

# Village of Tequesta General Employees' Retirement Plan

Investment Performance Review  
As of: June 30, 2014

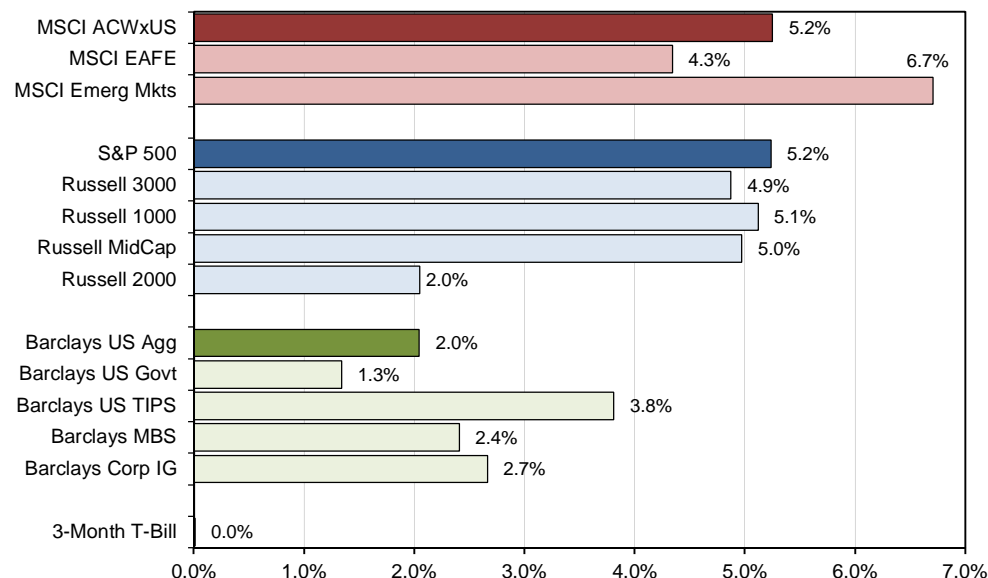
*Preliminary Report*  
*Preliminary Peer Universe Rankings*



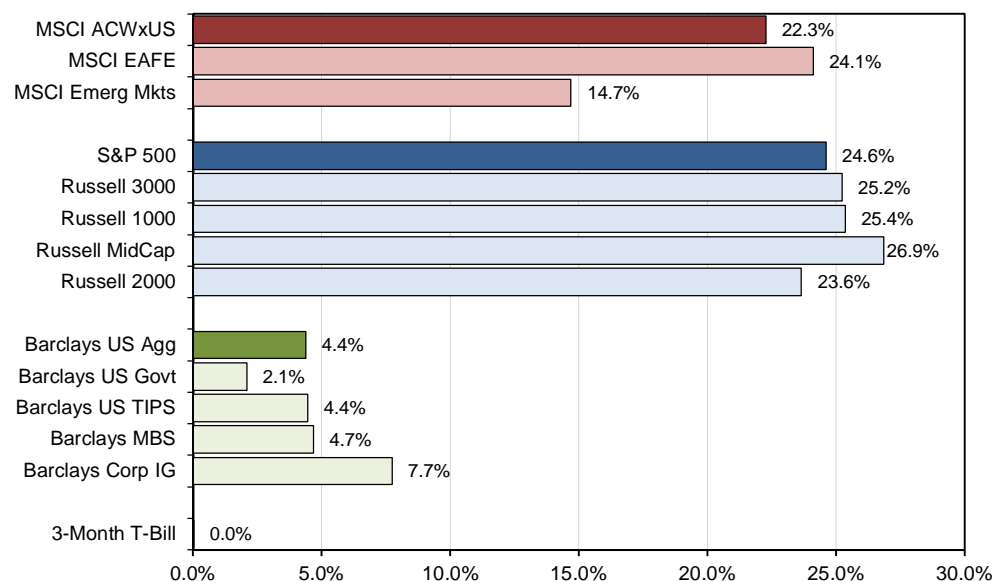
## **2nd Quarter 2014 Market Environment**

- It was a remarkably uneventful quarter across markets despite political concerns (Middle East discourse) and economic worries (-2.9% restated US GDP growth in the first quarter) that would seemingly have a larger impact on overall volatility. The CBOE Volatility Index (VIX) finished the quarter at 11.6, its lowest quarterly close since December 2006. The Q1 growth slowdown, largely weather related, benefitted both emerging markets and domestic fixed income in Q2 as it contributed to a flatter, lower yield curve. This naturally benefits bond holders, but also helped support emerging markets, which experienced a sell off earlier this year on lower liquidity and concerns regarding higher rates. As a result, all major markets were positive during the quarter.
- The S&P 500 appreciated 5.2% during the period, which marked the sixth consecutive positive quarter for the index. This is the first time the S&P has had a quarterly run this strong since 1998. In addition, the index has appreciated in each of the past five months. The market seems to be shrugging off the significant decline in GDP growth in the first quarter, instead focusing on impressive job growth numbers (+500,000 new jobs added in April and May) and continued overall declines in the unemployment rate, which ended the quarter at 6.3%. Finally, the housing market continues to show improvement with a 5.1% year-over-year gain in median home prices and continued tight supply (5.6 months of inventory).
- Emerging market equities surged to the head of the asset classes during the second quarter, after struggling on a relative basis for a majority of the past year and a half. Developed international equity markets lagged domestic large cap equities slightly, but were up strongly on an absolute basis. For the trailing one-year period, emerging equities lagged their developed counterparts by 9.4%.
- After a strong start to the year, domestic bonds continued to move higher in the second quarter, rising 2.0%. The strong performance pushed the trailing, one-year return back into positive territory (+4.4%). The quarterly performance was aided by positive returns from each major sector of the market, led by a 3.8% return from TIPS. After dropping 8.6% in 2013, TIPS have rebounded in 2014, moving their return over the past twelve months to 4.4%. Despite a number of economic and political concerns, Corporate Bonds also move sharply higher, followed by MBS and Government issues.

### Quarter Performance

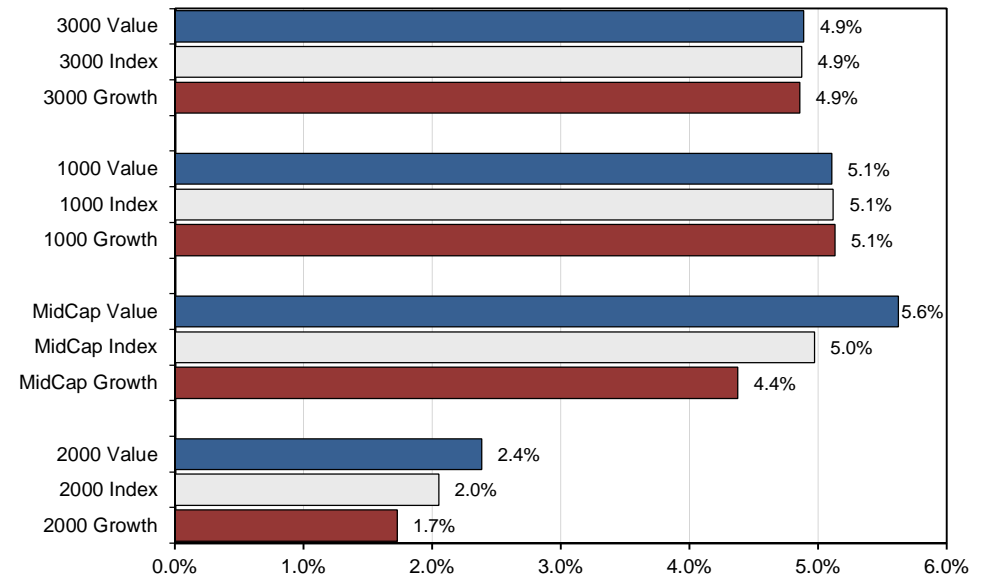


### 1-Year Performance

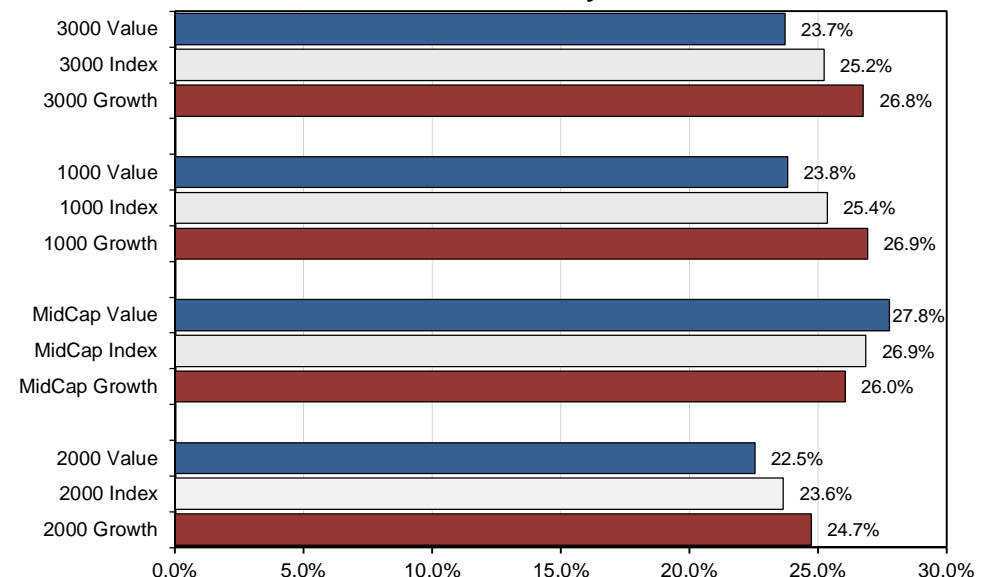


- The decline in overall volatility in the midst of a long-standing bull market would suggest that small cap stocks should outperform their large cap brethren, but that was not the case during the quarter. On average, large caps were the best performing segment, but the dispersion across mid and large capitalizations was minimal. Mid Cap Value was the single best performing area. Small caps were largely hurt by the reemergence of investor preference towards higher yielding sectors, which favor larger, more established dividend paying companies. However, small cap stocks had a resurgence in June, which suggests market leadership could be changing. Value stocks outperformed growth stocks in the mid and small capitalizations, but there was no similar skew in the larger cap segment.
- As of June 2014, intra stock correlations (~0.28) continue to fall. While slightly above the long-term average (~0.26 since 1926), the current level is very favorable for stock picking and suggests the future success of actively managed strategies remains bright.
- Current valuations remain fair. As of June 30, 2014, the S&P 500 traded at 1,960. While this represents a 25% premium to the October 9, 2007 inflection point valuation of 1,565, the forward looking P/E multiples are virtually identical (15.2x in 2007, 15.6x in 2014). The current P/E multiple is in line with the 25-year average.
- On average, markets experience an intra-year pullback of approximately 14.4% (using S&P 500 data back to 1980). In 2013, the largest decline was 6%, which has been repeated so far in 2014. Despite many pundits continuing to speculate that we are overdue for a “typical” market correction of 10% or greater, relative valuations, generally positive economic growth, and benign macro factors continue to favor domestic equities over international and fixed income alternatives in the minds of most investors.
- On an absolute basis, small cap stocks are more expensive relative to their mid and large cap counterparts (18.5x PE versus 18.4x, and 15.6x, respectively). However, relative to their long term averages, small cap valuations are in-line with mid cap. Both are slightly expensive relative to large caps, especially on the value side.

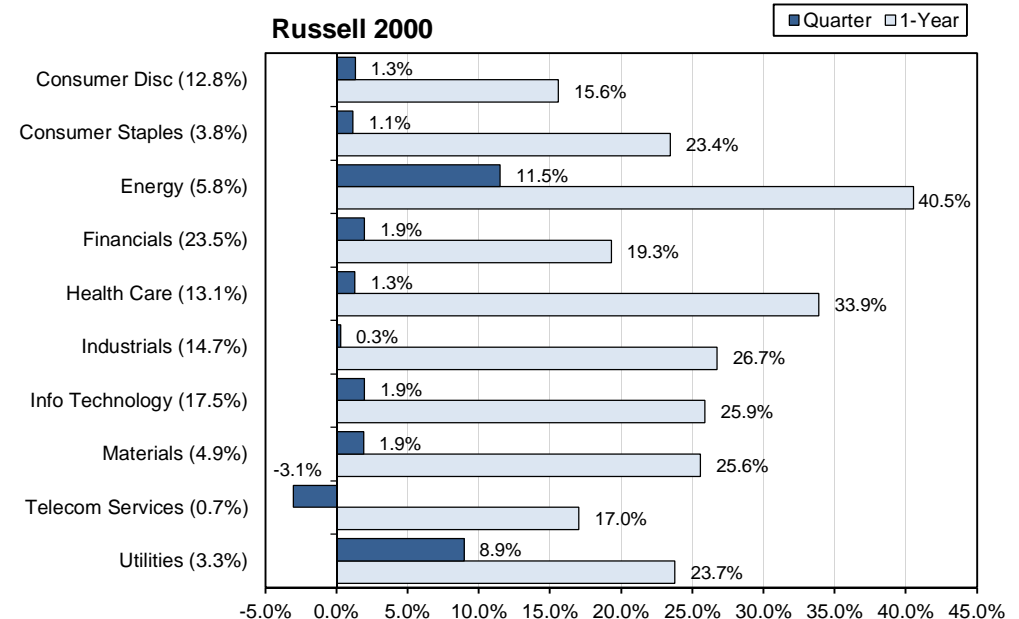
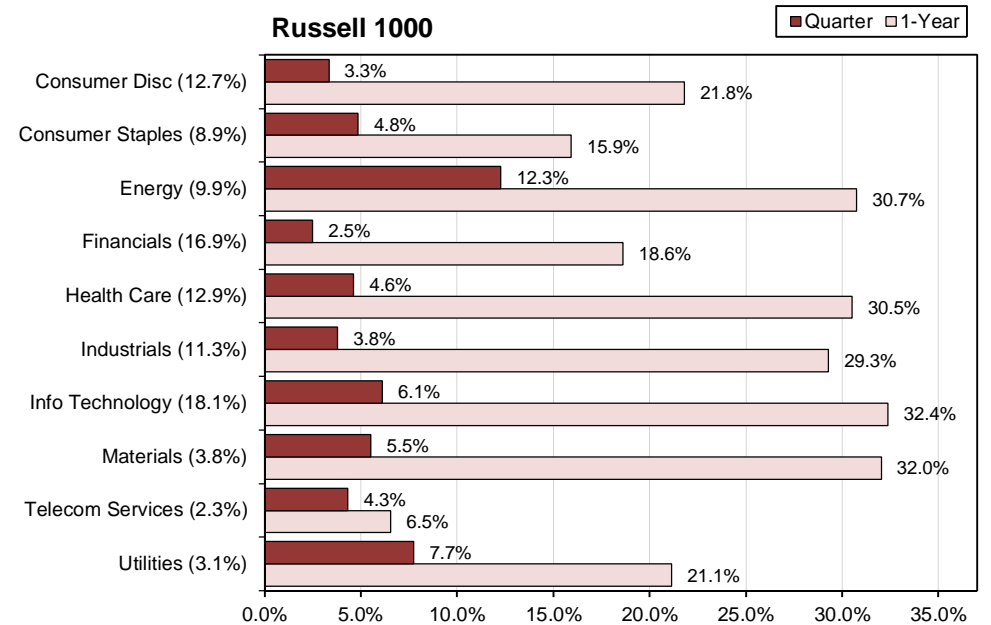
#### Quarter Performance - Russell Style Series



