

QUARTERLY PERFORMANCE SUMMARY

Prepared for:

City of Ormond Beach
Pension Plans

As of September 30, 2018

Graystone Consulting Tampa

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| U.S. Equity Market % Returns for the Period Ending September 30, 2018 | | | | | |
|---|---------|-----------|-----------------------------|----------------------------|-----------------------------|
| | Quarter | 12 Months | Three Years (annualized) | Five Years (annualized) | Seven Years (annualized) |
| S&P 500 Index | 7.71 | 17.91 | 17.31 | 13.95 | 16.91 |
| Dow Jones Industrial Average | 9.63 | 20.76 | 20.49 | 14.57 | 16.35 |
| Russell 1000 Index | 7.42 | 17.77 | 17.07 | 13.67 | 16.90 |
| Russell 1000 Growth Index | 9.17 | 26.30 | 20.55 | 16.58 | 18.69 |
| Russell 1000 Value Index | 5.70 | 9.45 | 13.55 | 10.72 | 15.02 |
| Russell 2000 Index | 3.58 | 15.24 | 17.12 | 11.07 | 16.43 |
| Russell 2000 Growth Index | 5.52 | 21.06 | 17.98 | 12.14 | 17.52 |
| Russell 2000 Value Index | 1.61 | 9.33 | 16.12 | 9.92 | 15.26 |
| Russell 3000 Index | 7.13 | 17.58 | 17.07 | 13.46 | 16.86 |
| Russell 3000 Growth Index | 8.88 | 25.89 | 20.36 | 16.23 | 18.60 |
| Russell 3000 Value Index | 5.39 | 9.46 | 13.75 | 10.65 | 15.04 |
| Russell Midcap Index | 5.00 | 13.98 | 14.52 | 11.65 | 16.09 |
| Russell Midcap Growth Index | 7.58 | 21.10 | 16.65 | 13.00 | 16.87 |
| Russell Midcap Value Index | 3.30 | 8.81 | 13.09 | 10.72 | 15.54 |

Past Performance is not a guarantee of future results. Indices are not available for direct investment.
Source: MAX

| S&P 500 Sector % Returns for the Period Ending September 30, 2018 | |
|---|---------|
| | Quarter |
| Health Care | 14.50 |
| Industrials | 10.00 |
| Communication Services | 9.90 |
| Technology | 8.80 |
| Consumer Discretionary | 8.20 |
| Consumer Staples | 5.70 |
| Financials | 4.40 |
| Utilities | 2.40 |
| Real Estate | 0.90 |
| Energy | 0.60 |
| Materials | 0.40 |

Past Performance is not a guarantee of future results. Indices are not available for direct investment.
Source: MAX

| Developed Markets Equity % Returns for the Period Ending September 30, 2018 | | | | |
|---|-------------|-----------|----------------|-----------|
| | U.S. Dollar | | Local Currency | |
| | Quarter | 12 Months | Quarter | 12 Months |
| <i>Regional and Other Multi Country Indices</i> | | | | |
| MSCI EAFE | 1.36 | 2.74 | 2.42 | 5.62 |
| MSCI Europe | 0.80 | (0.30) | 1.24 | 2.66 |
| MSCI Far East | 3.15 | 9.45 | 5.32 | 10.33 |
| MSCI Pacific ex. Japan | (0.55) | 4.27 | 0.66 | 9.62 |
| MSCI The World | 5.10 | 11.84 | N/A | N/A |
| MSCI World ex. U.S. | 1.31 | 2.67 | 2.13 | 5.65 |
| <i>National Indices</i> | | | | |
| MSCI Hong Kong | (0.95) | 2.89 | (1.19) | 3.07 |
| MSCI Ireland | (5.34) | (5.72) | N/A | N/A |
| MSCI Japan | 3.81 | 10.57 | 6.46 | 11.57 |
| MSCI Singapore | 2.19 | 6.96 | 2.40 | 7.63 |
| Past Performance is not a guarantee of future results. Indices are not available for direct investment. | | | | |
| Source: MAX | | | | |

| Emerging Markets Equity % Returns for the Period Ending September 30, 2018 | | | | |
|---|-------------|-----------|----------------|-----------|
| | U.S. Dollar | | Local Currency | |
| | Quarter | 12 Months | Quarter | 12 Months |
| <i>Regional and Other Multi Country Indices</i> | | | | |
| MSCI EM | (0.95) | (0.44) | 0.11 | 3.03 |
| <i>National Indices</i> | | | | |
| MSCI China | (7.42) | (2.05) | (7.56) | (1.83) |
| MSCI Malaysia | 3.81 | 7.61 | (7.56) | (1.83) |
| MSCI Taiwan | 7.15 | 10.67 | 7.31 | 11.43 |
| MSCI Thailand | 13.72 | 15.50 | 13.72 | 15.50 |
| Past Performance is not a guarantee of future results. Indices are not available for direct investment. | | | | |
| Source: MAX | | | | |

| Fixed Income % Returns for the Period Ending September 30, 2018 | | | | | |
|---|---------|-----------|-----------------------------|----------------------------|--------------------------|
| | Quarter | 12 Months | Three Years (annualized) | Five Years (annualized) | 10 Years (annualized) |
| <i>U.S. Fixed Income</i> | | | | | |
| 90-Day Treasury Bill | 0.50 | 1.57 | 0.80 | 0.49 | 0.32 |
| Barclays Capital Aggregate | 0.02 | (1.22) | 1.31 | 2.16 | 3.77 |
| Barclays Capital Credit | 0.89 | (1.10) | 2.98 | 3.40 | 5.94 |
| Barclays Capital Govt/Credit | 0.06 | (1.37) | 1.45 | 2.23 | 3.95 |
| Barclays Capital Government | (0.57) | (1.57) | 0.26 | 1.34 | 2.66 |
| Barclays Capital High Yield | 2.40 | 3.05 | 8.15 | 5.55 | 9.46 |
| Barclays Capital Intermediate Govt/Credit | 0.21 | (0.96) | 0.91 | 1.52 | 3.22 |
| Barclays Capital Long Govt/Credit | (0.47) | (2.73) | 3.43 | 5.18 | 7.11 |
| Barclays Capital Mortgage Backed | (0.12) | (0.92) | 0.98 | 2.02 | 3.33 |
| Barclays Capital Municipal | (0.15) | 0.35 | 2.24 | 3.54 | 4.75 |
| <i>Global Fixed Income</i> | | | | | |
| Merrill Lynch Global High Yield | 2.01 | 1.25 | 7.86 | 4.78 | 9.24 |
| Barclays Global Treasury ex. U.S. | (1.66) | (1.68) | 2.44 | (0.20) | 2.35 |
| Barclays Capital Majors ex. U.S. | (2.56) | (1.55) | 2.17 | (0.34) | 2.08 |
| Past Performance is not a guarantee of future results. Indices are not available for direct investment. | | | | | |
| Source: MAX | | | | | |

SUMMARY OF RELEVANT FACTS
City of Ormond Beach General Employees' Pension Plan
As of September 30, 2018

| Distribution of Assets: | | |
|--------------------------------|--------------|--|
| Equity | | |
| Large Cap Value | \$11,643,043 | |
| Large Cap Growth | \$12,374,320 | |
| Small/Mid Cap Value | \$2,899,008 | |
| Small/Mid Cap Growth | \$3,116,041 | |
| International Value | \$3,180,264 | |
| International Growth | \$3,160,240 | |
| Total Equity | \$36,372,917 | |
| Fixed Income | \$15,053,469 | |
| Cash (R&D Account) | \$128,482 | |
| Total Portfolio | \$51,554,868 | |

| Distribution by Percentages: | Policy | Current |
|-------------------------------------|---------------|----------------|
| Equity | | |
| Large Cap Value | 22.50% | 22.58% |
| Large Cap Growth | 22.50% | 24.00% |
| Small/Mid Cap Value | 5.00% | 5.62% |
| Small/Mid Cap Growth | 5.00% | 6.04% |
| International Value | 5.00% | 6.17% |
| International Growth | 5.00% | 6.13% |
| Total Equity | 65.00% | 70.55% |
| Fixed Income | 35.00% | 29.20% |
| Cash (R&D Account) | 0.00% | 0.25% |
| Total | 100.00% | 100.00% |

