

City of St. Pete Beach Police Officers' Retirement System

Investment Performance Review
December 31, 2014

*Preliminary Report
Preliminary Universe Data*



St. Pete Beach Police Officers' Retirement System
Executive Summary
As of December 31, 2014

| Asset Allocation & Performance | Allocation | | Performance(%) | | | |
|--------------------------------------|-------------|------------|-----------------|-----------------|----------------|-------------------|
| | \$M | % | Performance(%) | | Inception | Inception Date |
| | | | QTD | FYTD | | |
| Total Fund (Gross) | 11.8 | 100 | 2.2 (54) | 2.2 (54) | 6.8 (5) | 01/01/2007 |
| Total Fund Policy | | | 2.6 (42) | 2.6 (42) | 5.7 (74) | |
| Equity | 6.7 | 57 | 2.9 | 2.9 | 6.2 | 01/01/2007 |
| Anchor Value (75 bps) | 1.0 | 9 | 3.9 (N/A) | 3.9 (N/A) | 20.7 (N/A) | 05/01/2012 |
| Russell 3000 Value Index | | | 5.3 (N/A) | 5.3 (N/A) | 19.2 (N/A) | |
| Vanguard Total Stock (VITSX - 4 bps) | 3.5 | 29 | 5.2 (32) | 5.2 (32) | 18.0 (28) | 03/01/2012 |
| Russell 3000 Index | | | 5.2 (31) | 5.2 (31) | 18.0 (27) | |
| Wells Growth (SGRNX - 75 bps) | 1.1 | 9 | 4.8 (45) | 4.8 (45) | 13.3 (79) | 03/01/2012 |
| Russell 3000 Growth Index | | | 5.2 (35) | 5.2 (35) | 17.2 (32) | |
| M&N Overseas (EXOSX - 75 bps) | 1.1 | 10 | -4.7 (85) | -4.7 (85) | 4.1 (94) | 03/01/2012 |
| MSCI AC World ex USA | | | -3.8 (44) | -3.8 (44) | 5.5 (86) | |
| Fixed Income | 5.0 | 42 | 1.3 | 1.3 | 6.2 | 01/01/2007 |
| Cutwater (35 bps) | 4.4 | 37 | 1.7 (N/A) | 1.7 (N/A) | 6.3 (N/A) | 08/01/2006 |
| Barclays Aggregate Index | | | 1.8 (N/A) | 1.8 (N/A) | 5.2 (N/A) | |
| Templeton Global (FBNRX - 51 bps) | 0.6 | 5 | -1.6 (74) | -1.6 (74) | 3.6 (31) | 07/01/2011 |
| Citigroup World Government Bond | | | -1.5 (72) | -1.5 (72) | -0.2 (85) | |
| Receipt & Disbursement | 0.1 | 1 | 0.0 | 0.0 | 2.2 | 01/01/2006 |

Financial Reconciliation Quarter to Date

| | Market Value 10/01/2014 | Net Transfers | Contributions | Distributions | Management Fees | Other Expenses | Income | Apprec./ Deprec. | Market Value 12/31/2014 |
|------------|----------------------------|------------------|---------------|---------------|--------------------|-------------------|---------|---------------------|----------------------------|
| Total Fund | 11,633,140 | - | 158,370 | -267,770 | -2,716 | -7,823 | 309,236 | -53,238 | 11,769,198 |

Financial Reconciliation Fiscal Year to Date

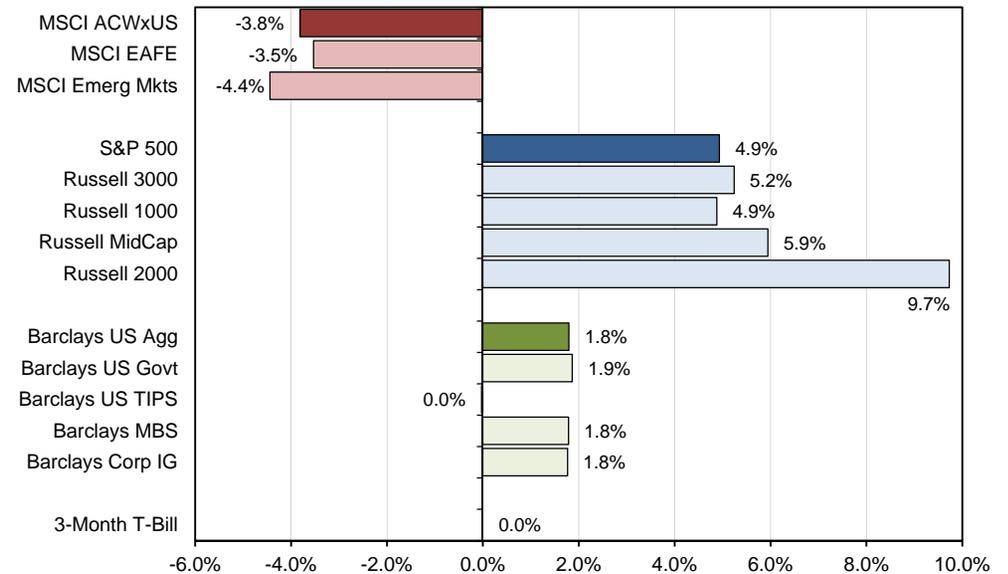
| | Market Value 10/01/2014 | Net Transfers | Contributions | Distributions | Management Fees | Other Expenses | Income | Apprec./ Deprec. | Market Value 12/31/2014 |
|------------|----------------------------|------------------|---------------|---------------|--------------------|-------------------|---------|---------------------|----------------------------|
| Total Fund | 11,633,140 | - | 158,370 | -267,770 | -2,716 | -7,823 | 309,236 | -53,238 | 11,769,198 |

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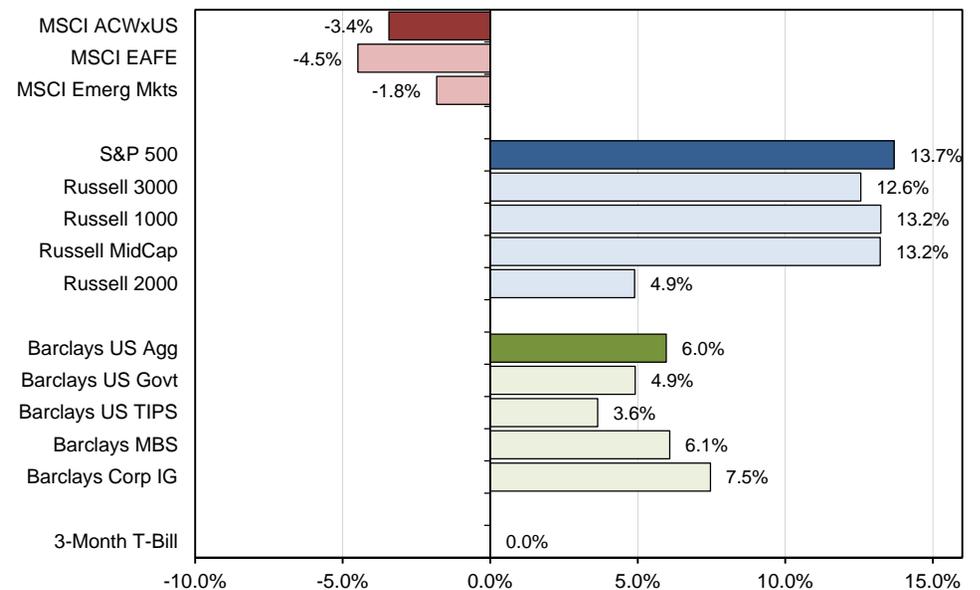
4th Quarter 2014 Market Environment

- The fourth quarter of 2014 provided a polar opposite experience to what was seen in the third quarter. While large cap stocks greatly outperformed their small cap brethren last quarter, the reversal this period was pronounced and swift. Small caps returned between +9.4% and +10.1% during the period, which was significantly better than the +4.8% to +5.0% return within the large cap realm. However, for the year, large caps (as measured by the S&P 500 Index) remained on top, exceeding mid and small caps by approximately 50 and 880 basis points (bps), respectively.
- The third quarter ended a streak of eight consecutive positive quarters for small cap equities, but the hiccup was short-lived. Small caps, while not “cheap” by relative standards, were more reasonably valued at the beginning of the period relative to recent history. The decline allowed many managers to reinvest heavily in the fourth quarter, lifting the Russell 2000 Index +9.7% higher. Unlike the previous two quarters, which were characterized by fits and starts, all three months of the fourth quarter were positive for the major equity indexes. Only the Russell 1000 Index, with a -0.2% return in December, experienced a down month during the period.
- Non-US equity markets underperformed domestic equity returns significantly during the fourth quarter and ended in negative territory. Currency effects worked against US investors during the period as the USD appreciated strongly against almost every other country’s currency except China. Emerging market equities lagged developed markets by 0.9%. For the calendar year 2014, non-US equities drastically underperformed domestic equities. This disparity is the largest on record since 1997, when the MSCI EAFE Index underperformed the S&P 500 Index by over 30%—after two consecutive double-digit underperforming years in 1995 and 1996.
- Against all expectations, with lower credit quality and the ultra short-term segments being the sole exceptions, domestic bond yields continued to fall during the fourth quarter. The trailing, one-year return for the Barclays Aggregate Index was strongly positive (+6.0%). Higher quality dominated benchmarks (Treasuries, IG Corporates, Agency Mortgages) posted healthy returns. Performance dispersion across sectors was low, as Government Bonds returned +1.9% followed by Mortgages and IG Corporates at +1.8%. In contrast, TIPS lagged, essentially remaining flat (-0.03%) for the period.

Quarter Performance

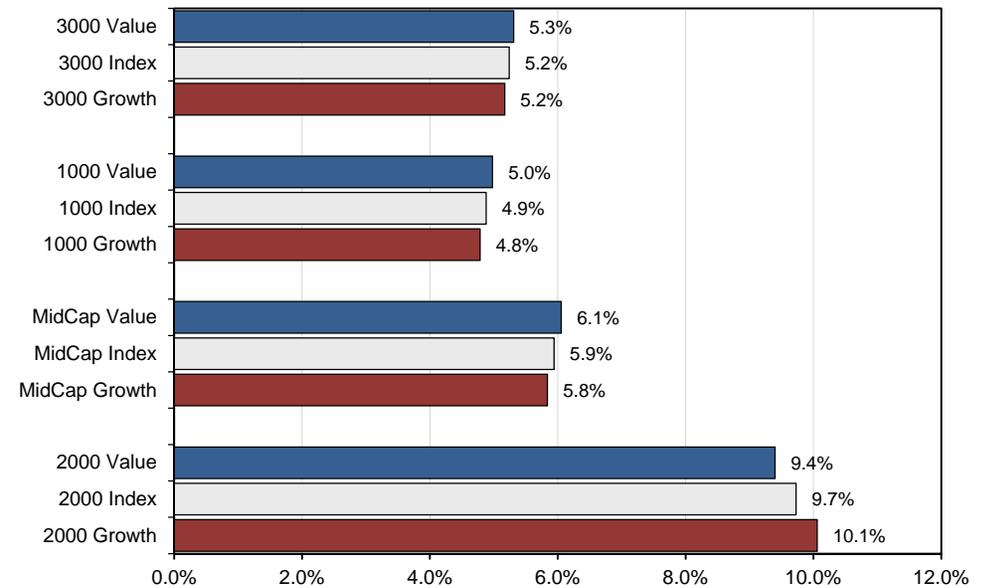


1-Year Performance

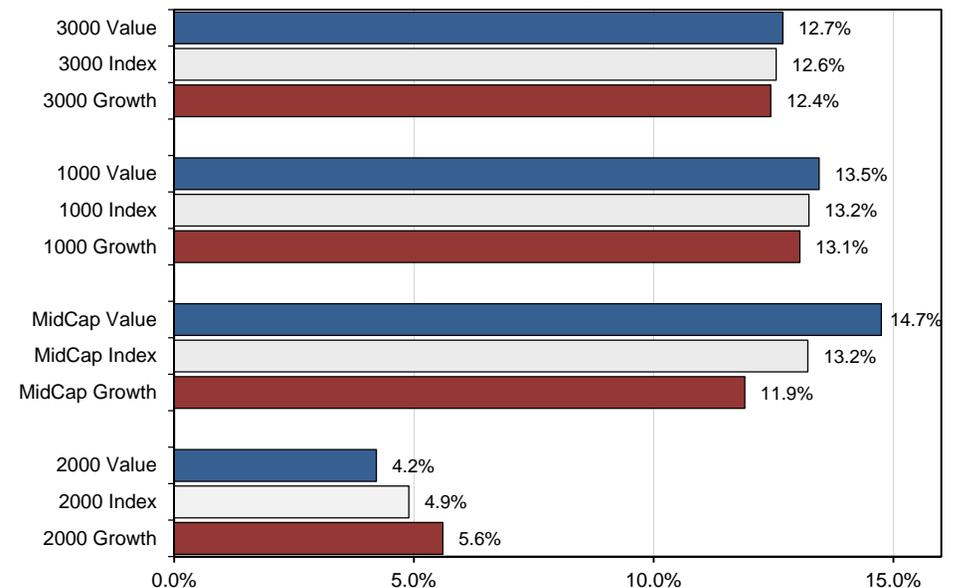


- After trading water in the third quarter, domestic equities experienced a strong last quarter to close out 2014 with double digit returns in large and mid capitalization stocks. Large caps duplicated a strong second quarter with returns in a range of +4.8% to +5.0% (value, core, growth) to end the year with a return above 13%. The Russell 1000 Index and Russell MidCap Index both finished with a +13.2% return for the 2014 calendar year. Both core indices had a similar quarterly result as well, gaining 4.9% and 5.9%, respectively. Small caps experienced a dramatic resurgence, as the Russell 2000 Index gained 9.7% in the fourth quarter after having dropped 7.4% in the third quarter. However, small caps still underperformed their larger cap peers on the year by a fairly wide margin, as the core index gained 4.9%.
- Following the largest performance gap between large and small caps in a quarter since the first quarter of 1999, small caps doubled the performance of large caps during the fourth quarter, finishing the year with a positive return for the fifth time out of the past six years.
- Following a quarter where value underperformed growth indices across the spectrum of domestic equity benchmarks, there was little discrepancy between style-specific indices during the fourth quarter. This is best reflected by the Russell 3000 Value Index (+5.3%) and the Russell 3000 Growth Index (+5.2%) quarterly result. The range between growth and value was fairly narrow for the entire year as well. When factoring in the seven GICS sectors that comprise more than 5% of the Russell 1000 Index, only the Energy sector performed outside of a narrow range for the fourth quarter. Despite brief periods of spiked activity, the year has been marked by low trading volume and low volatility.
- Small caps continue to support a slightly higher valuation than large caps on a forward P/E basis (18.1 vs. 16.2), but are now below mid caps in relative valuation (18.6). All three categories are above their 20-year average P/E ratios, led by mid cap (18.6 vs. 16.5) and followed by small cap (18.1 vs. 17.3). The current valuation on large caps is modestly above its long-term average (16.2 vs. 16.1). When comparing growth versus value averages, the P/E multiples is narrowing between the two style categories, as small, mid, and large cap value P/E multiples are all now above 20-year averages while the growth equivalents are below.

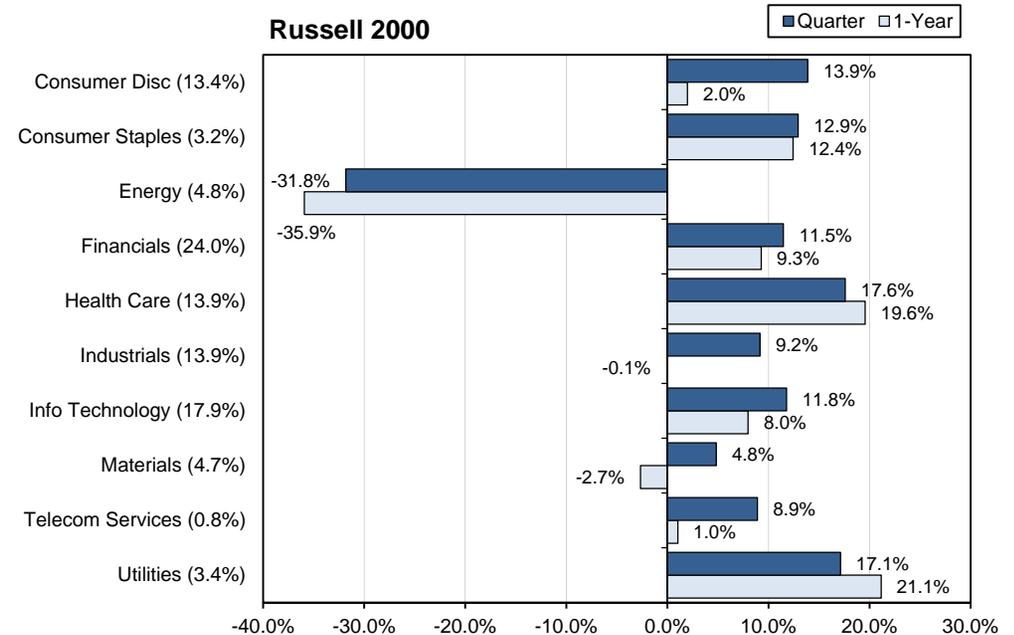
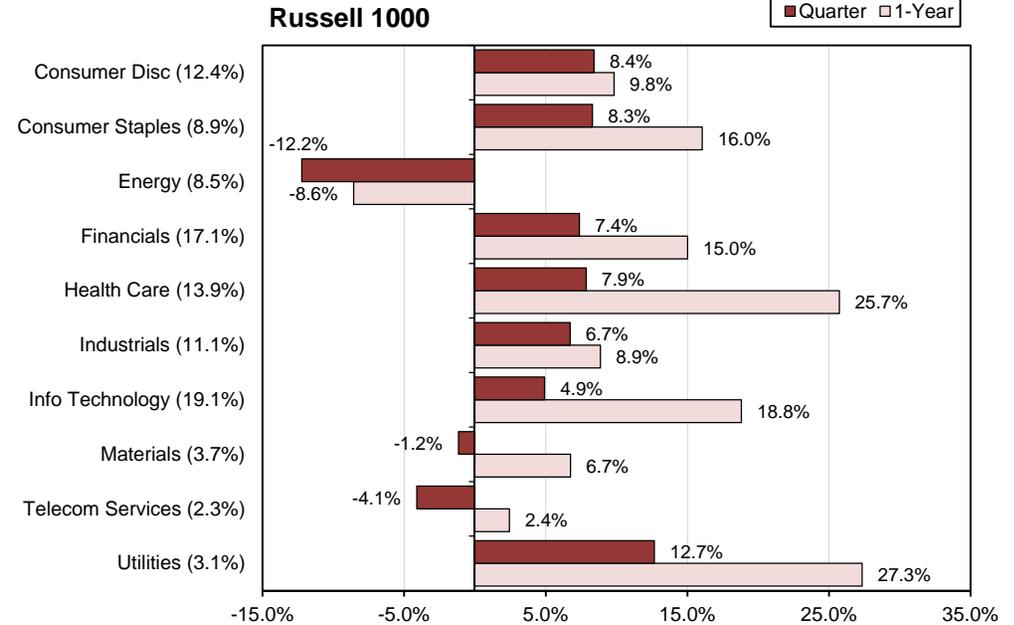
Quarter Performance - Russell Style Series



1-Year Performance - Russell Style Series



- There was wide economic sector performance dispersion during the fourth quarter. Within large caps, Utilities, Consumer Discretionary, and Consumer Staples posted the strongest results. On a one year basis, the strongest performers were Utilities, Health Care, Technology, and Consumer Staples, three of four of which are traditionally considered defensive sectors. Energy, Telecom, and Materials were the only sectors with negative returns for the fourth quarter, with only Energy posting a negative return for 2014 as a whole due to a sharp drop in oil prices that began in the third quarter.
- Compared to large caps, small caps posted a strong quarter, but still trailed in all sectors over calendar year 2014. Performance for the fourth quarter as well as calendar year 2014 was strongest in defensive sectors with particularly strong results in Utilities and Health Care. Three sectors underperformed during 2014 with the Energy sector being the largest outlier, returning a disproportionate -35.9% for the year.
- As the broad US stock market rebounded from near-term lows, valuations tended to remain elevated as compared to recent years. On a trailing P/E basis, as expected, the Russell 1000 is relatively cheaper than the Russell 2000. In both large and small caps, Health Care, Financial, and Technology sectors look relatively overvalued, whereas Utility, Telecom, and Energy sectors appear to be among the most undervalued.
- By far the most drastic underperformance of all sectors occurred in Energy. As mentioned above, oil prices (Brent Crude Spot Price) have plunged since the beginning of the third quarter, falling from a June high near \$115/barrel and closing the year around \$56/barrel. The cause of this drastic price change centers around an expanding world oil supply with lower forecasts of world oil consumption growth due to a weaker outlook for the global economy.



