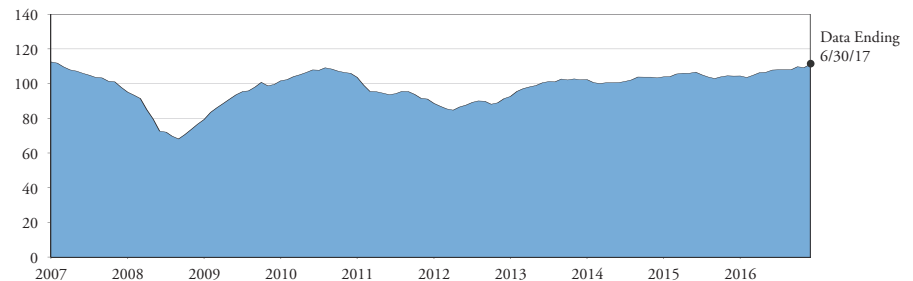


## City of Ormond Beach General Employees Pension - International Equity Portfolio

Although markets were not as strong as the first quarter, global equities generally moved higher amidst a backdrop of better global growth. The June 2017 outlook from the Organization for Economic Cooperation and Development (OECD) predicts world real Gross Domestic Product (GDP) growth of 3.5% in 2017 and 3.6% in the following year. Furthermore, the unemployment rate among the 35 OECD countries continues to fall and is now below 6.5%, well off its 8.3% peak in 2010.

European equity indices were also buoyed by a market-friendly political result after Emmanuel Macron convincingly won the French presidential election, ushering in a pro-Europe agenda from one of the European Union's largest economies. Reflecting this increased optimism about the European economy, the June Eurozone Economic Sentiment Indicator (Chart 1) climbed to its highest level since August 2007 with higher readings from subcomponents including retail trade and consumer and business confidence. With encouraging signs of economic growth in Europe, European Central Bank (ECB) president Mario Draghi has hinted that the ECB may begin paring back its stimulus measures. This may include dialing down its quantitative easing policy, whereby the central bank

CHART 1: Eurozone Economic Sentiment Indicator<sup>(1)</sup> On the Rise

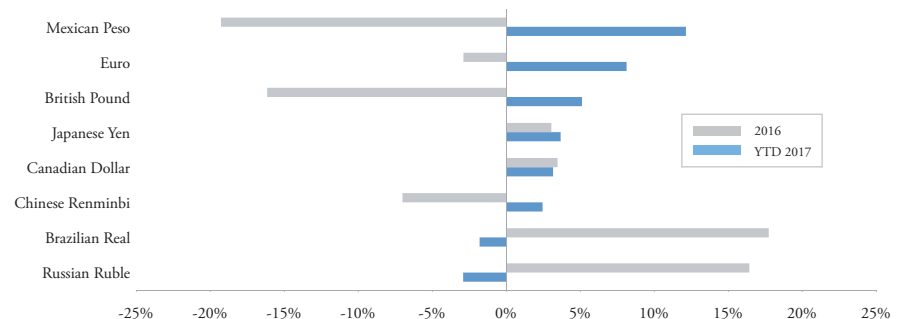


Data from 7/31/07-6/30/17

<sup>(1)</sup>The economic sentiment indicator is the weighted average of the industrial confidence indicator (40%), the services confidence indicator (30%), the consumer confidence indicator (20%), the construction confidence indicator (5%) and the retail trade confidence indicator (5%), seasonally adjusted.

Source: FactSet, EuroStat

CHART 2: Many Foreign Currencies Rally Against the U.S. Dollar  
Percentage Change versus U.S. Dollar



Data as of 6/30/17

Source: FactSet, WM Reuters

has been purchasing large quantities of bonds to keep interest rates low. Other countries such as the United Kingdom and Canada are also indicating they may reduce stimulus measures in the coming months. The U.S. economy is faring better, leading the U.S. Federal Reserve to raise its fed funds target rate by .25% in June and potentially scale back its own bond

purchases over the next six months. The U.S. GDP grew at a 1.4% annualized rate for the first three months of 2017, helped by higher consumer spending and exports.

