

City of Ormond Beach Firefighters Pension - International Equity ADR Portfolio

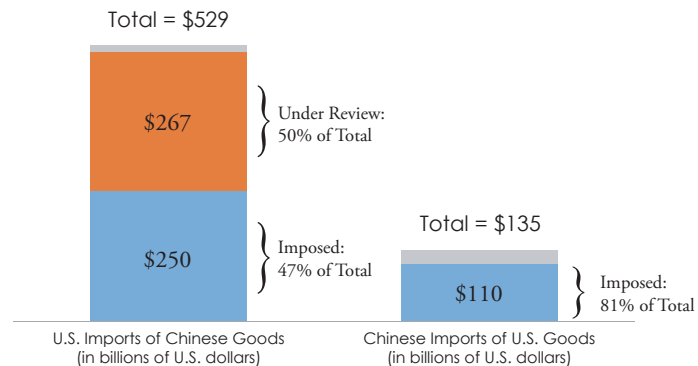
International equities ended the quarter marginally higher as negative trade headlines between the United States and China were offset by more positive trade developments elsewhere. The developed market MSCI EAFE Index outperformed the MSCI Emerging Markets Index for the second consecutive quarter as investors grew increasingly concerned about the impact that a trade war could have on Chinese economic growth.

Trade tensions between China and the United States continued to ratchet higher during the quarter as rhetoric turned into action. The United States imposed tariffs on a total of \$250 billion worth of goods imported from China, while the Chinese retaliated by imposing tariffs on \$110 billion worth of goods imported from the United States. Any hopes of a near-term resolution were crushed when the scheduled negotiations between the two countries were cancelled after the United States imposed \$200 billion of tariffs late in the quarter. While China has now put tariffs on over 80% of goods imported from the United States, the United States still has additional firepower with President Trump threatening to place tariffs on an additional \$267 billion of imports from China, which would effectively

cover all Chinese goods imported into the United States (CHART 1). As the trade imbalance appears to favor the United States in a tit-for-tat trade war, China has looked towards other methods to retaliate, including delaying approval of mergers and lowering tariffs on imports from countries other than the United States. Trade headlines aside from China were more positive as the United States, Canada and Mexico came to an agreement on a revamped NAFTA, which will now be called the United States-Mexico-Canada Agreement (USMCA). The United States is also moving forward on talks with the European Union and Japan and completed a revised free-trade agreement with South Korea, all positives on the trade front.

Trade talks have dominated headlines of late, but risks surrounding Brexit are increasing with negotiations not gaining much traction as we inch closer to March 29, 2019, the day that the United Kingdom (U.K.) will officially leave the European Union (E.U.). The British Prime Minister, Theresa May, has been put in an unenviable position as some members of her Conservative Party push her to take a tough negotiating stance against the E.U. However, the Chequers plan that May put forth, which was criticized as being too “soft” by some members of her party, was rejected by the E.U. as it would allow the U.K. to pick and choose which E.U. rules it wants to follow. With the two sides unwilling to find a middle ground, and a tough

CHART 1: Tariffs Will Cover Nearly All of U.S./China Trade
Cumulative, Last 12 Months Through July 2018



Tariff data as of 9/30/18
Trade data as of 7/31/18
Source: FactSet, U.S. Census Bureau

MARKET VALUE SUMMARY

	Quarter Ending 9/30/18
Equities	\$1,702,785
Cash	\$19,392
Total Portfolio	\$1,722,177

PORTFOLIO PERFORMANCE⁽¹⁾

	Quarter Ending 9/30/18	Year-to-Date 9/30/18
Firefighters' Pension (net of fees)	0.9%	-3.5%
MSCI ACWI ex USA Index ⁽²⁾	0.7%	-3.1%

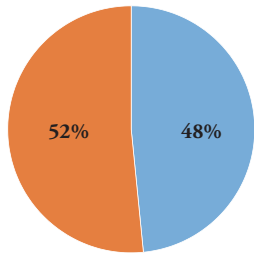
⁽¹⁾Performance and Benchmark data source: Renaissance Research, Bloomberg, MSCI
⁽²⁾Renaissance primary benchmark.

decision to be made on the Northern Ireland border, it is hard to envision a deal getting done before the Brexit deadline. As negotiations appear to be stalled, the main opposition party in the U.K. has begun to consider making a push for a second referendum

on Brexit. A revote would be a positive scenario as it is possible that voters would now vote to remain in the E.U., while a no-deal Brexit situation would do significant harm to the U.K., as it is very dependent on trade with the E.U. (CHART 2).