The Market Environment
Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000
As of December 31, 2014

| Top 10 Weighted Stocks | | | | |
|--------------------------------|--------|--------------|---------------|------------------------|
| Russell 1000 | Weight | 1-Qtr Return | 1-Year Return | Sector |
| Apple Inc | 3.16% | 10.0% | 40.6% | Information Technology |
| Exxon Mobil Corporation | 1.89% | -1.0% | -6.1% | Energy |
| Microsoft Corp | 1.82% | 0.8% | 27.5% | Information Technology |
| Johnson & Johnson | 1.41% | -1.3% | 17.3% | Health Care |
| Berkshire Hathaway Inc Class B | 1.31% | 8.7% | 26.6% | Financials |
| Wells Fargo & Co | 1.24% | 6.4% | 24.1% | Financials |
| General Electric Co | 1.20% | -0.5% | -6.7% | Industrials |
| Procter & Gamble Co | 1.17% | 9.6% | 15.4% | Consumer Staples |
| JPMorgan Chase & Co | 1.13% | 4.6% | 9.9% | Financials |
| Chevron Corp | 1.01% | -5.1% | -7.0% | Energy |

| Top 10 Performing Stocks (by Quarter) | | | | |
|---------------------------------------|--------|--------------|---------------|------------------------|
| Russell 1000 | Weight | 1-Qtr Return | 1-Year Return | Sector |
| Clear Channel Outdoor Holdings Inc | 0.00% | 57.1% | 11.6% | Consumer Discretionary |
| Rite Aid Corp | 0.03% | 55.4% | 48.6% | Consumer Staples |
| Cubist Pharmaceuticals Inc | 0.04% | 51.7% | 46.1% | Health Care |
| American Airlines Group Inc | 0.18% | 51.5% | 113.5% | Industrials |
| Staples Inc | 0.06% | 50.8% | 18.4% | Consumer Discretionary |
| Incyte Corp Ltd | 0.05% | 49.1% | 44.4% | Health Care |
| Dean Foods Co | 0.00% | 46.9% | 14.7% | Consumer Staples |
| Rackspace Hosting Inc | 0.03% | 43.8% | 19.6% | Information Technology |
| CarMax Inc | 0.07% | 43.3% | 41.6% | Consumer Discretionary |
| United Continental Holdings Inc | 0.12% | 43.0% | 76.8% | Industrials |

| Bottom 10 Performing Stocks (by Quarter) | | | | |
|--|--------|--------------|---------------|--------|
| Russell 1000 | Weight | 1-Qtr Return | 1-Year Return | Sector |
| Seventy Seven Energy Inc | 0.00% | -77.2% | N/A | Energy |
| Oasis Petroleum Inc | 0.01% | -60.4% | -64.8% | Energy |
| SandRidge Energy Inc | 0.00% | -57.6% | -70.0% | Energy |
| Whiting Petroleum Corp | 0.03% | -57.4% | -46.7% | Energy |
| Seadrill Ltd | 0.02% | -57.0% | -70.6% | Energy |
| Laredo Petroleum Inc | 0.00% | -53.8% | -62.6% | Energy |
| WPX Energy Inc Class A | 0.01% | -51.7% | -42.9% | Energy |
| SM Energy Co | 0.01% | -50.5% | -53.5% | Energy |
| McDermott International Inc | 0.00% | -49.1% | -68.2% | Energy |
| Patterson-UTI Energy Inc | 0.01% | -48.7% | -33.4% | Energy |

| Top 10 Weighted Stocks | | | | |
|------------------------------|--------|--------------|---------------|------------------------|
| Russell 2000 | Weight | 1-Qtr Return | 1-Year Return | Sector |
| Isis Pharmaceuticals | 0.41% | 59.0% | 55.0% | Health Care |
| Brunswick Corp | 0.27% | 22.0% | 12.4% | Consumer Discretionary |
| RF Micro Devices Inc | 0.27% | 43.8% | 221.5% | Information Technology |
| Triquint Semiconductor | 0.27% | 44.5% | 230.3% | Information Technology |
| Office Depot Inc | 0.26% | 66.8% | 62.1% | Consumer Discretionary |
| LaSalle Hotel Properties | 0.26% | 19.3% | 36.4% | Financials |
| Graphic Packaging Holding Co | 0.25% | 9.6% | 41.9% | Materials |
| Puma Biotechnology Inc | 0.25% | -20.7% | 82.8% | Health Care |
| RLJ Lodging Trust | 0.25% | 18.8% | 42.8% | Financials |
| Ultimate Software Group Inc | 0.24% | 3.7% | -4.2% | Information Technology |

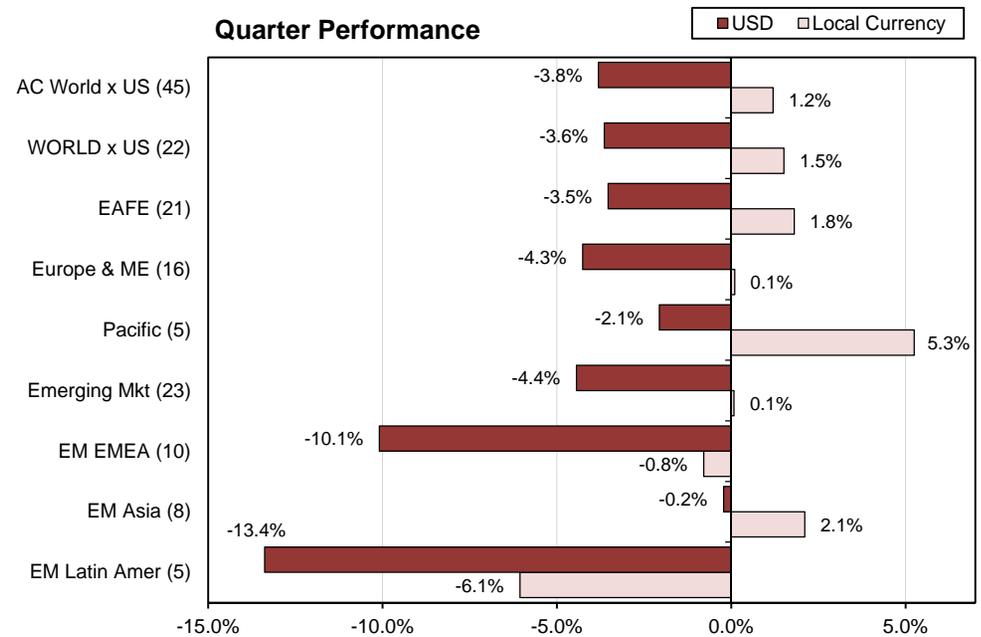
| Top 10 Performing Stocks (by Quarter) | | | | |
|---------------------------------------|--------|--------------|---------------|------------------------|
| Russell 2000 | Weight | 1-Qtr Return | 1-Year Return | Sector |
| OvaScience Inc | 0.04% | 166.4% | 383.8% | Health Care |
| bluebird bio Inc | 0.11% | 155.6% | 337.2% | Health Care |
| Regulus Therapeutics Inc | 0.01% | 134.8% | 117.1% | Health Care |
| Five Prime Therapeutics Inc | 0.03% | 130.2% | 60.8% | Health Care |
| Alder BioPharmaceuticals Inc | 0.01% | 129.4% | N/A | Health Care |
| Cytokinetics Inc | 0.02% | 127.6% | 23.2% | Health Care |
| ITT Educational Services, Inc. | 0.01% | 124.0% | -71.4% | Consumer Discretionary |
| Sucampo Pharmaceuticals Inc Class A | 0.01% | 119.7% | 51.9% | Health Care |
| Vitae Pharmaceuticals Inc | 0.01% | 118.1% | N/A | Health Care |
| Cempra Inc | 0.03% | 114.5% | 89.7% | Health Care |

| Bottom 10 Performing Stocks (by Quarter) | | | | |
|--|--------|--------------|---------------|------------------------|
| Russell 2000 | Weight | 1-Qtr Return | 1-Year Return | Sector |
| GT Advanced Technologies Inc | 0.00% | -96.9% | -96.2% | Information Technology |
| Endeavour International Corp | 0.00% | -95.1% | -99.7% | Energy |
| Dendreon Corp | 0.00% | -94.9% | -97.6% | Health Care |
| KiOR Inc | 0.00% | -94.3% | -99.6% | Energy |
| Cal Dive International Inc | 0.00% | -92.8% | -96.5% | Energy |
| Wet Seal Inc Class A | 0.00% | -87.6% | -97.6% | Consumer Discretionary |
| BPZ Resources Inc | 0.00% | -84.9% | -84.1% | Energy |
| Education Management Corp | 0.00% | -84.9% | -98.4% | Consumer Discretionary |
| American Eagle Energy Corp | 0.00% | -84.7% | -92.4% | Energy |
| Forest Oil Corp | 0.00% | -80.8% | -93.8% | Energy |

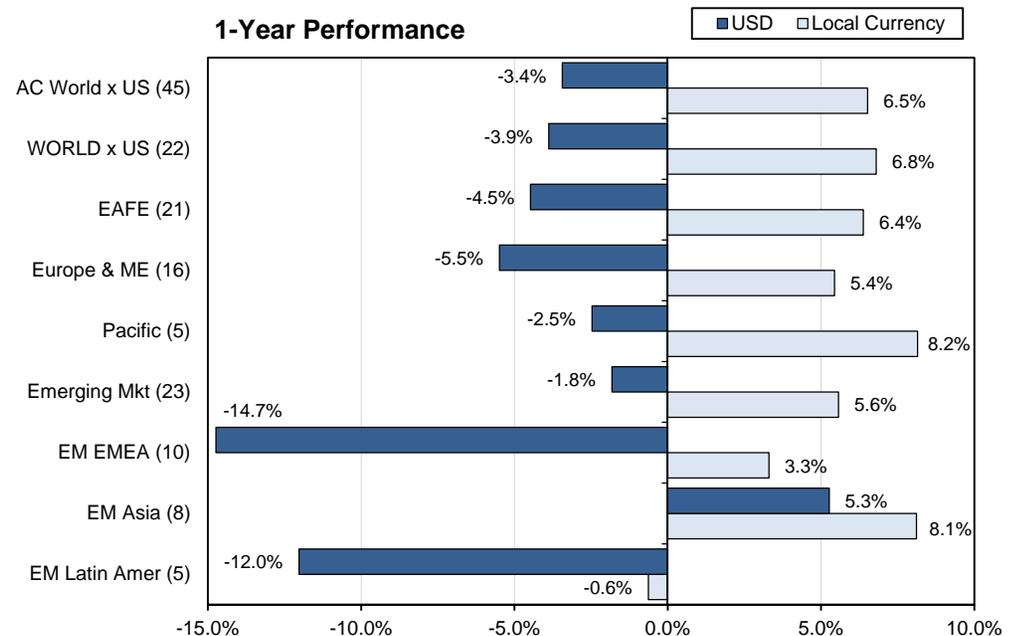
Source: Morningstar Direct

- The pattern of returns during the fourth quarter was similar to the prior quarter, in that a moderately positive middle month was book-ended by negative months. Volatility continued to be above average during the period.
- On a regional basis, equities in Latin America turned in the worst quarterly performance in both local and USD terms. In addition, Latin America was one of two regions to turn in negative performance in local currency terms for the 2014 calendar year, with EM EMEA being the other.
- The range of returns for individual non-US countries was tighter this period, but with several negative outliers. Hong Kong (+3.1%) was the best developed market performer and Turkey (+11.6%) was the best emerging market performer. The worst-performing developed country was Norway (-24.9%) followed by Portugal (-23.0%). Russia was the worst-performing equity market within the EM universe with a return of -32.8% for the quarter.
- During the fourth quarter, USD appreciation once again created a significant drag on returns for US investors in overseas markets. All four of the broad, non-US equity indices shown to the right ended the quarter in positive territory when measured in local currency terms, but turned negative when converted to USD. The biggest exchange difference came with the MSCI EAFE Index, which returned +1.8% in local terms and -3.5% in USD terms.
- USD strength again weighed on the Energy sector during the fourth quarter, as it posted the weakest sector return (-19.8%) by far in the MSCI-ACWIxUS Index. The Materials sector, which is also negatively impacted by USD strength, was the second worst performing sector within the MSCI ACWIxUS Index, returning -7.5% for the quarter. In the developed market MSCI EAFE Index, Consumer Discretionary was the only sector to end the quarter in positive territory (+3.1%). Financials (+1.7%) and Information Technology (+1.5%) were the only positive sectors in the MSCI EM Index for the quarter.
- Growth widely outperformed value across the board. Small caps slightly outperformed large caps within developed markets and vice versa in emerging markets.

Quarter Performance



1-Year Performance



The Market Environment
U.S. Dollar International Index Attribution & Country Detail
As of December 31, 2014

| MSCI - EAFE | Sector Weight | Quarter Return | 1-Year Return |
|----------------------------|---------------|----------------|---------------|
| Consumer Discretionary | 12.4% | 3.1% | -4.1% |
| Consumer Staples | 11.1% | -1.6% | -2.0% |
| Energy | 5.7% | -19.0% | -18.2% |
| Financials | 25.9% | -3.1% | -5.4% |
| Health Care | 11.0% | -5.3% | 6.7% |
| Industrials | 12.6% | -3.4% | -7.3% |
| Information Technology | 4.8% | -0.5% | -0.3% |
| Materials | 7.6% | -5.3% | -10.4% |
| Telecommunication Services | 5.0% | -0.4% | -3.9% |
| Utilities | 3.9% | -3.9% | 4.4% |
| Total | 100.0% | -3.5% | -4.5% |

| MSCI - ACWIXUS | Sector Weight | Quarter Return | 1-Year Return |
|----------------------------|---------------|----------------|---------------|
| Consumer Discretionary | 11.2% | 2.4% | -2.7% |
| Consumer Staples | 9.9% | -1.7% | -1.6% |
| Energy | 7.5% | -19.8% | -18.7% |
| Financials | 27.6% | -1.9% | -2.1% |
| Health Care | 8.6% | -4.5% | 7.8% |
| Industrials | 11.0% | -3.6% | -5.6% |
| Information Technology | 7.5% | 0.7% | 5.4% |
| Materials | 7.7% | -7.5% | -12.7% |
| Telecommunication Services | 5.4% | -2.2% | -2.8% |
| Utilities | 3.6% | -4.1% | 4.0% |
| Total | 100.0% | -3.8% | -3.4% |

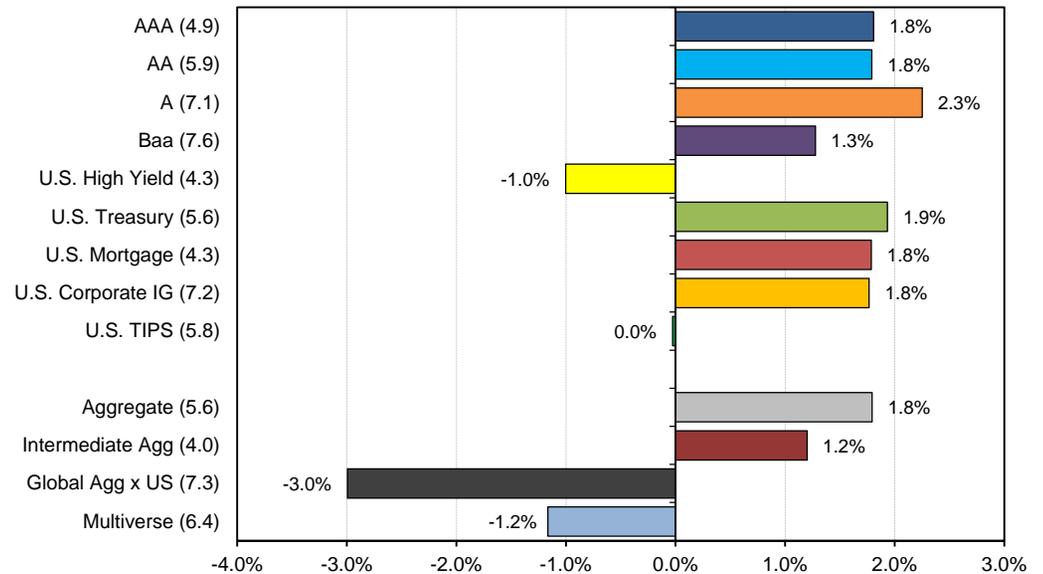
| MSCI - Emerging Mkt | Sector Weight | Quarter Return | 1-Year Return |
|----------------------------|---------------|----------------|---------------|
| Consumer Discretionary | 9.2% | -2.6% | -1.3% |
| Consumer Staples | 8.2% | -4.9% | -4.7% |
| Energy | 8.0% | -24.5% | -26.4% |
| Financials | 29.3% | 1.7% | 5.6% |
| Health Care | 2.3% | -0.9% | 19.6% |
| Industrials | 6.7% | -4.3% | -2.6% |
| Information Technology | 18.0% | 1.5% | 10.3% |
| Materials | 7.4% | -12.2% | -19.2% |
| Telecommunication Services | 7.5% | -6.7% | -1.3% |
| Utilities | 3.5% | -5.9% | 2.8% |
| Total | 100.0% | -4.4% | -1.8% |

| Country | MSCI-EAFE Weight | MSCI-ACWIXUS Weight | Quarter Return | 1-Year Return |
|----------------------------------|------------------|---------------------|----------------|---------------|
| Japan | 21.2% | 15.0% | -2.4% | -3.7% |
| United Kingdom | 21.1% | 14.9% | -4.2% | -5.4% |
| France | 9.7% | 6.9% | -5.8% | -9.0% |
| Switzerland | 9.3% | 6.6% | -2.2% | 0.7% |
| Germany | 9.2% | 6.5% | -0.4% | -9.8% |
| Australia | 7.5% | 5.3% | -3.6% | -3.2% |
| Spain | 3.5% | 2.5% | -8.2% | -4.4% |
| Hong Kong | 3.1% | 2.2% | 3.1% | 5.1% |
| Sweden | 3.1% | 2.2% | -3.4% | -6.6% |
| Netherlands | 2.8% | 2.0% | -0.2% | -3.2% |
| Italy | 2.3% | 1.6% | -13.4% | -9.0% |
| Singapore | 1.6% | 1.1% | -0.5% | 3.1% |
| Denmark | 1.5% | 1.1% | -7.8% | 6.8% |
| Belgium | 1.3% | 0.9% | 0.8% | 4.9% |
| Finland | 0.9% | 0.6% | -2.0% | 0.8% |
| Norway | 0.7% | 0.5% | -24.9% | -21.2% |
| Israel | 0.6% | 0.4% | 1.4% | 23.7% |
| Ireland | 0.3% | 0.2% | 1.9% | 2.6% |
| Austria | 0.2% | 0.1% | -7.3% | -29.4% |
| New Zealand | 0.2% | 0.1% | 2.6% | 8.2% |
| Portugal | 0.2% | 0.1% | -23.0% | -37.7% |
| Total EAFE Countries | 100.0% | 70.8% | -3.5% | -4.5% |
| Canada | | 7.5% | -4.6% | 2.2% |
| Total Developed Countries | | 78.3% | -3.6% | -3.9% |
| China | | 4.7% | 7.2% | 8.3% |
| Korea | | 3.2% | -7.7% | -10.7% |
| Taiwan | | 2.7% | 1.7% | 10.1% |
| Brazil | | 1.9% | -14.8% | -13.7% |
| South Africa | | 1.7% | 3.0% | 5.7% |
| India | | 1.6% | -0.7% | 23.9% |
| Mexico | | 1.1% | -12.2% | -9.2% |
| Malaysia | | 0.8% | -10.5% | -10.7% |
| Russia | | 0.7% | -32.8% | -45.9% |
| Indonesia | | 0.6% | 0.7% | 27.2% |
| Thailand | | 0.5% | -6.4% | 16.8% |
| Turkey | | 0.4% | 11.6% | 19.1% |
| Poland | | 0.3% | -13.9% | -13.6% |
| Chile | | 0.3% | -5.2% | -12.2% |
| Philippines | | 0.3% | 0.7% | 26.4% |
| Qatar | | 0.2% | -8.9% | 16.6% |
| Colombia | | 0.2% | -22.9% | -19.8% |
| United Arab Emirates | | 0.1% | -21.6% | 13.7% |
| Peru | | 0.1% | -0.8% | 10.5% |
| Greece | | 0.1% | -28.8% | -39.9% |
| Czech Republic | | 0.1% | -15.4% | -2.4% |
| Egypt | | 0.1% | -8.6% | 29.4% |
| Hungary | | 0.0% | -12.8% | -27.4% |
| Total Emerging Countries | | 21.6% | -4.4% | -1.8% |
| Total ACWIXUS Countries | | 100.0% | -3.8% | -3.4% |

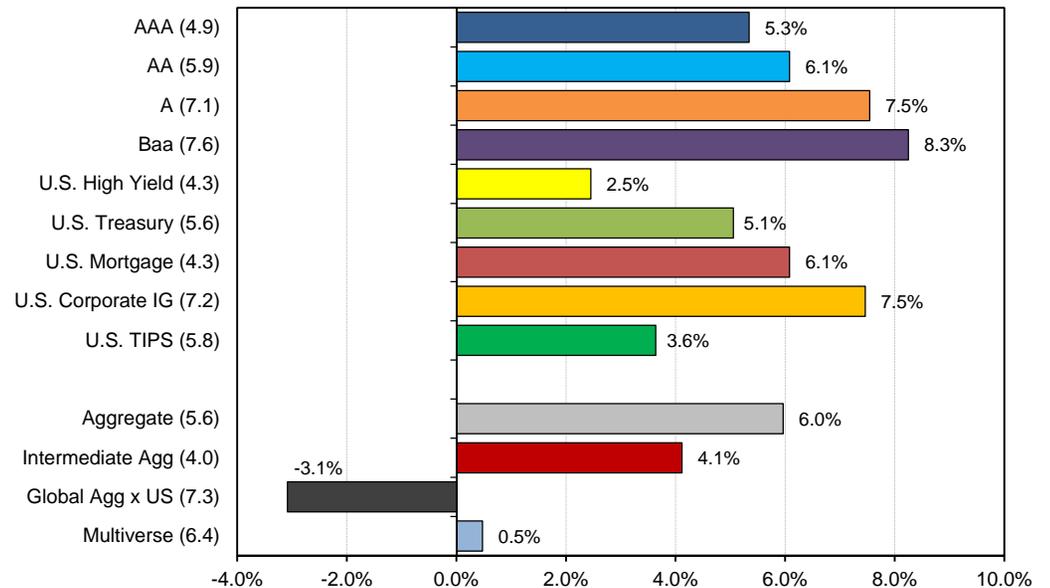
Source: MSCI Global Index Monitor (Returns are Gross in USD)

- With the exception of credit sensitive segments, domestic bond markets were mostly positive in the fourth quarter, as concerns about foreign growth and overseas inflation trumped the effects of strong economic data. The Fed's dovish comments in the fourth quarter seemed to indicate no rate hikes are imminent. Given low yields abroad, foreign investor interest in domestic paper remains robust and led to lower yields during the period.
- In contrast to the third quarter, in which sector performance was mixed, most sectors posted positive returns during the period. Treasuries and mortgages rose +1.9% and +1.8%, respectively. These strong gains were partially off-set by weakness in high yield (-1.0%) and in overseas markets as the Global Aggregate x US and Multiverse indices returned -3.0% and -1.2%, respectively.
- For the second consecutive quarter, lower rated bonds lagged their higher quality peers. Baa-rated bonds lagged higher quality credits by 50 to 100 bps during the period. However, on a one-year basis, Baa-rated bonds outpaced higher-rated credits by a moderate margin.
- Longer-dated securities drastically outperformed short and intermediate maturities despite the end of the Federal Reserve's QE program. The rally pushed the broad-based Barclays Aggregate Index ahead of the Barclays Intermediate Aggregate Index by +0.6% for the quarter and +1.9% for the 2014 calendar year.
- High yield bonds fell 1.0%, marking back-to-back negative quarterly returns for the asset class. After exceeding investment grade bonds for seven consecutive quarters up until March 31, 2014, high yield bonds trailed investment grade securities for the last nine months and were the worst performing domestic sector in 2014.
- The US bond market easily outpaced international bonds by 480 bps, represented by the Barclays Global Aggregate ex US Index, which was negatively impacted by USD strength. The fourth quarter's weak performance by global bonds exacerbated an already wide performance disparity as the one-year trailing domestic bond performance remained ahead by a wide margin.