#### 1-Year Performance - Russell Style Series



- During the quarter, the Commerce Department's downward revision of first quarter GDP to a surprising -2.9% had a strong impact on equity sector returns. The lower economic growth number contributed to a surprising decline in interest rates across most points on the yield curve. Given a lower yield environment, investors again returned to higher yielding sectors such as Energy and especially Utilities. This preference for dividends, last seen to a significant degree in 2012, helped contribute to 12.3% and 6.8% quarterly returns for these sectors, respectively.
- In this interest rate environment, it is no surprise that REITs also fared well, appreciating 7.2% during the quarter. This brings the sector's year-to-date gain to a robust 18.2% (as measured by the Dow Jones US Select REIT Index). However, this performance was not enough to buoy the Financials sector as a whole, as Financials were the worst performing sector within the S&P 500, appreciating a meager 2.3% during the period.
- Similar to the first quarter, Consumer Discretionary was once again a relative underperformer in both the small and large cap benchmarks during the period. Again, most of the impact could be weather related. Many analysts related the soft retail numbers to the effects of a brutal winter that extended well into the second quarter reporting period. Most analysts see brighter times ahead as they believe that the now lower inventory levels will promote accelerated growth in the second half of the year as retailers replenish depleted stock.
- On an absolute valuation basis, when viewed across a ten-year trailing period ending June 30, 2014, Financials and Telecom were the most attractively valued areas within the S&P 500. Each sector traded at approximately 12.5x-14.0x. Consumer Staples appear the most overvalued at the moment. Staples trade at approximately 17.5x on an absolute basis, which is very near the top of its ten-year range. Relative to the ten-year average, only two sectors currently trade at or below average valuations: Telecom and Information Technology.



**The Market Environment**  
**Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000**  
As of June 30, 2014

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	2.78%	21.9%	68.0%	Information Technology
Exxon Mobil Corporation	2.15%	3.8%	14.5%	Energy
Microsoft Corp	1.71%	2.4%	24.3%	Information Technology
Johnson & Johnson	1.47%	7.2%	25.4%	Health Care
General Electric Co	1.31%	2.3%	17.1%	Industrials
Wells Fargo & Co	1.25%	6.4%	30.9%	Financials
Chevron Corp	1.23%	10.7%	14.1%	Energy
Berkshire Hathaway Inc Class B	1.15%	1.3%	13.1%	Financials
JPMorgan Chase & Co	1.08%	-4.5%	12.2%	Financials
Procter & Gamble Co	1.06%	-1.7%	5.3%	Consumer Staples

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Hillshire Brands Co	0.04%	67.8%	91.9%	Consumer Staples
Zillow Inc	0.02%	62.2%	153.9%	Information Technology
Platform Specialty Products Corp	0.01%	47.1%	NA	Materials
Golar LNG Ltd	0.01%	45.5%	97.2%	Energy
Williams Companies Inc	0.20%	44.7%	86.6%	Energy
Questcor Pharmaceuticals Inc	0.03%	43.5%	108.1%	Health Care
Targa Resources Corp	0.03%	41.5%	123.1%	Energy
Newfield Exploration Co	0.03%	40.9%	85.0%	Energy
Polypore International, Inc.	0.00%	39.5%	18.4%	Industrials
Micron Technology Inc	0.18%	39.3%	129.9%	Information Technology

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
NII Holdings Inc	0.00%	-53.8%	-91.7%	Telecommunication Services
Molycorp, Inc.	0.00%	-45.2%	-58.5%	Materials
ITT Educational Services, Inc.	0.00%	-41.8%	-31.6%	Consumer Discretionary
FireEye Inc	0.02%	-34.1%	NA	Information Technology
Coach Inc	0.05%	-30.6%	-38.4%	Consumer Discretionary
Intercept Pharmaceuticals Inc	0.01%	-28.2%	427.7%	Health Care
Walter Energy Inc	0.00%	-27.8%	-47.4%	Materials
Cliffs Natural Resources Inc	0.01%	-25.8%	-4.8%	Materials
Zynga Inc Class A	0.01%	-25.3%	15.5%	Information Technology
Whole Foods Market Inc	0.07%	-23.6%	-24.3%	Consumer Staples

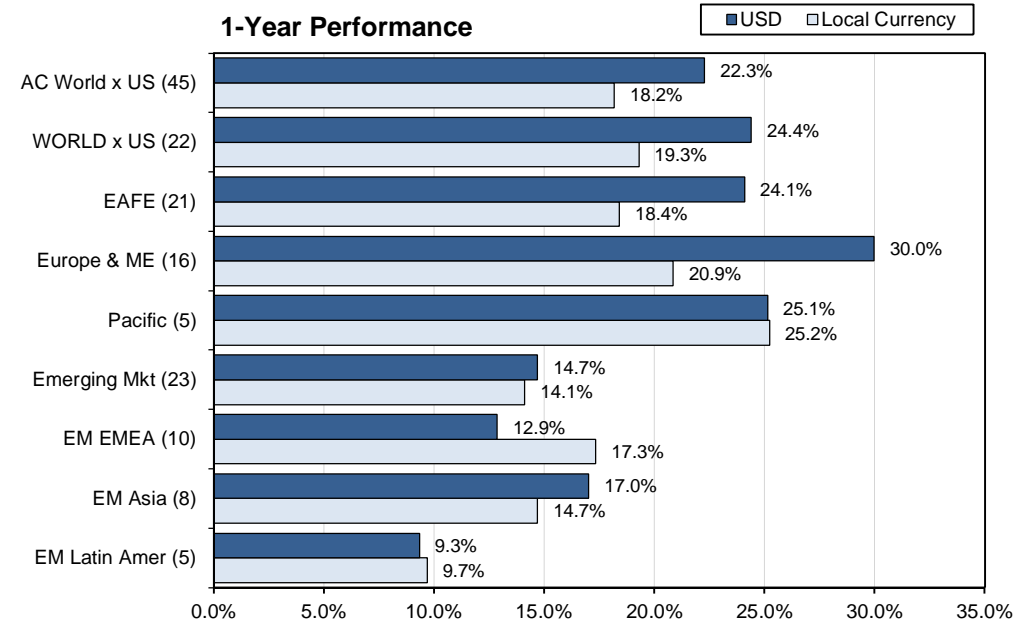
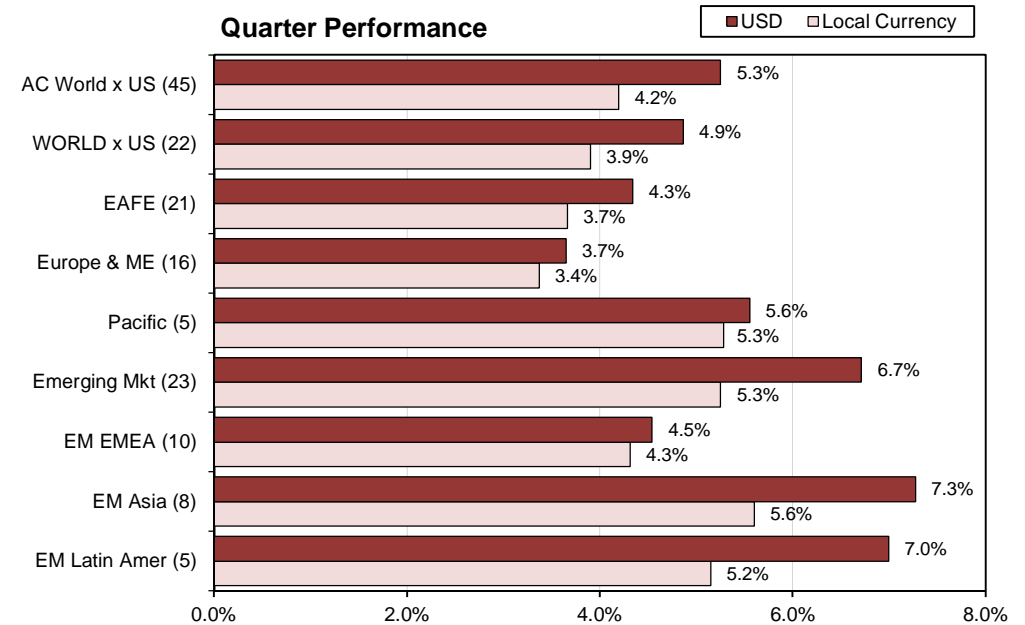
Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Pharmacyclics, Inc.	0.33%	-10.5%	12.9%	Health Care
Ocwen Financial Corporation	0.32%	-5.3%	-10.0%	Financials
Starwood Property Trust, Inc.	0.30%	2.8%	28.6%	Financials
Genesee & Wyoming, Inc. Class A	0.27%	7.9%	23.8%	Industrials
3D Systems Corporation	0.27%	1.1%	36.2%	Information Technology
Alaska Air Group, Inc.	0.27%	2.4%	85.4%	Industrials
Two Harbors Investment Corp	0.27%	4.8%	13.7%	Financials
CoStar Group Inc	0.26%	-15.3%	22.5%	Information Technology
Dril-Quip, Inc.	0.26%	-2.6%	21.0%	Energy
Gulfport Energy Corporation	0.26%	-11.8%	33.4%	Energy

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Idenix Pharmaceuticals Inc	0.02%	299.7%	567.6%	Health Care
Dolan Co	0.00%	281.3%	-96.3%	Industrials
MannKind Corp	0.06%	172.6%	68.5%	Health Care
Quest Resource Holding Corp	0.00%	145.8%	77.2%	Industrials
RadNet Inc	0.00%	133.5%	150.2%	Health Care
Achillion Pharmaceuticals Inc	0.04%	130.1%	-7.5%	Health Care
Sypris Solutions, Inc.	0.00%	102.1%	77.9%	Consumer Discretionary
Medical Action Industries	0.00%	97.0%	78.3%	Health Care
American Apparel Inc	0.00%	79.6%	-53.1%	Consumer Discretionary
Repligen Corp	0.02%	77.2%	176.6%	Health Care

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
GSE Holding Inc	0.00%	-79.3%	-99.0%	Materials
L & L Energy, Inc.	0.00%	-79.2%	-90.1%	Energy
Corinthian Colleges Inc	0.01%	-78.6%	-86.8%	Consumer Discretionary
Endocyte Inc	0.03%	-72.3%	-49.8%	Health Care
EveryWare Global Inc	0.00%	-71.5%	-89.3%	Consumer Discretionary
Parkervision Inc	0.03%	-69.2%	-67.5%	Information Technology
OncoGenex Pharmaceuticals Inc	0.01%	-68.3%	-61.9%	Health Care
Global Geophysical Services, Inc.	0.01%	-66.6%	-99.2%	Energy
Education Management Corp	0.01%	-65.3%	-69.9%	Consumer Discretionary
PowerSecure International Inc	0.00%	-58.4%	-35.2%	Industrials

Source: Morningstar Direct

- Volatility declined during the quarter, and monthly returns for all of the diversified non-US equity indexes were positive. This is very different from last quarter, when the final return appeared that nothing had happened, but the intra-quarter path resembled a roller coaster.
- The range of returns for the individual countries outside of the U.S. was wide. The best developed return was Norway at +10.8% and the worst developed return was Ireland at -9%. On the emerging country side, Turkey was the strongest performer at +15.4% and Greece was the worst at -10.7%.
- Qatar and the UAE were added to the MSCI EM Index during the second quarter (May). Both countries' equities were down for the quarter, which seems counterintuitive given the likelihood that many index funds added capital to stocks within the two countries (or even more likely to ETFs).
- Currency moves for the quarter were favorable for U.S. investors overseas, as the USD depreciated versus a majority of European, Asian and Latin American currencies. The few exceptions were France, Germany and India.
- Energy (+11.6%) and Utilities (+7.1%) were the top two performing sectors in developed equities, followed by defensive sectors, Consumer Staples (+6.3%) and Health Care (+5.7%). Within emerging equities, Information Technology (+11.2%) took top sector honors, followed closely by Utilities (+10.5%) and Energy (+10.2%).
- Value again outperformed growth in developed equities. The trend reversed in emerging equities from last quarter and value outperformed growth there as well. Small cap stocks underperformed large caps among both developed and emerging market indices.





