

**SUMMARY OF RELEVANT FACTS**  
**City of Ormond Beach General Employees' Pension Plan**  
**As of December 31, 2014**

<b>Distribution of Assets:</b>	
<b>Equity</b>	
Large Cap Value	\$10,099,601
Large Cap Growth	\$10,222,262
Small/Mid Cap Value	\$2,223,967
Small/Mid Cap Growth	\$2,381,010
International Value	\$1,944,703
International Growth	\$1,933,123
Total Equity	\$28,804,666
Fixed Income	\$13,471,411
Cash (R&D Account)	\$217,019
Total Portfolio	\$42,493,096

<b>Distribution by Percentages:</b>	<b>Policy</b>	<b>Current</b>
<b>Equity</b>		
Large Cap Value	22.5%	23.77%
Large Cap Growth	22.5%	24.06%
Small/Mid Cap Value	5.0%	5.23%
Small/Mid Cap Growth	5.0%	5.60%
International Value	5.0%	4.58%
International Growth	5.0%	4.55%
Total Equity	65.0%	67.79%
Fixed Income	35.0%	31.70%
Cash (R&D Account)	0.0%	0.51%
Total	100.0%	100.00%

**RECEIPTS & DISBURSEMENT**

Total Assets (Cash)	\$217,019
Gain or (Loss)	\$650

**Other Important Facts:**

Total Portfolio	\$42,493,096.38
Total Gain or (Loss) - Gross	\$1,284,084
Total Gain or (Loss) - Net	\$1,234,248
Total Fees	(\$49,836)

**HGK (Large Cap Value)**

Total Assets	100.00%	\$10,099,601
Equity	97.29%	\$9,825,967
Cash	<u>2.71%</u>	\$273,634
Fees		(\$10,109)
Gain or (Loss)		\$294,424

**SAWGRASS (Large Cap Growth)**

Total Assets	100.00%	\$4,999,232
Equity	98.37%	\$4,917,826
Cash	<u>1.63%</u>	\$81,406
Fees		(\$6,817)
Gain or (Loss)		\$289,088

**POLEN (Large Cap Growth)**

Total Assets	100.00%	\$5,223,030
Equity	98.17%	\$5,127,670
Cash	<u>1.83%</u>	\$95,360
Fees		(\$7,498)
Gain or (Loss)		\$489,018

**GW CAPITAL (Small/Mid Cap Value)**

Total Assets	100.00%	\$2,223,967
Equity	95.52%	\$2,124,367
Cash	<u>4.48%</u>	\$99,600
Fees		(\$4,255)
Gain or (Loss)		\$51,795

**ETF (Small/Mid Cap Growth)**

Total Assets	100.00%	\$2,381,010
Equity	99.11%	\$2,359,806
Cash	<u>0.89%</u>	\$21,204
Fees		(\$4,359)
Gain or (Loss)		\$128,761

**DELAWARE (International Value)**

Total Assets	100.00%	\$1,944,703
Equity	97.29%	\$1,892,014
Cash	<u>2.71%</u>	\$52,689
Fees		(\$3,924)
Gain or (Loss)		(\$58,736)

**RENAISSANCE (International Growth)**

Total Assets	100.00%	\$1,933,123
Equity	95.40%	\$1,844,156
Cash	<u>4.60%</u>	\$88,967
Fees		(\$3,489)
Gain or (Loss)		(\$93,204)

**GARCIA HAMILTON (Fixed Income)**

Total Assets	100.00%	\$13,471,411
Fixed Income	99.28%	\$13,374,927
Cash	<u>0.72%</u>	\$96,484
Fees		(\$9,385)
Gain or (Loss)		\$182,289

**BREAKDOWN OF RETURNS**  
**City of Ormond Beach General Employees' Pension Plan**  
**As of December 31, 2014**

**Actuarial Rate of Return = 7.00%**

<b>EQUITY HGK</b>		<b>Your Returns (Gross-of-Fees)</b>	<b>Your Returns (Net-of-Fees)</b>	<b>Russ 1000 Value</b>	<b>PSN Money Mgrs.</b>	<b>S&amp;P 500</b>
Quarter		3.00	2.90	4.99	4.44	4.93
1 Year		11.89	11.46	13.46	12.33	13.69
3 Year		20.47	20.01	20.90	19.57	20.42
5 Year		14.54	14.11	15.43	15.19	15.46
Since 4/30/2009		17.34	16.92	18.86	NA	18.85
<b>Sawgrass</b>				<b>Russ 1000 Growth</b>	<b>PSN Money Mgrs.</b>	<b>S&amp;P 500</b>
Quarter		6.13	5.98	4.79	4.80	4.93
1 Year		14.10	13.47	13.06	11.85	13.69
Since 4/30/2012		18.45	17.74	16.97	NA	18.17
Saw/Ren - 3 Year		21.33	20.64	20.26	20.38	20.42
Saw/Ren - 5 Year		15.07	14.43	15.82	15.18	15.46
Saw/Ren - Since 7/31/2007		6.96	6.37	8.64	NA	7.11
<b>Polen</b>				<b>Russ 1000 Growth</b>	<b>PSN Money Mgrs.</b>	<b>S&amp;P 500</b>
Quarter		10.32	10.16	4.79	4.80	4.93
1 Year		17.67	16.97	13.06	11.85	13.69
Since 4/30/2012		14.65	14.03	16.97	NA	18.17
<b>GW Capital</b>				<b>Russ 2500 Value</b>	<b>PSN Money Mgrs.</b>	
Quarter		2.38	2.18	6.09	5.51	
1 Year		1.76	0.98	7.11	10.68	
3 Year		16.62	15.76	19.41	20.02	
5 Year		15.32	14.47	15.48	16.58	
Since 10/31/2008		18.59	17.75	15.89	NA	
<b>ETF</b>				<b>Russ 2500 Growth</b>	<b>PSN Money Mgrs.</b>	
Quarter		5.71	5.51	7.48	5.17	
ETF/Perimeter- 1 Year		4.60	3.79	7.04	8.78	
ETF/Perimeter- 3 Year		18.83	17.96	20.47	19.65	
ETF/Perimeter- 5 Year		16.09	15.29	17.26	15.71	
ETF/Perimeter- Since 4/30/2009		18.71	17.92	20.73	NA	
<b>Delaware</b>				<b>MSCI EAFE (Net)</b>	<b>MSCI EAFE Val</b>	
Quarter		(2.93)	(3.12)	(3.57)	(4.85)	
1 Year		(0.17)	(0.93)	(4.90)	(5.38)	
3 Year		10.25	9.38	11.06	11.04	
5 Year		6.01	5.19	5.34	4.42	
Since 7/31/2005		5.35	4.55	4.51	3.87	

<b>Renaissance</b>				<b>MSCI AC Wd x US</b>	<b>MSCI EAFE Grth</b>		
	Quarter	(4.60)	(4.76)	(3.88)	(2.29)		
	1 Year	(4.07)	(4.71)	(3.87)	(4.42)		
	3 Year	12.45	11.73	9.00	11.03		
	5 Year	7.03	6.34	4.43	6.19		
	Since 4/30/2009	12.79	12.09	10.17	11.32		
<b>FIXED INCOME</b>							
<b>Garcia Hamilton</b>				<b>BC Int. Govt/Credit</b>	<b>BC Int. Aggregate</b>	<b>90-Day T-Bill</b>	
	Quarter	1.37	1.30	0.89	1.20	0.01	
	1 Year	4.58	4.32	3.12	4.11	0.03	
	3 Year	4.97	4.71	2.03	2.19	0.05	
	5 Year	5.22	4.96	3.54	3.72	0.07	
	Since 9/30/2003	5.53	5.25	3.92	4.23	1.40	
<b>TOTAL RETURN</b>							
<b>Time-Weighted Return</b>				<b>Policy Index</b>	<b>Composite Index</b>		
	Quarter	3.11	2.97	2.80	2.97		
	1 Year	8.00	7.46	7.31	7.60		
	3 Year	14.08	13.54	12.84	13.68		
	5 Year	10.79	10.28	10.56	11.14		
	Since 3/31/2001	6.44	5.96	6.18	6.83		
<b>TOTAL RETURN</b>							
<b>Dollar-Weighted Net</b>				<b>Actuarial Rate</b>	<b>CPI +4</b>		
	Quarter		2.95	1.71	0.36		
	1 Year		7.46	7.00	4.64		
	3 Year		13.51	7.00	5.35		
	5 Year		10.24	7.00	5.66		
	Since 3/31/2001		5.78	7.00	6.19		

*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

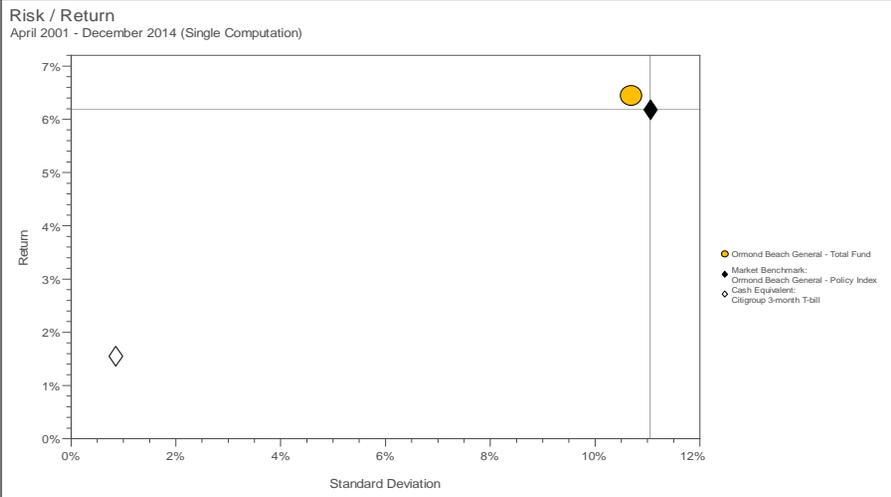
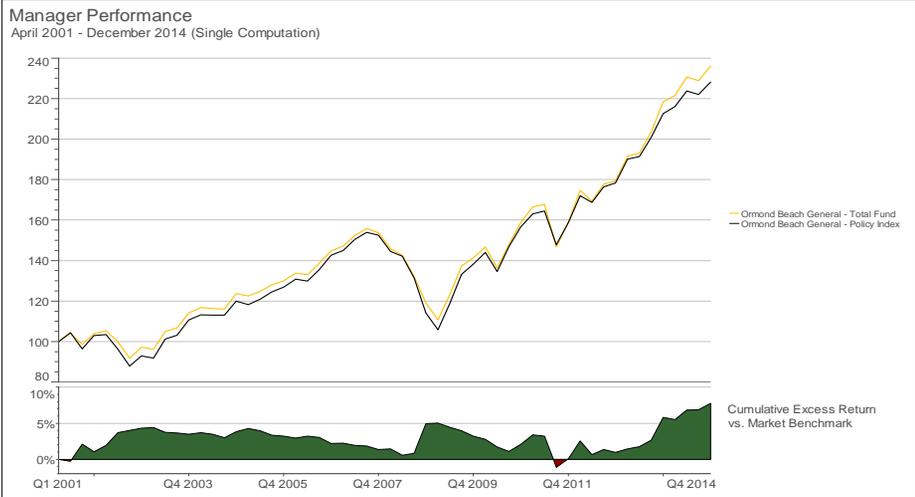
## Ormond Beach General Employees' Pension Fund

As of December 31, 2014

GUIDELINES	In Compliance	OBJECTIVES	Met
<b><u>Equity Portfolio</u></b>		<b><u>Total Portfolio</u></b>	
Listed on recognized exchange	Yes	Exceed Target Index - Since 3/31/2001	Yes
Single issue not to exceed 10% at market value for each equity separately managed portfolio	Yes	Exceed actuarial assumption (7.00%) - Since 3/31/2001	No
Each equity portfolio < 70% & > 60% of total fund at market value	Yes	<b><u>HGK</u></b>	
		Equities > Russell 1000 Value - Since 4/30/2009	No
		Rank in the Top 50% - Since 4/30/2009	No
<b><u>Fixed Income Portfolio</u></b>		<b><u>Sawgrass</u></b>	
U.S. Government / Agency or U.S. Corporations	Yes	Equities > Russell 1000 Growth - Since 4/30/2012	Yes
Fixed Income Portfolio < 40% & > 30%	Yes	Rank in the Top 50% - Since 4/30/2012	Yes
Corporate Bonds rated "A" or better	Yes*	<b><u>Polen</u></b>	
CMOs < 15% of fixed Income portfolio at market	Yes	Equities > Russell 1000 Growth - Since 4/30/2012	No
Single corporate issuer not exceed 5% of bond portfolio	Yes	Rank in the Top 50% - Since 4/30/2012	No
Single corporate issuer not exceed 5% of total fund	Yes	<b><u>GW Capital</u></b>	
		Equities > Russell 2500 Value - Since 10/31/2008	Yes
		Rank in the Top 50% - Since 10/31/2008	Yes
		<b><u>ETF</u></b>	
		Equities > Russell 2500 Growth - Since 4/30/2009	No
		Rank in the Top 50% - Since 4/30/2009	No
		<b><u>Delaware</u></b>	
		Equities > MSCI EAFE (Net) - Since 7/31/2005	Yes
		<b><u>Renaissance</u></b>	
		Equities > MSCI AC World ex US - Since 4/30/2009	Yes
		<b><u>Garcia Hamilton &amp; Associates</u></b>	
		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.

# Risk/Return Analysis - Since Inception



## Return & Risk Analysis

April 2001 - December 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 General - Total Fund	6.44%	0.26%	10.68%	0.95	-28.93%	99.13%	95.03%	0.51%	0.46	97.47%
Ormond Beach General - Policy Index	6.18%	0.00%	11.05%	1.00	-31.33%	100.00%	100.00%	0.00%	0.42	100.00%

# QUARTERLY PERFORMANCE EVALUATION

Prepared for:

## City of Ormond Beach General Employees' Pension Plan

As of December 31, 2014

**Graystone Consulting Tampa**

Charles H. Mulfinger, II, CIMA®  
Managing Director

Institutional Consulting Director

Scott Owens, CFA®, CIMA®  
Institutional Consultant

David A. Wheeler, CFP®, CIMA®  
Senior Vice President

Senior Investment Management Consultant

100 North Tampa Street, Suite 3000  
Tampa, FL 33602  
800-282-0655, ext. 2061 / 813-227-2061

# Table of Contents

---

## Performance Evaluation

- Capital Markets Overview Tab 1
- Performance Reports Tab 2
  - Total Fund Reports
  - HGK – Large Cap Value Equity Reports
  - Sawgrass – Large Cap Growth Equity Reports
  - Polen – Large Cap Growth Equity Reports
  - GW Capital – Small/Mid Cap Value Equity Reports
  - ETF – Small/Mid Cap Growth Equity Reports
  - Delaware – International Value Equity Reports
  - Renaissance – International Growth Equity Reports
  - Garcia Hamilton– Fixed Income Reports

# Capital Markets Overview: 4Q 2014

## Introduction

As of 4Q 2014

- Domestic equities continued to race ahead during the fourth quarter of 2014 amid spikes in volatility, dramatic declines in oil prices, the Fed's conclusion of QE3 and the continued strength of the US dollar. There were positive signs of a healing US economy as third-quarter US GDP growth was revised to a staggering 5%—the best pace in more than 11 years.
- The Dow Jones Industrial Average rose 5.2% in the fourth quarter. The NASDAQ Composite Index advanced 5.8% for the quarter. The S&P 500 Index rose 4.9% for the quarter, its eighth consecutive quarterly increase.
- Seven of the 10 sectors of the S&P 500 Index advanced in the fourth quarter. Utilities fared the best, with a 13.2% uptick. Consumer Discretionary rose 8.7% and Consumer Staples advanced 8.2%. The laggards were Energy, which declined 10.7%, Telecommunication Services, which fell 4.2%, and Materials, which declined 1.8%.
- Morgan Stanley & Co. economists expect U.S. real GDP will be 2.0% in 2014 and 2.7% in 2015. They forecast global GDP growth to be 3.2% in 2014 and 3.5% in 2015.
- Commodities struggled throughout the fourth quarter; the Bloomberg Commodity Index declined 12.1%. For the quarter, gold was down 2.3%.
- For the fourth quarter of 2014, global mergers and acquisitions (M&A) deal volume was \$881 billion, compared to \$573 billion for the fourth quarter of 2013. Global M&A activity increased to \$3.3 trillion in 2014 from \$2.3 trillion in 2013.

Source: FactSet, Bloomberg, Morgan Stanley & Co. Research.

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

# Capital Markets Overview: 4Q 2014

## The US Economy

As of 4Q 2014

The Department of Commerce estimated that Gross Domestic Product increased at an annual rate of 5% in the third quarter of 2014, in comparison to a 4.6% increase in the second quarter of 2014. Morgan Stanley & Co. economists forecast U.S. Real GDP will be 2.0% in 2014 and 2.7% in 2015.

The seasonally adjusted unemployment rate fell from 5.9% for September to 5.8% for November. Job gains took place in retail trade, health care, professional and business services, and manufacturing. The unemployment rate (5.8%) and the number of unemployed persons (9.1 million) decreased in November. The number of long-term unemployed (2.8 million) was little changed in November.

According to the most recent estimate from the Bureau of Economic Analysis, corporate profits climbed 3.1% between the second quarter of 2014 and the third quarter of 2014, and rose 1.4% between the third quarter of 2013 and the third quarter of 2014.

Inflation remained low in the U.S. According to the Bureau of Labor Statistics, the seasonally adjusted Consumer Price Index was flat in October and decreased 0.3% in November. Morgan Stanley & Co. economists forecast a 1.4% inflation rate for 2014 and 1.8% for 2015.

The Census Bureau reported that private-sector housing starts in November 2014 were at a seasonally adjusted annual rate of 1,028,000—7.0% below November 2013 housing starts. The rise in housing starts over the past year indicates that despite some intermittent setbacks, the housing market is rebounding.

The Census Bureau also reported that seasonally adjusted retail and food services sales increased 0.7% between October and November 2014, and increased 5.1% between November 2013 and November 2014.

In December, the Institute for Supply Management's Purchasing Managers' Index (PMI), a manufacturing sector index, was 55.5, down 3.2 from November, and down from October's 59.0. The latest PMI data indicates an expansion in the manufacturing sector for 20 consecutive months. Overall, PMI has been above 43 for 68 consecutive months. Generally speaking, a PMI or NMI (ISM Non-Manufacturing Index) over 50 indicates that the sector is expanding and a PMI below 50 but over 43 indicates that the sector is shrinking but the overall economy is expanding.

The NMI rose 2.2 points to 59.3 between October and November of 2014, and fell 3.1 to 56.2 between November and December of 2014. The index has now been above 50 for 58 consecutive months.

Source: FactSet, Bloomberg, Morgan Stanley & Co. Research.

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

# Capital Markets Overview: 4Q 2014

## US Equity Markets

As of 4Q 2014

The Dow Jones Industrial Average rose 5.2% in the fourth quarter. The NASDAQ Composite Index advanced 5.8% for the quarter. The S&P 500 Index rose 4.9% for the quarter, its eighth consecutive quarterly increase.

Seven of the 10 sectors of the S&P 500 Index advanced in the fourth quarter. Utilities fared the best, with a 13.2% uptick. Consumer Discretionary rose 8.7% and Consumer Staples advanced 8.2%. The laggards were Energy, which declined 10.7%, Telecommunication Services, which fell 4.2% and Materials, which declined 1.8%.

Growth-style stocks of large-cap companies rose during the fourth quarter. The large-cap Russell 1000 Growth Index advanced 4.8%. The Russell 1000 Index, a large-cap index, rose 4.9% for the quarter.

The Russell 1000 Value Index, also a large-cap index, increased 5.0% for the quarter. The Russell Midcap Growth Index rose 5.8% for the quarter. The Russell Midcap Index increased 5.9% for the quarter. The Russell Midcap Value Index rose 6.1% for the quarter. The Russell 2000 Growth Index, a small-cap index, increased 10.1% for the quarter. The small-cap Russell 2000 Index rose 9.7% for the quarter. The Russell 2000 Value Index, also a small-cap index, increased 9.4% for the quarter.

Key US Stock Market Index Returns (%) for the Period Ending 12/31/2014				
INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
S&P 500	4.9%	13.7%	15.4%	7.3%
Dow Jones	5.2%	10.0%	14.2%	7.2%
Russell 2000	9.7%	4.9%	15.5%	8.2%
Russell Midcap	5.9%	13.2%	17.2%	8.9%
Russell 1000	4.9%	13.2%	15.6%	7.5%

Source: FactSet, Bloomberg.

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

# Capital Markets Overview: 4Q 2014

## Global Equity Markets

As of 4Q 2014

In the fourth quarter, emerging markets (EM) and global equities had mixed results. The MSCI EAFE Index (a benchmark for developed markets) fell 3.53% for U.S.-currency investors and rose 1.8% for local-currency investors, as the U.S. dollar appreciated in relation to the currencies of many nations in the index. In the third quarter of 2014, the MSCI EAFE Index fell 5.8% in U.S. dollar terms and rose 1.0% in local currency terms.

For the fourth quarter, the MSCI Emerging Markets Index declined 4.4% for U.S.-currency investors and rose 0.1% for local-currency investors, as the U.S. dollar appreciated in relation to many emerging-market currencies. In the previous quarter, the MSCI Emerging Markets Index fell 3.4% for U.S.-dollar-based investors and increased 0.7% for local-currency investors.

The MSCI Europe Index fell 4.2% for U.S.-currency investors and decreased 0.01% for local-currency investors during the fourth quarter. In the previous quarter, the MSCI Europe Index fell 6.9% for U.S.-dollar-based investors and increased 0.9% for local-currency investors.

More specific emerging economy equity market indices were mixed in the fourth quarter. The MSCI BRIC (Brazil, Russia, India and China) Index fell 4.0% for the quarter in U.S. dollar terms and advanced 1.3% in terms of local currencies. In comparison, for the fourth quarter, the MSCI EM Asia Index declined 0.5% in U.S. dollar terms and rose 1.8% in local terms.

Key Global Equity Market Index Returns (%) for the Period Ending 12/31/2014				
INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
MSCI EAFE	-3.5%	-4.5%	5.8%	0.0%
MSCI EAFE Growth	-2.3%	-4.1%	6.5%	0.4%
MSCI EAFE Value	-4.8%	-4.9%	5.0%	-0.4%
MSCI Europe	-4.3%	-5.7%	5.9%	-0.2%
MSCI Japan	-2.4%	-3.7%	5.7%	-0.1%
MSCI Emerging Markets	-4.4%	-1.8%	2.1%	-1.0%

Source: FactSet, Bloomberg.

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

# Capital Markets Overview: 4Q 2014

## The US Bond Market

As of 4Q 2014

In the fourth quarter, bond market returns increased slightly—the Barclays U.S. Aggregate Bond Index, a general measure of the bond market, rose 1.8% for the quarter. Interest rates declined during the fourth quarter, as the yield on the 10-Year U.S. Treasury note fell to a quarter-end 2.17% from 2.49% at the end of the third quarter.

Also in the fourth quarter, riskier parts of the bond market such as U.S. High Yield debt registered negative returns. As a result, the Barclays Capital High Yield Index, a measure of lower-rated corporate bonds, declined 1.0% for the quarter.

Investors were positive on mortgage-backed securities in the fourth quarter. Consequently, the Barclays Capital Mortgage Backed Index rose 1.8% for the quarter. During the fourth quarter, investors held steady in the municipal bond market. As a result, the Barclays Capital Muni Index rose 1.4% for the quarter.

Key US Bond Market Index Returns (%) for the Period Ending 12/31/2014				
INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
Barclays Capital US Aggregate	1.8%	6.0%	4.4%	4.8%
Barclays Capital High Yield	-1.0%	2.5%	9.0%	8.8%
Barclays Capital Govt/Credit	1.8%	5.8%	4.6%	4.8%
Barclays Capital Government	1.9%	5.1%	3.9%	4.1%
Barclays Capital Intermediate Govt/Credit	0.9%	3.1%	3.5%	4.0%
Barclays Capital Long Govt/Credit	5.6%	19.3%	9.8%	8.4%
Barclays Capital Mortgage Backed Securities	1.8%	6.1%	3.7%	4.7%
Barclays Capital Muni	1.4%	9.1%	5.2%	5.1%

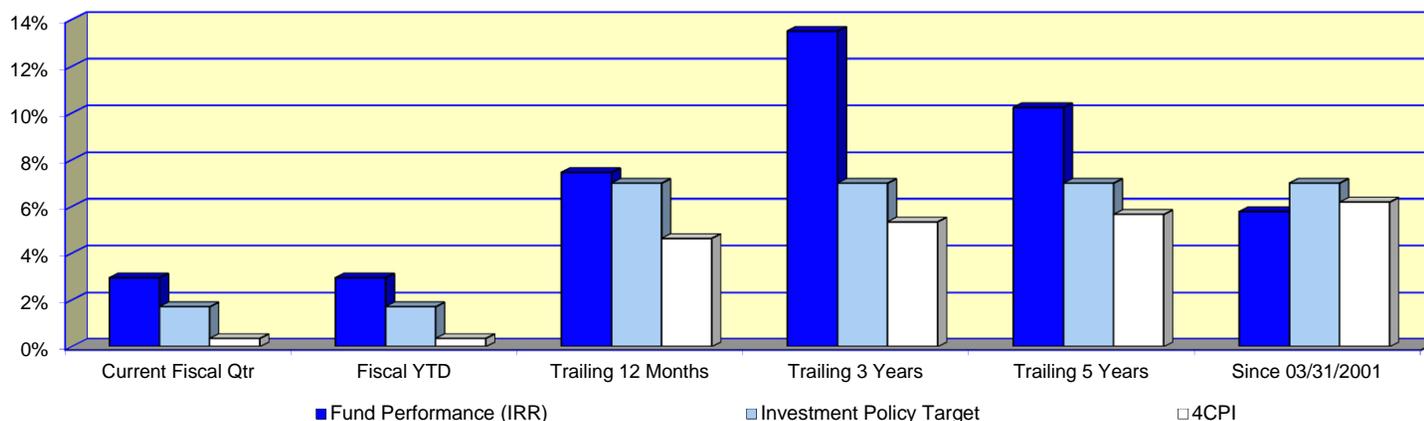
Source: FactSet, Bloomberg, Morgan Stanley & Co. Research.