Benefitting U.S. dollar-denominated investors this quarter was the strength of many foreign currencies relative to the dollar (Chart 2). The U.S. Dollar Index fell 4.9%, its weakest quarter

### MARKET VALUE SUMMARY

	Quarter Ending 6/30/17
Equities (\$)	\$2,174,208
Cash (\$)	\$37,788
<b>Total Portfolio (\$)</b>	<b>\$2,211,996</b>

### PORTFOLIO PERFORMANCE<sup>(1)</sup>

	Quarter Ending 6/30/17	Year-to-Date 6/30/17
<b>General Employees' Pension (net of</b>	<b>6.5%</b>	<b>16.9%</b>
MSCI ACWI ex US Index <sup>(2)</sup>	5.8%	14.1%

<sup>(1)</sup>Performance and Benchmark data sources: Renaissance Research, Bloomberg, MSCI

<sup>(2)</sup>Renaissance primary benchmark.

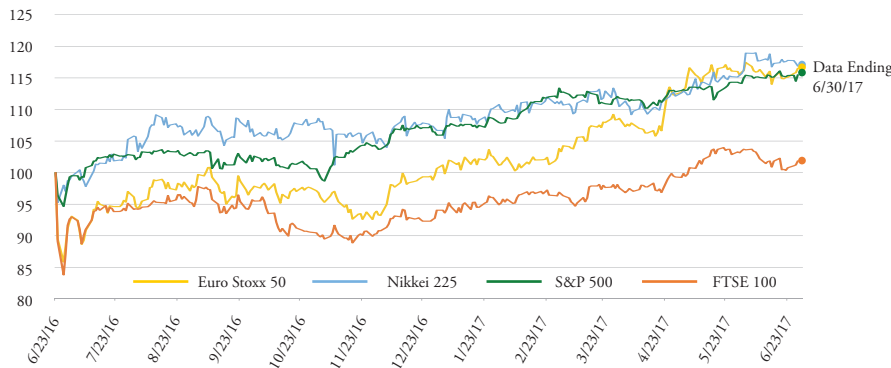
since the three months ending September 2010. After a Trump-related meltdown in 2016, the Mexican peso was the best-performing major currency versus the U.S. dollar, jumping over 12% in 2017 through June. The prospects of higher global interest rates and better economic growth

should provide support for many foreign currencies, providing further tailwinds for international investors.

U.K. Prime Minister Theresa May's snap election in June failed to produce a majority in Parliament, making the Brexit negotiations potentially more difficult. However, despite the

abundance of negative headlines surrounding Brexit, many equity markets, including those in Europe, have shrugged off the lingering uncertainty and pushed equity indices higher since the initial Brexit vote in June of 2016 (Chart 3). In the Asia Pacific region, Chinese markets got a boost from index provider MSCI, which decided to include over 200 mainland Chinese "A" shares in the MSCI indices. While the change will be phased in over time starting next year, the progress China is making in its financial markets further enhances its stature in the global investment landscape.

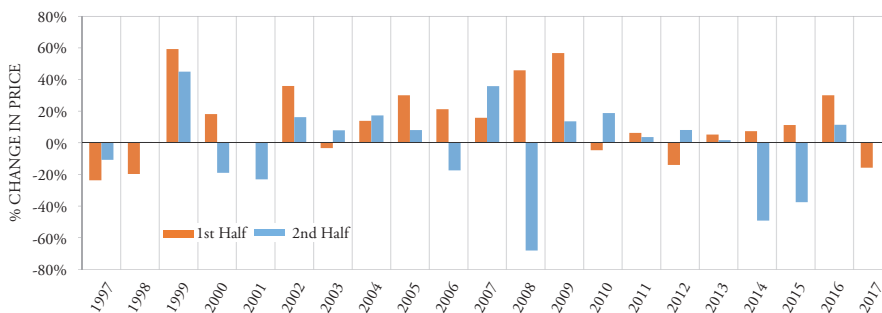
**CHART 3: Fears Have Subsided, Driving Index Returns Since Brexit**  
Indexed Returns in U.S. Dollars



6/23/16=100  
Data as of 6/30/17  
Source: Thomson Reuters Datastream/Fathom Consulting

