



Sanford Firefighters

Performance Review  
December 2015

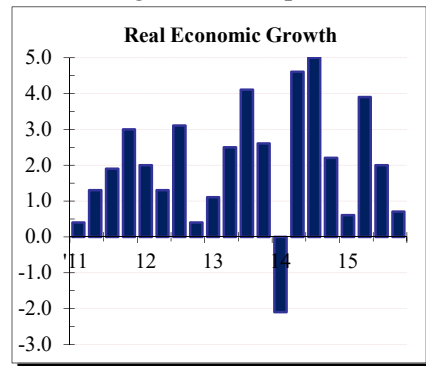


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## ECONOMIC ENVIRONMENT

### *More jobs and a rate increase – finally*

The advanced estimate for fourth quarter real GDP was a disappointing 0.7%, a significant drop off from the 2.0% rate in the third quarter. The



economy was robust enough that large numbers of new jobs were added. Buoyed by the job picture and cheap gasoline, consumers should have been more inclined to spend, but did so less than expected. The service sector showed strong growth. Inflation remained tame, as commodity prices declined (energy, metals and grain) and prices of imports fell because of a

strengthening dollar. The housing market continued to recover as well. Giving in to pressure to do so, the Federal Reserve Board raised the Fed Funds rate for the first time in seven years. More specifics follow:

- Q4 advanced-estimate real GDP grew 0.7%, a slowdown from the third quarter's 2.0% gain. Growth was driven by consumer and corporate spending and also state and local government expenditures. On the flip side, lower inventories and rising imports dampened growth. The Federal Reserve Board projects full year GDP at 2.1% and 2016 GDP at 2.4%, as modest, steady growth is the order of the day.
- Job gains could hardly have been better, with 292,000 new hires in December alone. The unemployment rate was unchanged at 5.0%, suggesting that some longer-term unemployed began to look for work again. For the year, 2.7 million new jobs were added to the rolls. Further, the labor force participation rate ticked up to 62.6%. Workers enjoyed an average annual salary bump of 2.5%.
- Home prices rose 6.3% for the year ended November, but still remain 7.3% below their April 2006 peak. Housing has enjoyed 45 consecutive months of price increases, with the current national median price at \$220,000. While the pace has recently subsided overall, the states of Colorado, Hawaii, Montana, and New York continued to post new highs.

- December's ISM Manufacturing Index slowed to 48.2, down slightly from November. Textiles, paper and chemical products, miscellaneous manufacturing and food advanced. The other 12 sectors declined, especially clothing and related. The Non-Manufacturing Index took up the slack, posting 55.3 (50 or higher represents growth). Eleven service sectors reported growth, especially lodging, food, healthcare and social assistance. Wholesale trade, public administration and transportation experienced declines. When all sectors are combined, the overall economy has been advancing for 77 straight months!
- The December Consumer Confidence Index climbed to 96.5 from 92.6 in November, largely due to continuing job growth. The Present Situation component jumped to 115.3 vs. 83.9 for the Expectations Index; this means that workers are happy with their immediate situation, but are far more cautious when looking ahead six months. Still, the optimists outnumbered the pessimists.
- Commodity producers expressed profound unhappiness with plummeting prices, while the consumer was overjoyed with the turn of events. Most commodities were in freefall for the fourth quarter (-4.4%) and the year (-17.5%). Energy was the biggest loser, followed by metals, grains, and animal protein. China's lower appetite for raw materials had a major dampening effect. The only price gains occurred among so-called soft commodities, such as orange juice, sugar, cotton, and coffee, which all gained ground during a record warm and rainy year.
- There was little sign of inflation, given cheap gas, stagnant salaries and competitively-priced imports (due largely to devalued foreign currencies). In December, CPI declined 0.1%. Inflation was tame during the year, at 0.7%.
- After seven long years, the Fed decided that employment had improved and inflation expectations had finally reached the tipping point; so, on December 16th, the Board unanimously voted for a ¼% Fed Funds rate hike. Fed Chair Janet Yellen clearly remained concerned about an inflation rate that was too weak, but was encouraged by at least modest salary increases. She was also pleased by the job gains and easing economic hardship among households. Still, it remains unclear if and when there will be further rate increases during 2016. Until then, the Fed's monetary stance is to watch and wait.

## DOMESTIC EQUITIES

### *Q4 Rally, but a Flat Year*

US stocks led a global rally as economic growth chugged along, the Fed finally acted and several prominent mergers took place. The bellwether S&P 500 rose 7% and the DJIA gained 7.7%. The NASDAQ Composite performed still better (+8.7%), led by Apple, Disney and Google. Real estate kept pace with the Wilshire REIT Index, rising 7.5%. Growth stocks of all sizes bested their value style counterparts for the quarter. For example, the Russell 1000 Growth Index rose 7.3% while the comparable Value Index added 5.6%. Among smaller-sized companies, the Russell 2000 Growth Index gained 4.3% vs. 2.9% for the small value index. The performance gaps were much wider for the full year, again favoring growth; the combined Russell 3000 Growth Index posted a 5.1% positive return vs. a 4.1% decline for value.

In a reversal from the third quarter, every S&P sector turned in positive performance for the fourth quarter. Manufacturing companies took first place by returning over 12%. Computer technology and broader tech firms returned an average of 11.9% and 8.7%, respectively. Reflecting robust 3<sup>rd</sup> quarter earnings, tech giants Microsoft and Alphabet (new parent of Google) soared in price. The broad consumer sector captured more than 7%, as Amazon streaked to a 32% gain and healthcare names shined, too. Financial names also had a strong showing (+6.4%).

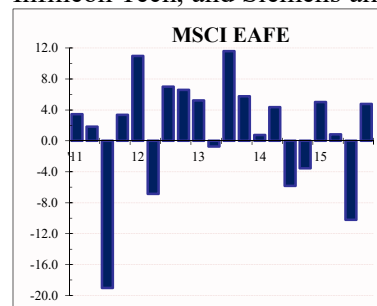
## INTERNATIONAL EQUITIES

### *Developed Markets: Good Fourth Quarter but only a Marginal Year*

### *Emerging Markets: Dismal*

The MSCI EAFE Index advanced 4.75% for the quarter, with most countries contributing. The European component rose, but lagged the index, returning just 2.5%. Within Europe, Belgium was a 13.9% standout; its Anheuser-Busch shares climbed in sync with its takeover bid for SABMiller. Next in the ranking, after Finland, was the German market,

which rose 7.7% despite the enormous refugee influx. German-based SAP, Infineon Tech, and Siemens all advanced smartly. Irish shares rose 7% as



its economy successfully engineered an austerity program. By contrast, Italy failed in that regard and was down 2.3%. Spain, fighting Catalanian secession, fell 2.5%. The French bourse rose only 1.8% and the UK gained even less (+0.7%), exposed to a weaker pound sterling and its own refugee issues.

Australia's banking sector more than offset the continuing rout among commodity firms. All four of its largest banks raised lending rates, while mega-sized BHP Billiton not only suffered in the commodity markets, but also got hit with a Brazilian environmental lawsuit. Overall, the Australian market gained a healthy 10%.

The Pacific Rim scored a 9% increase, mostly driven by the large Japanese market where investors rewarded the Bank of Japan's continuing stimulus program. In addition, shares of Japanese pharma, telecom, and auto companies performed particularly well. Hong Kong added 6%, supported by China's efforts to revive its gambling industry. However, one of that market's few negatives was its slumping real estate development sector. Tiny Israel rose 9.1%, mainly on the strength of its tech industry.

Full year 2015 EAFE returns were similar US returns, declining -0.4%. European shares fell 2.3%, while Australia suffered a commodity-related 9.8% drop. The Pacific Rim fared better, gaining 3.2%.

For a very long time, emerging markets (EM) were investor favorites, historically offering both meaningful diversification and high-flying results, but not last year. Most country participants have issues ranging from commodity fatigue, political and financial turmoil, free-falling currencies and just plain disappointment, e.g. China. For the record, the EM Index did produce slightly positive fourth quarter results (+0.7%). However, the full year result was a stunning 14.6% loss! The biggest EM players are known as the BRIC countries - Brazil, Russia, India, and China. Brazil has every investment problem imaginable, including a legislative attempt to unseat the current President Rousseff. That country's fourth quarter damage was a relatively low 3.2% loss. However, given the

disastrous commodity slide, Brazil's yearly return was a staggering 41.2% loss! Russia lost 4% for the quarter, but gained 5% for the year. In doing so, Russia had to counter a plunge in the ruble. Investors had pinned great hopes on India, based on the business-oriented Prime Minister Modi. However, Indian shares languished, in part because Modi's vaunted reform program has become bogged down. India's fourth quarter return was -0.9% and yearly return, -6.1%. On the China front, the outcome wasn't much worse. The main reason for investor concern was the slowing of its vast economy. Still, China shares gained 4% in the fourth quarter and fell moderately for the year (-7.6%).

The smaller economies had their problems as well:

- Indonesian stocks surged almost 21% for the quarter as the government pressed forward many economic reforms, which resulted in a strengthening of its currency. Nonetheless, that market tumbled 19.1% for the year.
- Korean shares added 5.7% in the fourth quarter, powered by a Samsung share buyback announcement. For the year, Korea lost a moderate 6.3%.
- Turkey was able to stave off market ruin despite the downing of a Russian aircraft, the refugee crisis and a civil war with its Kurdish minority. Turkey's quarterly return was -0.2%; but its full-year 31.6% loss strongly suggested that all of these issues were major concerns for investors.
- South Africa was dealing with several liabilities such as political instability under President Zuma, a sagging rand currency and banking woes. As a result, its shares fell 10.5% for the quarter and more than 25% for the year.
- The Greek stock market seemed irredeemable, as it coped with a new austerity program under re-elected Prime Minister Tsipras. Greece's fourth quarter return was -19% and its 2015 loss of more than 61% was the worst in the index.

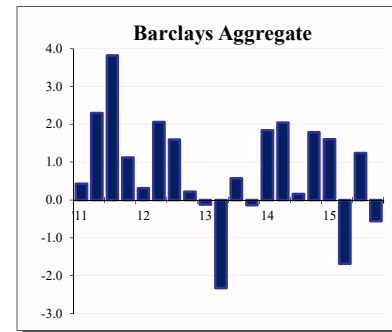
## BOND MARKET

### *Poor Fourth Quarter and Marginal Full Year*

Interest rates rose during the fourth quarter all along the yield curve. Minimal yields coupled with good employment numbers and fourth

quarter strength in the equity market led investors away from the bond market. But the main reason for higher yields was the Fed's decision to finally raise the Fed Funds rate by ¼%. The two-year Treasury yield climbed 42 basis points to 1.05%. Longer maturity Treasuries also climbed, but to a lesser extent; the 10-year rose 23 basis points and the 30-year 17 basis points. Residential mortgage rates ticked up accordingly.

The Barclays Aggregate Index gave back 0.6% during the quarter. Treasuries of all maturities lost 0.9%, while corporates dropped 0.6%. The



best-performing corporate sector (investment grade) was financials (+0.1%), benefiting from higher lending rates. Industrials and utility issues fell 1.0% and 0.7%, respectively. The residential mortgage-backed sector returned a negative 0.1%. By comparison, commercial mortgage-backed issues lost 1.2%. Full year return for the Aggregate Index was a disappointing +0.6%. Actually, that outcome masked a very volatile year for interest rates and was no worse than the broad equity market (+0.5%).

High yield bonds fared worse (-2.1%) than investment grade, especially within the suffering metals, mining and energy sectors. Single B credits fell 2%; CAAs dropped 7.5%; and lowest-rated names (CA-D) tumbled more than 22%! It did not help that a large high yield mutual fund closed its doors and temporarily froze investors' assets. Full-year return for high yields was -4.5%.

For the quarter, the G-6 (G7 x-US) Global Treasury declined 1.1%, roughly equal to US Treasuries. Year 2015 return for the G-6 was -3.6%. Emerging markets sovereign debt offered a pleasant surprise vs. developed markets for the quarter; the EM bond index gained 1.2%.

## CASH EQUIVALENTS

### *Hardly Noticeable Change after the Fed Move*

The ultra-short end of the yield curve didn't move during the quarter. The result was yet another essentially zero return for investors. Even the Fed's ¼% interest rate hike failed to move the cash equivalent market.

**MARKET SUMMARY**

**ECONOMIC STATISTICS**

	CURRENT QTR	LAST QTR
GDP	0.7	2.0
Unemployment	5.0	5.1
CPI All Items Year/Year	0.70	0.00
Fed Funds Rate	0.50	0.25
Industrial Capacity	76.5	77.9
US Dollars per Euro	1.09	1.12

**MAJOR INDEX QUARTER RETURNS**

INDEX	PERFORMANCE
Russell 3000	6.3
S&P 500	7.0
Russell Mid	3.6
Russell 2000	3.6
MSCI EAFE	4.7
MSCI Emg Mkts	0.7
NCREIF ODCE	3.3
Barclays Agg	-0.6
90 Day Tbills	0.0

**EQUITY RETURN DISTRIBUTIONS**

	QUARTER			TRAILING YEAR		
	VAL	COR	GRO	VAL	COR	GRO
LC	5.6	6.5	7.3	-3.8	0.9	5.7
MC	3.1	3.6	4.1	-4.8	-2.4	-0.2
SC	2.9	3.6	4.3	-7.5	-4.4	-1.4

**MARKET SUMMARY**

- \* **Advanced Estimate 4th quarter GDP was a mild 0.7%.**
- \* **Unemployment fell to 5%.**
- \* **CPI increased at a tame 0.7% year over year.**
- \* **Domestic equities made up their 3rd quarter losses. Growth outperformed value across all cap sizes. Large cap stocks outperformed mid and small caps.**
- \* **The US dollar strengthened relative to the Euro.**

## **INVESTMENT RETURN**

On December 31st, 2015, the Sanford Firefighters Pension Fund's portfolio was valued at \$28,012,761, representing an increase of \$1,050,658 from the September quarter's ending value of \$26,962,103. Last quarter, the Fund posted withdrawals totaling \$15,306, which partially offset the portfolio's net investment return of \$1,065,964. Income receipts totaling \$273,549 plus net realized and unrealized capital gains of \$792,415 combined to produce the portfolio's net investment return.

For the cumulative period since December 2010, the fund has recorded net contributions totaling \$1.1 million, and recorded net investment gains of \$9.2 million. For the period since December 2010, if the total fund had returned a compounded nominal rate of 8.0% it would have been valued at \$27.3 million or \$695,194 less than the actual value as of December 31st, 2015.

## **RELATIVE PERFORMANCE**

### **Total Fund**

*The Policy Index is disclosed at the end of this report.*

During the fourth quarter, the Composite Firefighters portfolio gained 4.0%, which was 0.1% less than the Firefighters Policy Index's return of 4.1% and ranked in the 5th percentile of the Public Fund universe. Over the trailing twelve-month period, the portfolio returned 3.7%, which was 1.8% greater than the benchmark's 1.9% performance, and ranked in the 1st percentile. Since December 2010, the portfolio returned 8.7% per annum and ranked in the 4th percentile. For comparison, the Firefighters Policy Index returned an annualized 8.7% over the same time frame.

### **Large Cap Equity**

The large cap equity portfolio gained 6.1% last quarter, 0.4% below the Russell 1000 Index's return of 6.5% and ranked in the 51st percentile of the Large Cap universe. Over the trailing year, this segment returned 6.5%; that return was 5.6% greater than the benchmark's 0.9% performance, and ranked in the 13th percentile.

### **Mid Cap Equity**

During the fourth quarter, the mid cap equity component returned 3.7%, which was 0.1% greater than the Russell Mid Cap's return of 3.6% and ranked in the 35th percentile of the Mid Cap Core universe. Over the trailing year, the mid cap equity portfolio returned -0.6%, which was 1.8% greater than the benchmark's -2.4% return, and ranked in the 40th percentile.

### **Small Cap Equity**

The small cap equity portfolio gained 5.0% in the fourth quarter, 1.4% above the Russell 2000 Index's return of 3.6% and ranked in the 16th percentile of the Small Cap universe. Over the trailing year, this segment returned -0.8%, 3.6% above the benchmark's -4.4% performance, and ranked in the 32nd percentile.

### **International Equity**

The international equity segment returned 5.1% during the fourth quarter; that return was 1.9% above the MSCI All Country World Ex US Net Index's return of 3.2% and ranked in the 38th percentile of the International Equity universe. Over the trailing twelve months, the international equity portfolio returned -4.3%, 1.4% greater than the benchmark's -5.7% performance, ranking in the 64th percentile. Since December 2010, this component returned 1.3% annualized and ranked in the 74th percentile. The MSCI All Country World Ex US Net Index returned an annualized 1.1% during the same time frame.

### **Real Estate**

In the fourth quarter, the real estate segment returned 5.8%, which was 2.5% greater than the NCREIF NFI-ODCE Index's return of 3.3%. Over the trailing year, this segment returned 15.7%, which was 0.7% greater than the benchmark's 15.0% return.

## **Fixed Income**

In the fourth quarter, the fixed income portion of the portfolio lost 0.1%, which was 0.5% greater than the Barclays Aggregate Index's return of -0.6% and ranked in the 6th percentile of the Core Fixed Income universe. Over the trailing twelve-month period, this segment's return was 0.9%, which was 0.3% greater than the benchmark's 0.6% performance, and ranked in the 37th percentile. Since December 2010, this component returned 5.7% annualized and ranked in the 1st percentile. The Barclays Aggregate Index returned an annualized 3.3% over the same period.

## **ASSET ALLOCATION**

At the end of the fourth quarter, large cap equities comprised 33.3% of the total portfolio (\$9.3 million), while mid cap equities totaled 10.7% (\$3.0 million). The account's small cap equity segment was valued at \$2.7 million, representing 9.5% of the portfolio, while the international equity component's \$2.2 million totaled 7.8%. The real estate segment totaled 13.9% of the portfolio's value and the fixed income component made up 21.4% (\$6.0 million). The remaining 3.5% was comprised of cash & equivalents (\$986,719).

## EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

	Quarter	FYTD	-----Annualized-----		
			1 Year	3 Year	5 Years
<b>Total Portfolio - Gross</b>	4.0	4.0	3.7	9.9	8.7
<i>PUBLIC FUND RANK</i>	(5)	(5)	(1)	(3)	(4)
<b>Total Portfolio - Net</b>	3.8	3.8	3.1	9.2	8.1
POLICY INDEX	4.1	4.1	1.9	9.6	8.7
SHADOW INDEX	3.4	3.4	1.1	9.4	7.9
<b>Domestic Equity</b>	5.4	5.4	3.7	14.3	11.7
<i>DOMESTIC EQUITY RANK</i>	(39)	(39)	(18)	(49)	(49)
RUSSELL 3000	6.3	6.3	0.5	14.7	12.2
<b>Large Cap Equity</b>	6.1	6.1	6.5	14.5	----
<i>LARGE CAP RANK</i>	(51)	(51)	(13)	(63)	----
RUSSELL 1000	6.5	6.5	0.9	15.0	12.4
RUSSELL 1000G	7.3	7.3	5.7	16.8	13.5
RUSSELL 1000V	5.6	5.6	-3.8	13.1	11.3
S&P 500	7.0	7.0	1.4	15.1	12.6
<b>Mid Cap Equity</b>	3.7	3.7	-0.6	14.6	----
<i>MID CAP CORE RANK</i>	(35)	(35)	(40)	(50)	----
RUSSELL MID	3.6	3.6	-2.4	14.2	11.4
S&P 400	2.6	2.6	-2.2	12.8	10.7
<b>Small Cap Equity</b>	5.0	5.0	-0.8	14.2	----
<i>SMALL CAP RANK</i>	(16)	(16)	(32)	(35)	----
RUSSELL 2000	3.6	3.6	-4.4	11.7	9.2
RUSSELL 2000G	4.3	4.3	-1.4	14.3	10.7
RUSSELL 2000V	2.9	2.9	-7.5	9.1	7.7
S&P 600	3.7	3.7	-2.0	13.6	11.5
<b>International Equity</b>	5.1	5.1	-4.3	1.7	1.3
<i>INTERNATIONAL EQUITY RANK</i>	(38)	(38)	(64)	(72)	(74)
ACWI EX US NET	3.2	3.2	-5.7	1.5	1.1
MSCI EAFE NET	4.7	4.7	-0.8	5.0	3.6
<b>Real Estate</b>	5.8	5.8	15.6	----	----
NCREIF ODCE	3.3	3.3	15.0	13.8	13.6
<b>Fixed Income</b>	-0.1	-0.1	0.9	2.9	5.7
<i>CORE FIXED INCOME RANK</i>	(6)	(6)	(37)	(2)	(1)
BARCLAYS AGG	-0.6	-0.6	0.6	1.4	3.3
AGGREGATE A+	-0.5	-0.5	1.1	1.5	3.1

## ASSET ALLOCATION

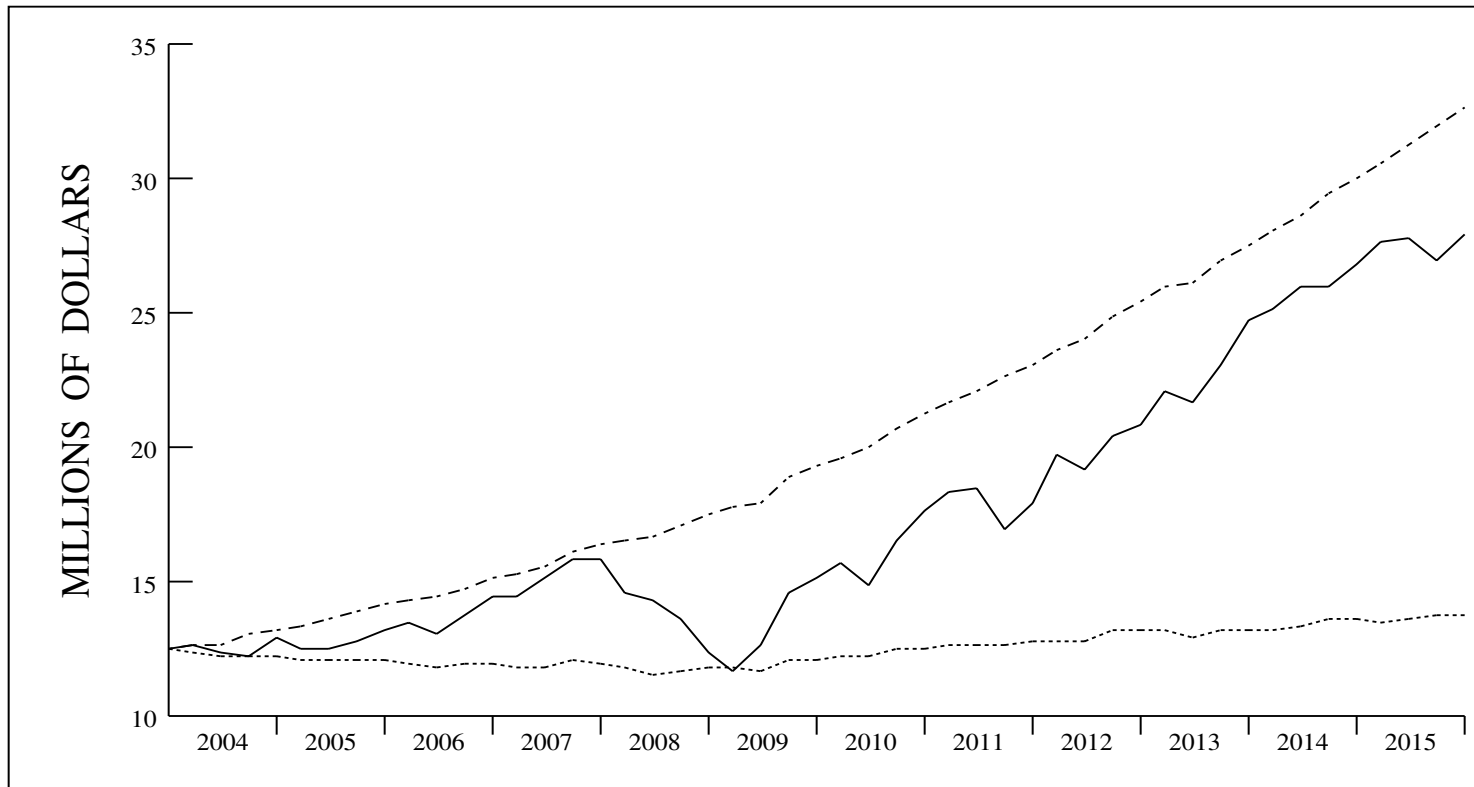
Large Cap Equity	33.3%	\$ 9,326,682
Mid Cap Equity	10.7%	2,986,262
Small Cap	9.5%	2,650,280
Int'l Equity	7.8%	2,180,382
Real Estate	13.9%	3,889,156
Fixed Income	21.4%	5,993,280
Cash	3.5%	986,719
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 28,012,761</b>

## INVESTMENT RETURN

Market Value 9/2015	\$ 26,962,103
Contribs / Withdrawals	- 15,306
Income	273,549
Capital Gains / Losses	792,415
Market Value 12/2015	\$ 28,012,761



**INVESTMENT GROWTH**

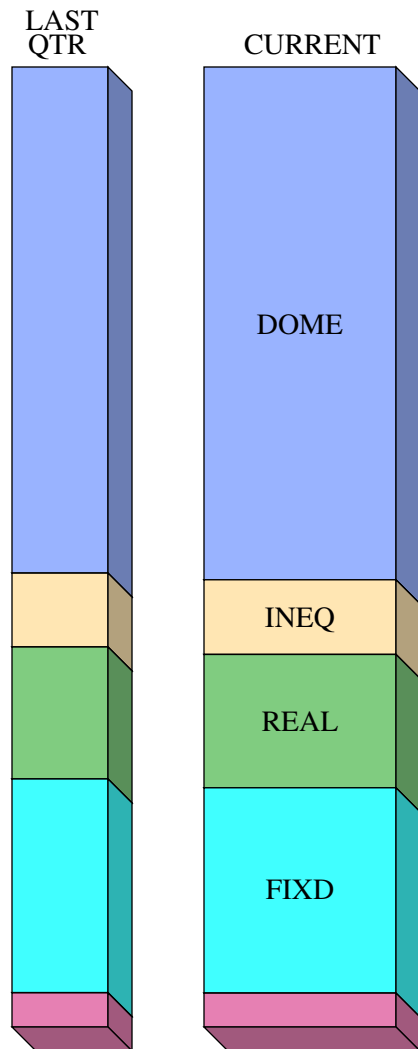


— ACTUAL RETURN  
 - - - 8.0%  
 ..... 0.0%

VALUE ASSUMING  
 8.0% RETURN \$ 32,641,370

	LAST QUARTER	PERIOD 12/10 - 12/15
BEGINNING VALUE	\$ 26,962,103	\$ 17,645,402
NET CONTRIBUTIONS	- 15,306	1,137,261
INVESTMENT RETURN	<u>1,065,964</u>	<u>9,230,098</u>
ENDING VALUE	\$ 28,012,761	\$ 28,012,761
INCOME	273,549	2,861,492
CAPITAL GAINS (LOSSES)	<u>792,415</u>	<u>6,368,606</u>
INVESTMENT RETURN	1,065,964	9,230,098

**ASSET ALLOCATION**












	<u>VALUE</u>	<u>PERCENT</u>	<u>TARGET</u>	<u>MIN</u>	<u>MAX</u>
<span style="color: blue;">■</span> <b>DOMESTIC EQUITY</b>	<b>\$ 14,963,224</b>	<b>53.4%</b>	<b>50.0%</b>	<b>40.0%</b>	<b>60.0%</b>
<i>LARGE CAP EQUITY</i>	9,326,682	33.3%	30.0%	20.0%	40.0%
<i>MID CAP EQUITY</i>	2,986,262	10.7%	10.0%	5.0%	15.0%
<i>SMALL CAP EQUITY</i>	2,650,280	9.5%	10.0%	5.0%	15.0%
<span style="color: pink;">■</span> <b>INTERNATIONAL EQUITY</b>	<b>2,180,382</b>	<b>7.8%</b>	<b>15.0%</b>	<b>10.0%</b>	<b>20.0%</b>
<span style="color: gray;">■</span> <b>REAL ESTATE</b>	<b>3,889,156</b>	<b>13.9%</b>	<b>15.0%</b>	<b>5.0%</b>	<b>15.0%</b>
<span style="color: red;">■</span> <b>FIXED INCOME</b>	<b>5,993,280</b>	<b>21.4%</b>	<b>20.0%</b>	<b>15.0%</b>	<b>35.0%</b>
<span style="color: blue;">■</span> <b>CASH &amp; EQUIVALENT</b>	<b>986,719</b>	<b>3.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>5.0%</b>
<b>TOTAL FUND</b>	<b>\$ 28,012,761</b>	<b>100.0%</b>			

## MANAGER PERFORMANCE SUMMARY










Name	(Universe)	Quarter	1 Year	3 Years	5 Years	Market Value	%
Total Portfolio	(Public Fund)	4.0 (5)	3.7 (1)	9.9 (3)	8.7 (4)	\$28,012,761	100.0%
<i>Policy Index</i>		<i>4.1 ---</i>	<i>1.9 ---</i>	<i>9.6 ---</i>	<i>8.7 ---</i>	<i>---</i>	
Polen LC Growth	(LC Growth)	8.1 (27)	15.9 (3)	18.9 (15)	---	\$5,672,294	20.2%
<i>Russell 1000G</i>		<i>7.3 ---</i>	<i>5.7 ---</i>	<i>16.8 ---</i>	<i>13.5 ---</i>	<i>---</i>	
Herndon LC Val.	(LC Value)	3.1 (88)	-5.5 (80)	8.5 (96)	---	\$3,654,388	13.0%
<i>Russell 1000V</i>		<i>5.6 ---</i>	<i>-3.8 ---</i>	<i>13.1 ---</i>	<i>11.3 ---</i>	<i>---</i>	
Lee Munder MCC	(MC Core)	3.7 (35)	-0.6 (40)	14.6 (50)	---	\$2,986,262	10.7%
<i>Russell Mid</i>		<i>3.6 ---</i>	<i>-2.4 ---</i>	<i>14.2 ---</i>	<i>11.4 ---</i>	<i>---</i>	
Neuberger	(Small Cap)	4.9 (18)	-0.9 (33)	14.1 (36)	---	\$2,650,280	9.5%
<i>Russell 2000V</i>		<i>2.9 ---</i>	<i>-7.5 ---</i>	<i>9.1 ---</i>	<i>7.7 ---</i>	<i>---</i>	
Manning & Napier	(Intl Eq)	5.1 (38)	-4.3 (64)	1.7 (72)	---	\$2,180,382	7.8%
<i>ACWI Ex US Net</i>		<i>3.2 ---</i>	<i>-5.7 ---</i>	<i>1.5 ---</i>	<i>1.1 ---</i>	<i>---</i>	
ASB Realty		5.6 ---	17.3 ---	---	---	\$1,347,671	4.8%
Intercontinental		5.9 ---	14.8 ---	---	---	\$2,541,485	9.1%
<i>NCREIF ODCE</i>		<i>3.3 ---</i>	<i>15.0 ---</i>	<i>13.8 ---</i>	<i>13.6 ---</i>	<i>---</i>	
Garcia Hamilton	(Core Fixed)	-0.1 (6)	0.9 (37)	2.9 (2)	---	\$5,993,280	21.4%
<i>Barclays Agg</i>		<i>-0.6 ---</i>	<i>0.6 ---</i>	<i>1.4 ---</i>	<i>3.3 ---</i>	<i>---</i>	
Cash Fund		---	---	---	---	\$986,719	3.5%
<i>90 Day Tbills</i>		<i>0.0 ---</i>	<i>0.1 ---</i>	<i>0.0 ---</i>	<i>0.1 ---</i>	<i>---</i>	

**MANAGER VALUE ADDED**

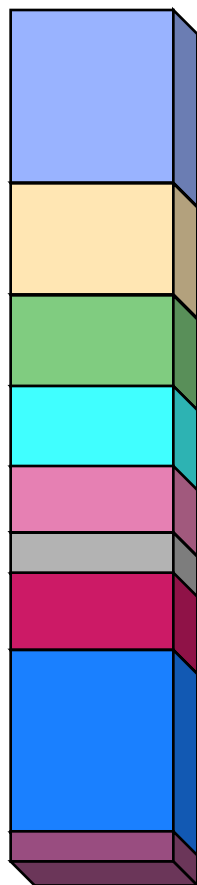
**Most Recent Quarter**

Manager	Benchmark	Value Added Vs. Benchmark
Polen LC Growth	Russell 1000G	0.8 
Herndon LC Val.	Russell 1000V	-2.5 
Lee Munder MCC	Russell Mid	0.1 
Neuberger	Russell 2000V	2.0 
Manning & Napier	ACWI Ex US Net	1.9 
ASB Realty	NCREIF ODCE	2.3 
Intercontinental	NCREIF ODCE	2.6 
Garcia Hamilton	Barclays Agg	0.5 
<b>Total Portfolio</b>	<b>Policy Index</b>	-0.1 

**Trailing Twelve Months**

Manager	Benchmark	Value Added Vs. Benchmark
Polen LC Growth	Russell 1000G	10.2 
Herndon LC Val.	Russell 1000V	-1.7 
Lee Munder MCC	Russell Mid	1.8 
Neuberger	Russell 2000V	6.6 
Manning & Napier	ACWI Ex US Net	1.4 
ASB Realty	NCREIF ODCE	2.3 
Intercontinental	NCREIF ODCE	-0.2 
Garcia Hamilton	Barclays Agg	0.3 
<b>Total Portfolio</b>	<b>Policy Index</b>	1.8 

**MANAGER ALLOCATION AND TARGET SUMMARY**



Name	Market Value	Percent	Target	Diff	Diff \$
Polen LC Growth (LCG)	\$5,672,294	20.2	15.0	5.2	\$1,470,380
Herndon LC Val. (LCV)	\$3,654,388	13.0	15.0	-2.0	<\$547,526>
Lee Munder MCC (MCC)	\$2,986,262	10.7	10.0	0.7	\$184,986
Neuberger (SC)	\$2,650,280	9.5	10.0	-0.5	<\$150,996>
Manning & Napier (INEQ)	\$2,180,382	7.8	15.0	-7.2	<\$2,021,532>
ASB Realty (REAL)	\$1,347,671	4.8	7.5	-2.7	<\$753,286>
Intercontinental (REAL)	\$2,541,485	9.1	7.5	1.6	\$440,528
Garcia Hamilton (FIXD)	\$5,993,280	21.4	20.0	1.4	\$390,728
Cash Fund (CASH)	\$986,719	3.5	0.0	3.5	\$986,719
<b>Total Portfolio</b>	<b>\$28,012,761</b>	<b>100.0</b>	<b>100.0</b>	<b>----</b>	<b>\$0</b>

**AVAILABLE CASH SUMMARY**

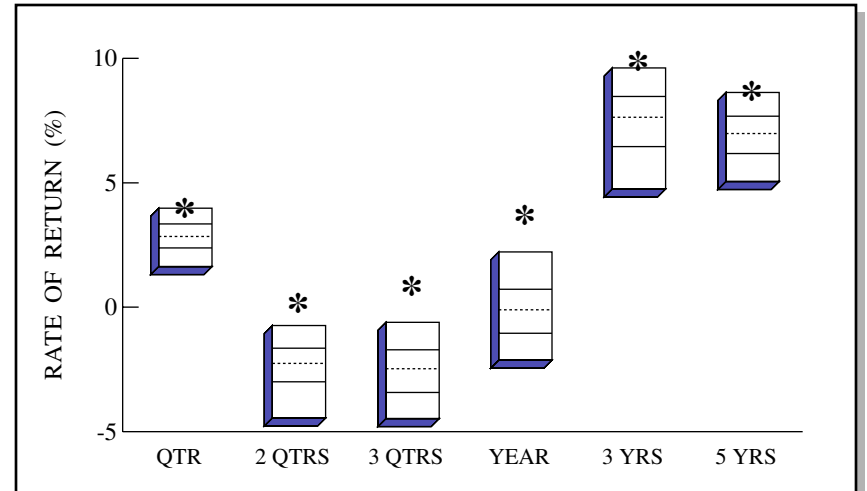
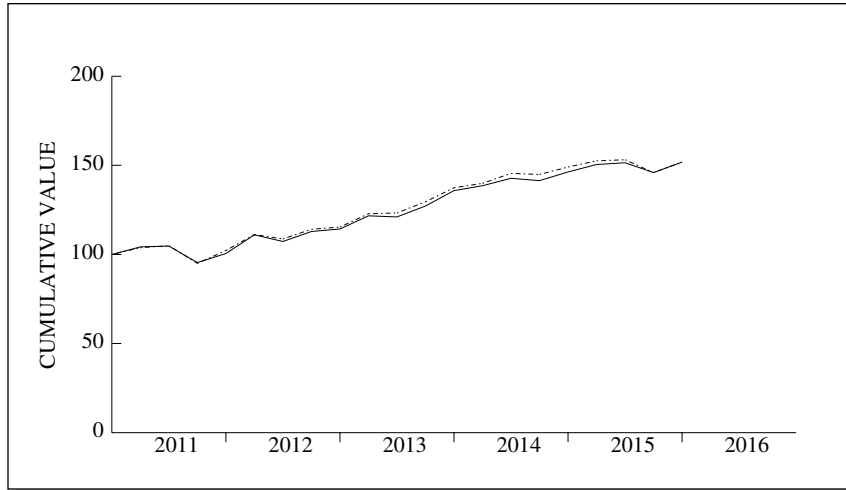
Name	Total MV	Cash MV	Cash Pct
Polen Capital Management Large Cap Growth	\$5,672,294	\$133,374	2.4
Herndon Capital Management Large Cap US Value	\$3,654,388	\$121,426	3.3
Lee Munder Capital Group Mid Cap Core	\$2,986,262	\$76,501	2.6
Neuberger Berman Intrinsic Value Institutional	\$2,650,280	\$0	0.0
Manning & Napier Overseas Fund	\$2,180,382	\$0	0.0
ASB Capital Management Allegiance Real Estate Fund	\$1,347,671	\$0	0.0
Intercontinental	\$2,541,485	\$0	0.0
Garcia Hamilton & Associates Fixed Income - Aggregate	\$5,993,280	\$38,216	0.6
Cash Fund	\$986,719	\$986,719	100.0
<b>Total Portfolio</b>	<b>\$28,012,761</b>	<b>\$1,356,236</b>	<b>4.8</b>

