



**Aurora Police Pension Fund**

Aurora Police Pension Fund

Executive Summary

**September 30, 2016**

# Total Fund Composite

Market Value: \$190.2 Million and 100.0% of Fund

Ending September 30, 2016

	Asset Class	Market Value	3 Mo Net Cash Flows	% of Portfolio	Policy %	Policy Difference
<b>Total Fund Composite</b>		<b>\$190,152,866</b>	<b>\$2,327,789</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$0</b>
<b>Fixed Income Composite</b>		<b>\$61,955,825</b>	<b>-\$22,990</b>	<b>32.6%</b>	<b>35.0%</b>	<b>-\$4,597,679</b>
Cutwater Asset Management	Core Fixed Income	\$31,228,665	-\$22,226	16.4%	17.5%	-\$2,048,087
Segall Bryant & Hamill	Int. Fixed Income	\$30,727,160	-\$764	16.2%	17.5%	-\$2,549,592
<b>U.S. Equity Composite</b>		<b>\$63,705,171</b>	<b>-\$69,556</b>	<b>33.5%</b>	<b>32.0%</b>	<b>\$2,856,253</b>
Fiduciary Management	Large-Cap Value	\$13,758,709	-\$22,757	7.2%	7.0%	\$448,008
Vanguard 500 Index Fund	Large-Cap Core	\$21,615,690	\$0	11.4%	11.0%	\$698,875
Geneva Capital	Mid-Cap Growth	\$13,733,820	-\$22,936	7.2%	7.0%	\$423,119
Kayne Anderson Rudnik	Small-Cap Core	\$14,596,952	-\$23,863	7.7%	7.0%	\$1,286,251
<b>International Equity Composite</b>		<b>\$28,094,264</b>	<b>\$0</b>	<b>14.8%</b>	<b>16.0%</b>	<b>-\$2,330,195</b>
Vanguard Developed Markets Index Fund	Non-U.S. Large-Cap Core	\$17,252,132	\$0	9.1%	10.0%	-\$1,763,154
DFA International Small Company Fund	Non-U.S. Small-Cap Core	\$6,084,252	\$0	3.2%	3.0%	\$379,666
Oppenheimer Developing Markets Fund	Emerging Markets	\$4,757,880	\$0	2.5%	3.0%	-\$946,706
<b>Alternatives Composite</b>		<b>\$8,384,158</b>	<b>\$0</b>	<b>4.4%</b>	<b>5.0%</b>	<b>-\$1,123,485</b>
GMO Benchmark Free Allocation Fund	GTAA	\$8,384,158	\$0	4.4%	5.0%	-\$1,123,485
<b>Real Estate Composite</b>		<b>\$19,810,027</b>	<b>\$0</b>	<b>10.4%</b>	<b>10.0%</b>	<b>\$794,740</b>
Principal	Core Real Estate	\$19,810,027	\$0	10.4%	10.0%	\$794,740
<b>Cash Equivalents Composite</b>		<b>\$8,203,423</b>	<b>\$2,420,335</b>	<b>4.3%</b>	<b>2.0%</b>	<b>\$4,400,365</b>
U.S. Bank	Cash & Equivalents	\$513,194	-\$1,442	0.3%	0.5%	-\$437,570
Illinois Funds	Cash & Equivalents	\$7,690,228	\$2,421,777	4.0%	1.5%	\$4,837,935

