



Portfolio Statement

City of Ormond Beach General Employees' Pension Plan

Diversified Large Growth Equity

March 31, 2016

Please see the last page of this statement for important information.

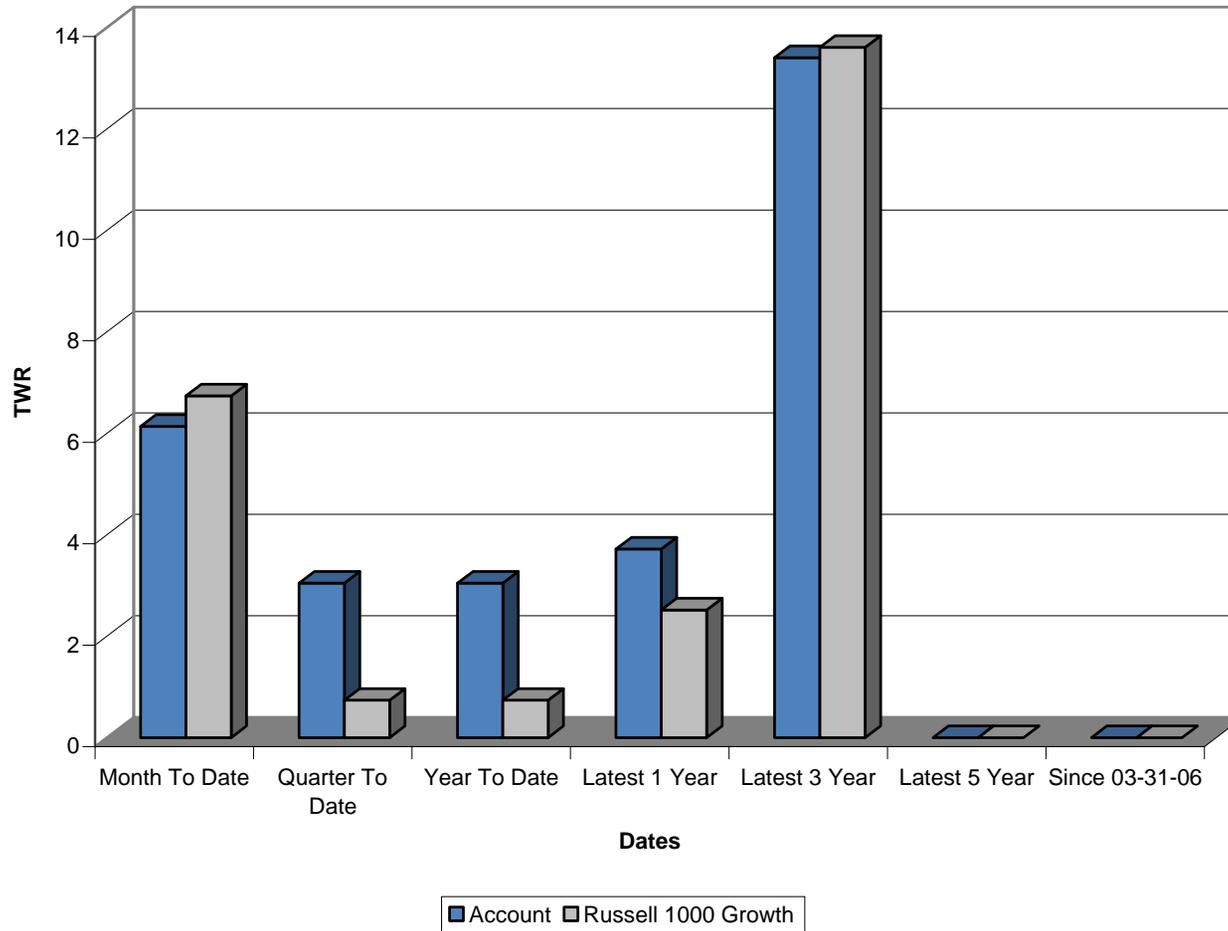
Sawgrass Asset Management
PORTFOLIO SUMMARY
City of Ormond Beach General Employees' Pension Plan
Diversified Large Growth Equity
March 31, 2016