**The Market Environment**  
**U.S. Dollar International Index Attribution & Country Detail**  
As of June 30, 2014

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	11.9%	3.6%	21.1%
Consumer Staples	11.1%	6.3%	18.2%
Energy	7.3%	11.6%	34.0%
Financials	25.3%	2.7%	22.5%
Health Care	10.5%	5.7%	27.5%
Industrials	12.7%	2.6%	23.9%
Information Technology	4.4%	1.3%	20.3%
Materials	8.0%	3.6%	23.5%
Telecommunication Services	4.9%	4.0%	33.9%
Utilities	3.9%	7.1%	27.8%
<b>Total</b>	<b>100.0%</b>	<b>4.3%</b>	<b>24.1%</b>

MSCI - ACWIXUS	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	10.8%	3.9%	21.4%
Consumer Staples	9.9%	6.0%	14.8%
Energy	9.6%	11.6%	28.3%
Financials	26.5%	3.9%	20.2%
Health Care	8.2%	5.5%	27.2%
Industrials	11.0%	3.4%	23.4%
Information Technology	6.9%	6.5%	28.1%
Materials	8.5%	4.2%	19.7%
Telecommunication Services	5.2%	4.4%	23.8%
Utilities	3.6%	7.7%	25.7%
<b>Total</b>	<b>100.0%</b>	<b>5.3%</b>	<b>22.3%</b>

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	9.1%	4.2%	21.1%
Consumer Staples	8.3%	4.1%	0.9%
Energy	10.8%	10.2%	13.6%
Financials	27.0%	5.4%	9.8%
Health Care	1.8%	8.1%	17.5%
Industrials	6.5%	4.9%	15.6%
Information Technology	17.3%	11.2%	36.1%
Materials	8.8%	3.9%	11.7%
Telecommunication Services	7.0%	5.7%	2.8%
Utilities	3.6%	10.5%	20.5%
<b>Total</b>	<b>100.0%</b>	<b>6.7%</b>	<b>14.7%</b>

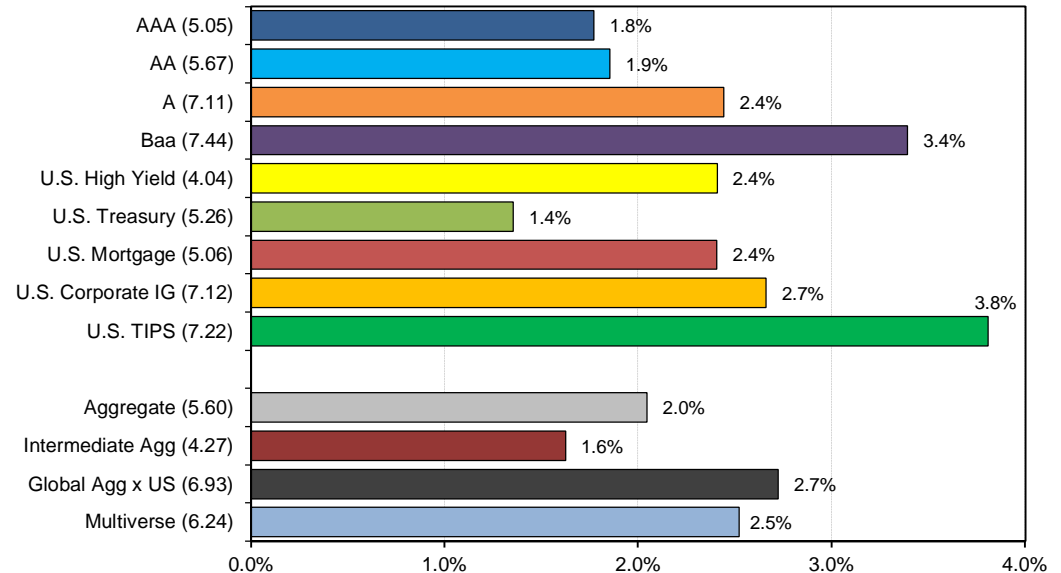
Country	MSCI-EAFE Weight	MSCI-ACWIXUS Weight	Quarter Return	1- Year Return
United Kingdom	21.4%	15.3%	6.1%	26.6%
Japan	20.3%	14.4%	6.7%	10.1%
France	10.1%	7.2%	2.4%	29.3%
Germany	9.3%	6.6%	2.3%	30.2%
Switzerland	9.0%	6.4%	2.4%	23.0%
Australia	7.7%	5.5%	2.9%	21.0%
Spain	3.7%	2.6%	7.4%	57.9%
Sweden	3.0%	2.2%	-0.3%	24.5%
Hong Kong	2.8%	2.0%	8.3%	17.7%
Netherlands	2.7%	1.9%	0.7%	27.0%
Italy	2.6%	1.9%	0.3%	52.4%
Denmark	1.5%	1.1%	3.3%	50.9%
Singapore	1.4%	1.0%	5.7%	10.4%
Belgium	1.2%	0.9%	5.6%	32.8%
Norway	0.9%	0.6%	10.8%	30.9%
Finland	0.9%	0.6%	5.6%	50.0%
Israel	0.5%	0.4%	2.4%	32.5%
Ireland	0.3%	0.2%	-9.0%	35.4%
Austria	0.3%	0.2%	-0.2%	19.5%
Portugal	0.2%	0.1%	-1.9%	20.8%
New Zealand	0.1%	0.1%	-1.0%	30.4%
<b>Total EAFE Countries</b>	<b>100.0%</b>	<b>71.2%</b>	<b>4.3%</b>	<b>24.1%</b>
Canada		7.6%	10.1%	27.2%
<b>Total Developed Countries</b>		<b>78.7%</b>	<b>4.9%</b>	<b>24.4%</b>
China		3.9%	5.7%	15.9%
Korea		3.3%	6.4%	24.7%
Taiwan		2.6%	10.4%	20.8%
Brazil		2.3%	7.7%	13.5%
South Africa		1.6%	4.6%	22.4%
India		1.5%	12.7%	27.4%
Russia		1.2%	10.8%	8.2%
Mexico		1.1%	6.6%	7.7%
Malaysia		0.8%	3.5%	5.4%
Indonesia		0.5%	0.8%	-11.4%
Thailand		0.5%	7.8%	-1.6%
Poland		0.4%	-0.8%	25.7%
Turkey		0.4%	15.4%	-3.1%
Chile		0.3%	2.7%	-11.6%
Colombia		0.2%	7.9%	10.3%
Philippines		0.2%	9.2%	8.6%
Greece		0.2%	-10.7%	55.1%
Peru		0.1%	8.5%	12.3%
United Arab Emirates		0.1%	-5.5%	57.9%
Qatar		0.1%	-5.4%	20.6%
Czech Republic		0.1%	1.9%	25.4%
Egypt		0.1%	1.1%	48.4%
Hungary		0.0%	4.6%	-14.9%
<b>Total Emerging Countries</b>		<b>21.3%</b>	<b>6.7%</b>	<b>14.7%</b>
<b>Total ACWIXUS Countries</b>		<b>100.0%</b>	<b>5.3%</b>	<b>22.3%</b>

Source: MSCI Global Index Monitor (Returns are Gross in USD)

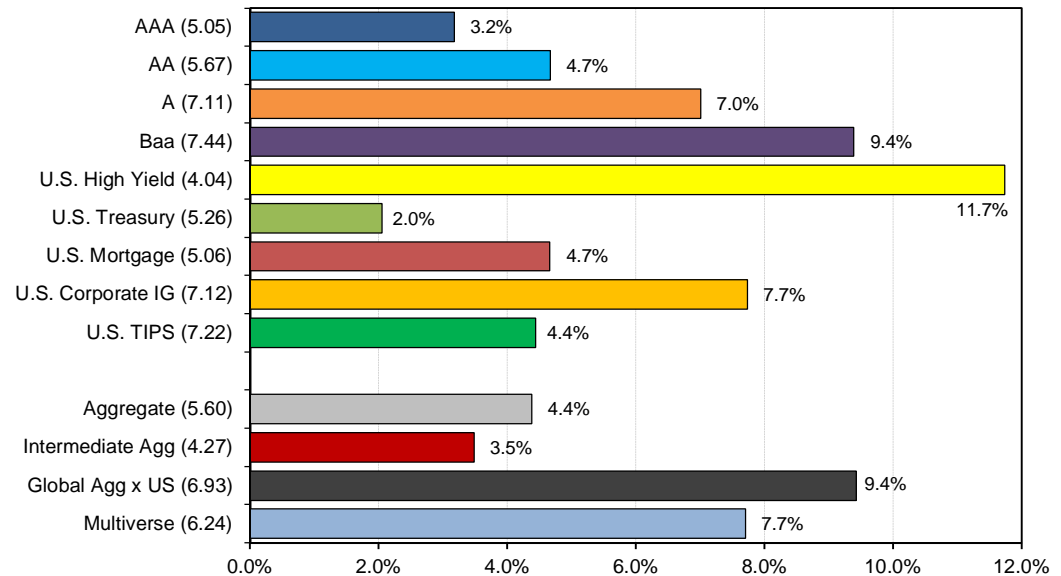


- Amid lackluster economic news and geopolitical concerns in Ukraine, domestic bonds continued their strong performance in the second quarter, rising 2.0%. Bond markets began the quarter on a bullish note, moving higher on a surprisingly weak first quarter US GDP report and concerns over the Ukraine-Russia conflict. In May, weak economic news from China and Europe, along with lower revisions to first quarter GDP, pushed bonds higher, especially in maturities ten years or greater. Late in the quarter, volatility fell and credit spreads moved lower, resulting in a positive return for the month of June. Overall, it was a good quarter for bond investors, especially in light of the fact that the Federal Reserve remains on pace to end their quantitative easing program by year-end.
- For the second consecutive quarter, all investment grade sectors posted positive returns. Though small in size, TIPS were the top performing area of the market (3.8%). Among the major sectors, Corporate Bond prices continued to grind higher and were the strongest performing segment (2.7%), followed by MBS (2.4%) and Treasuries (1.4%).
- The trend of lower quality bonds outperforming higher quality securities within investment grade credit continued for yet another quarter. Bonds rated Baa rose 3.4%, followed by A-rated (2.4%), AA-rated (1.9%), and AAA-rated (1.8%).
- Amid the strong demand for longer-dated Treasuries, the broad-based Barclays Aggregate Index outperformed short and intermediate bonds for the second consecutive quarter. The bullish sentiment in 2014, has benefitted The Barclays Aggregate Index, which has outpaced shorter-dated bonds by a wide margin over the past twelve months.
- The continued appetite for income resulted in strong demand for Corporate Bonds, regardless of credit quality. For the first time in eight quarters, high yield issuers trailed investment grade credits, but remained well ahead over the past twelve months.
- For the second consecutive quarter, International bonds, represented by the Barclays Global Aggregate ex US Index, surpassed their domestic bond counterparts (2.7% versus 2.0%). The strong showing pushed international bonds ahead of the US market by 5.0% on a trailing, one-year basis.

#### Quarter Performance



#### 1-Year Performance

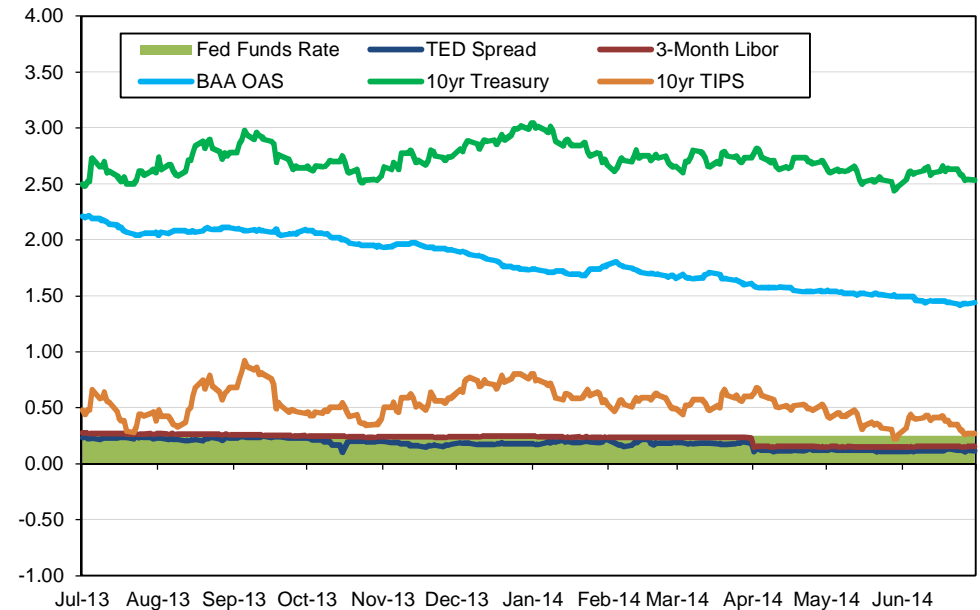


- Domestic bonds markets continued their strong performance in 2014, returning 2.0% in the second quarter. The bullish tone of the market was due, in part, to a surprising weak first quarter US GDP report, overall weakness in China and Europe, and geopolitical concerns in Ukraine.
- The strong year-to-date performance occurred despite little change in policy by the Federal Reserve, which remains on course to end its quantitative easing program by year-end. As we move towards year end, investors will increasingly focus their attention on the timing and magnitude of any potential interest rate increases.
- Despite numerous macro and geopolitical concerns, sentiment in the credit markets remained positive, resulting in BAA option adjusted spreads tightening 17 basis points (bps).
- Aside from modest weakness in June, yield levels for maturities ten years and greater declined sharply during the second quarter. Yields on 10 and 30-year maturities declined 20 and 22 bps, respectively, during the period.
- Although the yield curve continued to flatten in the second quarter, it still provides investors a sizable yield gain for extending maturities, especially in the intermediate part of the yield curve. The spread between key points on the yield curve is shown below.

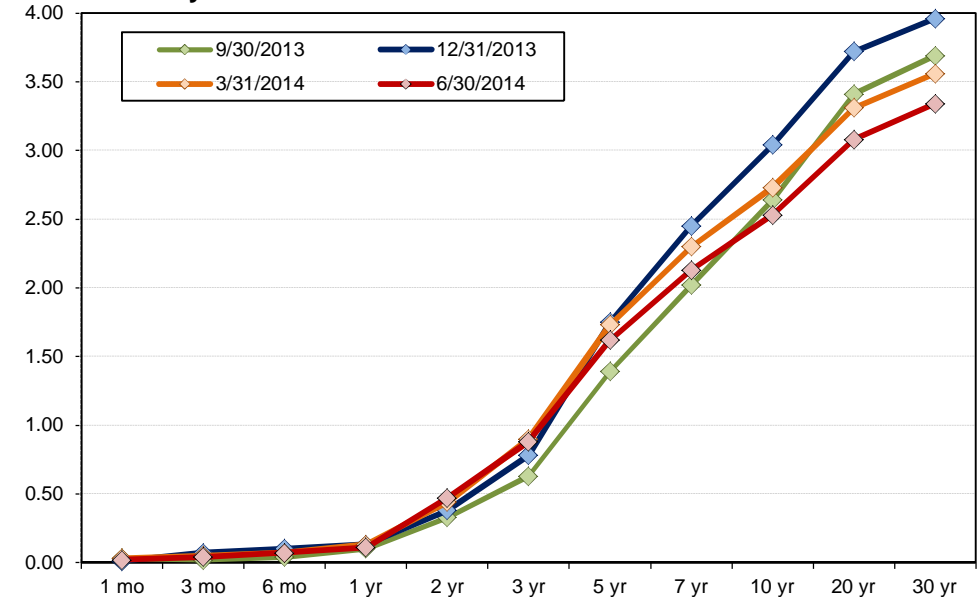
2-5 Year U.S. Treasury	115 bps
5-10 Year U.S. Treasury	91 bps
10-30 Year U.S. Treasury	81 bps

- Since rising to more attractive yields in mid-to-late 2013, the yield curve has flattened, spreads have narrowed and interest rates have declined, particularly in longer-dated maturities. While this has resulted in strong returns over the past twelve months, we believe the return outlook going forward is poor. Furthermore, the low nominal yields and narrow credit spreads offer only a modest amount of income to offset the amount of interest rate risk assumed by investors.