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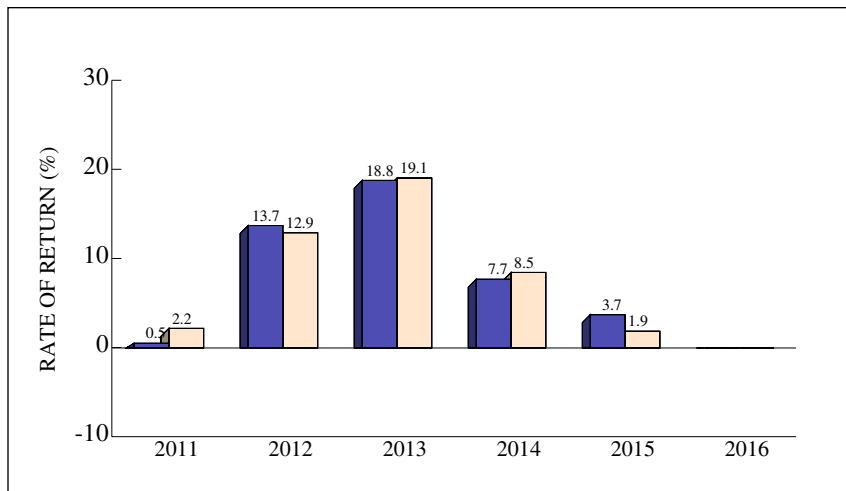
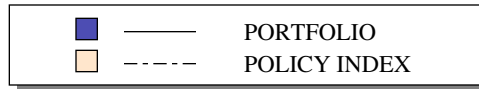
**INVESTMENT RETURN SUMMARY - ONE QUARTER**

Name	Quarter Total Return	Market Value September 30th, 2015	Net Cashflow	Net Investment Return	Market Value December 31st, 2015
Polen LC Growth (LCG)	8.1	5,254,281	-8,508	426,521	5,672,294
Herndon LC Val. (LCV)	3.1	3,546,008	0	108,380	3,654,388
Lee Munder MCC (MCC)	3.7	2,880,036	0	106,226	2,986,262
Neuberger (SC)	4.9	2,533,555	0	116,725	2,650,280
Manning & Napier (INEQ)	5.1	2,078,096	0	102,286	2,180,382
ASB Realty (REAL)	5.6	1,275,779	0	71,892	1,347,671
Intercontinental (REAL)	5.9	2,432,017	-32,668	142,136	2,541,485
Garcia Hamilton (FIXD)	-0.1	6,001,493	0	-8,213	5,993,280
Cash Fund (CASH)	---	960,838	25,870	11	986,719
<b>Total Portfolio</b>	<b>4.0</b>	<b>26,962,103</b>	<b>-15,306</b>	<b>1,065,964</b>	<b>28,012,761</b>

**TOTAL RETURN COMPARISONS**



Public Fund Universe



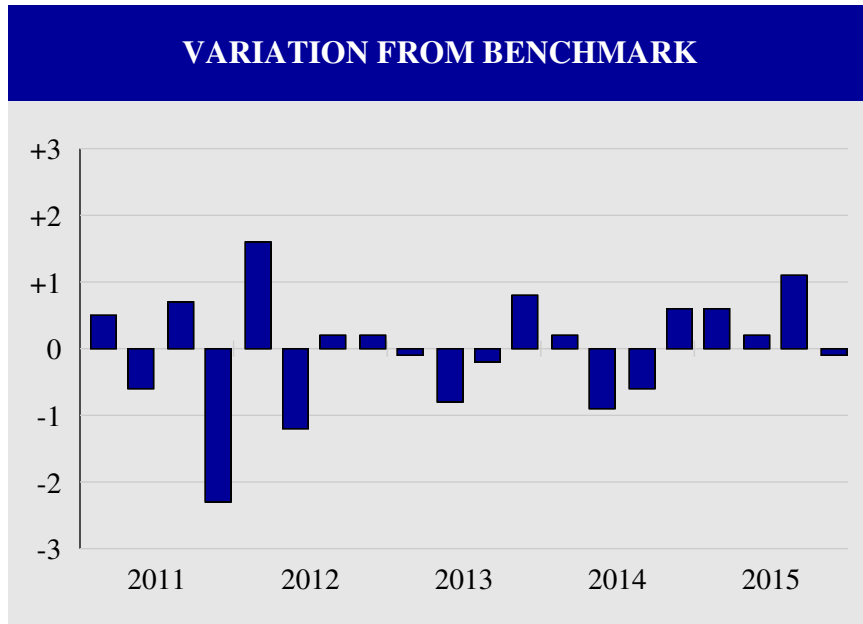
	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	4.0	0.2	0.9	3.7	9.9	8.7
(RANK)	(5)	(1)	(1)	(1)	(3)	(4)
5TH %ILE	4.0	-0.7	-0.6	2.2	9.6	8.6
25TH %ILE	3.4	-1.7	-1.7	0.7	8.5	7.7
MEDIAN	2.8	-2.3	-2.5	-0.1	7.6	7.0
75TH %ILE	2.4	-3.0	-3.4	-1.1	6.5	6.2
95TH %ILE	1.6	-4.5	-4.5	-2.1	4.8	5.1
<b>Policy Idx</b>	<b>4.1</b>	<b>-0.8</b>	<b>-0.4</b>	<b>1.9</b>	<b>9.6</b>	<b>8.7</b>

Public Fund Universe



**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

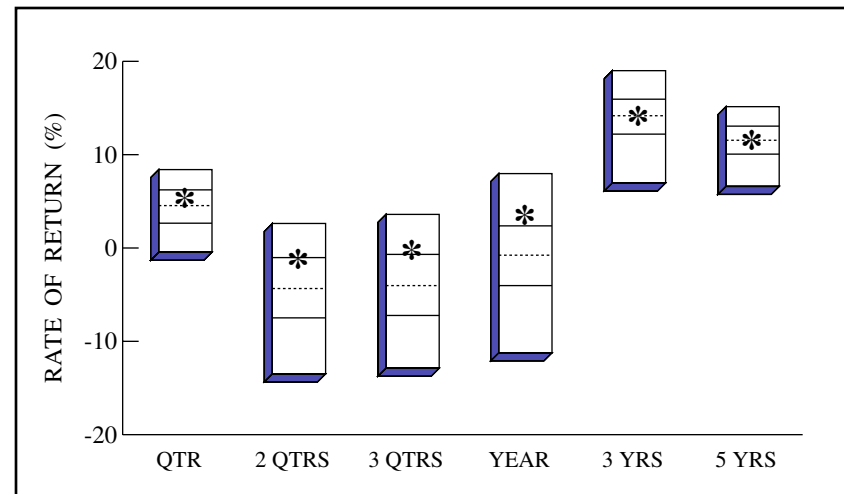
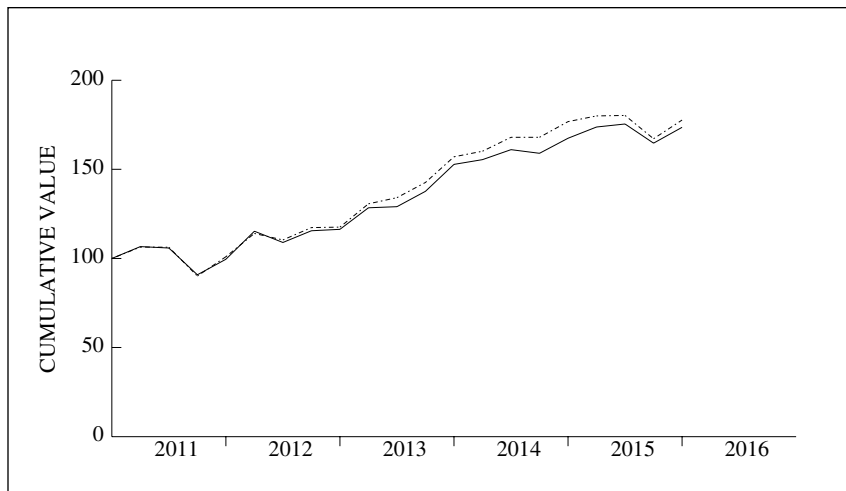
**COMPARATIVE BENCHMARK: FIREFIGHTERS POLICY INDEX**



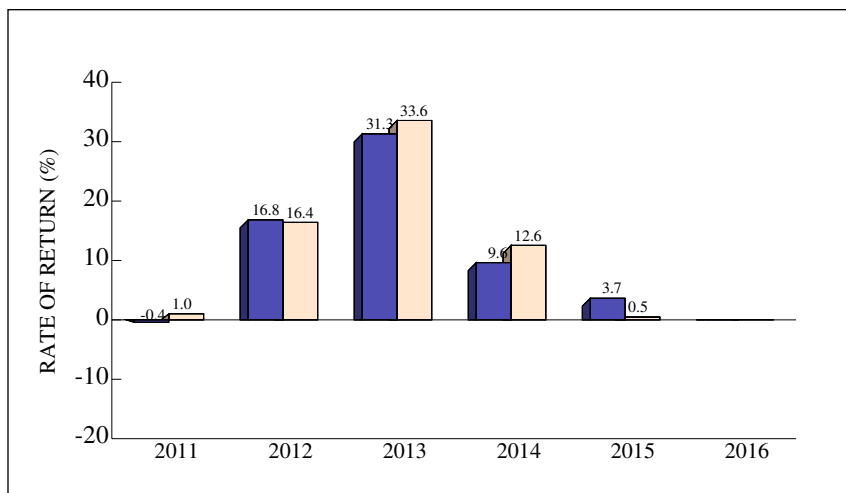
<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>11</b>
<b>Quarters Below the Benchmark</b>	<b>9</b>
<b>Batting Average</b>	<b>.550</b>

<b>RATES OF RETURN</b>			
Date	Portfolio	Benchmark	Difference
3/11	4.3	3.8	0.5
6/11	0.4	1.0	-0.6
9/11	-8.8	-9.5	0.7
12/11	5.3	7.6	-2.3
3/12	10.4	8.8	1.6
6/12	-3.4	-2.2	-1.2
9/12	5.2	5.0	0.2
12/12	1.3	1.1	0.2
3/13	6.4	6.5	-0.1
6/13	-0.5	0.3	-0.8
9/13	5.0	5.2	-0.2
12/13	6.8	6.0	0.8
3/14	2.0	1.8	0.2
6/14	3.1	4.0	-0.9
9/14	-1.0	-0.4	-0.6
12/14	3.5	2.9	0.6
3/15	2.9	2.3	0.6
6/15	0.6	0.4	0.2
9/15	-3.6	-4.7	1.1
12/15	4.0	4.1	-0.1

### DOMESTIC EQUITY RETURN COMPARISONS



Domestic Equity Universe

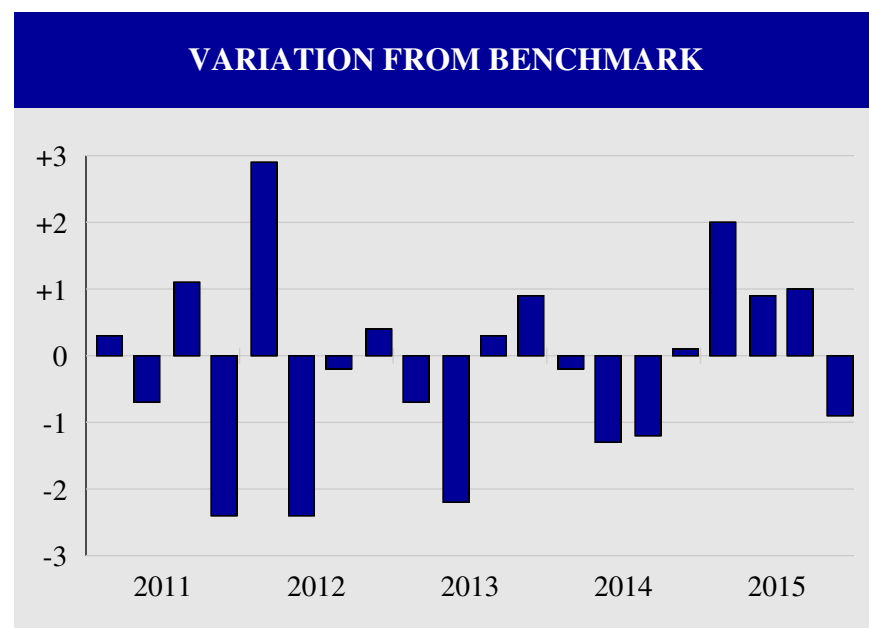


	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	5.4	-1.1	-0.1	3.7	14.3	11.7
(RANK)	(39)	(26)	(22)	(18)	(49)	(49)
5TH %ILE	8.4	2.6	3.6	8.0	19.0	15.1
25TH %ILE	6.2	-1.0	-0.7	2.4	16.0	13.1
MEDIAN	4.6	-4.4	-4.0	-0.8	14.2	11.6
75TH %ILE	2.7	-7.5	-7.2	-4.0	12.2	10.1
95TH %ILE	-0.5	-13.5	-12.9	-11.2	7.0	6.6
<b>Russ 3000</b>	<b>6.3</b>	<b>-1.4</b>	<b>-1.3</b>	<b>0.5</b>	<b>14.7</b>	<b>12.2</b>

Domestic Equity Universe

## DOMESTIC EQUITY QUARTERLY PERFORMANCE SUMMARY

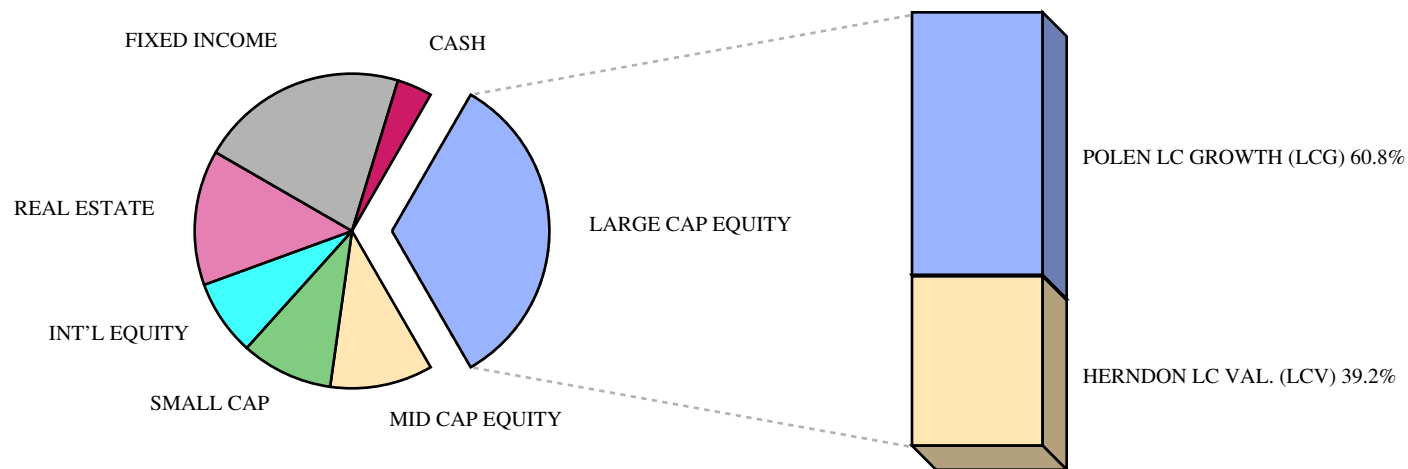
COMPARATIVE BENCHMARK: RUSSELL 3000



<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>10</b>
<b>Quarters Below the Benchmark</b>	<b>10</b>
<b>Batting Average</b>	<b>.500</b>

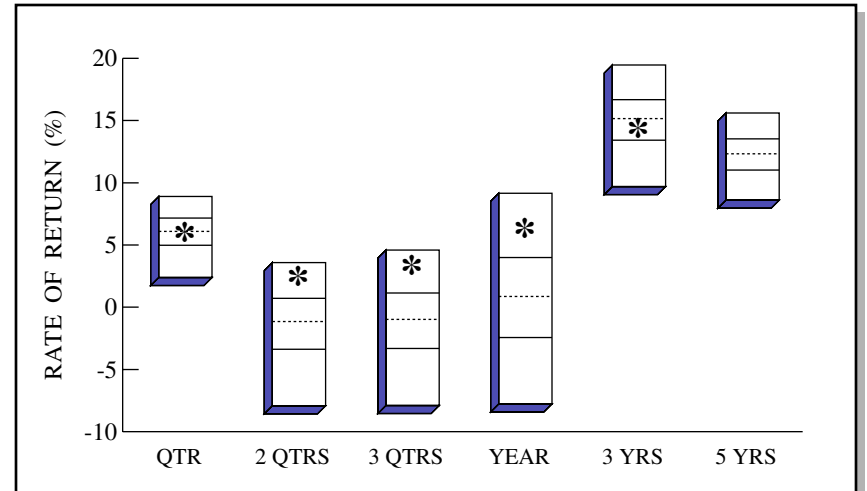
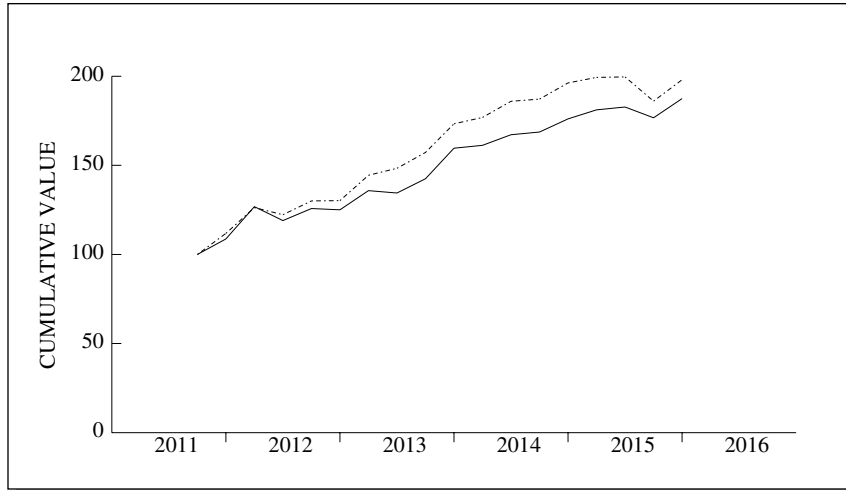
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
3/11	6.7	6.4	0.3
6/11	-0.7	0.0	-0.7
9/11	-14.2	-15.3	1.1
12/11	9.7	12.1	-2.4
3/12	15.8	12.9	2.9
6/12	-5.5	-3.1	-2.4
9/12	6.0	6.2	-0.2
12/12	0.7	0.3	0.4
3/13	10.4	11.1	-0.7
6/13	0.5	2.7	-2.2
9/13	6.7	6.4	0.3
12/13	11.0	10.1	0.9
3/14	1.8	2.0	-0.2
6/14	3.6	4.9	-1.3
9/14	-1.2	0.0	-1.2
12/14	5.3	5.2	0.1
3/15	3.8	1.8	2.0
6/15	1.0	0.1	0.9
9/15	-6.2	-7.2	1.0
12/15	5.4	6.3	-0.9

**LARGE CAP EQUITY MANAGER SUMMARY**

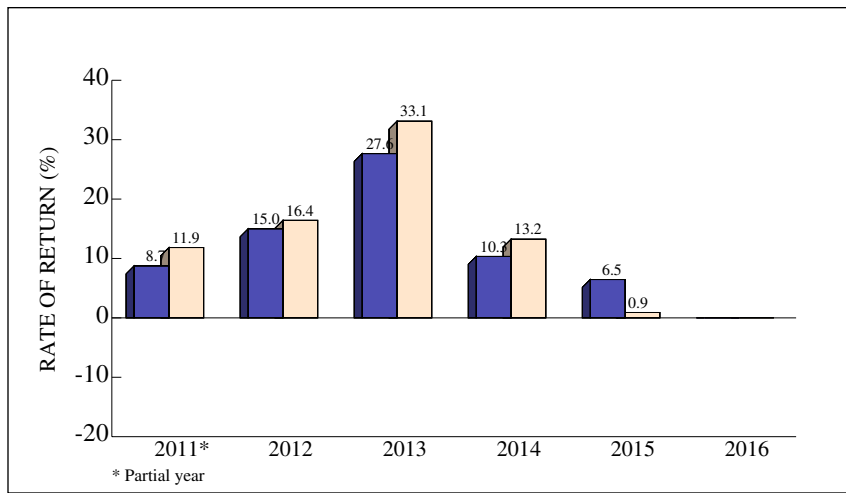


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
POLEN LC GROWTH	(Large Cap Growth)	8.1 (27)	8.1 (27)	15.9 (3)	18.9 (15)	----	\$5,672,294
<i>Russell 1000 Growth</i>		<i>7.3 ----</i>	<i>7.3 ----</i>	<i>5.7 ----</i>	<i>16.8 ----</i>	<i>13.5 ----</i>	----
HERNDON LC VAL.	(Large Cap Value)	3.1 (88)	3.1 (88)	-5.5 (80)	8.5 (96)	----	\$3,654,388
<i>Russell 1000 Value</i>		<i>5.6 ----</i>	<i>5.6 ----</i>	<i>-3.8 ----</i>	<i>13.1 ----</i>	<i>11.3 ----</i>	----
<b>TOTAL</b>	<b>(Large Cap)</b>	<b>6.1 (51)</b>	<b>6.1 (51)</b>	<b>6.5 (13)</b>	<b>14.5 (63)</b>	<b>----</b>	<b>\$9,326,682</b>
<i>Russell 1000</i>		<i>6.5 ----</i>	<i>6.5 ----</i>	<i>0.9 ----</i>	<i>15.0 ----</i>	<i>12.4 ----</i>	----

**LARGE CAP EQUITY RETURN COMPARISONS**



Large Cap Universe



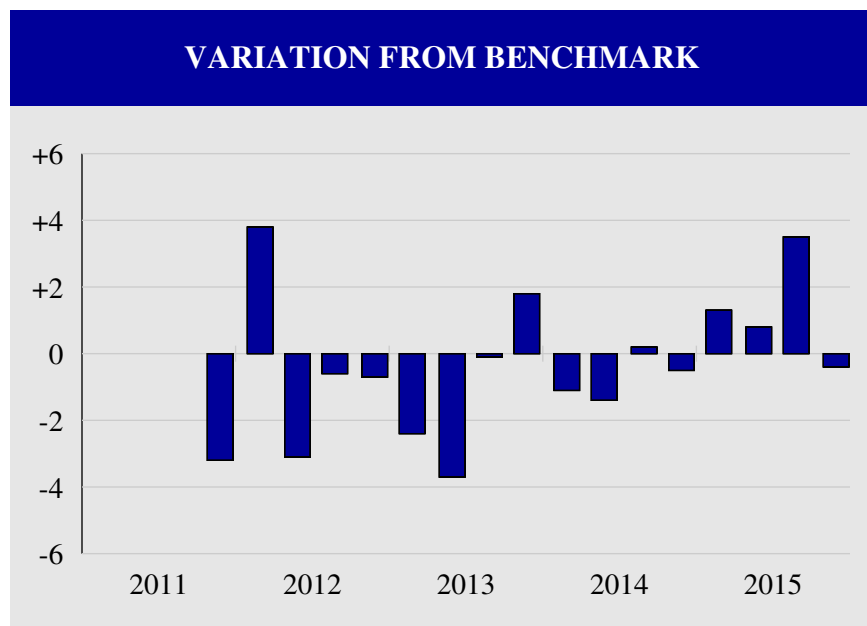
\* Partial year

	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	6.1	2.6	3.5	6.5	14.5	---
(RANK)	(51)	(9)	(9)	(13)	(63)	---
5TH %ILE	8.9	3.6	4.6	9.2	19.5	15.6
25TH %ILE	7.2	0.7	1.1	4.0	16.7	13.5
MEDIAN	6.1	-1.2	-1.0	0.9	15.2	12.3
75TH %ILE	5.0	-3.4	-3.3	-2.4	13.4	11.0
95TH %ILE	2.4	-7.9	-7.9	-7.8	9.7	8.6
<b>Russ 1000</b>	<b>6.5</b>	<b>-0.8</b>	<b>-0.7</b>	<b>0.9</b>	<b>15.0</b>	<b>12.4</b>

Large Cap Universe

**LARGE CAP EQUITY QUARTERLY PERFORMANCE SUMMARY**

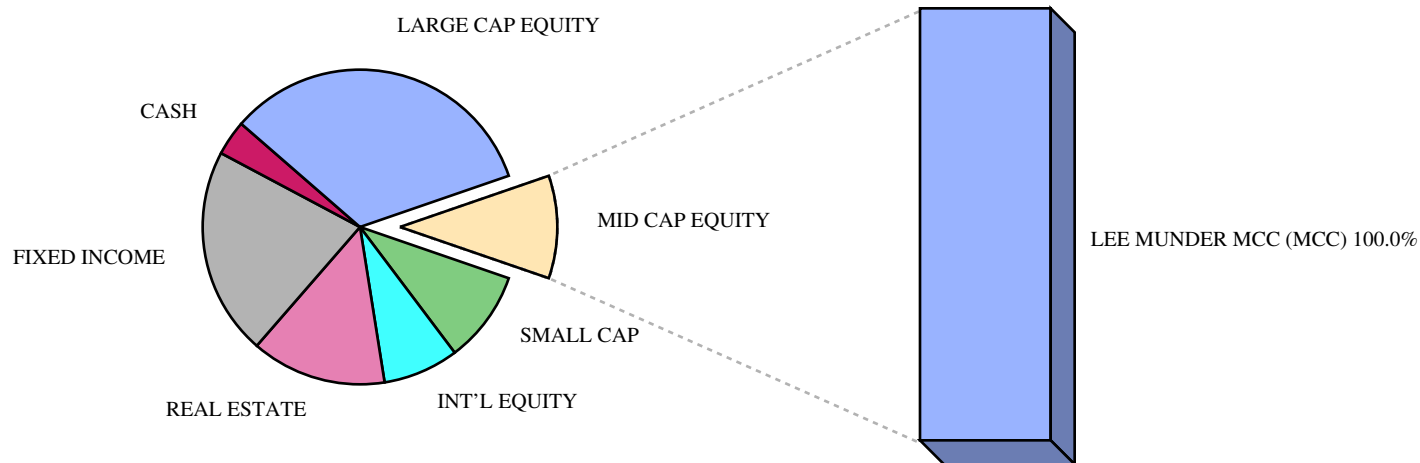
**COMPARATIVE BENCHMARK: RUSSELL 1000**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/11	8.7	11.9	-3.2
3/12	16.7	12.9	3.8
6/12	-6.2	-3.1	-3.1
9/12	5.7	6.3	-0.6
12/12	-0.6	0.1	-0.7
3/13	8.6	11.0	-2.4
6/13	-1.0	2.7	-3.7
9/13	5.9	6.0	-0.1
12/13	12.0	10.2	1.8
3/14	1.0	2.1	-1.1
6/14	3.7	5.1	-1.4
9/14	0.9	0.7	0.2
12/14	4.4	4.9	-0.5
3/15	2.9	1.6	1.3
6/15	0.9	0.1	0.8
9/15	-3.3	-6.8	3.5
12/15	6.1	6.5	-0.4

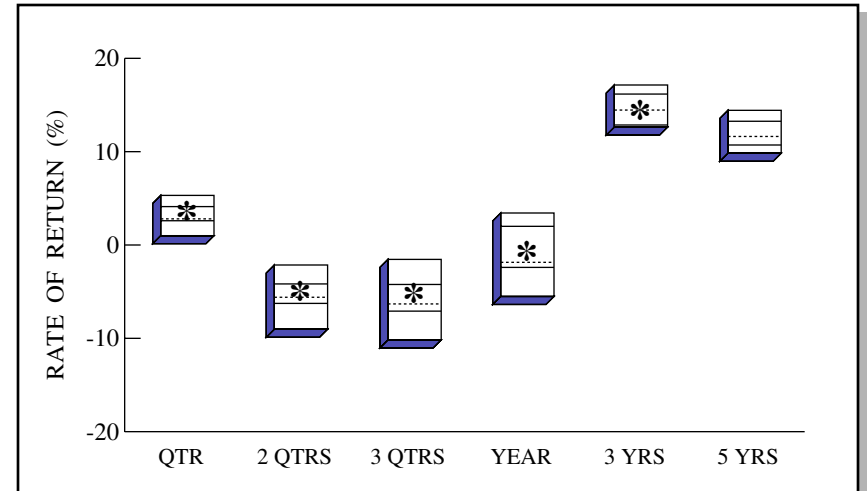
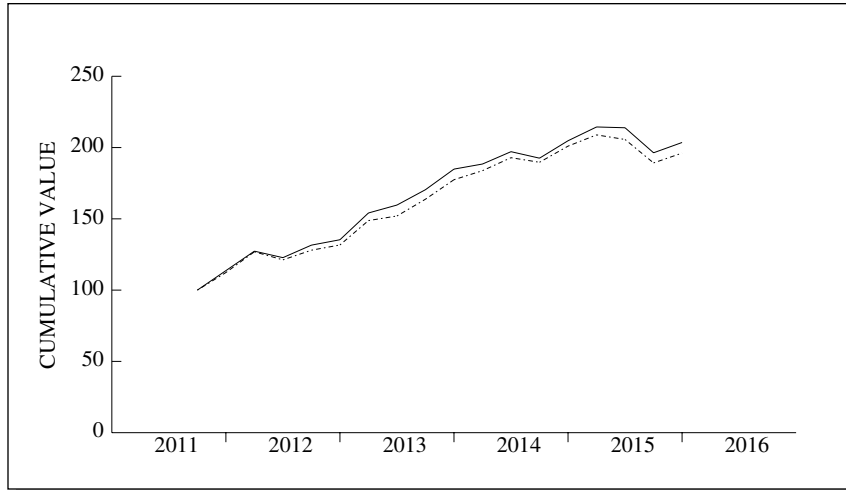
<b>Total Quarters Observed</b>	<b>17</b>
<b>Quarters At or Above the Benchmark</b>	<b>6</b>
<b>Quarters Below the Benchmark</b>	<b>11</b>
<b>Batting Average</b>	<b>.353</b>

**MID CAP EQUITY MANAGER SUMMARY**

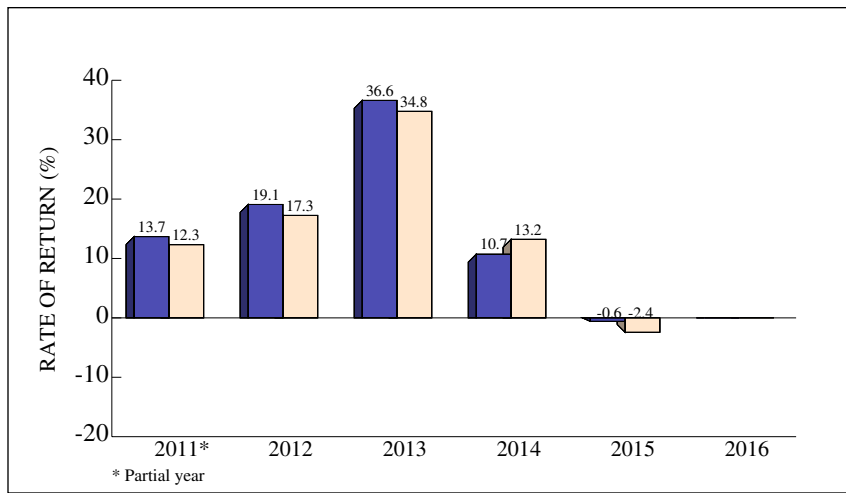


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
LEE MUNDER MCC	(Mid Cap Core)	3.7 (35)	3.7 (35)	-0.6 (40)	14.6 (50)	----	\$2,986,262
<i>Russell Mid Cap</i>		<i>3.6 ---</i>	<i>3.6 ---</i>	<i>-2.4 ---</i>	<i>14.2 ---</i>	<i>11.4 ---</i>	<i>---</i>
<b>TOTAL</b>	<b>(Mid Cap Core)</b>	<b>3.7 (35)</b>	<b>3.7 (35)</b>	<b>-0.6 (40)</b>	<b>14.6 (50)</b>	<b>----</b>	<b>\$2,986,262</b>
<i>Russell Mid Cap</i>		<i>3.6 ---</i>	<i>3.6 ---</i>	<i>-2.4 ---</i>	<i>14.2 ---</i>	<i>11.4 ---</i>	<i>---</i>

MID CAP EQUITY RETURN COMPARISONS



Mid Cap Core Universe



\* Partial year

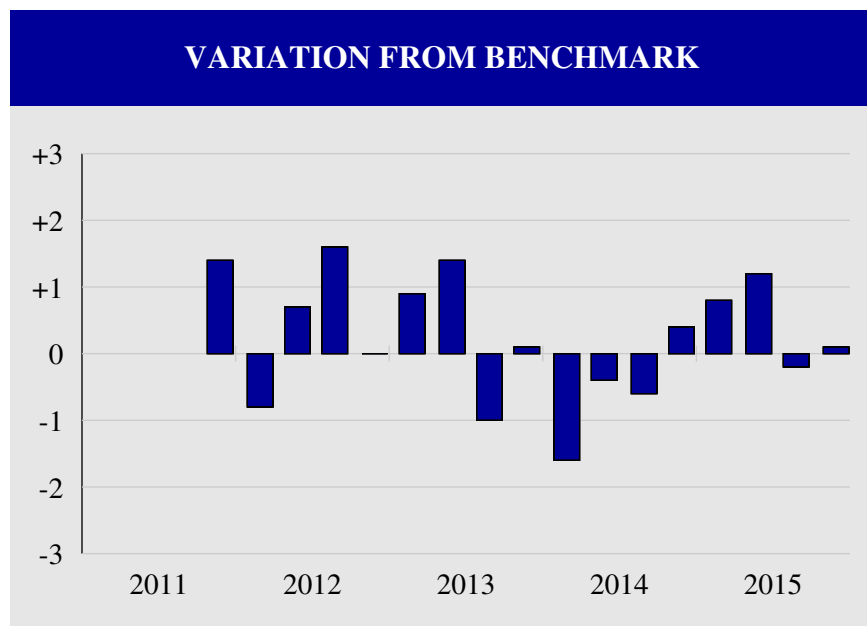
	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	3.7	-4.9	-5.1	-0.6	14.6	---
(RANK)	(35)	(45)	(33)	(40)	(50)	---
5TH %ILE	5.3	-2.1	-1.5	3.4	17.2	14.4
25TH %ILE	4.1	-4.2	-4.2	2.0	16.2	13.3
MEDIAN	2.8	-5.6	-6.3	-1.9	14.5	11.6
75TH %ILE	2.6	-6.3	-7.1	-2.4	12.9	10.7
95TH %ILE	1.0	-9.0	-10.2	-5.5	12.6	9.8
<b>Russ MC</b>	<b>3.6</b>	<b>-4.7</b>	<b>-6.1</b>	<b>-2.4</b>	<b>14.2</b>	<b>11.4</b>

Mid Cap Core Universe



**MID CAP EQUITY QUARTERLY PERFORMANCE SUMMARY**

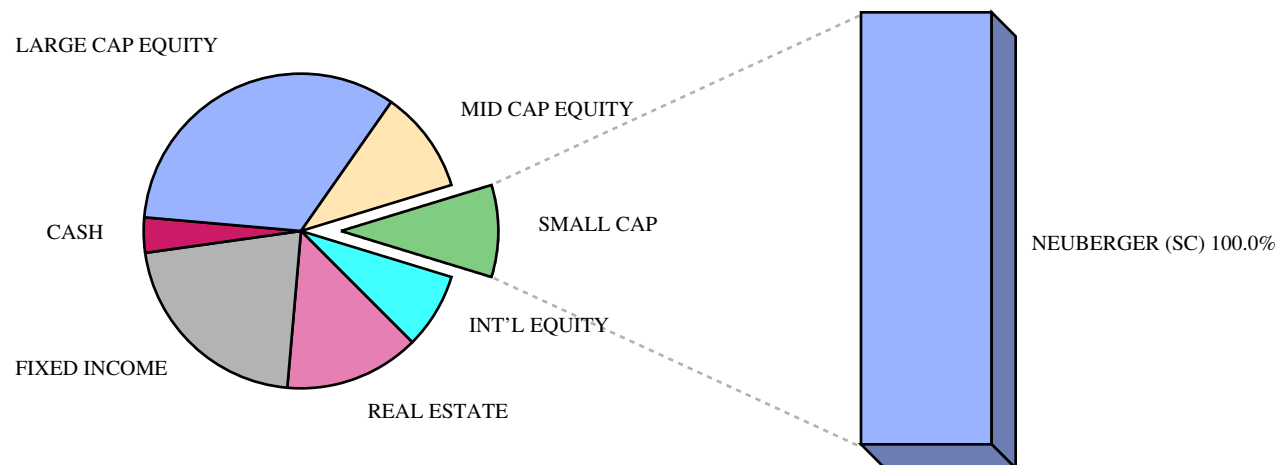
**COMPARATIVE BENCHMARK: RUSSELL MID CAP**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/11	13.7	12.3	1.4
3/12	12.1	12.9	-0.8
6/12	-3.7	-4.4	0.7
9/12	7.2	5.6	1.6
12/12	2.9	2.9	0.0
3/13	13.9	13.0	0.9
6/13	3.6	2.2	1.4
9/13	6.7	7.7	-1.0
12/13	8.5	8.4	0.1
3/14	1.9	3.5	-1.6
6/14	4.6	5.0	-0.4
9/14	-2.3	-1.7	-0.6
12/14	6.3	5.9	0.4
3/15	4.8	4.0	0.8
6/15	-0.3	-1.5	1.2
9/15	-8.2	-8.0	-0.2
12/15	3.7	3.6	0.1

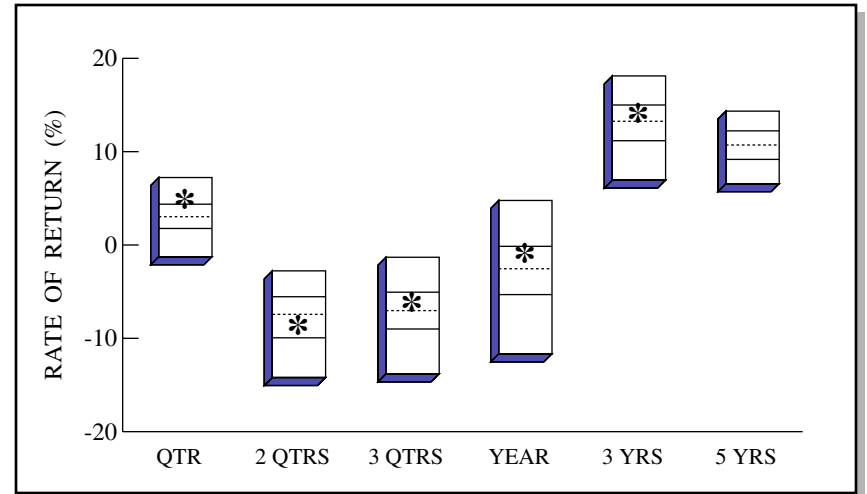
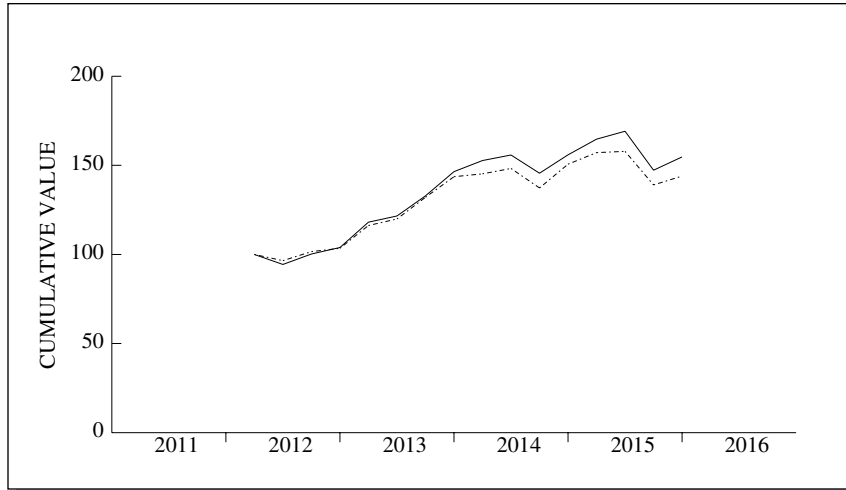
<b>Total Quarters Observed</b>	<b>17</b>
<b>Quarters At or Above the Benchmark</b>	<b>11</b>
<b>Quarters Below the Benchmark</b>	<b>6</b>
<b>Batting Average</b>	<b>.647</b>

