GW CAPITAL, Inc.

Presentation to:

City of Ormond Beach

By

Scott Mullet, Principal

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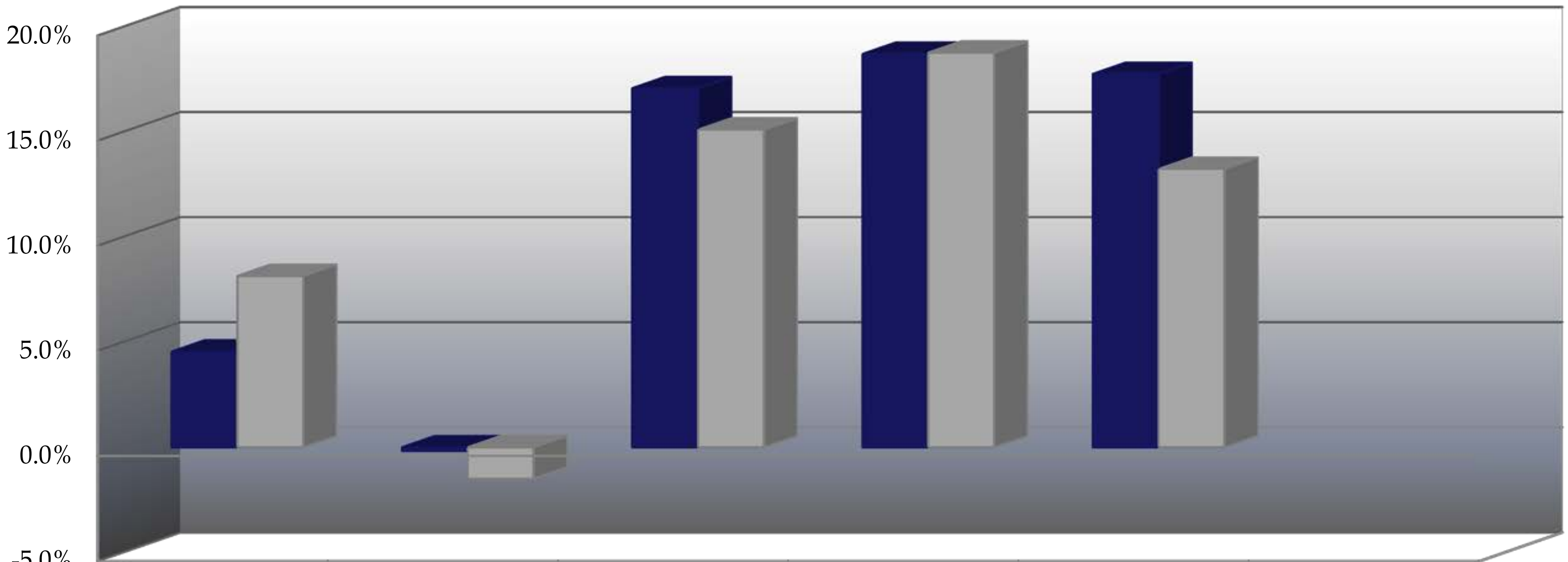
ORGANIZATION UPDATE

- **Staff – 15**
  - New Research Analyst & Chief Compliance/General Counsel started July 2, 2012
- **Ownership Changes**
  - None
- **Approximately $2.0 Billion Total Assets as of June 2012**
  - $890 million Small Cap Equity
  - $320 million Small Mid Cap Equity
  - $315 million Mid Cap Equity
  - $495 million Medium-grade Bond (A/BBB portfolio average quality)

PORTFOLIO PERFORMANCE
As of June 30, 2012



	Year to Date	1 Year	2 Year*	3 Year*	Inception*	Cumulative Inception**
Ormond Beach Fire	4.6%	-0.2%	17.1%	18.7%	17.8%	82.1%
Russell 2500 Value	8.2%	-1.5%	15.1%	18.8%	13.3%	57.7%

