



---

***Burgess Chambers & Associates, Inc.***

***Institutional Investment Advisors***

***[www.burgesschambers.com](http://www.burgesschambers.com)***

---

**HIALEAH ELECTED OFFICIALS RETIREMENT TRUST**

**INVESTMENT PERFORMANCE  
PERIOD ENDING  
JUNE 30, 2015**

The following investment information was prepared by BCA, relying upon data from statements provided by the plan custodian and/or investment manager(s).  
BCA reviews transactions provided by the custodian and uses reasonable care to ensure the accuracy of the data contained herein.  
However, BCA cannot guarantee the accuracy of the custodian's statement.

**Hialeah Elected Officials Retirement Account**  
**BCA Market Perspective ©**  
**Volatility Has Returned**  
**July 2015**

The U.S. stock markets have seen a significant increase in volatility over the past several weeks with news out of Greece and China continuing to shake investor confidence. But why is this news having such a significant impact on our domestic markets?

The Greek economy accounts for less than 0.38% of the world's Gross Domestic Product (GDP). Most major U.S. institutions divested themselves of Greek debt several years ago when the Greece debt crisis first surfaced in the global markets. So why then is Greece important to U.S. investors?

The answer is the potential impact the Greece crisis could have on other countries, particularly countries in the Eurozone. This could then have a direct impact on the growth rates in Europe. With over 25% of the S&P 500 earnings coming directly from Europe, any significant slowdown in Europe would have an impact on earnings for many U.S. companies. In addition, many European banks own Greek debt. A default by Greece could have a major impact on many of these banks. While most U.S. banks do not have direct exposure to Greek debt, many do have indirect exposure through the European banks. In addition, other European countries with high debt exposure (i.e. Spain and Italy) will no doubt be watching closely and demanding similar treatment from the stronger countries, such as Germany and France.

Another major contributor to the recent increase in volatility has been China. China's stock market has taken a significant dive after an extraordinary run over the previous several months. China's market is like no other and the government has stepped in with aggressive actions to limit sales and encourage additional investments in stocks. China's growth rate is expected to drop to 3-5% by most economists over the next year. While still healthy, it is a significant drop from recent years and has caused commodity prices to drop as demand from China is expected to decline. With China's GDP representing approximately 16.7% of the world's economy, any slowdown could have an impact on earnings for any companies invested heavily in China.

While these events have had a major role in increased volatility, the good news is that the U.S. economy appears to be improving, interest rates remain low, earnings have been strong and the valuations on stocks, while slightly above long term averages, appear to be attractive given the current low rate environment. There continues to be talk of a lending rate hike by the Federal Reserve, but given the problems in Greece and China and the strength of the dollar, we continue to believe any rate hike will be pushed out to the end of this year at the earliest. But even if we see a hike earlier than expected, it would most likely be .25% or less and should have a minimal and most likely a short term impact on stocks.

Disclosure: All expressions of opinion reflect the judgment of the author as of the date of publication and are subject to change. Content should not be regarded as a complete analysis of the subjects discussed or as personalized investment advice. All investment strategies have the potential for profit or loss. References to market performance in publications do not represent the returns achieved by Burgess Chambers & Associates or any of its advisory clients.

