

GARCIA HAMILTON & ASSOCIATES

*Portfolio Review*  
**CITY OF ORMOND BEACH GENERAL EMPLOYEES' PENSION PLAN-FIXED (3250000311)**  
**ormondgf**

December 31, 2012

Client Use Only

See disclosures for other relevant information.

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

GARCIA HAMILTON & ASSOCIATES  
**PORTFOLIO SUMMARY**  
***CITY OF ORMOND BEACH GENERAL EMPLOYEES' PENSION PLAN-FIXED***  
***(3250000311)***  
*ormondgf*  
*December 31, 2012*

<u>Security Type</u>	<u>Total Cost</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Yield</u>	<u>Est. Annual Income</u>
<b>FIXED INCOME</b>					
CORPORATE BONDS	4,085,317.84	4,440,230.41	42.2	2.4	220,844.40
GOVERNMENT BONDS					
AGENCY - CALLABLE	1,673,231.69	1,672,969.17	15.9	0.9	17,457.50
MORTGAGE-BACKED SECURITIES-FNMA	2,442,893.51	2,456,041.83	23.3	1.7	124,944.06
MORTGAGE-BACKED SECURITIES-FHLMC	1,761,297.99	1,761,317.14	16.7	1.8	87,779.54
Accrued Interest		65,404.31	0.6		
	9,962,741.02	10,395,962.87	98.8	1.9	451,025.50
<b>CASH &amp; EQUIVALENTS</b>					
CASH & EQUIVALENTS	124,809.95	124,809.95	1.2	0.0	24.96
	124,809.95	124,809.95	1.2	0.0	24.96
<b>TOTAL PORTFOLIO</b>	<b>10,087,550.97</b>	<b>10,520,772.82</b>	<b>100.0</b>	<b>1.9</b>	<b>451,050.47</b>

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*PORTFOLIO APPRAISAL*  
**CITY OF ORMOND BEACH GENERAL EMPLOYEES' PENSION PLAN-FIXED (3250000311)**  
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Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
<b>CORPORATE BONDS</b>									
525,000	Wachovia Floater 0.937% Due 10-15-16	97.83	513,627.40	98.23	515,683.87	4.9	0.937	4,919.25	1.4
425,000	UBS Stamford 5.875% Due 12-20-17	98.18	417,251.90	119.03	505,860.07	4.8	5.875	24,968.75	1.8
175,000	Citigroup Floater 2.203% Due 05-15-18	100.79	176,386.00	100.78	176,364.12	1.7	2.203	3,854.55	2.1
400,000	Goldman Sachs 7.500% Due 02-15-19	118.55	474,209.16	125.83	503,302.00	4.8	7.500	30,000.00	2.9
180,000	Metlife Inc. 7.717% Due 02-15-19	122.90	221,213.81	131.10	235,981.62	2.2	7.717	13,890.60	2.2
255,000	J.P. Morgan Chase 6.300% Due 04-23-19	121.97	311,025.70	123.38	314,609.31	3.0	6.300	16,065.00	2.3
420,000	Morgan Stanley 7.300% Due 05-13-19	111.67	469,003.27	121.52	510,392.40	4.9	7.300	30,660.00	3.5
185,000	AFLAC Inc. 8.500% Due 05-15-19	115.70	214,052.58	136.19	251,957.97	2.4	8.500	15,725.00	2.3
90,000	Allstate Corp. 7.450% Due 05-16-19	122.60	110,339.06	131.14	118,023.30	1.1	7.450	6,705.00	2.2
240,000	Citigroup 8.500% Due 05-22-19	117.13	281,121.60	134.46	322,712.88	3.1	8.500	20,400.00	2.6
385,000	Bank of America 7.625% Due 06-01-19	117.39	451,935.65	127.96	492,634.83	4.7	7.625	29,356.25	2.8
405,000	General Electric 6.000% Due 08-07-19	109.91	445,151.70	121.66	492,708.01	4.7	6.000	24,300.00	2.4
	Accrued Interest				43,234.81	0.4			
			4,085,317.84		4,483,465.22	42.6		220,844.40	2.4
<b>GOVERNMENT BONDS</b>									
<b>AGENCY - CALLABLE</b>									
605,000	FHLMC Callable 0.750% Due 11-23-15	100.18	606,110.78	100.19	606,173.09	5.8	0.750	4,537.50	0.7
225,000	FHLMC Callable 0.950% Due 02-10-16	100.72	226,617.75	100.80	226,804.50	2.2	0.950	2,137.50	0.7
180,000	FHLBB Callable 1.650% Due 02-28-17	102.22	184,004.46	102.36	184,256.28	1.8	1.650	2,970.00	1.1