**SMALL CAP EQUITY MANAGER SUMMARY**

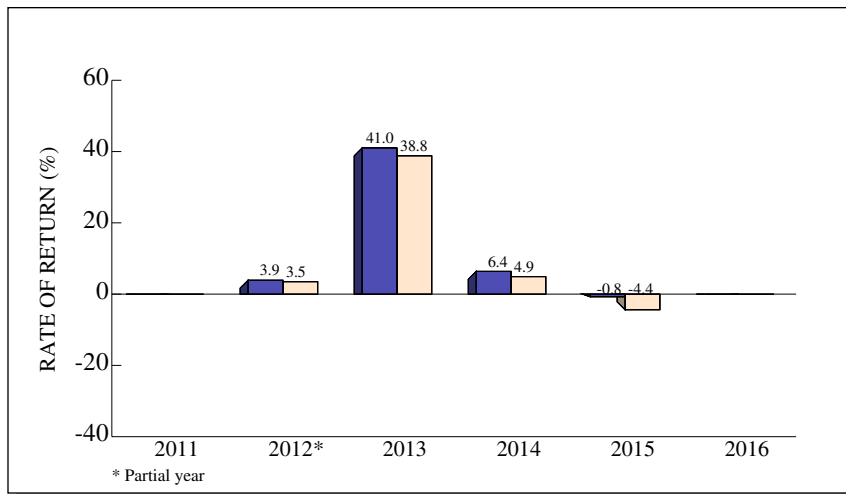


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
NEUBERGER	(Small Cap)	5.0 (16)	5.0 (16)	-0.8 (32)	14.2 (35)	---- ----	\$2,650,280
<i>Russell 2000 Value</i>		<i>2.9 ----</i>	<i>2.9 ----</i>	<i>-7.5 ----</i>	<i>9.1 ----</i>	<i>7.7 ----</i>	<i>----</i>
<b>TOTAL</b>	<b>(Small Cap)</b>	<b>5.0 (16)</b>	<b>5.0 (16)</b>	<b>-0.8 (32)</b>	<b>14.2 (35)</b>	<b>---- ----</b>	<b>\$2,650,280</b>
<i>Russell 2000</i>		<i>3.6 ----</i>	<i>3.6 ----</i>	<i>-4.4 ----</i>	<i>11.7 ----</i>	<i>9.2 ----</i>	<i>----</i>

**SMALL CAP EQUITY RETURN COMPARISONS**



Small Cap Universe



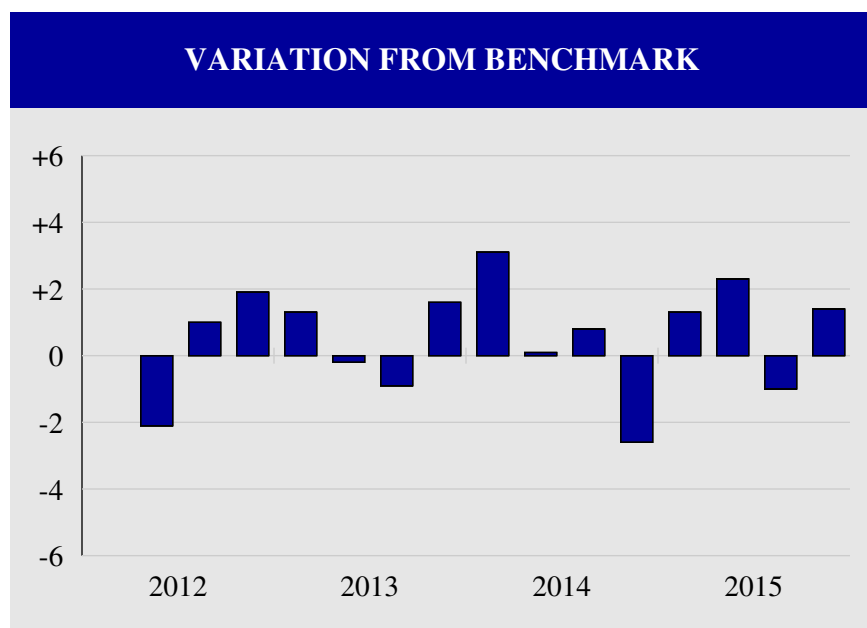
\* Partial year

	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	5.0	-8.5	-6.1	-0.8	14.2	---
(RANK)	(16)	(63)	(38)	(32)	(35)	---
5TH %ILE	7.2	-2.8	-1.3	4.8	18.1	14.3
25TH %ILE	4.4	-5.6	-5.1	-0.1	15.0	12.2
MEDIAN	3.0	-7.4	-7.0	-2.5	13.3	10.7
75TH %ILE	1.8	-9.9	-9.0	-5.3	11.2	9.2
95TH %ILE	-1.3	-14.2	-13.8	-11.7	6.9	6.6
<b>Russ 2000</b>	<b>3.6</b>	<b>-8.8</b>	<b>-8.4</b>	<b>-4.4</b>	<b>11.7</b>	<b>9.2</b>

Small Cap Universe

### SMALL CAP EQUITY QUARTERLY PERFORMANCE SUMMARY

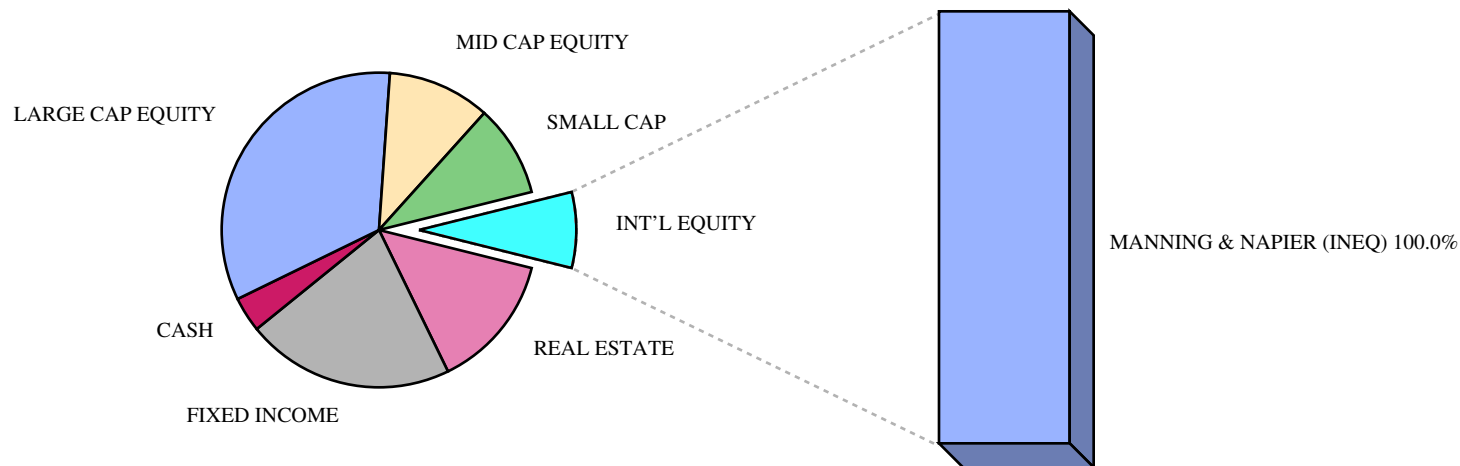
COMPARATIVE BENCHMARK: RUSSELL 2000



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	-5.6	-3.5	-2.1
9/12	6.2	5.2	1.0
12/12	3.7	1.8	1.9
3/13	13.7	12.4	1.3
6/13	2.9	3.1	-0.2
9/13	9.3	10.2	-0.9
12/13	10.3	8.7	1.6
3/14	4.2	1.1	3.1
6/14	2.1	2.0	0.1
9/14	-6.6	-7.4	0.8
12/14	7.1	9.7	-2.6
3/15	5.6	4.3	1.3
6/15	2.7	0.4	2.3
9/15	-12.9	-11.9	-1.0
12/15	5.0	3.6	1.4

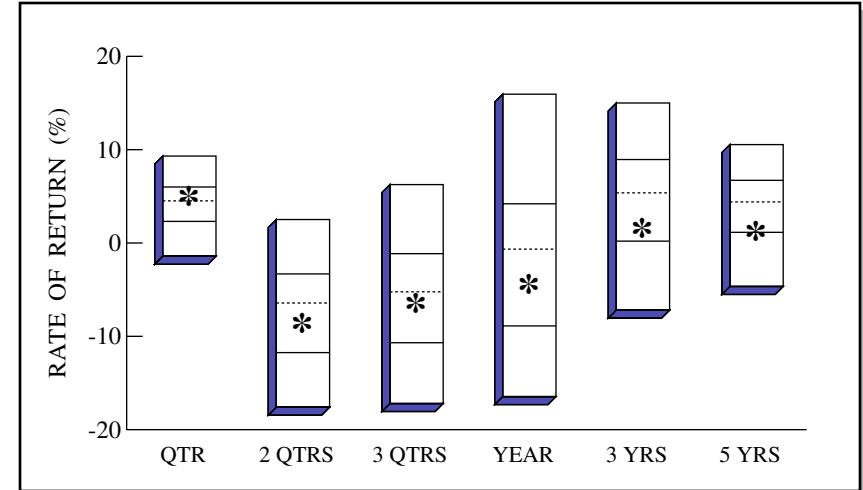
<b>Total Quarters Observed</b>	<b>15</b>
<b>Quarters At or Above the Benchmark</b>	<b>10</b>
<b>Quarters Below the Benchmark</b>	<b>5</b>
<b>Batting Average</b>	<b>.667</b>

**INTERNATIONAL EQUITY MANAGER SUMMARY**

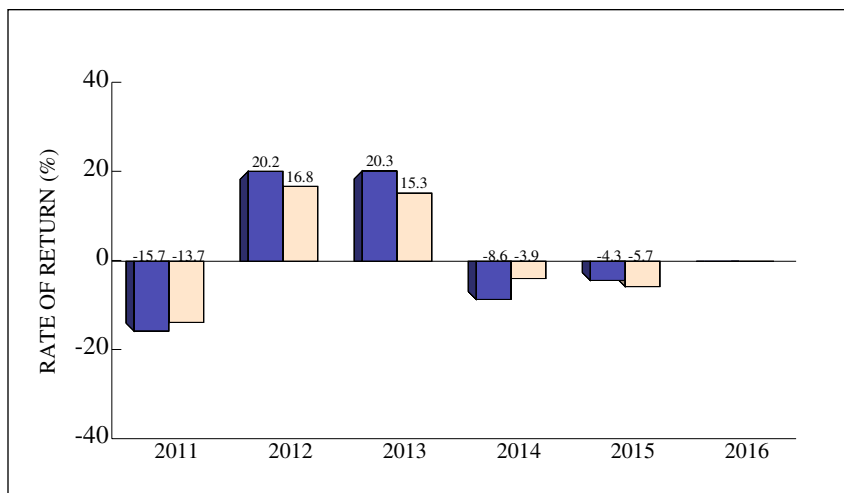
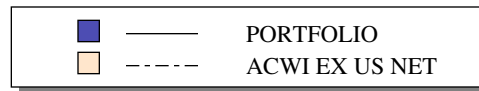


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
MANNING & NAPIER	(International Equity)	5.1 (38)	5.1 (38)	-4.3 (64)	1.7 (72)	----	\$2,180,382
<i>MSCI All Country World Ex US Net</i>		<i>3.2 ---</i>	<i>3.2 ---</i>	<i>-5.7 ---</i>	<i>1.5 ---</i>	<i>1.1 ---</i>	<i>---</i>
<b>TOTAL</b>	<b>(International Equity)</b>	<b>5.1 (38)</b>	<b>5.1 (38)</b>	<b>-4.3 (64)</b>	<b>1.7 (72)</b>	<b>1.3 (74)</b>	<b>\$2,180,382</b>
<i>MSCI All Country World Ex US Net</i>		<i>3.2 ---</i>	<i>3.2 ---</i>	<i>-5.7 ---</i>	<i>1.5 ---</i>	<i>1.1 ---</i>	<i>---</i>

### INTERNATIONAL EQUITY RETURN COMPARISONS



International Equity Universe

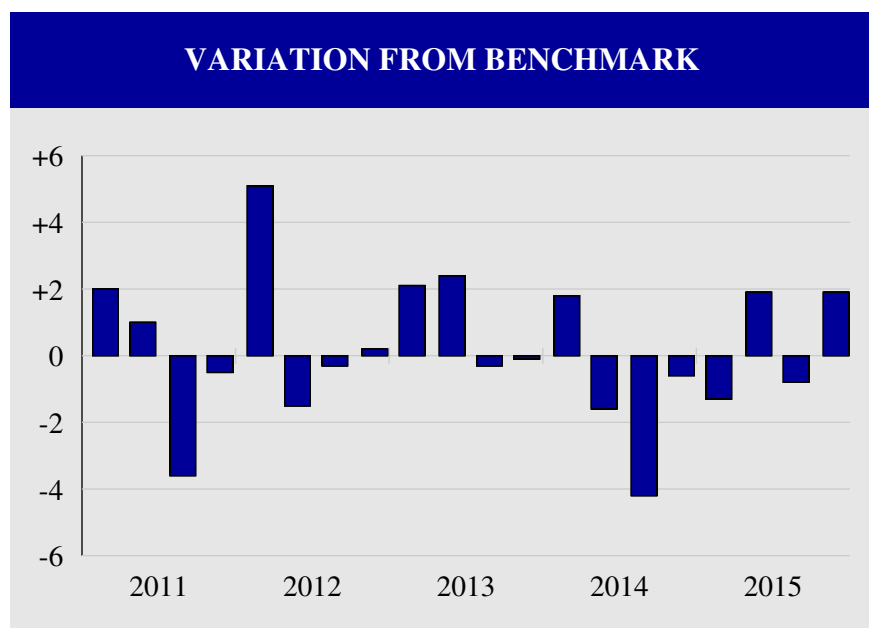


	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	5.1	-8.5	-6.3	-4.3	1.7	1.3
(RANK)	(38)	(62)	(56)	(64)	(72)	(74)
5TH %ILE	9.3	2.5	6.3	15.9	15.0	10.5
25TH %ILE	6.0	-3.3	-1.1	4.2	8.9	6.7
MEDIAN	4.5	-6.4	-5.2	-0.7	5.4	4.4
75TH %ILE	2.3	-11.7	-10.7	-8.9	0.2	1.1
95TH %ILE	-1.4	-17.6	-17.2	-16.5	-7.2	-4.7
<b>ACWI Ex US Net</b>	<b>3.2</b>	<b>-9.3</b>	<b>-8.9</b>	<b>-5.7</b>	<b>1.5</b>	<b>1.1</b>

International Equity Universe

## INTERNATIONAL EQUITY QUARTERLY PERFORMANCE SUMMARY

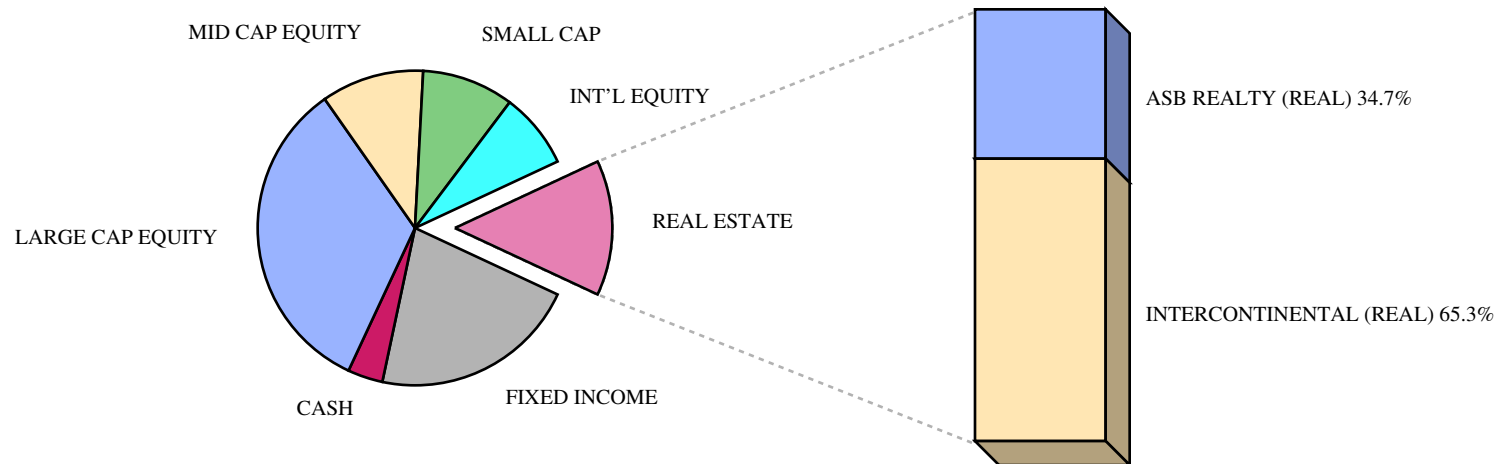
COMPARATIVE BENCHMARK: MSCI ALL COUNTRY WORLD EX US NET



<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>9</b>
<b>Quarters Below the Benchmark</b>	<b>11</b>
<b>Batting Average</b>	<b>.450</b>

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
3/11	5.4	3.4	2.0
6/11	1.4	0.4	1.0
9/11	-23.5	-19.9	-3.6
12/11	3.2	3.7	-0.5
3/12	16.3	11.2	5.1
6/12	-9.1	-7.6	-1.5
9/12	7.1	7.4	-0.3
12/12	6.1	5.9	0.2
3/13	5.3	3.2	2.1
6/13	-0.7	-3.1	2.4
9/13	9.8	10.1	-0.3
12/13	4.7	4.8	-0.1
3/14	2.3	0.5	1.8
6/14	3.4	5.0	-1.6
9/14	-9.5	-5.3	-4.2
12/14	-4.5	-3.9	-0.6
3/15	2.2	3.5	-1.3
6/15	2.4	0.5	1.9
9/15	-13.0	-12.2	-0.8
12/15	5.1	3.2	1.9

**REAL ESTATE MANAGER SUMMARY**

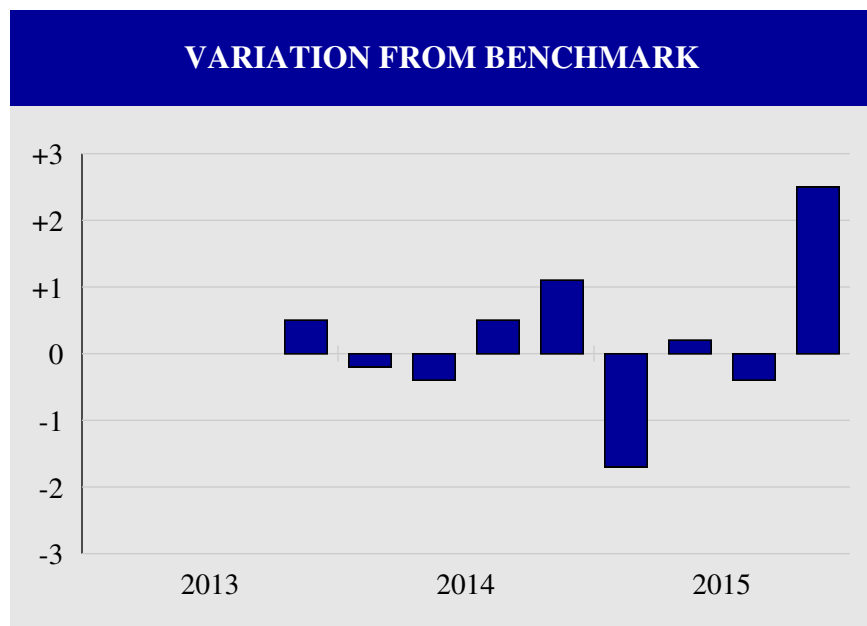


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
ASB REALTY		5.6 ---	5.6 ---	17.3 ---	--- ---	--- ---	\$1,347,671
INTERCONTINENTAL		5.9 ---	5.9 ---	14.8 ---	--- ---	--- ---	\$2,541,485
<i>NCREIF NFI-ODCE Index</i>		3.3 ---	3.3 ---	15.0 ---	13.8 ---	13.6 ---	---
<b>TOTAL</b>		<b>5.8 ---</b>	<b>5.8 ---</b>	<b>15.7 ---</b>	<b>--- ---</b>	<b>--- ---</b>	<b>\$3,889,156</b>
<i>NCREIF NFI-ODCE Index</i>		3.3 ---	3.3 ---	15.0 ---	13.8 ---	13.6 ---	---



**REAL ESTATE QUARTERLY PERFORMANCE SUMMARY**

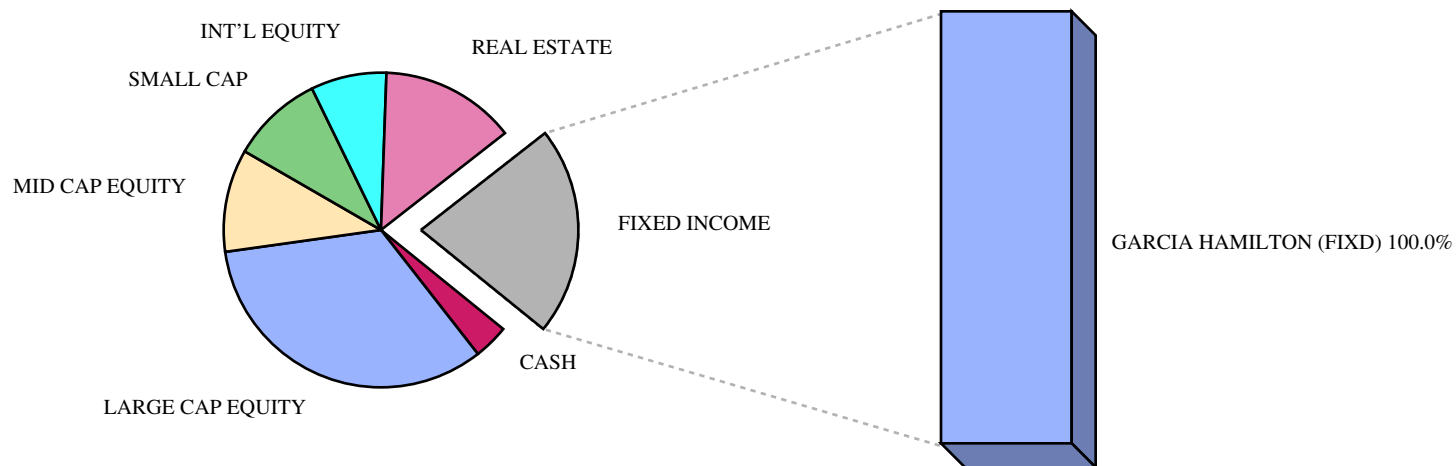
**COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/13	3.7	3.2	0.5
3/14	2.3	2.5	-0.2
6/14	2.5	2.9	-0.4
9/14	3.7	3.2	0.5
12/14	4.4	3.3	1.1
3/15	1.7	3.4	-1.7
6/15	4.0	3.8	0.2
9/15	3.3	3.7	-0.4
12/15	5.8	3.3	2.5

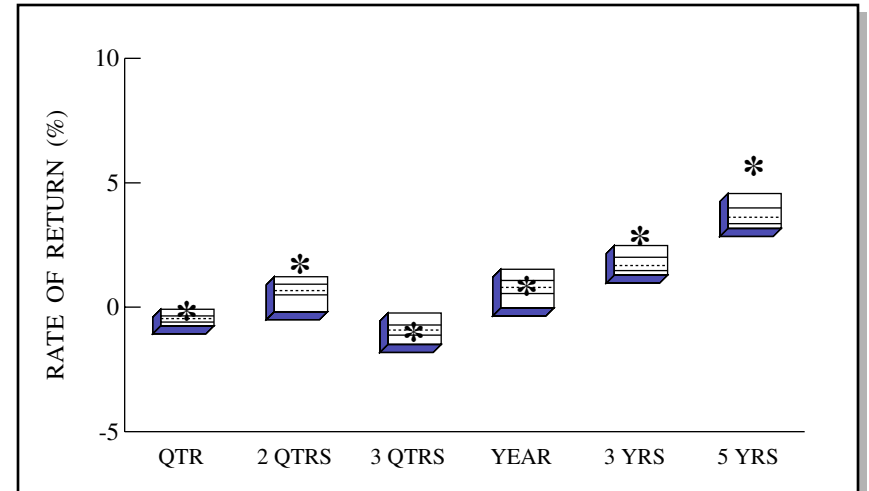
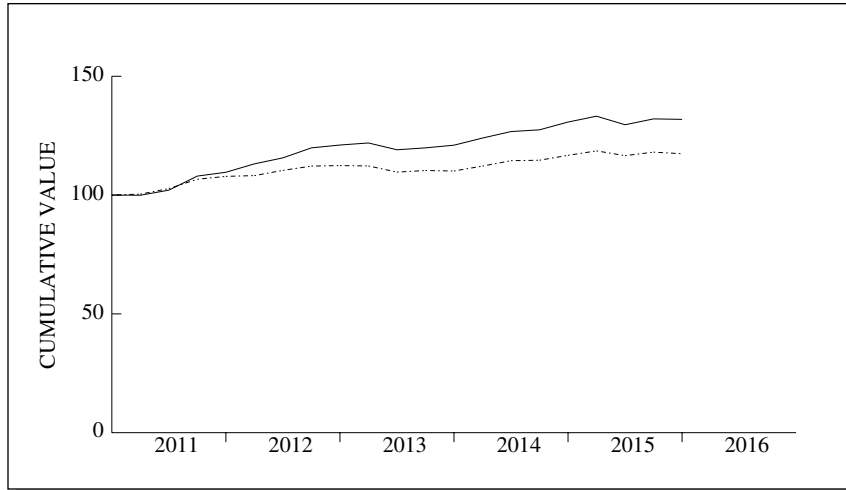
<b>Total Quarters Observed</b>	<b>9</b>
<b>Quarters At or Above the Benchmark</b>	<b>5</b>
<b>Quarters Below the Benchmark</b>	<b>4</b>
<b>Batting Average</b>	<b>.556</b>

**FIXED INCOME MANAGER SUMMARY**

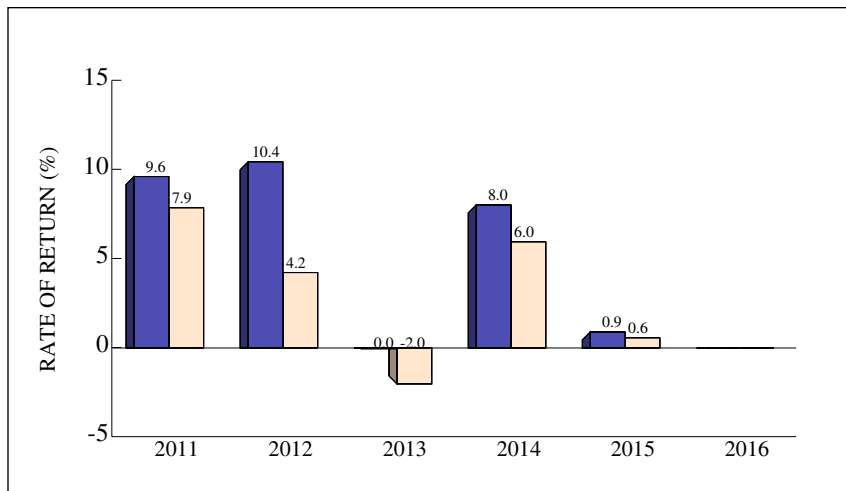


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
GARCIA HAMILTON	(Core Fixed Income)	-0.1 (6)	-0.1 (6)	0.9 (37)	2.9 (2)	----	\$5,993,280
<i>Barclays Aggregate Index</i>		<i>-0.6 ----</i>	<i>-0.6 ----</i>	<i>0.6 ----</i>	<i>1.4 ----</i>	<i>3.3 ----</i>	<i>----</i>
<b>TOTAL</b>	<b>(Core Fixed Income)</b>	<b>-0.1 (6)</b>	<b>-0.1 (6)</b>	<b>0.9 (37)</b>	<b>2.9 (2)</b>	<b>5.7 (1)</b>	<b>\$5,993,280</b>
<i>Barclays Aggregate Index</i>		<i>-0.6 ----</i>	<i>-0.6 ----</i>	<i>0.6 ----</i>	<i>1.4 ----</i>	<i>3.3 ----</i>	<i>----</i>

**FIXED INCOME RETURN COMPARISONS**



Core Fixed Income Universe

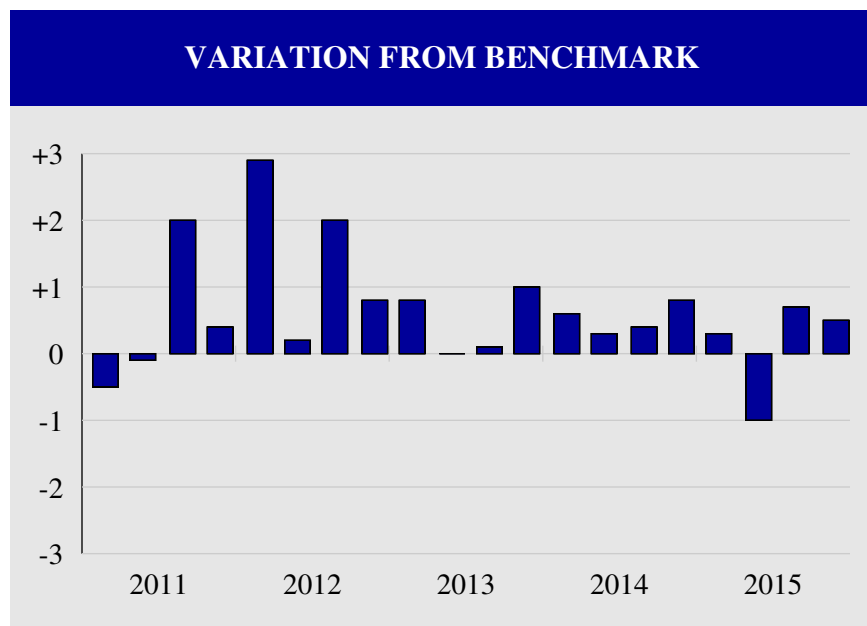


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-0.1	1.8	-1.0	0.9	2.9	5.7
(RANK)	(6)	(1)	(54)	(37)	(2)	(1)
5TH %ILE	-0.1	1.2	-0.2	1.5	2.5	4.6
25TH %ILE	-0.4	0.9	-0.7	1.1	2.0	4.0
MEDIAN	-0.5	0.7	-0.9	0.8	1.7	3.6
75TH %ILE	-0.6	0.5	-1.1	0.6	1.5	3.4
95TH %ILE	-0.8	-0.2	-1.5	0.0	1.3	3.2
<b>Agg Index</b>	<b>-0.6</b>	<b>0.7</b>	<b>-1.0</b>	<b>0.6</b>	<b>1.4</b>	<b>3.3</b>

Core Fixed Income Universe

**FIXED INCOME QUARTERLY PERFORMANCE SUMMARY**

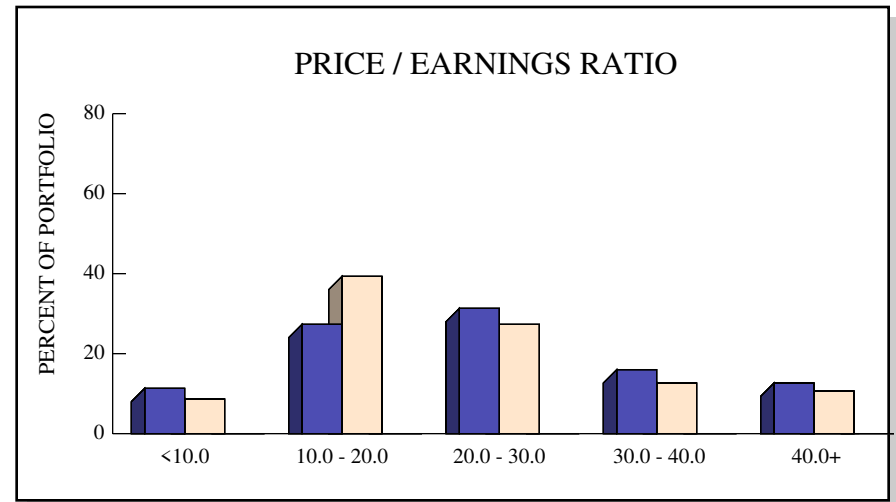
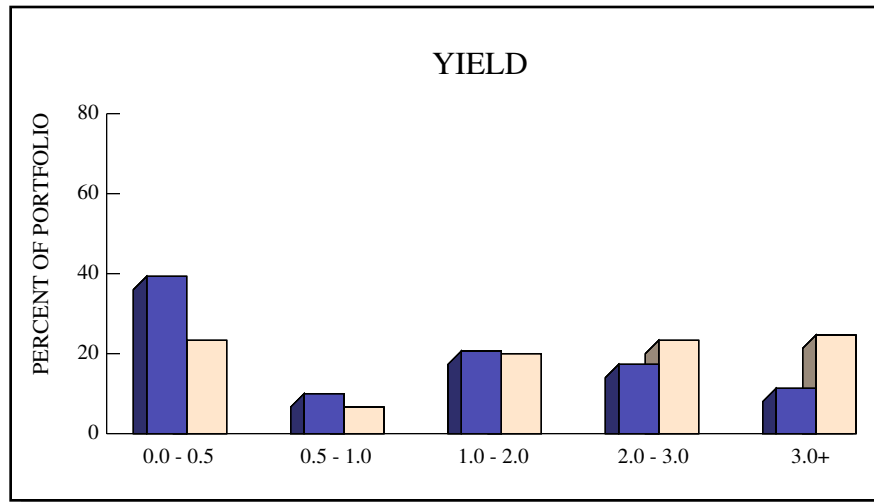
**COMPARATIVE BENCHMARK: BARCLAYS AGGREGATE INDEX**



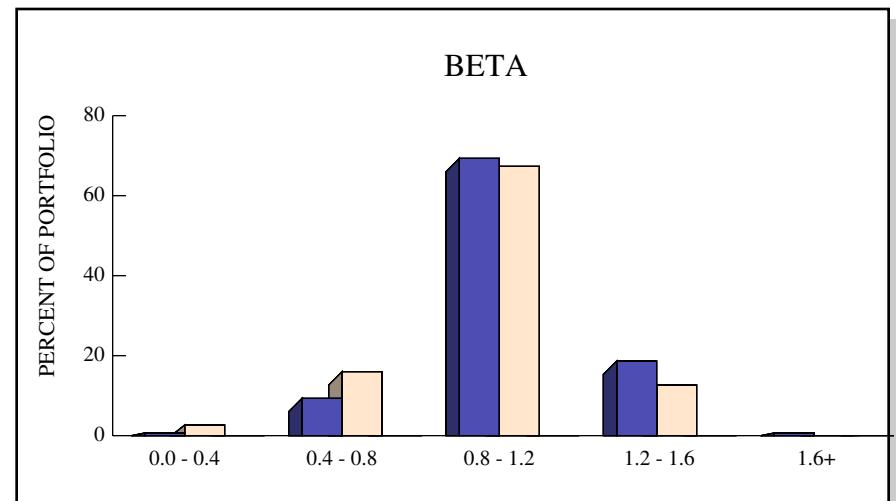
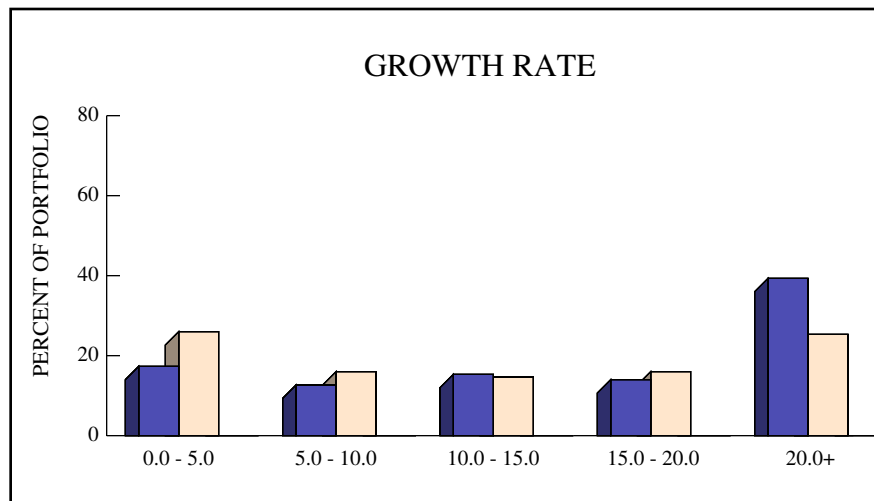
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
3/11	-0.1	0.4	-0.5
6/11	2.2	2.3	-0.1
9/11	5.8	3.8	2.0
12/11	1.5	1.1	0.4
3/12	3.2	0.3	2.9
6/12	2.3	2.1	0.2
9/12	3.6	1.6	2.0
12/12	1.0	0.2	0.8
3/13	0.7	-0.1	0.8
6/13	-2.3	-2.3	0.0
9/13	0.7	0.6	0.1
12/13	0.9	-0.1	1.0
3/14	2.4	1.8	0.6
6/14	2.3	2.0	0.3
9/14	0.6	0.2	0.4
12/14	2.6	1.8	0.8
3/15	1.9	1.6	0.3
6/15	-2.7	-1.7	-1.0
9/15	1.9	1.2	0.7
12/15	-0.1	-0.6	0.5

<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>17</b>
<b>Quarters Below the Benchmark</b>	<b>3</b>
<b>Batting Average</b>	<b>.850</b>

