



# GARCIA HAMILTON & ASSOCIATES

Presented by:

*Janna Hamilton*  
Partner

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## *City of Ormond Beach General Employees' Pension Plan*

August 14, 2015

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# Fixed Income Goal & Philosophy

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## *Investment Goal*

Our goal is to outperform our benchmarks, net of fees, over a full market cycle using a high quality strategy with less risk and low turnover.

## *Investment Philosophy*

Superior and consistent investment results come from core principles:

- Preserve Principal
- Maintain Liquidity
- Provide High Current Income

# City of Ormond Beach General Employees' Pension Plan

June 30, 2015

## PORTFOLIO COMPOSITION

## CHANGE IN PORTFOLIO

	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Yield</u>		
EQUITIES	0.00	0.0	0.0	Portfolio Value on 03-31-01	10,873,145.62
FIXED INCOME	13,388,043.41	99.0	2.1	Accrued Interest	34,905.86
CASH & EQUIVALENTS	138,172.20	1.0	0.0	Net Additions/Withdrawals	3,856,432.80
				Net Transfers	-6,459,088.35
				Realized Gains/Losses	-307,969.44
				Unrealized Gains/Losses	334,032.83
				Income Received	5,120,139.80
				Change in Accrued Interest	74,616.49
				Portfolio Value on 06-30-15	13,416,693.27
				Accrued Interest	109,522.35
<b>Total</b>	<b>13,526,215.61</b>	<b>100.0</b>	<b>2.0</b>		<b>13,526,215.61</b>

## TIME WEIGHTED RETURN

	<u>Quarter</u>	<u>Fiscal 09-30-14 YTD</u>	<u>One Year</u>	<u>Annualized Last 3 Years</u>	<u>Annualized Last 5 Years</u>	<u>Annualized Last 10 Years</u>	<u>Annualized Inception 03-31-01 To Date</u>
<b>Account</b>	<b>-1.0</b>	<b>1.9</b>	<b>2.1</b>	<b>3.6</b>	<b>4.4</b>	<b>5.7</b>	<b>N/A</b>
<b>FIXED INCOME</b>	<b>-1.1</b>	<b>1.9</b>	<b>2.1</b>	<b>3.7</b>	<b>4.5</b>	<b>5.8</b>	<b>5.9</b>
Barclays Capital Int Gov/Credit	-0.6	1.7	1.7	1.6	2.8	4.0	4.5

Note: Account inception 3/31/01 with balanced mandate. Effective 10/1/03 mandate changed to fixed income.



We urge you to compare account statements that you receive from us with the account statements that you receive from your custodian. Past performance is no guarantee of future results. See disclosures for other relevant information. Client Use Only.

# 2<sup>nd</sup> Quarter 2015 Fixed Income Market Commentary

June 30, 2015

- The recent surge in bond yields probably surprised and disturbed many FOMC members, leading to more cautious projections and comments from the Committee at the June meeting relative to previous meetings. While a rate increase in 2015 is still possible, subsequent increases might be more gradual than markets had been assuming.
- In the economy, despite the solid increases in the pace of sales of single family homes and the best increase in consumer spending since 2009, inflation remains subdued. The recent reading of the Fed's preferred inflation measure, the core PCE deflator, showed a year-over-year increase of only 1.2%. Because inflation is still well below their target of 2%, most FOMC members believe the eventual rise in the fed funds rate can be very gradual.
- The 10-year Treasury yield increased 40 basis points to end the quarter at 2.33%. The two-year yield rose 8 basis points to 0.63%, while the 30-year Treasury yield increased 56 basis points to 3.11%. These moves caused the 2-30-year yield spread to steepen to 248 basis points.
- Due to the rise in rates, the bond market delivered negative performance for the quarter with a return on the Barclays Capital Aggregate Index of -1.68% and a return on the Barclays Capital Intermediate Government Credit Index of -0.62%.
- Spread product was mixed this quarter with three of the four sectors providing modest positive excess returns. Asset-backed securities were the leader with an excess return of 21 basis points, followed by agencies and mortgage-backed securities with excess returns of 19 basis points and 5 basis points, respectively. Corporate bonds disappointed this quarter with a negative excess return of -87 basis points.
- Our duration remains longer than the benchmark index, and we remain underweight corporate bonds versus the index. In the short term, we continue to believe rates will remain range bound with a bias lower.