RECEIPTS & DISBURSEMENT

| | |
|---------------------|-----------|
| Total Assets (Cash) | \$128,482 |
| Gain or (Loss) | \$340 |

Other Important Facts:

| | |
|------------------------------|--------------|
| Total Portfolio | \$51,554,868 |
| Total Gain or (Loss) - Gross | \$2,305,554 |
| Total Gain or (Loss) - Net | \$2,258,949 |
| Total Fees | (\$46,605) |

HGK (Large Cap Value)

| | | |
|----------------|---------|--------------|
| Total Assets | 100.00% | \$11,643,043 |
| Equity | 98.82% | \$11,506,080 |
| Cash | 1.18% | \$136,963 |
| Fees | | (\$10,533) |
| Gain or (Loss) | | \$656,691 |

SAWGRASS (Large Cap Growth)

| | | |
|----------------|---------|-------------|
| Total Assets | 100.00% | \$6,120,130 |
| Equity | 97.90% | \$5,991,470 |
| Cash | 2.10% | \$128,659 |
| Fees | | (\$7,615) |
| Gain or (Loss) | | \$582,921 |

POLEN (Large Cap Growth)

| | | |
|----------------|---------|-------------|
| Total Assets | 100.00% | \$6,254,191 |
| Equity | 99.03% | \$6,193,581 |
| Cash | 0.97% | \$60,610 |
| Fees | | (\$8,649) |
| Gain or (Loss) | | \$607,933 |

CAMBIAR (Small/Mid Cap Value)

| | | |
|----------------|---------|-------------|
| Total Assets | 100.00% | \$2,899,008 |
| Equity | 99.73% | \$2,891,202 |
| Cash | 0.27% | \$7,806 |
| Fees | | (\$4,469) |
| Gain or (Loss) | | \$153,158 |

FIERA (Formerly APEX) (Small/Mid Cap Growth)

| | | |
|----------------|---------|-------------|
| Total Assets | 100.00% | \$3,116,041 |
| Equity | 97.27% | \$3,030,938 |
| Cash | 2.73% | \$85,103 |
| Fees | | (\$4,420) |
| Gain or (Loss) | | \$174,045 |

DELAWARE (International Value)

| | | |
|----------------|---------|-------------|
| Total Assets | 100.00% | \$3,180,264 |
| Equity | 97.79% | \$3,109,952 |
| Cash | 2.21% | \$70,312 |
| Fees | | (\$5,852) |
| Gain or (Loss) | | \$58,063 |

RENAISSANCE (International Growth)

| | | |
|----------------|---------|-------------|
| Total Assets | 100.00% | \$3,160,240 |
| Equity | 98.77% | \$3,121,462 |
| Cash | 1.23% | \$38,778 |
| Fees | | (\$5,066) |
| Gain or (Loss) | | \$41,607 |

GARCIA HAMILTON (Fixed Income)

| | | |
|----------------|---------|--------------|
| Total Assets | 100.00% | \$15,053,469 |
| Fixed Income | 97.75% | \$14,715,203 |
| Cash | 2.25% | \$338,266 |
| Fees | | \$0 |
| Gain or (Loss) | | \$30,795 |

BREAKDOWN OF RETURNS
City of Ormond Beach General Employees' Pension Plan
As of September 30, 2018

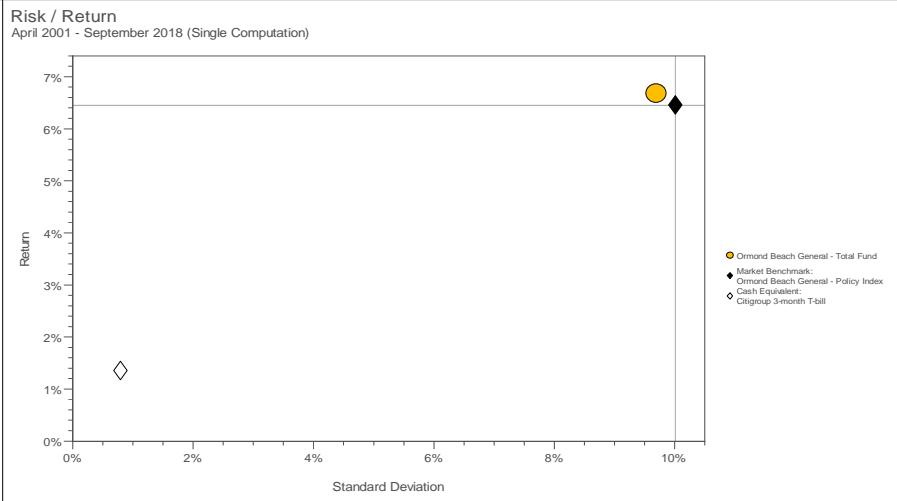
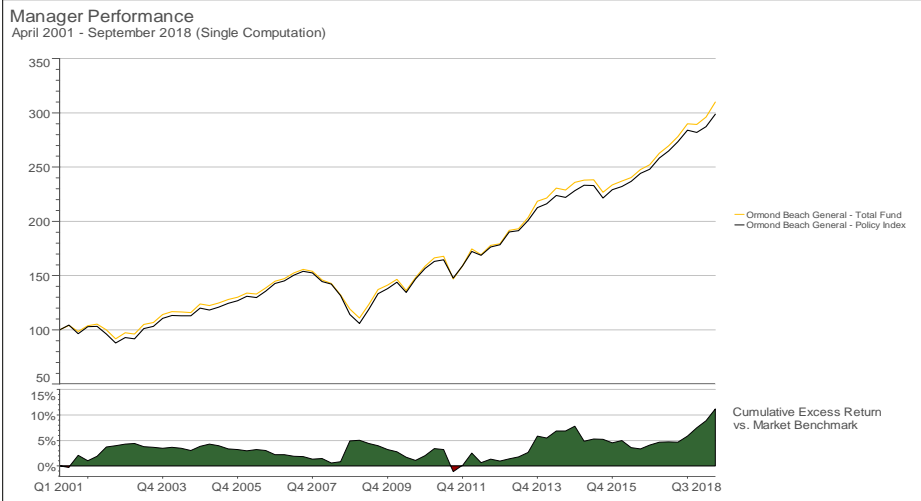
Actuarial Rate of Return = 6.75%

