

SUMMARY OF RELEVANT FACTS
City of Ormond Beach Firefighters' Pension Plan
As of March 31, 2014

Distribution of Assets:	
Equity	
Large Cap Value	\$5,617,709
Large Cap Growth	\$5,420,609
Small/Mid Cap Value	\$1,317,064
Small/Mid Cap Growth	\$1,284,133
International Value	\$1,010,663
International Growth	\$1,129,999
Total Equity	\$15,780,177
Fixed Income	\$6,729,658
Cash (R&D Account)	\$551,731
Total Portfolio	\$23,061,565

Other Important Facts:

Total Portfolio	\$23,061,565
Total Gain or (Loss) - Gross	\$311,501
Total Gain or (Loss) - Net	\$285,399
Total Fees	(\$26,102)

HGK (Large Cap Value)

Total Assets	100.00%	\$5,617,709
Equity	97.85%	\$5,497,028
Cash	<u>2.15%</u>	\$120,682
Fees		(\$5,295)
Gain or (Loss)		\$121,590

PERIMETER (Small/Mid Cap Growth)

Total Assets	100.00%	\$1,284,133
Equity	99.54%	\$1,278,190
Cash	<u>0.46%</u>	\$5,942
Fees		(\$2,783)
Gain or (Loss)		(\$17,572)

Distribution by Percentages:	Policy	Current
Equity		
Large Cap Value	22.5%	24.36%
Large Cap Growth	22.5%	23.50%
Small/Mid Cap Value	5.0%	5.71%
Small/Mid Cap Growth	5.0%	5.57%
International Value	5.0%	4.38%
International Growth	5.0%	4.90%
Total Equity	65.0%	68.43%
Fixed Income	35.0%	29.18%
Cash (R&D Account)		2.39%
Total	100.0%	100.00%

SAWGRASS (Large Cap Growth)

Total Assets	100.00%	\$2,881,315
Equity	97.51%	\$2,809,697
Cash	<u>2.49%</u>	\$71,618
Fees		(\$3,864)
Gain or (Loss)		\$45,491

DELAWARE (International Value)

Total Assets	100.00%	\$1,010,663
Equity	98.52%	\$995,705
Cash	<u>1.48%</u>	\$14,958
Fees		(\$1,834)
Gain or (Loss)		\$36,966

POLEN (Large Cap Growth)

Total Assets	100.00%	\$2,539,294
Equity	97.22%	\$2,468,715
Cash	<u>2.78%</u>	\$70,579
Fees		(\$3,790)
Gain or (Loss)		\$16,367

RENAISSANCE (International Growth)

Total Assets	100.00%	\$1,129,999
Equity	97.90%	\$1,106,221
Cash	<u>2.10%</u>	\$23,778
Fees		(\$1,860)
Gain or (Loss)		(\$2,310)

RECEIPTS & DISBURSEMENT

Total Assets (Cash)	\$551,731
Gain or (Loss)	\$483

GW CAPITAL (Small/Mid Cap Value)

Total Assets	100.00%	\$1,317,064
Equity	96.69%	\$1,273,477
Cash	<u>3.31%</u>	\$43,587
Fees		(\$2,805)
Gain or (Loss)		\$23,990

GARCIA HAMILTON (Fixed Income)

Total Assets	100.00%	\$6,729,658
Fixed Income	99.74%	\$6,711,958
Cash	<u>0.26%</u>	\$17,699
Fees		(\$3,870)
Gain or (Loss)		\$86,495

BREAKDOWN OF RETURNS
City of Ormond Beach Firefighters' Pension Plan
As of March 31, 2014

Actuarial Rate of Return = 7.50%

EQUITY		Your Returns	Your Returns			
HGK		(Gross-of-Fees)	(Net-of-Fees)	Russ 1000 Value	PSN Money Mgrs.	S&P 500
	Quarter	2.20	2.10	3.02	2.80	1.80
	1 Year	23.07	22.61	21.58	21.57	21.86
	3 Year	14.73	14.30	14.80	14.93	14.66
	Since 4/30/2009	18.05	17.63	19.66	NA	19.31
Sawgrass				Russ 1000 Growth	PSN Money Mgrs.	S&P 500
	Quarter	1.61	1.47	1.12	1.15	1.80
	1 Year	22.86	22.20	23.23	23.66	21.86
	Since 4/30/2012	18.87	18.13	17.34	NA	19.08
	Saw/Ren - 3 Year	13.14	12.55	14.62	14.24	14.66
	Saw/Ren - 5 Year	18.63	18.00	21.68	20.76	21.16
	Saw/Ren - Since 7/31/2007	5.85	5.29	7.84	NA	6.16
Polen				Russ 1000 Growth	PSN Money Mgrs.	S&P 500
	Quarter	0.65	0.50	1.12	1.15	1.80
	1 Year	17.14	16.45	23.23	23.66	21.86
	Since 4/30/2012	11.48	10.90	17.34	NA	19.08
GW Capital				Russ 2500 Value	PSN Money Mgrs.	
	Quarter	1.66	1.47	3.52	3.49	
	1 Year	19.76	18.88	21.76	22.40	
	3 Year	13.69	12.86	13.88	13.86	
	5 Year	26.68	25.76	24.81	25.20	
	Since 10/31/2008	21.48	20.67	17.54	NA	
Perimeter				Russ 2500 Growth	PSN Money Mgrs.	
	Quarter	(1.31)	(1.49)	1.04	1.60	
	1 Year	21.95	21.08	26.66	24.59	
	3 Year	11.85	11.04	13.93	13.46	
	Since 4/30/2009	19.97	19.15	22.80	NA	
Delaware				MSCI EAFE (Net)	MSCI EAFE Val	
	Quarter	3.80	3.60	0.66	1.23	
	1 Year	22.42	21.53	17.57	20.25	
	3 Year	9.08	8.34	7.22	7.16	
	5 Year	14.46	13.64	16.02	16.12	
	Since 7/31/2005	6.41	5.64	5.60	5.03	

Renaissance			MSCI AC Wd x US		MSCI EAFE Grth	
Quarter	(0.20)	(0.37)	0.51	0.11		
1 Year	26.36	25.56	12.32	14.93		
3 Year	8.53	7.84	4.16	7.22		
Since 4/30/2009	16.15	15.45	12.83	14.22		
FIXED INCOME						
Garcia Hamilton			BC Int. Govt/Credit		BC Int. Aggregate	
					90-Day T-Bill	
Quarter	1.40	1.34	1.00	1.20	0.01	
1 Year	2.11	1.86	(0.12)	0.01	0.04	
3 Year	4.76	4.50	3.13	3.04	0.06	
5 Year	6.76	6.51	4.18	4.24	0.09	
Since 9/30/2003	5.48	5.20	3.99	4.26	1.50	
TOTAL RETURN						
Combined Managers			Policy Index		Composite Index	
Quarter	1.36	1.23	1.62	1.61		
1 Year	15.02	14.45	13.64	14.44		
3 Year	9.56	9.05	9.84	10.17		
5 Year	14.30	13.80	15.37	15.45		
Since 3/31/2001	6.11	5.63	6.11	6.57		
TOTAL RETURN						
Dollar-Weighted Net			Actuarial Rate		CPI +4	
Quarter		1.25	1.82	1.38		
1 Year		14.50	7.50	5.45		
3 Year		9.16	7.50	5.80		
5 Year		13.88	7.50	6.04		
Since 3/31/2001		5.84	7.50	6.30		

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

INVESTMENT POLICY CHECKLIST

Ormond Beach Firefighters' Pension Fund

As of March 31, 2014

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	No
Single issue not to exceed 10% at market value for each equity separately managed portfolio	Yes	Exceed actuarial assumption (7.5%) - Since 3/31/2001	No
Each equity portfolio < 70% & > 60% of total fund at market value	Yes	<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	Yes
U.S. Government / Agency or U.S. Corporations	Yes	Rank in the Top 50% - Since 4/30/2012	Yes
Fixed Income Portfolio < 40% & > 30%	No (29.18%)	<u>Polen</u>	
Corporate Bonds rated "A" or better	Yes*	Equities > Russell 1000 Growth - Since 4/30/2012	No
CMOs < 15% of fixed Income portfolio at market	Yes	Rank in the Top 50% - Since 4/30/2012	No
Single corporate issuer not exceed 5% of bond portfolio	Yes	<u>GW Capital</u>	
Single corporate issuer not exceed 5% of total fund	Yes	Equities > Russell 2500 Value - Since 10/31/2008	Yes
		Rank in the Top 50% - Since 10/31/2008	Yes
		<u>Perimeter</u>	
		Equities > Russell 2500 Growth - Since 4/30/2009	No
		Rank in the Top 50% - Since 4/30/2009	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

* There are asset-backed notes that were inherited from AllianceBernstein with ratings below A which are still being worked out of the portfolio as good opportunities arise. A couple of other notes contain split ratings.

QUARTERLY PERFORMANCE EVALUATION

Prepared for:

City of Ormond Beach Firefighters' Pension Plan

As of March 31, 2014

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Q1
2014

Capital Markets Overview

Introduction

- In the first quarter, equity performance in the United States was mixed, largely due to investor uncertainty around the strength and speed of the global economic recovery, as well as seemingly frothy valuation metrics. Investor anxiety was fueled to a lesser extent by Federal Reserve (the “Fed”) Chairwoman Janet Yellen’s indication that short-term interest rates could be raised sooner than expected, once Quantitative Ease 3 (QE3) tapering is complete. (QE3 allows the Fed to purchase billions of dollars in mortgage-backed securities to lower long-term interest rates and stimulate housing and other sectors dependent on borrowing.)
- The Dow Jones Industrial Average fell 0.2% in the first quarter. The NASDAQ Composite advanced 0.8% for the quarter. The S&P 500 rose 1.8% for the quarter, its fifth consecutive quarterly increase.
- Nine of the 10 sectors of the S&P 500 advanced in the first quarter. Utilities fared the best, with a 10.1% uptick. Health Care rose 5.8% and Materials advanced 2.9%. The laggards were Industrials, which advanced 0.1%, and Consumer Discretionary, which fell 2.8%.
- Morgan Stanley and Co. LLC economists expect that U.S. real GDP will be 2.7% in 2014 and 2.8% in 2015. Morgan Stanley economists forecast global GDP growth to be 3.4% in 2014 and 3.7% in 2015.
- In the first quarter, the Dow Jones-UBS Commodity Index rose 7.0%, making commodities one of the top performing asset classes for the quarter. For the quarter, gold rose 6.7%, countering its 28% plunge in the fourth quarter of 2013.
- For the first quarter of 2014, global mergers-and-acquisitions deal volume was \$639 billion, compared to \$517 billion for the first quarter of 2013. Global M&A activity increased to \$2.3 trillion in 2013 from \$2.2 trillion in 2012.

The U.S. Economy

- The Department of Commerce estimated that Gross Domestic Product grew at an annual rate of 2.6% in the fourth quarter of 2013, in comparison to 4.1% in the third quarter of 2013. Morgan Stanley and Co. LLC economists forecast that U.S. real GDP will be 2.7% in 2014 and 2.8% in 2015.
- For the quarter, the seasonally adjusted unemployment rate rose from 6.6% for January to 6.7% for both February and March. Job gains in the quarter took place in mining and logging, health care, professional and business services, food services and drinking places, and construction. The unemployment rate (6.7%) and the number of unemployed persons (10.5 million) was little changed in March. The number of long-term unemployed (3.7 million) remained relatively unchanged in March.
- According to the most recent estimate from the Bureau of Economic Analysis, corporate profits rose 2.2% between the third quarter of 2013 and the fourth quarter of 2013, and rose 6.2% between the fourth quarter of 2012 and the fourth quarter of 2013.
- Inflation remained low in the U.S. According to the Bureau of Labor Statistics, the seasonally adjusted Consumer Price Index rose 0.1% in both January and February. Morgan Stanley & Co. LLC economists forecast a 1.6% inflation rate for 2014 and 1.6% for 2015.
- The Census Bureau reported that private-sector housing starts in February 2014 were at a seasonally adjusted annual rate of 907,000—6.4% below February 2013 housing starts. The decline in housing starts over the past year indicates that the housing market has cooled due to rising mortgage rates and climbing house prices.
- The Census Bureau also reported that seasonally adjusted retail and food services sales increased 0.3% between January and February 2014, and increased 1.5% between February 2013 and February 2014.
- In March, the Institute for Supply Management's Purchasing Managers' Index (PMI), a manufacturing-sector index, was 53.7, up 0.5 from February, and up from January's 51.3. The latest PMI data indicates an expansion in the manufacturing sector for 10 consecutive months. Overall, PMI has been above 42 for 58 consecutive months. Generally speaking, a PMI or NMI (ISM Nonmanufacturing Index) over 50 indicates that the sector is expanding and a PMI over 42 indicates that the overall economy is expanding.
- The NMI fell 2.4 points to 51.6 between January and February of 2014, and rose 1.5 to 53.1 between February and March of 2014. The index has now been above 50 for 50 consecutive months.

The U.S. Equity Markets

- The Dow Jones Industrial Average fell 0.2% in the first quarter. The NASDAQ Composite advanced 0.8% for the quarter. The S&P 500 rose 1.8% for the quarter, its fifth consecutive quarterly increase.
- Nine of the 10 sectors of the S&P 500 advanced in the first quarter. Utilities fared the best, with a 10.1% uptick. Health Care rose 5.8% and Materials advanced 2.9%. The laggards were Industrials, which advanced 0.1%, and Consumer Discretionary, which fell 2.8%.
- Both value- and growth-style stocks rose during the first quarter, with value stocks faring better among those of small-, mid- and large-cap companies. The Russell Midcap Value Index climbed 5.2%, with the best quarterly showing of the Russell indices referenced here. The Russell Midcap Index rose 3.5% for the quarter. The large-cap Russell 1000 Value Index rose 3.0% for the quarter. The Russell 1000 Index, a large-cap index, rose 2.1% for the quarter. The Russell Midcap Growth Index also rose 2.1% for the quarter.
- The Russell 2000 Value Index, a small-cap index, advanced 1.8% for the quarter. The Russell 1000 Growth Index, a large-cap index, rose 1.1% for the quarter. The Russell 2000 Index, a small-cap index, also advanced 1.1% for the quarter. The Russell 2000 Growth Index, a small-cap index, rose 0.5% for the quarter, but had the weakest showing of the quarter compared to the other Russell indices referenced here.
- Despite investor concerns over weakness in emerging-market currencies, Russia's annexation of Crimea, and the Fed's ongoing QE3 tapering, the CBOE Volatility Index (VIX), the so-called "fear index," fell to 13.9 at the end of the first quarter. This level is not far from the index's six-year low of 11.3 hit in March 2013. The index's end-of-quarter calm is a distinct contrast from its August 8, 2011 high of 48.

Key U.S. Stock Market Index Returns (%) for the Period Ending 3/31/14

	Quarter	12 Months	Five Years (Annualized)	Seven Years (Annualized)
S&P 500	1.8	21.9	21.2	6.3
Dow Jones	(0.2)	15.7	19.9	7.0
Russell 2000	1.1	24.9	24.3	7.1
Russell Midcap	3.5	23.5	25.6	7.1
Russell 1000	2.1	22.4	21.7	6.6

Source: Morgan Stanley

Past performance is not a guarantee of future results. Investors cannot invest directly in an index. The performance of unmanaged indices reflects no deductions for fees, expenses or taxes that would affect the performance of actively managed assets.

Please refer to the Index Descriptions and other important information at the end of this material.

Global Equity Markets

- In the first quarter, emerging markets (EM) and global equities mostly declined. The MSCI EAFE Index (a benchmark for developed markets) rose 0.8% for U.S.-currency investors and fell 0.2% for local currency investors, as the U.S. dollar depreciated in relation to the currencies of many nations in the index. In contrast, in the fourth quarter of 2013, the MSCI EAFE Index rose 5.8% in U.S. dollar terms and rose 6.4% in local currency terms.
- For the first quarter, the MSCI Emerging Markets Index declined 0.4% for U.S.-currency investors and fell 0.5% for local currency investors, as the U.S. dollar maintained parity with many emerging-market currencies. This contrasts with the previous quarter, when the MSCI Emerging Markets Index rose 1.9% for U.S.-dollar-based investors and rose 3.0% for local currency investors.
- The MSCI Europe Index rose 2.2% for U.S.-currency investors and 1.9% for local currency investors during the first quarter. In comparison, the MSCI Far East Index fell 5.0% for the quarter in terms of the U.S. dollar and declined 6.6% in terms of local currencies.
- More specific emerging economy equity market indices fell in the first quarter. The MSCI BRIC (Brazil, Russia, India and China) Index dropped 2.9% for the quarter in U.S. dollar terms and fell 3.8% in terms of local currencies. In comparison, for the first quarter, the MSCI EM Asia Index declined 0.2% in U.S. dollar terms and fell 0.3% in local terms.

Key Global Equity Market Indices Based on the U.S. Dollar (%) for the Period Ending 3/31/14				
	Quarter	12 Months	Five Years (Annualized)	Seven Years (Annualized)
MSCI EAFE	0.8	18.0	16.6	1.8
MSCI EAFE Growth	0.3	15.5	16.3	2.6
MSCI EAFE Value	1.2	20.7	16.8	0.9
MSCI Europe	2.2	25.2	18.2	2.3
MSCI Japan	(5.5)	7.7	10.5	(1.4)
MSCI Emerging Markets	(0.4)	(0.9)	14.8	3.7

Source: Morgan Stanley

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The U.S. Bond Market

- In the first quarter, the bond market benefited from weak economic news—the Barclays U.S. Aggregate Bond Index, a general measure of the bond market, increased 1.8% for the quarter. Interest rates declined during the first quarter, as the yield on the 10-Year U.S. Treasury note fell to a quarter-end 2.72% from 3.03% at the end of December 2013.
- Also in the first quarter, riskier parts of the bond market, including high-yield debt and corporate credit, built upon their fourth quarter 2013 upswing. As a result, the Barclays Capital High Yield Index, a measure of lower-rated corporate bonds, advanced 3.0% for the quarter.
- Investors returned to mortgage-backed securities in the first quarter. Consequently, the Barclays Capital Mortgage Backed Index rose 1.6% for the quarter.
- During the first quarter, investors embraced the municipal-bond market. As a result, the Barclays Capital Muni Index rose 3.3% for the quarter.

U.S. Bond Market Index Returns (%) for the Period Ending 3/31/14

	Quarter	12 Months	Five Years (Annualized)	Seven Years (Annualized)
Barclays Capital U.S. Aggregate	1.8	(0.1)	4.8	5.0
Barclays Capital High Yield	3.0	7.5	18.3	8.7
Barclays Capital Govt/Credit	2.0	(0.3)	5.1	5.1
Barclays Capital Government	1.3	(1.2)	2.7	4.5
Barclays Capital Intermediate Govt/Credit	1.0	(0.1)	4.2	4.5
Barclays Capital Long Govt/Credit	6.6	(0.9)	9.1	7.5
Barclays Capital Mortgage Backed Securities	1.6	0.2	3.6	4.8
Barclays Capital Muni	3.3	0.4	5.7	4.7

Source: Morgan Stanley

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INDEX DESCRIPTIONS:

DOW JONES INDUSTRIAL AVERAGE: The most widely used indicator of the overall condition of the stock market, a price-weighted average of 30 actively traded blue-chip stocks, primarily industrials. The 30 stocks are chosen by the editors of The Wall Street Journal (WSJ) (which is published by Dow Jones & Company), a practice that dates back to the beginning of the century. Charles Dow officially started the Dow in 1896, at which time it consisted of only 11 stocks. The Dow is computed using a price-weighted indexing system, rather than the more common market cap-weighted indexing system. Simply put, the editors at WSJ add up the prices of all the stocks and then divide by the number of stocks in the index. (In actuality, the divisor is much higher today in order to account for stock splits that have occurred in the past.) **DOW JONES-UBS COMMODITY INDEX:** Composed of futures contracts on physical commodities which are traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME). **NASDAQ COMPOSITE INDEX:** Covers 4,500 stocks traded over the counter. It represents many small company stocks but is heavily influenced by about 100 of the largest NASDAQ stocks. It is a value-weighted index calculated on price change only and does not include income. **S&P 500 INDEX:** Covers 400 industrial, 40 utility, 20 transportation and 40 financial companies in the U.S. markets (mostly NYSE issues). The index represents about 75% of NYSE market cap and 30% of NYSE issues. It is a capitalization-weighted index calculated on a total-return basis with dividends reinvested. **RUSSELL 1000 INDEX:** Measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 89% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the average market capitalization was approximately \$9.9 billion; the median market capitalization was approximately \$3.7 billion. The smallest company in the index had an approximate market capitalization of \$1,404.7 million. **RUSSELL 1000 GROWTH INDEX:** Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. **RUSSELL 1000 VALUE INDEX:** Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. **RUSSELL 2000 INDEX:** Measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 11% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the average market capitalization was approximately \$592.0 million; the median market capitalization was approximately \$500.0 million. The largest company in the index had an approximate market capitalization of \$1,402.7 million. **RUSSELL 2000 GROWTH INDEX:** Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. **RUSSELL 2000 VALUE INDEX:** Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. **RUSSELL 3000 INDEX:** Measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. **RUSSELL MIDCAP INDEX:** Measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 35% of the total market capitalization of the Russell 1000 Index. As of the latest reconstitution, the average market capitalization was approximately \$3.7 billion; the median market capitalization was approximately \$2.9 billion. The largest company in the index had an approximate market capitalization of \$10.3 billion. **RUSSELL MIDCAP GROWTH INDEX:** Measures the performance of those Russell mid-cap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth Index. An investment cannot be made directly in a market index. **RUSSELL MIDCAP VALUE INDEX:** Measures the performance of those Russell mid-cap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value Index. An investment cannot be made directly in a market index. **VIX INDEX:** (Chicago Board Options Exchange Volatility Index) Estimates volatility in the S&P 500 Index for the next 30 days using a weighted blend of prices for various options on the S&P 500 Index.

THE BARCLAYS CAPITAL U.S. AGGREGATE BOND INDEX: A broad-based benchmark that measures the investment grade, U.S.-dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS and CMBS. **BARCLAYS CAPITAL GOVERNMENT INDEX:** Barclays Capital Treasury bond and agency bond indices (all publicly issued debt of agencies of the U.S. government, quasi-federal corporations and corporate debt guaranteed by the U.S. government, but no mortgage-backed securities) are combined to form the government bond index. **BARCLAYS CAPITAL U.S. INTERMEDIATE GOVERNMENT/CREDIT BOND INDEX:** The Barclays Capital U.S. Intermediate Government/Credit Bond Index is a total return index consisting of investment-grade corporate debt issues as well as debt issues of U.S. government agencies and the U.S. Treasury. The debt issues all maintain maturities within a range of 1 to 10 years. An investment cannot be made directly in a market index. **BARCLAYS CAPITAL HIGH YIELD INDEX:** The Barclays Capital U.S. High Yield Index covers the universe of fixed-rate, noninvestment-grade debt. Pay-in-kind (PIK) bonds, Eurobonds and debt issues from countries designated as emerging markets (e.g., Argentina, Mexico, Venezuela, etc.) are excluded, but Yankee and global bonds (SEC-registered) of issuers in non-EMG countries are included. Original issue zeroes and step-up coupon structures are also included. Liquidity Rules: All bonds included in the High Yield Index must be dollar-denominated and nonconvertible and have at least one year remaining to maturity and an outstanding par value of at least \$150 million. Quality Rating Rules: Securities in the index must be rated Ba1 or lower. If both Moody's and S&P provide a rating for a security, the lower of the two ratings is used. A small number of unrated bonds are included in the index; to be eligible they must have previously held a high-yield rating or have been associated with a high-yield issuer, and must trade accordingly. Components: The index has several subcomponents. Intermediate indices include bonds with remaining maturities of less than 10 years; long indices include bonds with remaining maturities of 10 years or more. The index also has subdivisions by credit quality, and subindices are available that exclude securities in default. **BARCLAYS CAPITAL MUNI INDEX:** The composite measure of the total return performance of the muni bond market. The muni market contains over two million bond issues. The market is divided into seven major sectors: state G.O. debt (31%); prerefunded bonds (7.7%); electric-utility revenue bonds (7.79%); hospital revenue bonds (3.4%); state-housing revenue bonds (3.4%); industrial-development and pollution-control revenue bonds (1.8%); and transportation revenue bonds (7.1%). These weightings are reviewed annually. **BARCLAYS CAPITAL GOVT/CREDIT INDEX:** The U.S. Government/Credit Index is the nonsecuritized component of the U.S. Aggregate Index and was the first macro index launched by Barclays Capital. The U.S. Government/Credit Index includes Treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year), government-related issues (i.e., agency, sovereign, supranational and local-authority debt) and U.S. dollar corporates. In order to qualify for inclusion in the U.S. Government/Credit Index, a bond or security must have at least one year to maturity; at least \$250 million par amount outstanding; must be rated Baa3 by Moody's, BBB- by Standard & Poor's, and BBB- by Fitch Investor Service; must be fixed-rate, although it can carry a coupon that steps up; and it must be U.S.-dollar-denominated. **BARCLAYS CAPITAL LONG GOVERNMENT/CREDIT INDEX:** Composed of all bonds covered by BARCLAYS CAPITAL GCB Index with maturities of 10 years or greater. Total return comprises price appreciation/depreciation and income as a percent of the original investment. Indices are rebalanced monthly by market capitalization. **BARCLAYS CAPITAL MORTGAGE BACKED SECURITIES INDEX:** Includes all fixed securities issued and backed by mortgage pools of Ginnie Mae (GNMA), Fannie Mae (FNMA), Freddie Mac (FHLMC) and half-coupon securities. The index excludes buydowns, graduated equity mortgages (GEM), project loans, nonagency (whole loans), jumbos, collateralized mortgage obligations (CMOs), graduated payment mortgages (GPMs), adjustable rate mortgages (ARMs), manufactured home mortgages and prepayment-penalty collateral.

Formed by grouping the universes of over one million individual fixed-rate MBS pools into approximately 5,500 generic aggregates. Pool aggregates must be U.S.-dollar-denominated, have at least \$250 million current outstanding and average-weighted life of at least one year.

MSCI EUROPE, AUSTRALASIA AND THE FAR EAST (“EAFE”) INDEX: A free-float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. and Canada. As of May 27, 2010, the index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. **MSCI EUROPE INDEX:** A free-float-adjusted market capitalization-weighted index that is designed to measure developed market equity performance in Europe. As of June 2007, the index consisted of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. This series approximates the maximum possible dividend reinvestment. The amount reinvested is the dividend distributed to individuals resident in the country of the company, but does not include tax credits. **MSCI JAPAN INDEX:** A free-float-adjusted market capitalization index that is designed to measure equity market performance in Japan. **MSCI EAFE GROWTH INDEX:** A free-float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. and Canada. As of May 27, 2010, the index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. The MSCI Global Value and Growth Indices cover the full range of developed, emerging and All Country MSCI International Equity Indices across all size segmentations. MSCI Barra uses a two-dimensional framework for style segmentation in which value and growth securities are categorized using a multifactor approach, which uses three variables to define the value investment-style characteristics and five variables to define the growth investment-style characteristics, including forward-looking variables. The objective of the index design is to divide constituents of an underlying MSCI Equity Index into respective value and growth indices, each targeting 50% of the free-float-adjusted market capitalization of the underlying market index. **MSCI EAFE VALUE INDEX:** A free-float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. and Canada. As of May 27, 2010, the index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. The MSCI Value and Growth Indices cover the full range of developed, emerging and All Country MSCI Equity Indices. As of the close of May 30, 2003, MSCI implemented an enhanced methodology for the MSCI Global Value and Growth Indices, adopting a two-dimensional framework for style segmentation in which value and growth securities are categorized using different attributes: three for value and five for growth including forward-looking variables. The objective of the index design is to divide constituents of an underlying MSCI Standard Country Index into a value index and a growth index, each targeting 50% of the free-float-adjusted market capitalization of the underlying country index. Country Value/Growth indices are then aggregated into regional value/growth indices. Prior to May 30, 2003, the indices used price/book value (P/BV) ratios to divide the standard MSCI country indices into value and growth indices. All securities were classified as either “value” securities (low P/BV securities) or “growth” securities (high P/BV securities), relative to each MSCI country index. **MSCI FAR EAST INDEX:** A free-float-adjusted market capitalization weighted index that is designed to measure developed market equity performance in the Far East. As of March 2010, the index consists of the following three developed country indices: Japan, Hong Kong and Singapore. **MSCI EMERGING MARKETS INDEX:** A free-float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of May 27, 2010, the index consisted of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey. **MSCI BRIC INDEX:** A free-float-adjusted market capitalization index that measures equity market performance in larger emerging markets. The index consists of the following emerging market country indices: Brazil, Russia, India and China. **MSCI EM ASIA INDEX:** A free-float-adjusted market capitalization index that measures equity market performance in emerging markets in Asia. The index consists of the following emerging market country indices: China, India, Indonesia, Korea, Malaysia, Philippines, Taiwan and Thailand. **MSCI ALL COUNTRY WORLD INDEX:** A free-float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The index consists of 45 country indices comprising 24 developed and 21 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey.

CONSUMER PRICE INDEX (CPI) includes monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.

INSTITUTE FOR SUPPLY MANAGEMENT’S PURCHASING MANAGERS’ INDEX (PMI): An indicator of the economic health of the manufacturing sector. The PMI index is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. A PMI of more than 50 represents expansion of the manufacturing sector, compared to the previous month. A reading under 50 represents a contraction, while a reading at 50 indicates no change. **ISM NON-MANUFACTURING INDEX (NMI):** An index based on surveys of more than 400 non-manufacturing firms’ purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM). The ISM Non-Manufacturing Index tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys that monitors economic conditions of the nation.

CBOE VOLATILITY INDEX: The CBOE Volatility Index—more commonly referred to as “VIX”—is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500® Index (SPX) option bid/ask quotes. VIX uses nearby and second nearby options with at least eight days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index.

DISCLOSURES

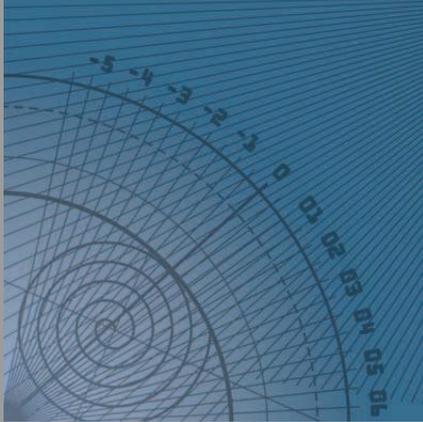
Although the statements of fact and data in this report have been obtained from, and are based upon, sources the firm believes reliable, we do not guarantee their accuracy, and any such information may be incomplete or condensed. All opinions included in this report constitute the firm's judgment as 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. This report may contain forward-looking statements, and there can be no guarantee that they will come to pass. Past performance is not a guarantee of future results.

The indices are unmanaged, and an investor cannot invest directly in an index. The indices are shown for illustrative purposes only and do not represent the performance of any specific investment. Index returns consist of income and capital appreciation (or depreciation) and do not take into account fees, taxes or other charges. Such fees and charges would reduce performance. Index performance is calculated on a total return basis and assumes that dividends and distributions were reinvested. Index returns do not include any expenses, fees or sales charges, which would lower performance.

To the extent the investments depicted herein represent **international securities**, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. These risks may be magnified in **emerging markets**. International investing may not be for everyone. **Value investing** involves the risk that the market may not recognize that securities are undervalued and they may not appreciate as anticipated. **Growth investing** does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations. **Small- and mid-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. **Bonds** are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer. With respect to fixed-income securities, please note that, in general, as prevailing interest rates rise, fixed-income securities prices fall. **High yield bonds** are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. **Commodities** markets may fluctuate widely based on a variety of factors, including, but not limited to, changes in supply and demand relationships; governmental programs and policies; national and international political and economic events, war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence, technological change and weather; and the price volatility of a commodity.

