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GARCIA HAMILTON & ASSOCIATES, L.P.

5 HOUSTON CENTER
1401 MCKINNEY, SUITE 1600
HOUSTON, TX 77010-4035
TEL: (713) 853-2322
FAX: (713) 853-2308
WWW.GARCIAHAMILTONASSOCIATES.COM

April 27, 2016

Lois Towey
City of Ormond Beach
22 South Beach Street
Ormond Beach, FL 32174

Dear Ms. Towey:

We have enclosed performance for the City of Ormond Beach Police Officers' Pension Trust Fund for the period ending March 31, 2016. Relevant indices have been included for comparison purposes.

There has been quite a rebound in risk assets since mid-February. Forgotten and pushed aside are the concerns of a hard landing in China and slowing global economic growth which sent stocks lower and corporate bond spreads wider. The rebound has been on the back of central bank policy as the ECB expanded its asset purchase program, and the most recent statement from the FOMC has been interpreted by the market to be a dovish change in position. Not only did the Fed decide to hold rates steady this quarter, the number of expected hikes this year declined to only two after previously anticipating four as recently as December.

The yield of the 10-year Treasury declined 49 basis points to end the quarter at 1.78%. The 2-year yield decreased 32 basis points to 0.73% while the yield of the 30-year Treasury dropped 40 basis points to 2.62%. These moves caused the 2-30 year yield spread to flatten to 189 basis points.

With the decline in rates, the performance in the bond market was strong for the quarter with a return on the Barclays Capital Aggregate Index of 3.03% and a return on the Barclays Capital Intermediate Government Credit Index of 2.31%. Spread product was mixed this quarter with three of the four sectors posting a positive excess return. Agencies led the way with 23 basis points of excess return, followed by the corporate and asset backed securities sectors with 16 basis points excess return each. Mortgage backed securities underperformed with a negative excess return of -38 basis points. Thus, the excess return of the Barclays Capital Aggregate Index was a modest negative for the quarter with a return of -4 basis points.

Our duration remains longer than the benchmark index, and we remain underweight corporate bonds versus the index. In the short term, we continue to believe rates will remain range bound with a bias lower.

Our Form ADV disclosure document is available upon request. Please do not hesitate to contact us if you have any questions or comments.

Sincerely,



Janna Hamilton
Partner

JH/lm
Enclosures



GARCIA HAMILTON & ASSOCIATES

Portfolio Review
**CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND-FIXED
(3250000393) ormondpf**

March 31, 2016

Client Use Only

See disclosures for other relevant information.

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



GARCIA HAMILTON & ASSOCIATES
CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND-FIXED
(3250000393) ormondpf
 March 31, 2016

PORTFOLIO COMPOSITION	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Yield</u>	CHANGE IN PORTFOLIO	
EQUITIES	0.00	0.0	0.0	Portfolio Value on 03-31-01	7,533,666.42
FIXED INCOME	9,013,254.94	99.8	1.5	Accrued Interest	24,119.59
CASH & EQUIVALENTS	17,190.05	0.2	0.1	Net Additions/Withdrawals	2,230,919.39
				Net Transfers	-4,750,890.94
				Realized Gains/Losses	-295,595.41
				Unrealized Gains/Losses	416,942.43
				Income Received	3,853,842.03
				Change in Accrued Interest	17,441.48
				Portfolio Value on 03-31-16	8,988,883.92
				Accrued Interest	41,561.07
Total	9,030,444.99	100.0	1.5		9,030,444.99

TIME WEIGHTED RETURN

	<u>Quarter</u>	<u>Fiscal 09-30-15 YTD</u>	<u>One Year</u>	<u>Annualized Last 3 Years</u>	<u>Annualized Last 5 Years</u>	<u>Annualized Last 10 Years</u>	<u>Annualized Inception 03-31-01 To Date</u>
Account	2.9	2.2	2.7	3.2	4.5	6.1	N/A
FIXED INCOME	2.9	2.2	2.7	3.3	4.6	6.1	5.8
Barclays Capital Int Gov/Credit	2.4	1.7	2.1	1.8	3.0	4.3	4.5

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Note: Account inception 3/31/01 with balanced mandate.
 Effective 10/1/03 mandate changed to fixed income.

Past performance is no guarantee of future results.