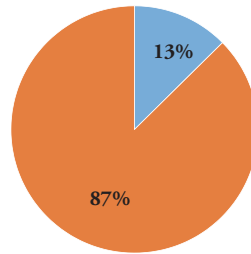
CHART 2: European Trade

Exports of Goods—United Kingdom



U.K. exports excluding E.U. U.K. exports to E.U.

Exports of Goods—Eurozone

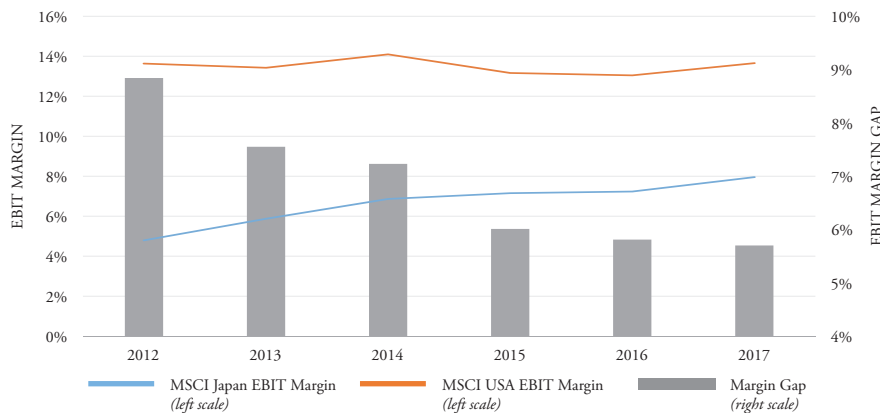


E.U. exports excluding U.K. E.U. exports to U.K.

Data as of 12/31/17

Source: FactSet, U.K. Office for National Statistics, Eurostat

CHART 3: Margin Gap for Japanese Companies Is Shrinking

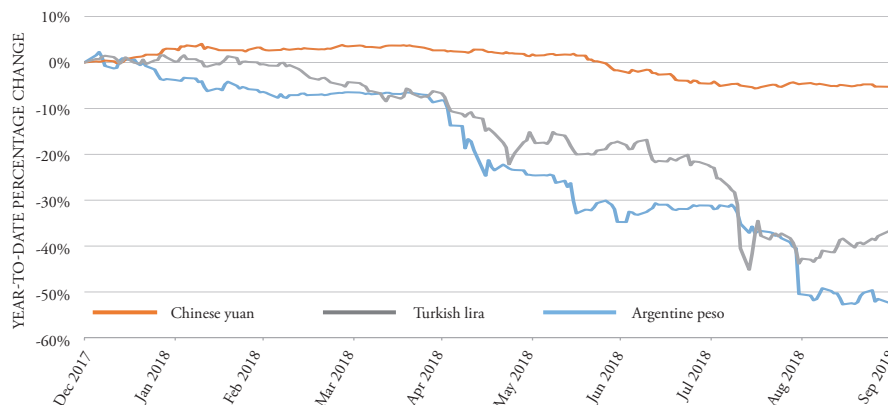


Data as of 12/31/17

EBIT = Earnings Before Interest and Taxes

Source: FactSet, MSCI

CHART 4: Emerging Market Currencies Weakening Against the U.S. Dollar This Year



Data from 12/29/17–9/27/18

Source: WM/Reuters, FactSet

Japanese stocks saw gains during the quarter as Prime Minister Shinzo Abe won his reelection bid. He will now remain prime minister until 2021, which would make him the longest serving prime minister in the history of Japan. This political stability should allow Abe to continue with his easy-money Abenomics policies, which have helped boost the economy. Abe has also pushed for improved corporate governance, which has led to higher shareholder returns through increased dividends and share buybacks. We expect Japanese companies to become increasingly attractive to foreign investors as higher levels of profitability (CHART 3) allow shareholder returns to continue to grow.