## Investment Manager

## Annualized Performance (Gross of Fees)

Market Value: \$190.2 Million and 100.0% of Fund

Ending September 30, 2016

	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	10 Yrs
<b>Total Fund Composite</b>	<b>2.6%</b>	<b>6.2%</b>	<b>8.9%</b>	<b>5.1%</b>	<b>5.8%</b>	<b>7.0%</b>	<b>8.3%</b>	<b>5.6%</b>
<i>Total Fund Composite Benchmark</i>	3.0%	6.1%	8.9%	4.8%	5.9%	7.0%	8.5%	5.7%
<i>Actuarial Rate</i>	1.6%	5.0%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%
<b>Fixed Income Composite</b>	<b>0.4%</b>	<b>5.1%</b>	<b>4.6%</b>	<b>3.6%</b>	<b>3.3%</b>	<b>2.2%</b>	<b>2.7%</b>	<b>4.4%</b>
<i>Barclays Aggregate</i>	0.5%	5.8%	5.2%	4.1%	4.0%	2.6%	3.1%	4.8%
Cutwater Asset Management	0.6%	5.9%	5.5%	4.2%	4.3%	2.8%	3.5%	5.1%
<i>Cutwater Asset Management Benchmark</i>	0.5%	5.8%	5.2%	4.1%	4.0%	2.6%	3.1%	4.6%
Segall Bryant & Hamill	0.2%	4.3%	3.8%	3.2%	3.0%	--	--	--
<i>Barclays Int Govt/Credit</i>	0.2%	4.2%	3.5%	3.1%	2.8%	2.0%	2.4%	4.2%
<b>U.S. Equity Composite</b>	<b>3.1%</b>	<b>8.1%</b>	<b>14.1%</b>	<b>8.4%</b>	<b>9.9%</b>	<b>12.9%</b>	<b>15.5%</b>	<b>--</b>
<i>Wilshire 5000 Total Market</i>	4.3%	8.4%	15.3%	7.2%	10.7%	13.3%	16.4%	7.5%
Fiduciary Management	4.0%	9.4%	14.3%	7.9%	11.0%	14.1%	--	--
<i>Russell 1000 Value</i>	3.5%	10.0%	16.2%	5.4%	9.7%	12.7%	16.2%	5.9%
Vanguard 500 Index Fund	3.8%	7.8%	15.4%	7.1%	11.1%	13.1%	16.3%	--
<i>S&amp;P 500</i>	3.9%	7.8%	15.4%	7.1%	11.2%	13.2%	16.4%	7.2%
Geneva Capital	0.4%	3.2%	5.4%	7.7%	7.0%	10.7%	--	--
<i>Russell MidCap Growth</i>	4.6%	6.8%	11.2%	6.2%	8.9%	13.3%	15.8%	8.5%
Kayne Anderson Rudnik	3.8%	12.2%	20.9%	12.0%	9.9%	13.6%	15.5%	8.5%
<i>Kayne Anderson Benchmark</i>	9.0%	11.5%	15.5%	8.1%	6.7%	12.1%	15.8%	7.6%
<b>International Equity Composite</b>	<b>7.3%</b>	<b>6.3%</b>	<b>10.9%</b>	<b>0.0%</b>	<b>1.4%</b>	<b>6.3%</b>	<b>8.3%</b>	<b>--</b>
<i>MSCI ACWI ex USA</i>	6.9%	5.8%	9.3%	-2.0%	0.2%	4.0%	6.0%	2.2%
Vanguard Developed Markets Index Fund	6.3%	4.0%	8.1%	-0.3%	1.1%	6.4%	8.1%	--
<i>MSCI EAFE</i>	6.4%	1.7%	6.5%	-1.4%	0.5%	5.9%	7.4%	1.8%
DFA International Small Company Fund	8.8%	8.0%	13.7%	4.7%	4.6%	9.8%	--	--
<i>MSCI World ex USA Small Cap</i>	8.0%	7.3%	13.5%	4.5%	4.2%	9.0%	9.7%	4.1%
<i>MSCI EAFE Small Cap</i>	8.6%	5.2%	12.3%	6.1%	5.1%	10.7%	11.1%	4.4%
Oppenheimer Developing Markets Fund	8.9%	13.1%	18.4%	-4.5%	-1.1%	1.5%	5.1%	--
<i>MSCI Emerging Markets</i>	9.0%	16.0%	16.8%	-2.9%	-0.6%	-0.2%	3.0%	3.9%
<b>Alternatives Composite</b>	<b>3.5%</b>	<b>4.6%</b>	<b>6.2%</b>	<b>-0.3%</b>	<b>1.6%</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>60% Wilshire 5000/40% BarCap Aggregate</i>	2.8%	7.3%	11.1%	5.9%	8.0%	8.9%	11.0%	6.7%
<i>CPI +5%</i>	1.1%	5.6%	6.3%	5.6%	6.0%	6.1%	6.3%	6.8%
GMO Benchmark Free Allocation Fund	3.5%	4.6%	6.2%	-0.3%	1.6%	--	--	--
<i>60% Wilshire 5000/40% BarCap Aggregate</i>	2.8%	7.3%	11.1%	5.9%	8.0%	8.9%	11.0%	6.7%
<i>CPI +5%</i>	1.1%	5.6%	6.3%	5.6%	6.0%	6.1%	6.3%	6.8%
<b>Real Estate Composite</b>	<b>2.0%</b>	<b>6.3%</b>	<b>9.3%</b>	<b>17.8%</b>	<b>16.4%</b>	<b>13.6%</b>	<b>--</b>	<b>--</b>
<i>NFI</i>	0.0%	4.4%	7.9%	11.3%	11.7%	12.0%	11.9%	5.8%
Principal	2.0%	6.3%	9.3%	--	--	--	--	--
<i>NFI</i>	0.0%	4.4%	7.9%	11.3%	11.7%	12.0%	11.9%	5.8%

# Total Fund Composite

# Fee Schedule

Market Value: \$190.2 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee <sup>1</sup>	Industry Average <sup>2</sup>
Core Fixed Income	Cutwater Asset Management	0.33% on the first \$10 million 0.25% on the Balance	0.28% \$86,072	0.31%
Int. Fixed Income	Segall Bryant & Hamill	0.25% on the Balance	0.25% \$76,818	0.30%
Large-Cap Value	Fiduciary Management	0.65% on the first \$25 million 0.55% on the next \$25 million 0.45% on the next \$50 million 0.40% on the Balance	0.65% \$89,432	0.63%
Large-Cap Core	Vanguard 500 Index Fund	0.04% on the Balance	0.04% \$8,646	0.12%
Mid-Cap Growth	Geneva Capital	0.65% on the Balance	0.65% \$89,270	0.78%
Small-Cap Core	Kayne Anderson Rudnik	0.65% on the Balance	0.65% \$94,880	0.90%
Non-U.S. Large-Cap Core	Vanguard Developed Markets Index Fund	0.07% on the Balance	0.07% \$12,076	0.97%
Non-U.S. Small-Cap Core	DFA International Small Company Fund	0.54% on the Balance	0.54% \$32,855	1.14%
Emerging Markets	Oppenheimer Developing Markets Fund	0.86% on the Balance	0.86% \$40,918	1.27%
GTAA	GMO Benchmark Free Allocation Fund	0.94% on the Balance	0.94% \$78,811	1.06%
Core Real Estate	Principal	1.00% on the Balance	1.00% \$198,100	1.01%
<b>Total Investment Management Fees</b>			<b>0.42%</b> <b>\$807,878</b>	<b>0.59%</b>