GARCIA HAMILTON & ASSOCIATES
PORTFOLIO SUMMARY
CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND-FIXED
(3250000393) ormondpf
March 31, 2016

Security Type	Total Cost	Market Value	Pct. Assets	Yield	Est. Annual Income
FIXED INCOME					
CORPORATE BONDS	1,050,012.20	1,078,390.46	11.9	2.8	39,441.20
GOVERNMENT BONDS					
TREASURY	4,460,544.78	4,582,354.72	50.7	1.5	136,950.00
AGENCY - NONCALLABLE	1,414,486.74	1,413,067.48	15.6	0.6	7,560.95
AGENCY - CALLABLE	268,590.55	265,737.53	2.9	0.9	4,643.75
GOVERNMENT BONDS	6,143,622.07	6,261,159.74	69.3	1.3	149,154.70
MORTGAGE-BACKED SECURITIES-FNMA	456,615.83	454,954.81	5.0	1.8	22,364.27
MORTGAGE-BACKED SECURITIES-FHLMC	1,175,777.68	1,177,188.85	13.0	1.9	55,672.42
Accrued Interest		41,561.07	0.5		
	8,826,027.78	9,013,254.94	99.8	1.5	266,632.59
CASH & EQUIVALENTS					
CASH & EQUIVALENTS	17,190.05	17,190.05	0.2	0.1	18.91
	17,190.05	17,190.05	0.2	0.1	18.91
TOTAL PORTFOLIO	8,843,217.83	9,030,444.99	100.0	1.5	266,651.50

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GARCIA HAMILTON & ASSOCIATES
 PORTFOLIO APPRAISAL
 CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND-FIXED
 (3250000393) ormondpf
 March 31, 2016

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
CORPORATE BONDS									
75,000	General Electric Cap. 4.650% Due 10-17-21	112.21	84,161.16	114.08	85,562.77	0.9	4.650	3,487.50	2.0
110,000	Wells Fargo Sub 3.450% Due 02-13-23	99.82	109,800.65	102.55	112,807.20	1.2	3.450	3,795.00	3.0
90,000	Metlife Inc. 4.368% Due 09-15-23	104.81	94,330.29	109.34	98,405.37	1.1	4.368	3,931.20	3.0
70,000	JP Morgan Chase 3.875% Due 02-01-24	106.29	74,401.60	106.55	74,584.37	0.8	3.875	2,712.50	2.9
70,000	Wyeth LLC 6.450% Due 02-01-24	124.85	87,395.70	127.35	89,144.44	1.0	6.450	4,515.00	2.6
85,000	IBM Corp 3.625% Due 02-12-24	102.92	87,482.85	107.41	91,300.96	1.0	3.625	3,081.25	2.6
85,000	Morgan Stanley 3.875% Due 04-29-24	101.25	86,062.50	104.89	89,155.90	1.0	3.875	3,293.75	3.2
85,000	Apple Inc 3.450% Due 05-06-24	100.84	85,715.70	106.66	90,657.09	1.0	3.450	2,932.50	2.5
95,000	Florida Power & Light NEE 3.250% Due 06-01-24	100.92	95,878.75	105.85	100,555.69	1.1	3.250	3,087.50	2.5
80,000	Goldman Sachs 3.850% Due 07-08-24	103.47	82,773.60	103.33	82,661.12	0.9	3.850	3,080.00	3.4
75,000	MidAmerican Energy 3.500% Due 10-15-24	106.63	79,971.00	106.94	80,207.77	0.9	3.500	2,625.00	2.6
80,000	Aflac Inc. 3.625% Due 11-15-24	102.55	82,038.40	104.18	83,347.76	0.9	3.625	2,900.00	3.1
	Accrued Interest				10,510.54	0.1			
			1,050,012.20		1,088,901.00	12.1		39,441.20	2.8
GOVERNMENT BONDS									
TREASURY									
1,150,000	U S Treasury 2.000% Due 02-15-22	101.13	1,162,980.14	103.42	1,189,307.00	13.2	2.000	23,000.00	1.4
1,280,000	U S Treasury 1.750% Due 05-15-22	95.92	1,227,741.75	101.68	1,301,550.08	14.4	1.750	22,400.00	1.5
1,335,000	U S Treasury 6.250% Due 08-15-23	131.07	1,749,784.96	132.74	1,772,056.30	19.6	6.250	83,437.50	1.5
295,000	U S Treasury 2.750% Due 02-15-24	108.49	320,037.93	108.29	319,441.34	3.5	2.750	8,112.50	1.6
	Accrued Interest				22,592.17	0.3			
			4,460,544.78		4,604,946.90	51.0		136,950.00	1.5
AGENCY - NONCALLABLE									
695,000	FHLB Floater 0.580% Due 08-09-17	100.00	695,010.88	99.98	694,833.89	7.7	0.580	4,031.00	0.6
205,000	FFCB Floater 0.459% Due 01-08-18	99.78	204,542.85	99.75	204,489.34	2.3	0.459	940.95	0.6
175,000	FFCB Floater 0.593% Due 03-26-18	100.02	175,038.50	99.98	174,965.52	1.9	0.593	1,037.75	0.6