| EQUITY | | Your Returns | Your Returns | | | |
|------------------------------|--|------------------------|----------------------|-------------------------|------------------------|--------------------|
| HGK | | (Gross-of-Fees) | (Net-of-Fees) | Russ 1000 Value | PSN Money Mgrs. | S&P 500 |
| | Quarter | 5.92 | 5.82 | 5.70 | 5.46 | 7.71 |
| | 1 Year | 13.90 | 13.48 | 9.45 | 11.00 | 17.91 |
| | 3 Year | 15.65 | 15.22 | 13.55 | 14.40 | 17.31 |
| | 5 Year | 9.65 | 9.24 | 10.72 | 11.30 | 13.95 |
| | Since 4/30/2009 | 13.17 | 12.76 | 14.39 | NA | 16.07 |
| Sawgrass | | | | Russ 1000 Growth | PSN Money Mgrs. | S&P 500 |
| | Quarter | 10.35 | 10.21 | 9.17 | 7.79 | 7.71 |
| | 1 Year | 23.90 | 23.25 | 26.30 | 21.58 | 17.91 |
| | 3 Year | 17.13 | 16.51 | 20.55 | 17.77 | 17.31 |
| | 5 Year | 14.50 | 13.88 | 16.58 | 14.57 | 13.95 |
| | Since 4/30/2012 | 14.86 | 14.21 | 16.20 | NA | 14.51 |
| | Saw/Ren - Since 7/31/2007 | 8.75 | 8.15 | 10.94 | NA | 8.72 |
| Polen | | | | Russ 1000 Growth | PSN Money Mgrs. | S&P 500 |
| | Quarter | 10.61 | 10.45 | 9.17 | 7.79 | 7.71 |
| | 1 Year | 31.62 | 30.82 | 26.30 | 21.58 | 17.91 |
| | 3 Year | 20.76 | 20.04 | 20.55 | 17.77 | 17.31 |
| | 5 Year | 19.91 | 19.20 | 16.58 | 14.57 | 13.95 |
| | Since 4/30/2012 | 16.87 | 16.21 | 16.20 | NA | 14.51 |
| Cambiar | | | | Russ 2500 Value | PSN Money Mgrs. | |
| | Quarter | 5.57 | 5.41 | 2.67 | 2.96 | |
| | 1 Year | 15.49 | 14.76 | 10.24 | 9.60 | |
| | Since 6/30/2016 | 18.82 | 18.14 | 14.45 | 17.43 | |
| | Cambiar/ GW Capital - 3 Year | 16.16 | 15.43 | 14.52 | 14.04 | |
| | Cambiar/ GW Capital - 5 Year | 8.74 | 8.00 | 9.99 | 10.78 | |
| | Cambiar/ GW Capital - Since 10/31/2008 | 14.88 | 14.09 | 13.23 | NA | |
| Fiera (Formerly APEX) | | | | Russ 2500 Growth | PSN Money Mgrs. | |
| | Quarter | 5.91 | 5.76 | 7.17 | 6.94 | |
| | 1 Year | 22.83 | 22.12 | 23.13 | 22.29 | |
| | 3 Year | 15.48 | 14.79 | 17.96 | 17.30 | |
| | Since 1/31/2015 | 11.91 | 11.28 | 13.73 | NA | |
| | Fiera/ETF/Perimeter- 5 Year | 11.34 | 10.67 | 12.88 | 12.93 | |
| | Fiera/ETF/Perimeter- Since 4/30/2009 | 15.63 | 14.92 | 17.57 | NA | |
| Delaware | | | | MSCI EAFE (Net) | MSCI EAFE Val | |
| | Quarter | 1.85 | 1.67 | 1.36 | 1.18 | |
| | 1 Year | 0.66 | (0.02) | 2.74 | (0.36) | |
| | 3 Year | 8.30 | 7.53 | 9.23 | 8.12 | |
| | 5 Year | 5.28 | 4.49 | 4.42 | 3.14 | |
| | Since 7/31/2005 | 5.33 | 4.54 | 4.87 | 3.92 | |

| Renaissance | | | | MSCI AC Wd x US | MSCI EAFE Grth | |
|-----------------------------|-----------------|--------|--------|----------------------------|--------------------------|----------------------|
| | Quarter | 1.33 | 1.17 | 0.71 | 1.53 | |
| | 1 Year | (0.25) | (0.84) | 1.76 | 5.85 | |
| | 3 Year | 9.18 | 8.50 | 9.97 | 10.26 | |
| | 5 Year | 5.54 | 4.87 | 4.12 | 5.62 | |
| | Since 4/30/2009 | 9.93 | 9.25 | 8.22 | 9.75 | |
| FIXED INCOME | | | | | | |
| Garcia Hamilton | | | | BC Int. Govt/Credit | BC Int. Aggregate | 90-Day T-Bill |
| | Quarter | 0.20 | 0.20 | 0.21 | 0.11 | 0.50 |
| | 1 Year | (0.06) | (0.18) | (0.96) | (0.93) | 1.57 |
| | 3 Year | 1.46 | 1.25 | 0.91 | 0.95 | 0.80 |
| | 5 Year | 2.51 | 2.28 | 1.52 | 1.70 | 0.49 |
| | Since 9/30/2003 | 4.57 | 4.30 | 3.23 | 3.47 | 1.24 |
| TOTAL RETURN | | | | | | |
| Time-Weighted Return | | | | Policy Index | | |
| | Quarter | 4.66 | 4.55 | 4.00 | | |
| | 1 Year | 11.46 | 10.96 | 9.28 | | |
| | 3 Year | 11.01 | 10.49 | 10.51 | | |
| | 5 Year | 8.79 | 8.27 | 8.28 | | |
| | Since 3/31/2001 | 6.68 | 6.19 | 6.45 | | |
| TOTAL RETURN | | | | | | |
| Dollar-Weighted Net | | | | Actuarial Rate | CPI +4 | |
| | Quarter | | 4.56 | 1.65 | 1.47 | |
| | 1 Year | | 10.96 | 6.75 | 6.44 | |
| | 3 Year | | 10.46 | 6.75 | 6.07 | |
| | 5 Year | | 8.23 | 6.75 | 5.54 | |
| | Since 3/31/2001 | | 6.02 | 6.75 | 6.11 | |

Policy Index = 30% Russell 1000 Value + 30% Russell 1000 Growth + 20% BC Aggregate + 20% BC Intermediate Gov't/Credit Bonds for periods prior to June 30, 2005; 27.5% Russell 1000 Value + 27.5% Russell 1000 Growth + 10% MSCI EAFE (Net) + 17.5% BC Aggregate + 17.5% BC Intermediate Gov't/Credit Bonds for periods from June 30, 2005 to October 31, 2008; 25% Russell 1000 Value + 25% Russell 1000 Growth + 5% Russell 2500 Value + 10% MSCI EAFE (Net) + 17.5% BC Aggregate + 17.5 BC Intermediate Gov't/Credit Bonds for periods October 31, 2008 to April 30, 2009; & 22.5% Russell 1000 Value + 22.5% Russell 1000 Growth + 5% Russell 2500 Value + 5% Russell 2500 Growth + 5% MSCI EAFE (Net) + 5% MSCI AC World ex US + 35% BC Intermediate Gov't/Credit Bonds for periods since April 30, 2009

Risk/Return Analysis - Since Inception



Return & Risk Analysis

April 2001 - September 2018: Summary Statistics

| | Return | Excess Return vs. Market | Standard Deviation | Beta vs. Market | Maximum Drawdown | Up Capture vs. Market | Down Capture vs. Market | Alpha vs. Market | Sharpe Ratio | R-Squared vs. Market |
|-------------------------------------|--------|--------------------------|--------------------|-----------------|------------------|-----------------------|-------------------------|------------------|--------------|----------------------|
| Ormond Beach General - Total Fund | 6.68% | 0.22% | 9.69% | 0.96 | -28.93% | 98.99% | 94.46% | 0.49% | 0.55 | 97.37% |
| Ormond Beach General - Policy Index | 6.46% | 0.00% | 10.01% | 1.00 | -31.33% | 100.00% | 100.00% | 0.00% | 0.51 | 100.00% |

