

**Summary of Investments**

|                                   | Total Cost        | Market Value        | % of Total Portfolio | Current Yield | Estimated Annual Income |
|-----------------------------------|-------------------|---------------------|----------------------|---------------|-------------------------|
| <b>Cash/Cash Equivalent</b>       |                   |                     |                      |               |                         |
| CASH & CASH EQUIVALENT            | 72,740.52         | 72,740.52           | 6.9                  | 0.0           | 7.27                    |
| <b>TOTAL Cash/Cash Equivalent</b> | <b>72,740.52</b>  | <b>72,740.52</b>    | <b>6.9</b>           | <b>0.0</b>    | <b>7.27</b>             |
| <b>Equities</b>                   |                   |                     |                      |               |                         |
| FINANCIALS                        | 202,523.63        | 251,176.90          | 23.8                 | 2.0           | 5,119.40                |
| MATERIALS                         | 145,616.93        | 167,812.16          | 15.9                 | 1.0           | 1,742.00                |
| ENERGY                            | 120,516.12        | 160,997.60          | 15.3                 | 0.8           | 1,339.80                |
| INDUSTRIALS                       | 101,213.97        | 120,856.85          | 11.5                 | 0.4           | 517.50                  |
| CONSUMER DISCRETIONARY            | 62,419.10         | 64,048.95           | 6.1                  | 0.6           | 408.60                  |
| HEALTH CARE                       | 22,412.75         | 60,270.30           | 5.7                  | 0.2           | 98.75                   |
| INFORMATION TECHNOLOGY            | 42,263.49         | 52,961.45           | 5.0                  | 2.4           | 1,295.00                |
| UTILITIES                         | 28,380.07         | 41,887.20           | 4.0                  | 4.1           | 1,711.20                |
| TELECOMMUNICATION SERVICES        | 26,819.23         | 36,874.50           | 3.5                  | 0.0           | 0.00                    |
| CONSUMER STAPLES                  | 17,874.05         | 25,119.95           | 2.4                  | 2.6           | 664.00                  |
| <b>TOTAL Equities</b>             | <b>770,039.34</b> | <b>982,005.86</b>   | <b>93.1</b>          | <b>1.3</b>    | <b>12,896.25</b>        |
| <b>TOTAL Accruals</b>             | <b>194.33</b>     | <b>194.33</b>       | <b>0.0</b>           |               |                         |
| <b>TOTAL PORTFOLIO</b>            | <b>842,974.19</b> | <b>1,054,940.71</b> | <b>100.0</b>         | <b>1.2</b>    | <b>12,903.52</b>        |

**Portfolio Performance (%) - Gross of Fees**

|                    | Latest Month | Latest 3 Months | Year To Date | 1 Year | 3 Year* | 5 Year* | Since Inception* |
|--------------------|--------------|-----------------|--------------|--------|---------|---------|------------------|
| Total              | 9.80         | 8.34            | 6.61         | 16.04  | N/A     | N/A     | 20.73            |
| RUSSELL 2500 VALUE | 9.86         | 11.39           | 9.64         | 14.74  | N/A     | N/A     | 15.86            |