Quarter Performance

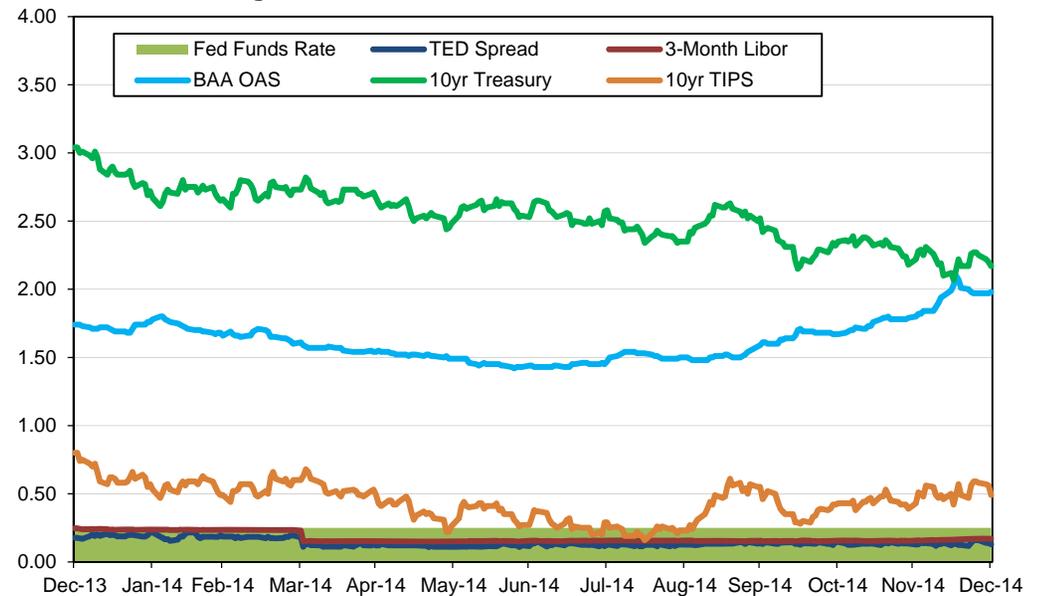


1-Year Performance

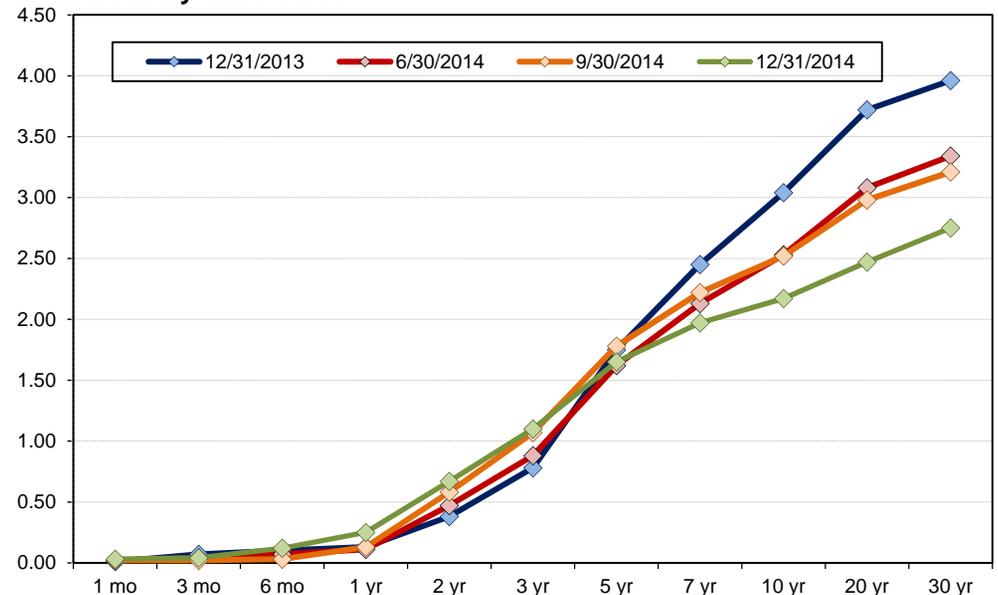


- Despite the Fed's bond buying program drawing to a close in October, investors continue to wonder if rising rates will ever occur. This is due to domestic economic strength exceeding the rest of the developed world and the resulting strength of the USD. As a result, while domestic yields remain low, they exceed those of overseas sovereign bonds, especially on a real return basis. This has led to a demand for longer-term US paper and a flattening of the yield curve.
- After moving wider in the third quarter, option adjusted spreads on Baa-rated bonds continued to broaden relative to Treasuries, widening by an additional 39 bps during the fourth quarter. This spread widening negatively impacts bond prices (which move in the opposite direction) and performance of lower quality credits. This quarter's rise in spreads erased the rally that occurred earlier in the year. Spreads are now at their widest point in over a year.
- The yield curve in the US continued to flatten during the fourth quarter. Since prices and performance move in the opposite direction of yields, the long-end of the curve was the best performing maturity segment as 30-year Treasuries returned +10.1% during the period. The yield on the 10-year Treasury fell from 2.52% to 2.17% and dropped below 2.0% early in 2015. At the short end of the curve, 2-year Treasuries rose from 0.58% to 0.67%.
- Since rising to more attractive yields in mid-to-late 2013, the yield curve has gradually flattened and interest rates have declined, particularly in longer-dated maturities. This resulted in positive returns over the past twelve months, especially in investment grade or better, intermediate term or longer securities. The expectation is that given strong economic growth, lower unemployment, the end of the Fed's QE program, and better housing numbers, interest rates will soon rise. However, the impact of foreign purchases and generally benign inflation has been a natural headwind to rising rates. Investment professionals have migrated to a more neutral position when forecasting when and if rates will rise from here.

1-Year Trailing Market Rates



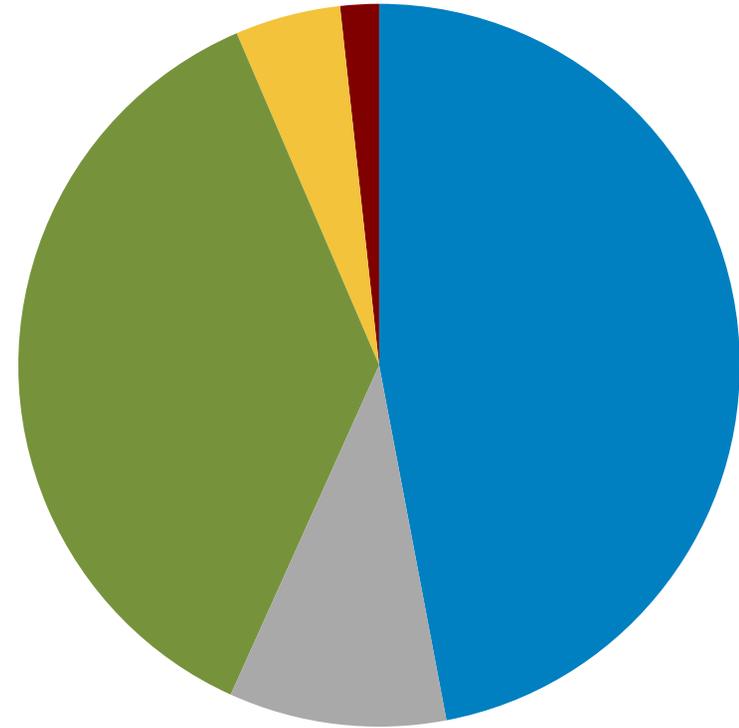
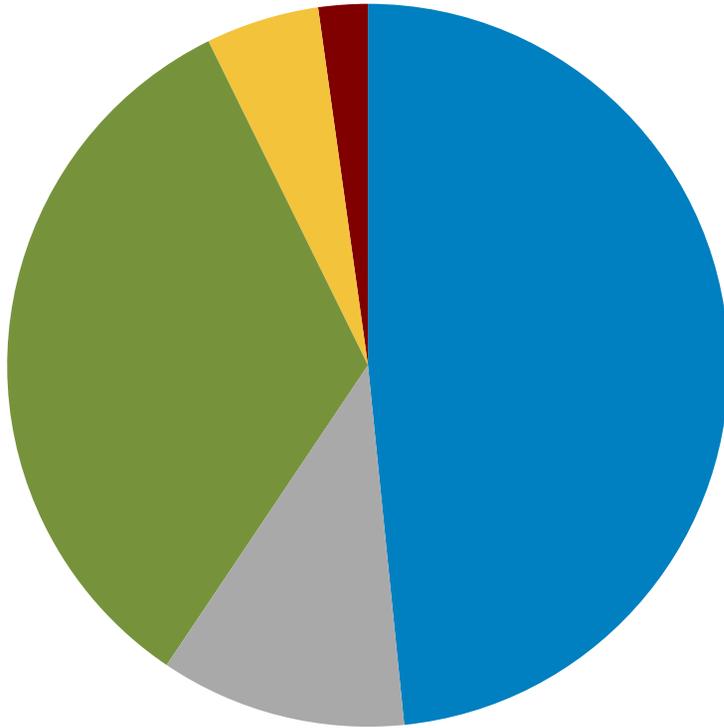
Treasury Yield Curve



Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)

Asset Allocation By Segment as of
September 30, 2014 : \$11,633,140

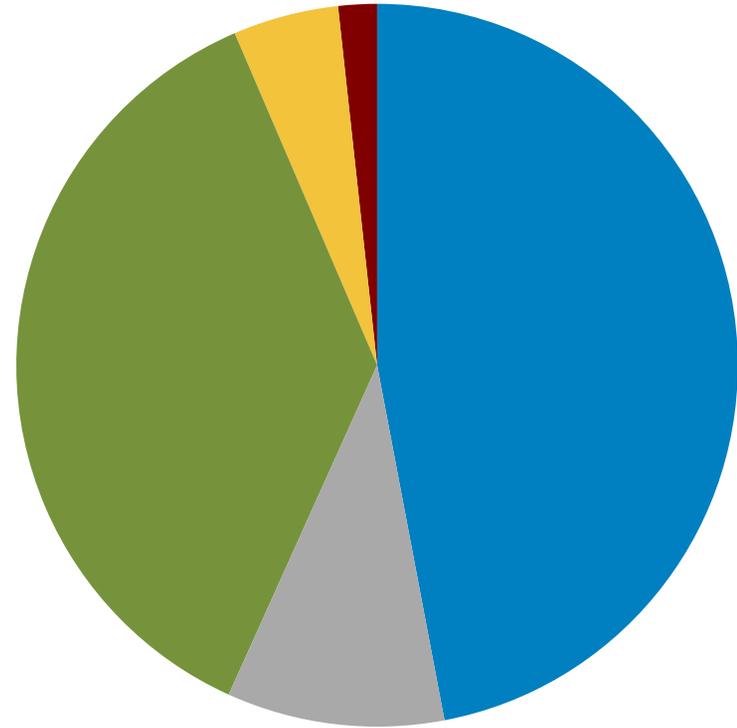
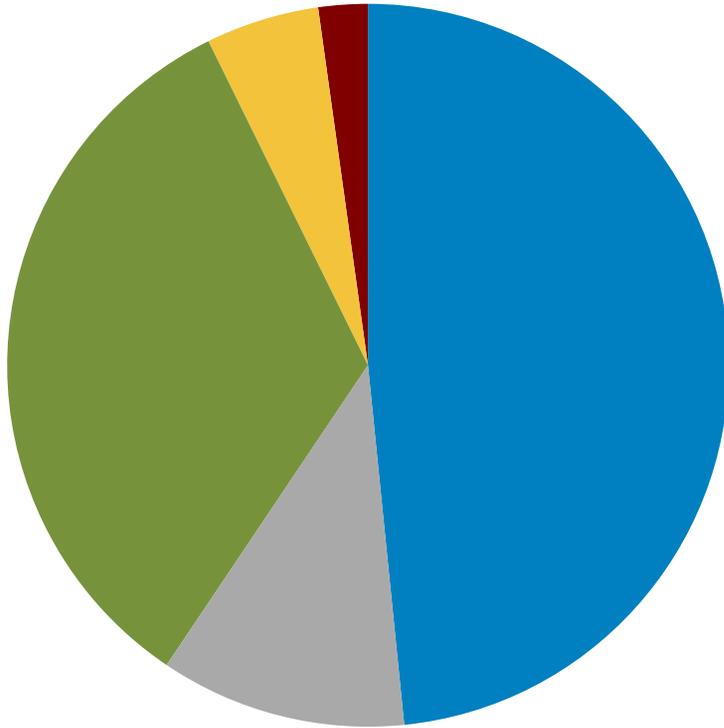
Asset Allocation By Segment as of
December 31, 2014 : \$11,769,198



| Allocation | | | Allocation | | |
|-------------------------|--------------|------------|-------------------------|--------------|------------|
| Segments | Market Value | Allocation | Segments | Market Value | Allocation |
| ■ Domestic Equity | 5,630,405 | 48.4 | ■ Domestic Equity | 5,532,959 | 47.0 |
| ■ International Equity | 1,282,745 | 11.0 | ■ International Equity | 1,146,045 | 9.7 |
| ■ Domestic Fixed Income | 3,871,389 | 33.3 | ■ Domestic Fixed Income | 4,329,438 | 36.8 |
| ■ Global Fixed Income | 591,518 | 5.1 | ■ Global Fixed Income | 556,534 | 4.7 |
| ■ Cash Equivalent | 257,082 | 2.2 | ■ Cash Equivalent | 204,221 | 1.7 |

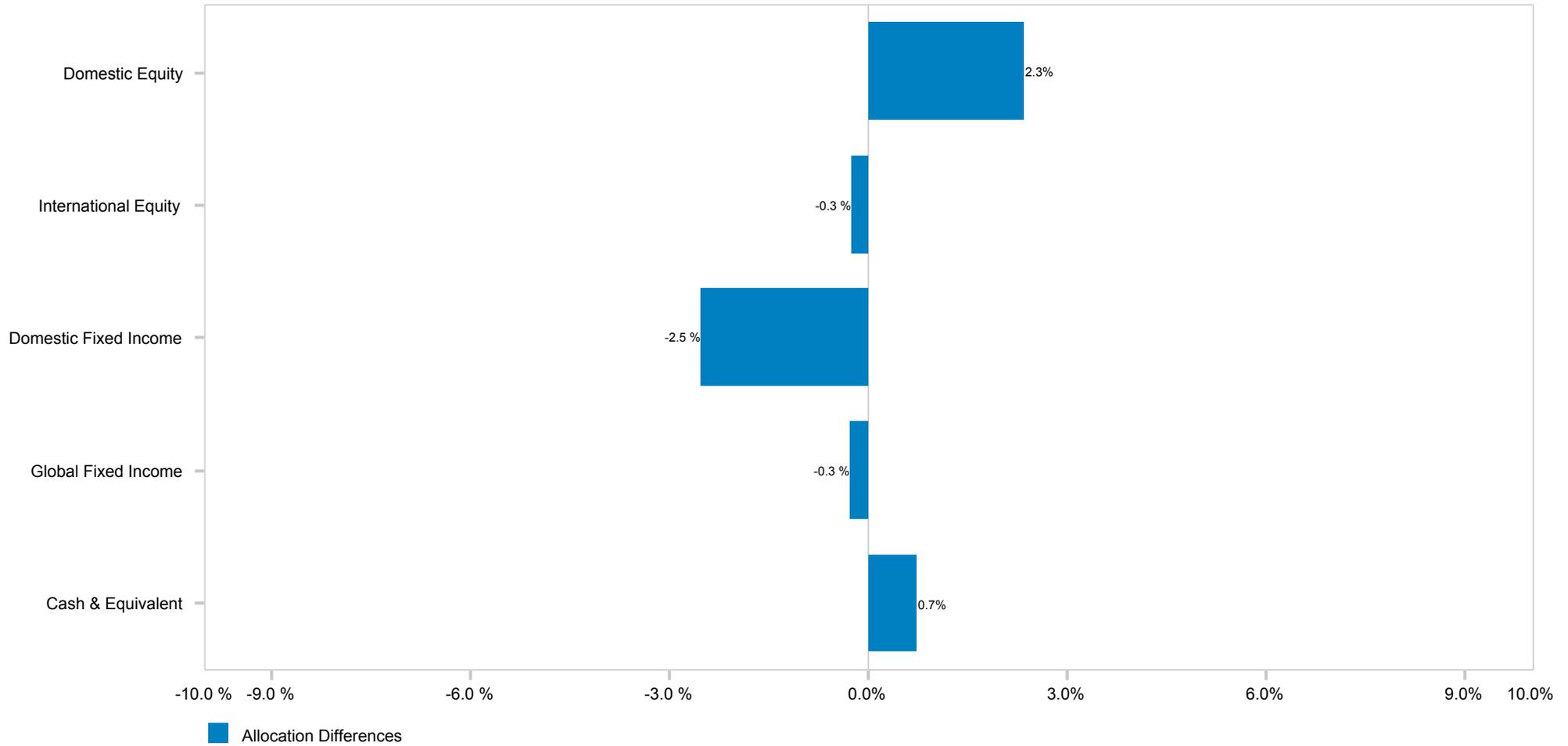
Asset Allocation By Segment as of
 September 30, 2014 : \$11,633,140

Asset Allocation By Segment as of
 December 31, 2014 : \$11,769,198



| Allocation | | | Allocation | | |
|-------------------------|--------------|------------|-------------------------|--------------|------------|
| Segments | Market Value | Allocation | Segments | Market Value | Allocation |
| ■ Domestic Equity | 5,630,405 | 48.4 | ■ Domestic Equity | 5,532,959 | 47.0 |
| ■ International Equity | 1,282,745 | 11.0 | ■ International Equity | 1,146,045 | 9.7 |
| ■ Domestic Fixed Income | 3,871,389 | 33.3 | ■ Domestic Fixed Income | 4,329,438 | 36.8 |
| ■ Global Fixed Income | 591,518 | 5.1 | ■ Global Fixed Income | 556,534 | 4.7 |
| ■ Cash Equivalent | 257,082 | 2.2 | ■ Cash Equivalent | 204,221 | 1.7 |

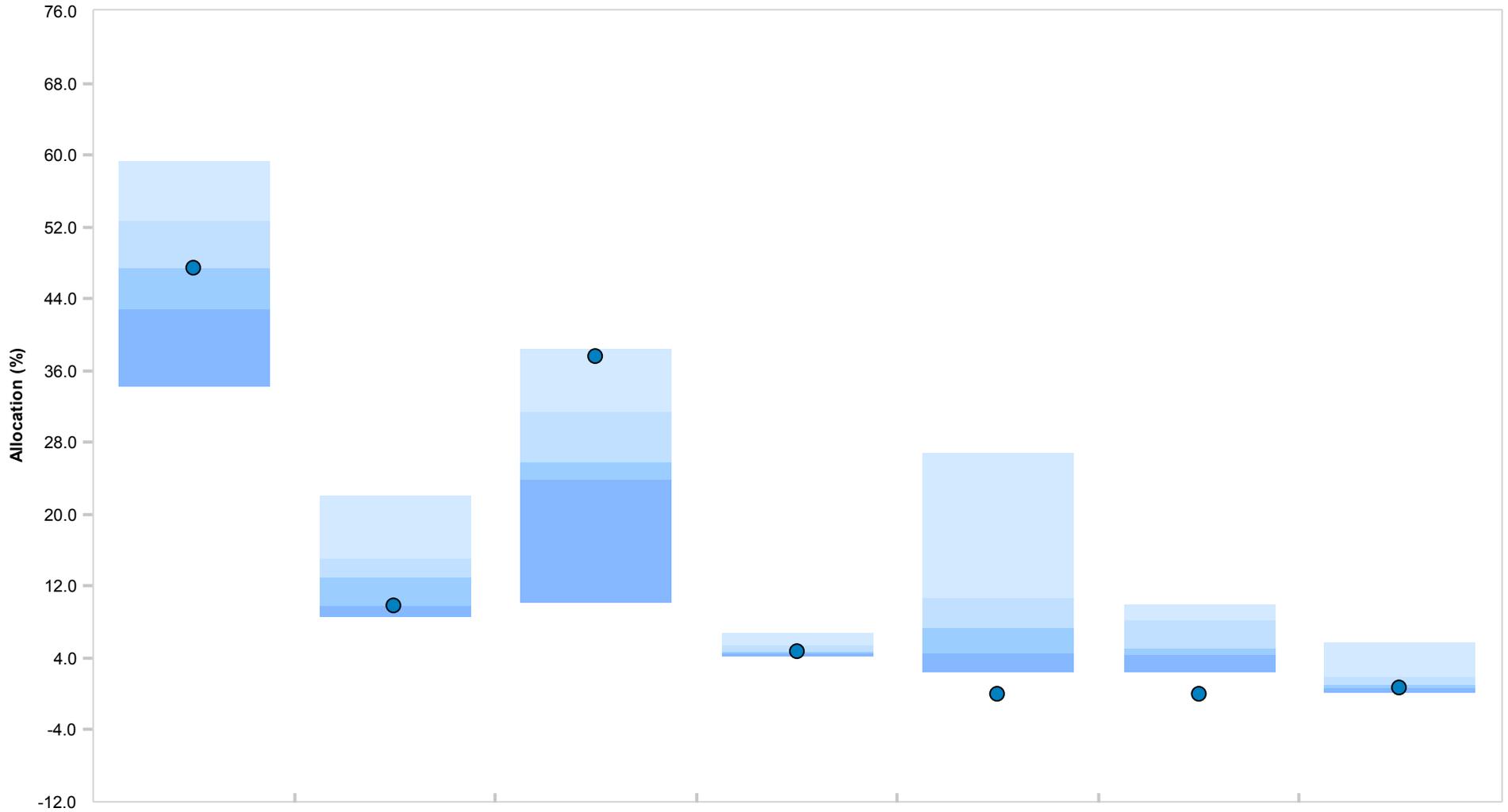
Asset Allocation vs. Target Allocation



Asset Allocation vs. Target Allocation

| | Market Value \$ | Allocation (%) | Target (%) |
|-----------------------|--------------------|----------------|------------|
| Domestic Equity | 5,571,933 | 47.3 | 45.0 |
| International Equity | 1,146,045 | 9.7 | 10.0 |
| Domestic Fixed Income | 4,409,837 | 37.5 | 40.0 |
| Global Fixed Income | 556,534 | 4.7 | 5.0 |
| Cash & Equivalent | 84,849 | 0.7 | 0.0 |
| Total Fund | 11,769,198 | 100.0 | 100.0 |

Plan Sponsor TF Asset Allocation vs. All Public Plans-Total Fund



| | US Equity | Intl. Equity | US Fixed Income | Intl. Fixed Income | Alternative Inv. | Real Estate | Cash |
|-----------------|------------|--------------|-----------------|--------------------|------------------|-------------|-----------|
| ● Total Fund | 47.34 (50) | 9.74 (74) | 37.47 (9) | 4.73 (53) | 0.00 | 0.00 | 0.72 (60) |
| 5th Percentile | 59.27 | 22.08 | 38.39 | 6.73 | 26.85 | 10.00 | 5.79 |
| 1st Quartile | 52.61 | 15.09 | 31.31 | 5.34 | 10.72 | 8.16 | 1.80 |
| Median | 47.34 | 12.88 | 25.77 | 4.73 | 7.26 | 5.00 | 1.01 |
| 3rd Quartile | 42.80 | 9.70 | 23.75 | 4.47 | 4.53 | 4.35 | 0.57 |
| 95th Percentile | 34.15 | 8.52 | 10.13 | 4.10 | 2.49 | 2.38 | 0.04 |

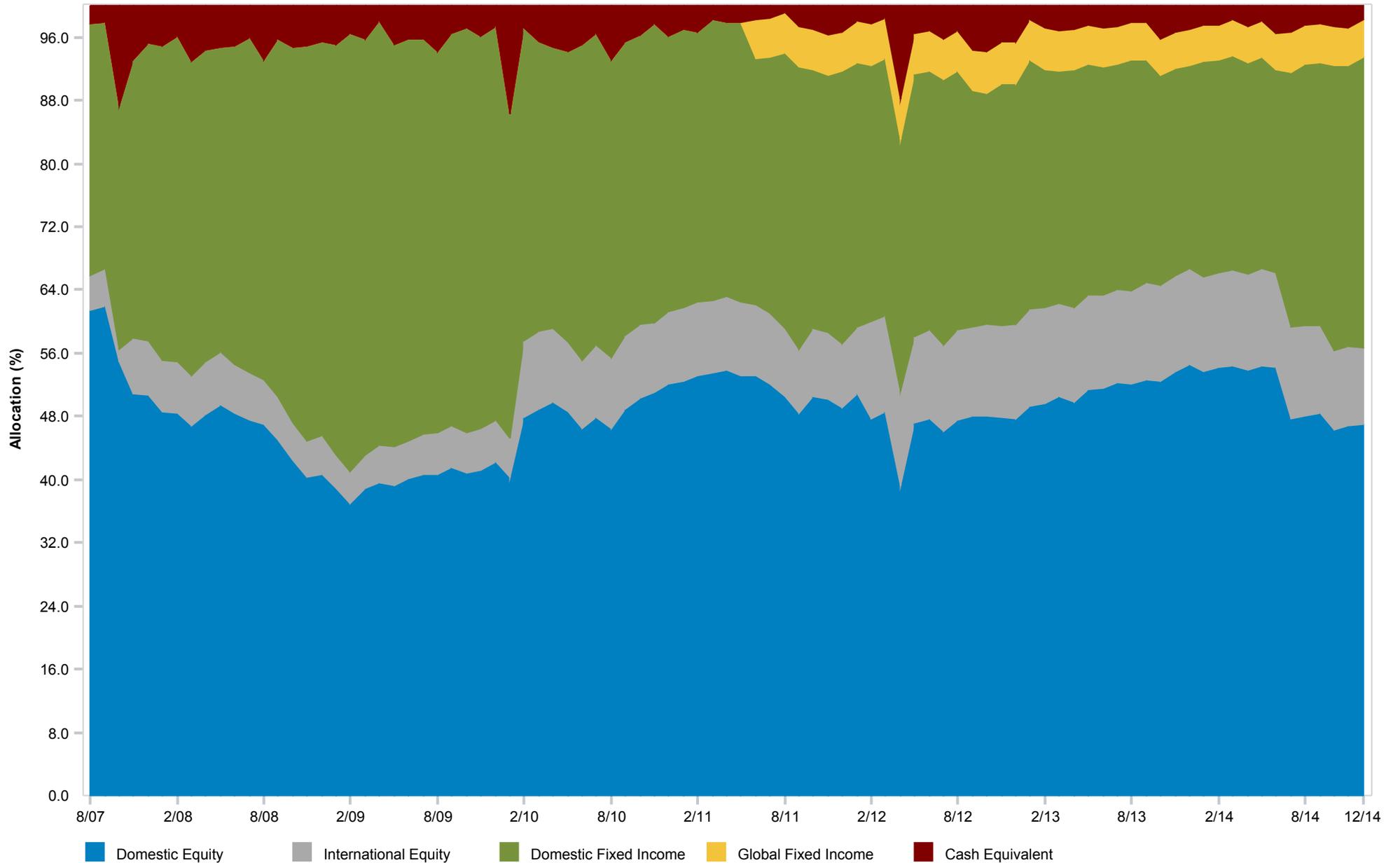
Parentheses contain percentile rankings.
 Calculation based on <Periodicity> periodicity.

