



Presented By:

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[www.GarciaHamiltonAssociates.com](http://www.GarciaHamiltonAssociates.com)

# GARCIA HAMILTON & ASSOCIATES

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## *City of Ormond Beach Police Officers' Pension Trust Fund*

August 11, 2017

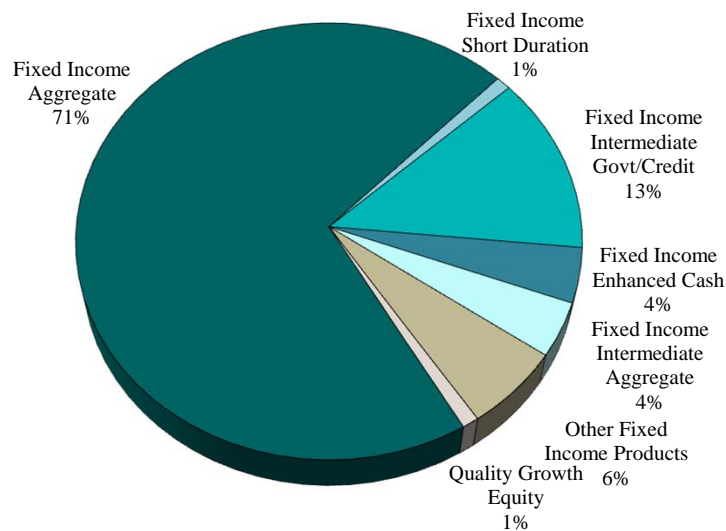
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# Organization

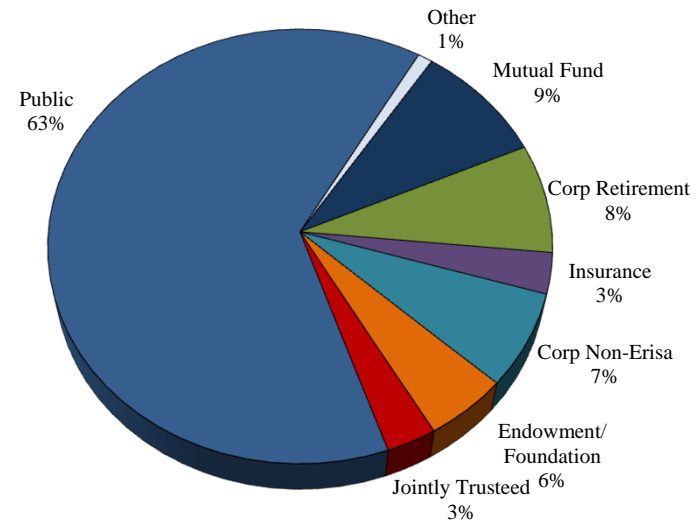
- Founded in 1988.
- Firm is 100% employee-owned and certified as a MBE firm.
- Firm has 32 employees located in Houston, Texas.
- The 11 members of the fixed income investment team have 210 years combined investment experience and over 85 years combined with the firm. In addition, 5 are Chartered Financial Analyst (CFA) charterholders.
- Firm manages approximately \$9.3 billion in assets under management.
- High quality fixed income strategies designed to prevent “negative surprises.”
- No litigation. No debt.

## Asset Breakdown

### By Type



### By Client



Data as of June 30, 2017

# Investment Goal

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## *Investment Goal*

Our goal is to outperform the benchmark, net of fees, over a full market cycle using a high quality strategy with less risk, lower volatility and low turnover. By setting realistic expectations, we avoid taking unnecessary risks.

Achieving our goal is centered around several core principles:

- Preserve Principal
- Maintain Liquidity
- Provide High Current Income

Key Tools:

- Sector Rotation
- Controlled Interest Rate Anticipation
- Yield Curve Positioning

# City of Ormond Beach Police Officers' Pension Trust Fund

June 30, 2017

## PORTFOLIO COMPOSITION

	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Yield</u>
EQUITIES	0.00	0.0	0.0
FIXED INCOME	9,144,827.39	99.8	1.7
CASH & EQUIVALENTS	18,402.73	0.2	0.6
<b>Total</b>	<b>9,163,230.12</b>	<b>100.0</b>	<b>1.7</b>

## CHANGE IN PORTFOLIO

Portfolio Value on 03-31-01	7,533,666.42
Accrued Interest	24,119.59
Net Additions/Withdrawals	2,198,819.20
Net Transfers	-4,750,890.94
Realized Gains/Losses	-245,522.90
Unrealized Gains/Losses	251,330.14
Income Received	4,149,321.60
Change in Accrued Interest	2,387.02
Portfolio Value on 06-30-17	9,136,723.51
Accrued Interest	26,506.61
<b>Total</b>	<b>9,163,230.12</b>

