



General Employees' Retirement System Board Agenda Monday, May 9, 2016

Meeting Information

Location

CMO Conference Room
110 SE Watula Avenue (2nd
Floor)
Ocala, Florida

Time

9:00 AM

Board Members

Arnie Hersh
Chairperson

Connie Carroll
Trustee

Anthony Ortiz
Trustee

Bernhard W. Stalzer
Trustee

John Walker
Trustee

WELCOME!

We are very glad you have joined us for today's meeting. If reasonable accommodations are needed for you to participate in this meeting, please call Alicia Gaither at (352) 629-8372, 48 hours in advance so arrangements can be made.

APPEALS

Any person who decides to appeal any decision of the Ocala General Employees' Retirement System Board with respect to any matter considered at this meeting will need a record of the proceeding, and for such purpose, may need to ensure that a verbatim record of the proceeding is made.

Public Notice

9:00 AM Meeting called to order on May 9, 2016 at CMO Conference Room, 110 SE Watula Avenue (2nd Floor), Ocala, FL.

1. Call to Order

2. Public Comments
3. Presentations

2. Valuation Report - Foster & Foster

1. Approve Valuation Report

3. Consultant's Presentation

- A. Segal Rogerscasey
 1. Approve Segal Rogerscasey Presentation

4. Attorney's Report

5. Minutes Approval

1. Minutes for Monday, February 08, 2016

6. Other matters to come before the Board

1. Retirement Budget FY 17-18
 - a. Approve FY 17-18 Budget for General Employees' Retirement System
2. Administrative Agreement
 - a. Approve Administrative Agreement
3. Monitoring Agreement
 - a. Approve Monitoring Contract

7. Adjournment

CITY OF OCALA
GENERAL EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2015

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDED SEPTEMBER 30, 2017

Attachment: 03-07-16, October 1, 2015 Valuation - Ocala General (9460 : General Valuation Report)

March 7, 2016

Board of Trustees
City of Ocala
Pension Office
2100 NE 30 Ave. Building E
Ocala, FL 34470

Re: City of Ocala
General Employees' Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Ocala General Employees' Retirement System. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. Please note that this valuation may not be applicable for any other purposes.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. This valuation also reflects assumptions and methods mandated by Ordinance 2013-48. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the City and the Board of Trustees, financial reports prepared by the Plan's Custodian Bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial

accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Ocala, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Ocala General Employees' Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By:



Douglas H. Lozen, EA, MAAA
Enrolled Actuary #14-7778

DHL/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Ocala General Employees' Retirement System, performed as of October 1, 2015, has been completed, and the results are presented in this Report. The results of this valuation are applicable to the plan/fiscal year ended September 30, 2017.

The funding requirements, compared with amounts developed in October 1, 2014 actuarial valuation report are as follows:

Valuation Date	10/1/2014	10/1/2015
Applicable Fiscal Year	<u>9/30/2016</u>	<u>9/30/2017</u>
Total Required Contribution		\$16,005,539
% of Total Annual Payroll	100.31%	
Expected Member Contributions*		610,589
% of Total Annual Payroll	3.95%	
Balance From City		15,394,950
% of Total Annual Payroll	96.36%	

* The Member contribution rate is a blend between the 8.18% contribution rate from the grandfathered group and the 3.0% member contribution rate for those in the variable benefit and contribution plan.

During the past year the actuarial experience has been less favorable than expected, relative to the Plan's actuarial assumptions. The primary sources of unfavorable actuarial experience include earlier than anticipated retirements, less than anticipated turnover and greater than expected salary increases. Partially offsetting these losses were the effect of an 8.1% investment return (Actuarial Asset Basis) that exceeded the 7.0% assumption.

The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and any pending questions concerning its contents.

Attachment: 03-07-16, October 1, 2015 Valuation - Ocala General (9460 : General Valuation Report)

Respectfully submitted,

FOSTER & FOSTER, INC.

By: 
Douglas H. Lozen, EA, MAAA

By: 
Christine M. O'Neal, EA, ASA, MAAA

Attachment: 03-07-16, October 1, 2015 Valuation - Ocala General (9460 : General Valuation Report)

CHANGES SINCE PRIOR VALUATION

Plan Changes Since Prior Valuation- There were no plan changes since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation- Since the prior valuation the funding method was changed from percentage of payroll to a fixed dollar contribution.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2015</u>	<u>10/1/2014</u>
A. Participant Data		
Number Included		
Actives	283	308
Service Retirees	569	560
DROP Retirees	9	15
Beneficiaries	92	82
Disability Retirees	3	2
Terminated Vested	<u>336</u>	<u>344</u>
Total	1,292	1,311
Total Annual Payroll		
	\$14,974,409	\$15,008,754
Payroll Under Assumed Ret. Age		
	14,621,808	14,817,620
Annual Rate of Payments to:		
Service Retirees	9,095,667	8,704,875
DROP Retirees	246,526	442,899
Beneficiaries	959,571	833,493
Disability Retirees	20,098	8,414
Terminated Vested	2,663,629	3,053,563
B. Assets		
Actuarial Value ¹	117,095,812	108,711,350
Market Value ¹	115,010,138	117,930,567
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	55,888,488	53,295,163
Disability Benefits	1,891,086	1,995,347
Death Benefits	533,876	575,770
Vested Benefits	4,967,338	5,693,153
Refund of Contributions	15,605	9,008
Service Retirees		
	119,516,215	114,948,870
DROP Retirees ¹		
	6,049,043	11,450,025
Beneficiaries		
	9,895,892	8,859,982
Disability Retirees		
	277,724	48,407
Terminated Vested ²		
	<u>19,174,550</u>	<u>19,300,985</u>
Total	218,209,817	216,176,710

C. Liabilities - (Continued)	<u>10/1/2015</u>	<u>10/1/2014</u>
Present Value of Future Salaries	95,170,821	100,904,520
Present Value of Future Member Contributions	3,132,311	3,247,697
Normal Cost (Retirement)	992,055	1,096,514
Normal Cost (Disability)	101,770	110,659
Normal Cost (Death)	25,142	26,950
Normal Cost (Vesting)	456,404	507,974
Normal Cost (Refunds)	<u>3,701</u>	<u>2,309</u>
Total Normal Cost	1,579,072	1,744,406
Present Value of Future Normal Costs	5,943,427	9,383,270
Accrued Liability (Retirement)	50,559,451	47,148,877
Accrued Liability (Disability)	1,276,696	1,292,293
Accrued Liability (Death)	533,876	413,049
Accrued Liability (Vesting)	4,975,465	3,327,747
Accrued Liability (Refunds)	7,478	3,205
Accrued Liability (Inactives) ¹	<u>154,913,424</u>	<u>154,608,269</u>
Total Actuarial Accrued Liability	212,266,390	206,793,440
Unfunded Actuarial Accrued Liability (UAAL)	95,170,578	98,082,090
Funded Ratio (AVA / AL)	55.2%	52.6%
 D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives ¹	154,913,424	154,608,269
Actives	44,160,529	33,982,148
Member Contributions	<u>6,864,158</u>	<u>6,779,645</u>
Total	205,938,111	195,370,062
Non-vested Accrued Benefits	<u>4,915,532</u>	<u>4,346,155</u>
Total Present Value Accrued Benefits	210,853,643	199,716,217
Funded Ratio (MVA / PVAB)	54.5%	59.0%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	11,504,577	
Benefits Paid	(13,862,112)	
Interest	13,494,961	
Other	<u>0</u>	
Total	11,137,426	

Valuation Date	10/1/2015	10/1/2014
Applicable to Fiscal Year Ending	<u>9/30/2017</u>	<u>9/30/2016</u>

E. Pension Cost

Normal Cost ²	\$1,720,960	
% of Total Annual Payroll		12.18
Administrative Expenses ²	188,393	
% of Total Annual Payroll		1.11
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 22 years (as of 10/1/2015) ³	14,096,186	
% of Total Annual Payroll		87.02
Total Required Contribution	16,005,539	
% of Total Annual Payroll		100.31
Expected Member Contributions ²	610,589	
% of Total Annual Payroll		3.95
Expected City Contribution	15,394,950	
% of Total Annual Payroll		96.36

F. Past Contributions

Plan Years Ending:	<u>9/30/2015</u>
City Requirement	13,044,778
Actual Contributions Made:	
Members (excluding buyback)	584,624
City	<u>13,053,609</u>
Total	13,638,233

G. Net Actuarial (Gain)/Loss

2,328,147

- ¹ The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2015 and 9/30/2014.
- ² Vested Terminated category includes optout Members eligible for vested benefits.
- ³ Contributions developed as of 10/1/2015 displayed above have been adjusted to account for assumed salary increase and interest components.

Attachment: 03-07-16, October 1, 2015 Valuation - Ocala General (9460 : General Valuation Report)

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2015	95,170,578
2016	87,993,138
2017	80,313,275
2022	51,929,315
2027	31,880,106
2032	11,944,006
2037	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	7.4%	5.3%
Year Ended	9/30/2014	1.8%	5.9%
Year Ended	9/30/2013	0.4%	5.5%

(ii) 3 Year Comparison of Investment Return on Actuarial Value

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	8.1%	7.0%
Year Ended	9/30/2014	11.4%	7.0%
Year Ended	9/30/2013	8.5%	7.0%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2015	\$21,010,896
	10/1/2005	29,361,461
(b) Total Increase		-28.4%
(c) Number of Years		10.0
(d) Average Annual Rate		-3.3%

STATEMENT BY ENROLLED ACTUARY

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



Douglas H. Lozen, EA, MAAA
Enrolled Actuary #14-7778

Please let us know when the report is approved by the Board and unless otherwise directed we will provide a copy of the report to the following office to comply with Chapter 112 Florida Statutes:

Mr. Keith Brinkman
Bureau of Local
Retirement Systems
Post Office Box 9000
Tallahassee, FL 32315-9000

Attachment: 03-07-16, October 1, 2015 Valuation - Ocala General (9460 : General Valuation Report)

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2014	\$98,082,090
(2)	Sponsor Normal Cost developed as of October 1, 2014	1,159,110
(3)	Expected administrative expenses for the year ended September 30, 2015	159,258
(4)	Expected interest on (1), (2) and (3)	6,952,458
(5)	Sponsor contributions to the System during the year ended September 30, 2015	13,053,609
(6)	Expected interest on (5)	456,876
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2015 (1)+(2)+(3)+(4)-(5)-(6)	92,842,431
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	2,328,147
(10)	Unfunded Accrued Liability as of October 1, 2015	95,170,578

Type of Base	Date Established	Years Remaining	10/1/2015 Amount	Amortization Amount
	10/1/1989	4	\$889,945	\$245,548
	10/1/1990	5	227,942	51,956
	10/1/1996	11	1,791,029	223,221
	10/1/1998	13	186,126	20,813
	10/1/1999	14	6,964,368	744,243
	10/1/2000	15	(1,362,266)	(139,785)
benefit change	10/1/2004	19	13,157,885	1,189,780
method change	10/1/2004	19	6,799,734	614,855
prior losses	10/1/2004	13	6,121,789	684,558
actuarial loss	10/1/2005	13	3,438,992	384,559
actuarial gain	10/1/2006	13	(171,510)	(19,179)
actuarial gain	10/1/2007	13	(251,446)	(28,118)
assum. change	10/1/2007	22	(765,868)	(64,709)
benefit changes	10/1/2007	22	23,569,276	1,991,401
actuarial loss	10/1/2008	3	3,923,803	1,397,357
method change	10/1/2008	13	884,479	98,905
actuarial loss	10/1/2009	4	11,967,588	3,302,027
actuarial gain	10/1/2010	5	(1,996,763)	(455,133)
actuarial loss	10/1/2011	6	4,402,017	863,107

Type of Base	Date Established	Years Remaining	10/1/2015 Amount	Amortization Amount
assum. change	10/1/2011	16	3,607,010	356,850
actuarial loss	10/1/2012	7	7,715,320	1,337,946
assum. change	10/1/2012	17	3,779,783	361,818
assum/method change ²	10/1/2012	17	30,982,333	2,965,768
benefit change ²	10/1/2012	17	(26,399,741)	(2,527,101)
actuarial gain	10/1/2013	8	(864,445)	(135,296)
multiplier change	10/1/2013	8	(1,198,418)	(187,567)
actuarial gain	10/1/2014	9	(4,556,531)	(653,613)
actuarial loss	10/1/2015	10	<u>2,328,147</u>	<u>309,790</u>
			95,170,578	12,934,001

¹ Sponsor Normal Cost using 1.3% Multiplier and 3.95% Expected Average Member Contribution Rate.

² These bases are amortized over an initial period of 20 years and all future bases will be amortized over 10 years as outlined in Ordinance 2013-48.

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2014	\$98,082,090
(2) Expected UAAL as of October 1, 2015	92,842,431
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(1,185,294)
Salary Increases	267,397
Active Decrements	3,932,047
Inactive Mortality	(619,086)
Other	<u>(66,917)</u>
Increase in UAAL due to (Gain)/Loss	2,328,147
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2015	\$95,170,578

ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rates</u>	RP2000 Combined Healthy with generational projection by scale AA - Sex Distinct. This assumption is mandated by Ordinance 2013-48.	
	Disabled lives: RP2000 Combined Healthy projected to 2012 set forward five years.	
<u>Termination Rates</u>	Table on following page. These rates were adopted base on the October 1, 2011 experience study.	
<u>Disability Rates</u>	Table on following page, 75% of disablements are assumed to be service incurred.	
<u>Normal Retirement</u>	<u>Number of Years after First Eligibility for Normal Retirement</u>	<u>Probability of Retirement</u>
	0	40%
	1	40%
	2	100%
	Members with at least 30 years of Credited Service are assumed to retire immediately. These rates were adopted based on the August 1, 2011 experience study.	
<u>Early Retirement</u>	Commencing upon eligibility for Early Retirement, Members are assumed to retire with an immediate benefit at the rate of 2% per year.	
<u>Interest Rate</u>	7.0% per year, compounded annually, net of investment related expenses. This assumption is mandated by Ordinance 2013-48.	
<u>Salary Increases</u>	6% per year for the first 10 years of Credited Service, and 5% for all years of Credited Service greater than 10. This assumption was adopted based on the August 1, 2011 experience study.	
<u>Payroll Increase</u>	None.	
<u>Amortization Methods</u>	All future bases amortized over layered 10-year periods as set forth in Ordinance 2013-48.	
<u>Administrative Expenses</u>	\$172,861 based on the prior year's expenses.	

Funding Method

Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Sponsor funding requirement:

Interest – half a year based on the 7.0% assumption.

Salary – a full year based on the current average assumption of 5.3%.

Asset Smoothing Methodology

The Actuarial Value of Assets is based upon 5-year straight line recognition of the difference between expected earnings on the net market value of assets and actual earnings on the net market value of assets. The net market value of assets shall be the total fiduciary net position as defined by GASB 67/68, excluding any reserves held which are not designated for currently adopted plan benefits valued as part of the plan liabilities. The resulting value shall be adjusted if it does not fall between 120% and 80% of the market value of assets. This change shall be made assuming that this 5-year recognition method applies to differences between the expected and actual investment returns for the years ending September 30, 2009 and later. This method is mandated by Ordinance 2013-48.

Disability and Termination Rates

<u>Age</u>	<u>% Becoming Disabled During the Year</u>	<u>% Terminating During the Year</u>
20	0.051%	20.0%
30	0.058	12.0
40	0.121	8.0
50	0.429	6.0
60	1.611	5.0

Attachment: 03-07-16, October 1, 2015 Valuation - Ocala General (9460 : General Valuation Report)

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay as of the valuation date of all covered Members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Individual Entry Age Normal Actuarial Cost Method (Level Percent of Compensation) is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost (described above) and the Unfunded Accrued (Past Service) Liability. The actuarial accrued liability for active participants is the difference between the present value of future benefits and the present value of future Normal Costs. The actuarial accrued liability for inactive participants is the present value of future benefits.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the actuarial value of assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	1,781,447.26	1,781,447.26
Prepaid Expenses	1,908.90	1,908.90
Cash	406,071.14	406,071.14
Total Cash and Equivalents	2,189,427.30	2,189,427.30
Receivables:		
Member Contributions in Transit	343.03	343.03
City Contributions in Transit	8,152.18	8,152.18
Reimbursement from General Employee	12,609.83	12,609.83
Investment Income	8,276.00	8,276.00
Total Receivable	29,381.04	29,381.04
Investments:		
Stocks	15,204,774.53	15,984,075.51
Mutual Funds:		
Equity	39,118,534.51	39,189,604.56
Pooled/Common/Commingled Funds:		
Hedge	7,997,209.74	7,997,209.74
Fixed Income	38,520,969.10	38,397,827.45
Equity	11,282,671.07	11,355,687.07
Total Investments	112,124,158.95	112,924,404.33
Total Assets	114,342,967.29	115,143,212.67
<u>LIABILITIES</u>		
Payables:		
Investment Expenses	67,414.99	67,414.99
Administrative Expenses	65,660.10	65,660.10
Total Liabilities	133,075.09	133,075.09
NET POSITION RESTRICTED FOR PENSIONS	114,209,892.20	115,010,137.58

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STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2015
Market Value Basis

ADDITIONS

Contributions:

Member	584,624.01	
City		13,053,608.67

Total Contributions

13,638,232.68

Investment Income:

Net Realized Gain (Loss)	5,389,696.94	
Unrealized Gain (Loss)	(9,439,837.52)	
Net Increase in Fair Value of Investments		(4,050,140.58)
Interest & Dividends		2,008,470.30
Less Investment Expense ¹		(482,018.44)

Net Investment Income

(2,523,688.72)

Total Additions

11,114,543.96

DEDUCTIONS

Distributions to Members:

Benefit Payments	9,640,020.66	
Lump Sum DROP Distributions	3,349,599.35	
Lump Sum PLOP Distributions	861,316.10	
Refunds of Member Contributions		11,176.24

Total Distributions

13,862,112.35

Administrative Expense

172,861.30

Total Deductions

14,034,973.65

Net Increase in Net Position

(2,920,429.69)

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year

117,930,567.27

End of the Year

115,010,137.58

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

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ACTUARIAL ASSET VALUATION
September 30, 2015

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Plan Year Ending	Gain/(Loss)	<u>Gains/Losses Not Yet Recognized</u>				
		Amounts Not Yet Recognized by Valuation Year				
		2015	2016	2017	2018	2019
09/30/2011	(5,421,087)	0	0	0	0	0
09/30/2012	8,175,288	1,635,058	0	0	0	0
09/30/2013	7,675,331	3,070,132	1,535,066	0	0	0
09/30/2014	3,035,150	1,821,090	1,214,060	607,030	0	0
09/30/2015	(10,764,943)	(8,611,954)	(6,458,966)	(4,305,977)	(2,152,989)	0
Total		(2,085,674)	(3,709,840)	(3,698,947)	(2,152,989)	0

<u>Development of Investment Gain/Loss</u>	
Market Value of Assets, 09/30/2014	117,930,567
Contributions Less Benefit Payments & Admin Expenses	(396,741)
Expected Investment Earnings*	8,241,254
Actual Net Investment Earnings	(2,523,689)
2015 Actuarial Investment Gain/(Loss)	<u>(10,764,943)</u>

*Expected Investment Earnings = 0.07 * [117,930,567 + 0.5 * (396,741)]

<u>Development of Actuarial Value of Assets</u>	
(1) Market Value of Assets, 09/30/2015	115,010,138
(2) Gains/(Losses) Not Yet Recognized	(2,085,674)
(3) Actuarial Value of Assets, 09/30/2015, (1) - (2)	<u>117,095,812</u>
(A) 09/30/2014 Actuarial Assets:	108,711,350
(I) Net Investment Income:	
1. Interest and Dividends	2,008,470
2. Realized Gains (Losses)	5,389,697
3. Change in Actuarial Value	1,865,053
4. Investment Expenses	(482,018)
Total	<u>8,781,202</u>
(B) 09/30/2015 Actuarial Assets:	117,095,812
Actuarial Assets Rate of Return = 2I/(A+B-I):	8.09%
Market Value of Assets Rate of Return:	-2.14%
10/01/2015 Limited Actuarial Assets:	117,095,812
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	1,185,294

Attachment: 03-07-16, October 1, 2015 Valuation - Ocala General (9460 : General Valuation Report)

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
SEPTEMBER 30, 2015
Actuarial Asset Basis

REVENUES

Contributions:		
Member	584,624.01	
City	13,053,608.67	
Total Contributions		13,638,232.68
Earnings from Investments:		
Interest & Dividends	2,008,470.30	
Net Realized Gain (Loss)	5,389,696.94	
Change in Actuarial Value	1,865,053.48	
Total Earnings and Investment Gains		9,263,220.72
EXPENDITURES		
Distributions to Members:		
Benefit Payments	9,640,020.66	
Lump Sum DROP Distributions	3,349,599.35	
Lump Sum PLOP Distributions	861,316.10	
Refunds of Member Contributions	11,176.24	
Total Distributions		13,862,112.35
Expenses:		
Investment related ¹	482,018.44	
Administrative	172,861.30	
Total Expenses		654,879.74
Change in Net Assets for the Year		8,384,461.31
Net Assets Beginning of the Year		108,711,350.27
Net Assets End of the Year ²		117,095,811.58

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

²Net Assets may be limited for actuarial consideration.

Attachment: 03-07-16, October 1, 2015 Valuation - Ocala General (9460 : General Valuation Report)

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2014 to September 30, 2015

Beginning of the Year Balance	5,115,209.82
Plus Additions	333,562.68
Investment Return Earned	215,179.80
Less Distributions	(3,349,599.35)
End of the Year Balance	2,314,352.95

Attachment: 03-07-16, October 1, 2015 Valuation - Ocala General (9460 : General Valuation Report)

STATISTICAL DATA ¹

	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>	<u>10/1/2015</u>
<u>Actives</u>				
Number	569	347	308	283
Average Current Age	47.3	48.9	49.7	49.9
Average Age at Employment	35.6	34.9	34.6	35.0
Average Past Service	11.7	14.0	15.1	14.9
Average Annual Salary	\$48,055	\$47,494	\$48,730	\$52,913
<u>Service Retirees</u>				
Number			560	569
Average Current Age			N/A	66.7
Average Annual Benefit			\$15,544	\$15,985
<u>DROP Retirees</u>				
Number			15	9
Average Current Age			N/A	66.1
Average Annual Benefit			\$29,527	\$27,392
<u>Beneficiaries</u>				
Number			82	92
Average Current Age			N/A	70.2
Average Annual Benefit			\$10,165	\$10,430
<u>Disability Retirees</u>				
Number			2	3
Average Current Age			N/A	67.6
Average Annual Benefit			\$4,207	\$6,699

¹ Prior to 10/1/2015, averages were salary weighted.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	1	0	1	0	0	0	0	0	0	2
25 - 29	0	0	2	2	0	7	0	0	0	0	0	11
30 - 34	0	0	1	0	2	9	3	2	0	0	0	17
35 - 39	0	0	3	1	1	9	7	4	0	0	0	25
40 - 44	0	0	0	0	1	1	5	5	10	0	0	22
45 - 49	0	0	2	0	0	7	9	9	4	6	0	37
50 - 54	0	0	0	1	1	8	12	18	9	8	0	57
55 - 59	0	0	1	2	1	8	13	9	11	11	1	57
60 - 64	0	0	1	1	5	8	11	8	9	5	1	49
65+	0	0	0	0	0	0	2	3	1	0	0	6
Total	0	0	11	7	12	57	62	58	44	30	2	283

Attachment: 03-07-16, October 1, 2015 Valuation - Ocala General (9460 : General Valuation Report)

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2014	308
b. Terminations	
i. Vested (partial or full) with deferred benefits	(8)
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	(2)
ii. No future benefits payable	0
d. Disabled	(1)
e. Retired	(14)
f. DROP	<u>0</u>
g. Continuing participants	283
h. New entrants	<u>0</u>
i. Total active life participants in valuation	283

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested Deferred	Total
a. Number prior valuation	560	15	82	2	344	1,003
Retired	34	(6)	0	0	(14)	14
DROP	0	0	0	0	0	0
Vested Deferred	0	0	0	0	8	8
Death, With Survivor	(9)	0	11	0	(1)	1
Death, No Survivor	(15)	0	(1)	0	0	(16)
Disabled	0	0	0	1	0	1
Refund of Contributions	0	0	0	0	(1)	(1)
Rehires	0	0	0	0	0	0
Expired Annuities	(1)	0	0	0	0	(1)
Data Corrections	0	0	0	0	0	0
b. Number current valuation	569	9	92	3	336	1,009

SUMMARY OF PLAN PROVISIONS
(Through Ordinance 2013-48)

Variable Benefit and Contribution Program

All Members who are employed and not participating in the DROP on September 30, 2013 and do not fall in the Grandfathered group (see below) shall earn benefits for credited service on and after October 1, 2013 in accordance with the variable benefit and contribution program.

Average Final Compensation	Average final salary of the 8 highest years of the last 10 years prior to termination.
Salary	Effective October 1, 2013 salary means base wages and overtime payments up to 300 hours per calendar year, including all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions, but excluding management deferred compensation and all other compensation.
Normal Form	Life Annuity
Member Contribution Rate	Minimum: 3% Maximum 5% Current: 3%
Multiplier	Minimum: 1.0% Maximum 2.55% Current: 1.3%
Normal Retirement Date	Same as old plan.
Early Retirement Date	Same as old plan.
Vesting	5 Year Cliff.
Cost of Living Adjustment	None for benefits earned on and after October 1, 2013.

The Member Contribution Rate and Multiplier will be adjusted as necessary so that the Target Total Employer Contribution Percentage is within the mandated corridors.

Attachment: 03-07-16, October 1, 2015 Valuation - Ocala General (9460 : General Valuation Report)

Provisions in Effect for Grandfathered Members within 5 years of Retirement as of September 30, 2013. All other Members have benefits frozen as of that date.

Credited Service	Years and fractional parts of years of continuous uninterrupted service with the City as a General Employee.
Salary	Total compensation reported on the W-2, but excluding accumulated sick leave and vacation pay and special bonuses, plus all tax deferred, tax sheltered, or tax exempt items of income.
Average Final Compensation	Average of Salary paid during the highest three (3) years of the last five (5).
Normal Retirement	
Date	First of the month following the earlier of: 1) age 65 and the completion of 5 years of Credited Service, or 2) 30 years of Credited Service, regardless of age.
Benefit	2.55% of Average Final Compensation (AFC) times Credited Service plus \$100 supplement.
Form of Benefit	10 Year Certain and Life Annuity (options available).
Early Retirement	
Date	Earlier of: 1) age 55 and the completion of 5 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.
Benefit	Same as for Normal Retirement but reduced 3% for each year that Early Retirement precedes Normal Retirement.
Vesting (Termination of Employment)	
Less than 5 years	Refund of Member Contributions without interest.
5 years of more	Vested accrued benefit (determined as for Normal Retirement) paid beginning at the otherwise Normal Retirement Date, or a refund of Member Contributions without interest.
Disability	
Eligibility	After completion of 5 years of Credited Service, or from date of hire if service incurred.
Benefit	\$50, plus 1% of AFC times Credited Service. Minimum benefit is \$100 per month.
Form of Benefit	Paid until earlier of death or recovery (with 120 payments

	guaranteed).
Cost-of-Living Adjustment	All Retirees, including Normal, Early, Disability, DROP, and Vested Terminated participants, and their joint pensioners and Beneficiaries (but excluding pre-retirement death Beneficiaries) shall receive a 3% automatic lifetime COLA, beginning the first October 1 after one year of benefit payments.
Pre-Retirement Death Benefits	
Non-vested	Refund of Member Contributions without interest.
Vested or Eligible to Retire	Accrued benefit payable to beneficiary for 10 years.
Supplemental Benefit	\$100.00 per month, payable for life, to all retirees (including disability retirees).
Contributions	
Members	8.18% of Salary, beginning October 1, 2008.
City	Remaining amount necessary to pay the Normal Cost and fund the accrued, past service liability as provided in Part VII of Chapter 112, Florida Statutes.
<u>Deferred Retirement Option Plan</u>	
Eligibility	Satisfaction of Normal Retirement requirements (earlier of (1) Age 65 and 5 years of Credited Service, or (2) 30 years of Credited Service, regardless of age).
Participation	Not to exceed 96 months (60 months for Members entering DROP after January 31, 2011).
Rate of Return	6.5% or actual net rate of investment return (total return net of brokerage commissions and transaction costs) credited each fiscal quarter.
Form of Distribution	Cash lump sum (options available) at termination of employment.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	1,781,448
Prepaid Expenses	1,909
Cash	406,071
Total Cash and Equivalents	2,189,428
Receivables:	
Member Contributions in Transit	343
City Contributions in Transit	8,152
Reimbursement from General Employee	12,610
Investment Income	8,276
Total Receivable	29,381
Investments:	
Stocks	15,984,075
Equity	39,189,605
Pooled/Common/Commingled Funds:	
Hedge	7,997,210
Fixed Income	38,397,827
Equity	11,355,687
Total Investments	112,924,404
Total Assets	115,143,213
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	67,415
Administrative Expenses	65,660
Total Liabilities	133,075
NET POSITION RESTRICTED FOR PENSIONS	115,010,138

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2015
Market Value Basis

ADDITIONS

Contributions:

Member	584,624	
City	13,053,609	
Total Contributions		13,638,233
 Investment Income:		
Net Increase in Fair Value of Investments	(4,050,142)	
Interest & Dividends	2,008,470	
Less Investment Expense ¹	(482,018)	
Net Investment Income		(2,523,690)
Total Additions		11,114,543

DEDUCTIONS

Distributions to Members:

Benefit Payments	9,640,021	
Lump Sum DROP Distributions	3,349,599	
Lump Sum PLOP Distributions	861,316	
Refunds of Member Contributions	11,176	
Total Distributions		13,862,112
 Administrative Expense		172,861
Total Deductions		14,034,973
Net Increase in Net Position		(2,920,430)
 NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		117,930,568
 End of the Year		115,010,138

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

Attachment: 03-07-16, October 1, 2015 Valuation - Ocala General (9460 : General Valuation Report)

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2015)

Plan Description

Plan Administration

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees. The Board shall consist of five (5) Trustees, three (3) of whom, unless otherwise prohibited by law, shall be appointed by the Ocala City Council, and two (2) of whom shall be Members of the System, who shall be elected by a majority of General Employees who are Members of the System.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	659
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	344
Active Plan Members	308
	1,311

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Variable Benefit and Contribution Program

All Members who are employed and not participating in the DROP on September 30, 2013 and do not fall in the Grandfathered group (see below) shall earn benefits for credited service on and after October 1, 2013 in accordance with the variable benefit and contribution program.

Average Final Compensation: Average final salary of the 8 highest years of the last 10 years prior to termination.

Normal Form: Life Annuity.

Multiplier: Minimum: 1.0%.

Maximum: 2.55%.

Current: 1.3%

Normal Retirement Date: Same as old plan.

Early Retirement Date: Same as old plan.

Vesting: 5 Year Cliff.

Cost of Living Adjustment: None for benefits earned on or after October 1, 2013.

The Member Contribution Rate and Multiplier will be adjusted as necessary so that the Target Total Employer Contribution Percentage is within the mandated corridors.

Provisions in Effect for Grandfathered Members within 5 years of Retirement as of September 30, 2013. All other Members have benefits frozen as of that date.

Normal Retirement:

Date: First of the month following the earlier of: 1) age 65 and the completion of 5 years of Credited Service, or 2) 30 years of Credited Service, regardless of age.

Benefit: 2.55% of Average Final Compensation (AFC) times Credited Service plus \$100 supplement.

Form of Benefit: 10 Year Certain and Life Annuity (options available).

Early Retirement:

Date: Earlier of: 1) age 55 and the completion of 5 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.

Benefit: Same as for Normal Retirement but reduced 3% for each year that Early Retirement precedes Normal Retirement.

Vesting (Termination of Employment):

Less than 5 years: Refund of Member Contributions without interest.

5 years or more: Vested accrued benefit (determined as for Normal Retirement) paid beginning at the otherwise Normal Retirement Date, or a refund of Member Contributions without interest.

Disability:

Eligibility: After completion of 5 years of Credited Service, or from date of hire if service incurred.

Benefit: \$50, plus 1% of AFC times Credited Service. Minimum benefit is \$100 per month.

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Cost-of-Living Adjustment:

All Retirees, including Normal, Early, Disability, DROP, and Vested Terminated participants, and their joint pensioners and Beneficiaries (but excluding pre-retirement death Beneficiaries) shall receive a 3% automatic lifetime COLA, beginning the first October 1 after one year of benefit payments.

Pre-Retirement Death Benefits:

Non-Vested: Refund of Member Contributions without interest.

Vested or Eligible to Retire: Accrued benefit payable to beneficiary for 10 years.

Supplemental Benefit:

\$100.00 per month, payable for life, to all retirees (including disability retirees).

Contributions

Members: 8.18% of Salary, beginning October 1, 2008.

City: Remaining amount necessary to pay the Normal Cost and fund the accrued, past service liability as provided in Part VII of Chapter 112, Florida Statutes.

InvestmentsInvestment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2015:

Asset Class	Target Allocation
US Equity	20.00%
Developed Non US Equity	12.00%
Emerging Non US Equity	10.00%
Fixed Income	32.00%
Hedge Fund of Funds	13.50%
Real Estate	12.50%
Total	100.00%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:

For the year ended September 30, 2015, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was -2.14 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements (earlier of (1) Age 65 and 5 years of Credited Service, or (2) 30 years of Credited Service, regardless of age).

Participation: Not to exceed 96 months (60 months for Members entering DROP after January 31, 2011).

Rate of Return: 6.5% or actual net rate of investment return (total return net of brokerage commissions and transaction costs) credited each fiscal quarter.

The DROP balance as September 30, 2015 is \$2,314,353.

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NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2015 were as follows:

Total Pension Liability	\$ 206,223,229
Plan Fiduciary Net Position	\$ (115,010,138)
Sponsor's Net Pension Liability	<u>\$ 91,213,091</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	55.77%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	5.00% - 6.00%
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate: RP2000 Combined Healthy with generational projection by scale AA - Sex Distinct. This assumption is mandated by Ordinance 2013-48.

Disabled lives: RP2000 Combined Healthy projected to 2012 set forward five years.

We feel this assumption sufficiently accommodates future mortality improvements.

The significant assumptions are based upon the most recent actuarial experience study dated August 1, 2011 for the period 1997 - 2010.

The Long-Term Expected Rate of Return on Pension Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2015 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
US Equity	6.55%
Developed Non US Equity	7.23%
Emerging Non US Equity	9.48%
Fixed Income	1.56%
Hedge Fund of Funds	3.52%
Real Estate	4.40%

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	1% Decrease	Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Sponsor's Net Pension Liability	\$ 117,079,390	\$ 91,213,091	\$ 69,768,205

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SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	09/30/2015	09/30/2014	01/00/1900
Total Pension Liability			
Service Cost	1,955,680	2,122,184	2,050,270
Interest	13,857,718	13,643,262	13,441,073
Changes of benefit terms	-	(1,321,935)	-
Differences between Expected and Actual Experience	1,329,173	-	-
Changes of assumptions	-	-	-
Contributions - Buy Back	-	114,387	-
Benefit Payments, including Refunds of Employee Contributions	(13,862,112)	(11,437,247)	(11,268,573)
Net Change in Total Pension Liability	3,280,459	3,120,651	4,222,770
Total Pension Liability - Beginning	202,942,770	199,822,119	195,599,349
Total Pension Liability - Ending (a)	<u>\$206,223,229</u>	<u>\$ 202,942,770</u>	<u>\$ 199,822,119</u>
Plan Fiduciary Net Position			
Contributions - Employer	13,053,609	10,253,005	10,411,010
Contributions - Employee	584,624	675,791	2,175,515
Contributions - Buy Back	-	114,387	-
Net Investment Income	(2,523,690)	10,569,771	14,195,919
Benefit Payments, including Refunds of Employee Contributions	(13,862,112)	(11,437,247)	(11,268,573)
Administrative Expense	(172,861)	(159,258)	(184,066)
Net Change in Plan Fiduciary Net Position	(2,920,430)	10,016,449	15,329,805
Plan Fiduciary Net Position - Beginning	117,930,568	107,914,119	92,584,314
Plan Fiduciary Net Position - Ending (b)	<u>\$115,010,138</u>	<u>\$ 117,930,568</u>	<u>\$ 107,914,119</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 91,213,091</u>	<u>\$ 85,012,202</u>	<u>\$ 91,908,001</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	55.77%	58.11%	54.01%
Covered Employee Payroll*	\$ 21,970,446	N/A	N/A
Net Pension Liability as a percentage of Covered Employee Payroll	415.16%	N/A	N/A

Notes to Schedule:*Changes of benefit terms*

For the 2014 Fiscal year, amounts reported as changes of benefit terms were resulted from lowering the variable multiplier from 1.60% to 1.30%. Ordinance 2014-42 was adopted which clarifies some features of the variable benefit plan.

*For the Fiscal years 2013 and 2014, the Covered Employee Payroll figures were not available. For the 2015 Fiscal year the CEP figure was based on the received 2015 census data.

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2015	09/30/2014	01/00/1900
Actuarially Determined Contribution Contributions in relation to the Actuarially Determined Contributions	13,053,609	10,253,005	10,411,010
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll*	\$ 21,970,446	N/A	N/A
Contributions as a percentage of Covered Employee Payroll	59.41%	N/A	N/A

*For the Fiscal years 2013 and 2014, the Covered Employee Payroll figures were not available. For the 2015 Fiscal year the CEP figure was based on the received 2015 census data.

Notes to Schedule

Valuation Date: 10/01/2013

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method (level percentage of pay).
 Amortization Method: All future bases amortized over layered 10-year periods as set forth in Ordinance 2013-48.
 Remaining Amortization Period: 24 Years (as of 10/01/2013).
 Mortality: RP2000 Combined Healthy with generational projection by scale AA - Sex Distinct. This assumption is mandated by the Ordinance 2013-48.
 Disabled lives: RP2000 Combined Healthy projected to 2012 set forward five years.
 Termination Rates: See Table on following page.
 Disability Rates: See Table on following page, 75% of disablements are assumed to be service incurred.

Normal Retirement:

<u>Number of Years after First</u> <u>Eligibility for Normal</u> <u>Retirement</u>	<u>Probability of</u> <u>Retirement</u>
0	40%
1	40%
2	100%

Members with at least 30 years of Credited Service are assumed to retire immediately.

Early Retirement:

Commencing upon eligibility for Early Retirement, Members are assumed to retire with an immediate benefit at the rate of 2% per year.

Interest Rate:

7% per year, compounded annually, net of investment related expenses. The interest rate is mandated by Ordinance 2013-48.

Salary Increases:

6% per year for the first 10 years of Credited Service, and 5% for all years of Credited Service greater than 10.

Payroll Increase:

None.

Inflation:

3.0% per year.

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Asset Smoothing Methodology:

The Actuarial Value of Assets is based upon a 5-year straight line recognition of the difference between expected earnings on the net market value of assets and actual earnings on the net market value of assets. The net market value of assets shall be the total fiduciary net position as defined by GASB 67/68, excluding any reserves held which are not designated for currently adopted plan benefits valued as part of the plan liabilities. The resulting value shall be adjusted if it does not fall between 120% and 80% of the market value of assets. This change shall be made assuming that this 5-year recognition method applies to differences between the expected and actual investment returns for the years ending September 30, 2009 and later. This method is mandated by Ordinance 2013-48.

Termination and Disability Rate Table:

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	20.0%	0.051%
30	12.0%	0.058%
40	8.0%	0.121%
50	6.0%	0.429%
60	5.0%	1.611%

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SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	<u>09/30/2015</u>	<u>09/30/2014</u>	<u>01/00/1900</u>
Annual Money-Weighted Rate of Return			
Net of Investment Expense	-2.14%	9.86%	15.20%

Attachment: 03-07-16, October 1, 2015 Valuation - Ocala General (9460 : General Valuation Report)

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2016)

General Information about the Pension Plan

Plan Description

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees. The Board shall consist of five (5) Trustees, three (3) of whom, unless otherwise prohibited by law, shall be appointed by the Ocala City Council, and two (2) of whom shall be Members of the System, who shall be elected by a majority of General Employees who are Members of the System.

All General Employees as of the Effective Date, and all future new General Employees, shall become Members of this System as a condition of employment. All Members who are employed and not participating in the DROP on September 30, 2013 and do not fall in the Grandfathered group (see below) shall earn benefits for credited service on and after October 1, 2013 in accordance with the variable benefit and contribution program.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	659
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	344
Active Plan Members	308
	1,311
	1,311

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Variable Benefit and Contribution Program

All Members who are employed and not participating in the DROP on September 30, 2013 and do not fall in the Grandfathered group (see below) shall earn benefits for credited service on and after October 1, 2013 in accordance with the variable benefit and contribution program.

Average Final Compensation: Average final salary of the 8 highest years of the last 10 years prior to termination.

Normal Form: Life Annuity.

Multiplier: Minimum: 1.0%.

Maximum: 2.55%.

Current: 1.3%

Normal Retirement Date: Same as old plan.

Early Retirement Date: Same as old plan.

Vesting: 5 Year Cliff.

Cost of Living Adjustment: None for benefits earned on or after October 1, 2013.

The Member Contribution Rate and Multiplier will be adjusted as necessary so that the Target Total Employer Contribution Percentage is within the mandated corridors.

Provisions in Effect for Grandfathered Members within 5 years of Retirement as of September 30, 2013. All other Members have benefits frozen as of that date.

Normal Retirement:

Date: First of the month following the earlier of: 1) age 65 and the completion of 5 years of Credited Service, or 2) 30 years of Credited Service, regardless of age.

Benefit: 2.55% of Average Final Compensation (AFC) times Credited Service plus \$100 supplement.

Form of Benefit: 10 Year Certain and Life Annuity (options available).

Early Retirement:

Date: Earlier of: 1) age 55 and the completion of 5 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.

Benefit: Same as for Normal Retirement but reduced 3% for each year that Early Retirement precedes Normal Retirement.

Vesting (Termination of Employment):

Less than 5 years: Refund of Member Contributions without interest.

5 years or more: Vested accrued benefit (determined as for Normal Retirement) paid beginning at the otherwise Normal Retirement Date, or a refund of Member Contributions without interest.

GASB 68

Disability:

Eligibility: After completion of 5 years of Credited Service, or from date of hire if service incurred.

Benefit: \$50, plus 1% of AFC times Credited Service. Minimum benefit is \$100 per month.

Cost-of-Living Adjustment:

All Retirees, including Normal, Early, Disability, DROP, and Vested Terminated participants, and their joint pensioners and Beneficiaries (but excluding pre-retirement death Beneficiaries) shall receive a 3% automatic lifetime COLA, beginning the first October 1 after one year of benefit payments.

Pre-Retirement Death Benefits:

Non-Vested: Refund of Member Contributions without interest.

Vested or Eligible to Retire: Accrued benefit payable to beneficiary for 10 years.

Supplemental Benefit:

\$100.00 per month, payable for life, to all retirees (including disability retirees).

Contributions

Members: 8.18% of Salary, beginning October 1, 2008.

City: Remaining amount necessary to pay the Normal Cost and fund the accrued, past service liability as provided in Part VII of Chapter 112, Florida Statutes.

GASB 68

Net Pension Liability

The measurement date is September 30, 2015.

The measurement period for the pension expense was October 1, 2014 to September 30, 2015.

The reporting period is October 1, 2015 through September 30, 2016.

The Sponsor's Net Pension Liability was measured as of September 30, 2015.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	5.00% - 6.00%
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate: RP2000 Combined Healthy with generational projection by scale AA - Sex Distinct. This assumption is mandated by Ordinance 2013-48.

The significant assumptions are based upon the most recent actuarial experience study dated August 1, 2011 for the period 1997 - 2010.

The Long-Term Expected Rate of Return on Pension Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, Net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
US Equity	20.00%	6.55%
Developed Non US Equity	12.00%	7.23%
Emerging Non US Equity	10.00%	9.48%
Fixed Income	32.00%	1.56%
Hedge Fund of Funds	13.50%	3.52%
Real Estate	12.50%	4.40%
Total	<u>100.00%</u>	

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2015	\$ 202,942,770	\$ 117,930,568	\$ 85,012,202
Changes for a Year:			
Service Cost	1,955,680	-	1,955,680
Interest	13,857,718	-	13,857,718
Differences between Expected and Actual Experience	1,329,173	-	1,329,173
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	13,053,609	(13,053,609)
Contributions - State	-	-	-
Contributions - Employee	-	584,624	(584,624)
Contributions - Buy Back	-	-	-
Net Investment Income	-	(2,523,690)	2,523,690
Benefit Payments, including Refunds of Employee Contributions	(13,862,112)	(13,862,112)	-
Administrative Expense	-	(172,861)	172,861
Net Changes	3,280,459	(2,920,430)	6,200,889
Reporting Period Ending September 30, 2016	\$ 206,223,229	\$ 115,010,138	\$ 91,213,091

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 117,079,390	\$ 91,213,091	\$ 69,768,205

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

GASB 68

**PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS**

For the year ended September 30, 2016, the Sponsor will recognize a Pension Expense of \$9,370,925.

On September 30, 2016, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	664,587	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	6,790,866	-
Employer and State contributions subsequent to the measurement date	TBD	-
Total	\$ 7,455,453	\$ -

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2016. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2017	\$ 2,210,546
2018	\$ 1,545,959
2019	\$ 1,545,959
2020	\$ 2,152,989
2021	\$ -
Thereafter	\$ -

Attachment: 03-07-16, October 1, 2015 Valuation - Ocala General (9460 : General Valuation Report)

GASB 68

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending Measurement Date	09/30/2016 09/30/2015	09/30/2015 09/30/2014	09/30/2014 01/00/1900
Total Pension Liability			
Service Cost	1,955,680	2,122,184	2,050,270
Interest	13,857,718	13,643,262	13,441,073
Changes of benefit terms	-	(1,321,935)	-
Differences between Expected and Actual Experience	1,329,173	-	-
Changes of assumptions	-	-	-
Contributions - Buy Back	-	114,387	-
Benefit Payments, including Refunds of Employee Contributions	(13,862,112)	(11,437,247)	(11,268,573)
Net Change in Total Pension Liability	3,280,459	3,120,651	4,222,770
Total Pension Liability - Beginning	202,942,770	199,822,119	195,599,349
Total Pension Liability - Ending (a)	<u>\$206,223,229</u>	<u>\$202,942,770</u>	<u>\$199,822,119</u>
Plan Fiduciary Net Position			
Contributions - Employer	13,053,609	10,253,005	10,411,010
Contributions - State	-	-	-
Contributions - Employee	584,624	675,791	2,175,515
Contributions - Buy Back	-	114,387	-
Net Investment Income	(2,523,690)	10,569,771	14,195,919
Benefit Payments, including Refunds of Employee Contributions	(13,862,112)	(11,437,247)	(11,268,573)
Administrative Expense	(172,861)	(159,258)	(184,066)
Net Change in Plan Fiduciary Net Position	(2,920,430)	10,016,449	15,329,805
Plan Fiduciary Net Position - Beginning	117,930,568	107,914,119	92,584,314
Plan Fiduciary Net Position - Ending (b)	<u>\$115,010,138</u>	<u>\$117,930,568</u>	<u>\$107,914,119</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 91,213,091</u>	<u>\$ 85,012,202</u>	<u>\$ 91,908,001</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	55.77%	58.11%	54.01%
Covered Employee Payroll	\$ 21,970,446	N/A	N/A
Net Pension Liability as a percentage of Covered Employee Payroll	415.16%	N/A	N/A

Notes to Schedule:*Changes of benefit terms*

For the 2015 Reporting Period year, amounts reported as changes of benefit terms were resulted from lowering the variable multiplier from 1.60% to 1.30%. Ordinance 2014-42 was adopted which clarifies some features of the variable benefit plan.

**For the Reporting Period Ending years 2014 and 2015, the Covered Employee Payroll figures were not available. For the 2016 Reporting Period Ending year the CEP figure was based on the received 2015 census data.*

Attachment: 03-07-16, October 1, 2015 Valuation - Ocala General (9460 : General Valuation Report)

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

Reporting Period Ending	09/30/2016	09/30/2015	09/30/2014
Measurement Date	09/30/2015	09/30/2014	01/00/1900
Actuarially Determined Contribution	13,053,609	10,253,005	10,411,010
Contributions in relation to the			
Actuarially Determined Contributions	13,053,609	10,253,005	10,411,010
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 21,970,446	N/A	N/A
Contributions as a percentage of			
Covered Employee Payroll	59.41%	N/A	N/A

**For the Reporting Period Ending years 2014 and 2015, the Covered Employee Payroll figures were not available. For the 2016 Reporting Period Ending year the CEP figure was based on the received 2015 census data.*

Notes to Schedule

Valuation Date: 10/01/2013

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method (level percentage of pay).
 Amortization Method: All future bases amortized over layered 10-year periods as set forth in Ordinance 2013-48.
 Remaining Amortization Period: 24 Years (as of 10/01/2013).
 Mortality: RP2000 Combined Healthy with generational projection by scale AA - Sex Distinct. This assumption is mandated by the Ordinance 2013-48.
 Disabled lives: RP2000 Combined Healthy projected to 2012 set forward five years.

Termination Rates: See Table on following page.

Disability Rates: See Table on following page, 75% of disablements are assumed to be service incurred.

Normal Retirement:	<u>Number of Years after First</u>	<u>Probability of</u>
	<u>Eligibility for Normal</u>	
	<u>Retirement</u>	
	0	40%
	1	40%
	2	100%

Members with at least 30 years of Credited Service are assumed to retire immediately.

Early Retirement: Commencing upon eligibility for Early Retirement, Members are assumed to retire with an immediate benefit at the rate of 2% per year.

Interest Rate: 7% per year, compounded annually, net of investment related expenses. The interest rate is mandated by Ordinance 2013-48.

Salary Increases: 6% per year for the first 10 years of Credited Service, and 5% for all years of Credited Service greater than 10.

Payroll Increase: None.

Inflation: 3.0% per year.

GASB 68

Asset Smoothing Methodology:

The Actuarial Value of Assets is based upon a 5-year straight line recognition of the difference between expected earnings on the net market value of assets and actual earnings on the net market value of assets. The net market value of assets shall be the total fiduciary net position as defined by GASB 67/68, excluding any reserves held which are not designated for currently adopted plan benefits valued as part of the plan liabilities. The resulting value shall be adjusted if it does not fall between 120% and 80% of the market value of assets. This change shall be made assuming that this 5-year recognition method applies to differences between the expected and actual investment returns for the years ending September 30, 2009 and later. This method is mandated by Ordinance 2013-48.

Termination and Disability Rate Table:

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	20.0%	0.051%
30	12.0%	0.058%
40	8.0%	0.121%
50	6.0%	0.429%
60	5.0%	1.611%

GASB 68

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2015

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	\$ 91,908,000	\$ -	\$ 10,253,005	\$ -
Employer and State contributions made after 09/30/2014	-	-	13,053,609	-
Total Pension Liability Factors:				
Service Cost	2,122,184	-	-	2,122,184
Interest	13,643,262	-	-	13,643,262
Changes in benefit terms	(1,321,935)	-	-	(1,321,935)
Contributions - Buy Back	114,387	-	-	114,387
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	-	-	-	-
Current year amortization of experience difference	-	-	-	-
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(11,437,247)	-	-	(11,437,247)
Net change	<u>3,120,651</u>	<u>-</u>	<u>13,053,609</u>	<u>3,120,651</u>
Plan Fiduciary Net Position:				
Contributions - Employer	10,253,005	-	(10,253,005)	-
Contributions - Employee	675,791	-	-	(675,791)
Contributions - Buy Back	114,387	-	-	(114,387)
Net Investment Income	7,534,622	-	-	(7,534,622)
Difference between projected and actual earnings on Pension Plan investments	3,035,149	3,035,149	-	-
Current year amortization	-	(607,030)	-	(607,030)
Benefit Payments	(11,437,247)	-	-	11,437,247
Administrative Expenses	(159,258)	-	-	159,258
Net change	<u>10,016,449</u>	<u>2,428,119</u>	<u>(10,253,005)</u>	<u>2,664,675</u>
Ending Balance	<u>\$ 85,012,202</u>	<u>\$ 2,428,119</u>	<u>\$ 13,053,609</u>	<u>\$ 5,785,326</u>

Attachment: 03-07-16, October 1, 2015 Valuation - Ocala General (9460 : General Valuation Report)

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 85,012,202	\$ 2,428,119	\$ 13,053,609	\$ -
Employer and State Contributions made after 09/30/2015	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	1,955,680	-	-	1,955,680
Interest	13,857,718	-	-	13,857,718
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	1,329,173	-	1,329,173	-
Current year amortization of experience difference	-	-	(664,586)	664,586
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(13,862,112)	-	-	(13,862,112)
Net change	<u>3,280,459</u>	<u>-</u>	<u>664,587</u>	<u>2,615,872</u>
Plan Fiduciary Net Position:				
Contributions - Employer	13,053,609	-	(13,053,609)	-
Contributions - Employee	584,624	-	-	(584,624)
Net Investment Income	8,241,254	-	-	(8,241,254)
Difference between projected and actual earnings on Pension Plan investments	(10,764,944)	-	10,764,944	-
Current year amortization	-	(607,030)	(2,152,988)	1,545,958
Benefit Payments	(13,862,112)	-	-	13,862,112
Administrative Expenses	(172,861)	-	-	172,861
Net change	<u>(2,920,430)</u>	<u>(607,030)</u>	<u>(4,441,653)</u>	<u>6,755,053</u>
Ending Balance	<u>\$ 91,213,091</u>	<u>\$ 1,821,089</u>	<u>TBD</u>	<u>\$ 9,370,925</u>

* Employer and State Contributions subsequent to the measurement date made after September 30, 2015 but made on or before September 30, 2016 needs to be added.