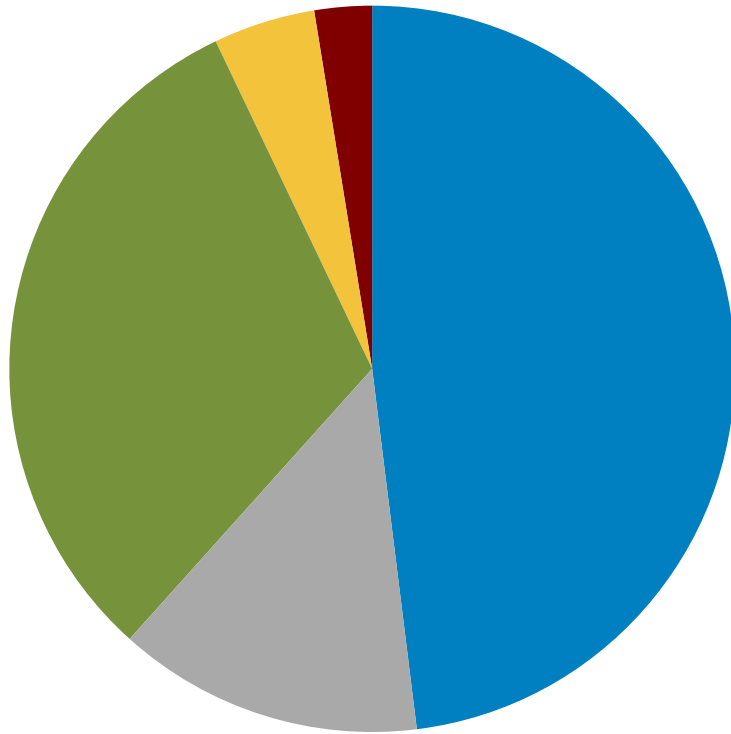
**1-Year Trailing Market Rates**



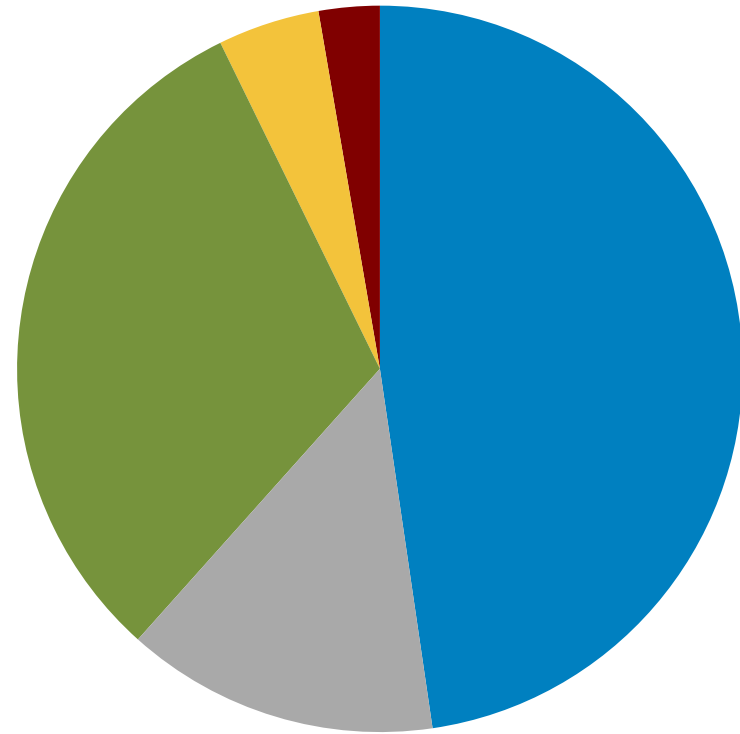
**Treasury Yield Curve**



Asset Allocation By Segment as of  
March 31, 2014 : \$3,127,304

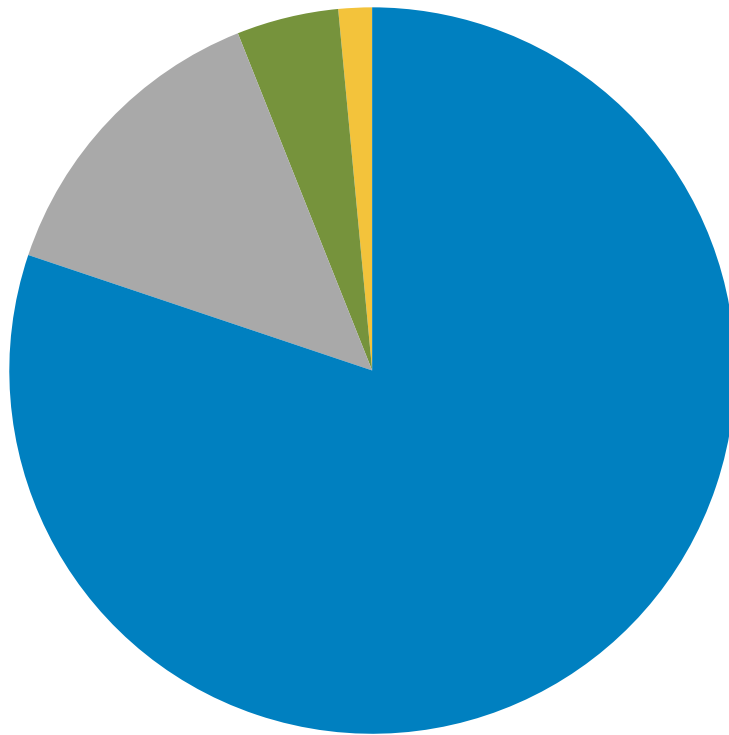


Asset Allocation By Segment as of  
June 30, 2014 : \$3,315,091

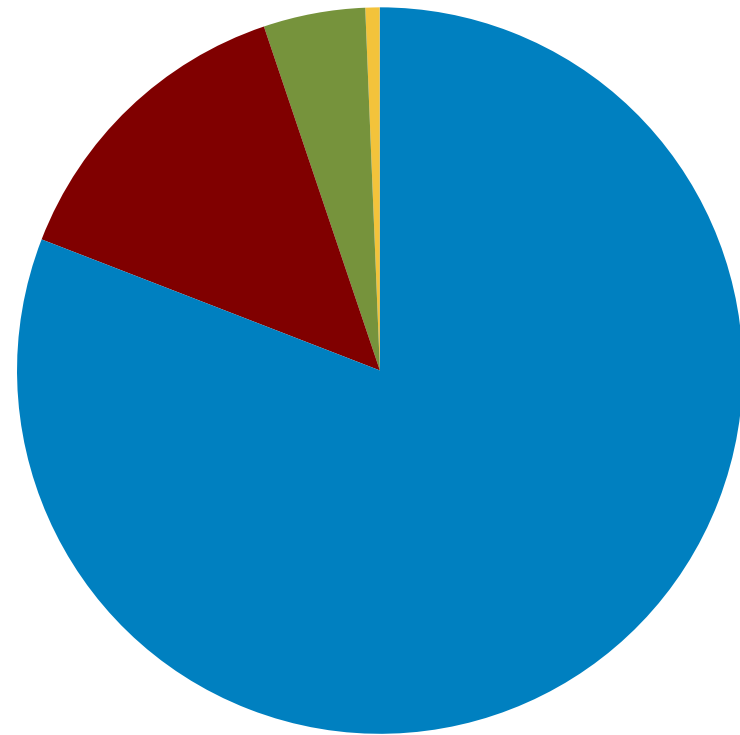


Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Domestic Equity	1,502,155	48.0	Domestic Equity	1,580,738	47.7
International Equity	425,959	13.6	International Equity	462,002	13.9
Domestic Fixed Income	977,126	31.2	Domestic Fixed Income	1,031,844	31.1
Global Fixed Income	142,008	4.5	Global Fixed Income	150,440	4.5
Cash Equivalent	80,056	2.6	Cash Equivalent	90,067	2.7

**Asset Allocation By Manager as of  
March 31, 2014 : \$3,127,304**

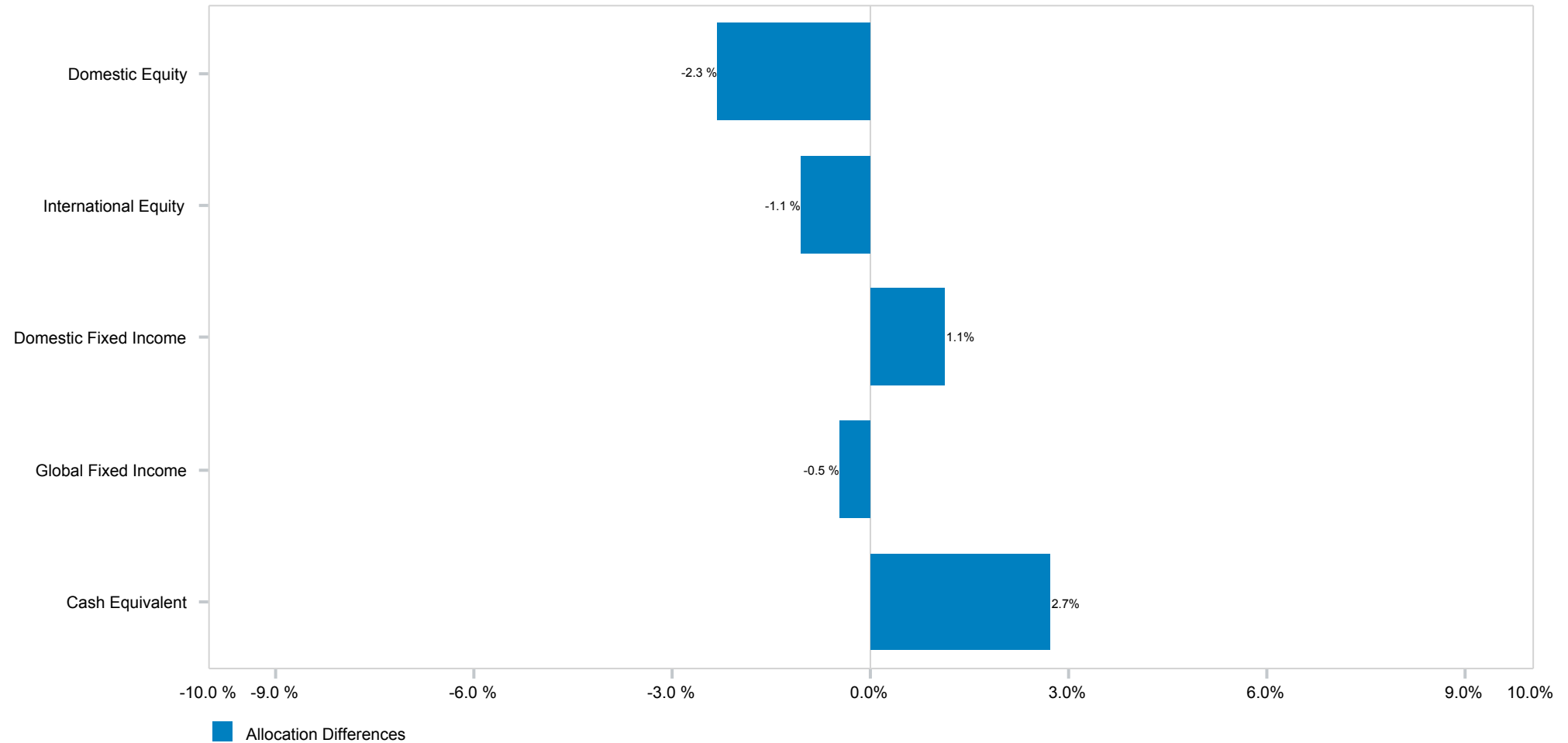


**Asset Allocation By Manager as of  
June 30, 2014 : \$3,315,091**



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
■ Dana Balanced Portfolio	2,506,544	80.2	■ Dana Balanced Portfolio	2,681,232	80.9
■ Dana International Equity	431,906	13.8	■ EuroPacific Growth Fund R6 (RERGX)	462,002	13.9
■ Templeton Global Total Return R6 (FTTRX)	142,008	4.5	■ Templeton Global Total Return R6 (FTTRX)	150,440	4.5
■ R&D	46,846	1.5	■ R&D	20,942	0.6
■ EuroPacific Growth Fund R6 (RERGX)	-	0.0	■ Dana International Equity	476	0.0

**Asset Allocation vs. Target Allocation**



**Asset Allocation vs. Target Allocation**

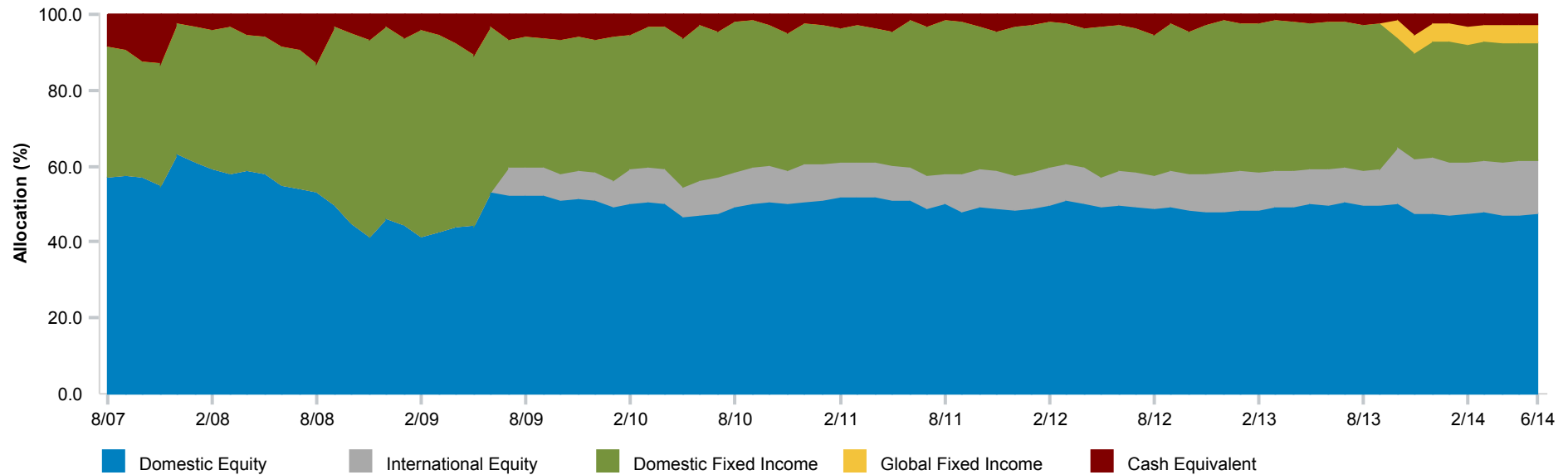
	Market Value \$	Allocation (%)	Target (%)
Domestic Equity	1,580,738	47.7	50.0
International Equity	462,002	13.9	15.0
Domestic Fixed Income	1,031,844	31.1	30.0
Global Fixed Income	150,440	4.5	5.0
Cash Equivalent	90,067	2.7	0.0
Total Fund	3,315,091	100.0	100.0

