

**Summary of Investments**

	Total Cost	Market Value	% of Total Portfolio	Current Yield	Estimated Annual Income
<b>Cash/Cash Equivalent</b>					
CASH & CASH EQUIVALENT	51,247.07	51,247.07	5.5	0.0	5.12
<b>TOTAL Cash/Cash Equivalent</b>	<b>51,247.07</b>	<b>51,247.07</b>	<b>5.5</b>	<b>0.0</b>	<b>5.12</b>
<b>Equities</b>					
FINANCIALS	163,597.71	214,106.65	23.0	2.0	4,283.20
MATERIALS	113,253.78	147,524.69	15.8	1.0	1,522.40
ENERGY	85,343.23	144,543.00	15.5	0.7	1,050.60
INDUSTRIALS	86,691.73	124,241.25	13.3	0.9	1,061.25
CONSUMER DISCRETIONARY	48,124.21	59,297.70	6.4	0.7	419.60
HEALTH CARE	17,747.32	55,177.40	5.9	0.2	85.40
INFORMATION TECHNOLOGY	32,787.39	43,029.00	4.6	2.3	1,005.00
UTILITIES	23,641.61	42,711.90	4.6	3.5	1,478.40
TELECOMMUNICATION SERVICES	21,197.99	29,476.80	3.2	0.0	0.00
CONSUMER STAPLES	13,782.40	21,008.00	2.3	2.4	512.00
<b>TOTAL Equities</b>	<b>606,167.37</b>	<b>881,116.39</b>	<b>94.5</b>	<b>1.3</b>	<b>11,417.85</b>
<b>TOTAL Accruals</b>	<b>451.87</b>	<b>451.87</b>	<b>0.0</b>		
<b>TOTAL PORTFOLIO</b>	<b>657,866.31</b>	<b>932,815.33</b>	<b>100.0</b>	<b>1.2</b>	<b>11,422.97</b>

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

	Latest Month	Latest 3 Months	Year To Date	1 Year	3 Year*	5 Year*	Since Inception*
Total	8.59	14.69	22.73	22.73	N/A	N/A	26.05
RUSSELL 2500 VALUE	7.70	13.84	24.82	24.82	N/A	N/A	20.91

\*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					51,247.07		51,247.07	5.5	0.0	5.12
<b>TOTAL Cash/Cash Equivalent</b>						<b>51,247.07</b>		<b>51,247.07</b>	<b>5.5</b>	<b>0.0</b>	<b>5.12</b>
<b>Equities</b>											
<b>CONSUMER DISCRETIONARY</b>						<b>48,124.21</b>		<b>59,297.70</b>	<b>6.4</b>	<b>0.7</b>	<b>419.60</b>
	42805T105	HTZ	2,420	10.22	24,737.88	14.49	35,065.80	3.8	0.0	0.00	
	950587105	WEN	5,245	4.46	23,386.33	4.62	24,231.90	2.6	1.7	419.60	
<b>CONSUMER STAPLES</b>						<b>13,782.40</b>		<b>21,008.00</b>	<b>2.3</b>	<b>2.4</b>	<b>512.00</b>
	832696405	SJM	320	43.07	13,782.40	65.65	21,008.00	2.3	2.4	512.00	
<b>ENERGY</b>						<b>85,343.23</b>		<b>144,543.00</b>	<b>15.5</b>	<b>0.7</b>	<b>1,050.60</b>
	109178103	BEXP	1,185	10.61	12,576.02	27.24	32,279.40	3.5	0.0	0.00	
	28336L109	EP	2,140	8.28	17,713.54	13.76	29,446.40	3.2	0.3	85.60	
	346091705	FST	880	27.27	23,999.71	37.97	33,413.60	3.6	0.0	0.00	
	886423102	TDW	385	40.23	15,488.16	53.84	20,728.40	2.2	1.9	385.00	
	969457100	WMB	1,160	13.42	15,565.80	24.72	28,675.20	3.1	2.0	580.00	
<b>FINANCIALS</b>						<b>163,597.71</b>		<b>214,106.65</b>	<b>23.0</b>	<b>2.0</b>	<b>4,283.20</b>
	12621E103	CNO	4,830	4.47	21,583.47	6.78	32,747.40	3.5	0.0	0.00	
	316773100	FITB	1,290	11.22	14,476.77	14.68	18,937.20	2.0	0.3	51.60	
	37247D106	GNW	1,495	10.60	15,841.38	13.14	19,644.30	2.1	0.0	0.00	
	42217K106	HCN	430	40.90	17,586.87	47.64	20,485.20	2.2	5.8	1,186.80	
	52602E102	LPS	1,065	30.66	32,650.13	29.52	31,438.80	3.4	1.4	426.00	
	681936100	OHI	1,570	13.38	21,000.53	22.44	35,230.80	3.8	6.6	2,323.60	
	78442P106	SLM	2,765	5.38	14,876.69	12.59	34,811.35	3.7	0.0	0.00	
	938824109	WFSL	1,230	20.80	25,581.87	16.92	20,811.60	2.2	1.4	295.20	
<b>HEALTH CARE</b>						<b>17,747.32</b>		<b>55,177.40</b>	<b>5.9</b>	<b>0.2</b>	<b>85.40</b>
	112463104	BKD	1,675	5.70	9,546.96	21.41	35,861.75	3.8	0.0	0.00	
	714290103	PRGO	305	26.89	8,200.36	63.33	19,315.65	2.1	0.4	85.40	
<b>INDUSTRIALS</b>						<b>86,691.73</b>		<b>124,241.25</b>	<b>13.3</b>	<b>0.9</b>	<b>1,061.25</b>
	343412102	FLR	435	44.07	19,172.35	66.26	28,823.10	3.1	0.8	217.50	
	462846106	IRM	1,125	21.93	24,670.05	25.01	28,136.25	3.0	3.0	843.75	
	884315102	TNB	825	24.13	19,903.50	48.30	39,847.50	4.3	0.0	0.00	
	92345Y106	VRSK	805	28.50	22,945.83	34.08	27,434.40	2.9	0.0	0.00	
<b>INFORMATION TECHNOLOGY</b>						<b>32,787.39</b>		<b>43,029.00</b>	<b>4.6</b>	<b>2.3</b>	<b>1,005.00</b>
	413875105	HRS	630	33.43	21,058.98	45.30	28,539.00	3.1	2.2	630.00	

