |
| Russell 1000 Growth | 7.08 | 7.08 | 8.55 | 14.50 | 8.33 |
| S&P Mid Cap 400 | 20.74 | 20.74 | 9.04 | 15.33 | 9.16 |
| Russell 2000 | 21.31 | 21.31 | 6.74 | 14.46 | 7.07 |
| Russell 2000 Value | 31.74 | 31.74 | 8.31 | 15.07 | 6.26 |
| Russell 2000 Growth | 11.32 | 11.32 | 5.05 | 13.74 | 7.76 |
| MSCI EAFE | 1.51 | 1.51 | -1.15 | 7.02 | 1.22 |
| MSCI ACWI ex US | 5.01 | 5.01 | -1.32 | 5.48 | 1.42 |

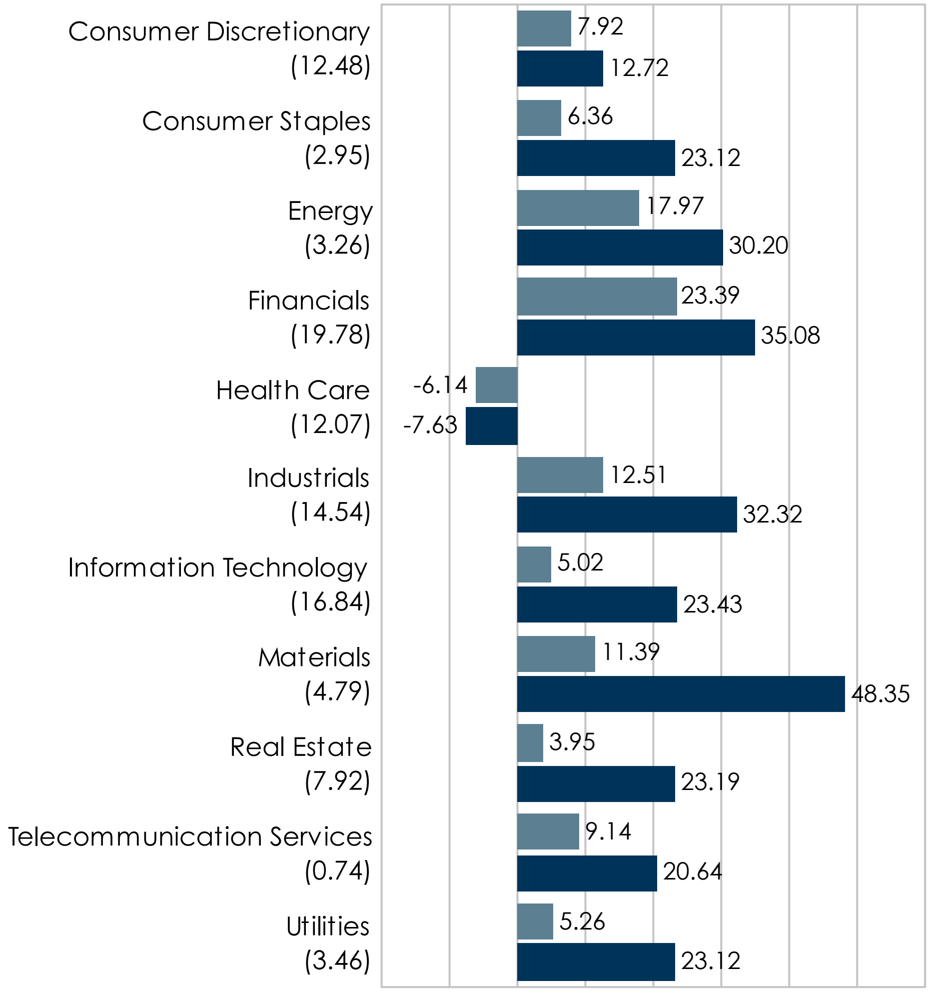
## US Markets - Performance Breakdown

*For the Periods Ending December 31, 2016*

**S&P 500 - Sector Returns (%)**




**Russell 2000 - Sector Returns (%)**

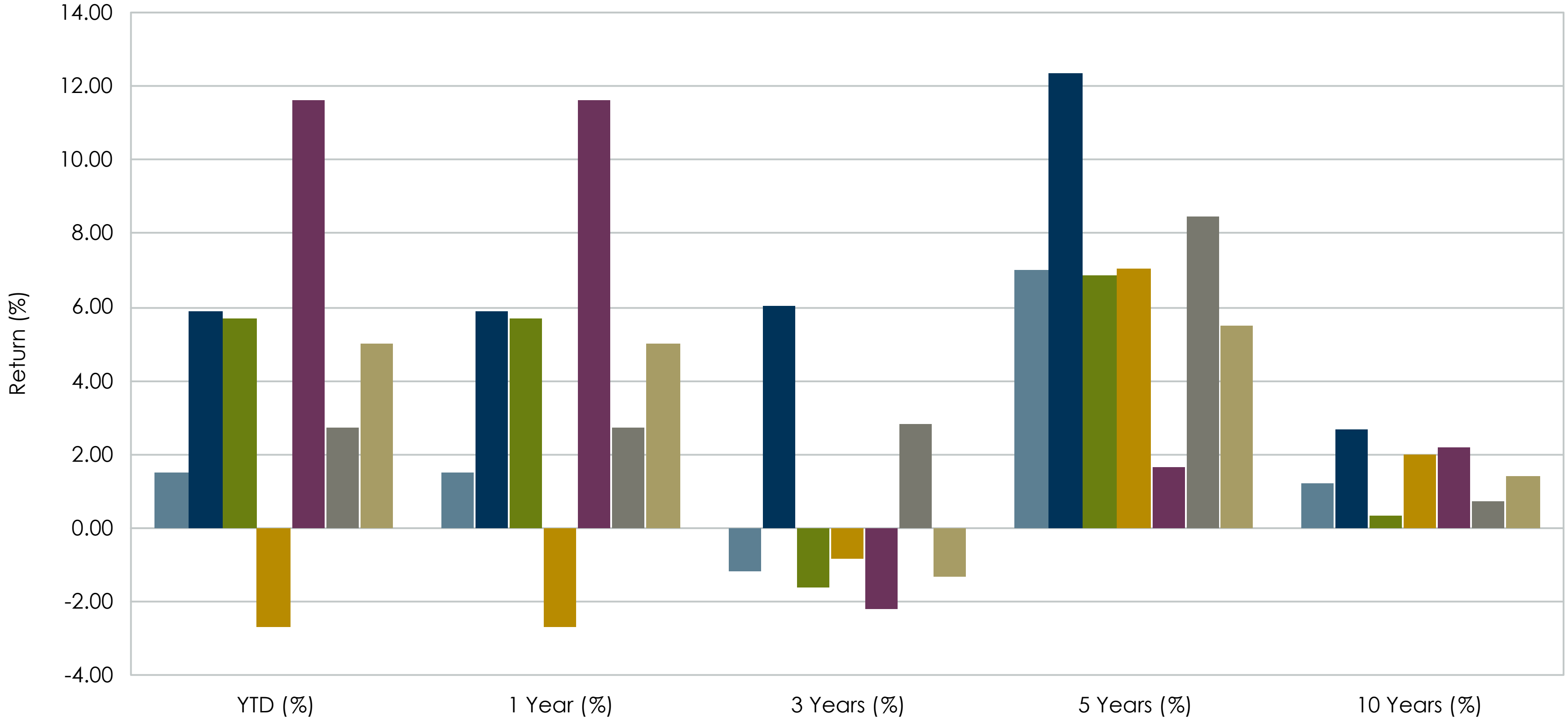



*Numbers in parenthesis represent sector weightings of the index. Sector weights may not add to 100% due to rounding or securities that are not assigned to a Global Industry Classification Standard (GICS) sector.*

*Source: ACG Research, Bloomberg*

## Non-US Equity Index Returns

*For the Periods Ending December 31, 2016*

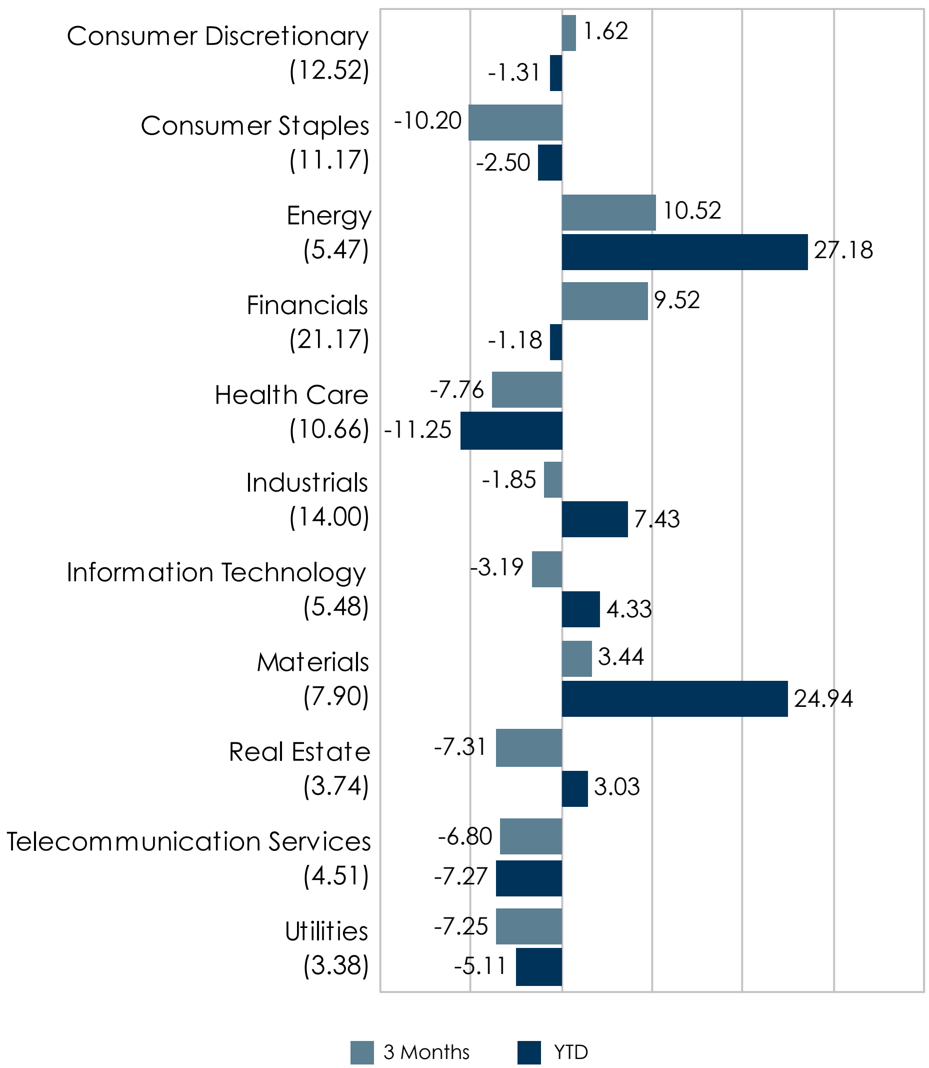



| | YTD (%) | 1 Year (%) | 3 Years (%) | 5 Years (%) | 10 Years (%) |
|---|---|---|---|---|---|
| MSCI EAFE | 1.51 | 1.51 | -1.15 | 7.02 | 1.22 |
| MSCI EAFE Local Currency | 5.88 | 5.88 | 6.01 | 12.35 | 2.68 |
| MSCI EAFE Value | 5.68 | 5.68 | -1.62 | 6.87 | 0.35 |
| MSCI EAFE Growth | -2.66 | -2.66 | -0.82 | 7.06 | 2.01 |
| MSCI Emerging Markets | 11.60 | 11.60 | -2.19 | 1.64 | 2.17 |
| MSCI Japan | 2.73 | 2.73 | 2.82 | 8.45 | 0.73 |
| MSCI ACWI ex US | 5.01 | 5.01 | -1.32 | 5.48 | 1.42 |

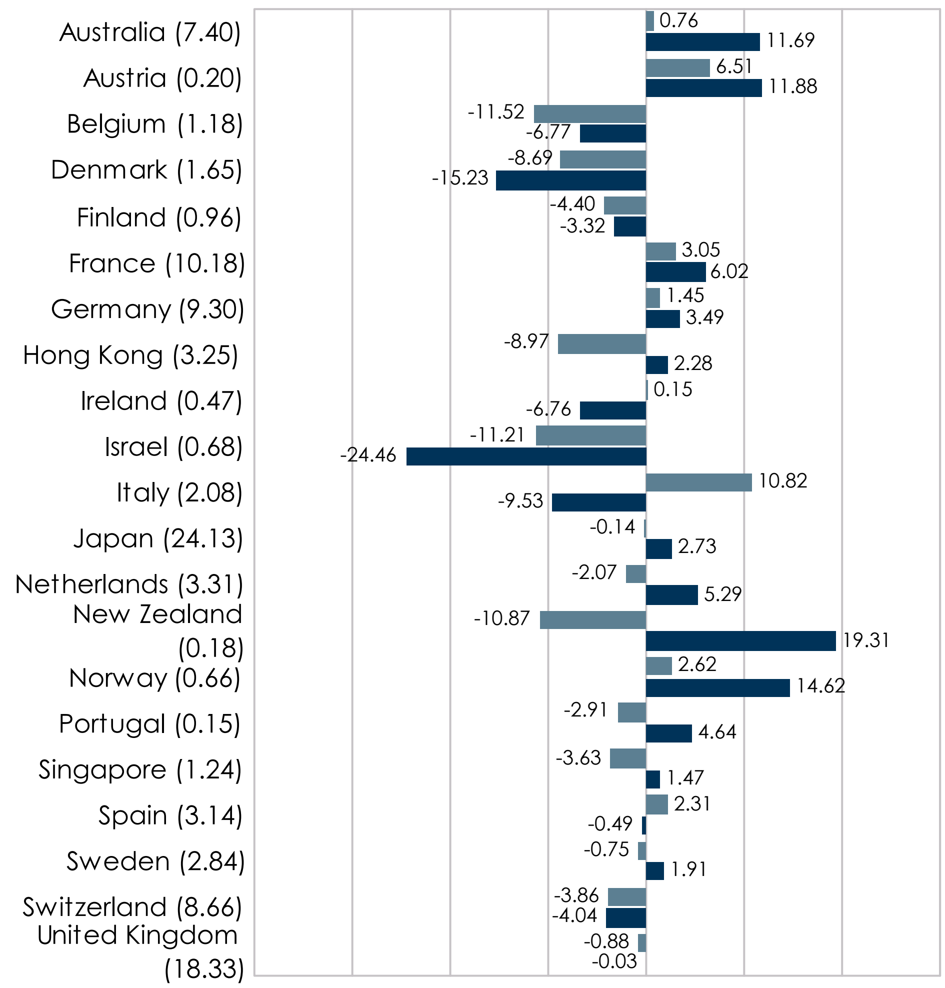
# Non-US Equity - Performance Breakdown

*For the Periods Ending December 31, 2016*

**MSCI EAFE - Sector Returns (%)**




**MSCI EAFE - Country Returns (%)**



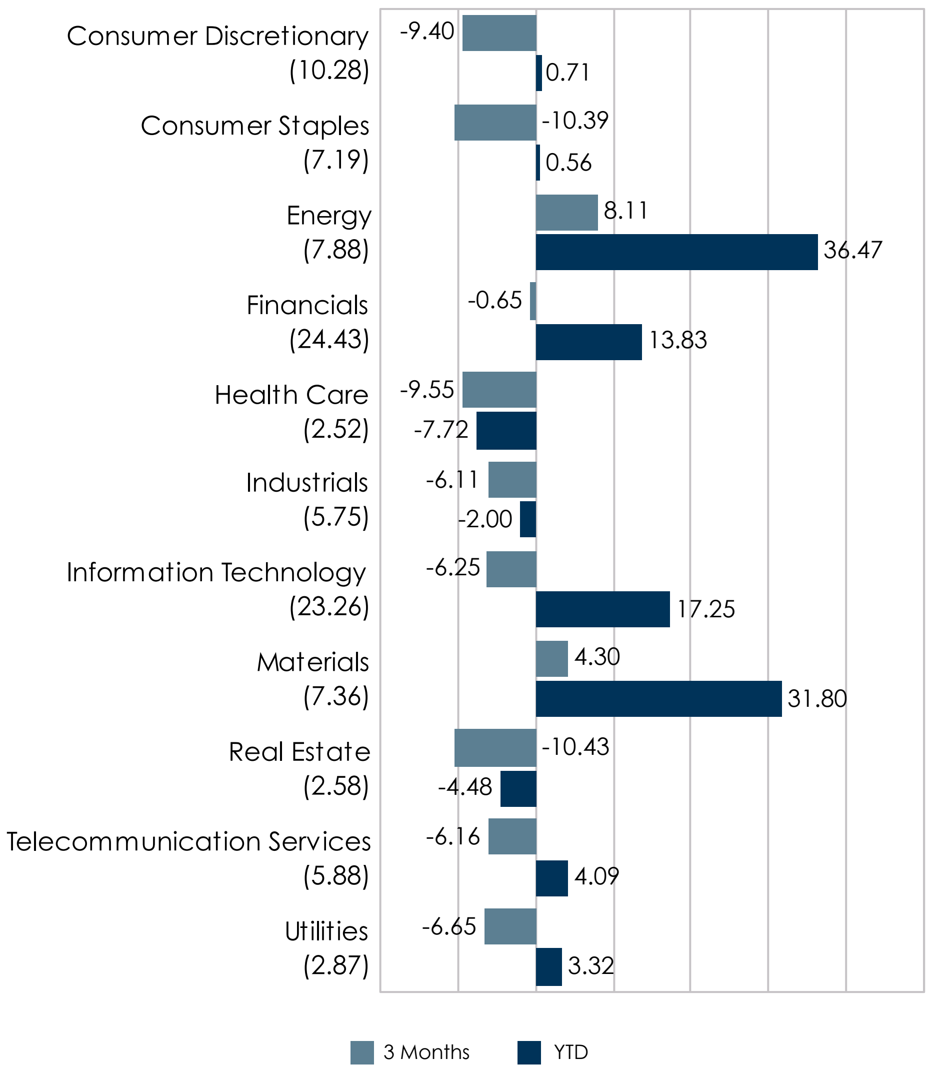

*Numbers in parenthesis represent sector or country weights of the index. Sector or country weights may not add to 100% due to rounding.*

*Source: ACG Research, Bloomberg*

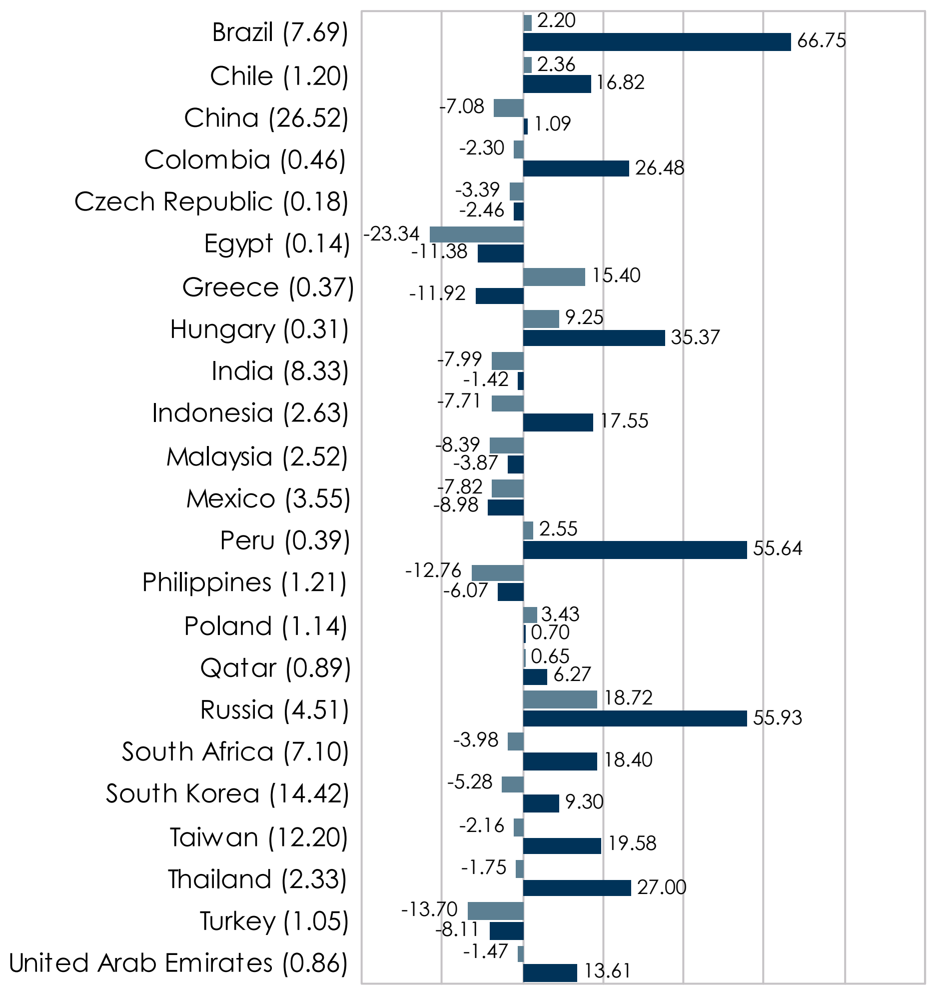
## Emerging Markets - Performance Breakdown