Security Type	Total Cost	Market Value	Pct Assets	Est. Annual Income
Equities				
COMMON STOCK				
Consumer Discretionar	867,604	1,125,816	22.4	11,801
Consumer Staples	636,277	822,714	16.3	17,689
Financials	264,469	302,740	6.0	5,572
Health Care	628,644	687,445	13.7	6,872
Industrials	455,809	577,372	11.5	3,352
Information Technolog	782,298	1,014,471	20.1	12,884
Materials	45,290	74,718	1.5	737
Utilities	241,676	294,404	5.8	12,312
	3,922,067	4,899,680	97.3	71,218
	3,922,067	4,899,680	97.3	71,218
Cash and Equiv.				
CASH AND EQUIVS.	136,492	136,492	2.7	133
	136,492	136,492	2.7	133
TOTAL PORTFOLIO	4,058,559	5,036,172	100.0	71,351

Sawgrass Asset Management
TWR FOR SELECTED PERIODS
ANNUALIZED
GROSS OF FEES
City of Ormond Beach General Employees' Pension Plan
Diversified Large Growth Equity
March 31, 2016

	Month To Date	Quarter To Date	Year To Date	Latest 1 Year	Latest 3 Year	Latest 5 Year	Since 03-31-06
Total Account							
Account	6.14	3.05	3.05	3.72	13.41	-	-
Russell 1000 Growth	6.74	0.74	0.74	2.52	13.61	-	-
Equities							
Account	6.44	3.25	3.25	3.95	13.99	-	-
Russell 1000 Growth	6.74	0.74	0.74	2.52	13.61	-	-
S&P 500	6.78	1.35	1.35	1.78	11.82	-	-
Fixed Income							
Account	0.00	0.00	0.00	0.00	0.00	-	-
Cash and Equiv.							
Account	0.01	0.02	0.02	0.08	0.15	-	-
Other							
Account	0.00	0.00	0.00	0.00	0.00	-	-

Sawgrass Asset Management
TWR FOR SELECTED PERIODS
City of Ormond Beach General Employees' Pension Plan
Diversified Large Growth Equity
 March 31, 2016



Sawgrass Asset Management
PORTFOLIO APPRAISAL
City of Ormond Beach General Employees' Pension Plan
Diversified Large Growth Equity
 March 31, 2016

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets
COMMON STOCK						
Consumer Discretionary						
160.0000	AUTOZONE INC COM	437.36	69,978	796.69	127,470	2.5
2,290.0000	COMCAST CORP NEW CL A	41.67	95,431	61.08	139,873	2.8
890.0000	COSTCO COMPANIES INC COM	132.12	117,589	157.58	140,246	2.8
900.0000	DISNEY WALT CO COM	88.08	79,272	99.31	89,379	1.8
1,570.0000	DOLLAR TREE STORES COM	74.29	116,634	82.46	129,462	2.6
860.0000	HOME DEPOT INC COM	78.05	67,124	133.43	114,750	2.3
1,260.0000	MCDONALDS CORP COM	106.47	134,154	125.68	158,357	3.1
610.0000	OMNICOM GROUP INC COM	82.17	50,122	83.23	50,770	1.0
840.0000	STARBUCKS CORP COM	59.25	49,772	59.70	50,148	1.0
1,600.0000	TJX COS INC NEW COM	54.70	87,528	78.35	125,360	2.5
			867,604		1,125,816	22.4

Sawgrass Asset Management
PORTFOLIO APPRAISAL
City of Ormond Beach General Employees' Pension Plan
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March 31, 2016

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets
Consumer Staples						
5,120.0000	COCA COLA CO COM	39.83	203,947	46.39	237,517	4.7
1,350.0000	CVS HEALTH CORP	56.04	75,658	103.73	140,035	2.8
530.0000	DR PEPPER SNAPPLE GROUP	92.08	48,803	89.42	47,393	0.9
2,280.0000	GENERAL MILLS INC	50.90	116,052	63.35	144,438	2.9
3,190.0000	KROGER CO	25.52	81,405	38.25	122,017	2.4
1,320.0000	MCCORMICK & CO INC COM NON VTG	83.65	110,412	99.48	131,314	2.6
			636,277		822,714	16.3
Financials						
480.0000	BERKSHIRE HATHAWAY INC CL B	133.30	63,983	141.88	68,102	1.4
1,020.0000	CBOE HLDGS INC COM	66.61	67,942	65.33	66,637	1.3
1,520.0000	MARSH & MCLENNAN COS COM	57.47	87,361	60.79	92,401	1.8
800.0000	MASTERCARD INC CL A	56.48	45,182	94.50	75,600	1.5
			264,469		302,740	6.0