March 3, 2016

Board of Trustees
 City of Ocala
 General Employees' Retirement System
 Pension Office
 2100 NE 30 Ave. Building E
 Ocala, FL 34470

RE: GASB Statement No. 67 and No. 68 – City of Ocala General Employees' Retirement System

Dear Board:

We are pleased to present to the Board a GASB Statement No. 67 and No. 68 measured as of September 30, 2015 for the City of Ocala General Employees' Retirement System.

The calculation of the liability associated with the benefits referenced in this report was performed for the purpose of satisfying the requirements of GASB No.67 and No.68 and is not applicable for purposes, such as determining the plans' funding requirements. A calculation of the plan's liability for other purposes may produce significantly different results.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2014. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30th, 2015 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purposes are internally consistent, reasonable, and comply with the requirements under GASB No.67 and No.68.

Certain schedules should include a 10-year history of information. As provided for in GASB No. 67 and No.68, this historical information is only presented for the years in which the information was measured in conformity with the requirements of GASB No. 67 and No.68.

To the best of our knowledge, these statements are complete and accurate and are in accordance with generally recognized actuarial practices and methods.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: 

Douglas H. Lozen, EA, MAAA
 Enrolled Actuary #14-7778

DHL/lke
 Enclosures

Attachment: GASB No.67 and No.68 Statement - Ocala General - Measurement date 09.30.2015 (9460 : General Valuation Report)

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	1,781,448
Prepaid Expenses	1,909
Cash	406,071
Total Cash and Equivalents	2,189,428
Receivables:	
Member Contributions in Transit	343
City Contributions in Transit	8,152
Reimbursement from General Employee	12,610
Investment Income	8,276
Total Receivable	29,381
Investments:	
Stocks	15,984,075
Equity	39,189,605
Pooled/Common/Commingled Funds:	
Hedge	7,997,210
Fixed Income	38,397,827
Equity	11,355,687
Total Investments	112,924,404
Total Assets	115,143,213
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	67,415
Administrative Expenses	65,660
Total Liabilities	133,075
NET POSITION RESTRICTED FOR PENSIONS	115,010,138

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2015
Market Value Basis

ADDITIONS

Contributions:

Member	584,624	
City	13,053,609	
Total Contributions		13,638,233
Investment Income:		
Net Increase in Fair Value of Investments	(4,050,142)	
Interest & Dividends	2,008,470	
Less Investment Expense ¹	(482,018)	
Net Investment Income		(2,523,690)
Total Additions		11,114,543

DEDUCTIONS

Distributions to Members:

Benefit Payments	9,640,021	
Lump Sum DROP Distributions	3,349,599	
Lump Sum PLOP Distributions	861,316	
Refunds of Member Contributions	11,176	
Total Distributions		13,862,112
Administrative Expense		172,861
Total Deductions		14,034,973
Net Increase in Net Position		(2,920,430)
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		117,930,568
End of the Year		115,010,138

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2015)

Plan Description

Plan Administration

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees. The Board shall consist of five (5) Trustees, three (3) of whom, unless otherwise prohibited by law, shall be appointed by the Ocala City Council, and two (2) of whom shall be Members of the System, who shall be elected by a majority of General Employees who are Members of the System.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	659
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	344
Active Plan Members	308
	1,311

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Variable Benefit and Contribution Program

All Members who are employed and not participating in the DROP on September 30, 2013 and do not fall in the Grandfathered group (see below) shall earn benefits for credited service on and after October 1, 2013 in accordance with the variable benefit and contribution program.

Average Final Compensation: Average final salary of the 8 highest years of the last 10 years prior to termination.

Normal Form: Life Annuity.

Multiplier: Minimum: 1.0%.

Maximum: 2.55%.

Current: 1.3%

Normal Retirement Date: Same as old plan.

Early Retirement Date: Same as old plan.

Vesting: 5 Year Cliff.

Cost of Living Adjustment: None for benefits earned on or after October 1, 2013.

The Member Contribution Rate and Multiplier will be adjusted as necessary so that the Target Total Employer Contribution Percentage is within the mandated corridors.

Provisions in Effect for Grandfathered Members within 5 years of Retirement as of September 30, 2013. All other Members have benefits frozen as of that date.

Normal Retirement:

Date: First of the month following the earlier of: 1) age 65 and the completion of 5 years of Credited Service, or 2) 30 years of Credited Service, regardless of age.

Benefit: 2.55% of Average Final Compensation (AFC) times Credited Service plus \$100 supplement.

Form of Benefit: 10 Year Certain and Life Annuity (options available).

Early Retirement:

Date: Earlier of: 1) age 55 and the completion of 5 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.

Benefit: Same as for Normal Retirement but reduced 3% for each year that Early Retirement precedes Normal Retirement.

Vesting (Termination of Employment):

Less than 5 years: Refund of Member Contributions without interest.

5 years or more: Vested accrued benefit (determined as for Normal Retirement) paid beginning at the otherwise Normal Retirement Date, or a refund of Member Contributions without interest.

Disability:

Eligibility: After completion of 5 years of Credited Service, or from date of hire if service incurred.

Benefit: \$50, plus 1% of AFC times Credited Service. Minimum benefit is \$100 per month.

GASB 67

Cost-of-Living Adjustment:

All Retirees, including Normal, Early, Disability, DROP, and Vested Terminated participants, and their joint pensioners and Beneficiaries (but excluding pre-retirement death Beneficiaries) shall receive a 3% automatic lifetime COLA, beginning the first October 1 after one year of benefit payments.

Pre-Retirement Death Benefits:

Non-Vested: Refund of Member Contributions without interest.

Vested or Eligible to Retire: Accrued benefit payable to beneficiary for 10 years.

Supplemental Benefit:

\$100.00 per month, payable for life, to all retirees (including disability retirees).

Contributions

Members: 8.18% of Salary, beginning October 1, 2008.

City: Remaining amount necessary to pay the Normal Cost and fund the accrued, past service liability as provided in Part VII of Chapter 112, Florida Statutes.

InvestmentsInvestment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2015:

Asset Class	Target Allocation
US Equity	20.00%
Developed Non US Equity	12.00%
Emerging Non US Equity	10.00%
Fixed Income	32.00%
Hedge Fund of Funds	13.50%
Real Estate	12.50%
Total	100.00%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:

For the year ended September 30, 2015, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was -2.14 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements (earlier of (1) Age 65 and 5 years of Credited Service, or (2) 30 years of Credited Service, regardless of age).

Participation: Not to exceed 96 months (60 months for Members entering DROP after January 31, 2011).

Rate of Return: 6.5% or actual net rate of investment return (total return net of brokerage commissions and transaction costs) credited each fiscal quarter.

The DROP balance as September 30, 2015 is \$2,314,353.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2015 were as follows:

Total Pension Liability	\$ 206,223,229
Plan Fiduciary Net Position	\$ (115,010,138)
Sponsor's Net Pension Liability	<u>\$ 91,213,091</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	55.77%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	5.00% - 6.00%
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate: RP2000 Combined Healthy with generational projection by scale AA - Sex Distinct. This assumption is mandated by Ordinance 2013-48.

Disabled lives: RP2000 Combined Healthy projected to 2012 set forward five years.

We feel this assumption sufficiently accommodates future mortality improvements.

The significant assumptions are based upon the most recent actuarial experience study dated August 1, 2011 for the period 1997 - 2010.

The Long-Term Expected Rate of Return on Pension Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2015 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
US Equity	6.55%
Developed Non US Equity	7.23%
Emerging Non US Equity	9.48%
Fixed Income	1.56%
Hedge Fund of Funds	3.52%
Real Estate	4.40%

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	1% Decrease	Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Sponsor's Net Pension Liability	\$ 117,079,390	\$ 91,213,091	\$ 69,768,205

GASB 67

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	09/30/2015	09/30/2014	01/00/1900
Total Pension Liability			
Service Cost	1,955,680	2,122,184	2,050,270
Interest	13,857,718	13,643,262	13,441,073
Changes of benefit terms	-	(1,321,935)	-
Differences between Expected and Actual Experience	1,329,173	-	-
Changes of assumptions	-	-	-
Contributions - Buy Back	-	114,387	-
Benefit Payments, including Refunds of Employee Contributions	(13,862,112)	(11,437,247)	(11,268,573)
Net Change in Total Pension Liability	3,280,459	3,120,651	4,222,770
Total Pension Liability - Beginning	202,942,770	199,822,119	195,599,349
Total Pension Liability - Ending (a)	\$206,223,229	\$ 202,942,770	\$ 199,822,119
Plan Fiduciary Net Position			
Contributions - Employer	13,053,609	10,253,005	10,411,010
Contributions - Employee	584,624	675,791	2,175,515
Contributions - Buy Back	-	114,387	-
Net Investment Income	(2,523,690)	10,569,771	14,195,919
Benefit Payments, including Refunds of Employee Contributions	(13,862,112)	(11,437,247)	(11,268,573)
Administrative Expense	(172,861)	(159,258)	(184,066)
Net Change in Plan Fiduciary Net Position	(2,920,430)	10,016,449	15,329,805
Plan Fiduciary Net Position - Beginning	117,930,568	107,914,119	92,584,314
Plan Fiduciary Net Position - Ending (b)	\$115,010,138	\$ 117,930,568	\$ 107,914,119
Net Pension Liability - Ending (a) - (b)	\$ 91,213,091	\$ 85,012,202	\$ 91,908,001
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	55.77%	58.11%	54.01%
Covered Employee Payroll*	\$ 21,970,446	N/A	N/A
Net Pension Liability as a percentage of Covered Employee Payroll	415.16%	N/A	N/A

Notes to Schedule:*Changes of benefit terms*

For the 2014 Fiscal year, amounts reported as changes of benefit terms were resulted from lowering the variable multiplier from 1.60% to 1.30%. Ordinance 2014-42 was adopted which clarifies some features of the variable benefit plan.

*For the Fiscal years 2013 and 2014, the Covered Employee Payroll figures were not available. For the 2015 Fiscal year the CEP figure was based on the received 2015 census data.

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2015	09/30/2014	01/00/1900
Actuarially Determined Contribution Contributions in relation to the Actuarially Determined Contributions	13,053,609	10,253,005	10,411,010
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll*	\$ 21,970,446	N/A	N/A
Contributions as a percentage of Covered Employee Payroll	59.41%	N/A	N/A

*For the Fiscal years 2013 and 2014, the Covered Employee Payroll figures were not available. For the 2015 Fiscal year the CEP figure was based on the received 2015 census data.

Notes to Schedule

Valuation Date: 10/01/2013

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method (level percentage of pay).
 Amortization Method: All future bases amortized over layered 10-year periods as set forth in Ordinance 2013-48.
 Remaining Amortization Period: 24 Years (as of 10/01/2013).
 Mortality: RP2000 Combined Healthy with generational projection by scale AA - Sex Distinct. This assumption is mandated by the Ordinance 2013-48.
 Disabled lives: RP2000 Combined Healthy projected to 2012 set forward five years.
 Termination Rates: See Table on following page.
 Disability Rates: See Table on following page, 75% of disablements are assumed to be service incurred.

Normal Retirement:	<u>Number of Years after First</u> <u>Eligibility for Normal</u> <u>Retirement</u>	<u>Probability of</u> <u>Retirement</u>
		0
	1	40%
	2	100%

Members with at least 30 years of Credited Service are assumed to retire immediately.

Early Retirement: Commencing upon eligibility for Early Retirement, Members are assumed to retire with an immediate benefit at the rate of 2% per year.
 Interest Rate: 7% per year, compounded annually, net of investment related expenses. The interest rate is mandated by Ordinance 2013-48.
 Salary Increases: 6% per year for the first 10 years of Credited Service, and 5% for all years of Credited Service greater than 10.
 Payroll Increase: None.
 Inflation: 3.0% per year.

GASB 67

Asset Smoothing Methodology:

The Actuarial Value of Assets is based upon a 5-year straight line recognition of the difference between expected earnings on the net market value of assets and actual earnings on the net market value of assets. The net market value of assets shall be the total fiduciary net position as defined by GASB 67/68, excluding any reserves held which are not designated for currently adopted plan benefits valued as part of the plan liabilities. The resulting value shall be adjusted if it does not fall between 120% and 80% of the market value of assets. This change shall be made assuming that this 5-year recognition method applies to differences between the expected and actual investment returns for the years ending September 30, 2009 and later. This method is mandated by Ordinance 2013-48.

Termination and Disability Rate Table:

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	20.0%	0.051%
30	12.0%	0.058%
40	8.0%	0.121%
50	6.0%	0.429%
60	5.0%	1.611%

GASB 67

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	09/30/2015	09/30/2014	01/00/1900
Annual Money-Weighted Rate of Return			
Net of Investment Expense	-2.14%	9.86%	15.20%

Attachment: GASB No.67 and No.68 Statement - Ocala General - Measurement date 09.30.2015 (9460 : General Valuation Report)

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2016)

General Information about the Pension Plan

Plan Description

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees. The Board shall consist of five (5) Trustees, three (3) of whom, unless otherwise prohibited by law, shall be appointed by the Ocala City Council, and two (2) of whom shall be Members of the System, who shall be elected by a majority of General Employees who are Members of the System.

All General Employees as of the Effective Date, and all future new General Employees, shall become Members of this System as a condition of employment. All Members who are employed and not participating in the DROP on September 30, 2013 and do not fall in the Grandfathered group (see below) shall earn benefits for credited service on and after October 1, 2013 in accordance with the variable benefit and contribution program.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	659
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	344
Active Plan Members	308
	1,311
	1,311

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Variable Benefit and Contribution Program

All Members who are employed and not participating in the DROP on September 30, 2013 and do not fall in the Grandfathered group (see below) shall earn benefits for credited service on and after October 1, 2013 in accordance with the variable benefit and contribution program.

Average Final Compensation: Average final salary of the 8 highest years of the last 10 years prior to termination.

Normal Form: Life Annuity.

Multiplier: Minimum: 1.0%.

Maximum: 2.55%.

Current: 1.3%

Normal Retirement Date: Same as old plan.

Early Retirement Date: Same as old plan.

Vesting: 5 Year Cliff.

Cost of Living Adjustment: None for benefits earned on or after October 1, 2013.

The Member Contribution Rate and Multiplier will be adjusted as necessary so that the Target Total Employer Contribution Percentage is within the mandated corridors.

Provisions in Effect for Grandfathered Members within 5 years of Retirement as of September 30, 2013. All other Members have benefits frozen as of that date.

Normal Retirement:

Date: First of the month following the earlier of: 1) age 65 and the completion of 5 years of Credited Service, or 2) 30 years of Credited Service, regardless of age.

Benefit: 2.55% of Average Final Compensation (AFC) times Credited Service plus \$100 supplement.

Form of Benefit: 10 Year Certain and Life Annuity (options available).

Early Retirement:

Date: Earlier of: 1) age 55 and the completion of 5 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.

Benefit: Same as for Normal Retirement but reduced 3% for each year that Early Retirement precedes Normal Retirement.

Vesting (Termination of Employment):

Less than 5 years: Refund of Member Contributions without interest.

5 years or more: Vested accrued benefit (determined as for Normal Retirement) paid beginning at the otherwise Normal Retirement Date, or a refund of Member Contributions without interest.

GASB 68

Disability:

Eligibility: After completion of 5 years of Credited Service, or from date of hire if service incurred.

Benefit: \$50, plus 1% of AFC times Credited Service. Minimum benefit is \$100 per month.

Cost-of-Living Adjustment:

All Retirees, including Normal, Early, Disability, DROP, and Vested Terminated participants, and their joint pensioners and Beneficiaries (but excluding pre-retirement death Beneficiaries) shall receive a 3% automatic lifetime COLA, beginning the first October 1 after one year of benefit payments.

Pre-Retirement Death Benefits:

Non-Vested: Refund of Member Contributions without interest.

Vested or Eligible to Retire: Accrued benefit payable to beneficiary for 10 years.

Supplemental Benefit:

\$100.00 per month, payable for life, to all retirees (including disability retirees).

Contributions

Members: 8.18% of Salary, beginning October 1, 2008.

City: Remaining amount necessary to pay the Normal Cost and fund the accrued, past service liability as provided in Part VII of Chapter 112, Florida Statutes.

GASB 68

Net Pension Liability

The measurement date is September 30, 2015.

The measurement period for the pension expense was October 1, 2014 to September 30, 2015.

The reporting period is October 1, 2015 through September 30, 2016.

The Sponsor's Net Pension Liability was measured as of September 30, 2015.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	5.00% - 6.00%
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate: RP2000 Combined Healthy with generational projection by scale AA - Sex Distinct. This assumption is mandated by Ordinance 2013-48.

The significant assumptions are based upon the most recent actuarial experience study dated August 1, 2011 for the period 1997 - 2010.

The Long-Term Expected Rate of Return on Pension Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, Net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
US Equity	20.00%	6.55%
Developed Non US Equity	12.00%	7.23%
Emerging Non US Equity	10.00%	9.48%
Fixed Income	32.00%	1.56%
Hedge Fund of Funds	13.50%	3.52%
Real Estate	12.50%	4.40%
Total	<u>100.00%</u>	

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2015	\$ 202,942,770	\$ 117,930,568	\$ 85,012,202
Changes for a Year:			
Service Cost	1,955,680	-	1,955,680
Interest	13,857,718	-	13,857,718
Differences between Expected and Actual Experience	1,329,173	-	1,329,173
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	13,053,609	(13,053,609)
Contributions - State	-	-	-
Contributions - Employee	-	584,624	(584,624)
Contributions - Buy Back	-	-	-
Net Investment Income	-	(2,523,690)	2,523,690
Benefit Payments, including Refunds of Employee Contributions	(13,862,112)	(13,862,112)	-
Administrative Expense	-	(172,861)	172,861
Net Changes	3,280,459	(2,920,430)	6,200,889
Reporting Period Ending September 30, 2016	\$ 206,223,229	\$ 115,010,138	\$ 91,213,091

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 117,079,390	\$ 91,213,091	\$ 69,768,205

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

GASB 68

**PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS**

For the year ended September 30, 2016, the Sponsor will recognize a Pension Expense of \$9,370,925.

On September 30, 2016, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	664,587	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	6,790,866	-
Employer and State contributions subsequent to the measurement date	TBD	-
Total	\$ 7,455,453	\$ -

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2016. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2017	\$ 2,210,546
2018	\$ 1,545,959
2019	\$ 1,545,959
2020	\$ 2,152,989
2021	\$ -
Thereafter	\$ -

GASB 68

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending Measurement Date	09/30/2016 09/30/2015	09/30/2015 09/30/2014	09/30/2014 01/00/1900
Total Pension Liability			
Service Cost	1,955,680	2,122,184	2,050,270
Interest	13,857,718	13,643,262	13,441,073
Changes of benefit terms	-	(1,321,935)	-
Differences between Expected and Actual Experience	1,329,173	-	-
Changes of assumptions	-	-	-
Contributions - Buy Back	-	114,387	-
Benefit Payments, including Refunds of Employee Contributions	(13,862,112)	(11,437,247)	(11,268,573)
Net Change in Total Pension Liability	3,280,459	3,120,651	4,222,770
Total Pension Liability - Beginning	202,942,770	199,822,119	195,599,349
Total Pension Liability - Ending (a)	<u>\$206,223,229</u>	<u>\$202,942,770</u>	<u>\$199,822,119</u>
Plan Fiduciary Net Position			
Contributions - Employer	13,053,609	10,253,005	10,411,010
Contributions - State	-	-	-
Contributions - Employee	584,624	675,791	2,175,515
Contributions - Buy Back	-	114,387	-
Net Investment Income	(2,523,690)	10,569,771	14,195,919
Benefit Payments, including Refunds of Employee Contributions	(13,862,112)	(11,437,247)	(11,268,573)
Administrative Expense	(172,861)	(159,258)	(184,066)
Net Change in Plan Fiduciary Net Position	(2,920,430)	10,016,449	15,329,805
Plan Fiduciary Net Position - Beginning	117,930,568	107,914,119	92,584,314
Plan Fiduciary Net Position - Ending (b)	<u>\$115,010,138</u>	<u>\$117,930,568</u>	<u>\$107,914,119</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 91,213,091</u>	<u>\$ 85,012,202</u>	<u>\$ 91,908,001</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	55.77%	58.11%	54.01%
Covered Employee Payroll	\$ 21,970,446	N/A	N/A
Net Pension Liability as a percentage of Covered Employee Payroll	415.16%	N/A	N/A

Notes to Schedule:*Changes of benefit terms*

For the 2015 Reporting Period year, amounts reported as changes of benefit terms were resulted from lowering the variable multiplier from 1.60% to 1.30%. Ordinance 2014-42 was adopted which clarifies some features of the variable benefit plan.

**For the Reporting Period Ending years 2014 and 2015, the Covered Employee Payroll figures were not available. For the 2016 Reporting Period Ending year the CEP figure was based on the received 2015 census data.*

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

Reporting Period Ending	09/30/2016	09/30/2015	09/30/2014
Measurement Date	09/30/2015	09/30/2014	01/00/1900
Actuarially Determined Contribution	13,053,609	10,253,005	10,411,010
Contributions in relation to the			
Actuarially Determined Contributions	13,053,609	10,253,005	10,411,010
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 21,970,446	N/A	N/A
Contributions as a percentage of			
Covered Employee Payroll	59.41%	N/A	N/A

*For the Reporting Period Ending years 2014 and 2015, the Covered Employee Payroll figures were not available. For the 2016 Reporting Period Ending year the CEP figure was based on the received 2015 census data.

Notes to Schedule

Valuation Date: 10/01/2013

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method (level percentage of pay).
 Amortization Method: All future bases amortized over layered 10-year periods as set forth in Ordinance 2013-48.
 Remaining Amortization Period: 24 Years (as of 10/01/2013).
 Mortality: RP2000 Combined Healthy with generational projection by scale AA - Sex Distinct. This assumption is mandated by the Ordinance 2013-48.
 Disabled lives: RP2000 Combined Healthy projected to 2012 set forward five years.

Termination Rates: See Table on following page.

Disability Rates: See Table on following page, 75% of disablements are assumed to be service incurred.

Normal Retirement:	<u>Number of Years after First</u>	<u>Probability of</u>
	<u>Eligibility for Normal</u>	
	<u>Retirement</u>	
	0	40%
	1	40%
	2	100%

Members with at least 30 years of Credited Service are assumed to retire immediately.

Early Retirement: Commencing upon eligibility for Early Retirement, Members are assumed to retire with an immediate benefit at the rate of 2% per year.

Interest Rate: 7% per year, compounded annually, net of investment related expenses. The interest rate is mandated by Ordinance 2013-48.

Salary Increases: 6% per year for the first 10 years of Credited Service, and 5% for all years of Credited Service greater than 10.

Payroll Increase: None.

Inflation: 3.0% per year.

GASB 68

Asset Smoothing Methodology:

The Actuarial Value of Assets is based upon a 5-year straight line recognition of the difference between expected earnings on the net market value of assets and actual earnings on the net market value of assets. The net market value of assets shall be the total fiduciary net position as defined by GASB 67/68, excluding any reserves held which are not designated for currently adopted plan benefits valued as part of the plan liabilities. The resulting value shall be adjusted if it does not fall between 120% and 80% of the market value of assets. This change shall be made assuming that this 5-year recognition method applies to differences between the expected and actual investment returns for the years ending September 30, 2009 and later. This method is mandated by Ordinance 2013-48.

Termination and Disability Rate Table:

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	20.0%	0.051%
30	12.0%	0.058%
40	8.0%	0.121%
50	6.0%	0.429%
60	5.0%	1.611%

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2015

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	\$ 91,908,000	\$ -	\$ 10,253,005	\$ -
Employer and State contributions made after 09/30/2014	-	-	13,053,609	-
Total Pension Liability Factors:				
Service Cost	2,122,184	-	-	2,122,184
Interest	13,643,262	-	-	13,643,262
Changes in benefit terms	(1,321,935)	-	-	(1,321,935)
Contributions - Buy Back	114,387	-	-	114,387
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	-	-	-	-
Current year amortization of experience difference	-	-	-	-
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(11,437,247)	-	-	(11,437,247)
Net change	<u>3,120,651</u>	<u>-</u>	<u>13,053,609</u>	<u>3,120,651</u>
Plan Fiduciary Net Position:				
Contributions - Employer	10,253,005	-	(10,253,005)	-
Contributions - Employee	675,791	-	-	(675,791)
Contributions - Buy Back	114,387	-	-	(114,387)
Net Investment Income	7,534,622	-	-	(7,534,622)
Difference between projected and actual earnings on Pension Plan investments	3,035,149	3,035,149	-	-
Current year amortization	-	(607,030)	-	(607,030)
Benefit Payments	(11,437,247)	-	-	11,437,247
Administrative Expenses	(159,258)	-	-	159,258
Net change	<u>10,016,449</u>	<u>2,428,119</u>	<u>(10,253,005)</u>	<u>2,664,675</u>
Ending Balance	<u>\$ 85,012,202</u>	<u>\$ 2,428,119</u>	<u>\$ 13,053,609</u>	<u>\$ 5,785,326</u>

Attachment: GASB No.67 and No.68 Statement - Ocala General - Measurement date 09.30.2015 (9460 : General Valuation Report)

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 85,012,202	\$ 2,428,119	\$ 13,053,609	\$ -
Employer and State Contributions made after 09/30/2015	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	1,955,680	-	-	1,955,680
Interest	13,857,718	-	-	13,857,718
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	1,329,173	-	1,329,173	-
Current year amortization of experience difference	-	-	(664,586)	664,586
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(13,862,112)	-	-	(13,862,112)
Net change	<u>3,280,459</u>	<u>-</u>	<u>664,587</u>	<u>2,615,872</u>
Plan Fiduciary Net Position:				
Contributions - Employer	13,053,609	-	(13,053,609)	-
Contributions - Employee	584,624	-	-	(584,624)
Net Investment Income	8,241,254	-	-	(8,241,254)
Difference between projected and actual earnings on Pension Plan investments	(10,764,944)	-	10,764,944	-
Current year amortization	-	(607,030)	(2,152,988)	1,545,958
Benefit Payments	(13,862,112)	-	-	13,862,112
Administrative Expenses	(172,861)	-	-	172,861
Net change	<u>(2,920,430)</u>	<u>(607,030)</u>	<u>(4,441,653)</u>	<u>6,755,053</u>
Ending Balance	<u>\$ 91,213,091</u>	<u>\$ 1,821,089</u>	<u>TBD</u>	<u>\$ 9,370,925</u>

* Employer and State Contributions subsequent to the measurement date made after September 30, 2015 but made on or before September 30, 2016 needs to be added.

City of Ocala General Employees' Retirement System

ANALYSIS OF INVESTMENT PERFORMANCE

March 2016

Rosemary Guillette
Senior Consultant

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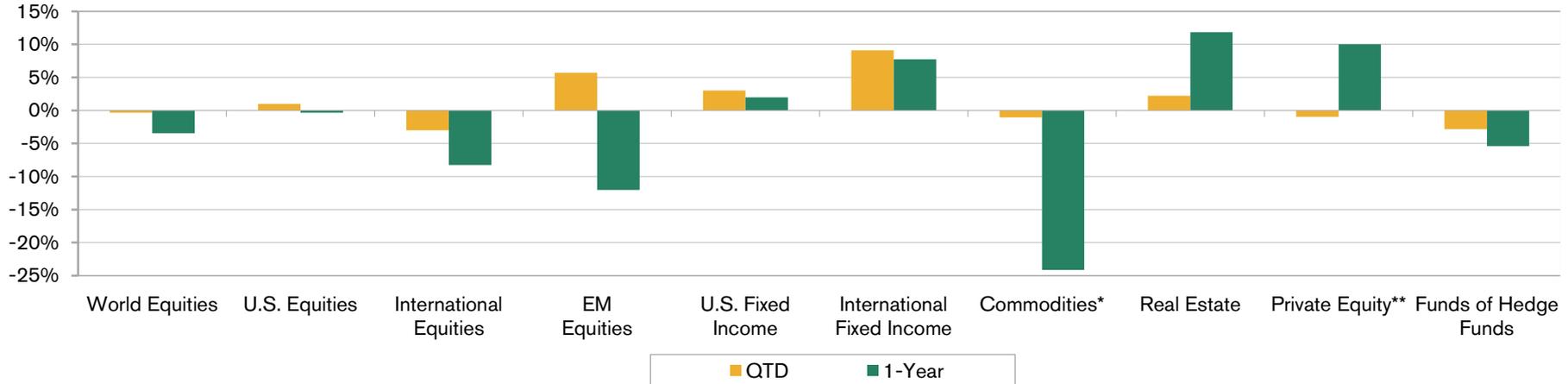
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First Quarter 2016 Investment Performance: Summary by Asset Class

This section provides data on investment performance for select market indices mostly for the first quarter (Q1) 2016, as well as Segal Rogerscasey's commentary.

Asset Class Summary: Quarter-to-Date (QTD) and One-Year Returns



Asset Class	Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
Equities	MSCI World (Net of dividends)	-0.35	-0.35	-3.45	6.82	6.51	4.27
	Russell 3000	0.97	0.97	-0.34	11.15	11.01	6.90
	MSCI EAFE (Net of dividends)	-3.01	-3.01	-8.27	2.23	2.29	1.80
	MSCI EM (Net of dividends)	5.71	5.71	-12.03	-4.50	-4.13	3.02
Fixed Income	Barclays Capital Aggregate	3.03	3.03	1.96	2.50	3.78	4.90
	Citigroup Non-U.S. WGBI (Unhedged)	9.10	9.10	7.74	-0.16	0.24	3.97
Other	Commodity Splice*	-1.04	-1.04	-24.12	-20.68	-15.79	-8.41
	NCREIF NPI	2.21	2.21	11.84	11.91	11.93	7.61
	Thomson Reuters Private Equity**	-0.96	6.36	10.03	14.61	13.84	11.42
	HFRI Fund of Funds Composite	-2.83	-2.83	-5.41	1.86	1.35	1.48

World equity markets were negative in Q1. On a global developed factor* basis for Q1, Value and Quality generally performed well, while Growth, Sentiment, and Risk performed poorly. International developed underperformed the U.S. and emerging markets for the quarter.

U.S. and international fixed income performed positively in Q1. The Federal Reserve stated it would take a slow approach to interest rate hikes. Nominal and real yield curve rates in the U.S. decreased from the previous quarter.

Commodities ended Q1 in negative territory. On a sector basis, Precious Metals had strong positive performance, followed by Industrial Metals and Livestock. Energy and Agriculture declined in Q1.

Hedge fund of funds were negative in Q1. In Q1 for direct hedge funds, Macro and Relative Value had positive performance, while Equity Hedge and Event-Driven fell.

*Factors are attributes that explain differences in equity performance. Stocks are sorted based on their exposure to a particular factor, with the factor return being the difference in returns between stocks with high exposure and low exposure to a particular attribute.

*Commodity Splice, a Segal Rogerscasey index, blends the Bloomberg Commodity Index (50%) and the S&P GSCI Index (50%), rebalanced monthly.

**Performance reported as of Q3 2015 because Q4 2015 and Q1 2016 performance data is not yet available.

Sources: eVestment Alliance, Investment Metrics, Thomson One and Hedge Fund Research, Inc.

World Economy: Key Indicators

This section provides data on select U.S. and global economic indicators for Q1 2016 along with Segal Rogerscasey's commentary.

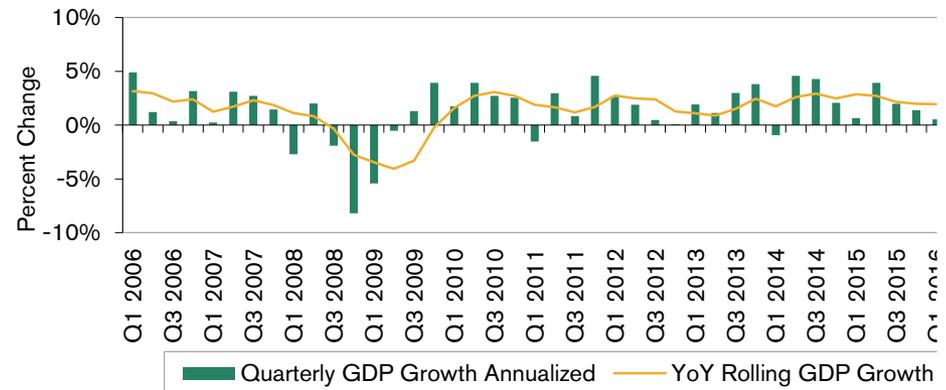
GDP Growth

Real GDP grew at an annualized rate of 0.5 percent in Q1. The adjacent graph shows annualized GDP growth, along with the year-over-year (YoY) rolling percentage change in GDP.

Positive contributors to GDP included personal consumption expenditures (PCE), residential fixed investment, and state and local government spending. Nonresidential fixed investment, private inventory investment, exports, and federal government spending, and increased imports detracted from GDP during the quarter.

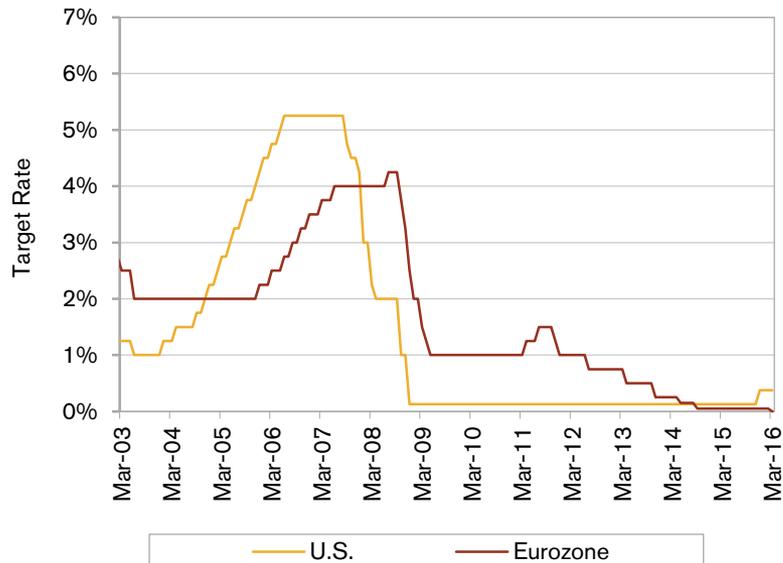
Personal and disposable income grew more in Q1 2016 than in Q4 2015. The personal savings rate increased from 5.0 percent in Q4 to 5.2 percent in Q1.

U.S. GDP Growth: Annualized Quarterly and Year-over-Year (YoY) Rolling



Source: Bureau of Economic Analysis

Target Rates: U.S. and Eurozone



Sources: Segal Rogerscasey using data from the Federal Reserve Board and the European Central Bank

Monetary Policy

At its March meeting, the Federal Open Market Committee (FOMC) stated the following

- Economic activity has been expanding at a moderate pace,
- Household spending has been increasing modestly,
- The housing sector continues to improve,
- The labor market has been strengthening,
- Net exports and business fixed investment remain soft,
- Inflation continues to be below the Fed's 2 percent objective due to decreased energy prices and lower priced non-energy imports, but should rise to 2 percent over the medium term,
- The Federal Funds Rate will remain between 0.25 and 0.50 percent,
- In order to maintain an accommodative policy, the Fed will continue its existing policy reinvesting principal payments from holdings of agency debt and agency mortgage backed securities, and will keep rolling over maturing Treasury securities at auction.

In March, the European Central Bank (ECB) lowered its target refinancing rate by 0.10 percent to zero, and its marginal lending rate by 0.05 percent to 0.25 percent. It lowered its deposit rate by 0.10 percent to -0.40 percent.

The Bank of Japan (BoJ) maintained its quantitative and qualitative easing policy with the goal of increasing the monetary base by approximately ¥80 trillion on an annual basis.

World Economy: Key Indicators

This section provides data on select U.S. and global economic indicators for Q1 2016 along with Segal Rogerscasey's commentary.

Inflation

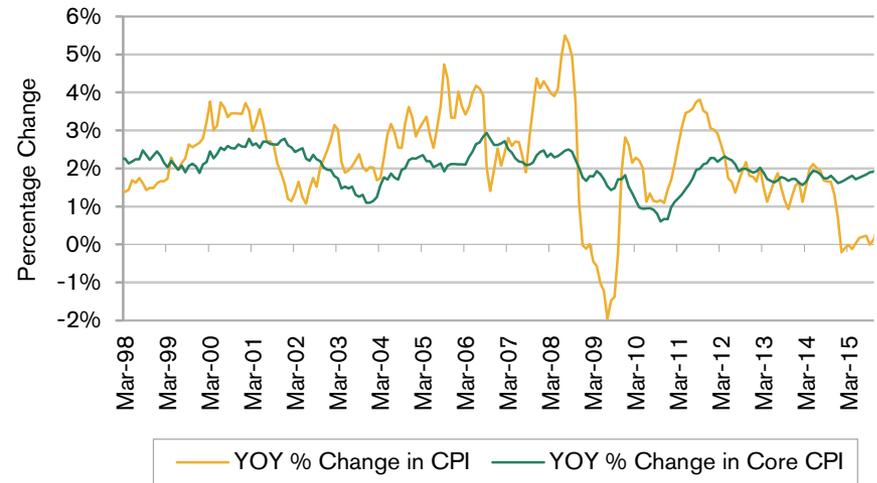
The headline seasonally adjusted Consumer Price Index (CPI)* was down 0.05 percent in Q1, and increased 0.87 percent on a YoY basis.

Seasonally adjusted Core CPI, which excludes both food and energy prices, rose 0.65 percent in Q1, bringing the YoY core CPI increase to 2.20 percent.

On an unadjusted 12 months basis ending March 2016, the energy component fell the most at -12.6 percent. Commodities less food and energy commodities was also slightly negative. Food and services less energy services was positive.

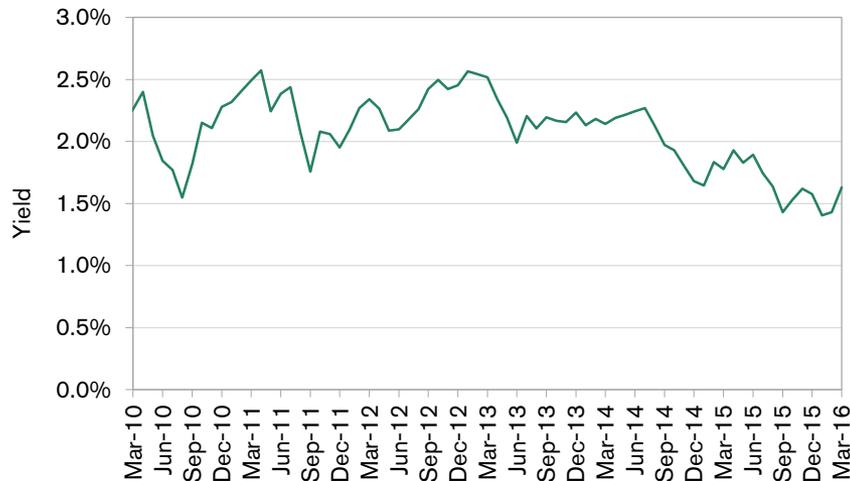
* Headline CPI is the CPI-U, the CPI for all urban consumers.

Headline CPI and Core CPI: Percentage Change YoY



Source: Bureau of Labor Statistics

10-Year Break-Even Inflation Rate



Source: Bloomberg

Break-Even Inflation Rate

The adjacent graph shows the 10-year break-even inflation rate, which measures the difference in yield between a nominal 10-year Treasury bond and a comparable 10-year Treasury inflation-protected security bond (TIPS). The break-even inflation rate is an indicator of the market's inflation expectations over the horizon of the bond.

The 10-year break-even rate increased from 1.58 percent in Q4 to 1.68 percent in Q1. As noted on page 2 (see "Monetary Policy"), the Federal Reserve expects inflation to rise to 2 percent in the medium term.

World Economy: Key Indicators

This section provides data on select U.S. and global economic indicators for Q1 2016 along with Segal Rogerscasey's commentary.

Labor Market and the Unemployment Rate

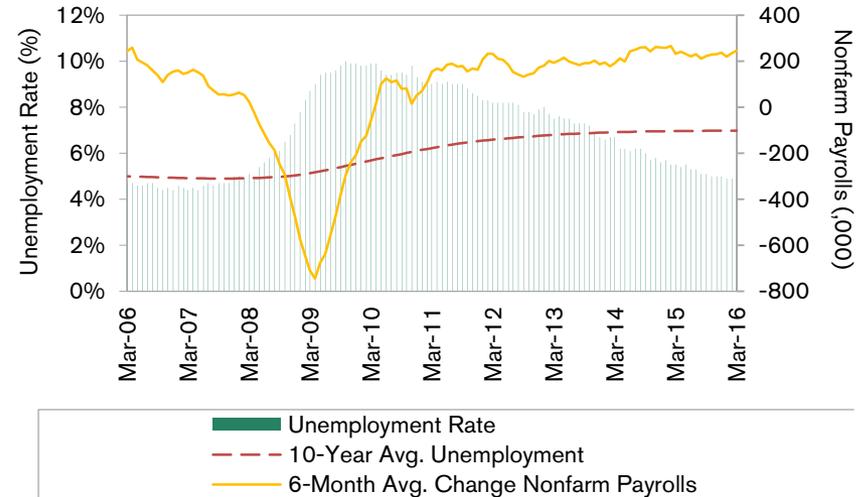
In Q1, the U.S. unemployment rate was unchanged from Q4 at 5.0 percent. Total nonfarm payrolls increased by 628,000 jobs. In terms of private industry employment in Q1, increases occurred in both goods-producing industries (approximately 1 percent of total nonfarm payrolls) and private services-providing (approximately 93 percent of total nonfarm payrolls) industries. Government employment also increased in Q1 (approximately 7 percent of total nonfarm payrolls).

The one-month total private diffusion index* stood at 58.4 in March, up from 55.0 the prior year. The one-month manufacturing diffusion index was down in March, falling to 37.3 from 48.1 the prior year.

The labor force participation rate increased from 62.6 in December to 63.0 percent in March.

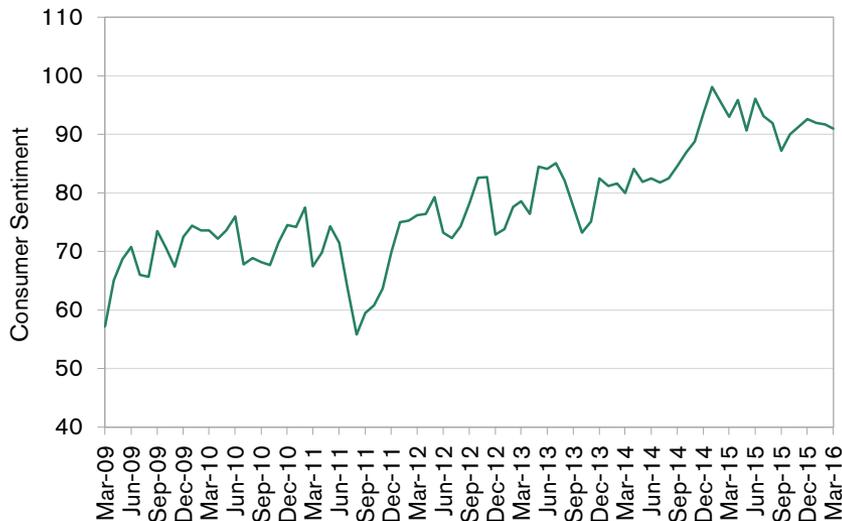
*Per the Bureau of Labor Statistics, figures represent the percent of industries with employment increasing plus one-half of the industries with unchanged employment, where 50 percent indicates an equal balance between industries with increasing and decreasing employment.

Unemployment and Nonfarm Payrolls



Source: Bureau of Labor Statistics

U.S. Consumer Sentiment



Source: Moody's Economy.com using data from the Thomson Reuters/University of Michigan Consumer Sentiment Index

Consumer Sentiment

The University of Michigan Index of U.S. Consumer Sentiment is an economic indicator that measures individuals' confidence in the stability of their incomes as well as the state of the economy. The Consumer Sentiment Index decreased from 92.6 in December to 91.0 in March. Views on both present conditions and expectations fell.

Positive personal finances were offset by less than favorable economic prospects. Consumers indicated that they anticipate the slower rate of economic growth to end the unemployment decline. The outlook for consumer spending remains positive due to consumers believing that the unemployment and inflation rates stay close to their current levels.

Investor Sentiment: Mutual Fund Flows

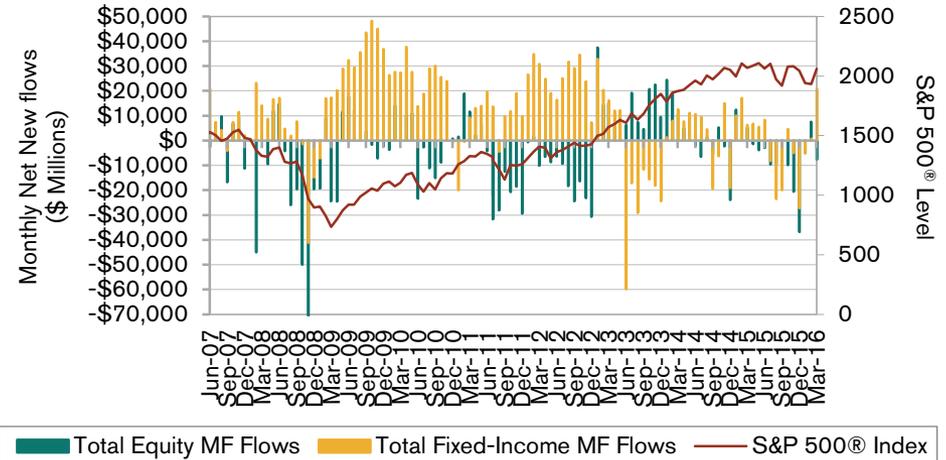
This page presents mutual fund flows across equity and fixed-income funds. Flow estimates are derived from data collected covering more than 95 percent of industry assets and are adjusted to represent industry totals.

Net Mutual Fund Flows

The adjacent graph shows net flows into equity and fixed income mutual funds. In Q1, mutual funds experienced net inflows of approximately \$11.3 billion, following outflows of roughly \$94.9 billion in Q4 2015. Inflows in Q1 were driven by fixed income mutual funds during February and March, primarily into investment grade and high yield bond funds. Municipal bonds also saw inflows throughout the quarter. Fixed income fund flows closed Q1 with inflows of \$16.4 billion, while equity funds lost \$5.1 billion. U.S. equities had outflows of \$9.7 billion, primarily in large cap mutual funds, while non-U.S. funds (international developed and emerging markets) gained \$2.1 billion. Non-U.S. funds were driven by an inflow of \$3.1 billion into international developed market mutual funds, which was offset by \$1.0 billion in outflows from emerging markets.

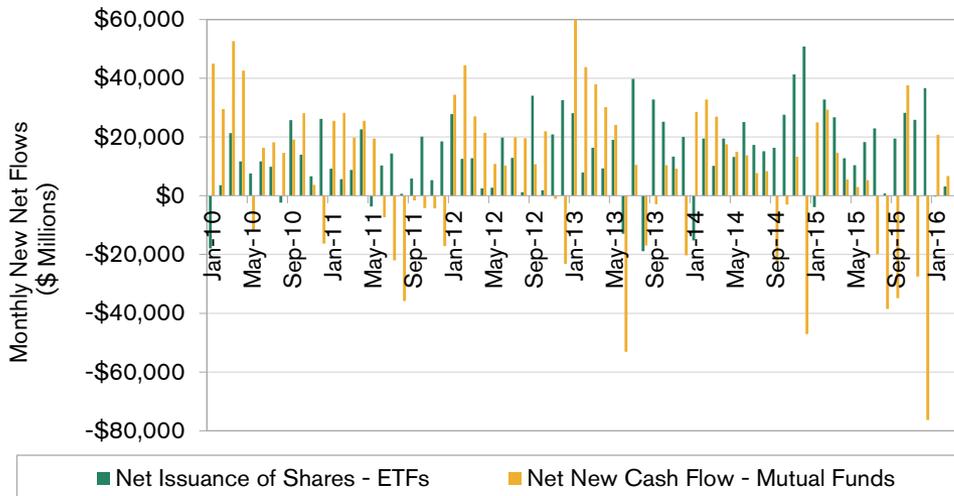
The Treasury yield curve flattened in Q1, driven by growth concerns in China, a decline in oil prices, and uncertainties surrounding global central bank policies. The 10-year Treasury note closed at 1.78 percent, 49 bps lower than at the end of Q4 2015.

Monthly Mutual Fund Net Flows (\$ Millions) Q1 2016



Source: Investment Company Institute <http://www.ici.org>

Mutual Fund Flows vs. ETFs (\$ Millions): New Net Cash Flows



Source: Investment Company Institute <http://www.ici.org>

Mutual Fund Flows vs. Exchange-Traded Fund

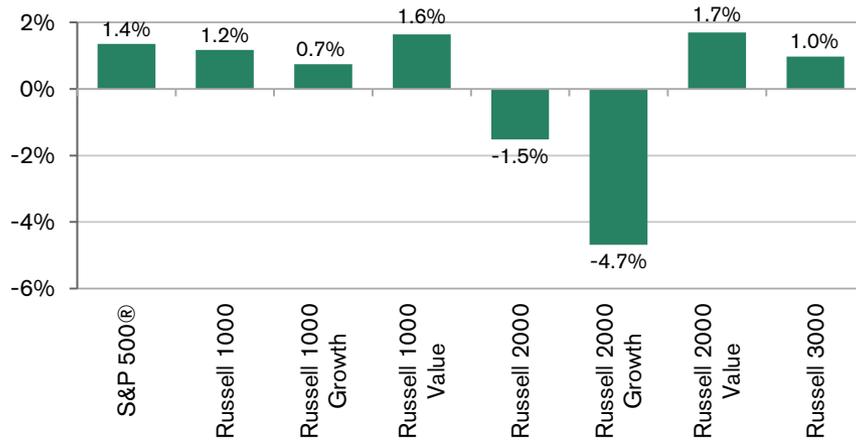
ETFs also experienced inflows in Q1, totaling \$2.9 billion in January and February 2016 (March numbers had not yet been reported at the time this section was written). At the end of February, ETF assets totaled about \$2.0 trillion, down slightly from around \$2.1 trillion in February 2015. All types of ETFs, including domestic equity, foreign equity, tax-exempt bonds, municipal bonds, and hybrid mutual funds, experienced inflows in January and February.

Investment Performance: U.S. Equities

This section presents data and Segal Rogerscasey's commentary on U.S. equity index returns and sector performance for Q1 2016.

U.S. Equity Index Returns

The graph below illustrates Q1 2016 rates of return for selected U.S. equity indices. The table shows returns for the latest quarter, year-to-date, one-year, three-year, five-year and 10-year annualized timeframes. All data in the table are percentages.



Equity Indices	QTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500® Index	1.35	1.35	1.78	11.82	11.58	7.01
Russell 1000	1.17	1.17	0.50	11.52	11.35	7.06
Russell 1000 Growth	0.74	0.74	2.52	13.61	12.38	8.28
Russell 1000 Value	1.64	1.64	-1.54	9.38	10.25	5.72
Russell 2000	-1.52	-1.52	-9.76	6.84	7.20	5.26
Russell 2000 Growth	-4.68	-4.68	-11.84	7.91	7.70	6.00
Russell 2000 Value	1.70	1.70	-7.72	5.73	6.67	4.42
Russell 3000	0.97	0.97	-0.34	11.15	11.01	6.90

Sources: Standard & Poor's and FTSE Russell Investments

S&P 500 Index® Sector Performance – Q1 2016

Sector	QTD (%)	YTD (%)
Consumer Discretionary	1.6	1.6
Consumer Staples	5.6	5.6
Energy	4.0	4.0
Financials	-5.1	-5.1
Healthcare	-5.5	-5.5
Industrials	5.0	5.0
Information Technology	2.6	2.6
Materials	3.6	3.6
Telecommunications Services	16.6	16.6
Utilities	15.6	15.6

This table shows quarter-to-date and year-to-date price changes for each sector.

Source: Standard & Poor's

Index and Sector Performance

The S&P 500® (1.4 percent) gained in Q1. The market responded positively to comments from Federal Reserve chair Janet Yellen who indicated that addition increases in U.S. interest rates were likely to be postponed. Large cap stocks posted positive returns for both the Russell 1000 Growth (0.7 percent) and Russell 1000 Value (1.6 percent). However, the results for small cap stocks were bifurcated, with a decline in the Russell 2000 Growth index (-4.7 percent) and gain in the Russell 2000 Value (1.7 percent). As memories of the Global Financial Crisis recede, only the 10-year index returns shown in the table above incorporate those difficult times; the 3- and 5-year returns are above very long-term historic averages for U.S. equities.

In large cap stocks, sector returns were varied. Defensive sectors such as Telecommunications and Utilities were up 16.6 percent and 15.6 percent, respectively, while Financials and Healthcare were down -5.1 percent and -5.5 percent, respectively.

