

Perimeter Capital Management
MONTHLY CASH FLOW REPORT &
PERFORMANCE REPORT
CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND
From 02-28-14 to 03-31-14

Portfolio Value on 02-28-14	\$ 1,643,878.91
Contributions	\$ -
Withdrawals	\$ (110,000.00)
Realized Gains	\$ (5,797.09)
Unrealized Gains	\$ (27,565.63)
Interest	\$ 7.61
Dividends	\$ 1,113.30
Portfolio Value on 03-31-14	\$ 1,501,637.10
Average Capital	\$ 1,597,749.88
Total Gain before Fees	\$ (32,241.81)

Performance for Periods Ending: 3/31/2014

	<u>Month To Date</u>	<u>Quarter To Date</u>	<u>One Year</u>	<u>Three Year</u>	<u>Inception To Date</u>
GROSS Portfolio Performance	-2.02%	-1.55%	21.75%	12.68%	20.48%
NET Portfolio Performance	-2.08%	-1.74%	20.84%	11.85%	19.58%
Russell 2500 Growth Index	-2.12%	1.04%	26.66%	13.93%	22.79%
Russell 2000 Growth Index	-2.46%	0.48%	27.19%	13.61%	22.18%

Inception Date: 4/30/2009

Returns are annualized for periods greater than one year.



Perimeter Capital Management
QUARTERLY CASH FLOW REPORT
CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND
From 12-31-13 to 03-31-14

Portfolio Value on 12-31-13	\$	1,636,274.88
Contributions	\$	-
Withdrawals	\$	(110,000.00)
Realized Gains	\$	(13,254.94)
Unrealized Gains	\$	(10,973.12)
Interest	\$	(3,148.58)
Dividends	\$	2,738.86
Portfolio Value on 03-31-14	\$	1,501,637.10
Average Capital	\$	1,620,385.99
Total Gain before Fees	\$	(24,637.78)

Perimeter Capital Management
PORTFOLIO APPRAISAL
CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND
3/31/2014

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets
CASH AND EQUIVALENTS						

	Accrual Cash for Dividends		466.17		\$466.17	0.00
	CASH EQUIVALENTS		5,478.45		\$5,478.45	0.40
			-----	-----		
			5,944.62		\$5,944.62	0.40
COMMON STOCK						

ENERGY						
	331 CARRIZO OIL & GAS INC	34.61	11,456.09	\$53.46	\$17,695.26	1.20
	312 HOLLYFRONTIER CORP	45.99	14,348.23	\$47.58	\$14,844.96	1.00
	309 OASIS PETROLEUM INC	34.38	10,621.94	\$41.73	\$12,894.57	0.90
	167 OCEANEERING INTERNATIONAL INC	50.21	8,384.41	\$71.86	\$12,000.62	0.80
			-----	-----		
			44,810.66		\$57,435.41	3.80
MATERIALS						
	2,538 GRAPHIC PACKAGING HOLDING CO	8.17	20,730.98	\$10.16	\$25,786.08	1.70
	755 KAPSTONE PAPER AND PACKAGING	30.46	22,998.06	\$28.84	\$21,774.20	1.50
	830 PGT INC	7.92	6,574.68	\$11.51	\$9,553.30	0.60
			-----	-----		
			50,303.71		\$57,113.58	3.80
INDUSTRIALS						
	148 ALASKA AIR GROUP	77.40	11,455.73	\$93.31	\$13,809.88	0.90
	92 AMERCO INC	162.61	14,959.82	\$232.12	\$21,355.04	1.40
	221 BE AEROSPACE INC	69.87	15,442.28	\$86.79	\$19,180.59	1.30
	746 COPART INC COM	33.59	25,058.08	\$36.39	\$27,146.94	1.80

Perimeter Capital Management
PORTFOLIO APPRAISAL
CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND
3/31/2014