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March 31, 2016

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>
Health Care						
970.0000	ABBOTT LABS COM	35.45	34,383	41.83	40,575	0.8
730.0000	ABBVIE INC. COM	46.34	33,831	57.12	41,698	0.8
500.0000	EXPRESS SCRIPTS HOLDING CO COM	64.84	32,422	68.69	34,345	0.7
1,390.0000	JOHNSON & JOHNSON COM	91.42	127,072	108.20	150,398	3.0
1,350.0000	LABORATORY AMER HLDGS COM NEW	120.14	162,185	117.13	158,125	3.1
560.0000	MCKESSON CORP	133.08	74,527	157.25	88,060	1.7
300.0000	SCHEIN HENRY INC COM	168.49	50,548	172.63	51,789	1.0
950.0000	UNITED HEALTHCARE CORP COM	119.66	113,675	128.90	122,455	2.4
			628,644		687,445	13.7
Industrials						
370.0000	3M CO	136.80	50,617	166.63	61,653	1.2
1,100.0000	DANAHER CORP COM	57.90	63,690	94.86	104,346	2.1
1,850.0000	EXPEDITORS INTL WASH COM	45.40	83,981	48.81	90,298	1.8
220.0000	FEDEX CORP COM	138.11	30,384	162.72	35,798	0.7

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March 31, 2016

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets
800.0000	HONEYWELL INTL INC COM	69.58	55,666	112.05	89,640	1.8
518.0000	STERICYCLE INC COM	100.77	52,196	126.19	65,366	1.3
1,630.0000	VERISK ANALYTICS INC	73.17	119,274	79.92	130,270	2.6
			455,809		577,372	11.5
Information Technology						
310.0000	ALPHABET INC CL A	463.78	143,773	762.90	236,499	4.7
1,640.0000	APPLE INC	84.18	138,061	108.99	178,744	3.5
1,080.0000	CITRIX SYS INC COM	74.84	80,822	78.58	84,866	1.7
5,610.0000	EMC CORP/MASS	19.67	110,322	26.65	149,506	3.0
3,970.0000	MICROSOFT CORP COM	49.41	196,156	55.23	219,263	4.4
2,520.0000	ORACLE CORPORATION	33.76	85,074	40.91	103,093	2.0
480.0000	VERISIGN INC COM	58.52	28,090	88.54	42,499	0.8
			782,298		1,014,471	20.1
Materials						
670.0000	ECOLAB INC COM	67.60	45,290	111.52	74,718	1.5
Utilities						
1,027.0000	AT&T CORP COM	26.82	27,549	39.17	40,228	0.8

Sawgrass Asset Management
PORTFOLIO APPRAISAL
City of Ormond Beach General Employees' Pension Plan
Diversified Large Growth Equity
March 31, 2016

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>
4,700.0000	VERIZON COMMUNICATIONS COM	45.56	214,127	54.08	254,176	5.0
			241,676		294,404	5.8
			3,922,067		4,899,680	97.3
CASH AND EQUIVS.						
	Delayed Interest		20		20	0.0
	Dividend Accrual		3,340		3,340	0.1
	Regions Trust Cash Sweep		133,132		133,132	2.6
			136,492		136,492	2.7
TOTAL PORTFOLIO			4,058,559		5,036,172	100.0

Sawgrass Asset Management
INCOME AND EXPENSES
City of Ormond Beach General Employees' Pension Plan
Diversified Large Growth Equity
From 03-01-16 Through 03-31-16

Ex-Date	Pay-Date	Security	Amount
COMMON STOCK			
03-02-16	03-18-16	CBOE HLDGS INC COM	235
03-08-16	03-24-16	HOME DEPOT INC COM	593
03-09-16	03-22-16	UNITED HEALTHCARE CORP COM	475
03-10-16	04-01-16	FEDEX CORP COM	55
03-11-16	04-05-16	DR PEPPER SNAPPLE GROUP	281
03-11-16	04-15-16	ECOLAB INC COM	234
03-11-16	04-01-16	COCA COLA CO COM	1,792
03-22-16	04-29-16	DANAHER CORP COM	176
03-30-16	04-22-16	EMC CORP/MASS	645
			4,487
CASH AND EQUIVS.			
03-31-16	03-31-16	Regions Trust Cash Sweep	20
			20
INVESTMENT MANAGEMENT FEES			
03-31-16	03-31-16	Management Fees	6,833
			6,833
NET INCOME			-2,326