Investment Performance: U.S. Equities

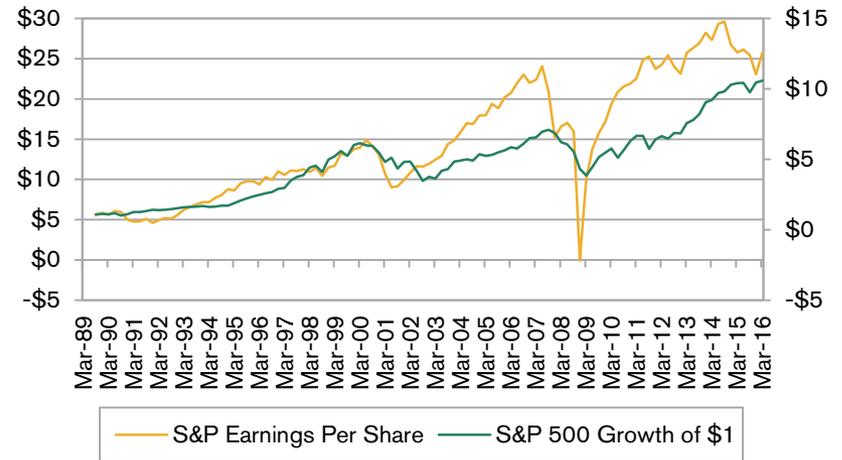
This section presents Segal Rogercasey's commentary on U.S. equity earnings and growth- vs. value-stock performance for Q1 2016.

U.S. Equity Market Earnings and Volatility

The adjacent graph compares the earnings per share of companies in the S&P 500® Index and the growth of \$1.00 since June 1989. While earnings per share growth does not align perfectly with the growth of stock prices, there does appear to be a directional linkage, which is something many investors count upon.

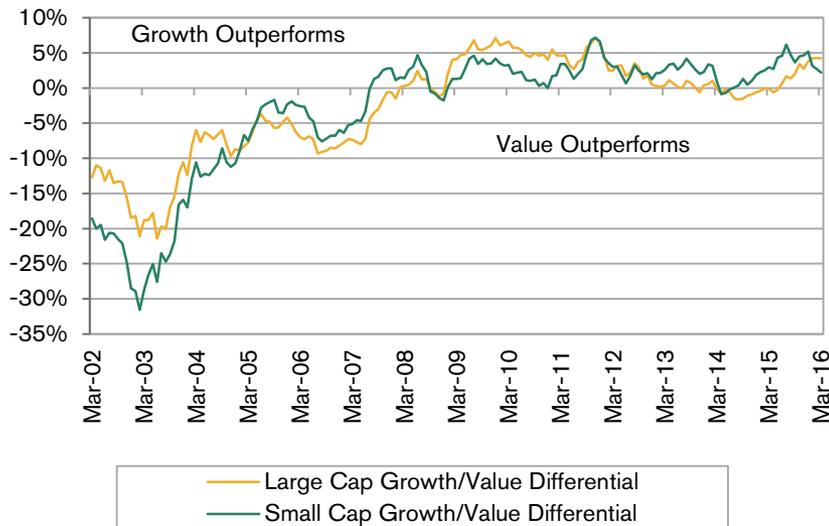
Earnings are perhaps the single most studied metric in a company's financial statements because they show a company's profitability. A company's quarterly and annual earnings are typically compared to analysts' estimates and guidance provided by the company itself. In most situations, when earnings do not meet either of those estimates, a company's stock price will tend to drop. On the other hand, when actual earnings beat estimates by a significant amount, the share price will likely surge. At the aggregate level, these swings tend to be more muted.

S&P 500® Index: Earnings Per Share and Growth of \$1



Source: Standard & Poor's

Growth Stocks vs. Value Stocks (Rolling 3-Year)



Source: FTSE Russell Investments

Growth vs. Val

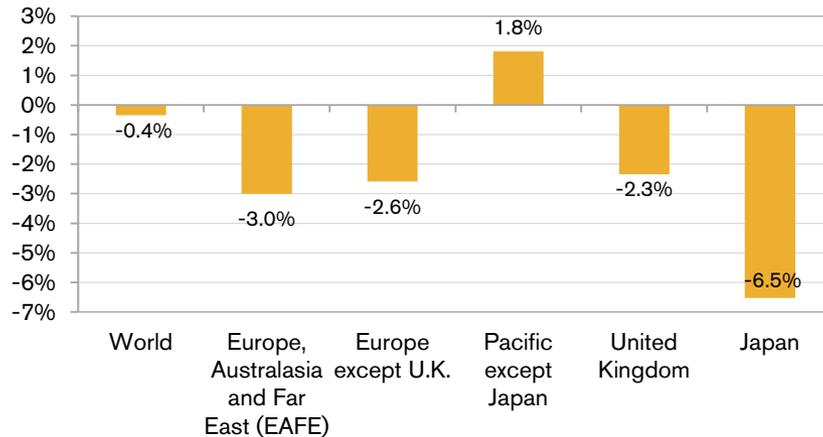
The adjacent graph depicts the growth versus value differential for both large- & small-cap stocks over rolling three-year intervals. The large-cap calculation uses Russell 1000 Growth versus the Russell 1000 Value and the small-cap differential is composed of the Russell 2000 Growth versus the Russell 2000 Value. When the line is above the x-axis the market favors growth stocks over value, and vice-versa. An interesting dynamic in recent years has been the fact that growth and value have largely been irrelevant in driving large cap equity returns, as the spread between growth and value benchmarks has been quite narrow. Markets have shown a preference for growth stocks since the end of 2014.

Investment Performance: Non-U.S. Equities

This section presents data and Segal Rogerscasey's commentary on international equity returns and sector performance for Q1 2016.

MSCI Non-U.S. Equity Index Returns

The graph below illustrates Q1 2016 rates of return for selected non-U.S. equity indices. The table shows returns for the latest quarter, year-to-date, one-year, three-year, five-year and 10-year annualized timeframes. All data in the table are percentages.



MSCI Indices	QTD	YTD	1 Year	3 Year	5 Year	10 Year
World	-0.35	-0.35	-3.45	6.82	6.51	4.27
Europe, Australasia and Far East (EAFE)	-3.01	-3.01	-8.27	2.23	2.29	1.80
Europe except U.K.	-2.59	-2.59	-8.27	3.93	1.94	2.05
Pacific except Japan	1.81	1.81	-9.65	-2.95	0.68	5.60
United Kingdom	-2.34	-2.34	-8.85	0.19	2.21	1.99
Japan	-6.52	-6.52	-7.06	3.84	4.03	-0.42

Source: Morgan Stanley Capital International

MSCI EAFE Sector Performance – Q1 2016

	QTD (%)	YTD (%)
Consumer Discretionary	-4.9	-4.9
Consumer Staples	2.8	2.8
Energy	3.3	3.3
Financials	-10.4	-10.4
Healthcare	-7.7	-7.7
Industrials	1.1	1.1
Information Technology	-4.5	-4.5
Materials	1.8	1.8
Telecommunications Services	0.0	0.0
Utilities	-0.1	-0.1

This table shows quarter-to-date and year-to-date price changes for each sector.
Source: Morgan Stanley Capital International

Index and Sector Performance

Global equity markets had a dismal start to Q1 2016, but rebounded somewhat in second half of the quarter. The EAFE index fell in January and continued to decline early February to a low not seen since 2008. Market sentiment was fragile as investors worried about global growth, commodity prices, and central bank policies. Markets began to rally in mid-February and continued their upward climb into March, where all major market indices finished in positive territory for the month. Investor confidence improved as markets became optimistic following the ECB announcement of additional economic stimulus measures and the dovish comments from Fed chair Yellen. These gains were enough to erase the poor performance experienced earlier in the quarter, but they did not make for a less negative experience. In Q1, the EAFE index returned -3.0 percent, while the World index posted a more neutral -0.4 percent, benefitting from strong performance from New Zealand (11.6 percent), Canada (11.3 percent), and Singapore (5.1 percent). Of the regional developed market indices, Pacific ex-Japan was the only region to post positive results in Q1 (1.8 percent).

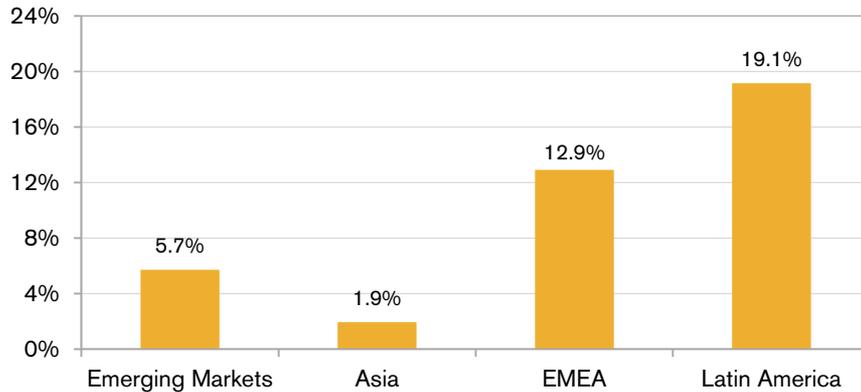
Like the broader market, sector performance also saw a saw-tooth pattern in Q1, with performance in the first half that improved in the second half. Financials (-10.4 percent) was the worst performing sector, but Healthcare (-7.8 percent) and Consumer Discretionary (-4.9 percent) also struggled in Q1. Rising oil prices helped to boost sectors more directly exposed to commodities: Energy (3.3 percent), Materials (1.8 percent) and Industrials (1.1 percent).

Investment Performance: Emerging Market Equities

This section presents data and commentary on emerging market (EM) equity returns and sector performance for Q1 2016.

MSCI Emerging Market Equity Index Returns

The graph below illustrates Q1 2016 rates of return for selected emerging market equity indices. The table shows returns for the latest quarter, year-to-date, one-year, three-year, five-year, and 10-year annualized timeframes. All data in the table are percentages.



MSCI EM Indices	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Emerging Markets (All)	5.71	5.71	-12.03	-4.50	-4.13	3.02
Asia	1.94	1.94	-12.61	-0.09	-0.68	5.01
Europe, Middle East and Africa (EMEA)	12.91	12.91	-11.45	-8.41	-7.69	-1.04
Latin America	19.14	19.14	-9.16	-14.78	-11.52	1.47

Source: Morgan Stanley Capital International

MSCI EM Sector Performance – Q1 2016

	QTD (%)	YTD (%)
Consumer Discretionary	3.1	3.1
Consumer Staples	6.3	6.3
Energy	14.9	14.9
Financials	3.4	3.4
Healthcare	-0.4	-0.4
Industrials	3.1	3.1
Information Technology	4.9	4.9
Materials	15.4	15.4
Telecommunications Services	6.6	6.6
Utilities	9.2	9.2

This table shows quarter-to-date and year-to-date price changes for each sector.
Source: Morgan Stanley Capital International

Index and Sector Performance

The MSCI Emerging Markets (EM) Index rose 5.7 percent in Q1, rebounding strongly after a challenging start to the quarter, and outperformed developed markets. EM returns were supported by a delay in monetary tightening in the U.S. and a partial reversal of the currency losses many countries experienced in 2015 against the USD. At the total index level, currency had a positive impact for U.S. investors, with local currency returns coming in 3.0 percent below the USD results. Markets such as Brazil (USD returns were 13.4 percent better than local returns) and Russia (7.9 percent better) recovered some of their 2015 losses against the USD.

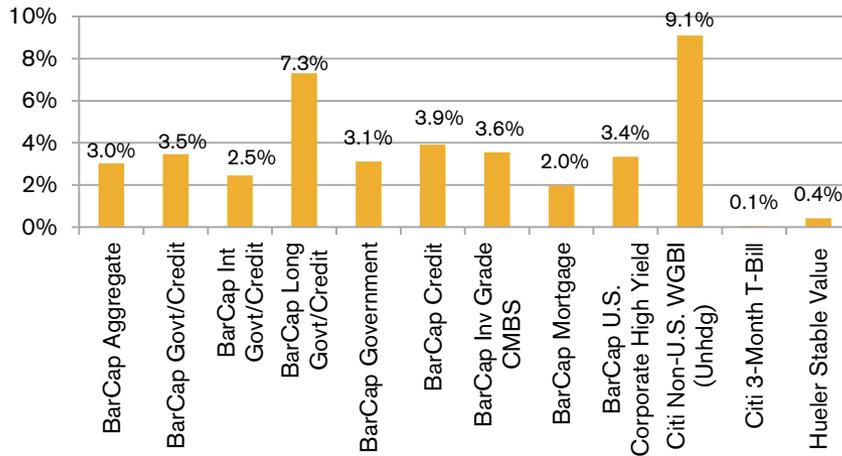
Latin America (19.1 percent) was the best performing region in Q1. Brazilian equities in particular rallied (28.5 percent), buoyed by the appreciation of the real, the increased expectations for political change, and an improvement in commodity prices. EMEA (12.9 percent) also posted a solid gain. Turkey (21.6 percent) performed the best of the region, lifted by policy actions in the U.S. and in Europe, which eased concerns over financing of the country's large account deficit. Asia (1.9 percent) posted a positive return as well, although country-specific results were mixed. Thailand (1.9 percent) was the best performing market, as the government announced stimulus measures that included grants to farmers. On the other hand, China (-4.8 percent) was dragged down by slow economic growth. The Chinese central bank cut the reserve requirement ratio for banks to provide support, while authorities also opened the domestic bond market to foreign investors. All sectors except for Healthcare (-0.4 percent) posted positive returns in Q1. Materials (15.4 percent) and Energy (14.9 percent) posted the strongest returns, while Industrials (3.1 percent) and Consumer Discretionary (3.1 percent) lagged on a relative basis.

Investment Performance: U.S. Fixed Income

This section presents select U.S. fixed-income index data along with commentary on option-adjusted spreads (OAS) during Q1 2016.

U.S. Fixed Income Index Returns

The graph below illustrates Q1 2016 rates of return for selected U.S. fixed-income indices. The table shows returns for the latest quarter, year-to-date, one-year, three-year, five-year and 10-year annualized timeframes. All data in the table are percentages.



Fixed-Income Indices	QTD	YTD	1 Year	3 Year	5 Year	10 Year
BarCap* Aggregate	3.03	3.03	1.96	2.50	3.78	4.90
BarCap* Govt/Credit	3.47	3.47	1.75	2.42	4.04	4.93
BarCap* Int Govt/Credit	2.45	2.45	2.06	1.83	3.01	4.34
BarCap* Long Govt/Credit	7.30	7.30	0.39	4.81	8.51	7.57
BarCap* Government	3.12	3.12	2.37	2.11	3.42	4.52
BarCap* Credit	3.92	3.92	0.93	2.86	5.00	5.70
BarCap* Inv Grade CMBS	3.56	3.56	2.63	2.88	4.55	5.37
BarCap* Mortgage	1.98	1.98	2.43	2.70	3.24	4.85
BarCap* U.S. Corporate High Yield	3.35	3.35	-3.69	1.84	4.93	7.01
Citi Non-U.S. WGBI** (Unhdg)	9.10	9.10	7.74	-0.16	0.24	3.97
Citi 3-Month T-Bill	0.05	0.05	0.08	0.05	0.06	1.07
Hueler Stable Value	0.43	0.43	1.75	1.74	1.99	3.00

Sources: Barclays Capital, Citigroup and Hueler Analytics

OAS* in Bps

	12/31/2015	3/31/2016	Change in OAS	10-Year Average
U.S. Aggregate Index	56	56	0	67
U.S. Agency (Non-mortgage) Sector	51	54	3	43
Securitized Sectors:				
Mortgage-Backed Securities	24	22	-2	52
Asset-Backed Securities	72	74	2	130
Commercial Mortgage-Backed Securities	121	109	-12	224
Corporate Sectors:				
U.S. Investment Grade	165	163	-2	167
Industrial	183	168	-15	156
Utility	150	151	1	157
Financial Institutions	134	155	21	187
U.S. High Yield	660	656	-4	550

*OAS is the yield spread of bonds versus Treasury yields taking into consideration differing bond options.
Source: Barclays Capital

Option-Adjusted Spread

Spread movements were mixed during Q1, which is a reversal from Q4 where spreads primarily widened across all sectors. U.S. high yield spreads contracted in March after experiencing a volatile start to year, but managed to remain roughly 100 bps higher than its 10-year average of 550 bps. U.S. Agencies continued to expand and is one of the few sectors above its long-term average.

Q1 was volatile, as stocks plunged and credit spreads widened sizably during the first half of the quarter. Global growth concerns centered around China heightened uncertainty surrounding the effectiveness of global central bank policies, and oil prices continued to decline. With that said, markets rebounded moving into March as oil prices changed course and global central bank policies stabilized. The most significant widening took place within the Financial Institutions sector, primarily in February, as global growth concerns persisted and rumors about a potential negative interest rate environment in the U.S. arc. Spreads within Industrials narrowed the most when growth fears subsided and prices rebounded.

Investment Performance: U.S. Fixed Income

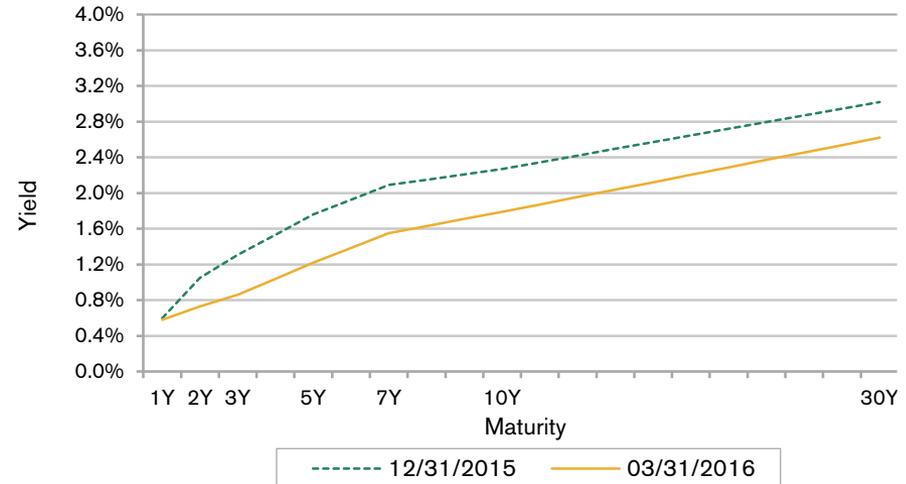
This section presents commentary on the U.S. Treasury yield curve and credit spreads during Q1 2016.

Yield Curve

The U.S. Treasury yield curve contracted during Q1, with the gap between 2-year and 10-year Treasuries decreasing from 1.22 percent to 1.05 percent. Yields fell across the curve as January and February's global growth concerns in the U.S. economy and abroad subsided in March. Additionally, oil prices rebounded toward the end of the quarter. Intermediate-duration Treasuries expanded the most during the quarter, while short and long yields rose by modestly lesser amounts.

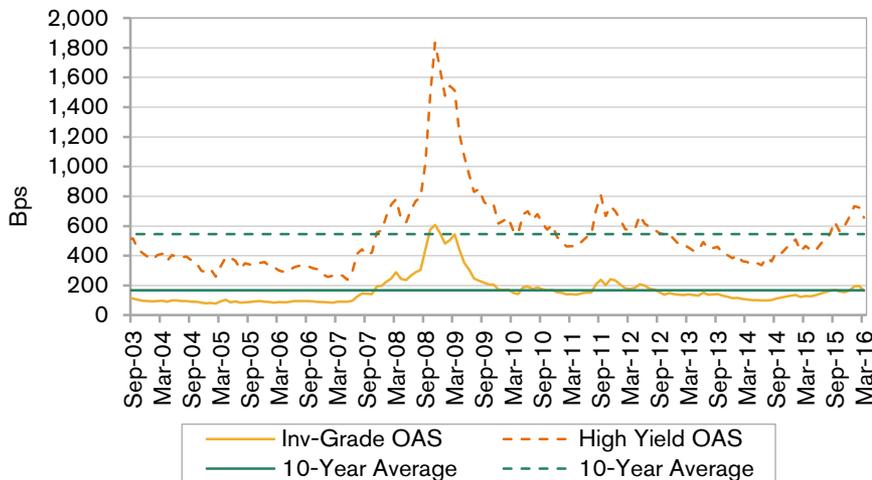
The 10-year U.S. Treasury yield ended Q1 at 1.78 percent, 49 bps lower than in Q4.

U.S. Treasury Yield Curve



Source: Bloomberg

Barclays Capital Corporate Bond Spreads



Source: Barclays Capital

Credit Spreads

Investment grade corporate spreads contracted by 2 bps in Q1 and ended quarter with an option-adjusted spread of 163 bps over Treasuries, as shown in the adjacent graph. From a historical perspective, spreads ended Q1 41 bps below the 10-year average of 167 bps.

High yield bond spreads narrowed during Q1 by 4 bps, ending with an OAS of 6.56 percent at the end of March, which is 106 bps above the 10-year average of 550 bps.

Investment Performance: Non-U.S. Fixed Income

This page focuses on international fixed-income asset class data and information on EM debt (EMD) for Q1 2016.

International Fixed Income

In Q1, global sovereign bonds, as measured by the Citigroup World Government Bond Index (WGBI), gained 3.7 percent in local currency terms and 7.1 percent in unhedged terms. The BarCap Global Aggregate Index, which includes spread sectors, returned 5.9 percent, trailing the sovereign-only Citigroup WGBI Index by roughly 119 bps on an unhedged basis. Non-U.S. government bonds, as measured by the Citigroup Non-U.S. WGBI, outperformed U.S. government bonds by roughly 80 bps in local currency terms and 201 bps in unhedged currency terms.

On an unhedged basis, all WGBI components finished Q1 in positive territory, with South Africa, Japan, Malaysia, and Singapore being the largest contributors, a theme consistent with what we saw in Q4.

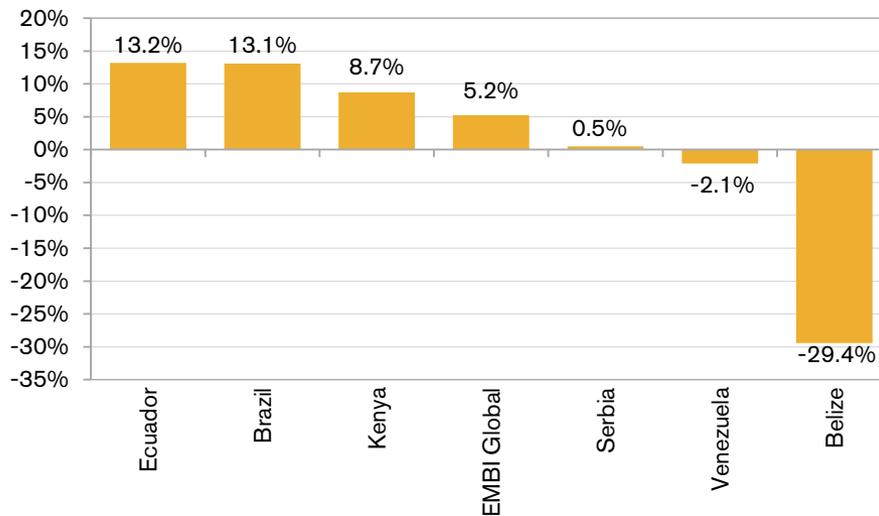
On a local currency basis, all countries posted gains. The most notable outperformer was the U.K. (5.3 percent), which is sizably weighted in the index and benefitted from the announcement of additional monetary stimulus that included an expanded quantitative easing bond-buying program. Additional contributors included Singapore (4.7 percent) and Japan (4.7 percent), along with the broader eurozone (3.4 percent).

Citigroup WGBI: Returns of Major Constituents (%)

Country	Local Currency Return (Qtr)	Currency Effect	Unhedged Total Return (Qtr)
United States	3.2	-	3.2
Canada	1.1	-7.5	8.6
Australia	2.4	-5.9	8.3
Japan	4.7	-7.4	12.1
Austria	3.6	-5.1	8.7
Belgium	4.8	-5.1	9.9
France	4.1	-5.1	9.2
Germany	3.8	-5.1	8.9
Italy	2.6	-5.0	7.6
Netherlands	3.9	-5.1	9.0
Spain	2.6	-5.0	7.6
United Kingdom	5.3	2.6	2.7
Non-U.S. Govt. Bond	4.0	-5.2	9.1
World Govt. Bond	3.7	-3.4	7.1

Sources: Citigroup and Barclays Capital

J.P. Morgan EMBI Global Index Best and Worst-Performing Markets



Source: J.P. Morgan

Emerging Market De

EMD was positive in Q1, as measured by the J.P. Morgan Emerging Market Bond Index (EMBI) Global's 5.2 percent gain. Positive results on a weighted basis can be attributed to the healthy performance in China (3.3 percent), Russia (3.7 percent), Turkey (4.6 percent), Indonesia (8.1 percent), and Brazil (13.1 percent), which represent five of the 10 largest countries in the index. Brazil markets rallied in March as the odds of an impeachment of President Dilma Rousseff rose substantially following a string of questionable government acts. The adjacent chart illustrates the best and worst performers on an absolute basis.

The corporate J.P. Morgan CEMBI Broad Diversified Index rose 4.3 percent during Q1. Russia (5.0 percent), Mexico (5.5 percent) and Brazil (9.0 percent) added the most value, as a rebound in commodity prices and stability in China proved to be accommodative for emerging market countries.

The local J.P. Morgan GBI-EM Global Diversified Index gained 11.0 percent in USD terms and a gain of 500 bps on a local currency basis. From a geographical perspective, all regions posted positive results in USD terms, with Latin America Diversified (12.4 percent) performing the best. In local currency terms, MidEast/Africa (6.3 percent) was the top performer.

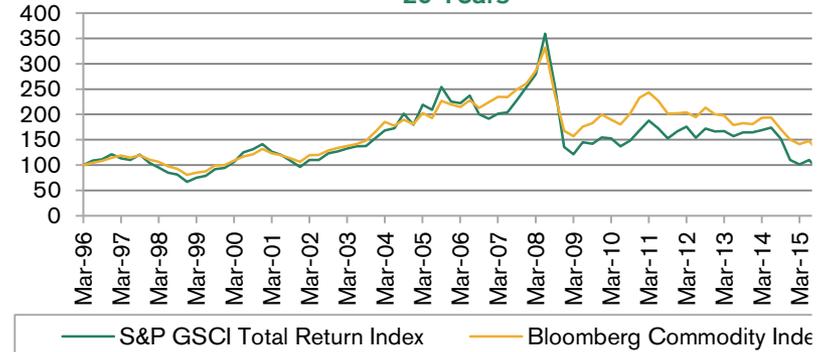
Investment Performance: Commodities and Currencies

This section presents performance information about commodities and major world currencies as of Q1 2016.

Commodities

Commodities had mixed results in Q1, although in general they benefitted from a weaker USD. The Bloomberg Commodity Index (“BCOM”) gained 0.4 percent, while the S&P GSCI fell to -2.5 percent. The difference in performance of the two indices is largely attributable to the Energy sector, which continued to underperform in Q1, and has a heavier weighting in the S&P GSCI. Within the energy complex, natural gas was one of the biggest losers, as prices suffered due to the unseasonably warm weather and rising inventories. Meanwhile, although crude oil continued to fall in January to a 12-year low, prices rebounded later in the quarter after Saudi Arabia and Russia called for a freeze on output. Precious Metals generated the greatest gain in Q1, increasing 15.3 percent in the BCOM and 16.0 percent in the S&P GSCI. Gold was amongst the leading performers in Q1, gaining almost 16 percent due to concerns regarding global economic growth and China. This was the largest quarterly rally for gold since Q3 1986. Overall, sector performance was mixed, but some additional commodities of note were iron ore, which was up approximately 25 percent in Q1, reflecting strength in Chinese steel prices, and cotton, which declined 9 percent over concerns about China’s record stockpile.

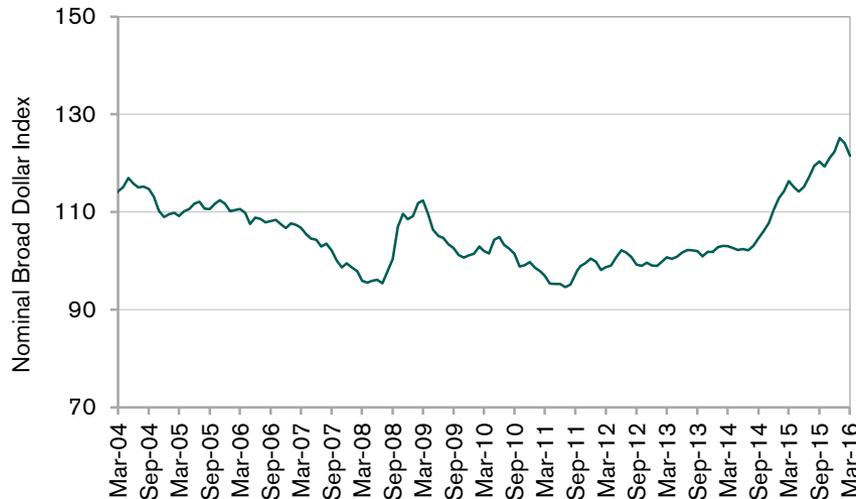
Monthly Commodity Returns, Growth of \$100: 20 Years



The graph above shows the major commodity indices, the S&P GSCI* Index and the Bloomberg Commodity Index**
 * The S&P GSCI Index is calculated primarily on a world production-weighted basis and is composed of the principal physical commodities that are the subject of active, liquid futures markets.
 ** The Bloomberg Commodity Index is composed of futures contracts on physical commodities, with weighting restrictions on individual commodities and commodity groups to promote diversification.
 Source: Financial Times, www.ft.com

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

Nominal Broad Dollar Index: USD vs. Basket of Major Trading Partners



Sources: Federal Reserve and Bloomberg

Currency

The adjacent graph shows the U.S. dollar (USD) against a basket of 16 major market currencies, including those listed in the table below: the Canadian dollar (CAD), the euro (EUR), the Japanese yen (JPY), the Swiss franc (CHF) and the British pound-sterling (GBP).

In Q1, the U.S. Nominal Broad Dollar Index weakened by 0.72 percent. Higher relative economic growth should provide a tailwind for the USD strength going forward.

USD Major Trading Partners	Pairs	Q1 Level	YTD	5-Year Average
Canada	USD/CAD	1.3004	-6.03%	1.10
Eurozone	USD/EUR	0.8787	-4.59%	0.79
Japan	USD/JPY	112.5700	-6.36%	98.70
Switzerland	USD/CHF	0.9618	-4.02%	0.92
U.K.	USD/GBP	0.6963	2.61%	0.6348

Investment Performance: Hedge Funds

This section provides an overview of hedge fund results along with an analysis of strategy performance during Q1 2016.

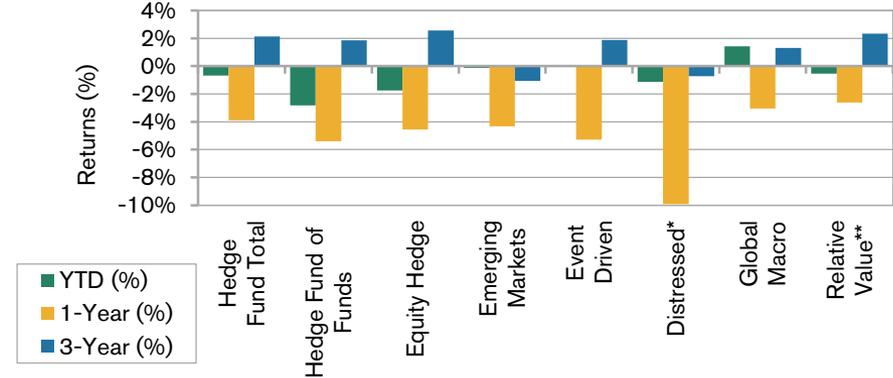
Hedge Fund Overview

The Hedge Fund Research, Inc. (HFRI) Fund Weighted Composite Index (-0.7 percent) fell during Q1. After posting losses in January and February, the index rebounded in March, but not enough to lift it out of negative territory for the quarter. Of the five major hedge fund strategies, Equity Hedge (-1.7 percent) was the weakest performer. Global Macro (1.4 percent) posted the only positive return, while Event Driven (0.0 percent) was flat and Emerging Markets (-0.1 percent) and Relative Value (-0.5 percent) fell.

Longer-term results were positive. Hedge funds recorded a gain of 2.1 percent over the three-year period ending March 31, 2016, as measured by the HFRI Fund Weighted Composite Index.

Hedge funds of funds also posted losses in Q1, as represented by the HFRI Fund of Funds (FOF) Composite Index (-2.8 percent). The HFRI FOF: Conservative Index (-2.0 percent) and the HFRI FOF: Diversified Index (-2.8 percent) also fell.

Hedge Fund Industry Performance



* Distressed funds focus on companies that are close to or in bankruptcy.

**Relative-value funds focus on arbitrage opportunities between equity and fixed income securities.

Source: Hedge Fund Research, Inc.

HFRI Index Returns – Q1 2016 (%)

	Jan	Feb	Mar	QTD
Fund of Funds Composite	-2.5	-1.1	0.7	-2.8
FOF: Conservative	-1.4	-0.9	0.2	-2.0
FOF: Diversified	-2.0	-1.0	0.2	-2.8
Fund Weighted Composite	-2.6	0.0	2.0	-0.7
Equity Hedge (Total)	-4.5	-0.4	3.4	-1.7
Equity Market Neutral	0.2	-0.6	1.2	0.8
Short Bias	6.2	4.9	-3.4	7.6
Event-Driven (Total)	-3.2	-0.5	3.7	0.0
Distressed/Restructuring	-2.9	-1.3	3.2	-1.1
Merger Arbitrage	-0.2	0.3	1.2	1.3
Relative Value (Total)	-1.7	-0.6	1.7	-0.5
FI-Convertible Arbitrage	-2.0	0.1	1.5	-0.5
Global Macro (Total)	0.9	1.5	-1.0	1.4
Emerging Markets (Total)	-5.6	-0.3	6.0	-0.1

Source: Hedge Fund Research, Inc.

Strategy Analysis

The HFRI Global Macro Index (1.4 percent) was the only major hedge fund strategy to post a gain for the quarter. Systematic Diversified was the best-performing underlying strategy, followed by the Commodity, Active Trading, Currency, and Multi-Strategy indices. The worst-performing underlying index, and sole negative contributor, was Discretionary Thematic.

The HFRI Relative Value Index (-0.5 percent) declined. The underlying Sovereign Fixed Income Index was the strongest performer for the period, followed by the Corporate Index. All other contributing indices posted negative results. The Yield Alternatives Index fared the worst, followed by Fixed Income Asset Backed, Volatility, Fixed Income Convertible Arbitrage, and Fixed Income Multi-Strategy indices.

The HFRI Event-Driven Index was flat for the quarter. Positive contributors were Merger Arbitrage and Special Situations. The Activist Index fell the most, followed by the Distressed/Restructuring Multi-Strategy and Credit Arbitrage indices.

The HFRI Emerging Markets Index (-0.1 percent) posted a slight loss. Underlying indices that fell included Asia ex-Japan, China, MENA (Middle East & North Africa) and India, which was the worst-performing contributor. These losses were offset by significant gains in Latin America (10.0 percent) and Russia/Eastern Europe (7.3 percent).

The HFRI Equity Hedge Index (-1.7 percent) posted the steepest decline of all major hedge fund strategies. The Equity Market Neutral Index, Energy/Basic Materials Sector, Quantitative Directional and Short Bias indices were positive, while the other contributing indices fell. Technology/Healthcare lost the most, followed by Fundamental Growth, Fundamental Value and Multi-Strategy.

Investment Performance: Private Equity

This section provides data on private equity industry performance, fundraising, buyout funds, initial public offering (IPO) activity and venture capital. The information in this section reflects the most recent private equity data available.

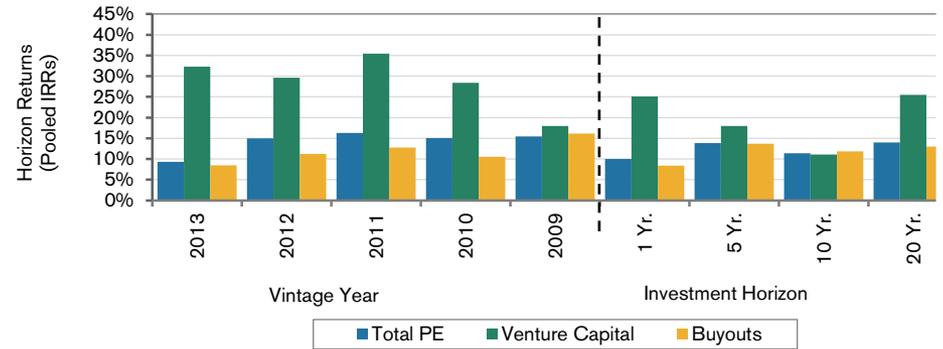
Private Equity Industry Performance

The adjacent graph shows private equity fund performance for Q3 2015, calculated as pooled internal rates of return (IRRs) of funds reporting to Thomson One. Performance for 2009 through 2013 vintage-year* funds, as well as one-, five-, 10- and 20-year returns, is calculated for funds in the following categories: all private equity, venture capital and buyouts.

Private equity funds for all regions returned approximately -1.0 percent in Q3 2015 and 10.0 percent over the one-year period. This includes performance across all private equity strategies. Over a 20-year period, all private equity, venture capital and buyout funds generated double-digit returns of 14.0 percent, 25.5 percent and 13.0 percent, respectively.

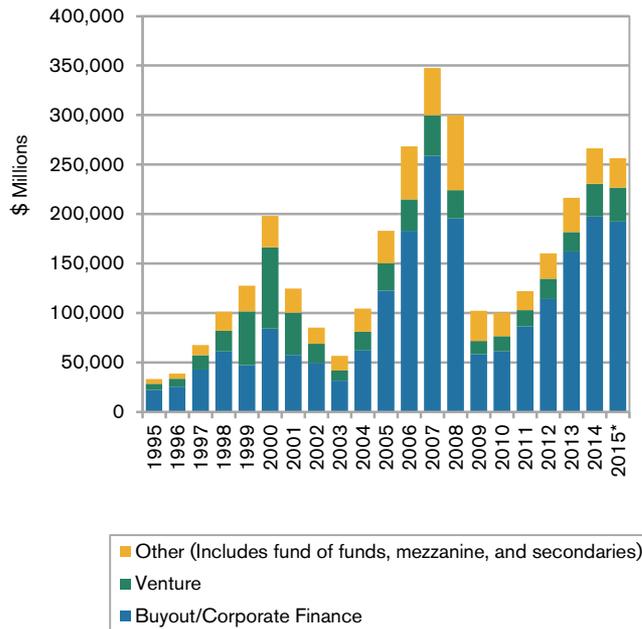
*"Vintage year" refers to the first year capital was committed in a particular fund. Vintage-year performance is calculated as the median percentile returns of all funds reporting as pooled IRRs.

Private Equity Performance by Vintage Year and Investment Horizon: All Reg



Source: Thomson Reuters

Private Equity Commitments: United States



Source: Private Equity Analyst

Private Equity Overview

According to *Private Equity Analyst*, private equity funds raised approximately \$256.7 billion in 2015 which was 8.2 percent less than in all of 2014. The number of funds raised throughout 2015 was 146 less than the prior year, as limited partners tended to invest larger amounts of capital with fewer managers with whom they had previous general partner relationships.

Buyout and corporate finance strategies together raised the most capital among private equity strategies in 2015 at \$192.3 billion, which is approximately 7.5 percent less than the amount raised in 2014. Venture capital raised \$34.3 billion, virtually the same as the prior year. Mezzanine and credit funds raised \$12 billion in 2015, which was 51.1 percent more capital than in 2014, as senior loan and opportunistic credit funds attracted investors looking for higher yields outside of traditional fixed income markets.

Venture-backed IPO activity totaled \$9.4 billion during 2015, a significant 40 percent decline in dollars versus 2014. The National Venture Capital Association attributes this to the increased investment activity by non-traditional investors and companies staying private longer. For Q4 2015 specifically, total dollars were 18 percent higher than in Q3. Venture-backed M&A activity in 2015 was the slowest since 2009, with 37 transactions reported and 84 deals combining for a disclosed value of \$16.3 billion. For Q4 alone, the number of deals fell by 17 percent versus Q3, and disclosed deal value dropped by 48 percent. The buyout IPO market remained depressed, raising only \$774 million in Q4 and \$9.1 billion for the year. In Q4, buyout M&A activity increased in both deal volume and number of deals versus Q3, and for the year, deal volume increased via less transactions than in 2014.

Venture capital deal activity reached \$58.8 billion during 2015, which was the second highest annual total in the last 20 years. Q4 specifically, however, saw a 16 percent decline in number of deals and a 3 percent decrease in dollars from Q3, although investment was still strong at \$11.3 billion, marking the eighth consecutive quarter when more than \$10 billion was invested in venture capital. Deal volume in buyouts increased by approximately 4 percent in 2015 versus the prior year, with Q4 adding the greatest value to the total of all quarters.

*Through December 21

Investment Performance: Real Estate

This page presents data and Segal Rogercasey's commentary on private and public real estate. The information below reflects the most recent data available.

Private Real Estate

The National Council of Real Estate Investment Fiduciaries (NCREIF) Property Index (NPI), which tracks private real estate in the U.S., gained 2.2 percent during Q1. The total return is composed of 1.2 percent income and 1.0 percent property-level appreciation. Over the trailing one-year period, the Index gained 11.8 percent, composed of 6.7 percent property-level appreciation and 4.9 percent income*.

In the regions of the U.S., the West performed the best during Q1 and over the last 12 months, as shown in the adjacent table.

Strong operating performance and modest economic growth in combination with limited new supply for most property types continued to support values in Q1. On average, private core real estate values were 20 percent above the peak levels reached in 2007; however, the rate of appreciation has slowed compared to the last few years. The volume of transactions in Q1 declined due, in part, to recent weakness in credit markets. There is some concern by investors that asset values have peaked although, to date, no weakness has materialized.

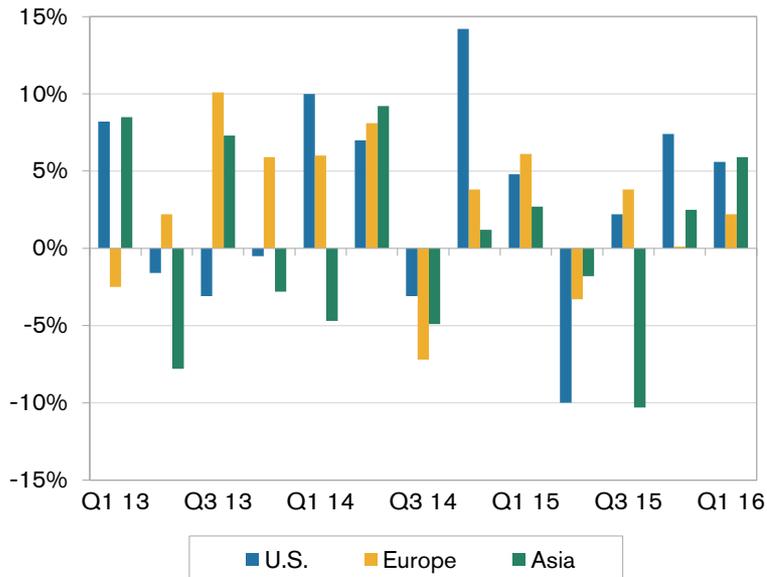
* Does not add up to total due to rounding.

National Property Index Sector and Region Performance

	Ending Weight (%)	Returns as of Q1 2016	
		QTD (%)	1 Year (%)
NCREIF NPI Total Return	100.0	2.2	11.8
Sector			
Apartment	24.3	1.9	10.9
Hotel	1.1	1.2	11.7
Industrial	14.4	3.0	14.3
Office	37.1	1.7	10.8
Retail	23.1	3.0	13.1
NCREIF Region			
East	33.5	1.7	9.8
Midwest	9.3	2.1	10.7
South	20.3	2.2	11.8
West	36.9	2.8	14.1

Source: National Council of Real Estate Investment Fiduciaries

Regional Real Estate Securities Performance



Source: National Association of Real Estate Investment Trusts

Public Real Estate

The FTSE EPRA/NAREIT Global Developed Real Estate Index total market capitalization increased to \$1.4 trillion in Q1, broken down as follows: North America \$764 billion, Europe \$231 billion and Asia \$362 billion. Improving credit and equity markets in the U.S. as well as strong investor demand for yield investments in Asia led to a 5.4 percent gain on a global basis in Q1. Asia (5.9 percent) outperformed the U.S. (5.6 percent) and Europe (2.2 percent) measured by the FTSE EPRA/NAREIT indices. Sector performance in the U.S. was almost entirely positive: Net Lease (15.4 percent), Data Centers (14.3 percent), Student Apartments (13.3 percent), Self Storage (10.9 percent), Shopping Centers (7.8 percent), Manufactured Home Communities (7.7 percent), and Diversified/Financial (7.3 percent) outperformed the broader index, while Primary CBD Office (-5.1 percent), Apartments (2.7 percent) and Healthcare (3.8 percent) lagged the index.

Property stocks in Europe benefited from additional quantitative easing which offset significant weakness in the U.K. due to concerns over the European Union referendum and slowing NGDP growth. In Europe, Germany (12.4 percent), Norway (11.9 percent), Switzerland (11.1 percent), Belgium (10.4 percent), France (10.3 percent) and the Netherlands (9.1 percent) outperformed in Q1, while the U.K. (-9.3 percent), Greece (-4.9 percent), Ireland (-4.2 percent), Spain (-3.1 percent) and Italy (-2.3 percent) underperformed. In Asia, Australia (13.0 percent), Singapore (8.8 percent), New Zealand (8.6 percent) and Japan (6.8 percent) outperformed, while Hong Kong (-1.4 percent) lagged the region.

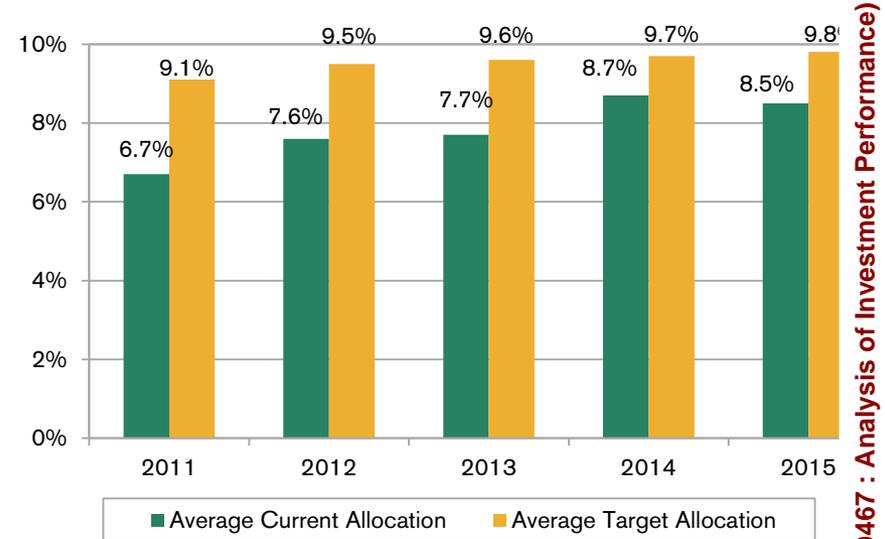
Investment Performance: Real Estate

This page presents data and Segal Rogerscasey's commentary on value-added and opportunistic real estate. The information in this section reflects the most recent data available.

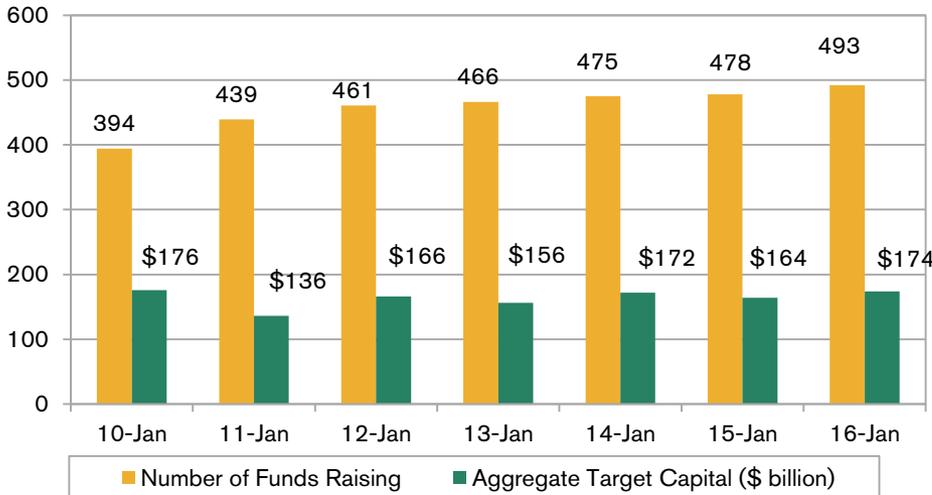
Value-Added and Opportunistic Real Estate

In Q1, investors continued to focus on value-added and opportunistic closed-end private equity real estate strategies. In aggregate, the managers of these two strategies were offering 321 funds targeting capital commitments of \$107 billion during Q1. Overall, as shown in the graph below at left, the number of closed-end private equity real estate funds as well as their aggregate target capital have remained strong over the last several years, reaching 493 funds in the market in January 2016 that were targeting capital commitments of \$174 billion. As illustrated in the graph below at right, value-added and opportunistic fundraising led that of other real estate strategies, with the most recent data showing 140 opportunistic closed-end private real estate funds targeting \$51 billion and 181 value-added closed-end private real estate funds targeting \$56 billion. As shown in the adjacent graph, investors' target allocations to real estate have continued to increase, rising from 9.1 percent in 2011 to 9.8 percent in 2015. Investors' actual allocations have also increased through a combination of higher valuations as well as additional capital commitments to the asset class. The top three types of investors in real estate by current allocation are pension funds, led by public pension funds. Lastly, 53 percent of investors remain below their target allocations to the asset class, although this amount has decreased from 66 percent in 2011.

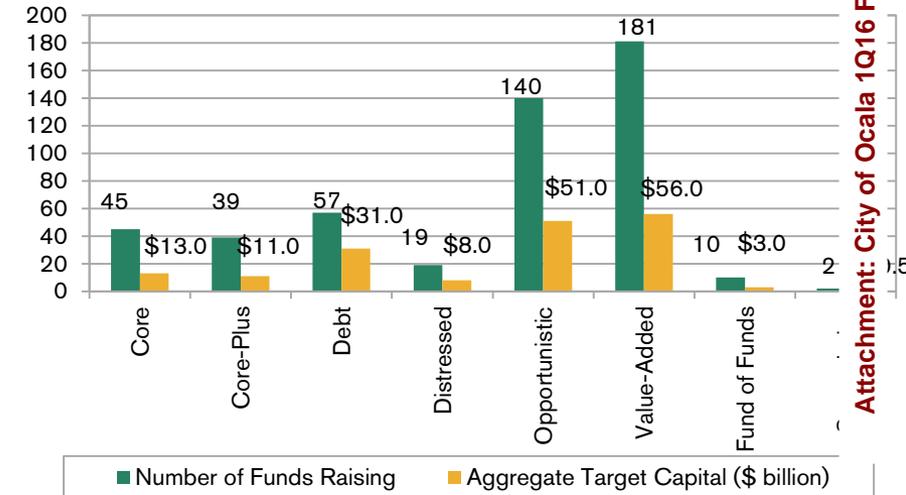
Investors' Current and Target Allocations to Real Estate, 2011 to 2015



Closed-End Private Real Estate Funds in the Market over Time, January 2010 to January 2016



Closed-End Private Real Estate Funds in the Market by Primary Strategy Focus



Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

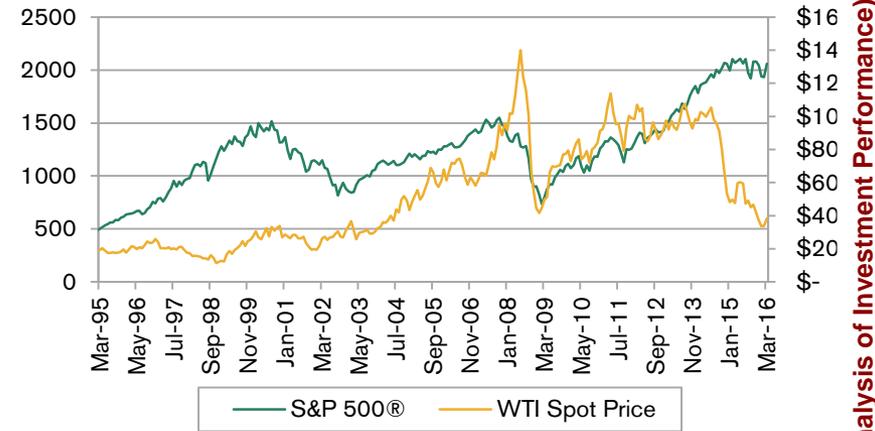
Noteworthy Developments

Segal Rogerscasey finds the developments discussed in this section to be noteworthy for investors.