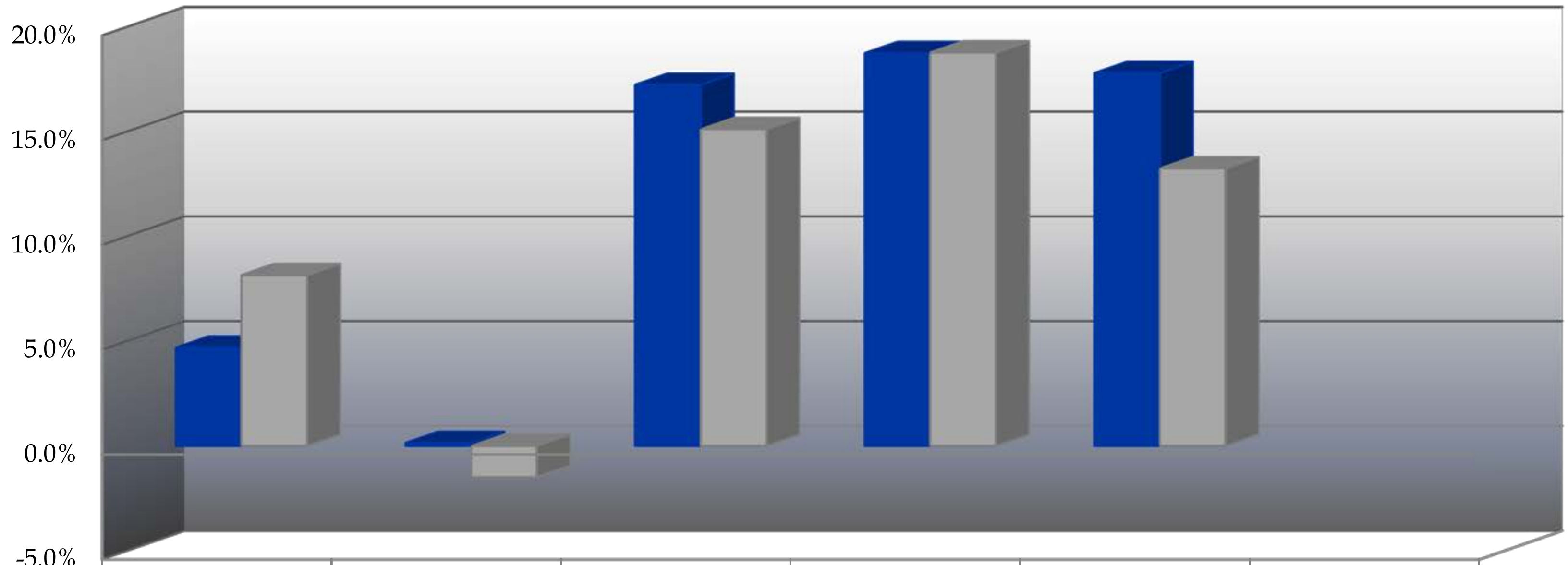
*Annualized from 11/01/08 – 06/30/12. Gross-of-fee returns.

**Cumulative, not annualized, return

ORMOND BEACH FIREFIGHTERS PENSION PLAN

Starting Market Value	$585,000
Distributions	($50,000)
Current Market Value	$1,018,025