*For the Periods Ending December 31, 2016*

**MSCI Emerging Markets - Sector Returns (%)**




**MSCI Emerging Markets - Country Returns (%)**

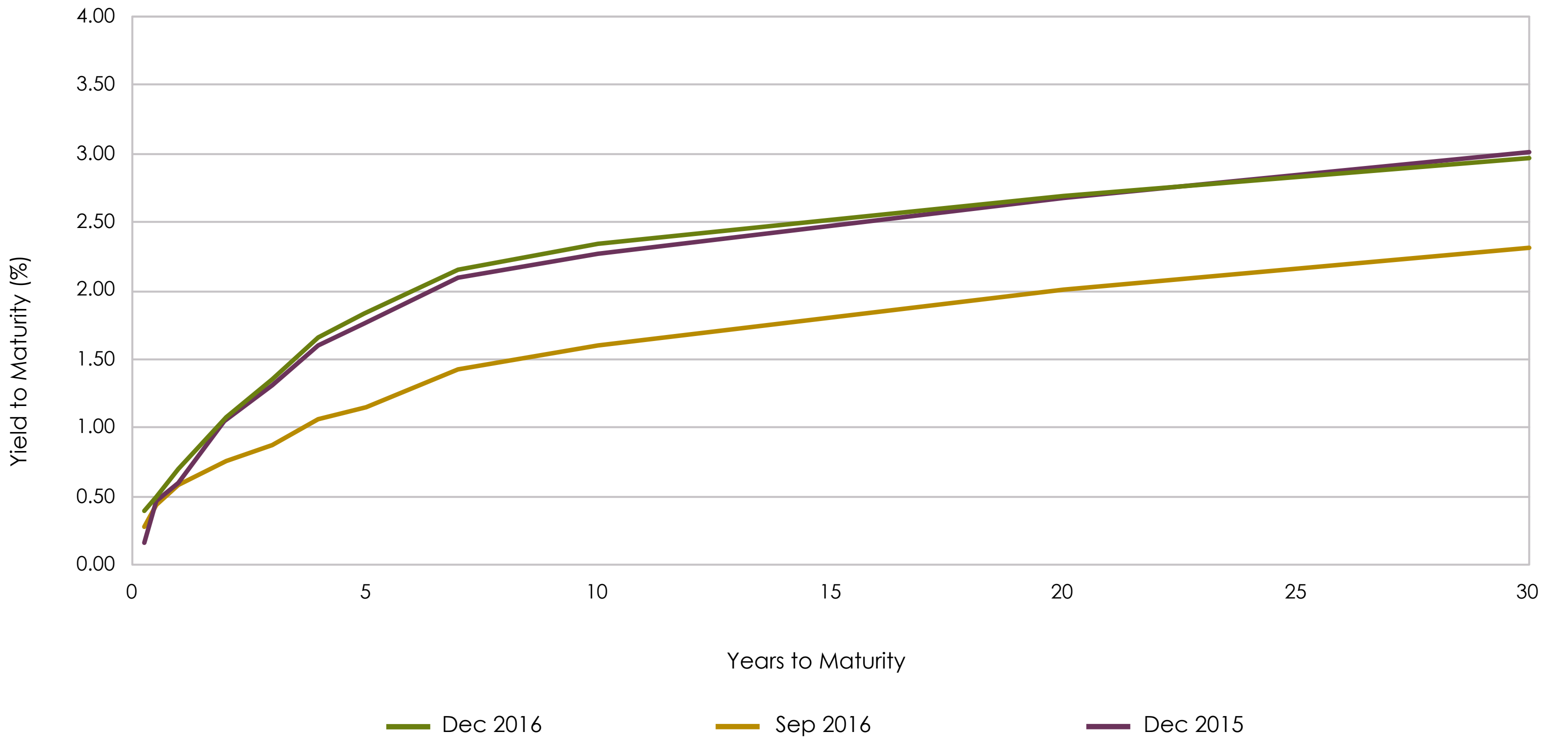



*Numbers in parenthesis represent sector or country weights of the index. Sector or country weights may not add to 100% due to rounding.*

*Source: ACG Research, Bloomberg*

## Interest Rate Term Structure

Government Issues - 3 Months to 30 Years Maturity

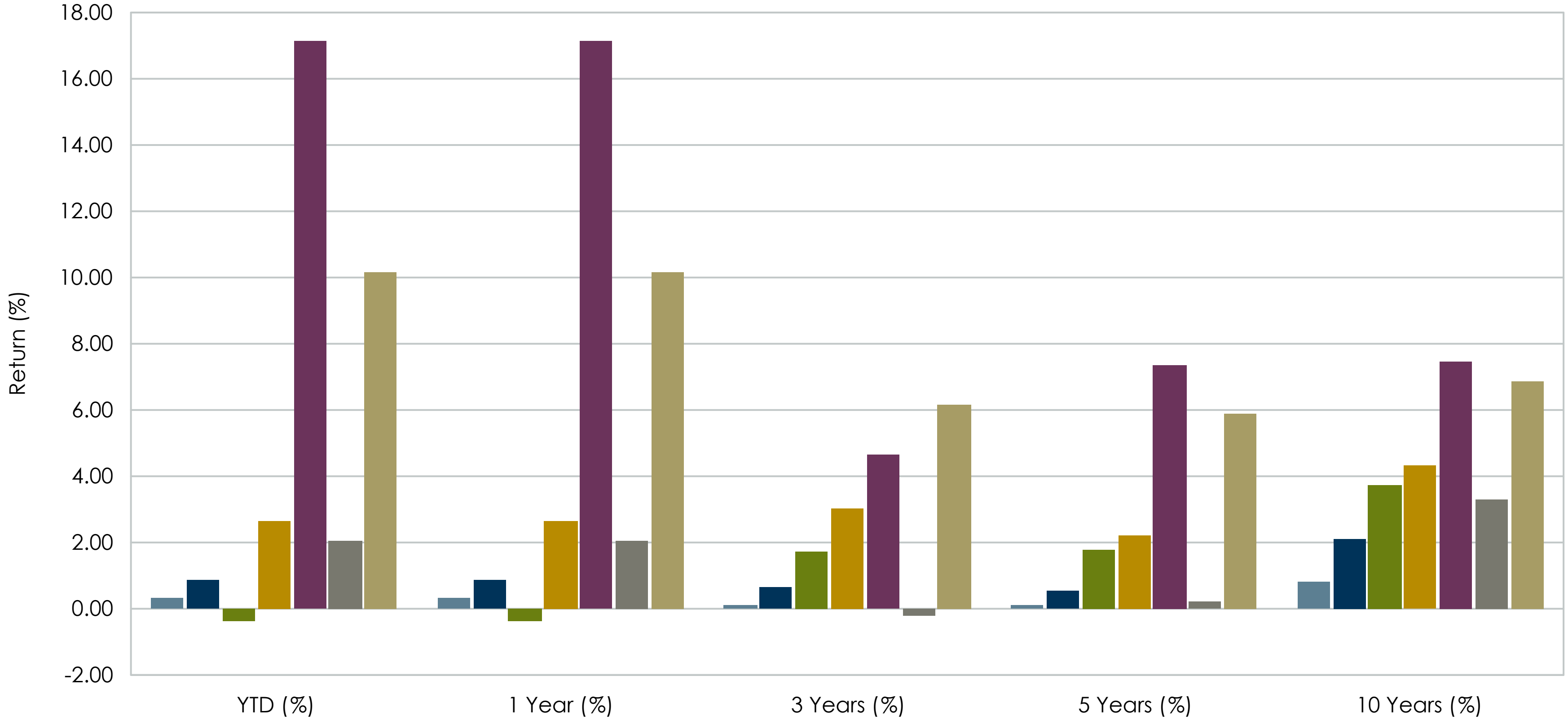



| | Dec 2016 | Sep 2016 | Dec 2015 |
|---|---|---|---|
| 90 Days | 0.50 | 0.28 | 0.17 |
| 180 Days | 0.61 | 0.43 | 0.48 |
| 1 Year | 0.81 | 0.59 | 0.60 |
| 2 Years | 1.19 | 0.76 | 1.05 |
| 3 Years | 1.45 | 0.88 | 1.31 |
| 4 Years | 1.76 | 1.07 | 1.61 |
| 5 Years | 1.93 | 1.15 | 1.76 |
| 7 Years | 2.25 | 1.42 | 2.09 |
| 10 Years | 2.45 | 1.60 | 2.27 |
| 20 Years | 2.79 | 2.02 | 2.68 |
| 30 Years | 3.07 | 2.32 | 3.02 |

*Source: Bloomberg*

## Fixed Income Index Returns

*For the Periods Ending December 31, 2016*




| | YTD (%) | 1 Year (%) | 3 Years (%) | 5 Years (%) | 10 Years (%) |
|---|---|---|---|---|---|
| US T-Bills 90 Day | 0.33 | 0.33 | 0.14 | 0.12 | 0.81 |
| BofA ML 1-3 Yr Treasury | 0.88 | 0.88 | 0.68 | 0.57 | 2.11 |
| BloomBar 5 Yr Municipal | -0.39 | -0.39 | 1.73 | 1.79 | 3.74 |
| BloomBar US Aggregate | 2.65 | 2.65 | 3.03 | 2.23 | 4.34 |
| BloomBar US Corp High Yield | 17.13 | 17.13 | 4.66 | 7.36 | 7.45 |
| BloomBar Global Aggregate | 2.09 | 2.09 | -0.19 | 0.21 | 3.29 |
| JPM EMBI Global Diversified | 10.15 | 10.15 | 6.19 | 5.91 | 6.88 |

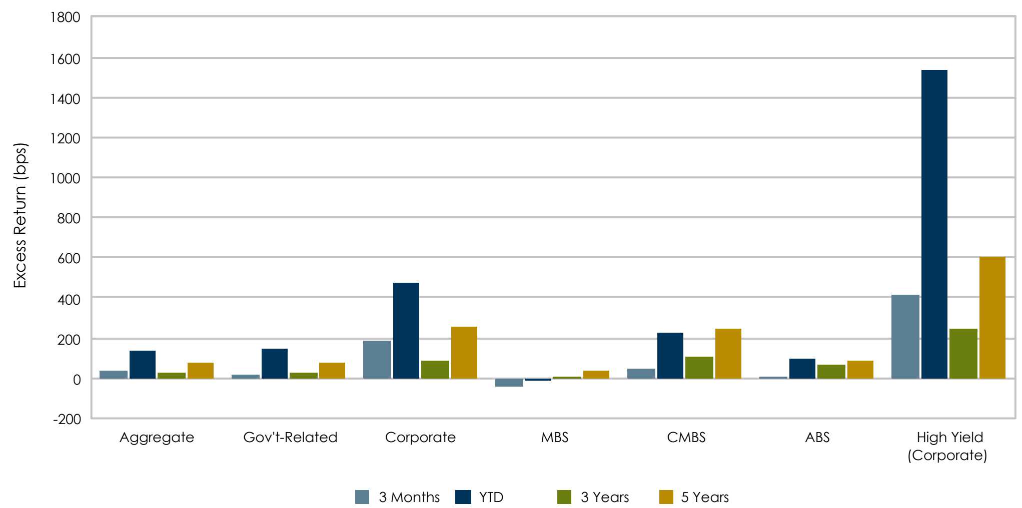
## US Fixed Income Market Environment

*For the Periods Ending December 31, 2016*

**Nominal Returns By Sector (%)**

| | 3 Months | YTD | 3 Years | 5 Years |
|---|---|---|---|---|
| US Aggregate | -2.98 | 2.66 | 3.10 | 2.28 |
| US Treasury | -3.85 | 1.04 | 2.29 | 1.29 |
| US Agg: Gov't-Related | -3.13 | 2.73 | 2.79 | 2.09 |
| US Corporate IG | -2.82 | 6.11 | 4.23 | 4.13 |
| MBS | -1.97 | 1.69 | 3.06 | 2.06 |
| CMBS | -3.03 | 3.32 | 2.72 | 3.56 |
| ABS | -0.70 | 2.01 | 1.71 | 1.76 |
| US Corp High Yield | 1.77 | 17.14 | 4.67 | 7.37 |

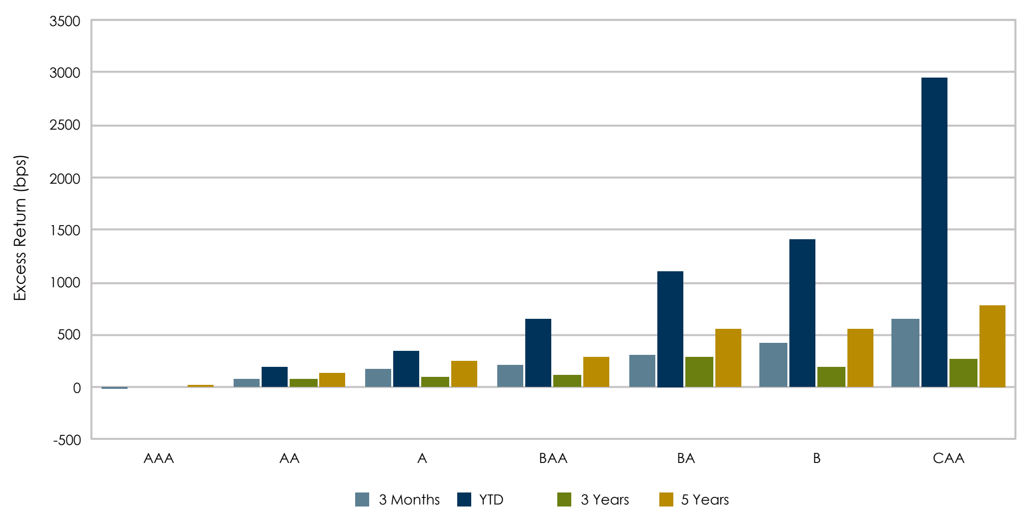
**Excess Returns by Sector**




**Nominal Returns by Quality (%)**

| | 3 Months | YTD | 3 Years | 5 Years |
|---|---|---|---|---|
| AAA | -2.98 | 1.37 | 2.60 | 1.60 |
| AA | -3.06 | 3.10 | 3.37 | 2.67 |
| A | -3.18 | 4.66 | 4.20 | 4.06 |
| BAA | -2.74 | 7.86 | 4.33 | 4.41 |
| BA | 0.43 | 12.77 | 5.56 | 7.20 |
| B | 2.01 | 15.82 | 3.84 | 6.77 |
| CAA | 4.71 | 31.48 | 4.55 | 9.01 |

**Excess Returns by Quality**




**Nominal Returns by Maturity (%)**

| | 3 Months | YTD | 3 Years | 5 Years |
|---|---|---|---|---|
| 1-3 Yr. | -0.37 | 1.32 | 0.94 | 0.91 |
| 3-5 Yr. | -1.68 | 2.01 | 2.13 | 1.70 |
| 5-7 Yr. | -2.59 | 1.94 | 2.71 | 2.01 |
| 7-10 Yr. | -4.31 | 2.37 | 3.94 | 2.77 |
| 10+ Yr. | -7.85 | 6.67 | 6.70 | 3.69 |

*Source: Bloomberg*

*Excess returns are relative to the duration-neutral Treasury.*

# FMIvT Broad Market High Quality Bond Fund

*For the Periods Ending December 31, 2016*

## Portfolio Description

- **Strategy** Expanded High Quality Fixed Income
- **Manager** Atlanta Capital Management Company
- **Vehicle** Separately Managed Account
- **Benchmark** Barclays Aggregate A+
- **Performance Inception Date** January 1998
- **Fees** Manager Fees - 15 bps; Admin Fees - 14.5 bps
- **Total Expenses** Approximately 33 bps

## Portfolio Information

- **Minimum initial investment** $50,000
- **Minimum subsequent investments** $5,000
- **Minimum redemption** $5,000
- The Portfolio is open once a month, on the first business day following the Portfolio Valuation date, to accept Member contributions or redemptions.
- The Portfolio is valued on the last business day of the month.
- The Administrator must have advance written notification of Member contributions or redemptions.

## Portfolio Objectives and Constraints

- Invests in Government and high quality securities while maintaining an average maturity of approximately eight and one-half years.
- Outperform the BloomBar US Aggregate A+ over a complete market cycle (usually 3 to 5 years).
- Rank above median in a relevant peer group universe.
- The Portfolio is subject to interest rate, credit and liquidity risk, which may cause a loss of principal. Neither the Fund nor its yield is guaranteed by the US Government.

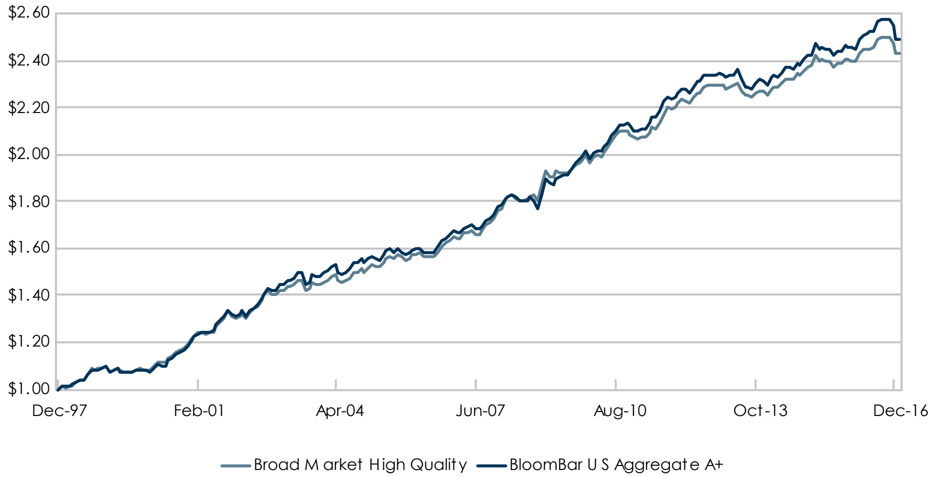
## Dollar Growth Summary ($000s)

| | FYTD | 1 Year |
|---|---|---|
| **Beginning Market Value** | **123,437** | **118,142** |
| Net Additions | 3,973 | 4,372 |
| Return on Investment | -3,316 | 1,580 |
| *Income* | *795* | *2,516* |
| *Gain/Loss* | *-4,112* | *-937* |
| **Ending Market Value** | **124,093** | **124,093** |

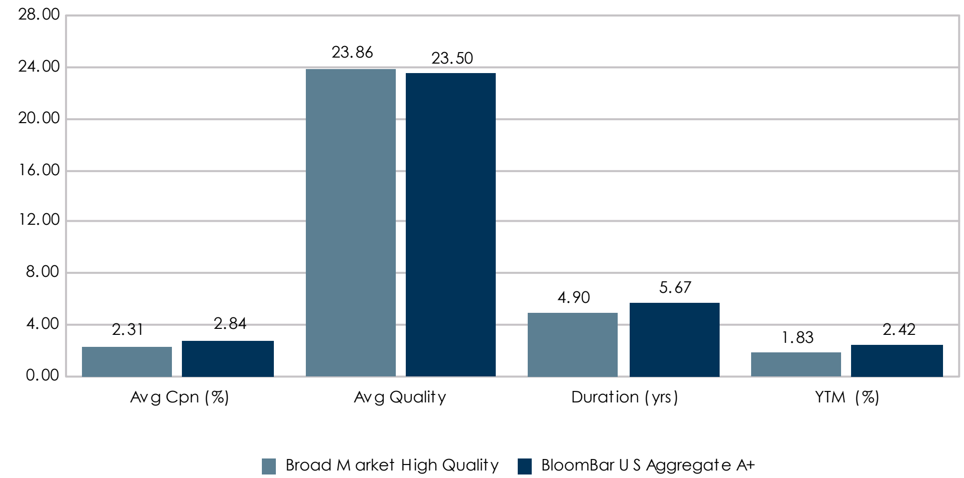
# FMIvT Broad Market High Quality Bond Fund

*For the Periods Ending December 31, 2016*

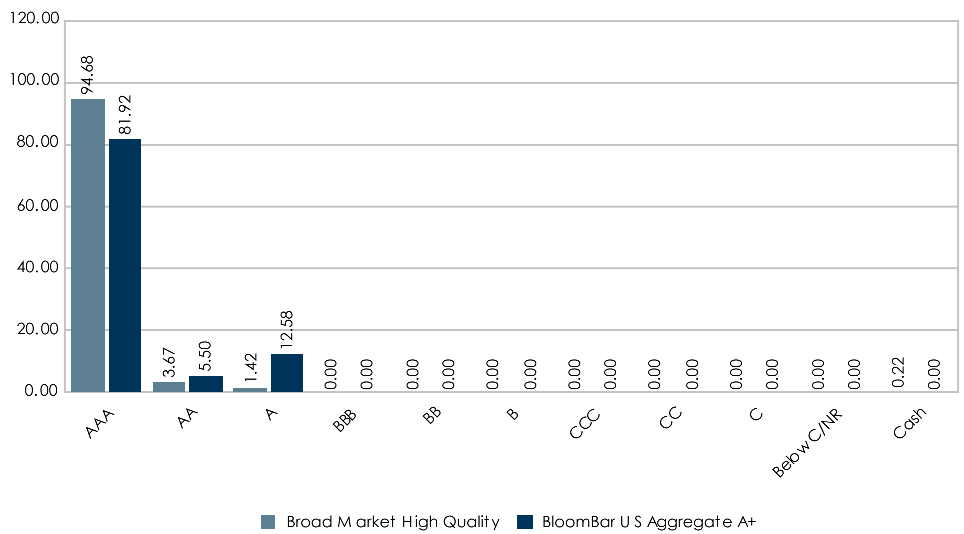
## Growth of a Dollar



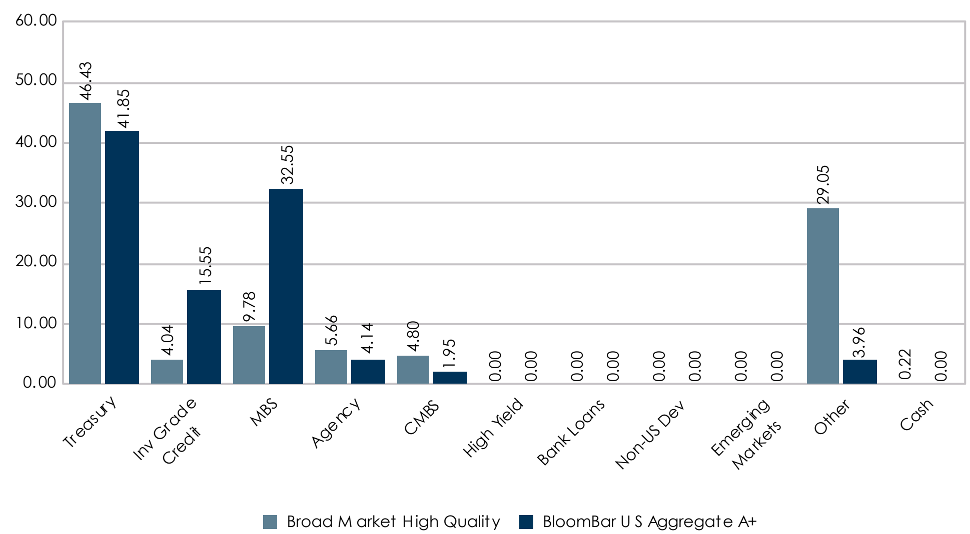

## Characteristics




## Quality Allocation




## Sector Allocation

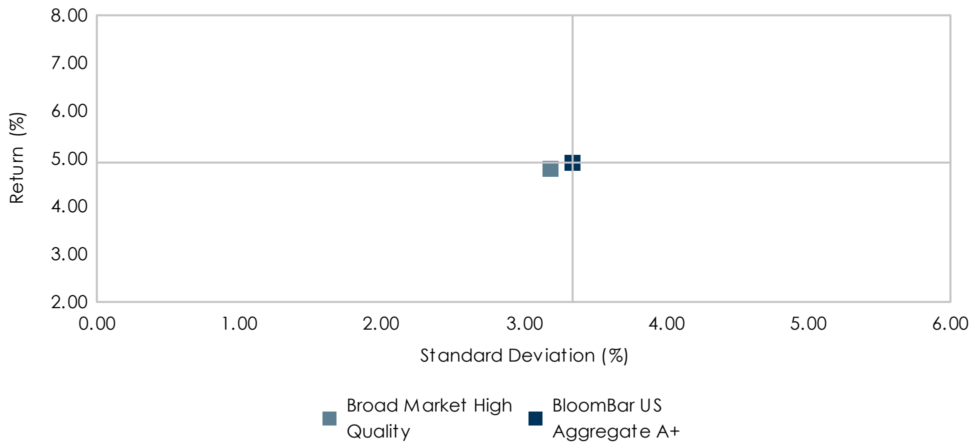



*The Other sector consists of ABS, CMO, Convertibles, Municipals, Private Placements/144As and TIPS.*