Oil Prices and the Stock Market

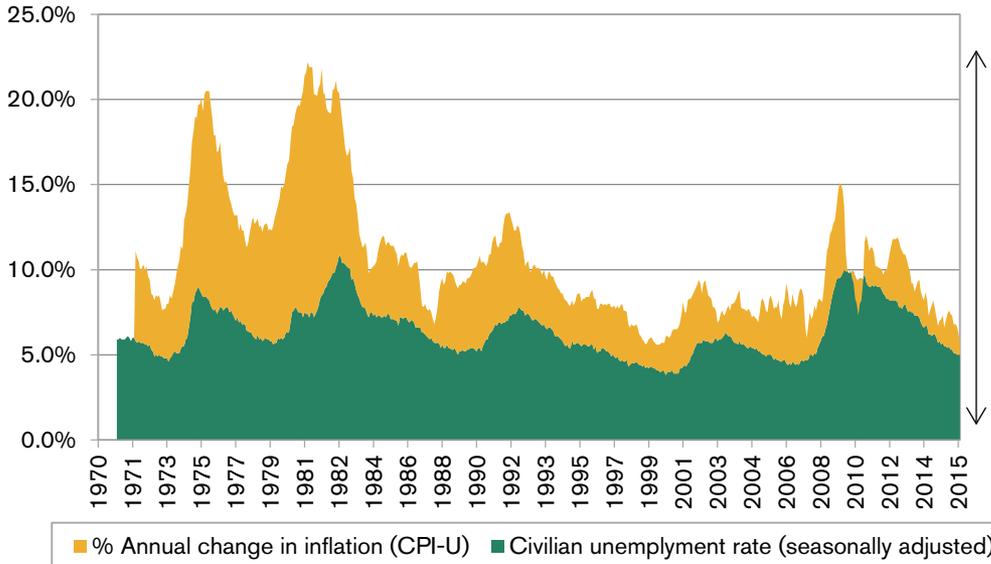
Recent headlines scream: “Stocks down on news of continuing decline in oil prices.” But then there is this one from 2009: “Experts warn there will be an oil crunch within the next five years that will jeopardize any hope of a recovery from the present global economic recession.” It is clear from the adjacent graph that the oil spot price bellwether West Texas Intermediate (WTI) has shown a marked propensity to increase generally in tandem with the S&P 500®, particularly if we look to the early 2000s and the first three years or so after the global financial crisis. Yet, it must be remembered that there are many other influences coming to play, including, but not limited to, the supply of oil and the strength of the USD. It makes sense to postulate that increased demand for oil occurs during favorable economic times, often a positive period for the stock market, yet clearly that linkage is in no way guaranteed. As always, beware of headlines purporting to proffer sensationalism masquerading as facts.

S&P 500® vs. WTI Spot Price



Source: Bloomberg

Misery Index



☹ The “misery index” was originally initiated in the 1960s by one President Lyndon B. Johnson’s advisers. It adds the unemployment rate to the inflation rate (CPI-U) for a total measurement as shown in the adjacent graph. When unemployment increases concurrently with escalating inflation, it indicates that there are economic and social issues arising in the country. Over the past years, the direction of the misery index has generally been indicative of presidential election results: a declining index has typically been good news for Democrats, while a rising index has been indicative of a victory for the Republican party. The index’s movement in the years prior to presidential elections has predicted 11 of the past 13 presidents. The trend to the end of 2015 shows a slight reduction in the index.



Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

Noteworthy Developments

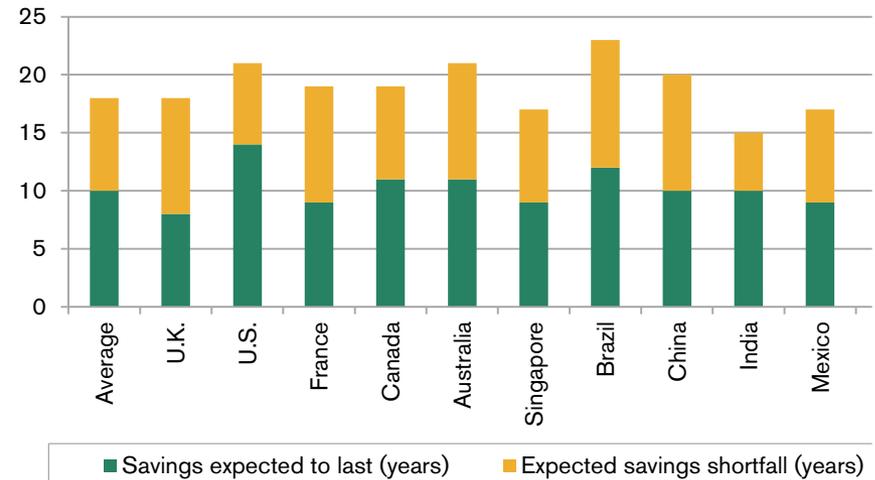
Segal Rogerscasey finds the developments discussed in this section to be noteworthy for investors.

Life Expectancy and the Retirement Savings Gap

Lifespans are increasing around the world, causing stress on retirement savings because people who hope to only work until age 65 will require more savings for when they retire. In the U.S., there is now a 62 percent chance of men living to 80 years of age, a 72 percent chance of women living to that age, and an 89 percent probability that at least one person in a couple lives to that age*. If one person retires at 65 and lives to 80, at least 15 years of ample retirement savings would be needed to cover the lack of employment income. The adjacent graph reflects an HSBC study at the country level that estimates the expected savings shortfall, on average, for individuals in a variety of developed and emerging markets. In the U.S., which has one of the better pictures from the developed world, it is estimated that the average number of years of retirement is 21, with only about 14 of those years covered by retirement savings, leaving a gap of seven years where income need to come from somewhere: social programs, family help, or some form of employment.

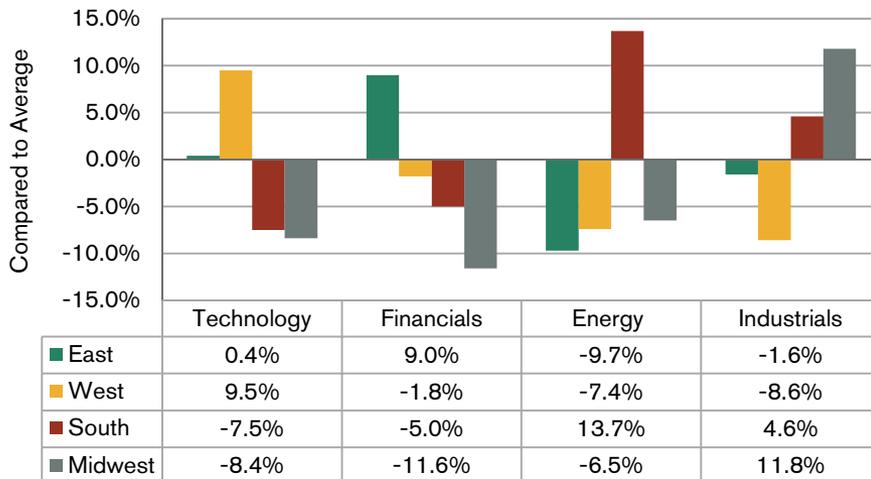
*Source: Social Security Administration 2010 Life Tables

Expected Retirement Savings Shortfall, by Country



Source: HSBC Report "Future of Retirement, A New Reality"

Likelihood to Invest in a Sector vs. the National Average, by Region



Source: Openfolio

Regional Investment Bias

Openfolio analyzed 40,000 U.S. investors and the top 2,000 most popular stocks and found that investors have a bias toward industries found closer to home. The adjacent graph outlines the likelihood of each regional population to invest in Technology, Financials, Energy and Industrials versus the national average. As illustrated, people are more likely to invest in local, more familiar sectors. For example, the West is shown to have a bias toward Technology (e.g., Silicon Valley), and the East is tilted toward Financials (e.g., New York City). Furthermore, when one compares this tendency to the rest of the country rather than the national average (not shown in the graph), the phenomenon is even more pronounced, with propensity for regional biases toward sectors with a strong local presence rising to 20 percent or more.

Given the extent of this trend, it is important for investors to realize their biases. Their stocks may not be their only assets heavily weighted toward these sectors. For example, property, business and income sources situated locally may also be tied to these industries, meaning investors could be significantly overleveraged in a particular sector without intention. Additionally, given that some of these sectors can be quite volatile, investors could be taking some risks.

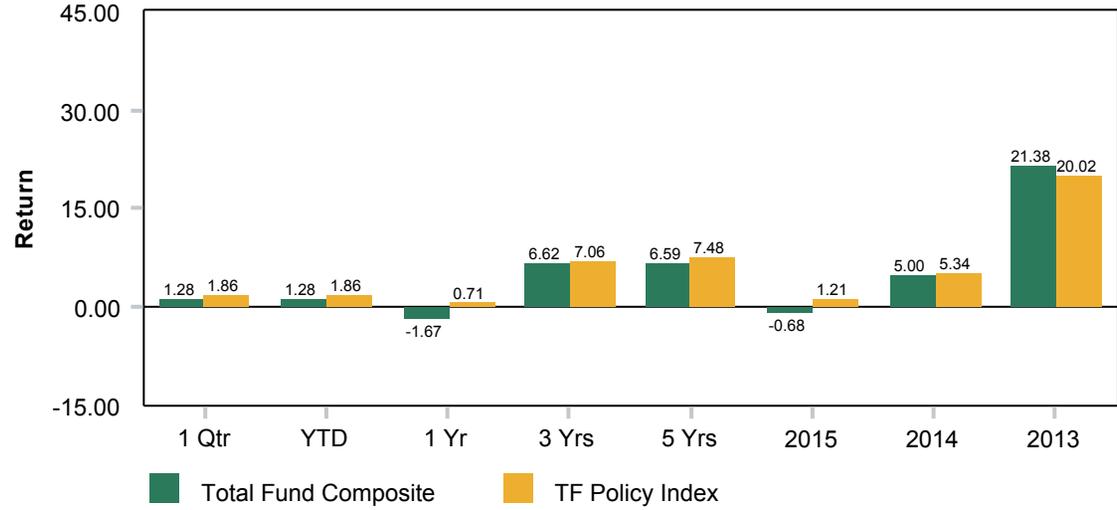
Attachment: City of Ocala 1Q16 Final

Total Fund Composite

Asset Allocation by Segment

Segments	Market Value (\$)	Allocation (%)
Domestic Fixed Income	38,272,944	31.98
Domestic Equity	25,495,793	21.30
Real Estate	14,240,511	11.90
International Equity	13,988,882	11.69
Emerging Equity	10,416,607	8.70
Hedge Fund	7,807,751	6.52
GTAA	7,197,075	6.01
Cash	2,252,589	1.88

Performance Bar Chart



Gain / Loss

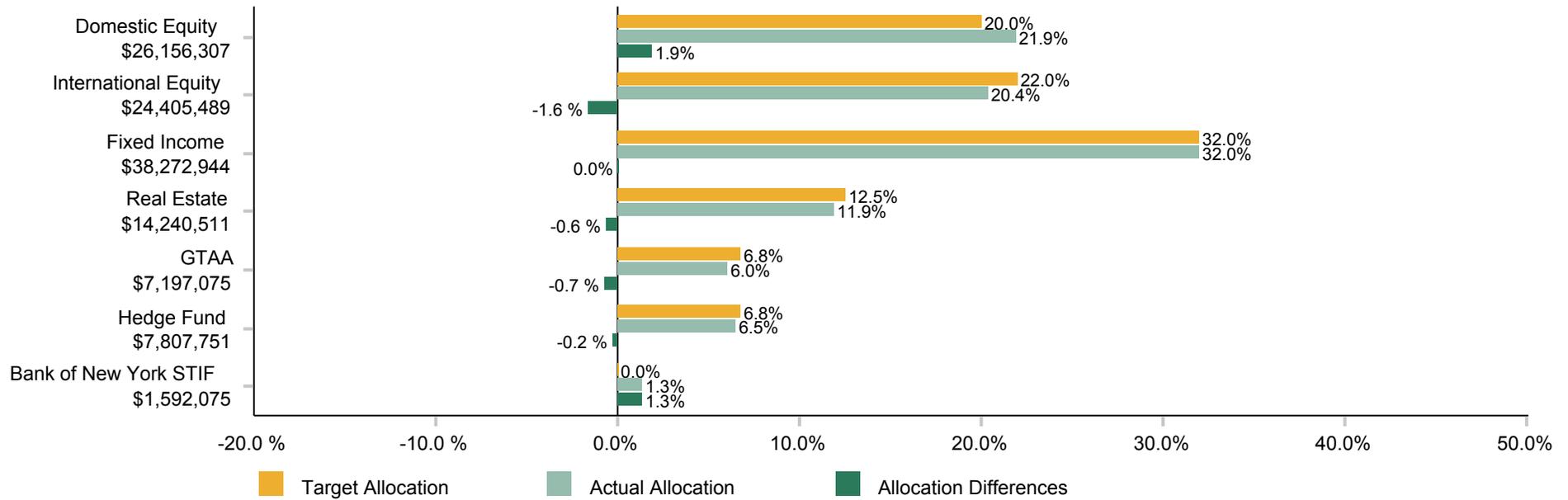
	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Total Fund Composite					
Beginning Market Value	117,711,650	117,711,650	120,957,862	99,814,562	86,899,097
Net Cash Flows	428,029	428,029	809,609	-1,028,924	-91,264
Income	219,822	219,822	1,035,639	2,622,968	4,523,888
Gain/Loss	1,312,650	1,312,650	-3,130,958	18,263,546	28,340,430
Ending Market Value	119,672,151	119,672,151	119,672,151	119,672,151	119,672,151

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

City of Ocala

Total Fund Composite

As of March 31, 2016



	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund Composite	119,672,151	100.00	100.00	0.00	N/A	N/A
Domestic Equity	26,156,307	21.86	20.00	1.86	4.00	35.00
International Equity	24,405,489	20.39	22.00	-1.61	10.00	37.00
Fixed Income	38,272,944	31.98	32.00	-0.02	20.00	40.00
Real Estate	14,240,511	11.90	12.50	-0.60	5.00	15.00
GTAA	7,197,075	6.01	6.75	-0.74	5.00	15.00
Hedge Fund	7,807,751	6.52	6.75	-0.23	5.00	15.00
Bank of New York STIF	1,592,075	1.33	0.00	1.33	0.00	0.00

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

	Total Fund	
	(\$)	%
Total Fund Composite	119,672,151	100.00
Domestic Equity	26,156,307	21.86
Wedge Capital	8,478,188	7.08
Wellington	8,820,353	7.37
Segall Bryant & Hamill	8,857,766	7.40
International Equity	24,405,489	20.39
Templeton	13,988,882	11.69
Acadian	10,416,607	8.70
Fixed Income	38,272,944	31.98
Pyramis	19,509,092	16.30
DoubleLine	18,763,852	15.68
Real Estate	14,240,511	11.90
Penn	860,360	0.72
UBS Realty Investors	7,684,143	6.42
Long Wharf Real Estate Partners	401,868	0.34
Colony	1,960,724	1.64
TownSquare Real Estate Alpha Fund	2,356,363	1.97
Westport Special Core Plus	977,052	0.82
GTAA	7,197,075	6.01
PIMCO All Asset	7,197,075	6.01
Hedge Fund	7,807,751	6.52
Aetos	7,807,751	6.52
Bank of New York STIF	1,592,075	1.33

City of Ocala
Asset Allocation Comparison

Portfolio Value 3/31/16:

\$119,672,151

Target Allocations

Equity

Large Cap Equity 13.50% \$16,155,740

Large Cap Equity 13.50% \$16,155,740

Small Cap Equity 6.50% \$7,778,690

Small Cap Equity 6.50% \$7,778,690

International Equity 12.00% \$14,360,658

Emerging Equity 10.00% \$11,967,215

International Equity 22.00% \$26,327,873

Equity Total 42.00% \$50,262,303

Fixed Income

Fixed Income 16.00% \$19,147,544

16.00% \$19,147,544

Fixed Income Total 32.00% \$38,295,088

Real Estate

Equity 12.50% \$14,959,019

Real Estate Total 12.50% \$14,959,019

Alternatives

Hedge Fund of Funds 6.75% \$8,077,870

GTAA 6.75% \$8,077,870

Alternatives Total 13.50% \$16,155,740

Cash

Internal Account 0.00% \$0

Cash 0.00% \$0

Total 100% \$119,672,151

Current Managers & Allocations

Wellington (LCG)
Wedge Capital (LCV)

Large Cap Equity

SBH

Small Cap Equity

Templeton
Acadian

International Equity

Equity Total

Pyramis
DoubleLine

Fixed Income Total

UBS RESA Fund
Long Wharf Real Estate Partners (Pyramis)
Penn Square*
Colony Realty Partners Fund IV*
TownSquare Real Estate Alpha Fund I*
Westport*

Real Estate Total

Aetos
PIMCO

Alternatives Total

Cash

Cash

Total

7.37% \$8,820,353
7.08% \$8,478,188

14.45% \$17,298,541

7.40% \$8,857,766

7.40% \$8,857,766

11.69% \$13,988,882
8.70% \$10,416,607

20.39% \$24,405,489

42.25% \$50,561,796

16.30% \$19,509,092
15.68% \$18,763,852

31.98% \$38,272,944

<u>Committed</u>	<u>Contributed</u>	<u>Distributed</u>
N/A	N/A	N/A
\$2,400,000	\$2,142,087	\$2,465,263
\$2,000,000	\$1,223,611	\$1,282,824
\$2,000,000	\$1,730,693	\$397,394
\$3,000,000	\$1,800,410	\$150,000
\$2,000,000	\$1,415,000	\$440,163

6.42% \$7,684,143
0.34% \$401,868
0.72% \$860,360
1.64% \$1,960,724
1.97% \$2,356,363
0.82% \$977,052

11.90% \$14,240,510

6.52% \$7,807,751
6.01% \$7,197,075

12.54% \$15,004,826

1.33% \$1,592,075

1.33% \$1,592,075

100% \$119,672,151

Difference

Range

0.95% 4-24%

0.90% 0-11%

5-22%
5-15%

-1.61%

0.25%

-0.02% 20-40%

-0.60% 5-15%

-0.96% 5-15%

City of Ocala

Comparative Performance

As of March 31, 2016

	Allocation		Performance (%)								
	Market Value (\$000)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Fund Composite	119,672	100.00	1.28	1.28	-1.67	6.62	6.59	11.90	5.38	5.87	10/01/2000
TF Policy Index			1.86	1.86	0.71	7.06	7.48	12.03	5.41	4.81	
Domestic Equity	26,156	21.86	0.47	0.47	-2.15	10.75	9.60	17.42	6.11	6.03	10/01/2000
International Equity	24,405	20.39	0.54	0.54	-11.66	-0.70	0.17	8.35	2.20	4.47	10/01/2000
Fixed Income	38,273	31.98	2.45	2.45	1.69	2.98	4.62	7.46	5.88	6.07	10/01/2000
GTAA	7,197	6.01	5.42	5.42	-3.26	-0.28	N/A	N/A	N/A	3.28	11/01/2011
Hedge Fund	7,808	6.52	-3.48	-3.48	-4.16	3.22	3.86	5.96	N/A	3.59	04/01/2008

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

City of Ocala

Comparative Performance

As of March 31, 2016

	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008	Oct-2006 To Sep-2007	Oct-2005 To Sep-2006
Total Fund Composite	-1.28	9.50	15.35	18.32	1.07	10.88	-1.59	-17.88	15.80	9.19
TF Policy Index	0.41	9.94	15.29	19.69	1.50	8.79	-3.15	-14.41	13.28	9.76

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

As of March 31, 2016

	Allocation		Performance (%)									
	Market Value (\$000)	%	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Fund Composite	119,672	100.00	-0.68	5.00	21.38	13.09	0.25	16.04	22.15	-30.34	9.15	13.69
TF Policy Index			1.21	5.34	20.02	13.28	1.35	13.96	17.32	-26.54	6.01	13.84
Domestic Equity	26,156	21.86	0.07	9.84	36.24	13.32	0.12	22.85	30.31	-42.48	8.65	14.87
International Equity	24,405	20.39	-9.33	-4.72	14.50	19.66	-10.79	6.70	33.77	-42.15	18.45	29.04
Fixed Income	38,273	31.98	1.07	6.38	-0.46	7.76	7.55	10.03	21.29	-5.94	4.72	5.92
GTAA	7,197	6.01	-7.93	1.65	1.59	16.49	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Fund	7,808	6.52	0.48	5.31	12.58	8.50	-1.52	8.16	13.04	N/A	N/A	N/A

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

City of Ocala

Comparative Performance

As of March 31, 2016

	Allocation		Performance (%)								
	Market Value (\$000)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Fund Composite	119,672	100.00	1.28	1.28	-1.67	6.62	6.59	11.90	5.38	5.87	10/01/2000
TF Policy Index			1.86	1.86	0.71	7.06	7.48	12.03	5.41	4.81	
Wedge Capital	8,478	7.08	0.11	0.11	-2.65	11.79	10.82	17.16	N/A	5.98	01/01/2007
Russell 1000 Value Index			1.64	1.64	-1.54	9.38	10.25	16.31	5.72	4.56	
Wellington	8,820	7.37	-0.37	-0.37	3.79	12.85	N/A	N/A	N/A	9.59	05/01/2011
Russell 1000 Growth Index			0.74	0.74	2.52	13.61	12.38	17.94	8.28	11.85	
Segall Bryant & Hamill	8,858	7.40	1.66	1.66	-7.09	7.65	N/A	N/A	N/A	7.52	06/01/2011
Russell 2000 Index			-1.52	-1.52	-9.76	6.84	7.20	16.42	5.26	7.30	
Templeton	13,989	11.69	-3.10	-3.10	-10.42	1.30	1.06	9.03	2.65	4.77	10/01/2000
MSCI EAFE (Net)			-3.01	-3.01	-8.27	2.23	2.29	9.69	1.80	3.04	
MSCI AC World ex USA (Net)			-0.38	-0.38	-9.19	0.32	0.31	9.18	1.94	N/A	
Acadian	10,417	8.70	5.70	5.70	-13.29	-5.25	N/A	N/A	N/A	0.27	11/01/2011
MSCI EM (net)			5.71	5.71	-12.03	-4.50	-4.13	8.21	3.02	-1.53	
Pyramis	19,509	16.30	3.12	3.12	0.97	2.74	4.49	7.37	N/A	5.84	04/01/2008
Barclays U.S. Aggregate			3.03	3.03	1.96	2.50	3.78	4.52	4.90	4.34	
DoubleLine	18,764	15.68	1.75	1.75	2.45	N/A	N/A	N/A	N/A	3.28	01/01/2015
Barclays U.S. Aggregate			3.03	3.03	1.96	2.50	3.78	4.52	4.90	2.87	
UBS Realty Investors	7,684	6.42	2.08	2.08	11.93	11.81	11.35	8.71	6.74	8.07	01/01/2005
NCREIF ODCE Equal Weighted			2.44	2.44	14.10	13.58	13.22	8.60	6.12	7.53	
PIMCO All Asset	7,197	6.01	5.42	5.42	-3.26	-0.28	N/A	N/A	N/A	3.28	11/01/2011
CPI + 5%			1.18	1.18	5.92	5.84	6.36	6.71	6.85	6.15	
60% MSCI ACWI/40% WGBI			3.13	3.13	0.27	3.99	4.15	9.15	4.81	5.24	
Aetos	7,808	6.52	-3.48	-3.48	-4.16	3.22	3.86	5.80	N/A	3.46	04/01/2008
90-Day T-Bill + 5%			1.29	1.29	5.09	5.06	5.06	5.09	6.18	5.24	
HFN HFOF Multi Strategy			-3.28	-3.28	-6.97	1.22	1.05	2.85	1.10	0.11	
Bank of New York STIF	1,592	1.33	0.01	0.01	0.02	0.01	0.01	0.04	1.10	2.16	10/01/2000
90 Day U.S. Treasury Bill			0.06	0.06	0.08	0.05	0.06	0.09	1.12	1.62	

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

As of March 31, 2016

	Performance (%)							
	2015	2014	2013	2012	2011	2010	2009	2008
Total Fund Composite	-0.68	5.00	21.38	13.09	0.25	16.04	22.15	-30.34
TF Policy Index	1.21	5.34	20.02	13.28	1.35	13.96	17.32	-26.54
Wedge Capital	0.10	13.65	35.68	15.30	1.82	18.11	26.13	-39.80
Russell 1000 Value Index	-3.83	13.45	32.53	17.51	0.39	15.51	19.69	-36.85
Wellington	6.33	11.31	32.63	13.24	N/A	N/A	N/A	N/A
Russell 1000 Growth Index	5.67	13.05	33.48	15.26	2.64	16.71	37.21	-38.44
Segall Bryant & Hamill	-5.68	4.57	40.54	11.47	N/A	N/A	N/A	N/A
Russell 2000 Index	-4.41	4.89	38.82	16.35	-4.18	26.85	27.17	-33.79
Templeton	-2.67	-6.78	19.51	18.55	-10.90	6.70	33.68	-42.15
MSCI EAFE (Net)	-0.81	-4.90	22.78	17.32	-12.14	7.75	31.78	-43.38
MSCI AC World ex USA (Net)	-5.66	-3.87	15.29	16.83	-13.71	11.15	41.45	-45.53
Acadian	-17.50	2.27	-1.63	23.41	N/A	N/A	N/A	N/A
MSCI EM (net)	-14.92	-2.19	-2.60	18.23	-18.42	18.88	78.51	-53.33
Pyramis	-0.11	6.19	-0.46	7.73	7.69	10.03	21.29	N/A
Barclays U.S. Aggregate	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	5.24
DoubleLine	2.32	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Barclays U.S. Aggregate	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	5.24
UBS Realty Investors	12.94	11.65	10.40	10.12	13.17	16.82	-22.30	-7.47
NCREIF ODCE Equal Weighted	15.17	12.38	13.36	11.03	15.96	16.14	-30.65	-10.37
PIMCO All Asset	-7.93	1.65	1.59	16.49	N/A	N/A	N/A	N/A
CPI + 5%	5.70	5.72	6.62	6.87	8.22	6.51	7.95	4.98
60% MSCI ACWI/40% WGBI	-2.30	2.67	11.77	10.72	-1.45	10.35	21.71	-23.79
Aetos	0.48	5.31	12.58	8.50	-1.52	7.26	12.84	N/A
90-Day T-Bill + 5%	5.03	5.04	5.05	5.08	5.09	5.14	5.17	7.20
HFN HFOF Multi Strategy	-1.40	3.02	9.09	4.80	-5.56	4.78	9.73	-20.47
Bank of New York STIF	0.01	0.01	0.01	0.01	0.01	0.06	0.29	1.88
90 Day U.S. Treasury Bill	0.03	0.04	0.05	0.08	0.08	0.13	0.17	2.10

As of March 31, 2016

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
Long Wharf Real Estate Partners	2.91	2.91	28.83	26.18	19.16	7.79	05/19/2008
Penn	0.00	0.00	10.42	15.14	14.11	13.86	06/25/2010
Colony	0.00	0.00	14.28	N/A	N/A	20.40	10/03/2013
TownSquare Real Estate Alpha Fund	0.00	0.00	12.55	N/A	N/A	19.01	01/31/2014
Westport Special Core Plus	0.00	0.00	N/A	N/A	N/A	0.27	06/15/2015

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

City of Ocala

Comparative Performance

As of March 31, 2016

Net of Fees

	Allocation		Performance (%)								
	Market Value (\$000)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Fund Composite	119,672	100.00	1.16	1.16	-2.04	6.13	6.09	11.38	4.93	5.52	10/01/2000
TF Policy Index			1.86	1.86	0.71	7.06	7.48	12.03	5.41	4.81	
Wedge Capital	8,478	7.08	-0.01	-0.01	-3.12	11.28	10.30	16.59	N/A	5.36	12/01/2006
Russell 1000 Value Index			1.64	1.64	-1.54	9.38	10.25	16.31	5.72	4.77	
Wellington	8,820	7.37	-0.51	-0.51	3.22	12.27	N/A	N/A	N/A	9.03	05/01/2011
Russell 1000 Growth Index			0.74	0.74	2.52	13.61	12.38	17.94	8.28	11.85	
Segall Bryant & Hamill	8,858	7.40	1.41	1.41	-8.02	6.63	N/A	N/A	N/A	6.50	06/01/2011
Russell 2000 Index			-1.52	-1.52	-9.76	6.84	7.20	16.42	5.26	7.30	
Templeton	13,989	11.69	-3.10	-3.10	-10.42	1.30	1.06	9.03	2.65	4.77	10/01/2000
MSCI EAFE (Net)			-3.01	-3.01	-8.27	2.23	2.29	9.69	1.80	3.04	
MSCI AC World ex USA (Net)			-0.38	-0.38	-9.19	0.32	0.31	9.18	1.94	N/A	
Acadian	10,417	8.70	5.52	5.52	-13.94	-5.90	N/A	N/A	N/A	-0.41	11/01/2011
MSCI EM (net)			5.71	5.71	-12.03	-4.50	-4.13	8.21	3.02	-1.53	
Pyramis	19,509	16.30	3.06	3.06	0.73	2.49	4.24	7.11	N/A	5.59	04/01/2008
Barclays U.S. Aggregate			3.03	3.03	1.96	2.50	3.78	4.52	4.90	4.34	
DoubleLine	18,764	15.68	1.75	1.75	2.45	N/A	N/A	N/A	N/A	3.28	01/01/2015
Barclays U.S. Aggregate			3.03	3.03	1.96	2.50	3.78	4.52	4.90	2.87	
UBS Realty Investors	7,684	6.42	1.77	1.77	10.62	10.51	10.07	7.52	5.59	6.92	12/01/2004
NCREIF ODCE Equal Weighted			2.44	2.44	14.10	13.58	13.22	8.60	6.12	7.83	
PIMCO All Asset	7,197	6.01	5.19	5.19	-4.15	-1.31	N/A	N/A	N/A	2.26	11/01/2011
CPI + 5%			1.18	1.18	5.92	5.84	6.36	6.71	6.85	6.15	
60% MSCI ACWI/40% WGBI			3.13	3.13	0.27	3.99	4.15	9.15	4.81	5.24	
Aetos	7,808	6.52	-3.48	-3.48	-4.16	2.44	2.83	4.77	N/A	2.44	04/01/2008
90-Day T-Bill + 5%			1.29	1.29	5.09	5.06	5.06	5.09	6.18	5.24	
HFN HFOF Multi Strategy			-3.28	-3.28	-6.97	1.22	1.05	2.85	1.10	0.11	
Bank of New York STIF	1,592	1.33	0.01	0.01	0.02	0.01	0.01	0.04	1.10	2.15	10/01/2000
90 Day U.S. Treasury Bill			0.06	0.06	0.08	0.05	0.06	0.09	1.12	1.62	

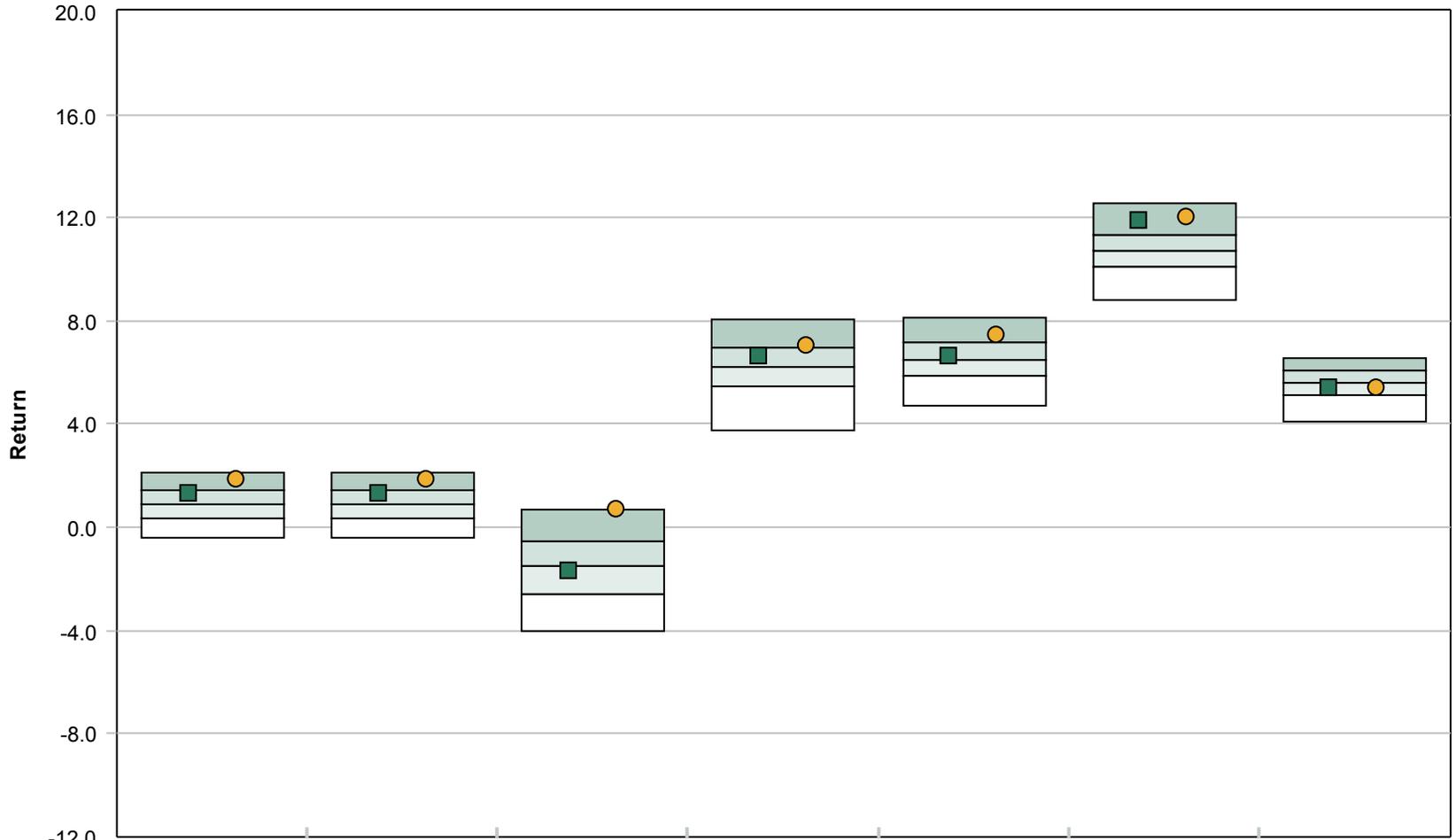
Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

As of March 31, 2016

Net of Fees

	Performance (%)							
	2015	2014	2013	2012	2011	2010	2009	2008
Total Fund Composite	-1.03	4.52	20.69	12.48	-0.20	15.53	21.66	-30.63
TF Policy Index	1.21	5.34	20.02	13.28	1.35	13.96	17.32	-26.54
Wedge Capital	-0.40	13.20	35.01	14.72	1.30	17.51	25.50	-40.10
Russell 1000 Value Index	-3.83	13.45	32.53	17.51	0.39	15.51	19.69	-36.85
Wellington	5.75	10.80	31.91	12.63	N/A	N/A	N/A	N/A
Russell 1000 Growth Index	5.67	13.05	33.48	15.26	2.64	16.71	37.21	-38.44
Segall Bryant & Hamill	-6.62	3.67	39.17	10.39	N/A	N/A	N/A	N/A
Russell 2000 Index	-4.41	4.89	38.82	16.35	-4.18	26.85	27.17	-33.79
Templeton	-2.67	-6.78	19.51	18.55	-10.90	6.70	33.68	-42.15
MSCI EAFE (Net)	-0.81	-4.90	22.78	17.32	-12.14	7.75	31.78	-43.38
MSCI AC World ex USA (Net)	-5.66	-3.87	15.29	16.83	-13.71	11.15	41.45	-45.53
Acadian	-18.14	1.70	-2.38	22.51	N/A	N/A	N/A	N/A
MSCI EM (net)	-14.92	-2.19	-2.60	18.23	-18.42	18.88	78.51	-53.33
Pyramis	-0.35	5.94	-0.70	7.47	7.44	9.78	21.01	N/A
Barclays U.S. Aggregate	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	5.24
DoubleLine	2.32	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Barclays U.S. Aggregate	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	5.24
UBS Realty Investors	11.61	10.36	9.12	8.85	11.91	15.77	-23.07	-8.51
NCREIF ODCE Equal Weighted	15.17	12.38	13.36	11.03	15.96	16.14	-30.65	-10.37
PIMCO All Asset	-8.77	0.34	0.65	15.42	N/A	N/A	N/A	N/A
CPI + 5%	5.70	5.72	6.62	6.87	8.22	6.51	7.95	4.98
60% MSCI ACWI/40% WGBI	-2.30	2.67	11.77	10.72	-1.45	10.35	21.71	-23.79
Aetos	0.48	4.41	10.27	6.93	-2.50	6.31	11.86	N/A
90-Day T-Bill + 5%	5.03	5.04	5.05	5.08	5.09	5.14	5.17	7.20
HFN HFOF Multi Strategy	-1.40	3.02	9.09	4.80	-5.56	4.78	9.73	-20.47
Bank of New York STIF	0.01	0.01	0.01	0.01	0.01	0.06	0.29	1.85
90 Day U.S. Treasury Bill	0.03	0.04	0.05	0.08	0.08	0.13	0.17	2.10

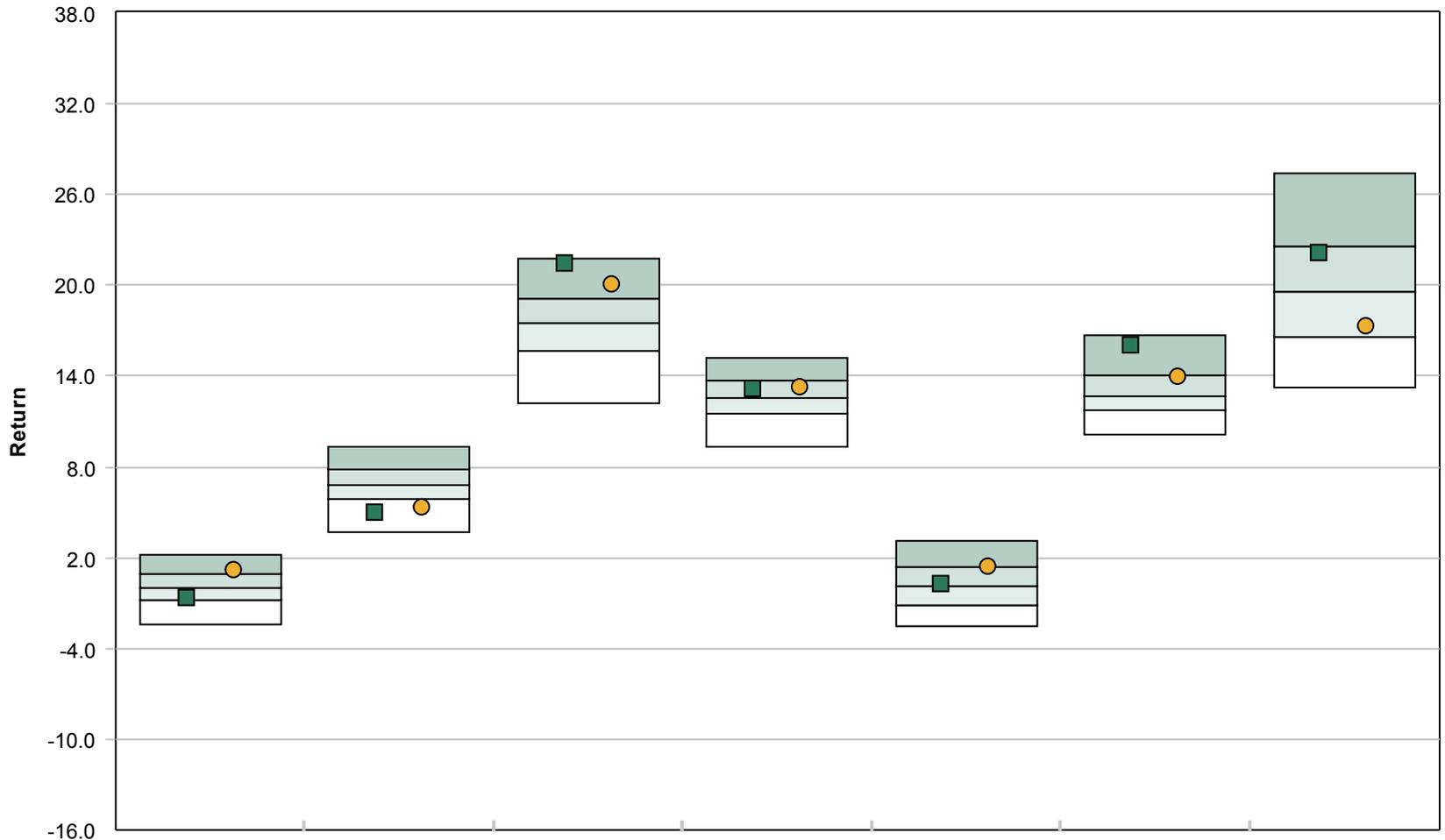
Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ Total Fund Composite	1.28 (32)	1.28 (32)	-1.67 (54)	6.62 (35)	6.59 (46)	11.90 (14)	5.38 (63)
● TF Policy Index	1.86 (9)	1.86 (9)	0.71 (5)	7.06 (22)	7.48 (18)	12.03 (11)	5.41 (60)
5th Percentile	2.14	2.14	0.70	8.06	8.15	12.54	6.55
1st Quartile	1.42	1.42	-0.56	6.96	7.17	11.35	6.09
Median	0.93	0.93	-1.52	6.21	6.50	10.70	5.59
3rd Quartile	0.38	0.38	-2.60	5.48	5.87	10.11	5.14
95th Percentile	-0.41	-0.41	-4.00	3.79	4.72	8.84	4.11

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



	2015	2014	2013	2012	2011	2010	2009
■ Total Fund Composite	-0.68 (71)	5.00 (86)	21.38 (8)	13.09 (39)	0.25 (48)	16.04 (8)	22.15 (30)
● TF Policy Index	1.21 (17)	5.34 (82)	20.02 (16)	13.28 (33)	1.35 (25)	13.96 (28)	17.32 (70)
5th Percentile	2.18	9.30	21.81	15.24	3.13	16.73	27.38
1st Quartile	0.91	7.87	19.15	13.67	1.33	14.11	22.59
Median	0.03	6.83	17.56	12.53	0.13	12.72	19.61
3rd Quartile	-0.81	5.84	15.70	11.47	-1.12	11.72	16.64
95th Percentile	-2.38	3.65	12.16	9.29	-2.55	10.14	13.19

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

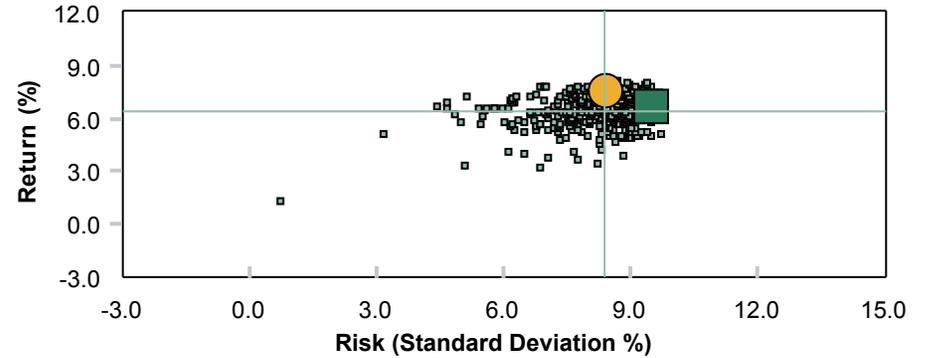
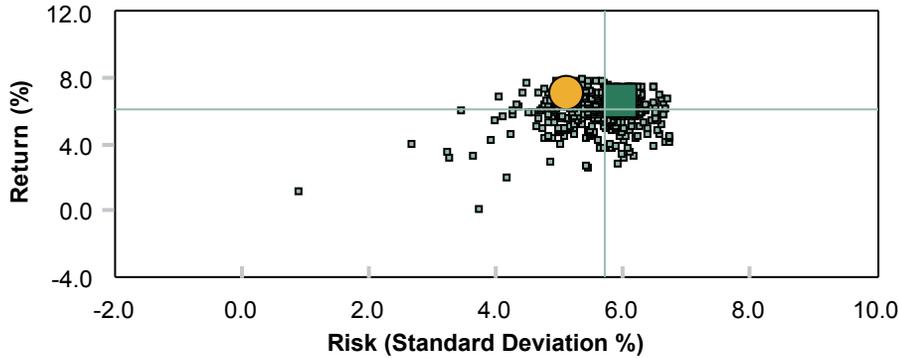
City of Ocala

Total Composite

As of March 31, 2016

Risk & Return Plan Sponsor — 3 Years

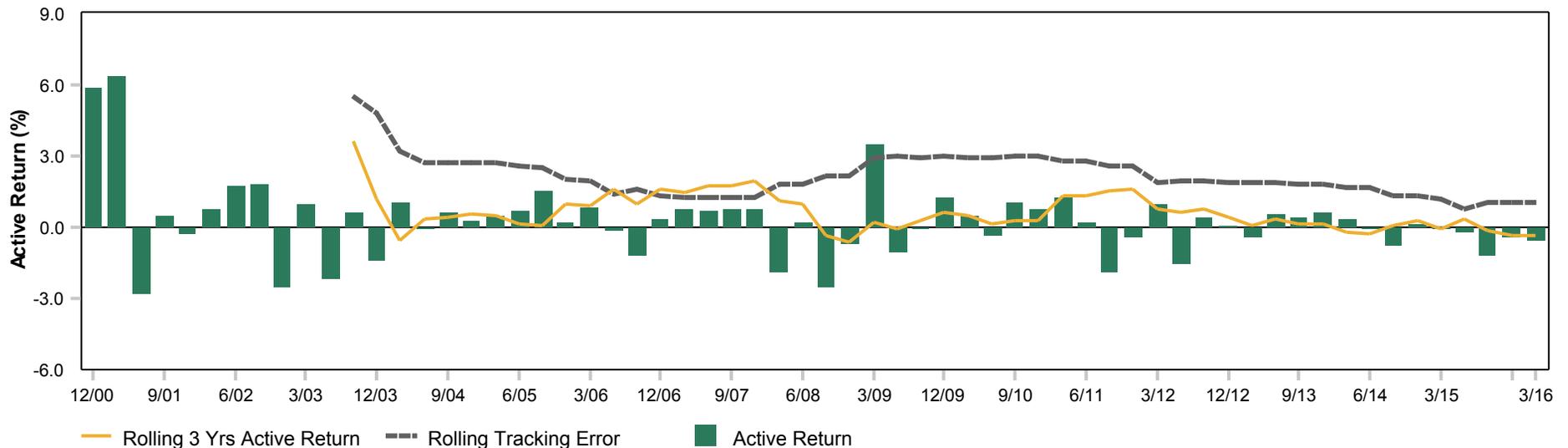
Risk & Return Plan Sponsor — 5 Years



	Return	Standard Deviation
Total Fund Composite	6.62	5.97
TF Policy Index	7.06	5.13
Median	6.16	5.71

	Return	Standard Deviation
Total Fund Composite	6.59	9.53
TF Policy Index	7.48	8.42
Median	6.46	8.39

Rolling Return and Tracking Error



Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

Policy Index	Weight (%)	Policy Index	Weight (%)
Jan-1976		Jan-2012	
S&P 500	50.00	Barclays U.S. Aggregate	14.50
Barclays U.S. Aggregate	35.00	S&P 500	31.50
MSCI EAFE (Net)	15.00	Russell 2000 Index	15.00
Apr-2001		MSCI EAFE (Net)	14.00
Russell 3000 Index	55.00	MSCI EM (net)	5.00
Barclays U.S. Aggregate	35.00	NCREIF ODCE Equal Weighted	7.00
MSCI EAFE (Net)	10.00	NCREIF Property Index	3.00
Jan-2005		CPI + 5%	5.00
S&P 500	40.00	90-Day T-Bill + 5%	5.00
Barclays U.S. Aggregate	30.00	Oct-2014	
MSCI EAFE (Net)	10.00	Barclays U.S. Aggregate	32.00
Russell 2000 Index	15.00	S&P 500	13.50
NCREIF Property Index	5.00	Russell 2000 Index	6.50
Jan-2008		MSCI EAFE (Net)	12.00
S&P 500	34.00	MSCI EM (net)	10.00
Barclays U.S. Aggregate	17.00	NCREIF ODCE Equal Weighted	12.50
MSCI EAFE (Net)	19.00	CPI + 5%	6.75
Russell 2000 Index	15.00	90-Day T-Bill + 5%	6.75
NCREIF Property Index	10.00		
90-Day T-Bill + 5%	5.00		
Jan-2009			
S&P 500	34.00		
Barclays U.S. Aggregate	17.00		
MSCI EAFE (Net)	19.00		
Russell 2000 Index	15.00		
NCREIF Property Index	3.00		
90-Day T-Bill + 5%	5.00		
NCREIF ODCE Equal Weighted	7.00		

Since Inception Ending March 31, 2016

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return
From 10/2000	48,943,478	3,568,764	1,562,635	54,074,877	2.97
2001	54,074,877	-3,714,297	-689,525	49,671,056	-1.45
2002	49,671,056	-1,475,350	-4,094,405	44,101,300	-8.40
2003	44,101,300	-935,965	8,594,114	51,759,449	19.87
2004	51,759,449	-391,827	6,218,054	57,585,676	12.20
2005	57,585,676	31,665	5,020,518	62,637,858	8.78
2006	62,637,858	1,326,717	8,635,477	72,600,052	13.69
2007	72,600,052	391,622	6,657,774	79,649,448	9.15
2008	79,649,448	7,176,132	-23,968,044	62,857,536	-30.34
2009	62,857,536	-5,158,237	12,403,521	70,102,821	22.15
2010	70,102,821	388,158	11,119,080	81,610,059	16.04
2011	81,610,059	1,932,712	179,169	83,721,939	0.25
2012	83,721,939	-183,208	10,964,164	94,502,895	13.09
2013	94,502,895	-323,657	20,219,347	114,398,585	21.38
2014	114,398,585	-1,022,801	5,402,532	118,778,316	5.00
2015	118,778,316	-252,595	-814,071	117,711,650	-0.68
To 03/2016	117,711,650	428,029	1,532,472	119,672,151	1.28

Gain/Loss includes income received and change in accrued income for the period.

