

# Palm Tran, Inc. / ATU Local 1577 Pension Fund

## Investment Performance Period Ending September 30, 2016

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**Palm Tran, Inc./ATU Local 1577 Pension Fund  
BCA Market Perspective ©  
Managing The Recovery**

Burgess B. Chambers

October 2016

During past economic recoveries, increased government spending and tax policies (fiscal policies), in conjunction with the Federal Reserve (Fed) reducing borrowing costs, have been effective in stimulating the real economy.

So here is how it is supposed to work. The U.S government agrees to manage both public and private sector policies to promote social stability, full employment, sustained economic growth and increasing federal tax receipts. Across the street, the Fed stands by to stimulate a weakening economy by adding liquidity or lowering borrowing costs. It also has the power to slow down an overly inflated economy by raising borrowing costs. With fiscal policy, the U.S. Government manages spending appropriations and inks the tax code with provisions that direct or promote where the public sector invests or spends capital. Thus, government spending and tax policies steer resources into the economy. For example, oil & gas companies receive handsome accounting write-offs or tax incentives to find energy. Renewable energy companies receive 30% tax credits to promote wind and solar power. Research and development costs among manufacturers are often reimbursed by way of tax credits. The tax code (fiscal policy) encourages companies to purchase equipment by allowing for accelerated depreciation – a means of reducing current income taxes, thus freeing up capital for other purposes that should stimulate the economy.

To put this all together, the federal government spends a lot of money and influences or directs how the private sector spends money. This type of stimulation is known as fiscal policy. Monetary policy involves the Fed coordinating policies designed to promote economic conditions for full employment and to cool the economy when inflation becomes a problem. Monetary policy is most often associated with the Fed raising or lowering interest rates.

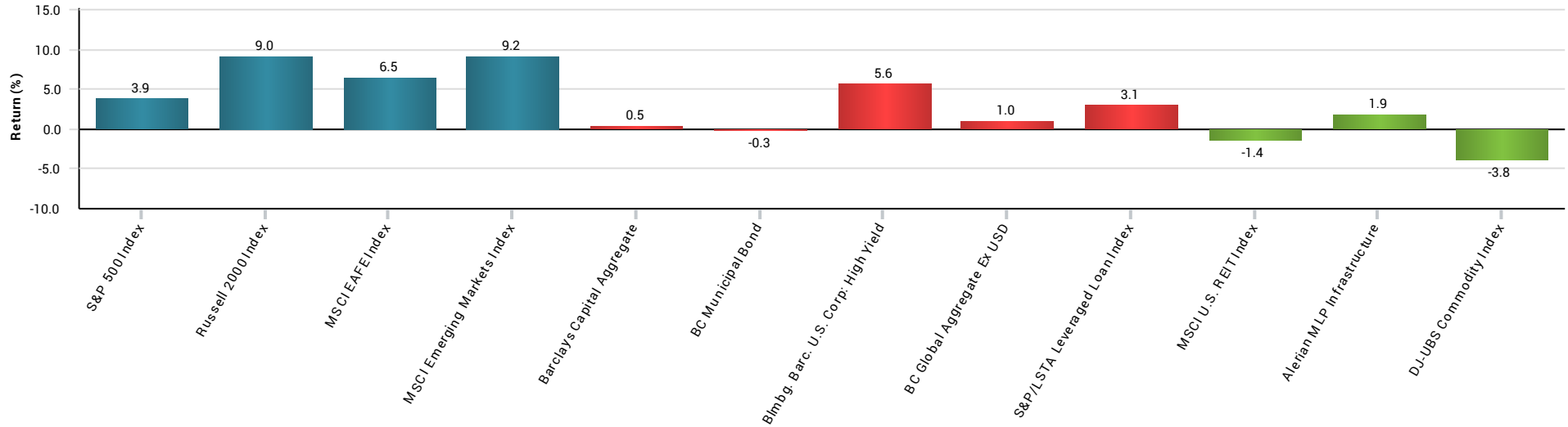
Since 2009, the U.S. economy has not experienced a robust economic recovery. The economy has instead been nursed along by a Fed policy of historically low interest rates and restrictive private lending. At the same time, new banking regulations have been installed – thus tightening lending standards and making it more difficult for the private sector to borrow. Many believe it is this lack of credit that has held back the U.S. recovery since 2009. Sure, the stock market has fully recovered – but not the real economy. Credit availability allows for capital formation and investment. This fundamental economic principle is an essential growth mechanism that leads to increased orders of building materials, chemicals, motor fuel, food, clothing, and just about everything else - which leads to more purchases and the need for new hires. State and federal tax revenues increase and budgets become easier to balance.

Fiscal policy stimulation has been an effective tool – primarily by lowering federal income tax rates. The impact on consumer spending and growth is almost immediate. But in the recent past, lawmakers have been unable to reduce spending in non-essential areas to control growing budget deficits.

Back to the economy: It is possible to return to a real growing economy if the citizens, entrepreneurs, and lawmakers are given the freedom to create and take risks. Allow for credit expansion and tax cuts - then prosperity will soon follow as it has in the past.

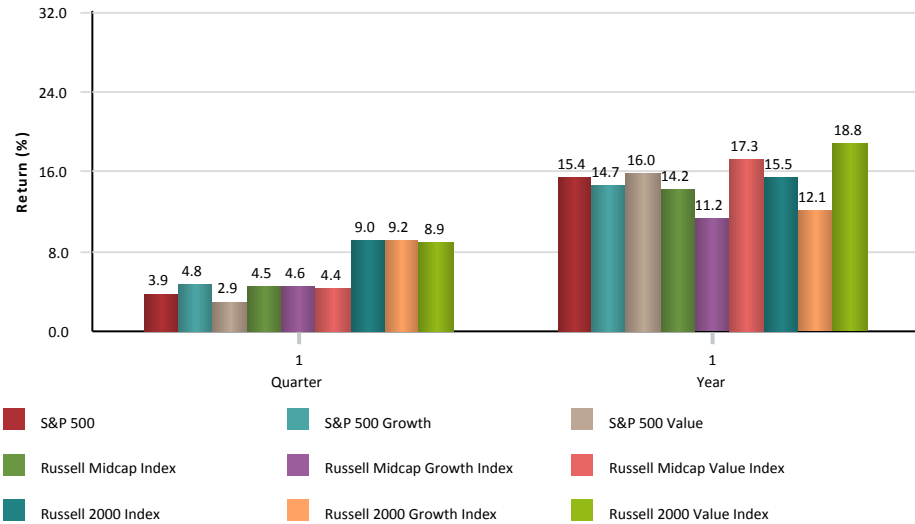


1 Quarter Performance



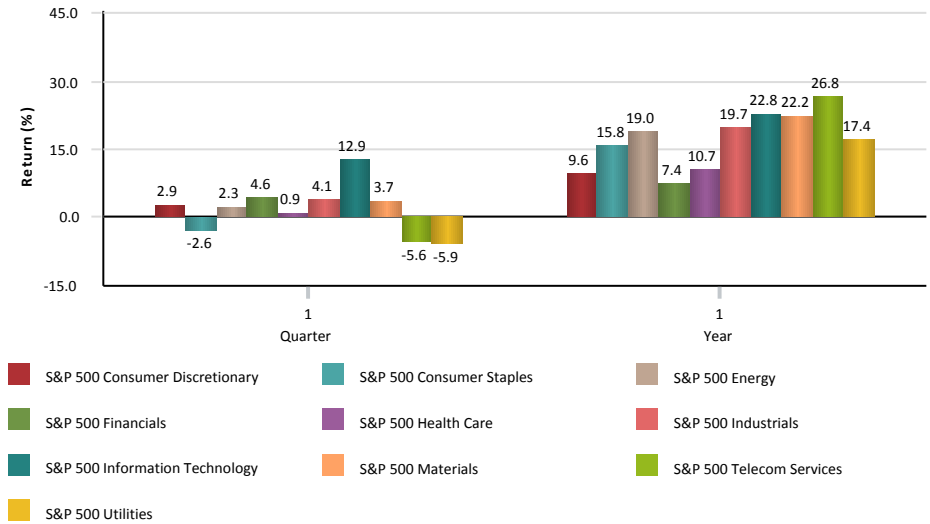
Source: Investment Metrics, LLC

US Market Indices Performance



Source: Investment Metrics, LLC

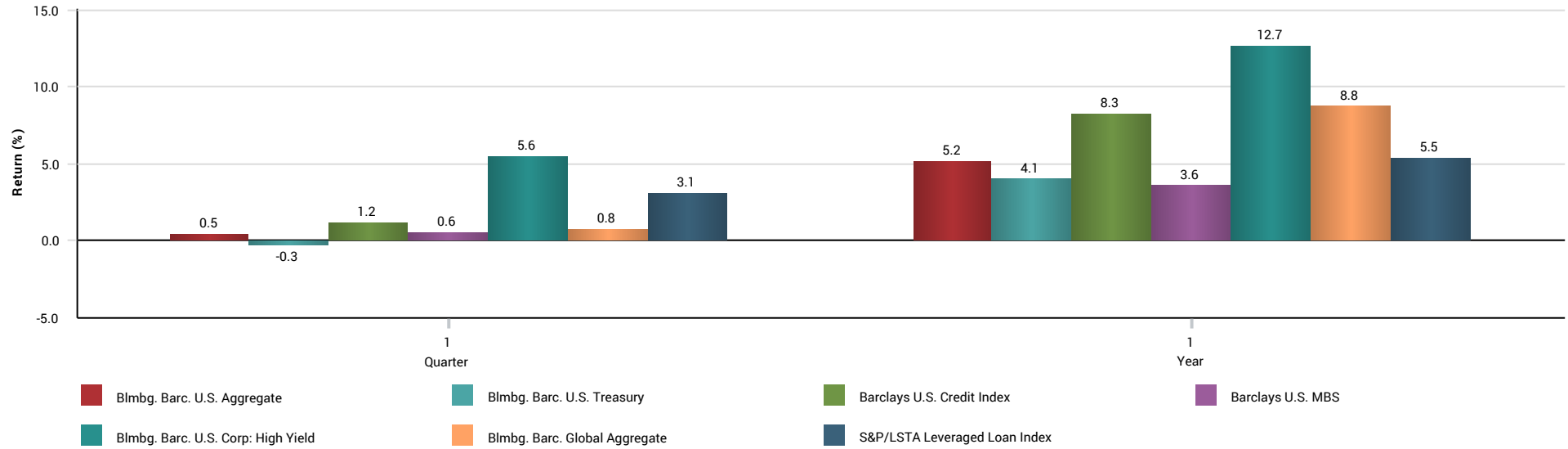
US Market Sector Performance



Source: Investment Metrics, LLC

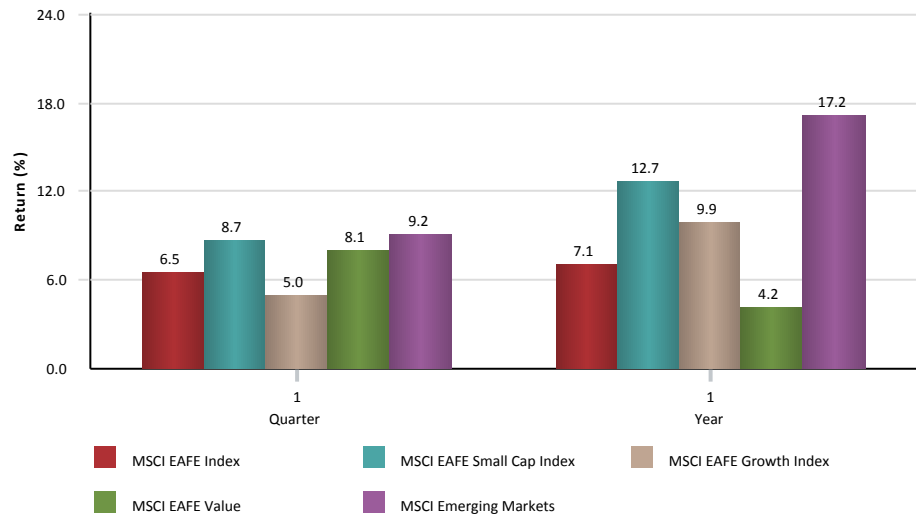


Fixed Income Market Sector Performance



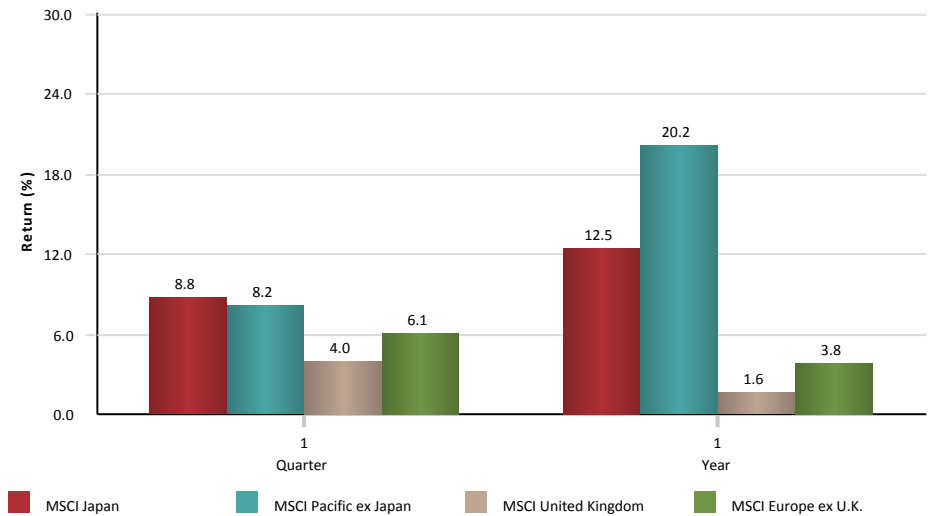
Source: Investment Metrics, LLC

Intl Equity Indices Performance



Source: Investment Metrics, LLC

Intl Equity Region Performance



Source: Investment Metrics, LLC



**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**Total Fund**  
**Investment Summary**  
**September 30, 2016**

The presidential election result in early November has set in motion varying forecasts of lower taxes, higher economic growth, higher inflation, and higher interest rates during the next four years. If these outlooks come to fruition, the impact on the Pension Fund could be positive over-all. First, higher interest rates will raise the discount rate used to determine the Fund's unfunded liability. Higher interest rates translate into an improved funding status. Lower taxes are intended to grow corporate earnings – which is intended to raise stock prices and the value of the Fund assets. Core bonds, which comprise 20% of the Fund's asset will decline as interest rates rise. Rising real estate cap rates may gradually degrade private real estate valuations.

- **For the five-year period, the Fund earned \$28 million or +9.0% (+8.3% net) per year, in line with the benchmark (+8.3%) and ahead of the actuarial expected rate of return. The benchmark (35% R3000, 15% MSCI-ACWI, and 50% BC AGG) does not include convertible bonds, TIPS, MLP pipelines or private real estate.**
- For the quarter, the Fund earned \$3.2 million or +3.8% (+3.6% net), ahead of the benchmark (+2.8%) - ranking in the top 29th percentile. The best three performing asset categories were: Fisher international (+8.7% top 28th), American Funds Euro-Pacific growth (+8.5% top 22nd), and Advent convertibles (+6.1% top 25th).
- For the 12-month period, the Fund earned \$7.3 million, or +9.0% (+8.3% net). Results trailed the strategic benchmark (+10.7%) – mainly due to Vulcan missing its bogey (+8.5% vs. +16.2%), along with the Intercontinental hedge fund (-6.8% vs. +6.6%).
- For the three-year period, the Fund earned \$12.7 million or +5.7% (+5.0% net) per year, similar to the benchmark (+5.9%). The top three performing assets were: large-cap growth (+11.6%, top 21st), private real estate (+11.2%) and SSI convertibles (+7.6%, top 16th).
- The hedge fund of funds is managed by Intercontinental. For the past seven years the product has averaged a return of +4.2% or +2.7% net. The fee rate for this period has averaged +1.4% per year. The hedge fund mandate was intended to earn bond-like returns (after fees) and experience low volatility and little or no correlation to stocks. The product's net under-performance during the past 12 months of -7.8% versus +0.5% for its benchmark, moved the seven-year average down by 1% per year. In other words, a +3.7% seven-year net annualized return would have been close to the objective. BCA is concerned that the product is exhibiting too much volatility. The five-year beta and standard deviation of returns were above the HFRI composite and median. Of the eight managers in the fund of funds, one is self-liquidating and two are being redeemed by the portfolio manager.



**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Total Fund  
Product/Manager Reviews  
September 30, 2016**

**Manager Comments**

- Vulcan large-cap value was ahead of the benchmark for the quarter (+5.0% vs. +3.5%), ranking in the top 35th percentile.
- The Scout mid-cap product was ahead of the benchmark for the quarter (+4.9% vs. +4.5%) and one-year period (+15.0% vs. +14.2%), ranking in the top 34th and 43rd percentile, respectively.
- Advent and SSI's convertible bond programs together averaged +10.3% per year for the five-year period. This was well ahead of the core bonds return of +3.7%.
- Fisher's international product beat its benchmark for the quarter, three and five-year periods by a wide margin - ranking in the top 43rd percentile for five years.
- Baring's private real estate program was ahead of the benchmark for the quarter (+2.5% vs. +2.1%) and one-year period (+10.9% vs. +10.1%). The four-year period averaged +11.1% per year – well ahead of core bonds (+3.1%).
- Galliard's core fixed-income program continues to be a consistent performer, with results ahead of the benchmark for the one, three and five-year periods.
- Intercontinental hedge fund was ahead of the benchmark for the quarter (+4.0% vs. +3.6%), but was significantly behind for the one-year period (-6.8% vs. +6.6%) and five years (+3.2% vs. +5.7%).