# Current Fixed Income Market Factors

June 30, 2015

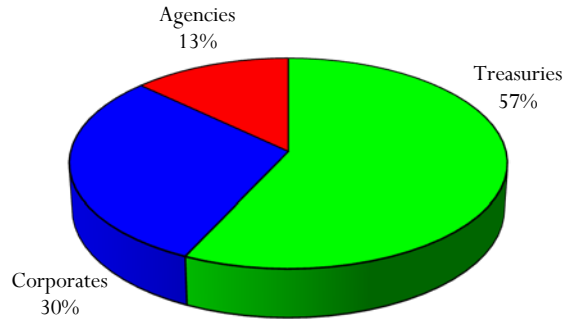
Factor		Position
<b>Sentiment</b>	Our composite model of sentiment shows that most market participants are positioned neutral relative to their benchmarks.	<b>Neutral</b>
<b>Monetary</b>	Despite unprecedented actions by the Federal Reserve to ease monetary policy, real money supply growth remains stable near long-term trend levels.	<b>Neutral</b>
<b>Valuation</b>	The 10-year Treasury yield is above our model's 1.69% estimate of fair value.	<b>Positive</b>
<b>Economic</b>	Liquidity measures continue to decelerate, suggesting growth will slow over the next three to six months. Recent manufacturing reports have confirmed this.	<b>Positive</b>
<b>Inflation</b>	Inflation expectations remain extraordinarily stable at relatively low levels.	<b>Positive</b>

# Fixed Income Portfolio Characteristics

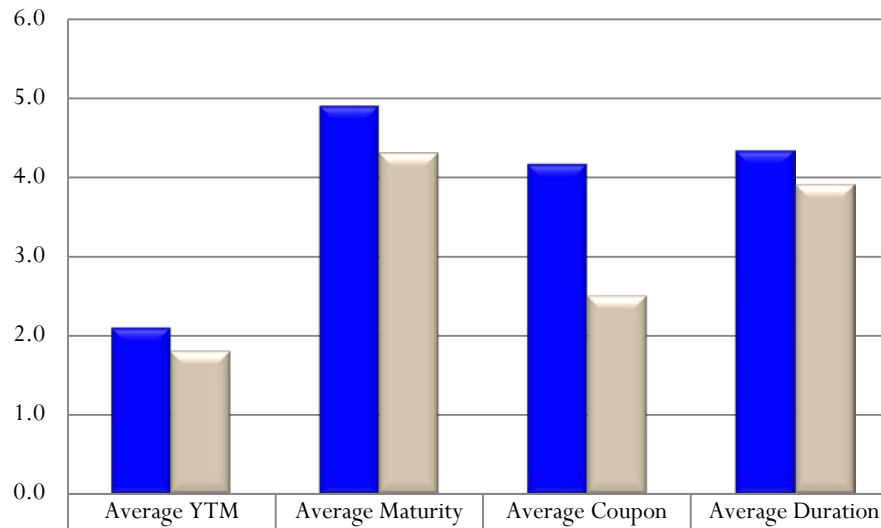
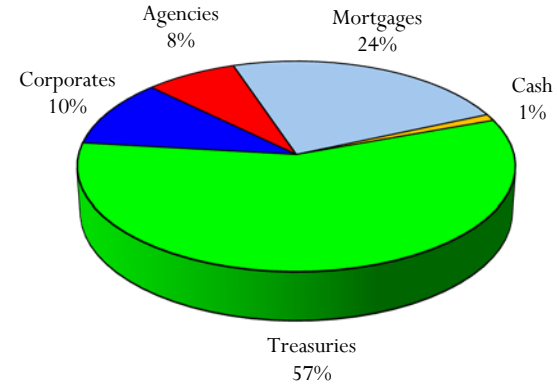
City of Ormond Beach General Employees' Pension Plan

June 30, 2015

## Barclays Capital Int. Govt./Credit



## Portfolio



	Average YTM	Average Maturity	Average Coupon	Average Duration
■ Portfolio	2.1	4.9	4.2	4.3
■ Barclays Capital Int. Govt./Credit	1.8	4.3	2.5	3.9



The characteristics shown are those of an actual portfolio that is representative of this strategy at a particular point in time. Individual portfolio characteristics may vary depending on the date shown as well as client-imposed restrictions, cash flows, etc. This information is supplemental to the Fixed Income Intermediate Composite Disclosure Statement in the Appendix.

