



HOLYOKE

Commonwealth of Massachusetts
Public Employee Retirement Administration Commission

Annual Statement

2015



Annual Statement of the HOLYOKE Retirement System for the year ended December 31, 2015

ANNUAL STATEMENT BALANCE TESTS

1. ASSET BALANCE

Assets Previous Year	243,238,563.17
Income Current Year	33,101,645.39
Disbursements Current Year	<u>(29,121,448.77)</u>
Assets Current Year	247,218,759.79

2. ASSET DIFFERENCE

Assets Current Year	247,218,759.79
Assets Previous Year	<u>(243,238,563.17)</u>
Difference	3,980,196.62

3. INCOME DIFFERENCE

Income Current Year	33,101,645.39
Disbursements Current Year	<u>(29,121,448.77)</u>
Difference	3,980,196.62

4. FUND CHANGE DIFFERENCE - *Add interfund transfer credits and debits respectively to Income and Disbursement activities.*

Total Fund Change Credits Current Year	39,654,998.23
Total Fund Change Debits Current Year	<u>(35,674,801.61)</u>
Difference	3,980,196.62

NOTE: The difference as a result of tests 2, 3, and 4 should be the same.

Annual Statement of the HOLYOKE Retirement System for the year ended December 31, 2015

ASSETS & LIABILITIES

	<u>2015</u>	<u>2014</u>	<u>2013</u>
1. 1040 Cash	12,359,489.07	2,738,782.66	3,826,501.62
2. 1100 Short Term Investments			
3. 1180 Fixed Income Securities*			
4. 1170 Equities			
5. 1101 Pooled Short Term Funds			
6. 1172 Pooled Domestic Equities	74,411,995.66	88,256,074.75	73,227,026.30
7. 1173 Pooled International Equity Funds	46,553,560.83	44,789,424.14	50,843,412.88
8. 1174 Pooled Global Equity Funds			
9. 1181 Pooled Domestic Fixed Income Funds	33,611,200.00	32,678,714.00	27,056,244.00
10. 1182 Pooled International Fixed Income Funds			
11. 1183 Pooled Global Fixed Income Funds			
12. 1193 Pooled Alternative Investments	43,083,644.64	35,736,600.62	37,921,586.13
13. 1194 Pooled Real Estate Funds	25,887,518.48	27,092,218.69	21,279,648.28
14. 1195 Pooled Domestic Balanced Funds			
15. 1196 Pooled International Balanced Funds			
16. 1197 Hedge Funds	2,117,950.93	2,158,089.82	8,269,014.47
17. 1198 PRIT Cash			
18. 1199 PRIT Fund			
19. 1891 Principal Adjustment Account			
20. 1550 Interest Due and Accrued			
21. 1398 Accounts Receivable (A)	9,212,247.98	9,802,890.86	8,478,539.85
22. 2020 Accounts Payable (A)	<u>(18,847.80)</u>	<u>(14,232.37)</u>	<u>(32,658.66)</u>
TOTAL	247,218,759.79	243,238,563.17	230,869,314.87

FUNDS

1. 3293 3293-Annuity Savings Fund	55,033,781.24	53,921,424.97	53,316,055.93
2. 3294 3294-Annuity Reserve Fund	19,859,270.92	19,528,017.01	18,839,133.35
3. 3295 3295-Military Fund	93,950.09	91,843.93	85,798.07
4. 3296 3296-Pension Fund	7,819,651.32	7,168,269.36	7,350,024.03
5. 3298 3298-Expense Fund			
6. 3297 3297-Pension Reserve Fund	<u>164,412,106.22</u>	<u>162,529,007.90</u>	<u>151,278,303.49</u>
TOTAL	247,218,759.79	243,238,563.17	230,869,314.87

TOTAL ASSETS AT MARKET VALUE	<u>247,218,759.79</u>	<u>243,238,563.17</u>	<u>230,869,314.87</u>
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(A) Specific detail for Accounts Receivable and Accounts Payable are to be disclosed on Schedule A

Annual Statement for the HOLYOKE Retirement System for the year ended December 31, 2015

	Balance December 31 Prior Year	Receipts	Interfund Transfers	Disbursements	Balance December 31 Current Year
Annuity Savings Fund	53,921,424.97	5,453,172.50	(3,458,333.39)	882,482.84	55,033,781.24
Annuity Reserve Fund	19,528,017.01	595,842.09	3,441,627.84	3,706,216.02	19,859,270.92
Pension Fund	7,168,269.36	18,434,844.73	3,111,725.00	20,895,187.77	7,819,651.32
Military Service Fund	91,843.93	2,106.16			93,950.09
Expense Fund	0.00	3,637,562.14		3,637,562.14	0.00
Pension Reserve Fund	162,529,007.90	4,978,117.77	(3,095,019.45)		164,412,106.22
TOTAL ALL FUNDS	243,238,563.17	33,101,645.39	0.00	29,121,448.77	247,218,759.79

List below all transfers

Transfer from 3293 to 3294	3,441,627.84	on account of Current Year Retirees
Transfer from 3293 to 3297	17,097.52	on account of inactive employees over 10 years
Transfer from 3297 to 3296	3,111,725.00	on account of Appropriation FY 2014
Transfer from 3293 to 3297	34.26	2014 retirees interest
Transfer from 3297 to 3293	426.23	Maria Collazo reinstatement

Annual Statement of the HOLYOKE Retirement System for the year ended December 31, 2015