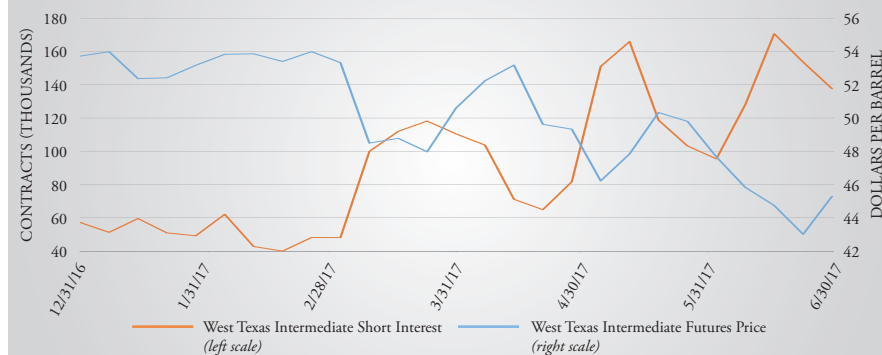
**CHARTS 4A and 4B:**

West Texas Intermediate (WTI) First Half Price Drop Largest Since 1998



Data as of 6/30/17  
Source: Commodity Research Bureau (CRB), Renaissance Research

Short Interest Rises as Crude Falls



Data as of 6/30/17  
Source: Bloomberg, U.S. Commodity Futures Trading Commission

Portfolio performance for the quarter was positive on both an absolute and relative basis. Our benchmark MSCI ACWI ex US Index added 5.8% with only the Energy sector holdings in the Index posting a negative return. Developed markets, as measured by the MSCI EAFE Index, gained 6.1% while the MSCI Emerging Markets Index added 6.3%. Year-to-date, emerging markets are up over 18% compared to the 14% gain in developed countries. Our best-contributing sector was Industrials, led by Irish-based low cost carrier **Ryanair** (RYAAY, +30%). The company announced positive earnings growth for its latest quarter, with lower fuel costs and increased traffic offsetting declining average airfares. Consumer Discretionary holdings in the portfolio added to returns, led by Chinese hotel operator **China Lodging** (HTHT, +30%) as growing demand for the company's four hotel brands continues to increase due to an expanding Chinese middle class and greater discretionary income.

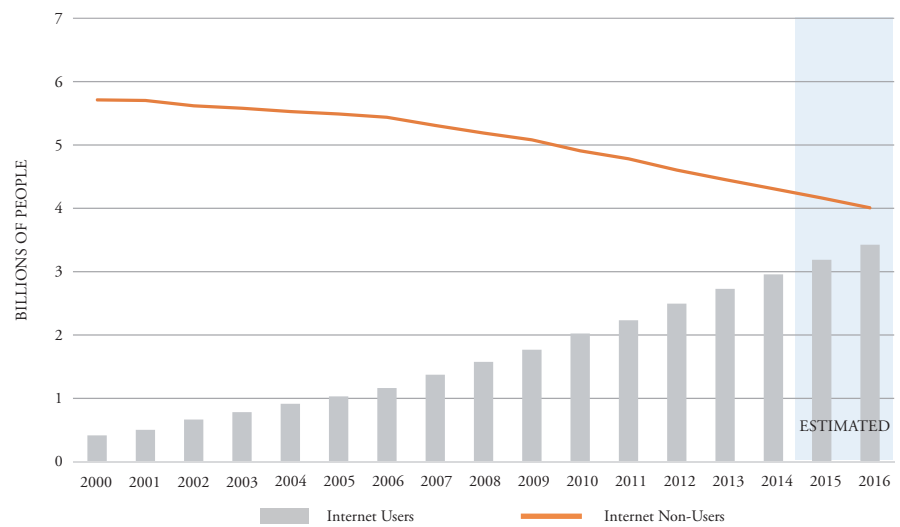
The strategy's worst-performing sector was Utilities. Our sole utility company, **Korea Electric Power** (KEP, -13%), struggled this quarter after announcing first-quarter earnings that were hurt by lower nuclear power utilization

and higher power purchasing costs. Our only energy stock in the portfolio, **Lukoil** (LUKOY, -8%), fell along with most other energy-related stocks. From a portfolio perspective, we are underweight in Energy relative to our benchmark as we believe the volume production cuts implemented by the Organization of the Petroleum Exporting Countries (OPEC) will continue to be offset by increased U.S. shale production, effectively keeping oil prices low. Short interest in crude oil futures, a bearish indicator, has risen since the beginning of the year, while crude oil prices experienced one of their worst returns for the first half of a calendar year since 1998 (Charts 4A and 4B).

One of our largest portfolio overweightings is in the Information Technology sector. With the growth of technology across almost all aspects of our daily lives, we believe the portfolio can benefit from exposure to companies in the semiconductor, software and electronic equipment industries, among others. As further evidence of the explosive growth in technology, Chart 5 shows how prevalent the use of the Internet has become. Soon there will be more people using the Internet than not using it, creating increasing opportunities for tech companies to capitalize on this growth.