# Portfolio Review

GARCIA HAMILTON & ASSOCIATES  
**PORTFOLIO SUMMARY**  
***CITY OF ORMOND BEACH GENERAL EMPLOYEES' PENSION PLAN-FIXED***  
***(3250000311)***  
*ormondgf*  
*June 30, 2015*

<u>Security Type</u>	<u>Total Cost</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Yield</u>	<u>Est. Annual Income</u>
<b>FIXED INCOME</b>					
CORPORATE BONDS	1,393,914.60	1,393,979.32	10.3	3.3	60,277.30
GOVERNMENT BONDS					
TREASURY	7,696,771.13	7,685,487.58	56.8	2.0	241,418.75
AGENCY - NONCALLABLE	717,302.78	690,493.90	5.1	0.7	19,812.50
AGENCY - CALLABLE	333,337.35	329,638.72	2.4	1.2	6,500.00
GOVERNMENT BONDS	<u>8,747,411.26</u>	<u>8,705,620.20</u>	<u>64.4</u>	<u>1.9</u>	<u>267,731.25</u>
MORTGAGE-BACKED SECURITIES-FNMA	1,886,473.67	1,896,647.01	14.0	2.2	91,195.97
MORTGAGE-BACKED SECURITIES-FHLMC	1,277,852.16	1,282,274.53	9.5	2.0	63,702.23
Accrued Interest		109,522.35	0.8		
	<u>13,305,651.69</u>	<u>13,388,043.41</u>	<u>99.0</u>	<u>2.1</u>	<u>482,906.74</u>
<b>CASH &amp; EQUIVALENTS</b>					
CASH & EQUIVALENTS	138,172.20	138,172.20	1.0	0.0	27.63
	<u>138,172.20</u>	<u>138,172.20</u>	<u>1.0</u>	<u>0.0</u>	<u>27.63</u>
<b>TOTAL PORTFOLIO</b>	<b>13,443,823.89</b>	<b>13,526,215.61</b>	<b>100.0</b>	<b>2.0</b>	<b>482,934.38</b>

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GARCIA HAMILTON & ASSOCIATES  
 PORTFOLIO APPRAISAL  
 CITY OF ORMOND BEACH GENERAL EMPLOYEES' PENSION PLAN-FIXED (3250000311)  
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 June 30, 2015

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
<b>CORPORATE BONDS</b>									
160,000	Morgan Stanley 5.750% Due 01-25-21	110.23	176,368.71	113.93	182,290.56	1.3	5.750	9,200.00	3.0
155,000	Goldman Sachs 5.250% Due 07-27-21	113.46	175,868.45	111.05	172,130.29	1.3	5.250	8,137.50	3.2
115,000	General Electric Cap. 4.650% Due 10-17-21	112.02	128,817.36	109.57	126,000.32	0.9	4.650	5,347.50	3.0
135,000	Citigroup 4.500% Due 01-14-22	105.44	142,342.65	107.72	145,416.33	1.1	4.500	6,075.00	3.2
110,000	Bank of America 5.700% Due 01-24-22	115.21	126,733.99	113.52	124,867.71	0.9	5.700	6,270.00	3.4
170,000	Wells Fargo Sub 3.450% Due 02-13-23	99.74	169,557.21	99.46	169,079.45	1.3	3.450	5,865.00	3.5
110,000	Metlife Inc. 4.368% Due 09-15-23	104.68	115,151.74	106.37	117,004.25	0.9	4.368	4,804.80	3.5
100,000	Wyeth LLC 6.450% Due 02-01-24	124.85	124,851.00	123.42	123,415.10	0.9	6.450	6,450.00	3.3
110,000	IBM Corp 3.625% Due 02-12-24	102.92	113,213.10	101.28	111,407.23	0.8	3.625	3,987.50	3.5
120,000	Apple Inc 3.450% Due 05-06-24	100.84	121,010.40	101.97	122,368.08	0.9	3.450	4,140.00	3.2
	Accrued Interest				21,273.44	0.2			
			1,393,914.60		1,415,252.76	10.5		60,277.30	3.3
<b>GOVERNMENT BONDS</b>									
<b>TREASURY</b>									
1,265,000	U S Treasury 8.125% Due 08-15-21	139.87	1,769,300.52	136.17	1,722,574.53	12.7	8.125	102,781.25	1.9
1,690,000	U S Treasury 2.000% Due 11-15-21	98.58	1,665,952.37	100.18	1,693,036.93	12.5	2.000	33,800.00	2.0
1,645,000	U S Treasury 2.000% Due 02-15-22	101.25	1,665,517.12	99.98	1,644,743.38	12.2	2.000	32,900.00	2.0
1,825,000	U S Treasury 1.750% Due 05-15-22	95.56	1,744,018.65	98.07	1,789,782.97	13.2	1.750	31,937.50	2.1
640,000	U S Treasury 6.250% Due 08-15-23	133.12	851,982.47	130.52	835,349.76	6.2	6.250	40,000.00	2.1
	Accrued Interest				73,733.68	0.5			
			7,696,771.13		7,759,221.26	57.4		241,418.75	2.0