## TIME WEIGHTED RETURN - GROSS OF FEES

	<u>Quarter</u>	<u>Year To Date</u>	<u>Fiscal 09-30-16 YTD</u>	<u>One Year</u>	<u>Annualized Last 3 Years</u>	<u>Annualized Last 5 Years</u>	<u>Annualized Inception 03-31-01 To Date</u>
<b>Account</b>	<b>0.9</b>	<b>1.7</b>	<b>0.1</b>	<b>0.4</b>	<b>2.6</b>	<b>3.3</b>	<b>N/A</b>
<b>FIXED INCOME</b>	<b>0.9</b>	<b>1.7</b>	<b>0.1</b>	<b>0.3</b>	<b>2.6</b>	<b>3.4</b>	<b>5.5</b>
Bloomberg Barclays Int Gov/Credit	0.9	1.7	-0.4	-0.2	1.9	1.8	4.2

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



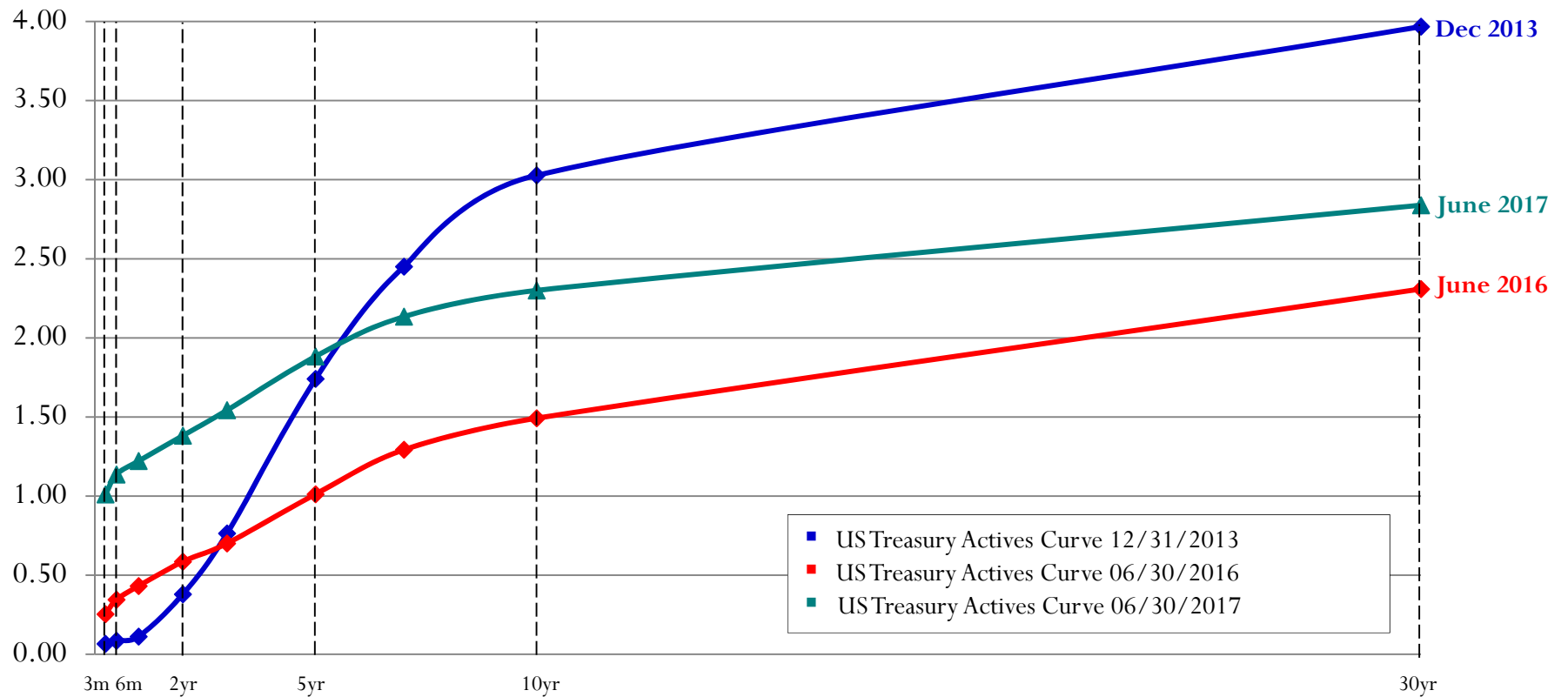
Our Form ADV disclosure document is available upon request. We urge you to compare account statements that you receive from us with the account statements that you receive from your custodian. Past performance is no guarantee of future results. See disclosures for other relevant information. Client Use Only.