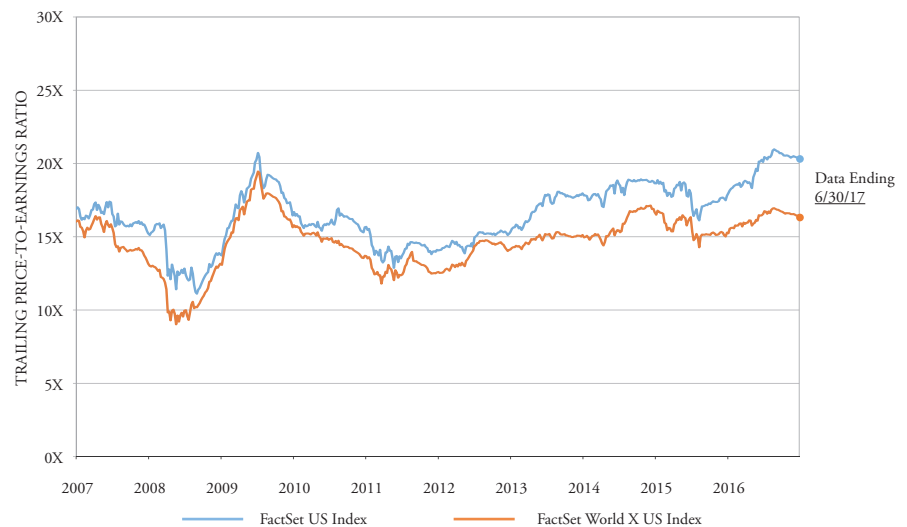
Country index returns were broadly positive across geographic regions. We enjoyed favorable stock selection in our developed market holdings, notably in Canada and Ireland. Canada was led by **Colliers International Group** (CIGI, +20%), while Ireland was helped by Ryanair Holdings (+30%). Negatively affecting our returns was stock selection in our emerging market holdings with Taiwan and South Korea detracting the most. **Advanced Semiconductor Engineering** (ASX, -3%) fell along with other chip-related shares, while negative returns from Korea Electric Power offset positive returns from our

**CHART 5: Connectivity to the Internet Continues to Grow**  
Worldwide Internet Users vs. Non-Users



Data as of July 2016  
Source: internetlivestats.com, Renaissance Research

**CHART 6: U.S. Markets More Expensive Than Rest of the World**



Data from 7/6/07-6/30/17  
Source: FactSet

two other South Korean holdings. While our emerging market exposure detracted from relative returns this quarter, year-to-date the portfolio has benefited from our exposure to emerging markets. We foresee maintaining our overweight to emerging markets due to their higher growth rates and attractive valuations.

There are definite positives investors can take into the last half of the year. Valuation of global markets favors non-U.S. stocks even

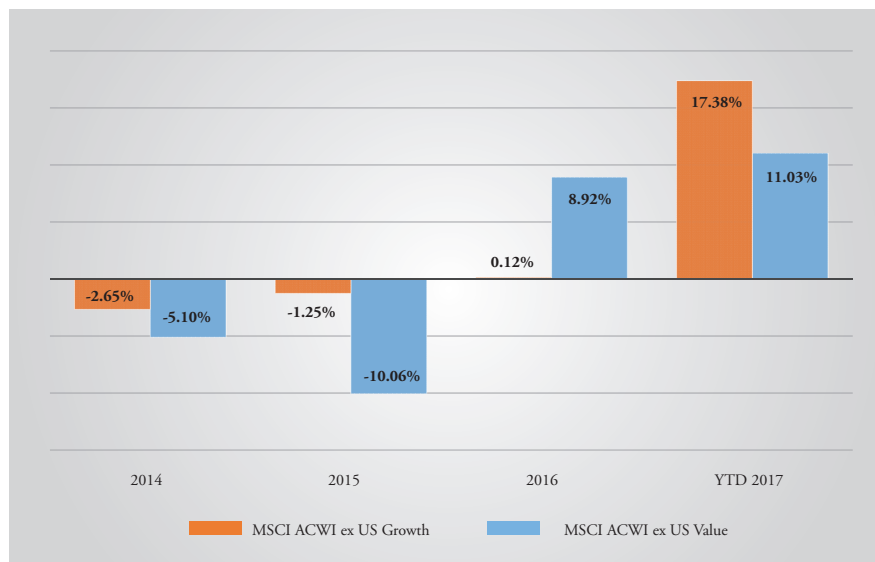
with the favorable outperformance of international stocks this year. As an example, the FactSet World x US Index trailing price-to-earnings ratio stands at a 19% discount to the FactSet US Index compared to an historical 11% discount over the previous ten years (Chart 6). As equity markets have been on an extended positive run, owning stocks with attractive valuations may help limit the downside if markets begin to falter. Foreign exchange headwinds, which had been