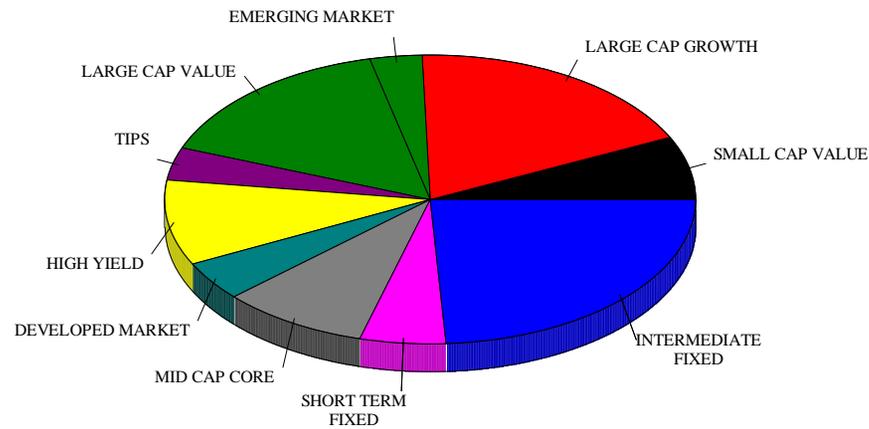


**Hialeah Elected Officials Retirement Trust**  
**Vanguard Funds**  
**NET Opportunity Gains & Loss Report**  
**June 30, 2010 Through June 30, 2015**

	<u>Quarter</u>	<u>Fiscal Ytd</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
<b>Beginning Mkt Value</b>	<b>10,472,495.00</b>	<b>9,932,444.29</b>	<b>10,008,802.00</b>	<b>7,871,430.23</b>	<b>5,613,826.88</b>
<b>Net Contributions</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>964,855.00</b>
<b>Investment Earnings</b>	<b>(62,940.81)</b>	<b>477,109.90</b>	<b>400,752.19</b>	<b>2,538,123.96</b>	<b>3,830,872.31</b>
<b>Ending Mkt Value</b>	<b>10,409,554.19</b>	<b>10,409,554.19</b>	<b>10,409,554.19</b>	<b>10,409,554.19</b>	<b>10,409,554.19</b>
<b>Net Time Weighted Return</b>	<b>(0.60)</b>	<b>4.80</b>	<b>4.00</b>	<b>9.76</b>	<b>9.98</b>
<b>55/45 Benchmark</b>	<b>(0.58)</b>	<b>4.36</b>	<b>5.10</b>	<b>10.29</b>	<b>11.19</b>

## Hialeah Elected Officials Retirement Trust Vanguard Funds Asset Allocation

TOTAL MARKET VALUE  
AS OF JUNE 30, 2015  
\$ 10,409,554



	VALUE	PERCENT
INTERMEDIATE FIXED	2,502,668	24.04
LARGE CAP GROWTH	1,915,789	18.40
LARGE CAP VALUE	1,613,602	15.50
HIGH YIELD	992,304	9.53
MID CAP CORE	931,930	8.95
SMALL CAP VALUE	736,681	7.08
SHORT TERM FIXED	545,507	5.24
DEVELOPED MARKET	458,398	4.40
TIPS	381,078	3.66
EMERGING MARKET	331,585	3.19
CASH	12	0.01