# FMIvT Broad Market High Quality Bond Fund

*For the Periods Ending December 31, 2016*

## Risk / Return Since Jan 1998



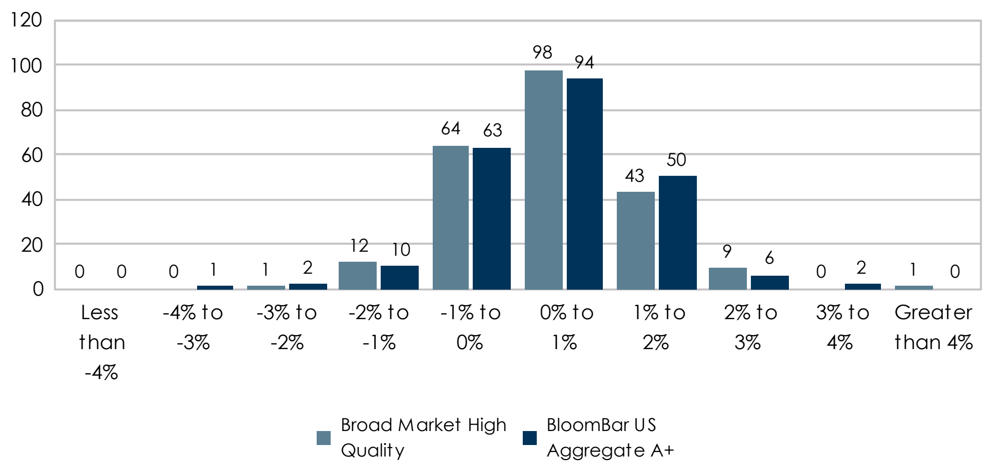

## Portfolio Statistics Since Jan 1998

| | Broad Market High Quality | BloomBar US Aggregate A+ |
|---|---|---|
| **Return (%)** | 4.78 | 4.93 |
| **Standard Deviation (%)** | 3.19 | 3.34 |
| **Sharpe Ratio** | 0.90 | 0.91 |

## Benchmark Relative Statistics

| | |
|---|---|
| **Beta** | 0.92 |
| **R Squared (%)** | 92.80 |
| **Alpha (%)** | 0.24 |
| **Tracking Error (%)** | 0.90 |
| **Batting Average (%)** | 46.49 |
| **Up Capture (%)** | 93.89 |
| **Down Capture (%)** | 88.91 |

## Return Histogram Since Jan 1998



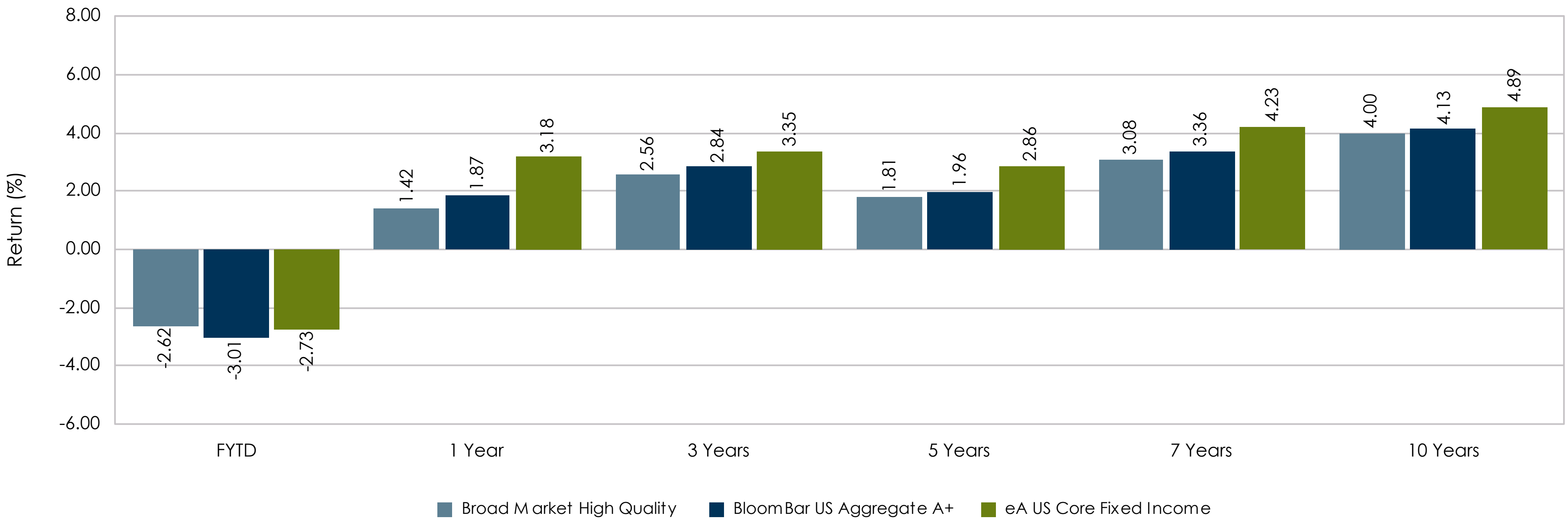

## Return Analysis Since Jan 1998

| | Broad Market High Quality | BloomBar US Aggregate A+ |
|---|---|---|
| **Number of Months** | 228 | 228 |
| **Highest Monthly Return (%)** | 4.01 | 3.60 |
| **Lowest Monthly Return (%)** | -2.47 | -3.24 |
| **Number of Positive Months** | 151 | 152 |
| **Number of Negative Months** | 77 | 76 |
| **% of Positive Months** | 66.23 | 66.67 |

*Statistics are calculated using monthly return data.*

## FMIvT Broad Market High Quality Bond Fund

*For the Periods Ending December 31, 2016*

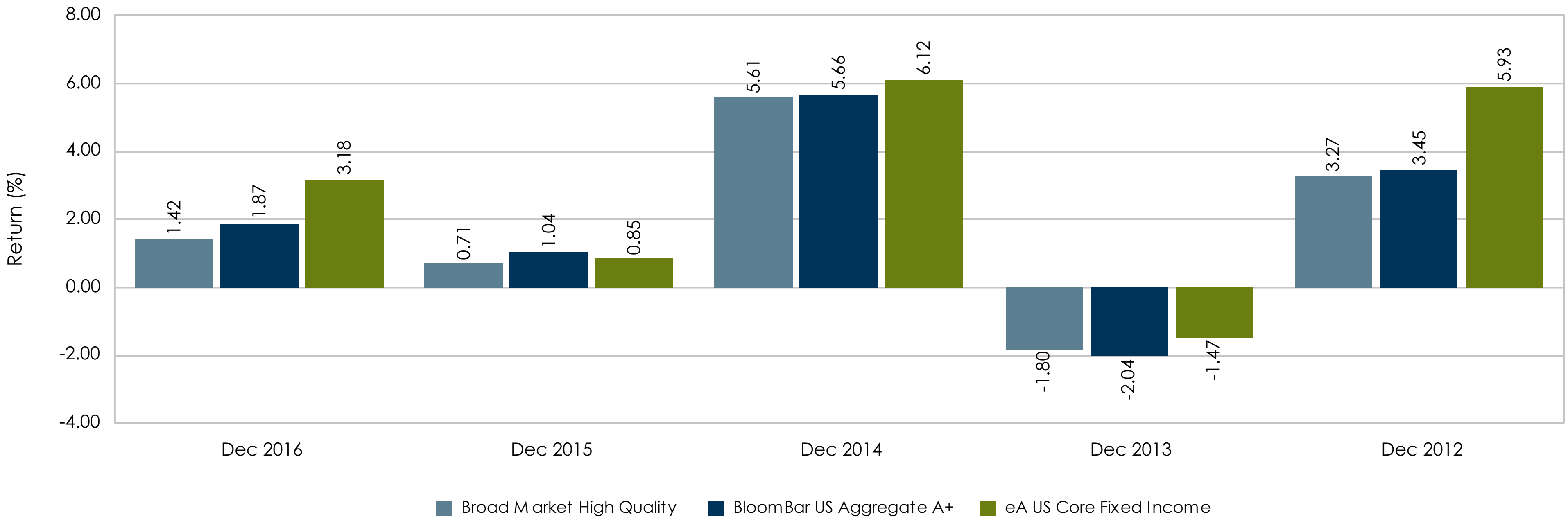



| | FYTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years |
|---|---|---|---|---|---|---|
| Ranking | 38 | 99 | 98 | 99 | 99 | 97 |
| 5th Percentile | -1.73 | 5.07 | 4.44 | 4.21 | 5.42 | 5.81 |
| 25th Percentile | -2.50 | 3.84 | 3.68 | 3.32 | 4.63 | 5.21 |
| 50th Percentile | -2.73 | 3.18 | 3.35 | 2.86 | 4.23 | 4.89 |
| 75th Percentile | -2.98 | 2.72 | 3.11 | 2.55 | 3.91 | 4.63 |
| 95th Percentile | -3.33 | 1.99 | 2.68 | 2.07 | 3.38 | 4.07 |
| Observations | 232 | 232 | 227 | 225 | 216 | 204 |

*The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.*

## FMIvT Broad Market High Quality Bond Fund

*For the One Year Periods Ending December*




| | | | | | |
|---|---|---|---|---|---|
| Ranking | 99 | 66 | 75 | 70 | 98 |
| | | | | | |
| 5th Percentile | 5.07 | 2.15 | 7.68 | 0.51 | 9.12 |
| 25th Percentile | 3.84 | 1.23 | 6.60 | -0.93 | 6.94 |
| 50th Percentile | 3.18 | 0.85 | 6.12 | -1.47 | 5.93 |
| 75th Percentile | 2.72 | 0.55 | 5.60 | -1.91 | 5.10 |
| 95th Percentile | 1.99 | -0.07 | 4.07 | -2.54 | 3.83 |
| | | | | | |
| Observations | 232 | 255 | 270 | 286 | 298 |

*The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.*

## Investment Guidelines

### Broad Market High Quality Bond Fund

*For the Periods Ending December 31, 2016*

| Portfolio Sector Allocations | Max.% | Min. % | Actual Portfolio | Within Guidelines? | Comments |
|---|---|---|---|---|---|
| U.S. Govt Oblig., U.S. Govt Agency Oblig, or U.S. Govt Instrum. Oblig. | 75.0% | 30.0% | 52.1% | Yes | |
| Mortgage Securities including CMO's | 50.0% | 0.0% | 14.8% | Yes | |
| Corporate and Yankee Debt Obligations | 30.0% | 0.0% | 4.0% | Yes | |
| Asset Backed Securities | 30.0% | 0.0% | 28.8% | Yes | |
| Reverse Repurchase Agreements and/or other forms of financial leverage * | 30.0% | 0.0% | 0.0% | Yes | |
| Other (Cash) | 25.0% | 0.0% | 0.2% | Yes | |

| Portfolio Duration/Quality | Policy Expectations | Actual Portfolio | Within Guidelines? | Comments |
|---|---|---|---|---|
| **Modified Duration**<br>Portfolio should maintain a duration equal to the BloomBar US Aggregate A+ Index plus or minus 30% but no greater than 7 years. | 3.97 to 7.00 | 4.90 | Yes | |
| **Credit quality**<br>Portfolio should Maintain a minimum bond fund rating of AA (Fitch). | AAf | | Yes | |

| Individual Securities | | Within Guidelines? | Comments |
|---|---|---|---|
| Minimum credit rating of A by any NRSRO for all corporate securities. | | Yes | |
| Maximum of 3% at time of purchase and 5% of the portfolio value may be invested in corporate securities of an individual issuer. | 1.4% | Yes | Largest Position Noted |
| A maximum of 5% of the portfolio, at market, may be invested in individual trusts of ABS and Non-Agency CMOs. | 2.0% | Yes | Largest Position Noted |
| Final stated maturity of 31.0 years or less for all securities. | | Yes | |

**Asset Consulting Group is unable to verify the actual percentages in the portfolio. However, ACG has confirmed the actual portfolio allocation is less than the maximum percentage allowed.*

# FMIvT Core Plus Fixed Income Fund

*For the Periods Ending December 31, 2016*

## Portfolio Description

- **Strategy** Core Plus Fixed Income
- **Manager** Franklin Resources, Inc & Pioneer Institutional Investment
- **Vehicle** Non-Mutual Commingled
- **Benchmark** Barclays Multiverse
- **Performance Inception Date** April 2014
- **Fees** Manager Fee - 69 bps; Admin Fee - 14.5 bps
- **Total Expenses** Approximately 87 bps

## Portfolio Information

- **Minimum initial investment** $50,000
- **Minimum subsequent investments** $5,000
- **Minimum redemption** $5.000
- The Portfolio is open once a month, on the first business day following a Portfolio Valuation date, to accept Member contributions or redemptions.
- The Portfolio is valued on the last business day of the month.
- The Administrator must have advance written notification of Member contributions or redemptions.

## Portfolio Objectives and Constraints

- Invests in a broad spectrum of fixed and floating rate debt securities that are diversified by credit quality, geography and duration.
- Outperform the BloomBar Multiverse over a complete market cycle (usually 3 to 5 years).
- Rank above median in a relevant peer group universe.
- The Portfolio is subject to interest rate, credit and liquidity risk, which may cause a loss of prinicpal. Neither the Fund nor its yield is guaranteed by the US Government.

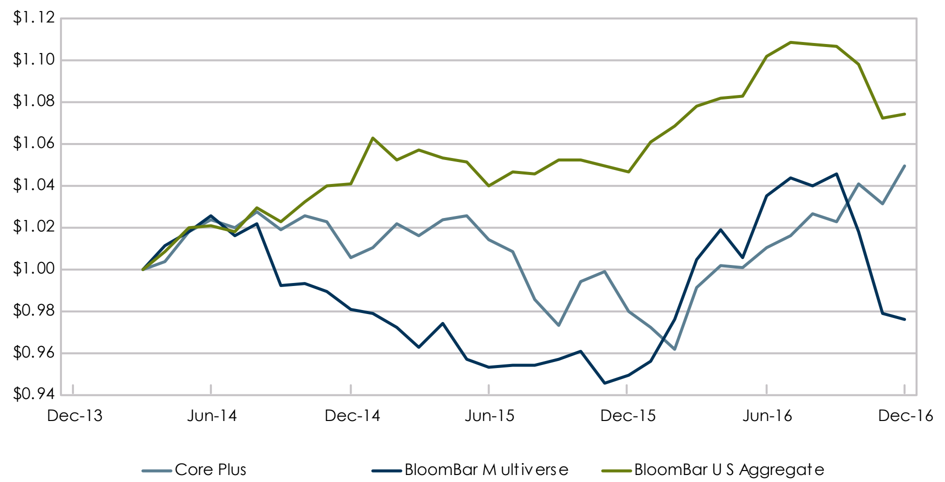
## Dollar Growth Summary ($000s)

| | FYTD | 1 Year |
|---|---|---|
| **Beginning Market Value** | **152,421** | **145,238** |
| Net Additions | -73 | 828 |
| Return on Investment | 4,062 | 10,344 |
| **Ending Market Value** | **156,410** | **156,410** |

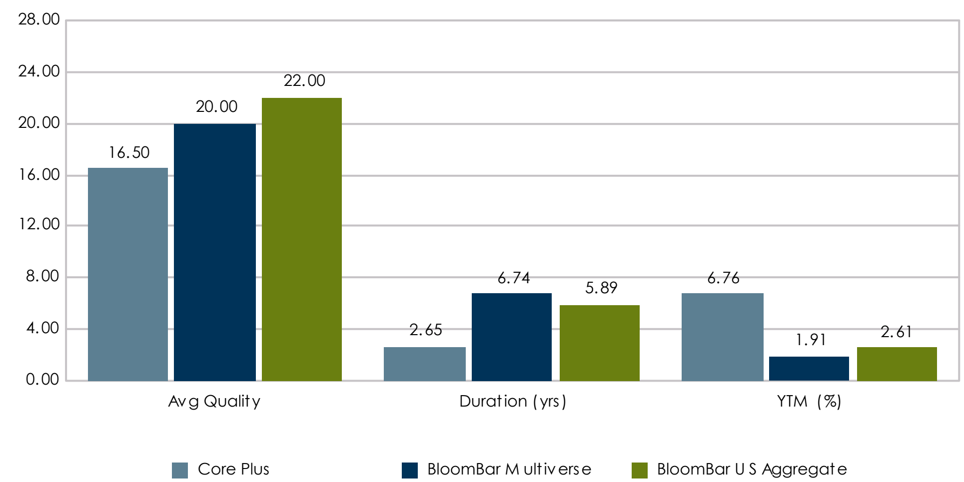
# FMIvT Core Plus Fixed Income Fund

*For the Periods Ending December 31, 2016*

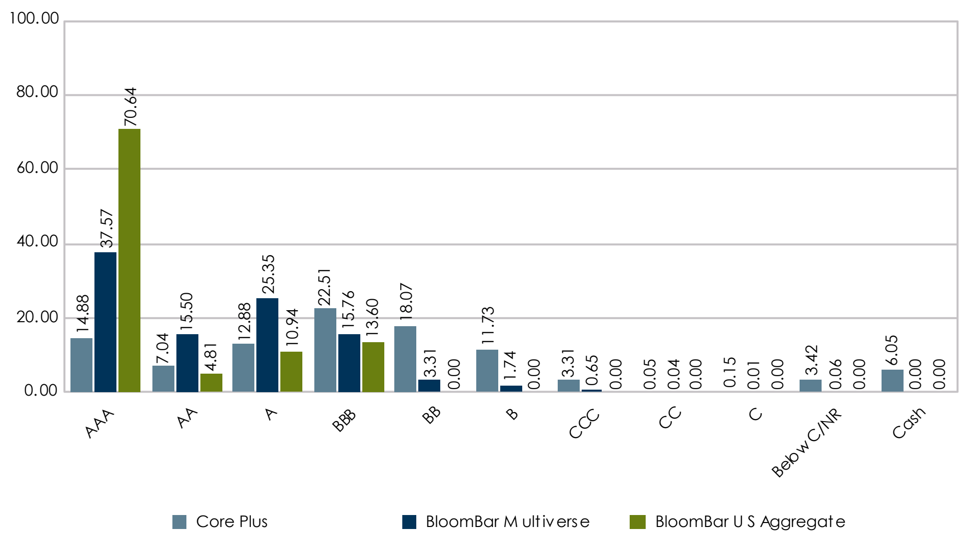
## Growth of a Dollar



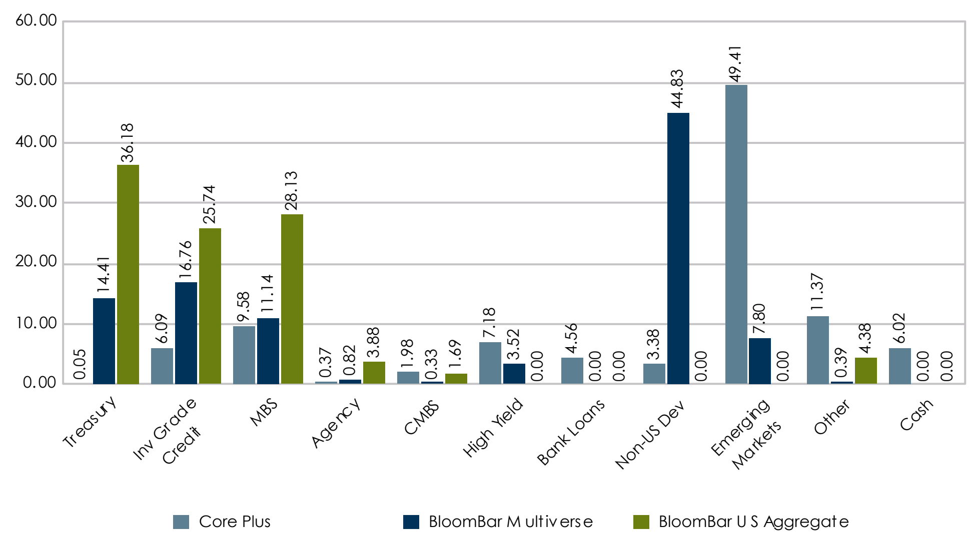

## Characteristics




## Quality Allocation




## Sector Allocation



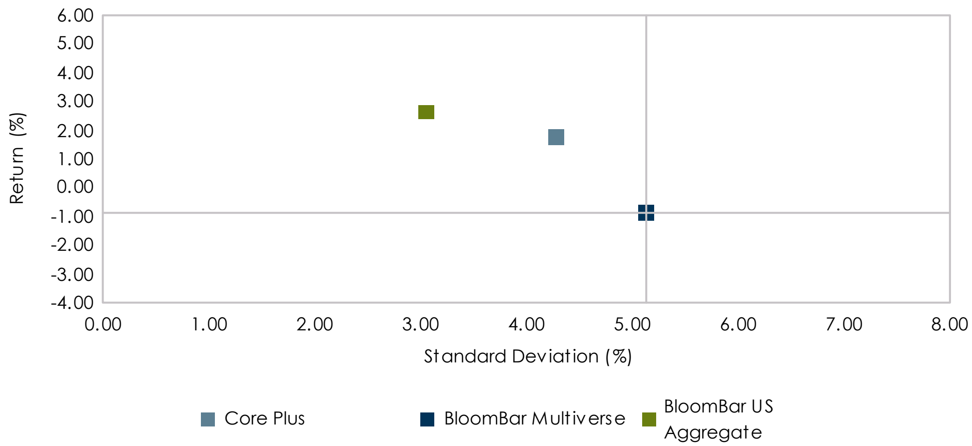

*The Other sector consists of ABS, CMO, Convertibles, Municipals, Private Placements/144As and TIPS.*

