



# GARCIA HAMILTON & ASSOCIATES

Presented By:

*Janna Hamilton*  
Partner

---

*City of Ormond Beach General Employees'  
Pension Plan*  
August 10, 2018

---



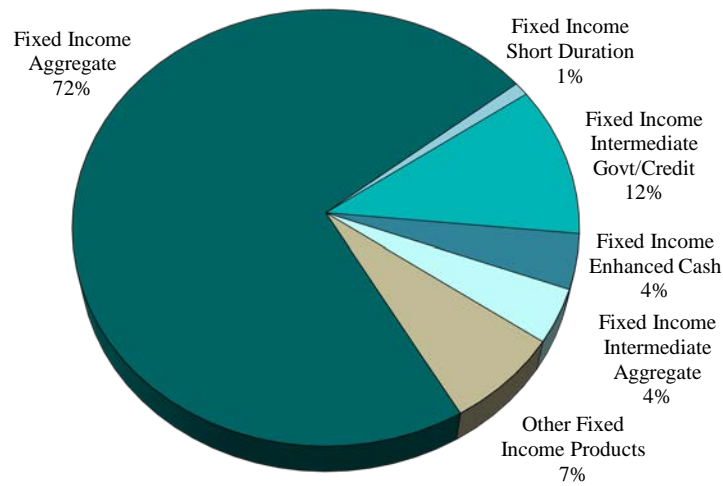
5 Houston Center  
1401 McKinney, Suite 1600  
Houston, TX 77010  
Tel: (713) 853-2309  
Fax: (713) 853-2300  
[Janna@GarciaHamiltonAssociates.com](mailto:Janna@GarciaHamiltonAssociates.com)

# Organization

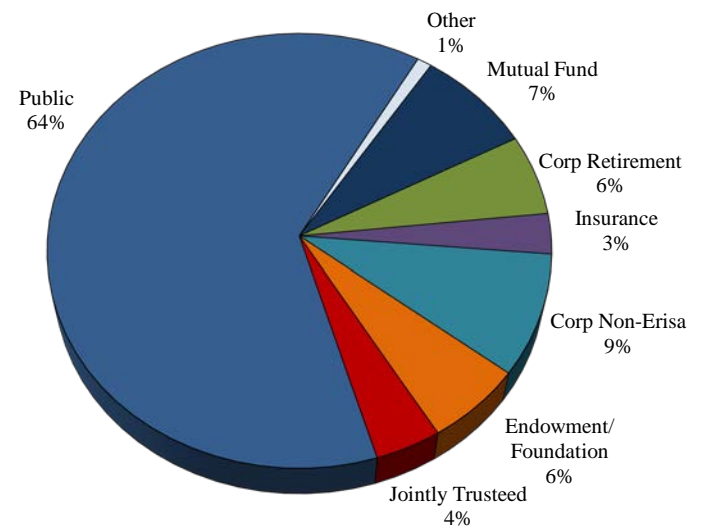
- Founded in 1988.
- Firm is 100% employee-owned and certified as a MBE firm.
- Firm has 32 employees located in Houston, Texas.
- The 10 members of the fixed income investment team have over 200 years combined investment experience and 75 years combined with the firm. In addition, 4 are Chartered Financial Analyst (CFA) charterholders.
- Firm manages approximately \$10.5 billion in assets under management.
- High quality fixed income strategies designed to prevent “negative surprises.”
- No litigation. No debt.

## Asset Breakdown

### By Type



### By Client



Data as of June 30, 2018

# Investment Goal

---

## *Investment Goal*

Our goal is to outperform the benchmark, net of fees, over a full market cycle using a high quality strategy with less risk, lower volatility and low turnover. By setting realistic expectations, we avoid taking unnecessary risks.

Achieving our goal is centered around several core principles:

- Preserve Principal
- Maintain Liquidity
- Provide High Current Income

Key Tools:

- Sector Rotation
- Controlled Interest Rate Anticipation
- Yield Curve Positioning

# City of Ormond Beach General Employees' Pension Plan

June 30, 2018

## 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	14,842,926.78	98.8	2.5	Accrued Interest	34,905.86
CASH & EQUIVALENTS	183,069.01	1.2	1.5	Net Additions/Withdrawals	4,481,985.66
				Net Transfers	-6,459,088.35
				Realized Gains/Losses	-513,888.93
				Unrealized Gains/Losses	297,048.85
				Income Received	6,288,487.93
				Change in Accrued Interest	23,399.15
				Portfolio Value on 06-30-18	14,967,690.79
				Accrued Interest	58,305.01
<b>Total</b>	<b>15,025,995.79</b>	<b>100.0</b>	<b>2.5</b>		<b>15,025,995.79</b>

## TIME WEIGHTED RETURN - GROSS OF FEES

	<u>Quarter</u>	<u>Fiscal 09-30-17 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>0.5</b>	<b>0.1</b>	<b>0.6</b>	<b>2.1</b>	<b>2.8</b>	<b>4.8</b>	<b>N/A</b>
<b>FIXED INCOME</b>	<b>0.5</b>	<b>0.1</b>	<b>0.6</b>	<b>2.1</b>	<b>2.8</b>	<b>4.9</b>	<b>5.2</b>
Bloomberg Barclays Int Gov/Credit	0.0	-1.2	-0.6	1.2	1.6	3.1	3.9