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

# INVESTMENT POLICY MONITOR (DOLLAR WEIGHTED IRR)

Ormond Beach General

AS OF 12/31/2014



Asset Class Investment Manager	Current Fiscal Qtr	Fiscal YTD	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 03/31/2001
<b>Fund Performance (IRR)</b>	<b>2.95</b>	<b>2.95</b>	<b>7.46</b>	<b>13.51</b>	<b>10.24</b>	<b>5.78</b>
<i>Investment Policy Objectives</i>						
Investment Policy Target	1.71	1.71	7.00	7.00	7.00	7.00
4CPI	0.36	0.36	4.64	5.35	5.66	6.19

**Investment Policy Objective**

Primary investment emphasis must be placed upon the consistent protection of the funds and growth performance.

**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 General

AS OF 12/31/2014

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
<b>TOTAL FUND</b>	<b>+3.11</b>	<b>+3.11</b>	<b>+8.00</b>	<b>+14.08</b>	<b>+10.79</b>	<b>+6.44</b>	<b>03/31/2001</b>	
Composite	+2.97	+2.97	+7.60	+13.68	+11.14	+6.83		
<b>Equity Investments</b>								
HGK Asset Management	3.00	3.00	11.89	20.47	14.54	17.34	04/30/2009	001-063091
Russell 1000 VI	4.99	4.99	13.46	20.90	15.43	18.86		
Sawgrass Asset Management	6.13	6.13	14.10	21.33	15.07	6.96	07/31/2007	001-053636
Russell 1000 Gr	4.79	4.79	13.06	20.26	15.82	8.64		
Polen Capital Management	10.32	10.32	17.67	N/A	N/A	14.65	04/30/2012	002-000741
Russell 1000 Gr	4.79	4.79	13.06			16.97		
GW Capital Inc	2.38	2.38	1.76	16.62	15.32	18.59	10/31/2008	001-060288
Russell 2500 VI	6.09	6.09	7.11	19.41	15.48	15.89		
ETF - Small/Mid Cap Growth (CIC)	5.71	5.71	4.60	18.83	16.09	18.71	04/30/2009	001-063121
Russell 2500 Gr	7.48	7.48	7.04	20.47	17.27	20.73		
<b>International Equity</b>								
Delaware Investments	-2.93	-2.93	-0.17	10.25	6.01	5.35	07/31/2005	001-040810
MSCI EAFE Net	-3.57	-3.57	-4.91	11.06	5.34	4.51		
Renaissance Investment Management	-4.60	-4.60	-4.08	12.45	7.03	12.79	04/30/2009	001-063124
MSCI AC Wld xUS Nt	-3.88	-3.88	-3.88	9.00	4.43	10.17		
<b>Fixed Income Investments</b>								
Garcia Hamilton & Asscs - Houston	1.37	1.37	4.58	4.97	5.22	5.53	09/30/2003	001-029022
BC Gov/Cr Intm	0.89	0.89	3.12	2.03	3.54	3.92		

Report Created: 2/3/2015

## INVESTMENT PERFORMANCE SUMMARY (DOLLAR WEIGHTED)

Ormond Beach General

AS OF 12/31/2014

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
<b>Total Fund</b>	<b>2.95</b>	<b>2.95</b>	<b>7.46</b>	<b>13.51</b>	<b>10.24</b>	<b>5.78</b>	<b>03/31/2001</b>	
<b>Equity Investments</b>								
HGK Asset Management	2.87	2.87	11.50	20.19	14.03	17.03	04/30/2009	001-063091
Sawgrass Asset Management	5.93	5.93	13.22	23.74	13.23	3.42	07/31/2007	001-053636
Polen Capital Management	10.07	10.07	16.97	N/A	N/A	14.00	04/30/2012	002-000741
GW Capital Inc	2.17	2.17	1.26	16.41	14.74	18.56	10/31/2008	001-060288
ETF - Small/Mid Cap Growth (CIC)	5.47	5.47	3.63	18.37	15.33	18.18	04/30/2009	001-063121
<b>International Equity</b>								
Delaware Investments	-3.10	-3.10	-0.93	9.37	5.19	3.87	07/31/2005	001-040810
Renaissance Investment Management	-4.73	-4.73	-4.71	11.72	6.34	12.66	04/30/2009	001-063124
<b>Fixed Income Investments</b>								
Garcia Hamilton & Asscs - Houston	1.29	1.29	4.22	4.65	4.93	5.29	09/30/2003	001-029022

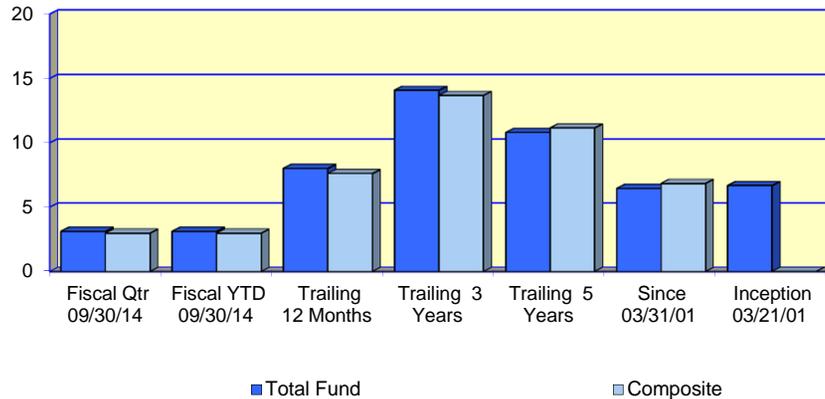
Report Created: 2/3/2015

# TOTAL FUND

Ormond Beach General

AS OF 12/31/2014

**Portfolio Performance (%)**



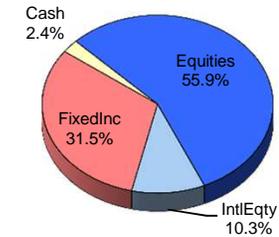
<b>Investment Returns (%)</b>	Since:	Fiscal Qtr 09/30/14	Fiscal YTD 09/30/14	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 03/31/01	Inception 03/21/01
<b>Total Fund</b>		<b>3.11</b>	<b>3.11</b>	<b>8.00</b>	<b>14.08</b>	<b>10.79</b>	<b>6.44</b>	<b>6.67</b>
Composite		2.97	2.97	7.60	13.68	11.14	6.83	N/A
Ormond Beach Total Index		2.80	2.80	7.31	12.84	10.56	6.18	N/A

**Asset Growth (\$000)**

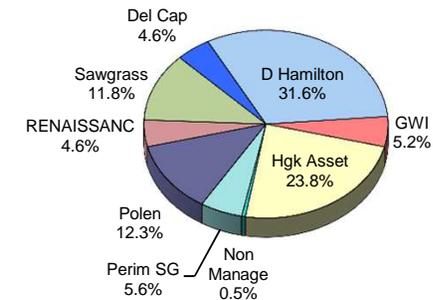
Beginning Market Value	41,527	41,527	39,490	29,247	27,638	21,941	21,260
Net Contributions & Withdrawals	-318	-318	-162	-751	-2,486	-5,319	-5,319
Gain/Loss + Income	1,284	1,284	3,165	13,997	17,341	25,871	26,552
Ending Market Value	42,493	42,493	42,493	42,493	42,493	42,493	42,493

**Asset Allocation (\$000)**

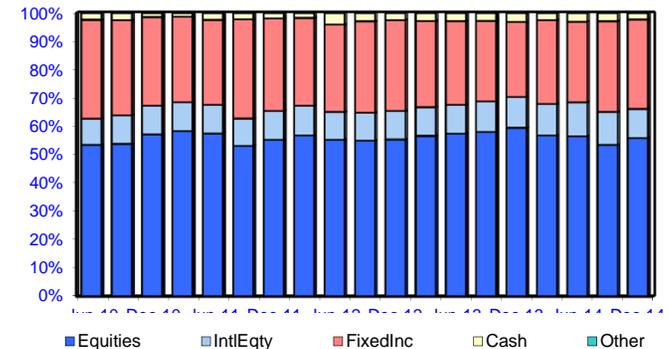
<u>Equities</u>	<u>IntlEqty</u>	<u>FixedInc</u>	<u>Cash</u>	<u>Total</u>
23,736	4,356	13,375	1,026	42,493



**Asset Allocation By Manager**



**Allocation Over Time**



## Risk/ Return Analysis - Since Inception

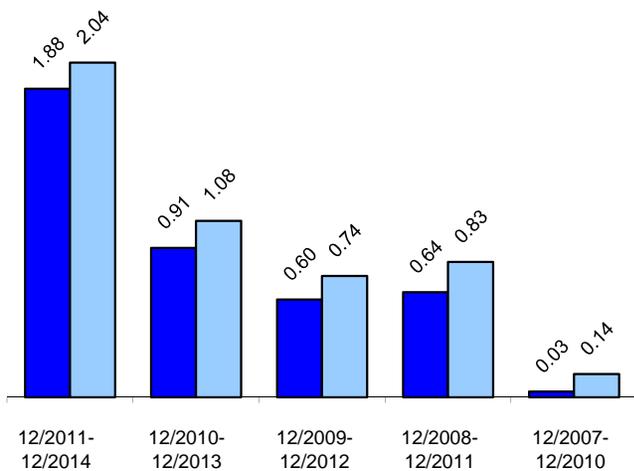


# TOTAL FUND RISK ANALYSIS

Ormond Beach General

AS OF 12/31/2014

**Sharpe Ratios 3-Year Rolling Periods**



**Ormond Beach General**  
**Composite Index**

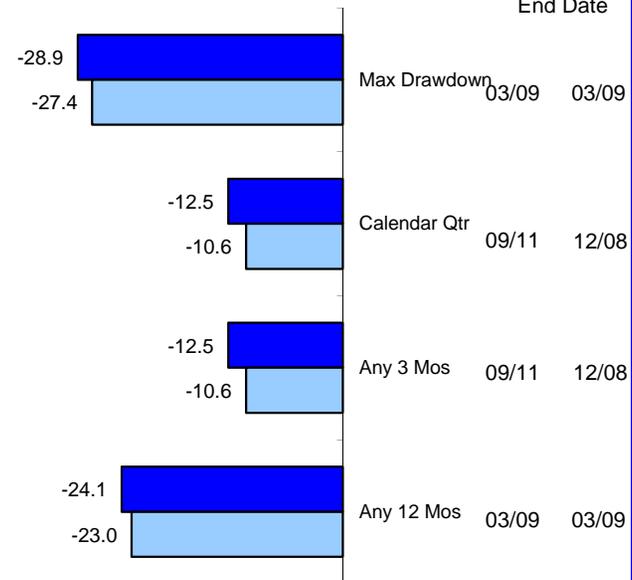
**Sharpe Ratio** divides excess return by standard deviation of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index.

**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.*

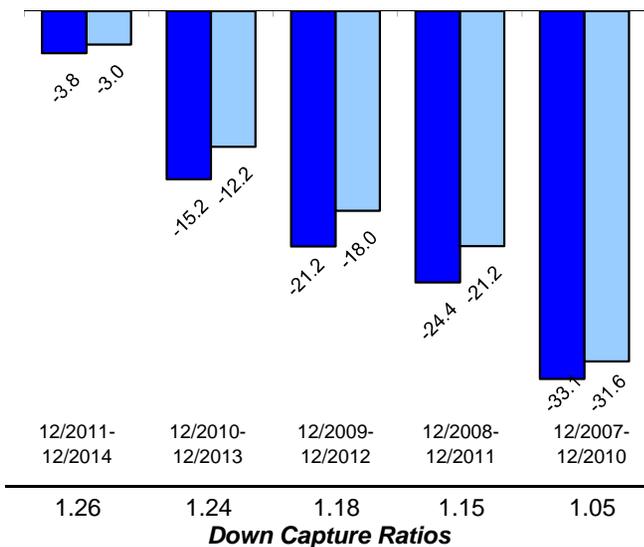
**Down Capture** is the measure of the fund's total return whenever the index returns are negative.

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

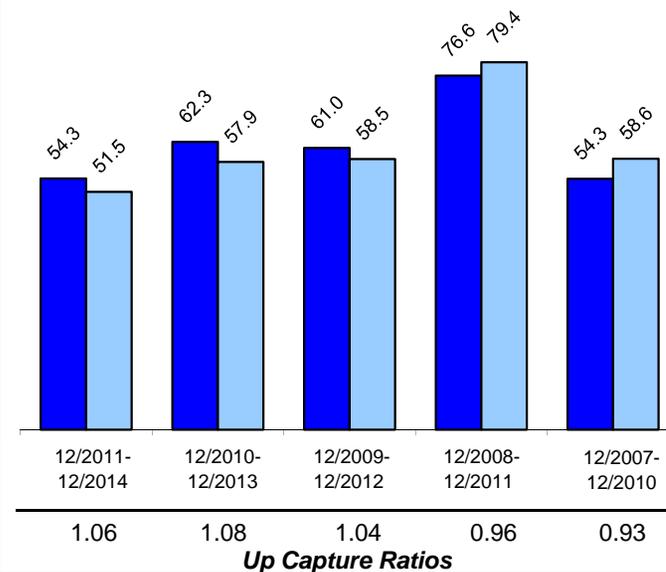
**Loss in Varying Time Periods (%)** Mgr. Index End Date



**Down Capture Returns (%) 3-Year Rolling Periods**



**Up Capture Returns (%) 3-Year Rolling Periods**



Report Created: 2/3/2015

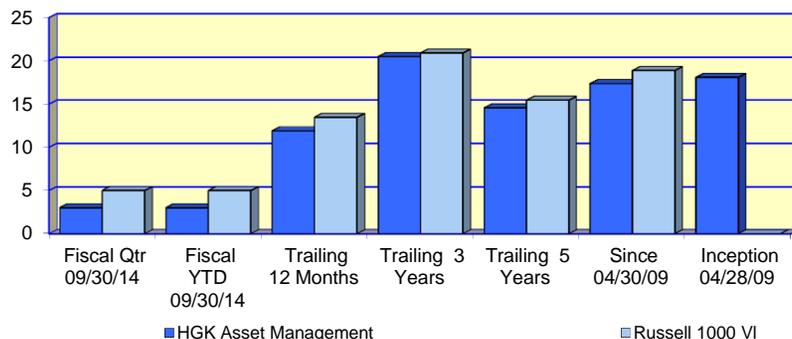
Please refer to the attached Disclosures for important information.

# EXECUTIVE SUMMARY

Ormond Beach General Employees HGK Asset Management

AS OF 12/31/2014

**Portfolio Performance(%)**

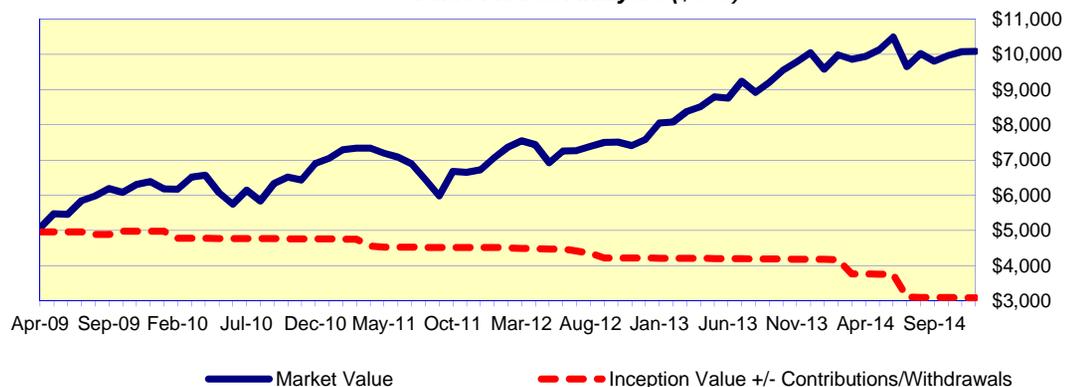


<b>Investment Returns (%)</b>	<i>Fiscal Qtr</i>	<i>Fiscal YTD</i>	<i>Trailing</i>	<i>Trailing</i>	<i>Trailing</i>	<i>Since</i>	<i>Inception</i>
<i>Since:</i>	<i>09/30/14</i>	<i>09/30/14</i>	<i>12 Months</i>	<i>3 Years</i>	<i>5 Years</i>	<i>04/30/09</i>	<i>04/28/09</i>
<b>HGK Asset Management</b>	<b>3.00</b>	<b>3.00</b>	<b>11.89</b>	<b>20.47</b>	<b>14.54</b>	<b>17.34</b>	<b>18.07</b>
Russell 1000 VI	4.99	4.99	13.46	20.90	15.43	18.86	N/A

**Asset Growth (\$000)**

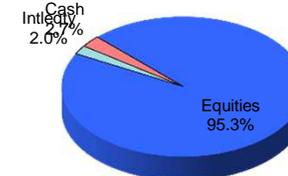
Beginning Market Value	9,815	9,815	10,065	6,735	6,395	5,080	0
Net Contributions & Withdrawals	-10	-10	-1,091	-1,426	-1,888	-1,868	3,087
Gain/Loss + Income	295	295	1,126	4,791	5,593	6,888	7,013
Ending Market Value	10,100	10,100	10,100	10,100	10,100	10,100	10,100

**Value-Added Analysis (\$000)**



**Asset Allocation (\$000)**

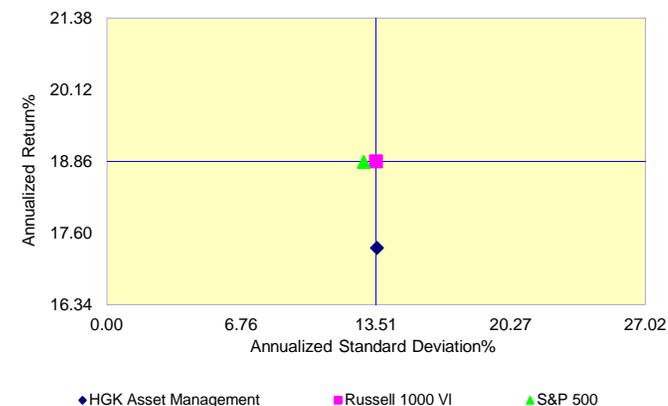
<u>Equities</u>	<u>Intleqty</u>	<u>Cash</u>	<u>Total</u>
9,624	202	274	10,100



**Portfolio Characteristics**

Yield	N/A	Account Sharpe Ratio	1.27
Beta	0.98	Index Sharpe Ratio	1.38
Alpha	-1.06%		
R <sup>2</sup>	96%		

**Risk / Return Analysis Since 04/30/2009**



<b>Annualized %</b>	<b>Return</b>	<b>Std. Dev.</b>
<b>HGK Asset Management</b>	<b>17.34</b>	<b>13.55</b>
Russell 1000 VI	18.86	13.51
S&P 500	18.85	12.91

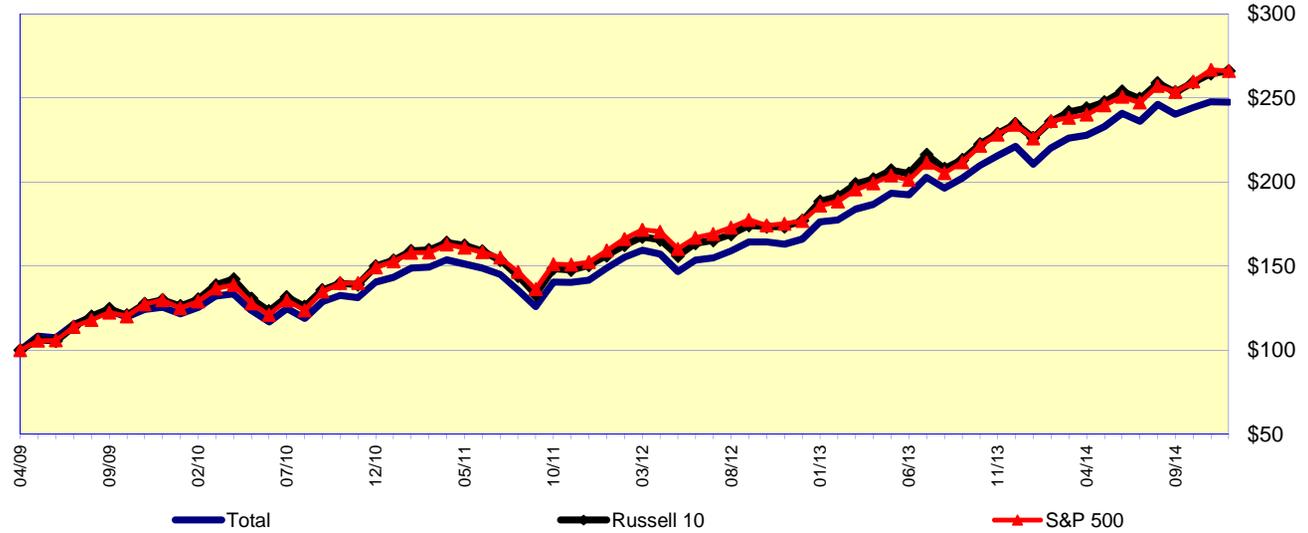
# MANAGER PERFORMANCE ANALYSIS

Ormond Beach General Employees HGK Asset Management

As Of 12/31/2014

## Growth of \$100 Graph

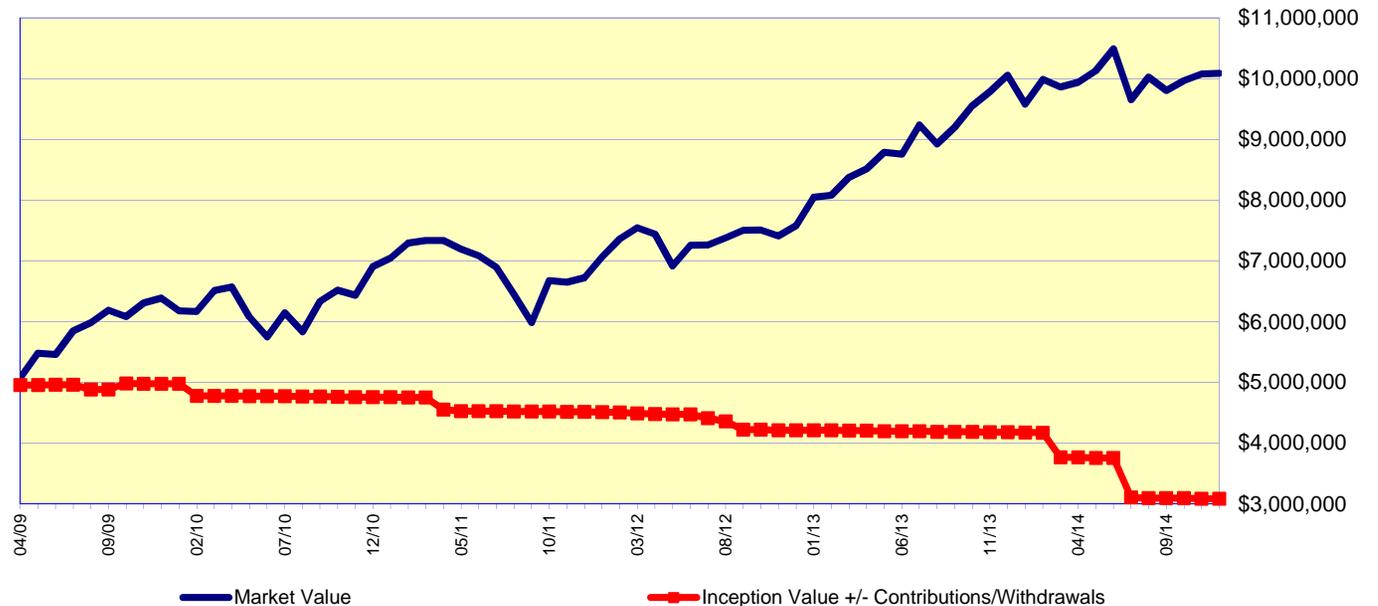
This graph depicts how \$100, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



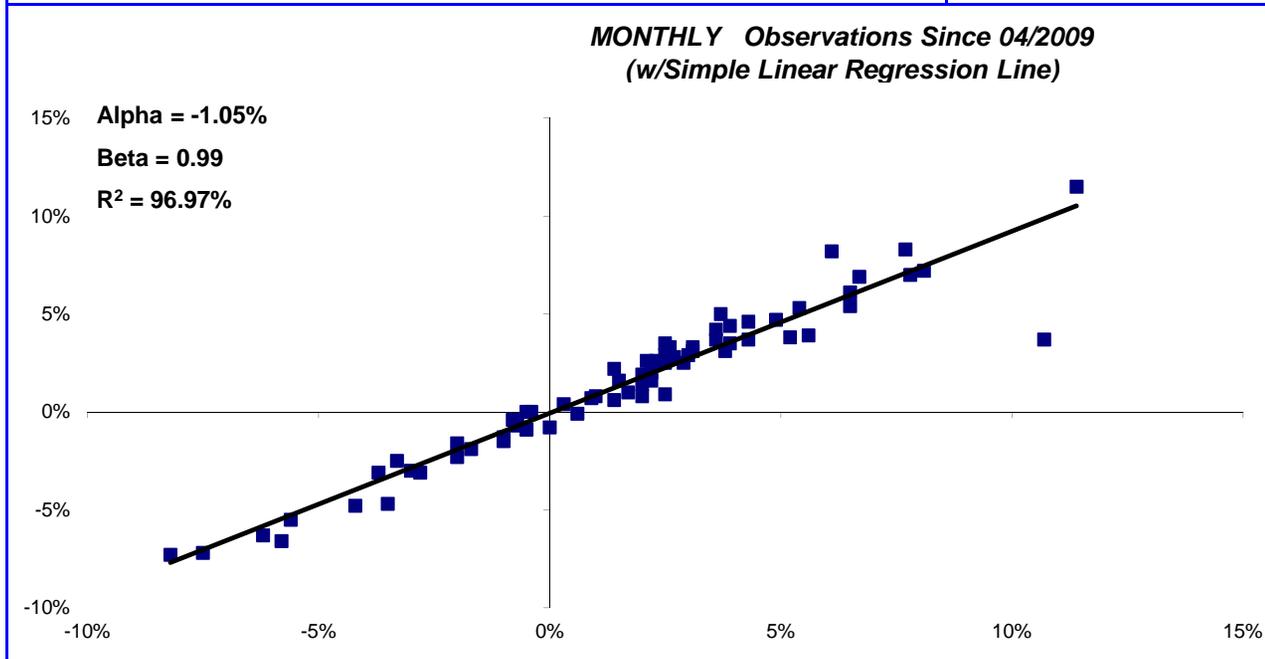
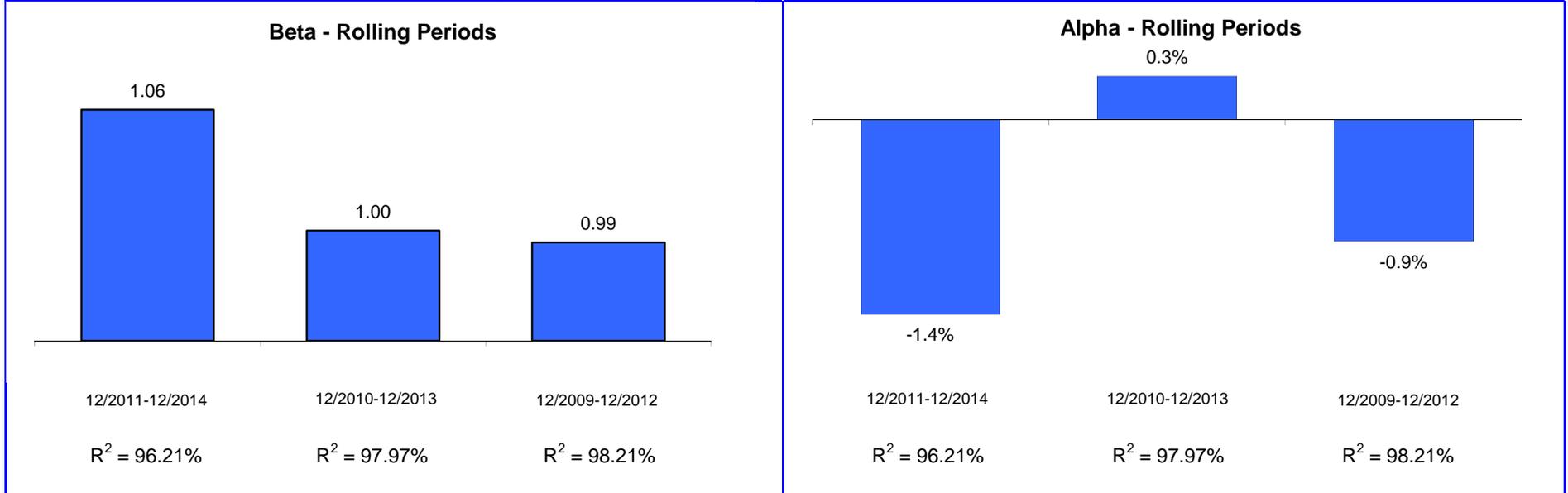
## Value Added Graph