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GRAYSTONE CONSULTING

Capital Markets Overview

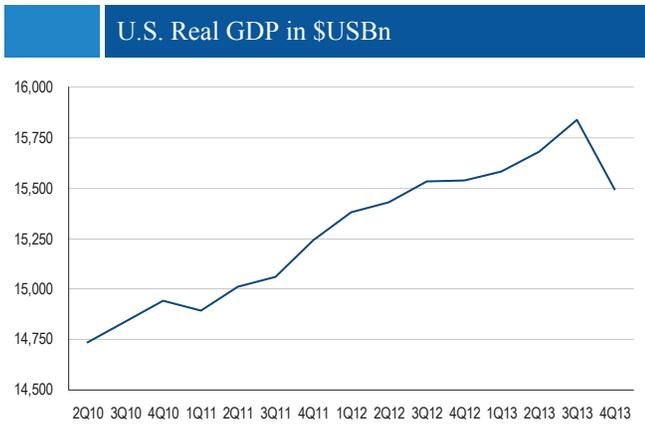
FIRST QUARTER 2014

Introduction

- In the first quarter, equity performance in the United States was mixed, largely due to investor uncertainty around the strength and speed of the global economic recovery, as well as seemingly frothy valuation metrics. Investor anxiety was fueled to a lesser extent by Federal Reserve (the “Fed”) Chairwoman Janet Yellen’s indication that short-term interest rates could be raised sooner than expected, once Quantitative Ease 3 (QE3) tapering is complete. (QE3 allows the Fed to purchase billions of dollars in mortgage-backed securities to lower long-term interest rates and stimulate housing and other sectors dependent on borrowing.)
- The Dow Jones Industrial Average fell 0.2% in the first quarter. The NASDAQ Composite advanced 0.8% for the quarter. The S&P 500 rose 1.8% for the quarter, its fifth consecutive quarterly increase.
- Nine of the 10 sectors of the S&P 500 advanced in the first quarter. Utilities fared the best, with a 10.1% uptick. Health Care rose 5.8% and Materials advanced 2.9%. The laggards were Industrials, which advanced 0.1%, and Consumer Discretionary, which fell 2.8%.
- Morgan Stanley and Co. LLC economists expect that U.S. real GDP will be 2.7% in 2014 and 2.8% in 2015. Morgan Stanley economists forecast global GDP growth to be 3.4% in 2014 and 3.7% in 2015.
- In the first quarter, the Dow Jones-UBS Commodity Index rose 7.0%, making commodities one of the top performing asset classes for the quarter. For the quarter, gold rose 6.7%, countering its 28% plunge in the fourth quarter of 2013.
- For the first quarter of 2014, global mergers-and-acquisitions deal volume was \$639 billion, compared to \$517 billion for the first quarter of 2013. Global M&A activity increased to \$2.3 trillion in 2013 from \$2.2 trillion in 2012.

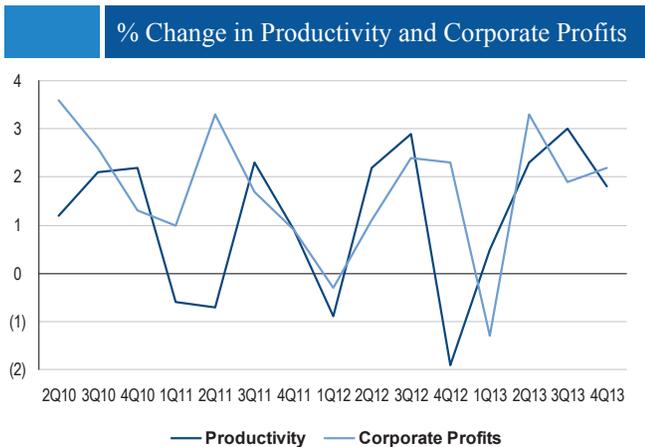
The U.S. Economy

The Department of Commerce estimated that Gross Domestic Product grew at an annual rate of 2.6% in the fourth quarter of 2013, in comparison to 4.1% in the third quarter of 2013. Morgan Stanley and Co. LLC economists forecast that U.S. real GDP will be 2.7% in 2014 and 2.8% in 2015.



Source: U.S. Bureau of Economic Analysis, 8 April 2014

For the quarter, the seasonally adjusted unemployment rate rose from 6.6% for January to 6.7% for both February and March. Job gains in the quarter took place in mining and logging, health care, professional and business services, food services and drinking places, and construction. The unemployment rate (6.7%) and the number of unemployed persons (10.5 million) was little changed in March. The number of long-term unemployed (3.7 million) remained relatively unchanged in March.



Source: U.S. Bureau of Labor Statistics and U.S. Dept. of Commerce, 27 March 2014

According to the most recent estimate from the Bureau of Economic Analysis, corporate profits rose 2.2% between the third quarter of 2013 and the fourth quarter of 2013, and rose 6.2% between the fourth quarter of 2012 and the fourth quarter of 2013.

Inflation remained low in the U.S. According to the Bureau of Labor Statistics, the seasonally adjusted Consumer Price Index rose 0.1% in both January and February. Morgan Stanley & Co. LLC economists forecast a 1.6% inflation rate for 2014 and 1.6% for 2015.

The Census Bureau reported that private-sector housing starts in February 2014 were at a seasonally adjusted annual rate of 907,000—6.4% below February 2013 housing starts. The decline in housing starts over the past year indicates that the housing market has cooled due to rising mortgage rates and climbing house prices.

The Census Bureau also reported that seasonally adjusted retail and food services sales increased 0.3% between January and February 2014, and increased 1.5% between February 2013 and February 2014.

In March, the Institute for Supply Management’s Purchasing Managers’ Index (PMI), a manufacturing-sector index, was 53.7, up 0.5 from February, and up from January’s 51.3. The latest PMI data indicates an expansion in the manufacturing sector for 10 consecutive months. Overall, PMI has been above 42 for 58 consecutive months. Generally speaking, a PMI or NMI (ISM Nonmanufacturing Index) over 50 indicates that the sector is expanding and a PMI over 42 indicates that the overall economy is expanding.

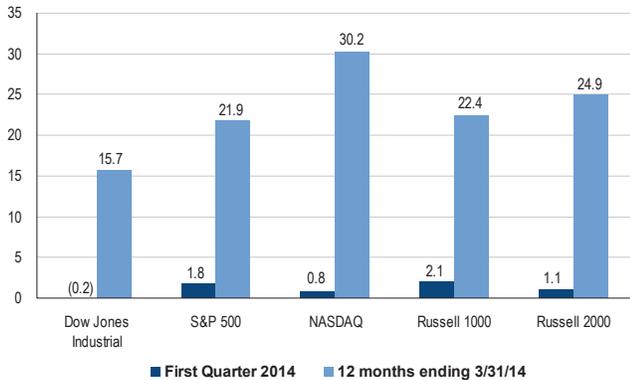
The NMI fell 2.4 points to 51.6 between January and February of 2014, and rose 1.5 to 53.1 between February and March of 2014. The index has now been above 50 for 50 consecutive months.

U.S. Equity Markets

The Dow Jones Industrial Average fell 0.2% in the first quarter. The NASDAQ Composite advanced 0.8% for the quarter. The S&P 500 rose 1.8% for the quarter, its fifth consecutive quarterly increase.

Nine of the 10 sectors of the S&P 500 advanced in the first quarter. Utilities fared the best, with a 10.1% uptick. Health Care rose 5.8% and Materials advanced 2.9%. The laggards were Industrials, which advanced 0.1%, and Consumer Discretionary, which fell 2.8%.

% Returns on Major U.S. Stock Market Indices



Source: Morgan Stanley

Both value- and growth-style stocks rose during the first quarter, with value stocks faring better among those of small-, mid- and large-cap companies. The Russell Midcap Value Index climbed 5.2%, with the best quarterly showing of the Russell indices referenced here. The Russell Midcap Index rose 3.5% for the quarter. The large-cap Russell 1000 Value Index rose 3.0% for the quarter. The Russell 1000 Index, a large-cap index, rose 2.1% for the quarter. The Russell Midcap Growth Index also rose 2.1% for the quarter.

The Russell 2000 Value Index, a small-cap index, advanced 1.8% for the quarter. The Russell 1000 Growth Index, a large-cap index, rose 1.1% for the quarter. The Russell 2000 Index, a small-cap index, also advanced 1.1% for the quarter. The Russell 2000 Growth Index, a small-cap index, rose 0.5% for the quarter, but had the weakest showing of the quarter compared to the other Russell indices referenced here.

Despite investor concerns over weakness in emerging-market currencies, Russia’s annexation of Crimea, and the Fed’s ongoing QE3 tapering, the CBOE Volatility Index (VIX), the so-called “fear index,” fell to 13.9 at the end of the first quarter. This level is not far from the index’s six-year low of 11.3 hit in March 2013. The index’s end-of-quarter calm is a distinct contrast from its August 8, 2011 high of 48.

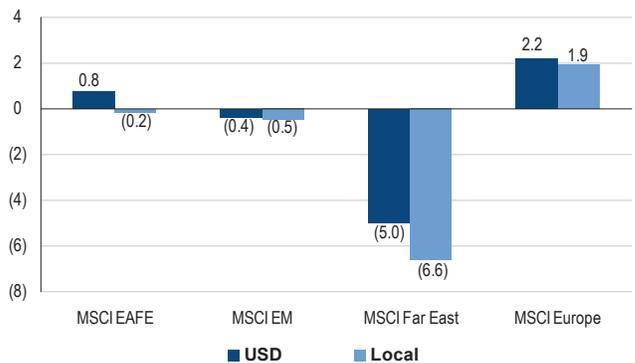
Global Equity Markets

In the first quarter, emerging markets (EM) and global equities mostly declined. The MSCI EAFE Index (a benchmark for developed markets) rose 0.8% for U.S.-currency investors and fell 0.2% for local currency investors, as the U.S. dollar depreciated in relation to the currencies of many nations in the index. In contrast, in the fourth quarter of 2013, the MSCI EAFE Index rose 5.8% in U.S. dollar terms and rose 6.4% in local currency terms.

For the first quarter, the MSCI Emerging Markets Index declined 0.4% for U.S.-currency investors and fell 0.5% for local currency investors, as the U.S. dollar maintained parity with many emerging-market currencies. This contrasts with the previous quarter, when the MSCI Emerging Markets Index rose 1.9% for U.S.-dollar-based investors and rose 3.0% for local currency investors.

The MSCI Europe Index rose 2.2% for U.S.-currency investors and 1.9% for local currency investors during the first quarter. In comparison, the MSCI Far East Index fell 5.0% for the quarter in terms of the U.S. dollar and declined 6.6% in terms of local currencies.

1Q14 % Returns on Global Stock Market Indices



Source: Morgan Stanley

More specific emerging economy equity market indices fell in the first quarter. The MSCI BRIC (Brazil, Russia, India and China) Index dropped 2.9% for the quarter in U.S. dollar terms and fell 3.8% in terms of local currencies. In comparison, for the first quarter, the MSCI EM Asia Index declined 0.2% in U.S. dollar terms and fell 0.3% in local terms.

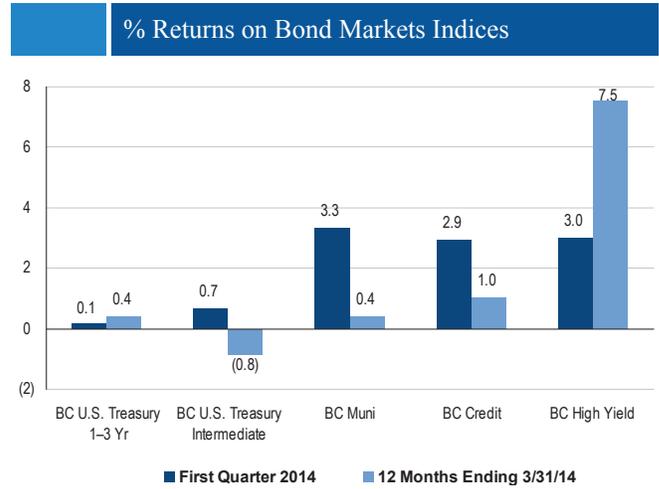
The U.S. Bond Market

In the first quarter, the bond market benefited from weak economic news—the Barclays U.S. Aggregate Bond Index, a general measure of the bond market, increased 1.8% for the quarter. Interest rates declined during the first quarter, as the yield on the 10-Year U.S. Treasury note fell to a quarter-end 2.72% from 3.03% at the end of December 2013.

Also in the first quarter, riskier parts of the bond market, including high-yield debt and corporate credit, built upon their fourth quarter 2013 upswing. As a result, the Barclays Capital High Yield Index, a measure of lower-rated corporate bonds, advanced 3.0% for the quarter.

Investors returned to mortgage-backed securities in the first quarter. Consequently, the Barclays Capital Mortgage Backed Index rose 1.6% for the quarter.

During the first quarter, investors embraced the municipal-bond market. As a result, the Barclays Capital Muni Index rose 3.3% for the quarter.



Source: Morgan Stanley

U.S. Equity Market % Returns for the Period Ending 31 March 2014

	Quarter	12 Months	Three Years (annualized)	Five Years (annualized)	Seven Years (annualized)
S&P 500 Index	1.8	21.9	14.7	21.2	6.3
Dow Jones Industrial Average	(0.2)	15.7	13.0	19.9	7.0
Russell 1000 Index	2.1	22.4	14.8	21.7	6.6
Russell 1000 Growth Index	1.1	23.2	14.6	21.7	8.2
Russell 1000 Value Index	3.0	21.6	14.8	21.8	4.8
Russell 3000 Index	2.0	22.6	14.6	21.9	6.6
Russell 3000 Growth Index	1.1	23.5	14.5	22.0	8.3
Russell 3000 Value Index	2.9	21.7	14.6	21.9	4.8
Russell Midcap Index	3.5	23.5	14.4	25.6	7.7
Russell Midcap Growth Index	2.1	24.2	13.5	24.7	8.2
Russell Midcap Value Index	5.2	22.9	15.2	26.4	6.9

Past performance is not a guarantee of future results. Indices are not available for direct investment.
Source: Morgan Stanley

S&P 500 Sector % Returns for the Period Ending 31 March 2014

	Quarter
Utilities	10.1
Health Care	5.8
Materials	2.9
Financials	2.6
Information Technology	2.3
Consumer Staples	0.5
Telecommunication Services	0.5
Energy	0.2
Industrials	0.1
Consumer Discretionary	(2.8)

Past performance is not a guarantee of future results. Indices are not available for direct investment.
Source: Morgan Stanley

Fixed Income % Returns for the Period Ending 31 March 2014					
	Quarter	12 Months	Three Years (annualized)	Five Years (annualized)	10 Years (annualized)
<i>U.S. Fixed Income</i>					
90-Day Treasury Bill	0.0	0.0	0.1	0.1	1.5
Barclays Capital Aggregate	1.8	(0.1)	3.8	4.8	4.5
Barclays Capital Credit	2.9	1.0	5.8	8.9	5.2
Barclays Capital Govt/Credit	2.0	(0.3)	4.2	5.1	4.4
Barclays Capital Government	1.3	(1.2)	3.2	2.7	4.0
Barclays Capital High Yield	3.0	7.5	9.0	18.3	8.7
Barclays Capital Intermediate Govt/Credit	1.0	(0.1)	3.1	4.2	3.9
Barclays Capital Long Govt/Credit	6.6	(0.9)	9.0	9.1	6.5
Barclays Capital Mortgage Backed	1.6	0.2	2.8	3.6	4.6
Barclays Capital Municipal	3.3	0.4	5.8	5.7	4.5
<i>Global Fixed Income</i>					
Merrill Lynch Global High Yield (Hedged)	2.9	7.4	9.1	18.9	8.8
Barclays Global Treasury ex U.S.	3.1	2.1	1.3	4.3	4.3
Barclays Capital Majors ex U.S.	3.2	1.8	1.0	4.1	4.2

Past performance is not a guarantee of future results. Indices are not available for direct investment.
Source: Morgan Stanley

U.S. Treasury % Yields					
	March 2014	December 2013	September 2013	June 2013	March 2013
Three-Month Treasury Bills	0.05	0.07	0.02	0.05	0.09
Six-Month Treasury Bills	0.08	0.10	0.04	0.09	0.11
One-Year Treasury Bills	0.13	0.13	0.12	0.14	0.15
Two-Year Treasury Notes	0.40	0.34	0.40	0.33	0.26
Three-Year Treasury Notes	0.82	0.69	0.78	0.58	0.39
Five-Year Treasury Notes	1.64	1.58	1.60	1.20	0.82
Seven-Year Treasury Notes	2.23	2.29	2.22	1.71	1.32
Ten-Year Treasury Notes	2.72	2.90	2.81	2.30	1.96

Past performance is not a guarantee of future results.
Source: Federal Reserve, 14 April 2014

Developed Markets Equity % Returns for the Period Ending 31 March 2014				
	U.S. Dollar		Local Currency	
	Quarter	12 Months	Quarter	12 Months
<i>Regional and Other Multi-Country Indices</i>				
MSCI EAFE	0.8	18.0	(0.2)	15.9
MSCI Europe	2.2	25.2	1.9	16.4
MSCI Far East	(5.0)	6.5	(6.6)	14.9
MSCI Pacific ex Japan	3.0	1.6	0.6	9.5
MSCI The World	1.4	19.7	1.2	19.2
MSCI World ex U.S.	0.9	17.0	0.3	15.9
<i>National Indices</i>				
MSCI Hong Kong	(3.4)	3.7	(3.3)	3.7
MSCI Ireland	14.2	43.4	14.2	33.6
MSCI Japan	(5.5)	7.7	(7.4)	18.0
MSCI Singapore	(0.9)	(2.1)	(1.3)	(0.8)

Past performance is not a guarantee of future results. Indices are not available for direct investment.
Source: Morgan Stanley

Emerging Markets Equity % Returns for the Period Ending 31 March 2014				
	U.S. Dollar		Local Currency	
	Quarter	12 Months	Quarter	12 Months
<i>Regional and Other Multi-Country Indices</i>				
MSCI EM	(0.4)	(0.9)	(0.5)	4.0
<i>National Indices</i>				
MSCI China	(5.9)	2.5	(5.8)	2.4
MSCI Malaysia	(0.4)	8.0	(0.7)	13.9
MSCI Taiwan	1.1	12.0	3.3	14.0
MSCI Thailand	7.5	(15.4)	6.1	(6.3)

Past performance is not a guarantee of future results. Indices are not available for direct investment.
Source: Morgan Stanley

INDEX DESCRIPTIONS

DOW JONES INDUSTRIAL AVERAGE: The most widely used indicator of the overall condition of the stock market, a price-weighted average of 30 actively traded blue-chip stocks, primarily industrials. The 30 stocks are chosen by the editors of The Wall Street Journal (WSJ) (published by Dow Jones & Company), a practice that dates back to the beginning of the century. Charles Dow officially started the Dow in 1896, at which time it consisted of only 11 stocks. The Dow is computed using a price-weighted indexing system, rather than the more common market-cap-weighted indexing system. Simply put, the editors at WSJ add up the prices of all the stocks and then divide by the number of stocks in the index. (In actuality, the divisor is much higher today in order to account for stock splits that have occurred in the past.)

STANDARD & POOR'S 500 Index: Covers 400 industrial, 40 utility, 20 transportation and 40 financial companies in the U.S. markets (mostly NYSE issues). The index represents about 75% of NYSE market cap and 30% of NYSE issues. It is a capitalization-weighted index calculated on a total return basis with dividends reinvested. **NASDAQ COMPOSITE Index:** Covers 4,500 stocks traded over the counter. It represents many small company stocks but is heavily influenced by about 100 of the largest NASDAQ stocks. It is a value-weighted index calculated on price change only and does not include income. **DOW JONES-UBS COMMODITY Index:** Composed of futures contracts on physical commodities which are traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME). **VIX Index** (Chicago Board Options Exchange Volatility Index): Estimates volatility in the S&P 500 Index for the next 30 days using a weighted blend of prices for various options on the S&P.

RUSSELL 1000 Index: Measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market. **RUSSELL 1000 GROWTH Index:** Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. **RUSSELL 1000 VALUE Index:** Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. **RUSSELL 2000 Index:** Measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index and represents approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. **RUSSELL 2000 GROWTH Index:** Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. **RUSSELL 2000 VALUE Index:** Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. **RUSSELL MIDCAP Index:** Measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Index represents approximately 31% of the total market capitalization of the Russell 1000. **RUSSELL MIDCAP GROWTH Index:** Measures the performance of those Russell mid-cap companies with higher price-to-book ratios and higher forecasted growth rates. **RUSSELL MIDCAP VALUE Index:** Measures the performance of those Russell mid-cap companies with lower price-to-book ratios and lower forecasted growth values. **RUSSELL 3000 Index:** Measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. **RUSSELL 3000 GROWTH Index:** Measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth rates. **RUSSELL 3000 VALUE Index:** Measures the performance of those Russell mid-cap companies with lower price-to-book ratios and lower forecasted growth values.

BARCLAYS CAPITAL U.S. TREASURY Index, 1-3 Years: Includes public obligations of the U.S. Treasury with maturities of one to three years. In addition, certain special issues, such as state and local government series bonds (SLGs), U.S. Treasury TIPS, Bellwethers and STRIPS are excluded. **BARCLAYS CAPITAL U.S. TREASURY Index, 7-10 Years:** Includes public obligations of the U.S. Treasury with maturities of 7 to 10 years. In addition, certain special issues, such as state and local government series bonds (SLGs), U.S. Treasury TIPS, Bellwethers and STRIPS are excluded. **BARCLAYS CAPITAL CREDIT Index:** All public, fixed-rate, nonconvertible investment grade domestic corporate debt (collateralized mortgage obligations are not included). Only bonds rated at least baa by Moody's, BBB by Standard & Poor's, or BBB by Fitch Investor Service for nonrated bonds are included. **BARCLAYS CAPITAL GOVERNMENT Index:** The Treasury bond and agency bond indices (all publicly issued debt of agencies of the U.S. government, quasi-federal corporations and corporate debt guaranteed by the U.S. government, but not mortgage-backed securities) are combined to form the government bond index. **BARCLAYS CAPITAL AGGREGATE Index:** Covers the U.S. dollar-denominated investment-grade fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS pass-through securities, asset-backed securities and commercial mortgage-based securities. **BARCLAYS CAPITAL GOVERNMENT/CREDIT Index:** The government, corporate and Yankee (all U.S. dollar-denominated, SEC-registered, public nonconvertible debt issued or guaranteed by foreign sovereign governments, municipals, government agencies or international agencies) bond indices combine to form the Government/Corporate Bond Index. **BARCLAYS CAPITAL INTERMEDIATE GOVERNMENT CREDIT Index:** Mix of SLHGI 75% and SLHCI 25%. Composed of all bonds covered by BARCLAYS CAPITAL GCB Index with maturities between 1 and 9.99 years. Total return comprises price appreciation/depreciation and income as a percent of the original investment. Indices are rebalanced monthly by market capitalization. **BARCLAYS CAPITAL LONG GOVERNMENT CREDIT Index:** Composed of all bonds covered by BARCLAYS CAPITAL GCB Index with maturities of 10 years or greater. Total return comprises price appreciation/depreciation and income as a percent of the original investment. Indices are rebalanced monthly by market capitalization. **BARCLAYS CAPITAL MORTGAGE BACKED SECURITIES Index:** Includes all fixed securities issued and backed by mortgage pools of Ginnie Mae (GNMA), Fannie Mae (FNMA), Freddie Mac (FHLMC) and half-coupon securities. The index excludes buydowns, graduated equity mortgages (GEM), project loans, Nonagency (whole loans), jumbos, collateralized mortgage obligations (CMOs), graduated payment mortgages (GPMs), adjustable rate mortgages (ARMs), manufactured home mortgages and prepayment-penalty collateral. Formed by grouping the universes of over one million individual fixed-rate MBS pools into approximately 5,500 generic aggregates. Pool aggregates must be U.S. dollar-denominated, have at least \$250 million current outstanding and average-weighted life of at least one year. **BARCLAYS CAPITAL HIGH YIELD Index:** Covers the universe of fixed-rate, noninvestment-grade debt. Pay-in-kind (PIK) bonds, Eurobonds and debt issues from countries designated as emerging markets (e.g., Argentina, Mexico, Venezuela, etc.) are excluded, but Yankee and global bonds (SEC-registered) of issuers in non-EMG countries are included. Original issue zeroes and step-up coupon structures are also included. Liquidity Rules: All bonds included in the High Yield Index must be dollar-denominated and nonconvertible, and have at least one year

remaining to maturity and an outstanding par value of at least \$150 million. Quality Rating Rules: Securities in the index must be rated Ba1 or lower. If both Moody's and S&P provide a rating for a security, the lower of the two ratings is used. A small number of unrated bonds is included in the index; to be eligible, they must have previously held a high-yield rating or have been associated with a high-yield issuer, and must trade accordingly. **BARCLAYS CAPITAL MUNI Index:** The composite measure of the total return performance of the muni bond market. The muni market contains over two million different bond issues. The market is divided into seven major sectors: state G.O. debt (31%), prerefunded bonds (7.7%); electric utility revenue bonds (7.79%); hospital revenue bonds (3.4%); state housing revenue bonds (3.4%); industrial development and pollution control revenue bonds (1.8%) and transportation revenue bonds (7.1%). These weightings are reviewed annually.

MERRILL LYNCH GLOBAL HIGH YIELD Index: Includes below-investment-grade bonds of corporate issuers domiciled in countries having an investment-grade long-term debt rating. **BARCLAYS CAPITAL MAJORS EX-U.S. Index:** An unhedged aggregate of the BC Global Treasury indices for Australia, Belgium, Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Spain, Sweden and the United Kingdom. **BARCLAYS CAPITAL GLOBAL TREASURY EX-U.S. Index:** Includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade.

MSCI EUROPE, AUSTRALASIA AND THE FAR EAST (EAFE) Index: A free-float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. and Canada. As of May 27, 2010, the index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. **MSCI EMERGING MARKETS Index:** A free-float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of May 27, 2010, the index consisted of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey. **MSCI BRIC Index:** A free-float-adjusted market capitalization index that measures equity market performance in larger emerging markets. The index consists of the following emerging market country indices: Brazil, Russia, India and China. **MSCI EM ASIA Index:** A free-float-adjusted market capitalization index that measures equity market performance in emerging markets in Asia. The index consists of the following emerging market country indices: China, India, Indonesia, Korea, Malaysia, Philippines, Taiwan and Thailand. **MSCI FAR EAST Index:** A free-float-adjusted market capitalization index that is designed to measure equity market performance in the Far East. As of March 2010, the MSCI Far East Index consisted of the following country indices: Hong Kong, Japan and Singapore. **MSCI EUROPE Index:** A free-float-adjusted market capitalization weighted index that is designed to measure developed market equity performance in Europe. As of June 2007, the index consisted of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. This series approximates the maximum possible dividend reinvestment. The amount reinvested is the dividend distributed to individuals resident in the country of the company, but does not include tax credits.

MSCI THE WORLD Index: A free-float-adjusted market capitalization index that is designed to measure developed equity market performance worldwide. The MSCI The World Index consists of the following 24 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. **MSCI WORLD EX-USA Index:** A free-float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. As of May 27, 2010, the index consisted of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. **MSCI PACIFIC EX-JAPAN Index:** A free-float-adjusted market capitalization index that is designed to measure equity market performance in the Pacific region, excluding Japan. As of June 2007, the index consisted of the following four developed market countries: Australia, Hong Kong, New Zealand and Singapore. This series approximates the maximum possible dividend reinvestment. The amount reinvested is the dividend distributed to individuals resident in the country of the company, but does not include tax credits.

MSCI HONG KONG Index: A free-float-adjusted market capitalization index that is designed to measure equity market performance in Hong Kong. **MSCI IRELAND Index:** A free-float-adjusted market capitalization index that is designed to measure equity market performance in Ireland. **MSCI JAPAN Index:** A free-float-adjusted market capitalization index that is designed to measure equity market performance in Japan. **MSCI SINGAPORE Index:** A free-float-adjusted market capitalization index that is designed to measure equity market performance in Singapore.

MSCI CHINA Index: A free-float-adjusted market capitalization index that is designed to measure equity market performance in China. **MSCI MALAYSIA Index:** A free-float-adjusted market capitalization index that is designed to measure equity market performance in Malaysia. **MSCI TAIWAN Index:** A free-float-adjusted market capitalization index that is designed to measure equity market performance in Taiwan. **MSCI THAILAND Index:** A free-float-adjusted market capitalization index that is designed to measure equity market performance in Thailand.

CONSUMER PRICE Index (CPI): includes monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.

INSTITUTE FOR SUPPLY MANAGEMENT'S PURCHASING MANAGERS' Index (PMI): An indicator of the economic health of the manufacturing sector. The PMI index is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. A PMI of more than 50 represents expansion of the manufacturing sector, compared to the previous month. A reading under 50 represents a contraction, while a reading at 50 indicates no change. **ISM NON-MANUFACTURING Index (NMI):** An index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM). The ISM Non-Manufacturing Index tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys that monitors economic conditions of the nation.

CBOE VOLATILITY Index: The CBOE Volatility Index—more commonly referred to as "VIX"—is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500® Index (SPX) option bid/ask quotes. VIX uses nearby and second nearby options with at least eight days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index.

The indices are unmanaged, and an investor cannot invest directly in an index. The indices are shown for illustrative purposes only and do not represent the performance of any specific investment. Index returns consist of income and capital appreciation (or depreciation) and do not take into account fees, taxes or other charges. Such fees and charges would reduce performance. Index performance is calculated on a total return basis and assumes that dividends and distributions were reinvested.

DISCLOSURES

Although the statements of fact and data in this report have been obtained from, and are based upon, sources the firm believes reliable, we do not guarantee their accuracy, and any such information may be incomplete or condensed. All opinions included in this report constitute the firm's judgment 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. Past performance is not a guarantee of future results. This report may contain forward-looking statements and there can be no guarantee that they will come to pass.

To the extent the investments depicted herein represent **international securities**, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. These risks may be magnified in **emerging markets**. International investing may not be for everyone. **Value investing** involves the risk that the market may not recognize that securities are undervalued and they may not appreciate as anticipated. **Growth investing** does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations. **Small- and mid-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. **Bonds** are subject to interest rate risk. When interest rates rise, bond prices fall; generally, the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer. With respect to fixed-income securities, please note that, in general, as prevailing interest rates rise, fixed-income securities' prices will fall. **High yield bonds** are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. **Commodities** markets may fluctuate widely based on a variety of factors including, but not limited to, changes in supply and demand relationships; governmental programs and policies; national and international political and economic events, war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence, technological change and weather; and the price volatility of a commodity.

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2014-PS-284
(4/14)

INVESTMENT POLICY MONITOR (DOLLAR WEIGHTED IRR)

Ormond Beach Fire

AS OF 03/31/2014



Asset Class	Current Fiscal Qtr	Fiscal YTD	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 03/31/2001
<i>Investment Manager</i>						
Fund Performance (IRR)	1.25	8.29	14.50	9.16	13.88	5.84
<i>Investment Policy Objectives</i>						
Investment Policy Target	1.82	3.68	7.50	7.50	7.50	7.50
4CPI	1.38	2.69	5.45	5.80	6.04	6.30

Investment Policy Objective

Primary investment emphasis must be placed upon the consistent protection of the funds and growth performance, i.e. the achievement of adequate investment growth must not be at the expense of the protection of the assets over the investment horizon.

Dollar-Weighted Returns

(Internal Rate of Return)

The investment policy monitor is calculated on a dollar-weighted basis, accounting for deposits and cash flows upon receipt. The dollar-weighted or "internal rate of return - IRR" is the actual rate earned by the Fund. The dollar-weighted return is the appropriate measurement to evaluate the fund's performance in relation to the statement of investment policy and guidelines.