INVESTMENT POLICY CHECKLIST

Ormond Beach General Employees' Pension Fund

As of September 30, 2018

| GUIDELINES | In Compliance | OBJECTIVES | Met |
|---|---------------|--|-----|
| <u>Equity Portfolio</u> | | <u>Total Portfolio</u> | |
| Listed on recognized exchange | Yes | Exceed Target Index - Since 3/31/2001 | Yes |
| Single issue not to exceed 10% at market value for each equity separately managed portfolio | Yes | Exceed actuarial assumption (6.75%) - Since 3/31/2001 | No |
| Each equity portfolio < 70% & > 60% of total fund at market value | No (70.55%) | <u>HGK</u> | |
| | | Equities > Russell 1000 Value - Since 4/30/2009 | No |
| | | Rank in the Top 50% - Since 4/30/2009 | No |
| | | <u>Sawgrass</u> | |
| <u>Fixed Income Portfolio</u> | | Equities > Russell 1000 Growth - Since 4/30/2012 | No |
| U.S. Government / Agency or U.S. Corporations | Yes | Rank in the Top 50% - Since 4/30/2012 | No |
| Fixed Income Portfolio < 40% & > 30% | No (29.20%) | <u>Polen</u> | |
| Corporate Bonds rated "A" or better | Yes* | Equities > Russell 1000 Growth - Since 4/30/2012 | Yes |
| CMOs < 15% of fixed Income portfolio at market | Yes | Rank in the Top 50% - Since 4/30/2012 | Yes |
| Single corporate issuer not exceed 5% of bond portfolio | Yes | <u>Cambiar</u> | |
| Single corporate issuer not exceed 5% of total fund | Yes | Equities > Russell 2500 Value - Since 6/30/2016 | Yes |
| | | Rank in the Top 50% - Since 6/30/2016 | Yes |
| | | <u>Fiera (Formerly APEX)</u> | |
| | | Equities > Russell 2500 Growth - Since 1/31/2015 | No |
| | | Rank in the Top 50% - Since 1/31/2015 | No |
| | | <u>Delaware</u> | |
| | | Equities > MSCI EAFE (Net) - Since 7/31/2005 | Yes |
| | | <u>Renaissance</u> | |
| | | Equities > MSCI AC World ex US - Since 4/30/2009 | Yes |
| | | <u>Garcia Hamilton & Associates</u> | |
| | | Bonds > BC Intermediate Gov't/Credit - Since 3/31/2001 | Yes |

* A couple of securities contain "A" or better rating by another major rating service

SUMMARY OF RELEVANT FACTS
City of Ormond Beach Firefighters' Pension Plan
As of September 30, 2018

| Distribution of Assets: | |
|--------------------------------|--------------|
| Equity | |
| Large Cap Value | \$7,134,518 |
| Large Cap Growth | \$7,810,771 |
| Small/Mid Cap Value | \$1,765,673 |
| Small/Mid Cap Growth | \$1,965,919 |
| International Value | \$1,731,985 |
| International Growth | \$1,721,390 |
| Total Equity | \$22,130,256 |
| Fixed Income | \$8,912,161 |
| Cash (R&D Account) | \$371,830 |
| Total Portfolio | \$31,414,247 |

Other Important Facts:

| | |
|------------------------------|--------------|
| Total Portfolio | \$31,414,247 |
| Total Gain or (Loss) - Gross | \$1,404,081 |
| Total Gain or (Loss) - Net | \$1,370,571 |
| Total Fees | (\$33,510) |

HGK (Large Cap Value)

| | | |
|----------------|--------------|-------------|
| Total Assets | 100.00% | \$7,134,518 |
| Equity | 97.26% | \$6,938,952 |
| Cash | <u>2.74%</u> | \$195,566 |
| Fees | | (\$6,404) |
| Gain or (Loss) | | \$393,886 |

FIERA (Formerly APEX) (Small/Mid Cap Growth)

| | | |
|----------------|--------------|-------------|
| Total Assets | 100.00% | \$1,965,919 |
| Equity | 97.19% | \$1,910,626 |
| Cash | <u>2.81%</u> | \$55,293 |
| Fees | | (\$2,789) |
| Gain or (Loss) | | \$109,422 |

| Distribution by Percentages: | Policy | Current |
|-------------------------------------|---------------|----------------|
| Equity | | |
| Large Cap Value | 22.5% | 22.71% |
| Large Cap Growth | 22.5% | 24.86% |
| Small/Mid Cap Value | 5.0% | 5.62% |
| Small/Mid Cap Growth | 5.0% | 6.26% |
| International Value | 5.0% | 5.51% |
| International Growth | <u>5.0%</u> | <u>5.48%</u> |
| Total Equity | 65.0% | 70.45% |
| Fixed Income | 35.0% | 28.37% |
| Cash (R&D Account) | 0.0% | 1.18% |
| Total | 100.0% | 100.00% |

SAWGRASS (Large Cap Growth)

| | | |
|----------------|--------------|-------------|
| Total Assets | 100.00% | \$3,826,817 |
| Equity | 96.64% | \$3,698,421 |
| Cash | <u>3.36%</u> | \$128,396 |
| Fees | | (\$4,678) |
| Gain or (Loss) | | \$357,430 |

DELAWARE (International Value)

| | | |
|----------------|--------------|-------------|
| Total Assets | 100.00% | \$1,731,985 |
| Equity | 97.82% | \$1,694,180 |
| Cash | <u>2.18%</u> | \$37,805 |
| Fees | | (\$3,187) |
| Gain or (Loss) | | \$31,625 |

POLEN (Large Cap Growth)

| | | |
|----------------|--------------|-------------|
| Total Assets | 100.00% | \$3,983,953 |
| Equity | 98.49% | \$3,923,925 |
| Cash | <u>1.51%</u> | \$60,028 |
| Fees | | (\$5,399) |
| Gain or (Loss) | | \$380,150 |

RENAISSANCE (International Growth)

| | | |
|----------------|--------------|-------------|
| Total Assets | 100.00% | \$1,721,390 |
| Equity | 98.79% | \$1,700,521 |
| Cash | <u>1.21%</u> | \$20,869 |
| Fees | | (\$2,767) |
| Gain or (Loss) | | \$18,506 |

RECEIPTS & DISBURSEMENT

| | |
|---------------------|-----------|
| Total Assets (Cash) | \$371,830 |
| Gain or (Loss) | \$1,159 |

CAMBIAR (Small/Mid Cap Value)

| | | |
|----------------|--------------|-------------|
| Total Assets | 100.00% | \$1,765,673 |
| Equity | 99.47% | \$1,756,266 |
| Cash | <u>0.53%</u> | \$9,407 |
| Fees | | (\$2,722) |
| Gain or (Loss) | | \$93,479 |

GARCIA HAMILTON (Fixed Income)

| | | |
|----------------|--------------|-------------|
| Total Assets | 100.00% | \$8,912,161 |
| Fixed Income | 96.48% | \$8,598,212 |
| Cash | <u>3.52%</u> | \$313,950 |
| Fees | | (\$5,563) |
| Gain or (Loss) | | \$18,424 |

BREAKDOWN OF RETURNS
City of Ormond Beach Firefighters' Pension Plan
As of September 30, 2018