PORTFOLIO PERFORMANCE
As of June 30, 2012

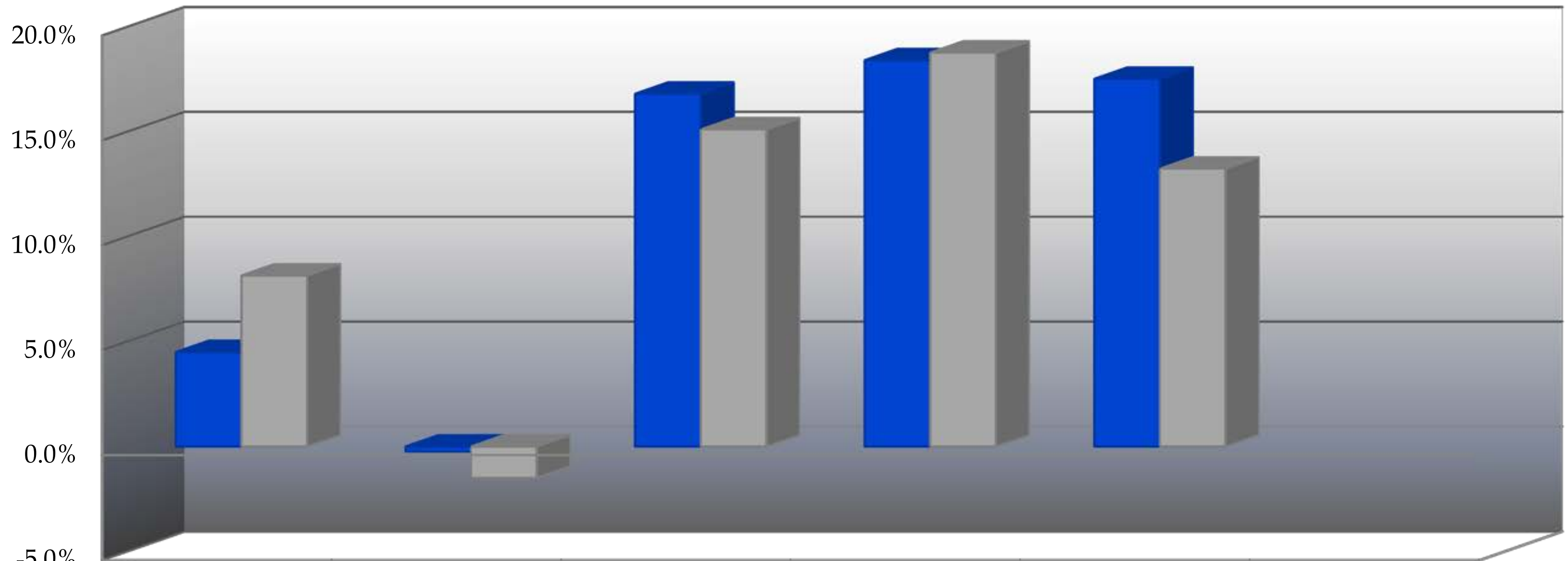


	Year to Date	1 Year	2 Year*	3 Year*	Inception*	Cumulative Inception**
Ormond Beach General	4.7%	0.1%	17.2%	18.8%	17.8%	82.2%
Russell 2500 Value	8.2%	-1.5%	15.1%	18.8%	13.3%	57.7%

*Annualized from 11/01/08 – 06/30/12. Gross-of-fee returns.
**Cumulative, not annualized, return

ORMOND BEACH GENERAL EMPLOYEES PENSION PLAN	
Starting Market Value	$1,150,000
Distributions	($318,400)
Current Market Value	$1,728,660

PORTFOLIO PERFORMANCE
As of June 30, 2012



	Year to Date	1 Year	2 Year*	3 Year*	Inception*	Cumulative Inception**
Ormond Beach Police	4.5%	-0.2%	16.8%	18.4%	17.5%	80.7%
Russell 2500 Value	8.2%	-1.5%	15.1%	18.8%	13.3%	57.7%

*Annualized from 11/01/08 – 06/30/12. Gross-of-fee returns.
**Cumulative, not annualized, return

ORMOND BEACH POLICE PENSION PLAN	
Starting Market Value	$825,000
Distributions	($369,000)
Current Market Value	$1,128,012

CONTRIBUTIONS TO PERFORMANCE
Trailing 1 Year

- Positive Contributors
  - Underweight to Technology sector
  - Individual issue selection
    - Examples: SBA Communications (SBAC), Verisk Analytics (VRSK) & Perrigo (PRGO)
    - Acquired companies: Thomas & Betts (TNB) by ABB Corp.
El Paso Corp. (EP) by Kinder Morgan
Brigham Exploration (BEXP) by Statoil
- Negative Contributors
  - Overweight to Energy, Materials & Industrials; Underweight to Utilities
  - Individual issue selection
    - Examples: Forest Oil (FST), SuperValu (SVU) & Genworth Financial (GNW)

NEW PURCHASES & OUTRIGHT SALES
July 2011 – July 2012

Purchases	Sales
Aspen Insurance Holdings *(August 2011)*	Fifth Third Bancorp *(July 2011)*
Compass Minerals Int'l *(October 2011)*	Yamana Gold *(August 2011)*
Darling International *(November 2011)*	Lone Pine Resources *(October 2011)*
Xylem, Inc *(December 2011)*	Brigham Exploration *(December 2011)**
Genworth Financial *(February 2012)*	Washington Federal *(December 2011)*
Visteon Corp *(February 2012)*	General Cable Corp *(February 2012)*
Manpower Group *(March 2012)*	JM Smucker *(February 2012)*
John Wiley & Sons Inc *(April 2012)*	ACCO Brands Corp *(May 2012)*
KeyCorp *(May 2012)*	El Paso Corp *(May 2012)*
	Thomas & Betts *(May 2012)**
	SuperValu Inc *(July 2012)*