INVESTMENT PERFORMANCE SUMMARY (TIME WEIGHTED)

Ormond Beach Fire

AS OF 03/31/2014

Investment Returns are Annualized and Time Weighted (%)	Current Fiscal Qtr	Fiscal YTD	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 03/31/2001	Since Inc Period End	Account Number
TOTAL FUND	+1.36	+8.51	+15.02	+9.56	+14.30	+6.11	03/31/2001	
Composite	+1.61	+8.06	+14.44	+10.17	+15.45	+6.57		
Equity Investments								
HGK Asset Management	2.20	11.74	23.07	14.73	N/A	18.05	04/30/2009	001-063090
Russell 1000 VI	3.02	13.33	21.58	14.80		19.66		
Sawgrass Asset Management	1.61	12.85	22.85	13.14	18.63	5.85	07/31/2007	001-053633
Russell 1000 Gr	1.12	11.67	23.23	14.62	21.68	7.84		
Polen Capital Management	0.65	12.27	17.14	N/A	N/A	11.48	04/30/2012	002-000740
Russell 1000 Gr	1.12	11.67	23.23			17.34		
GW Capital Inc	1.66	9.84	19.76	13.69	26.68	21.48	10/31/2008	001-060287
Russell 2500 VI	3.52	12.68	21.76	13.88	24.81	17.54		
Perimeter - Small Cap Growth (CIC)	-1.31	8.67	21.96	11.85	N/A	19.97	04/30/2009	001-063120
Russell 2500 Gr	1.04	9.62	26.66	13.93		22.80		
International Equity								
Delaware Investments	3.80	10.94	22.42	9.08	14.46	6.41	07/31/2005	001-040253
MSCI EAFE Net	0.66	6.41	17.57	7.22	16.02	5.60		
Renaissance Investment Management	-0.20	10.47	26.36	8.53	N/A	16.15	04/30/2009	001-063123
MSCI AC World ex US Net	0.51	5.30	12.32	4.16		12.83		
Fixed Income Investments								
Garcia Hamilton & Asscs - Houston	1.40	2.78	2.11	4.76	6.76	5.49	09/30/2003	001-029024
BC Gov/Cr Intm	1.00	0.98	-0.12	3.13	4.18	3.99		
Cash & Cash Equivalents								
Non-Managed Account	0.06	0.12	0.13	0.06	0.04	N/A	12/31/2008	001-062126
90-Day T-Bills	0.01	0.03	0.04	0.06	0.09			

INVESTMENT PERFORMANCE SUMMARY (DOLLAR WEIGHTED)

Ormond Beach Fire

AS OF 03/31/2014

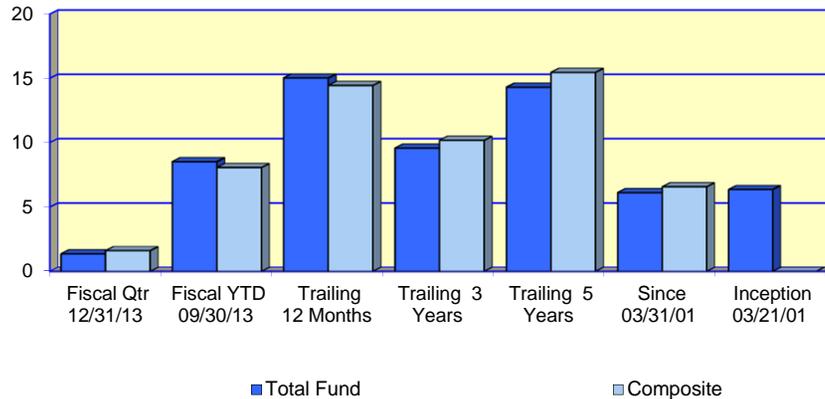
Investment Returns are Annualized and Dollar Weighted (%)	Current Fiscal Qtr	Fiscal YTD	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 03/31/2001	Since Inc Period End	Account Number
Total Fund	1.25	8.29	14.50	9.16	13.88	5.84	03/31/2001	
Equity Investments								
HGK Asset Management	2.12	11.56	22.61	14.26	N/A	17.70	04/30/2009	001-063090
Sawgrass Asset Management	1.49	12.59	22.20	10.21	18.22	3.10	07/31/2007	001-053633
Polen Capital Management	0.50	11.98	16.45	N/A	N/A	10.89	04/30/2012	002-000740
GW Capital Inc	1.47	9.52	18.95	12.86	26.11	20.73	10/31/2008	001-060287
Perimeter - Small Cap Growth (CIC)	-1.42	8.52	21.35	11.09	N/A	19.23	04/30/2009	001-063120
International Equity								
Delaware Investments	3.65	10.56	21.53	8.32	14.41	4.66	07/31/2005	001-040253
Renaissance Investment Management	-0.37	10.14	25.56	7.83	N/A	15.62	04/30/2009	001-063123
Fixed Income Investments								
Garcia Hamilton & Asscs - Houston	1.34	2.64	1.85	4.49	6.37	5.27	09/30/2003	001-029024
Cash & Cash Equivalents								
Non-Managed Account	-0.37	-0.65	-1.60	-1.70	-1.20	-1.08	01/31/2009	001-062126

TOTAL FUND

Ormond Beach Fire

AS OF 03/31/2014

Portfolio Performance (%)



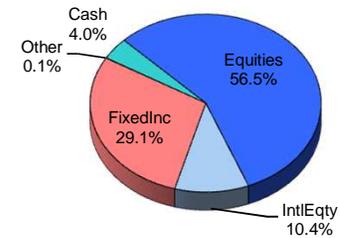
Investment Returns (%)	Since:	Fiscal Qtr 12/31/13	Fiscal YTD 09/30/13	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 03/31/01	Inception 03/21/01
Total Fund		1.36	8.51	15.02	9.56	14.30	6.11	6.35
Composite		1.61	8.06	14.44	10.17	15.45	6.57	N/A
Ormond Beach Total Index		1.62	7.63	13.64	9.84	15.37	6.11	N/A

Asset Growth (\$000)

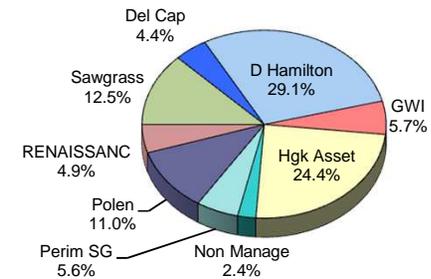
Beginning Market Value	23,085	21,551	20,124	17,470	11,995	9,425	9,130
Net Contributions & Withdrawals	-335	-326	-110	12	-296	1,029	1,029
Gain/Loss + Income	312	1,837	3,048	5,580	11,363	12,608	12,903
Ending Market Value	23,062	23,062	23,062	23,062	23,062	23,062	23,062

Asset Allocation (\$000)

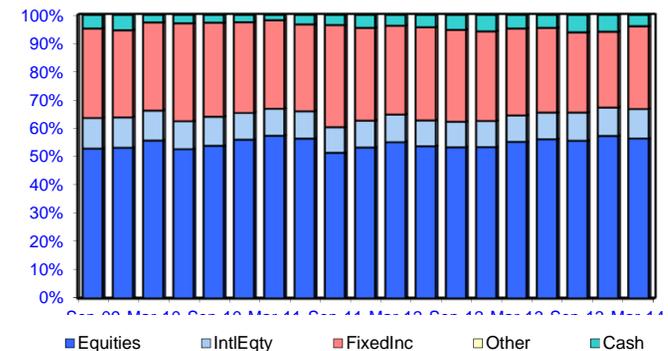
<u>Equities</u>	<u>IntlEqty</u>	<u>FixedInc</u>	<u>Other</u>	<u>Cash</u>
13,021	2,392	6,712	16	921
Total	23,062			



Asset Allocation By Manager



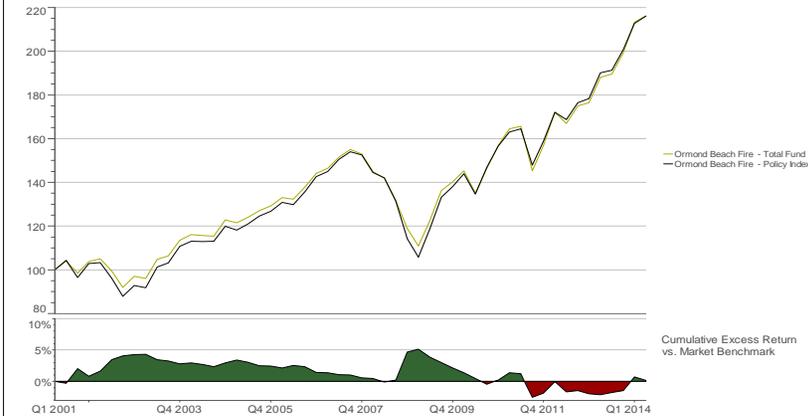
Allocation Over Time



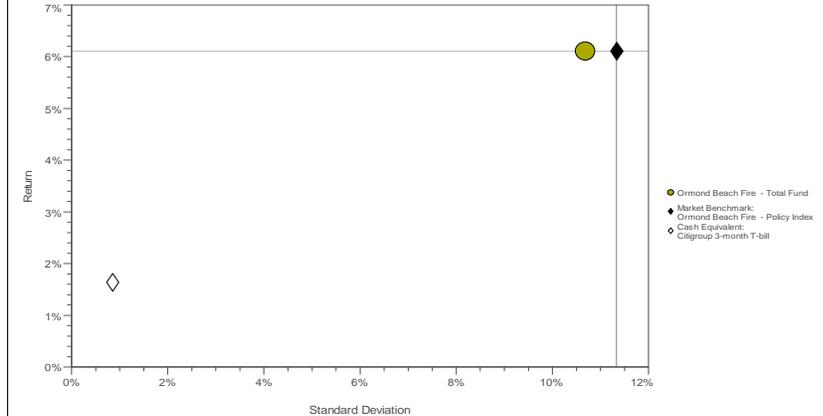
Zephyr StyleADVISOR

Zephyr StyleADVISOR: Graystone Consulting

Manager Performance
April 2001 - March 2014 (Single Computation)



Risk / Return
April 2001 - March 2014 (Single Computation)



Return & Risk Analysis

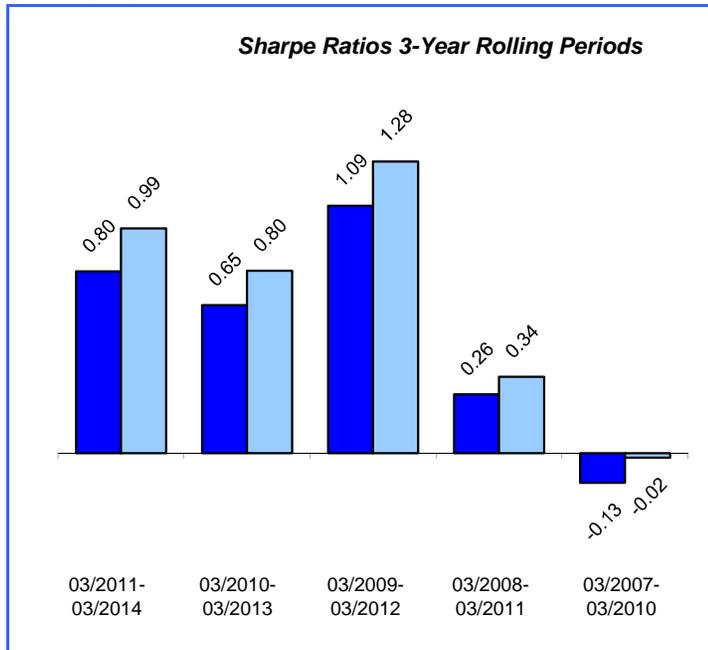
April 2001 - March 2014: Summary Statistics

	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 Fire - Total Fund	6.11%	0.01%	10.68%	0.93	-28.48%	95.99%	93.57%	0.39%	0.42	97.54%
Ormond Beach Fire - Policy Index	6.11%	0.00%	11.34%	1.00	-31.33%	100.00%	100.00%	0.00%	0.39	100.00%

TOTAL FUND RISK ANALYSIS

Ormond Beach Fire

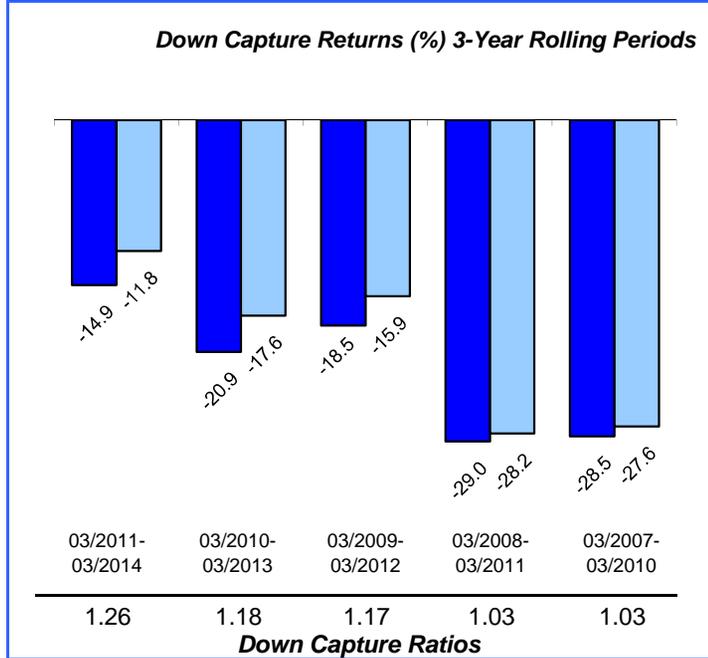
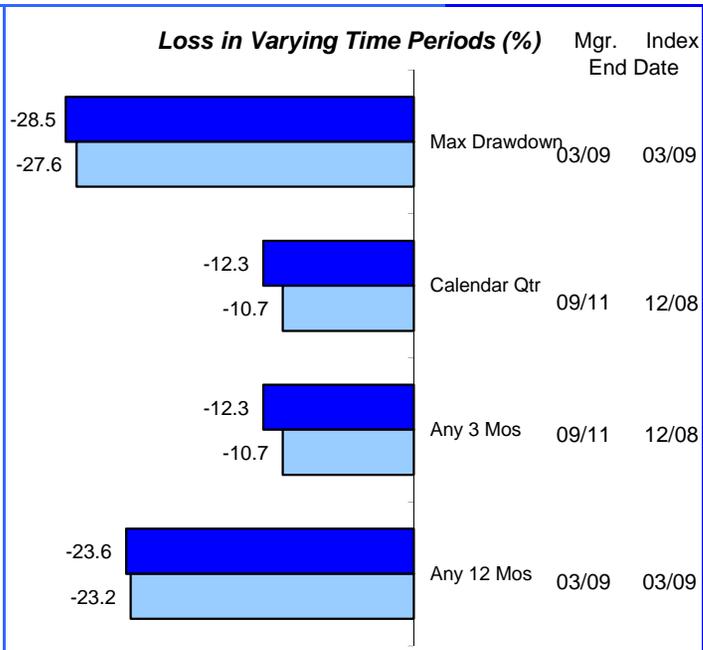
AS OF 03/31/2014



Ormond Beach Fire
Composite Index

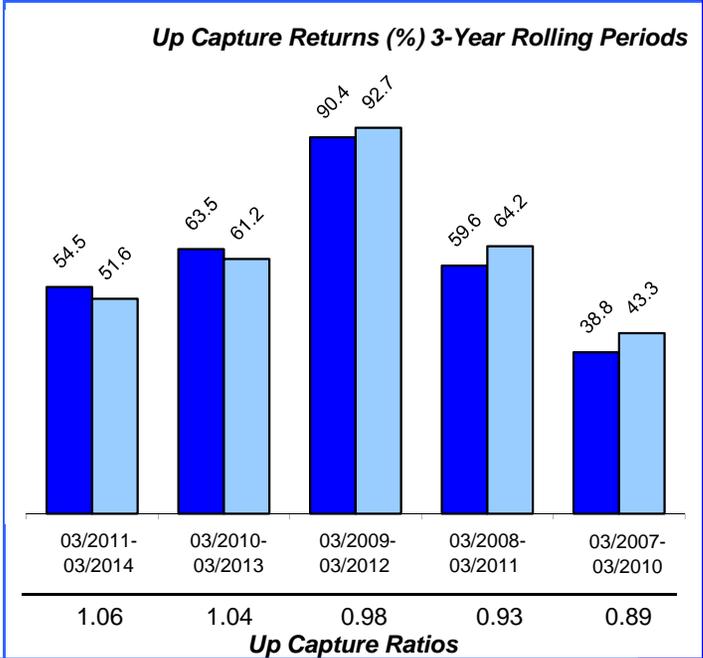
Sharpe Ratio divides excess return by standard deviation of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index.

Loss in Varying Time Periods measures the greatest loss experienced in each of five different historical time periods. Maximum Drawdown in the longest sustained loss since the inception of the account (The fund and index may have different begin and end dates.) *No presentation is made that these amounts represent maximum future loss.*



Down Capture is the measure of the fund's total return whenever the index returns are negative.

Up Capture is the measure of the fund's total return whenever the index returns are positive.



Report Created: 4/29/2014

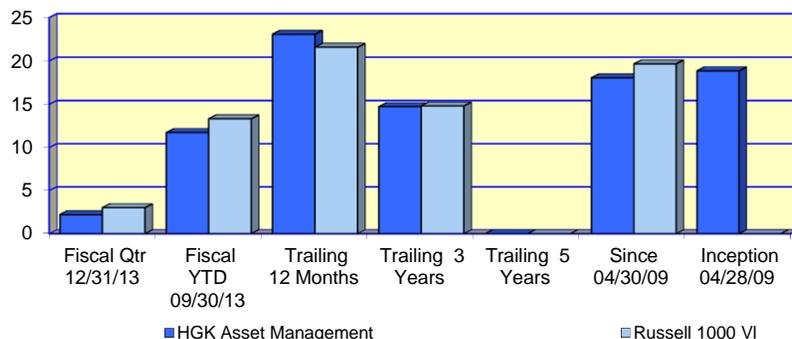
Please refer to the attached Disclosures for important information.

EXECUTIVE SUMMARY

Ormond Beach Firefighters HGK Asset Management

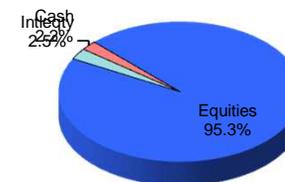
AS OF 03/31/2014

Portfolio Performance(%)



Asset Allocation (\$'000)

Equities	Intleqty	Cash	Total
5,355	143	121	5,618



Investment Returns (%)

Since:	Fiscal Qtr 12/31/13	Fiscal YTD 09/30/13	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 04/30/09	Inception 04/28/09
HGK Asset Management	2.20	11.74	23.07	14.73	N/A	18.05	18.86
Russell 1000 VI	3.02	13.33	21.58	14.80		19.66	N/A

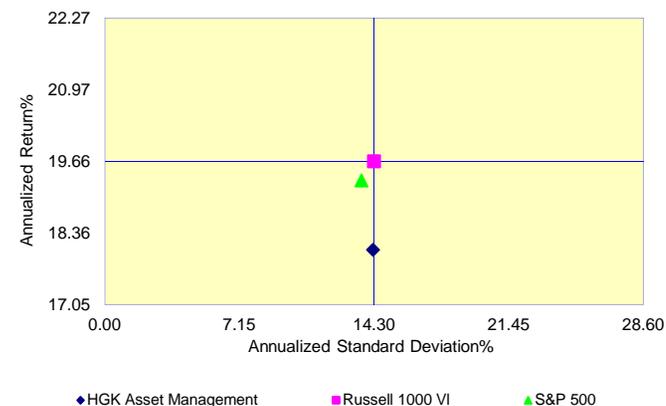
Asset Growth (\$'000)

	Fiscal Qtr 12/31/13	Fiscal YTD 09/30/13	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 04/30/09	Inception 04/28/09
Beginning Market Value	5,582	5,110	4,649	3,990	N/A	2,723	0
Net Contributions & Withdrawals	-86	-91	-101	-303	N/A	-382	2,278
Gain/Loss + Income	122	599	1,070	1,931	N/A	3,277	3,340
Ending Market Value	5,618	5,618	5,618	5,618	N/A	5,618	5,618

Portfolio Characteristics

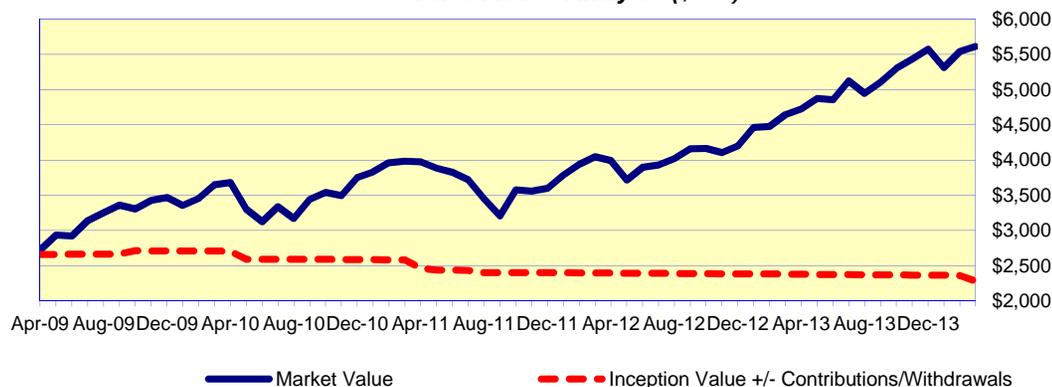
Yield	N/A	Account Sharpe Ratio	1.26
Beta	0.98	Index Sharpe Ratio	1.36
Alpha	-1.04%		
R ²	97%		

Risk / Return Analysis Since 04/30/2009



Annualized %	Return	Std. Dev.
HGK Asset Management	18.05	14.24
Russell 1000 VI	19.66	14.30
S&P 500	19.31	13.64

Value-Added Analysis (\$'000)



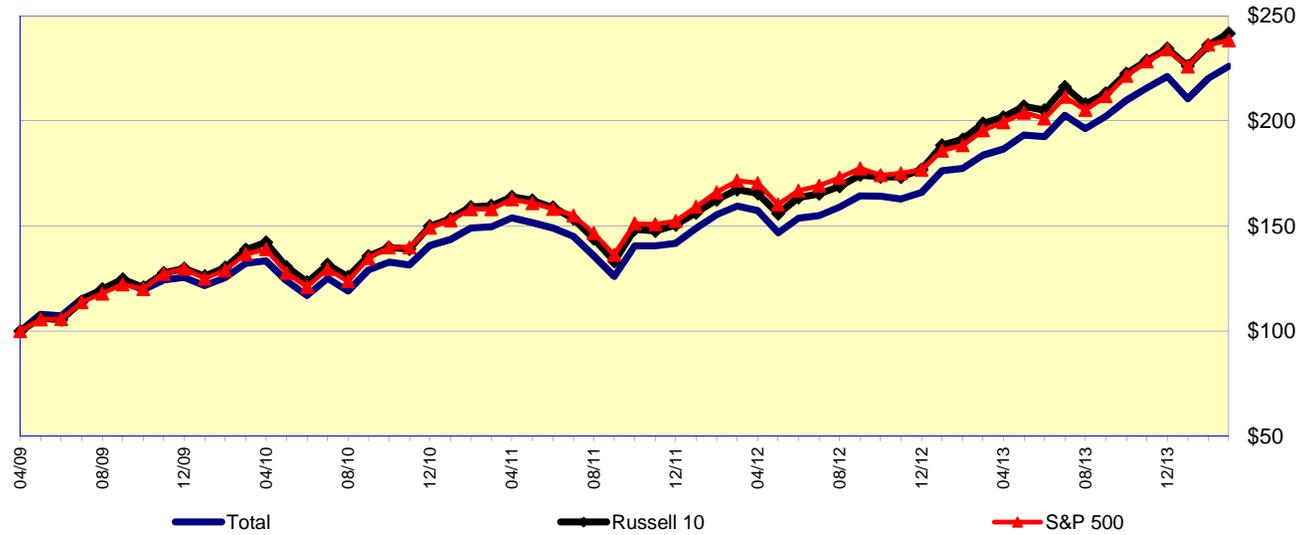
MANAGER PERFORMANCE ANALYSIS

Ormond Beach Firefighters HGK Asset Management

As Of 03/31/2014

Growth of \$100 Graph

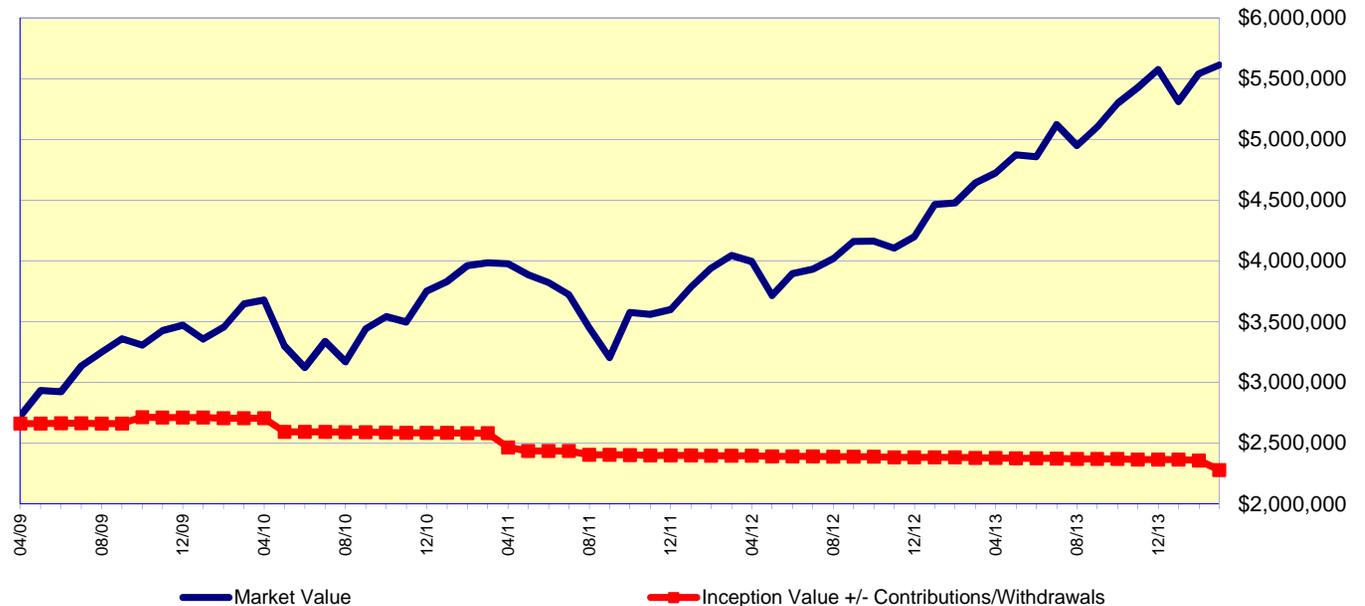
This graph depicts how \$100, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



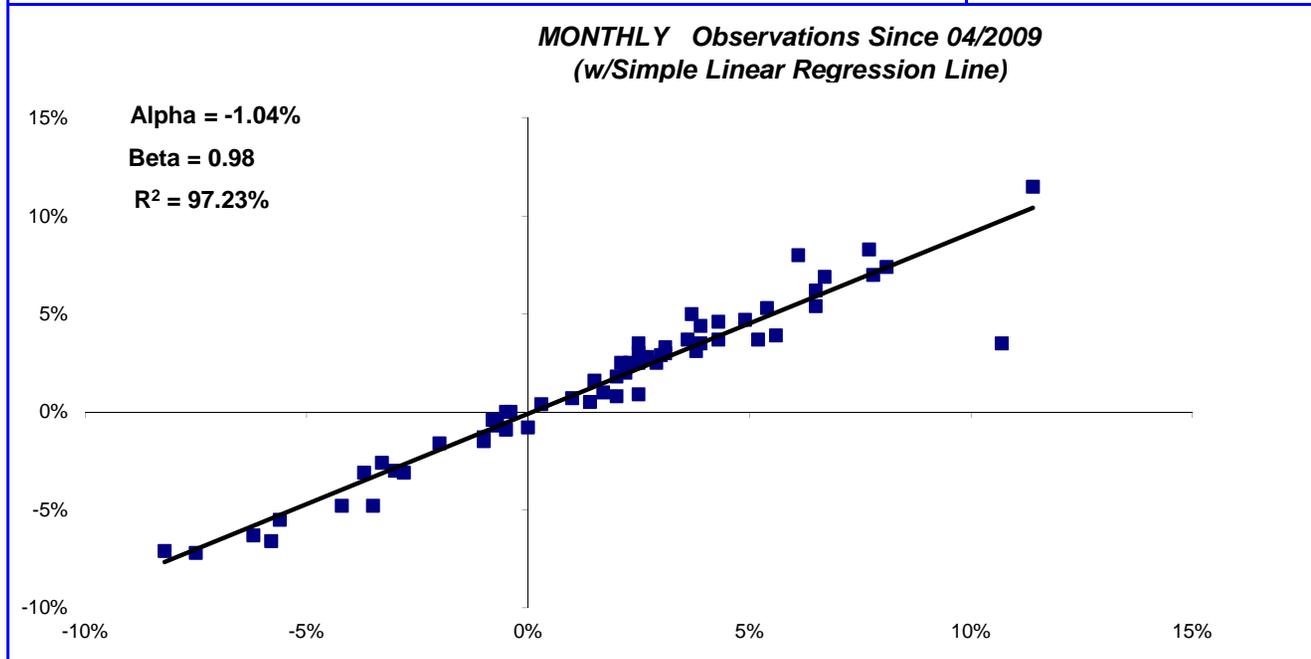
Value Added Graph

This exhibit is useful in determining how the portfolio has been affected by the investment process.

One of the graph lines denotes the period-end market values of the portfolio over time. This is simply a visual representation of the ebb and flow of the portfolio's market value period-to-period. The other line represents the original dollars invested adjusted for contributions or withdrawals.



MODERN PORTFOLIO THEORY



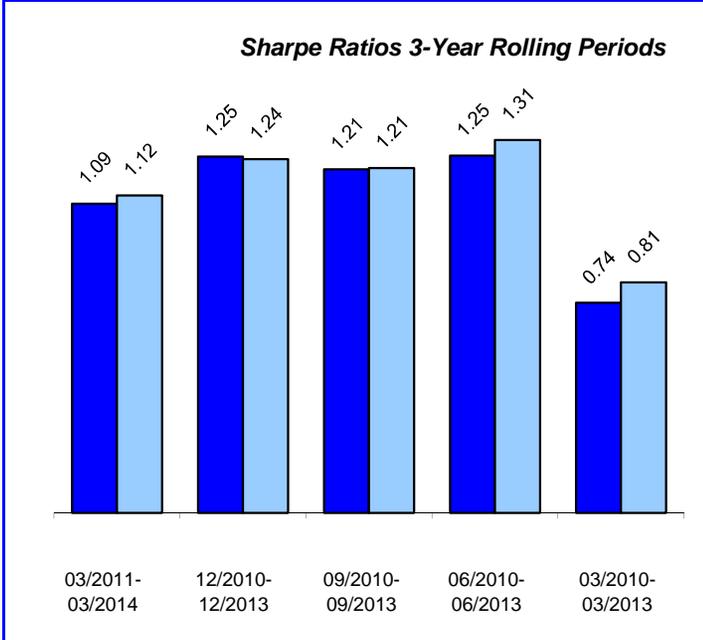
Modern Portfolio Theory seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk. **Alpha** is a measure of a portfolio's return in excess of the market return, both adjusted for risk. A positive alpha indicates that the portfolio outperformed the market on a risk-adjusted basis, and a negative alpha indicates the portfolio did worse than the market. **Beta** is a measure of the sensitivity of a portfolio's rate of return against that of the market. A beta greater than 1.00 indicates volatility greater than the market. **R²** is a measure that indicates the extent to which fluctuations in portfolio returns are correlated with those of the general market. An R-squared of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Graph Notes: The Index is represented on the horizontal (X) axis, and the Fund is represented on the vertical (Y) axis. Both the Index and Fund are adjusted by 90-day Treasury Bills.