**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>32,787.39</b>		<b>43,029.00</b>	<b>4.6</b>	<b>2.3</b>	<b>1,005.00</b>	
	KLA TENCOR	482480100	KLAC	375	31.28	11,728.41	38.64	14,490.00	1.6	2.6	375.00
<b>MATERIALS</b>					<b>113,253.78</b>		<b>147,524.69</b>	<b>15.8</b>	<b>1.0</b>	<b>1,522.40</b>	
	CROWN HOLDINGS INC	228368106	CCK	1,095	19.08	20,891.83	33.38	36,551.10	3.9	0.0	0.00
	MEADWESTVACO CORP	583334107	MWV	960	16.39	15,738.78	26.16	25,113.60	2.7	3.8	960.00
	OWENS ILLINOIS	690768403	OI	940	23.65	22,234.10	30.70	28,858.00	3.1	0.0	0.00
	WEYERHAEUSER COMPANY	962166104	WY	1,243	21.73	27,015.25	18.93	23,529.99	2.5	1.1	248.60
	YAMANA GOLD, INC.	98462Y100	AUY	2,615	10.47	27,373.82	12.80	33,472.00	3.6	0.9	313.80
<b>TELECOMMUNICATION SERVICES</b>					<b>21,197.99</b>		<b>29,476.80</b>	<b>3.2</b>	<b>0.0</b>	<b>0.00</b>	
	SBA COMMUNICATIONS	78388J106	SBAC	720	29.44	21,197.99	40.94	29,476.80	3.2	0.0	0.00
<b>UTILITIES</b>					<b>23,641.61</b>		<b>42,711.90</b>	<b>4.6</b>	<b>3.5</b>	<b>1,478.40</b>	
	ONEOK INC	682680103	OKE	770	30.70	23,641.61	55.47	42,711.90	4.6	3.5	1,478.40
<b>TOTAL Equities</b>						<b>606,167.37</b>		<b>881,116.39</b>	<b>94.5</b>	<b>1.3</b>	<b>11,417.85</b>
<b>Total Accruals</b>							<b>451.87</b>	<b>0.0</b>			
<b>TOTAL PORTFOLIO</b>						<b>657,866.31</b>		<b>932,815.33</b>	<b>100</b>	<b>1.2</b>	<b>11,422.97</b>

### Purchases

Trade Date	Settle Date	Quantity	Security	Price	Amount
10/4/2010	10/7/2010	305	LENDER PROCESSING SERVICES	29.72	9,075.49
10/5/2010	10/8/2010	295	LENDER PROCESSING SERVICES	27.58	8,148.08
10/28/2010	11/2/2010	380	IRON MOUNTAIN	21.14	8,037.57
<b>Total Purchases</b>					<b>25,261.14</b>

### Sales

Trade Date	Settle Date	Quantity	Security	Price	Amount
12/21/2010	12/27/2010	1,040	FIFTH THIRD BANCORP	14.28	14,806.95
12/28/2010	12/31/2010	190	EXTERRAN HOLDINGS	24.31	4,617.47
12/29/2010	1/3/2011	205	EXTERRAN HOLDINGS	24.12	4,943.01
12/30/2010	1/4/2011	90	EXTERRAN HOLDINGS	24.20	2,177.33
<b>Total Sales</b>					<b>26,544.76</b>