# 2<sup>nd</sup> Quarter 2017 Fixed Income Market Commentary

June 30, 2017

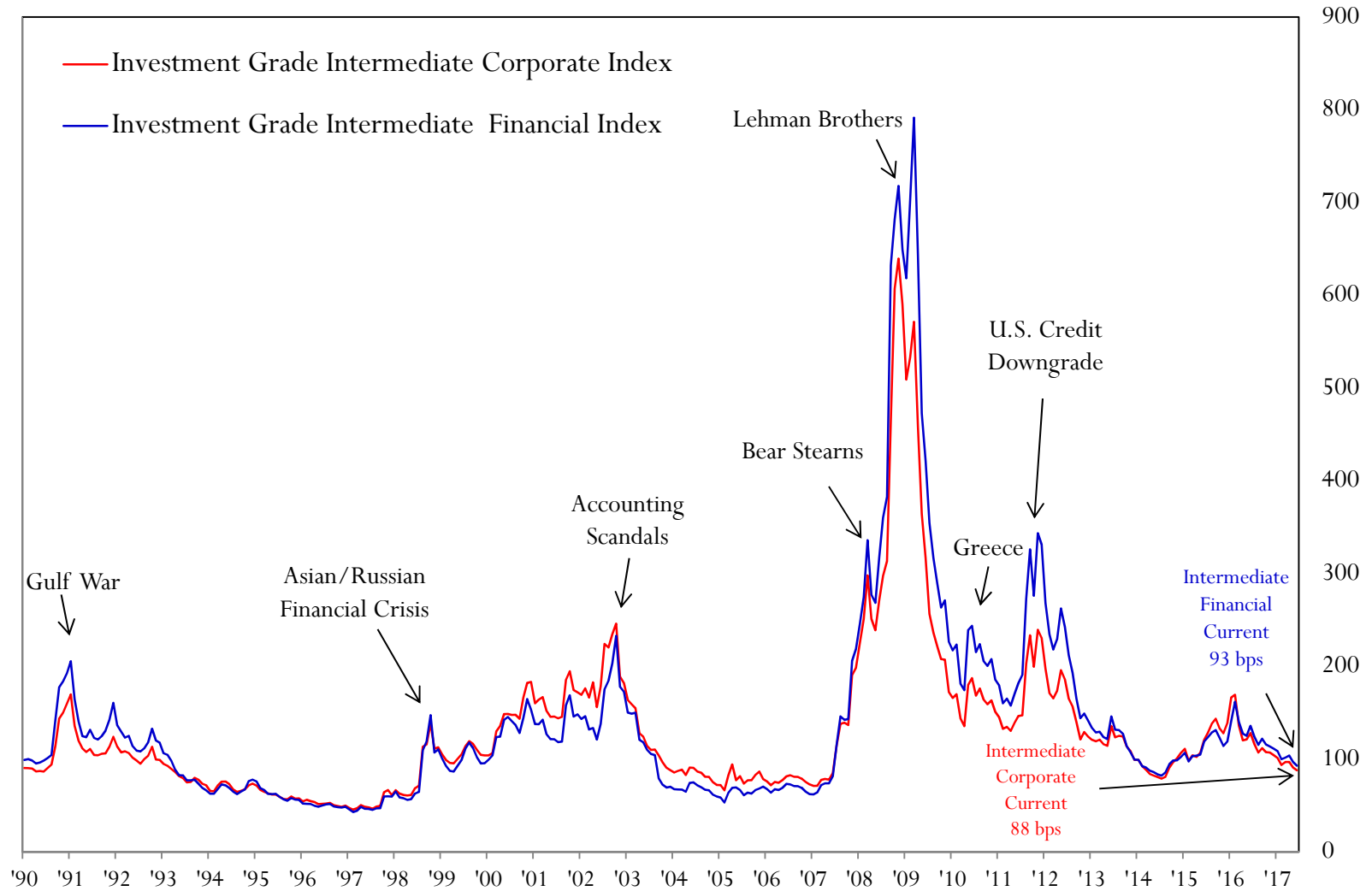
- As was widely anticipated, the Federal Reserve increased the fed funds rate for the 3rd time in six months, moving the target range to between 1.00% - 1.25% at the June FOMC meeting. The Fed made no changes to the expected path of hikes for the remainder of the year and next by projecting one more rate increase this year and three next year. However, the FOMC issued an addendum which laid out a wind-down of their balance sheet holdings of treasuries and mortgage-backed securities.
- In the economy, measures of inflation continued to trend lower despite the low rate of unemployment. The weak inflation readings were described by Fed Reserve Chairman Yellen as “transitory,” and she continued to express confidence that inflation would stabilize around the committee’s objective of 2% “over the medium term.”
- The 10-year treasury yield declined by 9 basis points to end the quarter at 2.30%. The 2-year yield finished the quarter 13 basis points higher at 1.38% while the yield of the 30-year treasury decreased 18 basis points to 2.84%. These moves caused the 2-30 year yield spread to flatten to 146 basis points.
- With the decline in longer term rates, the bond market experienced a positive return of 1.45% for the Bloomberg Barclays Aggregate Index and a return of 0.94% for the Bloomberg Barclays Intermediate Government Credit Index for the quarter.
- Spread product was mixed this quarter as three of the four spread sectors delivered positive excess return. The corporate sector was the leader this quarter with 112 basis points of excess return. The asset-backed securities sector and agency sector followed with 32 basis points and 20 basis points of excess return, respectively. The mortgage-backed securities sector was the laggard with -4 basis points of excess return.
- We expect shorter term rates to rise and the yield curve to flatten, therefore, we are maintaining a shorter duration than the benchmark and a “barbelled” yield curve positioning.