the bane of U.S.-based foreign market investors since 2013, have turned into tailwinds, and we foresee continued strength in foreign currencies.

A noticeable change in 2017 has been the outperformance of growth stocks versus value stocks (Chart 7). This marks the third consecutive year in which value and growth stocks have flip-flopped the pole position. Our strategy employs a Growth At a Reasonable Price (GARP) approach, meaning we focus on holdings with both value and growth characteristics, allowing us to take advantage of attractive stocks whether the market favors growth or value.

There are certainly risks to the market's upbeat tone including geopolitical uncertainty, terrorism and how deftly central bankers can control economic growth while keeping inflation in check. The U.S. economy is on firm footing, but the uncertainty surrounding the Trump administration and its ability to enact stimulus measures

CHART 7: Growth Stocks Outperforming Value in 2017



Data as of 6/30/17  
Source: MSCI, FactSet

remains a key unknown. The world's second largest economy, China, is facing potential leadership changes in the fall, but their economy is stable and will likely meet President Xi's 6.5% target GDP growth this year. In general,

we believe international markets are in a good position to continue their momentum into the last half of the year, and we will continue to actively manage the portfolio to take advantage of good investment opportunities.

Past performance is not indicative of future results. Performance for periods of less than a year is not annualized. All returns are shown in U.S. dollars unless otherwise stated. Individual securities and their returns listed in the commentary are based upon a representative account of the strategy discussed. The opinions stated in this presentation are those of the authors as of the date listed on this presentation and are subject to change at any time due to changes in market or economic conditions. Unless otherwise notified, Renaissance assumes our clients receive statements from their custodian at least quarterly and encourages them to compare the account balance included in this report with their custodial statement. If you do not receive statements from your custodian at least quarterly, or if you have any questions, please contact us immediately. Renaissance is neither a law firm nor an accounting firm, and no portion of its services should be construed as legal or accounting advice. Please remember that it remains your responsibility to advise your primary investment professional if there are any changes to your personal/financial situation, investment objectives or if you would like to add, delete or modify any reasonable restrictions to our investment advisory services. Please advise your primary investment professional to contact us with any updated instructions. A copy of our current written disclosure statement discussing our advisory services and fees is available upon request.