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Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
300,000	FNMA Callable 1.000% Due 09-20-17	100.30	300,898.70	100.03	300,093.30	2.9	1.000	3,000.00	1.0
350,000	FNMA Callable 1.375% Due 09-26-17	101.60	355,600.00	101.61	355,642.00	3.4	1.375	4,812.50	1.0
	Accrued Interest				4,442.53	0.0			
			1,673,231.69		1,677,411.70	15.9		17,457.50	0.9
	<b>GOVERNMENT BONDS Total</b>		1,673,231.69		1,677,411.70	15.9		17,457.50	0.9
<b>MORTGAGE-BACKED SECURITIES-FNMA</b>									
700,000.00	FNMA Pool #756146 7.000% Due 01-01-13	102.94	26,319.39	100.03	25,574.97	0.2	7.000	1,789.78	0.2
745,000.00	FNMA Pool #890042 5.500% Due 07-01-22	106.93	151,407.02	108.34	153,405.26	1.5	5.500	7,787.93	1.4
1,162,457.00	FNMA Pool #928613 6.000% Due 08-01-22	105.35	182,681.92	110.38	191,406.31	1.8	6.000	10,404.68	2.4
405,000.00	FNMA Pool #932467 5.500% Due 08-01-22	108.94	150,707.80	108.34	149,878.43	1.4	5.500	7,608.88	1.4
580,000.00	FNMA Pool #889716 5.500% Due 10-01-22	108.06	127,281.09	108.15	127,386.28	1.2	5.500	6,478.21	1.6
2,555,000.00	FNMA Pool #956125 5.500% Due 10-01-22	108.62	259,388.64	108.15	258,278.43	2.5	5.500	13,134.70	1.6
1,720,000.00	FNMA Pool #889390 6.000% Due 03-01-23	106.83	283,115.66	109.89	291,229.53	2.8	6.000	15,900.71	2.2
945,000.00	FNMA Pool #889280 5.000% Due 04-01-23	108.47	183,335.71	108.39	183,207.68	1.7	5.000	8,451.08	1.6
1,100,000.00	FNMA Pool #889291 5.000% Due 04-01-23	108.03	198,177.17	108.39	198,840.78	1.9	5.000	9,172.21	1.8
1,390,000.00	FNMA Pool #995461 5.500% Due 12-01-23	108.26	276,581.14	108.15	276,291.05	2.6	5.500	14,050.73	1.6
1,630,000.00	FNMA Pool #AA0822 5.500% Due 12-01-23	108.83	192,669.90	108.15	191,471.11	1.8	5.500	9,737.23	1.7
130,000.00	FNMA Pool #AL1586 6.000% Due 09-01-24	110.11	104,163.47	109.33	103,425.24	1.0	6.000	5,676.00	2.0
465,000.00	FNMA Pool #AD0662 5.500% Due 01-01-25	108.81	137,293.03	108.15	136,458.39	1.3	5.500	6,939.57	1.6

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500,000.00	FNMA Pool #AE0286 5.000% Due 04-01-25 Accrued Interest	108.66	169,771.55	108.28	169,188.37	1.6	5.000	7,812.32	1.4
					10,412.01	0.1			
			2,442,893.51		2,466,453.84	23.4		124,944.06	1.7
<b>MORTGAGE-BACKED SECURITIES-FHLMC</b>									
535,000.00	FHLMC Pool #G11953 5.500% Due 06-01-20	105.41	117,165.66	108.55	120,656.85	1.1	5.500	6,113.48	1.2
2,570,000.00	FHLMC Pool #J05894 5.500% Due 02-01-21	106.98	194,686.85	107.92	196,412.94	1.9	5.500	10,009.55	1.7
1,624,915.00	FHLMC Pool #J05928 5.500% Due 03-01-21	106.88	188,858.34	107.92	190,701.70	1.8	5.500	9,718.50	1.7
935,000.00	FHLMC Pool #G12444 6.000% Due 10-01-21	108.22	142,238.24	109.94	144,500.58	1.4	6.000	7,886.15	2.3
1,295,000.00	FHLMC Pool #G13122 5.000% Due 04-01-23	108.06	170,249.57	107.24	168,960.04	1.6	5.000	7,877.37	1.6
1,070,000.00	FHLMC Pool #G14014 5.500% Due 12-01-24	108.98	551,987.24	107.92	546,662.04	5.2	5.500	27,858.87	1.9
300,000.00	FHLMC Pool #G14273 5.000% Due 07-01-25	108.09	186,404.16	107.40	185,209.53	1.8	5.000	8,622.34	1.9
445,000.00	FHLMC Pool # G14094 5.000% Due 07-01-25 Accrued Interest	108.17	209,707.92	107.40	208,213.46	2.0	5.000	9,693.27	1.7
					7,314.96	0.1			
			1,761,297.99		1,768,632.11	16.8		87,779.54	1.8
<b>CASH &amp; EQUIVALENTS</b>									
	Regions Trust Cash Sweep		124,809.95		124,809.95	1.2	0.020	24.96	0.0
			124,809.95		124,809.95	1.2		24.96	0.0
<b>TOTAL PORTFOLIO</b>			10,087,550.97		10,520,772.82	100.0		451,050.47	1.9

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## Client Report Disclosures

### **PERFORMANCE DATA**

Performance data represents historically achieved results for a client's portfolio(s), and is no guarantee of future performance. The market or economic conditions during this period may or may not be repeated. There may be differences between the performance shown and the performance results achieved by any other client retaining Garcia Hamilton for the same investment strategy. Benchmark results are shown for comparison purposes only. The benchmark represents an unmanaged portfolio with characteristics which are similar to the portfolio(s). The returns of the benchmark do not include any transaction costs, management fees or other costs. The holdings in the client's portfolio(s) may differ significantly from the securities that comprise the benchmark shown. The benchmark has been selected by the client as an appropriate benchmark with which to compare the performance of the portfolio(s).