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 PORTFOLIO APPRAISAL  
 CITY OF ORMOND BEACH GENERAL EMPLOYEES' PENSION PLAN-FIXED (3250000311)  
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 June 30, 2015

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
<b>AGENCY - NONCALLABLE</b>									
275,000	FHLMC Sub	115.12	316,577.89	105.24	289,415.50	2.1	5.750	15,812.50	0.4
	5.750% Due 06-27-16								
400,000	FNMA	100.18	400,724.89	100.27	401,078.40	3.0	1.000	4,000.00	0.9
	1.000% Due 09-20-17								
	Accrued Interest				1,242.88	0.0			
			717,302.78		691,736.78	5.1		19,812.50	0.7
<b>AGENCY - CALLABLE</b>									
325,000	FNMA Callable	102.57	333,337.35	101.43	329,638.72	2.4	2.000	6,500.00	1.2
	2.000% Due 05-16-17								
	Accrued Interest				794.44	0.0			
			333,337.35		330,433.17	2.4		6,500.00	1.2
	<b>GOVERNMENT BONDS Total</b>		8,747,411.26		8,781,391.21	64.9		267,731.25	1.9
<b>MORTGAGE-BACKED SECURITIES-FNMA</b>									
2,685,000.00	FNMA Pool #889716	108.43	248,172.39	109.11	249,748.68	1.8	5.500	12,588.72	2.0
	5.500% Due 10-01-22								
2,555,000.00	FNMA Pool #956125	108.62	71,718.73	108.19	71,439.50	0.5	5.500	3,631.63	3.3
	5.500% Due 10-01-22								
3,440,000.00	FNMA Pool #889390	108.20	218,505.68	110.38	222,908.67	1.6	6.000	12,117.24	1.8
	6.000% Due 03-01-23								
1,550,000.00	FNMA Pool #962367	107.32	192,807.78	108.47	194,876.90	1.4	5.000	8,983.15	2.3
	5.000% Due 03-01-23								
3,383,000.00	FNMA Pool #257502	108.98	217,067.07	107.76	214,652.50	1.6	5.500	10,955.32	2.3
	5.500% Due 12-01-23								
900,000.00	FNMA Pool #AL0302	108.28	193,547.99	108.47	193,883.59	1.4	5.000	8,937.28	2.3
	5.000% Due 04-01-24								
595,000.00	FNMA Pool #932463	107.63	160,820.31	108.51	162,142.73	1.2	5.000	7,471.33	2.7
	5.000% Due 02-01-25								
1,886,242.00	FNMA Pool #257595	109.03	161,745.03	110.31	163,642.71	1.2	5.000	7,417.67	2.4
	5.000% Due 03-01-29								
950,000.00	FNMA Pool #AL0289	110.53	422,088.69	110.86	423,351.73	3.1	5.000	19,093.64	2.0
	5.000% Due 05-01-31								
	Accrued Interest				7,346.34	0.1			
			1,886,473.67		1,903,993.35	14.1		91,195.97	2.2
<b>MORTGAGE-BACKED SECURITIES-FHLMC</b>									
535,000.00	FHLMC Pool #G11953	105.41	42,570.99	107.28	43,327.37	0.3	5.500	2,221.27	2.0
	5.500% Due 06-01-20								