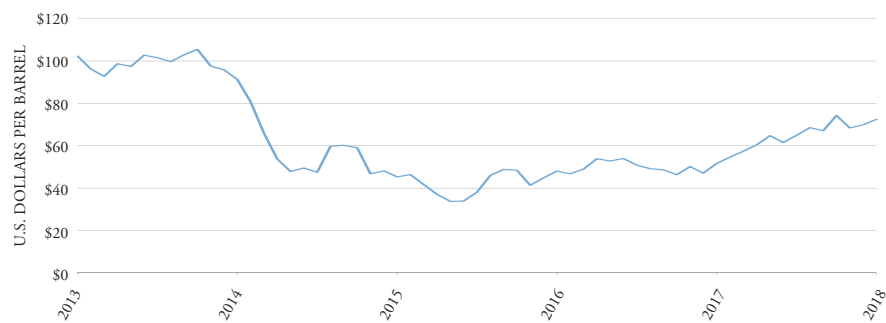
Many emerging market currencies have witnessed bouts of volatility during the year (CHART 4). The Argentine peso continued its free fall that began earlier in the year due to worries over the fiscal deficit in Argentina. In order to combat their depreciating currency, the Central Bank of Argentina lifted its key interest rate from 45% to 60%. However, this did little to stop its plunge as the Argentine peso ended the quarter down 29% against the dollar and now has fallen over 50% against the dollar during 2018. Already reeling from fears that the Central Bank of Turkey had lost its independence due to President Erdogan's heavy hand in the economy, the standoff between Turkey and the United States over the detainment of a United States pastor and subsequent sanctions of two top Turkish officials put further pressure on the economy. This negativity caused a sell-off in the Turkish stock market and the Turkish lira, which fell 24% against the dollar during the quarter and has now fallen 37% against the dollar during 2018. While we have no holdings in either Turkey or Argentina and the contagion to other emerging markets has been limited, we are keeping a close

eye on the global impact of these crises. The Chinese yuan has also depreciated against the dollar during the year as slower economic growth and heightened trade tensions have caused investors to move money out of China. However, there is a silver lining for China as the weakened currency should help the global competitiveness of its exports and help to stimulate its economy.

Energy was one of the top-performing sectors during the quarter as oil prices rebounded to levels not seen since 2014 (CHART 5). We have increased our exposure to the energy sector over the past year, as we believe supply growth will be limited by the OPEC production cuts, years of underinvestment in Venezuelan oil assets and geopolitical issues in countries such as Libya. The recent period of low oil prices forced oil companies to improve efficiencies, leading to lower operating costs for many of these companies. The rising price of oil along with lower operating expenses should lead to significantly higher profits for oil companies.

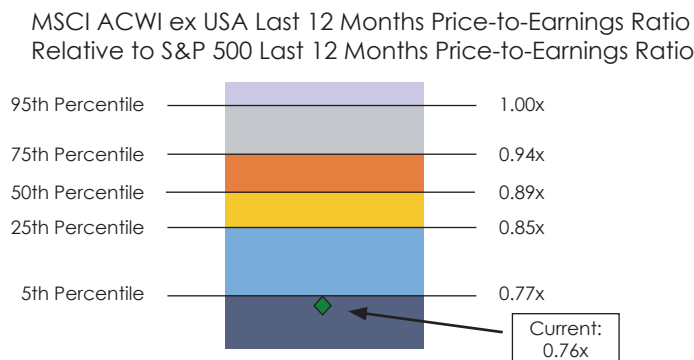
International equities are currently trading at attractive relative valuations when compared to United States equities (CHART 6). Supporting the case for owning international equities is the fact that the United States is in the

CHART 5: Oil Prices Rebounding to 2014 Levels
Crude Oil—West Texas Intermediate



Data from 9/30/13–9/28/18
Source: NYMEX, FactSet Futures

CHART 6: International Valuation Relative to S&P 500 at Extreme Lows
MSCI ACWI ex USA Last 12 Months Price-to-Earnings Ratio Relative to S&P 500 Last 12 Months Price-to-Earnings Ratio