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



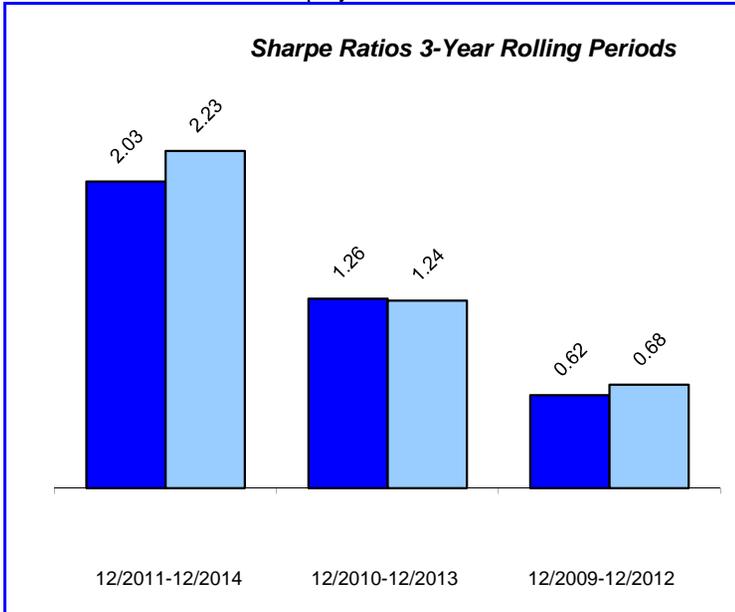
**Modern Portfolio Theory** seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk. **Alpha** is a measure of a portfolio's return in excess of the market return, both adjusted for risk. A positive alpha indicates 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. **R<sup>2</sup>** 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 General Employees

AS OF 12/31/2014



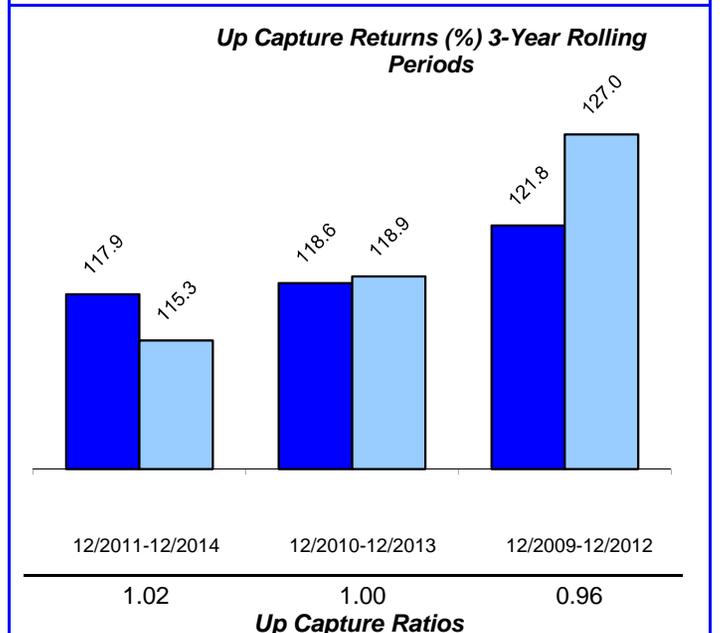
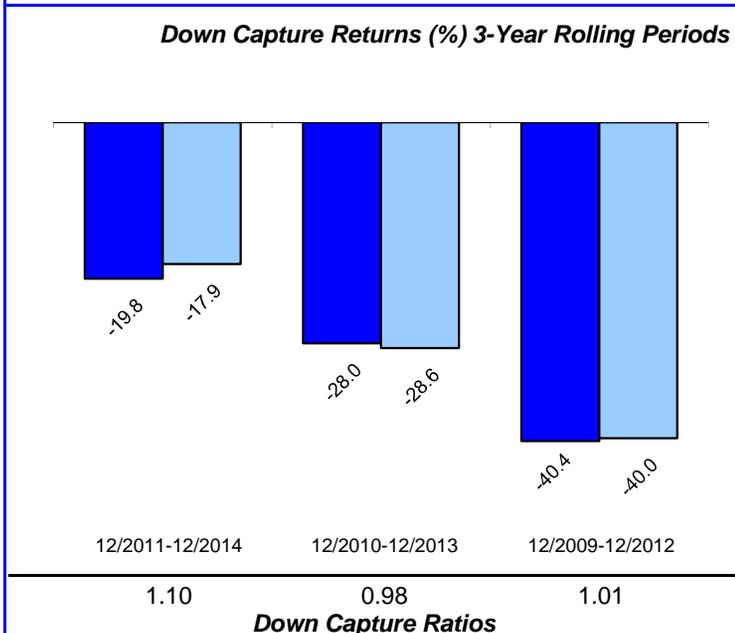
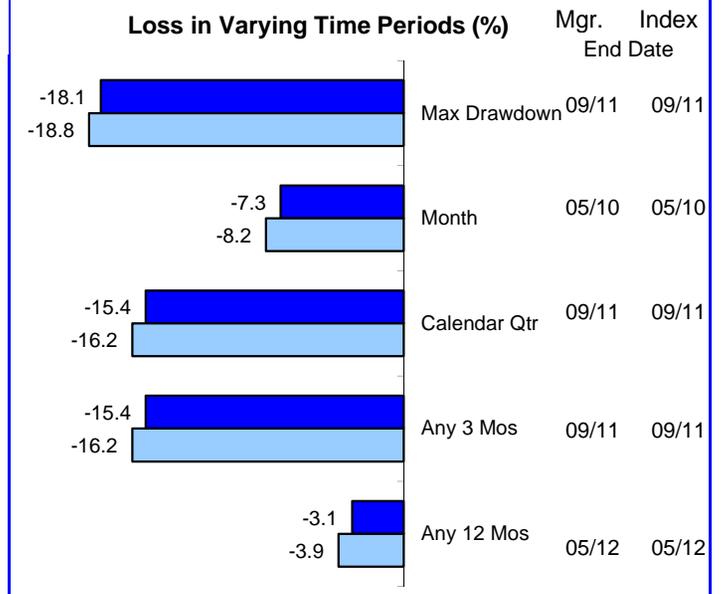
**HGK Asset Management**  
**Russell 1000 VI**

**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

**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



Report Created: 2/3/2015

## Ormond Beach General - HGK

Composition		
Summary	ORMOND GE HGK	RU1000-V
No of Securities	45	704
% Bmrk Holdings	94.37	100.00
% Active Share	77.70	0.00
% Top 25 Holdings	61.95	40.94
% Top 15 Holdings	38.91	31.75

Sector Allocation		
Sector Name	ORMOND GE HGK	RU1000-V
Energy	13.45	11.28
Materials	5.60	3.04
Industrials	10.00	10.08
Consumer Discretionary	10.87	6.58
Consumer Staples	6.65	7.38
Health Care	10.62	13.70
Financials	22.07	29.87
Information Technology	11.55	9.55
Telecomm Service	2.45	2.08
Utilities	6.73	6.44

Characteristics		
Characteristic	ORMOND GE HGK	RU1000-V
Market Cap - Weighted Median	33,788,678,985.88	59,370,856,177.91
Price / Book	1.84	1.85
P/E NTM	14.18	15.54
Dividend Yield	2.53	2.31
EPS Growth NTM	-0.63	5.97
Ret Eq	17.67	12.24

Top Equity Holdings	
Name	ORMOND GE HGK
JPMORGAN CHASE & CO	3.26
JOHNSON & JOHNSON	2.83
ELI LILLY AND CO	2.67
STATE STREET CORP	2.60
ALLSTATE CORP	2.60
Total: 13.96	

### Disclaimer

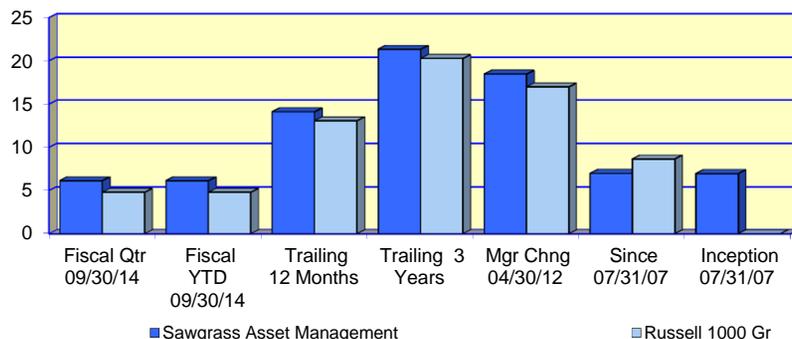
This analysis is based upon information supplied by the Client or its custodian and software developed by Thomson Portfolio Analytics. The underlying data is believed to be reliable but accuracy and completeness cannot be assured. While the characteristics described in this report are believed to accurately 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 General Employees Sawgrass Asset Management

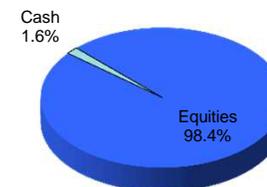
AS OF 12/31/2014

**Portfolio Performance(%)**



**Asset Allocation (\$000)**

<u>Equities</u>	<u>Cash</u>	<u>Total</u>
4,918	81	4,999



**Portfolio Characteristics**

Yield	N/A	Account Sharpe Ratio	0.37
Beta	0.99	Index Sharpe Ratio	0.48
Alpha	-1.41%		
R <sup>2</sup>	92%		

<b>Investment Returns (%)</b>	<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: 09/30/14</i>	<i>09/30/14</i>	<i>12 Months</i>	<i>3 Years</i>	<i>04/30/12</i>	<i>07/31/07</i>	<i>07/31/07</i>
<b>Sawgrass Asset Management</b>	<b>6.13</b>	<b>6.13</b>	<b>14.10</b>	<b>21.33</b>	<b>18.45</b>	<b>6.96</b>	<b>6.95</b>
Russell 1000 Gr	4.79	4.79	13.06	20.26	16.97	8.64	N/A

**Asset Growth (\$000)**

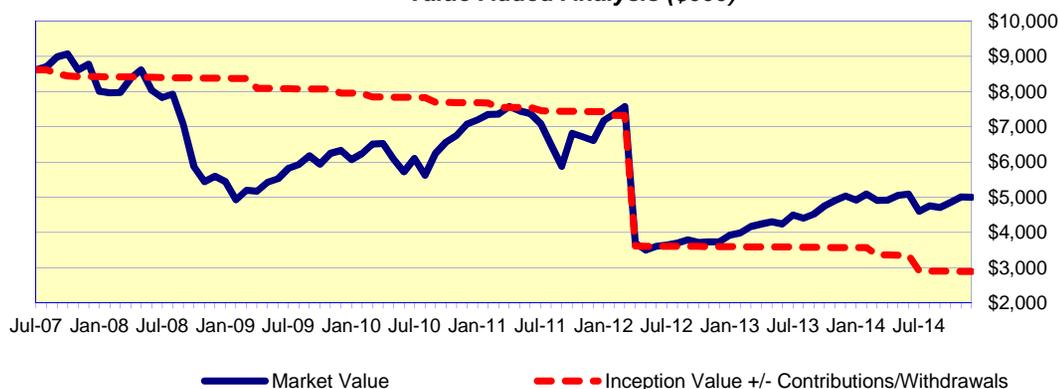
Beginning Market Value	4,717	4,717	5,036	6,610	3,698	8,615	8,615
Net Contributions & Withdrawals	-7	-7	-682	-4,542	-726	-5,723	-5,723
Gain/Loss + Income	289	289	645	2,931	2,027	2,107	2,107
Ending Market Value	4,999	4,999	4,999	4,999	4,999	4,999	4,999

**Risk / Return Analysis Since 07/31/2007**



<b>Annualized %</b>	<b>Return</b>	<b>Std. Dev.</b>
<b>Sawgrass Asset Management</b>	<b>6.96</b>	<b>17.34</b>
Russell 1000 Gr	8.64	16.75
Russell 3000 Gr	8.64	17.04

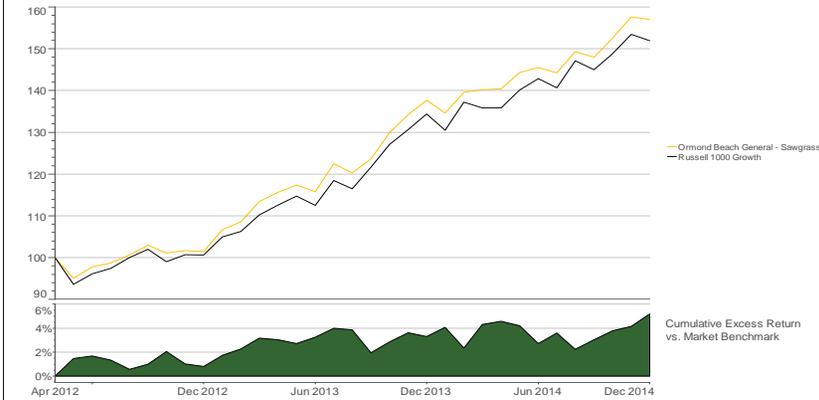
**Value-Added Analysis (\$000)**



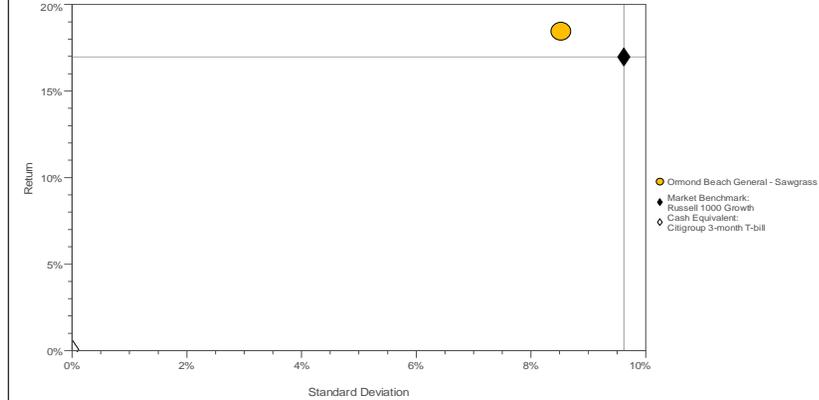
# Zephyr StyleADVISOR

Zephyr StyleADVISOR: Graystone Consulting

**Manager Performance**  
May 2012 - December 2014 (Single Computation)



**Risk / Return**  
May 2012 - December 2014 (Single Computation)



## Return & Risk Analysis

May 2012 - December 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 General - Sawgrass	18.45%	1.48%	8.52%	0.85	-4.94%	93.56%	70.11%	3.64%	2.16	92.47%
Russell 1000 Growth	16.97%	0.00%	9.62%	1.00	-6.42%	100.00%	100.00%	0.00%	1.76	100.00%

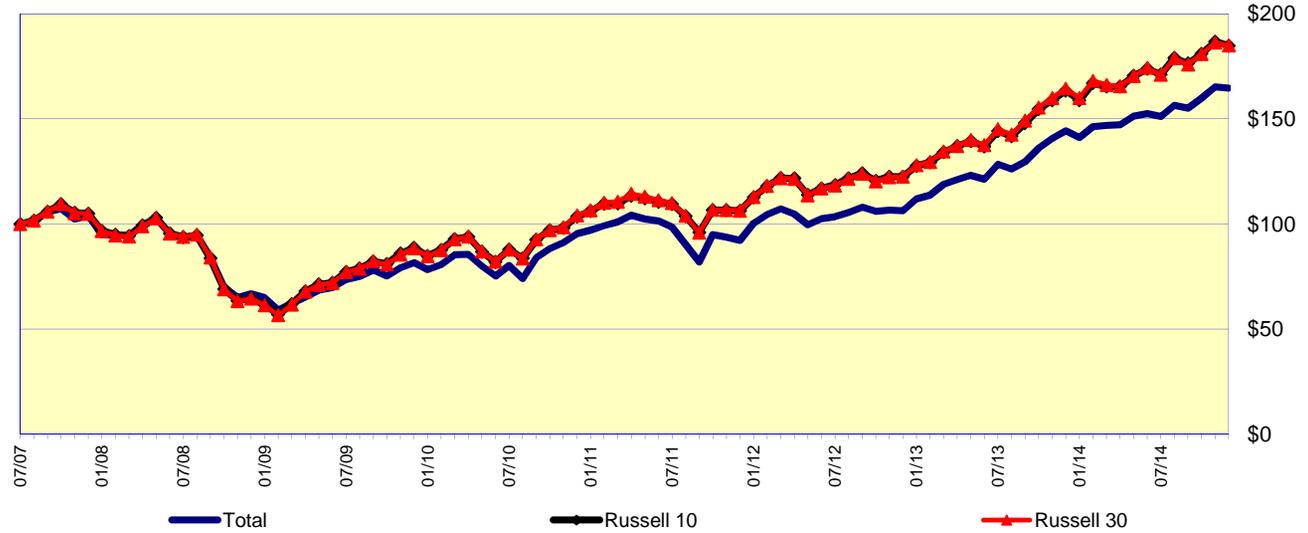
# MANAGER PERFORMANCE ANALYSIS

Ormond Beach General Employees Sawgrass Asset Management

As Of 12/31/2014

## Growth of \$100 Graph

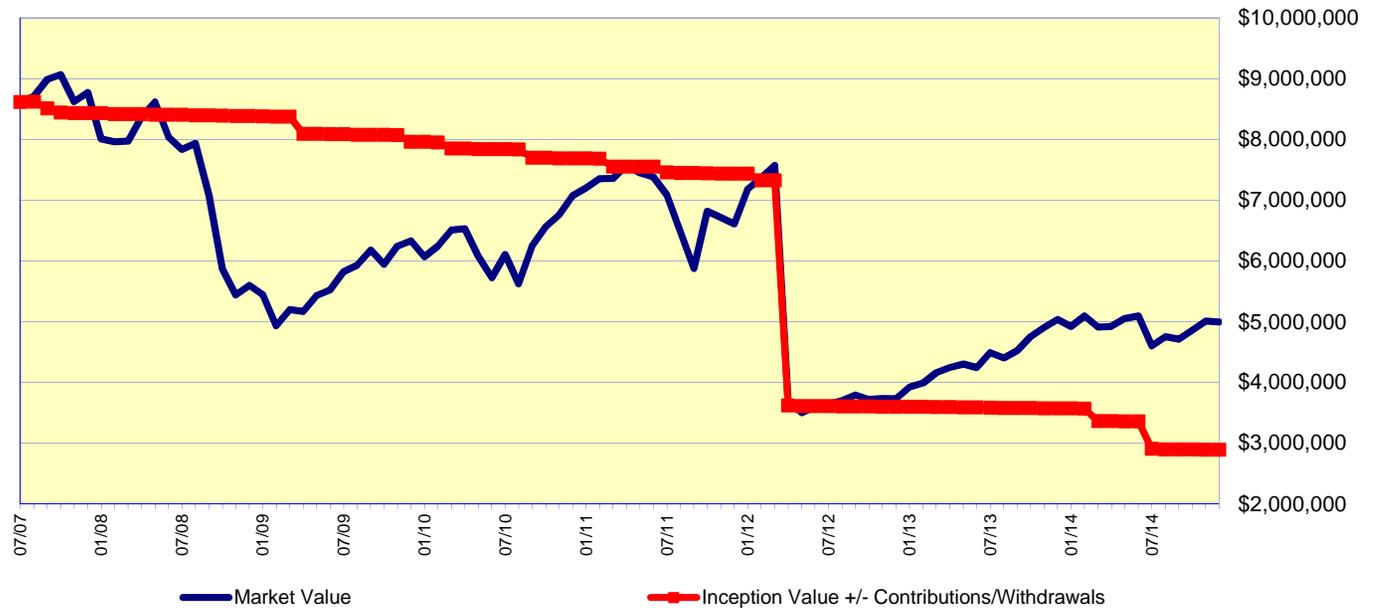
This graph depicts how \$100, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



## Value Added Graph

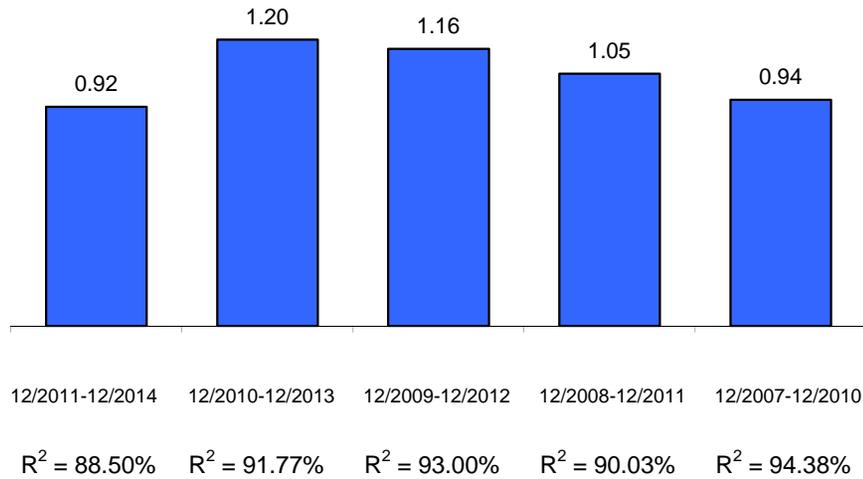
This exhibit is useful in determining how the portfolio has been affected by the investment process.

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.