*As of December 31, 2016, FMIvT Core Plus Fixed Income Fund was 49.74% invested in the Pioneer Multi-Sector Fixed Income Fund and 50.26% invested in the Franklin Templeton Golbal Multisector Plus Fund.*

# FMIvT Core Plus Fixed Income Fund

*For the Periods Ending December 31, 2016*

## Risk / Return Since Apr 2014



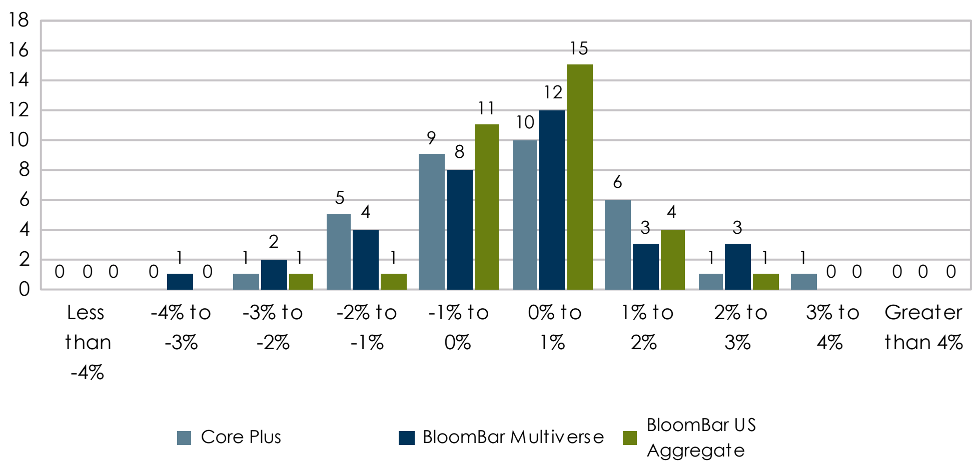

## Portfolio Statistics Since Apr 2014

| | Core Plus | BloomBar Multiverse | BloomBar US Aggregate |
|---|---|---|---|
| **Return (%)** | 1.78 | -0.89 | 2.63 |
| **Standard Deviation (%)** | 4.27 | 5.13 | 3.05 |
| **Sharpe Ratio** | 0.40 | -0.19 | 0.83 |

## Benchmark Relative Statistics

| | BloomBar Multiverse | BloomBar US Aggregate |
|---|---|---|
| **Beta** | 0.22 | 0.30 |
| **R Squared (%)** | 6.70 | 4.46 |
| **Alpha (%)** | 2.04 | 1.08 |
| **Tracking Error (%)** | 5.76 | 4.70 |
| **Batting Average (%)** | 54.55 | 39.39 |
| **Up Capture (%)** | 22.50 | 49.97 |
| **Down Capture (%)** | -4.88 | 36.00 |

## Return Histogram Since Apr 2014



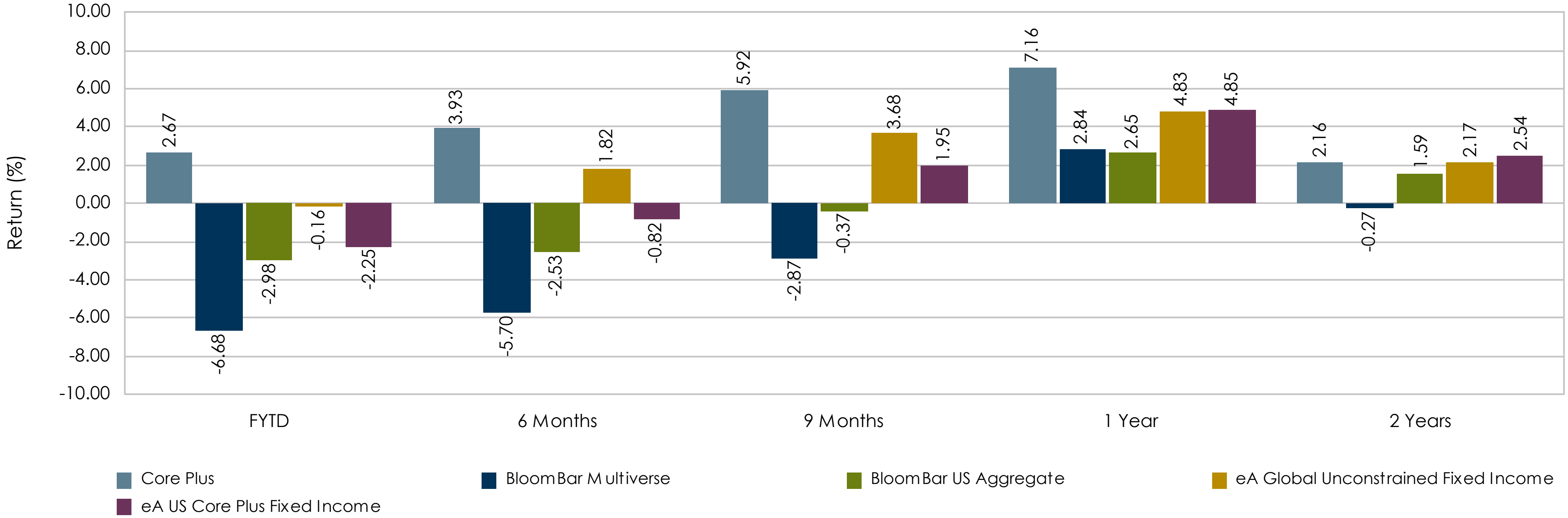

## Return Analysis Since Apr 2014

| | Core Plus | BloomBar Multiverse | BloomBar US Aggregate |
|---|---|---|---|
| **Number of Months** | 33 | 33 | 33 |
| **Highest Monthly Return (%)** | 3.09 | 2.89 | 2.10 |
| **Lowest Monthly Return (%)** | -2.34 | -3.88 | -2.37 |
| **Number of Positive Months** | 18 | 18 | 20 |
| **Number of Negative Months** | 15 | 15 | 13 |
| **% of Positive Months** | 54.55 | 54.55 | 60.61 |

*Statistics are calculated using monthly return data.*

## FMIvT Core Plus Fixed Income Fund

*For the Periods Ending December 31, 2016*

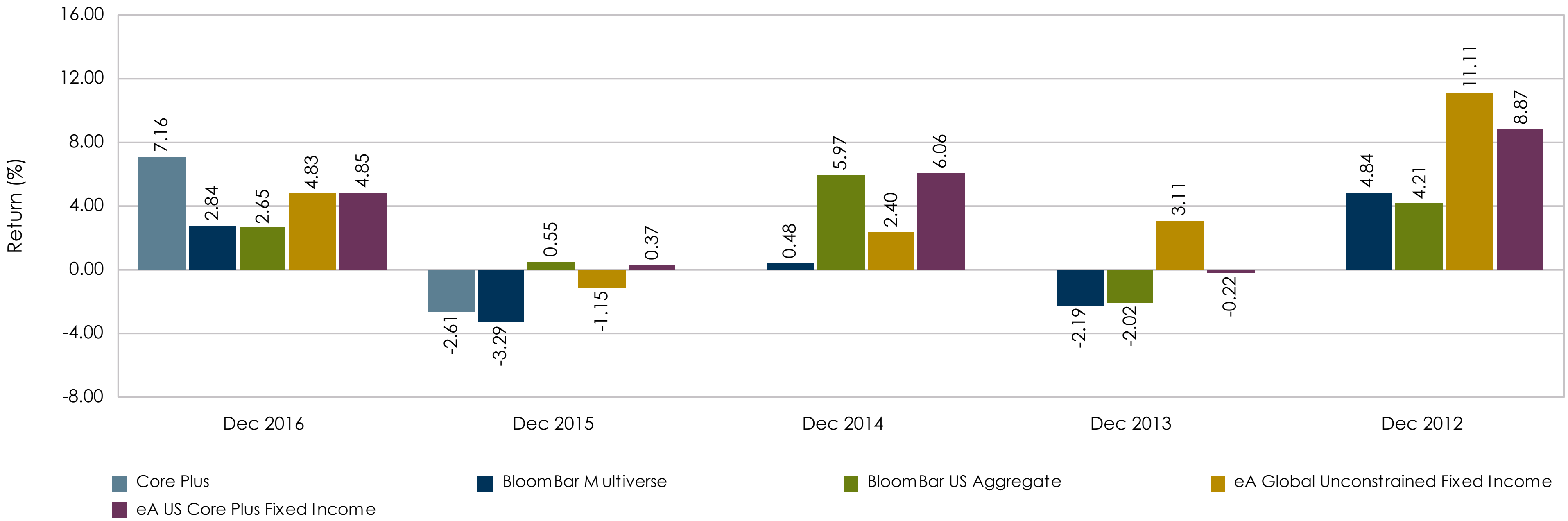



| | FYTD | 6 Months | 9 Months | 1 Year | 2 Years |
|---|---|---|---|---|---|
| Ranking | 4 / 2 | 19 / 2 | 28 / 7 | 27 / 16 | 51 / 74 |
| 5th Percentile | 2.28 / -0.29 | 5.73 / 2.54 | 8.74 / 6.47 | 12.31 / 10.10 | 5.47 / 4.47 |
| 25th Percentile | 0.94 / -1.70 | 3.66 / 0.11 | 6.03 / 3.20 | 7.29 / 6.12 | 3.44 / 3.09 |
| 50th Percentile | -0.16 / -2.25 | 1.82 / -0.82 | 3.68 / 1.95 | 4.83 / 4.85 | 2.17 / 2.54 |
| 75th Percentile | -4.33 / -2.57 | -0.63 / -1.48 | -1.16 / 0.97 | 1.76 / 3.81 | -1.22 / 2.13 |
| 95th Percentile | -6.82 / -2.93 | -5.82 / -2.27 | -9.44 / 0.26 | -11.09 / 2.86 | -7.24 / 1.20 |
| Observations | 162 / 148 | 162 / 148 | 162 / 147 | 162 / 147 | 156 / 145 |

*The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.*

## FMIvT Core Plus Fixed Income Fund

*For the One Year Periods Ending December*




| | Dec 2016 | Dec 2015 | Dec 2014 | Dec 2013 | Dec 2012 |
|---|---|---|---|---|---|
| Ranking | 27 / 16 | 66 / 95 | | | |
| 5th Percentile | 12.31 / 10.10 | 2.66 / 1.98 | 7.54 / 8.36 | 9.41 / 4.82 | 22.97 / 14.94 |
| 25th Percentile | 7.29 / 6.12 | 0.48 / 0.88 | 4.39 / 6.87 | 4.89 / 1.26 | 13.90 / 11.07 |
| 50th Percentile | 4.83 / 4.85 | -1.15 / 0.37 | 2.40 / 6.06 | 3.11 / -0.22 | 11.11 / 8.87 |
| 75th Percentile | 1.76 / 3.81 | -4.23 / -0.34 | -1.27 / 5.23 | 0.65 / -0.97 | 8.86 / 7.32 |
| 95th Percentile | -11.09 / 2.86 | -10.32 / -2.65 | -9.13 / 2.90 | -8.07 / -2.17 | 4.80 / 5.47 |
| Observations | 162 / 147 | 177 / 166 | 164 / 171 | 141 / 176 | 120 / 184 |

*The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.*

# FMIvT High Quality Growth Portfolio

*For the Periods Ending December 31, 2016*

## Portfolio Description

- **Strategy** Large Cap Growth Equity
- **Manager** Atlanta Capital Management Company
- **Vehicle** Separately Managed Account
- **Benchmark** Russell 1000 Growth
- **Performance Inception Date** January 1998
- **Fees** Manager Fee - 45 bps; Admin Fee - 14.5 bps
- **Total Expenses** Approximately 66 bps

## Portfolio Information

- **Minimum initial investment** $50,000
- **Minimum subsequent investments** $5,000
- **Minimum redemption** $5,000
- The Portfolio is open once a month, on the first business day following the Portfolio Valuation date, to accept Member contributions or redemptions.
- The Portfolio is valued on the last business day of the month.
- The Administrator must have advance written notification of Member contributions or redemptions.

## Portfolio Objectives and Constraints

- Invests in large cap growth style common stocks of companies domiciled in the US or traded on the New York Stock Exchange.
- Outperform the Russell 1000 Growth over a complete market cycle (usually 3 to 5 years).
- Rank above median in a relevant peer group universe.
- Stock values fluctuate in response to the activities of individual companies, the general market and economic conditions. Shares of the Portfolio are neither insured nor guaranteed by any US Government agency, including the FDIC.

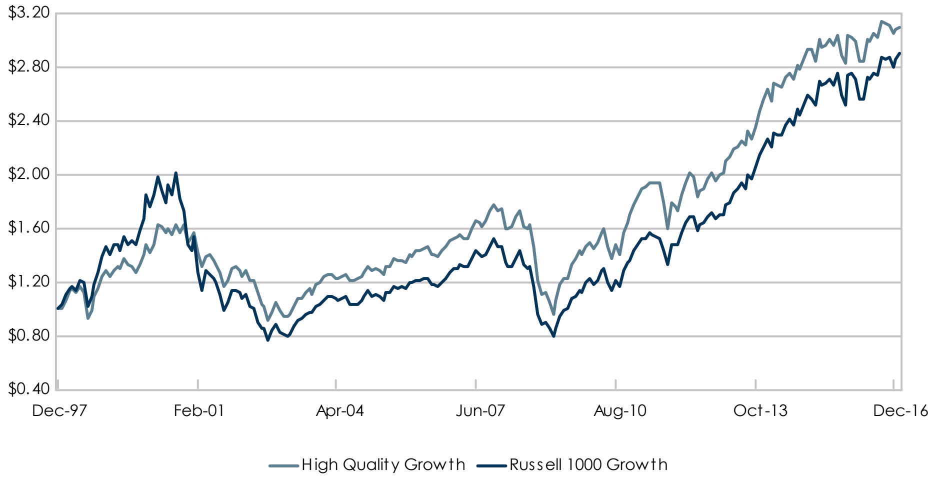
## Dollar Growth Summary ($000s)

| | FYTD | 1 Year |
|---|---|---|
| **Beginning Market Value** | **51,597** | **50,673** |
| Net Additions | 1,356 | 218 |
| Return on Investment | -243 | 1,818 |
| *Income* | *180* | *697* |
| *Gain/Loss* | *-424* | *1,121* |
| **Ending Market Value** | **52,709** | **52,709** |

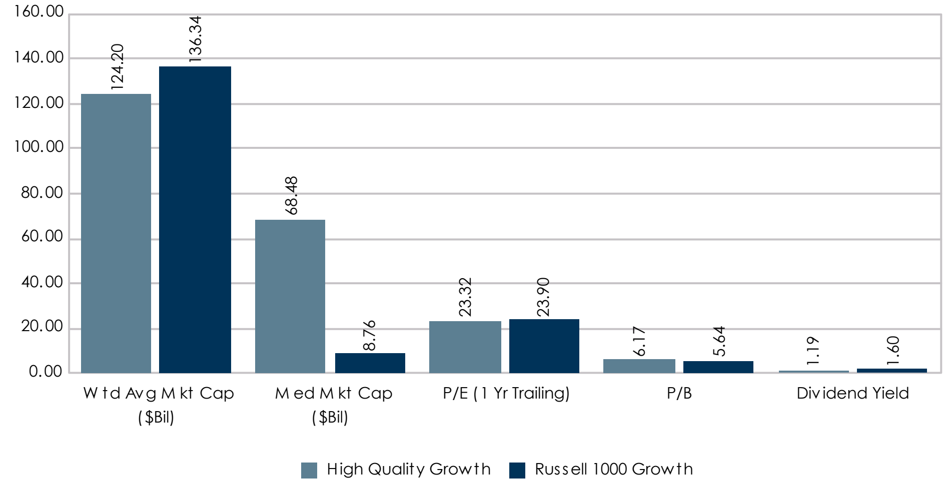
## FMIvT High Quality Growth Portfolio

*For the Periods Ending December 31, 2016*

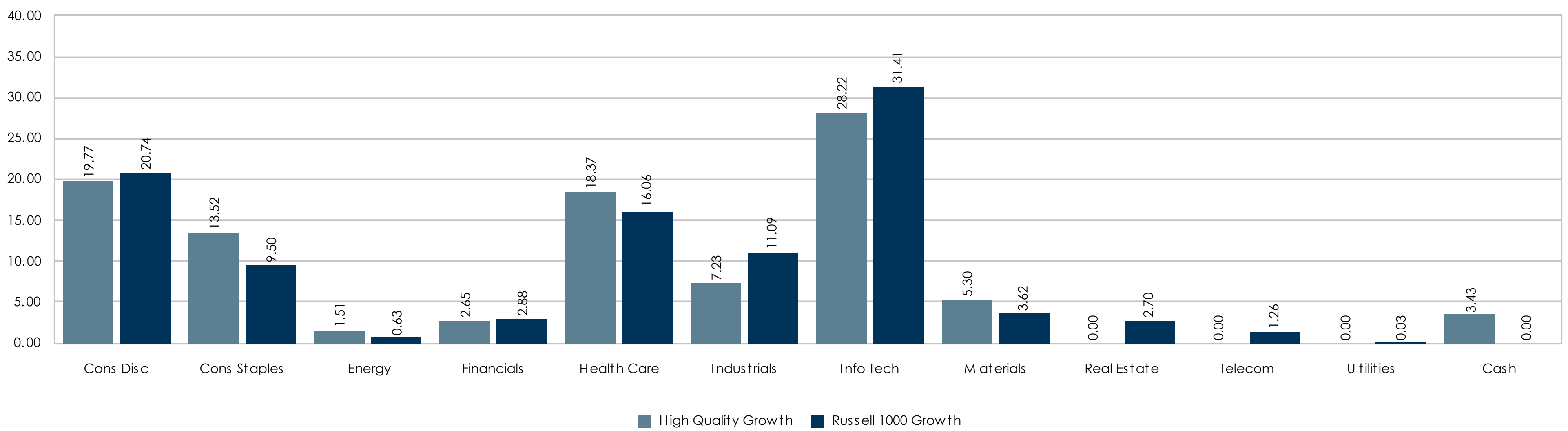
### Growth of a Dollar




### Characteristics



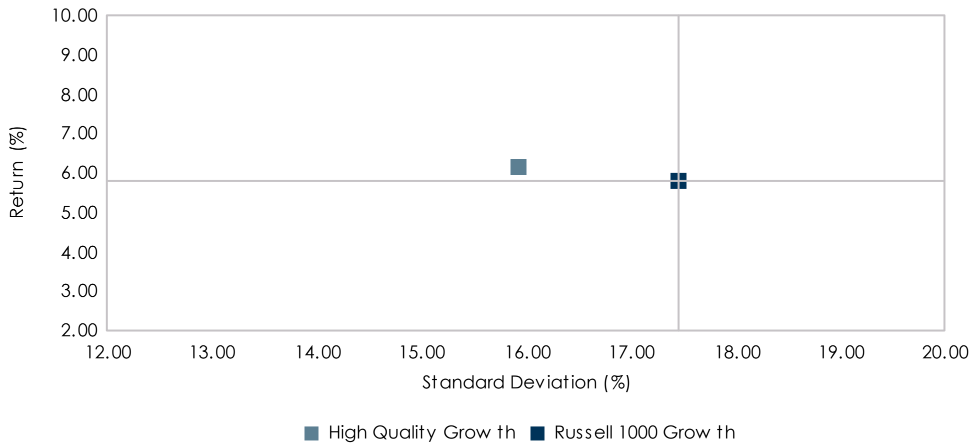

### Sector Allocation



# FMIvT High Quality Growth Portfolio

*For the Periods Ending December 31, 2016*

## Risk / Return Since Jan 1998



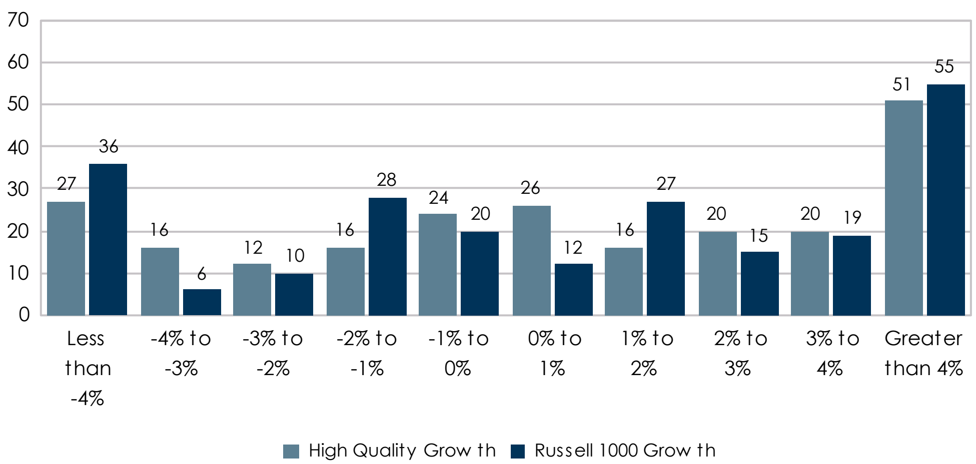

## Portfolio Statistics Since Jan 1998

| | High Quality Growth | Russell 1000 Growth |
|---|---|---|
| **Return (%)** | 6.14 | 5.76 |
| **Standard Deviation (%)** | 15.93 | 17.46 |
| **Sharpe Ratio** | 0.27 | 0.22 |