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 June 30, 2015

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
2,570,000.00	FHLMC Pool #J05894 5.500% Due 02-01-21	106.98	87,359.65	108.63	88,710.72	0.7	5.500	4,491.48	2.0
1,624,915.00	FHLMC Pool #J05928 5.500% Due 03-01-21	106.88	89,085.12	107.98	90,004.64	0.7	5.500	4,584.25	1.9
2,585,000.00	FHLMC Pool #G12392 5.500% Due 09-01-21	108.93	184,996.60	108.77	184,733.10	1.4	5.500	9,340.76	2.0
1,860,000.00	FHLMC Pool #G12444 6.000% Due 10-01-21	108.73	117,585.61	109.14	118,025.10	0.9	6.000	6,488.58	1.7
4,145,000.00	FHLMC Pool #G13174 5.000% Due 06-01-23	108.88	342,213.02	108.36	340,568.69	2.5	5.000	15,715.12	2.1
1,925,000.00	FHLMC Pool #G13432 5.500% Due 01-01-24	109.38	194,942.13	109.69	195,512.47	1.4	5.500	9,802.80	1.5
1,070,000.00	FHLMC Pool #G14014 5.500% Due 12-01-24	108.98	219,099.04	110.12	221,392.42	1.6	5.500	11,057.96	2.5
	Accrued Interest				5,131.57	0.0			
			1,277,852.16		1,287,406.10	9.5		63,702.23	2.0
<b>CASH &amp; EQUIVALENTS</b>									
	Regions Trust Cash Sweep		138,172.20		138,172.20	1.0	0.020	27.63	0.0
			138,172.20		138,172.20	1.0		27.63	0.0
<b>TOTAL PORTFOLIO</b>			13,443,823.89		13,526,215.61	100.0		482,934.38	2.0

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GARCIA HAMILTON & ASSOCIATES  
*PURCHASE AND SALE*  
**CITY OF ORMOND BEACH GENERAL EMPLOYEES' PENSION PLAN-FIXED**  
**(3250000311)**  
**ormondgf**  
From 04-01-15 To 06-30-15

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
<b>PURCHASES</b>					
04-02-2015	04-07-2015	100,000	U S Treasury 6.250% Due 08-15-23	135.06	135,062.50
04-08-2015	04-10-2015	25,000	U S Treasury 6.250% Due 08-15-23	134.95	33,738.28
04-14-2015	04-16-2015	110,000	U S Treasury 6.250% Due 08-15-23	135.29	148,817.97
04-29-2015	05-01-2015	70,000	U S Treasury 6.250% Due 08-15-23	133.59	93,515.63
05-12-2015	05-15-2015	100,000	Wyeth LLC 6.450% Due 02-01-24	124.85	124,851.00
05-18-2015	05-20-2015	50,000	U S Treasury 6.250% Due 08-15-23	131.91	65,953.13
06-04-2015	06-08-2015	40,000	U S Treasury 6.250% Due 08-15-23	130.93	52,371.88
06-11-2015	06-15-2015	155,000	U S Treasury 6.250% Due 08-15-23	130.08	201,627.77
					855,938.16
<b>SALES</b>					
04-02-2015	04-07-2015	135,000	FNMA Callable 2.000% Due 05-16-17	101.50	137,025.00
04-08-2015	04-10-2015	35,000	Wells Fargo Sub 3.450% Due 02-13-23	102.78	35,973.70
04-11-2015	04-11-2015	105,000	AFLAC Inc. 8.500% Due 05-15-19	127.12	133,480.20
05-12-2015	05-15-2015	120,000	PNC Funding Corp 3.300% Due 03-08-22	102.65	123,186.00

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*PURCHASE AND SALE*  
**CITY OF ORMOND BEACH GENERAL EMPLOYEES' PENSION PLAN-FIXED**  
**(3250000311)**  
**ormondgf**  
From 04-01-15 To 06-30-15