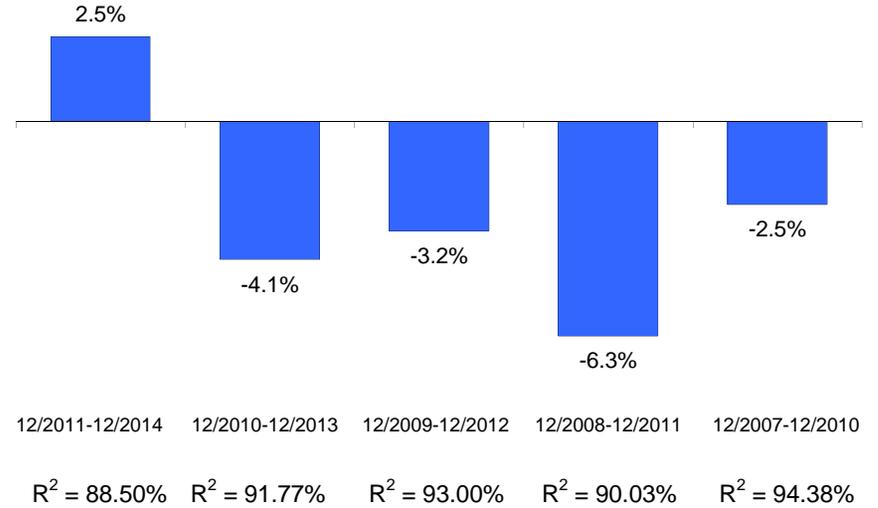


# MODERN PORTFOLIO THEORY

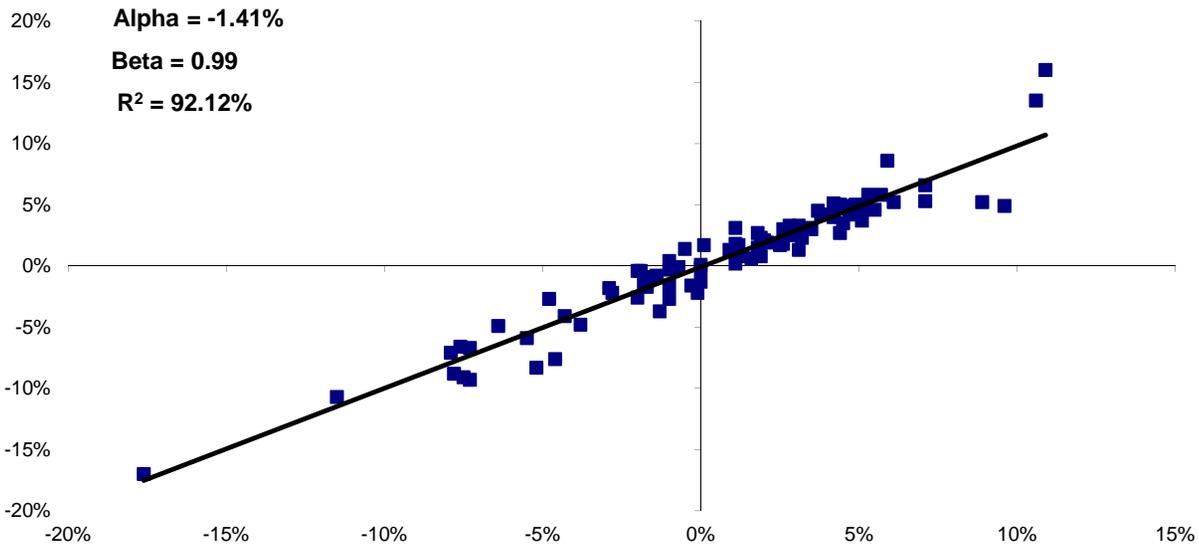
**Beta - Rolling Periods**



**Alpha - Rolling Periods**



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



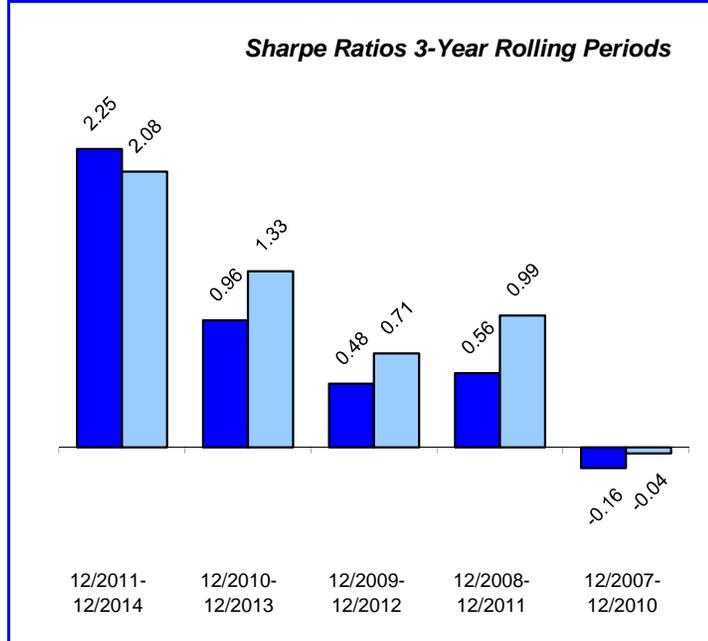
**Modern Portfolio Theory** seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk. **Alpha** is a measure of a portfolio's return in excess of the market return, both adjusted for risk. A positive alpha indicates 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. **R<sup>2</sup>** 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 General Employees

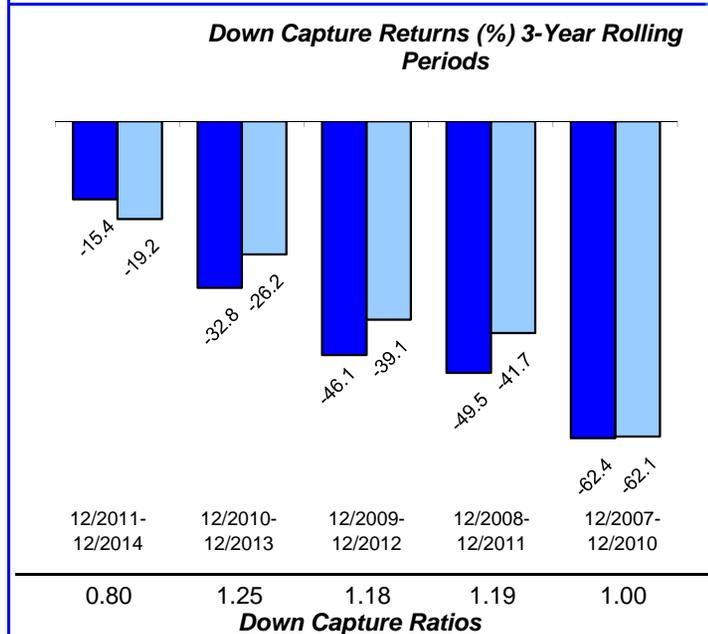
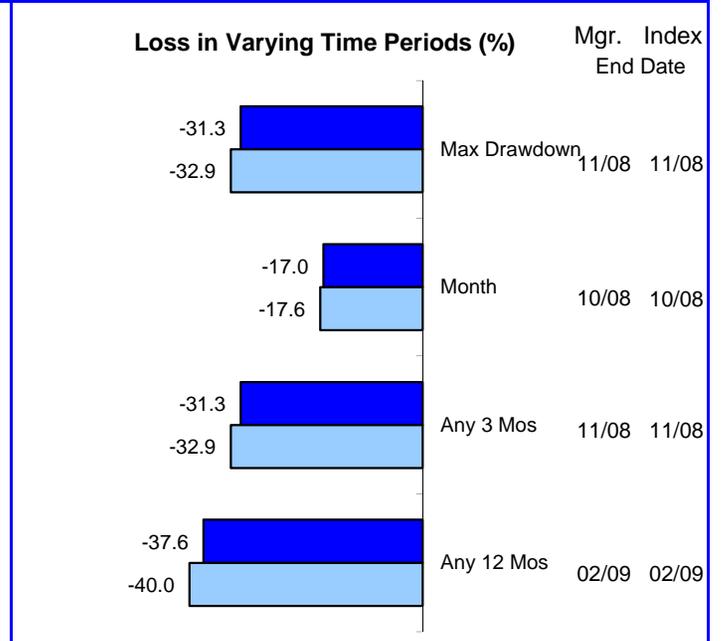
AS OF 12/31/2014



**Sawgrass Asset Management**  
**Russell 1000 Gr**

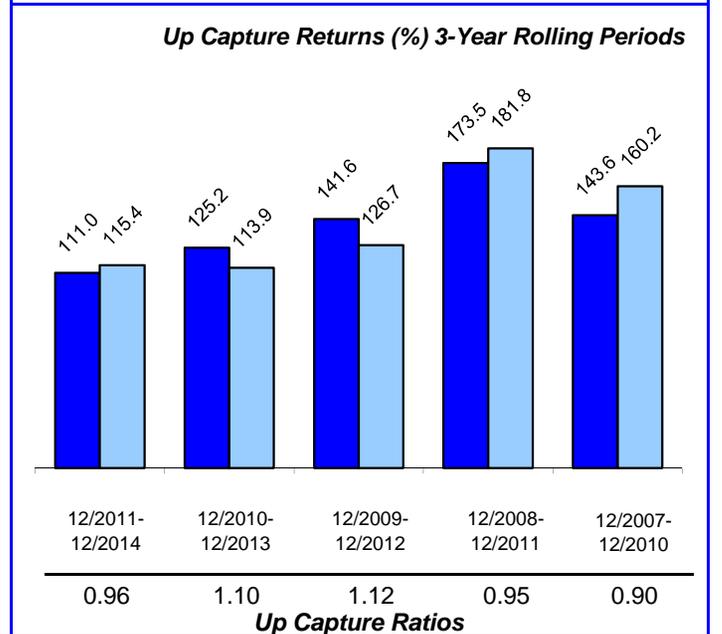
**Sharpe Ratio** divides excess return by standard deviation to arrive at a unified measure of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index

**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



## Ormond Beach General - Sawgrass

Composition		
Summary	ORMOND GE - SAW	RU1000-G
No of Securities	44.00	682.00
% Bmrk Holdings	97.55	100.00
% Active Share	67.86	0.00
% Top 25 Holdings	70.20	36.86
% Top 15 Holdings	48.37	26.86

Sector Allocation		
Sector Name	ORMOND GE - SAW	RU1000-G
Energy	4.65	4.49
Materials	3.98	4.01
Industrials	16.83	12.22
Consumer Discretionary	16.68	18.73
Consumer Staples	14.78	10.54
Health Care	13.51	14.19
Financials	1.31	5.32
Information Technology	24.66	28.28
Telecomm Service	3.59	2.14
Utilities		0.09

Characteristics		
Characteristic	ORMOND GE - SAW	RU1000-G
Market Cap - Weighted Median	104,603,011,930.54	61,117,861,915.74
Price / Book	4.47	5.19
P/E NTM	16.56	18.15
Dividend Yield	1.47	1.49
EPS Growth NTM	9.36	12.17
Ret Eq	27.47	30.50

Top Equity Holdings	
Name	ORMOND GE - SAW
APPLE INC	4.63
COMCAST CORP	4.12
ORACLE CORP	4.10
VERIZON COMMUNICATIONS INC	3.59
WAL-MART STORES INC	3.48
Total: 19.92	

### Disclaimer

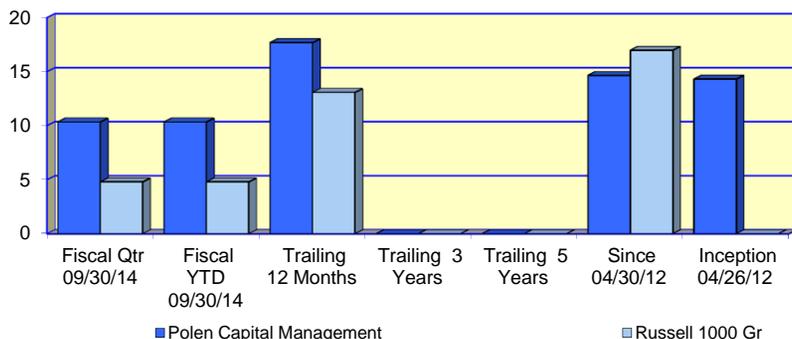
This analysis is based upon information supplied by the Client or its custodian and software developed by Thomson Portfolio Analytics. The underlying data is believed to be reliable but accuracy and completeness cannot be assured. While the characteristics described in this report are believed to accurately 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 General Employees Polen Capital Management

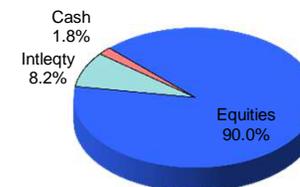
AS OF 12/31/2014

**Portfolio Performance(%)**



**Asset Allocation (\$000)**

Equities	Intleqty	Cash	Total
4,702	426	95	5,223



**Portfolio Characteristics**

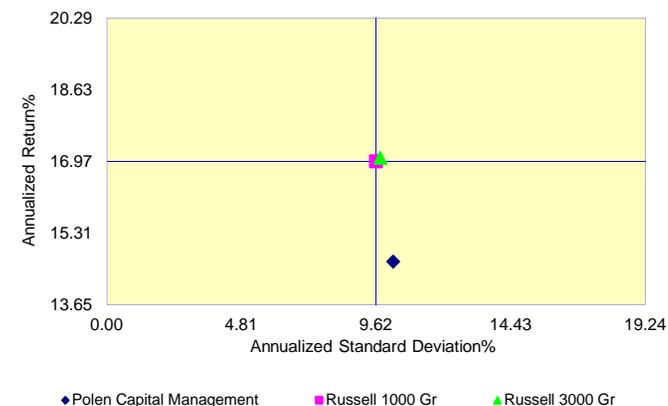
Yield	N/A	Account Sharpe Ratio	1.42
Beta	0.92	Index Sharpe Ratio	1.75
Alpha	-0.70%		
R <sup>2</sup>	74%		

Investment Returns (%)	Fiscal Qtr Since: 09/30/14	Fiscal YTD 09/30/14	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 04/30/12	Inception 04/26/12
<b>Polen Capital Management</b>	<b>10.32</b>	<b>10.32</b>	<b>17.67</b>	N/A	N/A	<b>14.65</b>	<b>14.29</b>
Russell 1000 Gr	4.79	4.79	13.06	N/A	N/A	16.97	N/A

**Asset Growth (\$000)**

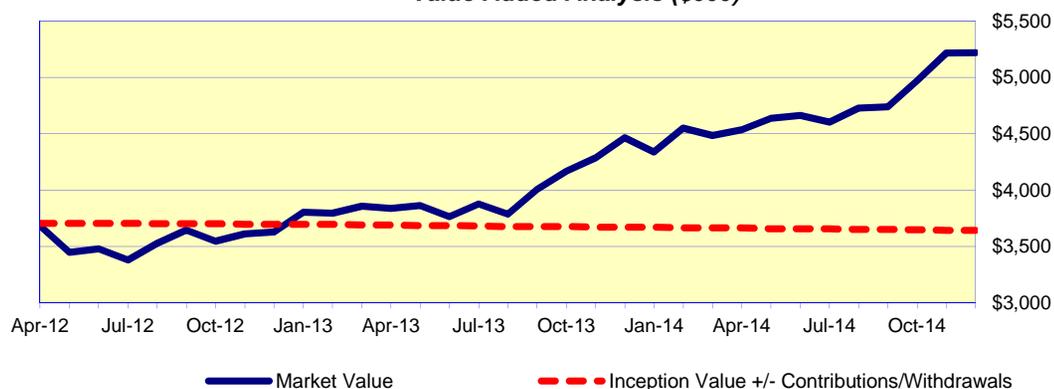
Beginning Market Value	4,742	4,742	4,466	N/A	N/A	3,683	3,375
Net Contributions & Withdrawals	-7	-7	-29	N/A	N/A	-63	268
Gain/Loss + Income	488	488	786	N/A	N/A	1,603	1,580
Ending Market Value	5,223	5,223	5,223	N/A	N/A	5,223	5,223

**Risk / Return Analysis Since 04/30/2012**



Annualized %	Return	Std. Dev.
<b>Polen Capital Management</b>	<b>14.65</b>	<b>10.23</b>
Russell 1000 Gr	16.97	9.62
Russell 3000 Gr	17.05	9.78

**Value-Added Analysis (\$000)**



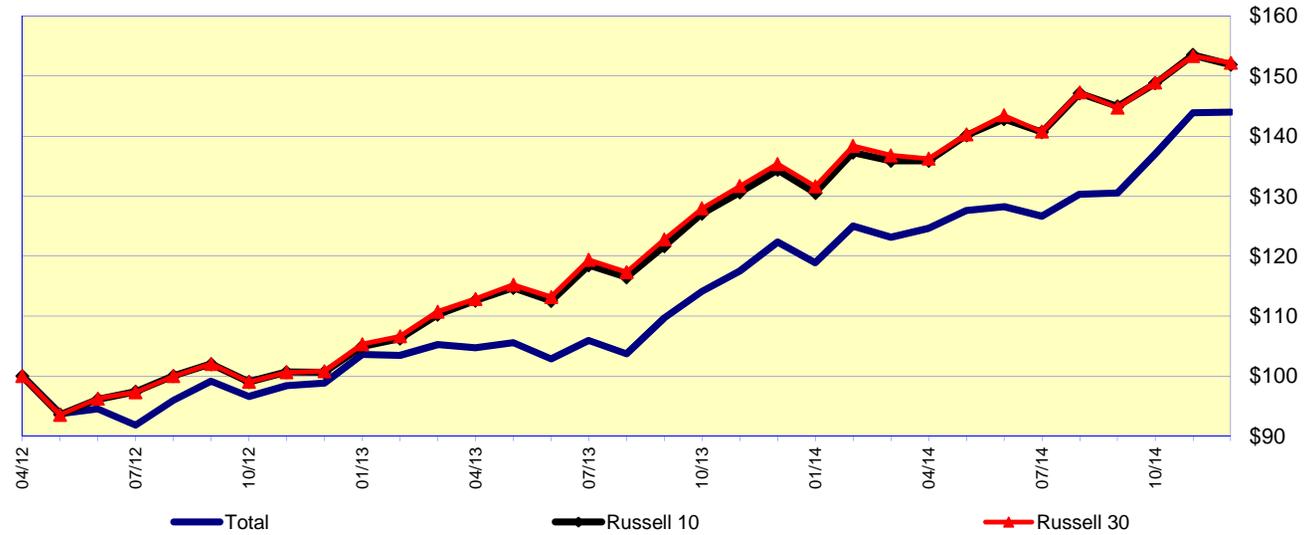
# MANAGER PERFORMANCE ANALYSIS

Ormond Beach General Employees Polen Capital Management

As Of 12/31/2014

## Growth of \$100 Graph

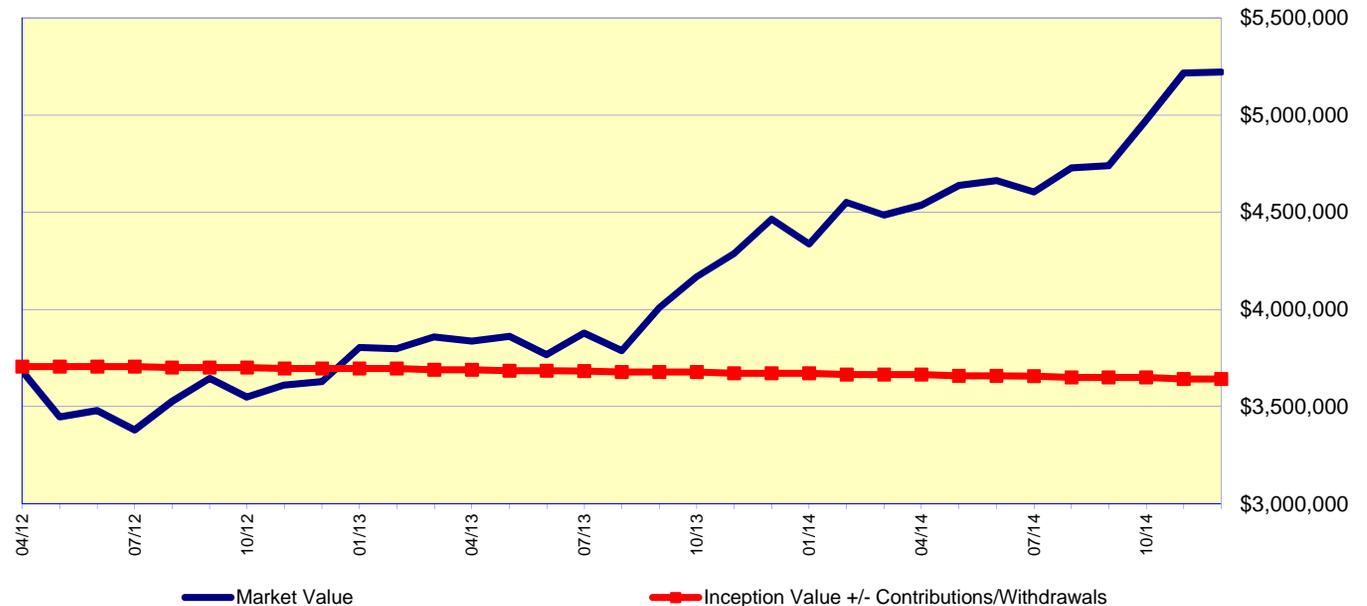
This graph depicts how \$100, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



## 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.

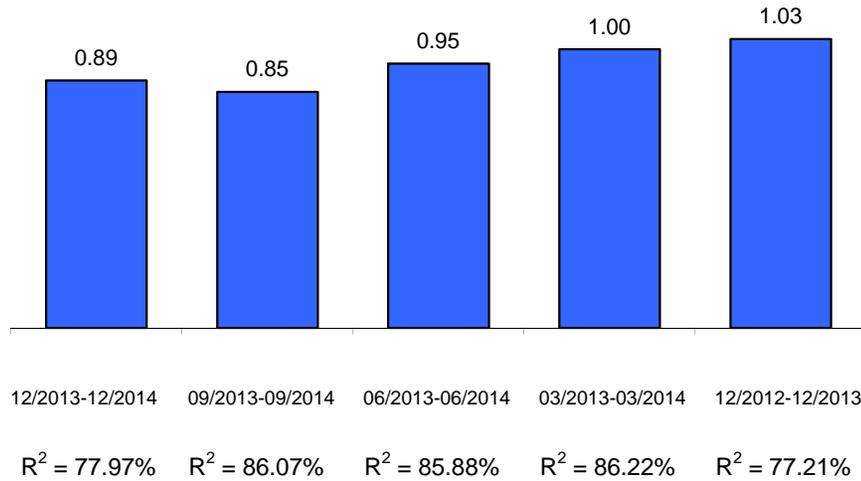


# MODERN PORTFOLIO THEORY

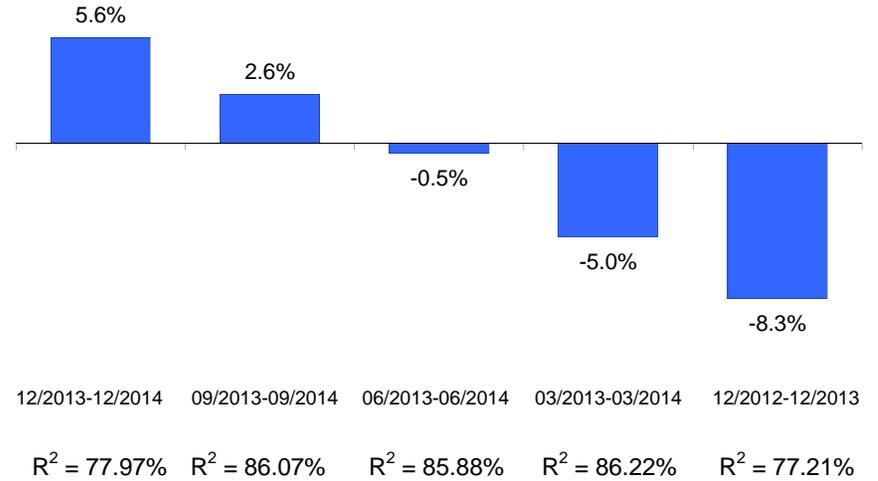
Ormond Beach General Employees Polen Capital Management

AS OF 12/31/2014

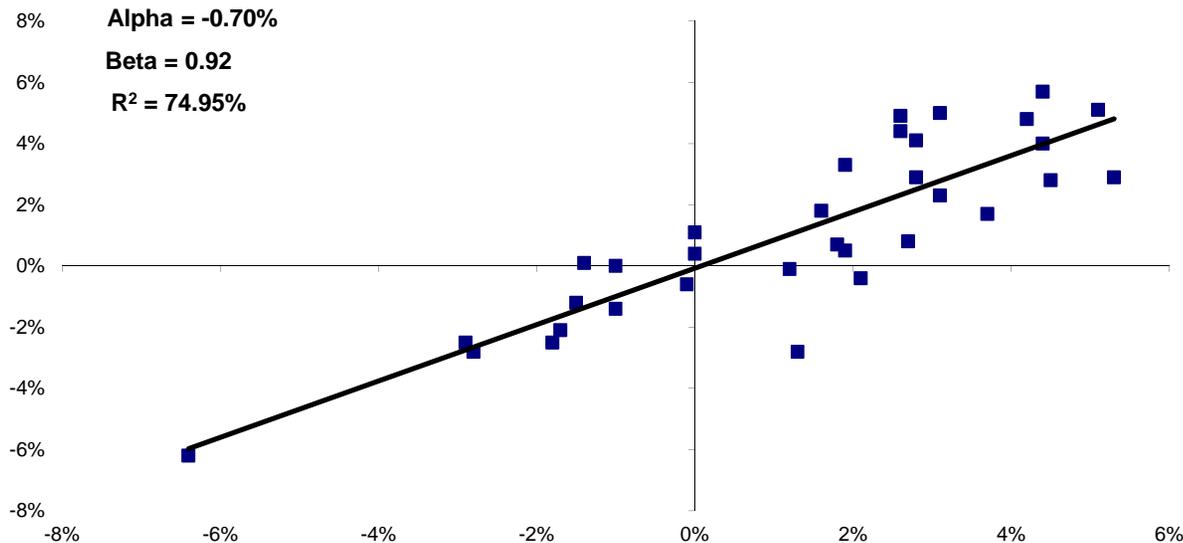
**Beta - Rolling Periods**



**Alpha - Rolling Periods**



**MONTHLY Observations Since 04/2012  
(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. **R<sup>2</sup>** 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.

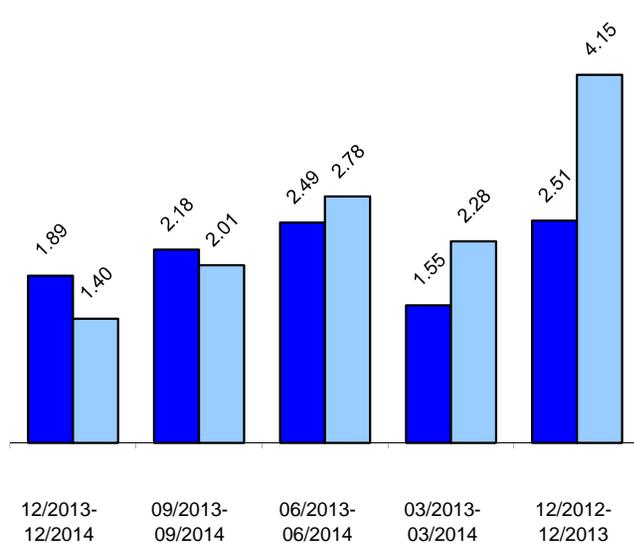
Graph Notes: The Index is represented on the horizontal (X) axis, and the Fund is represented on the vertical (Y) axis. Both the Index and Fund are adjusted by 90-day Treasury Bills.

# MANAGER RISK ANALYSIS

Ormond Beach General Employees

AS OF 12/31/2014

**Sharpe Ratios 1-Year Rolling Periods**



**Polen Capital Management**  
**Russell 1000 Gr**

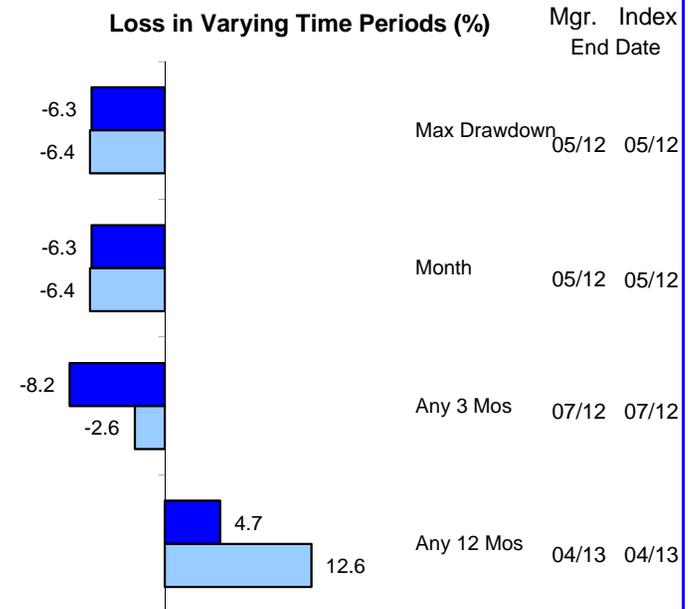
**Sharpe Ratio** divides excess return by standard deviation to arrive at a unified measure of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index

**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.*

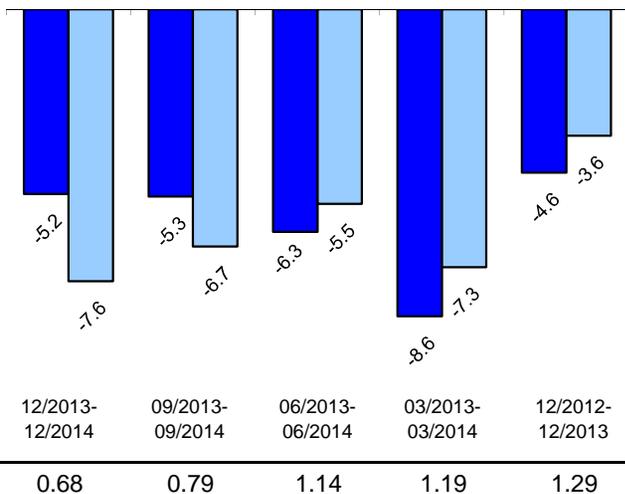
**Down Capture** is the measure of the fund's total return whenever the index returns are negative.