## Benchmark Relative Statistics

| | |
|---|---|
| **Beta** | 0.86 |
| **R Squared (%)** | 88.27 |
| **Alpha (%)** | 1.12 |
| **Tracking Error (%)** | 6.00 |
| **Batting Average (%)** | 46.49 |
| **Up Capture (%)** | 87.60 |
| **Down Capture (%)** | 88.13 |

## Return Histogram Since Jan 1998



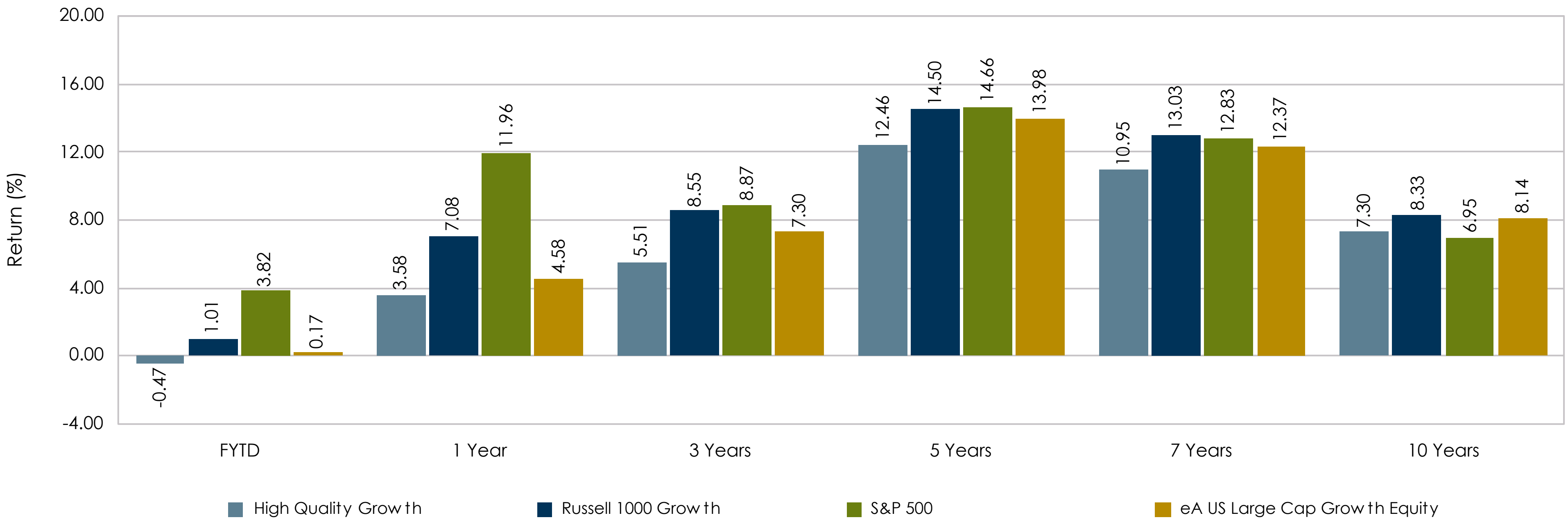

## Return Analysis Since Jan 1998

| | High Quality Growth | Russell 1000 Growth |
|---|---|---|
| **Number of Months** | 228 | 228 |
| **Highest Monthly Return (%)** | 12.11 | 12.65 |
| **Lowest Monthly Return (%)** | -17.56 | -17.61 |
| **Number of Positive Months** | 133 | 128 |
| **Number of Negative Months** | 95 | 100 |
| **% of Positive Months** | 58.33 | 56.14 |

*Statistics are calculated using monthly return data.*

# FMIvT High Quality Growth Portfolio

*For the Periods Ending December 31, 2016*

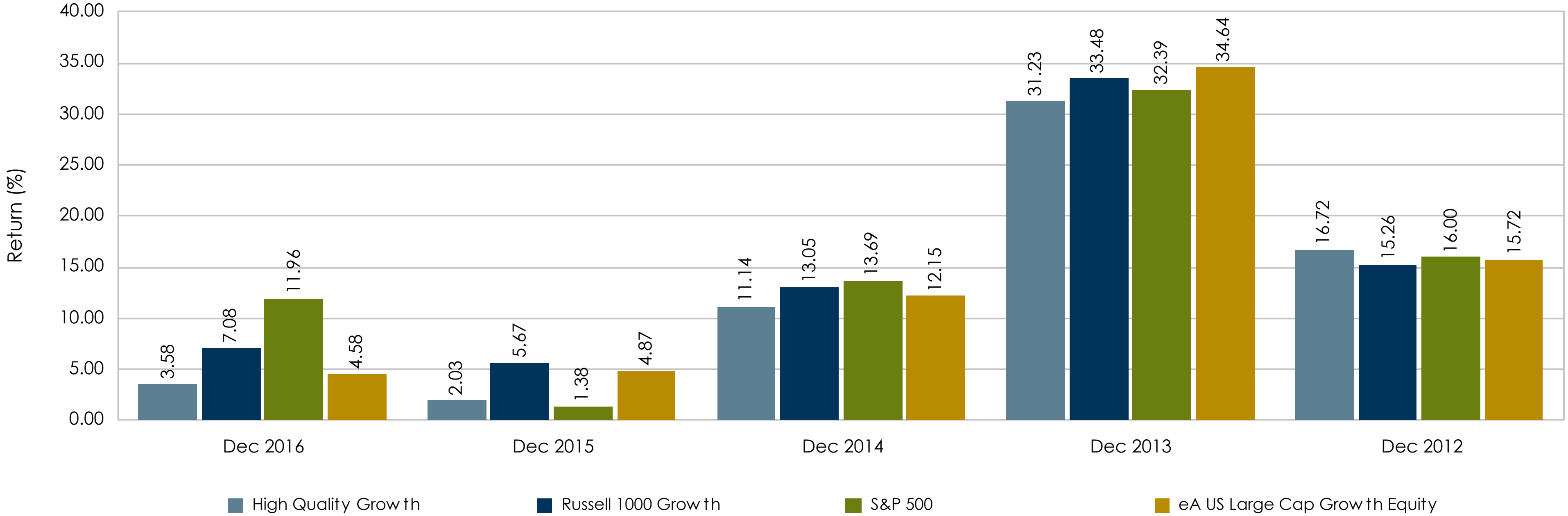



| | FYTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years |
|---|---|---|---|---|---|---|
| Ranking | 61 | 60 | 82 | 85 | 85 | 74 |
| 5th Percentile | 4.17 | 11.80 | 10.15 | 16.72 | 14.66 | 10.10 |
| 25th Percentile | 2.06 | 7.55 | 8.60 | 14.96 | 13.16 | 8.77 |
| 50th Percentile | 0.17 | 4.58 | 7.30 | 13.98 | 12.37 | 8.14 |
| 75th Percentile | -1.33 | 1.73 | 6.00 | 13.04 | 11.35 | 7.24 |
| 95th Percentile | -4.05 | -2.69 | 3.28 | 11.23 | 9.89 | 6.05 |
| Observations | 300 | 300 | 296 | 280 | 268 | 241 |

*The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.*

## FMIvT High Quality Growth Portfolio

*For the One Year Periods Ending December*




| | | | | | |
|---|---|---|---|---|---|
| Ranking | 60 | 77 | 61 | 77 | 38 |
| 5th Percentile | 11.80 | 11.84 | 17.91 | 42.71 | 21.84 |
| 25th Percentile | 7.55 | 8.16 | 14.30 | 37.47 | 17.92 |
| 50th Percentile | 4.58 | 4.87 | 12.15 | 34.64 | 15.72 |
| 75th Percentile | 1.73 | 2.10 | 9.67 | 31.52 | 13.59 |
| 95th Percentile | -2.69 | -2.65 | 6.40 | 27.43 | 10.24 |
| Observations | 300 | 332 | 354 | 365 | 385 |

*The rankings represent the portfolio's returns versus a peer universe.  The rankings are on a scale of 1 to 100 with 1 being the best.*

## Investment Guidelines

### High Quality Growth Equity Portfolio

*For the Periods Ending December 31, 2016*

| Portfolio Sector Allocations | Maximum | Actual Portfolio | Within Guidelines? | Comments |
|---|---|---|---|---|
| Maximum sector concentration shall be no more than 30% in any one sector as defined by the Standard & Poor's GICS. | | | | |
| Consumer Discretionary | 30.0% | 19.8% | Yes | |
| Consumer Staples | 30.0% | 13.5% | Yes | |
| Energy | 30.0% | 1.5% | Yes | |
| Financials | 30.0% | 2.7% | Yes | |
| Health Care | 30.0% | 18.4% | Yes | |
| Industrials | 30.0% | 7.2% | Yes | |
| Information Technology | 30.0% | 28.2% | Yes | |
| Materials | 30.0% | 5.3% | Yes | |
| Real Estate | 30.0% | 0.0% | Yes | |
| Telecommunication Services | 30.0% | 0.0% | Yes | |
| Utilities | 30.0% | 0.0% | Yes | |
| **Allocation** | **Max. %** | **Actual Portfolio** | **Within Guidelines?** | **Comments** |
| A maximum of 10% of the portfolio, valued at market, may be invested in cash. | 10.0% | 3.4% | Yes | |
| A maximum of 15% of the portfolio may be held in securities that have an S&P equity ranking or Value Line Financial Strength rating below B+. | 15.0% | 10.4% | Yes | |
| A maximum of 5% of the portfolio may be invested in the securities of an individual corporation. | 5.0% | 4.6% | Yes | Largest Position Noted |
| A maximum of 10% of the portfolio, valued at market, may be invested in convertible issues (must have rating of Baa/BBB or better). | 10.0% | 0.0% | Yes | |
| A maximum of 5% of the portfolio, valued at market, may be invested in any one convertible issuer. | 5.0% | 0.0% | Yes | |
| Maximum of 20% of the Portfolio, valued at market, may be invested in ADRs and common stocks of corporations organized under the laws of any country other than the United States, which are traded primarily on a US stock exchange. | 20.0% | 6.2% | Yes | |

# FMIvT Diversified Value Portfolio

*For the Periods Ending December 31, 2016*

## Portfolio Description

- **Strategy** Large Cap Value Equity
- **Manager** Hotchkis & Wiley Capital Management
- **Vehicle** Separately Managed Account
- **Benchmark** Russell 1000 Value
- **Performance Inception Date** November 2006
- **Fees** Manager Fee - 80 bps; Admin Fee - 14.5 bps
- **Total Expenses** Approximately 101 bps

## Portfolio Information

- **Minimum initial investment** $50,000
- **Minimum subsequent investments** $5,000
- **Minimum redemption** $5,000
- The Portfolio is open once a month, on the first business day following the Portfolio Valuation date, to accept Member contributions or redemptions.
- The Portfolio is valued on the last business day of the month.
- The Administrator must have advance written notification of Member contributions or redemptions.

## Portfolio Objectives and Constraints

- Invests in large cap value style common stocks of companies domiciled in the US or traded on the New York Stock Exchange.
- Outperform the Russell 1000 Value over a complete market cycle (usually 3 to 5 years).
- Rank above median in a relevant peer group universe.
- Stock values fluctuate in response to the activities of individual companies, the general market and economic conditions. Shares of the Portfolio are neither insured nor guaranteed by any US Government agency, including the FDIC.

## Dollar Growth Summary ($000s)

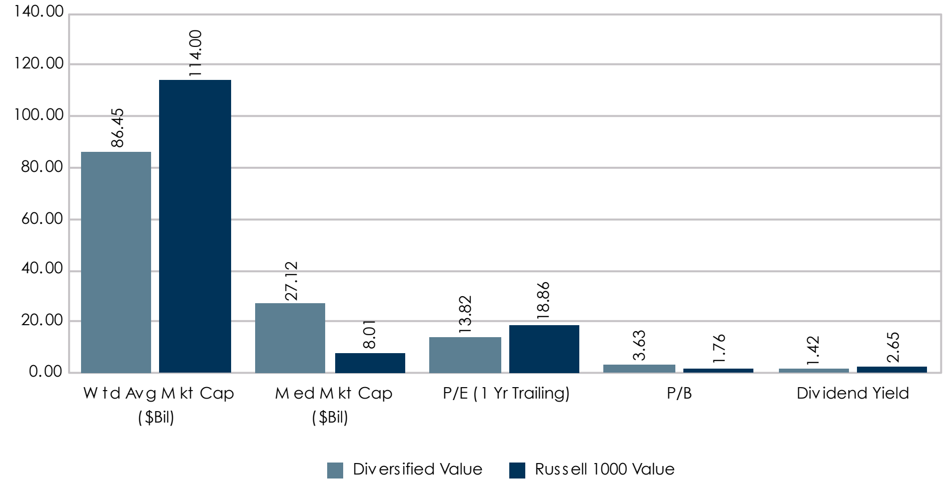
| | FYTD | 1 Year |
|---|---|---|
| **Beginning Market Value** | **52,490** | **45,998** |
| Net Additions | 460 | 2,900 |
| Return on Investment | 5,557 | 9,610 |
| *Income* | *282* | *1,338* |
| *Gain/Loss* | *5,275* | *8,272* |
| **Ending Market Value** | **58,508** | **58,508** |

# FMIvT Diversified Value Portfolio

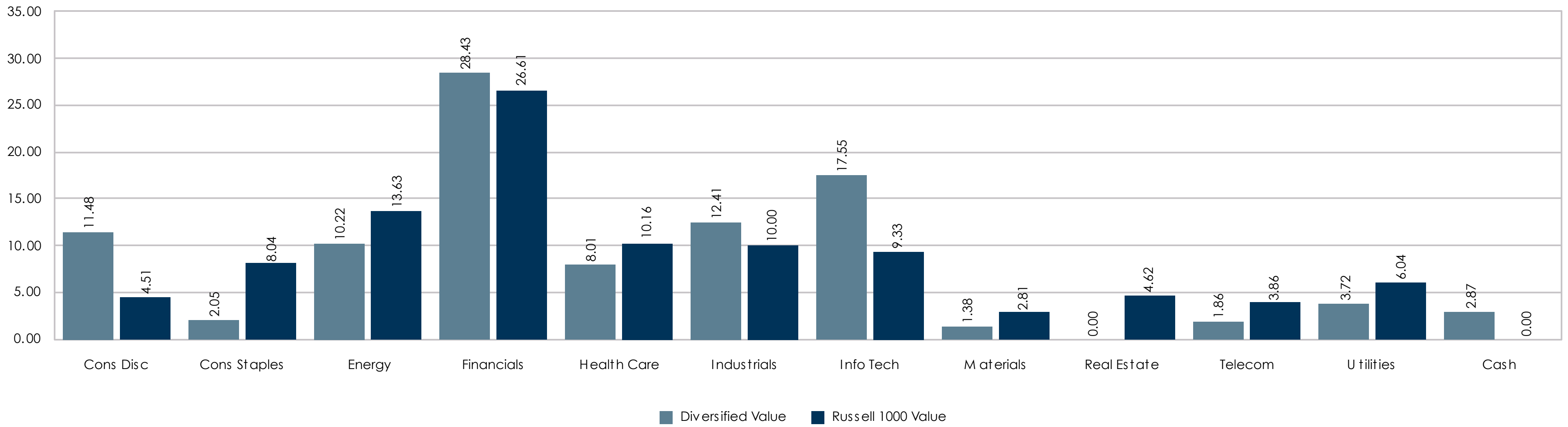
*For the Periods Ending December 31, 2016*

## Growth of a Dollar


## Characteristics



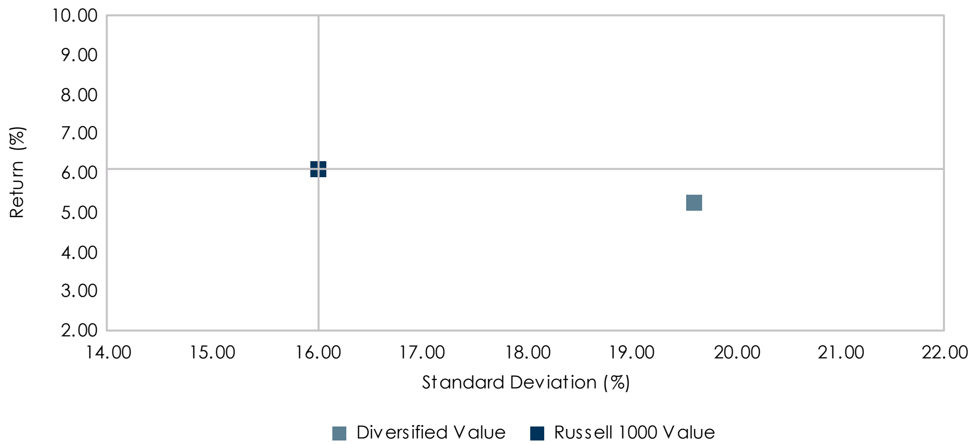

## Sector Allocation



# FMIvT Diversified Value Portfolio

*For the Periods Ending December 31, 2016*

## Risk / Return Since Nov 2006



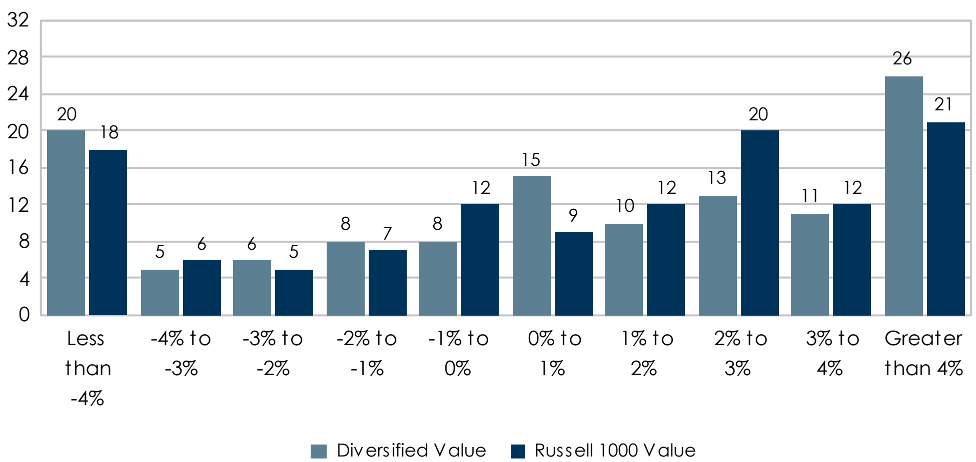

## Portfolio Statistics Since Nov 2006

| | Diversified Value | Russell 1000 Value |
|---|---|---|
| **Return (%)** | 5.24 | 6.09 |
| **Standard Deviation (%)** | 19.61 | 16.03 |
| **Sharpe Ratio** | 0.23 | 0.34 |

## Benchmark Relative Statistics

| | |
|---|---|
| **Beta** | 1.17 |
| **R Squared (%)** | 91.09 |
| **Alpha (%)** | -1.39 |
| **Tracking Error (%)** | 6.44 |
| **Batting Average (%)** | 53.28 |
| **Up Capture (%)** | 114.77 |
| **Down Capture (%)** | 114.99 |

## Return Histogram Since Nov 2006



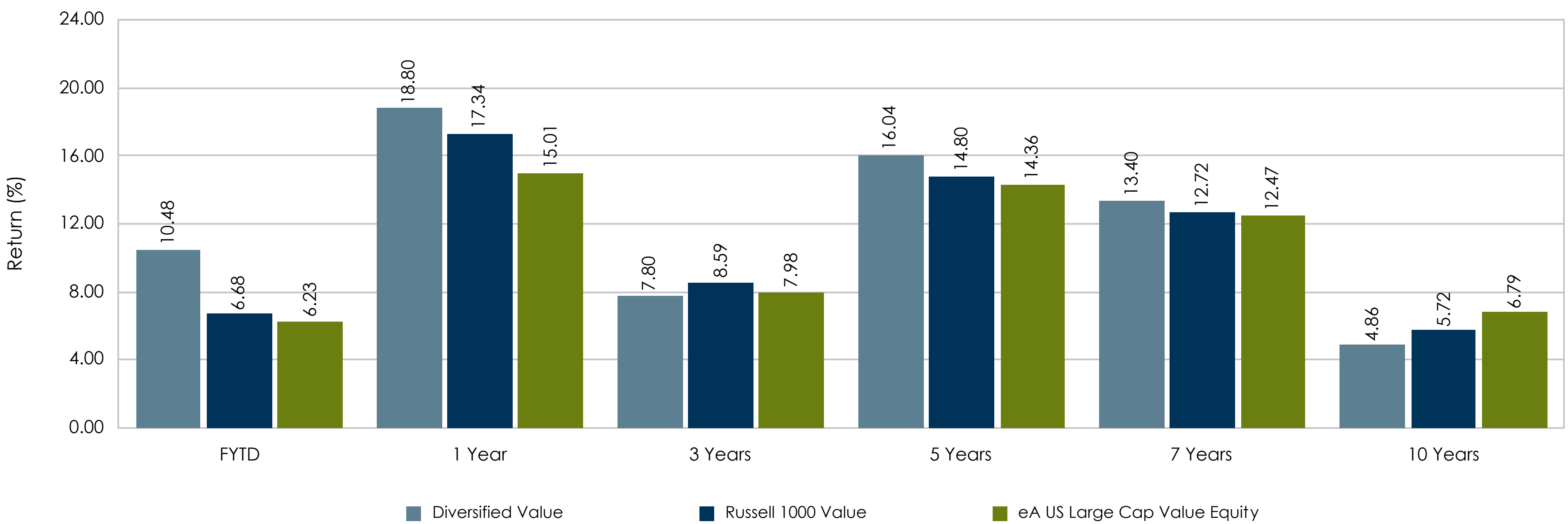

## Return Analysis Since Nov 2006

| | Diversified Value | Russell 1000 Value |
|---|---|---|
| **Number of Months** | 122 | 122 |
| **Highest Monthly Return (%)** | 15.99 | 11.45 |
| **Lowest Monthly Return (%)** | -16.08 | -17.31 |
| **Number of Positive Months** | 75 | 74 |
| **Number of Negative Months** | 47 | 48 |
| **% of Positive Months** | 61.48 | 60.66 |