### Gains/Losses

Sell Date	Purchase Date	Shares/ Par Value	Security	Proceeds(\$)	Cost Basis(\$)	Gains/Loss	
						Short Term(\$)	Long Term(\$)
12/21/2010	9/11/2009	1,035	FIFTH THIRD BANCORP	14,735.76	10,132.13	0.00	4,603.63
12/21/2010	1/8/2010	5	FIFTH THIRD BANCORP	71.19	56.11	15.08	0.00
12/28/2010	10/30/2008	105	EXTERRAN HOLDINGS	2,551.76	2,014.20	0.00	537.56
12/28/2010	4/8/2009	85	EXTERRAN HOLDINGS	2,065.71	1,472.97	0.00	592.74
12/29/2010	4/8/2009	205	EXTERRAN HOLDINGS	4,943.01	3,552.47	0.00	1,390.54
12/30/2010	4/8/2009	90	EXTERRAN HOLDINGS	2,177.33	1,559.62	0.00	617.71
<b>Total Realized Gains/Losses</b>				<b>26,544.76</b>	<b>18,787.50</b>	<b>15.08</b>	<b>7,742.18</b>

Income		
Pay Date	Security	Amount
10/1/2010	EL PASO CORP.	21.40
10/4/2010	FLUOR CORPORATION	54.38
10/14/2010	YAMANA GOLD, INC.	52.30
10/21/2010	FIFTH THIRD BANCORP	23.30
10/22/2010	WASHINGTON FEDERAL, INC.	61.50
11/12/2010	ONEOK INC	369.60
11/15/2010	OMEGA HEALTHCARE	580.90
11/19/2010	HEALTH CARE REIT	296.70
11/26/2010	YAMANA GOLD, INC.	26.15
12/1/2010	WEYERHAEUSER COMPANY	62.15
12/1/2010	JM SMUCKER	128.00
12/1/2010	KLA TENCOR	93.75
12/1/2010	MEADWESTVACO CORP	240.00
12/3/2010	HARRIS CORP.	157.50
12/14/2010	PERRIGO CO.	21.35
12/15/2010	WENDY'S/ARBY'S GROUP	104.90
12/15/2010	TIDEWATER INC	96.25
12/22/2010	LENDER PROCESSING SERVICES	106.50
12/27/2010	WILLIAMS COS, INC.	145.00
	<b>Total Dividends</b>	<b>2,641.63</b>
10/29/2010	October Short Term Interest	0.25
11/30/2010	November Short Term Interest	0.15
12/31/2010	December Short Term Interest	0.20
	<b>Total Cash &amp; Equivalents</b>	<b>0.60</b>
	<b>Total Income</b>	<b>2,642.23</b>

## Quarterly Commentary

The US SMID Cap equity market had a strong 4th quarter to finish an overall strong year. The nearly 15% 4th quarter return for the Russell 2500 index was its historical 6th best. The nearly 27% return for 2010 was the SMID Cap market's 9th annual best since 1979 (as measured by the Russell 2500 index). Pundits who prognosticated the downfall of US Small Cap vs Large Cap were proven wrong again. The Russell 1000 underperformed the Russell 2000 by 930 basis points, the widest gap since 2003. It was also a banner year for Growth over Value in SMID Cap with the 2500 Growth index outperforming the 2500 Value index by more than 400 bps. Growth has now outperformed Value for 3 out of the past 4 years. In fact, for the first time since the Tech and Internet bubble years of 1998 and 1999, Growth has beaten Value 2 years in a row. The highest beta, lowest dollar price and non-dividend paying stocks had the best performance in the SMID Cap market for both the quarter and year.

The Energy sector led the pack in the 4th quarter as well as for the year 2010. For the quarter it was followed by Materials and Industrials at the top of the pile. As we've been noting for nearly 2 years, GW Capital views the economy as being in a 2-step forward, 1-step back mode. As such, in 2009 we began the process of shifting our portfolio from more defensively focused to one that should benefit from a slow, grudgingly, but still overall forward moving economy. GW Capital sought exposure to this slower recovery by focusing on the Energy, Materials and Industrials sectors of the market. Overall, this thematic shift over the past 18 months benefited the portfolios. This is certainly reflected in our outperforming the Russell 2500 Value index during the 4th quarter. In addition to the positive impact from overweighting Energy and Materials, our Issue Selection in Consumer Discretionary and even Utilities aided relative performance vs the index. When compared against the Value index, our underweight in Financials also provided a tailwind as that sector continued to underperform as it has through most of the year.