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



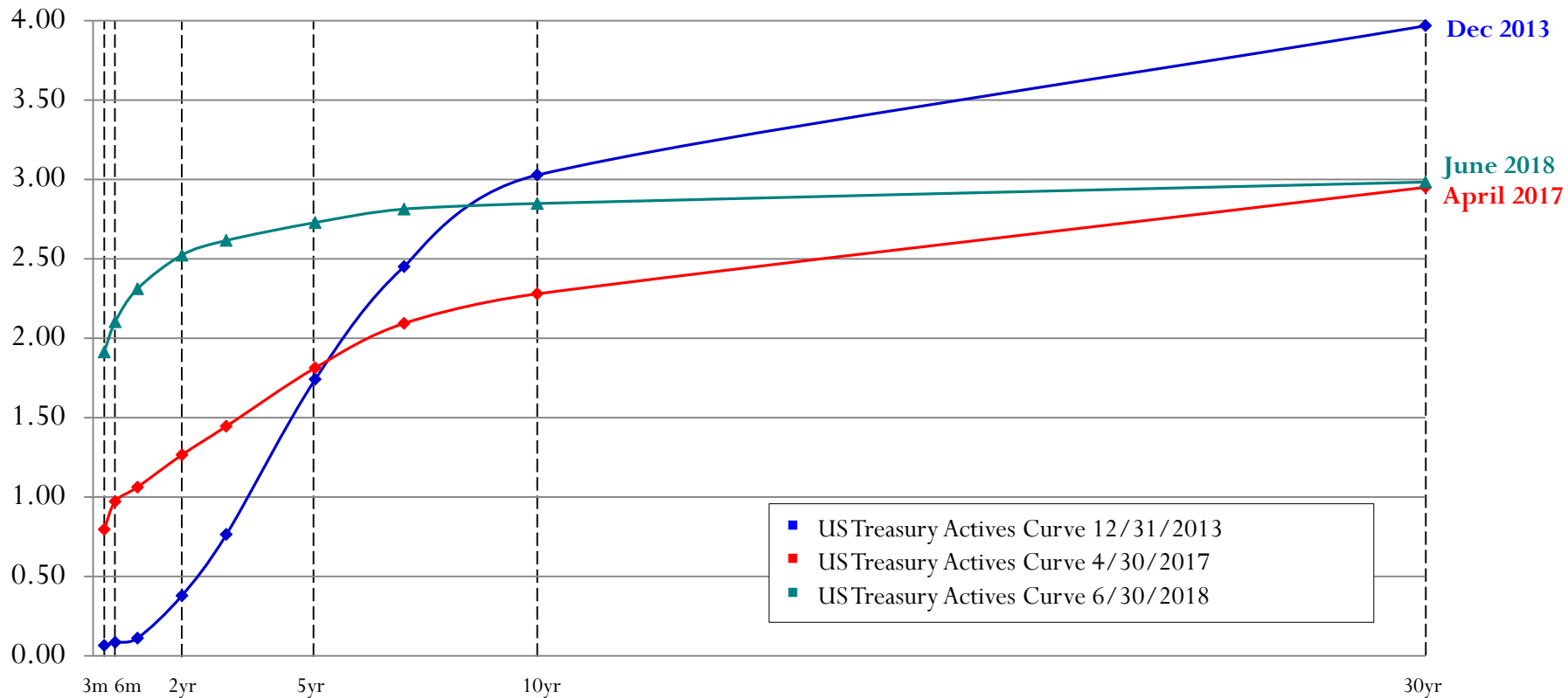
Our Form ADV disclosure document is available upon request. We urge you to compare account statements that you receive from us with the account statements that you receive from your custodian. Past performance is no guarantee of future results. See disclosures for other relevant information. Client Use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

