Town of Concord
Finance Department
Memorandum

TO: Retirement Board

FROM: Anthony T. Logalbo, Finance Director

SUBJ: Asset allocation and market value @ April 30, 2016

DATE: May 23, 2016

Combined Assets: Retirement System and Town Pension Reserve Fund

For the month of April, the combined market value of system assets and the Town's Pension Reserve Fund **increased 0.76%** from the prior month-end.

At April 30th, combined assets totaled $144.69 million ($135.30 million in the Retirement System and $9.39 million in the Town's Pension Reserve account). The market value of combined assets **increased** in April by **$1,089,000.** This reflects a one-month **increase of 0.39%** in the S&P 500 index, a **2.90% increase** in the MSCI EAFE International Equity index for the month, and a **0.27% increase** in the Barclays US Int. Gov/Credit Bond Index. The PRIT Core return for April was + **0.84%.**

Compared to one year earlier, the market value of combined assets is **down 0.03%.** For the three-year period ending April 30, 2016, market value has increased at an average annual rate of 7.30%.

Concord Retirement System performance
Asset Value at April 30, 2016: $ 135,298,452

For the most recent 12-month period:

For the one-year period ended April 30, 2016, asset value of the Concord Retirement Fund has **increased 0.07%**. This compares to the state's Pension Reserve Investment Trust (PRIT) Core Fund investment performance of ***+0.16%*** over the same 12-month period.

Comparative asset value change, most recent year and month (Retirement System assets only, excluding Pension Reserve):

	One month	One year
Concord Retirement Fund*	**+0.72%**	**+0.07 %**
State PRIT Core Fund	**+0.84%**	**+0.16 %**

* *The asset value increase of 0.07% for the 12-month period ending April 30th is not precisely the investment return; rather, it reflects the difference between income (employer and employee contributions, investment earnings) and disbursements (pensions, refunds, expenses). It is, however, a close approximation of investment return for this comparative purpose.*

The **market indexes** for the period ending April 30, 2016 are:

		One month	One year
S&P 500	***Domestic equity***	**plus 0.39 %**	**plus 1.21 %**
Barclays Govt.	***Fixed income***	**plus 0.27 %**	**plus 2.37 %**

43.48% of the Concord portfolio is invested with PRIT (36.94% in the Core Fund, 5.21% in the Core Real Estate Fund and 1.32% in venture capital funds).

Comparative asset allocation:

The accompanying Asset Allocation Report includes a line at the bottom to show the asset allocation for Concord Retirement System assets only, allocating the PRIT Core investment among its component categories. As of April 30, 2016, the PRIT Core Fund was allocated as follows:

PRIT CORE FUND, Share of portfolio asset value

	this month
Fixed Income	21.75 %
Equity	43.13 %
Other	35.13 %

Concord Retirement Board assets were allocated as of April 30th as follows:

Fixed Income	28.75%
Equity	51.54%
Real Estate	5.21%
Other	14.30% (alternative investments and PRIT Vintage Funds)
Cash	0.20%

The total allocation to "Equity, Real Estate and Other" at April 30, 2016 is 71.05%, with a target of 65%, as adjusted by vote at the March 2012 board meeting. At that meeting, the Board set a target allocation as follows:

	Target	April 30, 2016
Fixed income and cash	35.0%	28.95%
Real Estate	5.0%	5.21%
Equity and Other	60.0%	65.84%

Components of investment performance for April and for the most recent 12-month period (with reference to available benchmarks) are as follows:

$135.30 million Retirement Board assets only:

	% of portfolio	Month of April	Month of 12 months		Market INDEX April	Market INDEX 12 months
				Russell 1000:	0.54 %	0.34 %
FRT Equity I Fund	13.07 %	1.22 %	(0.80)%	**S&P 500:**	0.39 %	1.21 %
FRT International	5.66 %	1.50 %	(8.58)%	**EAFE/MSCI:**	2.90 %	(9.32)%
Total account, FRT	18.73 %	1.30 %	(2.63)%			
PRIT Core General	36.94%	0.84 %	0.16 %			
PRIT Core Real Estate*	5.21 %					
PRIT Vintage 2006*	0.64 %					
PRIT Vintage 2008*	0.48 %					
PRIT Vintage 2013*	0.21 %					
Columbia equity	16.63 %	1.78 %	(0.23)%	**Russell 1000 Value:**	2.10%	(0.40)%
Columbia - fixed income	21.12 %	0.79 %	3.30 %	**Barclays Gov't:**	0.27%	2.37 %
Cash - MMDT	0.04 %	0.58 %				