Actuarial Rate of Return = 7.00%

| EQUITY | | Your Returns | Your Returns | | | |
|------------------------------|--|------------------------|----------------------|-------------------------|------------------------|--------------------|
| HGK | | (Gross-of-Fees) | (Net-of-Fees) | Russ 1000 Value | PSN Money Mgrs. | S&P 500 |
| | Quarter | 5.84 | 5.74 | 5.70 | 5.46 | 7.71 |
| | 1 Year | 13.98 | 13.56 | 9.45 | 11.00 | 17.91 |
| | 3 Year | 15.80 | 15.36 | 13.55 | 14.40 | 17.31 |
| | 5 Year | 9.72 | 9.30 | 10.72 | 11.30 | 13.95 |
| | Since 4/30/2009 | 13.21 | 12.80 | 14.39 | NA | 16.07 |
| Sawgrass | | | | Russ 1000 Growth | PSN Money Mgrs. | S&P 500 |
| | Quarter | 10.29 | 10.15 | 9.17 | 7.79 | 7.71 |
| | 1 Year | 23.78 | 23.04 | 26.30 | 21.58 | 17.91 |
| | 3 Year | 17.07 | 16.42 | 20.55 | 17.77 | 17.31 |
| | 5 Year | 14.31 | 13.68 | 16.58 | 14.57 | 13.95 |
| | Since 4/30/2012 | 14.68 | 14.03 | 16.20 | NA | 14.51 |
| | Saw/Ren - Since 7/31/2007 | 8.66 | 8.07 | 10.94 | NA | 8.72 |
| Polen | | | | Russ 1000 Growth | PSN Money Mgrs. | S&P 500 |
| | Quarter | 10.54 | 10.38 | 9.17 | 7.79 | 7.71 |
| | 1 Year | 31.42 | 30.65 | 26.30 | 21.58 | 17.91 |
| | 3 Year | 20.60 | 19.89 | 20.55 | 17.77 | 17.31 |
| | 5 Year | 19.81 | 19.11 | 16.58 | 14.57 | 13.95 |
| | Since 4/30/2012 | 16.80 | 16.13 | 16.20 | NA | 14.51 |
| Cambiar | | | | Russ 2500 Value | PSN Money Mgrs. | |
| | Quarter | 5.58 | 5.42 | 2.67 | 2.96 | |
| | 1 Year | 15.38 | 14.65 | 10.24 | 9.60 | |
| | Since 6/30/2016 | 18.78 | 18.09 | 14.45 | 17.43 | |
| | Cambiar/ GW Capital - 3 Year | 16.12 | 15.39 | 14.52 | 14.04 | |
| | Cambiar/ GW Capital - 5 Year | 8.71 | 7.96 | 9.99 | 10.78 | |
| | Cambiar/ GW Capital - Since 10/31/2008 | 14.90 | 14.13 | 13.23 | NA | |
| Fiera (Formerly APEX) | | | | Russ 2500 Growth | PSN Money Mgrs. | |
| | Quarter | 5.89 | 5.73 | 7.17 | 6.94 | |
| | 1 Year | 22.75 | 22.05 | 23.13 | 22.29 | |
| | 3 Year | 15.48 | 14.80 | 17.96 | 17.30 | |
| | Since 1/31/2015 | 11.91 | 11.32 | 13.73 | NA | |
| | Fiera/ETF/Perimeter- 5 Year | 11.33 | 10.70 | 12.88 | 12.93 | |
| | Fiera/ETF/Perimeter- Since 4/30/2009 | 15.40 | 14.68 | 17.57 | NA | |
| Delaware | | | | MSCI EAFE (Net) | MSCI EAFE Val | |
| | Quarter | 1.86 | 1.67 | 1.36 | 1.18 | |
| | 1 Year | 0.27 | (0.40) | 2.74 | (0.36) | |
| | 3 Year | 8.22 | 7.45 | 9.23 | 8.12 | |
| | 5 Year | 5.23 | 4.47 | 4.42 | 3.14 | |
| | Since 7/31/2005 | 5.38 | 4.61 | 4.87 | 3.92 | |

| Renaissance | | | | MSCI AC Wd x US | MSCI EAFE Grth | |
|----------------------------|-----------------|--------|--------|----------------------------|--------------------------|----------------------|
| | Quarter | 1.08 | 0.92 | 0.71 | 1.53 | |
| | 1 Year | (0.74) | (1.21) | 1.76 | 5.85 | |
| | 3 Year | 9.13 | 8.49 | 9.97 | 10.26 | |
| | 5 Year | 5.36 | 4.69 | 4.12 | 5.62 | |
| | Since 4/30/2009 | 10.00 | 9.32 | 8.22 | 9.75 | |
| FIXED INCOME | | | | | | |
| Garcia Hamilton | | | | BC Int. Govt/Credit | BC Int. Aggregate | 90-Day T-Bill |
| | Quarter | 0.21 | 0.14 | 0.21 | 0.11 | 0.50 |
| | 1 Year | 0.38 | 0.13 | (0.96) | (0.93) | 1.57 |
| | 3 Year | 1.63 | 1.38 | 0.91 | 0.95 | 0.80 |
| | 5 Year | 2.64 | 2.39 | 1.52 | 1.70 | 0.49 |
| | Since 9/30/2003 | 4.53 | 4.25 | 3.23 | 3.47 | 1.24 |
| TOTAL RETURN | | | | | | |
| Combined Managers | | | | Policy Index | | |
| | Quarter | 4.68 | 4.57 | 4.00 | | |
| | 1 Year | 11.51 | 11.00 | 9.28 | | |
| | 3 Year | 11.04 | 10.51 | 10.51 | | |
| | 5 Year | 8.70 | 8.16 | 8.28 | | |
| | Since 3/31/2001 | 6.53 | 6.04 | 6.45 | | |
| TOTAL RETURN | | | | | | |
| Dollar-Weighted Net | | | | Actuarial Rate | CPI +4 | |
| | Quarter | | 4.57 | 1.71 | 1.47 | |
| | 1 Year | | 10.99 | 7.00 | 6.44 | |
| | 3 Year | | 10.48 | 7.00 | 6.07 | |
| | 5 Year | | 8.14 | 7.00 | 5.54 | |
| | Since 3/31/2001 | | 6.19 | 7.00 | 6.11 | |

Policy Index = 30% Russell 1000 Value + 30% Russell 1000 Growth + 20% BC Aggregate + 20% BC Intermediate Gov't/Credit Bonds for periods prior to June 30, 2005; 27.5% Russell 1000 Value + 27.5% Russell 1000 Growth + 10% MSCI EAFE (Net) + 17.5% BC Aggregate + 17.5% BC Intermediate Gov't/Credit Bonds for periods from June 30, 2005 to October 31, 2008; 25% Russell 1000 Value + 25% Russell 1000 Growth + 5% Russell 2500 Value + 10% MSCI EAFE (Net) + 17.5% BC Aggregate + 17.5 BC Intermediate Gov't/Credit Bonds for periods October 31, 2008 to April 30, 2009; & 22.5% Russell 1000 Value + 22.5% Russell 1000 Growth + 5% Russell 2500 Value + 5% Russell 2500 Growth + 5% MSCI EAFE (Net) + 5% MSCI AC World ex US + 35% BC Intermediate Gov't/Credit Bonds for periods since April 30, 2009

