

Third Quarter 2018

City of Ormond Beach

General Employees' Pension Plan
Police Officers' Pension Trust Fund
Firefighters' Pension Trust Fund

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Ormond Beach General Employees' Pension Plan

Q3 2018 Statement of Changes

	Cash	Equity	Total
Market Value at July 1, 2018	\$141,296	\$10,946,076	\$11,087,372
Contributions / (Withdrawals)	(15,299)	(96,134)	(111,433)
Interest and Dividends	607	71,976	72,583
Realized Gains / (Losses)	-	167,772	167,772
Unrealized Gains / (Losses)	-	416,390	416,390
Market Value at September 30, 2018	126,604	11,506,080	11,632,684
Total Investment Return at September 30, 2018	607	656,138	656,745
Equity Rate of Return	5.92%	Russell 1000 Value	5.70%

Ormond Beach General Employees' Pension Plan

YTD Statement of Changes

	Cash	Equity	Total
Market Value at January 1, 2018	\$243,452	\$11,311,520	\$11,554,972
Contributions / (Withdrawals)	(118,749)	(538,842)	(657,591)
Interest and Dividends	1,901	217,519	219,420
Realized Gains / (Losses)	-	840,354	840,354
Unrealized Gains / (Losses)	-	(324,471)	(324,471)
Market Value at September 30, 2018	126,604	11,506,080	11,632,684
Total Investment Return at September 30, 2018	1,901	733,402	735,303
Total Rate of Return	6.76%	Russell 1000 Value	3.91%

Ormond Beach Police Officers' Pension Trust Fund

Q3 2018 Statement of Changes

	Cash	Equity	Total
Market Value at July 1, 2018	\$209,037	\$7,978,214	\$8,187,251
Contributions / (Withdrawals)	(131,203)	(22,240)	(153,443)
Interest and Dividends	748	52,572	53,320
Realized Gains / (Losses)	-	121,230	121,230
Unrealized Gains / (Losses)	-	304,797	304,797
Market Value at September 30, 2018	78,582	8,434,572	8,513,154
Total Investment Return at September 30, 2018	748	478,598	479,346
Total Rate of Return	5.86%	Russell 1000 Value	5.70%

Ormond Beach Police Officers' Pension Trust Fund

YTD Statement of Changes

	Cash	Equity	Total
Market Value at January 1, 2018	200,787	7,945,534	8,146,321
Contributions / (Withdrawals)	(124,076)	(45,935)	(170,012)
Interest and Dividends	1,871	156,967	158,839
Realized Gains / (Losses)	-	546,521	546,521
Unrealized Gains / (Losses)	-	(168,515)	(168,515)
Market Value at September 30, 2018	78,582	8,434,572	8,513,154
Total Investment Return at September 30, 2018	1,871	534,973	536,845
Total Fund Rate of Return	6.63%	Russell 1000 Value	3.91%

Ormond Beach Firefighters' Pension Trust Fund

Q3 2018 Statement of Changes

	Cash	Equity	Total
Market Value at July 1, 2018	\$176,921	\$6,564,377	\$6,741,298
Contributions / (Withdrawals)	11,598	(18,549)	(6,951)
Interest and Dividends	625	43,305	43,930
Realized Gains / (Losses)	-	96,422	96,422
Unrealized Gains / (Losses)	-	253,397	253,397
Market Value at September 30, 2018	189,144	6,938,952	7,128,096
Total Investment Return at September 30, 2018	625	393,124	393,749
Equity Rate of Return	5.99%	Russell 1000 Value	5.70%

Ormond Beach Firefighters' Pension Trust Fund

YTD Statement of Changes

	Cash	Equity	Total
Market Value at January 1, 2018	\$168,400	\$7,069,810	\$7,238,210
Contributions / (Withdrawals)	19,130	(575,275)	(556,145)
Interest and Dividends	1,614	132,175	133,789
Realized Gains / (Losses)	-	567,819	567,819
Unrealized Gains / (Losses)	-	(255,577)	(255,577)
Market Value at September 30, 2018	189,144	6,938,952	7,128,096
Total Investment Return at September 30, 2018	1,614	444,417	446,031
Total Fund Rate of Return	6.77%	Russell 1000 Value	3.91%

City of Ormond Beach

Calendar Year End Performance

Year	General Employees'	Police Officers'	Firefighters'	Russell 1000 Value
May – Dec. 2009	27.55%	27.53%	27.62%	29.88%
2010	11.87%	11.90%	11.92%	15.51%
2011	0.75%	0.77%	0.69%	0.39%
2012	17.33%	16.98%	17.06%	17.51%
2013	33.20%	33.37%	33.20%	32.53%
2014	11.85%	11.81%	11.85%	13.45%
2015	-13.35%	-13.47%	-13.36%	-3.83%
2016	21.22%	21.36%	21.61%	17.32%
2017	15.52%	15.47%	15.56%	13.65%
As of September 2018	6.76%	6.63%	6.77%	3.91%
Annualized as of September 2018				
1 Year	13.89%	13.71%	13.93%	9.43%
3 Year	15.64%	15.63%	15.78%	13.54%
5 Year	9.64%	9.60%	9.71%	10.71%
7 Year	14.29%	14.22%	14.31%	15.02%
Since Inception (9.42 Years)				
Cumulative	225.57%	224.35%	226.03%	254.55%
Annualized	13.35%	13.31%	13.37%	14.39%

Large Cap Value

Attribution Analysis Q3 2018

	Large Cap Value			Russell 1000 Value ETF			Attribution Analysis		
	Port. Average Weight	Port. Total Return	Port. Contrib. To Return	Bench. Average Weight	Bench. Total Return	Bench. Contrib. To Return	Allocation Effect	Selection + Interaction	Total Effect
Total	100.00	5.86	5.86	100.00	5.70	5.70	-0.09	0.25	0.16
Industrials	7.37	15.09	1.04	8.03	8.33	0.66	-0.02	0.45	0.43
Health Care	16.81	16.26	2.61	14.46	15.63	2.13	0.21	0.10	0.31
Materials	4.22	7.15	0.30	4.02	-0.07	0.00	-0.01	0.30	0.29
Communication Services	4.49	12.80	0.58	6.66	6.20	0.41	-0.01	0.30	0.29
Real Estate	5.64	4.13	0.24	4.74	0.92	0.05	-0.02	0.18	0.16
Energy	14.36	3.05	0.40	10.65	1.44	0.13	-0.16	0.23	0.07
Financials	19.88	4.07	0.86	23.57	4.19	1.02	0.08	-0.06	0.02
Consumer Staples	3.75	3.49	0.11	7.25	4.69	0.35	0.03	-0.06	-0.02
Utilities	3.84	0.20	0.02	5.62	2.45	0.15	0.06	-0.08	-0.03
Cash	2.90	0.51	0.01	0.01	0.51	0.00	-0.15	-0.00	-0.15
Information Technology	9.54	5.71	0.53	9.63	8.21	0.77	0.00	-0.24	-0.23
Consumer Discretionary	7.19	-11.51	-0.85	5.37	0.34	0.02	-0.10	-0.88	-0.98

Source: FactSet. For informational purposes only. Slight rounding errors may occur.