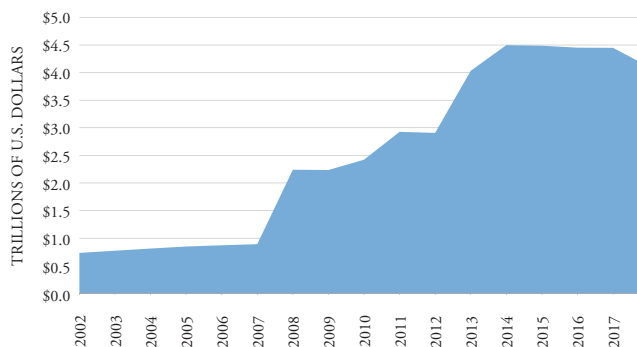


Monthly data from 10/31/08–9/28/18
Source: FactSet Aggregates, MSCI, Standard & Poor's

midst of a monetary tightening phase with rising interest rates that could begin to negatively impact growth in 2019. Contrary to the United States, many other central banks are expected to maintain an accommodative monetary policy for the foreseeable future. The Bank of Japan expects to continue

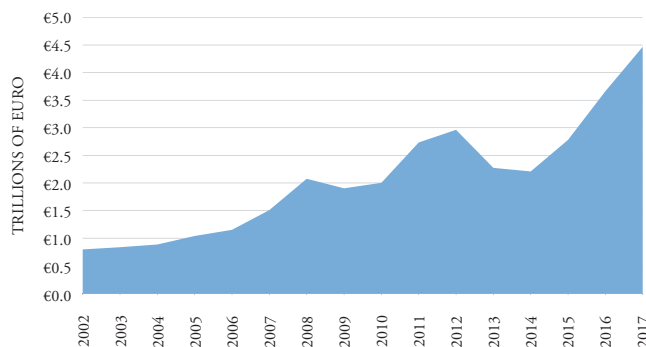
its ultra-loose monetary policy indefinitely as it struggles to meet inflation targets. The European Central Bank is winding down its asset purchases (CHART 7), but interest rate increases are not expected until the end of 2019 at the earliest. This accommodative monetary policy should continue

CHART 7:
After Years of Stimulus, U.S. Federal Reserve Assets are Beginning to Decline



Data last updated 9/26/18
Source: U.S. Federal Reserve

European Central Bank Assets Rising Due to Monetary Stimulus



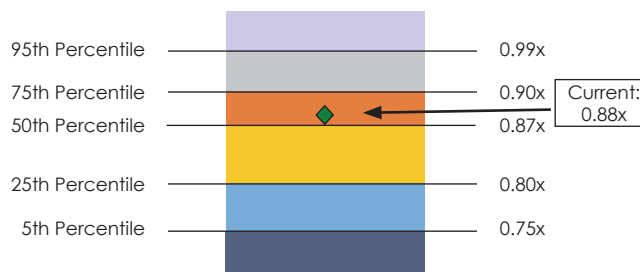
Data last updated 5/30/18
Source: European Central Bank

to provide a tailwind to many international economies.

The portfolio ended the quarter with positive absolute and relative returns. Stock selection within emerging markets was positive as shares of Chinese exploration and production company **CNOOC** (CEO, +18%) were helped by rising oil prices. This was partially offset by negative selection in Hong Kong as shares of **WH Group** (WHGLY, -13%) were hurt by tariffs and falling hog prices. Stock selection within developed markets was negative as the Canadian firm **The Stars Group** (TSG, -31%) saw shares fall as investors worried about regulatory changes. This was partially offset by positive stock selection in France, where global reinsurer **SCOR** (SCRYY, +25%) rejected an attempted takeover bid by its largest shareholder. Our underweight to emerging markets helped contribute to a positive allocation effect as they

CHART 8: Emerging Markets Valuation Higher Than Average Relative to Developed Markets

MSCI Emerging Markets Last 12 Months Price-to-Earnings Ratio Relative to MSCI EAFE Last 12 Months Price-to-Earnings Ratio



Monthly data from 10/31/08–9/28/18
Source: FactSet Aggregates, MSCI

underperformed developed markets. We currently do not believe that valuations for emerging markets are attractive enough (CHART 8) to warrant an increased weighting due to heightened risk levels.