St. Pete Beach Police Officers' Retirement System
Asset Allocation History by Portfolio

As of December 31, 2014

| Asset Allocation History by Portfolio | Dec-2013 | | Mar-2014 | | Jun-2014 | | Sep-2014 | | Dec-2014 | |
|---|---------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|
| | (\$) | % | (\$) | % | (\$) | % | (\$) | % | (\$) | % |
| | Total Equity | 7,748,134 | 66.93 | 7,760,149 | 66.71 | 7,937,504 | 66.67 | 6,921,806 | 59.50 | 6,717,978 |
| Domestic Equity | 6,342,126 | 54.79 | 6,345,571 | 54.55 | 6,514,947 | 54.72 | 5,639,061 | 48.47 | 5,571,933 | 47.34 |
| Vanguard Total Stock Mkt Index Instl(VITSX) | 3,915,700 | 33.83 | 3,941,548 | 33.88 | 4,038,650 | 33.92 | 3,528,631 | 30.33 | 3,469,836 | 29.48 |
| Anchor All Cap Value | 1,273,618 | 11.00 | 1,290,025 | 11.09 | 1,368,252 | 11.49 | 1,038,201 | 8.92 | 1,049,168 | 8.91 |
| Wells Fargo Advantage Growth I (SGRNX) | 1,152,808 | 9.96 | 1,113,998 | 9.58 | 1,108,045 | 9.31 | 1,072,229 | 9.22 | 1,052,930 | 8.95 |
| International Equity | 1,406,009 | 12.15 | 1,414,578 | 12.16 | 1,422,558 | 11.95 | 1,282,745 | 11.03 | 1,146,045 | 9.74 |
| Manning & Napier Overseas (EXOSX) | 1,406,009 | 12.15 | 1,414,578 | 12.16 | 1,422,558 | 11.95 | 1,282,745 | 11.03 | 1,146,045 | 9.74 |
| Total Fixed Income | 3,706,253 | 32.02 | 3,704,504 | 31.84 | 3,767,972 | 31.65 | 4,513,946 | 38.80 | 4,966,371 | 42.20 |
| Domestic Fixed Income | 3,169,063 | 27.38 | 3,172,055 | 27.27 | 3,236,823 | 27.19 | 3,922,427 | 33.72 | 4,409,837 | 37.47 |
| Cutwater Core Fixed Income | 3,169,063 | 27.38 | 3,172,055 | 27.27 | 3,236,823 | 27.19 | 3,922,427 | 33.72 | 4,409,837 | 37.47 |
| Global Fixed Income | 537,190 | 4.64 | 532,448 | 4.58 | 531,149 | 4.46 | 591,518 | 5.08 | 556,534 | 4.73 |
| Templeton Global Bond R6 (FBNRX) | 537,190 | 4.64 | 532,448 | 4.58 | 531,149 | 4.46 | 591,518 | 5.08 | 556,534 | 4.73 |
| Cash Accounts | | | | | | | | | | |
| Receipt & Disbursement | 121,762 | 1.05 | 168,800 | 1.45 | 199,504 | 1.68 | 197,388 | 1.70 | 84,849 | 0.72 |
| Total Fund | 11,576,150 | 100.00 | 11,633,452 | 100.00 | 11,904,981 | 100.00 | 11,633,140 | 100.00 | 11,769,198 | 100.00 |

Asset Allocation History by Asset Class



**St. Pete Beach Police Officers' Retirement System
Financial Reconciliation**

Quarter to Date

| | Market Value 10/01/2014 | Net Transfers | Contributions | Distributions | Management Fees | Other Expenses | Income | Apprec./ Deprec. | Market Value 12/31/2014 |
|---|------------------------------------|--------------------------|----------------------|----------------------|----------------------------|---------------------------|----------------|-----------------------------|------------------------------------|
| Total Equity | 6,921,806 | -397,051 | - | - | - | - | 259,497 | -66,273 | 6,717,978 |
| Domestic Equity | 5,639,061 | -321,401 | - | - | - | - | 155,878 | 98,395 | 5,571,933 |
| Vanguard Total Stock Mkt Index Instl(VITSX) | 3,528,631 | -226,380 | - | - | - | - | 18,341 | 149,244 | 3,469,836 |
| Anchor All Cap Value | 1,038,201 | -29,123 | - | - | - | - | 6,318 | 33,772 | 1,049,168 |
| Wells Fargo Advantage Growth I (SGRNX) | 1,072,229 | -65,898 | - | - | - | - | 131,219 | -84,620 | 1,052,930 |
| International Equity | 1,282,745 | -75,650 | - | - | - | - | 103,618 | -164,668 | 1,146,045 |
| Manning & Napier Overseas (EXOSX) | 1,282,745 | -75,650 | - | - | - | - | 103,618 | -164,668 | 1,146,045 |
| Total Fixed Income | 4,513,946 | 392,369 | - | - | -2,716 | - | 49,737 | 13,035 | 4,966,371 |
| Domestic Fixed Income | 3,922,427 | 418,163 | - | - | -2,716 | - | 24,138 | 47,825 | 4,409,837 |
| Cutwater Core Fixed Income | 3,922,427 | 418,163 | - | - | -2,716 | - | 24,138 | 47,825 | 4,409,837 |
| Global Fixed Income | 591,518 | -25,794 | - | - | - | - | 25,599 | -34,790 | 556,534 |
| Templeton Global Bond R6 (FBNRX) | 591,518 | -25,794 | - | - | - | - | 25,599 | -34,790 | 556,534 |
| Cash Accounts | | | | | | | | | |
| Receipt & Disbursement | 197,388 | 4,682 | 158,370 | -267,770 | - | -7,823 | 2 | - | 84,849 |
| Total Fund | 11,633,140 | - | 158,370 | -267,770 | -2,716 | -7,823 | 309,236 | -53,238 | 11,769,198 |

**St. Pete Beach Police Officers' Retirement System
Financial Reconciliation**

Fiscal Year to Date

| | Market Value 10/01/2014 | Net Transfers | Contributions | Distributions | Management Fees | Other Expenses | Income | Apprec./ Deprec. | Market Value 12/31/2014 |
|---|----------------------------|------------------|----------------|-----------------|--------------------|-------------------|----------------|---------------------|----------------------------|
| Total Equity | 6,921,806 | -397,051 | - | - | - | - | 259,497 | -66,273 | 6,717,978 |
| Domestic Equity | 5,639,061 | -321,401 | - | - | - | - | 155,878 | 98,395 | 5,571,933 |
| Vanguard Total Stock Mkt Index Instl(VITSX) | 3,528,631 | -226,380 | - | - | - | - | 18,341 | 149,244 | 3,469,836 |
| Anchor All Cap Value | 1,038,201 | -29,123 | - | - | - | - | 6,318 | 33,772 | 1,049,168 |
| Wells Fargo Advantage Growth I (SGRNX) | 1,072,229 | -65,898 | - | - | - | - | 131,219 | -84,620 | 1,052,930 |
| International Equity | 1,282,745 | -75,650 | - | - | - | - | 103,618 | -164,668 | 1,146,045 |
| Manning & Napier Overseas (EXOSX) | 1,282,745 | -75,650 | - | - | - | - | 103,618 | -164,668 | 1,146,045 |
| Total Fixed Income | 4,513,946 | 392,369 | - | - | -2,716 | - | 49,737 | 13,035 | 4,966,371 |
| Domestic Fixed Income | 3,922,427 | 418,163 | - | - | -2,716 | - | 24,138 | 47,825 | 4,409,837 |
| Cutwater Core Fixed Income | 3,922,427 | 418,163 | - | - | -2,716 | - | 24,138 | 47,825 | 4,409,837 |
| Global Fixed Income | 591,518 | -25,794 | - | - | - | - | 25,599 | -34,790 | 556,534 |
| Templeton Global Bond R6 (FBNRX) | 591,518 | -25,794 | - | - | - | - | 25,599 | -34,790 | 556,534 |
| Cash Accounts | | | | | | | | | |
| Receipt & Disbursement | 197,388 | 4,682 | 158,370 | -267,770 | - | -7,823 | 2 | - | 84,849 |
| Total Fund | 11,633,140 | - | 158,370 | -267,770 | -2,716 | -7,823 | 309,236 | -53,238 | 11,769,198 |

St. Pete Beach Police Officers' Retirement System
Trailing Returns

As of December 31, 2014

| | QTR | FYTD | 1 YR | 3 YR | 5 YR | Inception | Inception Date |
|---|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| Total Fund (Gross) | 2.21 (54) | 2.21 (54) | 6.54 (54) | 11.95 (62) | 10.51 (28) | 8.48 (N/A) | 10/01/1994 |
| Total Fund Policy | 2.59 (42) | 2.59 (42) | 7.65 (24) | 11.71 (72) | 9.82 (58) | 7.99 (N/A) | |
| All Public Plans-Total Fund Median | 2.47 | 2.47 | 6.88 | 12.41 | 9.96 | N/A | |
| Total Fund (Net) | 2.18 | 2.18 | 6.38 | 11.72 | 10.20 | 7.95 | 10/01/1994 |
| Total Equity | 2.90 | 2.90 | 7.05 | 17.03 | 13.60 | 10.10 | 09/01/1994 |
| Total Equity Policy | 3.39 | 3.39 | 9.21 | 18.19 | 13.09 | 8.99 | |
| Domestic Equity | 4.67 (41) | 4.67 (41) | 11.15 (40) | 19.30 (51) | 15.87 (15) | 6.83 (22) | 07/01/2007 |
| Domestic Equity Policy | 5.24 (30) | 5.24 (30) | 12.56 (23) | 20.51 (31) | 15.43 (24) | 6.56 (28) | |
| IM U.S. All Cap Core Equity (SA+CF+MF) Median | 4.19 | 4.19 | 10.24 | 19.30 | 14.09 | 5.42 | |
| International Equity | -4.92 (88) | -4.92 (88) | -9.43 (100) | 8.11 (91) | 3.53 (95) | 2.04 (76) | 02/01/2006 |
| International Equity Policy | -3.81 (44) | -3.81 (44) | -3.44 (21) | 9.49 (77) | 4.36 (70) | 2.49 (56) | |
| IM International Large Cap Core Equity (MF) Median | -4.13 | -4.13 | -6.00 | 10.38 | 4.74 | 2.62 | |
| Total Fixed Income | 1.33 | 1.33 | 5.96 | 4.07 | 5.28 | 6.69 | 10/01/1994 |
| Total Fixed Income Policy | 1.72 | 1.72 | 5.89 | 2.64 | 4.63 | 6.16 | |
| Domestic Fixed Income | 1.72 (N/A) | 1.72 (N/A) | 6.53 (N/A) | 3.65 (N/A) | 5.29 (N/A) | 6.49 (N/A) | 07/01/2007 |
| Total Fixed Income Policy | 1.72 (N/A) | 1.72 (N/A) | 5.89 (N/A) | 2.64 (N/A) | 4.63 (N/A) | 5.28 (N/A) | |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | N/A | N/A | N/A | N/A | N/A | N/A | |
| Global Fixed Income | -1.64 (75) | -1.64 (75) | 1.94 (52) | 6.64 (3) | N/A | 7.16 (1) | 06/01/2011 |
| Citigroup World Government Bond | -1.49 (72) | -1.49 (72) | -0.48 (83) | -0.97 (94) | 1.67 (91) | -0.13 (85) | |
| IM Global Fixed Income (MF) Median | -1.02 | -1.02 | 1.98 | 2.82 | 3.39 | 2.11 | |

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

St. Pete Beach Police Officers' Retirement System

Trailing Returns

As of December 31, 2014

| | QTR | FYTD | 1 YR | 3 YR | 5 YR | Inception | Inception Date |
|---|-------------------|-------------------|--------------------|-------------------|-------------------|--------------------|-------------------|
| Domestic Equity Strategies | | | | | | | |
| Vanguard Total Stock Mkt Index Instl(VITSX) | 5.22 (32) | 5.22 (32) | 12.57 (22) | N/A | N/A | 17.96 (28) | 03/01/2012 |
| Russell 3000 Index | 5.24 (31) | 5.24 (31) | 12.56 (22) | 20.51 (32) | 15.63 (24) | 18.00 (27) | |
| IM U.S. Multi-Cap Equity (MF) Median | 4.36 | 4.36 | 9.83 | 19.43 | 14.24 | 16.43 | |
| Anchor All Cap Value | 3.92 (N/A) | 3.92 (N/A) | 12.41 (N/A) | N/A | N/A | 20.69 (N/A) | 05/01/2012 |
| Russell 3000 Value Index | 5.31 (N/A) | 5.31 (N/A) | 12.70 (N/A) | 20.68 (N/A) | 15.34 (N/A) | 19.22 (N/A) | |
| IM U.S. All Cap Value Equity (SA+CF) Median | N/A | N/A | N/A | N/A | N/A | N/A | |
| Wells Fargo Advantage Growth I (SGRNX) | 4.81 (45) | 4.81 (45) | 4.13 (89) | N/A | N/A | 13.35 (79) | 03/01/2012 |
| Russell 3000 Growth Index | 5.17 (35) | 5.17 (35) | 12.44 (24) | 20.25 (40) | 15.89 (27) | 17.15 (32) | |
| IM U.S. Multi-Cap Growth Equity(MF) Median | 4.60 | 4.60 | 9.14 | 19.60 | 14.59 | 15.90 | |
| International Equity Strategies | | | | | | | |
| Manning & Napier Overseas (EXOSX) | -4.73 (85) | -4.73 (85) | -9.26 (100) | N/A | N/A | 4.08 (94) | 03/01/2012 |
| MSCI AC World ex USA | -3.81 (44) | -3.81 (44) | -3.44 (21) | 9.49 (77) | 4.89 (46) | 5.48 (86) | |
| IM International Large Cap Core Equity (MF) Median | -4.13 | -4.13 | -6.00 | 10.38 | 4.74 | 6.90 | |
| Domestic Fixed Income Strategies | | | | | | | |
| Cutwater Core Fixed Income | 1.72 (N/A) | 1.72 (N/A) | 6.53 (N/A) | 3.65 (N/A) | 5.29 (N/A) | 6.35 (N/A) | 08/01/2006 |
| Barclays Aggregate Index | 1.79 (N/A) | 1.79 (N/A) | 5.97 (N/A) | 2.66 (N/A) | 4.45 (N/A) | 5.24 (N/A) | |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | N/A | N/A | N/A | N/A | N/A | N/A | |
| Global Fixed Income Strategies | | | | | | | |
| Templeton Global Bond R6 (FBNRX) | -1.60 (74) | -1.60 (74) | 1.97 (51) | 6.66 (3) | N/A | 3.64 (31) | 07/01/2011 |
| Citigroup World Government Bond | -1.49 (72) | -1.49 (72) | -0.48 (83) | -0.97 (94) | 1.67 (91) | -0.20 (85) | |
| IM Global Fixed Income (MF) Median | -1.02 | -1.02 | 1.98 | 2.82 | 3.39 | 2.26 | |

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

St. Pete Beach Police Officers' Retirement System

Fiscal Year Returns

As of December 31, 2014

| | FYTD | FY 2014 | FY 2013 | FY 2012 | FY 2011 | FY 2010 | FY 2009 |
|---|-------------------|--------------------|--------------------|-------------------|--------------------|-------------------|-------------------|
| Total Fund (Gross) | 2.21 (54) | 10.50 (51) | 14.90 (1) | 18.33 (40) | 0.76 (40) | 11.90 (13) | 2.34 (41) |
| Total Fund Policy | 2.59 (42) | 11.16 (36) | 13.13 (12) | 17.79 (52) | 1.27 (30) | 10.10 (46) | 0.97 (57) |
| All Public Plans-Total Fund Median | 2.47 | 10.63 | 11.21 | 17.87 | 0.32 | 9.95 | 1.36 |
| Total Fund (Net) | 2.18 | 10.29 | 14.66 | 17.84 | 0.37 | 11.50 | 1.95 |
| Total Equity | 2.90 | 13.23 | 24.38 | 26.55 | -2.14 | 13.55 | -8.34 |
| Total Equity Policy | 3.39 | 16.03 | 23.53 | 26.22 | -1.85 | 10.16 | -6.91 |
| Domestic Equity | 4.67 (41) | 17.39 (38) | 24.82 (4) | 29.17 (27) | -0.57 (35) | 15.73 (6) | -9.33 (82) |
| Domestic Equity Policy | 5.24 (30) | 19.24 (18) | 24.47 (5) | 30.20 (18) | 0.55 (26) | 10.16 (44) | -6.91 (70) |
| IM U.S. All Cap Core Equity (SA+CF+MF) Median | 4.19 | 16.18 | 19.61 | 25.78 | -1.97 | 9.62 | -4.90 |
| International Equity | -4.92 (88) | -3.29 (100) | 22.46 (1) | 15.65 (42) | -10.53 (31) | 2.37 (67) | 0.12 (66) |
| International Equity Policy | -3.81 (44) | 3.86 (16) | 19.50 (1) | 15.04 (52) | -10.42 (28) | 3.71 (46) | 3.80 (17) |
| IM International Large Cap Core Equity (MF) Median | -4.13 | -0.65 | 9.24 | 15.13 | -10.95 | 3.36 | 1.03 |
| Total Fixed Income | 1.33 | 5.53 | 0.34 | 7.89 | 4.81 | 9.01 | 14.88 |
| Total Fixed Income Policy | 1.72 | 4.59 | -0.82 | 5.16 | 5.26 | 8.73 | 11.46 |
| Domestic Fixed Income | 1.72 (N/A) | 5.37 (N/A) | -0.37 (N/A) | 7.11 (40) | 6.15 (13) | 9.01 (53) | 14.88 (17) |
| Total Fixed Income Policy | 1.72 (N/A) | 4.59 (N/A) | -0.82 (N/A) | 5.16 (91) | 5.26 (49) | 8.73 (64) | 11.46 (68) |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | N/A | N/A | N/A | 6.60 | 5.26 | 9.20 | 12.30 |
| Global Fixed Income | -1.64 (75) | 6.47 (6) | 4.91 (3) | 13.23 (7) | N/A | N/A | N/A |
| Citigroup World Government Bond | -1.49 (72) | -0.29 (81) | -3.40 (95) | 3.29 (97) | 4.61 (8) | 4.99 (95) | 13.78 (51) |
| IM Global Fixed Income (MF) Median | -1.02 | 2.04 | 1.06 | 7.34 | 1.56 | 7.82 | 13.91 |

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

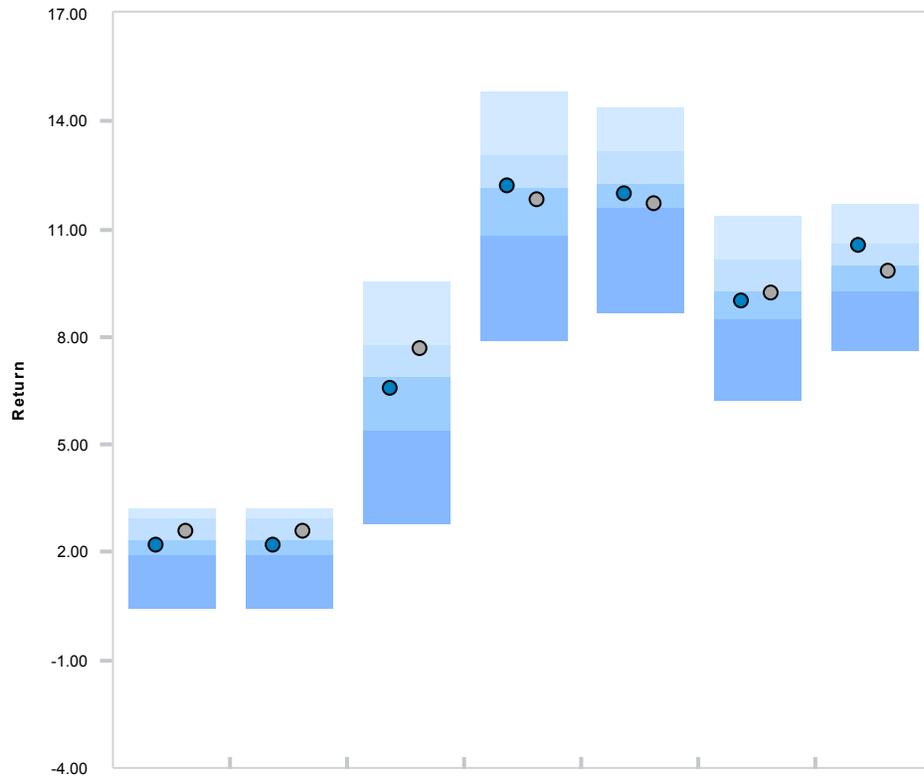
**St. Pete Beach Police Officers' Retirement System
Fiscal Year Returns**