*Tendered for cash

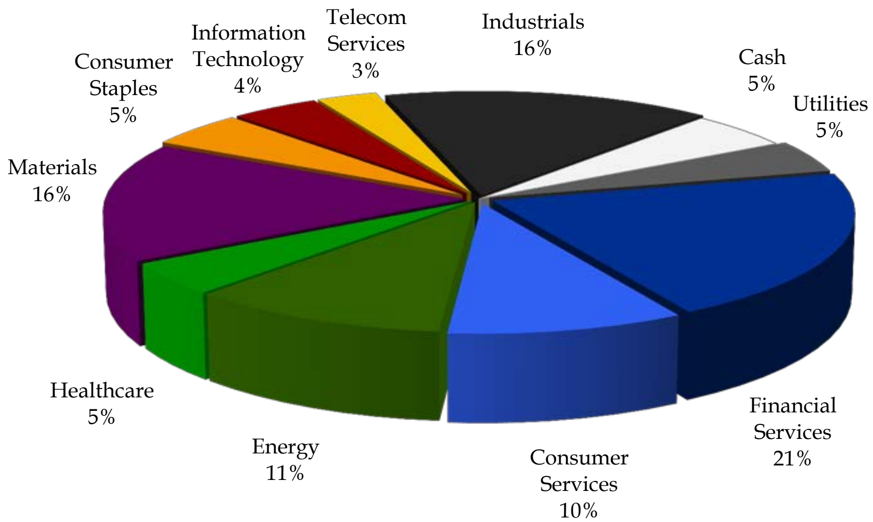
CURRENT THEMES

Rationale

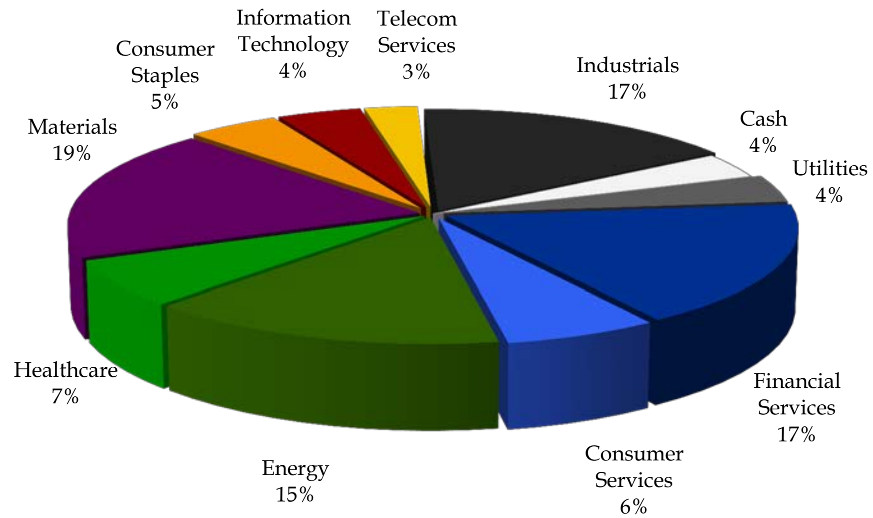
Theme	Rationale
Economic Recovery Underway	• 2 steps forward, 1 ½ steps back • Credit market stabilization in U.S. – but European concerns • Rotated into more economically sensitive stocks but getting more defensive
Overweight Energy/Materials/Industrials	• Should benefit from more global, non-Europe, emerging economy strengthening • Preference for names with global presence/ exposure
Diversify Financials Exposure	• Seeking strong dividend payers • Diversity in banking, insurance, other creditors • Benefit from U.S. credit market stabilization
Underweight Consumer Discretionary	• Savings rate • Declining credit availability • Sentiment shift – needs versus wants • High unemployment
Industry Leaders & Dividend Payers	• Emphasize industry leaders • Higher market cap spectrum within Small Cap • Dividends a plus