Domestic Equity

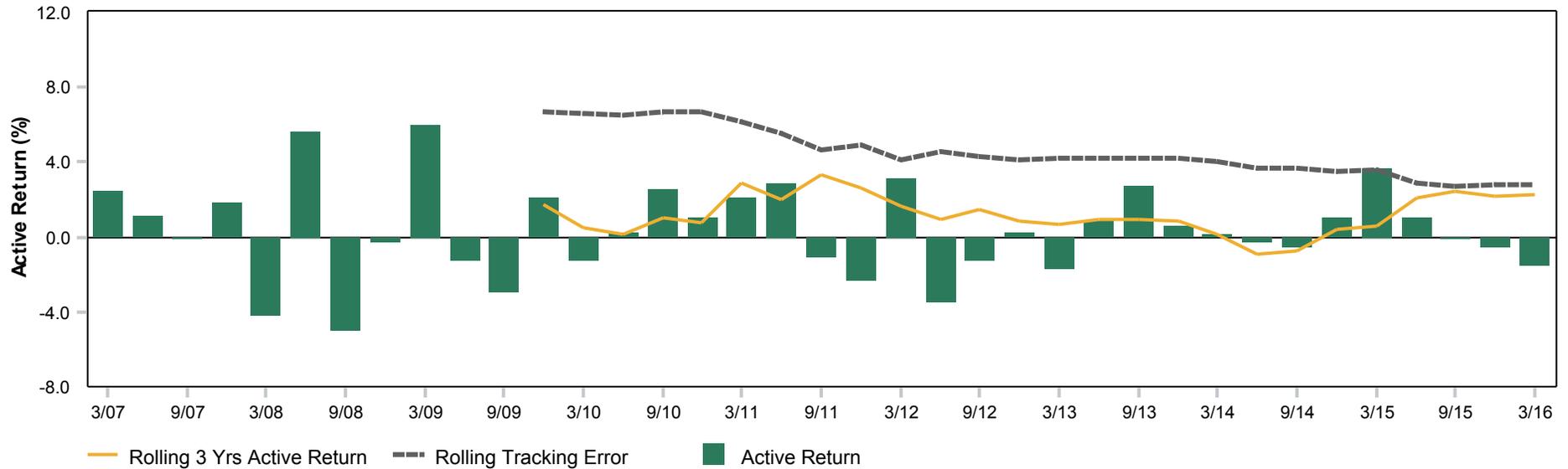
City of Ocala

Wedge Capital
As of March 31, 2016

Gain / Loss

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Wedge Capital					
Beginning Market Value	8,449,788	8,449,788	8,701,283	16,080,002	15,689,521
Net Cash Flows	-	-	-	-13,179,083	-15,393,748
Income	28,882	28,882	139,586	732,236	1,402,679
Gain/Loss	-481	-481	-362,681	4,845,033	6,779,736
Ending Market Value	8,478,188	8,478,188	8,478,188	8,478,188	8,478,188

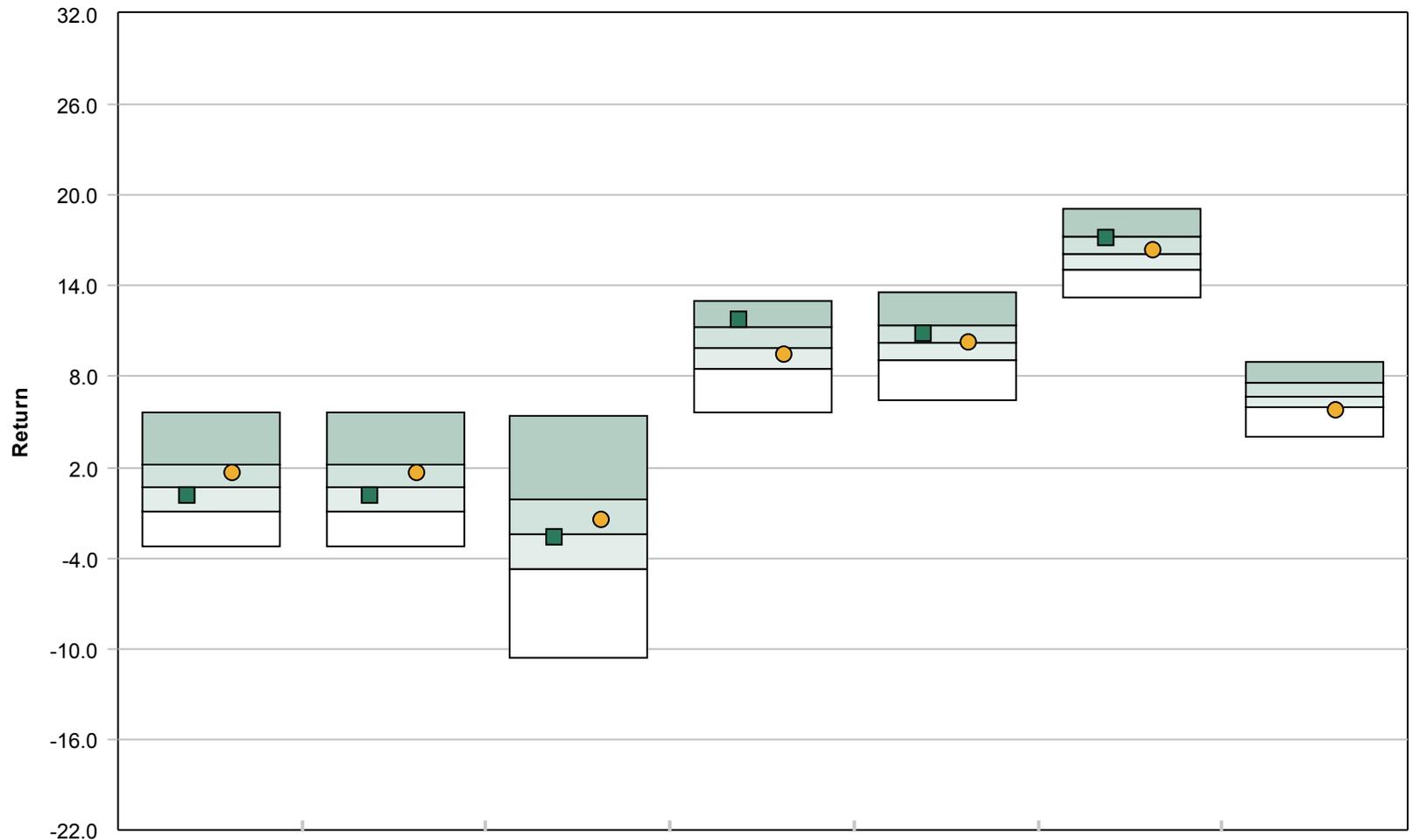
Rolling Return and Tracking Error



Performance

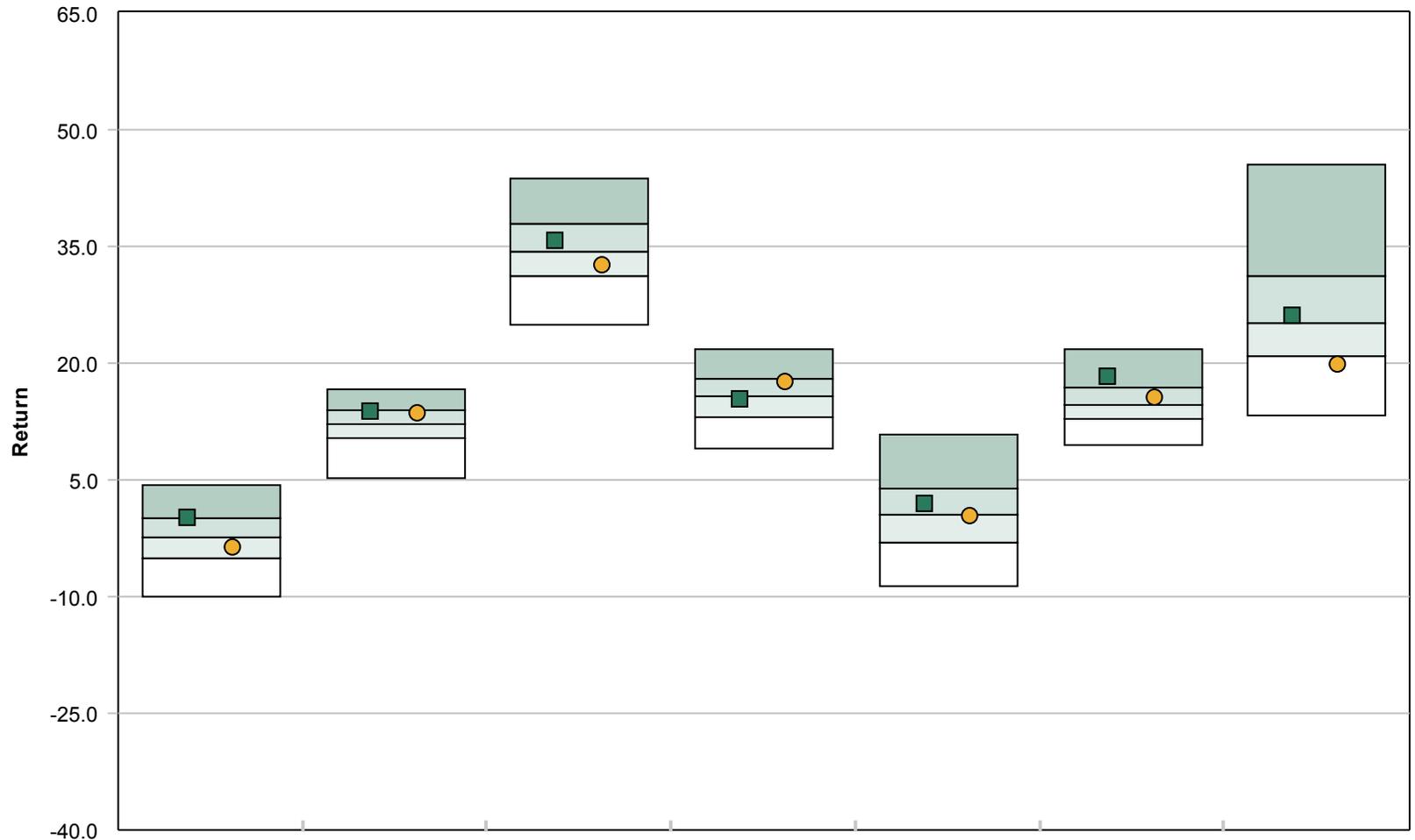
	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Wedge Capital	0.11	0.11	-2.65	11.79	10.82	17.16	N/A
Russell 1000 Value Index	1.64	1.64	-1.54	9.38	10.25	16.31	5.72
Difference	-1.53	-1.53	-1.11	2.41	0.57	0.85	N/A

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ Wedge Capital	0.11 (60)	0.11 (60)	-2.65 (54)	11.79 (17)	10.82 (36)	17.16 (27)	N/A
● Russell 1000 Value Index	1.64 (34)	1.64 (34)	-1.54 (40)	9.38 (65)	10.25 (51)	16.31 (48)	5.72 (81)
5th Percentile	5.68	5.68	5.43	13.03	13.57	19.16	8.92
1st Quartile	2.22	2.22	-0.12	11.29	11.35	17.30	7.64
Median	0.63	0.63	-2.44	9.90	10.25	16.17	6.64
3rd Quartile	-0.92	-0.92	-4.70	8.56	9.11	15.10	5.95
95th Percentile	-3.22	-3.22	-10.58	5.66	6.47	13.27	4.00

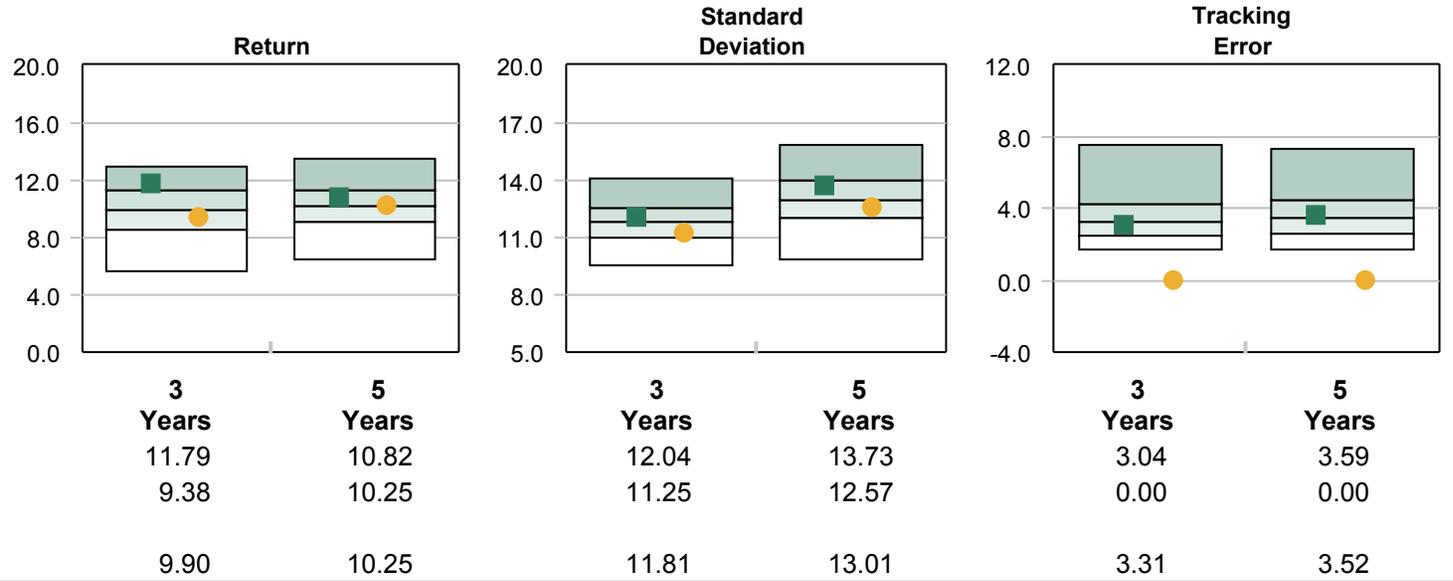
Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.



	2015	2014	2013	2012	2011	2010	2009
■ Wedge Capital	0.10 (25)	13.65 (32)	35.68 (40)	15.30 (55)	1.82 (40)	18.11 (19)	26.13 (44)
● Russell 1000 Value Index	-3.83 (67)	13.45 (34)	32.53 (63)	17.51 (29)	0.39 (52)	15.51 (41)	19.69 (80)
5th Percentile	4.43	16.73	43.75	21.85	10.86	21.77	45.49
1st Quartile	0.07	14.04	37.97	18.01	3.91	16.95	31.21
Median	-2.35	12.22	34.32	15.69	0.57	14.63	25.26
3rd Quartile	-4.97	10.32	31.11	12.98	-2.99	12.83	20.96
95th Percentile	-9.91	5.18	24.83	9.05	-8.57	9.52	13.29

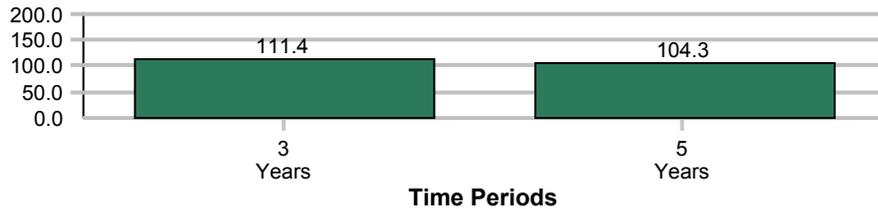
Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

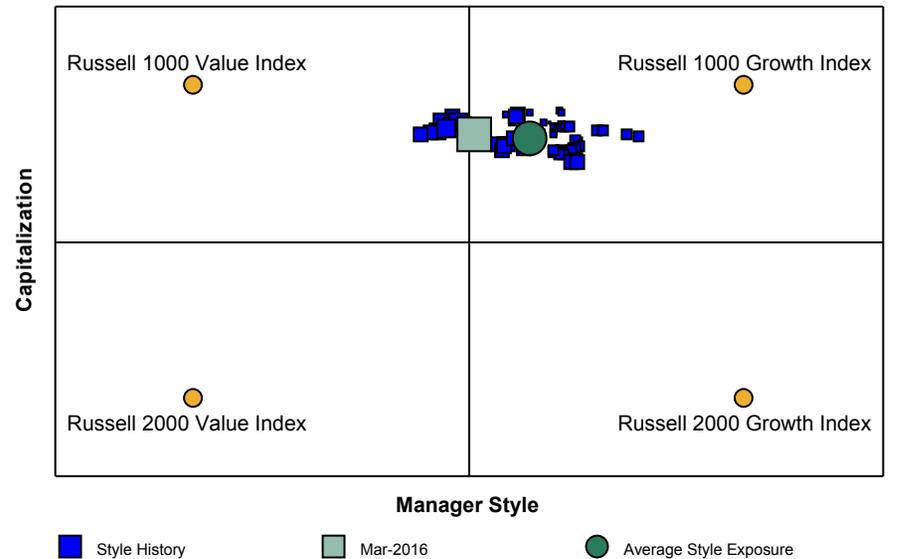


■ Wedge Capital
● Russell 1000 Value Index

Up Market Capture



Down Market Capture



Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

City of Ocala

Wedge Capital

As of March 31, 2016

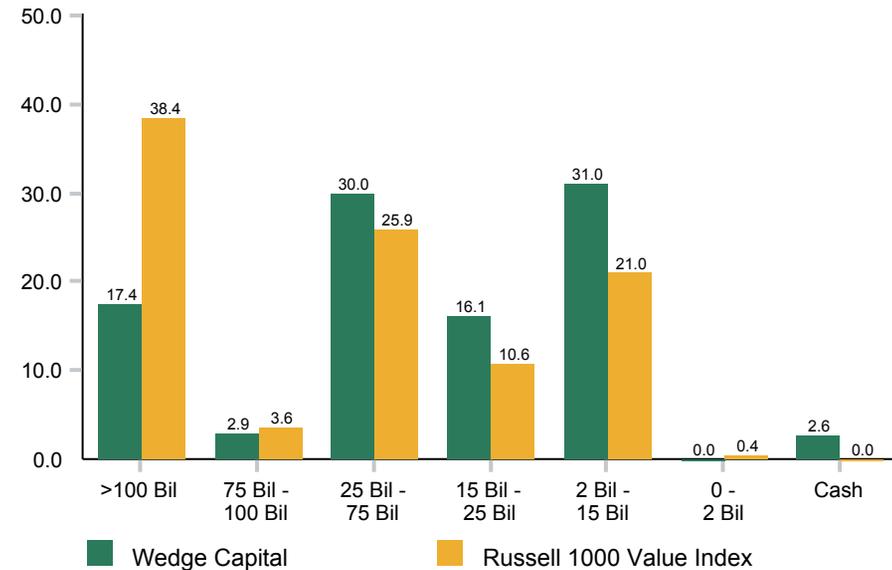
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Mohawk Industries Inc.	1.82	0.04	1.78	0.80
Carnival Corp	1.81	0.23	1.58	-2.51
Activision Blizzard Inc	1.78	0.17	1.61	-11.87
Electronic Arts Inc.	1.75	0.00	1.75	-3.80
Goodyear Tire & Rubber Co	1.73	0.09	1.64	1.20
Home Depot Inc. (The)	1.73	0.00	1.73	1.44
Foot Locker Inc.	1.71	0.01	1.70	-0.50
Target Corp	1.70	0.49	1.21	14.22
Darden Restaurants Inc.	1.68	0.07	1.61	5.01
Universal Health Services Inc.	1.32	0.10	1.22	4.47
% of Portfolio	17.03	1.20		

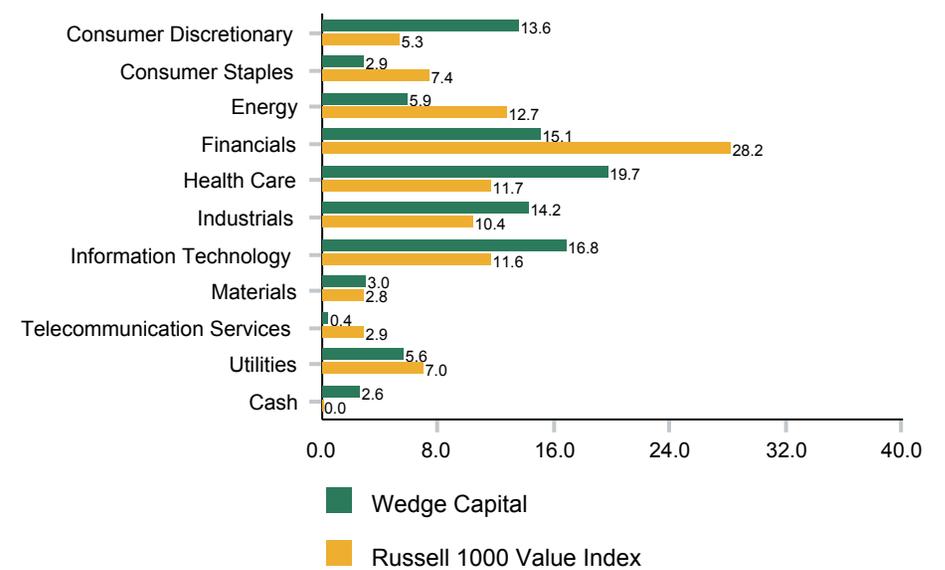
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$)	53,633,468,695	110,515,603,108
Median Mkt. Cap (\$)	23,005,851,880	7,119,202,455
Price/Earnings ratio	16.78	17.29
Price/Book ratio	2.95	2.13
5 Yr. EPS Growth Rate (%)	8.29	2.63
Current Yield (%)	2.24	2.64
Beta (5 Years, Monthly)	1.06	1.00
Number of Stocks	121	684

Distribution of Market Capitalization (%)



Sector Weights (%)



Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

City of Ocala

Wedge Capital

As of March 31, 2016

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Exelon Corp	0.44	0.33	0.11	30.42
Cummins Inc.	0.71	0.05	0.66	26.17
Public Service Enterprise Group Inc	0.44	0.24	0.20	22.95
Edison International	0.43	0.24	0.19	22.22
Consolidated Edison Inc.	0.43	0.23	0.20	20.34
Reliance Steel & Aluminum Co	0.24	0.05	0.19	20.21
Great Plains Energy Inc	0.44	0.05	0.39	19.14
Verizon Communications Inc	0.43	0.16	0.27	18.46
Pinnacle West Capital Corp	0.43	0.08	0.35	17.55
Entergy Corp.	0.43	0.14	0.29	17.37
% of Portfolio	4.42	1.57		

Ten Worst Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Transocean Ltd	0.40	0.00	0.40	-26.17
CF Industries Holdings Inc	0.22	0.00	0.22	-22.38
Lincoln National Corp	0.74	0.10	0.64	-21.58
Express Scripts Holding Co	1.13	0.08	1.05	-21.42
Morgan Stanley	0.68	0.39	0.29	-20.91
Bank of America Corp	0.69	1.44	-0.75	-19.37
Citigroup Inc	0.71	1.29	-0.58	-19.22
Regions Financial Corp	0.68	0.11	0.57	-17.61
AmerisourceBergen Corp	1.23	0.00	1.23	-16.22
KeyCorp	0.68	0.10	0.58	-15.71
% of Portfolio	7.16	3.51		

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

Buy-and-Hold Portfolio	0.24
Portfolio Trading	-0.13
Actual Return	0.11
Benchmark Return	1.64
Actual Active Return	-1.53
Stock Selection	-1.97
Sector Selection	0.38
Interaction	0.25
Total Selection	-1.33
Portfolio Trading	-0.13
Benchmark Trading	0.06
Active Trading Impact	-0.20
Buy & Hold Active Return	-1.53

	Allocation — 01/01/2016		Performance — 1 Quarter Ending March 31, 2016		Attribution			Total
	Portfolio	Benchmark	Portfolio	Benchmark	Stock	Sector	Interaction	
Consumer Discretionary	13.80	5.18	-0.61	3.65	-0.22	0.18	-0.37	-0.41
Consumer Staples	3.91	7.03	4.39	5.11	-0.05	-0.11	0.02	-0.14
Energy	5.68	12.25	1.36	4.14	-0.34	-0.17	0.18	-0.33
Financials	16.35	30.35	-9.48	-5.34	-1.26	0.97	0.58	0.29
Health Care	18.43	11.93	-3.63	-1.63	-0.24	-0.21	-0.13	-0.58
Industrials	13.87	10.36	7.08	4.83	0.23	0.11	0.08	0.43
Information Technology	17.34	11.55	1.48	2.68	-0.14	0.06	-0.07	-0.15
Materials	2.97	2.64	2.70	7.78	-0.13	0.02	-0.02	-0.13
Telecommunication Services	0.00	2.53	0.00	13.96	0.00	-0.31	0.00	-0.31
Utilities	5.28	6.19	18.52	15.62	0.18	-0.13	-0.03	0.03
Cash	2.39	0.00	0.06	0.00	0.00	-0.04	0.00	-0.04
Total	100.00	100.00	0.24	1.58	-1.97	0.38	0.25	-1.33

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

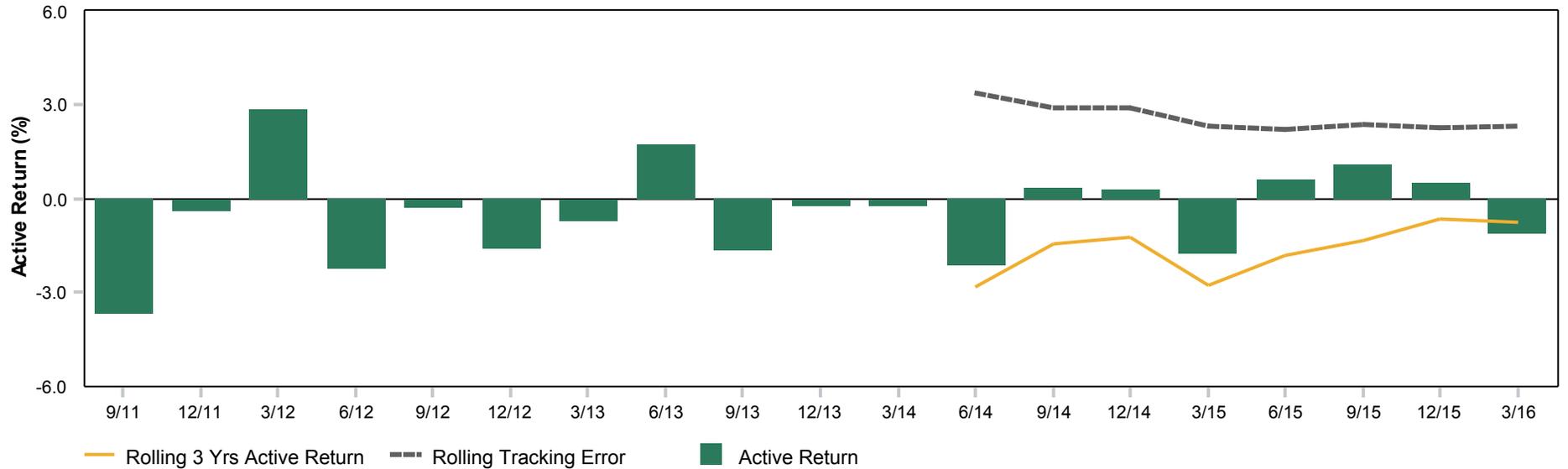
City of Ocala

Wellington
As of March 31, 2016

Gain / Loss

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Wellington					
Beginning Market Value	8,853,077	8,853,077	8,498,659	16,180,750	15,848,316
Net Cash Flows	-	-	-	-12,914,000	-13,912,098
Income	21,300	21,300	69,755	219,385	473,187
Gain/Loss	-54,024	-54,024	251,939	5,334,217	6,410,948
Ending Market Value	8,820,353	8,820,353	8,820,353	8,820,353	8,820,353

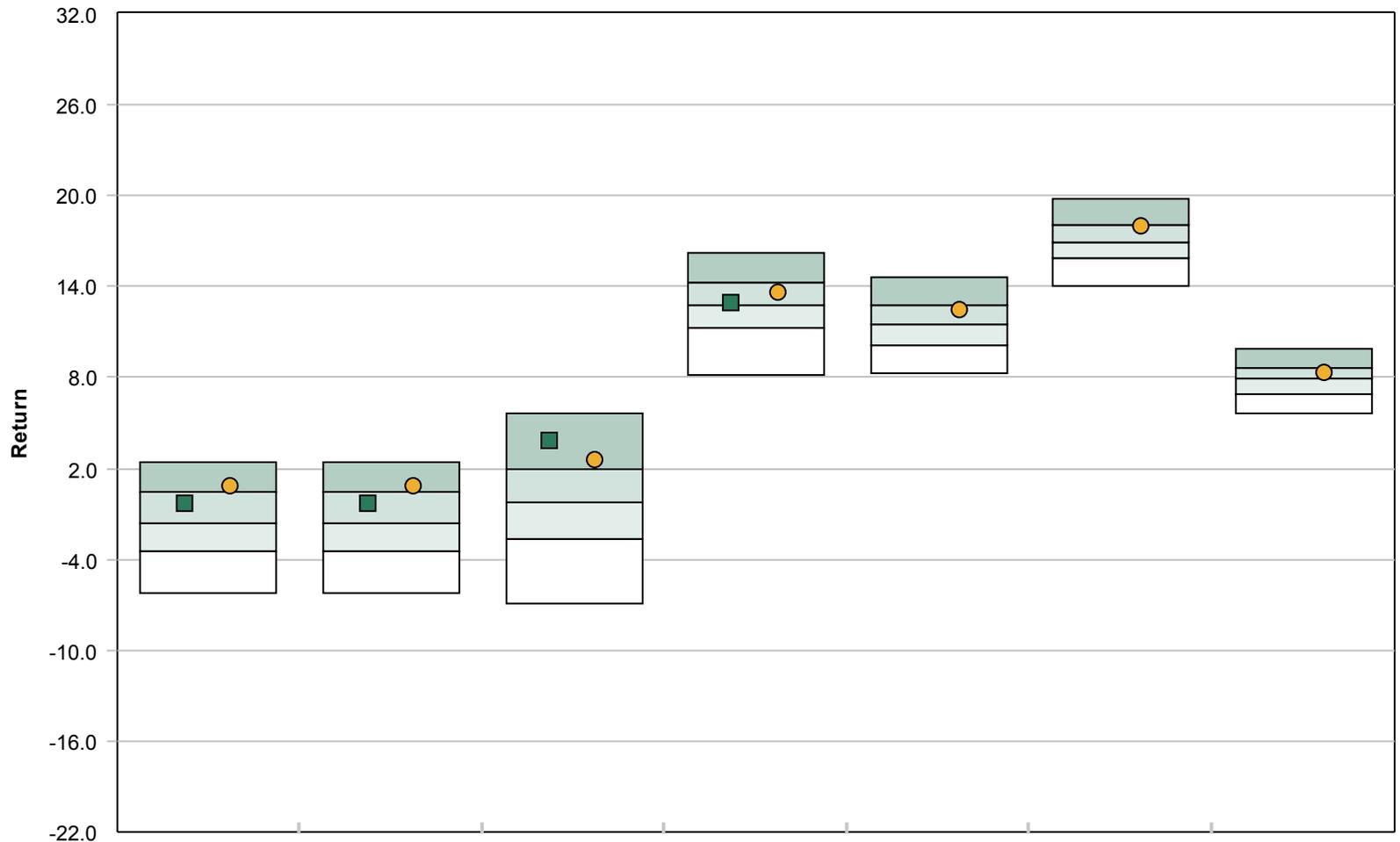
Rolling Return and Tracking Error



Performance

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Wellington	-0.37	-0.37	3.79	12.85	N/A	N/A	N/A
Russell 1000 Growth Index	0.74	0.74	2.52	13.61	12.38	17.94	8.28
Difference	-1.11	-1.11	1.27	-0.76	N/A	N/A	N/A

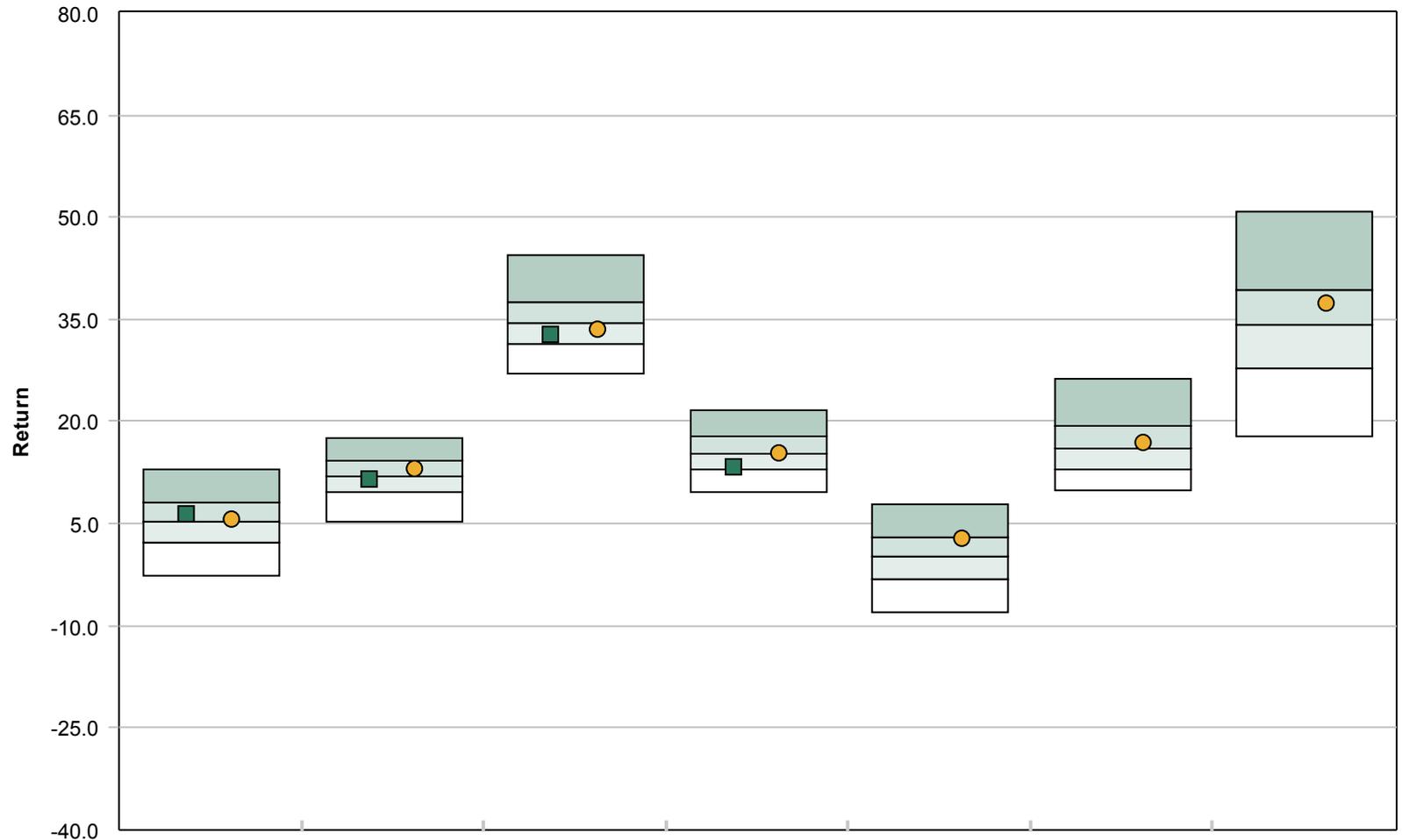
Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Wellington	-0.37 (35)	-0.37 (35)	3.79 (11)	12.85 (49)	N/A	N/A	N/A
Russell 1000 Growth Index	0.74 (21)	0.74 (21)	2.52 (20)	13.61 (37)	12.38 (32)	17.94 (28)	8.28 (40)
5th Percentile	2.36	2.36	5.60	16.27	14.58	19.85	9.94
1st Quartile	0.43	0.43	1.93	14.24	12.73	18.04	8.66
Median	-1.61	-1.61	-0.29	12.76	11.45	16.91	7.97
3rd Quartile	-3.50	-3.50	-2.60	11.23	10.08	15.94	6.95
95th Percentile	-6.21	-6.21	-6.89	8.19	8.30	13.99	5.60

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

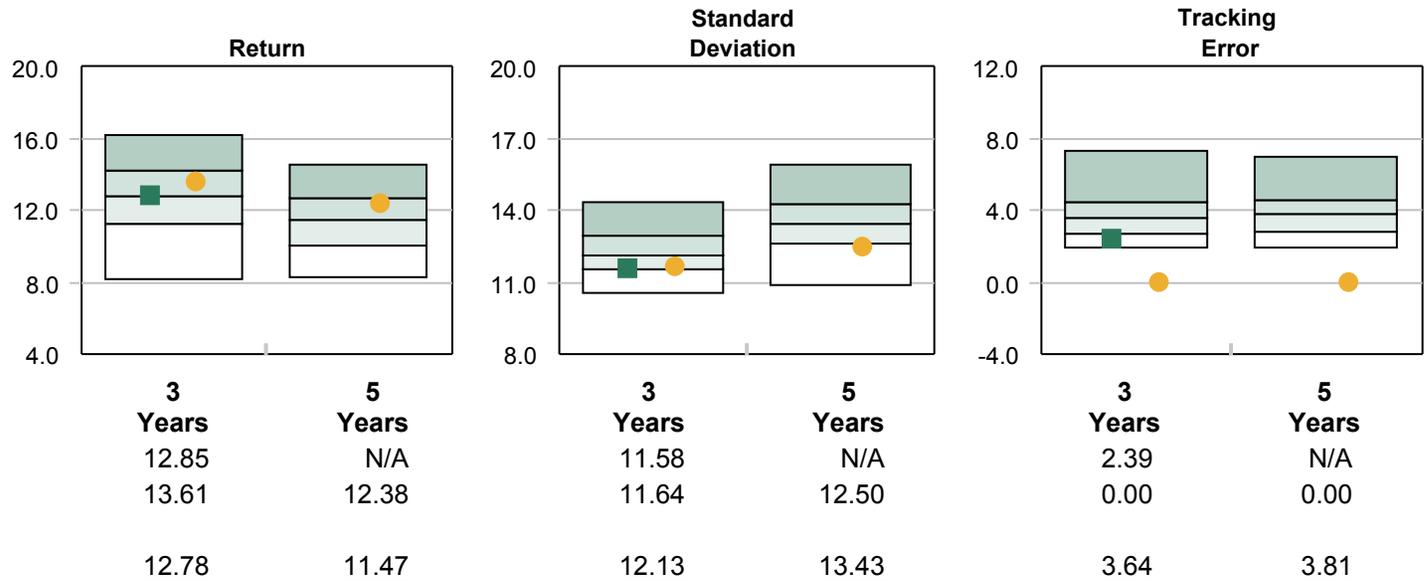
Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



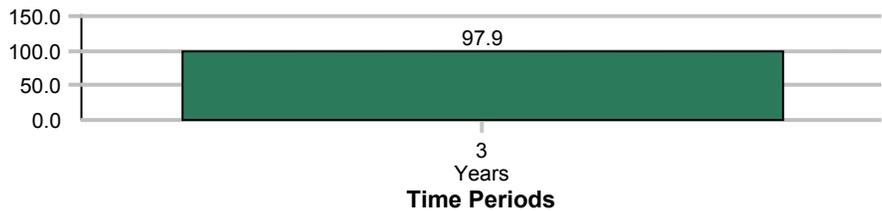
	2015	2014	2013	2012	2011	2010	2009
Wellington	6.33 (40)	11.31 (59)	32.63 (67)	13.24 (74)	N/A	N/A	N/A
Russell 1000 Growth Index	5.67 (47)	13.05 (39)	33.48 (60)	15.26 (50)	2.64 (27)	16.71 (46)	37.21 (34)
5th Percentile	13.06	17.65	44.32	21.68	7.87	26.16	50.86
1st Quartile	8.14	14.32	37.45	17.71	2.92	19.33	39.44
Median	5.18	12.01	34.58	15.19	0.07	16.04	34.13
3rd Quartile	2.15	9.62	31.42	13.06	-3.26	13.04	27.75
95th Percentile	-2.52	5.21	27.03	9.74	-8.13	9.80	17.83

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

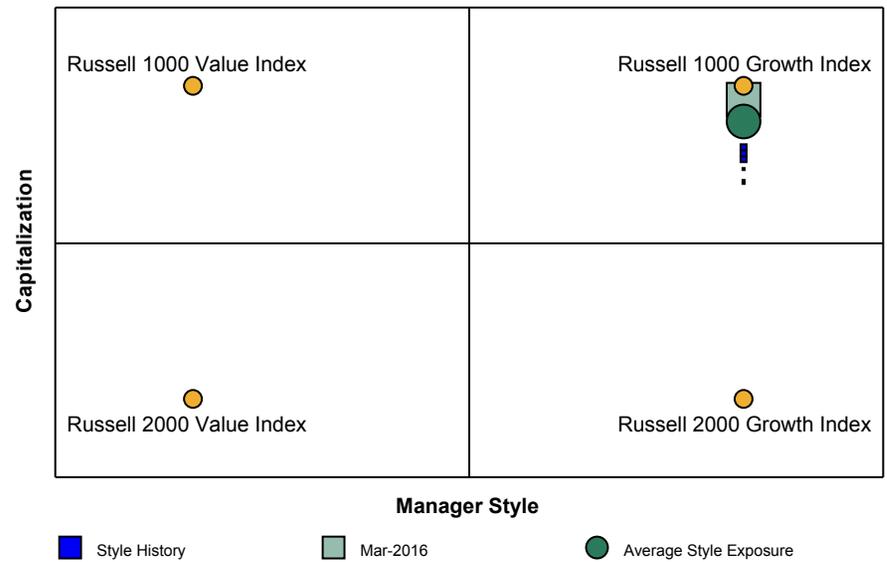
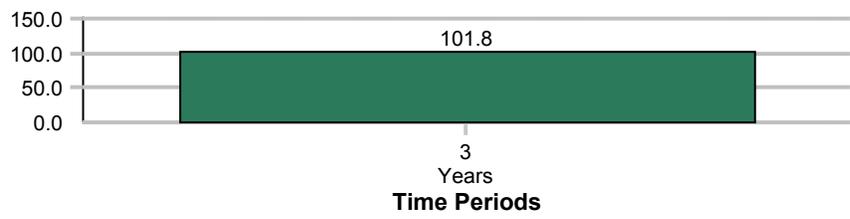
Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



Up Market Capture



Down Market Capture



Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

City of Ocala

Wellington

As of March 31, 2016

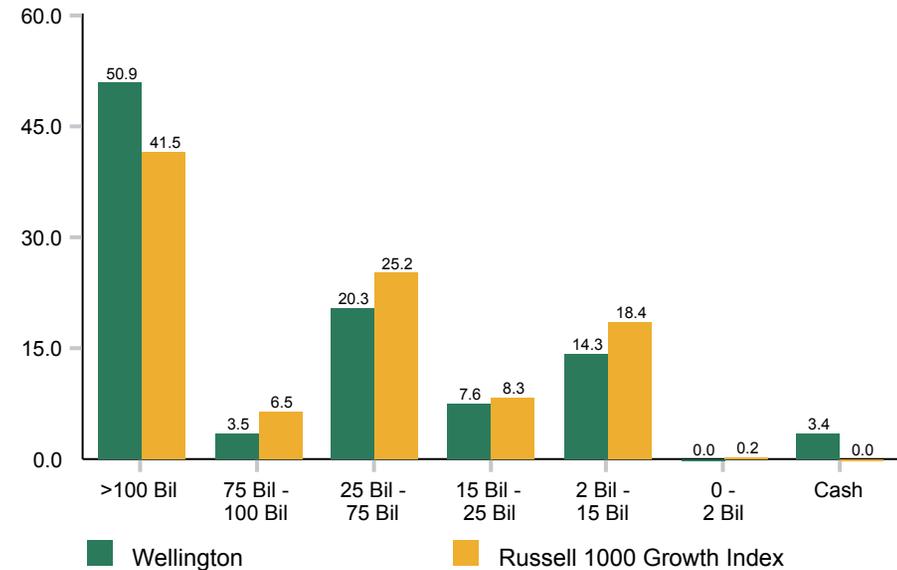
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	5.46	5.95	-0.49	4.10
Alphabet Inc	5.19	2.08	3.11	-1.83
Microsoft Corp	3.16	2.40	0.76	0.25
Facebook Inc	3.12	2.34	0.78	9.02
Verizon Communications Inc	2.94	1.94	1.00	18.46
PepsiCo Inc	2.71	1.43	1.28	3.30
Home Depot Inc. (The)	2.51	1.64	0.87	1.44
Oracle Corp	2.41	0.74	1.67	12.46
Comcast Corp	2.18	1.31	0.87	8.73
Amazon.com Inc	2.01	2.15	-0.14	-12.17
% of Portfolio	31.69	21.98		

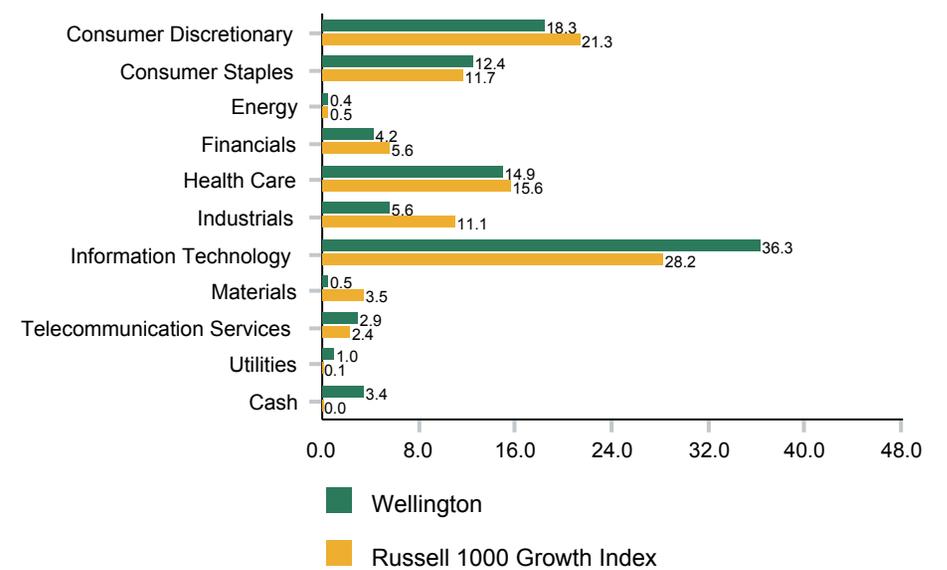
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$)	150,682,606,967	136,285,639,609
Median Mkt. Cap (\$)	49,532,547,000	8,715,181,020
Price/Earnings ratio	22.63	21.55
Price/Book ratio	5.03	5.30
5 Yr. EPS Growth Rate (%)	11.30	12.37
Current Yield (%)	1.63	1.64
Beta (3 Years, Monthly)	0.97	1.00
Number of Stocks	100	635

Distribution of Market Capitalization (%)



Sector Weights (%)



Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

City of Ocala

Wellington

As of March 31, 2016

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Cirrus Logic Inc.	0.08	0.00	0.08	23.30
Las Vegas Sands Corp	0.36	0.18	0.18	19.47
Dollar General Corp	0.44	0.25	0.19	19.46
Scripps Networks Interactive Inc	0.87	0.06	0.81	19.15
Verizon Communications Inc	2.94	1.94	1.00	18.46
NextEra Energy Inc	1.00	0.00	1.00	14.76
Nielsen Holdings NV	0.79	0.13	0.66	13.63
Vantiv Inc	1.02	0.07	0.95	13.62
Wal-Mart Stores Inc	1.08	0.00	1.08	12.56
Oracle Corp	2.41	0.74	1.67	12.46
% of Portfolio	10.99	3.37		

Ten Worst Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Vertex Pharmaceuticals Inc	0.28	0.18	0.10	-36.83
Regeneron Pharmaceuticals Inc	0.06	0.27	-0.21	-33.60
Alliance Data Systems Corp	0.42	0.13	0.29	-20.46
Bank of America Corp	0.48	0.00	0.48	-19.37
Celgene Corp	0.70	0.75	-0.05	-16.42
Astrazeneca PLC	0.34	0.00	0.34	-14.43
Allergan PLC	0.66	0.45	0.21	-14.23
Eli Lilly and Co	0.51	0.67	-0.16	-13.94
Ralph Lauren Corp	0.10	0.00	0.10	-13.21
eBay Inc.	0.30	0.27	0.03	-13.17
% of Portfolio	3.85	2.72		

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

1 Quarter Ending March 31, 2016

Buy-and-Hold Portfolio	0.15
Portfolio Trading	-0.52
Actual Return	-0.37
Benchmark Return	0.74
Actual Active Return	-1.11
Stock Selection	-0.10
Sector Selection	-0.51
Interaction	0.03
Total Selection	-0.58
Portfolio Trading	-0.52
Benchmark Trading	0.01
Active Trading Impact	-0.53
Buy & Hold Active Return	-1.11

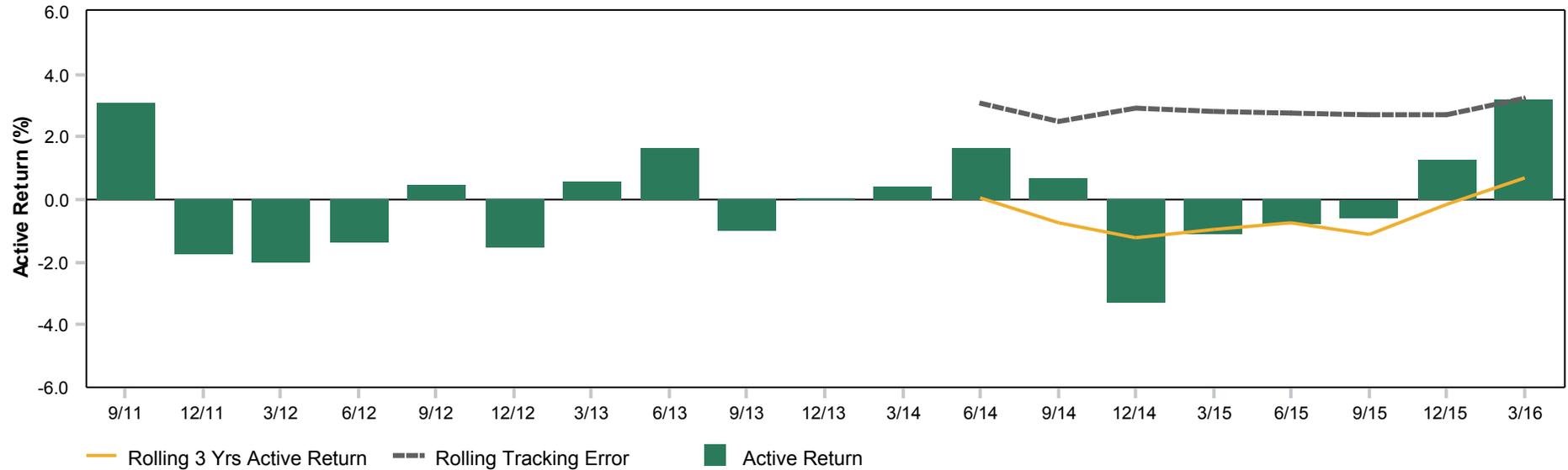
	Allocation — 01/01/2016		Performance — 1 Quarter Ending March 31, 2016		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Stock	Sector	Interaction	Total
Consumer Discretionary	18.34	21.21	1.78	1.40	0.08	-0.02	-0.01	0.05
Consumer Staples	9.26	11.29	1.21	5.65	-0.50	-0.10	0.09	-0.51
Energy	0.83	0.53	2.76	-8.06	0.06	-0.03	0.03	0.06
Financials	6.20	5.54	-7.09	1.24	-0.46	0.00	-0.05	-0.51
Health Care	17.64	17.14	-7.43	-8.98	0.26	-0.05	0.01	0.22
Industrials	5.63	10.75	2.87	4.45	-0.17	-0.19	0.08	-0.28
Information Technology	37.95	27.99	2.62	1.42	0.34	0.07	0.12	0.52
Materials	0.44	3.43	10.00	2.49	0.26	-0.05	-0.22	-0.02
Telecommunication Services	1.30	2.06	18.46	16.72	0.04	-0.12	-0.01	-0.10
Utilities	0.00	0.05	0.00	10.62	0.00	0.00	0.00	0.00
Cash	2.41	0.00	0.06	0.00	0.00	-0.02	0.00	-0.02
Total	100.00	100.00	0.15	0.73	-0.10	-0.51	0.03	-0.58

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

Gain / Loss

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Segall Bryant & Hamill					
Beginning Market Value	8,697,955	8,697,955	9,620,480	16,222,190	-
Net Cash Flows	-	-	-	-11,600,000	-
Income	-	-	93,473	440,825	-
Gain/Loss	159,811	159,811	-856,187	3,794,752	-
Ending Market Value	8,857,766	8,857,766	8,857,766	8,857,766	-

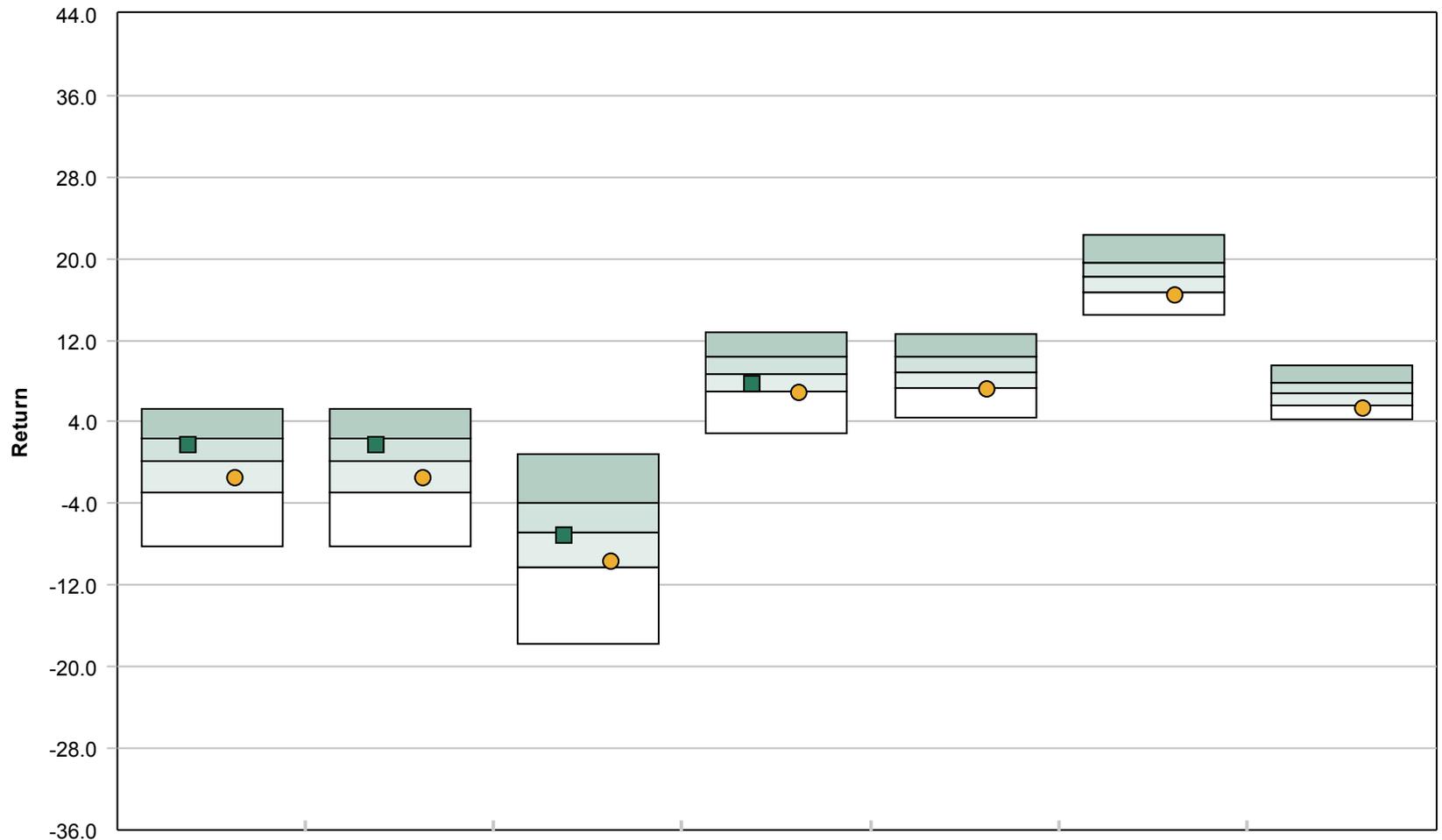
Rolling Return and Tracking Error



Performance

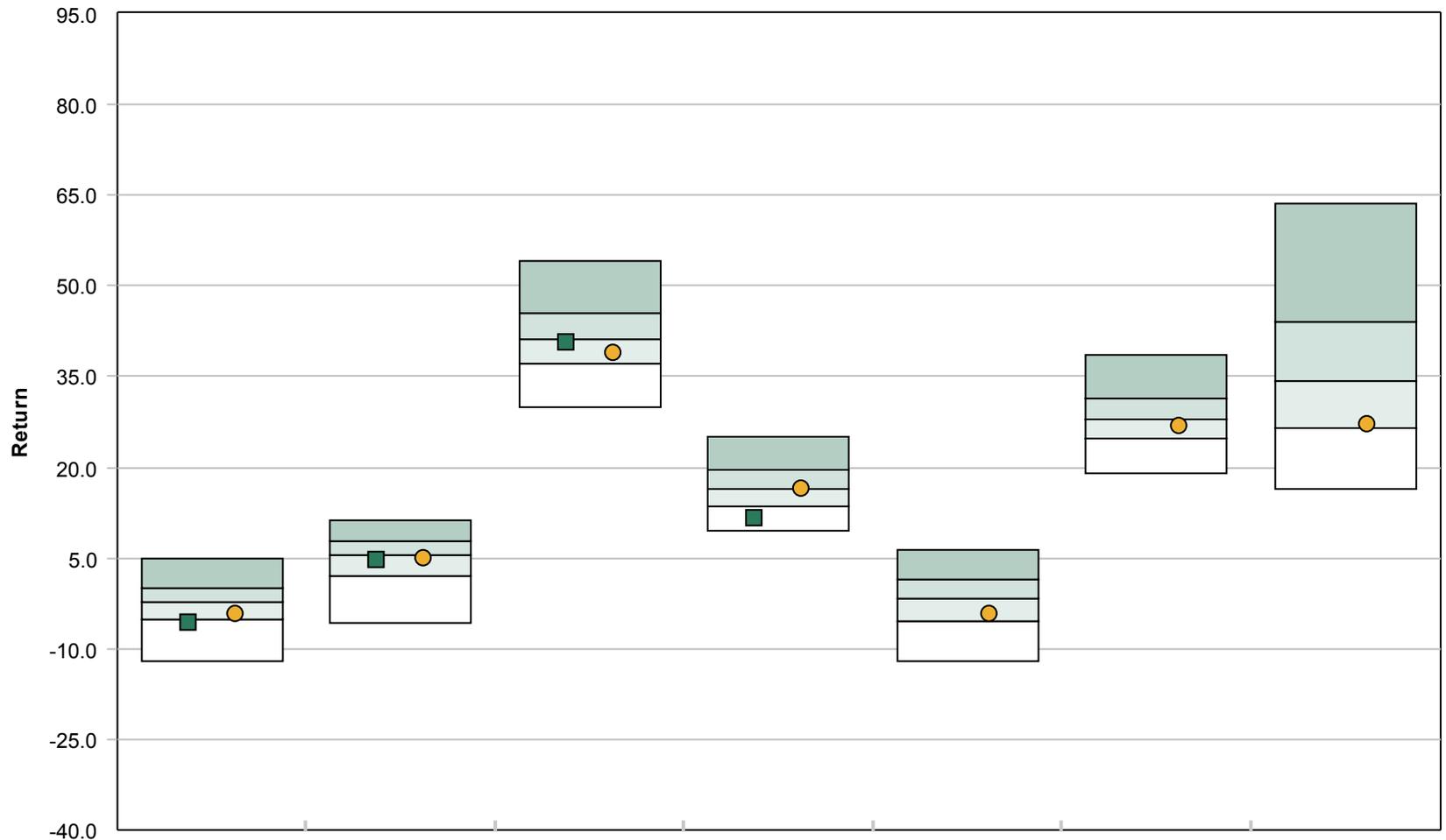
	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Segall Bryant & Hamill	1.66	1.66	-7.09	7.65	N/A	N/A	N/A
Russell 2000 Index	-1.52	-1.52	-9.76	6.84	7.20	16.42	5.26
Difference	3.18	3.18	2.67	0.81	N/A	N/A	N/A

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ Segall Bryant & Hamill	1.66 (35)	1.66 (35)	-7.09 (53)	7.65 (66)	N/A	N/A	N/A
● Russell 2000 Index	-1.52 (66)	-1.52 (66)	-9.76 (73)	6.84 (77)	7.20 (77)	16.42 (80)	5.26 (83)
5th Percentile	5.23	5.23	0.86	12.85	12.70	22.34	9.58
1st Quartile	2.45	2.45	-3.85	10.36	10.33	19.57	7.89
Median	0.23	0.23	-6.79	8.61	8.91	18.19	6.75
3rd Quartile	-2.87	-2.87	-10.30	6.91	7.26	16.70	5.65
95th Percentile	-8.16	-8.16	-17.74	2.96	4.41	14.51	4.20

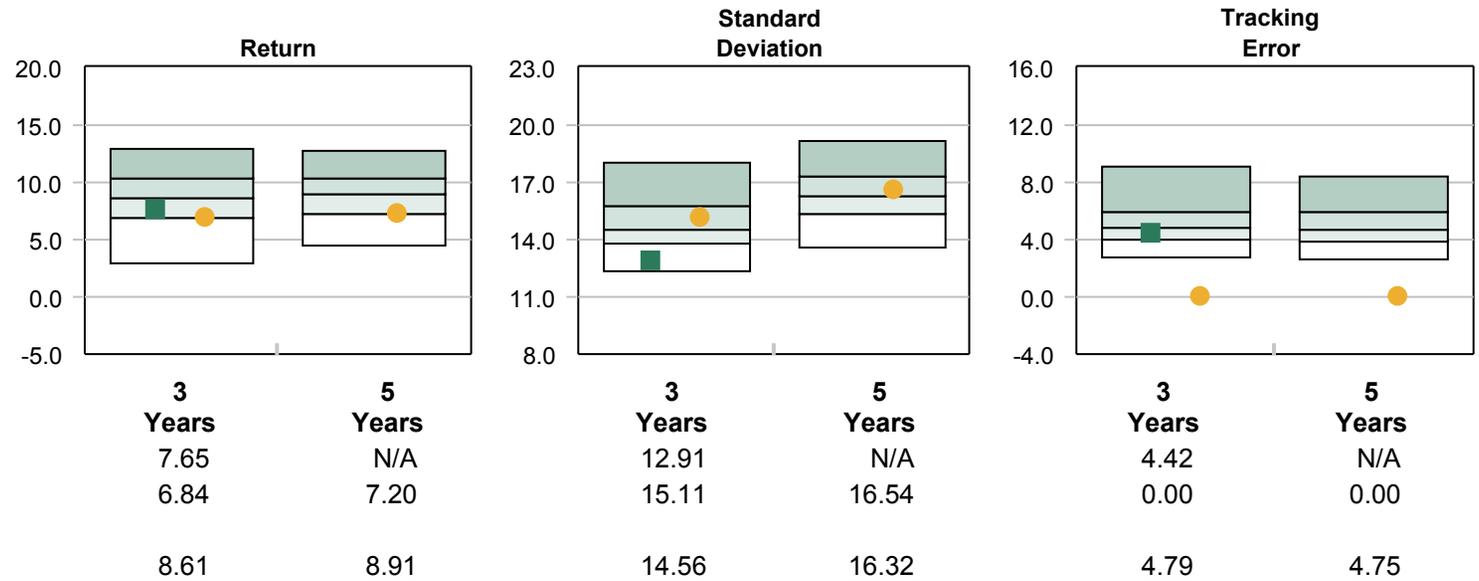
Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.