While investors focus on the deteriorating relationship between the United States and China, other risks,

including the potential for a “hard” Brexit, could cause volatility in markets as we close out 2018. However, continued monetary easing and attractive valuations should help to support international equities. As an active manager, we will continue to monitor the portfolio for risks while identifying growing companies trading at attractive valuations.

The opinions stated in this presentation are those of the authors as of the date listed on this presentation and are subject to change at any time due to changes in market or economic conditions. Past performance is not indicative of future results. Performance for periods of less than a year is not annualized. All returns are shown in U.S. dollars unless otherwise stated. Individual securities and their returns listed in the commentary are based upon a representative account of the strategy discussed. These securities and returns may not be the same for all accounts due to factors such as pending trades or account restrictions.

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City of Ormond Beach Firefighters Pension - International Equity ADR Portfolio

Ticker	Security Description	Shares/Face	Unit Cost	Total Cost	Price	Market Value	% of Total Assets
DEVELOPED							
Canada							
CNI	Canadian National Railway	431	53.73	\$23,156	89.80	\$38,704	2.2%
MGA	Magna International	583	49.17	\$28,665	52.53	\$30,625	1.8%
MFC	Manulife Financial	1,592	19.44	\$30,950	17.88	\$28,465	1.7%
TECK	Teck Resources	1,440	23.75	\$34,195	24.10	\$34,704	2.0%
TSG	The Stars Group	908	36.66	\$33,283	24.90	\$22,609	1.3%
TOTAL Canada				\$150,249		\$155,107	9.0%
Finland							
SEOAY	Stora Enso OYJ	2,090	18.61	\$38,896	19.14	\$39,994	2.3%
TOTAL Finland				\$38,896		\$39,994	2.3%
France							
ARKAY	Arkema	316	88.37	\$27,924	123.93	\$39,162	2.3%
AXAHY	AXA	1,033	30.93	\$31,948	26.75	\$27,631	1.6%
CGEMY	Capgemini	1,150	14.33	\$16,481	25.18	\$28,958	1.7%
RNLSY	Renault	1,550	19.95	\$30,930	17.31	\$26,824	1.6%
SAFRY	Safran	1,073	28.66	\$30,756	35.05	\$37,607	2.2%
SNY	Sanofi	779	47.58	\$37,066	44.67	\$34,798	2.0%
SBGSY	Schneider Electric	1,867	16.37	\$30,561	16.10	\$30,055	1.7%
SCRYY	SCOR	7,633	3.71	\$28,346	4.65	\$35,463	2.1%
VLECY	Valeo	864	15.26	\$13,182	21.72	\$18,766	1.1%
TOTAL France				\$247,193		\$279,264	16.2%
Germany							
AZSEY	Allianz	1,253	12.28	\$15,387	22.17	\$27,773	1.6%
FMS	Fresenius Medical Care	604	50.09	\$30,253	51.42	\$31,058	1.8%
IFNNY	Infineon Technologies	1,250	16.36	\$20,449	22.73	\$28,413	1.6%
TOTAL Germany				\$66,089		\$87,243	5.1%
Ireland							
CRH	CRH	1,080	35.86	\$38,725	32.72	\$35,338	2.1%
ICLR	ICON	223	71.61	\$15,968	153.75	\$34,286	2.0%
JAZZ	Jazz Pharmaceuticals	176	151.03	\$26,582	168.13	\$29,591	1.7%
RYAAY	Ryanair	265	76.73	\$20,334	96.04	\$25,451	1.5%
TOTAL Ireland				\$101,608		\$124,665	7.2%
Israel							
CHKP	Check Point Software Technologies	330	55.16	\$18,203	117.67	\$38,831	2.3%
TOTAL Israel				\$18,203		\$38,831	2.3%
Italy							
E	Eni SpA	1,096	38.03	\$41,678	37.66	\$41,275	2.4%
TOTAL Italy				\$41,678		\$41,275	2.4%
Japan							
ALPMY	Astellas Pharma	1,810	16.44	\$29,763	17.45	\$31,585	1.8%
BRDCY	Bridgestone	1,673	19.13	\$32,002	18.90	\$31,616	1.8%
KDDIY	KDDI	2,688	11.52	\$30,968	13.82	\$37,143	2.2%
MIELY	Mitsubishi Electric	913	27.62	\$25,219	27.41	\$25,023	1.5%
NTTY	Nippon Telephone & Telegraph	724	33.41	\$24,192	45.18	\$32,712	1.9%
IX	Orix	351	83.02	\$29,140	81.03	\$28,442	1.7%
SVNDY	Seven & i Holdings	1,479	21.96	\$32,472	22.27	\$32,943	1.9%
SMCAY	SMC Corp.	1,927	14.13	\$27,219	16.01	\$30,844	1.8%
SNE	Sony	662	50.90	\$33,694	60.65	\$40,150	2.3%
TOTAL Japan				\$264,671		\$290,457	16.9%