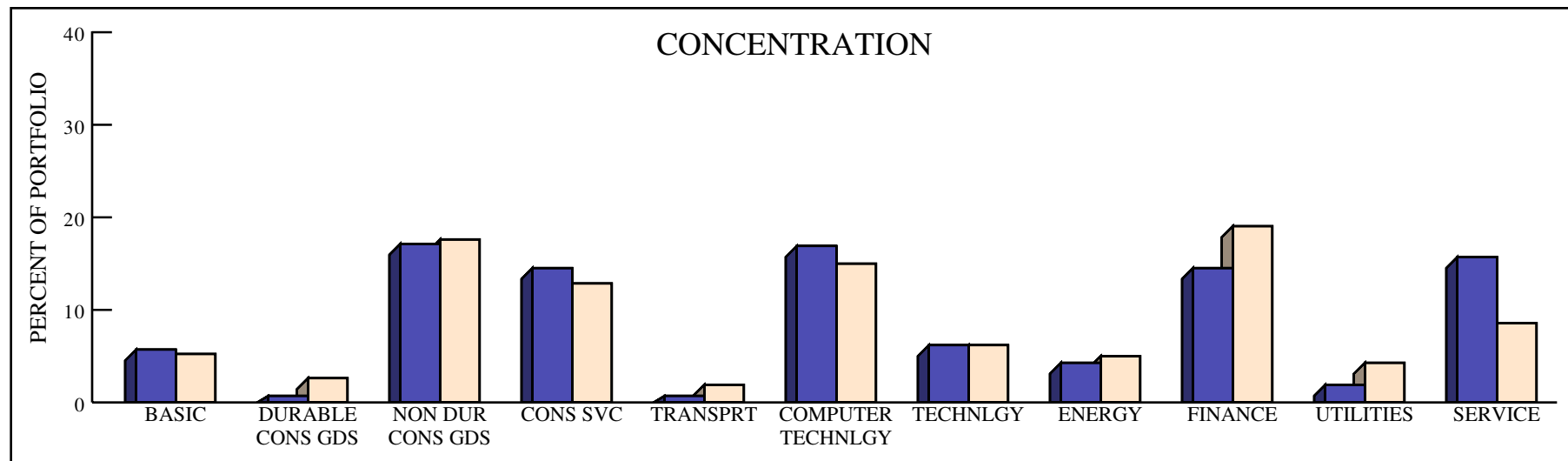
**STOCK CHARACTERISTICS**



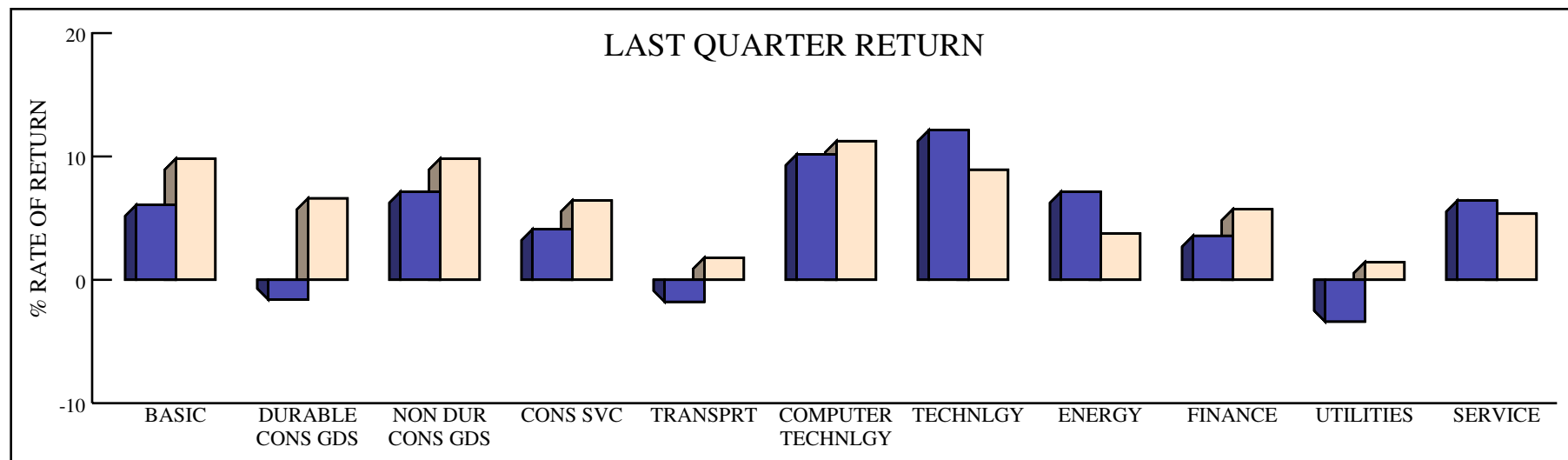
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	241	1.4%	17.1%	25.1	1.03
RUSSELL 3000	3,021	2.0%	13.8%	23.1	0.97



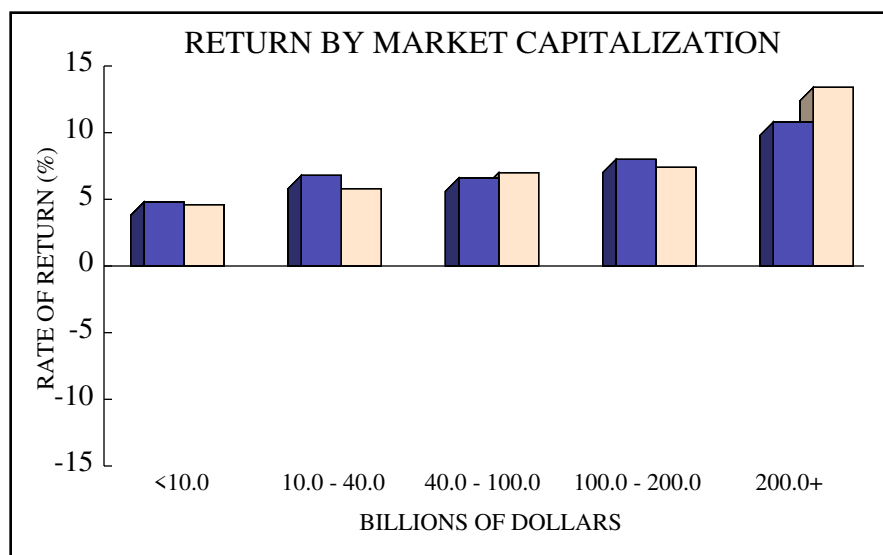
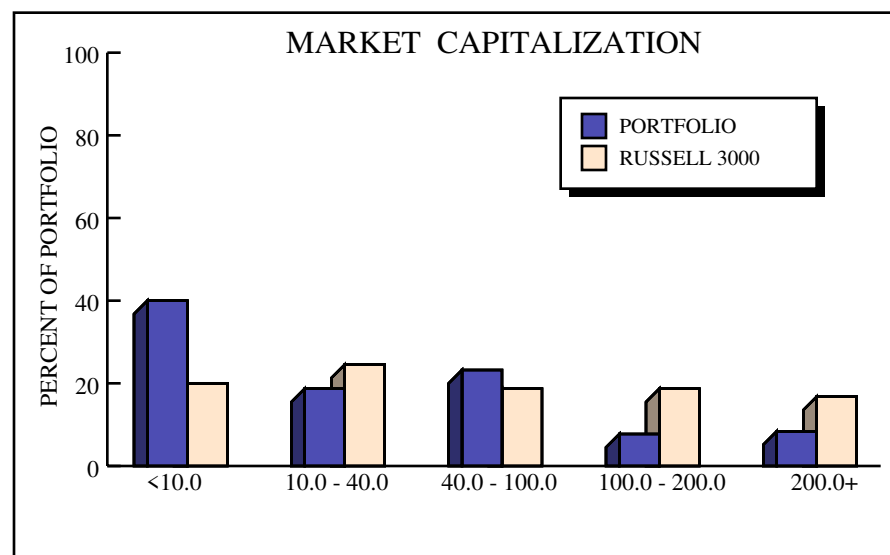
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ RUSSELL 3000



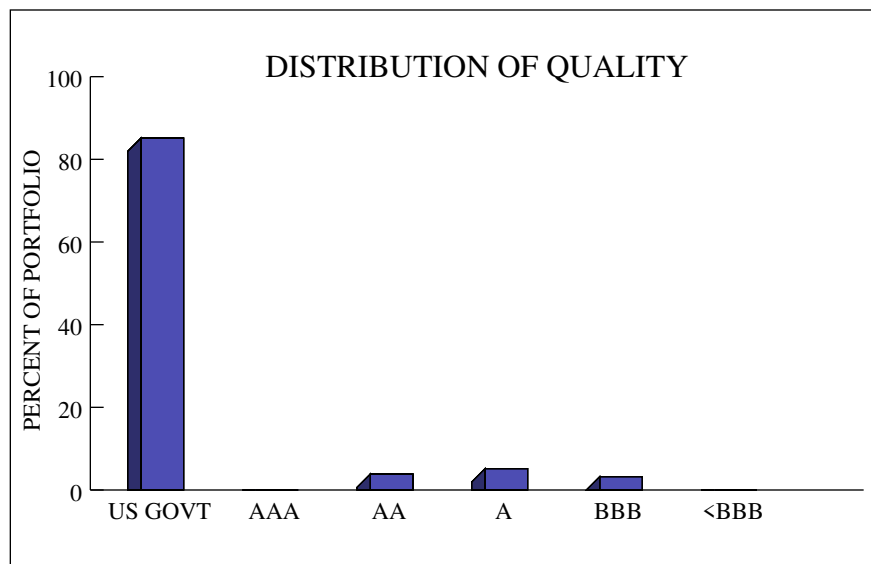
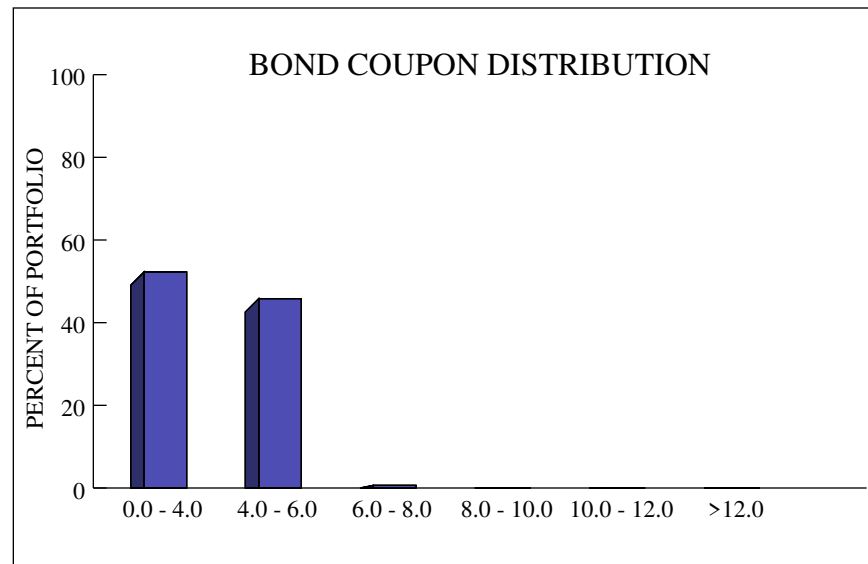
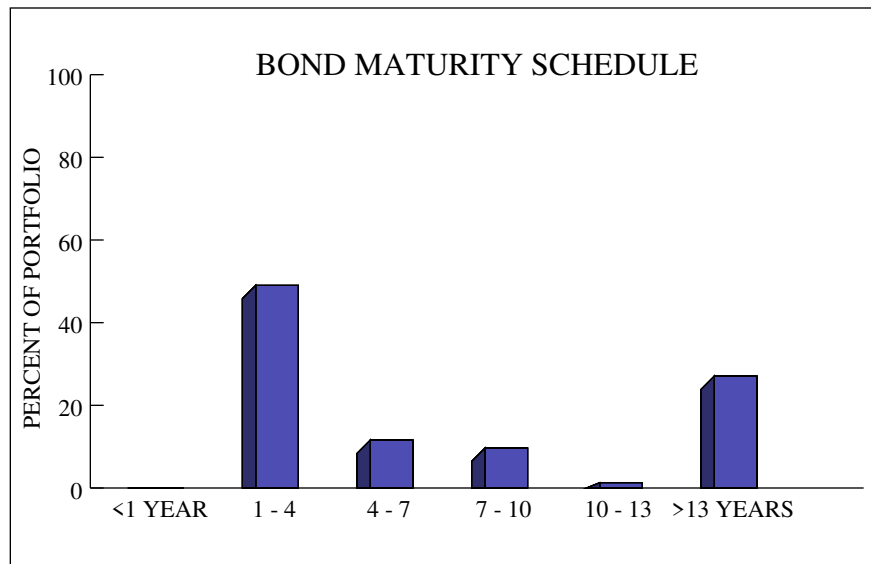
**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	VISA INC-CLASS A SHARES	\$ 438,235	2.93%	11.5%	Finance	\$ 150.1 B
2	NIKE INC -CL B	416,125	2.78%	1.9%	NonDur Cons Goods	84.3 B
3	TJX COMPANIES INC	410,994	2.75%	-0.4%	Consumer Service	47.5 B
4	ALPHABET INC-CL C	366,539	2.45%	24.7%	Computer Tech	262.2 B
5	STARBUCKS CORP	363,121	2.43%	5.9%	Consumer Service	89.1 B
6	ACCENTURE PLC-CL A	346,731	2.32%	6.9%	Service	65.6 B
7	APPLE INC	321,569	2.15%	-4.1%	Computer Tech	586.9 B
8	ABBOTT LABORATORIES	309,250	2.07%	12.2%	NonDur Cons Goods	67.0 B
9	PRICELINE GROUP INC/THE	299,613	2.00%	3.1%	Service	63.5 B
10	REGENERON PHARMACEUTICALS	293,150	1.96%	16.7%	NonDur Cons Goods	55.5 B

**BOND CHARACTERISTICS**



	<b>PORTFOLIO</b>	<b>BARCLAYS AGG</b>
No. of Securities	37	9,720
Duration	7.05	5.68
YTM	2.21	2.59
Average Coupon	3.60	3.18
Avg Maturity / WAL	10.47	7.94
Average Quality	USG-AAA	USG-AAA



**COMPLIANCE REPORT**

Total Portfolio return exceeds the Policy Index for the three or five year period:	YES
Total Portfolio return exceeds 8.0% for the three or five year period:	YES
The Domestic Equity Portfolio return exceeds the Russell 3000 Index for the three or five year period	NO
The Domestic Equity Portfolio rank exceeds the top 40% for the three or five year period	NO
The Large Cap Portfolio return exceeds the Russell 1000 for the three year period	NO
The Large Cap Portfolio rank exceeds the median for the three year period	NO
The Mid Cap Portfolio return exceeds the Russell Mid Cap/S&P 400 for the three year period	YES
The Mid Cap Portfolio rank exceeds the median for the three year period	YES
The Small Cap Portfolio return exceeds the Russell 2000/S&P 600 for the three year period	YES
The Small Cap Portfolio rank exceeds the median for the three year period	YES
The International Equity Portfolio return exceeds the MSCI EAFE Net Index for the three or five year period	NO
The International Equity Portfolio rank exceeds the median for the three or five year period	NO
The Fixed Income Portfolio return exceeds the Barclay's Aggregate Index for the three or five year period	YES
The Fixed Income Portfolio rank exceeds the median for the three or five year period	YES

<i>Total Fund Asset Allocation</i>	<i>Actual</i>	<i>Target</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Compliance</i>
Domestic Equity	53.4%	50.0%	40.0%	60.0%	YES
Int'l Equity	7.8%	15.0%	10.0%	20.0%	NO
Real Estate	13.9%	10.0%	5.0%	15.0%	YES
Domestic Bonds	21.4%	25.0%	15.0%	35.0%	YES
Cash	3.5%	-	-	-	-

<i>Manager Allocation</i>	<i>Actual</i>	<i>Target</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Compliance</i>
Polen Capital	20.2%	15.0%	10.0%	20.0%	NO
Herndon Capital	13.0%	15.0%	10.0%	20.0%	YES
Lee Munder	10.7%	10.0%	5.0%	15.0%	YES
Neuberger Berman	9.5%	10.0%	5.0%	15.0%	YES
Manning & Napier	7.8%	15.0%	10.0%	20.0%	NO
ASB	4.8%	5.0%	0.0%	10.0%	YES
Intercontinental	9.1%	5.0%	0.0%	10.0%	YES
Garcia Hamilton	21.4%	25.0%	15.0%	35.0%	YES
Cash account	3.5%	---	---	---	---

## APPENDIX - MAJOR MARKET INDEX RETURNS

<b>Economic Data</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
Consumer Price Index	Economic Data	-0.6	-0.6	0.7	1.0	1.6
<b>Domestic Equity</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
Russell 3000	Broad Equity	6.3	6.3	0.5	14.7	12.2
S&P 500	Large Cap Core	7.0	7.0	1.4	15.1	12.6
Russell 1000	Large Cap	6.5	6.5	0.9	15.0	12.4
Russell 1000 Growth	Large Cap Growth	7.3	7.3	5.7	16.8	13.5
Russell 1000 Value	Large Cap Value	5.6	5.6	-3.8	13.1	11.3
Russell Mid Cap	Midcap	3.6	3.6	-2.4	14.2	11.4
Russell Mid Cap Growth	Midcap Growth	4.1	4.1	-0.2	14.9	11.5
Russell Mid Cap Value	Midcap Value	3.1	3.1	-4.8	13.4	11.2
Russell 2000	Small Cap	3.6	3.6	-4.4	11.7	9.2
Russell 2000 Growth	Small Cap Growth	4.3	4.3	-1.4	14.3	10.7
Russell 2000 Value	Small Cap Value	2.9	2.9	-7.5	9.1	7.7
<b>International Equity</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
MSCI All Country World Ex US	Foreign Equity	3.3	3.3	-5.3	1.9	1.5
MSCI EAFE	Developed Markets Equity	4.7	4.7	-0.4	5.5	4.0
MSCI EAFE Growth	Developed Markets Growth	6.7	6.7	4.5	7.2	5.0
MSCI EAFE Value	Developed Markets Value	2.7	2.7	-5.2	3.7	3.1
MSCI Emerging Markets	Emerging Markets Equity	0.7	0.7	-14.6	-6.4	-4.5
<b>Domestic Fixed Income</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
Barclays Aggregate Index	Core Fixed Income	-0.6	-0.6	0.6	1.4	3.3
Barclays Capital Gov't Bond	Treasuries	-0.9	-0.9	0.8	1.0	2.8
Barclays Capital Credit Bond	Corporate Bonds	-0.5	-0.5	-0.8	1.5	4.4
Intermediate Aggregate	Core Intermediate	-0.5	-0.5	1.2	1.4	2.7
ML/BoA 1-3 Year Treasury	Short Term Treasuries	-0.4	-0.4	0.5	0.5	0.6
Citi High Yield BB & B Index	High Yield Bonds	-1.7	-1.7	-4.2	1.5	5.0
<b>Alternative Assets</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
Barclays Global Ex US	International Treasuries	-1.1	-1.1	-4.8	-4.2	-1.4
NCREIF NFI-ODCE Index	Real Estate	3.3	3.3	15.0	13.8	13.6
HFRI FOF Composite	Hedge Funds	0.6	0.6	-0.4	3.9	2.1

**APPENDIX - DISCLOSURES**

\* The policy index is a policy-weighted passive index that was constructed as follows:

For Periods ending March 31, 2010:

60% Russell 3000 Index	5% MSCI EAFE Net Index
35% Barclays Aggregate Index	

For Periods from March 31, 2010 through September 30, 2011:

50% Russell 3000 Index	15% MSCI EAFE Net Index
35% Barclays Aggregate Index	

For Periods since September 30, 2011 through September 30, 2013:

55% Russell 3000 Index	15% MSCI ACWI Ex US Net Index
30% Barclays Aggregate Index	

For Periods since September 30, 2013

50% Russell 3000 Index	15% MSCI ACWI Ex US Net Index
10% NCREIF-ODCE Index	25% Barclays Aggregate Index

For Periods since September 30, 2014

50% Russell 3000 Index	15% MSCI ACWI Ex US Net Index
15% NCREIF-ODCE Index	20% Barclays Aggregate Index

\* Dahab Associates utilizes data provided by a custodian and other vendors it believes are reliable. However, it cannot assume responsibility for errors and omissions therefrom.

\* All returns were calculated on a time-weighted basis, and are gross of fees unless otherwise noted.

\* All returns for periods greater than one year are annualized.

\* Dahab Associates uses the modified duration measure to present average duration.

\* All values are in US dollars.

SANFORD FIREFIGHTERS PENSION FUND  
POLEN CAPITAL MANAGEMENT - LARGE CAP GROWTH  
PERFORMANCE REVIEW  
DECEMBER 2015

## **INVESTMENT RETURN**

On December 31st, 2015, the Sanford Firefighters Pension Fund's Polen Capital Management Large Cap Growth portfolio was valued at \$5,672,294, representing an increase of \$418,013 from the September quarter's ending value of \$5,254,281. Last quarter, the Fund posted withdrawals totaling \$8,508, which partially offset the portfolio's net investment return of \$426,521. Income receipts totaling \$13,020 plus net realized and unrealized capital gains of \$413,501 combined to produce the portfolio's net investment return.

For the cumulative period since September 2011, the fund has recorded net withdrawals totaling \$1.0 million and posted net investment gains of \$3.2 million. For the period since September 2011, if the total fund had returned a compounded nominal rate of 9.0% it would have been valued at \$3.7 million or \$1.9 million less than the actual value as of December 31st, 2015.

## **RELATIVE PERFORMANCE**

In the fourth quarter, the Polen Capital Management Large Cap Growth portfolio gained 8.1%, which was 0.8% above the Russell 1000 Growth Index's return of 7.3% and ranked in the 27th percentile of the Large Cap Growth universe. Over the trailing year, the portfolio returned 15.9%, which was 10.2% greater than the benchmark's 5.7% performance, and ranked in the 3rd percentile. Since September 2011, the portfolio returned 18.9% on an annualized basis and ranked in the 33rd percentile. For comparison, the Russell 1000 Growth returned an annualized 18.2% over the same period.

## **ANALYSIS**

By quarter's end, the portfolio was concentrated in five of the eleven industry sectors in the analysis. It was overweight in each sector: Nondurable Consumer Goods, Consumer Service, Computer Technology, Finance, and Service. Although the index featured allocations in all eleven sectors, its greatest concentrations were in the sectors invested in by the portfolio.

Success was mixed across the five sectors. Nondurable Consumer Goods and Consumer Service underperformed, while Computer Technology and Finance outperformed. Service matched the return of the benchmark, each gaining 5.2%.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

				-----Annualized-----	
	Quarter	FYTD	1 Year	3 Year	Since 09/11
<b>Total Portfolio - Gross</b>	8.1	8.1	15.9	18.9	18.9
<i>LARGE CAP GROWTH RANK</i>	(27)	(27)	( 3)	(15)	(33)
<b>Total Portfolio - Net</b>	8.0	8.0	15.2	18.2	18.1
RUSSELL 1000G	7.3	7.3	5.7	16.8	18.2
<b>Large Cap Equity</b>	8.1	8.1	15.9	18.9	18.9
<i>LARGE CAP GROWTH RANK</i>	(27)	(27)	( 3)	(15)	(33)
RUSSELL 1000G	7.3	7.3	5.7	16.8	18.2

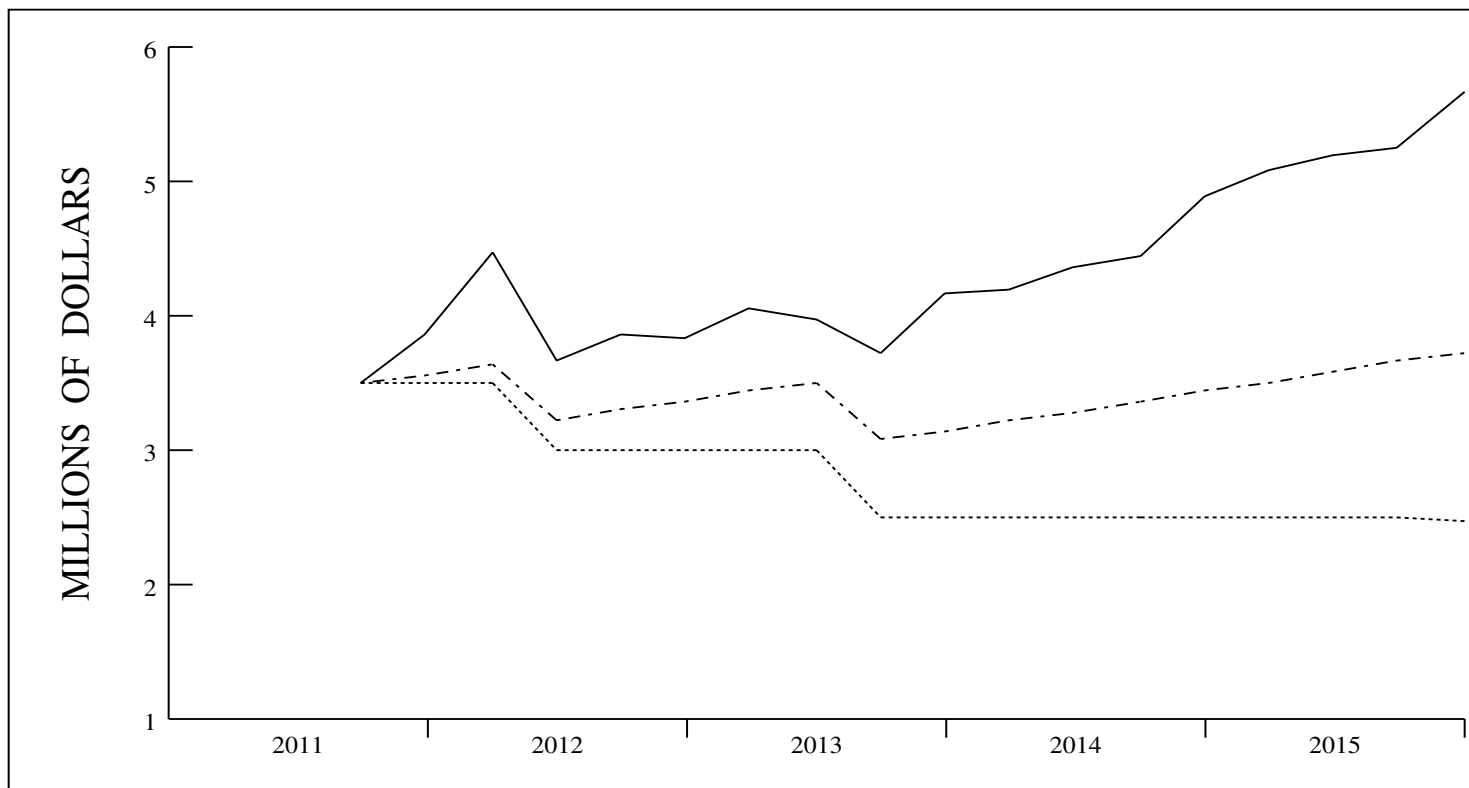
**ASSET ALLOCATION**

Large Cap Equity	100.0%	\$ 5,672,294
Total Portfolio	100.0%	\$ 5,672,294

**INVESTMENT RETURN**

Market Value 9/2015	\$ 5,254,281
Contribs / Withdrawals	- 8,508
Income	13,020
Capital Gains / Losses	413,501
Market Value 12/2015	\$ 5,672,294

**INVESTMENT GROWTH**

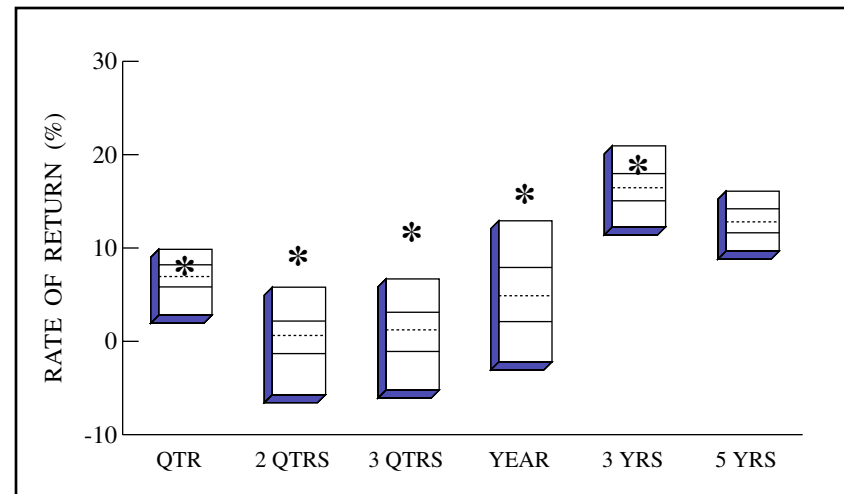
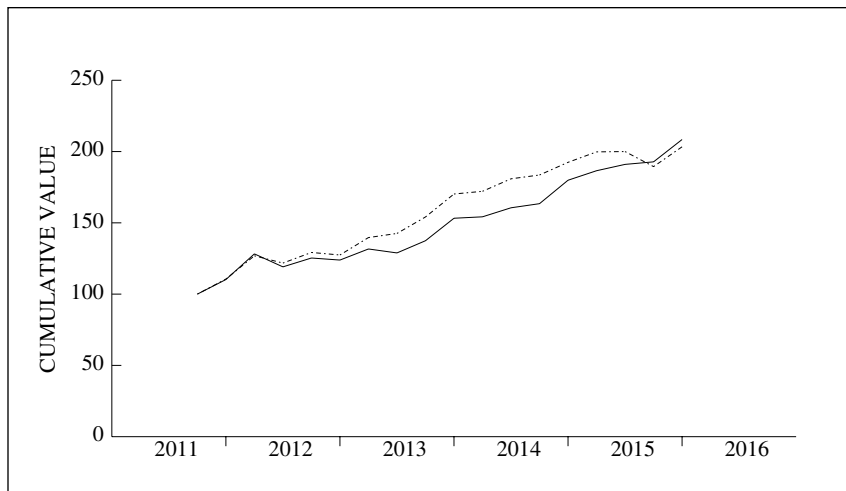


— ACTUAL RETURN  
 - - - 9.0%  
 . . . 0.0%

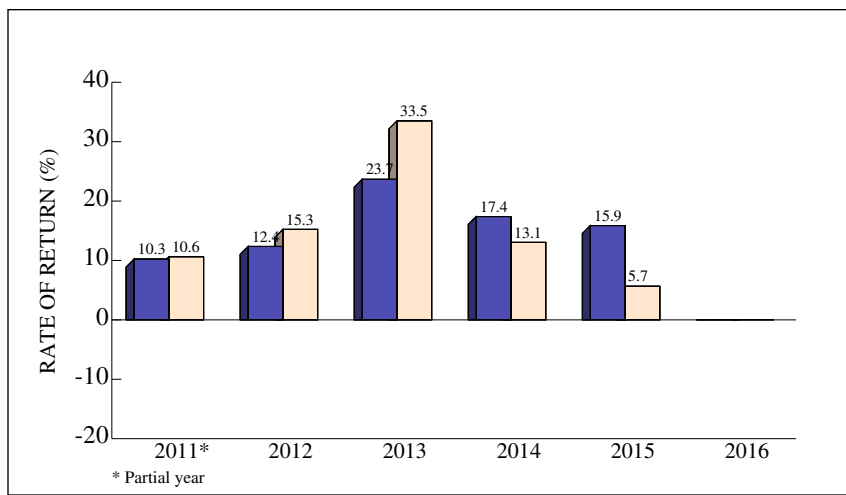
VALUE ASSUMING  
 9.0% RETURN \$ 3,749,246

	LAST QUARTER	PERIOD 9/11 - 12/15
BEGINNING VALUE	\$ 5,254,281	\$ 3,506,655
NET CONTRIBUTIONS	- 8,508	- 1,014,519
<u>INVESTMENT RETURN</u>	<u>426,521</u>	<u>3,180,158</u>
ENDING VALUE	\$ 5,672,294	\$ 5,672,294
INCOME	13,020	197,181
<u>CAPITAL GAINS (LOSSES)</u>	<u>413,501</u>	<u>2,982,977</u>
INVESTMENT RETURN	426,521	3,180,158

**TOTAL RETURN COMPARISONS**



Large Cap Growth Universe



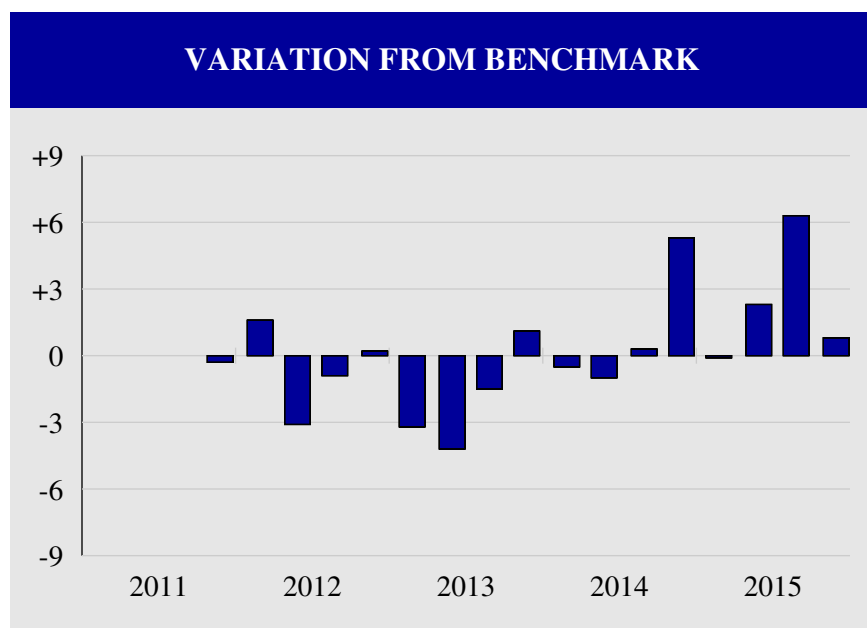
	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	8.1	9.2	11.7	15.9	18.9	---
(RANK)	(27)	(2)	(1)	(3)	(15)	---
5TH %ILE	9.9	5.8	6.7	12.9	21.0	16.1
25TH %ILE	8.2	2.2	3.1	7.9	18.0	14.2
MEDIAN	6.9	0.6	1.2	4.9	16.5	12.8
75TH %ILE	5.8	-1.3	-1.1	2.1	15.1	11.6
95TH %ILE	2.8	-5.7	-5.2	-2.2	12.3	9.7
<b>Russ 1000G</b>	<b>7.3</b>	<b>1.6</b>	<b>1.8</b>	<b>5.7</b>	<b>16.8</b>	<b>13.5</b>

Large Cap Growth Universe



**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

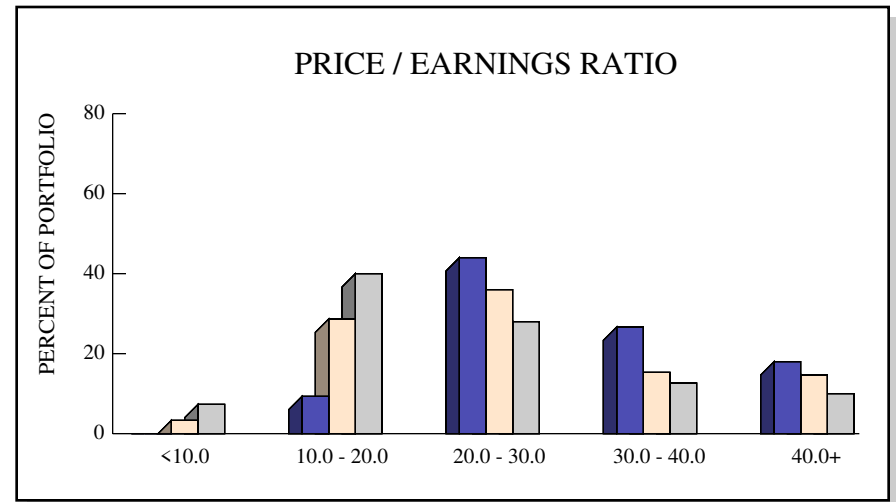
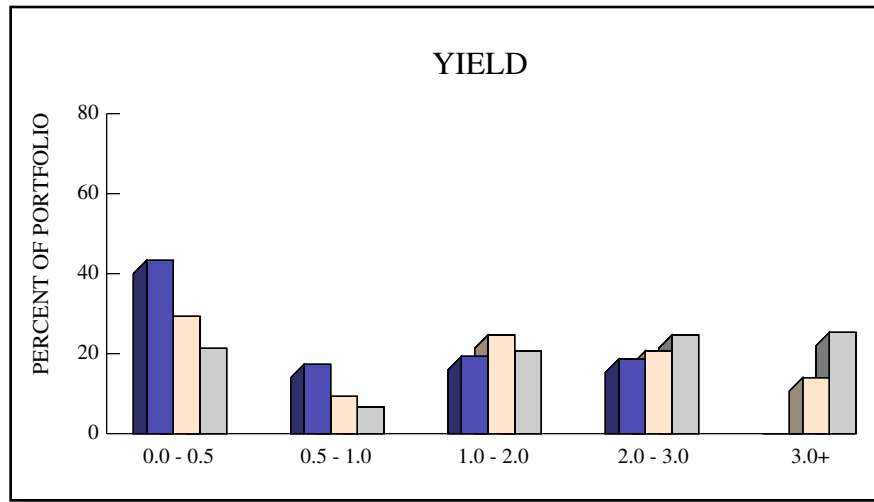
**COMPARATIVE BENCHMARK: RUSSELL 1000 GROWTH**



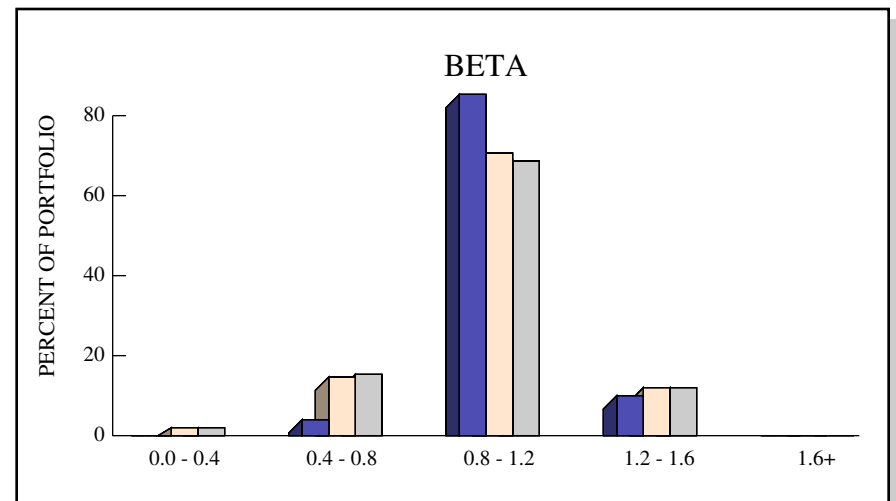
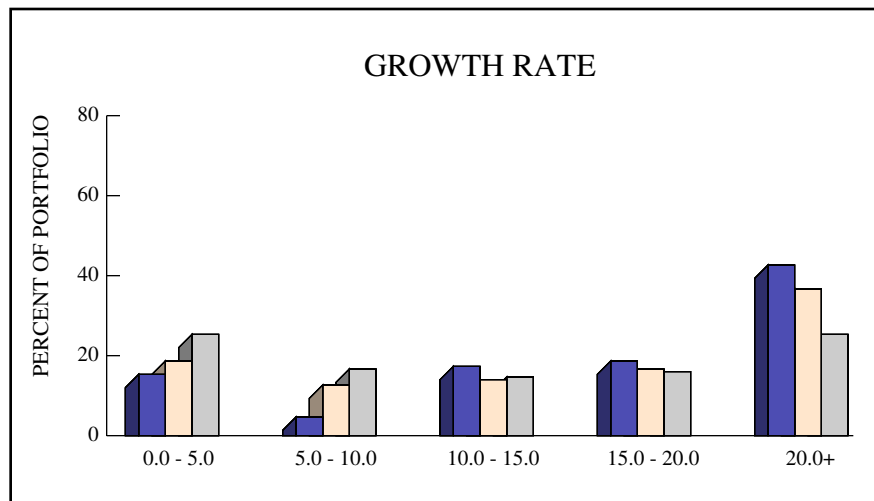
<b>Total Quarters Observed</b>	<b>17</b>
<b>Quarters At or Above the Benchmark</b>	<b>8</b>
<b>Quarters Below the Benchmark</b>	<b>9</b>
<b>Batting Average</b>	<b>.471</b>