Large Cap Value

Attribution Analysis YTD 2018

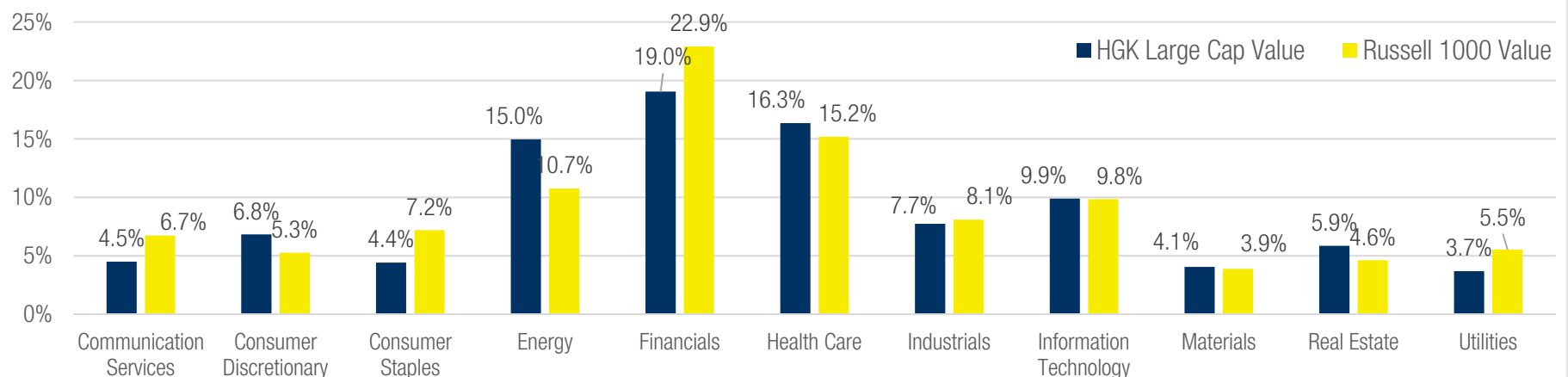
	Large Cap Value			Russell 1000 Value ETF			Attribution Analysis		
	Port. Average Weight	Port. Total Return	Port. Contrib. To Return	Bench. Average Weight	Bench. Total Return	Bench. Contrib. To Return	Allocation Effect	Selection + Interaction	Total Effect
Total	100.00	6.69	6.69	100.00	4.09	4.09	1.45	1.15	2.60
Energy	14.06	15.62	2.48	10.93	9.61	1.16	0.17	0.95	1.12
Consumer Staples	3.66	5.42	0.22	7.35	-7.38	-0.60	0.48	0.52	1.00
Materials	3.94	13.51	0.60	3.46	-2.95	-0.07	-0.01	0.67	0.66
Health Care	17.29	18.05	2.80	14.26	15.90	2.12	0.25	0.34	0.59
Industrials	7.11	8.29	0.56	8.13	0.93	0.05	0.04	0.47	0.51
Information Technology	10.78	12.41	1.54	9.05	13.35	1.11	0.39	0.04	0.42
Communication Services	4.29	14.56	0.66	5.93	5.65	0.43	-0.08	0.42	0.33
Real Estate	2.86	9.49	0.50	4.60	1.55	0.13	0.15	0.15	0.29
[Cash]	2.90	1.36	0.04	0.01	1.36	0.00	0.03	-0.00	0.03
Utilities	3.84	-2.32	-0.08	5.63	3.46	0.22	-0.05	-0.22	-0.26
Consumer Discretionary	7.66	-14.15	-1.11	5.05	-3.28	-0.16	-0.15	-0.80	-0.96
Financials	21.60	-5.79	-1.52	25.58	-0.52	-0.29	0.23	-1.37	-1.14

Source: FactSet. For informational purposes only. Slight rounding errors may occur.

Large Cap Value

Portfolio Characteristics as of September 30, 2018

	Fund	Russell 1000 Value
Weighted Average Market Cap	\$110.9 billion	\$126.4 billion
Median Market Cap	\$38.0 billion	\$9.9 billion
Number of Holdings	50	730
P/E Ratio	14.5x	16.1x
ROE	12.50%	12.40%
Dividend Yield	2.50%	2.40%
Active Share	79.60%	-
Upside Capture (15Y)	102.10%	-
Downside Capture (15Y)	97.6%	-



Source: HGK Asset Management, Inc., FTSE Russell

Large Cap Value

Top Ten Holdings as of September 30, 2018

Issue	Sector	% of Portfolio
Chevron Corporation	Energy	3.0%
Johnson & Johnson	Health Care	2.7%
CVS Health Corporation	Health Care	2.6%
Marathon Oil Corporation	Energy	2.5%
Bristol-Myers Squibb Company	Health Care	2.4%
CenturyLink, Inc.	Communication Services	2.3%
UnitedHealth Group Incorporated	Health Care	2.3%
McKesson Corporation	Health Care	2.3%
Devon Energy Corporation	Energy	2.3%
MetLife, Inc.	Financials	2.2%
	TOTAL	24.8%

Source: HGK Asset Management, Inc.

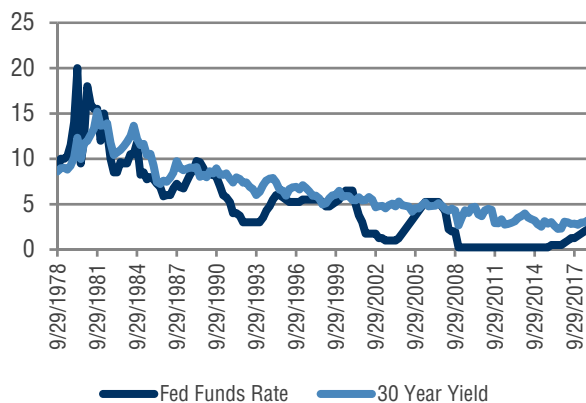
HGK Large Cap Value Equity Review

Third Quarter 2018

The Longest Bull Market in History: How Did We Get Here/ Where Are We Going?