**Tequesta General Employees' Retirement Plan**  
**Asset Allocation History**  
**As of June 30, 2014**

**Asset Allocation History by Portfolio**

	Jun-2013		Sep-2013		Dec-2013		Mar-2014		Jun-2014	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%
Dana Balanced Portfolio	2,380,118	90.54	2,524,391	90.34	2,433,455	80.58	2,506,544	80.15	2,681,232	80.88
Dana International Equity	248,628	9.46	269,789	9.66	441,171	14.61	431,906	13.81	476	0.01
EuroPacific Growth Fund R6 (RERGX)	-	0.00	-	0.00	-	0.00	-	0.00	462,002	13.94
Templeton Global Total Return R6 (FTTRX)	-	0.00	-	0.00	141,852	4.70	142,008	4.54	150,440	4.54
R&D	52	0.00	52	0.00	3,613	0.12	46,846	1.50	20,942	0.63
<b>Total Fund</b>	<b>2,628,798</b>	<b>100.00</b>	<b>2,794,232</b>	<b>100.00</b>	<b>3,020,091</b>	<b>100.00</b>	<b>3,127,304</b>	<b>100.00</b>	<b>3,315,091</b>	<b>100.00</b>

**Asset Allocation History by Asset Class**



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**Tequesta General Employees' Retirement Plan**  
**Financial Reconciliation**  
**As of June 30, 2014**

**Financial Reconciliation: Quarter to Date**

	<b>Market Value 04/01/2014</b>	<b>Net Transfers</b>	<b>Contributions</b>	<b>Distributions</b>	<b>Management Fees</b>	<b>Other Expenses</b>	<b>Income</b>	<b>Apprec./ Deprec.</b>	<b>Market Value 06/30/2014</b>
Dana Balanced Portfolio	2,506,544	72,821	-	-	-	-640	16,253	86,254	2,681,232
Dana International Equity	431,906	-447,279	-	-	-	-153	5,480	10,522	476
EuroPacific Growth Fund R6 (RERGX)	-	457,675	-	-	-	-	-	4,327	462,002
Templeton Global Total Return R6 (FTTRX)	142,008	4,551	-	-	-	-	1,378	2,502	150,440
R&D Account	46,846	-87,768	75,432	-2,133	-	-11,436	1	1	20,942
<b>Total Fund</b>	<b>3,127,304</b>	<b>-</b>	<b>75,432</b>	<b>-2,133</b>	<b>-</b>	<b>-12,229</b>	<b>23,111</b>	<b>103,606</b>	<b>3,315,091</b>

**Financial Reconciliation: Fiscal Year to Date**

	<b>Market Value 10/01/2013</b>	<b>Net Transfers</b>	<b>Contributions</b>	<b>Distributions</b>	<b>Management Fees</b>	<b>Other Expenses</b>	<b>Income</b>	<b>Apprec./ Deprec.</b>	<b>Market Value 06/30/2014</b>
Dana Balanced Portfolio	2,524,391	-229,629	76,274	-5,842	-3,326	-2,346	46,783	274,928	2,681,232
Dana International Equity	269,789	-299,508	-	-	-824	-777	7,584	24,212	476
EuroPacific Growth Fund R6 (RERGX)	-	457,675	-	-	-	-	-	4,327	462,002
Templeton Global Total Return R6 (FTTRX)	-	143,380	-	-	-	-	5,267	1,792	150,440
R&D Account	52	-71,918	140,218	-15,809	-3,820	-27,783	1	1	20,942
<b>Total Fund</b>	<b>2,794,232</b>	<b>-</b>	<b>216,491</b>	<b>-21,652</b>	<b>-7,970</b>	<b>-30,906</b>	<b>59,635</b>	<b>305,261</b>	<b>3,315,091</b>

**Tequesta General Employees' Retirement Plan**  
**Comparative Performance: Trailing Returns**  
As of June 30, 2014

Comparative Performance															
	QTR		FYTD		1 YR		3 YR		4 YR		5 YR		Inception		Inception Date
Total Fund (Gross)	4.08	(13)	12.83	(18)	17.14	(43)	10.69	(22)	13.57	(20)	12.86	(36)	6.33	(20)	11/01/2000
Total Fund Policy	4.07	(13)	11.94	(32)	16.77	(52)	10.53	(29)	12.72	(50)	12.48	(57)	5.45	(75)	
All Public Plans-Total Fund Median	3.54		11.26		16.86		9.94		12.69		12.51		5.84		
Total Fund (Net)	4.08		12.53		16.68		10.16		13.01		12.30		6.04		11/01/2000
Equity Strategies															
Dana Core Equity	5.85	(15)	22.02	(6)	28.57	(15)	17.59	(28)	22.25	(12)	20.25	(17)	9.12	(35)	11/01/2005
S&P 500 Index	5.23	(33)	18.40	(48)	24.61	(65)	16.58	(50)	19.96	(57)	18.83	(50)	8.03	(81)	
IM U.S. Large Cap Core Equity (SA+CF) Median	4.88		18.18		25.52		16.58		20.12		18.82		8.68		
EuroPacific Growth Fund R6 (RERGX)	N/A		N/A		N/A		N/A		N/A		N/A		0.95	(99)	05/01/2014
MSCI AC World ex USA	5.25	(20)	10.99	(22)	22.27	(44)	6.21	(77)	11.77	(76)	11.59	(28)	3.80	(15)	
IM International Large Cap Core Equity (MF) Median	4.06		10.22		21.92		7.06		12.67		11.03		2.47		
Fixed Income Strategies															
Dana Fixed Income	1.50	(36)	2.94	(44)	3.92	(35)	3.67	(30)	4.16	(21)	4.87	(42)	5.10	(52)	11/01/2005
Barclays Intermediate Aggregate Index	1.62	(28)	2.70	(61)	3.48	(59)	2.86	(80)	3.14	(80)	4.23	(79)	4.78	(83)	
IM U.S. Intermediate Duration (SA+CF) Median	1.40		2.84		3.64		3.37		3.53		4.72		5.11		
Templeton Global Total Return R6 (FTTRX)	2.67	(40)	N/A		N/A		N/A		N/A		N/A		4.48	(38)	11/01/2013
Diversified Fixed Income Index	3.62	(11)	8.02	(9)	10.49	(7)	5.92	(11)	7.84	(9)	9.22	(12)	5.78	(13)	
IM Global Fixed Income (MF) Median	2.38		5.30		6.81		3.66		4.48		5.53		3.98		

Returns for periods greater than one year are annualized. Returns are expressed as percentages. Dana's inception date is 10-13-2005. Dana Core Equity contains international prior to 7/1/2009.

**Tequesta General Employees' Retirement Plan**  
**Comparative Performance: Fiscal Year Returns**  
As of June 30, 2014

**Comparative Performance**

	FYTD		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	
<b>Total Fund (Gross)</b>	<b>12.83</b>	<b>(18)</b>	<b>12.09</b>	<b>(59)</b>	<b>18.89</b>	<b>(30)</b>	<b>1.62</b>	<b>(24)</b>	<b>10.01</b>	<b>(49)</b>	<b>1.76</b>	<b>(45)</b>	<b>-10.10</b>	<b>(7)</b>	<b>11.64</b>	<b>(90)</b>
Total Fund Policy	11.94	(32)	11.19	(74)	18.06	(46)	1.28	(30)	9.40	(66)	0.48	(63)	-12.46	(36)	12.02	(87)
All Public Plans-Total Fund Median	11.26		12.55		17.93		0.29		9.98		1.32		-13.67		14.39	
<b>Total Fund (Net)</b>	<b>12.53</b>		<b>11.50</b>		<b>18.29</b>		<b>1.08</b>		<b>9.43</b>		<b>1.64</b>		<b>-10.34</b>		<b>11.64</b>	

**Equity Strategies**

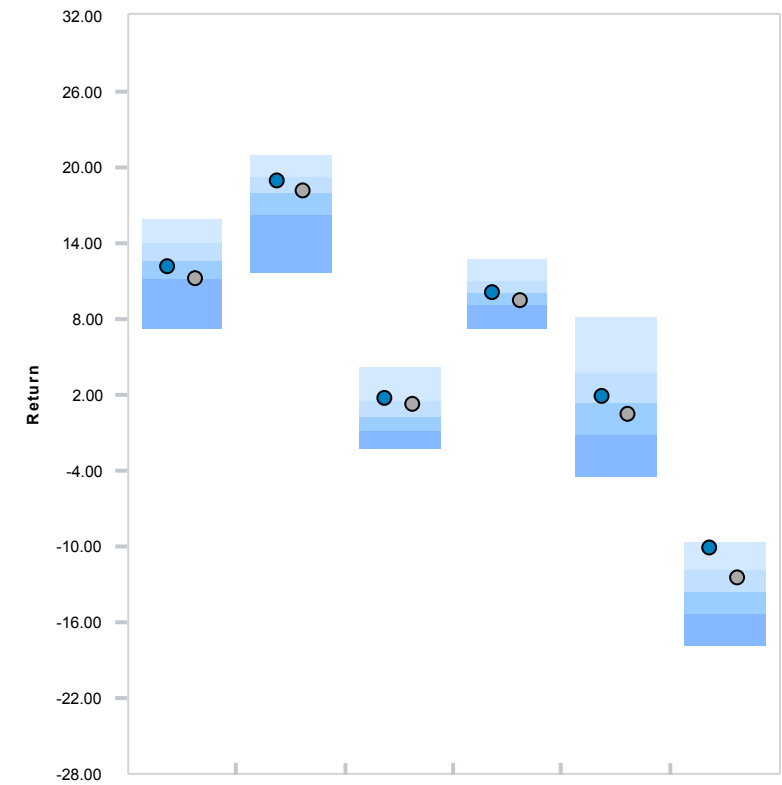
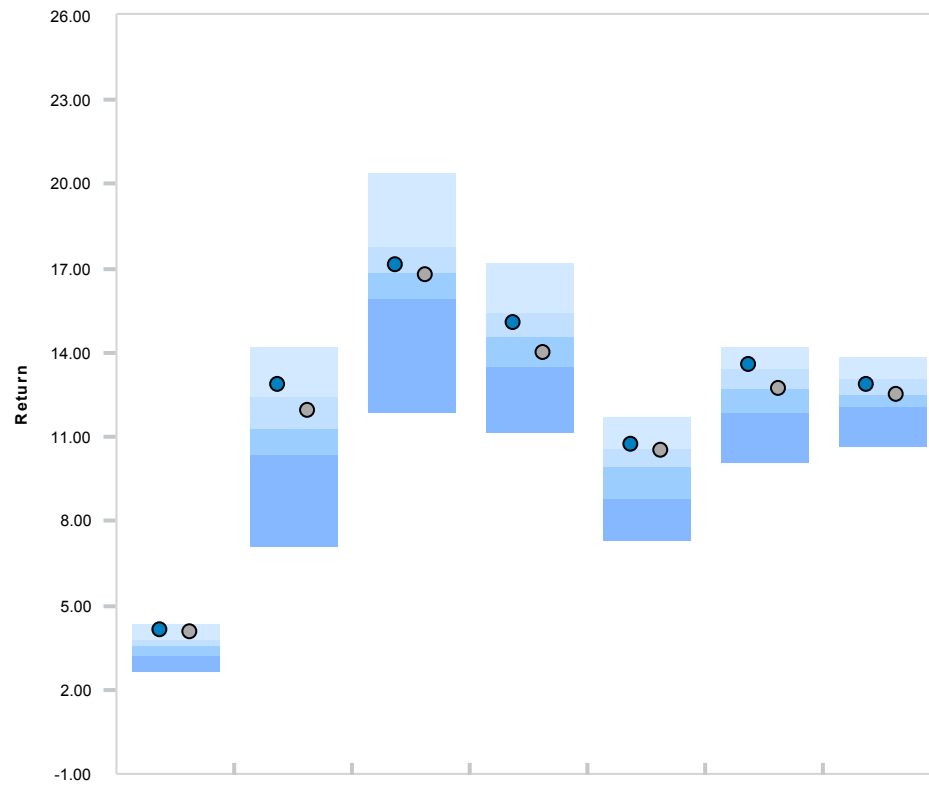
<b>Dana Core Equity</b>	<b>22.02</b>	<b>(6)</b>	<b>21.69</b>	<b>(36)</b>	<b>31.26</b>	<b>(27)</b>	<b>2.43</b>	<b>(34)</b>	<b>11.17</b>	<b>(28)</b>	<b>-8.19</b>	<b>(76)</b>	<b>-19.68</b>	<b>(43)</b>	<b>16.70</b>	<b>(55)</b>
S&P 500 Index	18.40	(48)	19.34	(63)	30.20	(45)	1.14	(51)	10.16	(41)	-6.91	(64)	-21.98	(67)	16.44	(60)
IM U.S. Large Cap Core Equity (SA+CF) Median	18.18		20.67		29.72		1.16		9.45		-5.78		-20.48		16.98	
<b>Dana Int'l Portfolio</b>	<b>N/A</b>		<b>18.47</b>	<b>(82)</b>	<b>18.71</b>	<b>(27)</b>	<b>-12.18</b>	<b>(85)</b>	<b>5.74</b>	<b>(57)</b>	<b>N/A</b>		<b>N/A</b>		<b>N/A</b>	
MSCI AC World ex USA	10.99	(60)	16.98	(89)	15.04	(81)	-10.42	(66)	8.00	(26)	6.43	(22)	-29.97	(49)	31.06	(26)
IM International Large Cap Core Equity (SA+CF) Median	11.91		22.44		17.29		-9.37		6.21		3.36		-30.13		26.92	
<b>EuroPacific Growth Fund R6 (RERGX)</b>	<b>N/A</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>	
MSCI AC World ex USA	10.99	(22)	16.98	(85)	15.04	(50)	-10.42	(33)	8.00	(5)	6.43	(9)	-29.97	(63)	31.06	(8)
IM International Large Cap Core Equity (MF)	10.22		22.08		14.93		-10.88		3.28		1.03		-29.25		24.83	