# Yield Curve Changes



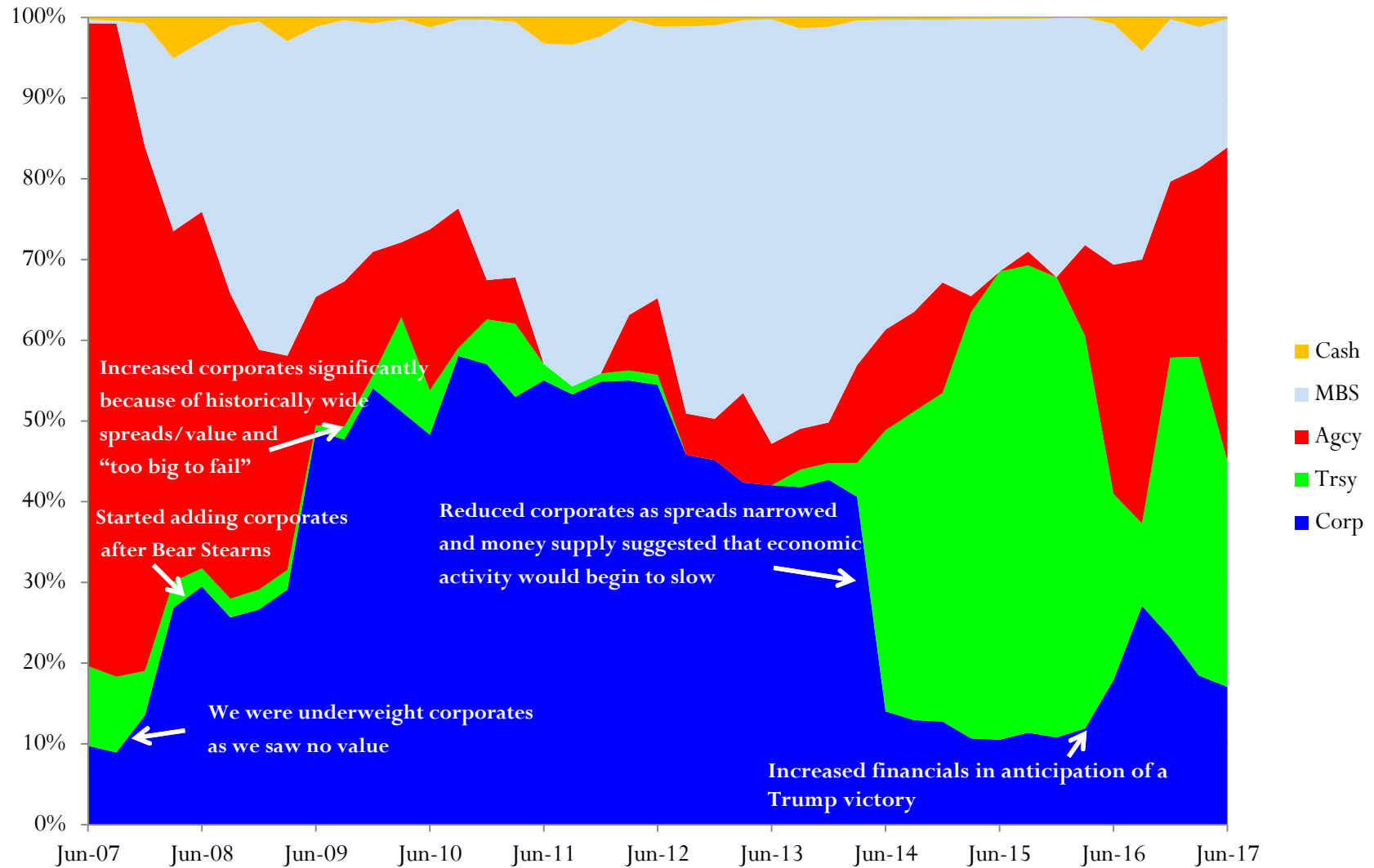
	12/31/13	06/30/16	06/30/17
3 Month	0.07	0.25	1.01
6 Month	0.09	0.35	1.14
2 Year	0.38	0.59	1.38
5 Year	1.74	1.01	1.88
10 Year	3.03	1.49	2.30
30 Year	3.97	2.31	2.84

# Average Option Adjusted Spreads (OAS)



# Fixed Income Intermediate Govt./Credit Historical Sector Weightings

June 30, 2017



Source: GH&A Research



The percent weights shown are those of an actual portfolio that is representative of this strategy. The percent weights may vary depending on the dates shown as well as client-imposed restrictions, cash flows, etc.