Portfolio Manager



Joe G. Bruening, CFA

Client Services



Mary C. Meiners

Portfolio Administrator



Steve M. Frakes

50 East RiverCenter Blvd., Suite 1200  
Covington, KY 41011

City of Ormond Beach General Employees Pension - International Equity Portfolio

Ticker	Security Description	Shares/Face	Unit Cost	Total Cost	Price	Market Value	% of Total Assets
<b>DEVELOPED</b>							
<b>Canada</b>							
CNI	Canadian National Railway	508	39.58	\$20,106	81.05	\$41,173	1.9%
CIGI	Colliers International	751	38.61	\$28,994	56.45	\$42,394	1.9%
MGA	Magna International	771	45.14	\$34,806	46.33	\$35,720	1.6%
MFC	Manulife Financial	1,946	18.35	\$35,702	18.76	\$36,507	1.7%
<b>TOTAL Canada</b>				<b>\$119,608</b>		<b>\$155,795</b>	<b>7.0%</b>
<b>Denmark</b>							
PANDY	Pandora	1,171	17.11	\$20,036	23.30	\$27,282	1.2%
VWDRY	Vestas Wind Systems	1,562	18.02	\$28,144	30.77	\$48,063	2.2%
<b>TOTAL Denmark</b>				<b>\$48,180</b>		<b>\$75,345</b>	<b>3.4%</b>
<b>France</b>							
ARKAY	Arkema	362	76.07	\$27,537	106.56	\$38,575	1.7%
CGEMY	Cap Gemini	2,140	12.93	\$27,661	20.64	\$44,167	2.0%
RNLSY	Renault	1,996	18.92	\$37,771	18.08	\$36,084	1.6%
SCRYY	SCOR	10,415	3.44	\$35,778	3.96	\$41,233	1.9%
VLEEE	Valeo	1,220	8.33	\$10,168	33.64	\$41,042	1.9%
<b>TOTAL France</b>				<b>\$138,916</b>		<b>\$201,102</b>	<b>9.1%</b>
<b>Germany</b>							
AZSEY	Allianz	2,235	12.28	\$27,446	19.78	\$44,197	2.0%
DPSGY	Deutsche Post	1,055	33.67	\$35,526	37.60	\$39,668	1.8%
IFNNY	Infineon Technologies	2,255	16.36	\$36,890	21.08	\$47,542	2.1%
LNEGY	Linde	2,126	16.84	\$35,791	18.91	\$40,203	1.8%
<b>TOTAL Germany</b>				<b>\$135,653</b>		<b>\$171,610</b>	<b>7.8%</b>
<b>Ireland</b>							
CRH	CRH	1,037	35.06	\$36,357	35.47	\$36,782	1.7%
ICLR	ICON	438	54.86	\$24,029	97.79	\$42,832	1.9%
JAZZ	Jazz Pharmaceuticals	247	150.34	\$37,135	155.50	\$38,409	1.7%
RYAAY	Ryanair	446	69.64	\$31,060	107.61	\$47,994	2.2%
<b>TOTAL Ireland</b>				<b>\$128,582</b>		<b>\$166,017</b>	<b>7.5%</b>
<b>Israel</b>							
CHKP	Check Point Software Technologies	366	24.19	\$8,852	109.08	\$39,923	1.8%
<b>TOTAL Israel</b>				<b>\$8,852</b>		<b>\$39,923</b>	<b>1.8%</b>
<b>Japan</b>							
BRDCY	Bridgestone	1,822	17.03	\$31,034	21.54	\$39,242	1.8%
KDDIY	KDDI	2,491	10.19	\$25,387	13.24	\$32,978	1.5%
MIELY	Mitsubishi Electric	1,221	24.07	\$29,387	28.76	\$35,111	1.6%
MRAAY	Murata Manufacturing Co	1,012	35.39	\$35,814	37.98	\$38,437	1.7%
NTTY	Nippon Telephone & Telegraph	744	22.42	\$16,682	47.26	\$35,161	1.6%
IX	Orix	488	78.57	\$38,344	77.93	\$38,030	1.7%
SMCAY	SMC Corp.	2,665	13.06	\$34,809	15.20	\$40,500	1.8%
TRYIY	Toray Industries	1,975	16.98	\$33,529	16.74	\$33,056	1.5%
<b>TOTAL Japan</b>				<b>\$244,984</b>		<b>\$292,515</b>	<b>13.2%</b>
<b>Netherlands</b>							
AER	AerCap Holdings	897	18.47	\$16,570	46.43	\$41,648	1.9%
AKZOY	Akzo Nobel	1,574	22.36	\$35,201	28.93	\$45,533	2.1%
NXPI	NXP Semiconductors	374	105.35	\$39,400	109.45	\$40,934	1.9%
ADRNY	Royal Ahold Delhaize	1,527	23.76	\$36,283	19.09	\$29,155	1.3%
<b>TOTAL Netherlands</b>				<b>\$127,455</b>		<b>\$157,270</b>	<b>7.1%</b>
<b>Singapore</b>							