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
06-11-2015	06-15-2015	200,000	FNMA 1.000% Due 09-20-17	100.07	200,138.00
					629,802.90
<b>PRINCIPAL PAYDOWNS</b>					
04-01-2015	04-01-2015	1,311.95	FHLMC Pool #G11953 5.500% Due 06-01-20	100.00	1,311.93
04-01-2015	04-01-2015	4,936.64	FHLMC Pool #G12392 5.500% Due 09-01-21	100.00	4,936.63
04-01-2015	04-01-2015	1,230.17	FHLMC Pool #G12444 6.000% Due 10-01-21	100.00	1,230.16
04-01-2015	04-01-2015	1,132.15	FHLMC Pool #G12444 6.000% Due 10-01-21	100.00	1,132.14
04-01-2015	04-01-2015	2,261.53	FHLMC Pool #G12444 6.000% Due 10-01-21	100.00	2,261.53
04-01-2015	04-01-2015	8,654.35	FHLMC Pool #G13174 5.000% Due 06-01-23	100.00	8,654.35
04-01-2015	04-01-2015	5,035.92	FHLMC Pool #G13432 5.500% Due 01-01-24	100.00	5,035.92
04-01-2015	04-01-2015	5,077.08	FHLMC Pool #G14014 5.500% Due 12-01-24	100.00	5,077.06
04-01-2015	04-01-2015	286.94	FHLMC Pool #J05894 5.500% Due 02-01-21	100.00	286.95
04-01-2015	04-01-2015	289.88	FHLMC Pool #J05894 5.500% Due 02-01-21	100.00	289.88
04-01-2015	04-01-2015	590.46	FHLMC Pool #J05894 5.500% Due 02-01-21	100.00	590.46
04-01-2015	04-01-2015	1,536.07	FHLMC Pool #J05928 5.500% Due 03-01-21	100.00	1,536.08
04-01-2015	04-01-2015	1,233.96	FHLMC Pool #J05928 5.500% Due 03-01-21	100.00	1,233.97

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*PURCHASE AND SALE*  
**CITY OF ORMOND BEACH GENERAL EMPLOYEES' PENSION PLAN-FIXED**  
**(3250000311)**  
**ormondgf**  
From 04-01-15 To 06-30-15

<b>Trade Date</b>	<b>Settle Date</b>	<b>Quantity</b>	<b>Security</b>	<b>Unit Price</b>	<b>Amount</b>
04-01-2015	04-01-2015	2,356.85	FHLMC Pool #J05928 5.500% Due 03-01-21	100.00	2,356.85
04-01-2015	04-01-2015	9,292.12	FNMA Pool #257502 5.500% Due 12-01-23	100.00	9,292.12
04-01-2015	04-01-2015	5,356.03	FNMA Pool #257595 5.000% Due 03-01-29	100.00	5,356.04
04-01-2015	04-01-2015	1,343.69	FNMA Pool #889390 6.000% Due 03-01-23	100.00	1,343.68
04-01-2015	04-01-2015	1,311.04	FNMA Pool #889390 6.000% Due 03-01-23	100.00	1,311.03
04-01-2015	04-01-2015	2,654.72	FNMA Pool #889390 6.000% Due 03-01-23	100.00	2,654.72
04-01-2015	04-01-2015	398.32	FNMA Pool #889716 5.500% Due 10-01-22	100.00	398.33
04-01-2015	04-01-2015	1,397.48	FNMA Pool #889716 5.500% Due 10-01-22	100.00	1,397.49
04-01-2015	04-01-2015	6,517.61	FNMA Pool #889716 5.500% Due 10-01-22	100.00	6,517.61
04-01-2015	04-01-2015	2,048.97	FNMA Pool #932463 5.000% Due 02-01-25	100.00	2,048.97
04-01-2015	04-01-2015	480.21	FNMA Pool #956125 5.500% Due 10-01-22	99.99	480.17
04-01-2015	04-01-2015	163.33	FNMA Pool #956125 5.500% Due 10-01-22	99.99	163.32
04-01-2015	04-01-2015	221.66	FNMA Pool #956125 5.500% Due 10-01-22	100.00	221.66
04-01-2015	04-01-2015	1,802.85	FNMA Pool #962367 5.000% Due 03-01-23	100.00	1,802.84
04-01-2015	04-01-2015	7,248.09	FNMA Pool #AL0289 5.000% Due 05-01-31	100.00	7,248.08