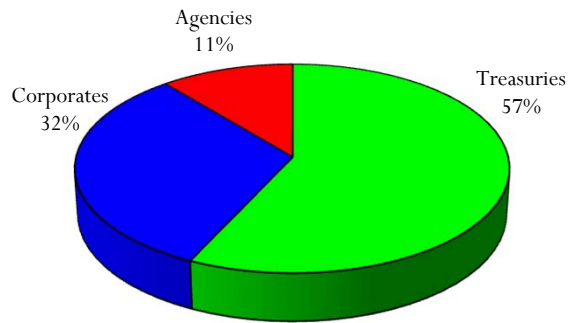


# Fixed Income Portfolio Characteristics

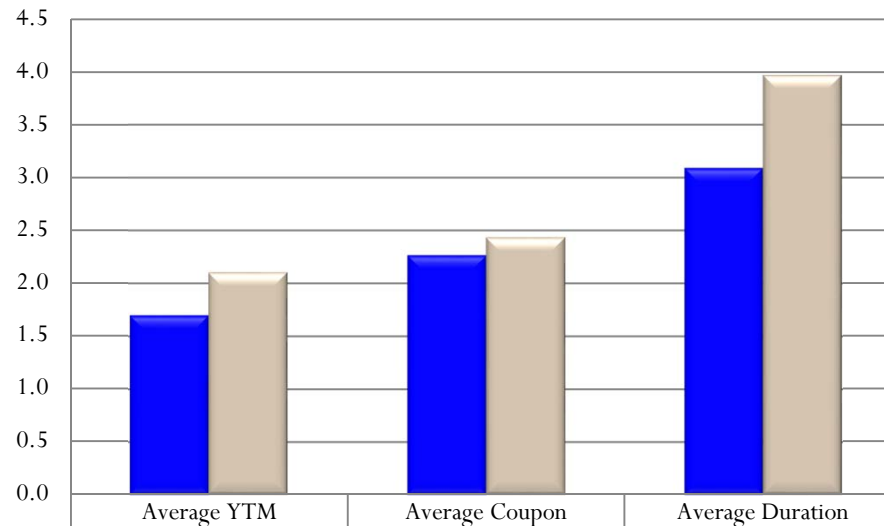
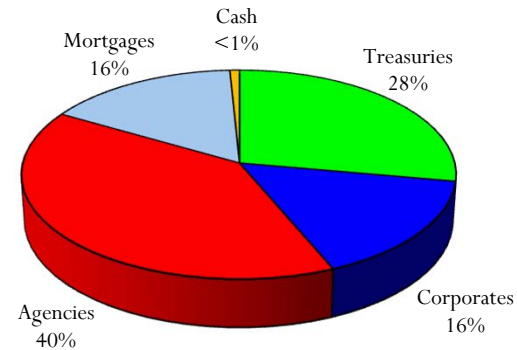
City of Ormond Beach Police Officers' Pension Trust Fund

June 30, 2017

**Bloomberg Barclays Int. Govt./Credit**



**Portfolio**



■ Portfolio	Average YTM	Average Coupon	Average Duration
	1.7	2.3	3.1
■ Bloomberg Barclays Int. Govt./Credit	2.1	2.4	4.0



# Current Fixed Income Market Factors

June 30, 2017

Factor		Position
<b>Sentiment</b>	Speculators in Treasury futures have established long positions.	<b>Negative</b>
<b>Monetary</b>	The Federal Reserve increased the fed funds rate for the 3rd time in six months in June. Furthermore, the Fed issued an addendum which laid out a wind-down of their balance sheet holdings of treasuries and mortgage-backed securities.	<b>Negative</b>
<b>Valuation</b>	The 10-year Treasury yield is trading below our estimate of fair value.	<b>Negative</b>
<b>Economic</b>	Expectations for economic growth remain at moderate levels despite slower than expected implementation of the administration's economic policies and modest wage growth.	<b>Neutral</b>
<b>Inflation</b>	Measures of inflation continued to trend lower despite the low rate of unemployment.	<b>Neutral</b>

# Portfolio Review

GARCIA HAMILTON & ASSOCIATES  
**PORTFOLIO SUMMARY**  
***CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND-FIXED***  
***(3250000393) ormondpf***  
*June 30, 2017*

Security Type	Total Cost	Market Value	Pct. Assets	Yield	Est. Annual Income
<b>FIXED INCOME</b>					
CORPORATE BONDS	1,525,329.72	1,508,786.90	16.5	2.3	40,827.40
GOVERNMENT BONDS					
TREASURY	2,500,753.40	2,517,384.12	27.5	2.2	48,443.75
AGENCY - NONCALLABLE	3,654,401.75	3,657,501.72	39.9	1.1	42,794.62
GOVERNMENT BONDS	6,155,155.15	6,174,885.84	67.4	1.5	91,238.37
MORTGAGE-BACKED SECURITIES-FNMA	527,693.49	518,769.49	5.7	1.8	25,737.47
MORTGAGE-BACKED SECURITIES-FHLMC	930,088.63	915,878.55	10.0	1.8	43,904.27
Accrued Interest		26,506.61	0.3		
	9,138,266.99	9,144,827.39	99.8	1.7	201,707.51
<b>CASH &amp; EQUIVALENTS</b>					
CASH & EQUIVALENTS	18,402.73	18,402.73	0.2	0.6	110.42
	18,402.73	18,402.73	0.2	0.6	110.42
<b>TOTAL PORTFOLIO</b>	<b>9,156,669.72</b>	<b>9,163,230.12</b>	<b>100.0</b>	<b>1.7</b>	<b>201,817.93</b>