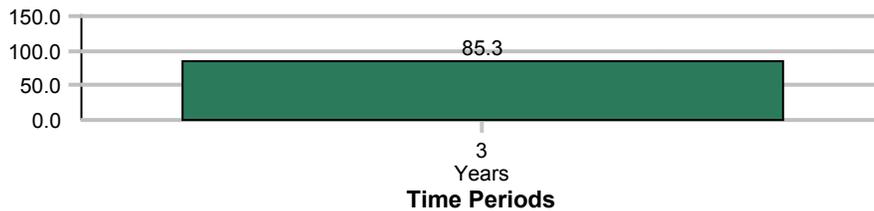
	2015	2014	2013	2012	2011	2010	2009
■ Segall Bryant & Hamill	-5.68 (79)	4.57 (61)	40.54 (55)	11.47 (88)	N/A	N/A	N/A
● Russell 2000 Index	-4.41 (69)	4.89 (57)	38.82 (65)	16.35 (52)	-4.18 (69)	26.85 (61)	27.17 (73)
5th Percentile	4.98	11.23	54.21	25.09	6.45	38.66	63.71
1st Quartile	0.07	7.76	45.42	19.72	1.58	31.42	44.06
Median	-2.39	5.38	41.28	16.51	-1.83	27.94	34.16
3rd Quartile	-5.19	2.17	37.11	13.60	-5.36	24.74	26.49
95th Percentile	-11.98	-5.71	29.81	9.45	-12.09	19.03	16.43

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

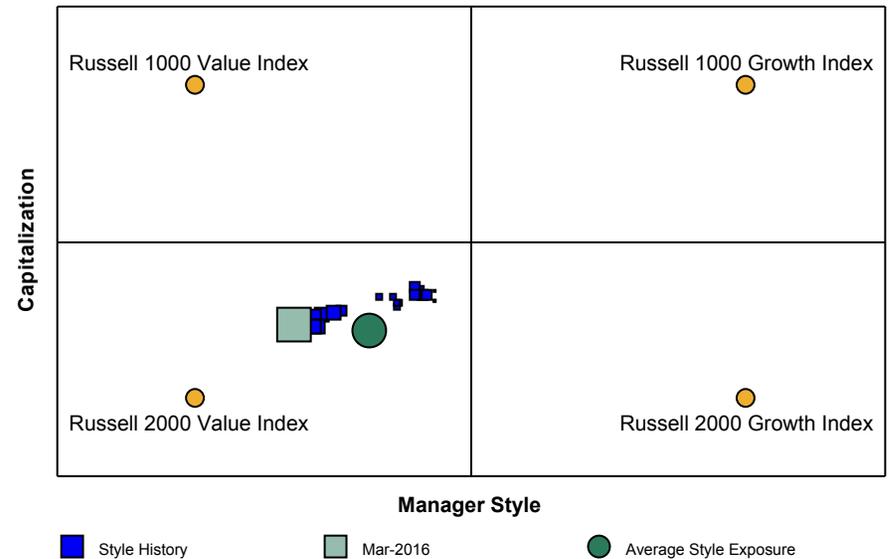
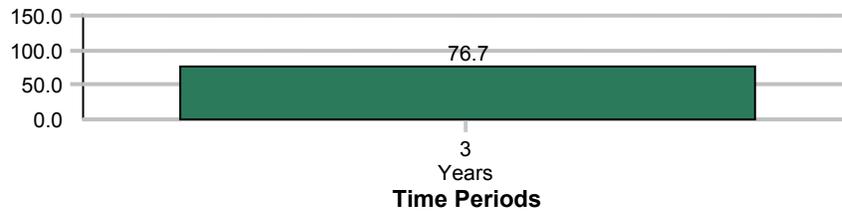
Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



Up Market Capture



Down Market Capture



Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

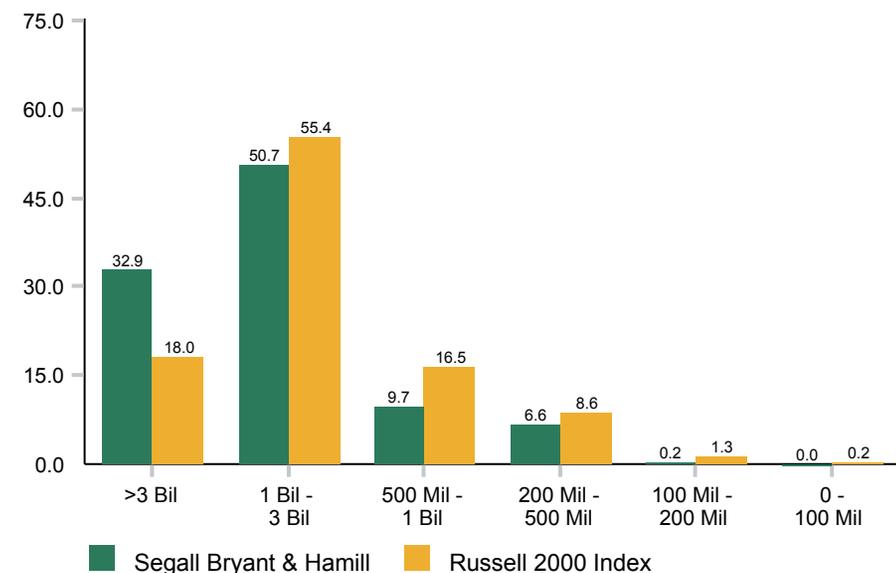
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Alere Inc	4.69	0.00	4.69	29.47
Bio-Techne Corp	3.29	0.00	3.29	5.42
Orthofix International NV	3.19	0.05	3.14	5.89
FLIR Systems Inc	3.15	0.00	3.15	17.84
Integrated Device Technology Inc.	2.65	0.17	2.48	-22.43
Bottomline Technologies Inc	2.64	0.08	2.56	2.56
Globus Medical Inc	2.64	0.10	2.54	-14.63
Steven Madden Ltd	2.56	0.13	2.43	22.57
Mobile Mini Inc	2.43	0.09	2.34	6.77
ESCO Technologies Inc.	2.42	0.06	2.36	8.08
% of Portfolio	29.66	0.68		

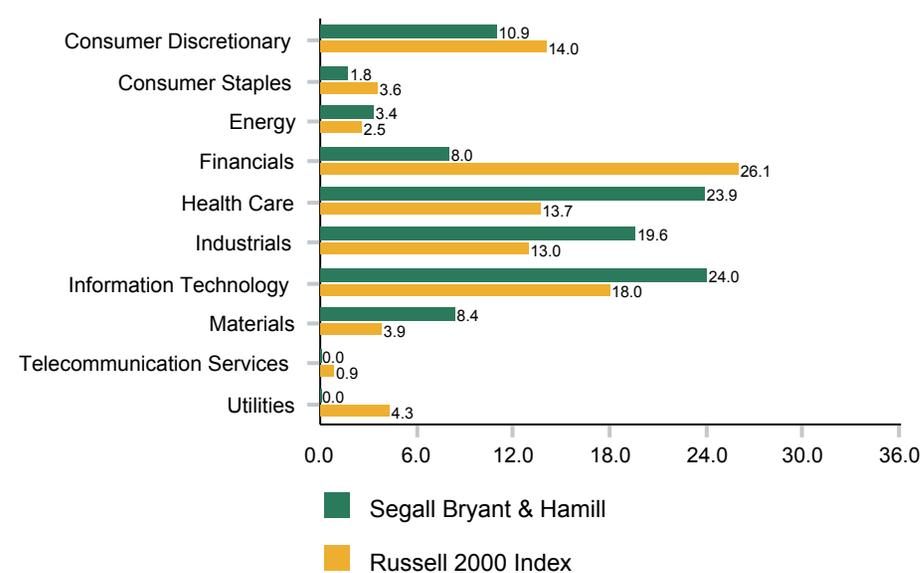
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$)	2,468,580,266	1,896,858,188
Median Mkt. Cap (\$)	1,860,459,860	651,519,525
Price/Earnings ratio	22.21	20.02
Price/Book ratio	2.53	2.29
5 Yr. EPS Growth Rate (%)	8.71	10.59
Current Yield (%)	0.90	1.57
Beta (3 Years, Monthly)	0.82	1.00
Number of Stocks	82	1,959

Distribution of Market Capitalization (%)



Sector Weights (%)



Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

City of Ocala

Segall Bryant & Hamill

As of March 31, 2016

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Childrens Place Inc (The)	1.39	0.11	1.28	51.21
MSC Industrial Direct Co Inc.	1.00	0.00	1.00	36.60
Alere Inc	4.69	0.00	4.69	29.47
Genesco Inc.	0.54	0.10	0.44	27.13
Darling Ingredients Inc	1.00	0.13	0.87	25.19
Chico's FAS Inc.	0.49	0.12	0.37	25.15
Steven Madden Ltd	2.56	0.13	2.43	22.57
Universal Electronics Inc	1.45	0.06	1.39	20.72
FLIR Systems Inc	3.15	0.00	3.15	17.84
Bemis Co Inc	1.44	0.00	1.44	16.57
% of Portfolio	17.71	0.65		

Ten Worst Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Hanger Inc	0.34	0.00	0.34	-60.49
Wright Medical Group NV	1.46	0.09	1.37	-31.35
OSI Systems Inc	0.59	0.08	0.51	-26.13
Integrated Device Technology Inc.	2.65	0.17	2.48	-22.43
Healthways Inc	0.40	0.02	0.38	-21.60
Esterline Technologies Corp.	0.88	0.12	0.76	-20.90
Innospec Inc	0.66	0.06	0.60	-20.16
Verint Systems Inc	1.24	0.13	1.11	-17.70
Globus Medical Inc	2.64	0.10	2.54	-14.63
Korn/Ferry International	0.57	0.09	0.48	-14.43
% of Portfolio	11.43	0.86		

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

Buy-and-Hold Portfolio	1.78
Portfolio Trading	-0.12
Actual Return	1.66
Benchmark Return	-1.52
Actual Active Return	3.18
Stock Selection	4.33
Sector Selection	-1.35
Interaction	0.40
Total Selection	3.38
Portfolio Trading	-0.12
Benchmark Trading	0.08
Active Trading Impact	-0.20
Buy & Hold Active Return	3.18

	Allocation — 01/01/2016		Performance — 1 Quarter Ending March 31, 2016		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Stock	Sector	Interaction	Total
Consumer Discretionary	10.42	13.45	19.76	2.27	2.35	-0.12	-0.53	1.70
Consumer Staples	1.50	3.41	18.45	3.09	0.52	-0.09	-0.29	0.14
Energy	3.24	2.68	2.30	-8.27	0.28	-0.04	0.06	0.31
Financials	8.78	25.63	-2.68	0.31	-0.76	-0.32	0.50	-0.58
Health Care	23.18	16.52	-3.31	-16.93	2.25	-1.02	0.91	2.14
Industrials	19.40	12.13	4.36	4.45	-0.01	0.44	-0.01	0.42
Information Technology	24.70	18.03	-2.56	-1.57	-0.18	0.00	-0.07	-0.24
Materials	8.78	3.56	1.80	5.19	-0.12	0.35	-0.18	0.06
Other	0.00	0.04	0.00	-17.16	0.00	0.01	0.00	0.01
Telecommunication Services	0.00	0.84	0.00	5.93	0.00	-0.06	0.00	-0.06
Utilities	0.00	3.71	0.00	12.04	0.00	-0.51	0.00	-0.51
Total	100.00	100.00	1.78	-1.60	4.33	-1.35	0.40	3.38

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

International Equity

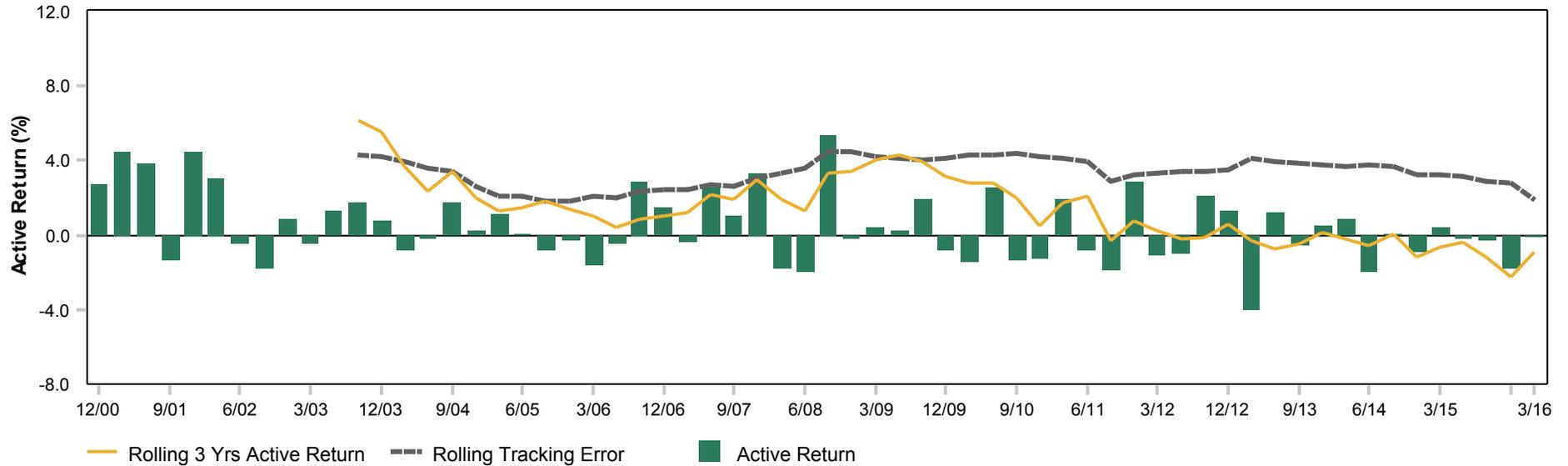
City of Ocala

Templeton
As of March 31, 2016

Gain / Loss

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Templeton					
Beginning Market Value	13,330,351	13,330,351	14,420,547	14,251,916	15,460,867
Net Cash Flows	1,000,000	1,000,000	1,000,000	-1,000,000	-2,300,000
Income	-	-	-	320,141	1,102,506
Gain/Loss	-341,469	-341,469	-1,431,665	416,825	-274,491
Ending Market Value	13,988,882	13,988,882	13,988,882	13,988,882	13,988,882

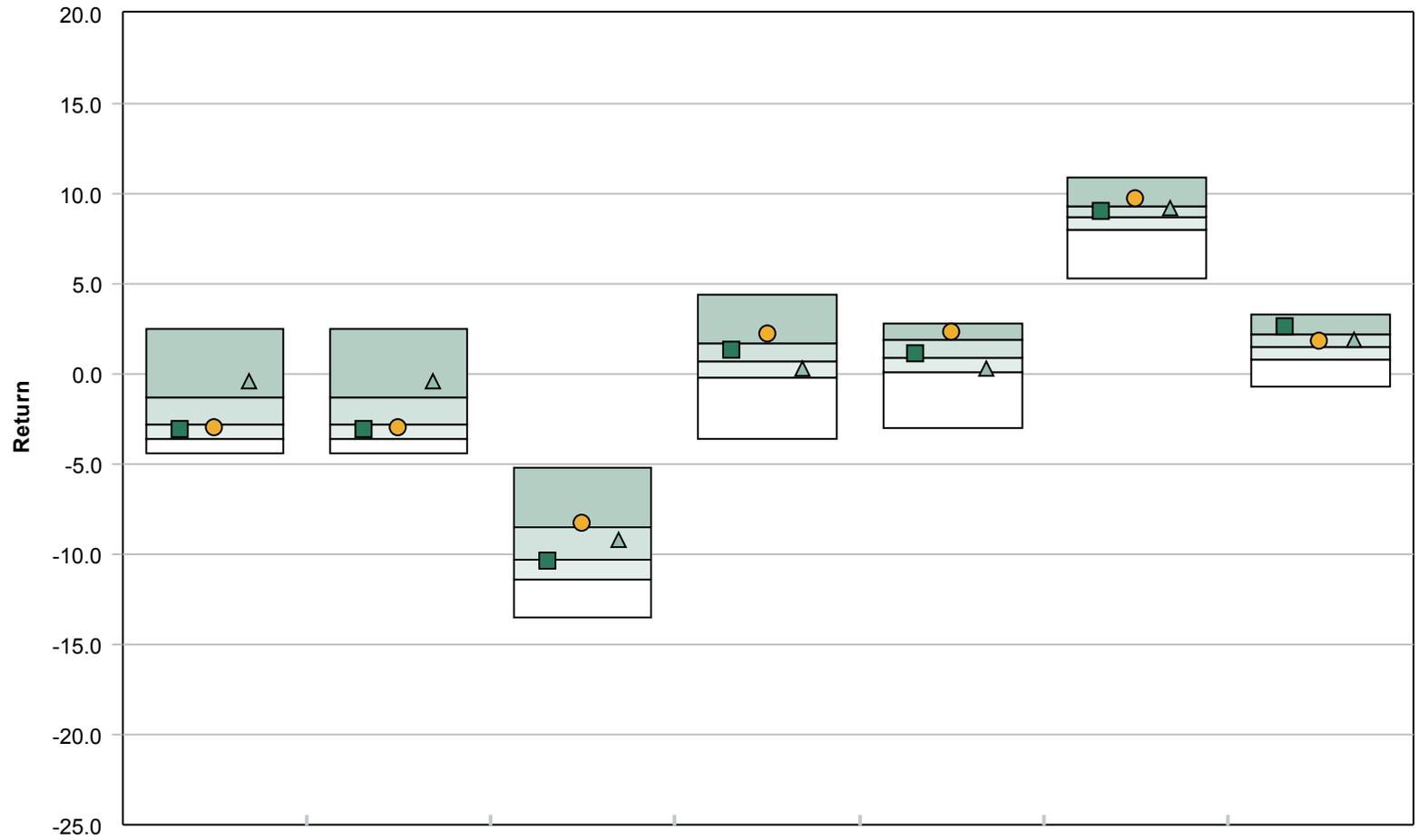
Rolling Return and Tracking Error



Performance

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Templeton	-3.10	-3.10	-10.42	1.30	1.06	9.03	2.65
MSCI EAFE (Net)	-3.01	-3.01	-8.27	2.23	2.29	9.69	1.80
Difference	-0.09	-0.09	-2.15	-0.93	-1.23	-0.66	0.85

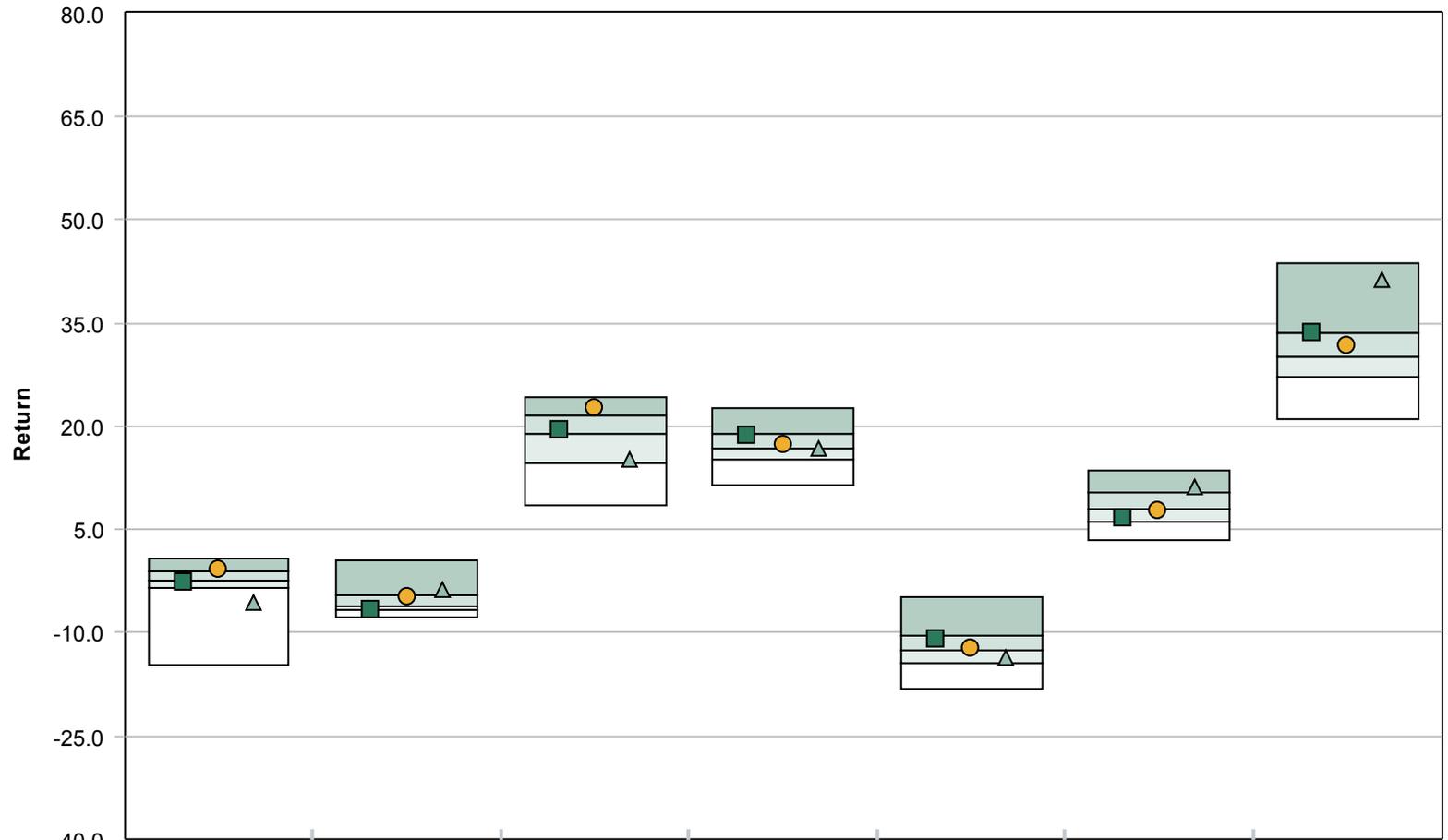
Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ Templeton	-3.10 (61)	-3.10 (61)	-10.42 (53)	1.30 (38)	1.06 (47)	9.03 (34)	2.65 (15)
● MSCI EAFE (Net)	-3.01 (56)	-3.01 (56)	-8.27 (21)	2.23 (13)	2.29 (17)	9.69 (17)	1.80 (39)
▲ MSCI AC World ex USA (Net)	-0.38 (19)	-0.38 (19)	-9.19 (31)	0.32 (62)	0.31 (72)	9.18 (31)	1.94 (30)
5th Percentile	2.54	2.54	-5.18	4.37	2.75	10.89	3.35
1st Quartile	-1.35	-1.35	-8.50	1.69	1.94	9.25	2.19
Median	-2.77	-2.77	-10.33	0.74	0.91	8.65	1.51
3rd Quartile	-3.65	-3.65	-11.36	-0.17	0.09	8.02	0.81
95th Percentile	-4.35	-4.35	-13.48	-3.58	-2.96	5.27	-0.70

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



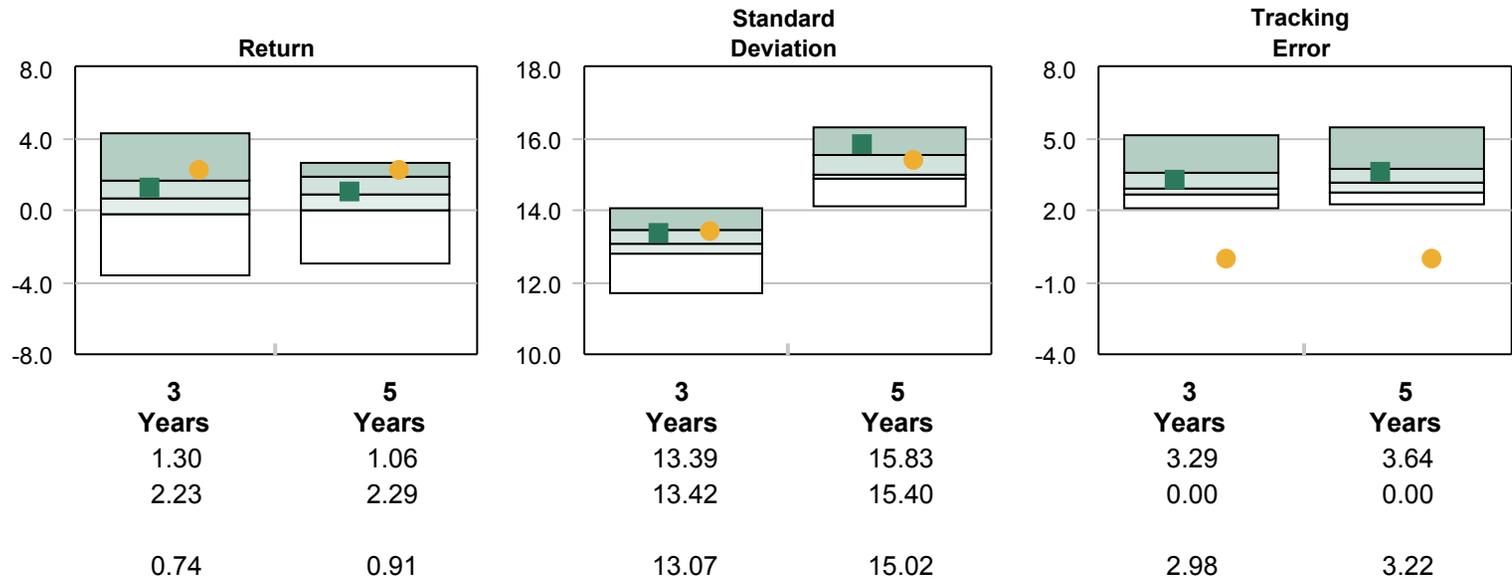
	2015	2014	2013	2012	2011	2010	2009
■ Templeton	-2.67 (56)	-6.78 (76)	19.51 (44)	18.55 (35)	-10.90 (33)	6.70 (70)	33.68 (26)
● MSCI EAFE (Net)	-0.81 (18)	-4.90 (28)	22.78 (12)	17.32 (44)	-12.14 (46)	7.75 (52)	31.78 (30)
▲ MSCI AC World ex USA (Net)	-5.66 (86)	-3.87 (17)	15.29 (71)	16.83 (50)	-13.71 (68)	11.15 (15)	41.45 (10)
5th Percentile	0.82	0.52	24.30	22.74	-4.90	13.47	43.76
1st Quartile	-1.15	-4.61	21.52	18.98	-10.36	10.34	33.69
Median	-2.42	-6.11	18.92	16.78	-12.55	7.93	30.06
3rd Quartile	-3.40	-6.75	14.57	15.23	-14.28	6.26	27.22
95th Percentile	-14.61	-7.62	8.49	11.56	-18.25	3.41	20.99

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

City of Ocala

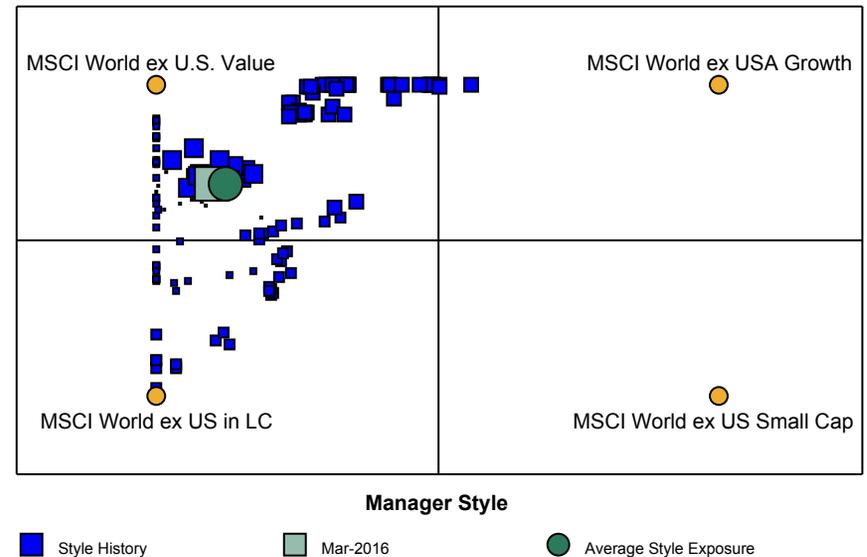
Templeton
As of March 31, 2016



Up Market Capture



Down Market Capture



Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

City of Ocala

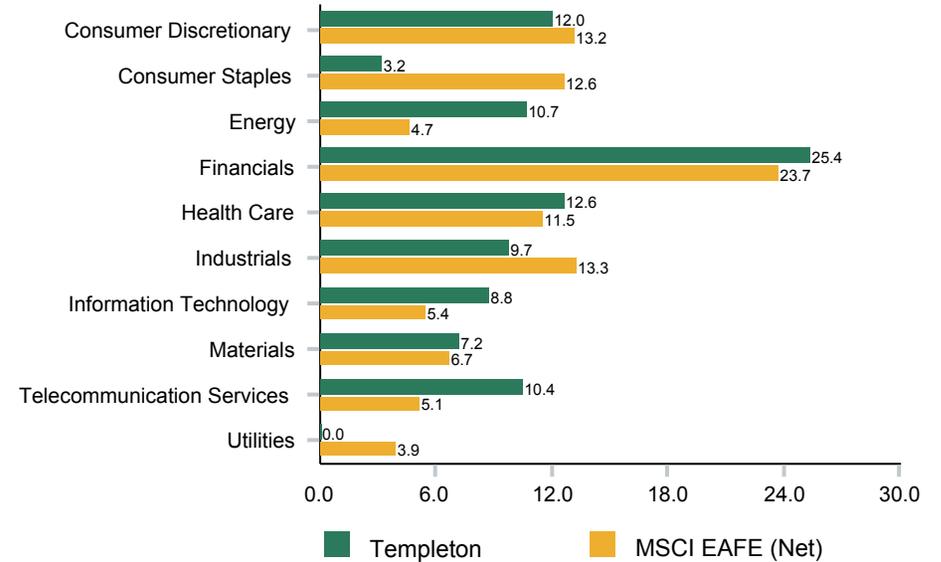
Templeton

As of March 31, 2016

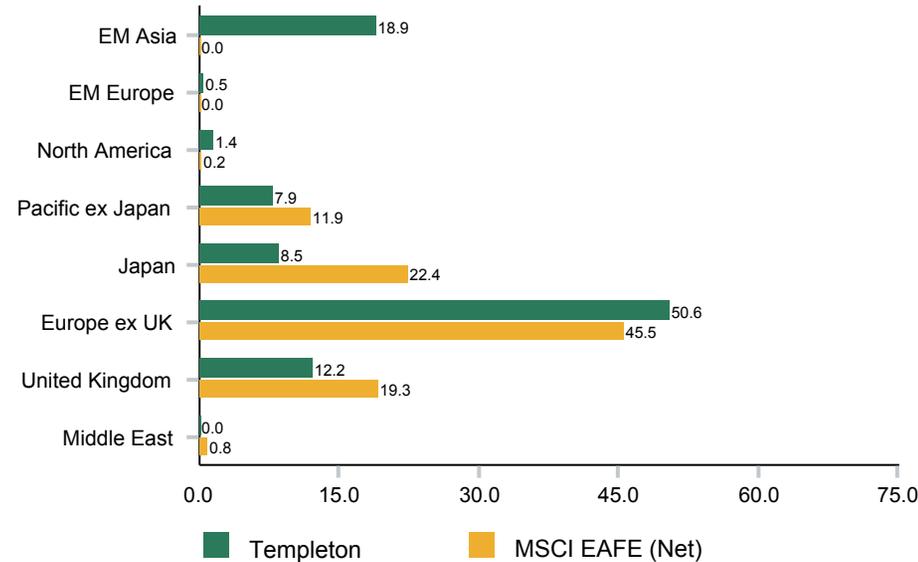
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Samsung Electronics Co Ltd	3.38	0.00	3.38	7.12
Roche Holding AG	2.68	1.46	1.22	-7.62
ING Groep NV	2.30	0.39	1.91	-10.41
Nissan Motor Co Ltd	2.22	0.19	2.03	-11.18
BNP Paribas	2.13	0.45	1.68	-11.14
Bayer AG	2.12	0.82	1.30	-6.40
CIE Generale - Michelin SA	2.09	0.16	1.93	7.35
Schweizerische Rueckversicherungs	1.98	0.27	1.71	-5.34
Suntory Beverage & Food Ltd	1.94	0.05	1.89	2.01
Singapore Telecommunications Ltd	1.87	0.19	1.68	9.68
% of Portfolio	22.71	3.98		

Sector Weights (%)



Region



Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$)	53,066,562,630	53,327,319,271
Median Mkt. Cap (\$)	23,500,535,023	8,939,839,148
Price/Earnings ratio	13.20	15.44
Price/Book ratio	1.85	2.17
5 Yr. EPS Growth Rate (%)	3.58	5.98
Current Yield (%)	3.34	3.37
Beta (5 Years, Monthly)	1.00	1.00
Number of Stocks	99	928

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

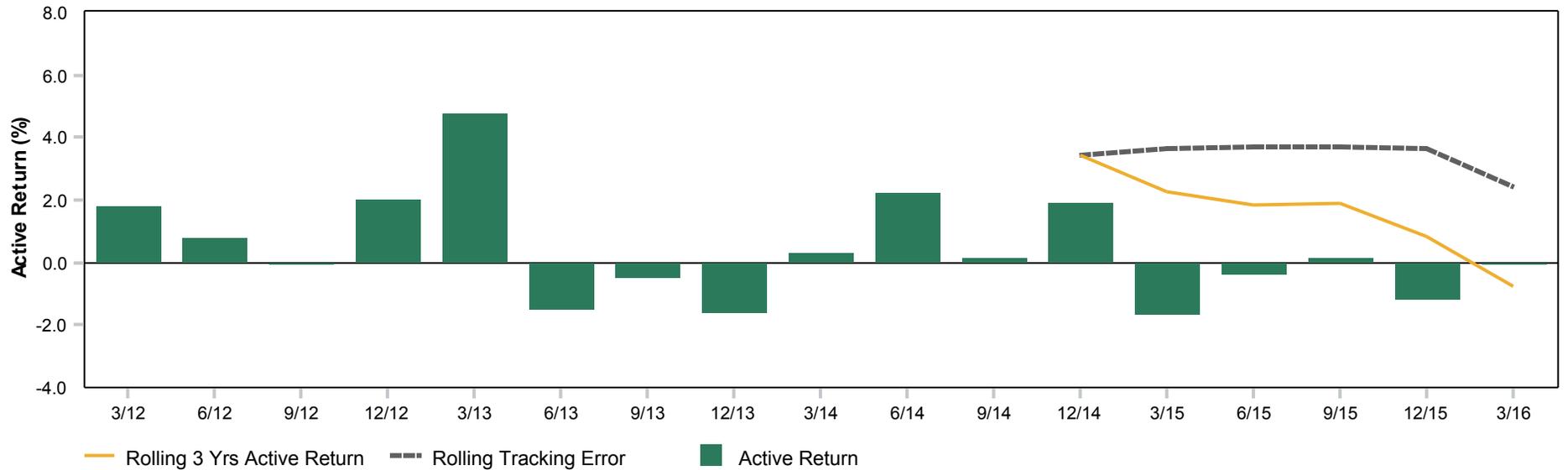
City of Ocala

Acadian
As of March 31, 2016

Gain / Loss

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Acadian					
Beginning Market Value	9,854,671	9,854,671	10,987,106	4,520,535	-
Net Cash Flows	-	-	1,000,000	8,100,000	-
Income	-	-	-	-	-
Gain/Loss	561,936	561,936	-1,570,499	-2,203,928	-
Ending Market Value	10,416,607	10,416,607	10,416,607	10,416,607	-

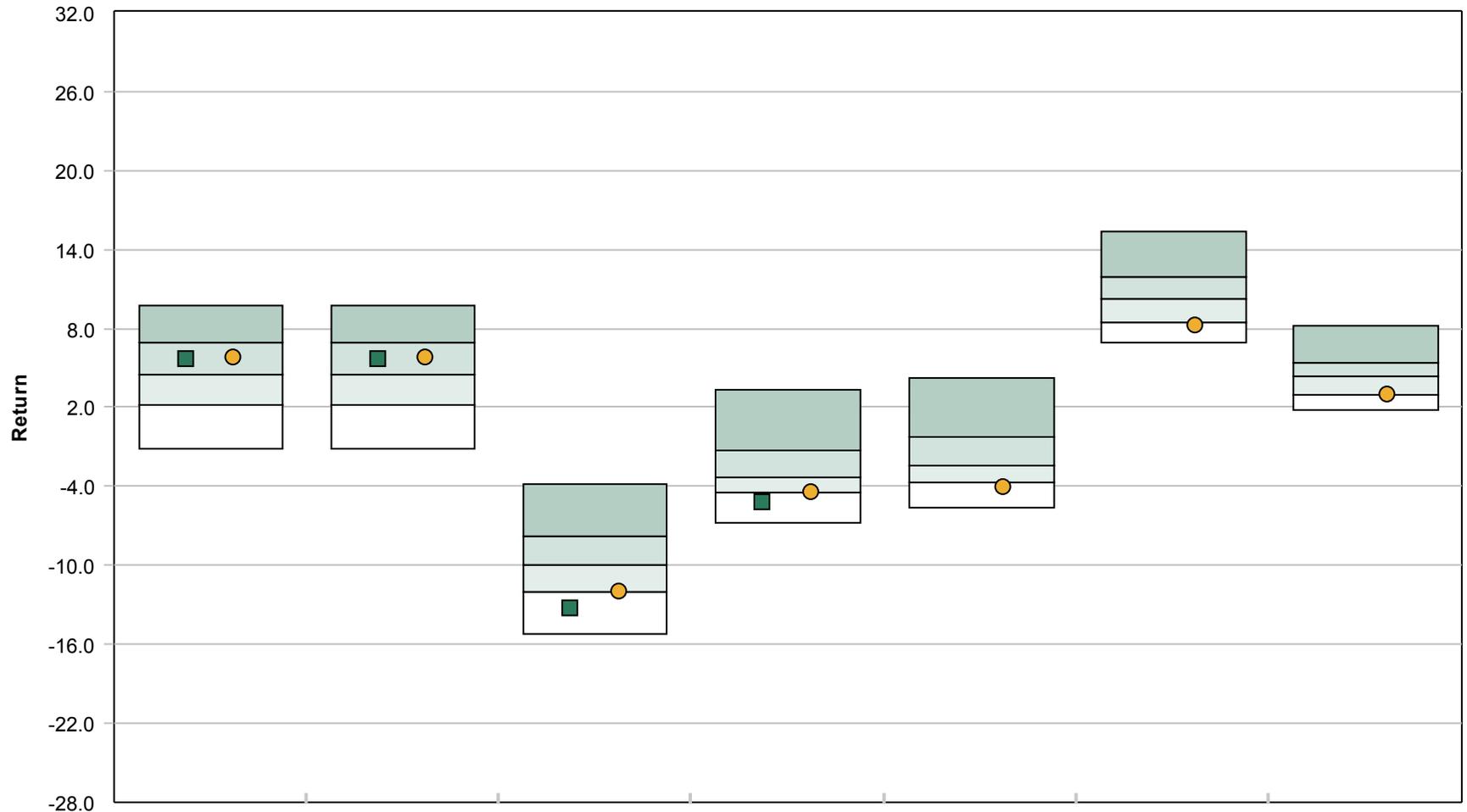
Rolling Return and Tracking Error



Performance

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Acadian	5.70	5.70	-13.29	-5.25	N/A	N/A	N/A
MSCI EM (net)	5.71	5.71	-12.03	-4.50	-4.13	8.21	3.02
Difference	-0.01	-0.01	-1.26	-0.75	N/A	N/A	N/A

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ Acadian	5.70 (36)	5.70 (36)	-13.29 (86)	-5.25 (86)	N/A	N/A	N/A
● MSCI EM (net)	5.71 (36)	5.71 (36)	-12.03 (76)	-4.50 (75)	-4.13 (81)	8.21 (81)	3.02 (72)
5th Percentile	9.75	9.75	-3.82	3.39	4.22	15.41	8.21
1st Quartile	6.87	6.87	-7.83	-1.28	-0.26	11.92	5.45
Median	4.48	4.48	-9.90	-3.27	-2.37	10.20	4.31
3rd Quartile	2.18	2.18	-11.99	-4.51	-3.67	8.44	2.94
95th Percentile	-1.09	-1.09	-15.18	-6.80	-5.67	6.90	1.80

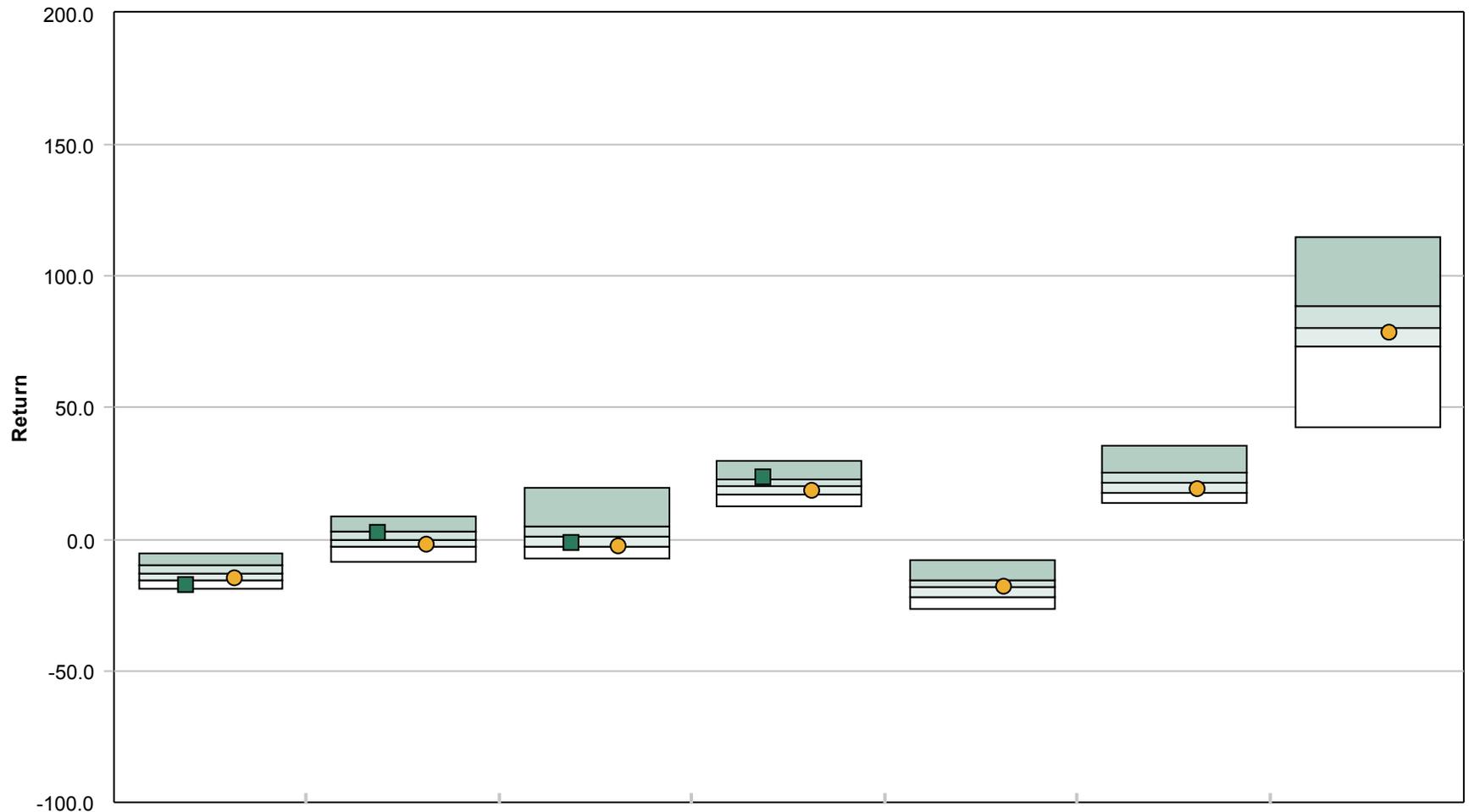
Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

City of Ocala

IM Emerging Markets Equity (SA+CF)

As of March 31, 2016



	2015	2014	2013	2012	2011	2010	2009
■ Acadian	-17.50 (89)	2.27 (31)	-1.63 (68)	23.41 (23)	N/A	N/A	N/A
● MSCI EM (net)	-14.92 (67)	-2.19 (72)	-2.60 (75)	18.23 (69)	-18.42 (52)	18.88 (70)	78.51 (58)
5th Percentile	-5.13	8.82	19.72	29.80	-8.19	35.38	115.01
1st Quartile	-9.56	3.05	5.06	23.04	-15.69	25.65	88.94
Median	-12.83	-0.21	0.77	20.49	-18.25	21.76	80.12
3rd Quartile	-15.35	-2.77	-2.65	17.27	-21.75	18.01	73.25
95th Percentile	-18.75	-8.46	-7.53	12.47	-26.43	13.75	42.45

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

City of Ocala

Acadian

As of March 31, 2016

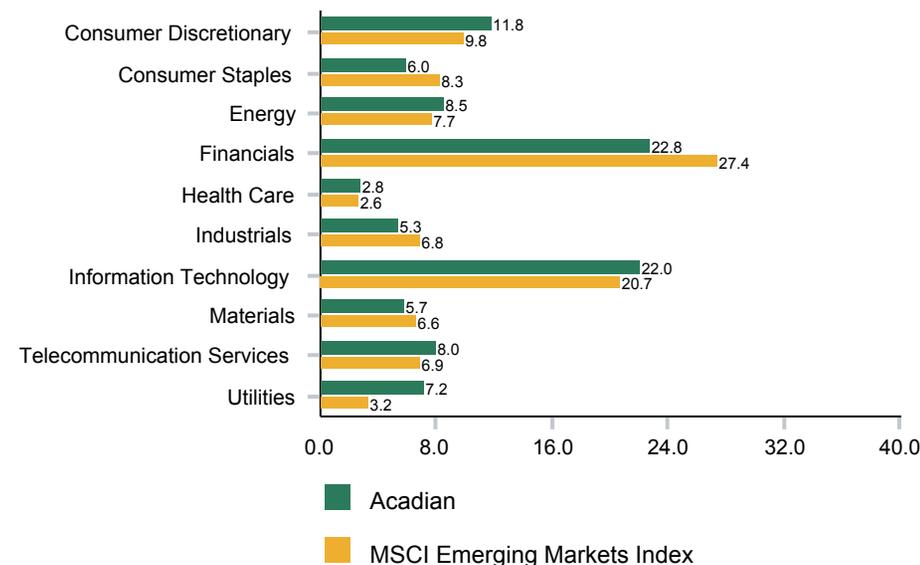
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$)	30,028,376,055	41,805,455,684
Median Mkt. Cap (\$)	2,310,857,031	5,009,796,601
Price/Earnings ratio	9.42	12.39
Price/Book ratio	1.91	2.23
5 Yr. EPS Growth Rate (%)	9.45	8.16
Current Yield (%)	3.25	2.95
Beta (3 Years, Monthly)	0.97	1.00
Number of Stocks	507	835