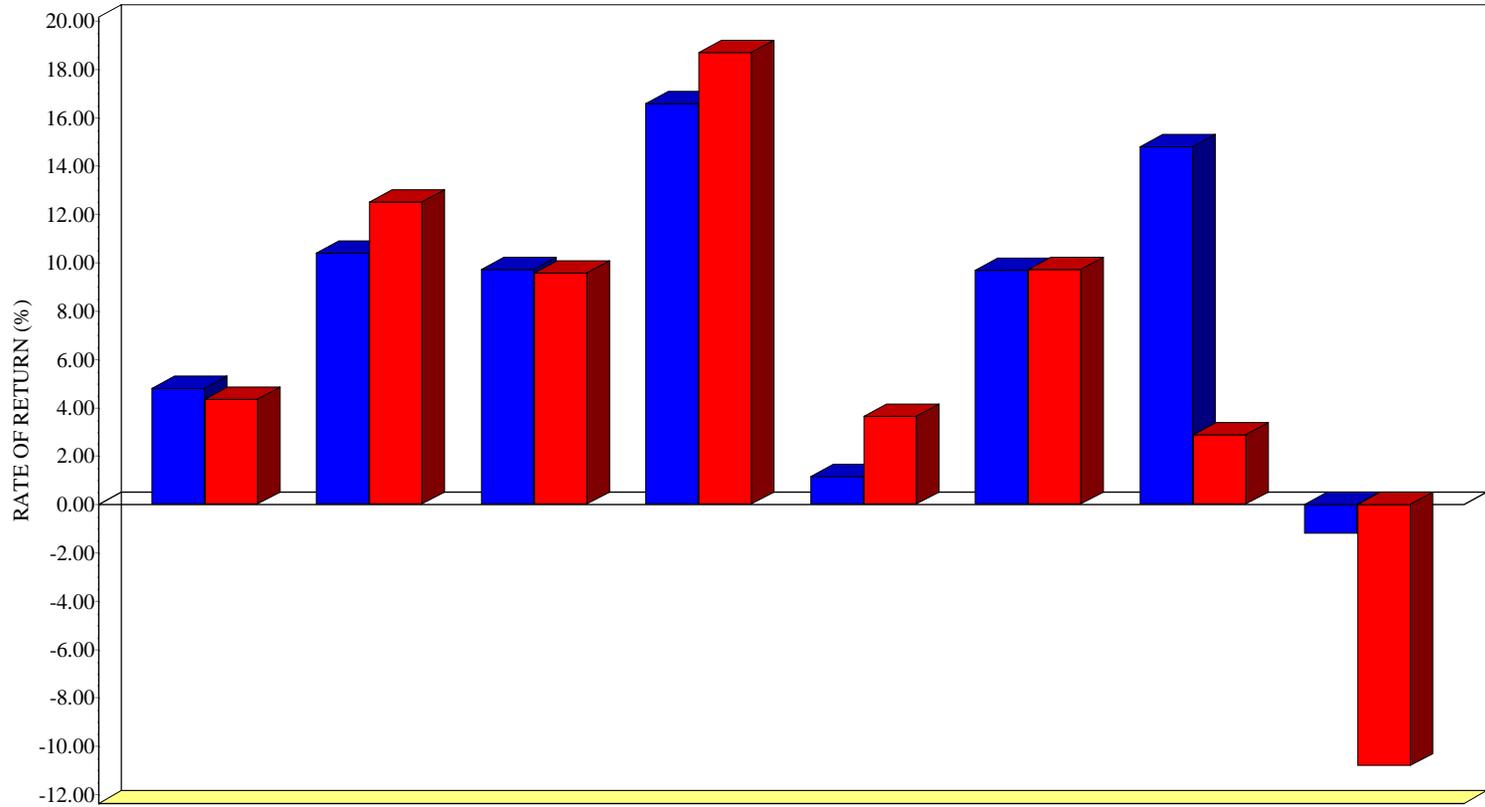
**Hialeah Elected Officials Retirement Trust**  
**Vanguard Funds**  
**June 30, 2015**  
**Net of Fees**

Name	Market Values	QTD ROR	FYTD ROR	1 Year ROR	2 Year ROR	3 Year ROR	5 Year ROR
Vanguard Funds (1, 2)							
Large Cap Growth	1,915,789	-0.2%	8.5%	9.6%	18.5%	17.9%	18.6%
Large Cap Value	1,613,602	0.5%	4.6%	5.5%	13.6%	17.1%	16.2%
Mid Cap Core	931,930	-1.2%	9.9%	8.6%	17.1%	19.7%	18.2%
Small Cap Value	736,681	-1.4%	10.1%	4.1%	15.6%	19.0%	17.3%
Developed Market	458,398	1.0%	2.3%	-4.0%	8.9%	12.0%	9.9%
Emerging Market	331,585	1.7%	0.0%	-2.4%	5.5%	4.1%	4.2%
High Yield	992,304	-0.1%	3.0%	1.6%	5.9%	6.3%	N/A
Intermediate Fixed	2,502,668	-1.9%	2.4%	2.4%	3.8%	2.3%	4.6%
TIPS	381,078	-1.3%	0.2%	-1.8%	1.3%	-0.9%	3.2%
Short Term Fixed	545,507	-0.1%	1.3%	1.2%	1.5%	1.1%	1.7%
Cash	12	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Fund	10,409,554	-0.6%	4.8%	4.0%	9.7%	9.8%	10.0%
55/45 Benchmark		-0.6%	4.4%	5.1%	10.1%	10.3%	11.2%
Target Benchmark		-0.5%	4.3%	3.4%	8.9%	9.5%	9.8%