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets
357	CORPORATE EXECUTIVE BOARD CO	66.84	23,860.69	\$74.23	\$26,500.11	1.80
88	COSTAR GROUP INC	75.21	6,618.31	\$186.74	\$16,433.12	1.10
577	HEXCEL CORP	31.54	18,200.73	\$43.54	\$25,122.58	1.70
1,249	JETBLUE AIRWAYS CORP	9.16	11,440.22	\$8.69	\$10,853.81	0.70
668	KAR AUCTION SERVICES INC	20.95	13,996.16	\$30.35	\$20,273.80	1.40
653	MASCO CORP	22.94	14,977.07	\$22.21	\$14,503.13	1.00
252	SPIRIT AIRLINES INC	30.72	7,741.36	\$59.40	\$14,968.80	1.00
390	TEREX CORP	30.08	11,730.08	\$44.30	\$17,277.00	1.20
257	TORO CO COM	46.76	12,018.39	\$63.19	\$16,239.83	1.10
117	WABCO HOLDINGS INC.	87.33	10,217.48	\$105.56	\$12,350.52	0.80
236	WABTEC CORP	53.02	12,512.26	\$77.50	\$18,290.00	1.20
515	WASTE CONNECTIONS INC	42.59	21,935.08	\$43.86	\$22,587.90	1.50
			-----	-----		
			232,163.74		\$296,893.05	19.80
CONSUMER DISCRETIONARY						
661	BLOOMIN BRANDS INC	23.20	15,336.29	\$24.10	\$15,930.10	1.10
364	CORE-MARK HOLDING CO INC	66.52	24,211.74	\$72.60	\$26,426.40	1.80
496	GAMESTOP CORP	45.25	22,443.94	\$41.10	\$20,385.60	1.40
647	GRAND CANYON EDUCATION INC.	34.38	22,241.27	\$46.70	\$30,214.90	2.00
390	JARDEN CORP	31.68	12,370.44	\$59.83	\$23,363.61	1.60
223	LEAR CORP	63.07	14,064.50	\$83.72	\$18,669.56	1.20
769	LKQ CORP	23.32	17,929.80	\$26.35	\$20,263.15	1.30
284	MICHAEL KORS HOLDINGS LTD	81.51	23,149.60	\$93.27	\$26,488.68	1.80
140	PVH CORP	99.82	13,974.27	\$124.77	\$17,467.80	1.20
190	VISTEON CORP	77.00	14,629.20	\$88.44	\$16,803.60	1.10
242	WYNDHAM WORLDWIDE CORP	31.23	7,557.13	\$73.23	\$17,721.66	1.20
			-----	-----		
			187,908.19		\$233,735.06	15.60

Perimeter Capital Management
PORTFOLIO APPRAISAL
CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND
3/31/2014

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets
CONSUMER STAPLES						
267	CHURCH & DWIGHT CO INC	46.77	12,486.45	\$69.07	\$18,441.69	1.20
514	FLOWERS FOODS INC	21.31	10,962.71	\$21.45	\$11,036.02	0.70
323	FORTUNE BRANDS HOME SECURITY	45.14	14,580.75	\$42.08	\$13,591.84	0.90
			-----	-----		
			38,029.91		\$43,069.55	2.90
HEALTH CARE						
328	ACADIA HEALTHCARE CO INC	46.64	15,297.53	\$45.12	\$14,799.36	1.00
387	CHARLES RIVER LABORATORIES	44.31	17,149.41	\$60.34	\$23,351.58	1.60
262	CUBIST PHARMACEUTICALS INC	50.73	13,290.80	\$73.15	\$19,165.30	1.30
188	FIRST TRUST BIOTECH ETF	71.00	13,348.49	\$76.69	\$14,417.72	1.00
547	HEALTHCARE SERVICES GROUP	22.39	12,249.32	\$29.06	\$15,895.82	1.10
352	HEALTHSOUTH CORP	27.37	9,633.13	\$35.93	\$12,647.36	0.80
509	ICON PLC	31.26	15,910.15	\$47.55	\$24,202.95	1.60
165	JAZZ PHARMACEUTICALS INC	70.40	11,616.29	\$138.68	\$22,882.20	1.50
174	MEDIDATA SOLUTIONS INC	47.37	8,241.90	\$54.34	\$9,455.16	0.60
549	MEDNAX INC.	45.00	24,706.18	\$61.98	\$34,027.02	2.30
123	PHARMACYCLICS INC	121.72	14,972.17	\$100.22	\$12,327.06	0.80
725	SAGENT PHARMACEUTICALS	20.66	14,977.39	\$23.37	\$16,943.25	1.10
176	SALIX PHARMACEUTICALS LTD	104.50	18,392.19	\$103.61	\$18,235.36	1.20
341	TEAM HEALTH HOLDINGS INC	44.32	15,113.76	\$44.75	\$15,259.75	1.00
210	UNIVERSAL HEALTH SERVICES-B	76.99	16,168.21	\$82.07	\$17,234.70	1.10
			-----	-----		
			221,066.93		\$270,844.59	18.00
FINANCIALS						
183	ALLIED WORLD ASSURANCE HOLD	98.20	17,969.86	\$103.19	\$18,883.77	1.30
599	APOLLO GLOBAL MANAGEMENT	25.87	15,497.51	\$31.80	\$19,048.20	1.30
250	ARCH CAPITAL GROUP LTD	44.52	11,130.69	\$57.54	\$14,385.00	1.00