Risk/Return Analysis - Since Inception



INVESTMENT POLICY CHECKLIST

Ormond Beach Firefighters' Pension Fund

As of September 30, 2018

| GUIDELINES | In Compliance | OBJECTIVES | Met |
|---|---------------|--|-----|
| <u>Equity Portfolio</u> | | <u>Total Portfolio</u> | |
| Listed on recognized exchange | Yes | Exceed Target Index - Since 3/31/2001 | Yes |
| Single issue not to exceed 10% at market value for each equity separately managed portfolio | Yes | Exceed actuarial assumption (7.00%) - Since 3/31/2001 | No |
| Each equity portfolio < 70% & > 60% of total fund at market value | No (70.45%) | <u>HGK</u> | |
| No scrutinized companies (Sudan/Iran) held per Protecting Florida's Investments Act requirement | Yes | Equities > Russell 1000 Value - Since 4/30/2009 | No |
| | | Rank in the Top 50% - Since 4/30/2009 | No |
| | | <u>Sawgrass</u> | |
| <u>Fixed Income Portfolio</u> | | Equities > Russell 1000 Growth - Since 4/30/2012 | No |
| U.S. Government / Agency or U.S. Corporations | Yes | Rank in the Top 50% - Since 4/30/2012 | No |
| Fixed Income Portfolio < 40% & > 30% | No (28.37%) | <u>Polen</u> | |
| Corporate Bonds rated "A" or better | Yes* | Equities > Russell 1000 Growth - Since 4/30/2012 | Yes |
| CMOs < 15% of fixed Income portfolio at market | Yes | Rank in the Top 50% - Since 4/30/2012 | Yes |
| Single corporate issuer not exceed 5% of bond portfolio | Yes | <u>Cambiar</u> | |
| Single corporate issuer not exceed 5% of total fund | Yes | Equities > Russell 2500 Value - Since 6/30/2016 | Yes |
| | | Rank in the Top 50% - Since 6/30/2016 | Yes |
| | | <u>Fiera (Formerly APEX)</u> | |
| | | Equities > Russell 2500 Growth - Since 1/31/2015 | No |
| | | Rank in the Top 50% - Since 1/31/2015 | No |
| | | <u>Delaware</u> | |
| | | Equities > MSCI EAFE (Net) - Since 7/31/2005 | Yes |
| | | <u>Renaissance</u> | |
| | | Equities > MSCI AC World ex US - Since 4/30/2009 | Yes |
| | | <u>Garcia Hamilton & Associates</u> | |
| | | Bonds > BC Intermediate Gov't/Credit - Since 3/31/2001 | Yes |

* A couple of securities contain "A" or better rating by another major rating service

SUMMARY OF RELEVANT FACTS
City of Ormond Beach Police Officers' Pension Plan
As of September 30, 2018

| Distribution of Assets: | | |
|--------------------------------|---------------------|--|
| Equity | | |
| Large Cap Value | \$8,520,871 | |
| Large Cap Growth | \$8,612,772 | |
| Small/Mid Cap Value | \$1,838,693 | |
| Small/Mid Cap Growth | \$2,157,737 | |
| International Value | \$2,043,408 | |
| International Growth | \$2,024,358 | |
| Total Equity | \$25,197,838 | |
| Fixed Income | \$9,202,234 | |
| Cash (R&D Account) | \$341,315 | |
| Total Portfolio | \$34,741,386 | |

| Distribution by Percentages: | Policy | Current |
|-------------------------------------|---------------|----------------|
| Equity | | |
| Large Cap Value | 22.5% | 24.53% |
| Large Cap Growth | 22.5% | 24.79% |
| Small/Mid Cap Value | 5.0% | 5.29% |
| Small/Mid Cap Growth | 5.0% | 6.21% |
| International Value | 5.0% | 5.88% |
| International Growth | 5.0% | 5.83% |
| Total Equity | 65.0% | 72.53% |
| Fixed Income | 35.0% | 26.49% |
| Cash (R&D Account) | 0.0% | 0.98% |
| Total | 100.0% | 100.00% |

RECEIPTS & DISBURSEMENT

| | |
|---------------------|-----------|
| Total Assets (Cash) | \$341,315 |
| Gain or (Loss) | \$371 |

Other Important Facts:

| | |
|------------------------------|--------------|
| Total Portfolio | \$34,741,386 |
| Total Gain or (Loss) - Gross | \$1,600,477 |
| Total Gain or (Loss) - Net | \$1,553,292 |
| Total Fees | (\$47,185) |

HGK (Large Cap Value)

| | | |
|----------------|--------------|-------------|
| Total Assets | 100.00% | \$8,520,871 |
| Equity | 98.99% | \$8,434,572 |
| Cash | <u>1.01%</u> | \$86,299 |
| Fees | | (\$7,778) |
| Gain or (Loss) | | \$479,144 |

SAWGRASS (Large Cap Growth)

| | | |
|----------------|--------------|-------------|
| Total Assets | 100.00% | \$4,167,171 |
| Equity | 98.31% | \$4,096,645 |
| Cash | <u>1.69%</u> | \$70,526 |
| Fees | | (\$5,176) |
| Gain or (Loss) | | \$395,883 |

POLEN (Large Cap Growth)

| | | |
|----------------|--------------|-------------|
| Total Assets | 100.00% | \$4,445,601 |
| Equity | 98.48% | \$4,377,864 |
| Cash | <u>1.52%</u> | \$67,737 |
| Fees | | (\$6,178) |
| Gain or (Loss) | | \$430,098 |

CAMBIAR (Small/Mid Cap Value)

| | | |
|----------------|--------------|-------------|
| Total Assets | 100.00% | \$1,838,693 |
| Equity | 99.61% | \$1,831,461 |
| Cash | <u>0.39%</u> | \$7,232 |
| Fees | | (\$2,835) |
| Gain or (Loss) | | \$97,109 |

FIERA (Formerly APEX) (Small/Mid Cap Growth)

| | | |
|----------------|--------------|-------------|
| Total Assets | 100.00% | \$2,157,737 |
| Equity | 97.24% | \$2,098,266 |
| Cash | <u>2.76%</u> | \$59,471 |
| Fees | | (\$3,061) |
| Gain or (Loss) | | \$120,175 |

DELAWARE (International Value)

| | | |
|----------------|--------------|-------------|
| Total Assets | 100.00% | \$2,043,408 |
| Equity | 97.73% | \$1,997,051 |
| Cash | <u>2.27%</u> | \$46,357 |
| Fees | | (\$3,760) |
| Gain or (Loss) | | \$37,193 |

RENAISSANCE (International Growth)

| | | |
|----------------|--------------|-------------|
| Total Assets | 100.00% | \$2,024,358 |
| Equity | 98.84% | \$2,000,934 |
| Cash | <u>1.16%</u> | \$23,424 |
| Fees | | (\$3,254) |
| Gain or (Loss) | | \$21,516 |

GARCIA HAMILTON (Fixed Income)

| | | |
|----------------|--------------|-------------|
| Total Assets | 100.00% | \$9,202,234 |
| Fixed Income | 99.23% | \$9,131,305 |
| Cash | <u>0.77%</u> | \$70,929 |
| Fees | | (\$15,142) |
| Gain or (Loss) | | \$18,989 |

BREAKDOWN OF RETURNS
City of Ormond Beach Police Officers' Pension Plan
As of September 30, 2018