MANAGER RISK ANALYSIS

Ormond Beach Firefighters

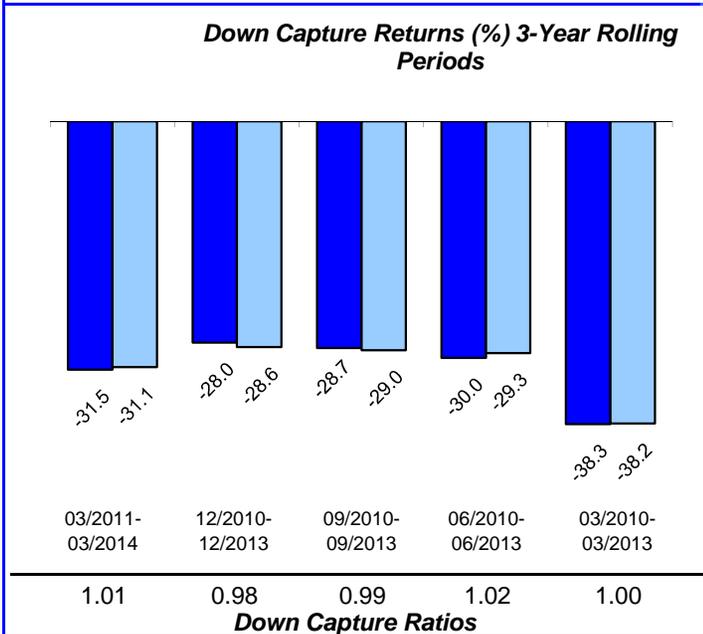
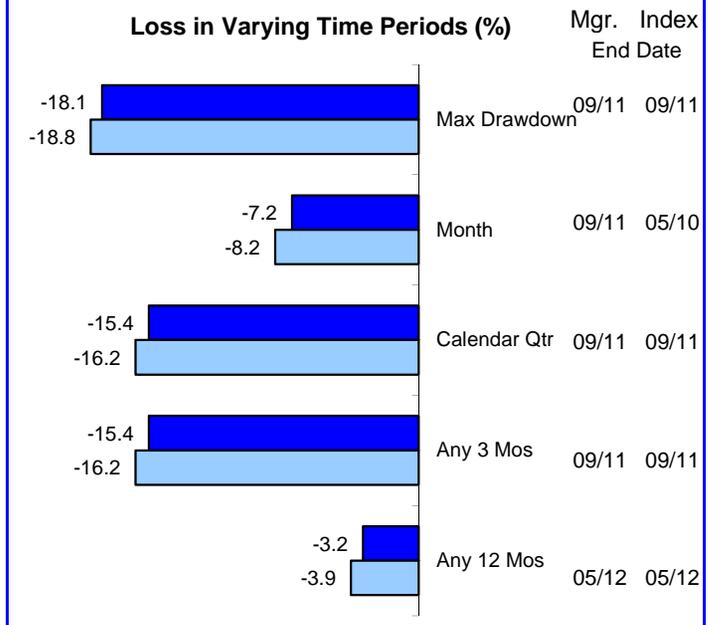
AS OF 03/31/2014



HGK Asset Management
Russell 1000 VI

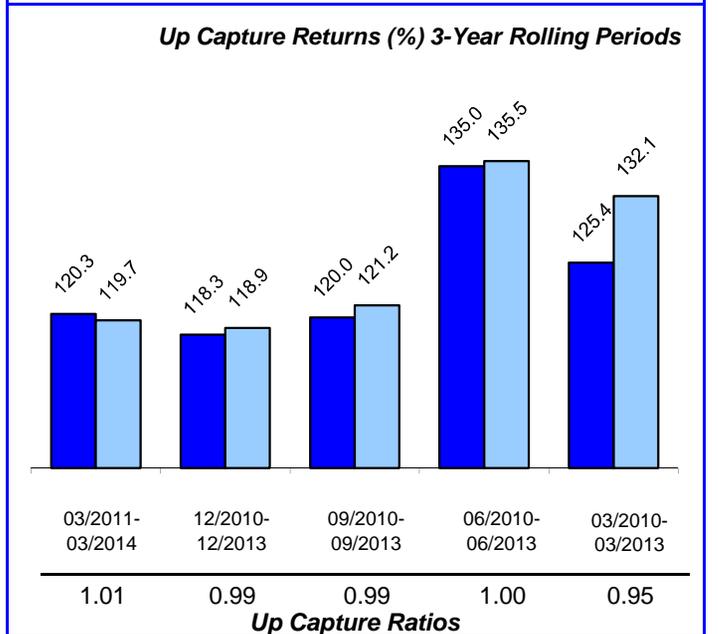
Sharpe Ratio divides excess return by standard deviation to arrive at a unified measure of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index

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Up Capture is the measure of the fund's total return whenever the



Ormond Beach Fire - HGK

Composition		
Summary	ORMOND FIRE HGK	RU1000-V
No of Securities	46	664
% Bmrk Holdings	87.35	100.00
% Active Share	77.54	0.00
% Top 25 Holdings	61.33	42.89
% Top 15 Holdings	38.96	33.96

Sector Allocation		
Sector Name	ORMOND FIRE HGK	RU1000-V
Energy	15.56	14.53
Materials	3.26	2.94
Industrials	10.89	10.17
Consumer Discretionary	6.37	6.41
Consumer Staples	9.67	5.83
Health Care	12.02	13.53
Financials	20.98	29.09
Information Technology	11.87	8.96
Telecomm Service	2.64	2.47
Utilities	6.75	6.08

Characteristics		
Characteristic	ORMOND FIRE HGK	RU1000-V
Market Cap - Weighted Median	33,774,264,535.84	54,150,001,598.56
Price / Book	1.79	1.82
P/E NTM	13.01	14.36
Dividend Yield	2.47	2.23
EPS Growth NTM	7.38	7.07
Ret Eq	14.70	12.43

Top Equity Holdings	
Name	ORMOND FIRE HGK
JPMORGAN CHASE & CO	3.16
CHEVRON CORP	2.93
CONOCOPHILLIPS	2.70
METLIFE INC	2.65
CENTURYLINK INC	2.64
Total: 14.08	

Disclaimer

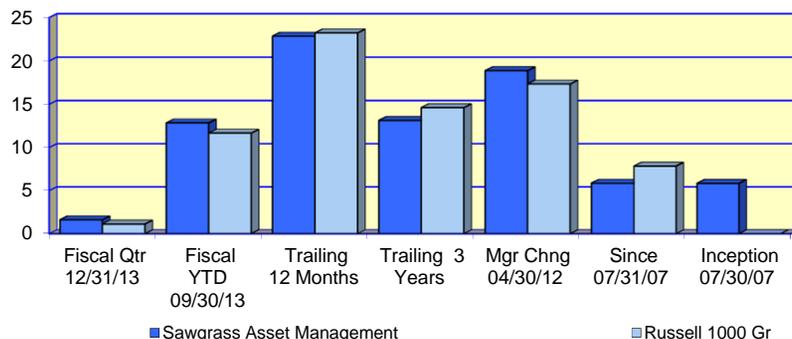
This analysis is based upon information supplied by the Client or its custodian and software developed by Thomson Portfolio Analytics. The underlying data is believed to be reliable but accuracy and completeness cannot be assured. While the characteristics described in this report are believed to accurately reflect the overall nature of the portfolio, all of the constituent securities may not have been considered. This evaluation is for informational purposes only and is not intended to be an offer, solicitation or recommendation with respect to the purchase or sale of any security or a recommendation of the services of any money management organization. Past results are not necessarily indicative of future performance.

EXECUTIVE SUMMARY

Ormond Beach Firefighters Sawgrass Asset Management

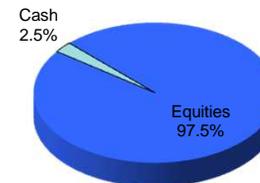
AS OF 03/31/2014

Portfolio Performance(%)



Asset Allocation (\$000)

<u>Equities</u>	<u>Cash</u>	<u>Total</u>
2,810	72	2,881



Portfolio Characteristics

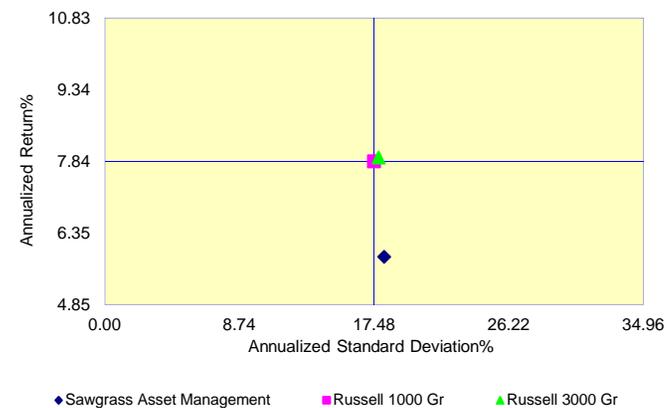
Yield	N/A	Account Sharpe Ratio	0.29
Beta	0.99	Index Sharpe Ratio	0.42
Alpha	-1.72%		
R ²	92%		

Investment Returns (%)	<i>Fiscal Qtr</i>	<i>Fiscal YTD</i>	<i>Trailing</i>	<i>Trailing</i>	<i>Mgr Chng</i>	<i>Since</i>	<i>Inception</i>
<i>Since:</i>	<i>12/31/13</i>	<i>09/30/13</i>	<i>12 Months</i>	<i>3 Years</i>	<i>04/30/12</i>	<i>07/31/07</i>	<i>07/30/07</i>
Sawgrass Asset Management	1.61	12.85	22.85	13.14	18.87	5.85	5.84
Russell 1000 Gr	1.12	11.67	23.23	14.62	17.34	7.84	N/A

Asset Growth (\$000)

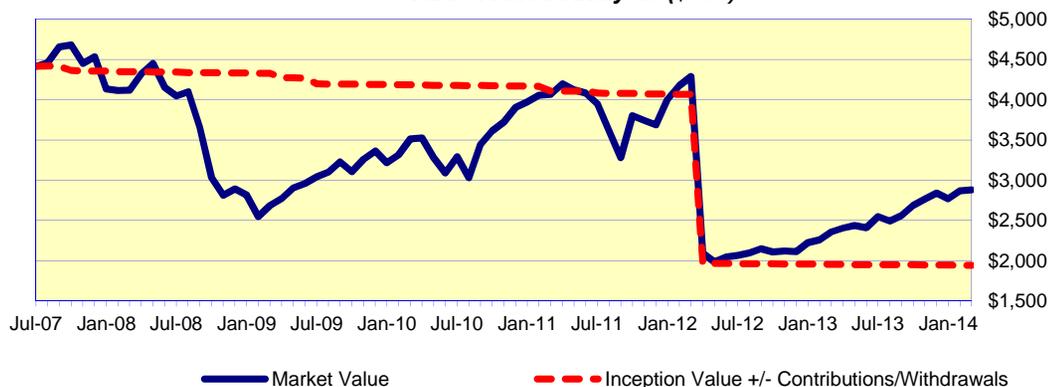
Beginning Market Value	2,840	2,560	2,359	4,070	2,095	4,414	4,414
Net Contributions & Withdrawals	-4	-8	-15	-2,165	-29	-2,474	-2,474
Gain/Loss + Income	45	329	537	976	815	941	941
Ending Market Value	2,881	2,881	2,881	2,881	2,881	2,881	2,881

Risk / Return Analysis Since 07/31/2007

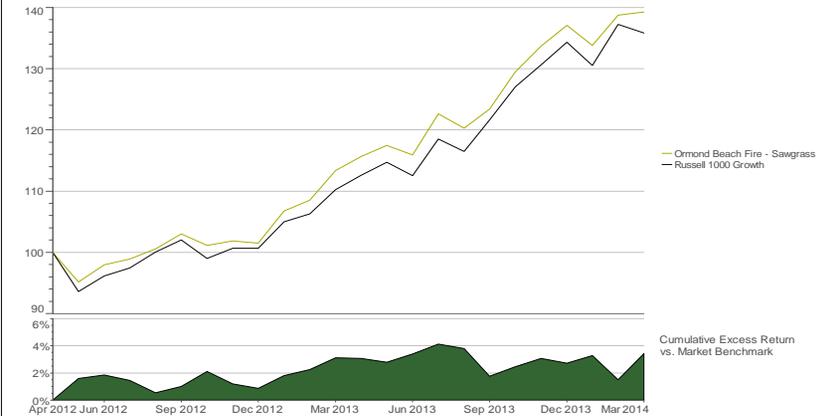


Annualized %	Return	Std. Dev.
Sawgrass Asset Management	5.85	18.13
Russell 1000 Gr	7.84	17.48
Russell 3000 Gr	7.92	17.78

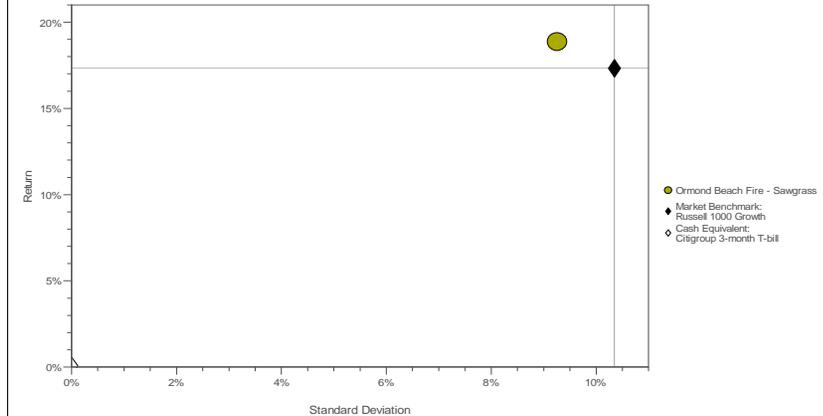
Value-Added Analysis (\$000)



Manager Performance
May 2012 - March 2014 (Single Computation)



Risk / Return
May 2012 - March 2014 (Single Computation)



Return & Risk Analysis

May 2012 - March 2014: 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 Fire - Sawgrass	18.87%	1.53%	9.25%	0.86	-4.83%	94.48%	74.17%	3.62%	2.03	92.22%
Russell 1000 Growth	17.34%	0.00%	10.35%	1.00	-6.42%	100.00%	100.00%	0.00%	1.67	100.00%

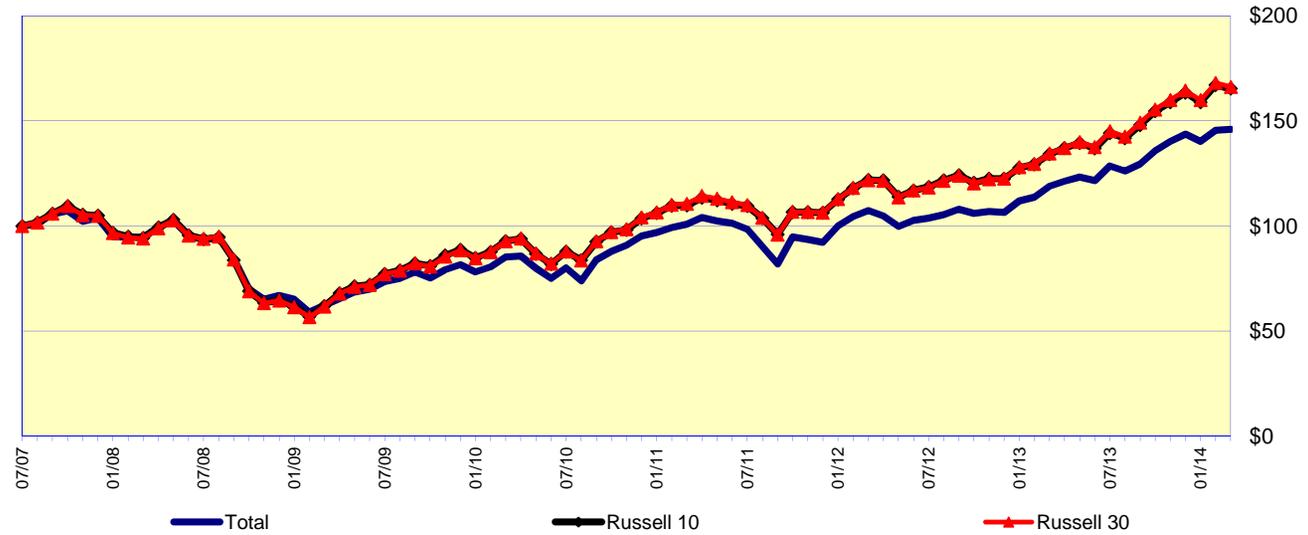
MANAGER PERFORMANCE ANALYSIS

Ormond Beach Firefighters Sawgrass Asset Management

As Of 03/31/2014

Growth of \$100 Graph

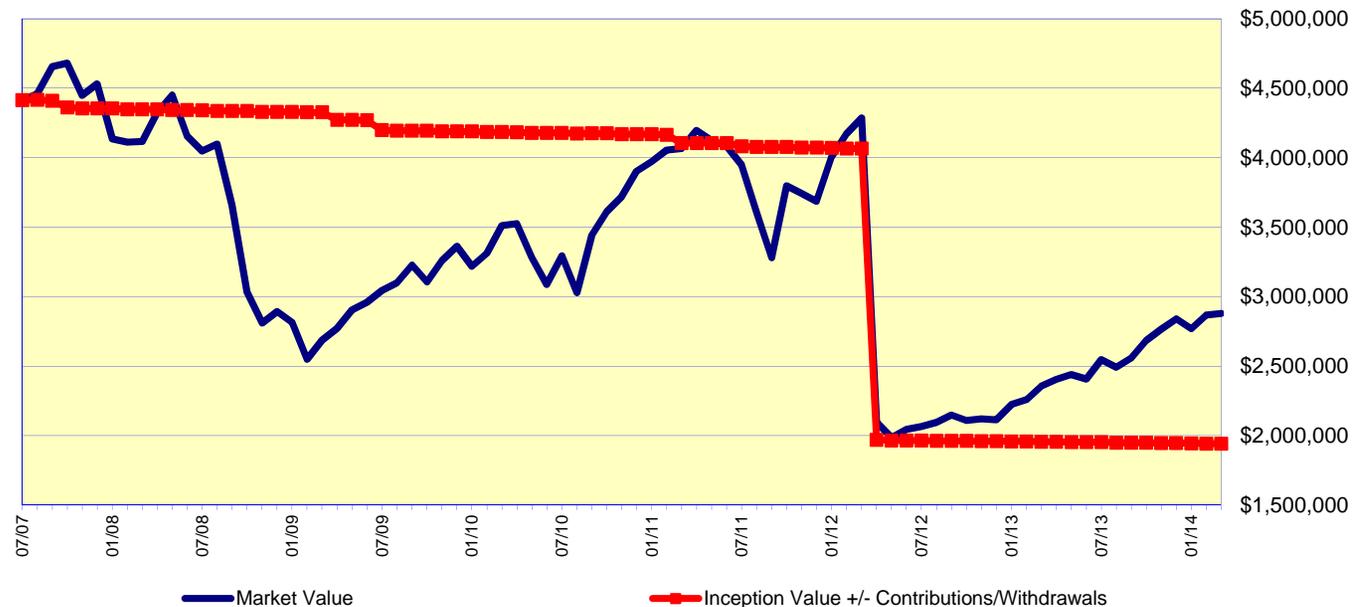
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Value Added Graph

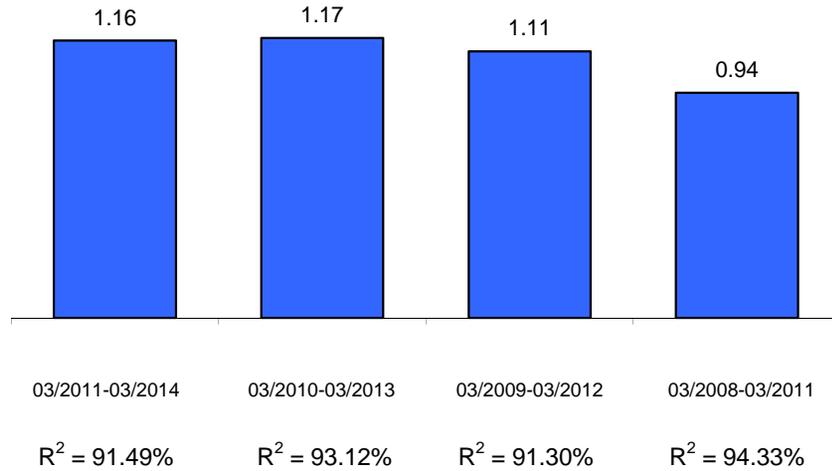
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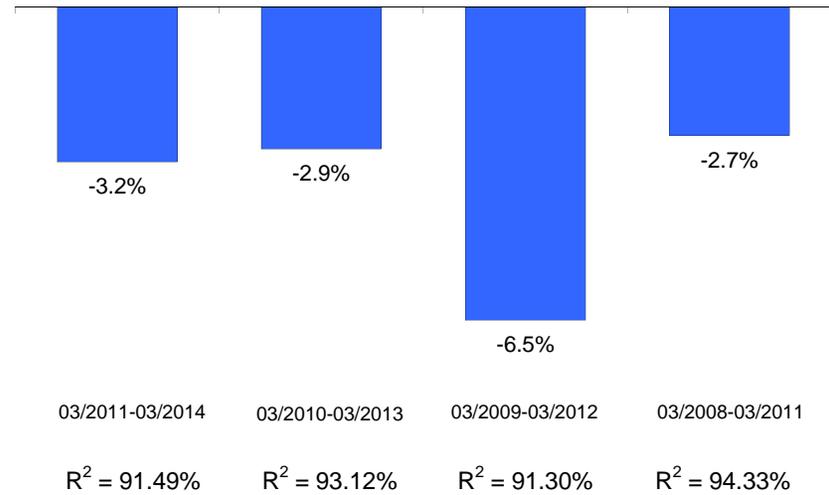


MODERN PORTFOLIO THEORY

Beta - Rolling Periods



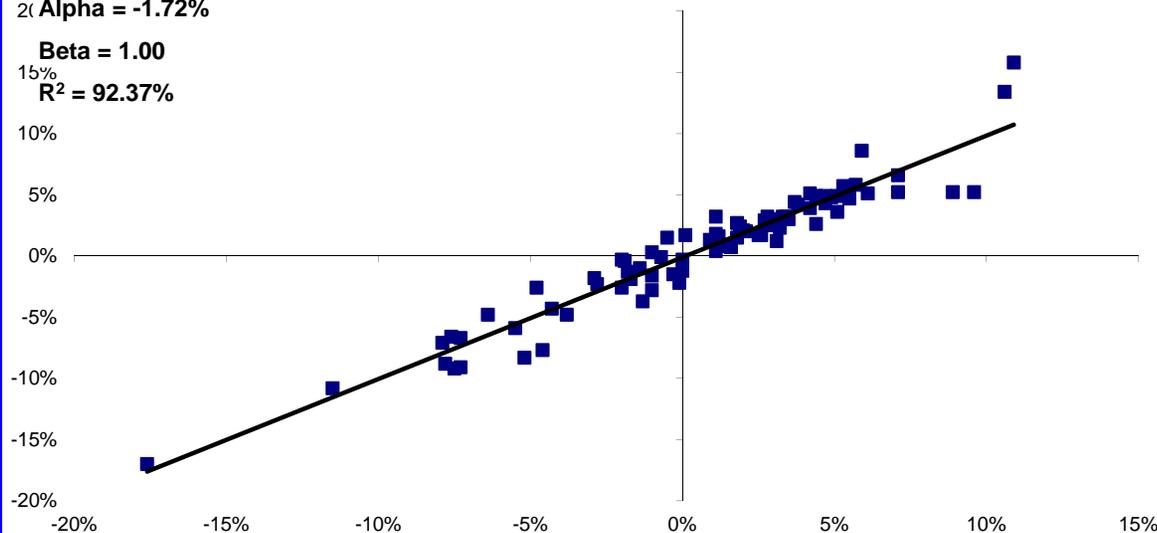
Alpha - Rolling Periods



MONTHLY Observations Since 07/2007 (w/Simple Linear Regression Line)

2(Alpha = -1.72%

Beta = 1.00
R² = 92.37%



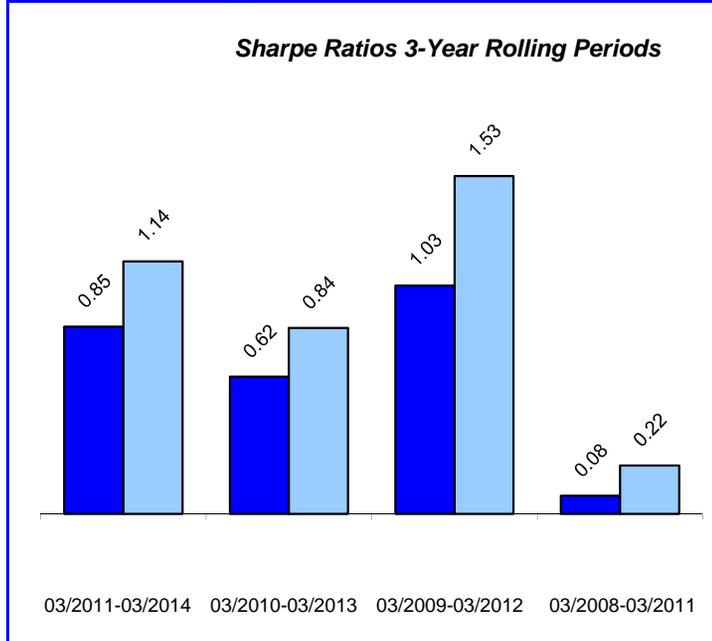
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MANAGER RISK ANALYSIS

Ormond Beach Firefighters

AS OF 03/31/2014



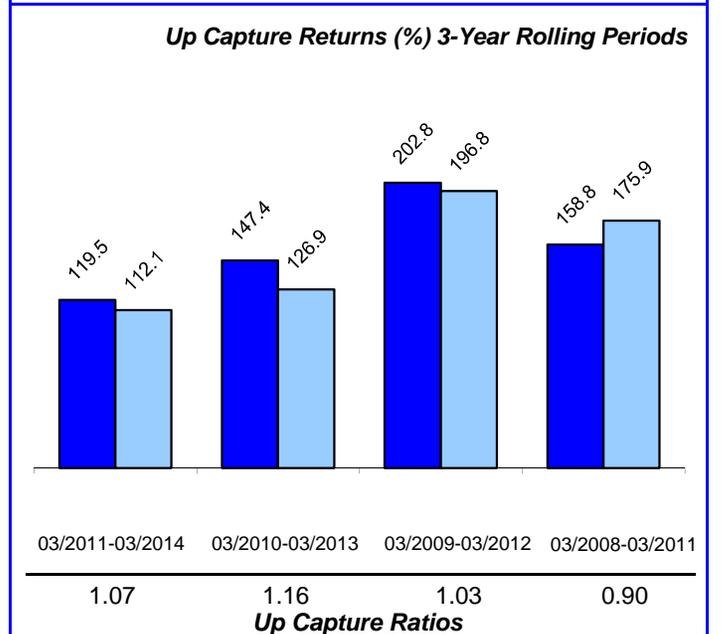
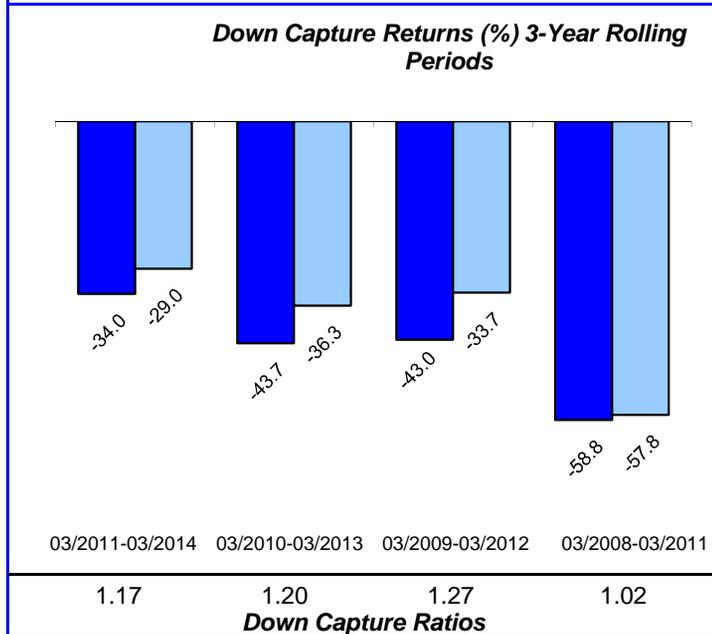
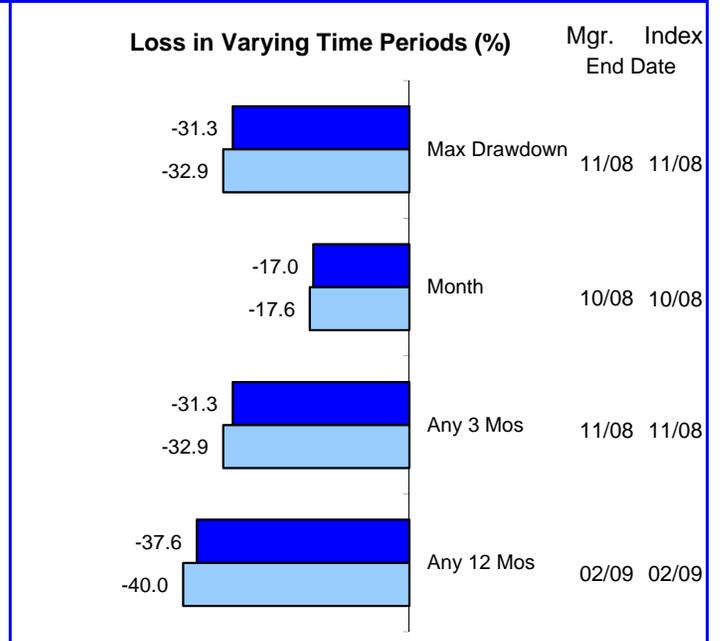
Sawgrass Asset Management
Russell 1000 Gr

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1.17 1.20 1.27 1.02
Down Capture Ratios

1.07 1.16 1.03 0.90
Up Capture Ratios

Ormond Beach Fire - Sawgrass

Composition		
Summary	ORMOND FIRE - SAW	RU1000-G
No of Securities	43	626
% Bmrk Holdings	94.51	100.00
% Active Share	68.47	0.00
% Top 25 Holdings	73.30	37.29
% Top 15 Holdings	51.06	27.71

Sector Allocation		
Sector Name	ORMOND FIRE - SAW	RU1000-G
Energy	3.30	4.77
Materials	5.58	4.55
Industrials	15.22	12.31
Consumer Discretionary	18.06	19.19
Consumer Staples	16.20	11.68
Health Care	11.93	12.38
Financials	1.28	5.52
Information Technology	24.28	27.21
Telecomm Service	4.15	2.25
Utilities		0.13

Characteristics		
Characteristic	ORMOND FIRE - SAW	RU1000-G
Market Cap - Weighted Median	88,697,003,325.51	55,519,446,953.53
Price / Book	3.85	4.68
P/E NTM	15.93	17.71
Dividend Yield	1.58	1.62
EPS Growth NTM	11.98	12.46
Ret Eq	21.79	25.57

Top Equity Holdings	
Name	ORMOND FIRE - SAW
ORACLE CORP	4.15
VERIZON COMMUNICATIONS INC	4.15
QUALCOMM INC	4.07
COMCAST CORP	4.01
GOOGLE INC	3.97
Total: 20.36	

Disclaimer

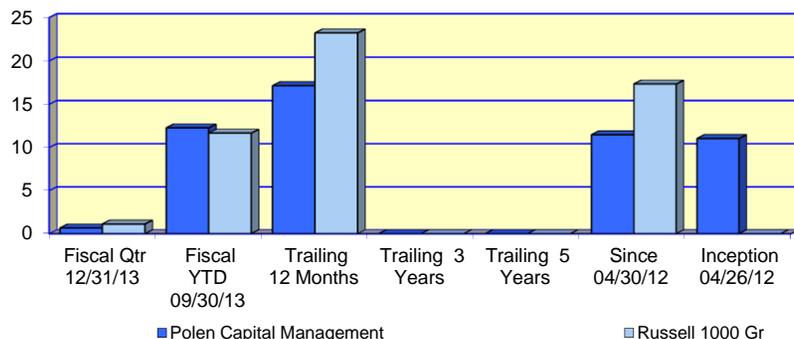
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EXECUTIVE SUMMARY

Ormond Beach Firefighters Polen Capital Management

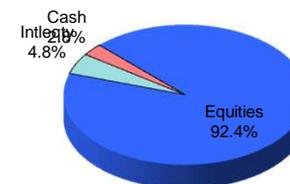
AS OF 03/31/2014

Portfolio Performance(%)



Asset Allocation (\$000)

Equities	Intleqty	Cash	Total
2,348	121	71	2,539



Investment Returns (%)

Since:	Fiscal Qtr 12/31/13	Fiscal YTD 09/30/13	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 04/30/12	Inception 04/26/12
Polen Capital Management	0.65	12.27	17.14	N/A	N/A	11.48	11.04
Russell 1000 Gr	1.12	11.67	23.23			17.34	N/A

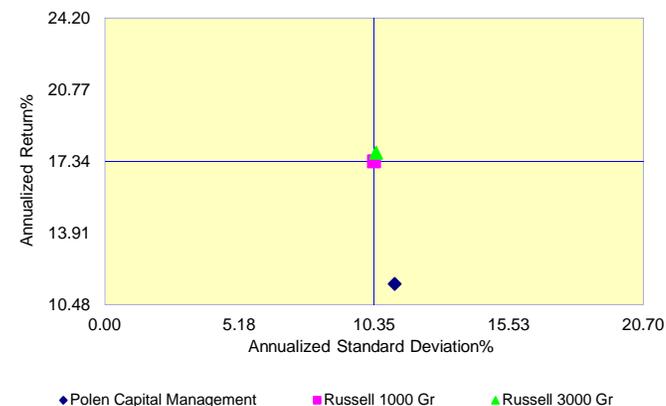
Asset Growth (\$000)

	Fiscal Qtr 12/31/13	Fiscal YTD 09/30/13	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 04/30/12	Inception 04/26/12
Beginning Market Value	2,527	2,269	2,181	N/A	N/A	2,084	1,852
Net Contributions & Withdrawals	-4	-8	-14	N/A	N/A	-23	221
Gain/Loss + Income	16	278	372	N/A	N/A	478	466
Ending Market Value	2,539	2,539	2,539	N/A	N/A	2,539	2,539