* PRIT real estate and vintage fund returns are net of fees

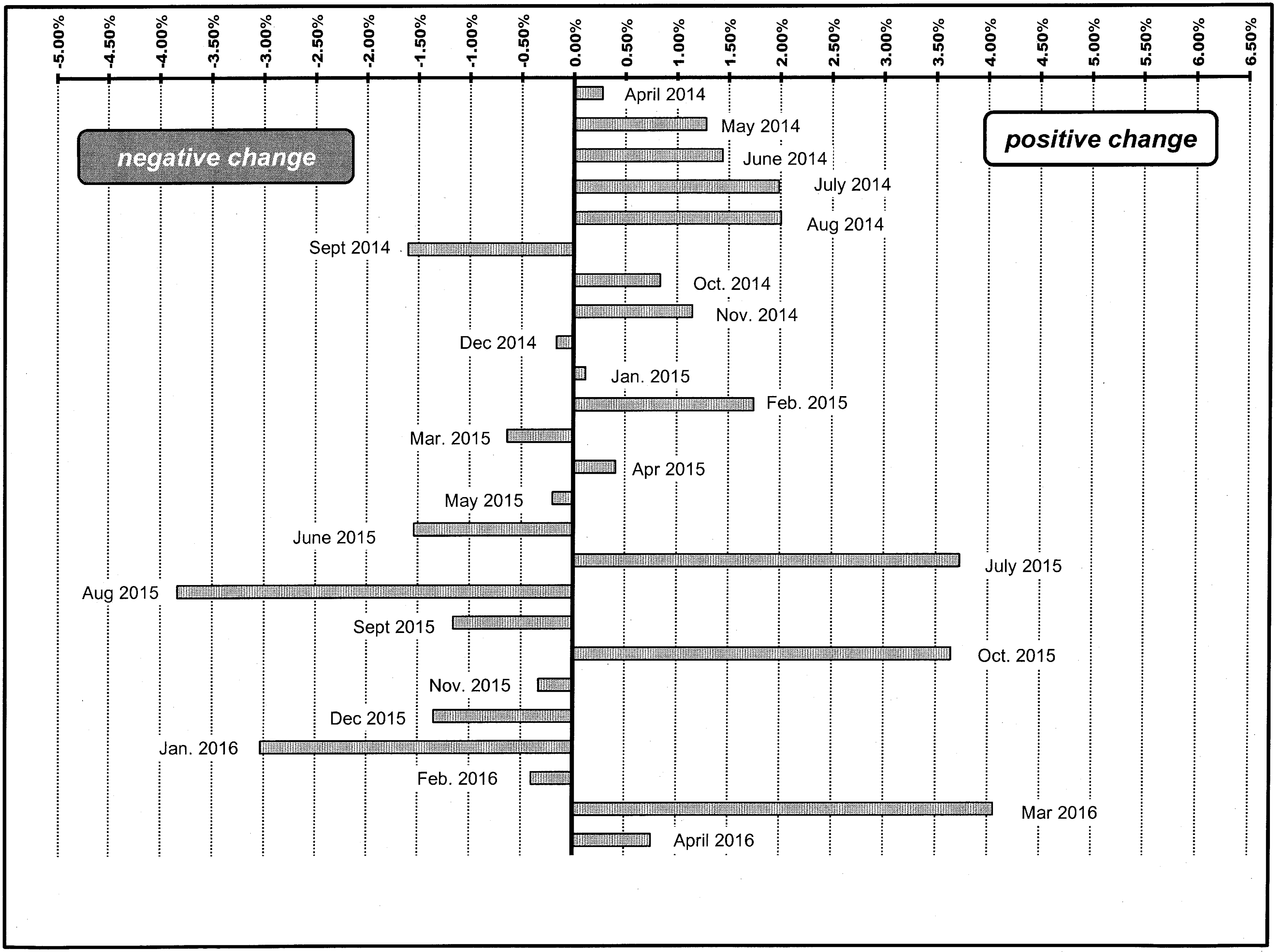
CONCORD RETIREMENT SYSTEM
ASSET ALLOCATION REPORT

MARKET VALUE AT: **4/30/2016**

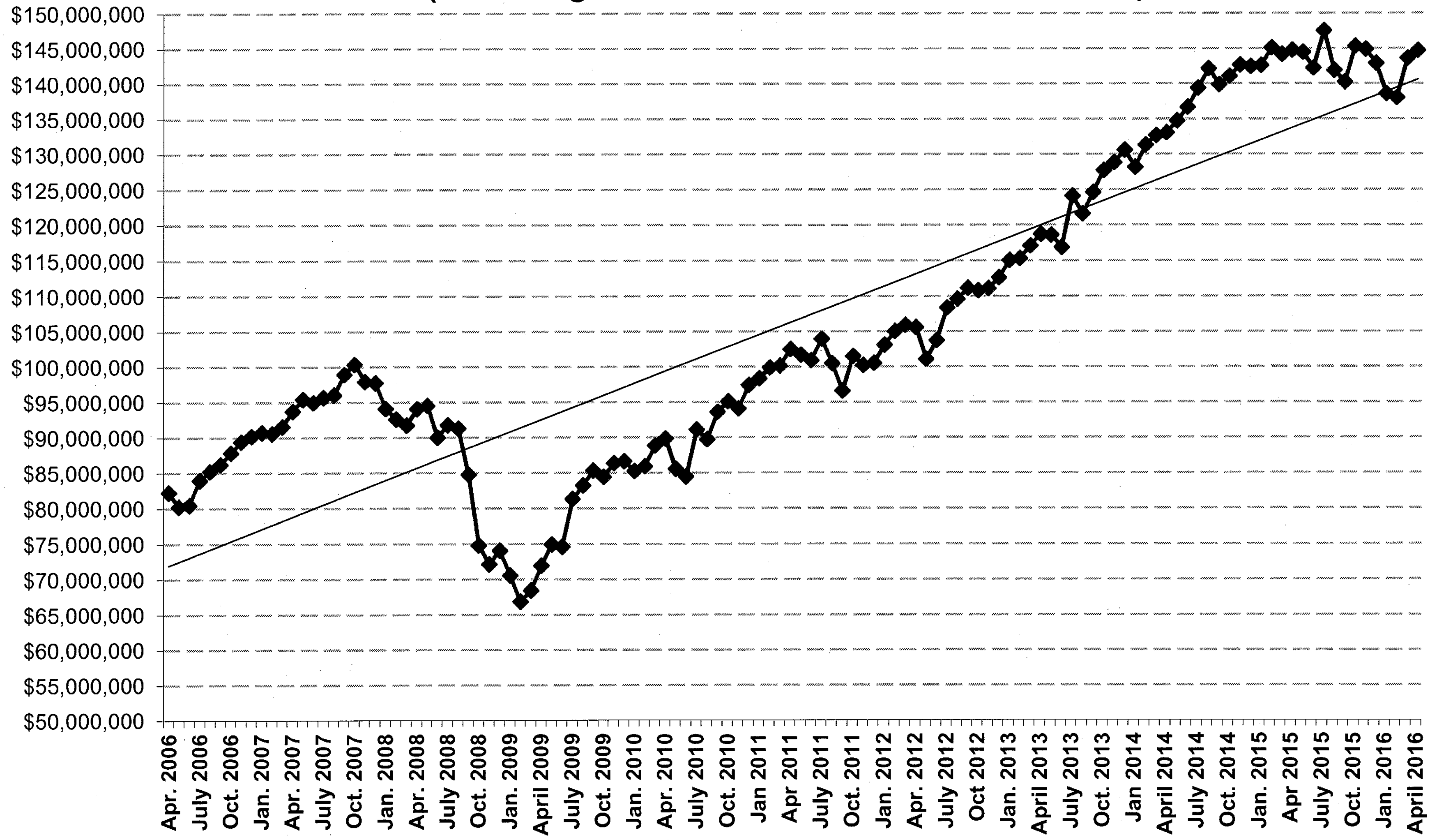
	BONDS	STOCKS	REAL ESTATE	OTHER*	CASH	TOTAL			
PENSION RESERVE									
Columbia 1055062990		$6,548,670.25			$32,083.11	$6,580,753.36			
MMDT #44-001501					$2,806,877.78	$2,806,877.78			
TOTAL	$0.00	$6,548,670.25	$0.00	$0.00	$2,838,960.89	$9,387,631.14			
RETIREMENT SYSTEM									
Columbia 1055053919	$28,028,586.59	$361,485.00			$187,102.27	$28,577,173.86	21.12%		
Columbia 1055053900		$22,481,662.98			$23,542.58	$22,505,205.56	16.63%		
Equity I (FRT)		$17,676,983.25				$17,676,983.25	13.07%		
International Fund		$7,653,818.74				$7,653,818.74	5.66%		