Actuarial Rate of Return = 6.75%

| EQUITY HGK | | Your Returns (Gross-of-Fees) | Your Returns (Net-of-Fees) | Russ 1000 Value | PSN Money Mgrs. | S&P 500 |
|------------------------------|--|---|---------------------------------------|-------------------------|------------------------|--------------------|
| | Quarter | 5.86 | 5.76 | 5.70 | 5.46 | 7.71 |
| | 1 Year | 13.71 | 13.29 | 9.45 | 11.00 | 17.91 |
| | 3 Year | 15.65 | 15.22 | 13.55 | 14.40 | 17.31 |
| | 5 Year | 9.61 | 9.20 | 10.72 | 11.30 | 13.95 |
| | Since 4/30/2009 | 13.11 | 12.70 | 14.39 | NA | 16.07 |
| Sawgrass | | | | Russ 1000 Growth | PSN Money Mgrs. | S&P 500 |
| | Quarter | 10.32 | 10.18 | 9.17 | 7.79 | 7.71 |
| | 1 Year | 23.78 | 23.13 | 26.30 | 21.58 | 17.91 |
| | 3 Year | 17.14 | 16.52 | 20.55 | 17.77 | 17.31 |
| | 5 Year | 14.46 | 13.84 | 16.58 | 14.57 | 13.95 |
| | Since 4/30/2012 | 14.85 | 14.20 | 16.20 | NA | 14.51 |
| | Saw/Ren - Since 7/31/2007 | 8.73 | 8.13 | 10.94 | NA | 8.72 |
| Polen | | | | Russ 1000 Growth | PSN Money Mgrs. | S&P 500 |
| | Quarter | 10.63 | 10.47 | 9.17 | 7.79 | 7.71 |
| | 1 Year | 31.48 | 30.51 | 26.30 | 21.58 | 17.91 |
| | 3 Year | 20.69 | 19.98 | 20.55 | 17.77 | 17.31 |
| | 5 Year | 20.02 | 19.31 | 16.58 | 14.57 | 13.95 |
| | Since 4/30/2012 | 16.95 | 16.28 | 16.20 | NA | 14.51 |
| Cambiar | | | | Russ 2500 Value | PSN Money Mgrs. | |
| | Quarter | 5.57 | 5.40 | 2.67 | 2.96 | |
| | 1 Year | 15.51 | 14.78 | 10.24 | 9.60 | |
| | Since 6/30/2016 | 18.86 | 18.17 | 14.45 | 17.43 | |
| | Cambiar/ GW Capital - 3 Year | 16.28 | 15.63 | 14.52 | 14.04 | |
| | Cambiar/ GW Capital - 5 Year | 8.79 | 8.09 | 9.99 | 10.78 | |
| | Cambiar/ GW Capital - Since 10/31/2008 | 14.95 | 14.18 | 13.23 | NA | |
| Fiera (Formerly APEX) | | | | Russ 2500 Growth | PSN Money Mgrs. | |
| | Quarter | 5.89 | 5.74 | 7.17 | 6.94 | |
| | 1 Year | 22.72 | 22.01 | 23.13 | 22.29 | |
| | 3 Year | 15.48 | 14.80 | 17.96 | 17.30 | |
| | Since 1/31/2015 | 11.91 | 11.28 | 13.73 | NA | |
| | Fiera/ETF/Perimeter- 5 Year | 11.35 | 10.68 | 12.88 | 12.93 | |
| | Fiera/ETF/Perimeter- Since 4/30/2009 | 15.72 | 14.98 | 17.57 | NA | |
| Delaware | | | | MSCI EAFE (Net) | MSCI EAFE Val | |
| | Quarter | 1.85 | 1.66 | 1.36 | 1.18 | |
| | 1 Year | 0.89 | 0.19 | 2.74 | (0.36) | |
| | 3 Year | 8.35 | 7.57 | 9.23 | 8.12 | |
| | 5 Year | 5.30 | 4.53 | 4.42 | 3.14 | |
| | Since 7/31/2005 | 5.33 | 4.56 | 4.87 | 3.92 | |

| Renaissance | | | | MSCI AC Wd x US | MSCI EAFE Grth | |
|----------------------------|-----------------|--------|--------|----------------------------|--------------------------|----------------------|
| | Quarter | 1.07 | 0.91 | 0.71 | 1.53 | |
| | 1 Year | (0.67) | (1.28) | 1.76 | 5.85 | |
| | 3 Year | 9.18 | 8.49 | 9.97 | 10.26 | |
| | 5 Year | 5.53 | 4.82 | 4.12 | 5.62 | |
| | Since 4/30/2009 | 10.02 | 9.36 | 8.22 | 9.75 | |
| FIXED INCOME | | | | | | |
| Garcia Hamilton | | | | BC Int. Govt/Credit | BC Int. Aggregate | 90-Day T-Bill |
| | Quarter | 0.21 | 0.04 | 0.21 | 0.11 | 0.50 |
| | 1 Year | 0.39 | 0.03 | (0.96) | (0.93) | 1.57 |
| | 3 Year | 1.64 | 1.35 | 0.91 | 0.95 | 0.80 |
| | 5 Year | 2.64 | 2.36 | 1.52 | 1.70 | 0.49 |
| | Since 9/30/2003 | 4.61 | 4.32 | 3.23 | 3.47 | 1.24 |
| TOTAL RETURN | | | | | | |
| Combined Managers | | | | Policy Index | | |
| | Quarter | 4.83 | 4.67 | 4.00 | | |
| | 1 Year | 11.66 | 11.08 | 9.28 | | |
| | 3 Year | 11.14 | 10.60 | 10.51 | | |
| | 5 Year | 8.80 | 8.26 | 8.28 | | |
| | Since 3/31/2001 | 6.60 | 6.11 | 6.45 | | |
| TOTAL RETURN | | | | | | |
| Dollar-Weighted Net | | | | Actuarial Rate | CPI +4 | |
| | Quarter | | 4.67 | 1.65 | 1.47 | |
| | 1 Year | | 11.07 | 6.75 | 6.44 | |
| | 3 Year | | 10.56 | 6.75 | 6.07 | |
| | 5 Year | | 8.18 | 6.75 | 5.54 | |
| | Since 3/31/2001 | | 5.95 | 6.75 | 6.11 | |

Policy Index = 30% Russell 1000 Value + 30% Russell 1000 Growth + 20% BC Aggregate + 20% BC Intermediate Gov't/Credit Bonds for periods prior to June 30, 2005; 27.5% Russell 1000 Value + 27.5% Russell 1000 Growth + 10% MSCI EAFE (Net) + 17.5% BC Aggregate + 17.5% BC Intermediate Gov't/Credit Bonds for periods from June 30, 2005 to October 31, 2008; 25% Russell 1000 Value + 25% Russell 1000 Growth + 5% Russell 2500 Value + 10% MSCI EAFE (Net) + 17.5% BC Aggregate + 17.5 BC Intermediate Gov't/Credit Bonds for periods October 31, 2008 to April 30, 2009; & 22.5% Russell 1000 Value + 22.5% Russell 1000 Growth + 5% Russell 2500 Value + 5% Russell 2500 Growth + 5% MSCI EAFE (Net) + 5% MSCI AC World ex US + 35% BC Intermediate Gov't/Credit Bonds for periods since April 30, 2009

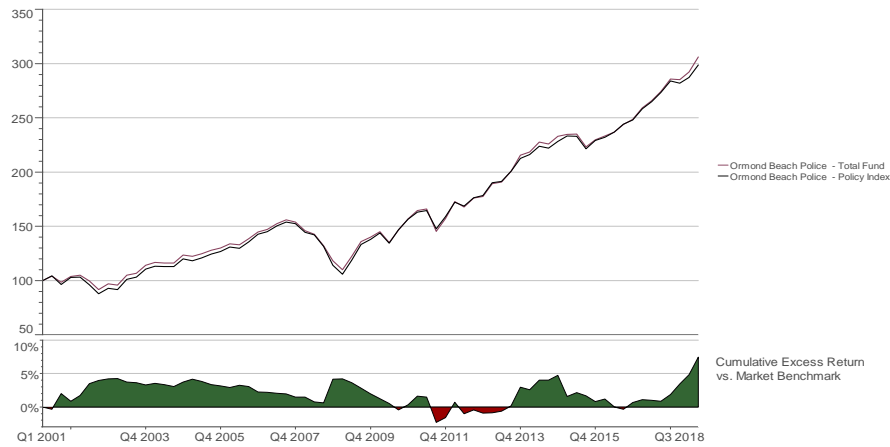
Risk/Return Analysis - Since Inception

Zephyr StyleADVISOR

Zephyr StyleADVISOR - MSSB - Tampa, FL

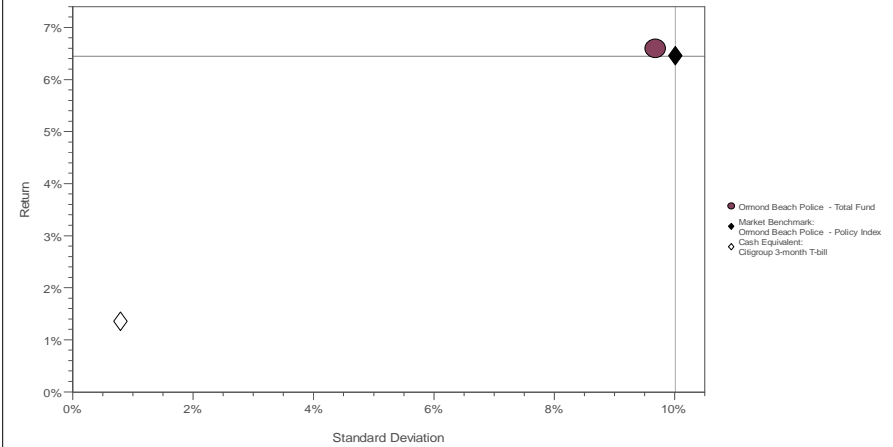
Manager Performance

April 2001 - September 2018 (Single Computation)