RECEIPTS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
1. Annuity Savings Fund:			
(a) 4891 Members Deductions	5,095,722.68	5,096,852.19	5,164,561.21
(b) 4892 Transfers from Other Systems	266,506.54	159,164.85	229,019.65
(c) 4893 Member Make Up Payments	6,373.10	20,533.94	23,113.70
(d) 4900 Member Payments from Rollovers	20,184.66	83,749.79	66,881.05
(e) Investment Income credited to Member Accounts	<u>64,385.52</u>	<u>76,794.69</u>	<u>62,573.57</u>
Subtotal	5,453,172.50	5,437,095.46	5,546,149.18
2. Annuity Reserve Fund:			
(a) Investment Income Credited to Annuity Reserve Fund	<u>595,842.09</u>	<u>582,092.97</u>	<u>553,958.13</u>
Subtotal	595,842.09	582,092.97	553,958.13
3. Pension Fund:			
(a) 4898 3(8)(c) Reimbursements from other systems	222,969.03	184,686.23	177,561.01
(b) 4899 Received from Commonwealth for COLA and Survivor Benefits	1,079,845.98	239,212.92	294,313.27
(c) 4894 Pension Fund Appropriation	17,122,641.00	17,121,406.00	16,480,049.00
(d) 4840 Workers' Compensation Settlements	8,000.00	6,600.00	
(e) 4841 Recovery of Overearnings	<u>1,388.72</u>	<u>6,529.55</u>	
Subtotal	18,434,844.73	17,558,434.70	16,951,923.28
4. Military Service Fund:			
(a) 4890 Contributions Received from municipality	2,014.32	8,471.30	
(b) Investment Income Credited	<u>91.84</u>	<u>85.80</u>	<u>85.71</u>
Subtotal	2,106.16	8,557.10	85.71
5. Expense Fund:			
(a) 4896 Expense Fund Appropriation			
(b) Investment Income Credited to Expense Fund	<u>3,637,562.14</u>	<u>2,373,326.84</u>	<u>2,116,179.31</u>
Subtotal	3,637,562.14	2,373,326.84	2,116,179.31
6. Pension Reserve Fund:			
(a) 4897 (a) 4897-Federal Grant Reimbursement	16,942.86	22,376.11	22,345.20
(b) 4895 (b) 4895-Pension Reserve Appropriation			
(c) 4822 (c) 4822-Interest Not Refunded	780.88	5,976.19	540.21
(d) 4825 (d) 4825-Miscellaneous Income			
(e) Excess Investment Income	<u>4,960,394.03</u>	<u>13,942,355.30</u>	<u>35,605,980.54</u>
Subtotal	4,978,117.77	13,970,707.60	35,628,865.95
TOTAL RECEIPTS	33,101,645.39	39,930,214.67	60,797,161.56

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DISBURSEMENTS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
1. Annuity Savings Fund:			
(a) 5757 Refunds to Members	605,190.01	872,119.03	604,707.92
(b) 5756 Transfers to Other Systems	<u>277,292.83</u>	<u>464,800.43</u>	<u>181,865.01</u>
Subtotal	882,482.84	1,336,919.46	786,572.93
2. Annuity Reserve Fund:			
(a) 5750 Annuities Paid	3,531,387.67	3,349,775.61	3,098,961.92
(b) 5759 Option B Refunds	<u>174,828.35</u>	<u>28,659.09</u>	<u>34,351.77</u>
Subtotal	3,706,216.02	3,378,434.70	3,133,313.69
3. Pension Fund:			
(a) 5751 Pensions Paid			
Regular Pension Payments	16,510,432.47	16,065,772.28	15,202,695.15
Survivor Payments	315,530.34	345,898.01	368,813.90
Ordinary Disability Payments	230,028.64	223,750.68	198,288.94
Accidental Disability Payments	2,330,509.41	2,303,123.47	2,312,713.70
Accidental Death Payments	743,549.35	751,873.41	815,495.56
Section 101 Benefits	151,810.49	144,306.92	153,100.42
(b) 5755 3(8)(c) Reimbursements to Other Systems	613,327.07	637,560.60	519,967.36
(c) 5752 COLAs Paid			
(d) 5752 Chapter 389 Beneficiary Increase Paid			
Subtotal	20,895,187.77	20,472,285.37	19,571,075.03
4. Military Service Fund:			
(a) 4890 Return to Municipality for Members who withdrew their funds	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Subtotal	0.00	0.00	0.00
5. Expense Fund:			
(a) 5118 Board Member Stipend	12,000.00	11,750.00	12,000.00
(b) 5119 Salaries	270,089.78	266,662.75	238,115.08
(c) 5304 Management Fees	3,198,097.92	1,883,779.95	1,686,723.29
(d) 5305 Custodial Fees			
(e) 5307 Investment Consultant Fees	20,000.00	20,000.00	35,000.00
(f) 5308 Legal Expenses	17,890.62	32,568.86	36,269.25
(g) 5309 Medical Expense			
(h) 5310 Fiduciary Insurance	16,259.00	15,822.00	15,066.00
(i) 5311 Service Contracts	30,321.99	28,361.28	27,079.10
(j) 5312 Rent Expense			
(k) 5315 Professional Services	200.00	7,500.00	
(l) 5316 Actuarial Services	2,500.00	27,500.00	4,666.66
(m) 5317 Accounting Services	6,400.00	400.00	2,000.00
(n) 5320 Education & Training	6,995.00	6,325.00	2,860.00
(o) 5589 Administrative Expenses	33,303.76	56,061.24	51,202.85
(p) 5599 Furniture and Equipment	8,663.36	3,897.60	
(q) 5719 Travel	14,840.71	12,698.16	5,197.08
Subtotal	3,637,562.14	2,373,326.84	2,116,179.31
TOTAL DISBURSEMENTS	29,121,448.77	27,560,966.37	25,607,140.96