**Fixed Income Strategies**

<b>Dana Fixed Income</b>	<b>2.94</b>	<b>(44)</b>	<b>0.21</b>	<b>(26)</b>	<b>6.80</b>	<b>(21)</b>	<b>2.89</b>	<b>(76)</b>	<b>8.73</b>	<b>(31)</b>	<b>9.24</b>	<b>(84)</b>	<b>4.47</b>	<b>(31)</b>	<b>5.25</b>	<b>(76)</b>
Barclays Intermediate Aggregate Index	2.70	(61)	-0.71	(78)	4.31	(85)	4.22	(21)	7.52	(77)	9.69	(82)	4.16	(35)	5.33	(69)
IM U.S. Intermediate Duration (SA+CF) Median	2.84		-0.24		5.58		3.58		8.27		11.50		3.22		5.49	
<b>Templeton Global Total Return R6 (FTTRX)</b>	<b>N/A</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>	
Diversified Fixed Income Index	8.02	(9)	-1.58	(53)	14.19	(5)	2.52	(38)	12.95	(12)	19.60	(16)	-2.93	(70)	8.41	(36)
IM Global Fixed Income (MF) Median	5.30		-1.52		7.34		1.56		7.82		13.91		-1.47		7.29	

Returns for periods greater than one year are annualized. Returns are expressed as percentages. Dana's inception date is 10-13-2005. Dana Core Equity contains international prior to 7/1/2009.

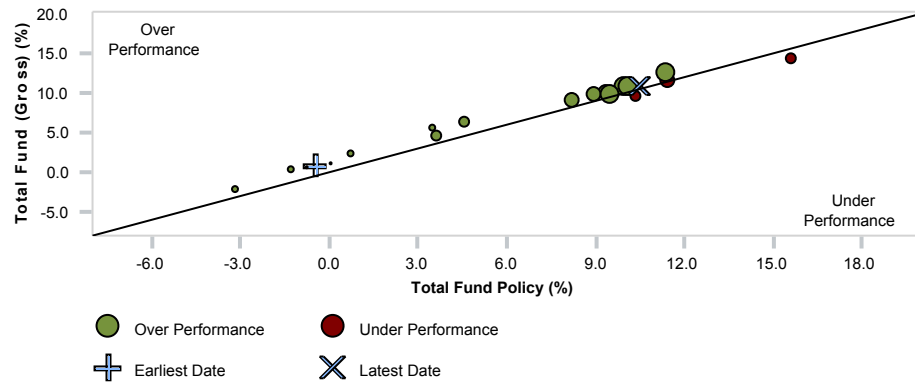
## Plan Sponsor Peer Group Analysis - All Public Plans-Total Fund



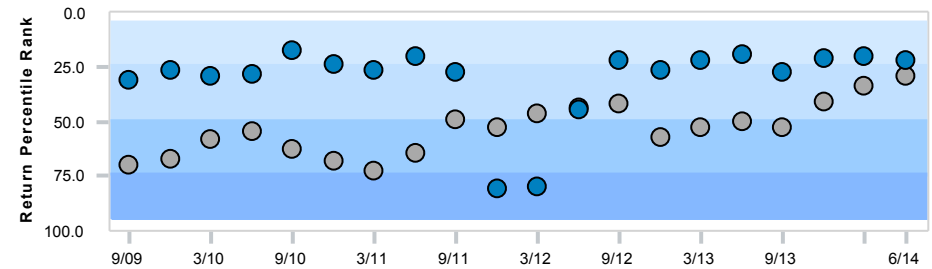
## Comparative Performance

	1 Qtr Ending Mar-2014	1 Qtr Ending Dec-2013	1 Qtr Ending Sep-2013	1 Qtr Ending Jun-2013	1 Qtr Ending Mar-2013	1 Qtr Ending Dec-2012
Total Fund (Gross)	2.10 (24)	6.18 (28)	3.83 (92)	1.11 (7)	5.80 (36)	0.92 (79)
Total Fund Policy	1.56 (64)	5.91 (38)	4.31 (78)	0.45 (31)	5.63 (42)	0.47 (90)
All Public Plans-Total Fund Median	1.70	5.60	4.91	0.09	5.47	1.72

### 3 Yr Rolling Under/Over Performance - 5 Years

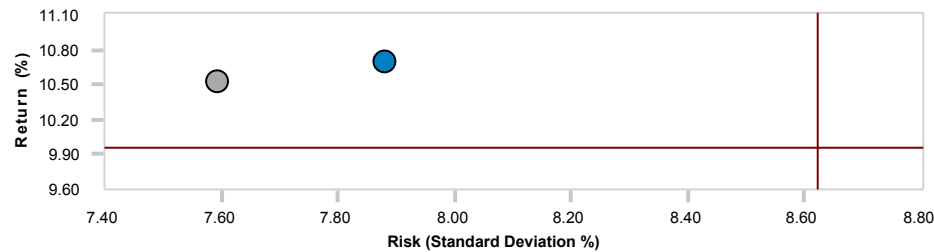


### 3 Yr Rolling Percentile Ranking - 5 Years



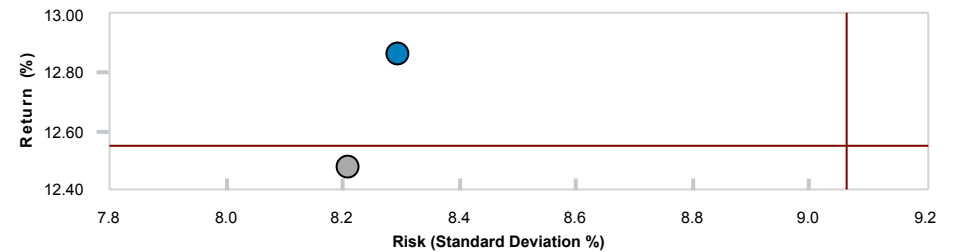
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Total Fund (Gross)	20	9 (45%)	9 (45%)	0 (0%)	2 (10%)
Total Fund Policy	20	0 (0%)	8 (40%)	12 (60%)	0 (0%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Total Fund (Gross)	10.69	7.88
Total Fund Policy	10.53	7.60
Median	9.95	8.62

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Total Fund (Gross)	12.86	8.29
Total Fund Policy	12.48	8.21
Median	12.55	9.06

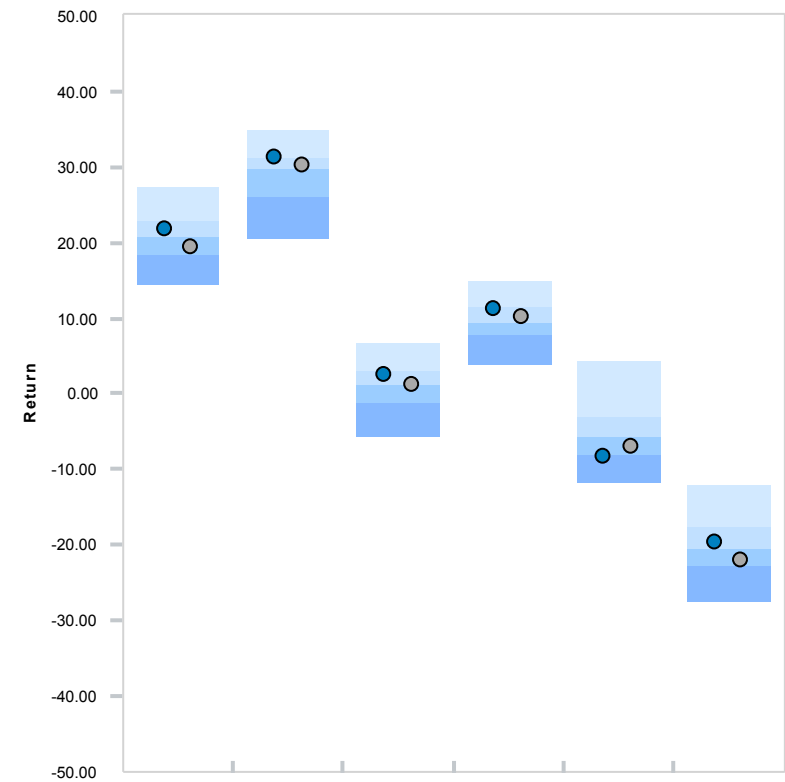
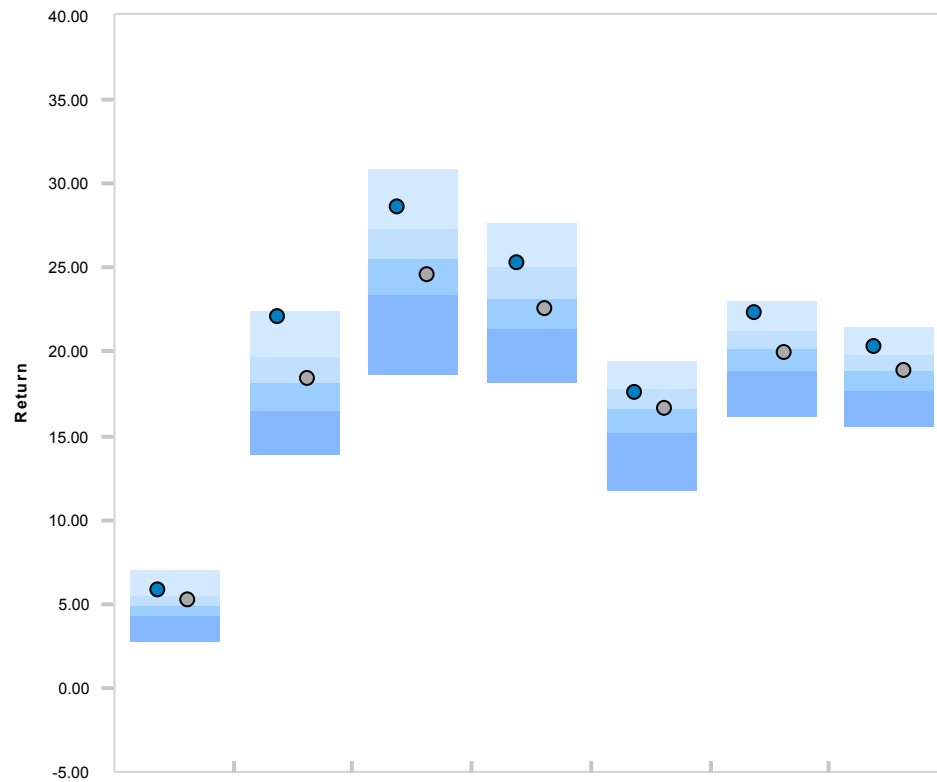
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund (Gross)	1.28	104.63	109.34	-0.08	0.14	1.33	1.02	4.79
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	1.35	1.00	4.38

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund (Gross)	1.28	103.07	103.40	0.38	0.27	1.50	1.00	4.59
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	1.47	1.00	4.37

**Peer Group Analysis - IM U.S. Large Cap Core Equity (SA+CF)**

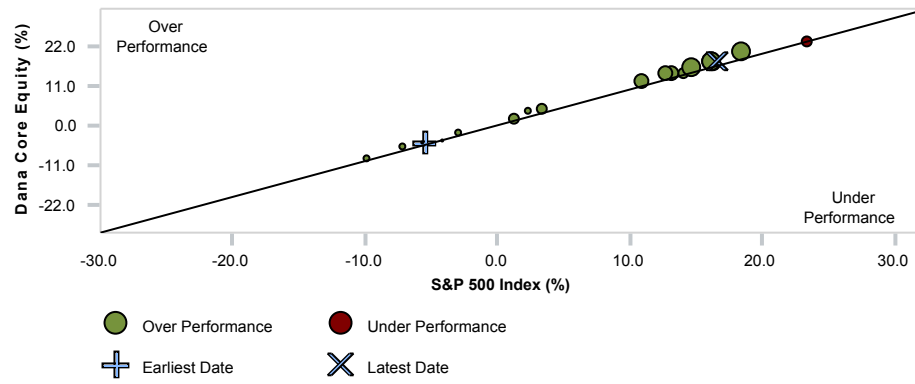


	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR		Oct-2012 To Sep-2013	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008
● Dana Core Equity	5.85 (15)	22.02 (6)	28.57 (15)	25.28 (22)	17.59 (28)	22.25 (12)	20.25 (17)	● Dana Core Equity	21.69 (36)	31.26 (27)	2.43 (34)	11.17 (28)	-8.19 (76)	-19.68 (43)
● S&P 500 Index	5.23 (33)	18.40 (48)	24.61 (65)	22.59 (63)	16.58 (50)	19.96 (57)	18.83 (50)	● S&P 500 Index	19.34 (63)	30.20 (45)	1.14 (51)	10.16 (41)	-6.91 (64)	-21.98 (67)
Median	4.88	18.18	25.52	23.19	16.58	20.12	18.82	Median	20.67	29.72	1.16	9.45	-5.78	-20.48