As of December 31, 2014

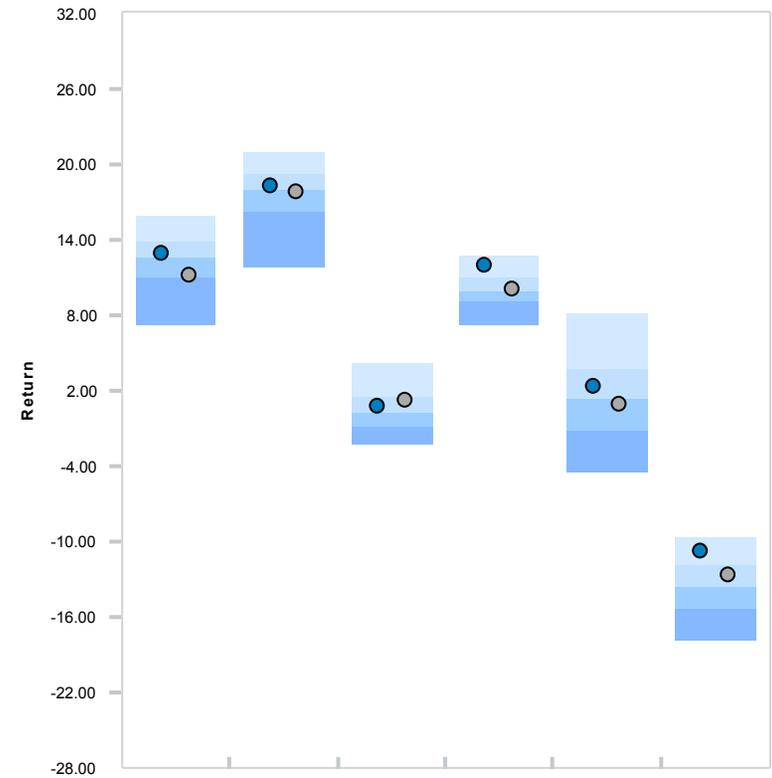
| | FYTD | FY 2014 | FY 2013 | FY 2012 | FY 2011 | FY 2010 | FY 2009 |
|---|-------------------|--------------------|--------------------|------------------|------------------|------------------|-------------------|
| Domestic Equity Strategies | | | | | | | |
| Vanguard Total Stock Mkt Index Instl(VITSX) | 5.22 (32) | 19.21 (18) | 24.40 (5) | N/A | N/A | N/A | N/A |
| Russell 3000 Index | 5.24 (31) | 19.24 (17) | 24.47 (5) | 30.20 (19) | 0.55 (26) | 10.96 (42) | -6.42 (67) |
| IM U.S. Multi-Cap Equity (MF) Median | 4.36 | 16.00 | 19.39 | 26.25 | -2.19 | 10.08 | -4.20 |
| Anchor All Cap Value | 3.92 (N/A) | 17.98 (N/A) | 27.04 (N/A) | N/A | N/A | N/A | N/A |
| Russell 3000 Value Index | 5.31 (N/A) | 18.99 (N/A) | 25.53 (N/A) | 31.05 (19) | -2.22 (61) | 9.15 (70) | -10.79 (94) |
| IM U.S. All Cap Value Equity (SA+CF) Median | N/A | N/A | N/A | 27.73 | -1.28 | 10.64 | -3.49 |
| Wells Fargo Advantage Growth I (SGRNX) | 4.81 (45) | 9.80 (92) | 23.85 (6) | N/A | N/A | N/A | N/A |
| Russell 3000 Growth Index | 5.17 (35) | 19.50 (14) | 23.21 (7) | 29.35 (26) | 3.39 (24) | 12.81 (45) | -2.19 (48) |
| IM U.S. Multi-Cap Growth Equity(MF) Median | 4.60 | 15.57 | 18.72 | 26.80 | -1.00 | 12.33 | -2.70 |
| Dana | N/A | N/A | N/A | N/A | 2.41 | 10.89 | -7.93 |
| S&P 500 Index | 4.93 | 20.75 | 22.72 | 30.20 | 1.14 | 10.16 | -6.91 |
| Rockwood | N/A | N/A | N/A | N/A | -3.24 | 19.91 | -11.12 |
| Russell 3000 Index | 5.24 | 19.24 | 24.47 | 30.20 | 0.55 | 10.96 | -6.42 |
| International Equity Strategies | | | | | | | |
| Manning & Napier Overseas (EXOSX) | -4.73 (85) | -3.11 (100) | 22.46 (1) | N/A | N/A | N/A | N/A |
| MSCI AC World ex USA | -3.81 (44) | 3.86 (16) | 19.50 (1) | 15.04 (52) | -10.42 (28) | 8.00 (6) | 6.43 (10) |
| IM International Large Cap Core Equity (MF) Median | -4.13 | -0.65 | 9.24 | 15.13 | -10.95 | 3.36 | 1.03 |
| iShares MSCI EAFE Index (EFA) | N/A | N/A | N/A | N/A | -10.53 | 2.01 | 0.12 |
| Domestic Fixed Income Strategies | | | | | | | |
| Cutwater Core Fixed Income | 1.72 (N/A) | 5.37 (N/A) | -0.37 (N/A) | 7.11 (40) | 6.15 (13) | 9.01 (53) | 14.88 (17) |
| Barclays Aggregate Index | 1.79 (N/A) | 4.59 (N/A) | -0.82 (N/A) | 5.16 (91) | 5.26 (49) | 8.16 (87) | 10.56 (81) |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | N/A | N/A | N/A | 6.60 | 5.26 | 9.20 | 12.30 |
| Global Fixed Income Strategies | | | | | | | |
| Templeton Global Bond R6 (FBNRX) | -1.60 (74) | 6.51 (5) | 4.91 (3) | 13.23 (7) | N/A | N/A | N/A |
| Citigroup World Government Bond | -1.49 (72) | -0.29 (81) | -3.40 (95) | 3.29 (97) | 4.61 (8) | 4.99 (95) | 13.78 (51) |
| IM Global Fixed Income (MF) Median | -1.02 | 2.04 | 1.06 | 7.34 | 1.56 | 7.82 | 13.91 |

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Plan Sponsor Peer Group Analysis - All Public Plans-Total Fund



| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR |
|----------------------|-----------|-----------|-----------|------------|------------|-----------|------------|
| ● Total Fund (Gross) | 2.21 (52) | 2.21 (52) | 6.54 (56) | 12.18 (49) | 11.95 (63) | 8.99 (54) | 10.51 (27) |
| ● Total Fund Policy | 2.59 (40) | 2.59 (40) | 7.65 (27) | 11.78 (61) | 11.71 (73) | 9.21 (51) | 9.82 (56) |
| Median | 2.34 | 2.34 | 6.90 | 12.16 | 12.25 | 9.26 | 9.96 |

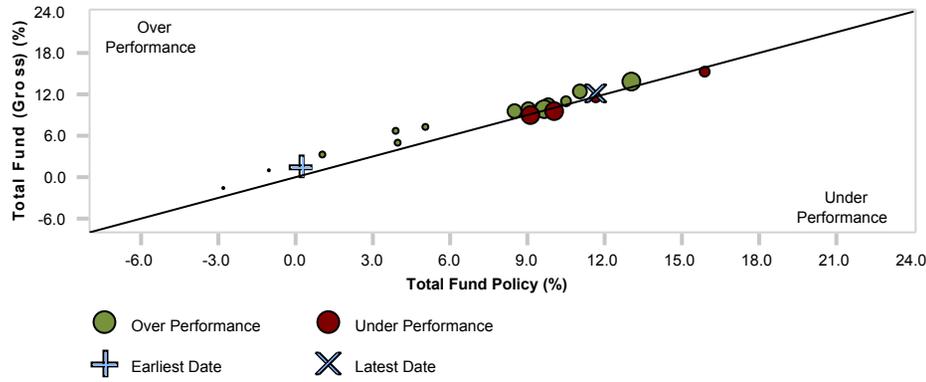


| | Oct-2012 To Sep-2013 | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 | Oct-2009 To Sep-2010 | Oct-2008 To Sep-2009 | Oct-2007 To Sep-2008 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| ● Total Fund (Gross) | 12.82 (45) | 18.33 (40) | 0.76 (40) | 11.90 (13) | 2.34 (41) | -10.75 (11) |
| ● Total Fund Policy | 11.17 (74) | 17.79 (52) | 1.27 (30) | 10.10 (46) | 0.97 (57) | -12.71 (39) |
| Median | 12.51 | 17.87 | 0.32 | 9.95 | 1.36 | -13.67 |

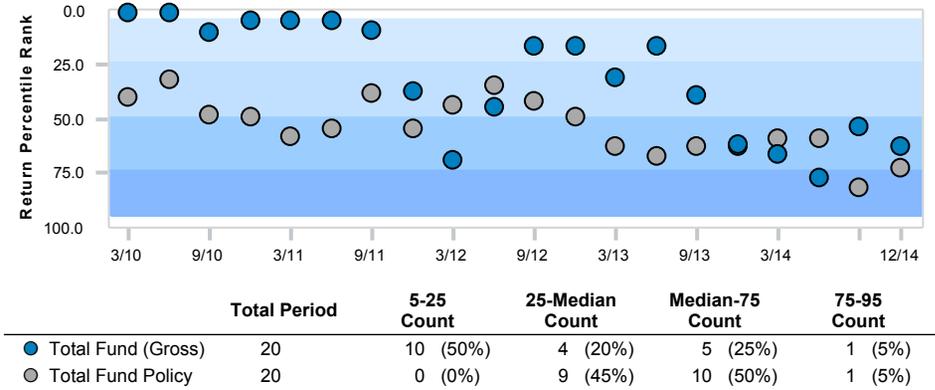
Comparative Performance

| | 1 Qtr Ending Sep-2014 | 1 Qtr Ending Jun-2014 | 1 Qtr Ending Mar-2014 | 1 Qtr Ending Dec-2013 | 1 Qtr Ending Sep-2013 | 1 Qtr Ending Jun-2013 |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Fund (Gross) | -1.08 (51) | 3.66 (49) | 1.66 (55) | 5.65 (48) | 5.21 (37) | 0.24 (43) |
| Total Fund Policy | -0.74 (31) | 3.80 (39) | 1.86 (38) | 5.25 (65) | 4.61 (64) | -0.03 (57) |
| All Public Plans-Total Fund Median | -1.07 | 3.64 | 1.72 | 5.60 | 4.91 | 0.08 |

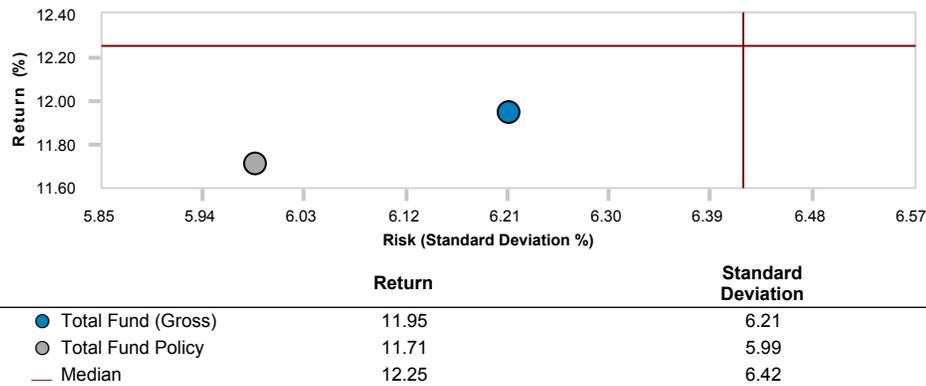
3 Yr Rolling Under/Over Performance - 5 Years



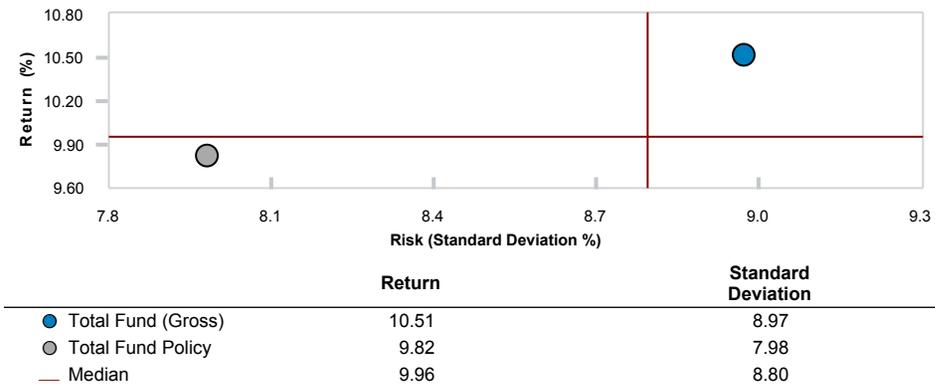
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



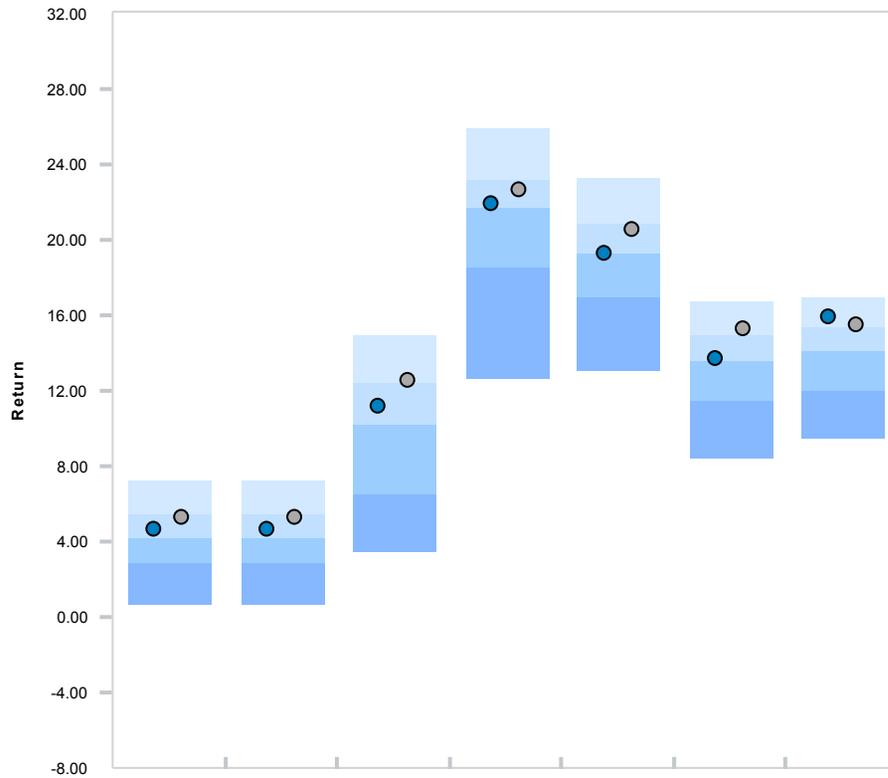
Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|--------------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Total Fund (Gross) | 0.90 | 102.84 | 104.79 | -0.07 | 0.26 | 1.85 | 1.03 | 3.29 |
| Total Fund Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.88 | 1.00 | 3.22 |

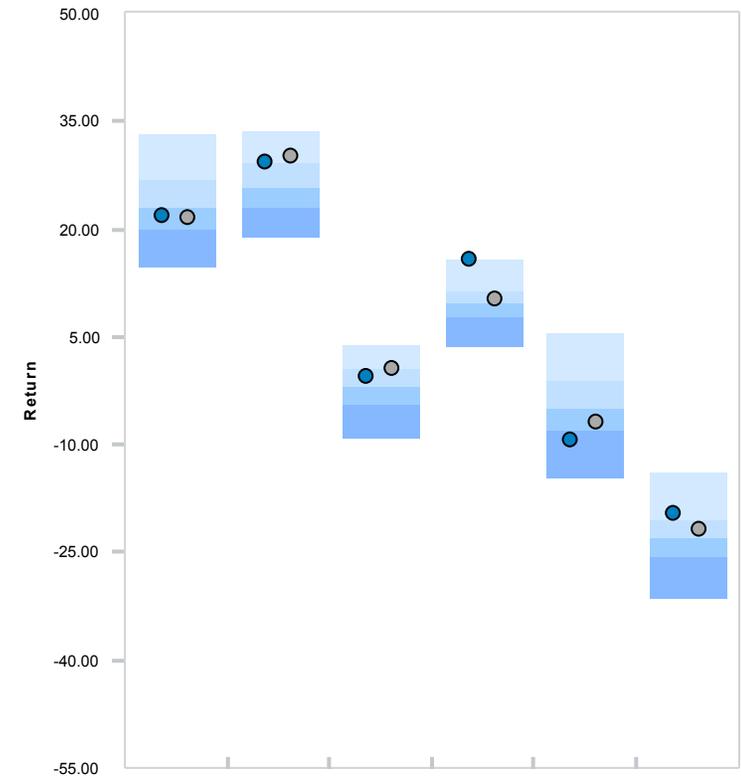
Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|--------------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Total Fund (Gross) | 1.69 | 107.74 | 108.26 | -0.35 | 0.42 | 1.15 | 1.11 | 5.15 |
| Total Fund Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.21 | 1.00 | 4.47 |

Peer Group Analysis - IM U.S. All Cap Core Equity (SA+CF+MF)



| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR |
|--------------------------|-----------|-----------|------------|------------|------------|------------|------------|
| ● Domestic Equity | 4.67 (41) | 4.67 (41) | 11.15 (40) | 21.85 (48) | 19.30 (51) | 13.72 (49) | 15.87 (15) |
| ● Domestic Equity Policy | 5.24 (30) | 5.24 (30) | 12.56 (23) | 22.61 (34) | 20.51 (31) | 15.31 (18) | 15.43 (24) |
| Median | 4.19 | 4.19 | 10.24 | 21.73 | 19.30 | 13.62 | 14.09 |

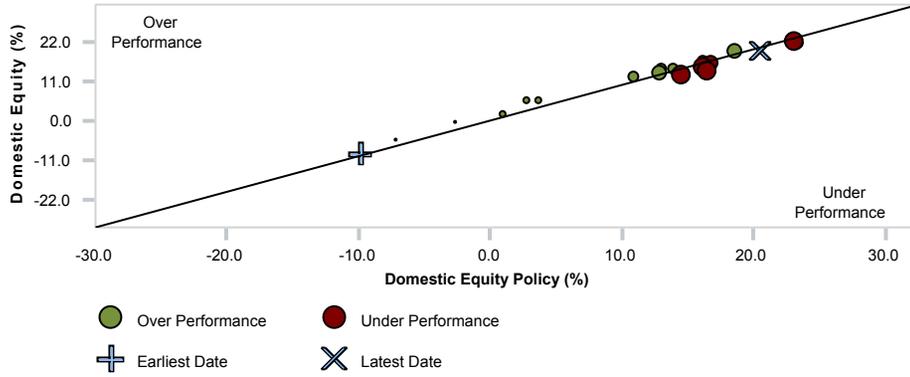


| | Oct-2012 To Sep-2013 | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 | Oct-2009 To Sep-2010 | Oct-2008 To Sep-2009 | Oct-2007 To Sep-2008 |
|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| ● Domestic Equity | 21.78 (60) | 29.17 (27) | -0.57 (35) | 15.73 (6) | -9.33 (82) | 19.52 (18) |
| ● Domestic Equity Policy | 21.60 (61) | 30.20 (18) | 0.55 (26) | 10.16 (44) | -6.91 (70) | 21.98 (41) |
| Median | 22.92 | 25.78 | -1.97 | 9.62 | -4.90 | 22.84 |

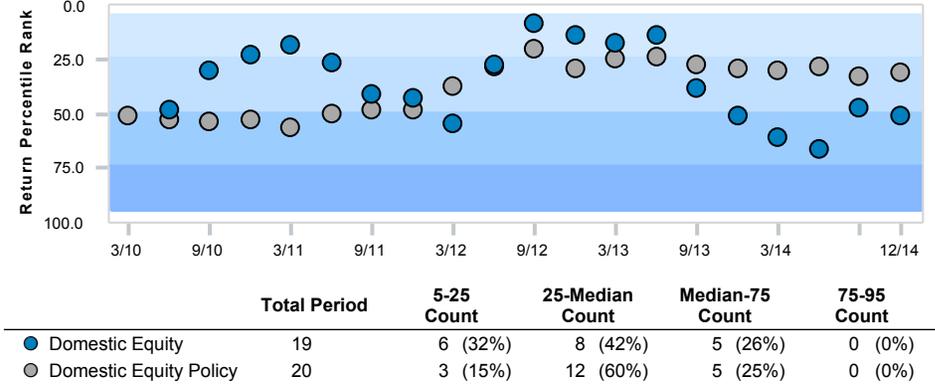
Comparative Performance

| | 1 Qtr Ending Sep-2014 | 1 Qtr Ending Jun-2014 | 1 Qtr Ending Mar-2014 | 1 Qtr Ending Dec-2013 | 1 Qtr Ending Sep-2013 | 1 Qtr Ending Jun-2013 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Domestic Equity | 0.05 (27) | 4.65 (42) | 1.43 (63) | 9.33 (55) | 7.50 (35) | 2.49 (53) |
| Domestic Equity Policy | 0.01 (28) | 4.87 (31) | 1.97 (48) | 10.10 (32) | 6.35 (62) | 2.69 (47) |
| IM U.S. All Cap Core Equity (SA+CF+MF) Median | -0.97 | 4.37 | 1.92 | 9.52 | 6.84 | 2.60 |