GARCIA HAMILTON & ASSOCIATES
 PORTFOLIO APPRAISAL
 CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND-FIXED
 (3250000393) ormondpf
 March 31, 2016

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
340,000	FFCB Floater 0.456% Due 05-17-18 Accrued Interest	99.97	339,894.51	99.64	338,778.72	3.8	0.456	1,551.25	0.6
					705.91	0.0			
			1,414,486.74		1,413,773.40	15.7		7,560.95	0.6
AGENCY - CALLABLE									
90,000	FNMA Callable 2.000% Due 09-26-17	102.12	91,905.30	100.69	90,617.31	1.0	2.000	1,800.00	1.5
175,000	FNMA Callable 1.625% Due 04-26-18 Accrued Interest	100.96	176,685.25	100.07	175,120.22	1.9	1.625	2,843.75	0.6
					1,249.39	0.0			
			268,590.55		266,986.93	3.0		4,643.75	0.9
	GOVERNMENT BONDS Total		6,143,622.07		6,285,707.22	69.6		149,154.70	1.3
MORTGAGE-BACKED SECURITIES-FNMA									
1,490,000.00	FNMA Pool #944122 5.500% Due 07-01-22	108.37	160,890.02	107.73	159,932.07	1.8	5.500	8,165.18	2.0
163,090.00	FNMA Pool #AL7638 5.500% Due 01-01-24	108.80	155,270.90	108.37	154,658.83	1.7	5.500	7,849.40	1.3
555,000.00	FNMA Pool #MA0472 5.000% Due 07-01-30 Accrued Interest	110.60	140,454.91	110.53	140,363.91	1.6	5.000	6,349.70	1.9
					1,863.69	0.0			
			456,615.83		456,818.50	5.1		22,364.27	1.8
MORTGAGE-BACKED SECURITIES-FHLMC									
395,000.00	FHLMC Pool #G15718 5.500% Due 12-01-24	108.05	402,667.56	108.04	402,656.84	4.5	5.500	20,497.32	1.6
250,000.00	FHLMC Pool #G15743 5.000% Due 06-01-26	107.19	259,796.99	107.61	260,811.33	2.9	5.000	12,118.81	1.5
200,000.00	FHLMC Pool #G30892 5.500% Due 04-01-30	111.56	223,125.00	110.99	221,988.00	2.5	5.500	11,000.00	2.0
330,000.00	FHLMC Pool #G60134 4.500% Due 06-01-36 Accrued Interest	108.31	290,188.13	108.89	291,732.68	3.2	4.500	12,056.29	2.5
					4,639.37	0.1			
			1,175,777.68		1,181,828.22	13.1		55,672.42	1.9
CASH & EQUIVALENTS									
	Regions Trust Cash Sweep		17,190.05		17,190.05	0.2	0.110	18.91	0.1
			17,190.05		17,190.05	0.2		18.91	0.1
TOTAL PORTFOLIO			8,843,217.83		9,030,444.99	100.0		266,651.50	1.5

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GARCIA HAMILTON & ASSOCIATES