\*Annualized for periods more than one year

**Portfolio Appraisal**

|                                   |                |        |          | Average |                   | Current |                   | %           | Current    | Estimated       |
|-----------------------------------|----------------|--------|----------|---------|-------------------|---------|-------------------|-------------|------------|-----------------|
|                                   | Cusip          | Symbol | Quantity | Cost    | Total Cost        | Price   | Market Value      | Portfolio   | Yield      | Annual          |
|                                   |                |        |          |         |                   |         |                   |             |            | Income          |
| <b>Cash/Cash Equivalent</b>       |                |        |          |         |                   |         |                   |             |            |                 |
|                                   | PRINCIPAL CASH |        |          |         | 72,740.52         |         | 72,740.52         | 6.9         | 0.0        | 7.27            |
| <b>TOTAL Cash/Cash Equivalent</b> |                |        |          |         | <b>72,740.52</b>  |         | <b>72,740.52</b>  | <b>6.9</b>  | <b>0.0</b> | <b>7.27</b>     |
| <b>Equities</b>                   |                |        |          |         |                   |         |                   |             |            |                 |
| <b>CONSUMER DISCRETIONARY</b>     |                |        |          |         | <b>62,419.10</b>  |         | <b>64,048.95</b>  | <b>6.1</b>  | <b>0.6</b> | <b>408.60</b>   |
|                                   | 42805T105      | HTZ    | 3,135    | 10.22   | 32,045.82         | 10.59   | 33,199.65         | 3.1         | 0.0        | 0.00            |
|                                   | 950587105      | WEN    | 6,810    | 4.46    | 30,373.28         | 4.53    | 30,849.30         | 2.9         | 1.3        | 408.60          |
| <b>CONSUMER STAPLES</b>           |                |        |          |         | <b>17,874.05</b>  |         | <b>25,119.95</b>  | <b>2.4</b>  | <b>2.6</b> | <b>664.00</b>   |
|                                   | 832696405      | SJM    | 415      | 43.07   | 17,874.05         | 60.53   | 25,119.95         | 2.4         | 2.6        | 664.00          |
| <b>ENERGY</b>                     |                |        |          |         | <b>120,516.12</b> |         | <b>160,997.60</b> | <b>15.3</b> | <b>0.8</b> | <b>1,339.80</b> |
|                                   | 109178103      | BEXP   | 1,510    | 10.62   | 16,042.60         | 18.75   | 28,312.50         | 2.7         | 0.0        | 0.00            |
|                                   | 28336L109      | EP     | 2,745    | 8.20    | 22,508.64         | 12.38   | 33,983.10         | 3.2         | 0.3        | 109.80          |
|                                   | 30225X103      | EXH    | 630      | 17.59   | 11,084.17         | 22.71   | 14,307.30         | 1.4         | 0.0        | 0.00            |
|                                   | 346091705      | FST    | 1,150    | 27.27   | 31,363.26         | 29.70   | 34,155.00         | 3.2         | 0.0        | 0.00            |
|                                   | 886423102      | TDW    | 490      | 40.23   | 19,712.21         | 44.81   | 21,956.90         | 2.1         | 2.2        | 490.00          |
|                                   | 969457100      | WMB    | 1,480    | 13.38   | 19,805.24         | 19.11   | 28,282.80         | 2.7         | 2.6        | 740.00          |
| <b>FINANCIALS</b>                 |                |        |          |         | <b>202,523.63</b> |         | <b>251,176.90</b> | <b>23.8</b> | <b>2.0</b> | <b>5,119.40</b> |
|                                   | 12621E103      | CNO    | 6,335    | 4.47    | 28,340.96         | 5.54    | 35,095.90         | 3.3         | 0.0        | 0.00            |
|                                   | 316773100      | FITB   | 2,970    | 10.67   | 31,696.84         | 12.03   | 35,729.10         | 3.4         | 0.3        | 118.80          |
|                                   | 37247D106      | GNW    | 1,960    | 10.60   | 20,777.04         | 12.22   | 23,951.20         | 2.3         | 0.0        | 0.00            |
|                                   | 42217K106      | HCN    | 565      | 40.88   | 23,097.75         | 47.34   | 26,747.10         | 2.5         | 5.8        | 1,559.40        |
|                                   | 52602E102      | LPS    | 600      | 33.18   | 19,905.80         | 33.23   | 19,938.00         | 1.9         | 1.2        | 240.00          |
|                                   | 681936100      | OHI    | 2,005    | 13.38   | 26,819.12         | 22.45   | 45,012.25         | 4.3         | 6.4        | 2,887.20        |
|                                   | 78442P106      | SLM    | 3,525    | 5.46    | 19,244.68         | 11.55   | 40,713.75         | 3.9         | 0.0        | 0.00            |
|                                   | 938824109      | WFSL   | 1,570    | 20.79   | 32,641.44         | 15.28   | 23,989.60         | 2.3         | 1.3        | 314.00          |
| <b>HEALTH CARE</b>                |                |        |          |         | <b>22,412.75</b>  |         | <b>60,270.30</b>  | <b>5.7</b>  | <b>0.2</b> | <b>98.75</b>    |
|                                   | 112463104      | BKD    | 2,140    | 5.51    | 11,794.32         | 16.31   | 34,903.40         | 3.3         | 0.0        | 0.00            |
|                                   | 714290103      | PRGO   | 395      | 26.88   | 10,618.43         | 64.22   | 25,366.90         | 2.4         | 0.4        | 98.75           |
| <b>INDUSTRIALS</b>                |                |        |          |         | <b>101,213.97</b> |         | <b>120,856.85</b> | <b>11.5</b> | <b>0.4</b> | <b>517.50</b>   |
|                                   | 343412102      | FLR    | 555      | 44.61   | 24,760.03         | 49.53   | 27,489.15         | 2.6         | 1.0        | 277.50          |
|                                   | 462846106      | IRM    | 960      | 22.33   | 21,432.71         | 22.34   | 21,446.40         | 2.0         | 1.1        | 240.00          |
|                                   | 884315102      | TNB    | 1,050    | 24.29   | 25,506.08         | 41.02   | 43,071.00         | 4.1         | 0.0        | 0.00            |
|                                   | 92345Y106      | VRSK   | 1,030    | 28.66   | 29,515.15         | 28.01   | 28,850.30         | 2.7         | 0.0        | 0.00            |