3 Yr Rolling Under/Over Performance - 5 Years



3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



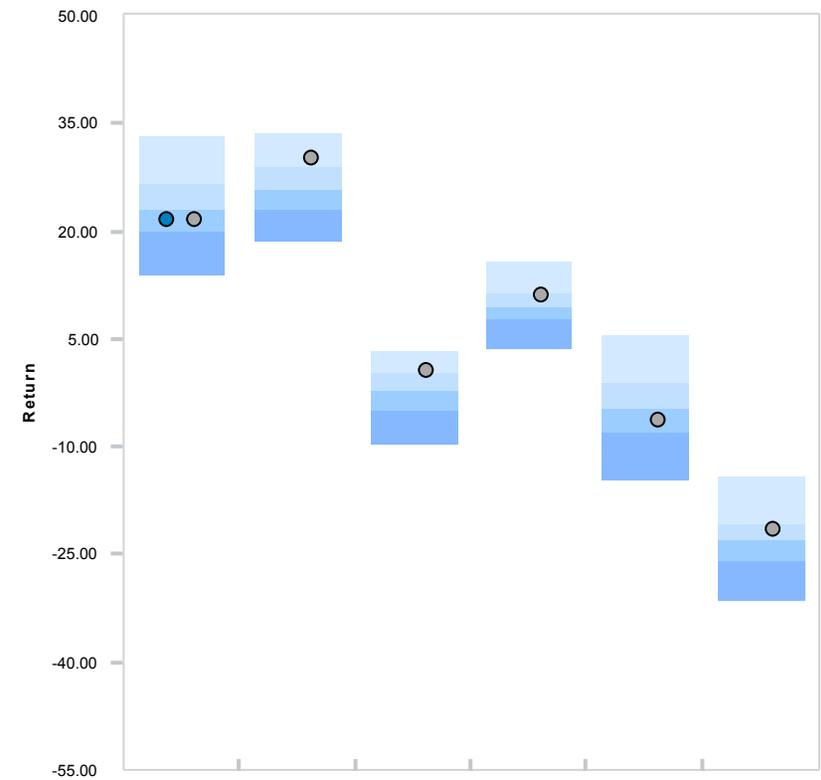
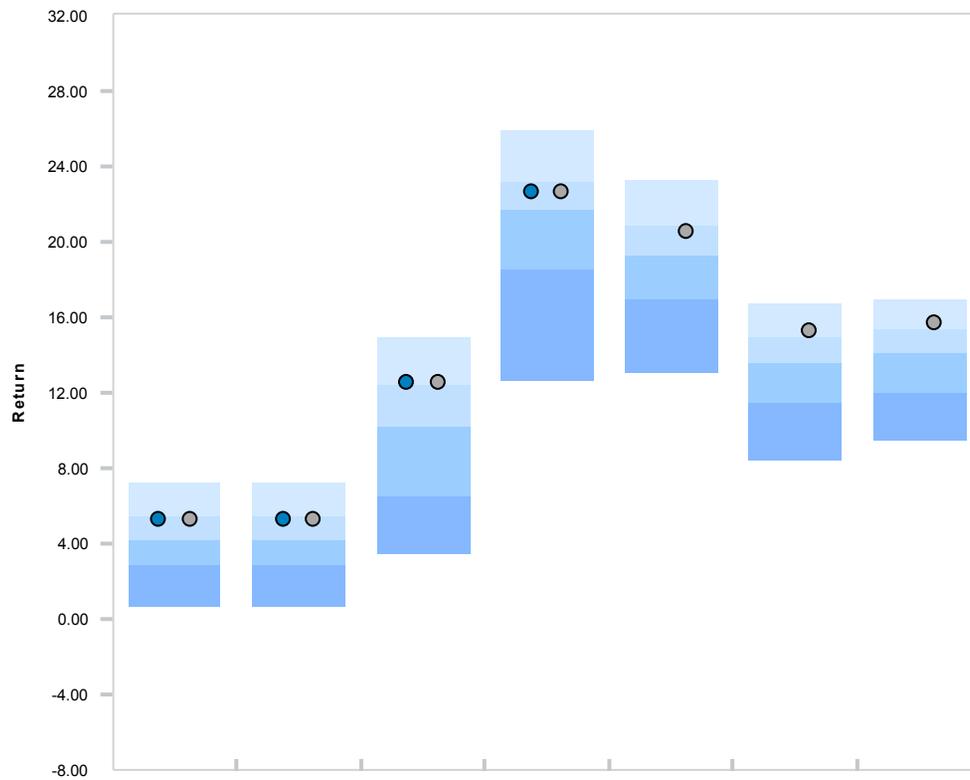
Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|------------------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Domestic Equity | 1.39 | 94.31 | 93.71 | -0.16 | -0.76 | 2.02 | 0.95 | 4.39 |
| Domestic Equity Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 2.06 | 1.00 | 4.81 |

Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|------------------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Domestic Equity | 2.97 | 106.04 | 108.87 | -0.78 | 0.20 | 1.07 | 1.09 | 8.58 |
| Domestic Equity Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.15 | 1.00 | 7.74 |

Peer Group Analysis - IM U.S. Multi-Cap Core Equity (MF)



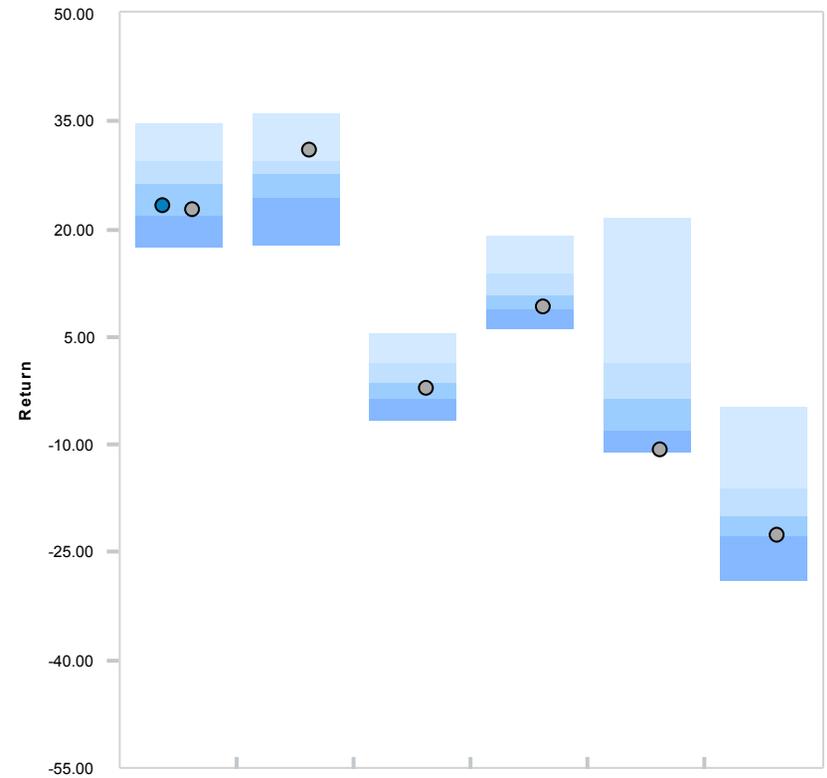
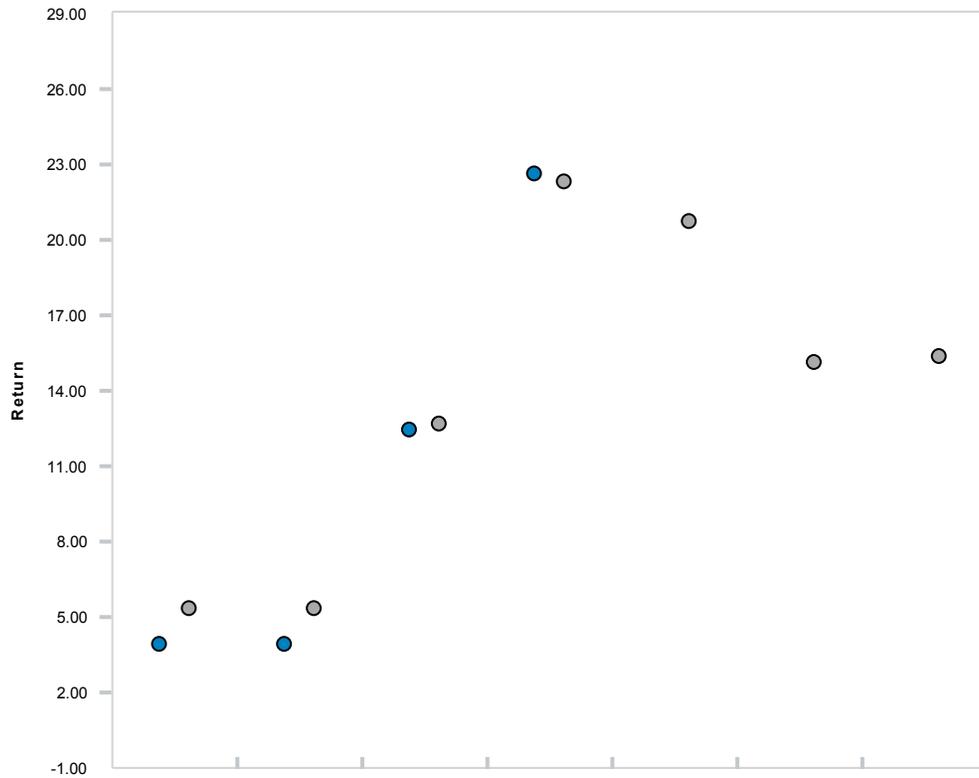
| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR |
|---------------|-----------|-----------|------------|------------|------------|------------|------------|
| ● Vanguard TS | 5.22 (31) | 5.22 (31) | 12.57 (23) | 22.60 (34) | N/A | N/A | N/A |
| ● R3000 | 5.24 (30) | 5.24 (30) | 12.56 (23) | 22.61 (34) | 20.51 (31) | 15.31 (18) | 15.63 (19) |
| Median | 4.19 | 4.19 | 10.24 | 21.73 | 19.30 | 13.62 | 14.09 |

| | Oct-2012 To Sep-2013 | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 | Oct-2009 To Sep-2010 | Oct-2008 To Sep-2009 | Oct-2007 To Sep-2008 |
|---------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| ● Vanguard TS | 21.54 (61) | N/A | N/A | N/A | N/A | N/A |
| ● R3000 | 21.60 (60) | 30.20 (17) | 0.55 (22) | 10.96 (31) | -6.42 (66) | -21.52 (33) |
| Median | 22.82 | 25.66 | -2.22 | 9.38 | -4.81 | -22.95 |

Comparative Performance

| | 1 Qtr Ending Sep-2014 | 1 Qtr Ending Jun-2014 | 1 Qtr Ending Mar-2014 | 1 Qtr Ending Dec-2013 | 1 Qtr Ending Sep-2013 | 1 Qtr Ending Jun-2013 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Vanguard TS | -0.01 (29) | 4.87 (31) | 2.03 (45) | 10.06 (33) | 6.29 (62) | 2.77 (44) |
| R3000 | 0.01 (27) | 4.87 (31) | 1.97 (48) | 10.10 (30) | 6.35 (60) | 2.69 (47) |
| IM U.S. Multi-Cap Core Equity (MF) Median | -0.96 | 4.37 | 1.93 | 9.48 | 6.81 | 2.59 |

Peer Group Analysis - IM U.S. All Cap Value Equity (SA+CF)



| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR |
|--------------|------------|------------|-------------|-------------|-------------|-------------|-------------|
| ● Anchor ACV | 3.92 (N/A) | 3.92 (N/A) | 12.41 (N/A) | 22.60 (N/A) | N/A | N/A | N/A |
| ○ R3000 V | 5.31 (N/A) | 5.31 (N/A) | 12.70 (N/A) | 22.28 (N/A) | 20.68 (N/A) | 15.11 (N/A) | 15.34 (N/A) |
| Median | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

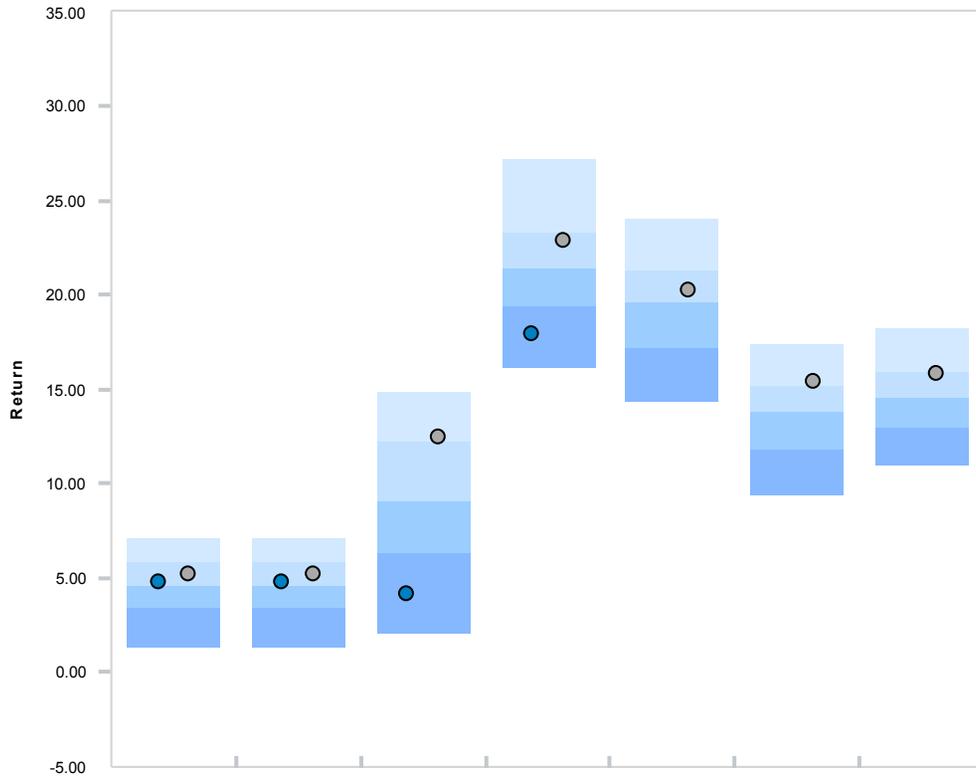
| | Oct-2012 To Sep-2013 | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 | Oct-2009 To Sep-2010 | Oct-2008 To Sep-2009 | Oct-2007 To Sep-2008 |
|--------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| ● Anchor ACV | 23.15 (67) | N/A | N/A | N/A | N/A | N/A |
| ○ R3000 V | 22.67 (69) | 31.05 (19) | -2.22 (61) | 9.15 (70) | -10.79 (94) | -22.70 (76) |
| Median | 26.29 | 27.73 | -1.28 | 10.64 | -3.49 | -19.91 |

Comparative Performance

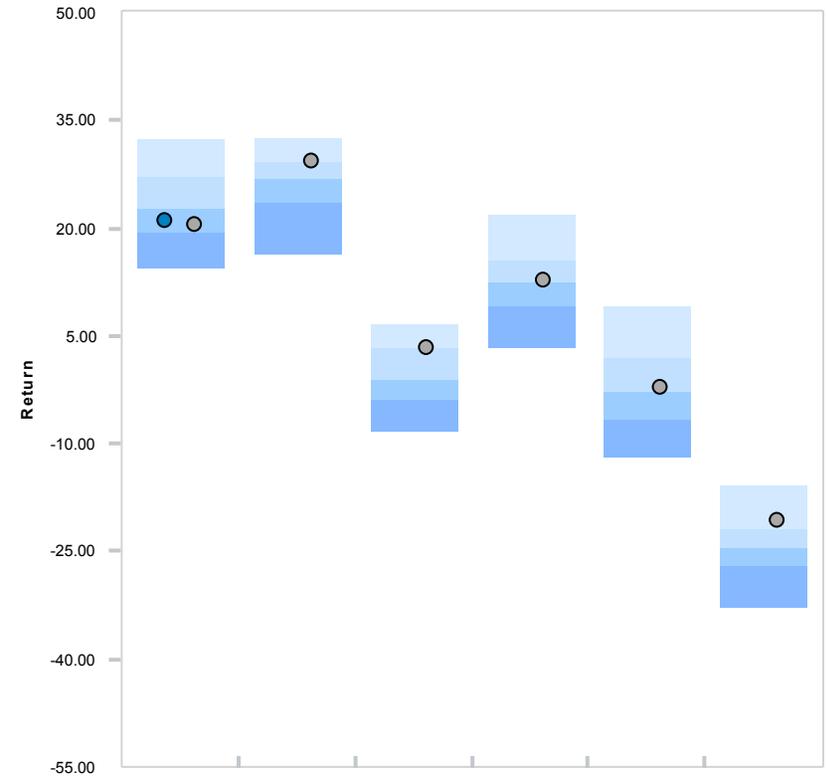
| | 1 Qtr Ending Sep-2014 | 1 Qtr Ending Jun-2014 | 1 Qtr Ending Mar-2014 | 1 Qtr Ending Dec-2013 | 1 Qtr Ending Sep-2013 | 1 Qtr Ending Jun-2013 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Anchor ACV | -0.92 (35) | 6.26 (13) | 2.74 (39) | 8.48 (73) | 6.01 (58) | 1.92 (86) |
| R3000 V | -0.87 (33) | 4.89 (50) | 2.92 (32) | 9.95 (41) | 4.23 (90) | 3.14 (61) |
| IM U.S. All Cap Value Equity (SA+CF) Median | -1.36 | 4.87 | 2.09 | 9.57 | 6.36 | 3.75 |

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Peer Group Analysis - IM U.S. Multi-Cap Growth Equity(MF)



| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR |
|---------------|-----------|-----------|------------|------------|------------|------------|------------|
| ● Wells Fargo | 4.81 (45) | 4.81 (45) | 4.13 (89) | 18.00 (88) | N/A | N/A | N/A |
| ○ R3000 G | 5.17 (35) | 5.17 (35) | 12.44 (24) | 22.85 (31) | 20.25 (40) | 15.45 (22) | 15.89 (27) |
| Median | 4.60 | 4.60 | 9.14 | 21.38 | 19.60 | 13.82 | 14.59 |

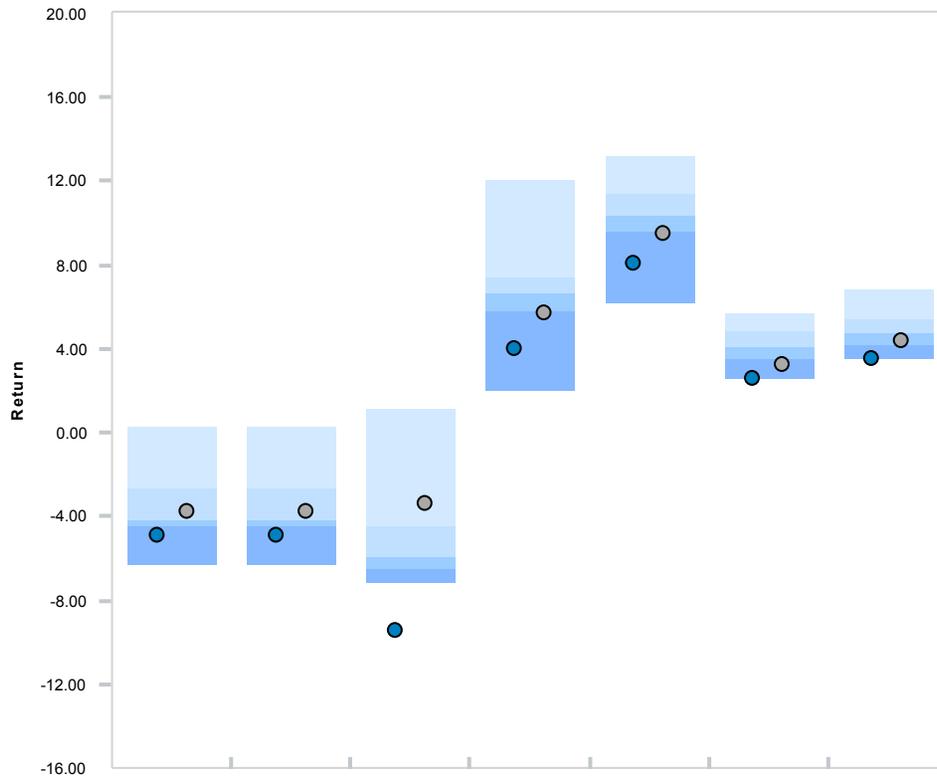


| | Oct-2012 To Sep-2013 | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 | Oct-2009 To Sep-2010 | Oct-2008 To Sep-2009 | Oct-2007 To Sep-2008 |
|---------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| ● Wells Fargo | 21.11 (57) | N/A | N/A | N/A | N/A | N/A |
| ○ R3000 G | 20.30 (67) | 29.35 (26) | 3.39 (24) | 12.81 (45) | -2.19 (48) | -20.60 (16) |
| Median | 22.51 | 26.80 | -1.00 | 12.33 | -2.70 | -24.71 |

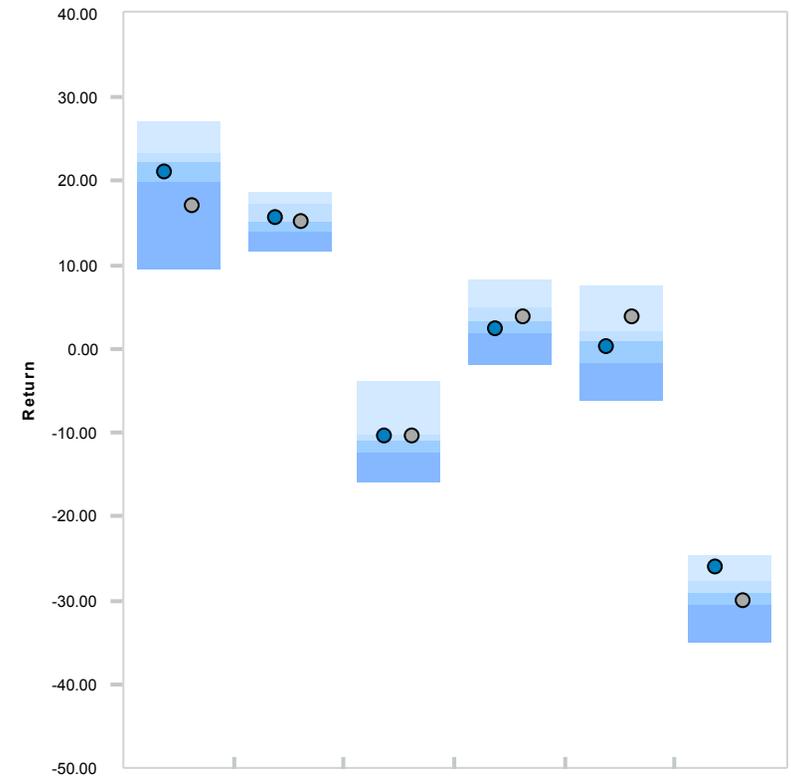
Comparative Performance

| | 1 Qtr Ending Sep-2014 | 1 Qtr Ending Jun-2014 | 1 Qtr Ending Mar-2014 | 1 Qtr Ending Dec-2013 | 1 Qtr Ending Sep-2013 | 1 Qtr Ending Jun-2013 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Wells Fargo | -0.57 (67) | 2.02 (91) | -2.06 (95) | 7.82 (86) | 13.52 (7) | 2.20 (47) |
| R3000 G | 0.88 (32) | 4.86 (22) | 1.07 (42) | 10.25 (40) | 8.48 (69) | 2.19 (48) |
| IM U.S. Multi-Cap Growth Equity(MF) Median | 0.17 | 4.01 | 0.81 | 9.87 | 9.89 | 2.15 |

Peer Group Analysis - IM International Large Cap Core Equity (MF)



| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR |
|-----------------------|------------|------------|-------------|-----------|-----------|-----------|-----------|
| ● Int'l Equity | -4.92 (88) | -4.92 (88) | -9.43 (100) | 4.01 (89) | 8.11 (91) | 2.59 (95) | 3.53 (95) |
| ● Int'l Equity Policy | -3.81 (44) | -3.81 (44) | -3.44 (21) | 5.74 (76) | 9.49 (77) | 3.28 (84) | 4.36 (70) |
| Median | -4.13 | -4.13 | -6.00 | 6.60 | 10.38 | 4.13 | 4.74 |