**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**Total Fund**  
**Investment Policy Review**  
**September 30, 2016**

	<u>Yes</u>	<u>No</u>
Total Fund performance achieved the Benchmark over the three-year rolling period (+5.7% vs. +5.9%).	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Total Fund performance ranked in the top 50th percentile over the three-year period.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Total Fund performance achieved the actuarial assumed rate of return (+8.0%) for the rolling three-year period.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Total Fund performance achieved the Benchmark over the five-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Total Fund performance ranked in the top 50th percentile over the five-year period.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Total Fund performance achieved the actuarial assumed rate of return (+8.0%) for the rolling five-year period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Westwood MLP performance achieved the Alerian MLP over the three-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Westwood MLP performance ranked in the top 50th percentile over the three-year period.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Advent convertibles performance achieved the ML AQ Convertible x144A over the three-year rolling period.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Advent convertibles performance ranked in the top 50th percentile over the three-year period.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Advent convertibles performance achieved the ML AQ Convertible x144A over the five-year rolling period.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Advent convertibles performance ranked in the top 50th percentile over the five-year period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SSI convertibles performance achieved the ML AQ Convertible x144A over the three-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SSI convertibles performance ranked in the top 50th percentile over the three-year period	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SSI convertibles performance achieved the ML AQ Convertible x144A over the five-year rolling period.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SSI convertibles performance ranked in the top 50th percentile over the five-year period	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fisher international performance achieved the MCSI ACWI xUS over the three-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fisher international performance ranked in the top 50th percentile over the three-year period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fisher international performance achieved the MCSI ACWI xUS over the five-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fisher international performance ranked in the top 50th percentile over the five-year period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Barings private real estate performance achieved the NCREIF ODCE over the three-year rolling period.	<input type="checkbox"/>	<input checked="" type="checkbox"/>



**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**Total Fund**  
**Investment Policy Review (Continued)**  
**September 30, 2016**

	<u>Yes</u>	<u>No</u>
Galliard fixed income performance achieved the Fixed Income Benchmark over the three-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Galliard fixed income performance ranked in the top 50th percentile over the three-year period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Galliard fixed income performance achieved the Fixed Income Benchmark over the five-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Galliard fixed income performance ranked in the top 50th percentile over the five-year period (55th).	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Galliard TIPS performance achieved the Barclays 1-10 Yr TIPS Benchmark over the three-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Galliard TIPS performance achieved the Barclays 1-10 Yr TIPS Benchmark over the five-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Intercontinental hedge fund performance achieved the Barclays Hedge Benchmark over the three-year rolling period.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Intercontinental hedge fund performance achieved the Barclays Hedge Benchmark over the five-year rolling period.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PFIA compliant.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Domestic equity managers may only invest in ADR foreign securities based on the limitations of the IPS and addendums.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Investments in equities, excluding the real estate allocation, shall not exceed 70% of the Fund's assets at market value.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Equities: Investment in securities of a single corporate issuer shall not exceed the limitations of the IPS and addendums.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
All investments in securities issued by foreign governments or corporations domiciled outside the US shall not exceed 20% at market.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Non-government bonds: Investments in any one issuing corporation shall be limited to 2.0% of the total bond portfolio.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fixed income securities shall be limited to those securities rated at or above "Baa2" (Moody) or "BBB" (S&P).	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Treasury Inflation Indexed Securities (TIPS) are limited to 1 to 10 year maturities.	<input checked="" type="checkbox"/>	<input type="checkbox"/>



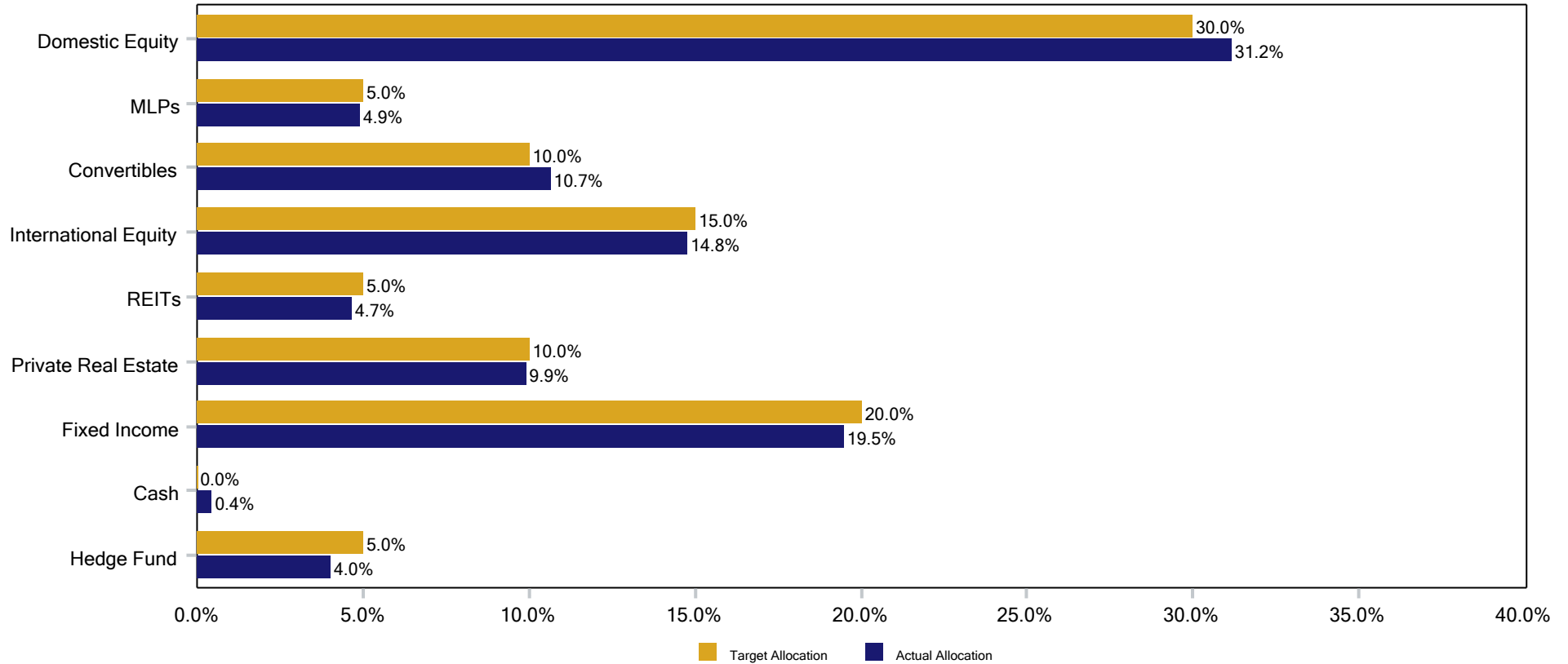


Palm Tran, Inc. / ATU Local 1577 Pension Fund  
Investment Performance  
September 30, 2016

	<u>Quarter</u>	<u>One Year</u>	<u>Three Years</u>	<u>Four Years</u>	<u>Five Years</u>
Beginning Market Value	86,385,387	82,345,788	72,587,792	58,943,191	50,295,767
Contributions	-6,871	-26,200	4,312,186	11,126,601	11,307,665
Gain/Loss	3,211,277	7,270,205	12,689,816	19,520,001	27,986,361
Ending Market Value	89,589,793	89,589,793	89,589,793	89,589,793	89,589,793
<b>Total Fund</b>	<b>3.6</b>	<b>8.3</b>	<b>5.0</b>	<b>6.4</b>	<b>8.3</b>
<b>Benchmark</b>	<b>2.8</b>	<b>9.5</b>	<b>5.9</b>	<b>6.6</b>	<b>8.3</b>

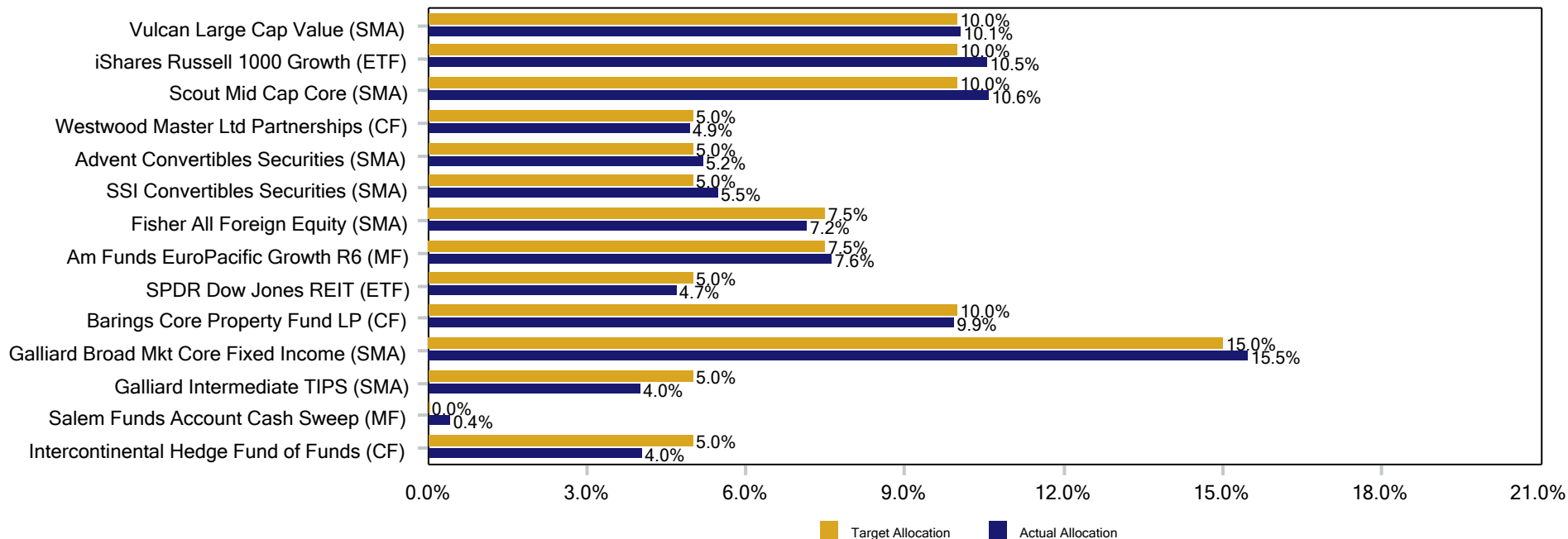


**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**Actual vs. Target Asset Allocation**  
**September 30, 2016**



	Market Value Actual \$	Percent Actual	Percent Target	Percent Difference
Total Fund	89,589,793	100.0	100.0	0.0
Domestic Equity	27,932,832	31.2	30.0	1.2
MLPs	4,402,965	4.9	5.0	-0.1
Convertibles	9,541,990	10.7	10.0	0.7
International Equity	13,226,908	14.8	15.0	-0.2
REITs	4,182,723	4.7	5.0	-0.3
Private Real Estate	8,877,883	9.9	10.0	-0.1
Fixed Income	17,447,125	19.5	20.0	-0.5
Cash	376,988	0.4	0.0	0.4
Hedge Fund	3,600,379	4.0	5.0	-1.0

**Palm Tran, Inc. / ATU Local 1577 Pension Fund  
Actual vs. Target Asset Allocation  
September 30, 2016**

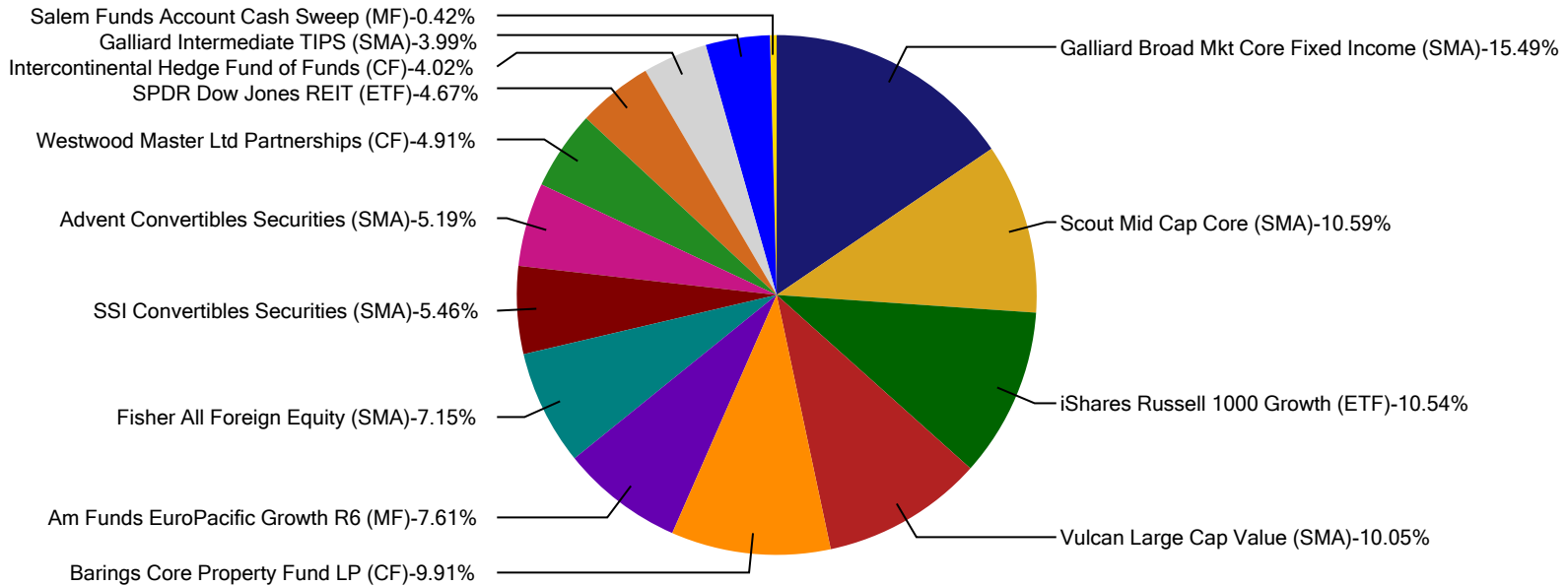


	Market Value Actual \$	Percent Actual	Percent Target	Percent Difference
Total Fund	89,589,793	100.0	100.0	0.0
Vulcan Large Cap Value (SMA)	9,003,905	10.1	10.0	0.1
iShares Russell 1000 Growth (ETF)	9,439,885	10.5	10.0	0.5
Scout Mid Cap Core (SMA)	9,489,041	10.6	10.0	0.6
Westwood Master Ltd Partnerships (CF)	4,402,965	4.9	5.0	-0.1
Advent Convertibles Securities (SMA)	4,653,553	5.2	5.0	0.2
SSI Convertibles Securities (SMA)	4,888,437	5.5	5.0	0.5
Fisher All Foreign Equity (SMA)	6,409,292	7.2	7.5	-0.3
Am Funds EuroPacific Growth R6 (MF)	6,817,616	7.6	7.5	0.1
SPDR Dow Jones REIT (ETF)	4,182,723	4.7	5.0	-0.3
Barings Core Property Fund LP (CF)	8,877,883	9.9	10.0	-0.1
Galliard Broad Mkt Core Fixed Income (SMA)	13,875,491	15.5	15.0	0.5
Galliard Intermediate TIPS (SMA)	3,571,634	4.0	5.0	-1.0
Salem Funds Account Cash Sweep (MF)	376,988	0.4	0.0	0.4
Intercontinental Hedge Fund of Funds (CF)	3,600,379	4.0	5.0	-1.0