In terms of Issue Selection last quarter, the portfolio featured 12 names (out of 32 total) with an absolute positive return north of 20%. Contribution was very broad based. The portfolio featured a 20%+ return stock in each of the market sectors in which the GW Capital portfolio is invested. Unfortunately, even with the exceptional performance of these dozen stocks, our overall issue selection within the sectors of Energy, Technology and Materials lagged that of the market index sectors. Combine that disappointment with the portfolio also owning 5 stocks with flat to modestly negative returns for the quarter, and our overall Issue Selection effort still was a modest detraction for the quarter. Nonetheless, in no instance was there any significant concern regarding those underperforming names that warranted being sold during the quarter.

As with the 3rd quarter, GW Capital did not facilitate much in terms of transaction activity in the 4th quarter. In fact, it has a very similar flavor to what we saw then. We did not purchase any new names, but did add to a holding in the Financial sector and to another one in Industrials. Both had been underperforming, providing an attractive valuation entry point to increase our exposure. We sold outright one of our Energy positions at year-end and also pared back a Financial Services holding due to its weighting.

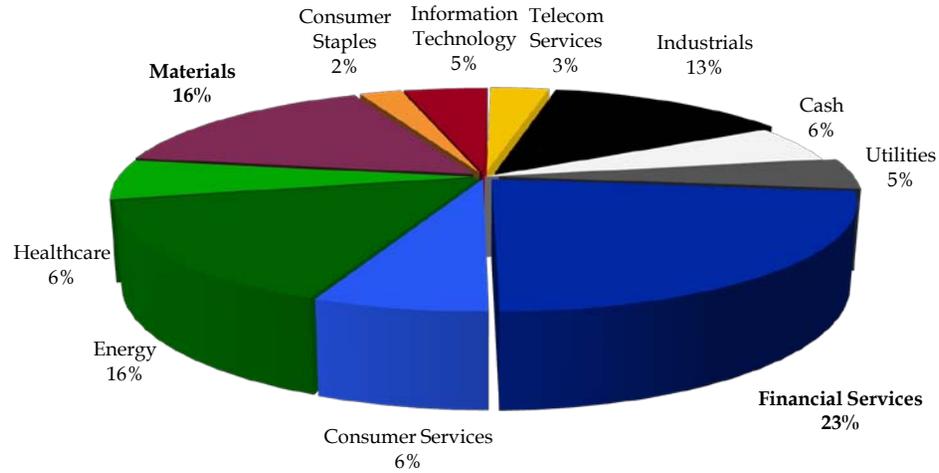
Looking ahead, we may sound like a broken record (hopefully one that's at least in tune), but we continue to characterize the equity market and economic recovery of being in the variety of 2 steps forward, 1 step back. The 4th quarter felt a lot like 2+ steps forward with no step back, so we are on guard for catalysts that may deliver a market pullback as we head into 2011. 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 the economy. The rise of Treasury yields during the 4th quarter actually compressed spreads in the corporate bond universe, meaning as Treasury yields rose, corporate yields remained stable or even declined. This stabilization and continued show of strength in the US 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.

## Quarterly Commentary

*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**

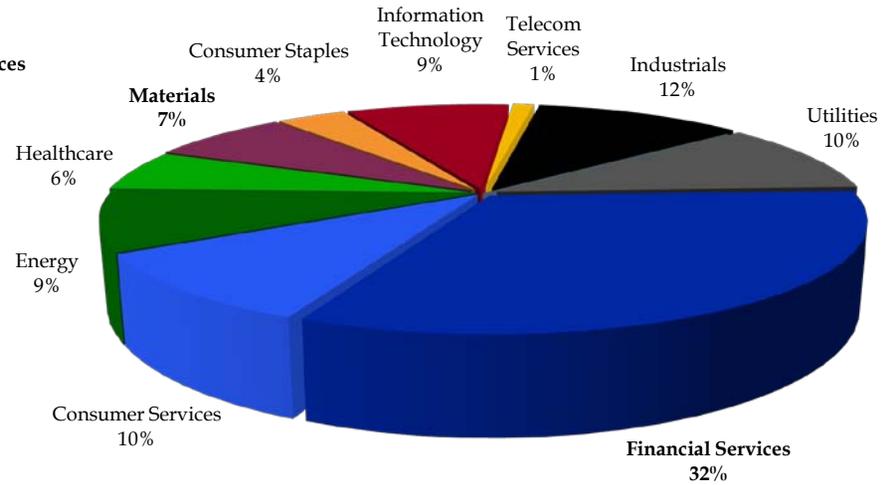
**Ormond Beach  
Firefighters Pension Plan**



**Largest Variances vs. Russell 2500 V**

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

**Russell 2500 Value\***



\* Source: Frank Russell Co. GICS Classification