**Portfolio Appraisal**

|                                   |           |        |          | Average |                   | Current |                     | %           | Current    | Estimated        |
|-----------------------------------|-----------|--------|----------|---------|-------------------|---------|---------------------|-------------|------------|------------------|
|                                   | Cusip     | Symbol | Quantity | Cost    | Total Cost        | Price   | Market Value        | Portfolio   | Yield      | Annual           |
|                                   |           |        |          |         |                   |         |                     |             |            | Income           |
| <b>Equities</b>                   |           |        |          |         |                   |         |                     |             |            |                  |
| <b>INFORMATION TECHNOLOGY</b>     |           |        |          |         | <b>42,263.49</b>  |         | <b>52,961.45</b>    | <b>5.0</b>  | <b>2.4</b> | <b>1,295.00</b>  |
| HARRIS CORP.                      | 413875105 | HRS    | 810      | 33.45   | 27,094.25         | 44.29   | 35,874.90           | 3.4         | 2.3        | 810.00           |
| KLA TENCOR                        | 482480100 | KLAC   | 485      | 31.28   | 15,169.24         | 35.23   | 17,086.55           | 1.6         | 2.8        | 485.00           |
| <b>MATERIALS</b>                  |           |        |          |         | <b>145,616.93</b> |         | <b>167,812.16</b>   | <b>15.9</b> | <b>1.0</b> | <b>1,742.00</b>  |
| CROWN HOLDINGS INC                | 228368106 | CCK    | 1,395    | 19.08   | 26,615.62         | 28.66   | 39,980.70           | 3.8         | 0.0        | 0.00             |
| MEADWESTVACO CORP                 | 583334107 | MWV    | 1,255    | 16.61   | 20,844.21         | 24.38   | 30,596.90           | 2.9         | 3.8        | 1,154.60         |
| OWENS ILLINOIS                    | 690768403 | OI     | 1,200    | 23.65   | 28,383.96         | 28.06   | 33,672.00           | 3.2         | 0.0        | 0.00             |
| WEYERHAEUSER COMPANY              | 962166104 | WY     | 1,581    | 21.69   | 34,295.02         | 15.76   | 24,916.56           | 2.4         | 1.3        | 316.20           |
| YAMANA GOLD, INC.                 | 98462Y100 | AUY    | 3,390    | 10.47   | 35,478.12         | 11.40   | 38,646.00           | 3.7         | 0.7        | 271.20           |
| <b>TELECOMMUNICATION SERVICES</b> |           |        |          |         | <b>26,819.23</b>  |         | <b>36,874.50</b>    | <b>3.5</b>  | <b>0.0</b> | <b>0.00</b>      |
| SBA COMMUNICATIONS                | 78388J106 | SBAC   | 915      | 29.31   | 26,819.23         | 40.30   | 36,874.50           | 3.5         | 0.0        | 0.00             |
| <b>UTILITIES</b>                  |           |        |          |         | <b>28,380.07</b>  |         | <b>41,887.20</b>    | <b>4.0</b>  | <b>4.1</b> | <b>1,711.20</b>  |
| ONEOK INC                         | 682680103 | OKE    | 930      | 30.52   | 28,380.07         | 45.04   | 41,887.20           | 4.0         | 4.1        | 1,711.20         |
| <b>TOTAL Equities</b>             |           |        |          |         | <b>770,039.34</b> |         | <b>982,005.86</b>   | <b>93.1</b> | <b>1.3</b> | <b>12,896.25</b> |
| <b>Total Accruals</b>             |           |        |          |         |                   |         | <b>194.33</b>       | <b>0.0</b>  |            |                  |
| <b>TOTAL PORTFOLIO</b>            |           |        |          |         | <b>842,974.19</b> |         | <b>1,054,940.71</b> | <b>100</b>  | <b>1.2</b> | <b>12,903.52</b> |