**Palm Tran, Inc. / ATU Local 1577 Pension Fund  
Asset Allocation**

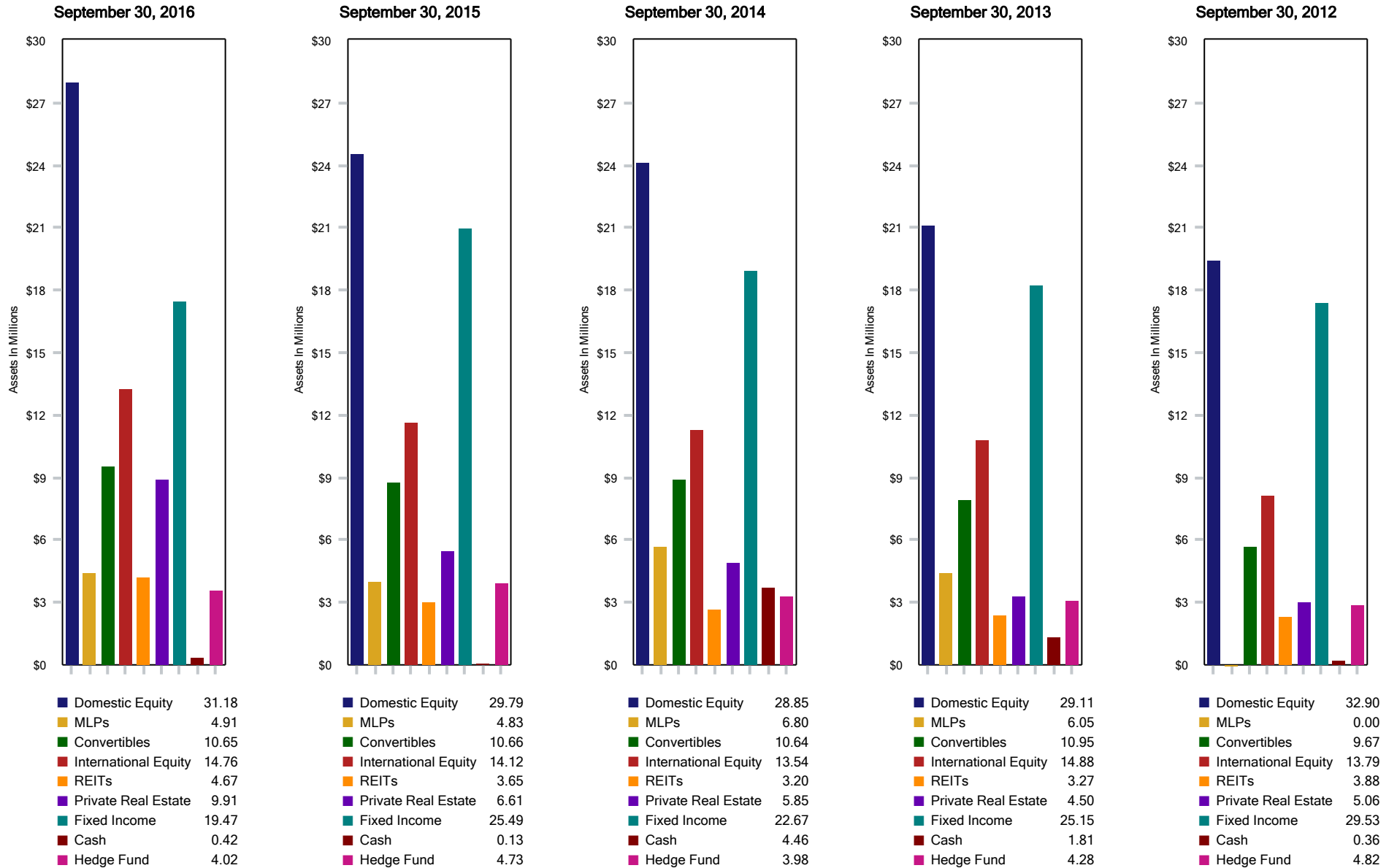
**September 30, 2016 : 89,589,793**



	<u>Market Value \$</u>	<u>Allocation (%)</u>
■ Galliard Broad Mkt Core Fixed Income (SMA)	13,875,491	15.49
■ Scout Mid Cap Core (SMA)	9,489,041	10.59
■ iShares Russell 1000 Growth (ETF)	9,439,885	10.54
■ Vulcan Large Cap Value (SMA)	9,003,905	10.05
■ Barings Core Property Fund LP (CF)	8,877,883	9.91
■ Am Funds EuroPacific Growth R6 (MF)	6,817,616	7.61
■ Fisher All Foreign Equity (SMA)	6,409,292	7.15
■ SSI Convertibles Securities (SMA)	4,888,437	5.46
■ Advent Convertibles Securities (SMA)	4,653,553	5.19
■ Westwood Master Ltd Partnerships (CF)	4,402,965	4.91
■ SPDR Dow Jones REIT (ETF)	4,182,723	4.67
■ Intercontinental Hedge Fund of Funds (CF)	3,600,379	4.02
■ Galliard Intermediate TIPS (SMA)	3,571,634	3.99
■ Salem Funds Account Cash Sweep (MF)	376,988	0.42



**Palm Tran, Inc. / ATU Local 1577 Pension Fund  
Historical Asset Allocation  
September 30, 2016**



**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**Asset Allocation & Performance**  
**September 30, 2016**

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	4 Year ROR - Rank	5 Year ROR - Rank
<b>Total Fund</b>	<b>89,589,793</b>	<b>3.8 (29)</b>	<b>9.0 (68)</b>	<b>5.7 (74)</b>	<b>7.0 (76)</b>	<b>9.0 (74)</b>
Benchmark		2.8	9.5	5.9	6.6	8.3
Strategic Benchmark		3.6	10.7	6.4	7.8	9.5
<b>Equity</b>	<b>59,287,419</b>	<b>5.0</b>	<b>11.3</b>	<b>6.2</b>	<b>9.2</b>	<b>12.0</b>
<b>Domestic Equity</b>	<b>27,932,832</b>	<b>4.8</b>	<b>12.5</b>	<b>9.2</b>	<b>12.1</b>	<b>14.9</b>
<b>Vulcan Large Cap Value (SMA)</b>	<b>9,003,905</b>	<b>5.0 (35)</b>	<b>8.5 (87)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Russell 1000 Value Index		3.5	16.2	9.7	12.7	16.2
<b>iShares Russell 1000 Growth (ETF)</b>	<b>9,439,885</b>	<b>4.5 (73)</b>	<b>13.6 (18)</b>	<b>11.6 (21)</b>	<b>13.5 (24)</b>	<b>16.4 (28)</b>
Russell 1000 Growth Index		4.6	13.8	11.8	13.6	16.6
<b>Scout Mid Cap Core (SMA)</b>	<b>9,489,041</b>	<b>4.9 (34)</b>	<b>15.0 (43)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Russell Midcap Index		4.5	14.2	9.7	14.0	16.7
MSCI US Mid Cap 450 Index		4.3	13.9	10.4	14.7	17.0
<b>MLPs</b>	<b>4,402,965</b>	<b>0.7</b>	<b>11.4</b>	<b>-3.4</b>	<b>N/A</b>	<b>N/A</b>
<b>Westwood Master Ltd Partnerships (CF)</b>	<b>4,402,965</b>	<b>0.7 (99)</b>	<b>11.4 (68)</b>	<b>-3.4 (70)</b>	<b>N/A</b>	<b>N/A</b>
Alerian MLP Index		1.1	12.7	-4.8	0.2	5.0
<b>Convertibles</b>	<b>9,541,990</b>	<b>5.5</b>	<b>8.8</b>	<b>6.3</b>	<b>8.9</b>	<b>10.3</b>
<b>Advent Convertibles Securities (SMA)</b>	<b>4,653,553</b>	<b>6.1 (25)</b>	<b>8.8 (50)</b>	<b>5.0 (69)</b>	<b>8.1 (56)</b>	<b>9.8 (44)</b>
<b>SSI Convertibles Securities (SMA)</b>	<b>4,888,437</b>	<b>5.0 (60)</b>	<b>8.8 (50)</b>	<b>7.6 (16)</b>	<b>9.7 (24)</b>	<b>10.8 (27)</b>
BofA Merrill Lynch All Conv Ex.144A All Qual Index		6.2	9.5	7.0	10.1	11.4
<b>International Equity</b>	<b>13,226,908</b>	<b>8.8</b>	<b>9.3</b>	<b>2.5</b>	<b>6.5</b>	<b>9.0</b>
<b>Am Funds EuroPacific Growth R6 (MF)</b>	<b>6,817,616</b>	<b>8.5 (22)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Fisher All Foreign Equity (SMA)</b>	<b>6,409,292</b>	<b>8.7 (28)</b>	<b>9.2 (61)</b>	<b>2.5 (47)</b>	<b>6.5 (49)</b>	<b>9.0 (43)</b>
MSCI AC World ex USA		7.0	9.8	0.6	4.5	6.5
<b>REITs</b>	<b>4,182,723</b>	<b>-1.1</b>	<b>17.7</b>	<b>14.5</b>	<b>11.9</b>	<b>16.0</b>



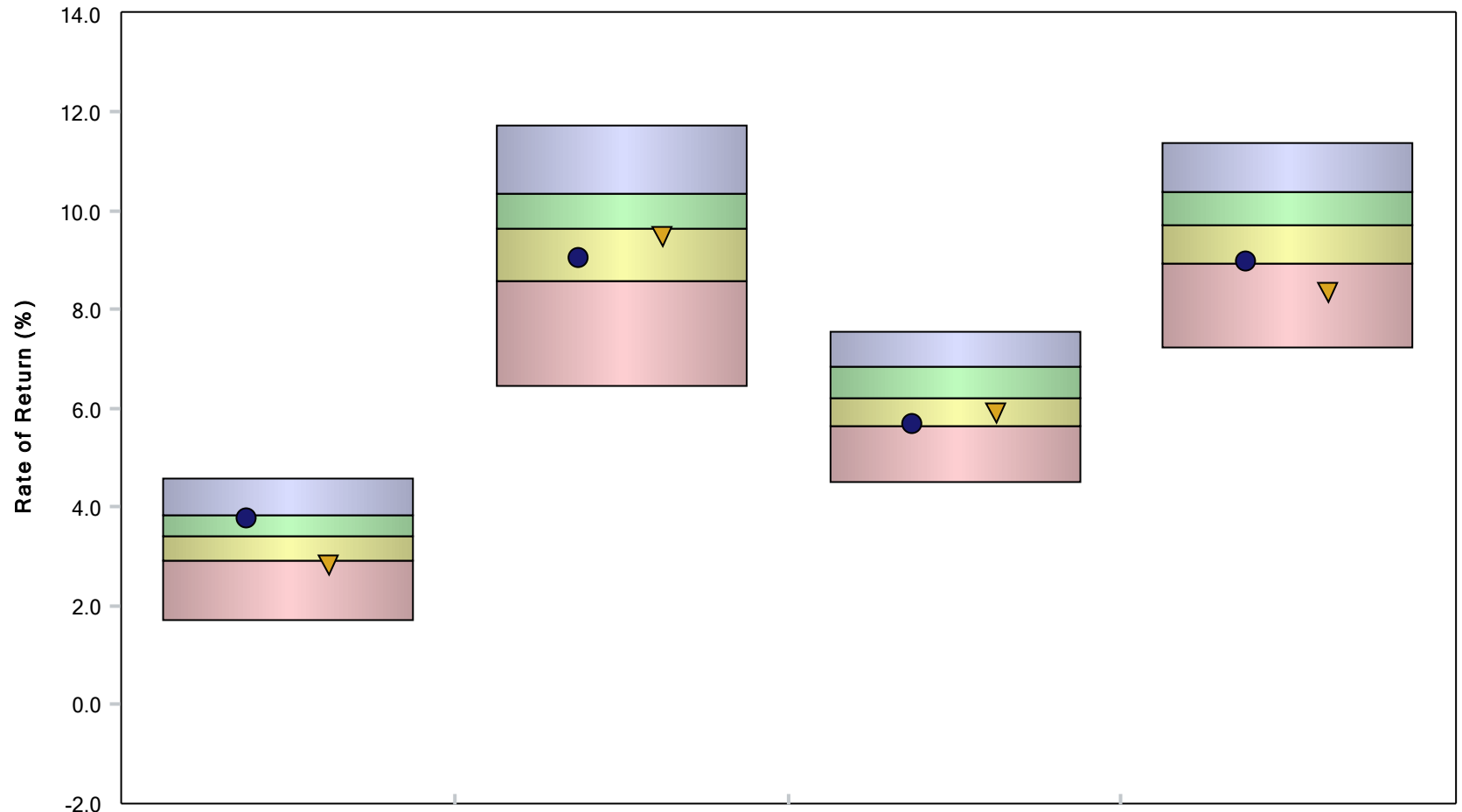
**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**Asset Allocation & Performance**  
**September 30, 2016**

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	4 Year ROR - Rank	5 Year ROR - Rank
<b>SPDR Dow Jones REIT (ETF)</b>	<b>4,182,723</b>	<b>-1.3 (45)</b>	<b>17.3 (41)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Wilshire US REIT Index		-1.2	17.9	14.3	12.0	15.8
<b>Private Real Estate</b>	<b>8,877,883</b>	<b>2.5</b>	<b>10.9</b>	<b>11.2</b>	<b>11.1</b>	<b>N/A</b>
<b>Barings Core Property Fund LP (CF)</b>	<b>8,877,883</b>	<b>2.5</b>	<b>10.9</b>	<b>11.2</b>	<b>11.1</b>	<b>N/A</b>
NCREIF Fund Index-ODCE (VW)		2.1	10.1	12.5	12.6	12.4
<b>Fixed Income</b>	<b>17,447,125</b>	<b>0.6</b>	<b>5.5</b>	<b>4.3</b>	<b>2.7</b>	<b>3.3</b>
<b>Galliard Broad Mkt Core Fixed Income (SMA)</b>	<b>13,875,491</b>	<b>0.5 (63)</b>	<b>5.7 (51)</b>	<b>4.8 (34)</b>	<b>3.1 (50)</b>	<b>3.7 (55)</b>
Bloomberg Barclays U.S. Aggregate Index		0.5	5.2	4.0	2.6	3.1
<b>Galliard Intermediate TIPS (SMA)</b>	<b>3,571,634</b>	<b>0.6 (89)</b>	<b>4.9 (94)</b>	<b>1.6 (75)</b>	<b>0.2 (58)</b>	<b>1.4 (79)</b>
Blmbg. Barc. U.S. TIPS 1-10 Year		0.6	4.8	1.5	0.1	1.3
<b>Cash</b>	<b>376,988</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>
<b>Salem Funds Account Cash Sweep (MF)</b>	<b>376,988</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>
BofA Merrill Lynch 3 Month U.S. T-Bill		0.1	0.3	0.1	0.1	0.1
<b>Hedge Fund</b>	<b>3,600,379</b>	<b>4.0</b>	<b>-6.8</b>	<b>-1.4</b>	<b>1.7</b>	<b>3.2</b>
<b>Intercontinental Hedge Fund of Funds (CF)</b>	<b>3,600,379</b>	<b>4.0</b>	<b>-6.8</b>	<b>-1.4</b>	<b>1.7</b>	<b>3.2</b>
Barclay Hedge Fund Index		3.6	6.6	3.8	5.3	5.7

**1 Benchmark from inception:** 35% Russell 3000 + 15% MSCI ACWI ex US + 50% BC Aggregate.



**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**Peer Universe Quartile Ranking**  
**September 30, 2016**



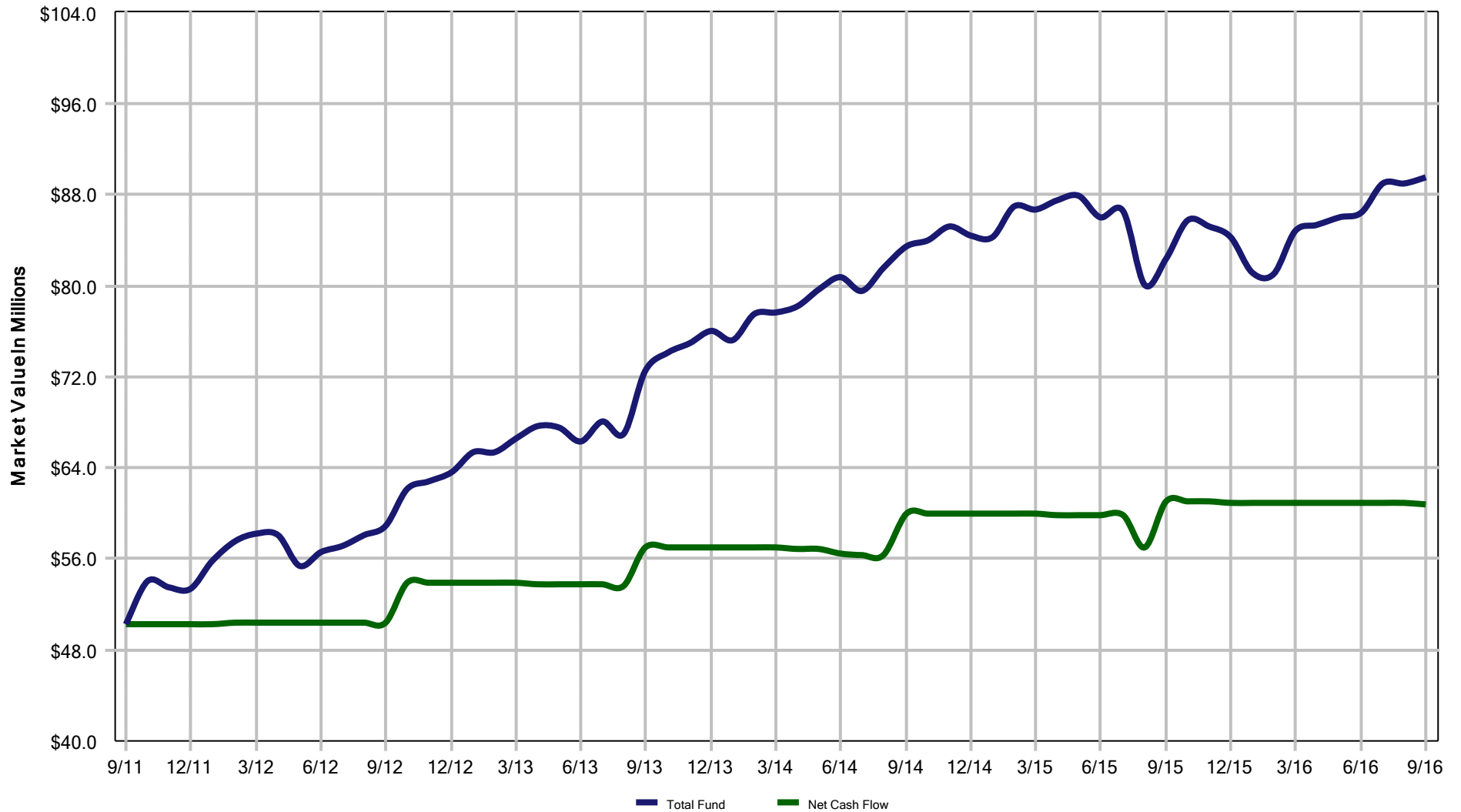
	<u>Quarter</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
● Total Fund	3.8 (29)	9.0 (68)	5.7 (74)	9.0 (74)
▼ Benchmark	2.8 (78)	9.5 (56)	5.9 (68)	8.3 (88)
5th Percentile	4.6	11.7	7.6	11.4
1st Quartile	3.8	10.4	6.8	10.4
Median	3.4	9.6	6.2	9.7
3rd Quartile	2.9	8.6	5.7	8.9
95th Percentile	1.7	6.5	4.5	7.3

Parenteses contain percentile rankings.  
 Calculation based on monthly data.