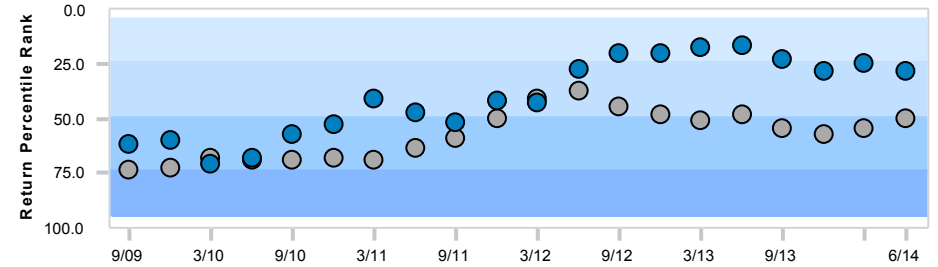
**Comparative Performance**

	1 Qtr Ending Mar-2014	1 Qtr Ending Dec-2013	1 Qtr Ending Sep-2013	1 Qtr Ending Jun-2013	1 Qtr Ending Mar-2013	1 Qtr Ending Dec-2012
Dana Core Equity	4.00 (7)	10.85 (39)	5.37 (66)	3.50 (25)	11.78 (24)	-0.18 (56)
S&P 500 Index	1.81 (63)	10.51 (48)	5.24 (71)	2.91 (46)	10.61 (56)	-0.38 (61)
IM U.S. Large Cap Core Equity (SA+CF) Median	2.06	10.42	5.99	2.78	10.70	0.00

### 3 Yr Rolling Under/Over Performance - 5 Years

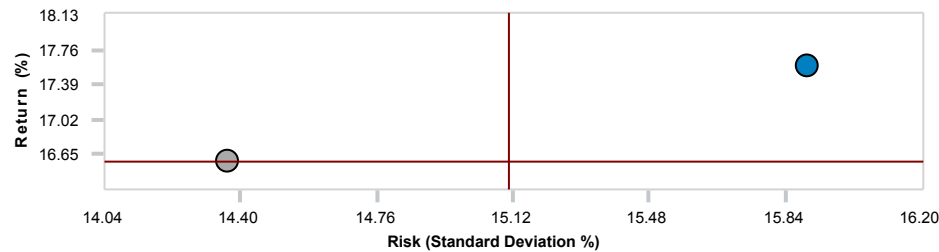


### 3 Yr Rolling Percentile Ranking - 5 Years



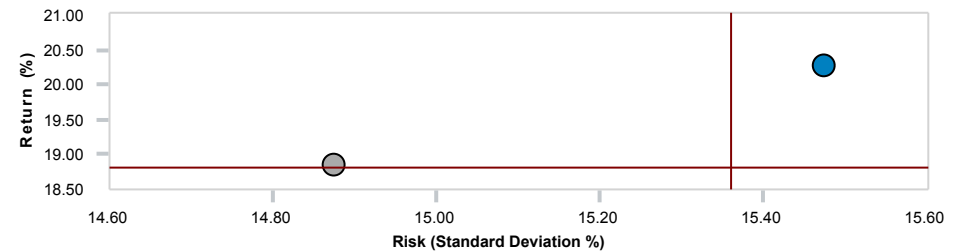
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Dana Core Equity	20	6 (30%)	7 (35%)	7 (35%)	0 (0%)
S&P 500 Index	20	0 (0%)	7 (35%)	13 (65%)	0 (0%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Dana Core Equity	17.59	15.90
S&P 500 Index	16.58	14.37
Median	16.58	15.11

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Dana Core Equity	20.25	15.48
S&P 500 Index	18.83	14.88
Median	18.82	15.36

### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Dana Core Equity	2.23	105.82	105.66	0.35	0.43	1.34	1.04	7.53
S&P 500 Index	0.00	100.00	100.00	0.00	N/A	1.33	1.00	6.96

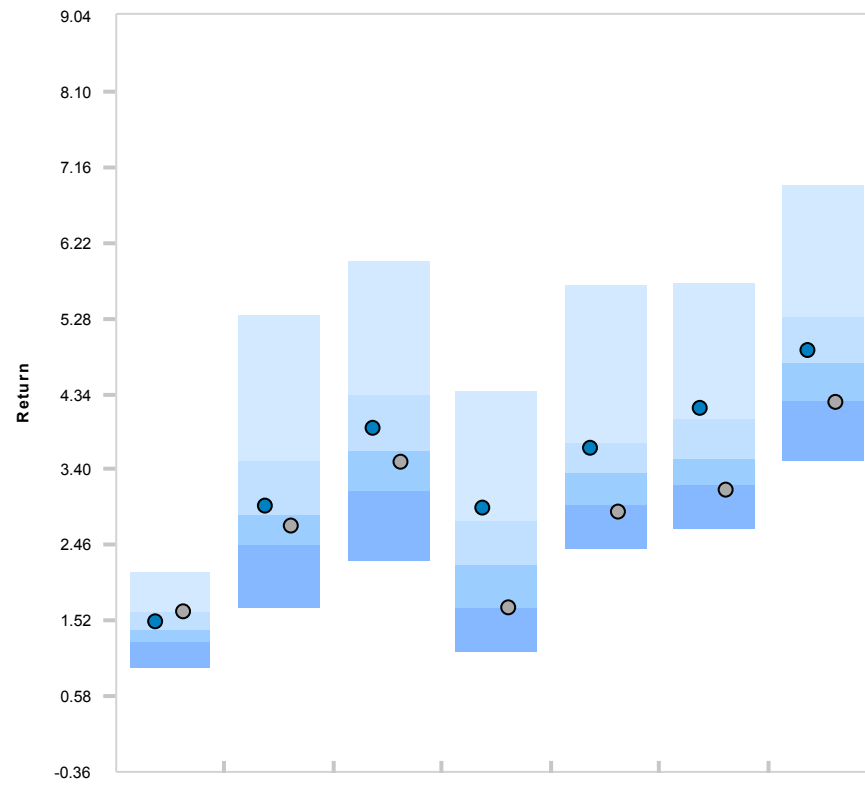
### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Dana Core Equity	2.17	104.47	100.75	1.14	0.57	1.43	1.01	7.68
S&P 500 Index	0.00	100.00	100.00	0.00	N/A	1.37	1.00	7.45

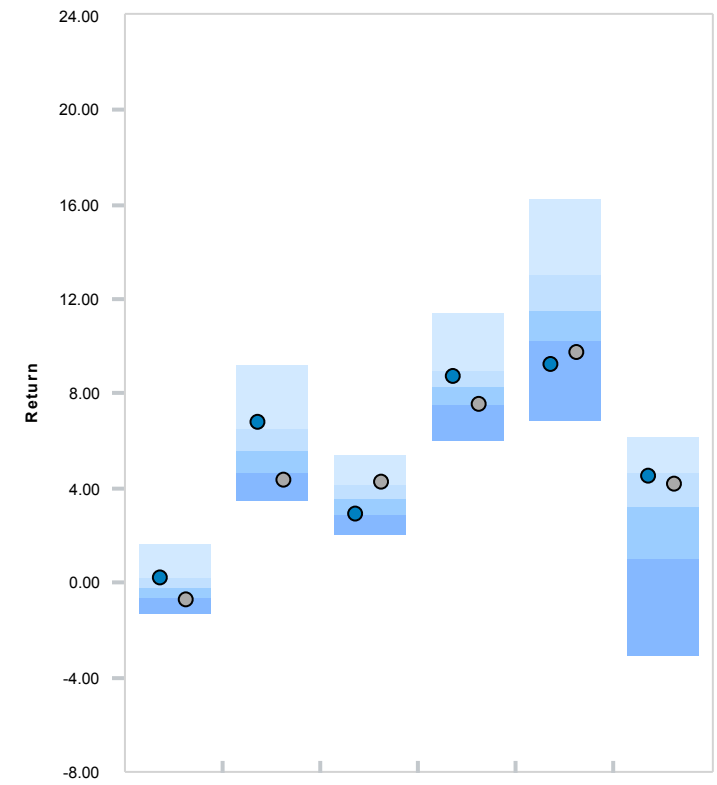


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## Peer Group Analysis - IM U.S. Intermediate Duration (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Dana Fixed Portfolio	1.50 (36)	2.94 (44)	3.92 (35)	2.92 (19)	3.67 (30)	4.16 (21)	4.87 (42)
● Barclays Interm Agg Index	1.62 (28)	2.70 (61)	3.48 (59)	1.66 (76)	2.86 (80)	3.14 (80)	4.23 (79)
Median	1.40	2.84	3.64	2.23	3.37	3.53	4.72

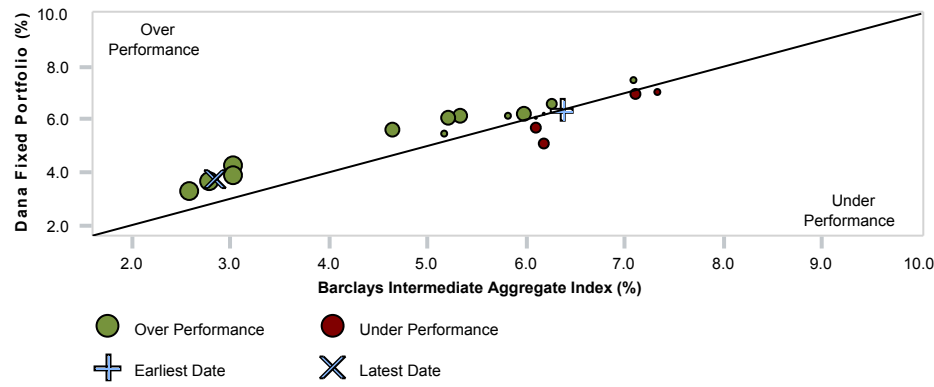


	Oct-2012 To Sep-2013	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008
● Dana Fixed Portfolio	0.21 (26)	6.80 (21)	2.89 (76)	8.73 (31)	9.24 (84)	4.47 (31)
● Barclays Interm Agg Index	-0.71 (78)	4.31 (85)	4.22 (21)	7.52 (77)	9.69 (82)	4.16 (35)
Median	-0.24	5.58	3.58	8.27	11.50	3.22

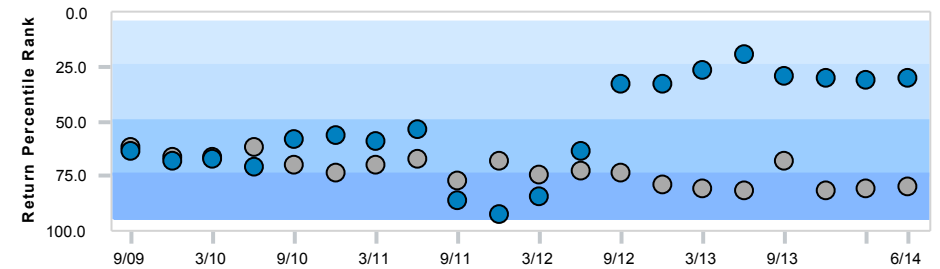
## Comparative Performance

	1 Qtr Ending Mar-2014	1 Qtr Ending Dec-2013	1 Qtr Ending Sep-2013	1 Qtr Ending Jun-2013	1 Qtr Ending Mar-2013	1 Qtr Ending Dec-2012
Dana Fixed Portfolio	1.40 (30)	0.01 (73)	0.95 (14)	-1.56 (26)	0.56 (21)	0.28 (74)
Barclays Intermediate Aggregate Index	1.20 (50)	-0.14 (92)	0.76 (41)	-1.78 (52)	0.15 (91)	0.18 (85)
IM U.S. Intermediate Duration (SA+CF) Median	1.20	0.20	0.72	-1.76	0.34	0.40

## 3 Yr Rolling Under/Over Performance - 5 Years

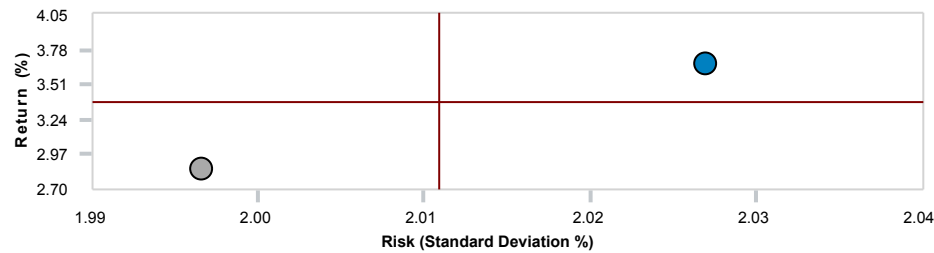


## 3 Yr Rolling Percentile Ranking - 5 Years



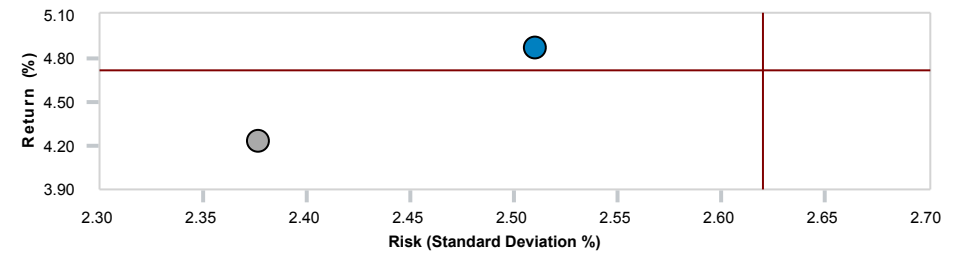
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Dana Fixed Portfolio	20	1 (5%)	7 (35%)	9 (45%)	3 (15%)
Barclays Interm Agg Index	20	0 (0%)	0 (0%)	13 (65%)	7 (35%)

## Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Dana Fixed Portfolio	3.67	2.03
Barclays Interm Agg Index	2.86	2.00
Median	3.37	2.01

## Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Dana Fixed Portfolio	4.87	2.51
Barclays Interm Agg Index	4.23	2.38
Median	4.72	2.62