1 55/45 Benchmark: 55% S&P 500 index and 45% Barclay's Aggregate Bond Index.

2 Target Benchmark: 30% R1000, 8% Russell MC, 7% R2000, 10% MSCI ACWI ex US, 30% BC Agg, 15% 3M T Bill.

**Hialeah Elected Officials Retirement Trust  
Total Fund  
Fiscal Year Rates of Return  
September 30, 2007 Through June 30, 2015**



	FISCAL YTD	2014	2013	2012	2011	2010	2009	2008
TF	4.80	10.41	9.73	16.59	1.16	9.70	14.82	-1.21
55/45 BENCHMARK	4.36	12.52	9.59	18.69	3.65	9.73	2.89	-10.82

**Hialeah Elected Officials Retirement Trust  
Total Fund  
Growth Of A Dollar Analysis  
January 31, 2008 Through June 30, 2015**



	QUARTER	YEAR TO DATE	ONE YEAR	TWO YEARS	THREE YEARS	SINCE JAN'08
<span style="color: blue;">—</span> TOTAL FUND	-0.60	1.74	4.00	9.75	9.76	8.35
<span style="color: red;">—</span> 55/45 BENCHMARK	-0.58	0.73	5.10	10.06	10.29	6.91
<span style="color: green;">—</span> TARGET BENCHMARK	-0.47	1.52	3.38	8.85	9.54	5.84

**Hialeah Elected Officials Retirement Trust**  
**Total Fund**  
**Performance Profile**  
**Through June 30, 2015**

	ENDED	RETURN
BEST QUARTER	9/2010	7.44
WORST QUARTER	9/2011	-7.70
BEST 4 QUARTERS	6/2011	17.76
WORST 4 QUARTERS	6/2012	3.31