Portfolio Characteristics

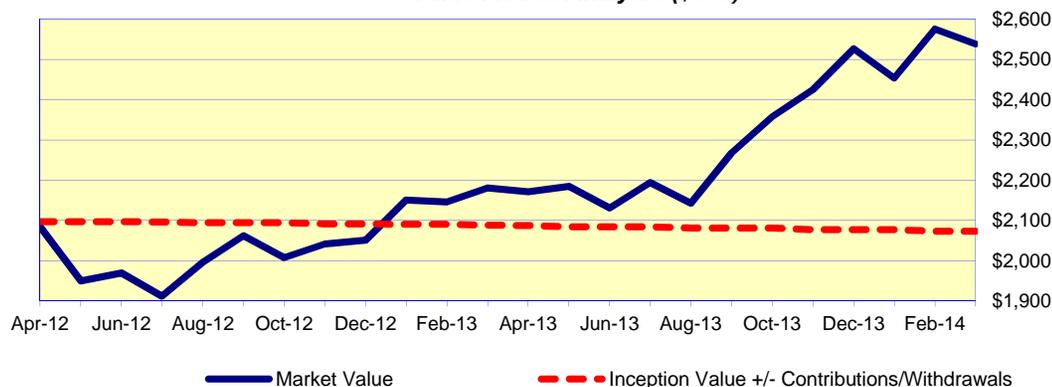
Yield	N/A	Account Sharpe Ratio	1.02
Beta	0.96	Index Sharpe Ratio	1.66
Alpha	-4.40%		
R ²	79%		

Risk / Return Analysis Since 04/30/2012



Annualized %	Return	Std. Dev.
Polen Capital Management	11.48	11.15
Russell 1000 Gr	17.34	10.35
Russell 3000 Gr	17.75	10.44

Value-Added Analysis (\$000)



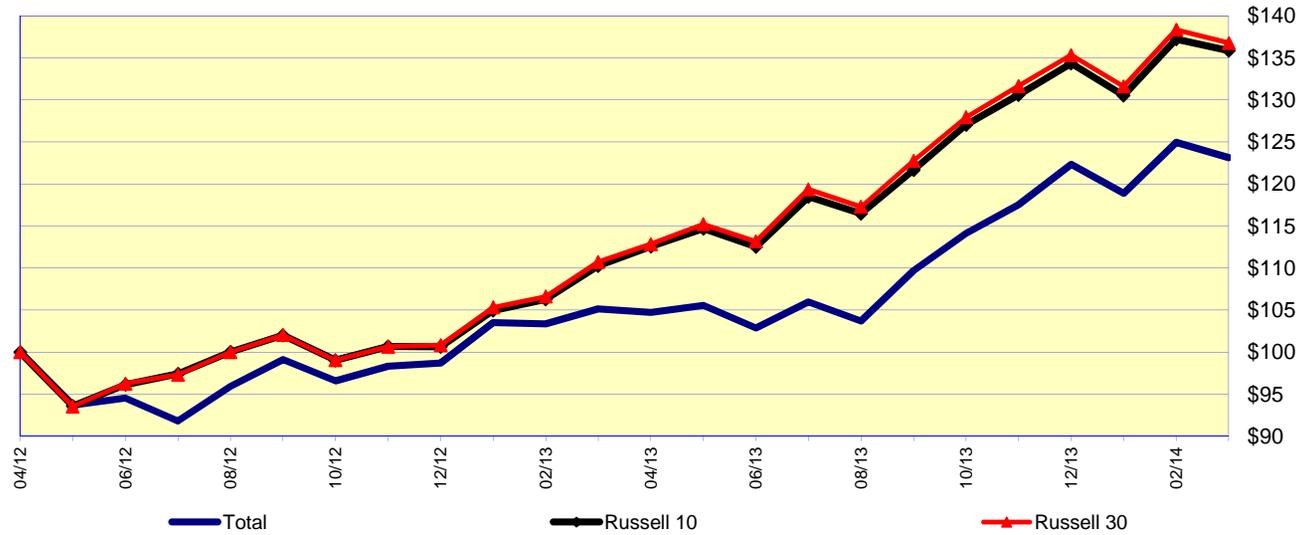
MANAGER PERFORMANCE ANALYSIS

Ormond Beach Firefighters Polen Capital Management

As Of 03/31/2014

Growth of \$100 Graph

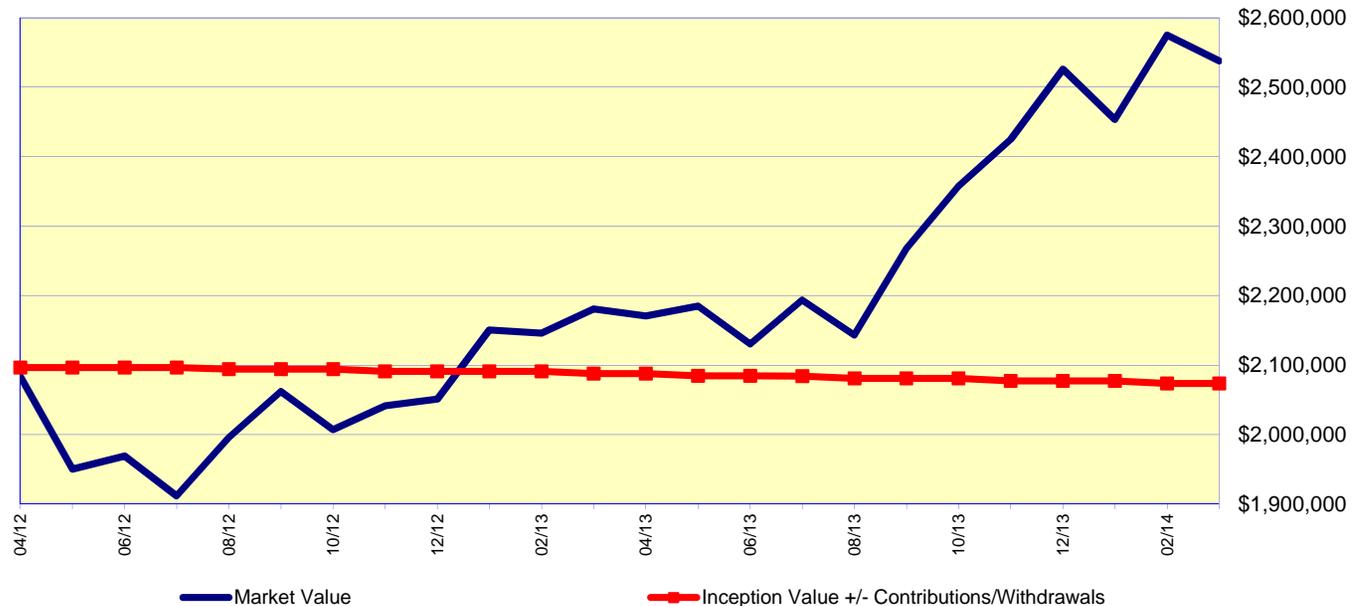
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Value Added Graph

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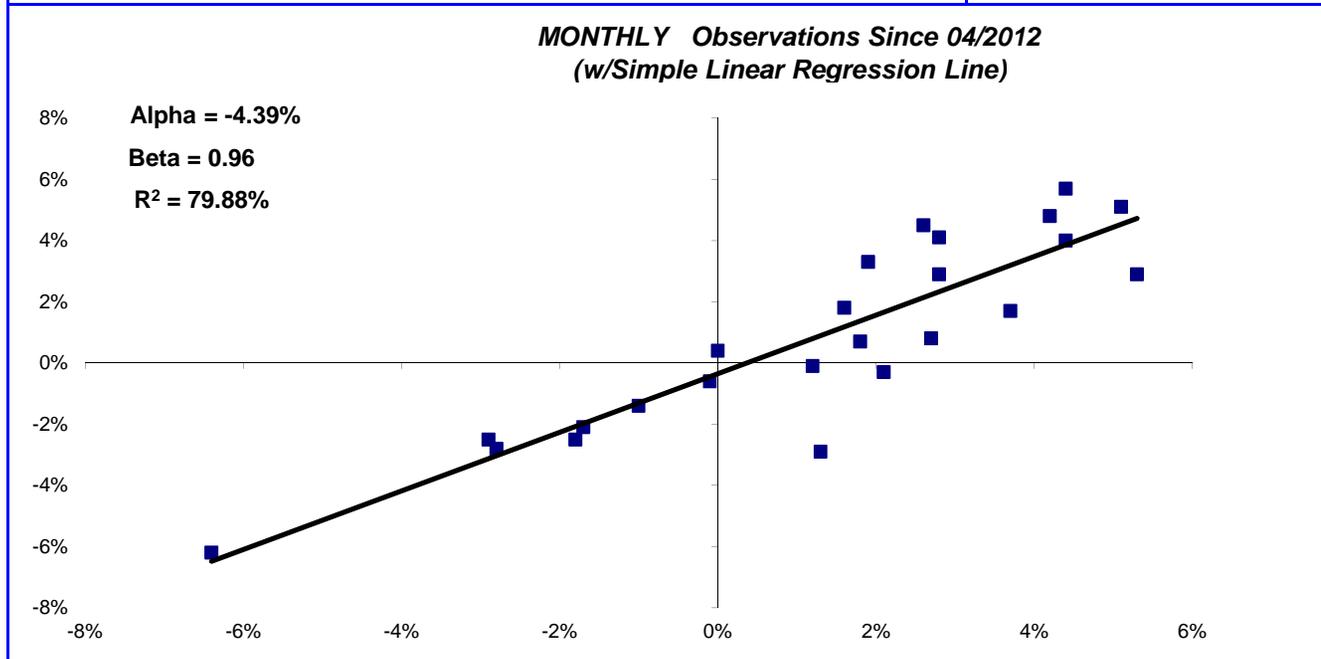
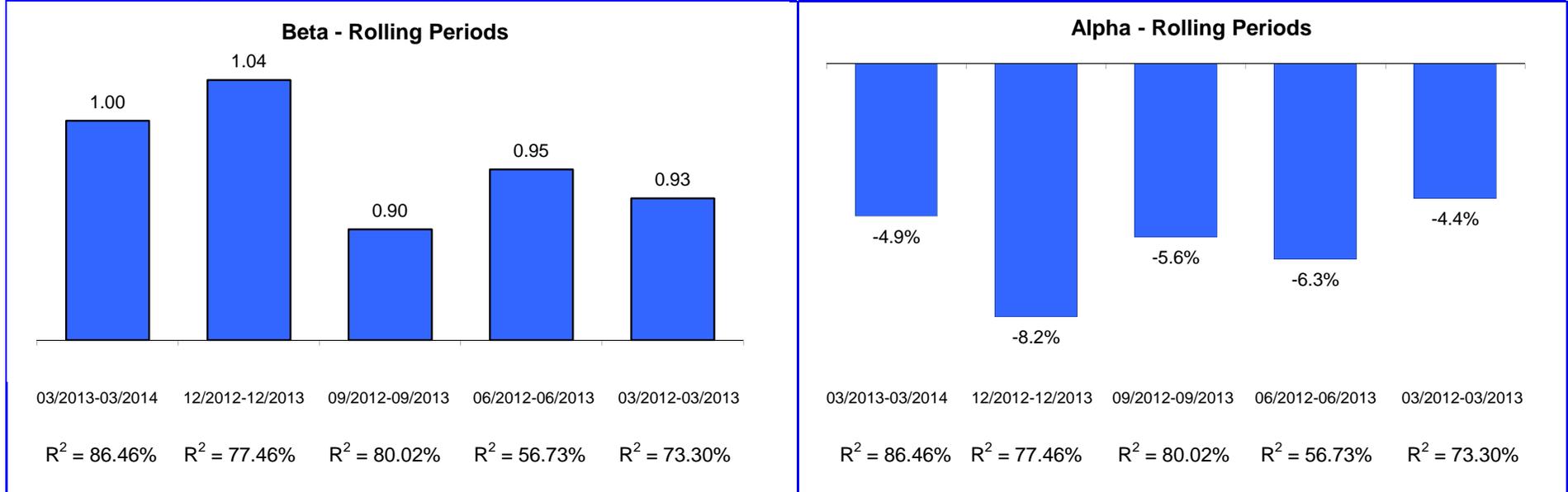
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MODERN PORTFOLIO THEORY

Ormond Beach Firefighters Polen Capital Management

AS OF 03/31/2014



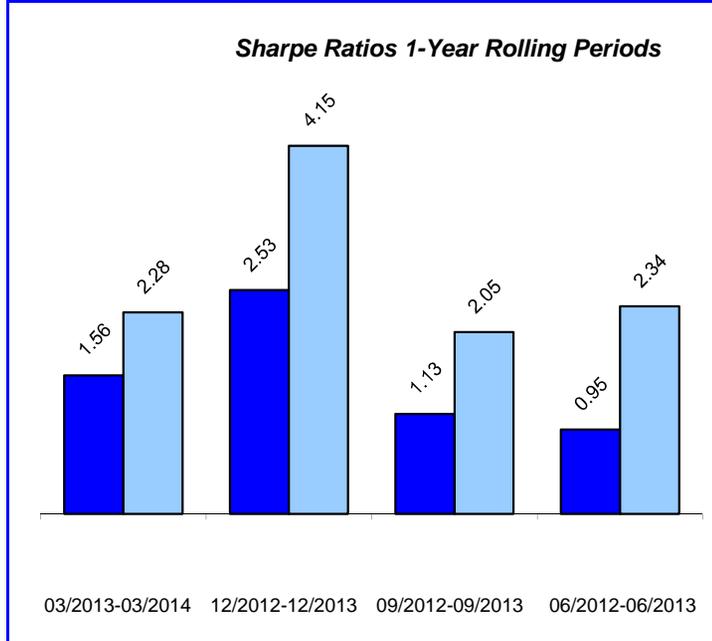
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Graph Notes: The Index is represented on the horizontal (X) axis, and the Fund is represented on the vertical (Y) axis. Both the Index and Fund are adjusted by 90-day Treasury Bills.

MANAGER RISK ANALYSIS

Ormond Beach Firefighters

AS OF 03/31/2014



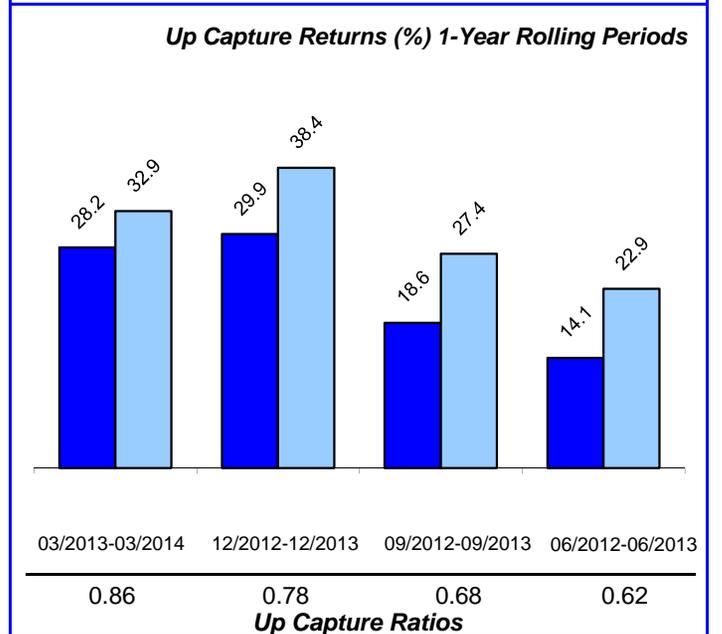
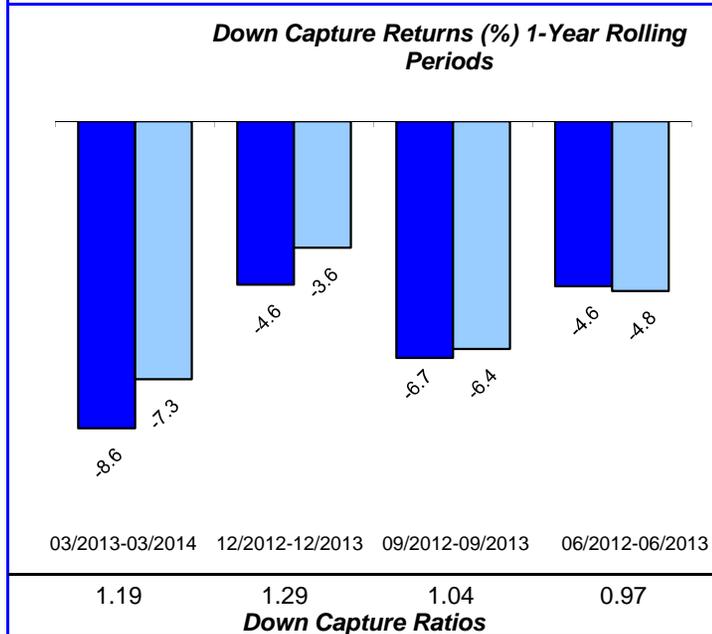
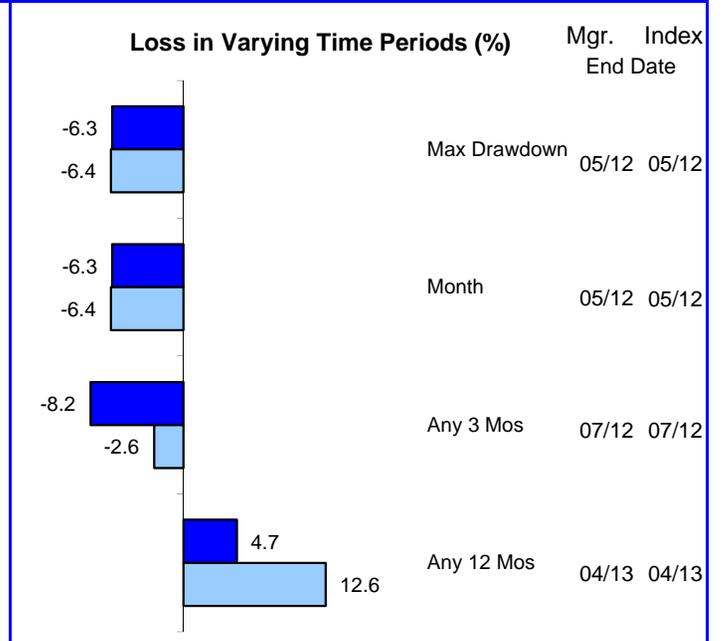
Polen Capital Management
Russell 1000 Gr

Sharpe Ratio divides excess return by standard deviation of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index

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Down Capture is the measure of the fund's total return whenever the index returns are negative.

Up Capture is the measure of the fund's total return whenever the



1.19 1.29 1.04 0.97
Down Capture Ratios

0.86 0.78 0.68 0.62
Up Capture Ratios

Ormond Beach Fire - Polen

Composition		
Summary	ORMOND FIRE - POL	RU1000-G
No of Securities	20	626
% Bmrk Holdings	93.69	100.00
% Active Share	83.87	0.00
% Top 25 Holdings	100.00	37.29
% Top 15 Holdings	86.43	27.71

Sector Allocation		
Sector Name	ORMOND FIRE - POL	RU1000-G
Energy		4.77
Materials		4.55
Industrials	6.85	12.31
Consumer Discretionary	15.35	19.19
Consumer Staples		11.68
Health Care	14.85	12.38
Financials	6.41	5.52
Information Technology	56.54	27.21
Telecomm Service		2.25
Utilities		0.13

Characteristics		
Characteristic	ORMOND FIRE - POL	RU1000-G
Market Cap - Weighted Median	57,445,789,626.50	55,519,446,953.53
Price / Book	4.67	4.68
P/E NTM	18.94	17.71
Dividend Yield	1.21	1.62
EPS Growth NTM	12.90	12.46
Ret Eq	22.36	25.57

Top Equity Holdings	
Name	ORMOND FIRE - POL
GOOGLE INC	8.76
VISA INC	7.32
ALLERGAN INC	7.09
QUALCOMM INC	7.03
ORACLE CORP	6.73
Total: 36.94	

Disclaimer

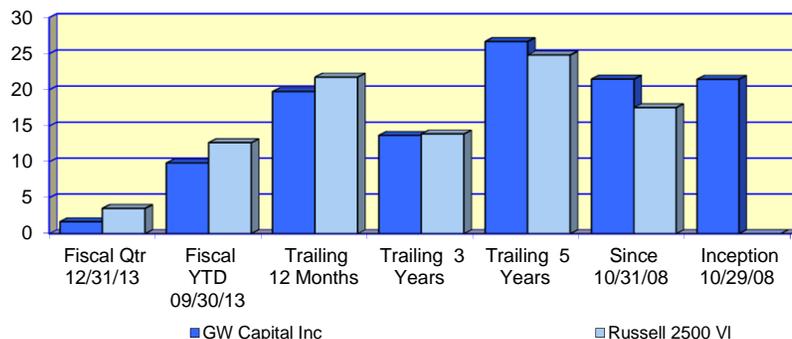
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EXECUTIVE SUMMARY

Ormond Beach Firefighters GW Capital Inc

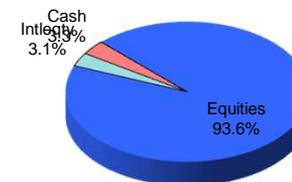
AS OF 03/31/2014

Portfolio Performance(%)



Asset Allocation (\$000)

Equities	Intleqty	Cash	Total
1,233	41	44	1,317



Investment Returns (%)

Since:	Fiscal Qtr 12/31/13	Fiscal YTD 09/30/13	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 10/31/08	Inception 10/29/08
GW Capital Inc	1.66	9.84	19.76	13.69	26.68	21.48	21.46
Russell 2500 VI	3.52	12.68	21.76	13.88	24.81	17.54	N/A

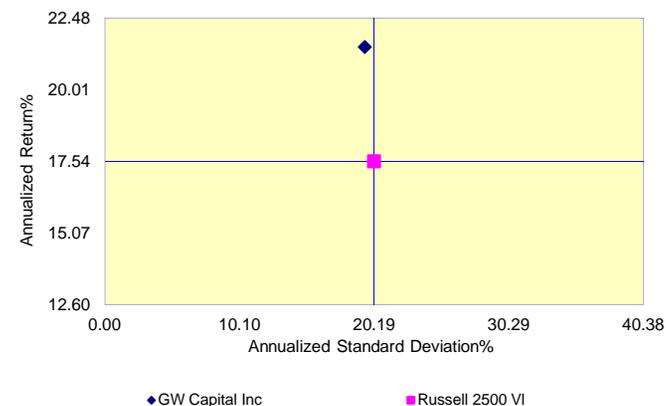
Asset Growth (\$000)

	Fiscal Qtr 12/31/13	Fiscal YTD 09/30/13	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 10/31/08	Inception 10/29/08
Beginning Market Value	1,496	1,387	1,277	1,055	514	585	585
Net Contributions & Withdrawals	-203	-206	-211	-225	-287	-288	-288
Gain/Loss + Income	24	136	251	487	1,090	1,020	1,020
Ending Market Value	1,317	1,317	1,317	1,317	1,317	1,317	1,317

Portfolio Characteristics

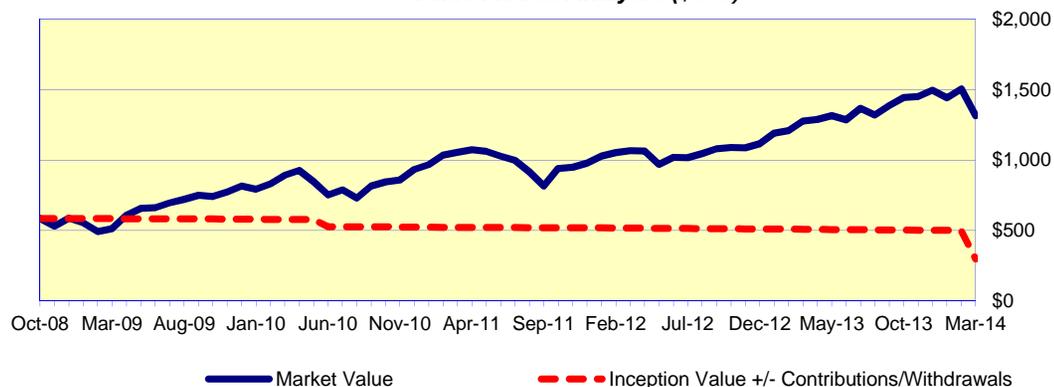
Yield	N/A	Account Sharpe Ratio	1.09
Beta	0.91	Index Sharpe Ratio	0.86
Alpha	4.88%		
R ²	89%		

Risk / Return Analysis Since 10/31/2008



Annualized %	Return	Std. Dev.
GW Capital Inc	21.48	19.50
Russell 2500 VI	17.54	20.19

Value-Added Analysis (\$000)



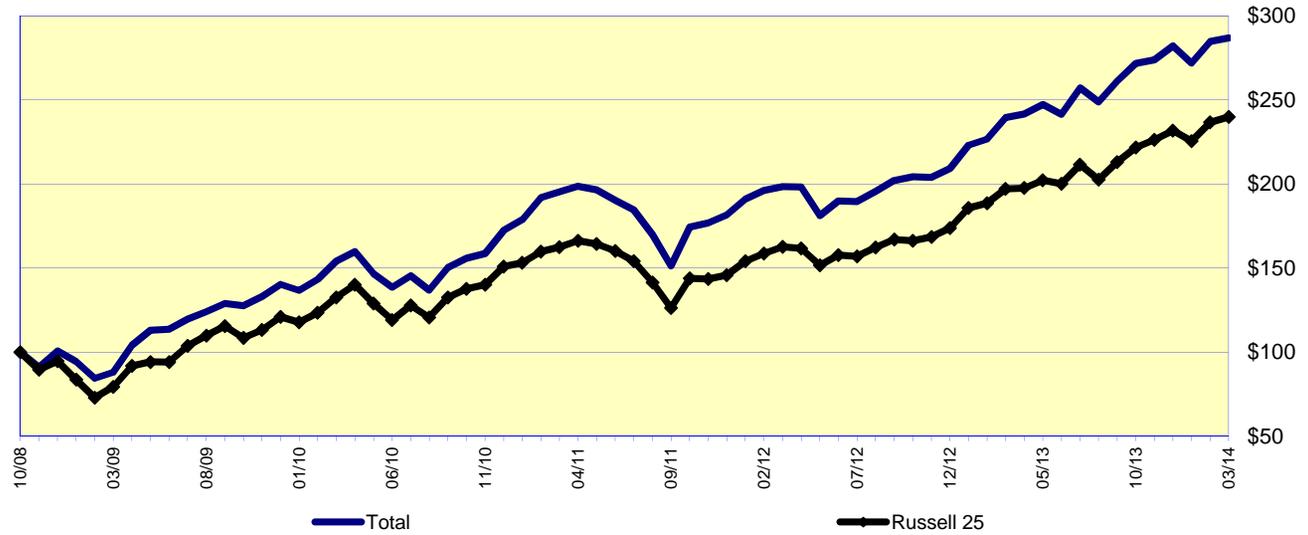
MANAGER PERFORMANCE ANALYSIS

Ormond Beach Firefighters GW Capital Inc

As Of 03/31/2014

Growth of \$100 Graph

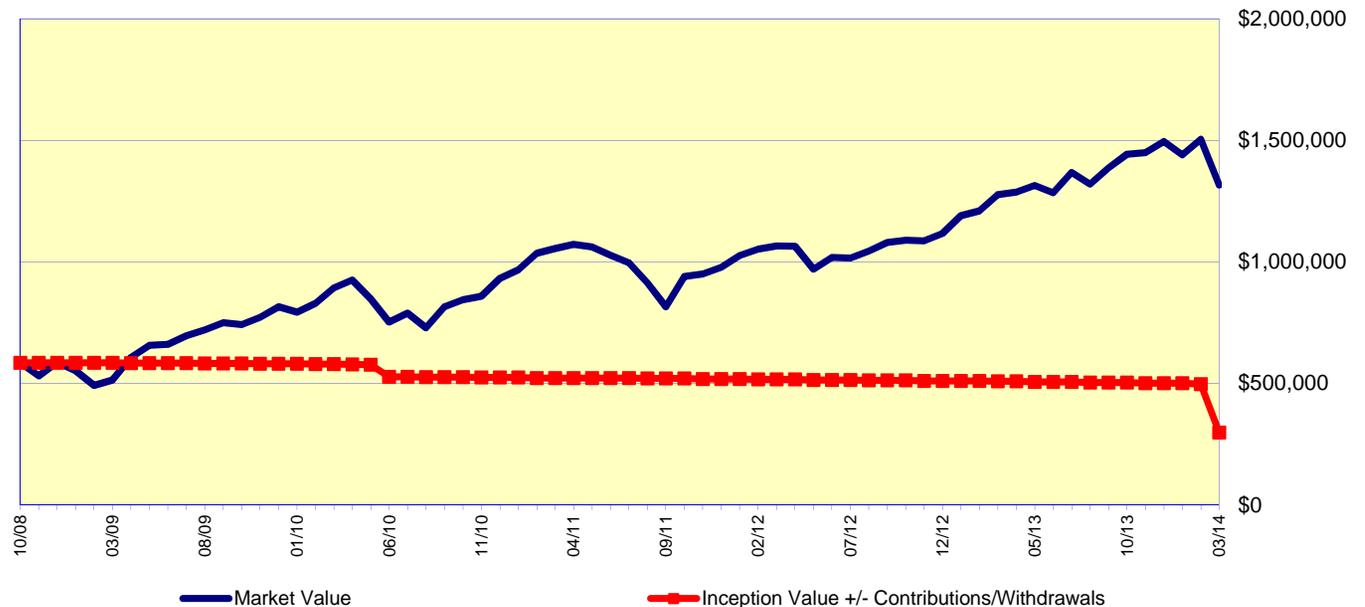
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Value Added Graph

This exhibit is useful in determining how the portfolio has been affected by the investment process.