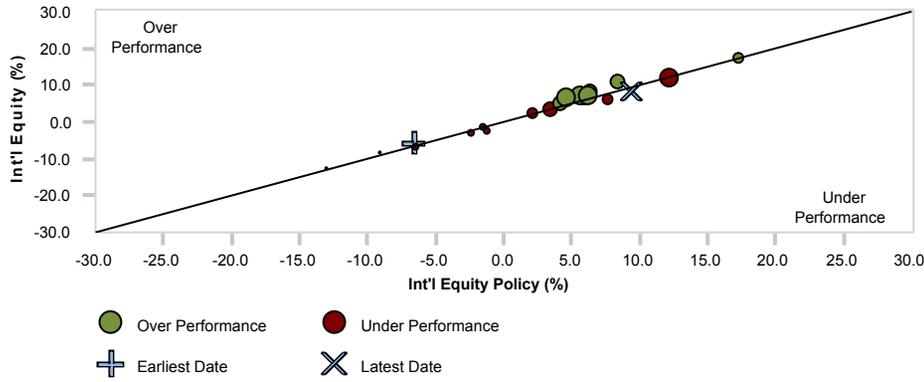


| | Oct-2012 To Sep-2013 | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 | Oct-2009 To Sep-2010 | Oct-2008 To Sep-2009 | Oct-2007 To Sep-2008 |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| ● Int'l Equity | 21.00 (64) | 15.65 (42) | -10.53 (31) | 2.37 (67) | 0.12 (66) | -26.09 (8) |
| ● Int'l Equity Policy | 16.98 (84) | 15.04 (52) | -10.42 (28) | 3.71 (46) | 3.80 (17) | -30.13 (67) |
| Median | 22.12 | 15.13 | -10.95 | 3.36 | 1.03 | -29.25 |

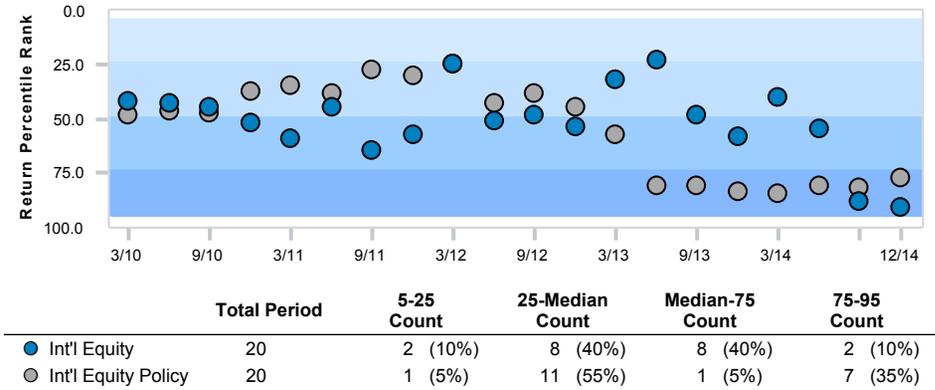
Comparative Performance

| | 1 Qtr Ending Sep-2014 | 1 Qtr Ending Jun-2014 | 1 Qtr Ending Mar-2014 | 1 Qtr Ending Dec-2013 | 1 Qtr Ending Sep-2013 | 1 Qtr Ending Jun-2013 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Int'l Equity | -9.66 (100) | 3.24 (87) | 2.13 (9) | 4.54 (89) | 9.59 (81) | -0.91 (39) |
| Int'l Equity Policy | -5.19 (42) | 5.25 (21) | 0.61 (27) | 4.81 (82) | 10.17 (70) | -2.90 (93) |
| IM International Large Cap Core Equity (MF) Median | -5.62 | 4.08 | 0.38 | 5.58 | 10.74 | -1.01 |

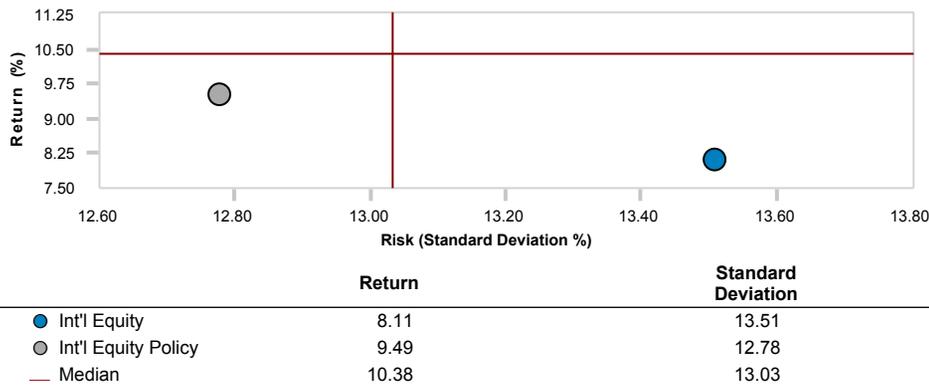
3 Yr Rolling Under/Over Performance - 5 Years



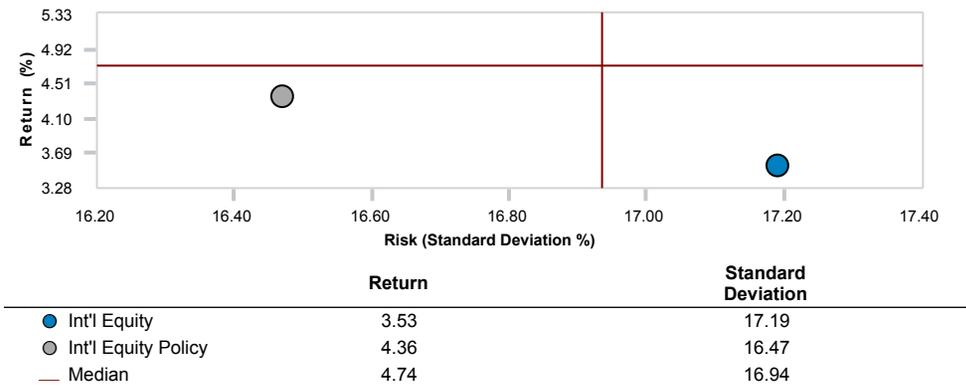
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

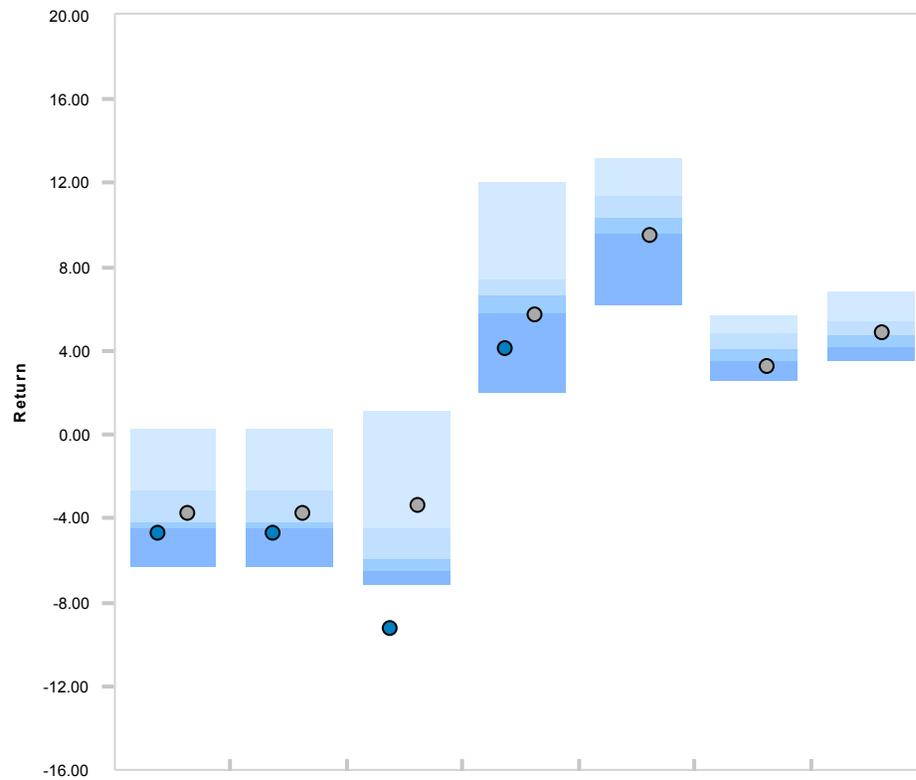
| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---------------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Int'l Equity | 4.38 | 98.29 | 106.28 | -1.17 | -0.27 | 0.64 | 1.00 | 9.24 |
| Int'l Equity Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 0.77 | 1.00 | 8.47 |

Historical Statistics - 5 Years

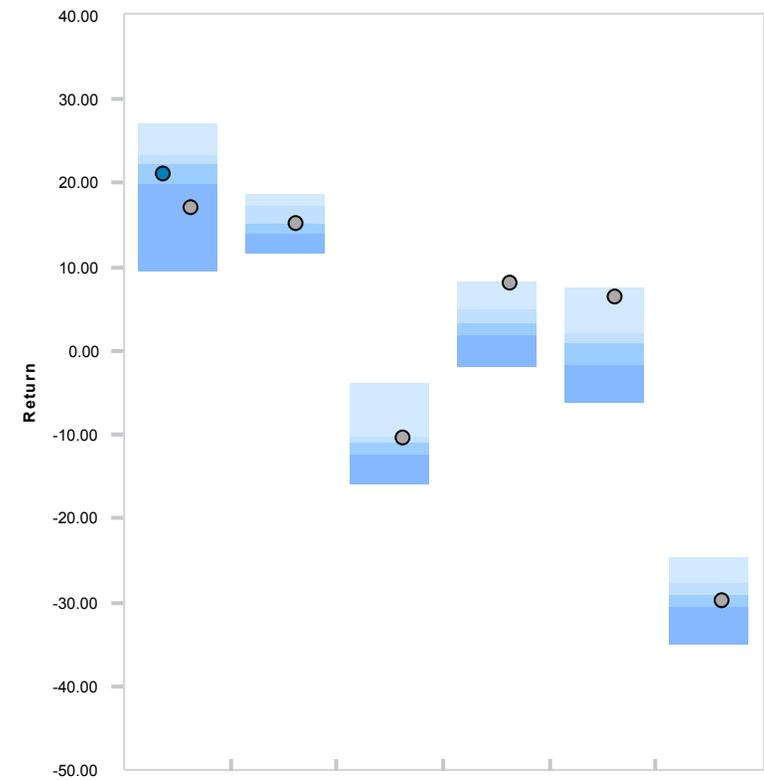
| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---------------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Int'l Equity | 4.15 | 103.05 | 107.51 | -0.75 | -0.16 | 0.28 | 1.01 | 11.64 |
| Int'l Equity Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 0.34 | 1.00 | 11.20 |

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Peer Group Analysis - IM International Large Cap Core Equity (MF)



| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR |
|--------------------|------------|------------|-------------|-----------|-----------|-----------|-----------|
| ● Manning & Napier | -4.73 (85) | -4.73 (85) | -9.26 (100) | 4.11 (88) | N/A | N/A | N/A |
| ● MSCI ACW ex USA | -3.81 (44) | -3.81 (44) | -3.44 (21) | 5.74 (76) | 9.49 (77) | 3.28 (84) | 4.89 (46) |
| Median | -4.13 | -4.13 | -6.00 | 6.60 | 10.38 | 4.13 | 4.74 |

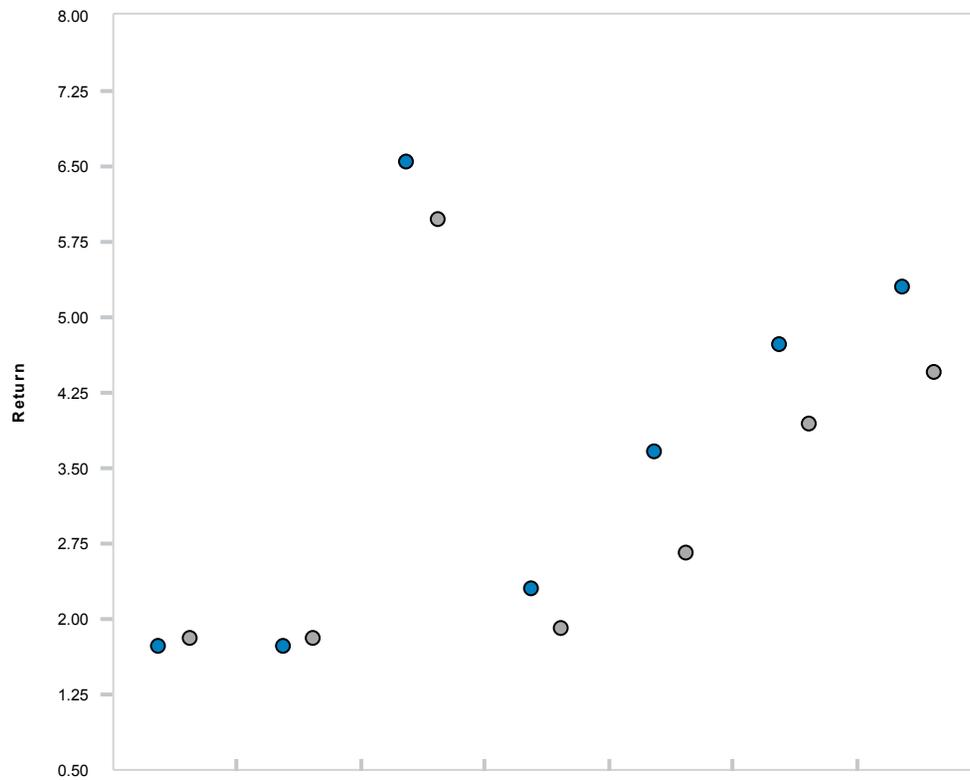


| | Oct-2012 To Sep-2013 | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 | Oct-2009 To Sep-2010 | Oct-2008 To Sep-2009 | Oct-2007 To Sep-2008 |
|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| ● Manning & Napier | 21.00 (64) | N/A | N/A | N/A | N/A | N/A |
| ● MSCI ACW ex USA | 16.98 (84) | 15.04 (52) | -10.42 (28) | 8.00 (6) | 6.43 (10) | 29.97 (64) |
| Median | 22.12 | 15.13 | -10.95 | 3.36 | 1.03 | 29.25 |

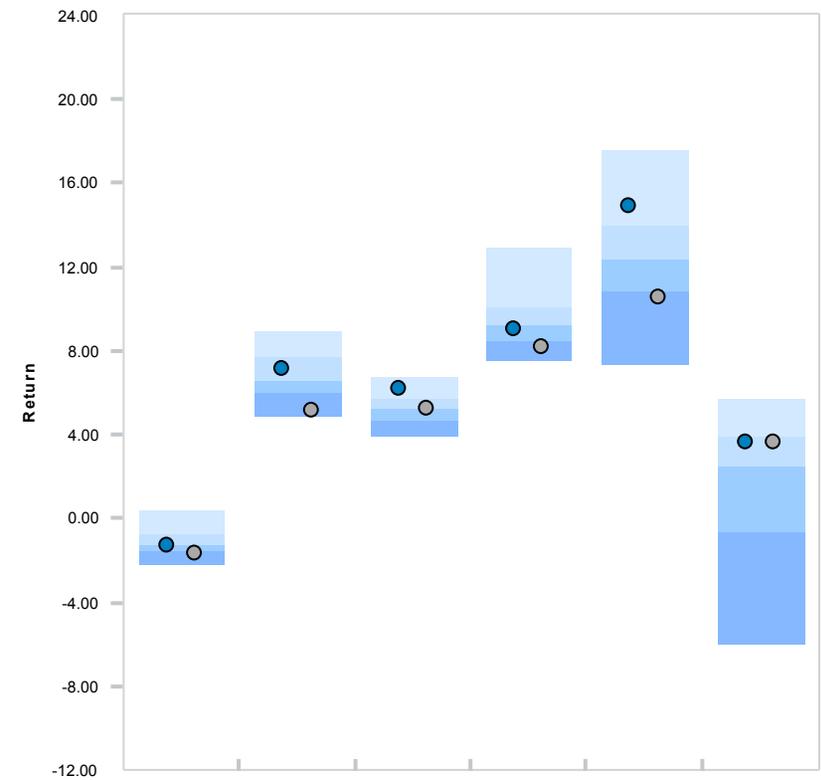
Comparative Performance

| | 1 Qtr Ending Sep-2014 | 1 Qtr Ending Jun-2014 | 1 Qtr Ending Mar-2014 | 1 Qtr Ending Dec-2013 | 1 Qtr Ending Sep-2013 | 1 Qtr Ending Jun-2013 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Manning & Napier | -9.66 (100) | 3.24 (87) | 2.13 (9) | 4.54 (89) | 9.59 (81) | -0.91 (39) |
| MSCI ACW ex USA | -5.19 (42) | 5.25 (21) | 0.61 (27) | 4.81 (82) | 10.17 (70) | -2.90 (93) |
| IM International Large Cap Core Equity (MF) Median | -5.62 | 4.08 | 0.38 | 5.58 | 10.74 | -1.01 |

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)



| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR |
|----------------|------------|------------|------------|------------|------------|------------|------------|
| ● Cutwater | 1.72 (N/A) | 1.72 (N/A) | 6.53 (N/A) | 2.30 (N/A) | 3.65 (N/A) | 4.72 (N/A) | 5.29 (N/A) |
| ● Barclays Agg | 1.79 (N/A) | 1.79 (N/A) | 5.97 (N/A) | 1.89 (N/A) | 2.66 (N/A) | 3.93 (N/A) | 4.45 (N/A) |
| Median | N/A |

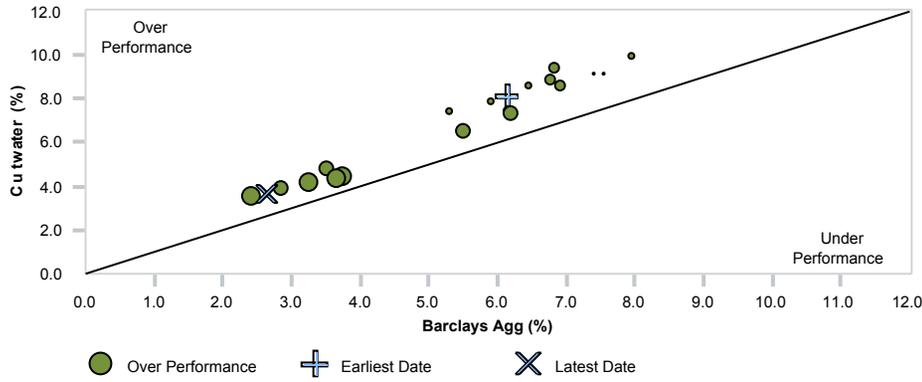


| | Oct-2012 To Sep-2013 | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 | Oct-2009 To Sep-2010 | Oct-2008 To Sep-2009 | Oct-2007 To Sep-2008 |
|----------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| ● Cutwater | -1.29 (52) | 7.11 (40) | 6.15 (13) | 9.01 (53) | 14.88 (17) | 3.67 (32) |
| ● Barclays Agg | -1.68 (81) | 5.16 (91) | 5.26 (49) | 8.16 (87) | 10.56 (81) | 3.65 (32) |
| Median | -1.27 | 6.60 | 5.26 | 9.20 | 12.30 | 2.54 |

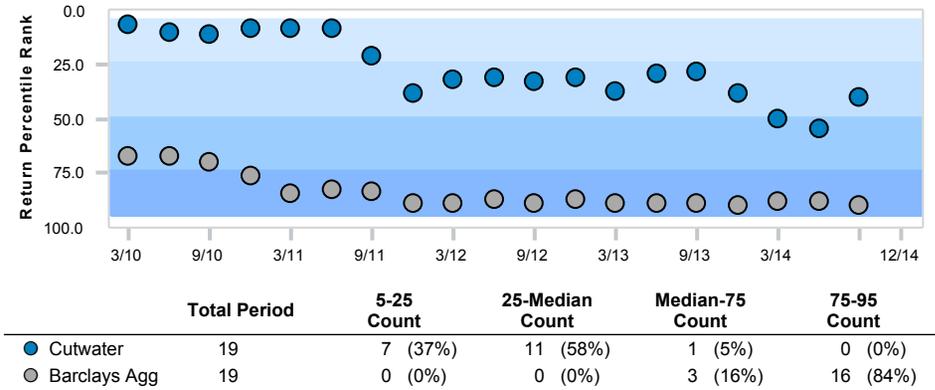
Comparative Performance

| | 1 Qtr Ending Sep-2014 | 1 Qtr Ending Jun-2014 | 1 Qtr Ending Mar-2014 | 1 Qtr Ending Dec-2013 | 1 Qtr Ending Sep-2013 | 1 Qtr Ending Jun-2013 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Cutwater | 0.42 (13) | 2.12 (58) | 2.12 (37) | 0.16 (44) | 0.46 (78) | -2.46 (57) |
| Barclays Agg | 0.17 (66) | 2.04 (73) | 1.84 (77) | -0.14 (77) | 0.57 (63) | -2.32 (38) |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 0.21 | 2.15 | 2.03 | 0.08 | 0.63 | -2.42 |

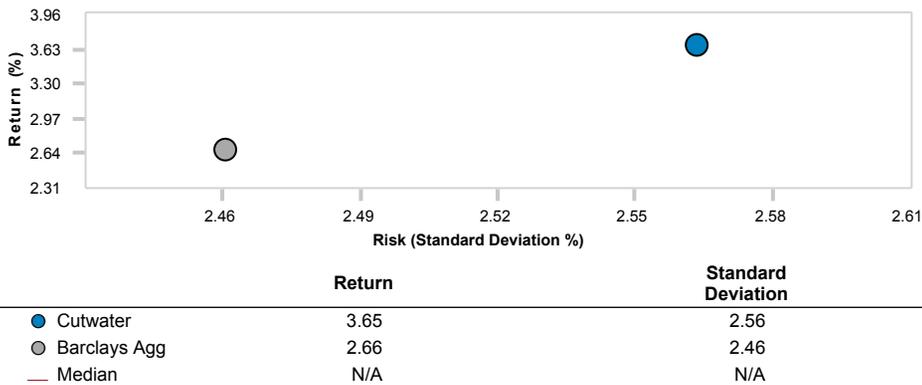
3 Yr Rolling Under/Over Performance - 5 Years



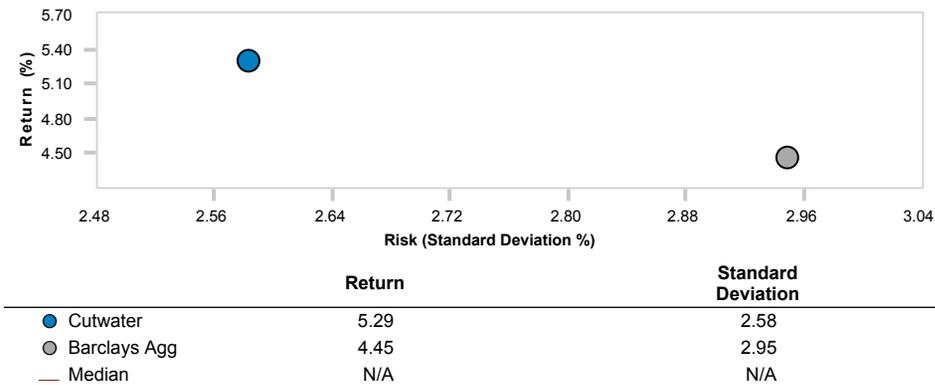
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