*Statistics are calculated using monthly return data.*

## FMIvT Diversified Value Portfolio

*For the Periods Ending December 31, 2016*

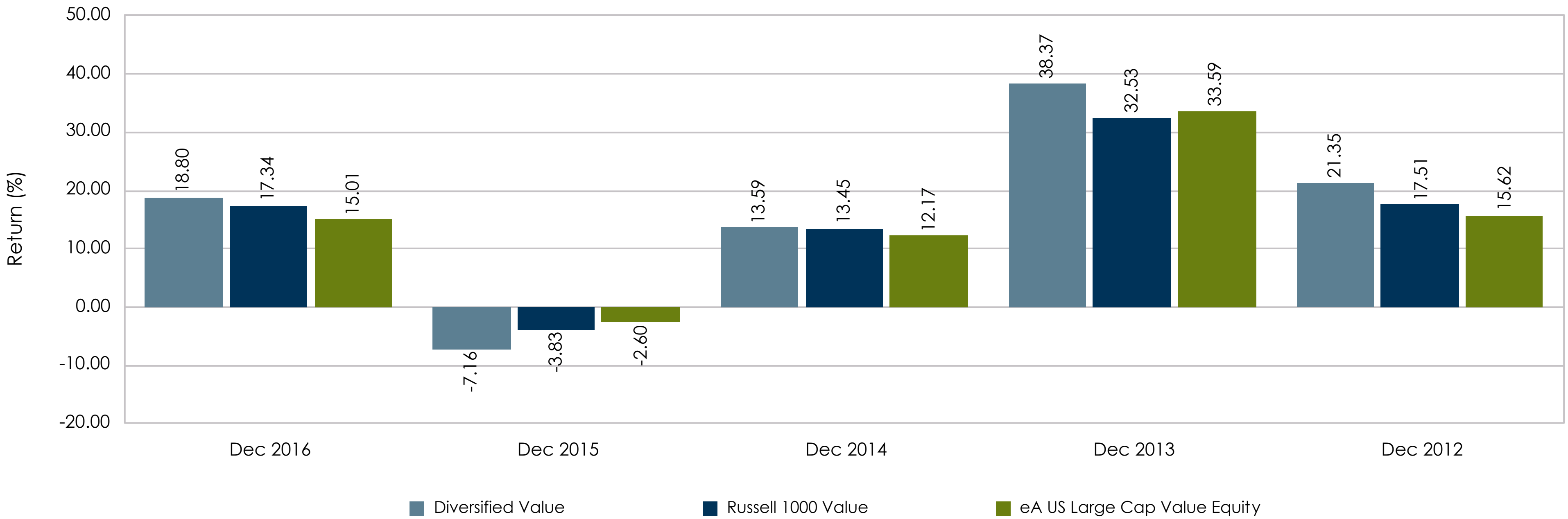



| | FYTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years |
|---|---|---|---|---|---|---|
| Ranking | 6 | 17 | 56 | 13 | 23 | 92 |
| 5th Percentile | 10.51 | 22.76 | 10.56 | 17.00 | 14.44 | 9.00 |
| 25th Percentile | 7.83 | 17.33 | 8.98 | 15.37 | 13.35 | 7.60 |
| 50th Percentile | 6.23 | 15.01 | 7.98 | 14.36 | 12.47 | 6.79 |
| 75th Percentile | 4.24 | 11.77 | 6.83 | 12.95 | 11.41 | 6.00 |
| 95th Percentile | 1.98 | 7.24 | 3.55 | 10.55 | 9.56 | 4.54 |
| Observations | 379 | 379 | 367 | 346 | 324 | 287 |

*The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.*

# FMIvT Diversified Value Portfolio

*For the One Year Periods Ending December*




| | Dec 2016 | Dec 2015 | Dec 2014 | Dec 2013 | Dec 2012 |
|---|---|---|---|---|---|
| Ranking | 17 | 89 | 30 | 19 | 6 |
| 5th Percentile | 22.76 | 2.69 | 16.36 | 44.09 | 21.81 |
| 25th Percentile | 17.33 | -0.40 | 13.84 | 37.12 | 17.99 |
| 50th Percentile | 15.01 | -2.60 | 12.17 | 33.59 | 15.62 |
| 75th Percentile | 11.77 | -5.01 | 10.18 | 30.98 | 12.96 |
| 95th Percentile | 7.24 | -9.21 | 5.64 | 24.90 | 9.67 |
| Observations | 379 | 421 | 431 | 445 | 451 |

*The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.*

## Investment Guidelines

### Diversified Value Portfolio

*For the Periods Ending December 31, 2016*

| Portfolio Sector Allocations | Maximum | Actual Portfolio | Within Guidelines? | Comments |
|---|---|---|---|---|
| Maximum sector concentration shall be no more than 35% for any sector as defined by the Standard & Poor's GICS. | | | | |
| Consumer Discretionary | 35.0% | 11.5% | Yes | |
| Consumer Staples | 35.0% | 2.1% | Yes | |
| Energy | 35.0% | 10.2% | Yes | |
| Financials | 35.0% | 28.4% | Yes | |
| Health Care | 35.0% | 8.0% | Yes | |
| Industrials | 35.0% | 12.4% | Yes | |
| Information Technology | 35.0% | 17.6% | Yes | |
| Materials | 35.0% | 1.4% | Yes | |
| Real Estate | 35.0% | 0.0% | Yes | |
| Telecommunication Services | 35.0% | 1.9% | Yes | |
| Utilities | 35.0% | 3.7% | Yes | |
| **Allocation** | **Max. %** | **Actual Portfolio** | **Within Guidelines?** | **Comments** |
| A maximum of 10% of the portfolio, valued at market, may be invested in cash. | 10.0% | 2.9% | Yes | |
| The portfolio shall not own more than 5% of the outstanding common stock of any individual corporation. | 5.0% | N/A | Yes | |
| A maximum of 7.5% of the portfolio may be invested in the securities of an individual corporation. | 7.5% | 4.9% | Yes | Largest Position Noted |
| A maximum of 10% of the portfolio, valued at market, may be invested in convertible issues (must have rating of Baa/BBB or better). | 10.0% | 0.0% | Yes | |
| A maximum of 5% of the portfolio, valued at market, may be invested in any one convertible issuer. | 5.0% | 0.0% | Yes | |
| A maximum of 20% of the portfolio, valued at cost, may be invested in common stocks of corporations that are organized under the laws of any country other than the United States and traded on the NYSE, AMEX, or NASDAQ. | 20.0% | 19.9% | Yes | |

# FMIvT Russell 1000 Enhanced Index Portfolio

*For the Periods Ending December 31, 2016*

## Portfolio Description

- **Strategy** Large Cap Core Equity
- **Manager** Janus/INTECH (as of August 2007)
- **Vehicle** Non-Mutual Commingled
- **Benchmark** Russell 1000
- **Performance Inception Date** January 2000 (Manager change August 2007)
- **Fees** Manager Fee - 39.5 bps; Admin Fee - 10.5 bps
- **Total Expenses** Approximately 53 bps

## Portfolio Information

- **Minimum initial investment** $50,000
- **Minimum subsequent investments** $5,000
- **Minimum redemption** $5,000
- The Portfolio is open once a month, on the first business day following the Portfolio Valuation date, to accept Member contributions or redemptions.
- The Portfolio is valued on the last business day of the month.
- The Administrator must have advance written notification of Member contributions or redemptions.

## Portfolio Objectives and Constraints

- Invests in large cap core style common stocks of companies domiciled in the US or traded on the New York Stock Exchange.
- Meet or exceed the performance of the Russell 1000.
- Rank above median in a relevant peer group universe.
- Stock values fluctuate in response to the activities of individual companies, the general market and economic conditions. Shares of the Portfolio are neither insured nor guaranteed by any US Government agency, including the FDIC.

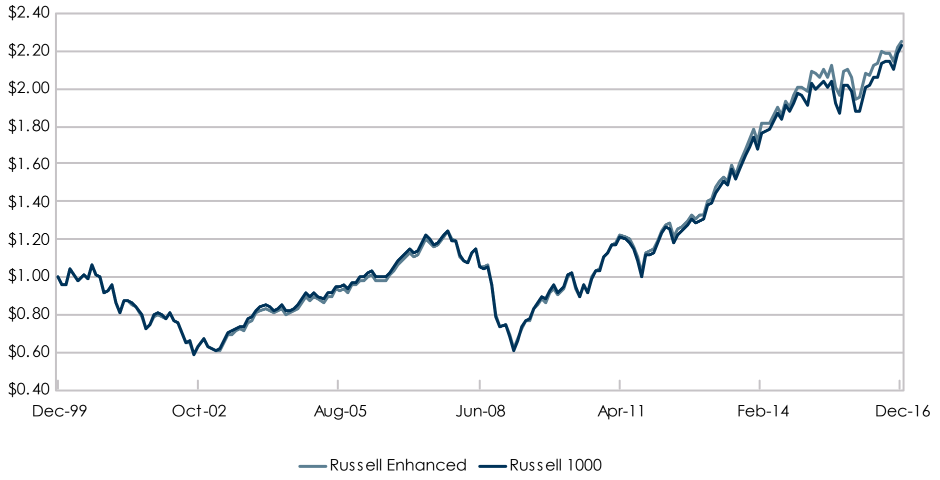
## Dollar Growth Summary ($000s)

| | FYTD | 1 Year |
|---|---|---|
| **Beginning Market Value** | **151,603** | **145,044** |
| Net Additions | 2,325 | -308 |
| Return on Investment | 4,406 | 13,598 |
| **Ending Market Value** | **158,334** | **158,334** |

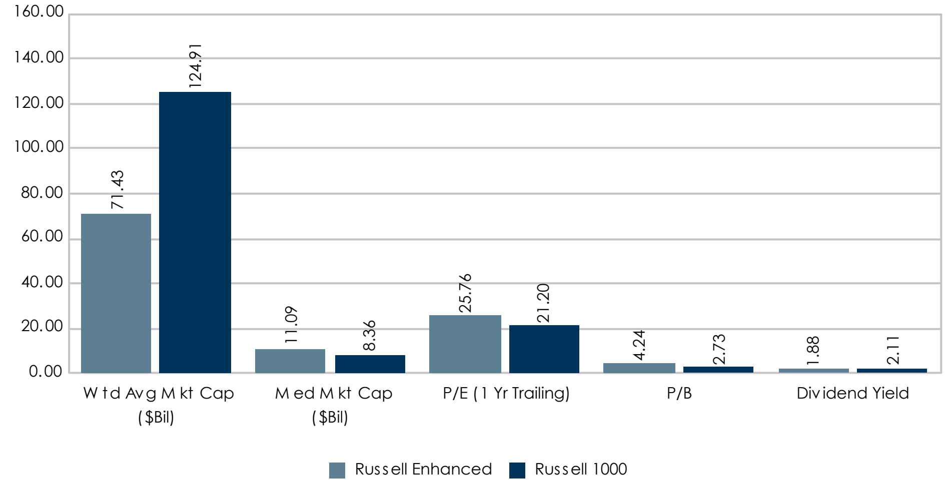
# FMIvT Russell 1000 Enhanced Index Portfolio

*For the Periods Ending December 31, 2016*

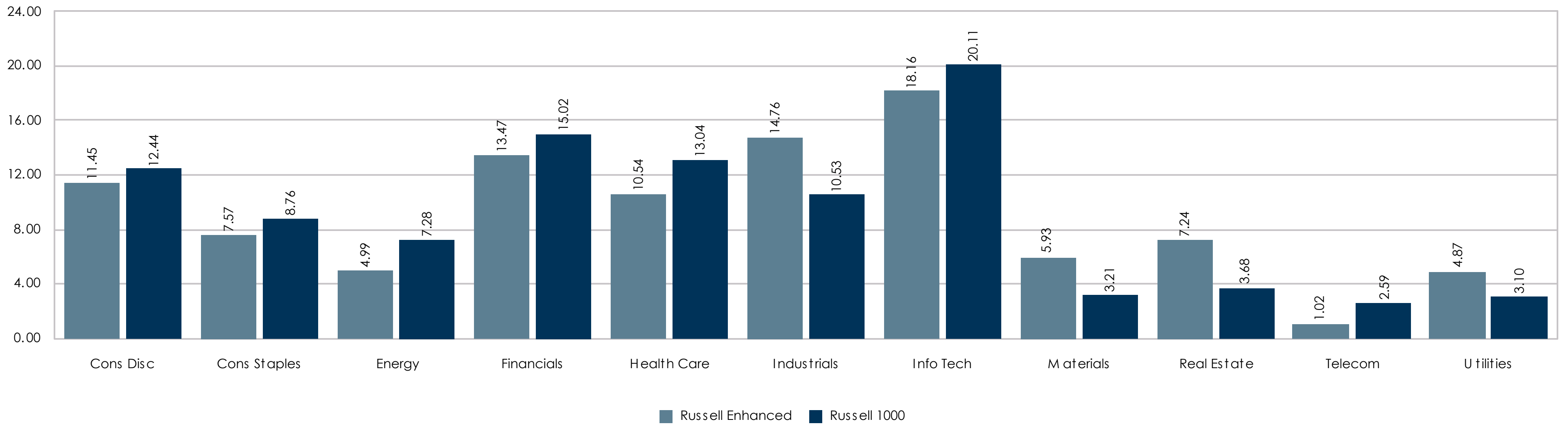
## Growth of a Dollar




## Characteristics




## Sector Allocation

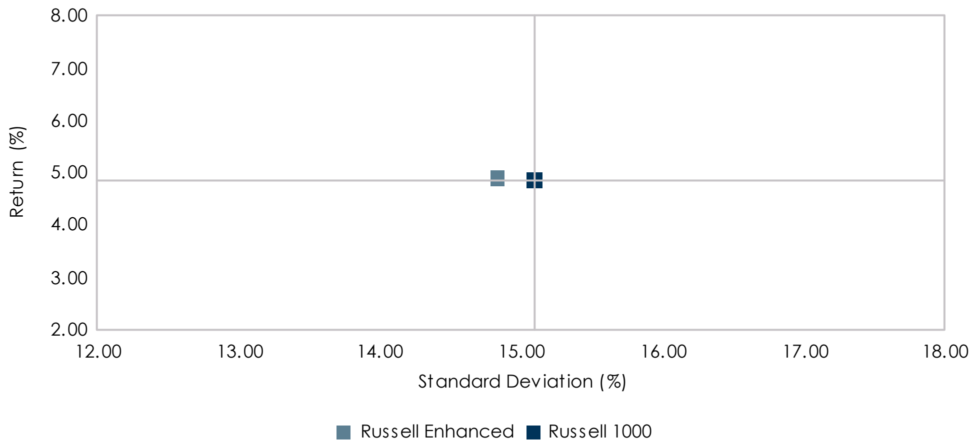



*Characteristic and allocation charts represents data of the INTECH Broad Market Fund (Non-Mutual Commingled).*

# FMIvT Russell 1000 Enhanced Index Portfolio

*For the Periods Ending December 31, 2016*

## Risk / Return Since Jan 2000



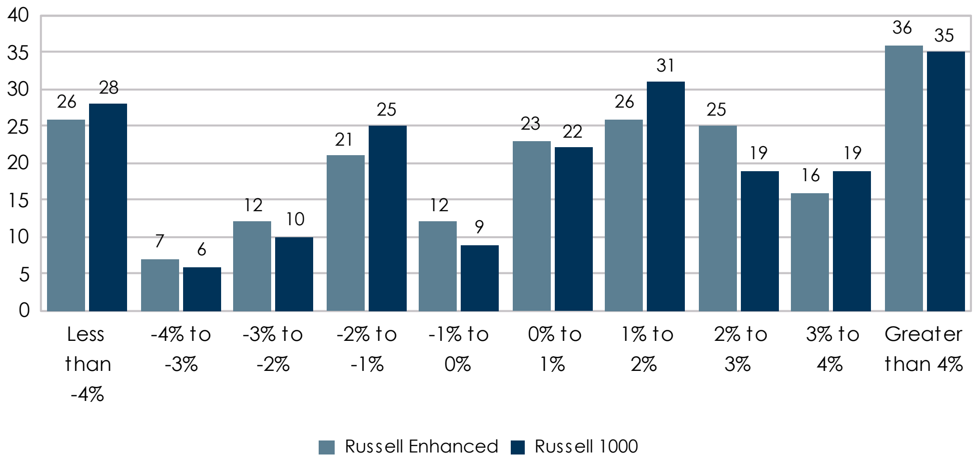

## Portfolio Statistics Since Jan 2000

| | Russell Enhanced | Russell 1000 |
|---|---|---|
| **Return (%)** | 4.89 | 4.82 |
| **Standard Deviation (%)** | 14.83 | 15.10 |
| **Sharpe Ratio** | 0.22 | 0.21 |

## Benchmark Relative Statistics

| | |
|---|---|
| **Beta** | 0.98 |
| **R Squared (%)** | 99.07 |
| **Alpha (%)** | 0.16 |
| **Tracking Error (%)** | 1.47 |
| **Batting Average (%)** | 52.45 |
| **Up Capture (%)** | 97.85 |
| **Down Capture (%)** | 97.90 |

## Return Histogram Since Jan 2000



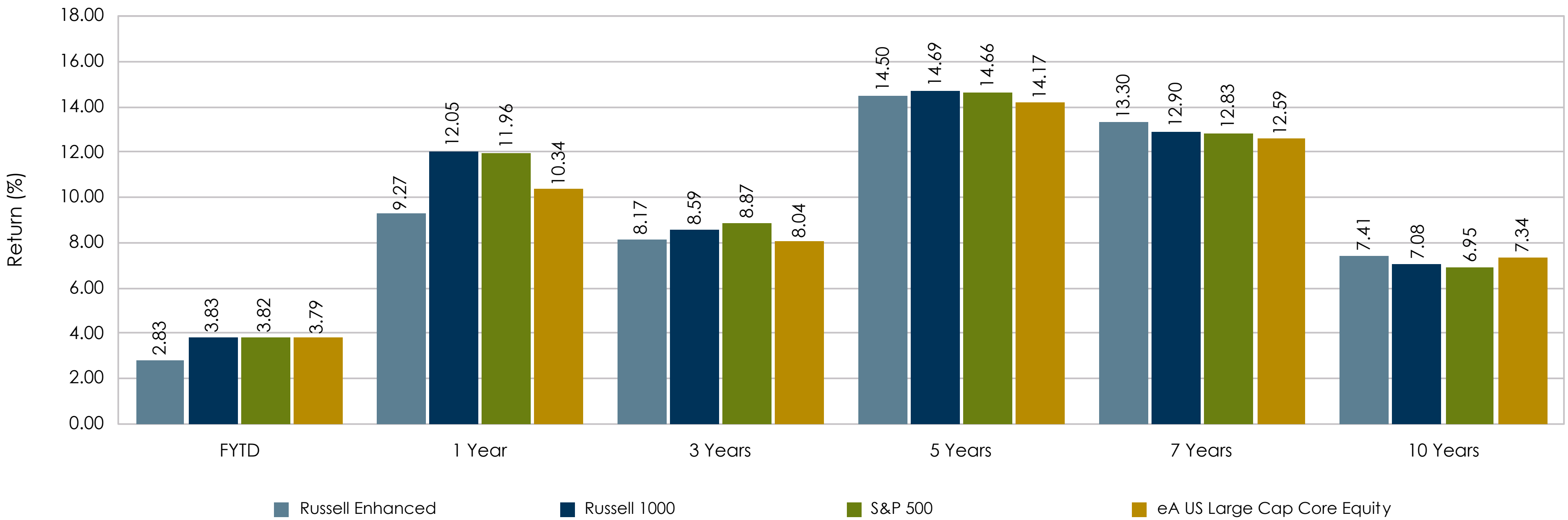

## Return Analysis Since Jan 2000

| | Russell Enhanced | Russell 1000 |
|---|---|---|
| **Number of Months** | 204 | 204 |
| **Highest Monthly Return (%)** | 10.79 | 11.21 |
| **Lowest Monthly Return (%)** | -17.11 | -17.46 |
| **Number of Positive Months** | 126 | 126 |
| **Number of Negative Months** | 78 | 78 |
| **% of Positive Months** | 61.76 | 61.76 |

*Statistics are calculated using monthly return data.*

## FMIvT Russell 1000 Enhanced Index Portfolio

*For the Periods Ending December 31, 2016*

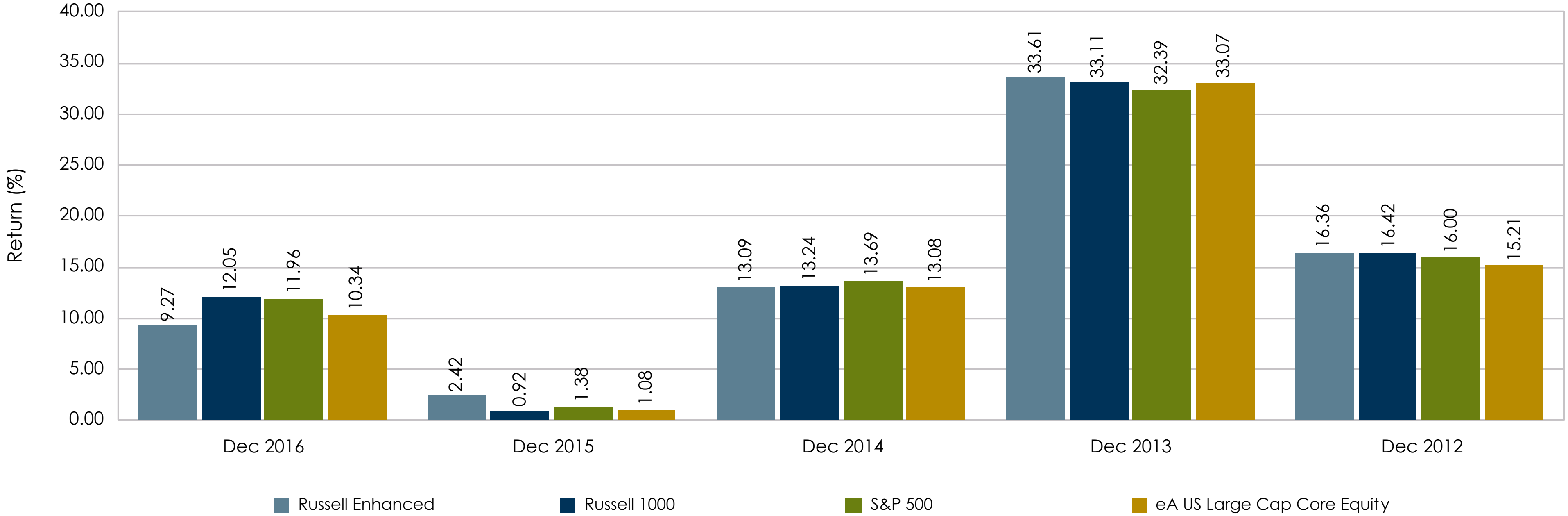



| | FYTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years |
|---|---|---|---|---|---|---|
| Ranking | 68 | 64 | 49 | 40 | 26 | 49 |
| 5th Percentile | 6.96 | 16.49 | 10.82 | 16.46 | 14.68 | 9.25 |
| 25th Percentile | 4.75 | 12.46 | 9.02 | 15.12 | 13.36 | 7.99 |
| 50th Percentile | 3.79 | 10.34 | 8.04 | 14.17 | 12.59 | 7.34 |
| 75th Percentile | 2.39 | 7.97 | 6.94 | 13.10 | 11.56 | 6.75 |
| 95th Percentile | 0.20 | 4.26 | 4.84 | 10.94 | 9.95 | 5.83 |
| Observations | 341 | 341 | 331 | 303 | 276 | 250 |

*The rankings represent the portfolio's returns versus a peer universe.  The rankings are on a scale of 1 to 100 with 1 being the best.*

## FMIvT Russell 1000 Enhanced Index Portfolio

*For the One Year Periods Ending December*




| | Dec 2016 | Dec 2015 | Dec 2014 | Dec 2013 | Dec 2012 |
|---|---|---|---|---|---|
| Ranking | 64 | 33 | 50 | 46 | 35 |
| 5th Percentile | 16.49 | 6.31 | 17.93 | 40.78 | 20.12 |
| 25th Percentile | 12.46 | 2.98 | 15.11 | 36.04 | 17.18 |
| 50th Percentile | 10.34 | 1.08 | 13.08 | 33.07 | 15.21 |
| 75th Percentile | 7.97 | -1.13 | 11.17 | 30.55 | 12.77 |
| 95th Percentile | 4.26 | -4.79 | 7.30 | 24.21 | 8.67 |
| Observations | 341 | 387 | 406 | 421 | 439 |

*The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.*

# FMIvT Diversified SMID Cap Equity Portfolio

*For the Periods Ending December 31, 2016*

## Portfolio Description

- **Strategy** Small to Mid (SMID) (Strategy change in 2010)
- **Manager** Atlanta Capital Management Company
- **Vehicle** Separately Managed Account
- **Benchmark** A blend of Russell 2500 and Russell 2000
- **Performance Inception Date** January 2000
- **Fees** Manager Fee - 45 bps; Admin Fee - 14.5 bps
- **Total Expenses** Approximately 63 bps

## Portfolio Information

- **Minimum initial investment** $50,000
- **Minimum subsequent investments** $5,000
- **Minimum redemption** $5,000
- The Portfolio is open once a month, on the first business day following the Portfolio Valuation date, to accept Member contributions or redemptions.
- The Portfolio is valued on the last business day of the month.
- The Administrator must have advance written notification of Member contributions or redemptions.