# 2<sup>nd</sup> Quarter 2018 Fixed Income Market Commentary

June 30, 2018

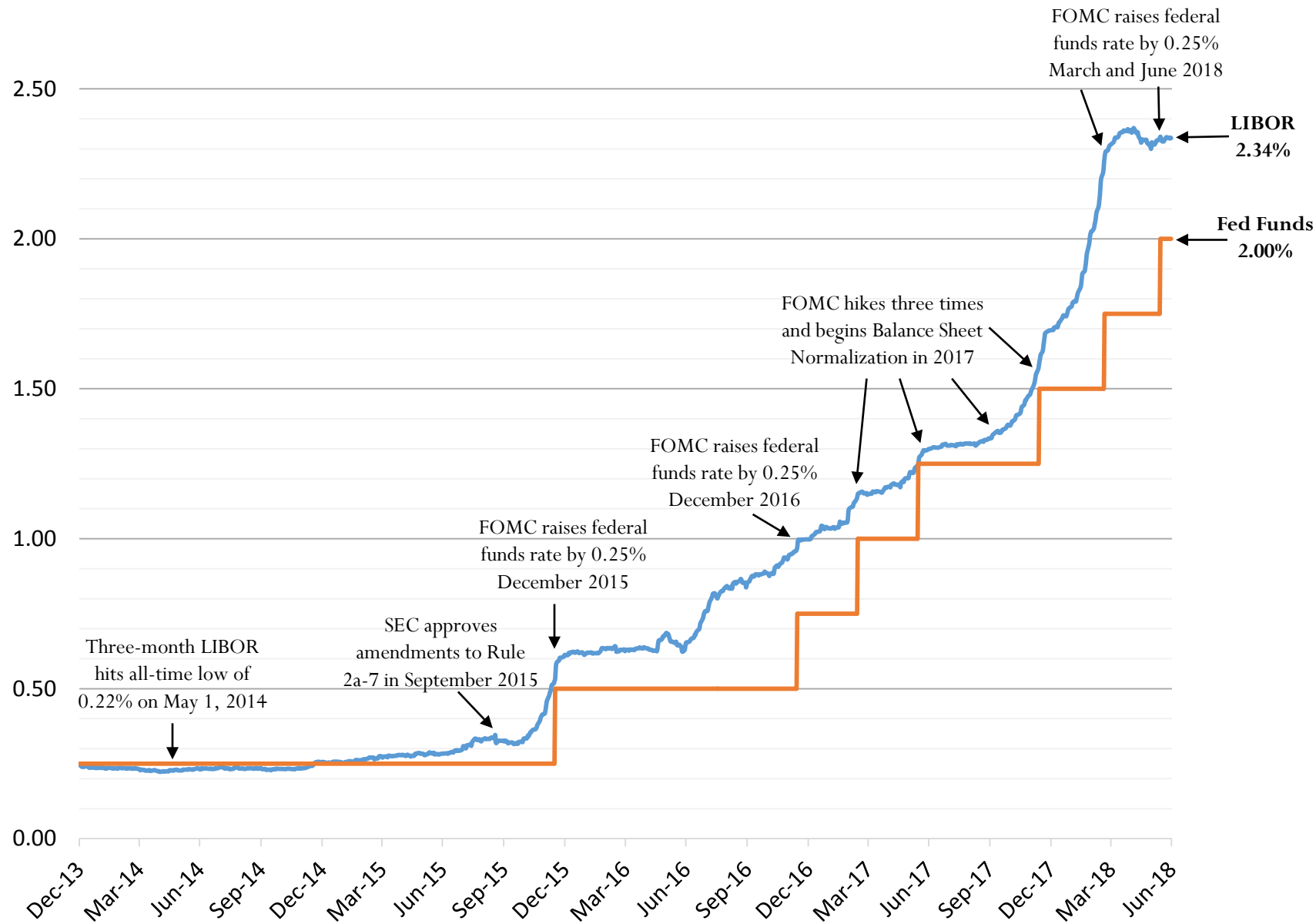
- As expected, the Federal Open Market Committee voted to raise the fed funds rate range by 25 basis points from 1.50%-1.75% to 1.75%-2.00% at the June meeting. The committee also increased its projections for economic growth and future interest rate hikes. Fed officials revised their forecast for GDP growth in 2018 to 2.8% from 2.7%, and signaled an expectation for four total rate hikes this year. By comparison, just six months ago the fed funds futures market was implying only two rate hikes this year.
- Fed officials have most likely been encouraged by the continued gradual rise in inflation readings as the Consumer Price Index increased to 2.8% over the past twelve months, the largest year-over-year increase in six years.
- Globally, trade tensions remained elevated as China and other countries announced retaliatory tariffs against the United States. The growing concerns over the impact of a trade war sent equity market volatility higher and kept long term rates in check.
- The yield of the 10-year treasury rose by 11 basis points to end the quarter at 2.85%. The 2-year yield finished the quarter 26 basis points higher at 2.52% while the yield of the 30-year treasury increased just 1 basis point to 2.98%. These moves caused the 2-30 year yield spread to flatten by 25 basis points to 46 basis points.
- With the modest rise in rates, the bond market posted a marginally negative return this quarter with a return of -0.16% for the Aggregate Index.
- Spread product was mixed this quarter as two of the four spread sectors delivered positive excess return. The asset-backed securities sector was the leader this quarter with 17 basis points of excess return followed by the mortgage-backed securities sector with 15 basis points of excess return. The agency sector posted a negative excess return of -28 basis points, and the corporate sector was the laggard again this quarter with a negative excess return of -100 basis points.
- We believe the market has overreacted to the geopolitical environment and has underestimated the impact of future Fed rate hikes and quantitative tightening. Therefore, we are maintaining a shorter duration than the benchmark index in anticipation of higher interest rates. Additionally, we further reduced our exposure to the long end as the yield curve has flattened significantly since we initiated our “barbell” positioning.

# Yield Curve Changes



	12/31/13	4/30/17	6/30/18
3 Month	0.07	0.80	1.92
6 Month	0.09	0.97	2.11
2 Year	0.38	1.27	2.52
5 Year	1.74	1.81	2.73
10 Year	3.03	2.28	2.85
30 Year	3.97	2.95	2.98