PRIT Core General	$10,870,751.15	$21,556,574.57		$17,553,139.32		$49,980,465.04	36.94%		43.48%
PRIT Real Estate (segmented)			$7,055,763.43			$7,055,763.43	5.21%		
PRIT Vintage Fund 2006				$859,312.34		$859,312.34	1.32%	0.64%	
PRIT Vintage Fund 2008				$643,406.10		$643,406.10		0.48%	
PRIT Vintage Fund 2013				$288,747.88		$288,747.88		0.21%	
PRIT Vintage Fund 2016				$37.56		$37.56		0.00%	
MMDT #44-002079					$57,538.50	$57,538.50	0.04%		
TOTAL	$38,899,337.74	$69,730,524.54	$7,055,763.43	$19,344,643.20	$268,183.35	$135,298,452.26			100.00%
GRAND TOTAL	**$38,899,337.74**	**$76,279,194.79**	**$7,055,763.43**	**$19,344,643.20**	**$3,107,144.24**	**$144,686,083.40**			
PERCENT OF TOTAL	**26.89%**	**52.72%**	**4.88%**	**13.37%**	**2.15%**	**100.00%**			**100.00%**
Retirement system ONLY	**28.75%**	**51.54%**	**5.21%**	**14.30%**	**0.20%**	**100.00%**			**100.00%**