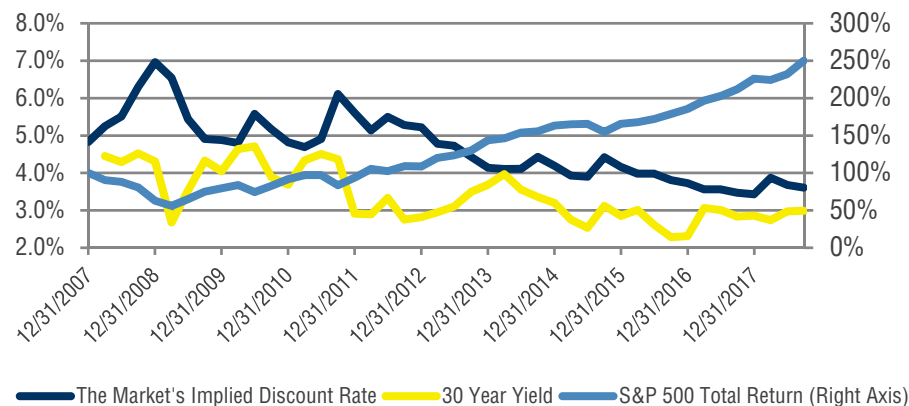
During the most recent quarter the U.S stock market achieved a milestone by becoming the longest bull-run in its history. Although the S&P 500's increase of 350% since 2009 is not the largest return in history, it is remarkable for its duration. Several forces have contributed to the market's impressive nine year run but none more prominently than the extremely low interest rates maintained by the Federal Reserve. Since their reduction to zero in 2008, low interest rates have both supported economic activity and reduced the discount rate for future profits of businesses, helping to drive stock markets higher. It is our view that this stock market boom, like all others, will not die of old age, but rather will be killed off by higher interest rates. At this point, we remain positive on equities because bond yields are not yet competing with equity yields.

Fed Funds Rate and the 30 Year Treasury Yield



Source: Bloomberg

S&P 500 and the Market Implied Discount Rate



A Brief History of Interest Rates:

In response to the Financial Crisis of 2008, the nation's central bank cut its short-term Federal Funds rate to near-zero and did not increase it above 1% until 2017. In 2013, The Federal Reserve promised to keep the short rate low for a protracted period of time, causing long-term rates to remain low as well. Low rates reduced the relative attractiveness of bonds to stocks driving markets higher and reducing yields (and increasing multiples).

Concurrently, low interest rates helped to improve the economy and raise profits to corporations. Improving economic fundamentals as well as corporate tax reform enacted at the end of 2017, have raised expectations for future profits and contributed to increasing stock markets. But even with rising profits, low interest rates have caused share prices to increase faster than profits. As a result, the S&P price to earnings ratio is now more than 50% higher than its historical average.

Past performance is not indicative of future results.

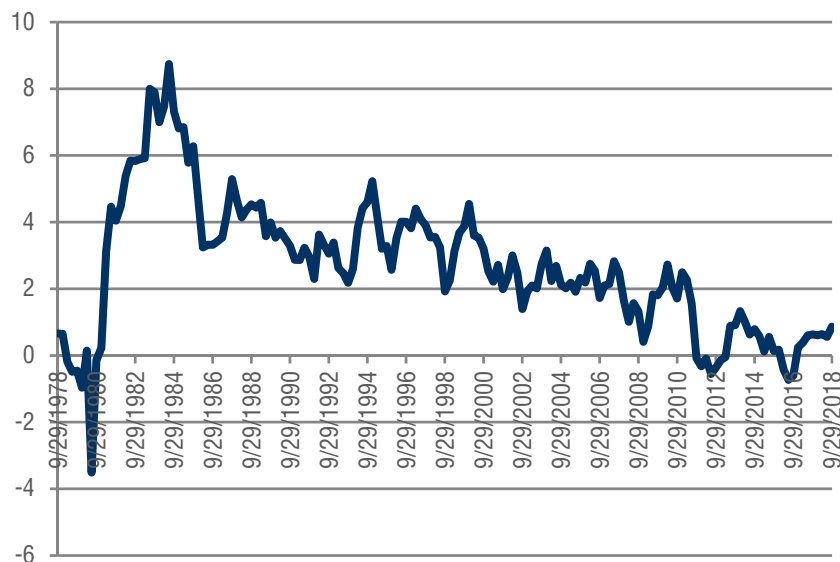
HGK Large Cap Value Equity Review

Third Quarter 2018

What Does the Future Hold?

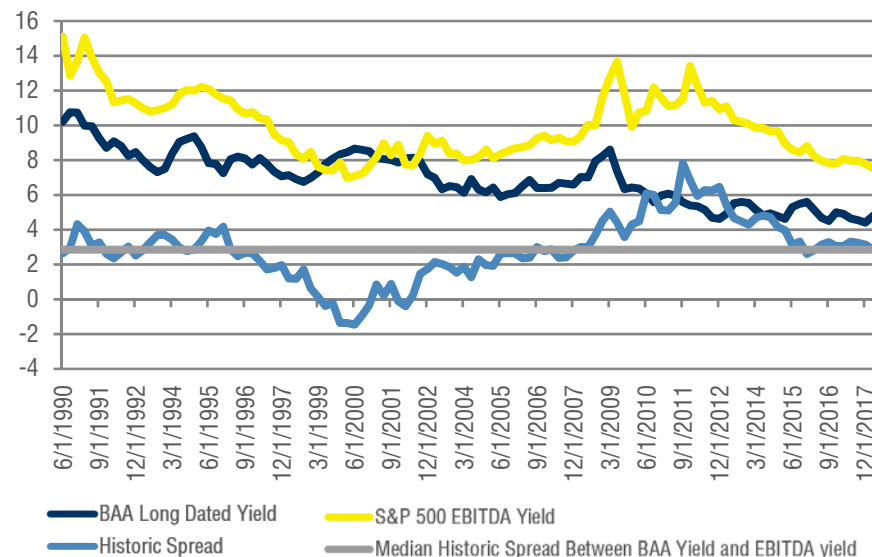
As previously stated, stock market booms do not die of old age, but rather are killed off by higher interest rates. This is well understood by the Fed. Currently, policy is not restrictive. The consumer price index is around 2.7% while “core” consumer inflation has increased to 2.2%. The bottom of the targeted range of the Fed’s short-term interest rate is now 2.0%, implying that the real rate is still negative. The Fed’s Open Market Committee has signaled that it will raise the federal funds rate to 2.25%-2.5% by year end 2018, to 3.0%-3.25% by the end of 2019, and 3.25%-3.5% by the end of 2020. The 10 year Treasury note is approximately 3.0%, implying a nearly zero real rate when compared to the current level of CPI. The 10 year yield is likely to increase as the Fed raises rates. Historically, the real 10-year rate has averaged about 2%, implying that the 10 year rate might rise to around 5%. Our math suggests that at around 5% rates on the 10 year, bonds will compete with stocks.