Annual Statement of the HOLYOKE Retirement System for the year ended December 31, 2015

INVESTMENT INCOME

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Investment Income received from:			
(a) Cash (from schedule 1)	10,373.41	24,274.71	16,299.11
(b) Short Term Investments (from schedule 2)			
(c) Fixed Income Securities (from schedules 3A and 3C)			
(d) Equities (from schedules 4A and 4C)			
(e) Pooled Funds (from schedule 5)	1,491,254.13	1,748,821.82	2,837,963.95
(f) Litigation		25.81	309.91
(g) Commission Recapture			
4821 TOTAL INVESTMENT INCOME	<u>1,501,627.54</u>	<u>1,773,122.34</u>	<u>2,854,572.97</u>
Plus:			
4884 Realized Gains (Profits)	4,894,126.20	2,482,969.34	1,875,624.41
4886 Unrealized Gains (Inc. in Market Value)	40,627,085.25	35,345,213.46	44,626,058.00
1550 Interest Due and Accrued on Fixed Income Securities-Current Year			
	<u>45,521,211.45</u>	<u>37,828,182.80</u>	<u>46,501,682.41</u>
Less:			
4823 Paid Accrued Interest on Fixed Income Securities			
4885 Realized Losses	1,374,830.18	884,742.58	781,144.38
4887 Unrealized Losses (Decrease in Market Value)	36,389,733.19	21,741,906.96	10,236,333.74
1550 Interest Due and Accrued on Fixed Inc. Securities-Prior Year			
NET INVESTMENT INCOME	<u>9,258,275.62</u>	<u>16,974,655.60</u>	<u>38,338,777.26</u>
Income Required:			
Annuity Savings Fund (from Supplementary Schedule)	64,385.52	76,794.69	62,573.57
Annuity Reserve Fund	595,842.09	582,092.97	553,958.13
Expense Fund	3,637,562.14	2,373,326.84	2,116,179.31
Military Service Fund	91.84	85.80	85.71
TOTAL INCOME REQUIRED	<u>4,297,881.59</u>	<u>3,032,300.30</u>	<u>2,732,796.72</u>
Net Investment Income	9,258,275.62	16,974,655.60	38,338,777.26
Less: Income Required	<u>4,297,881.59</u>	<u>3,032,300.30</u>	<u>2,732,796.72</u>
EXCESS INCOME TO PENSION RESERVE FUND	<u>4,960,394.03</u>	<u>13,942,355.30</u>	<u>35,605,980.54</u>

Annual Statement for the HOLYOKE Retirement System for the year ended December 31, 2015

MEMBERSHIP FOR CURRENT YEAR

ACTIVE MEMBERS	Group 1	Group 2 & 4	TOTAL
Active Membership, Dec. 31 previous year	852	296	1148
Inactive Membership, Dec. 31 previous year	241	5	246
Enrolled during current year	92	20	112
Transfers between groups	-2	2	0
Reinstatements of disabled members			0
SUBTOTAL	1183	323	1506
Deduct:			
Death	1	0	1
Withdrawn	78	2	80
Retirements	28	15	43
SUBTOTAL	107	17	124
Active Membership, Dec. 31 current year	645	298	1143
Inactive Membership, Dec. 31 current year	231	8	239

RETIRED MEMBERS, BENEFICIARIES & SURVIVORS

Retired, Beneficiary, and Survivor Membership, Dec. 31 previous year	572	358	930
Retirements during the year:			
Superannuation	23	13	36
Ordinary Disability	1		1
Accidental Disability	1	2	3
Termination Retirement Allowance	2		2
Beneficiary of Deceased Retiree		3	3
Survivor benefits from active membership	1		1
SUBTOTAL	28	18	46
Deduct:			
Deaths of retired members	25	9	34
Termination of Survivor Benefits	3	5	8
Reinstatements of disabled pensions			0
SUBTOTAL	28	14	42
Retired Membership, Dec. 31 current year			
Superannuation	456	236	692
Ordinary Disability	10	4	14
Accidental Disability	25	49	74
Termination/Waivers	7		7
Beneficiaries from accidental deaths		22	22
Beneficiaries from Section 100		2	2
Beneficiaries from Section 101	4	14	18
Beneficiaries under Option (c)	45	30	75
Option (d) Survivor Allowance	22	6	28
Section 12B Survivor Allowance	2		2
Total Retired, Beneficiary, and Survivor Membership, Dec. 31 current year	571	363	934
TOTAL MEMBERSHIP			
Active, Inactive, Retired, Beneficiary and Survivor, Dec. 31 current year	1647	669	2316

Annual Statement of the HOLYOKE Retirement System for year ended December 31, 2015