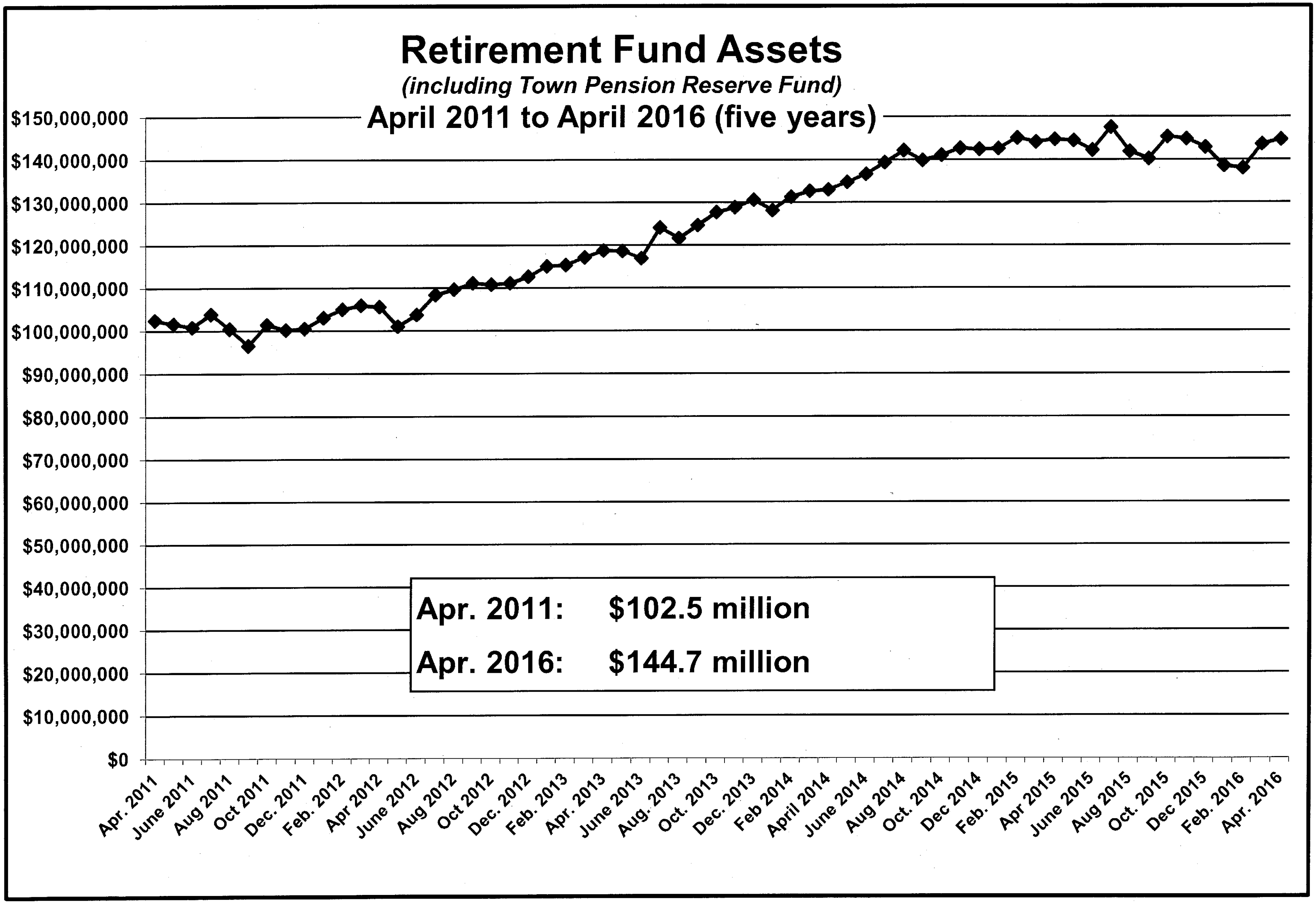
"other":PRIT FUND - alternative investments, real estate, timber, absolute value (hedge); COLUMBIA - real estate