Real 10 Yr Yield (10 Yr - Core CPI)



Source: Bloomberg

Investment Grade Bond Yields vs the S&P 500 EBITDA Yield

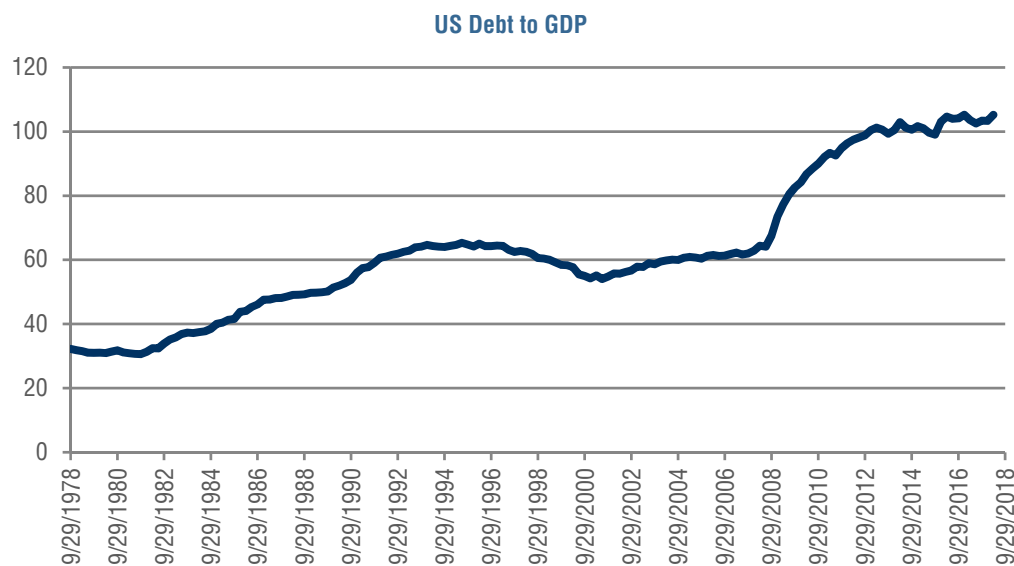


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HGK Large Cap Value Equity Review

Third Quarter 2018

As we look further out, the large and growing fiscal debt is the biggest risk to rising long term rates. The US Federal Government is scheduled to borrow more than \$1 trillion in 2019 and subsequent years. The Congressional Budget Office projects the federal debt held by the public will grow from 78% of GDP presently to almost 100% over the next decade. As the amount of debt increases, combined with the 50% ownership of privately held U.S Government debt by foreigners, investors may demand higher long-term interest to purchase it which would increase long term rates; however, this is not imminent



Source: Bloomberg

Against this backdrop of slowly increasing long term rates, we continue to be positive on equities and favor Value stocks over Growth. Long term bonds do not provide a reasonable valuation alternative and the underlying fundamentals of corporate profits remain sound. As rates rise, the market's discounting mechanism on future profits will affect Growth companies more so than Value as their further dated profit streams become less valuable as opposed to nearer term earnings on a present value basis.

It is our view that the environment will square perfectly with our investment strategy, which is focused on investing in companies that generate the majority of their economic value from near term cash flows. The securities in which we traditionally invest will be least exposed to rising rates and should provide our clients with strong excess returns. As always, HGK seeks to invest in quality companies with low valuations that are able to self-fund their operations and reinvest in their business. Additionally these companies that generate high cash flow as compared to their asset base can pay down debt, support operations, buy back stock, pay dividends and reinvest their excess cash flow in adjacent businesses to generate wealth for shareholders.

Michael Pendergast, CFA
CEO / CIO / Managing Partner

Past performance is not indicative of future results.

Ormond Beach General Employees' Pension Plan

Current Holdings as of September 30, 2018

<u>QUANTITY (UNITS)</u>	<u>SECURITY DESCRIPTION</u>	<u>MARKET PRICE</u>	<u>MARKET VALUE</u>	<u>% INV TYPE</u>	<u>COST PRICE</u>	<u>COST VALUE</u>	<u>CPN/DIV YLD</u>	<u>ACCR DVD</u>
<i>- MATERIALS -</i>								
3,700	Nucor Corp.	63.45	234,765	2.0%	49.97	185,047	2.4%	1,406.00
3,650	RPM International Inc.	64.94	237,031	2.1%	52.70	192,539	2.2%	0.00
<i>TOTAL MATERIALS</i>			471,796	4.1%		377,587	2.3%	1,406.00
<i>- INDUSTRIALS -</i>								
1,400	Carlisle Cos.	121.80	170,520	1.5%	98.69	138,236	1.3%	0.00
2,600	Dover Corp.	88.53	230,178	2.0%	79.63	207,160	2.2%	0.00
1,300	General Dynamics Corp.	204.72	266,136	2.3%	134.41	174,787	1.8%	0.00
1,350	Lear Corp.	145.00	195,750	1.7%	142.74	192,763	1.9%	0.00
1,400	Snap-On Inc.	183.60	257,040	2.2%	154.30	216,087	2.1%	0.00
<i>TOTAL INDUSTRIALS</i>			1,119,624	9.7%		929,033	1.9%	0.00
<i>- CONSUMER DISCRETIONARY -</i>								
7,150	Comcast Corp. (Cl A)	35.41	253,182	2.2%	32.51	232,700	2.1%	0.00
2,250	Hasbro Inc.	105.12	236,520	2.1%	91.96	207,017	2.4%	0.00
11,500	Newell Rubbermaid Inc.	20.30	233,450	2.0%	34.12	392,945	4.5%	0.00
1,100	Whirlpool Corp.	118.75	130,625	1.1%	160.75	176,878	3.9%	0.00
<i>TOTAL CONSUMER DISCRETIONARY</i>			853,777	7.4%		1,009,540	3.1%	0.00
<i>- CONSUMER STAPLES -</i>								
3,550	Archer Daniels Midland Co.	50.27	178,459	1.6%	32.91	116,983	2.7%	0.00
3,990	CVS Caremark Corp.	78.72	314,093	2.7%	63.01	251,575	2.5%	0.00
2,200	J.M. Smucker Co.	102.61	225,742	2.0%	108.70	239,247	3.3%	0.00
575	Constellation Brands Inc. (Cl	215.62	123,982	1.1%	216.65	124,602	1.4%	0.00
<i>TOTAL CONSUMER STAPLES</i>			842,275	7.3%		732,408	2.6%	0.00