# Three- Month Dollar LIBOR vs. Fed Funds Rate Hikes

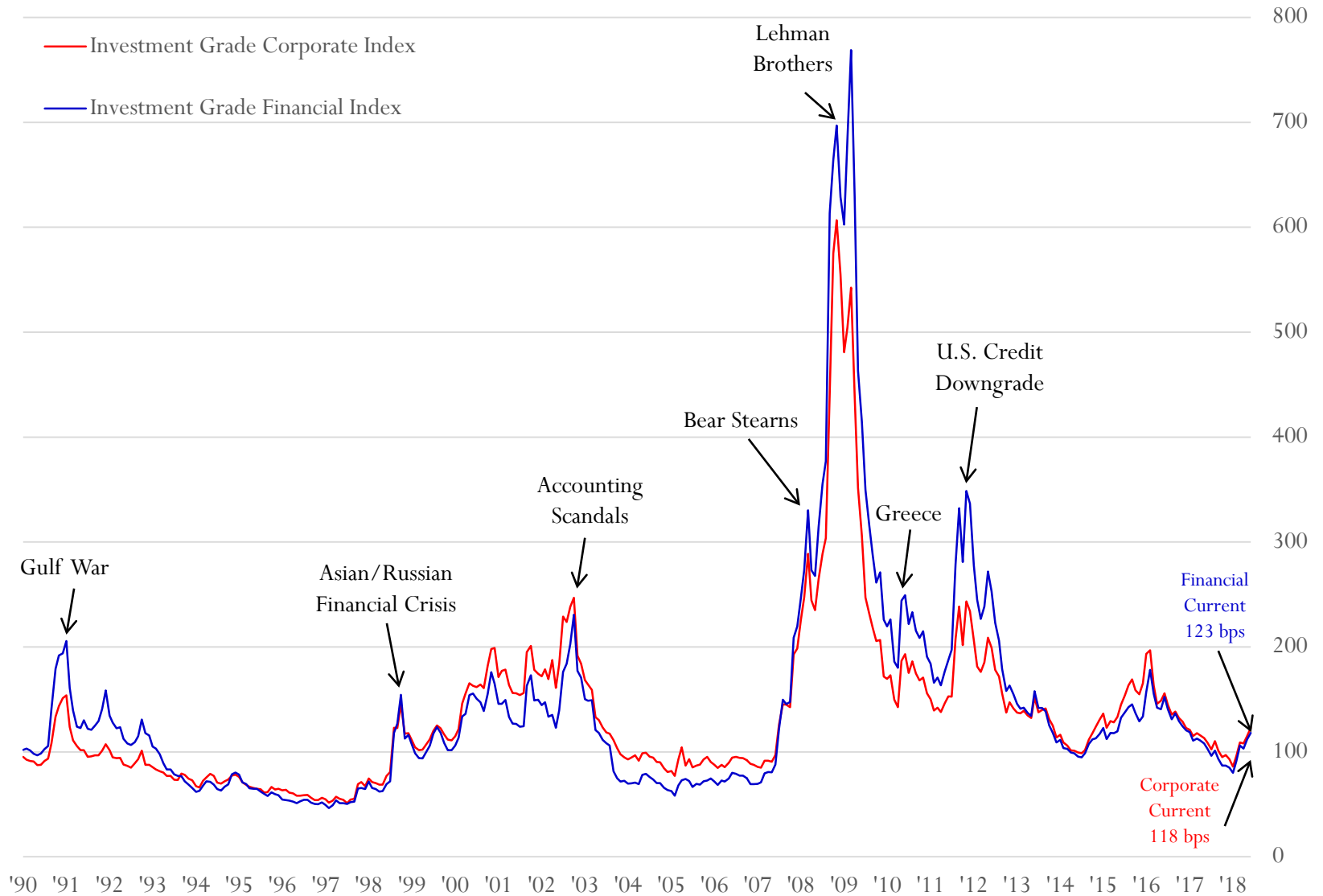


# 30-Year Treasury Trading Range 2017-2018





# Average Option Adjusted Spreads (OAS)

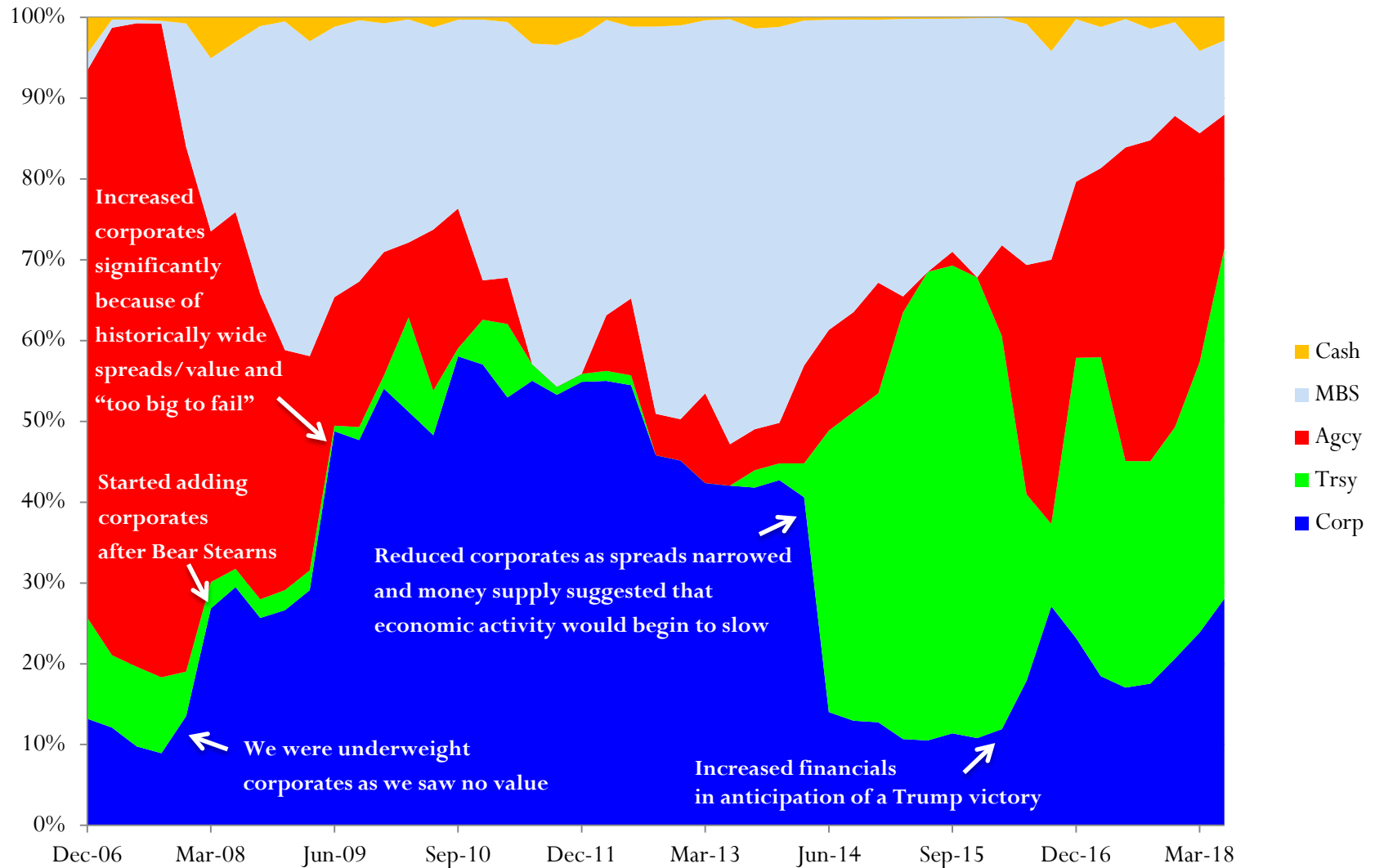


# BBB Corporate Index Excess Returns

Year	Excess Return
2009	32.93
2003	9.45
2012	8.41
2016	6.82
2017	4.19
1991	3.70
2013	3.66
2010	3.10
1999	2.48
2001	2.23
2004	2.01
1996	2.00
1992	1.67
1993	1.58
1995	1.50
2006	1.46
1994	1.32
1997	0.59
2015	0.24
2014	-0.44
2018	-1.73
2005	-2.33
2011	-3.68
1998	-3.83
1990	-3.87
2002	-5.04
2007	-5.33
2000	-7.77
2008	-24.62

# Fixed Income Intermediate Govt./Credit Historical Sector Weightings

June 30, 2018