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CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND
3/31/2014

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets
768	BORDERFREE INC	16.00	12,288.00	\$18.64	\$14,315.52	1.00
434	CARDTRONICS INC	39.76	17,257.11	\$38.85	\$16,860.90	1.10
586	OCWEN FINANCIAL CORP	48.51	28,426.48	\$39.18	\$22,959.48	1.50
700	SWIFT TRANSPORTATION CO INC	15.23	10,661.30	\$24.75	\$17,325.00	1.20
5,588	SYNOVUS FINANCIAL CORP	3.04	17,009.99	\$3.39	\$18,943.32	1.30
153	TOWERS WATSON CO	108.11	16,540.91	\$114.05	\$17,449.65	1.20
480	VANTIV INC	32.01	15,364.80	\$30.22	\$14,505.60	1.00
238	WAGeworks INC	45.94	10,932.84	\$56.11	\$13,354.18	0.90
435	WINTRUST FINANCIAL CORP	41.60	18,097.75	\$48.66	\$21,167.10	1.40
			191,177.24			
					\$209,197.72	13.90
INFORMATION TECHNOLOGY						
78	ALLIANCE DATA SYSTEMS CORP	185.00	14,429.75	\$272.45	\$21,251.10	1.40
1,107	ALLOT COMMUNICATIONS	13.07	14,472.61	\$13.46	\$14,900.22	1.00
268	AMPHENOL CORP-CL A	86.05	23,060.53	\$91.65	\$24,562.20	1.60
513	ASPEN TECHNOLOGY INC	30.67	15,731.61	\$42.36	\$21,730.68	1.40
363	CHECK POINT SOFTWARE TECH	64.44	23,393.36	\$67.63	\$24,549.69	1.60
879	DIGITALGLOBE INC	32.06	28,184.21	\$29.01	\$25,499.79	1.70
130	FLEETCOR TECHNOLOGIES INC	105.60	13,728.31	\$115.10	\$14,963.00	1.00
242	GEOSPACE TECHNOLOGIES CORP	83.24	20,145.02	\$66.17	\$16,013.14	1.10
2,107	INTRALINKS HOLDINGS INC	9.15	19,283.27	\$10.23	\$21,554.61	1.40
329	JACK HENRY & ASSOCIATES INC	43.10	14,179.10	\$55.76	\$18,345.04	1.20
280	MELLANOX TECHNOLOGIES LTD	41.52	11,624.89	\$39.13	\$10,956.40	0.70
466	OPEN TEXT CORP	44.96	20,949.44	\$47.71	\$22,232.86	1.50
607	SKYWORKS SOLUTIONS INC	29.09	17,657.22	\$37.52	\$22,774.64	1.50
787	SS&C TECHNOLOGIES HOLDINGS	29.96	23,578.20	\$40.02	\$31,495.74	2.10
931	TIBCO SOFTWARE INC	23.83	22,185.92	\$20.32	\$18,917.92	1.30

Perimeter Capital Management
PORTFOLIO APPRAISAL
CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND
3/31/2014

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets
211	TYLER TECHNOLOGIES INC	49.56	10,456.66	\$83.68	\$17,656.48	1.20
			-----	-----	-----	
			293,060.08		\$327,403.51	21.80
			-----	-----	-----	
	COMMON STOCK Total		1,258,520.46		\$1,495,692.48	99.60
			-----	-----	-----	
TOTAL PORTFOLIO			1,264,465.08		\$1,501,637.10	100.00



PERIMETER

CAPITAL MANAGEMENT

www.perimetercap.com

Six Concourse Parkway, Suite 3300, Atlanta, Georgia 30328

800-970-2725

First Quarter 2014

Firm Overview:

100% Employee-Owned Investment Boutique

Established June 2006 in Atlanta, Georgia

Strategies Managed:

- U.S. Small Cap Growth Equity
- U.S. Extended Small Cap Growth Equity
- U.S. Small Cap Value Equity
- Global Long/Short L.P.