Ormond Beach General Employees' Pension Plan

Current Holdings as of September 30, 2018

<u>QUANTITY (UNITS)</u>	<u>SECURITY DESCRIPTION</u>	<u>MARKET PRICE</u>	<u>MARKET VALUE</u>	<u>% INV TYPE</u>	<u>COST PRICE</u>	<u>COST VALUE</u>	<u>CPN/DIV YLD</u>	<u>ACCR DVD</u>
<i>- HEALTH CARE -</i>								
4,650	Bristol-Myers Squibb Co.	62.08	288,672	2.5%	56.89	264,773	2.6%	0.00
5,450	Boston Scientific Corp.	38.50	209,825	1.8%	26.04	142,168	0.0%	0.00
1,775	HCA Healthcare, INC	139.12	246,938	2.1%	81.32	144,431	1.0%	0.00
2,250	Johnson & Johnson	138.17	310,883	2.7%	83.32	187,539	2.6%	0.00
2,100	McKesson Corp.	132.65	278,565	2.4%	153.61	322,691	1.2%	780.00
1,050	UnitedHealth Group Inc.	266.04	279,342	2.4%	61.80	64,918	1.4%	0.00
<i>TOTAL HEALTH CARE</i>			1,614,225	14.0%		1,126,520	1.6%	780.00
<i>- ENERGY -</i>								
3,400	ConocoPhillips	77.40	263,160	2.3%	47.34	161,078	1.6%	0.00
2,940	Chevron Corp.	122.28	359,503	3.1%	86.13	253,299	3.7%	0.00
6,650	Devon Energy Corp.	39.94	265,601	2.3%	48.16	320,587	0.8%	0.00
11,830	ENSCO International Inc.	8.44	99,845	0.9%	34.32	406,566	0.5%	0.00
12,700	Marathon Oil Corp.	23.28	295,656	2.6%	19.89	253,087	0.9%	0.00
2,950	Occidental Petroleum Corp.	82.17	242,402	2.1%	66.37	195,921	3.8%	2,301.00
2,900	Exxon Mobil Corp.	85.02	246,558	2.1%	74.36	215,789	3.9%	0.00
<i>TOTAL ENERGY</i>			1,772,725	15.4%		1,806,327	2.3%	2,301.00
<i>- FINANCIAL -</i>								
4,680	American Int'l Group Inc	53.24	249,163	2.2%	44.15	206,852	2.4%	0.00
2,700	Allstate Corp.	98.70	266,490	2.3%	83.59	225,838	1.9%	1,242.00
1,300	AvalonBay Communities Inc.	181.15	235,495	2.0%	165.87	215,702	3.2%	1,911.00
4,130	Franklin Resources Inc.	30.41	125,593	1.1%	48.48	200,388	3.0%	949.90
3,959	Brighthouse Financial	44.24	175,146	1.5%	53.39	211,566	0.0%	0.00
1,000	BERKSHIRE HATHAWAY B	214.11	214,110	1.9%	145.72	145,765	0.0%	0.00
3,450	Citigroup Inc.	71.74	247,503	2.2%	52.03	179,651	2.5%	0.00
2,640	Capital One Financial Corp.	94.93	250,615	2.2%	56.50	149,282	1.7%	0.00
1,000	Goldman Sachs Group Inc.	224.24	224,240	1.9%	158.65	158,682	1.4%	0.00
5,650	MetLife Inc.	46.72	263,968	2.3%	32.25	182,404	3.6%	0.00
1,200	Simon Property Group Inc.	176.75	212,100	1.8%	185.15	222,237	4.5%	0.00
3,050	State Street Corp.	83.78	255,529	2.2%	55.27	168,704	2.2%	1,433.50

Ormond Beach General Employees' Pension Plan

Current Holdings as of September 30, 2018

<u>QUANTITY (UNITS)</u>	<u>SECURITY DESCRIPTION</u>	<u>MARKET PRICE</u>	<u>MARKET VALUE</u>	<u>% INV TYPE</u>	<u>COST PRICE</u>	<u>COST VALUE</u>	<u>CPN/DIV YLD</u>	<u>ACCR DVD</u>
<i>TOTAL FINANCIAL</i>	- cont.							
3,700	Welltower Inc	64.32	237,984	2.1%	59.49	220,302	5.4%	0.00
<i>TOTAL FINANCIAL</i>			2,957,937	25.7%		2,487,372	2.5%	5,536.40
<i>- INFORMATION TECHNOLOGY -</i>								
1,100	Apple Inc.	225.74	248,314	2.2%	107.32	118,103	1.3%	0.00
5,000	Applied Materials Inc.	38.65	193,250	1.7%	24.22	121,305	2.1%	0.00
5,100	Cisco Systems Inc.	48.65	248,115	2.2%	22.79	116,441	2.7%	0.00
1,700	International Business Machine	151.21	257,057	2.2%	151.96	258,413	4.2%	0.00
4,470	Intel Corp.	47.29	211,386	1.8%	29.28	131,060	2.5%	0.00
<i>TOTAL INFORMATION TECHNOLOGY</i>			1,158,122	10.1%		745,323	2.6%	0.00
<i>- UTILITIES -</i>								
2,600	Consolidated Edison Inc.	76.19	198,094	1.7%	78.88	205,222	3.8%	0.00
3,000	Entergy Corp.	81.13	243,390	2.1%	68.24	204,818	4.5%	0.00
<i>TOTAL UTILITIES</i>			441,484	3.8%		410,039	4.2%	0.00
<i>- TELECOMMUNICATION SERVIC</i>								
12,930	CenturyLink Inc.	21.20	274,116	2.4%	24.68	319,715	10.2%	0.00
<i>TOTAL TELECOMMUNICATI</i>			274,116	2.4%		319,715	10.2%	0.00
<i>TOTAL EQUITIES</i>			11,506,080	100.0%		9,943,865	2.6%	10,023.40

Ormond Beach General Employees' Pension Plan

Current Holdings as of September 30, 2018

SECTOR	MARKET VALUE	% INV TYPE	% INV. TYPE	COST VALUE	CPN/DIV YLD
***** CASH *****					
CASH	126,604.	1.1%	100.0%	126,604	0.0%
TOTAL CASH	126,604.	1.1%	100.0%	126,604	0.0%
***** EQUITIES *****					
MATERIALS	471,796.	4.1%	4.1%	377,587	2.3%
INDUSTRIALS	1,119,624.	9.6%	9.7%	929,033	1.9%
CONSUMER DISCRETI	853,777.	7.3%	7.4%	1,009,540	3.1%
CONSUMER STAPLES	842,275.	7.2%	7.3%	732,408	2.6%
HEALTH CARE	1,614,225.	13.9%	14.0%	1,126,520	1.6%
ENERGY	1,772,725.	15.2%	15.4%	1,806,327	2.3%
FINANCIAL	2,957,937.	25.4%	25.7%	2,487,372	2.5%
INFORMATION TECH	1,158,122.	10.0%	10.1%	745,323	2.6%
UTILITIES	441,484.	3.8%	3.8%	410,039	4.2%
TELECOMMUNICATIO	274,116.	2.4%	2.4%	319,715	10.2%
TOTAL EQUITIES	11,506,080.	98.9%	100.0%	9,943,865	2.6%
TOTAL	11,632,684.	100.0%		10,070,469	2.6%