25-month Asset Change
Concord Retirement System



Concord Retirement Fund Assets, 10 years from April 2006 (including Town's Pension Reserve Account)




Retirement Fund Assets
(including Town Pension Reserve Fund)
April 2011 to April 2016 (five years)
$150,000,000
$140,000,000
$130,000,000
$120,000,000
$110,000,000
$100,000,000
$90,000,000
$80,000,000
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$0
Apr. 2011
June 2011
Aug 2011
Oct 2011
Dec. 2011
Feb. 2012
Apr 2012
June 2012
Aug 2012
Oct 2012
Dec. 2012
Feb. 2013
Apr. 2013
June 2013
Aug. 2013
Oct. 2013
Dec. 2013
Feb 2014
April 2014
June 2014
Aug 2014
Oct. 2014
Dec 2014
Feb. 2015
Apr 2015
June 2015
Aug 2015
Oct. 2015
Dec 2015
Feb. 2016
Apr. 2016
Apr. 2011: $102.5 million
Apr. 2016: $144.7 million

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PENSION RESERVES INVESTMENT TRUST
SUMMARY OF PLAN PERFORMANCE
RATES OF RETURN (GROSS OF FEES)
Periods Ending April 30, 2016

	NAV $ (000)	Target Allocation %	Actual Allocation %	Month	FY '16	Calendar YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
GLOBAL EQUITY	26,067,759	42.0%	43.1%	1.42	-3.34	1.81	-5.24	5.30	5.26	4.13	5.12
CORE FIXED INCOME	8,034,592	13.0%	13.3%	-0.18	8.72	6.14	3.03	4.78	5.52	5.67	7.71
VALUE-ADDED FIXED INCOME	5,111,490	10.0%	8.5%	1.80	-0.10	5.00	-1.02	1.28	4.13	6.94	8.30
PRIVATE EQUITY	6,823,243	10.0%	11.3%	0.00	11.24	4.34	16.90	19.22	16.93	14.80	14.56
REAL ESTATE	6,179,622	10.0%	10.2%	0.29	9.52	2.94	11.53	11.72	11.87	7.62	6.56
TIMBERLAND	1,991,773	4.0%	3.3%	-0.07	-0.74	1.29	0.63	6.62	5.04	6.66	9.20
HEDGE FUNDS (NET OF FEES)	5,086,228	10.0%	8.4%	0.84	-5.94	-1.73	-6.35	2.79	3.32	3.01	4.14
PORTFOLIO COMPLETION STRATEGIES	613,959	1.0%	1.0%	-0.20	6.30	1.63	3.20				0.66
OVERLAY	329,381	0.0%	0.5%	-1.63	-0.80	-3.74	-3.19				4.09
TOTAL CORE	**60,436,020**	**100%**	**100%**	**0.84**	**1.24**	**2.76**	**0.16**	**6.76**	**6.64**	**5.41**	**9.34**
INTERIM BENCHMARK (target allocation without private equity benchmark) [1]				*0.96*	*-0.16*	*2.69*	*-1.38*	*5.59*	*5.78*	*5.33*	*9.81*
TOTAL CORE BENCHMARK (target allocation with private equity benchmark) [2]				*1.10*	*0.06*	*2.88*	*-1.48*	*4.88*	*5.10*	*5.01*	*9.71*
PARTICIPANTS CASH	11,932			0.04	0.25	0.15	0.28	0.17	0.17	1.24	3.92
TEACHERS' AND EMPLOYEES' CASH	37,036			0.04	0.24	0.14	0.27	0.17	0.16	0.99	2.68
TOTAL FUND	**60,484,988**			**0.84**	**1.24**	**2.76**	**0.16**	**6.74**	**6.62**	**5.39**	**9.40**