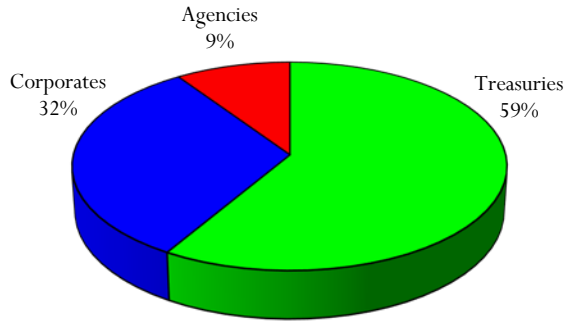
The percent weightings shown are those of an actual portfolio that is representative of this strategy. The percent weightings may vary depending on the dates shown as well as client-imposed restrictions, cash flows, etc.

# Fixed Income Portfolio Characteristics

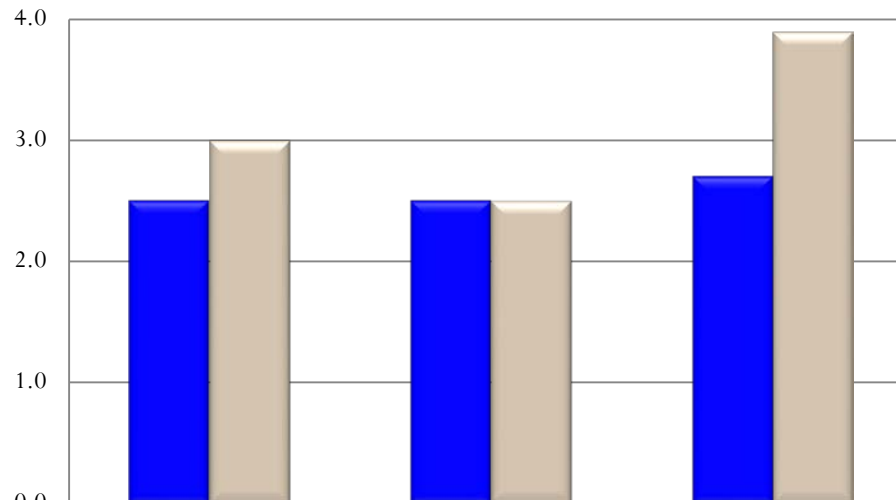
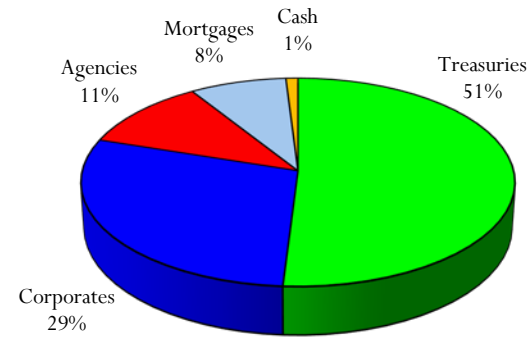
City of Ormond Beach General Employees' Pension Plan

June 30, 2018

**Bloomberg Barclays Int. Govt./Credit**



**Portfolio**



	Average YTM	Average Coupon	Average Duration
■ Portfolio	2.5	2.5	2.7
■ Bloomberg Barclays Int. Govt./Credit	3.0	2.5	3.9