Strategy Overview:

U.S. Extended Small Cap Growth

- Seek to Invest in High Quality Stocks Exhibiting Strongest Relative Earnings Growth Momentum Across Any and All Market Sectors
- Experience & Bottom-Up, Fundamental Analysis Uncovers Pricing/Valuation Inefficiencies Inherent in Undiscovered Small and Mid Cap Stocks
- 80 - 100 stocks
- Portfolio Managers: Patrick W. Kirksey, CFA
Brian Crawford, CFA
- Strategy Inception: January 2008

U.S. Extended Small Cap Growth Update

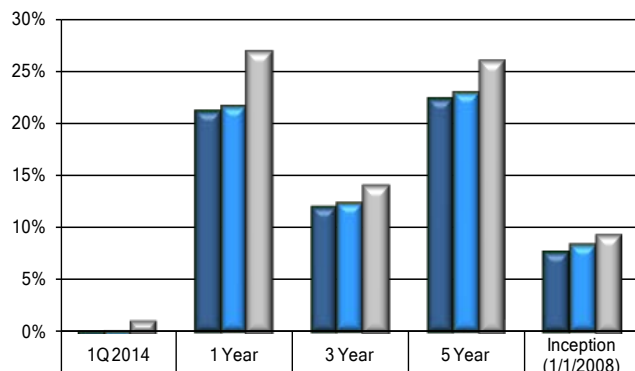
The Perimeter Extended Small Cap Growth Equity composite posted a return of **-1.51%** gross of fees during the quarter, trailing the Russell 2500 Growth Index return of **1.04%**. The quarter began as 2013 ended, with lower quality and biotechnology stocks outperforming into early March. However, as we had been forecasting, volatility began to increase and early signs of a rotation in market leadership (away from the winners of the last 1-1/2 years) emerged. As a result of this initial shift in leadership, Perimeter was able to gain back some lost ground at quarter end and into the second quarter.

The positive backdrop of a slow economic recovery, low inflation, positive equity inflows, and improving consumer confidence remains. Despite the negative economic impact of severe winter weather throughout the country, we remain constructive on our outlook for the economy and small / mid cap stock performance for 2014. However, as we suggested at the start of the year, the landscape of the market would change from one being driven by companies with lower quality and high valuation factors (like biotech), to one being driven by higher quality companies with more reasonable valuation. Overall, small / mid cap P/E ratios have climbed to levels that are above historical averages versus large caps, but with low inflation and still low interest rates, valuation metrics are not overly stretched and there remain many solid investment opportunities. That being said, we continue to believe returns will become increasingly reliant on earnings growth versus multiple expansion, which should bode well for Perimeter's bottom-up, quality approach.

For the quarter, the largest headwinds to performance came from weak stock selection in Energy, Financials, Industrials and Technology. Within each of these areas there were companies that reported a deferment or delay in specific growth events near term that drove the stocks down (see more detailed commentary on the following page). While this resulted in near term pain, our longer term outlook on these stocks remain favorable and we added to the positions on the weakness. Areas of strength included solid results in Consumer Discretionary, notably in fast growing **Grand Canyon Education** (LOPE) and being underweight weaker performing specialty retail. Several companies in the Healthcare Services area performed well due to improving volumes despite the uncertainty from the new Healthcare law going into effect. Lastly, two of our airline stocks, **Spirit** (SAVE) and **Alaska Air Group** (ALK) had strong gains in the quarter, buoyed by tight capacity and improving seat utilization.

Performance Results

As of 3/31/2014



Periods greater than 1 year are annualized.

Performance by Sector	Perimeter Extended SmCap Growth	Russell 2500 Growth Index
Consumer Discretionary	-1.04%	-2.62%
Consumer Staples	-4.25%	-4.64%
Energy	-8.95%	3.04%
Financials	-8.62%	0.66%
Health Care	6.50%	4.44%
Industrials	-0.19%	2.82%
Information Technology	-3.68%	-0.52%
Materials	-2.65%	3.88%
Telco Services	--	--
Utilities	--	--

GICS: Global Industry Classification System

* Supplemental Information

See Important Disclosures provided on last page.