Ormond Beach Police Officers' Pension Trust Fund

Current Holdings as of September 30, 2018

QUANTITY (UNITS)	SECURITY DESCRIPTION	MARKET PRICE	MARKET VALUE	% INV TYPE	COST PRICE	COST VALUE	CPN/DIV YLD	ACCR DVD
<i>- MATERIALS -</i>								
2,700	Nucor Corp.	63.45	171,315	2.0%	50.10	135,401	2.4%	1,026.00
2,700	RPM International Inc.	64.94	175,338	2.1%	52.78	142,641	2.2%	0.00
<i>TOTAL MATERIALS</i>			346,653	4.1%		278,042	2.3%	1,026.00
<i>- INDUSTRIALS -</i>								
1,000	Carlisle Cos.	121.80	121,800	1.4%	99.00	99,049	1.3%	0.00
1,900	Dover Corp.	88.53	168,207	2.0%	79.70	151,520	2.2%	0.00
950	General Dynamics Corp.	204.72	194,484	2.3%	133.15	126,533	1.8%	0.00
1,000	Lear Corp.	145.00	145,000	1.7%	142.58	142,626	1.9%	0.00
1,070	Snap-On Inc.	183.60	196,452	2.3%	153.79	164,604	2.1%	0.00
<i>TOTAL INDUSTRIALS</i>			825,943	9.8%		684,331	1.9%	0.00
<i>- CONSUMER DISCRETIONARY -</i>								
5,200	Comcast Corp. (Cl A)	35.41	184,132	2.2%	32.63	169,842	2.1%	0.00
1,650	Hasbro Inc.	105.12	173,448	2.1%	91.89	151,707	2.4%	0.00
8,400	Newell Rubbermaid Inc.	20.30	170,520	2.0%	34.02	286,193	4.5%	0.00
800	Whirlpool Corp.	118.75	95,000	1.1%	159.05	127,280	3.9%	0.00
<i>TOTAL CONSUMER DISCRETIONARY</i>			623,100	7.4%		735,022	3.1%	0.00
<i>- CONSUMER STAPLES -</i>								
2,575	Archer Daniels Midland Co.	50.27	129,445	1.5%	32.82	84,632	2.7%	0.00
2,900	CVS Caremark Corp.	78.72	228,288	2.7%	64.63	187,564	2.5%	0.00
1,600	J.M. Smucker Co.	102.61	164,176	1.9%	109.19	174,778	3.3%	0.00
400	Constellation Brands Inc. (Cl	215.62	86,248	1.0%	216.65	86,679	1.4%	0.00
<i>TOTAL CONSUMER STAPLES</i>			608,157	7.2%		533,654	2.6%	0.00

Ormond Beach Police Officers' Pension Trust Fund

Current Holdings as of September 30, 2018

QUANTITY (UNITS)	SECURITY DESCRIPTION	MARKET PRICE	MARKET VALUE	% INV TYPE	COST PRICE	COST VALUE	CPN/DIV YLD	ACCR DVD
<i>- HEALTH CARE -</i>								
3,400	Bristol-Myers Squibb Co.	62.08	211,072	2.5%	56.63	192,713	2.6%	0.00
4,000	Boston Scientific Corp.	38.50	154,000	1.8%	26.03	104,320	0.0%	0.00
1,300	HCA Healthcare, INC	139.12	180,856	2.1%	80.80	105,105	1.0%	0.00
1,650	Johnson & Johnson	138.17	227,981	2.7%	86.32	142,480	2.6%	0.00
1,550	McKesson Corp.	132.65	205,608	2.4%	153.55	238,086	1.2%	565.50
750	UnitedHealth Group Inc.	266.04	199,530	2.4%	63.37	47,548	1.4%	0.00
TOTAL HEALTH CARE			1,179,046	14.0%		830,251	1.6%	565.50
<i>- ENERGY -</i>								
2,500	ConocoPhillips	77.40	193,500	2.3%	48.73	121,910	1.6%	0.00
2,150	Chevron Corp.	122.28	262,902	3.1%	87.07	187,262	3.7%	0.00
4,850	Devon Energy Corp.	39.94	193,709	2.3%	48.83	237,063	0.8%	0.00
8,700	ENSCO International Inc.	8.44	73,428	0.9%	34.54	300,855	0.5%	0.00
9,300	Marathon Oil Corp.	23.28	216,504	2.6%	19.89	185,301	0.9%	0.00
2,200	Occidental Petroleum Corp.	82.17	180,774	2.1%	66.80	147,057	3.8%	1,716.00
2,100	Exxon Mobil Corp.	85.02	178,542	2.1%	74.34	156,228	3.9%	0.00
TOTAL ENERGY			1,299,359	15.4%		1,335,677	2.3%	1,716.00
<i>- FINANCIAL -</i>								
3,400	American Int'l Group Inc	53.24	181,016	2.1%	44.26	150,630	2.4%	0.00
2,000	Allstate Corp.	98.70	197,400	2.3%	84.23	168,569	1.9%	920.00
1,000	AvalonBay Communities Inc.	181.15	181,150	2.1%	166.12	166,175	3.2%	1,470.00
3,100	Franklin Resources Inc.	30.41	94,271	1.1%	48.58	150,731	3.0%	713.00
2,927	Brighthouse Financial	44.24	129,490	1.5%	52.89	154,940	0.0%	0.00
700	BERKSHIRE HATHAWAY B	214.11	149,877	1.8%	145.89	102,157	0.0%	0.00
2,500	Citigroup Inc.	71.74	179,350	2.1%	52.67	131,779	2.5%	0.00
1,900	Capital One Financial Corp.	94.93	180,367	2.1%	56.83	108,061	1.7%	0.00
750	Goldman Sachs Group Inc.	224.24	168,180	2.0%	165.26	123,972	1.4%	0.00
4,100	MetLife Inc.	46.72	191,552	2.3%	31.90	130,925	3.6%	0.00
900	Simon Property Group Inc.	176.75	159,075	1.9%	185.15	166,678	4.5%	0.00
2,200	State Street Corp.	83.78	184,316	2.2%	55.54	122,281	2.2%	1,034.00

