



## Legislation Details (With Text)

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**Title:** Annual review of the Employees' Pension Plan investment performance for the calendar and plan year ended December 31, 2016.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. City of Clearwater Q4 16 Full Report Update.pdf, 2. Pension Presentation (2 )3 13 2017.pdf

Date	Ver.	Action By	Action	Result
3/13/2017	1	Pension Trustees		

**SUBJECT/RECOMMENDATION:**

Annual review of the Employees' Pension Plan investment performance for the calendar and plan year ended December 31, 2016.

**SUMMARY:**

Annually a presentation of the Plan's investment performance is made to the Trustees. For calendar 2016, the Plan realized an investment return of 6.63%, versus the plan's assumed rate of 7.00%, and versus a customized benchmark of 7.32%, placing the plan in the 79<sup>th</sup> percentile of public pension plans per the Wilshire Public Plan Sponsor Universe.

For the last three calendar years period, the plan had an annualized return of 5.42%, versus a benchmark of 5.74%, placing the plan in the 27<sup>th</sup> percentile of public plans. For the past five years, the plan had an annualized return of 9.48%, versus a benchmark of 8.93%, placing the plan in the 21<sup>st</sup> percentile of public plans.

During calendar 2016, the Trustees approved a new infrastructure money manager, as well as the termination of an international equity money manager.

The Pension Investment Committee continues to seek diversification and decreased volatility in investment returns for the Plan via alternative investment categories. In recent years, new categories introduced have included timber investments, core plus real estate, and infrastructure.

A number of money managers underperformed their indexes during calendar 2016. The investment committee, with the assistance of the Plan's investment consultant, CapTrust, closely monitors underperforming money managers and will continue to recommend terminations and replacements when appropriate.