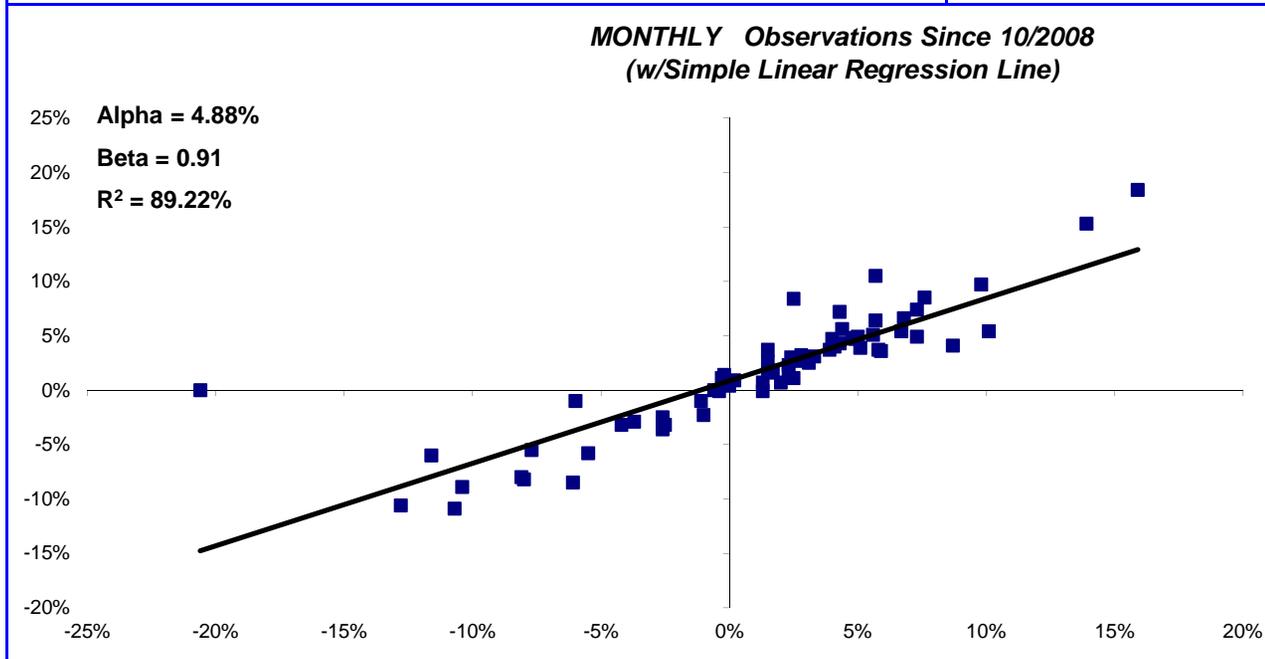
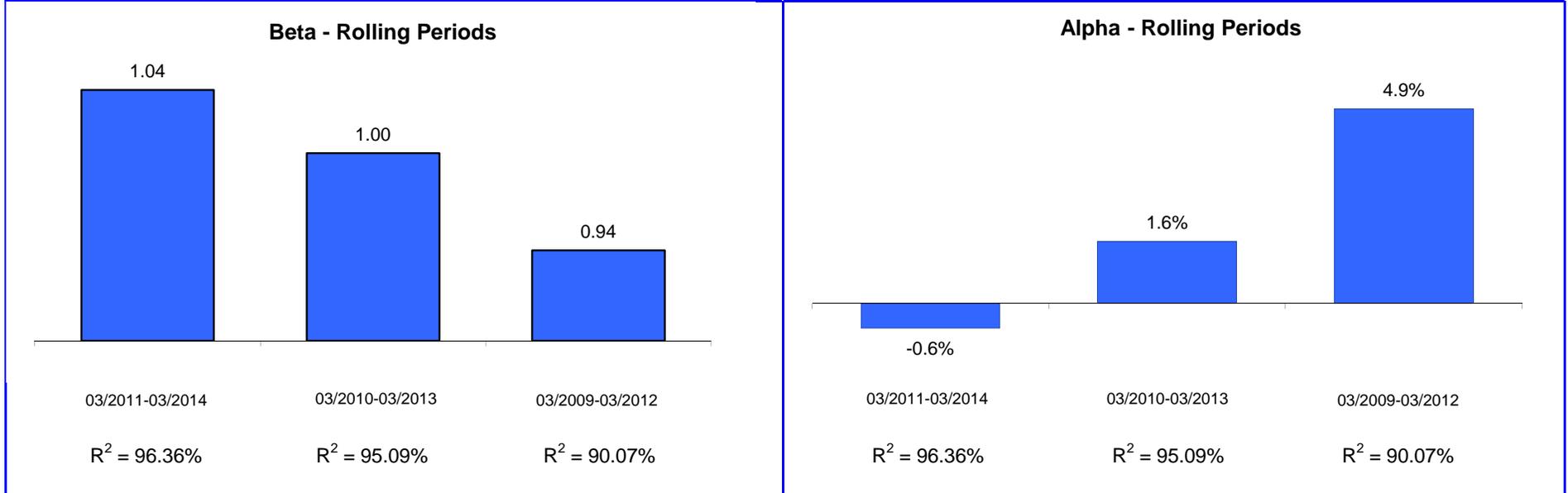
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MODERN PORTFOLIO THEORY

Ormond Beach Firefighters GW Capital Inc

AS OF 03/31/2014



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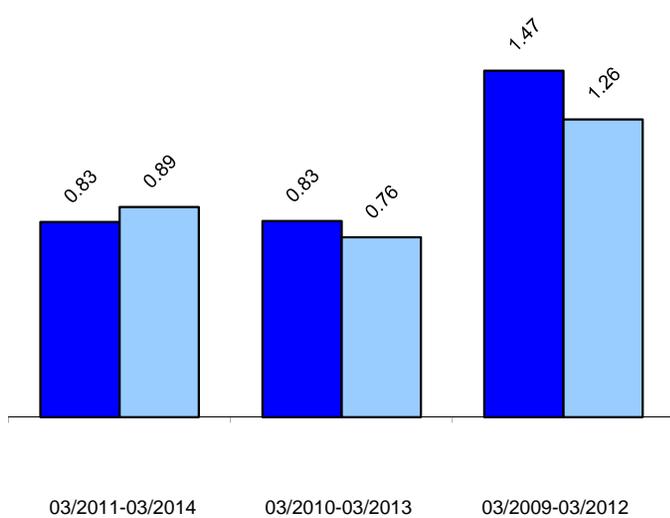
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MANAGER RISK ANALYSIS

Ormond Beach Firefighters

AS OF 03/31/2014

Sharpe Ratios 3-Year Rolling Periods



■ GW Capital Inc
■ Russell 2500 VI

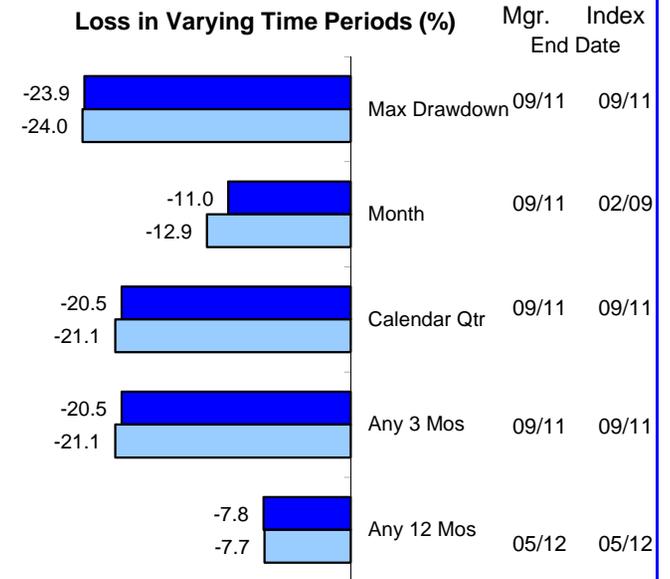
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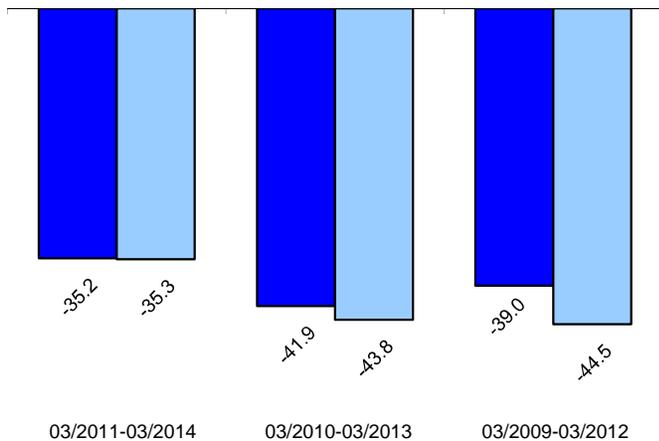
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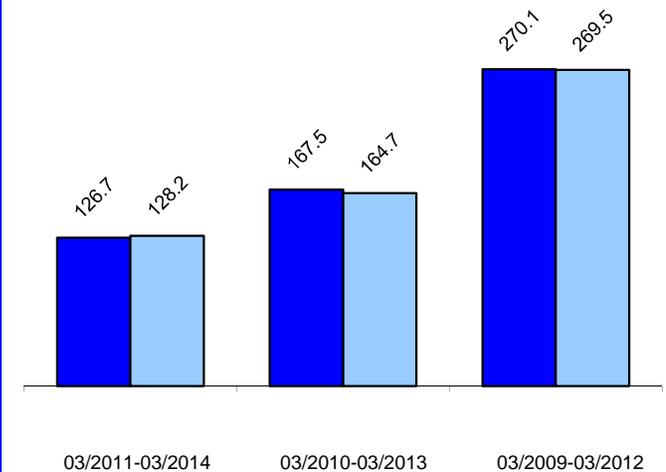
Loss in Varying Time Periods (%)



Down Capture Returns (%) 3-Year Rolling Periods



Up Capture Returns (%) 3-Year Rolling Periods



1.00 0.96 0.88

Down Capture Ratios

0.99 1.02 1.00

Up Capture Ratios

Ormond Beach Fire - GW

Composition		
Summary	ORMOND FIRE GW	RU2500-V
No of Securities	33	1,732
% Bmrk Holdings	57.18	100.00
% Active Share	96.15	0.00
% Top 25 Holdings	83.20	9.60
% Top 15 Holdings	55.95	6.17

Sector Allocation		
Sector Name	ORMOND FIRE GW	RU2500-V
Energy	12.76	7.47
Materials	12.52	5.80
Industrials	21.28	13.19
Consumer Discretionary	3.48	10.70
Consumer Staples	12.88	1.69
Health Care	4.39	4.98
Financials	24.53	37.82
Information Technology	2.61	9.66
Telecomm Service	3.43	0.91
Utilities	2.13	7.78

Characteristics		
Characteristic	ORMOND FIRE GW	RU2500-V
Market Cap - Weighted Median	5,427,849,702.70	3,354,656,153.20
Price / Book	2.06	1.68
P/E NTM	17.87	18.23
Dividend Yield	1.36	1.95
EPS Growth NTM	14.03	17.60
Ret Eq	45.87	6.05

Top Equity Holdings	
Name	ORMOND FIRE GW
GENWORTH FINANCIAL INC	5.46
OWENS-ILLINOIS INC	4.48
BROOKDALE SENIOR LIVING INC	4.39
HERTZ GLOBAL HOLDINGS INC	4.15
KEYCORP	3.67
Total: 22.13	

Disclaimer

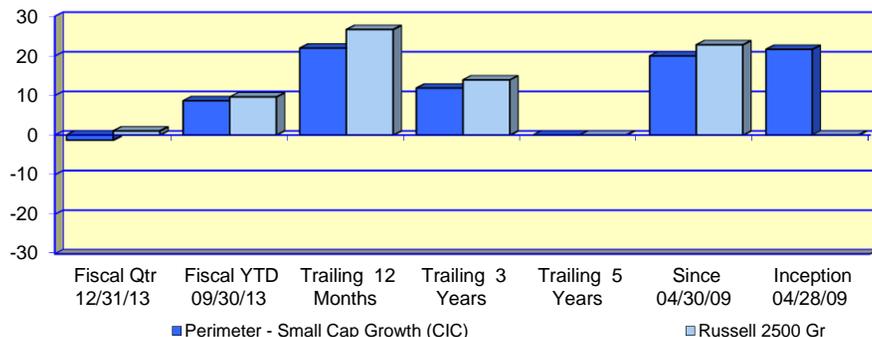
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EXECUTIVE SUMMARY

Ormond Beach Firefighters Perimeter - Small Cap Growth (CIC)

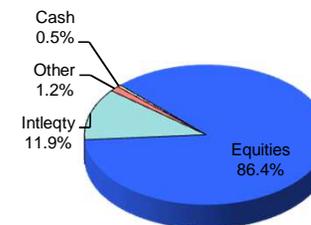
AS OF 03/31/2014

Portfolio Performance(%)



Asset Allocation (\$000)

Equities	Intleqty	Other	Cash	Total
1,108	153	16	6	1,284



Investment Returns (%)	Fiscal Qtr Since: 12/31/13	Fiscal YTD 09/30/13	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 04/30/09	Inception 04/28/09
Perimeter - Small Cap Growth (CIC)	-1.31	8.67	21.96	11.85	N/A	19.97	21.64
Russell 2500 Gr	1.04	9.62	26.66	13.93	N/A	22.80	N/A

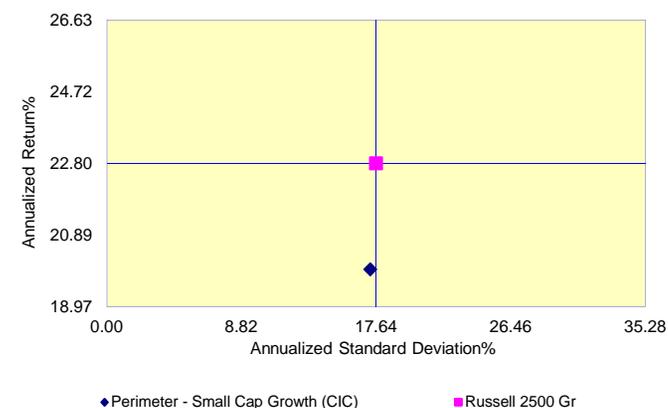
Asset Growth (\$000)

	Fiscal Qtr Since: 12/31/13	Fiscal YTD 09/30/13	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 04/30/09	Inception 04/28/09
Beginning Market Value	1,480	1,346	1,204	1,064	N/A	622	0
Net Contributions & Withdrawals	-178	-181	-185	-199	N/A	-220	373
Gain/Loss + Income	-18	119	265	419	N/A	882	911
Ending Market Value	1,284	1,284	1,284	1,284	N/A	1,284	1,284

Portfolio Characteristics

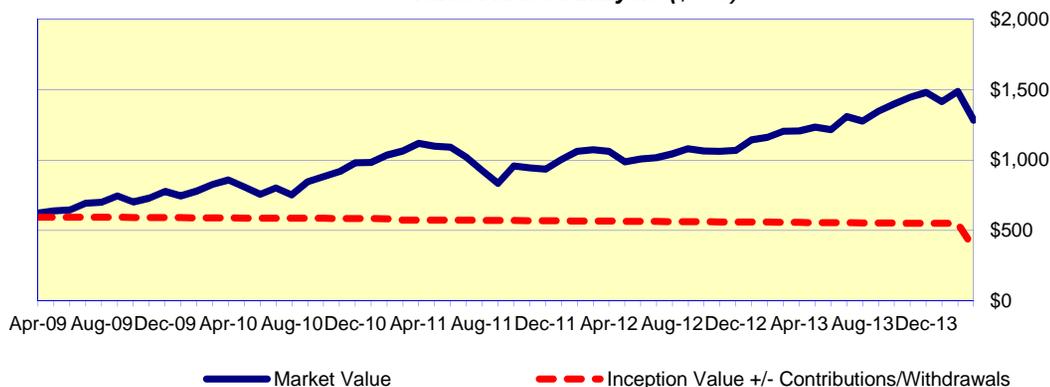
Yield	N/A	Account Sharpe Ratio	1.15
Beta	0.96	Index Sharpe Ratio	1.28
Alpha	-1.54%		
R ²	96%		

Risk / Return Analysis Since 04/30/2009



Annualized %	Return	Std. Dev.
Perimeter - Small Cap Growth (CIC)	19.97	17.26
Russell 2500 Gr	22.80	17.64

Value-Added Analysis (\$000)



MANAGER PERFORMANCE ANALYSIS

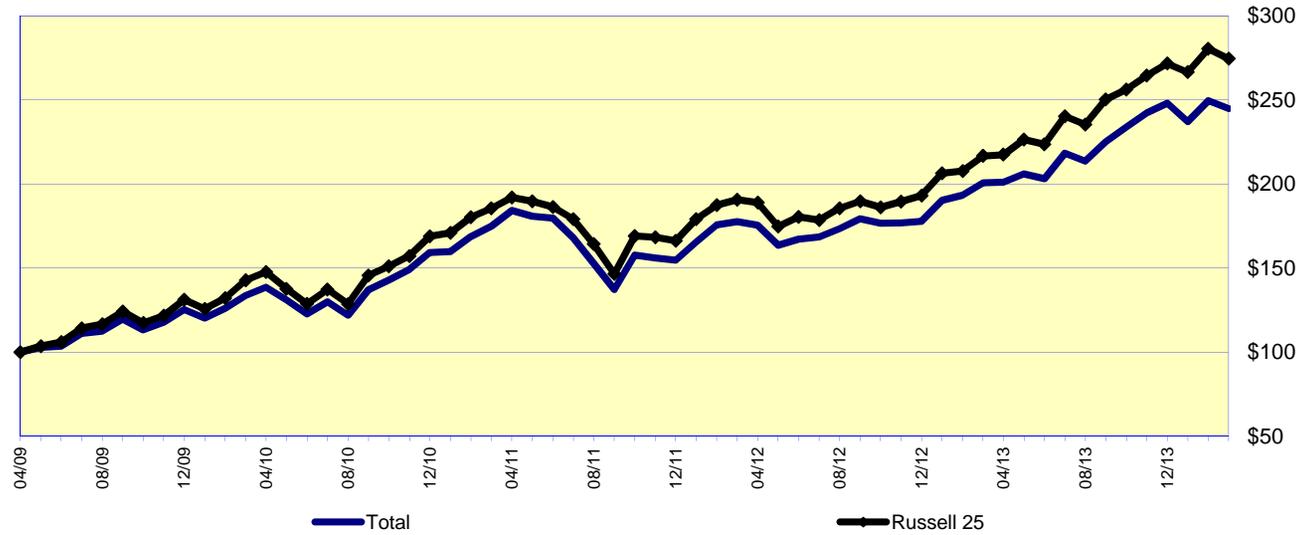
Ormond Beach Firefighters Perimeter - Small Cap Growth (CIC)

(CIC)

As Of 03/31/2014

Growth of \$100 Graph

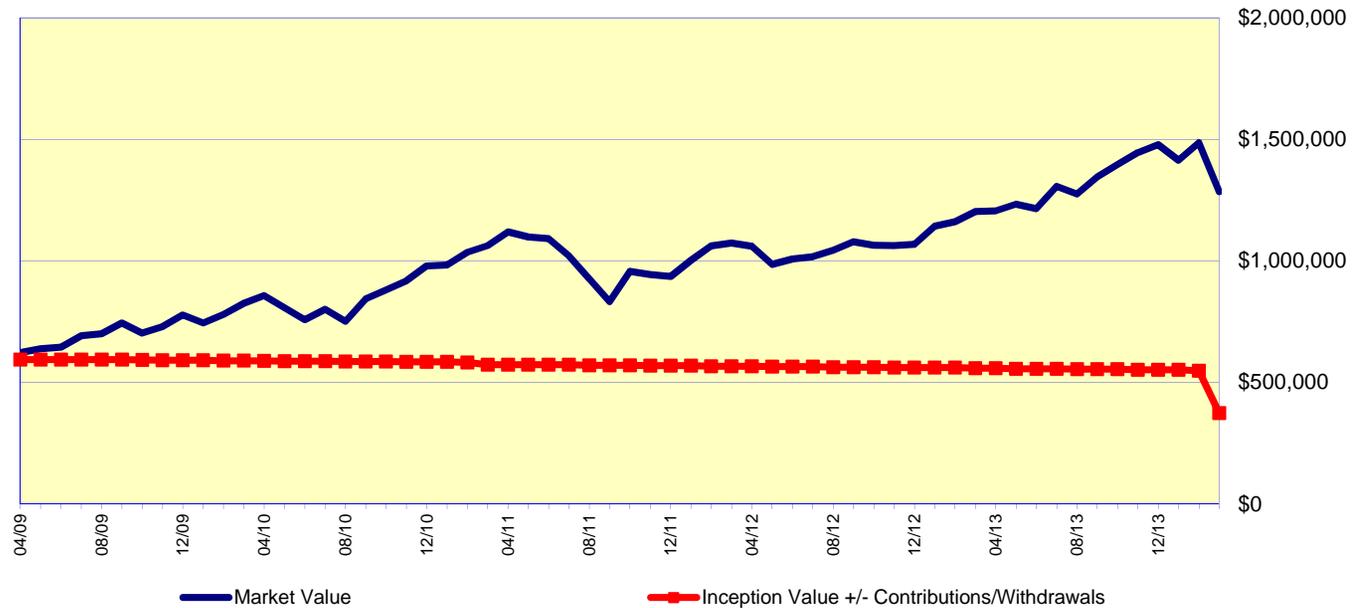
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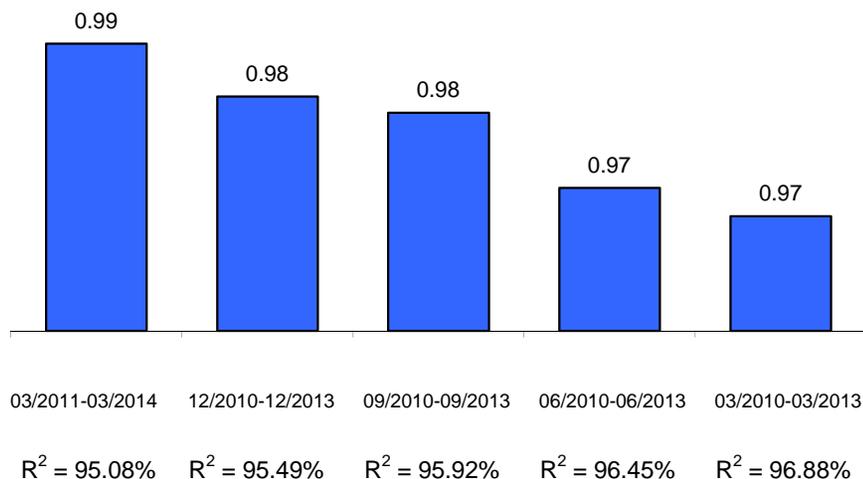


MODERN PORTFOLIO THEORY

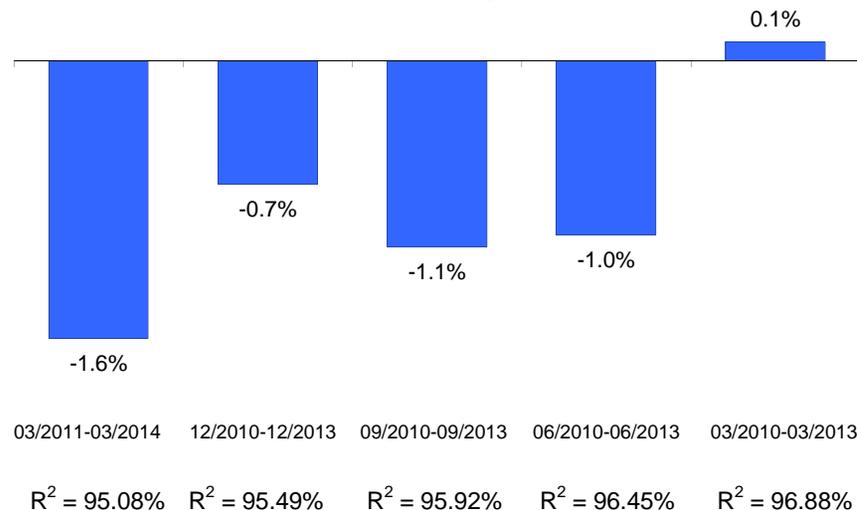
Ormond Beach Firefighters Perimeter - Small Cap Growth (CIC)

AS OF 03/31/2014

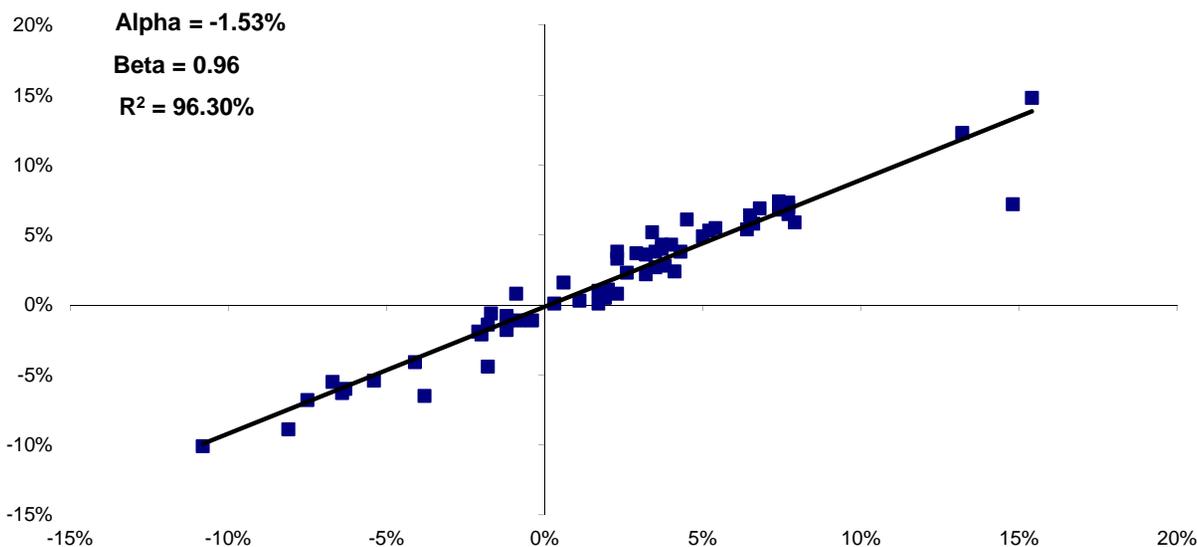
Beta - Rolling Periods



Alpha - Rolling Periods



MONTHLY Observations Since 04/2009 (w/Simple Linear Regression Line)



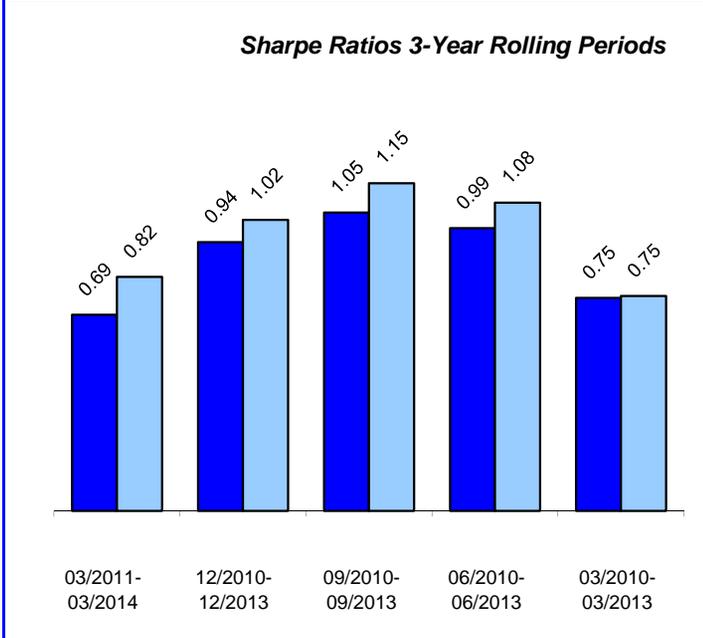
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MANAGER RISK ANALYSIS

Ormond Beach Firefighters

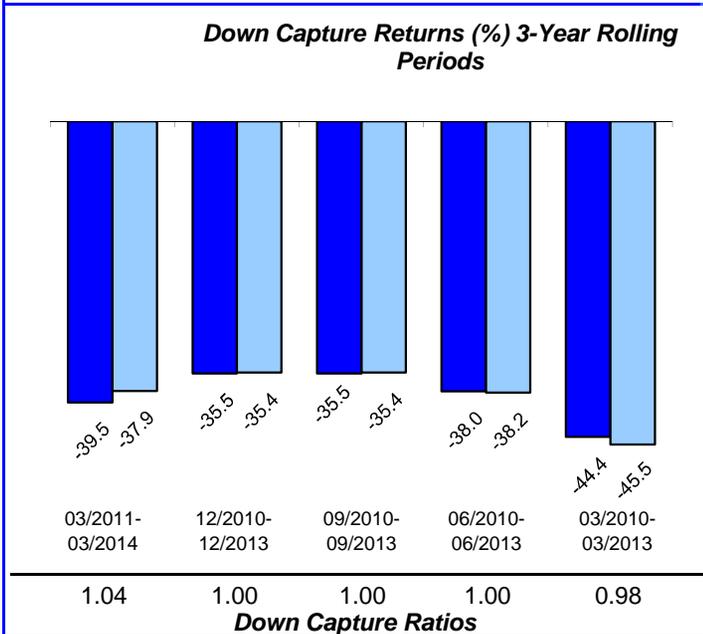
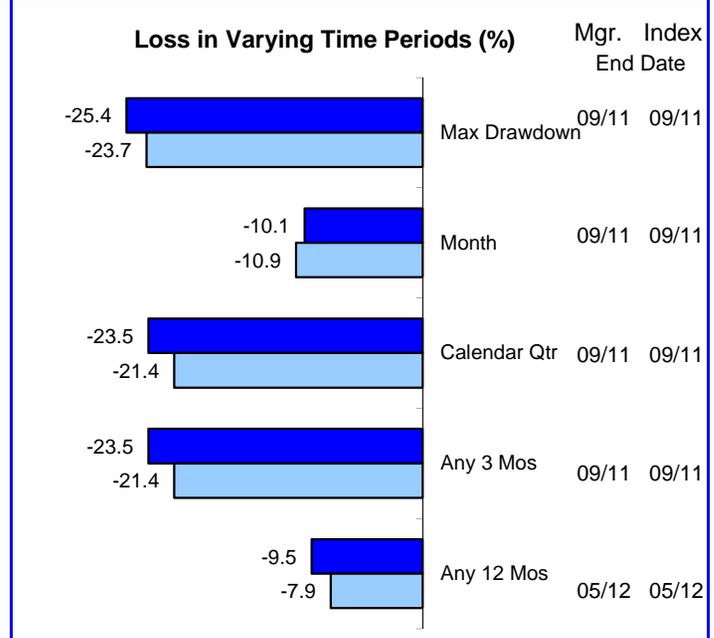
AS OF 03/31/2014



Perimeter - Small Cap Growth
Russell 2500 Gr

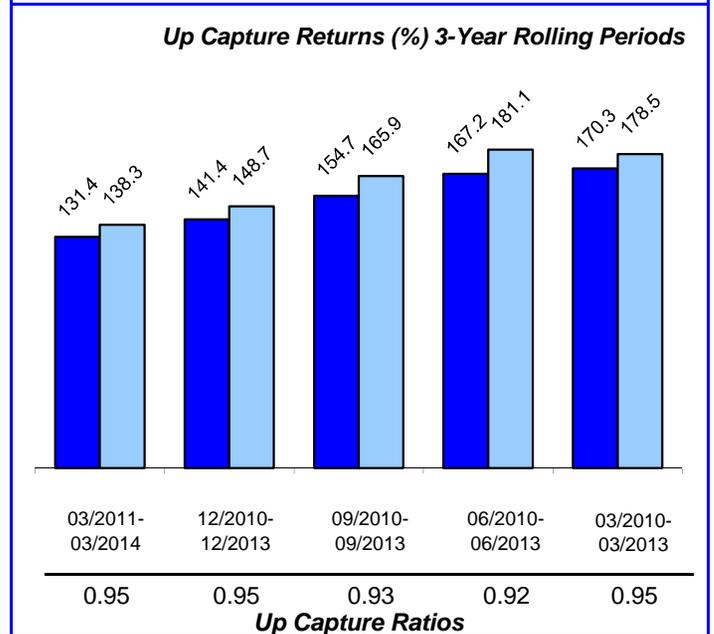
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Ormond Beach Fire - Perimeter

Composition		
Summary	ORMOND FIRE PER	RU2500-G
No of Securities	80	1,459
% Bmrk Holdings	70.34	100.00
% Active Share	89.14	0.00
% Top 25 Holdings	41.92	11.09
% Top 15 Holdings	26.98	7.20

Sector Allocation		
Sector Name	ORMOND FIRE PER	RU2500-G
Energy	4.96	4.38
Materials	3.22	7.67
Industrials	26.40	18.59
Consumer Discretionary	15.12	18.13
Consumer Staples	1.99	3.60
Health Care	16.27	16.88
Financials	7.81	8.13
Information Technology	23.26	21.02
Telecomm Service		1.01
Utilities		0.60
N/A	0.97	

Characteristics		
Characteristic	ORMOND FIRE PER	RU2500-G
Market Cap - Weighted Median	4,399,312,875.38	4,054,325,742.84
Price / Book	3.44	4.29
P/E NTM	18.59	23.37
Dividend Yield	0.48	0.79
EPS Growth NTM	15.39	22.96
Ret Eq	18.93	10.27

Top Equity Holdings	
Name	ORMOND FIRE PER
MEDNAX INC	2.30
SS&C TECHNOLOGIES HOLDINGS INC	2.13
GRAND CANYON EDUCATION INC	2.05
COPART INC	1.84
MICHAEL KORS HOLDINGS LTD	1.79
Total: 10.11	

Disclaimer

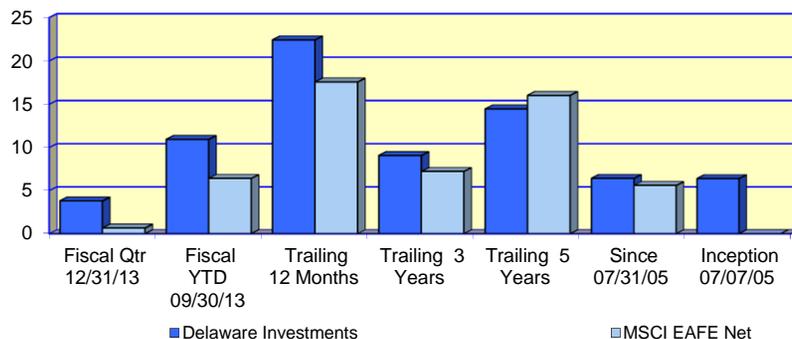
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EXECUTIVE SUMMARY

Ormond Beach Firefighters Delaware Investments

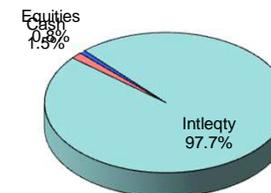
AS OF 03/31/2014

Portfolio Performance(%)



Asset Allocation (\$'000)

Equities	Intleqy	Cash	Total
8	987	15	1,011



Investment Returns (%)	Fiscal Qtr Since: 12/31/13	Fiscal YTD 09/30/13	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 07/31/05	Inception 07/07/05
Delaware Investments	3.80	10.94	22.42	9.08	14.46	6.41	6.39
MSCI EAFE Net	0.66	6.41	17.57	7.22	16.02	5.60	N/A