SECTOR WEIGHTINGS & CHARACTERISTICS

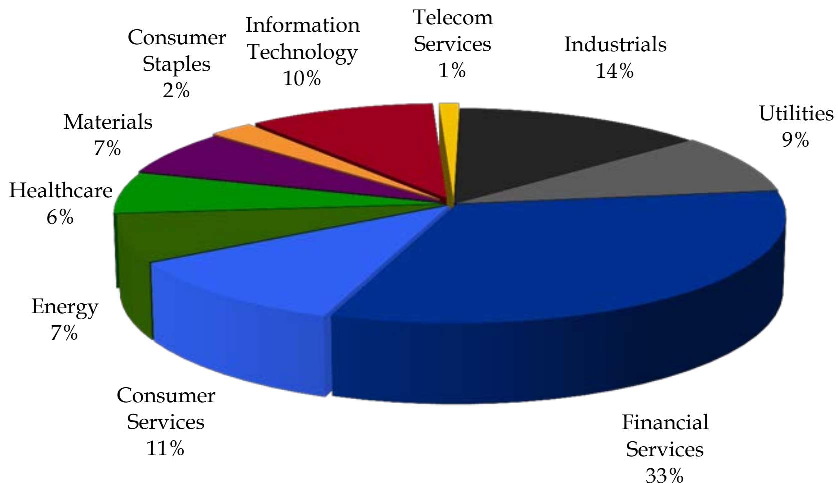
June 2012



July 2011



Russell 2500 Value Index*



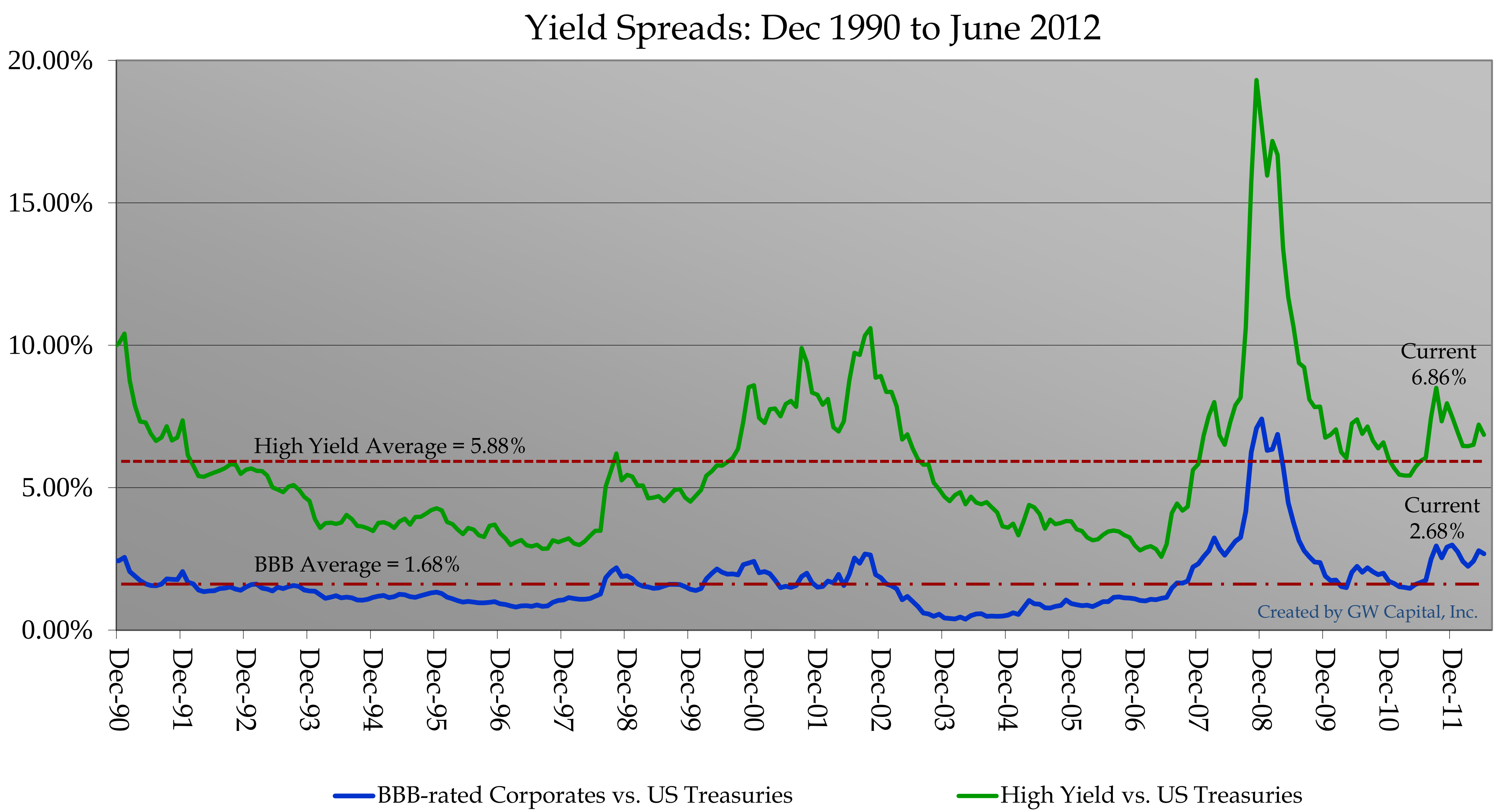
* Source: Frank Russell Co.