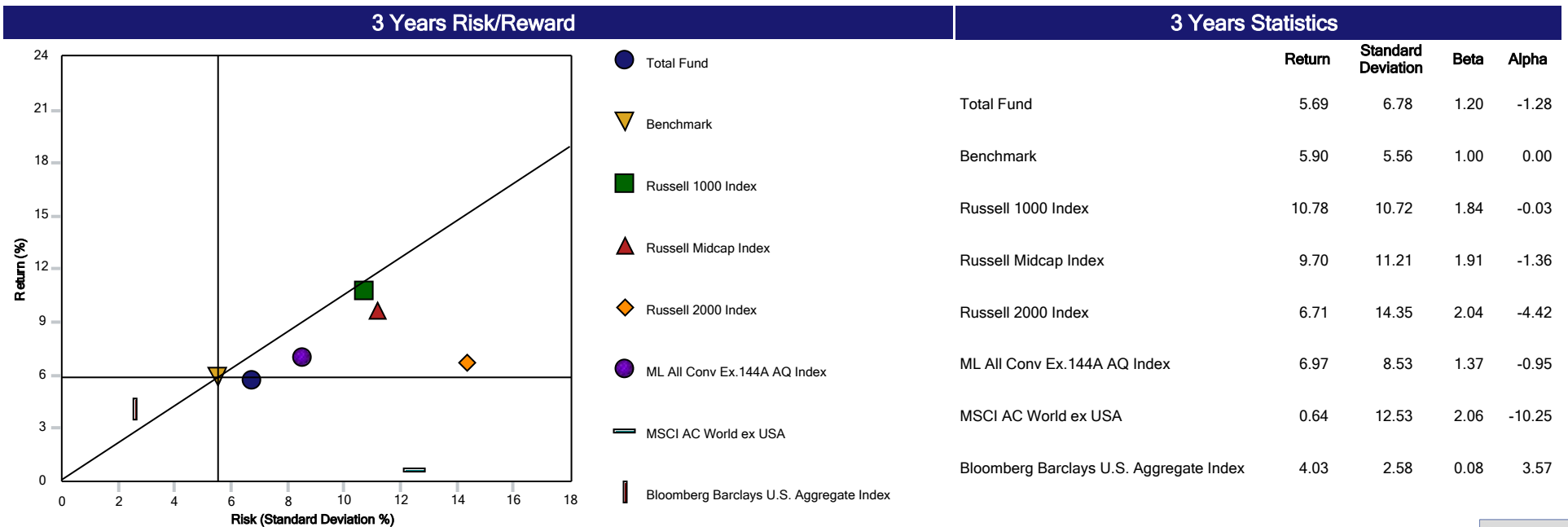
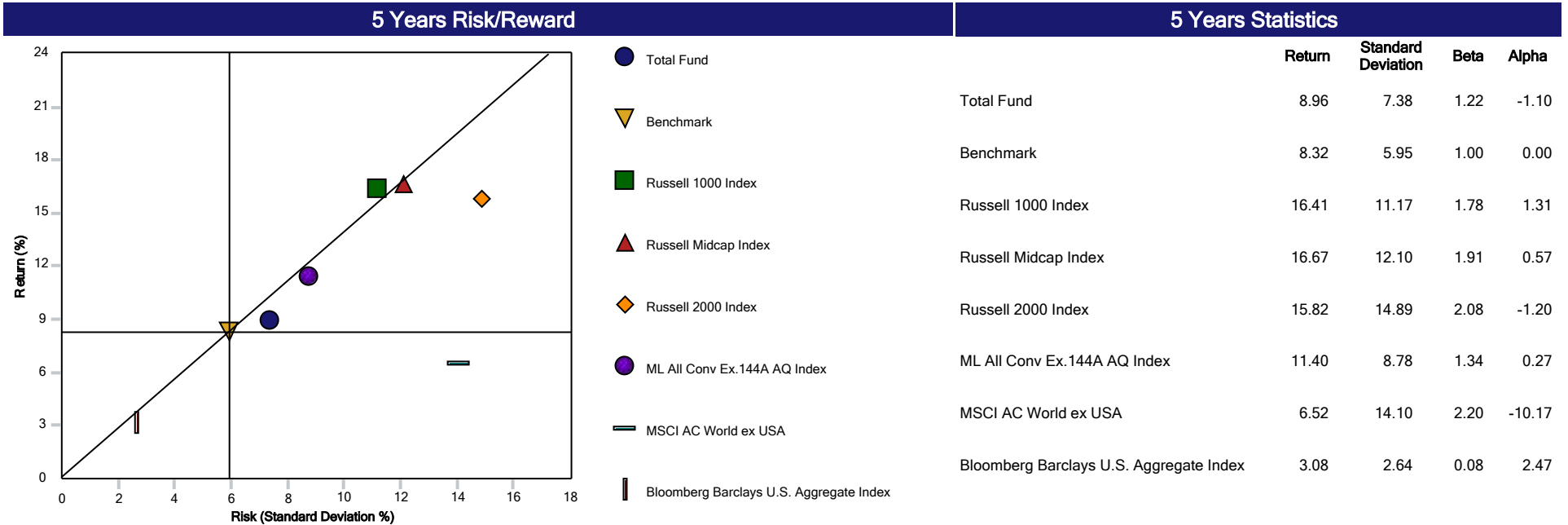
**Palm Tran, Inc. / ATU Local 1577 Pension Fund  
Growth of Investments  
October 1, 2011 Through September 30, 2016**



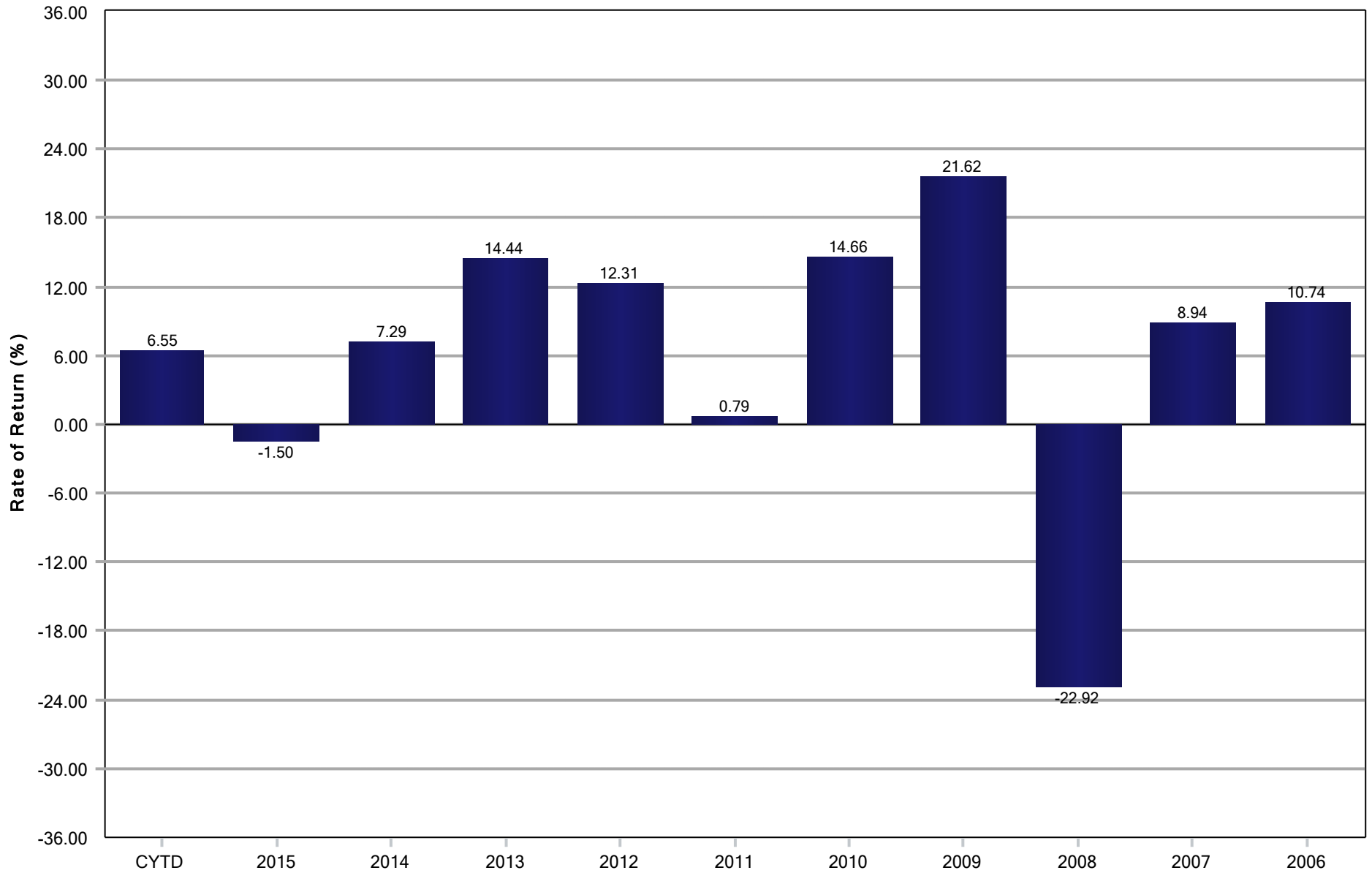
<u>Beginning MV</u>	<u>Ending MV</u>	<u>Annualized ROR</u>
\$50,295,767	\$89,589,793	9.0



**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**Capital Market Line**  
**Period Ending September 30, 2016**

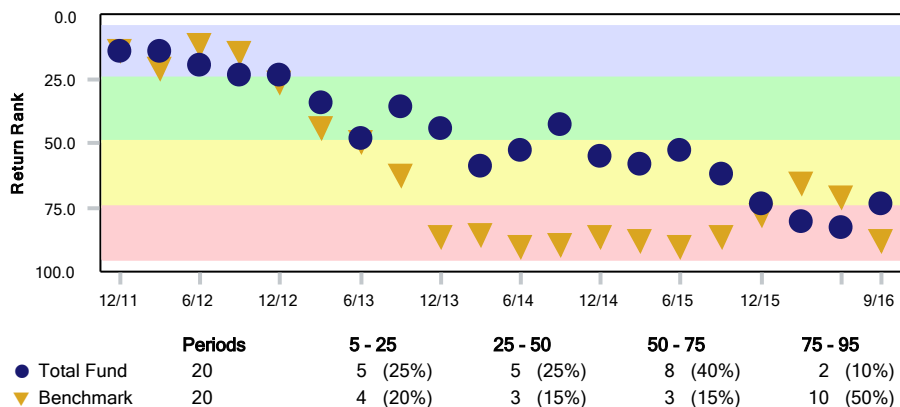


Palm Tran, Inc. / ATU Local 1577 Pension Fund  
Fiscal Year Rates of Return  
September 30, 2016



**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**Total Fund**  
**September 30, 2016**

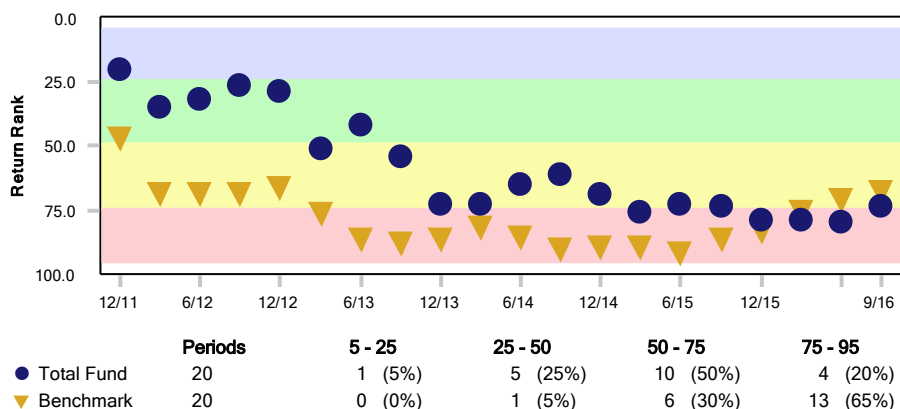
**5 Years Rolling Percentile Ranking - 5 Years**



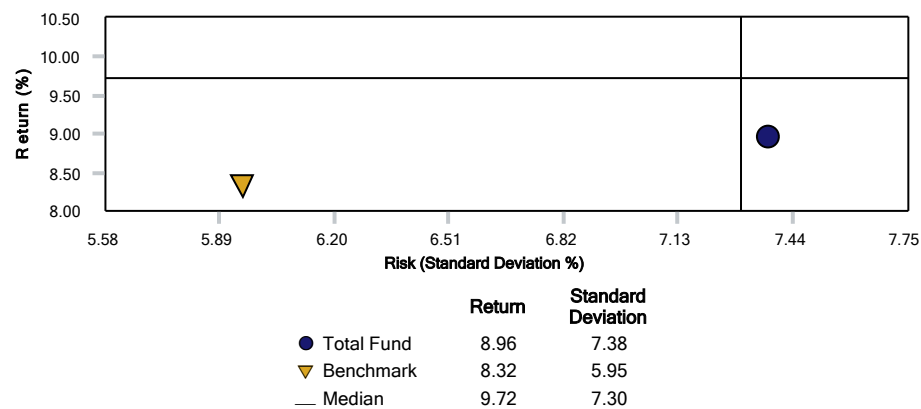
**Growth of a Dollar**



**3 Years Rolling Percentile Ranking - 5 Years**



**Peer Group Risk/Reward - 5 Years**



**Historical Statistics - 5 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	8.96	7.38	-1.10	1.22	1.19	125.83	114.70
Benchmark	8.32	5.95	0.00	1.00	1.36	100.00	100.00

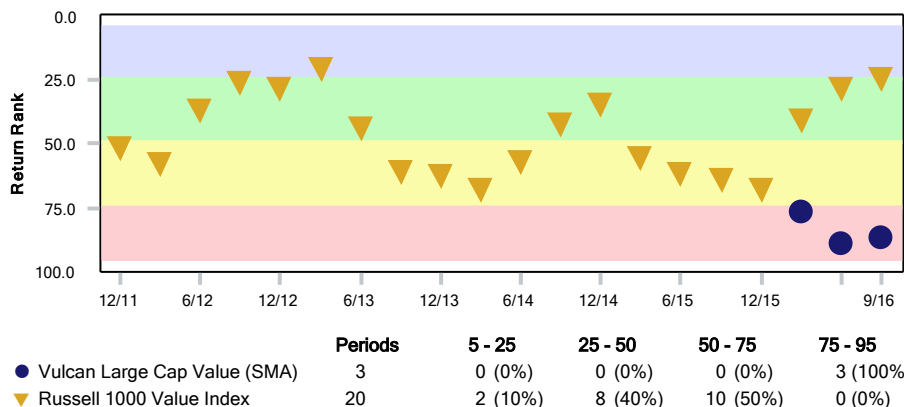
**Historical Statistics - 3 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	5.69	6.78	-1.28	1.20	0.84	133.33	113.93
Benchmark	5.90	5.56	0.00	1.00	1.05	100.00	100.00

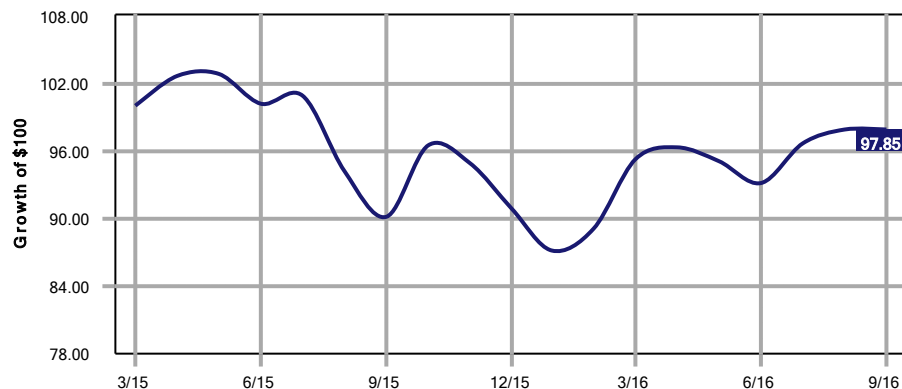


**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**Vulcan Large Cap Value (SMA)**  
**September 30, 2016**

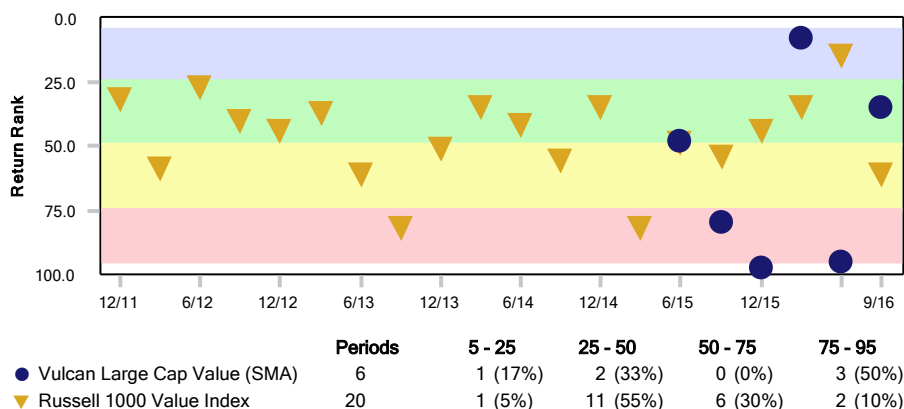
**1 Year Rolling Percentile Ranking - 5 Years**