City of Ormond Beach General Employees Pension - International Equity Portfolio

Ticker	Security Description	Shares/Face	Unit Cost	Total Cost	Price	Market Value	% of Total Assets
DBSDY	DBS Group	711	58.85	\$41,841	60.25	\$42,841	1.9%
	<b>TOTAL Singapore</b>			<b>\$41,841</b>		<b>\$42,841</b>	<b>1.9%</b>
<b>Spain</b>							
ACSAY	ACS Actividades de Construccio	5,001	7.95	\$39,777	7.72	\$38,588	1.7%
	<b>TOTAL Spain</b>			<b>\$39,777</b>		<b>\$38,588</b>	<b>1.7%</b>
<b>United Kingdom</b>							
CUK	Carnival plc	631	55.48	\$35,009	66.12	\$41,722	1.9%
GKNLY	GKN plc	8,418	4.66	\$39,269	4.24	\$35,650	1.6%
PSMMY	Persimmon	845	53.53	\$45,235	58.25	\$49,217	2.2%
UL	Unilever	897	42.07	\$37,735	54.12	\$48,546	2.2%
	<b>TOTAL United Kingdom</b>			<b>\$157,248</b>		<b>\$175,135</b>	<b>7.9%</b>
	<b>TOTAL DEVELOPED</b>			<b>\$1,191,095</b>		<b>\$1,516,138</b>	<b>68.5%</b>
<b>EMERGING</b>							
<b>China</b>							
CEA	China Eastern Airlines	1,263	29.19	\$36,868	30.60	\$38,648	1.7%
HTHT	China Lodging Group	749	36.81	\$27,572	80.68	\$60,429	2.7%
NTES	NetEase	126	59.90	\$7,547	300.63	\$37,879	1.7%
	<b>TOTAL China</b>			<b>\$71,987</b>		<b>\$136,957</b>	<b>6.2%</b>
<b>Hong Kong</b>							
CHL	China Mobile	656	46.32	\$30,384	53.09	\$34,827	1.6%
SHI	Sinopec Shanghai Petrochemical	652	62.56	\$40,788	53.51	\$34,889	1.6%
WHGLY	WH Group	2,155	10.75	\$23,166	20.19	\$43,505	2.0%
	<b>TOTAL Hong Kong</b>			<b>\$94,338</b>		<b>\$113,221</b>	<b>5.1%</b>
<b>India</b>							
WIT	Wipro	5,592	6.08	\$34,024	5.20	\$29,078	1.3%
	<b>TOTAL India</b>			<b>\$34,024</b>		<b>\$29,078</b>	<b>1.3%</b>
<b>Mexico</b>							
GBOOY	Grupo Financiero Banorte	1,313	28.38	\$37,263	31.81	\$41,767	1.9%
BSMX	Grupo Financiero Santander Mexico	4,504	8.31	\$37,437	9.64	\$43,419	2.0%
VLRS	Volaris	2,301	18.80	\$43,253	14.55	\$33,480	1.5%
	<b>TOTAL Mexico</b>			<b>\$117,953</b>		<b>\$118,665</b>	<b>5.4%</b>
<b>Russia</b>							
LUKOY	Lukoil	623	56.74	\$35,351	48.79	\$30,396	1.4%
	<b>TOTAL Russia</b>			<b>\$35,351</b>		<b>\$30,396</b>	<b>1.4%</b>
<b>South Korea</b>							
KB	KB Financial	861	44.17	\$38,034	50.49	\$43,472	2.0%
KEP	Korea Electric Power	1,665	20.59	\$34,283	17.97	\$29,920	1.4%
SKM	SK Telecom	1,510	16.02	\$24,190	25.67	\$38,762	1.8%
	<b>TOTAL South Korea</b>			<b>\$96,507</b>		<b>\$112,154</b>	<b>5.1%</b>
<b>Taiwan</b>							
ASX	Advanced Semiconductor Engineering	5,991	5.00	\$29,935	6.31	\$37,803	1.7%
TSM	Taiwan Semiconductor Manufacturing	1,416	14.37	\$20,347	34.96	\$49,503	2.2%
	<b>TOTAL Taiwan</b>			<b>\$50,282</b>		<b>\$87,307</b>	<b>3.9%</b>
<b>Thailand</b>							
KPCPY	Kasikornbank	1,296	27.57	\$35,727	23.37	\$30,293	1.4%
	<b>TOTAL Thailand</b>			<b>\$35,727</b>		<b>\$30,293</b>	<b>1.4%</b>
	<b>TOTAL EMERGING</b>			<b>\$536,169</b>		<b>\$658,069</b>	<b>29.8%</b>

**Portfolio Holdings as of 6/30/2017**

**City of Ormond Beach General Employees Pension - International Equity Portfolio**

<u>Ticker</u>	<u>Security Description</u>	<u>Shares/Face</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>% of Total Assets</u>
	TOTAL EQUITIES			\$1,727,264		\$2,174,208	98.3%
	Total Cash			\$37,788		\$37,788	1.7%
	Total Portfolio			\$1,765,052		\$2,211,996	100.0%
	Accrued Income					\$8,167	
	Total Portfolio plus Accrued Income					\$2,220,163	