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  
 PORTFOLIO APPRAISAL  
 CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND-FIXED  
 (325000393) ormondpf  
 June 30, 2017

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
<b>CORPORATE BONDS</b>									
225,000	Apple Inc. Floater 1.314% Due 08-02-19	100.01	225,022.95	100.20	225,448.65	2.5	1.314	2,955.87	1.2
90,000	State Street Floater 2.081% Due 08-18-20	102.05	91,848.60	102.13	91,914.03	1.0	2.081	1,873.05	1.4
355,000	American Express Floater 2.292% Due 09-14-20	101.93	361,848.00	101.75	361,217.82	3.9	2.292	8,135.43	1.7
115,000	Intel Corp Floater 1.532% Due 05-11-22	100.17	115,192.05	100.14	115,160.08	1.3	1.532	1,761.80	1.5
105,000	JP Morgan 3.875% Due 02-01-24	108.33	113,750.27	104.81	110,046.72	1.2	3.875	4,068.75	3.1
225,000	Aflac Inc. 3.625% Due 11-15-24	107.13	241,040.08	104.72	235,620.90	2.6	3.625	8,156.25	2.9
65,000	Berkshire Hathaway 3.125% Due 03-15-26	103.41	67,216.50	101.12	65,731.25	0.7	3.125	2,031.25	3.0
195,000	Wells Fargo Sub 4.100% Due 06-03-26	106.79	208,241.27	103.55	201,916.65	2.2	4.100	7,995.00	3.6
100,000	Goldman Sachs 3.850% Due 01-26-27	101.17	101,170.00	101.73	101,730.80	1.1	3.850	3,850.00	3.6
	Accrued Interest				6,872.65	0.1			
			1,525,329.72		1,515,659.55	16.5		40,827.40	2.3
<b>GOVERNMENT BONDS</b>									
<b>TREASURY</b>									
235,000	U S Treasury 2.000% Due 02-15-25	102.32	240,448.68	98.63	231,777.91	2.5	2.000	4,700.00	2.2
1,095,000	U S Treasury 2.125% Due 05-15-25	99.64	1,091,077.73	99.37	1,088,113.54	11.9	2.125	23,268.75	2.2
1,260,000	U S Treasury 1.625% Due 02-15-26	92.80	1,169,226.99	95.04	1,197,492.66	13.1	1.625	20,475.00	2.3
	Accrued Interest				12,297.06	0.1			
			2,500,753.40		2,529,681.18	27.6		48,443.75	2.2
<b>AGENCY - NONCALLABLE</b>									
165,000	FHLB Floater 1.154% Due 12-07-17	100.01	165,014.85	100.09	165,155.26	1.8	1.154	1,904.10	0.9
305,000	FFCB Floater 1.109% Due 01-08-18	99.81	304,418.85	100.09	305,266.87	3.3	1.109	3,381.44	0.9
350,000	FNMA Floater 1.230% Due 03-21-18	100.03	350,092.46	100.10	350,352.10	3.8	1.230	4,305.77	1.1
175,000	FFCB Floater 1.376% Due 03-26-18	100.02	175,038.50	100.23	175,403.90	1.9	1.376	2,408.19	1.1
470,000	FFCB Floater 1.229% Due 05-17-18	99.95	469,745.29	100.13	470,618.52	5.1	1.229	5,778.37	1.1
455,000	FFCB Floater 1.306% Due 05-25-18	100.01	455,027.00	100.22	455,994.63	5.0	1.306	5,942.80	1.1
405,000	FHLB Floater 0.960% Due 10-26-18	100.02	405,064.80	99.97	404,861.08	4.4	0.960	3,888.00	1.0

GARCIA HAMILTON & ASSOCIATES  
 PORTFOLIO APPRAISAL  
 CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST FUND-FIXED  
 (3250000393) ormondpf  
 June 30, 2017