PURCHASE AND SALE

CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND-FIXED

(3250000393) ormondpf

From 01-01-16 To 03-31-16

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
PURCHASES					
01-25-2016	01-28-2016	175,000	FFCB Floater 0.593% Due 03-26-18	100.02	175,038.50
03-02-2016	03-04-2016	205,000	FFCB Floater 0.459% Due 01-08-18	99.78	204,542.85
02-08-2016	02-10-2016	350,000	FHLB Floater 0.580% Due 08-09-17	99.99	349,976.90
02-17-2016	02-19-2016	140,000	FHLB Floater 0.580% Due 08-09-17	100.01	140,008.68
02-25-2016	03-01-2016	205,000	FHLB Floater 0.580% Due 08-09-17	100.01	205,025.30
01-11-2016	01-19-2016	45,436.29	FHLMC Pool #G13174 5.000% Due 06-01-23	107.06	48,645.23
01-21-2016	01-28-2016	395,000.00	FHLMC Pool #G15718 5.500% Due 12-01-24	108.05	426,785.16
02-22-2016	02-26-2016	250,000.00	FHLMC Pool #G15743 5.000% Due 06-01-26	107.19	267,968.75
03-15-2016	03-30-2016	200,000.00	FHLMC Pool #G30892 5.500% Due 04-01-30	111.56	223,125.00
03-29-2016	04-01-2016	70,000	JP Morgan Chase 3.875% Due 02-01-24	106.29	74,401.60
02-11-2016	02-17-2016	75,000	MidAmerican Energy 3.500% Due 10-15-24	106.63	79,971.00
02-17-2016	02-22-2016	85,000	Morgan Stanley 3.875% Due 04-29-24	101.25	86,062.50
01-06-2016	01-08-2016	80,000	U S Treasury 6.250% Due 08-15-23	129.94	103,953.45
01-11-2016	01-13-2016	40,000	U S Treasury 6.250% Due 08-15-23	130.41	52,162.50
02-29-2016	03-02-2016	255,000	U S Treasury 2.750% Due 02-15-24	108.56	276,825.43
03-29-2016	03-31-2016	40,000	U S Treasury 2.750% Due 02-15-24	108.03	43,212.50
					2,757,705.35

GARCIA HAMILTON & ASSOCIATES

PURCHASE AND SALE

CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND-FIXED

(325000393) ormondpf

From 01-01-16 To 03-31-16

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
SALES					
03-15-2016	03-28-2016	111,482.33	FHLMC Pool #C91148 5.500% Due 01-01-28	111.47	124,267.94
01-21-2016	01-28-2016	81,939.35	FHLMC Pool #G12310 5.500% Due 08-01-21	107.94	88,443.27
01-21-2016	01-28-2016	59,006.08	FHLMC Pool #G12392 5.500% Due 09-01-21	107.94	63,689.67
01-21-2016	01-28-2016	76,658.15	FHLMC Pool #G12887 5.500% Due 12-01-22	107.94	82,742.89
01-21-2016	01-28-2016	176,681.31	FHLMC Pool #G12978 5.500% Due 12-01-22	107.94	190,705.38
02-22-2016	02-25-2016	246,661.74	FHLMC Pool #G13174 5.000% Due 06-01-23	107.08	264,120.76
01-14-2016	01-19-2016	25,281.20	FHLMC Pool #G14014 5.500% Due 12-01-24	109.31	27,635.51
01-14-2016	01-19-2016	44,242.08	FHLMC Pool #G14014 5.500% Due 12-01-24	109.31	48,362.12
01-06-2016	01-08-2016	155,000	FNMA Callable 1.750% Due 08-17-18	100.50	155,775.00
01-27-2016	01-28-2016	105,000	FNMA Callable 1.750% Due 06-08-18	100.35	105,367.50
03-14-2016	03-21-2016	81,223.36	FNMA Pool #889280 5.000% Due 04-01-23	107.64	87,429.35
03-29-2016	04-01-2016	70,000	JP Morgan 4.500% Due 01-24-22	109.91	76,937.00
02-17-2016	02-22-2016	85,000	Morgan Stanley 3.750% Due 02-25-23	101.57	86,331.10
01-20-2016	01-22-2016	90,000	U S Treasury 2.000% Due 11-15-21	102.16	91,940.63
02-08-2016	02-10-2016	300,000	U S Treasury 2.000% Due 11-15-21	103.70	311,109.38
02-11-2016	02-16-2016	70,000	U S Treasury 2.000% Due 11-15-21	104.05	72,838.28
02-12-2016	02-17-2016	50,000	U S Treasury 2.000% Due 11-15-21	103.53	51,765.63
02-24-2016	02-26-2016	85,000	U S Treasury 2.000% Due 11-15-21	103.95	88,360.16