SMALL MID CAP PORTFOLIO
June 30, 2012

Consumer Discretionary	**9.5%**
Hertz Global Holdings	3.0%
John Wiley & Sons Inc	2.6%
The Wendy's Company	2.4%
Visteon Corp	1.5%
Consumer Staples	**4.8%**
Darling International	3.0%
Supervalu Inc	1.8%
Energy	**10.6%**
Forest Oil	2.2%
Tidewater Inc	2.7%
Williams Cos Inc	3.3%
WPX Energy Inc	2.4%
Financial Services	**20.7%**
Aspen Insurance Holdings	2.8%
CNO Financial Group	3.7%
Genworth Financial	2.0%
Healthcare REIT	2.5%
KeyCorp.	1.9%
Omega Healthcare	3.5%
SLM Corporation	4.3%
Health Care	**4.5%**
Brookdale Senior Living	3.3%
Perrigo Co	1.2%

Industrials	**16.4%**
Cintas Corp	3.3%
Fluor Corp	2.1%
Iron Mountain	2.6%
Manpower Group	1.3%
Verisk Analytics	4.2%
Xylem, Inc.	2.9%
Information Technology	**4.4%**
Harris Corp.	2.6%
KLA Tencor	1.8%
Materials	**16.4%**
Ashland Inc	3.8%
Compass Minerals International	1.0%
Crown Holdings Inc	3.7%
MeadWestvaco Corp	2.7%
Owens Illinois	2.5%
Weyerhaeuser Company	2.7%
Telecommunication Services	**3.0%**
SBA Communications	3.0%
Utilities	**4.5%**
Oneok Inc	4.5%

MARKET OUTLOOK
CORPORATE & HIGH YIELD SPREADS



Source: Merrill Lynch. BBB Corporate index vs. 7 - 10yr US Treasuries index and HY Master index vs. US Treasury Master index

GW CAPITAL, INC
KEY PROFESSIONALS

Nick Brown, CFA, Vice President & Principal, equity shareholder, 6 years investment experience, is a member of the firm's investment committee with portfolio management responsibilities for both equity and fixed income clients. He began his investment career in 2006 with GW Capital, Inc. In addition to his portfolio management role, he is involved with trading and WRAP program operations. Mr. Brown received his B.A. from the University of Puget Sound. Mr. Brown earned his CFA and is a member of the CFA Institute.

DeShay McCluskey, CFA, Vice President & Senior Research Analyst, 11 years investment experience, is a member of the firm's investment committee. She provides buy/sell recommendations and new idea generation as well as feedback, analysis and monitoring of legacy positions. Ms. McCluskey joined GW Capital in 2012 from her most recent position as Director of Research for BDT Capital Partners in Chicago. Prior thereto, Ms. McCluskey worked as an Equity Analyst for Legg Mason Capital Management and Ariel Investments Inc. She earned her B.A. in Economics with Honors, from the University of Chicago and her M.B.A. from the Stanford Graduate School of Business. Ms. McCluskey is member of the CFA Institute.