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

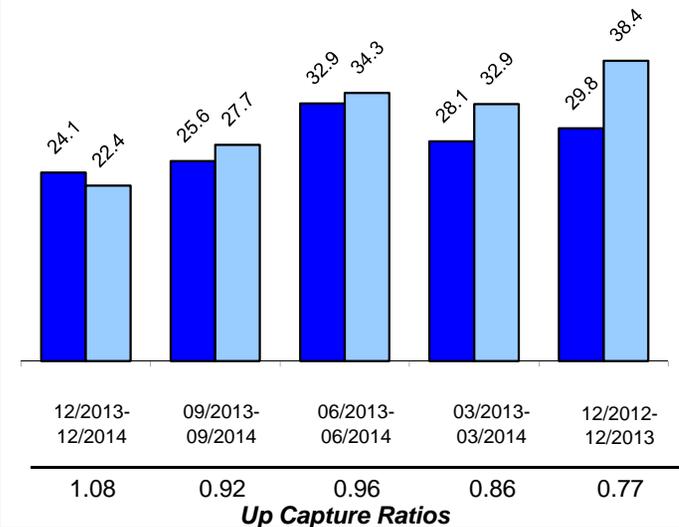
**Loss in Varying Time Periods (%)**



**Down Capture Returns (%) 1-Year Rolling Periods**



**Up Capture Returns (%) 1-Year Rolling Periods**



0.68      0.79      1.14      1.19      1.29

**Down Capture Ratios**

1.08      0.92      0.96      0.86      0.77

**Up Capture Ratios**

## Ormond Beach General - Polen

Composition		
Summary	ORMOND GE POL	RU1000-G
No of Securities	22	682
% Bmrk Holdings	90.12	100.00
% Active Share	83.76	0.00
% Top 25 Holdings	100.00	36.86
% Top 15 Holdings	78.06	26.86

Sector Allocation		
Sector Name	ORMOND GE POL	RU1000-G
Energy		4.49
Materials		4.01
Industrials	5.76	12.22
Consumer Discretionary	25.80	18.73
Consumer Staples	3.60	10.54
Health Care	19.78	14.19
Financials		5.32
Information Technology	45.06	28.28
Telecomm Service		2.14
Utilities		0.09

Characteristics		
Characteristic	ORMOND GE POL	RU1000-G
Market Cap - Weighted Median	62,364,142,375.85	61,117,861,915.74
Price / Book	5.70	5.19
P/E NTM	20.94	18.15
Dividend Yield	1.01	1.49
EPS Growth NTM	13.28	12.17
Ret Eq	27.94	30.50

Top Equity Holdings	
Name	ORMOND GE POL
VISA INC	7.57
NIKE INC	6.49
ORACLE CORP	6.30
ABBOTT LABORATORIES	6.28
PRICELINE GROUP INC	5.45
Total: 32.09	

### Disclaimer

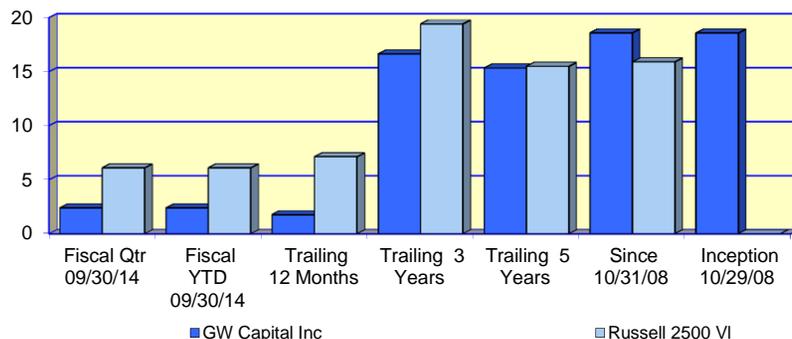
This analysis is based upon information supplied by the Client or its custodian and software developed by Thomson Portfolio Analytics. The underlying data is believed to be reliable but accuracy and completeness cannot be assured. While the characteristics described in this report are believed to accurately 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 General Employees GW Capital Inc

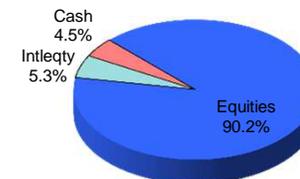
AS OF 12/31/2014

**Portfolio Performance(%)**



**Asset Allocation (\$000)**

Equities	Intleqty	Cash	Total
2,008	117	100	2,224



**Investment Returns (%)**

	Fiscal Qtr Since: 09/30/14	Fiscal YTD 09/30/14	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Trailing Since 10/31/08	Inception 10/29/08
<b>GW Capital Inc</b>	<b>2.38</b>	<b>2.38</b>	<b>1.76</b>	<b>16.62</b>	<b>15.32</b>	<b>18.59</b>	<b>18.56</b>
Russell 2500 VI	6.09	6.09	7.11	19.41	15.48	15.89	N/A

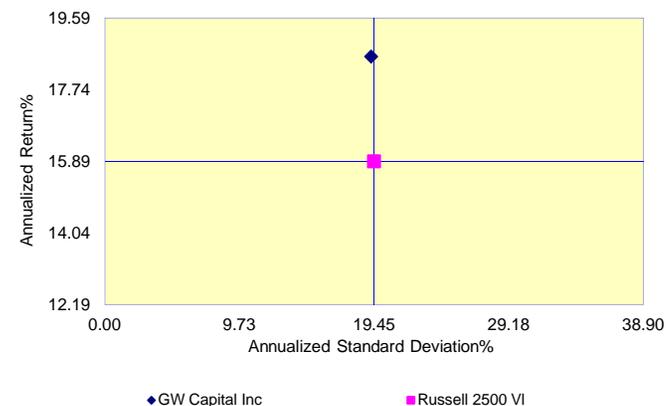
**Asset Growth (\$000)**

	Fiscal Qtr Since: 09/30/14	Fiscal YTD 09/30/14	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Trailing Since 10/31/08	Inception 10/29/08
Beginning Market Value	2,176	2,176	2,545	1,671	1,602	1,150	1,150
Net Contributions & Withdrawals	-4	-4	-369	-414	-739	-749	-749
Gain/Loss + Income	52	52	48	967	1,361	1,823	1,823
Ending Market Value	2,224	2,224	2,224	2,224	2,224	2,224	2,224

**Portfolio Characteristics**

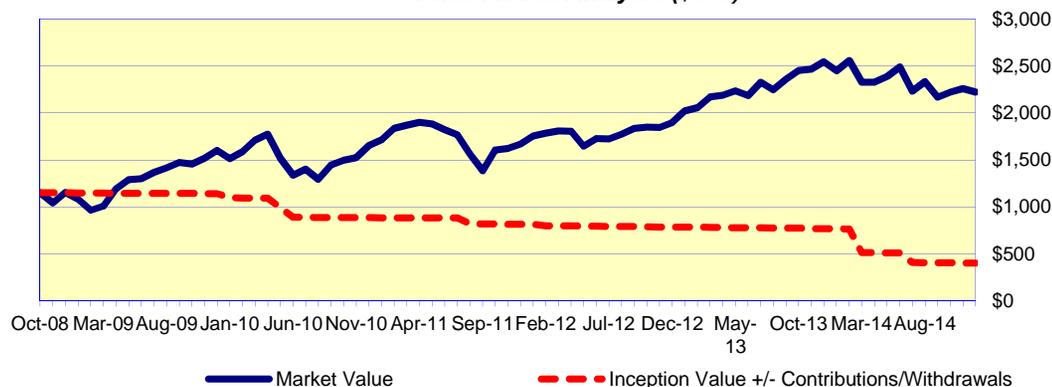
Yield	N/A	Account Sharpe Ratio	0.96
Beta	0.93	Index Sharpe Ratio	0.81
Alpha	3.46%		
R <sup>2</sup>	88%		

**Risk / Return Analysis Since 10/31/2008**



Annualized %	Return	Std. Dev.
<b>GW Capital Inc</b>	<b>18.59</b>	<b>19.24</b>
Russell 2500 VI	15.89	19.45

**Value-Added Analysis (\$000)**



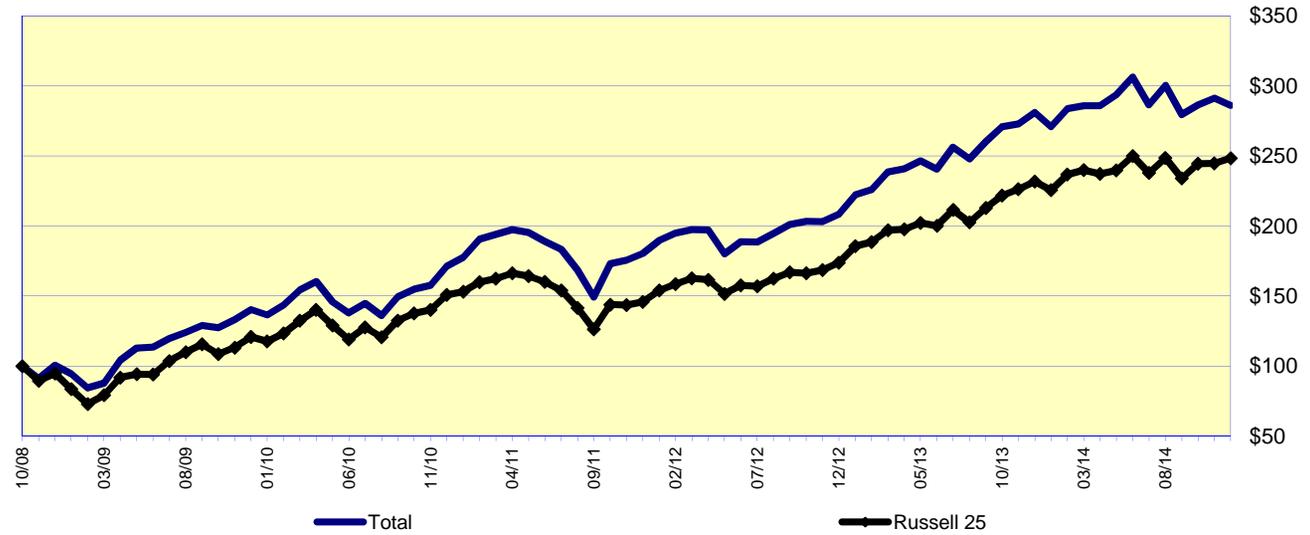
# MANAGER PERFORMANCE ANALYSIS

Ormond Beach General Employees GW Capital Inc

As Of 12/31/2014

## Growth of \$100 Graph

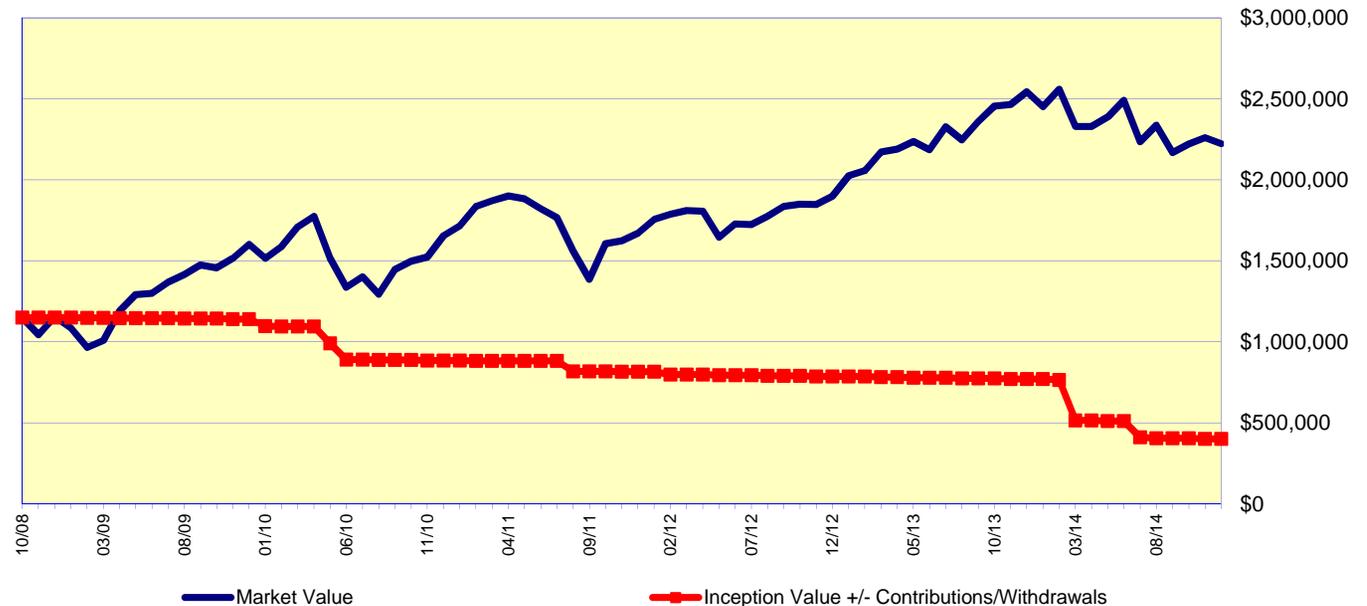
This graph depicts how \$100, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



## Value Added Graph

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

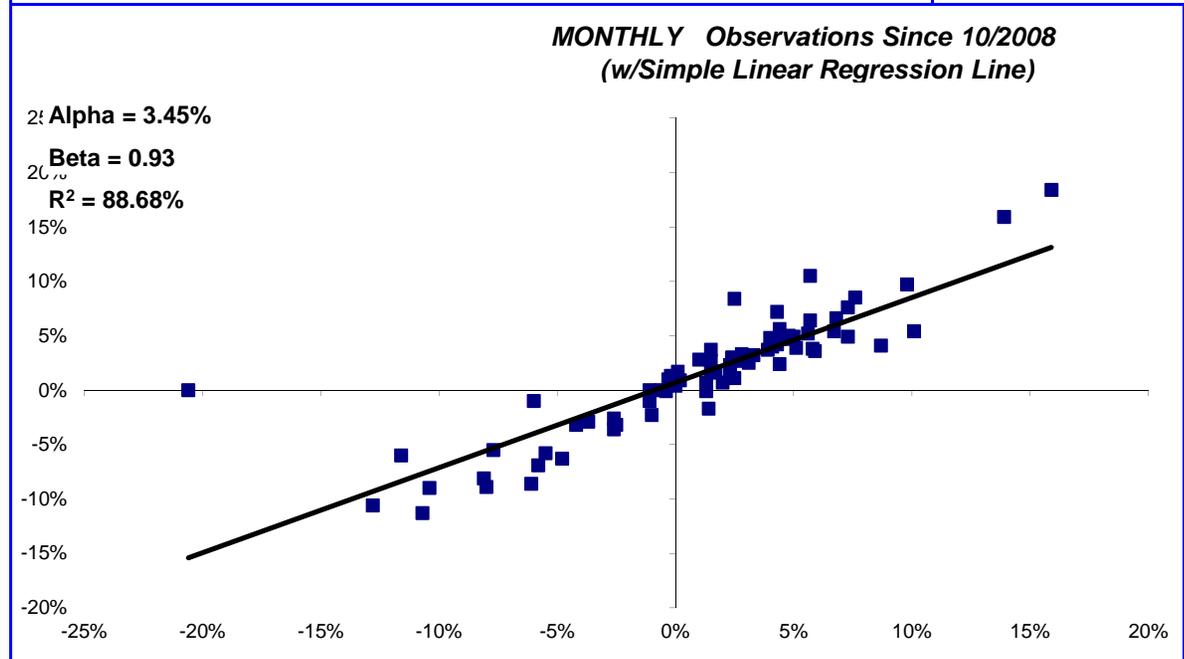
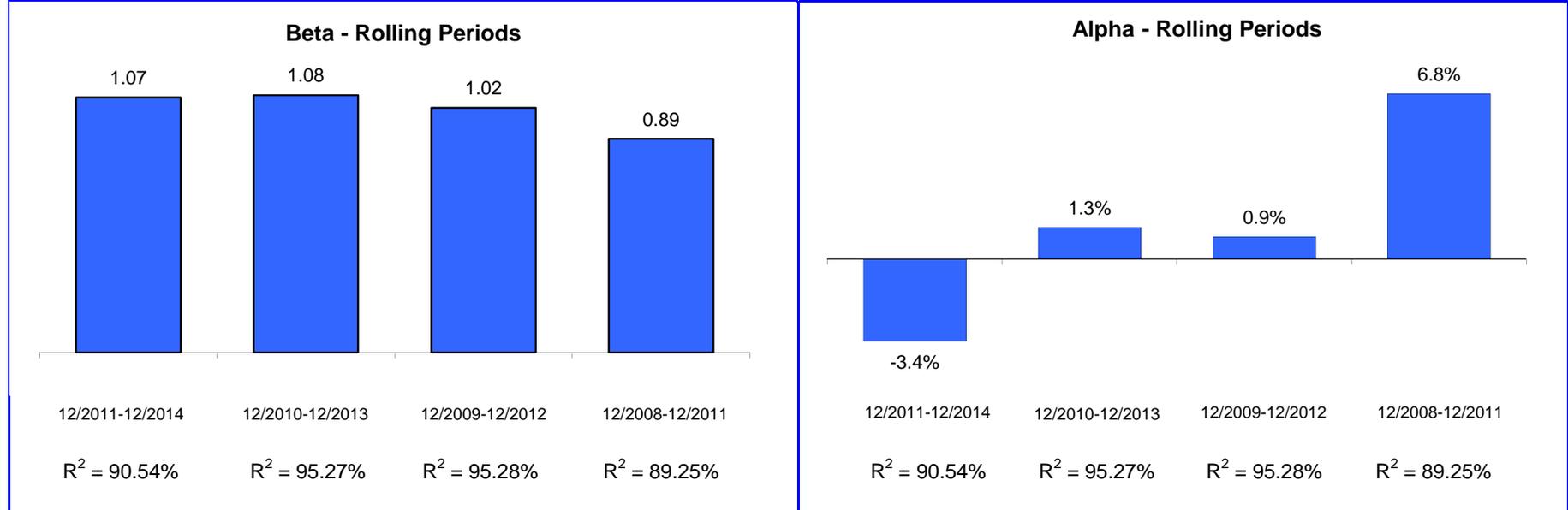
One of the graph lines denotes the period-end market values of the portfolio over time. This is simply a visual representation of the ebb and flow of the portfolio's market value period-to-period. The other line represents the original dollars invested adjusted for contributions or withdrawals.



# MODERN PORTFOLIO THEORY

Ormond Beach General Employees GW Capital Inc

AS OF 12/31/2014



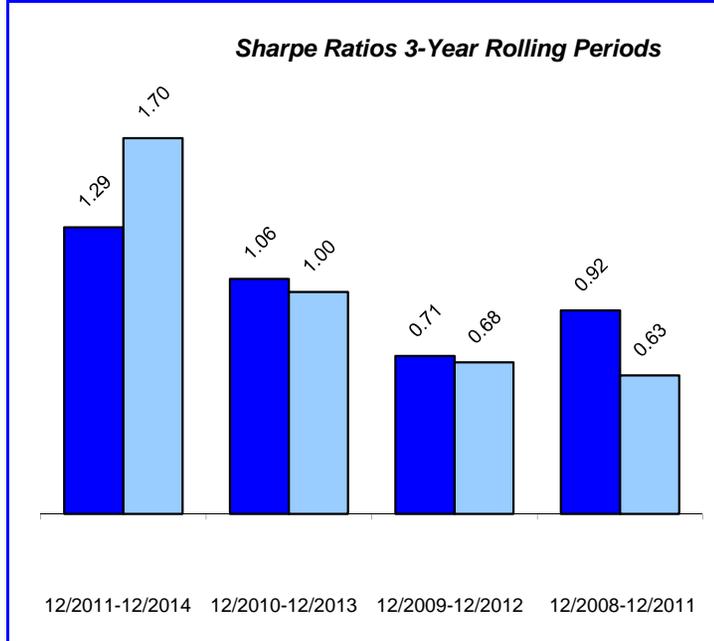
**Modern Portfolio Theory** seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk. **Alpha** is a measure of a portfolio's return in excess of the market return, both adjusted for risk. A positive alpha indicates 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. **R<sup>2</sup>** 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 General Employees

AS OF 12/31/2014



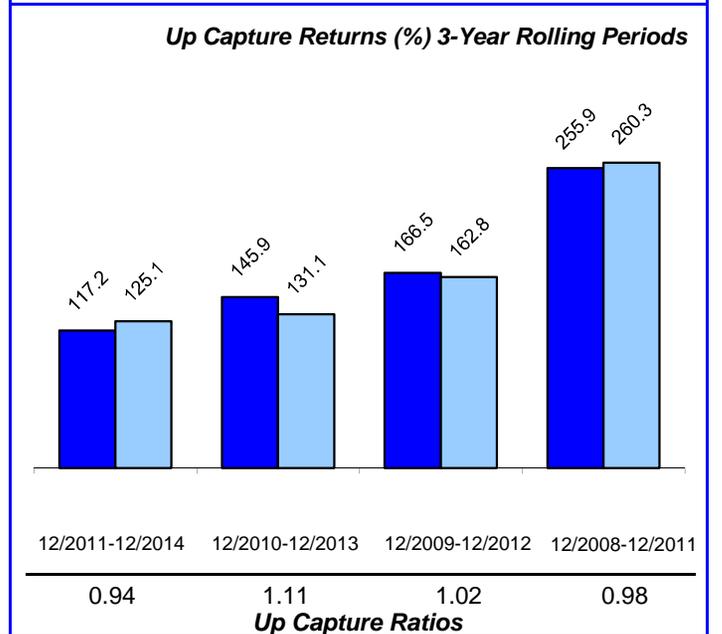
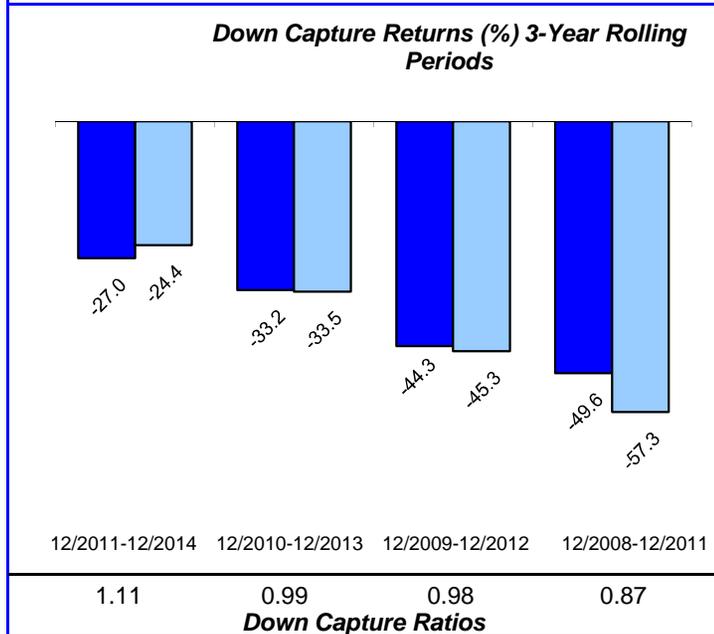
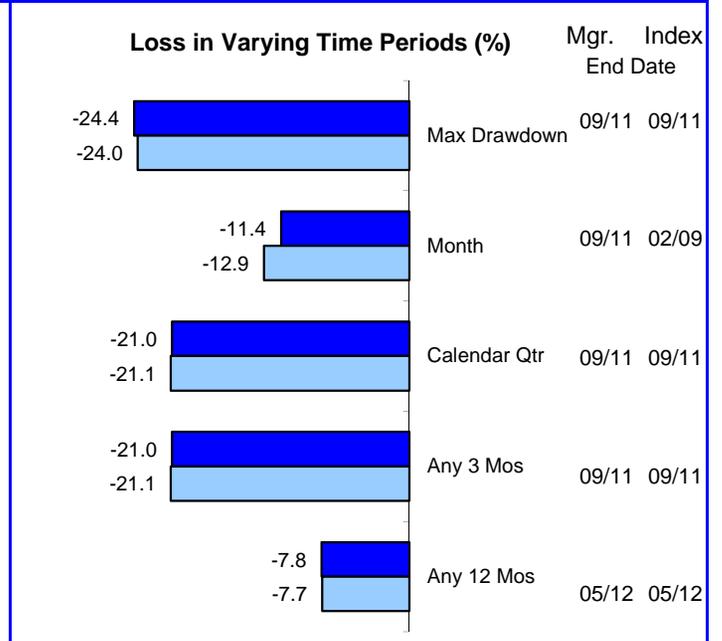
**GW Capital Inc**  
**Russell 2500 VI**

**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

**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



## Ormond Beach General - GW

Composition		
Summary	ORMOND GE GW	RU2500-V
No of Securities	34	1,751
% Bmrk Holdings	58.83	100.00
% Active Share	97.27	0.00
% Top 25 Holdings	81.46	9.69
% Top 15 Holdings	55.26	6.22

Sector Allocation		
Sector Name	ORMOND GE GW	RU2500-V
Energy	6.03	4.01
Materials	17.36	5.85
Industrials	19.31	13.41
Consumer Discretionary	2.49	11.14
Consumer Staples	7.87	2.27
Health Care	10.30	6.23
Financials	23.34	38.43
Information Technology	6.61	9.08
Telecomm Service	3.08	0.81
Utilities	3.61	8.76

Characteristics		
Characteristic	ORMOND GE GW	RU2500-V
Market Cap - Weighted Median	4,400,656,137.96	3,407,909,979.67
Price / Book	1.84	1.67
P/E NTM	15.24	17.98
Dividend Yield	1.34	2.00
EPS Growth NTM	4.84	16.69
Ret Eq	56.49	6.24

Top Equity Holdings	
Name	ORMOND GE GW
BROOKDALE SENIOR LIVING INC	5.15
CASEY'S GENERAL STORES INC	4.33
CROWN HOLDINGS INC	4.15
VERISK ANALYTICS INC	4.11
OWENS-ILLINOIS INC	3.84
Total: 21.57	