## Portfolio Objectives and Constraints

- Invests in small to mid cap core style common stocks of companies domiciled in the US or traded on the New York Stock Exchange.
- Outperform a blended index of the Russell 2500 beginning June 1, 2010 and the Russell 2000 prior to that, over a complete market cycle (usually 3 to 5 years).
- Rank above median in a relevant peer group universe.
- Stock values fluctuate in response to the activities of individual companies, the general market and economic conditions. Shares of the Portfolio are neither insured nor guaranteed by any US Government agency, including the FDIC.

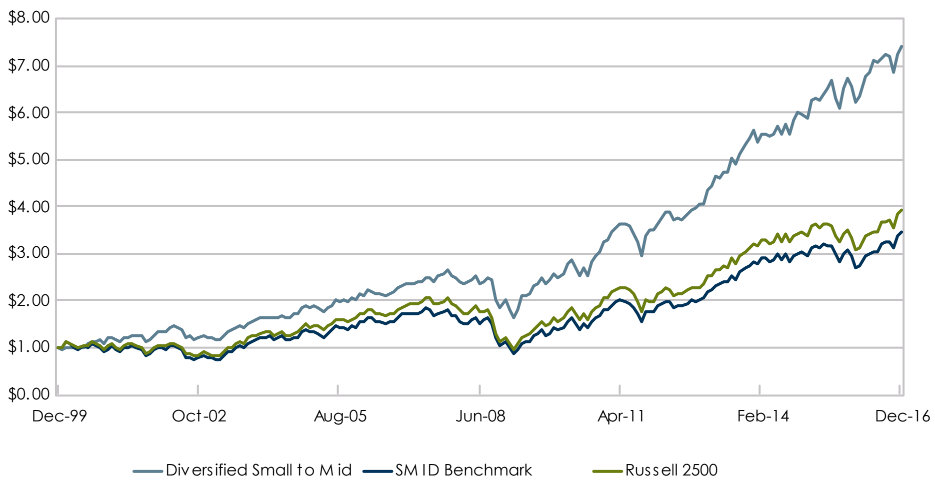
## Dollar Growth Summary ($000s)

| | FYTD | 1 Year |
|---|---|---|
| **Beginning Market Value** | **107,264** | **103,561** |
| Net Additions | 985 | -4,978 |
| Return on Investment | 3,210 | 12,876 |
| *Income* | *245* | *940* |
| *Gain/Loss* | *2,965* | *11,936* |
| **Ending Market Value** | **111,459** | **111,459** |

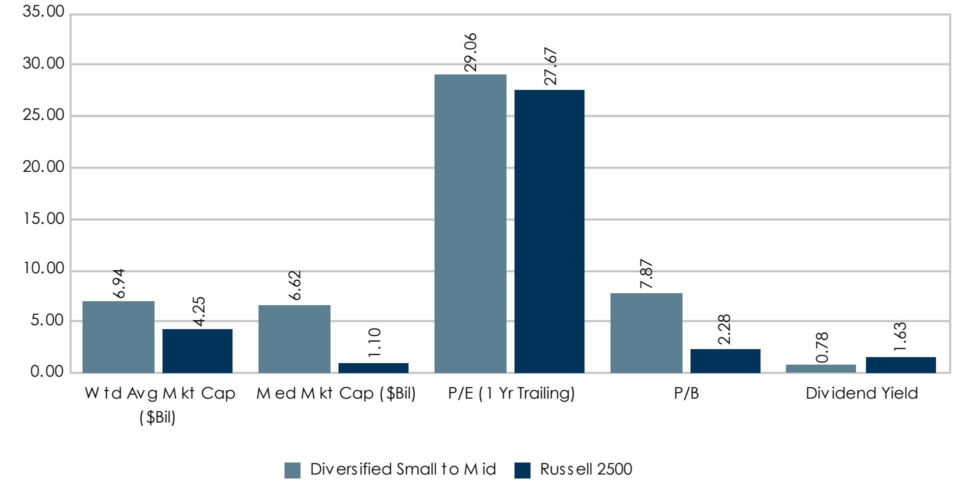
# FMIvT Diversified SMID Cap Equity Portfolio

*For the Periods Ending December 31, 2016*

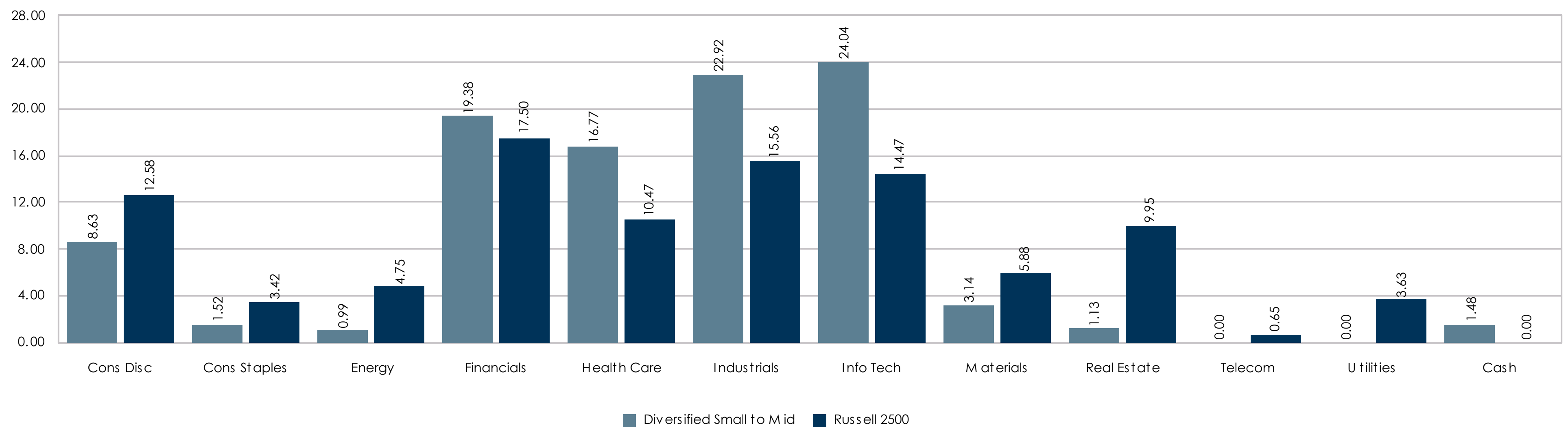
## Growth of a Dollar




## Characteristics



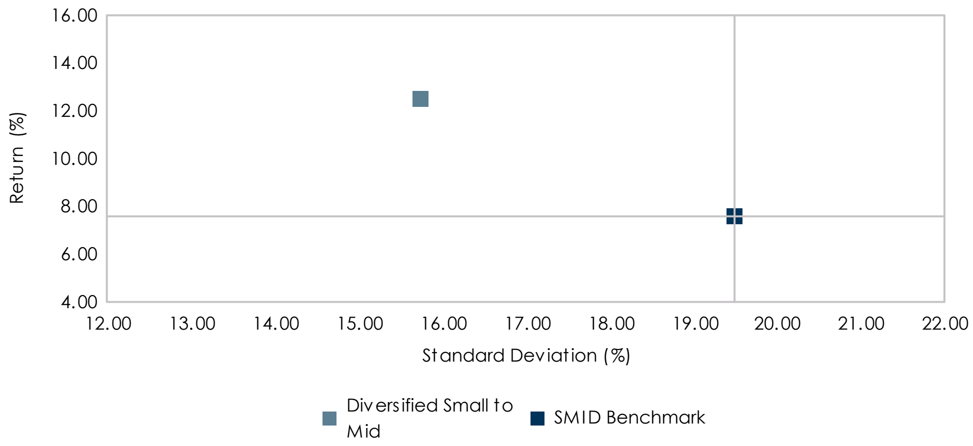

## Sector Allocation



# FMIvT Diversified SMID Cap Equity Portfolio

*For the Periods Ending December 31, 2016*

## Risk / Return Since Jan 2000



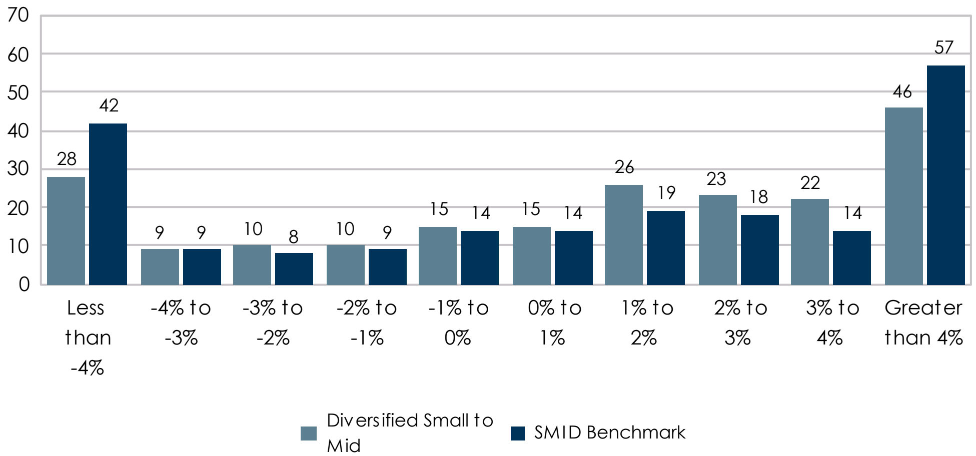

## Portfolio Statistics Since Jan 2000

| | Diversified Small to Mid | SMID Benchmark |
|---|---|---|
| **Return (%)** | 12.49 | 7.56 |
| **Standard Deviation (%)** | 15.75 | 19.48 |
| **Sharpe Ratio** | 0.69 | 0.31 |

## Benchmark Relative Statistics

| | |
|---|---|
| **Beta** | 0.74 |
| **R Squared (%)** | 83.45 |
| **Alpha (%)** | 6.43 |
| **Tracking Error (%)** | 8.19 |
| **Batting Average (%)** | 50.49 |
| **Up Capture (%)** | 82.58 |
| **Down Capture (%)** | 68.74 |

## Return Histogram Since Jan 2000



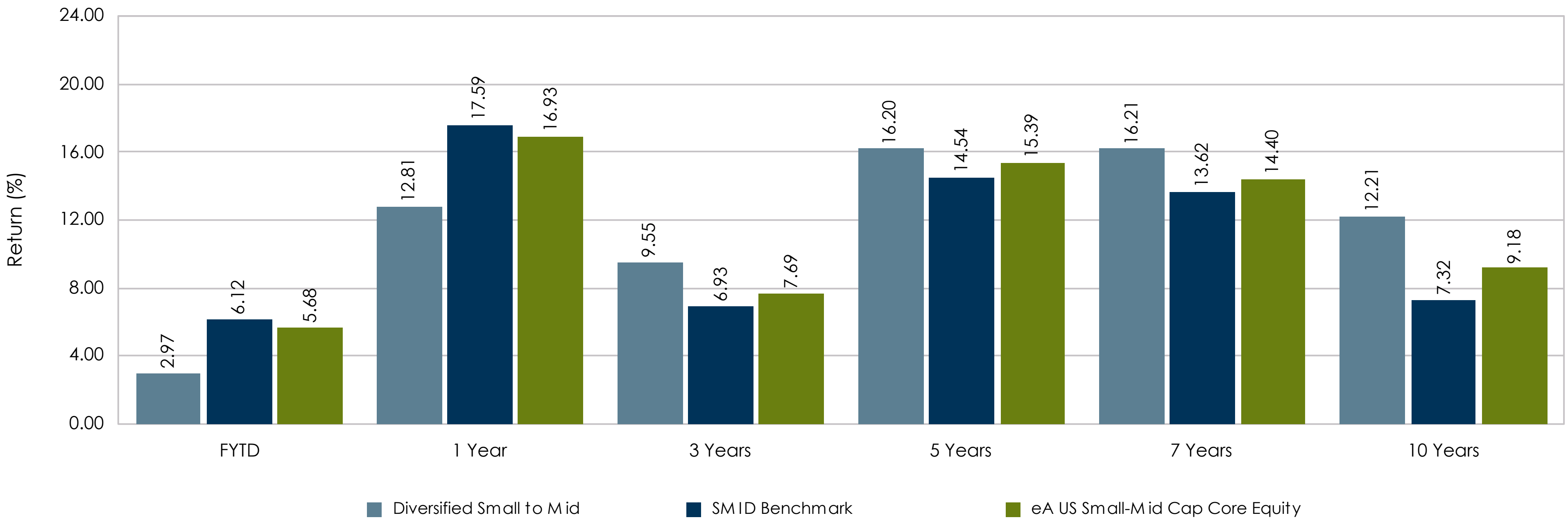

## Return Analysis Since Jan 2000

| | Diversified Small to Mid | SMID Benchmark |
|---|---|---|
| **Number of Months** | 204 | 204 |
| **Highest Monthly Return (%)** | 15.00 | 16.51 |
| **Lowest Monthly Return (%)** | -16.30 | -20.80 |
| **Number of Positive Months** | 132 | 122 |
| **Number of Negative Months** | 72 | 82 |
| **% of Positive Months** | 64.71 | 59.80 |

*Statistics are calculated using monthly return data.*

## FMIvT Diversified SMID Cap Equity Portfolio

*For the Periods Ending December 31, 2016*

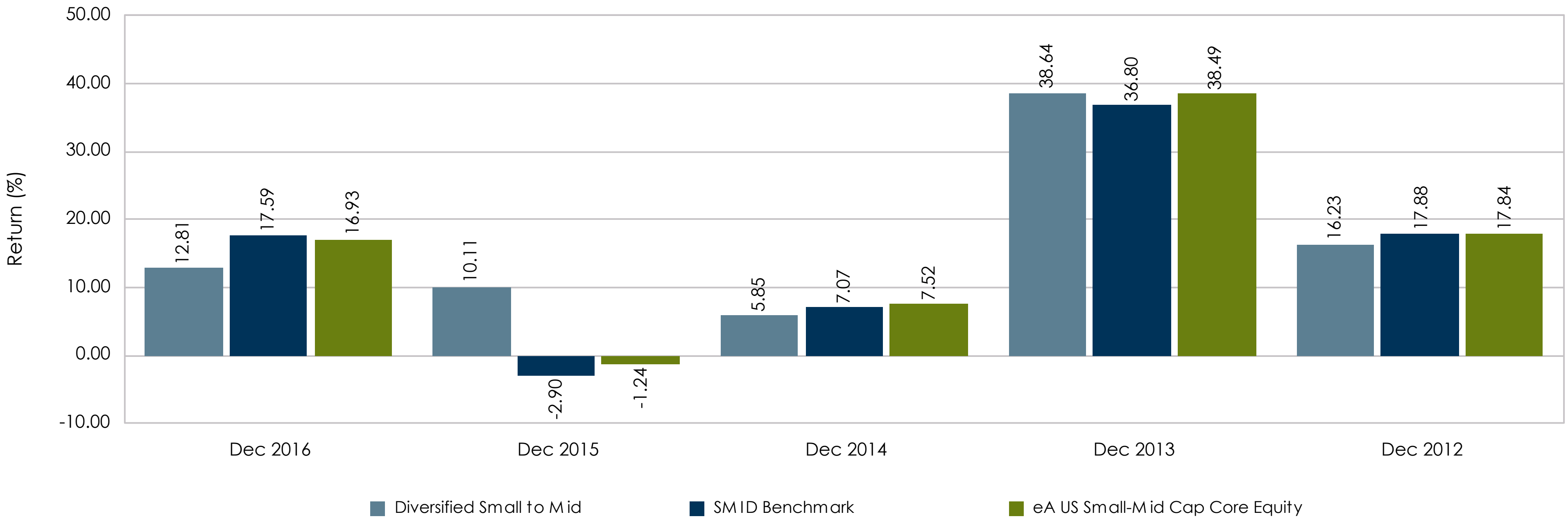



| | FYTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years |
|---|---|---|---|---|---|---|
| Ranking | 88 | 79 | 19 | 30 | 12 | 3 |
| 5th Percentile | 9.88 | 21.80 | 10.78 | 17.91 | 16.65 | 11.55 |
| 25th Percentile | 8.03 | 19.65 | 9.34 | 16.55 | 15.69 | 9.97 |
| 50th Percentile | 5.68 | 16.93 | 7.69 | 15.39 | 14.40 | 9.18 |
| 75th Percentile | 4.39 | 13.88 | 6.04 | 13.51 | 13.16 | 8.45 |
| 95th Percentile | 1.70 | 8.54 | 1.69 | 11.30 | 10.66 | 5.95 |
| Observations | 73 | 73 | 71 | 64 | 57 | 49 |

*The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.*

# FMIvT Diversified SMID Cap Equity Portfolio

*For the One Year Periods Ending December*




| | Dec 2016 | Dec 2015 | Dec 2014 | Dec 2013 | Dec 2012 |
|---|---|---|---|---|---|
| Ranking | 79 | 2 | 65 | 50 | 58 |
| 5th Percentile | 21.80 | 5.99 | 14.03 | 49.20 | 24.57 |
| 25th Percentile | 19.65 | 1.54 | 10.19 | 42.86 | 19.80 |
| 50th Percentile | 16.93 | -1.24 | 7.52 | 38.49 | 17.84 |
| 75th Percentile | 13.88 | -2.83 | 4.82 | 34.46 | 13.88 |
| 95th Percentile | 8.54 | -10.20 | -0.37 | 29.29 | 8.86 |
| Observations | 73 | 80 | 80 | 83 | 85 |

*The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.*

## Investment Guidelines

### Diversified Small to Mid (SMID) Cap Equity Portfolio

*For the Periods Ending December 31, 2016*

| Portfolio Sector Allocations | Maximum | Actual Portfolio | Within Guidelines? | Comments |
|---|---|---|---|---|
| Maximum sector concentration shall be no more than 30% in any one sector | | | | |
| Consumer Discretionary | 30.0% | 8.6% | Yes | |
| Consumer Staples | 30.0% | 1.5% | Yes | |
| Energy | 30.0% | 1.0% | Yes | |
| Financials | 30.0% | 19.4% | Yes | |
| Health Care | 30.0% | 16.8% | Yes | |
| Industrials | 30.0% | 22.9% | Yes | |
| Information Technology | 30.0% | 24.0% | Yes | |
| Materials | 30.0% | 3.1% | Yes | |
| Real Estate | 30.0% | 1.1% | Yes | |
| Telecommunication Services | 30.0% | 0.0% | Yes | |
| Utilities | 30.0% | 0.0% | Yes | |

| Allocation | Max. % | Actual Portfolio | Within Guidelines? | Comments |
|---|---|---|---|---|
| A maximum of 10% of the portfolio, valued at market, may be invested in cash. | 10.0% | 1.5% | Yes | |
| A maximum of 25% of the portfolio may be held in securities that have an S&P equity ranking or Value Line Financial Strength rating below B+. | 25.0% | 21.4% | Yes | |
| A maximum of 5% of the portfolio may be invested in the securities of an individual corporation. | 5.0% | 4.3% | Yes | Largest Position Noted |
| A maximum of 10% of the portfolio, valued at market, may be invested in convertible issues (must have rating of Baa/BBB or better). | 10.0% | 0.0% | Yes | |
| A maximum of 5% of the portfolio, valued at market, may be invested in any one convertible issuer. | 5.0% | 0.0% | Yes | |
| A maximum of 10% of the portfolio, valued at cost, may be invested in common stocks of corporations that are organized under the laws of any country other than the United States and traded on the NYSE, AMEX, or NASDAQ. | 10.0% | 0.0% | Yes | |

# FMIvT International Equity Portfolio

*For the Periods Ending December 31, 2016*

## Portfolio Description

- **Strategy** International Equity
- **Manager** Investec (as of October 2014)
- **Vehicle** Non-Mutual Commingled
- **Benchmark** MSCI ACWI ex US
- **Performance Inception Date** June 2005 (Manager changes April 2011 & October 2014)
- **Fees** Manager Fee - 40 bps; Admin Fee - 14.5 bps
- **Total Expenses** Approximately 60 bps

## Portfolio Information

- **Minimum initial investment** $50,000
- **Minimum subsequent investments** $5,000
- **Minimum redemption** $5,000
- The Portfolio is open once a month, on the first business day following the Portfolio Valuation date, to accept Member contributions or redemptions.
- The Portfolio is valued on the last business day of the month.
- The Administrator must have advance written notification of Member contributions or redemptions.