<b>RATES OF RETURN</b>			
Date	Portfolio	Benchmark	Difference
12/11	10.3	10.6	-0.3
3/12	16.3	14.7	1.6
6/12	-7.1	-4.0	-3.1
9/12	5.2	6.1	-0.9
12/12	-1.1	-1.3	0.2
3/13	6.3	9.5	-3.2
6/13	-2.1	2.1	-4.2
9/13	6.6	8.1	-1.5
12/13	11.5	10.4	1.1
3/14	0.6	1.1	-0.5
6/14	4.1	5.1	-1.0
9/14	1.8	1.5	0.3
12/14	10.1	4.8	5.3
3/15	3.7	3.8	-0.1
6/15	2.4	0.1	2.3
9/15	1.0	-5.3	6.3
12/15	8.1	7.3	0.8

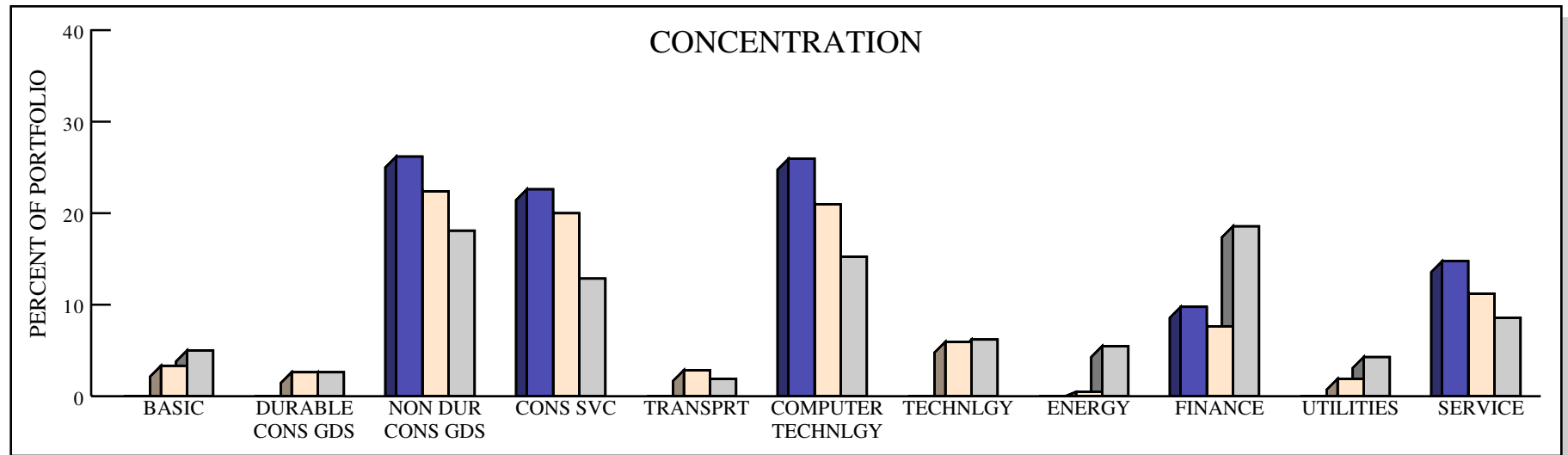
**STOCK CHARACTERISTICS**



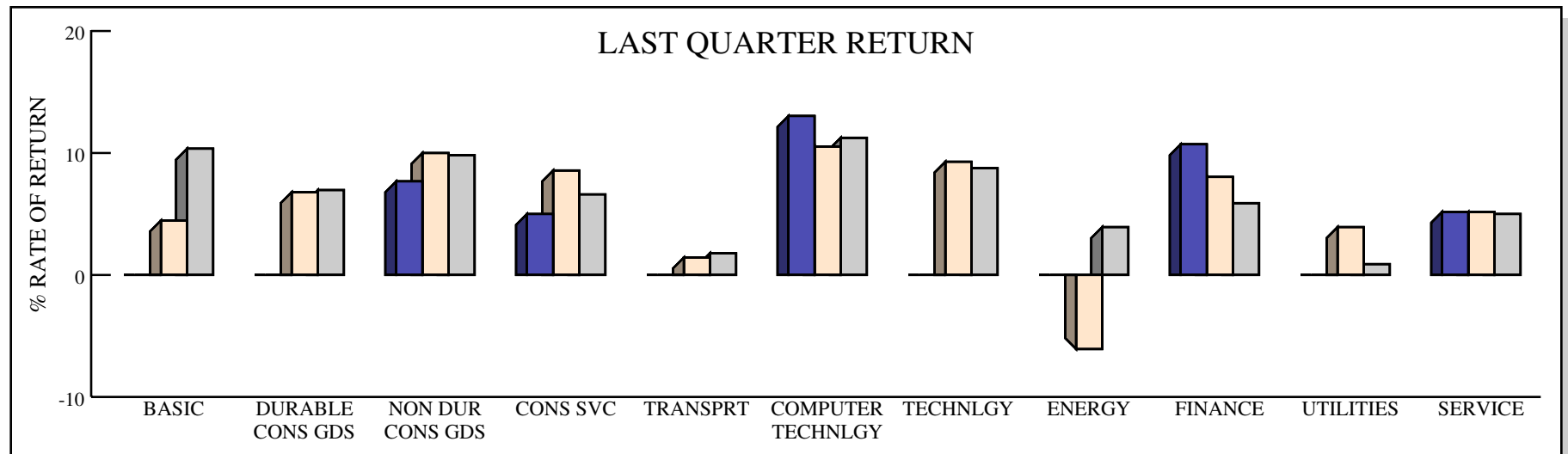
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
<span style="color: blue;">■</span> PORTFOLIO	21	0.9%	17.4%	34.2	1.01
<span style="color: orange;">■</span> RUSSELL 1000G	644	1.6%	17.7%	27.4	0.98
<span style="color: gray;">■</span> RUSSELL 1000	1,033	2.1%	13.9%	23.3	0.97



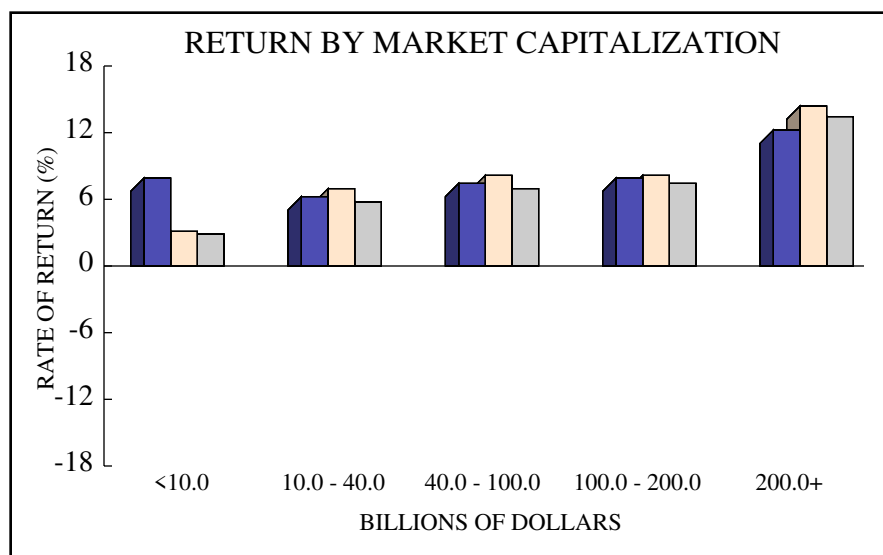
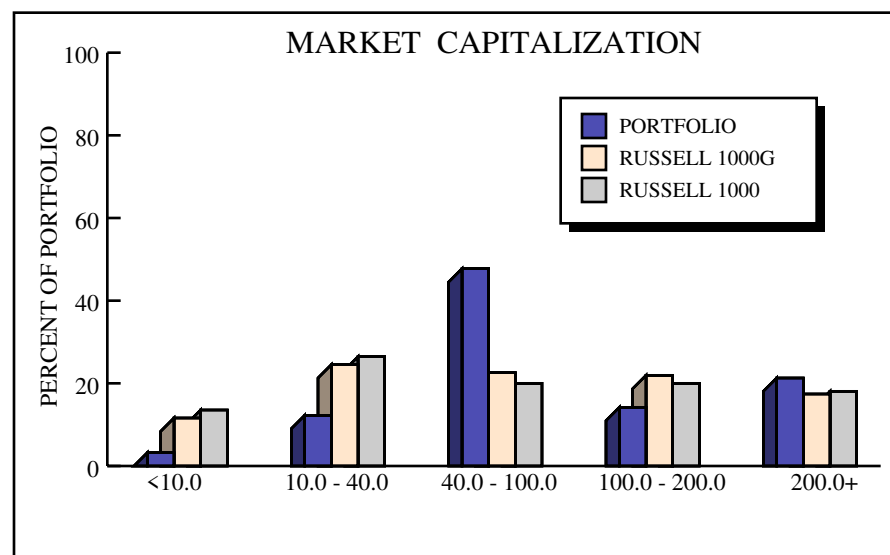
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO    
 ■ RUSSELL 1000 GROWTH    
 ■ RUSSELL 1000



**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	VISA INC-CLASS A SHARES	\$ 438,235	7.73%	11.5%	Finance	\$ 150.1 B
2	NIKE INC -CL B	416,125	7.34%	1.9%	NonDur Cons Goods	84.3 B
3	ALPHABET INC-CL C	366,539	6.46%	24.7%	Computer Tech	262.2 B
4	STARBUCKS CORP	363,121	6.40%	5.9%	Consumer Service	89.1 B
5	ABBOTT LABORATORIES	309,250	5.45%	12.2%	NonDur Cons Goods	67.0 B
6	PRICELINE GROUP INC/THE	299,613	5.28%	3.1%	Service	63.5 B
7	REGENERON PHARMACEUTICALS	293,150	5.17%	16.7%	NonDur Cons Goods	55.5 B
8	TJX COMPANIES INC	277,045	4.88%	-0.4%	Consumer Service	47.5 B
9	ACCENTURE PLC-CL A	268,252	4.73%	6.9%	Service	65.6 B
10	AUTOMATIC DATA PROCESSING	257,549	4.54%	6.0%	Service	39.1 B

SANFORD FIREFIGHTERS PENSION FUND  
HERNDON CAPITAL MANAGEMENT - LARGE CAP US VALUE  
PERFORMANCE REVIEW  
DECEMBER 2015

## **INVESTMENT RETURN**

On December 31st, 2015, the Sanford Firefighters Pension Fund's Herndon Capital Management Large Cap US Value portfolio was valued at \$3,654,388, representing an increase of \$108,380 from the September quarter's ending value of \$3,546,008. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$108,380 in net investment returns. Income receipts totaling \$19,675 plus net realized and unrealized capital gains of \$88,705 combined to produce the portfolio's net investment return figure.

For the cumulative period since September 2011, the account has recorded net withdrawals totaling \$998,322 and net investment gains of \$1.7 million. Since September 2011, if the total account had earned a compounded nominal rate of 9.0% it would have been worth \$3.0 million or \$651,668 less than the actual value as of December 31st, 2015.

## **RELATIVE PERFORMANCE**

During the fourth quarter, the Herndon Capital Management Large Cap US Value portfolio gained 3.1%, which was 2.5% below the Russell 1000 Value Index's return of 5.6% and ranked in the 88th percentile of the Large Cap Value universe. Over the trailing year, the portfolio returned -5.5%, which was 1.7% below the benchmark's -3.8% performance, ranking in the 80th percentile. Since September 2011, the account returned 11.8% on an annualized basis and ranked in the 96th percentile. For comparison, the Russell 1000 Value returned an annualized 16.6% over the same period.

## **ANALYSIS**

At the end of the quarter, the Herndon portfolio was diversified across nine of the eleven industry sectors in the industry sectors. Compared to the Russell 1000 Value index, the portfolio was overweight in the Nondurable Consumer Goods, Technology, Energy, and Service sectors, while underweight in Basic, Computer Technology, and Finance. Durable Consumer Goods and Utilities were left unfunded.

Five of the nine invested sectors underperformed the index, including the overweight Nondurable Consumer Goods (19.0% allocation) and the heavily weighted Finance sector (21.1% allocation), which posted a negative return compared to the benchmark's gain. Moreover, the Computer Technology sector lost 9.6% relative to the index's 13.4% return. Despite outperformances in the overweight Technology and Service sectors, the portfolio delivered a 250 basis point shortfall.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

				-----Annualized-----	
	Quarter	FYTD	1 Year	3 Year	Since 09/11
<b>Total Portfolio - Gross</b>	3.1	3.1	-5.5	8.5	11.8
<i>LARGE CAP VALUE RANK</i>	(88)	(88)	(80)	(96)	(96)
<b>Total Portfolio - Net</b>	2.9	2.9	-6.1	7.8	11.1
RUSSELL 1000V	5.6	5.6	-3.8	13.1	16.6
<b>Large Cap Equity</b>	3.1	3.1	-5.5	8.5	11.8
<i>LARGE CAP VALUE RANK</i>	(88)	(88)	(80)	(96)	(96)
RUSSELL 1000V	5.6	5.6	-3.8	13.1	16.6

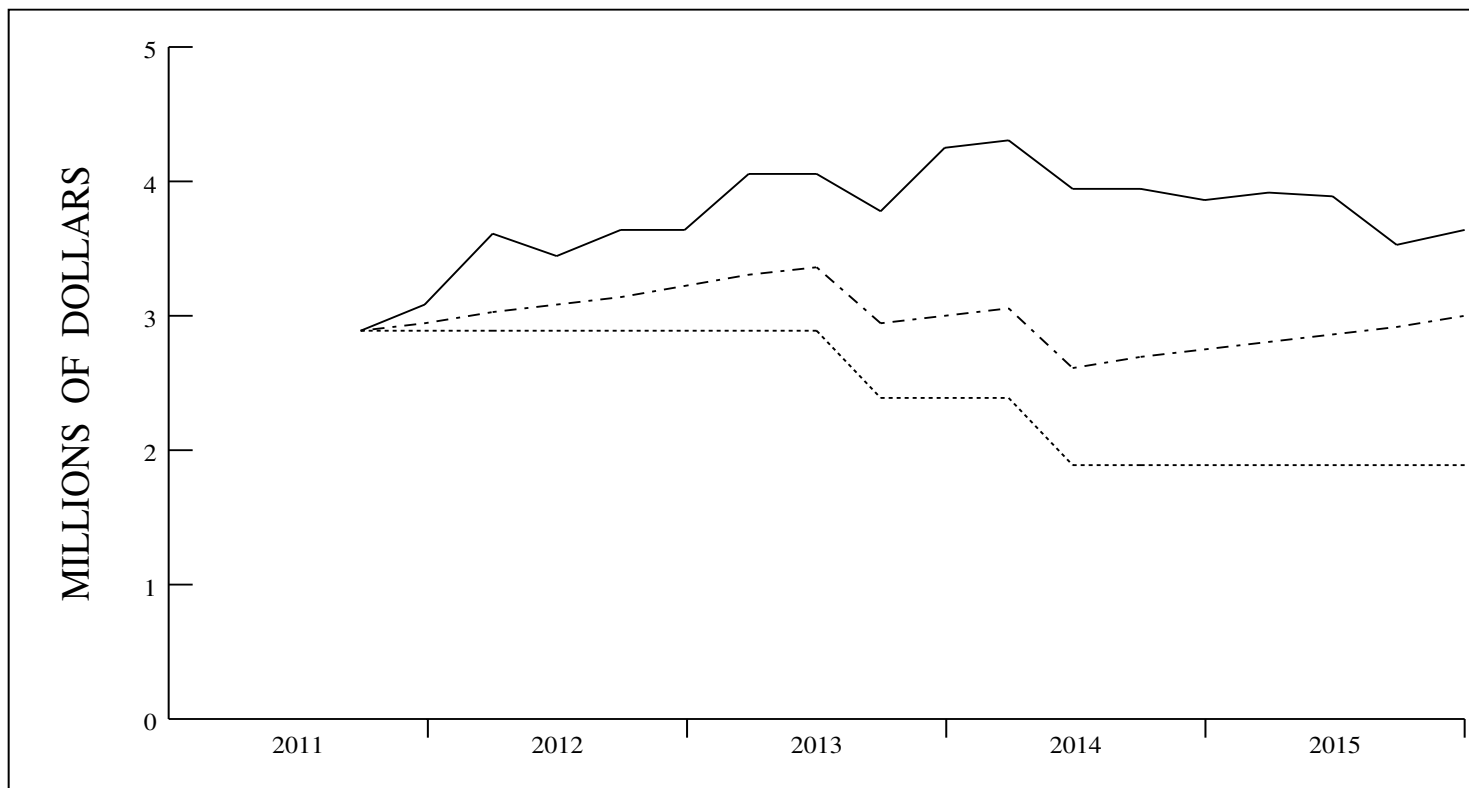
**ASSET ALLOCATION**

Large Cap Equity	100.0%	\$ 3,654,388
Total Portfolio	100.0%	\$ 3,654,388

**INVESTMENT RETURN**

Market Value 9/2015	\$ 3,546,008
Contribs / Withdrawals	0
Income	19,675
Capital Gains / Losses	88,705
Market Value 12/2015	\$ 3,654,388

**INVESTMENT GROWTH**



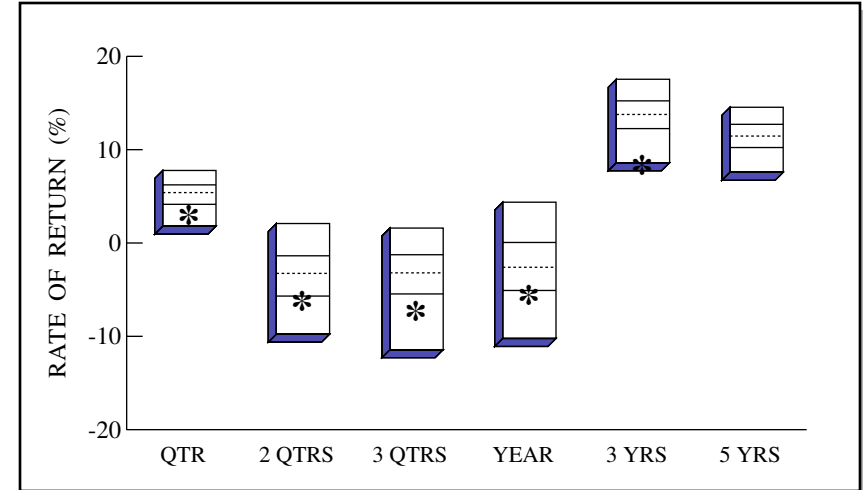
— ACTUAL RETURN  
 - - - 9.0%  
 ..... 0.0%

VALUE ASSUMING  
 9.0% RETURN    \$    3,002,720

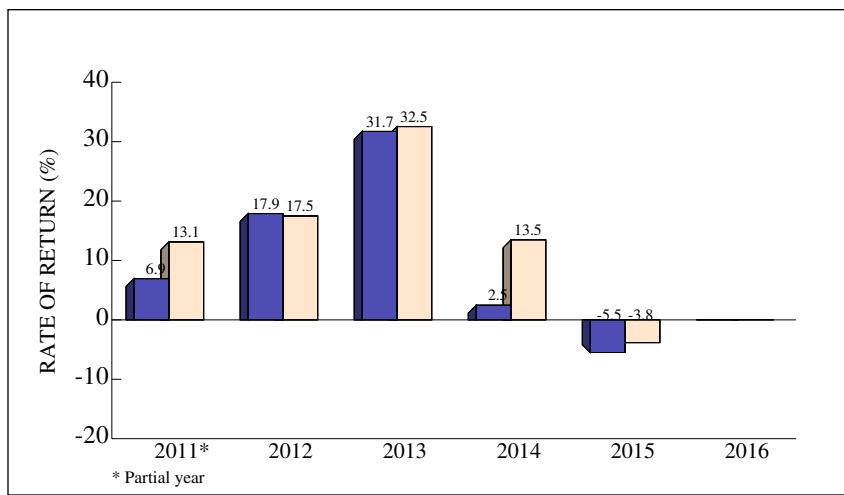
	LAST QUARTER	PERIOD 9/11 - 12/15
BEGINNING VALUE	\$ 3,546,008	\$ 2,904,379
NET CONTRIBUTIONS	0	-998,322
INVESTMENT RETURN	108,380	1,748,331
ENDING VALUE	\$ 3,654,388	\$ 3,654,388
INCOME	19,675	397,514
CAPITAL GAINS (LOSSES)	88,705	1,350,817
INVESTMENT RETURN	108,380	1,748,331



**TOTAL RETURN COMPARISONS**



Large Cap Value Universe

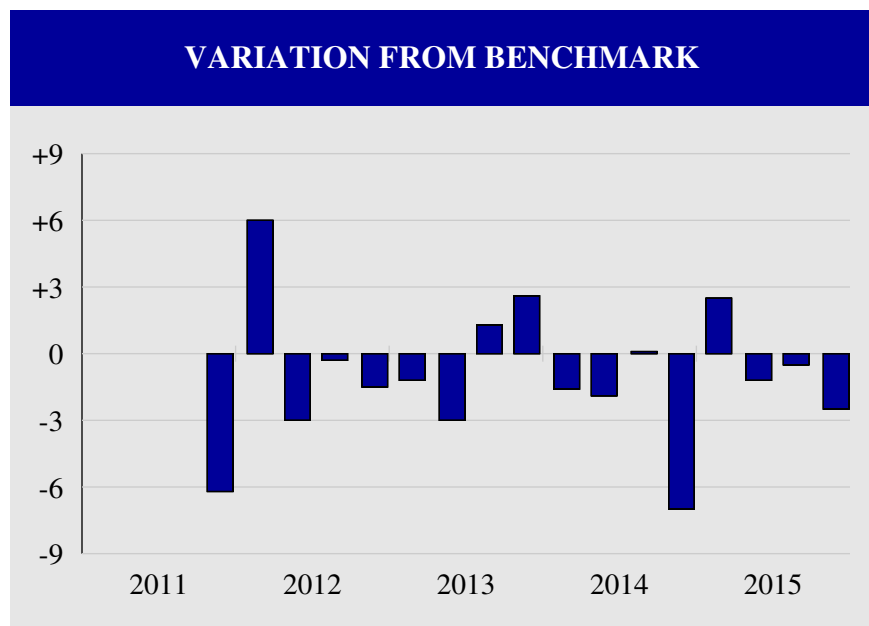


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	3.1	-6.2	-7.2	-5.5	8.5	---
(RANK)	(88)	(78)	(86)	(80)	(96)	---
5TH %ILE	7.8	2.1	1.6	4.4	17.5	14.5
25TH %ILE	6.2	-1.4	-1.3	0.1	15.2	12.7
MEDIAN	5.4	-3.3	-3.2	-2.6	13.8	11.5
75TH %ILE	4.1	-5.7	-5.5	-5.1	12.3	10.2
95TH %ILE	1.8	-9.8	-11.4	-10.2	8.6	7.6
<b>Russ 1000V</b>	<b>5.6</b>	<b>-3.2</b>	<b>-3.1</b>	<b>-3.8</b>	<b>13.1</b>	<b>11.3</b>

Large Cap Value Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

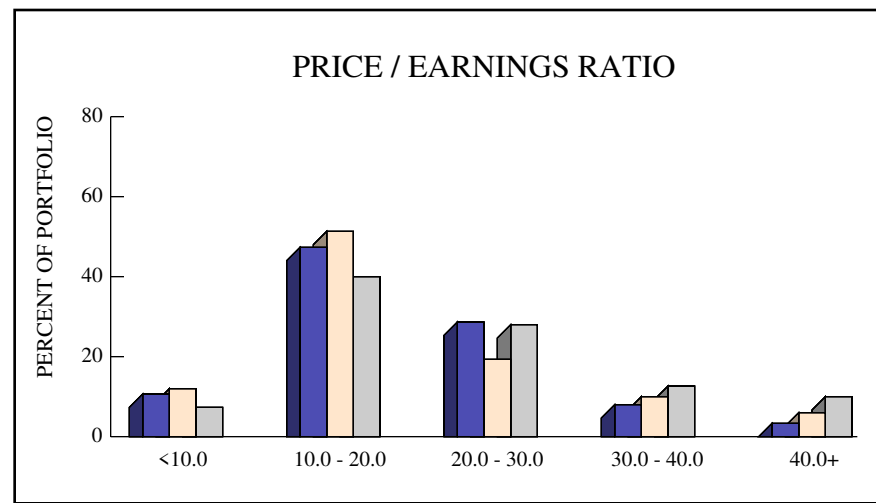
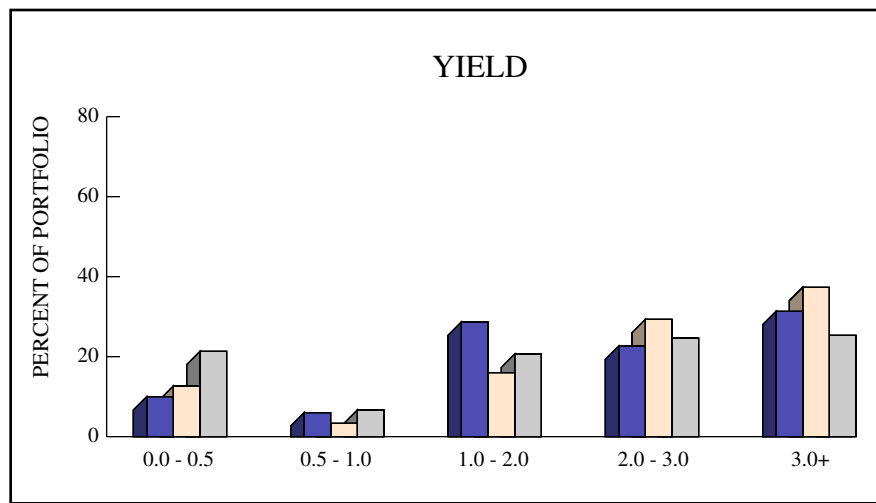
**COMPARATIVE BENCHMARK: RUSSELL 1000 VALUE**



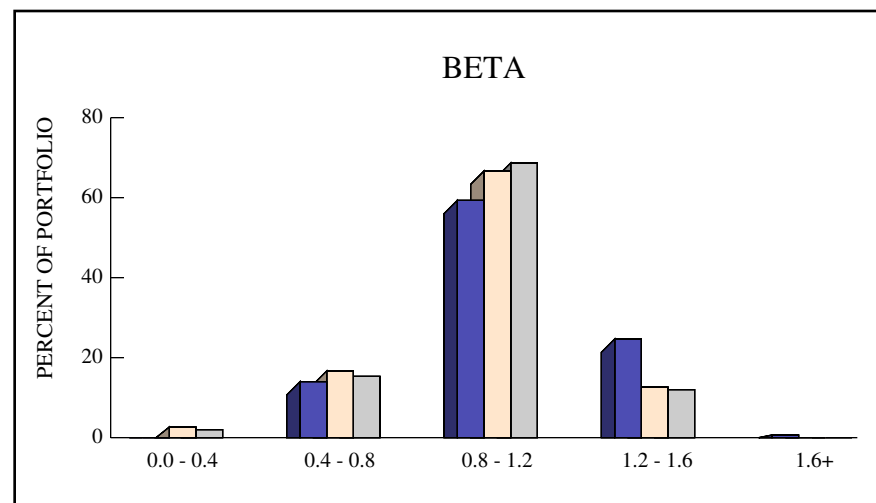
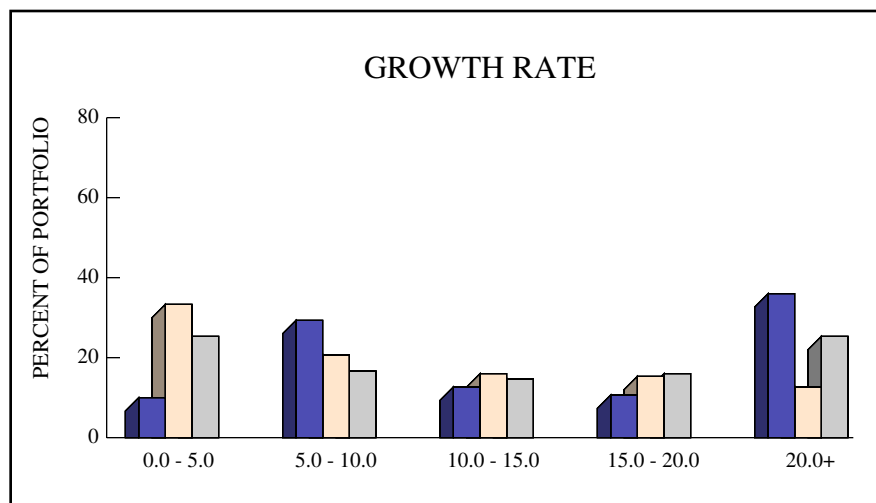
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/11	6.9	13.1	-6.2
3/12	17.1	11.1	6.0
6/12	-5.2	-2.2	-3.0
9/12	6.2	6.5	-0.3
12/12	0.0	1.5	-1.5
3/13	11.1	12.3	-1.2
6/13	0.2	3.2	-3.0
9/13	5.2	3.9	1.3
12/13	12.6	10.0	2.6
3/14	1.4	3.0	-1.6
6/14	3.2	5.1	-1.9
9/14	-0.1	-0.2	0.1
12/14	-2.0	5.0	-7.0
3/15	1.8	-0.7	2.5
6/15	-1.1	0.1	-1.2
9/15	-8.9	-8.4	-0.5
12/15	3.1	5.6	-2.5

<b>Total Quarters Observed</b>	<b>17</b>
<b>Quarters At or Above the Benchmark</b>	<b>5</b>
<b>Quarters Below the Benchmark</b>	<b>12</b>
<b>Batting Average</b>	<b>.294</b>

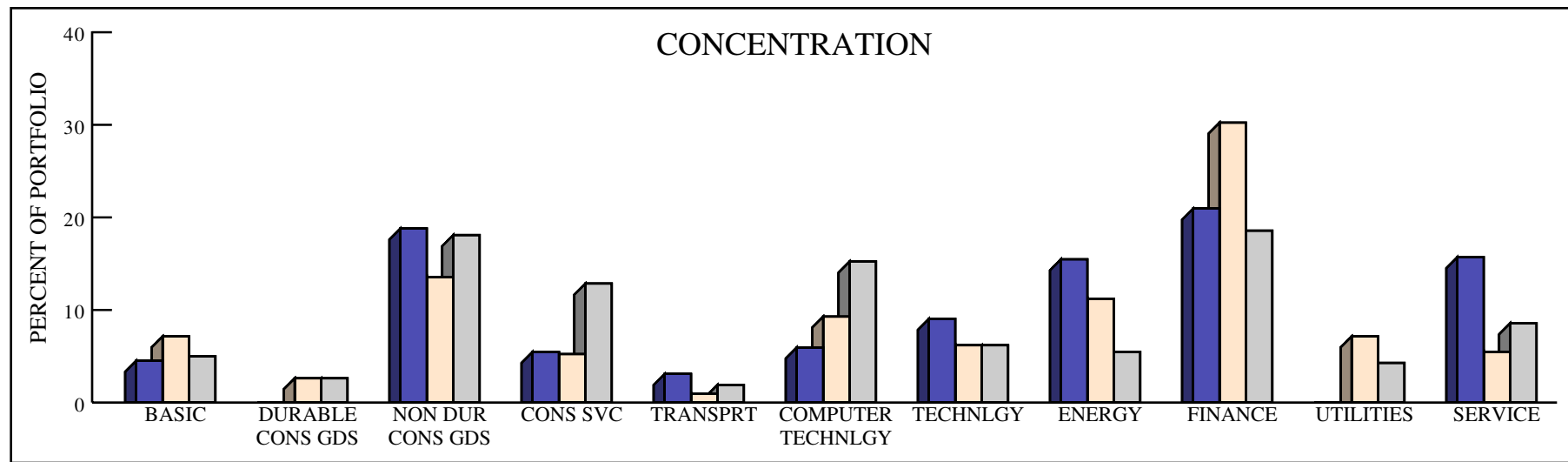
**STOCK CHARACTERISTICS**



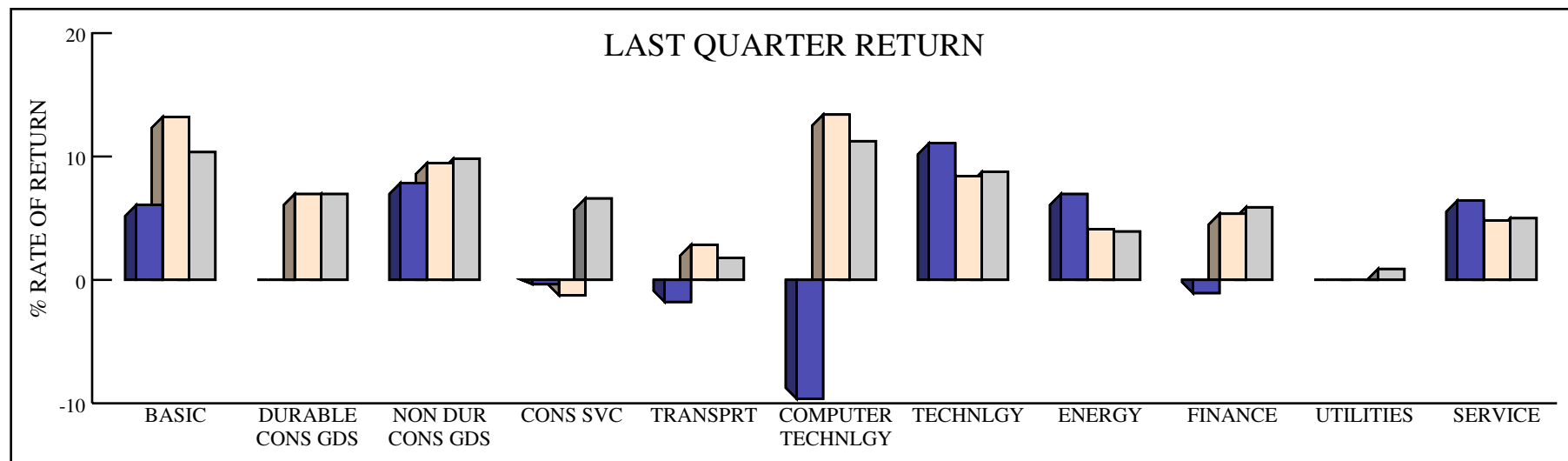
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	43	2.5%	16.0%	19.0	1.06
RUSSELL 1000V	691	2.6%	9.6%	19.2	0.97
RUSSELL 1000	1,033	2.1%	13.9%	23.3	0.97



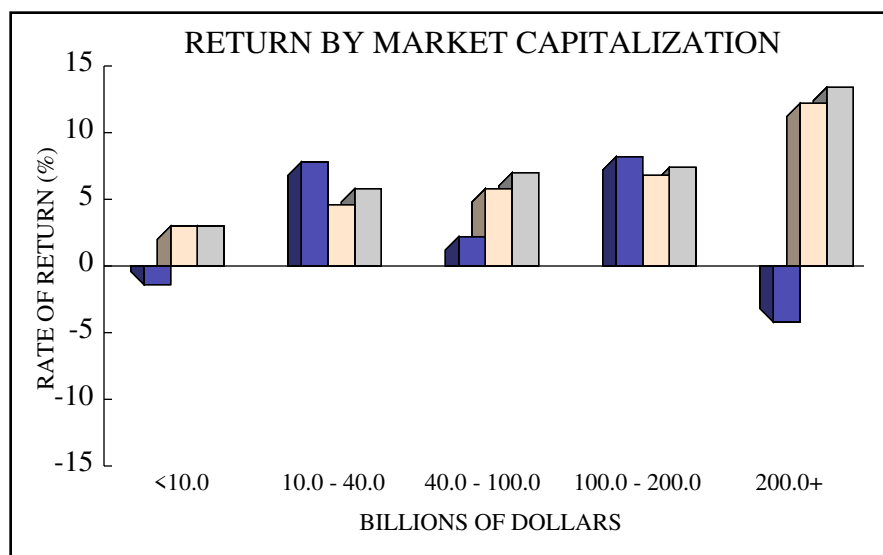
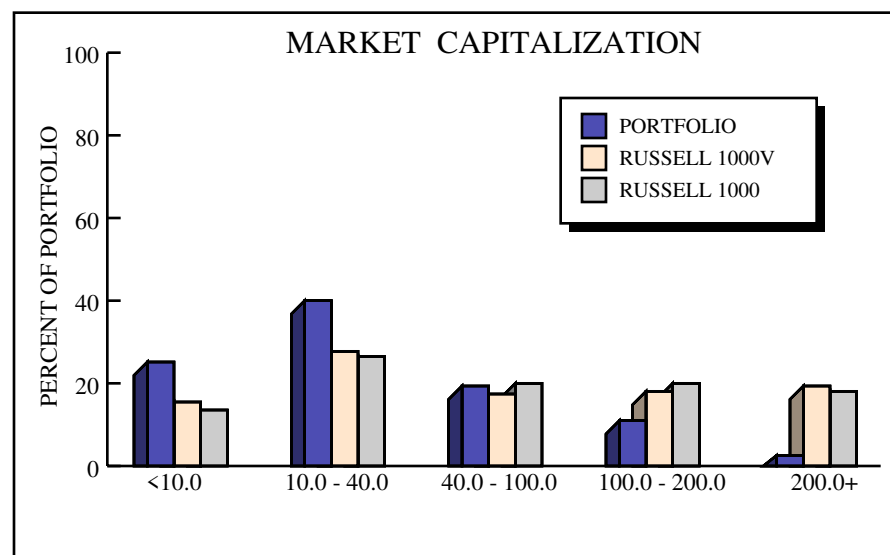
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO     
 ■ RUSSELL 1000 VALUE     
 ■ RUSSELL 1000



**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	LOCKHEED MARTIN CORP	\$ 148,748	4.07%	5.5%	Technology	\$ 66.7 B
2	TJX COMPANIES INC	133,949	3.67%	-0.4%	Consumer Service	47.5 B
3	CBOE HOLDINGS INC	132,656	3.63%	-2.9%	Finance	5.4 B
4	ALTRIA GROUP INC	132,253	3.62%	7.9%	NonDur Cons Goods	114.1 B
5	MARATHON PETROLEUM CORP	127,734	3.50%	12.4%	Energy	27.6 B
6	VALERO ENERGY CORP	116,601	3.19%	18.2%	Energy	34.0 B
7	PHILIP MORRIS INTERNATIONAL	115,777	3.17%	12.0%	NonDur Cons Goods	136.2 B
8	UNITED PARCEL SERVICE-CL B	111,627	3.05%	-1.7%	Transportation	67.0 B
9	APPLE INC	108,944	2.98%	-4.1%	Computer Tech	586.9 B
10	ABBVIE INC	108,350	2.96%	9.8%	NonDur Cons Goods	96.8 B

SANFORD FIREFIGHTERS PENSION FUND  
LEE MUNDER CAPITAL GROUP - MID CAP CORE  
PERFORMANCE REVIEW  
DECEMBER 2015

## **INVESTMENT RETURN**

On December 31st, 2015, the Sanford Firefighters Pension Fund's Lee Munder Capital Group Mid Cap Core portfolio was valued at \$2,986,262, representing an increase of \$106,226 from the September quarter's ending value of \$2,880,036. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$106,226 in net investment returns. Income receipts totaling \$12,010 plus net realized and unrealized capital gains of \$94,216 combined to produce the portfolio's net investment return figure.