*Contributors to Performance**

Company	Total Return (Quarter)
Skyworks Solutions (SWKS)	+30%
Semiconductor supplier of high performance products into a broad array of end markets, ranging from high end smartphones and tablets to automotive and other industrial applications. Skyworks has enjoyed strong design wins on next generation products, as well as strong end market unit growth across a variety of end markets, driving strong growth in earnings and cash flows.	
MEDNAX (MD)	+16%
A national leading provider of two key healthcare service groups, including neonatal ICU (intensive care) services as well as anesthesia care services. MEDNAX is the largest nationwide provider of the above services, with growth coming from both organic business development and through acquisitions. This company is a top ten holding that has generated consistent growth in sales and earnings for over a decade, and is less susceptible to economic and market volatility.	
Michael Kors Holding (KORS)	+15%
Leading designer and marketing group of high end branded women's apparel and accessories. KORS has been generating extremely robust growth of over 40% through a combination of expanding product categories, increases distribution points, as well as opening up Michael Kors branded retail stores. With the strong resonance and acceptance of this leading fashion designer, KORS has generated industry leading same store sales in excess of 20% that should be sustainable near term.	
Jazz Pharmaceuticals (JAZZ)	+10%
Specialty drug provider of Xyrem, the only FDA approved treatment for cataplexy and excessive daytime sleepiness in patients with narcolepsy. Jazz has been able to generate consistent growth through expanding education and awareness for this difficult to treat condition. In addition to solid organic growth in the core Xyrem franchise, Jazz is taking the strong cash flows and investing in new businesses to expand the number of drugs they distribute.	
ICON Plc (ICLR)	+18%
ICON is a contract research organization (CRO) that provide clinical trial and other services to pharmaceutical and biotech companies. With biopharma constantly looking to develop and introduce new drugs, there has been a trend towards outsourcing the clinical trial side of the business while maintaining focus on R&D. This has benefited ICON with strong new bookings, a growing backlog and improving margins as capacity utilization improves, driving strong top and bottom line growth that is exceeding expectations.	

*Detractors from Performance**

Company	Total Return (Quarter)
Geospace Technologies (GEOS)	-30%
Supplier of highly technical and proprietary wireless seismic and reservoir monitoring systems to the oil and gas production industry. With leading technology GEOS has been gaining share and winning large new orders for the last several years. In the quarter the company announced a delay of a large order due to changing in funding sources with the customer, driving the shares down sharply. We have maintained the position given our confidence that it is a matter of when, not if, this order gets shipped, and expect the shares to react favorably once this shipment occurs.	
Ocwen Financial (OCN)	-29%
A mortgage servicing company that specialized in high touch / high contact sub-prime mortgages. Ocwen has been growing nicely over the last several years as many of the large banks are offloading large portfolios of mortgage servicing rights. More recently, a New York regulator cited issues with a recently announced portfolio transfer between Wells Fargo and Ocwen, and has delayed the closing of the transfer. We added to the position on weakness, as we think the matter is resolved in OCN's favor. Even if it is not, our view is the valuation is compelling at less than 5x trailing cash flows and other future growth prospects.	
DigitalGlobe (DGI)	-30%
A leading provider of high resolution satellite imagery to governments and commercial entities worldwide. Early in the quarter DigitalGlobe provide initial 2014 guidance that disappointed investors as the launch window of their next generation satellite was delayed until later in the year. While DGI is ready for the launch, they do rely on government timelines for the actual time window. Like the companies above, we remain confident in the longer term growth opportunity, as this just pushes some revenue and earnings from 2014 to 2015. As such we added to the position on weakness taking a longer term view.	
SS&C Technologies (SSNC)	-10%
SS&C is a market leading supplier of enterprise software to the investment management and hedge fund community for middle and back office accounting and functions. SS&C has over 80% recurring revenue, and strong growth recent boosted by acquisitions together with robust demand from the end market, the company was a top performer for the portfolio in 2013. The stock has been somewhat weak this year on no new news other than just some profit taking. We have kept our position in SS&C as a top ten holding as valuation remains very reasonable for a company with such a strong track record of growth.	
Tyler Technologies (TYL)	-18%
An enterprise software company that provides solutions to state and local agencies that help automate various functions such as court justice scheduling, tax and appraisal software, financial management solutions and billing systems. TYL is a dominant player in this market as there are few competitors that have the scale and breadth of product capabilities. The company saw a pullback early this year on two issues, a slowdown in bookings and delays in several large contracts being awards in the state of California. We are looking to add on weakness as TYL is a market leader and should win a large portion of the CA contracts, that will drive a re-acceleration in bookings exiting 2014.	