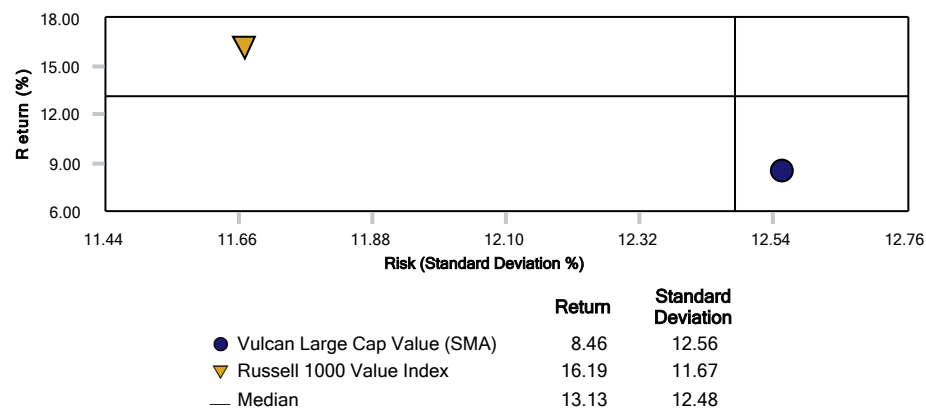
**Growth of a Dollar**



**1 Quarter Rolling Percentile Ranking - 5 Years**



**Peer Group Risk/Reward - 1 Year**



**Historical Statistics - 1 Year**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Vulcan Large Cap Value (SMA)	8.46	12.56	-6.18	0.97	0.70	81.55	64.65
Russell 1000 Value Index	16.19	11.67	0.00	1.00	1.34	100.00	100.00

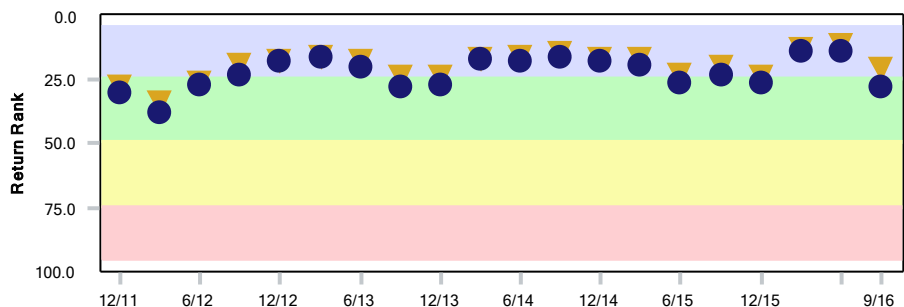
**Historical Statistics - 1 Quarter**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Vulcan Large Cap Value (SMA)	5.04	1.64	0.21	1.26	1.00	18.14	137.08
Russell 1000 Value Index	3.48	1.30	0.00	1.00	0.87	100.00	100.00



**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**iShares Russell 1000 Growth (ETF)**  
**September 30, 2016**

**5 Years Rolling Percentile Ranking - 5 Years**

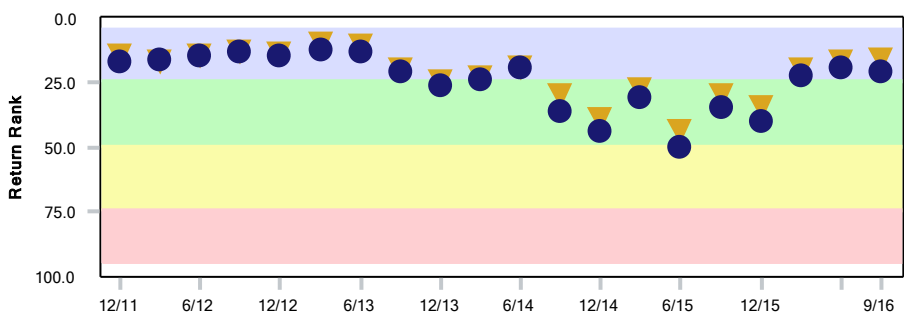


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● iShares Russell 1000 Growth (ETF)	20	12 (60%)	8 (40%)	0 (0%)	0 (0%)
▼ Russell 1000 Growth Index	20	17 (85%)	3 (15%)	0 (0%)	0 (0%)

**Growth of a Dollar**

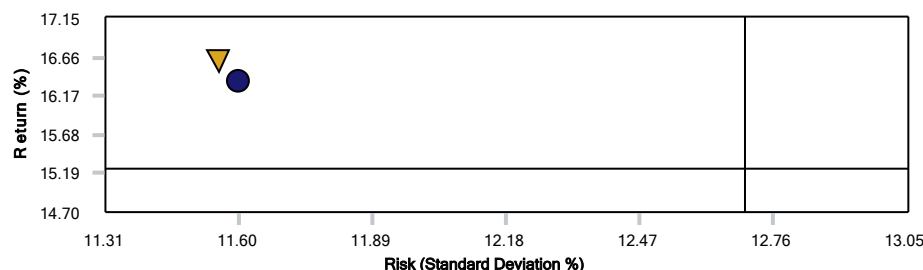


**3 Years Rolling Percentile Ranking - 5 Years**



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● iShares Russell 1000 Growth (ETF)	20	13 (65%)	7 (35%)	0 (0%)	0 (0%)
▼ Russell 1000 Growth Index	20	14 (70%)	6 (30%)	0 (0%)	0 (0%)

**Peer Group Risk/Reward - 5 Years**



	Return	Standard Deviation
● iShares Russell 1000 Growth (ETF)	16.35	11.60
▼ Russell 1000 Growth Index	16.60	11.55
— Median	15.24	12.70

**Historical Statistics - 5 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
iShares Russell 1000 Growth (ETF)	16.35	11.60	-0.25	1.00	1.36	101.43	99.67
Russell 1000 Growth Index	16.60	11.55	0.00	1.00	1.39	100.00	100.00

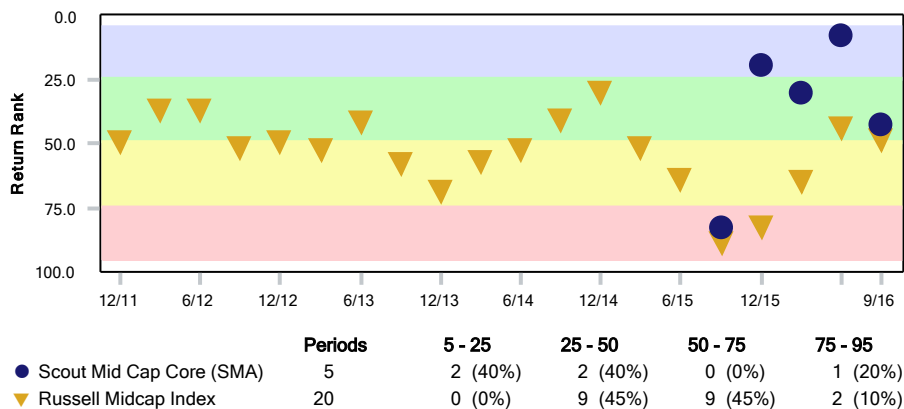
**Historical Statistics - 3 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
iShares Russell 1000 Growth (ETF)	11.60	11.32	-0.24	1.00	1.02	101.31	99.67
Russell 1000 Growth Index	11.83	11.28	0.00	1.00	1.04	100.00	100.00

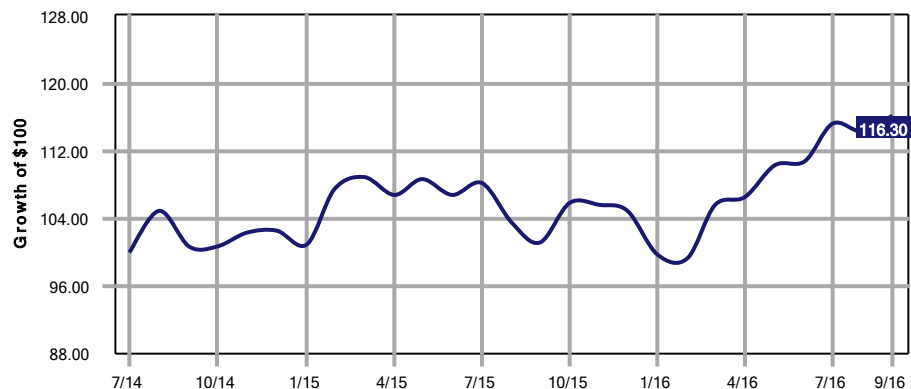


**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**Scout Mid Cap Core (SMA)**  
**September 30, 2016**

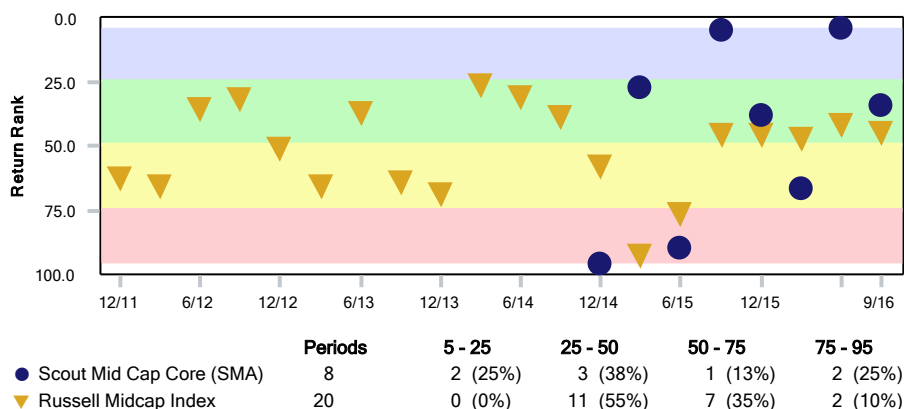
**1 Year Rolling Percentile Ranking - 5 Years**



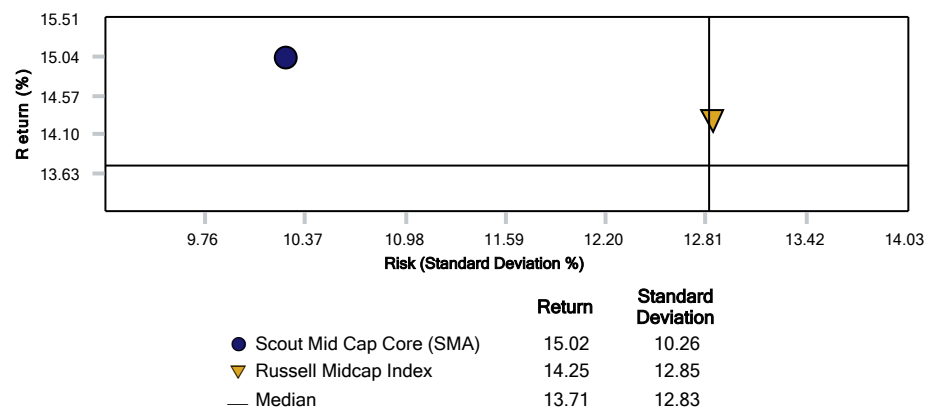
**Growth of a Dollar**



**1 Quarter Rolling Percentile Ranking - 5 Years**



**Peer Group Risk/Reward - 1 Year**



**Historical Statistics - 1 Year**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Scout Mid Cap Core (SMA)	15.02	10.26	3.94	0.76	1.41	66.38	88.18
Russell Midcap Index	14.25	12.85	0.00	1.00	1.09	100.00	100.00

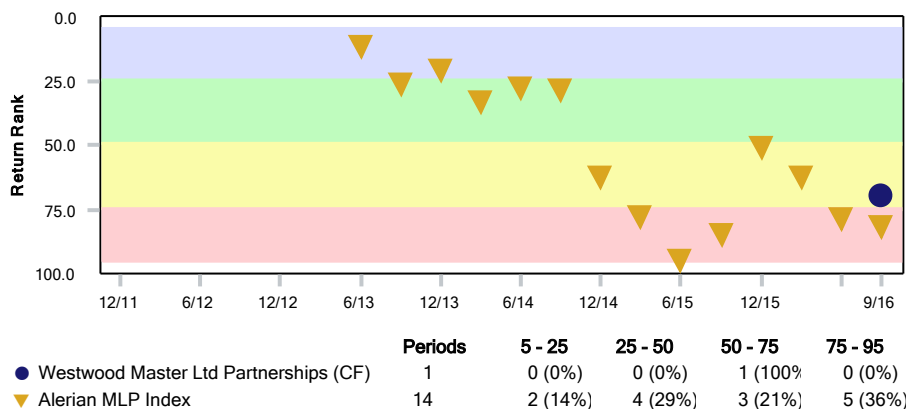
**Historical Statistics - 1 Quarter**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Scout Mid Cap Core (SMA)	4.85	1.94	0.40	0.80	0.82	310.37	117.60
Russell Midcap Index	4.52	2.17	0.00	1.00	0.68	100.00	100.00

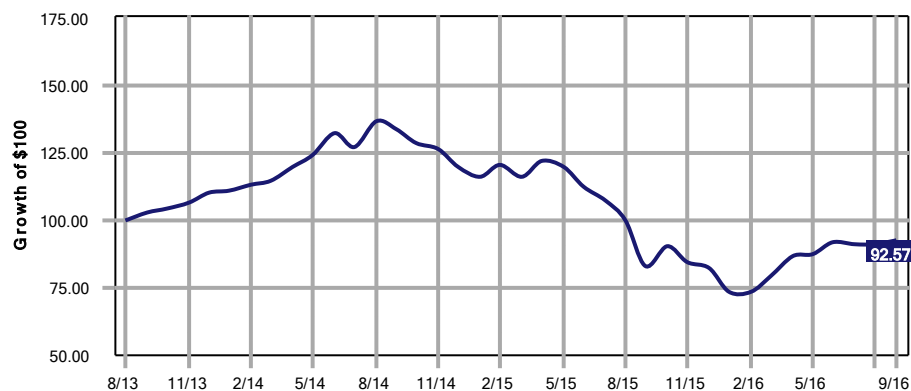


**Palm Tran, Inc. / ATU Local 1577 Pension Fund  
Westwood Master Ltd Partnerships (CF)  
September 30, 2016**

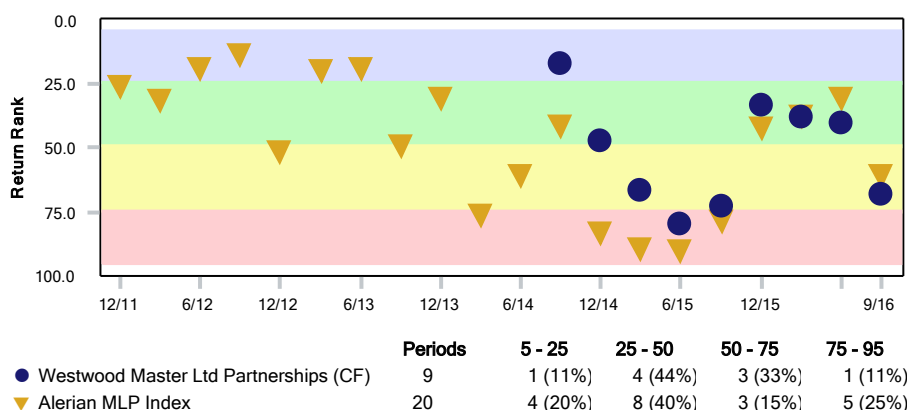
**3 Years Rolling Percentile Ranking - 5 Years**



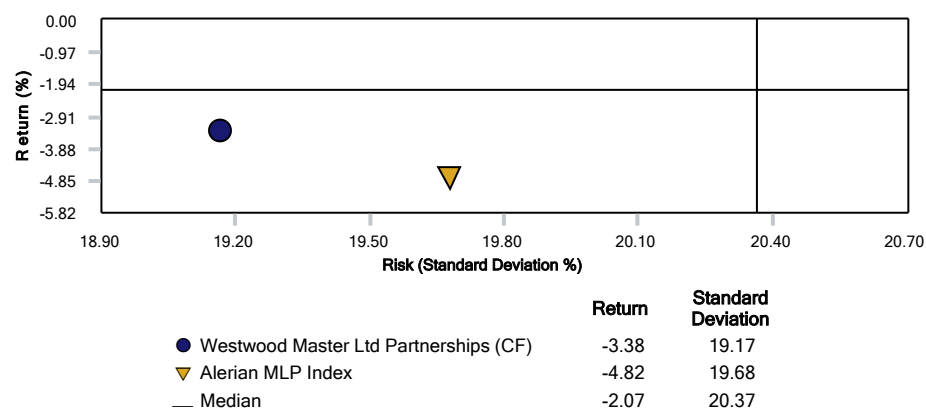
**Growth of a Dollar**



**1 Year Rolling Percentile Ranking - 5 Years**



**Peer Group Risk/Reward - 3 Years**



**Historical Statistics - 3 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Westwood Master Ltd Partnerships (CF)	-3.38	19.17	1.28	0.95	-0.08	90.62	95.08
Alerian MLP Index	-4.82	19.68	0.00	1.00	-0.15	100.00	100.00