For the cumulative period since September 2011, the account has recorded net contributions totaling \$78, and has recorded net investment gains of \$1.5 million. Since September 2011, if the total account had earned a compounded nominal rate of 8.0% it would have been worth \$2.0 million or \$951,190 less than the actual value as of December 31st, 2015.

## **RELATIVE PERFORMANCE**

During the fourth quarter, the Lee Munder Capital Group Mid Cap Core portfolio gained 3.7%, which was 0.1% above the Russell Mid Cap's return of 3.6% and ranked in the 35th percentile of the Mid Cap Core universe. Over the trailing year, the portfolio returned -0.6%, which was 1.8% above the benchmark's -2.4% performance, ranking in the 40th percentile. Since September 2011, the account returned 18.2% on an annualized basis and ranked in the 40th percentile. For comparison, the Russell Mid Cap returned an annualized 17.2% over the same period.

## **ANALYSIS**

At the end of quarter, the Lee Munder portfolio was diversified across ten of the eleven sectors in our data analysis. With respect to the Russell Mid Cap index, the portfolio was overweight in the Basic, Consumer Service, and Service sectors, while underweight in Durable Consumer Goods, Nondurable Consumer Goods, Computer Technology, and Energy.

Selection effects were mixed in the fourth quarter, as just four of the nine sectors surpassed benchmark performance. The overweight Basic, Consumer Service, and Service sectors outpaced their index counterparts. However, significant deficits in the Durable Consumer Goods, Nondurable Consumer Goods, Computer Technology, and Technology dragged down total performance. By quarter's end, the portfolio outperformed the index by 10 basis points.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

				-----Annualized-----	
	Quarter	FYTD	1 Year	3 Year	Since 09/11
<b>Total Portfolio - Gross</b>	3.7	3.7	-0.6	14.6	18.2
<i>MID CAP CORE RANK</i>	(35)	(35)	(40)	(50)	(40)
<b>Total Portfolio - Net</b>	3.5	3.5	-1.4	13.7	17.3
RUSSELL MID	3.6	3.6	-2.4	14.2	17.2
<b>Mid Cap Equity</b>	3.7	3.7	-0.6	14.6	18.2
<i>MID CAP CORE RANK</i>	(35)	(35)	(40)	(50)	(40)
RUSSELL MID	3.6	3.6	-2.4	14.2	17.2

**ASSET ALLOCATION**

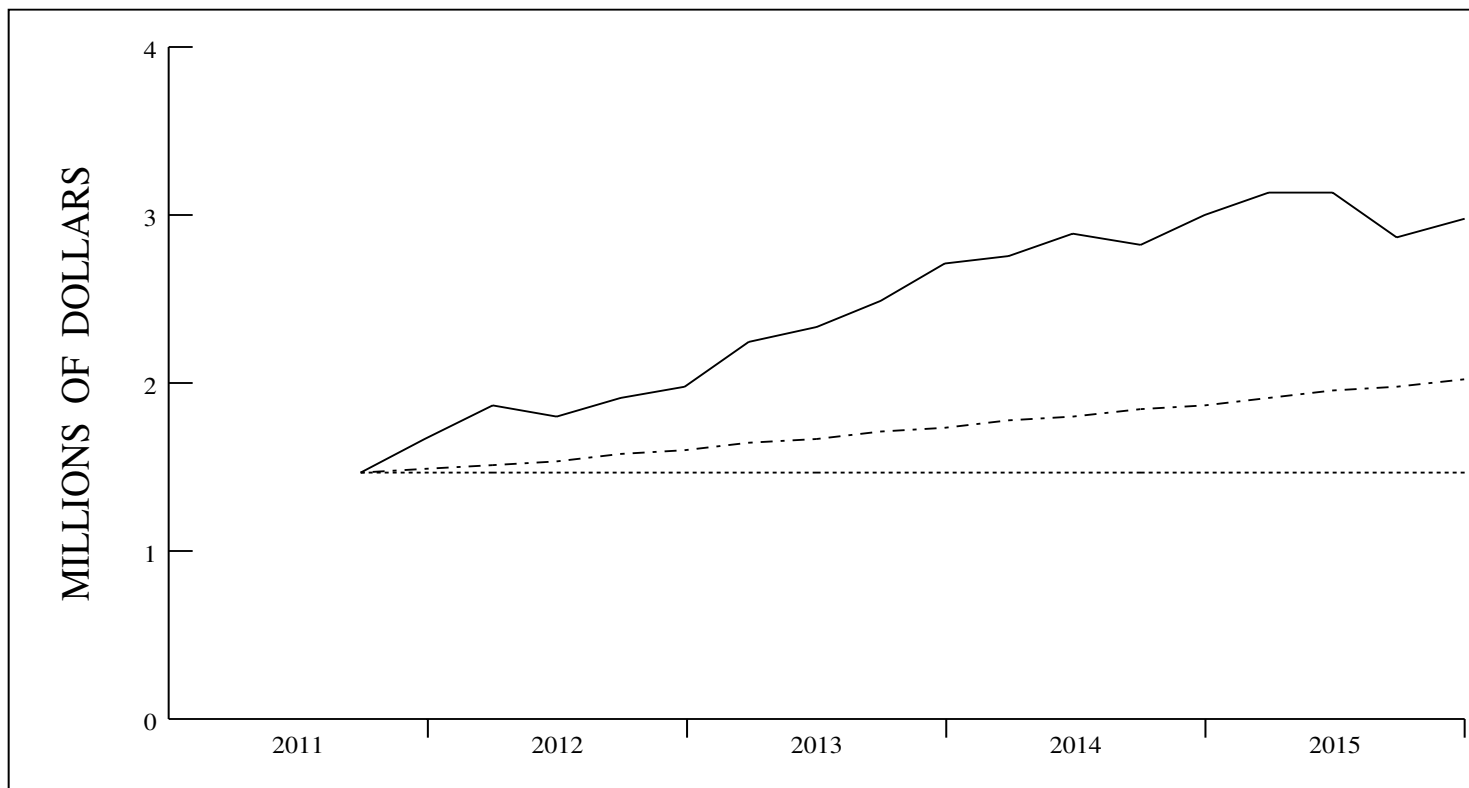
Mid Cap Equity	100.0%	\$ 2,986,262
Total Portfolio	100.0%	\$ 2,986,262

**INVESTMENT RETURN**

Market Value 9/2015	\$ 2,880,036
Contribs / Withdrawals	0
Income	12,010
Capital Gains / Losses	94,216
Market Value 12/2015	\$ 2,986,262



**INVESTMENT GROWTH**

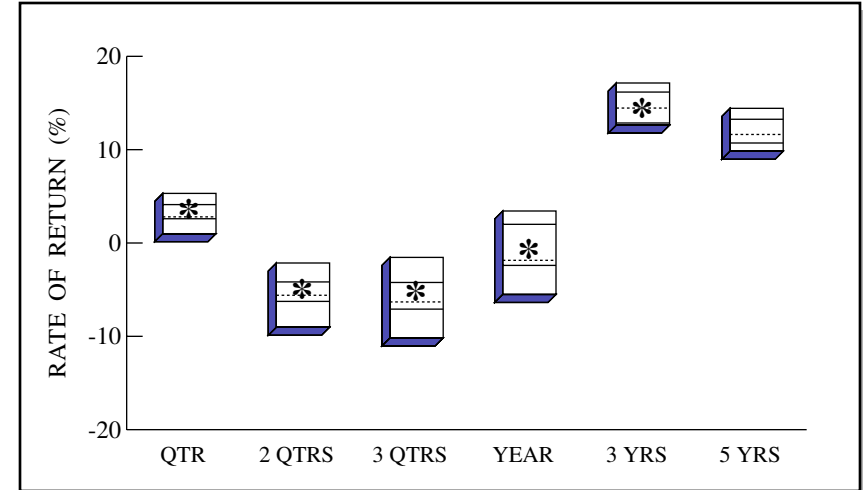
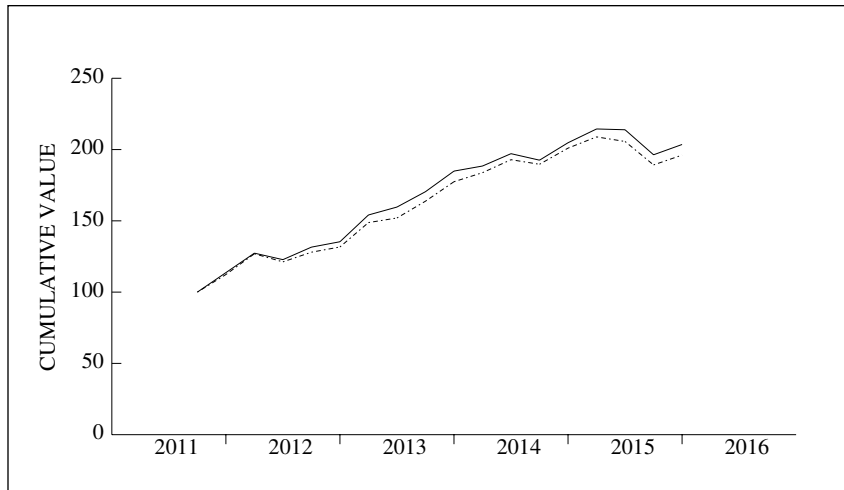


—	ACTUAL RETURN
- - - -	8.0%
.....	0.0%

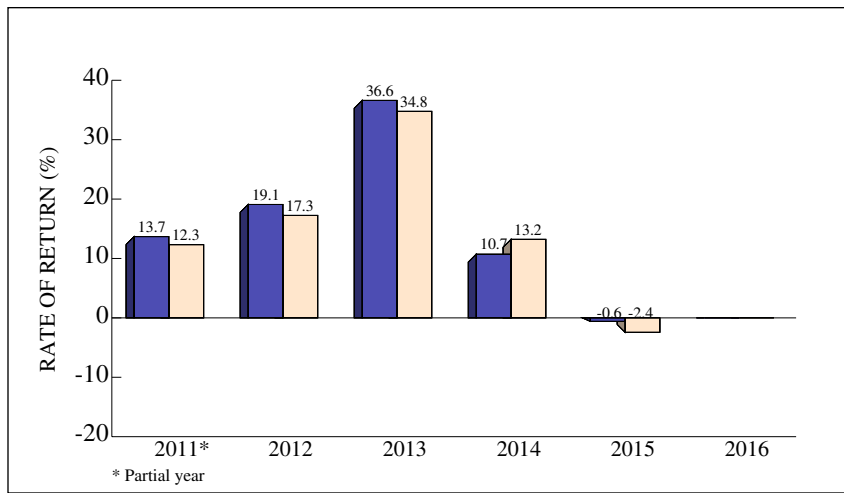
VALUE ASSUMING	
8.0% RETURN	\$ 2,035,072

	LAST QUARTER	PERIOD 9/11 - 12/15
BEGINNING VALUE	\$ 2,880,036	\$ 1,467,267
NET CONTRIBUTIONS	0	78
INVESTMENT RETURN	106,226	1,518,917
ENDING VALUE	\$ 2,986,262	\$ 2,986,262
INCOME	12,010	158,010
CAPITAL GAINS (LOSSES)	94,216	1,360,907
INVESTMENT RETURN	106,226	1,518,917

**TOTAL RETURN COMPARISONS**



Mid Cap Core Universe



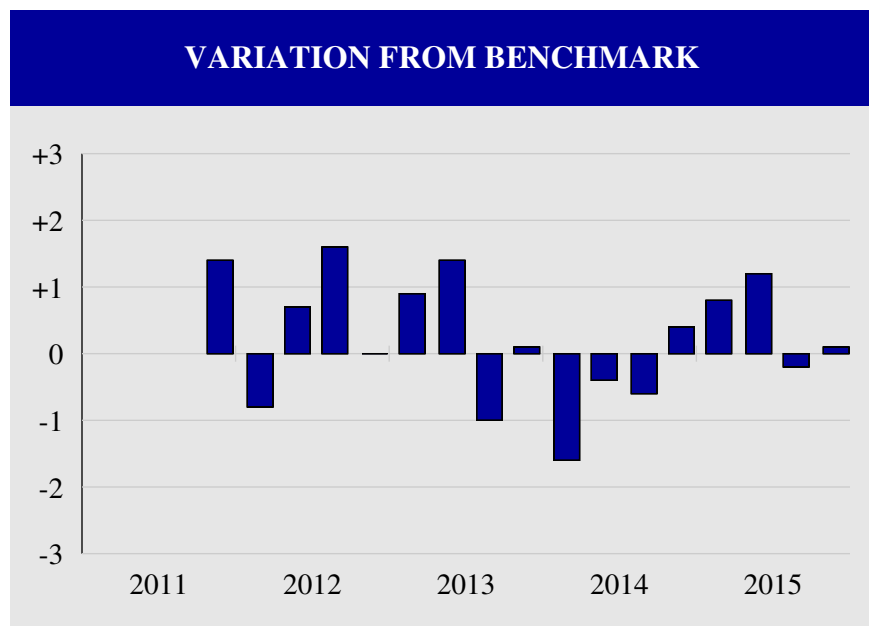
\* Partial year

	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	3.7	-4.9	-5.1	-0.6	14.6	---
(RANK)	(35)	(45)	(33)	(40)	(50)	---
5TH %ILE	5.3	-2.1	-1.5	3.4	17.2	14.4
25TH %ILE	4.1	-4.2	-4.2	2.0	16.2	13.3
MEDIAN	2.8	-5.6	-6.3	-1.9	14.5	11.6
75TH %ILE	2.6	-6.3	-7.1	-2.4	12.9	10.7
95TH %ILE	1.0	-9.0	-10.2	-5.5	12.6	9.8
<b>Russ MC</b>	<b>3.6</b>	<b>-4.7</b>	<b>-6.1</b>	<b>-2.4</b>	<b>14.2</b>	<b>11.4</b>

Mid Cap Core Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

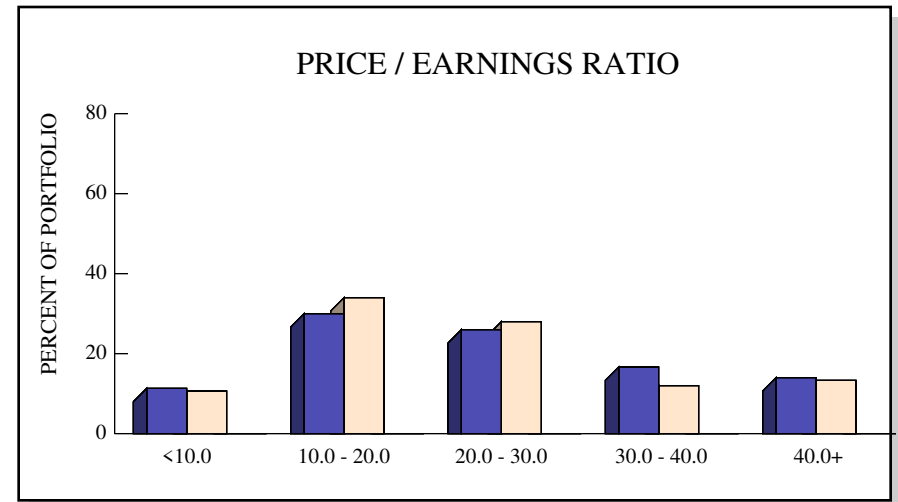
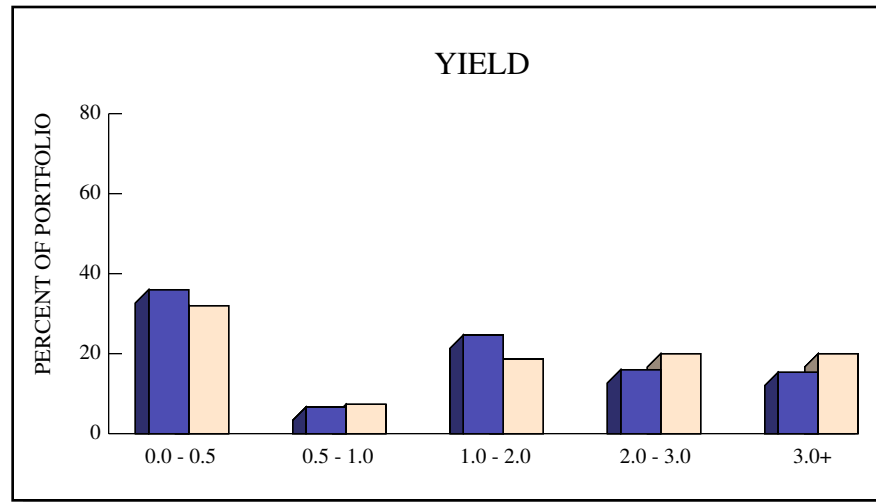
**COMPARATIVE BENCHMARK: RUSSELL MID CAP**



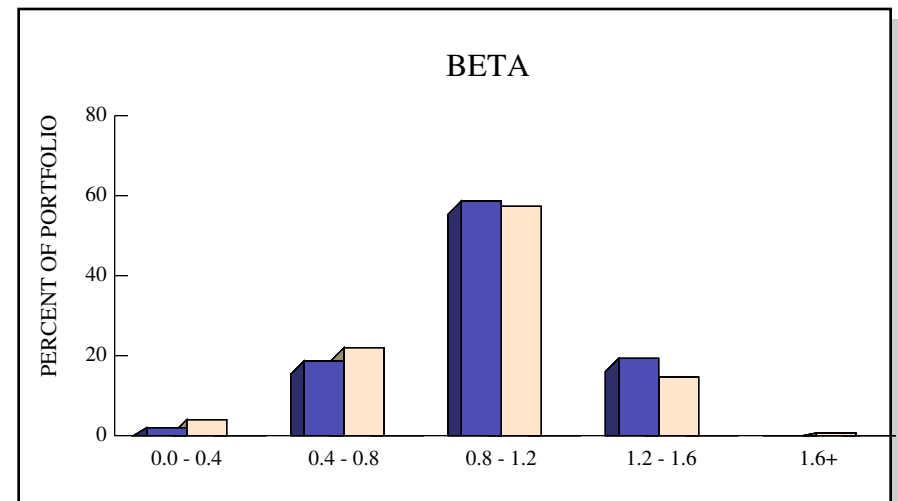
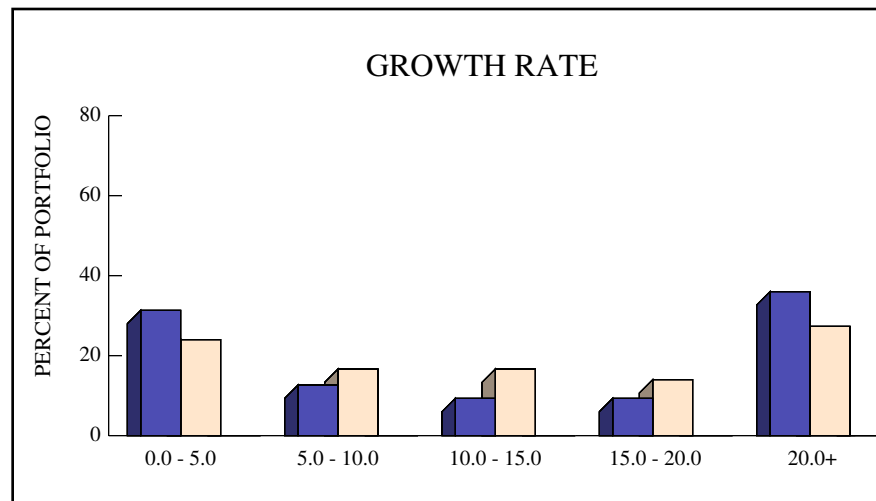
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/11	13.7	12.3	1.4
3/12	12.1	12.9	-0.8
6/12	-3.7	-4.4	0.7
9/12	7.2	5.6	1.6
12/12	2.9	2.9	0.0
3/13	13.9	13.0	0.9
6/13	3.6	2.2	1.4
9/13	6.7	7.7	-1.0
12/13	8.5	8.4	0.1
3/14	1.9	3.5	-1.6
6/14	4.6	5.0	-0.4
9/14	-2.3	-1.7	-0.6
12/14	6.3	5.9	0.4
3/15	4.8	4.0	0.8
6/15	-0.3	-1.5	1.2
9/15	-8.2	-8.0	-0.2
12/15	3.7	3.6	0.1

<b>Total Quarters Observed</b>	<b>17</b>
<b>Quarters At or Above the Benchmark</b>	<b>11</b>
<b>Quarters Below the Benchmark</b>	<b>6</b>
<b>Batting Average</b>	<b>.647</b>

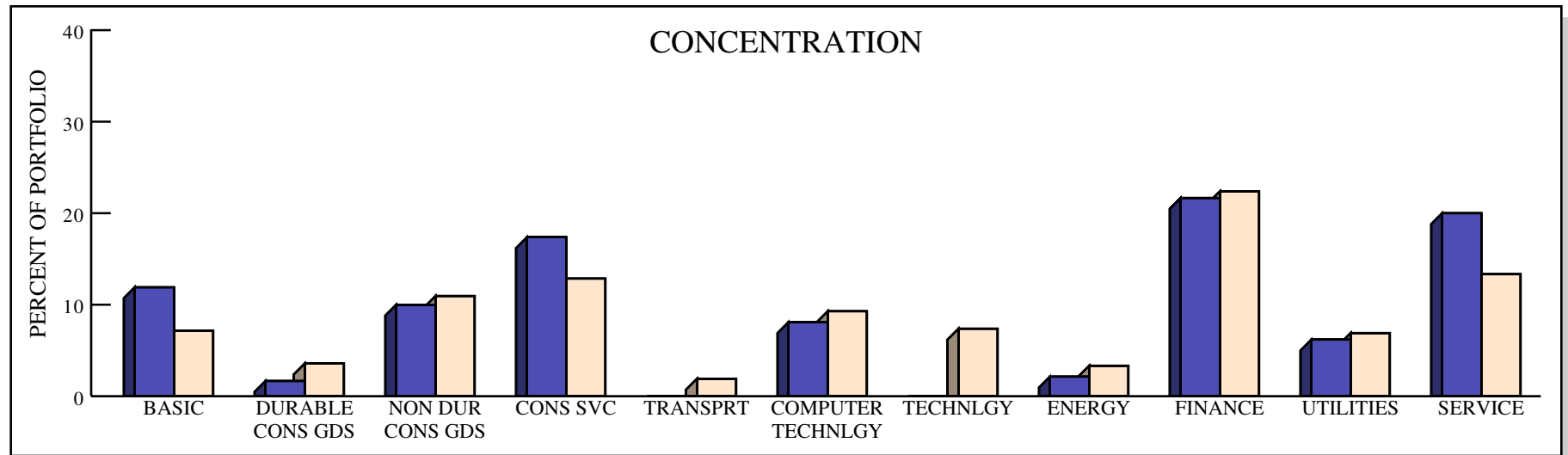
**STOCK CHARACTERISTICS**



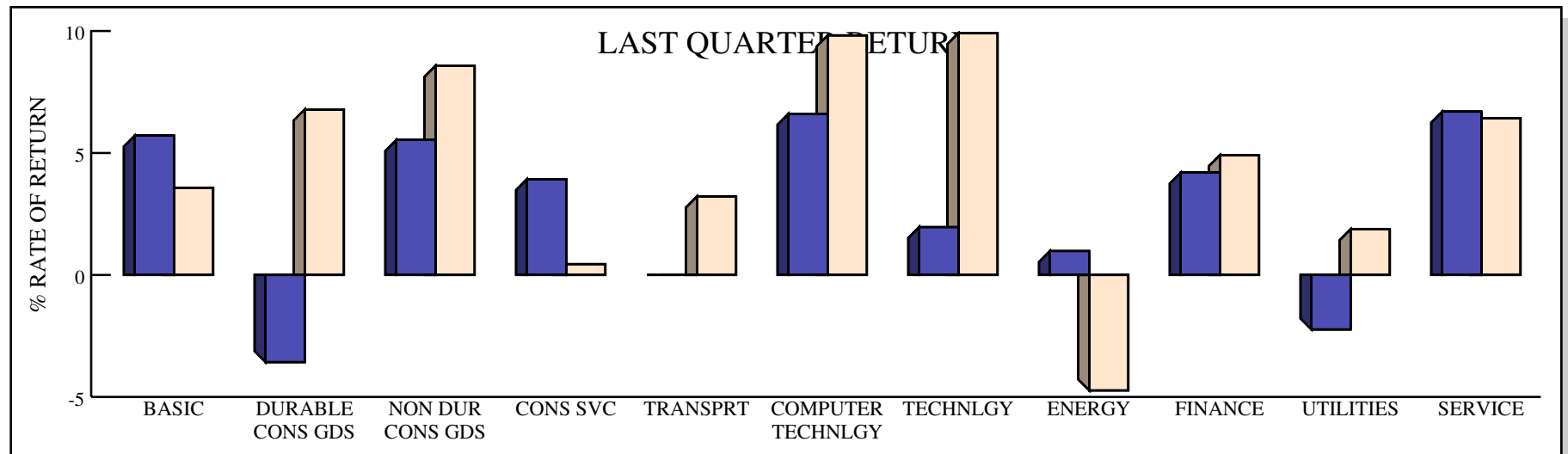
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	94	1.5%	18.4%	26.4	0.96
RUSSELL MID	831	1.9%	15.0%	23.7	0.93



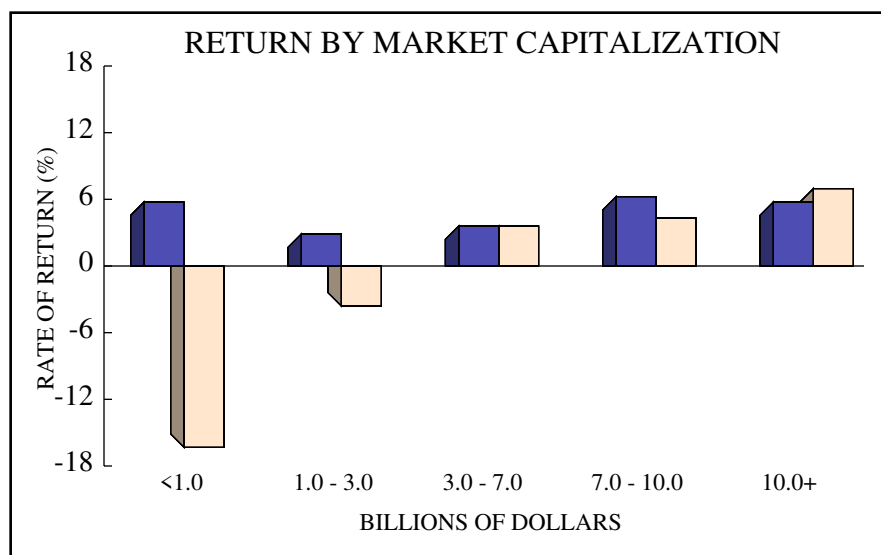
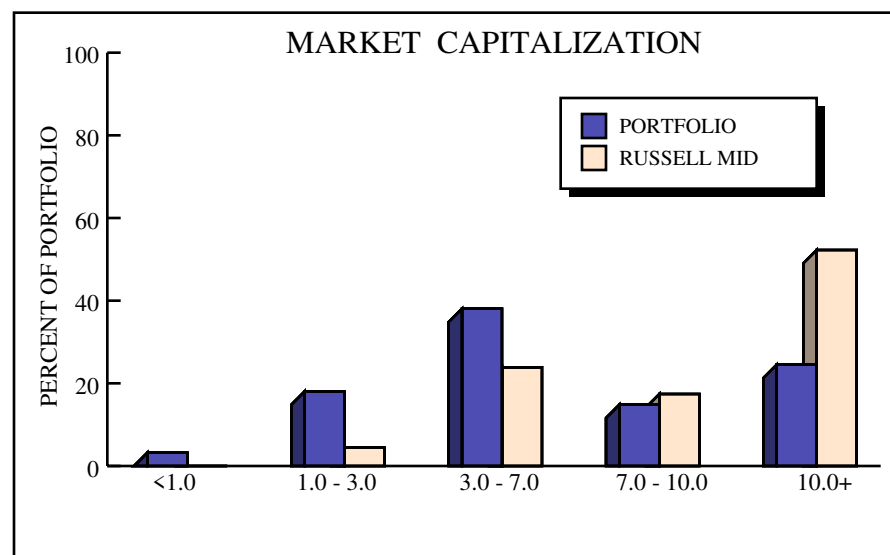
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ RUSSELL MID CAP



**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	KROGER CO	\$ 74,290	2.49%	16.2%	Consumer Service	\$ 40.8 B
2	ALEXANDRIA REAL ESTATE EQUIT	53,132	1.78%	7.6%	Finance	6.6 B
3	SYNOPSIS INC	48,940	1.64%	-1.2%	Computer Tech	6.9 B
4	AMERISOURCEBERGEN CORP	48,744	1.63%	9.5%	Service	21.3 B
5	GREAT PLAINS ENERGY INC	47,055	1.58%	2.0%	Utilities	4.2 B
6	EQUINIX INC	45,965	1.54%	15.5%	Finance	18.1 B
7	CHARLES RIVER LABORATORIES	45,903	1.54%	26.6%	Consumer Service	3.7 B
8	SYNCHRONOSS TECHNOLOGIES INC	45,693	1.53%	7.4%	Computer Tech	1.6 B
9	AMERIPRISE FINANCIAL INC	43,632	1.46%	-1.9%	Finance	18.5 B
10	FIDELITY NATIONAL INFO SERV	43,390	1.45%	-9.2%	Service	17.1 B

SANFORD FIREFIGHTERS PENSION FUND  
NEUBERGER BERMAN - INTRINSIC VALUE INSTITUTIONAL  
PERFORMANCE REVIEW  
DECEMBER 2015

## **INVESTMENT RETURN**

On December 31st, 2015, the Sanford Firefighters Pension Fund's Neuberger Berman Intrinsic Value Institutional portfolio was valued at \$2,650,280, representing an increase of \$116,725 from the September quarter's ending value of \$2,533,555. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$116,725 in net investment returns. Net investment return was composed of income receipts totaling \$131,420 and \$14,695 in net realized and unrealized capital losses.

For the cumulative period since March 2012, the account has recorded net contributions totaling \$500,000, and has recorded net investment gains of \$921,182. Since March 2012, if the total account had earned a compounded nominal rate of 8.0% it would have been worth \$2.3 million or \$349,075 less than the actual value as of December 31st, 2015.

## **RELATIVE PERFORMANCE**

During the fourth quarter, the Neuberger Berman Intrinsic Value Institutional portfolio gained 4.9%, which was 2.0% above the Russell 2000 Value Index's return of 2.9% and ranked in the 18th percentile of the Small Cap universe. Over the trailing year, the portfolio returned -0.9%, which was 6.6% above the benchmark's -7.5% performance, ranking in the 33rd percentile. Since March 2012, the account returned 12.3% on an annualized basis and ranked in the 34th percentile. For comparison, the Russell 2000 Value returned an annualized 8.8% over the same period.

## **ASSET ALLOCATION**

The portfolio was fully invested in the Neuberger Berman Intrinsic Value Institutional Fund (NINLX).

## **ANALYSIS**

By quarter's end, the Neuberger Berman portfolio was invested across all eleven industry sectors utilized in our data analysis. Compared to the Russell 2000 Value index, the portfolio was overweight in the Basic, Computer Technology, Technology, and Service sectors, while underweight in Nondurable Consumer Goods, Consumer Service, Transportation, Finance, and Utilities. Most notably, the index featured an allocation in excess of 40% in the Finance sector.

Productive stock selection helped deliver a 200 basis point performance lead in the fourth quarter. Although the portfolio was invested in each of the eleven markets, the Computer Technology, Basic, Technology, and Service sectors featured a combined 72.3% allocation, outpacing the benchmark in the latter three sectors. Energy surged 27.8%, but lightweight allocation checked gains. The Finance sector, where the index sector was heavily allocated, underperformed.