Ormond Beach Police Officers' Pension Trust Fund

Current Holdings as of September 30, 2018

<u>QUANTITY (UNITS)</u>	<u>SECURITY DESCRIPTION</u>	<u>MARKET PRICE</u>	<u>MARKET VALUE</u>	<u>% INV TYPE</u>	<u>COST PRICE</u>	<u>COST VALUE</u>	<u>CPN/DIV YLD</u>	<u>ACCR DVD</u>
<i>TOTAL FINANCIAL</i>	- cont.							
2,700	Welltower Inc	64.32	173,664	2.1%	59.43	160,592	5.4%	0.00
<i>TOTAL FINANCIAL</i>			2,169,708	25.7%		1,837,487	2.5%	4,137.00
<i>- INFORMATION TECHNOLOGY -</i>								
815	Apple Inc.	225.74	183,978	2.2%	107.38	87,554	1.3%	0.00
3,700	Applied Materials Inc.	38.65	143,005	1.7%	24.38	90,354	2.1%	0.00
3,700	Cisco Systems Inc.	48.65	180,005	2.1%	22.99	85,228	2.7%	0.00
1,275	International Business Machine	151.21	192,793	2.3%	151.16	192,792	4.2%	0.00
3,300	Intel Corp.	47.29	156,057	1.9%	29.03	95,930	2.5%	0.00
<i>TOTAL INFORMATION TECHNOLOGY</i>			855,838	10.1%		551,859	2.6%	0.00
<i>- UTILITIES -</i>								
1,900	Consolidated Edison Inc.	76.19	144,761	1.7%	78.88	149,969	3.8%	0.00
2,200	Entergy Corp.	81.13	178,486	2.1%	68.50	150,777	4.5%	0.00
<i>TOTAL UTILITIES</i>			323,247	3.8%		300,746	4.2%	0.00
<i>- TELECOMMUNICATION SERVICE</i>								
9,600	CenturyLink Inc.	21.20	203,520	2.4%	24.75	238,048	10.2%	0.00
<i>TOTAL TELECOMMUNICATIONS</i>			203,520	2.4%		238,048	10.2%	0.00
<i>TOTAL EQUITIES</i>			8,434,572	100.0%		7,325,119	2.6%	7,444.50

Ormond Beach Police Officers' Pension Trust Fund

Current Holdings as of September 30, 2018

<u>SECTOR</u>	<u>MARKET VALUE</u>	<u>% INV TYPE</u>	<u>% INV. TYPE</u>	<u>COST VALUE</u>	<u>CPN/DIV YLD</u>
***** CASH *****					
CASH	78,582.	0.9%	100.0%	78,582	0.0%
TOTAL CASH	<u>78,582.</u>	<u>0.9%</u>	<u>100.0%</u>	<u>78,582</u>	<u>0.0%</u>
***** EQUITIES *****					
MATERIALS	346,653.	4.1%	4.1%	278,042	2.3%
INDUSTRIALS	825,943.	9.7%	9.8%	684,331	1.9%
CONSUMER DISCRETI	623,100.	7.3%	7.4%	735,022	3.1%
CONSUMER STAPLES	608,157.	7.1%	7.2%	533,654	2.6%
HEALTH CARE	1,179,046.	13.8%	14.0%	830,251	1.6%
ENERGY	1,299,359.	15.3%	15.4%	1,335,677	2.3%
FINANCIAL	2,169,708.	25.5%	25.7%	1,837,487	2.5%
INFORMATION TECH	855,838.	10.1%	10.1%	551,859	2.6%
UTILITIES	323,247.	3.8%	3.8%	300,746	4.2%
TELECOMMUNICATIO	203,520.	2.4%	2.4%	238,048	10.2%
TOTAL EQUITIES	<u>8,434,572.</u>	<u>99.1%</u>	<u>100.0%</u>	<u>7,325,119</u>	<u>2.6%</u>
TOTAL	<u>8,513,154.</u>	<u>100.0%</u>		<u>7,403,701</u>	<u>2.6%</u>

Ormond Beach Firefighters' Pension Trust Fund

Current Holdings as of September 30, 2018

<u>QUANTITY (UNITS)</u>	<u>SECURITY DESCRIPTION</u>	<u>MARKET PRICE</u>	<u>MARKET VALUE</u>	<u>% INV TYPE</u>	<u>COST PRICE</u>	<u>COST VALUE</u>	<u>CPN/DIV YLD</u>	<u>ACCR DVD</u>
<i>- MATERIALS -</i>								
2,260	Nucor Corp.	63.45	143,397	2.1%	50.01	113,119	2.4%	858.80
2,250	RPM International Inc.	64.94	146,115	2.1%	52.66	118,607	2.2%	0.00
<i>TOTAL MATERIALS</i>			289,512	4.2%		231,726	2.3%	858.80
<i>- INDUSTRIALS -</i>								
850	Carlisle Cos.	121.80	103,530	1.5%	98.69	83,928	1.3%	0.00
1,500	Dover Corp.	88.53	132,795	1.9%	79.67	119,583	2.2%	0.00
765	General Dynamics Corp.	204.72	156,611	2.3%	126.70	96,958	1.8%	0.00
825	Lear Corp.	145.00	119,625	1.7%	142.82	117,865	1.9%	0.00
850	Snap-On Inc.	183.60	156,060	2.2%	154.71	131,544	2.1%	0.00
<i>TOTAL INDUSTRIALS</i>			668,621	9.6%		549,877	1.9%	0.00
<i>- CONSUMER DISCRETIONARY -</i>								
4,300	Comcast Corp. (Cl A)	35.41	152,263	2.2%	32.70	140,761	2.1%	0.00
1,350	Hasbro Inc.	105.12	141,912	2.0%	92.04	124,326	2.4%	0.00
7,000	Newell Rubbermaid Inc.	20.30	142,100	2.0%	33.88	237,492	4.5%	0.00
665	Whirlpool Corp.	118.75	78,969	1.1%	159.38	106,018	3.9%	0.00
<i>TOTAL CONSUMER DISCRETIONARY</i>			515,244	7.4%		608,597	3.1%	0.00
<i>- CONSUMER STAPLES -</i>								
2,150	Archer Daniels Midland Co.	50.27	108,081	1.6%	33.07	71,203	2.7%	0.00
2,400	CVS Caremark Corp.	78.72	188,928	2.7%	63.26	151,942	2.5%	0.00
1,350	J.M. Smucker Co.	102.61	138,524	2.0%	108.87	147,044	3.3%	0.00
335	Constellation Brands Inc. (Cl	215.62	72,233	1.0%	216.65	72,594	1.4%	0.00
<i>TOTAL CONSUMER STAPLES</i>			507,765	7.3%		442,783	2.6%	0.00