Sawgrass Asset Management
PURCHASE AND SALE
City of Ormond Beach General Employees' Pension Plan
Diversified Large Growth Equity
From 03-01-16 To 03-31-16

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
PURCHASES					
03-04-16	03-09-16	670.0000	KROGER CO	37.01	24,794
03-28-16	03-31-16	610.0000	OMNICOM GROUP INC COM	82.17	50,122
03-28-16	03-31-16	300.0000	SCHEIN HENRY INC COM	168.49	50,548
03-28-16	03-31-16	840.0000	STARBUCKS CORP COM	59.25	49,772
					175,237
SALES					
03-22-16	03-28-16	510.0000	EXPRESS SCRIPTS HOLDING CO COM	67.62	34,485
03-14-16	03-17-16	1,260.0000	ORACLE CORPORATION	38.70	48,763
					83,248

Sawgrass Asset Management
BROKER COMMISSIONS
From 01-01-16 to 03-31-16

<u>Portfolio</u>	<u>Implied</u>	<u>Explicit</u>	<u>Total</u>
Bank of New York			
Lynch, Jones & Ryan			
City of Ormond Beach General	0.00	218.40	218.40
Employees' Pension Plan			
SUBTOTAL	<u>0.00</u>	<u>218.40</u>	<u>218.40</u>
TOTAL	0.00	218.40	218.40
Goldman Sachs Exe&Clearing			
Rosenblatt Securities Inc.			
City of Ormond Beach General	0.00	132.80	132.80
Employees' Pension Plan			
SUBTOTAL	<u>0.00</u>	<u>132.80</u>	<u>132.80</u>
TOTAL	0.00	132.80	132.80
Themis Trading LLC			
Themis Trading			
City of Ormond Beach General	0.00	112.40	112.40
Employees' Pension Plan			
SUBTOTAL	<u>0.00</u>	<u>112.40</u>	<u>112.40</u>
TOTAL	0.00	112.40	112.40

Sawgrass Asset Management
BROKER COMMISSIONS
From 01-01-16 to 03-31-16

<u>Portfolio</u>	<u>Implied</u>	<u>Explicit</u>	<u>Total</u>
Newport EMS/Instinet			
Newport EMS/Instinet			
City of Ormond Beach General	0.00	121.68	121.68
Employees' Pension Plan			
SUBTOTAL	<u>0.00</u>	<u>121.68</u>	<u>121.68</u>
TOTAL	0.00	121.68	121.68
GRAND TOTAL	0.00	585.28	585.28

Important Information

- *This statement includes information and data obtained from third party sources, which we believe to be reliable. However, we cannot guarantee the accuracy or completeness of such information.*
- *We strongly encourage you to compare this statement with that received directly from your custodian. Please refer to your custodian for official cost basis and tax reporting.*
- *Unless otherwise indicated, performance data is reported gross of investment management fees.*
- *Performance results for periods of longer than one year are annualized.*
- *Detailed information about our Firm is contained in our ADV Part 2 (Disclosure Brochure) which may be obtained by phoning us at (904)493-5500.*

Stock Market: Quarter in Review

- While the end result was a benign return of 1.3% for the S&P500, the action during the quarter was much more raucous as the index fell more than 11% into early February, only to rally strongly posting a small but positive return.
- This quarter had a more defensive tone as Utilities and Staples led the way while Healthcare and Financials posted negative returns for the period.
- Style was relatively neutral as the Russell 3000 Value only marginally beat Growth (1.6% vs 0.3%). Large cap stocks were stronger than small cap (Russell 1000/2000 1.2% vs -1.5%).
- In sharp contrast to last year, momentum-oriented stocks were weak for the quarter. This was very evident in groups like Biotech.
- The interesting aspect to the quarter was that despite the sharp rally which pushed the market into positive territory, the underlying tone was much less ebullient than one would expect if this was the beginning of a new bull run to significantly greater highs.