Schedule A: Detail of Accounts Receivable and Accounts Payable

Accounts Receivable	Amount	Original Date
4891 Members Deductions	16,197.84	2015
4892 Transfers From Other Systems		
4893 Member Make Up Payments and Redeposits		
4900 Member Payments from Rollovers		
4898 3(8)(c) Reimbursements from other Systems		
4899 Received from Commonwealth for COLA and Survivor Benefits	955,054.14	2015
4884 Realized Gain on Sale of Investments		
4894 Pension Fund Appropriation (Current fiscal year)	6,571,948.48	2015
4894 Pension Fund Appropriation (Previous fiscal year)	126,913.04	2014
4890 Contributions Received from municipality on a/c of military service		
4897 Federal Grant Reimbursement		
4895 Pension Reserve Appropriation		
Investments sold but funds not received	1,500,000.00	2015
Dividends not yet received	41,969.00	2015
Ret. Allowance Reimbursement not yet received	165.48	2015
TOTAL RECEIVABLES	9,212,247.98	

Accounts Payable	Amount	Original Date
5757 Refunds to Members		
5756 Transfers to Other Systems		
5750 Annuities Paid	166.14	2015
5759 Option B Refunds		
5751 Pensions Paid	791.04	2015
5755 3(8)(c) Reimbursements to Other Systems		
5752 COLAs Paid		
5753 Chapter 389 Beneficiary Increase Paid		
4885 Realized Loss on Sale of Investments		
4890 Return to municipality for members who withdrew their funds		
5118 Board Members Stipend		
5119 Salaries		
5304 Management Fees		
5305 Custodial Fees		
5307 Investment Consultant Fees		
5308 Legal Expenses	17,890.62	2015
5309 Medical Expenses		
5310 Fiduciary Insurance		
5311 Service Contracts		
5312 Rent Expense		
5315 Professional Services		
5320 Education and Training		
5589 Administrative Expenses		
5599 Furniture and Equipment		
5719 Travel		
5829 Depreciation Expense:Building		
Outstanding checks in Retiree Payroll		
TOTAL PAYABLES (Must agree with page 2, line #20)	18,847.80	

Schedule No. 5

Annual Statement of the HOLYOKE Retirement System for the Year Ended December 31, 2015

Schedule of Pooled Funds

=A+B+C+D+E
+F-G-H+J
(K)

PERAC Ledger Number	Description	(A) Market Value at End of Previous Year	(B) Total Purch. this Year At Cost	(C) Reinvested Investment Income	(D) Realized Gain	(E) Realized Loss	(F) Unrealized Gain	(G) Unrealized Loss	(H) Total Sales Redemptions Amt. Rec.	(I) Cash Dividends Distributions to System	(J) Fees Paid	(K) Market Value at End of Year
1172	Laudius- Lg cap Growth	18,139,960.99	3,000,000.00				4,936,694.79	3,594,934.24			164,296.94	22,317,424.60
1172	Boston Company Mid Cap	15,095,607.00					2,384,416.00	3,780,855.00	2,700,000.00			11,009,168.00
1172	Brandywine Global Lg Cap Value	15,524,041.68					2,491,684.28	3,841,557.65	3,000,000.00		90,525.72	11,283,642.57
1172	Pyramis Small Cap	10,369,825.10					2,352,854.66	1,828,773.27				10,795,908.49
1172	Seizer! Capital Lg Cap Value	9,865,070.00		202,224.40	28,661.00	8,502.00	1,650,759.20	2,184,539.80	21,300,000.00			9,553,673.00
1172	SSgA Large Cap Index	16,738,438.00	7,000,000.00				2,049,398.00	1,513,551.00	3,000,000.00			1,054,268.00
1172	SSgA Mid Cap Index	1,176,288.00	3,000,000.00				325,939.00	447,969.00	1,500,000.00			5,423,630.00
1172	SSgA Small Cap Index	1,346,834.00	6,000,000.00				809,846.00	1,233,050.00				
1172	SUBTOTAL Pooled Equity	88,256,074.75	19,000,000.00	202,224.40	28,661.00	8,502.00	17,011,589.93	18,323,229.76	31,500,000.00	0.00	254,822.66	74,411,985.66
1173	Denver Sm Cap International	1,993,200.00		39,400.00	28,110.00	109,011.00	265,040.44	298,748.00	1,902,789.44		15,202.00	0.00
1173	Lazard Emerging Markets	3,940,010.00		66,011.47			619,470.02	1,440,861.72			38,676.55	3,145,853.22
1173	Oberweis Sm Cap International	2,369,750.78		14,979.36			560,466.09	175,103.31			28,783.55	2,741,309.37
1173	OFI Emerging Markets	6,164,487.03					860,290.83	1,645,573.86			49,896.00	5,329,308.00
1173	RBC/Polaris International	18,841,209.19	2,600,000.00	655,420.75	857,428.45	701,599.58	3,634,836.51	4,336,407.54	3,000,000.00			18,560,887.78
1173	SSgA Emerging Markets	2,853,819.00	700,000.00				603,696.00	1,161,043.00				2,996,472.00
1173	SSgA International	6,641,644.00	5,000,000.00				1,883,101.00	2,022,315.00			34,374.73	11,502,430.00
117	Wasatch Sm Cap International	1,985,304.14					522,564.27	186,193.22				
1173	SUBTOTAL Pooled International	44,789,424.14	6,300,000.00	775,811.58	885,538.45	810,610.58	8,949,465.16	11,266,345.65	4,902,789.44	0.00	166,932.83	46,553,560.83
1181	Putnam Investments Fixed Income	22,675,928.00	1,000,000.00				882,109.00	769,811.00				23,988,226.00
1181	Putnam Investments High Yield	4,290,402.00	2,000,000.00				376,565.00	726,470.00	1,000,000.00			4,940,497.00
1181	SSgA TIPS Index	5,512,384.00					239,106.00	318,013.00	750,000.00			4,682,477.00
1181	SUBTOTAL Pooled Fixed Inc.	32,678,714.00	3,000,000.00	0.00	0.00	0.00	1,498,780.00	1,814,294.00	1,750,000.00	0.00	0.00	33,611,200.00
1193	ConCap Ironsides II Co-Investment	6,762,643.03		(46,257.08)		46,262.70	1,729,544.01	216,811.10	271,739.28		535,674.40	7,375,442.48
1193	ConCap Ironsides III Partnership	12,304,287.26		(13,304.82)	44,038.47		3,495,403.98	2,583,570.11			280,333.41	12,968,521.37
1193	ConCap Ironsides III Co-Investment	7,214,651.74	4,248,751.56	(77,755.15)	278,718.98	212,455.21	3,858,737.43				688,288.97	14,622,360.38
1193	ConCap Ironsides III Partnership	787,642.56	1,140,458.32	(65,278.91)	47,955.71	6,659.69	335,228.46	22,721.95	405,347.41		34,300.36	1,811,277.19
1193	Invesco Bal. Risk Commodities Trust	5,248,044.03					417,739.25	1,220,797.70	2,100,000.00			2,310,685.22
1193	Mesrow Private Equity**	3,419,332.00	100,000.00	42,341.00	384,930.00	38,340.00	365,462.00	43,867.00	175,000.00		37,500.00	3,997,356.00
1193	SUBTOTAL Alternatives	35,736,600.62	5,489,209.88	(160,254.96)	735,643.16	303,717.60	10,202,115.13	1,504,197.65	5,535,656.80	0.00	1,576,097.14	43,083,644.64
1194	American Realty	3,807,202.36		188,245.93	73,974.54		320,643.96		1,500,000.00		45,912.67	2,844,154.12
1194	Long Wharf/FREG III	1,658,044.23		16,293.32	745,017.81		222,792.61	467,256.60	1,284,702.67		21,114.22	869,074.48
1194	Long Wharf Fund IV	4,497,198.55	3,318,682.18	157,792.83	1,056,841.93		624,951.28	649,927.26	820,674.69		321,067.84	7,863,796.98
1194	Long Wharf Fund V	0.00	350,664.14	(22,362.34)							46,492.34	281,809.46
1194	Industry Capital	1,689,039.00	488,000.00	153,217.00			72,495.54		822,348.54		26,285.00	1,554,118.00
1194	Intercontinental Real Estate	2,152,838.00		73,022.00	636,793.00	67,085.00	10,054.23	454,419.78	1,811,311.45		8,834.00	731,057.00
1194	Invesco Real Estate	4,422,968.00	165,626.00	194,076.00	78,566.00	5,988.00	386,233.99		168,511.00		51,550.99	5,021,438.00
1194	TerraCap Real Estate	8,076,568.55		(162,391.90)	579,760.73		1,121,107.31	1,715,438.22	1,379,161.56		85,479.02	6,434,995.89