Performance Report

Town of Concord Retirement System

As of April 30, 2016

	Market Value	One Month	Three Months	Year to Date	One Year (Annualized)	Three Years (Annualized)	Five Years (Annualized)	Ten Years (Annualized)	Since Inception (Annualized)	Inception Date
Town of Concord Retirement System Investment Account - QU2V										
Total Assets	**$ 25,330,802**	**1.30 %**	**6.51 %**	**0.30 %**	**-3.08 %**	**8.26 %**	**7.69 %**	**5.15 %**	**9.22 %**	**07/01/1986**
Custom Benchmark [1]	--	1.25	7.54	1.16	-2.63	8.15	8.06	5.44	8.73	--
Custom Benchmark [2]	--	1.31	7.89	1.57	-2.56	8.22	7.97	5.38	8.89	--
Total Equity	**25,330,802**	**1.30**	**6.51**	**0.30**	**-3.08**	**8.26**	**7.69**	**5.13**	**9.64**	**07/01/1986**
RTC Equity I Fund	**17,676,983**	**1.22**	**7.00**	**0.54**	**-0.80**	**10.43**	**10.03**	**6.38**	**10.11**	**07/01/1986**
Russell 1000 Index	--	0.54	7.51	1.72	0.34	11.06	10.81	6.99	9.81	--
S&P 500 Index	--	0.39	7.05	1.74	1.21	11.26	11.02	6.91	9.80	--
RTC International Fund	**7,653,819**	**1.50**	**5.16**	**-0.38**	**-8.58**	**3.05**	**2.16**	**2.04**	**5.94**	**03/01/1996**
Russell Dev ex-US LC Idx Net (Linked) [3]	--	3.11	8.77	1.16	-9.07	1.71	1.41	1.50	4.28	--
MSCI EAFE Index Net Dividend	--	2.90	7.58	-0.20	-9.32	1.48	1.69	1.61	4.34	--

Please read the endnotes included with the report.

Endnotes:

1 Custom Benchmark currently consists of: 70.0% R1000, 30.0% MSCI EAFE Net.

2 Custom Benchmark currently consists of; 70.0% R1000, 30.0% Russell Dev Ex-US LC Net.

3 Historical performance prior to January 1, 2011 is linked to the MSCI EAFE Index Net.

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PERFORMANCE SUMMARY

Category	1 Month	3 Month	Year-to-Date	1 Year	3 Year	5 Year	Since Inception	Inception Date
Total Fund								
TOTAL	1.78	9.05	2.87	-0.23	11.46	11.27	9.20	03/31/1993
Index								
Russell 1000 Value Index	2.10	9.43	3.77	-0.40	9.59	10.12	9.29	03/31/1993
S&P 500 Index	0.39	7.05	1.74	1.21	11.25	11.01	8.94	03/31/1993

Past performance does not guarantee future results. Results are for the client's own account and are not composite results. Performance results in this report are calculated by Columbia Management Investment Advisers, LLC on a gross basis and do not reflect the deduction of management fees. Information on the impact of fees on performance is available upon request. Performance is based on time-weighted, daily calculation using values that are determined in good faith by Columbia Management Investment Advisers, LLC. Portfolio performance is calculated based on trade date, net of transaction costs and reflects accrued interest. If you have any questions regarding the above information, or if there are any changes in your investment objectives or guidelines, please contact your client relationship manager.

Indices shown are unmanaged and do not reflect the impact of fees. It is not possible to invest directly in an index.

Returns less than one year are cumulative. Returns greater than one year are annualized.

COLUMBIA THREADNEEDLE INVESTMENTS

PERFORMANCE SUMMARY

Category	1 Month	3 Month	Year-to-Date	1 Year	3 Year	5 Year	Since Inception	Inception Date
Total Fund								
TOTAL	0.79	3.16	4.51	3.30	2.58	4.32	5.97	09/30/1987
Index								
Barclays US Aggregate Bond	0.38	2.02	3.43	2.72	2.29	3.59	6.80	09/30/1987
Barclays US Gov/Credit Bond	0.48	2.52	3.96	2.78	2.17	3.87	6.82	09/30/1987
Barclays US Int Gov/Credit Bond	0.27	1.48	2.72	2.37	1.71	2.83	6.19	09/30/1987

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COLUMBIA THREADNEEDLE INVESTMENTS