PERIMETER
— CAPITAL MANAGEMENT —

First Quarter 2014

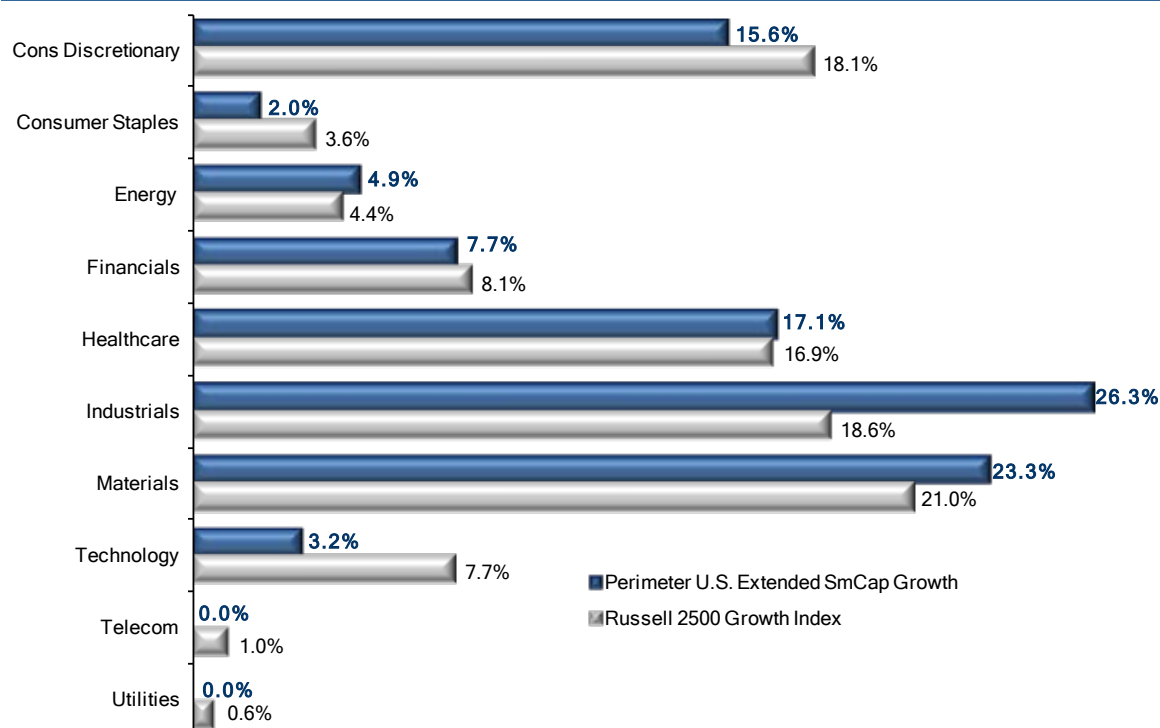
U.S. Extended Small Cap Growth Update

*Performance Characteristics**

	Perimeter Extended SCG	Russell 2500 Growth Index
Price/ Earnings	19.8x	20.6x
Estimated EPS Growth	16.14%	16.96%
Return on Equity	16.77%	10.44%
Free Cash Flow to Enterprise Value Yield	3.3%	1.8%
LT Debt/ Capital	33.65%	37.34%
Market Capitalization (in \$M)	\$5,254.80	\$4,154.10

Source: FACTSET

*Sector Weightings**



*Current Top Holdings**

As of 3/31/2014

Company	Ticker	Portfolio	Company Description
MEDNAX, Inc.	MD	2.28%	Specialized Health Services
SS&C Technologies, Inc.	SSNC	2.11%	Business Software & Services
Grand Canyon Education, Inc.	LOPE	2.02%	Education & Training Services
Copart, Inc.	CPRT	1.82%	Auto Dealerships
Michael Kors Holdings Ltd	KORS	1.77%	Specialty Retailer
Corporate Executive Board Company	CEB	1.77%	Management Services
Core-Mark Holding Company, Inc.	CORE	1.77%	Food Wholesale
Graphic Packaging Holding Company	GPK	1.73%	Consumer Goods Packaging
DigitalGlobe, Inc.	DGI	1.71%	Aerospace/ Defense Products & Services
Hexcel Corporation	HXL	1.68%	Aerospace/ Defense Products & Services