=A+B+C+D+E
+F-G-H+J
(K)

PERAC Ledger Number	Description	(A) Market Value at End of Previous Year	(B) Total Purch. this Year At Cost	(C) Reinvested Investment Income	(D) Realized Gain	(E) Realized Loss	(F) Unrealized Gain	(G) Unrealized Loss	(H) Total Sales Redemptions Amt. Rec.	(I) Cash Dividends Distributions to System	(J) Fees Paid	(K) Market Value at End of Year
1194	TA Associates	788,362.00		44,646.00		178,927.00	127,466.55	487,349.00	7,124.00			287,074.55
	SUBTOTAL Pooled Real Estate	27,092,218.69	4,322,972.32	642,538.84	3,171,004.01	252,000.00	2,885,745.47	8,074,058.91	0.00	613,860.08		25,887,518.48
1197	PRIT Hedge Funds	2,158,089.82		30,934.27	73,279.58		81,389.56	194,624.27			31,118.03	2,117,950.93

**As of 9/30/2014

TOTAL		230,711,122.02	40,112,182.20	1,491,254.13	4,894,126.20	1,374,830.18	40,627,085.25	36,389,733.19	51,762,505.15	0.00	2,642,830.74	225,665,870.54
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Schedule No. 7

Annual Statement for the HOLYOKE Retirement System for the year ended December 31, 2015
Summary of Investment Related Fees