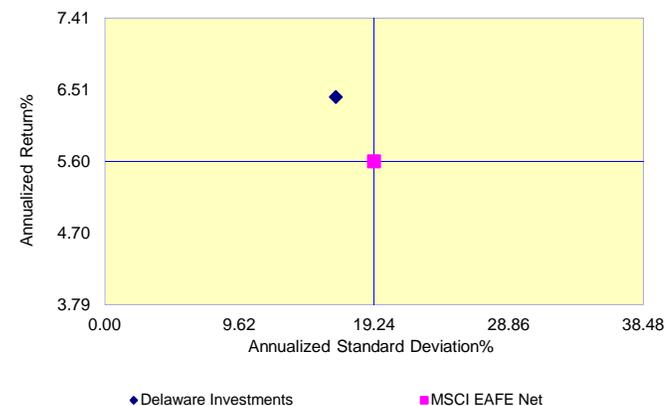
Asset Growth (\$'000)

	Fiscal Qtr Since: 12/31/13	Fiscal YTD 09/30/13	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 07/31/05	Inception 07/07/05
Beginning Market Value	976	914	832	796	913	1,335	1,310
Net Contributions & Withdrawals	-2	-4	-7	-18	-448	-805	-784
Gain/Loss + Income	37	101	186	233	546	481	485
Ending Market Value	1,011	1,011	1,011	1,011	1,011	1,011	1,011

Portfolio Characteristics

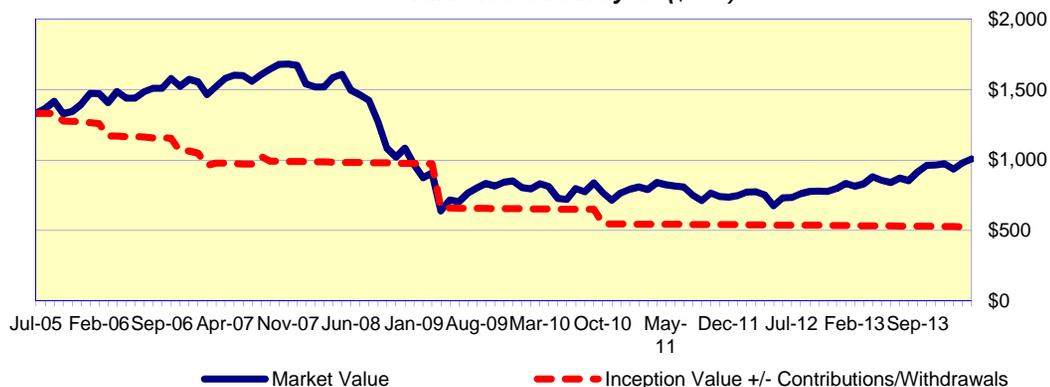
Yield	N/A	Account Sharpe Ratio	0.30
Beta	0.82	Index Sharpe Ratio	0.21
Alpha	1.30%		
R ²	92%		

Risk / Return Analysis Since 07/31/2005



Annualized %	Return	Std. Dev.
Delaware Investments	6.41	16.50
MSCI EAFE Net	5.60	19.24

Value-Added Analysis (\$'000)



MANAGER PERFORMANCE ANALYSIS

Ormond Beach Firefighters Delaware Investments

As Of 03/31/2014

Growth of \$100 Graph

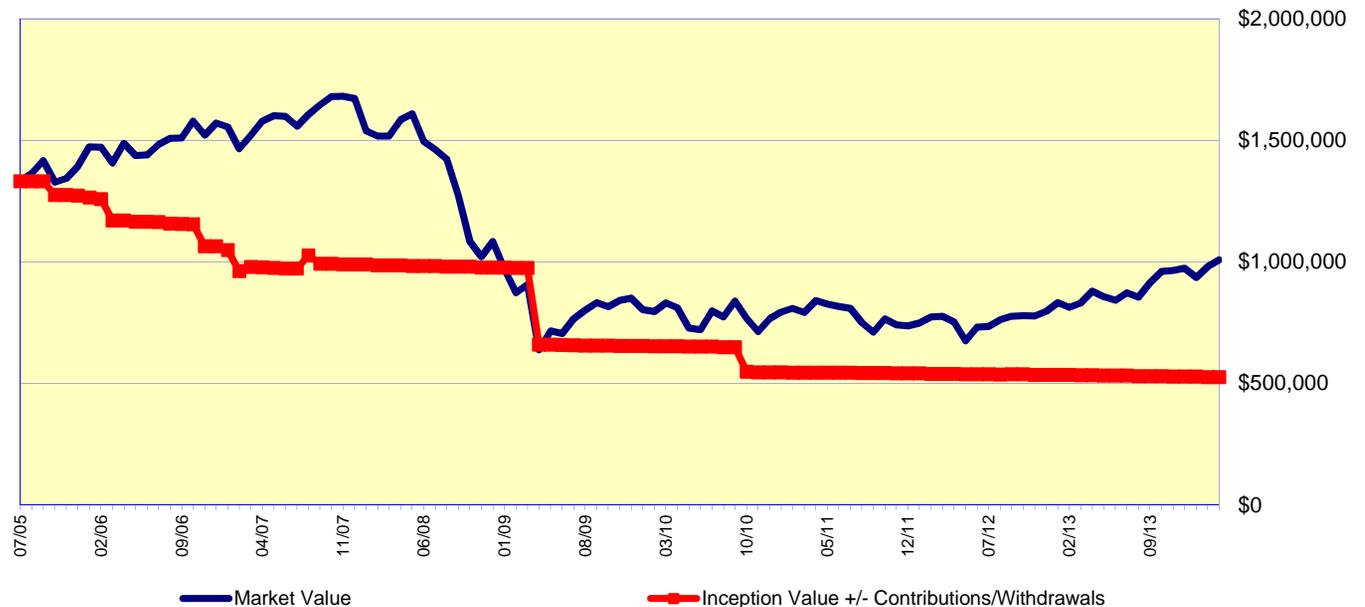
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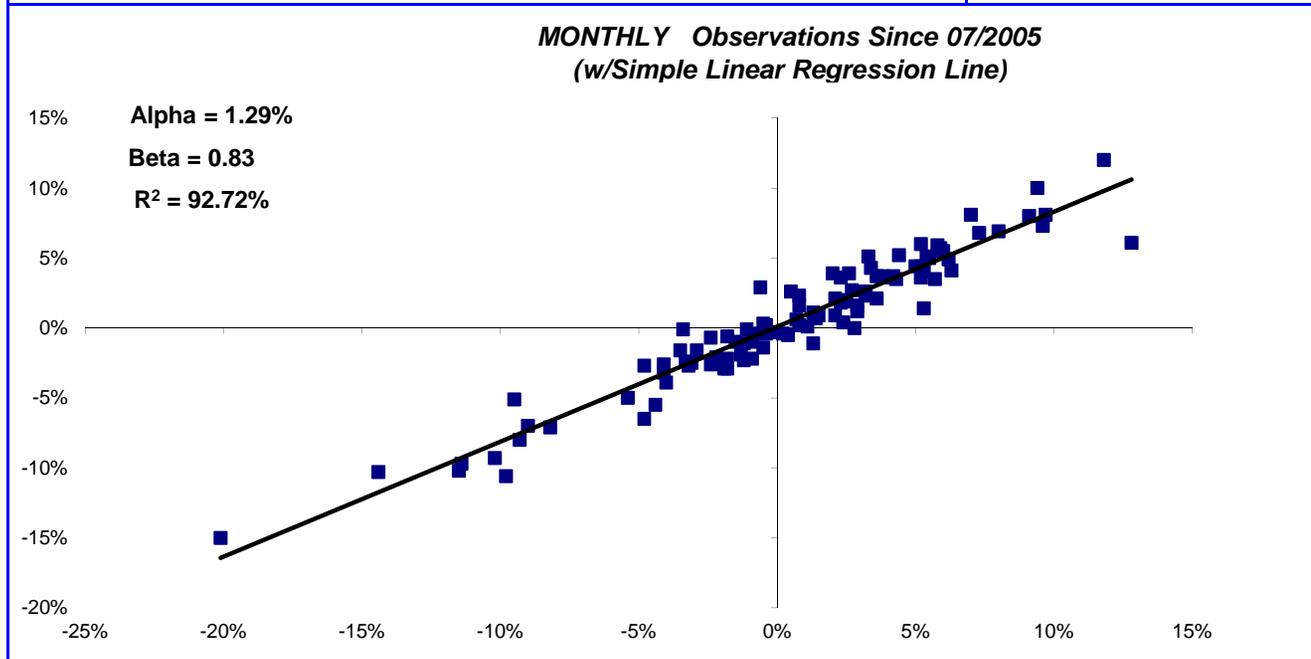
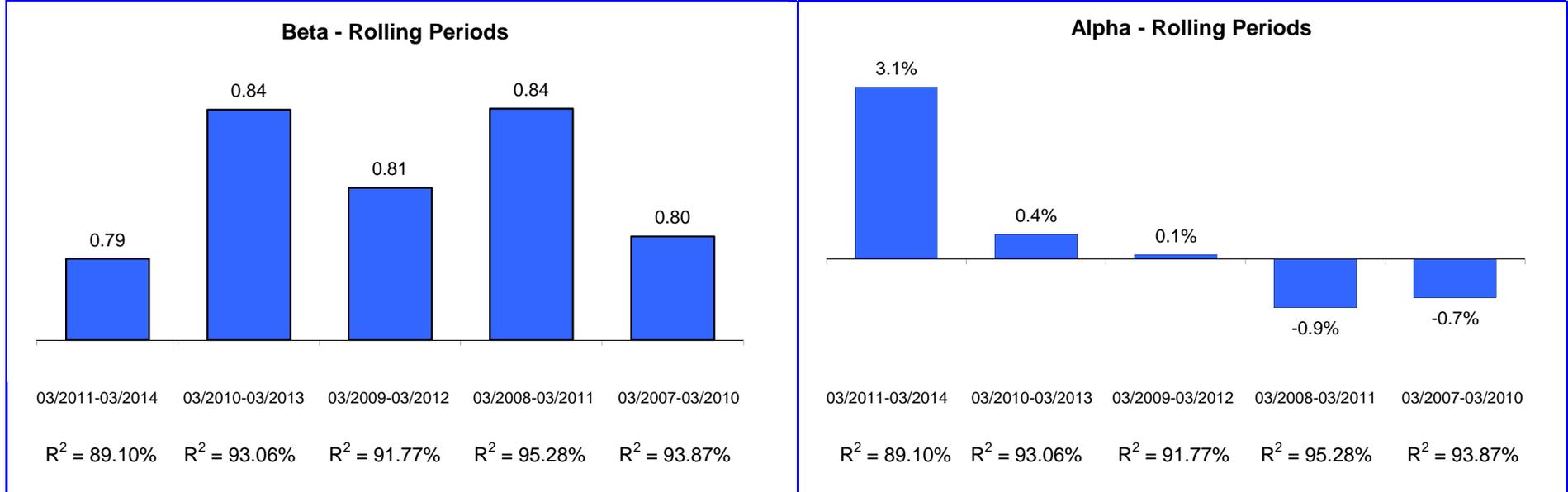
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MODERN PORTFOLIO THEORY

Ormond Beach Firefighters Delaware Investments

AS OF 03/31/2014



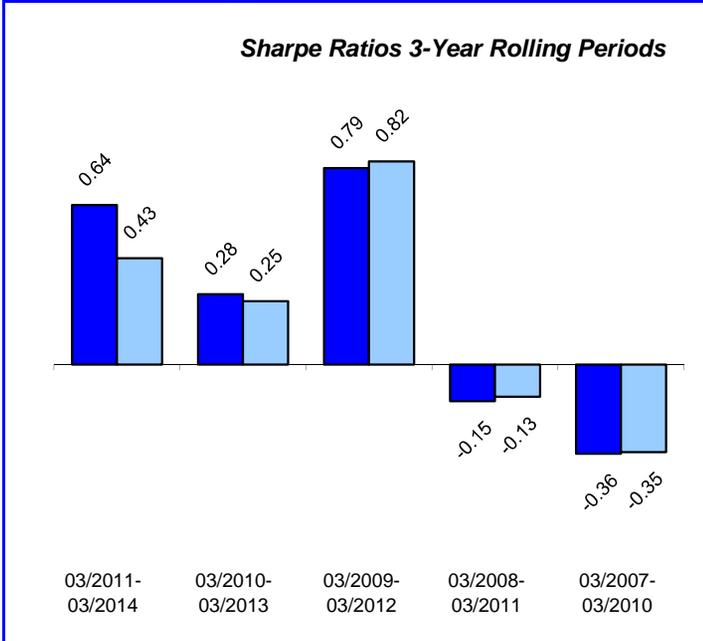
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Graph Notes: The Index is represented on the horizontal (X) axis, and the Fund is represented on the vertical (Y) axis. Both the Index and Fund are adjusted by 90-day Treasury Bills.

MANAGER RISK ANALYSIS

Ormond Beach Firefighters

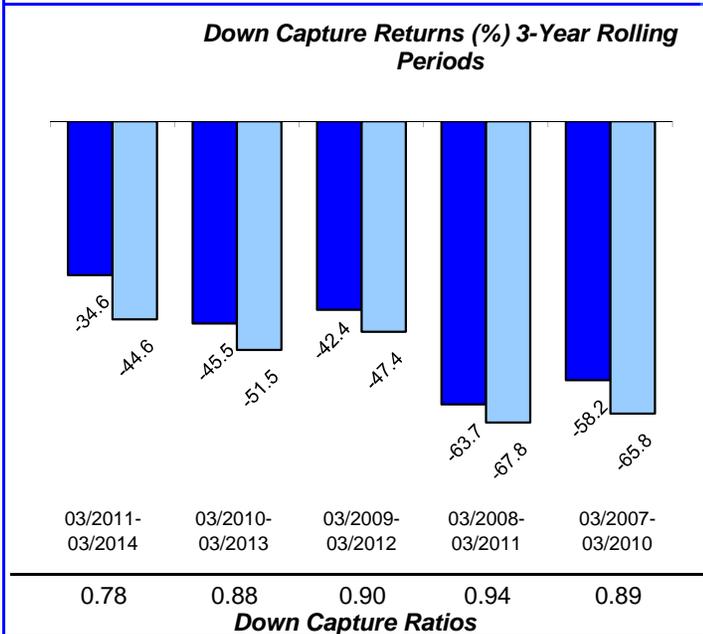
AS OF 03/31/2014



Delaware Investments
MSCI EAFE Net

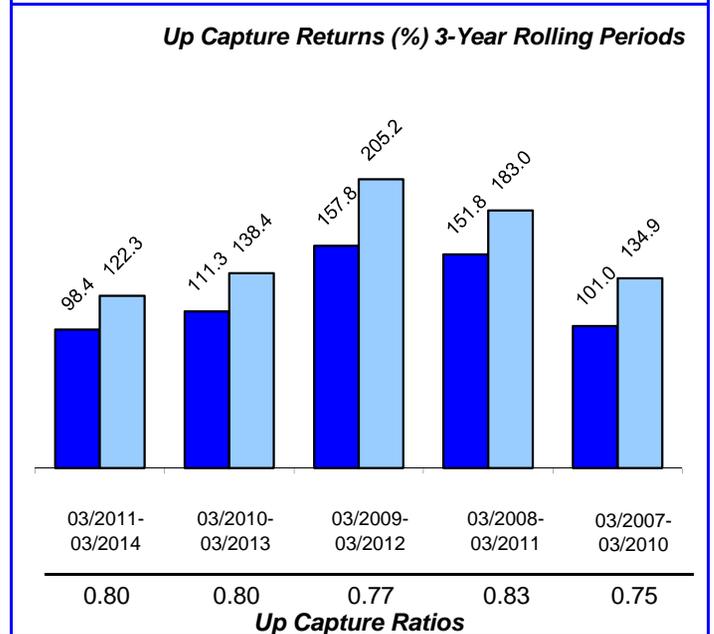
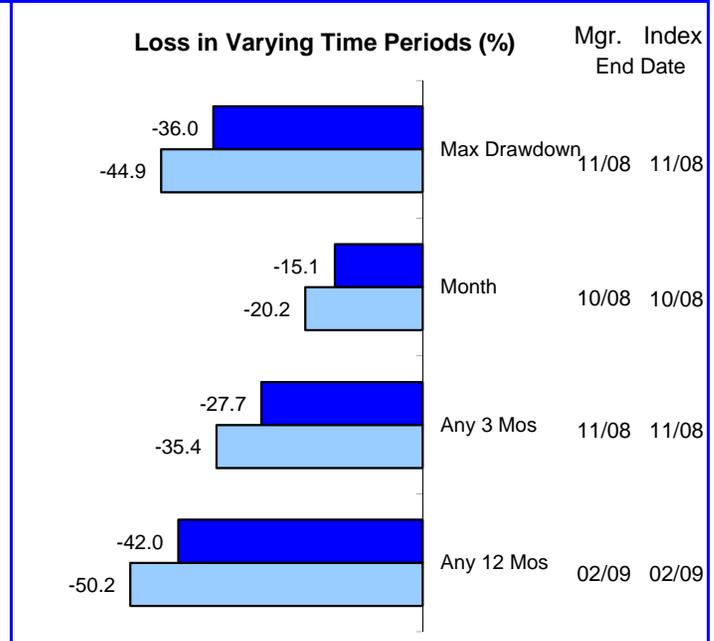
Sharpe Ratio divides excess return by standard deviation to arrive at a unified measure of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index

Loss in Varying Time Periods measures the greatest loss experienced in each of five different historical time periods. Maximum Drawdown in the longest sustained loss since the inception of the account (The fund and index may have different begin and end dates.) *No representation is made that these amounts represent maximum future loss.*



Down Capture is the measure of the fund's total return whenever the index returns are negative.

Up Capture is the measure of the fund's total return whenever the

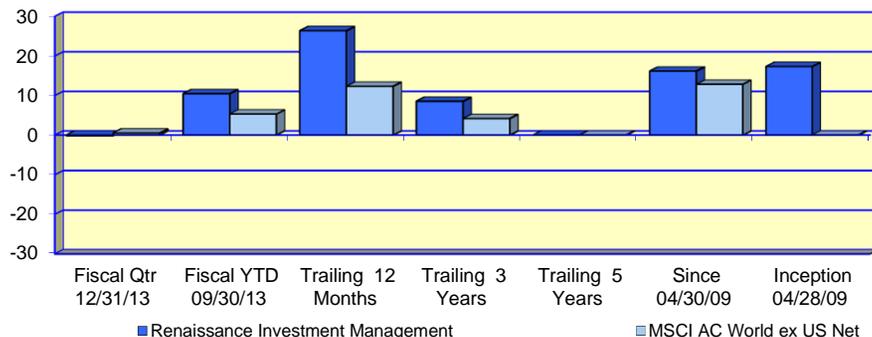


EXECUTIVE SUMMARY

Ormond Beach Firefighters Renaissance Investment Management

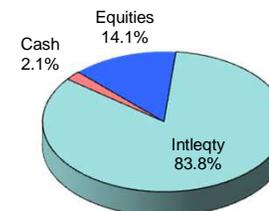
AS OF 03/31/2014

Portfolio Performance(%)



Asset Allocation (\$000)

Equities	Intleqy	Cash	Total
159	947	24	1,130



Investment Returns (%)	Fiscal Qtr Since: 12/31/13	Fiscal YTD 09/30/13	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 04/30/09	Inception 04/28/09
Renaissance Investment Management	-0.20	10.47	26.36	8.53	N/A	16.15	17.32
MSCI AC World ex US Net	0.51	5.30	12.32	4.16		12.83	N/A

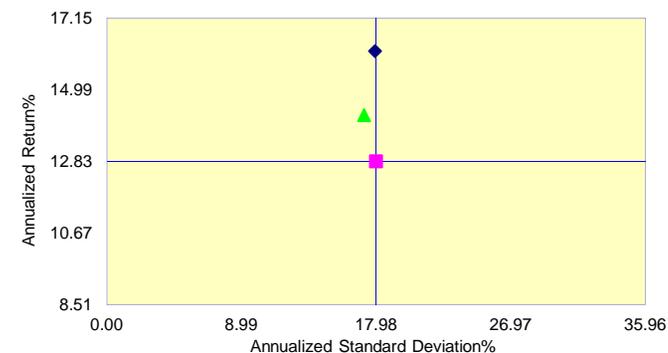
Asset Growth (\$000)

	Fiscal Qtr Since: 12/31/13	Fiscal YTD 09/30/13	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 04/30/09	Inception 04/28/09
Beginning Market Value	1,134	1,026	900	901	N/A	611	0
Net Contributions & Withdrawals	-2	-4	-7	-17	N/A	-96	495
Gain/Loss + Income	-2	108	237	246	N/A	615	635
Ending Market Value	1,130	1,130	1,130	1,130	N/A	1,130	1,130

Portfolio Characteristics

Yield	N/A	Account Sharpe Ratio	0.89
Beta	0.94	Index Sharpe Ratio	0.70
Alpha	3.74%		
R ²	89%		

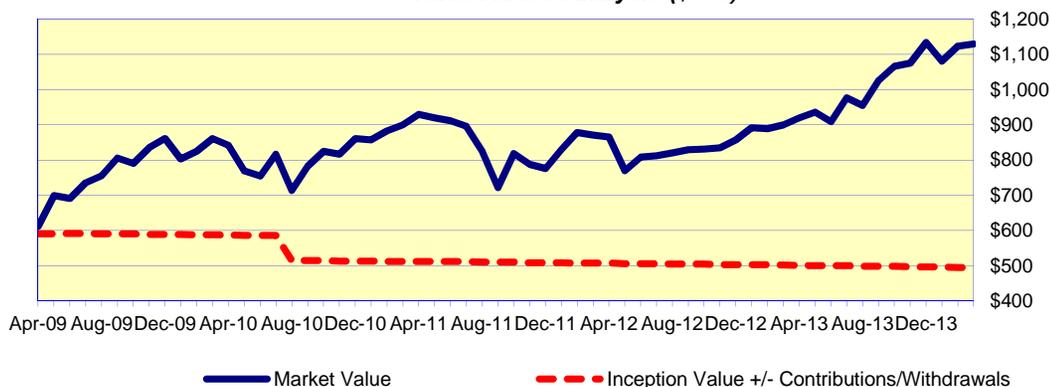
Risk / Return Analysis Since 04/30/2009



◆ Renaissance Investment Management ■ MSCI AC World ex US Net ▲ MSCI EAFE Gr Net

Annualized %	Return	Std. Dev.
Renaissance Investment Management	16.15	17.92
MSCI AC World ex US Net	12.83	17.98
MSCI EAFE Gr Net	14.22	17.19

Value-Added Analysis (\$000)



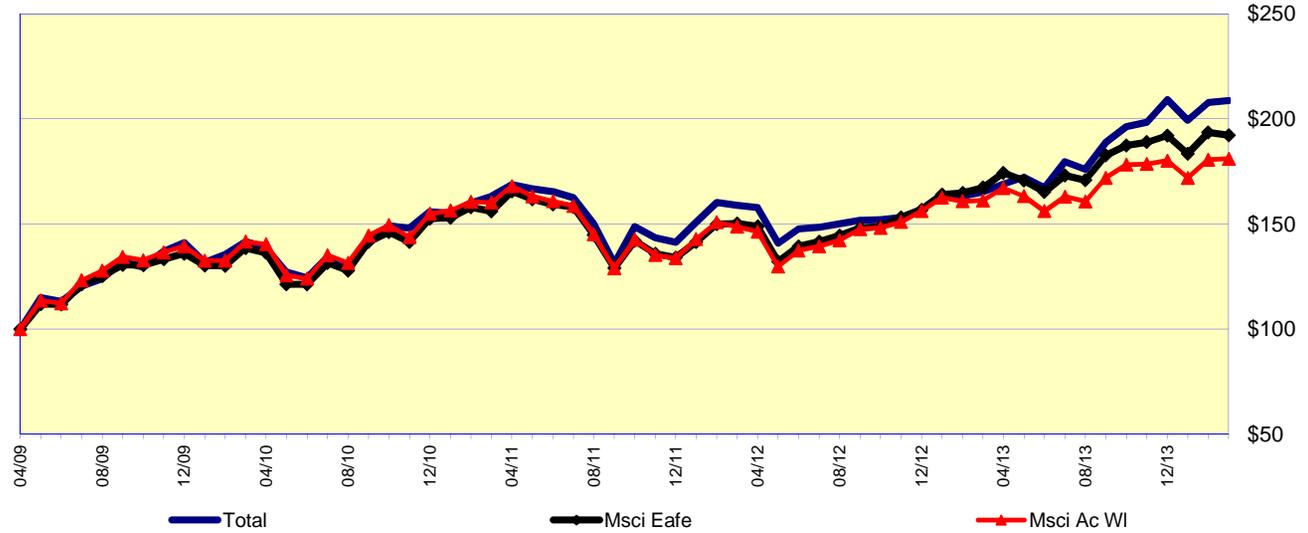
MANAGER PERFORMANCE ANALYSIS

Ormond Beach Firefighters Renaissance Investment Management

As Of 03/31/2014

Growth of \$100 Graph

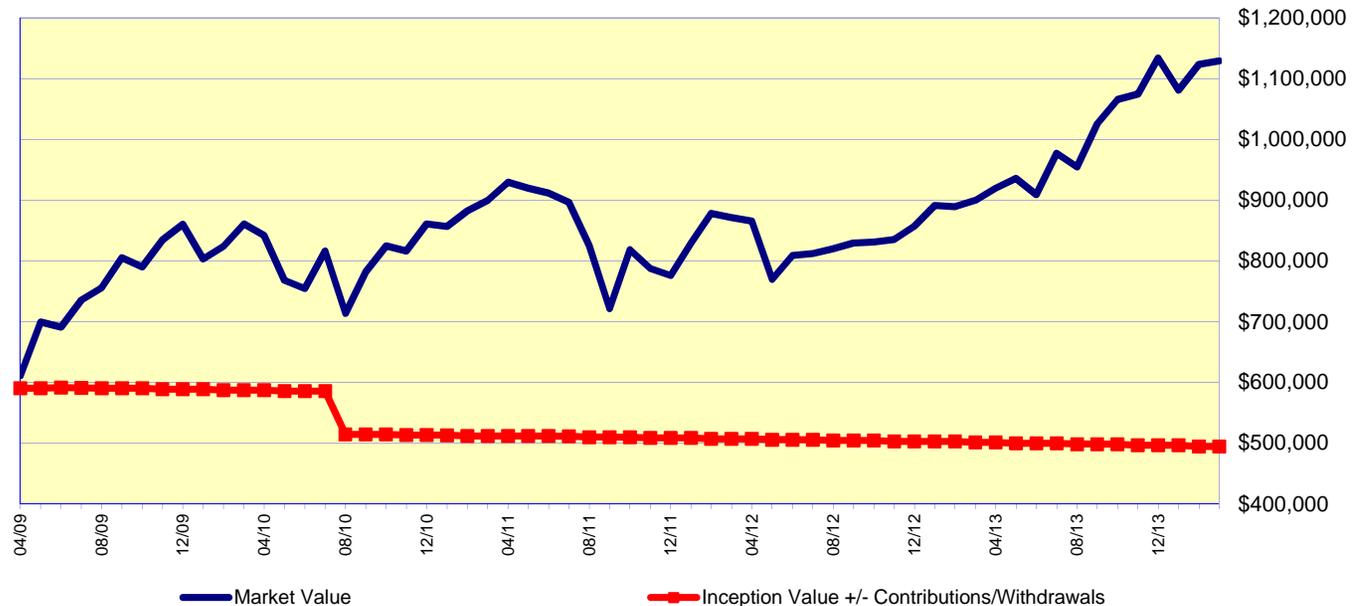
This graph depicts how \$100, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



Value Added Graph

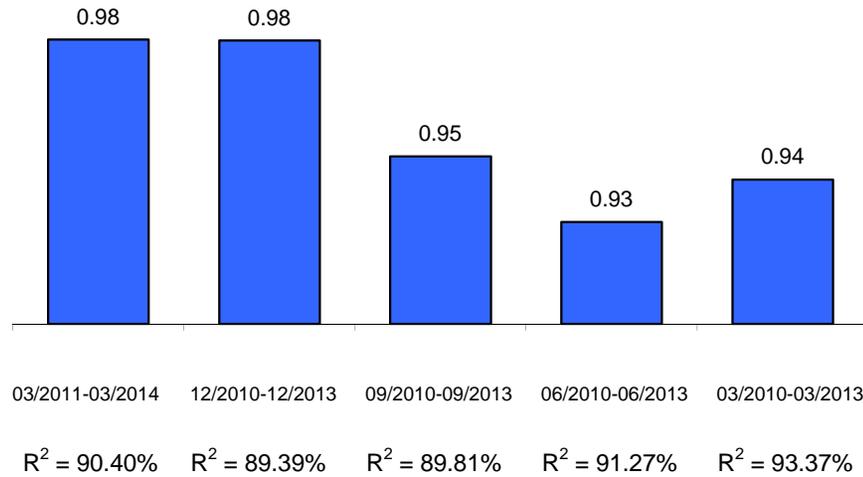
This exhibit is useful in determining how the portfolio has been affected by the investment process.

One of the graph lines denotes the period-end market values of the portfolio over time. This is simply a visual representation of the ebb and flow of the portfolio's market value period-to-period. The other line represents the original dollars invested adjusted for contributions or withdrawals.