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<u>Ticker</u>	<u>Security Description</u>	<u>Shares/Face</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>% of Total Assets</u>
Netherlands							
AER	AerCap Holdings	634	22.70	\$14,392	57.52	\$36,468	2.1%
NXPI	NXP Semiconductors	287	109.60	\$31,456	85.50	\$24,539	1.4%
ST	Sensata Technologies	612	52.66	\$32,228	49.55	\$30,325	1.8%
				TOTAL Netherlands		\$78,077	5.3%
Singapore							
DBSDY	DBS Group	377	58.88	\$22,197	76.38	\$28,795	1.7%
UOVEY	United Overseas Bank	804	42.25	\$33,968	39.64	\$31,870	1.9%
				TOTAL Singapore		\$56,164	3.5%
Spain							
ACSAY	ACS	4,271	7.73	\$33,007	8.52	\$36,393	2.1%
				TOTAL Spain		\$36,393	2.1%
United Kingdom							
CUK	Carnival plc	491	59.78	\$29,353	63.08	\$30,972	1.8%
FERGY	Ferguson	4,181	8.26	\$34,521	8.49	\$35,497	2.1%
PSMMY	Persimmon	469	53.56	\$25,120	61.68	\$28,929	1.7%
RDSB	Royal Dutch Shell	571	71.13	\$40,614	70.93	\$40,501	2.4%
				TOTAL United Kingdom		\$135,899	7.9%
				TOTAL DEVELOPED		\$1,225,442	80.2%
EMERGING							
China							
BIDU	Baidu	134	244.15	\$32,716	228.68	\$30,643	1.8%
YY	YY Inc.	283	116.21	\$32,888	74.92	\$21,202	1.2%
				TOTAL China		\$51,845	3.0%
Hong Kong							
WHGLY	WH Group	1,915	13.92	\$26,651	14.08	\$26,969	1.6%
				TOTAL Hong Kong		\$26,969	1.6%
Mexico							
BSMX	Banco Santander Mexico	4,451	8.11	\$36,079	7.76	\$34,540	2.0%
				TOTAL Mexico		\$36,079	2.0%
Peru							
BAP	Credicorp	142	221.81	\$31,497	223.08	\$31,677	1.8%
				TOTAL Peru		\$31,677	1.8%
Russia							
LUKOY	Lukoil	609	55.01	\$33,499	76.44	\$46,552	2.7%
				TOTAL Russia		\$46,552	2.7%
South Korea							
SKM	SK Telecom	1,220	21.29	\$25,973	27.88	\$34,014	2.0%
				TOTAL South Korea		\$34,014	2.0%
Taiwan							
ASX	ASE Technology Holding	5,966	4.55	\$27,170	4.83	\$28,816	1.7%
TSM	Taiwan Semiconductor Manufacturing	784	14.36	\$11,260	44.16	\$34,621	2.0%
				TOTAL Taiwan		\$63,437	3.7%
Thailand							
KPCPY	Kasikornbank	1,210	28.21	\$34,135	26.96	\$32,626	1.9%
				TOTAL Thailand		\$34,135	1.9%
				TOTAL EMERGING		\$291,868	18.7%

Portfolio Holdings as of 9/30/2018

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<u>Ticker</u>	<u>Security Description</u>	<u>Shares/Face</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>% of Total Assets</u>
	TOTAL EQUITIES			\$1,517,310		\$1,702,785	98.9%
	Total Cash			\$19,392		\$19,392	1.1%
	Total Portfolio			\$1,536,702		\$1,722,177	100.0%
	Accrued Income					\$1,143	
	Total Portfolio plus Accrued Income					\$1,723,320	