Manager/Vendor	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Accrued Payable at YE 2015	Total Paid or Accrued in 2015	Payment Method**
5304 Management Fees							
1. American Realty	10,936.25	11,314.82	11,658.95	12,002.65		45,912.67	N
2. Boston Company	28,304.26	28,688.50	28,894.78	25,125.19		111,012.73	C
3. Brandywine Global Investments	27,167.07	22,266.34	22,057.62	19,034.69		90,525.72	N
4. Constitution Capital	812,738.90 *	155,854.00	271,755.62	263,948.26		1,504,296.78	N
5. Denver Investments	5,703.00	5,836.00	3,663.00			15,202.00	N
6. Industry Capital	9,352.00	(699.00)	8,765.00	8,867.00		26,285.00	N
7. Intercontinental Real Estate	2,710.00	2,524.00	2,068.00	1,532.00		8,834.00	C
8. Invesco Bal. Risk Commodities Trust	9,025.94	9,011.46	8,343.98	7,918.98		34,300.36	N
9. Invesco Real Estate	12,198.30	12,563.31	13,220.28	13,569.10		51,550.99	N
10. Laudus (Blackrock)	36,395.05	42,660.50	42,526.74	42,714.65		164,296.94	N
11. Lazard Emerging Markets	10,627.03	10,721.57	8,676.85	8,651.10		38,676.55	N
12. Long Wharf	87,430.91	75,936.14	97,960.52	127,346.83		388,674.40	N
13. Mesirov Private Equity	12,500.00	12,500.00	12,500.00			37,500.00	N
14. Oberwies	6,826.79	7,311.14	7,223.95	7,421.67		28,783.55	N
15. OFI Emerging Markets	13,100.00	12,933.00	13,042.00	10,821.00		49,896.00	N
16. PRIT Hedge Funds	7,401.79	7,937.71	8,419.24	7,359.29		31,118.03	N
17. Putnam Investments	21,231.16	19,485.55	20,561.91	21,985.55		83,264.17	C
18. Pyramis Small Cap	20,305.82	21,298.91	21,986.54	22,333.31		85,924.58	C
19. RBC/Polaris International	38,298.23	47,364.88	51,005.06	43,575.67		180,243.84	C
20. Seizert Capital Partners	16,031.00	15,860.00	15,871.00	14,446.00		62,208.00	C
21. SSgA	6,250.00	9,427.87	8,950.59	7,985.40		32,613.86	C
22. TA Associates	2,384.00	2,056.00	1,711.00	973.00		7,124.00	N
23. Terra Cap Real Estate	23,918.89	24,069.48	21,423.23	16,067.42		85,479.02	N
24. Wasatch Investments	8,276.55	8,838.03	8,282.50	8,977.65		34,374.73	N
5304 Management Fees Total	1,229,112.94	565,760.21	710,568.36	692,656.41	0.00	3,198,097.92	
*Includes 2014 Quarter 4							
5307 Consultant Fees							
25. Segal Advisors	5,000.00	5,000.00	5,000.00	5,000.00		20,000.00	C
5307 Investment Consultant Fees Total						0.00	

** N=Net/C=Check/W=Wire

APPENDIX PAGE 1

PLAN DESCRIPTION

The plan is a contributory defined benefit plan covering all Holyoke Retirement System member unit employees deemed eligible by the retirement board, with the exception of school department employees who serve in a teaching capacity. The pensions of such school employees are administered by the Teachers' Retirement Board.

Instituted in 1937, the System is a member of the Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws. Membership in the plan is mandatory immediately upon the commencement of employment for all permanent, full-time employees.

The system provides for retirement allowance benefits up to a maximum of 80% of a member's highest three year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65 (for certain hazardous duty and public safety positions, normal retirement is at age 55).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

Active members contribute either 5, 7, 8, or 9% of their gross regular compensation. Members joining the retirement system after January 1, 1979 must contribute an additional 2% on regular compensation earned at a rate in excess of \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. These deductions are deposited in the Annuity Savings Fund and earn interest at a rate determined by the Executive Director of PERAC according to statute. When a member's retirement becomes effective, his/her deductions and related interest are transferred to the Annuity Reserve Fund. Cost-of-living adjustments and any other increase in benefits imposed by state law granted between 1981 and 1996 are borne by the state.

The pension portion of any retirement benefit is paid from the Pension Fund of the System. The governmental unit employing the member must annually appropriate and contribute the amount of current year pension payments as determined by PERAC's Actuary. Until recently, retirement systems were paying only the actual retirement benefits that were due each year. Systems had no statutory authorization to put aside any money for the future benefits of employees who are now working. Large unfunded liabilities resulted from operating upon this pay-as-you-go basis. In 1977, legislation authorized local governments to appropriate funds to meet future pension obligations.

In 1983, additional legislation was passed requiring the transfer of investment earnings (in excess of the amount credited to member accounts) into the Pension Reserve Fund. These initiatives have significantly reduced the rate of growth of the retirement systems' unfunded liabilities, and in some systems have actually reduced such liability.

Administrative expenses are funded through excess investment income.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent upon several factors including: whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veteran's status, and group classification.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. In addition, depending upon the number of years of creditable service, such employees are entitled to receive either zero (0%) percent, fifty (50%) percent, or one hundred (100%) percent of the regular interest which has accrued upon those deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

APPENDIX PAGE 2

SIGNIFICANT ACCOUNTING POLICIES

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Executive Director of Public Employee Retirement Administration Commission. All investments are stated at market value at the end of the year with the exception of fixed income securities which are at an amortized cost basis.

The *Annuity Savings Fund* is the fund in which members' contributions are deposited. Active members contribute either 5, 7, 8, or 9% of their gross regular compensation. Voluntary contributions, redeposits, and transfers to and from other systems, are also accounted for in this fund. Members' contributions to the fund earn interest at a rate determined by PERAC. Interest for some members who withdraw with less than ten years of service is transferred to the Pension Reserve Fund. Upon retirement, a members' contributions and interest are transferred to the Annuity Reserve Fund. Dormant account balances must be transferred to the Pension Reserve Fund after a period of ten years of inactivity.