### Purchases

| Trade Date             | Settle Date | Quantity | Security      | Price | Amount           |
|------------------------|-------------|----------|---------------|-------|------------------|
| <b>Purchases</b>       |             |          |               |       |                  |
| 7/14/2010              | 7/19/2010   | 225      | KLA TENCOR    | 31.04 | 6,992.37         |
| 7/14/2010              | 7/19/2010   | 260      | KLA TENCOR    | 31.44 | 8,176.87         |
| 9/29/2010              | 10/4/2010   | 495      | IRON MOUNTAIN | 22.21 | 10,997.27        |
| 9/30/2010              | 10/5/2010   | 465      | IRON MOUNTAIN | 22.43 | 10,435.44        |
| <b>Total Purchases</b> |             |          |               |       | <b>36,601.95</b> |

### Sales

| Trade Date         | Settle Date | Quantity | Security        | Price | Amount           |
|--------------------|-------------|----------|-----------------|-------|------------------|
| <b>Sales</b>       |             |          |                 |       |                  |
| 7/13/2010          | 7/16/2010   | 595      | MCCORMICK & CO. | 38.72 | 23,014.21        |
| 9/21/2010          | 9/24/2010   | 1,040    | OMNICARE, INC.  | 22.06 | 22,899.68        |
| 9/27/2010          | 9/30/2010   | 390      | PERRIGO CO.     | 65.79 | 25,654.07        |
| <b>Total Sales</b> |             |          |                 |       | <b>71,567.96</b> |

### Gains/Losses

| Sell Date                          | Purchase Date | Shares/<br>Par Value | Security        | Proceeds(\$)     | Cost Basis(\$)   | Gains/Loss     |                  |
|------------------------------------|---------------|----------------------|-----------------|------------------|------------------|----------------|------------------|
|                                    |               |                      |                 |                  |                  | Short Term(\$) | Long Term(\$)    |
| 7/13/2010                          | 12/9/2008     | 285                  | MCCORMICK & CO. | 11,023.61        | 8,417.05         | 0.00           | 2,606.56         |
| 7/13/2010                          | 2/25/2009     | 180                  | MCCORMICK & CO. | 6,962.28         | 5,468.47         | 0.00           | 1,493.81         |
| 7/13/2010                          | 2/26/2009     | 130                  | MCCORMICK & CO. | 5,028.31         | 3,950.74         | 0.00           | 1,077.57         |
| 9/21/2010                          | 6/23/2009     | 405                  | OMNICARE, INC.  | 8,917.66         | 9,803.72         | 0.00           | -886.06          |
| 9/21/2010                          | 6/23/2009     | 200                  | OMNICARE, INC.  | 4,403.78         | 4,869.86         | 0.00           | -466.08          |
| 9/21/2010                          | 8/11/2009     | 435                  | OMNICARE, INC.  | 9,578.23         | 10,114.45        | 0.00           | -536.22          |
| 9/27/2010                          | 5/22/2009     | 390                  | PERRIGO CO.     | 25,654.07        | 10,501.10        | 0.00           | 15,152.97        |
| <b>Total Realized Gains/Losses</b> |               |                      |                 | <b>71,567.96</b> | <b>53,125.39</b> | <b>0.00</b>    | <b>18,442.57</b> |

| Income    |  |                 |
|-----------|--|-----------------|
| Pay Date  | Security   | Amount          |
| 7/1/2010  | EL PASO CORP.  | 27.45           |
| 7/2/2010  | FLUOR CORPORATION  | 69.38           |
| 7/14/2010 | YAMANA GOLD, INC.  | 50.85           |
| 7/20/2010 | MCCORMICK & CO.  | 154.70          |
| 7/22/2010 | FIFTH THIRD BANCORP  | 29.70           |
| 7/23/2010 | WASHINGTON FEDERAL, INC.                                     | 78.50           |
| 8/13/2010 | ONEOK INC  | 427.80          |
| 8/16/2010 | OMEGA HEALTHCARE   | 721.80          |
| 8/20/2010 | HEALTH CARE REIT   | 389.85          |
| 9/1/2010  | MEADWESTVACO CORP.   | 288.65          |
| 9/1/2010  | JM SMUCKER   | 166.00          |
| 9/1/2010  | KLA TENCOR   | 121.25          |
| 9/13/2010 | WILLIAMS COS, INC.   | 185.00          |
| 9/14/2010 | PERRIGO CO.  | 49.06           |
| 9/15/2010 | OMNICARE, INC.   | 33.80           |
| 9/15/2010 | WENDY'S/ARBY'S GROUP   | 102.15          |
| 9/15/2010 | TIDEWATER INC  | 122.50          |
| 9/16/2010 | WEYERHAEUSER CORPORATE ACTION CASH-IN LIEU OF PARTIAL SHARES | 3.30            |
| 9/16/2010 | LENDER PROCESSING SERVICES                                   | 60.00           |
| 9/17/2010 | HARRIS CORP.   | 202.50          |
|           | <b>Total Dividends</b>                                       | <b>3,284.24</b> |
| 7/30/2010 | July Short Term Interest                                     | 0.30            |
| 8/31/2010 | August Short Term Interest                                   | 0.31            |
| 9/30/2010 | September Short Term Interest                                | 0.32            |
|           | <b>Total Cash &amp; Equivalent</b>                           | <b>0.93</b>     |
|           | <b>Total Income</b>  | <b>3,285.17</b> |