Manager Outlook & Positioning

As market volatility increased at the end of the quarter and into April, the looming question is where does the market go from here? Following very strong returns over the past 15 months, we believed the equity markets are / were due for a pullback. Such a pause in the midst of an uptrend, while sometimes unsettling, is healthy for the overall market and necessary to allow fundamentals and earnings a chance to catch up with valuations. Furthermore, it can help to set the stage for a change in leadership and auger in the next stage of a bull market. As of this writing in mid-April, there is probably more room to the downside and more time required before the market resumes its advance, as we enter the seasonally weak period of the year in the late spring and early summer. Our confidence that this is just a mild correction is buoyed by the fact that credit conditions remain benign, meaning yield spreads are stable, banks are lending, and there are no apparent stresses in the financial system.

During the quarter there were some sector shifts that occurred in the portfolio. Our Consumer Discretionary weighting drifted down in the quarter on concerns that the harsh winter and weak consumer spending will negatively impact the 1Q14 reporting season out of many specialty retailers. The two most dramatic weighting increases occurred in Healthcare and Technology. In Healthcare we actually have reduced our weighting in biotechs, but this was more than offset by the addition of some service companies and pharmaceuticals. On the service side we added **Team Health** (TMH), a supplier of outsourced ER physician services that should benefit from reduced bad debt expense given the implementation of the Affordable Care Act (ACA). Likewise, **Acadia Healthcare** (ACHC) is a recent addition where the company is rolling up the inpatient psych treatment space, reporting good volume growth and could also see a benefit from expanded coverage for behavioral treatments under the ACA. In Technology, after being under or equal weight for some time, we found some compelling new ideas in both semiconductors and software. **Check Point Software** (CHKP) and **Borderfree** (BRDR) are two software companies that should see accelerating growth through two dynamic market trends; increased focus on security (CHKP) and expanding global eCommerce (BRDR). Other sector shifts were minor, and we maintain a large overweight in Industrials, as the visibility of the accelerating growth profile for many of industrial companies continues to improve in the face of the global economic recovery.

While the recent quarter's performance was disappointing, the recent market pause presents us with the opportunity to identify those stocks or types of stocks that are emerging as the new market leaders. We believe that this new leadership will possess higher quality characteristics with reasonable valuations, representing the type of stock that comprises the bulk of our portfolio. This is evident by the free cash flow yield being 83% greater, the return on equity being 60% higher, and the beta of the portfolio only being 95% that of the Russell 2500 Growth Index.

Important Disclosures

INVESTMENT PERFORMANCE

Past performance is not indicative of future results. Inherent in any investment is the possibility of loss of all or substantial amount of such investment. Performance data is presented for the Perimeter U.S. Extended Small Cap Growth Equity Composite. Perimeter makes no assurance that investment objectives will be achieved. Performance results presented off calendar month end are not reconciled and are subject to revision. This information should not be evaluated independent of or without reference to the investment advisory agreement that more specifically addresses applicable investment advisory fees. Advisory fees charged by Perimeter are described in Part II of Perimeter's Form ADV. For a free copy of Form ADV, please contact Perimeter Capital at (770) 350-8700.

Performance results include the reinvestment of dividends and other similar income. The Perimeter U.S. Extended Small Cap Growth Equity Composite primarily invests in U.S. small to mid cap stocks and is managed according to a growth objective. The returns of both the Russell 2500 Growth Index and Russell 2000 Growth Index are presented along side those of the Perimeter U.S. Extended Small Cap Growth Equity Composite for illustrative purposes only. The Russell 2500 Growth Index is a broad based index comprised of 2500 U.S. based small to mid capitalization stocks and the Russell 2000 Growth Index is a broad based index comprised of 2000 U.S. based small capitalization stocks. Although the Perimeter U.S. Extended Small Cap Growth Equity Composite primarily invests in small to mid capitalization stocks, its portfolio composition may be materially different than that of both indices. The eVestment Small to Mid Cap Growth universe discussed encompasses advisers that report data to eVestment and are categorized as Small to Mid Cap Growth portfolios. eVestment does not independently verify the data, which forms the basis for rankings, provided by advisers.