### Disclaimer

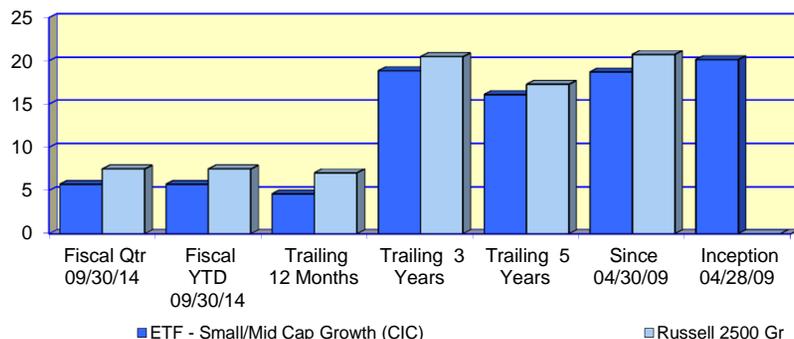
This analysis is based upon information supplied by the Client or its custodian and software developed by Thomson Portfolio Analytics. The underlying data is believed to be reliable but accuracy and completeness cannot be assured. While the characteristics described in this report are believed to accurately 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 General Employees ETF - Small/Mid Cap Growth (CIC)

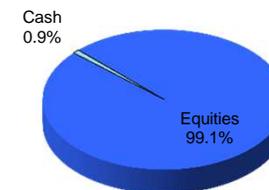
AS OF 12/31/2014

**Portfolio Performance(%)**



**Asset Allocation (\$000)**

<u>Equities</u>	<u>Cash</u>	<u>Total</u>
2,360	21	2,381



**Portfolio Characteristics**

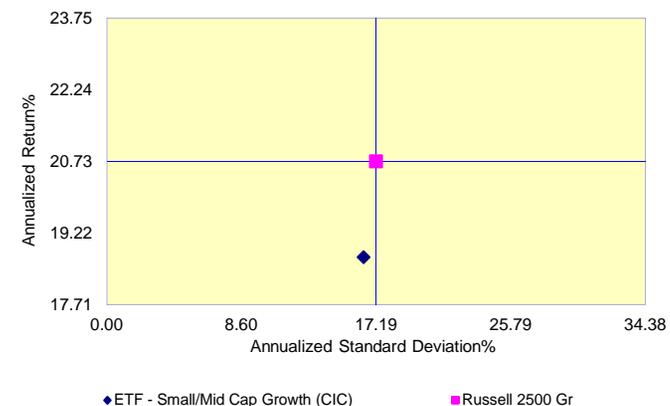
Yield	N/A	Account Sharpe Ratio	1.13
Beta	0.93	Index Sharpe Ratio	1.20
Alpha	-0.52%		
R <sup>2</sup>	96%		

<b>Investment Returns (%)</b>	Since:	Fiscal Qtr 09/30/14	Fiscal YTD 09/30/14	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 04/30/09	Inception 04/28/09
<b>ETF - Small/Mid Cap Growth (CIC)</b>		<b>5.71</b>	<b>5.71</b>	<b>4.60</b>	<b>18.83</b>	<b>16.09</b>	<b>18.71</b>	<b>20.13</b>
Russell 2500 Gr		7.48	7.48	7.04	20.47	17.27	20.73	N/A

**Asset Growth (\$000)**

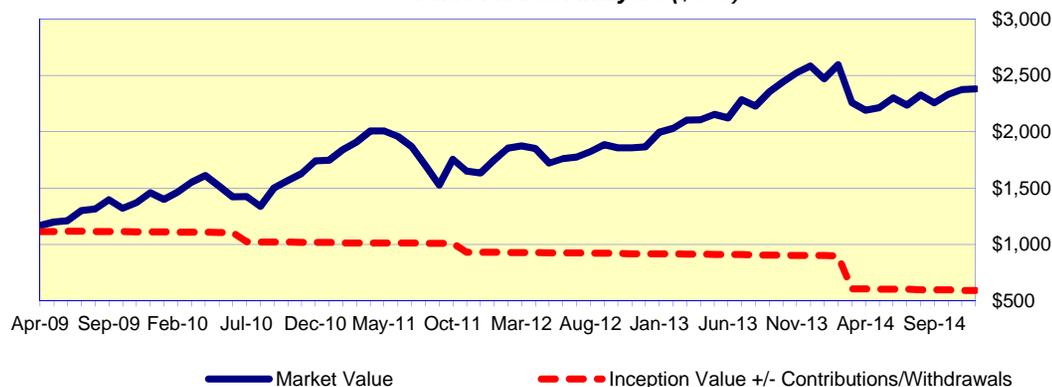
Beginning Market Value	2,257	2,257	2,586	1,637	1,461	1,169	0
Net Contributions & Withdrawals	-4	-4	-309	-339	-518	-522	594
Gain/Loss + Income	128	128	104	1,083	1,438	1,734	1,787
Ending Market Value	2,381	2,381	2,381	2,381	2,381	2,381	2,381

**Risk / Return Analysis Since 04/30/2009**



<b>Annualized %</b>	<b>Return</b>	<b>Std. Dev.</b>
<b>ETF - Small/Mid Cap Growth (CIC)</b>	<b>18.71</b>	<b>16.39</b>
Russell 2500 Gr	20.73	17.19

**Value-Added Analysis (\$000)**



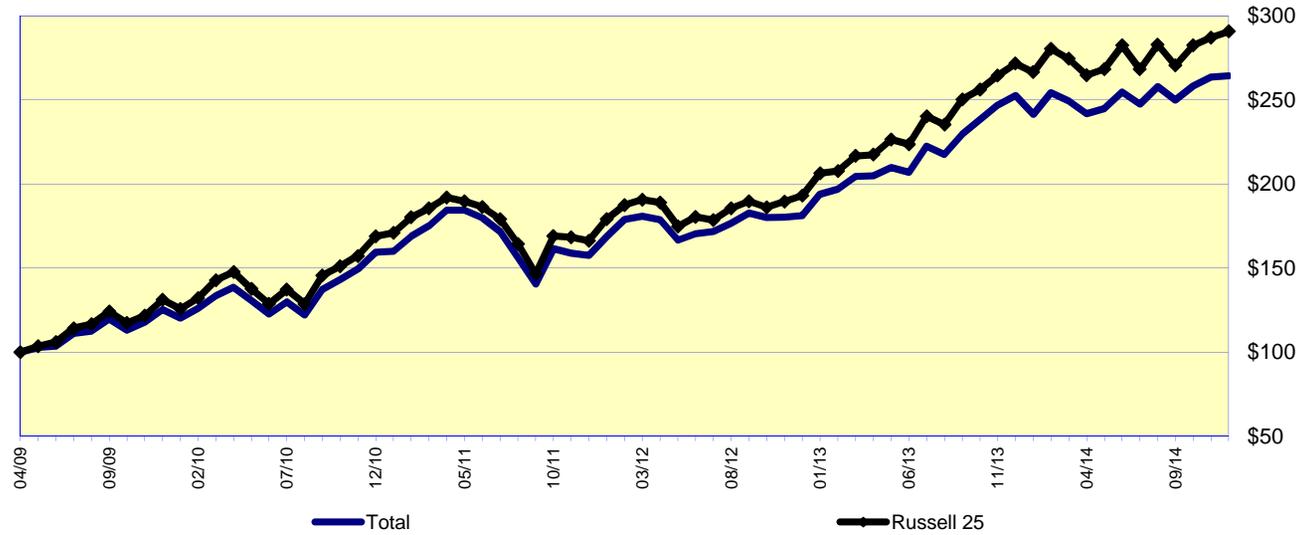
# MANAGER PERFORMANCE ANALYSIS

Ormond Beach General Employees ETF - Small/Mid Cap Growth (CIC)

As Of 12/31/2014

## Growth of \$100 Graph

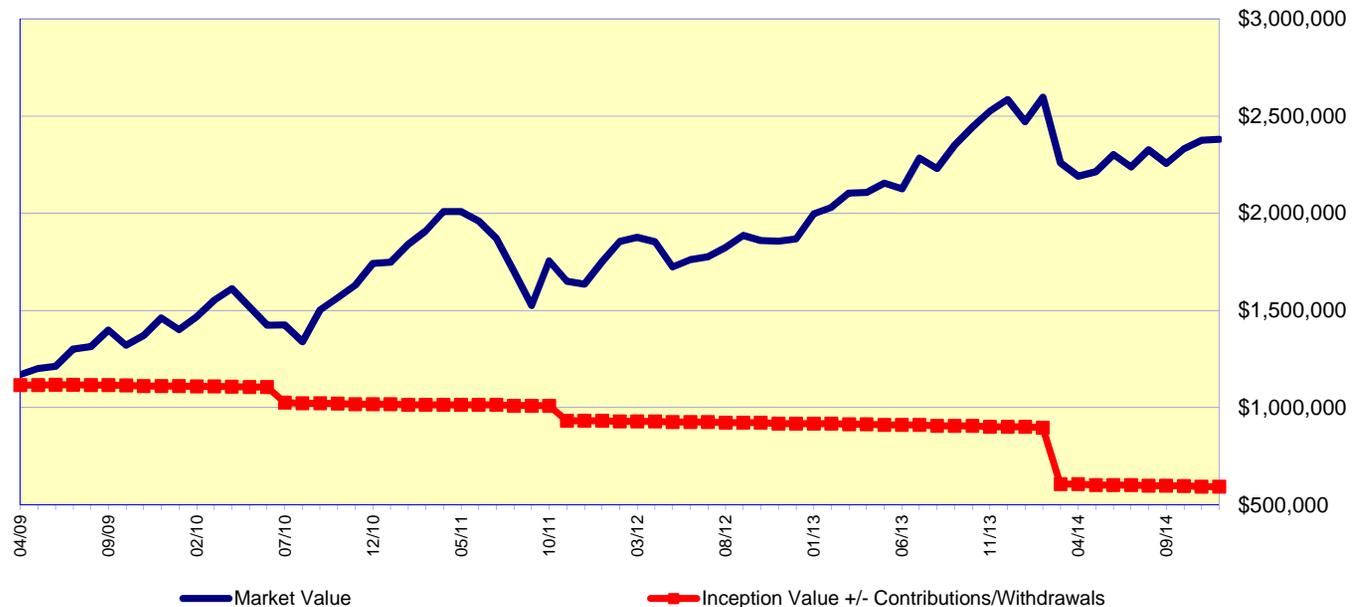
This graph depicts how \$100, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



## Value Added Graph

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

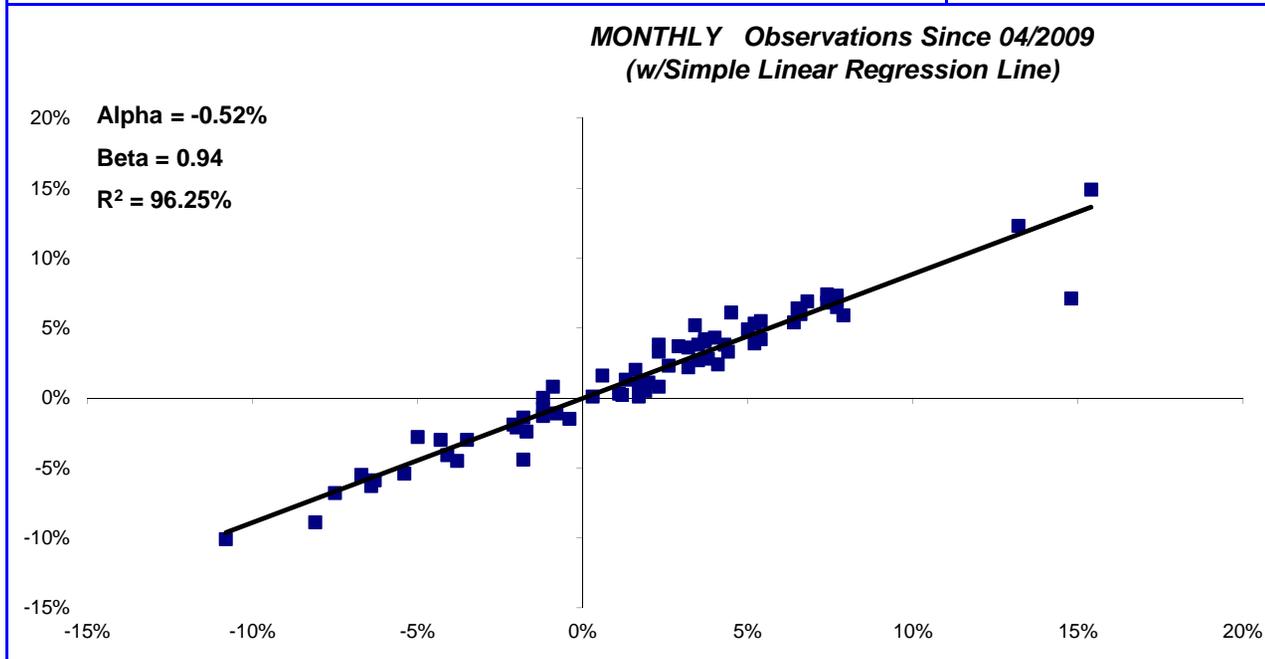
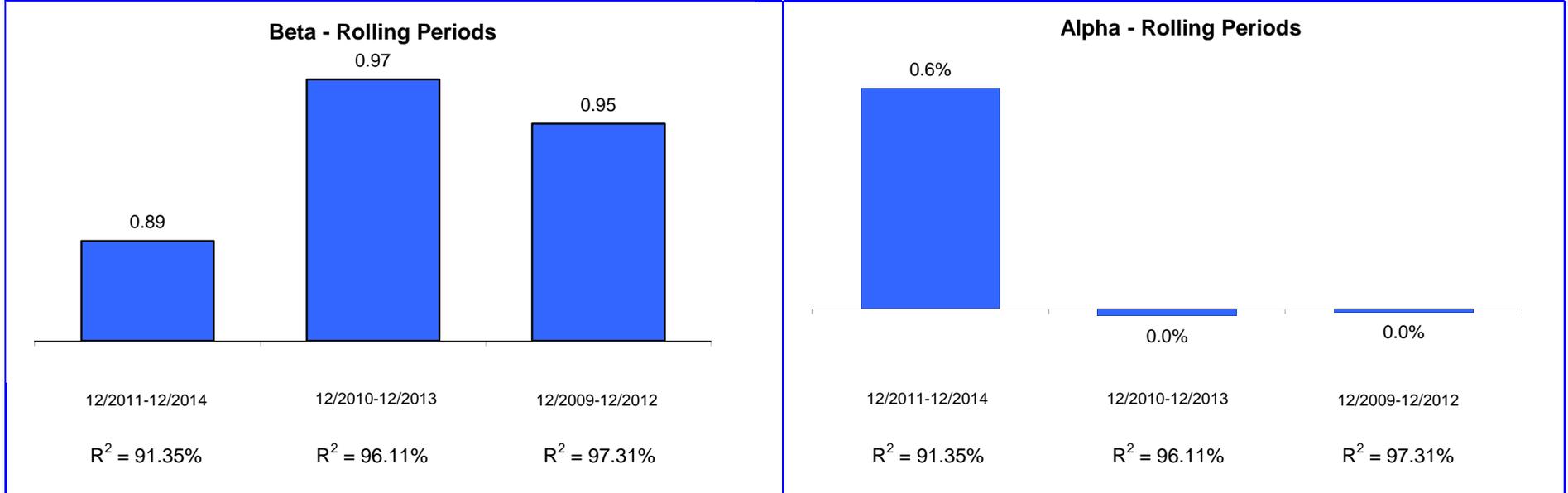
One of the graph lines denotes the period-end market values of the portfolio over time. This is simply a visual representation of the ebb and flow of the portfolio's market value period-to-period. The other line represents the original dollars invested adjusted for contributions or withdrawals.



# MODERN PORTFOLIO THEORY

Ormond Beach General Employees ETF - Small/Mid Cap Growth (CIC)

AS OF 12/31/2014



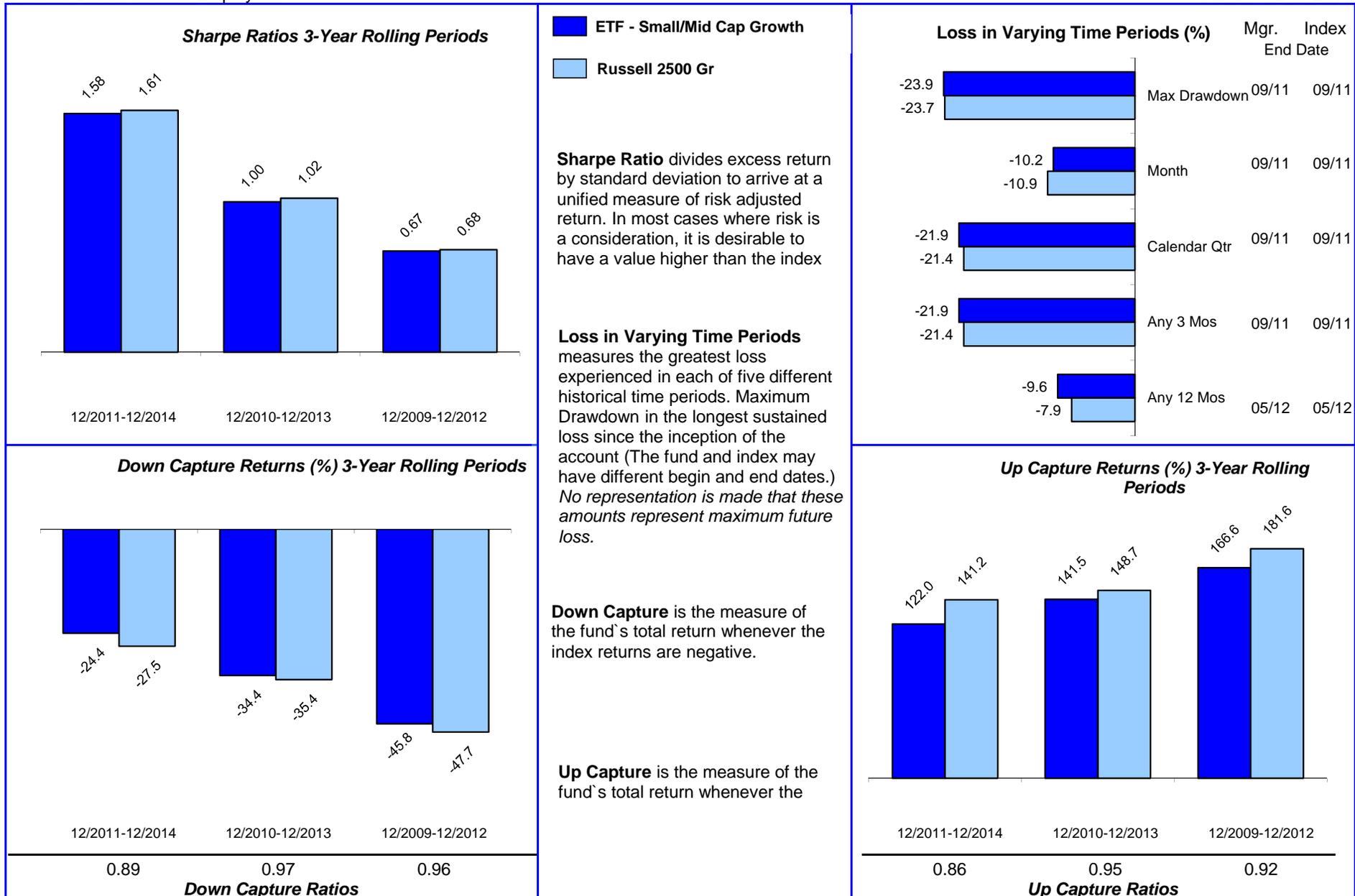
**Modern Portfolio Theory** seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk. **Alpha** is a measure of a portfolio's return in excess of the market return, both adjusted for risk. A positive alpha indicates 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. **R<sup>2</sup>** 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 General Employees

AS OF 12/31/2014

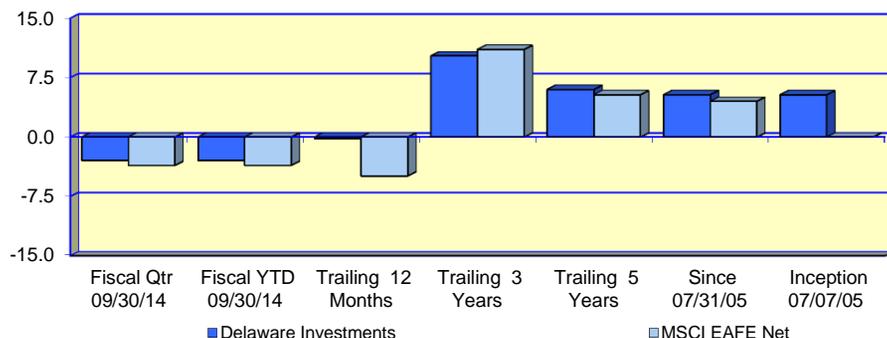


# EXECUTIVE SUMMARY

Ormond Beach General Employees Delaware Investments

AS OF 12/31/2014

**Portfolio Performance(%)**



<b>Investment Returns (%)</b>	<i>Fiscal Qtr</i> Since: 09/30/14	<i>Fiscal YTD</i> 09/30/14	<i>Trailing</i> 12 Months	<i>Trailing</i> 3 Years	<i>Trailing</i> 5 Years	<i>Since</i> 07/31/05	<i>Inception</i> 07/07/05
<b>Delaware Investments</b>	-2.93	-2.93	-0.17	10.25	6.01	5.35	5.33
<b>MSCI EAFE Net</b>	-3.57	-3.57	-4.91	11.06	5.34	4.51	N/A

**Asset Growth (\$000)**

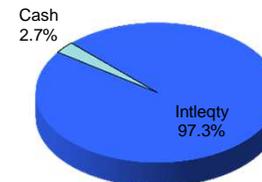
Beginning Market Value	2,007	2,007	1,964	1,486	1,509	2,675	2,610
Net Contributions & Withdrawals	-4	-4	-16	-41	-63	-1,581	-1,523
Gain/Loss + Income	-58	-58	-3	500	499	851	858
Ending Market Value	1,945	1,945	1,945	1,945	1,945	1,945	1,945

**Value-Added Analysis (\$000)**



**Asset Allocation (\$000)**

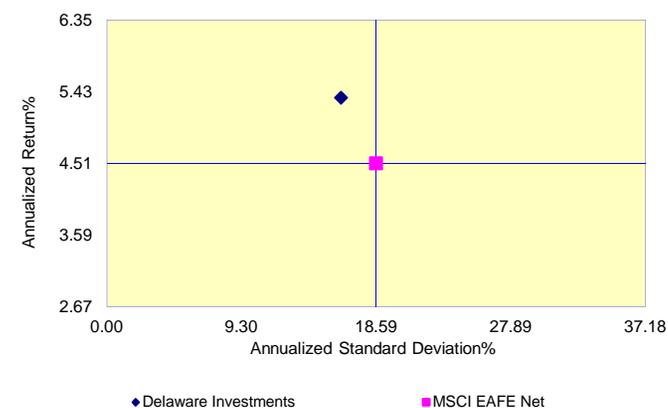
<i>Intleqty</i>	<i>Cash</i>	<i>Total</i>
1,892	53	1,945



**Portfolio Characteristics**

Yield	N/A	Account Sharpe Ratio	0.24
Beta	0.83	Index Sharpe Ratio	0.17
Alpha	1.16%		
R <sup>2</sup>	92%		

**Risk / Return Analysis Since 07/31/2005**



<b>Annualized %</b>	<b>Return</b>	<b>Std. Dev.</b>
<b>Delaware Investments</b>	<b>5.35</b>	<b>16.17</b>
<b>MSCI EAFE Net</b>	<b>4.51</b>	<b>18.59</b>