## Portfolio Objectives and Constraints

- Invests in developed markets outside the US. Maintains approximately equal weightings to both growth and value securities through a systematic rebalancing process.
- Outperform the MSCI ACWI ex US over a complete market cycle (usually 3 to 5 years).
- Rank above median in a relevant peer group universe.
- Stock values fluctuate in response to the activities of individual companies, the general market and economic conditions. Investments in foreign securities generally pose greater risk than domestic securities.

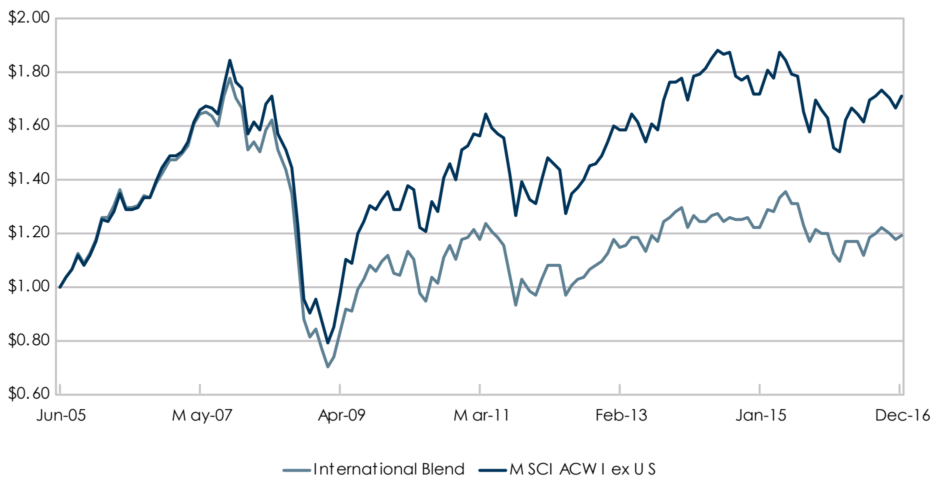
## Dollar Growth Summary ($000s)

| | FYTD | 1 Year |
|---|---|---|
| **Beginning Market Value** | **72,545** | **66,496** |
| Net Additions | 2,065 | 6,606 |
| Return on Investment | -1,746 | -238 |
| **Ending Market Value** | **72,864** | **72,864** |

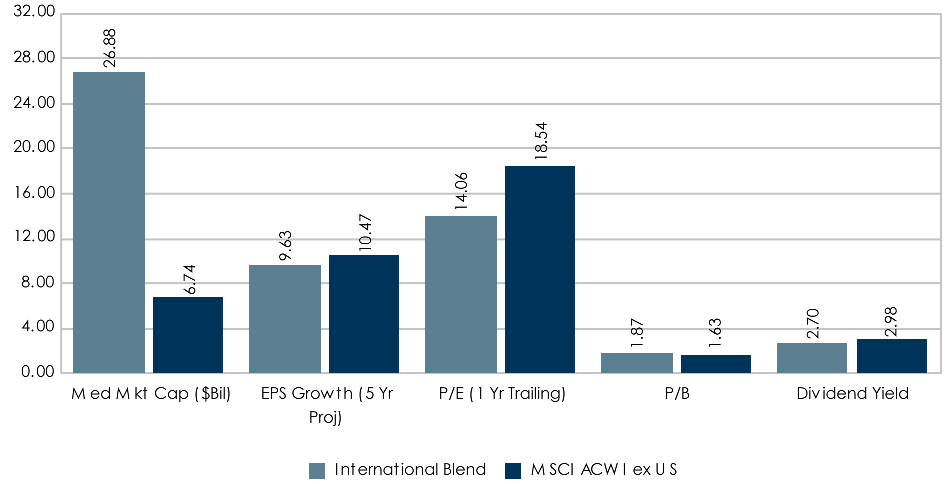
# FMIvT International Equity Portfolio

*For the Periods Ending December 31, 2016*

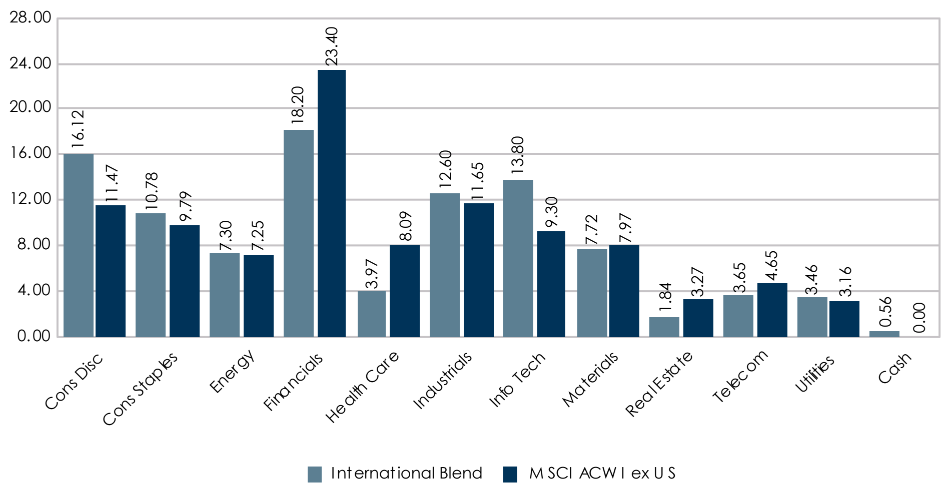
## Growth of a Dollar



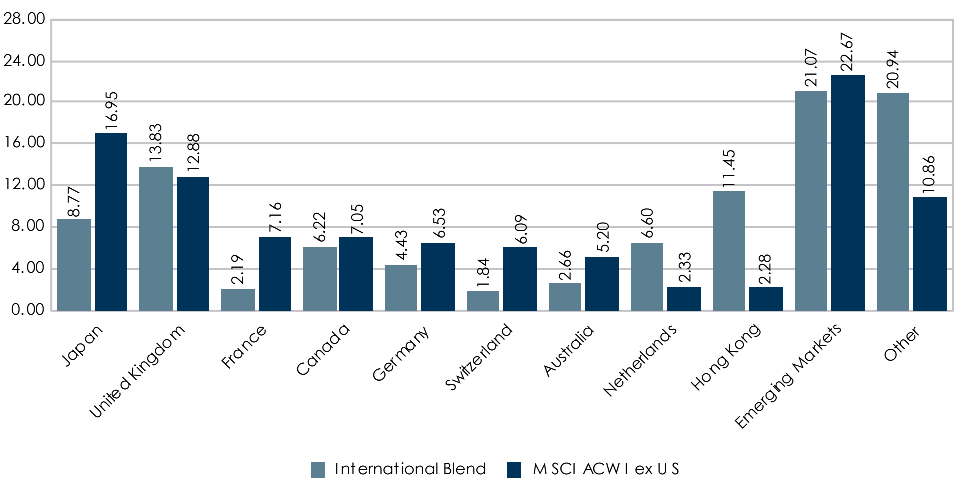

## Characteristics




## Sector Allocation




## Country Allocation

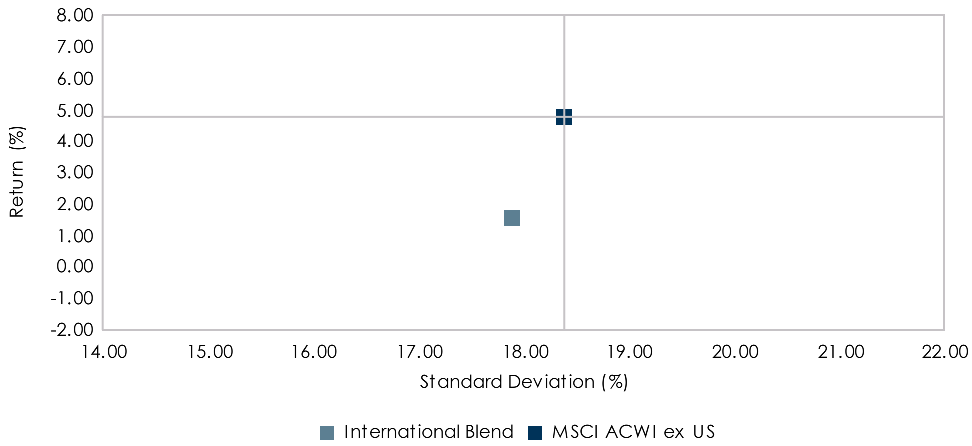



*Characteristic and allocation charts represents data of the Investec International Dynamic Equity (Non-Mutual Commingled).*

# FMIvT International Equity Portfolio

*For the Periods Ending December 31, 2016*

## Risk / Return Since Jul 2005



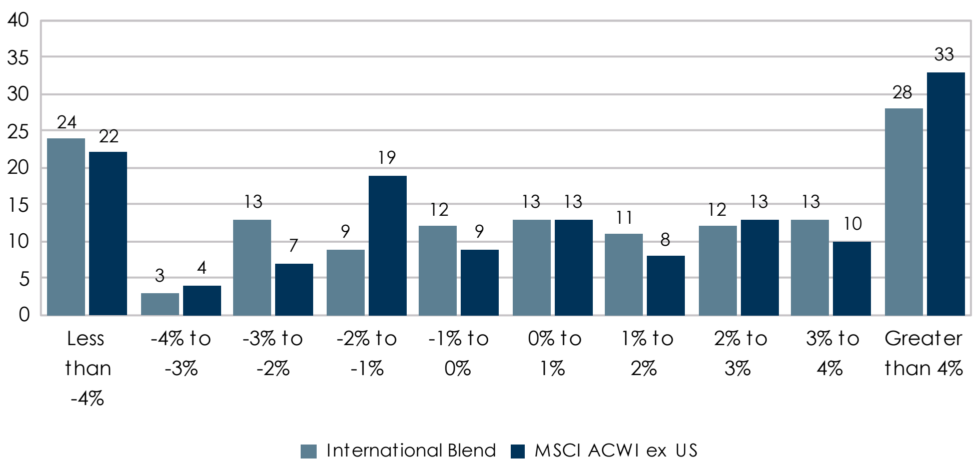

## Portfolio Statistics Since Jul 2005

| | International Blend | MSCI ACWI ex US |
|---|---|---|
| **Return (%)** | 1.53 | 4.77 |
| **Standard Deviation (%)** | 17.90 | 18.38 |
| **Sharpe Ratio** | 0.02 | 0.20 |

## Benchmark Relative Statistics

| | |
|---|---|
| **Beta** | 0.95 |
| **R Squared (%)** | 95.29 |
| **Alpha (%)** | -2.88 |
| **Tracking Error (%)** | 3.99 |
| **Batting Average (%)** | 42.03 |
| **Up Capture (%)** | 87.80 |
| **Down Capture (%)** | 101.89 |

## Return Histogram Since Jul 2005



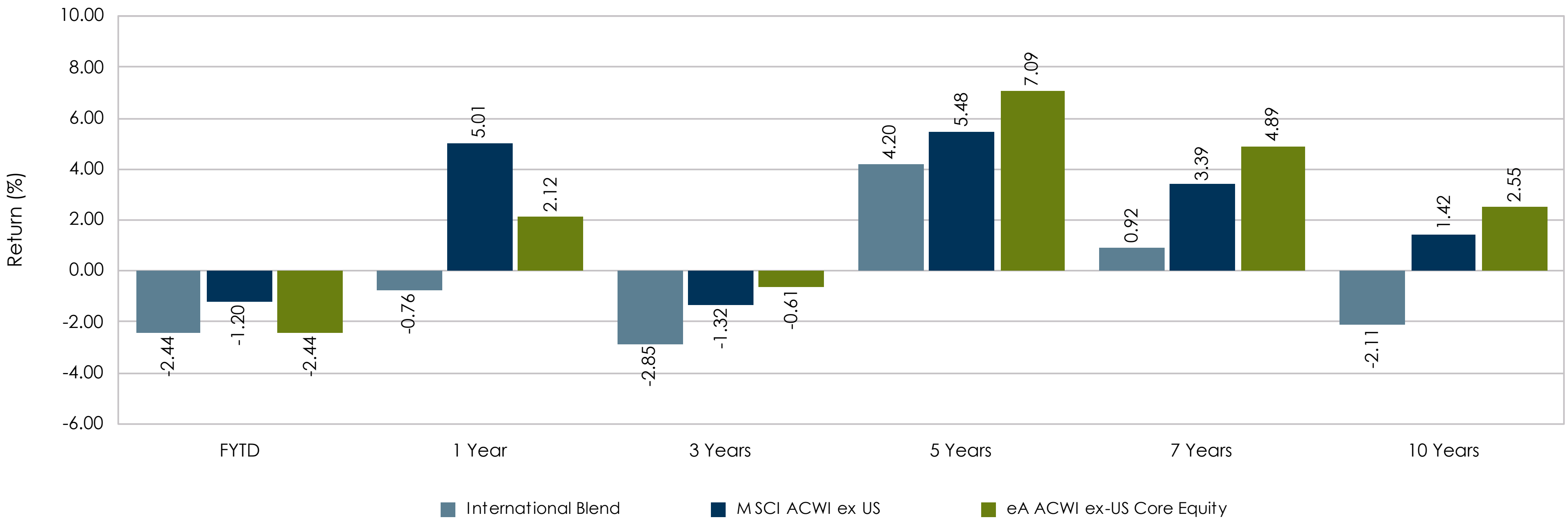

## Return Analysis Since Jul 2005

| | International Blend | MSCI ACWI ex US |
|---|---|---|
| **Number of Months** | 138 | 138 |
| **Highest Monthly Return (%)** | 12.03 | 13.75 |
| **Lowest Monthly Return (%)** | -21.48 | -22.01 |
| **Number of Positive Months** | 77 | 77 |
| **Number of Negative Months** | 61 | 61 |
| **% of Positive Months** | 55.80 | 55.80 |

*Statistics are calculated using monthly return data.*

## FMIvT International Equity Portfolio

*For the Periods Ending December 31, 2016*

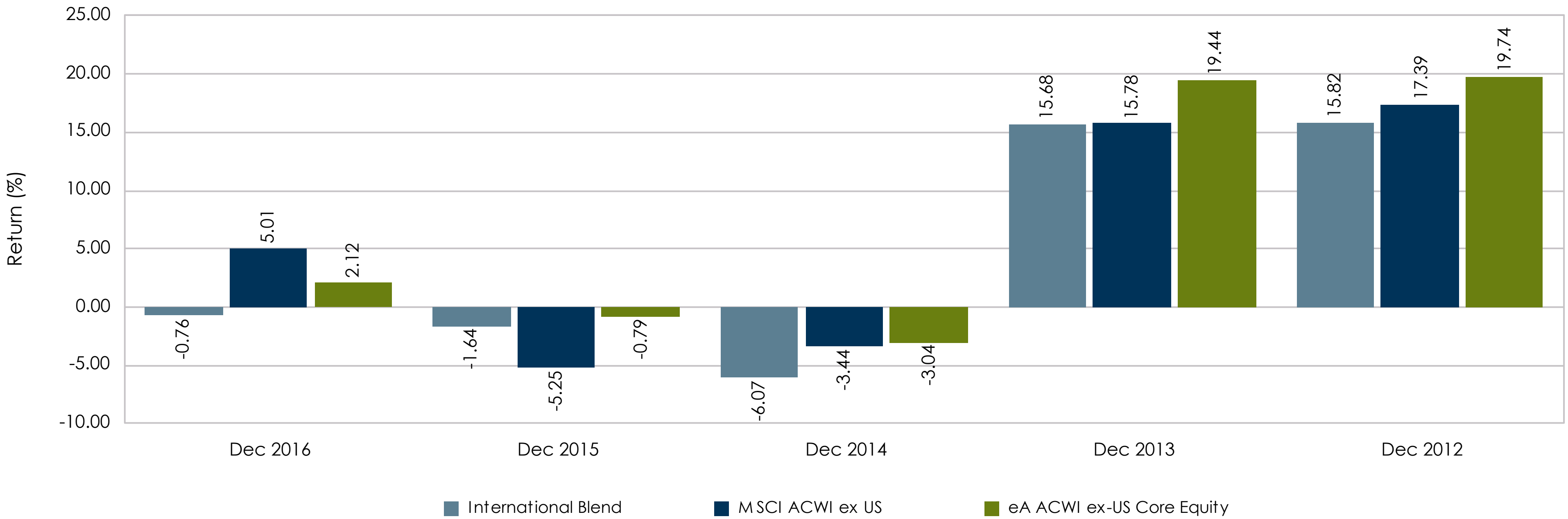



| | FYTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years |
|---|---|---|---|---|---|---|
| Ranking | 51 | 84 | 88 | 95 | 99 | 99 |
| 5th Percentile | 0.67 | 9.08 | 3.72 | 11.82 | 8.96 | 4.90 |
| 25th Percentile | -1.00 | 5.50 | 0.47 | 8.45 | 6.04 | 3.40 |
| 50th Percentile | -2.44 | 2.12 | -0.61 | 7.09 | 4.89 | 2.55 |
| 75th Percentile | -4.24 | 0.71 | -1.91 | 5.96 | 3.95 | 1.78 |
| 95th Percentile | -6.65 | -2.94 | -3.74 | 3.95 | 3.00 | 0.86 |
| Observations | 137 | 137 | 124 | 102 | 88 | 61 |

*The rankings represent the portfolio's returns versus a peer universe.  The rankings are on a scale of 1 to 100 with 1 being the best.*

## FMIvT International Equity Portfolio

*For the One Year Periods Ending December*




| | Dec 2016 | Dec 2015 | Dec 2014 | Dec 2013 | Dec 2012 |
|---|---|---|---|---|---|
| Ranking | 84 | 54 | 84 | 85 | 88 |
| 5th Percentile | 9.08 | 5.65 | 1.41 | 30.60 | 25.88 |
| 25th Percentile | 5.50 | 2.01 | -1.03 | 23.40 | 22.22 |
| 50th Percentile | 2.12 | -0.79 | -3.04 | 19.44 | 19.74 |
| 75th Percentile | 0.71 | -3.49 | -4.93 | 16.85 | 17.97 |
| 95th Percentile | -2.94 | -8.20 | -8.31 | 11.36 | 14.03 |
| Observations | 137 | 133 | 134 | 130 | 126 |

*The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.*

CITY OF CLERMONT

# AGENDA ITEM



| **Meeting Date** | | |
|---|---|---|
| Thursday, March 23, 2017 | | |
| **Agenda Item Name** | | |
| Approval of Plan Expenses - December 1, 2016 - March 16, 2017 | | |
| **Requested Action** | | |
| | | |
| **Staff Report** | | |
| | | |
| **Additional Analysis** | | |
| | | |
| **Fiscal Impact Summary** | | |
| | | |
| **Fiscal Impact** | **Fund Number and Description** | **Available Budget Amount** |
| | | |
| **Exhibits Attached** (copies of original agreements) | | |
| 1. Police Plan Expenses | Police Plan Expenses - 12-1-16 - 3-16-17doc.doc | |

# Expenses - 12/01/2016 to 03/16/2017

03/17/2017

| Member Plan Name | Create Date | Amount | Reason | Date Paid |
|---|---|---|---|---|
| **Clermont Police Officers** | | | | |
| R-2017-12-00081 | 12/16/2016 | $327.20 | Invoice #29721 | 12/22/2016 |
| R-2017-Qrtrly1-008 | 01/01/2017 | $6,014.27 | 12/31/2016 Quarterly Fees | 01/01/2017 |
| R-2017-01-00096 | 01/06/2017 | $300.00 | 383-1116 Individual benefit calculation for Seth Bartee submitted 11/4/16 (From I-2017-11-00020) | 01/13/2017 |
| R-2017-01-00124 | 01/13/2017 | $902.59 | Invoice #29849 | 01/20/2017 |
| R-2017-02-00173 | 02/17/2017 | $1,308.80 | Pay Invoice #29977 | 02/24/2017 |
| R-2017-02-00179 | 02/20/2017 | $375.00 | 383-0117 Individual benefit calculation for Christopher A Vigeant submitted 1/20/17 (From I-2017-01-00060) | 02/24/2017 |
| | | **$9,227.86** | | |

CITY OF CLERMONT

# AGENDA ITEM



| **Meeting Date** | | |
|---|---|---|
| Thursday, March 23, 2017 | | |
| **Agenda Item Name** | | |
| Approval of Member Distributions - December 1, 2016 - March 16, 2017 | | |
| **Requested Action** | | |
| | | |
| **Staff Report** | | |
| | | |
| **Additional Analysis** | | |
| | | |
| **Fiscal Impact Summary** | | |
| | | |
| **Fiscal Impact** | **Fund Number and Description** | **Available Budget Amount** |
| | | |
| **Exhibits Attached** **(copies of original agreements)** | | |
| 1. Member Distributions Report | Police Lump Sum Distribution Report - 12-1-16 - 3-16-17.doc | |

# Distributions - 12/01/2016 to 03/16/2017

03/17/2017

| Member Plan Name | Date Paid | Participant | Type | IRS Code | Tax | Non-Tax | Total |
|---|---|---|---|---|---|---|---|
| **Clermont Police Officers** | | | | | | | |
| | 12/16/2016 | MAURICE WILLIAMS | Lump Sum | 1 | $2,306.08 | $0.00 | $2,306.08 |
| | 03/03/2017 | Shelli A. Walters | Lump Sum | 1 | $1,264.50 | $0.00 | $1,264.50 |
| | | | | | **$3,570.58** | **$0.00** | **$3,570.58** |