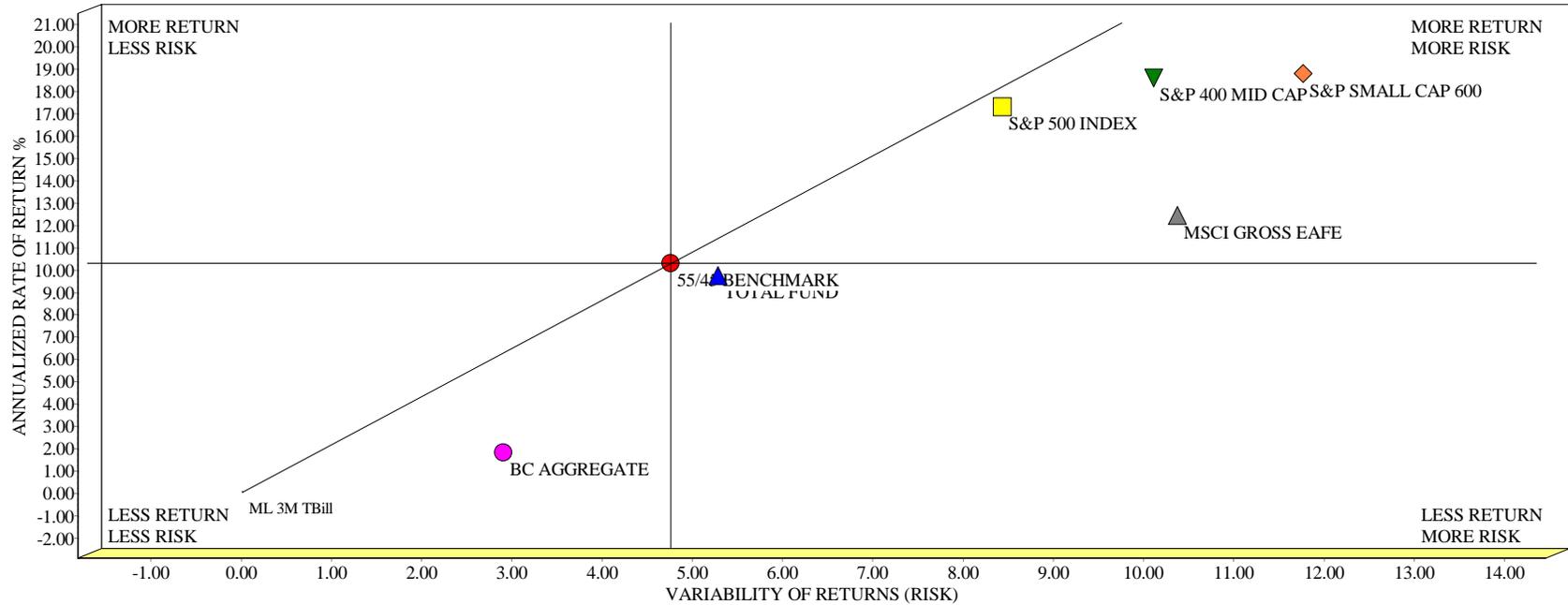
TOTAL # OF PERIODS: 60  
# OF POSITIVE PERIODS: 41  
# OF NEGATIVE PERIODS: 19

	QUARTER TO DATE	FISCAL YTD	ONE YEAR	TWO YEARS	THREE YEARS	FIVE YEARS
TOTAL FUND	-0.60	4.80	4.00	9.75	9.76	9.98
55/45 BENCHMARK	-0.58	4.36	5.10	10.06	10.29	11.19
EXCESS	-0.02	0.45	-1.10	-0.31	-0.52	-1.21
RISKLESS INDEX	0.01	0.01	0.02	0.04	0.06	0.08
REAL ROR	-1.69	4.58	3.88	8.65	8.42	8.02

PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	4.00	1	5.57	0.71	-1.46	1.09	93.49	-0.69
TWO YEARS	9.75	1	5.78	1.68	-1.12	1.09	95.13	-0.19
THREE YEARS	9.76	1	5.29	1.84	-1.17	1.07	93.37	-0.33
FIVE YEARS	9.98	1	6.70	1.48	-1.17	1.01	90.77	-0.54