**City of Ormond Beach General Employees Pension - International Equity Portfolio**

<b>Broker</b>	<b>Shares</b>	<b>Value</b>	<b>Cents Per Share</b>	<b>Commission Recapture</b>	<b>Directed</b>	<b>Execution Only</b>	<b>Minority</b>	<b>Research</b>	<b>Soft Dollar</b>	<b>Total Commission</b>
Cowen & Company	9,590	49,321	2.00	0.00	0.00	191.80	0.00	0.00	0.00	191.80
Instinet	5,626	72,156	1.00	0.00	0.00	56.26	0.00	0.00	0.00	56.26
Lynch, Jones, and Ryan	2,261	19,329	5.00	113.05	0.00	0.00	0.00	0.00	0.00	113.05
NatAlliance Securities	537	4,540	1.50	0.00	0.00	8.06	0.00	0.00	0.00	8.06
<b>TOTALS</b>	<b>18,014</b>	<b>145,345</b>	<b>2.05</b>	<b>113.05</b>	<b>0.00</b>	<b>256.12</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>369.17</b>



**City of Ormond Beach General Employees Pension - International Equity Portfolio**

<u>Ticker</u>	<u>Security Description</u>	<u>CGQ Index</u>	<u>CGQ Industry</u>
ACSAY	ACS Actividades de Construccio	48.90	54.00
ADRNY	Royal Ahold Delhaize	9.10	100.00
AER	AerCap Holdings	N/A	N/A
AKZOY	Akzo Nobel	44.80	40.50
ARKAY	Arkema	N/A	N/A
ASX	Advanced Semiconductor Engineering	N/A	N/A
AZSEY	Allianz	69.00	54.50
BRDCY	Bridgestone	16.40	34.80
BSMX	Grupo Financiero Santander Mexico	N/A	N/A
CEA	China Eastern Airlines	N/A	N/A
CGEMY	Cap Gemini	98.10	99.00
CHKP	Check Point Software Technologies	N/A	N/A
CHL	China Mobile	66.40	60.00
CIGI	Colliers International	21.00	25.00
CNI	Canadian National Railway	66.10	75.00
CRH	CRH	33.60	29.70
CUK	Carnival plc	28.00	40.00
DBSDY	DBS Group	15.40	25.00
DPSGY	Deutsche Post	57.80	63.00
GBOOY	Grupo Financiero Banorte	N/A	N/A
GKNLY	GKN plc	96.80	100.00
HTHT	China Lodging Group	N/A	N/A
ICLR	ICON	N/A	N/A
IFNNY	Infineon Technologies	73.10	80.60
IX	Orix	6.10	7.70
JAZZ	Jazz Pharmaceuticals	42.20	49.40
KB	KB Financial	N/A	N/A
KDDIY	KDDI	11.80	1.80
KEP	Korea Electric Power	33.50	29.10
KPCPY	Kasikornbank	N/A	N/A
LNEGY	Linde	75.90	70.60
LUKOY	Lukoil	N/A	N/A
MFC	Manulife Financial	45.20	47.40
MGA	Magna International	16.10	100.00
MIELY	Mitsubishi Electric	11.80	10.80
MRAAY	Murata Manufacturing Co	20.00	28.50
NTES	NetEase	N/A	N/A
NTTY	Nippon Telephone & Telegraph	36.30	14.50
NXPI	NXP Semiconductors	N/A	N/A
PANDY	Pandora	N/A	N/A
PSMMY	Persimmon	70.90	75.40
RNLSY	Renault	64.30	84.10
RYAAY	Ryanair	12.60	25.00
SCRYY	SCOR	N/A	N/A
SHI	Sinopec Shanghai Petrochemical	N/A	N/A
SKM	SK Telecom	57.60	45.50
SMCAY	SMC Corp.	25.30	25.40
TRYIY	Toray Industries	25.50	26.60
TSM	Taiwan Semiconductor Manufacturing	N/A	N/A
UL	Unilever	69.90	60.00
VLEEY	Valeo	81.80	97.10
VLRS	Volaris	N/A	N/A

## Corporate Governance Rankings as of 6/30/2017

---

### City of Ormond Beach General Employees Pension - International Equity Portfolio

<u>Ticker</u>	<u>Security Description</u>	<u>CGQ Index</u>	<u>CGQ Industry</u>
VWDRY	Vestas Wind Systems	52.60	57.50
WHGLY	WH Group	N/A	N/A
WIT	Wipro	N/A	N/A