City of Ormond Beach Firefighters Pension - International Equity ADR Portfolio

Broker	Shares	Value	Cents Per Share	Commission Recapture	Directed	Execution Only	Minority	Research	Soft Dollar	Total Commission
Cowen & Company	7,359	120,281	3.53	187.80	0.00	72.06	0.00	0.00	0.00	259.86
Gordon Haskett Capital Corp.	1,700	71,931	1.00	0.00	0.00	17.00	0.00	0.00	0.00	17.00
Instinet	612	32,228	1.00	0.00	0.00	6.12	0.00	0.00	0.00	6.12
NatAlliance Securities	1,979	76,195	1.61	0.00	0.00	31.87	0.00	0.00	0.00	31.87
TOTALS	11,650	300,635	2.70	187.80	0.00	127.05	0.00	0.00	0.00	314.85

City of Ormond Beach Firefighters Pension - International Equity ADR Portfolio

<u>Ticker</u>	<u>Security Description</u>	<u>ESG Combined Score</u> ⁽¹⁾	<u>GICS Industry Percentile</u> ⁽²⁾
ACSAY	ACS	N/A	N/A
AER	AerCap Holdings	N/A	N/A
ALPMY	Astellas Pharma	N/A	N/A
ARKAY	Arkema	N/A	N/A
ASX	ASE Technology Holding	N/A	N/A
AXAHY	AXA	N/A	N/A
AZSEY	Allianz	N/A	N/A
BAP	Credicorp	N/A	N/A
BIDU	Baidu	N/A	N/A
BRDCY	Bridgestone	N/A	N/A
BSMX	Banco Santander Mexico	N/A	N/A
CGEMY	Capgemini	N/A	N/A
CHKP	Check Point Software Technologies	N/A	N/A
CNI	Canadian National Railway	N/A	N/A
CRH	CRH	N/A	N/A
CUK	Carnival plc	N/A	N/A
DBSDY	DBS Group	N/A	N/A
E	Eni SpA	N/A	N/A
FERGY	Ferguson	N/A	N/A
FMS	Fresenius Medical Care	N/A	N/A
ICLR	ICON	N/A	N/A
IFNNY	Infineon Technologies	N/A	N/A
IX	Orix	N/A	N/A
JAZZ	Jazz Pharmaceuticals	N/A	N/A
KDDIY	KDDI	N/A	N/A
KPCPY	Kasikornbank	N/A	N/A
LUKOY	Lukoil	N/A	N/A
MFC	Manulife Financial	N/A	N/A
MGA	Magna International	N/A	N/A
MIELY	Mitsubishi Electric	N/A	N/A
NTTY	Nippon Telephone & Telegraph	N/A	N/A
NXPI	NXP Semiconductors	N/A	N/A
PSMMY	Persimmon	N/A	N/A
RDSB	Royal Dutch Shell	N/A	N/A
RNLSY	Renault	N/A	N/A
RYAAY	Ryanair	N/A	N/A
SAFRY	Safran	N/A	N/A
SBGSY	Schneider Electric	N/A	N/A
SCRY	SCOR	N/A	N/A
SEOAY	Stora Enso OYJ	N/A	N/A
SKM	SK Telecom	N/A	N/A
SMCAY	SMC Corp.	N/A	N/A
SNE	Sony	N/A	N/A
SNY	Sanofi	N/A	N/A
ST	Sensata Technologies	N/A	N/A
SVNDY	Seven & i Holdings	N/A	N/A
TECK	Teck Resources	N/A	N/A
TSG	The Stars Group	N/A	N/A
TSM	Taiwan Semiconductor Manufacturing	N/A	N/A

⁽¹⁾ The Thomson Reuters ESG Combined score is the ESG Score discounted for significant ESG controversies impacting the company. The ESG Score is the overall company score based on the reported information in environmental, social, and corporate governance pillars. The ESG Controversies Score measures a company's exposure to environmental, social, and governance controversies and negative events reflected in global media.

⁽²⁾ The percentile rank of the company's ESG score in ascending order when compared to the iShares ACWI ex USA Index ETF, according to the company's GICS industry code classification.