Ormond Beach Firefighters' Pension Trust Fund

Current Holdings as of September 30, 2018

QUANTITY (UNITS)	SECURITY DESCRIPTION	MARKET PRICE	MARKET VALUE	% INV TYPE	COST PRICE	COST VALUE	CPN/DIV YLD	ACCR DVD
<i>- HEALTH CARE -</i>								
2,850	Bristol-Myers Squibb Co.	62.08	176,928	2.5%	56.73	161,827	2.6%	0.00
3,300	Boston Scientific Corp.	38.50	127,050	1.8%	26.05	86,117	0.0%	0.00
1,100	HCA Healthcare, INC	139.12	153,032	2.2%	81.59	89,806	1.0%	0.00
1,375	Johnson & Johnson	138.17	189,984	2.7%	83.42	114,739	2.6%	0.00
1,285	McKesson Corp.	132.65	170,455	2.5%	152.52	196,059	1.2%	462.15
600	UnitedHealth Group Inc.	266.04	159,624	2.3%	68.51	41,121	1.4%	0.00
TOTAL HEALTH CARE			977,073	14.1%		689,669	1.6%	462.15
<i>- ENERGY -</i>								
2,000	ConocoPhillips	77.40	154,800	2.2%	47.94	95,952	1.6%	0.00
1,750	Chevron Corp.	122.28	213,990	3.1%	86.53	151,478	3.7%	0.00
4,000	Devon Energy Corp.	39.94	159,760	2.3%	47.32	189,465	0.8%	0.00
7,200	ENSCO International Inc.	8.44	60,768	0.9%	33.84	243,936	0.5%	0.00
7,730	Marathon Oil Corp.	23.28	179,954	2.6%	19.63	152,018	0.9%	0.00
1,800	Occidental Petroleum Corp.	82.17	147,906	2.1%	66.43	119,652	3.8%	1,404.00
1,700	Exxon Mobil Corp.	85.02	144,534	2.1%	74.27	126,336	3.9%	0.00
TOTAL ENERGY			1,061,712	15.3%		1,078,836	2.3%	1,404.00
<i>- FINANCIAL -</i>								
2,810	American Int'l Group Inc	53.24	149,604	2.2%	44.46	125,061	2.4%	0.00
1,650	Allstate Corp.	98.70	162,855	2.3%	83.79	138,329	1.9%	759.00
800	AvalonBay Communities Inc.	181.15	144,920	2.1%	166.74	133,435	3.2%	1,176.00
2,540	Franklin Resources Inc.	30.41	77,241	1.1%	47.99	121,999	3.0%	584.20
2,425	Brighthouse Financial	44.24	107,282	1.5%	52.90	128,380	0.0%	0.00
600	BERKSHIRE HATHAWAY B	214.11	128,466	1.9%	145.91	87,577	0.0%	0.00
2,100	Citigroup Inc.	71.74	150,654	2.2%	52.54	110,427	2.5%	0.00
1,550	Capital One Financial Corp.	94.93	147,142	2.1%	59.03	91,558	1.7%	0.00
585	Goldman Sachs Group Inc.	224.24	131,180	1.9%	157.54	92,181	1.4%	0.00
3,380	MetLife Inc.	46.72	157,914	2.3%	33.01	111,687	3.6%	0.00
700	Simon Property Group Inc.	176.75	123,725	1.8%	185.15	129,638	4.5%	0.00
1,800	State Street Corp.	83.78	150,804	2.2%	53.98	97,245	2.2%	846.00

Ormond Beach Firefighters' Pension Trust Fund

Current Holdings as of September 30, 2018

QUANTITY (UNITS)	SECURITY DESCRIPTION	MARKET PRICE	MARKET VALUE	% INV TYPE	COST PRICE	COST VALUE	CPN/DIV YLD	ACCR DVD
<i>TOTAL FINANCIAL</i>	- CONT.							
2,300	Welltower Inc	64.32	147,936	2.1%	59.52	137,006	5.4%	0.00
<i>TOTAL FINANCIAL</i>			1,779,723	25.6%		1,504,524	2.5%	3,365.20
<i>- INFORMATION TECHNOLOGY -</i>								
670	Apple Inc.	225.74	151,246	2.2%	107.03	71,746	1.3%	0.00
3,100	Applied Materials Inc.	38.65	119,815	1.7%	24.97	77,547	2.1%	0.00
3,100	Cisco Systems Inc.	48.65	150,815	2.2%	22.65	70,332	2.7%	0.00
1,050	International Business Machine	151.21	158,771	2.3%	151.37	158,991	4.2%	0.00
2,700	Intel Corp.	47.29	127,683	1.8%	29.21	78,991	2.5%	0.00
<i>TOTAL INFORMATION TECHNOLOGY</i>			708,329	10.2%		457,608	2.6%	0.00
<i>- UTILITIES -</i>								
1,550	Consolidated Edison Inc.	76.19	118,095	1.7%	78.88	122,344	3.8%	0.00
1,800	Entergy Corp.	81.13	146,034	2.1%	67.96	122,380	4.5%	0.00
<i>TOTAL UTILITIES</i>			264,129	3.8%		244,724	4.2%	0.00
<i>- TELECOMMUNICATION SERVICE</i>								
7,870	CenturyLink Inc.	21.20	166,844	2.4%	24.70	194,774	10.2%	0.00
<i>TOTAL TELECOMMUNICATIONS</i>			166,844	2.4%		194,774	10.2%	0.00
<i>TOTAL EQUITIES</i>			6,938,952	100.0%		6,003,119	2.6%	6,090.15

Ormond Beach Firefighters' Pension Trust Fund

Current Holdings as of September 30, 2018

<u>SECTOR</u>	<u>MARKET VALUE</u>	<u>% INV TYPE</u>	<u>% INV. TYPE</u>	<u>COST VALUE</u>	<u>CPN/DIV YLD</u>
***** CASH *****					
CASH	189,144.	2.7%	100.0%	189,144	0.0%
TOTAL CASH	189,144.	2.7%	100.0%	189,144	0.0%
***** EQUITIES *****					
MATERIALS	289,512.	4.1%	4.2%	231,726	2.3%
INDUSTRIALS	668,621.	9.4%	9.6%	549,877	1.9%
CONSUMER DISCRETI	515,244.	7.2%	7.4%	608,597	3.1%
CONSUMER STAPLES	507,765.	7.1%	7.3%	442,783	2.6%
HEALTH CARE	977,073.	13.7%	14.1%	689,669	1.6%
ENERGY	1,061,712.	14.9%	15.3%	1,078,836	2.3%
FINANCIAL	1,779,723.	25.0%	25.6%	1,504,524	2.5%
INFORMATION TECH	708,329.	9.9%	10.2%	457,608	2.6%
UTILITIES	264,129.	3.7%	3.8%	244,724	4.2%
TELECOMMUNICATIO	166,844.	2.3%	2.4%	194,774	10.2%
TOTAL EQUITIES	6,938,952.	97.3%	100.0%	6,003,119	2.6%
TOTAL	7,128,095.	100.0%		6,192,263	2.5%