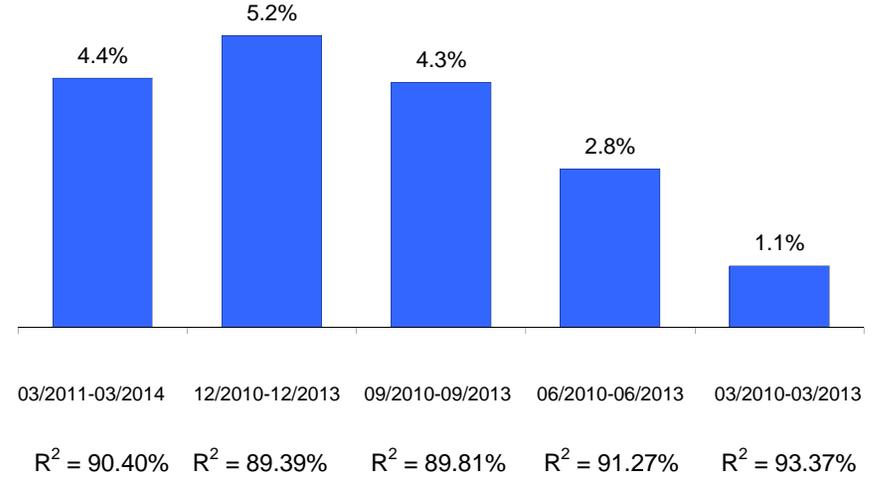


MODERN PORTFOLIO THEORY

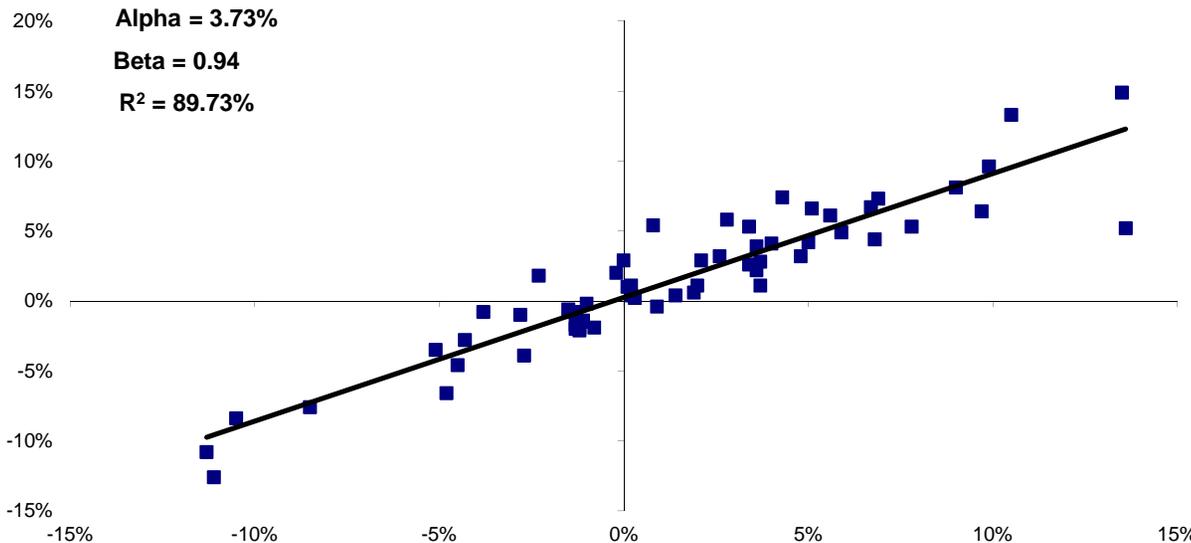
Beta - Rolling Periods



Alpha - Rolling Periods



**MONTHLY Observations Since 04/2009
(w/Simple Linear Regression Line)**



Modern Portfolio Theory seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk. **Alpha** is a measure of a portfolio's return in excess of the market return, both adjusted for risk. A positive alpha indicates that the portfolio outperformed the market on a risk-adjusted basis, and a negative alpha indicates the portfolio did worse than the market. **Beta** is a measure of the sensitivity of a portfolio's rate of return against that of the market. A beta greater than 1.00 indicates volatility greater than the market. **R²** is a measure that indicates the extent to which fluctuations in portfolio returns are correlated with those of the general market. An R-squared of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

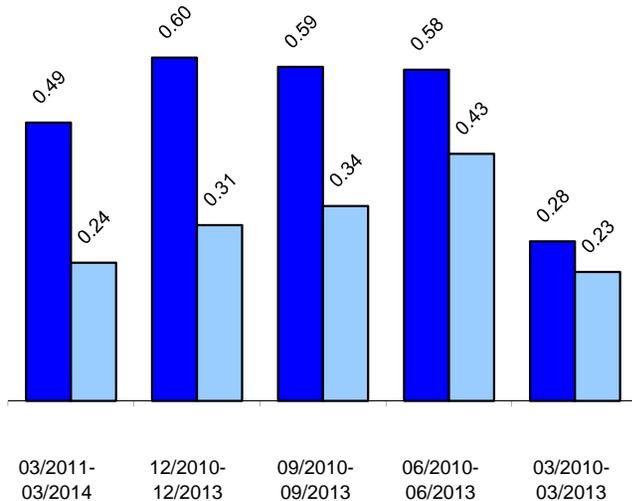
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MANAGER RISK ANALYSIS

Ormond Beach Firefighters

AS OF 03/31/2014

Sharpe Ratios 3-Year Rolling Periods

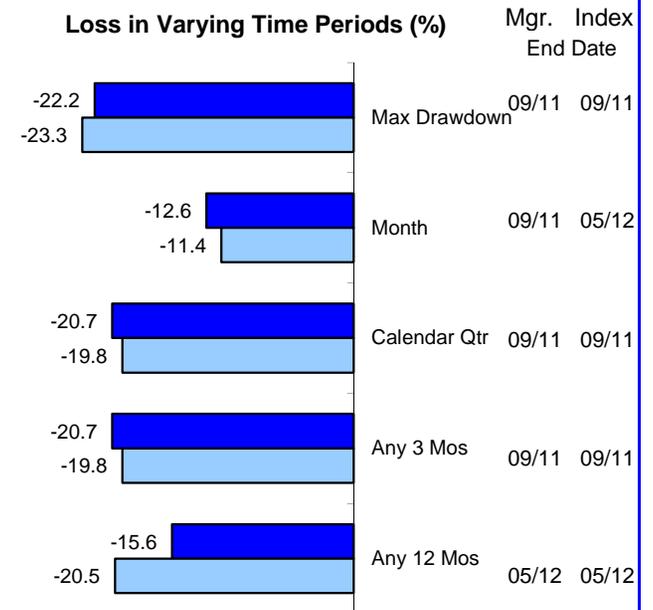


Renaissance Investment
MSCI AC World ex US Net

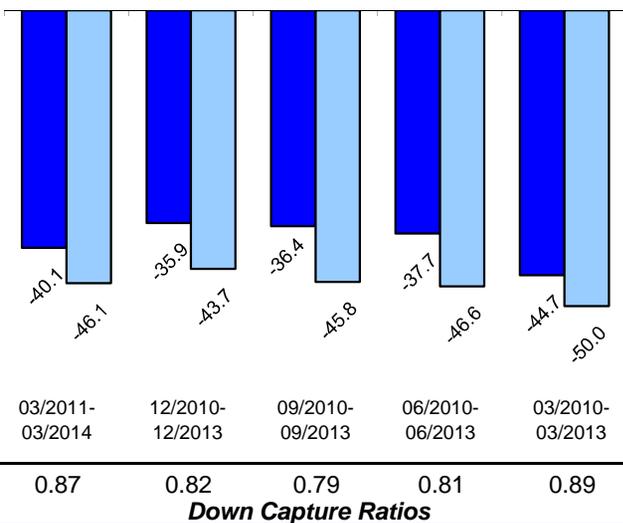
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Loss in Varying Time Periods (%)



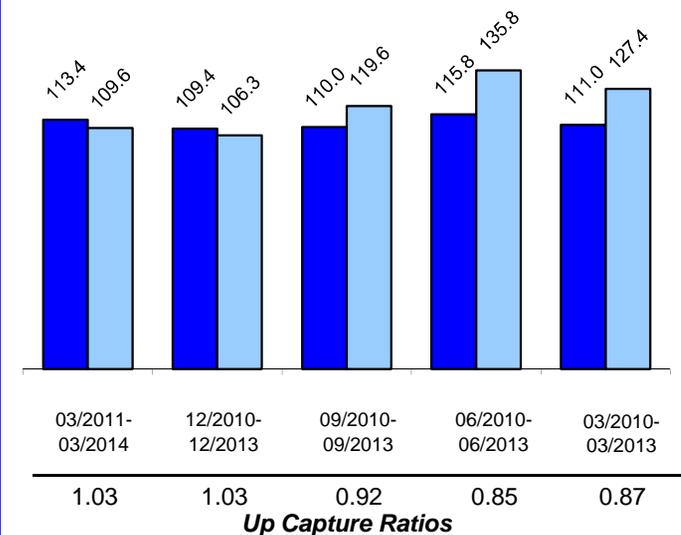
Down Capture Returns (%) 3-Year Rolling Periods



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Up Capture Returns (%) 3-Year Rolling Periods

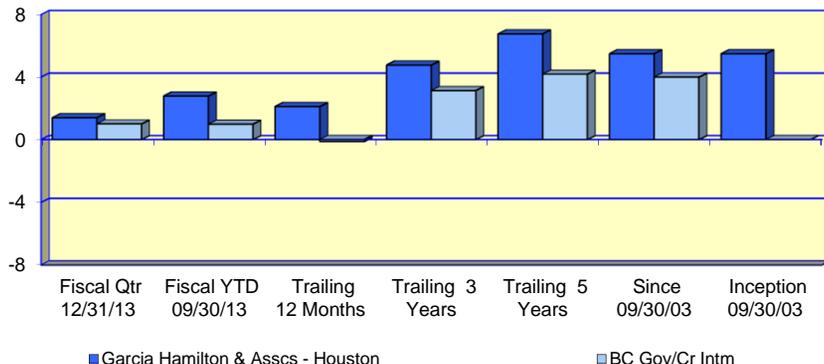


EXECUTIVE SUMMARY

Ormond Beach Firefighters Garcia Hamilton & Asscs - Houston

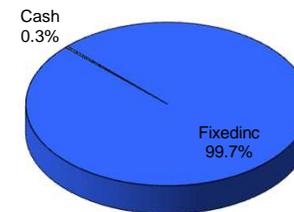
AS OF 03/31/2014

Portfolio Performance (%)



Asset Allocation (\$000)

Fixedinc	Cash	Total
6,712	18	6,730



Portfolio Characteristics

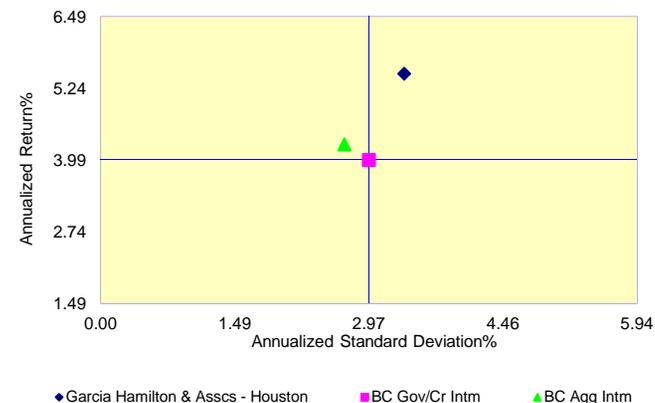
	Portfolio	Index
Duration	4.40 years	3.88 years
Yield-to-Maturity	2.84%	1.59%

Investment Returns (%)	Since:	Fiscal Qtr 12/31/13	Fiscal YTD 09/30/13	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 09/30/03	Inception 09/30/03
Garcia Hamilton & Asscs - Houston		1.40	2.78	2.11	4.76	6.76	5.49	5.49
BC Gov/Cr Intm		1.00	0.98	-0.12	3.13	4.18	3.99	N/A

Asset Growth (\$000)

	Fiscal Qtr 12/31/13	Fiscal YTD 09/30/13	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 09/30/03	Inception 09/30/03
Beginning Market Value	6,193	6,114	6,162	5,477	4,271	2,295	0
Net Contributions & Withdrawals	451	446	438	433	760	2,132	4,428
Gain/Loss + Income	86	170	130	820	1,699	2,303	2,302
Ending Market Value	6,730	6,730	6,730	6,730	6,730	6,730	6,730

Risk / Return Analysis Since 09/30/2003



Quality Ratings

	Portfolio	Index
AAA/Gov't/Agency	54%	68%
AA	2%	6%
A	24%	11%
BAA	19%	16%
Other	0%	0%

Asset Breakdown

	Portfolio	Index
U.S. Obligations	7%	61%
Government Agencies	7%	8%
Mortgages & Asset Backed	45%	0%
Corporates	41%	30%

Annualized %	Return	Std. Dev.
Garcia Hamilton & Asscs - Houston	5.49	3.36
BC Gov/Cr Intm	3.99	2.97
BC Agg Intm	4.26	2.70

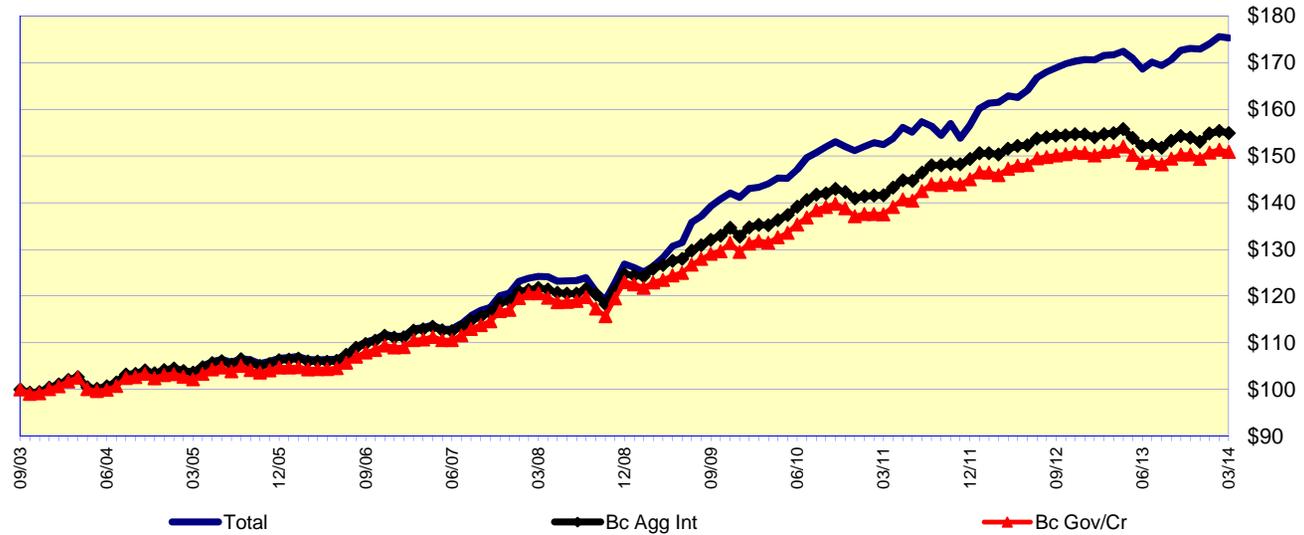
MANAGER PERFORMANCE ANALYSIS

Ormond Beach Firefighters Garcia Hamilton & Asscs - Houston

As Of 03/31/2014

Growth of \$100 Graph

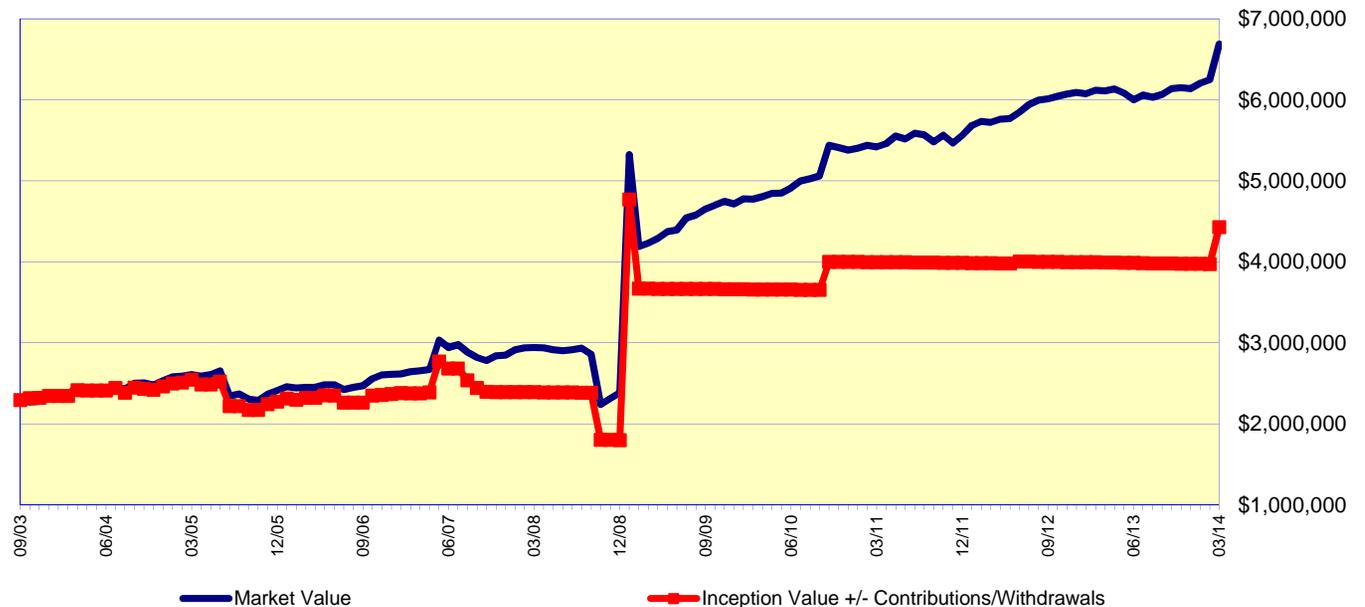
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Value Added Graph

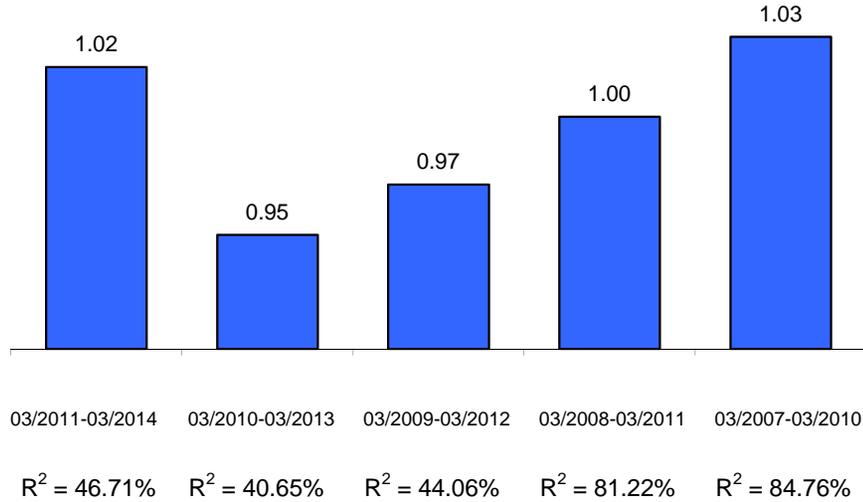
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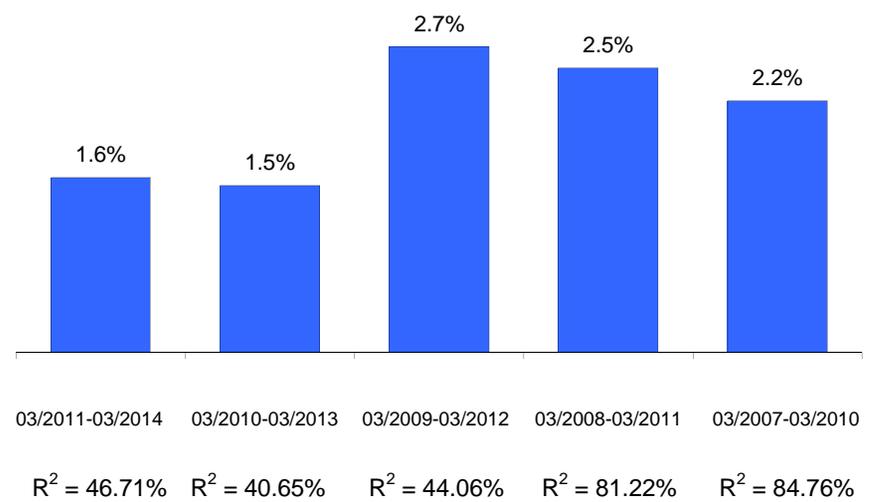


MODERN PORTFOLIO THEORY

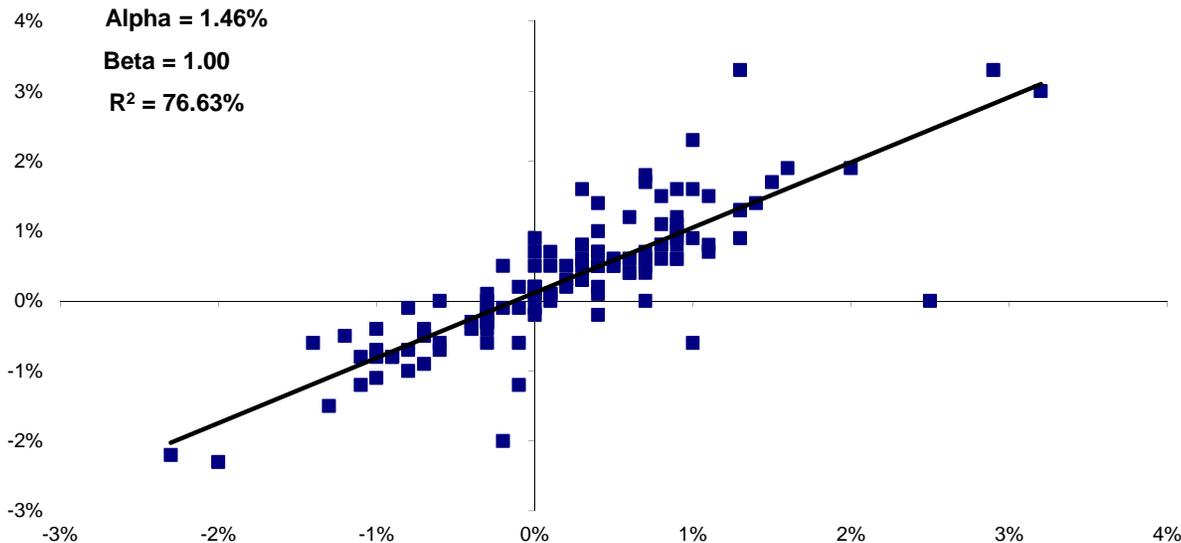
Beta - Rolling Periods



Alpha - Rolling Periods



MONTHLY Observations Since 09/2003 (w/Simple Linear Regression Line)



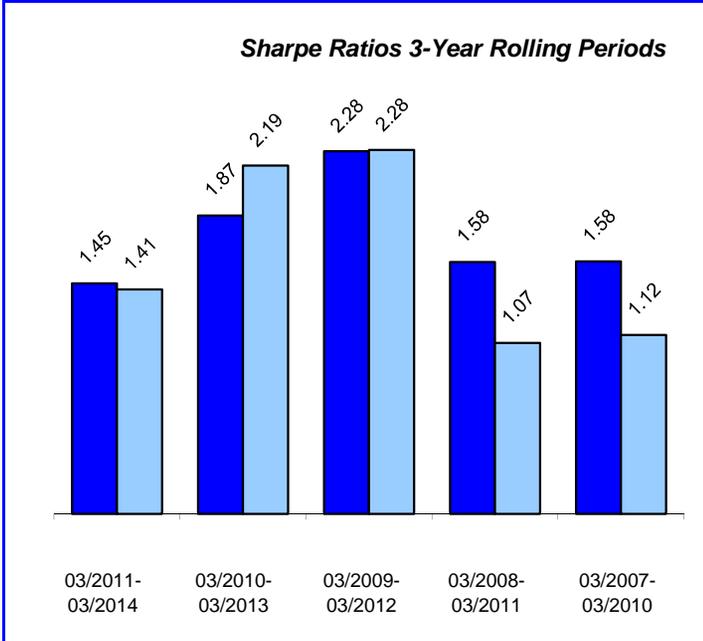
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MANAGER RISK ANALYSIS

Ormond Beach Firefighters

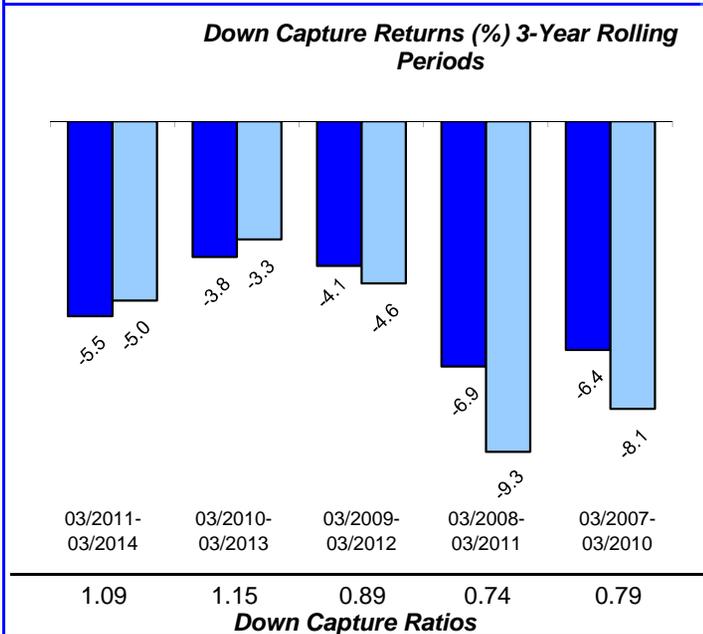
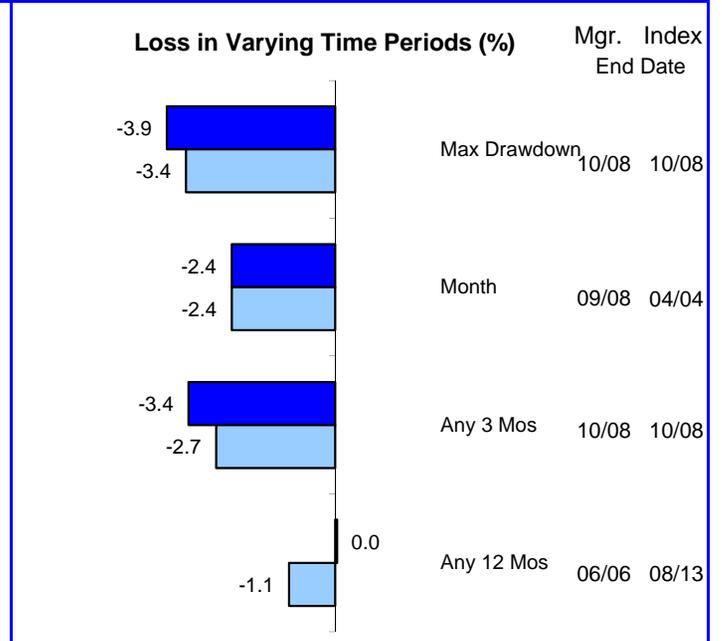
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■ Garcia Hamilton & Asscs - Hous
■ BC Gov/Cr Intm

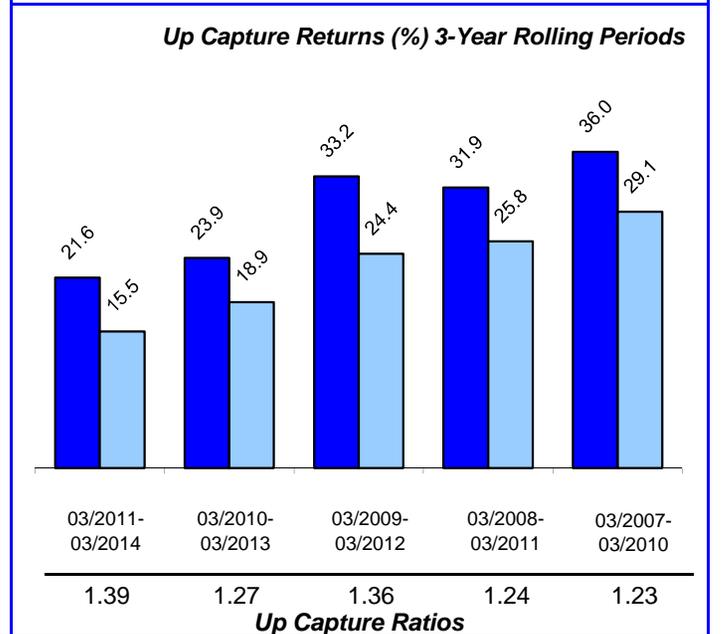
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Information Disclosures

Please notify your Financial Advisor if there have been any changes in your financial situation or investment objectives, or if you wish to impose any reasonable restrictions on the management of your Investment Advisory accounts, or to reasonably modify existing restrictions.

For a copy of the applicable Form ADV Disclosure Document for Morgan Stanley Smith Barney LLC, or for any Investment Adviser with whom we contract to manage your investment advisory account, please contact your Financial Advisor. These Disclosure Documents contain important information about advisory programs.

Sources and Intent

This investment evaluation is directed only to the client for whom the evaluation was performed. The underlying data has been obtained from sources the Firm believes to be reliable but we do not guarantee their accuracy, and any such information may be incomplete or condensed. This evaluation is for informational purposes only and is not intended to be an offer, solicitation, or recommendation with respect to the purchase or sale of any security or a recommendation of the services supplied by any money management organization. Past performance is not a guarantee of future results. Performance for periods greater than one year is annualized. The information contained herein was prepared by your Financial Advisor and does not represent an official statement of your account at the Firm (or other outside custodians, if applicable.) Please refer to your monthly statement for a complete record of your transactions, holdings and balances.

This Performance Report may show the consolidated performance of some, but not necessarily all, of your Morgan Stanley accounts. In addition, it may show the full performance history of your accounts or just the performance of your accounts since inception in their current Morgan Stanley programs. In some cases, it may show the combined performance of brokerage accounts and advisory accounts. It is important that you understand the combination of accounts and account histories that are included in this Performance Report. Upon your request, performance information can be obtained for other accounts you may have with us, but which are not shown here.

Accounts included in this Performance Report may have had different investment objectives, been subject to different rules and restrictions, and incurred different types of fees, mark-ups, commissions, and other charges. Accordingly, the performance results for this portfolio may blend the performance of assets and strategies that may not have been available in all of your accounts at all times during the reporting period. Please consult your Financial Advisor for more information about the fees and expenses applicable to the accounts included in this Performance Report.

Gross Rates of Return

The investment returns in this report are your gross returns before deducting investment management fees and any Select Retirement fees. For more details on fees, please see your client contract, the applicable Morgan Stanley ADV brochure and any applicable Select Retirement prospectus. Your actual returns are lower, after deducting expenses that may include, for example, investment management fees and trade commissions. As fees are deducted quarterly, the compounding effect increases the impact of the fees by an amount directly related to the gross account performance. For example, on an account with a 2% fee, if the gross performance is 10%, the compounding effect of the fees results in a net performance of approximately 7.81%. Returns in excess of one year are annualized.

Advisory Notice

The Fiduciary Services-Affiliated Program and the Fiduciary Services-Unaffiliated Manager Program are separate and distinct advisory programs. Absent your written authorization, assets may only be transferred among managers within the particular program.

List of Composite Accounts

The Composite account presentation includes the following accounts: Total Fund, 001-029024, 001-040253, 001-053633, 001-060287, 001-062126, 001-063120, 001-063090, 001-063123, 002-000740.

Composite Index Definition

The Composite account's benchmark comprises the BC Gov/Cr Intm, MSCI EAFE Net, Russell 1000 Gr, Russell 2500 VI, 90-Day T-Bills, Russell 2500 Gr, Russell 1000 VI, MSCI AC World ex US Net, Russell 1000 Gr, indices in the same asset mix as your portfolio. The mix is adjusted monthly based on changes in your portfolio.

International History:

Until 4th quarter 1997, International equities were included within the Domestic equity category for performance presentation. For asset allocation purposes, they are reflected beginning Jan.1, 1998.

Bond Average

Please note that all averages calculated are weighted averages meaning that the calculation takes into account the par value of each position. CMO's and Asset Backed securities are excluded from the calculation. Any bonds that are non-rated by both Moody's and S&P are excluded from the average rating calculation.

Fiscal Year

Total Fund's fiscal year ends on 2014/09

Acct# 001-029024's fiscal year ends on 2014/09

Acct# 001-040253's fiscal year ends on 2014/09

Acct# 001-053633's fiscal year ends on 2014/09

Acct# 001-060287's fiscal year ends on 2014/09

Acct# 001-062126's fiscal year ends on 2014/09

Acct# 001-063120's fiscal year ends on 2014/09

Acct# 001-063090's fiscal year ends on 2014/09

Acct# 001-063123's fiscal year ends on 2014/09

Acct# 002-000740's fiscal year ends on 2014/09

International and Small Capitalization Securities

To the extent the investments depicted herein represent international securities, you should be aware that there may be additional risks associated with international investing involving foreign, economic, political, and/or legal factors. International investing may not be for everyone. In addition, small capitalization securities may be more volatile than those of larger companies, but these companies may present greater growth potential.

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Additional Information about your Floating Rate Notes

For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Alpha

Alpha is the value added by active management of the portfolio's assets, given the risk of that portfolio. In other words, alpha is equal to the incremental return earned by the manager when the market is flat or stationary. An alpha of zero indicates that the manager earned the exact return dictated by the level of market risk (i.e., beta) of the portfolio. A positive alpha indicates that the manager has earned, on average, more than the portfolio's level of market risk would have dictated. A negative alpha indicates that the manager has earned, on average, less than the portfolio's level of market risk would have dictated. Alpha is the Y-intercept of the least squares regression line.

Beta

Beta is the systematic risk of the portfolio. Measured by the slope of the least squares regression, beta is the measure of portfolio risk which cannot be removed through diversification. Beta is also known as market risk. Beta is a statistical estimate of the average change in the portfolio's performance with a corresponding 1.0 percent change in the risk index. A beta of 1.0 indicates that the portfolio moves, on average, lock step with the risk index. A beta in excess of 1.0 indicates that the portfolio is highly sensitive to movements in the risk index. A beta of 1.5, for example, indicates that the portfolio tends to move 1.5 percent with every 1.0 percent movement in the risk index. A beta of less than 1.0 indicates that the portfolio is not as sensitive to movements in the risk index. A beta of 0.5, for example, indicates that the portfolio moves only 0.5 percent for every 1.0 percent movement in the risk index.

R-Squared

R-squared, or the coefficient of determination, measures the strength of the least squares regression relationship between the portfolio (the dependent variable) and the risk index (the independent variable). The statistic reveals the extent to which the variability in the dependent variable is due to the variability in the independent variable. As such, R-squared measures how well the portfolio returns move in tandem with the returns of the risk benchmark. Though it is true that the higher the R-squared the better, an R-squared of less than 0.9 (i.e., 90 percent), indicates that the total fund does not track closely with the risk benchmark. The strength of the R-squared statistic will reflect on the strength of alpha and beta. A weak R-squared, for example, would indicate that alpha and beta cannot be strictly interpreted.

Brokerage Account

In a brokerage relationship, your Financial Advisor will work with you to facilitate the execution of securities transactions on your behalf. Your Financial Advisor also provides investor education and professional, personalized information about financial products and services in connection with these brokerage services. You can choose how you want to pay for these services and you will receive the same services regardless of which pricing option you choose. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts.

Asset classifications and performance calculation methodologies can differ among the various supplemental performance reports available through us. For example, some reports calculate Time Weighted performance using a weighted or Modified Dietz approach while others use a daily approach. In addition, some reports may display Dollar Weighted Returns. These differences can generate meaningful dispersions in the performance numbers displayed on different reports.