GARCIA HAMILTON & ASSOCIATES

PURCHASE AND SALE

CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND-FIXED

(3250000393) ormondpf

From 01-01-16 To 03-31-16

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
02-25-2016	02-29-2016	130,000	U S Treasury 2.000% Due 11-15-21	103.66	134,753.13
02-29-2016	03-02-2016	355,000	U S Treasury 2.000% Due 11-15-21	103.41	367,092.19
03-01-2016	03-03-2016	95,000	U S Treasury 2.000% Due 02-15-22	103.06	97,909.38
					2,617,576.27
PRINCIPAL PAYDOWNS					
01-01-2016	01-01-2016	2,831.05	FHLMC Pool #C91148 5.500% Due 01-01-28	100.00	2,831.05
02-01-2016	02-01-2016	2,875.78	FHLMC Pool #C91148 5.500% Due 01-01-28	100.00	2,875.78
03-01-2016	03-01-2016	2,352.66	FHLMC Pool #C91148 5.500% Due 01-01-28	100.00	2,352.66
01-01-2016	01-01-2016	3,386.65	FHLMC Pool #G12310 5.500% Due 08-01-21	100.00	3,386.65
01-01-2016	01-01-2016	1,759.79	FHLMC Pool #G12392 5.500% Due 09-01-21	100.00	1,759.79
01-01-2016	01-01-2016	1,388.26	FHLMC Pool #G12887 5.500% Due 12-01-22	100.00	1,388.26
01-01-2016	01-01-2016	5,828.00	FHLMC Pool #G12978 5.500% Due 12-01-22	100.00	5,828.00
01-01-2016	01-01-2016	6,027.80	FHLMC Pool #G13174 5.000% Due 06-01-23	100.00	6,027.80
02-01-2016	02-01-2016	6,659.43	FHLMC Pool #G13174 5.000% Due 06-01-23	100.00	6,659.43
01-01-2016	01-01-2016	572.83	FHLMC Pool #G14014 5.500% Due 12-01-24	100.00	572.83
01-01-2016	01-01-2016	1,002.44	FHLMC Pool #G14014 5.500% Due 12-01-24	100.00	1,002.44
02-01-2016	02-01-2016	11,848.95	FHLMC Pool #G15718 5.500% Due 12-01-24	100.00	11,848.95
03-01-2016	03-01-2016	10,472.47	FHLMC Pool #G15718 5.500% Due 12-01-24	100.00	10,472.47
03-01-2016	03-01-2016	7,623.80	FHLMC Pool #G15743 5.000% Due 06-01-26	100.00	7,623.80

GARCIA HAMILTON & ASSOCIATES

PURCHASE AND SALE

CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND-FIXED

(3250000393) ormondpf

From 01-01-16 To 03-31-16

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
01-01-2016	01-01-2016	8,642.37	FHLMC Pool #G60134 4.500% Due 06-01-36	100.00	8,642.37
02-01-2016	02-01-2016	6,648.85	FHLMC Pool #G60134 4.500% Due 06-01-36	100.00	6,648.85
03-01-2016	03-01-2016	6,197.40	FHLMC Pool #G60134 4.500% Due 06-01-36	100.00	6,197.40
01-01-2016	01-01-2016	1,924.67	FNMA Pool #889280 5.000% Due 04-01-23	100.00	1,924.67
02-01-2016	02-01-2016	1,672.93	FNMA Pool #889280 5.000% Due 04-01-23	100.00	1,672.93
03-01-2016	03-01-2016	2,088.10	FNMA Pool #889280 5.000% Due 04-01-23	100.00	2,088.08
01-01-2016	01-01-2016	1,272.67	FNMA Pool #944122 5.500% Due 07-01-22	100.00	1,272.67
01-01-2016	01-01-2016	681.15	FNMA Pool #944122 5.500% Due 07-01-22	100.00	681.15
02-01-2016	02-01-2016	1,268.08	FNMA Pool #944122 5.500% Due 07-01-22	100.00	1,268.08
02-01-2016	02-01-2016	678.69	FNMA Pool #944122 5.500% Due 07-01-22	100.00	678.69
03-01-2016	03-01-2016	1,319.84	FNMA Pool #944122 5.500% Due 07-01-22	100.00	1,319.84
03-01-2016	03-01-2016	706.40	FNMA Pool #944122 5.500% Due 07-01-22	100.00	706.40
01-01-2016	01-01-2016	3,274.22	FNMA Pool #AL7638 5.500% Due 01-01-24	100.00	3,274.22
02-01-2016	02-01-2016	3,888.92	FNMA Pool #AL7638 5.500% Due 01-01-24	100.00	3,888.92
03-01-2016	03-01-2016	4,725.92	FNMA Pool #AL7638 5.500% Due 01-01-24	100.00	4,725.92
01-01-2016	01-01-2016	4,814.15	FNMA Pool #MA0472 5.000% Due 07-01-30	100.00	4,814.15
02-01-2016	02-01-2016	1,804.48	FNMA Pool #MA0472 5.000% Due 07-01-30	100.00	1,804.48

GARCIA HAMILTON & ASSOCIATES
PURCHASE AND SALE
CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND-FIXED
(3250000393) ormondpf
 From 01-01-16 To 03-31-16

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
03-01-2016	03-01-2016	2,506.63	FNMA Pool #MA0472 5.000% Due 07-01-30	100.00	2,506.63
					118,745.36

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Client Report Disclosures

PERFORMANCE DATA

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