**Historical Statistics - 1 Year**

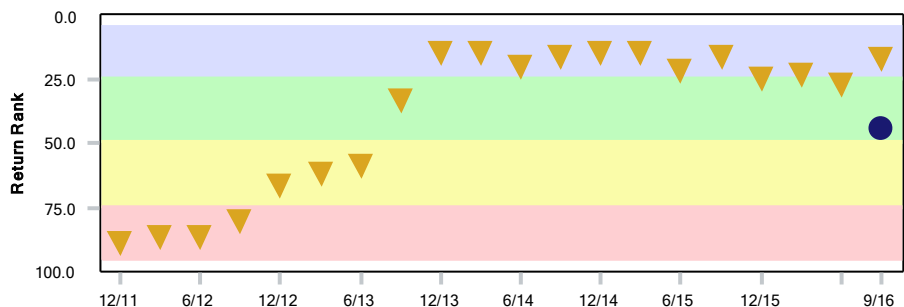
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Westwood Master Ltd Partnerships (CF)	11.42	20.11	0.02	0.88	0.63	79.03	82.51
Alerian MLP Index	12.74	22.52	0.00	1.00	0.64	100.00	100.00





**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**Advent Convertibles Securities (SMA)**  
**September 30, 2016**

**5 Years Rolling Percentile Ranking - 5 Years**

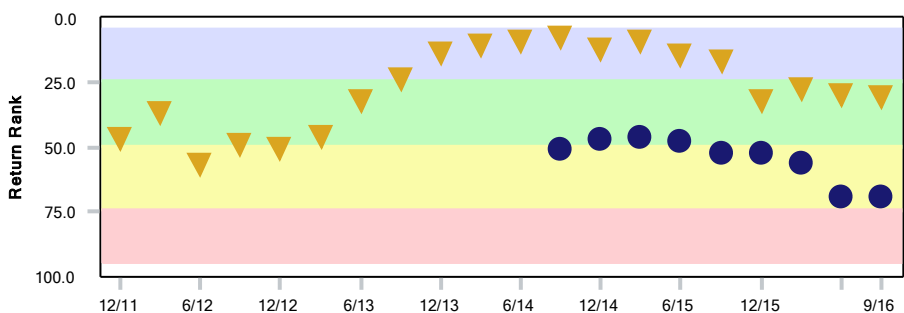


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Advent Convertibles Securities (SMA)	1	0 (0%)	1 (100%)	0 (0%)	0 (0%)
▼ ML All Conv Ex.144A All Qual Index	20	11 (55%)	2 (10%)	3 (15%)	4 (20%)

**Growth of a Dollar**

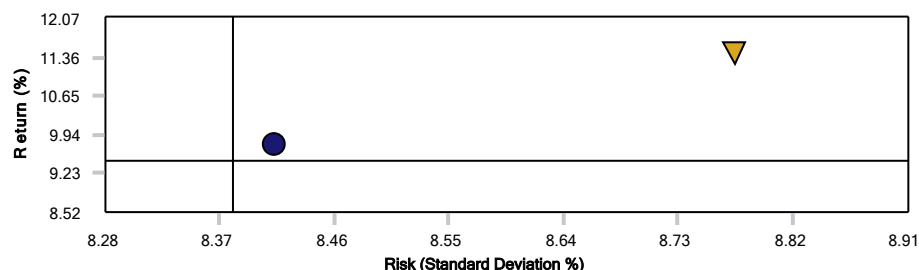


**3 Years Rolling Percentile Ranking - 5 Years**



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Advent Convertibles Securities (SMA)	9	0 (0%)	3 (33%)	6 (67%)	0 (0%)
▼ ML All Conv Ex.144A All Qual Index	20	9 (45%)	9 (45%)	2 (10%)	0 (0%)

**Peer Group Risk/Reward - 5 Years**



	Return	Standard Deviation
● Advent Convertibles Securities (SMA)	9.75	8.41
▼ ML All Conv Ex.144A All Qual Index	11.40	8.78
— Median	9.48	8.38

**Historical Statistics - 5 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Advent Convertibles Securities (SMA)	9.75	8.41	-0.88	0.94	1.14	93.57	89.28
ML All Conv Ex.144A All Qual Index	11.40	8.78	0.00	1.00	1.27	100.00	100.00

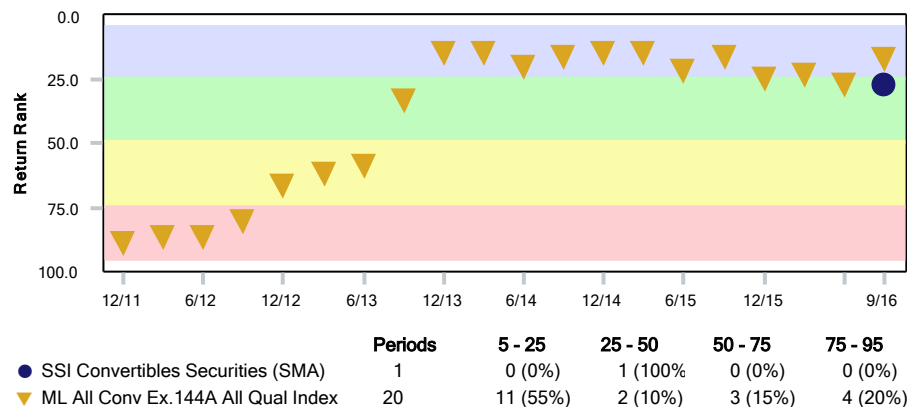
**Historical Statistics - 3 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Advent Convertibles Securities (SMA)	5.03	8.21	-1.44	0.94	0.63	92.26	84.10
ML All Conv Ex.144A All Qual Index	6.97	8.53	0.00	1.00	0.83	100.00	100.00

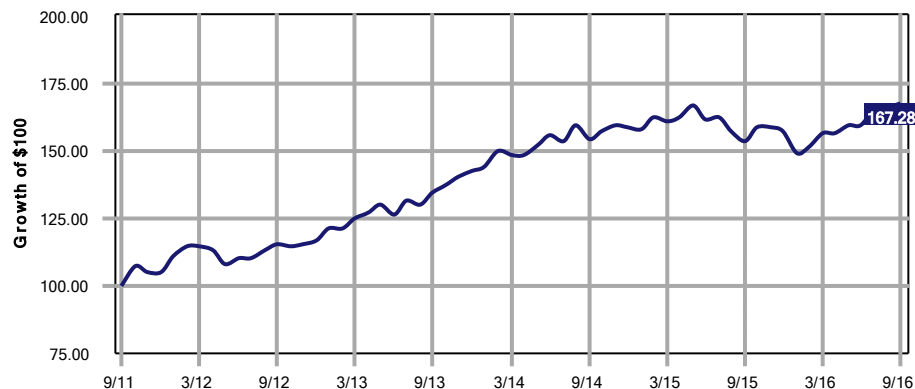


**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**SSI Convertibles Securities (SMA)**  
**September 30, 2016**

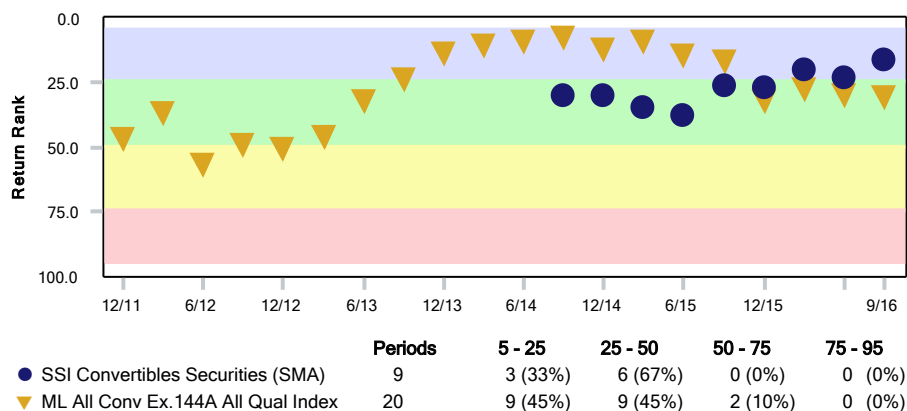
**5 Years Rolling Percentile Ranking - 5 Years**



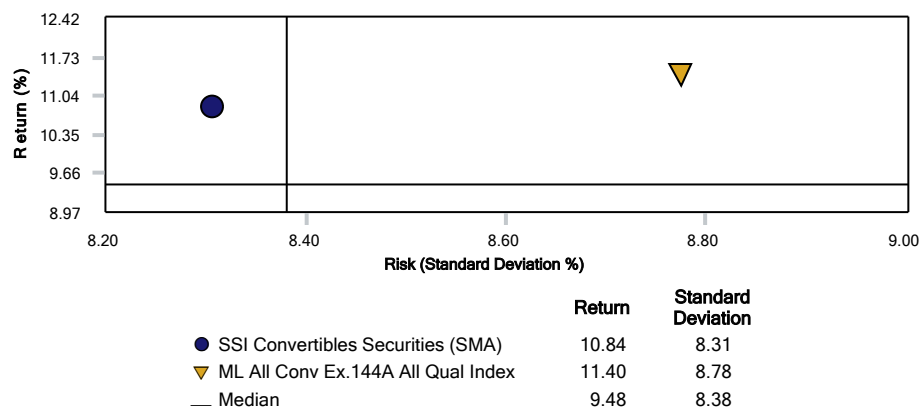
**Growth of a Dollar**



**3 Years Rolling Percentile Ranking - 5 Years**



**Peer Group Risk/Reward - 5 Years**



**Historical Statistics - 5 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
SSI Convertibles Securities (SMA)	10.84	8.31	0.30	0.92	1.28	87.55	92.04
ML All Conv Ex.144A All Qual Index	11.40	8.78	0.00	1.00	1.27	100.00	100.00

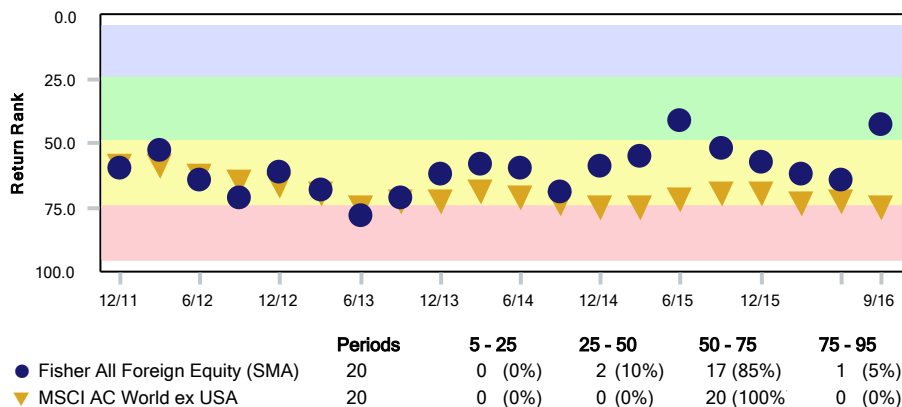
**Historical Statistics - 3 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
SSI Convertibles Securities (SMA)	7.60	7.55	1.51	0.86	1.00	78.30	91.15
ML All Conv Ex.144A All Qual Index	6.97	8.53	0.00	1.00	0.83	100.00	100.00



**Palm Tran, Inc. / ATU Local 1577 Pension Fund  
Fisher All Foreign Equity (SMA)  
September 30, 2016**

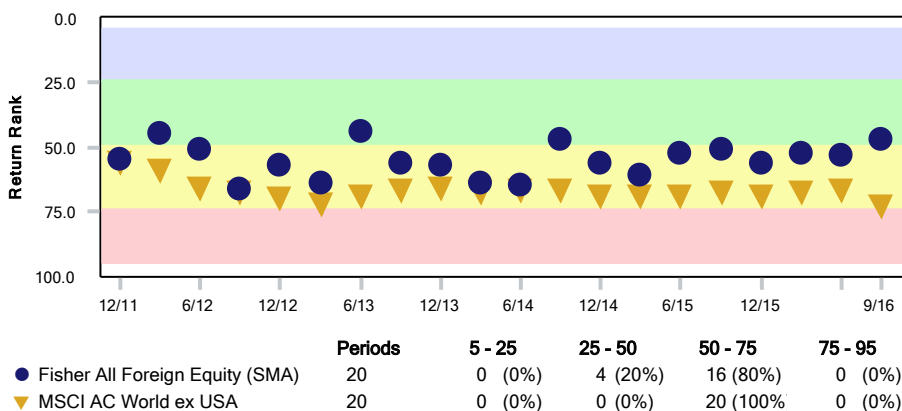
**5 Years Rolling Percentile Ranking - 5 Years**



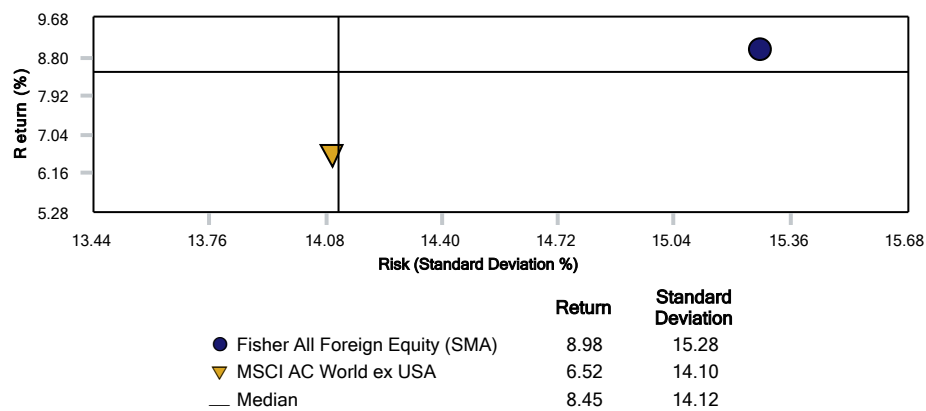
**Growth of a Dollar**



**3 Years Rolling Percentile Ranking - 5 Years**



**Peer Group Risk/Reward - 5 Years**



**Historical Statistics - 5 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fisher All Foreign Equity (SMA)	8.98	15.28	2.17	1.04	0.64	95.69	107.89
MSCI AC World ex USA	6.52	14.10	0.00	1.00	0.51	100.00	100.00

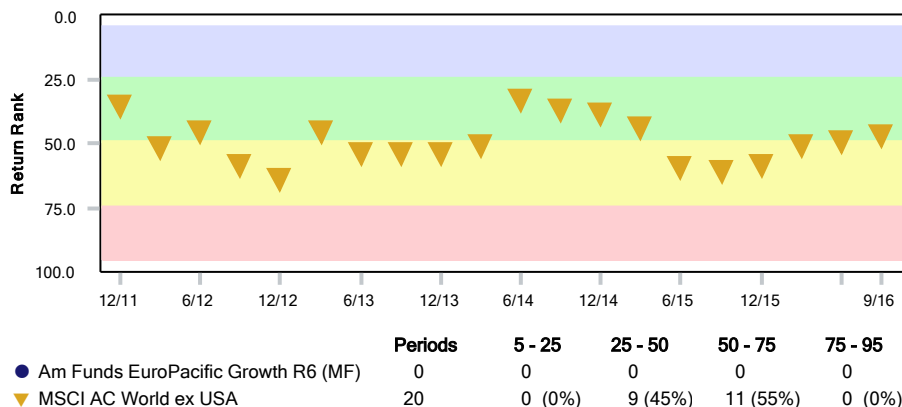
**Historical Statistics - 3 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fisher All Foreign Equity (SMA)	2.50	13.26	1.93	1.01	0.25	95.66	107.07
MSCI AC World ex USA	0.64	12.53	0.00	1.00	0.11	100.00	100.00

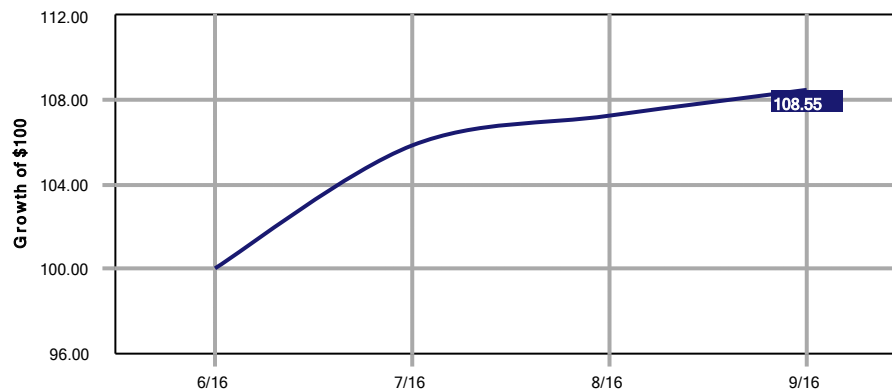


**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**Am Funds EuroPacific Growth R6 (MF)**  
**September 30, 2016**

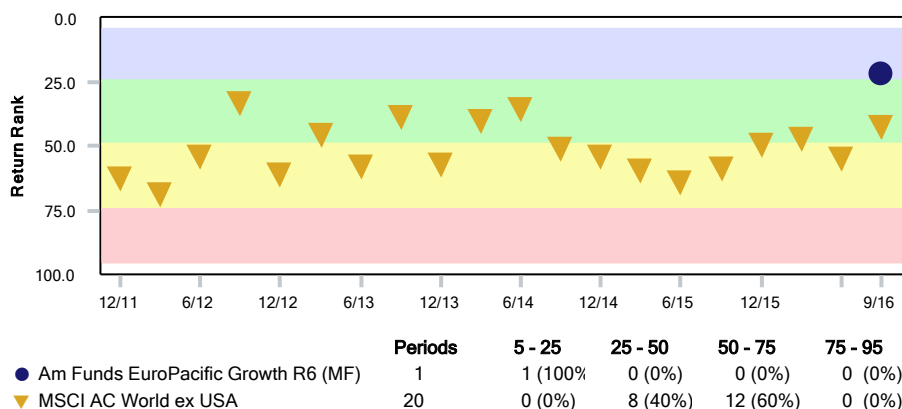
**1 Year Rolling Percentile Ranking - 5 Years**