**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

				-----Annualized-----	
	Quarter	FYTD	1 Year	3 Year	Since 03/12
<b>Total Portfolio - Gross</b>	4.9	4.9	-0.9	14.1	12.3
<i>SMALL CAP RANK</i>	(18)	(18)	(33)	(36)	(34)
<b>Total Portfolio - Net</b>	4.6	4.6	-1.9	13.0	11.2
RUSSELL 2000V	2.9	2.9	-7.5	9.1	8.8
<b>Small Cap Equity</b>	5.0	5.0	-0.8	14.2	12.3
<i>SMALL CAP RANK</i>	(16)	(16)	(32)	(35)	(33)
RUSSELL 2000V	2.9	2.9	-7.5	9.1	8.8

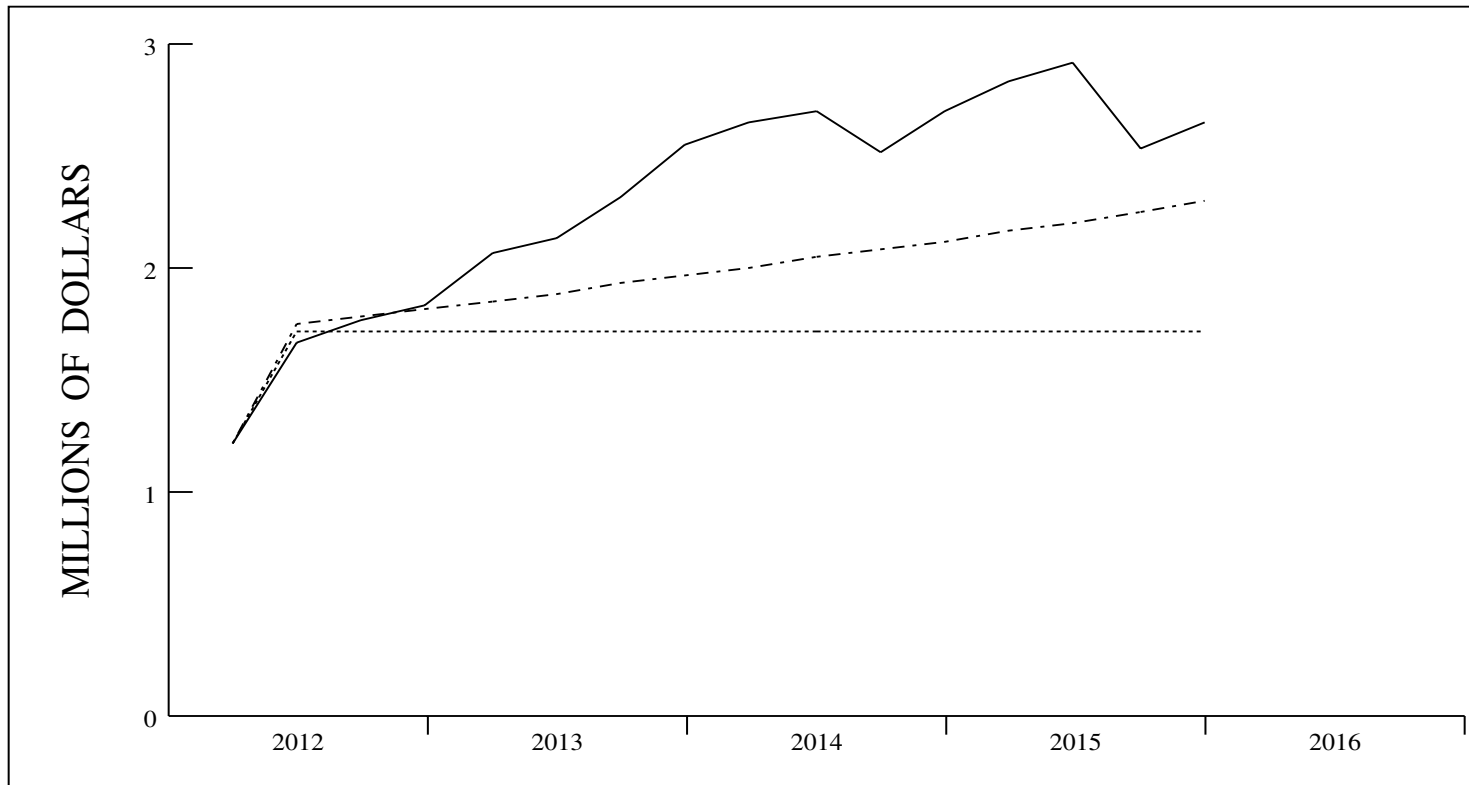
**ASSET ALLOCATION**

Small Cap	100.0%	\$ 2,650,280
Total Portfolio	100.0%	\$ 2,650,280

**INVESTMENT RETURN**

Market Value 9/2015	\$ 2,533,555
Contribs / Withdrawals	0
Income	131,420
Capital Gains / Losses	- 14,695
Market Value 12/2015	\$ 2,650,280

**INVESTMENT GROWTH**

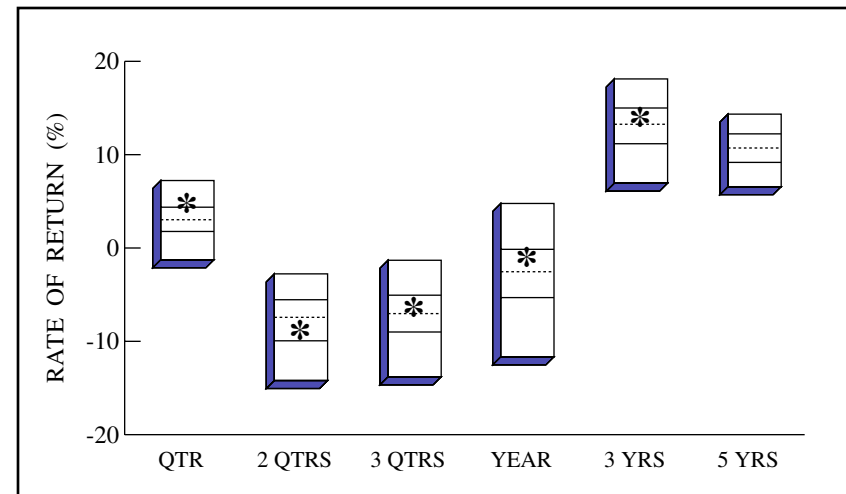
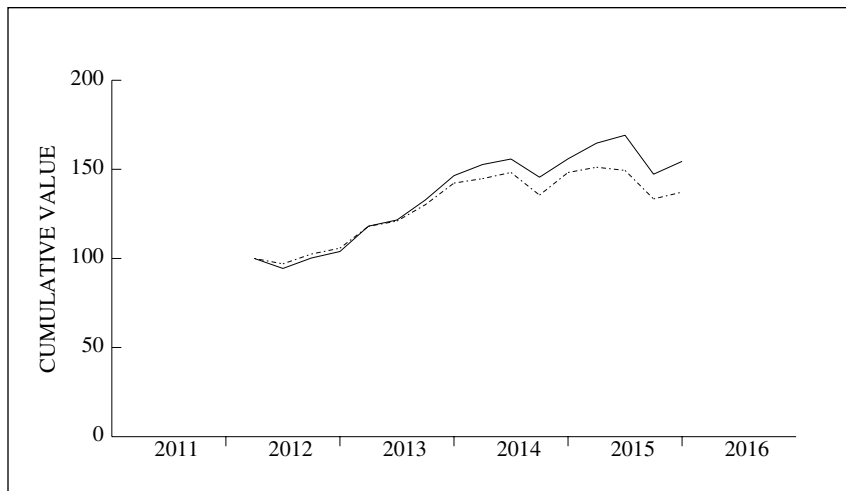


—	ACTUAL RETURN
- - - - -	8.0%
.....	0.0%

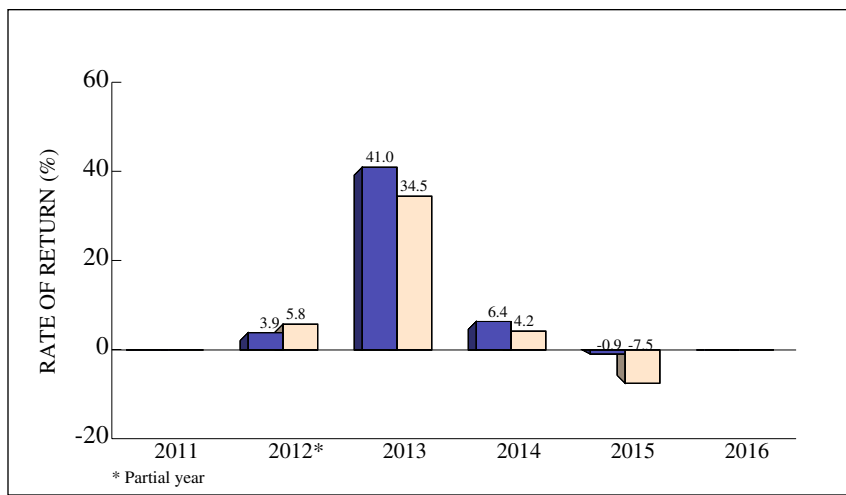
VALUE ASSUMING	
8.0% RETURN	\$ 2,301,205

	LAST QUARTER	PERIOD 3/12 - 12/15
BEGINNING VALUE	\$ 2,533,555	\$ 1,229,098
NET CONTRIBUTIONS	0	500,000
INVESTMENT RETURN	116,725	921,182
ENDING VALUE	\$ 2,650,280	\$ 2,650,280
INCOME	131,420	399,582
CAPITAL GAINS (LOSSES)	- 14,695	521,600
INVESTMENT RETURN	116,725	921,182

**TOTAL RETURN COMPARISONS**



Small Cap Universe

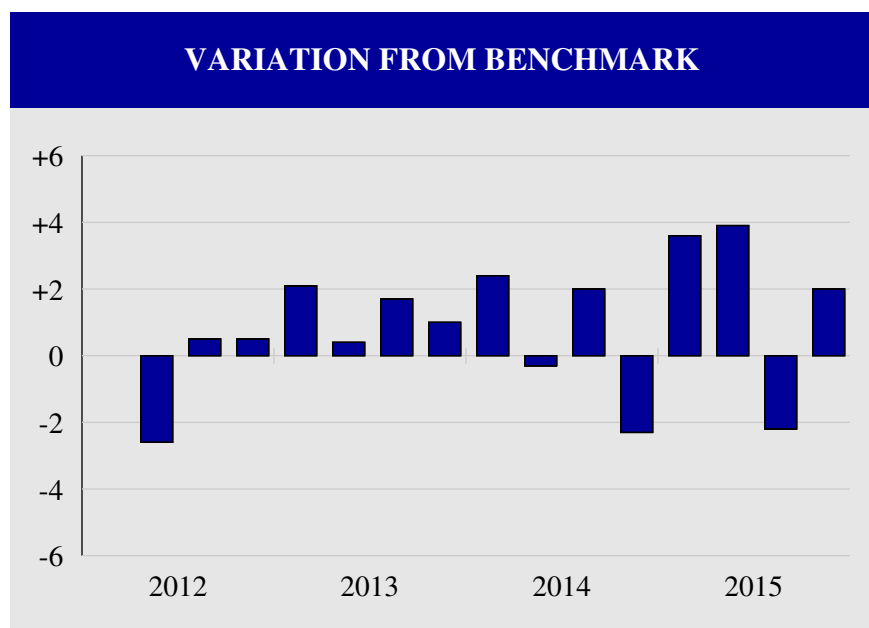


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	4.9	-8.7	-6.2	-0.9	14.1	---
(RANK)	(18)	(64)	(40)	(33)	(36)	---
5TH %ILE	7.2	-2.8	-1.3	4.8	18.1	14.3
25TH %ILE	4.4	-5.6	-5.1	-0.1	15.0	12.2
MEDIAN	3.0	-7.4	-7.0	-2.5	13.3	10.7
75TH %ILE	1.8	-9.9	-9.0	-5.3	11.2	9.2
95TH %ILE	-1.3	-14.2	-13.8	-11.7	6.9	6.6
<b>Russ 2000V</b>	<b>2.9</b>	<b>-8.2</b>	<b>-9.3</b>	<b>-7.5</b>	<b>9.1</b>	<b>7.7</b>

Small Cap Universe

### TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

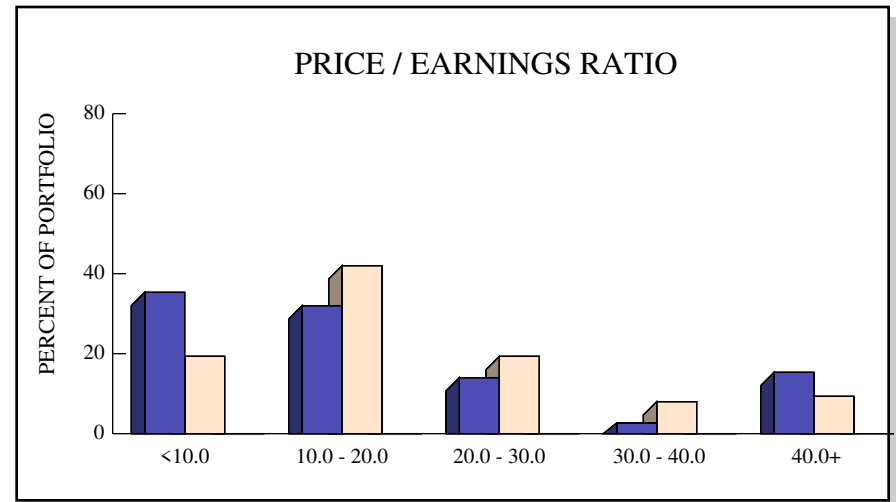
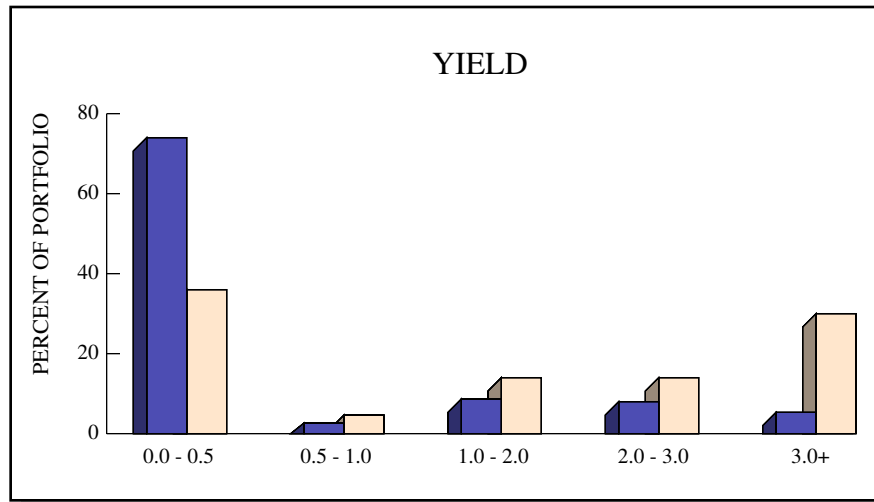
COMPARATIVE BENCHMARK: RUSSELL 2000 VALUE



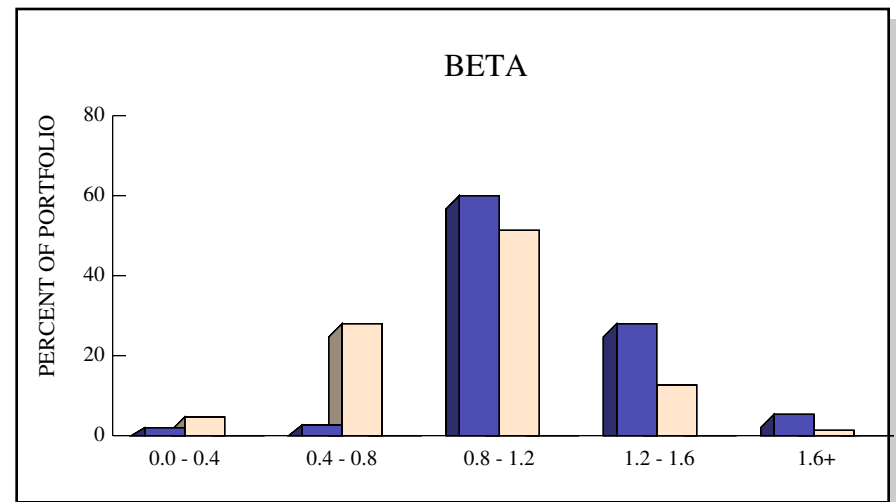
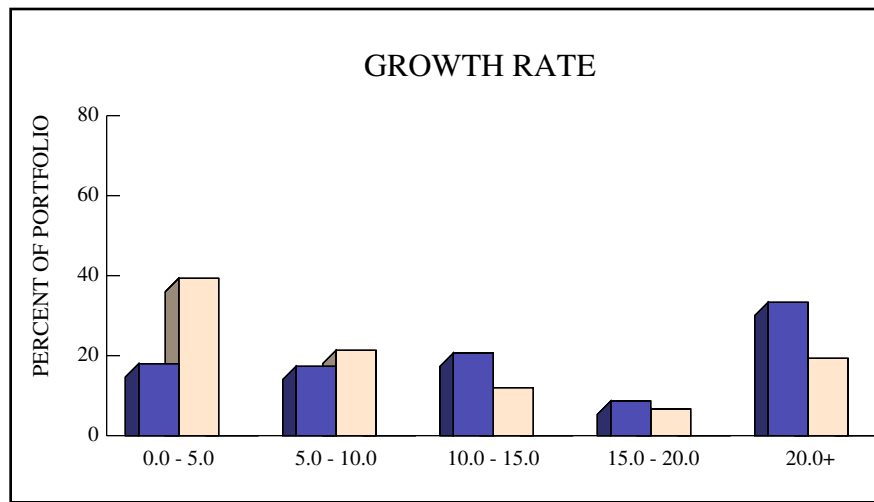
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	-5.6	-3.0	-2.6
9/12	6.2	5.7	0.5
12/12	3.7	3.2	0.5
3/13	13.7	11.6	2.1
6/13	2.9	2.5	0.4
9/13	9.3	7.6	1.7
12/13	10.3	9.3	1.0
3/14	4.2	1.8	2.4
6/14	2.1	2.4	-0.3
9/14	-6.6	-8.6	2.0
12/14	7.1	9.4	-2.3
3/15	5.6	2.0	3.6
6/15	2.7	-1.2	3.9
9/15	-12.9	-10.7	-2.2
12/15	4.9	2.9	2.0

<b>Total Quarters Observed</b>	<b>15</b>
<b>Quarters At or Above the Benchmark</b>	<b>11</b>
<b>Quarters Below the Benchmark</b>	<b>4</b>
<b>Batting Average</b>	<b>.733</b>

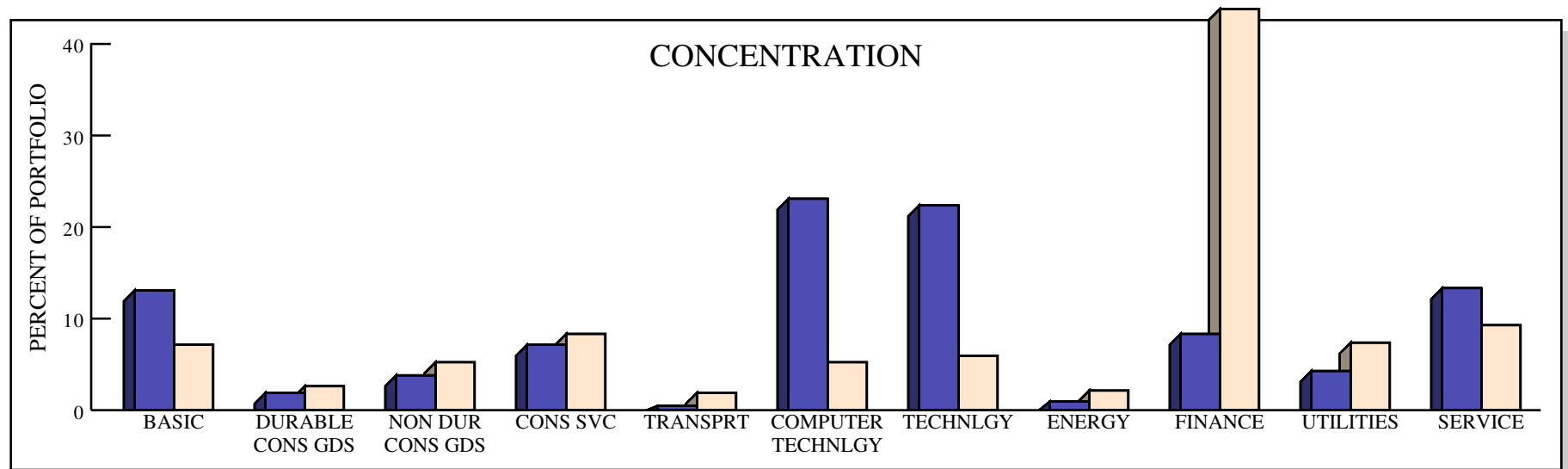
**STOCK CHARACTERISTICS**



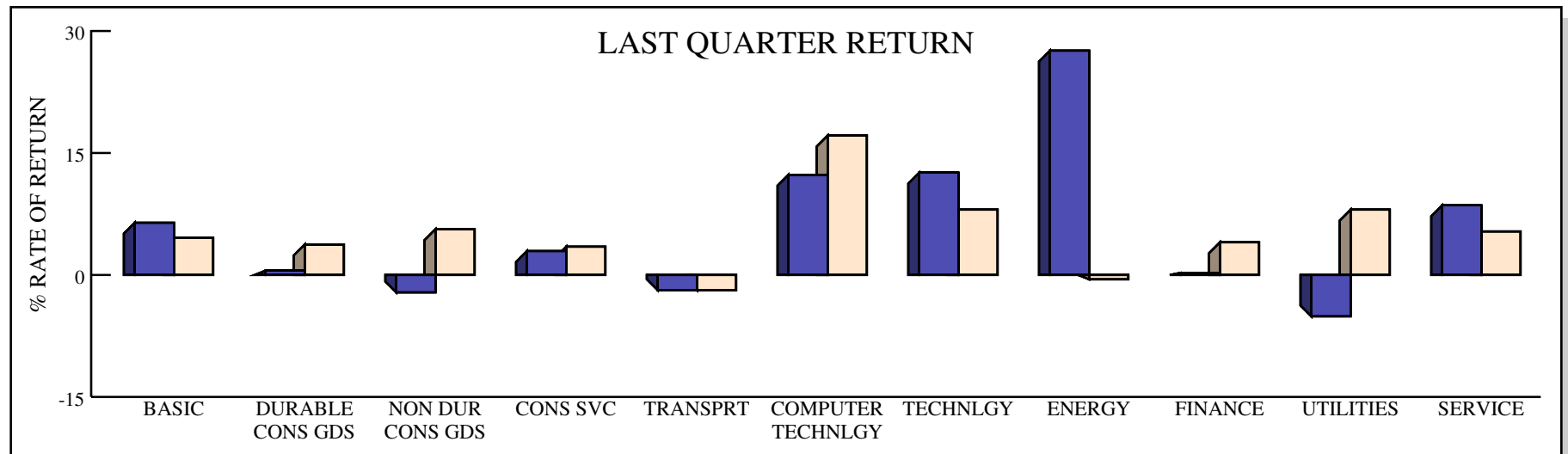
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	93	0.7%	15.3%	13.1	1.11
RUSSELL 2000V	1,351	2.3%	9.8%	19.2	0.90



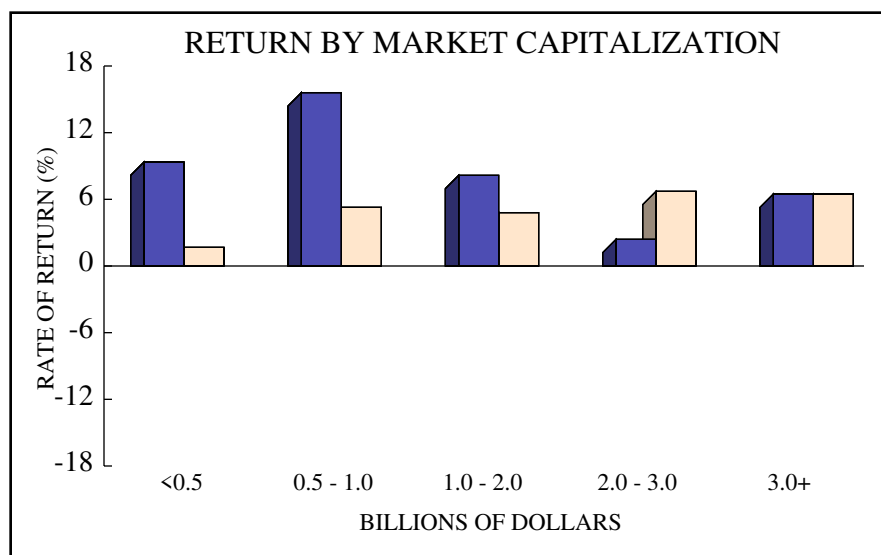
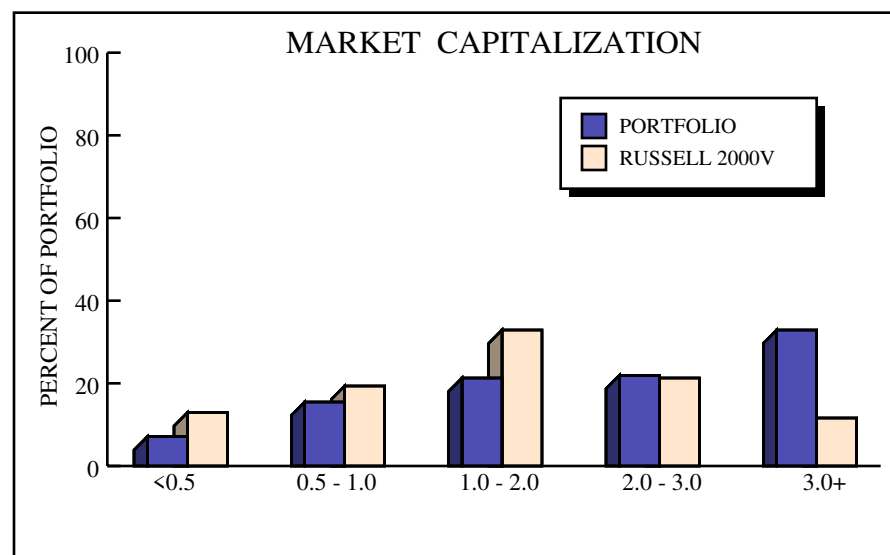
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ RUSSELL 2000 VALUE



**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	CHARLES RIVER LABORATORIES	\$ 74,441	2.81%	26.6%	Consumer Service	\$ 3.7 B
2	VERINT SYSTEMS INC	69,114	2.61%	-6.0%	Computer Tech	2.5 B
3	CROWN HOLDINGS INC	63,324	2.39%	10.8%	Basic	7.1 B
4	SPIRIT AEROSYSTEMS HOLD-CL A	62,688	2.37%	3.6%	Technology	7.0 B
5	ARRIS GROUP INC	61,140	2.31%	17.7%	Technology	4.5 B
6	NUANCE COMMUNICATIONS INC	58,417	2.20%	21.5%	Computer Tech	6.2 B
7	ACXIOM CORP	57,927	2.19%	5.9%	Service	1.6 B
8	AVERY DENNISON CORP	57,522	2.17%	11.4%	NonDur Cons Goods	5.7 B
9	CORELOGIC INC	56,783	2.14%	-9.1%	Service	3.0 B
10	RAMBUS INC	55,910	2.11%	-1.8%	Computer Tech	1.4 B

SANFORD FIREFIGHTERS PENSION FUND  
MANNING & NAPIER - OVERSEAS FUND  
PERFORMANCE REVIEW  
DECEMBER 2015



## **INVESTMENT RETURN**

On December 31st, 2015, the Sanford Firefighters Pension Fund's Manning & Napier Overseas Fund was valued at \$2,180,382, representing an increase of \$102,286 from the September quarter's ending value of \$2,078,096. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$102,286 in net investment returns. Income receipts totaling \$39,426 plus net realized and unrealized capital gains of \$62,860 combined to produce the portfolio's net investment return figure.

Over the cumulative period since June 2011, the account has had no contributions or withdrawals, while sustaining a net investment loss totaling \$80,300. Since June 2011, if the account had returned a compounded nominal rate of 10.0% it would have been valued at \$3.5 million or \$1.3 million more than its actual value as of December 31st, 2015.

## **RELATIVE PERFORMANCE**

For the fourth quarter, the Manning & Napier Overseas Fund gained 5.1%, which was 1.9% above the MSCI All Country World Ex US Net Index's return of 3.2% and ranked in the 38th percentile of the International Equity universe. Over the trailing year, this portfolio returned -4.3%, which was 1.4% greater than the benchmark's -5.7% performance, and ranked in the 64th percentile. Since June 2011, the portfolio returned 0.0% per annum and ranked in the 78th percentile. For comparison, the MSCI All Country World Ex US Net Index returned an annualized 0.3% over the same period.

## **ASSET ALLOCATION**

This account was fully invested in the Manning & Napier Core Non-US Equity fund (EXOSX) at the end of the quarter.

**EXECUTIVE SUMMARY****PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	-----Annualized-----	
				3 Year	Since 06/11
<b>Total Portfolio - Gross</b>	5.1	5.1	-4.3	1.7	0.0
<i>INTERNATIONAL EQUITY RANK</i>	(38)	(38)	(64)	(72)	(78)
<b>Total Portfolio - Net</b>	4.9	4.9	-5.0	0.9	-0.8
ACWI EX US NET	3.2	3.2	-5.7	1.5	0.3
ACWI EX US	3.3	3.3	-5.3	1.9	0.8
MSCI EAFE NET	4.7	4.7	-0.8	5.0	2.9
MSCI EAFE	4.7	4.7	-0.4	5.5	3.3
<b>International Equity</b>	5.1	5.1	-4.3	1.7	0.0
<i>INTERNATIONAL EQUITY RANK</i>	(38)	(38)	(64)	(72)	(78)
ACWI EX US NET	3.2	3.2	-5.7	1.5	0.3
ACWI EX US	3.3	3.3	-5.3	1.9	0.8
MSCI EAFE NET	4.7	4.7	-0.8	5.0	2.9
MSCI EAFE	4.7	4.7	-0.4	5.5	3.3

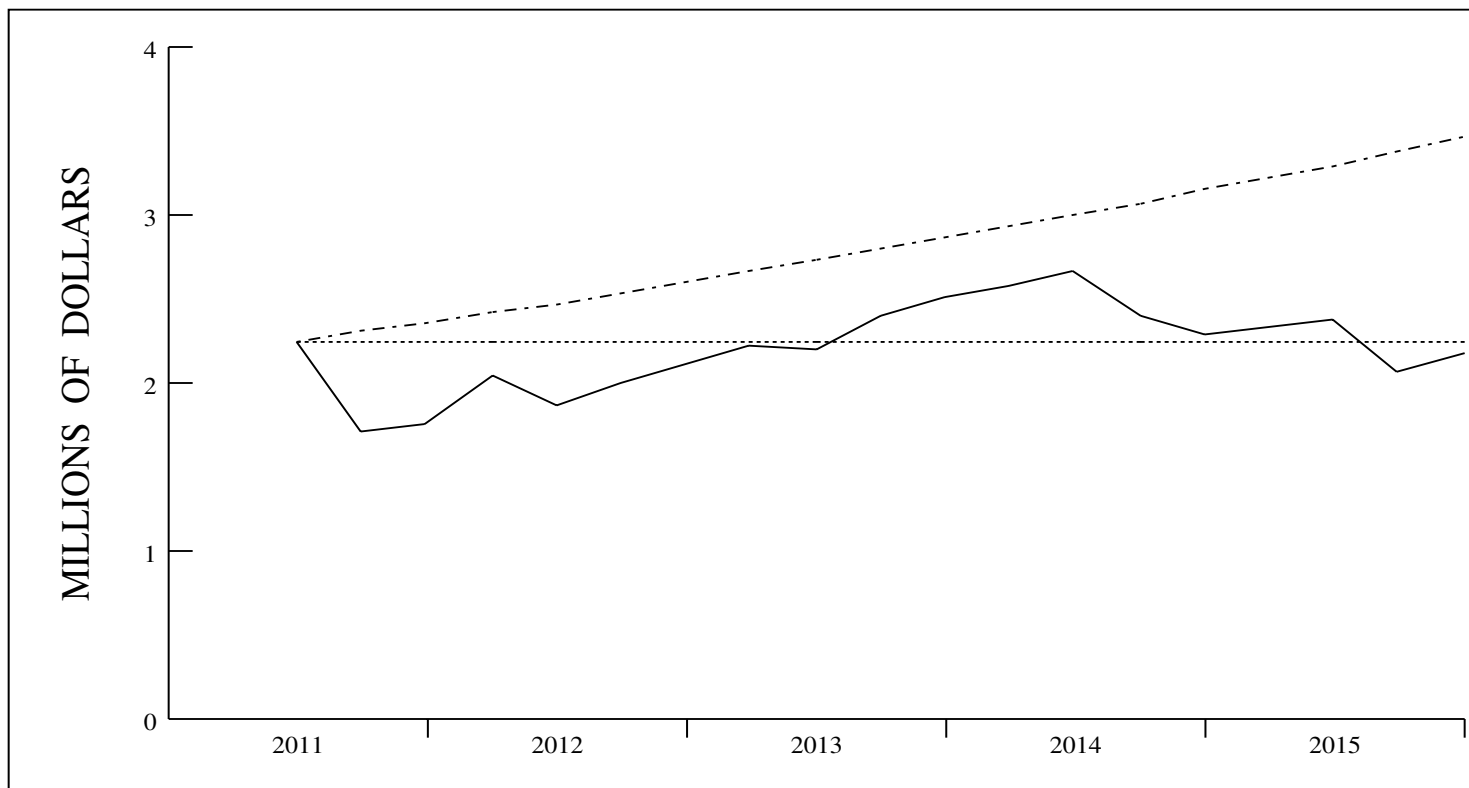
**ASSET ALLOCATION**

Int'l Equity	100.0%	\$ 2,180,382
Total Portfolio	100.0%	\$ 2,180,382

**INVESTMENT RETURN**

Market Value 9/2015	\$ 2,078,096
Contribs / Withdrawals	0
Income	39,426
Capital Gains / Losses	62,860
Market Value 12/2015	\$ 2,180,382

**INVESTMENT GROWTH**

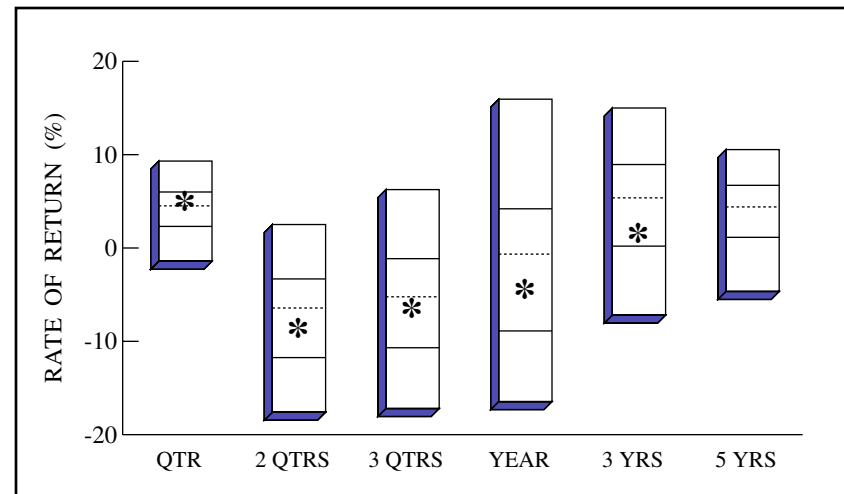
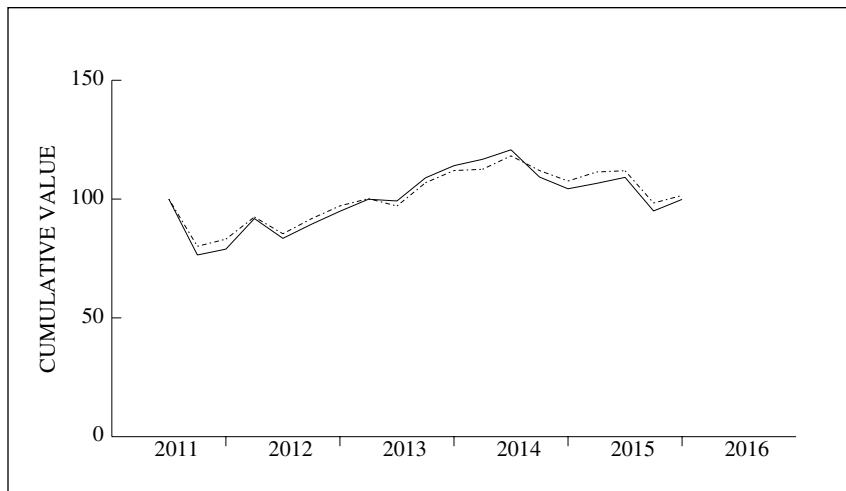


— ACTUAL RETURN  
 - - - 10.0%  
 . . . 0.0%

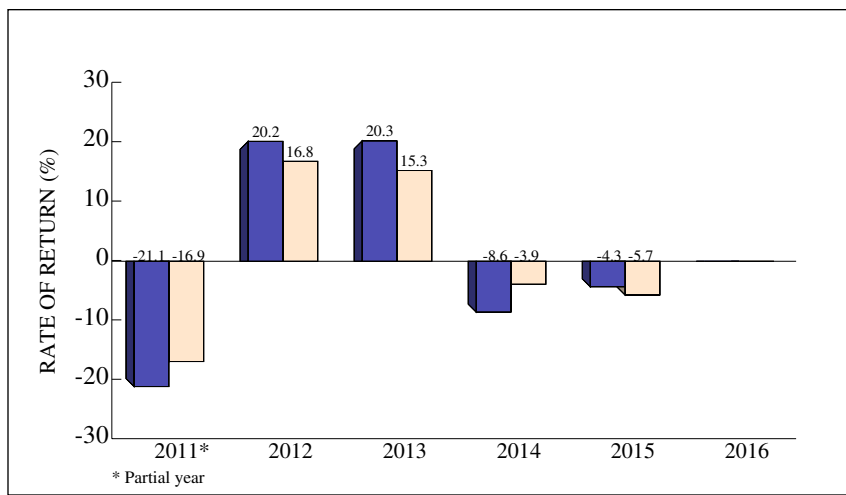
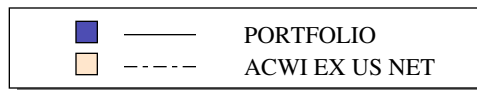
VALUE ASSUMING  
 10.0% RETURN \$ 3,471,415

	LAST QUARTER	PERIOD 6/11 - 12/15
BEGINNING VALUE	\$ 2,078,096	\$ 2,260,682
NET CONTRIBUTIONS	0	0
INVESTMENT RETURN	102,286	- 80,300
ENDING VALUE	\$ 2,180,382	\$ 2,180,382
INCOME	39,426	458,296
CAPITAL GAINS (LOSSES)	62,860	-538,596
INVESTMENT RETURN	102,286	- 80,300

**TOTAL RETURN COMPARISONS**



International Equity Universe

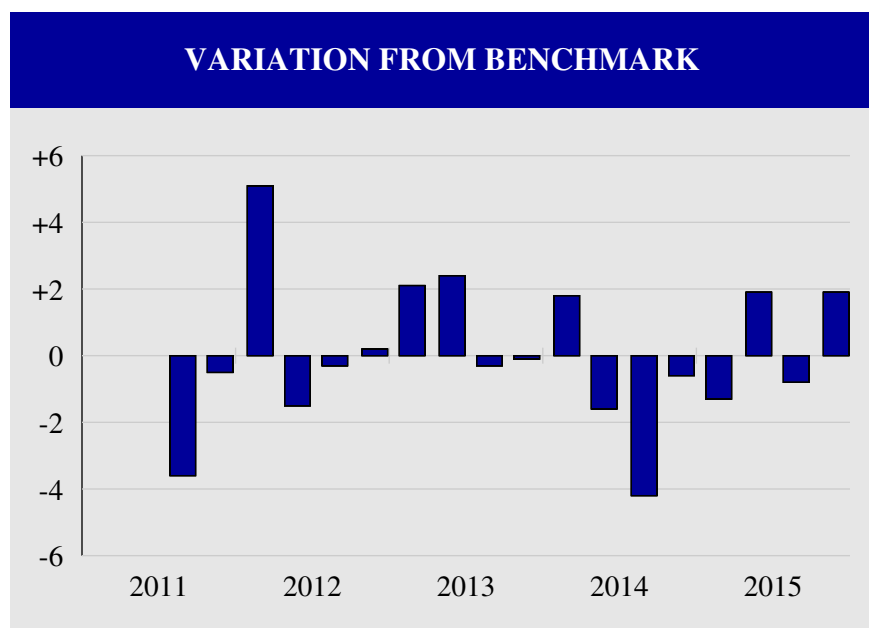


	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	5.1	-8.5	-6.3	-4.3	1.7	---
(RANK)	(38)	(62)	(56)	(64)	(72)	---
5TH %ILE	9.3	2.5	6.3	15.9	15.0	10.5
25TH %ILE	6.0	-3.3	-1.1	4.2	8.9	6.7
MEDIAN	4.5	-6.4	-5.2	-0.7	5.4	4.4
75TH %ILE	2.3	-11.7	-10.7	-8.9	0.2	1.1
95TH %ILE	-1.4	-17.6	-17.2	-16.5	-7.2	-4.7
<b>ACWI Ex US Net</b>	<b>3.2</b>	<b>-9.3</b>	<b>-8.9</b>	<b>-5.7</b>	<b>1.5</b>	<b>1.1</b>

International Equity Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

COMPARATIVE BENCHMARK: MSCI ALL COUNTRY WORLD EX US NET



<b>Total Quarters Observed</b>	<b>18</b>
<b>Quarters At or Above the Benchmark</b>	<b>7</b>
<b>Quarters Below the Benchmark</b>	<b>11</b>
<b>Batting Average</b>	<b>.389</b>

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/11	-23.5	-19.9	-3.6
12/11	3.2	3.7	-0.5
3/12	16.3	11.2	5.1
6/12	-9.1	-7.6	-1.5
9/12	7.1	7.4	-0.3
12/12	6.1	5.9	0.2
3/13	5.3	3.2	2.1
6/13	-0.7	-3.1	2.4
9/13	9.8	10.1	-0.3
12/13	4.7	4.8	-0.1
3/14	2.3	0.5	1.8
6/14	3.4	5.0	-1.6
9/14	-9.5	-5.3	-4.2
12/14	-4.5	-3.9	-0.6
3/15	2.2	3.5	-1.3
6/15	2.4	0.5	1.9
9/15	-13.0	-12.2	-0.8
12/15	5.1	3.2	1.9

SANFORD FIREFIGHTERS PENSION FUND  
ASB CAPITAL MANAGEMENT - ALLEGIANCE REAL ESTATE FUND  
PERFORMANCE REVIEW  
DECEMBER 2015

## **INVESTMENT RETURN**

On December 31st, 2015, the Sanford Firefighters Pension Fund's ASB Capital Management Allegiance Real Estate Fund was valued at \$1,347,671, representing an increase of \$71,892 from the September quarter's ending value of \$1,275,779. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$71,892 in net investment returns. Income receipts totaling \$12,758 plus net realized and unrealized capital gains of \$59,134 combined to produce the portfolio's net investment return figure.

For the cumulative period since September 2013, the account has recorded net contributions totaling \$600,000, and has recorded net investment gains of \$347,671. Since September 2013, if the total account had earned a compounded nominal rate of 7.0% it would have been worth \$1.2 million or \$193,017 less than the actual value as of December 31st, 2015.

## **RELATIVE PERFORMANCE**

During the fourth quarter, the ASB Capital Management Allegiance Real Estate Fund gained 5.6%, which was 2.3% greater than the NCREIF NFI-ODCE Index's return of 3.3%. Over the trailing twelve-month period, the portfolio returned 17.3%, which was 2.3% above the benchmark's 15.0% performance. Since September 2013, the ASB Capital Management Allegiance Real Estate Fund returned 15.1% per annum, while the NCREIF NFI-ODCE Index returned an annualized 13.7% over the same time frame.