This material is supplemental to GIPS compliance requirements and is provided for your information. This supplemental material complements the GIPS compliant composite presentation which is available upon request or provided with this brochure in one-on-one presentations.

Contributors & Detractors - These holdings were selected based on their performance being the five (5) best and five (5) worst in terms of percentage change during the period.

SECTOR WEIGHTINGS AND PORTFOLIO CHARACTERISTICS

The sector weightings and portfolio characteristics are presented as 3/31/2014 and may change without notice. A complete list of sector weightings and individual security positions for any specific period are available upon request. The top ten individual securities presented represent the ten largest positions in the Perimeter U.S. Extended Small Cap Growth Equity Composite based on aggregate dollar value. The specific securities identified do not represent all of the securities purchased, sold or recommended and should not be assumed that the investments or the securities identified were or will be profitable. All information presented is for informational purposes only and should not be deemed as a recommendation to buy the securities mentioned. We believe that the material contains an objective, balanced presentation of the performance of the Perimeter U.S. Extended Small Cap Growth Equity Composite, including a general summary of certain holdings that both over- and under-performed the expectations of our portfolio management team.

FORECASTING

Forecasting is based on current economic and market information, which may be revised at any time.

FINANCIAL TERMS

Total Return - All performance calculations are total returns. Total return is comprised of dividend and interest income, realized and unrealized gains and losses.

Estimated Annual Income - An estimate of the dividends and interest to be received over the next twelve months based on current asset allocation and information.

Russell 2500 Growth Index - Measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2500 is comprised of the smallest 2500 companies of the Russell 3000.

Russell 2000 Growth Index - Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2000 is comprised of the smallest 2000 companies of the Russell 3000.



Important Disclosure

Year End	Total Firm ¹ Assets (millions)	Composite Assets		Performance Results			
		USD (millions)	Number of Accounts	Composite Gross	Composite Net	Russell 2500 Growth	Composite Dispersion
2014	375	39	Five or fewer	-1.51%	-1.65%	1.04%	N/A
2013	375	40	Five or fewer	39.37%	38.70%	40.65%	N/A
2012	970	29	Five or fewer	14.98%	14.42%	16.13%	N/A
2011	1,511	25	Five or fewer	(1.19%)	(1.67%)	(1.57%)	N/A
2010	1,786	31	Five or fewer	26.95%	26.22%	28.86%	N/A
2009	1,207	3	Five or fewer	31.29%	30.23%	41.66%	N/A
2008	746	0.2	Five or fewer	(36.37%)	(36.94%)	(41.50%)	N/A

N/A - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

¹Total firm assets include Perimeter and affiliate, Concourse Capital Partners.

U.S. Extended Small Cap Growth Equity Composite contains all discretionary, fee-paying, equity only accounts that invest primarily in small to mid cap domestic companies with compelling earnings and growth characteristics. For comparison purposes the composite is measured against the Russell 2500 Growth Index.

Perimeter Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Perimeter Capital Management has been independently verified for the periods June 26, 2006 through March 31, 2012.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The US Extended Small Cap Growth Equity Composite has been examined for the periods January 1, 2008 through March 31, 2012. The verification and performance examination reports are available upon request.

Perimeter Capital Management is an independent registered investment adviser. The firm maintains a complete list of composite descriptions, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. For the period January 1, 2008 through April 30, 2009, non-fee-paying accounts represent 100% of composite assets. Beginning May 1, 2009 there are no non-fee-paying accounts included in the composite. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees for fee paying accounts or by using the maximum applicable management fee for non-fee paying accounts. Additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations is available upon request.

Accounts in this composite may invest in ADRs. Many foreign countries impose a withholding tax on ADR dividends which results in a net dividend payment below 100% of the dividend amount that is declared by the company. This net dividend is reinvested in the composite accounts without further deduction of taxes.

The management fee schedule is as follows: First \$25MM, 90bps; next \$75MM, 80bps; over \$100MM, 70bps. Actual investment advisory fees incurred by clients may vary.

The U.S. Extended Small Cap Growth Equity Composite was created January 1, 2008. As of March 31, 2014, the three-year annualized ex-post standard deviation of the composite and the benchmark are 20.79% and 20.11% respectively.