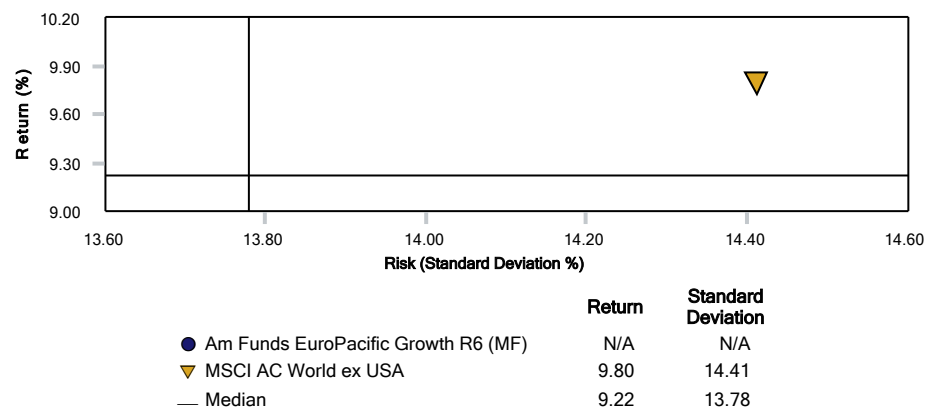
**Growth of a Dollar**



**1 Quarter Rolling Percentile Ranking - 5 Years**



**Peer Group Risk/Reward - 1 Year**



**Historical Statistics - 1 Year**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Am Funds EuroPacific Growth R6 (MF)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MSCI AC World ex USA	9.80	14.41	0.00	1.00	0.71	100.00	100.00

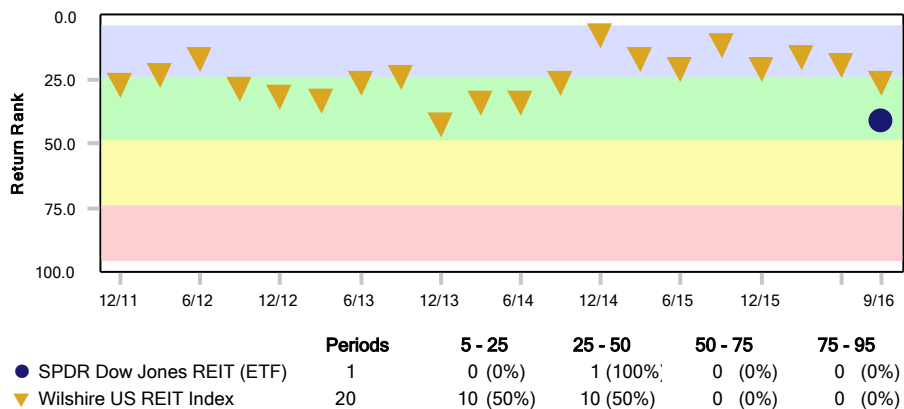
**Historical Statistics - 1 Quarter**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Am Funds EuroPacific Growth R6 (MF)	8.55	2.17	0.20	1.13	1.27	N/A	121.51
MSCI AC World ex USA	7.00	1.90	0.00	1.00	1.19	N/A	100.00

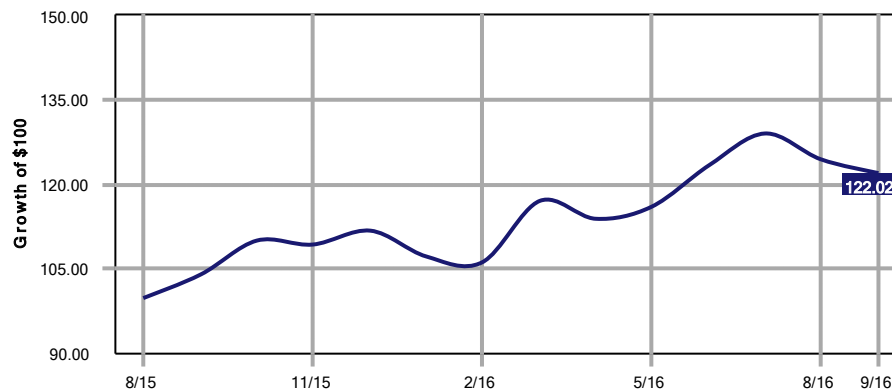


**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**SPDR Dow Jones REIT (ETF)**  
**September 30, 2016**

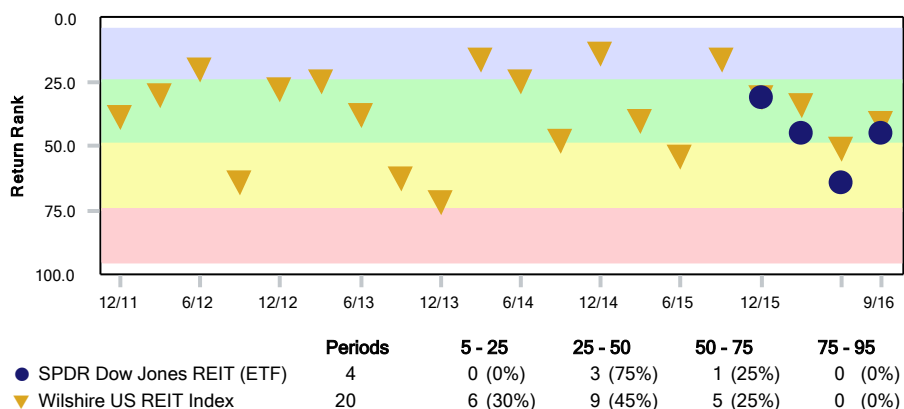
**1 Year Rolling Percentile Ranking - 5 Years**



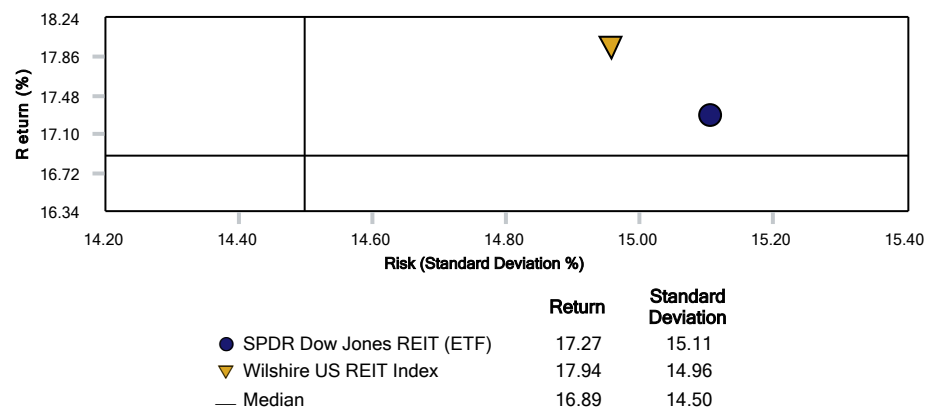
**Growth of a Dollar**



**1 Quarter Rolling Percentile Ranking - 5 Years**



**Peer Group Risk/Reward - 1 Year**



**Historical Statistics - 1 Year**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
SPDR Dow Jones REIT (ETF)	17.27	15.11	-0.72	1.01	1.13	105.57	100.60
Wilshire US REIT Index	17.94	14.96	0.00	1.00	1.17	100.00	100.00

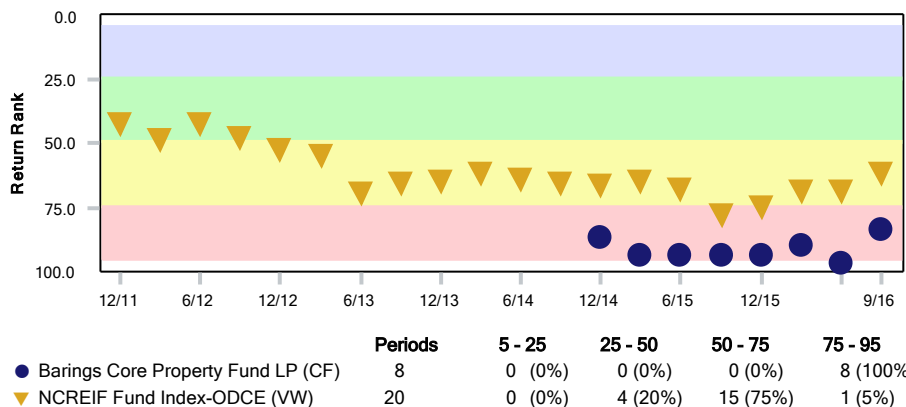
**Historical Statistics - 1 Quarter**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
SPDR Dow Jones REIT (ETF)	-1.27	3.43	-0.01	1.02	-0.11	102.20	101.47
Wilshire US REIT Index	-1.21	3.35	0.00	1.00	-0.11	100.00	100.00

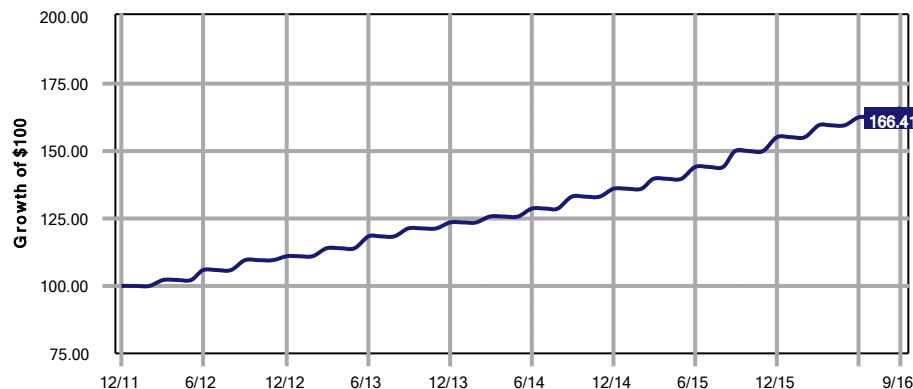


**Palm Tran, Inc. / ATU Local 1577 Pension Fund  
Barings Core Property Fund LP (CF)  
September 30, 2016**

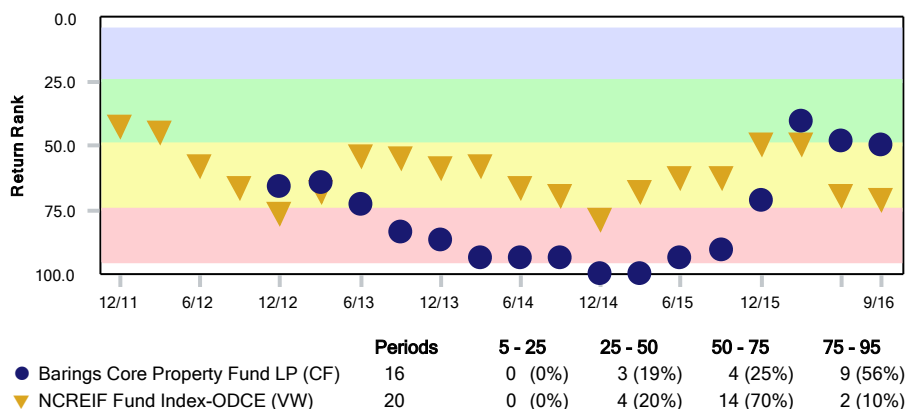
**3 Years Rolling Percentile Ranking - 5 Years**



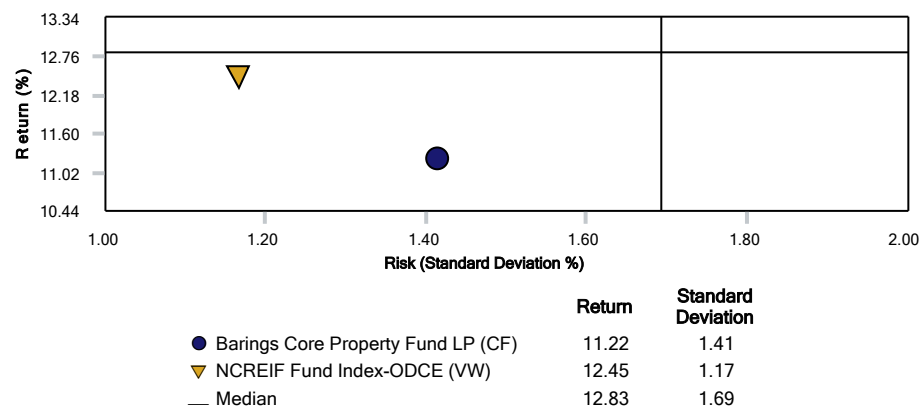
**Growth of a Dollar**



**1 Year Rolling Percentile Ranking - 5 Years**



**Peer Group Risk/Reward - 3 Years**



**Historical Statistics - 3 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Barings Core Property Fund LP (CF)	11.22	1.41	2.40	0.71	7.51	N/A	90.52
NCREIF Fund Index-ODCE (VW)	12.45	1.17	0.00	1.00	9.80	N/A	100.00

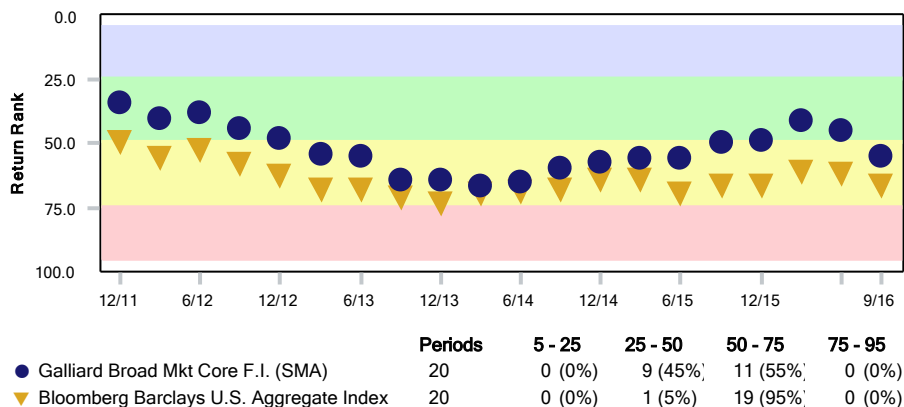
**Historical Statistics - 1 Year**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Barings Core Property Fund LP (CF)	10.90	1.17	2.96	0.78	8.56	N/A	107.81
NCREIF Fund Index-ODCE (VW)	10.08	1.06	0.00	1.00	8.57	N/A	100.00



**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**Galliard Broad Mkt Core F.I. (SMA)**  
**September 30, 2016**

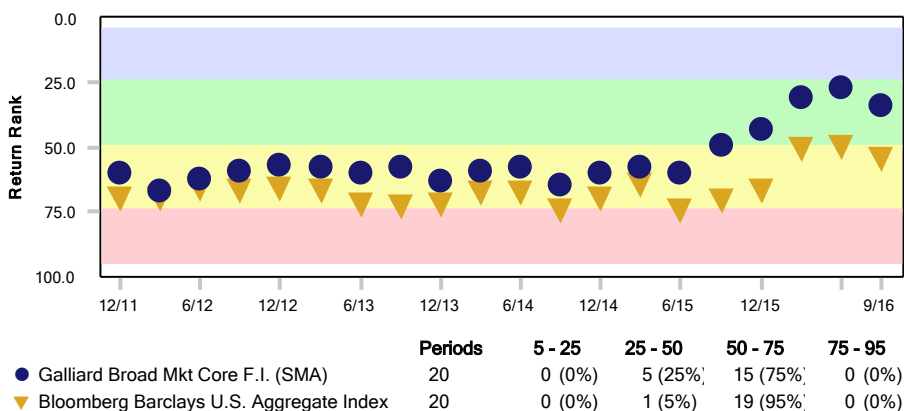
**5 Years Rolling Percentile Ranking - 5 Years**