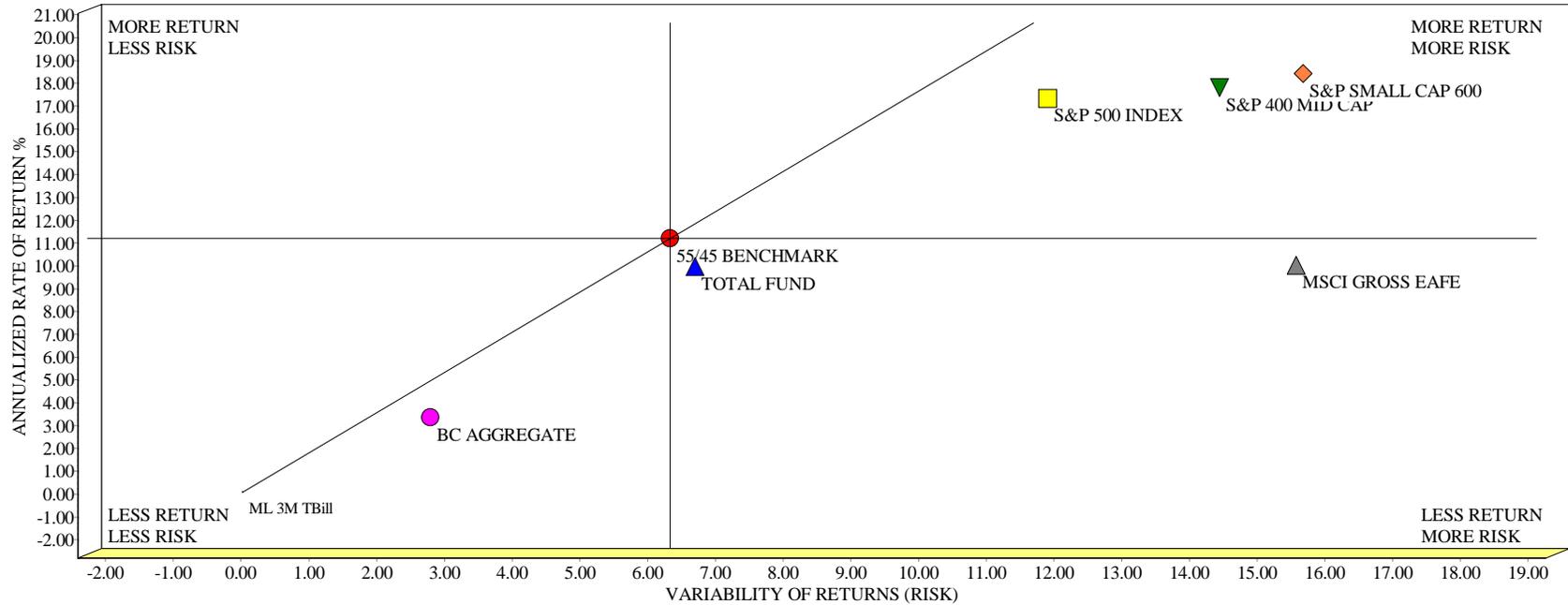
*The risk benchmark for this analysis is the 55/45 Benchmark.  
The universe used was the BNY Mellon Public Funds Universe.*

**Hialeah Elected Officials Retirement Trust  
Total Fund  
Capital Market Line  
June 30, 2012 Through June 30, 2015**



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	9.76	5.29	1.07	-1.17	93.37
● 55/45 BENCHMARK	10.29	4.76	1.00	0.00	100.00
■ S&P 500 INDEX	17.31	8.43	1.00	0.00	100.00
▼ S&P 400 MID CAP	18.60	10.11	1.00	0.00	100.00
◆ S&P SMALL CAP 600	18.81	11.77	1.00	0.00	100.00
▲ MSCI GROSS EAFE	12.45	10.37	1.00	0.00	100.00
● BC AGGREGATE	1.83	2.91	1.00	0.00	100.00

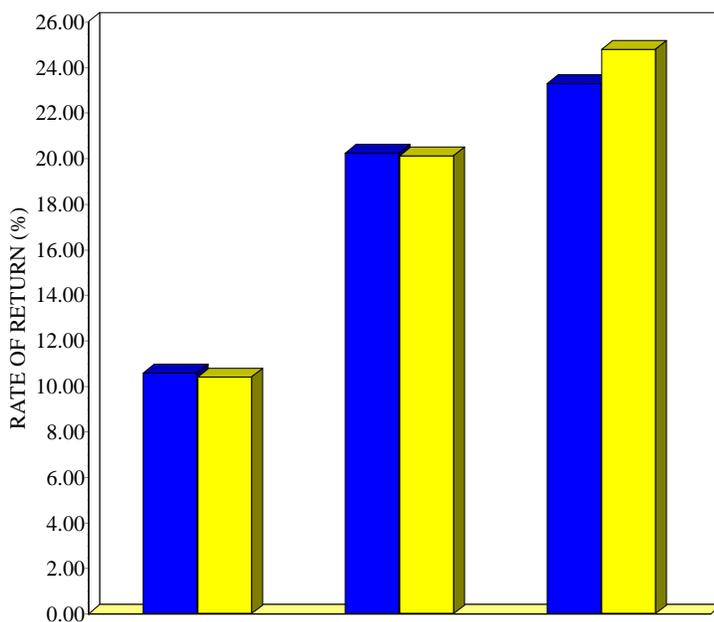
**Hialeah Elected Officials Retirement Trust  
Total Fund  
Capital Market Line  
June 30, 2010 Through June 30, 2015**