## Quarterly Commentary

As fans of the neighborhood park playground know, popular attractions include the swings and the seesaws. The third quarter of 2010 saw plenty of activity in the US Small-Mid (SMID) Cap market that reflected both of these play toys. Significant market swings included July's positive 7.0% US SMID Cap Equity return (as measured by the Russell 2500 index). Not to be outdone, August dropped about 5.9%, nearly negating July's strong rally. But the ride hadn't finished yet. September comes along and delivers the highest ever September US SMID Cap return. For fans of the playground seesaw, the past four months have looked like this: June -7.1%, July +7.0%, August -5.9%, September +11.4%. Such swings and seesaws can make for a wild ride, but for those without iron stomachs, can also lead to a bout of motion sickness. Even having invested for clients in the US equity market for 20 years, the GW Capital team can still get queasy on such wild rides.

For the quarter, GW Capital's SMID cap portfolios underperformed both the Russell 2500 Value index and the Core index. Underperformance can be attributed primarily to the issue selection side of the ledger. Thematically, portfolios modestly benefited from our overall sector exposures last quarter when compared to the Value index.

Per our commentary tradition, let's begin on themes. The Growth segment of the SMID market outperformed the Value segment last quarter. Topping the positive market returners was the Materials sector. Also included on the relative upside were Consumer Discretionary, Consumer Staples and Energy. On the downside, Financials and Healthcare lagged. Specific to GW Capital portfolios, our significant overweight to Materials was correct, but we didn't get as much out of the individual issues as the market sector - more on that under the issue selection discussion. Our underweight to Consumer Discretionary again hurt returns, as it has for 6 out of the 7 past quarters. However, on the positive side, our overweight to Energy aided returns, as well as our self-disciplined limit of 25% maximum weighting in the Financial sector as compared to the 33% weight of the index. Financials were the worst performer by a long shot last quarter.

Dialing down to Issue Selection, on the plus side, about half the names in the portfolio delivered positive double digit returns last quarter, lead by several Energy and Financial stocks. Unfortunately, the portfolio also featured a handful of names with negative returns, including one Energy and a few Financial stocks. But the issue selection underperformance was not relegated to just the Energy and Financial sector. GW Capital's sector performance for the primary GICS sectors underperformed against the market sector return across the board, with exception of Telecom Services where our single holding there beat. Among this disappointing result, the most significant contribution to relative underperformance came from our holdings in Materials. Although our Materials stocks delivered positive double digit returns in aggregate that beat the broad Value benchmark, the return for specifically the Materials market sector significantly outperformed our holdings in Materials. The index sector returns were driven by strong performance in more front-line, commodity based Materials companies, whereas a good portion of our holdings are not direct commodity plays. In a quarter featuring such a strong market return, the portfolio easily gets held back by any stock with negative returns, or even those with a more subdued positive return.

After a second quarter with relatively average transaction activity, the third quarter saw a little less holding movement than normal. We purchased two new names, a Technology company and an Industrial in the corporate services industry. We sold outright two holdings, a Consumer Staples stock and a Healthcare stock that had been one of our underperformers in the portfolio.