Risk / Return

April 2001 - September 2018 (Single Computation)



Return & Risk Analysis

April 2001 - September 2018: Summary Statistics

| | Return | Excess Return vs. Market | Standard Deviation | Beta vs. Market | Maximum Drawdown | Up Capture vs. Market | Down Capture vs. Market | Alpha vs. Market | Sharpe Ratio | R-Squared vs. Market |
|------------------------------------|--------|--------------------------|--------------------|-----------------|------------------|-----------------------|-------------------------|------------------|--------------|----------------------|
| Ormond Beach Police - Total Fund | 6.61% | 0.15% | 9.68% | 0.96 | -29.47% | 98.56% | 94.86% | 0.42% | 0.54 | 97.61% |
| Ormond Beach Police - Policy Index | 6.46% | 0.00% | 10.01% | 1.00 | -31.33% | 100.00% | 100.00% | 0.00% | 0.51 | 100.00% |

INVESTMENT POLICY CHECKLIST

Ormond Beach Police Officers' Pension Fund

As of September 30, 2018

| GUIDELINES | In Compliance | OBJECTIVES | Met |
|---|---------------|--|-----|
| <u>Equity Portfolio</u> | | <u>Total Portfolio</u> | |
| Listed on recognized exchange | Yes | Exceed Target Index - Since 3/31/2001 | Yes |
| Single issue not to exceed 10% at market value for each equity separately managed portfolio | Yes | Exceed actuarial assumption (6.75%) - Since 3/31/2001 | No |
| Each equity portfolio < 70% & > 60% of total fund at market value | No (72.53%) | <u>HGK</u> | |
| No scrutinized companies (Sudan/Iran) held per Protecting Florida's Investments Act requirement | Yes | Equities > Russell 1000 Value - Since 4/30/2009 | No |
| | | Rank in the Top 50% - Since 4/30/2009 | No |
| <u>Fixed Income Portfolio</u> | | <u>Sawgrass</u> | |
| U.S. Government / Agency or U.S. Corporations | Yes | Equities > Russell 1000 Growth - Since 4/30/2012 | No |
| Fixed Income Portfolio < 40% & > 30% | No (26.49%) | Rank in the Top 50% - Since 4/30/2012 | No |
| Corporate Bonds rated "A" or better | Yes* | <u>Polen</u> | |
| CMOs < 15% of fixed Income portfolio at market | Yes | Equities > Russell 1000 Growth - Since 4/30/2012 | Yes |
| Single corporate issuer not exceed 5% of bond portfolio | Yes | Rank in the Top 50% - Since 4/30/2012 | Yes |
| Single corporate issuer not exceed 5% of total fund | Yes | <u>Cambiar</u> | |
| | | Equities > Russell 2500 Value - Since 6/30/2016 | Yes |
| | | Rank in the Top 50% - Since 6/30/2016 | Yes |
| | | <u>Fiera (Formerly APEX)</u> | |
| | | Equities > Russell 2500 Growth - Since 1/31/2015 | No |
| | | Rank in the Top 50% - Since 1/31/2015 | No |
| | | <u>Delaware</u> | |
| | | Equities > MSCI EAFE (Net) - Since 7/31/2005 | Yes |
| | | <u>Renaissance</u> | |
| | | Equities > MSCI AC World ex US - Since 4/30/2009 | Yes |
| | | <u>Garcia Hamilton & Associates</u> | |
| | | Bonds > BC Intermediate Gov't/Credit - Since 3/31/2001 | Yes |

* A couple of securities contain "A" or better rating by another major rating service

Tactical Asset Allocation Reasoning

| Global Equities | | Relative Weights |
|--|--------------|--|
| US | Equal Weight | US equities have done exceptionally well since the global financial crisis, but they are now in the latter stages of a cyclical bull market. While the acceleration of the Trump/Republican progrowth agenda has created a booming economy and earnings outlook, it may also be sowing the seeds for the end of the cycle as the Fed is forced to raise rates and tighten policy in a more deliberate manner. With the exceptional run in growth and small-cap stocks, we recently reduced positions in both and favor large-cap value stocks. |
| International Equities (Developed Markets) | Overweight | We maintain a positive bias for Japanese and European equity markets. The populist movements around the world are now spreading to Italy, which may spur further fiscal support from Germany and France. This would be a potential positive catalyst but not likely to develop until September. |
| Emerging Markets | Overweight | Emerging market (EM) equities have been the strongest-performing region over the past 24 months but are underperforming so far in 2018. Some of this is simply the result of a market that needs to consolidate strong gains the past few years. However, it is also directly related to the Fed's tightening campaign. We expect EM to find support not far from current levels and have a strong finish to the year. |

Global Fixed Income

| | | |
|--------------------------------|-------------|---|
| US Investment Grade | Underweight | We have recommended shorter-duration (maturities) since March 2013, given the extremely low yields and potential capital losses associated with rising interest rates from such low levels. While interest rates have remained exceptionally low, US economic data have been very strong recently and the Fed is now raising rates at an accelerating pace. Adding some longer duration when 10-year US Treasury yields are above 3% makes sense. |
| International Investment Grade | Underweight | Yields are even lower outside the US, leaving very little value in international fixed income, particularly as the global economy begins to recover more broadly. While interest rates are likely to stay low, the offsetting diversification benefits do not warrant much, if any, position, in our view. |
| Inflation-Protected Securities | Overweight | With deflationary fears having become extreme in 2015 and early 2016, these securities still offer relative value in the context of our forecasted acceleration in global growth and our expectations for oil prices and the US dollar's year-over-year rate of change to revert toward 0%. That view played out in 2016 and 2017 but has not yet run its course. |
| High Yield | Underweight | High yield has performed exceptionally well since early 2016 with the stabilization in oil prices and retrenchment by the weaker players. We recently took our remaining high yield positions to zero as we prepare for deterioration in quality of earnings in the US led by lower operating margins. Credit spreads have likely reached a low for this cycle. |

Alternative Investments

| | | |
|---|--------------|---|
| Real Estate/REITS | Underweight | Real estate investment trusts (REITs) have underperformed global equities since mid-2016 when interest rates bottomed. We think it is still too early to reconsider our underweight zero allocation given the further rise in rates we expect and deteriorating fundamentals for the industry. Non-US REITs should be favored relative to domestic REITs. |
| Master Limited Partnerships/Energy Infrastructure | Overweight | Master limited partnerships (MLPs) have traded better since their capitulation in March around the FERC regulatory announcement. With oil prices much more stable and on an upward path, MLPs have garnered more interest given their 8% to 10% yields. |
| Hedged Strategies (Hedge Funds and Managed Futures) | Equal Weight | This asset category can provide uncorrelated exposure to traditional risk-asset markets. It tends to outperform when traditional asset categories are challenged by growth scares and/or interest rate volatility spikes. As volatility becomes more persistent in 2018, these strategies should do better than in recent years. |