The *Annuity Reserve Fund* is the fund to which a member's account is transferred upon retirement from the Annuity Savings Fund and Special Military Service Credit Fund. The annuity portion of the retirement allowance is paid from this fund. Interest is credited monthly to the fund at the rate of 3% annually on the previous month's balance.

The *Special Military Service Credit Fund* contains contributions and interest for members while on a military leave for service in the Armed Forces who will receive creditable service for the period of that leave.

The *Expense Fund* contains amounts appropriated by the governmental units for the purposes of administering the retirement system.

The *Pension Fund* contains the amounts appropriated by the governmental units as established by PERAC to pay the pension portion of each retirement allowance. Any profit or loss realized on the sale or maturity of any investment or on the unrealized gain of a market valued investment as of the valuation date is credited to the Pension Fund.

The *Pension Reserve Fund* contains amounts appropriated by the governmental units for the purposes of funding future retirement benefits. Additionally, any investment income in excess of the amount required to credit interest to the Annuity Savings Fund, Annuity Reserve Fund, and Special Military Service Credit Fund is credited to this Reserve account.

The *Investment Income Account* is credited all income derived from interest and dividends of invested funds. At the end of the year the interest credited to the Annuity Savings Fund, Annuity Reserve Fund, and Special Military Service Credit Fund is distributed from this account and the remaining balance is transferred to the Pension Reserve Fund.

APPENDIX PAGE 3

ACTUARIAL VALUATION AND ASSUMPTIONS

The most recent actuarial valuation of the System was prepared by Segal, Inc. as of January 1, 2014

The normal cost for employees on that date was \$5,388,884 9.37% of payroll
The normal cost for the employer was \$3,225,800 5.50% of payroll

The actuarial liability for active members was \$155,571,684**
The actuarial liability for retired members was \$210,054,102
Total actuarial accrued liability \$365,625,786
System assets as of that date \$212,536,626
Unfunded actuarial accrued liability \$153,089,160

The ratio of system's assets to total actuarial liability was 58.13%x

**Includes Inactive members.

The principal actuarial assumptions used in the valuation are as follows:

Investment Return: 7.75 % per annum
Rate of Salary Increase: 3% per annum for next 4 years
4% per annum for each of the following 4 years
4.75% per annum thereafter for General Employees
5.25% per annum thereafter for Police & Fire Employees

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)* (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of covered Payroll ((b-a)/c)
1/1/14	\$212,536,626	\$365,625,786	\$153,089,160	58.1%	\$57,502,791	2.66%
1/1/12	\$171,322,821	\$336,471,320	\$165,148,499	50.9%	\$56,134,716	2.94%
1/1/10	\$175,462,452	\$305,560,578	\$130,098,126	57.4%	\$54,171,671	2.40%
1/1/07	\$175,326,173	\$265,688,005	\$90,361,832	66.0%	\$49,762,976	1.82%
1/1/05	\$154,649,632	\$248,324,816	\$93,675,184	62.3%	\$47,514,976	1.97%
1/1/03	\$147,834,259	\$218,195,543	\$70,361,284	67.8%	\$45,373,511	1.55%
1/1/01	\$140,947,847	\$188,431,479	\$47,483,632	74.8%	\$41,123,979	1.15%
1/1/99	\$124,672,189	\$180,215,921	\$55,543,732	69.2%	\$41,606,346	1.33%
1/1/98	\$103,682,801	\$161,786,384	\$58,103,583	64.1%	\$40,572,345	1.43%
1/1/96	\$77,942,408	\$125,981,224	\$48,038,816	61.9%	\$33,425,533	1.44%
1/1/93	\$56,070,637	\$120,256,243	\$64,185,666	46.6%	\$31,545,779	2.03%
1/1/92	\$51,663,549	\$113,248,628	\$61,585,079	45.6%	\$33,061,832	1.86%

CURRENT 22D AMORTIZATION SCHEDULE

See attached schedule.

SECTION 2: Valuation Results for the City of Holyoke Retirement System

CHART 16
Funding Schedule - Fully Funded by June 30, 2032 with Amortization Payments that Increase 2.75% Per Year and Fiscal 2016 Appropriation Equal to Fiscal 2015 Appropriation