Stock Market: The Quarter Ahead

- Stocks remain in a large range which has contained the major indices for almost two years.
- The length of this sideways trading activity increases the chance that a confirmed move out of this range could be powerful and sustained.
- A big question is whether this range bound activity is consolidation of the big gains of the bull rally off the 2009 lows or significant selling at levels of resistance that could lead to a larger retracement.
- Sector leadership and small cap weakness were indicative of market participants looking for relative safety during the decline in January and February.
- Valuations remain elevated given the economic and earnings growth outlook while the historically low interest rates and need for yield act as supports for current levels.
- The Federal Reserve’s intent to raise rates has been postponed as concerns mount about whether global equity and currency markets are ready for a move to more normalized policy from such historic low levels.
- Despite the continued resilience of equities over the last few years, the path forward could become rockier given an aging bull market, economic and earnings growth concerns, and elevated valuations.

1 st Quarter Scorecard		Table 1
Index	Quarter	1 Year
S&P 500	1.4	1.8
Russell 1000	1.2	0.5
Russell 2000	-1.5	-9.8
Russell 3000	1.0	-0.3
Russell 3000 Growth	0.3	1.3
Russell 3000 Value	1.6	-2.1
Barclays Capital US Aggregate	2.8	1.9
3 Month T-Bills	0.07	0.12

Source: Bloomberg & Russell Investments



Fixed Income Markets

Did You Get the License Plate Number...?

The first quarter of calendar year 2016 is in the books, and it is hard not to feel like we were just run over by a truck. From the very first trading day, the stock market fell over two and a half percent by mid-morning, rallying back to close down only one and a half percent. Weakening output from China coupled with the falling price of crude oil increased market expectations of a global recession. By mid-February, the height of these fears brought the S&P 500 index down over ten percent. High yield bonds lost over five percent (See Graph 1). This while interest rates on ten-year U.S. Treasury notes fell by 61 basis points to levels not seen in over a year. These movements happened just weeks after the Federal Reserve increased short-term rates for the first time in a decade. This Fed “all clear” signal was quickly replaced with new highs in the VIX volatility “fear” gauge.

The panic was contained with the same tools that have supported markets for years, ultra-loose monetary policy on a global scale, this time led by the European Central Bank. ECB President Mario Draghi stood up to his “do whatever it takes” promise and announced his easing *de jour* – or in his case, *des tages*. The ECB increased the size of their outright bond purchases and, more surprisingly, added corporate bonds to the list of eligible purchases (European, investment-grade, non-financials). By quarter-end the S&P rallied near break-even, to finish up 1.3%.

U.S. Economy

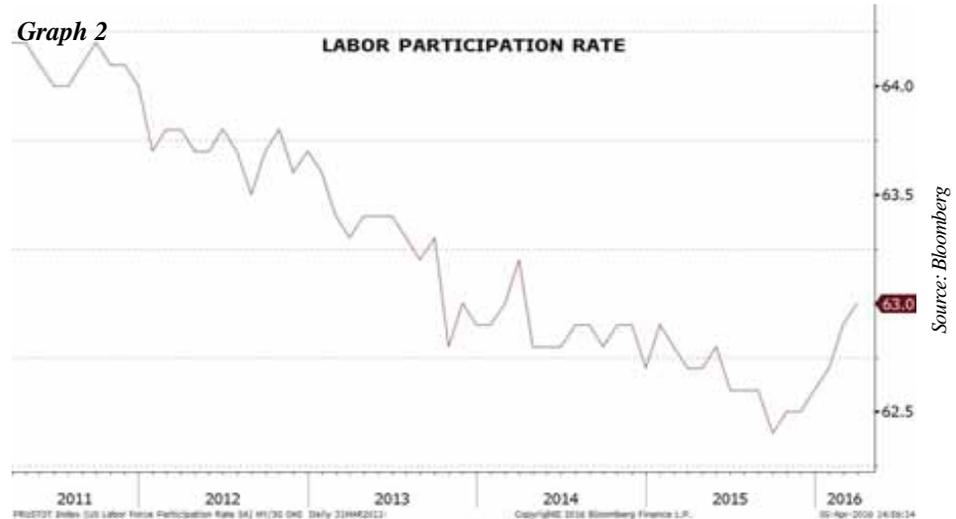
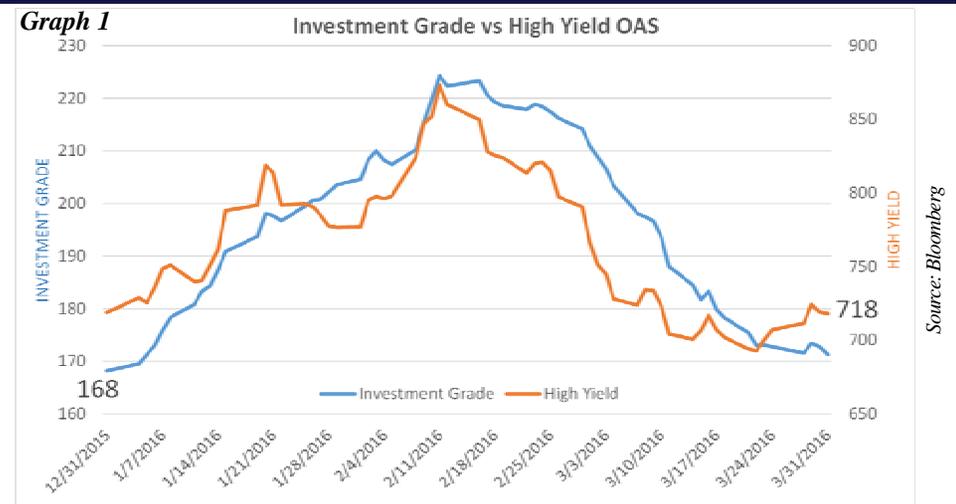
The one constant throughout this tumult is the US economy. Continued economic growth, albeit slower growth, lessens the chance that our economy fades into recession. U.S. GDP grew by two percent in 2015 (year over year), non-farm payrolls continued to grow by over 200,000 (monthly avg.) and the unemployment rate hovers near the lows. The recent uptick in the unemployment rate from 4.9% to 5.0% is a positive sign as discouraged non-workers got “off the couch” and re-entered the marketplace bringing the participation rate up to 63%, the highest level in two years (See Graph 2). Another important sign of economic strength is the increasing average hourly earnings. Year over year wage inflation is running at 2.3%. Growing number of workers and increasing wages is the desired mix.