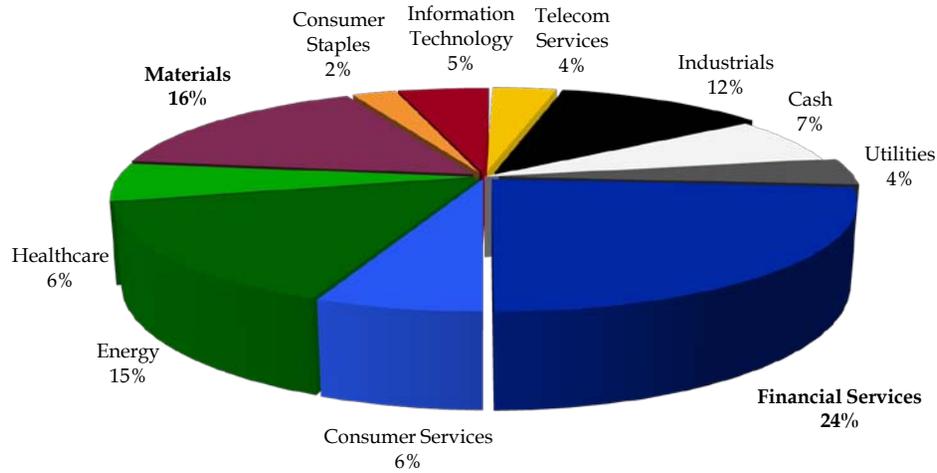
## Quarterly Commentary

Looking ahead, we continue to characterize the equity market and economic recovery of being in the variety of 2 steps forward, 1 step back. The 3rd quarter is a key case in point, with very dramatic seesaw activity featuring a couple months of forward steps and a month with a decent backward step. We remain constructive on the overall direction of recovery, although very cognizant that it likely falls into a slower-growth bracket. As we are very prone to do, looking at the US corporate bond market helps to give us some insights. Investment grade and High Yield spreads remain in a reasonable range given the current state of economic uncertainty as well as the historically low level of Treasury yields. This stabilization in the credit markets helps to substantiate our viewpoint and outlook. Nonetheless, we are constantly evaluating (and re-evaluating) our outlook while seeking new thematic and bottom-up opportunities, and will remain vigilant in our portfolio management approach.

*All views expressed in this commentary reflect the opinions and analysis of GW Capital's portfolio management team as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Please note: circumstances within individual accounts may not align with the general commentary provided in this writing. GW Capital in no way guarantees future performance or that GW Capital's outlook will come to fruition. Although the statements of fact and data in this report have been obtained from, and are based upon, sources that the firm believes to be reliable, we do not guarantee their accuracy, and any such information may be incomplete or condensed. Past performance is not a guarantee of future results. Investing in stocks entails the risks of market volatility. The value of all types of stocks may increase or decrease over varying time periods. Small-capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of small-capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies. Portfolios that invest a large percentage of assets in only one industry sector (or in only a few sectors) are more vulnerable to price fluctuation than portfolios that diversify among a broad range of sectors. Investors cannot invest directly in an index. The performance of unmanaged indexes reflects no deductions for fees, expenses or taxes which would affect performance of actively managed assets.*

**Sector Selection**

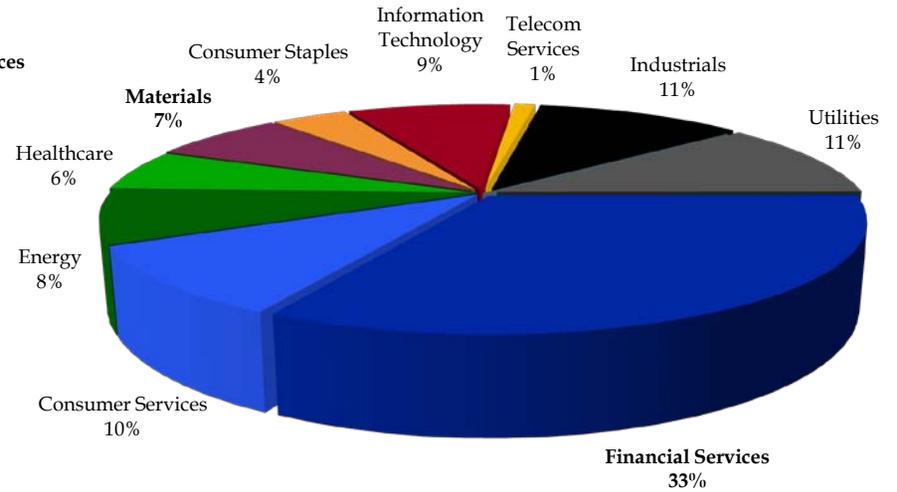
**Ormond Beach  
Police Pension Plan**



**Largest Variances vs. Russell 2500 V**

**Materials: +9%**  
**Financial Services: -9%**

**Russell 2500 Value\***



\* Source: Frank Russell Co. GICS Classification