# Current Fixed Income Market Factors

June 30, 2018

Factor		Position
<b>Sentiment</b>	The put/call ratio on long Treasuries is generally neutral. Speculators in long dated Treasury futures have moved to a short position on average, but the implied fed funds rate is still below the median FOMC projection.	<b>Neutral</b>
<b>Monetary</b>	The Federal Reserve will increase its balance sheet reduction program from \$20 billion per month to \$30 billion per month starting in March. Additionally, multiple rate hikes over the next twelve months are expected.	<b>Negative</b>
<b>Valuation</b>	Although the yield of the 10-year Treasury has risen this year, it is still below our estimate for fair value.	<b>Negative</b>
<b>Economic</b>	Although estimates for GDP growth have fallen somewhat, they remain at levels consistent with moderate growth.	<b>Neutral</b>
<b>Inflation</b>	Measures of inflation expectations have begun to increase, given the strengthening labor market and the possibility of higher prices due to potentially new or increasing tariffs.	<b>Negative</b>

# Portfolio Review

GARCIA HAMILTON & ASSOCIATES  
**PORTFOLIO SUMMARY**  
***CITY OF ORMOND BEACH GENERAL EMPLOYEES' PENSION PLAN-FIXED***  
***(3250000311)***  
*ormondgf*  
*June 30, 2018*

<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	4,363,623.03	4,357,102.40	29.0	2.6	129,545.31
GOVERNMENT BONDS					
TREASURY	7,598,006.42	7,587,657.10	50.5	2.6	141,418.75
AGENCY - NONCALLABLE	1,670,769.55	1,671,916.62	11.1	2.0	36,197.77
GOVERNMENT BONDS	9,268,775.97	9,259,573.72	61.6	2.5	177,616.52
MORTGAGE-BACKED SECURITIES-FNMA	596,145.07	571,144.10	3.8	1.8	28,897.97
MORTGAGE-BACKED SECURITIES-FHLMC	620,192.31	596,801.55	4.0	2.3	26,978.07
Accrued Interest		58,305.01	0.4		
	14,848,736.38	14,842,926.78	98.8	2.5	363,037.88
<b>CASH &amp; EQUIVALENTS</b>					
CASH & EQUIVALENTS	183,069.01	183,069.01	1.2	1.5	2,764.34
	183,069.01	183,069.01	1.2	1.5	2,764.34
<b>TOTAL PORTFOLIO</b>	<b>15,031,805.39</b>	<b>15,025,995.79</b>	<b>100.0</b>	<b>2.5</b>	<b>365,802.23</b>

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

GARCIA HAMILTON & ASSOCIATES  
 PORTFOLIO APPRAISAL  
 CITY OF ORMOND BEACH GENERAL EMPLOYEES' PENSION PLAN-FIXED (3250000311)  
 ormondgf  
 June 30, 2018

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
<b>CORPORATE BONDS</b>									
420,000	Apple Inc. Floater 2.503% Due 08-02-19	100.03	420,113.40	100.13	420,551.88	2.8	2.503	10,512.35	2.4
216,000	John Deere Floater 2.633% Due 03-13-20	100.27	216,582.61	100.23	216,501.34	1.4	2.633	5,686.48	2.5
195,000	American Express Floater 3.049% Due 05-26-20	100.69	196,343.55	100.85	196,661.20	1.3	3.049	5,946.29	2.6
460,000	State Street Floater 3.226% Due 08-18-20	101.87	468,616.28	101.50	466,908.28	3.1	3.226	14,837.90	2.5
315,000	American Express Floater 3.386% Due 09-14-20	101.88	320,916.75	101.67	320,254.83	2.1	3.386	10,664.73	2.6
205,000	IBM Floater 2.619% Due 01-20-21	100.51	206,046.12	100.47	205,958.58	1.4	2.619	5,368.25	2.4
240,000	Goldman Sachs Floater 3.720% Due 04-23-21	102.58	246,196.80	102.18	245,238.00	1.6	3.720	8,926.90	2.9
445,000	Bank of America Flt Call 3.022% Due 07-21-21	100.49	447,187.62	100.39	446,731.05	3.0	3.022	13,445.94	2.9
260,000	Pepsico Inc Floater 2.855% Due 10-06-21	101.22	263,172.00	101.12	262,906.80	1.7	2.855	7,421.99	2.5
180,000	Morgan Stanley Flt Call 3.539% Due 01-20-22	101.78	183,198.60	101.30	182,347.38	1.2	3.539	6,369.59	3.2
420,000	Walt Disney Floater 2.711% Due 03-04-22	101.00	424,187.40	100.87	423,675.00	2.8	2.711	11,387.25	2.5
355,000	BB&T Floater 2.958% Due 04-01-22	101.08	358,826.15	100.64	357,276.61	2.4	2.958	10,500.90	2.8
405,000	Intel Corp Floater 2.706% Due 05-11-22	100.67	407,725.95	100.62	407,514.64	2.7	2.706	10,958.29	2.5
200,000	Morgan Stanley Flt Call 3.759% Due 10-24-23	102.25	204,509.80	102.29	204,576.80	1.4	3.759	7,518.46	3.3
	Accrued Interest				19,413.11	0.1			
			4,363,623.03		4,376,515.51	29.1		129,545.31	2.6
<b>GOVERNMENT BONDS</b>									
<b>TREASURY</b>									
1,645,000	U S Treasury 1.000% Due 09-15-18	99.79	1,641,475.92	99.81	1,641,841.60	10.9	1.000	16,450.00	1.9
920,000	U S Treasury 2.000% Due 10-31-22	96.28	885,787.50	97.10	893,298.84	5.9	2.000	18,400.00	2.7
1,955,000	U S Treasury 2.000% Due 11-30-22	97.49	1,906,018.75	97.05	1,897,419.38	12.6	2.000	39,100.00	2.7
295,000	U S Treasury 2.000% Due 02-15-23	96.34	284,190.99	96.88	285,792.75	1.9	2.000	5,900.00	2.7
70,000	U S Treasury 2.125% Due 05-15-25	99.59	69,709.83	95.69	66,983.98	0.4	2.125	1,487.50	2.8
1,000,000	U S Treasury 1.625% Due 02-15-26	92.80	928,002.18	91.74	917,422.00	6.1	1.625	16,250.00	2.8