Federal Reserve

Which brings us to Federal Reserve policy... Recent Federal Open Market Committee statements balance this domestic strength with increasingly tenuous global weakness. The expected path of future interest rates now assumes two hikes in rates over the rest of 2016 – a bullish adjustment from the previous four. This more accommodative stance is welcomed, however, current market interest rates are priced well below the Fed’s dot plot.

The challenges facing many of the non-U.S. economies, together with lingering weakness in energy and a U.S. election season that might be charitably described as “interesting” reminds us of the Yogi-ism that “forecasting is difficult, especially about the future.” Nevertheless, given the steady improvement in the domestic economy and the prevailing rate environment, we continue to expect interest rates to have an upward bias in the months ahead.

Please feel free to contact us at (904) 493-5500.



Interest Rate Summary				Table 2	
	3/31/15	12/31/15	3/31/16	Qtr Change	12-Month Change
3 Month T-Bills	0.0	0.2	0.2	0.0	+0.2
5 Year Treasury	1.4	1.8	1.2	-0.6	-0.2
10 Year Treasury	1.9	2.3	1.8	-0.5	-0.2
30 Year Treasury	2.5	3.0	2.6	-0.4	+0.1
5 Year Corporate ('A')	2.0	2.6	2.1	-0.6	+0.1
10 Year Corporate ('A')	3.0	3.5	2.9	-0.6	0.0
30 Year Fixed Rate Mortg.	3.8	3.9	3.7	-0.3	-0.1

Source: Bloomberg

Investment Review

March 31, 2016

City of Ormond Beach Pension Trust Funds

Gregg Gosch

Institutional Client Service

Marc Davis, CFA

Equity Portfolio Manager





Portfolio Market Values

Ormond Beach Firefighters

Beginning Market Value on 12/31/15	3,094,030
Cash Additions	0
Cash Withdrawals	-4,454
Investment Gain/Loss	97,429
Ending Market Value on 03/31/16	3,187,005

Ormond Beach General Employees

Beginning Market Value on 12/31/15	4,976,729
Cash Additions	0
Cash Withdrawals	-87,164
Investment Gain/Loss	146,607
Ending Market Value on 03/31/16	5,036,172

Ormond Beach Police Officers

Beginning Market Value on 12/31/15	3,471,749
Cash Additions	0
Cash Withdrawals	-94,998
Investment Gain/Loss	106,440
Ending Market Value on 03/31/16	3,483,191