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
260,000	FFCB Floater 1.167% Due 04-03-19	100.00	260,000.00	100.00	260,000.00	2.8	1.167	3,034.77	1.2
230,000	FFCB Floater 1.131% Due 05-24-19	100.00	230,000.00	99.93	229,849.35	2.5	1.131	2,601.55	1.2
420,000	FHLB Floater 1.138% Due 07-05-19	100.00	420,000.00	100.00	420,000.00	4.6	1.138	4,779.60	1.1
420,000	FHLMC Floater 1.136% Due 07-05-19	100.00	420,000.00	100.00	420,000.00	4.6	1.136	4,770.02	1.1
	Accrued Interest				1,726.87	0.0			
			3,654,401.75		3,659,228.59	39.9		42,794.62	1.1
	<b>GOVERNMENT BONDS Total</b>		6,155,155.15		6,188,909.77	67.5		91,238.37	1.5
<b>MORTGAGE-BACKED SECURITIES-FNMA</b>									
1,490,000.00	FNMA Pool #944122 5.500% Due 07-01-22	108.37	116,837.29	106.06	114,343.38	1.2	5.500	5,929.50	2.0
163,090.00	FNMA Pool #AL7638 5.500% Due 01-01-24	108.80	98,450.73	105.75	95,696.31	1.0	5.500	4,976.97	1.3
555,000.00	FNMA Pool #MA0472 5.000% Due 07-01-30	110.60	102,836.43	109.25	101,582.43	1.1	5.000	4,649.04	1.9
4,475,000.00	FNMA Pool #745418 5.500% Due 04-01-36	113.20	209,569.05	111.89	207,147.36	2.3	5.500	10,181.96	1.8
	Accrued Interest				2,073.30	0.0			
			527,693.49		520,842.78	5.7		25,737.47	1.8
<b>MORTGAGE-BACKED SECURITIES-FHLMC</b>									
395,000.00	FHLMC Pool #G15718 5.500% Due 12-01-24	108.05	248,634.83	105.50	242,780.93	2.6	5.500	12,656.47	1.6
510,000.00	FHLMC Pool #G15743 5.000% Due 06-01-26	107.01	322,448.42	105.43	317,680.78	3.5	5.000	15,065.96	1.5
200,000.00	FHLMC Pool #G30892 5.500% Due 04-01-30	111.56	163,343.34	110.17	161,307.45	1.8	5.500	8,052.78	2.0
330,000.00	FHLMC Pool #G60134 4.500% Due 06-01-36	108.31	195,662.03	107.45	194,109.39	2.1	4.500	8,129.06	2.5
	Accrued Interest				3,536.73	0.0			
			930,088.63		919,415.28	10.0		43,904.27	1.8
<b>CASH &amp; EQUIVALENTS</b>									
	Regions Trust Cash Sweep		18,402.73		18,402.73	0.2	0.600	110.42	0.6
			18,402.73		18,402.73	0.2		110.42	0.6
<b>TOTAL PORTFOLIO</b>			9,156,669.72		9,163,230.12	100.0		201,817.93	1.7

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PURCHASE AND SALE  
**CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST**  
**FUND-FIXED**  
**(3250000393) ormondpf**  
From 04-01-17 To 06-30-17

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
<b>PURCHASES</b>					
04-03-2017	04-05-2017	175,000	U S Treasury 0.750% Due 06-30-17	100.01	175,010.25
04-04-2017	04-06-2017	110,000	U S Treasury 0.750% Due 06-30-17	100.01	110,008.59
04-10-2017	04-12-2017	170,000	U S Treasury 0.750% Due 06-30-17	100.00	170,000.00
04-17-2017	04-19-2017	245,000	U S Treasury 0.750% Due 06-30-17	100.00	245,000.00
04-18-2017	04-20-2017	145,000	U S Treasury 0.750% Due 06-30-17	100.01	145,011.33
04-26-2017	04-28-2017	405,000	FHLB Floater 0.960% Due 10-26-18	100.02	405,064.80
05-15-2017	05-24-2017	230,000	FFCB Floater 1.131% Due 05-24-19	100.00	230,000.00
05-17-2017	05-22-2017	115,000	Intel Corp Floater 1.532% Due 05-11-22	100.17	115,192.05
06-30-2017	07-06-2017	420,000	FHLB Floater 1.138% Due 07-05-19	100.00	420,000.00
06-30-2017	07-05-2017	420,000	FHLMC Floater 1.136% Due 07-05-19	100.00	420,000.00
					2,435,287.02
<b>SALES</b>					
04-03-2017	04-05-2017	75,000	U S Treasury 2.000% Due 02-15-25	98.22	73,664.06
04-04-2017	04-06-2017	115,000	U S Treasury 2.000% Due 02-15-25	98.22	112,951.56
04-05-2017	04-07-2017	40,000	U S Treasury 2.000% Due 02-15-25	97.99	39,196.87
04-07-2017	04-11-2017	130,000	U S Treasury 2.000% Due 02-15-25	97.95	127,339.06
04-11-2017	04-13-2017	140,000	U S Treasury 2.000% Due 02-15-25	98.45	137,834.38

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PURCHASE AND SALE  
**CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST**  
**FUND-FIXED**  
**(3250000393) ormondpf**  
From 04-01-17 To 06-30-17