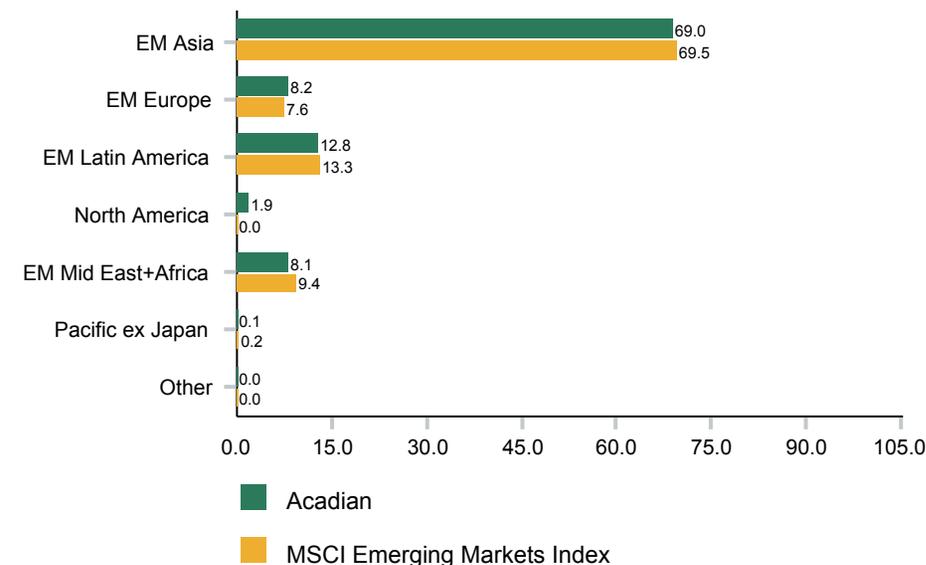
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Samsung Electronics Co Ltd	5.39	3.49	1.90	7.12
Hon Hai Precision Industry Co Ltd	2.54	1.05	1.49	7.11
Bank of China Ltd	2.25	0.91	1.34	-7.02
Credicorp Ltd	1.85	0.24	1.61	33.50
Korea Electric Power Corp	1.85	0.37	1.48	23.86
Tenaga Nasional Berhad	1.72	0.33	1.39	15.29
Kia Motors Corp	1.66	0.31	1.35	-5.54
China Mobile Ltd	1.64	1.89	-0.25	-1.29
Steinhoff Investment Holdings Ltd	1.50	0.52	0.98	29.83
Aurobindo Pharma Ltd	1.44	0.08	1.36	-14.94
% of Portfolio	21.84	9.19		

Sector Weights (%)



Region



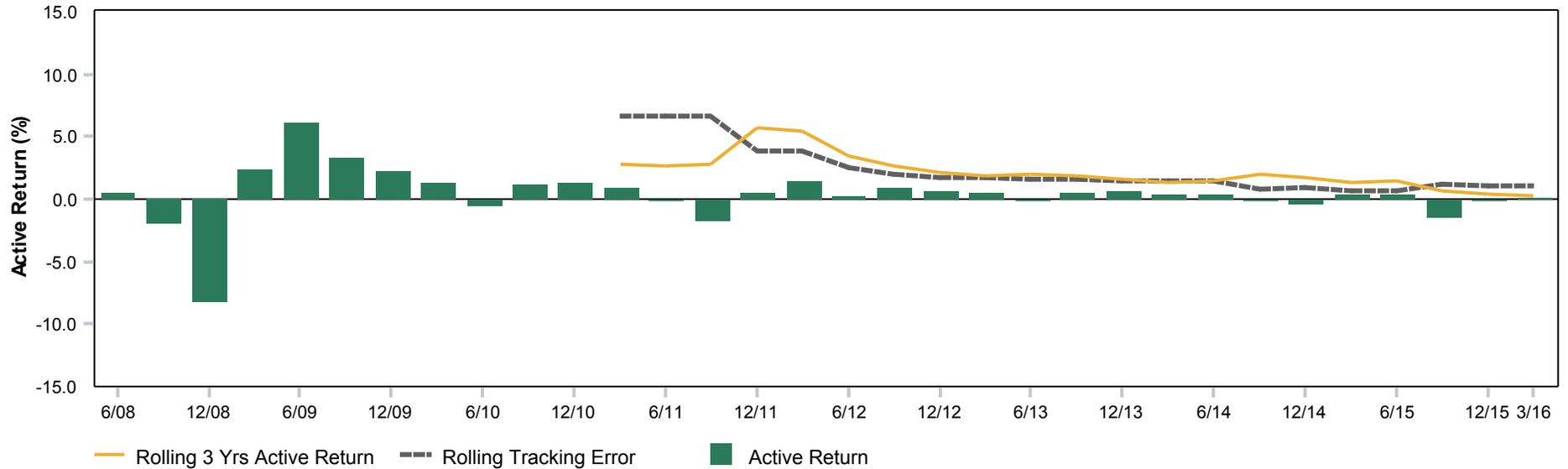
Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

Fixed Income

Gain / Loss

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Pyramis					
Beginning Market Value	18,918,535	18,918,535	19,322,600	13,557,014	12,892,679
Net Cash Flows	-	-	-	4,600,000	3,483,549
Income	-	-	-	-	-
Gain/Loss	590,557	590,557	186,492	1,352,078	3,132,864
Ending Market Value	19,509,092	19,509,092	19,509,092	19,509,092	19,509,092

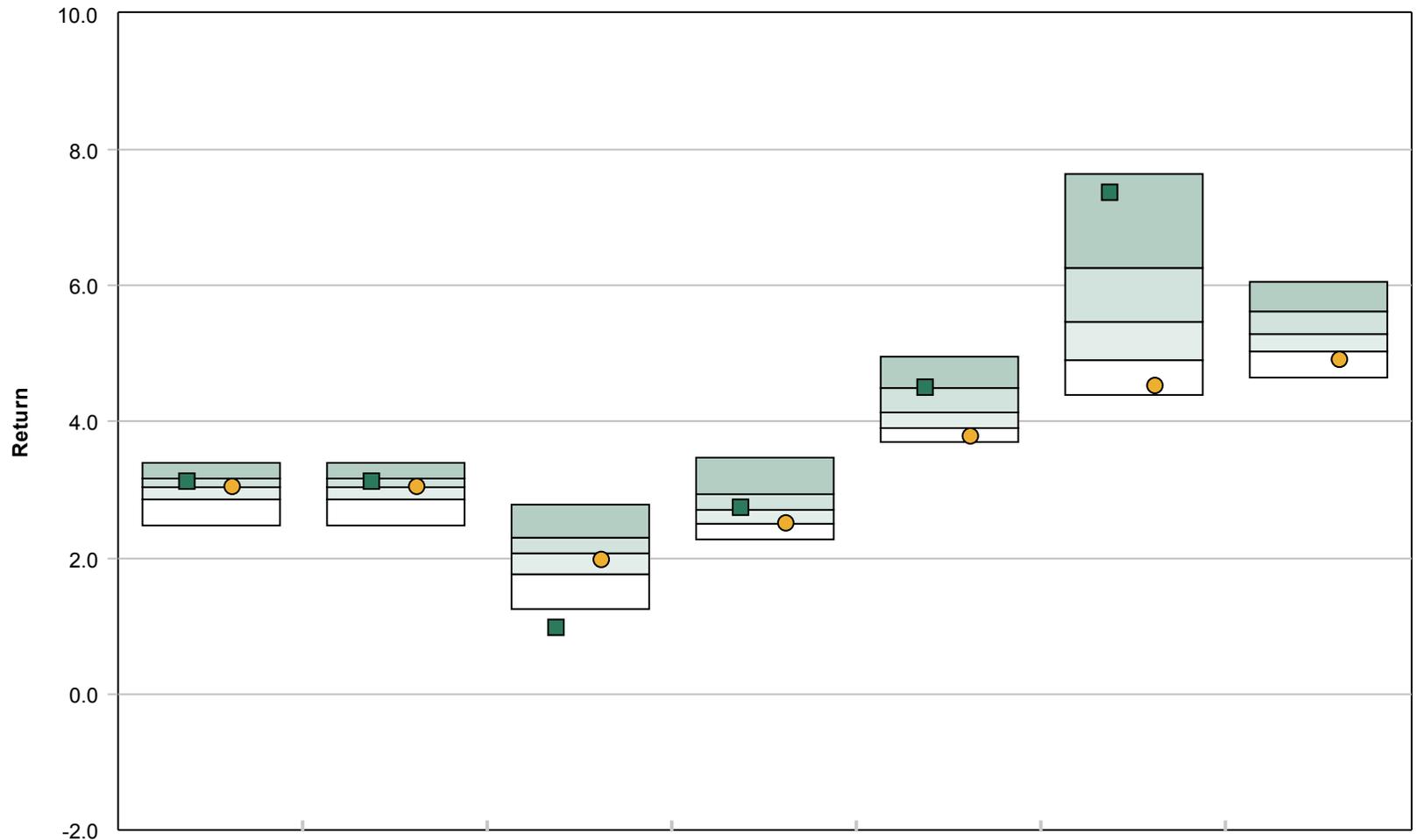
Rolling Return and Tracking Error



Performance

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Pyramis	3.12	3.12	0.97	2.74	4.49	7.37	N/A
Barclays U.S. Aggregate	3.03	3.03	1.96	2.50	3.78	4.52	4.90
Difference	0.09	0.09	-0.99	0.24	0.71	2.85	N/A

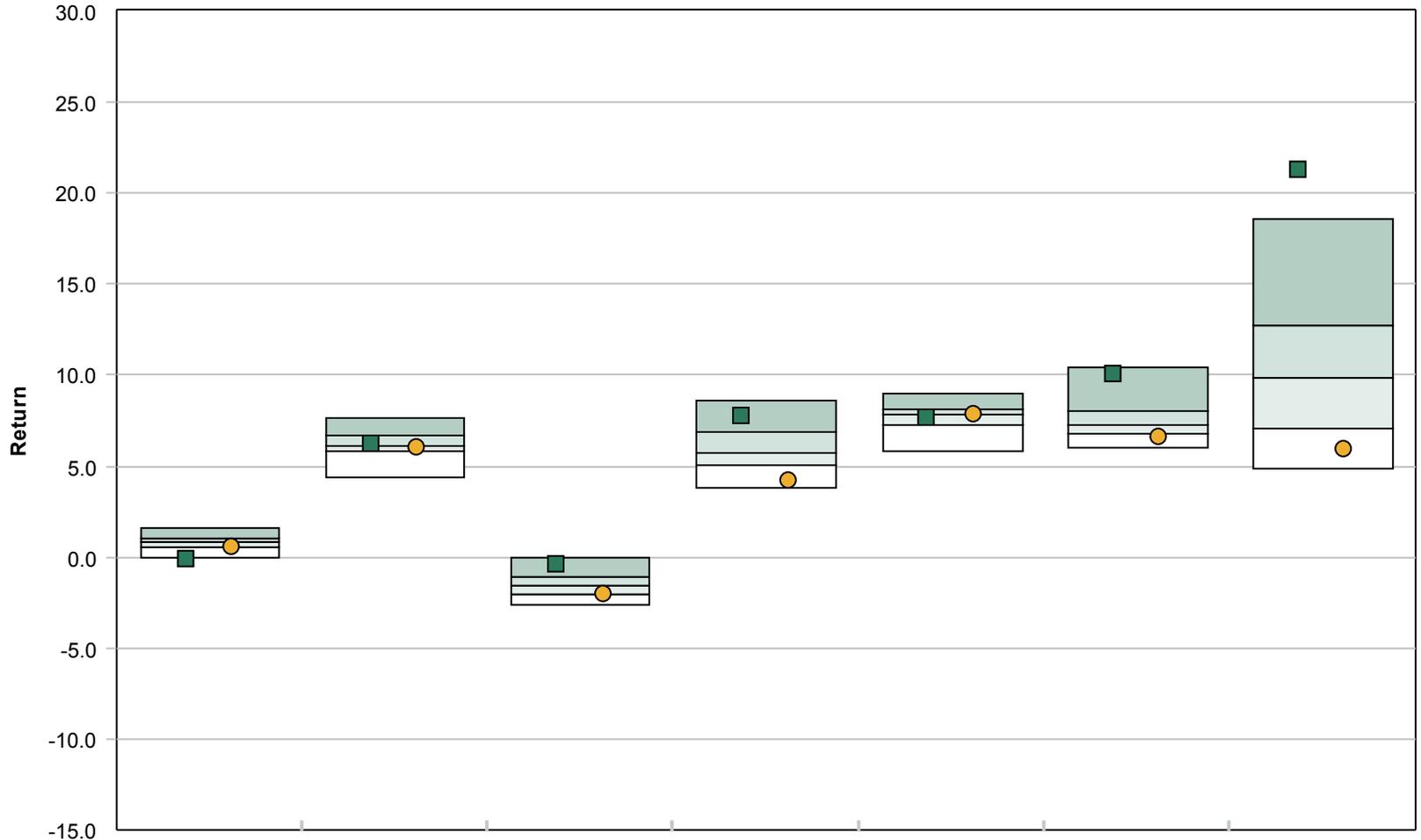
Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ Pyramis	3.12 (36)	3.12 (36)	0.97 (98)	2.74 (44)	4.49 (26)	7.37 (7)	N/A
● Barclays U.S. Aggregate	3.03 (52)	3.03 (52)	1.96 (60)	2.50 (76)	3.78 (87)	4.52 (92)	4.90 (86)
5th Percentile	3.41	3.41	2.79	3.47	4.96	7.65	6.05
1st Quartile	3.17	3.17	2.31	2.93	4.50	6.26	5.62
Median	3.04	3.04	2.06	2.71	4.14	5.46	5.30
3rd Quartile	2.87	2.87	1.77	2.50	3.92	4.92	5.03
95th Percentile	2.47	2.47	1.25	2.26	3.71	4.39	4.65

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

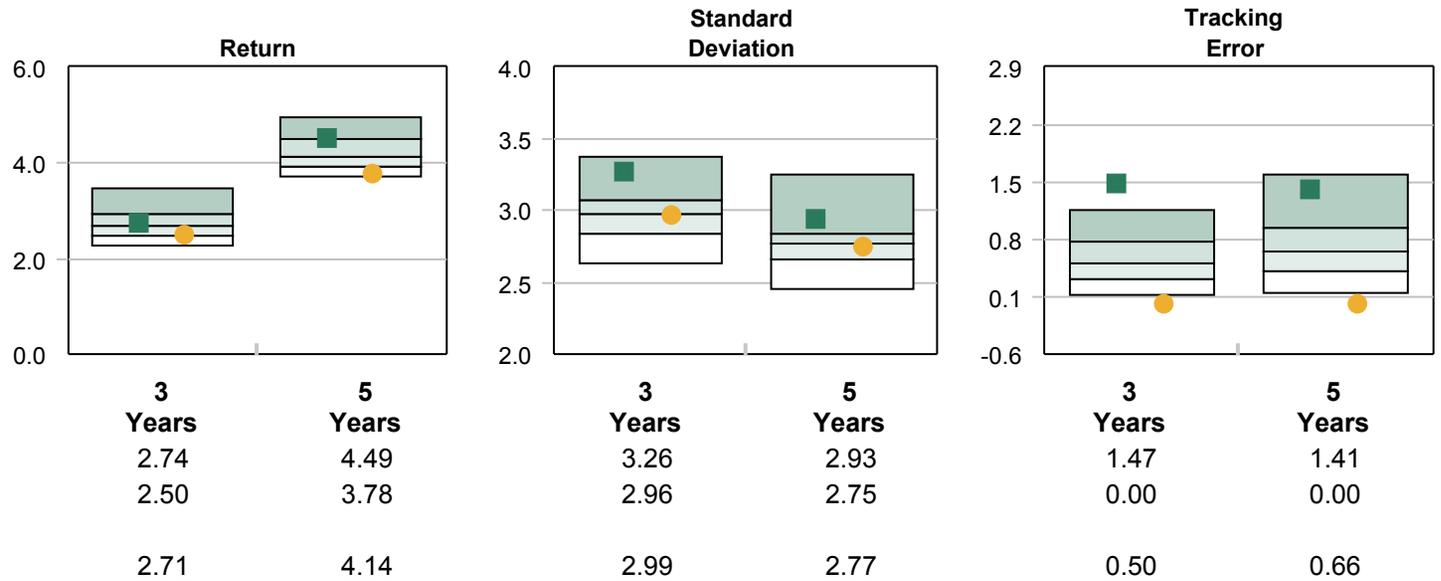
Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



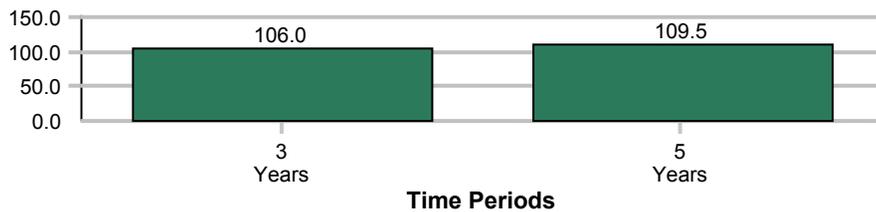
	2015	2014	2013	2012	2011	2010	2009
■ Pyramis	-0.11 (98)	6.19 (47)	-0.46 (10)	7.73 (11)	7.69 (58)	10.03 (7)	21.29 (3)
● Barclays U.S. Aggregate	0.55 (74)	5.97 (66)	-2.02 (74)	4.21 (90)	7.84 (49)	6.54 (83)	5.93 (88)
5th Percentile	1.57	7.66	-0.01	8.57	8.97	10.42	18.55
1st Quartile	1.06	6.72	-1.04	6.90	8.14	8.06	12.72
Median	0.81	6.14	-1.56	5.73	7.83	7.22	9.81
3rd Quartile	0.53	5.79	-2.04	5.05	7.25	6.74	7.09
95th Percentile	-0.05	4.36	-2.59	3.84	5.81	6.04	4.84

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

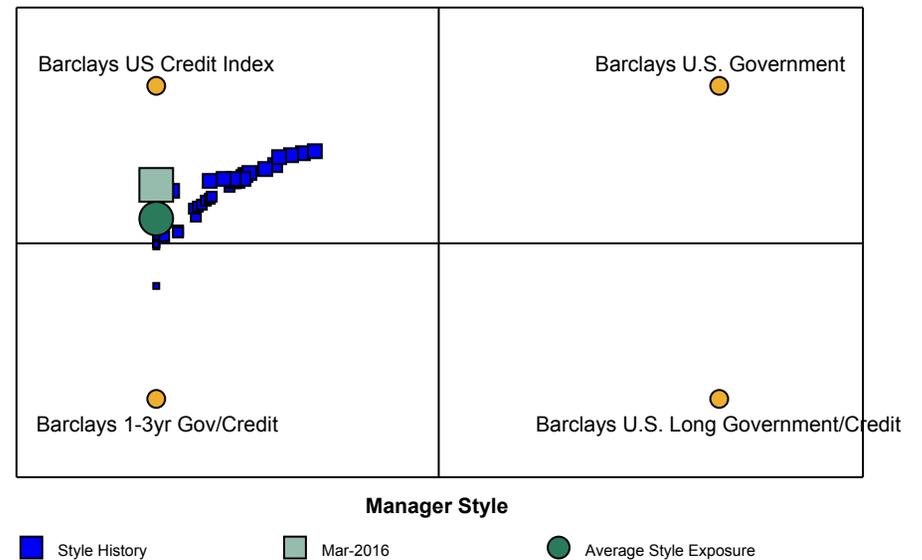
Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



Up Market Capture



Down Market Capture



Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

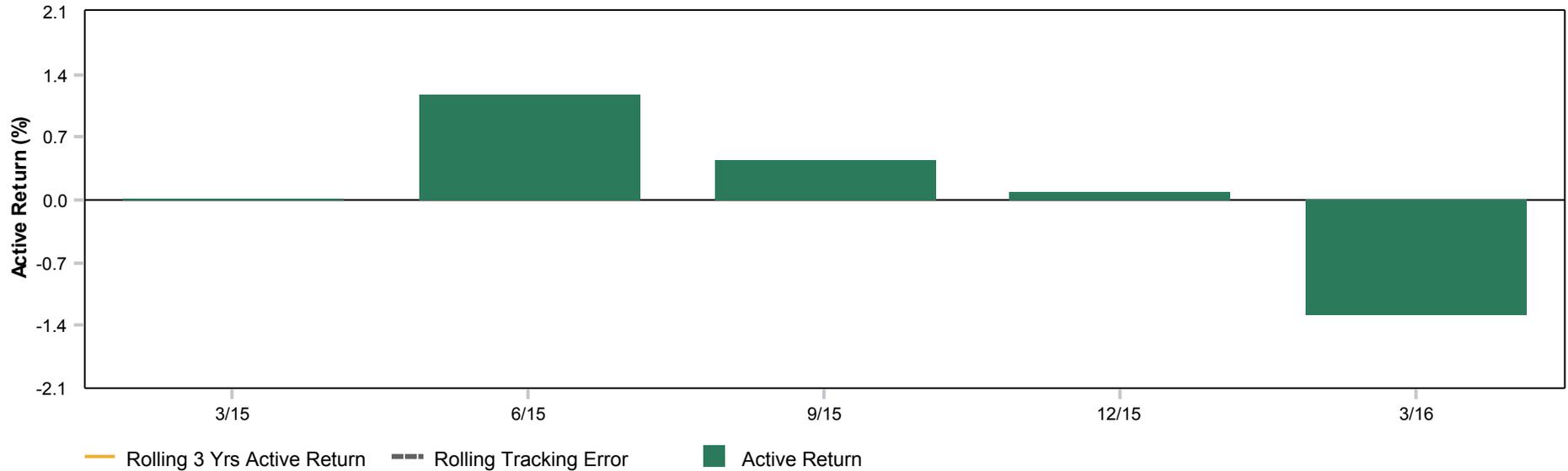
City of Ocala

DoubleLine
As of March 31, 2016

Gain / Loss

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
DoubleLine					
Beginning Market Value	18,440,454	18,440,454	18,314,794	-	-
Net Cash Flows	-	-	-	-	-
Income	169,641	169,641	732,824	-	-
Gain/Loss	153,757	153,757	-283,766	-	-
Ending Market Value	18,763,852	18,763,852	18,763,852	-	-

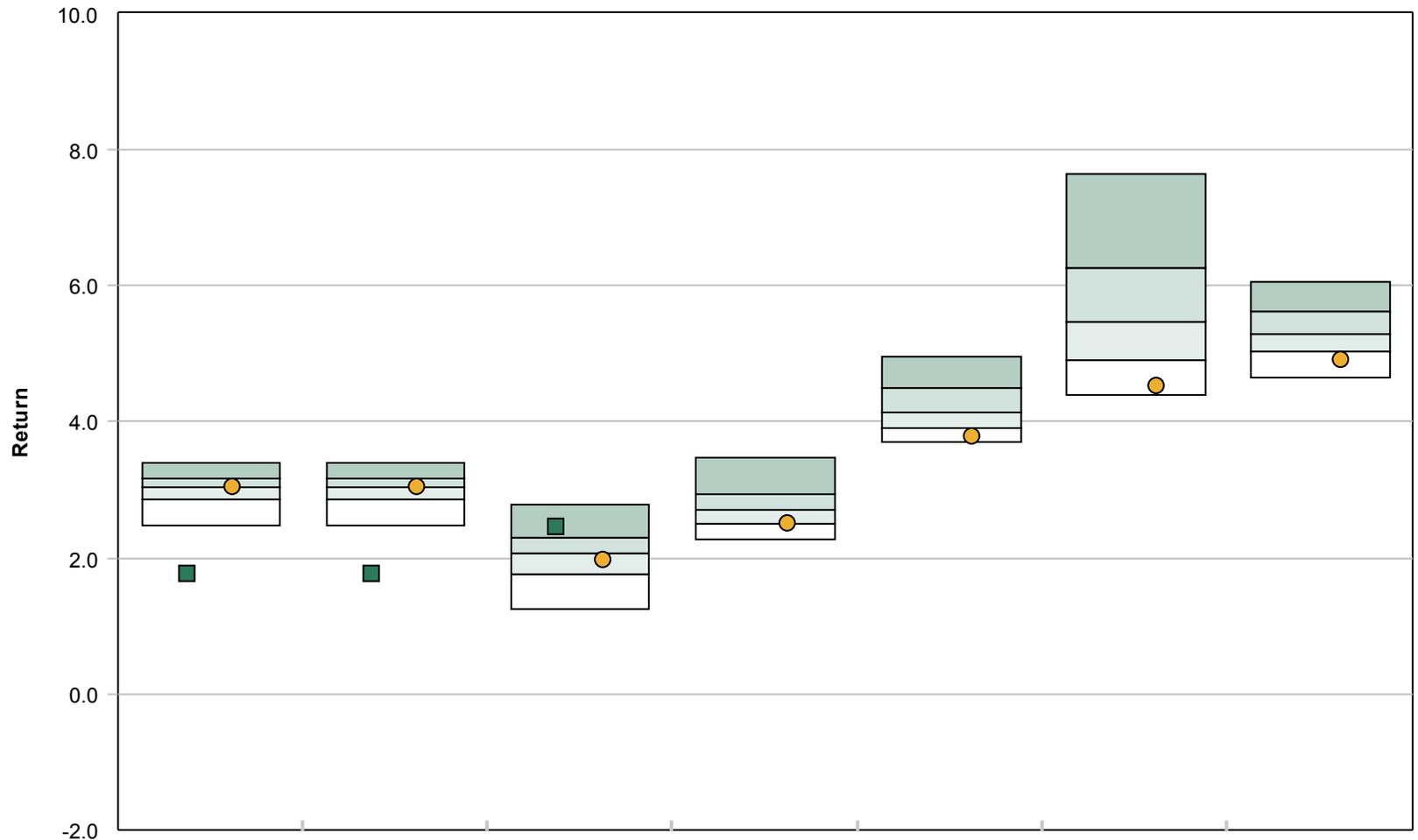
Rolling Return and Tracking Error



Performance

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
DoubleLine	1.75	1.75	2.45	N/A	N/A	N/A	N/A
Barclays U.S. Aggregate	3.03	3.03	1.96	2.50	3.78	4.52	4.90
Difference	-1.28	-1.28	0.49	N/A	N/A	N/A	N/A

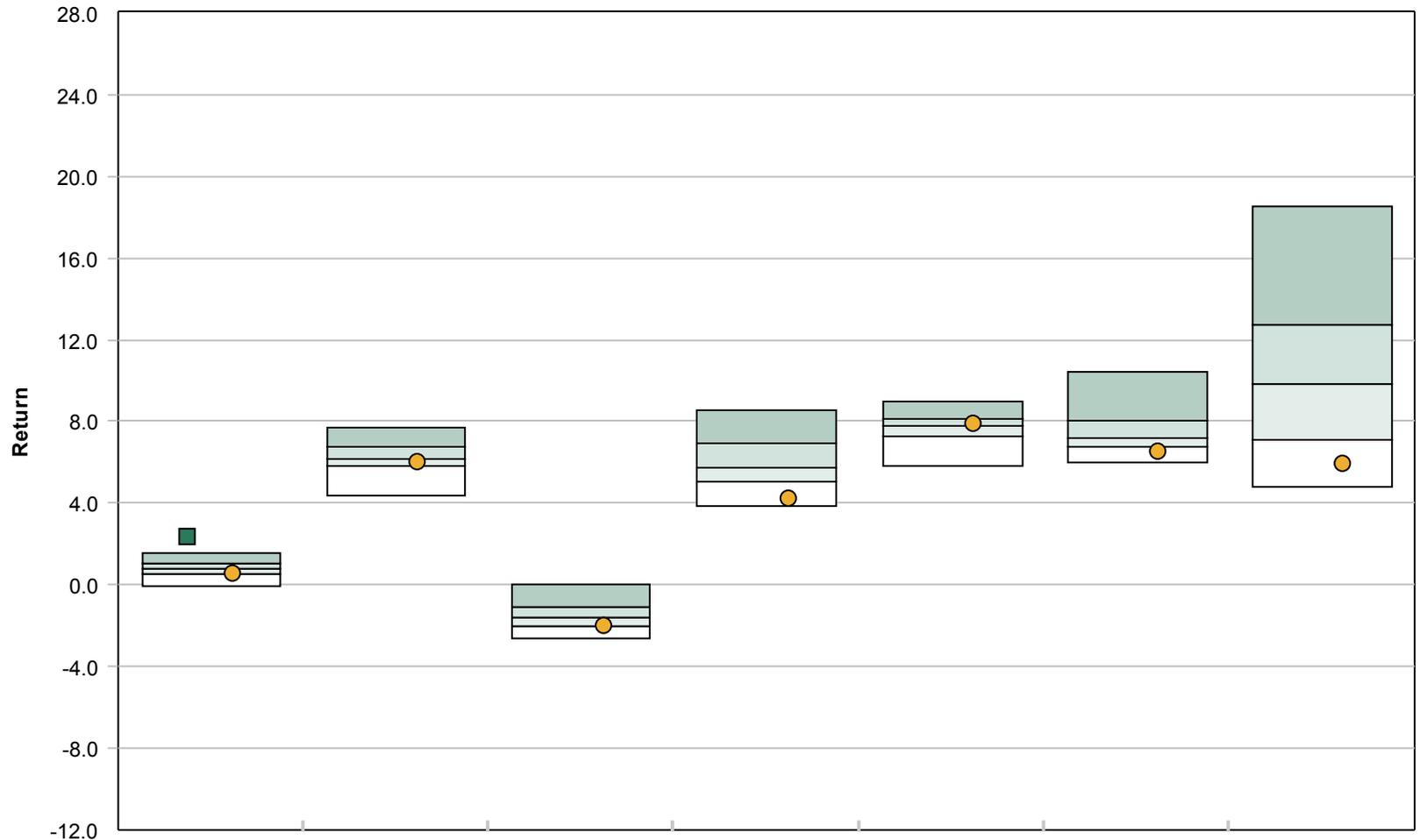
Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
DoubleLine	1.75 (100)	1.75 (100)	2.45 (19)	N/A	N/A	N/A	N/A
Barclays U.S. Aggregate	3.03 (52)	3.03 (52)	1.96 (60)	2.50 (76)	3.78 (87)	4.52 (92)	4.90 (86)
5th Percentile	3.41	3.41	2.79	3.47	4.96	7.65	6.05
1st Quartile	3.17	3.17	2.31	2.93	4.50	6.26	5.62
Median	3.04	3.04	2.06	2.71	4.14	5.46	5.30
3rd Quartile	2.87	2.87	1.77	2.50	3.92	4.92	5.03
95th Percentile	2.47	2.47	1.25	2.26	3.71	4.39	4.65

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



	2015	2014	2013	2012	2011	2010	2009
DoubleLine	2.32 (1)	N/A	N/A	N/A	N/A	N/A	N/A
Barclays U.S. Aggregate	0.55 (74)	5.97 (66)	-2.02 (74)	4.21 (90)	7.84 (49)	6.54 (83)	5.93 (88)
5th Percentile	1.57	7.66	-0.01	8.57	8.97	10.42	18.55
1st Quartile	1.06	6.72	-1.04	6.90	8.14	8.06	12.72
Median	0.81	6.14	-1.56	5.73	7.83	7.22	9.81
3rd Quartile	0.53	5.79	-2.04	5.05	7.25	6.74	7.09
95th Percentile	-0.05	4.36	-2.59	3.84	5.81	6.04	4.84

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Real Estate

City of Ocala

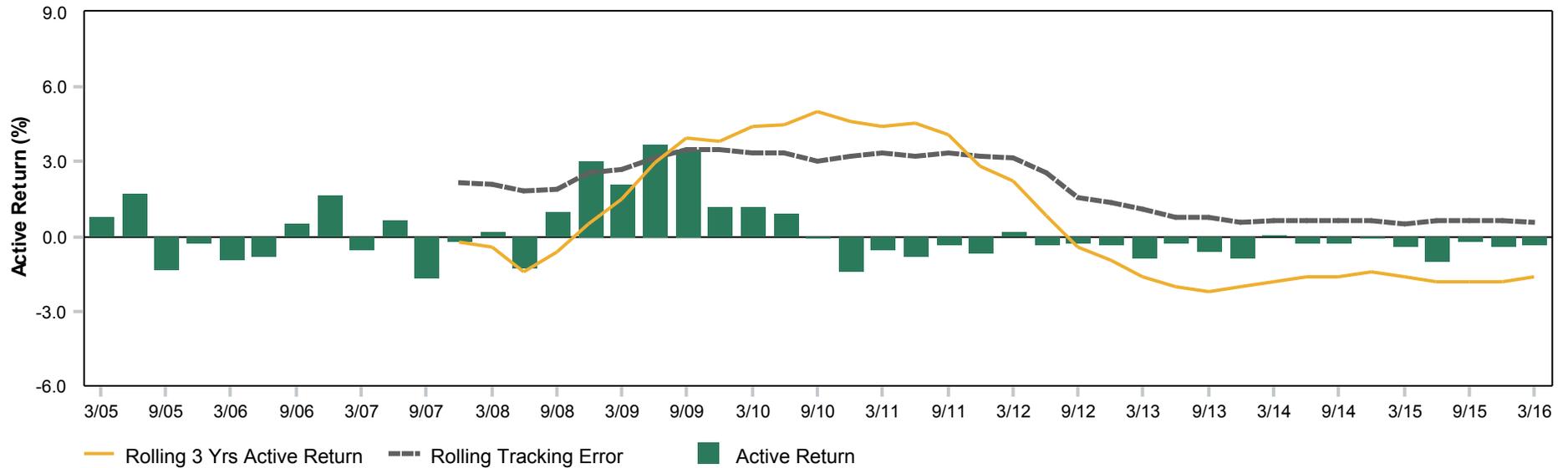
UBS Realty Investors

As of March 31, 2016

Gain / Loss

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
UBS Realty Investors					
Beginning Market Value	7,550,374	7,550,374	6,946,278	5,693,133	4,756,095
Net Cash Flows	-22,457	-22,457	-85,793	-233,660	-356,351
Income	-	-	-	-	-
Gain/Loss	156,226	156,226	823,657	2,224,671	3,284,399
Ending Market Value	7,684,143	7,684,143	7,684,143	7,684,143	7,684,143

Rolling Return and Tracking Error



Performance

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
UBS Realty Investors	2.08	2.08	11.93	11.81	11.35	8.71	6.74
NCREIF ODCE Equal Weighted	2.44	2.44	14.10	13.58	13.22	8.60	6.12
Difference	-0.36	-0.36	-2.17	-1.77	-1.87	0.11	0.62

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

Fund Information

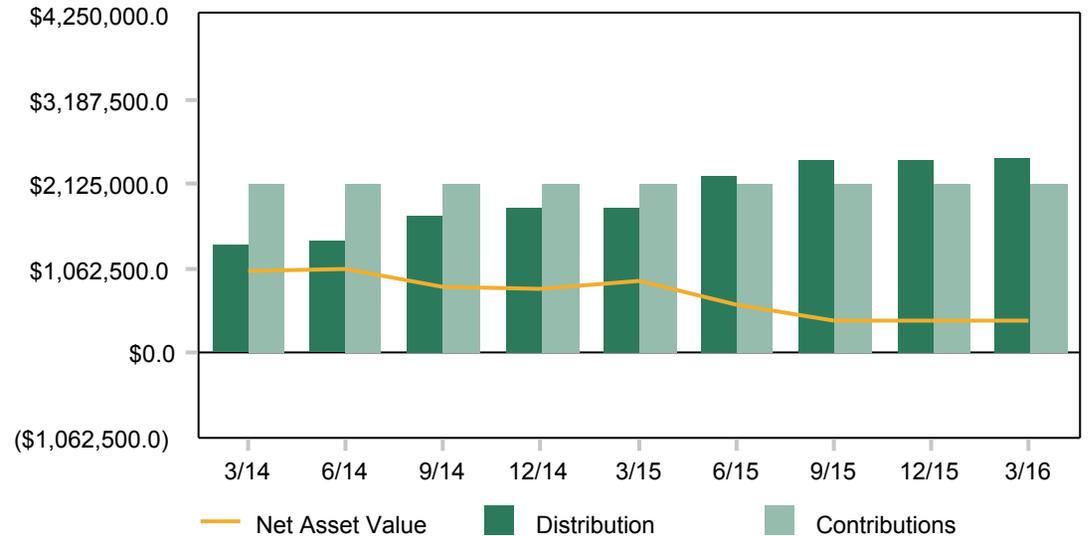
Type of Fund:	Direct	Vintage Year:	2007
Strategy Type:	Value-Add Real Estate	Management Fee:	1.00% on undrawn during commitment period; 1.50% on invested
Size of Fund:	875,000,000	Preferred Return:	10% per annum cumulative preferred return
Inception:	06/01/2006	General Partner:	LREP IV LLC
Final Close:	04/30/2008		

Investment Strategy: The Fund will principally target transactions in markets with positive fundamentals that offer an opportunity to increase returns through the execution of a value-added strategy. Accordingly, such investments are expected to benefit not only from improving local occupancy and rent growth conditions, but also from the excess return created by the successful completion of each plan for value enhancement. Within these parameters, the Investment Manager targets opportunities across a diverse array of property types and metropolitan areas.

Cash Flow Summary

Capital Committed:	\$2,400,000
Total Contributions:	\$2,142,087
Remaining Capital Commitment:	\$257,913
Total Distributions:	\$2,465,263
Market Value:	\$401,868
Inception Date:	05/19/2008
Inception IRR:	7.79
TVPI:	1.34

Cash Flow Analysis



Due to the inconsistencies in reporting methodologies among managers, we do not report on Capital Invested, Management Fees, Expenses and Interest. However, the Market Value is net of all fees and expenses, and Total Contributions reflects interest paid.

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

City of Ocala

Colony

As of March 31, 2016

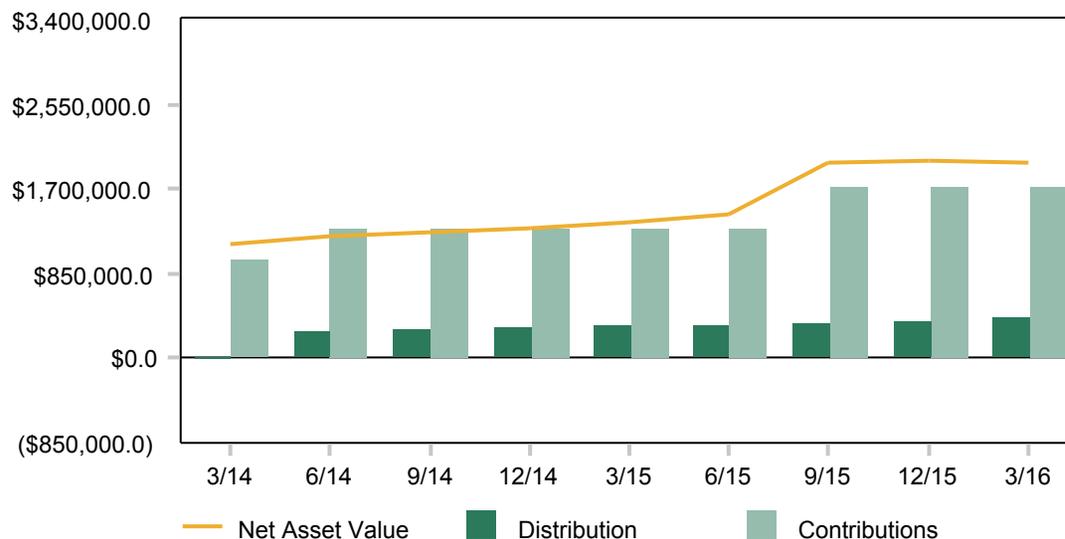
Fund Information

Type of Fund:	Partnership	Vintage Year:	2012
Strategy Type:	Value-Add Real Estate	Management Fee:	1.5% of committed equity
Size of Fund:	111,224,500	Preferred Return:	9%
Inception:	01/18/2012	General Partner:	Colony Capital
Final Close:	07/19/2013		
Investment Strategy:	Acquire a portfolio of domestic, cash yielding real estate assets using leverage at approximately 50% and intensely manage those assets to profitable dispositions.		

Cash Flow Summary

Capital Committed:	\$2,000,000
Total Contributions:	\$1,730,693
Remaining Capital Commitment:	\$717,908
Total Distributions:	\$397,394
Market Value:	\$1,960,724
Inception Date:	10/03/2013
Inception IRR:	20.40
TVPI:	1.40

Cash Flow Analysis



Due to the inconsistencies in reporting methodologies among managers, we do not report on Capital Invested, Management Fees, Expenses and Interest. However, the Market Value is net of all fees and expenses, and Total Contributions reflects interest paid.

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

City of Ocala

Penn

As of March 31, 2016

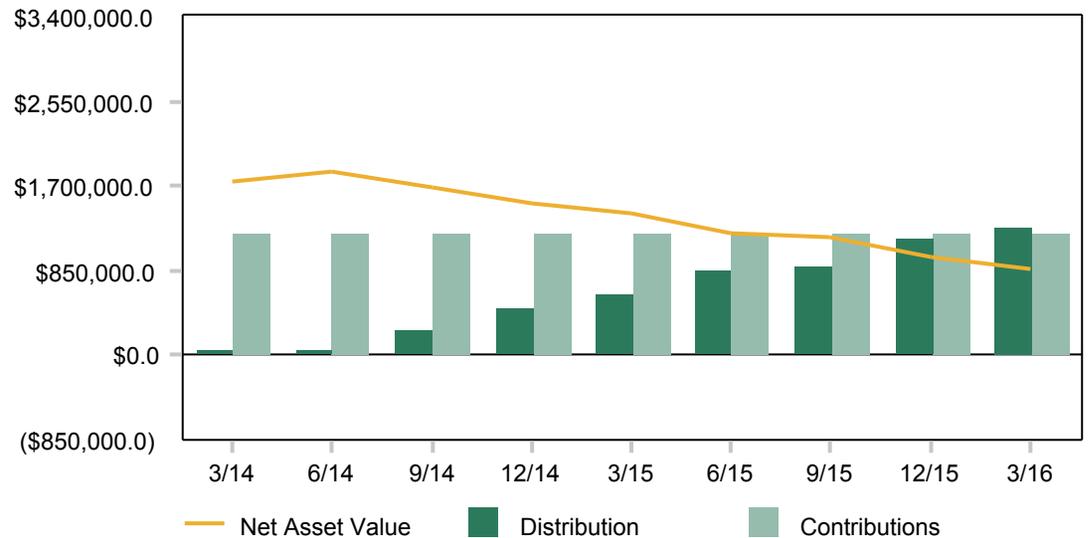
Fund Information

Type of Fund:	Partnership	Vintage Year:	2009
Strategy Type:	Opportunistic Real Estate	Management Fee:	100 bps on total capital commitments during the investment period, thereafter on invested capital. Incentive fee of 10% of profits over a 10% IRR.
Size of Fund:	145,000,000	Preferred Return:	
Inception:	04/01/2010	General Partner:	Penn Square Global Real Estate Group
Final Close:			
Investment Strategy:	Opportunistic returns with a multi-strategy, globally allocated portfolio invested in non-core real estate funds through direct fund and secondary investments, recapitalizations, joint-ventures, and co-investments.		

Cash Flow Summary

Capital Committed:	\$2,000,000
Total Contributions:	\$1,223,611
Remaining Capital Commitment:	\$780,000
Total Distributions:	\$1,282,824
Market Value:	\$860,360
Inception Date:	06/25/2010
Inception IRR:	13.86
TVPI:	1.76

Cash Flow Analysis



Due to the inconsistencies in reporting methodologies among managers, we do not report on Capital Invested, Management Fees, Expenses and Interest. However, the Market Value is net of all fees and expenses, and Total Contributions reflects interest paid.

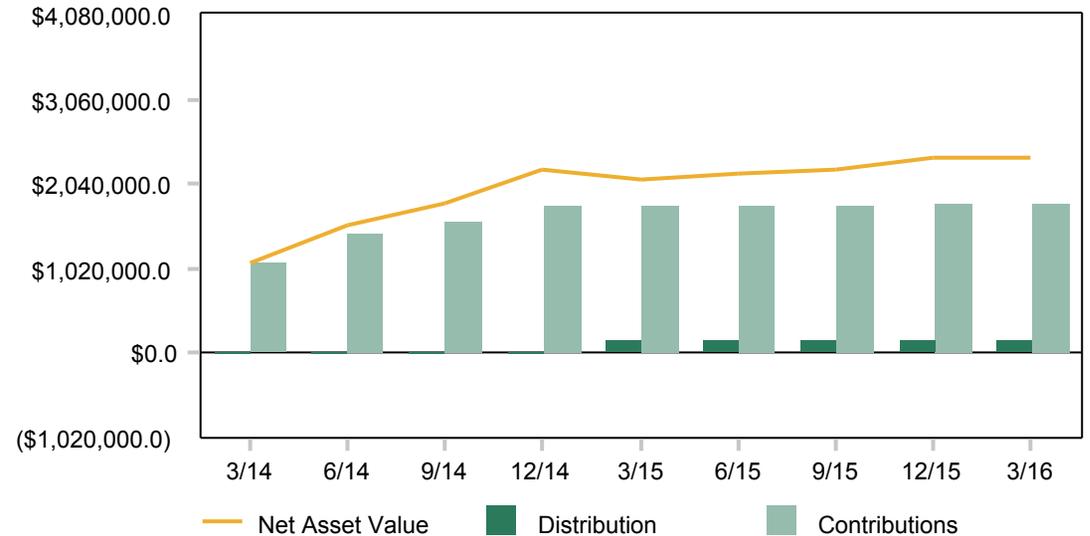
Fund Information

Type of Fund:	Partnership	Vintage Year:	2012
Strategy Type:	Opportunistic Real Estate	Management Fee:	
Size of Fund:	357,500,000	Preferred Return:	9%
Inception:	08/15/2012	General Partner:	Penn Square Global Real Estate Group
Final Close:	12/31/2013		
Investment Strategy:	Opportunistic commingled fund vehicle designed to invest in non-core real estate Opportunities. To generate risk adjusted returns through a highly- selective approach targeting co-investments, joint ventures, secondary interests, targeted club and primary fund opportunities.		

Cash Flow Summary

Capital Committed:	\$3,000,000
Total Contributions:	\$1,800,410
Remaining Capital Commitment:	\$1,257,000
Total Distributions:	\$150,000
Market Value:	\$2,356,363
Inception Date:	01/31/2014
Inception IRR:	19.01
TVPI:	1.44

Cash Flow Analysis



Due to the inconsistencies in reporting methodologies among managers, we do not report on Capital Invested, Management Fees, Expenses and Interest. However, the Market Value is net of all fees and expenses, and Total Contributions reflects interest paid.

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

Fund Information

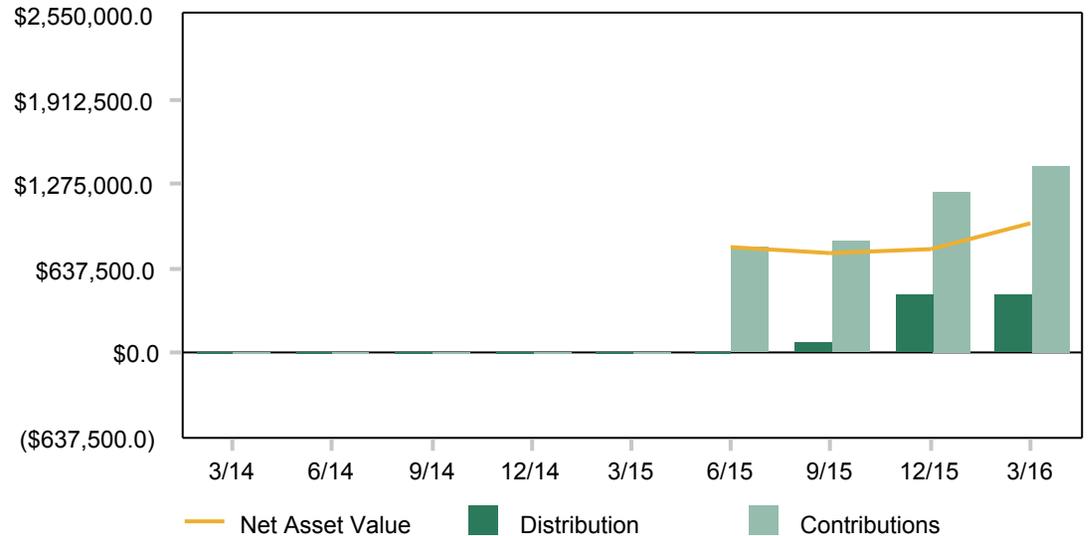
Type of Fund:	Partnership	Vintage Year:	2015
Strategy Type:	Value-Add Real Estate	Management Fee:	1.5% on committed capital during investment period, on cost thereafter
Size of Fund:	155,000,000	Preferred Return:	8%
Inception:	05/17/2013	General Partner:	
Final Close:	TBD		

Investment Strategy: Westport targets investments that present the potential for capital appreciation while supplementing returns with current cash flow. The fund will focus on core plus investments including assets that have suffered from inadequate capitalization, mismanagement, and poor leasing. Other potential investments include buildings needing renovation or repositioning and the fund may also build and redevelop residential or commercial properties. The fund will seek access to real estate through the acquisition of debt and equity interests owned by banks and special servicers and capitalize on market inefficiencies by: (1) purchasing performing and non-performing mortgage loans and real estate-related debt securities that are trading at attractive prices due to technical factors caused by dislocation in the real estate capital markets; (2) investing in markets and properties that are "off the beaten path" or perceived as being out of favor by other investors; (3) capitalizing on sellers' strategic or financial motivations; and, (4) leveraging the Investment Team's relationships with both private and public joint venture partners to access deals. A portion of the fund's investments in real estate will be made by acquiring real estate-related debt, such as whole mortgages, and converting these investments into direct or indirect property interests. The fund will invest primarily in the United States and is targeting a 19% allocation each to the residential, office, industrial and retail sectors while 12% will be

Cash Flow Summary

Capital Committed:	\$2,000,000
Total Contributions:	\$1,415,000
Remaining Capital Commitment:	\$1,008,000
Total Distributions:	\$440,163
Market Value:	\$977,052
Inception Date:	06/15/2015
Inception IRR:	0.27
TVPI:	0.99

Cash Flow Analysis



Due to the inconsistencies in reporting methodologies among managers, we do not report on Capital Invested, Management Fees, Expenses and Interest. However, the Market Value is net of all fees and expenses, and Total Contributions reflects interest paid.