Portfolio Summary

<u>Asset Class</u>		<u>Market Value</u>	<u>Percent of Assets</u>
Cash	\$	116,332	3.7%
Equity	\$	3,070,673	96.3%
TOTAL	\$	3,187,005	100.0%

<u>Asset Class</u>		<u>Market Value</u>	<u>Percent of Assets</u>
Cash	\$	136,492	2.7%
Equity	\$	4,899,680	97.3%
TOTAL	\$	5,036,172	100.0%

<u>Asset Class</u>		<u>Market Value</u>	<u>Percent of Assets</u>
Cash	\$	86,228	2.5%
Equity	\$	3,396,962	97.5%
TOTAL	\$	3,483,191	100.0%



Portfolio Performance

Ormond Beach Firefighters

	Q1 2016	09/30/2015-03/31/2016	1 Year	3 Years Annualized	Since Inception Annualized*
TOTAL PORTFOLIO	3.2%	9.3%	3.6%	13.1%	13.4%
Russell 1000 Growth	0.7%	8.1%	2.5%	13.6%	13.2%

Ormond Beach General Employees

	Q1 2016	09/30/2015-03/31/2016	1 Year	3 Years Annualized	Since Inception Annualized*
TOTAL PORTFOLIO	3.1%	9.3%	3.7%	13.4%	13.6%
Russell 1000 Growth	0.7%	8.1%	2.5%	13.6%	13.2%

Ormond Beach Police Officers

	Q1 2016	09/30/2015-03/31/2016	1 Year	3 Years Annualized	Since Inception Annualized*
TOTAL PORTFOLIO	3.2%	9.4%	3.6%	13.4%	13.6%
Russell 1000 Growth	0.7%	8.1%	2.5%	13.6%	13.2%

* Since Inception 4/25/12 Returns are gross of investment management fees

Diversified Large Growth Equity - 1Q16 Portfolio Review & Outlook

Market Review:

- While the end result was a benign return of 1.3% for the S&P500, the action during the quarter was much more raucous as the index fell more than 11% into early February, only to rally strongly posting a small but positive return.
- This quarter had a more defensive tone as Utilities and Staples led the way while Healthcare and Financials posted negative returns for the period.
- Style was relatively neutral as the Russell 3000 Value only marginally beat Growth (1.6% vs 0.3%). Large cap stocks were stronger than small cap (Russell 1000/2000 1.2% vs -1.5%).
- In sharp contrast to last year, momentum-oriented stocks were weak for the quarter. This was very evident in groups like Biotech.
- The interesting aspect to the quarter was that despite the sharp rally, which pushed the market into positive territory, the underlying tone was much less ebullient than one would expect if this was the beginning of a new bull run to significantly greater highs.

Portfolio Review:

- The portfolio posted solid relative returns in this very volatile quarter. Given the nature of the returns and “risk off” character of the market, we would expect our risk conscious approach to fare well in this environment.
- Our exposure to lower risk companies was a positive for the quarter as lower volatility and lower beta resulted in positive factor returns for the quarter.
- In Healthcare our lack of exposure to Biotech was a positive as this group significantly declined for the period.
- Stock selection was strong across sectors and most notably in Discretionary led by Dollar Tree, AutoZone and TJX.
- After a challenging 2015, we were glad to start 2016 with positive relative returns as the investors shifted away from the momentum stocks, which led most of last year, toward a more risk aware view of the market.

Outlook:

- With stocks less than 4% below the old highs, investors are trying to discern the next meaningful move.
- While this quarter clearly saw evidence of “buy the dip,” it hard to discern whether it was genuine enthusiasm for reward vs risk present in the current market or continued reaction to an ongoing easy monetary policy and near negative interest rates.
- We may be looking at more volatility such as we have seen in the last 3 quarters. It is notable that over the last year the market has had rallies of 8%, 11% and 13%, yet 1 year returns are less than 2% for the S&P 500 (entirely made up of dividends)
- It is our view that current opportunities are less attractive than they have been in several years. In this context we continue to manage the portfolio with an eye towards reducing, rather than seeking, risk.

Sawgrass Composite Portfolio versus Russell 1000 Growth (as of 1st Qtr 2016):

What Helped:

Lower Volatility, Lower Beta
Strong Stock Selection, Especially Discretionary
Lack of Biotech Exposure

What Hurt:

Weak Performance in Materials