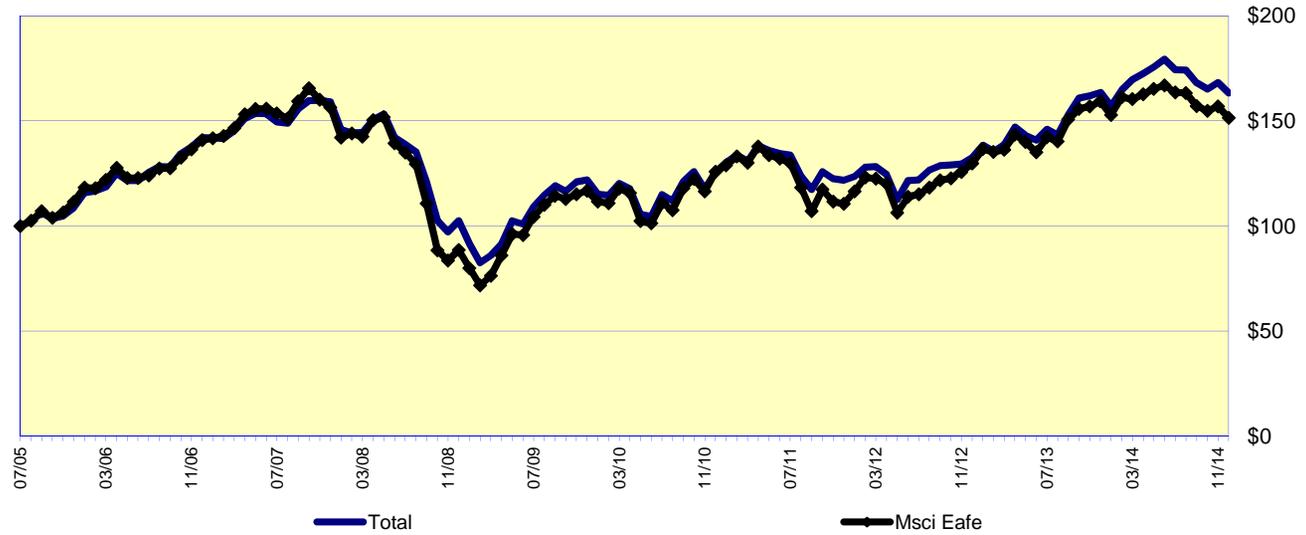
# MANAGER PERFORMANCE ANALYSIS

Ormond Beach General Employees Delaware Investments

As Of 12/31/2014

## 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.

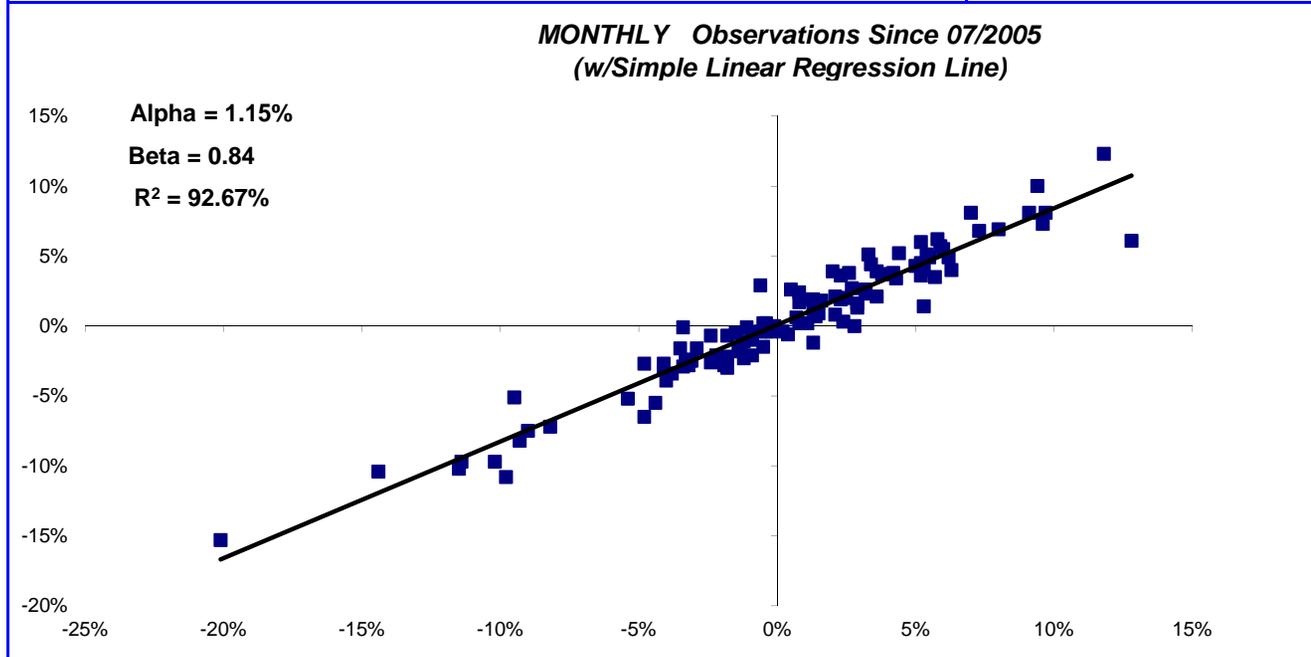
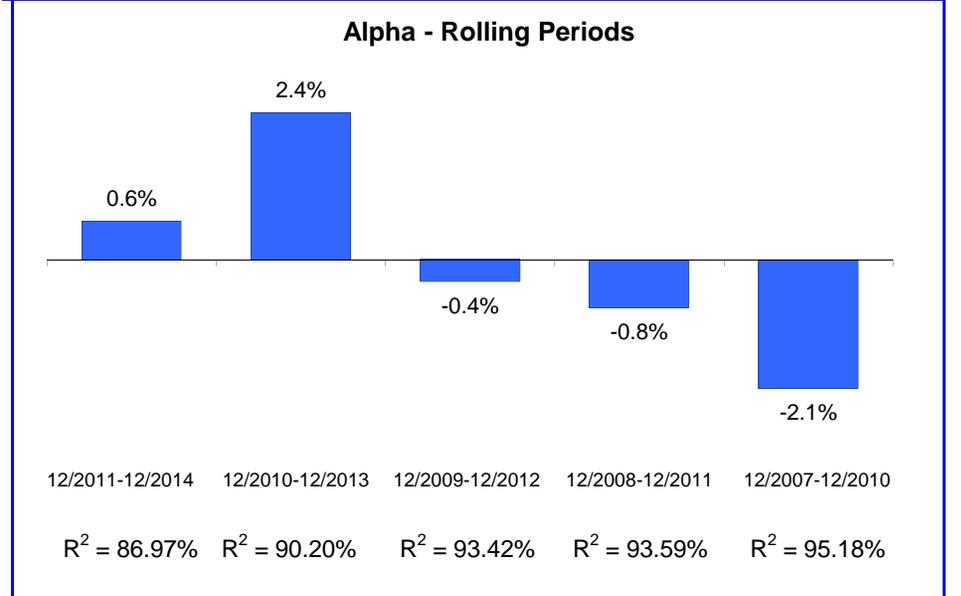
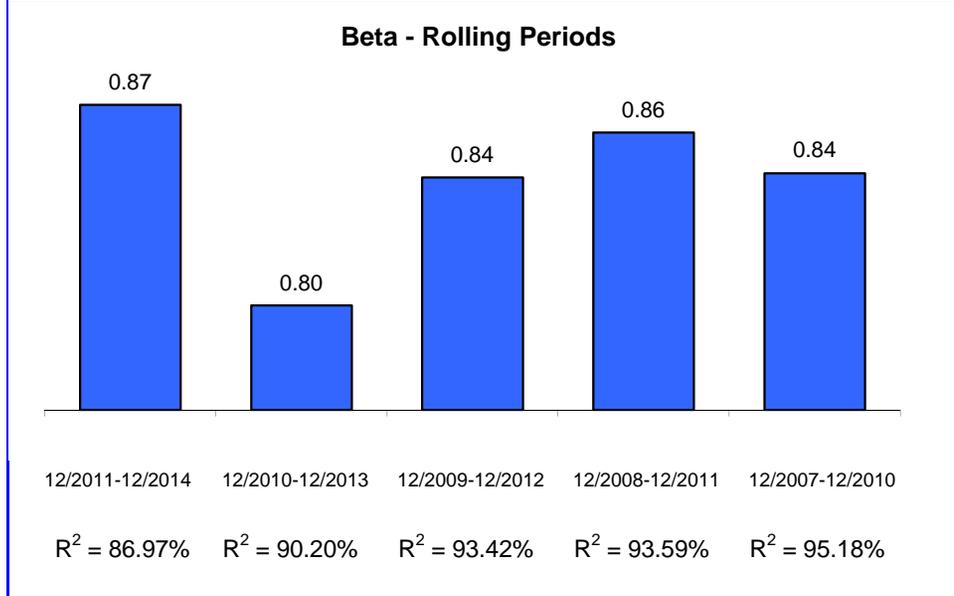
One of the graph lines denotes the period-end market values of the portfolio over time. This is simply a visual representation of the ebb and flow of the portfolio's market value period-to-period. The other line represents the original dollars invested adjusted for contributions or withdrawals.



# MODERN PORTFOLIO THEORY

Ormond Beach General Employees Delaware Investments

AS OF 12/31/2014



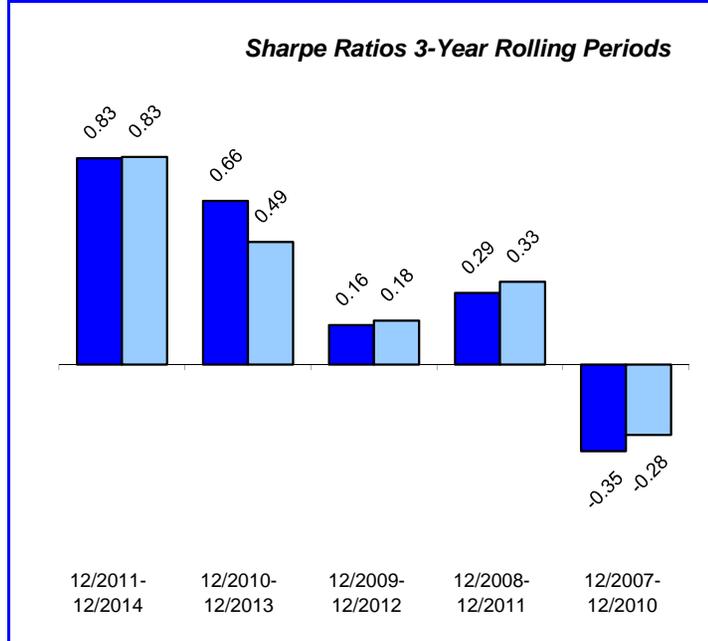
**Modern Portfolio Theory** seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk. **Alpha** is a measure of a portfolio's return in excess of the market return, both adjusted for risk. A positive alpha indicates 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. **R<sup>2</sup>** 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 General Employees

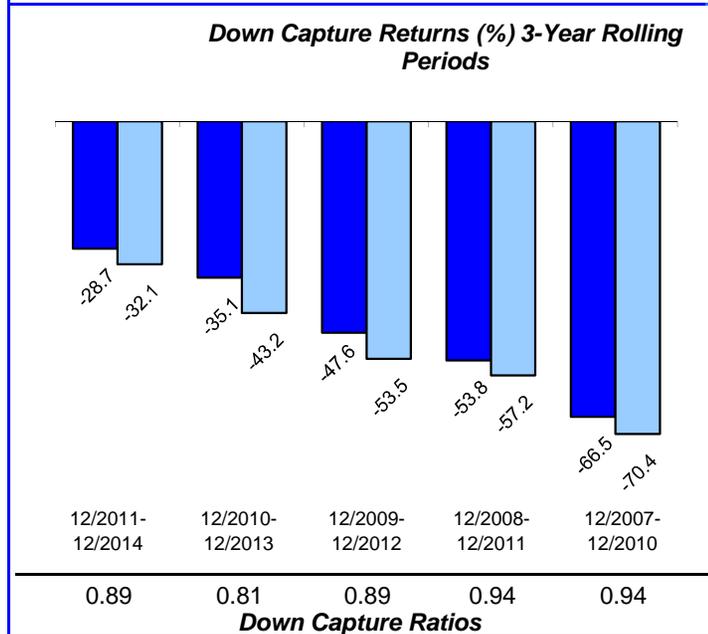
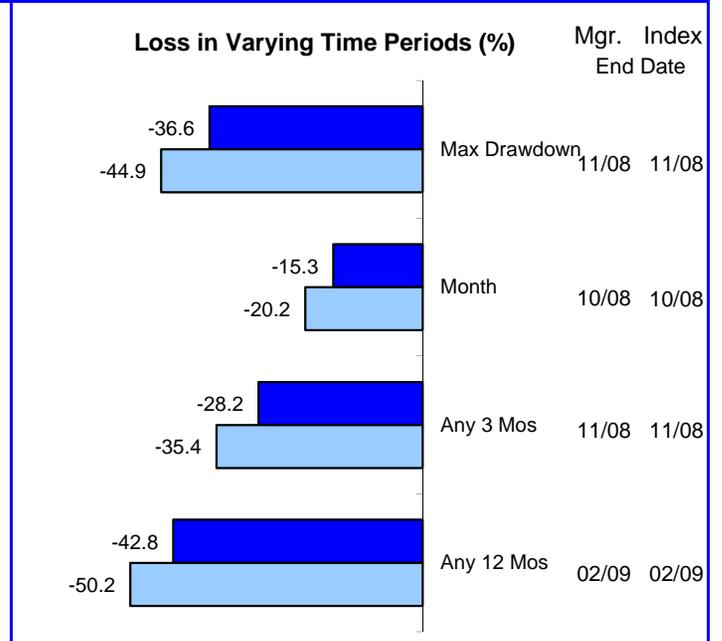
AS OF 12/31/2014



**Delaware Investments**  
**MSCI EAFE Net**

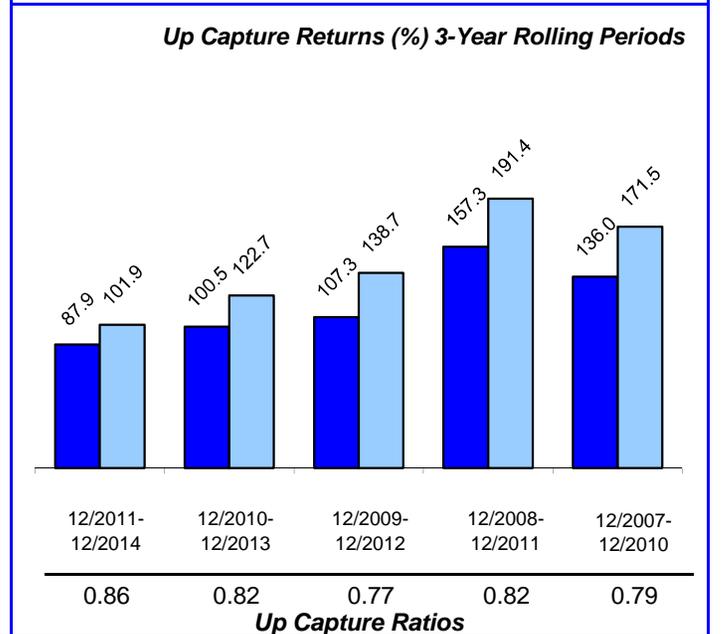
**Sharpe Ratio** divides excess return by standard deviation to arrive at a unified measure of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index

**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

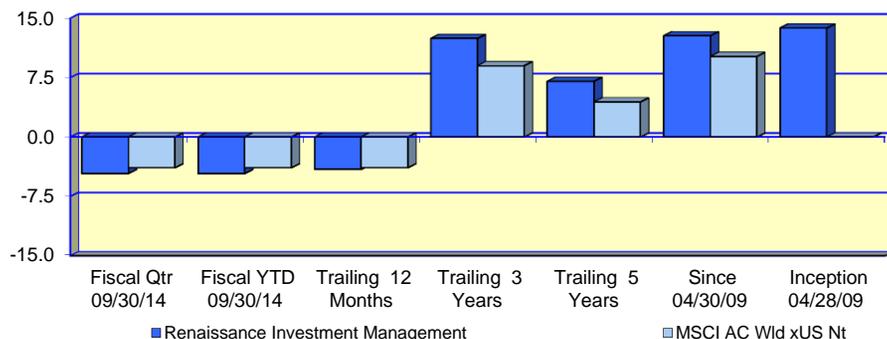


# EXECUTIVE SUMMARY

Ormond Beach General Employees Renaissance Investment Management

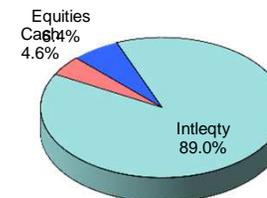
AS OF 12/31/2014

**Portfolio Performance(%)**



**Asset Allocation (\$000)**

Equities	Intleqy	Cash	Total
124	1,720	89	1,933



**Portfolio Characteristics**

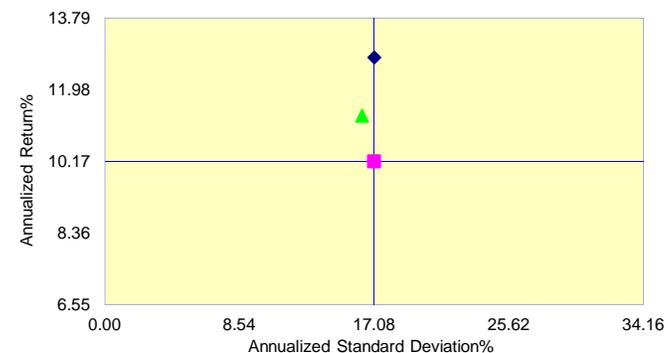
Yield	N/A	Account Sharpe Ratio	0.74
Beta	0.95	Index Sharpe Ratio	0.59
Alpha	2.93%		
R <sup>2</sup>	90%		

	Fiscal Qtr	Fiscal YTD	Trailing	Trailing	Trailing	Since	Inception
<b>Investment Returns (%)</b>	Since: 09/30/14	09/30/14	12 Months	3 Years	5 Years	04/30/09	04/28/09
Renaissance Investment Management	-4.60	-4.60	-4.08	12.45	7.03	12.79	13.76
MSCI AC Wild xUS Nt	-3.88	-3.88	-3.88	9.00	4.43	10.17	N/A

**Asset Growth (\$000)**

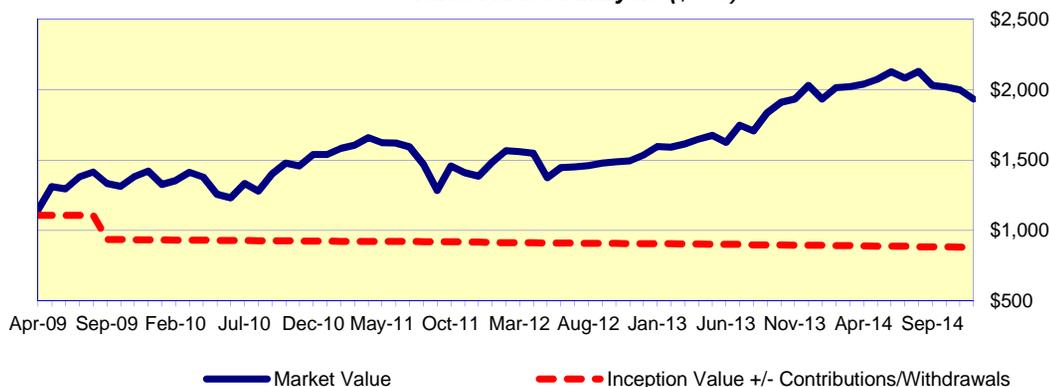
	Fiscal Qtr	Fiscal YTD	Trailing	Trailing	Trailing	Since	Inception
	09/30/14	09/30/14	12 Months	3 Years	5 Years	04/30/09	04/28/09
Beginning Market Value	2,030	2,030	2,029	1,387	1,422	1,145	0
Net Contributions & Withdrawals	-4	-4	-14	-35	-53	-226	881
Gain/Loss + Income	-93	-93	-82	581	564	1,014	1,052
Ending Market Value	1,933	1,933	1,933	1,933	1,933	1,933	1,933

**Risk / Return Analysis Since 04/30/2009**



Asset	Annualized %	Return	Std. Dev.
Renaissance Investment Management		12.79	17.10
MSCI AC Wild xUS Nt		10.17	17.08
MSCI EAFE Gr Net		11.32	16.33

**Value-Added Analysis (\$000)**



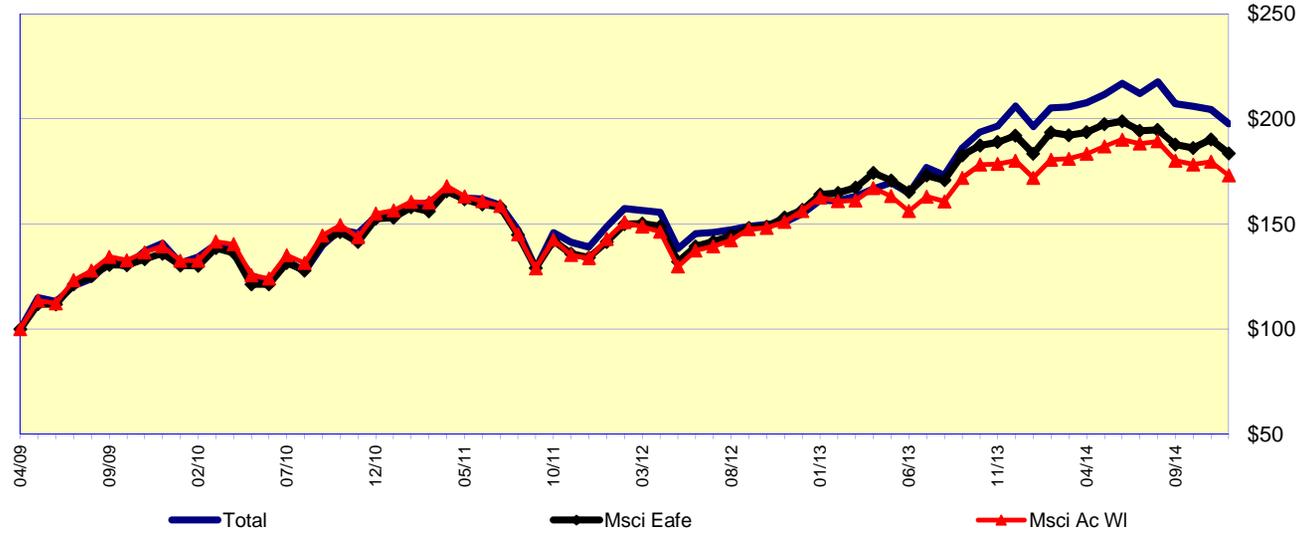
# MANAGER PERFORMANCE ANALYSIS

Ormond Beach General Employees Renaissance Investment Management

As Of 12/31/2014

## Growth of \$100 Graph

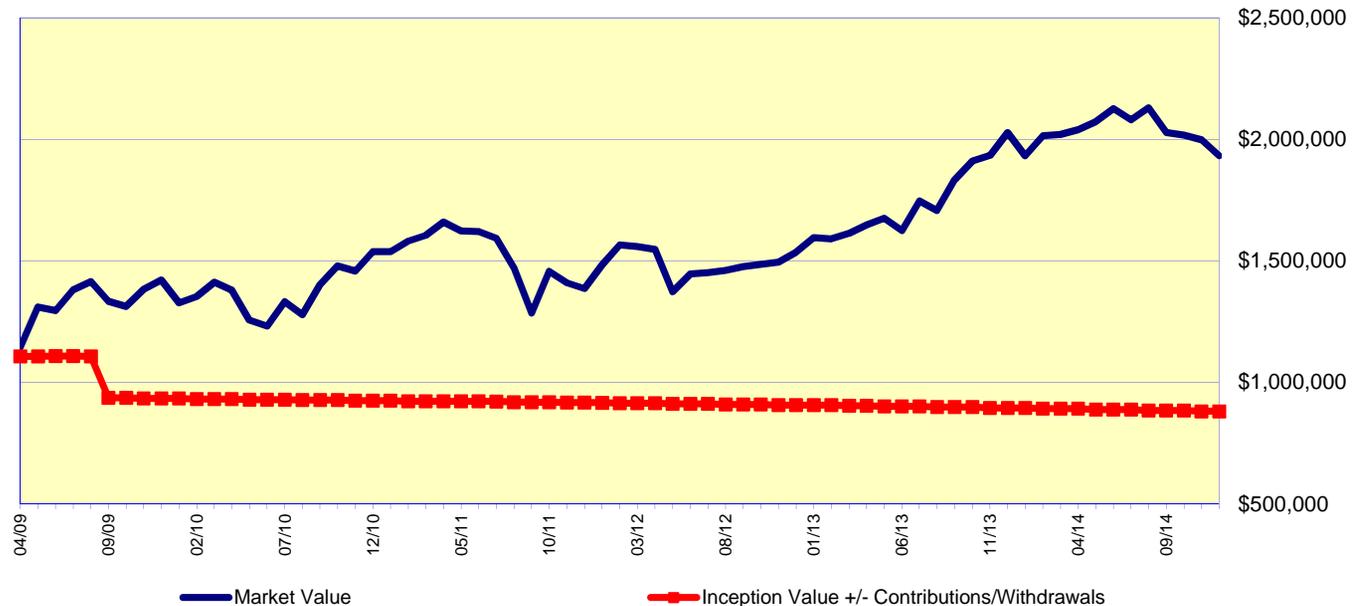
This graph depicts how \$100, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



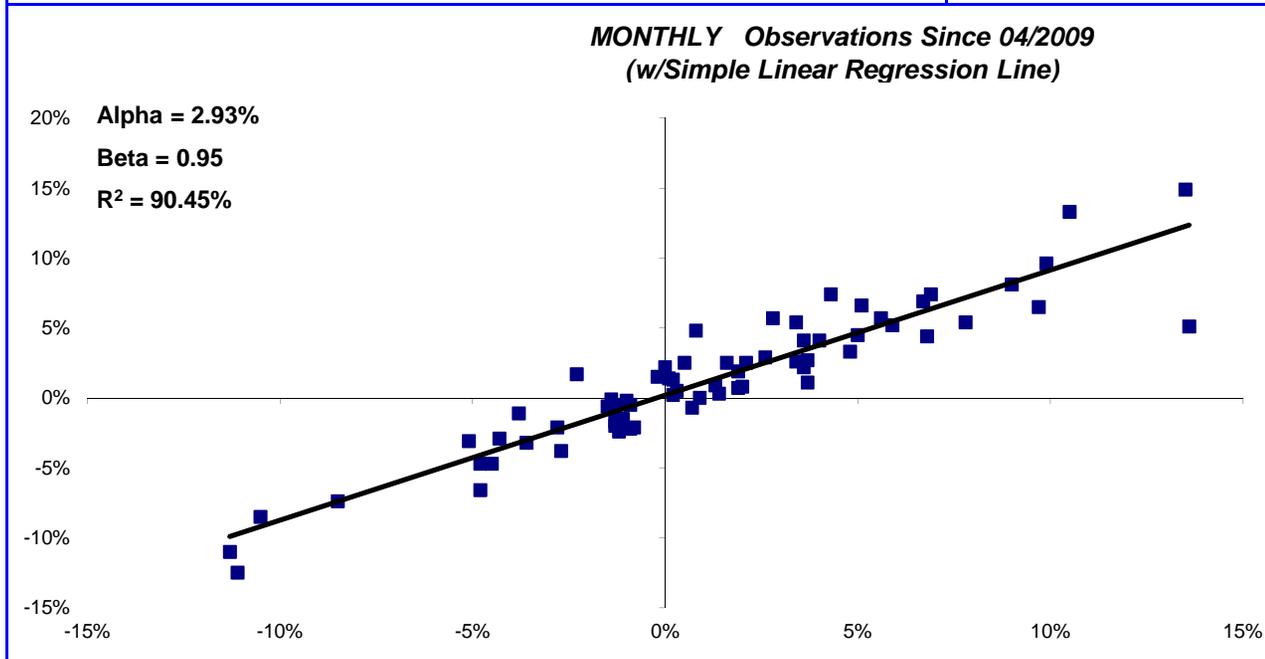
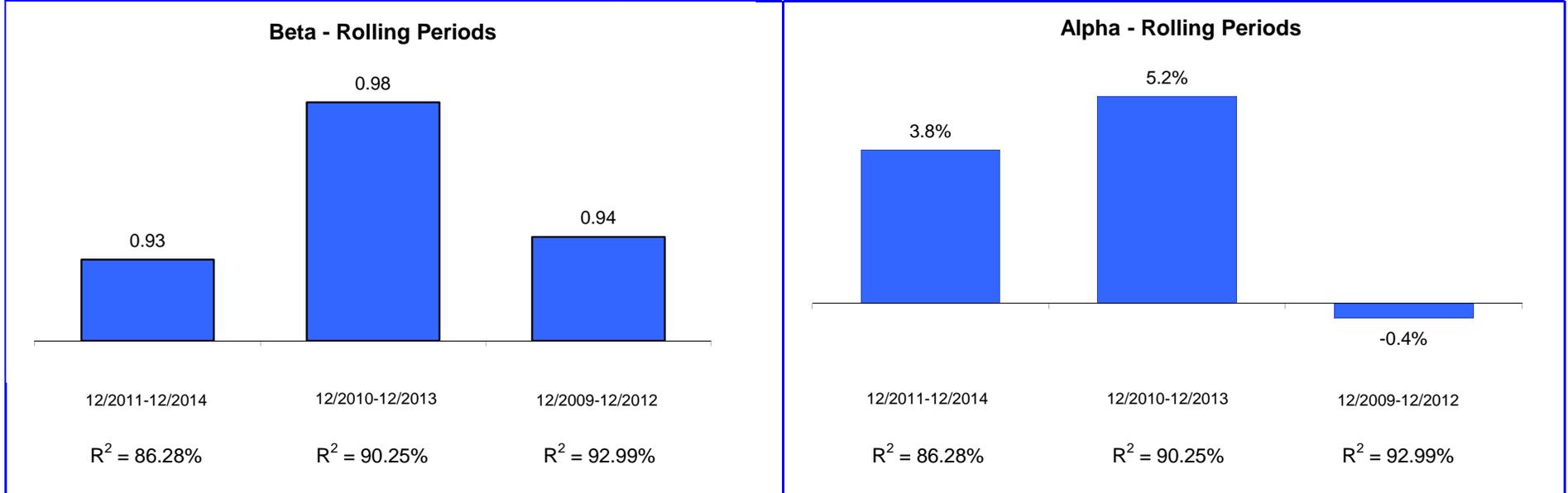
## Value Added Graph