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	9.98	6.70	1.01	-1.17	90.77
● 55/45 BENCHMARK	11.19	6.33	1.00	0.00	100.00
■ S&P 500 INDEX	17.34	11.90	1.00	0.00	100.00
▼ S&P 400 MID CAP	17.82	14.44	1.00	0.00	100.00
◆ S&P SMALL CAP 600	18.44	15.68	1.00	0.00	100.00
▲ MSCI GROSS EAFE	10.03	15.58	1.00	0.00	100.00
● BC AGGREGATE	3.35	2.79	1.00	0.00	100.00

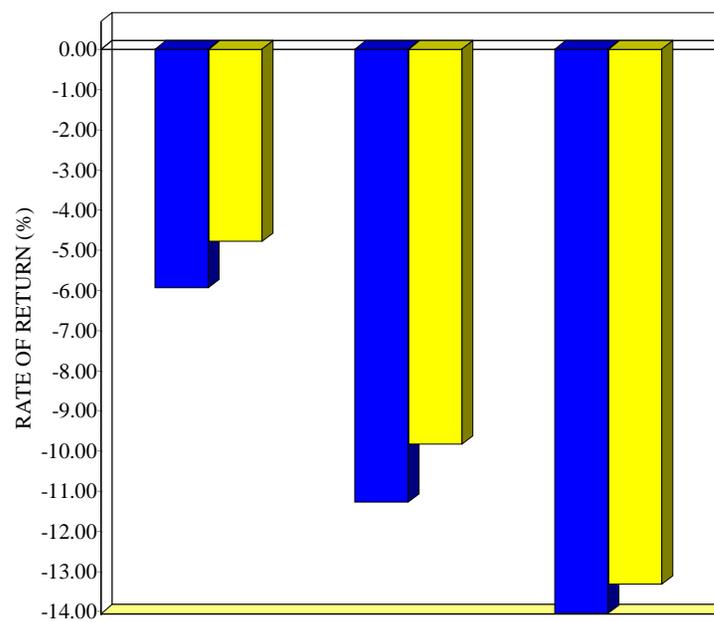
**Hialeah Elected Officials Retirement Trust  
Total Fund  
Performance in Rising and Declining Markets  
June 30, 2010 Through June 30, 2015**

UP MARKET PERFORMANCE



	ONE YEAR	THREE YEARS	FIVE YEARS
TF	10.59	20.23	23.30
55/45 BENCHMARK	10.40	20.13	24.79
DIFFERENCE	0.19	0.10	-1.50
RATIO	1.02	1.01	0.94
UP PERIODS	6	26	41

DOWN MARKET PERFORMANCE



	ONE YEAR	THREE YEARS	FIVE YEARS
TF	-5.95	-11.28	-14.06
55/45 BENCHMARK	-4.79	-9.84	-13.33
DIFFERENCE	-1.16	-1.44	-0.74
RATIO	1.24	1.15	1.06
DOWN PERIODS	6	10	19

## Glossary of Terms

- 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 - BNY Mellon 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.

## Glossary of Terms

-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.

-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.

***Burgess Chambers & Associates, Inc.***

***Institutional Investment Advisors***

***[www.burgesschambers.com](http://www.burgesschambers.com)***

315 East Robinson Street, Suite 690, Orlando, Florida 32801

P: 407-644-0111 F: 407-644-0694