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**CITY OF ORMOND BEACH GENERAL EMPLOYEES' PENSION PLAN-FIXED**  
**(3250000311)**  
**ormondgf**  
From 04-01-15 To 06-30-15

<b>Trade Date</b>	<b>Settle Date</b>	<b>Quantity</b>	<b>Security</b>	<b>Unit Price</b>	<b>Amount</b>
04-01-2015	04-01-2015	4,679.14	FNMA Pool #AL0302 5.000% Due 04-01-24	100.00	4,679.14
05-01-2015	05-01-2015	1,361.16	FHLMC Pool #G11953 5.500% Due 06-01-20	100.00	1,361.16
05-01-2015	05-01-2015	4,115.63	FHLMC Pool #G12392 5.500% Due 09-01-21	100.00	4,115.63
05-01-2015	05-01-2015	1,661.04	FHLMC Pool #G12444 6.000% Due 10-01-21	100.00	1,661.04
05-01-2015	05-01-2015	1,528.69	FHLMC Pool #G12444 6.000% Due 10-01-21	100.00	1,528.69
05-01-2015	05-01-2015	7,196.38	FHLMC Pool #G13174 5.000% Due 06-01-23	100.00	7,196.38
05-01-2015	05-01-2015	5,492.18	FHLMC Pool #G13432 5.500% Due 01-01-24	100.00	5,492.18
05-01-2015	05-01-2015	4,660.88	FHLMC Pool #G14014 5.500% Due 12-01-24	100.00	4,660.88
05-01-2015	05-01-2015	582.91	FHLMC Pool #J05894 5.500% Due 02-01-21	100.00	582.91
05-01-2015	05-01-2015	588.88	FHLMC Pool #J05894 5.500% Due 02-01-21	100.00	588.88
05-01-2015	05-01-2015	901.97	FHLMC Pool #J05928 5.500% Due 03-01-21	100.00	901.97
05-01-2015	05-01-2015	724.57	FHLMC Pool #J05928 5.500% Due 03-01-21	100.00	724.57
05-01-2015	05-01-2015	2,396.15	FNMA Pool #257502 5.500% Due 12-01-23	100.00	2,396.15
05-01-2015	05-01-2015	5,925.84	FNMA Pool #257595 5.000% Due 03-01-29	100.00	5,925.84
05-01-2015	05-01-2015	2,859.48	FNMA Pool #889390 6.000% Due 03-01-23	100.00	2,859.48

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From 04-01-15 To 06-30-15

<b>Trade Date</b>	<b>Settle Date</b>	<b>Quantity</b>	<b>Security</b>	<b>Unit Price</b>	<b>Amount</b>
05-01-2015	05-01-2015	2,790.00	FNMA Pool #889390 6.000% Due 03-01-23	100.00	2,790.00
05-01-2015	05-01-2015	1,416.07	FNMA Pool #889716 5.500% Due 10-01-22	100.00	1,416.07
05-01-2015	05-01-2015	4,968.14	FNMA Pool #889716 5.500% Due 10-01-22	100.00	4,968.14
05-01-2015	05-01-2015	1,708.42	FNMA Pool #932463 5.000% Due 02-01-25	100.00	1,708.42
05-01-2015	05-01-2015	686.60	FNMA Pool #956125 5.500% Due 10-01-22	100.00	686.60
05-01-2015	05-01-2015	233.53	FNMA Pool #956125 5.500% Due 10-01-22	100.00	233.53
05-01-2015	05-01-2015	7,334.00	FNMA Pool #962367 5.000% Due 03-01-23	100.00	7,334.00
05-01-2015	05-01-2015	1,587.21	FNMA Pool #AL0289 5.000% Due 05-01-31	100.00	1,587.21
05-01-2015	05-01-2015	5,249.36	FNMA Pool #AL0302 5.000% Due 04-01-24	100.00	5,249.36
06-01-2015	06-01-2015	994.38	FHLMC Pool #G11953 5.500% Due 06-01-20	100.00	994.38
06-01-2015	06-01-2015	4,364.69	FHLMC Pool #G12392 5.500% Due 09-01-21	100.00	4,364.69
06-01-2015	06-01-2015	1,877.39	FHLMC Pool #G12444 6.000% Due 10-01-21	100.00	1,877.39
06-01-2015	06-01-2015	1,727.79	FHLMC Pool #G12444 6.000% Due 10-01-21	100.00	1,727.79
06-01-2015	06-01-2015	10,491.16	FHLMC Pool #G13174 5.000% Due 06-01-23	100.00	10,491.16
06-01-2015	06-01-2015	4,311.65	FHLMC Pool #G13432 5.500% Due 01-01-24	100.00	4,311.65