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
04-13-2017	04-18-2017	115,000	U S Treasury 1.625% Due 02-15-26	95.05	109,303.91
04-17-2017	04-19-2017	120,000	U S Treasury 1.625% Due 02-15-26	95.37	114,445.31
04-18-2017	04-21-2017	45,000	Goldman Sachs 3.850% Due 01-26-27	101.75	45,789.75
04-18-2017	04-20-2017	60,000	U S Treasury 1.625% Due 02-15-26	95.67	57,403.13
04-21-2017	04-26-2017	45,000	Goldman Sachs 3.850% Due 01-26-27	101.53	45,690.75
04-21-2017	04-25-2017	105,000	U S Treasury 1.625% Due 02-15-26	95.36	100,127.34
04-24-2017	04-26-2017	135,000	U S Treasury 2.125% Due 05-15-25	99.42	134,219.53
05-03-2017	05-05-2017	65,000	U S Treasury 2.000% Due 02-15-25	98.44	63,984.38
05-08-2017	05-11-2017	45,000	Morgan Stanley 3.875% Due 04-29-24	103.11	46,399.95
05-12-2017	05-17-2017	75,000	Morgan Stanley 3.875% Due 04-29-24	103.58	77,685.75
05-17-2017	05-19-2017	110,000	U S Treasury 0.750% Due 06-30-17	99.99	109,991.41
06-07-2017	06-12-2017	35,000	Aflac Inc. 3.625% Due 11-15-24	105.87	37,053.10
06-30-2017	06-30-2017	735,000	U S Treasury 0.750% Due 06-30-17	100.00	735,000.00
					2,168,080.24
<b>PRINCIPAL PAYDOWNS</b>					
04-01-2017	04-01-2017	8,803.05	FHLMC Pool #G15718 5.500% Due 12-01-24	100.00	8,803.05
04-01-2017	04-01-2017	11,329.29	FHLMC Pool #G15743 5.000% Due 06-01-26	100.00	11,329.29
04-01-2017	04-01-2017	2,804.51	FHLMC Pool #G30892 5.500% Due 04-01-30	100.00	2,804.51

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**PURCHASE AND SALE**  
**CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST**  
**FUND-FIXED**  
**(3250000393) ormondpf**  
*From 04-01-17 To 06-30-17*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Quantity</b>	<b>Security</b>	<b>Unit Price</b>	<b>Amount</b>
04-01-2017	04-01-2017	6,200.77	FHLMC Pool #G60134 4.500% Due 06-01-36	100.00	6,200.77
04-01-2017	04-01-2017	5,080.33	FNMA Pool #745418 5.500% Due 04-01-36	100.00	5,080.33
04-01-2017	04-01-2017	3,767.90	FNMA Pool #944122 5.500% Due 07-01-22	100.00	3,767.90
04-01-2017	04-01-2017	2,016.64	FNMA Pool #944122 5.500% Due 07-01-22	100.00	2,016.64
04-01-2017	04-01-2017	3,754.69	FNMA Pool #AL7638 5.500% Due 01-01-24	100.00	3,754.69
04-01-2017	04-01-2017	2,370.35	FNMA Pool #MA0472 5.000% Due 07-01-30	100.00	2,370.35
05-01-2017	05-01-2017	7,839.12	FHLMC Pool #G15718 5.500% Due 12-01-24	100.00	7,839.12
05-01-2017	05-01-2017	11,439.90	FHLMC Pool #G15743 5.000% Due 06-01-26	100.00	11,439.90
05-01-2017	05-01-2017	2,673.79	FHLMC Pool #G30892 5.500% Due 04-01-30	100.00	2,673.79
05-01-2017	05-01-2017	5,006.35	FHLMC Pool #G60134 4.500% Due 06-01-36	100.00	5,006.35
05-01-2017	05-01-2017	4,001.05	FNMA Pool #745418 5.500% Due 04-01-36	100.00	4,001.05
05-01-2017	05-01-2017	1,228.23	FNMA Pool #944122 5.500% Due 07-01-22	100.00	1,228.23
05-01-2017	05-01-2017	657.36	FNMA Pool #944122 5.500% Due 07-01-22	100.00	657.37
05-01-2017	05-01-2017	2,963.22	FNMA Pool #AL7638 5.500% Due 01-01-24	100.00	2,963.22
05-01-2017	05-01-2017	1,754.55	FNMA Pool #MA0472 5.000% Due 07-01-30	100.00	1,754.55

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**  
**PURCHASE AND SALE**  
**CITY OF ORMOND BEACH POLICE OFFICERS' PENSION TRUST**  
**FUND-FIXED**  
**(3250000393) ormondpf**  
*From 04-01-17 To 06-30-17*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Quantity</b>	<b>Security</b>	<b>Unit Price</b>	<b>Amount</b>
06-01-2017	06-01-2017	7,999.94	FHLMC Pool #G15718 5.500% Due 12-01-24	100.00	7,999.94
06-01-2017	06-01-2017	10,713.80	FHLMC Pool #G15743 5.000% Due 06-01-26	100.00	10,713.80
06-01-2017	06-01-2017	3,055.72	FHLMC Pool #G30892 5.500% Due 04-01-30	100.00	3,055.72
06-01-2017	06-01-2017	3,265.32	FHLMC Pool #G60134 4.500% Due 06-01-36	100.00	3,265.32
06-01-2017	06-01-2017	4,473.61	FNMA Pool #745418 5.500% Due 04-01-36	100.00	4,473.61
06-01-2017	06-01-2017	1,247.26	FNMA Pool #944122 5.500% Due 07-01-22	100.00	1,247.26
06-01-2017	06-01-2017	667.56	FNMA Pool #944122 5.500% Due 07-01-22	100.00	667.55
06-01-2017	06-01-2017	3,254.66	FNMA Pool #AL7638 5.500% Due 01-01-24	100.00	3,254.66
06-01-2017	06-01-2017	663.18	FNMA Pool #MA0472 5.000% Due 07-01-30	100.00	663.17
					119,032.14

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

# Client Report Disclosures

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## **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).