**Real Estate Investor Report**  
**ASB Allegiance Real Estate Fund**  
**As of December 31, 2015**

<b>Market Value</b>	<b>\$ 1,347,671</b>	Last Appraisal Date: 12/31/2015	
Capital Commitment	\$ 1,000,000		
Paid-in Contributions	\$ 1,000,000	100.00%	
Remaining Commitment	\$ -	0.00%	
Net Gain/(Loss)	\$ 347,671.00		

<b>Date</b>	<b>Paid-in Contributions</b>	<b>% of Commitment</b>	<b>% of Commitment</b>	<b>Distributions</b>
3Q2013	\$ 400,000	40.00%	-	\$ -
4Q2013	\$ 600,000	40.00%	-	\$ -
<b>Total</b>	<b>\$ 1,000,000</b>	<b>100.00%</b>	<b>0.00%</b>	<b>\$ -</b>



**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	-----Annualized-----	
				3 Year	Since 09/13
<b>Total Portfolio - Gross</b>	5.6	5.6	17.3	----	15.1
<b>Total Portfolio - Net</b>	5.3	5.3	15.8	----	13.8
NCREIF ODCE	3.3	3.3	15.0	13.8	13.7
<b>Real Estate</b>	5.6	5.6	17.3	----	15.1
NCREIF ODCE	3.3	3.3	15.0	13.8	13.7

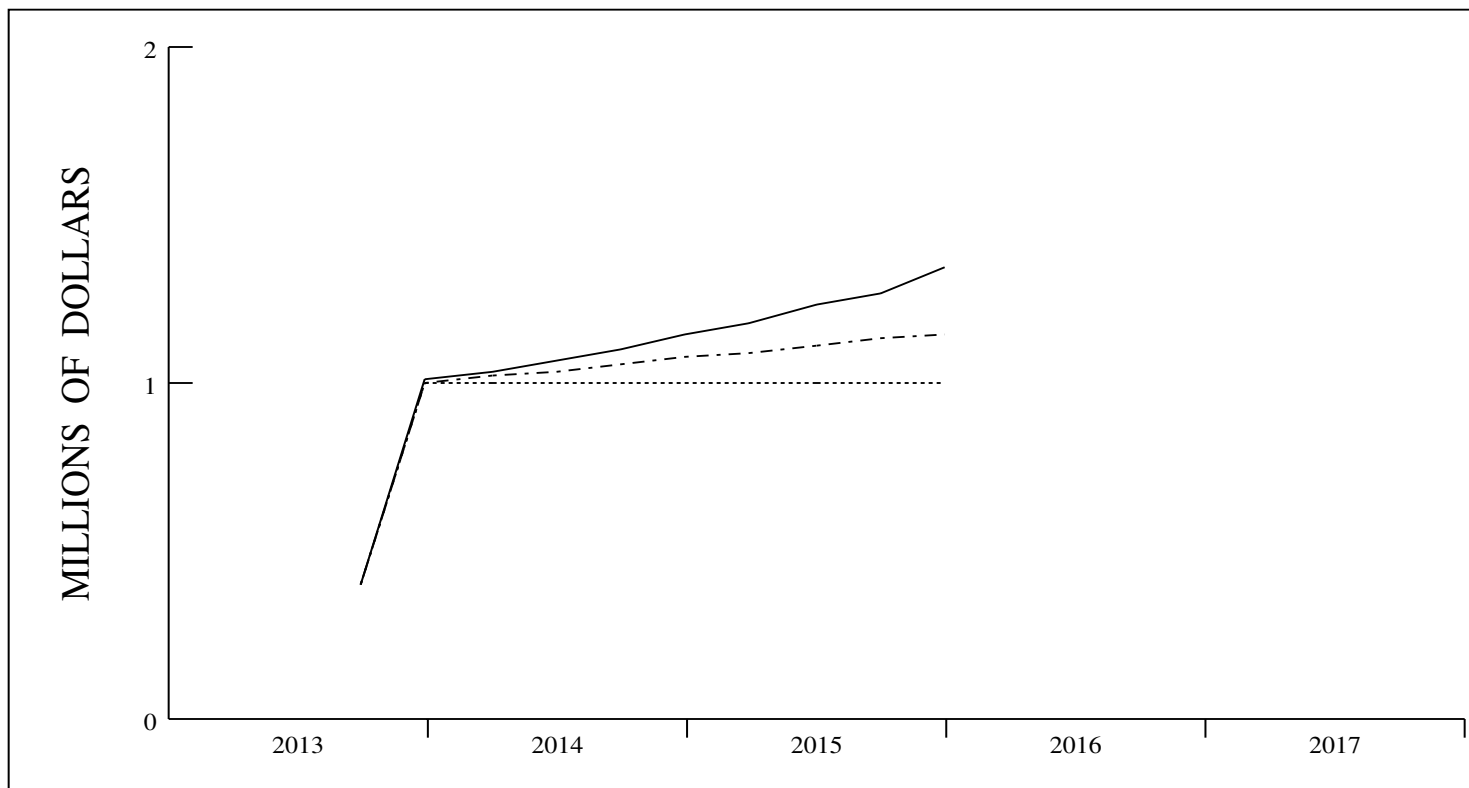
**ASSET ALLOCATION**

Real Estate	100.0%	\$ 1,347,671
Total Portfolio	100.0%	\$ 1,347,671

**INVESTMENT RETURN**

Market Value 9/2015	\$ 1,275,779
Contribs / Withdrawals	0
Income	12,758
Capital Gains / Losses	59,134
Market Value 12/2015	\$ 1,347,671

**INVESTMENT GROWTH**



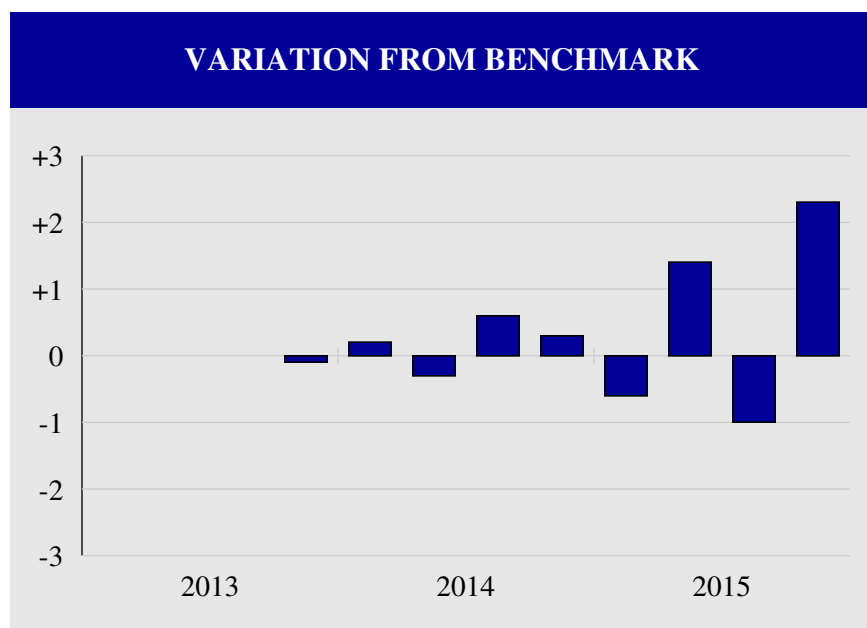
— ACTUAL RETURN  
 - - - 7.0%  
 . . . 0.0%

VALUE ASSUMING  
 7.0% RETURN    \$ 1,154,654

	LAST QUARTER	PERIOD 9/13 - 12/15
BEGINNING VALUE	\$ 1,275,779	\$ 400,000
NET CONTRIBUTIONS	0	600,000
INVESTMENT RETURN	71,892	347,671
ENDING VALUE	\$ 1,347,671	\$ 1,347,671
INCOME	12,758	94,772
CAPITAL GAINS (LOSSES)	59,134	252,899
INVESTMENT RETURN	71,892	347,671

### TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/13	3.1	3.2	-0.1
3/14	2.7	2.5	0.2
6/14	2.6	2.9	-0.3
9/14	3.8	3.2	0.6
12/14	3.6	3.3	0.3
3/15	2.8	3.4	-0.6
6/15	5.2	3.8	1.4
9/15	2.7	3.7	-1.0
12/15	5.6	3.3	2.3

<b>Total Quarters Observed</b>	<b>9</b>
<b>Quarters At or Above the Benchmark</b>	<b>5</b>
<b>Quarters Below the Benchmark</b>	<b>4</b>
<b>Batting Average</b>	<b>.556</b>

SANFORD FIREFIGHTERS PENSION FUND  
INTERCONTINENTAL  
PERFORMANCE REVIEW  
DECEMBER 2015

## **INVESTMENT RETURN**

On December 31st, 2015, the Sanford Firefighters Pension Fund's Intercontinental portfolio was valued at \$2,541,485, representing an increase of \$109,468 from the September quarter's ending value of \$2,432,017. Last quarter, the Fund posted withdrawals totaling \$32,668, which offset the portfolio's net investment return of \$142,136. Since there were no income receipts for the fourth quarter, the portfolio's net investment return figure was the product of net realized and unrealized capital gains totaling \$142,136.

For the cumulative period since September 2013, the account has posted net contributions totaling \$905,701, and has recorded net investment gains totaling \$624,993. Since September 2013, if the portfolio had returned a compounded nominal rate of 7.0% it would have been valued at \$2.2 million or \$343,454 less than its actual value as of December 31st, 2015.

## **RELATIVE PERFORMANCE**

For the fourth quarter, the Intercontinental account gained 5.9%, which was 2.6% greater than the NCREIF NFI-ODCE Index's return of 3.3%. Over the trailing twelve-month period, the portfolio returned 14.8%, which was 0.2% less than the benchmark's 15.0% performance. Since September 2013, the Intercontinental portfolio returned 14.7% per annum, while the NCREIF NFI-ODCE Index returned an annualized 13.7% over the same time frame.

**Real Estate Investor Report**  
**Intercontinental US Real Estate Investment Fund**  
**As of December 31, 2015**

<b>Market Value</b>	<b>\$ 2,541,485</b>	Last Appraisal	12/31/2015
Capital Commitment	\$ 2,000,000		
Paid-in Contributions	\$ 2,000,000	100.00%	
Remaining Commitment	\$ -	0.00%	
Net Gain/(Loss)	\$ 664,093		

<b>Date</b>	<b>Paid-in Contributions</b>	<b>% of Commitment</b>	<b>Distributions</b>
4/19/2013	\$ 1,000,000	50.00%	\$ -
10/1/2013	\$ 2,351	0.12%	\$ 3,165
1/15/2014	\$ 146,262	7.31%	\$ -
3/31/2014	\$ 130,995	6.55%	\$ -
4/1/2014	\$ 6,840	0.34%	\$ 9,902
5/1/2014	\$ 607,477	30.37%	\$ -
6/9/2014	\$ 106,075	5.30%	\$ -
7/1/2014	\$ -	0.00%	\$ 20,021
1/1/2015	\$ -	0.00%	\$ 14,843
4/1/2015	\$ -	0.00%	\$ 21,932
7/1/2015	\$ -	0.00%	\$ 26,933
10/1/2015	\$ -	0.00%	\$ 25,812
<b>Total</b>	<b>\$ 2,000,000</b>	<b>100.00%</b>	<b>\$ 122,608</b>

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	-----Annualized-----	
				3 Year	Since 09/13
<b>Total Portfolio - Gross</b>	5.9	5.9	14.8	----	14.7
<b>Total Portfolio - Net</b>	5.6	5.6	13.7	----	13.5
NCREIF ODCE	3.3	3.3	15.0	13.8	13.7
<b>Real Estate</b>	5.9	5.9	14.8	----	14.7
NCREIF ODCE	3.3	3.3	15.0	13.8	13.7

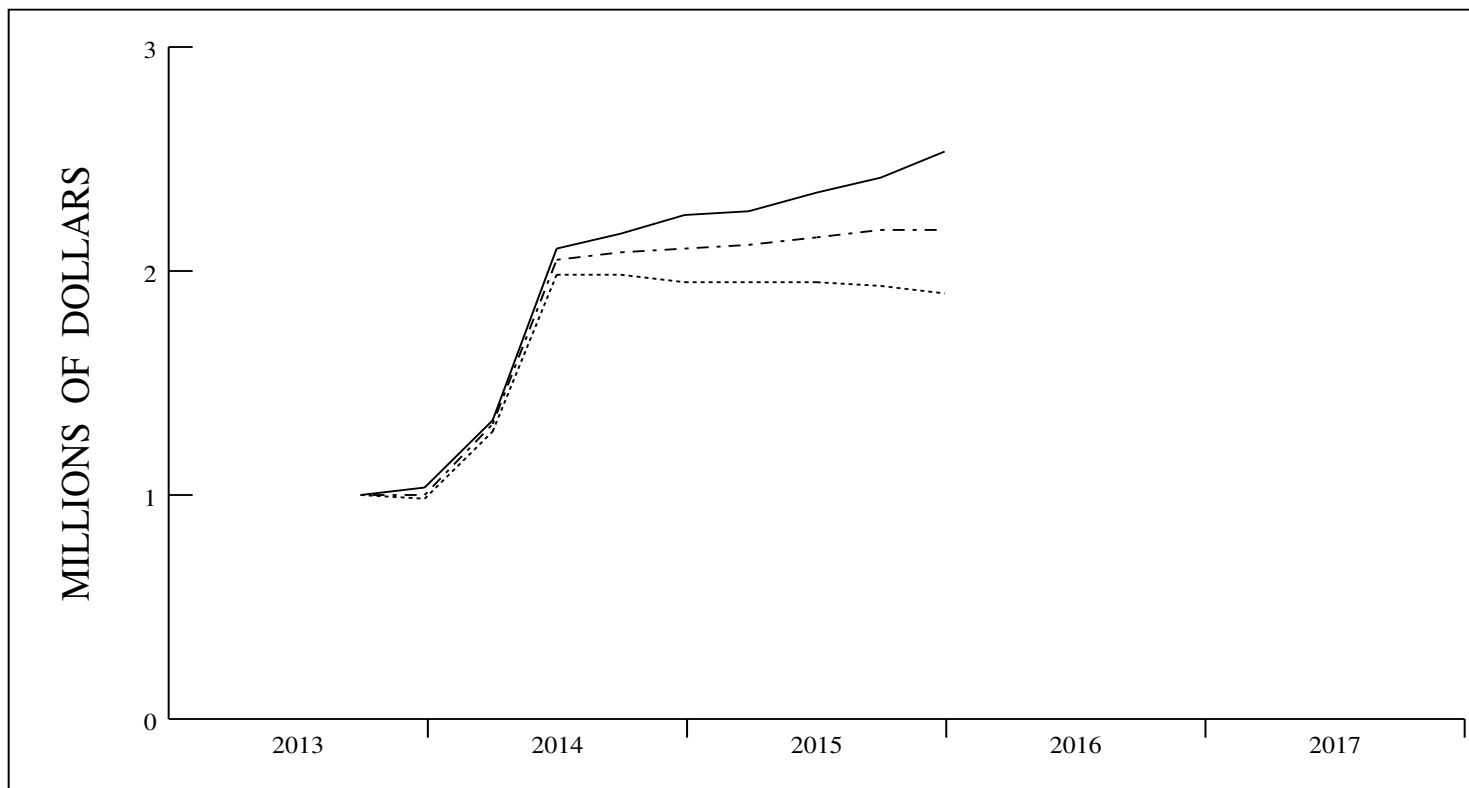
**ASSET ALLOCATION**

Real Estate	100.0%	\$ 2,541,485
Total Portfolio	100.0%	\$ 2,541,485

**INVESTMENT RETURN**

Market Value 9/2015	\$ 2,432,017
Contribs / Withdrawals	- 32,668
Income	0
Capital Gains / Losses	142,136
Market Value 12/2015	\$ 2,541,485

**INVESTMENT GROWTH**



— ACTUAL RETURN  
 - - - 7.0%  
 . . . 0.0%

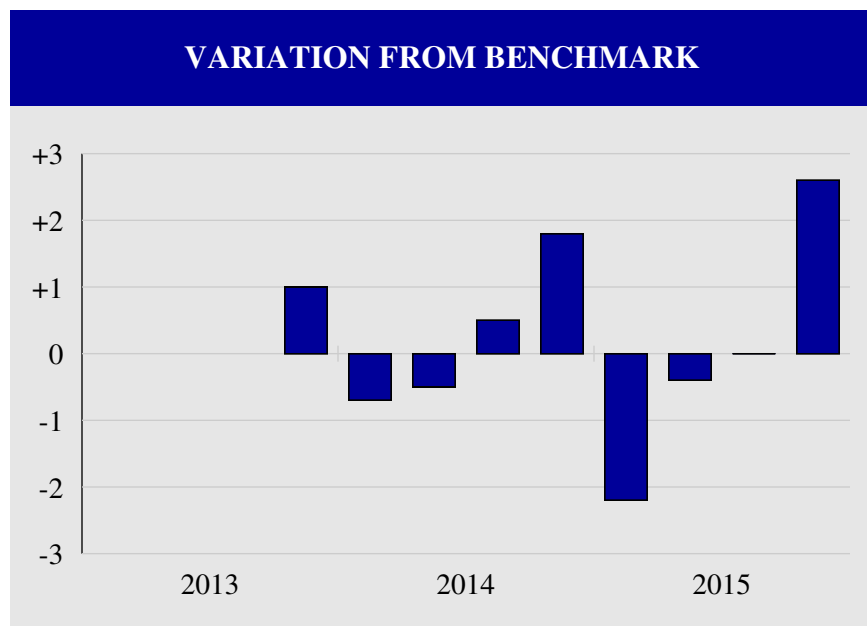
VALUE ASSUMING  
 7.0% RETURN \$ 2,198,031

	LAST QUARTER	PERIOD 9/13 - 12/15
BEGINNING VALUE	\$ 2,432,017	\$ 1,010,791
NET CONTRIBUTIONS	- 32,668	905,701
INVESTMENT RETURN	142,136	624,993
ENDING VALUE	\$ 2,541,485	\$ 2,541,485
INCOME	0	9,300
CAPITAL GAINS (LOSSES)	142,136	615,693
INVESTMENT RETURN	142,136	624,993



**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

**COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/13	4.2	3.2	1.0
3/14	1.8	2.5	-0.7
6/14	2.4	2.9	-0.5
9/14	3.7	3.2	0.5
12/14	5.1	3.3	1.8
3/15	1.2	3.4	-2.2
6/15	3.4	3.8	-0.4
9/15	3.7	3.7	0.0
12/15	5.9	3.3	2.6

<b>Total Quarters Observed</b>	<b>9</b>
<b>Quarters At or Above the Benchmark</b>	<b>5</b>
<b>Quarters Below the Benchmark</b>	<b>4</b>
<b>Batting Average</b>	<b>.556</b>

SANFORD FIREFIGHTERS PENSION FUND  
GARCIA HAMILTON & ASSOCIATES - FIXED INCOME - AGGREGATE  
PERFORMANCE REVIEW  
DECEMBER 2015

## **INVESTMENT RETURN**

As of December 31st, 2015, the Sanford Firefighters Pension Fund's Garcia Hamilton & Associates Fixed Income - Aggregate account was valued at \$5,993,280, representing a decrease of \$8,213 from the September ending value of \$6,001,493. Over the last three months, the fund posted no net contributions or withdrawals, while posting a net investment loss for the quarter of \$8,213. The fund's net investment loss was comprised of \$45,225 in income receipts and \$53,438 in net realized and unrealized capital losses.

For the cumulative period since September 2011, the account has posted net withdrawals totaling \$1.2 million and net investment gains totaling \$1.2 million. For the period since September 2011, if the fund had earned a compounded nominal rate of 6.0% it would have been worth \$6.3 million or \$305,823 more than its actual value as of December 31st, 2015.

## **RELATIVE PERFORMANCE**

In the fourth quarter, the Garcia Hamilton & Associates Fixed Income - Aggregate portfolio lost 0.1%, which was 0.5% greater than the Barclays Aggregate Index's return of -0.6% and ranked in the 6th percentile of the Core Fixed Income universe. Over the trailing year, this portfolio returned 0.9%, which was 0.3% greater than the benchmark's 0.6% performance, and ranked in the 37th percentile. Since September 2011, the account returned 4.8% per annum and ranked in the 1st percentile. For comparison, the Barclays Aggregate Index returned an annualized 2.3% over the same period.

## **ANALYSIS**

At the end of the quarter, USG rated securities comprised approximately 85% of the bond portfolio, helping to minimize default risk. Corporate securities, rated AAA through BBB, made up the remainder, giving the portfolio an overall average quality rating of USG-AAA. The average maturity of the portfolio was 10.47 years, longer than the Barclays Aggregate Index's 7.94-year maturity. The average coupon was 3.60%.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

				-----Annualized-----	
	Quarter	FYTD	1 Year	3 Year	Since 09/11
<b>Total Portfolio - Gross</b>	-0.1	-0.1	0.9	2.9	4.8
<i>CORE FIXED INCOME RANK</i>	( 6)	( 6)	(37)	( 2)	( 1)
<b>Total Portfolio - Net</b>	-0.2	-0.2	0.6	2.6	4.5
BARCLAYS AGG	-0.6	-0.6	0.6	1.4	2.3
<b>Fixed Income</b>	-0.1	-0.1	0.9	2.9	4.8
<i>CORE FIXED INCOME RANK</i>	( 6)	( 6)	(37)	( 2)	( 1)
BARCLAYS AGG	-0.6	-0.6	0.6	1.4	2.3

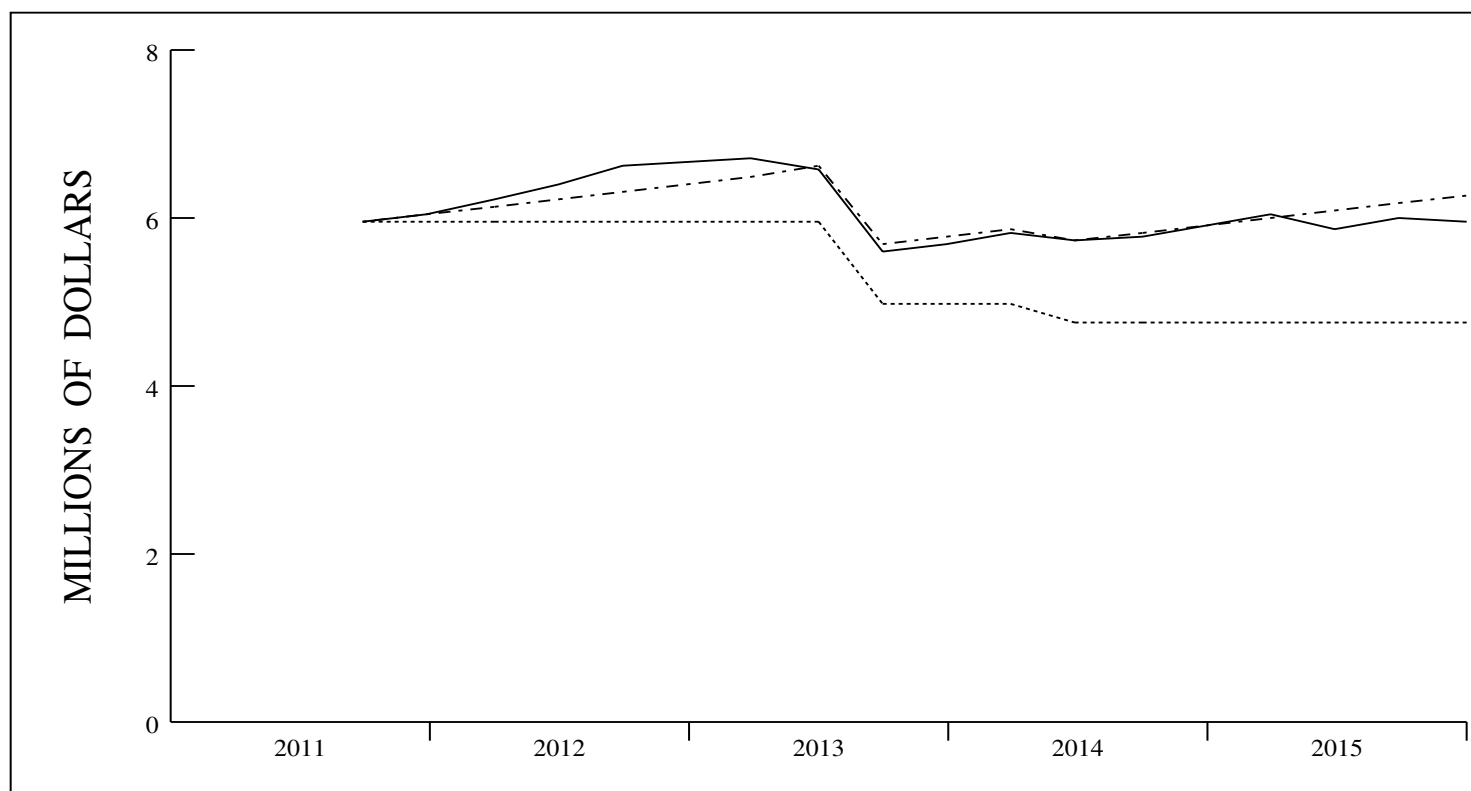
**ASSET ALLOCATION**

Fixed Income	100.0%	\$ 5,993,280
Total Portfolio	100.0%	\$ 5,993,280

**INVESTMENT RETURN**

Market Value 9/2015	\$ 6,001,493
Contribs / Withdrawals	0
Income	45,225
Capital Gains / Losses	- 53,438
Market Value 12/2015	\$ 5,993,280

**INVESTMENT GROWTH**

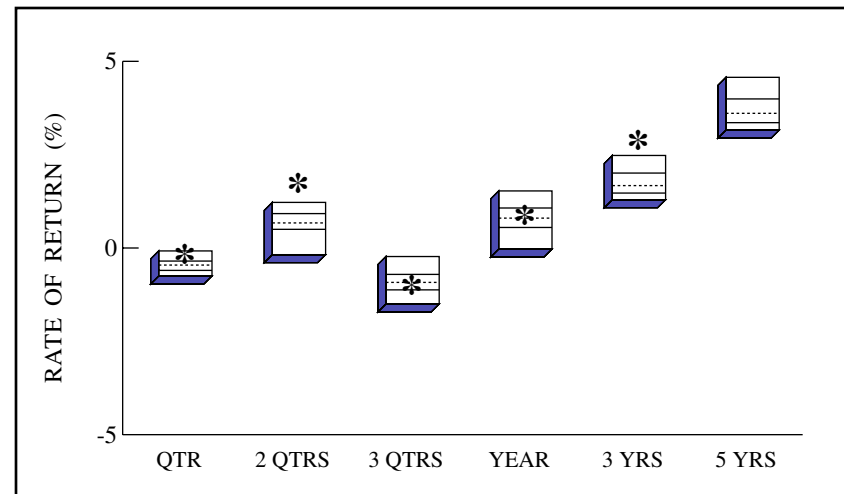
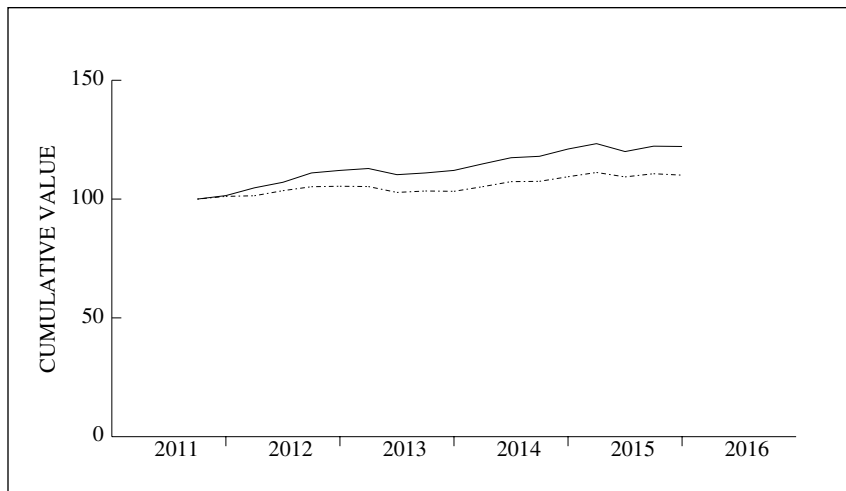


—	ACTUAL RETURN
- - - - -	6.0%
.....	0.0%

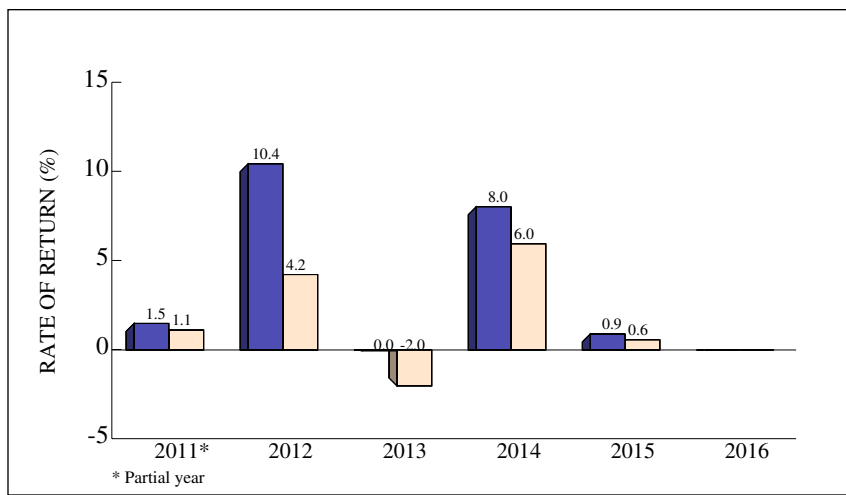
VALUE ASSUMING	
6.0% RETURN	\$ 6,299,103

	LAST QUARTER	PERIOD 9/11 - 12/15
BEGINNING VALUE	\$ 6,001,493	\$ 5,980,289
NET CONTRIBUTIONS	0	- 1,200,000
INVESTMENT RETURN	- 8,213	1,212,991
ENDING VALUE	\$ 5,993,280	\$ 5,993,280
INCOME	45,225	1,082,573
CAPITAL GAINS (LOSSES)	- 53,438	130,418
INVESTMENT RETURN	- 8,213	1,212,991

**TOTAL RETURN COMPARISONS**



Core Fixed Income Universe

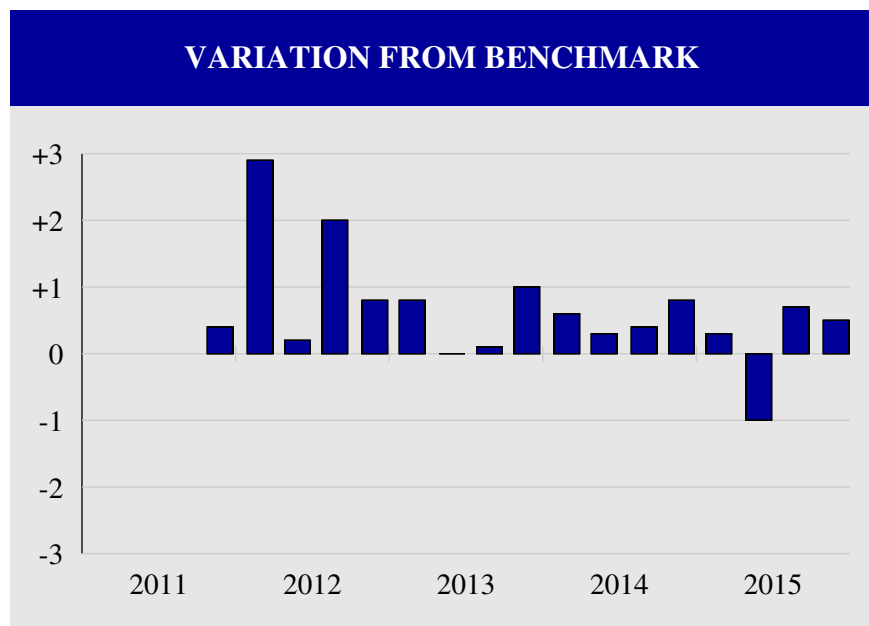


	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	-0.1	1.8	-1.0	0.9	2.9	---
(RANK)	(6)	(1)	(54)	(37)	(2)	---
5TH %ILE	-0.1	1.2	-0.2	1.5	2.5	4.6
25TH %ILE	-0.4	0.9	-0.7	1.1	2.0	4.0
MEDIAN	-0.5	0.7	-0.9	0.8	1.7	3.6
75TH %ILE	-0.6	0.5	-1.1	0.6	1.5	3.4
95TH %ILE	-0.8	-0.2	-1.5	0.0	1.3	3.2
<b>Agg Index</b>	<b>-0.6</b>	<b>0.7</b>	<b>-1.0</b>	<b>0.6</b>	<b>1.4</b>	<b>3.3</b>

Core Fixed Income Universe

### TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

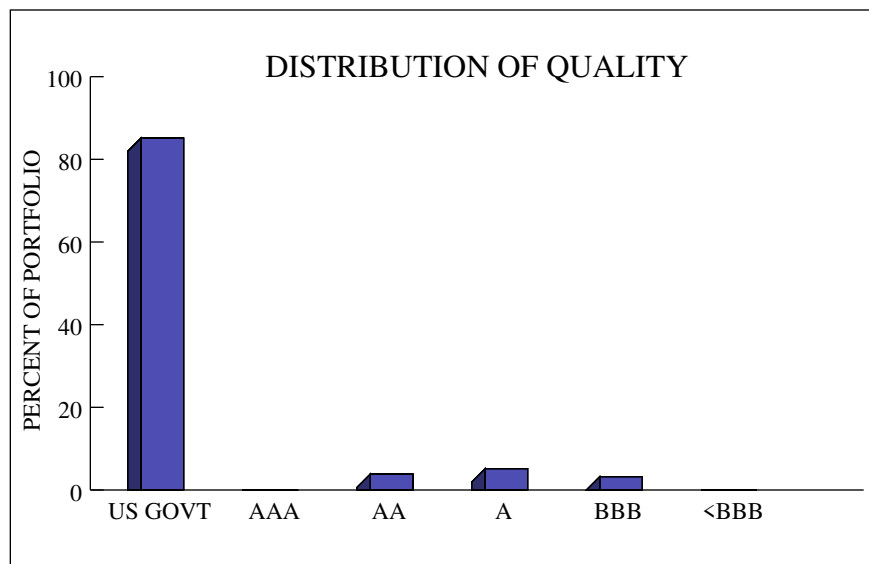
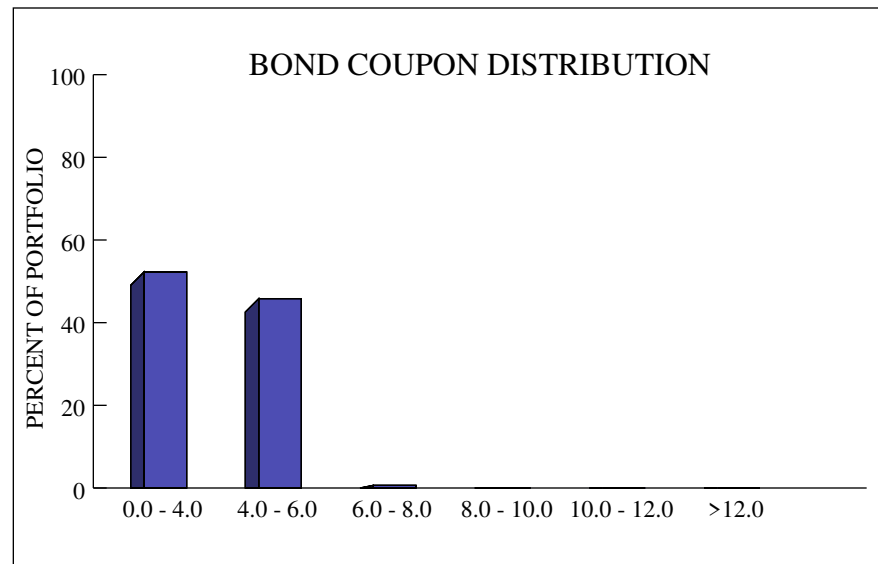
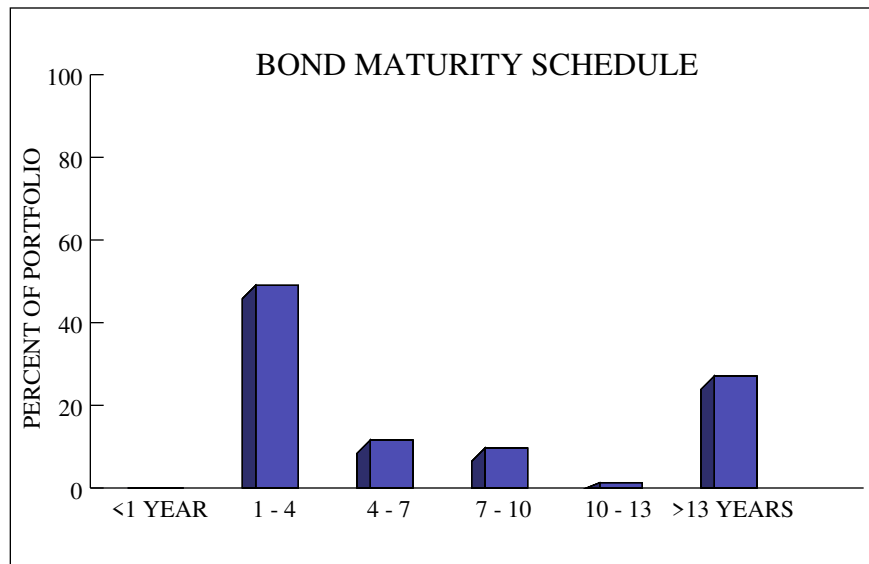
COMPARATIVE BENCHMARK: BARCLAYS AGGREGATE INDEX



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/11	1.5	1.1	0.4
3/12	3.2	0.3	2.9
6/12	2.3	2.1	0.2
9/12	3.6	1.6	2.0
12/12	1.0	0.2	0.8
3/13	0.7	-0.1	0.8
6/13	-2.3	-2.3	0.0
9/13	0.7	0.6	0.1
12/13	0.9	-0.1	1.0
3/14	2.4	1.8	0.6
6/14	2.3	2.0	0.3
9/14	0.6	0.2	0.4
12/14	2.6	1.8	0.8
3/15	1.9	1.6	0.3
6/15	-2.7	-1.7	-1.0
9/15	1.9	1.2	0.7
12/15	-0.1	-0.6	0.5

<b>Total Quarters Observed</b>	<b>17</b>
<b>Quarters At or Above the Benchmark</b>	<b>16</b>
<b>Quarters Below the Benchmark</b>	<b>1</b>
<b>Batting Average</b>	<b>.941</b>

**BOND CHARACTERISTICS**



	<b>PORTFOLIO</b>	<b>BARCLAYS AGG</b>
No. of Securities	37	9,720
Duration	7.05	5.68
YTM	2.21	2.59
Average Coupon	3.60	3.18
Avg Maturity / WAL	10.47	7.94
Average Quality	USG-AAA	USG-AAA