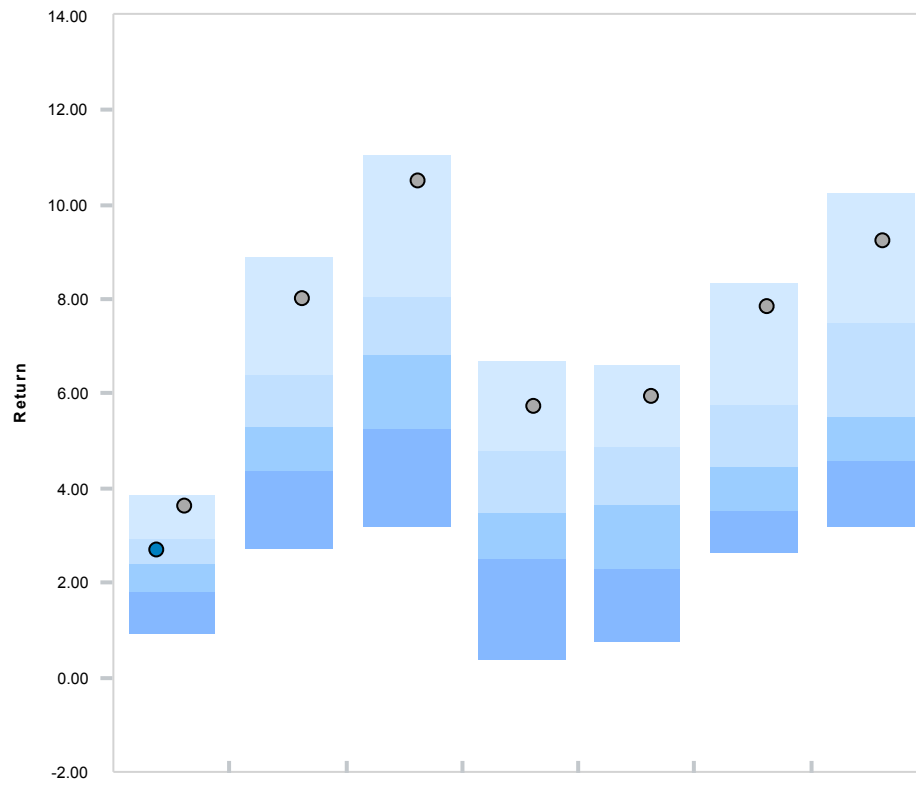
## Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Dana Fixed Portfolio	1.41	121.35	108.78	0.72	0.56	1.43	1.03	1.26
Barclays Intermediate Aggregate Index	0.00	100.00	100.00	0.00	N/A	1.38	1.00	1.11

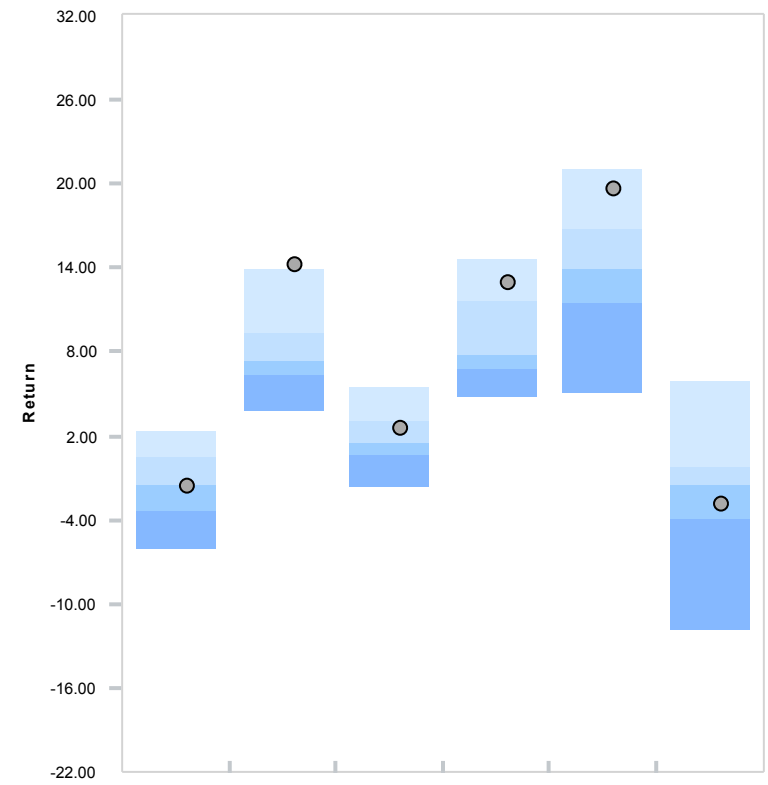
## Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Dana Fixed Portfolio	1.36	114.98	114.90	0.54	0.46	1.76	1.02	1.34
Barclays Intermediate Aggregate Index	0.00	100.00	100.00	0.00	N/A	1.81	1.00	1.16

**Peer Group Analysis - IM Global Fixed Income (MF)**



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Templeton (FTTRX)	2.67 (40)	N/A	N/A	N/A	N/A	N/A	N/A
● Diversified FI Index	3.62 (11)	8.02 (9)	10.49 (7)	5.73 (13)	5.92 (11)	7.84 (9)	9.22 (12)
Median	2.38	5.30	6.81	3.51	3.66	4.48	5.53



	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
● Templeton (FTTRX)	N/A	N/A	N/A	N/A	N/A	N/A
● Diversified FI Index	-1.58 (53)	14.19 (5)	2.52 (38)	12.95 (12)	19.60 (16)	-2.93 (70)
Median	-1.52	7.34	1.56	7.82	13.91	-1.47

**Comparative Performance**

	1 Qtr Ending Mar-2014	1 Qtr Ending Dec-2013	1 Qtr Ending Sep-2013	1 Qtr Ending Jun-2013	1 Qtr Ending Mar-2013	1 Qtr Ending Dec-2012
Templeton (FTTRX)	0.47 (98)	N/A	N/A	N/A	N/A	N/A
Diversified Fixed Income Index	3.23 (16)	0.99 (37)	2.29 (9)	-3.69 (66)	-1.44 (63)	1.37 (33)
IM Global Fixed Income (MF) Median	2.49	0.70	0.93	-3.29	-0.48	1.11

### Total Fund Policy

Allocation Mandate	Weight (%)
<b>Jan-1978</b>	
Citigroup 3 Month T-Bill Index	100.00
<b>Jan-2004</b>	
S&P 500 Index	60.00
Citigroup 3 Month T-Bill Index	20.00
Barclays U.S. Gov't/Credit	20.00
<b>Oct-2005</b>	
S&P 500 Index	60.00
Barclays Intermediate U.S. Gov/Credit Index	40.00
<b>Dec-2009</b>	
S&P 500 Index	50.00
Barclays Intermediate U.S. Gov/Credit Index	40.00
MSCI EAFE Index	10.00
<b>Jul-2012</b>	
S&P 500 Index	50.00
Barclays Intermediate Aggregate Index	40.00
MSCI AC World ex USA	10.00
<b>Sep-2013</b>	
S&P 500 Index	50.00
Barclays Intermediate Aggregate Index	30.00
MSCI AC World ex USA	15.00
Diversified Fixed Income Index	5.00

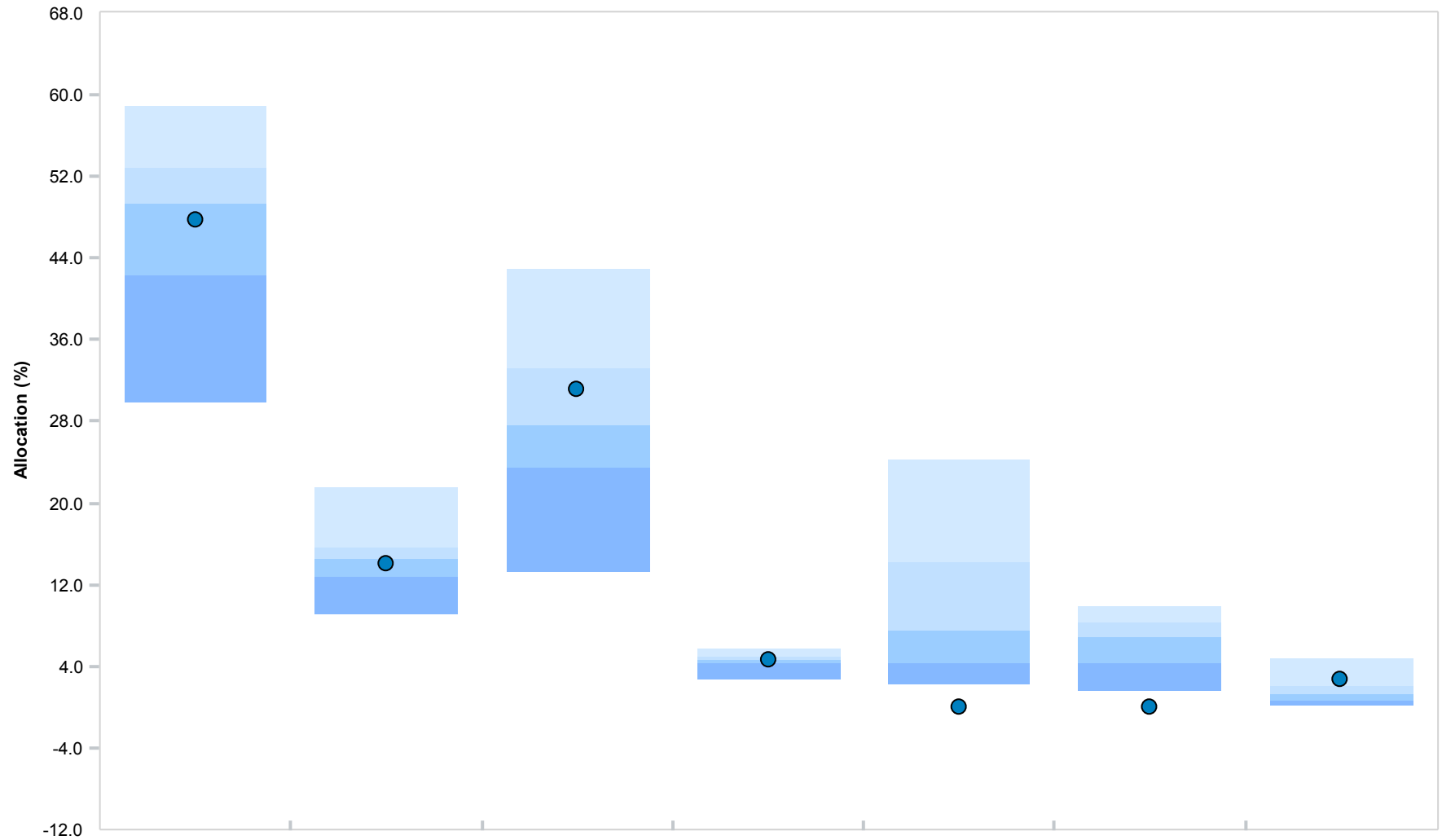
### Total Fixed Policy

Allocation Mandate	Weight (%)
<b>Feb-2004</b>	
Barclays U.S. Gov't/Credit	100.00
<b>Oct-2005</b>	
Barclays Intermediate U.S. Gov/Credit Index	100.00
<b>Jul-2012</b>	
Barclays Intermediate Aggregate Index	100.00
<b>Sep-2013</b>	
Barclays Intermediate Aggregate Index	86.00
Diversified Fixed Income Index	14.00

### Diversified Fixed Income Index

Allocation Mandate	Weight (%)
<b>Jan-1994</b>	
JPM EMBI+	33.33
Barclays US Corp: High Yield	33.33
Citigroup Non-U.S. World Government Bond	33.34

Plan Sponsor TF Asset Allocation vs. All Public Plans-Total Fund



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
● Tequesta General Employees	47.68 (60)	13.95 (63)	31.13 (38)	4.54 (64)	0.00	0.00	2.70 (12)
5th Percentile	58.94	21.50	42.90	5.79	24.31	9.95	4.73
1st Quartile	52.80	15.63	33.21	4.99	14.19	8.31	2.00
Median	49.37	14.53	27.66	4.65	7.42	6.78	1.21
3rd Quartile	42.25	12.79	23.40	4.35	4.23	4.28	0.67
95th Percentile	29.91	9.14	13.22	2.72	2.20	1.50	0.18

Parenttheses contain percentile rankings.  
Calculation based on <Periodicity> periodicity.

Total Fund Compliance:	Yes	No	N/A
1. The Total Plan return equaled or exceeded the 7.5% actuarial earnings assumption over the trailing three year period.	✓		
2. The Total Plan return equaled or exceeded the 7.5% actuarial earnings assumption over the trailing five year period.	✓		
3. The Total Plan return equaled or exceeded the total plan benchmark over the trailing three year period.	✓		
4. The Total Plan return equaled or exceeded the total plan benchmark over the trailing five year period.	✓		
5. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing three year period.	✓		
6. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing five year period.	✓		

Equity Compliance:	Yes	No	N/A
1. Total Equity return equaled or exceeded the benchmark over the trailing three year period.	✓		
2. Total Equity return equaled or exceeded the benchmark over the trailing five year period.	✓		
3. Total Equity investments do not exceed 70% of the market value of Plan assets.	✓		
3. Total market value of foreign securities do not exceed 25% of the market value of Plan assets.	✓		

Fixed Income Compliance:	Yes	No	N/A
1. Total Fixed Income return equaled or exceeded the benchmark over the trailing three year period.	✓		
2. Total Fixed Income return equaled or exceeded the benchmark over the trailing five year period.	✓		
3. 95% of the fixed income investments have a minimum rating of investment grade or higher.	✓		

Manager Compliance:	Dana Domestic			Dana Fixed			Templeton			Europacific		
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A
1. Manager outperformed the index over the trailing three year period.	✓			✓					✓			✓
2. Manager outperformed the index over the trailing five year period.	✓			✓					✓			✓
3. Manager has had less than 4 consecutive quarters of underperformance.	✓			✓					✓			✓
4. Manager ranked within the top 40th percentile over the trailing three year period.	✓			✓					✓			✓
5. Manager ranked within the top 40th percentile over the trailing three year period.	✓				✓				✓			✓
6. Manager three year down market capture ratio is less than the index.		✓			✓				✓			✓
7. Manager five year down market capture ratio is less than the index.		✓			✓				✓			✓



- Neither The Bogdahn Group, nor any covered associates have made political contributions to any official associated with the Tequesta General Employees' Retirement Plan in excess of the permitted amount.

<b>Active Return</b>	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
<b>Alpha</b>	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
<b>Beta</b>	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
<b>Consistency</b>	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
<b>Down Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
<b>Downside Risk</b>	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
<b>Excess Return</b>	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
<b>Excess Risk</b>	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
<b>Information Ratio</b>	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
<b>R-Squared</b>	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
<b>Return</b>	- Compounded rate of return for the period.
<b>Sharpe Ratio</b>	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
<b>Standard Deviation</b>	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
<b>Tracking Error</b>	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
<b>Treynor Ratio</b>	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
<b>Up Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

The Bogdahn Group compiled this report for the sole use of the client for which it was prepared. The Bogdahn Group is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. The Bogdahn group uses the results from this evaluation to make observations and recommendations to the client.

The Bogdahn Group uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. The Bogdahn Group analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides The Bogdahn Group with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides The Bogdahn Group with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause The Bogdahn Group to believe that the information presented is significantly misstated.

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