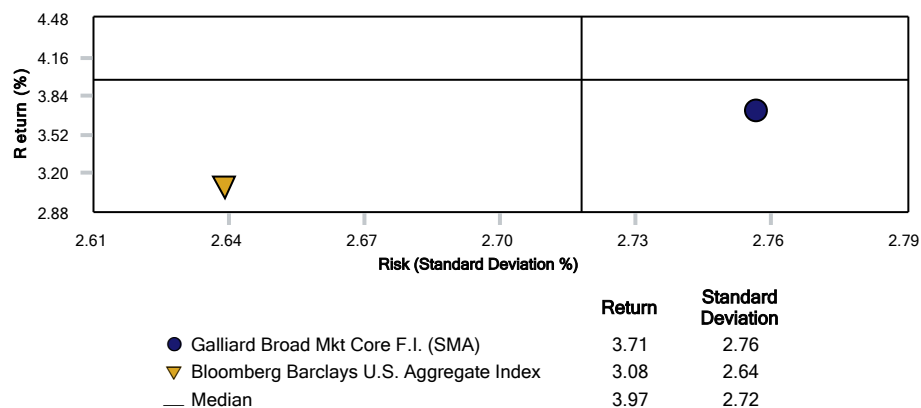
**Growth of a Dollar**



**3 Years Rolling Percentile Ranking - 5 Years**



**Peer Group Risk/Reward - 5 Years**



**Historical Statistics - 5 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Galliard Broad Mkt Core F.I. (SMA)	3.71	2.76	0.55	1.02	1.31	86.17	105.98
Bloomberg Barclays U.S. Aggregate Index	3.08	2.64	0.00	1.00	1.14	100.00	100.00

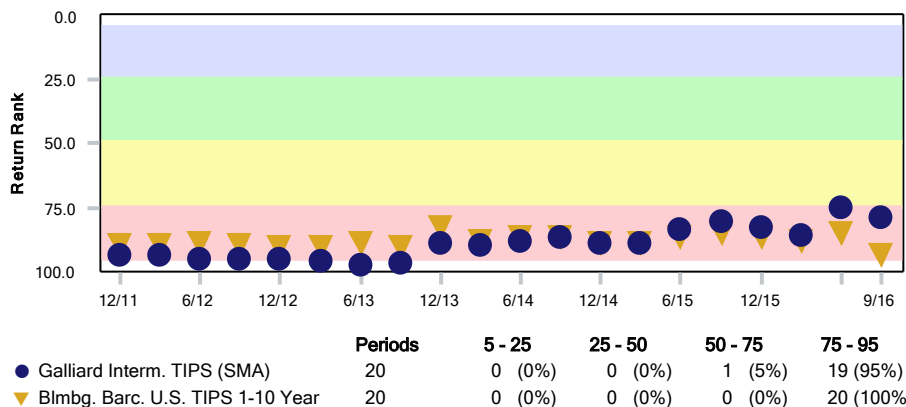
**Historical Statistics - 3 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Galliard Broad Mkt Core F.I. (SMA)	4.79	2.69	0.62	1.03	1.73	85.20	107.89
Bloomberg Barclays U.S. Aggregate Index	4.03	2.58	0.00	1.00	1.52	100.00	100.00

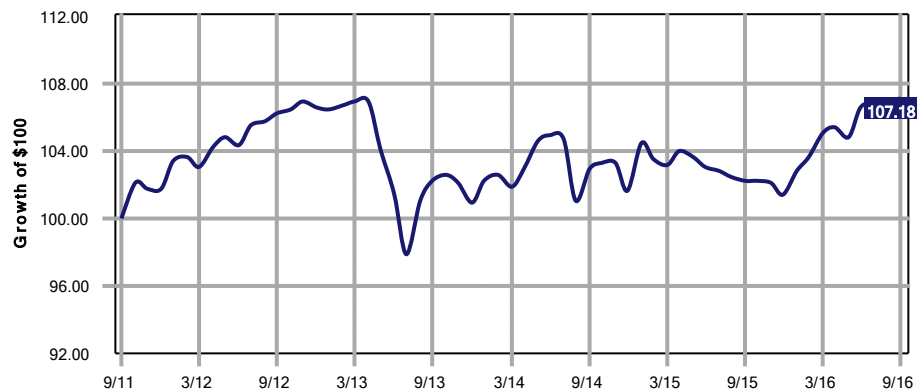


**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**Galliard Intern. TIPS (SMA)**  
**September 30, 2016**

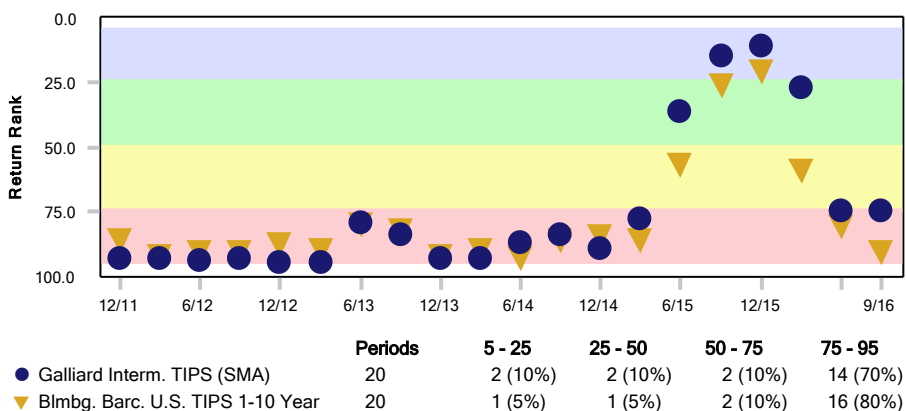
**5 Years Rolling Percentile Ranking - 5 Years**



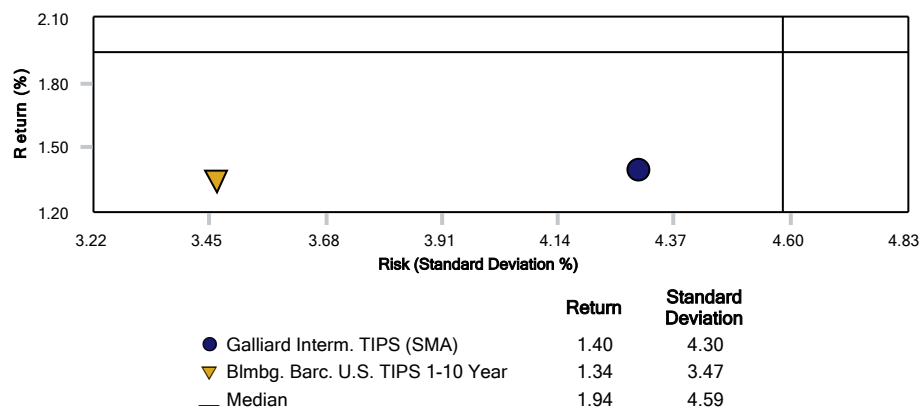
**Growth of a Dollar**



**3 Years Rolling Percentile Ranking - 5 Years**



**Peer Group Risk/Reward - 5 Years**



**Historical Statistics - 5 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Galliard Intern. TIPS (SMA)	1.40	4.30	0.49	0.71	0.33	53.58	67.57
Blmbg. Barc. U.S. TIPS 1-10 Year	1.34	3.47	0.00	1.00	0.38	100.00	100.00

**Historical Statistics - 3 Years**

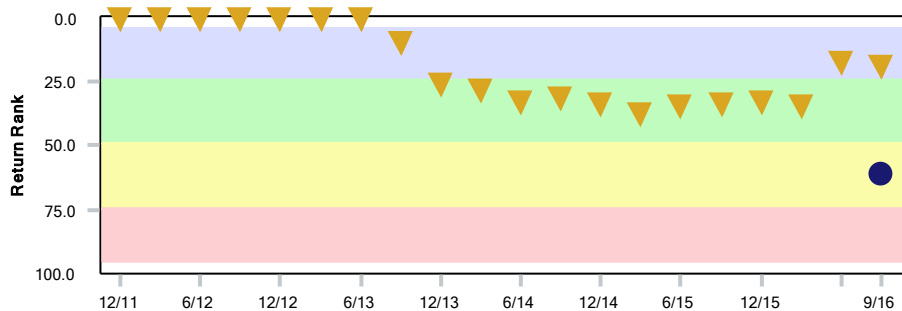
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Galliard Intern. TIPS (SMA)	1.59	3.81	0.43	0.79	0.41	63.93	76.61
Blmbg. Barc. U.S. TIPS 1-10 Year	1.51	3.21	0.00	1.00	0.46	100.00	100.00





**Palm Tran, Inc. / ATU Local 1577 Pension Fund  
Intercontinental HFoF (CF)  
September 30, 2016**

**5 Years Rolling Percentile Ranking - 5 Years**

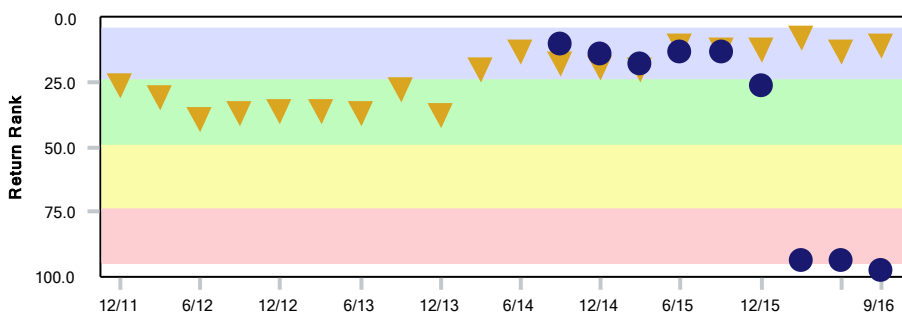


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Intercontinental HFoF (CF)	1	0 (0%)	0 (0%)	1 (100%)	0 (0%)
▼ Barclay Hedge Fund Index	20	10 (50%)	10 (50%)	0 (0%)	0 (0%)

**Growth of a Dollar**

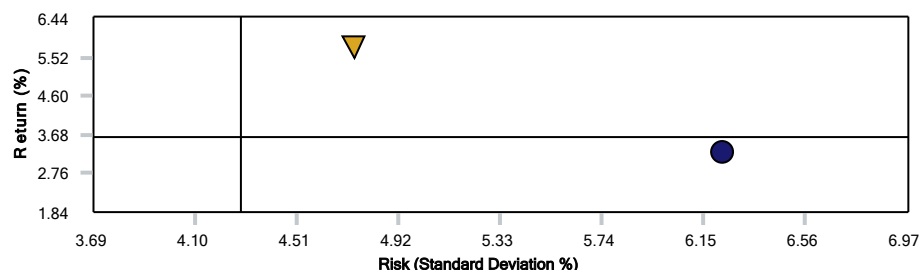


**3 Years Rolling Percentile Ranking - 5 Years**



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Intercontinental HFoF (CF)	9	5 (56%)	1 (11%)	0 (0%)	3 (33%)
▼ Barclay Hedge Fund Index	20	11 (55%)	9 (45%)	0 (0%)	0 (0%)

**Peer Group Risk/Reward - 5 Years**



	Return	Standard Deviation
● Intercontinental HFoF (CF)	3.23	6.23
▼ Barclay Hedge Fund Index	5.71	4.74
— Median	3.64	4.29

**Historical Statistics - 5 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Intercontinental HFoF (CF)	3.23	6.23	-2.60	1.06	0.53	124.76	87.19
Barclay Hedge Fund Index	5.71	4.74	0.00	1.00	1.18	100.00	100.00

**Historical Statistics - 3 Years**

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Intercontinental HFoF (CF)	-1.39	6.58	-5.46	1.14	-0.19	160.83	71.77
Barclay Hedge Fund Index	3.85	4.37	0.00	1.00	0.87	100.00	100.00



**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**Glossary**  
**September 30, 2016**

- ACCRUED INTEREST- Bond interest earned since the last interest payment, but not yet received.
- ALPHA- A linear regressive constant that measures expected return independent of Beta.
- ASSET ALLOCATION- The division of portfolio asset classes in order to achieve an expected investment objective.
- BALANCED UNIVERSES - Public Funds, Endowments & Foundations, Corporate peer groups, and PSN peer groups.
- BETA- A measure of portfolio sensitivity (volatility) in relation to the market, based upon past experience.
- BOND DURATION- A measure of portfolio sensitivity to interest rate risk.
- COMMINGLED FUND- An investment fund which is similar to a mutual fund in that investors are permitted to purchase and redeem units that represent ownership in a pool of securities.
- CONVERTIBLE BONDS - Hybrid securities' that offer equity returns during rising equity markets and improved down-market protection.
- CORE- An equal weighting in both growth and value stocks.
- CORRELATION COEFFICIENT- A measure of how two assets move together. The measure is bounded by +1 and -1; +1 means that the two assets move together positively, while a measure of -1 means that the assets are perfectly negatively correlated.
- GROWTH MANAGER- Generally invests in companies that have either experienced above-average growth rates and/or are expected to experience above-average growth rates in the future. Growth portfolios tend to have high price/earnings ratios and generally pay little to no dividends.
- INDEXES- Indexes are used as "independent representations of markets" (e.g., S&P 500).
- INFORMATION RATIO- Annualized excess return above the benchmark relative to the annualized tracking error.
- LARGE CAP- Generally, the term refers to a company that has a market capitalization that exceeds \$10 billion.
- MANAGER UNIVERSE- A collection of quarterly investment returns from various investment management firms that may be subdivided by style (e.g. growth, value, core).
- MID CAP- Generally, the term refers to a company that has a market capitalization between \$2 and \$10 billion.
- NCREIF - A quarterly time series composite total rate of return measure of investment performance of a large pool of individual commercial real estate properties acquired in the private market for investment purposes only.
- NCREIF ODCE - Open End Diversified Core Equity index which consists of historical and current returns from 26 open-end commingled funds pursuing core strategy. This index is capitalization weighted, time weighted and gross of fees.
- NET- Investment return accounts only for manager fees.
- PROTECTING FLORIDA INVESTMENT ACT (PFIA) - SBA publishes a list of prohibited investments (scrutinized companies).
- RATE OF RETURN- The percentage change in the value of an investment in a portfolio over a specified time period, excluding contributions.
- RISK MEASURES- Measures of the investment risk level, including beta, credit, duration, standard deviation, and others that are based on current and historical data.
- R-SQUARED- Measures how closely portfolio returns and those of the market are correlated, or how much variation in the portfolio returns may be explained by the market. An R2 of 40 means that 40% of the variation in a fund's price changes could be attributed to changes in the market index over the time period.



**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**Glossary**  
**September 30, 2016**

- SHARPE RATIO- The ratio of the rate of return earned above the risk-free rate to the standard deviation of the portfolio. It measures the number of units of return per unit of risk.
- SMALL CAP- Generally refers to a company with a market capitalization \$300 million to \$2 billion.
- STANDARD DEVIATION- Measure of the variability (dispersion) of historical returns around the mean. It measures how much exposure to volatility was experienced by the implementation of an investment strategy.
- SYSTEMATIC RISK- Measured by beta, it is the risk that cannot be diversified away (market risk).
- TIME WEIGHTED (TW) RETURN - A measure of the investments versus the investor. When there are no flows the TW & DOLLAR weighted (DW) returns are the same and vice versa.
- TRACKING ERROR- A measure of how closely a manager's performance tracks an index; it is the annualized standard deviation of the differences between the quarterly returns for the manager and the benchmark.
- TREYNOR RATIO- A measure of reward per unit of risk. (excess return divided by beta).
- UP AND DOWN-MARKET CAPTURE RATIO- Ratio that illustrates how a manager performed relative to the market during rising and declining market periods.
- VALUE MANAGER- Generally invests in companies that have low price-to-earnings and price-to-book ratios and/or above-average dividend yields.



**Palm Tran, Inc. / ATU Local 1577 Pension Fund**  
**Disclosure**  
**September 30, 2016**

Advisory services are offered through or by Burgess Chambers and Associates, Inc., a registered SEC investment advisor.

Performance Reporting:

- 1.Changes in portfolio valuations due to capital gains or losses, dividends, interest, income and management fees are included in the calculation of returns. All calculations are made in accordance with generally accepted industry standards.
- 2.Transaction costs, such as commissions, are included in the purchase cost or deducted from the proceeds or sale of a security. Differences in transaction costs may affect comparisons.
- 3.Individual client returns may vary due to a variety of factors, including differences in investment objectives, asset allocating and timing of investment decisions.
- 4.Performance reports are generated from information supplied by the client, custodian, and/or investment managers. BCA relies upon the accuracy of this data when preparing reports.
- 5.The market indexes do not include transaction costs, and an investment in a product similar to the index would have lower performance dependent upon costs, fees, dividend reinvestments, and timing. Benchmarks and indexes are for comparison purposes only, and there is no assurance or guarantee that such performance will be achieved.
- 6.Performance information prepared by third party sources may differ from that shown by BCA. These differences may be due to different methods of analysis, different time periods being evaluated, different pricing sources for securities, treatment of accrued income, treatment of cash, and different accounting procedures.
- 7.Certain valuations, such as alternative assets, ETF, and mutual funds, are prepared based on information from third party sources, the accuracy of such information cannot be guaranteed by BCA. Such data may include estimates and maybe subject to revision.
- 8.BCA has not reviewed the risks of individual security holdings.
- 9.BCA investment reports are not indicative of future results.
10. Performance rankings are time sensitive and subject to change.
11. Mutual Fund (MF) and ETF returns are presented net of fees and ranked in net of fee universes.
12. Separately Managed Account (SMA) and Commingled Fund (CF) returns are presented gross of fees and ranked in gross of fees universes.
13. Composite returns are reported gross of fees and ranked in universes that encompass both gross and net of fee returns.
14. Total Fund returns are presented gross of fees and ranked in a gross of fee universe.
15. For a free copy of Part II (mailed w/i 5 bus. days from request receipt) of Burgess Chambers & Associates, Inc.'s most recent Form ADV which details pertinent business procedures, please contact: 407-644-0111, [info@burgesschambers.com](mailto:info@burgesschambers.com), 315 East Robinson Street Suite #690, Orlando, Florida 32801.