Scott Mullet, Senior Vice President & Principal, equity shareholder, 20 years investment experience, is a member of the firm's investment committee with portfolio management responsibilities for both equity and fixed income clients. Mr. Mullet also leads marketing and client service efforts and is a member of the firm's Executive Management Team. He joined GW Capital in 2003 after working with the Quellos Group in Seattle as Associate Director of Investments for more than two years. His responsibilities there included product management, business development, and client service for fixed income products. He also researched and proposed investment strategies as a key member of the fixed income portfolio strategy team. Mr. Mullet began his investment career in 1992 with Western Asset Management Company in Pasadena, CA. During his nine-year tenure, he held managerial positions in product development, investment analytics, marketing and client service, finishing as a Product Specialist. Mr. Mullet received his M.B.A. from the Anderson Graduate School of Management at UCLA, and his B.A. from the University of Southern California. He is a member of the CFA Institute and the CFA Society of Seattle. He also is Chairman of the First Presbyterian Church of Bellevue's Foundation.

Jennifer Ottosen, Chief Compliance Officer & General Counsel, 17 years combined industry experience, inclusive of 6 years working with the US Securities and Exchange Commission. Ms. Ottosen joined GW Capital in 2012 after working with Jensen Investment Management in Lake Oswego, Oregon, where she recently served as Chief Compliance Officer and Counsel. Prior to her work with Jensen, Ms. Ottosen spent 6 years working with the SEC, as an attorney in the Divisions of Market Regulation and Enforcement, and as an Examiner in OCIE. In addition, Ms. Ottosen held audit and compliance positions with KMPG, Farmers Insurance Group, and Western Asset Management. Jennifer earned her B.S. in Accounting from the University of Southern California and her Juris Doctorate from the University of Miami. She is a member of the State Bar of California and is a Certified Public Accountant in the State of Washington.

GW CAPITAL, INC
KEY PROFESSIONALS, cont.

Tom Parkhurst, Senior Vice President, & Principal, equity shareholder, 22 years investment experience, is a member of the firm's investment committee with portfolio management responsibilities for both equity and fixed income clients. He is also a member of the firm's Executive Management Team. Mr. Parkhurst joined GW Capital in 1992 after serving as a portfolio manager/security analyst and head security trader for Puget Sound Bank Trust Department for two years. There, he was a member of the Investment Management Committee responsible for establishing and implementing investment strategy for the Trust Department's three equity common funds and three fixed income common funds. Mr. Parkhurst's background in portfolio management combines quantitative and fundamental research in fixed income and equity assets. He received his B.A. in Business and Finance from the University of Puget Sound. He is active in the CFA Society of Seattle , the CFA Institute, and the Northwest Bond Club. He also is a member of the Investment Committee for the Bertschi School in Seattle.

Touk Sinantha, CFA, Vice President & Principal, equity shareholder, 14 years investment experience, is a member of the firm's investment committee with portfolio management responsibilities for both equity and fixed income clients. She joined GW Capital in 2008 from Members Capital Advisors in Wisconsin where she served as a Senior Research Analyst for over two years. Prior to Members Capital, Touk spent five years as a buy-side analyst at Ariel Investments in Chicago. Ms. Sinantha holds an M.B.A. from the University of Chicago and a B.A. from Western Washington University. Ms. Sinantha earned her CFA and is a member of the CFA Institute. She is also currently on the Investment Advisory Board of Western Washington University's College of Business and Economics Investment Management and Scholarship Fund.

Guy Watanabe, President and Founder of GW Capital, majority shareholder, has 36 years investment experience. Mr. Watanabe is a member of the firm's investment committee with portfolio management responsibilities for both equity and fixed income clients and leads the firm's Executive Management Team. Mr. Watanabe began his career in 1976 at one of the Northwest's largest investment-management firms at the time, Kennedy Associates. As a Vice President and shareholder, he had direct responsibility for portfolio management and research analysis of equity and fixed income instruments. His clients included institutional pension and profit sharing plans as well as charitable endowment and trust funds. Mr. Watanabe's long-standing client relations and excellent performance record enabled him to found GW Capital, and to continue his record of service. Mr. Watanabe received his M.B.A. in Finance and B.A. in Business Administration from the University of Puget Sound. He is active in the investment community as reflected by his membership in the CFA Society of Seattle and the CFA Institute. He is also on the Board of Trustees for the University of Puget Sound and the Board of Trustees for the Japanese American National Museum in Los Angeles.