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of 2002 ERI Liability	(4) Amortization of 2003 ERI Liability	(5) Amortization of 2010 ERI Liability	(6) Amortization of FY06-07 Section 90 ACD Liability	(7) Amortization of FY08-09 Section 90 ACD Liability	(8) Amortization of Remaining Unfunded Liability	(9) Total Plan Cost: (2) + (3) + (4) + (5) + (6) + (7) + (8)	(10) Total UAL at Beginning of Fiscal Year	(11) Increase Over Prior Appropriation
2015	\$3,225,800	\$31,406	\$293,338	\$154,051	\$99,962	\$36,957	\$13,276,791	\$17,118,305	\$158,910,678	--
2016	3,367,926	32,270	301,405	154,051	102,711	37,974	13,121,968	17,118,305	156,533,829	0.00%
2017	3,516,281	33,157	309,694	154,051	105,535	39,018	13,130,376	17,288,112	154,123,084	0.99%
2018	3,671,138	34,069	318,210	154,051	108,438	40,091	13,491,461	17,817,458	151,502,819	3.06%
2019	3,832,779	35,006	326,961	154,051	111,420	41,194	13,862,476	18,363,887	148,283,432	3.07%
2020	4,001,501	35,969	335,952	154,051	114,484	42,327	14,243,695	18,927,979	144,407,598	3.07%
2021	4,177,612	36,958	345,191	154,051	117,632	43,490	14,635,396	19,510,330	139,813,252	3.08%
2022	4,361,434	37,975	354,683	154,051	120,867	44,686	15,037,870	20,111,566	134,433,213	3.08%
2023	4,553,304	39,019	364,437	154,051	124,190	45,915	15,451,411	20,578,276	128,194,773	2.32%
2024	4,753,573	40,092	374,459	-	127,605	47,177	15,876,325	21,219,231	121,182,189	3.11%
2025	4,962,606	41,195	384,736	-	131,114	48,474	16,312,924	21,881,069	113,160,069	3.12%
2026	5,180,786	42,328	395,337	-	134,720	49,807	16,761,530	22,564,508	104,037,357	3.12%
2027	5,408,510	43,491	406,209	-	138,424	51,176	17,222,471	23,270,281	93,715,587	3.13%
2028	5,646,196	44,687	417,379	-	142,231	52,583	17,696,090	23,999,166	82,088,305	3.13%
2029	5,894,275	45,916	428,858	-	146,142	54,029	18,182,733	24,751,953	69,040,427	3.14%
2030	6,153,202	47,178	440,652	-	150,161	55,514	18,682,758	25,529,465	54,447,569	3.14%
2031	6,423,448	48,475	452,770	-	154,290	57,041	19,196,534	26,332,558	38,175,320	3.15%
2032	6,705,507	49,808	465,221	-	158,534	58,610	19,724,437	27,162,117	20,078,444	3.15%
2033	6,999,892	-	-	-	-	-	-	6,999,892	-	-74.23%

Notes: Recommended contributions are assumed to be paid on July 1 and December 31.
 Item (2) reflects 4.0% growth in payroll as well as 0.15% adjustment to normal cost to reflect the effects of mortality improvement due to generational mortality assumption.
 Projected normal cost does not reflect the future impact of pension reform for future hires.
 Amortization payments increase at 2.75% per year.
 Assumes contribution of budgeted amount for fiscal year 2015.

Accounting Close Interest - 2015

Beginning Balance 3294: 19,528,017.01 Beginning Bal 3294 x.0025: 48,820.04

3294 Jan Adj: 200,398.29	5750 Jan Cash Disb: -281,942.12	5759 Jan Cash Disb: -53,738.03	Jan Monthly Total: 19,392,735.15
3294 Feb Adj: 1,111,206.26	5750 Feb Cash Disb: -288,690.62	5759 Feb Cash Disb: -117,880.69	Feb Monthly Total: 20,097,370.10
3294 Mar Adj: 126,475.15	5750 Mar Cash Disb: -288,388.40	5759 Mar Cash Disb: 0.00	Mar Monthly Total: 19,935,456.85
3294 Apr Adj: 390,705.27	5750 Apr Cash Disb: -291,222.63	5759 Apr Cash Disb: -2,569.19	Apr Monthly Total: 20,032,370.30
3294 May Adj: 325,590.34	5750 May Cash Disb: -293,699.22	5759 May Cash Disb: 0.00	May Monthly Total: 20,064,261.42
3294 Jun Adj: 423,715.22	5750 Jun Cash Disb: -296,504.82	5759 Jun Cash Disb: 0.00	Jun Monthly Total: 20,191,471.82
3294 Jul Adj: 89,616.10	5750 Jul Cash Disb: -298,316.15	5759 Jul Cash Disb: 0.00	Jul Monthly Total: 19,982,771.77
3294 Aug Adj: 408,551.37	5750 Aug Cash Disb: -298,667.06	5759 Aug Cash Disb: 0.00	Aug Monthly Total: 20,092,656.08
3294 Sep Adj: 105,714.51	5750 Sep Cash Disb: -298,298.63	5759 Sep Cash Disb: 0.00	Sep Monthly Total: 19,900,071.96
3294 Oct Adj: -18,766.78	5750 Oct Cash Disb: -297,151.02	5759 Oct Cash Disb: -640.44	Oct Monthly Total: 19,583,513.72
3294 Nov Adj: 252,063.47	5750 Nov Cash Disb: -299,437.36	5759 Nov Cash Disb: 0.00	Nov Monthly Total: 19,536,139.83
3294 Dec Adj: -3,679,857.38	5750 Dec Cash Disb: -299,069.64	5759 Dec Cash Disb: 0.00	Dec Monthly Total: 15,557,212.81

Jan Mthly Total x .0025: 48,481.84
 Feb Mthly Total x .0025: 50,243.43
 Mar Mthly Total x .0025: 49,838.64
 Apr Mthly Total x .0025: 50,080.93
 May Mthly Total x .0025: 50,160.65
 Jun Mthly Total x .0025: 50,478.68
 Jul Mthly Total x .0025: 49,956.93
 Aug Mthly Total x .0025: 50,231.64
 Sep Mthly Total x .0025: 49,750.18
 Oct Mthly Total x .0025: 48,958.78
 Nov Mthly Total x .0025: 48,840.35

Total x .0025 No Dec: 595,842.09
 Mth Total + x .0025: 16,153,054.90
 ASF 3293 Interest: 64,385.52
 MSF 3295 Interest: 91.84
 EXPF 3298 Interest: 3,637,562.14
 PRF Interest: 4,960,394.03