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



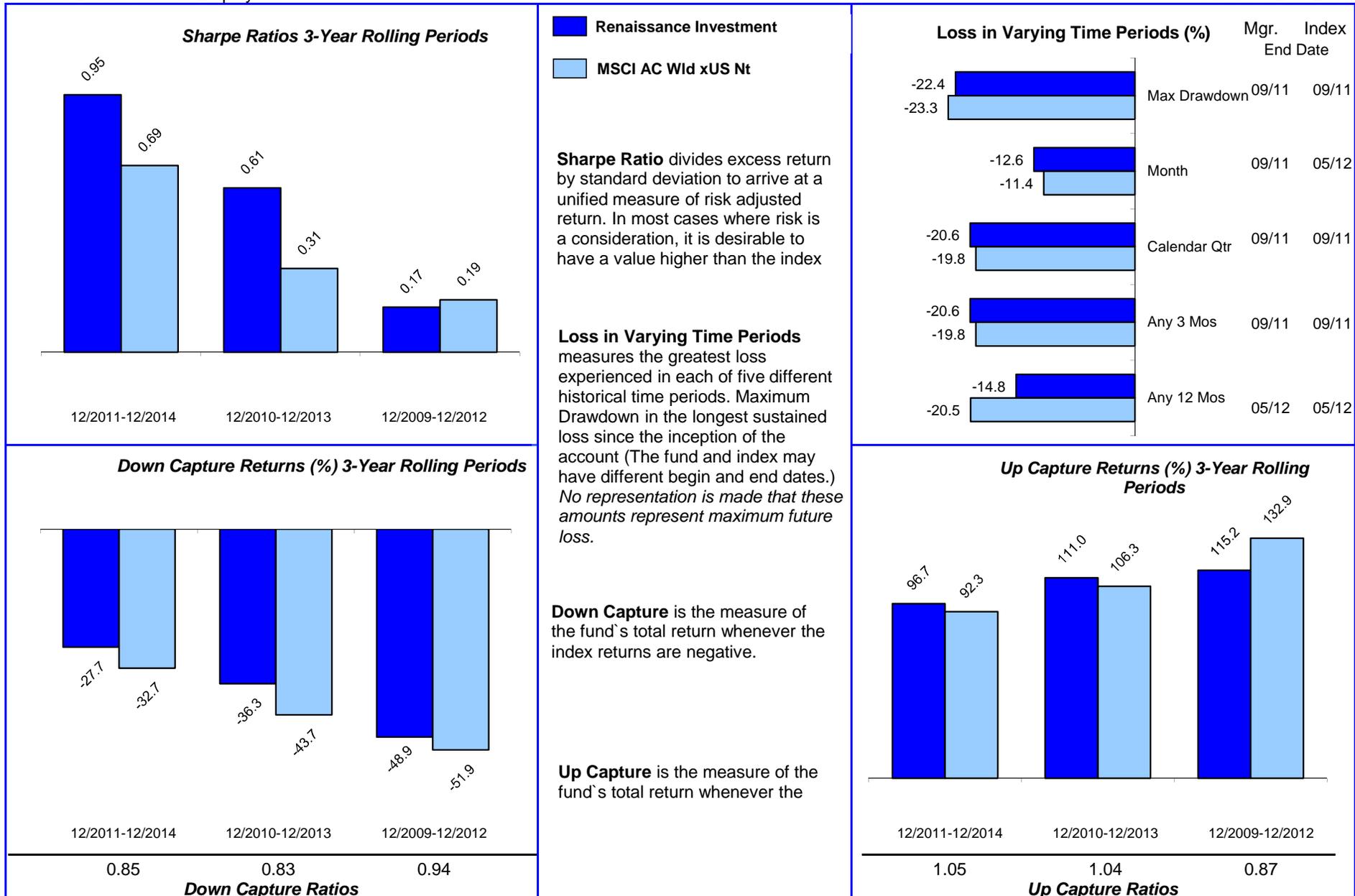
**Modern Portfolio Theory** seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk. **Alpha** is a measure of a portfolio's return in excess of the market return, both adjusted for risk. A positive alpha indicates 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. **R<sup>2</sup>** 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 General Employees

AS OF 12/31/2014

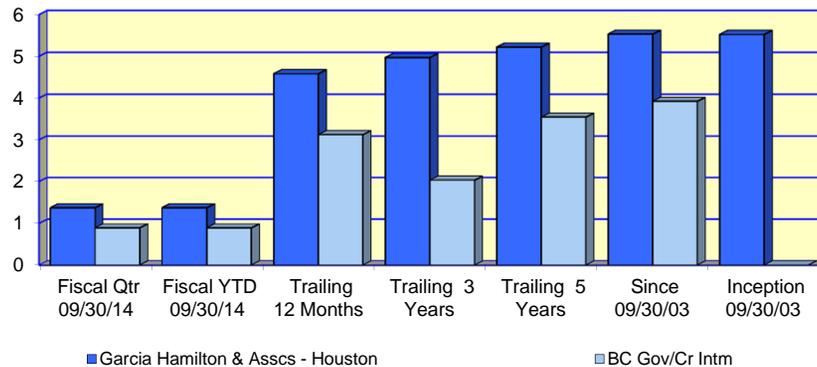


# EXECUTIVE SUMMARY

Ormond Beach General Employees Garcia Hamilton & Asscs - Houston

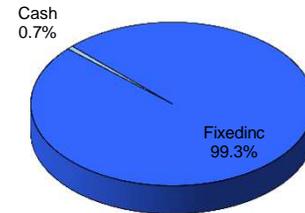
AS OF 12/31/2014

**Portfolio Performance (%)**



**Asset Allocation (\$000)**

<u>Fixedinc</u>	<u>Cash</u>	<u>Total</u>
13,375	96	13,471



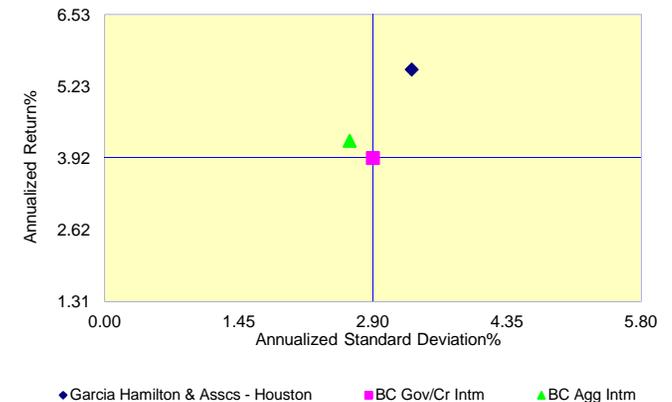
<b>Investment Returns (%)</b>	<u>Since</u>	<u>Fiscal Qtr</u>	<u>Fiscal YTD</u>	<u>Trailing</u>	<u>Trailing</u>	<u>Trailing</u>	<u>Since</u>	<u>Inception</u>
		09/30/14	09/30/14	12 Months	3 Years	5 Years	09/30/03	09/30/03
<b>Garcia Hamilton &amp; Asscs - Houston</b>	<b>1.37</b>	<b>1.37</b>	<b>4.58</b>	<b>4.97</b>	<b>5.22</b>	<b>5.53</b>	<b>5.53</b>	<b>5.52</b>
BC Gov/Cr Intm	0.89	0.89	3.12	2.03	3.54	3.92	N/A	

	<u>Portfolio</u>	<u>Index</u>
Duration	4.18 years	3.89 years
Yield-to-Maturity	2.00%	1.67%

**Asset Growth (\$000)**

Beginning Market Value	13,299	13,299	10,622	9,634	8,856	4,397	0
Net Contributions & Withdrawals	-9	-9	2,309	2,276	2,043	4,358	8,755
Gain/Loss + Income	181	181	540	1,561	2,572	4,716	4,716
Ending Market Value	13,471	13,471	13,471	13,471	13,471	13,471	13,471

**Risk / Return Analysis Since 09/30/2003**



<b>Annualized %</b>	<b>Return</b>	<b>Std. Dev.</b>
<b>Garcia Hamilton &amp; Asscs - Houston</b>	<b>5.53</b>	<b>3.32</b>
BC Gov/Cr Intm	3.92	2.90
BC Agg Intm	4.23	2.65

**Quality Ratings**

	<u>Portfolio</u>	<u>Index</u>
AAA/Gov't/Agency	83%	68%
AA	4%	5%
A	7%	12%
BAA	5%	15%
Other	0%	0%

**Asset Breakdown**

	<u>Portfolio</u>	<u>Index</u>
U.S. Obligations	43%	63%
Government Agencies	18%	7%
Mortgages & Asset Backed	26%	0%
Corporates	13%	30%

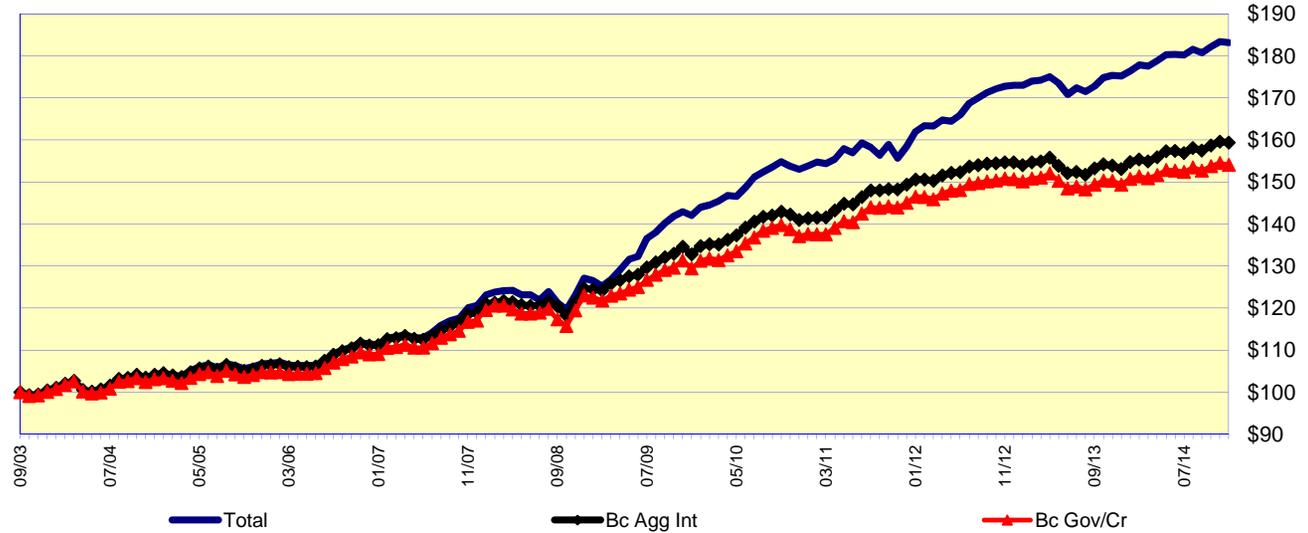
# MANAGER PERFORMANCE ANALYSIS

Ormond Beach General Employees Garcia Hamilton & Asscs - Houston

As Of 12/31/2014

## Growth of \$100 Graph

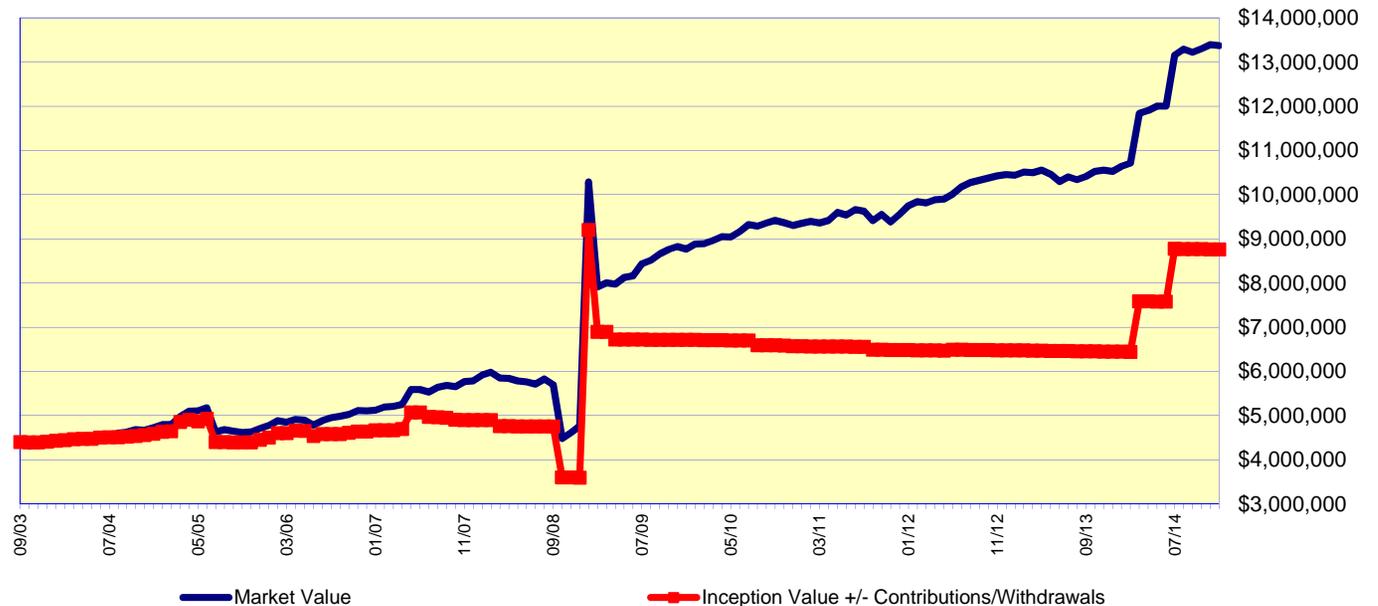
This graph depicts how \$100, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



## Value Added Graph

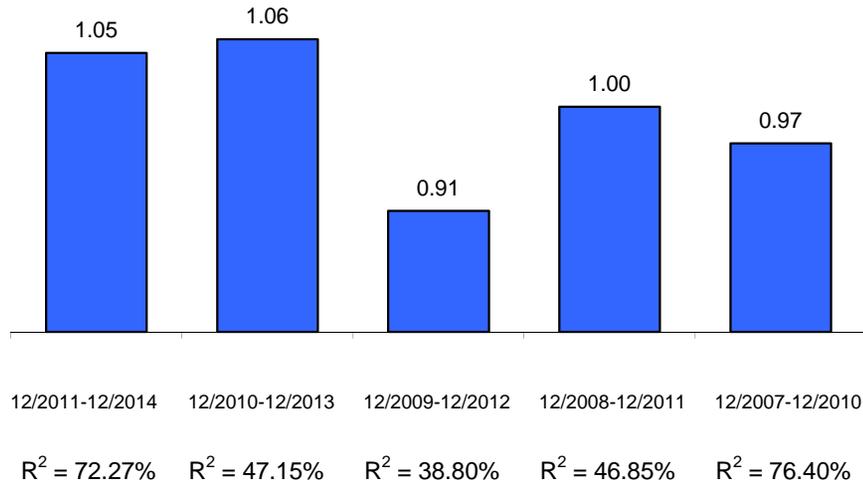
This exhibit is useful in determining how the portfolio has been affected by the investment process.

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.

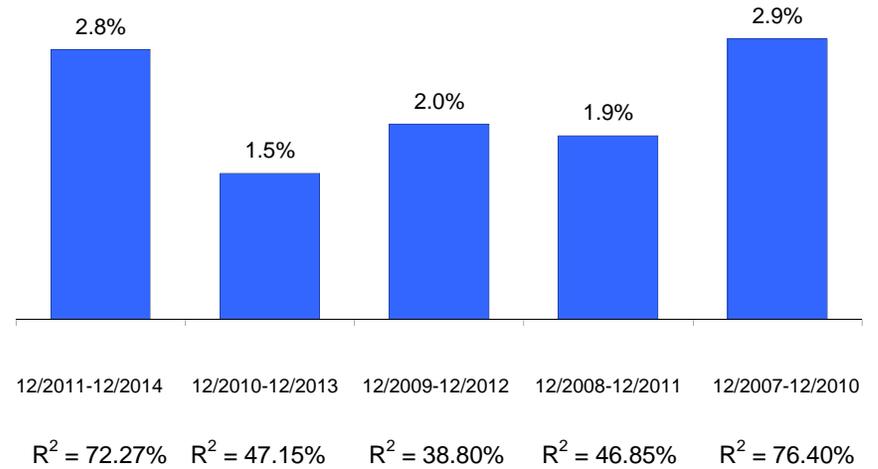


# MODERN PORTFOLIO THEORY

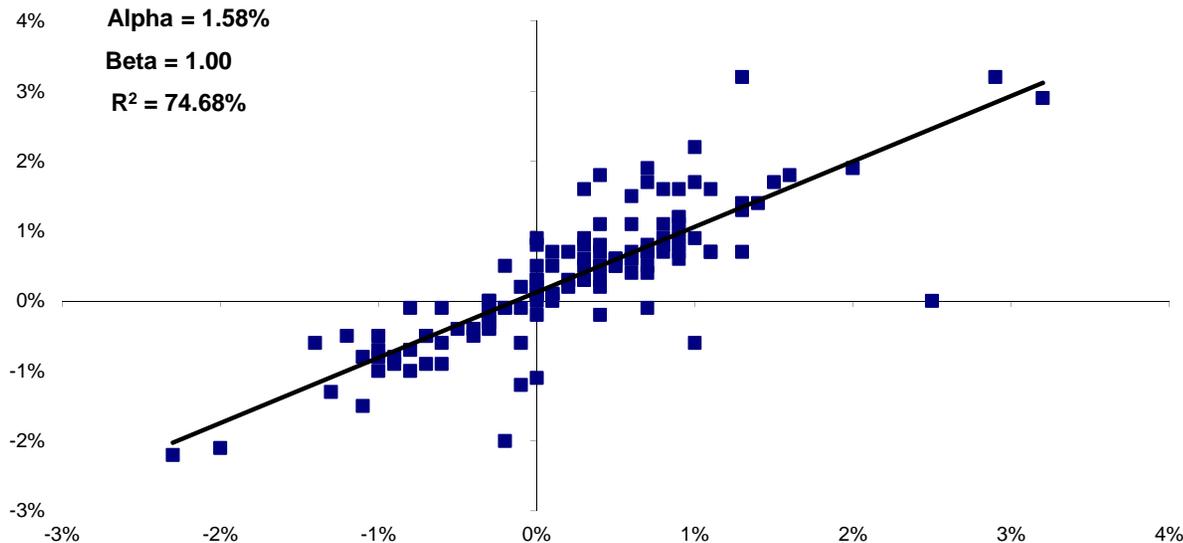
**Beta - Rolling Periods**



**Alpha - Rolling Periods**



**MONTHLY Observations Since 09/2003 (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. **R<sup>2</sup>** 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.

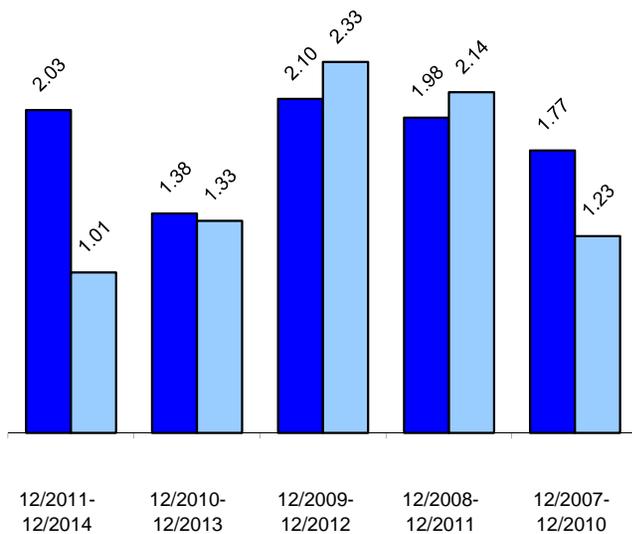
Graph Notes: The Index is represented on the horizontal (X) axis, and the Fund is represented on the vertical (Y) axis. Both the Index and Fund are adjusted by 90-day Treasury Bills.

# MANAGER RISK ANALYSIS

Ormond Beach General Employees

AS OF 12/31/2014

**Sharpe Ratios 3-Year Rolling Periods**



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

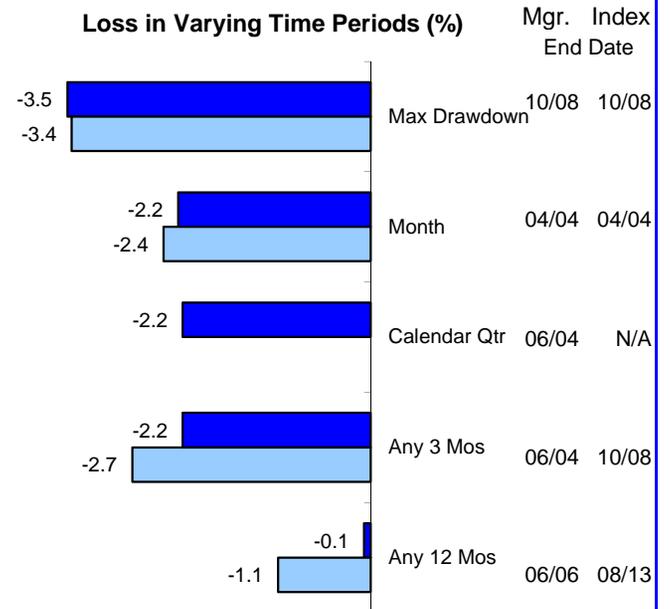
**Sharpe Ratio** divides excess return by standard deviation to arrive at a unified measure of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index

**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.*

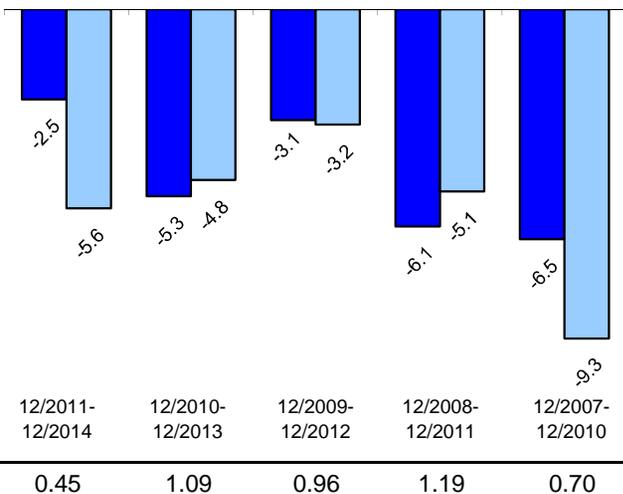
**Down Capture** is the measure of the fund's total return whenever the index returns are negative.

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

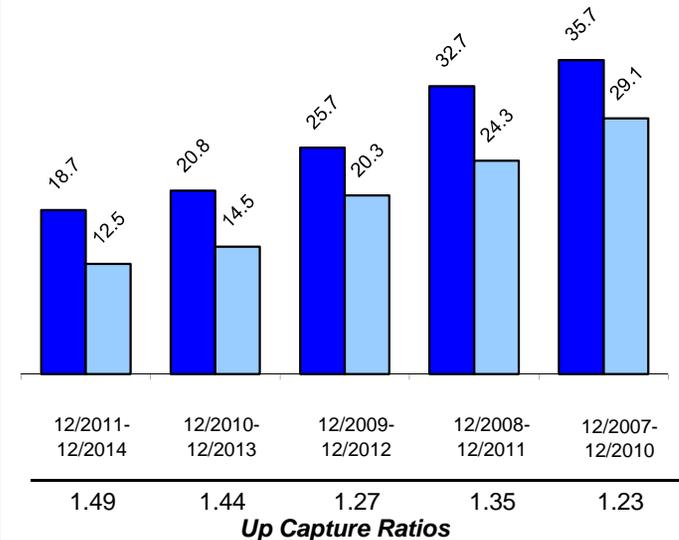
**Loss in Varying Time Periods (%)**



**Down Capture Returns (%) 3-Year Rolling Periods**



**Up Capture Returns (%) 3-Year Rolling Periods**



0.45      1.09      0.96      1.19      0.70

**Down Capture Ratios**

1.49      1.44      1.27      1.35      1.23

**Up Capture Ratios**

## 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, 001-029022, 001-040810, 001-053636, 001-060288, 001-062127, 001-063121, 001-063091, 001-063124, 002-000741.

### 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 Wld xUS Nt, 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 2015/09

Acct# 001-029022's fiscal year ends on 2015/09

Acct# 001-040810's fiscal year ends on 2015/09

Acct# 001-053636's fiscal year ends on 2015/09

Acct# 001-060288's fiscal year ends on 2015/09

Acct# 001-062127's fiscal year ends on 2015/09

Acct# 001-063121's fiscal year ends on 2015/09

Acct# 001-063091's fiscal year ends on 2015/09

Acct# 001-063124's fiscal year ends on 2015/09

Acct# 002-000741's fiscal year ends on 2015/09

### 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.

© 2011 Morgan Stanley Smith Barney LLC. Member SIPC. Consulting Group is a business of Morgan Stanley Smith Barney LLC. Graystone Consulting is a business of Morgan Stanley.

### 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.