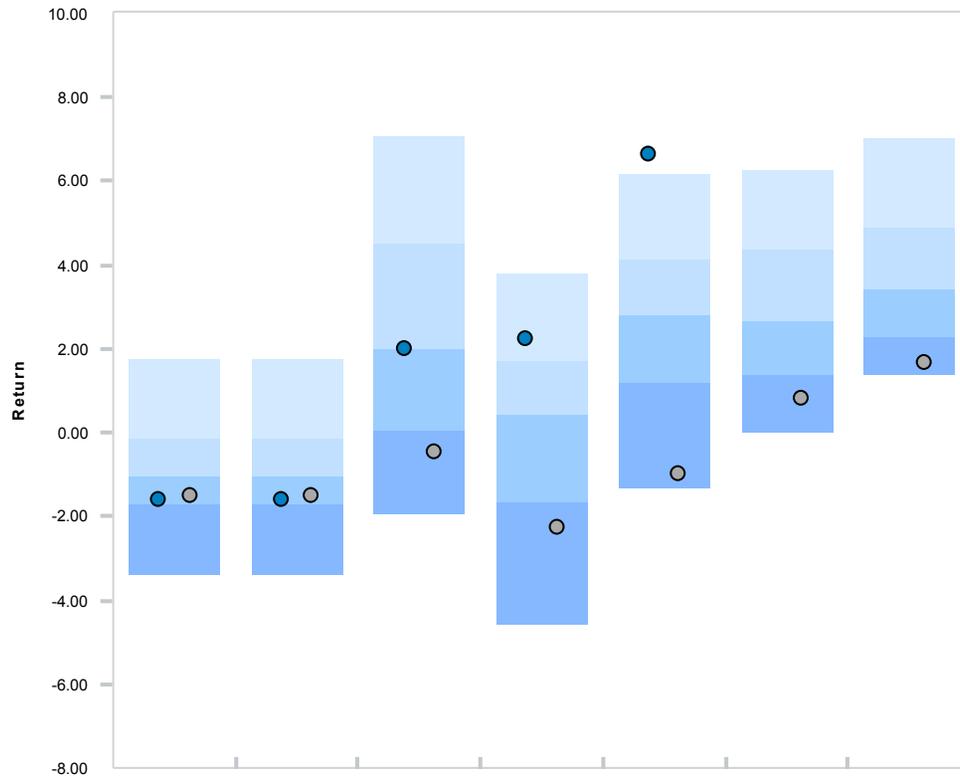
Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|--------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Cutwater | 0.69 | 115.78 | 93.24 | 0.86 | 1.40 | 1.27 | 1.04 | 1.72 |
| Barclays Agg | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 0.99 | 1.00 | 1.60 |

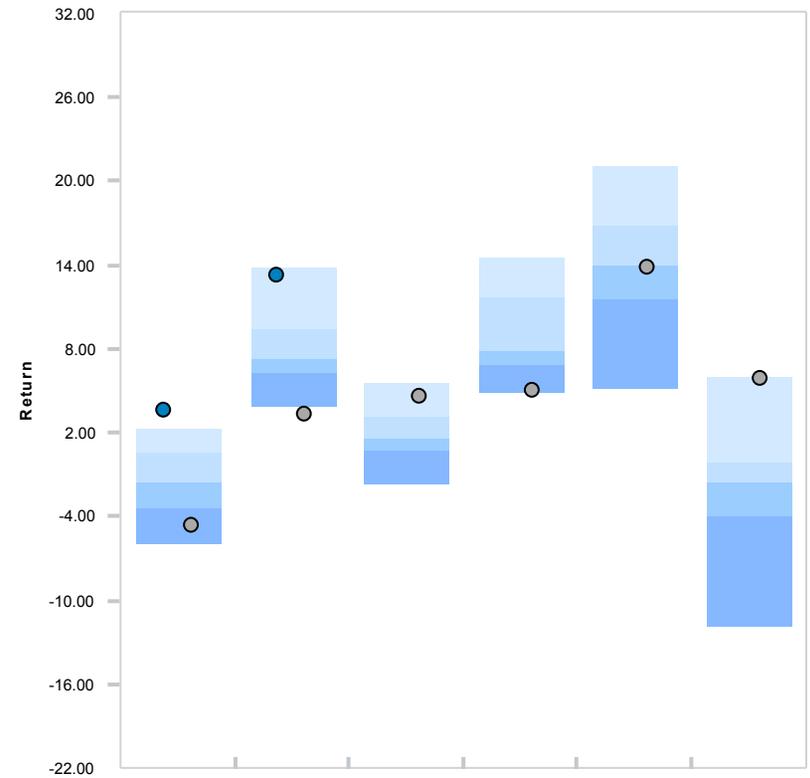
Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|--------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Cutwater | 0.95 | 108.14 | 84.22 | 1.07 | 0.85 | 1.91 | 0.94 | 1.40 |
| Barclays Agg | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.62 | 1.00 | 1.36 |

Peer Group Analysis - IM Global Fixed Income (MF)



| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR |
|----------------|------------|------------|------------|------------|------------|-----------|-----------|
| ● Templeton GB | -1.60 (74) | -1.60 (74) | 1.97 (51) | 2.21 (19) | 6.66 (3) | N/A | N/A |
| ● CG W/G | -1.49 (72) | -1.49 (72) | -0.48 (83) | -2.25 (82) | -0.97 (94) | 0.81 (85) | 1.67 (91) |
| Median | -1.02 | -1.02 | 1.98 | 0.41 | 2.82 | 2.67 | 3.39 |

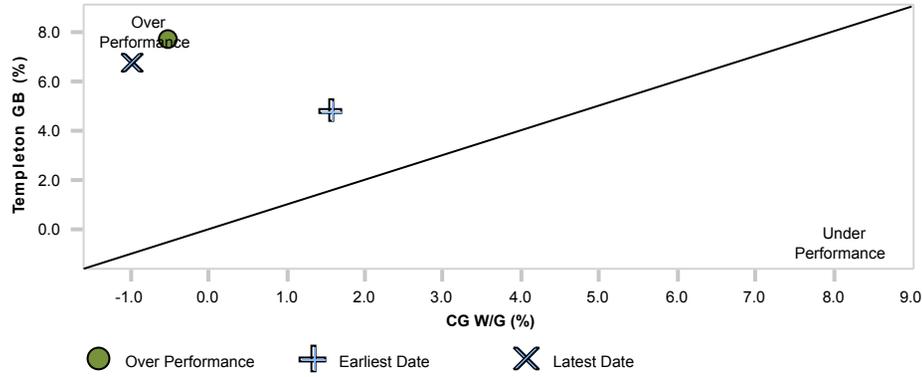


| | Oct-2012 To Sep-2013 | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 | Oct-2009 To Sep-2010 | Oct-2008 To Sep-2009 | Oct-2007 To Sep-2008 |
|----------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| ● Templeton GB | 3.54 (3) | 13.23 (7) | N/A | N/A | N/A | N/A |
| ● CG W/G | -4.60 (85) | 3.29 (97) | 4.61 (8) | 4.99 (95) | 13.78 (51) | 5.90 (6) |
| Median | -1.52 | 7.34 | 1.56 | 7.82 | 13.91 | -1.47 |

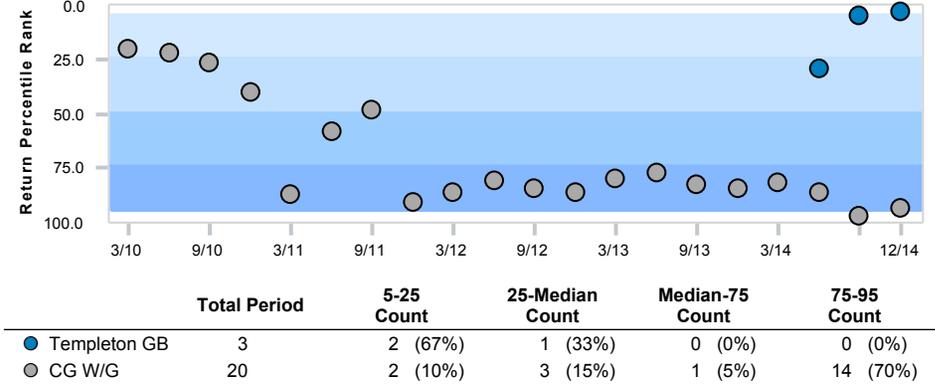
Comparative Performance

| | 1 Qtr Ending Sep-2014 | 1 Qtr Ending Jun-2014 | 1 Qtr Ending Mar-2014 | 1 Qtr Ending Dec-2013 | 1 Qtr Ending Sep-2013 | 1 Qtr Ending Jun-2013 |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Templeton GB | 0.11 (14) | 2.71 (39) | 0.79 (94) | 2.73 (2) | 1.08 (48) | -2.73 (31) |
| CG W/G | -3.78 (91) | 2.27 (53) | 2.66 (43) | -1.09 (91) | 2.88 (3) | -2.97 (38) |
| IM Global Fixed Income (MF) Median | -1.59 | 2.38 | 2.49 | 0.70 | 0.93 | -3.29 |

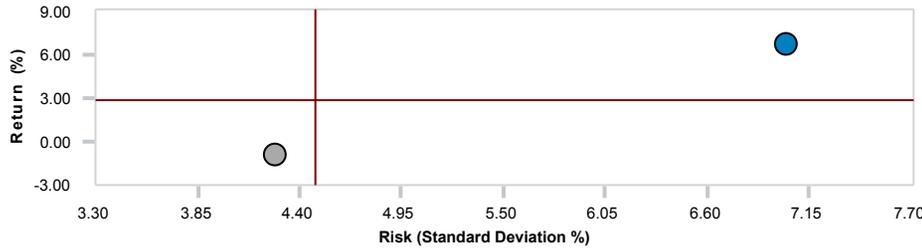
3 Yr Rolling Under/Over Performance - 5 Years



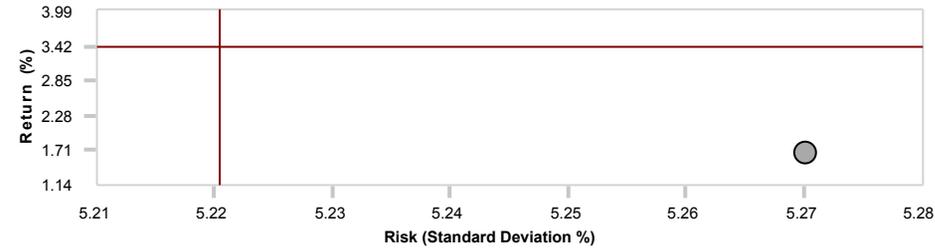
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|--------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Templeton GB | 6.61 | 147.21 | 23.60 | 7.53 | 1.15 | 0.95 | 0.66 | 4.32 |
| CG W/G | 0.00 | 100.00 | 100.00 | 0.00 | N/A | -0.22 | 1.00 | 3.36 |

Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|--------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Templeton GB | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| CG W/G | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 0.33 | 1.00 | 3.66 |

St. Pete Beach Police Officers' Retirement System

Fee Analysis

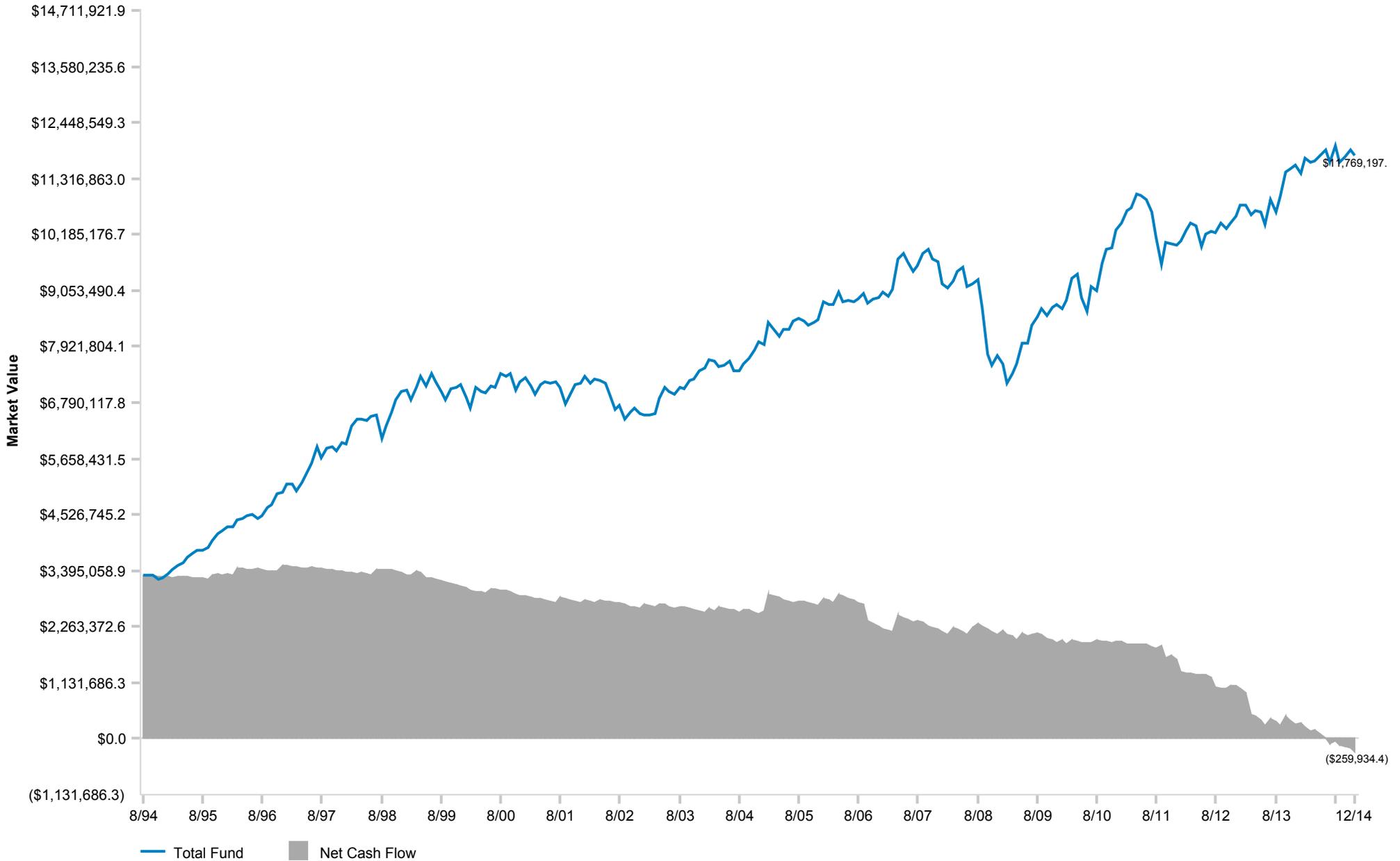
As of December 31, 2014

| | Estimated Annual Fee (%) | Market Value (\$) | Estimated Annual Fee (\$) | Fee Schedule |
|---|--------------------------|-------------------|---------------------------|---|
| Domestic Equity | | | | |
| Anchor All Cap Value | 0.75 | 1,049,168 | 7,869 | 0.75 % of First \$3 M 0.50 % Thereafter |
| Wells Fargo Advantage Growth I (SGRNX) | 0.75 | 1,052,930 | 7,897 | 0.75 % of Assets |
| Vanguard Total Stock Mkt Index Instl(VITSX) | 0.04 | 3,469,836 | 1,388 | 0.04 % of Assets |
| International Equity | | | | |
| Manning & Napier Overseas (EXOSX) | 0.75 | 1,146,045 | 8,595 | 0.75 % of Assets |
| Domestic Fixed Income | | | | |
| Cutwater Core Fixed Income | 0.35 | 4,409,837 | 15,434 | 0.35 % of First \$5 M 0.30 % of Next \$3 M 0.25 % of Next \$3 M 0.20 % of Next \$15 M 0.15 % Thereafter |
| Global Fixed Income | | | | |
| Templeton Global Bond R6 (FBNRX) | 0.51 | 556,534 | 2,838 | 0.51 % of Assets |
| Cash Accounts | | | | |
| Receipt & Disbursement | 0.00 | 84,849 | - | 0.00 % of Assets |
| Total Fund | 0.37 | 11,769,198 | 44,022 | |

Consultant Fee: \$15,200

Custodial Fee (1 Yr): \$11,640

Schedule of Investable Assets



| Total Fund Compliance: | Yes | No | N/A |
|---|------------|-----------|------------|
| 1. The Total Plan return equaled or exceeded the 7.00% actuarial earnings assumption over the trailing three year period. | Ü | | |
| 2. The Total Plan return equaled or exceeded the 7.00% actuarial earnings assumption over the trailing five year period. | Ü | | |
| 3. The Total Plan return equaled or exceeded the total plan benchmark over the trailing three year period. | Ü | | |
| 4. The Total Plan return equaled or exceeded the total plan benchmark over the trailing five year period. | Ü | | |
| 5. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing three year period. | | Ü | |
| 6. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing five year period. | Ü | | |

| Equity Compliance: | Yes | No | N/A |
|---|------------|-----------|------------|
| 1. Total Equity return equaled or exceeded the benchmark over the trailing three year period. | | Ü | |
| 2. Total Equity return equaled or exceeded the benchmark over the trailing five year period. | Ü | | |
| 3. Total Equity investments do not exceed 75% of the market value of Plan assets. | Ü | | |
| 3. Total International Equity investments do not exceed 25% of the market value of Plan assets. | Ü | | |

| Fixed Income Compliance: | Yes | No | N/A |
|---|------------|-----------|------------|
| 1. Total Fixed Income return equaled or exceeded the benchmark over the trailing three year period. | Ü | | |
| 2. Total Fixed Income return equaled or exceeded the benchmark over the trailing five year period. | Ü | | |
| 3. 80% of the fixed income investments have a minimum rating of investment grade or higher. | | | Ü |

| Manager Compliance: | Vanguard (VITSX) | | | Anchor | | | Wells (SGRNX) | | | M&N (EXOSX) | | | Cutwater | | |
|---|-------------------------|-----------|------------|---------------|-----------|------------|----------------------|-----------|------------|------------------------|-----------|------------|-----------------|-----------|------------|
| | Yes | No | N/A | Yes | No | N/A | Yes | No | N/A | Yes | No | N/A | Yes | No | N/A |
| 1. Manager outperformed the index over the trailing three year period. | | | Ü | | | Ü | | | Ü | | | Ü | Ü | | |
| 2. Manager outperformed the index over the trailing five year period. | | | Ü | | | Ü | | | Ü | | | Ü | Ü | | |
| 3. Manager has had less than 4 consecutive quarters of underperformance. | Ü | | | Ü | | | | Ü | | Ü | | | Ü | | |
| 4. Manager ranked within the top 40th percentile over the trailing three year period. | | | Ü | | | Ü | | | Ü | | | Ü | | | Ü |
| 5. Manager ranked within the top 40th percentile over the trailing five year period. | | | Ü | | | Ü | | | Ü | | | Ü | | | Ü |
| 6. Manager three year down market capture ratio is less than the index. | | | Ü | | | Ü | | | Ü | | | Ü | Ü | | |
| 7. Manager five year down market capture ratio is less than the index. | | | Ü | | | Ü | | | Ü | | | Ü | Ü | | |
| 8. Manager reports compliance with PFIA | | | Ü | | | Ü | | | Ü | | | Ü | | | Ü |

| Manager Compliance: | Templeton (FBNRX) | | |
|---|--------------------------|-----------|------------|
| | Yes | No | N/A |
| 1. Manager outperformed the index over the trailing three year period. | Ü | | |
| 2. Manager outperformed the index over the trailing five year period. | | | Ü |
| 3. Manager has had less than 4 consecutive quarters of underperformance. | Ü | | |
| 4. Manager ranked within the top 40th percentile over the trailing three year period. | Ü | | |
| 5. Manager ranked within the top 40th percentile over the trailing five year period. | | | Ü |
| 6. Manager three year down market capture ratio is less than the index. | Ü | | |
| 7. Manager five year down market capture ratio is less than the index. | | | Ü |
| 8. Manager reports compliance with PFIA | | | Ü |

**St. Pete Beach Police Officers' Retirement System
Investment Policy Benchmarks**

As of December 31, 2014

| Total Fund Policy | | Total Equity Policy | |
|---------------------------------|-------------------|--|-------------------|
| Allocation Mandate | Weight (%) | Allocation Mandate | Weight (%) |
| Jan-1978 | | Jan-1926 | |
| Barclays U.S. Gov't/Credit | 40.00 | S&P 500 Index | 100.00 |
| Citigroup 3 Month T-Bill Index | 10.00 | | |
| S&P 500 Index | 50.00 | Oct-2010 | |
| | | Russell 3000 Index | 75.00 |
| Jan-1997 | | MSCI EAFE Index | 25.00 |
| S&P 500 Index | 60.00 | | |
| Barclays U.S. Gov't/Credit | 30.00 | Jul-2012 | |
| Citigroup 3 Month T-Bill Index | 10.00 | Russell 3000 Index | 80.00 |
| | | MSCI AC World ex USA | 20.00 |
| Apr-2002 | | | |
| S&P 500 Index | 60.00 | Total Domestic Equity Policy | |
| Barclays U.S. Gov't/Credit | 40.00 | Allocation Mandate | Weight (%) |
| | | Jan-1926 | |
| Oct-2010 | | S&P 500 Index | 100.00 |
| Russell 3000 Index | 45.00 | | |
| MSCI EAFE Index | 15.00 | Oct-2010 | |
| Barclays Aggregate Index | 40.00 | Russell 3000 Index | 100.00 |
| | | | |
| Jul-2012 | | Total International Equity Policy | |
| Russell 3000 Index | 30.00 | Allocation Mandate | Weight (%) |
| Russell 3000 Growth Index | 9.00 | Jan-2006 | |
| Russell 3000 Value Index | 9.00 | MSCI EAFE Index | 100.00 |
| MSCI AC World ex USA | 12.00 | | |
| Barclays Aggregate Index | 35.00 | Oct-2010 | |
| Citigroup World Government Bond | 5.00 | MSCI AC World ex USA | 100.00 |
| | | | |
| Dec-2014 | | Total Fixed Income Policy | |
| Russell 3000 Index | 45.00 | Allocation Mandate | Weight (%) |
| MSCI AC World ex USA | 10.00 | Jan-1973 | |
| Barclays Aggregate Index | 40.00 | Barclays U.S. Gov't/Credit | 100.00 |
| Citigroup World Government Bond | 5.00 | | |
| | | Oct-2010 | |
| | | Barclays Aggregate Index | 100.00 |
| | | | |
| | | Dec-2014 | |
| | | Barclays Aggregate Index | 90.00 |
| | | Citigroup World Government Bond | 10.00 |

| | |
|----------------------------|---|
| Active Return | - Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period. |
| Alpha | - A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market. |
| Beta | - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk. |
| Consistency | - The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance. |
| Down Market Capture | - The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance |
| Downside Risk | - A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product. |
| Excess Return | - Arithmetic difference between the manager's performance and the risk-free return over a specified time period. |
| Excess Risk | - A measure of the standard deviation of a portfolio's performance relative to the risk free return. |
| Information Ratio | - This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio. |
| R-Squared | - The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark. |
| Return | - Compounded rate of return for the period. |
| Sharpe Ratio | - Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance. |
| Standard Deviation | - A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period. |
| Tracking Error | - This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark. |
| Treynor Ratio | - Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance. |
| Up Market Capture | - The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance. |

The Bogdahn Group compiled this report for the sole use of the client for which it was prepared. The Bogdahn Group is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. The Bogdahn group uses the results from this evaluation to make observations and recommendations to the client.

The Bogdahn Group uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. The Bogdahn Group analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides The Bogdahn Group with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides The Bogdahn Group with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause The Bogdahn Group to believe that the information presented is significantly misstated.

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