GARCIA HAMILTON & ASSOCIATES  
 PORTFOLIO APPRAISAL  
 CITY OF ORMOND BEACH GENERAL EMPLOYEES' PENSION PLAN-FIXED (3250000311)  
 ormondgf  
 June 30, 2018

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
365,000	U S Treasury 1.500% Due 08-15-26	93.56	341,482.43	90.31	329,640.62	2.2	1.500	5,475.00	2.8
1,615,000	U S Treasury 2.375% Due 05-15-27	95.44	1,541,338.82	96.30	1,555,257.92	10.4	2.375	38,356.25	2.8
	Accrued Interest				26,426.04	0.2			
			7,598,006.42		7,614,083.15	50.7		141,418.75	2.6
<b>AGENCY - NONCALLABLE</b>									
150,000	FFCB Floater 2.275% Due 05-16-19	100.51	150,769.55	100.27	150,406.50	1.0	2.275	3,412.59	2.0
760,000	FHLB Floater 2.158% Due 07-05-19	100.00	760,000.00	100.11	760,831.44	5.1	2.158	16,400.80	2.0
760,000	FHLMC Floater 2.156% Due 07-05-19	100.00	760,000.00	100.09	760,678.68	5.1	2.156	16,384.38	2.1
	Accrued Interest				7,964.73	0.1			
			1,670,769.55		1,679,881.35	11.2		36,197.77	2.0
	<b>GOVERNMENT BONDS Total</b>		9,268,775.97		9,293,964.50	61.9		177,616.52	2.5
<b>MORTGAGE-BACKED SECURITIES-FNMA</b>									
220,320.00	FNMA Pool #AL7638 5.500% Due 01-01-24	108.80	87,196.85	103.56	83,000.48	0.6	5.500	4,408.06	1.3
290,000.00	FNMA Pool #AL7883 5.000% Due 06-01-26	107.14	123,828.56	102.91	118,942.45	0.8	5.000	5,778.79	1.8
10,380,000.00	FNMA Pool #745418 5.500% Due 04-01-36	113.20	385,119.67	108.52	369,201.18	2.5	5.500	18,711.13	1.8
	Accrued Interest				2,327.89	0.0			
			596,145.07		573,472.00	3.8		28,897.97	1.8
<b>MORTGAGE-BACKED SECURITIES-FHLMC</b>									
320,000.00	FHLMC Pool #G15718 5.500% Due 12-01-24	108.05	131,486.40	103.14	125,519.90	0.8	5.500	6,693.16	1.6
1,055,000.00	FHLMC Pool #G60134 4.500% Due 06-01-36	108.41	488,705.91	104.55	471,281.64	3.1	4.500	20,284.91	2.5
	Accrued Interest				2,173.23	0.0			
			620,192.31		598,974.78	4.0		26,978.07	2.3
<b>CASH &amp; EQUIVALENTS</b>									
	Regions Trust Cash Sweep		183,069.01		183,069.01	1.2	1.510	2,764.34	1.5
			183,069.01		183,069.01	1.2		2,764.34	1.5
<b>TOTAL PORTFOLIO</b>			15,031,805.39		15,025,995.79	100.0		365,802.23	2.5

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

GARCIA HAMILTON & ASSOCIATES  
PURCHASE AND SALE  
**CITY OF ORMOND BEACH GENERAL EMPLOYEES' PENSION**  
**PLAN-FIXED (3250000311)**  
*ormondgf*  
From 04-01-18 To 06-30-18

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
<b>PURCHASES</b>					
04-17-2018	04-18-2018	970,000	FHLB Discount Note 0.000% Due 05-04-18	99.93	969,301.60
04-25-2018	04-27-2018	295,000	U S Treasury 2.000% Due 02-15-23	96.34	284,190.99
04-25-2018	04-27-2018	560,000	U S Treasury 2.375% Due 05-15-27	94.93	531,606.21
05-08-2018	05-10-2018	875,000	U S Treasury 1.125% Due 06-15-18	99.96	874,658.14
05-10-2018	05-14-2018	205,000	IBM Floater 2.619% Due 01-20-21	100.51	206,046.12
05-15-2018	05-18-2018	1,225,000	U S Treasury 2.000% Due 10-31-22	96.28	1,179,445.31
05-15-2018	05-18-2018	175,000	U S Treasury 2.375% Due 05-15-27	94.42	165,238.27
05-16-2018	05-21-2018	365,000	U S Treasury 2.375% Due 05-15-27	94.30	344,197.85
05-23-2018	05-25-2018	110,000	State Street Floater 3.226% Due 08-18-20	101.65	111,820.50
05-31-2018	06-04-2018	725,000	FHLB Discount Note 0.000% Due 06-06-18	99.99	724,935.16
06-12-2018	06-14-2018	105,000	State Street Floater 3.226% Due 08-18-20	101.68	106,763.48
06-14-2018	06-18-2018	640,000	U S Treasury 1.000% Due 09-15-18	99.78	638,600.00
06-18-2018	06-20-2018	915,000	U S Treasury 1.000% Due 09-15-18	99.79	913,034.12
06-21-2018	06-25-2018	260,000	Pepsico Inc Floater 2.855% Due 10-06-21	101.22	263,172.00
06-29-2018	07-03-2018	90,000	U S Treasury 1.000% Due 09-15-18	99.82	89,841.80
					7,402,851.55