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

GTAA

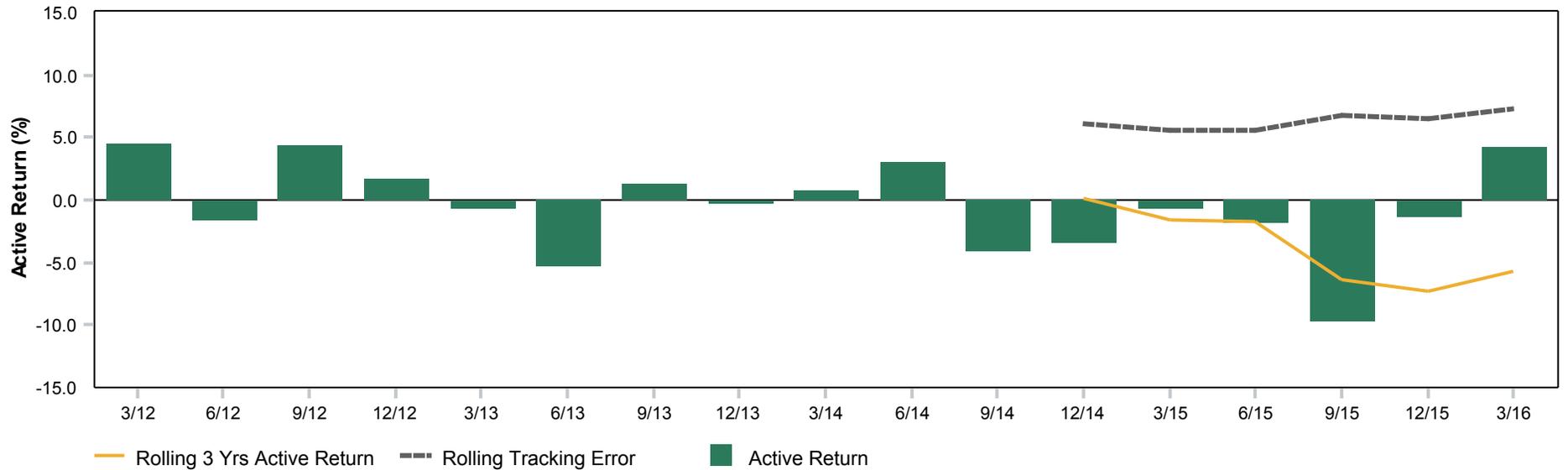
City of Ocala

PIMCO All Asset
As of March 31, 2016

Gain / Loss

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
PIMCO All Asset					
Beginning Market Value	6,842,020	6,842,020	7,508,949	4,364,106	-
Net Cash Flows	-	-	-	3,300,000	-
Income	-	-	-	-	-
Gain/Loss	355,056	355,056	-311,873	-467,031	-
Ending Market Value	7,197,075	7,197,075	7,197,075	7,197,075	-

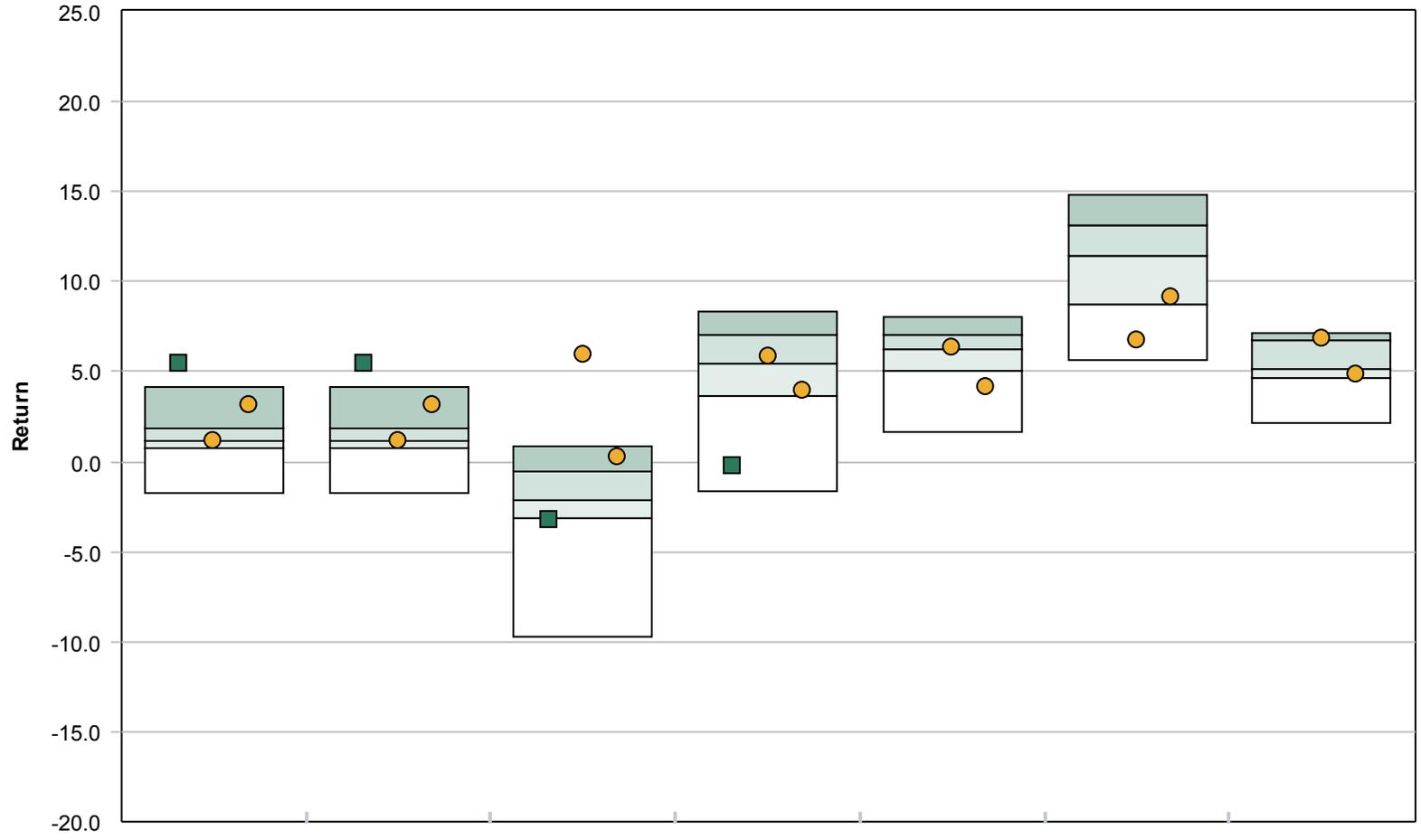
Rolling Return and Tracking Error



Performance

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
PIMCO All Asset	5.42	5.42	-3.26	-0.28	N/A	N/A	N/A
CPI + 5%	1.18	1.18	5.92	5.84	6.36	6.71	6.85
Difference	4.24	4.24	-9.18	-6.12	N/A	N/A	N/A

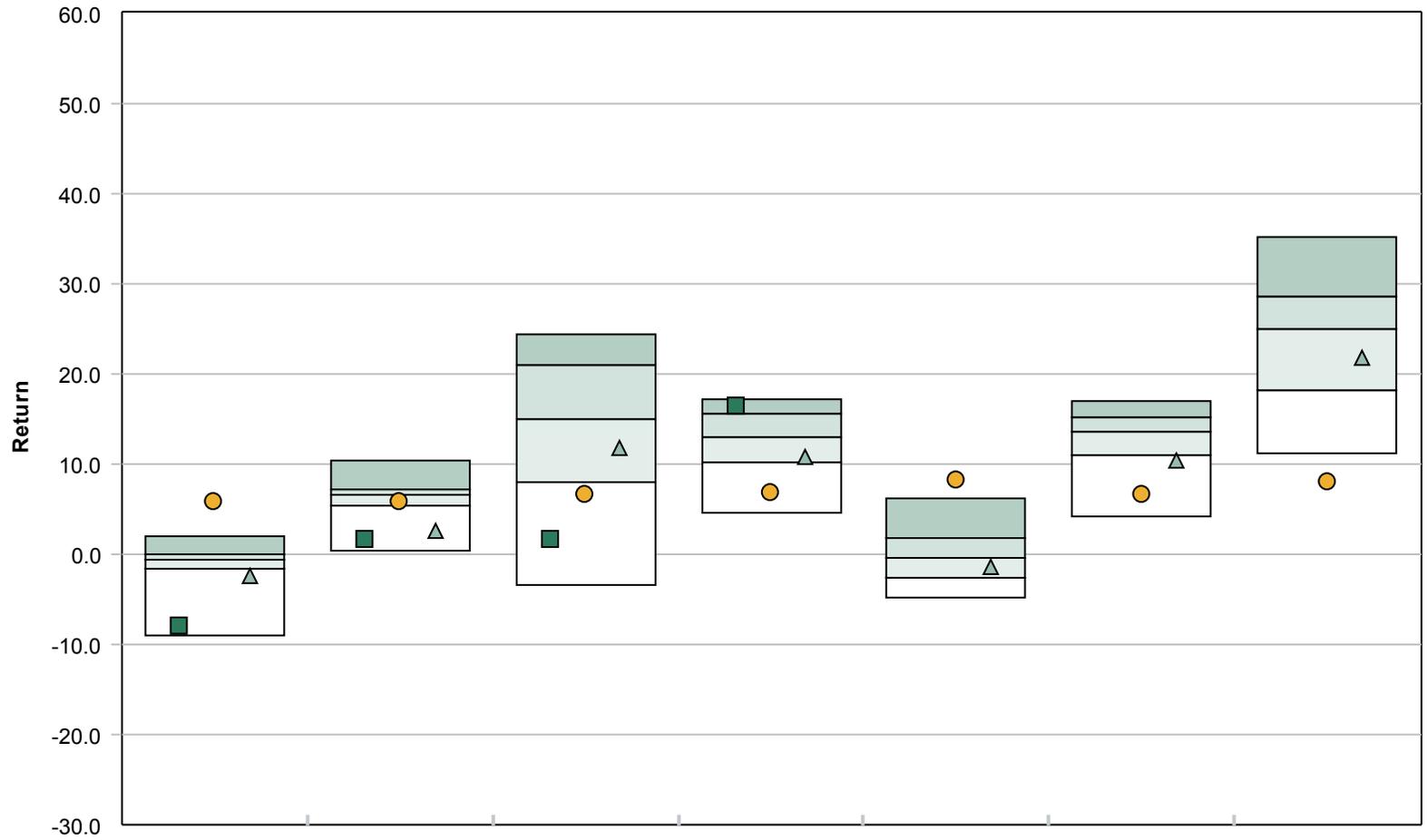
Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ PIMCO All Asset	5.42 (2)	5.42 (2)	-3.26 (80)	-0.28 (92)	N/A	N/A	N/A
● CPI + 5%	1.18 (51)	1.18 (51)	5.92 (1)	5.84 (46)	6.36 (47)	6.71 (90)	6.85 (21)
● 60% MSCI ACWI/40% WGBI	3.13 (10)	3.13 (10)	0.27 (12)	3.99 (70)	4.15 (84)	9.15 (72)	4.81 (71)
5th Percentile	4.16	4.16	0.86	8.36	8.07	14.84	7.17
1st Quartile	1.88	1.88	-0.59	7.04	7.07	13.09	6.71
Median	1.20	1.20	-2.10	5.46	6.26	11.42	5.19
3rd Quartile	0.75	0.75	-3.12	3.65	5.00	8.77	4.67
95th Percentile	-1.74	-1.74	-9.75	-1.60	1.64	5.60	2.12

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



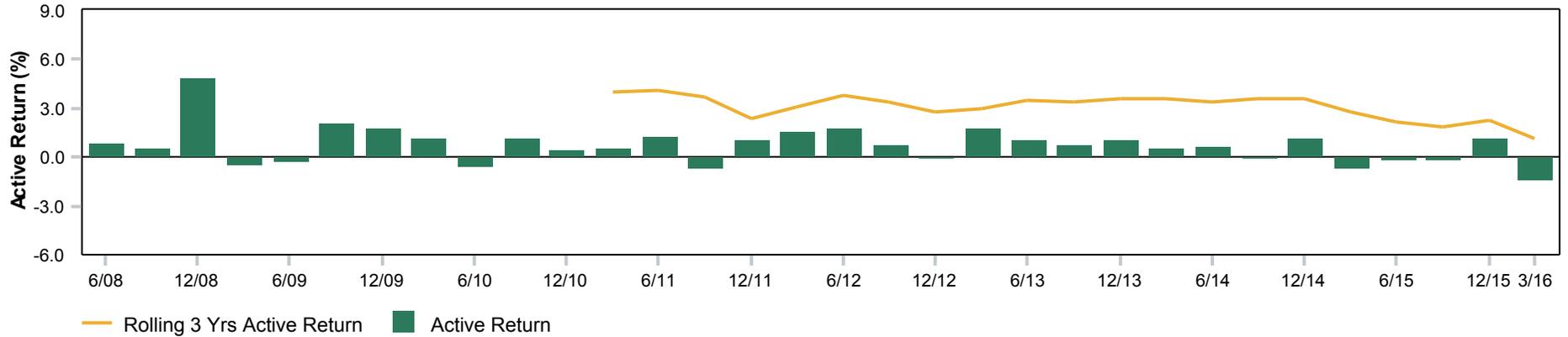
	2015	2014	2013	2012	2011	2010	2009
■ PIMCO All Asset	-7.93 (95)	1.65 (93)	1.59 (90)	16.49 (12)	N/A	N/A	N/A
● CPI + 5%	5.70 (2)	5.72 (72)	6.62 (80)	6.87 (91)	8.22 (2)	6.51 (93)	7.95 (97)
▲ 60% MSCI ACWI/40% WGBI	-2.30 (86)	2.67 (92)	11.77 (63)	10.72 (71)	-1.45 (63)	10.35 (79)	21.71 (65)
5th Percentile	2.04	10.44	24.49	17.19	6.12	16.94	35.23
1st Quartile	0.06	7.29	20.98	15.60	1.80	15.28	28.55
Median	-0.59	6.65	15.00	13.08	-0.48	13.68	24.93
3rd Quartile	-1.59	5.44	7.99	10.18	-2.53	10.91	18.15
95th Percentile	-8.98	0.33	-3.43	4.54	-4.76	4.20	11.11

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

Hedge Fund

Comparative Performance & Rolling Return



	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	2015	2014	2013
Aetos	-3.48	-3.48	-4.16	3.22	3.86	0.48	5.31	12.58
HFRI FOF: Conservative Index	-2.03	-2.03	-3.53	2.05	1.66	0.37	3.14	7.70
Difference	-1.45	-1.45	-0.63	1.17	2.20	0.11	2.17	4.88

Historical Statistics — Since Inception

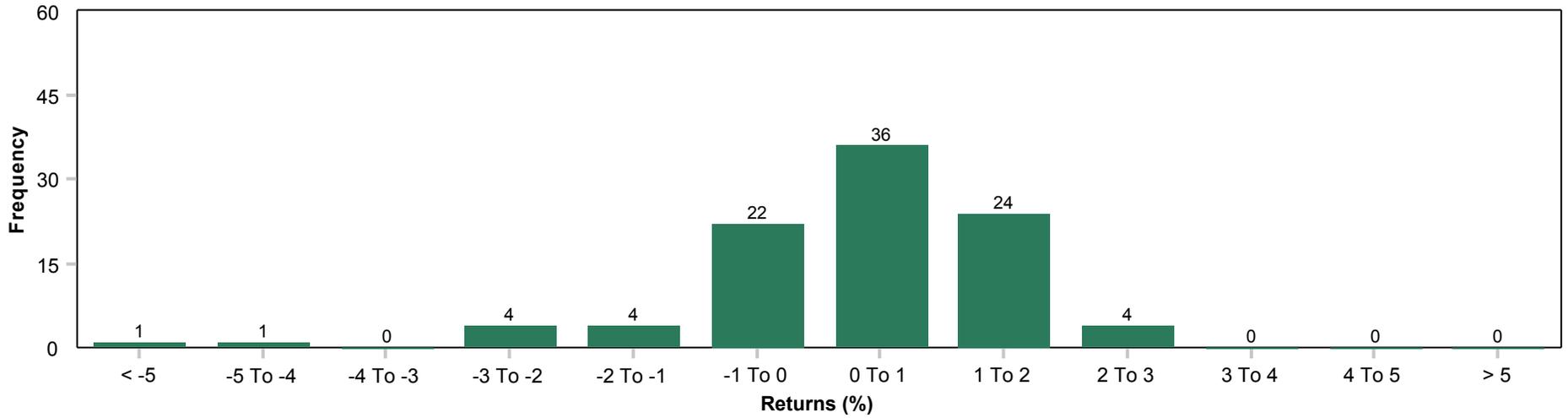
	Return	Standard Deviation	Sharpe Ratio	Beta	Inception Date
Aetos	3.46	4.75	0.68	0.98	04/01/2008
HFRI FOF: Conservative Index	0.53	4.45	0.09	1.00	04/01/2008
HFN HFOF Multi Strategy	0.11	5.23	0.00	1.12	04/01/2008
90 Day U.S. Treasury Bill	0.23	0.15	N/A	-0.02	04/01/2008

Correlation Analysis — 5 Years

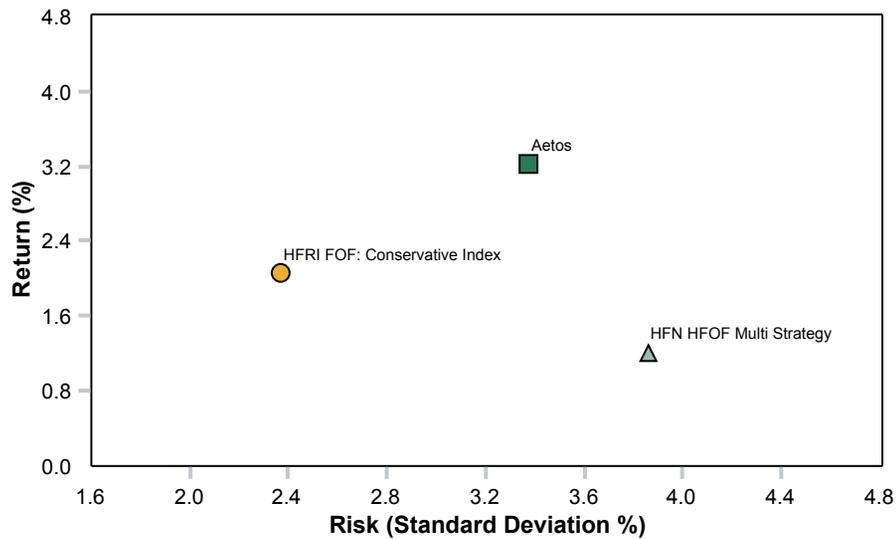
	Aetos	HFRI FOF: Conservative Index	HFN HFOF Multi Strategy
Aetos	1.00		
HFRI FOF: Conservative Index	0.93	1.00	
HFN HFOF Multi Strategy	0.94	0.96	1.00

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

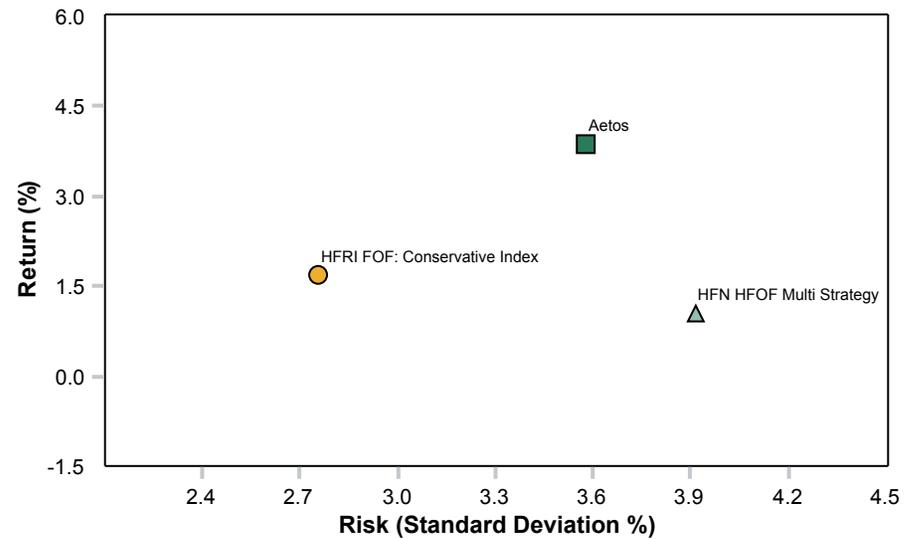
Distribution of Returns



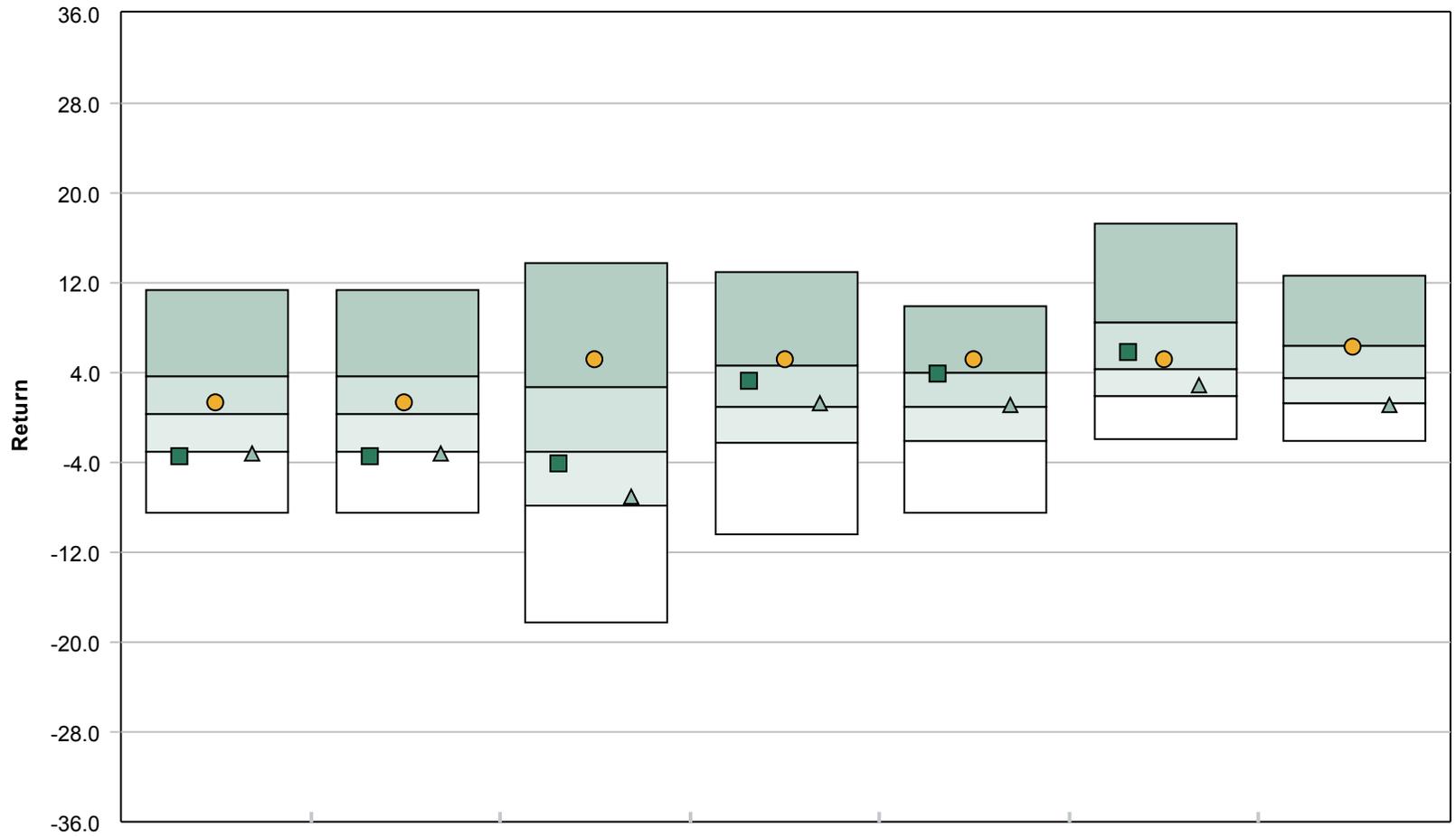
Risk & Return — 3 Years



Risk & Return — 5 Years

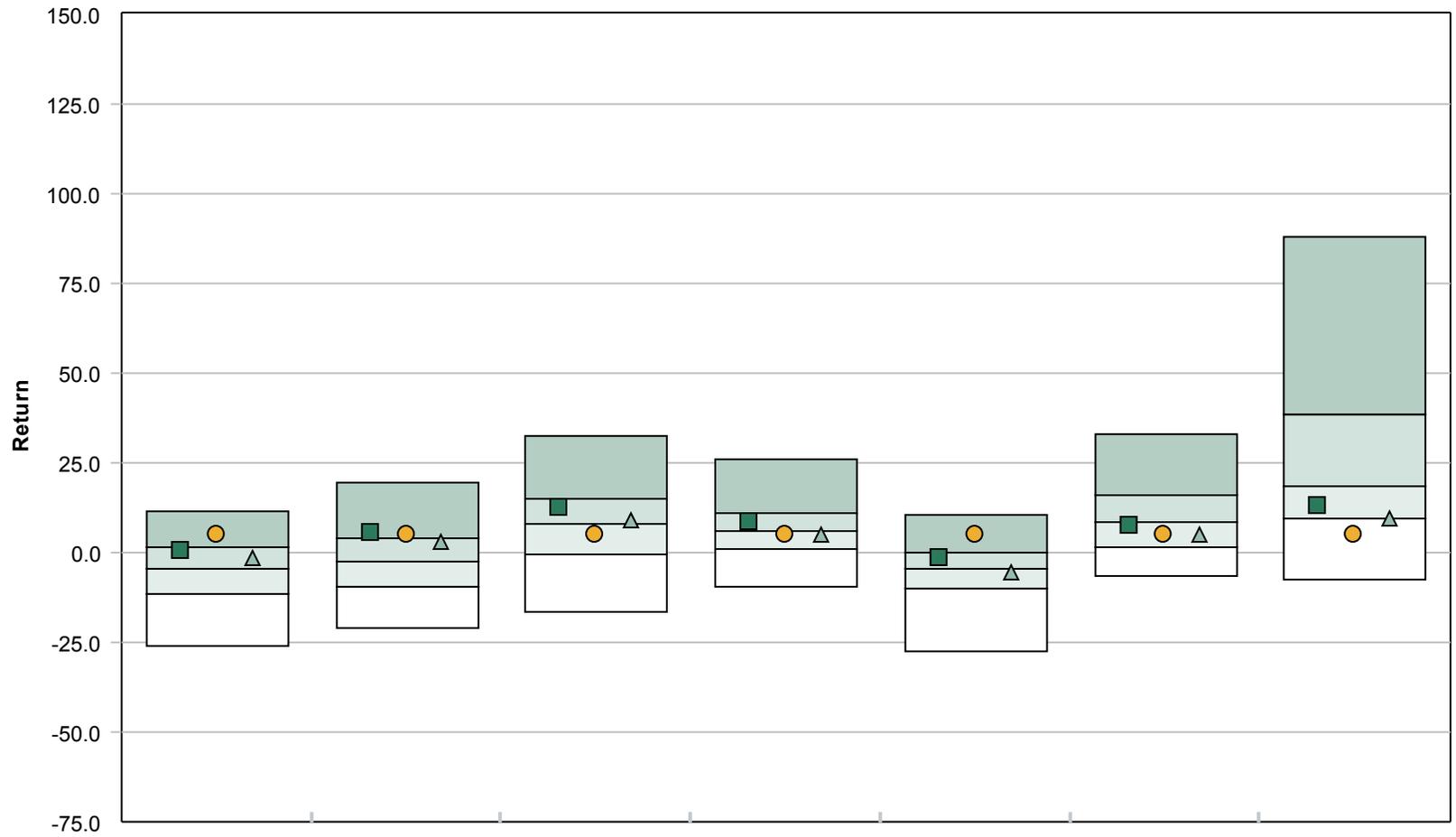


Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)



	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ Aetos	-3.48 (79)	-3.48 (79)	-4.16 (56)	3.22 (34)	3.86 (26)	5.80 (38)	N/A
● 90-Day T-Bill + 5%	1.29 (43)	1.29 (43)	5.09 (17)	5.06 (23)	5.06 (19)	5.09 (44)	6.18 (27)
▲ HFN HFOF Multi Strategy	-3.28 (77)	-3.28 (77)	-6.97 (71)	1.22 (48)	1.05 (49)	2.85 (66)	1.10 (78)
5th Percentile	11.36	11.36	13.69	12.90	9.85	17.26	12.57
1st Quartile	3.63	3.63	2.70	4.56	3.93	8.50	6.46
Median	0.30	0.30	-3.05	0.93	0.95	4.39	3.59
3rd Quartile	-3.02	-3.02	-7.82	-2.31	-2.12	1.96	1.33
95th Percentile	-8.43	-8.43	-18.22	-10.43	-8.41	-1.86	-2.05

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.



	2015	2014	2013	2012	2011	2010	2009
■ Aetos	0.48 (30)	5.31 (21)	12.58 (33)	8.50 (36)	-1.52 (35)	7.26 (55)	12.84 (65)
● 90-Day T-Bill + 5%	5.03 (14)	5.04 (22)	5.05 (60)	5.08 (55)	5.09 (12)	5.14 (64)	5.17 (85)
▲ HFN HFOF Multi Strategy	-1.40 (38)	3.02 (29)	9.09 (46)	4.80 (56)	-5.56 (56)	4.78 (65)	9.73 (74)
5th Percentile	11.71	19.64	32.66	26.17	10.62	33.16	88.09
1st Quartile	1.62	4.06	14.83	11.03	0.11	15.95	38.30
Median	-4.45	-2.27	8.03	5.93	-4.55	8.49	18.35
3rd Quartile	-11.75	-9.53	-0.56	0.99	-9.96	1.67	9.26
95th Percentile	-26.15	-21.21	-16.39	-9.37	-27.60	-6.32	-7.38

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Attachment: City of Ocala 1Q16 Final (9467 : Analysis of Investment Performance)

General Employees' Retirement System Board Minutes

110 SE Watula Avenue
Ocala, FL 34471
www.ocalafl.org



Monday, February 8, 2016

Regular Meeting

Alicia Gaither
(352) 629-8372

Public Notice

9:00 AM Meeting called to order on February 8, 2016 at CMO Conference Room, 110 SE Watula Avenue (2nd Floor), Ocala, FL.

1. Call to Order

The Ocala General Employees' Retirement System Board held a meeting at the CMO Conference Room, 110 SE Watula Avenue (2nd Floor), on Monday, February 8, 2016 at 9:00 AM.

Attendee Name	Title	Status	Arrived
Arnie Hersh		Present	
Bernhard W. Stalzer		Present	
Anthony Ortiz	Trustee	Present	
Connie Carroll		Present	
John Walker		Present	
Alicia Gaither	Pension Benefits Coordinator	Present	
Jessica Pellerin		Present	

B. Public Comments

None

2. Presentations

A. Long Wharf Manager

Long Wharf team has invested nearly \$806 million of equity in 48 transactions; \$2.9 billion of equity invested of 20 years. The team has been investing in value - added real estate for over 20 years.

Real estate growth fund overview: Final closing in April 2008 with \$875 million of committed capital. Current loan - to - value ration of 54%.

Office space and whole foods building sold better than what we thought we would do. UBS bought our shopping center at a very high price, we got back \$1.89x.

Value-Added investment: Focus on cost basis relative to asset quality, location and competing properties. We look at the yield-on-cost, which is important to us. This reduces reliance on capital markets to achieve return objectives. We want to invest within 2 to 3 years that work best for our investors.

We have done less in the apartment sector. On average we do 10-15% in apartments. We are typically bias with the larger markets. We have bought quite of bit in Florida, but it has now gotten expensive. Any market that we invest in with the new fund, we have invested in before. Hands on real estate experience benefit our team. Our team wants to go in knowing we can undercut the market, for the yield-on-cost; we don't count on rent grow to hit our numbers.

Any leverage we have we do not want any exposure to hit other funds. Typically if you are doing an office construction, you will have a 3 year debt on it. We faced tough descion should we put good money to bad or let it go. Fund 4 we are 10 to 15 percent less debt, because we are not doing to much construction.

Our next closing will be in late March.

Motion by Mr. Stalzer to make the investment to Longwharf in the amount of 3 million. Seconded by John Walker.

3. **Consultant's Presentation**

Ms. Guillette states, Longwharf has giving you the money back of \$2.4 million. Penn Square you will receive that money back as well. We would recommend giving the \$3 million back to the new fund to Long Wharf.

You're at 11.47% allocation. You will receive \$900 thousand from Penn Square back. Mr. Hersh ask when is Long Wharf going live, Ms. Guillette replied in March and stated, you are over allocated in a couple asset classes like large cap. We can take that money from there and then as you get money back from real estate we allocated it as necessary. Remember that all of your returns are shown in this book and what Longwharf presented are net returns, so you are getting a very strong net return from them.

Ms. Guillette states, she will communicate the agreement with Longwharf and they will get the contract over to Lee.

Performance overview:

Real Estate is doing really well. Year-to-date was -0.90, international Equity is -9.33. Manager overview, wedge capital under performed slightly. None US Bonds are down and have a negative effect. Merging markets effect commodities, which has given PIMCO a negative effect on returns. Hedge has been flat and are little between bond and equity.

Page 6 - FSP 500

January was positive, February was a little rough and the plan now is about 5%. Through December the FSP was up 7 percent and was up a positive 1.3%. A lot of this had a lot to do with big markets like Google, Amazon and so forth.

Page 10 - Bonds

Long Bonds were down 3% for the year. Mortgages was up 1.5% and high yield was effected; high yield bonds are mostly corporate bonds.

Page 24 - City's performance

Target assets - 13.5% Large Cap, Small Cap 6.5%

Current allocations - 14.78% Large Cap, Small Cap 17.43%

Target for International is 22%, you are at 19.8%. Fix income target is 32%, the plan is at 31.9%. Real Estate should target at 12.5% and the plan is at 11.47%.

Motion to approve quarterly report as is, seconded by Mr. Stalzer. Unanimous Vote.

4. **Attorney's Report**

A. **Update Outstanding Items**

I. **Invesco Contract**

Invesco contract, we had a conference Friday. Ms. Guillette would not recommend signing the agreement with Invesco. If Invesco falls through, we will need to make a decision if we want to go with Wellington. Invesco was going to replace PIMCO. Ms. Guillette will speak with her research group to find if there is another manager that can fill that spot.

Mr. Staltzer makes motion if a contract cannot be worked out with Invesco, then the board will hire Wellington.

II. **Wells Fargo Custodian Contract**

Wells Fargo agreement can be signed today and sent to Wells Fargo.

III. **Ordinance Change – DROP**

The drop provisions have been amended. 60 month participation.

Mr. Dehner is working on the Ordinance DROP change. He asked Ms. Gaither if she will send him the certified copy, she stated she did in September and then again in November.

Mr. Dehner will get with Ms. Gaither if there are any problems.

IV. **Summary Plan Description**

Summary plan description will be completed once a signed copy of the ordinance is given to Lee.

5. **Minutes Approval**

- A. **Mr. Stalzer Approved** Regular Meeting General Employees' Retirement System Board Minutes for November 09, 2015. Mr. Walker second; unanimous vote.

6. **Other matters to come before the Board**

A. **Risk Overlay Discussion**

We had a special meeting about hedging. The issue with the hedging was that when we went through everything parametric, it was going to be fairly expensive.

Mr. Stalzer asked if they can come in and do a presentation. He states, timing is everything and if we would have done the overlay over the some summer, we may not be in the same

position equity wise were we are now. He is concerned about the Defined Benefit Plan that the City has now.

Ms. Guillette states if the board wants the insurance that is up to the trustees, but the plan will have to write a check for the down side and know that it will hit your portfolio.

Mr. Walker states he would say no as of now because of the times. Mr. Hersh states he knows everything will cycle but we are slowly starting to go down and we need to wait right now until things are on a positive side. When we talked to them before it was very expensive and I don't believe we can afford it. We have a lot of money going out in attorney fees and so forth. Table it but don't forget about it.

7. **Adjournment**

11:38AM

2017 Summary Report
City of Ocala Scenario: Base Budget

<i>Account Number</i>	2017 Base Budget	<i>2016 Adopted</i>	<i>2016 YTD</i>	<i>2015 Actuals</i>	<i>2014 Actuals</i>
629-99-999-513-31020 Professional Services - Legal Services	15,000.00	15,000.00	6,007.00	10,747.00	18,624.00
629-99-999-513-32010 Accounting & Auditing	60,000.00	50,000.00	4,400.00	55,137.00	46,905.00
629-99-999-513-34010 Other Services	175,000.00	120,000.00	0.00	102,064.00	86,166.00
629-99-999-513-34040 Other Services - Investment Mgmt Fees	560,000.00	600,000.00	102,554.00	541,817.00	576,963.00
629-99-999-513-36010 Pension Benefits - Retirees	11,000,000.00	10,250,000.00	5,059,086.00	9,669,085.00	8,779,373.00
629-99-999-513-36020 Pension Benefits - Disability	25,000.00	20,000.00	10,049.00	85,439.00	8,414.00
629-99-999-513-36030 Pension Benefits - DROP	1,500,000.00	1,500,000.00	46,583.00	3,326,180.00	1,079,150.00
629-99-999-513-36040 Pension Benefits - Beneficiary	850,000.00	600,000.00	390,806.00	736,074.00	574,926.00
629-99-999-513-36050 Refund of Employee Pension Contributi	100,000.00	300,000.00	4,153.00	26,175.00	642,378.00
629-99-999-513-40010 Travel, Training & Per Diem	12,000.00	10,000.00	5,748.00	4,259.00	7,807.00
629-99-999-513-54010 Books, Publications, Subscriptions, & M	700.00	700.00	660.00	660.00	630.00
629-99-999-513-72010 Interest	25,000.00	0.00	0.00	23,420.00	345,632.00
629-99-999-513-99999 Reserve For Fund Balance					
Grand Total	14,322,700.00	13,465,700.00	5,630,046.00	14,581,057.00	12,166,968.00

Attachment: 2017 summary report (9450 : Retirement Budget FY 17-18 General)

REVISED AGREEMENT TO PROVIDE PENSION ADMINISTRATIVE SERVICES

THIS AGREEMENT is entered into this 1 day of October , 2016 , by and between the **City of Ocala, a Florida municipal corporation** (“City”) and the **Board of Trustees of the Ocala General Employees Retirement System**, the **Board of Trustees of the Ocala Fire Fighters’ Retirement System**, and the **Board of Trustees of the Ocala Police Officers’ Retirement System** (collectively the “Boards”).

WHEREAS:

- A. The City funds pension plans for its employees through three separate pension plans (“Plans”).
- B. Those pension plans are managed by a separate board of trustees for each pension plan.
- C. It is in the best interest of the City and the Boards to have City provide administrative services to the pension plans through City employees.
- D. This agreement outlines and clarifies the responsibilities, terms and conditions concerning the City providing specialized administrative services to the Boards.

NOW THEREFORE, in consideration of the matters set forth above (which are incorporated herein by reference), the exchange of the mutual promises set forth herein, and other good and valuable consideration, the parties hereto agree as follows:

1. **Services.** The City shall employ 2 full-time equivalents (FTE) as administrative assistants (“City Administrative Assistants”) to the Boards. The detailed responsibilities are defined in Attachment A. The Administrative Assistants and the City shall serve as fiduciaries, as that term is defined by ERISA.
2. **Employee wage, benefit and expense reimbursement.** The full cost (100%) of the salary, benefits and expenses shall be reimbursed to the City by the Boards. The respective Boards’ (general, police and fire) shall pay their percentage share based on each pension plan’s participation for the previous fiscal year as reported by the actuary. The revised calculation will be approved by each Board annually.
3. **Supervisory Oversight.** The Director of Budget & Legislative Affairs or designee will be responsible for the supervisory oversight, including but not limited to requests for time off, work time, approvals, etc., subject to the direction or affirmation of the Boards, which have sole authority and exclusive authority for the administration and management of the Plans. The employees performing the tasks will receive indirect supervision from the Chairperson of each of the Boards.
4. **Performance appraisal/development plan.** A performance appraisal and development plan will be jointly prepared by the respective supervisors and the three Chairmen of the Boards. Areas of

Attachment: Administrative Agreement 16-17 (9448 : Administrative Agreement 2016 -2019)

professional development and/or performance improvement opportunities identified by the evaluation will be the sole responsibility of the Boards. Each Board will assume their pro rata share of the total travel and training expenses for external formal development programs in accordance with the Travel and Training Policy of the Boards.

5. **Standards of Performance.** The following significant contribution areas are expected:
 - Accurate and timely calculations of pension estimates.
 - Clear, concise and accurate communications and interpersonal interactions with participants and retirees.
 - Up-to-date knowledge of the Plan Provisions, as well as State, Federal and Municipal laws related to the three Retirement Systems.
 - Maintain Investment records.
 - Preparation of all monthly, year-end actuarial reports relative to financial transactions.
 - Prepare account reconciliations.
 - Complete and accurate processing of Pension Payroll and A/P Payments.
 - Maintain knowledge of GASB and legal plan provisions.
 - Stay abreast of decisions made by the Pension Boards
6. **Work Location:** The City will provide the pension employees an office and all necessary tools and equipment to function.
7. **Fee for Services.** The fee for the administrative services for the first year of this Agreement is set forth in Attachment B. The full cost (100%) of the fees shall be reimbursed to the City by the Boards. The respective Boards' (general, police and fire) shall pay their percentage share based on each pension plan's participation for the previous fiscal year as reported by the actuary. The revised calculation will be approved by each Board annually. Attachment B will be recalculated annually and approved by each Board for the renewal term Salary increases will float with the City and pension employees will receive the same wage increase that is given to general City employees. This will included but not be limited to, bonuses, COLA, Merit and Salary adjustments. Benefits, operating costs, audit fees, and fiduciary liability insurance is based on budgeted costs.
8. **Term:** The term of this Agreement shall commence on October 1, 2016, and shall continue for three years ending on September 30, 2019.
9. **Renewal.** This Agreement shall be renewed automatically at the end of the contract period for additional successive three year terms,, but may be nonetheless terminated by any party by providing a sixty (60) day written notice to all other parties. All references herein to the "term" of this Agreement shall include the initial term and any renewal term.
10. **Relationship of parties.** Neither this Agreement, nor any term, provision, payment or right hereunder shall in any way or for any purpose constitute or cause City to become or be deemed a partner of Boards in the conduct of its business, or otherwise, or to cause City to become or be deemed a joint venture or a member of a joint enterprise with the Boards, as City is and shall remain an independent contractor by reason of this Agreement. The Board shall have the sole and exclusive authority for the administration and management of the Plans.

11. **Florida Statute, §558.0035 Notice.** Pursuant to Florida Statute, §558.0035 an individual employee or agent may not be held individually liable for negligence. Boards and City agree, however, that should this statute be ruled unconstitutional or void for other legal reasons by a court of competent jurisdiction, that this provision and any other requirements of Florida Statute, §558.0035 that may affect or alter the legal rights of Board or City are null and void.
12. **Termination.** If either party defaults in the performance of this Agreement or materially breaches any of its provisions, the non-defaulting party may, at its option, terminate this Agreement by giving written notification thereof to the other party. Termination of this Agreement shall have no effect upon the rights of the parties that accrued prior to termination.
13. **Remedies.** If any Event of Default occurs, the parties shall have the right, at their option, to pursue all remedies available at law or equity, including the termination of this Agreement. Notwithstanding the termination of the Agreement, the parties shall remain liable for all claims for damages, costs or attorneys' fees arising prior to such termination.
14. **Attorneys' Fees.** If any civil action, arbitration or other legal proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees, sales and use taxes, court costs and all expenses even if not taxable as court costs (including, without limitation, all such fees, taxes, costs and expenses incident to arbitration, appellate, bankruptcy and post judgment proceedings), incurred in that civil action, arbitration or legal proceeding, in addition to any other relief to which such party or parties may be entitled. Attorneys' fees shall include, without limitation, paralegal fees, investigative fees, administrative costs, sales and use taxes and all other charges billed by the attorney to the prevailing party
15. **Jury Waiver.** IN ANY CIVIL ACTION, COUNTERCLAIM, OR PROCEEDING, WHETHER AT LAW OR IN EQUITY, WHICH ARISES OUT OF, CONCERNS, OR RELATES TO THIS AGREEMENT, ANY AND ALL TRANSACTIONS CONTEMPLATED HEREUNDER, THE PERFORMANCE HEREOF, OR THE RELATIONSHIP CREATED HEREBY, WHETHER SOUNDING IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, TRIAL SHALL BE TO A COURT OF COMPETENT JURISDICTION AND NOT TO A JURY. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY. NEITHER PARTY HAS MADE OR RELIED UPON ANY ORAL REPRESENTATIONS TO OR BY ANY OTHER PARTY REGARDING THE ENFORCEABILITY OF THIS PROVISION. EACH PARTY HAS READ AND UNDERSTANDS THE EFFECT OF THIS JURY WAIVER PROVISION.
16. **Assignment.** This Agreement shall not be assigned by any party without the prior written consent of the other parties.
17. **Reference to Parties.** Each reference herein to the parties shall be deemed to include their successors, assigns, heirs, administrators, and legal representatives, all whom shall be bound by the provisions hereof.

18. **Waiver.** The failure or delay of any party at any time to require performance by another party of any provision of this Agreement, even if known, shall not affect the right of such party to require performance of that provision or to exercise any right, power or remedy hereunder. Any waiver by any party of any breach of any provision of this Agreement should not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power or remedy under this Agreement. No notice to or demand on any party in any circumstance shall, of itself, entitle such party to any other or further notice or demand in similar or other circumstances.
19. **Governing Law.** This Agreement is and shall be deemed to be a contract entered into and made pursuant to the laws of the State of Florida and shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State of Florida.
20. **Jurisdiction and Venue.** The parties acknowledge that a majority of the negotiations, anticipated performance and execution of this Agreement occurred or shall occur in Marion County, Florida. Any civil action or legal proceeding arising out of or relating to this Agreement shall be brought only in the courts of record of the State of Florida in Marion County or the United States District Court, Middle District of Florida, Ocala Division. Each party consents to the exclusive jurisdiction of such court in any such civil action or legal proceeding and waives any objection to the laying of venue of any such civil action or legal proceeding in such court or the right to bring an action or proceeding in any other court. Service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws, rules of procedures or local rules.
21. **Rights of Third Parties.** Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties hereto and their respective legal representatives, successors and permitted assigns. Nothing in this Agreement is intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over or against any party to this Agreement.
22. **Amendment.** No amendment to this Agreement shall be effective except those agreed to in writing and signed by both of the parties to this Agreement.
23. **No Construction against Drafting Party.** Both parties to this Agreement have contributed to the drafting of this contract and hence it shall not be construed against either party by the courts when attempting to interpret its provisions.
24. **Severability of Illegal Provisions.** Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under the applicable law. Should any portion of this Agreement be declared invalid for any reason, such declaration shall have no effect upon the remaining portions of this Agreement.
25. **Section Headings.** The section headings herein are included for convenience only and shall not be deemed to be a part of this Agreement.
26. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

27. **Force Majeure.** Neither party shall be responsible for damages or delays caused by Force Majeure or other events beyond the control of the party and which could not reasonably have been anticipated or prevented. For purposes of this Agreement, Force Majeure includes, but is not limited to, adverse weather conditions, floods, epidemics, war, riot, lockouts, and other industrial disturbances; unknown site conditions, accidents, sabotage, fire loss of or failure to obtain permits, unavailability of labor, materials, fuel, or services; court orders; acts of God; acts, orders, laws, or regulations of the Government of the United States or the several states, or any foreign country, or any governmental agency. In the event that Force Majeure occurs, the parties shall mutually agree on the terms and conditions upon which services may continue.
28. **Entire Agreement.** This Agreement, including exhibits, (if any) constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof. There are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among the Parties, except to the extent reference is made thereto in this Agreement. No course of prior dealings between the parties and no usage of trade shall be relevant or admissible to supplement, explain, or vary any of the terms of this agreement. Acceptance of, or acquiescence in, a course of performance rendered under this or any prior agreement shall not be relevant or admissible to determine the meaning of this Agreement even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to make objection. No representations, understandings, or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth herein.
29. **Contract Documents.** The contract documents that comprise the entire Agreement between the City and the Boards and are made a part hereof are listed as attachments below. There are no contract documents other than those listed below. This Agreement and the contract documents shall be read and first interpreted in a manner that will harmonize each to the other. If there is a conflict in terms between this Agreement and the contract documents that cannot be harmonized then the terms of this Agreement should control over the terms of the documents listed below.
30. The City acknowledges that it has and shall maintain errors and omissions coverage in the amount of one million dollars, fidelity bond in the amount of five hundred thousand dollars and general liability coverage in the amount of one million dollars. Attached hereto as Exhibit "C" is a copy of the City's current certificate of insurance. The City agrees to notify the Trustees, in writing, in the event of any material change in its policy. Notification shall be made to the Trustees within ten (10) days following any such material change. A material change shall include, but not be limited to, a change in the insurance carrier, coverage amounts, covered risks or the termination, cancellation or discontinuance of coverage in whole or in part.

SIGNATURES CONTINUED ON FOLLOWING PAGE.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth above.

ATTEST:

CITY OF OCALA

Angel B. Jacobs
City Clerk

By: _____
James P. Hilty Sr.
City Council President

OCALA GENERAL EMPLOYEES
RETIREMENT SYSTEM

Approved as to form and legality:

By: _____
Arnie Hersh
Chairperson, Board of Trustees
General Employees Retirement System

Patrick G. Gilligan
City Attorney

OCALA FIRE FIGHTERS'
RETIREMENT SYSTEM

By: _____
Randy Griffin
Chairperson, Board of Trustees
Fire Fighters' Retirement System

OCALA POLICE OFFICERS'
RETIREMENT SYSTEM

By: _____
Mathew Steckman
Chairperson, Board of Trustees
Police Officers' Retirement System

Attachments(s):

- Attachment A. Statement of Duties and Responsibilities
- Attachment B. Computation of Fee for Services

Attachment - A

ADMINISTRATIVE SERVICES, DUTIES & RESPONSIBILITIES PERFORMED BY CITY ADMINISTRATIVE ASSISTANTS

Account Reconciliation and Reports:

- Prepare required information for actuarial reports
- Maintain monthly, quarterly, fiscal, and year-end spreadsheets
- Maintain record of expenses paid during the year
- Reconcile Investment Accounts
- Track and record employee transfers
- Prepare account reconciliations
- Record interest and dividend transactions
- Track and report investment gain (loss) for all managers
- Coordinate with banks for incoming and outgoing wires
- Monitor cash balances
- Perform bank reconciliations
- Prepare quarterly report, if requested by the Boards or City Council

Monthly

- Process employee and employer contributions to investment managers
- Pay expenses for managers, custodians and other professionals
- Prepare and send requested reports to the Boards for their records
- Process bank activity and authorizations

Year-end Reporting

- If requested, review 1099R's and Form 945's prepared by the Board's custodial bank for retirees, beneficiaries, and terminated employees
 - Input 25% lump sum amount, DROP distributions, and contribution refunds
 - Balance and verify information on 1099R's
- Prepare year end statements for actuaries
- Provide year end statements and accrual entries for CAFR

Preparation of Pension Payroll

- Ensure accurate calculation of benefits
- Work with custodial bank to distribute pension benefit payments for receipt by the 15th of the month
- Transmit direct deposit files to the bank to ensure delivery on the 15th (transmittal date)
- Submit federal income tax withholdings by transmittal date (15th) to IRS
- Notify custodial bank regarding pension payroll deduction checks (Child Support, Colonial Life Insurance, etc.)

Distribute pension payroll reports from custodial reports

Active Participants - Employee & Retiree

- Prepare documents and maintain employee information on the DROP plan

- Maintain Information on City Intranet (Ordinances, Minutes, Investment Policies, Summary Plan Descriptions, and Forms)
- Assist actuary's preparation of annual pension benefit statements for participants
- Distribute annual pension benefit statements to participants (Actuary Provides)

Legal

- Consult with pension attorney on ordinance interpretations
- Implement changes requested by the Boards, pursuant to attorney's recommendation
- Research and prepare data requested by attorney

Board Meetings

- Schedule all board meetings
- Record and complete the minutes
- Provide agenda packets with back-up material (minutes for approval, invoices, correspondence, reports, etc.) for reference during meeting
- Prepare and distribute agenda Board meetings
- Coordinate with Chairperson and attorney on upcoming/pending matters
- Carry out instructions of Trustees

Training

- Conduct new hire orientation
- Conduct bi-annual pension education class, when necessary

Other

- Research and prepare requested information by Board Trustees
- Maintain vested terminated retiree listing
- Mail newsletter, as applicable
- Coordinate contracts, investment policies, and other documents with Boards, attorneys, actuaries, advisors and managers
- Assist in disability process, medical examination, and retrieval of documents for trustees
- Send required documents and annual reports to the Division of Retirement
- Furnish required documents to City Clerk's Office
- Monitor public pension plan laws and statutes on the federal, state and local levels
- Coordinate with actuaries new accounting standard changes
- Implement GASB and other accounting standard changes
- Prepare fire state report and assist in preparing the police state report

OTHER DUTIES & RESPONSIBILITIES OVERSEEN BY THE CITY ADMINISTRATIVE ASSISTANTS

Financial Records and Benefit Calculations

- Maintain information for retirement eligibility and benefits
- Maintain employment history for pensionable wages and track exceptions, including disability, Workers' Compensation, F.M.L.A, buy backs, and military time
- Process COLA increases for retirees
- Research and calculate refunds or rollovers of contributions for employees that terminate
- Calculate, estimate, and review final retirement benefits for prepared by the Plan's Actuary

Preparation of Pension Payroll

- Prepare necessary information for all new and vested terminated retirees Input all changes to the retiree's file

Active Participants - Employee & Retiree

- Provide application and other forms to employees and retirees
- Meet with employees and retirees to explain retirement or termination options - Face to face (Walk-ins or Appointments), Phone, Email or correspondence
- Process retirement and disability payments, return of contributions, including DROP, etc.
- Research and prepare ten-year earning statements for participants
- Prepare correspondence
- Prepare and mail annual "Are You Alive" letters retirees
- Assist with pension forfeiture process

Other

- Hold employee elections for all pension Boards
- Maintain chronological pension ordinance history

City of Ocala
Administrative Services Agreement (Pension)
Calculation of Fiscal Year 2016-2017 Fees
Attachment B

	<u>General</u>	<u>Police</u>	<u>Fire</u>	Totals
Retirees and beneficiaries currently receiving benefits	664	93	65	822
DROP retirees	9	18	12	39
Terminated employees entitled to benefits not yet receiving them	<u>336</u>	<u>13</u>	<u>5</u>	<u>354</u>
	<u>1,009</u>	<u>124</u>	<u>82</u>	<u>1,215</u>
Current employees:				
Vested	268	76	63	407
Nonvested	<u>40</u>	<u>69</u>	<u>54</u>	<u>163</u>
Total	<u>308</u>	<u>145</u>	<u>117</u>	<u>570</u>
TOTAL	<u>1,317</u>	<u>269</u>	<u>199</u>	<u>1,785</u>
Percent	73.78%	15.07%	11.15%	100.00%

Cost Allocation

Salaries & Benefits	126,373	25,812	19,095	171,282
Operating Costs	5,312	1,085	803	7,200
Annual Audit Fee	3,181	3,181	3,181	9,543
Fiduciary Liability Insurance (Per Public Risk Ins. Agency invoice)	3,480	4,565	3,690	11,735
Total Fee	138,346.00	34,643.58	26,768.80	199,758.38
Quarterly Fee	34,586.53	8,660.92	6,692.15	49,939.60

Attachment: Administrative Agreement 16-17 (9448 : Administrative Agreement 2016 -2019)