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From 04-01-15 To 06-30-15

<b>Trade Date</b>	<b>Settle Date</b>	<b>Quantity</b>	<b>Security</b>	<b>Unit Price</b>	<b>Amount</b>
06-01-2015	06-01-2015	4,169.68	FHLMC Pool #G14014 5.500% Due 12-01-24	100.00	4,169.68
06-01-2015	06-01-2015	2,605.35	FHLMC Pool #J05894 5.500% Due 02-01-21	100.00	2,605.35
06-01-2015	06-01-2015	2,632.00	FHLMC Pool #J05894 5.500% Due 02-01-21	100.00	2,632.00
06-01-2015	06-01-2015	946.44	FHLMC Pool #J05928 5.500% Due 03-01-21	100.00	946.44
06-01-2015	06-01-2015	760.29	FHLMC Pool #J05928 5.500% Due 03-01-21	100.00	760.29
06-01-2015	06-01-2015	19,082.42	FNMA Pool #257502 5.500% Due 12-01-23	100.00	19,082.42
06-01-2015	06-01-2015	1,854.74	FNMA Pool #257595 5.000% Due 03-01-29	100.00	1,854.74
06-01-2015	06-01-2015	2,840.57	FNMA Pool #889390 6.000% Due 03-01-23	100.00	2,840.57
06-01-2015	06-01-2015	2,771.55	FNMA Pool #889390 6.000% Due 03-01-23	100.00	2,771.55
06-01-2015	06-01-2015	1,318.95	FNMA Pool #889716 5.500% Due 10-01-22	100.00	1,318.95
06-01-2015	06-01-2015	4,627.41	FNMA Pool #889716 5.500% Due 10-01-22	100.00	4,627.41
06-01-2015	06-01-2015	6,481.68	FNMA Pool #932463 5.000% Due 02-01-25	100.00	6,481.68
06-01-2015	06-01-2015	661.34	FNMA Pool #956125 5.500% Due 10-01-22	100.00	661.34
06-01-2015	06-01-2015	224.94	FNMA Pool #956125 5.500% Due 10-01-22	100.00	224.94
06-01-2015	06-01-2015	1,680.57	FNMA Pool #962367 5.000% Due 03-01-23	100.00	1,680.57

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 From 04-01-15 To 06-30-15

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
06-01-2015	06-01-2015	10,014.97	FNMA Pool #AL0289 5.000% Due 05-01-31	100.00	10,014.97
06-01-2015	06-01-2015	4,697.24	FNMA Pool #AL0302 5.000% Due 04-01-24	100.00	4,697.24
					237,955.40

We urge you to compare account statements that you receive from us with the account statements that you receive from your custodian.

# Client Report Disclosures

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## **PERFORMANCE DATA**

Performance data represents historically achieved results for a client's portfolio(s), and is no guarantee of future performance. The market or economic conditions during this period may or may not be repeated. There may be differences between the performance shown and the performance results achieved by any other client retaining Garcia Hamilton for the same investment strategy. Benchmark results are shown for comparison purposes only. The benchmark represents an unmanaged portfolio with characteristics which are similar to the portfolio(s). The returns of the benchmark do not include any transaction costs, management fees or other costs. The holdings in the client's portfolio(s) may differ significantly from the securities that comprise the benchmark shown. The benchmark has been selected by the client as an appropriate benchmark with which to compare the performance of the portfolio(s).