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

GARCIA HAMILTON & ASSOCIATES  
**PURCHASE AND SALE**  
**CITY OF ORMOND BEACH GENERAL EMPLOYEES' PENSION**  
**PLAN-FIXED (3250000311)**  
*ormondgf*  
From 04-01-18 To 06-30-18

<b>Trade Date</b>	<b>Settle Date</b>	<b>Quantity</b>	<b>Security</b>	<b>Unit Price</b>	<b>Amount</b>
<b>SALES</b>					
04-25-2018	04-27-2018	685,000	FFCB Floater 1.987% Due 05-25-18	100.02	685,147.28
05-04-2018	05-04-2018	970,000	FHLB Discount Note 0.000% Due 05-04-18	100.00	970,000.00
05-15-2018	05-17-2018	225,000	FFCB Floater 1.941% Due 04-03-19	100.04	225,089.37
05-15-2018	05-17-2018	5,000	FFCB Floater 1.987% Due 05-25-18	100.01	5,000.31
05-15-2018	05-17-2018	550,000	FHLB Floater 2.152% Due 10-26-18	100.07	550,378.95
05-15-2018	05-17-2018	585,000	FHLB Floater 1.940% Due 11-08-18	100.02	585,116.42
05-16-2018	05-18-2018	75,000	FFCB Floater 2.275% Due 05-16-19	100.30	75,225.23
05-16-2018	05-18-2018	235,000	FFCB Floater 1.941% Due 04-03-19	100.05	235,111.86
05-17-2018	05-21-2018	270,000	FFCB Floater 2.006% Due 05-24-19	100.03	270,072.09
05-24-2018	05-29-2018	475,000	U S Treasury 1.625% Due 02-15-26	90.76	431,118.12
05-29-2018	05-31-2018	305,000	U S Treasury 2.000% Due 10-31-22	97.66	297,875.38
05-29-2018	05-31-2018	310,000	U S Treasury 2.125% Due 05-15-25	96.33	298,617.17
06-06-2018	06-06-2018	725,000	FHLB Discount Note 0.000% Due 06-06-18	100.00	725,000.00
06-15-2018	06-15-2018	875,000	U S Treasury 1.125% Due 06-15-18	100.00	875,000.00
					6,228,752.18
<b>PRINCIPAL PAYDOWNS</b>					
04-01-2018	04-01-2018	4,921.83	FHLMC Pool #G15718 5.500% Due 12-01-24	100.00	4,921.83

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

**GARCIA HAMILTON & ASSOCIATES**  
**PURCHASE AND SALE**  
**CITY OF ORMOND BEACH GENERAL EMPLOYEES' PENSION**  
**PLAN-FIXED (3250000311)**  
*ormondgf*  
 From 04-01-18 To 06-30-18

<b>Trade Date</b>	<b>Settle Date</b>	<b>Quantity</b>	<b>Security</b>	<b>Unit Price</b>	<b>Amount</b>
04-01-2018	04-01-2018	6,700.07	FHLMC Pool #G60134 4.500% Due 06-01-36	100.00	6,700.07
04-01-2018	04-01-2018	6,181.81	FNMA Pool #745418 5.500% Due 04-01-36	100.00	6,181.81
04-01-2018	04-01-2018	3,959.81	FNMA Pool #AL7638 5.500% Due 01-01-24	100.00	3,959.81
04-01-2018	04-01-2018	4,204.04	FNMA Pool #AL7883 5.000% Due 06-01-26	100.00	4,204.04
05-01-2018	05-01-2018	5,092.76	FHLMC Pool #G15718 5.500% Due 12-01-24	100.00	5,092.76
05-01-2018	05-01-2018	6,819.06	FHLMC Pool #G60134 4.500% Due 06-01-36	100.00	6,819.06
05-01-2018	05-01-2018	6,716.38	FNMA Pool #745418 5.500% Due 04-01-36	100.00	6,716.38
05-01-2018	05-01-2018	3,201.10	FNMA Pool #AL7638 5.500% Due 01-01-24	100.00	3,201.10
05-01-2018	05-01-2018	4,496.56	FNMA Pool #AL7883 5.000% Due 06-01-26	100.00	4,496.56
06-01-2018	06-01-2018	4,781.84	FHLMC Pool #G15718 5.500% Due 12-01-24	100.00	4,781.84
06-01-2018	06-01-2018	9,503.91	FHLMC Pool #G60134 4.500% Due 06-01-36	100.00	9,503.91
06-01-2018	06-01-2018	5,834.18	FNMA Pool #745418 5.500% Due 04-01-36	100.00	5,834.18
06-01-2018	06-01-2018	2,574.54	FNMA Pool #AL7638 5.500% Due 01-01-24	100.00	2,574.54
06-01-2018	06-01-2018	4,598.72	FNMA Pool #AL7883 5.000% Due 06-01-26	100.00	4,598.72
					79,586.61

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

---

## **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).